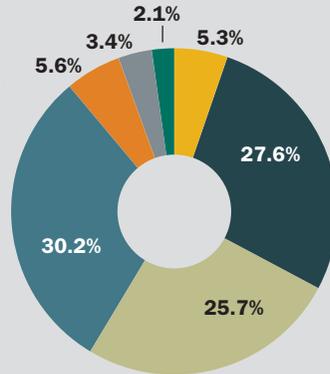


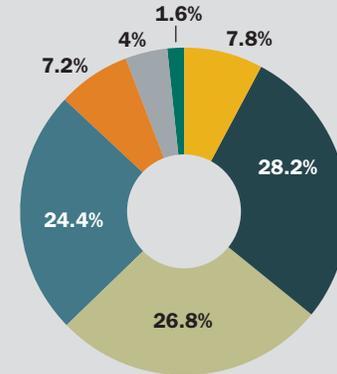
As of October 2104, the number of leads has increased for 58.6% of respondents, with 32.9% reporting a jump of 10%-25% or more. Average job size is up 10% or more for 62.8% of respondents.

- Up > 25%
- Up 10% to 25%
- Up < 10%
- Unchanged
- Down < 10%
- Down 10% to 25%
- Down > 25%

So far, is lead activity up or down for 2015 work?



Did your 2014 average job size increase or decrease compared with 2013?



SOURCE: PROFESSIONAL REMODELER SURVEY

Hiring Challenges

Despite the rise in leads and increase in job sizes, only 38% of respondents said they will add employees in 2015, and 59% said there will be no change in their employee numbers. It's unclear whether that's because they feel they can continue to produce the increased number of jobs with their current employees or because they believe they cannot find people to hire. Other factors include the time investment needed to find good people and the burden of enticements, such as health insurance benefits, needed to attract qualified employees.

Labor is a real challenge, says Baker. "The labor force has gotten smaller and older, and there are fewer foreign-born workers. The scale back in immigration has hurt [the construction industry]," he

says. "The industry will have to do a lot better in recruiting a work force and providing training programs to support that."

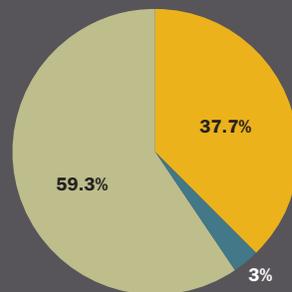
McAdams, who will be hiring in 2015, says, "In our market, we don't see many people on the job that don't have a little bit of grey hair." His own carpenters, he says, "are golden; they're our blood." To keep them and to be able to hire good-quality employees, he says, "We have to make sure our carpenters' wives are really happy. We offer paid holidays, paid vacations, health insurance paid in full with a competitive plan so the dependent coverage doesn't break their backs."

Merrick, too, is being "proactive in getting good help." He has raised his health insurance spending "by 30% to provide employees with a really good plan. That attracts the right kind of people.

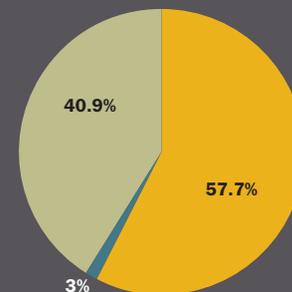
More than a third of remodelers responding to the survey expect to add employees in 2015, while nearly 60% plan to raise prices and just 3% plan to lower prices.

- Increasing
- Decreasing
- No change

Are you expecting to add or decrease employees in 2015?



Are your prices for 2015 increasing, decreasing, or staying the same?



SOURCE: PROFESSIONAL REMODELER SURVEY