

# **HOZZ AUSTRALIA**

## **2022 State of the Industry**





# Big Ideas

## Interior designers are most optimistic about 2022

Interior designers and decorators are the most optimistic about revenue growth in 2022 (77 percent), followed by home builders and building designers (76 and 72 percent, respectively). Companies across all industry sectors plan to grow revenue by increasing marketing and sales efforts and increasing prices, markups and margins (52 percent, each).

## Revenue growth surpassed expectations in 2021

In 2021, a larger share of businesses reported year-over-year revenue growth than in the last four years (70 percent). Two-thirds of companies reported that revenue growth was at or above their initial expectations for the year (66 percent). Nearly 4 in 5 interior designers reported increases in gross revenues in 2021 (79 percent), followed by building designers and home builders (67 and 63 percent, respectively).

## Hiring is on the rise

More than a quarter of businesses increased headcount in 2021 (28 percent), compared with only 17 percent of businesses who added employees in 2020. Home builders were the most likely to hire last year (47 percent), compared with interior designers and building designers (32 percent, each). Hiring is expected to continue among a third of businesses in 2022 to support revenue growth (34 percent).

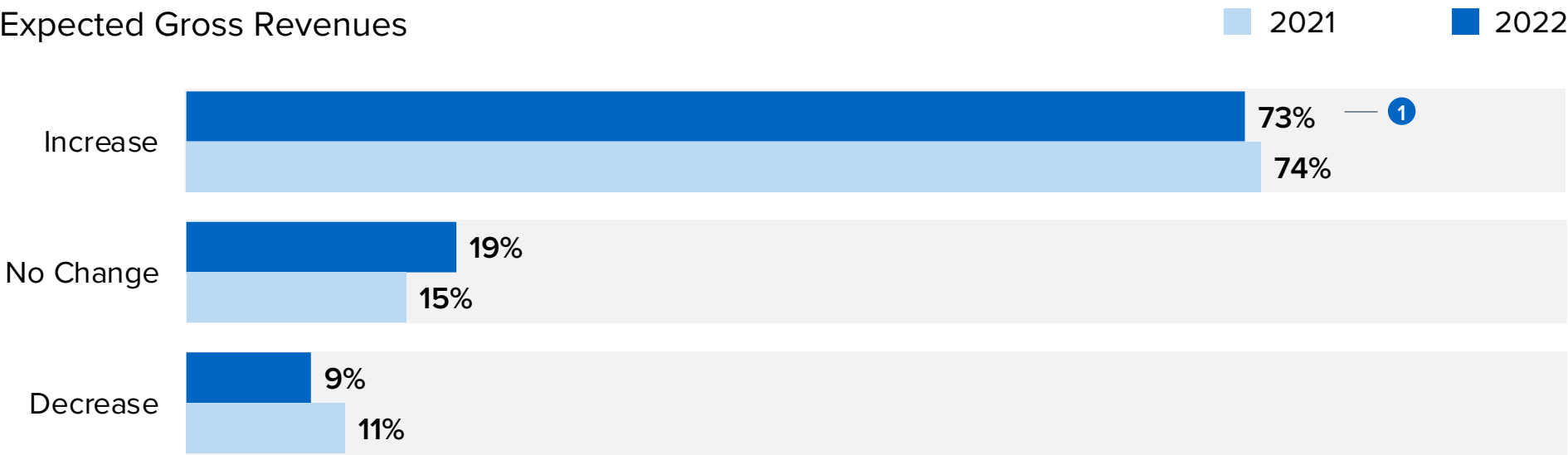
## Increases in the cost of doing business

Nearly seven in 10 businesses reported an increase in the cost of doing business in 2021 (69 percent). Home builders were the most impacted by rising costs (84 percent), followed by interior designers and building designers (70 and 50 percent, respectively). Price volatility of products and materials was one of the top challenges reported by one in five businesses (22 percent).



