

HOUZZ RESEARCH

2025 U.S. Houzz State of the Industry





Contents

4	2025 Outlook
11	2024 in Focus
19	2024 Business Characteristics
24	Methodology
26	Appendixes



Big Ideas

Optimism Prevails for 2025

More than 3 in 5 firms in the construction and design sectors have a positive business outlook for 2025, with 60% to 73% reporting having a good or very good outlook. Optimism is most widespread among specialty contractors, with nearly three-quarters (73%) reporting having a good or very good outlook for 2025. Interior designers follow closely, at 70%. Sentiment is also positive among the majority of design-build firms (68%) and general contractors (61%). Architects are the most conservative group again this year, with 60% reporting having a positive outlook and nearly a third (32%) reporting having a neutral outlook.

Construction Firms Anticipate Double-Digit Growth

Both construction and design businesses are anticipating higher revenue growth in 2025 than they anticipated for 2024. Specialty contractors as well as general contractors are expecting double-digit revenue growth in 2025 (average growth of 12.4% and 11.3%, respectively). Architects also expect a high growth rate in 2025 (9.4%), as do design-build firms (9.3%), interior designers (9.0%), and landscaping and outdoor service firms (9.1%). Businesses providing specialty interior services are the only group with lower revenue growth expectations this year (7.1% for 2025 versus 8.2% for 2024).

Bullish About Demand and the Economy

Aligned with the positive growth outlook, more firms in both the construction and design sectors expect the national economy and their local economies to improve than expect them to worsen. More than half of businesses across all seven groups (51% to 77%) also expect higher demand for services in 2025.

Revenue Declined in 2024

In 2024, businesses across all seven industry groups reported the biggest year-over-year dip in average annual revenue since 2014. Revenue for business providing specialty interior services dropped by 7.2% — the most significant reduction among the seven groups — followed by a decline of 6.5% for landscaping and outdoor service firms. In the construction sector, both design-build firms and specialty contractors reported a 2.8% decline in 2024 revenue compared with the previous year, while general contractors experienced a smaller drop (0.3%). In the design sector, interior designers experienced the largest revenue dip (4.1%), while architects reported a 2.4% decrease.

Specialized Software Is Widely Used

Businesses across the seven industry groups use software to manage projects and operations, engage clients, automate workflows, facilitate payments and enhance brand visibility. Specifically, 84% of architects, 57% of design-build firms, 54% of interior designers and 51% of landscaping and outdoor service firms used drafting and rendering software in 2024. Meanwhile, nearly 2 in 5 specialty contractors (37%) and a third of general contractors (33%) relied on software for estimating costs or bids.

Investing in the Business in 2024

Firms across the industry prioritized investments in key areas to enhance operational performance. Increasing efficiency was a top focus, with 40% of architects, 42% of specialty contractors, and 40% of design-build firms dedicating resources to streamline processes and improve productivity. Finally, 20% of architects, 16% of interior designers and 16% of design-build firms focused on maximizing returns on existing technology investments.



01

2025 Outlook





Optimism Prevails for 2025

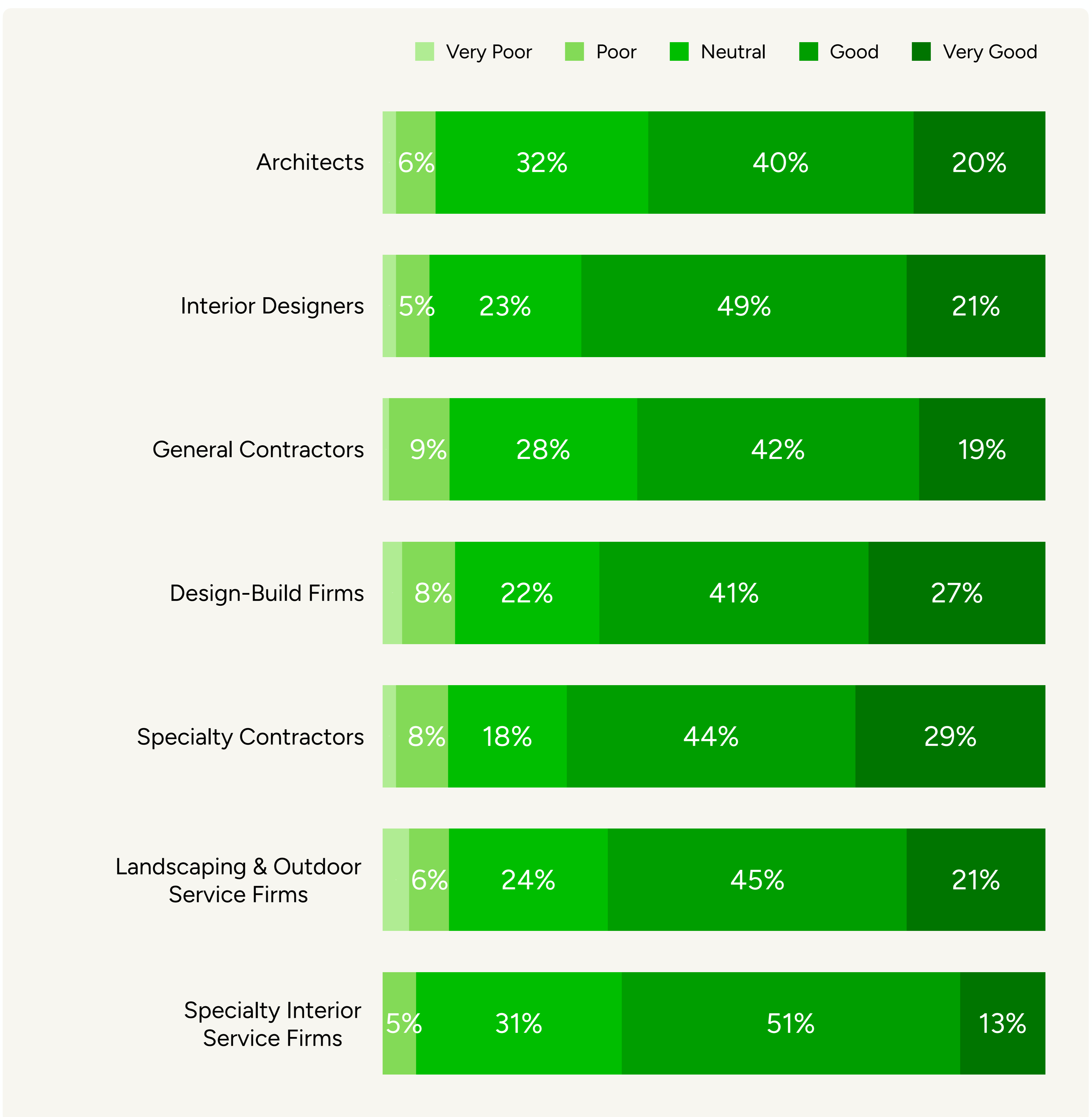
More than 3 in 5 firms in the construction and design sectors have a positive business outlook for 2025, with 60% to 73% reporting having a good or very good outlook.

Architects are the most conservative group again this year, with 60% reporting a positive outlook and nearly a third (32%) reporting a neutral outlook.

Optimism is most widespread among specialty contractors, with nearly three-quarters (73%) reporting having a good or very good outlook for 2025. Interior designers follow closely, at 70%. Sentiment is also positive among the majority of design-build firms (68%) and general contractors (61%).

Only small shares of businesses across all seven business groups surveyed expect a poor or very poor performance in 2025.

FIRMS (%) REPORTING THEIR OVERALL BUSINESS OUTLOOK FOR 2025





Revenues and Profits Expected to Grow

More than half of construction and design firms expect business revenues and profits to increase in 2024.

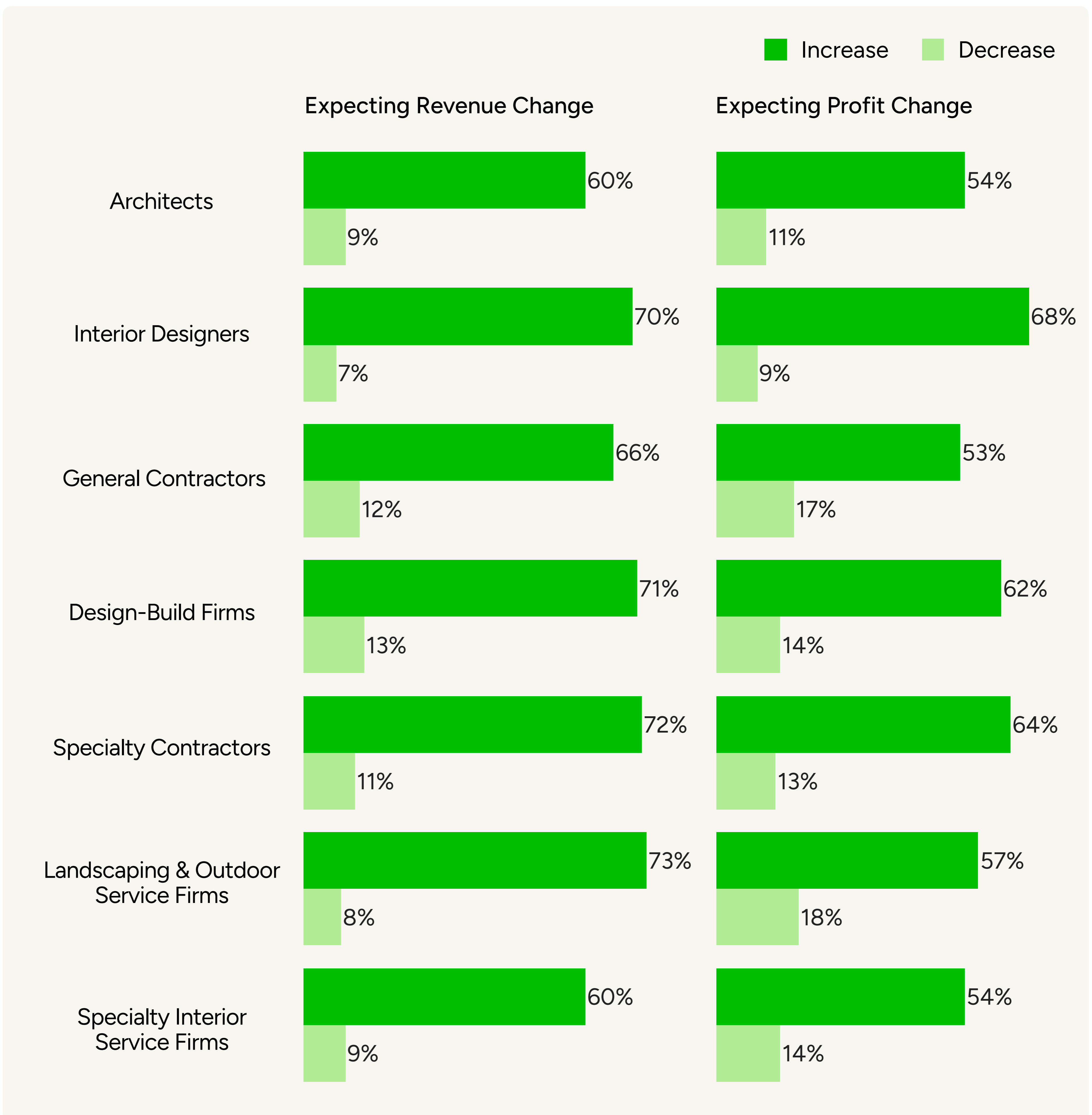
Among construction businesses, specialty contractors anticipate revenue growth the most (72%), followed by design-build firms (71%) and general contractors (66%).

