

Figure 1: Houzz Renovation Barometer - Expected Business Activity Indicator, National

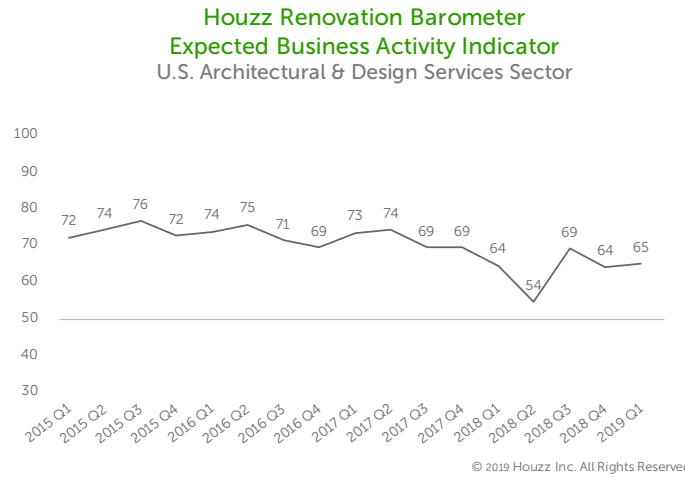


Figure 2: Houzz Renovation Barometer - Expected Business Activity Indicator Components

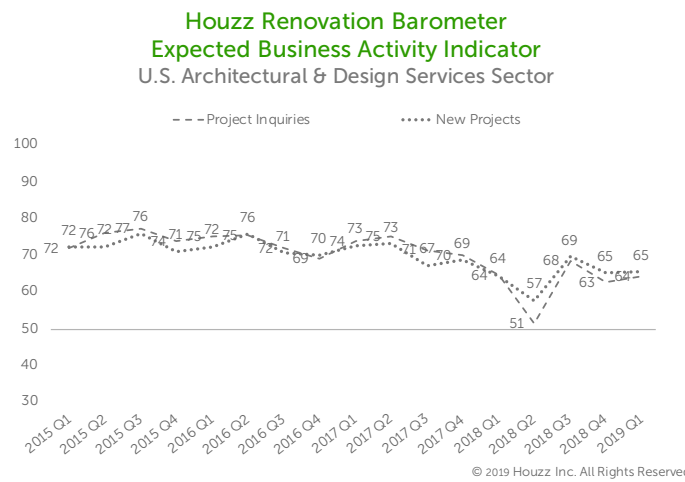
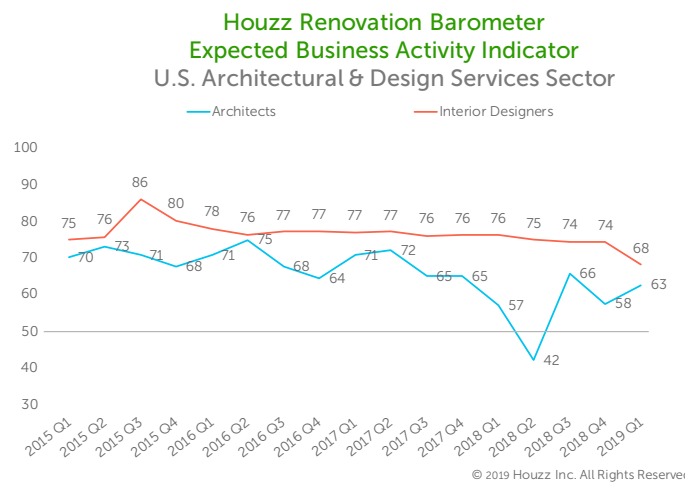


Figure 3: Houzz Renovation Barometer - Expected Business Activity Indicator, Subsectors



