

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

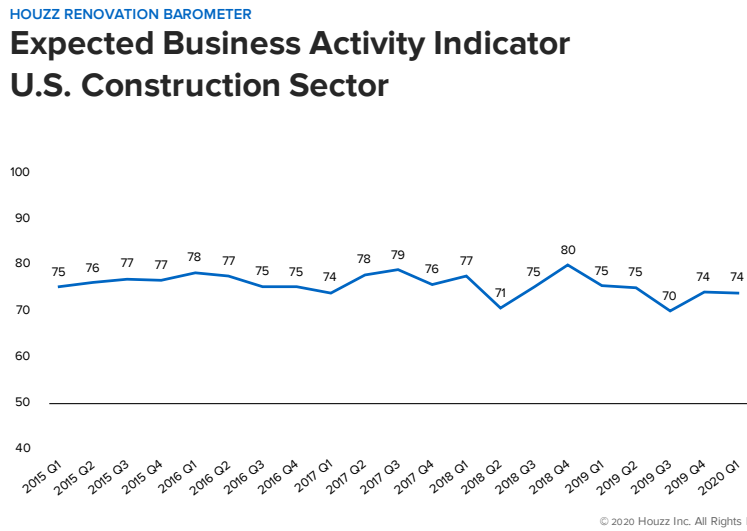


Figure 2: Houzz Renovation Barometer - Expected Business Activity Indicator, Components

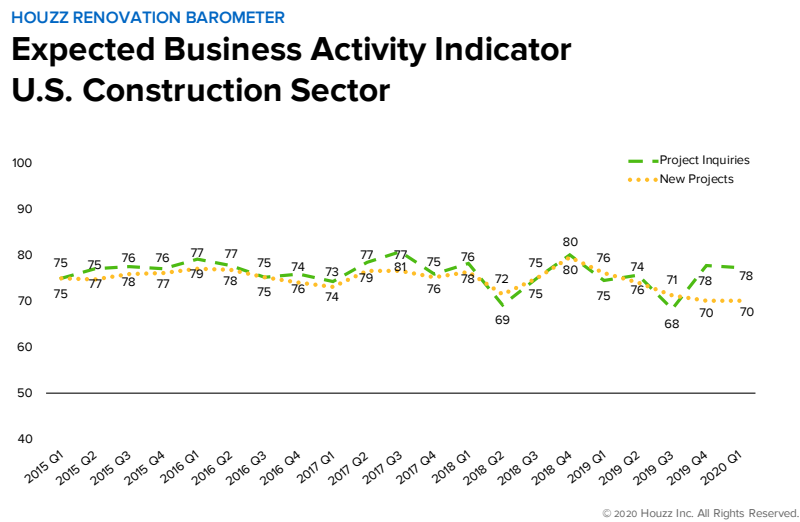


Figure 3: Houzz Renovation Barometer - Expected Business Activity Indicator, Subsectors

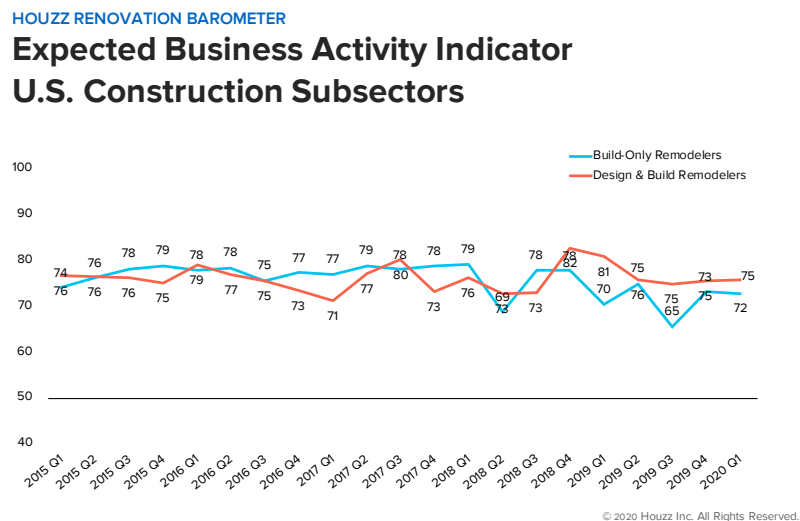


Table 1: Houzz Renovation Barometer - Expected Business Activity Indicator, National

a) U.S. Construction Sector: Overall

Quarter	Overall	Project Inquiries	New Projects
2015 Q1	75	75	75
2015 Q2	76	77	75
2015 Q3	77	78	76
2015 Q4	77	77	76
2016 Q1	78	79	77
2016 Q2	77	78	77
2016 Q3	75	75	75
2016 Q4	75	76	74
2017 Q1	74	74	73
2017 Q2	78	79	77
2017 Q3	79	81	77
2017 Q4	76	76	75
2018 Q1	77	78	76
2018 Q2	71	69	72
2018 Q3	75	75	75
2018 Q4	80	80	80
2019 Q1	75	75	76
2019 Q2	75	76	74
2019 Q3	70	68	71
2019 Q4	74	78	70
2020 Q1	74	78	70

b) U.S. Construction Subsector: Build-Only Remodelers

Quarter	Overall	Project Inquiries	New Projects
2015 Q1	74	74	73
2015 Q2	76	77	75
2015 Q3	78	79	77
2015 Q4	79	80	77
2016 Q1	78	79	76
2016 Q2	78	78	78
2016 Q3	75	74	76
2016 Q4	77	79	75
2017 Q1	77	78	76
2017 Q2	79	79	78
2017 Q3	78	81	75
2017 Q4	78	79	78
2018 Q1	79	80	78
2018 Q2	69	66	71
2018 Q3	78	77	79
2018 Q4	78	78	77
2019 Q1	70	70	71
2019 Q2	75	75	74
2019 Q3	65	62	68
2019 Q4	73	78	68
2020 Q1	72	80	65

