



# UPGRADED CLOSET STUDY IN NEW **HOME CONSTRUCTION**

Prepared for ClosetMaid

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# EXECUTIVE SUMMARY

# STUDY OVERVIEW

## KEY OBJECTIVES

- ✓ What is consumer demand for **upgraded closets in new home** construction?
- ✓ How much more would home buyers be willing to pay for upgraded closets?
- ✓ How do consumers value upgraded closets vs upgrades to other parts of the house that have equivalent cost?

## SURVEY ADMINISTRATION & SURVEY SAMPLE

- The survey was administered online to respondents recruited via a panel.
- This analysis includes 727 respondents following data cleaning and quality control.


## RESPONDENT QUALIFICATIONS

- Must be 18 years or older and reside in the United States.
- Respondent and immediate family must not work in a critical industry.
- Must be a primary/shared decision maker for household purchases.
- Must fall into one of the following categories:
  - Homebuyer who has purchased a newly built home within the past 24 months or is actively planning to purchase a newly built home within the next 24 months

# KEY SEGMENTATIONS

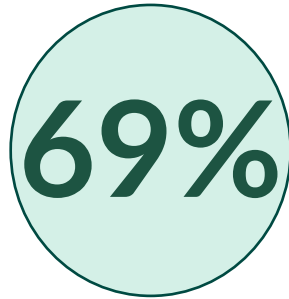


This report includes results by New Homeowners. Statistically significant differences are calculated at the 95% confidence level, denoted by superscript letters (e.g., <sup>A</sup>, <sup>B</sup>, <sup>C</sup>), and presented in call-out bubbles/tables. Corresponding letters indicate significant differences between groups.

 HOMEOWNER STATUS (n=385)	
Current owners (n=176)	46%
Future owners (n=209)	54%

# DEMAND FOR UPGRADED CLOSETS IN NEW HOME CONSTRUCTION

## OWNERS



Of owners find upgraded closets in new construction homes *appealing*. 17% find it *more valuable than most upgrades*.

76%

Of current owners have an upgraded closet in their home

93%

Of future owners want an upgraded closet in their future home

78%

Of current owners paid on average 13% more for a newly built home with an upgraded closet

93%

Of future owners are willing to pay 10% more on average for a home with an upgraded closet

# RECOMMENDATIONS

Homeowners are generally more interested in closet upgrades. ClosetMaid may be more successful in focusing sales efforts on home builders. Hanover recommends the following when communicating with builders and improving product offerings:



**Highlight the appeal of closet upgrades** in new home construction when talking to home builders. Also, **discuss how some customers value it more than many other common home upgrades.**



**Emphasize demand for closet upgrades.** Reference the high number of future owners that are seeking, and **ready to pay more for homes that come with such upgrades.**



**Prioritize closet upgrades that offer more storage, hanging, and shoe space, as well as arrangement/organization flexibility.**

# KEY FINDINGS

## Homeowners

- **Upgraded closets are fairly important additions in new construction homes.** Roughly two-thirds of homeowners find upgraded closets appealing (69%), and close to a quarter (17%) value it more than most home upgrades.
- **There is high demand for upgraded closets in new homes and owners are willing to pay more for the addition.** Many owners who recently moved into their homes opted for an upgraded closet (76%) and three-quarters (78%) paid about 13% more on average.
- **Demand will likely increase** as nearly all future homeowners (93%) seek new homes with upgraded closets. They (93%) are willing to pay about 10% more on average, which is roughly a \$30,000 increase in home price (based on average home cost expectations of \$392,890).

## Overall Homeowner

- **Homeowners are like upgraded closets that have more storage space.** They want more hanging (owners: 43%) and shoe storage (owners: 45%) storage, as well as general storage space (owners: 50%) They also want more flexibility/customization options (owners 43%).
  - Consumers particularly like the premium wood closet (owners; 68%) for the space (56%) and for its design (66%), appearance (65%), and ease of organization (55%). Homeowners are willing to pay 11% more in mortgage for this option.



