

2018

HOUZZ & HOME - AUSTRALIA
July 2018



Overview of Home Renovation in 2017
and 2018

Big Ideas

HOME RENOVATION BOOM CONTINUES

2018 is on track to be another solid year for home renovations, with over half of homeowners planning to renovate their home (57%). Renovation activity and spend was strong in 2017, with over 50% of homeowners renovating their homes, at a median spend of \$25,000. Repeat homebuyers spend twice the amount of first-time homebuyers.

KITCHENS AND BATHROOMS LEAD ACTIVITIES AND SPEND

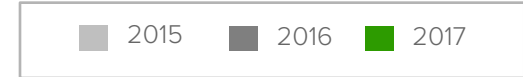
Kitchens topped the list of interior remodels for renovation frequency in 2017, with more than a quarter of renovating homeowners tackling kitchens (26%), followed by living/family rooms, bedrooms (other), master bathrooms and laundries (24%, 18%, 18% and 17% respectively). Repeat and first-time homebuyers are more likely to take on kitchen renovations than long-term homeowners (38% and 31%, respectively, versus 24% of long-term homeowners). Kitchens were also the most expensive room to renovate, with a median spend of \$20,000 for a large kitchen (more than ten square metres), followed by large master bathrooms (more than five square metres) at a median spend of \$13,000.

MORE DELIBERATE PLANNING AND BUDGETING

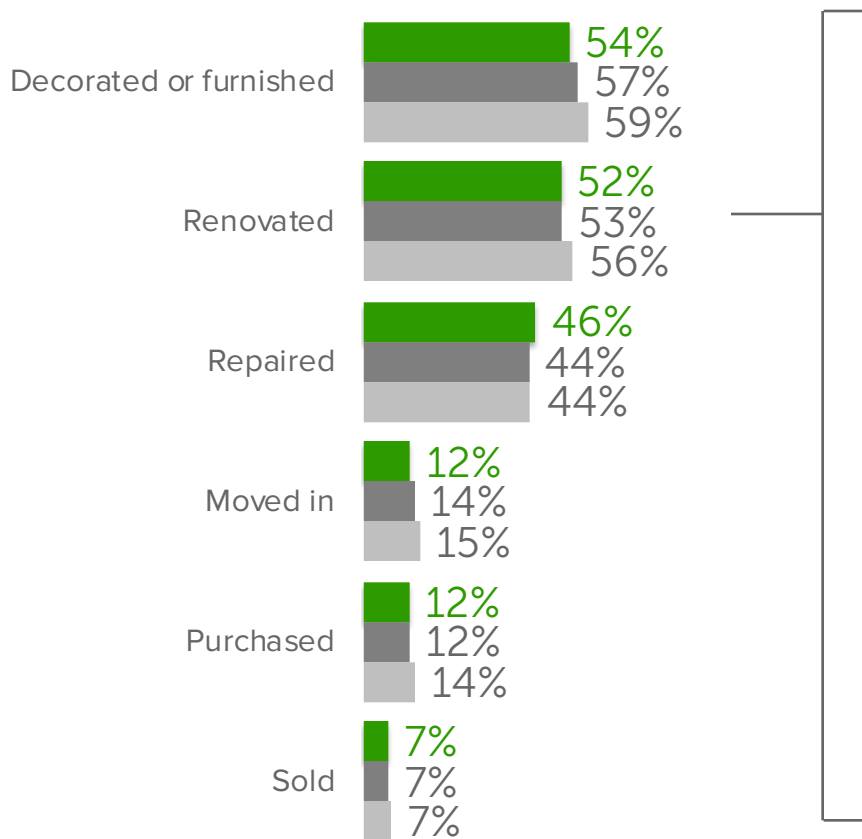
Over the past two years, homeowners have become more deliberate in planning and budgeting for renovations and were seven percent more likely to set a budget in 2017 than in 2015 (74% and 67%, respectively).

What We Are Doing in Our Homes

Charts below show the frequency of activities related to the primary home in 2015, 2016 and 2017, as well as the median renovation spend per renovating homeowner in 2015, 2016 and 2017, overall and by segment, as reported by homeowners on Houzz Australia.



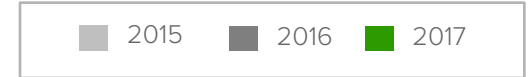
ACTIVITIES IN THE HOME BY YEAR



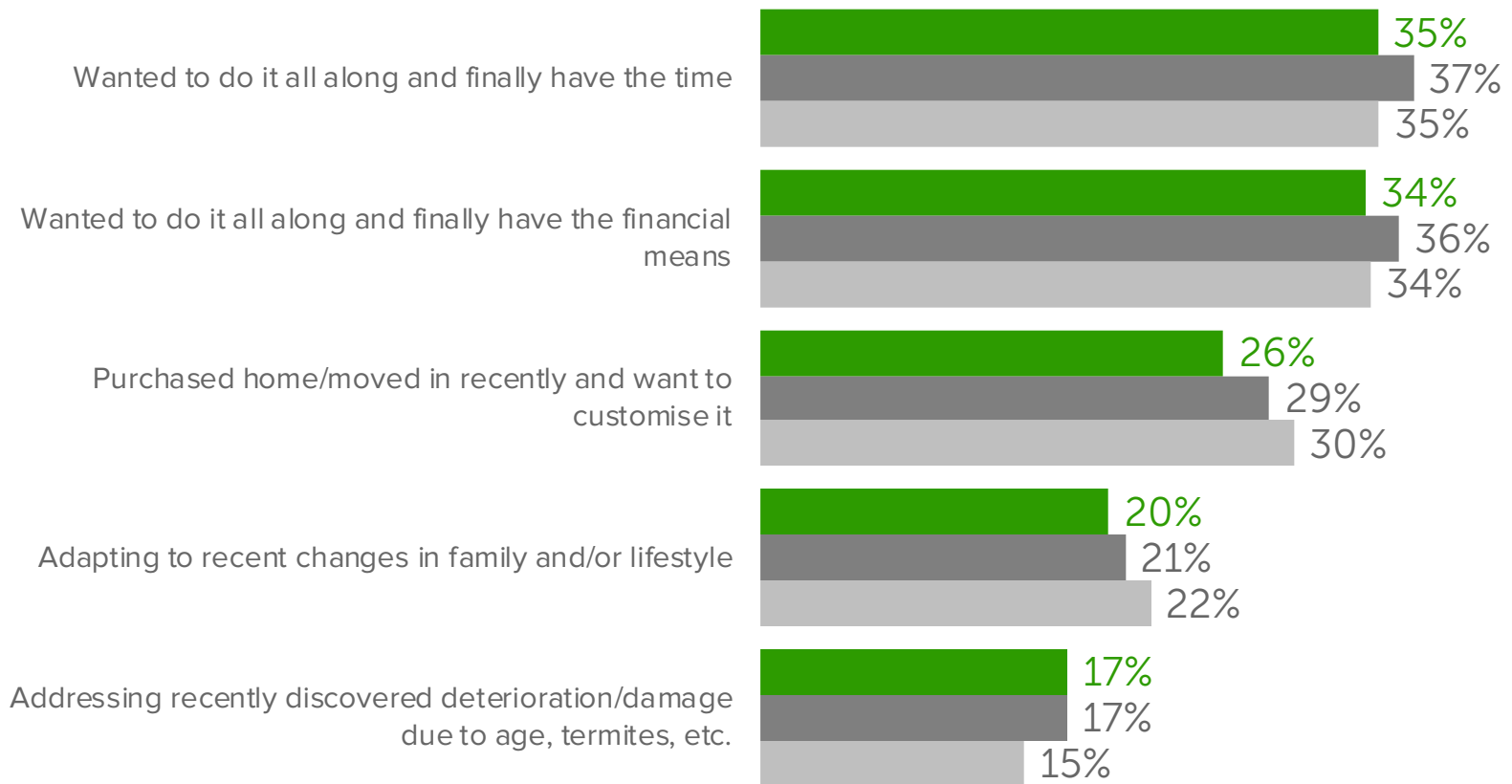
ANNUAL RENOVATION SPEND (AU\$)			
BY YEAR			
	2015	2016	2017
MEDIAN	21,000	23,000	25,000
90TH PERCENTILE	150,000	140,000	150,000
2016-17 ANNUAL RENOVATION SPEND (AU\$)			
BY SEGMENT			
	First-time homebuyers	Repeat homebuyers	Long-term owners
MEDIAN	15,000	30,000	22,000
90TH PERCENTILE	60,000	150,000	150,000

