

HOUZZ RESEARCH

2026 UK Houzz State of the Industry





Contents

03 2026 Outlook

09 2025 in Focus



Big Ideas

Pros Enter 2026 with Divided Outlook

More than half of architects (55%) and interior designers (54%) report a good or very good outlook for 2026, a notable increase compared to last year, when optimism stood at 33% and 45%, respectively. In contrast, only 32% of design and build firms share that level of optimism, while 47% expect the year to be poor or very poor. This comes after a challenging 2025 for many firms. Nearly three-quarters of design and build firms and interior designers (73% each) say their 2025 gross revenues fell short of expectations, along with more than half of architects (55%).

Signs of Stabilisation in 2025 Performance

While many firms reported revenue and profit declines in 2025, year-on-year comparisons suggest conditions may be easing. The share of businesses reporting revenue increases rose (38% versus 34% in 2024), and those reporting revenue decreases dipped slightly compared with 2024 (45% versus 47%). Profitability also improved, with fewer firms reporting declines (47% versus 62% in 2024) and the share reporting increases rising slightly (27% versus 26% in 2024).

Firms Align on Improving Efficiency and Sales Processes

As firms navigate ongoing cost pressures and demand uncertainty, many are prioritising operational improvements in 2026. Increasing efficiency is the leading investment area across sectors, with 65% of design and build firms, 57% of interior designers and 56% of architects dedicating resources to streamline processes and improve productivity. Design and build firms are also focused on reducing costs and risks (53%), while architects and interior designers are prioritising better communication (50% and 35%, respectively) with clients and teams. Improving the sales process ranks among the top three investment areas for all groups.

Rising Costs Continued to Pressure Firms

Higher costs remained widespread across the sector in 2025. The vast majority of design and build firms (90%) and architects (86%) report an increase in the cost of doing business in 2025, along with over two-thirds of interior designers (68%). Among firms reporting higher expenses, product and material costs remain the leading driver (52%), followed by advertising and marketing costs (40%) and software expenses (30%).



2026 Outlook

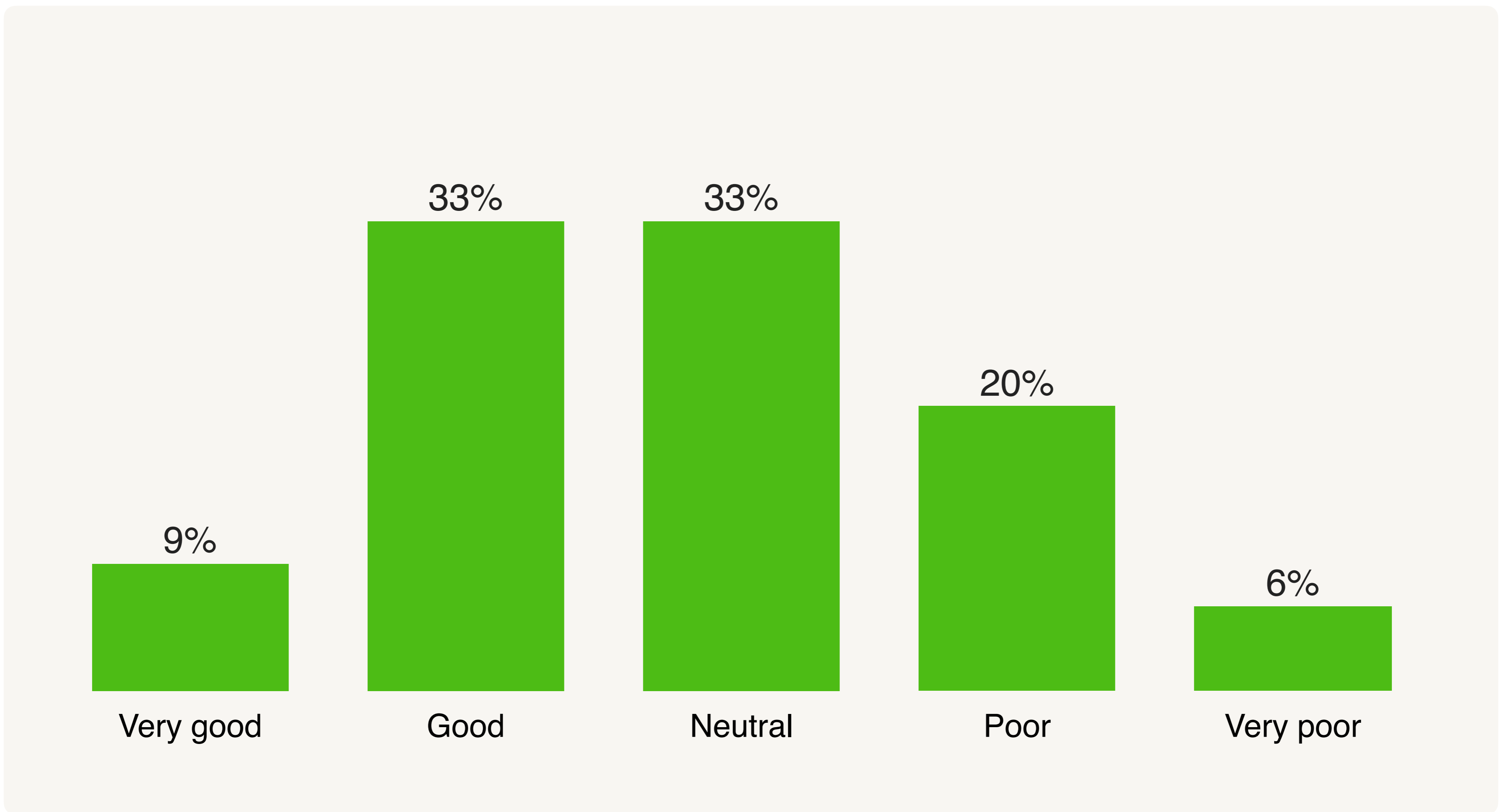




2026 Outlook

Charts show the percentage of surveyed businesses on Houzz UK reporting their outlook for 2026.

