

NKBA | KBIS

Ranking of Kitchen & Bath Showroom Market Conditions

Research Report | June 2023



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Research Summary

Objective

This NKBA research aimed to evaluate the current state and future direction of kitchen and bath showrooms in the United States.

- For this portion of the study, an analysis was conducted of the backdrop across numerous local housing markets, with the aim to understand which local markets are best poised for Kitchen and Bath showrooms over the next few years.
- Given the economic uncertainty, the outlook for K&B showroom operators is likely to vary significantly from market to market.



Methodology

This analysis compared 100 markets (selected from 150) based on opportunity and future stability for K&B showrooms. Since the market size is different than cyclical risk, a special effort was made to capture markets where local homebuyers rewarded kitchen and bath spending at a relatively higher rate.

Some large markets may be less attractive for showrooms because they are more cyclical, and households may focus a greater share of their spending on non-K&B categories.

On the other hand, showroom operators may prefer to operate in smaller markets if the right underlying conditions exist.

This study looks to compare which showroom markets are the most compelling from a risk-adjusted standpoint for kitchen and bath companies.

Key Findings

Top 5 Risk Adjusted Markets

Top five risk-adjusted markets for kitchen and bath showrooms 2023+:

- San Francisco
- Los Angeles
- Boston
- Phoenix
- Memphis

Other Top Risk Adjusted Markets

The other top risk-adjusted markets for kitchen and bath showroom operators generally fall into.

Three Major Groupings:

- Large Southern California Markets
- High Income Northeastern Markets
- Middle America

1

Large Southern California Markets –
Despite initial COVID population outflow,
are now experiencing relatively higher ROI
of homes with Kitchen & Bath remodels
vs. other markets.



2

High Income Northeastern Markets –

High incomes and aging housing stock driving elevated K&B spending. Generally, less cyclical than other markets, but with significant levels of kitchen and bath project spend per household.



3

Middle America –

Acceptable levels of K&B spending, but with less cyclical housing markets. Despite higher mortgage rates, K&B projects recoup more value for homeowners in these markets. These markets are also experiencing elevated in-migration due to lower costs and migration changes. Housing stock needs to be updated, which yields many future opportunities for future kitchen and bath projects.



Research Methods & Background

Five Factors Important in Comparing Kitchen & Bath Showroom Markets

Local showroom performance in 2023+ will be impacted by macroeconomic fluctuations and local market nuances. Resilience in K&B spending is ultimately driven by how important local homeowners view an up-to-date kitchen vs. alternative ways to spend their limited income. This analysis focused on five key themes.

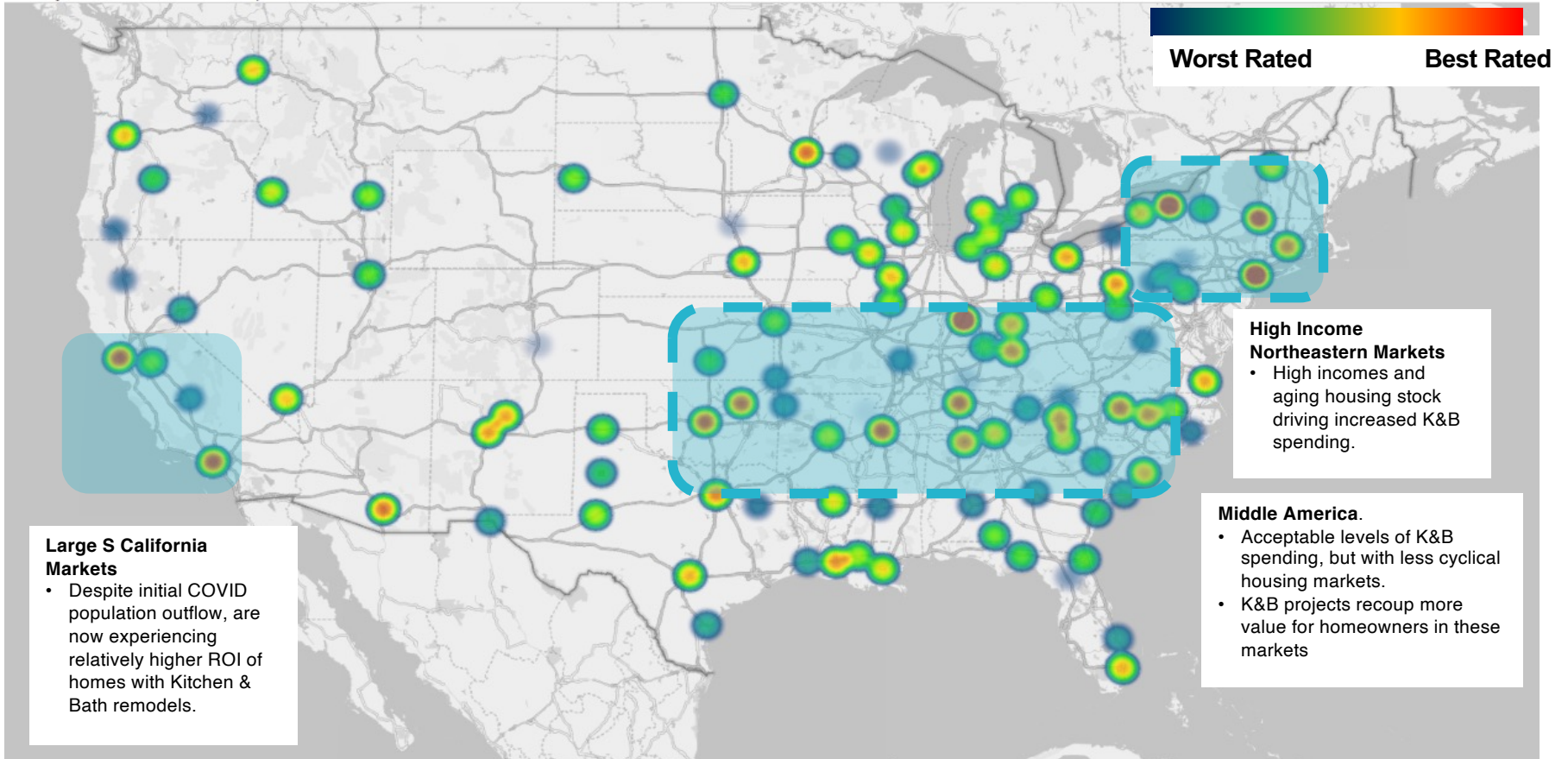
Relative weightings used for this comparison of local markets: 33% K&B Spending per household (as measured by Zonda RRI), 10% New Construction Volume, 10% Builder Reliance on Independent Showrooms (gauged by custom vs production builder penetration in local markets), 37% weight on Kitchen and Bath Project Effect on Local Home Values (measured by Zonda 2023 Cost vs Value analysis), 10% Kitchen & Bath Project Growth Rate (as forecasted by Zonda RRI economic forecast)

Five Factors

- Kitchen & Bath Spending per Household
- New Construction Volume
- Builder Reliance on Independent Showrooms
- 2023 Kitchen & Bath Project Effect on Home Values
- Kitchen and Bath Project Growth Rate 2024+