Why We Are Renovating Now

Chart below shows the frequency of top reasons for starting renovations in 2015, 2016 and 2017, overall and by segment, as reported by homeowners who renovated their primary homes.



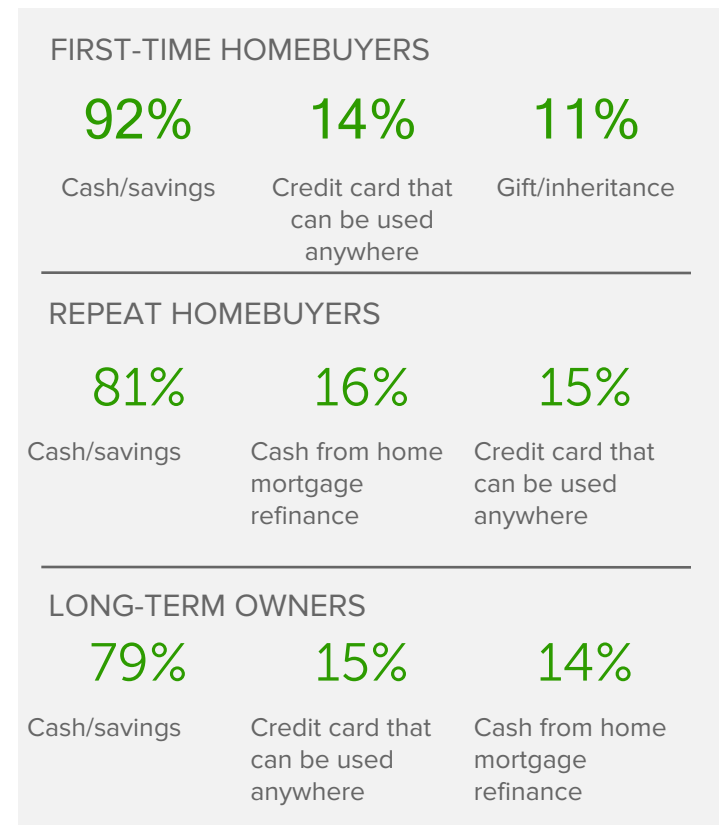
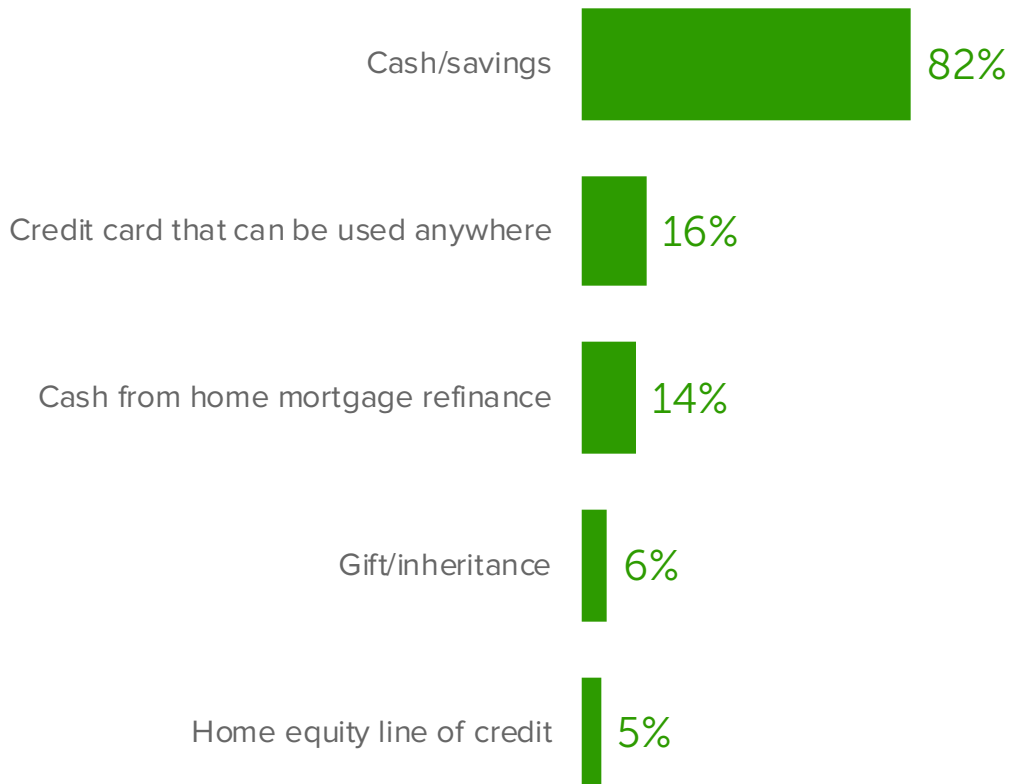
TOP REASONS FOR STARTING RENOVATIONS BY YEAR



How We Are Funding Our Home Renovations

Charts below show the frequency of top payment methods for home renovations in 2017, overall and by segment, as reported by homeowners who renovated their primary homes. Year over year comparison are not possible due to a change in question wording.

TOP RENOVATION PAYMENT METHODS IN 2017



How We Are Meeting Our Budget Goals

Charts below show the frequency of homeowners setting initial renovation budgets, whether they met those budgets, and reasons for going over budget, as reported by homeowners who renovated their primary homes in 2015 and 2017. These questions were not asked in 2016.

