2020 Houzz & Home

Overview of U.S. Renovation in 2019 & 2020

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Big Ideas

OLDER GENERATIONS DRIVE RENOVATION ACTIVITY

Baby Boomer and Gen X homeowners accounted for 85% of those renovating on Houzz in 2019, up from 83% in the prior year. The rest were largely Millennials, whose share declined from 14% in 2018 to 12% in 2019.

RENOVATION PACE CONTINUES WITH REDUCED SPEND

Overall home renovation activity remained stable year over year, with 54 percent of homeowners reporting a renovation project in 2019, and tackling nearly three interior rooms on average.

The mix of renovation activities and project types remained consistent with recent years, with kitchens and bathrooms continuing to lead in popularity. Median renovation spend, however, declined from $15,000 in 2018 to $13,000 in 2019, owing to a reduction in average project scope as well as slightly fewer projects per homeowner.

HOME OFFICES GET TO WORK

While kitchens and guest bathrooms remained the most popular rooms to renovate (27% and 25%, respectively), home offices were added or upgraded by 1 in 10 homeowners in 2019. Millennials and Gen Xers were more likely to pursue a home office project (11% each) than were Baby Boomers (9%).

CORONAVIRUS PANDEMIC'S IMPACT*

Subsequent surveys have shown that over half of homeowners who were in the midst of a project at the start of the pandemic were able to continue with renovations. That said, some homeowners have opted to delay certain elective renovations due to implications related to social contact, labor and material availability and personal discretionary spending. Maintenance and repairs, on the other hand, are more likely to proceed, especially when the need is urgent. Deferred maintenance will accrue during this period, setting the stage for a renewed burst of activity following the pandemic.

*The survey for the 2020 Houzz & Home study was fielded between Jan. 2 and March 5, 2020, prior to the shelter-in-place orders related to the novel coronavirus pandemic. Most of the findings reflect the state of affairs in 2019 and remain accurate. Findings related to anticipated activity in 2020 may not reflect current sentiment.

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2019 & 2020 Overview

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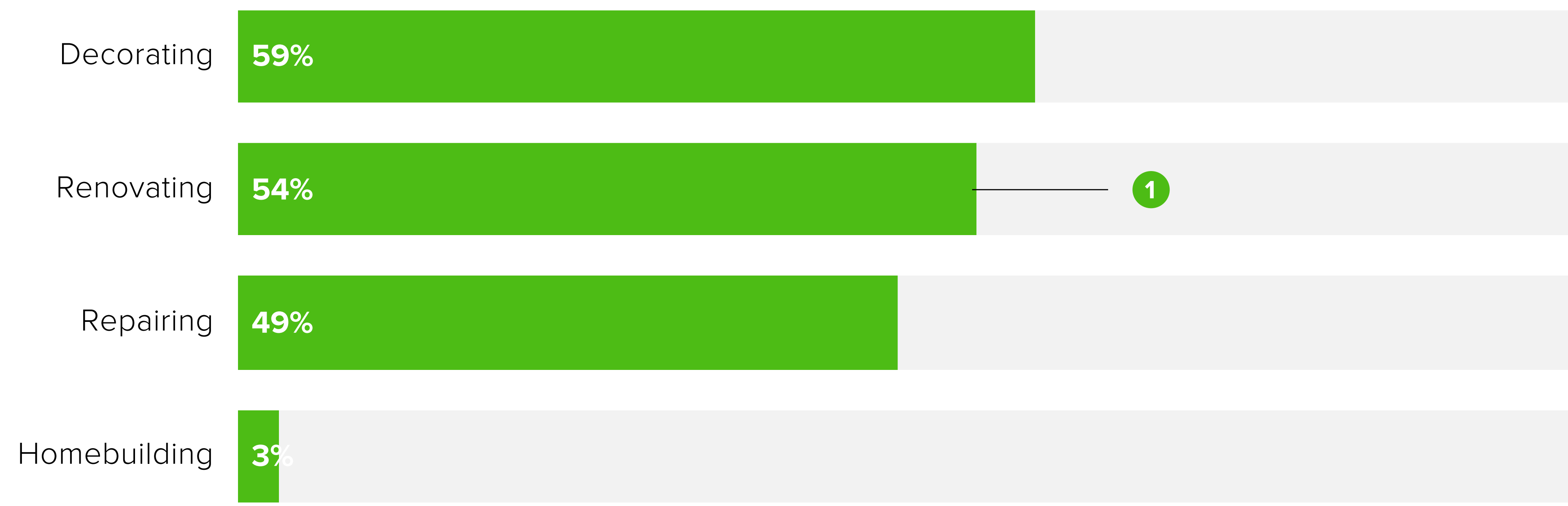
Median Renovation Spend Falls Modestly in 2019

Although median spend on home renovations decreased to $13,000 in 2019, compared with $15,000 in the two previous years, it is still higher than the national planned spend ($10,000) for 2019 as reported in 2018. The decrease is consistent with a modest decline from 2018 to 2019 in the average number of projects undertaken by renovating homeowners, as well as a decline in project scope.

The mix of projects was consistent with previous years, with 59% decorating, 54% renovating and 3% building homes in 2019.

Frequency of Home-Related Activities and Renovation Spend Among Homeowners in 2019*



1 National Renovation Spend per Household

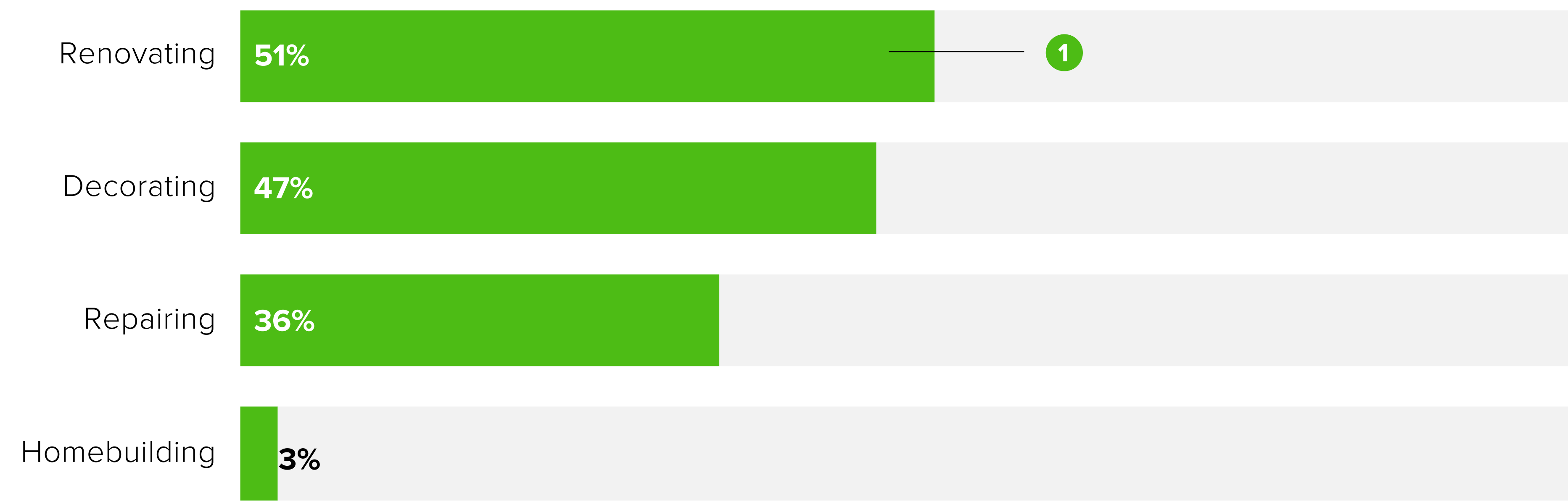
Median Spend		90th Percentile Spend	
2019	**$13,000**	2019	**$80,000**
2018	**$15,000**	2018	**$80,000**
2017	**$15,000**	2017	**$85,000**

*Multiple responses were allowed.

Early 2020 Plans Resemble 2019 Plans*

Consistent with prior years, in early 2020, half of homeowners on Houzz planned to continue or start renovations during the year (51%), with a planned median spend of $10,000 per renovating homeowner. However, given the impact of the coronavirus pandemic, these numbers may have shifted.

Frequency of Planned 2020 Home-Related Activities and Renovation Spend Among Homeowners**



1 National Planned Renovation Spend per Household

Median Spend		90th Percentile Spend	
2020 (Planned)	**$10,000**	2020 (Planned)	**$50,000**

*Plans for 2020 might not reflect the current reality of home-related activities among homeowners, since the responses for this report were collected prior to the shelter-in-place orders related to the novel coronavirus pandemic. The survey was fielded between Jan. 2 and March 5, 2020.
**Multiple responses were allowed.

2019 Total Spend, Financing & Motivations

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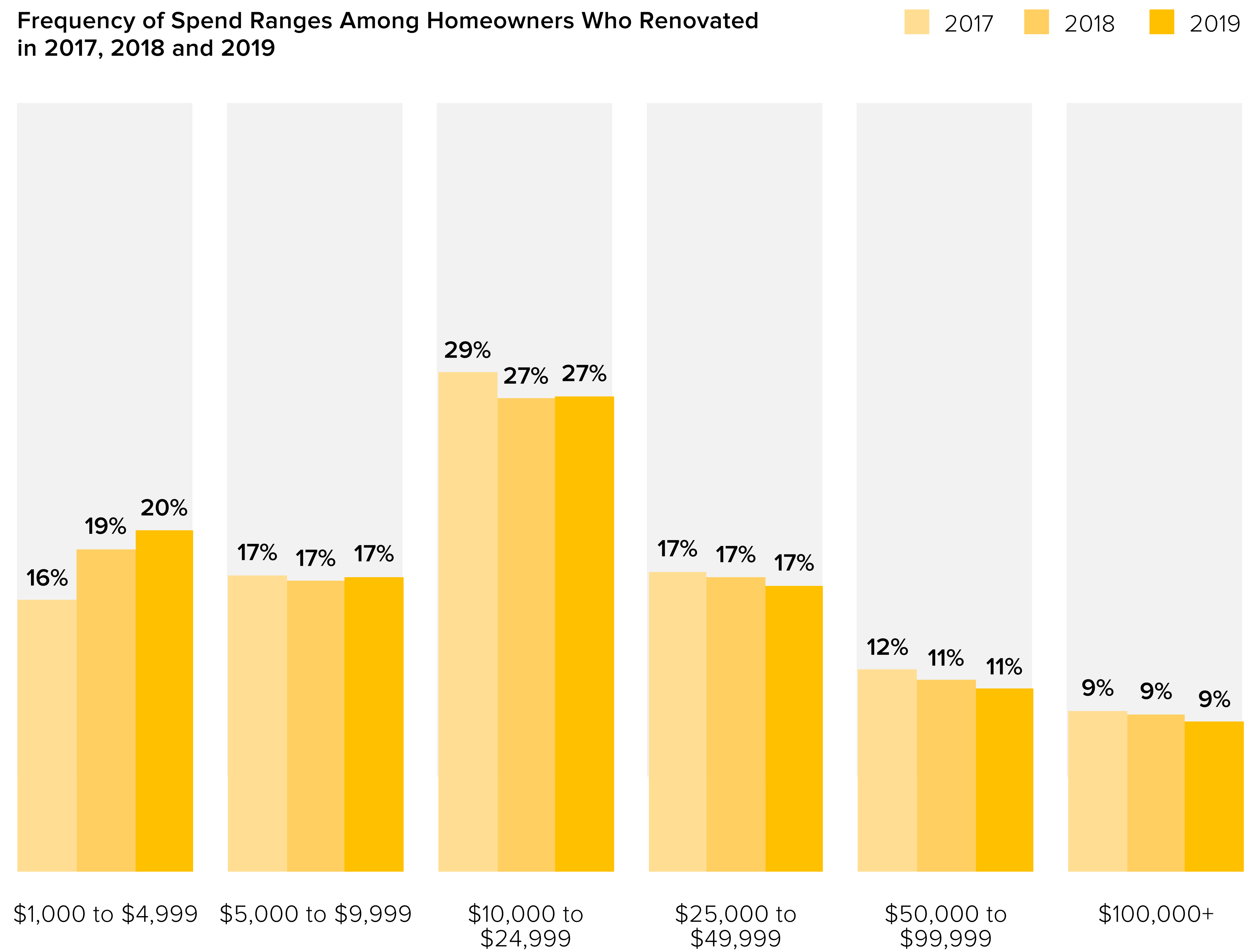
Share of Projects Under $5,000 Inches Up

Nearly 2 in 3 renovating homeowners spent more than $10,000 on their home renovation in each of the past three years. In 2019, the share of those spending less than $10,000 increased slightly, but overall the spend ranges remained very similar to 2018.

Frequency of Spend Ranges Among Homeowners Who Renovated in 2017, 2018 and 2019

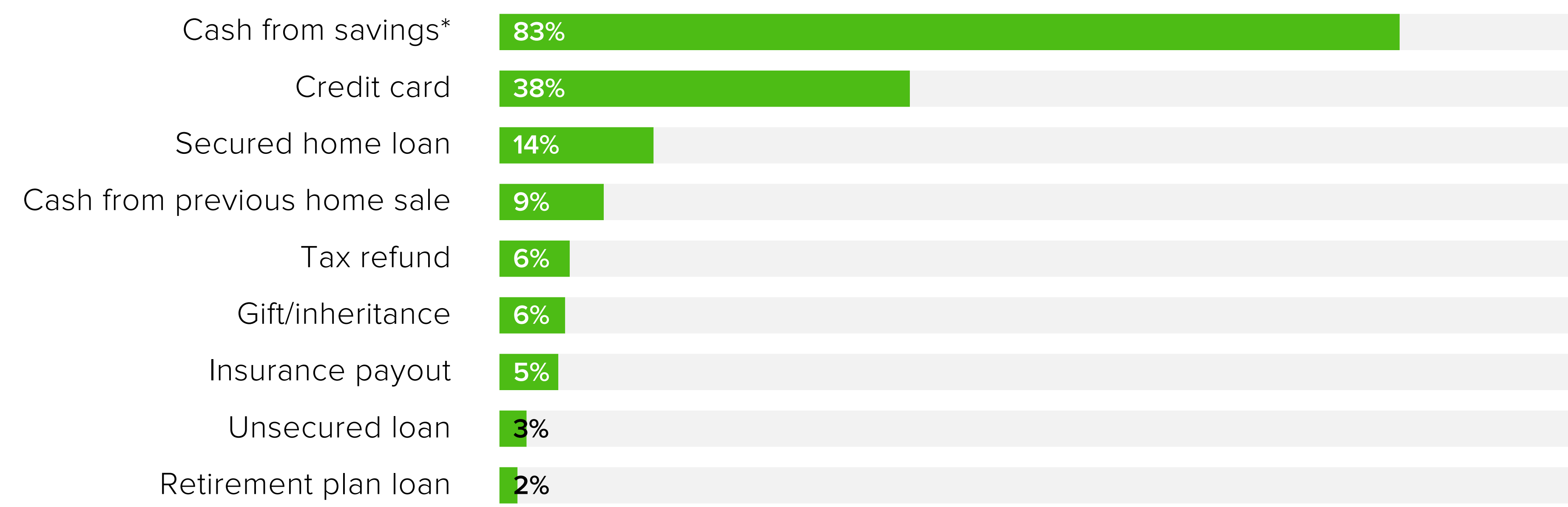


Renovators Tap Savings to Invest in Their Homes

Cash was by far the most common form of home renovation funding (83%), even in projects with more significant spend (over $50,000). The next most common source of funding was credit cards (38%), which were more popular among those with lower expenditures (between $1,000 and $5,000).

Home loans (secured or unsecured), as well as home sale proceeds, gifts and inheritances, and insurance payouts were all more common in larger projects. Tax refunds were only by only 6% of renovators.

