



HomeAdvisor Farnsworth Index

3rd Quarter 2017

A man in a plaid shirt is measuring a wooden structure with a tape measure. The background is blurred, showing a bright, sunny outdoor setting. The text "PROJECT OBJECTIVES AND METHODOLOGY" is overlaid in the center.

PROJECT OBJECTIVES AND METHODOLOGY

Objectives and Methodology

PROJECT OBJECTIVES

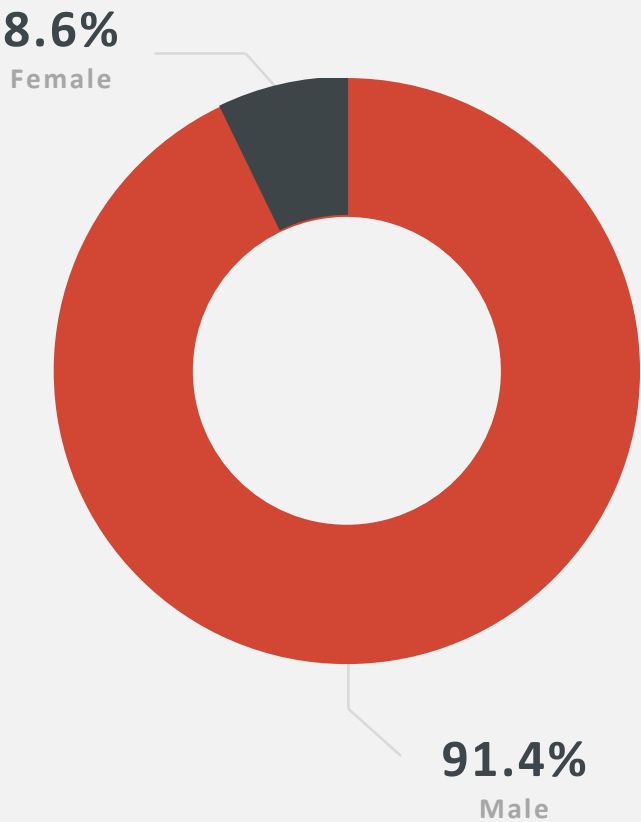
- HomeAdvisor and The Farnsworth Group wanted to better understand trending data across various topics of the home improvement market on a quarterly basis. This data is used for quarter over quarter comparisons as well as to correlate with home service market conditions and/or economic conditions.
- HomeAdvisor and The Farnsworth Group wished to understand those topics as they pertained to five industry segments: Remodelers, Exterior Contractors, Mechanical Contractors, Finishing Contractors, and Landscaping Contractors.

PROJECT METHODOLOGY

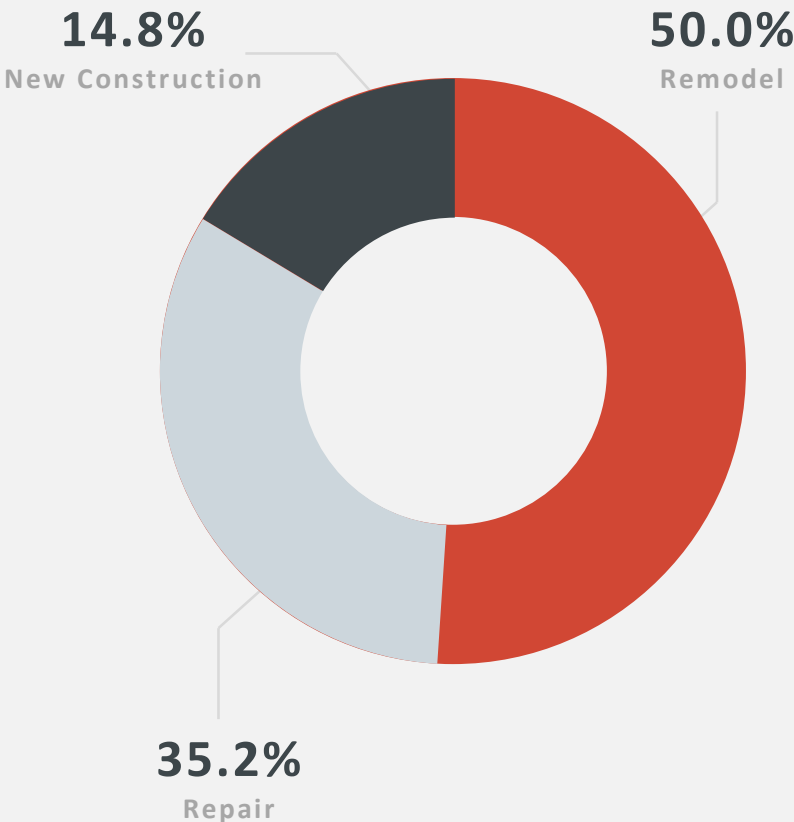
- The online survey was administered from August 9th to August 25th.
- The sample for the study included 1,277 respondents across various construction and remodeling trades within the five industry segments.
- A majority (96%) of the sample were HomeAdvisor panelists.
- Respondents must have been at least 21 years old.
- Each respondent must have done at least 50% of their work on residential projects.
- Remodelers and general contractors had to do a majority of their work in the remodeling space (at least 51%).
- *Data marked with an asterisk throughout this report signifies statistical significance among like data.*
- In the appendix, data in red indicates statistical significance.

