

# [title] Outdoor Living Spaces: 2023's Multi-billion Dollar Industry

## [alt title 1] 2023 Market Trend Analysis: Breakdown of the Boom in Backyard Renovations

## [alt title 2] Shifting Preference in Outdoor Design and Landscape Architecture: 2023 Market Analysis

[Aesthetic Image]

### Key Discussion Points:

- Recent trends for consumer preference in landscape design
- Motivations for backyard renovation
- Consumer profile: Who invests in outdoor spaces?
- Breakdown of the market's most popular purchases

The landscape and gardening industry in the United States is estimated at values from 110 to over 170 billion dollars.

Market analysis reveals a rising portion of this spending is invested in backyard living spaces.

The backyard renovation market is highly fragmented, making it difficult to access. However, it's too profitable to ignore.

An online poll found that 90% of Americans believe their outdoor living spaces are more valuable than ever.

Business leaders in gardening, landscaping and outdoor architecture stand to benefit greatly if they can capitalize on this trend.

This report describes the features and purchasing habits of the consumers feeding this wave of outdoor renovation.

## The United States' Consistent Spending on Outdoor Upgrades

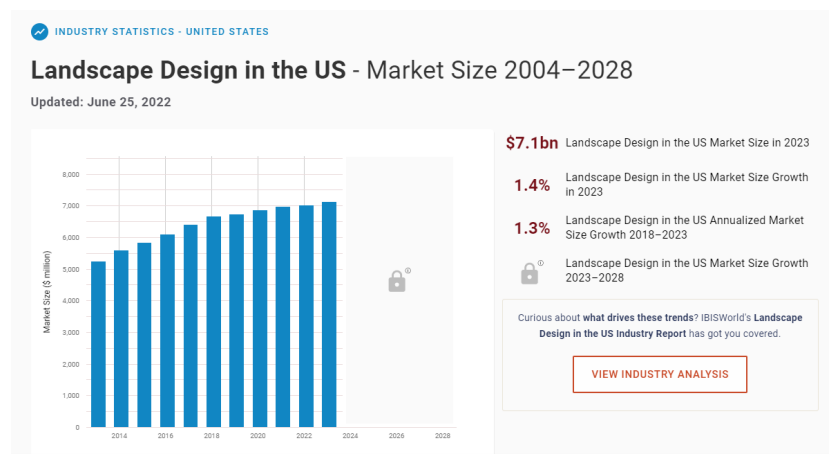
While most industries suffered during the COVID-19 pandemic, spending on landscape design only increased.

With most of the population spending more time at home, the need for outdoor spaces grew.

This trend continues even though most COVID restrictions have now been lifted.

Whether working remotely or enjoying leisure time, Americans seem to prefer being home.

This consistent spending begs the question:  
How can your business capitalize on this market?



# Consumer Profile: Wealthy, Middle-Aged Homeowners Lead the Trend

Demographic data helps us paint a picture of who spends the most on outdoor renovations.

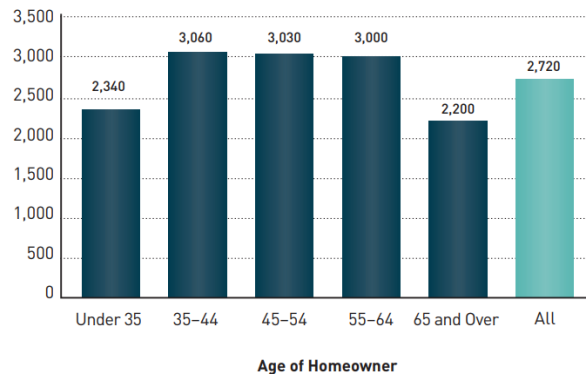
- First, these consumers are typically homeowners with newer homes rather than renters.
- They are often middle-aged, with a median age between 45 and 54.
  - Spending on home renovations increases sharply after age 30 but decreases again at 65 and older.
- People who purchase landscape architecture or design services may have higher incomes and education levels.
  - Homeowners in this market segment have a median household income of \$75,000 or higher.
  - They may have a greater appreciation for professional services and aesthetic design.
- Homeowners who invest in backyard living spaces often show interest in outdoor activities such as gardening, entertaining visitors, and relaxing outdoors.

