Why A Fireplace?

Four Factors That Make a Fireplace a Must-Have for New Homebuyers

Introduction

Year after year, in study after study, homebuyers rank fireplaces as the most desirable factor. However, only half of new homebuyers wind up with a fireplace in their new home.

To explore the disconnect, Hearth & Home Technologies teamed up with independent market research organization Smith-Dahmer to embark on a yearlong, multistep research initiative to explore the question: Why a fireplace?

Our research focused on an array of elements, including homebuyer experience, home construction factors and understanding homebuyers'

attitudes, interests and needs when it comes to fireplaces, the latter of which we'll explore in this summary.

Results

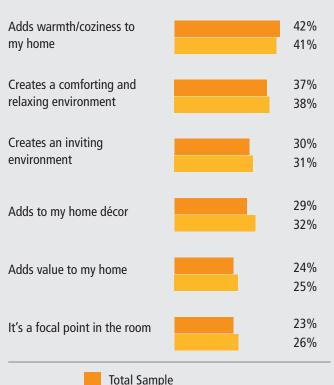
After a year of qualitative and quantitative research, the results were clear: Fireplaces are a key element in any new home. In fact, 97% of homebuyers indicate they're open to having a fireplace in their home and, of those, 68% say that a fireplace is a must-have. Data also showed that the primary factors that go into the fireplace decision are simple, and are rooted in emotions, not functional benefits.

1. A fireplace adds warmth and comfort.

In an era of overwhelming busyness and disconnection, homebuyers seek to create a sanctuary – a worry-free oasis where families can love and live in comfort and peace. For many respondents, the

fireplace fulfills this desire, with nearly half of respondents selecting "adds warmth and comfort to my home" as the most important reason for wanting a fireplace.

Homeowners Want a Fireplace for Ambiance Regardless of Their Climate



Warm Climate (AZ,FL, GA,TX)

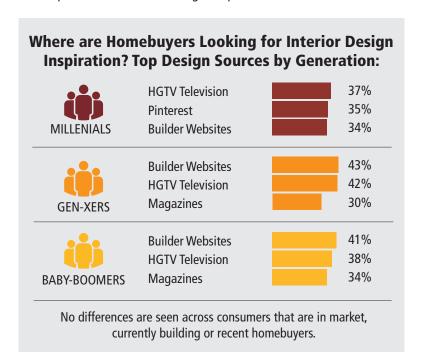
"A fireplace is important to me to have in my home because —for me— it immediately provides a sense of calm and relaxation to my overall day."



2. A fireplace serves as a focal point and visual highlight.

Just as a point of interest can make a piece of art a masterpiece, or a photograph front page-worthy, a focal point in the home creates an anchor for the eye, drawing you in and beckoning you to stay.

The fact that a fireplace serves as visual anchor led 52% of respondents to rank "adds to my home's décor" and "it's the focal point in the room" as the most important reasons for wanting a fireplace.





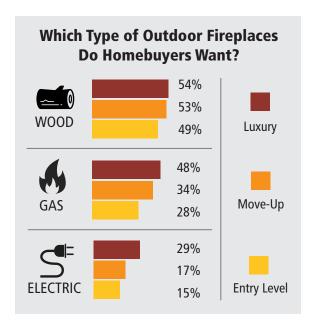
"Not having a fireplace would mean that we would have another blank wall, and there were already enough of those. Adding a fireplace meant that the room would have a focal point."

3. A fireplace represents togetherness, a backdrop where memories are made.



Indoors or out, gathering in front of the fire evokes an emotional response unlike anything else, one that draws on years of past experiences and memories made in front of the fire. From playing games to hosting holidays to simple rituals like family cuddle time, for many respondents, this sense of nostalgia and togetherness makes a fireplace a must when it came time to build their new home.

67% of respondents ranked "creates a comforting/relaxing environment" and "creates inviting environment" as the most important reasons for wanting a fireplace.



"A fireplace is important to me because I have had one growing up, and I remember all of the memories made around the fireplace, and I want to give my family the same experience."

Why Do Homebuyers NOT Want a Fireplace?

Many perceived drawbacks are based on missing or outdated information.