■ 2015 ■ 2017

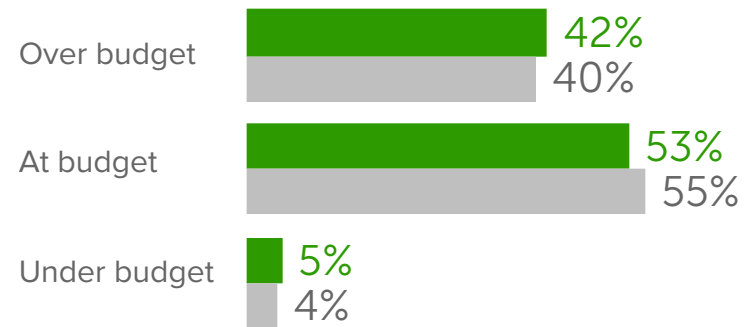
SETTING & MEETING THE RENOVATION BUDGET, AND REASONS FOR GOING OVER BUDGET BY YEAR

SETTING AN INITIAL BUDGET

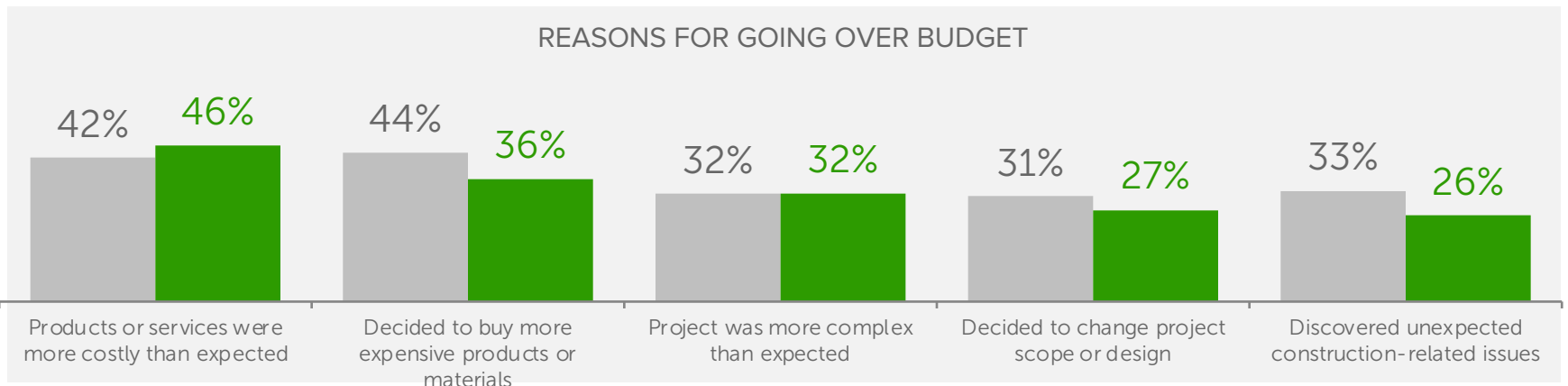
67%
2015

74%
2017

OVER, AT OR UNDER BUDGET (IF SET)



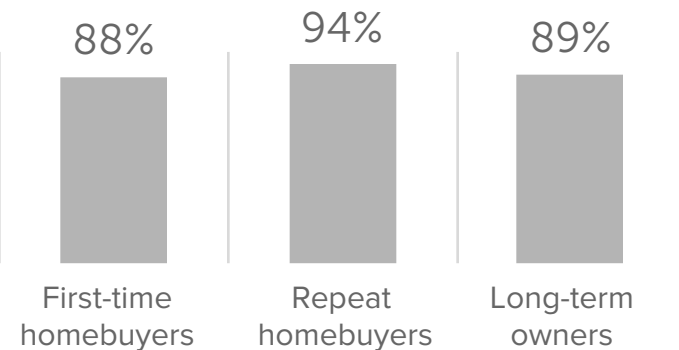
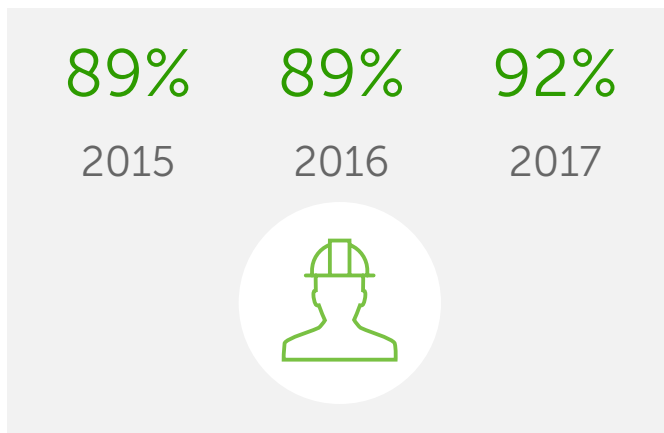
REASONS FOR GOING OVER BUDGET



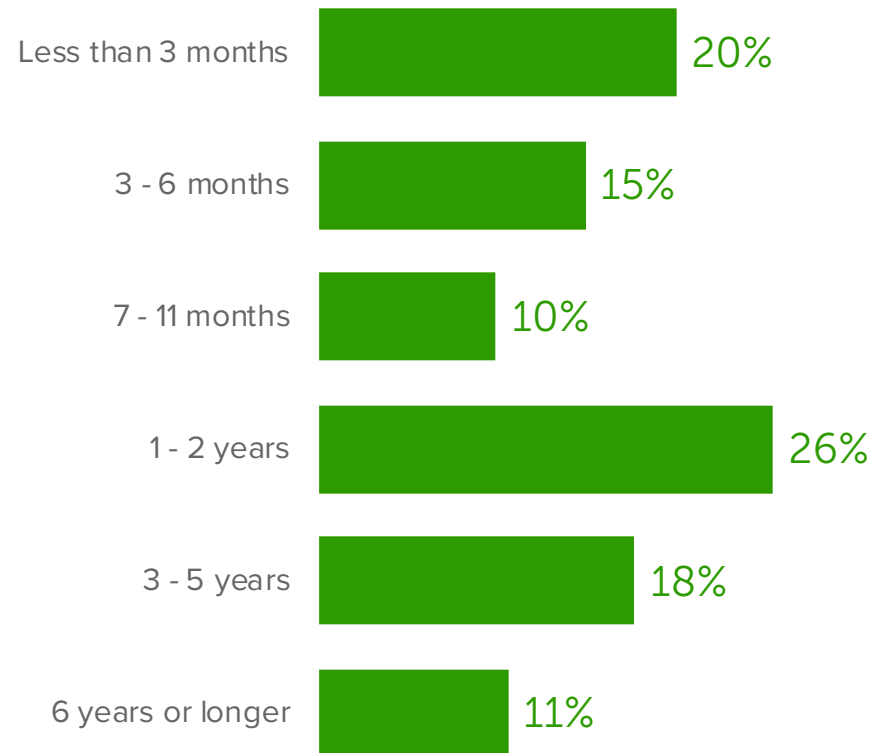
How We Plan Our Home Renovations

Charts below shows the frequency of professional hiring in 2015, 2016 and 2017, overall and by segment, and the frequency of the time periods between the inception and execution of the renovation ideas in 2017, as reported by homeowners who renovated their primary homes.

