

**HOUZZ AUSTRALIA**

# **2023 State of the Industry**





# Big Ideas

## A forecast for 2023

More than half of the residential companies surveyed expect this will be a good or very good year (53%), and 36% express a neutral outlook. Interior designers and decorators are the most optimistic, with 81% anticipating a good or very good year, followed by home builders (67%).

## Increased demand anticipated

In 2023, a larger share of businesses believe that demand for their services will improve (51%), rather than decrease (36%). Interior designers and decorators, in line with their overall outlook for business in 2023, feel confident about demand this year, with more than half anticipating an increase (53%) and only one in eight expecting it to decline (13%).

## Expectations for revenue

More businesses among the industry groups surveyed expect increases in revenue in 2023 (56%) than those expecting decreases (26%), albeit the sentiment is less widespread than last year.

## Cost of doing business rise

More firms across all of the industry groups cited an increase in the cost of doing business (84%) versus those citing a decrease (5%), with the share of businesses reporting an increase rising by 15 percentage points this year (84% compared with 69% in 2021).





# Contents

4	■ 2023 Outlook
9	■ 2022 in Focus
14	■ Description of Businesses





# 2023 Outlook

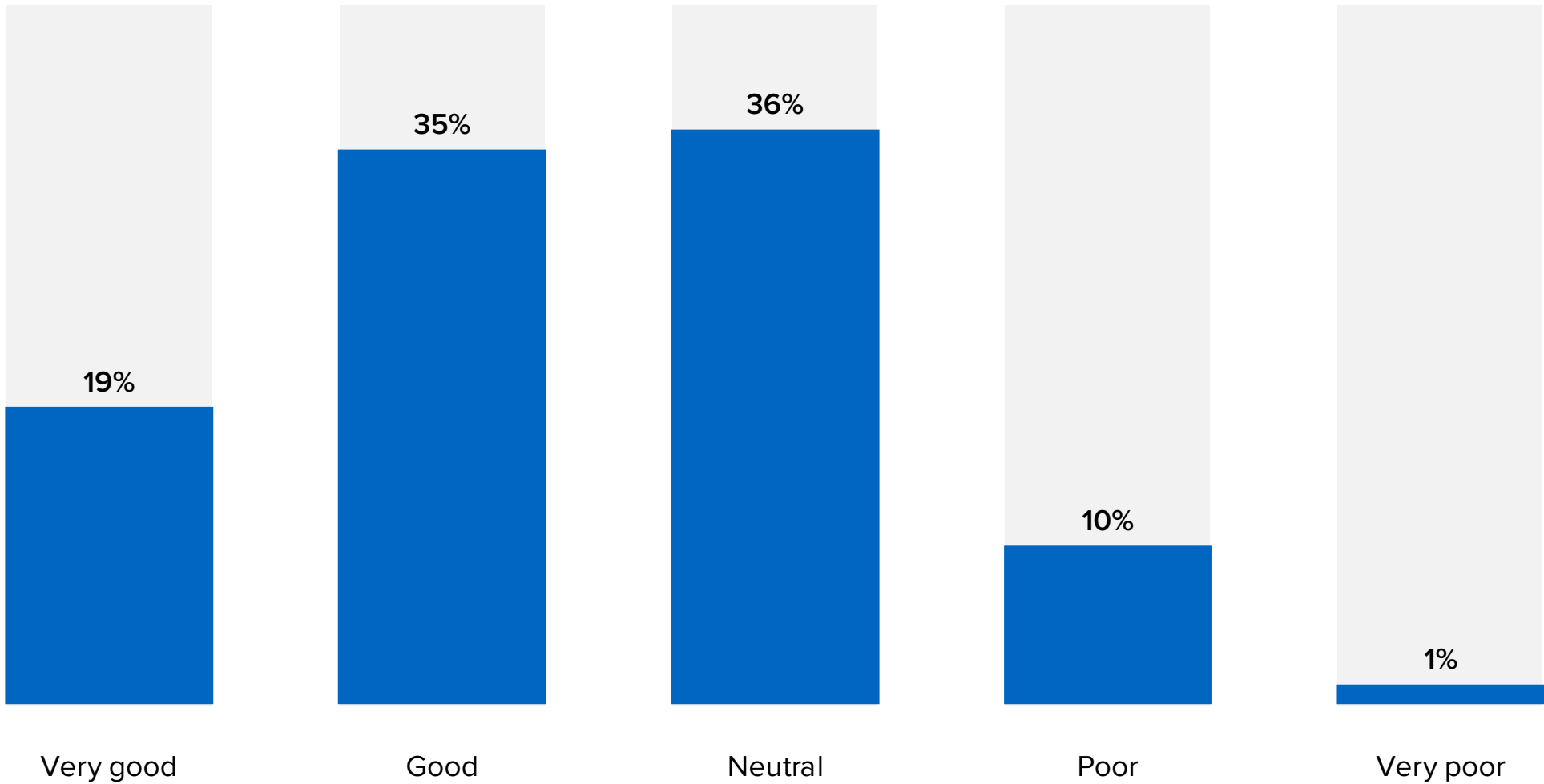




# 2023 Outlook

Charts show the percentage of surveyed businesses on Houzz Australia reporting their outlook for 2023.

