2018

HOUZZ & HOME

Overview of U.S. Renovation in 2017 and 2018

Big Ideas

HOME RENOVATION BOOM CONTINUES

Half of homeowners on Houzz plan to begin or continue renovations in 2018 (51%), with a median planned spend of $10,000. Renovation activity and spend were strong in 2017, extending the boom of 2015 and 2016, with 58% of homeowners renovating their homes, at a median spend of $15,000. While homeowners who have lived in their current homes for six or more years drive the majority of renovations, activity among recent homebuyers is growing.

KITCHENS AND BATHROOMS LEAD ACTIVITY AND SPEND

The median spend on kitchen remodels increased 10% year over year in 2017, while master bathrooms overtook living/family rooms as the third-most-popular room to renovate, after kitchens and guest/other bathrooms. Four in five renovating homeowners report that kitchen and master bathroom upgrades increased the value of their homes (83% and 81%, respectively), far more than any other renovation project (48% to 76%).

PLANNING IS MORE DELIBERATE

Homeowners have become more deliberate in planning for renovations, as reflected in budgeting, project and hiring trends. For example, homeowners were 12% more likely to set a budget in 2017 (77%) than in 2015 (69%). Similarly, homeowners are increasingly more likely to tackle multiple preventative projects at a time, such as home systems and exterior features upgrades, and to hire specialists to complete them.

RENOVATION SPEND JUMPS IN HOUSTON AND LOS ANGELES

Reflecting the impact of the 2017 Atlantic hurricane season, median spend on renovations in the Houston metro area increased 60% year over year, making it the fourth-highest spend among U.S. metros ($24,000). The Los Angeles metro area, tying for the second-highest spend at $25,000, saw the second-largest spending increase (25%), likely a reflection of the damage caused by wildfires. Renovations triggered by natural disasters increased to 6% in 2017 from 4% in 2016.

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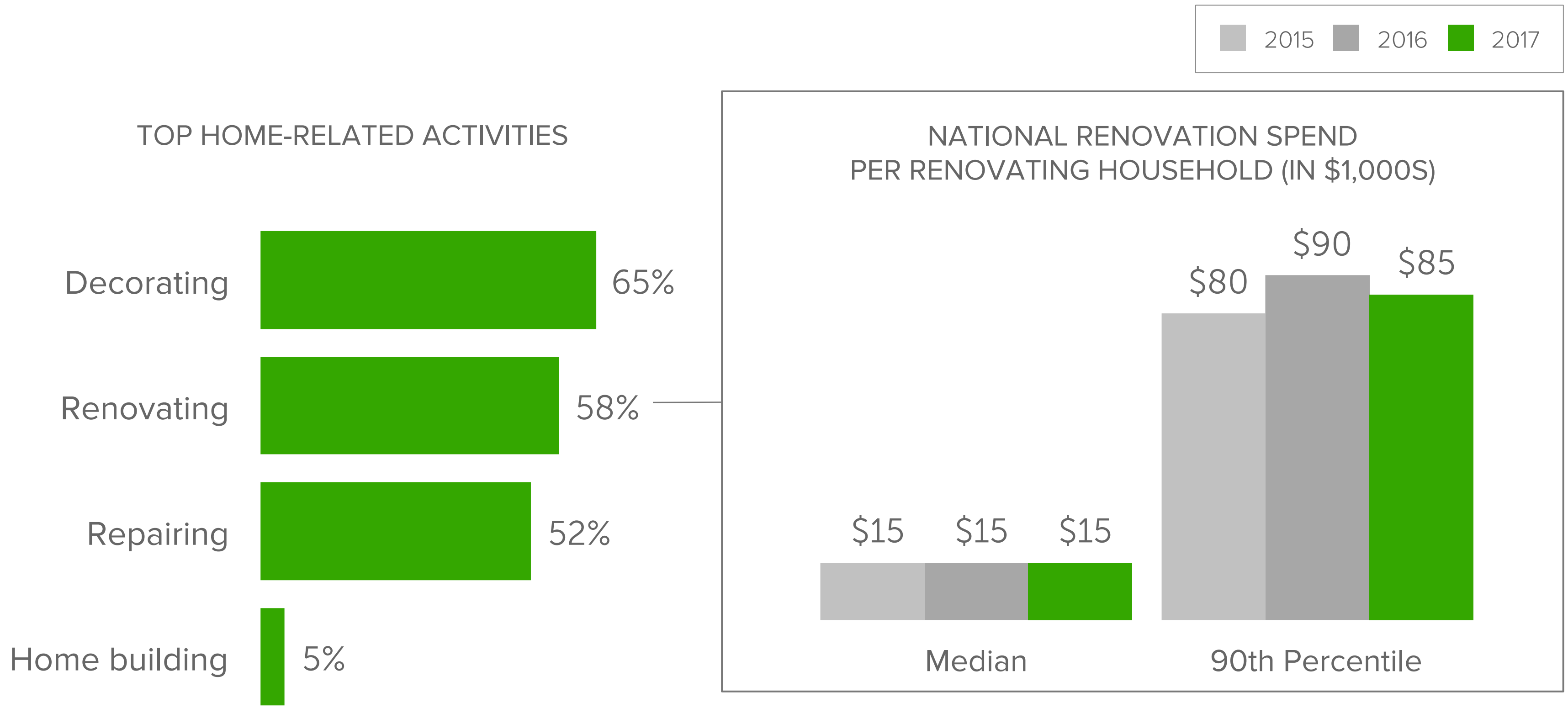
2017 AND 2018 OVERVIEW

Median Renovation Spend Holds Steady at $15,000

Consistent with prior years' findings, homeowners on Houzz are actively engaged in home projects such as decorating (65%), renovating (58%) and/or repairing (52%). A typical (median) renovating homeowner on Houzz spent $15,000 in 2017, in line with the median spends of 2016 and 2015. The top 10% of spenders in 2017 invested $85,000 or more in 2017, with considerably higher volatility year over year.

FREQUENCY OF HOME-RELATED ACTIVITIES AND RENOVATION SPEND AMONG HOMEOWNERS

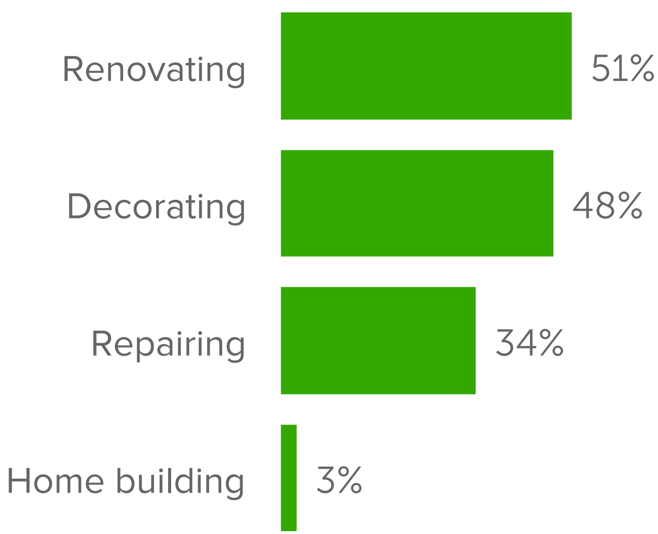


2018 Promises to Keep Pace

Half of homeowners on Houzz plan to continue or start renovations in 2018 (51%), with a median spend of $10,000 per renovating homeowner. Given the consistency in expectations for the last three years, 2018 is on track to be another robust year for the home improvement market.

FREQUENCY OF PLANNED 2018 ACTIVITIES AND RENOVATION SPEND AMONG HOMEOWNERS

TOP PLANNED HOME-RELATED ACTIVITIES



NATIONAL PLANNED RENOVATION SPEND PER RENOVATING HOUSEHOLD (IN $1,000S)

$10	$50
Median	90th Percentile

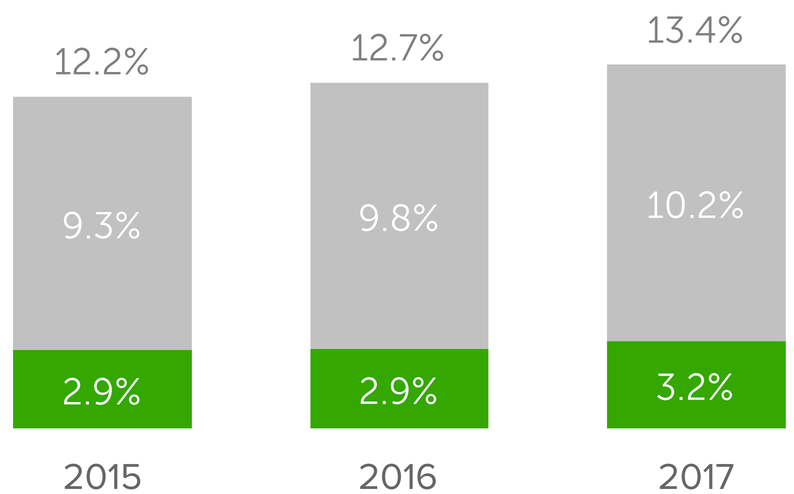
2017 NATIONAL RENOVATION SPEND AND FINANCING

Renovation Is Up Among Recent Buyers

The share of renovating homeowners who bought their home in the same year increased from 12.2% in 2015 to 13.4% in 2017, with first-time homebuyers continuing to represent about a quarter of recent buyers (24%). Renovating first-time homebuyers are twice as likely to have minimal prior experience with home renovations (73%) compared with recent repeat buyers (32%) and long-term owners (31%).