OVERALL PRO HIRING BY YEAR



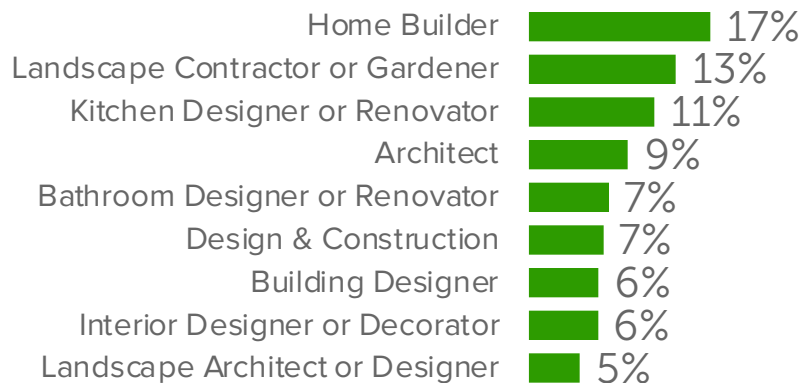
TIME BETWEEN PROJECT INCEPTION AND EXECUTION IN 2017



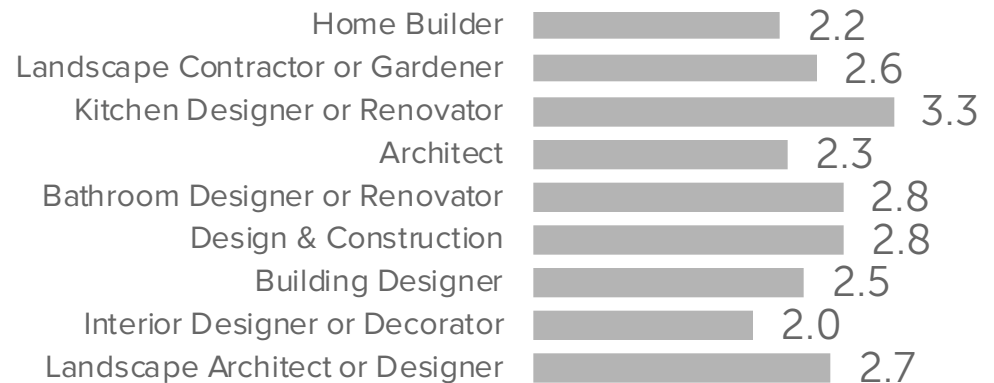
Who We Turn to for Help

Charts and table below show the frequency of top professionals hired in 2017 and the average number of professionals seriously considered before being hired, as reported by homeowners who renovated their primary homes.

SPECIFIC PRO HIRING IN 2017



AVERAGE NUMBER OF PROS CONSIDERED PRIOR TO HIRING IN 2017

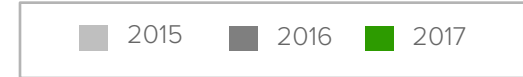


OTHER PROS HIRED IN 2017

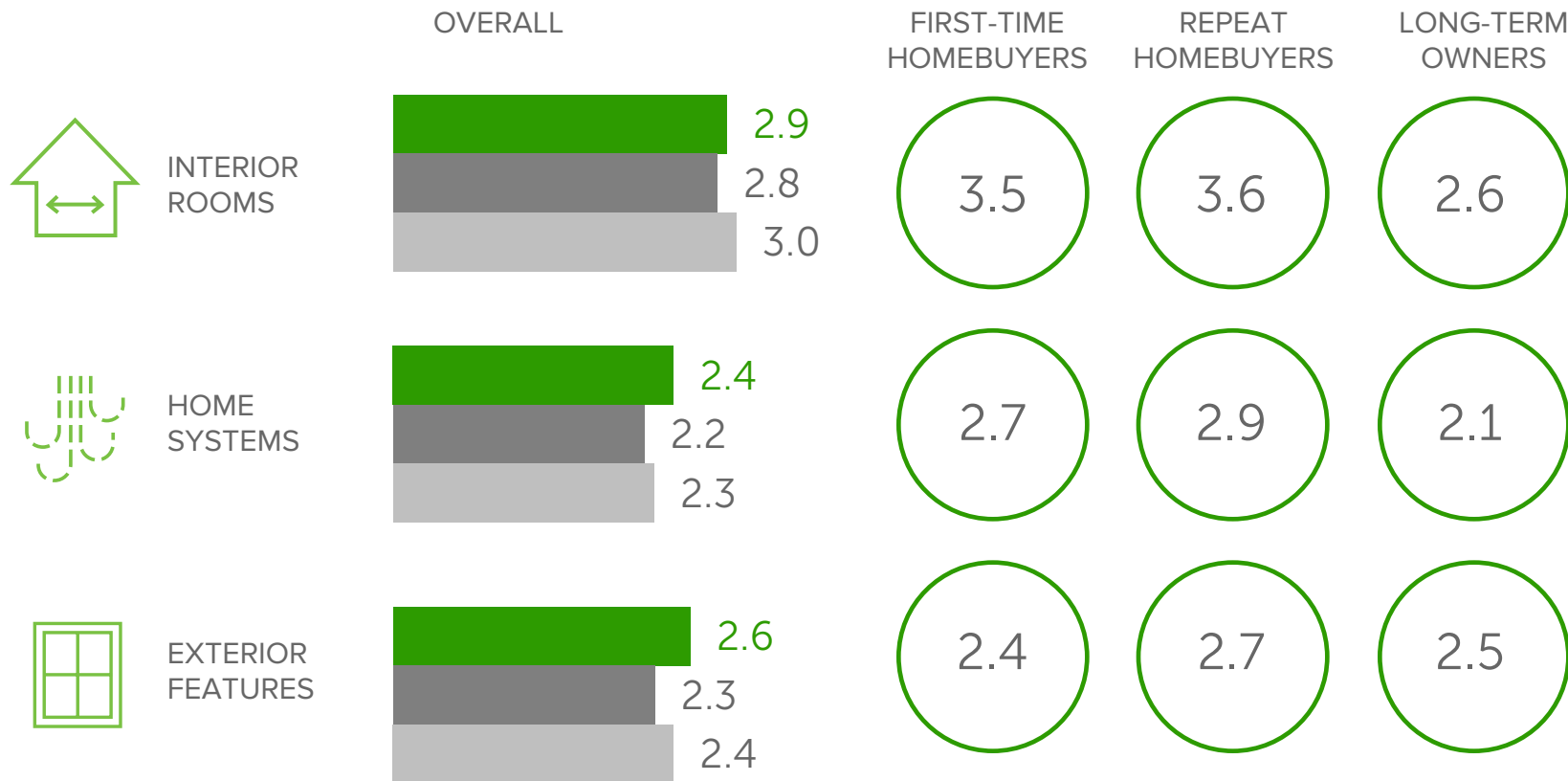
Electrician	64%	Carpet and Flooring	25%
Plumber	52%	Tile, Stone or Benchtop	24%
Carpenter	35%	Window Coverings (draperies & blinds)	16%
Cabinets and Cabinetry	29%	Windows and Doors	15%
Painter (exterior or interior)	28%	Roofing	15%

How Many Projects We Tackle in Our Homes

Charts below show the average number of interior rooms, home systems or exterior building features upgraded during 2015, 2016 and 2017 home renovations, overall and by segment, as reported by homeowners who renovated their primary homes.