BUSINESS OUTLOOK



INTERIOR DESIGNERS

Good to a very good year	54%
Neutral	36%
Poor to a very poor year	10%

ARCHITECTS

Good to a very good year	55%
Neutral	25%
Poor to a very poor year	20%

DESIGN & BUILD FIRMS

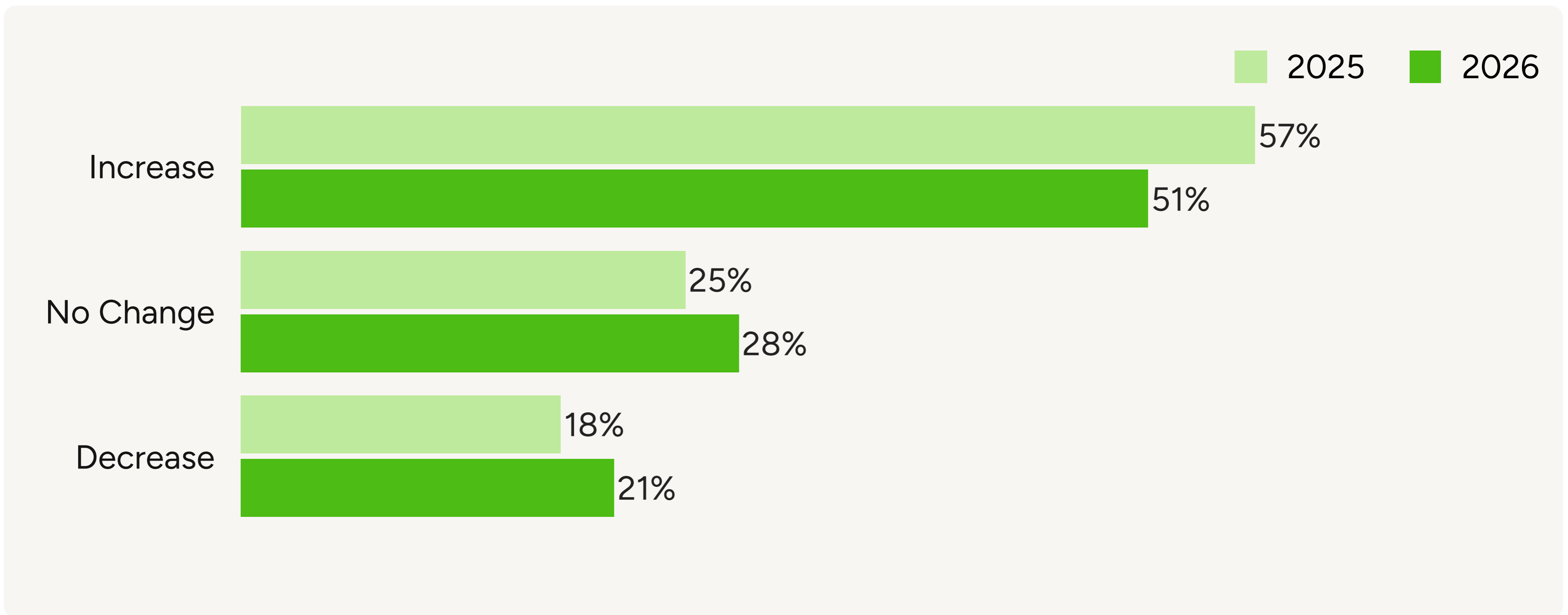
Good to a very good year	32%
Neutral	21%
Poor to a very poor year	47%



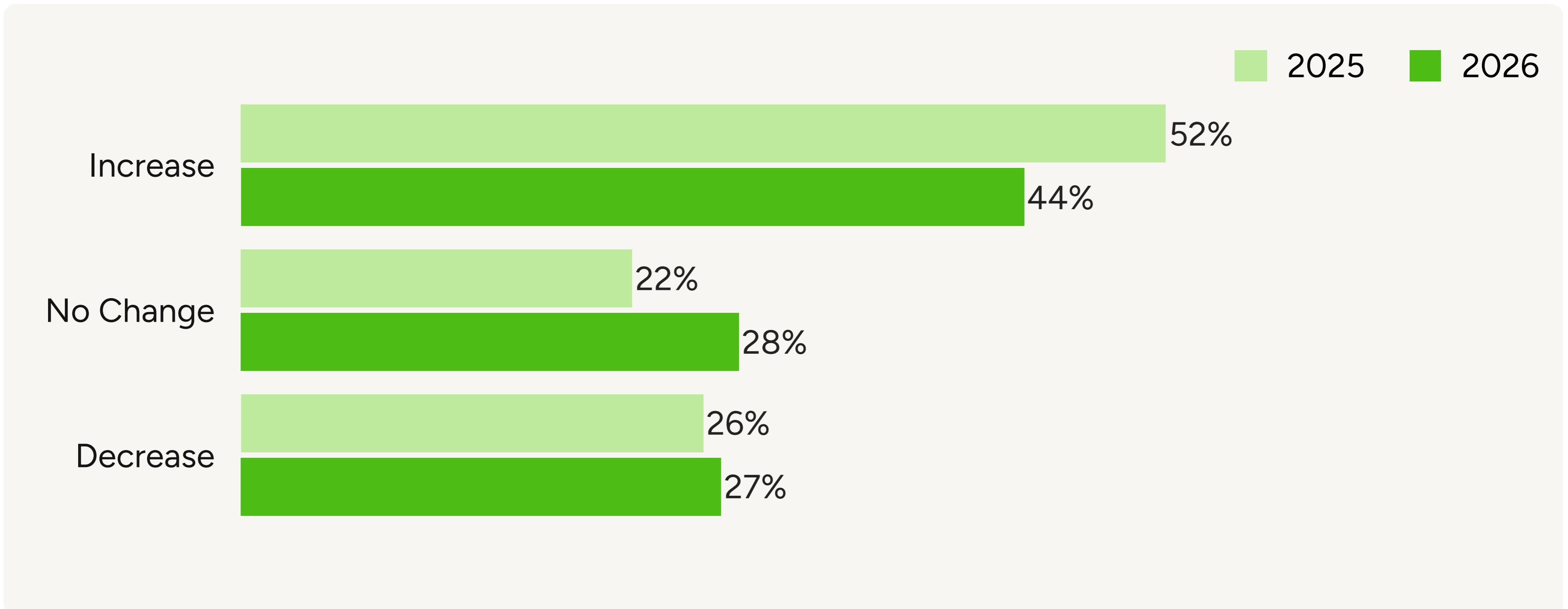
Expected Revenues & Profits in 2026

Charts show the percentage of surveyed businesses on Houzz UK expecting revenue growth in 2026 (vs. 2025).

EXPECTING GROSS REVENUES



EXPECTING GROSS PROFITS (NET INCOME)



EXPECTING INCREASE IN 2026 GROSS REVENUES

Interior Designers	64%
Architects	52%
Design & Build Firms	30%

EXPECTING INCREASE IN 2026 GROSS PROFITS (NET INCOME)

