

Homebuilders and Building Products

Monthly building products spending snapshot: weather hits DIY in January

Industry Overview

Overall MoM card spending was slightly down in January

Total card spending per household (HH), as measured by BAC aggregated credit and debit cards, was down 0.2% year-over-year (y/y) in January. Card spending per HH fell 0.3% month-over-month (m/m) in January on a seasonally adjusted basis. See [BofA on USA](#) note for an explanation of methodology, disclaimers and limitations with BAC data.

Building product spend down YoY for 17 straight months

For the month of January, spending at home improvement retailers (a proxy for do-it-yourself spending) fell (7.0%) YoY (+14% compared to January 2019) vs. a (7.5%) YoY decline in December (and worsened compared to +17% 4-year stack in December). We believe unfavorable weather was a headwind to DIY spending in January. Spending on housing-related services (a proxy for pro contractor spending) rose +1.2% YoY in January (+50.4% compared to January 2019) vs. a (4.1%) YoY decrease in December (an improvement as compared to +41.4% 4-year stack in December).

HVAC/Roofing outperform; flooring continues to lag

On a YoY basis, the only two positive categories in January were AC/heat/plumbing, and roofing/siding. Weakest categories in January were concrete work contractors, lumber, and floor covering. See trends for additional building product categories below.

Exhibit 1: BAC aggregated card data spend over home improvement & services categories

In January, overall home improvement fell, but overall housing related services slightly rose YoY

Monthly YoY Spending	Jul.	Aug.	Sep.	Q3	Oct.	Nov.	Dec.	Q4	Jan.	Δ*
Overall home improvement	-5%	-6%	-7%	-6%	-6%	-5%	-8%	-6%	-7%	↑
Overall housing related services	1%	0%	-2%	0%	3%	0%	-4%	0%	1%	↑
Lumber stores	-6%	-8%	-10%	-8%	-5%	-6%	-8%	-6%	-11%	↓
Floor covering stores	-11%	-11%	-11%	-11%	-8%	-9%	-10%	-9%	-10%	=
Roofing and siding	3%	3%	4%	3%	8%	2%	2%	4%	2%	=
General contractors (residential)	-3%	-4%	-5%	-4%	-3%	-10%	-9%	-7%	-8%	↑
AC, heat, plumbing contractors	8%	4%	-2%	4%	3%	0%	-8%	-2%	7%	↑
Carpentry contractors	-8%	-12%	-11%	-10%	-3%	-10%	-3%	-5%	-2%	↑
Pool supplies	-5%	-5%	-5%	-5%	-5%	-3%	-3%	-4%	-5%	↓
Landscaping & Horticultural services	3%	2%	1%	2%	6%	7%	2%	5%	-1%	↓
Concrete work contractors	-8%	-4%	-7%	-6%	-1%	0%	-1%	0%	-12%	↓
Monthly vs 2019 Spending	Jul.	Aug.	Sep.	Q3	Oct.	Nov.	Dec.	Q4	Jan.	Δ*
Overall home improvement spending	16%	18%	19%	18%	17%	20%	17%	18%	14%	↓
Overall housing related services	36%	49%	44%	43%	38%	43%	41%	41%	50%	↑
Lumber stores	11%	19%	16%	15%	14%	18%	15%	16%	5%	↓
Floor covering stores	5%	10%	9%	8%	5%	11%	10%	8%	6%	↓
Roofing and siding	34%	53%	49%	45%	45%	46%	59%	49%	55%	↓
General contractors (residential)	16%	24%	22%	21%	20%	21%	23%	21%	31%	↑
AC, heat, plumbing contractors	54%	73%	60%	62%	50%	57%	54%	54%	79%	↑
Carpentry contractors	36%	41%	36%	37%	30%	25%	23%	26%	38%	↑
Pool supplies	26%	29%	33%	29%	30%	40%	35%	35%	37%	↑
Landscaping & Horticultural services	60%	67%	70%	66%	68%	77%	65%	70%	71%	↑
Concrete work contractors	18%	28%	22%	23%	18%	30%	24%	23%	15%	↓