Respondent Profile

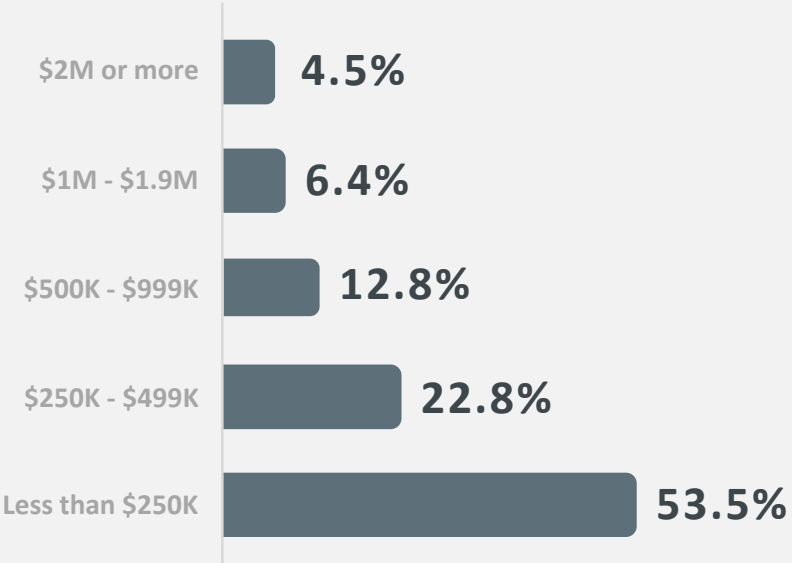
GENDER



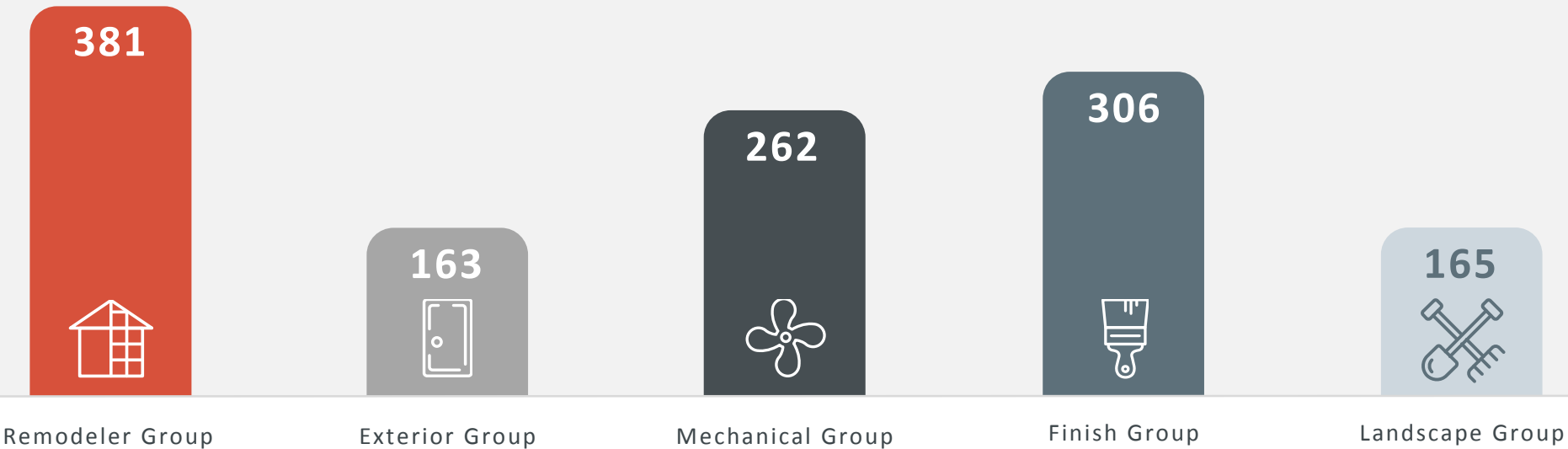
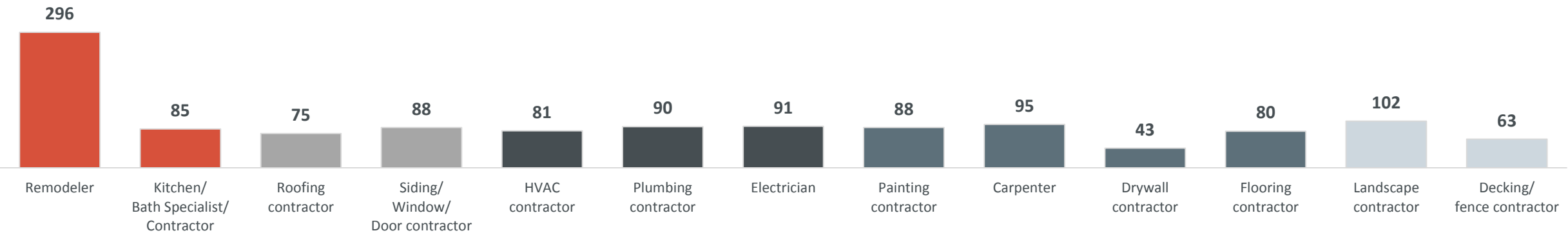
TYPE OF WORK



ANNUAL REVENUE



Respondent Breakout



The background is a blurred office environment with several people working at desks. In the foreground, a wooden desk is visible with a pair of round-rimmed glasses, a calculator, a pen, and some papers. A large, light-colored geometric pattern, resembling a diamond or hexagonal grid, is overlaid on the entire image.

PAST, PRESENT, & FUTURE BUSINESS OUTLOOK

Business Confidence



How confident are you in your company's ability to get new business in the next 6 months?

BRAD'S INSIGHTS

Average: 8.7 out of 10.0. Pros continue to be confident in their ability to secure new business.



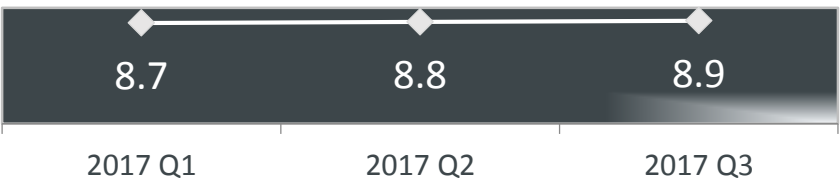
Remodel



Exterior



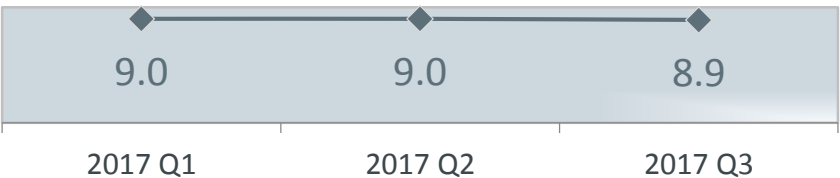
Mechanical



Finish



Landscape



Business Confidence



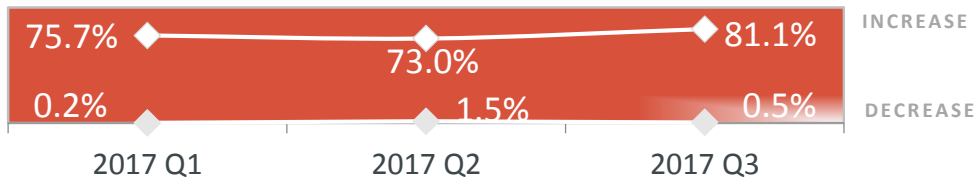
How do you expect your company's revenue to change over the next 12 months?

BRAD'S INSIGHTS

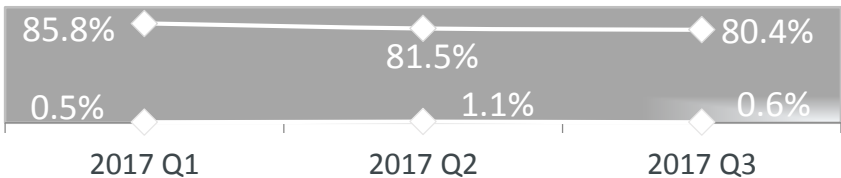
79% of home improvement companies expect an increase in revenue over the next 12 months, with landscapers and remodelers leading.



