



**HIRI**

HOME IMPROVEMENT  
RESEARCH INSTITUTE

# How Home Improvement Spending Has Changed for **2024**



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Because the rapidly changing economy has impacted homeowners' discretionary spending habits, HIRI conducted a study to understand homeowners' macro-economic views and their personal economic condition, as well as evaluate their home selling and buying intentions, and how those factors have converged to influence their intended home improvement spending patterns in 2024. Here's what we found...

# Changes in Home Improvement Spending Based on Life Stage Differences



Middle Income Family

**\$4,190**



Married Retiree

**\$3,708**



Empty Nester

**\$3,703**



Low-Moderate Income Family

**\$3,301**

**112%**

Young adults, single workers/families, and unmarried retirees report spending 112% less on average for home improvement over the past year than all other segments.



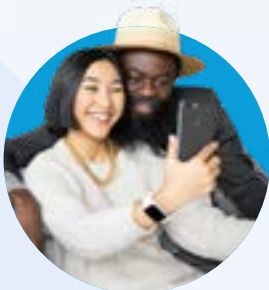
Unmarried Retiree

**\$2,127**



Single Worker/Family

**\$1,907**

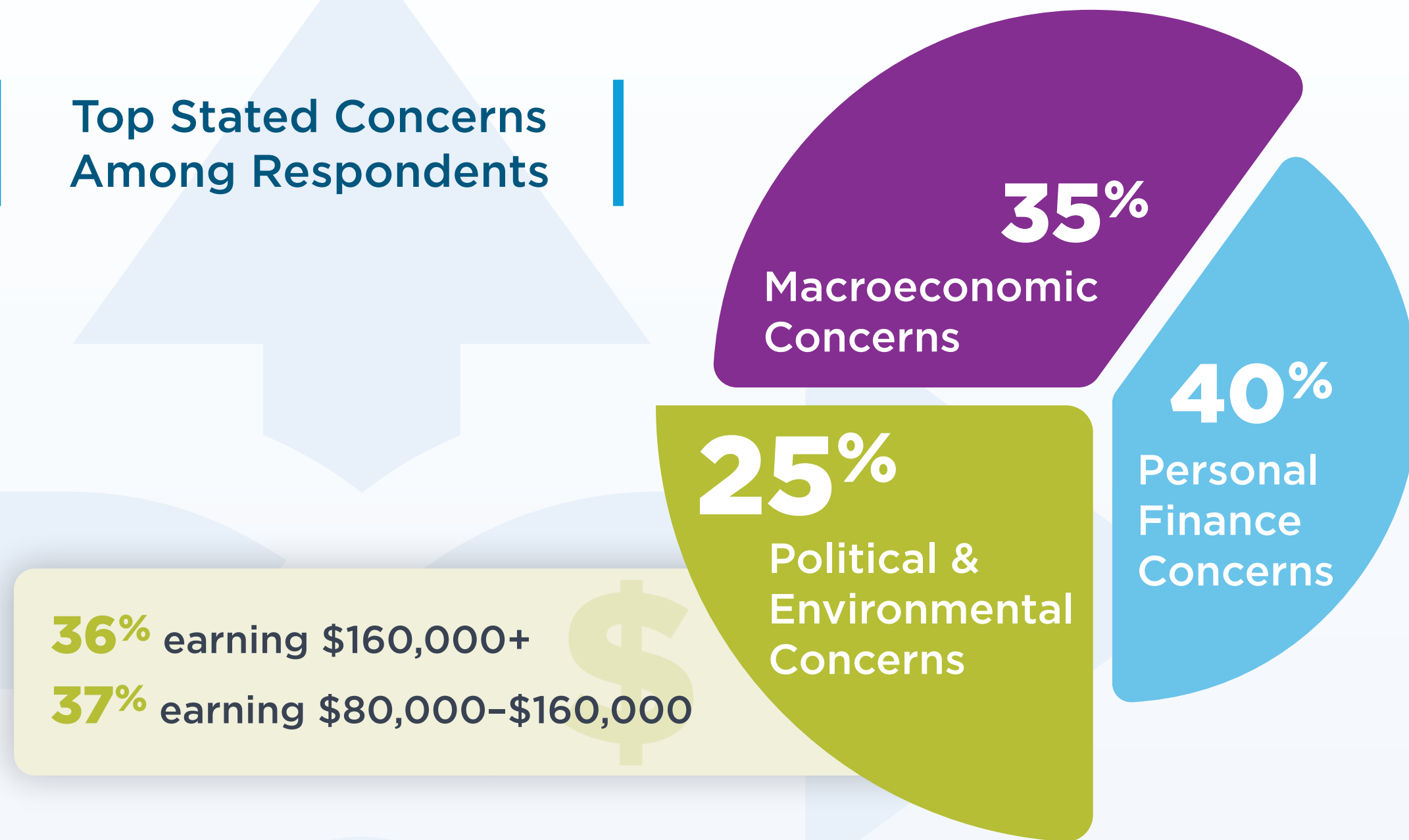


Young Adult

**\$1,220**

Approximately how much money have you spent in the prior 12 months total on home improvement?

### Top Stated Concerns Among Respondents



### Home Improvement Spend in Nov 2022-Nov 2023

\$7,763  
\$5,147  
\$5,351

### Anticipated 2024 Home Improvement Spend

↓ \$7,370  
↑ \$6,021  
↓ \$4,001

- Political & Environmental Concerned Respondents
- Macroeconomic Concerned Respondents
- Personal Finance Concerned Respondents

## Changes in Home Improvement Spending Based on Psychographic Differences

When it comes to positioning your brand among target buyers, it's important to consider what they are currently most concerned about. This information can inform your marketing and advertising strategies and help you to better segment your customers.

What HIRI research has found is that those homeowners who stated they are **most concerned about political and environmental issues** spent **double** or **triple** the amount on home improvement in the last 12 months compared to homeowners who are **most concerned about personal or national fiscal issues**. This group of homeowners is also the most affluent with 36% earning \$160,000 or more and 37% earning between \$80,000 and \$160,000.

How will your household spend change in the next 12 months compared to the last 12 months on the following?



