

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

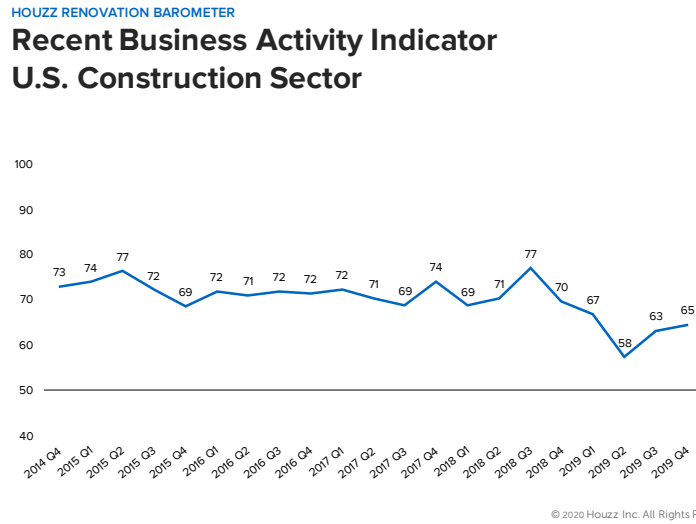


Figure 2: Houzz Renovation Barometer - Recent Business Activity Indicator, Components

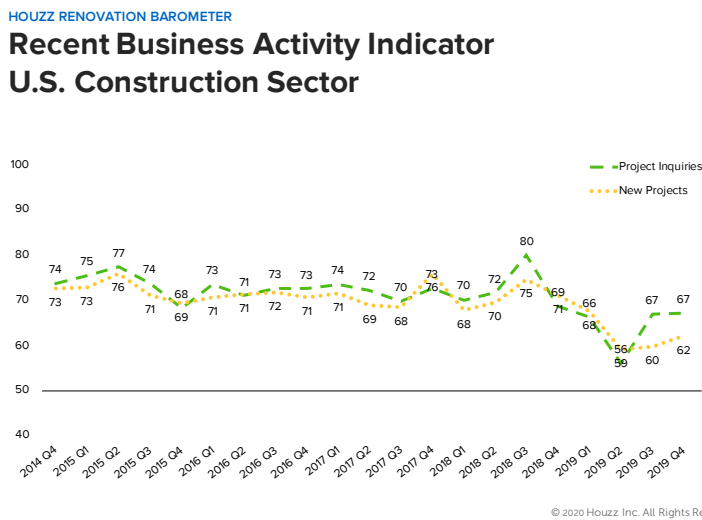


Figure 3: Houzz Renovation Barometer - Recent Business Activity Indicator, Subsectors

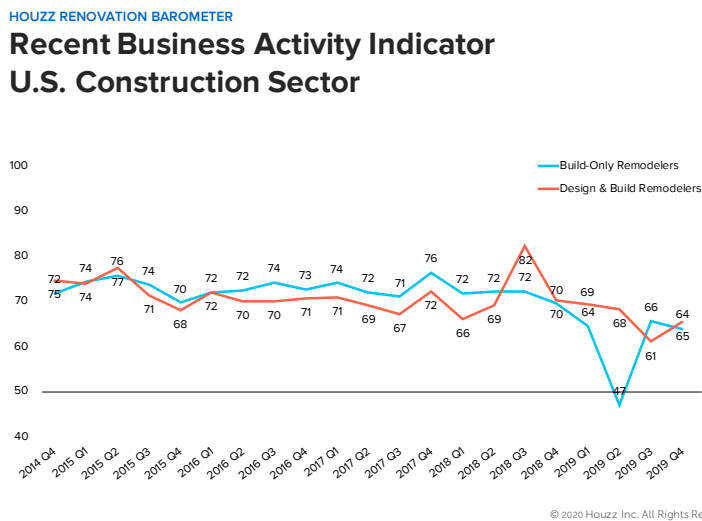


Table 1: Houzz Renovation Barometer - Recent Business Activity Indicator, National

a) U.S. Construction Sector: Overall

Quarter	Overall	Project Inquiries	New Projects
2014 Q4	73	74	73
2015 Q1	74	75	73
2015 Q2	77	77	76
2015 Q3	72	74	71
2015 Q4	69	68	69
2016 Q1	72	73	71
2016 Q2	71	71	71
2016 Q3	72	73	72
2016 Q4	72	73	71
2017 Q1	72	74	71
2017 Q2	71	72	69
2017 Q3	69	70	68
2017 Q4	74	73	76
2018 Q1	69	70	68
2018 Q2	71	72	70
2018 Q3	77	80	75
2018 Q4	70	69	71
2019 Q1	67	66	68
2019 Q2	58	56	59
2019 Q3	63	67	60
2019 Q4	65	67	62

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

Quarter	Overall	Project Inquiries	New Projects
2014 Q4	72	72	72
2015 Q1	74	76	73
2015 Q2	76	78	74
2015 Q3	74	74	73
2015 Q4	70	67	72
2016 Q1	72	74	70
2016 Q2	72	72	73
2016 Q3	74	75	73
2016 Q4	73	73	72
2017 Q1	74	76	72
2017 Q2	72	73	71
2017 Q3	71	72	71
2017 Q4	76	75	78
2018 Q1	72	72	72
2018 Q2	72	74	70
2018 Q3	72	75	70
2018 Q4	70	71	68
2019 Q1	64	64	65
2019 Q2	47	45	49
2019 Q3	66	68	63
2019 Q4	64	66	62

