

HOUZZ RESEARCH

2025 UK Houzz State of the Industry





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Big Ideas

Optimism Prevails for 2025

Two in five industry professionals expect a good or very good year (40%). Additionally, the share of pros anticipating revenue growth has risen 4 percentage points year-on-year (57%). Interior designers are most bullish, with nearly half (44%) reporting a good or very good outlook for 2025. Over two-thirds expect revenue growth (69%) and almost half anticipate increased demand for their services (44%).

Investments to Enhance Performance

Nearly 9 in 10 firms across the industry (87%) plan to prioritise investments in key areas to address ongoing challenges and enhance operational performance. Increasing efficiency is a top focus, with 42% dedicating resources to streamline processes and improve productivity. Similarly, improving the sales process is a significant priority (37%), as well as communication with clients and teams (35%).

Hiring Challenges Seemingly Ease

A quarter of professionals plan to expand their teams in 2025, marking a 4 percentage points year-on-year increase (25%). The percentage of those citing hiring difficulties and subcontractor shortages as major challenges in 2024 has dropped significantly compared to the previous year (5% for both, compared to 9% and 13%, respectively).

Costs Expected to Rise

More companies expect costs to rise in 2025 than decrease (53% versus 8%). This sentiment is particularly strong among design and build firms, followed by architects and interior designers (64%, 49% and 36%, respectively).

Perceived Improvements to Price Volatility and Availability

Although rising material costs remain a challenge cited by firms, the perception of price volatility and availability has seen significant improvements over the last year. The percentage of professionals citing these as top challenges has decreased considerably (11% and 3%, compared to 19% and 9%, respectively).

Decline in Revenue and Profitability in 2024

A larger share of firms reported annual revenue and profitability decreases in 2024 than in 2023. More than 3 in 5 firms reported reduced profitability (62%, compared to 51%). Similarly, almost half reported lower revenue (47%, compared to 43%). This 2024 decline in profit is most widespread among architecture practices (72%), followed by interior designers and design and build firms (62% and 57%, respectively).



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2025 Outlook

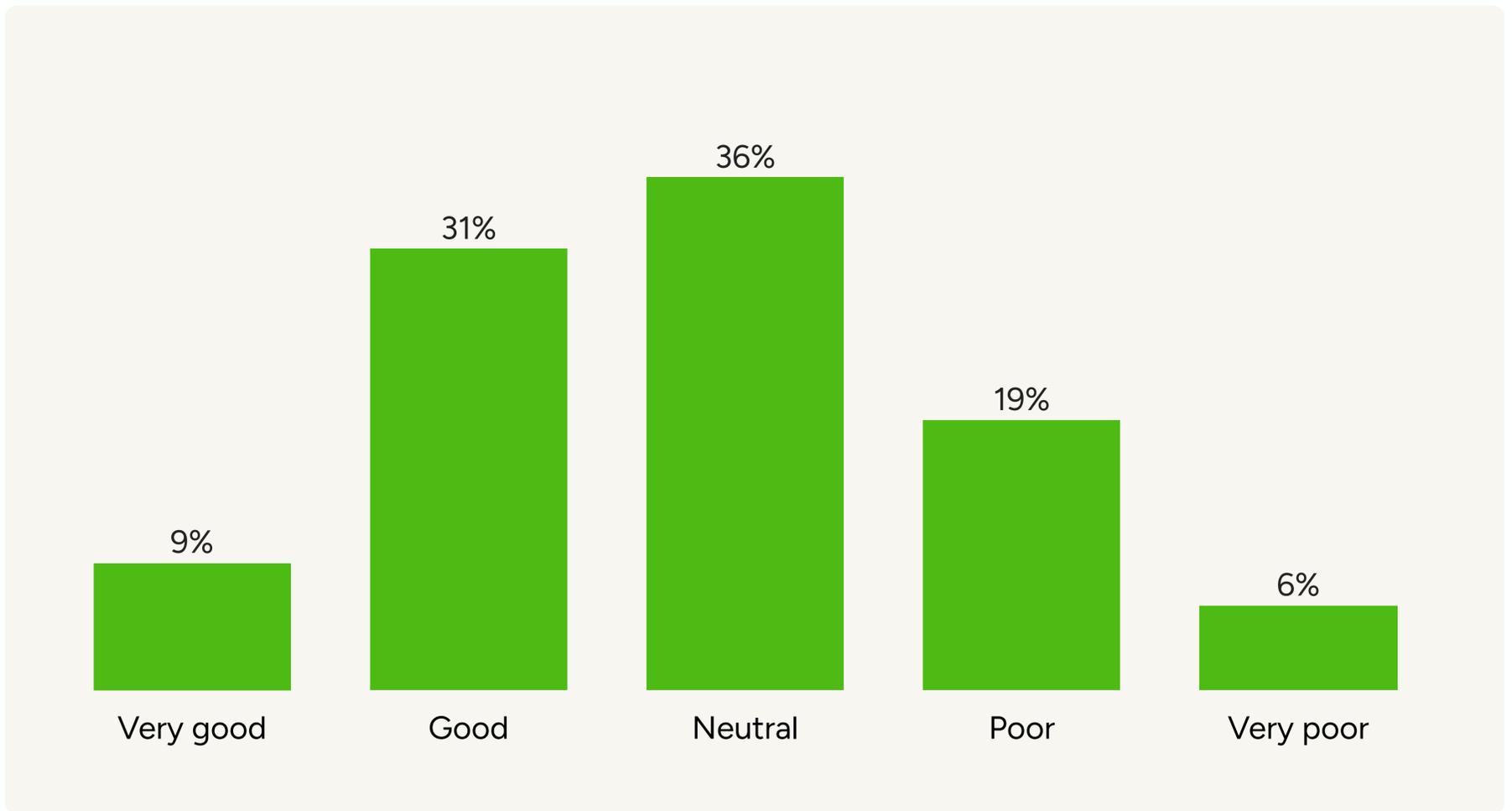




2025 Outlook

Chart shows the percentage of surveyed businesses on Houzz UK reporting their outlook for 2025.