Anticipated profit increases follow a similar pattern, with more than 3 in 5 specialty contractors (64%) expecting profits to

increase this year, followed by 62% of design-build firms and 53% of general contractors.

In the design sector, the expectation that revenues and profits will increase is most widespread among interior designers (70% and 68%, respectively), followed by architects (60% and 54%, respectively).

FIRMS (%) EXPECTING YEAR-OVER-YEAR CHANGES IN REVENUES AND PROFITS IN 2025





Construction Businesses Anticipate Double-Digit Growth

Firms in both the construction and design industries are anticipating higher revenue growth in 2025 than they anticipated for 2024.

Specialty contractors as well as general contractors are expecting double-digit revenue growth in 2025 (average growth of 12.4% and 11.3%, respectively). Architects also expect a high growth rate (9.4%), as do design-build firms

(9.3%), interior designers (9.0%) and firms providing landscaping and outdoor services (9.1%).

Specialty interior service firms are the only group with lower revenue growth expectations this year (7.1% for 2025 versus 8.2% for 2024).*

EXPECTED AVERAGE ANNUAL RATES OF REVENUE GROWTH, AS REPORTED BY FIRMS

	2020E	2021E	2022E	2023E	2024E	2025E
Architects	4.2%	7.3%	5.3%	0.3%	5.3%	9.4%
Interior Designers	8.2%	9.5%	8.1%	3.0%	8.9%	9.0%
General Contractors	7.6%	8.9%	8.8%	2.9%	7.7%	11.3%
Design-Build Firms	8.9%	9.7%	9.0%	2.3%	3.3%	9.3%
Specialty Contractors	8.5%	8.8%	8.6%	1.3%	8.1%	12.4%
Landscaping & Outdoor Service Firms	6.9%	8.3%	6.1%	4.1%	7.3%	9.1%
Specialty Interior Service Firms	9.1%	12.9%	7.8%	6.1%	8.2%	7.1%

*See Appendix A for additional information on expected and actual revenue growth for 2021 through 2025, and see Appendix B for business strategies to achieve expected revenue growth in 2025.



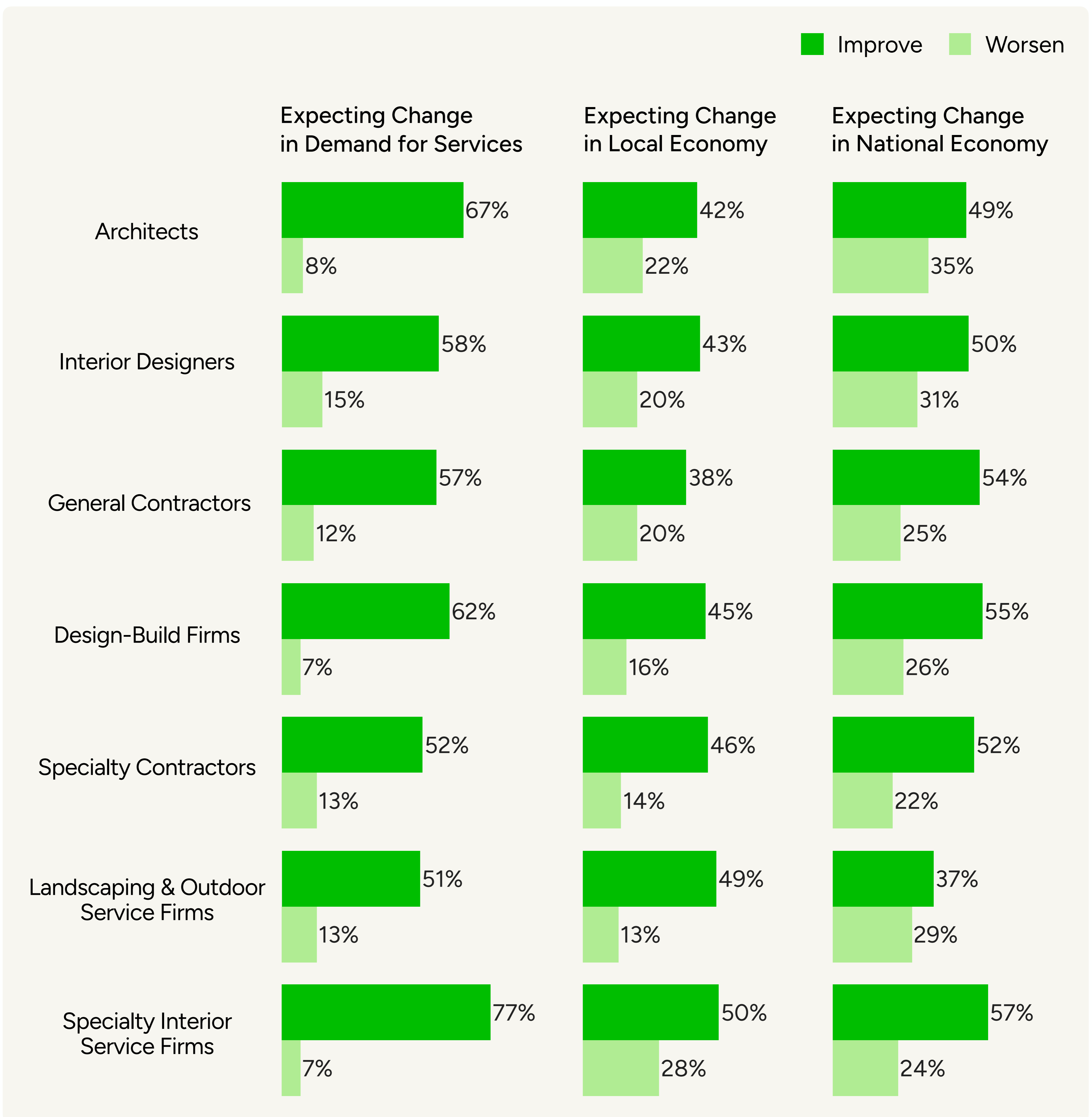
Bullish About Demand and the Economy

Aligned with the positive growth outlook, more firms in both the construction and design sectors expect the national economy and their local economies to improve than expect them to worsen. More than half of businesses across all seven groups (51% to 77%) also expect higher demand for services in 2025. In the construction sector, the expectation for improvement in demand for services is most prevalent among design-build firms (62%), followed by general contractors (57%) and specialty contractors (52%). More than half of the

firms in these three groups (55%, 54% and 52%, respectively) also anticipate that the national economy will improve.

In the design sector, 67% of architects and 58% of interior designers anticipate an increase in demand for services. Additionally, more firms expect the national economy (49% and 50%, respectively) and their local economies (42% and 43%, respectively) to improve than expect them to worsen.