Frequency of Top Funding Sources Among Homeowners Who Renovated in 2019



Top Funding Sources	With Spend of $1,000 to $5,000	With Spend of $50,000 to $200,000
Cash from savings	**84%**	**79%**
Credit card	**39%**	**33%**
Secured home loan	**8%**	**28%**
Tax refund	**7%**	**5%**
Cash from previous home sale	**4%**	**20%**
Gift/inheritance	**4%**	**9%**
Insurance payout	**3%**	**7%**
Unsecured loan	**2%**	**4%**
Retirement plan loan	**1%**	**3%**

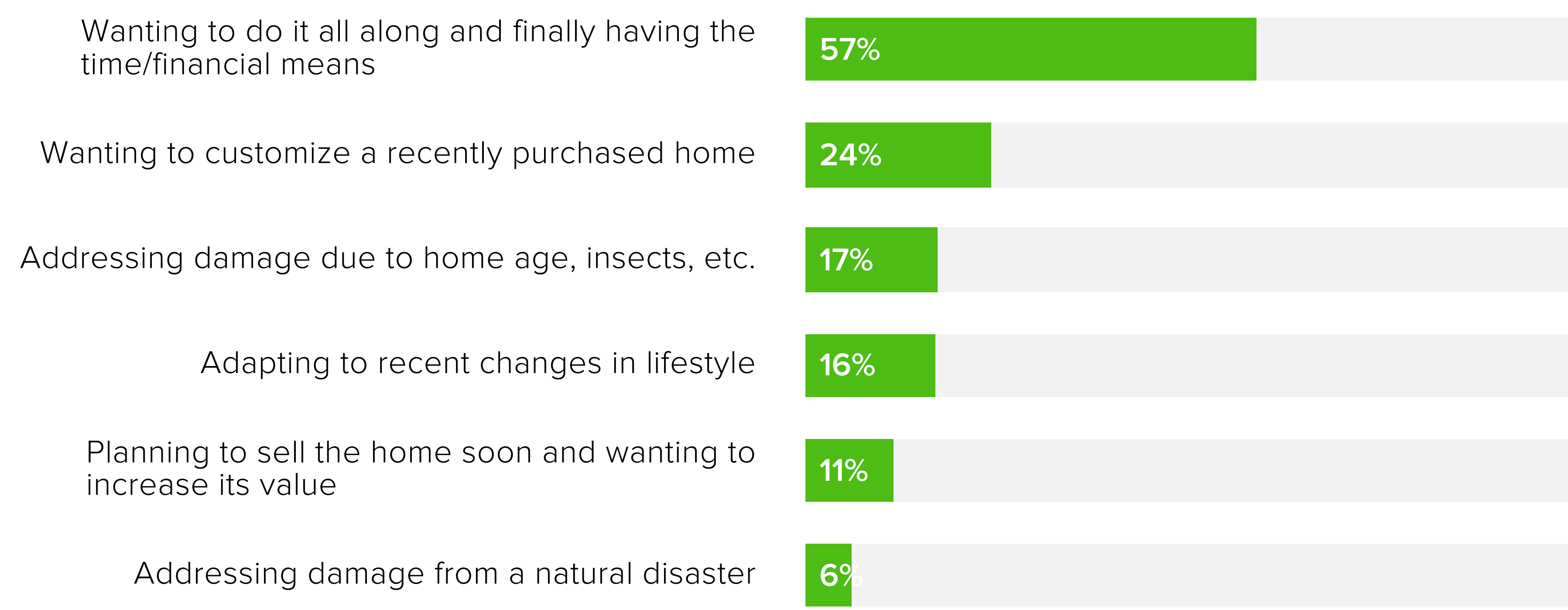
*Multiple responses were allowed. Due to the addition of tax refunds and insurance payouts as funding sources in 2018, cash from savings cannot be compared year over year.

Reasons for Renovating Are Remarkably Stable

Three of the most common triggers for home renovation remained nearly unchanged in 2019 compared with the previous year: Longtime homeowners “wanting to do it all along” continued to be the top (57%) driver of home renovations, while customizing a recently bought home (24%) was slightly down from 2018 and planning to sell a home (11%) was unchanged.

Triggers related to damage to the home, whether due to routine causes (17%) or natural disasters (6%), were also almost unchanged from the previous year, as were renovations owing to changes in lifestyle (16%).

Frequency of Top Renovation Triggers Among Homeowners Who Renovated in 2019*



Damage to the Home in the Previous 5 Years**

Water damage from a plumbing or other malfunction	**15%**	Damage from other events	**5%**
Damage from a natural disaster	**11%**	**No damage**	**71%**

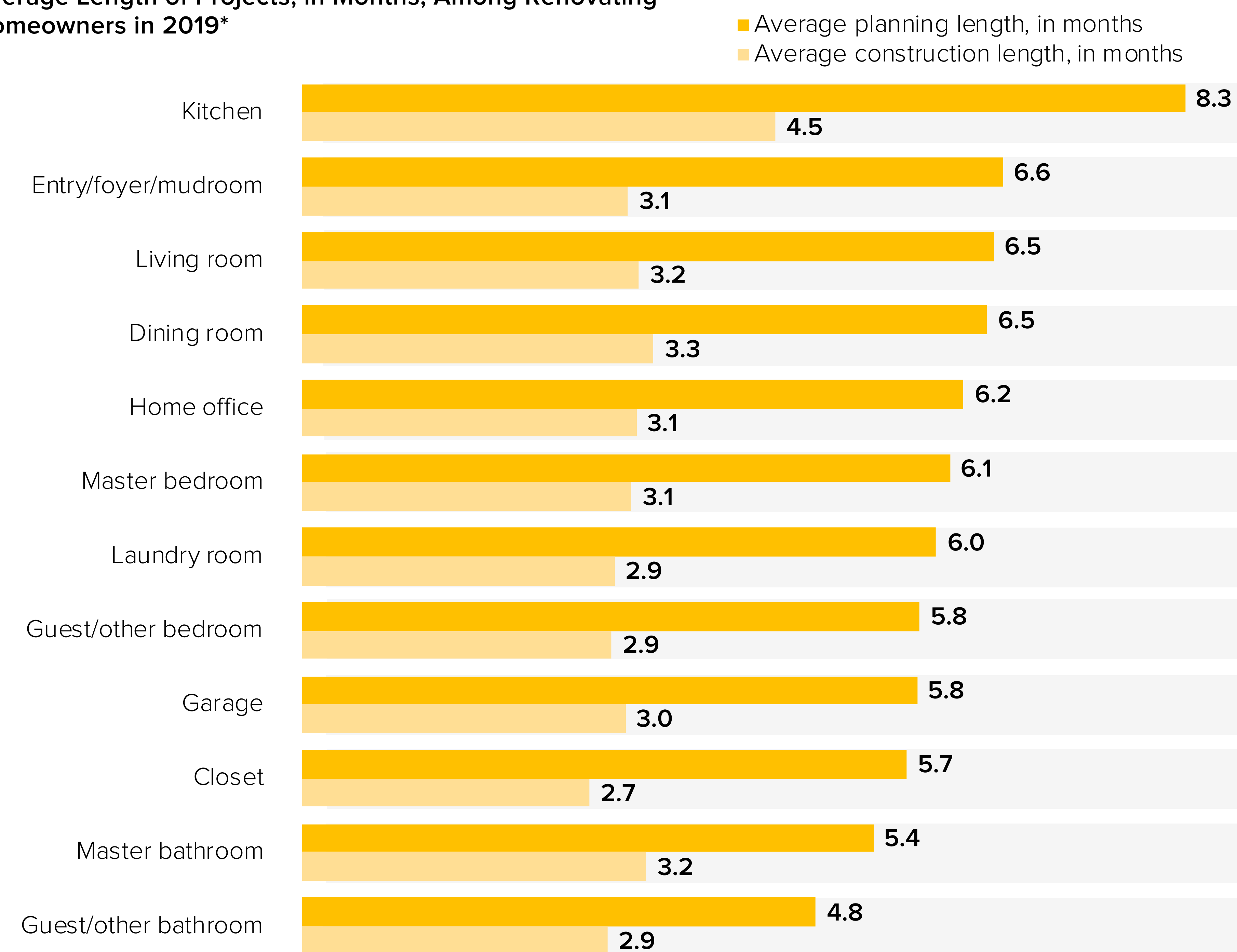
*Up to three responses were allowed.
**Multiple responses were allowed.

Planning Takes Time

Gearing up for a renovation in 2019 took homeowners longer than it did to actually renovate. While construction took between 2.7 and 4.5 months, on average, for different types of projects, the planning phase took about twice that long.

Kitchens require lengthier planning, averaging 8.3 months, compared with master and guest bathrooms (5.4 and 4.8 months, respectively). Surprisingly, entries, foyers and mudrooms, which typically occupy less square footage, take 6.6 months to plan, on average.

Average Length of Projects, in Months, Among Renovating Homeowners in 2019*



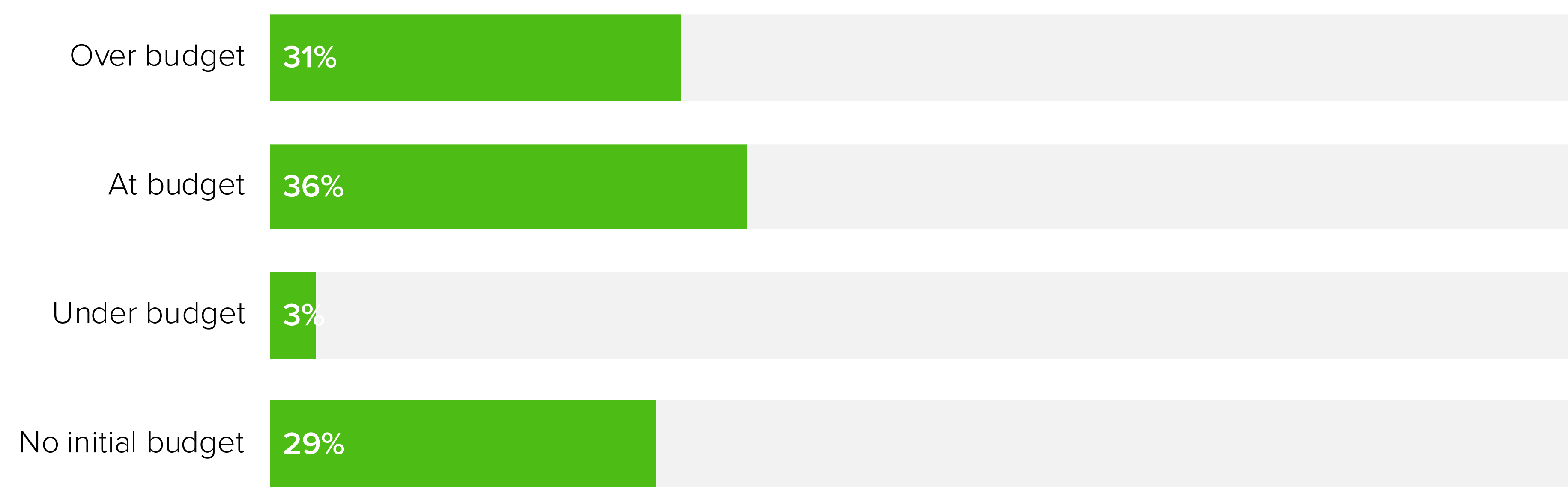
*Does not include additions.

It’s Hard to Stay Within Budget

Keeping a renovation project within budget can be challenging. In 2019, almost 31% of renovating homeowners on Houzz went over budget, while a mere 3% reported coming in below budget. The remainder came within 5% of their budget (36%) or did not set a budget to begin with (29%).

Those exceeding their budget often did so because products or services were costlier than expected or because projects were more complex than anticipated. In other cases, budgets were exceeded because of decisions to buy more expensive products or materials than planned.

Frequency of Being Under, at or Over Budget Among Renovating Homeowners in 2019



Had Budget Before Starting Renovation

2019	**71%**
2017	**77%**
2015	**69%**

Reasons for Going Over Budget in 2019

Products or services were more costly than expected

Decided to buy more expensive products or materials

Project was more complex than expected

2019 Renovation Spend, by Metro

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Boston Breaks Into Top 5 in Spending

Although considerably less than repeat leader San Jose ($26,000), Boston now reports the second-highest median renovation spend by metro area ($21,000). These are followed closely by expensive coastal metros including Los Angeles, Miami, San Diego and San Francisco ($20,000 each).

San Jose maintained its position in the lead at double the national median ($13,000), while San Francisco exhibited one of the largest drops, from $25,000 in 2018 to $20,000 in 2019, and New York fell from the top five. Houston, New Orleans and Washington all fell out of the top 10, while Phoenix and Austin made fresh appearances on the list.

Top 10 U.S. Metropolitan Areas, by Median Renovation Spend, in 2017, 2018 and 2019*

Top 10 Metros	2017	2018	2019**
1	San Jose, CA ($30,000)	San Jose, CA ($25,000)	San Jose, CA ($26,000)
2	San Francisco, CA ($25,000)	San Francisco, CA ($25,000)	Boston, MA ($21,000)
3	Los Angeles, CA ($25,000)	Los Angeles, CA ($20,000)	Los Angeles, CA ($20,000)
4	Houston, TX ($24,000)	Miami, FL ($20,000)	Miami, FL ($20,000)
5	Miami, FL ($21,000)	New York, NY ($20,000)	San Diego, CA ($20,000)
6	New York, NY ($20,000)	Boston, MA ($19,000)	San Francisco, CA ($20,000)
7	Boston, MA ($20,000)	Sacramento, CA ($18,000)	New York, NY ($18,500)
8	Seattle, WA ($20,000)	Houston, TX ($17,000)	Phoenix, AZ ($16,750)
9	San Diego, CA ($20,000)	New Orleans, LA ($17,000)	Sacramento, CA ($16,000)
10	Sacramento, CA ($18,000)	Washington, DC ($17,000)	Austin, TX ($15,000)

*Top 10 U.S. metropolitan areas are analyzed out of the top 50 U.S. metropolitan areas by population per the Cumulative Estimates of Resident Population Change in 2016 by the U.S. Census Bureau.
**In addition, median spend in 2019 was also $15,000 in Baltimore, MD; Birmingham, AL; Jacksonville, FL; Las Vegas, NV; Nashville, TN; Philadelphia, PA; Salt Lake City, UT; Seattle, WA; Tampa, FL; Washington, DC; and Houston, TX.

Metros in Flux

The Nashville, TN, metro area topped the chart with the largest increase in homeowners' renovation spend (50%); followed by San Diego, CA (33%); Minneapolis-St. Paul, MN (27%); Birmingham, AL (25%); Austin, TX (20%); and Raleigh, NC (20%).

At the other extreme, Providence, RI, saw the most extreme decrease of any metro (57%), closely followed by New Orleans, LA (53%); Hartford, CT (50%); and Milwaukee, WI (40%).

The majority of the top 50 metros in the country were within just $2,000 of the national median or below it.

Largest Positive and Negative Changes in Median Renovation Spend per Homeowner in 24 U.S. Metropolitan Areas in 2019 Relative to Median Spend in 2018

U.S. Major Metropolitan Area*	2019 Median Spend	Annual Change
Nashville, TN	$ 15,000	50%
San Diego, CA	$ 20,000	33%
Minneapolis-St. Paul, MN	$ 14,000	27%
Birmingham, AL	$ 15,000	25%
Austin, TX	$ 15,000	20%
Raleigh, NC	$ 12,000	20%
Boston, MA	$ 21,000	11%
Cincinnati, OH	$ 11,000	10%
Orlando, FL	$ 11,000	10%
Cleveland, OH	$ 10,500	5%
Phoenix, AZ	$ 16,750	5%
San Jose, CA	$ 26,000	4%

U.S. Major Metropolitan Area*	2019 Median Spend	Annual Change
Providence, RI	$ 6,500	-57%
New Orleans, LA	$ 8,000	-53%
Hartford, CT	$ 6,000	-50%
Milwaukee, WI	$ 9,000	-40%
Memphis, TN	$ 10,000	-33%
Portland, OR	$ 10,500	-30%
Virginia Beach, VA	$ 10,250	-27%
Atlanta, GA	$ 11,000	-27%
Denver, CO	$ 11,125	-26%
San Francisco, CA	$ 20,000	-20%
Chicago, IL	$ 12,000	-20%
St. Louis, MO-IL	$ 10,000	-20%

*Top 50 U.S. metropolitan areas by population are based on the Cumulative Estimates of Resident Population Change in 2016 by the U.S. Census Bureau. .

2019 Popular Projects & Project Spend

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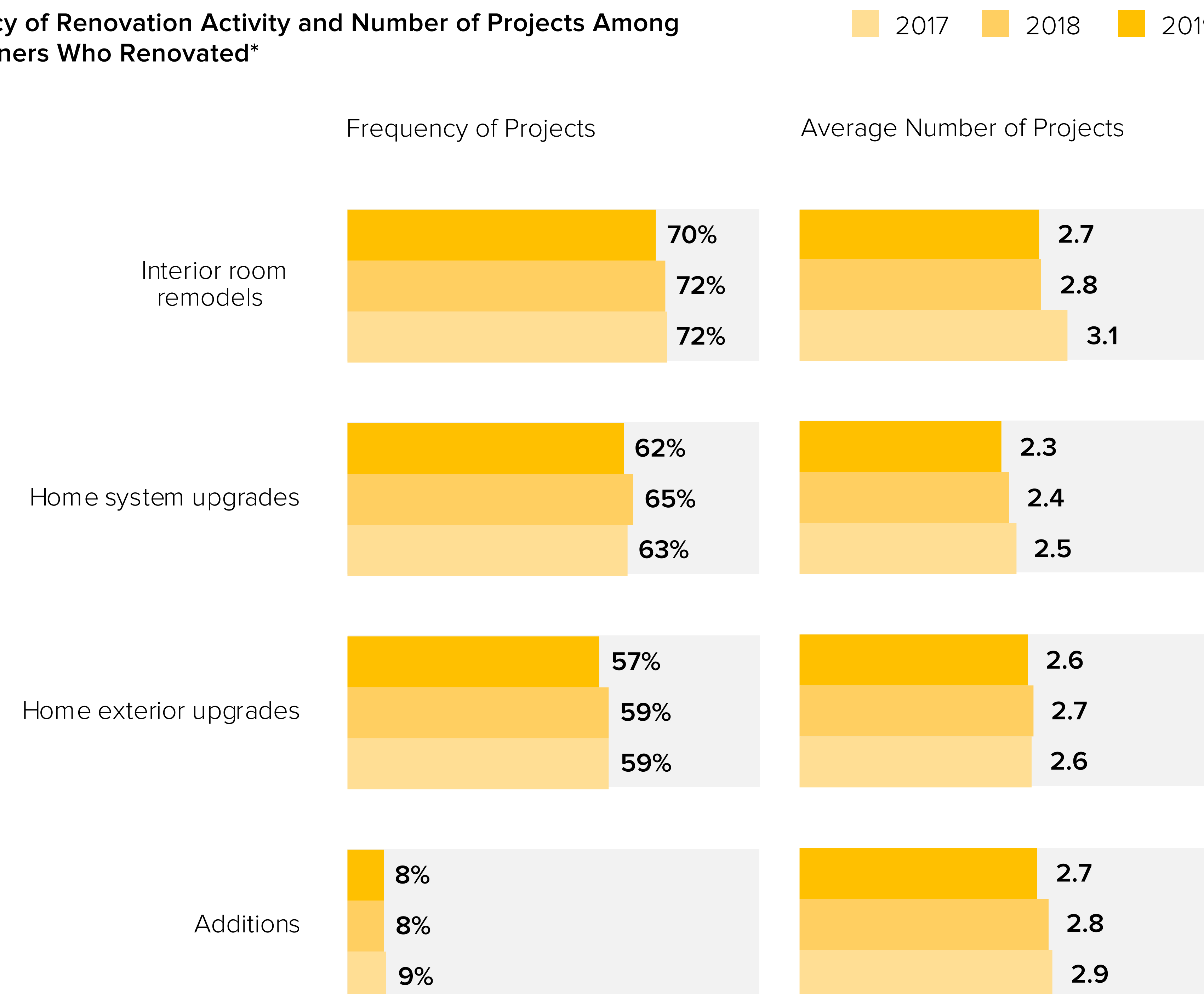
Interior Room Remodels Still Rule

Interior room remodels continue to be the most common renovation project among homeowners (70%), followed by home system and exterior upgrades (62% and 57%, respectively).