AVERAGE NUMBER OF UPGRADED INTERIOR ROOMS, HOMES SYSTEMS AND EXTERIOR FEATURES BY YEAR

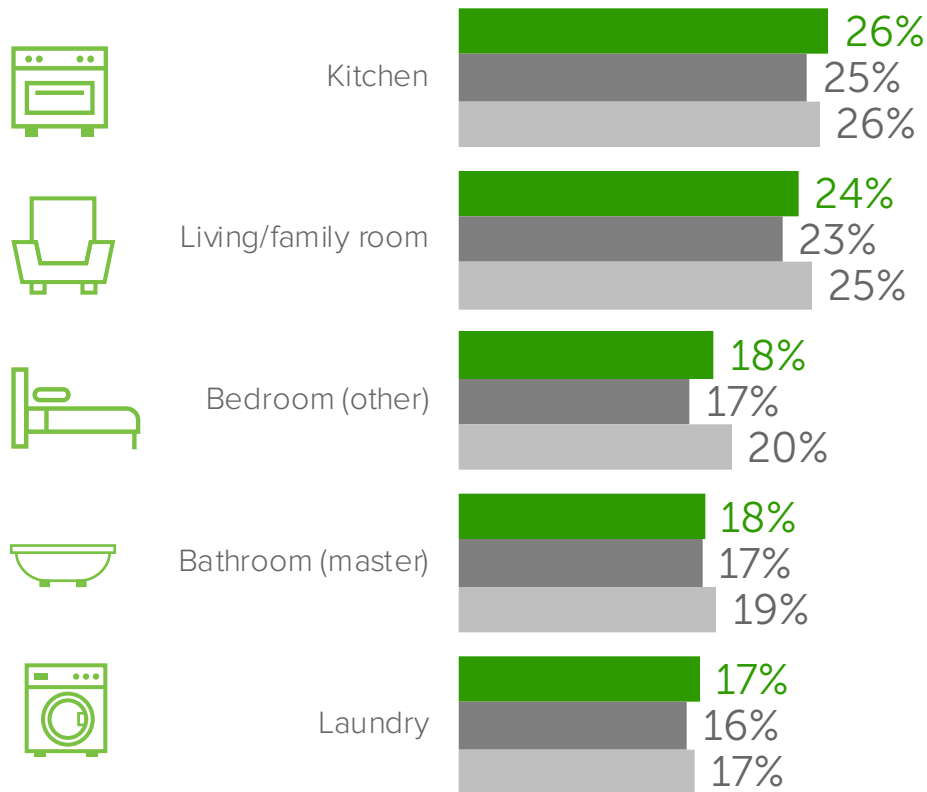


Where We Focus Our Efforts

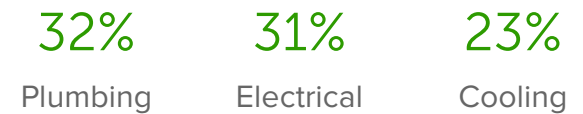
Charts and tables below show the frequency of most popular 2015, 2016 and 2017 renovations of interior rooms, as well as 2017 upgrades of home systems, exterior building features, and outdoor features, as reported homeowners who renovated their primary homes.



TOP INTERIOR ROOM RENOVATIONS BY YEAR



TOP HOME SYSTEM UPGRADES IN 2017



TOP EXTERIOR FEATURE UPGRADES IN 2017



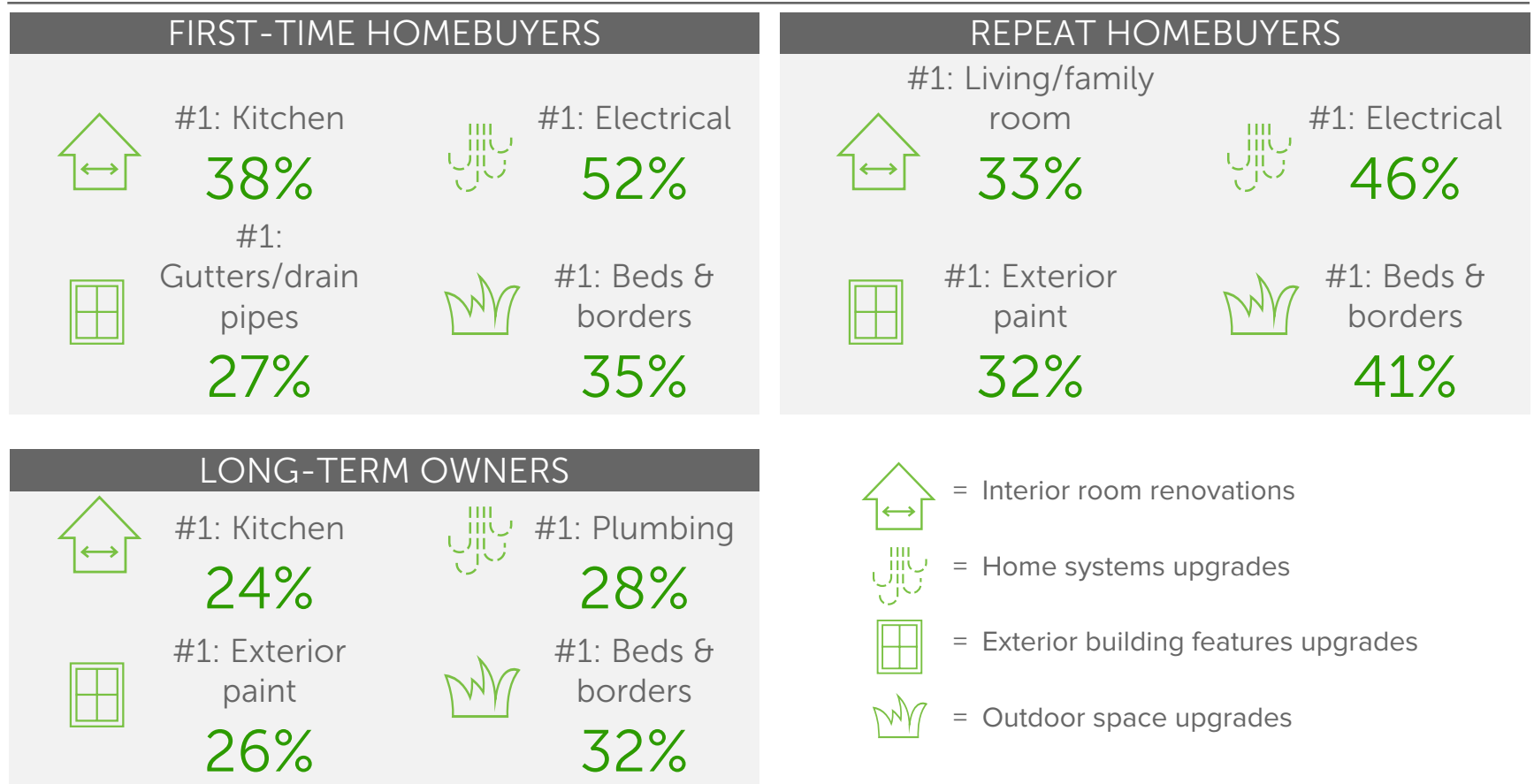
TOP OUTDOOR FEATURE UPGRADES IN 2017



Priorities of Buyers Versus Long-Term Owners

Tables below show the frequency of most popular 2016-2017 renovations of interior rooms, home systems, exterior building features, and outdoor features by segment, as reported homeowners who renovated their primary homes. Segment data combined for 2016 and 2017 due to sample size.