FIRMS (%) EXPECTING YEAR-OVER-YEAR CHANGES IN DEMAND AND ECONOMY IN 2025





Many Expect Labor Availability to Decrease

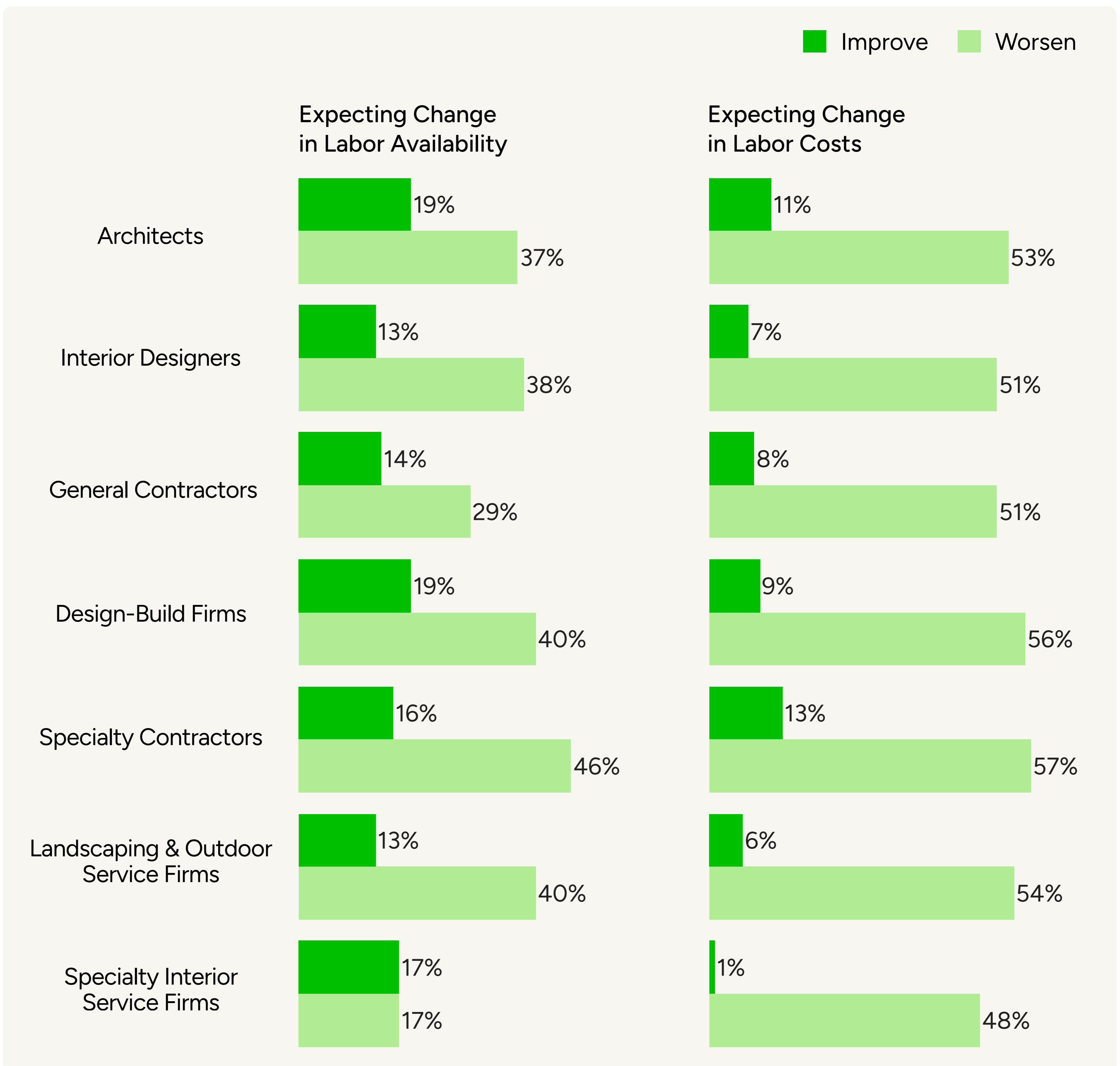
Across six business groups, more firms expect labor availability to worsen in 2025 than expect it to improve (29% to 46% versus 13% to 19%, respectively). Among the deviating group, specialty interior service firms, equal shares (17% each) expect more and less labor availability.

The pattern is similar for labor costs. More than half of businesses across the six business groups (51% to 57%) expect labor costs to increase, while fewer than half (48%) of

businesses providing specialty interior services do.

In the construction sector, the expectation that labor costs will rise is most prevalent among specialty contractors (57%), followed by design-build firms (56%) and general contractors (51%).*

FIRMS (%) EXPECTING YEAR-OVER-YEAR CHANGES IN LABOR AVAILABILITY AND COSTS IN 2025



*See Appendix C for additional information on expected changes in number of employees in 2025.



Rising Product and Material Costs Predicted

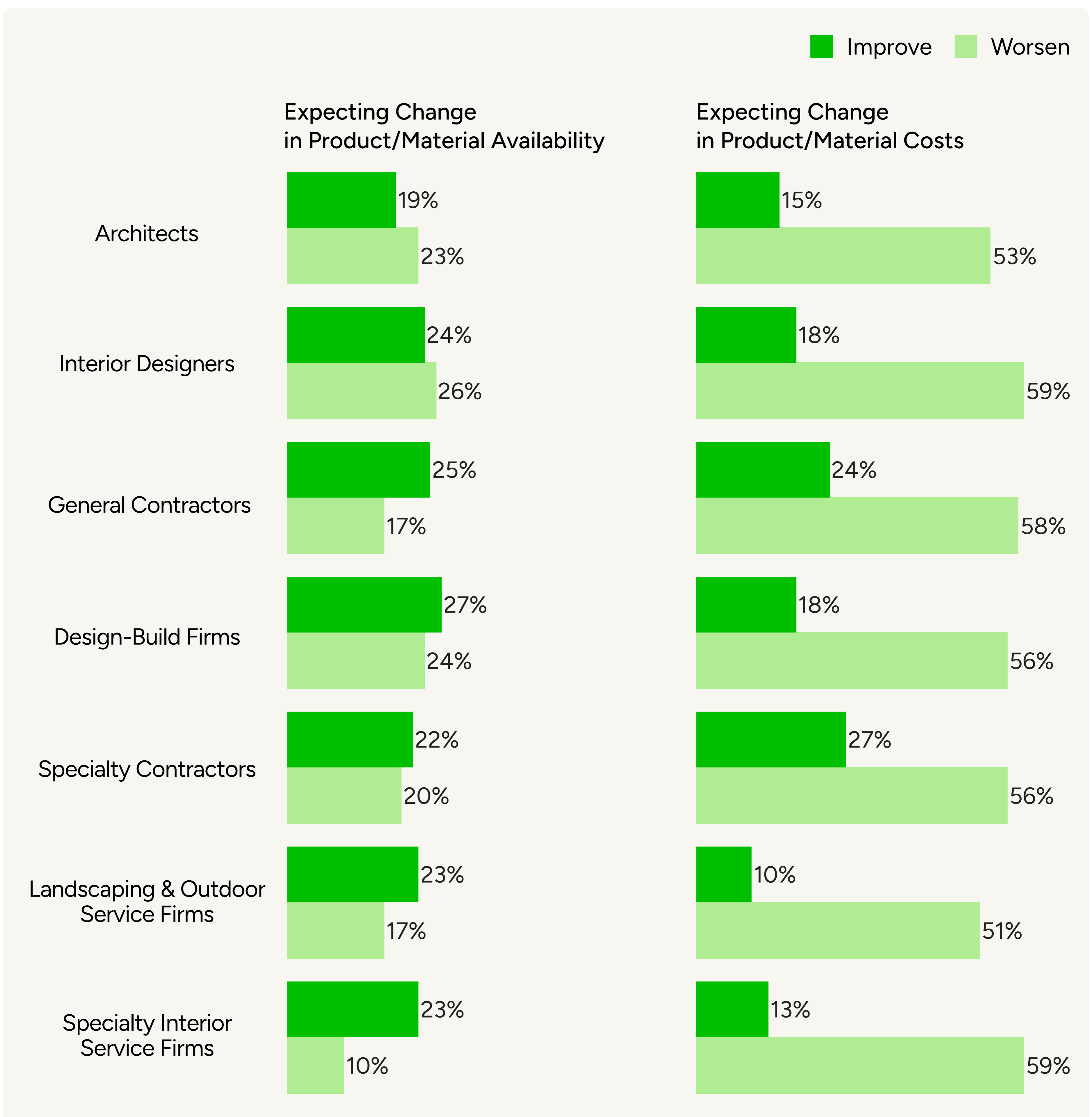
More companies across the seven industry groups expect product and material costs to rise in 2025 than expect them to decrease.

The sentiment is most widespread among interior designers and businesses providing specialty interior services (59% each), closely followed by construction businesses. Specifically, 58% of general contractors, 56% of design-build firms and 56% of specialty contractors expect product and

material costs to rise. Of the remaining two business groups, 53% of architects and 51% of landscaping and outdoor service firms predict the same.

As for the availability of products and materials, the majority of firms in each business category expect no change in 2025 compared with 2024. Among those anticipating a change, the outlook is mixed: 10% to 26% expect a decline in availability, while 19% to 27% anticipate an increase.

FIRMS (%) EXPECTING YEAR-OVER-YEAR CHANGES IN PRODUCT/MATERIAL AVAILABILITY AND COSTS IN 2025





02

2024 in Focus





Revenues Declined in 2024

In 2024, businesses across all seven industry groups reported the biggest year-over-year dip in average annual revenue since 2014. Revenue for businesses providing specialty interior services declined by 7.2% — the most significant reduction among the seven groups — followed by a decline of 6.5% for landscaping and outdoor service firms.

In the construction sector, both design-build firms and specialty contractors reported a 2.8% decline in 2024 revenue

compared with the previous year, while general contractors experienced a smaller drop (0.3%).

In the design sector, interior designers experienced the largest revenue dip (4.1%), while architects reported a 2.4% decrease.*

AVERAGE ANNUAL RATE OF REVENUE GROWTH, AS REPORTED BY FIRMS

	2020	2021	2022	2023	2024
Architects	1.0%	10.3%	4.3%	-1.8%	-2.4%
Interior Designers	-0.5%	11.9%	2.9%	1.1%	-4.1%
General Contractors	0.5%	9.0%	5.7%	0.4%	-0.3%
Design-Build Firms	1.4%	10.2%	6.9%	-0.2%	-2.8%
Specialty Contractors	0.3%	8.6%	2.5%	-0.6%	-2.8%
Landscaping & Outdoor Service Firms	3.0%	10.0%	0.3%	-1.9%	-6.5%
Specialty Interior Service Firms	-2.9%	10.7%	3.8%	-1.9%	-7.2%

*See Appendix D for a more detailed breakdown of revenue changes in 2024, and see Appendix E for information on revenue in 2024 relative to expectations.