# UPGRADED CLOSETS

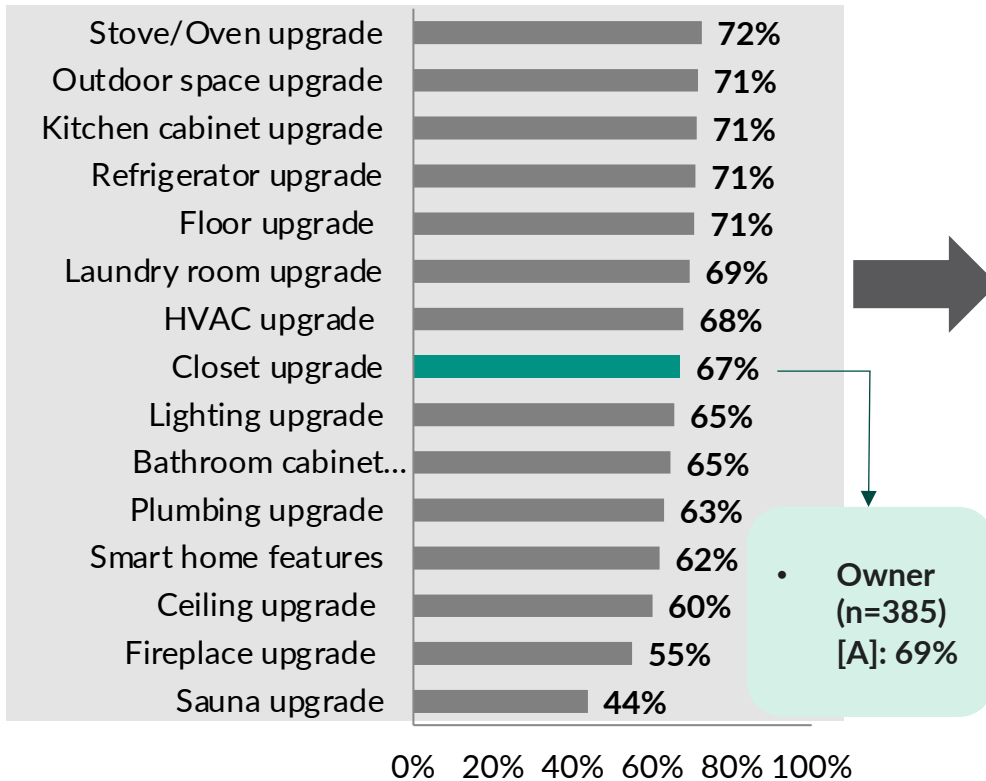
# APPEAL

# TWO-THIRDS OF OWNERS FIND CLOSET UPGRADES IN NEWLY BUILT HOMES APPEALING

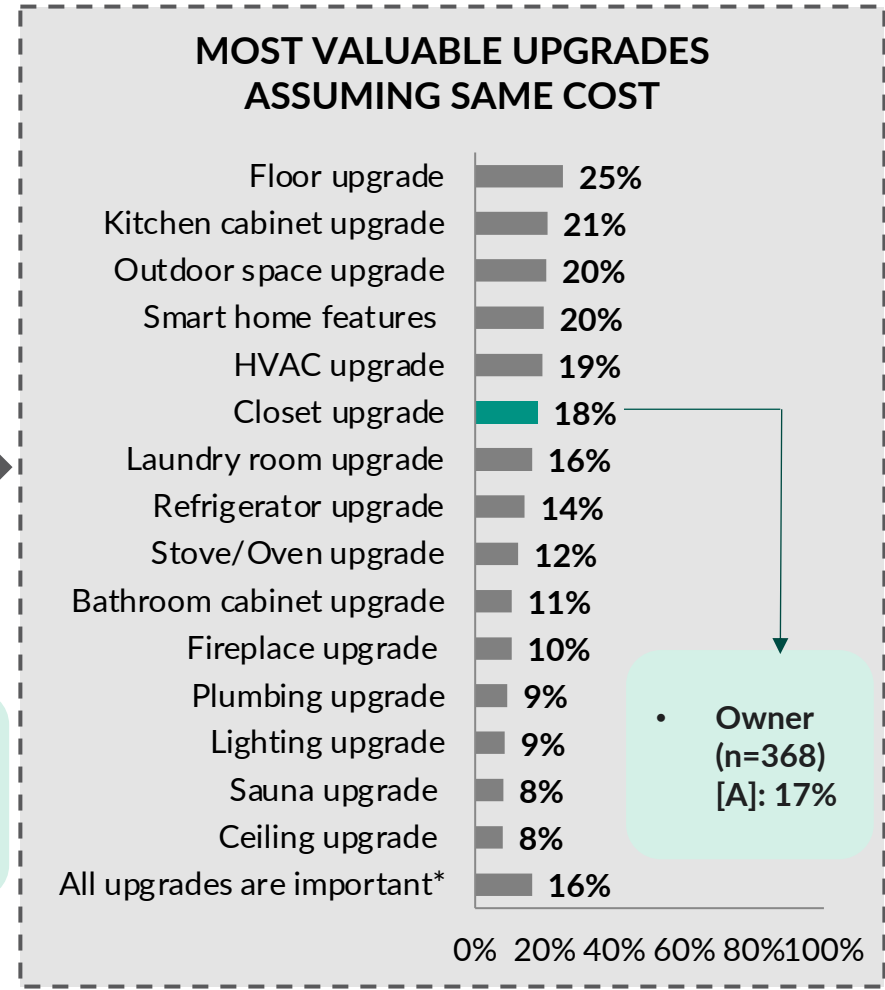
- Almost a quarter of owners (17%) consider closet upgrades one of the most valuable upgrades for their newly built houses.

