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HOME IMPROVEMENT
RESEARCH INSTITUTE

What are Key Homeowner and Contractor Trends in Q1 2026?

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Home improvement activity has been off to a slower start in 2026, with fewer households engaging, project scope narrowing, and projects shifting toward necessity-driven work. These trends point toward a contraction in overall market participation and a move away from multi-phase renovations toward smaller, more targeted projects with tighter budgets and defined outcomes. Meanwhile, contractors have remained cautiously optimistic, despite economic headwinds, challenges with affordability, and tariff concerns. HIRI's quarterly Contractor Business Sentiment and Home Improvement Project Activity trackers for the first quarter of 2026 explore key trends among both segments, including their current levels of project activity, product-purchasing behaviors, challenges and concerns, and home improvement intentions for the rest of the year. These insights can help manufacturers and suppliers develop business strategies to help grow their share of a tight market.

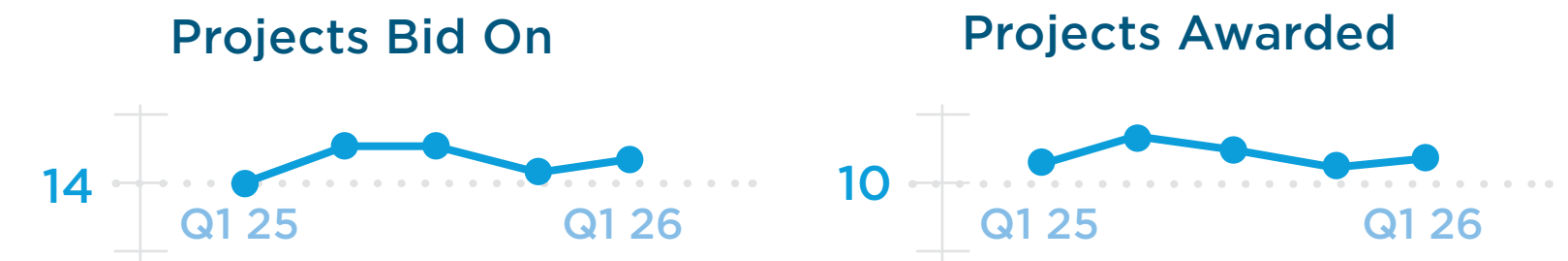
Homeowners Decrease Activity but Contractors Maintain Steady Project Pipelines

In the first quarter of 2026, home improvement activity declined to its lowest point in five quarters, as fewer households engaged. Only **40%** of homeowners completed a home improvement project in Q1 2026, **down from 44%** in Q1 2025. The pullback is mostly concentrated in discretionary renovation, while maintenance and repair have held firm. These trends point toward a **contraction in overall market participation** rather than weakening demand drivers, with more homeowners remaining on the sidelines despite **stable underlying need for repair and improvement**. However, for contractors, home improvement project pipelines show modest improvement, with **bids and awards** ticking up quarter-over-quarter and remaining above last year, supported by solid conversion. **Backlog** is stable, and even slightly easing, which suggests steady but not accelerating demand. **Project mix** is shifting slightly toward smaller jobs.