**34%**

Spend More



**43%**

Spend the Same



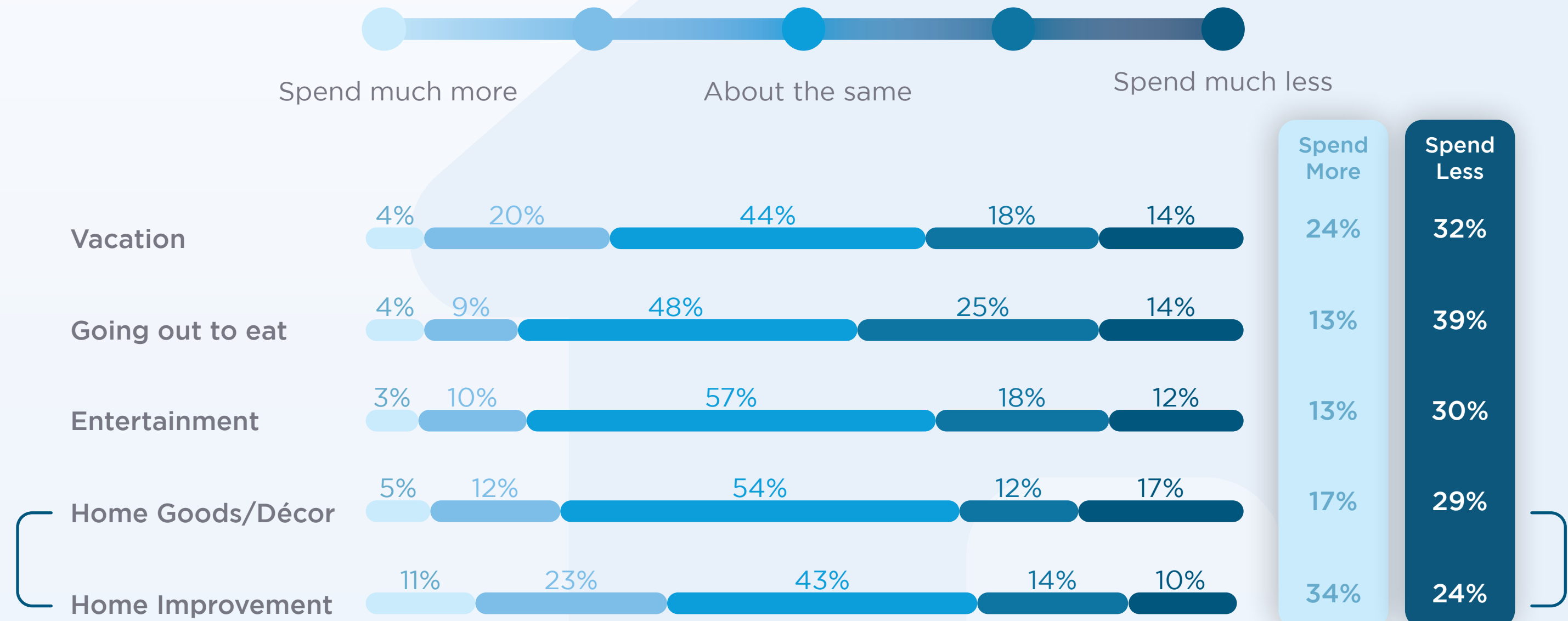
**24%**

Spend Less

# Will Home Improvement Spending Increase or Decrease in 2024?

Where Discretionary Income is Being Spent in 2024

34% of homeowners surveyed reported that they would **spend more**, or even much more, on home improvements in 2024. 43% reported that they would **spend about the same amount**. Only 24% reported that they would **spend less**. More common household line items facing budget cuts are vacations, dining out, and entertainment.