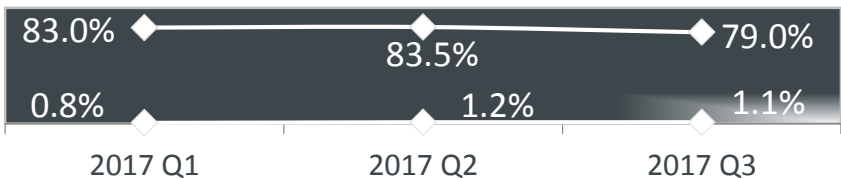
Remodel



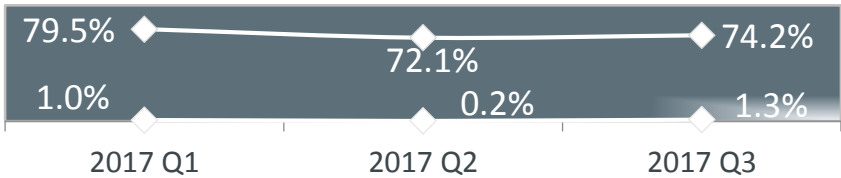
Exterior



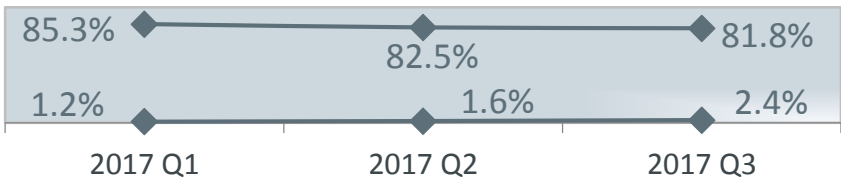
Mechanical



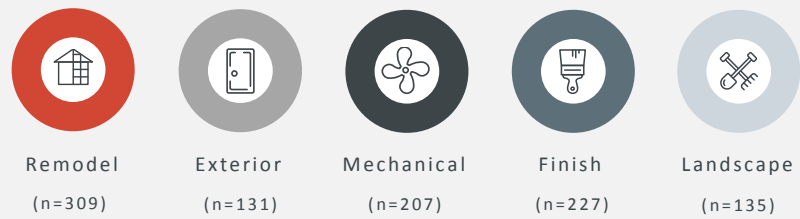
Finish



Landscape



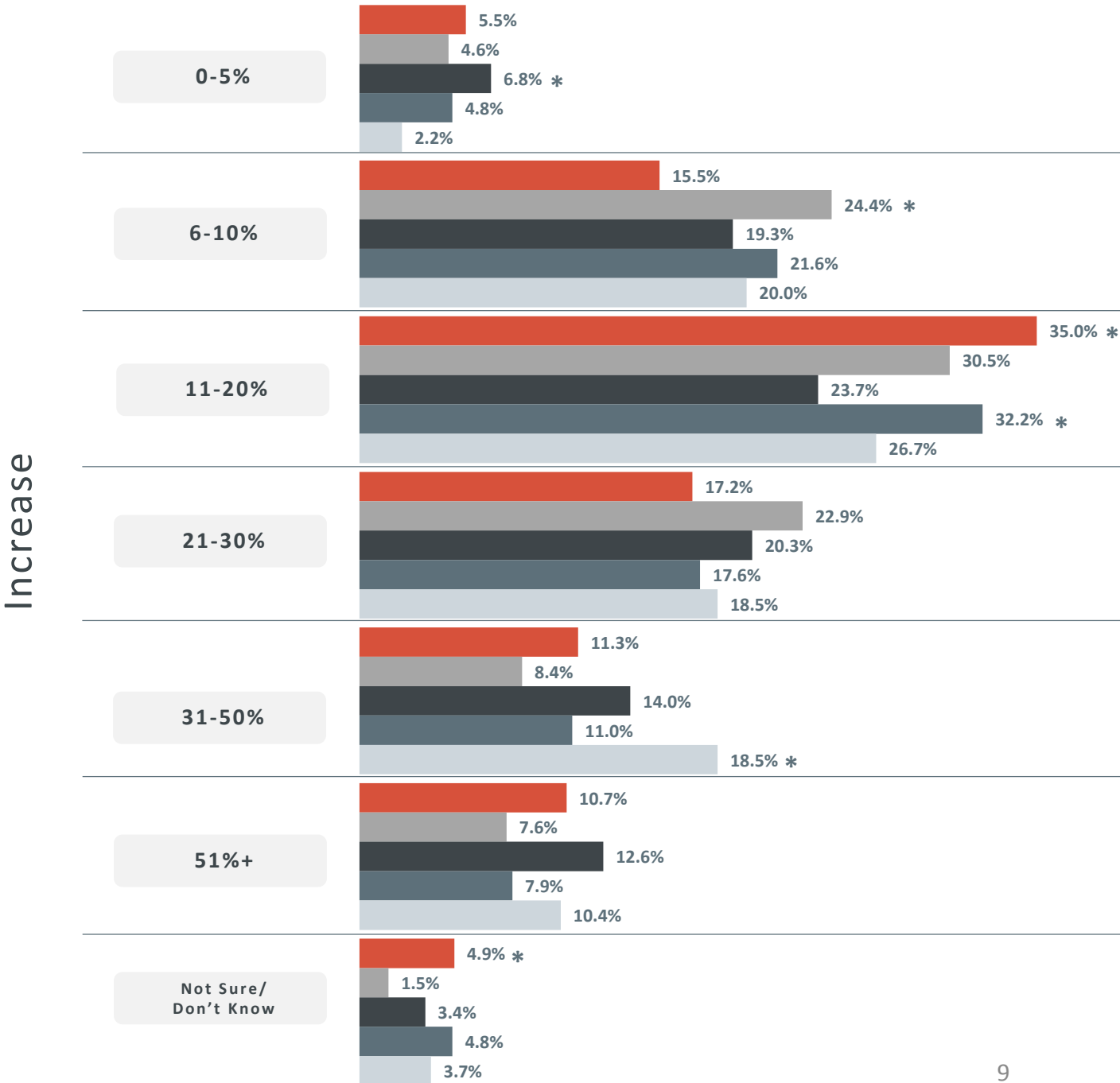
Business Confidence



By how much do you expect your company’s revenue to increase/decrease over the next 12 months?

BRAD’S INSIGHTS

For those expecting an increase, 11%-20% was the most common forecast, for all five types of companies.