CHARACTERISTICS OF HOMEOWNERS WHO RENOVATED IN 2017

RECENT-HOMEBUYER SHARE



ZERO TO MINOR PRIOR EXPERIENCE WITH RENOVATIONS

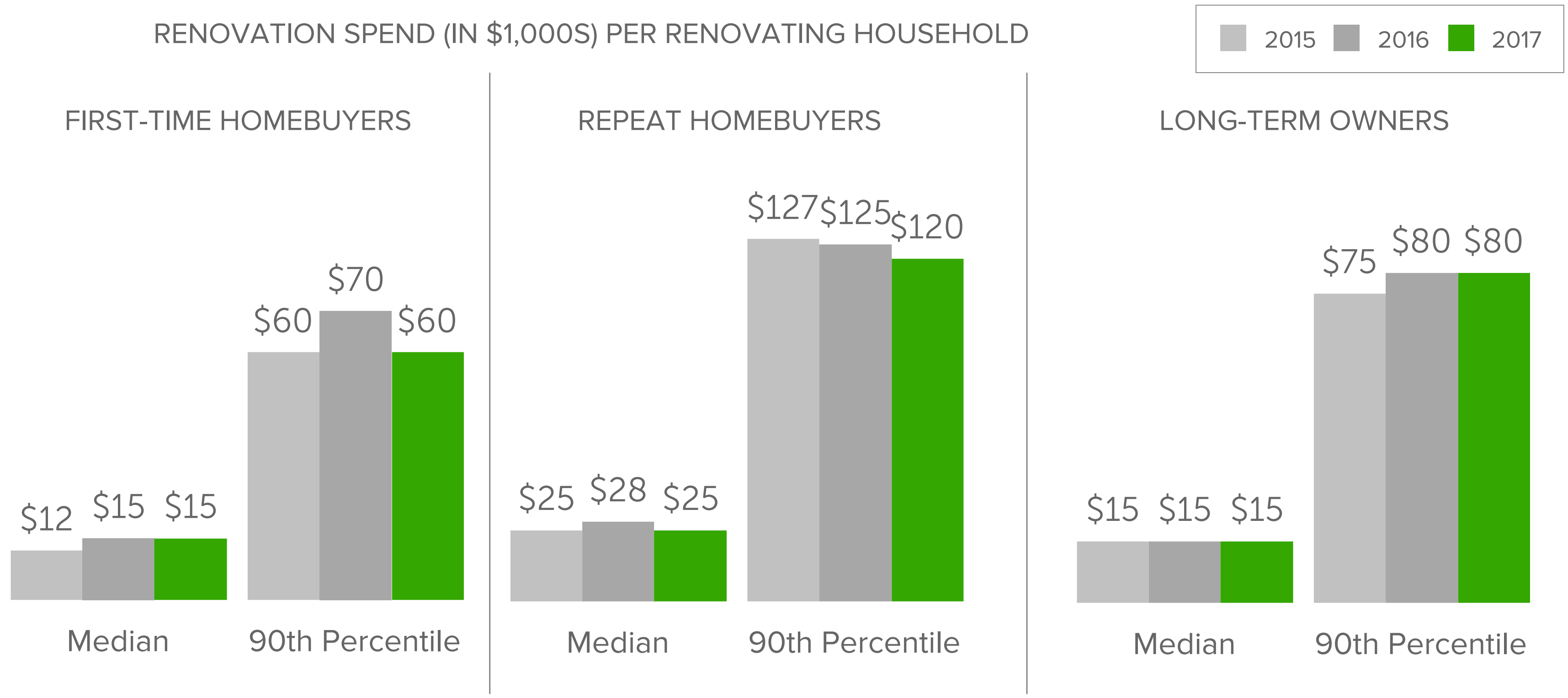
First-time homebuyers	73%
Repeat homebuyers	32%
Long-term owners	31%

*The homeowner segments are defined as follows:
First-time homebuyers refers to homeowners who purchased and renovated their homes in 2017 and did not previously own any other home.
Repeat homebuyers refers to homeowners who purchased and renovated their homes in 2017 and previously owned another home.
Long-term owners refers to homeowners who moved into their homes six or more years ago.

Long-Term Owners Continue Robust Spending

Long-term homeowners represent 57% of renovating homeowners and have maintained high spend on renovations over the past three years, with a median spend of $15,000 and the top 10% of spenders investing at least $80,000 in 2017. Remarkably, a typical (median) recent homebuyer maintained spend on par with or higher than that of long-term owners in 2017 ($15,000 for first-time buyers and $25,000 for repeat buyers).

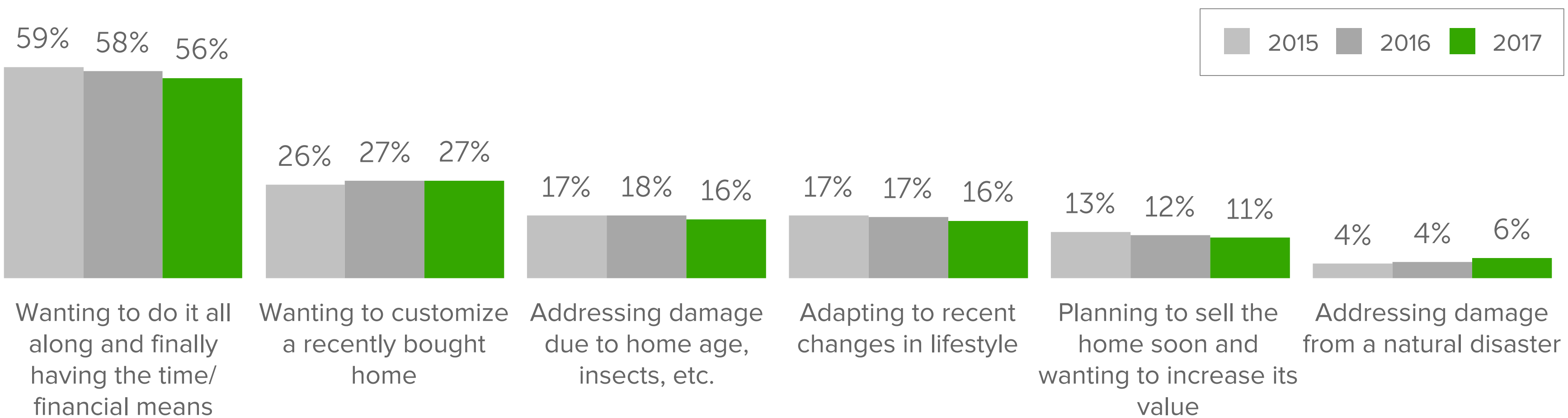
NATIONAL RENOVATION SPEND AMONG RECENT HOMEBUYERS AND LONG-TERM OWNERS



Pent-Up Demand Drives Most Renovations

Pent-up demand continues to be the No. 1 driver of home renovations, but it appears to be on a decline. Specifically, the share of homeowners renovating because they “wanted to do it all along” decreased from 59% in 2015 to 56% in 2017. In contrast, home buying or selling combined drove a steady 37% of renovation activity in 2015, 2016 and 2017. Renovations due to damage from natural disasters increased to 6% in 2017, from 4% in 2015.

FREQUENCY OF TOP RENOVATION TRIGGERS AMONG HOMEOWNERS WHO RENOVATED*



HOME BUYING/SELLING
AS A COMBINED RENOVATION TRIGGER

37%	37%	37%
2015	2016	2017

*Multiple responses allowed.

Many More Set Renovation Budgets

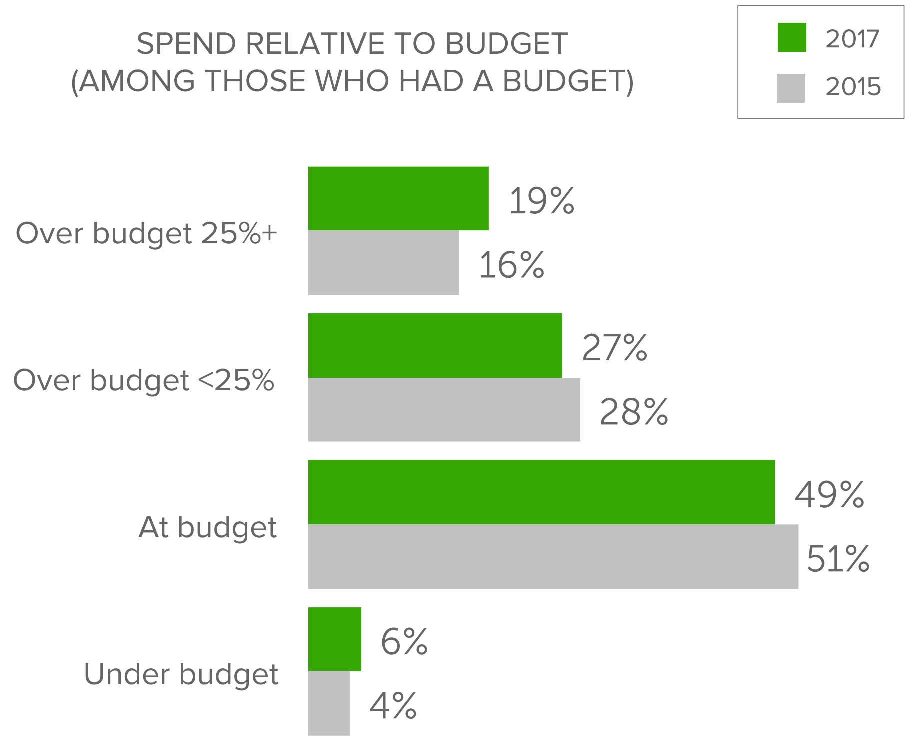
A greater share of renovating households reported having initial budgets for renovations in 2017 (77%) compared with 2015 (69%). This is a positive sign that renovations are significantly more deliberate and planned than in the midst of the economic recovery in 2014-2015. However, among those who set a budget, the propensity to go over budget varied little in 2017 (46%) versus 2015 (44%).