Source: BAC Internal Data; * Δ in YoY trend vs. prior month

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HH: household

HVAC: heating, ventilation, and air conditioning

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Heat map by category

Exhibit 2: Monthly BAC aggregated card data (YoY and change vs 2019) Nov 22 – Jan 24

In January, concrete work contractors declined the most YoY, while heating, plumbing, AC, and roofing/siding increased at the fastest pace

	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22
Home Improvement															
1-yr % change	-7.0%	-7.5%	-4.6%	-5.5%	-7.4%	-5.7%	-4.7%	-6.4%	-0.5%	-8.2%	-10.3%	-6.3%	-4.7%	-5.1%	-8.3%
% change vs. 2019	14.4%	16.7%	20.0%	16.9%	19.5%	18.0%	15.7%	24.0%	25.3%	19.1%	28.1%	32.6%	23.0%	26.3%	25.9%
Housing related services															
1-yr % change	1.2%	-4.1%	-0.5%	2.6%	-2.2%	0.2%	1.1%	-3.3%	2.2%	-6.6%	-5.4%	-2.3%	1.2%	-2.2%	-1.3%
% change vs. 2019	50.4%	41.4%	43.5%	37.6%	44.1%	48.7%	36.3%	51.9%	45.6%	37.6%	61.4%	56.2%	48.7%	47.5%	44.1%
Lumber stores															
1-yr % change	-10.8%	-8.2%	-5.8%	-4.6%	-9.8%	-8.0%	-6.5%	-6.1%	-2.5%	-15.1%	-14.8%	-9.8%	-5.3%	-9.8%	-8.0%
% change vs. 2019	4.8%	15.0%	18.2%	13.8%	15.9%	19.3%	11.2%	28.1%	22.3%	12.0%	29.1%	29.4%	17.6%	25.3%	25.4%
Floor covering															
1-yr % change	-9.5%	-10.4%	-8.5%	-8.2%	-11.3%	-10.9%	-10.9%	-11.2%	-11.2%	-17.8%	-17.2%	-13.2%	-11.6%	-15.1%	-12.1%
% change vs. 2019	6.2%	9.7%	11.2%	4.7%	9.5%	10.2%	5.2%	14.8%	10.0%	6.4%	16.2%	20.4%	17.4%	22.5%	21.6%
Roofing and Siding															
1-yr % change	1.6%	1.6%	1.9%	8.3%	3.9%	3.4%	2.5%	-0.2%	5.1%	-2.4%	-2.3%	6.8%	3.5%	-5.8%	-6.8%
% change vs. 2019	54.5%	58.8%	46.0%	44.8%	49.1%	53.0%	34.3%	61.3%	52.4%	46.5%	66.4%	69.4%	52.0%	56.4%	43.3%
General Contractors/Residential															
Buildings															
1-yr % change	-7.7%	-8.6%	-9.8%	-2.7%	-5.2%	-3.7%	-3.4%	-5.3%	1.3%	-9.1%	-5.6%	-1.2%	2.8%	-6.8%	-3.0%
% change vs. 2019	31.4%	23.0%	21.3%	19.8%	22.5%	24.2%	16.3%	31.1%	27.8%	23.2%	49.6%	51.2%	42.4%	34.7%	34.5%
Heating, Plumbing, AC															
1-yr % change	7.1%	-7.9%	-0.1%	3.1%	-2.0%	4.1%	7.9%	-4.0%	2.9%	-2.2%	-1.2%	0.0%	6.2%	10.7%	7.9%
% change vs. 2019	78.9%	53.8%	57.3%	50.4%	60.1%	72.9%	53.9%	63.4%	56.9%	53.7%	82.3%	67.6%	67.1%	66.9%	57.4%
Carpentry															
1-yr % change	-1.7%	-2.8%	-10.2%	-2.7%	-11.3%	-11.7%	-8.4%	-11.5%	-7.3%	-15.6%	-11.4%	-7.7%	-4.3%	-15.9%	-7.9%
% change vs. 2019	38.4%	23.0%	24.6%	30.2%	36.0%	40.6%	35.8%	54.1%	34.4%	29.2%	67.7%	57.0%	40.8%	26.5%	38.7%
Pool supplies															
1-yr % change	-5.5%	-3.1%	-2.9%	-4.6%	-5.0%	-5.0%	-5.3%	-8.1%	-5.9%	-8.4%	-13.6%	-8.1%	-5.6%	-10.1%	-4.5%
% change vs. 2019	36.6%	35.2%	40.1%	30.2%	32.5%	29.4%	26.3%	25.9%	28.8%	32.6%	44.4%	58.5%	44.6%	39.5%	44.2%
Landscaping and horticultural services															
1-yr % change	-0.7%	1.9%	7.2%	6.5%	1.4%	2.1%	3.1%	5.6%	7.4%	-0.4%	0.4%	6.0%	5.6%	-2.3%	0.6%
% change vs. 2019	71.4%	64.6%	77.2%	67.5%	70.1%	67.5%	59.5%	77.0%	67.2%	58.5%	86.6%	89.4%	72.6%	61.6%	65.2%
Concrete work contractors															
1-yr % change	-11.8%	-0.6%	-0.2%	-0.6%	-6.8%	-4.2%	-8.0%	-6.5%	6.8%	-6.8%	-3.3%	1.7%	11.5%	-4.5%	-1.6%
% change vs. 2019	15.3%	23.8%	30.4%	17.8%	22.0%	28.5%	18.3%	38.8%	40.6%	25.6%	45.7%	56.1%	30.6%	24.5%	30.7%

