

# 2017



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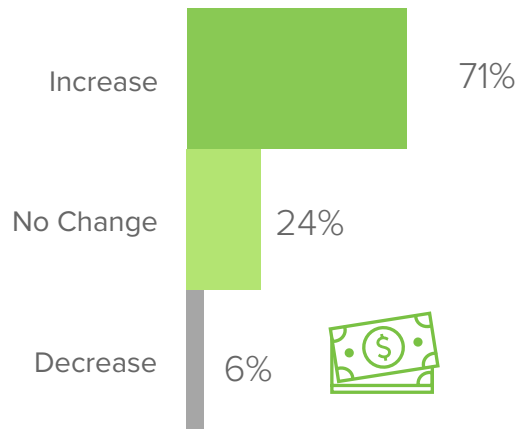
## STATE OF THE INDUSTRY HOUZZ AUSTRALIA

# Expected Revenues & Profits in 2017



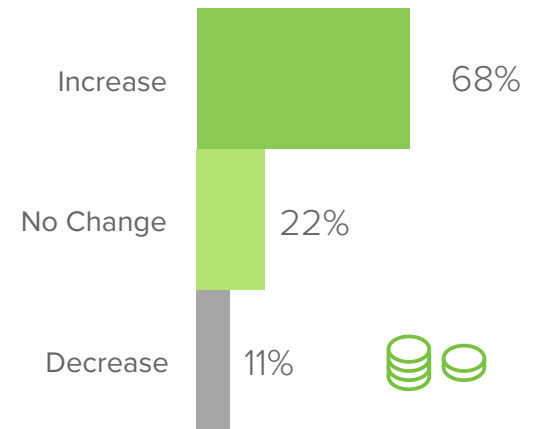
Charts below show the percentage of surveyed businesses on Houzz Australia reporting expectations for 2017.

## GROSS REVENUES IN 2017



**10%+ Rev. Growth**  
 Expected by 54% of Businesses

## PROFITS (NET INCOME) IN 2017



### ARCHITECT

#### Expected Increases in 2017

Gross revenues 65%

Profit (net income) 57%

### BUILDING DESIGNER

#### Expected Increases in 2017

Gross revenues 62%

Profit (net income) 59%

### HOME BUILDER

#### Expected Increases in 2017

Gross revenues 79%

Profit (net income) 71%

# Top Growth Strategies in 2017



Charts below show the percentage of surveyed businesses on Houzz Australia expecting revenue growth in 2017.