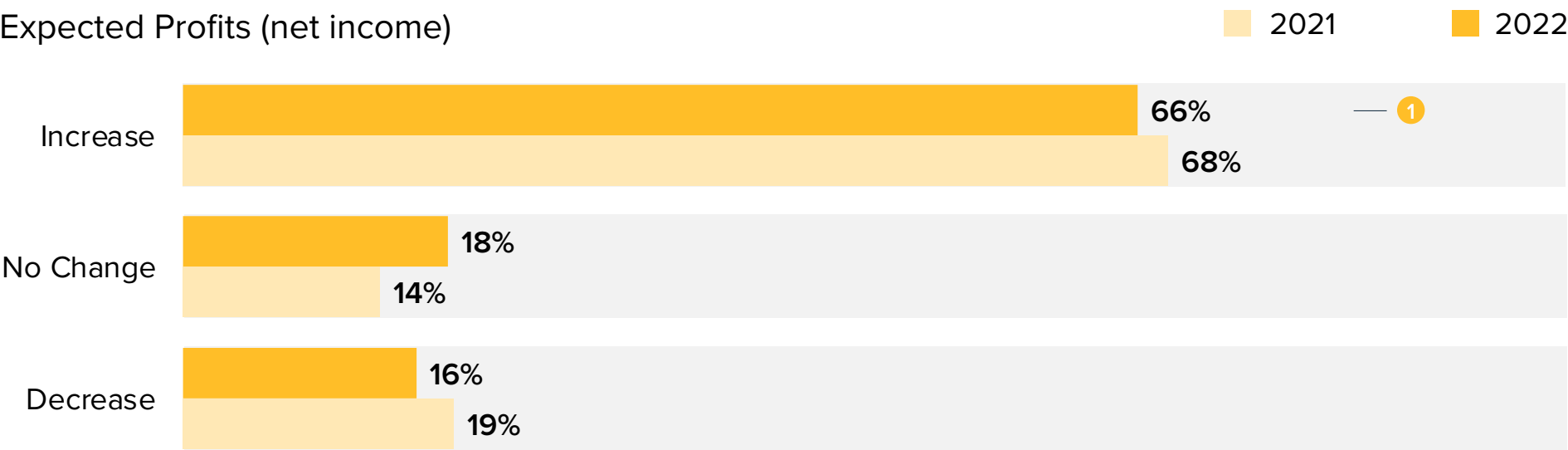
# Expected Revenues & Profits in 2022

Charts show the percentage of surveyed businesses on Houzz Australia expecting revenue growth in 2022 (vs. 2021)