Business Outlook



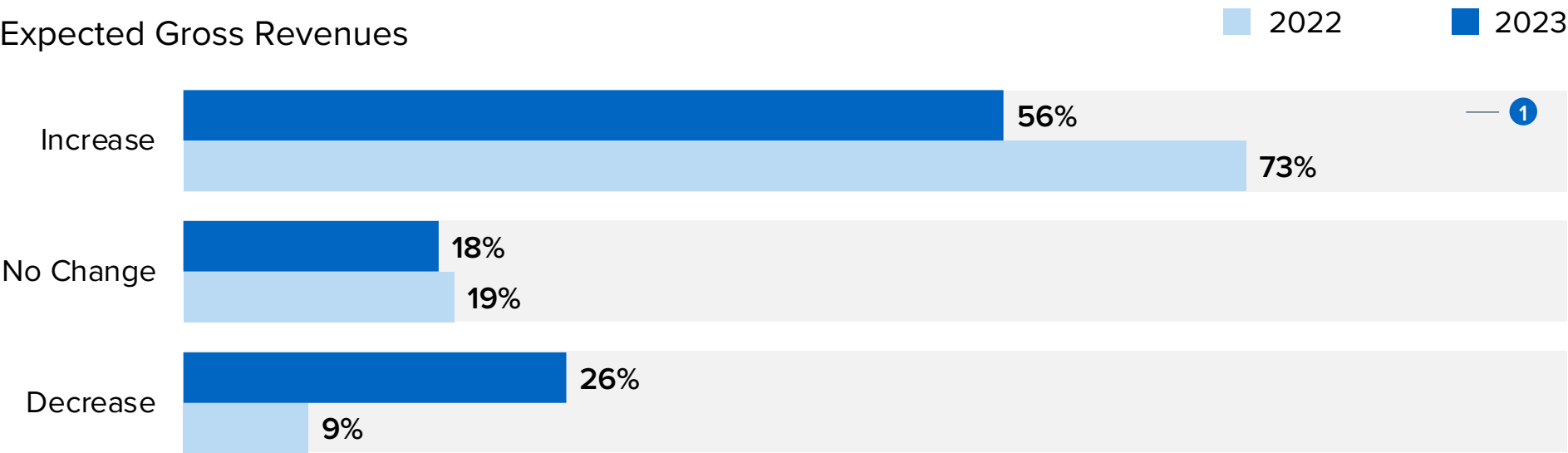
2023 Outlook

Building Designer	
Good to a very good year	56%
Neutral	25%
Poor to a very poor year	19%
Interior Designer/decorator	
Good to a very good year	81%
Neutral	13%
Poor to a very poor year	6%
Home Builder	
Good to a very good year	67%
Neutral	25%
Poor to a very poor year	8%



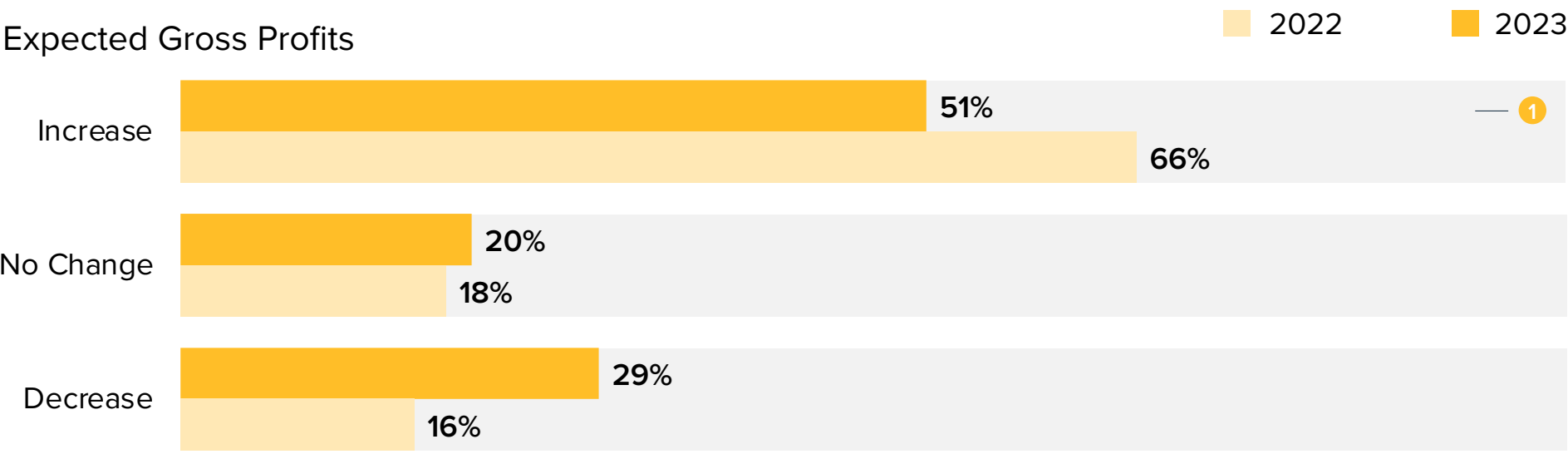
# Expected Revenues & Profits in 2023

Charts show the percentage of surveyed businesses on Houzz Australia expecting revenue growth in 2023 (vs. 2022).