FREQUENCY OF BUDGETING FOR RENOVATIONS AMONG HOMEOWNERS WHO RENOVATED

HAD AN INITIAL BUDGET BEFORE STARTING A RENOVATION

69%	77%
2015	2017

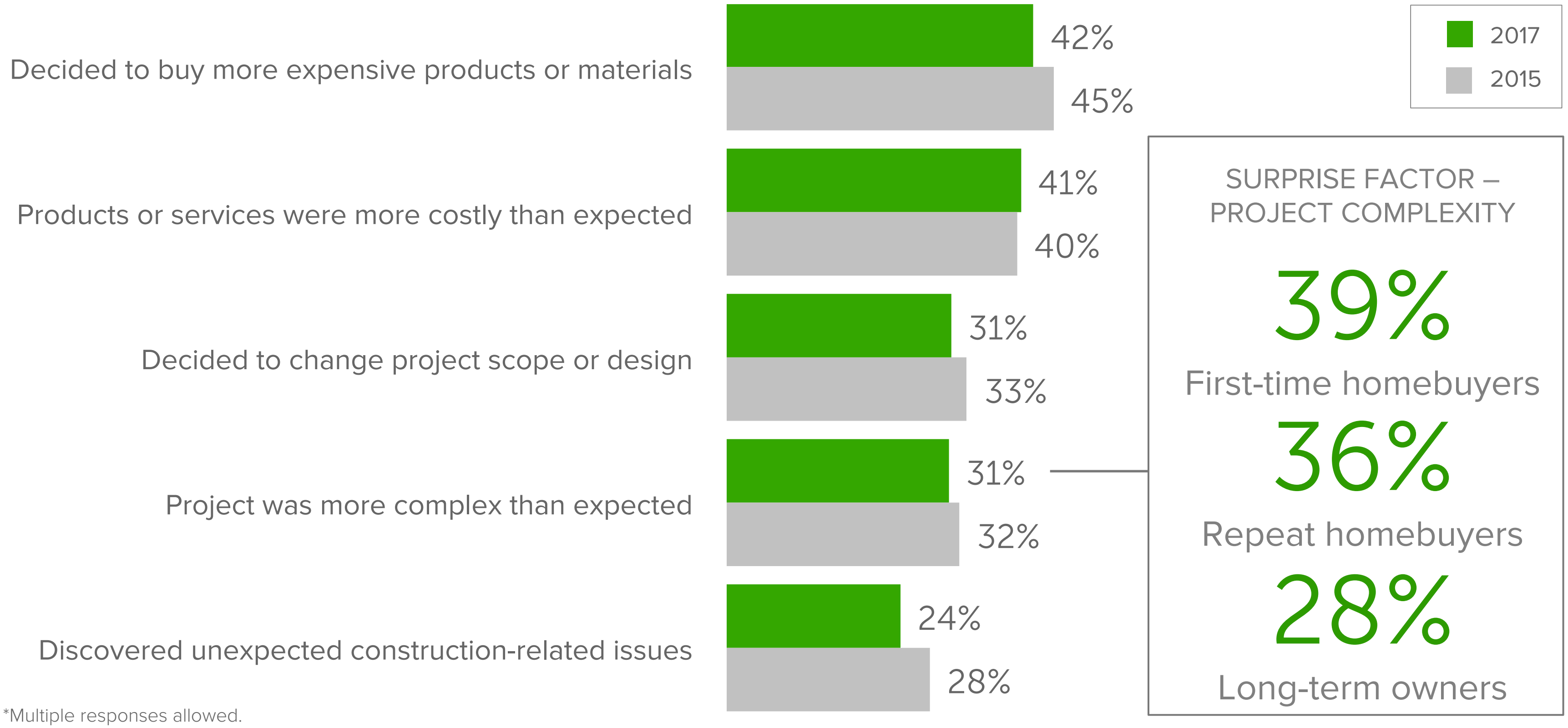
SPEND RELATIVE TO BUDGET (AMONG THOSE WHO HAD A BUDGET)



Products and Materials Bust Budgets

Homeowners typically cite two major reasons for going over budget, with costs of products or materials being the most common. By far the biggest difference between recent homebuyers and long-term owners is the realization that renovation projects are more complex than expected, i.e., 39% for first-time and 36% for repeat homebuyers versus 28% for long-term owners (see Appendix C).

FREQUENCY OF TOP REASONS FOR OVER-BUDGET RENOVATIONS AMONG HOMEOWNERS WHO RENOVATED*



*Multiple responses allowed.

Cash Continues Its Reign

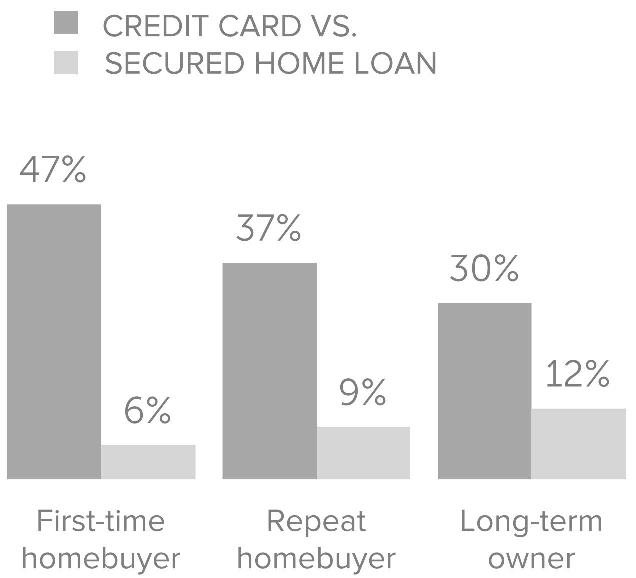
Consistent with the previous year's findings, most homeowners leverage cash/savings to fund renovations (85%). Credit cards (33%) and loans secured in home value (11%) such as home equity lines of credit continue to be the second- and third-most popular payment methods. The usage of these methods is in reverse correlation to the length of time spent in the home, with credit card usage most prevalent among first-time homebuyers.

FREQUENCY OF TOP PAYMENT METHODS AMONG HOMEOWNERS WHO RENOVATED*

No. 1 Cash/savings (85%)

No. 2 Credit card** (33%)

No. 3 Secured home loan (11%)



*Multiple responses allowed.

**Due to a clarifying change in the credit card description in the survey, credit card usage cannot be compared year over year.

2017 RENOVATION SPEND BY METRO

San Jose Metro Remains No. 1 Spender

For the third year running, the award for highest median home renovation spend among the top 50 U.S. metropolitan areas goes to the San Jose, California, metro area, which saw median spends of $30,000 to $34,000 during the period. San Francisco and Los Angeles were second, with at least a $5,000-lower median spend. New York dropped out of the top five in 2017, while Houston moved up to the top five.

TOP 10 U.S. METROPOLITAN AREAS BY MEDIAN RENOVATION SPEND (IN $1,000S) IN 2015, 2016 AND 2017

Top 10 Metros	2015	2016	2017
1	San Jose, CA ($34)	San Jose, CA ($30)	San Jose, CA ($30)
2	San Francisco, CA ($25)	San Francisco, CA ($25)	San Francisco, CA ($25)
3	New York, NY ($25)	New York, NY ($25)	Los Angeles, CA ($25)
4	Los Angeles, CA ($25)	Los Angeles, CA ($20)	Houston, TX ($24)
5	San Diego, CA ($25)	San Diego, CA ($20)	Miami, FL ($21)
6	Miami, FL ($22)	Miami, FL ($20)	New York, NY ($20)
7	Boston, MA ($20)	Boston, MA ($20)	Boston, MA ($20)
8	Seattle, WA ($20)	Seattle, WA ($20)	Seattle, WA ($20)
9	Washington, DC ($19)	Washington, DC ($20)	San Diego, CA ($20)
10	Austin, TX ($18)	Tampa, FL ($20)	Sacramento, CA ($18)

Spending Is Higher on the Coasts

Median spend on home renovations varies widely among the top 50 metros. Major coastal cities, from San Diego to Seattle on the West Coast and Miami to New York on the East Coast, command the greatest median spends in the nation, ranging from $20,000 to $30,000. In contrast, Columbus has the lowest median renovation spend.

MEDIAN 2017 RENOVATION SPEND (IN $1,000S) PER HOMEOWNER IN TOP 50 U.S. METROPOLITAN AREAS

San Jose, CA	$30	Providence, RI	$16	Dallas, TX	$15	Kansas City, MO-KS	$12
San Francisco, CA	$25	Atlanta, GA	$16	Jacksonville, FL	$15	Indianapolis, IN	$12
Los Angeles, CA	$25	Detroit, MI	$15	Memphis, TN	$15	Virginia Beach, VA	$12
Houston, TX	$24	Minneapolis - St. Paul, MN	$15	New Orleans, LA	$15	Milwaukee, WI	$12
Miami, FL	$21	St. Louis, MO-IL	$15	Birmingham, AL	$15	Louisville, KY	$12
New York, NY	$20	Tampa, FL	$15	Philadelphia, PA	$15	Oklahoma City, OK	$12
Boston, MA	$20	Baltimore, MD	$15	Salt Lake City, UT	$15	Hartford, CT	$12
Seattle, WA	$20	Denver, CO	$15	Orlando, FL	$14	Raleigh, NC	$12
San Diego, CA	$20	Portland, OR	$15	Las Vegas, NV	$14	Richmond, VA	$12
Sacramento, CA	$18	Cleveland, OH	$15	Charlotte, NC	$13	Buffalo, NY	$12
Washington, DC	$18	Chicago, IL	$15	Pittsburgh, PA	$12	Columbus, OH	$10
Riverside, CA	$17	Austin, TX	$15	San Antonio, TX	$12		
Phoenix, AZ	$16	Nashville, TN	$15	Cincinnati, OH	$12		

Outlays Jump in Houston and Los Angeles

Not only does the median renovation spend vary among the top 50 metros, but it also fluctuates significantly year over year. The Houston metro area saw the largest year-over-year swings in median spend (60%), from $15,000 in 2016 to $24,000 in 2017, clear evidence of the extent of recovery efforts from Hurricane Harvey. The Los Angeles metro area saw the second-largest year-over-year increase in spend (25%), likely reflecting a response to damage from wildfires.