Comparison of Kitchen & Bath Showroom Markets



Typical 'Showroom Rated' Kitchen & Bath Remodel Recoups 41% of Project Cost

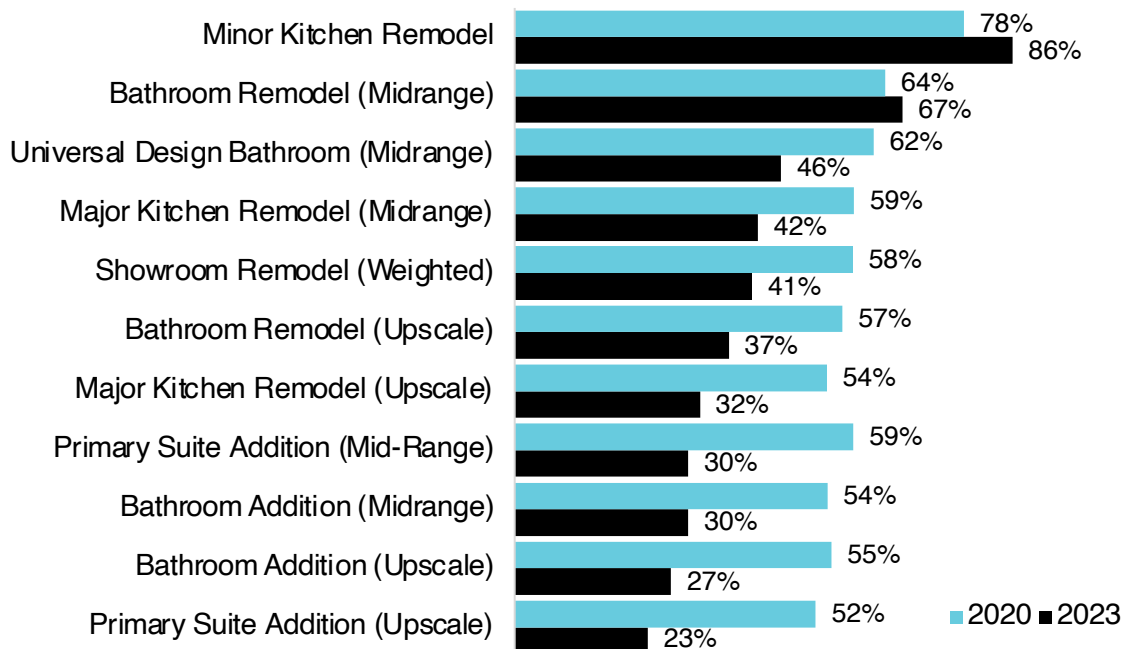
National phenomenon

Amid the 2022-23 surge in mortgage rates, a slowdown in home price appreciation is causing less 'pop' in home value from Kitchen & Bath remodels.

Local market story

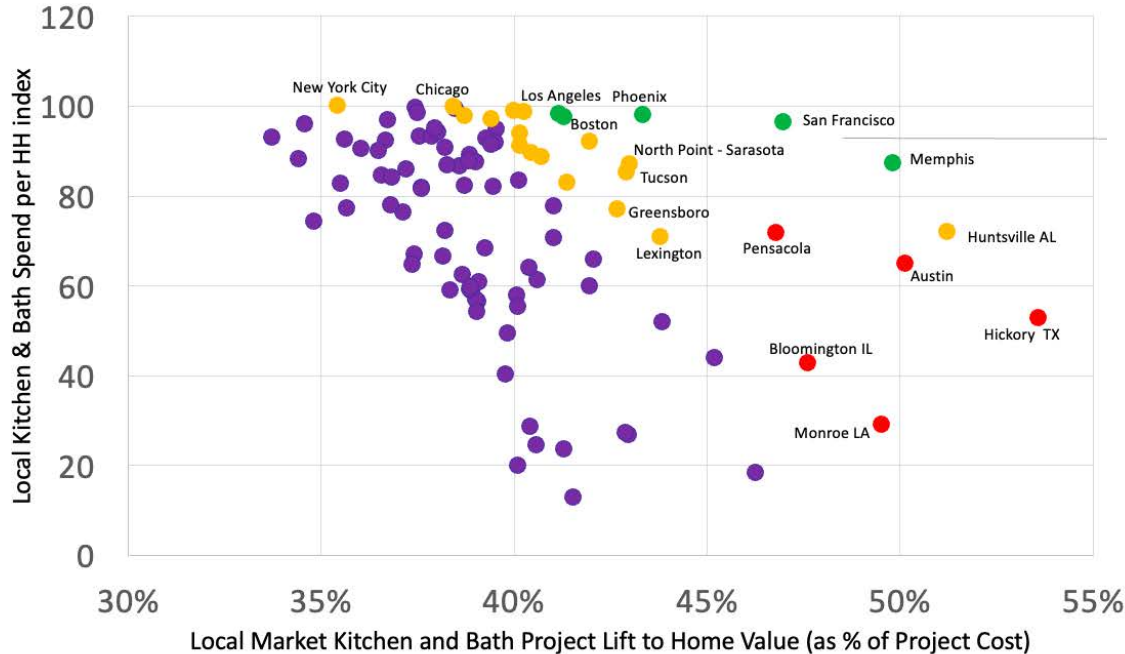
Some markets are rewarding K&B remodels with higher home value. We believe these markets are generally better suited for the next phase of kitchen and bath remodel spending. Homebuyers in these markets are paying a premium for houses with updated kitchens and baths.

National Remodel Cost vs. Value Added to Home
(% of Remodel Cost Recouped by Increase in Home Value After Remodel)



Kitchen & Bath Project ROI & Spend Levels by Market (2023)

Local Kitchen & Bath Markets



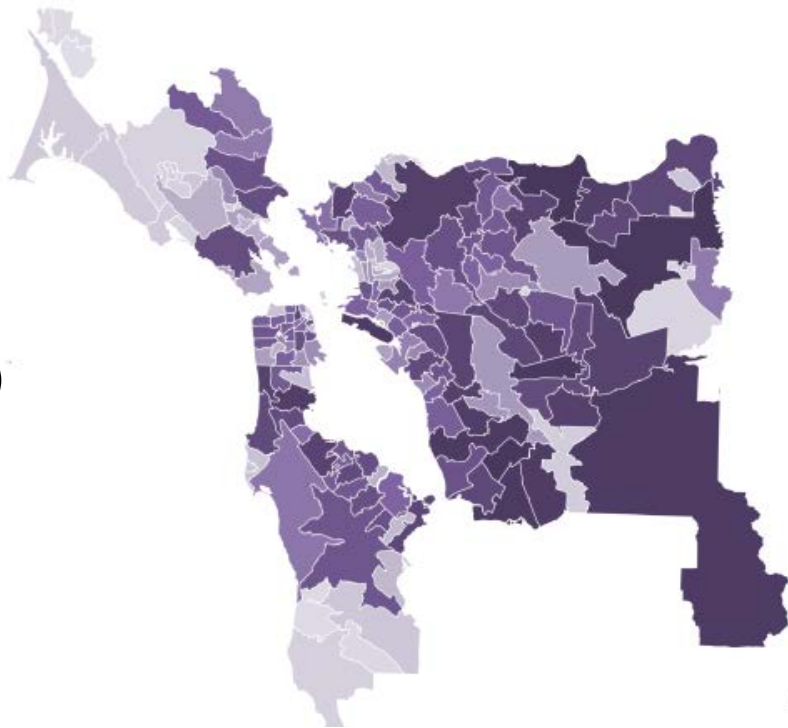
Kitchen and Bath Remodel Conditions in Top-5 Markets: Amid 2022-23 surge in mortgage rates, slowdown in home price appreciation is causing less 'pop' in home value from Kitchen & Bath remodels.