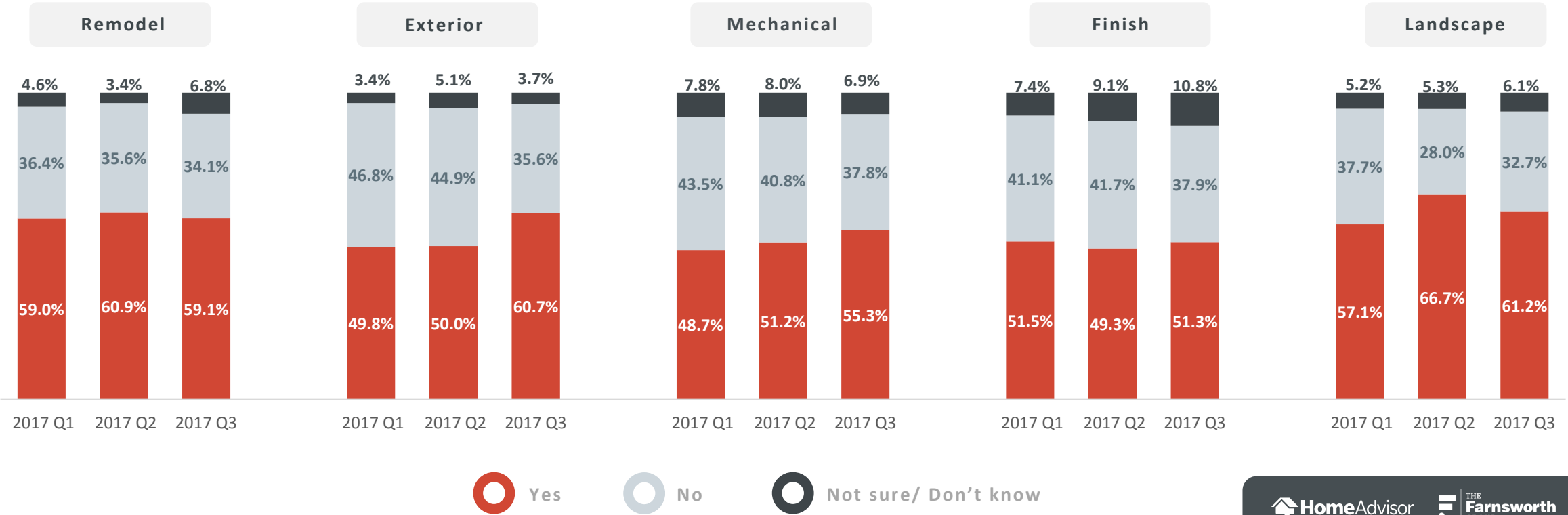


*Data marked with an asterisk signifies statistical significance among like data.

Business Confidence



Have you had any challenges in the past 12 months hiring skilled laborers?



Business Confidence



Remodel
(n=251)



Exterior
(n=105)



Mechanical
(n=163)



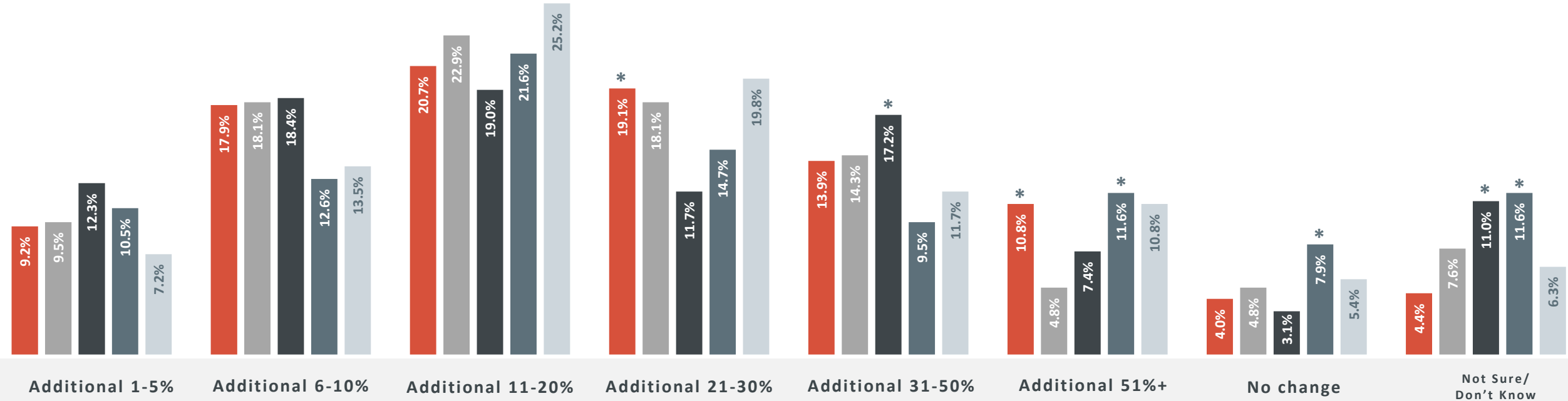
Finish
(n=190)



Landscape
(n=111)



Assuming you had no challenges with hiring skilled laborers, by what percentage do you think you could grow your revenue over the next 12 months?



*Data marked with an asterisk signifies statistical significance among like data.

Business Confidence



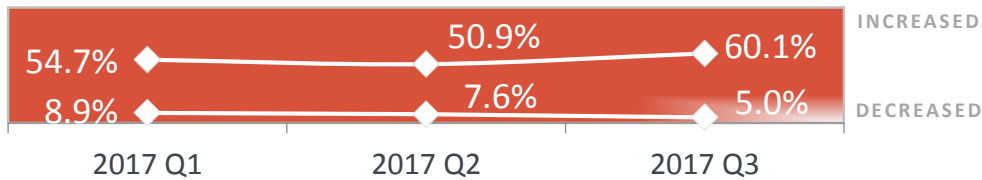
How has your company's average revenue per project changed over the past 12 months?

BRAD'S INSIGHTS

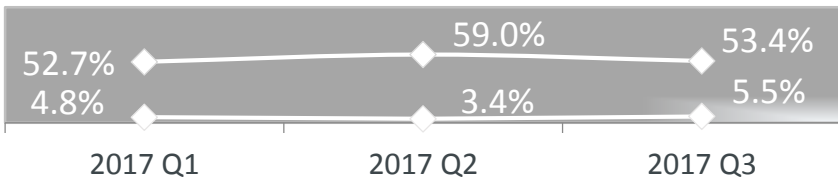
The average project size continues to increase.
Homeowners are taking on larger projects.