YEAR-OVER-YEAR CHANGE IN MEDIAN 2017 RENOVATION SPEND PER HOMEOWNER IN TOP 50 U.S. METROPOLITAN AREAS

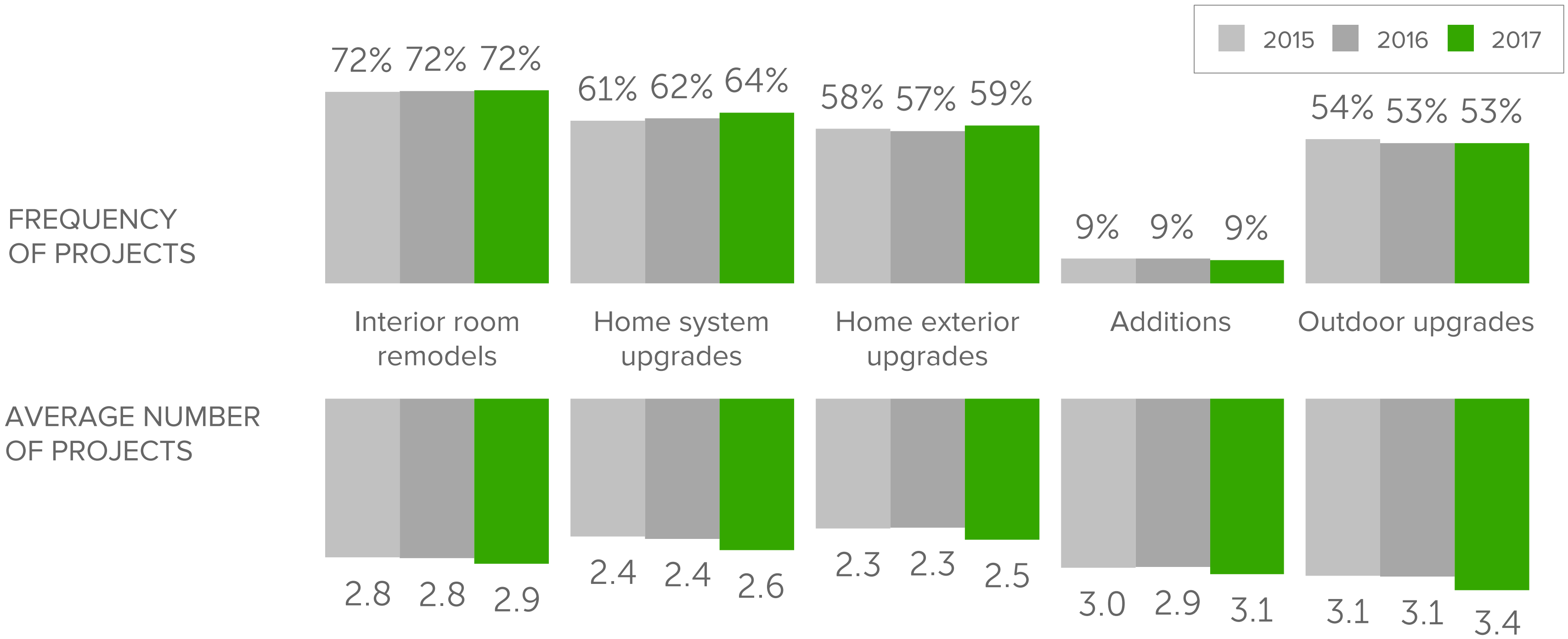
Houston, TX	60%	Detroit, MI	0%	Memphis, TN	0%	Sacramento, CA	-10%
Los Angeles, CA	25%	Seattle, WA	0%	Oklahoma City, OK	0%	San Antonio, TX	-11%
Birmingham, AL	20%	Minneapolis - St. Paul, MN	0%	Raleigh, NC	0%	Virginia Beach, VA	-11%
Cleveland, OH	19%	San Diego, CA	0%	Salt Lake City, UT	0%	Louisville, KY	-11%
Pittsburgh, PA	9%	St. Louis, MO-IL	0%	Boston, MA	0%	Denver, CO	-12%
Buffalo, NY	7%	Portland, OR	0%	Orlando, FL	-3%	Washington, DC	-13%
Phoenix, AZ	7%	Cincinnati, OH	0%	Las Vegas, NV	-3%	Richmond, VA	-13%
New Orleans, LA	5%	Kansas City, MO-KS	0%	Columbus, OH	-5%	Hartford, CT	-14%
Miami, FL	5%	San Jose, CA	0%	Dallas, TX	-5%	New York, NY	-20%
Atlanta, GA	5%	Austin, TX	0%	Providence, RI	-6%	Tampa, FL	-25%
Charlotte, NC	4%	Nashville, TN	0%	Chicago, IL	-6%	Baltimore, MD	-25%
Riverside, CA	3%	Milwaukee, WI	0%	Philadelphia, PA	-6%		
San Francisco, CA	0%	Jacksonville, FL	0%	Indianapolis, IN	-8%		

2017 POPULAR PROJECTS

Systems and Exterior Upgrades Increase

Consistent with the previous two years' findings, renovating homeowners tackled a vast range of spaces, systems and features during 2017. The share of renovating homeowners who updated their home systems (e.g., plumbing) and exterior features (e.g., exterior paint) increased in 2017 (64% and 59%, respectively) compared with 2016 (62% and 57%). This increase was driven primarily by long-term owners (see Appendix D). The average number of projects also continued to climb.

FREQUENCY OF RENOVATION ACTIVITY AND NUMBER OF PROJECTS AMONG HOMEOWNERS WHO RENOVATED*

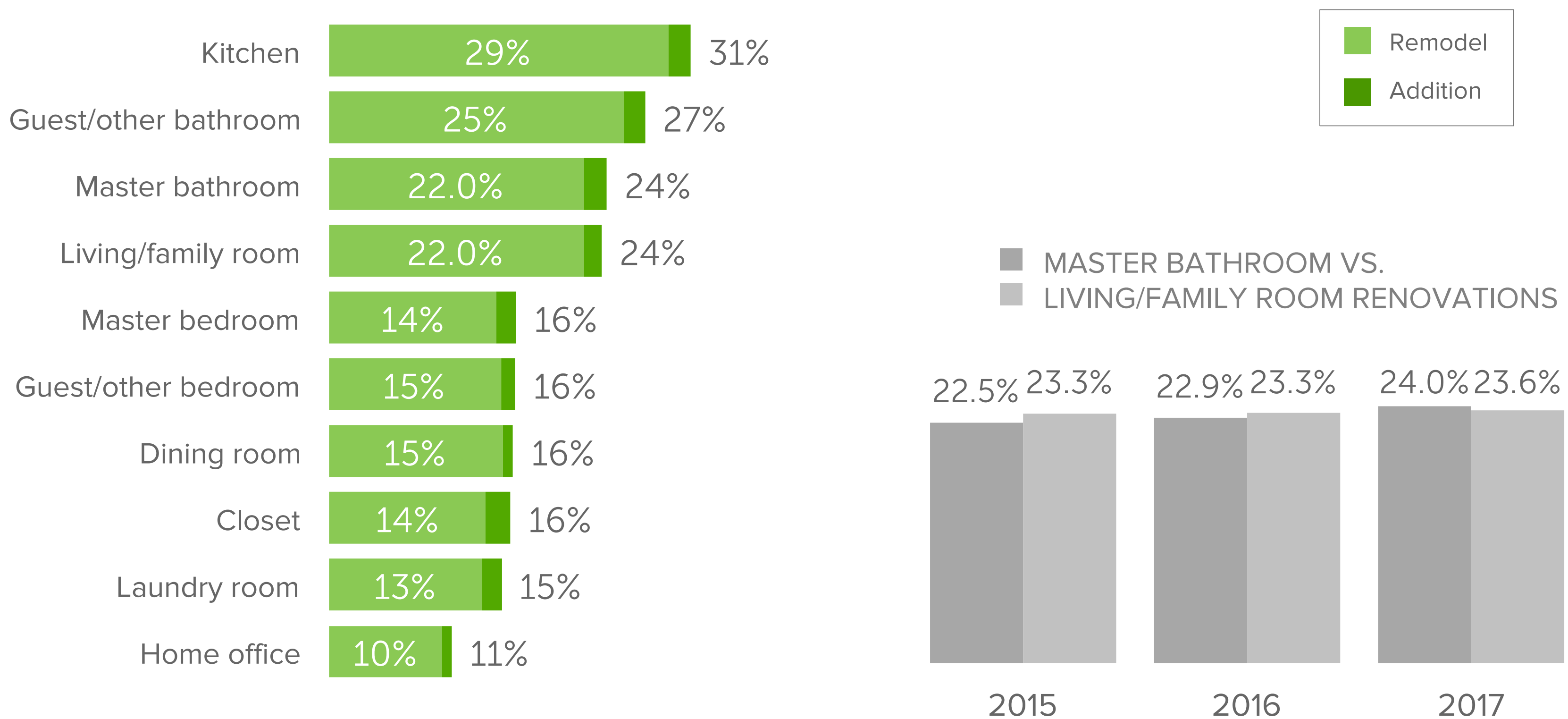


**Interior rooms remodels* refers to remodels of kitchens, bathrooms, dining rooms, etc.; *home systems upgrades* refers to upgrades to electrical, plumbing, air conditioning, etc.; *home exterior upgrades* refers to windows, doors, roofing, etc.; *additions* refers to expansion of the home footprint by increasing/adding kitchens, bathrooms, dining rooms, etc.; *outdoor upgrades* refers to upgrades to outdoor grounds and systems (e.g., landscape, irrigation) and additions/upgrades of outdoor structures (e.g., shed, pool).

Master Bathroom Renovations Grow in Popularity

Kitchens and guest/other bathrooms held on to the No. 1 and No. 2 spots as the most popular rooms to renovate. But the master bathroom supplanted the living/family room as the third-most popular. The popularity of other interior room renovations remained stable. Recent homebuyers are more likely than long-term homeowners to tackle kitchen renovations — 40% and 39% of first-time and repeat buyers, respectively, versus 30% of long-term owners (see Appendix E).

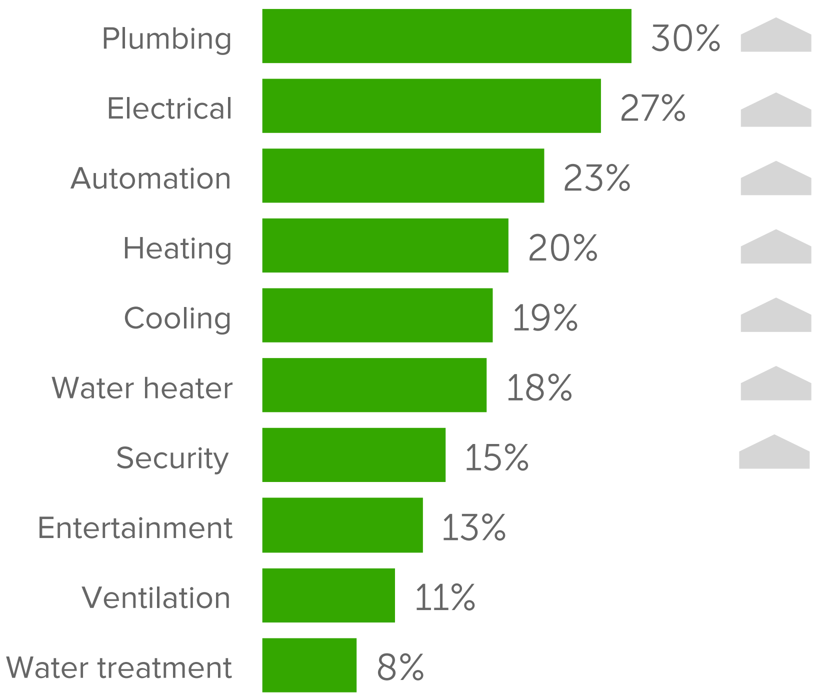
FREQUENCY OF TOP INTERIOR ROOM REMODELS AND ADDITIONS AMONG HOMEOWNERS WHO RENOVATED IN 2017

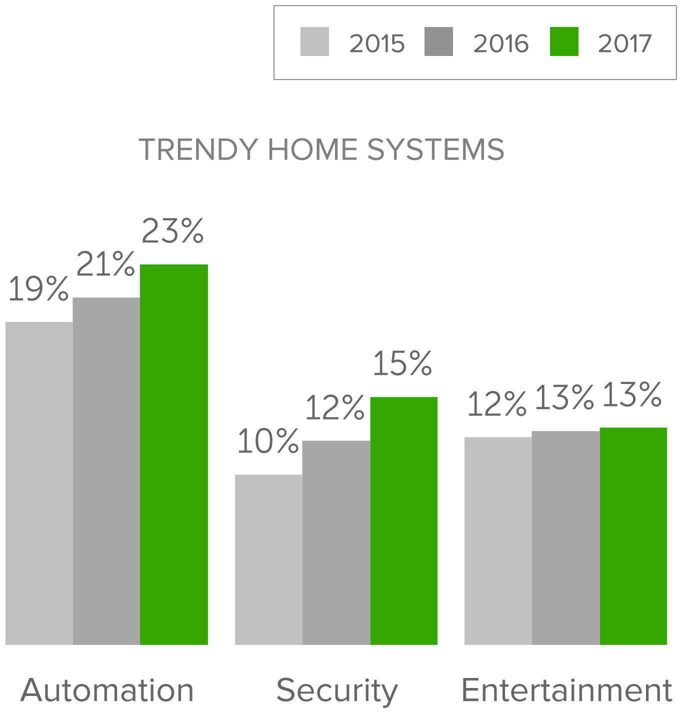


Security Upgrades Surge 50% in Two Years

From 2015 to 2017, the share of renovating homeowners integrating home security grew a whopping 50% (increasing from 10% to 15%). Automated devices, such as thermostats and lights, also continued to grow in popularity, although at a slower rate. All in all, upgrades to most home systems were significantly more popular in 2017 (see Appendix F).

