

2017



U.S. HOUZZ RENOVATIONS & REGULATIONS STUDY

Big Ideas

WHAT REGULATIONS?

One in two homeowners seeking to have a renovation project approved by local building authorities is applying for a building permit for the first time. One in five first-time applicants have minimal awareness of local regulations (19%) and half change their initial plans after finding out about permit requirements (47%).

HIRING AN EXPERT

Over a third of homeowners hire a professional to help with the building permit process, with experienced applicants more likely to hire (42%) than are first-time applicants (35%). Three in four homeowners choose to stay partially or closely involved in the permit process even if hiring help.

JUSTIFIED COSTS

Over half of first-time and experienced applicants report paying \$500 or less in overall fees for an approved permit (56% and 58%, respectively), yet some pay over \$5,000 (1% and 3%, respectively). Most find the fees to be justified (64% and 78%, respectively) in light of local government services.

THE SURPRISE FACTOR

Homeowners who complete the permit process are divided on whether the process is frustrating or straightforward and on how the process length, cost, and complexity compares with their expectations. Overall, more than a third realize that the final project is different or larger than initially planned (36%).

LIVE AND LEARN

Many first-time permit applicants rate the entire building permit process as one of the three most challenging steps in home renovations (35%) and some say they will never do a renovation project requiring a permit again (8%). Experienced applicants largely disagree, indicating that practice makes the process easier.

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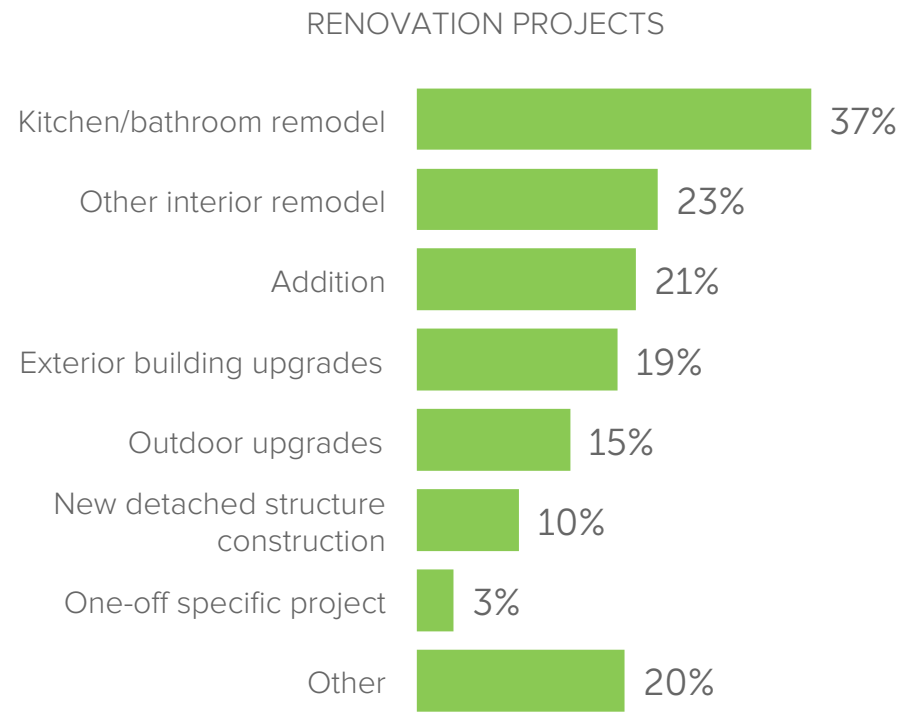
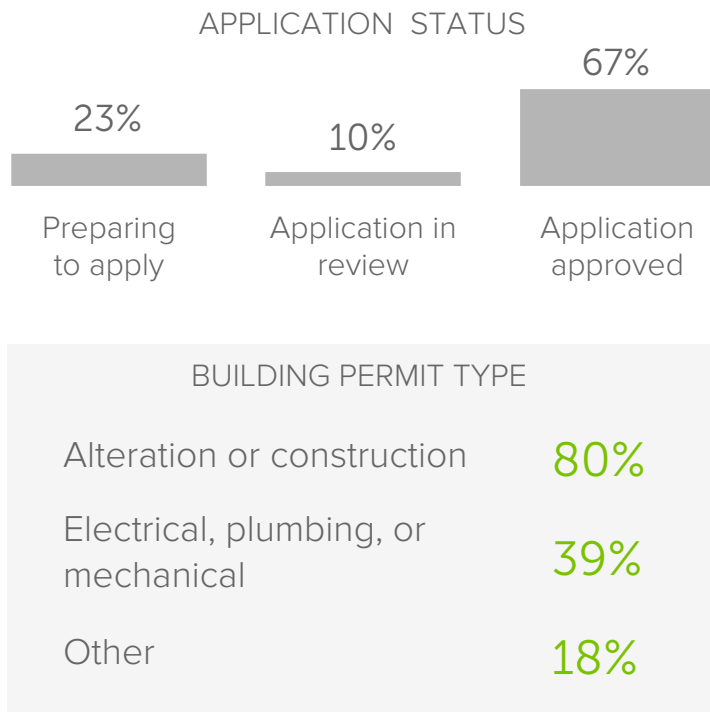
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Awareness of Local Building Regulations

Kitchen & Bathroom Remodels Top Permit Requests

A wide range of renovation projects require a permit, with kitchen or bathroom remodels being the most common (37%), followed by other interior remodels (23%) and additions (21%). Permits may cover general or specific tasks, such as construction, demolition, electrical upgrades, or tree removal.

BUILDING PERMIT APPLICATION CHARACTERISTICS AND ASSOCIATED RENOVATION PROJECTS

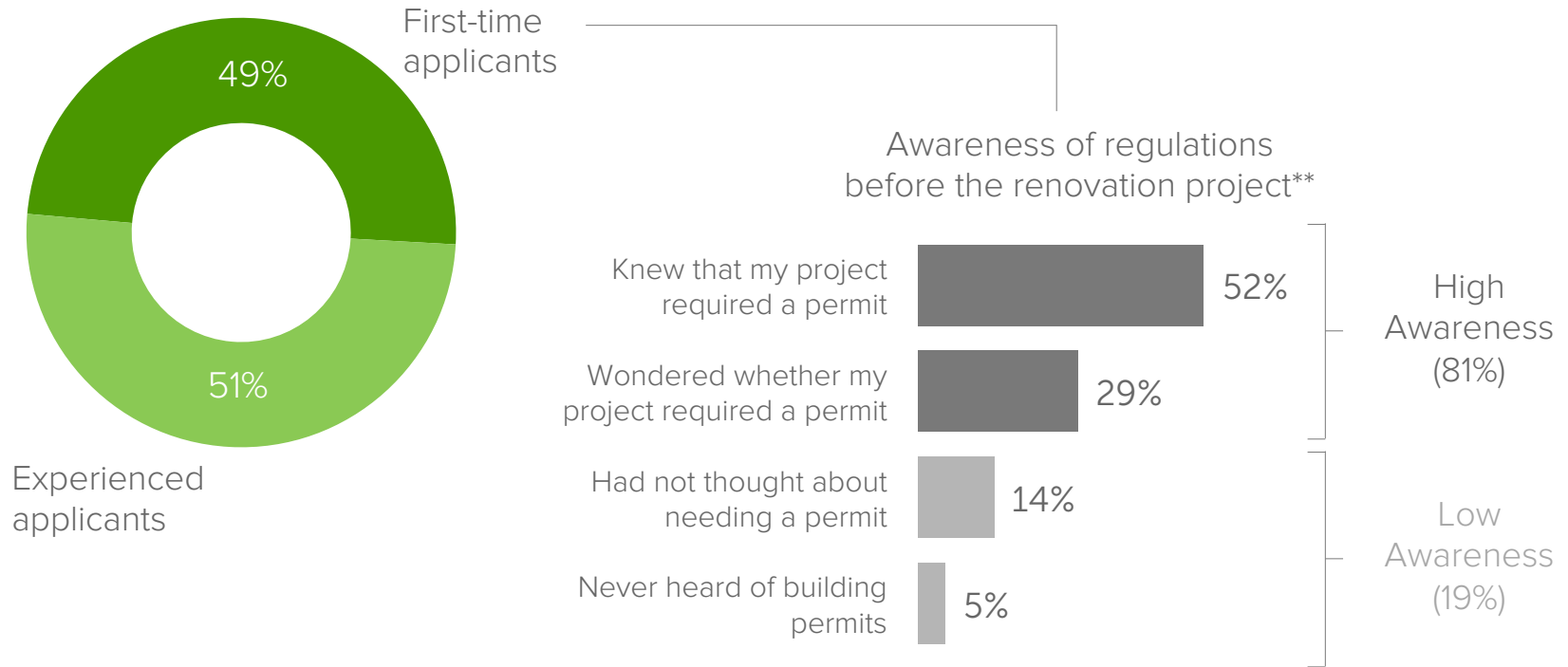


*Percentages reflect proportion of homeowners who are currently preparing to apply for a building permit for a home renovation project or who have applied for a building permit for a home renovation project in the last two years and either have an application in review or have had one approved.