BUSINESS OUTLOOK



INTERIOR DESIGNERS

Good to a very good year	45%
Neutral	33%
Poor to a very poor year	22%

ARCHITECTS

Good to a very good year	33%
Neutral	43%
Poor to a very poor year	24%

DESIGN & BUILD FIRMS

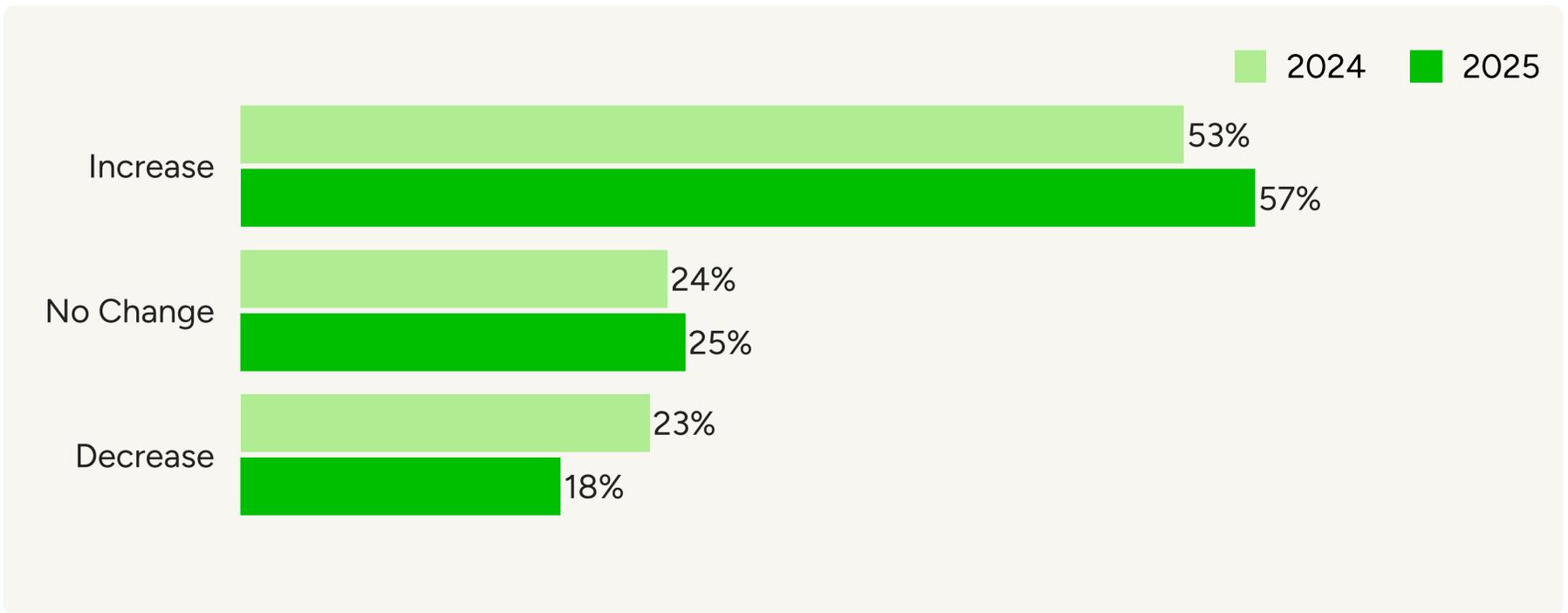
Good to a very good year	36%
Neutral	50%
Poor to a very poor year	14%



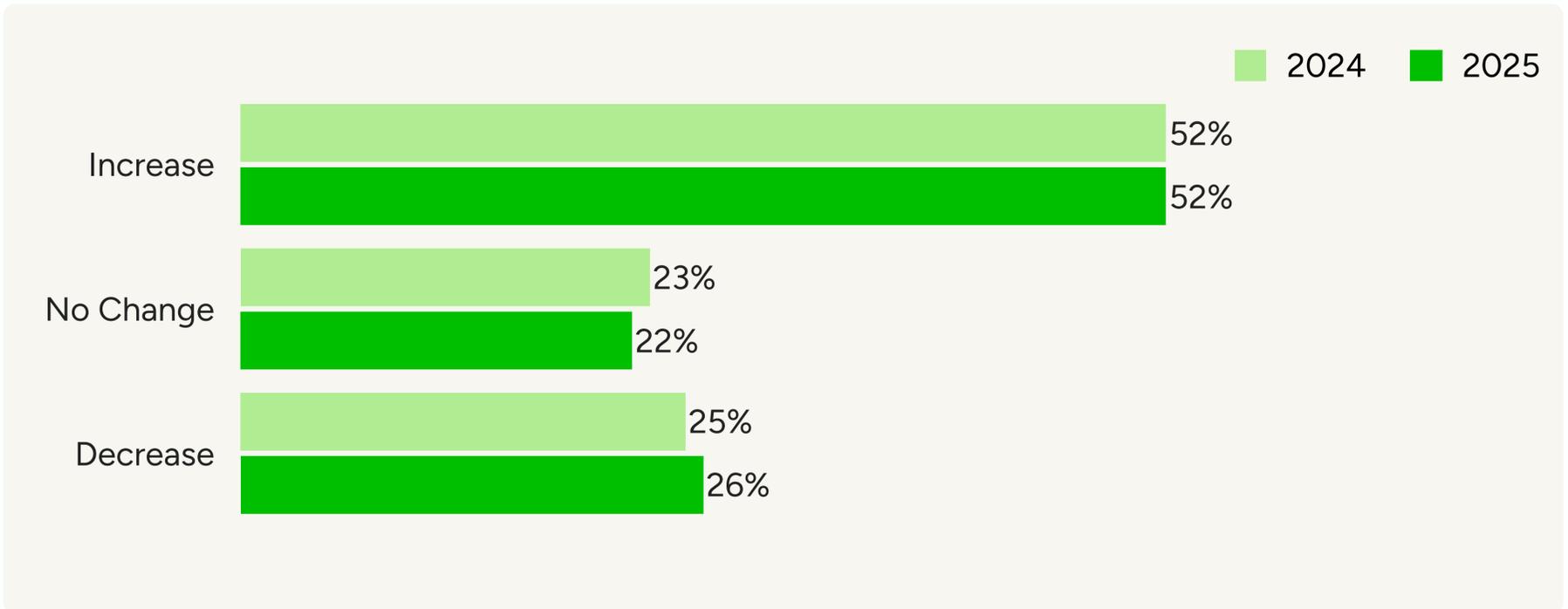
Expected Revenues & Profits in 2025

Charts show the percentage of surveyed businesses on Houzz UK expecting revenue growth in 2025 (vs. 2024).