FREQUENCY OF TOP HOME SYSTEM UPGRADES AMONG HOMEOWNERS WHO RENOVATED IN 2017



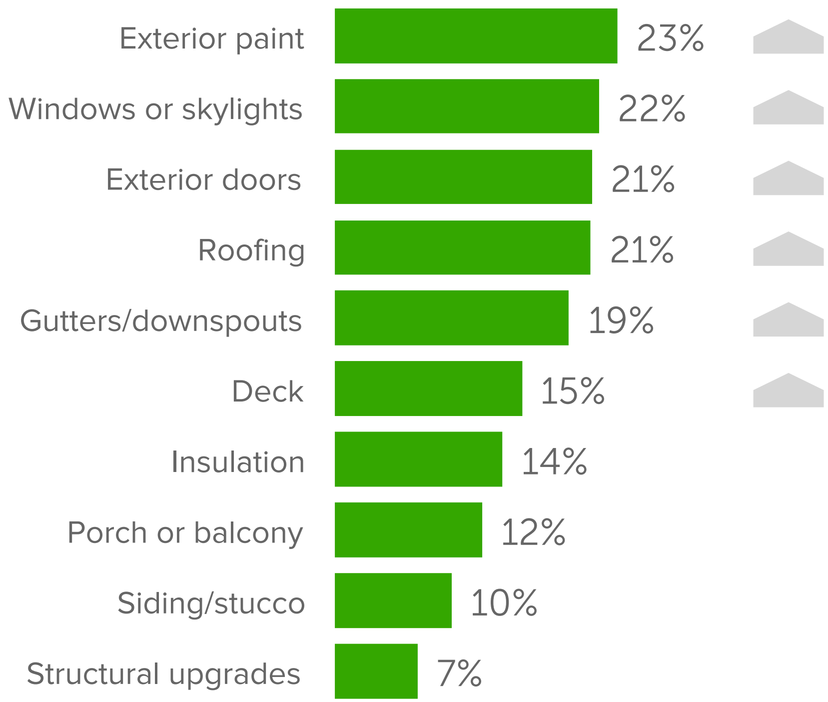


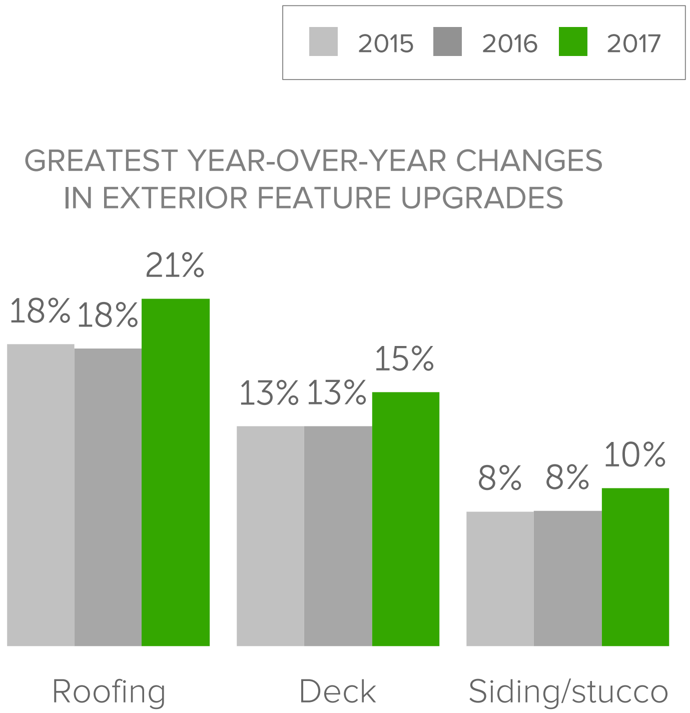
Note: Arrows indicate at least a 2 percentage point increase in the share in 2017 vs. 2016. See last year's report for a full comparison.

Exterior Upgrades Also in Vogue

Along with a renewed focus on interior systems, renovating homeowners stepped up improvements to their homes' exteriors. Installation of roofing, deck and siding/stucco saw the greatest relative year-over-year increases. Just as with systems, much of the push for exterior upgrades comes from long-term owners (see Appendix G).

FREQUENCY OF TOP EXTERIOR BUILDING UPGRADES AMONG HOMEOWNERS WHO RENOVATED IN 2017



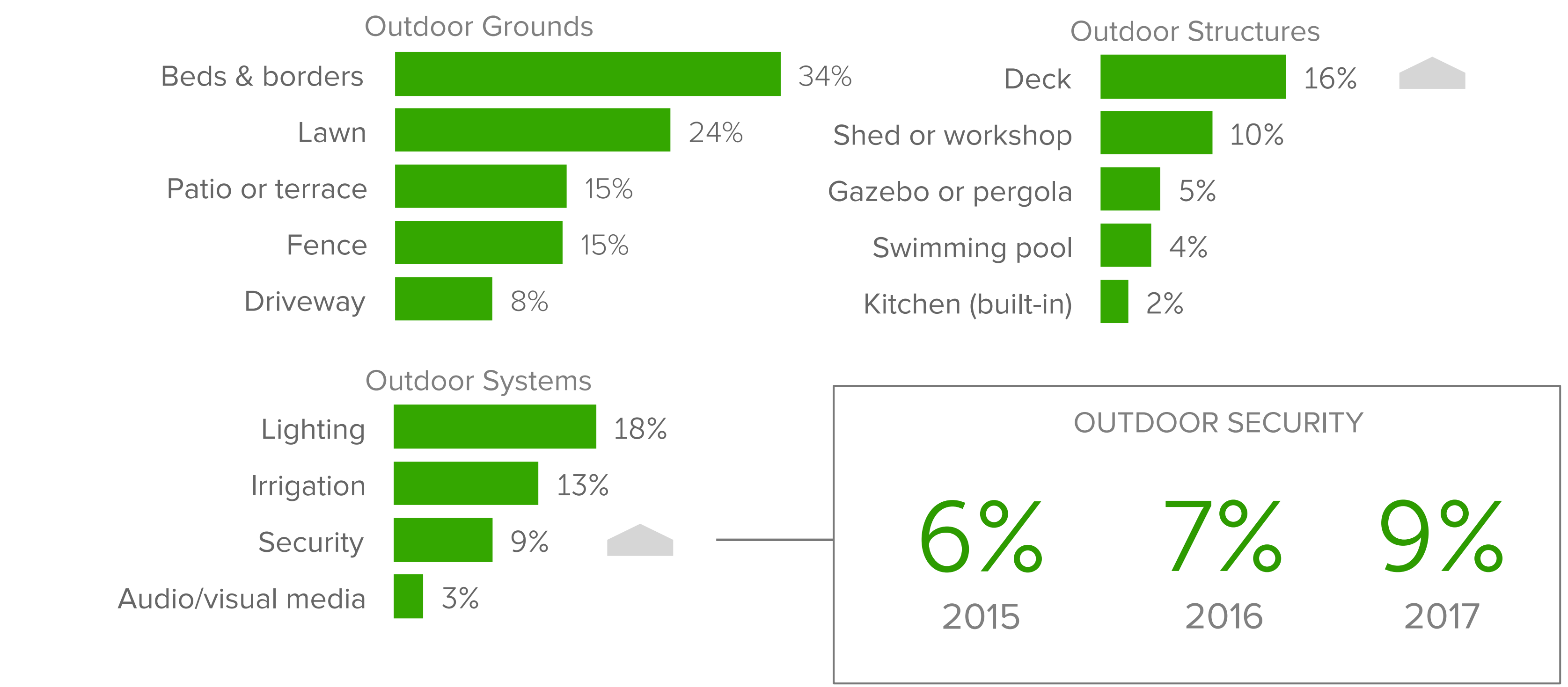


Note: Arrows indicate at least a 2 percentage point increase in the share in 2017 vs. 2016. See last year's report for a full comparison.

A Focus on the Outdoors

Outdoor upgrades are as popular as ever. As many renovating homeowners upgrade their patios or fences (15% each) as do their laundry rooms (15%). Similarly, as many upgrade their sheds or workshops (10%) as do their home offices (10%). Outdoor security is also on the rise (see Appendix H).