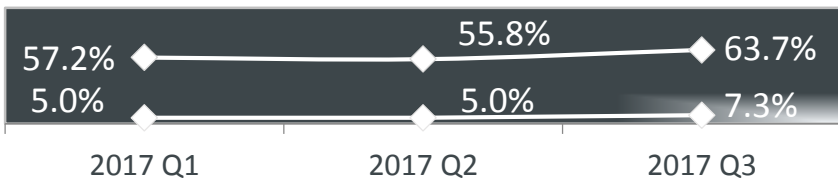
Remodel



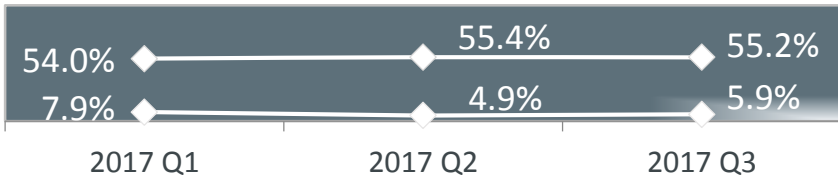
Exterior



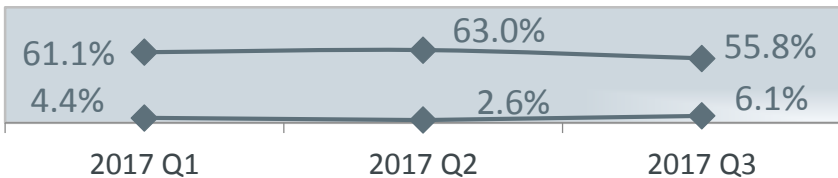
Mechanical



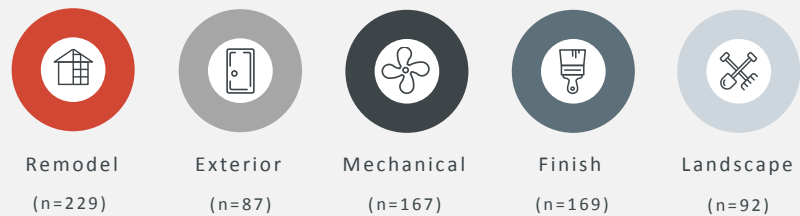
Finish



Landscape



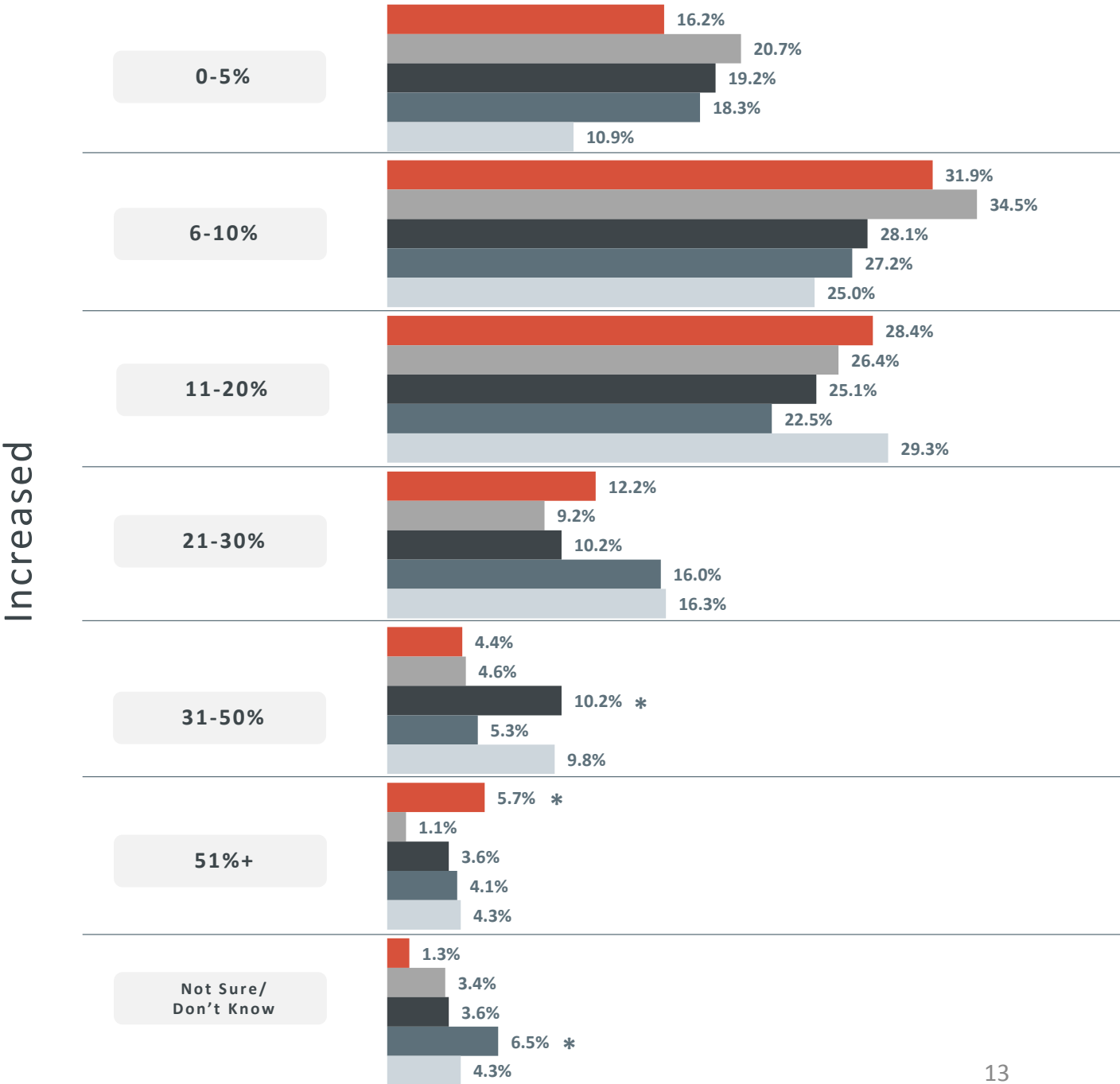
Business Confidence



By how much has your company's average revenue per project increased/decreased over the past 12 months?

BRAD'S INSIGHTS

Homeowners are taking on more extensive renovation projects and larger landscaping projects.



*Data marked with an asterisk signifies statistical significance among like data.

Business Confidence



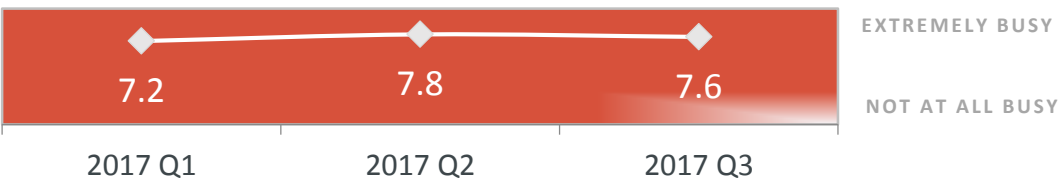
How busy would you say your company is at this time?

BRAD'S INSIGHTS

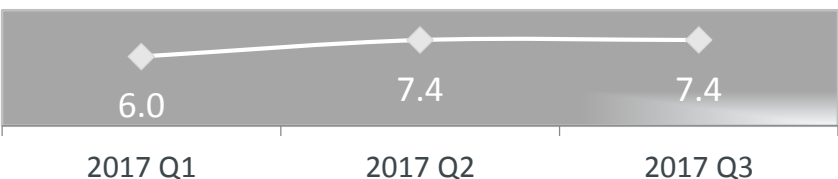
Over the past six months, the average has gone from 6.4 up to 7.5. Steady growth expected over next quarter.



Remodel



Exterior



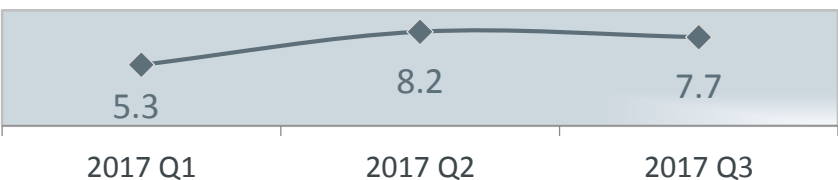
Mechanical



Finish



Landscape



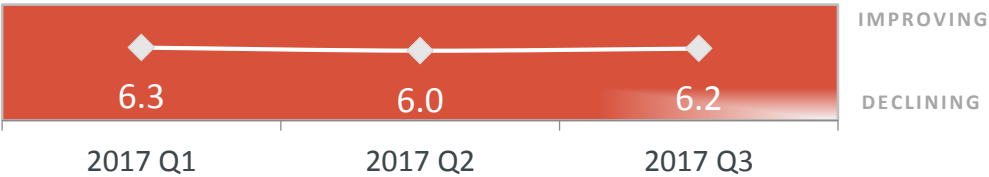
New Business Leads/ Inquiries



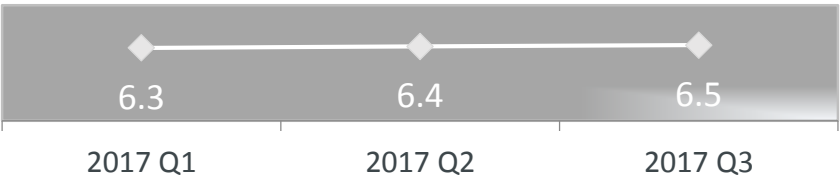
Thinking of **ALL** your lead sources,
is your company’s ability to close
leads improving, staying the same
or declining?