EXPECTING GROSS REVENUES



EXPECTING GROSS PROFITS (NET INCOME)



EXPECTING INCREASE IN 2025 GROSS REVENUES

Interior Designers	69%
Architects	58%
Design & Build Firms	38%

EXPECTING INCREASE IN 2025 GROSS PROFITS (NET INCOME)

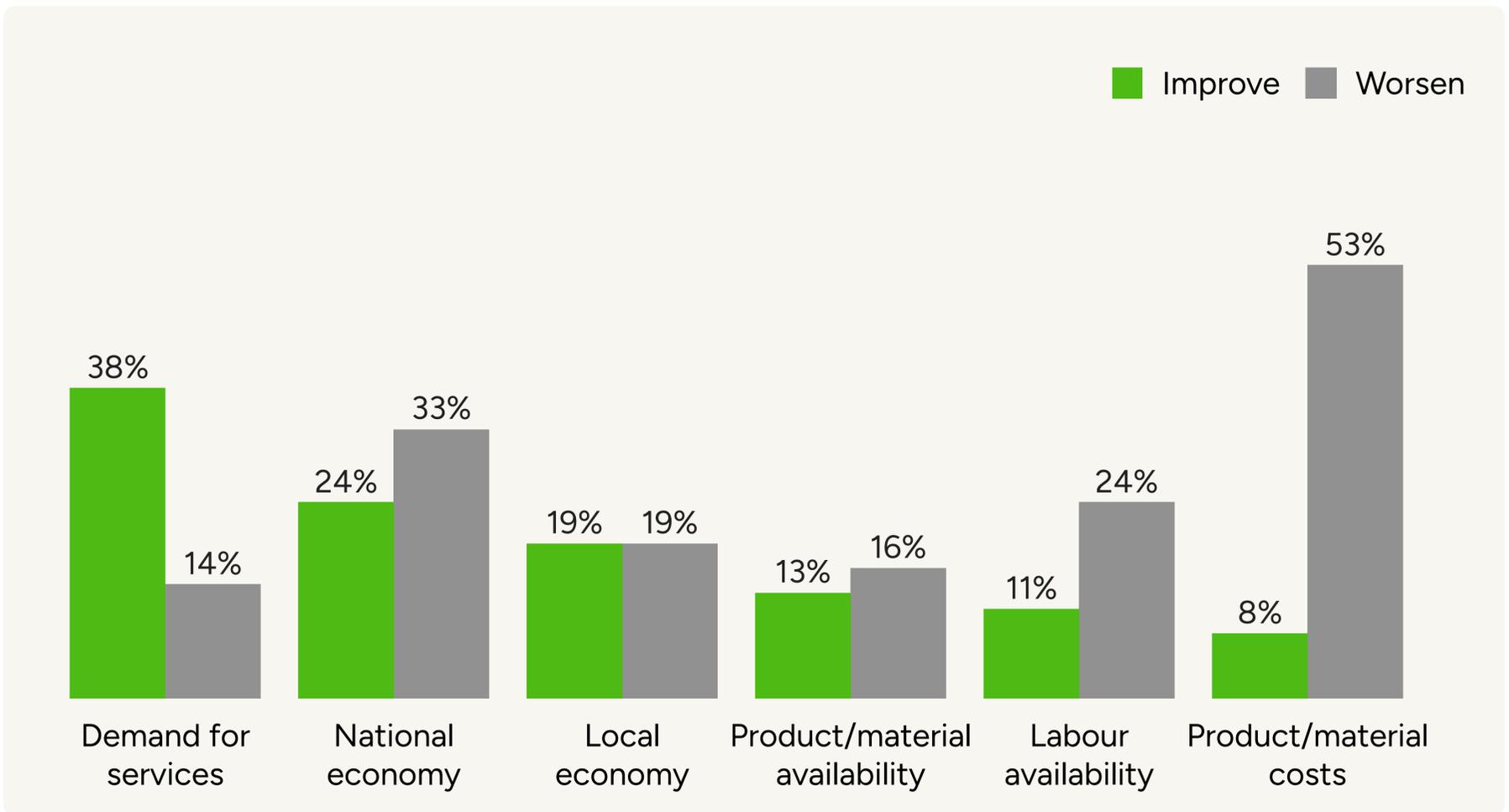
Interior Designers	70%
Architects	52%
Design & Build Firms	31%



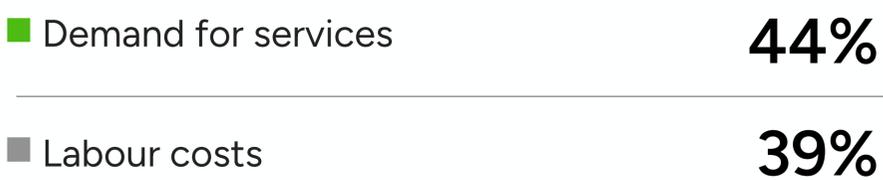
Top Improvements & Setbacks in 2025

Chart shows the percentage of surveyed businesses on Houzz UK reporting on expected improvements and setbacks in 2025.