First Time? Not Alone

One in two homeowners looking to obtain a building permit encounters local building regulations for the first time. Furthermore, one in five first-time applicants has minimal to no awareness of regulations beforehand (19%) and finds out about the permit requirements during the course of the project.

AWARENESS OF AND EXPERIENCE WITH LOCAL BUILDING PERMITS AND REGULATIONS*



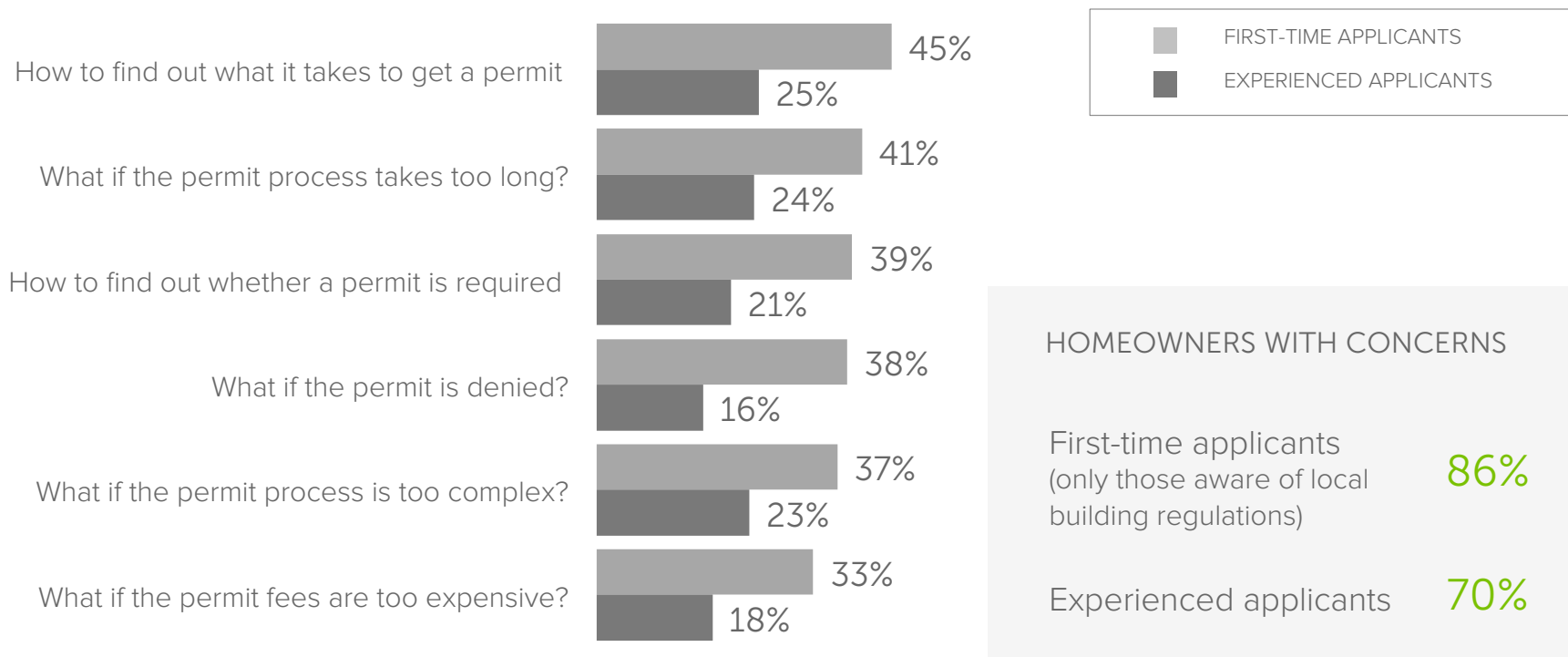
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** Percentages reflect proportion of homeowners who are applying or have applied for a building permit for the first time.

Questions Abound

Homeowners who are aware of local building regulations experience various concerns about the permit process before they begin (86% of aware first-time applicants and 70% of experienced applicants). How to get a permit is the #1 concern, with first-time applicants being nearly twice as anxious (45%) as experienced applicants (25%).

CONCERNS ABOUT THE LOCAL BUILDING PERMIT PROCESS BEFORE STARTING*

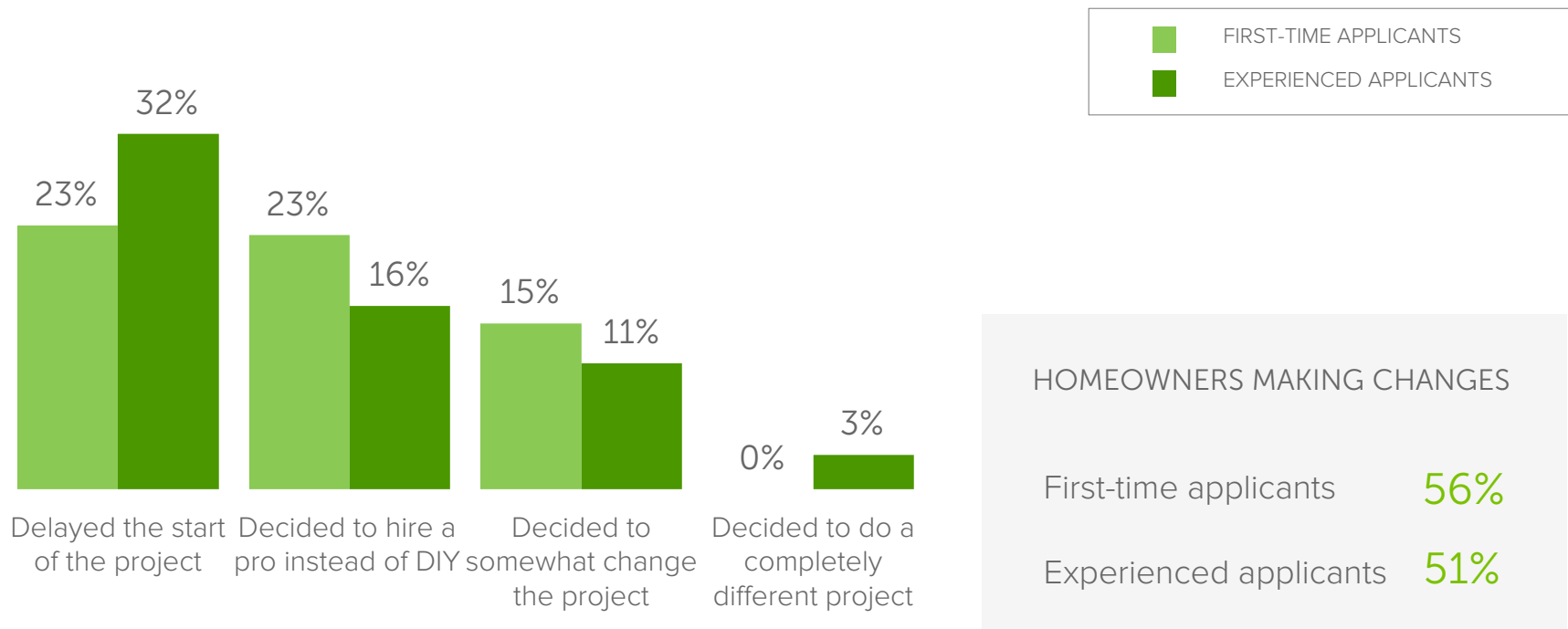


*Percentages reflect proportion of homeowners who are currently preparing to apply for a building permit for a home renovation project or who have applied for a building permit for a home renovation project in the last two years and either have an application in review or have had one approved. First-time applicants are limited to those who were aware of local building regulations/permits before the home renovation project.

Concerns Cause Delays

One in two homeowners alters the initial home renovation plan as a result of early concerns about the building permit process. Delaying the project is the most common change, with experienced applicants more likely to delay the project (32%) than are first-time applicants (23%). Hiring a pro is another way homeowners alter their initial plans.