1 Expected Increase in 2023 Gross Revenues

Building Designer	50%
Interior Designer/decorator	76%
Home Builder	55%



1 Expected Increase in 2023 Profits (Net Income)

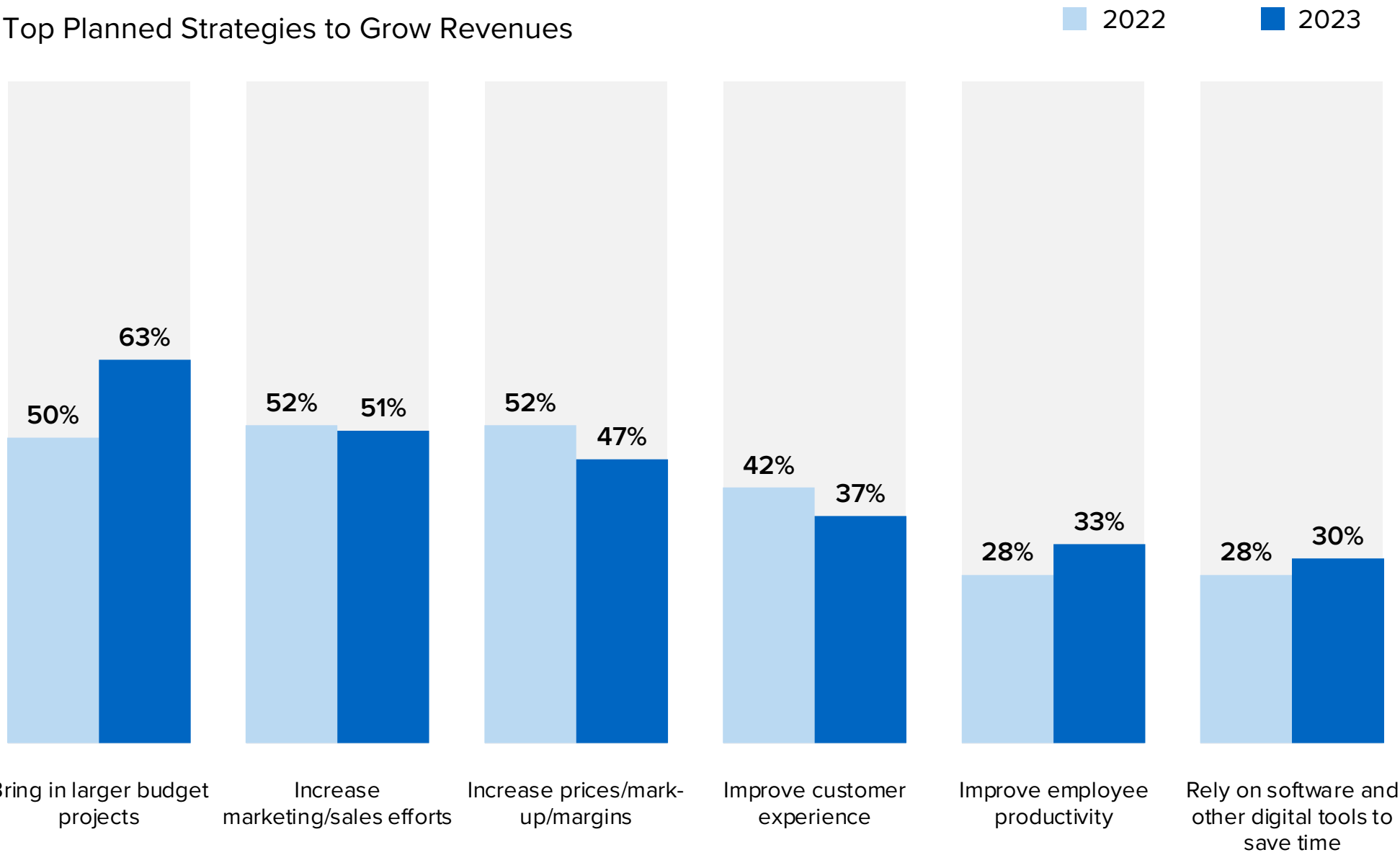
Building Designer	41%
Interior Designer/decorator	71%
Home Builder	50%



# Top Growth Strategies in 2023

Charts shows the percentage of surveyed businesses on Houzz Australia reporting planned strategies to grow revenue in 2023 (vs. 2022).

