

# 2019

---

## STATE OF THE INDUSTRY HOZZ UK

# Big Ideas

## HOME RENOVATION PROFESSIONALS ANTICIPATE BUSINESS GROWTH

The majority of firms across the industry are optimistic about business growth in 2019, with nearly two-thirds of the industry anticipating that gross revenue will increase in 2019 (64 percent). Half of businesses expect that revenue will grow by more than 10 percent (49 percent). To support revenue growth, firms plan to increase marketing and sales efforts and bring in larger budget projects (61 and 54 percent, respectively).

## CONFIDENCE DRIVEN BY 2018 RESULTS

Positive expectations for the year ahead follow a successful 2018 for firms across the industry, with nearly two-thirds of businesses reporting that gross revenue met or exceeded expectations (64 percent). In fact, actual gross revenue increased by 10 percent or more for nearly half of businesses (45 percent). Interior designers saw the largest increase, with a third of businesses reporting that gross revenues grew by 15 percent or more from the year prior (36 percent).

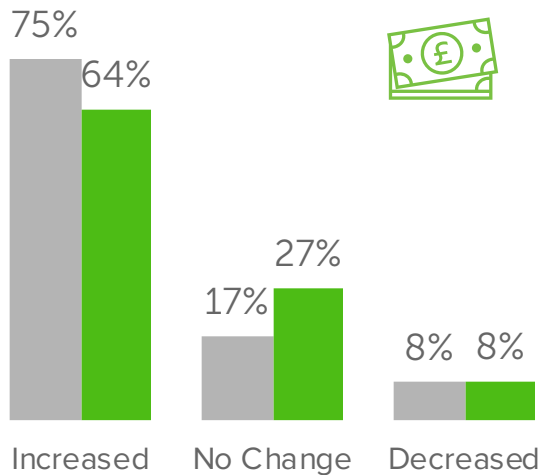
## ARCHITECTS LEAD IN BUSINESS EXPANSION

One in five businesses across the industry were able to expand by hiring new employees (20 percent). Architects were the most likely to increase headcount (23 percent), followed by general contractors and interior designers (22 and 17 percent, respectively).

# Expected Revenues & Profits in 2019

Charts below show the percentage of surveyed businesses on Houzz UK reporting expectations for 2019 (vs. 2018).

## EXPECTED GROSS REVENUES



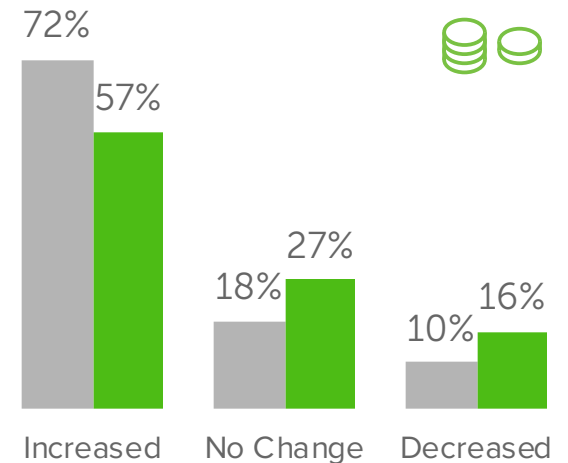
■ Expected changes in 2019  
■ Expected changes in 2018

**10%+ Rev. Growth**  


---

 Expected by 49%  
 of Businesses in 2019  
 (vs. 57% in 2018)

## EXPECTED PROFITS



ARCHITECT	
Expected Increases in 2019	
Gross revenue	55%
Profit (net income)	49%

INTERIOR DESIGNER	
Expected Increases in 2019	
Gross revenue	77%
Profit (net income)	73%

