



Capstone's Strategy to Win the Next Growth Cycle as Remodeling Demand Returns

By the Capstone Editorial Team

It's no secret that dealer revenues have been under pressure over the past 12 to 18 months.

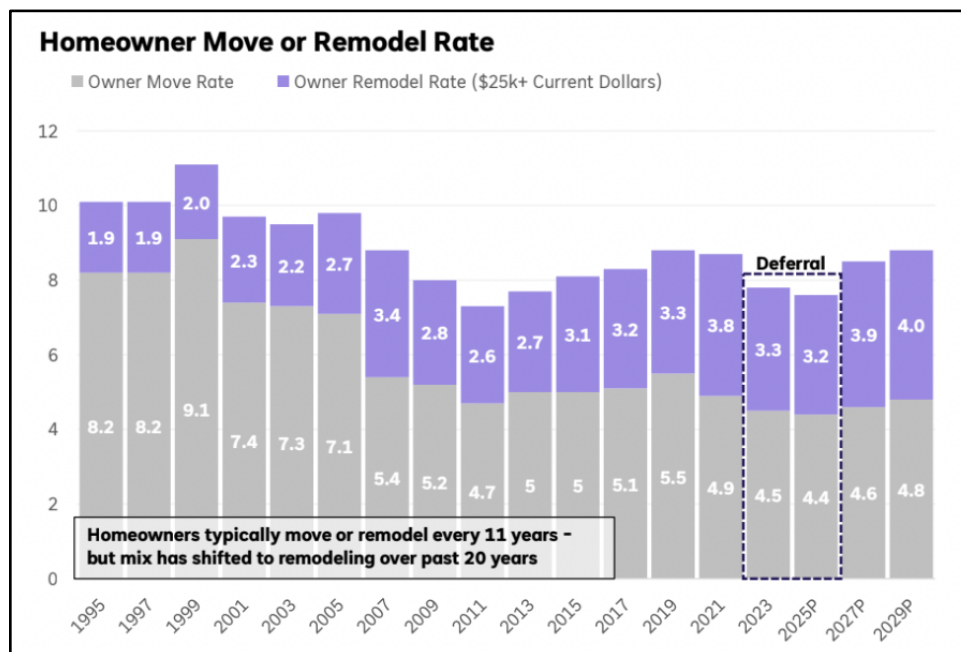
The market spent years working through the fastest rate-hiking cycle in decades, only to be confronted with tariffs. Many homeowners, faced with rising costs, put remodeling projects on hold.

"On hold" is the key phrase. Remodeling demand never disappears. It's cyclical, and the cycle is turning. Rate cuts are coming, tariffs have eased, and demand that's been waiting on the sidelines is beginning to return. *The question is which operators are prepared to capture it.*

We believe the answer is Capstone. Let's walk through why.

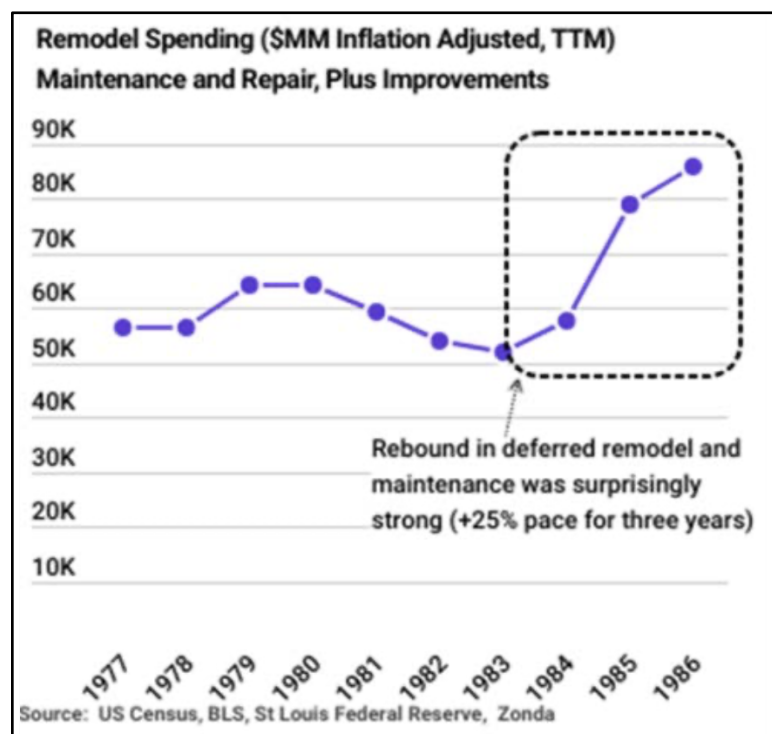
Market Fundamentals Point to a Rebound

Zonda, a national leader in housing market research, just released its quarterly forecast for the building products industry. The findings echo [what we've said all along](#): remodeling demand was deferred in recent quarters, and it's poised to come roaring back.



**“This deferral will result in a rapid rebound in future spending as soon as rates moderate.”*
([Building Products Outlook, Zonda](#)).

We’ve seen this pattern before. In the early 1980s, high interest rates forced homeowners to delay projects. Once rates came down, activity rebounded fast. Remodeling spend grew more than 25 percent a year for three straight years.



**“Remodeling boomed after early 1980's rate-driven deferral.”* ([Building Products Outlook, Zonda](#)).

Today’s market fundamentals — larger homes and an older housing stock — are stronger than they were in the early 1980s. Zonda projects that the current demand deferral will translate into an *even faster rebound* in the coming quarters.

Why Capstone Will Lead the Recovery

What happens when demand returns to a quiet market? The best-prepared operators capture the lion’s share.

Most of the industry spent the past 18 months retrenching. Capstone used the time to build, expanding our footprint through acquisitions and integrating those businesses into Instone. The result is a platform with the scale, control, and efficiency to win when demand comes back.

Scale is our first advantage. In building products, size changes the economics of distribution. Capstone can move inventory faster, cut logistics costs, and negotiate better terms than smaller competitors. For contractors, that means getting the products they need, when they need them.

Control is our second. More than half of Capstone's sales now come from brands it owns or exclusively distributes. That gives our platform the ability to guarantee consistency in quality and availability across markets, and it creates a moat that keeps dealers committed to Capstone.

All of this is underpinned by efficiency. Our digital ordering tools, smarter inventory management, and logistics upgrades are already showing up in stronger margins. These are the kind of structural efficiencies that will compound as volumes grow.

Building One of the Industry's Strongest Operators

All markets move in cycles, and Capstone has always known demand for remodeling would rebound. What sets our platform apart is how we used the quiet period: building scale, efficiency, and control while others stood still.

Today, Capstone is one of the most scaled and efficient operators in the industry. With more acquisitions in the pipeline, we're positioned to keep executing on our disciplined growth strategy and to capture the rebound as it comes.

Visit [our website](#) for regular insights on the building products market and Capstone's strategy.