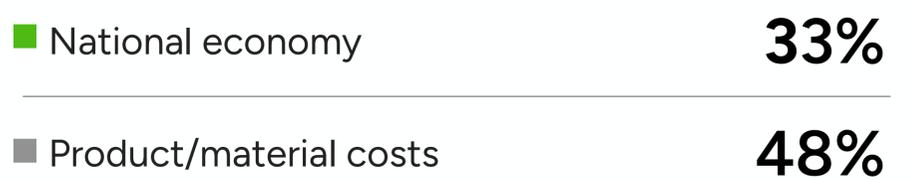
EXPECTED IMPROVEMENTS AND SETBACKS



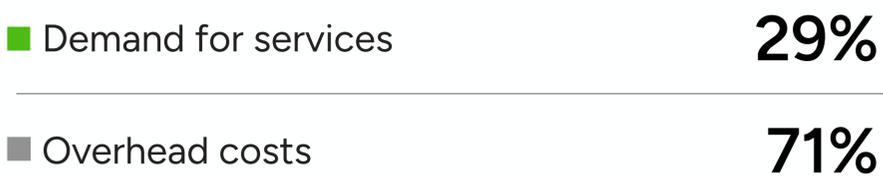
INTERIOR DESIGNERS



ARCHITECTS



DESIGN & BUILD FIRMS

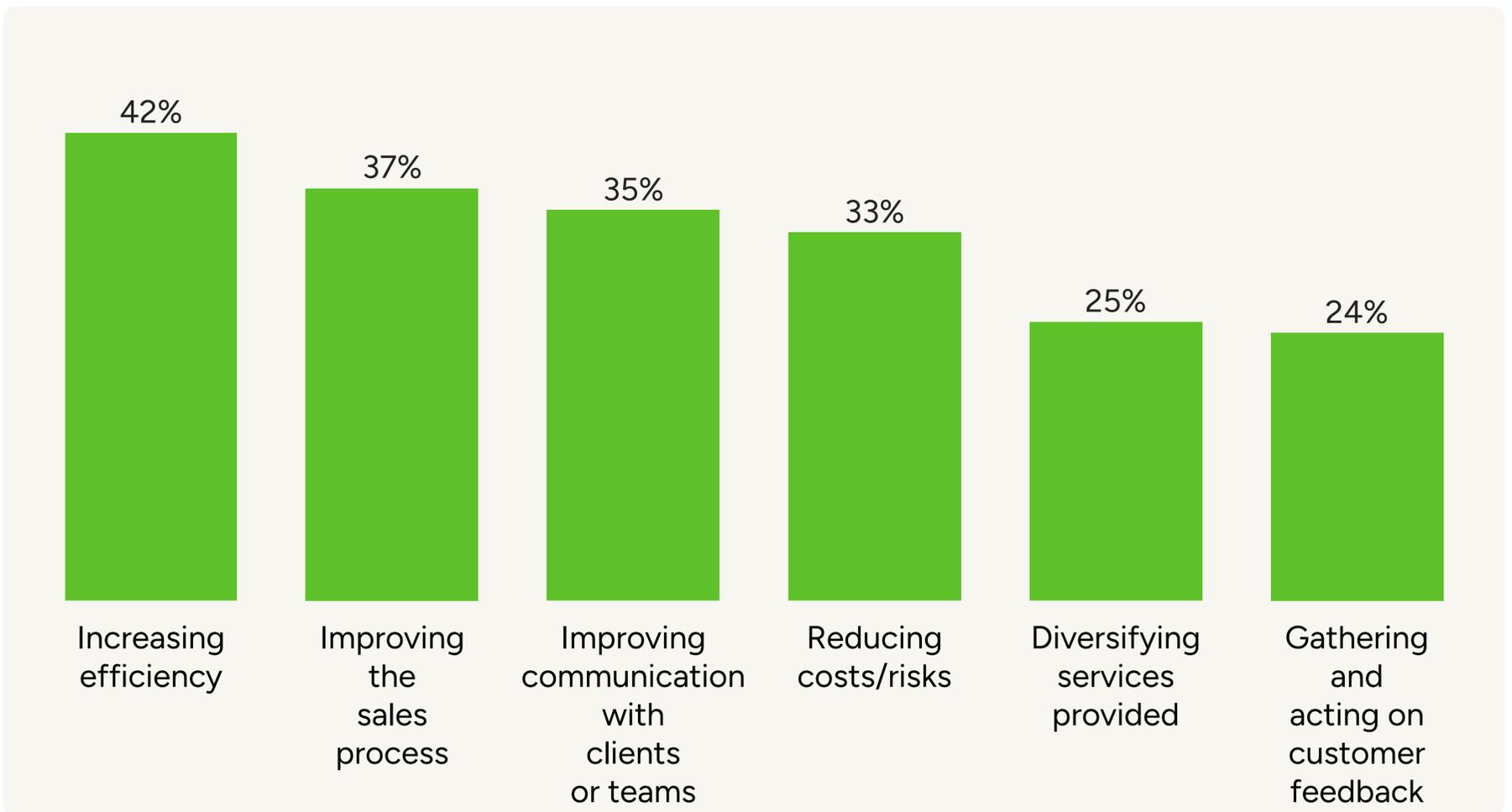




Business Areas Firms Plan to Invest Time or Money in 2025

Chart shows the percentage of surveyed businesses on Houzz UK reporting areas in which they plan to invest time or money in 2025.

AREAS IN WHICH BUSINESSES PLAN TO INVEST TIME OR MONEY IN 2025



INTERIOR DESIGNERS

Improving communication with clients or teams	39%
Improving the sales process	36%
Increasing efficiency	36%

ARCHITECTS

Improving communication with clients or teams	45%
Reducing costs/risks	39%
Increasing efficiency	39%

DESIGN & BUILD FIRMS

Reducing costs/risks	43%
Improving the sales process	36%
Increasing efficiency	36%