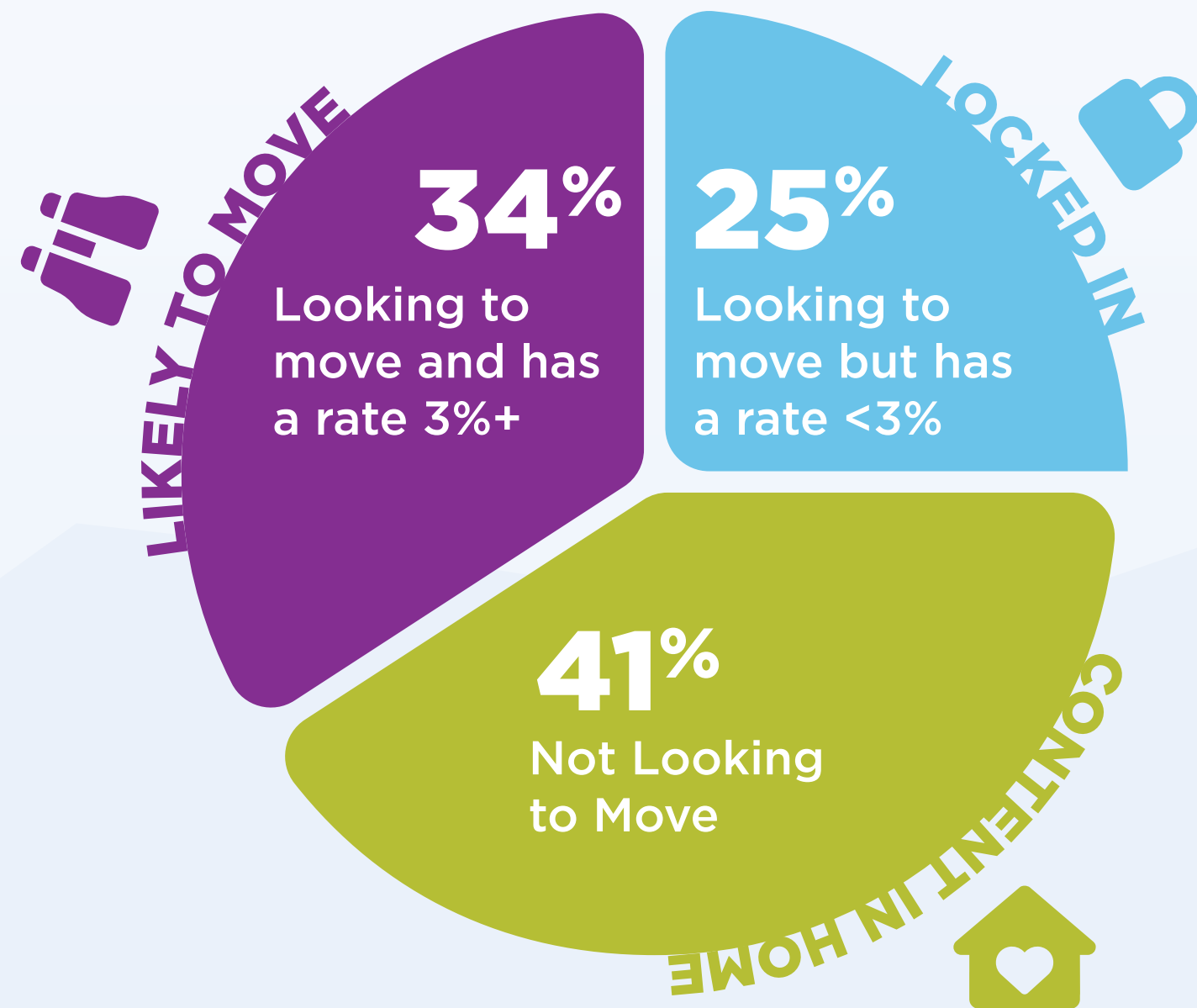


# Interest Rates are Throttling Home Improvement Spending in 2024

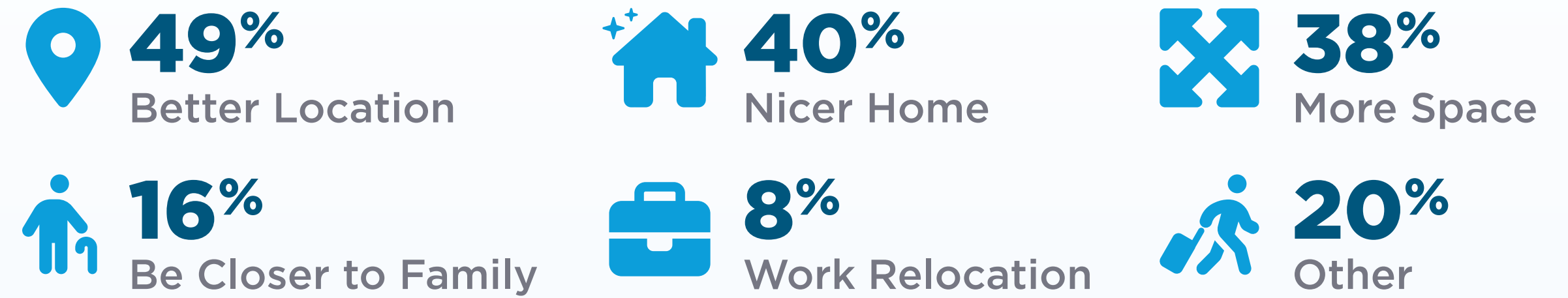
Right now, a quarter of homeowners are **locked into their current homes**, meaning they would look to move if rates improved, but currently have a rate **less than 3%**. This has driven home improvement spending throughout 2022 and 2023, but what about when the lock-in effect subsides?