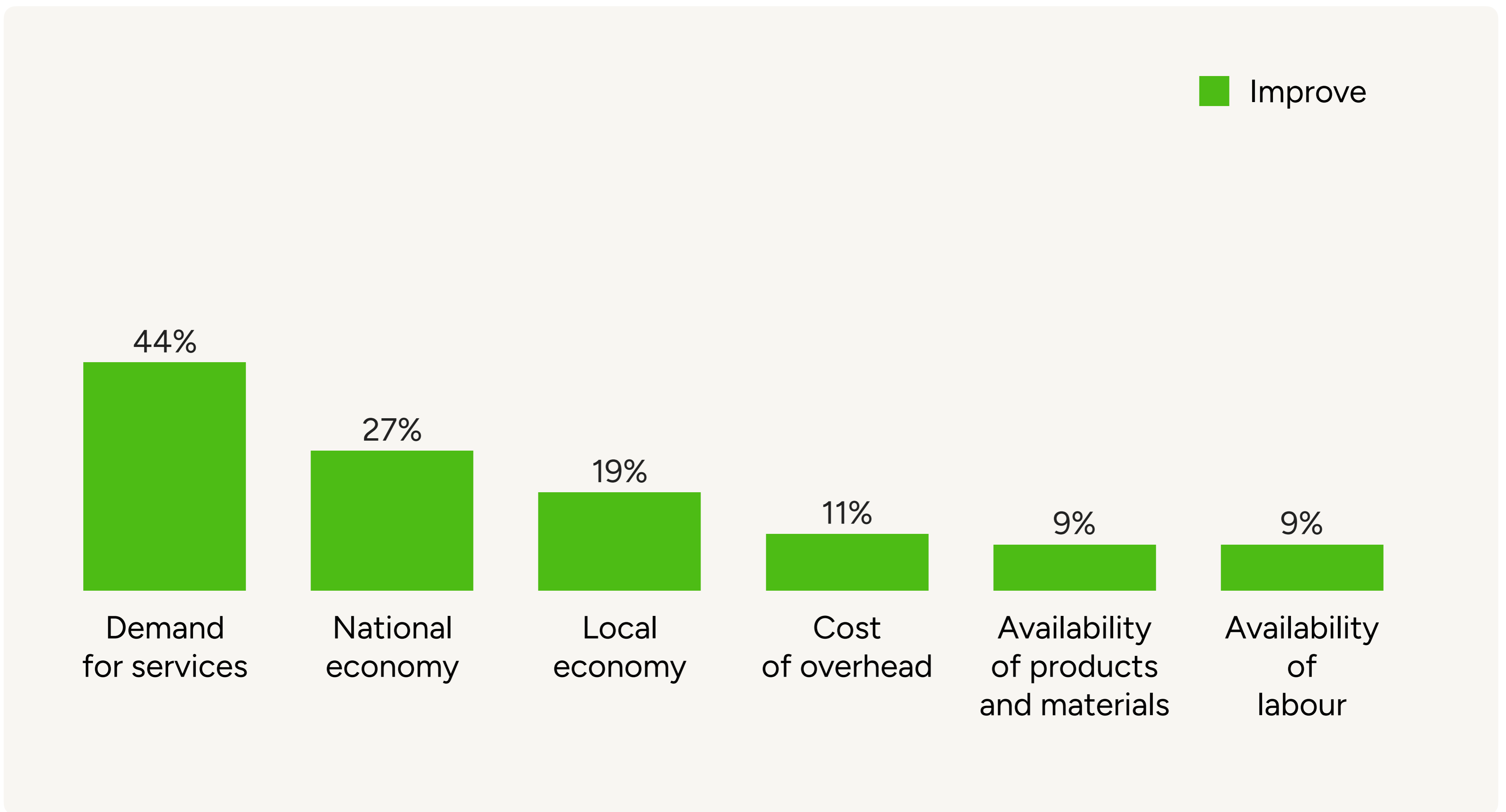
Interior Designers	60%
Architects	52%
Design & Build Firms	20%



Top Improvements in 2026

Charts shows the percentage of surveyed businesses on Houzz UK reporting on expected improvements in 2026.

TOP EXPECTED IMPROVEMENTS



INTERIOR DESIGNERS

Demand for services	55%
National economy	35%
Local economy	20%

ARCHITECTS

Demand for services	73%
National economy	47%
Local economy	40%

DESIGN & BUILD FIRMS

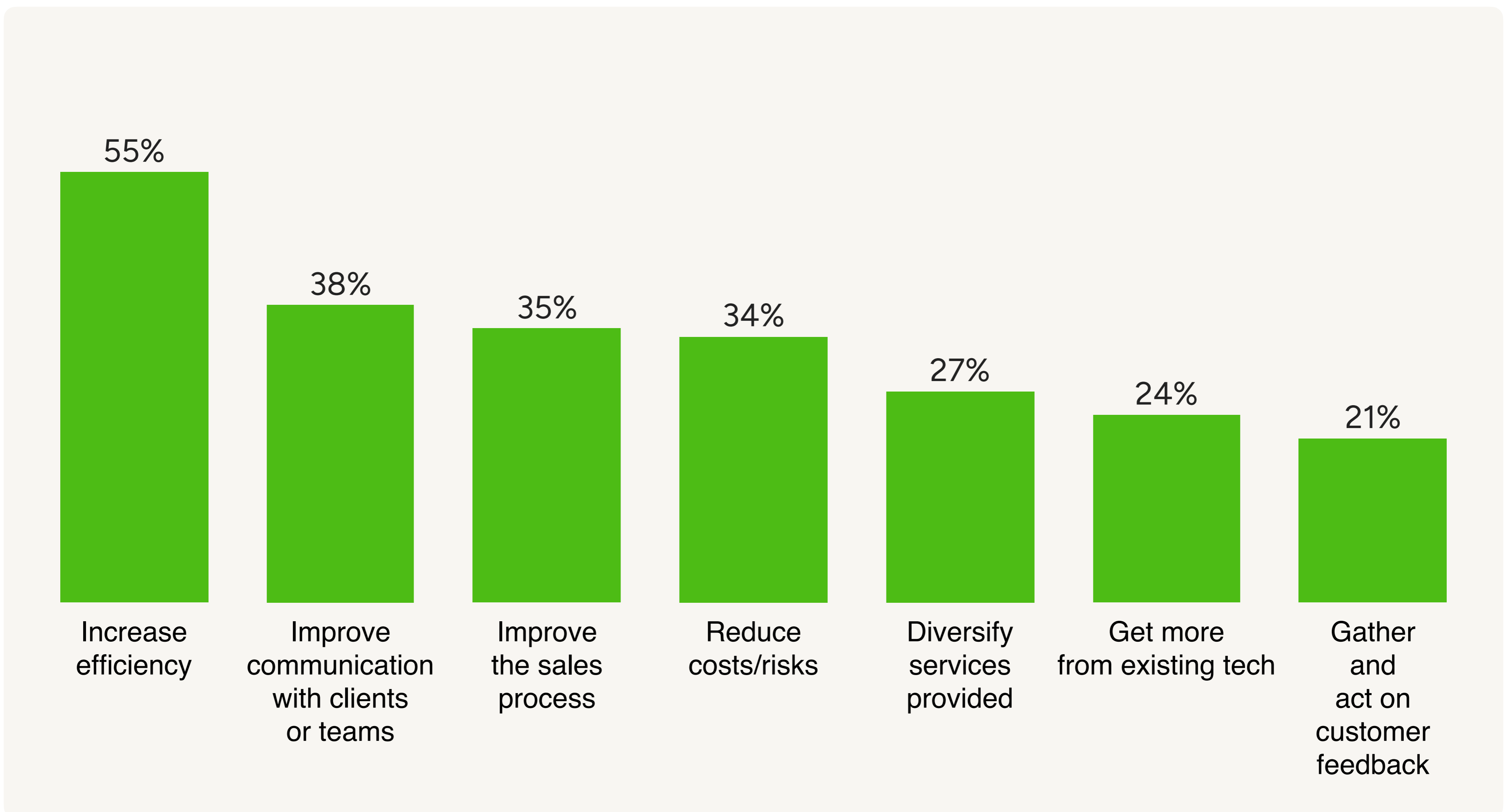
Cost of products and materials	24%
Demand for services	24%
Cost of overhead	24%



Business Areas Firms Plan on Investing Time or Money in 2026

Chart shows the percentage of surveyed businesses on Houzz UK reporting areas in which they plan on investing time or money in 2026.