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2024 in Focus

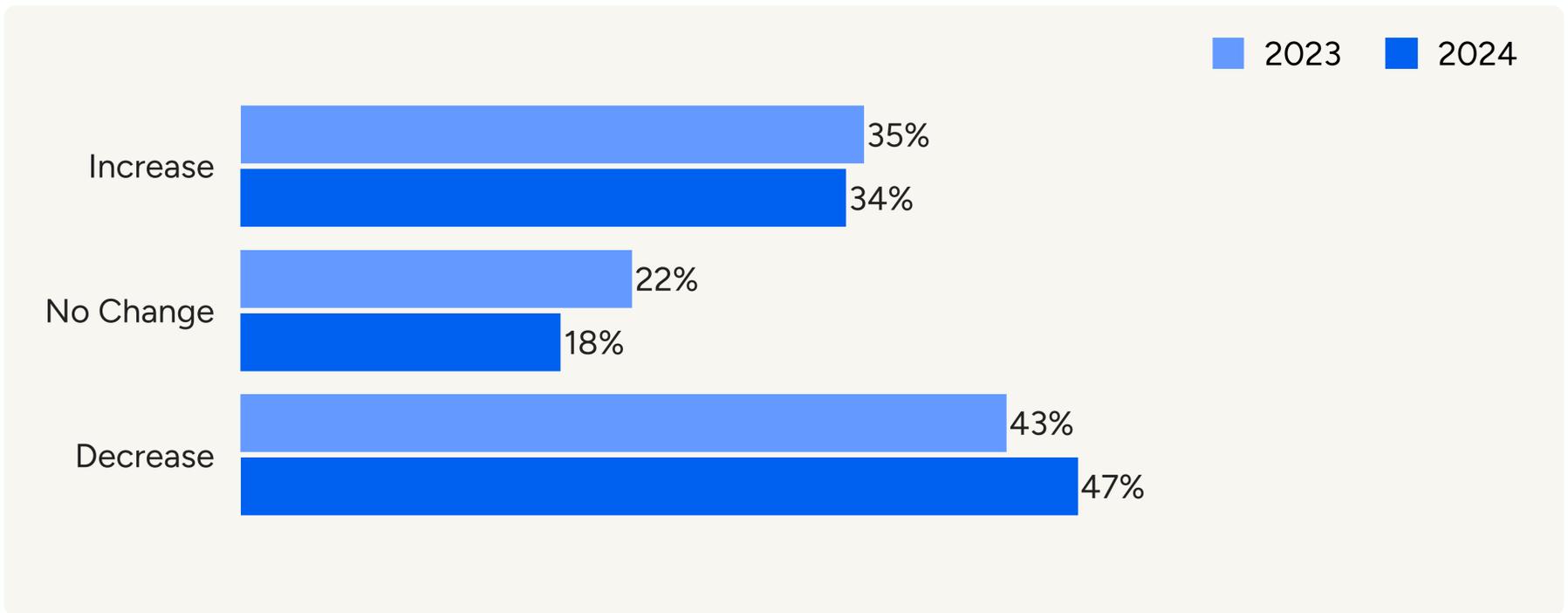




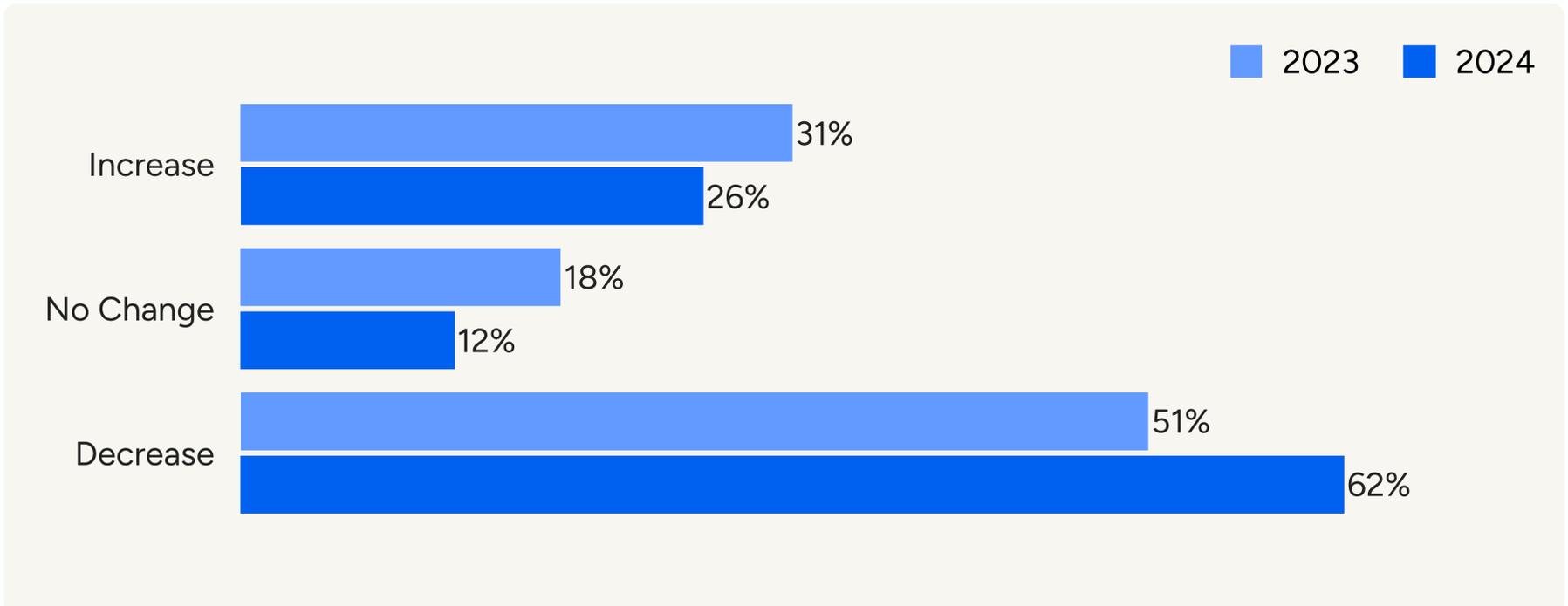
Revenues & Profits in 2024

Charts show the percentage of surveyed businesses on Houzz UK reporting performance in 2024 (vs. 2023).

GROSS REVENUES



GROSS PROFITS (NET INCOME)



INCREASE IN 2024 GROSS REVENUES

Interior Designers	33%
Architects	28%
Design & Build Firms	36%

INCREASE IN 2024 GROSS PROFITS (NET INCOME)

Interior Designers	21%
Architects	13%
Design & Build Firms	29%



Business Challenges in 2024

Chart shows the percentage of surveyed businesses on Houzz UK reporting challenges in 2024.

CHALLENGES AFFECTING BUSINESS



INTERIOR DESIGNERS

Consumers - overly concerned about costs	58%
Difficulty finding prospective customers	50%

