MOEN UNCOVERS TOP TREND IN KITCHEN REMODELING

New Research Finds Homeowners are Renovating to Create "Live-In Value;" Rather than to Sell

North Olmsted, Ohio... For years, we've heard that if you want to sell your home, start by remodeling your kitchen. Why? Because it has the highest return on investment. But in today's age, when most homeowners are choosing to stay put longer; rather than sell – how does that impact kitchen home improvement projects? And how do these projects change, depending on influences like families with young children, generational wants, sustainable trends and the like? Look to none other than Moen[®], the number one faucet brand in North America, to look at today's American kitchen – no longer a place to simply cook and eat, it's now the "real" living room – a place for living, working and entertaining.

"Given the current recession, it's no surprise that consumers are saving rather than spending. And when they *do* spend, they're doing so from cash on hand; rather than credit," said Jack Suvak, senior director of research and insights, Moen. "This change in spending behavior has had a dramatic impact on remodeling projects. Most homeowners are choosing to perform 'room lifts' – small updates to personalize a room – rather than undertake major remodels."

Suvak continued, "Plus, homeowners are choosing to personalize renovations to fit *their* needs, rather than update a room for the next family that will be living in the house. In the kitchen, this might include everything from creating solutions that better integrate the management of electronic devices...to creating 'kid level' storage areas...to adding safety features for aging boomers."

Kitchen Influences: Children, Generations and More

The kitchen has evolved from a closed-off satellite to the most open, doted-upon room in the house. How are homeowners creating live-in value in this hub of activity?

Families with Children

Moen's research found that families with children living in the home are even more engaged in their kitchens than their counterparts without kids; *and* are more likely to view the kitchen as a place where activities or conversations frequently happen. With regard specifically to kitchen

remodeling, respondents with children are significantly more likely than those without children to have remodeled or made improvements to their kitchen in the past year, used a kitchen designer or architect, or spent more on kitchen improvements. And families with children living in the home are far more likely to say they would spend *more* money on their kitchen remodel if they had it to do over.

When Moen queried designers about the challenges of creating live-in value for families with children, there are clear differences for families with kids of different ages. As children grow older, the kitchen evolves from a potentially dangerous place to a space for sharing food preparation and cooking experiences. Designers stated the number one concern when remodeling kitchens for families with children in each of three age groups are:

- 1. Younger than five years old: Safety
- 2. Age five to 12 years old: Places for kids to play or work
- 3. Age 13 or older: Ability to have two or more cooks in the kitchen at one time

Utilizing this research, sample ideas to perform "room lifts" for families with children include: creating a "kid zone" (away from the stove) to enable room for child-friendly cooking, putting in a desk-like environment for computer work or homework, or adding an island with a faucet and sink, to allow for two prep areas.

Generational Differences

While families with children have very specific desires in terms of creating a kitchen with live-in value, so do the different generations.

By far, Millenials (age 18-34) have the highest demands in what they would want in a dream kitchen. The majority of their "wish list" items include those with technological advances, such as:

- A microwave that allows for swiping a package bar code, enabling the microwave to cook to exact directions
- A TV screen built into a kitchen wall or appliance
- Technology that would allow putting a dish in the oven, programming it to refrigerate and then turning the heat on from a phone or computer

Boomers (age 45-64) also had specific "wish list" items, mostly around entertaining large groups. Examples include:

- A cooktop with special-purpose features (built-in grill or wok, rotisserie attachment)
- Commercial or professional-grade appliances
- Built-in coffee pot connected directly to plumbing
- An oven that dramatically reduces cooking times without microwaves

Green in Certain Categories

Contrary to what many might believe, designers say their clients are more concerned about the project costs than being green. The costs of environmentally friendly products and materials are still seen as higher than non-green products; and these higher costs discourage consumers who are already reluctant to spend more on their kitchen remodels.

That being said, there are certain categories that homeowners who are creating live-in value want to be sustainable, more than others:

- Energy-efficient appliances are almost standard in product selection
- Cabinetry, countertops and flooring that use sustainable or natural materials such as bamboo, cork and stone are being requested more frequently
- More consumers are asking about energy-efficient lighting, as well as water-saving faucets and showering, for their homes
- More consumers are showing concern about air quality by requesting non-toxic, low-VOC finishes

"As the demand for water-saving functionality increases, Moen continues to introduce options to help homeowners achieve stylish looks with faucets and showerheads that feature flow optimization, without sacrificing performance," added Suvak.

Move Over, Dining Room

Since 2004, Moen has observed that homeowners were not using their dining rooms as often, and the kitchen/family room was taking on a more significant role in the home habitat. That observation has not changed over the last decade, and even this simple thought has an impact on how remodeling projects create live-in value:

- Laptops are now a kitchen utility; because homeowners don't want to be isolated in the home office or den – meaning designers must now allocate an area for laptop and mobile device recharging
- Second sinks are becoming more prevalent on center islands, so the cook can interact with the family while prepping or cleaning up from a meal
- The lack of good space and industrial design leads to using the sink, and area around the sink, as storage

"While realtors still keep tabs on the sorts of upgrades that will improve a home's resale value, we believe that consumers will continue to remodel with the idea of improving their quality of life while they 'stay put,' for quite some time," explained Suvak. "In other words, homeowners aren't making huge investments on their homes with an eye toward making more money – rather, they're remodeling to create 'live-in value."

For the more information about kitchen trends from Moen, visit moen.com.

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About Moen

Moen, the 2010 EPA <u>WaterSense®</u> Manufacturer Partner of the Year, offers a diverse selection of thoughtfully designed, on-trend <u>kitchen faucets</u>, <u>bathroom faucets</u>, <u>bath accessories</u>, <u>showerheads</u>, and <u>stainless steel sinks</u> for residential and commercial applications. As a WaterSense partner, Moen has aligned its priorities with the goals of the U.S. EPA, working to protect the future of our nation's water supply through the introduction and ongoing support of water-efficient products, programs and practices, while keeping consumers' needs top-of-mind.

Customers have come to rely on Moen, the #1 faucet brand in North America, to deliver dependable products and service. Moen is part of Fortune Brands, Inc. (NYSE: FO, <u>www.fortunebrands.com</u>), a leading consumer brands company.

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