AREAS IN WHICH BUSINESSES PLAN ON INVESTING TIME OR MONEY



INTERIOR DESIGNERS

Increase efficiency	57%
Improve communication with clients or teams	35%
Improve the sales process	35%

ARCHITECTS

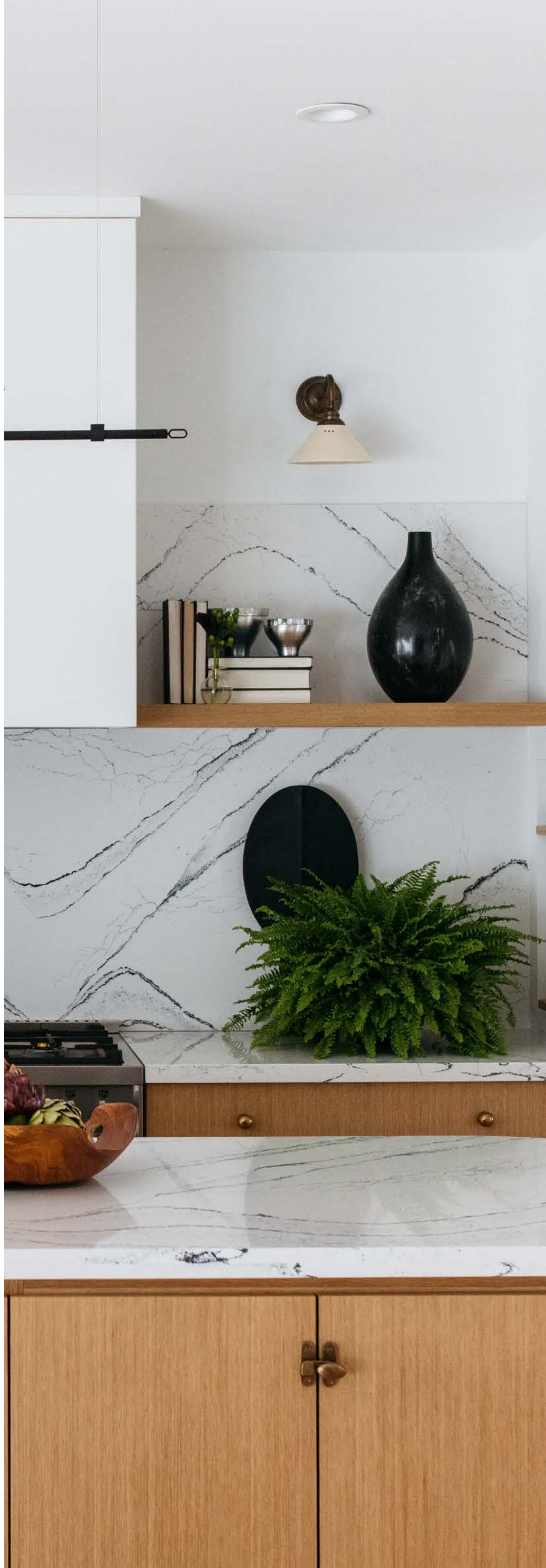
Increase efficiency	56%
Improve communication with clients or teams	50%
Improve the sales process	33%