WAYS IN WHICH HOMEOWNERS CHANGE THEIR INITIAL PROJECT PLANS DUE TO PERMIT CONCERNS*



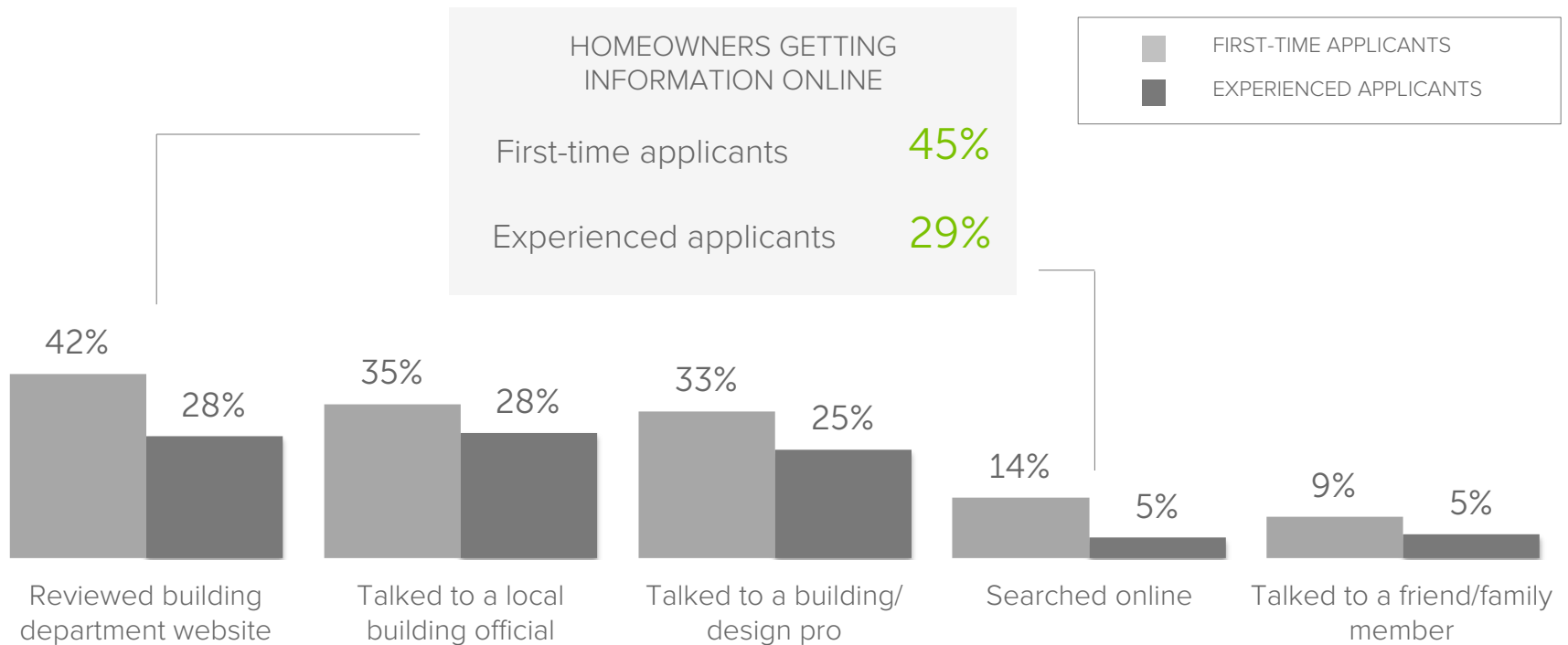
*Percentages reflect proportion of homeowners who experience concerns about local building regulations before starting the permit process. The frequency of concerned homeowners and a more detailed explanation of concerns is available on the previous slide.

Navigating Local Building Regulations

Researching the Permit Process

First-time applicants rely on local government resources, such as local building department website or officials, to research the building permit process (42% and 35%, respectively). Experienced applicants are more likely to already know about the process and are less inclined to use any existing resources.

METHODS FOR RESEARCHING THE BUILDING PERMIT PROCESS*

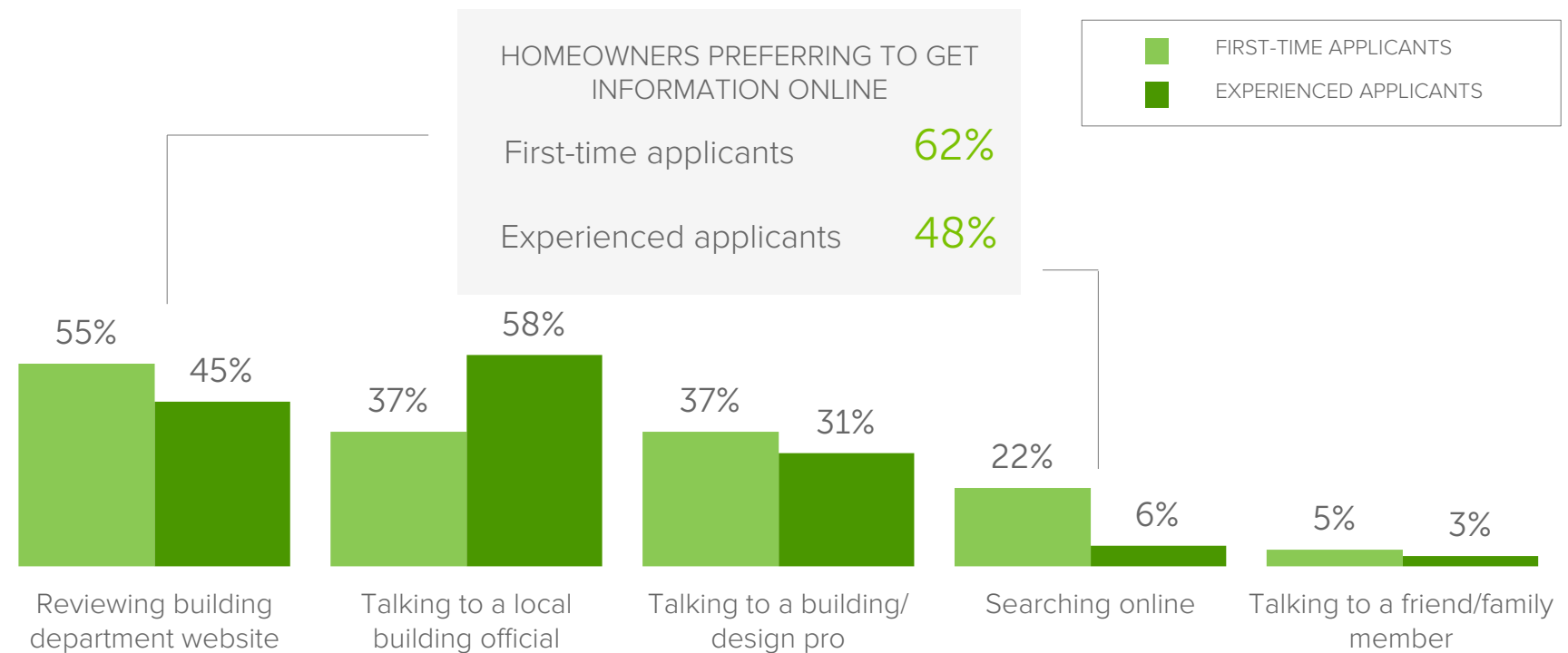


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Online Resources Are Preferred

Two in three first-time applicants would much prefer to get their information about local building regulations online (62%), compared with under a half that currently utilize online resources (45%**). Experienced applicants still prefer talking to a local building official above all (58%). Building and design pros are also an option for many.

PREFERRED METHODS FOR RESEARCHING THE BUILDING PERMIT PROCESS*



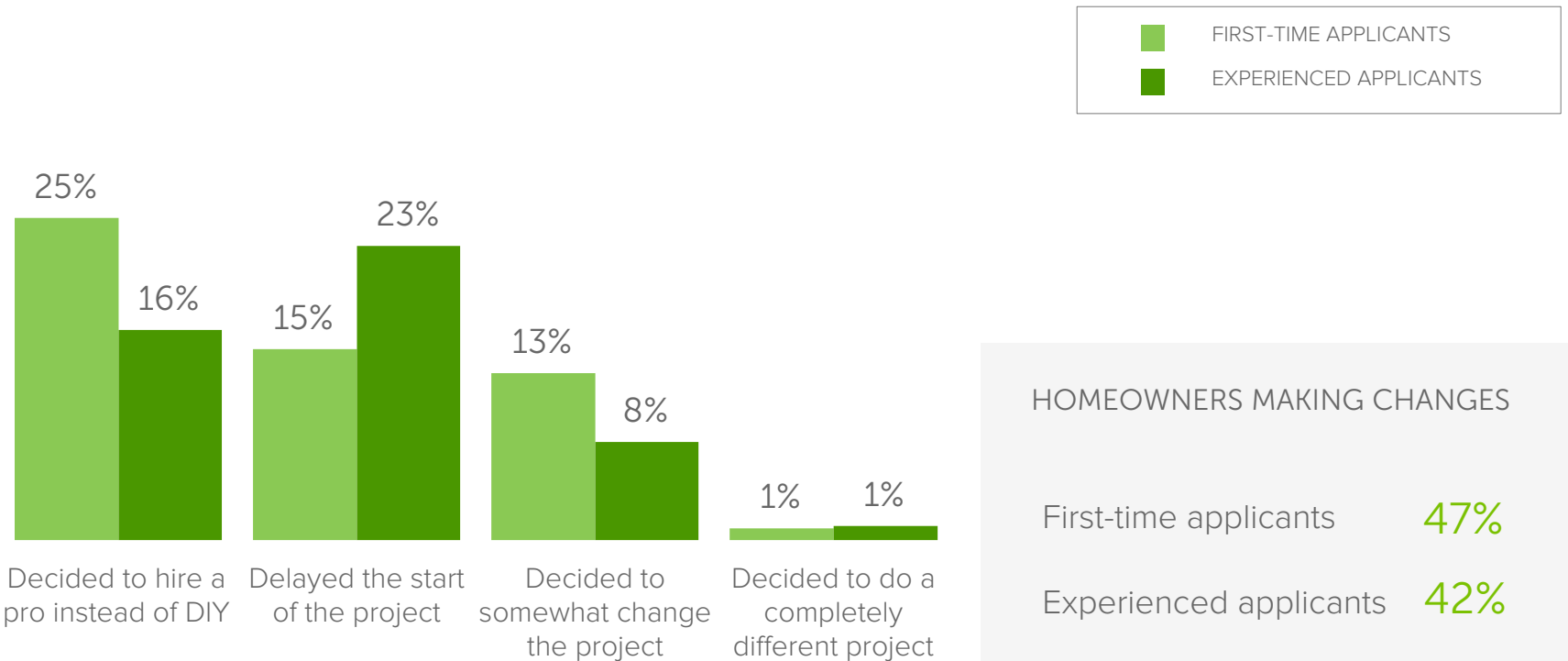
*Percentages reflect proportion of homeowners who are currently preparing to apply for a building permit for a home renovation project or who have applied for a building permit for a home renovation project in the last two years and either have an application in review or have had one approved.