ARCHITECTS

Consumers - overly concerned about costs	33%
Weak/uncertain national economy	30%

DESIGN & BUILD FIRMS

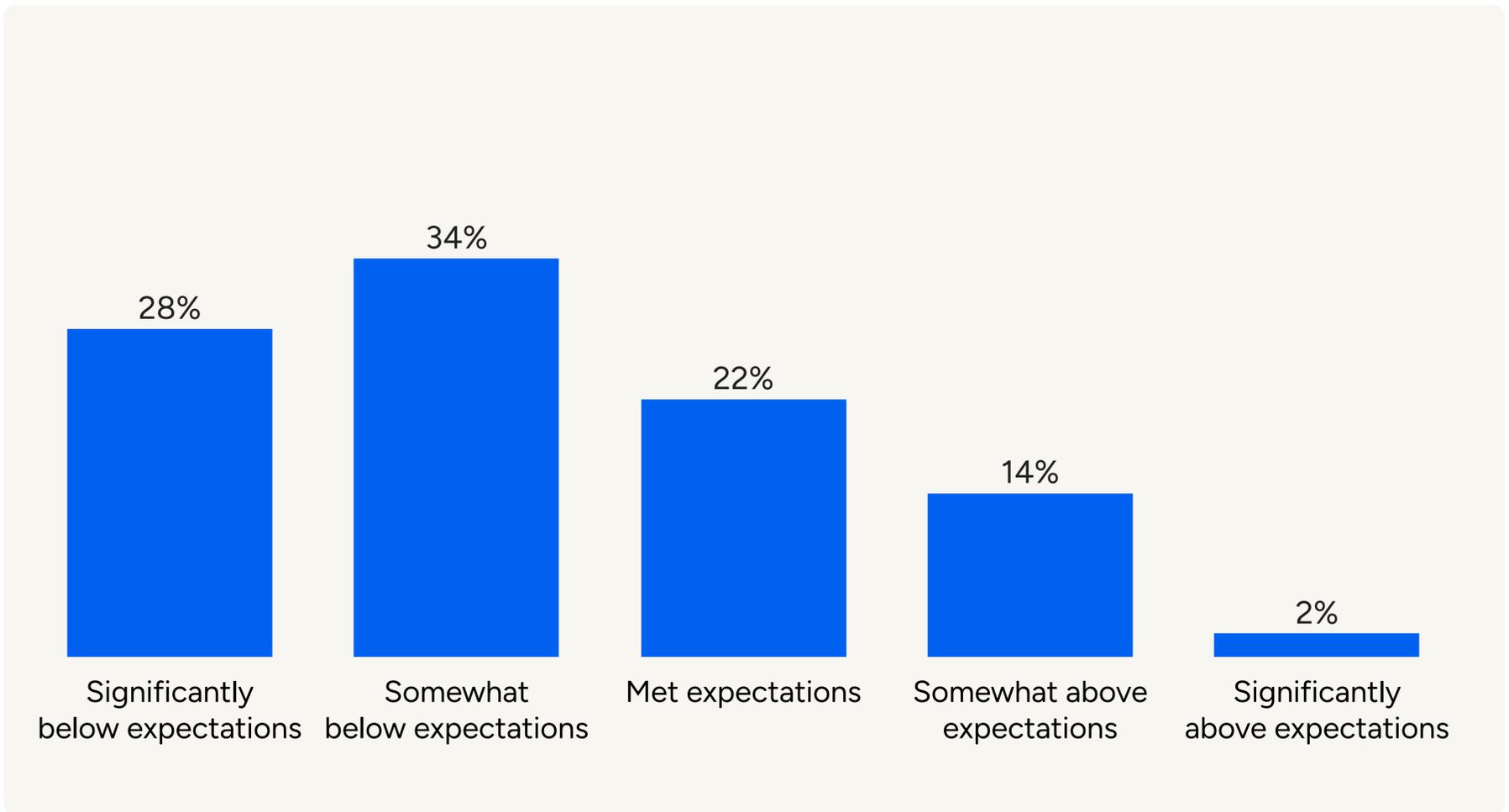
Consumers - overly concerned about costs	71%
Increased cost of doing business	36%



2024 Comparison to the Initial Expectations

Chart shows the percentage of surveyed businesses on Houzz UK reporting how 2024 business performance compared to the initial expectations for 2024.

GROSS REVENUES IN 2024 RELATIVE TO EXPECTATIONS FOR 2024



INTERIOR DESIGNERS

Met expectations	19%
Above expectations	14%
Below expectations	67%

ARCHITECTS

Met expectations	19%
Above expectations	13%
Below expectations	68%

DESIGN & BUILD FIRMS

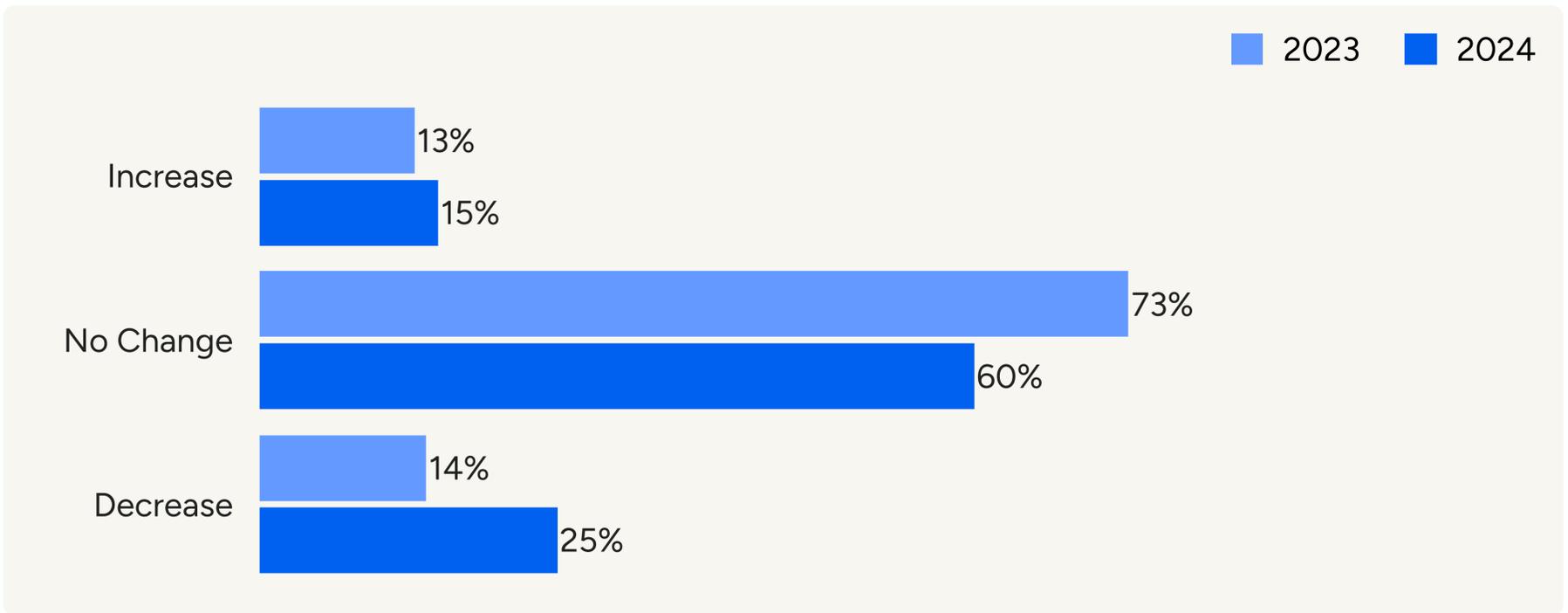
Met expectations	21%
Above expectations	22%
Below expectations	57%