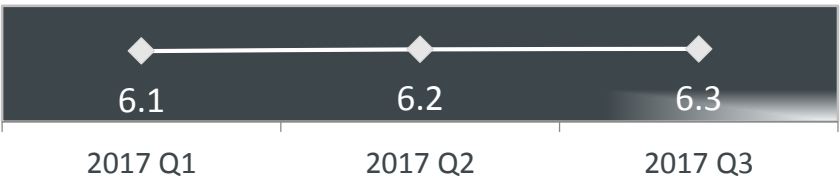
Remodel



Exterior



Mechanical



Finish



Landscape



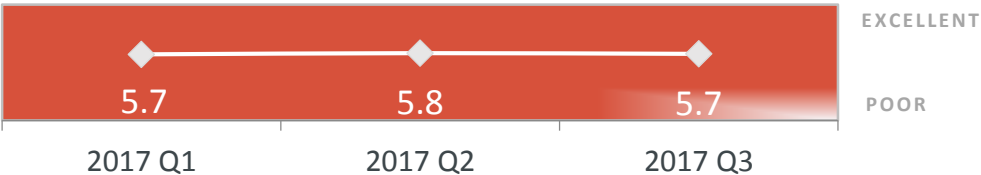
New Business Leads/ Inquiries



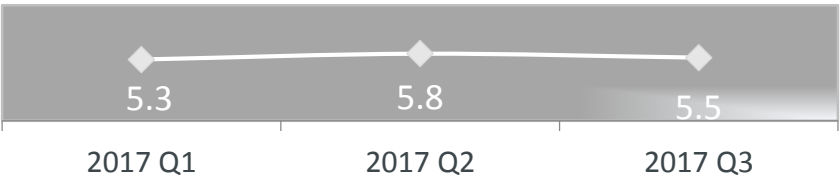
Thinking of **ALL** your lead sources, how would you rate the **QUALITY** of your company's leads/inquiries over the **LAST 12 MONTHS?**



Remodel



Exterior



Mechanical



Finish



Landscape



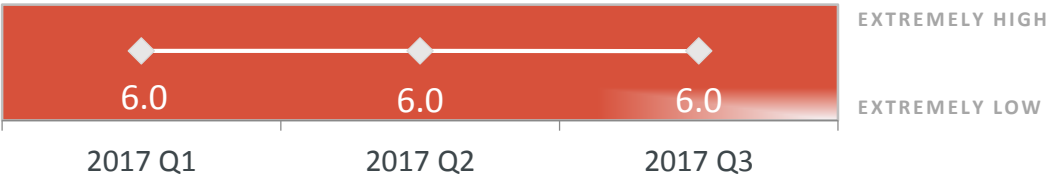
New Business Leads/ Inquiries



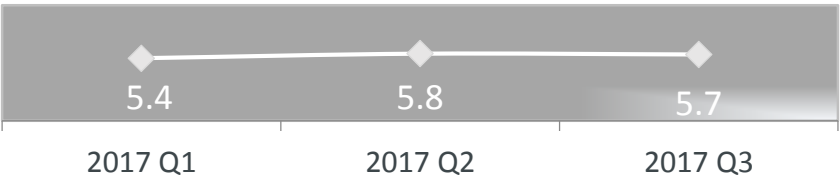
Thinking of **ALL** your lead sources,
what is the current **VOLUME** of your
company’s leads and inquiries?



Remodel



Exterior



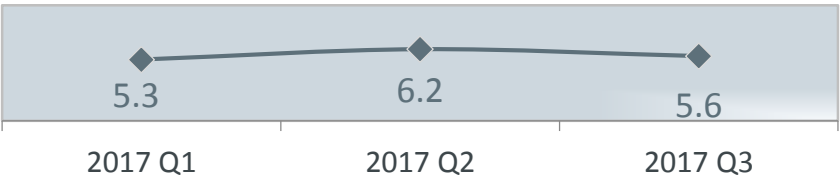
Mechanical



Finish



Landscape



New Business Leads/Inquiries



Remodel



Exterior



Mechanical



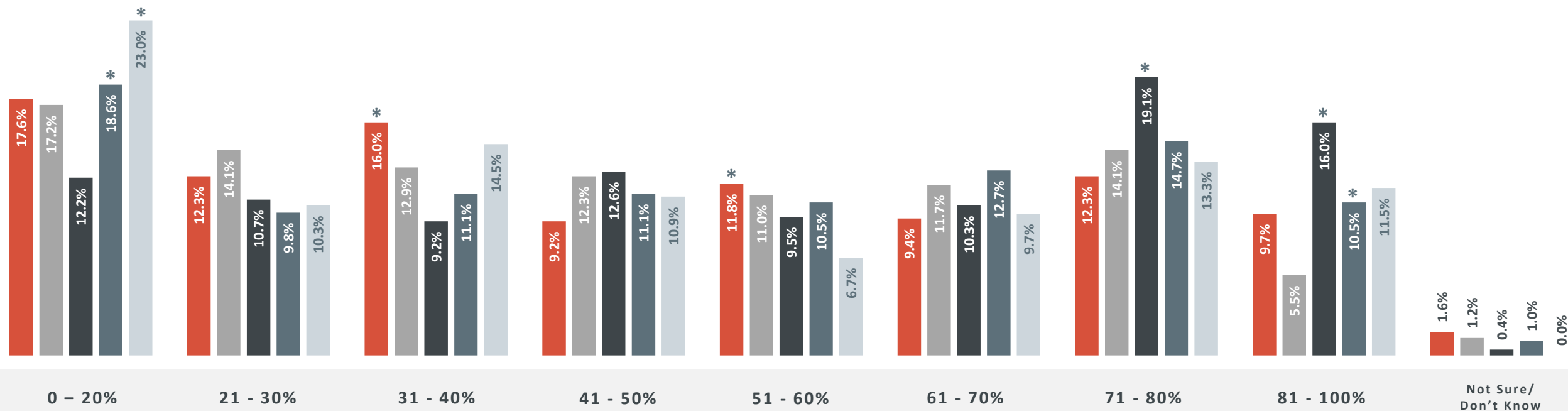
Finish



Landscape



Thinking of **ALL** your lead sources, what percent of your leads/inquiries typically turn into a new job?



*Data marked with an asterisk signifies statistical significance among like data.