FREQUENCY OF TOP OUTDOOR UPGRADES AMONG HOMEOWNERS WHO RENOVATED IN 2017



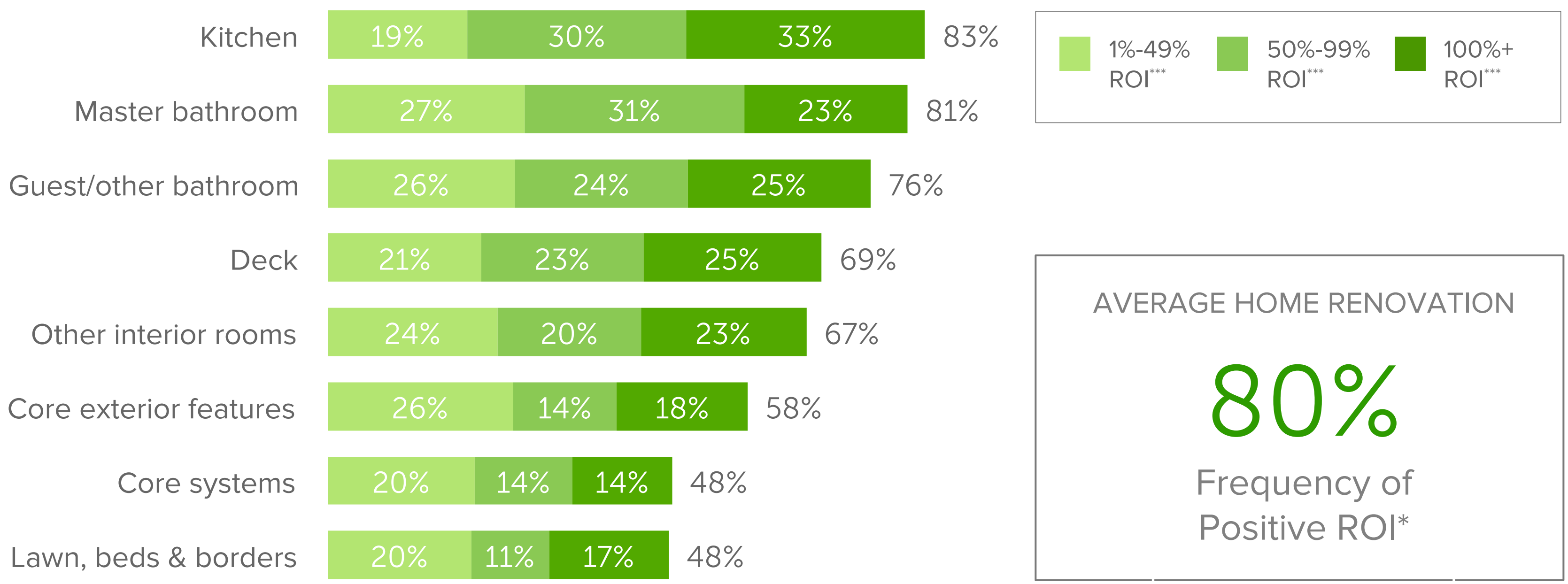
Note: Arrows indicate at least a 2 percentage point increase in the share in 2017 vs. 2016. See last year's report for a full comparison.

2017 PROJECT SPEND AND RETURN ON INVESTMENT

Kitchen, Master Bathroom Lead in Return on Investment

While improving the home's resale value is an important consideration for renovating homeowners (67%), it is far less important than improving the home design (89%) or functionality (84%).[1] Still, some of the most frequent renovation projects are also the ones that are perceived to contribute the most to a home's value. For example, four in five homeowners report that their kitchen and master bathroom upgrades had the highest return on investment (ROI) (83% and 81%, respectively).

FREQUENCY OF PERCEIVED ROI* FROM SPECIFIC RENOVATION PROJECTS** AMONG HOMEOWNERS WHO RENOVATED IN 2017



AVERAGE HOME RENOVATION

80%

Frequency of Positive ROI*

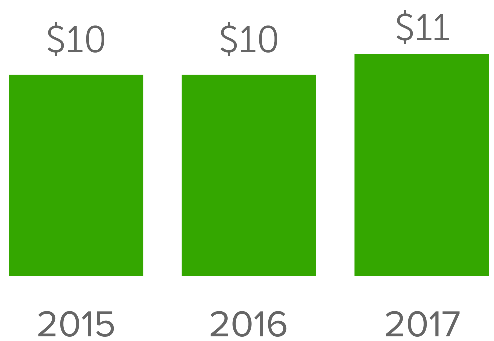
[1] See 2017 Houzz & Home Report.
*Frequency of positive ROI refers to the share of renovating homeowners who perceived that their home value *increased* as a result of the renovation project.
**The list of renovation projects includes only projects that were completed as stand-alone projects (not in combination with any other projects) during 2017.
***1%-49% ROI, 50%-99% ROI and 100%+ ROI refers to the magnitude of the perceived increase in home value as a proportion of the renovation project costs.

Median Kitchen Spend Up 10%

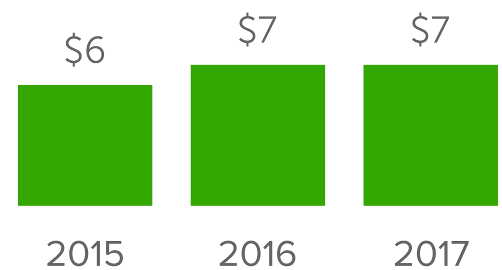
While homeowner-reported spend on kitchens was relatively flat in 2016 versus 2015, 2017 saw a 10% increase — from $10,000 in 2016 to $11,000 last year. This growth was driven by an increased spend on remodels of larger kitchens (200 square feet or more). For example, the spend on a major remodel, defined by the replacement of at least cabinets and appliances, increased from $30,000 in 2016 to $33,000 in 2017.

MEDIAN SPEND ON KITCHEN AND MASTER BATHROOM REMODELS (PRO + DIY)

Kitchen Remodel
Median Spend (in $1,000s)



Master Bathroom Remodel
Median Spend (in $1,000s)



	Major Kitchen Remodel Median Spend (in $1,000s)		
Larger Kitchen (200+ square feet)	$31	$30	$33
Smaller Kitchen (<200 square feet)	$20	$20	$20

	Major Master Bath Remodel Median Spend (in $1,000s)		
Larger Bathroom (100+ square feet)	$16	$15	$16
Smaller Bathroom (<100 square feet)	$10	$10	$10

Note: The median spend on guest/other bathroom remodels was $3,000 in 2017, $3,000 in 2016 and $2,500 in 2015.

Master Bedroom Spend Sees 33% Increase

A typical (median) renovating homeowner invested 33% more into master bedrooms in 2017 than in 2016 ($2,000 versus $1,500, respectively), consistent with a greater focus on the master bedroom/bathroom suite. Median spend on home offices, dining rooms and closets fluctuated up or down $200 to $300 year over year, while spend on living/family rooms and guest/other bedrooms was stable for the third year in a row. Laundry rooms continued to command a significant median investment of $1,500. (See Appendix I for more spend data on remodels of larger and smaller interior rooms.)

MEDIAN SPEND ON INTERIOR REMODELS BY ROOM (PRO + DIY)

Note: See Appendix for the definition of larger and smaller rooms and spend from prior years.

2017 PROFESSIONAL INVOLVEMENT

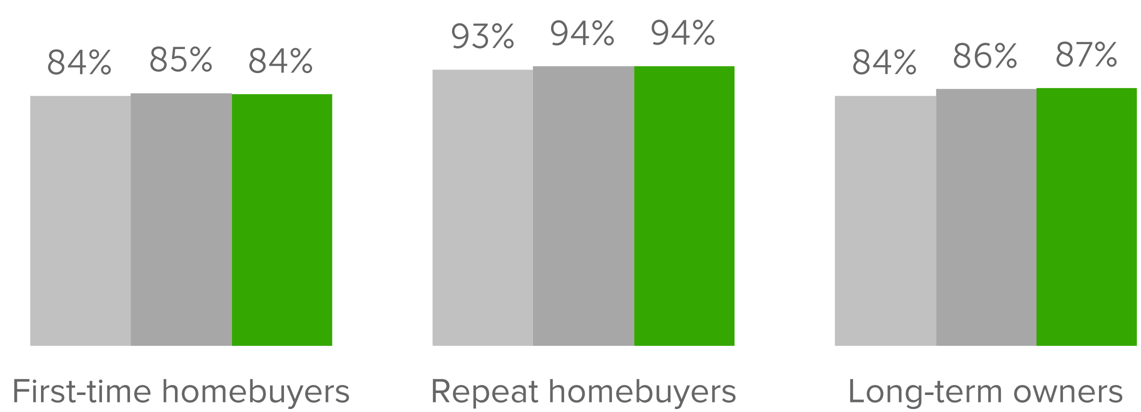
Long-Term Owners Step Up Pro Hiring

Renovating homeowners are increasingly turning to professionals when renovating, with 88% hiring a pro in 2017, up from 87% in 2016 and 85% in 2015. The increase is driven primarily by long-term homeowners, who increased their reliance on pros by 3 percentage points from 2015 to 2017 (84% versus 87%, respectively). That said, repeat homebuyers are more likely to hire a pro than are first-time buyers or long-term owners.

FREQUENCY OF PROFESSIONAL HIRING BY HOMEOWNERS WHO RENOVATED

OVERALL HIRING

85%	87%	88%
2015	2016	2017



Growth in Specialist Hiring Continues

The growing demand for professional help is fueled by a greater need for specialty service providers such as electricians and painters (51% in 2017, 48% in 2016 and 44% in 2015). This is in keeping with the increased focus on upgrades of home systems and exteriors. Demand for electricians and air conditioning and heating specialists grew most significantly year over year (see Appendix J).

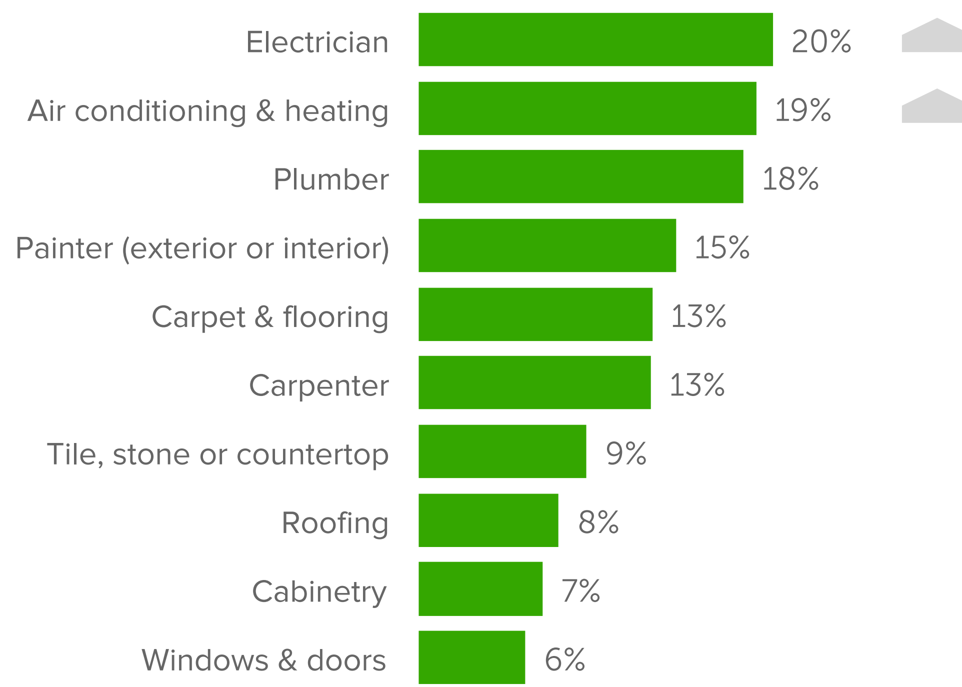
FREQUENCY OF SPECIALTY SERVICE PROVIDERS HIRED DIRECTLY* BY HOMEOWNERS WHO RENOVATED