Engagement in Home Improvement Activity



Trends in Contractor Project Pipelines

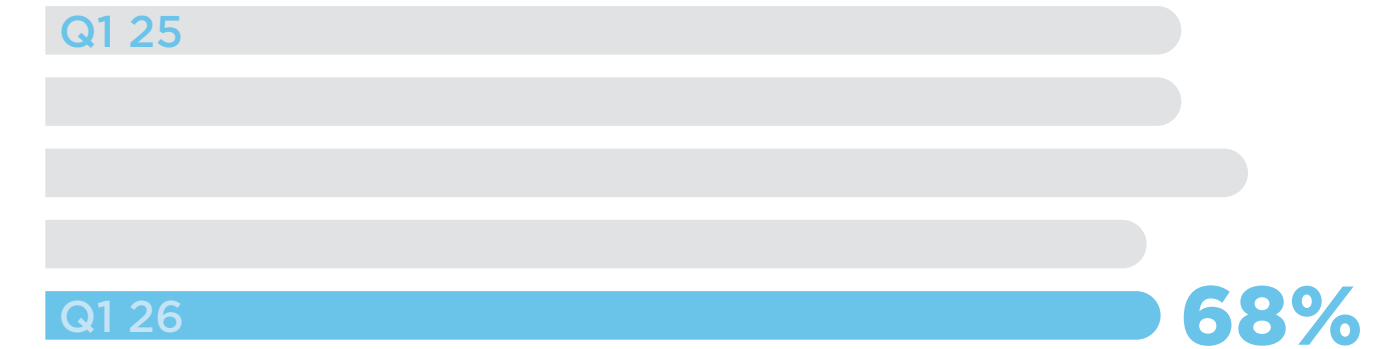


Homeowner Projects Completed

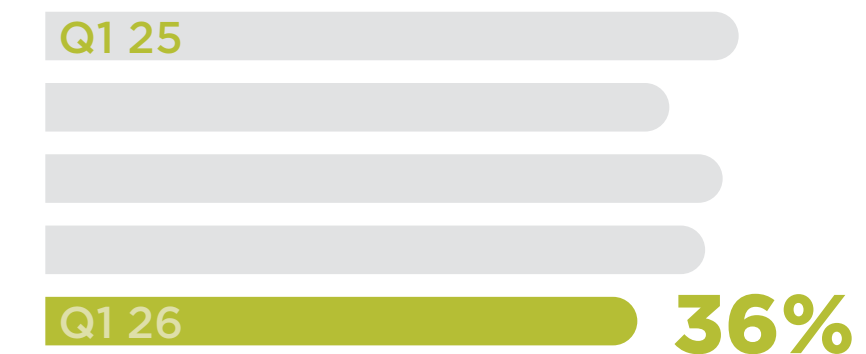
Maintenance



Repair



Renovation



Contractors Remain Optimistic While Homeowners Struggle with Uncertainty

Contractors increasingly cite **inflation and broader economic conditions** as the primary macroeconomic pressures shaping their outlook over the next 12 months, affecting **49% and 56%** of pros, respectively. Despite these pressures, sentiment remains constructive. **More than half of contractors** believe the home improvement market will grow “slightly” or “significantly” over the next 12 months. This is a slight decrease from Q4 2025, when **60%** of contractors expressed positive sentiments, but not much of a decrease from the **58%** in Q1 2025.

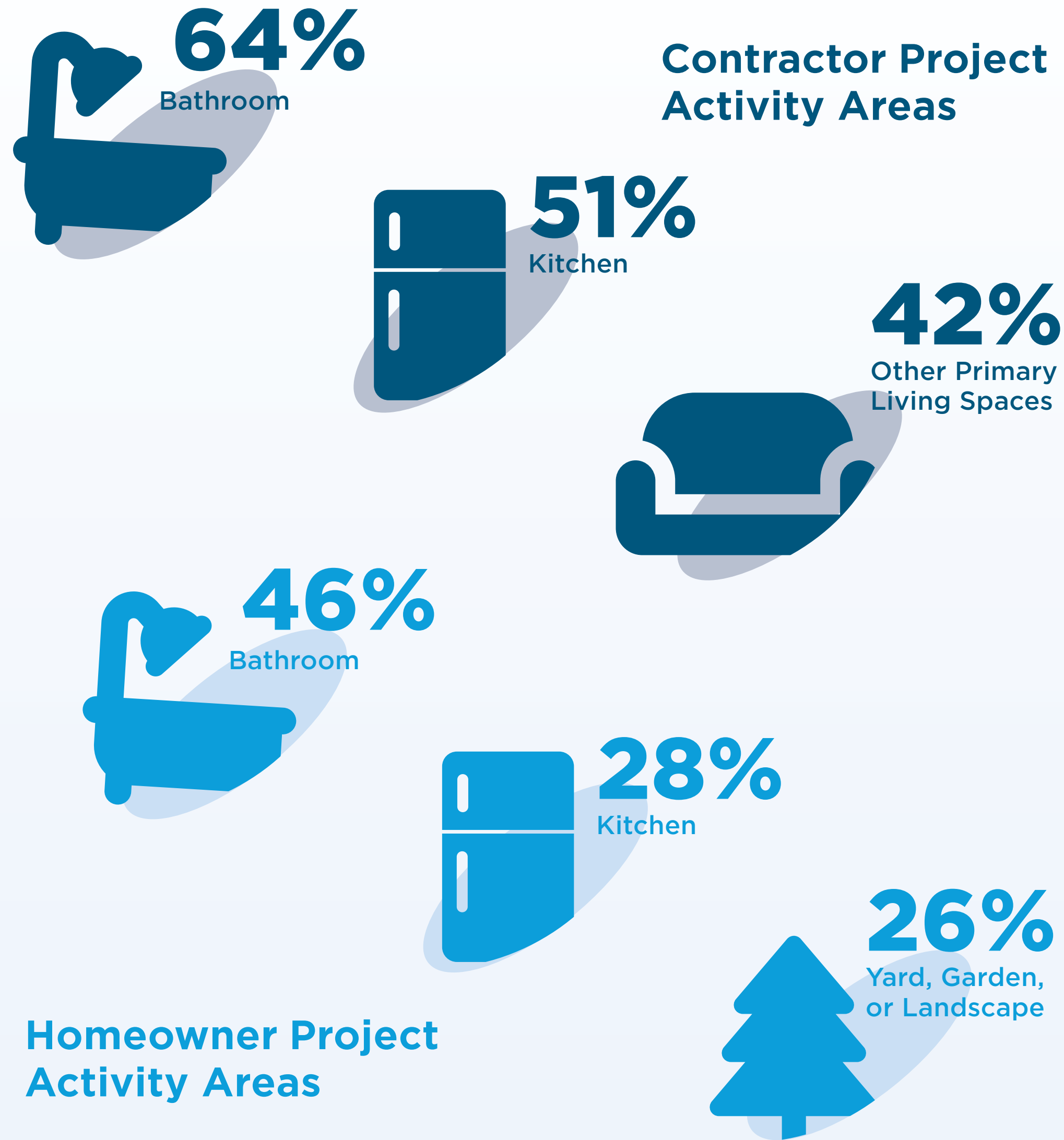
The top concerns among homeowners have remained relatively consistent over the past year, with the **economy** being the primary one, cited by **55%**. Other concerns reported in Q1 2026 include **inflation (45%), political environment (34%), and personal finances (29%)**. Additionally, general uncertainty about the economy is underpinning other financial concerns, even though real income (or inflation-adjusted) is flat to slightly positive to start 2026.