The average renovating homeowner tackled nearly three interior room remodels and/or three room additions. The average number of projects per homeowner has been trending downward slightly in most categories since 2017.

Frequency of Renovation Activity and Number of Projects Among Homeowners Who Renovated*



*Multiple responses were allowed. Interior room remodels refers to remodels of kitchens, bathrooms, dining rooms and the like.
Home system upgrades refers to upgrades to electrical, plumbing and air-conditioning systems and the like.
Home exterior upgrades refers to windows, doors, roofing and the like.
Additions refers to expansions of the home's footprint by increasing the square footage of or adding kitchens, bathrooms, dining rooms and the like.

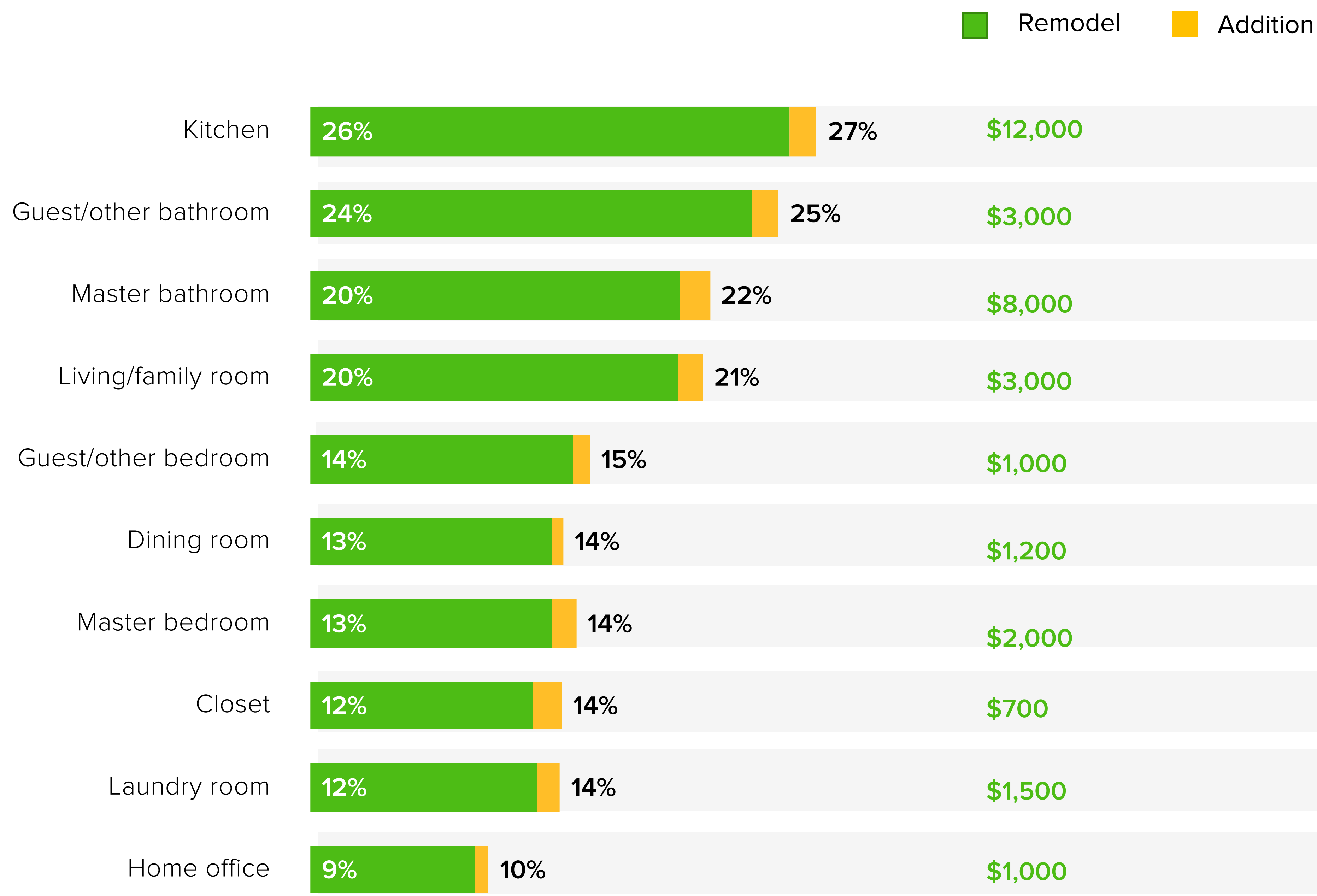
1 in 10 Homeowners Adds or Renovates a Home Office

As in previous years, kitchens were the most prevalent room to be remodeled (26%), followed by guest/other bathrooms (24%) and master bathrooms and living/family rooms (both 20%).

Among additions, the most common rooms were master bathrooms, closets and laundry rooms (2% each).

Home offices were addressed by 1 in 10 renovating homeowners on Houzz.

Frequency of and Median Spend on Top Interior Room Renovations Among Homeowners Who Renovated in 2019

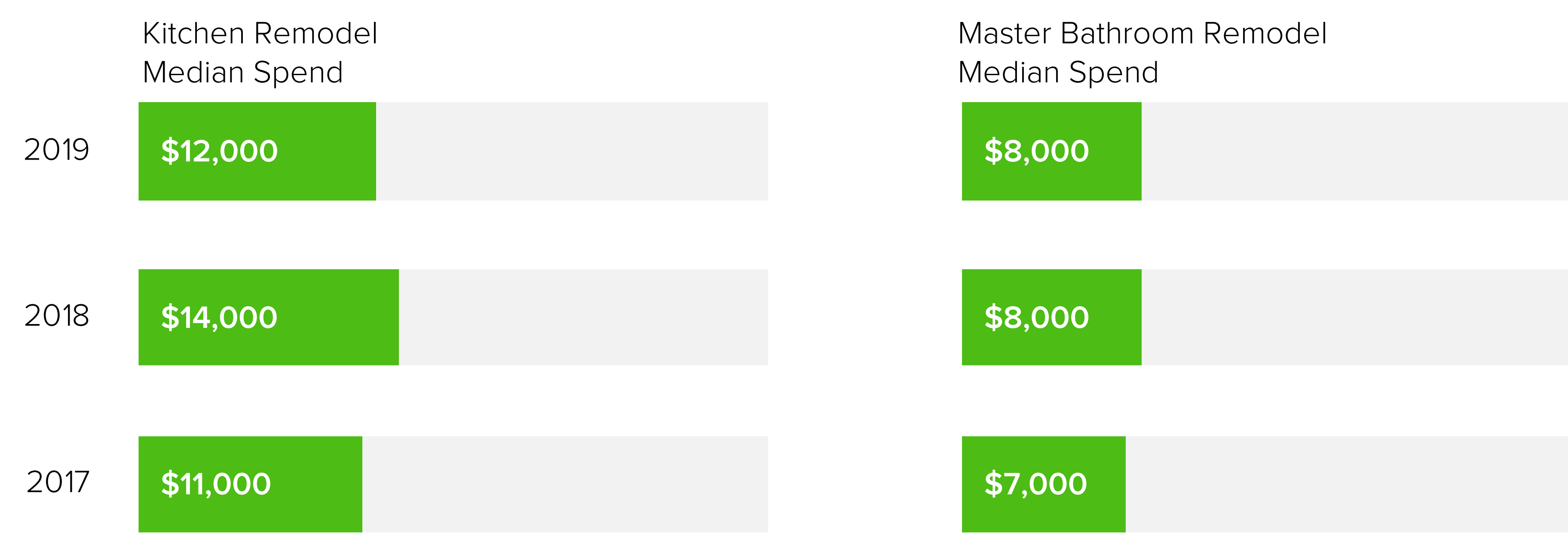


Kitchen Remodels Scale Back

Following 2018's spike in median kitchen remodel spend, 2019 returned to levels closer to previous years at $12,000, reflecting a shift toward minor renovations. Typical spend increased slightly within the major kitchen remodel category, especially for smaller kitchens.

The median spend on master bathroom remodels held steady.

Median Spend on Kitchen and Master Bathroom Remodels (Pro and DIY)



Major Kitchen Remodel* Median Spend	**2017**	**2018**	**2019**
Larger kitchen (200+ square feet)	$33,000	$35,000	$35,000
Smaller kitchen (< 200 square feet)	$20,000	$23,000	$24,000

Major Master Bathroom Remodel* Median Spend	**2017**	**2018**	**2019**
Larger bathroom (100+ square feet)	$16,000	$17,000	$17,000
Smaller bathroom (< 100 square feet)	$10,000	$10,000	$10,000

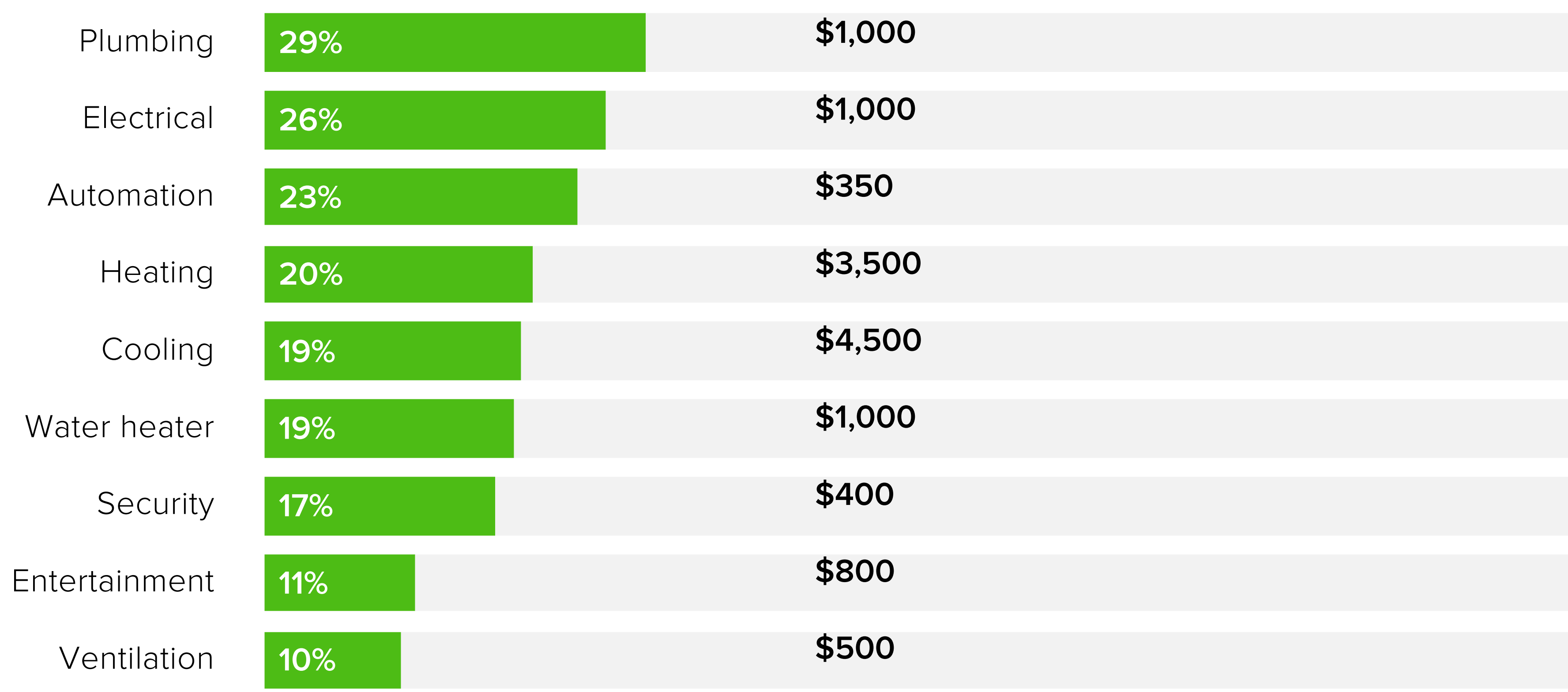
*Major kitchen remodel refers to a remodel in which at least all the cabinets and appliances are replaced.
Major master bathroom remodel refers to a remodel in which at least the cabinetry/vanity, countertops and toilet are replaced.

1 in 9 Upgrade Home Entertainment

The most common home system upgrades were plumbing (29%) and electrical (26%). Home security upgrades dropped slightly from 18% in 2018 to 17% in 2019.

1 in 9 homeowners upgraded their home entertainment systems, with a median spend of $800.

Frequency of and Median Spend on Top Home System Upgrades Among Homeowners Who Renovated in 2019



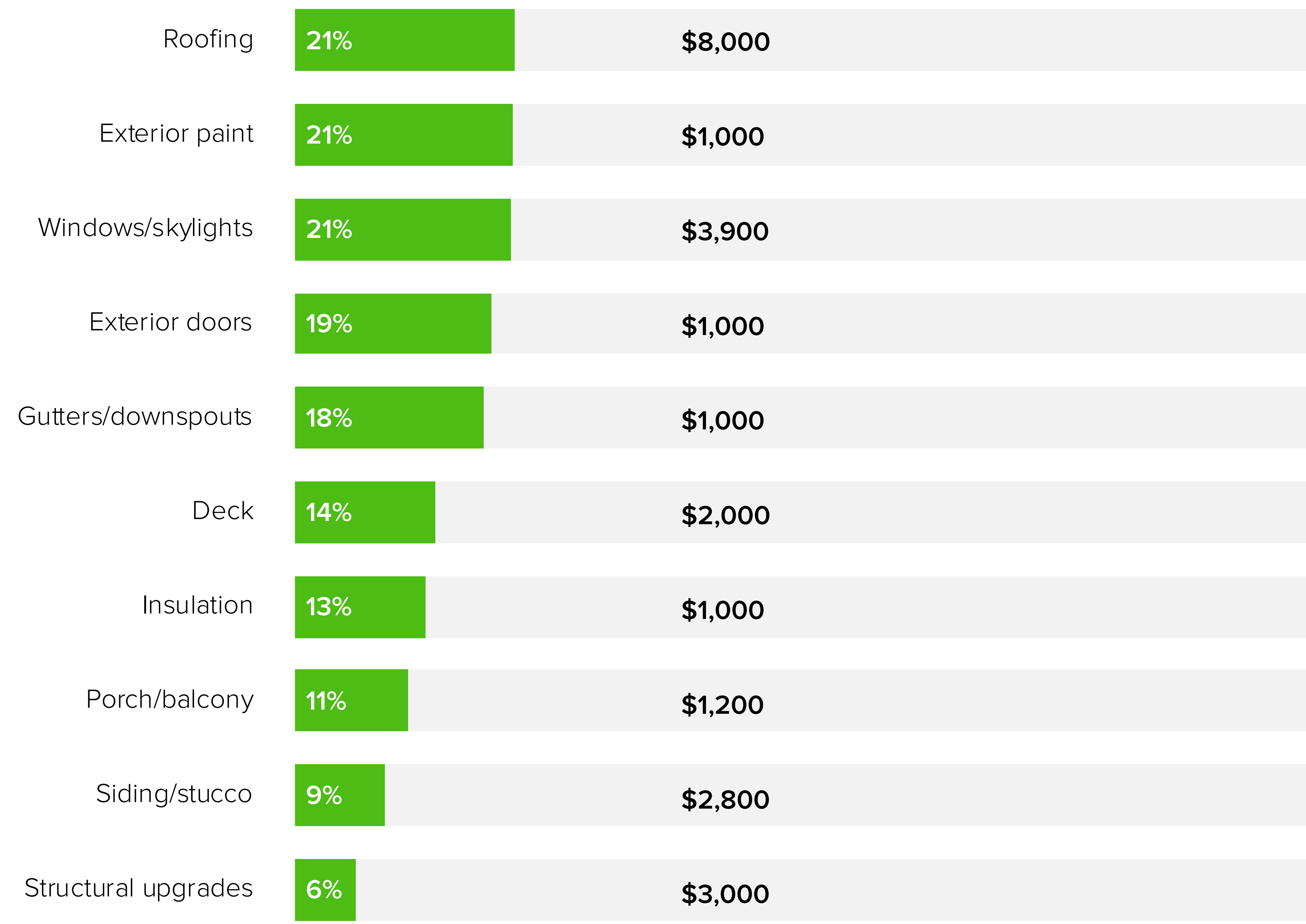
Home Security Upgrades

2019	**17%**
2018	**18%**
2017	**15%**

Roofing, Paint and Windows Are Top Exterior Upgrades

The most common exterior building upgrades in 2019 involved roofing (21%), exterior paint (21%) and windows/skylights (21%), with exterior doors (19%) and gutters/downspouts (18%) not far behind. With the exception of small decreases in roofing, exterior paint and gutters/downspouts, exterior building materials maintained their frequency levels from 2018. Roofing and windows/skylights remained the most expensive exterior upgrades, with $8,000 and $3,900 median spends, respectively.