Other High K&B Spend Markets With Other Unusually Good Features – Such as unusual custom home activity, favorable demographics, or other beneficial tailwinds after 2024

Other **Smaller Markets with Higher ROI of K&B Projects**, but held out of top-25 markets due to **market-specific headwinds** and other factors

Top 10 Risk-Adjusted Showroom Markets

1 San Francisco



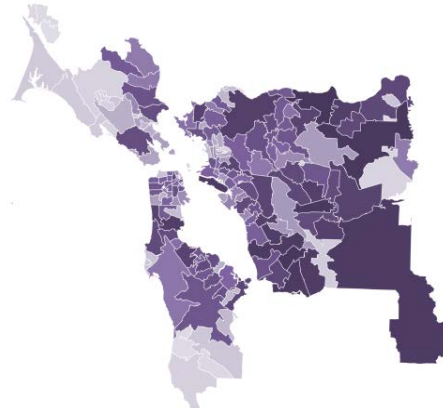
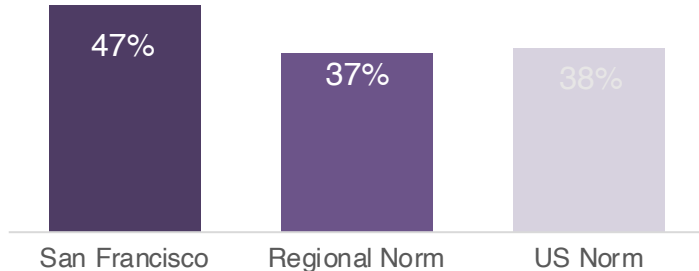
San Francisco

Kitchen & Bath Remodel Details:

156,307

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



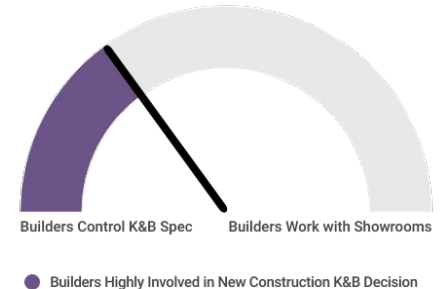
Top Kitchen & Bath ZIP codes:

1. 94513
2. 94568
3. 94582
4. 94561
5. 94531
6. 94565

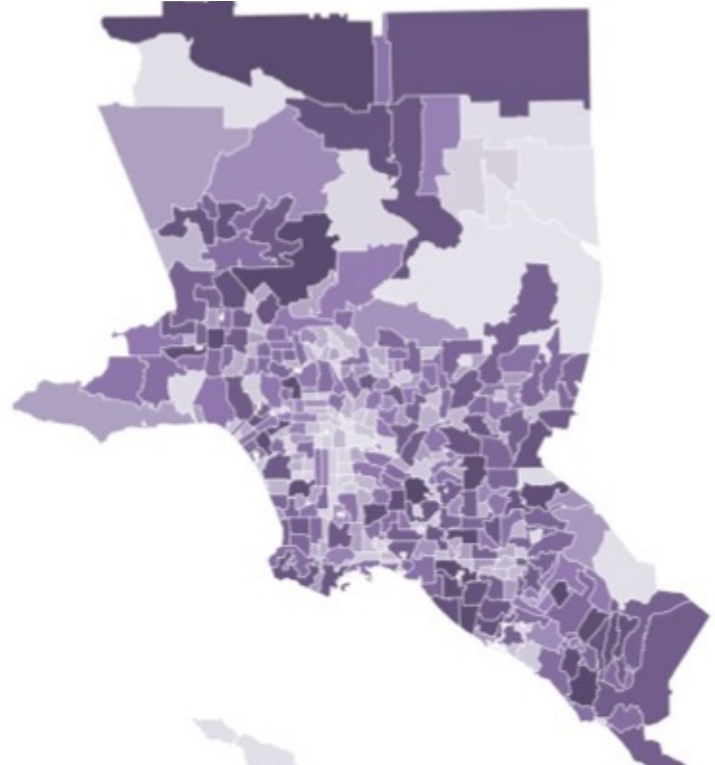
New Construction K&B Details

-56k

Units Under-Built



2 Los Angeles



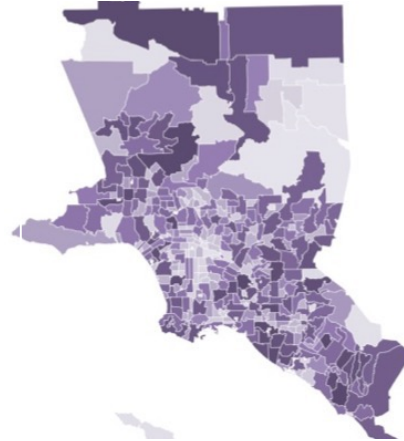
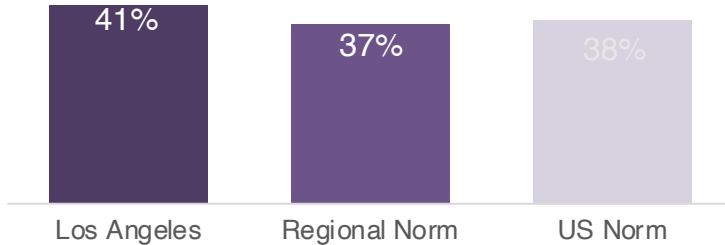
Los Angeles

Kitchen & Bath Remodel Details:

305,637

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value
of Property After Remodel (2023)



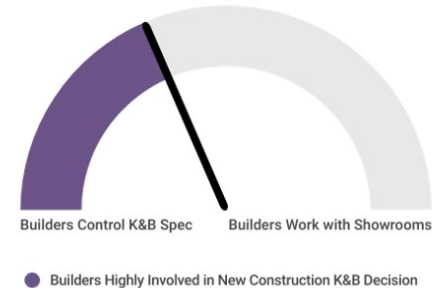
Top Kitchen & Bath ZIP codes:

1. 92620
2. 92688
3. 92656
4. 93551
5. 91387
6. 92679

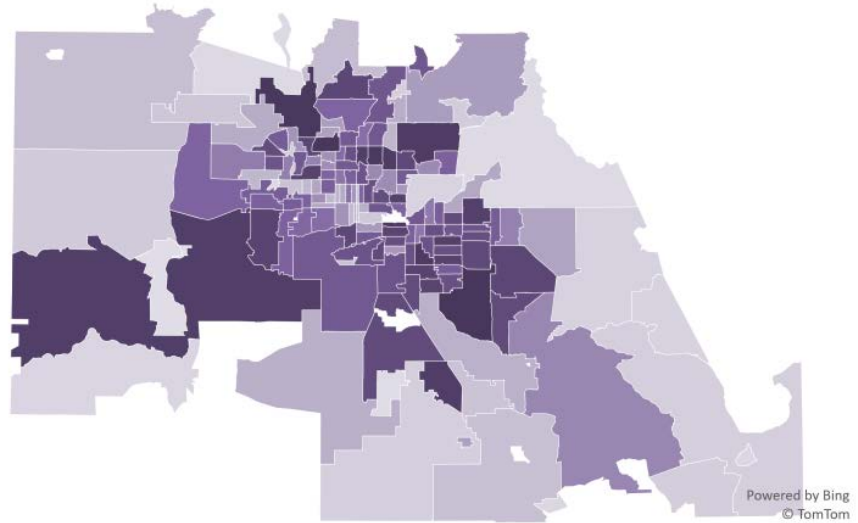
New Construction K&B Details

5,695

Units Started in 2022



3 Boston



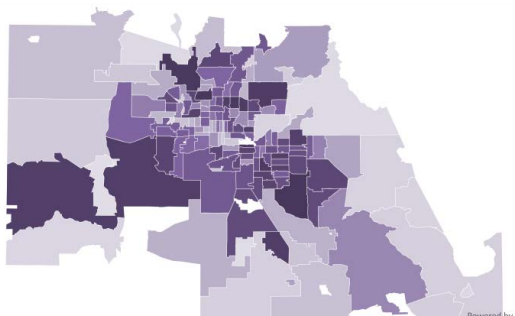
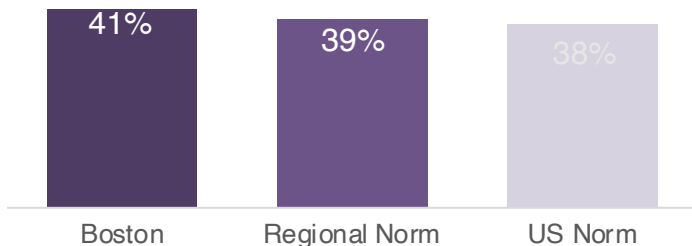
Boston