## APPEAL OF UPGRADES (TOP 2)

Top 2 Box includes "Very" and "Extremely" Appealing

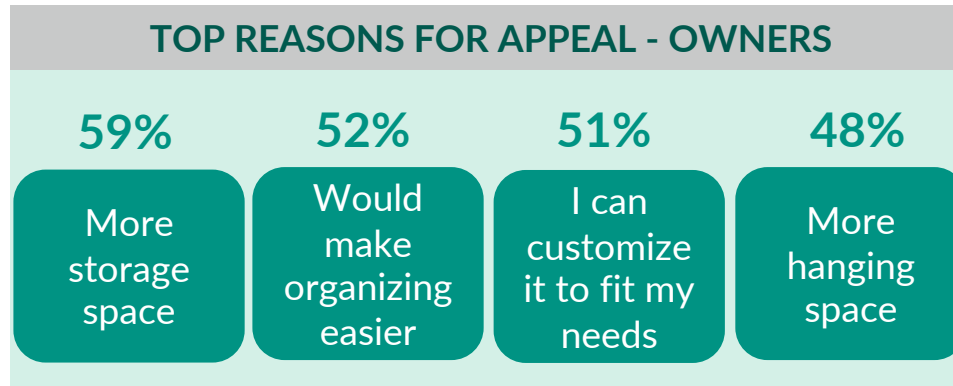


## MOST VALUABLE UPGRADES ASSUMING SAME COST



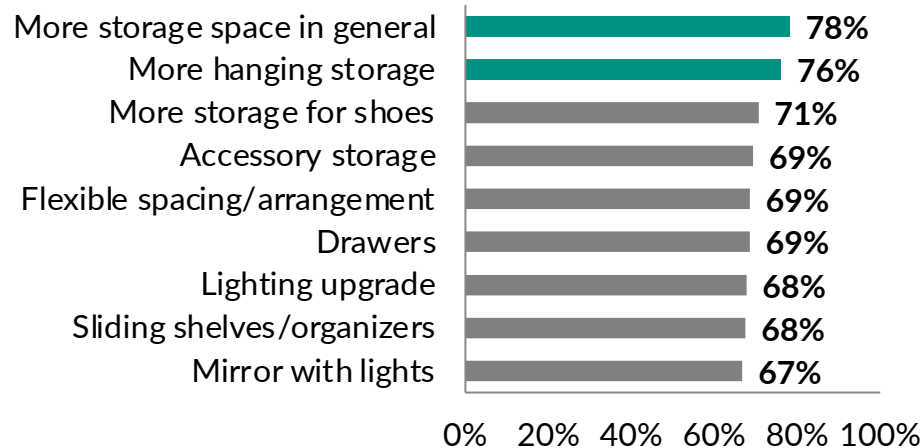
# HOMEOWNERS FIND UPGRADED CLOSETS APPEALING BECAUSE THEY OFFER MORE STORAGE AND MAKE ORGANIZING EASIER