Labor



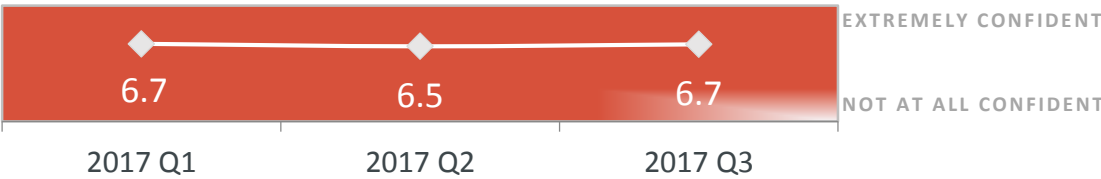
How confident are you that your company will have enough labor or will be able to hire enough labor over the **NEXT 12 MONTHS?**

BRAD'S INSIGHTS

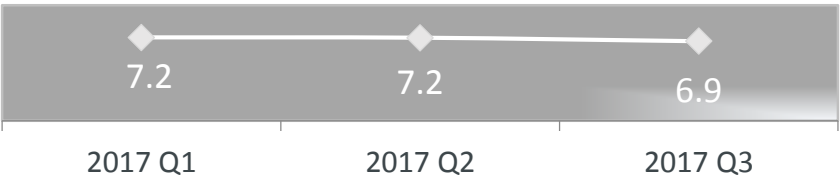
Labor shortages continue to be steady. It will be of interest to see if this increases next quarter in FL and TX post hurricane.



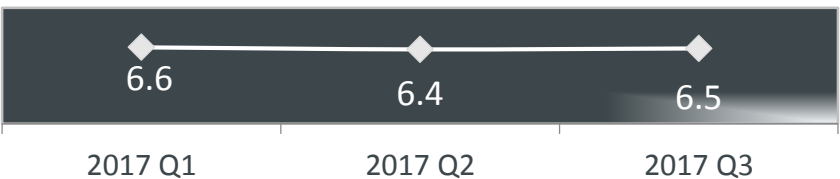
Remodel



Exterior



Mechanical



Finish



Landscape



Labor



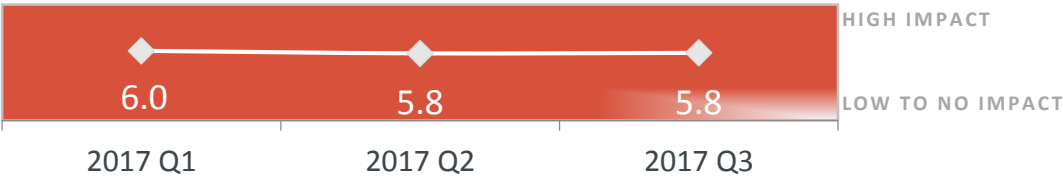
What type of impact will labor costs have on your business over the NEXT 12 MONTHS?

BRAD'S INSIGHTS

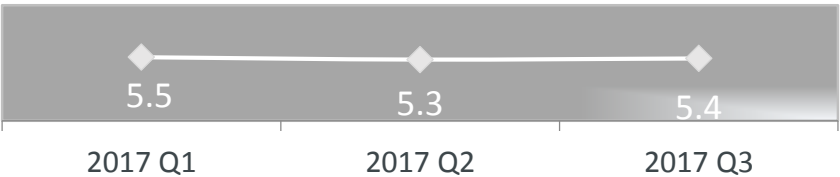
The scarcity of workers and the difficulty finding qualified workers is more of a pressing issue than the wage levels that they expect to pay.



Remodel



Exterior



Mechanical



Finish



Landscape



Government & Regulations



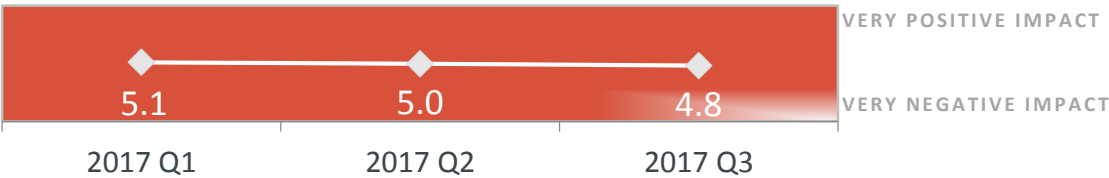
What impact will government policies and regulations of any kind (local, state, or federal) have on your company's business in the **NEXT 12 MONTHS?**

BRAD'S INSIGHTS

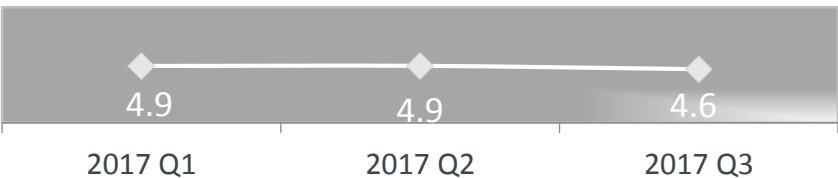
Government policies are not seen as a major cause for concern in general.