Top Planned Strategies to Grow Revenues



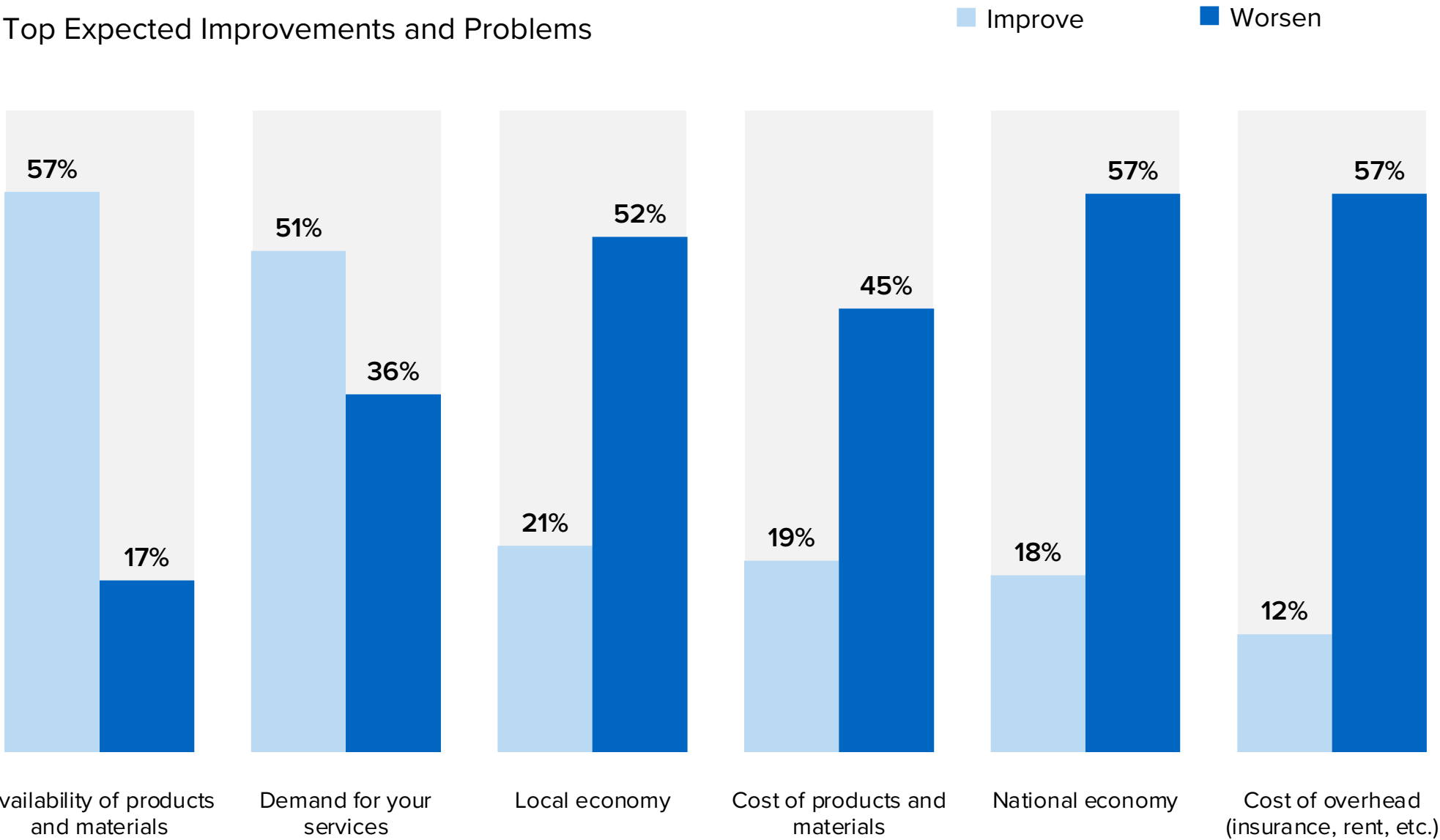
Top Two Planned Strategies to Grow Revenues in 2023

Building Designer		
1	Bring in larger budget projects	89%
2	Increase marketing/sales efforts	56%
Interior Designer/decorator		
1	Bring in larger budget projects	73%
2	Increase marketing/sales efforts	45%
Home Builder		
1	Bring in larger budget projects	83%
2	Increase prices/mark-up/margins	67%



# Top Improvements and Problems in 2023

Charts shows the percentage of surveyed businesses on Houzz Australia reporting on expected improvements and problems in 2023.