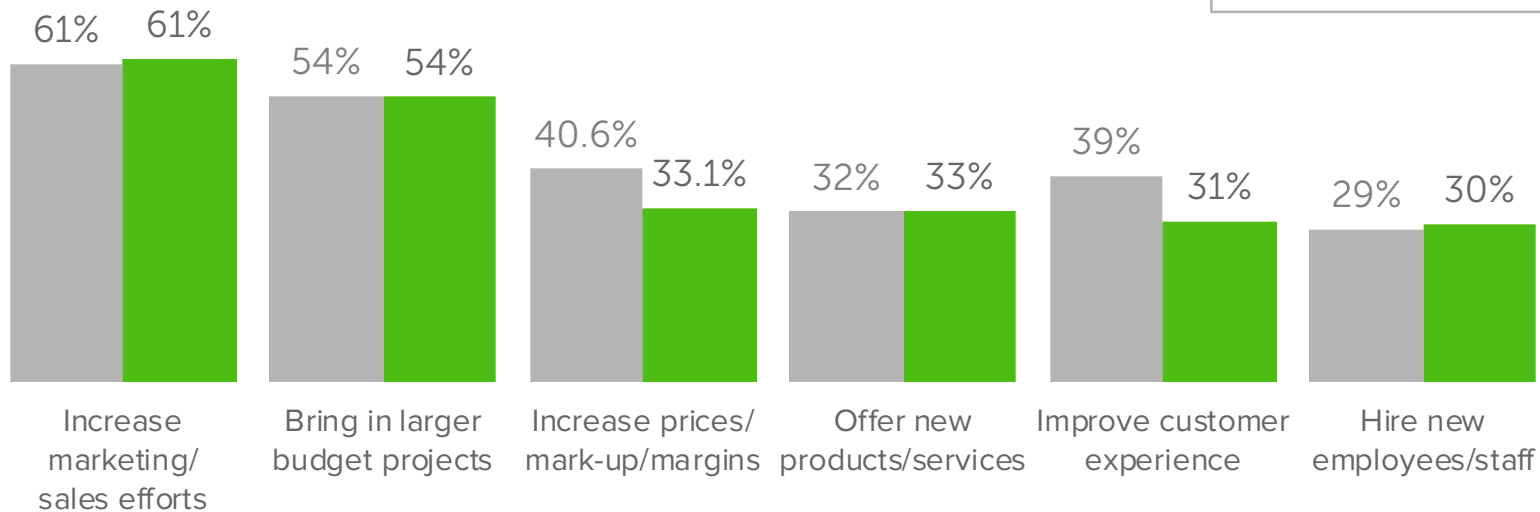
GENERAL CONTRACTOR	
Expected Increases in 2019	
Gross revenue	86%
Profit (net income)	33%

# Top Growth Strategies in 2019

Charts below show the percentage of surveyed businesses on Houzz UK expecting revenue growth in 2019 (vs. 2018).

## TOP EXPECTED STRATEGIES TO GROW REVENUES

■ Expected strategies for 2019  
■ Expected strategies for 2018



### ARCHITECT

#### Top Growth Strategies for 2019

Bring in larger budget projects 61%

Increase marketing/sales efforts 57%

### INTERIOR DESIGNER

#### Top Growth Strategies for 2019

Bring in larger budget projects 58%

Increase marketing/sales efforts 50%

### GENERAL CONTRACTOR

#### Top Growth Strategies for 2019

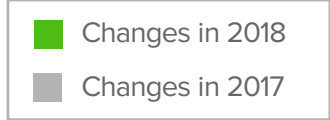
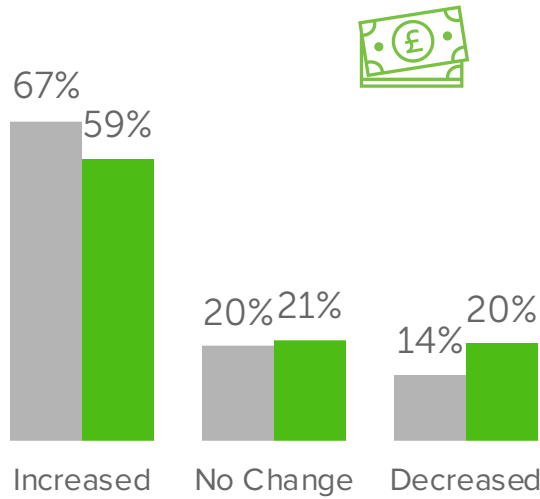
Hire new employees/staff 19%

Increase marketing/sales efforts 19%

# Revenues & Profits in 2018

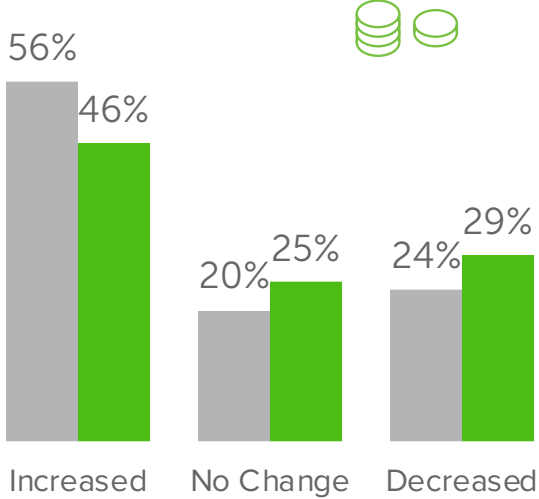
Charts below show the percentage of surveyed businesses on Houzz UK reporting performance in 2018 (vs. 2017).