Expectations among the industry are that **once interest rates decline**, there will be an **increase in mobility** and an **increase in the number of homeowners who move**; this will positively impact home improvement spending.

Based on HIRI research, **one in three homeowners is likely to move once rates improve**. Of this subset, those who are likely to move skew **younger and higher income**. Half are millennials, meaning they are between the **ages of 25-44**, and, three-quarters of this group have a household **income greater than \$80K**.

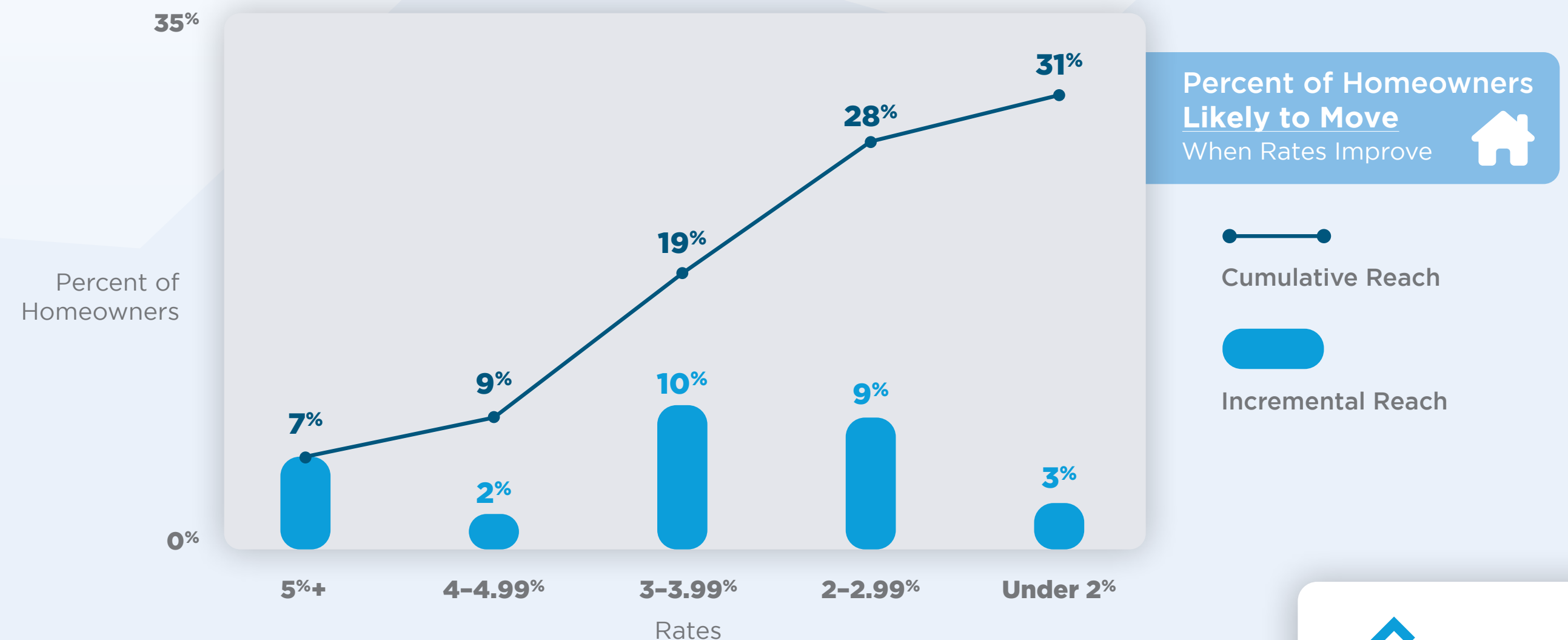


## Motivations for those who would look to move



There are 86 million owner-occupied housing units in the U.S. Based on these findings, we can infer that **only 6 million homeowners (7%) are likely to move until rates drop below 5%**, with reasons to move hinging around moving to a better location, nicer home, or bigger home.