Frequency of and Median Spend on Top Exterior Building Upgrades Among Homeowners Who Renovated in 2019

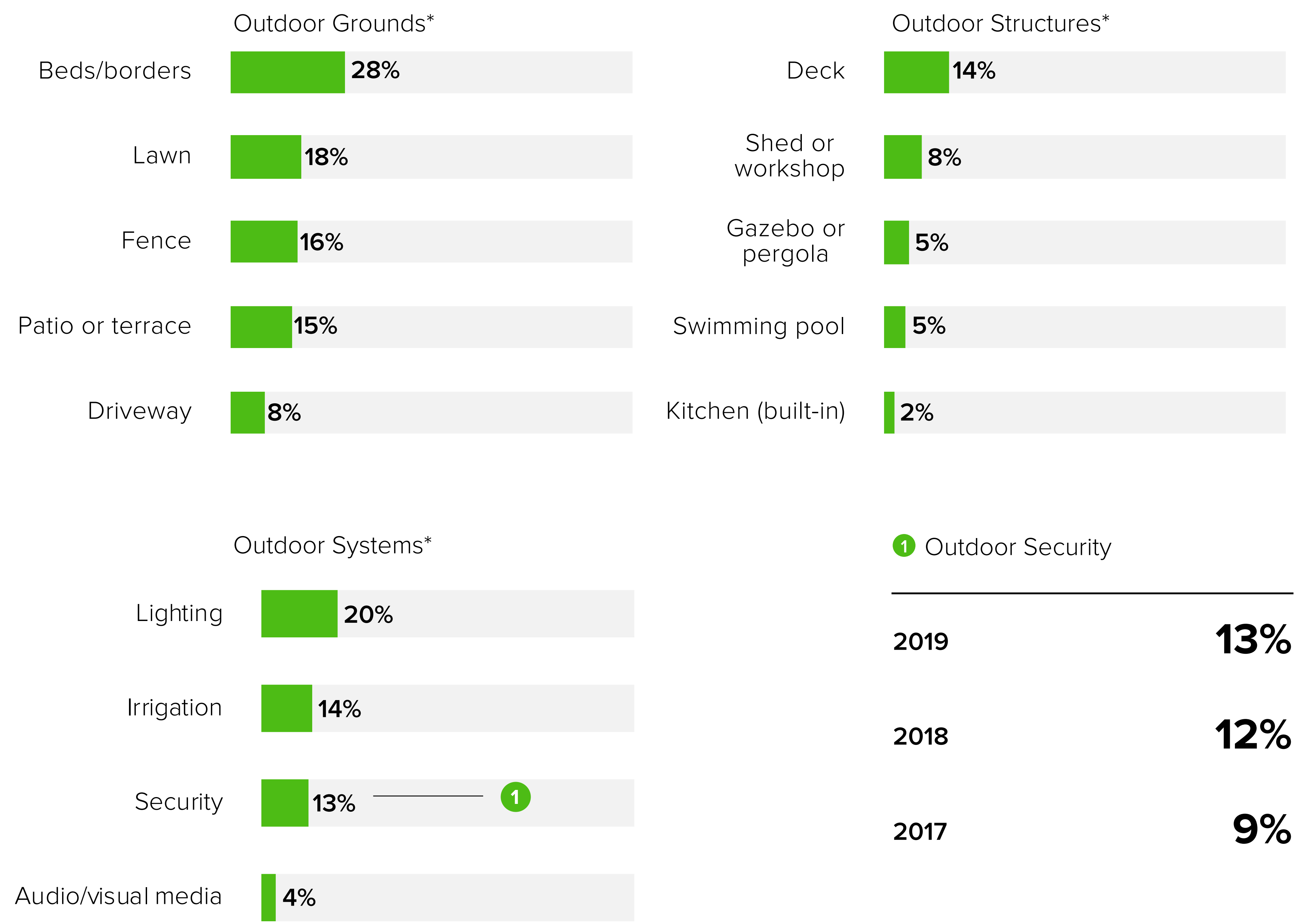


Outdoor Upgrades Dominated by Essentials

Beds and borders remained the focus for outdoor upgrades (28%), followed by lawn and fence improvements (18% and 16%, respectively). Outdoor security continued to climb in popularity, with 1 in 8 homeowners making upgrades (13%).

Less common types of outdoor upgrades included built-in kitchens (2%) and audio/visual media (4%).

Frequency of Top Outdoor Upgrades Among Homeowners Who Renovated in 2019*



*Multiple responses allowed.

2019 Professional Involvement

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Bringing In the Pros

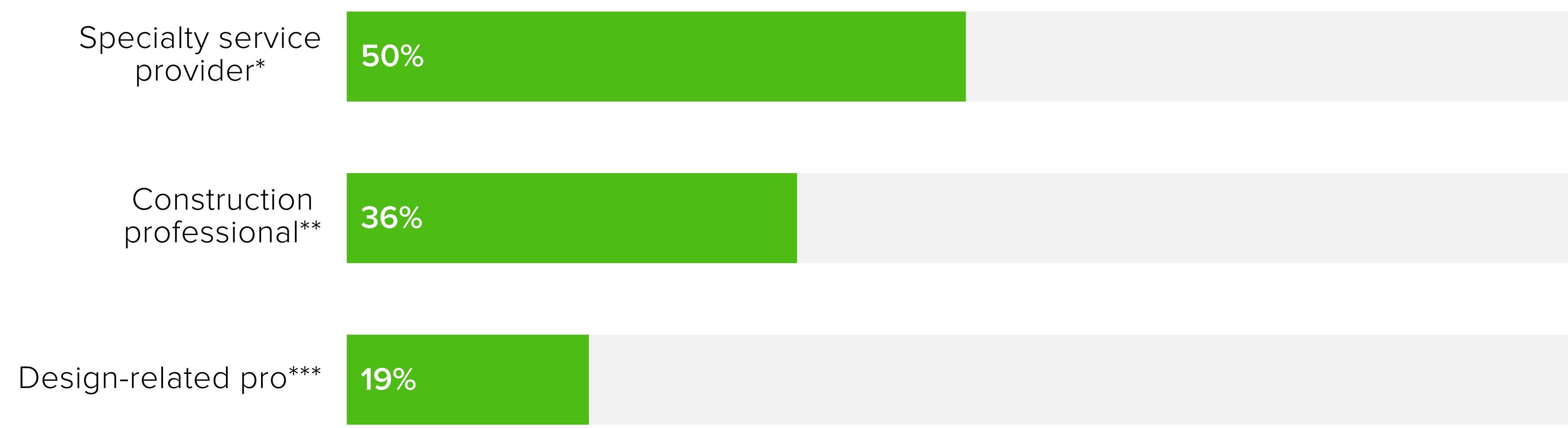
Overall, pro hiring has been stable in the last three years and homeowners are continuing to hire more than one pro, on average.

Design-related pros, often hired by homeowners irrespective of renovations, were hired by 1 in 5 renovating homeowners.

Among homeowners who renovated their homes, specialty service providers were the most commonly hired renovation professionals, followed by construction professionals.

Frequency of Professional Hiring by Renovating Homeowners

Hiring, by Professional Category



Overall Hiring

2019	88%
2018	87%
2017	88%

Average Number of Specialty Service Providers* Hired

2019	1.7
2018	1.7
2017	1.7

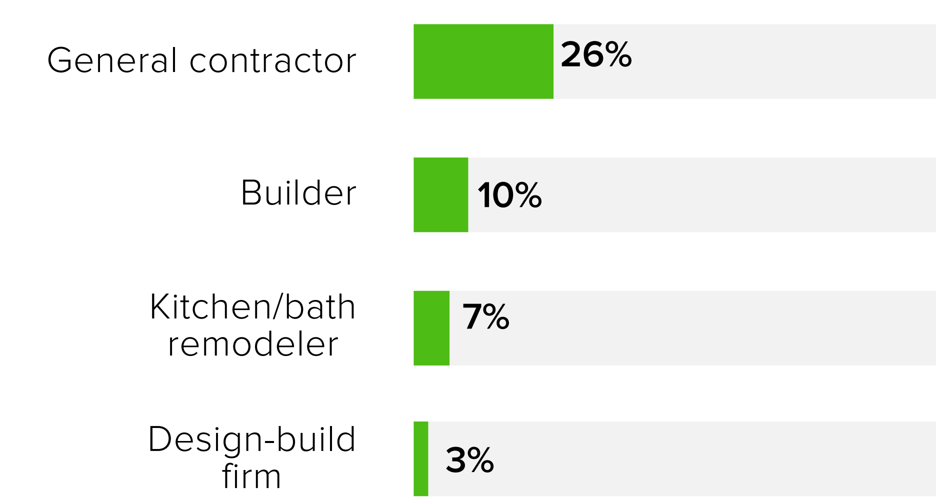
*Specialty service provider hiring does not include any specialists hired with the help of a construction manager (general contractor, builder, design-build company and/or kitchen or bath remodeler).
**Construction professionals are general contractors, kitchen or bathroom remodelers, builders and design-build professionals.
***Design-related pros are kitchen or bath designers, architects, interior designers or decorators, landscape architects or designers, and lighting designers.

Construction Trades Maintain Their Hiring Rates

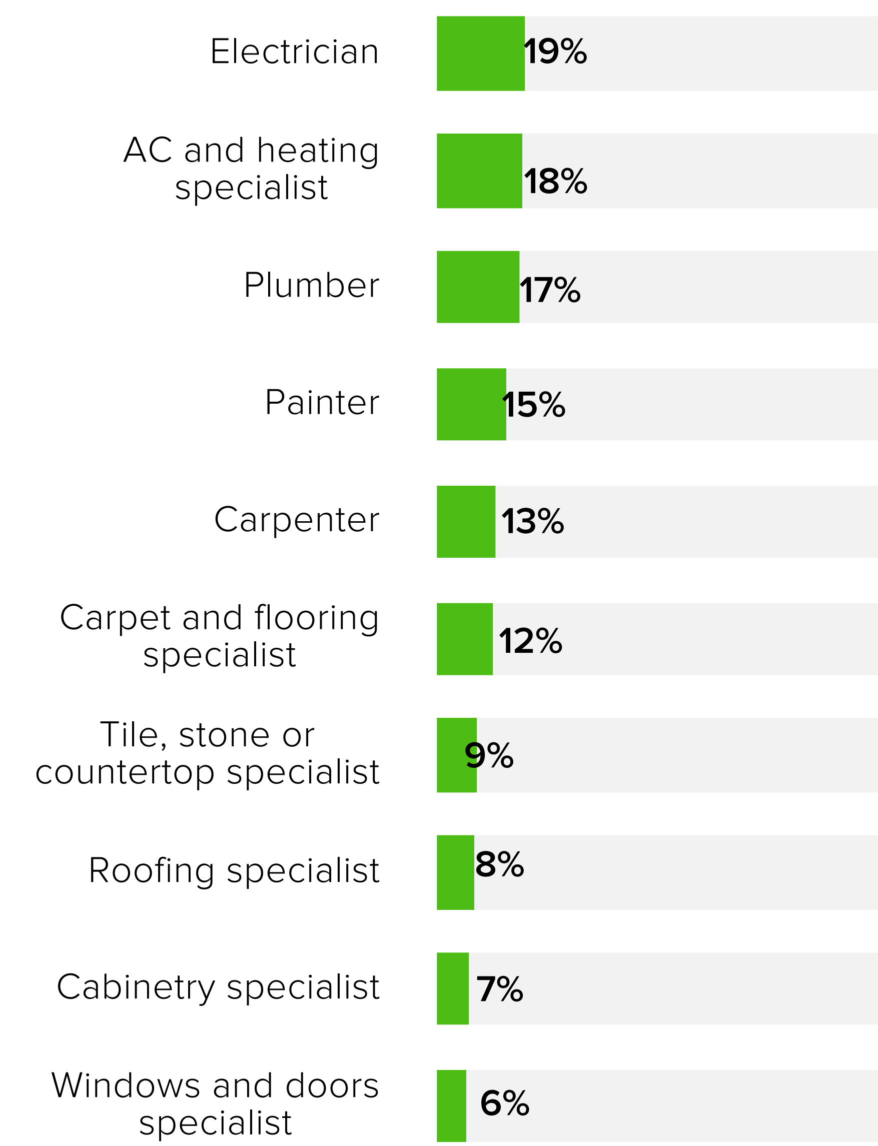
The mix of hiring across various renovation trades in 2019 was remarkably similar to the mix in 2018. Among renovating homeowners on Houzz, 26% hired a general contractor, making it the single most popular choice among construction professionals hired.

Frequency of Professional Hiring by Homeowners Who Renovated in 2019

Construction Professional* Hiring



Specialty Service Provider Hiring**



Design-Related Pro* Hiring**

Interior designer	7%
Architect	6%
Kitchen/bath designer	6%
Landscape architect/designer	6%
Lighting designer	2%

*Construction professionals are general contractors, kitchen or bathroom remodelers, builders and design-build professionals.
**Specialty service provider hiring does not include any specialists hired with the help of a construction manager (general contractor, builder, design-build company and/or kitchen or bath remodeler).
***Design-related pros are kitchen or bath designers, architects, interior designers or decorators, landscape architects or designers, and lighting designers.

2019 Generational Perspective

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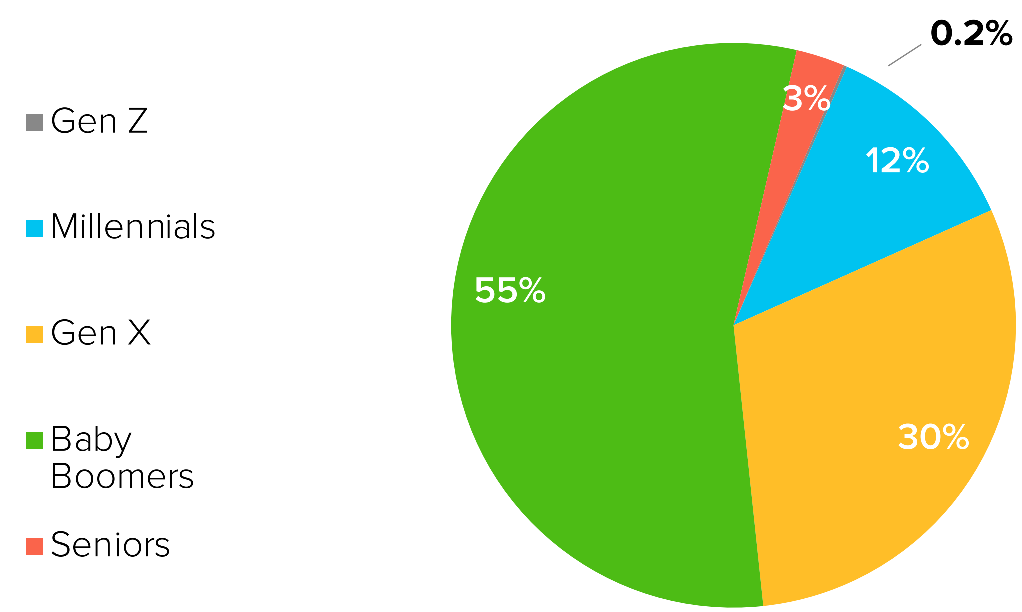
Older Generations Drive Renovation Activity

The ranks of renovating homeowners on Houzz are dominated by Baby Boomers and Gen Xers. These two generations jointly comprised 85% of those renovating in 2019, up from 83% the prior year. Although Millennials account for a relatively large share of the U.S. population** (20%), they account for a smaller share of homeowners renovating — just 12%, down from 14% the previous year.