SPECIALIST HIRING

51%
2017

48%
2016

44%
2015

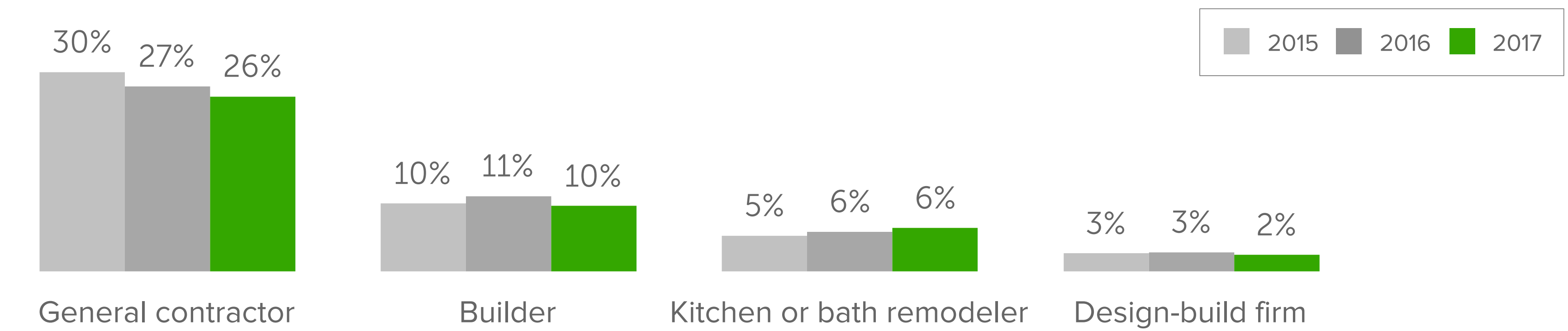


Note: Arrows indicate at least a 2 percentage point increase in the share in 2017 vs. 2016. See last year's report for a full comparison.
*Specialist hiring does not include any specialists hired with the help of a construction manager (general contractor, builder, design-build company and/or kitchen or bath remodeler).

Three Construction Managers to Pick From

Overall hiring of construction managers such as general contractors, builders or kitchen or bath remodelers declined by 3 percentage points in 2017 (36%) compared with 2015 (39%). The decline is largely a result of reduced hiring of general contractors, likely a reflection of the difficulty of finding a general contractor in today's tight construction labor market. When hiring a construction manager, homeowners are likely to consider three professionals during the search process, on average.

FREQUENCY OF PROFESSIONAL HIRING BY HOMEOWNERS WHO RENOVATED



CONSTRUCTION MANAGER HIRING

2015	2016	2017
39%	38%	36%

Average Number of Construction Managers Considered Before Hiring

Two Design Professionals Considered at a Time

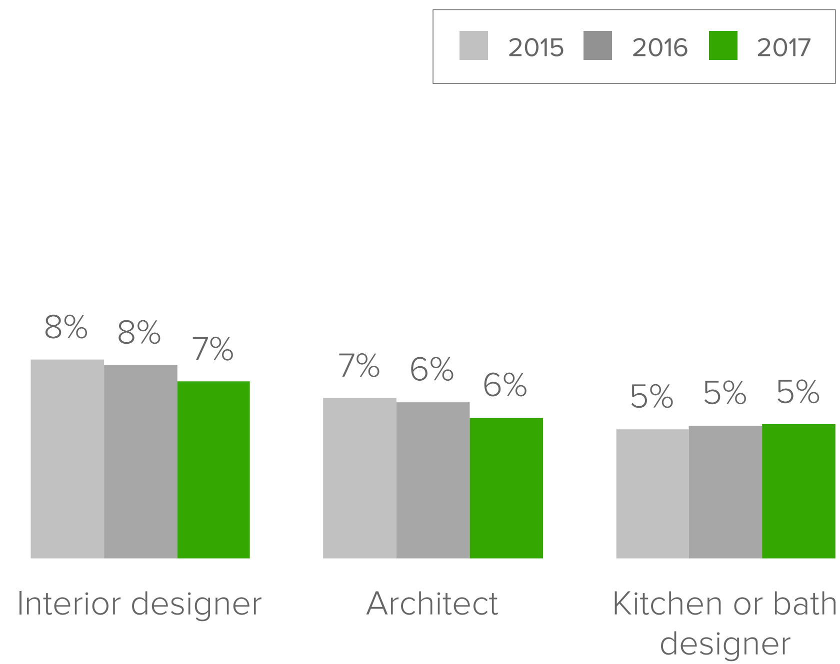
Similar to construction manager hiring, homeowners were somewhat less likely to hire design-related professionals in 2017 (15%) versus 2016 (17%) or 2015 (17%). Whether hiring an interior designer, architect or kitchen or bath designer, homeowners are likely to consider two professionals, on average, during the search process.

FREQUENCY OF PROFESSIONAL HIRING BY HOMEOWNERS WHO RENOVATED

Average Number of Design-Related Pros Considered Before Hiring

DESIGN-RELATED PRO HIRING

17%	17%	15%
2015	2016	2017



METHODOLOGY & APPENDIXES

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 March 5 and April 16, 2018. 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 2017, from interior remodels and additions to home systems, exterior upgrades and outdoor projects. This includes the historical and planned spends, professional involvement and motivations behind these projects, as well as activities planned for 2018.

COMPLETES AND QUALIFICATIONS

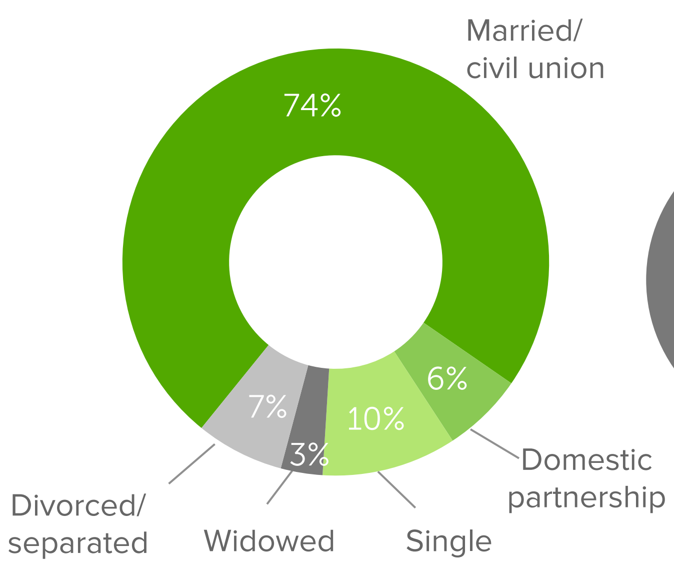
The 160-question survey gathered information from Houzz users who identified themselves as 18 years old or older and homeowners. The final sample consists of 146,486 respondents in the U.S. The current report relies on a subset of responses, i.e., U.S. homeowners on Houzz (n=130,735) and U.S. homeowners on Houzz who renovated their primary residence in 2017 (n=72,384).

SAMPLING AND WEIGHTING

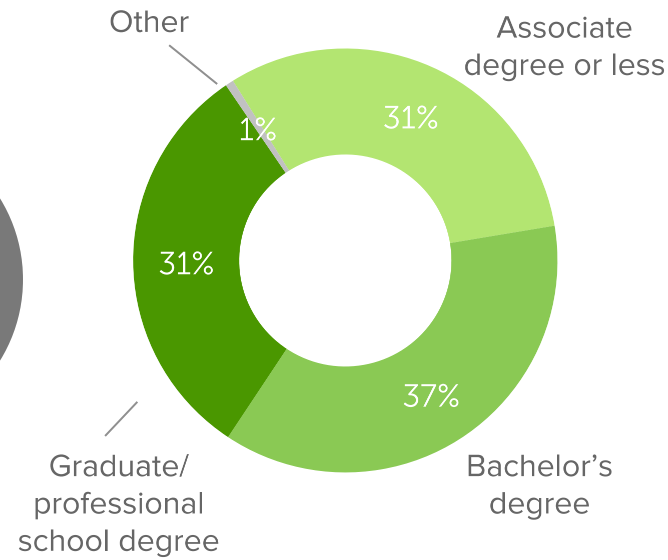
Data were gathered via an email sent to registered Houzz users. The link invited homeowners to tell us about their homes. Respondents were notified that aggregate findings would be shared with the larger Houzz community to help others in completing their own renovations. The final data were reviewed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

Appendix A:
Demographics of 2017 Renovating Homeowners

MARITAL STATUS



EDUCATION



ANNUAL HOUSEHOLD INCOME

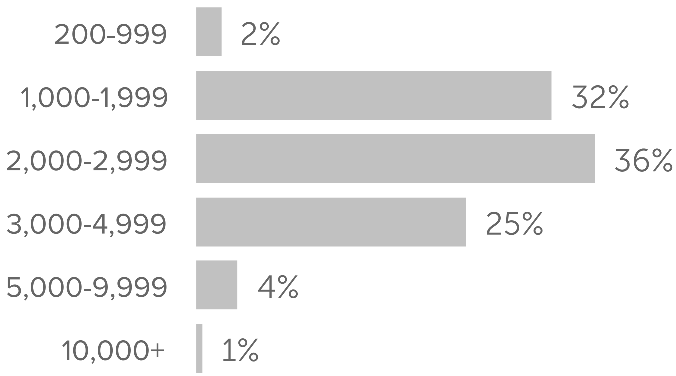
< $100,000	38%
$100,000-$149,999	29%
$150,000 +	33%

AGE OF RENOVATING HOMEOWNERS

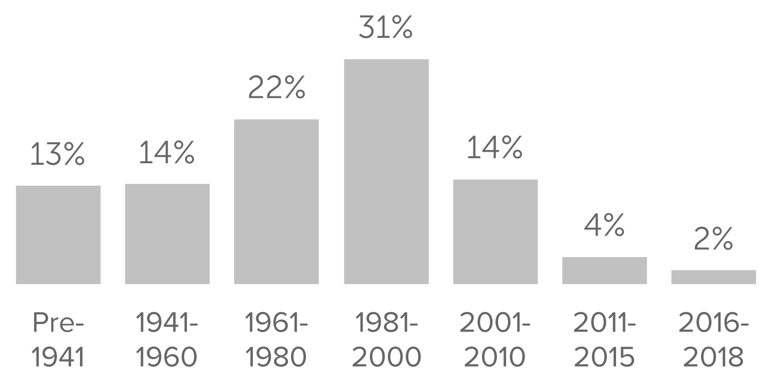
25-34	8%
35-54	40%
55+	52%

Appendix B:
Characteristics of Homes Renovated in 2017

HOME SIZE (IN SQUARE FEET)