DESIGN & BUILD FIRMS

Increase efficiency	65%
Reduce costs/risks	53%
Improve the sales process	47%



2025 in Focus

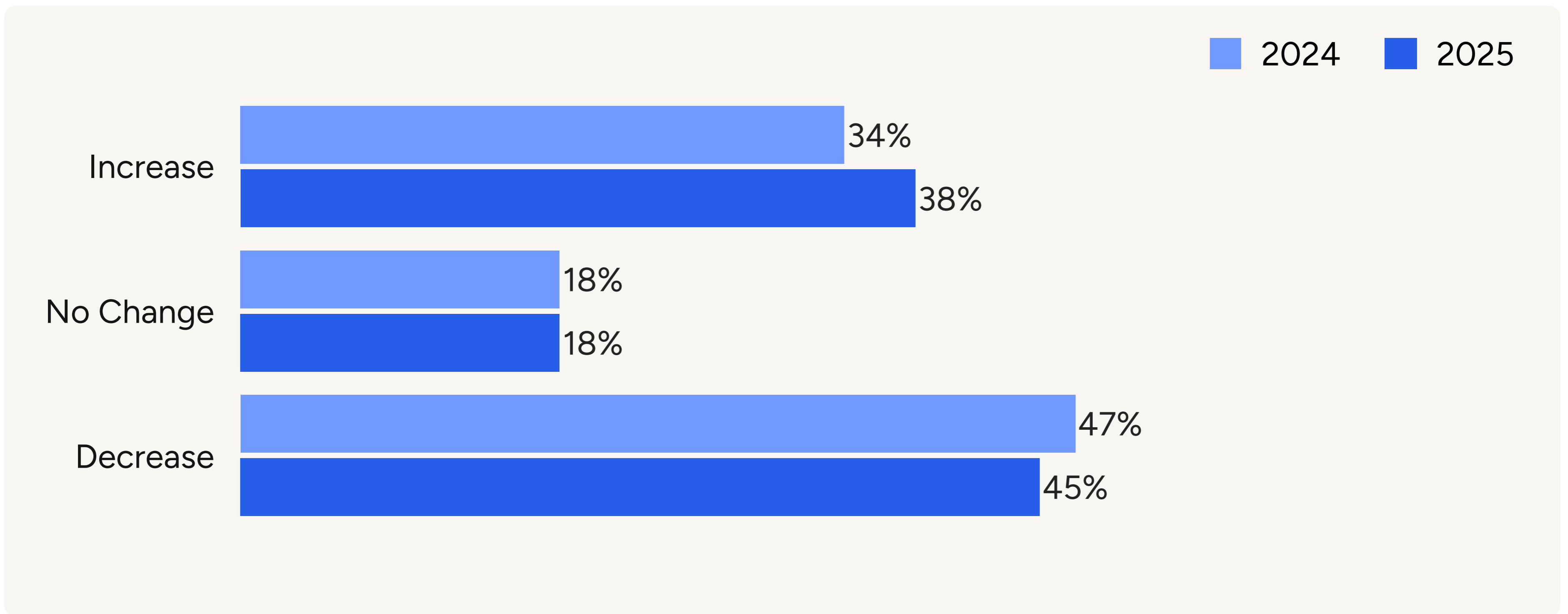




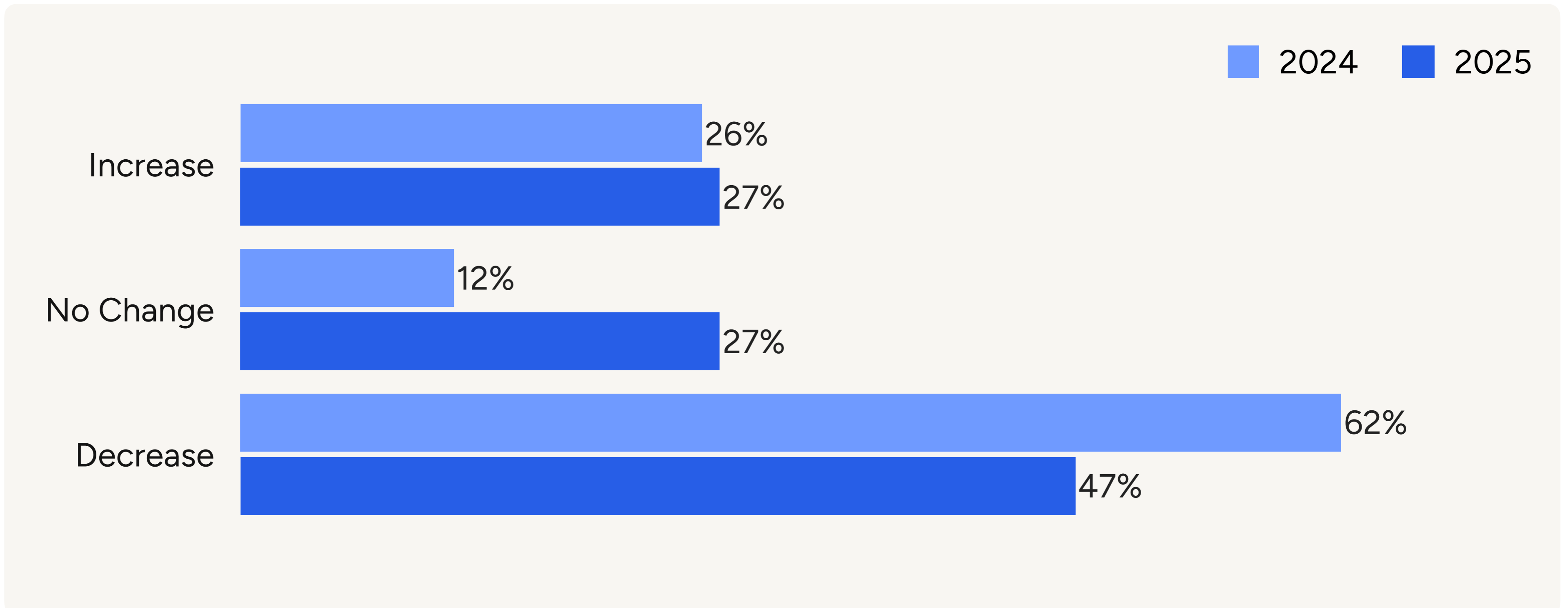
Revenues & Profits in 2025

Charts show the percentage of surveyed businesses on Houzz UK reporting performance in 2025 (vs. 2024).

GROSS REVENUES



GROSS PROFITS (NET INCOME)



INCREASE IN 2025 GROSS REVENUES

Interior Designers	33%
Architects	52%
Design & Build Firms	20%

INCREASE IN 2025 GROSS PROFITS (NET INCOME)

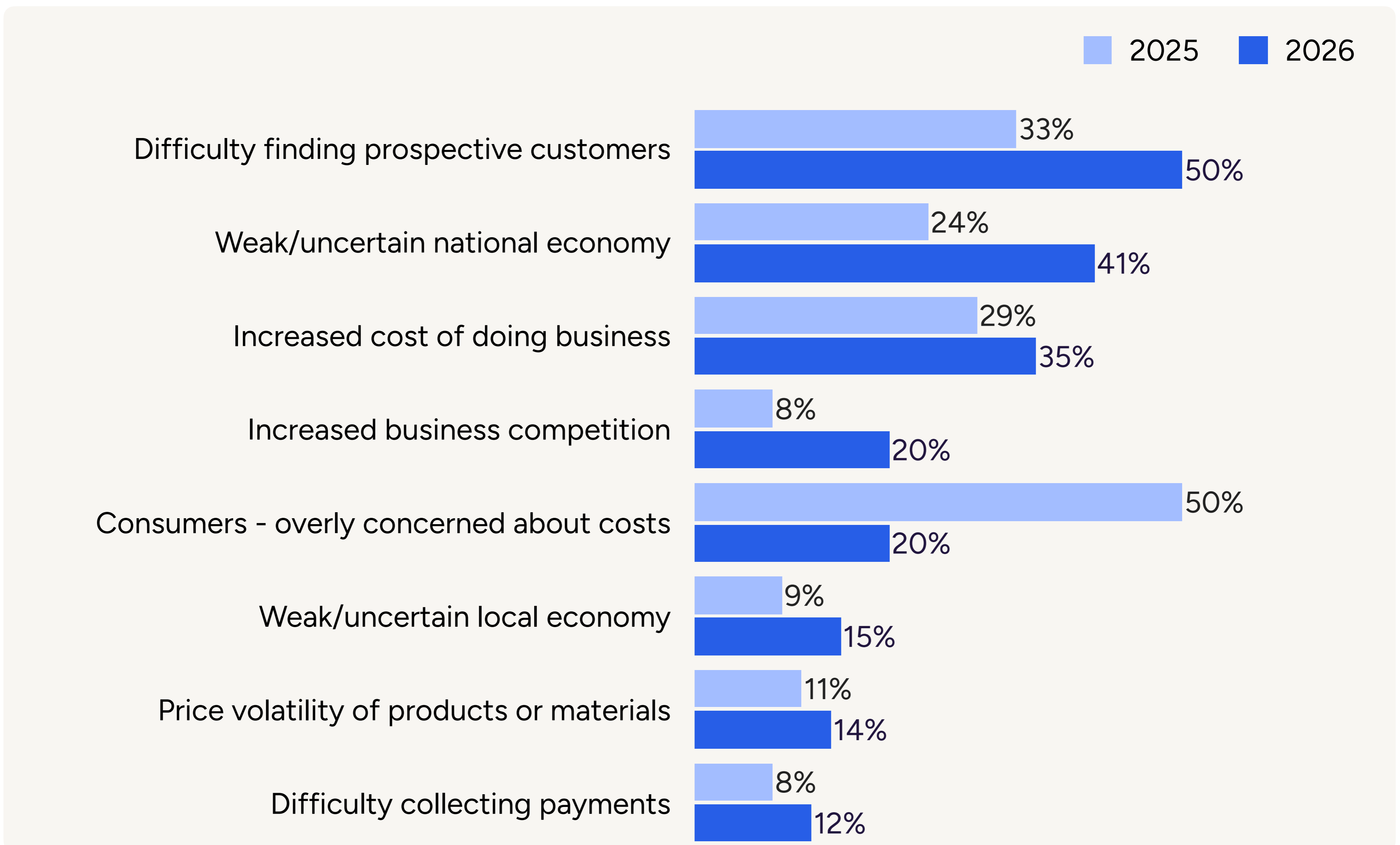
Interior Designers	22%
Architects	38%
Design & Build Firms	5%



Business Challenges in 2025

Charts shows the percentage of surveyed businesses on Houzz UK reporting challenges in 2025.