** See previous page for the current usage of online resources.

Delay or Hire

Learning what’s needed to obtain a building permit can introduce its own set of anxieties. Experienced homeowners are more likely to respond by delaying the project (23%) than are first-time applicants (15%), likely realizing the importance and consequences of the regulations. First-time applicants are more likely than experienced applicants to hire professional help at this point in the process (25% vs. 16%, respectively).

WAYS IN WHICH HOMEOWNERS CHANGE THEIR INITIAL PROJECT PLANS AFTER FINDING OUT ABOUT PERMIT REQUIREMENTS*

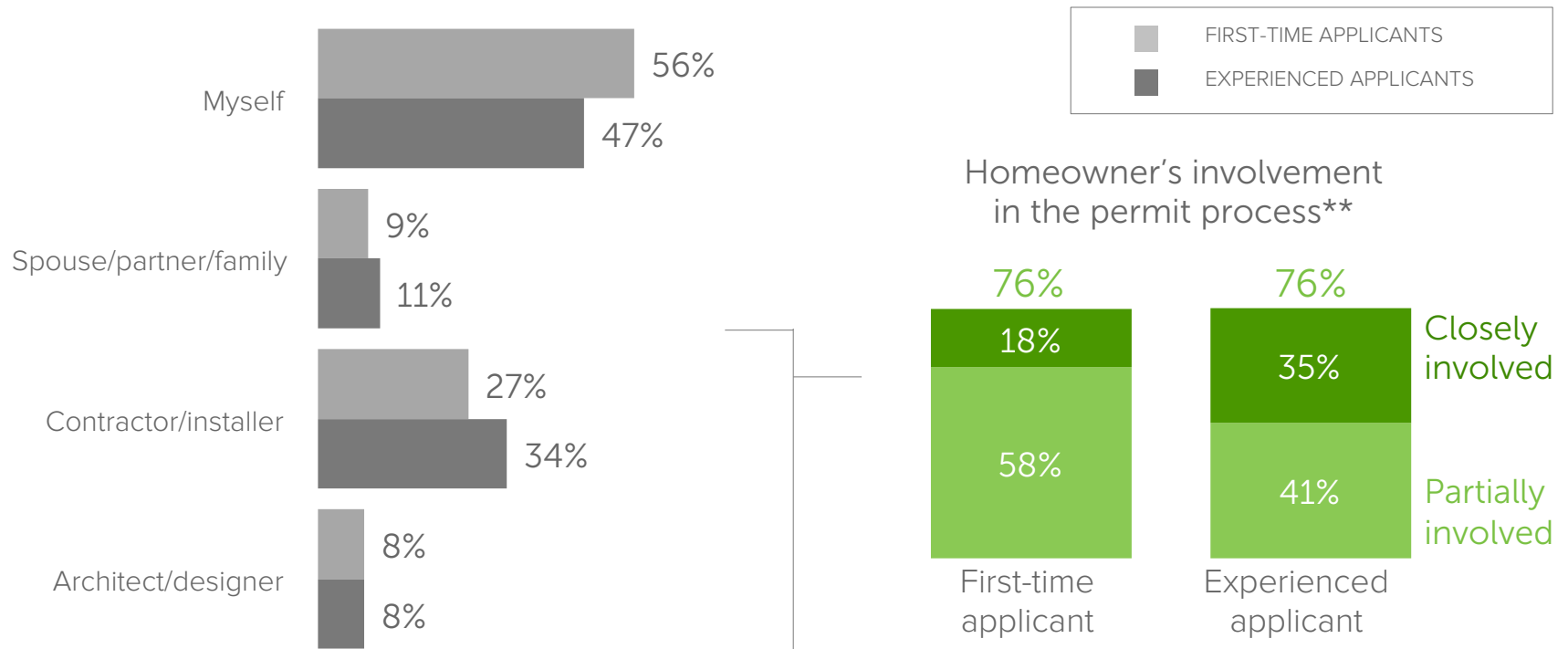


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Hands-On and Vigilant

Complying with local building regulations may be seen as too important to completely outsource. First-time applicants are more likely to be the ones responsible for taking out a permit (56%) compared with experienced applicants (47%). Over a third hire professional help to take out a permit (35 and 42%, respectively), but a majority of homeowners remain involved in the process (76%).

PARTY PRIMARILY RESPONSIBLE FOR TAKING OUT A BUILDING PERMIT*



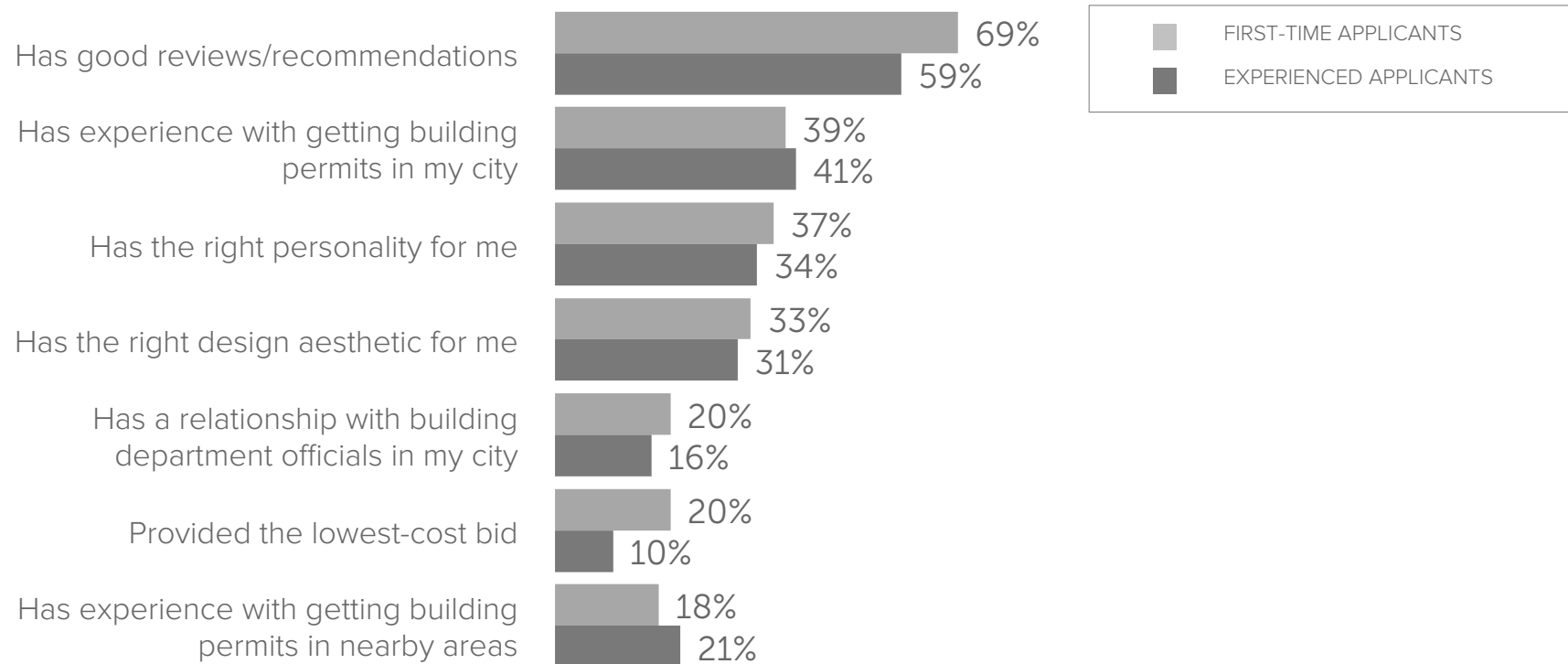
*Percentages reflect proportion of homeowners who are currently preparing to apply for a building permit for a home renovation project or who have applied for a building permit for a home renovation project in the last two years and either have an application in review or have had one approved.