TOP RENOVATION PROJECTS BY SEGMENT IN 2016-2017

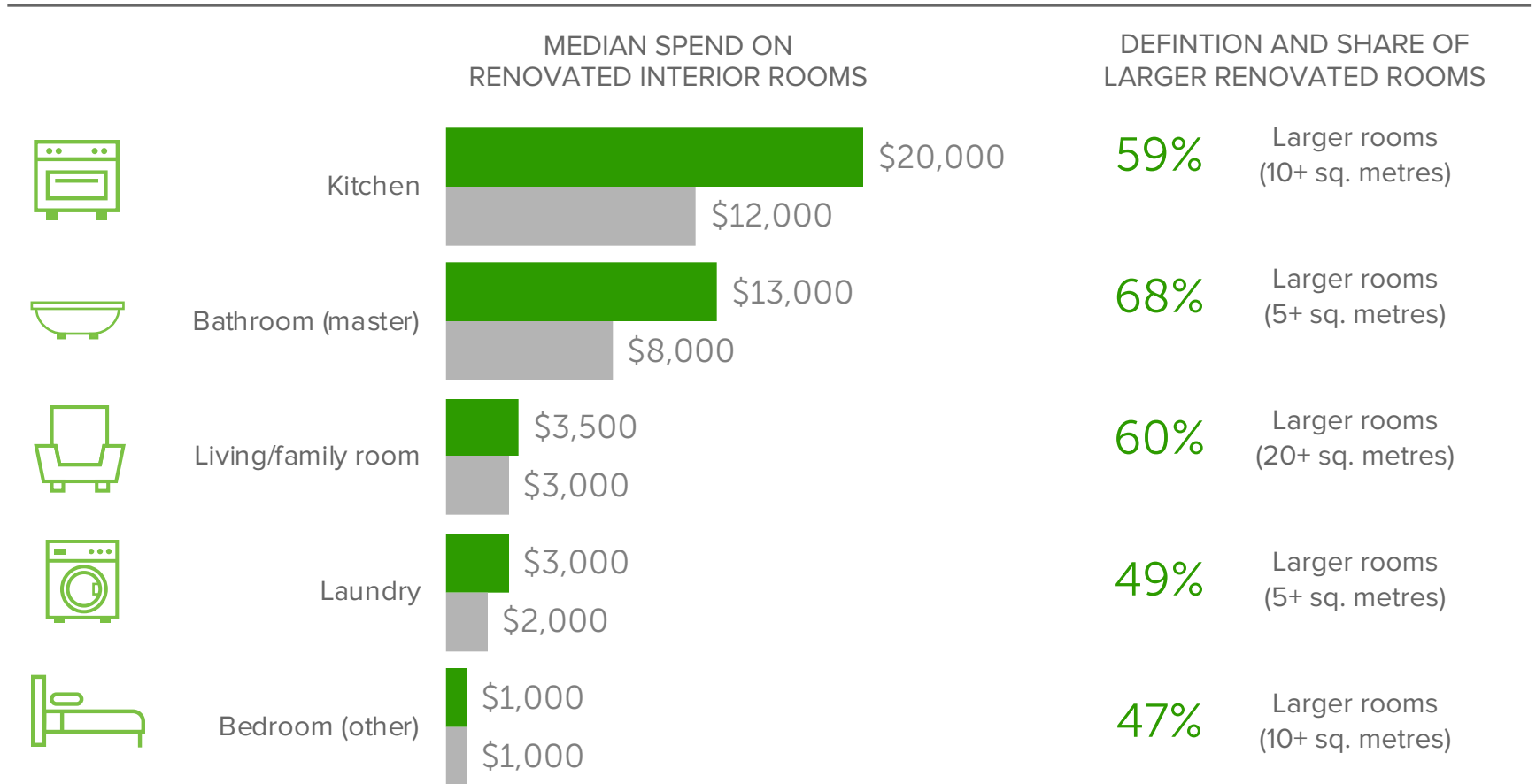


How Much We Spend on Interior Renovations

Charts below show the 2016-2017 median on top renovations of larger and smaller interior rooms, as well as the definition and frequency of larger renovated interior rooms, as reported by homeowners who renovated these interior spaces in their primary homes.



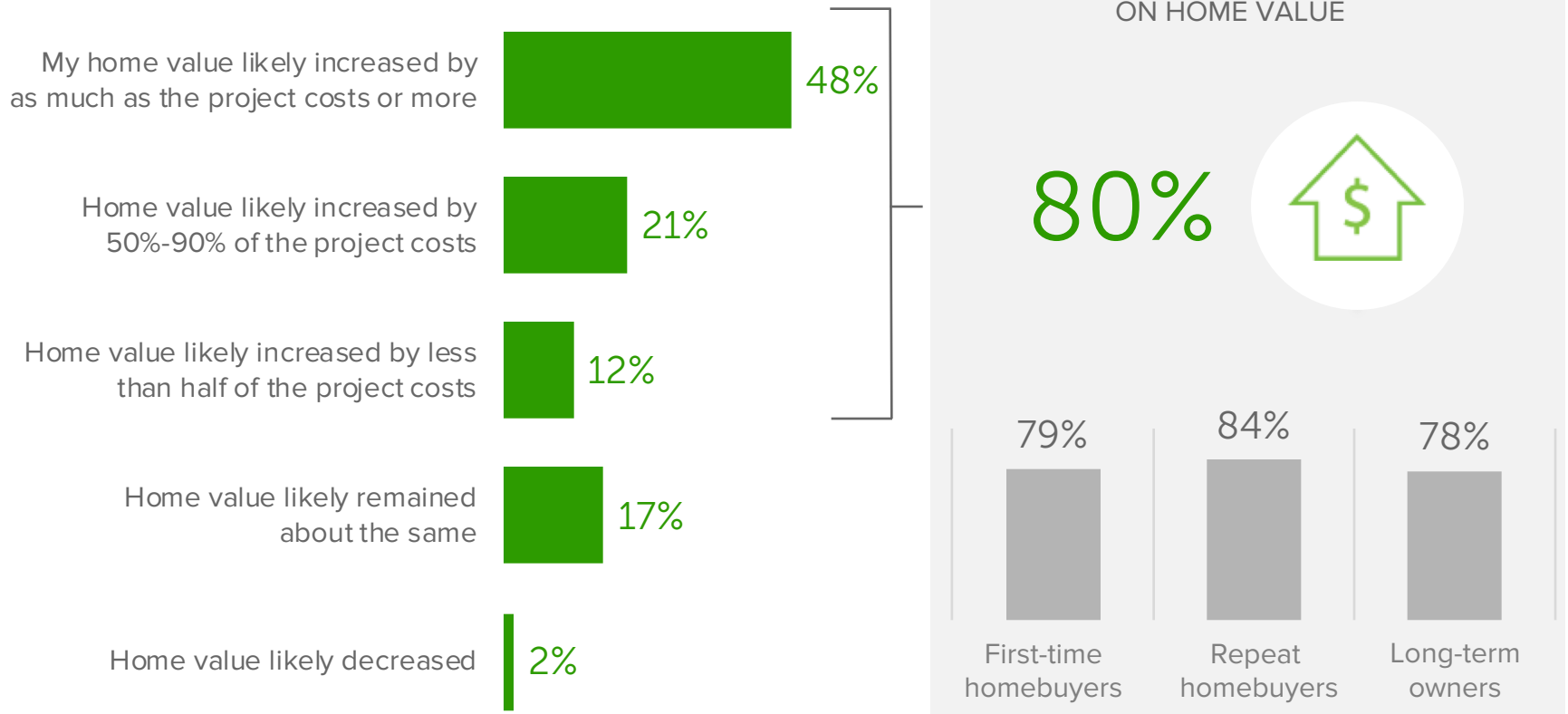
MEDIAN SPEND ON INTERIOR ROOM RENOVATIONS AND SIZE OF RENOVATED ROOMS IN 2016-2017



How Renovations Are Perceived to Affect Home Value

Charts below show the frequency of perceived changes to the home value as a result of the home renovations, overall and by segment, as reported by homeowners who renovated their primary homes in 2017.