## GROSS REVENUES



**10%+ Rev. Growth**  
 Reported by 45% of Businesses in 2018 (vs. 50% in 2017)

## GROSS PROFITS



ARCHITECT	
Reported Increases in 2018	
Gross revenue	48%
Profit (net income)	46%

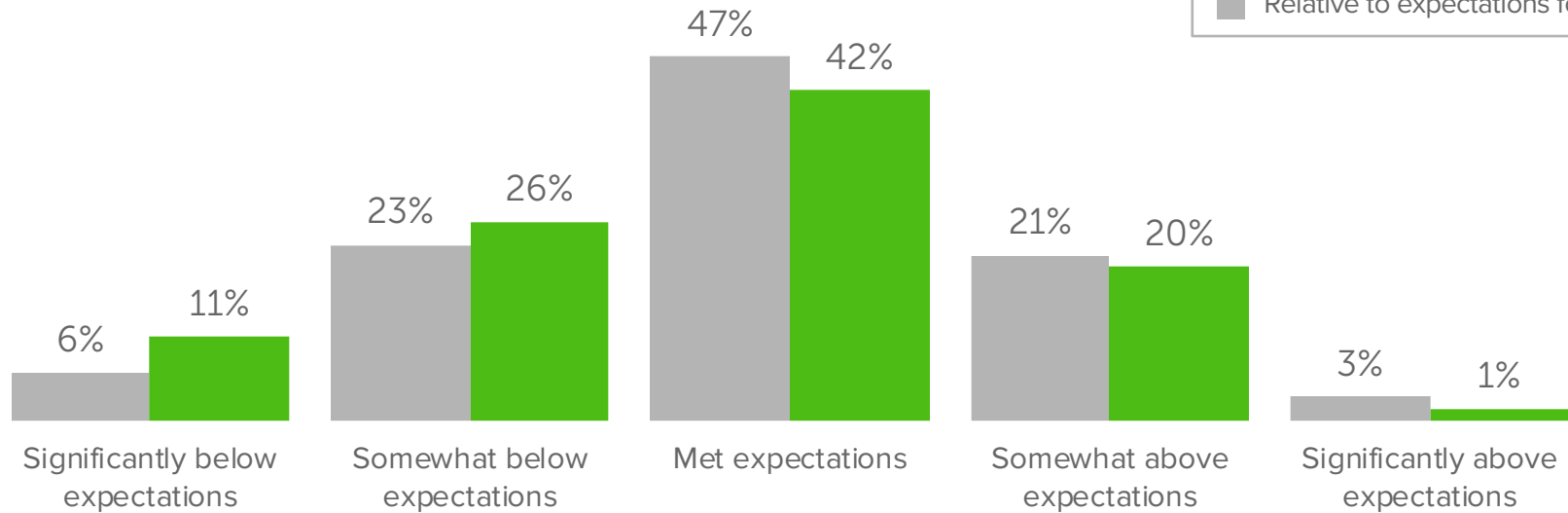
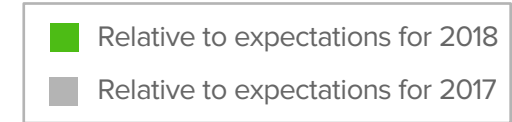
INTERIOR DESIGNER	
Reported Increases in 2018	
Gross revenue	65%
Profit (net income)	51%

GENERAL CONTRACTOR	
Reported Increases in 2018	
Gross revenue	56%
Profit (net income)	50%

# 2018 Comparison to The Initial Expectations

Charts below show the percentage of surveyed businesses on Houzz UK reporting how 2018 business performance compared to the initial expectations for 2018 (vs. 2017).