In short, this market's largest share comprises relatively wealthy, middle-aged homeowners with newer homes and an interest in outdoor activities.

This profile is a good start. Next, let's examine their motivations.

## Outlays for Home Renovations Increase Sharply After Owners Reach Their Mid-30s

Average Annual Per Owner Improvement Spending, 2011–2015 (2015 dollars)

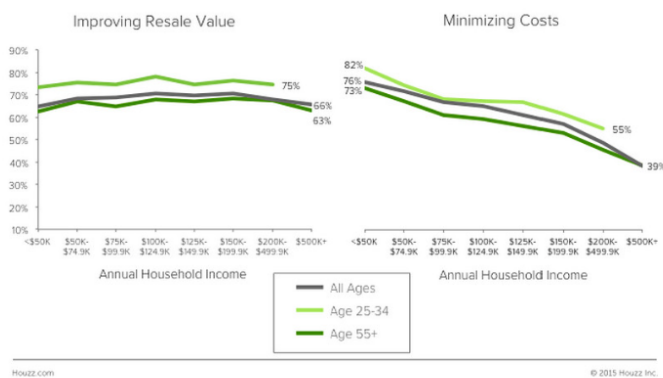


# Renovation Motivations: Raise the Roof (and Resale Value)

## Prevailing Importance of Resale Value



Renovating Homeowners Who Rated Considerations Very-To-Extremely Important



Two motivators for purchasing outdoor renovations stand out in data sets.

Many homeowners are interested in building outdoor spaces for hosting friends and family.

Once we examine the specific upgrades they purchase, you'll notice that most involve making the outdoors more comfortable for gatherings.

The other primary motivator is improving the property's resale value, especially in competitive housing markets.

Outdoor additions can make homes more desirable to potential buyers.

In fact, resale value is the most consistent motivator for renovations.

As the chart on the left shows, the importance of resale value increasingly outweighs concerns about renovation costs.

However, these are not the only considerations.

Certain features are more likely to impress and entice homeowners.

## Buyer Considerations: Style, Upkeep, Technology

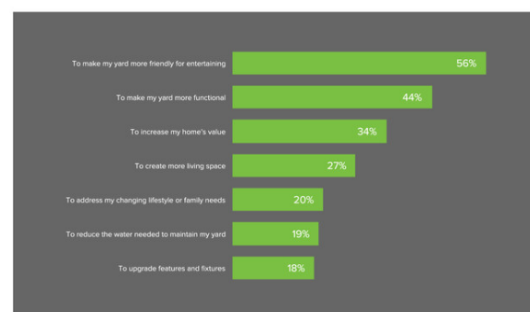
What do consumers look for in their backyard renovations?

Homeowners who hire landscape design services likely value design quality.

## Grounds for Entertaining



LANDSCAPING MOTIVATIONS



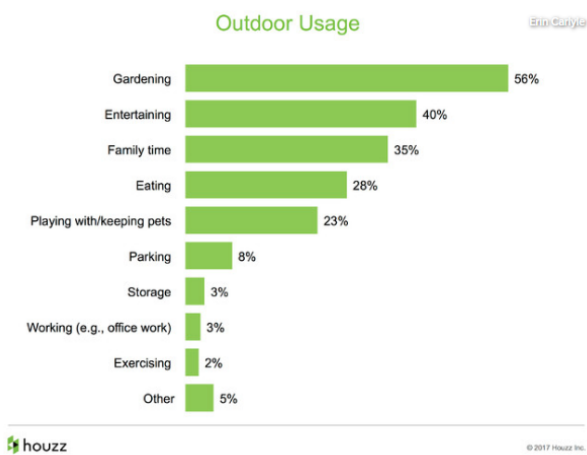
houzz.com

© 2014 Houzz Inc.

They want new additions to work as an aesthetic extension of their homes while also serving a function.

Some buyers even aim to seamlessly integrate indoor and outdoor activities with installations like outdoor kitchens and bars.

Popular designs often use natural materials like wood, stone, and plants. These elements create an organic theme that compliments nature with style.



Homeowners appear drawn to minimalistic designs in their outdoor spaces. This aesthetic uses clean, sharp edges and simple color palettes to complement nature’s peacefulness.

However, minimalist doesn’t mean simple. Homeowners tend to want outdoor spaces that are customized to their needs.