<sup>1</sup> Expected Increase in 2022 Gross Revenues

Interior Designer/Decorator	77%
Building Designer	72%
Home Builder	76%



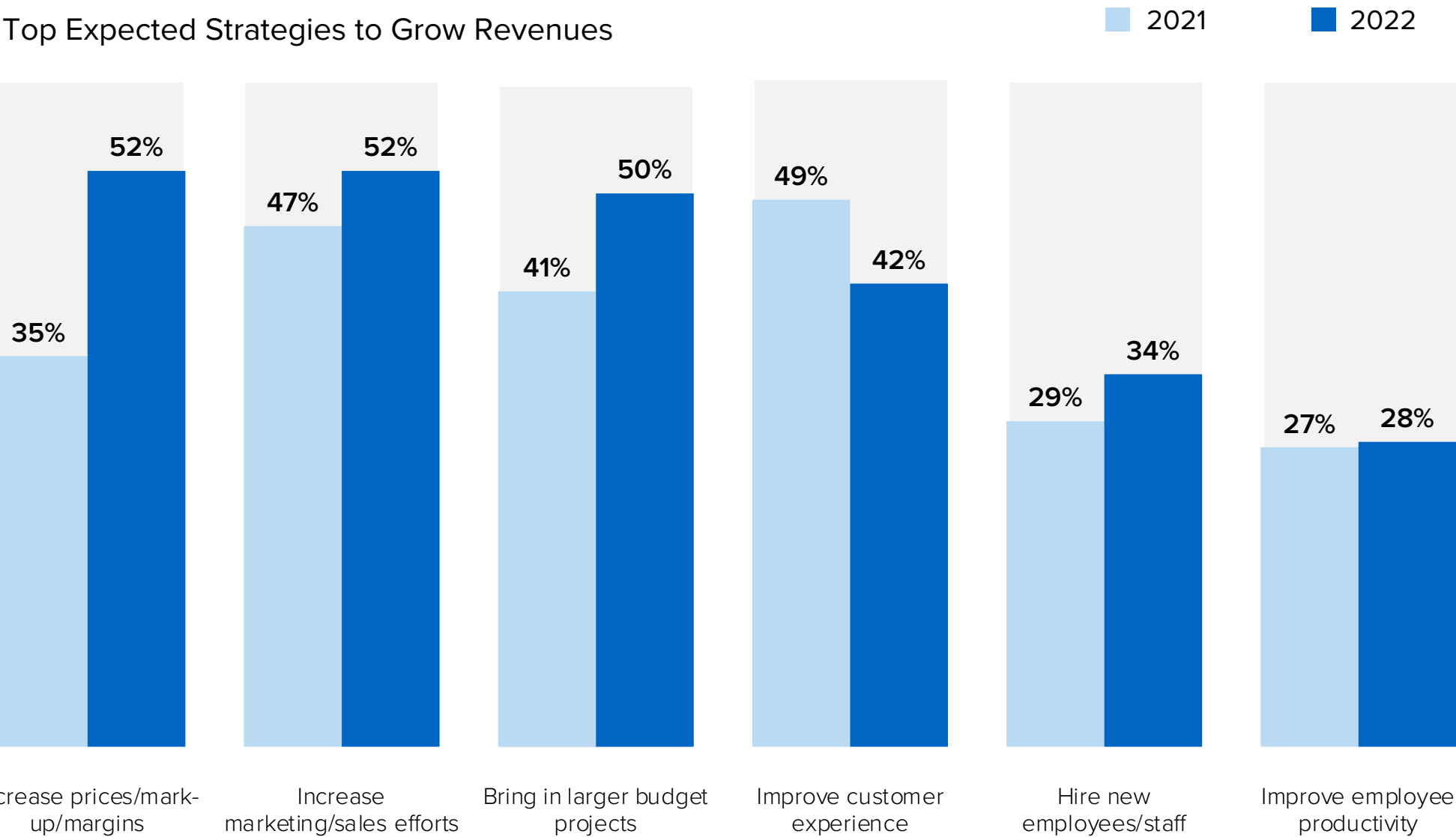
<sup>1</sup> Expected Increase in 2022 Profits (Net Income)

Interior Designer/Decorator	77%
Building Designer	61%
Home Builder	67%

# Top Growth Strategies in 2022

Charts shows the percentage of surveyed businesses on Houzz Australia expecting revenue growth in 2022 (vs. 2021)