Profitability Took a Hit Across the Industry

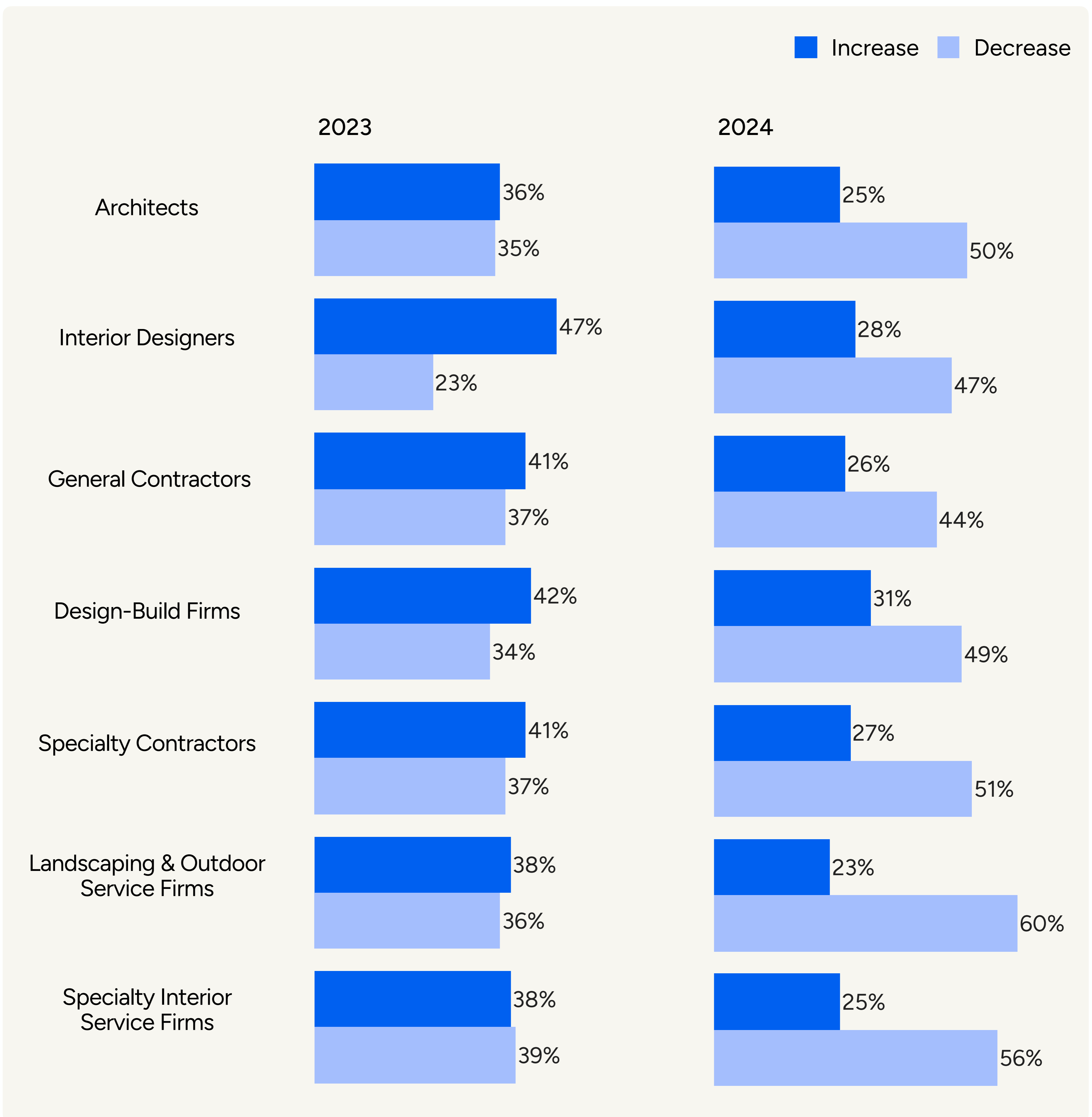
Across all seven industry groups, a larger share of firms reported an annual profit decrease in 2024 than in 2023 (44% to 60% versus 23% to 39%). The 2024 decline in profit is most widespread among landscaping and outdoor service firms, with 3 in 5 reporting a decrease. Businesses providing specialty interior services follow closely, with 56% reporting a profit decrease in 2024.

contractors (51%) reported a decrease in profits compared with the previous year, followed by 49% of design-build firms and 44% of general contractors.

In the design sector, among architects and interior designers, a profit decrease (50% and 47%, respectively) was more prevalent than an increase (25% and 28%, respectively), and the downturn was more widespread compared with 2023.

In the construction sector, more than half of specialty

FIRMS (%) REPORTING YEAR-OVER-YEAR CHANGE IN TOTAL ANNUAL PROFIT





Widespread Increase in Cost of Doing Business

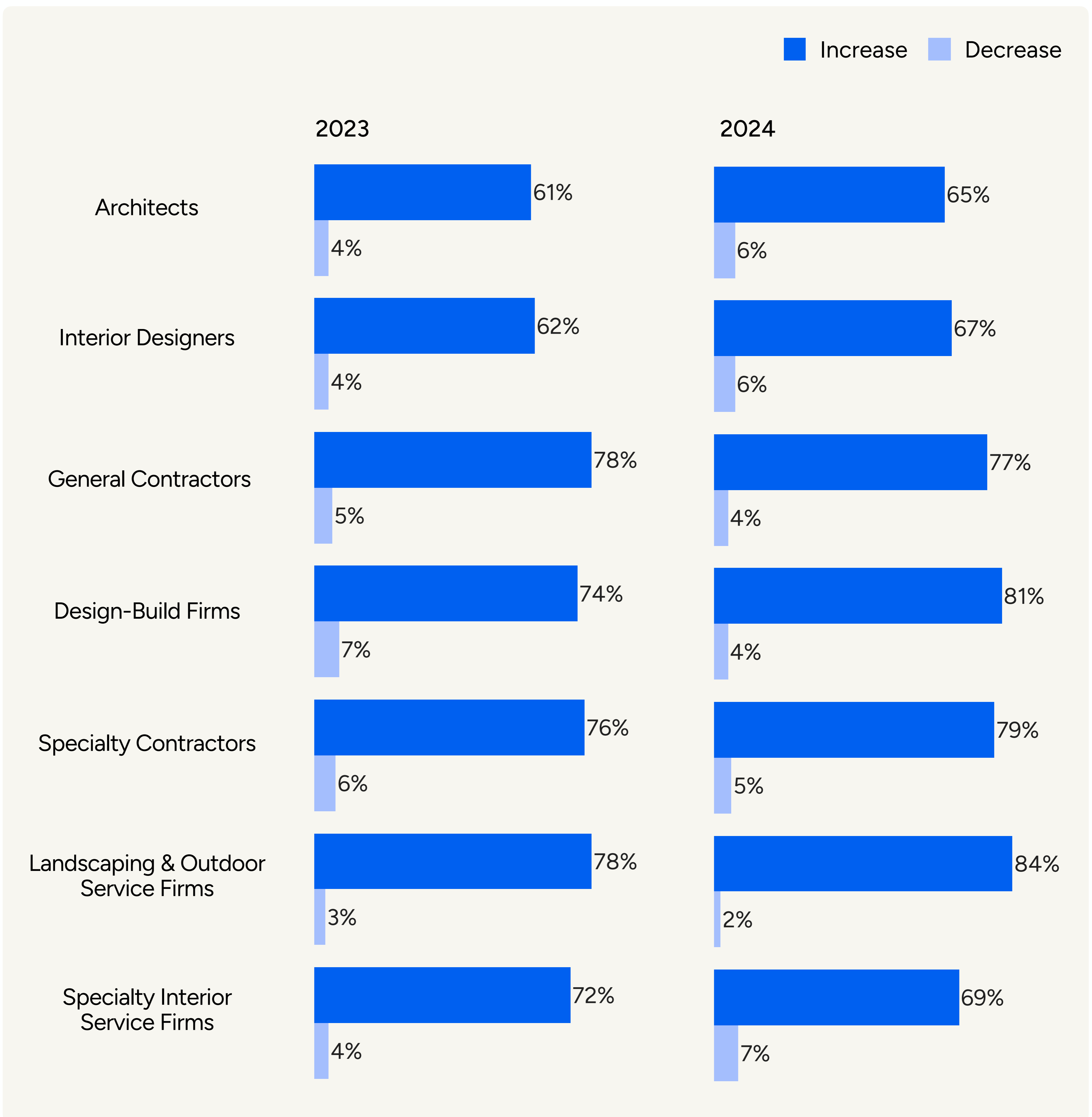
The majority of firms (65% to 81%) across the seven industry groups experienced an increase in the cost of doing business in 2024 compared with 2023. This increase was most widespread among landscaping and outdoor service firms, with 84% reporting higher costs.

Meanwhile, 81% of design-build firms, 79% of specialty contractors and 77% of general contractors reported that doing business was costlier in 2024 versus 2023.

Nearly 7 in 10 businesses in the design sector reported the same. Specifically, 67% of interior designers and 65% of architects said their cost of doing business increased year over year, while only 6% in each group said it decreased.

Some firms (14% to 29%) noted that they experienced no change in the cost of doing business in 2024 compared with 2023.

FIRMS (%) REPORTING YEAR-OVER-YEAR CHANGE IN COST OF DOING BUSINESS





No Change in Employee Numbers for Most Businesses

The majority of businesses reported no change in their number of employees in 2024.