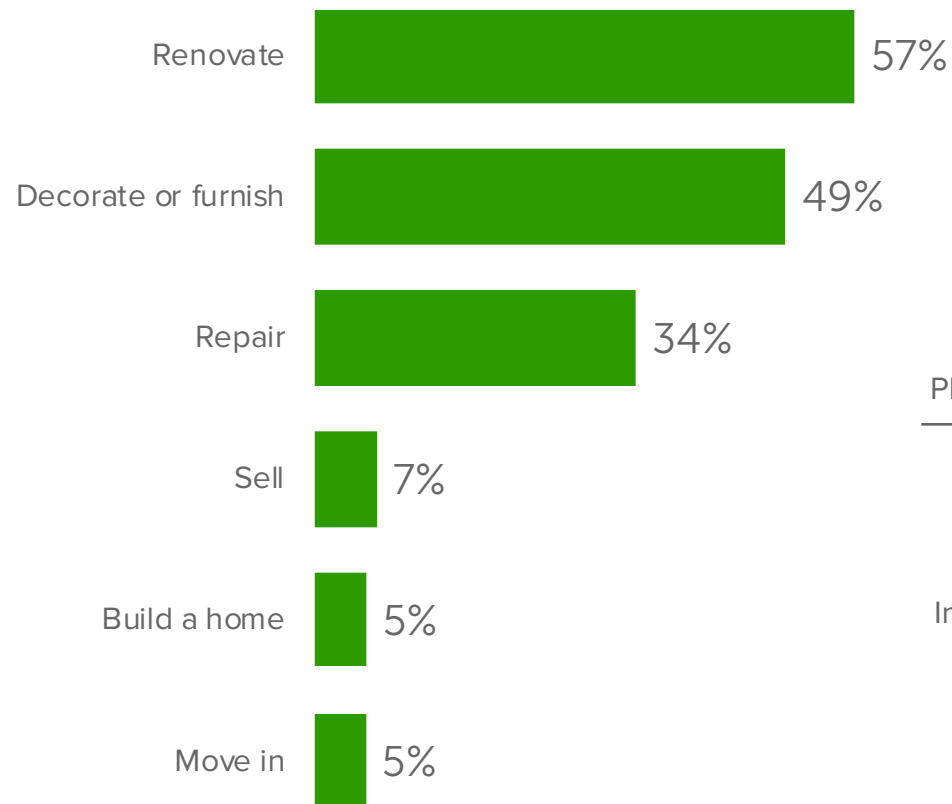
PERCEIVED CHANGE IN HOME VALUE RELATIVE TO THE PROJECT COSTS



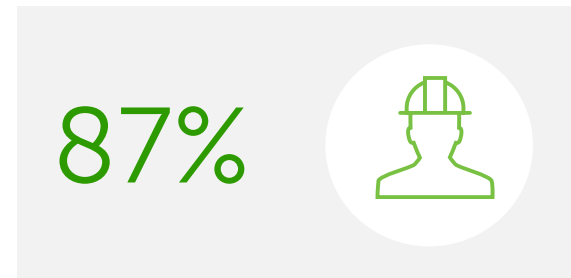
What We Are Planning for 2018

Chart below shows the frequency of planned activities and planned pro hiring in 2018 related to the primary home, as well as planned purchases in the next six months of 2018, as reported by homeowners on Houzz Australia.

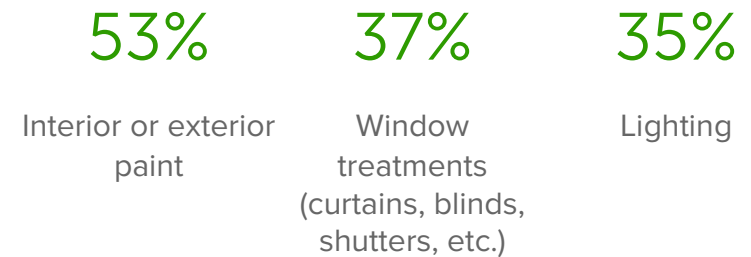
PLANNED ACTIVITIES FOR 2018



PLANNED PRO HIRING FOR 2018



PLANNED TOP PURCHASES IN 2018



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 24, 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 7,255 respondents in Australia. The current report relies on a subset of responses, i.e., Australian homeowners on Houzz (n=6,746) and Australian homeowners on Houzz who renovated their primary residence in 2017 (n=3,377).

SAMPLING AND WEIGHTING

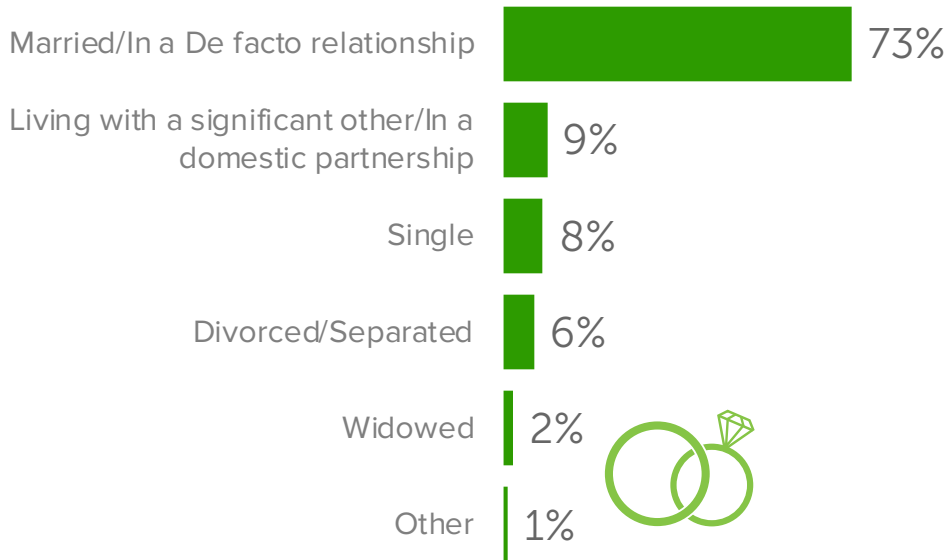
Data were gathered via an email sent to registered Houzz users. The link invited homeowners to tell us about their homes. Respondents were notified that aggregate findings would be shared with the larger Houzz community to help others in completing their own renovations. The final data were reviewed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

First-time homebuyer segment is defined as homeowners who bought and renovated their primary residence in 2017, where the primary residence is the first residence they have ever owned. Repeat homebuyer segment is defined as homeowners who bought and renovated their primary residence in 2017, where the primary residence is not the first residence they have ever owned. Long-term owner segment is defined as homeowners who renovated their primary residence in 2017 and who have lived in their primary residence for six or more years.