- Specifically, they find closets with more storage, hanging, and shoe space appealing. Flexible spacing and sliding shelves are also highly appealing.
- The few who do not find upgraded closets appealing say it's because other upgrades are more important to them.\*



## APPEAL OF THE FOLLOWING CLOSET UPGRADES (TOP 2) - OWNERS

*Top 2 Box includes "Very" and "Extremely" Appealing*



Q: Why do you find a closet upgrade in a newly built house/apartment appealing? (n=704); [Not Visualized] Q: Why do you not find a closet upgrade in a newly built house/apartment appealing? (n=23). Displayed to those who do not find closet upgrades appealing.

\*Note: small sample size, interpret with caution; Q: How appealing are the following closet upgrades? (owners=385; renters=342)

\*\*Note: Only displaying the top options for all visuals. Please see data supplement for full set of results.



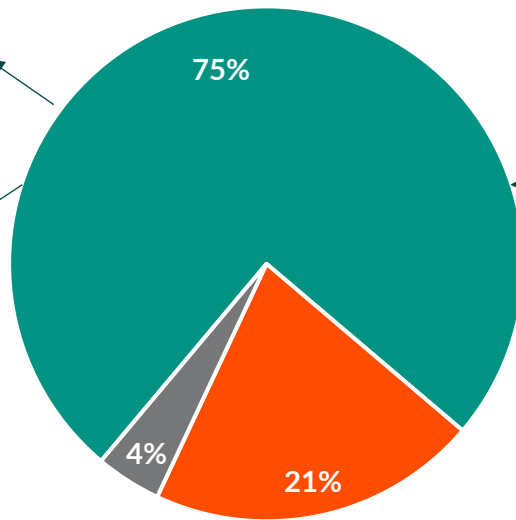
**DEMAND**

# MOST HOMEOWNERS HAVE/WANT AN UPGRADED CLOSET IN THEIR NEWLY BUILT HOME.

- New Homeowners consumers want closets that have more storage space and flexible arrangement options

## UPGRADED CLOSET IN NEWLY BUILT HOMES

■ Yes ■ No ■ Not sure



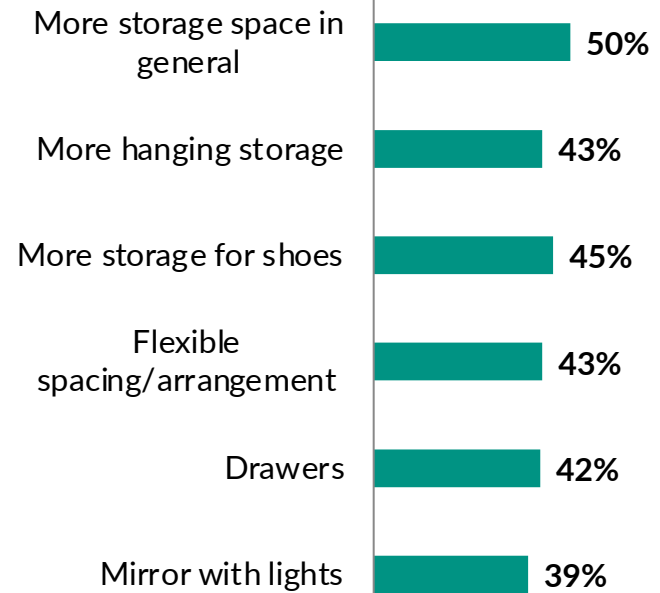
• Owner (n=385)  
: 85%

• Current owners (n=176)  
: 76%

• Future owners (n=209)  
: 93%

## CURRENT/DESIRED CLOSET UPGRADES

■ Owner (n=328) [A]