Further, we can infer that nearly **three times as many homeowners**, around 16 million, would become likely to move once rates are **between 3 to 4%**. Subsequent home improvement spending correlated with selling a home and buying a home would increase at this time.



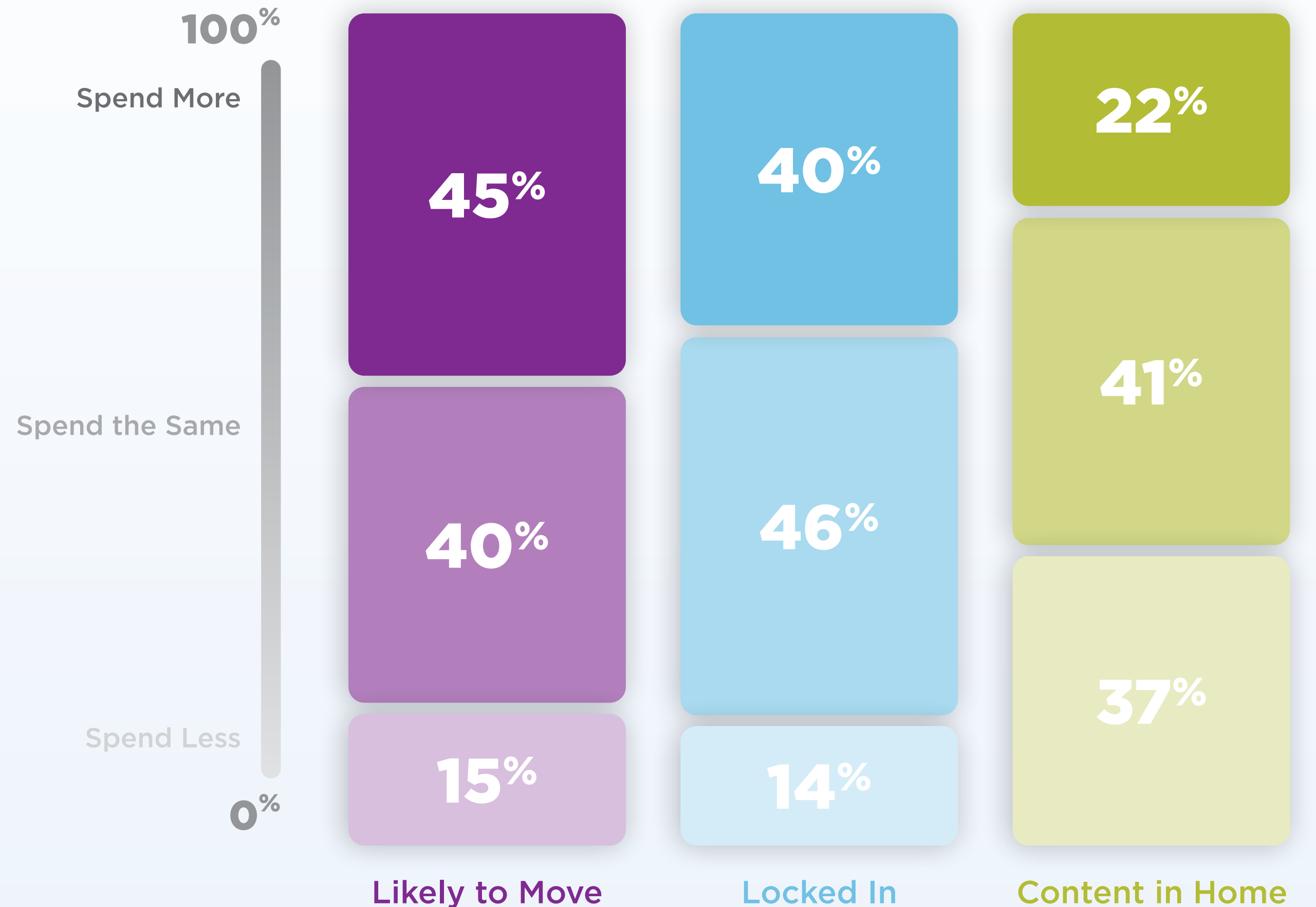
# How Home Improvement Spending Will Change in 2024

Those who are likely to move and those who are locked in are the homeowners who stated intent to **spend more, or the same**. This group of homeowners spent between **\$4k and \$7k on home improvements** between November 2022 and November 2023.