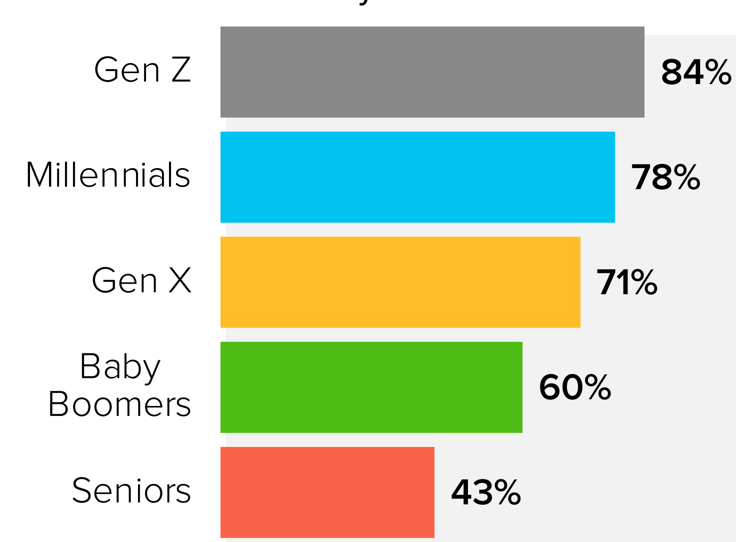
Generational Breakdown of Homeowners Who Renovated in 2019*

Generational share

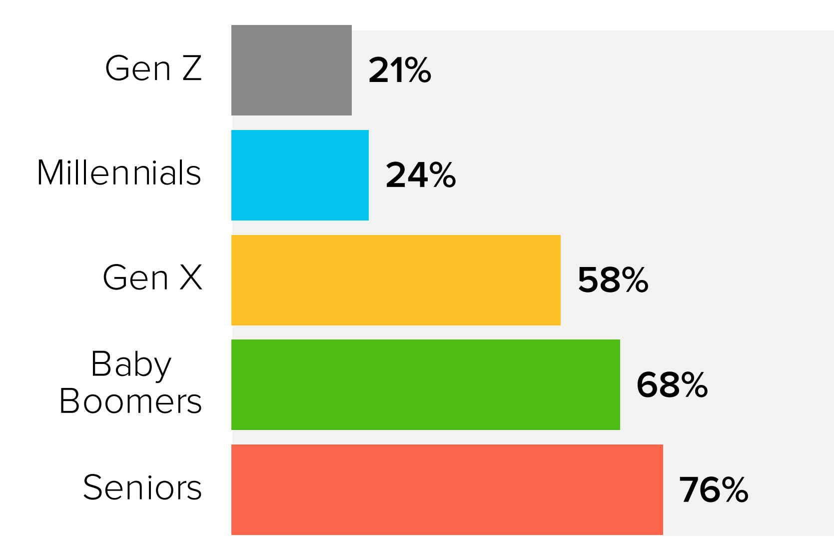


Tenure in Current Home

Plan to Stay in the Home 11+ Years



Moved Into Home 6+ Years Ago



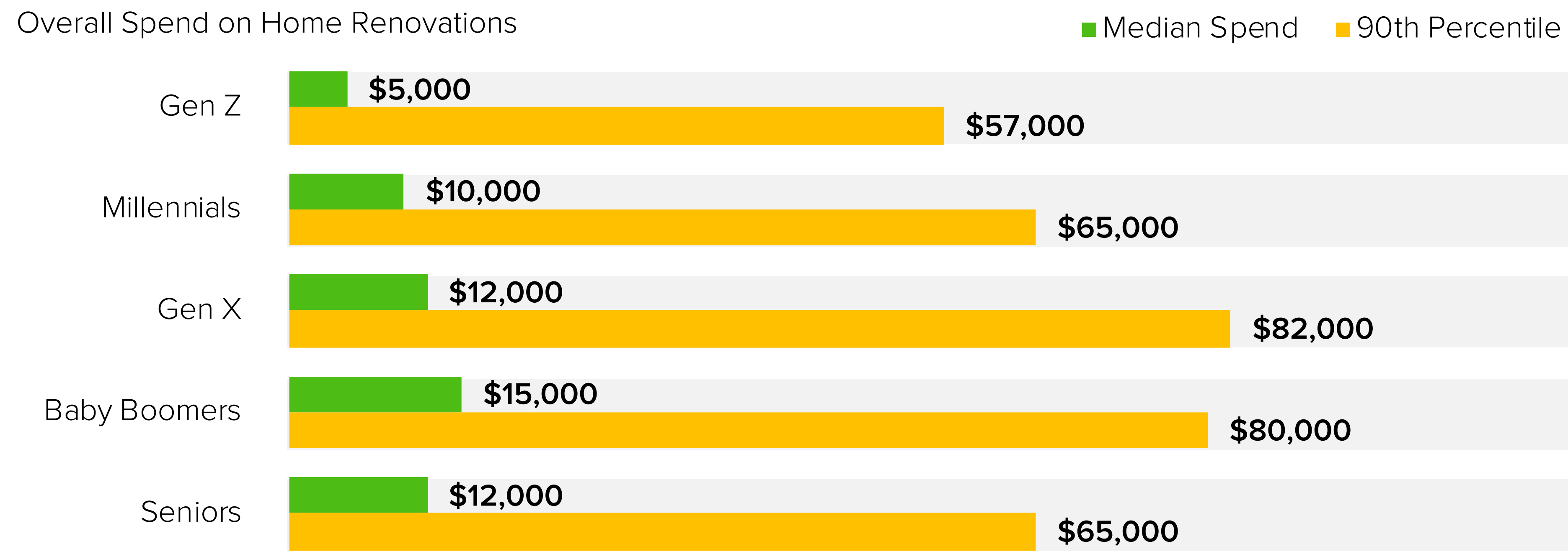
*Generational age categories are approximated as Gen Z (18-24), Millennials (25-39), Gen X (40-54), Baby Boomers (55-74) and Seniors (75+), using the Pew Research Center's definition.
**U.S. Census Bureau, 2018 American Community Survey, table S0101.

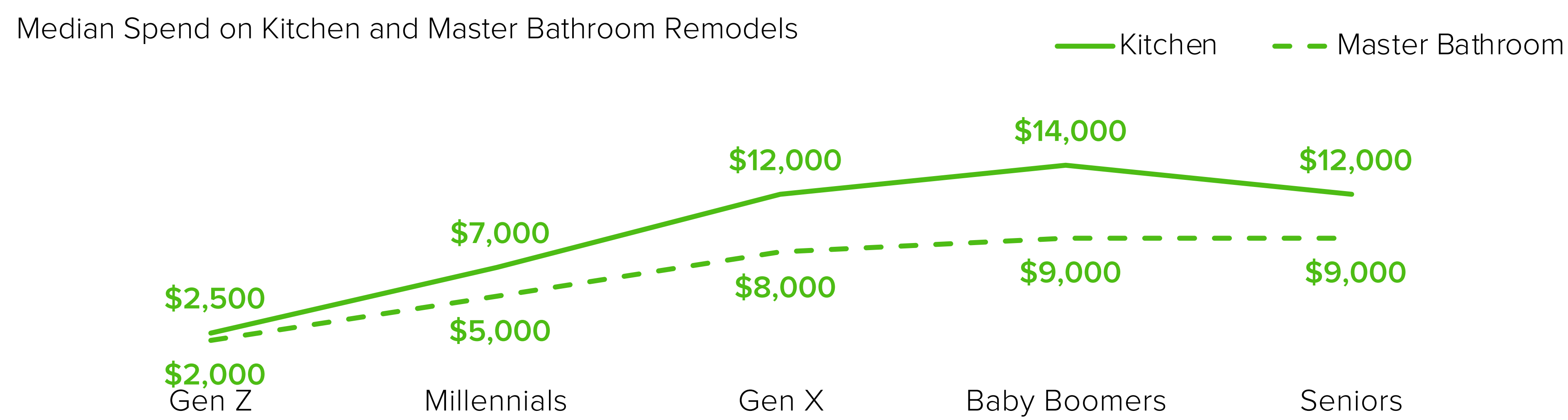
Younger Generations Are Joining Ranks of Top Spenders

The median Millennial homeowner spent $10,000 on renovations in 2019, compared with $12,000 for Gen Xers and $15,000 for Baby Boomers.

Among the top 10% of spenders, changes indicate rising expenditures among Gen Z (+90%) and Millennials (+8.3%), a modest decline among Gen X (-3.5%) and steeper declines among Baby Boomers (-11.1%) and Seniors (-18.8%).

National Renovation Spend, by Generation, per Renovating Household in 2019*





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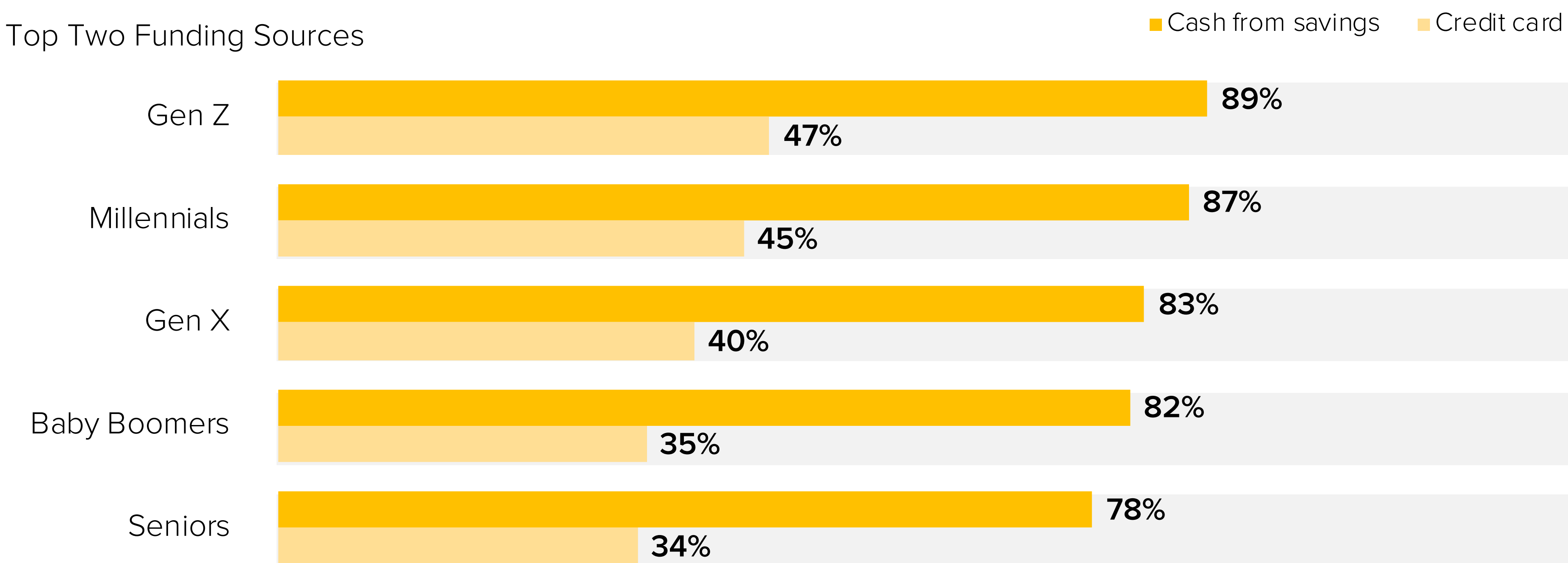
Gen X Leads in Secured Home Loans

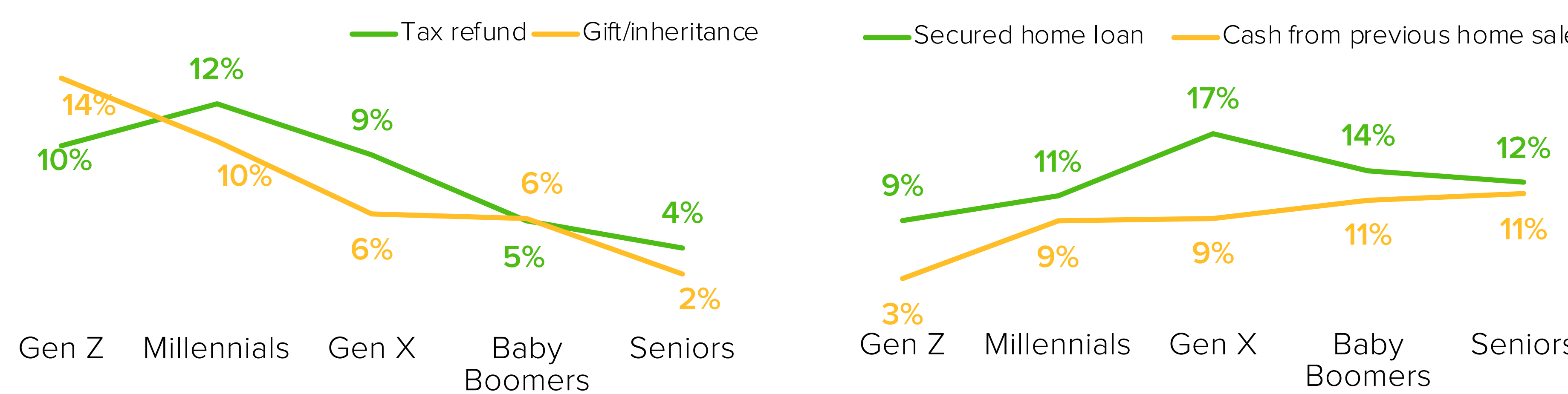
Younger homeowners were more likely than older homeowners to report using cash from savings and credit cards, as well as gifts, to fund renovations. Older homeowners were more likely to rely on cash from a previous home sale. Secured home loans were unique among the funding sources in that Gen Xers were more likely (17%) to report using them.

Frequency of Top Funding Sources, by Generation, Among Homeowners Who Renovated in 2019*

Top Two Funding Sources



Other Top Funding Sources



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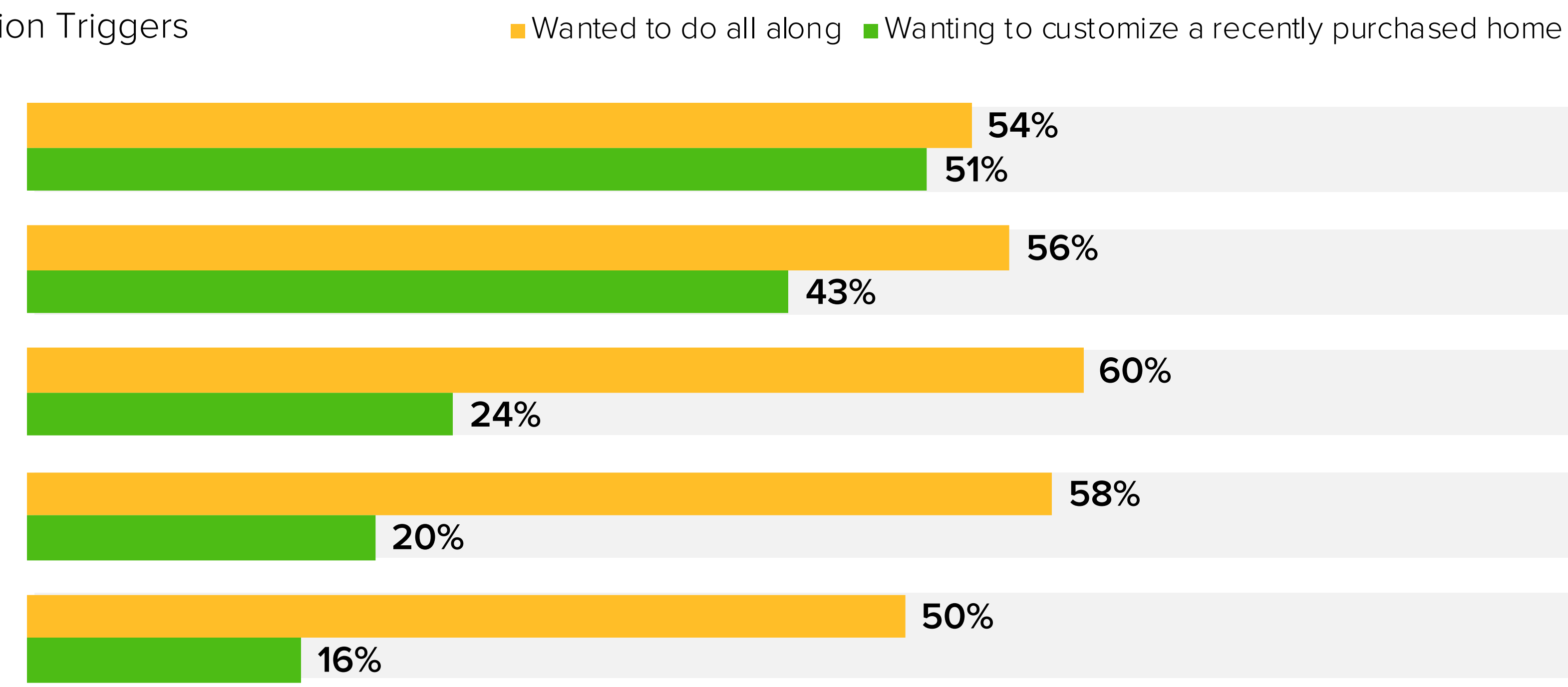
Motivators Differ Among Age Groups

At least half of homeowners of all generations cited wanting to do it all along as their motivation for renovating. Wanting to customize a recently bought home, on the other hand, was a more common motivation among younger homeowners. That is consistent with younger homeowners being more likely to have moved recently.**

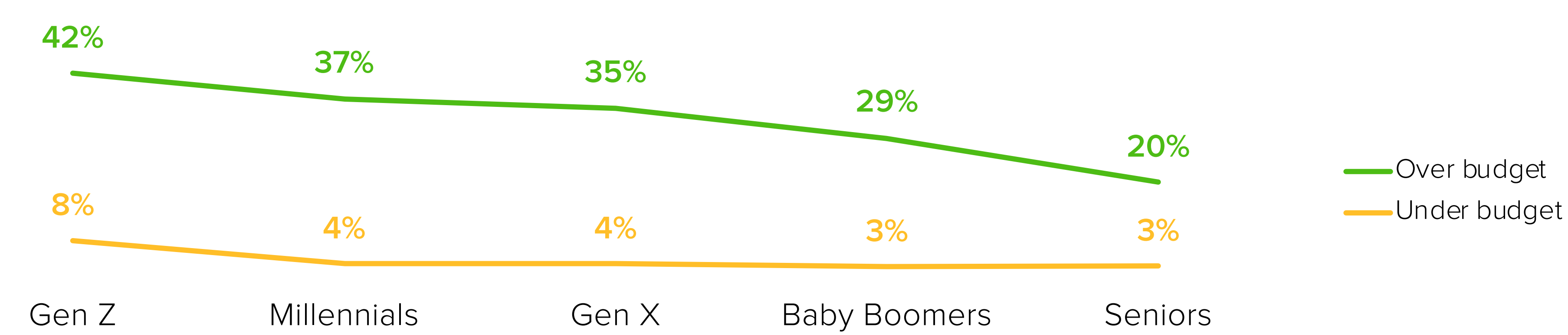
Older homeowners were less likely to go over budget, and only a small fraction of homeowners of any age remained under budget.