0% 20% 40% 60% 80% 100%



CORPORATE

Q: Do you have/want an upgraded closet in your newly built house/apartment? (n=727)

Q: Which of the following closet upgrades do you have/want in your newly built house/apartment? Select all that apply. Displayed to those that have/want a closet upgrade. Only displaying top results. Please see data supplement for full set of results.

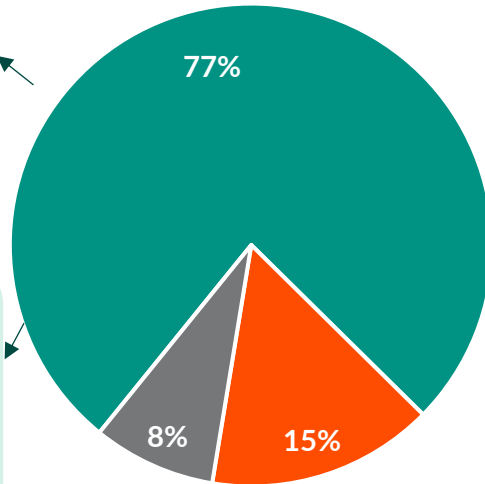
\*Note: please see data supplement for segmented results.

# HOMEOWNERS ARE WILLING TO PAY MORE FOR CLOSET UPGRADES IN THEIR NEW HOME

- On average, Homeowners are willing to pay 11% more for newly built homes with upgraded closets. This represents an estimated \$39,289 increase in home cost and a \$175 increase in rent for future homeowners

## PAYMENT FOR UPGRADED CLOSET IN NEWLY BUILT HOMES

■ Yes ■ No ■ Not sure



Owner (n=328)  
[A]: 87%<sup>B</sup>

Current owners  
(n=133)  
78%

Future owners  
(n=195) [B]:  
93%

On average, Homeowners are willing to pay 11% more for homes with upgraded closets.

## WILLINGNESS TO PAY

### CURRENT OWNERS

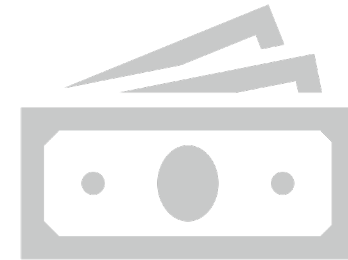
Average house cost: \$334,196  
Median house cost: \$300,000

On average, current owners paid 13% more for upgraded closets in a newly built house.

### FUTURE OWNERS

Average house cost: \$392,890  
Median house cost: \$300,000

On average, future owners are willing to pay 10% more for a house with upgraded closets. This is roughly \$39,289 more than the average cost.