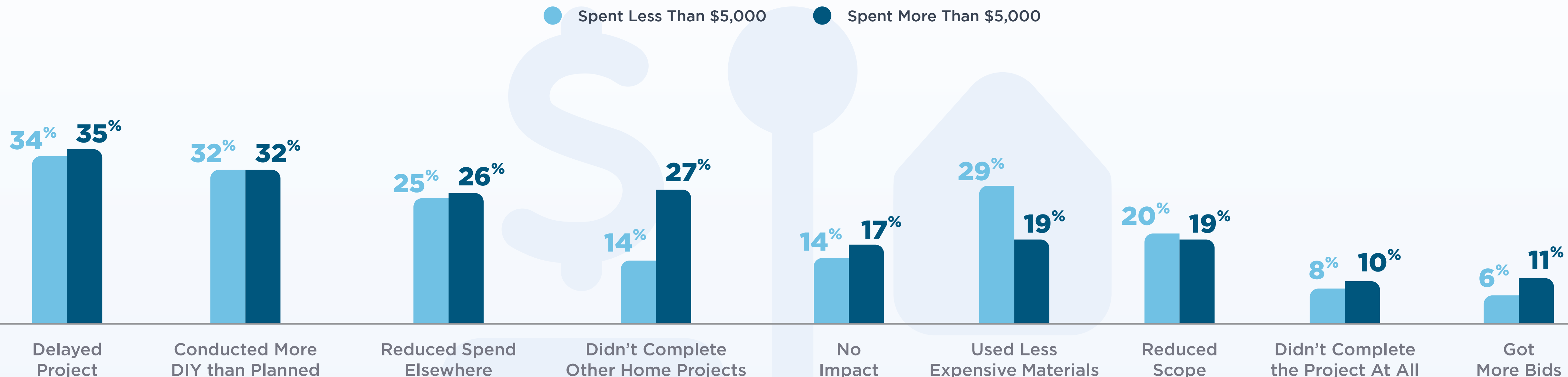
In 2022, those who are **locked into their homes** did spend **63% more on home improvements** compared to those who are likely to move, but this difference in spend is anticipated to be **narrower** in 2024.

Locked-in homeowners stated they anticipate spending **over \$7,000** on home improvements in 2024. Homeowners who are likely to move stated anticipated home improvement spending **just under \$6,000**.

## Plans to Spend More or Less on Home Improvement in the Next Year



## Response to Increase in Home Improvement Costs by Spend in Past 12 Months



## Cost Based Trade-offs Being Made During Home Improvement Projects

As home improvement costs increased, 27% of homeowners who spent more than \$5,000 opted to NOT complete other home improvement projects and found various ways to reduce the overall project costs, from taking more of a DIY approach to value-engineering which materials were used, and even reducing the scope of that particular project.

This means that **reducing project costs by reducing material costs** will enable homeowners to undertake a **larger scope of home improvements** that they already have in mind to do.



HIRI members have access to stated incidence data for each of these project areas specifically in the full **‘Spending Patterns in a Changing Market’** report.

