



State of the Hearth Industry Report

The Hearth, Patio & Barbecue Association (HPBA) has conducted the Fireplace and Stove Attitude and Usage Study on a biennial basis since 2002. The State of the Hearth Industry Report reflects select information from the 2007 hearth shipment report, the 2006 Attitude and Usage Study and fireplace data from the National Association of Home Builders (NAHB).

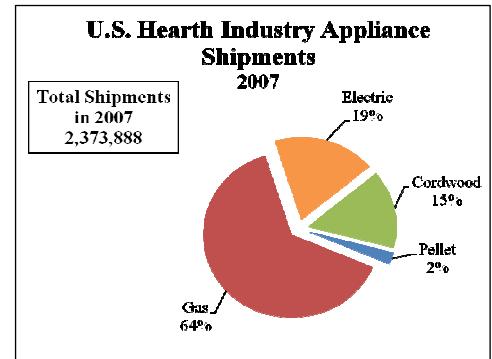
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The Industry is Hot

- 🔥 Nearly 2.4 million hearth appliances were shipped in 2007; 1.5 million were gas-fueled models.
- 🔥 Fireplace sales and installations represent a \$5 billion annual value.

Where the Hearth Is

- 🔥 Fireplaces rank second among the top features desired by buyers of new homes; they are only second to outdoor patios, porches and decks (National Association of Home Builders or NAHB).
- 🔥 Half of U.S. households (55 million) have at least one fireplace or freestanding stove.
- 🔥 There were approximately 1.3 fireplaces per home in 2006, with 80 percent of the homes having at least one fireplace or stove, and 17 percent having two.

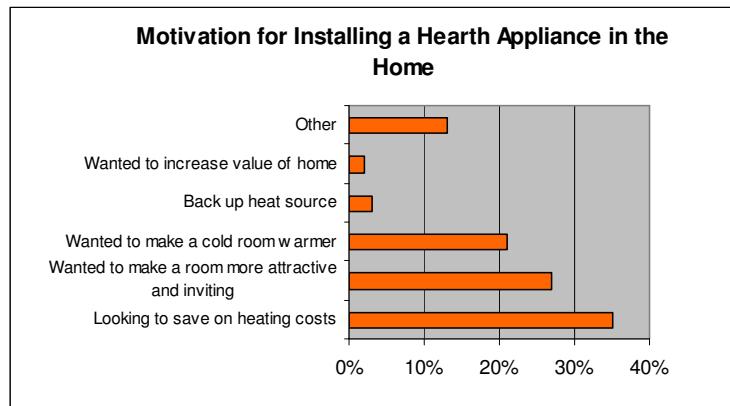


Cleaner, More Efficient Options

- 🔥 The average age of a wood fireplace is 23 years, therefore making them more likely targets for updating. The average age of a freestanding stove is 11 years. Gas fireplaces are an average age of 11 years. And, fireplace inserts average 13 years.
- 🔥 Residential wood-burning stoves and fireplace inserts are now certified by the U.S. Environmental Protection Agency (EPA) to produce as much as 90 percent less wood smoke emissions than uncertified wood-burning appliances.
- 🔥 Initial study shows that EPA-certified stoves can decrease the average wintertime fine particulate levels in the outdoor air by 28 percent and can make indoor air quality 72 percent cleaner inside homes.
- 🔥 60 percent of those who modified their fireplace for efficiency, modified it by installing a fireplace insert.

Heating Your Home

- 🔥 32 percent of stove owners view their stove as a primary heat source; 47 percent consider it to be a secondary source of heat.
- 🔥 The primary motivation of 35 percent of those that installed a hearth product in their home was to save on heating costs, while 21 percent wanted to make a cold room warmer.
- 🔥 Using supplemental hearth appliances to heat the rooms that are occupied the most allows for the thermostat of the furnace to be turned down, decreasing fuel bills. This “zone heating” can provide energy savings of 20-40 percent (American Council for Energy Efficient Economy).
- 🔥 One in three Americans (36 percent) indicates they will have and use hearth products in their home.
- 🔥 Three-fourths of those who own or will own woodburning, gas, pellet or corn stoves (76 percent), and a similar percentage of those who own high-efficiency woodburning fireplaces (79 percent), indicated the use of these products are important parts of their plans for home heating costs.



Increasing the Heat to a Home

- 🔥 59 percent of hearth owners consider their fireplace, stove or insert to be a major design feature in their home in comparison to 49 percent in 2004.
- 🔥 73 percent of wood fireplace owners use their hearth product to enhance the atmosphere, compared to 63 percent of gas fireplace owners.
- 🔥 The master bedroom is the most desired room to add a second fireplace/stove (NAHB).
- 🔥 The estimated average increase in home value from a hearth appliance is \$3,065.
- 🔥 Fireplaces have a strong, positive effect on the value of a home, 46 percent of home buyers are willing to pay more for the feature, adding about \$1,220 to a home's worth per fireplace (National Association of Realtors).

Adding a Hearth to a Home

- 🔥 Typical cost of post-construction installation:
 - Fireplaces: Open, EPA-certified wood fireplace \$3-5,000, gas fireplace \$3-5,000 and electric fireplace \$500-3,000.
 - Stoves: Free standing woodstove with new chimney \$3-4,200, pellet stove \$3,500-4,000.
 - Inserts: Pellet, gas or EPA-certified wood insert into existing fireplace with new liner \$3-\$4,000, and an electric insert into an existing masonry fireplace \$100-300.
 - Log sets: Vent-free gas log sets \$400-\$1,000 or electric log set \$100-\$300.
- 🔥 For estimating purposes, consumers can calculate the cost and energy savings of potential hearth appliances using HPBA's online calculator (www.hpba.org/fuelcalculator).
- 🔥 Consumers can research placement, product and fuel choices, online with the *Consumer Guide: The Easy and Efficient Way to Heat Your Home*, that highlights the differences between appliance options, fuels, approximate efficiency and the estimated costs of product purchase and installation (www.hpba.org/HearthConsumerGuide).

Stove and Fireplace Use

- 🔥 People that have fireplaces and stoves in their homes use them. Fireplace owners typically use their fireplaces 32 times per year, most often in the winter (average 22 times) and fall (average 6 times). Stove owners are even more dedicated, using them an average of 108 times per year, with the highest usage also in the winter (57 times) and fall (25 times).
- 🔥 56 percent of stove owners use their stoves to save on heating costs.
- 🔥 Gas fireplaces users average 2.6 hours and cordwood users average 3.6 hours of use.

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This research was conducted online via the TSN – NFO Market Research Firm in August 2006 with a sample size of nearly 1,722. The sample size included households assembled to be representative of the latest U.S. Census in terms of geography, age of head of household, market size, annual household income and household size. All respondents are 18+ years old.

About Hearth, Patio & Barbecue Association (HPBA)

The Hearth, Patio & Barbecue Association (HPBA), based in Arlington, VA, is the North American industry association for manufacturers, retailers, distributors, representatives, service firms and allied associates for all types of hearth, barbecue and patio appliances, fuels and accessories. The association provides professional member services and industry support in education, statistics, government relations, marketing, advertising and consumer education. There are more than 2,600 members in the HPBA.