Source: BAC Internal data

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Trends by category

Lumber stores: down YoY & MoM in January

For the month of January, spending at lumber stores was (10.8%) lower YoY and down (3.0%) on a MoM basis (+4.8% compared vs. January 2019).

Floor coverings: down YoY, up MoM in January

For the month of January, spending at floor covering stores was down (9.5%) YoY, but rose +10.4% on a MoM basis (+6.2% vs. January 2019).

Roofing and siding: up YoY and MoM in January

For the month of January, spending on roofing and siding, sheet metal work contractors increased 1.6% YoY and 0.6% MoM (+54.5% vs. January 2019).

General contractor-resi: down YoY, up MoM in January

For the month of January, spending on general contractors (residential) fell (7.7%) YoY, but rose 3.5% MoM (+31.4% vs. January 2019).

Heating, plumbing, AC: up YoY & MoM in January

For the month of January, spending on AC, heating, and plumbing contractors increased

7.1% YoY and 15.0% MoM (+78.9% vs. January 2019).

Carpentry: down YoY, up MoM in January

For the month of January, spending on carpentry contractors was down (1.7%) YoY, but increased 6.8% on a MoM basis (+38.4% compared to January 2019).

Landscaping & Horticultural services: down YoY in Jan

For the month of January, spending on landscaping and horticultural services was down (0.7%) YoY and (8.3%) MoM (+71.4% compared to January 2019).

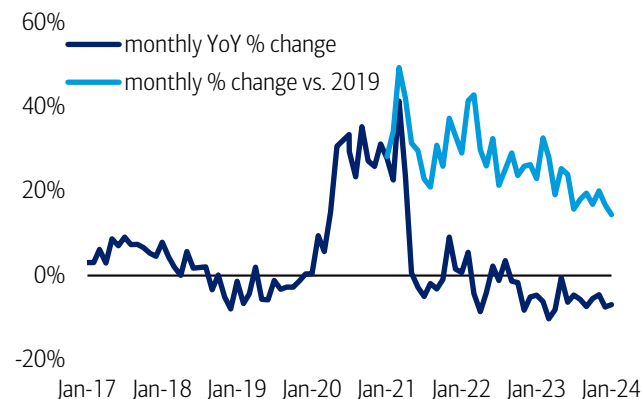
Concrete work contractors: Down YoY and MoM in Jan

For the month of January, spending on concrete work contractors was down (11.8%) YoY and (15.8%) MoM (+15.3% compared to January 2019).