CHALLENGES AFFECTING BUSINESS



INTERIOR DESIGNERS

Difficulty finding prospective customers	50%
Weak/uncertain national economy	39%

ARCHITECTS

Difficulty finding prospective customers	48%
Increased cost of doing business	43%

DESIGN & BUILD FIRMS

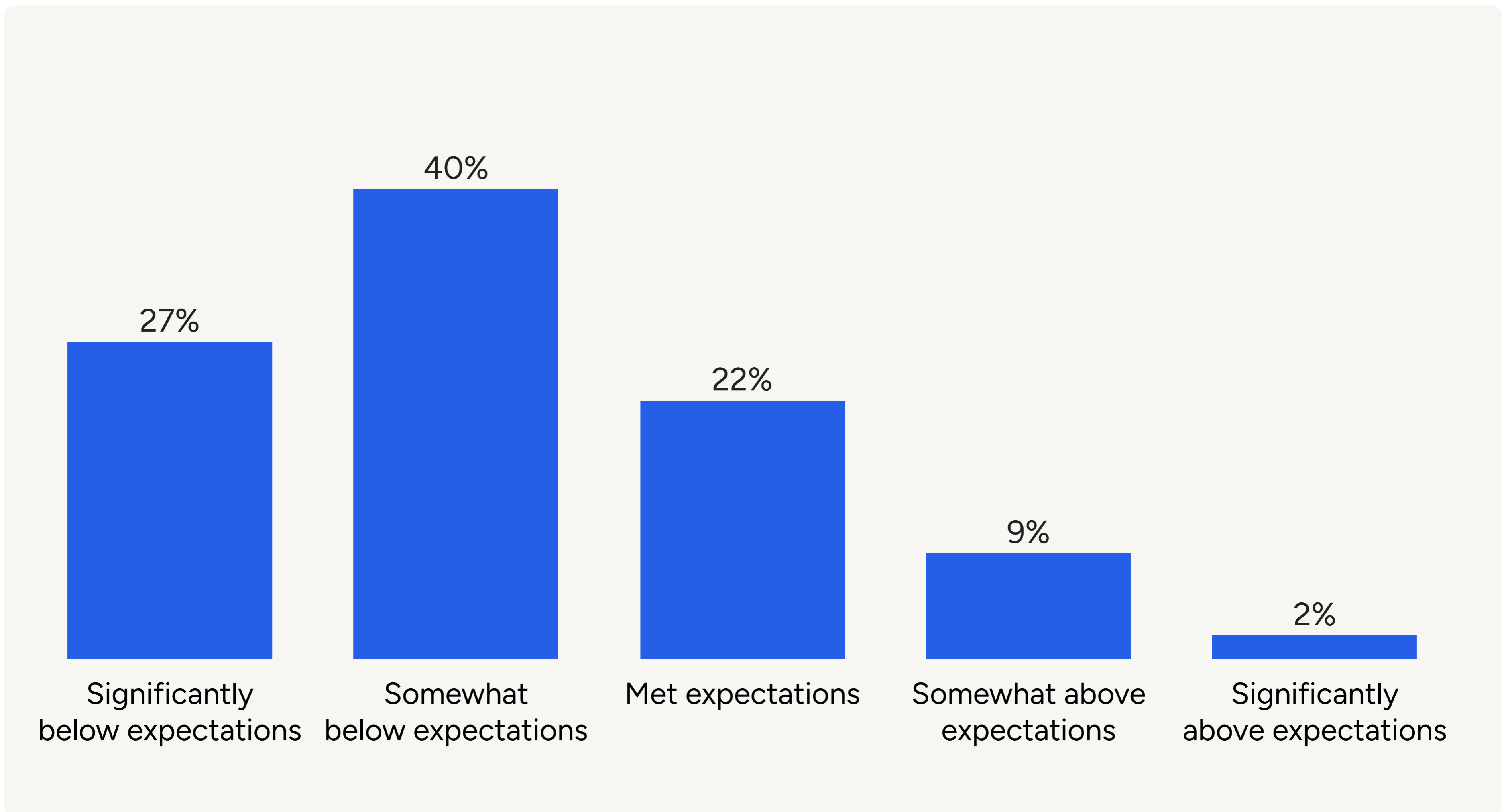
Difficulty finding prospective customers	55%
Increased cost of doing business	50%



2025 Comparison to the Initial Expectations

Charts shows the percentage of surveyed businesses on Houzz UK reporting how 2025 business performance compared to the initial expectations for 2025.

GROSS REVENUES IN 2025 RELATIVE TO EXPECTATIONS FOR 2025



INTERIOR DESIGNERS

Met expectations	12%
Above expectations	15%
Below expectations	73%

ARCHITECTS

Met expectations	35%
Above expectations	10%
Below expectations	55%

DESIGN & BUILD FIRMS

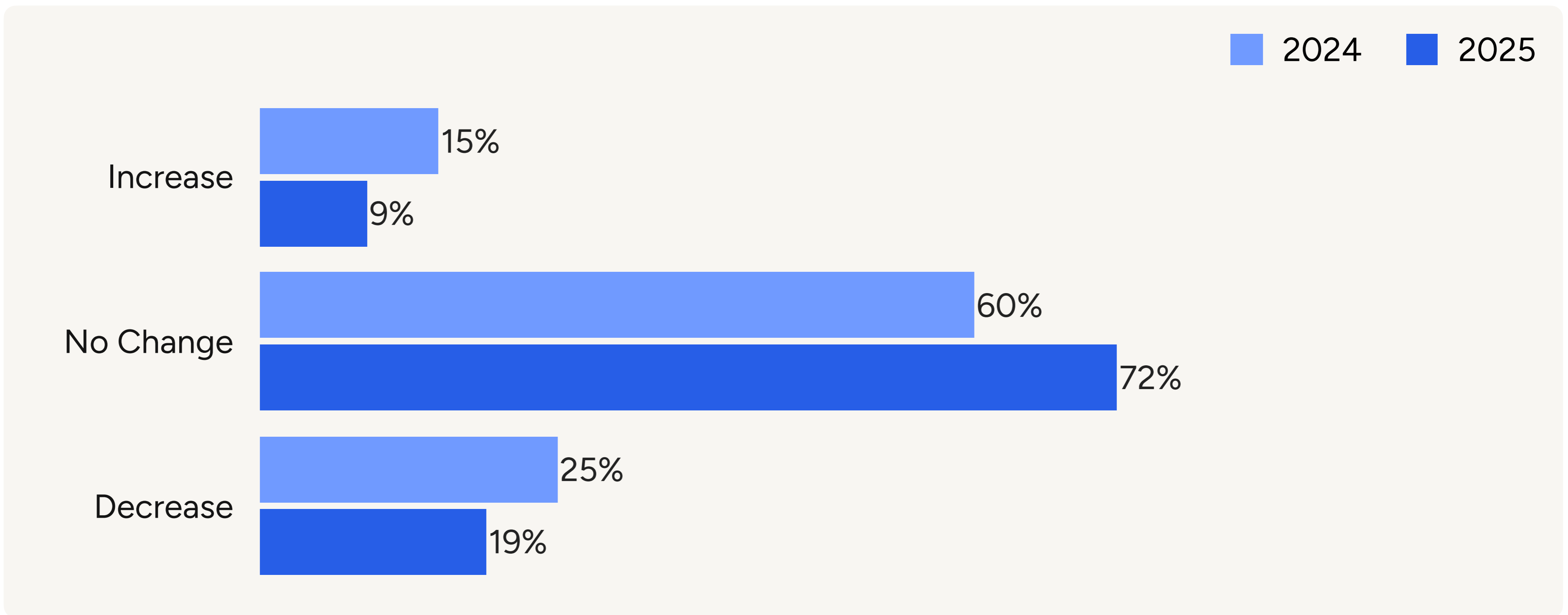
Met expectations	16%
Above expectations	11%
Below expectations	73%