## 2023 Top Improvements and Problems

Building Designer		
■	Availability of products and materials	54%
■	National economy	75%
Interior Designer/decorator		
■	Demand for your services	53%
■	Local economy	53%
Home Builder		
■	Demand for your services	50%
■	Local economy	45%



# 2022 in Focus

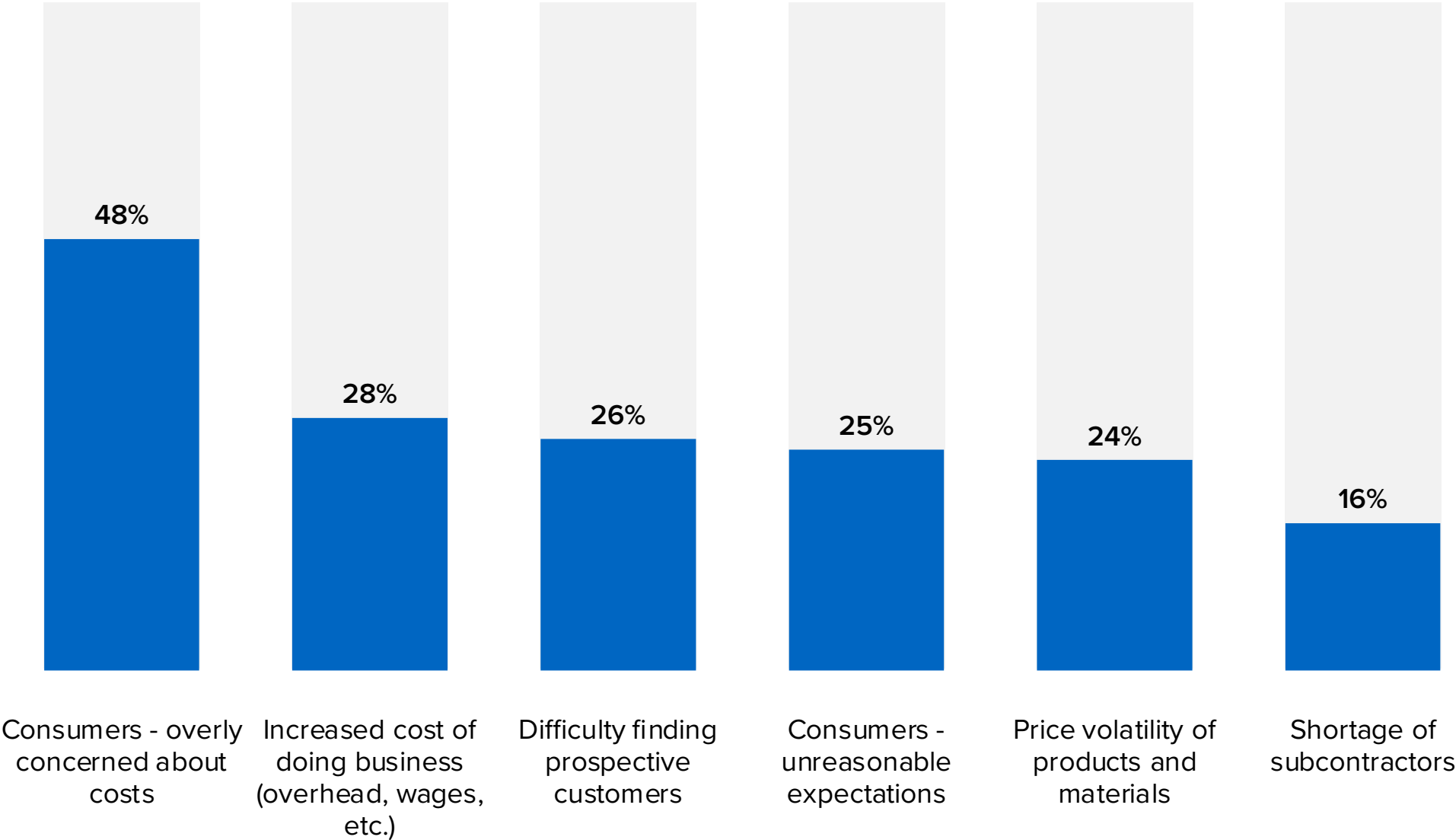




# Top Business Challenges in 2022

Charts shows the percentage of surveyed businesses on Houzz Australia reporting challenges in 2022.

Top Challenges Affecting Business



2022 Top Two Challenges

### Building Designer

- 1 Consumers - overly concerned about costs **63%**
- 2 Consumers - unreasonable expectations **37%**

### Interior Designer/decorator

- 1 Consumers - overly concerned about costs **53%**
- 2 Increased cost of doing business (overhead, wages, etc.) **35%**