Building Products

Exhibit 3: Monthly BAC aggregated card spending data at home improvement retailers (YoY and change vs 2019)

January 2024 spending fell (7.0%) YoY, but increased 14.4% vs. Jan 2019

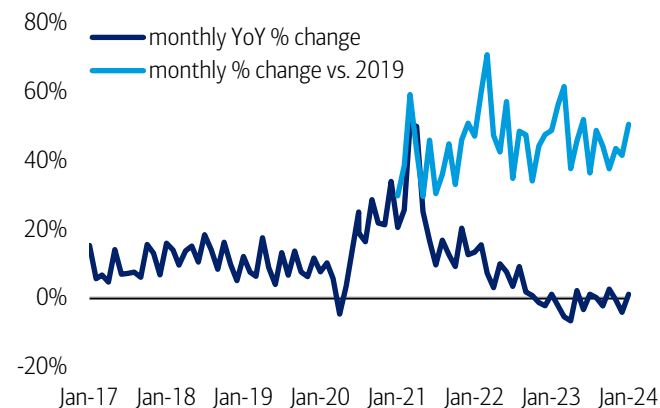


Source: BAC internal data
Data through January 2024

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Exhibit 4: Monthly BAC aggregated card spending data for housing-related services (YoY and change vs 2019)

January 2024 spending increased 1.2% YoY and 50.4% vs. Jan 2019

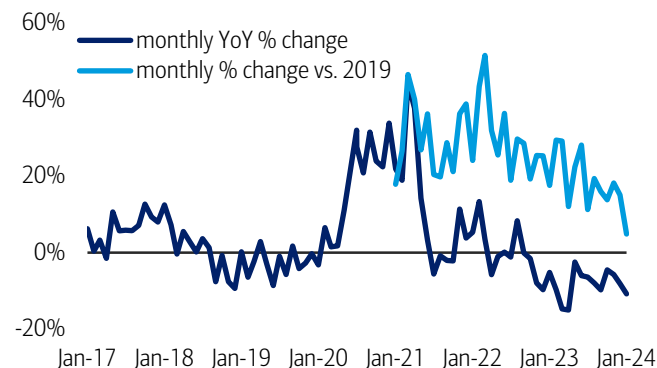


Source: BAC internal data
Data through January 2024

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Exhibit: Monthly BAC aggregated card spending data at lumber stores (YoY and change vs 2019)

January 2024 spending fell (10.8%) YoY, but increased 4.8% vs. Jan 2019



Source: BAC internal data
Data through January 2024

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Exhibit 5: Monthly BAC aggregated card spending data at floor covering retailers (YoY and change vs 2019)

January 2024 spending fell (9.5%) YoY, but increased 6.2% vs. Jan 2019

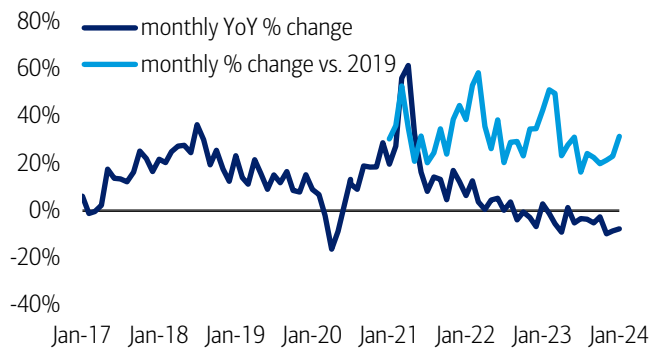


Source: BAC internal data
Data through January 2024

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Exhibit 6: Monthly BAC aggregated card spending data at general contractors – residential (YoY and change vs 2019)

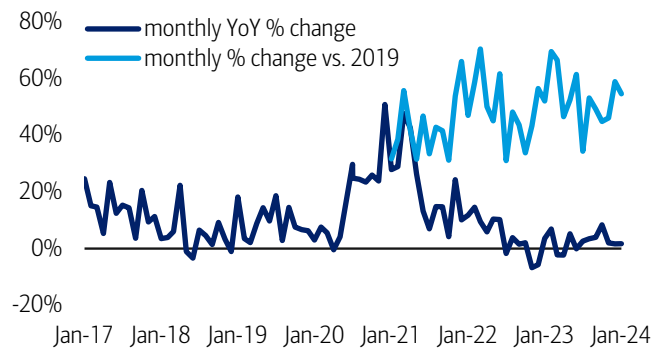
January 2024 spending fell (7.7%) YoY, but increased 31.4% vs. Jan 2019