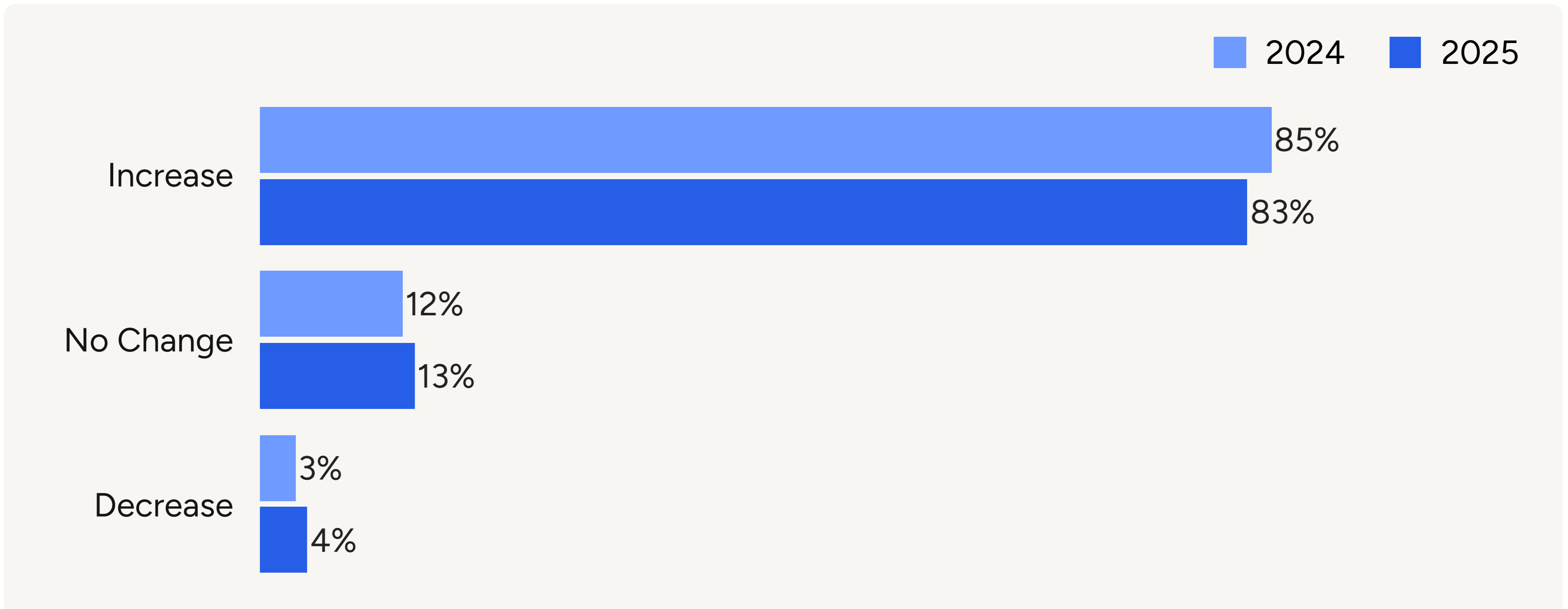
Staffing & Business Costs in 2025

Charts show the percentage of surveyed businesses on Houzz UK reporting performance in 2025 (vs. 2024).

NUMBER OF EMPLOYEES



COST OF DOING BUSINESS



INCREASE IN NUMBER OF EMPLOYEES IN 2025

Interior Designers	0%
Architects	15%
Design & Build Firms	0%

INCREASE IN COST OF DOING BUSINESS IN 2025

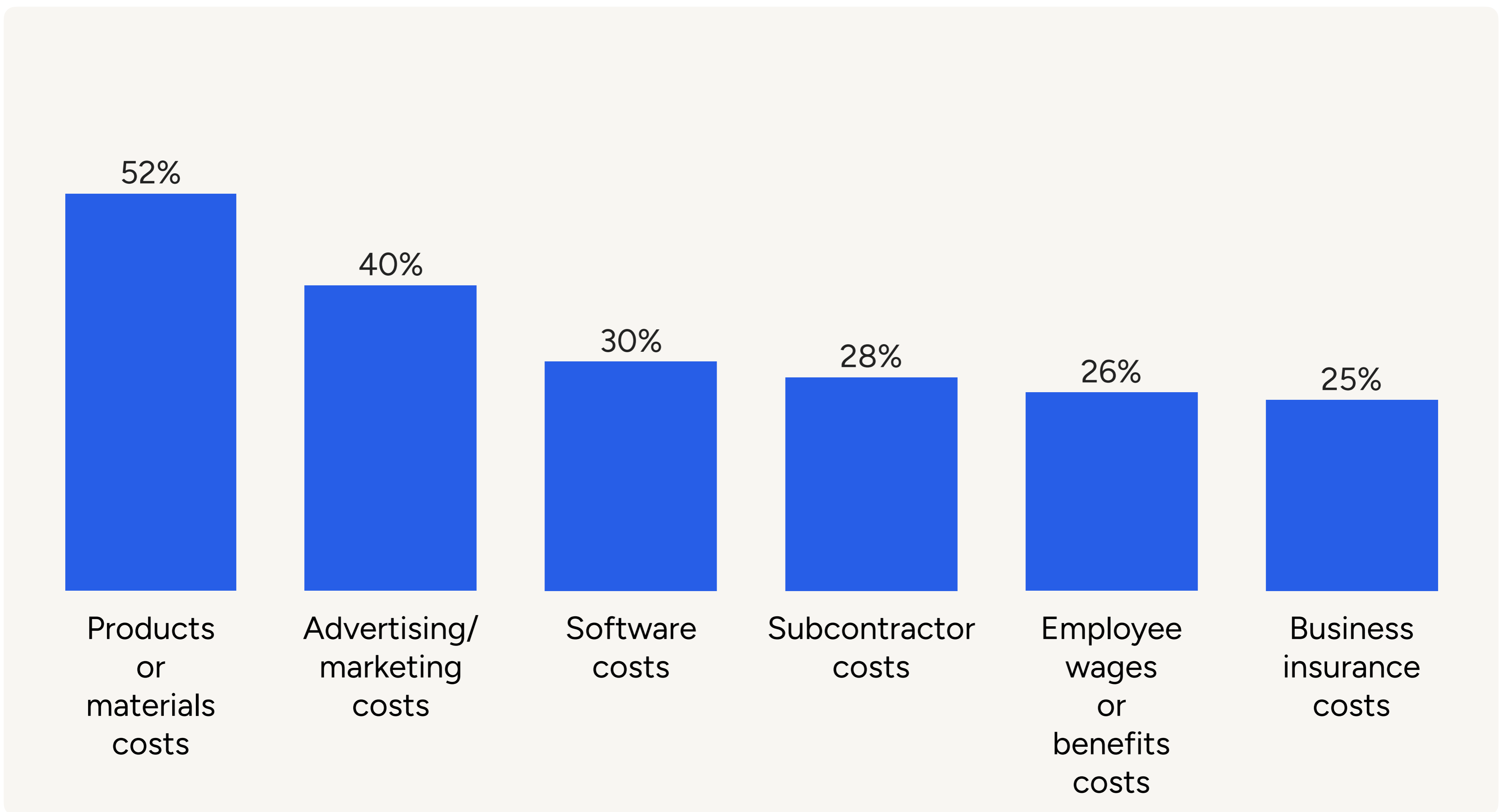
Interior Designers	68%
Architects	86%
Design & Build Firms	90%