Top Concerns Among Contractors



Top Concerns Among Homeowners





Project Activity Remains Concentrated in Core Renovation Areas

About **64%** of contractors **completed bathroom projects** in Q1 2026; **51% completed kitchen projects** and **42%** did project related to **other primary living spaces**. This data is corroborated by homeowners, with **46%** reporting they conducted a **bathroom project** in Q1 2026. Additionally, **28% worked on their kitchen** and **26% completed a yard, garden, or landscape project**. Households are currently prioritizing **essential work**, with home improvement moderating between necessity and discretion.

Another statistic that gives insight into how homeowners are feeling about improvement is that, in Q1 2026, **62% chose to repair** something in their home **instead of replacing it**, compared to **51%** in Q4 2025. Looking ahead, project demand among homeowners will reportedly be focused on **interior upgrades or remodeling (51%)**; **maintenance or repairs (48%)**; and **exterior improvements (40%)**.

Get even more data about spending intentions across project categories when you download the full report.

[Access Full Contractor Report](#)

[Access Full Homeowner Report](#)

Homeowners are Spending More on Improvements Compared to Last Year

Overall, the **average spending per project increased in Q1 of 2026**, even as fewer homeowners participated in home improvement activities. Among those who did complete projects, average spending reached **\$5,368**, up from **\$3,957** in Q1 2025. At the same time, cash payments declined to **51%** (from **58%** the prior year) as credit card use climbed to **30%** (compared to **25%** in Q1 2025).

As cost pressures intensify, it seems to be driving **increased reliance on financing** and reducing the ability to self-fund projects. The exact causes of the increased spending could be **multi-faceted**.

Average Dollar Amount Spent on Home Improvement

\$3,957
Q1 2025

\$5,368
Q1 2026

-7%

Home Improvement Activity Paid in **Cash**

58% → **51%**

+5%

Home Improvement Activity Paid with **Credit Card**

25% → **30%**

Project Completion Methods Shift Toward a Hybrid Approach as Pure DIY Decreases

The purely DIY approach to home improvement **continues to decline**, as homeowners are increasingly **combining self-performed work with contractor support**. This enables them to balance **cost control** with the need for **expertise** as projects grow more complex and harder to execute independently. In Q1 2026, **39%** of projects were completed DIY (including non-paid help), compared to **48%** in Q1 2025. About **46%** of projects utilized both DIY and contractor assistance, compared to **26%** in Q1 2025, and **15%** were done solely by a contractor, compared to **26%** in Q1 2024. The main reasons why homeowners choose to hire a professional include **technical expertise (61%)**; **work quality (54%)**; **guaranteed workmanship (43%)**; and **specialized tools/equipment (43%)**.