Frequency of Top Motivations, by Generation, Among Homeowners Who Renovated in 2019*

Top Two Renovation Triggers



Frequency of Going Under or Over Budget, by Generation, Among Homeowners Who Renovated in 2019*



*Generational age categories are approximated as Gen Z (18-24), Millennials (25-39), Gen X (40-54), Baby Boomers (55-74) and Seniors (75+), using the Pew Research Center's definition.
**U.S. Census Bureau, 2017 American Community Survey, table B25128.

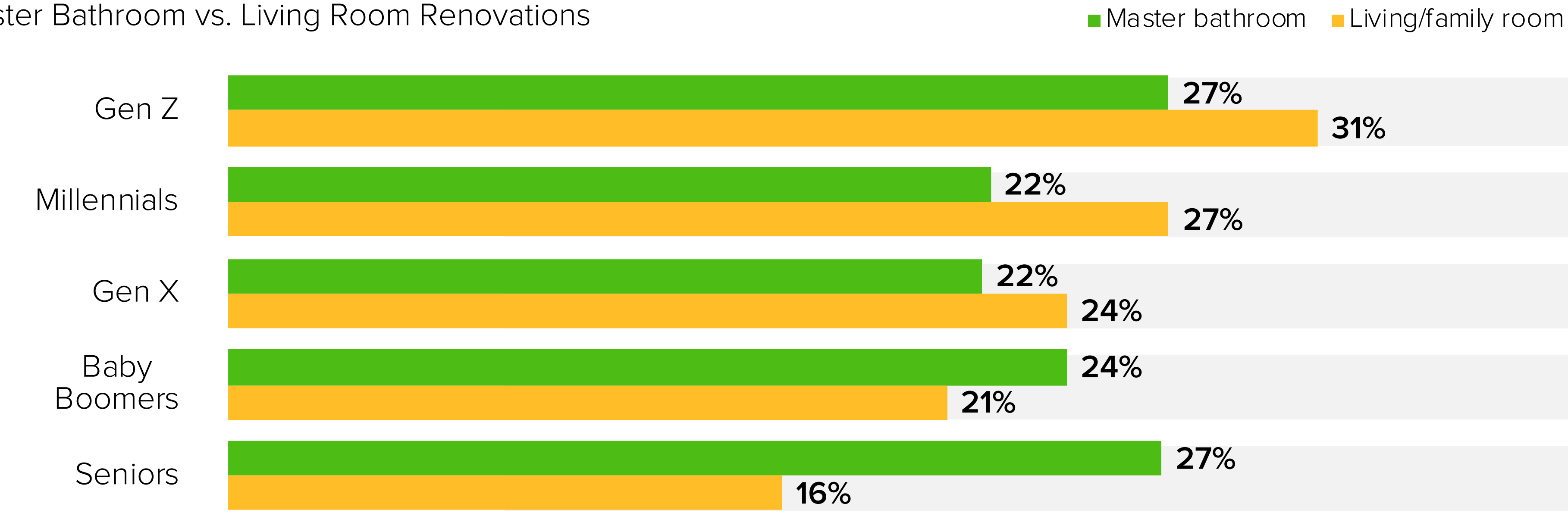
Insulation Upgrades Less Common Among Older Homeowners

Living and family room renovations were more common among younger homeowners. Indeed, 27% of Millennial renovations featured the living or family room, compared with only 21% of Baby Boomer renovations. Master bathroom renovations were most common among Gen Z and Seniors but less common in the generations between them.

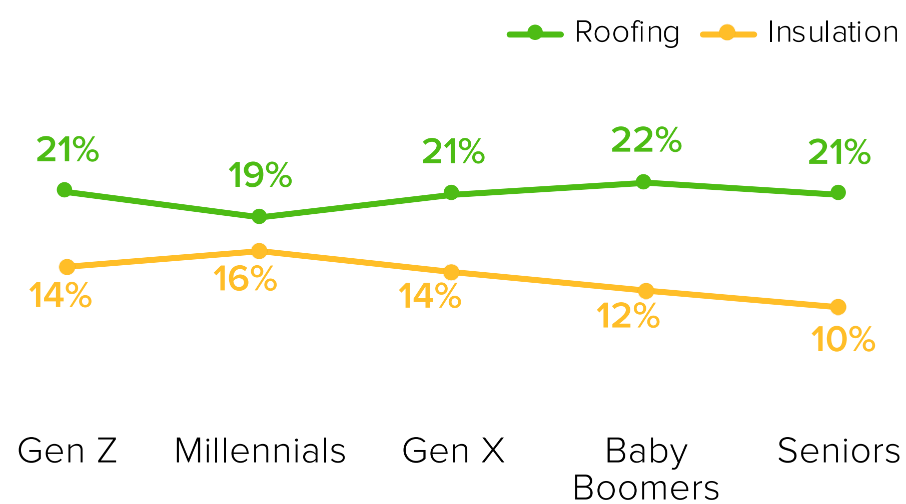
Millennials were most concerned with automation and security, in which older generations were less inclined to invest.

Frequency of Top Renovation Activity, by Generation, Among Homeowners Who Renovated in 2019*

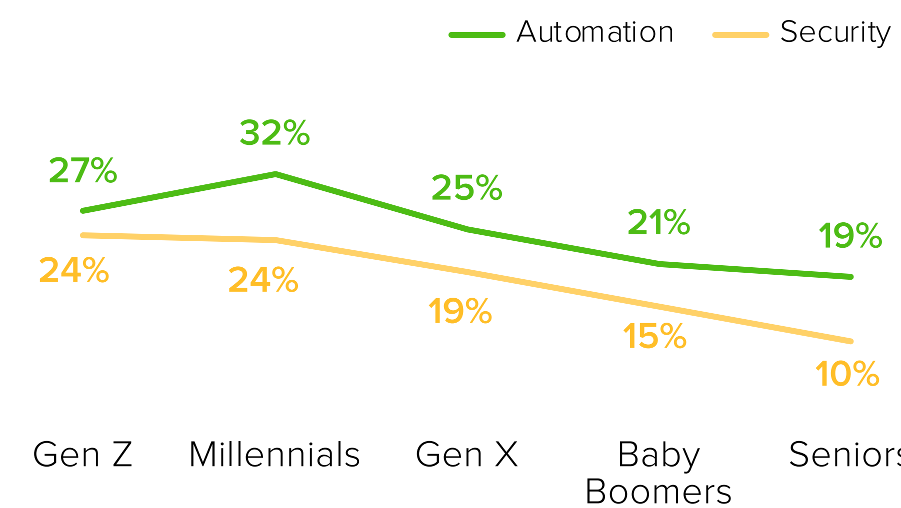
Master Bathroom vs. Living Room Renovations



Roofing vs. Insulation Upgrades



Automation vs. Security Upgrades



*Generational age categories are approximated as Gen Z (18-24), Millennials (25-39), Gen X (40-54), Baby Boomers (55-74) and Seniors (75+), using the Pew Research Center's definition.

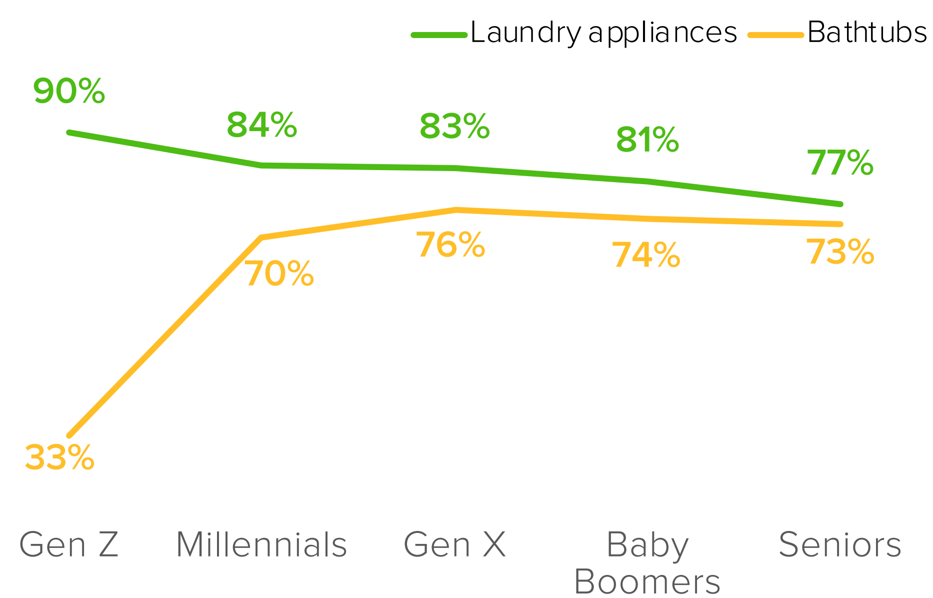
Online Research Equally Popular Among Generations

Online searches for home improvement products were highly popular among every generation, to the tune of about 90%. While this likely reflects the online nature of the survey, it is worth noting that differences across generations were remarkably small. Seniors 75 or older reported rates of online research similar to those of younger generations.

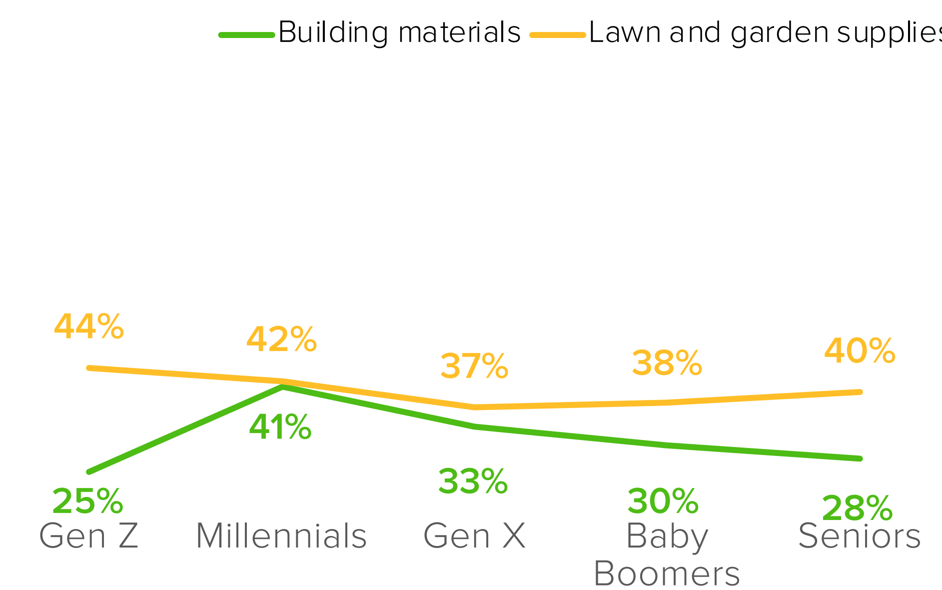
Frequency of Home Improvement Products Searched Online, by Generation, Among Homeowners Who Renovated in 2019*

Online Research of Home Improvement Products, by Generation

Items Most Commonly Researched Online



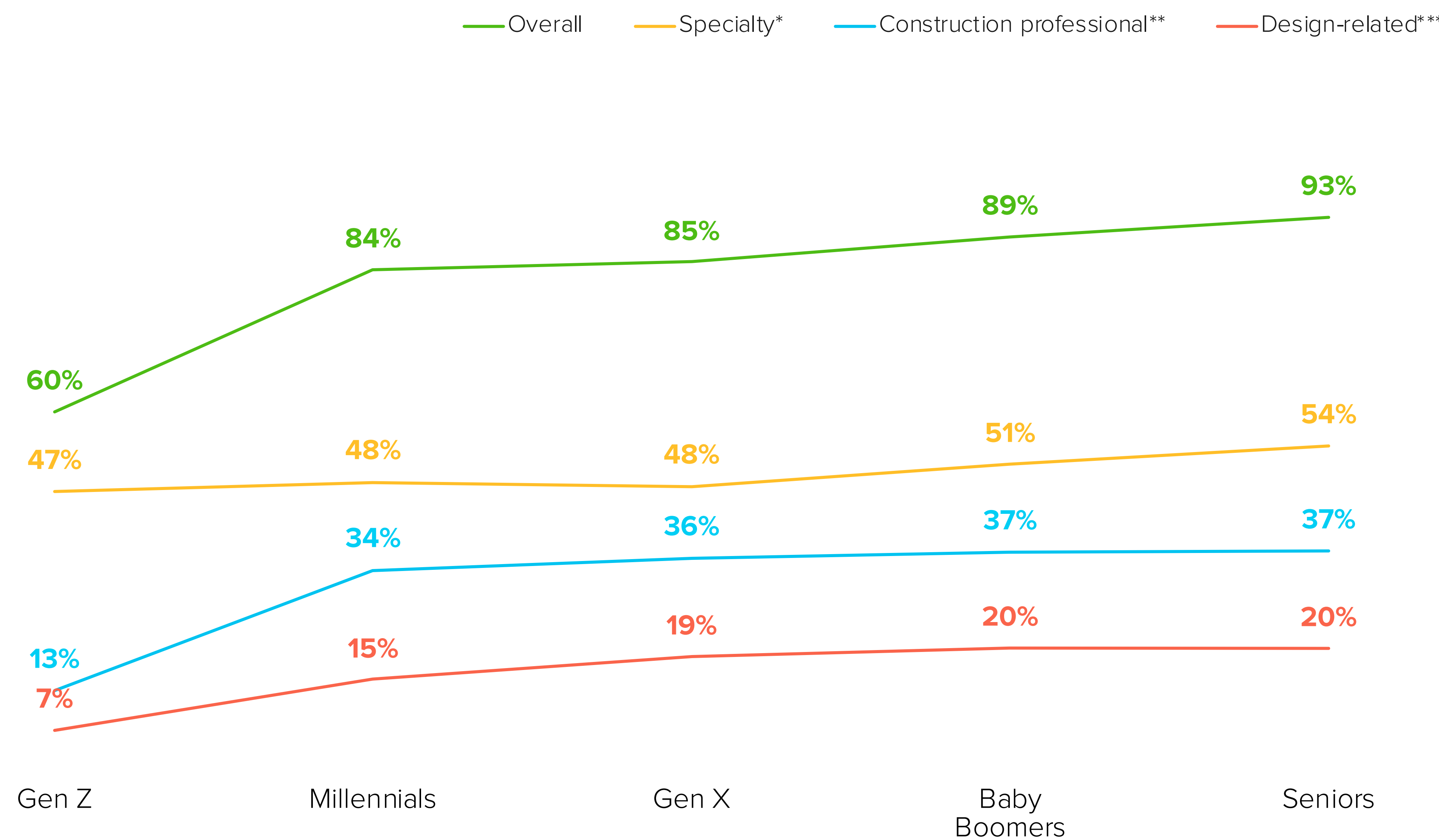
Items Least Commonly Researched Online



Older Generations More Likely to Hire Pros

While all generations hired help at quite similar rates, older generations were slightly more inclined to do so. Among Baby Boomers, 89% hired a pro in 2019, compared with 84% of Millennials. The gap in hiring pros showed up in figures for specialty trades as well as construction professional and design-related pros.

Frequency of Professional Hiring, by Generation, Among Homeowners Who Renovated in 2019



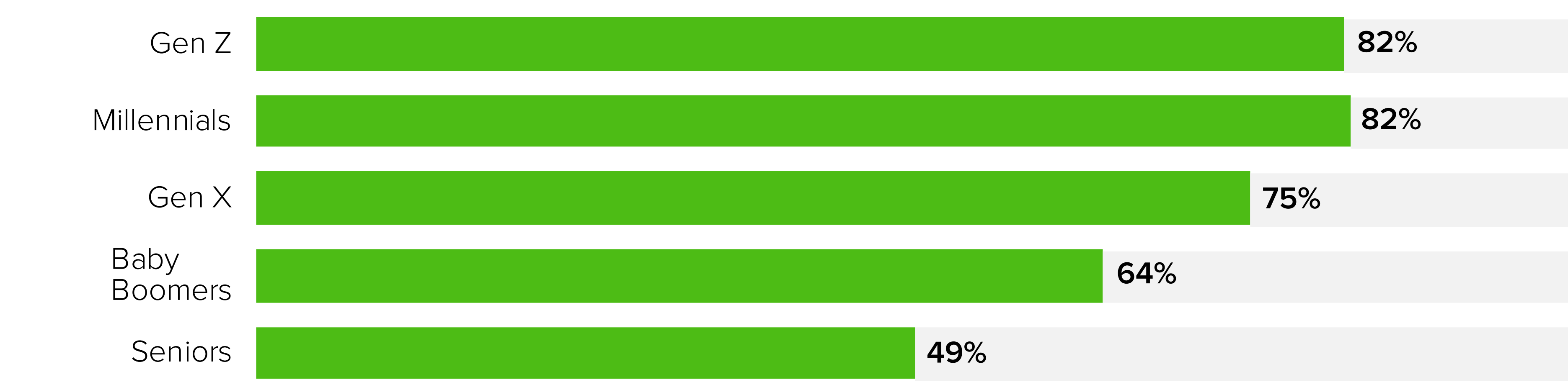
*Specialty service provider hiring does not include any specialists hired with the help of a construction manager (general contractor, builder, design-build company and/or kitchen or bath remodeler).
**Construction professionals are general contractors, kitchen or bathroom remodelers, builders and design-build professionals.
***Design-related pros are kitchen or bath designers, architects, interior designers or decorators, landscape architects or designers, and lighting designers.