Areas designed for their favorite activities are common requests.

Examples include meditation gardens, lounges, and outdoor exercise areas.

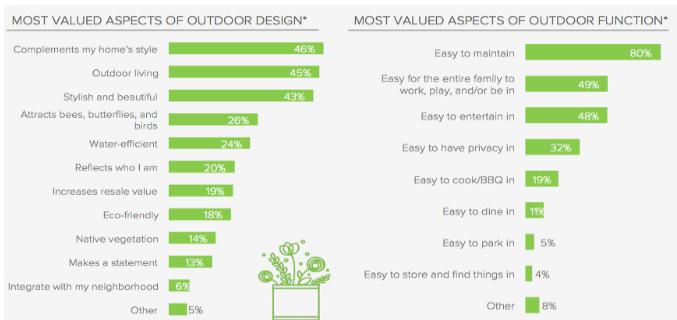
This also plays into the theme of wellness that often appears in outdoor design.

Homeowners are partial to renovations that promote mental and physical health, such as yoga areas or integrated gardens.

### Stylish But Low-Maintenance



Homeowners prioritize style, comfort, and beauty in outdoor design. Yet low maintenance is a key functional consideration, followed by family-oriented conveniences and the ability to entertain.



Marketers in this space often use multisensory design elements to engage consumers. Integration of sound, scent, or texture in backyard design creates an immersive experience.

Another common consideration is sustainability, with many homeowners buying energy-efficient lighting, native plant life, and rainwater collection systems.

Integration with technology is a rising trend in outdoor design.

Solar-powered electronics, smart lighting fixtures, and irrigation systems are popular additions that can also save homeowners money.

There's also a strong preference for renovation features that are low-maintenance. Homeowners tend towards products that require as little upkeep as possible.

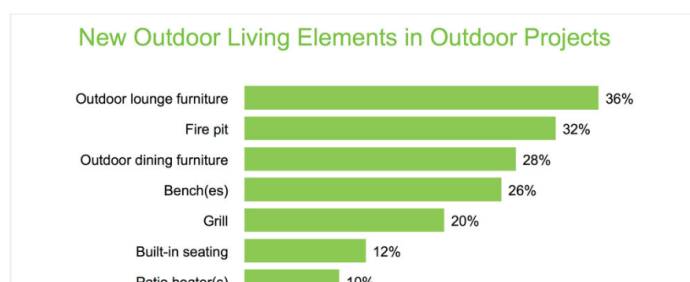
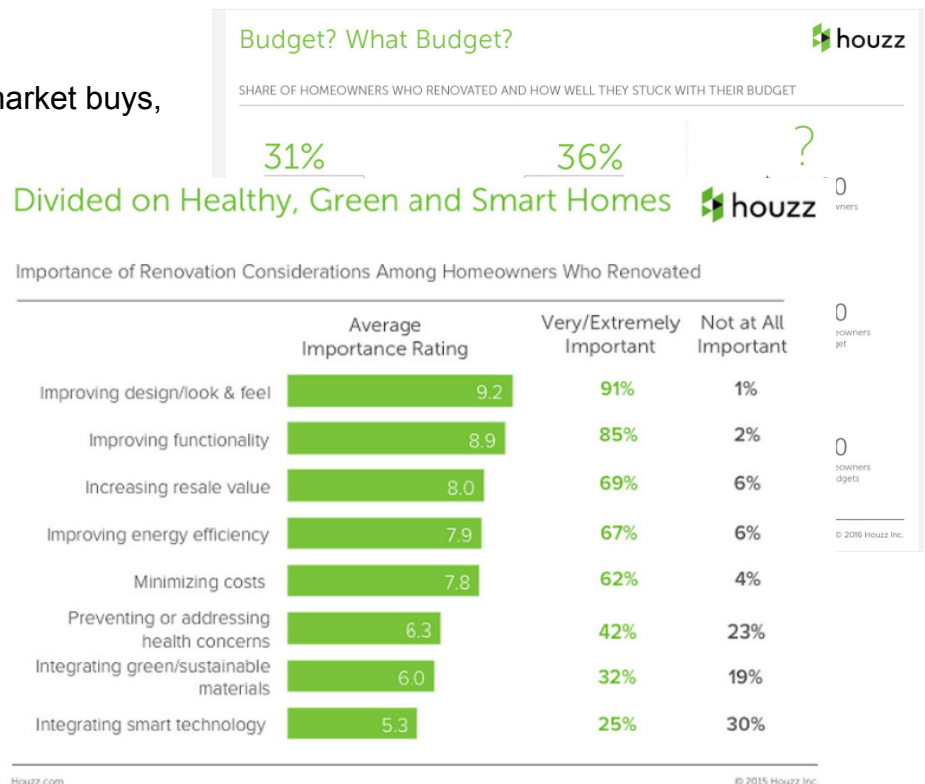
## Consumer Spending: What do Homeowners Buy for Their Backyards?