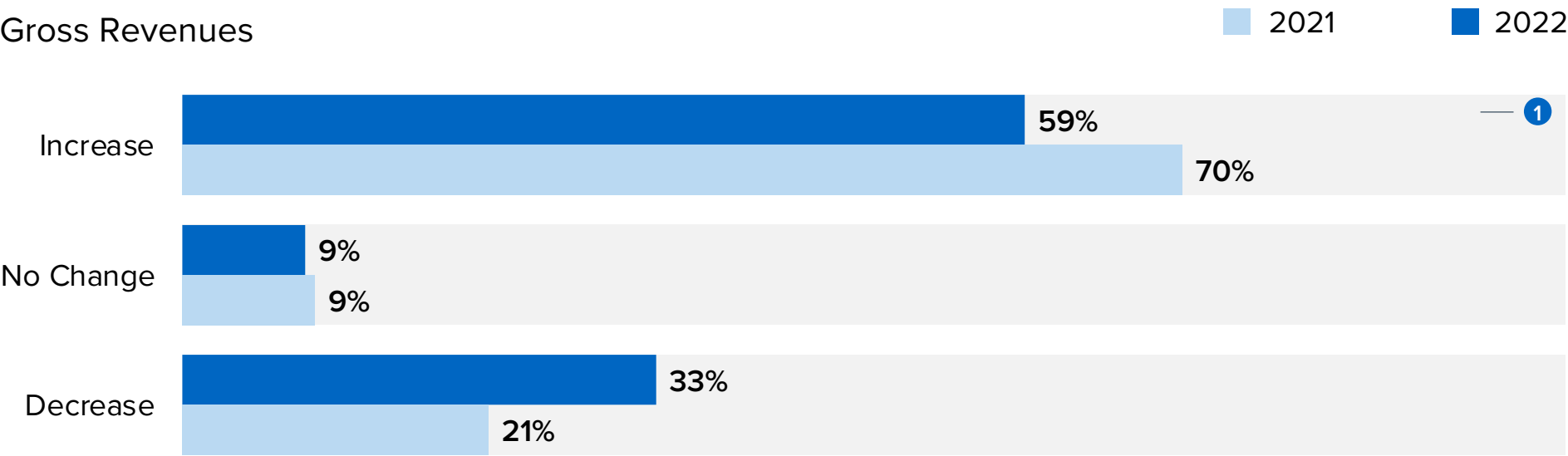
### Home Builder

- 1 Price volatility of products and materials **42%**
- 2 Consumers - overly concerned about costs **33%**



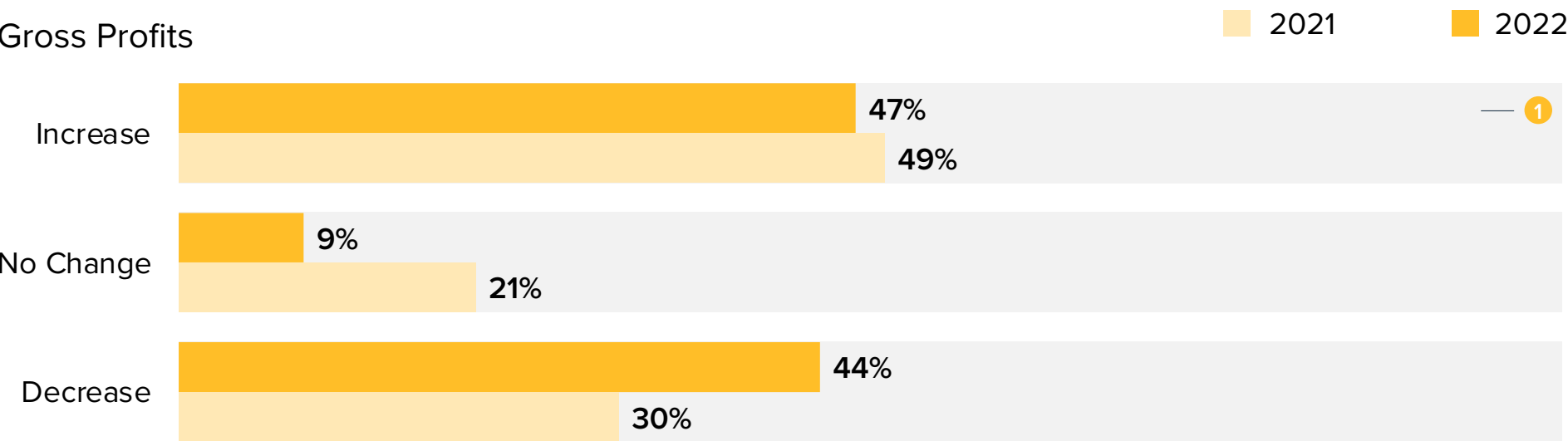
# Revenues & Profits in 2022

Charts show the percentage of surveyed businesses on Houzz Australia reporting performance in 2022 (vs. 2021).