Younger Generations Keen on Decorating

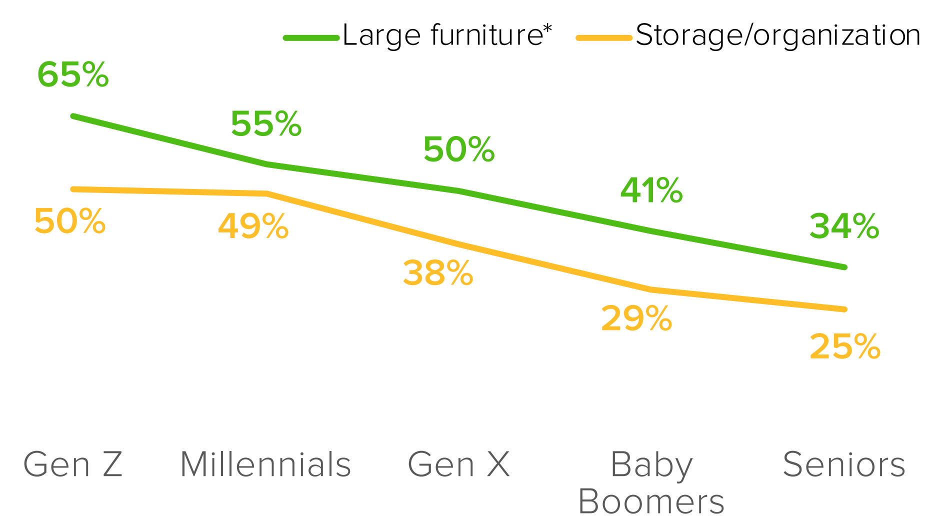
Most homeowners who renovated in 2019 subsequently decorated their homes. The share of decorators was greatest among Gen Z and Millennial homeowners (82%) and lower for Gen Xers (75%) and Baby Boomers (64%). Younger generations' greater appetite for decoration showed up indoors as well as outdoors.

Frequency of Home Decorating, by Generation, Among Homeowners Who Renovated in 2019*

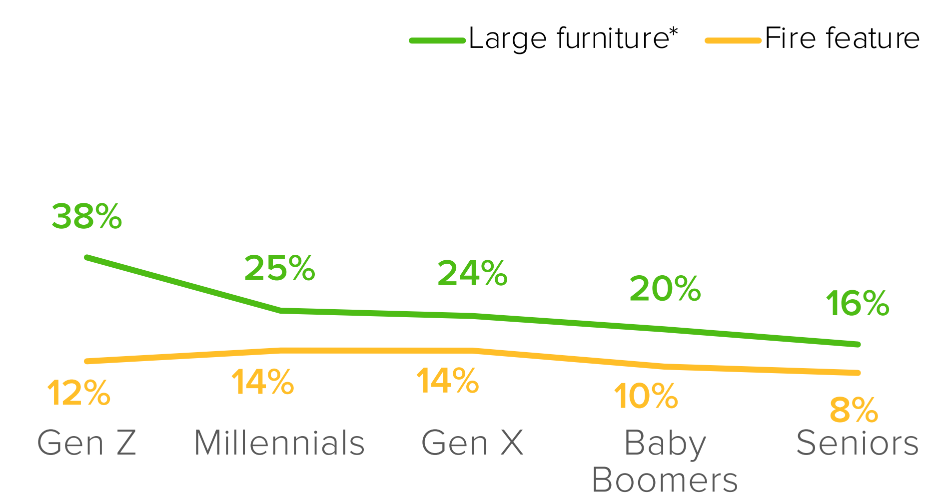
Home Decorating, by Generation, Post-Renovation



Interior: Large Furniture vs. Storage Purchases*



Outdoor: Large Furniture vs. Fire Feature Purchases*



*Interior large furniture refers to lounge sets, dining sets, dressers and the like. Outdoor large furniture refers to lounge sets, dining sets and the like.

2019 Popular Product Purchases

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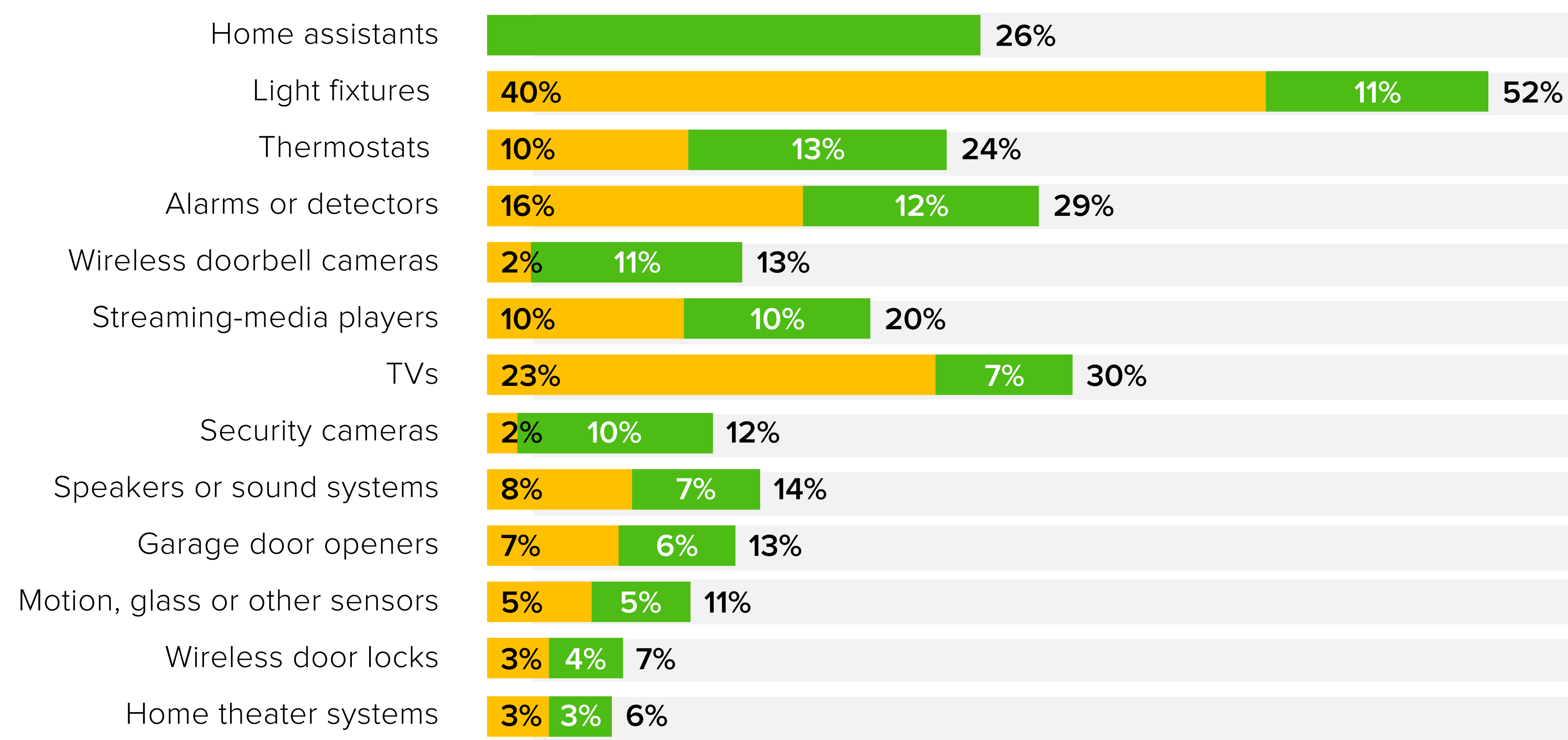
Bright and Secure

Light fixtures were the most popular home technology purchase as part of home renovations in 2019, and 1 in 10 was a smart light (11%). That said, smart light fixtures fell from 30% of all light fixture purchases in 2018 to just 22% in 2019 — the sharpest drop among any home technology category.

Outdoor product purchases were led by security cameras (17%), with 2 in 5 of those purchases having smart technology (20%). The frequency of wireless doorbell cameras increased from 11% to 13%.

Frequency of Top Indoor Technology Purchases Among Homeowners Who Renovated in 2019*

Standard Smart*



Purchases for the Outdoors

	Smart*	Standard
Security cameras	17%	20%
Light fixtures	4%	27%

	Smart*	Standard
Speakers or sound systems	2%	4%
TVs	0.6%	3%

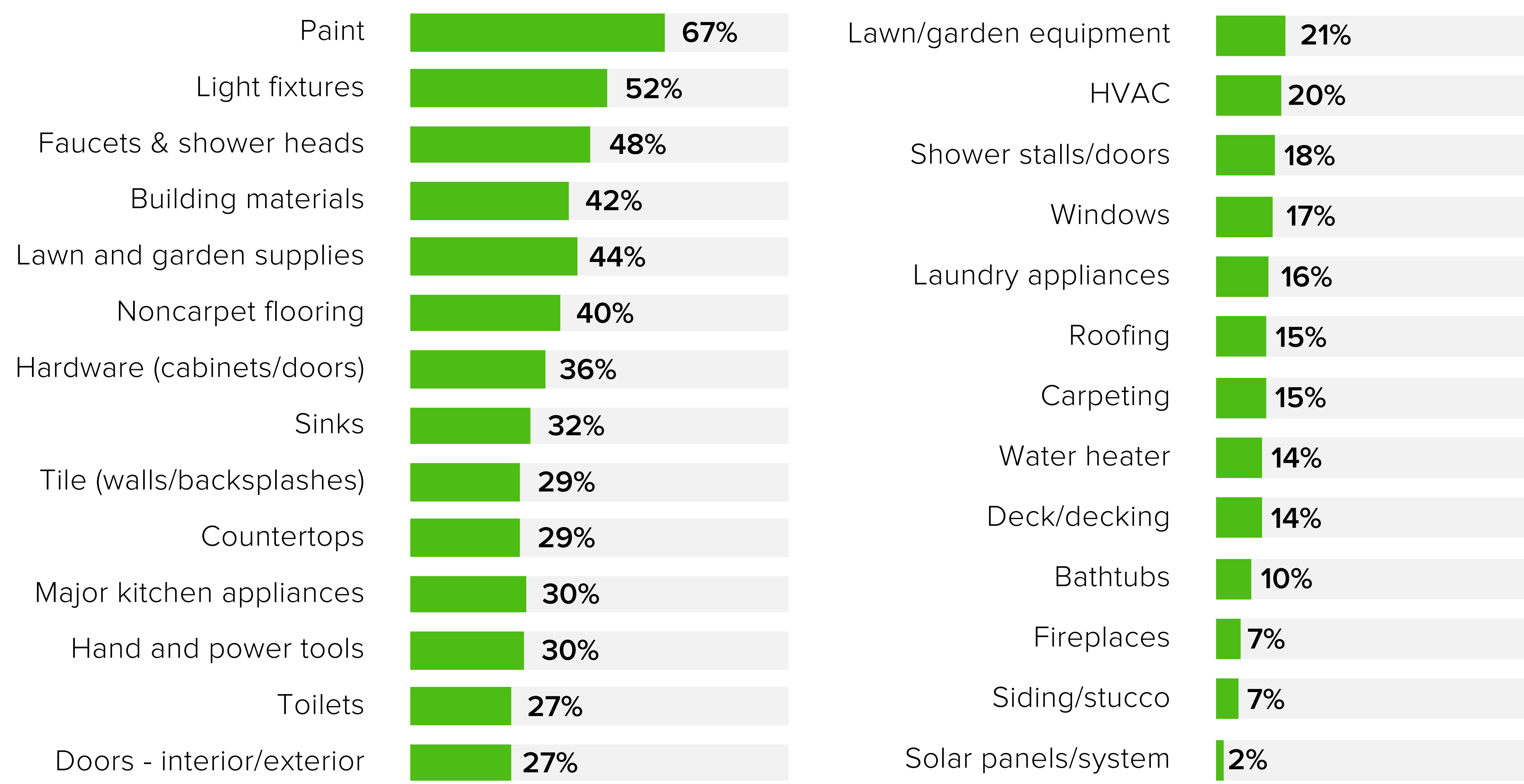
*Multiple responses were allowed.
Smart refers to technology that can be monitored or controlled from a mobile device (smartphone, tablet) and/or a computer.

Paint and Lighting Lead the Way

Paint was the most popular product, purchased by 67% of renovating homeowners, followed by light fixtures (52%), faucets and shower heads (48%) and lawn and garden supplies (44%).

The products most commonly researched online tended to be appliances and standalone items such as bathtubs and fireplaces. Those least likely to be researched online included building materials and lawn and garden supplies, as well as paint and roofing.

Frequency of Top Home Improvement-Related Purchases Among Homeowners Who Renovated in 2019*



Share of Products Researched Online Before Purchase*

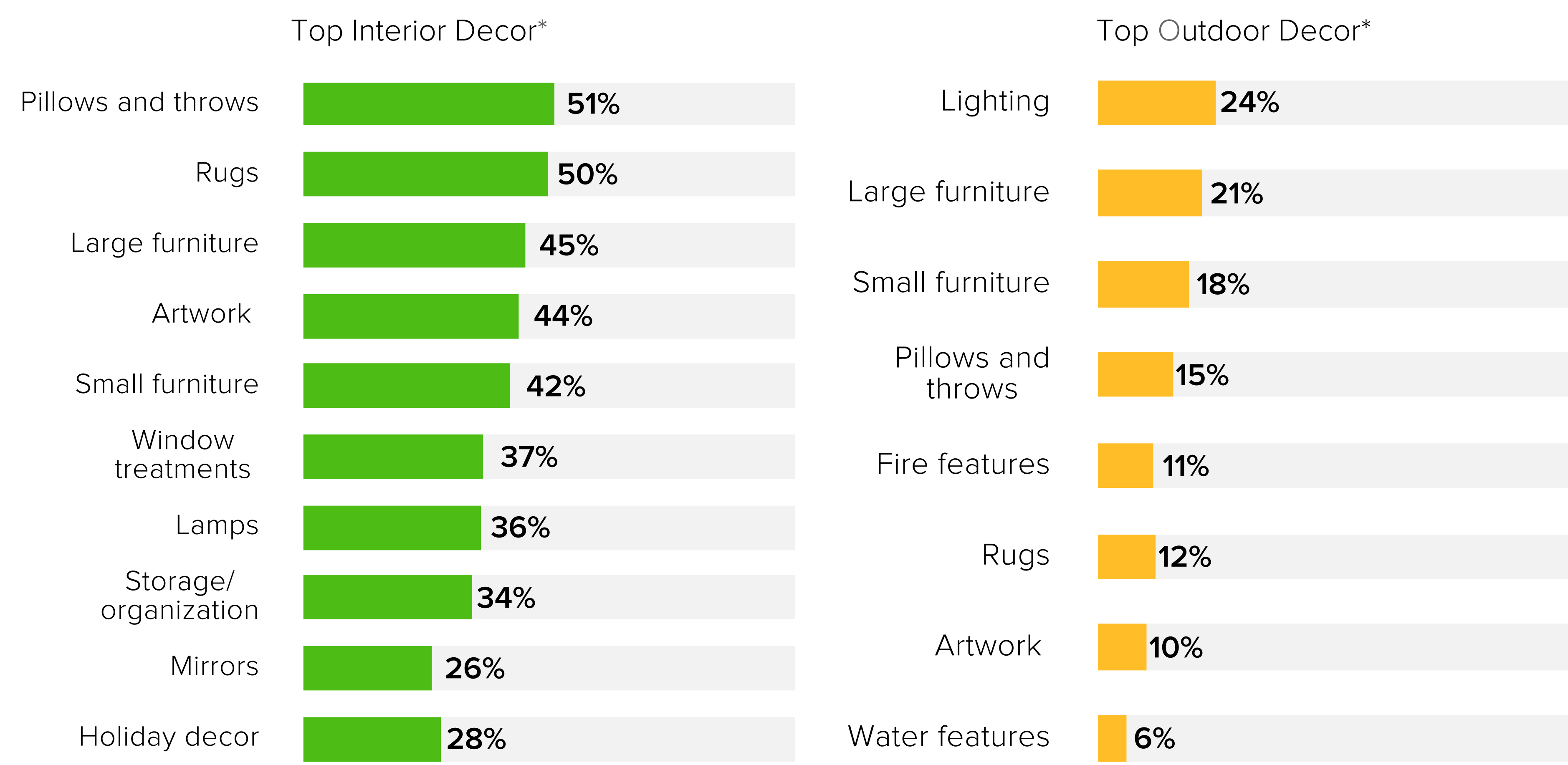
Major kitchen appliances	88%	Fireplaces	77%
Laundry appliances	82%	Bathtubs	74%

*Multiple responses were allowed. See last year's report for a full comparison.