## GROSS REVENUES RELATIVE TO EXPECTATIONS

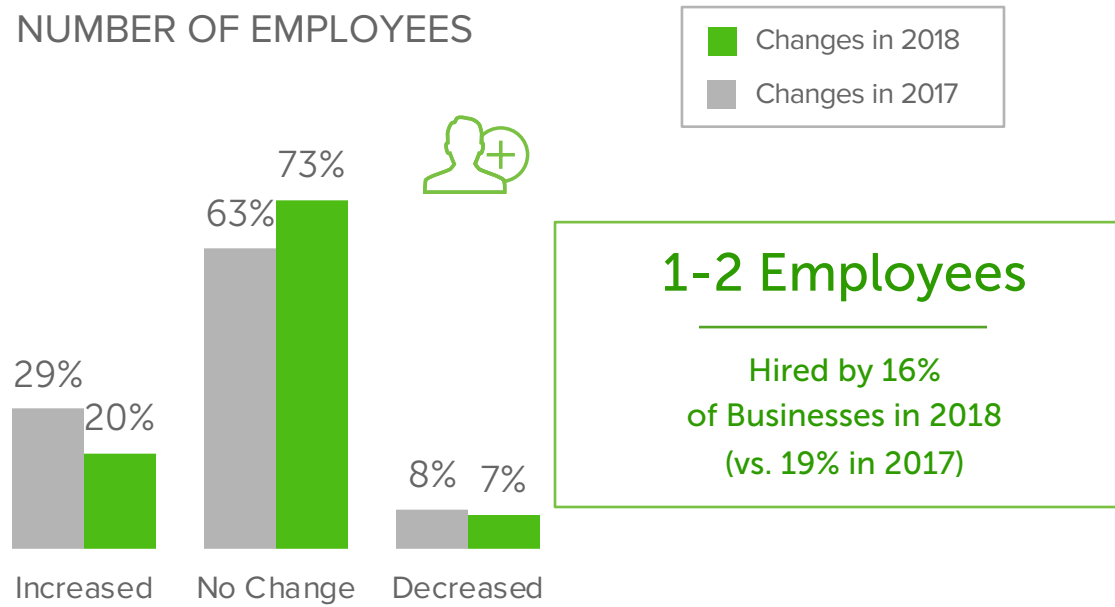


Profession	2018 Comparison	Percentage
ARCHITECT	Met expectations	42%
	Above expectations	25%
INTERIOR DESIGNER	Met expectations	47%
	Above expectations	19%
GENERAL CONTRACTOR	Met expectations	22%
	Above expectations	44%

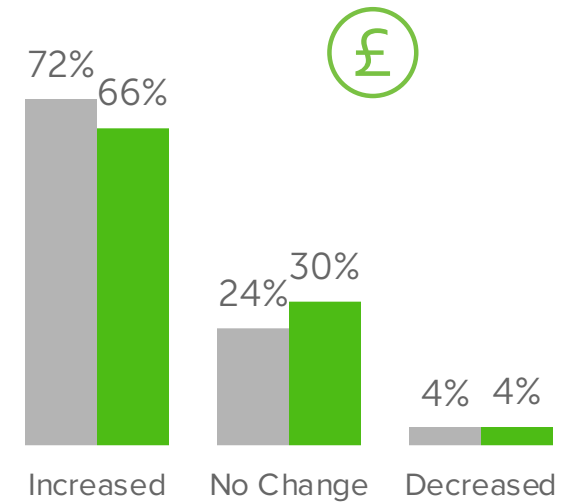
# Staffing & Business Costs in 2018

Charts below show the percentage of surveyed businesses on Houzz UK reporting performance in 2018 (vs. 2017).