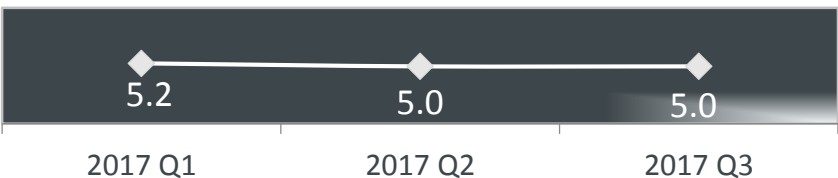
Remodel



Exterior



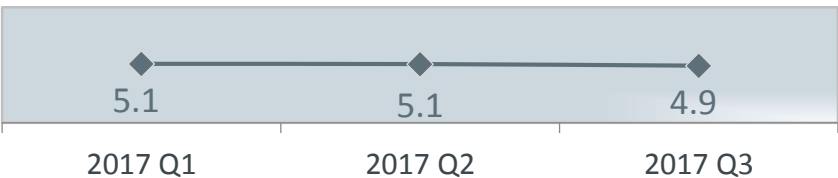
Mechanical



Finish



Landscape



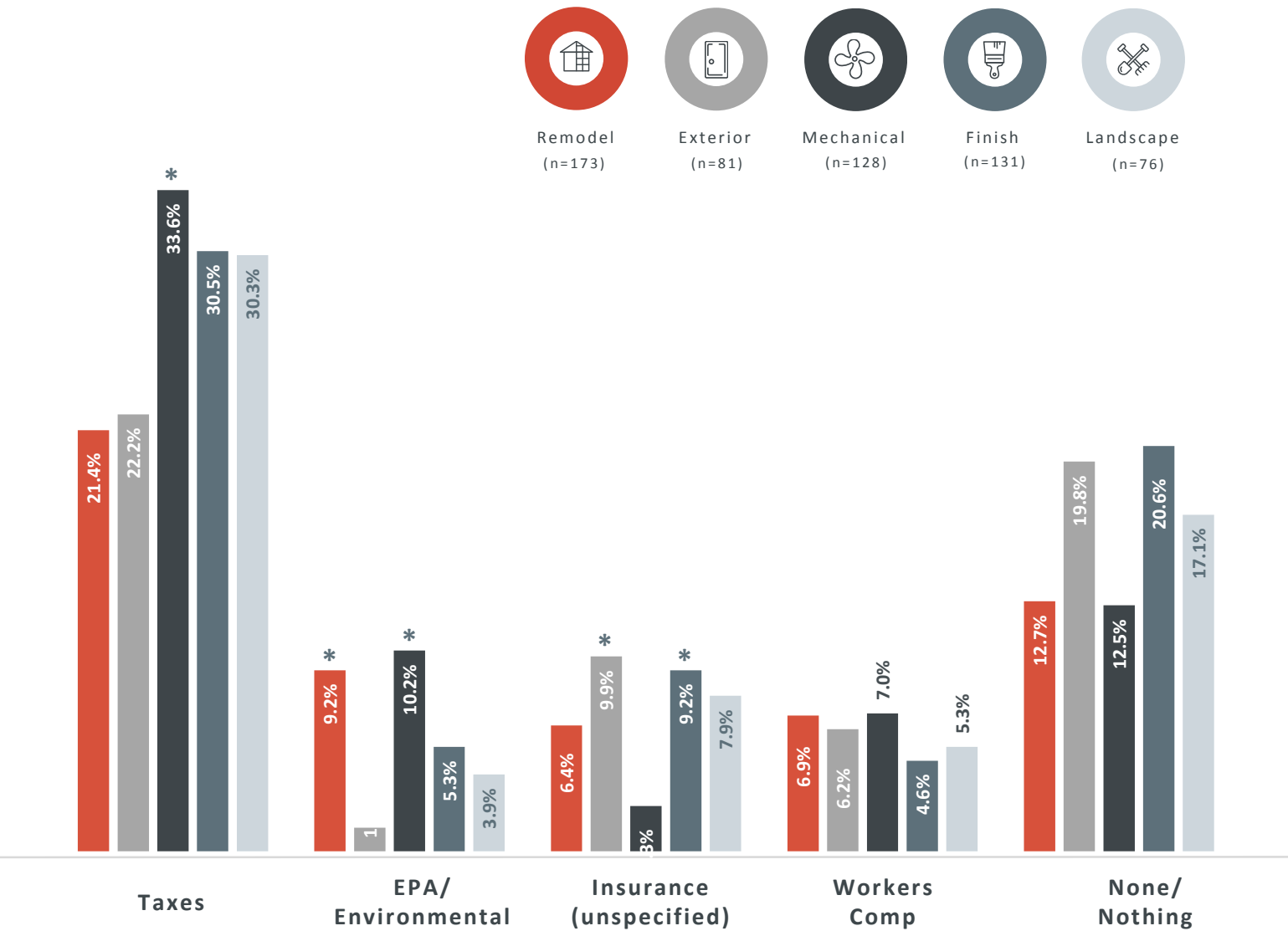
Government & Regulations



(If not Neutral) Which government policies/ regulations do you feel will have an impact on your business?

BRAD'S INSIGHTS

When companies are worried about a governmental issue, the number one concern, by a wide margin, is tax rates.



*Includes top responses. May exceed 100% due to multiple responses.
*Data marked with an asterisk signifies statistical significance among like data.

Economy



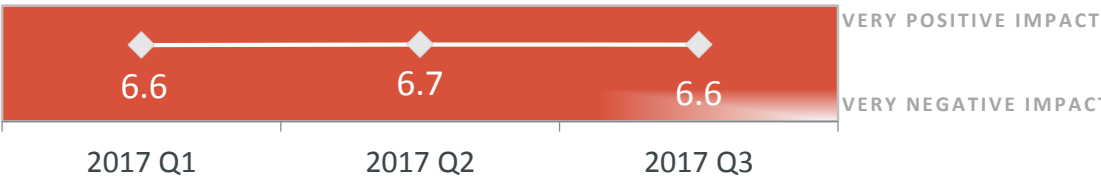
How do you feel about the economy and its potential impact on your business in the **NEXT 12 MONTHS?**

BRAD'S INSIGHTS

The sentiment is positive regarding the economy and its potential impact on the business, and this level of confidence has remained steady through the past three quarters.



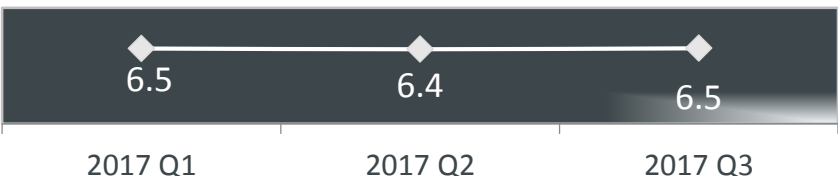
Remodel



Exterior



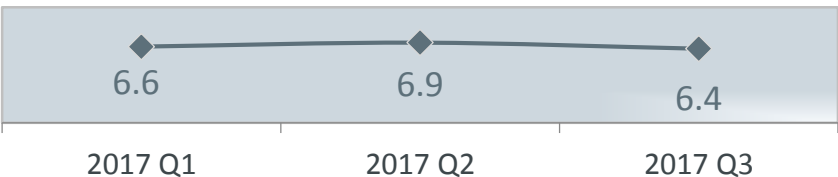
Mechanical



Finish



Landscape



Economy



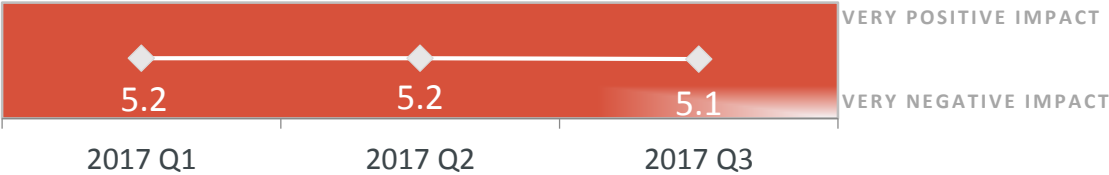
What type of potential impact will interest rates have on your business over the
NEXT 12 MONTHS?

BRAD'S INSIGHTS

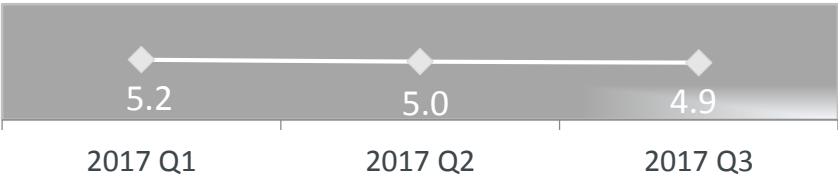
Home improvement businesses are not voicing particular concern about potential changes in interest rates.



Remodel



Exterior



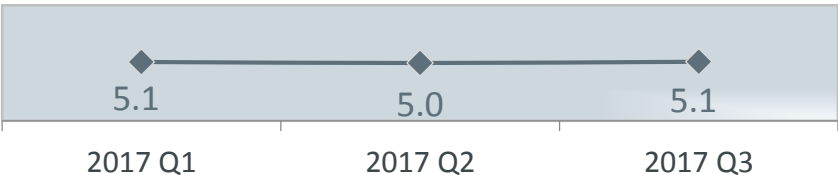
Mechanical



Finish



Landscape





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3rd Quarter 2017