Top Expected Strategies to Grow Revenues



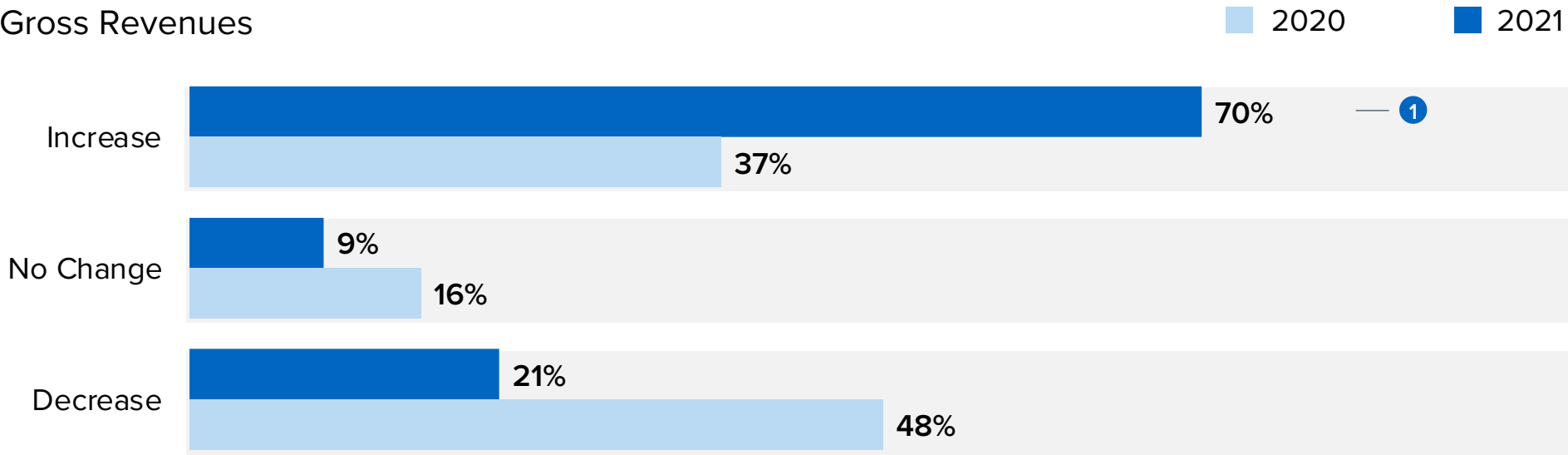
Top Two Expected Strategies to Grow Revenues in 2022

Interior Designer/Decorator		
1	Increase marketing/sales efforts	70%
2	Bring in larger budget projects	61%
Building Designer		
1	Bring in larger budget projects	62%
2	Increase prices/mark-up/margins	62%
Home Builder		
1	Hire new employees/staff	54%
2	Bring in larger budget projects	54%



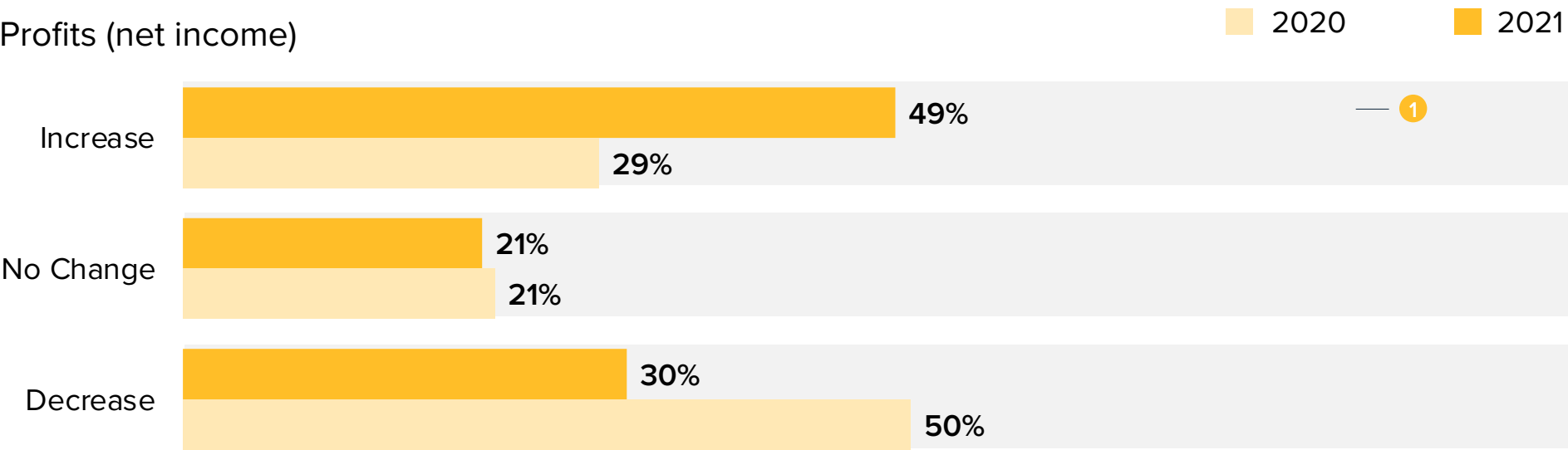
# Revenues & Profits in 2021

Charts show the percentage of surveyed businesses on Houzz Australia reporting reporting performance in 2021 (vs. 2020).