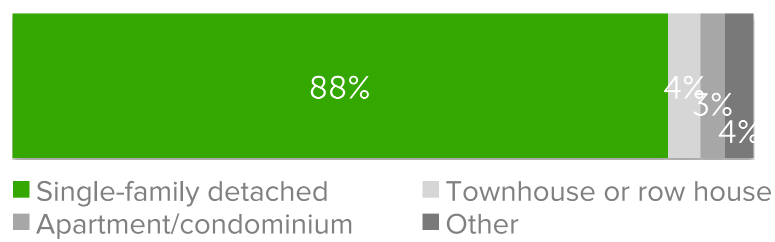
YEAR BUILT



OWNER-ESTIMATED HOME VALUE

< $200,000	82%
$200,000-$499,999	15%
$500,000 +	2%

HOME TYPE



Appendix C:
Frequency of Budgeting for Renovations

FREQUENCY OF AND REASONS BEHIND OVER-BUDGET RENOVATIONS AMONG HOMEOWNERS WHO RENOVATED

	Across Years		Across Homeowner Segments		
	2015	**2017**	**First-time homebuyers in 2017**	**Repeat homebuyers in 2017**	**Long-term owners in 2017**
Renovating homeowners with initial budgets	69%	77%	78%	82%	75%
Over-budget renovations (among those who set budgets)	44%	46%	50%	54%	43%
Reasons for over-budget renovations:					
Decided to buy more expensive products or materials	45%	42%	39%	38%	44%
Products or services were more costly than expected	40%	41%	44%	42%	40%
Decided to change project scope or design	33%	31%	26%	32%	31%
Project was more complex than expected	32%	31%	39%	36%	28%
Discovered unexpected construction-related issues	28%	24%	27%	29%	22%
Poor project management by service providers	8%	7%	7%	8%	6%
Poor communication by/with service providers	6%	5%	6%	5%	4%
Discovered unexpected building code requirements	6%	5%	6%	6%	4%
Decided to change or hire new service providers	4%	4%	6%	5%	4%

Appendix D:
Frequency of Renovation Projects

FREQUENCY AND AVERAGE NUMBER OF RENOVATION PROJECTS AMONG HOMEOWNERS WHO RENOVATED

	Frequency of Projects			Average Number of Projects		
First-Time Homebuyers	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Interior room remodels	79%	81%	81%	3.4	3.7	3.5
Home system upgrades	73%	77%	76%	2.9	2.9	3.0
Home exterior upgrades	60%	59%	58%	2.2	2.1	2.1
Additions	6%	6%	6%	3.0	3.0	3.0
Outdoor upgrades	49%	45%	46%	3.2	3.1	3.2
Repeat Homebuyers	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Interior room remodels	83%	83%	83%	3.7	3.7	3.6
Home system upgrades	76%	76%	76%	3.2	3.2	3.2
Home exterior upgrades	64%	65%	64%	2.5	2.5	2.5
Additions	10%	10%	9%	3.3	3.4	3.2
Outdoor upgrades	53%	51%	51%	3.5	3.5	3.6
Long-Term Owners	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Interior room remodels	71%	71%	71%	2.5	2.5	2.6
Home system upgrades	58%	59%	62%	2.2	2.2	2.4
Home exterior upgrades	58%	57%	60%	2.2	2.2	2.5
Additions	9%	9%	9%	3.0	2.9	3.1
Outdoor upgrades	51%	50%	50%	3.0	3.0	3.3

Appendix E:
Frequency of Interior Room Upgrades

FREQUENCY OF TOP INTERIOR ROOM REMODELS AND ADDITIONS AMONG HOMEOWNERS WHO RENOVATED

	Across Years			Across Homeowner Segments		
	2015	2016	2017	First-time homebuyers in 2017	Repeat homebuyers in 2017	Long-term owners in 2017
Kitchen	31%	31%	31%	40%	39%	30%
Guest/other bathroom	26%	26%	27%	27%	31%	27%
Master bathroom	22%	23%	24%	28%	30%	24%
Living/family room	23%	23%	24%	35%	32%	22%
Master bedroom	15%	16%	16%	27%	24%	14%
Guest/other bedroom	16%	16%	16%	24%	21%	15%
Dining room	15%	15%	16%	25%	24%	14%
Closet	15%	15%	16%	23%	23%	13%
Laundry room	14%	14%	15%	18%	21%	13%
Home office	10%	10%	11%	14%	16%	9%

Appendix F:
Frequency of Home System Upgrades

FREQUENCY OF TOP HOME SYSTEM UPGRADES AMONG HOMEOWNERS WHO RENOVATED

	Across Years			Across Homeowner Segments		
	2015	**2016**	**2017**	**First-time homebuyers in 2017**	**Repeat homebuyers in 2017**	**Long-term owners in 2017**
Plumbing	28%	28%	30%	39%	43%	27%
Electrical	25%	25%	27%	41%	43%	23%
Automation	19%	21%	23%	36%	35%	19%
Heating	18%	18%	20%	21%	24%	20%
Cooling	16%	17%	19%	18%	22%	18%
Water heater	16%	16%	18%	15%	20%	19%
Security	10%	12%	15%	26%	23%	13%
Entertainment	12%	13%	13%	19%	21%	11%
Ventilation	10%	10%	11%	17%	17%	9%
Water treatment	7%	7%	8%	10%	13%	6%

Appendix G:
Frequency of Home Exterior Upgrades

FREQUENCY OF HOME EXTERIOR UPGRADES AMONG HOMEOWNERS WHO RENOVATED

	Across Years			Across Homeowner Segments		
	2015	2016	2017	First-time homebuyers in 2017	Repeat homebuyers in 2017	Long-term owners in 2017
Exterior paint	21%	21%	23%	17%	24%	24%
Windows or skylights	20%	20%	22%	18%	25%	22%
Exterior doors	18%	19%	21%	21%	27%	20%
Roofing	18%	18%	21%	16%	19%	23%
Gutters/downspouts	17%	16%	19%	19%	20%	19%
Deck	13%	13%	15%	12%	15%	16%
Insulation	12%	12%	14%	17%	18%	12%
Porch or balcony	11%	11%	12%	12%	14%	12%
Siding/stucco	8%	8%	10%	9%	10%	10%
Structural upgrades	6%	6%	7%	9%	11%	6%

Appendix H:
Frequency of Outdoor Upgrades

FREQUENCY OF OUTDOOR UPGRADES AMONG HOMEOWNERS WHO RENOVATED

	Across Years			Across Homeowner Segments		
	2015	2016	2017	First-time homebuyers in 2017	Repeat homebuyers in 2017	Long-term owners in 2017
Deck	15%	14%	16%	12%	14%	16%
Shed or workshop	9%	8%	10%	9%	10%	9%
Gazebo or pergola	4%	4%	5%	4%	5%	5%
Swimming pool	4%	4%	4%	2%	6%	4%
Kitchen (built-in)	2%	2%	2%	2%	2%	2%
Beds & borders	36%	34%	34%	22%	32%	32%
Lawn	23%	23%	24%	29%	26%	21%
Patio or terrace	14%	14%	15%	11%	14%	14%
Fence	13%	13%	15%	14%	16%	13%
Driveway	8%	8%	8%	8%	9%	8%
Lighting	16%	16%	18%	17%	21%	16%
Irrigation	12%	12%	13%	8%	14%	11%
Security	6%	7%	9%	13%	12%	7%
Audio/visual media	2%	2%	3%	2%	3%	2%

Appendix I:
Median Renovation Spend by Room

MEDIAN SPEND (IN $1,000S) ON INTERIOR REMODELS BY ROOM (PRO + DIY) IN 2017

	Across Time				Across Time			
Room	**Size (in Square Feet)**	**2015**	**2016**	**2017**	**Size (in Square Feet)**	**2015**	**2016**	**2017**
Kitchen	200+	$13.0	$13.0	$15.0	<200	$7.5	$7.0	$8.0
Master bathroom	100+	$10.0	$8.5	$9.0	<100	$4.5	$5.0	$5.0
Guest/other bathroom	50+	$3.0	$3.5	$3.8	<50	$2.0	$1.5	$1.7
Living/family room	350+	$4.0	$3.5	$4.0	<350	$2.0	$2.4	$2.5
Master bedroom	250+	$2.0	$2.0	$2.4	<250	$1.0	$1.0	$1.0
Laundry room	100+	$1.2	$1.5	$1.7	<100	$1.0	$1.5	$1.1
Home office	200+	$1.0	$1.0	$1.5	<200	$1.0	$1.0	$0.9
Dining room	200+	$1.0	$1.0	$1.2	<200	$0.7	$0.6	$0.6
Guest/other bedroom	200+	$1.5	$1.5	$1.5	<200	$1.0	$1.1	$1.0
Closet	50+	$1.0	$1.0	$1.0	<50	$0.3	$0.3	$0.3

Appendix J:
Frequency of Direct Hiring of Specialists

FREQUENCY OF SPECIALTY SERVICE PROVIDERS HIRED DIRECTLY* BY HOMEOWNERS WHO RENOVATED

	Across Years			Across Homeowner Segments		
	2015	2016	2017	First-time homebuyers in 2017	Repeat homebuyers in 2017	Long-term owners in 2017
Electrician	17%	18%	20%	22%	26%	18%
Air conditioning & heating	16%	17%	19%	19%	21%	18%
Plumber	16%	17%	18%	19%	23%	17%
Painter (exterior or interior)	12%	13%	15%	11%	19%	15%
Carpet & flooring	11%	11%	13%	15%	19%	13%
Carpenter	13%	12%	13%	7%	14%	14%
Tile, stone or countertop	9%	9%	9%	7%	12%	9%
Roofing	7%	7%	8%	7%	7%	8%
Cabinetry	6%	6%	7%	5%	9%	7%
Windows & doors	5%	5%	6%	4%	7%	6%

*Specialist 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).

Links to Resources on Houzz

Houzz is the easiest way for people to find inspiration, get advice, buy products and hire the professionals they need to help turn their ideas into reality.

PHOTOS	FIND PROS	BROWSE PRODUCTS	ARTICLES
Kitchen	Architects and Building Designers	Furniture	Most Popular
Bath	Design-Build firms	Lighting	Houzz Tours
Bedroom	General Contractors	Kitchen & Dining	Kitchen Guides
Living	Home Builders	Bath	More Rooms
Dining	Interior designers	Home Decor	Decorating Guides
Home office	Kitchen & Bath Designers	Bedroom	Bathroom Guides
Baby & kids	Kitchen & Bath Remodelers	Storage & Organization	Remodeling
Entry	Landscape Architects & Landscape Designers	Home Improvement	Architecture
Hall	Landscape Contractors	Outdoor	Landscape Design
Staircase	Pools and Spas	Baby & Kids	Garden Guides
		Housekeeping	Fun Houzz
		Pet Supplies	Life