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Designers upbeat as remodeling boom continues

[Michael J. Berens](#) Wednesday, March 04, 2020

With market conditions trending in their favor, residential interior designers are looking forward to another profitable year. Reluctant to give up their current homes, homeowners planning to stay in place for the long haul are choosing to spend instead on improvements and updates.

Although industry forecasts predict remodeling and renovation activity will slow during the second half of the year, at present surveys show a sizable majority of homeowners have plans to undertake home improvement projects in the coming months, including upgrades to kitchens, bathrooms, laundry rooms, and outdoor living areas.

Results from Lightstream's 2020 Home Improvement Trends survey, conducted in January, [show](#) more than three-fourths of homeowners responding have made plans for one or more home improvement projects this year, including two-thirds who say they plan to remain in their current home at least 10 years or more. On average, respondents planned to spend \$11,473, up 27 % from last year, with 40% expecting to spend more than \$10,000. Millennials were most likely to want to make improvements (92%), followed by Gen Xers (78%) and baby boomers (69%).

Those findings correspond closely with a Hausera survey, conducted in July-August 2019, which [found](#) that in addition to having recently undertaken home renovation projects, 6 in 10 respondents had plans to do more in the next two years. Those homeowners estimated they would spend an average of \$13,000 on improvements.

Although the Houzz 2020 Q1 Renovation Barometer survey showed designers expected business activity to soften in the first quarter of the year, the more recently released Houzz 2020 State of the Industry report [finds](#) residential designers are by and large upbeat about the business outlook this year.

Nearly half (47%) said they expected it will be a good year for business, and nearly another one-third (30%) said they thought it would be very good. On average, designers predicted an 8.2% annual rate of revenue growth in 2020, far higher than the 5.1% they reported achieving in 2019. In addition, half (51%) said they expected higher year-over-year profits than last year, and only one fourth (25%) believed they would be lower.

According to homeowner surveys, designers have good reason to be optimistic. The National Association of Realtors 2019 Remodeling Impact Report [relates](#) that the proportion of homeowners who hired a professional to handle the entire job for their remodeling project increased between 2017 and 2019 (32% vs. 35%, respectively).



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Several Houzz surveys conducted in the last year indicate that the percentage of homeowners hiring an interior designer for remodeling and renovation projects has remained more or less constant (around 10 to 14%) over the past few years, despite a trend toward favoring specialists.

However, unlike the Houzz surveys, the Hausera survey revealed that of the 7 in 10 homeowners who had hired a professional for a recent project, 6 in 10 hired an interior designer —proportionately more than any other type of remodeling professional. Contrary to some other surveys, more respondents ages 18 to 30 had hired a professional than did those aged 50 or older (73% vs. 51%, respectively) — a notable finding since more younger adults are starting to buy homes and undertake improvements.

Seasonally warmer weather in many parts of the country, rising home prices, and a rebounding luxury home market may benefit designers, as well. *To what extent the coronavirus threat may affect both demand for services as well as supply chains remains to be seen. If it's not too severe, consumers' reluctance to travel could spur a brief cocooning trend and more investment in making the home a haven.*

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