# CONCEPT

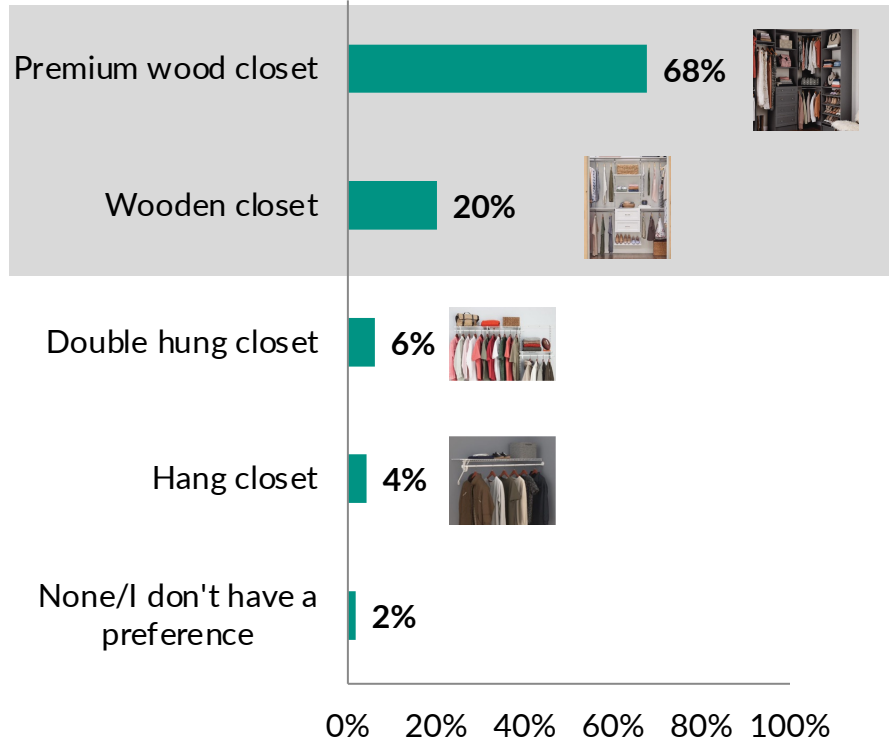


# HOMEOWNERS PREFER THE PREMIUM WOOD CLOSET BECAUSE OF THE DESIGN AND APPEARANCE

- Around a quarter each also prefer the wooden closet for similar reasons.
- Homeowners and renters are willing to pay an 11% increase in mortgage/rent for the premium wood closet. This represents at least a \$200 increase in mortgage.

## PREFERRED CLOSETS

■ Owner  
(n=328) [A]



## REASONS FOR PREFERENCE\*

- I like the design
- I like the way it looks
- It has enough storage space
- Ease of organization
- I like the material
- It has enough hanging space
- Option to add DIY features
- It's simple

	Premium wood closet (n=354) [A]	Wooden closet (n=122) [B]
I like the design	66% <sup>DC</sup>	59% <sup>DC</sup>
I like the way it looks	65% <sup>DB</sup>	47% <sup>A</sup>
It has enough storage space	56% <sup>B</sup>	37% <sup>A</sup>
Ease of organization	55% <sup>D</sup>	46% <sup>D</sup>
I like the material	46%	38%
It has enough hanging space	42%	36%
Option to add DIY features	31%	25%
It's simple	26% <sup>D</sup>	34%

### Average Mortgage:

Current owners:

\$2,618\*\*

Future owners:

\$2,178\*\*



Q: Which of the following closets do you prefer? Displayed to those who want/have an upgraded closet; Q: Why do you prefer the closet below?; [Not Visualized] Q: How much more are you willing to pay in mortgage/rent for the closet below? (n=495) Q: How much is/do you expect your mortgage/rent to be per month. (n=727)\*Note: the least preferred closets and bottom answer options were removed from visual. Please see data supplement for full set of results. \*\*Note: Outliers were removed from calculation.

# RESPONDENT CHARACTERISTICS

# RESPONDENT CHARACTERISTICS (1/2)



## Age (n=727)

18 to 24	12%
25 to 34	24%
35 to 44	32%
45 to 54	15%
55+	18%



## Marital Status (n=727)

Single	36%
Married or living as married	53%
Separated or divorced	9%
Widowed	2%
Prefer not to say	1%



## Region (n=727)

Northeast	19%
Midwest	17%
South	47%
West	17%



## Children in Household (n=727)

Children 12 years old or younger	37%
Children between 13-18 years old	24%
No children live with me	49%
Prefer not to say	2%



## Gender (n=727)

Male	42%
Female	58%
Non-binary	<1%
Prefer not to say	<1%



## Number of people in Household (n=727)

1 person	21%
2 or 3 people	47%
4 or more people	33%
Prefer not to say	<1%



## Race/Ethnicity (n=727)

American Indian or Alaska Native	2%
Asian	4%
Black or African American	25%
Hispanic	13%
Native Hawaiian or Other Pacific Islander	<1%
White or Caucasian	64%
Prefer not to say	1%
Other	1%