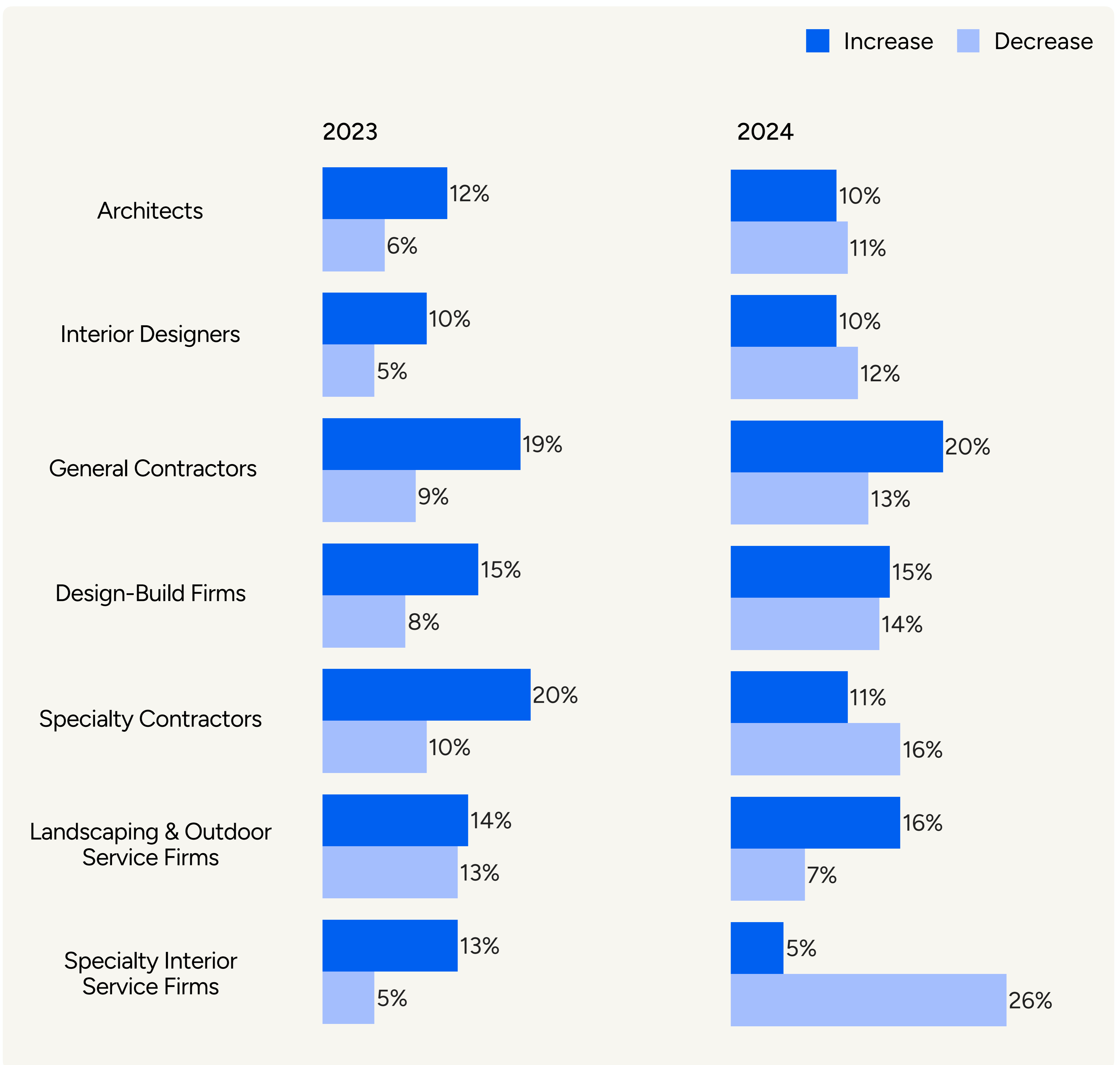
Among the seven industry groups, general contractors stand out, as 20% of them hired more employees in 2024, followed by landscaping and outdoor service firms (16%) and design-build firms (15%).

In contrast, more than a quarter of businesses providing

specialty interior services reported a decrease in their number of employees in 2024.

In the design sector, the same percentage of architects and interior designers (10% each) reported an increase in staff. However, larger shares (12% of interior designers and 11% of architects) reported a decrease.*

FIRMS (%) REPORTING YEAR-OVER-YEAR CHANGE IN NUMBER OF EMPLOYEES



*See Appendix F for additional information on number of employees in 2024.



Product and Material Costs Drive Higher Business Expenses

For six of the seven industry groups, rising product and material prices contributed most strongly to the increase in their cost of doing business in 2024. For architects, however, the top three cost drivers were software (36%), employee wages or benefits (35%) and business insurance (32%).

In the construction sector, general contractors and specialty contractors identified product and material costs (68% and 75%, respectively) and business insurance (46% and 43%,

respectively) as the top two drivers of business expenses.

Among general contractors, 44% also pointed to subcontractor costs as a key factor, while 40% of specialty contractors cited employee wages or benefits as their No. 3 cost driver.

Software, labor, marketing and business insurance costs also emerged as significant contributors to the overall increase in the cost of doing business in 2024.

FIRMS (%) REPORTING TOP 3 DRIVERS OF INCREASE IN COST OF DOING BUSINESS IN 2024[†]

	No. 1 Cost Driver	No. 2 Cost Driver	No. 3 Cost Driver
Architects	Software (36%)	Employee wages or benefits (35%)	Business insurance (32%)
Interior Designers	Products or Materials (58%)	Subcontractors (39%)	Advertising/marketing (25%)
General Contractors	Products or materials (68%)	Business insurance (46%)	Subcontractors (44%)
Design-Build Firms	Products or materials (65%)	Subcontractors (52%)	Employee wages or benefits (37%)
Specialty Contractors	Products or materials (75%)	Business insurance (43%)	Employee wages or benefits (40%)
Landscaping & Outdoor Service Firms	Products or materials (71%)	Employee wages or benefits (51%)	Business insurance (39%)
Specialty Interior Service Firms	Products or materials (74%)	Employee wages or benefits (48%)	Advertising/marketing (26%)

*See Appendix G for additional information on drivers of the higher cost of doing business in 2024.

[†]No year-over-year comparison is available due to revisions in the survey logic, questions and/or answer choices.



Many Firms Struggle to Find Clients

Businesses across the seven industry groups faced similar top challenges in 2024: finding clients as well as dealing with rising operational costs and broader economic challenges.

Interior designers, businesses providing specialty interior services and architects most frequently cited finding clients as their top challenge (43%, 37% and 32%, respectively). Among the remaining groups — landscaping and outdoor service firms, general contractors, design-build firms and specialty

contractors— an increase in the cost of doing business was the primary challenge (43%, 40%, 42% and 36%, respectively), followed by finding clients (42%, 36%, 32% and 31%, respectively).

Other top challenges reported for 2024: a weak or uncertain national or local economy, and managing consumer concerns about costs.*

FIRMS (%) REPORTING TOP 3 BUSINESS CHALLENGES IN 2024†

	No. 1 Challenge	No. 2 Challenge	No. 3 Challenge
Architects	Difficulty finding prospective customers (32%)	Weak/uncertain national economy (26%)	Increased cost of doing business (22%)
Interior Designers	Difficulty finding prospective customers (43%)	Weak/uncertain national economy (28%)	Increased cost of doing business (23%)
General Contractors	Increased cost of doing business (40%)	Difficulty finding prospective customers (36%)	Weak/uncertain local economy (19%)
Design-Build Firms	Increased cost of doing business (42%)	Difficulty finding prospective customers (32%)	Weak/uncertain national economy (28%)
Specialty Contractors	Increased cost of doing business (36%)	Difficulty finding prospective customers (31%)	Managing consumer concerns about costs (24%)
Landscaping & Outdoor Service Firms	Increased cost of doing business (43%)	Difficulty finding prospective customers (42%)	Weak/uncertain national economy (26%)
Specialty Interior Service Firms	Difficulty finding prospective customers (37%)	Weak/uncertain national economy (31%)	Managing consumer concerns about costs (29%)

*See Appendix H for additional information on business challenges in 2024.

†No year-over-year comparison is available due to revisions in the survey logic, questions and/or answer choices.



Specialized Software Is Widely Used

Businesses across the seven industry groups use software to manage projects and operations, engage clients, automate workflows, facilitate payments and enhance brand visibility.

Specifically, 84% of architects, 57% of design-build firms, 54% of interior designers and 51% of landscaping and outdoor service firms used drafting and rendering software in 2024.

Meanwhile, nearly 2 in 5 specialty contractors (37%) and a third of general contractors (33%) relied on software for estimating

costs or bids.

The use of software for financial operations — including accounting, bookkeeping, billing, invoicing and payment processing — as well as for marketing and customer relationship management was widespread across the seven industry groups. Additionally, businesses utilized software for tracking time, building websites and handling other operational tasks.*

FIRMS (%) REPORTING ON BUSINESS SOFTWARE USED IN 2024†

	No. 1 Use	No. 2 Use	No. 3 Use
Architects	Drafting or rendering (84%)	Accounting or bookkeeping (55%)	Billing or invoicing (52%)
Interior Designers	Billing or invoicing (67%)	Accounting or bookkeeping (65%)	Drafting or rendering (58%)
General Contractors	Accounting or bookkeeping (69%)	Billing or invoicing (63%)	Estimating costs or bids (33%)
Design-Build Firms	Accounting or bookkeeping (77%)	Billing or invoicing (68%)	Drafting or rendering (57%)
Specialty Contractors	Accounting or bookkeeping (74%)	Billing or invoicing (55%)	Estimating costs or bids (37%)
Landscaping & Outdoor Service Firms	Accounting or bookkeeping (74%)	Billing or invoicing (63%)	Drafting or rendering (51%)
Specialty Interior Service Firms	Billing or invoicing (60%)	Accounting or bookkeeping (54%)	Processing payments (38%)

*See Appendix J for additional information on business software used in 2024.

†No year-over-year comparison is available due to revisions in the survey logic, questions and/or answer choices.



03

2024 Business Characteristics





Residential Projects Account for Most Revenue

Residential services accounted for the majority of annual gross revenue for all seven industry groups (73% to 86%) in 2024, with existing homes being the primary revenue source.

More than half of the revenues for design-build firms, general contractors, businesses providing specialty interior services, interior designers, and landscaping and outdoor service firms came from projects involving existing homes (72%, 63%, 63%, 59% and 57%, respectively).

Specialty contractors and architects had more diversified revenue streams. For specialty contractors, 43% of revenue came from existing homes, 35% from new homes and 22% from commercial projects. For architects, 39% came from existing homes, 34% from new homes and 27% from commercial projects.