**Percentages reflect proportion of homeowners who hired or plan to hire a professional to take out a building permit for their renovation projects.

Good Reviews Above All

Those who hire a general contractor or an architect to take out a building permit look to the reviews of and recommendations for the professional above any other hiring criteria (69% of first-time applicants and 59% of experienced applicants). Many homeowners also require the person to have local experience with building regulations and/or even personally know the building officials.

KEY CRITERIA FOR HIRING A PROFESSIONAL RESPONSIBLE FOR GETTING A BUILDING PERMIT*



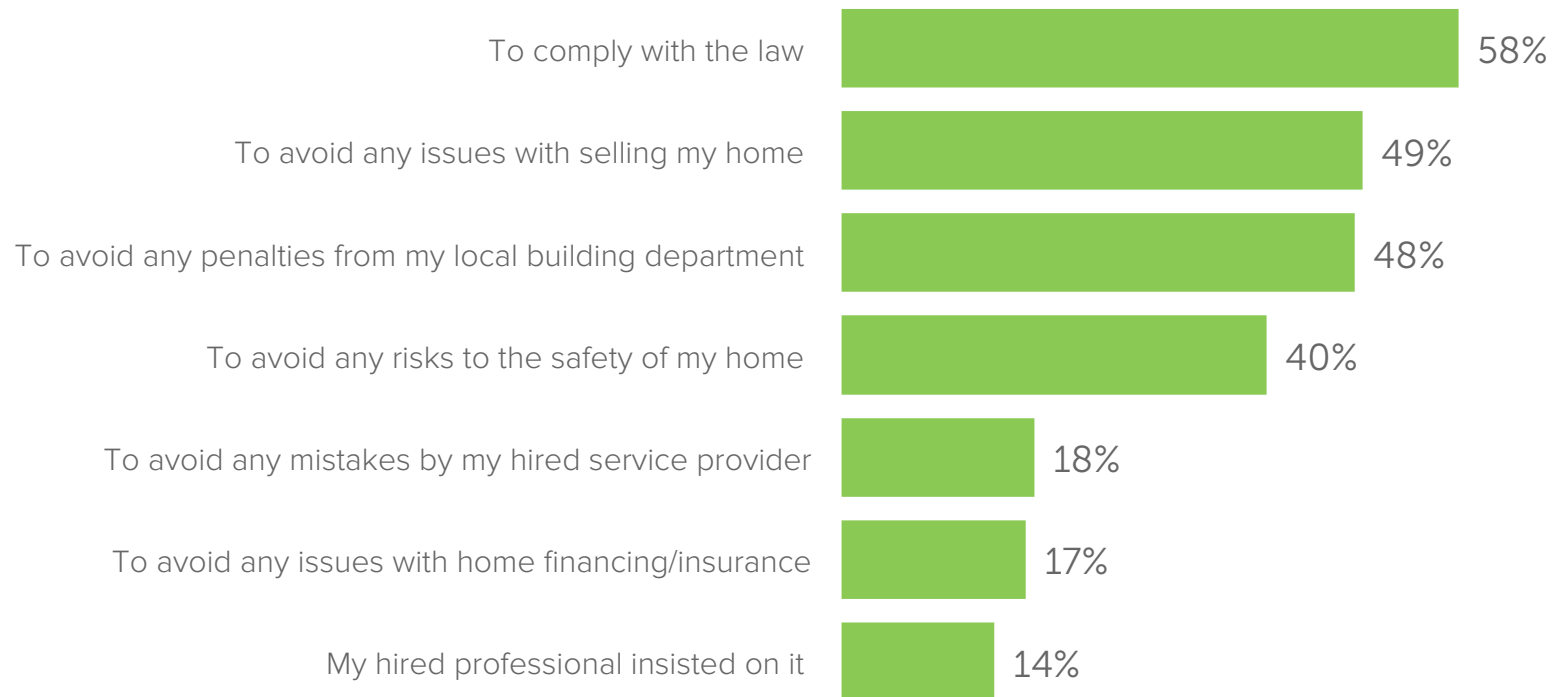
*Percentages reflect proportion of homeowners who hired a general contractor, architect or other service provider to take out a building permit for their renovation project. The frequency of professional hiring is available on the previous slide.

Complying With Local Building Regulations

Compliance Is Key

Homeowners cite compliance with the law and/or avoiding possible fines as leading considerations for deciding to get a building permit (58% and 48%, respectively). However, many cite a number of other reasons that have nothing to do with the law, such as preventing potential issues with resale or home safety.

REASONS FOR DECIDING TO GET A BUILDING PERMIT (VS. DOING WORK WITHOUT A PERMIT)*

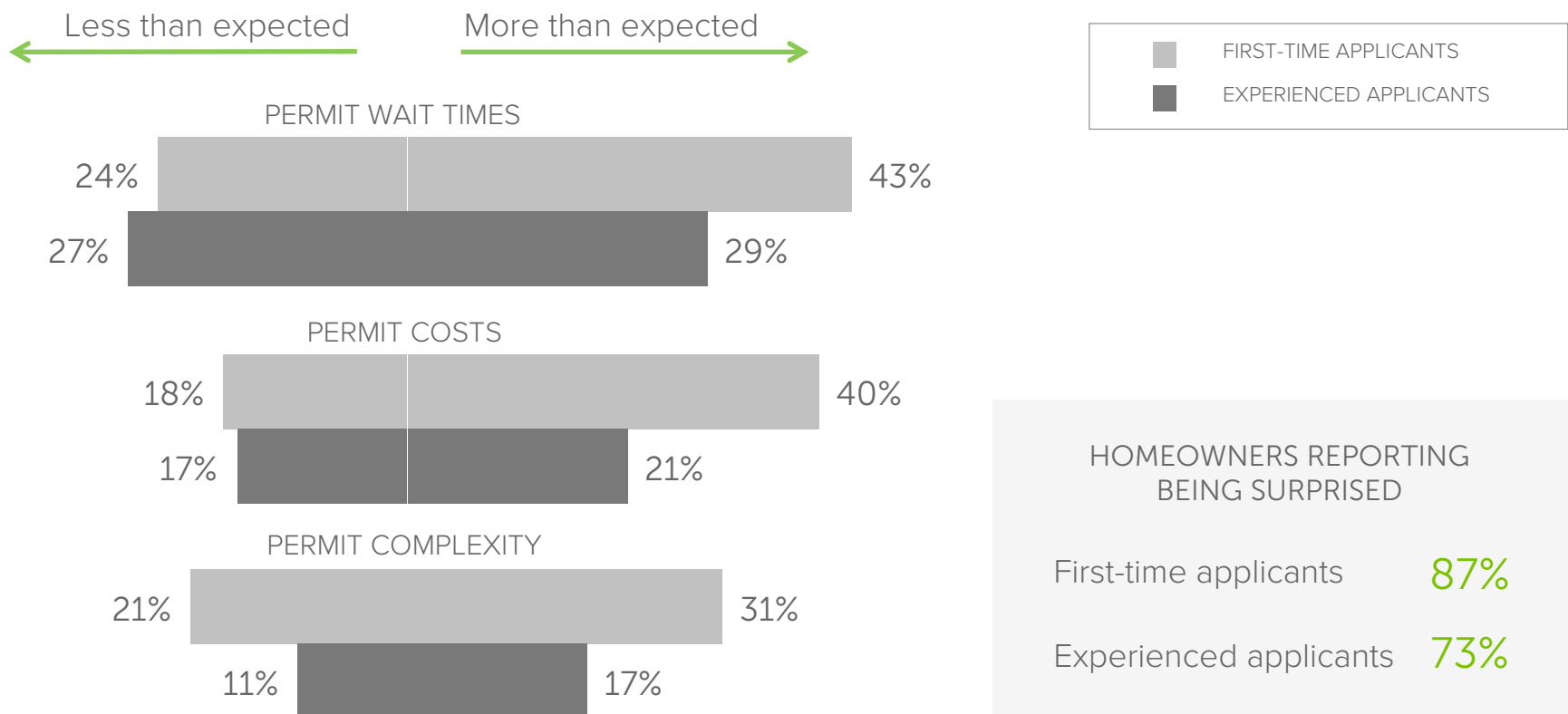


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The Surprise Factor

Local regulations surprise the majority of homeowners (87% of first-time applicants and 73% of experienced applicants) and not always in expected ways. One in five homeowners who applied for and received a building permit for the first time found the process to be shorter, less costly, and less complex than expected (24%, 18%, and 21%, respectively). Yet twice as many found the opposite.