1 Increase in 2021 Gross Revenues

Interior Designer/Decorator	79%
Building Designer	67%
Home Builder	63%

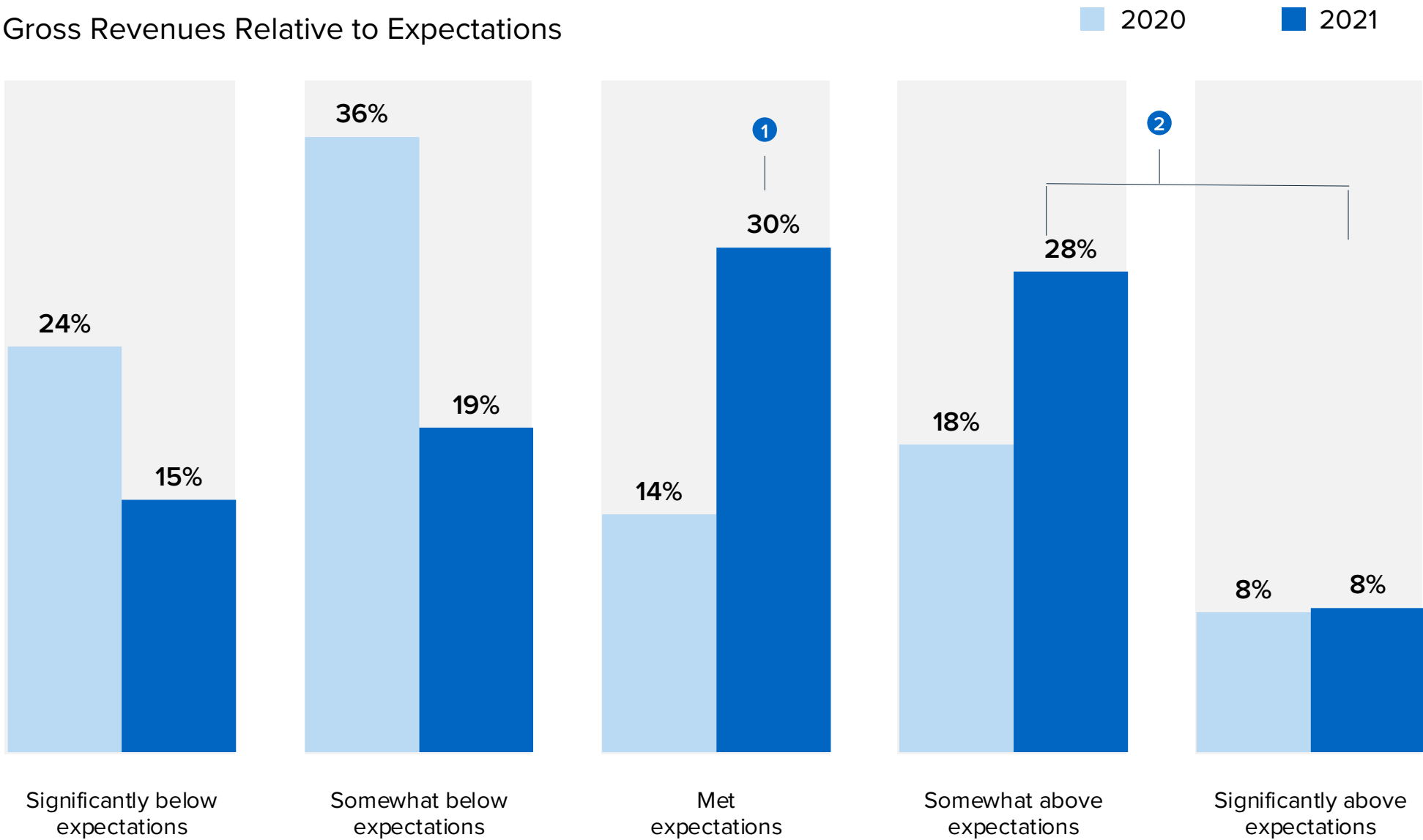


1 Increase in 2021 Gross Profits

Interior Designer/Decorator	57%
Building Designer	59%
Home Builder	32%

# 2021 Comparison to the Initial Expectations

Charts shows the percentage of surveyed businesses