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

Quarter	Overall	Project Inquiries	New Projects
2014 Q4	75	76	74
2015 Q1	74	75	73
2015 Q2	77	77	78
2015 Q3	71	73	70
2015 Q4	68	69	67
2016 Q1	72	73	71
2016 Q2	70	70	70
2016 Q3	70	70	70
2016 Q4	71	72	69
2017 Q1	71	71	71
2017 Q2	69	71	67
2017 Q3	67	68	66
2017 Q4	72	71	74
2018 Q1	66	68	64
2018 Q2	69	70	69
2018 Q3	82	85	79
2018 Q4	70	67	74
2019 Q1	69	69	70
2019 Q2	68	67	69
2019 Q3	61	66	56
2019 Q4	65	68	63

**Table 2: Houzz Renovation Barometer - Recent 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
2014 Q4	67	58	69	68	55	72	70	68	64
2015 Q1	79	79	74	81	77	79	76	86	76
2015 Q2	77	86	75	81	82	81	80	80	74
2015 Q3	68	84	73	73	73	77	68	71	68
2015 Q4	59	72	56	66	66	69	67	61	69
2016 Q1	73	80	74	73	79	75	78	78	71
2016 Q2	69	82	75	70	76	75	73	74	67
2016 Q3	76	84	70	67	70	70	74	71	71
2016 Q4	69	86	63	64	63	66	73	62	59
2017 Q1	81	87	71	74	76	77	77	71	71
2017 Q2	69	80	71	71	74	76	74	73	68
2017 Q3	65	73	71	70	65	71	69	67	67
2017 Q4	67	72	74	54	71	66	75	66	67
2018 Q1	79	78	76	53	64	68	72	68	91
2018 Q2	78	97	75	56	73	72	67	72	76
2018 Q3	80	88	75	79	83	74	74	81	79
2018 Q4	62	77	64	67	67	58	66	66	69
2019 Q1	65	76	69	76	69	66	70	71	75
2019 Q2	58	60	63	52	54	62	59	56	59
2019 Q3	64	69	62	67	68	61	65	66	67
2019 Q4	62	71	63	57	59	60	63	63	55

**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
2014 Q4	67	63	63	70	58	69	68	65	65
2015 Q1	80	74	71	82	68	78	77	83	73
2015 Q2	76	84	78	78	80	81	81	78	73
2015 Q3	71	89	72	77	74	76	72	79	73
2015 Q4	56	66	57	67	62	70	67	73	71
2016 Q1	70	81	73	75	75	75	75	74	76
2016 Q2	69	82	77	78	76	78	76	77	70
2016 Q3	80	88	69	66	73	75	79	76	72
2016 Q4	69	79	63	60	69	67	72	65	66
2017 Q1	81	92	69	74	78	77	78	70	74
2017 Q2	71	88	72	74	80	79	76	74	67
2017 Q3	67	79	71	72	66	77	69	77	72
2017 Q4	71	94	75	61	71	67	72	66	69
2018 Q1	81	100	75	82	63	59	77	68	84
2018 Q2	76	94	67	65	76	72	80	87	80
2018 Q3	76	86	68	79	81	69	70	76	73
2018 Q4	61	74	66	69	68	57	63	57	66
2019 Q1	58	73	66	70	62	63	67	62	77
2019 Q2	45	52	58	36	39	58	51	39	51
2019 Q3	68	74	67	71	72	64	67	69	65
2019 Q4	60	68	60	60	57	58	61	61	54

**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
2014 Q4	67	53	74	67	53	74	72	72	63
2015 Q1	78	84	77	80	85	79	75	88	79
2015 Q2	78	88	71	83	84	82	79	82	75
2015 Q3	66	80	75	69	72	78	63	63	62
2015 Q4	62	77	55	65	71	69	67	49	66
2016 Q1	76	79	76	71	84	74	81	82	66
2016 Q2	70	82	73	63	75	73	71	71	65
2016 Q3	71	80	70	69	66	65	70	66	69
2016 Q4	70	93	62	68	56	64	74	59	52
2017 Q1	81	81	73	73	74	77	75	72	69
2017 Q2	67	72	70	67	68	73	71	72	68
2017 Q3	62	68	72	67	64	66	70	57	63
2017 Q4	64	50	72	47	70	65	79	65	65
2018 Q1	76	55	77	25	64	76	67	68	99
2018 Q2	81	100	84	46	70	71	54	56	73
2018 Q3	84	90	81	79	85	80	79	85	84
2018 Q4	62	80	63	65	66	60	69	76	71
2019 Q1	73	80	73	81	75	70	73	80	73
2019 Q2	70	68	68	69	68	66	66	72	67
2019 Q3	61	65	57	62	64	58	63	63	68
2019 Q4	64	74	65	55	60	61	65	65	57

## 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).