FIRMS (%) REPORTING SHARE OF GROSS REVENUE FROM RESIDENTIAL VS. COMMERCIAL SERVICES IN 2024

	Residential Services			Commercial Services
	Existing Homes	New Custom Homes	New For-Sale Homes	
Architects	39%	27%	7%	27%
Interior Designers	59%	14%	7%	20%
General Contractors	63%	8%	3%	26%
Design-Build Firms	72%	10%	4%	14%
Specialty Contractors	43%	26%	9%	22%
Landscaping & Outdoor Service Firms	57%	15%	5%	23%
Specialty Interior Service Firms	63%	9%	7%	21%



Most Firms Handle Fewer Than 30 Projects a Year

The majority of businesses (70% to 88%) across six of the seven industry groups worked on fewer than 30 projects in 2024. Businesses providing specialty interior services were the exception, with 50% handling 30 or more projects and 50% handling fewer than 30.

Among those who worked on more than 30 projects in 2024, the lowest shares doing so were architects and interior designers (12% and 13%, respectively). Higher shares of

design-build firms and general contractors (16% and 23%, respectively) completed more than 30 projects, although half of each of these groups completed 10 to 29 projects.

The share of businesses working on fewer than 10 projects varied widely by group. Interior designers led with 51%, followed by specialty contractors at 38%, while only 14% of businesses providing specialty interior services completed fewer than 10 projects.

FIRMS (%) REPORTING TOTAL NUMBER OF PROJECTS IN 2024

	Number of Projects		
	< 10	10-29	30 or more
Architects	35%	53%	12%
Interior Designers	51%	36%	13%
General Contractors	27%	50%	23%
Design-Build Firms	34%	50%	16%
Specialty Contractors	38%	34%	29%
Landscaping & Outdoor Service Firms	24%	46%	30%
Specialty Interior Service Firms	14%	36%	50%



Wide Variations in Midsize Project Earnings

For more than half of businesses in six of the seven industry groups, the gross revenue from a typical midsize project exceeded \$10,000 in 2024. The exception was businesses providing specialty interior services; nearly three-quarters of these firms reported gross revenue of less than \$10,000 for a typical midsize project.

In the construction sector, 57% of design-build firms, 45% of specialty contractors and 33% of general contractors reported

earning more than \$50,000 in gross revenue from a midsize project.

In the design sector, 61% of architects and 63% of interior designers reported that their midsize projects generated up to \$50,000 in gross revenue, while 39% of architects and 37% of interior designers reported that their midsize projects generated more than \$50,000 in gross revenue.

FIRMS (%) REPORTING GROSS REVENUE AND GROSS PROFIT FROM A TYPICAL MIDSIZE PROJECT IN 2024

	Midsize Project Gross Revenue			Midsize Project Gross Profit		
	< \$10K	\$10K-\$50K	\$50K+	< \$5K	\$5K-\$10K	\$10K+
Architects	34%	27%	39%	37%	14%	49%
Interior Designers	32%	31%	37%	31%	18%	51%
General Contractors	33%	34%	33%	42%	15%	43%
Design-Build Firms	17%	26%	57%	22%	17%	61%
Specialty Contractors	31%	24%	45%	40%	12%	48%
Landscaping & Outdoor Service Firms	44%	21%	35%	36%	19%	45%
Specialty Interior Service Firms	74%	13%	13%	72%	1%	27%



Gross Revenue and Team Size Vary Notably

Across the seven industry groups, annual gross revenue and number of employees differed substantially in 2024.

In the construction sector, design-build firms and specialty contractors had fairly similar revenue profiles: 36% and 42%, respectively, earned between \$500,000 and \$2.9 million, while 18% and 17%, respectively, earned more than \$3 million. Among general contractors, however, 51% earned less than \$500,000 and 40% earned between \$500,000 and \$2.9 million.

In the design sector, the majority of architectural firms (81%) and interior design firms (82%) had revenues below \$500,000, and only 2% in each category surpassed \$3 million. These firms are primarily small-scale operations, with 43% and 53%, respectively, having no employees and only 10% and 12%, respectively, having five or more employees.

FIRMS (%) REPORTING ANNUAL GROSS REVENUE AND NUMBER OF EMPLOYEES IN 2024

	Annual Gross Revenue			Number of Employees		
	< \$500K	\$500K-\$2.9M	\$3M+	None	1-4	5+
Architects	81%	17%	2%	43%	48%	10%
Interior Designers	82%	17%	2%	53%	35%	12%
General Contractors	51%	40%	9%	36%	32%	32%
Design-Build Firms	47%	36%	18%	28%	39%	33%
Specialty Contractors	41%	42%	17%	17%	44%	39%
Landscaping & Outdoor Service Firms	56%	32%	13%	26%	36%	38%
Specialty Interior Service Firms	67%	31%	3%	34%	40%	26%



04

Methodology





Methodology

The Houzz U.S. State of the Industry study is conducted annually and represents views of companies on Houzz that offer services related primarily to residential renovation and/or design. The study was fielded November 7 to December 15, 2024, among the following seven industry groups:*

1. Architects
2. Interior designers
3. General contractors, such as construction-only builders and remodelers
4. Design-build firms
5. Specialty contractors, including replacement contractors (e.g., carpenters) and product installers, manufacturers and resellers (e.g., of cabinetry)
6. Landscaping and outdoor service firms, consisting of landscape architects, designers and contractors; outdoor replacement trades (e.g., pavers); and outdoor product installers, manufacturers and resellers (e.g., of pools and spas)
7. Specialty interior service firms, consisting of interior decorators and providers of window coverings, furniture, accessories, lighting, upholstery and other decorating-related products or services.

N = 1,537 (300 architects, 355 interior designers, 136 general contractors, 289 design-build firms, 254 specialty contractors, 124 landscaping and outdoor service firms and 79 specialty interior service firms).

*Four of the seven industry groups were renamed in 2025 to match industry standards:

1. GCs/remodelers/builders is now general contractors.
2. Specialty — building and renovation is now specialty contractors.
3. Specialty — landscaping and outdoor is now landscaping and outdoor service firms.
4. Specialty — decorating is now specialty interior service firms.



04

Appendixes





Appendix A: Average Expected and Actual Revenue Growth for 2021 to 2025

AVERAGE EXPECTED AND ACTUAL RATES OF ANNUAL REVENUE GROWTH, AS REPORTED BY FIRMS

	Expected 2021 Actual 2021	Expected 2022 Actual 2022	Expected 2023 Actual 2023	Expected 2024 Actual 2024	Expected 2025 Actual 2025
Architects	7.3% 10.3%	5.3% 4.3%	0.3% -1.8%	5.3% -2.4%	9.4% n/a
Interior Designers	9.5% 11.9%	8.1% 2.9%	3.0% 1.1%	8.9% -4.1%	9.0% n/a
General Contractors	8.9% 9.0%	8.8% 5.7%	2.9% 0.4%	7.7% -0.3%	11.3% n/a
Design-Build Firms	9.7% 10.2%	9.0% 6.9%	2.3% 0.0%	3.3% -2.8%	9.3% n/a
Specialty Contractors	8.8% 8.6%	8.6% 2.5%	1.3% -0.6%	8.1% -2.8%	12.4% n/a
Landscaping & Outdoor Service Firms	8.3% 10.0%	6.1% 0.3%	4.1% -1.9%	7.3% -6.5%	9.1% n/a
Specialty Interior Service Firms	12.9% 10.7%	7.8% 3.8%	6.1% -1.9%	8.2% -7.2%	7.1% n/a



Appendix B: Strategies to Achieve Expected Revenue Growth in 2025

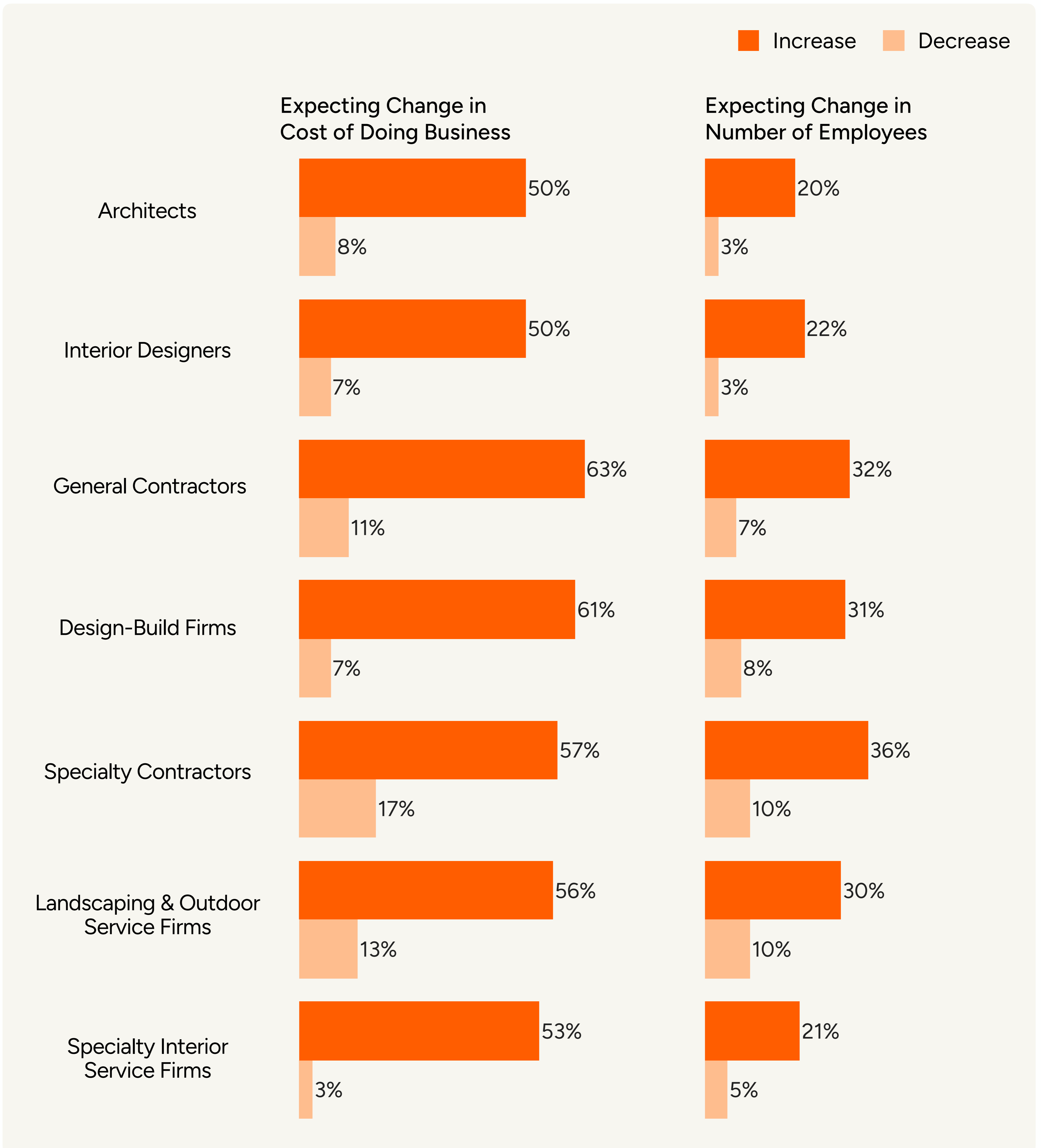
FIRMS (%) REPORTING BUSINESS STRATEGIES TO ACHIEVE EXPECTED REVENUE GROWTH IN 2025