Before we look at what this market buys, let's quickly examine how they spend.

As mentioned earlier, the project's cost is typically not this market's primary concern. They're more interested in getting a functional space that increases their home's value.

The data on renovation budgeting supports the idea that cost isn't the main concern.

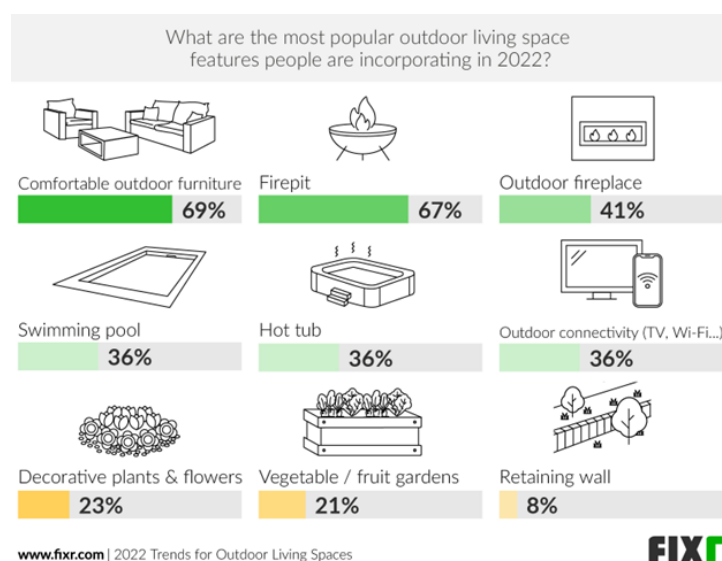
Renovation budgets seem a loose suggestion, if planned at all.



The most popular additions to backyard spaces are consistent with the reasons for the renovation.

Outdoor furniture, heating, and cooking appliances are all ideal for hosting guests and gatherings.

Built-in seating, fire pits, and cabinetry fit the theme of serving function and increasing property value.



Gardens and plant life, while lower on the list, still consistently rank among the most common additions.

Outdoor technology is gaining traction, with many additions of outdoor screens, charging stations, speakers, and lights.

All this may paint a different picture from the outdoor spaces we're used to.

Outdoor architecture and design is changing, and service providers will have to adapt.

Understanding these market segments is the first

## Houzz Landscaping Survey

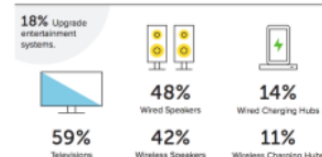
More than 750 Homeowners on Houzz shared details about their landscaping projects in our online survey

See other home remodeling and design research at [houzz.com/research](https://houzz.com/research)

### MOST IMPORTANT CURB APPEAL ELEMENTS\*



### TOP NEW OR UPDATED OUTDOOR ENTERTAINMENT ELEMENTS\*\*



### OUTDOOR ACTIVITIES INCREASED POST-PROJECT

| MORE | VS.                   | NO CHANGE |
|------|-----------------------|-----------|
| 67%  | Spending Time Outside | 33%       |
| 63%  | Relaxing/Reading      | 34%       |
| 52%  | Gardening             | 36%       |
| 51%  | Entertaining          | 45%       |
| 26%  | Family Time           | 74%       |

### TOP NEW OR UPDATED OUTDOOR LIVING ELEMENTS



\* Percentages reflect proportion of homeowners who added or upgraded elements in the front of their home during their landscaping projects.

\*\* Percentages reflect proportion of homeowners who added or upgraded entertainment systems during their landscaping projects.

step to winning their business.

Lead generators tailored to the backyard renovation market have huge potential for high performance.