Source: BAC internal data
Data through January 2024

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Exhibit 7: Monthly BAC aggregated card spending data at roofing and siding, sheet metal work contractors (YoY and change vs 2019)

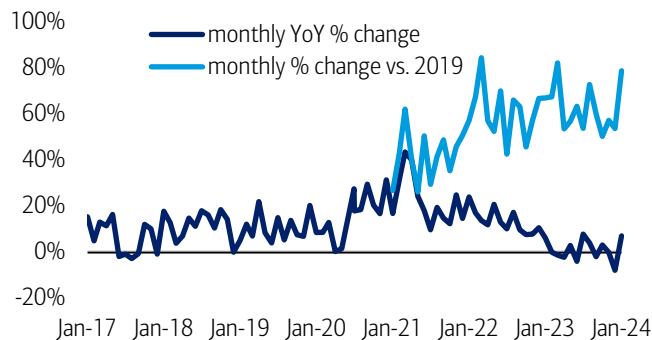
January 2024 spending increased 1.6% YoY and 54.5% vs. Jan 2019

Source: BAC internal data
Data through January 2024

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Exhibit 8: Monthly BAC aggregated card spending data at air conditioning, heating, and plumbing contractors (YoY and change vs 2019)

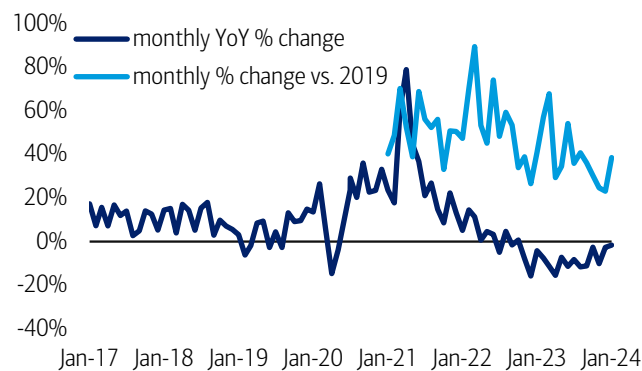
January 2024 spending increased 7.1% YoY and 78.9% vs. Jan 2019

Source: BAC internal data
Data through January 2024

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Exhibit 9: Monthly BAC aggregated card spending data at carpentry contractors (YoY and change vs 2019)

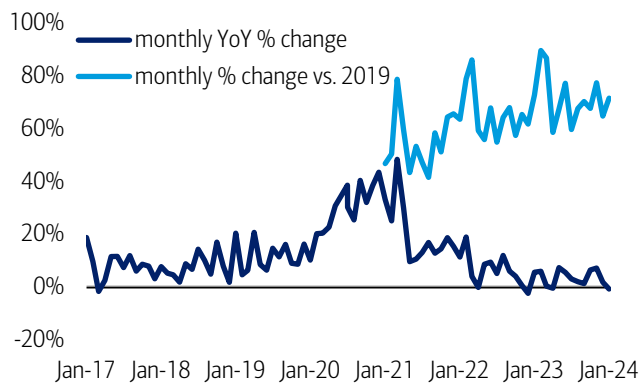
January 2024 spending fell (1.7%) YoY, but increased 38.4% vs. Jan 2019

Source: BAC internal data
Data through January 2024

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Exhibit 10: Monthly BAC aggregated card spending data at Horticultural and Landscaping Services (YoY and change vs 2019)