## Education (n=727)

Some high school	2%
High school diploma/GED	20%
Some college or post-secondary technical training	20%
2-year or 4-year degree	40%
Some graduate school	3%
Graduate degree	15%
Prefer not to say	<1%

# RESPONDENT CHARACTERISTICS (2/2)



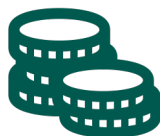
## Employment (n=727)

- Employed full-time
- Employed part-time
- Self-employed
- Unemployed
- Stay-at-home parent/caregiver
- Student
- Retired
- Unable to work
- Prefer not to say



## Industry (n=727)

- Healthcare
- Education
- Information Technology
- Finance
- A food or beverage processing plant
- None of the above



## Annual Household Income (n=727)

- \$0 to \$24,999
- \$25,000 to \$49,999
- \$50,000 to \$74,999
- \$75,000 to \$99,999
- \$100,000 to \$124,999
- \$125,000 to \$149,999
- \$150,000 to \$174,999
- \$175,000 to \$199,999
- \$200,000 or more
- Prefer not to say



## Decision Making for Household Purchases (n=727)

- I am the primary decision maker
- I share the decision-making authority



## Current Living Situation (n=727)

- I currently own my house
- I currently rent my apartment
- I currently rent my house



## Future Living Situation (n=361)

- Buy a house
- Rent an apartment
- Rent a house



## Urbanicity (n=727)

- Urban area
- Suburban area
- Rural area
- Prefer not to say

61%  
8%  
6%  
4%  
5%  
3%  
10%  
2%  
1%

9%  
7%  
4%  
4%  
3%  
76%

13%  
21%  
22%  
17%  
11%  
7%  
4%  
2%  
3%  
1%

83%  
17%

48%  
31%  
21%

58%  
25%  
17%

38%  
49%  
13%  
<1%

# APPENDIX

# HANOVER CORE CAPABILITIES

- Supporting your entire marketing workflow.

## MARKET ANALYSIS

### Market Monitoring

- Industry News
- Political Regulatory Environment
- Economic Environment
- Social and Cultural Environment

### Market Trend Forecasts

- Emerging Technologies

### Market Profiling and Structure

- By Product, Service, or Geography

### Market Sizing and Market Share

- Domestic and International Opportunity mapping

### Competitive Intelligence

### Partnership Evaluation

- Alliances and Partnerships
- Merger and Acquisition Opportunity Analysis

## CUSTOMER EXPERIENCE

### Customer Acquisition

- Consumer Decision Process
- Lead Generation
- Purchase Insights
- Buyer Decisions Journey

### Customer Segmentation

- Customer Needs
- Cluster Analysis / Segment Identification
- Segment Validation

### Loyalty Management

- Key Performance Drivers
- Win / Loss Analysis
- Satisfaction and Loyalty
- Customer Life Cycle Management

## PRODUCT LIFECYCLE

### Concept Testing

- Feature Preferences
- Product / Service Validation
- Conjoint Analysis

### Opportunity Analysis

- Patent Analysis

### TURF Analysis

### Channel Optimization

- Sales Territory Alignment
- Value Chain Analysis

### Price Optimization

- Product / Service Demand
- Price Elasticity / Sensitivity

### Post-Launch Assessment

### Product / Service Life Cycle Assessment

### Product / Service Line Analysis

### Sales Forecasting

## BRAND STRATEGY

### Brand Audit

- Awareness and Perceptions
- Attitude and Usage
- Perceptual Mapping

### Brand Communication

- Positioning
- Imagery and Messaging Analysis

### Brand Performance

- Health and Equity
- Gap Analysis
- SWOT Analysis
- Ongoing Tracking

### Marketing Mix Evaluation

- Campaign Performance
- Advertising Testing



Thank you.

## CONTACT

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