1 Increase in 2022 Gross Revenues

Building Designer	42%
Interior Designer/decorator	82%
Home Builder	82%



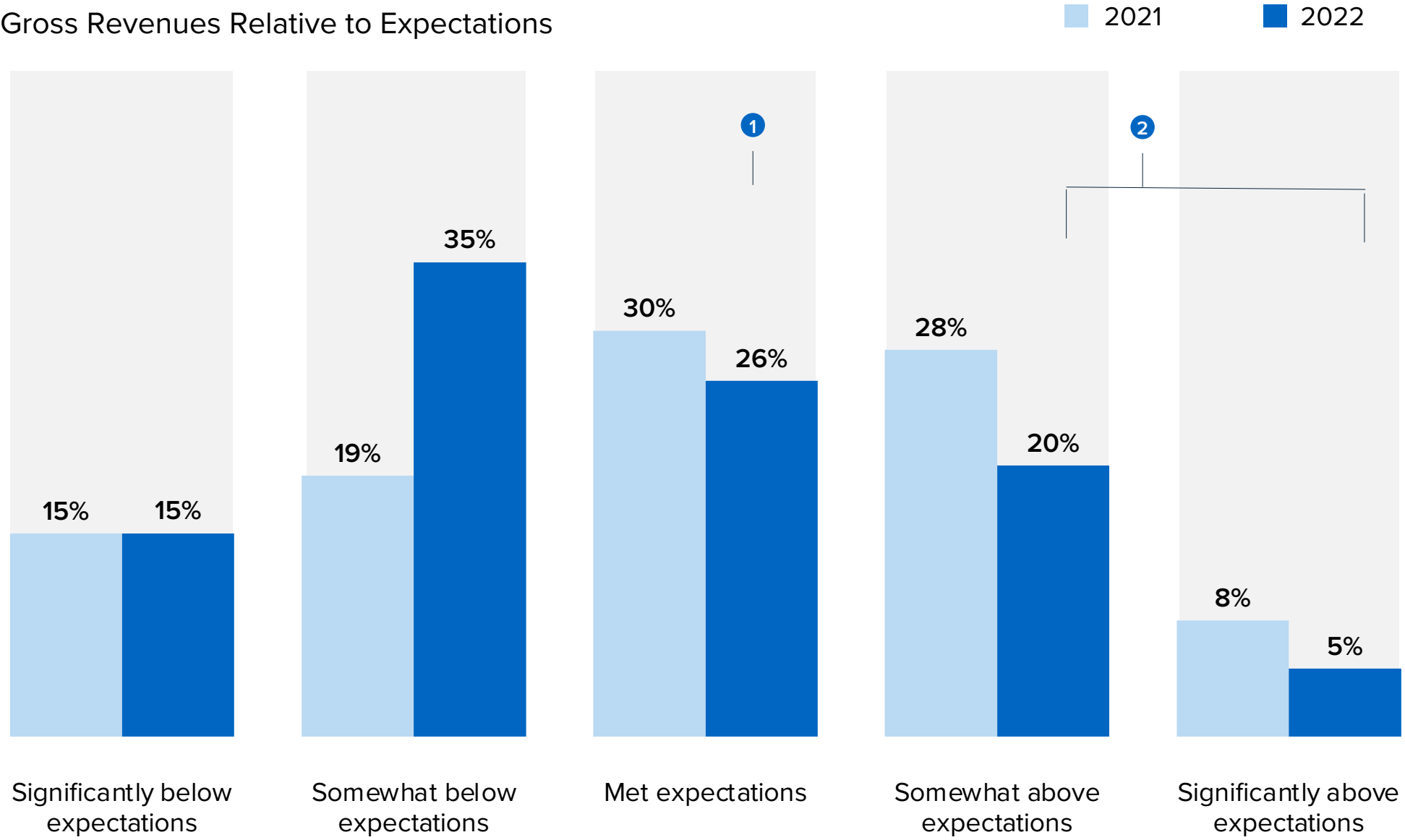
1 Increase in 2022 Profits

Building Designer	39%
Interior Designer/decorator	65%
Home Builder	58%



# 2022 Comparison to the Initial Expectations

Charts shows the percentage of surveyed businesses on Houzz Australia reporting how 2022 business performance compared to the initial expectations for 2022 (vs. 2021).