Read Now



Listed in order of popularity, these are the **projects** homeowners stated they’d be undertaking in 2024

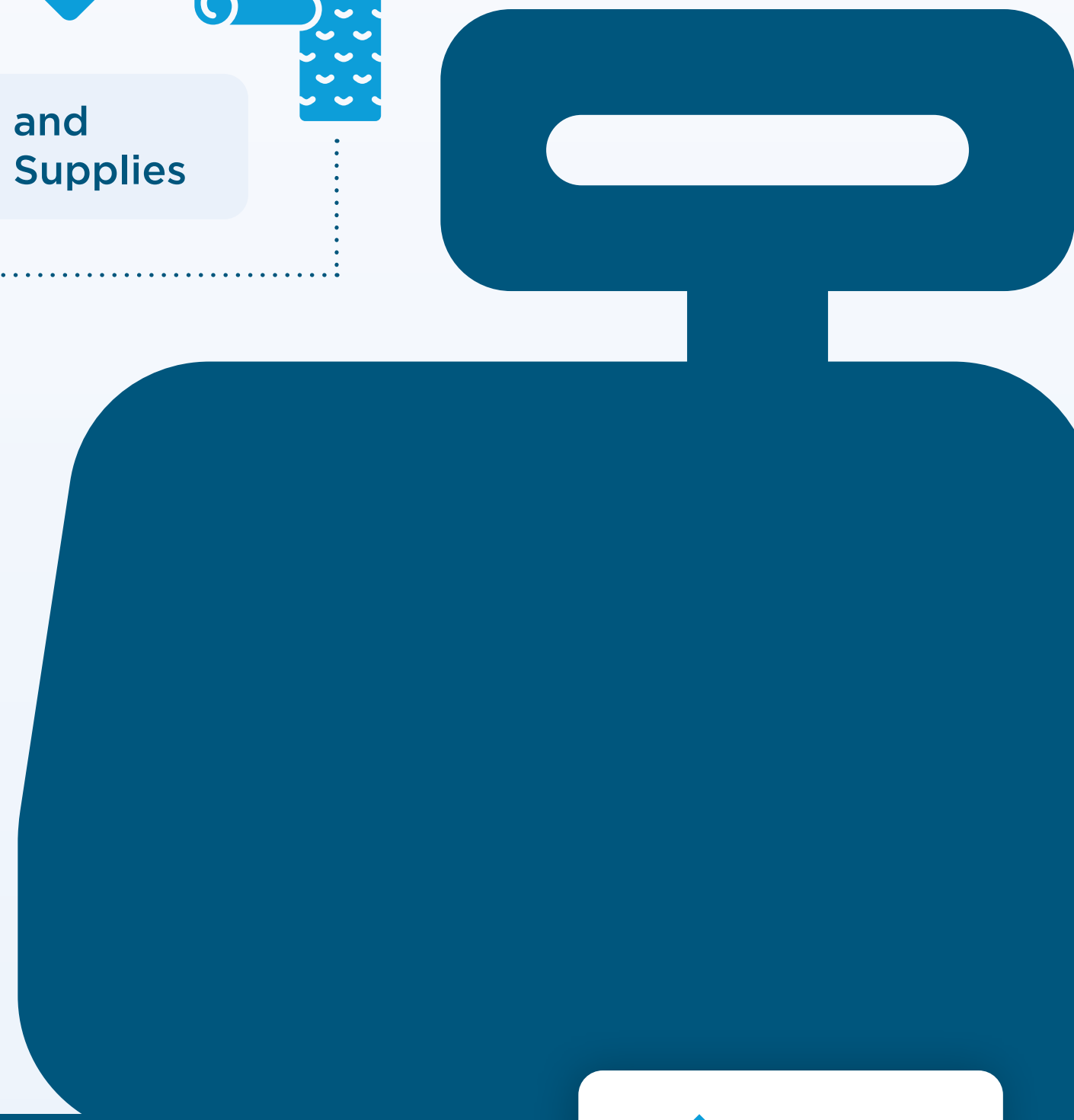


HIRI members have access to stated incidence data for each of these product categories specifically in the full **‘Spending Patterns in a Changing Market’** report.

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Listed in order of popularity, these are the products homeowners stated they’d be purchasing in 2024





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