on Houzz Australia reporting how 2021 business performance compared to the initial expectations for 2021 (vs. 2020).



## 2021 Comparison to the Initial Expectations

Interior Designer/Decorator	
1 Met expectations	27%
2 Above expectations	47%

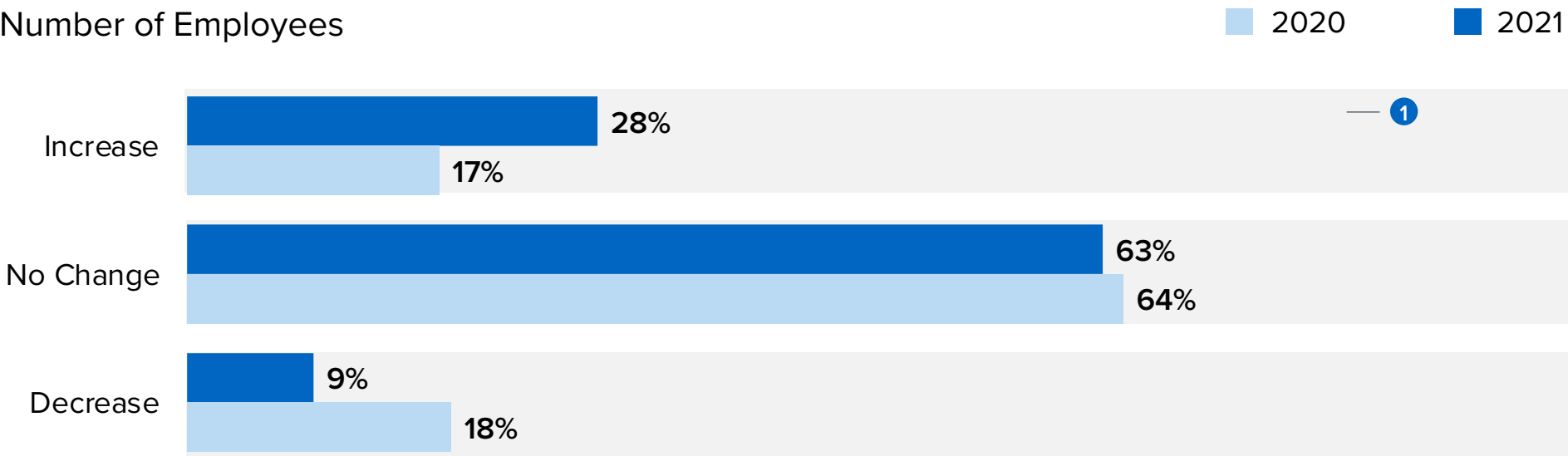
Building Designer	
1 Met expectations	32%
2 Above expectations	42%