SURPRISING ASPECTS OF THE BUILDING PERMIT PROCESS*

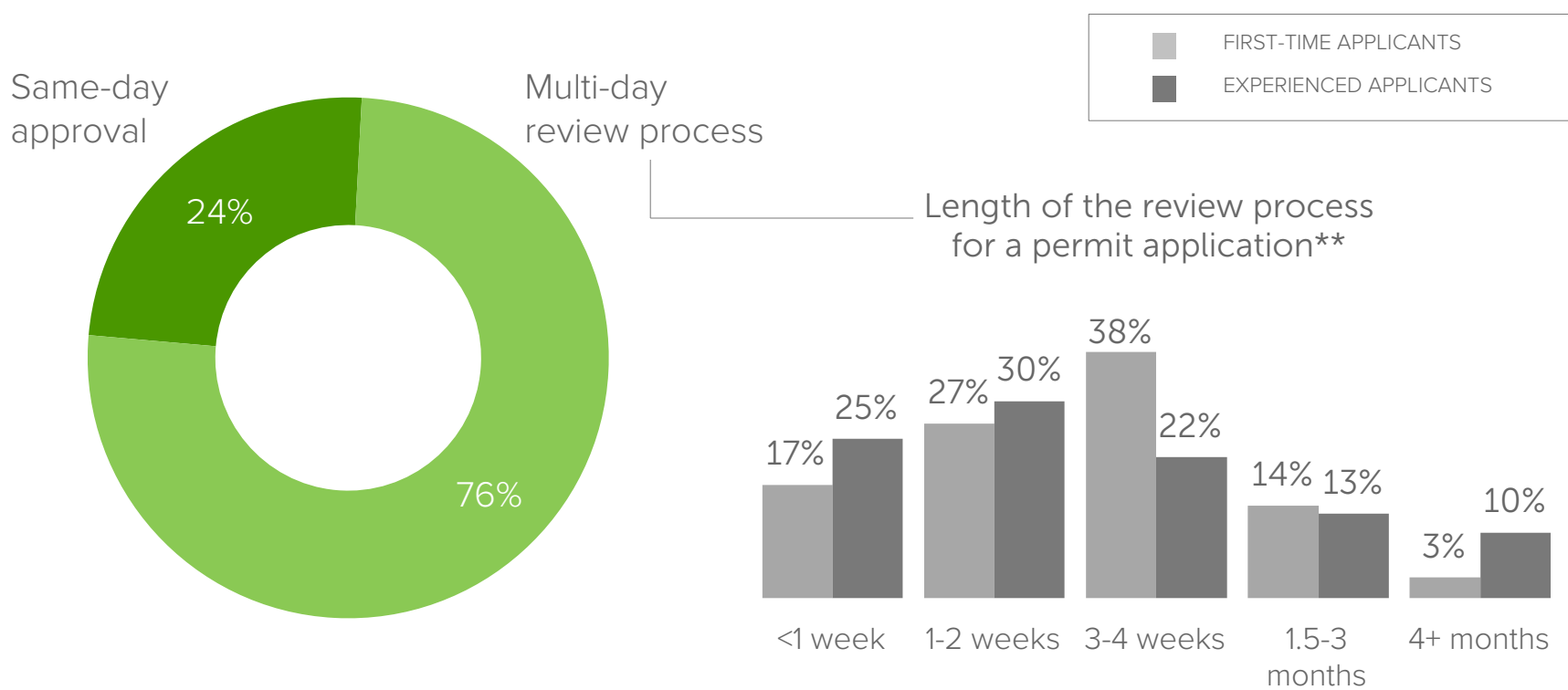


*Percentages reflect proportion of homeowners who have applied for and received an approval of a building permit for a home renovation project in the last two years.

Lengthy Application Review

Only a quarter of building permit applications are approved on the same day they are submitted. The rest require a more lengthy review period, generally of less than a month (83% of first-time applicants and 77 of experienced applicants). That said, one in 10 experienced applicants reports a review process extending to four months or longer.

TIMING OF THE PERMIT APPLICATION APPROVAL*

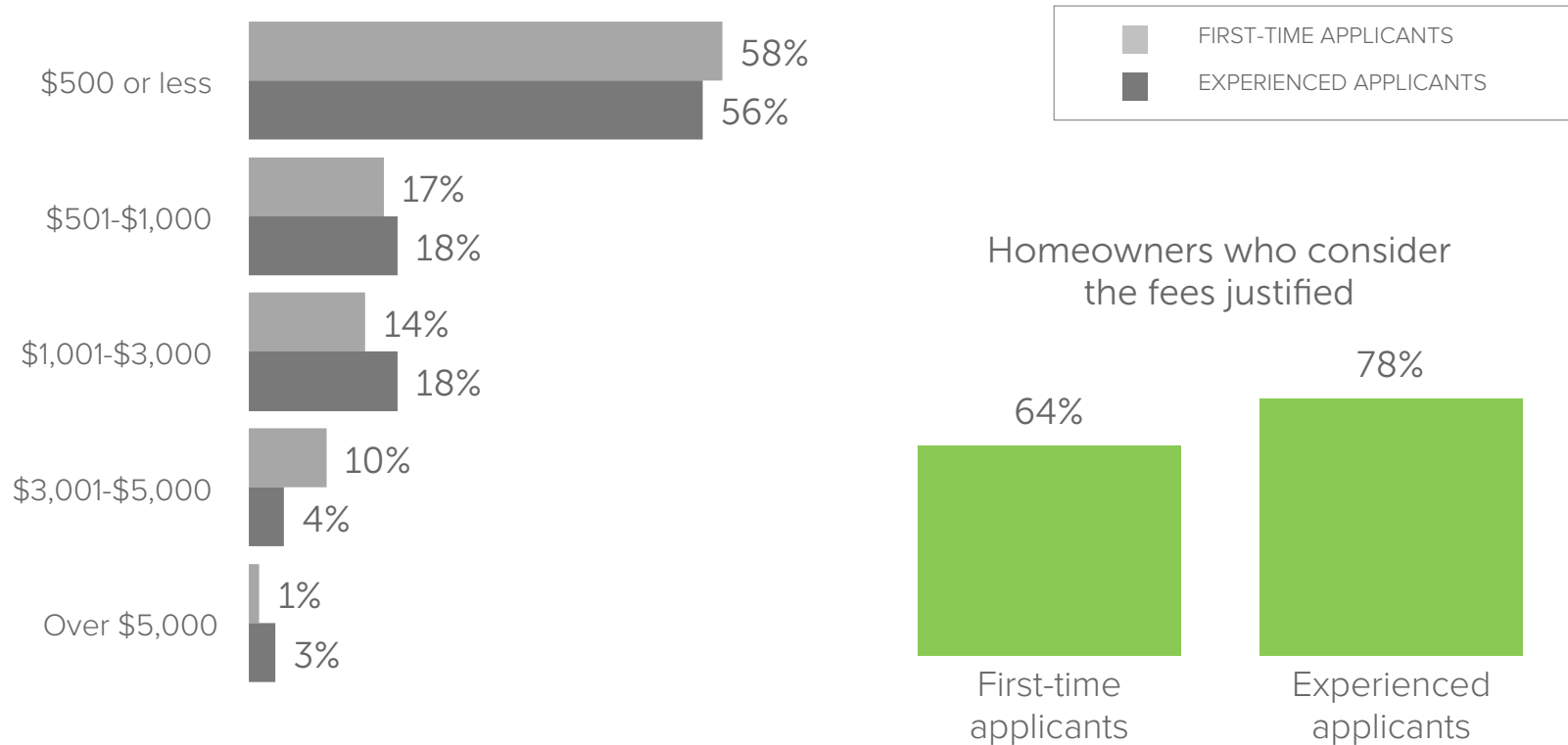


*Percentages reflect proportion of homeowners who have applied for and received approval of a building permit for a home renovation project in the last two years.
 **Percentages reflect proportion of homeowners with an approved permit who report that the permit application requires a multi-day review period.

The Issue of Fees

Over half of homeowners pay \$500 or less in total fees for an approved permit (58% of first-time applicants and 56% of experienced applicants). Yet fees can be high, with 3% of experienced applicants paying over \$5,000 in total fees. While a majority find the fees justified, experienced applicants are more forgiving of them (78%) compared with first-time applicants (64%).