	Architects	Interior Designers	General Contractors	Design-Build Firms	Specialty Contractors	Landscaping & Outdoor Service Firms	Specialty Interior Service Firms
Bring in larger-budget projects	61%	74%	56%	70%	62%	54%	57%
Increase prices, markup & margins	42%	55%	44%	57%	55%	44%	43%
Improve sales processes or team	34%	22%	44%	34%	42%	40%	29%
Expand geographic service area	25%	24%	12%	23%	25%	19%	14%
Offer new products & services	23%	38%	27%	33%	21%	42%	57%
Open new stores, sites & facilities	5%	5%	2%	7%	7%	6%	5%
No new strategies	12%	5%	7%	3%	8%	6%	5%



Appendix C: Expected Changes in Costs and Staffing in 2025

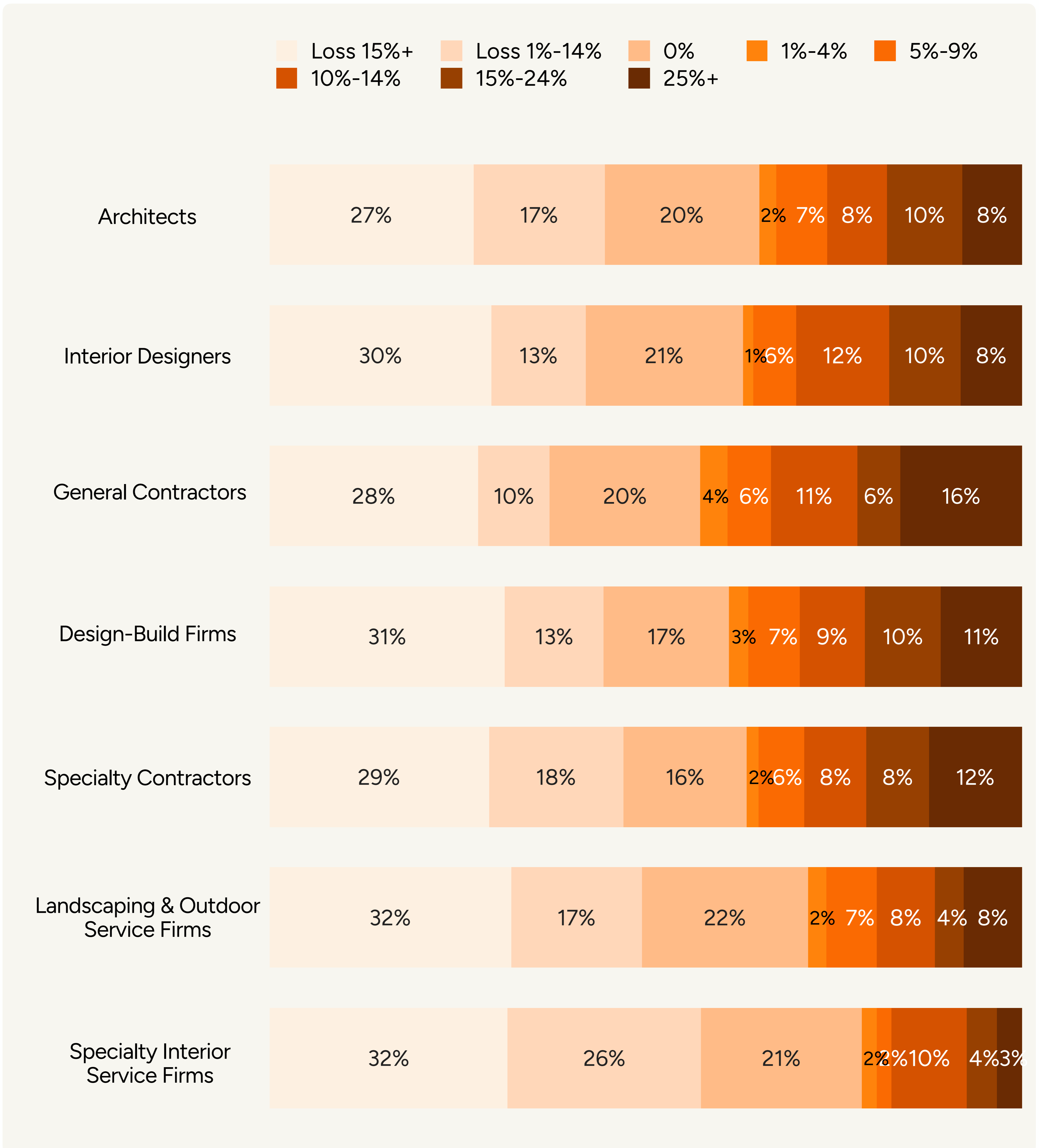
FIRMS (%) EXPECTING INCREASE OR DECREASE IN COST OF DOING BUSINESS AND NUMBER OF EMPLOYEES IN 2025





Appendix D: 2024 Revenue Change Breakdown

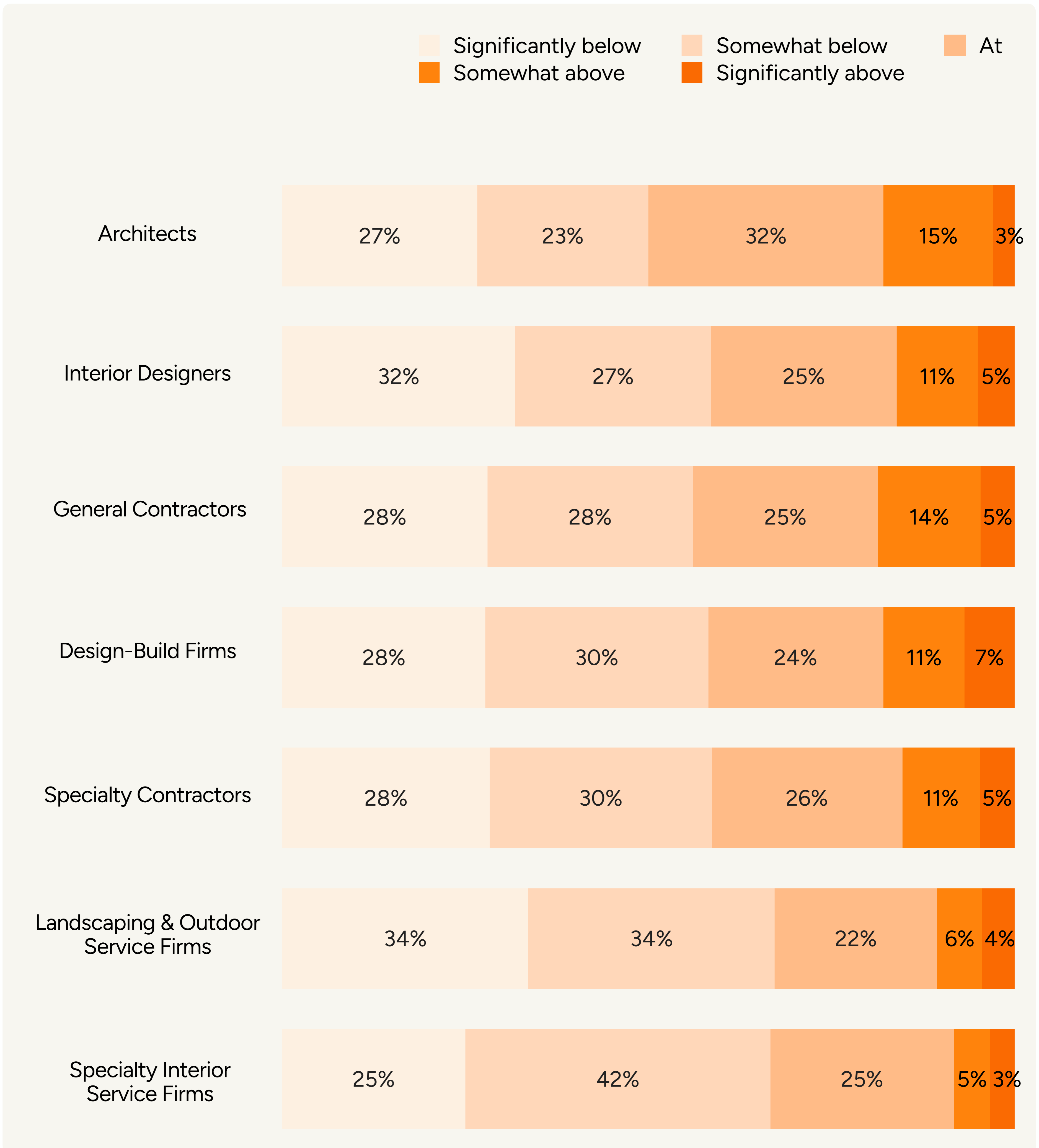
ANNUAL RATES OF REVENUE CHANGE IN 2024, AS REPORTED BY FIRMS (%)