Drivers of Increase in Cost of Doing Business in 2025

Chart shows the percentage of surveyed businesses on Houzz UK reporting cost drivers in 2025.

DRIVERS OF INCREASE IN COST OF DOING BUSINESS



INTERIOR DESIGNERS

Product or material costs	71%
Advertising/marketing costs	59%
Subcontractor costs	41%

ARCHITECTS

Software costs	65%
Advertising/marketing costs	41%
Business insurance costs	35%

DESIGN & BUILD FIRMS

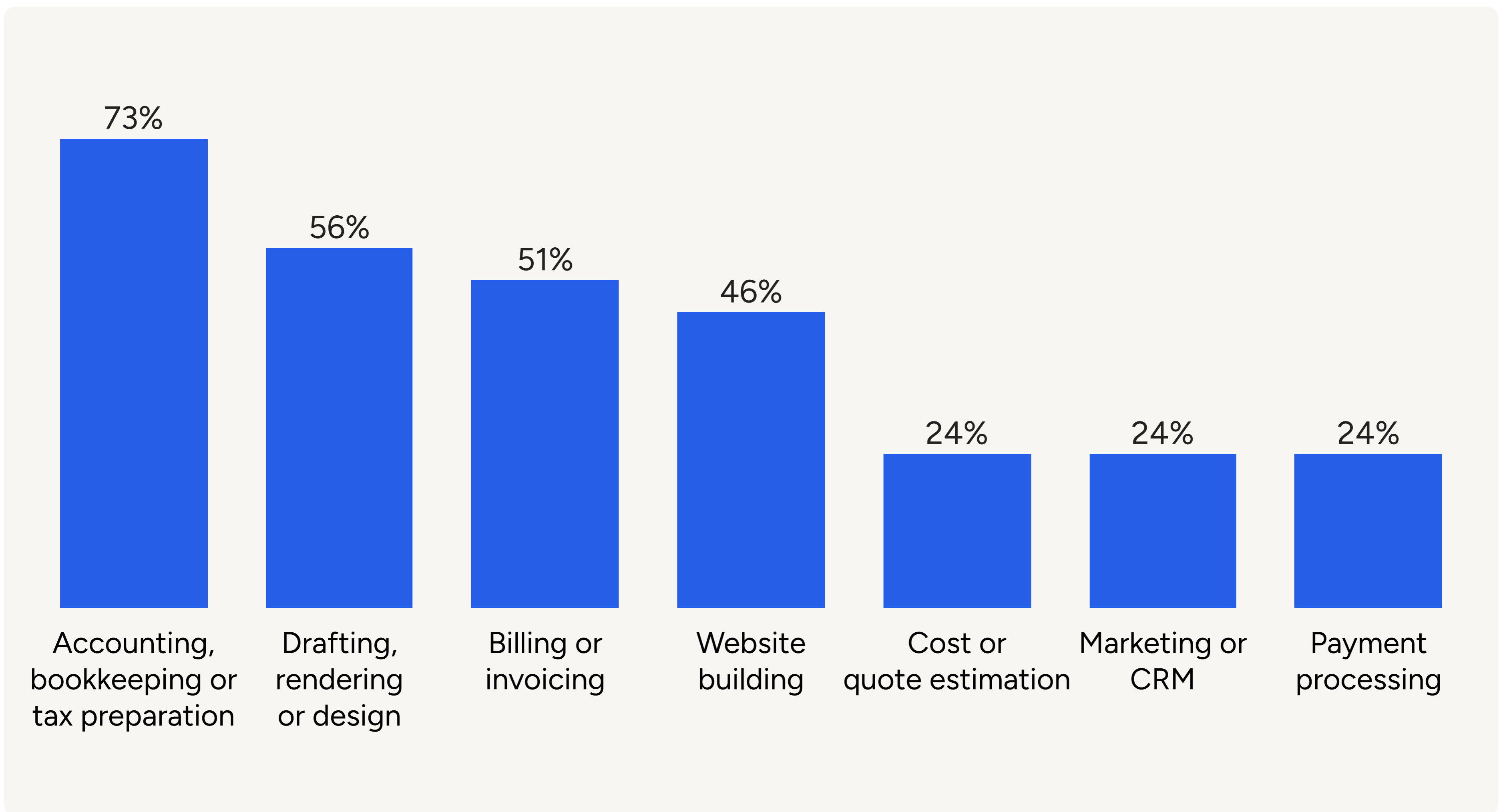
Product or material costs	50%
Subcontractor costs	39%
Advertising/marketing costs	39%



Business Software Uses in 2025

Chart shows the percentage of surveyed businesses on Houzz UK reporting software use in 2025.

SPECIALISED SOFTWARE USED FOR BUSINESS



INTERIOR DESIGNERS

Accounting, bookkeeping or tax preparation	74%
Drafting, rendering or design	70%
Billing or invoicing	59%

ARCHITECTS

Drafting, rendering or design	95%
Accounting, bookkeeping or tax preparation	86%
Billing or invoicing	62%

DESIGN & BUILD FIRMS

Accounting, bookkeeping or tax preparation	74%
Billing or invoicing	47%
Drafting, rendering or design	42%



Description of Business

The percentage of surveyed* businesses on Houzz UK with the specific characteristics in 2025.

SHARE OF BUSINESSES BY 2025 BUSINESS CHARACTERISTICS

More than £100,000 in gross revenues **51%**

One or more employees **65%**

10 or more years in business **73%**

Sole owner **71%**

* The survey was sent to businesses with profiles on Houzz UK and fielded between January 12 - January 28 2026. N=145. Business groups were defined based on services that contributed to the largest share of business gross revenues in 2025, as identified by respondents in the survey.