## NUMBER OF EMPLOYEES



## COST OF DOING BUSINESS



### ARCHITECT

Reported Increases in 2018

Number of employees	23%
Costs of doing business	66%

### INTERIOR DESIGNER

Reported Increases in 2018

Number of employees	17%
Costs of doing business	47%

### GENERAL CONTRACTOR

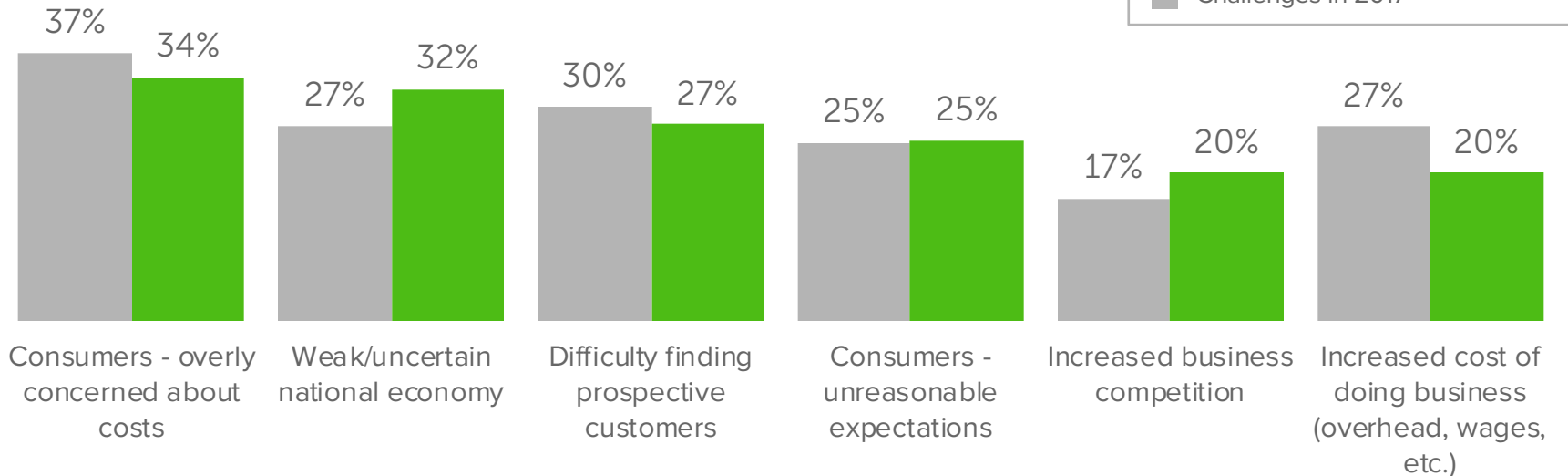
Reported Increases in 2018

Number of employees	22%
Costs of doing business	67%

# Top Business Challenges in 2018

Charts below show the percentage of surveyed businesses on Houzz UK reporting challenges in 2018 (vs 2017).

## TOP CHALLENGES AFFECTING BUSINESS



### ARCHITECT

#### Top Challenges in 2018

Weak/uncertain national economy	38%
Consumers - overly concerned about costs	36%

### INTERIOR DESIGNER

#### Top Challenges in 2018

Weak/uncertain national economy	44%
Difficulty finding prospective customers	40%

### GENERAL CONTRACTOR

#### Top Challenges in 2018

Consumers - unreasonable expectations	13%
Consumers - overly concerned about costs	10%



# Description of Businesses

Charts below show the percentage of surveyed businesses on Houzz Canada with the specific characteristics in 2018.

MORE THAN £100,000 IN GROSS REVENUES\*



45% of Businesses

\*Up to £2,000,000 or more in revenues

ONE OR MORE EMPLOYEES\*



64% of Businesses

\*Up to 500 or more employees

TEN OR MORE YEARS IN BUSINESS\*



47% of Businesses

\*Up to 30 or more years in existence

SOLE OWNER RESPONDING TO SURVEY



60% of Businesses

# Methodology

The survey was sent to businesses with profiles on Houzz UK and fielded in December 7, 2018 – 22 January, 2019. N=287.

## Description of Business Groups by Core Services\*

### Pro Categories in Survey (Sample N)

- Architect/Designer (N=127)
- Builder/Installer (N=48)
- Design and Build (N=37)
- Speciality - Decorating (N=32)
- Speciality - Landscaping & Outdoor (N=24)
- Specialty - Building & Renovation (N=19)

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

- Architect (N=56)
- Interior designer (N=53)
- General Contractor (N=30)

\*Business groups were defined based on services that contributed to the largest share of business gross revenues in 2018, 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	Products for the Home	Renovation Services & Supplies	Outside the Home
Architects & Building Designers	Appliances	Basement Designers	Landscape Contractors & Gardening Services
Design & Build	Bedding, Towels & Bathroom Accessories	Building Supplies	Garden & Landscape Supplies
Home Builders	Carpet & Flooring	Cabinet Makers	Conservatory & Garden Room Specialists
Interior Designers	Curtains, Blinds & Shutters	Carpenters & Joiners	Decking, Patios, Sheds & Summerhouses
Kitchen Designers & Fitters	Fireplaces	Home Storage Designers & Professional Organisers	Driveways
Bathroom Designers & Fitters	Furniture & Home Accessories	Kitchen & Bathroom Fixtures	Fencing & Gates
Landscape Architects & Garden Designers	Lighting	Loft Conversion Specialists	Lawn & Sprinklers
Stone, Paving & Concrete	Upholstery & Furniture Restoration	Paint & Wall Coverings	Tree Services
Tiles & Worktops		Period Property & Restoration Specialists	Swimming Pools & Hot Tubs
		Skip Hire & Rubbish Removal	Sports Courts & Outdoor Play
		Specialist Contractors	
Windows, Doors, Roofing & Cladding	Other Contractors & Services	Home Service & Tradesmen	
Cladding & Exterior Contractors	Artists & Craftsmen	Electricians	
Doors	Estate Agents & Lettings Agents	Environmental Services	
Garage Doors	Events, Media & Bloggers	Heating & Air Conditioning	
Roofing & Gutters	Kids & Nursery	Plumbers	
Windows & Glazing	Home Cinema & Technology Design	Removal Companies	
	Home Stagers	Septic Tanks & Waste Management	
	Interior Stylists	Solar Panel Installation	
	Photographers		
	Schools, Organisations & Associations		
	Staircases & Balustrades		
	Wine Cellars		
	Wrought Iron Workers		