Gearing Up for the Holidays

The frequency of holiday decor purchases increased from 26% in 2018 to 28% in 2019. Pillows and throws, rugs and large furniture held steady year over year and remained the most common interior decor purchases. Lighting and large furniture remained the most common outdoor products.

Frequency of Top Home Decor-Related Purchases Among Homeowners Who Renovated in 2019*



Share of Products Researched Online Before Purchase*

Large furniture (indoor)	**82%**	Large furniture (outdoor)	**80%**
Rugs (indoor)	**75%**	Fire features (outdoor)	**71%**

*Multiple responses were allowed.
Large interior furniture refers to lounge sets, dining sets, dressers and the like.
Large outdoor furniture refers to lounge sets, dining sets and the like.
Small interior furniture refers to ottomans, accents, shelves and the like.
Small outdoor furniture refers to umbrellas, accents, benches and the like.

METHODOLOGY & APPENDIXES

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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 users' home improvement activity. We aggregate and share these insights with the community to give people greater confidence in the choices they make for their homes, and to give home professionals greater insights into their clients' wants and needs. With these goals in mind, Houzz conducted an online quantitative survey of registered Houzz users regarding trends in home improvement and design, fielded between Jan. 2 and March 5, 2020. The annual Houzz & Home study is the largest survey of residential remodeling, building and decorating activity conducted. This survey covers every aspect of home renovation in 2019, from interior remodels and additions to home systems, exterior upgrades and outdoor projects. It includes historical and planned spends, professional involvement and motivations behind these projects, as well as activities planned for 2020.

COMPLETES AND QUALIFICATIONS

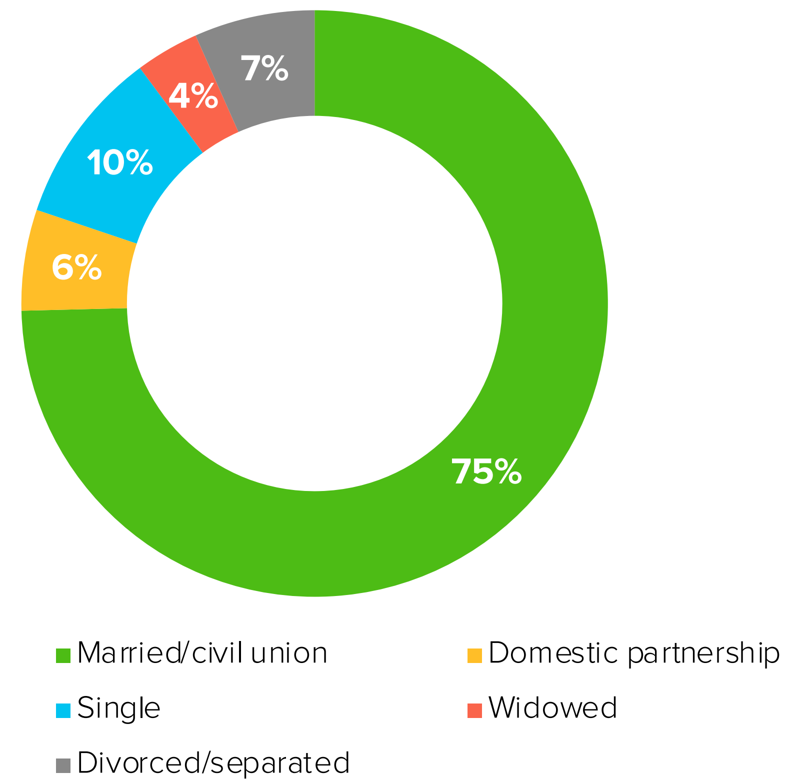
The approximately 160-question survey gathered information from Houzz users who identified themselves as 18 or older and homeowners. The final sample consists of 87,453 respondents in the U.S. The current report relies on a subset of responses, i.e., U.S. homeowners on Houzz (n=79,848) and U.S. homeowners on Houzz who renovated their primary residence in 2019 (n=42,161).

SAMPLE AND WEIGHTING

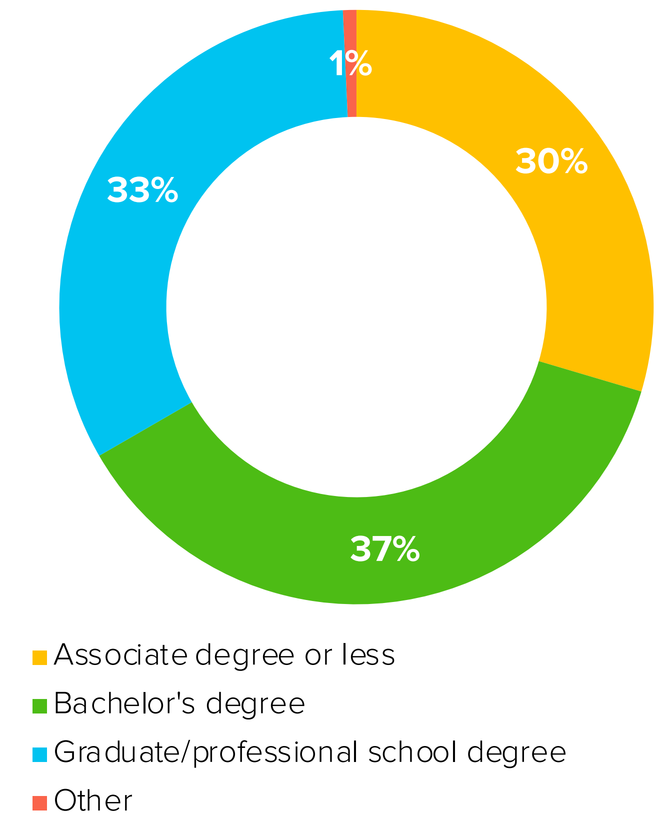
Data were gathered via an email sent to registered Houzz users. The link invited homeowners to tell us about their homes. Respondents were notified that aggregate findings would be shared with the larger Houzz community to help others in completing their own renovations. The final data were reviewed to ensure representation of the Houzz user populations.

Appendix A: Demographics of 2019 Renovating Homeowners

Marital Status



Education



35% Have child(ren) living with them

Annual Household Income

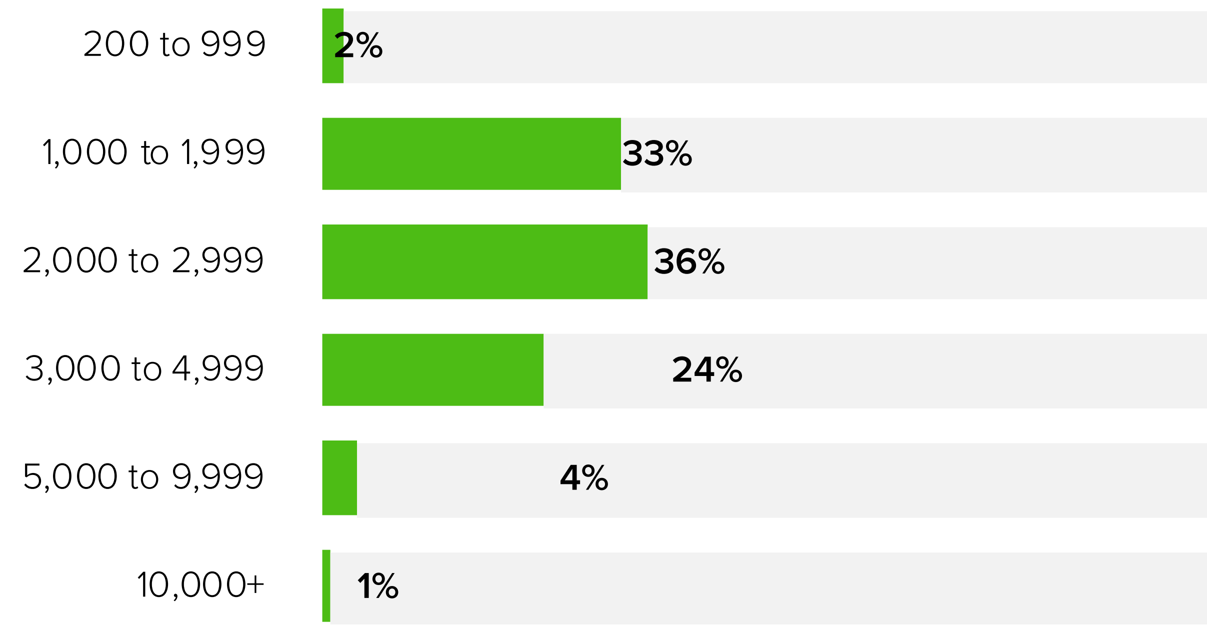
< $100,000	**36%**
$100,000 to $ 149,999	**27%**
$150,000+	**37%**

Age of Renovating Homeowners

25 to 34	**6%**
35 to 54	**36%**
55+	**58%**

Appendix B: Characteristics of Homes Renovated in 2019

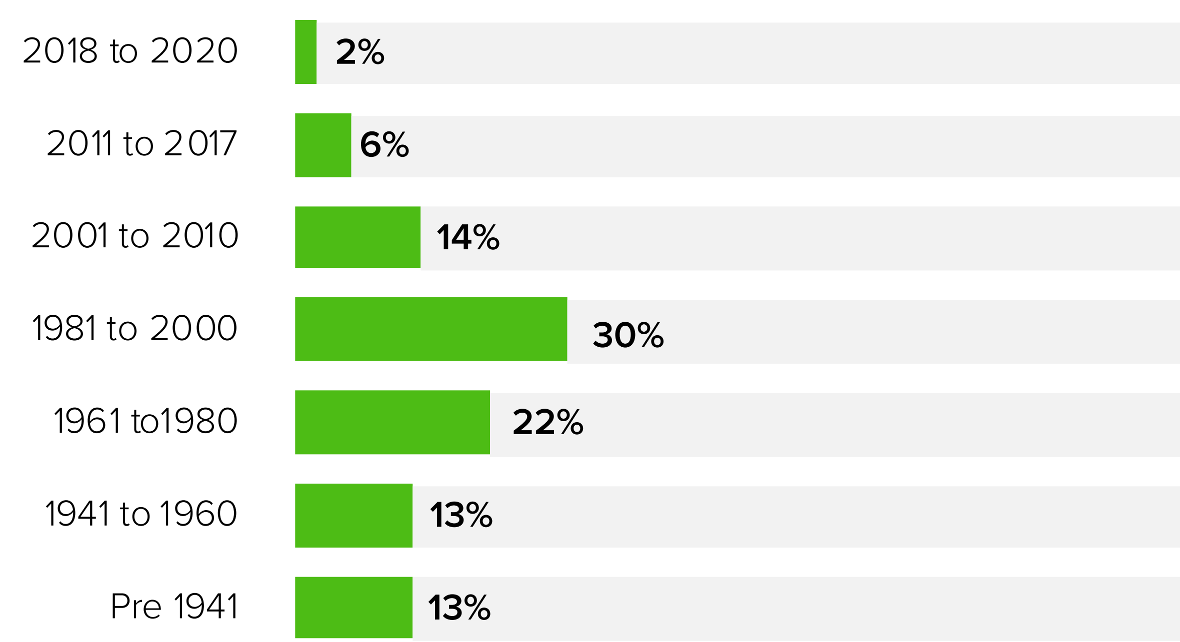
Home Size, in Square Feet



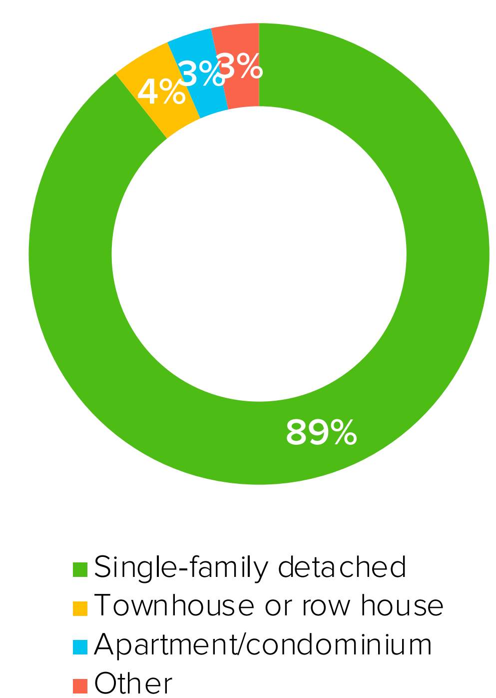
Owner-Estimated Home Value

< $200,000	**14%**
$200,000 to $ 499,999	**51%**
$500,000+	**35%**

Year Built



Home Type



Appendix C:
Median Spend and Year-Over-Year Change in 2019 for Top 50 U.S. Metropolitan Areas

U.S. Major Metropolitan Area*	2019 Median Spend	Annual Change in 2019 Median Spend
San Jose, CA	$ 26,000	4%
Boston, MA	$ 21,000	11%
Los Angeles, CA	$ 20,000	0%
Miami, FL	$ 20,000	0%
San Diego, CA	$ 20,000	33%
San Francisco, CA	$ 20,000	-20%
New York, NY	$ 18,500	-8%
Phoenix, AZ	$ 16,750	5%
Sacramento, CA	$ 16,000	-11%
Austin, TX	$ 15,000	20%
Baltimore, MD	$ 15,000	0%
Birmingham, AL	$ 15,000	25%
Jacksonville, FL	$ 15,000	0%
Las Vegas, NV	$ 15,000	0%
Nashville, TN	$ 15,000	50%
Philadelphia, PA	$ 15,000	0%
Salt Lake City, UT	$ 15,000	0%
Seattle, WA	$ 15,000	-6%
Tampa, FL	$ 15,000	0%
Washington, DC	$ 15,000	-12%
Houston, TX	$ 14,500	-15%
Minneapolis-St. Paul, MN	$ 14,000	27%
Riverside, CA	$ 13,000	-13%
Chicago, IL	$ 12,000	-20%
Dallas, TX	$ 12,000	-17%
Indianapolis, IN	$ 12,000	0%
Pittsburgh, PA	$ 12,000	0%
Raleigh, NC	$ 12,000	20%
Richmond, VA	$ 11,500	-12%
Denver, CO	$ 11,125	-26%
Atlanta, GA	$ 11,000	-27%
Charlotte, NC	$ 11,000	-8%
Cincinnati, OH	$ 11,000	10%
Detroit, MI	$ 11,000	-8%
Orlando, FL	$ 11,000	10%
Cleveland, OH	$ 10,500	5%
Portland, OR	$ 10,500	-30%
Kansas City, MO-KS	$ 10,250	-15%
Virginia Beach, VA	$ 10,250	-27%
Buffalo, NY	$ 10,000	0%
Columbus, OH	$ 10,000	-17%
Louisville, KY	$ 10,000	-17%
Memphis, TN	$ 10,000	-33%
Oklahoma City, OK	$ 10,000	0%
San Antonio, TX	$ 10,000	-17%
St. Louis, MO-IL	$ 10,000	-20%
Milwaukee, WI	$ 9,000	-40%
New Orleans, LA	$ 8,000	-53%
Providence, RI	$ 6,500	-57%
Hartford, CT	$ 6,000	-50%

*Top 50 U.S. metropolitan areas by population are based on the Cumulative Estimates of Resident Population in 2016 by the U.S. Census Bureau.

Appendix D: Funding Sources Used by Renovating Homeowners in 2019

	Gen Z	Millennials	Gen X	Baby Boomers	Seniors
Cash from savings	89%	87%	83%	82%	78%
Credit card	47%	45%	40%	35%	34%
Secured home loan	9%	11%	17%	14%	12%
Cash from previous home sale	3%	9%	9%	11%	11%
Tax refund	10%	12%	9%	5%	4%
Gift/inheritance	14%	10%	6%	6%	2%
Insurance payout	4%	5%	6%	5%	5%
Unsecured loan	0%	4%	3%	2%	2%
Retirement plan loan	1%	1%	2%	2%	2%

Appendix E: Reasons for Going Over Budget Among Renovating Homeowners in 2019

	Gen Z	Millennials	Gen X	Baby Boomers	Seniors
Products or services were more costly than expected	47%	43%	39%	43%	54%
Decided to buy more expensive products or materials	40%	36%	38%	39%	37%
Project was more complex than expected	53%	39%	30%	32%	32%
Decided to change project scope or design	20%	26%	28%	30%	28%
Discovered unexpected construction-related issues	27%	27%	25%	24%	23%
Poor project management by service providers	20%	8%	8%	7%	11%
Poor communication by/with service providers	0%	7%	6%	5%	7%
Discovered unexpected building code requirements	0%	5%	6%	5%	9%
Decided to change or hire new service providers	13%	4%	4%	4%	3%
Other	0%	3%	4%	4%	7%

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Appendix F:
Interior Room Renovations by Homeowners in 2019

	Gen Z	Millennials	Gen X	Baby Boomers	Seniors
Kitchen	35%	28%	27%	28%	27%
Guest/other bathroom	25%	25%	27%	25%	20%
Master bathroom	29%	21%	20%	23%	25%
Living/family room	28%	26%	24%	20%	13%
Master bedroom	23%	18%	14%	14%	11%
Closet	15%	17%	14%	13%	11%
Guest/other bedroom	22%	20%	17%	14%	10%
Dining room	29%	18%	15%	13%	8%
Laundry room	21%	15%	14%	13%	11%
Home office	10%	11%	11%	9%	8%

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