Home Builder	
1 Met expectations	17%
2 Above expectations	22%



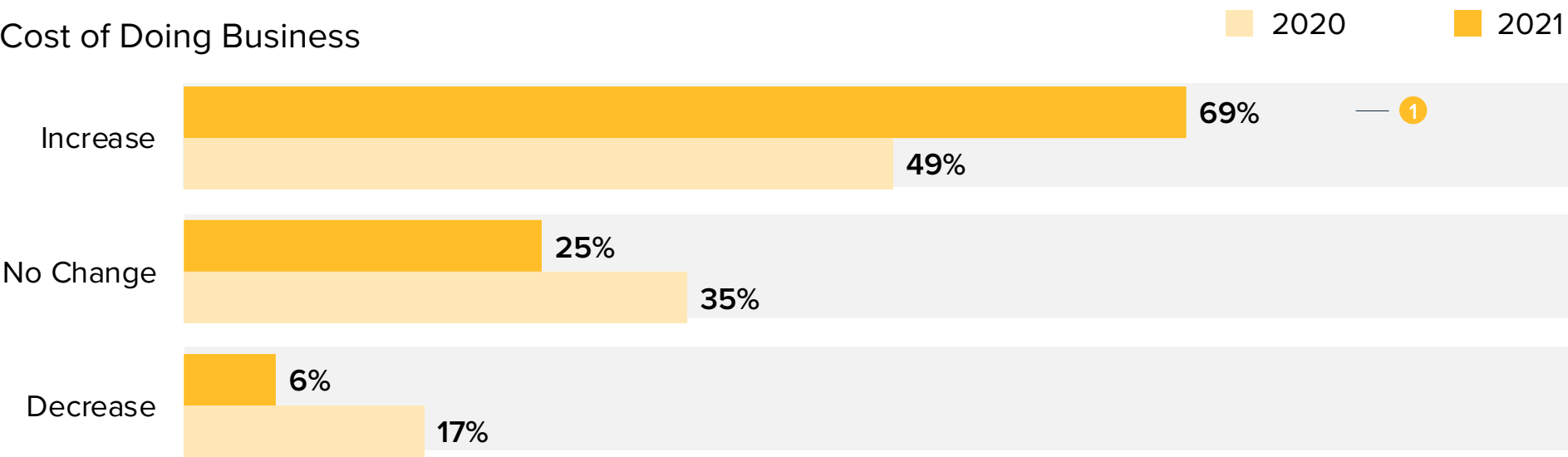
# Staffing & Business Costs in 2021

Charts show the percentage of surveyed businesses on Houzz Australia reporting reporting performance in 2021 (vs. 2020).