Appendix E: Revenue in 2024 Relative to Expectations

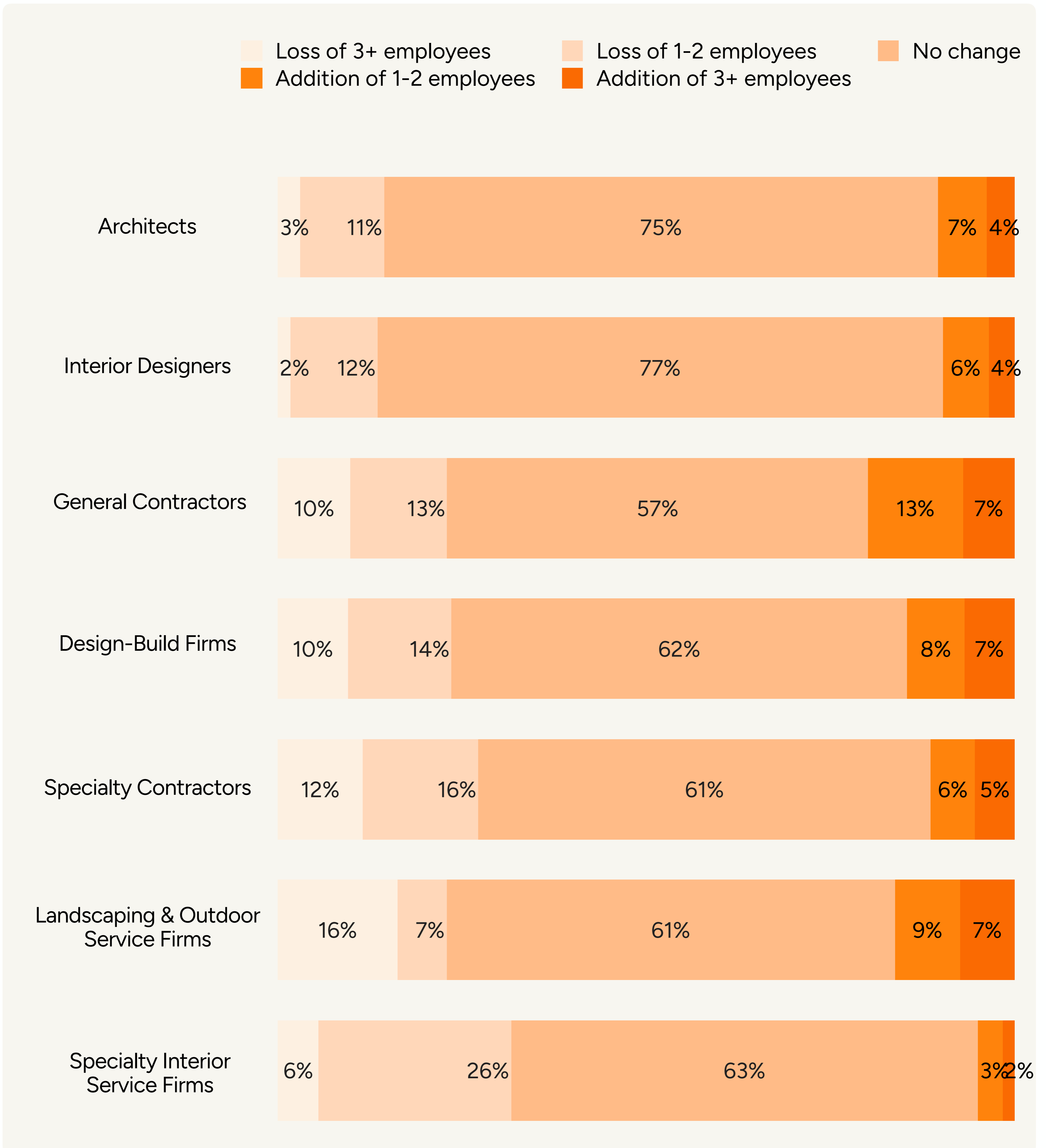
FIRMS (%) REPORTING REVENUE BELOW, AT OR ABOVE EXPECTATIONS IN 2024





Appendix F: Changes in Staff in 2024

FIRMS (%) REPORTING CHANGE IN NUMBER OF EMPLOYEES IN 2024





Appendix G: Cost Drivers in 2024

FIRMS (%) REPORTING DRIVERS FOR INCREASE IN COST OF DOING BUSINESS IN 2024 (LIMIT 3)

	Architects	Interior Designers	General Contractors	Design-Build Firms	Specialty Contractors	Landscaping & Outdoor Service Firms	Specialty Interior Service Firms
Advertising/marketing	16%	25%	26%	27%	22%	22%	26%
Business insurance	32%	19%	46%	28%	43%	39%	24%
Employee wages or benefits	35%	24%	40%	37%	40%	51%	48%
Legal/accounting fees	12%	8%	5%	7%	4%	2%	5%
Licensing fees	9%	2%	5%	3%	3%	2%	2%
Office equipment	18%	9%	3%	6%	3%	6%	10%
Office lease/utilities	21%	17%	3%	8%	8%	9%	17%
Permitting requirements/fees	8%	3%	8%	10%	11%	3%	0%
Products or materials	27%	58%	68%	65%	75%	71%	74%
Regulatory changes	12%	3%	6%	7%	10%	9%	0%
Subcontractors	16%	39%	44%	52%	37%	22%	17%
Software	36%	25%	6%	15%	6%	10%	14%
Technology	20%	15%	6%	6%	4%	8%	7%
Other	18%	16%	8%	8%	16%	16%	24%



Appendix H: Business Challenges in 2024

FIRMS (%) REPORTING BUSINESS CHALLENGES IN 2024 (LIMIT 3)

	Architects	Interior Designers	General Contractors	Design-Build Firms	Specialty Contractors	Landscaping & Outdoor Service Firms	Specialty Interior Service Firms
Difficulty finding prospective customers	32%	43%	36%	32%	31%	42%	37%
Weak/uncertain national economy	26%	28%	19%	28%	23%	26%	31%
Increased cost of doing business	22%	23%	40%	42%	36%	43%	25%
Managing consumer concerns about costs	22%	22%	12%	22%	24%	25%	29%
Increased building regulation	19%	1%	3%	5%	8%	3%	2%
Managing consumer expectations	19%	14%	10%	13%	9%	8%	10%
Difficulty collecting payments	17%	11%	11%	11%	12%	18%	6%
Weak/uncertain local economy	17%	18%	19%	17%	15%	16%	24%
Managing the current workload	16%	7%	14%	9%	7%	7%	6%
Increased business competition	14%	19%	15%	14%	18%	12%	14%
Difficulty hiring/being understaffed	12%	7%	15%	16%	22%	21%	10%
Price volatility of products & materials	10%	9%	14%	11%	11%	9%	16%
Shortage of subcontractors	9%	12%	5%	19%	12%	4%	8%
Difficulty increasing or maintaining profit margin	7%	10%	9%	10%	9%	6%	6%
Difficulty staying organized	5%	5%	10%	3%	4%	6%	6%
Tight business lending	3%	3%	7%	3%	10%	3%	2%
Availability of products & materials	1%	4%	7%	4%	4%	4%	10%
Other challenges	11%	15%	5%	9%	13%	14%	4%



Appendix I: Business Areas in Which Firms Invested Time or Money in 2024

FIRMS (%) REPORTING AREAS IN WHICH THEY INVESTED TIME OR MONEY IN 2024

	Architects	Interior Designers	General Contractors	Design-Build Firms	Specialty Contractors	Landscaping & Outdoor Service Firms	Specialty Interior Service Firms
Increasing efficiency	40%	34%	39%	40%	42%	32%	29%
Improving communication with clients or teams	35%	39%	44%	45%	32%	36%	29%
Reducing costs or risk	21%	21%	36%	28%	32%	31%	10%
Getting more from existing tech investments	21%	16%	9%	16%	11%	15%	15%
Diversifying services	17%	22%	10%	25%	18%	21%	12%
Training team members	16%	12%	14%	22%	23%	21%	2%
Gathering and acting on client feedback	13%	18%	22%	21%	26%	17%	15%
Improving the sales process	13%	28%	36%	36%	28%	25%	32%
No new investments	29%	29%	19%	18%	26%	20%	37%



Appendix J: Business Software Uses in 2024

FIRMS (%) REPORTING ON SOFTWARE USED FOR BUSINESS IN 2024

	Architects	Interior Designers	General Contractors	Design-Build Firms	Specialty Contractors	Landscaping & Outdoor Service Firms	Specialty Interior Service Firms
Accounting or bookkeeping	55%	65%	69%	77%	74%	74%	54%
Billing or invoicing	52%	67%	63%	68%	55%	63%	60%
Estimating costs or bids	5%	16%	33%	38%	37%	43%	23%
Managing costs or bids	3%	6%	15%	16%	15%	19%	2%
Drafting or rendering	84%	58%	16%	57%	33%	51%	8%
Tracking employees' time	22%	14%	20%	25%	25%	28%	8%
Graphic design, presentations or branding	44%	45%	11%	34%	18%	36%	10%
Managing inventory or orders	4%	15%	4%	10%	13%	11%	13%
Marketing, CRM or lead tracking	15%	25%	19%	27%	21%	20%	17%
Processing payments	22%	33%	28%	38%	24%	38%	38%
Managing projects	19%	23%	16%	36%	25%	16%	2%
Building a website	35%	41%	25%	39%	28%	41%	31%
Other	5%	8%	18%	5%	4%	14%	4%