**Table 1: Houzz Renovation Barometer - Expected Business Activity Indicator, National**

a) U.S. Architectural & Design Services Sector: Overall

Quarter	Overall	Project Inquiries	New Projects
2015 Q1	72	72	72
2015 Q2	74	76	72
2015 Q3	76	77	76
2015 Q4	72	74	71
2016 Q1	74	75	72
2016 Q2	75	75	76
2016 Q3	71	72	71
2016 Q4	69	69	70
2017 Q1	73	74	73
2017 Q2	74	75	73
2017 Q3	69	71	67
2017 Q4	69	70	69
2018 Q1	64	64	64
2018 Q2	54	51	57
2018 Q3	69	68	69
2018 Q4	64	63	65
2019 Q1	65	64	65

b) U.S. Architectural & Design Services Sector Subsector: Architects

Quarter	Overall	Project Inquiries	New Projects
2015 Q1	70	70	71
2015 Q2	73	76	70
2015 Q3	71	71	70
2015 Q4	68	68	67
2016 Q1	71	73	69
2016 Q2	75	74	75
2016 Q3	68	68	67
2016 Q4	64	64	65
2017 Q1	71	71	70
2017 Q2	72	73	71
2017 Q3	65	68	62
2017 Q4	65	65	65
2018 Q1	57	57	58
2018 Q2	42	37	47
2018 Q3	66	65	66
2018 Q4	58	56	59
2019 Q1	63	62	64

c) U.S. Architectural & Design Services Sector Subsector: Interior Designers

Quarter	Overall	Project Inquiries	New Projects
2015 Q1	75	75	74
2015 Q2	76	76	76
2015 Q3	86	87	85
2015 Q4	80	82	78
2016 Q1	78	78	78
2016 Q2	76	76	76
2016 Q3	77	77	77
2016 Q4	77	76	78
2017 Q1	77	78	76
2017 Q2	77	78	77
2017 Q3	76	76	76
2017 Q4	76	77	75
2018 Q1	76	77	75
2018 Q2	75	75	74
2018 Q3	74	74	75
2018 Q4	74	73	75
2019 Q1	68	68	68

Table 2: Houzz Renovation Barometer - Expected Business Activity Indicator, Regional

a) U.S. Architectural & Design Services Sector: Overall, by U. S. Census regional divisions

Quarter	East North Central Division	East South Central Division	Middle Atlantic Division	Mountain Division	New England Division	Pacific Division	South Atlantic Division	West North Central Division	West South Central Division
2015 Q1	76	78	75	76	70	77	76	73	78
2015 Q2	82	53	80	73	85	77	79	83	73
2015 Q3	76	83	71	73	73	76	75	72	71
2015 Q4	60	61	73	64	71	64	65	65	73
2016 Q1	74	79	73	82	75	78	79	73	84
2016 Q2	80	83	76	75	80	78	79	85	83
2016 Q3	69	73	67	69	68	70	68	70	72
2016 Q4	63	63	67	61	65	59	65	68	67
2017 Q1	71	76	78	77	78	73	80	81	85
2017 Q2	74	84	77	78	70	74	79	82	84
2017 Q3	68	68	69	73	67	70	67	64	63
2017 Q4	64	69	66	59	73	62	64	56	66
2018 Q1	72	66	65	67	61	70	70	67	69
2018 Q2	60	47	58	50	60	62	56	47	57
2018 Q3	74	68	71	67	64	65	65	66	66
2018 Q4	58	55	60	57	57	57	62	56	58
2019 Q1	68	70	70	66	69	64	71	68	69

b) U.S. Architectural & Design Services Subsector: Architects, by U. S. Census regional divisions

Quarter	East North Central Division	East South Central Division	Middle Atlantic Division	Mountain Division	New England Division	Pacific Division	South Atlantic Division	West North Central Division	West South Central Division
2015 Q1	73	76	75	76	67	75	73	71	75
2015 Q2	85	26	78	74	86	75	77	81	72
2015 Q3	73	78	65	69	70	71	70	72	63
2015 Q4	53	51	70	64	72	60	57	61	72
2016 Q1	71	75	71	80	73	73	76	69	86
2016 Q2	82	87	75	74	79	76	76	87	79
2016 Q3	65	66	64	66	67	66	66	69	70
2016 Q4	59	51	62	57	64	55	59	62	66
2017 Q1	64	78	77	75	76	68	81	79	84
2017 Q2	72	76	72	74	66	70	79	79	82
2017 Q3	64	68	66	68	60	67	67	63	53
2017 Q4	58	63	63	52	74	57	62	44	63
2018 Q1	68	58	58	59	51	64	63	58	60
2018 Q2	47	25	45	31	46	53	43	26	43
2018 Q3	72	66	69	65	61	63	63	66	64
2018 Q4	51	48	54	52	50	53	54	50	52
2019 Q1	66	69	70	66	67	60	72	69	68

c) U.S. Architectural & Design Services Subsector: Interior Designers, by U. S. Census regional divisions