c) U.S. Construction Subsector: Design & Build Remodelers

Quarter	Overall	Project Inquiries	New Projects
2015 Q1	76	76	77
2015 Q2	76	78	75
2015 Q3	76	76	75
2015 Q4	75	75	75
2016 Q1	79	80	78
2016 Q2	77	78	76
2016 Q3	75	77	74
2016 Q4	73	73	74
2017 Q1	71	71	71
2017 Q2	77	79	75
2017 Q3	80	81	79
2017 Q4	73	73	73
2018 Q1	76	77	75
2018 Q2	73	73	72
2018 Q3	73	73	72
2018 Q4	82	82	83
2019 Q1	81	80	82
2019 Q2	76	76	75
2019 Q3	75	75	75
2019 Q4	75	78	72
2020 Q1	75	76	75

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

a) U.S. Construction 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	79	71	81	70	79	80	78	72
2015 Q2	83	89	79	91	89	85	82	83	80
2015 Q3	76	84	71	81	72	78	77	74	72
2015 Q4	69	76	67	72	72	69	70	68	73
2016 Q1	84	89	81	78	78	76	80	75	77
2016 Q2	86	89	84	87	86	82	86	86	80
2016 Q3	71	91	71	79	71	77	74	74	73
2016 Q4	66	78	64	71	73	67	69	69	75
2017 Q1	76	74	76	75	69	78	74	71	79
2017 Q2	88	90	86	84	89	84	83	81	84
2017 Q3	80	89	76	75	78	76	78	76	77
2017 Q4	64	74	72	64	67	64	75	65	74
2018 Q1	77	93	81	77	75	75	81	80	81
2018 Q2	83	58	75	79	78	74	74	88	80
2018 Q3	78	95	70	69	76	72	72	70	86
2018 Q4	74	85	67	78	74	68	76	79	77
2019 Q1	75	86	77	84	72	69	80	74	77
2019 Q2	80	82	82	86	82	80	79	86	85
2019 Q3	67	70	71	65	63	70	69	65	73
2019 Q4	66	76	69	72	70	61	72	71	72
2020 Q1	77	81	79	73	76	73	78	79	78

b) U.S. Construction Subsector: Build-Only Remodelers, 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	71	72	77	81	60	75	78	72	86
2015 Q2	80	91	75	90	87	89	86	83	78
2015 Q3	76	89	77	81	71	79	78	77	76
2015 Q4	72	76	64	76	66	70	72	69	72
2016 Q1	83	88	78	81	73	76	83	76	72
2016 Q2	88	97	87	87	82	84	87	82	82
2016 Q3	72	84	70	82	73	76	76	74	81
2016 Q4	66	77	64	71	73	69	70	67	75
2017 Q1	79	86	79	75	68	77	82	68	86
2017 Q2	88	93	85	86	90	86	88	76	82
2017 Q3	79	87	75	80	78	78	80	72	77
2017 Q4	61	84	74	62	71	65	74	74	74
2018 Q1	85	92	80	84	75	76	81	78	85
2018 Q2	82	90	77	82	84	66	63	78	86
2018 Q3	82	91	68	80	75	76	79	84	89
2018 Q4	70	81	61	73	70	65	73	77	70
2019 Q1	69	79	75	75	67	64	72	60	71
2019 Q2	79	78	88	84	84	80	77	85	85
2019 Q3	60	66	72	57	55	69	66	56	71
2019 Q4	68	73	64	69	68	62	68	69	71
2020 Q1	76	78	80	70	71	69	73	72	71

c) U.S. Construction Subsector: Design & Build Remodelers, 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	86	65	82	80	83	81	84	59
2015 Q2	86	88	83	92	91	80	78	83	83
2015 Q3	76	80	65	82	74	77	77	72	69
2015 Q4	66	77	70	68	79	68	68	67	73
2016 Q1	85	90	84	74	83	76	77	75	83
2016 Q2	85	82	82	86	90	81	84	90	78
2016 Q3	71	98	71	77	68	77	72	74	65
2016 Q4	65	80	65	70	73	65	68	70	75
2017 Q1	73	63	73	75	70	78	65	74	72
2017 Q2	87	87	86	83	88	82	79	86	86
2017 Q3	81	92	76	70	78	75	76	80	77
2017 Q4	67	65	71	67	63	63	76	57	73
2018 Q1	68	95	82	69	75	74	81	82	78
2018 Q2	85	25	73	75	72	82	85	98	75
2018 Q3	74	100	73	58	76	67	66	56	82
2018 Q4	77	88	73	82	79	72	78	82	84
2019 Q1	82	94	80	93	77	75	88	88	82
2019 Q2	82	86	77	89	81	81	81	87	84
2019 Q3	73	74	70	74	71	70	73	74	75
2019 Q4	65	79	73	75	73	61	75	73	72
2020 Q1	78	84	78	76	81	76	82	85	85

Methodology

The Houzz Renovation Barometer is based on a quarterly online survey sent to a 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 remain unchanged in the upcoming quarter relative to the prior quarter. Scores for each component are then computed as 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 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 remaining unchanged in the most recent quarter relative to the prior quarter. Scores for each component are then computed as 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 with 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 at the start of the upcoming quarter. 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 two subsectors in the construction sector (build-only remodelers and design and build remodelers) 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 equally distributed for build-only remodelers and design and build remodelers 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 December 29, 2019 through January 10, 2020. N = 1,484 (529 design and build remodelers, 218 build-only remodelers, 288 architects and 449 interior designers).