TOTAL FEES FOR APPROVED BUILDING PERMITS AND HOMEOWNERS' ATTITUDES TOWARD FEES*

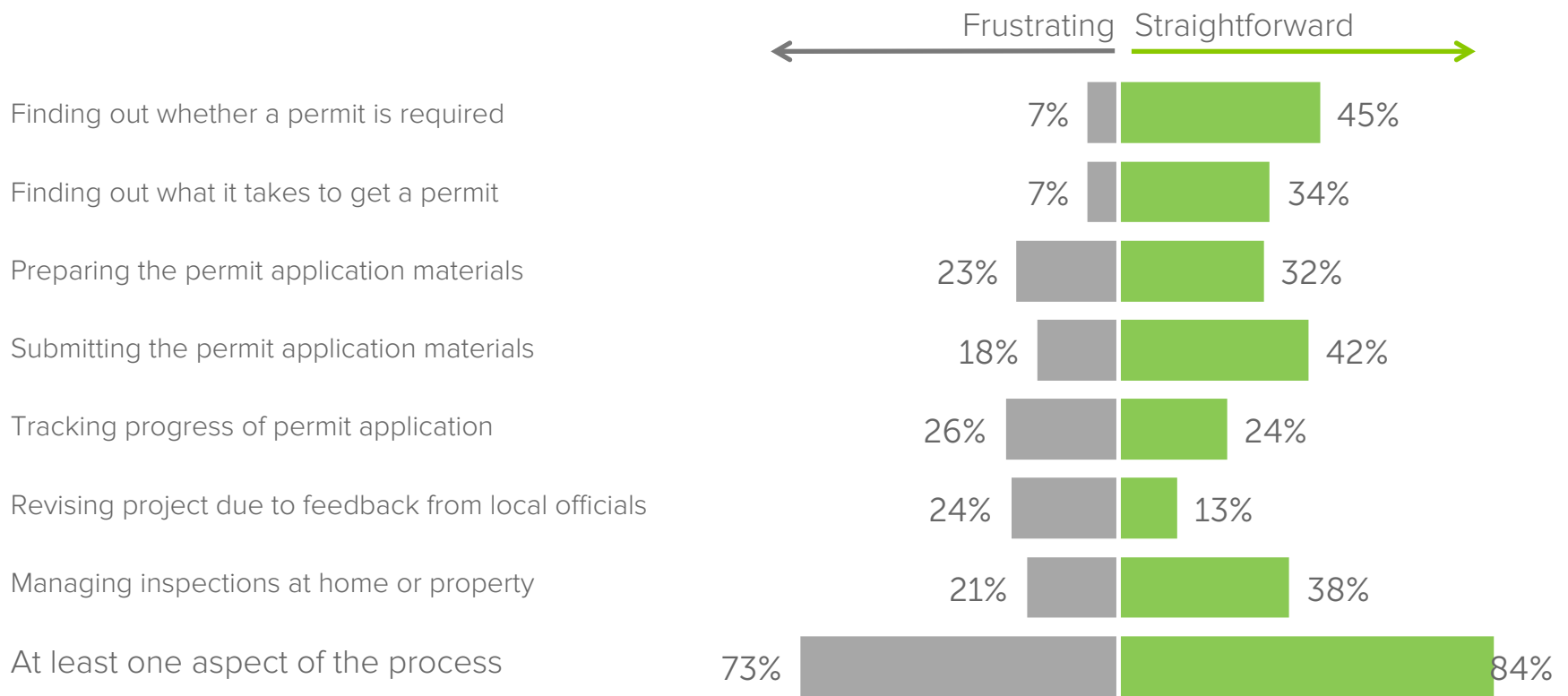


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Mixed Feelings About the Process

Homeowners who have received a building permit are divided in their impressions of the overall process. While the initial information discovery seems quite straightforward, the subsequent stages of the process, from application preparation to managing inspections by building officials, range from frustrating to straightforward.

ASPECTS OF THE PERMIT PROCESS SEEN AS PARTICULARLY FRUSTRATING OR STRAIGHTFORWARD*

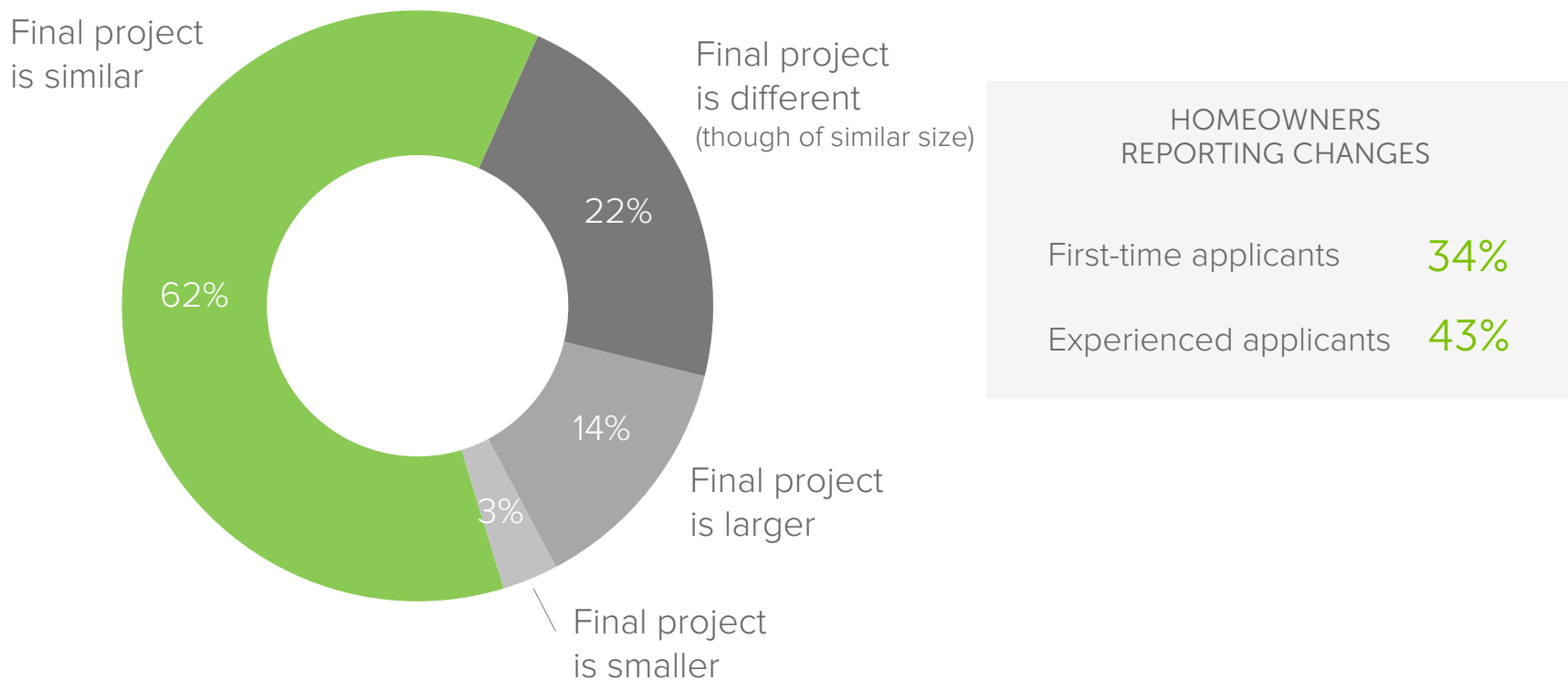


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Change of Plans

Local building regulations necessitate revisions in over a third of renovation project plans. One in five projects (22%) ends up different relative to the initial plans (though of similar size), while one in seven (14%) ends up larger than originally planned.