Quarter	East North Central Division	East South Central Division	Middle Atlantic Division	Mountain Division	New England Division	Pacific Division	South Atlantic Division	West North Central Division	West South Central Division
2015 Q1	80	81	75	77	74	78	80	77	83
2015 Q2	78	99	84	70	84	81	82	85	75
2015 Q3	81	92	81	80	77	85	85	73	83
2015 Q4	72	79	77	65	70	71	79	72	75
2016 Q1	80	86	75	85	78	86	84	80	82
2016 Q2	76	77	80	78	81	81	83	82	89
2016 Q3	76	86	72	75	71	76	71	71	75
2016 Q4	70	83	74	69	68	64	75	77	69
2017 Q1	82	73	81	81	81	82	79	83	86
2017 Q2	79	98	86	85	79	79	80	87	87
2017 Q3	74	67	73	83	79	74	66	65	79
2017 Q4	73	79	71	71	71	72	67	75	72
2018 Q1	78	80	78	82	77	79	82	82	83
2018 Q2	82	85	80	80	83	78	79	83	80
2018 Q3	77	72	75	71	68	70	70	66	69
2018 Q4	69	68	69	65	69	64	74	67	68
2019 Q1	73	71	71	67	74	71	70	67	72



## Methodology

The Houzz Renovation Barometer is based on a quarterly online survey sent to a national U.S. panel of businesses with an online profile on Houzz. The Barometer keeps a pulse on home renovation market conditions via three distinct indices that track expected, current, and recent business activity in two related industry sectors, the construction sector and the architectural and design services sector.

The Expected Business Activity Indicator is based on survey questions that ask businesses to report whether they expect the number of *project inquiries* and *new projects\** to increase, decrease or stay unchanged in the upcoming quarter relative to the prior quarter. Scores for each component are then computed as a seasonally adjusted diffusion indices on a scale of 0 to 100, with index values over 50 indicating that a greater proportion of firms reported quarter-over-quarter increases than those reporting decreases. The *new projects* component includes reported changes to the number of new projects and the size of new projects and uses 80% and 20% weights, respectively, to arrive at the final *new projects* component.

The Recent Business Activity Indicator is based on survey questions that ask businesses to report whether they observed the actual number of *project inquiries* and *new projects\** increasing, decreasing or staying unchanged in the most recent quarter relative to the prior quarter. Scores for each component are then computed as a seasonally adjusted diffusion indices similar to the Expected Business Activity Indicator. The *new projects* component includes reported changes to the number of new projects and the size of new projects and uses 80% and 20% weights, respectively, to arrive at the final *new projects* component.

The Recent Business Activity Indicator scores can be compared to the Expected Business Activity Indicator scores for any given quarter to see whether actual activity met, exceeded, or fell short of expectations.

Finally, the Backlog Indicator is based on survey questions that ask businesses to report wait times in weeks before a company can start work on a new midsize project. Scores are computed as average wait times without a seasonal adjustment.

The Houzz Renovation Barometer is nationally representative of business activity related to work performed on owner-occupied existing homes, as reported by businesses who report that in the last 12 months at least 20% of their revenues came from residential remodeling services. Each of the three indicators is available for three subsectors in the construction sector (build only remodelers, design and build remodelers, and specialty trade contractors) and for two subsectors in the architectural and design services sector (architects and interior designers), as well as for nine regions that follow the U.S. Census Bureau Divisions.

The aggregated national sector-level indices are computed by 1) aggregating regional subsector indices to national levels using Division-level weights derived from the 2016 U.S. Census County Business Patterns survey; and 2) aggregating national sector-level indices to sector levels using subsector weights derived from the 2016 U.S. Census County Business Patterns survey and 2016 BLS Current Employment Statistics Peak Trough series. Final national weights are 23%, 23%, and 54% for build only remodelers, design and build remodelers, and specialty trade contractors, respectively, in the construction sector. The final national weights are 63% and 37% for architects and interior designers, respectively, in the architectural and design services subsector.

The Houzz Renovation Barometer survey for the current quarter was fielded on December 27, 2018 to January 9, 2019. N = 2,270 (523 build only remodelers, 222 design and build remodelers, 434 specialty trade remodelers, 381 architects, 710 interior designers).