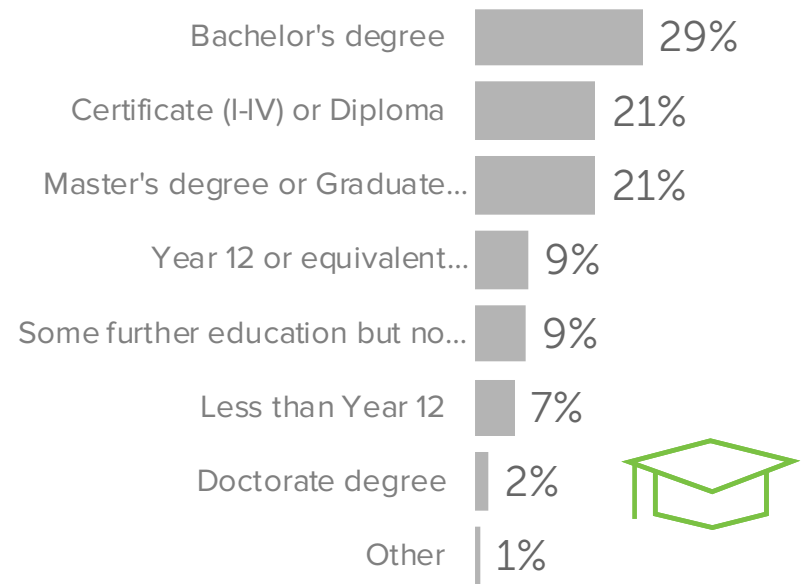
APPENDIX

A. 2017 Renovating Homeowner Demographics

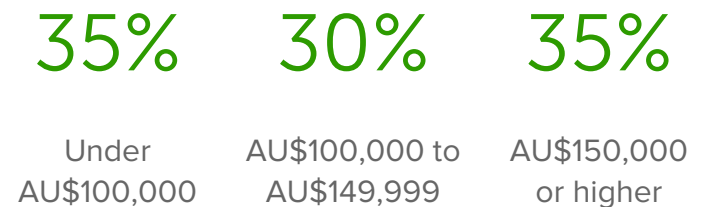
MARITAL STATUS



EDUCATION



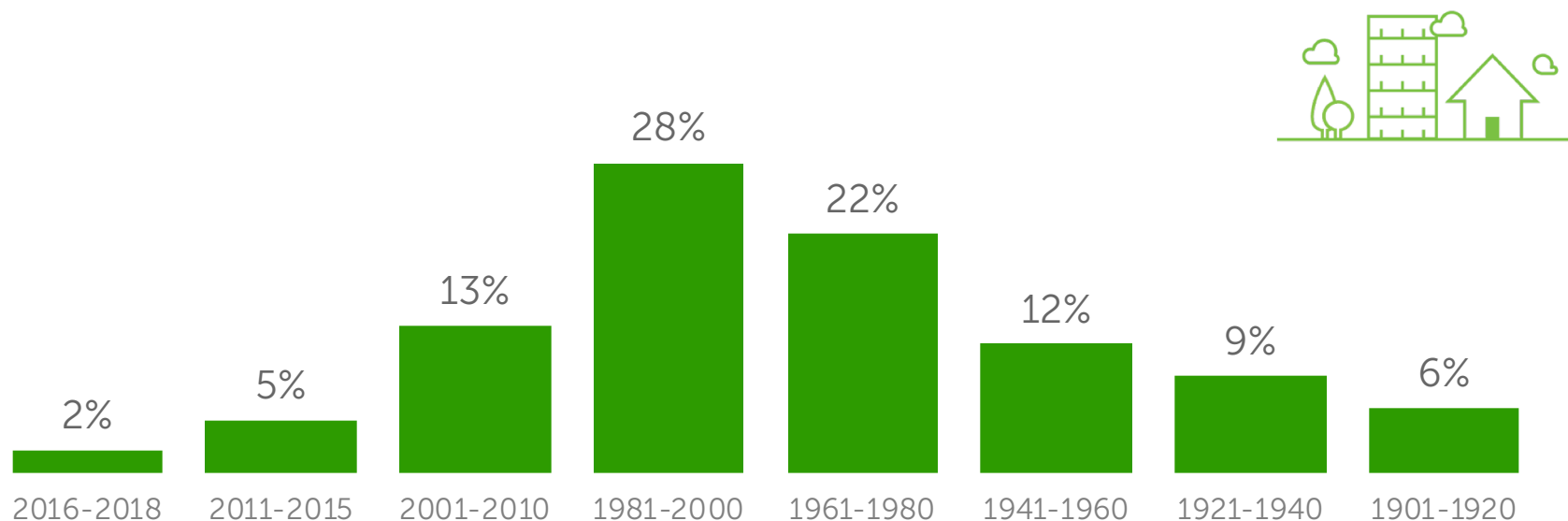
ANNUAL HOUSEHOLD INCOME



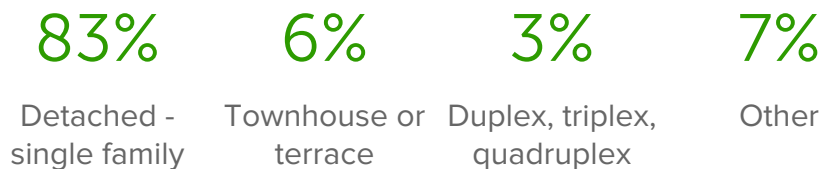
48% Have child(ren) living with them

B. Characteristics of Homes Renovated in 2017

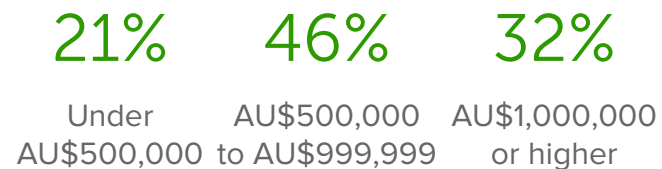
YEAR BUILT



HOME TYPE



OWNER-REPORTED HOME VALUE



C. Links to Resources on Houzz Australia

PHOTOS	FIND PROS	PRODUCTS	STORIES
Kitchen	Architects	Furniture	Most Popular
Bathroom	Building Designers	Lighting	Houzz Tours
Bedroom	Home Builders	Kitchen & Dining	Kitchen
Living	Interior Designers & Decorators	Bathroom	Bathrooms
Dining	Design & Construction	Bedroom	Living Rooms
Outdoor	Kitchen Designers & Renovators	Storage & Organisation	Bedrooms
Baby & kids	Bathroom Designers & Renovators	Outdoor	More Rooms
Home Office	Landscape Architects & Landscape Designers	Home Improvement	Decorating
Storage & Wardrobe	Joinery & Cabinet Makers	Baby & kids	Outdoor Living
Exterior			Renovation