Kitchen & Bath Remodel Details:

153,807

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



Top Kitchen & Bath ZIP codes:

- | | |
|----------|----------|
| 1. 02038 | 4. 02360 |
| 2. 01748 | 5. 01960 |
| 3. 01886 | 6. 01844 |

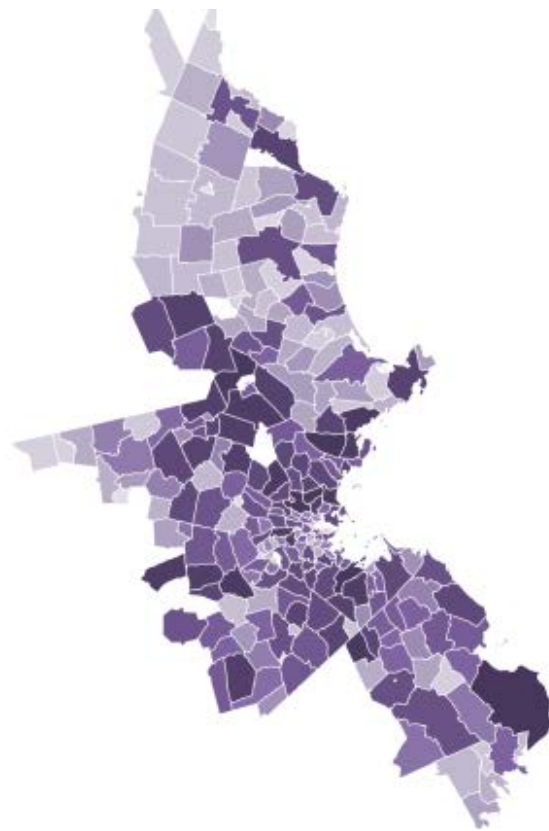
New Construction K&B Details

-9k

Units Under-Built



4 Phoenix



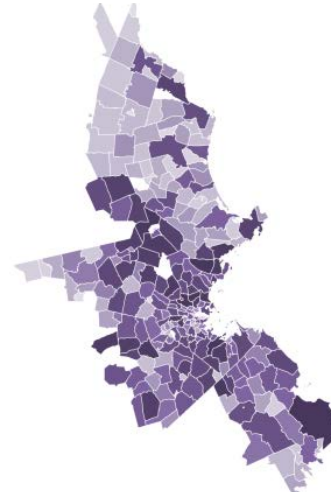
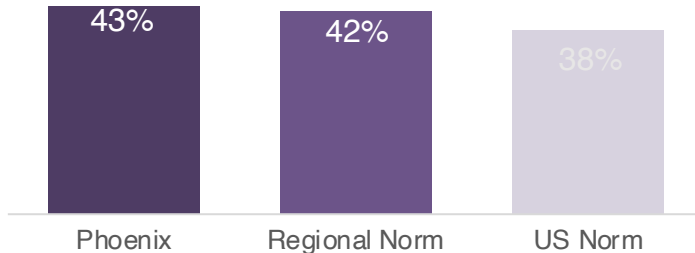
Phoenix

Kitchen & Bath Remodel Details:

162,167

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



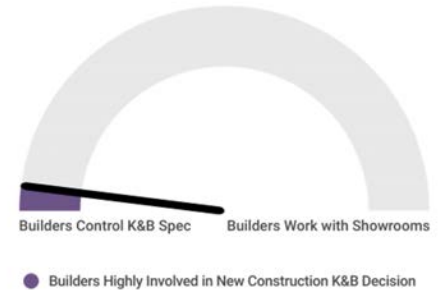
Top Kitchen & Bath ZIP codes:

1. 85142
2. 85383
3. 85308
4. 85255
5. 85234
6. 85295

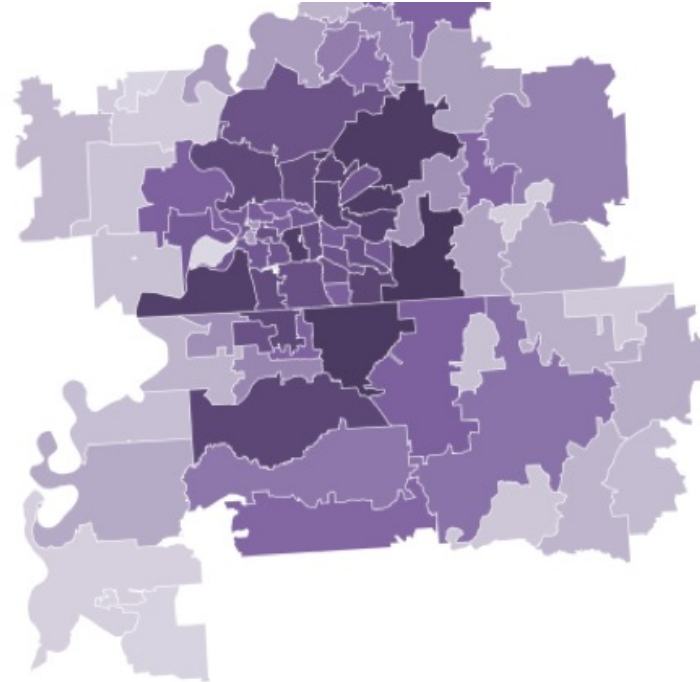
New Construction K&B Details

-35k

Units Under-Built



5 Memphis



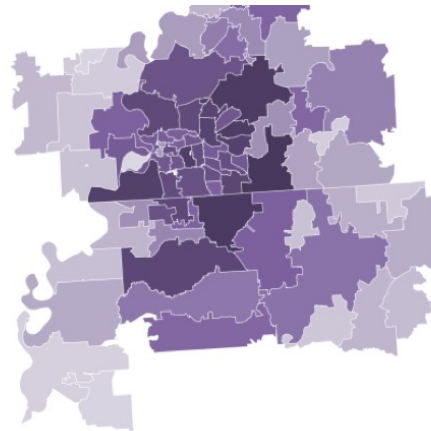
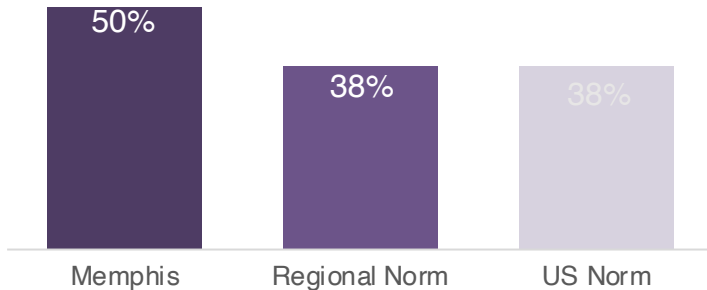
Memphis