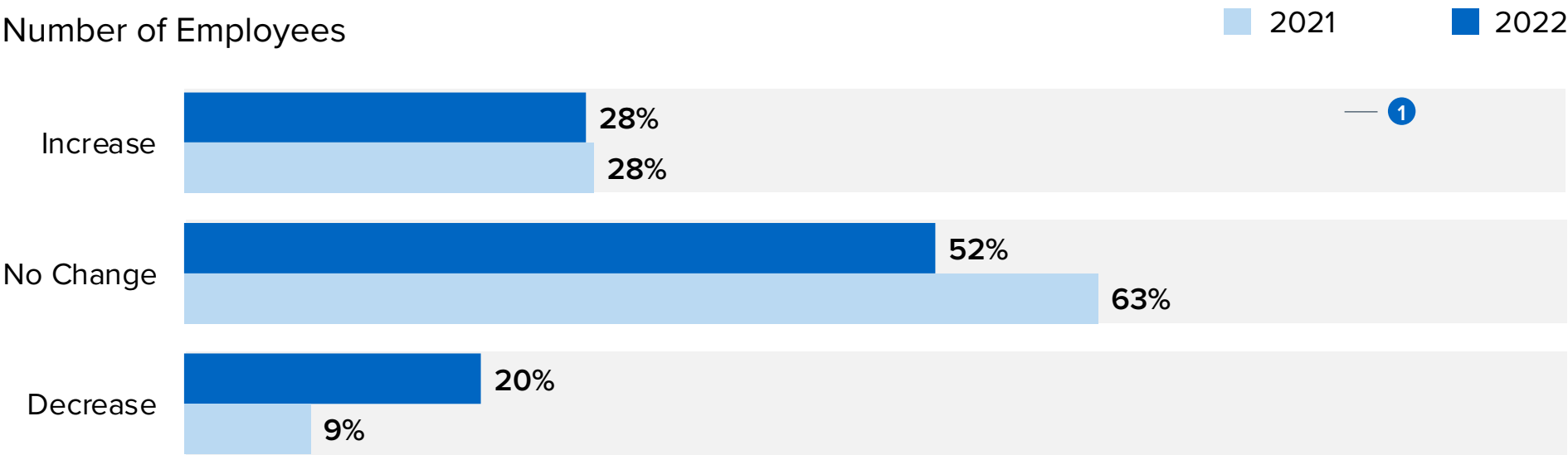
## 2022 Comparison to the Initial Expectations

Building Designer	
1 Met expectations	28%
2 Above expectations	11%
Interior Designer/decorator	
1 Met expectations	35%
2 Above expectations	41%
Home Builder	
1 Met expectations	25%
2 Above expectations	33%



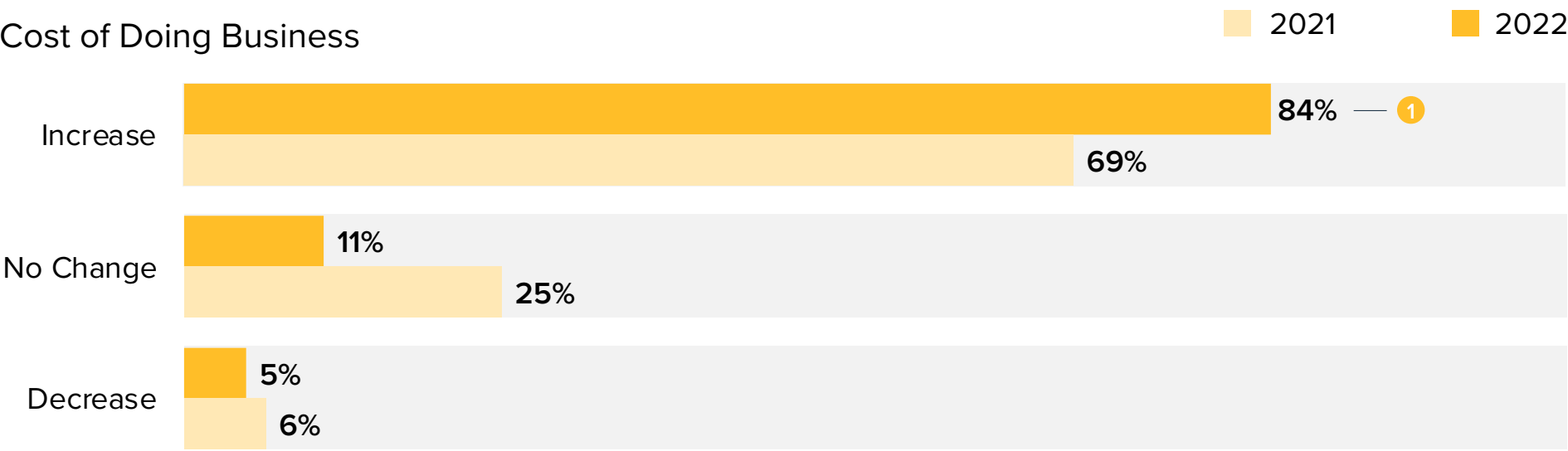
# Staffing & Business Costs in 2022

Charts show the percentage of surveyed businesses on Houzz Australia reporting performance in 2022 (vs. 2021).



1 Increase in Number of Employees in 2022

Building Designer	17%
Interior Designer/decorator	25%
Home Builder	58%



1 Increase in Cost of Doing Business in 2022

Building Designer	72%
Interior Designer/decorator	76%
Home Builder	100%

# Description of Businesses

The percentage of surveyed\* businesses on Houzz Australia with the specific characteristics in 2022

## Share of Businesses by 2022 Business Characteristics

More Than AU\$500K In Gross Revenues	38%
One Or More Employees	72%
Ten Or More Years In Business	61%
Sole Owner Responding To Survey	67%

\*The survey was sent to businesses with profiles on Houzz Australia and fielded between December 12, 2022 – 24 January 2023. N=85. Business groups were defined based on services that contributed to the largest share of business gross revenues in 2022, as identified by respondents in the survey.