## TOP STRATEGIES TO GROW REVENUES IN 2017



### ARCHITECT

#### Top Growth Strategies for 2017

Bring in larger budget projects 55%

Increase marketing/sales efforts 45%

### BUILDING DESIGNER

#### Top Growth Strategies for 2017

Bring in larger budget projects 55%

Increase prices/mark-up/margins 50%

### HOME BUILDER

#### Top Growth Strategies for 2017

Bring in larger budget projects 56%

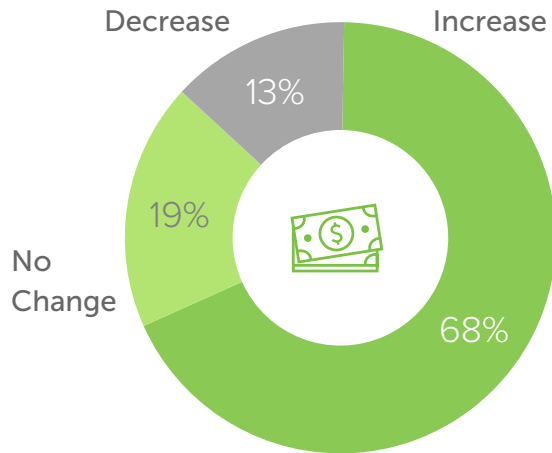
Improve employee productivity 51%

# Revenues & Profits in 2016 (vs. 2015)



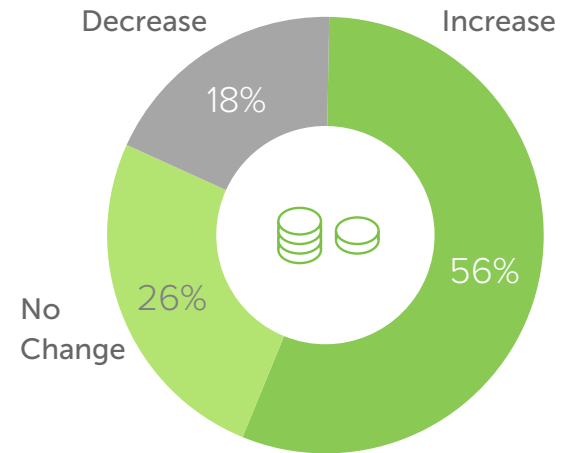
Charts below show the percentage of surveyed businesses on Houzz Australia reporting performance in 2016.

## GROSS REVENUES IN 2016



**10%+ Rev. Growth**  
 Reported by 53% of Businesses

## GROSS PROFITS IN 2016



### ARCHITECT Reported Increases in 2016

Gross revenues	64%
Profit (net income)	52%

### BUILDING DESIGNER Reported Increases in 2016

Gross revenues	66%
Profit (net income)	48%

### HOME BUILDER Reported Increases in 2016

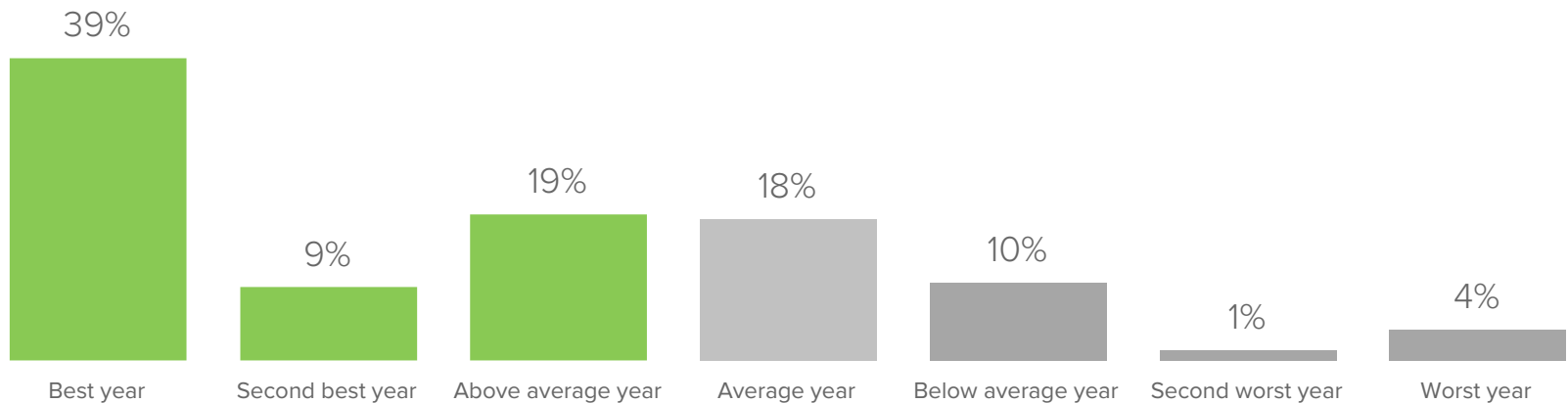
Gross revenues	72%
Profit (net income)	53%

# 2016 Versus Last 10 Years



Charts below show the percentage of surveyed businesses on Houzz Australia reporting how 2016 business performance compared to the last 10 years (since 2007).