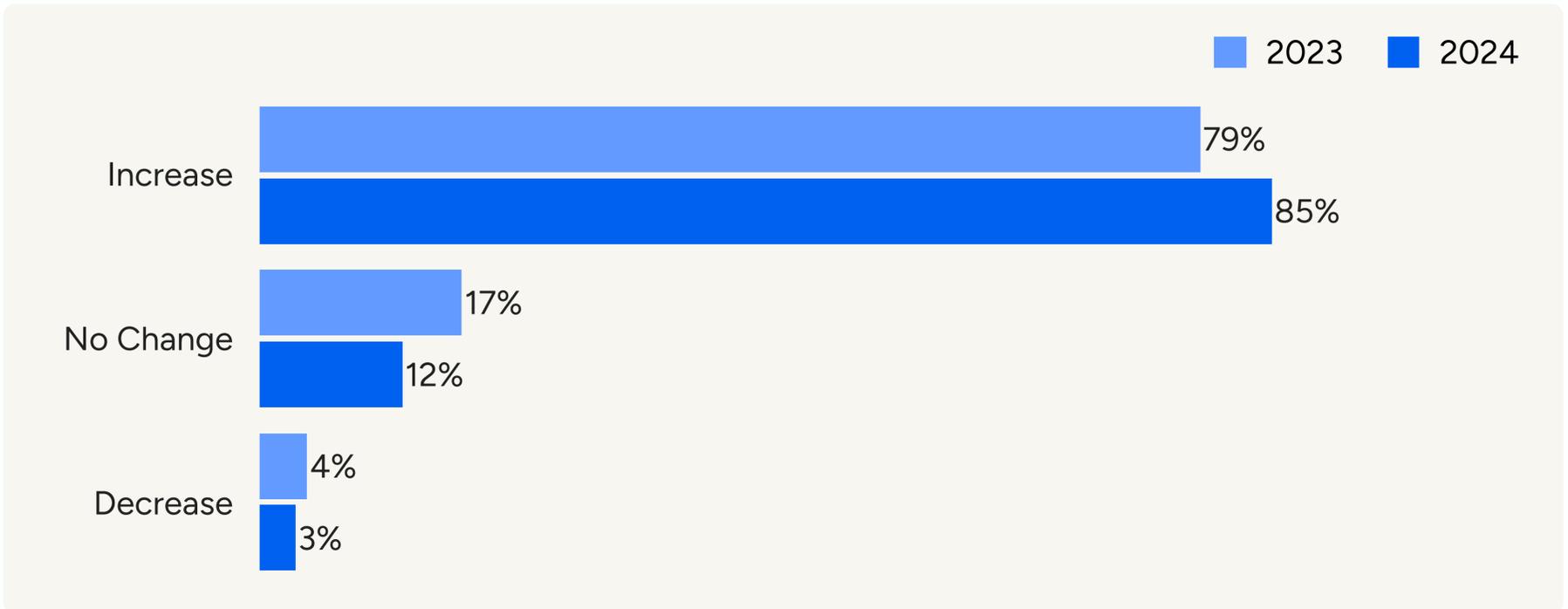
Staffing & Business Costs in 2024

Charts show the percentage of surveyed businesses on Houzz UK reporting performance in 2024 (vs. 2023).

NUMBER OF EMPLOYEES



COST OF DOING BUSINESS



INCREASE IN NUMBER OF EMPLOYEES IN 2024

Interior Designers	14%
Architects	15%
Design & Build Firms	14%

INCREASE IN COST OF DOING BUSINESS IN 2024

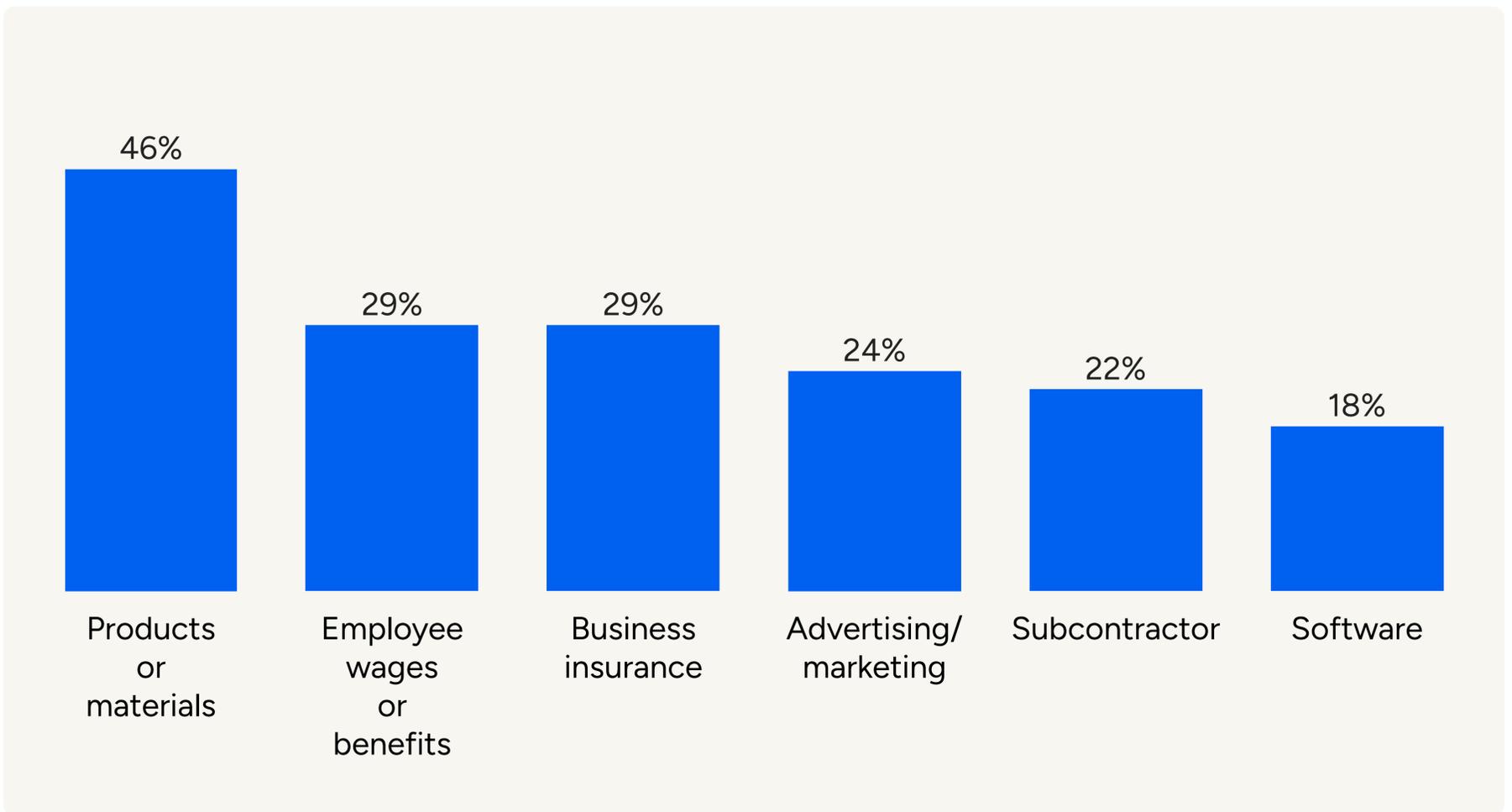
Interior Designers	85%
Architects	81%
Design & Build Firms	93%



