

Frequently Asked Questions

BY GARRY UPTON

Over the course of 2007, this space will identify opportunities within customers' homes that you may not have observed in the past. The opportunities are based on a recent homeowner survey conducted by Decision Analyst, Inc.

It's October and I'm doing okay with the start to the heating season, but am thinking about business I don't have. Do you have any information on new trends in the residential add-on market?

We have a little information, and I'm glad to share some of it with all of you. By add-on, I think you mean the remodeling market, a market that can be worked somewhat outside "the season."

The American Home Comfort study identifies the add-on market as any existing-home residential placement of a central system HVAC product that doesn't replace existing heating and cooling in the home. Traditionally, that has been the smallest of the residential opportunities in recent years,

accounting for an average of plus-or-minus 13% of the overall annual HVAC central system business

Often, to develop such business, contractors have developed relationships with builders involved in adding rooms, and/or converting garages, and other similar projects.

More homes now have service agreements, and some of you are also reaping add-on benefits that way.

Here are some stats that support adding renovation/add-on to your business model.

▼ One in three "add-on" HVAC central projects in the past 24 months were a part of homeowner remodeling projects.


▼ In half of the cases, remodeling was the most important reason for adding central HVAC. In the other

half of the cases, remodeling was a secondary factor.

Those of you in the Southern states have a much better opportunity to build this phase of the business, because remodeling as the primary reason for central HVAC takes place two to three times more often than in any other region of the country.

▼ Four in 10 homes valued at \$300,000 and up are remodeled for HVAC purposes.

Use this information to get a start on making some determinations on where you can take your business next year.

Good luck with your 2008 plan! 

Garry Upton of Decision Analyst, Inc., shares his interpretations of its American Home Comfort Study of homeowners, and probes into what customers look for in HVAC contractors. To learn more about this study, or to purchase it, contact Garry Upton at gupton@decisionanalyst.com.

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