Understanding the Dynamic Landscape of Home Improvement

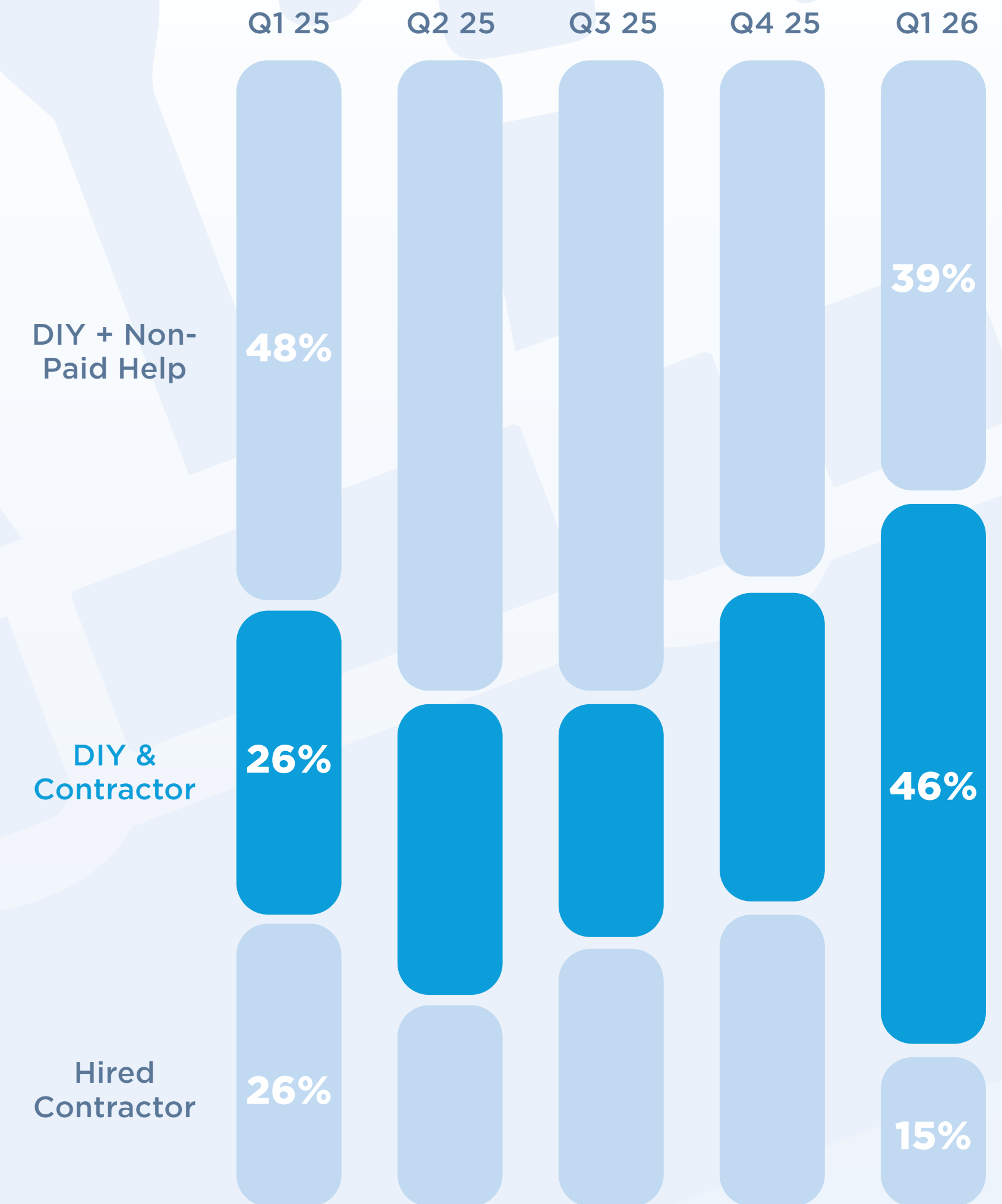
HIRI's quarterly **Home Improvement Project Activity Tracker** is designed to provide deep insights into **homeowners'** current attitudes and motivations driving home improvement initiatives, shedding light on their recent activities and planned activities. Meanwhile, the **quarterly Contractor Business Sentiment Tracker** also offers a comprehensive view of **contractors'** current and planned project activities, as well as the many factors influencing their operations. Additionally, these trackers include data on both DIY homeowners and contractors in regard to their preferred **shopping channels, research methods, and sentiment** toward home improvement activity, enabling manufacturers and suppliers to make informed decisions about **product development and go-to-market strategies**.

HIRI members have access to the full reports along with additional home improvement research that can support **strategy, product positioning, and customer engagement**.

[Access Full Contractor Report](#)

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Home Improvement Project Method of Completion



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Executives Across Business Units Are Able To:

- Understand Key Purchase Drivers in the Evolving Marketplace
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- Increase Organization ROI
- Identify Emerging Opportunities & New Revenue Streams

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- Spend Less Time on Data Collection
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- ★ On-demand access to raw data files alongside a Research Report on every study
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- ★ Member exclusive participation rights in the annual HIRI Summit. The HIRI Summit facilitates presentations by leading home improvement industry experts so that HIRI members maintain a comprehensive understanding of how to stay ahead of the changes impacting the home improvement market.



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