Kitchen & Bath Remodel Details:

39,892

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



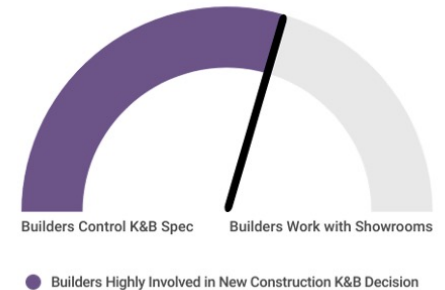
Top Kitchen & Bath ZIP codes:

- | | |
|----------|----------|
| 1. 38017 | 4. 38016 |
| 2. 38645 | 5. 38632 |
| 3. 38002 | 6. 38018 |

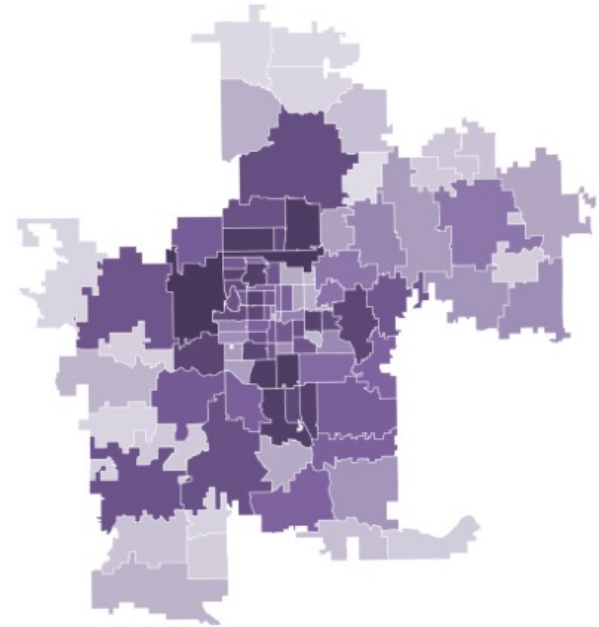
New Construction K&B Details

-13k

Units Under-Built



6 Oklahoma City



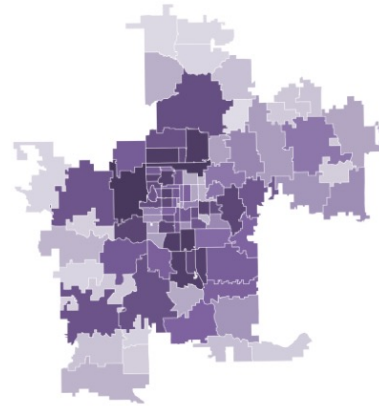
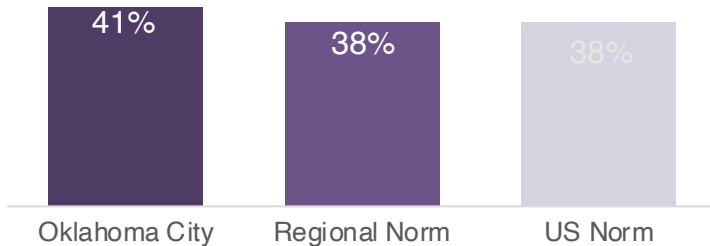
Oklahoma City

Kitchen & Bath Remodel Details:

36,228

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



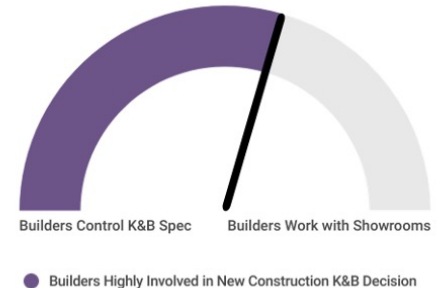
Top Kitchen & Bath ZIP codes:

1. 73013
2. 73034
3. 73012
4. 73170
5. 73099
6. 73025

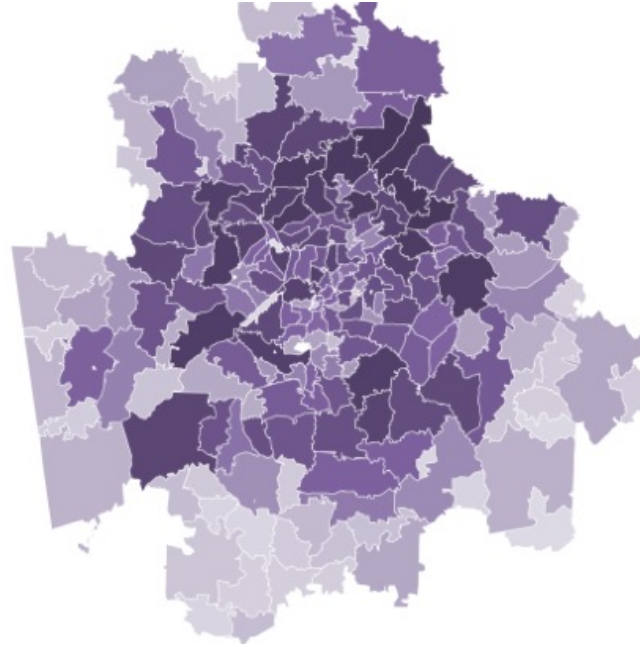
New Construction K&B Details

6.6k

New Units



7 Atlanta



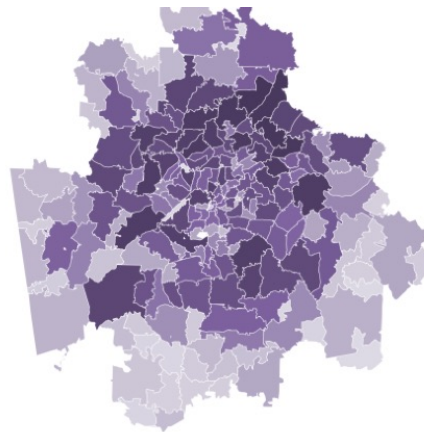
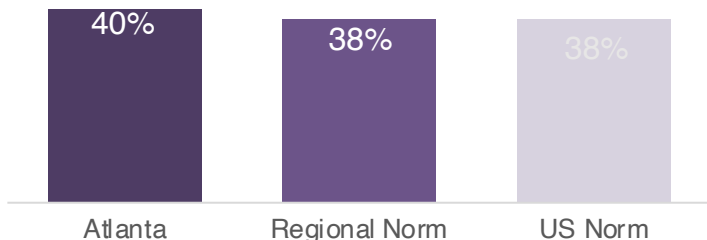
Atlanta

Kitchen & Bath Remodel Details:

192,248

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



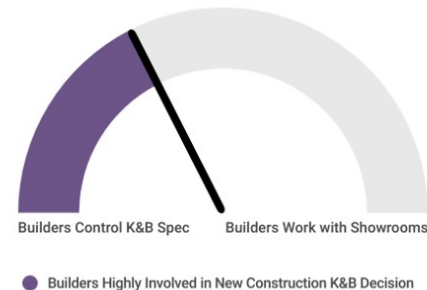
Top Kitchen & Bath ZIP codes:

1. 30040
2. 30024
3. 30041
4. 30004
5. 30022
6. 30043

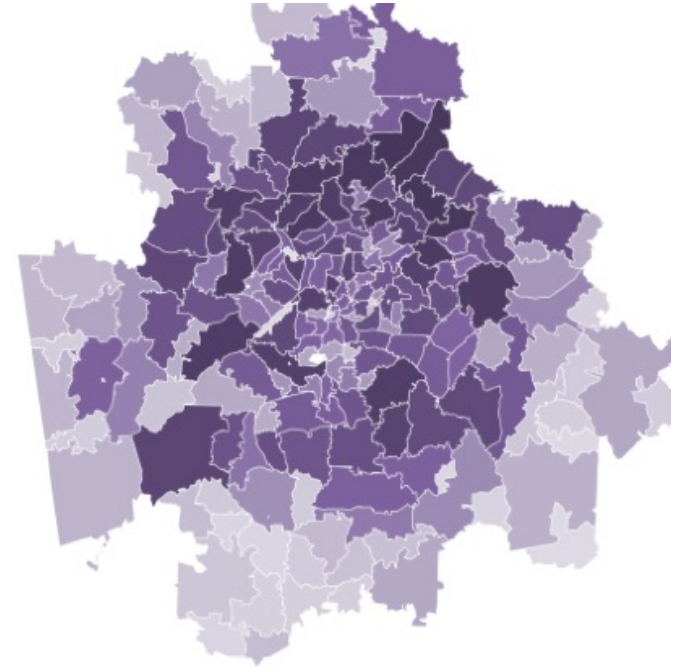
New Construction K&B Details

-41k

Units Under-Built



8 Washington D.C.



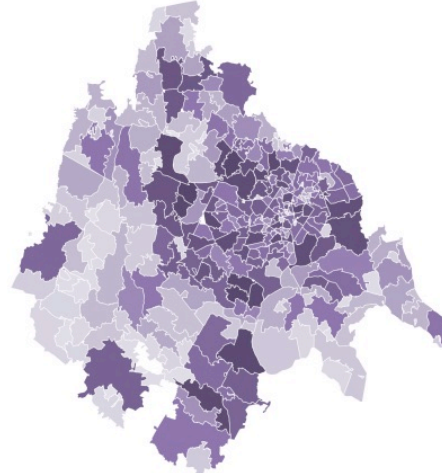
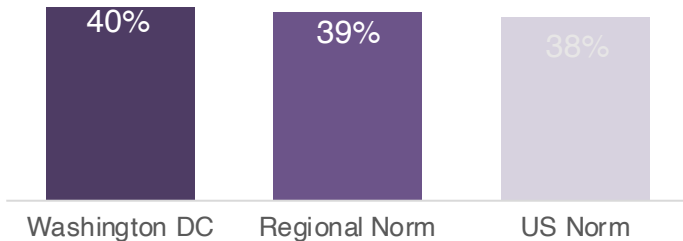
Washington D.C.

Kitchen & Bath Remodel Details:

173,533

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



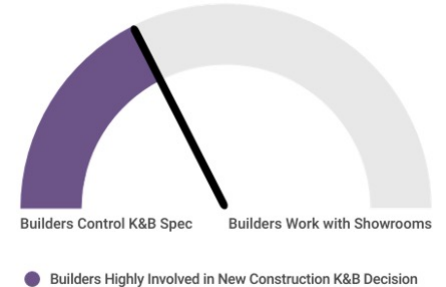
Top Kitchen & Bath ZIP codes:

1. 20147
2. 20148
3. 22191
4. 22554
5. 20176
6. 20171

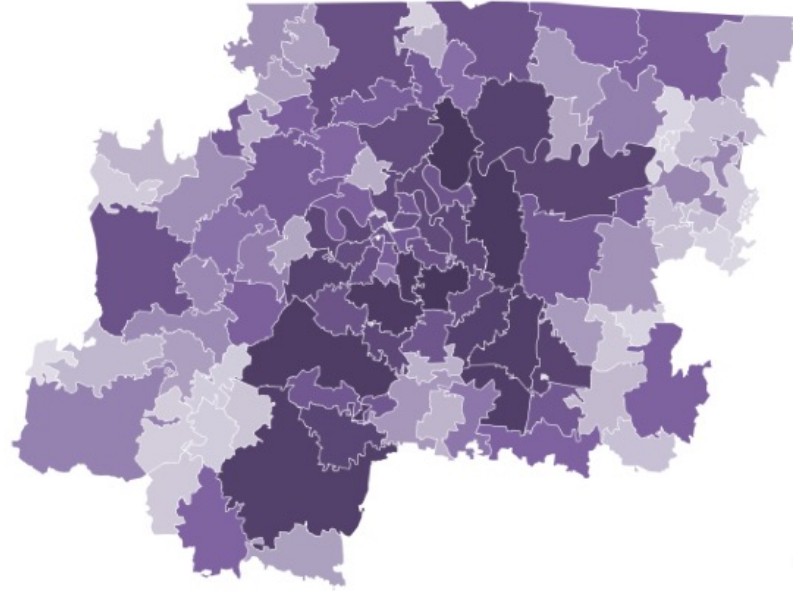
New Construction K&B Details

23k

New Units



9 Nashville



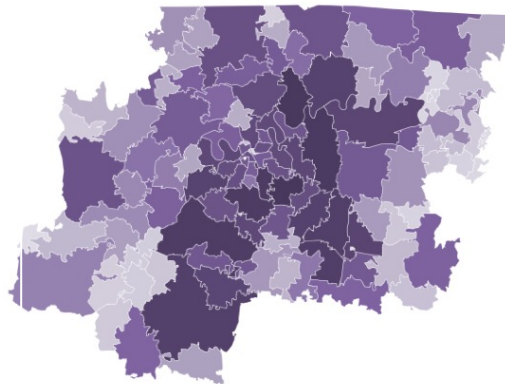
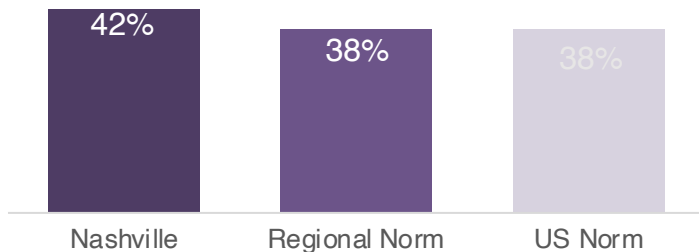
Nashville

Kitchen & Bath Remodel Details:

60,358

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



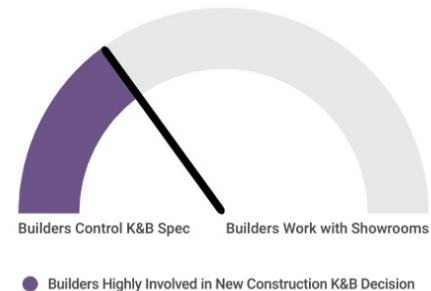
Top Kitchen & Bath ZIP codes:

1. 37027
2. 37013
3. 37122
4. 37064
5. 37129
6. 37128

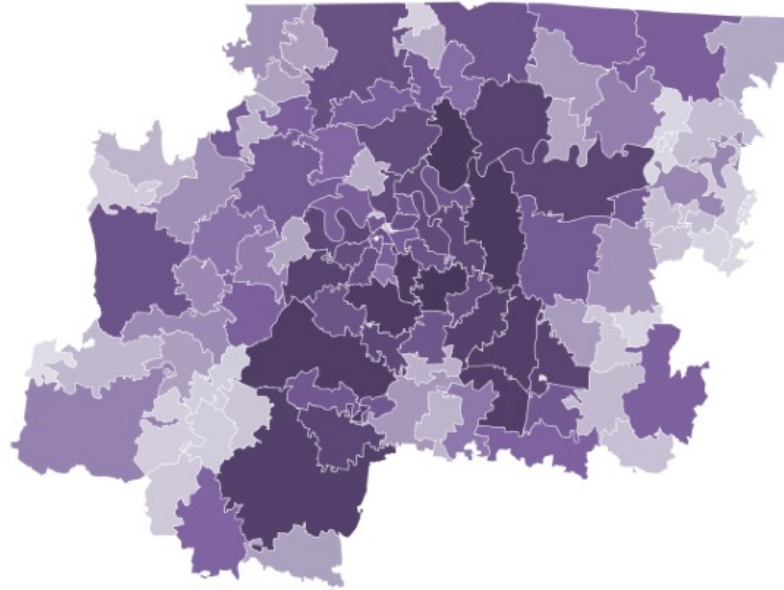
New Construction K&B Details

-8k

Units Under-Built



10 Tulsa



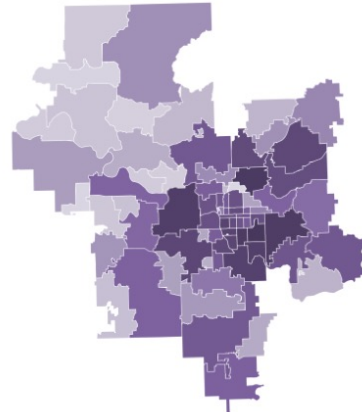
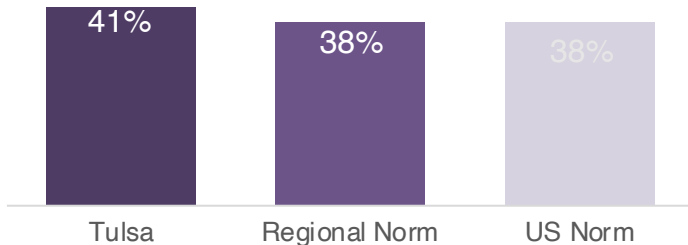
Tulsa

Kitchen & Bath Remodel Details:

27,300

Pro Kitchen and Bath Remodels

Kitchen & Bath Remodel Impact on Home Value:
% of Cost Recouped Through Increase in Value of Property After Remodel (2023)



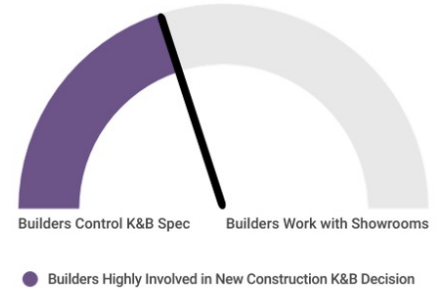
Top Kitchen & Bath ZIP codes:

1. 74055
2. 74008
3. 74037
4. 74014
5. 74137
6. 74012

New Construction K&B Details

4.4k

New Units



Top 100 Kitchen & Bath Showroom Markets

Local Market Rankings for Kitchen & Bath Showrooms 2023 & Beyond: (1-20)

Percentile Ranking - US Markets by Attribute											
	Composite Rank	Kitchen & Bath									
		Future Remodel Growth Percentile Ranking	Remodel Impact on Home Percentile Ranking	Demographics and Local Economy Percentile Ranking		New Construction Volume Percentile Ranking		Builder Independent Showroom Reliance Percentile Ranking			
San Francisco-Oakland-Berkeley, CA	1	●	99%	●	95%	●	90%	●	78%	●	21%
Los Angeles-Long Beach-Anaheim, CA	2	●	94%	●	82%	●	95%	●	86%	●	27%
Boston-Cambridge-Newton, MA-NH	3	●	33%	●	82%	●	93%	●	67%	●	65%
Phoenix-Mesa-Chandler, AZ	4	●	8%	●	90%	●	94%	●	98%	●	1%
Memphis, TN-MS-AR	5	●	48%	●	97%	●	73%	●	68%	●	33%
Oklahoma City, OK	6	●	82%	●	80%	●	76%	●	84%	●	36%
Atlanta-Sandy Springs-Alpharetta, GA	7	●	24%	●	76%	●	96%	●	97%	●	30%
Washington-Arlington-Alexandria, DC-VA-MD-WV	8	●	48%	●	71%	●	97%	●	95%	●	17%
Nashville-Davidson--Murfreesboro--Franklin, TN	9	●	13%	●	85%	●	82%	●	92%	●	22%
Tulsa, OK	10	●	72%	●	84%	●	67%	●	69%	●	39%
Sacramento-Roseville-Folsom, CA	11	●	46%	●	75%	●	87%	●	90%	●	3%
Milwaukee-Waukesha, WI	12	●	52%	●	78%	●	78%	●	50%	●	58%
Chicago-Naperville-Elgin, IL-IN-WI	13	●	80%	●	42%	●	98%	●	88%	●	52%
Greensboro-High Point, NC	14	●	68%	●	87%	●	59%	●	59%	●	56%
Minneapolis-St. Paul-Bloomington, MN-WI	15	●	33%	●	66%	●	92%	●	88%	●	26%
Tucson, AZ	16	●	47%	●	88%	●	70%	●	76%	●	8%
Rochester, NY	17	●	92%	●	73%	●	67%	●	37%	●	63%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	18	●	76%	●	44%	●	95%	●	85%	●	47%
Hartford-East Hartford-Middletown, CT	19	●	99%	●	59%	●	77%	●	21%	●	93%
Huntsville, AL	20	●	65%	●	98%	●	50%	●	73%	●	12%

Local Market Rankings for Kitchen & Bath Showrooms 2023 & Beyond: (21-40)

Percentile Ranking - US Markets by Attribute											
	Composite Rank	Kitchen & Bath									
		Future Remodel Growth Percentile Ranking	Remodel Impact on Home Percentile Ranking	Demographics and Local Economy Percentile Ranking	New Construction Volume Percentile Ranking	Builder Independent Showroom Reliance Percentile Ranking					
North Port-Sarasota-Bradenton, FL	21	●	1%	●	90%	●	73%	●	89%	●	5%
Lexington-Fayette, KY	22	●	65%	●	91%	●	49%	●	45%	●	54%
Raleigh-Cary, NC	23	●	14%	●	74%	●	80%	●	93%	●	12%
Dallas-Fort Worth-Arlington, TX	24	●	16%	●	53%	●	99%	●	99%	●	18%
New York-Newark-Jersey City, NY-NJ-PA	25	●	85%	●	20%	●	99%	●	86%	●	78%
Austin-Round Rock-Georgetown, TX	26	●	5%	●	69%	●	88%	●	97%	●	1%
Asheville, NC	27	●	20%	●	97%	●	43%	●	50%	●	76%
Pittsburgh, PA	28	●	46%	●	68%	●	82%	●	65%	●	14%
Houston-The Woodlands-Sugar Land, TX	29	●	17%	●	54%	●	97%	●	99%	●	9%
Hickory-Lenoir-Morganton, NC	30	●	80%	●	99%	●	27%	●	39%	●	69%
Albuquerque, NM	31	●	70%	●	67%	●	65%	●	59%	●	46%
Cleveland-Elyria, OH	32	●	93%	●	44%	●	86%	●	64%	●	33%
Santa Fe, NM	33	●	95%	●	99%	●	18%	●	16%	●	96%
Virginia Beach-Norfolk-Newport News, VA-NC	34	●	67%	●	50%	●	80%	●	70%	●	48%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	35	●	73%	●	86%	●	44%	●	87%	●	10%
Cincinnati, OH-KY-IN	36	●	77%	●	47%	●	86%	●	79%	●	16%
Miami-Fort Lauderdale-Pompano Beach, FL	37	●	3%	●	56%	●	93%	●	91%	●	19%
San Antonio-New Braunfels, TX	38	●	10%	●	65%	●	84%	●	96%	●	1%
Omaha-Council Bluffs, NE-IA	39	●	41%	●	61%	●	74%	●	67%	●	40%
Bloomington, IL	40	●	95%	●	95%	●	21%	●	15%	●	84%