Drivers of Increase in Cost of Doing Business in 2024

Chart shows the percentage of surveyed businesses on Houzz UK reporting cost drivers in 2024.

DRIVERS OF INCREASE IN COST OF DOING BUSINESS



INTERIOR DESIGNERS

Advertising/marketing	36%
Product or materials	33%
Software	31%

ARCHITECTS

Business insurance	55%
Employee wages or benefits	45%
Software	24%

DESIGN & BUILD FIRMS

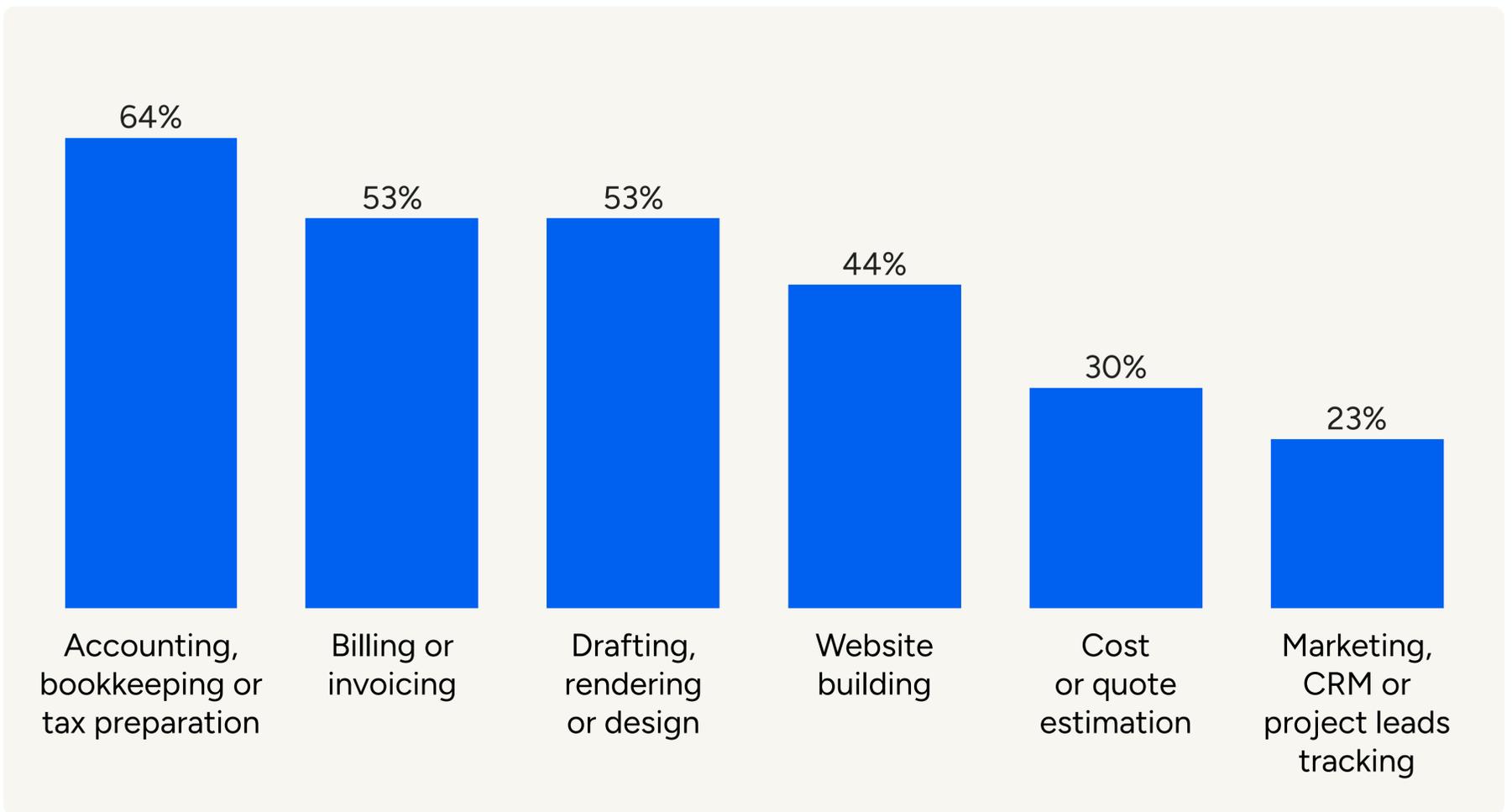
Product or materials	71%
Subcontractors	43%
Employee wages or benefits	36%



Business Software Uses in 2024

Chart shows the percentage of surveyed businesses on Houzz UK reporting software use in 2024.

SPECIALISED SOFTWARE USED FOR BUSINESS



INTERIOR DESIGNERS

Drafting, rendering or design	69%
Accounting, bookkeeping or tax preparation	69%
Billing or invoicing	61%

ARCHITECTS

Drafting, rendering or design	76%
Accounting, bookkeeping or tax preparation	58%
Website building	58%

DESIGN & BUILD FIRMS

Accounting, bookkeeping or tax preparation	50%
Website building	43%
Drafting, rendering or design	36%



Description of Business

The percentage of surveyed* businesses on Houzz UK with the specific characteristics in 2024.

SHARE OF BUSINESSES BY 2024 BUSINESS CHARACTERISTICS

More than £100,000 in Gross Revenues	48%
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One or More Employees	71%
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10 or More Years in Business	64%
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Sole Owner	71%
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* The survey was sent to businesses with profiles on Houzz UK and fielded between 04 December, 2024 – 05 February, 2025. N=160. Business groups were defined based on services that contributed to the largest share of business gross revenues in 2024, as identified by respondents in the survey.