1 Increase in Number of Employees in 2021

Interior Designer/Decorator	32%
Building Designer	32%
Home Builder	47%



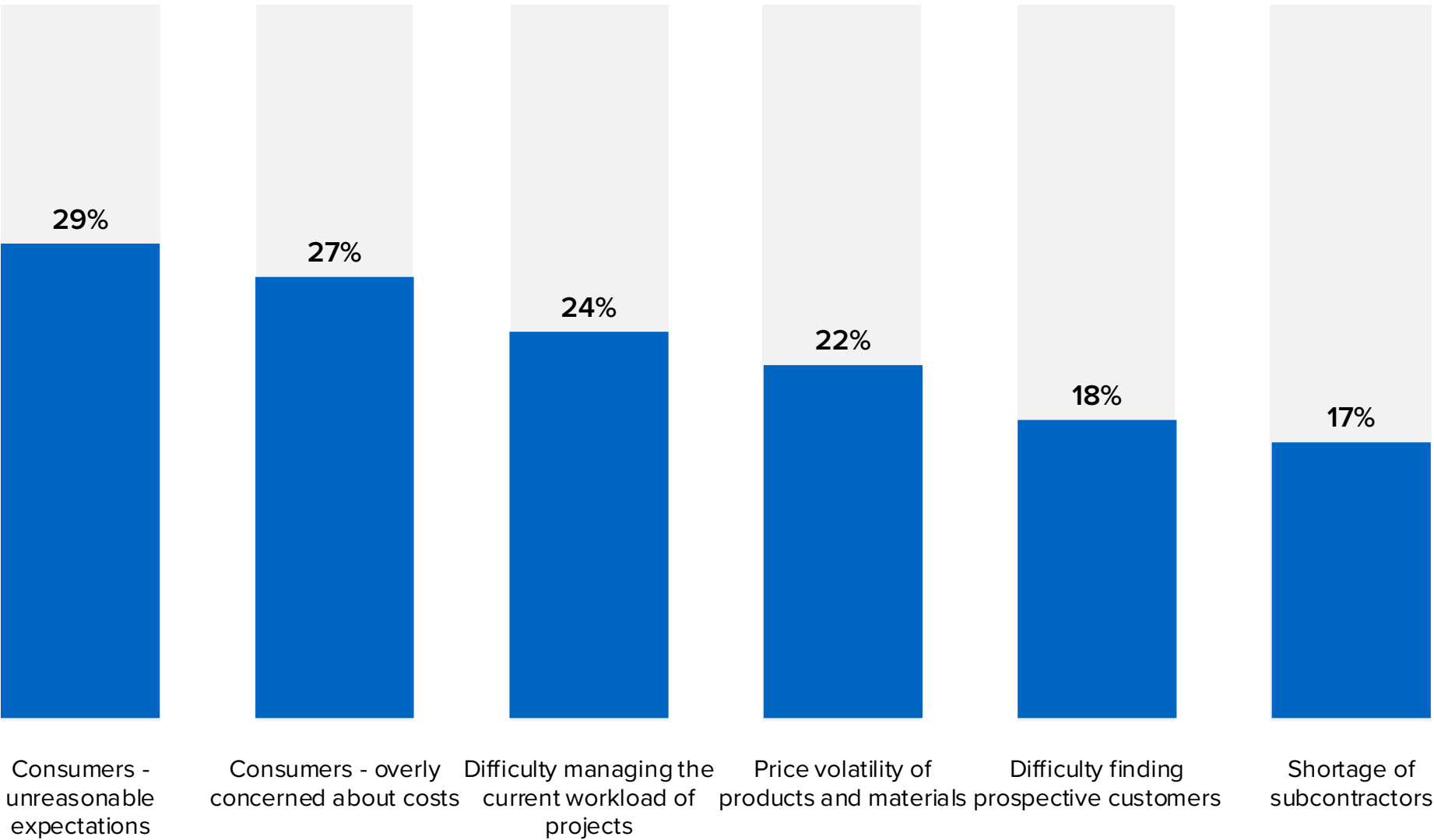
1 Increase in Cost of Doing Business in 2021

Interior Designer/Decorator	70%
Building Designer	50%
Home Builder	84%

# Top Business Challenges in 2021

Charts shows the percentage of surveyed businesses on Houzz Australia reporting challenges in 2021.

Top Challenges Affecting Business



2021 Top Challenges

Interior Designer/Decorator		
1	Consumers - overly concerned about costs	29%
2	Consumers - unreasonable expectations	29%
Building Designer		
1	Consumers - overly concerned about costs	47%
2	Consumers - unreasonable expectations	42%
Home Builder		
1	Difficulty hiring/being understaffed	37%
2	Price volatility of products and materials	32%



# Description of Businesses

The percentage of surveyed businesses on Houzz Australia with the specific characteristics in 2021

Share of Businesses by 2021 Business Characteristics

**More Than AU \$500K In Gross Revenues**  
(Up to AU \$4M or more) **30%**

**One Or More Employees**  
(Up to 500 or more) **64%**

**Ten Or More Years In Business**  
\*Up to 30 or more years in existence **60%**

**Sole Owner Responding To Survey** **68%**



# Methodology



The survey was sent to businesses with profiles on Houzz Australia and fielded between February 21, 2022 – 9 March, 2022. N=147.

## Description of Business Groups by Core Services\*

### Pro Categories in Survey (Sample N)

Architect/Designer (N=70)

Builder/Contractor (N=23)

Design-Build (N=12)

Specialty - Building & Renovation (N=15)

Specialty - Decorating (N=22)

Specialty - Landscaping & Outdoor (N=5)

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

Interior Designer/decorator (N=31)

Building Designer (N=19)

Home Builder (N=19)

\*Business groups were defined based on services that contributed to the largest share of business gross revenues in 2021, as identified by respondents in the survey.