January 2024 spending fell (0.7%) YoY, but increased 71.4% vs. Jan 2019

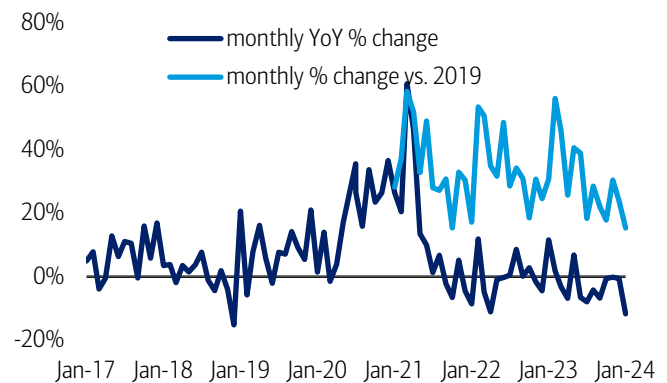


Source: BAC internal data
Data through January 2024

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Exhibit 11: Monthly BAC aggregated card spending data at concrete contractors (YoY and change vs 2019)

January 2024 spending fell (11.8%) YoY, but increased 15.3% vs. Jan 2019



Source: BAC internal data
Data through January 2024

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Exhibit 12: Data category and description

Merchants are categorized based on products/services they provide

Data category

Home Improvement
Housing-related services

Pool supplies

Building Materials, Lumber Stores

Floor covering

Horticultural and Landscaping Services

General Contractors — Residential and Commercial

Air Conditioning, Heating, and Plumbing Contractors
Electrical Contractors

Insulation, Masonry, Plastering, Stonework, and Tile Setting Contractors

Carpentry Contractors

Roofing and Siding, Sheet Metal Work Contractors

Concrete Work Contractors

Description

Merchants that sell a wide range of home products and supplies

Merchants/individual professionals that provide plumbing, flooring, painting, carpentry, or other home-related services

Merchants that serve residential, professional, and commercial consumers and provide chemicals, equipment, parts for in/above-ground pools and water testing/pool cleaning services

Merchants that sell lumber and other building materials, including building centers that offer their products to contractors rather than to the general public. Products for sale may include lumber, unfinished wood items, lighting materials, concrete, sand, gravel, general building or electrical supplies, bricks, fencing, pipe, fiberglass, and molding

Merchants that sell floor coverings such as carpeting, area rugs, floor tile, linoleum, stone, wood, and brick, and may or may not also perform installation services.

Landscape architects and other providers of landscape planning and design services. Also, merchants that offer a variety of lawn and garden services such as planting, fertilizing, mowing, mulching, seeding, spraying, and sod laying

General contractors primarily engaged in the construction of residential and commercial buildings. Construction services may include new construction, remodeling, repair, additions, and alterations

Special trade contractors that work with heating, plumbing, and air conditioning systems

Special trade contractors that perform electrical work such as the installation of fire alarms, sound equipment, telecommunications equipment, and telephones and telephone equipment.

Special trade contractors that perform masonry work, stone setting and other stone work such as fireplace construction, tile setting, plain and ornamental plastering, and insulation installation. These merchants also may perform bricklaying, ceramic and marble work, mosaic work, acoustical work, and drywall construction.

Special trade contractors that perform carpentry work for construction projects such as cabinetwork, framing, trim and finish work, and window and door installation

Special trade contractors that install roofing, siding and do sheet metal work, including architectural sheet metal work, ceilings and skylight installation, duct and gutter installation, and roof spraying, painting, or coating

Special trade contractors that perform concrete, cement or asphalt work, construct private driveways and walks of all materials, pour concrete for foundations, perform grouting work, and construct concrete patios and sidewalks

Exhibit 12: Data category and description

Merchants are categorized based on products/services they provide

Data category	Description
Contractors, Special Trade (not elsewhere classified)	Special trade contractors that perform construction work not elsewhere classified. Examples include awning installation, bathtub refinishing, fence construction, fire escape installation, house moving, home window replacement, garage door installation, floor covering installation, ornamental metal work, swimming pool construction, glasswork, well drilling, wallpaper services, waterproofing, and construction welding

Source: BofA Global Research

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Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

BAC data used in this report include spending from active US households only. Spending from corporate cards is excluded.

Additional information about the methodology used to aggregate the data is available upon request.



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