Local Market Rankings for Kitchen & Bath Showrooms 2023 & Beyond: (41-60)

Percentile Ranking - US Markets by Attribute											
	Composite Rank	Kitchen & Bath					Demographics and Local Economy Percentile Ranking	New Construction Volume Percentile Ranking	Builder Independent Showroom Reliance Percentile Ranking		
		Future Remodel Growth Percentile Ranking	Remodel Impact on Home Percentile Ranking								
Peoria, IL	41		96%		79%		39%		7%		92%
Portland-South Portland, ME	42		22%		49%		88%		38%		83%
Las Vegas-Henderson-Paradise, NV	43		4%		67%		81%		94%		1%
Mobile, AL	44		73%		86%		37%		41%		56%
Detroit-Warren-Dearborn, MI	45		60%		32%		91%		77%		48%
Spokane-Spokane Valley, WA	46		5%		80%		60%		46%		55%
Buffalo-Cheektowaga, NY	47		78%		54%		71%		40%		45%
Pensacola-Ferry Pass-Brent, FL	48		2%		94%		50%		71%		14%
Davenport-Moline-Rock Island, IA-IL	49		71%		76%		41%		20%		82%
Charlotte-Concord-Gastonia, NC-SC	50		12%		48%		89%		95%		11%
Chattanooga, TN-GA	51		15%		81%		48%		55%		61%
New Orleans-Metairie, LA	52		25%		52%		72%		57%		77%
Grand Rapids-Kentwood, MI	53		23%		58%		75%		60%		29%
Rockford, IL	54		87%		71%		33%		13%		97%
Fort Wayne, IN	55		82%		65%		47%		54%		29%
Monroe, LA	56		56%		96%		13%		12%		86%
Burlington-South Burlington, VT	57		16%		92%		27%		3%		99%
Seattle-Tacoma-Bellevue, WA	58		18%		16%		90%		82%		87%
Indianapolis-Carmel-Anderson, IN	59		54%		31%		83%		90%		3%
Bloomington, IN	60		83%		89%		10%		14%		76%

Local Market Rankings for Kitchen & Bath Showrooms 2023 & Beyond: (61-80)

Percentile Ranking - US Markets by Attribute											
	Composite Rank	Kitchen & Bath					Demographics and Local Economy Percentile Ranking	New Construction Volume Percentile Ranking	Builder Independent Showroom Reliance Percentile Ranking		
		Future Remodel Growth Percentile Ranking	Remodel Impact on Home Percentile Ranking								
Albany-Schenectady-Troy, NY	61		86%		30%		69%		34%		68%
Boise City, ID	62		1%		56%		65%		83%		16%
Greenville-Anderson, SC	63		45%		46%		64%		80%		18%
Kalamazoo-Portage, MI	64		84%		63%		31%		18%		78%
Birmingham-Hoover, AL	65		39%		37%		71%		61%		46%
Midland, TX	66		78%		72%		30%		52%		20%
Little Rock-North Little Rock-Conway, AR	67		67%		35%		57%		58%		67%
Saginaw, MI	68		88%		77%		12%		5%		93%
Baton Rouge, LA	69		40%		46%		63%		69%		22%
Shreveport-Bossier City, LA	70		69%		61%		34%		33%		71%
Cedar Rapids, IA	71		69%		62%		32%		24%		80%
Columbus, OH	72		52%		24%		84%		84%		5%
Albany-Lebanon, OR	73		79%		83%		8%		8%		85%
Rocky Mount, NC	74		97%		84%		2%		26%		61%
Idaho Falls, ID	75		9%		93%		22%		42%		37%
Green Bay, WI	76		64%		55%		39%		29%		72%
South Bend-Mishawaka, IN-MI	77		81%		52%		35%		18%		82%
Kansas City, MO-KS	78		36%		12%		85%		78%		50%
Rapid City, SD	79		34%		88%		11%		1%		88%
Amarillo, TX	80		56%		63%		29%		51%		51%

Local Market Rankings for Kitchen & Bath Showrooms 2023 & Beyond: (81-100)

Percentile Ranking - US Markets by Attribute											
	Composite Rank		Future Remodel Growth Percentile Ranking		Kitchen & Bath Remodel Impact on Home Percentile Ranking		Demographics and Local Economy Percentile Ranking		New Construction Volume Percentile Ranking		Builder Independent Showroom Reliance Percentile Ranking
Modesto, CA	81	●	32%	●	51%	●	51%	●	39%	●	53%
Dothan, AL	82	●	91%	●	73%	●	6%	●	20%	●	79%
Salt Lake City, UT	83	●	11%	●	29%	●	78%	●	76%	●	25%
Manhattan, KS	84	●	18%	●	93%	●	5%	●	5%	●	90%
Lafayette, LA	85	●	55%	●	50%	●	44%	●	56%	●	31%
Jacksonville, FL	86	●	6%	●	27%	●	79%	●	93%	●	7%
Tallahassee, FL	87	●	7%	●	64%	●	38%	●	41%	●	52%
Lafayette-West Lafayette, IN	88	●	71%	●	69%	●	20%	●	30%	●	38%
Appleton, WI	89	●	26%	●	59%	●	35%	●	19%	●	81%
Louisville-Jefferson County, KY-IN	90	●	38%	●	14%	●	76%	●	66%	●	50%
Fargo, ND-MN	91	●	24%	●	60%	●	36%	●	48%	●	43%
Harrisburg-Carlisle, PA	92	●	50%	●	33%	●	61%	●	53%	●	27%
Wichita, KS	93	●	53%	●	25%	●	59%	●	52%	●	57%
Morgantown, WV	94	●	61%	●	78%	●	9%	●	28%	●	41%
Cape Coral-Fort Myers, FL	95	●	1%	●	34%	●	69%	●	82%	●	15%
Bend, OR	96	●	12%	●	70%	●	24%	●	48%	●	39%
Syracuse, NY	97	●	93%	●	18%	●	54%	●	12%	●	89%
Des Moines-West Des Moines, IA	98	●	39%	●	22%	●	66%	●	72%	●	24%
Lincoln, NE	99	●	19%	●	39%	●	46%	●	47%	●	64%
Savannah, GA	100	●	63%	●	39%	●	42%	●	62%	●	13%

Top Kitchen & Bath Showroom Markets

All NKBA market research reports are available at nkba.org/research.

The NKBA is the not-for-profit trade association that owns the Kitchen & Bath Industry Show® (KBIS), as part of Design and Construction Week® (DCW). With nearly 50,000 members in all segments of the kitchen and bath design and remodeling industry, the NKBA has educated and led the industry since the association's founding in 1963.

The NKBA's mission is to inspire, lead and empower the kitchen and bath industry through the creations of certifications, specialty badges, events and summits, research and community. The NKBA envisions a world where everyone enjoys safe, beautiful, and functional kitchen and bath spaces.

For more information, visit nkba.org or email us at info@nkba.org.



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