FINAL PROJECT AFTER PERMIT APPROVAL COMPARED WITH INITIAL PLANS*



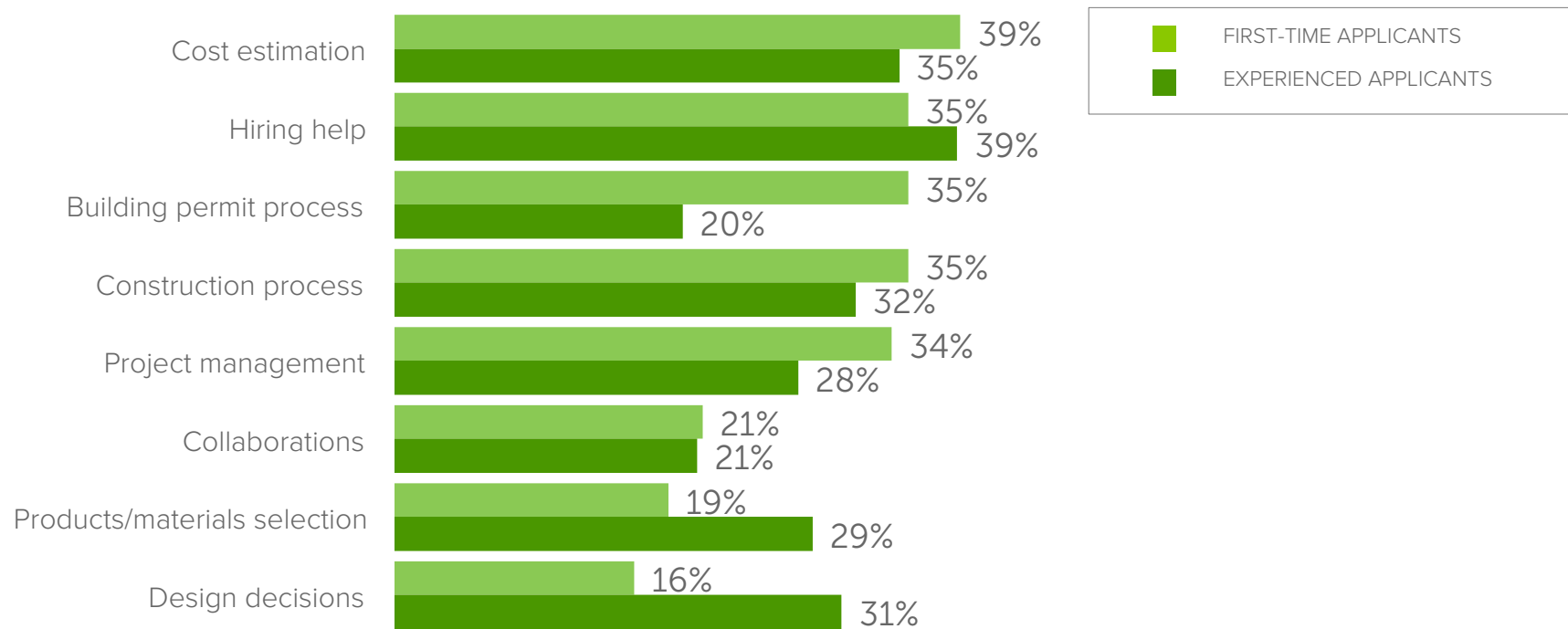
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Reflections

Live and Learn

First-time applicants cite the permit process (35%) as among the three most difficult aspects of renovation, along with cost estimation (39%) and hiring help (35%). Experienced applicants disagree, finding cost estimation (35%) and hiring help (39%) to be far more difficult than the permit process (20%).

RENOVATION STAGES SELECTED AS TOP THREE MOST DIFFICULT STAGES*

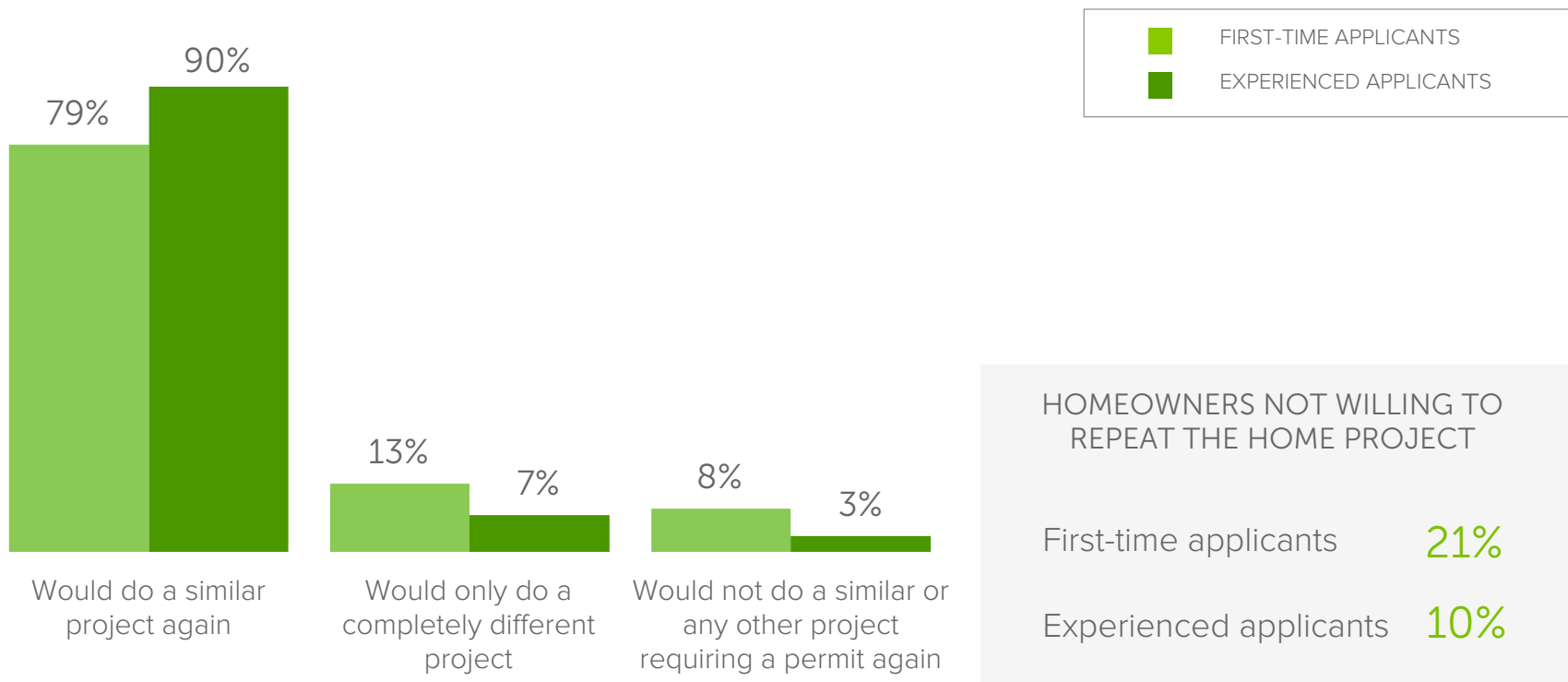


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Design, Permit, Remodel ... Repeat?

Even after succeeding in obtaining a building permit, one in five first-time applicants say they would not do a similar project again (21%). In fact, a meaningful share (8%) would not do a similar or any other project requiring a permit again (8%). Experienced applicants are significantly less resistant, although 3% also take that view.

WILLINGNESS TO REPEAT THE HOME PROJECT AFTER HAVING GONE THROUGH THE BUILDING PERMIT PROCESS*



*Percentages reflect proportion of homeowners who have applied for and received approval of a building permit for a home renovation project in the last two years.

Methodology

Methodology

APPROACH

Houzz is an all-in-one resource for homeowners working on a home renovation or decorating project. Our large and engaged user community is able to provide unprecedented insights on the latest market trends based on its home improvement activity. We aggregate and share these insights back to the community to give people greater confidence in the choices they make for their homes, and to give home professionals greater insight into their clients' wants and needs. With these goals in mind, Houzz conducted an online quantitative survey of registered Houzz users regarding local building regulations, fielded between August 9 and August 31, 2017.

COMPLETES AND QUALIFICATIONS

The 34-question survey gathered information from 294 users, who reported to be 25 years of age or older and to own a home. Additionally, respondents were required to be currently preparing to apply for a building permit for a home renovation project or to have applied for a building permit for a home renovation project in the last two years and either have the application in review or already approved. The final sample consists of 146 respondents who are applying or have applied for a building permit for the first time, as well as 148 more experienced applicants.

SAMPLING AND WEIGHTING

Data were gathered via a link in the Houzz newsletter sent out by email twice a week to registered Houzz users. The link invited homeowners to share the building permit experiences; respondents who did not meet the qualification criteria above were not included in the findings. Respondents were notified that aggregate findings would be shared with the larger Houzz community and help others in applying for building permits for their own renovations. The final data were reviewed to ensure representativeness of the Houzz user populations.

Links to Resources on Houzz

Houzz is the easiest way for people to find inspiration, get advice, buy products and hire the professionals they need to help turn their ideas into reality.

PHOTOS	FIND PROS	BROWSE PRODUCTS	ARTICLES
Kitchen	Architects and Building Designers	Furniture	Most Popular
Bath	Design-Build firms	Lighting	Houzz Tours
Bedroom	General Contractors	Kitchen & Dining	Kitchen Guides
Living	Home Builders	Bath	More Rooms
Dining	Interior designers	Home Decor	Decorating Guides
Home office	Kitchen & Bath Designers	Bedroom	Bathroom Guides
Baby & kids	Kitchen & Bath Remodelers	Storage & Organization	Remodeling
Entry	Landscape Architects & Landscape Designers	Home Improvement	Architecture
Hall	Landscape Contractors	Outdoor	Landscape Design
Staircase	Pools and Spas	Baby & Kids	Garden Guides
		Housekeeping	Fun Houzz
		Pet Supplies	Life
			Building Permits