## 2016 BUSINESS PERFORMANCE COMPARED TO THE LAST 10 YEARS



### ARCHITECT 2016 Comparison

Best or second best year 53%

Above average year 11%

### BUILDING DESIGNER 2016 Comparison

Best or second best year 34%

Above average year 23%

### HOME BUILDER 2016 Comparison

Best or second best year 41%

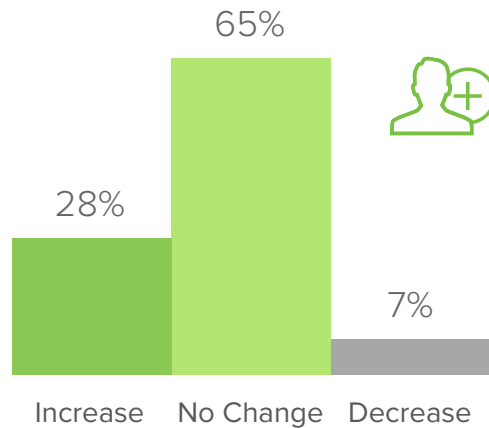
Above average year 32%

# Staffing & Business Costs in 2016 (vs. 2015)



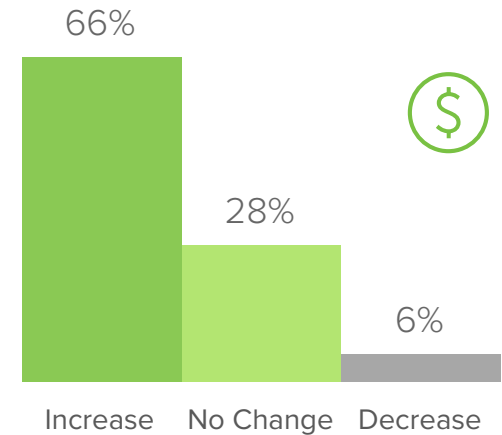
Charts below show the percentage of surveyed businesses on Houzz Australia reporting performance in 2016.

## NUMBER OF EMPLOYEES IN 2016



**1-2 Employees**  
Hired by 22% of Businesses

## COST OF DOING BUSINESS IN 2016



### ARCHITECT Reported Increases in 2016

Number of employees	33%
Costs of doing business	63%

### BUILDING DESIGNER Reported Increases in 2016

Number of employees	17%
Costs of doing business	68%

### HOME BUILDER Reported Increases in 2016

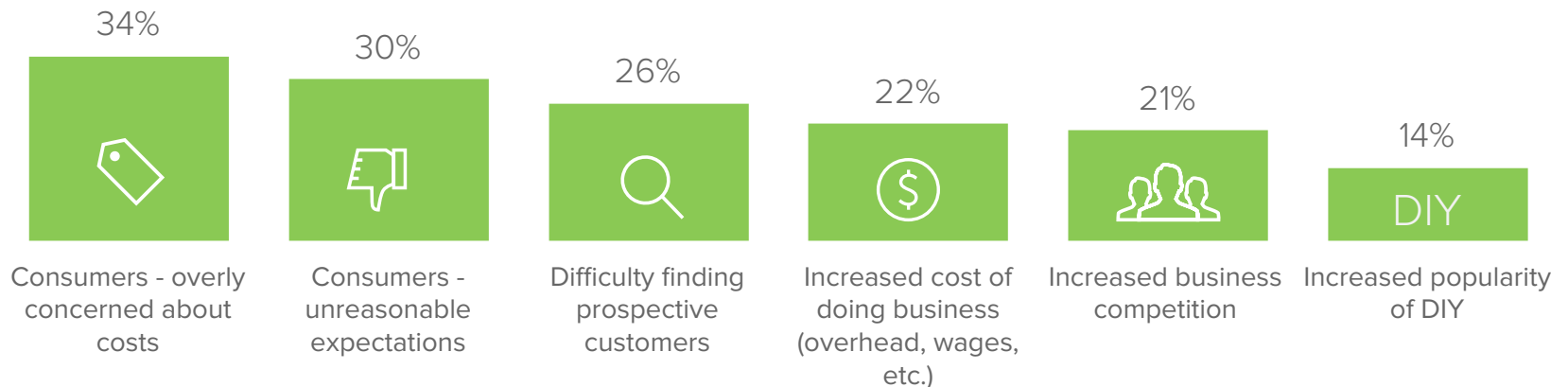
Number of employees	42%
Costs of doing business	75%

# Top Business Challenges in 2016



Charts below show the percentage of surveyed businesses on Houzz Australia reporting challenges in 2016.