The most common misconceptions include:

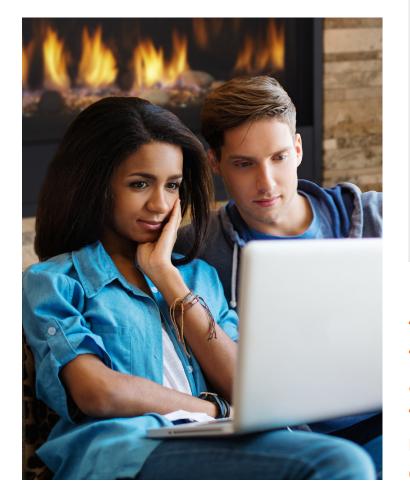
- Wood-burning is messy/is a hassle
- Unsure if gas is safe
- Lack of information/misinformation about energy efficiency
- Perception that gas is expensive to use



Education on safety, efficiency and ease-of-use is key in overcoming homebuyers' fireplace misconceptions.

4. A fireplace increases a home's resale value.

Homebuyers surveyed expressed anxiety over budget and resale value when moving through the new home construction process. And with fireplaces having a strong, positive effect on selling price, with each fireplace adding about 12%, it's no surprise that nearly a quarter of respondents said "adds value to my home" as the most important reason for wanting a fireplace.



What About Features?

Homebuyer awareness of fireplace features is extremely low.



When asking homebuyers to list fireplace features in an in-depth interview, not a single respondent was able to list even one.



When homebuyers are educated and features are explained, homebuyer reaction goes from indifference to excitement.

Features that Excite Homebuyers the Most:

- 1. Heat management
- 2. Remote control
- 3. Ability to adjust flame height
- 4. Lighting behind the logs

The challenge is to inform homebuyers of fireplace options in a way that's not overwhelming among their other decisions.

"We felt that the upgraded fireplace would add resale value to the house. We had already added some premium features throughout the house, and it made sense to keep a premium consistency."

Conclusion

While a fireplace realizes important emotional needs in new homebuyers, a lack of understanding of functional features and benefits can lead to apathy when making the fireplace decision. Our advice to builders is:

- 1. Homebuyer's fireplace decision is rooted in emotions, nostalgia and craving for comfort, not in the fireplace feature benefits. Focus the fireplace conversation on the emotional relevance it brings versus focusing solely on the functional features.
- 2. Homebuyers want design inspiration and direction. Educate your architect and design team on how a fireplace creates a focal point for a space.
- 3. Increased resale value is a compelling reason to add a fireplace for anxious homebuyers. Make sure homebuyers are aware of the resale rewards a fireplace can bring.

Research Methodology

Smith-Dahmer began with in-depth qualitative research, conducting an online journal with a total of 30 new home construction consumers. These consumers participated in a total of six discussions and activities over the course of three days.

Who participated?

Our participant pool represented a mix of:

- Entry-level and move-up homebuyers
- Mix of home values: \$250-450k and \$450k+
- Ages: 28-35; 36-54; 55-72
- Built a home within the last year
- Highly engaged primary or shared decision maker in new home construction planning
- Planned to/did spec a fireplace; didn't plan to/spec a fireplace
- Annual income (\$40k-\$120k+)
- Home size (2,000-3,5000+ sq ft)
- Home stage: first, second, third and beyond home
- Builder role: offers no choice of fireplace; offers limited fireplace selection; does not constrain

Participants were recruited from high-opportunity regions including:

- Six each from Charlotte, NC, Houston, TX, Phoenix, AZ and Washington, D.C. metro area
- Six from anywhere in U.S.

Smith Dahmer then shifted to a multi-faceted quantitative study to learn more about homebuyer attitudes, interests and needs through 20-minute online surveys of 2,000 consumers across the U.S.

Who did we survey?

- Ages 18+
- Household income \$20k+
- New construction homebuyers—currently looking/building or built in the last two years
- No critical industry affiliation/employment
- Confidentiality agreement
- Balanced within screening criteria representative to U.S. census across gender, age and four census regions.

Survey Demographics

Age Generation



(18-34)

562





Classification



1,556



Building

106



Homebuyer 338



Home Type Entry Level Move-Up 1,059 **536**

405

About

Hearth & Home Technologies® (HHT), headquartered in Lakeville, MN, is the global leader in the development and manufacturing of fireplaces, stoves and inserts. The company serves residential and commercial applications and is also a manufacturer of hearth products, including mantels, surrounds and more. HHT thrives on continual innovation and strives to incorporate the latest designs and technology. The company carries the industry's best and most-recognized brands, including: Heat & Glo®, Heatilator® and Majestic™. HHT also manages Fireside Hearth & Home™ retail stores and builder design centers. More information can be found online at www.hearthnhome.com.