## TOP CHALLENGES AFFECTING BUSINESS IN 2016



### ARCHITECT Top Challenges in 2016

Consumers - unreasonable expectations 33%

Consumers – overly concerned about costs 31%

### BUILDING DESIGNER Top Challenges in 2016

Consumers - unreasonable expectations 42%

Consumers – overly concerned about costs 36%

### HOME BUILDER Top Challenges in 2016

Increased cost of doing business (overhead, wages, etc.) 33%

Consumers – overly concerned about costs 32%

# Description of Businesses

Charts below show the percentage of surveyed businesses on Houzz Australia with the specific characteristics in 2016.

## MORE THAN AU\$500K IN GROSS REVENUES\*



32% of Businesses

\*Up to AU\$2M or more in revenues

## ONE OR MORE EMPLOYEES\*



66% of Businesses

\*Up to 500 or more employees

## TEN OR MORE YEARS IN BUSINESS\*



50% of Businesses

\*Up to 30 or more years in existence

## SOLE OWNER RESPONDING TO SURVEY



56% of Businesses



# Methodology

The survey was sent to businesses with profiles on Houzz Australia and fielded in 6 February - 20 February, 2017. N=497.

## Description of Business Groups by Core Services\*

### Pro Categories in Survey (Sample N)

Architect/Designer (N=210)  
Builder/Contractor (N=77)  
Design-Build (N=45)  
Specialty - Building & Renovation (N=65)  
Specialty - Decorating (N=70)  
Specialty - Landscaping & Outdoor (N=30)

### Top Pro Types in Survey (Sample N)

Architect (N=76)  
Building Designer (N=67)  
Home Builder (N=63)

\*Business groups were defined based on services that contributed to the largest share of business gross revenues in 2016, as identified by respondents in the survey.

# Links to Pros 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.

Design, Renovation & Building	Renovation Services & Supplies	Gardens & Outdoors	Windows, Doors, Roofing & Cladding
Architects	Building Supplies	Arborists & Tree Services	Doors
Building Designers	Carpenters	Backyard Courts & Playgrounds	Garage Doors
Home Builders	Joinery & Cabinet Makers	Decks, Patios & Outdoor Structures	Roofing & Gutters
Interior Designers & Decorators	Landscape Contractors & Gardeners	Driveways	Cladding & Exterior Contractors
Design & Construction	Painting & Wallpaper	Fencing & Gates	Windows
Kitchen Designers & Renovators	Renderers & Plasterers	Garden & Landscape Supplies	
Bathroom Designers & Renovators	Cleaning, Rubbish Removal & Removalist Services	Lawn & Sprinklers	
Landscape Architects & Landscape Designers	Tile, Stone & Benchtops	Pools & Spas	
Organisations & Schools	Staircases & Balustrades	Blacksmiths & Welders	
	Stone, Pavers & Concrete		
	Home Storage Designers & Professional Organisers		
Home Services	Specialty Contractors & Other Services	Retailers & Showrooms	
Electricians	Artists & Artisans	Appliances	
Environmental & Restoration Services	Home Automation & Home Theatre Design	Bedding & Bath	
Heating & Air Conditioning Contractors	Home Stylists & Property Staging	Carpet & Flooring	
Plumbers	Kids & Nursery	Shutters, Blinds & Curtains	
Septic Tanks & Sewage Systems	Media & Bloggers	Fireplaces	
Solar Power Contractors	Photographers	Furniture & Home Decor	
	Real Estate Agents	Kitchen & Bath Fixtures	
	Specialty Contractors	Lighting	
	Wine Cellars	Furniture Restoration & Upholstery	