

## Homebuilders and Building Products

Monthly building products spending  
snapshot: a weak finish to a down year

## Industry Overview

## Overall MoM card spending was slightly up in December

Total card spending per household (HH), as measured by BAC aggregated credit and debit cards, was up 0.2% year-over-year (y/y) in December. Card spending per HH rose 0.1% month-over-month (m/m) in December on a seasonally adjusted (SA) basis. See the latest [BofA on USA](#) note for an explanation of the methodology, disclaimers and limitations with BAC data.

## Building product spend down YoY for 16 straight months

For the month of December, spending at home improvement retailers (a proxy for do-it-yourself spending) fell (7.5%) YoY (+17% compared to December 2019) vs. a (4.6%) YoY decline in November (and worsened compared to +20% 4-year stack in November). Spending on housing-related services (a proxy for pro contractor spending) fell (4.1%) YoY in December (+41.4% compared to December 2019) vs. a (0.5%) YoY decrease in November (as compared to +43.5% 4-year stack in November).

## Landscaping/roofing outperform; Flooring still lagging

On a YoY basis, the only two positive categories in December were landscaping and roofing. Weakest categories in December were floor covering, general contractors, and lumber. See trends for additional building product categories below.

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

Overall home improvement and housing related services stayed fell YoY in December

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

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

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Timestamp: 11 January 2024 10:35AM EST

## Heat map by category

### Exhibit 2: Monthly BAC aggregated card data (YoY and change vs 2019) Oct 22 – Dec 23

Floor covering declined the most YoY, while landscaping and horticultural services increased at the fastest pace

	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	Oct-22
<b>Home Improvement</b>															
1-yr % change	-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%	-1.7%
% change vs. 2019	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%	23.7%
<b>Housing related services</b>															
1-yr % change	-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%	0.8%
% change vs. 2019	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%	34.0%
<b>Lumber stores</b>															
1-yr % change	-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%	-1.6%
% change vs. 2019	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%	19.2%
<b>Floor covering</b>															
1-yr % change	-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%	-12.3%
% change vs. 2019	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%	14.1%
<b>Roofing and Siding</b>															
1-yr % change	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%	2.0%
% change vs. 2019	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%	33.7%
<b>General Contractors/Residential Buildings</b>															
1-yr % change	-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%	-0.6%
% change vs. 2019	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%	23.1%
<b>Heating, Plumbing, AC</b>															
1-yr % change	-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%	7.7%
% change vs. 2019	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%	45.8%
<b>Carpentry</b>															
1-yr % change	-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%	0.6%
% change vs. 2019	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%	33.8%
<b>Pool supplies</b>															
1-yr % change	-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%	-2.8%
% change vs. 2019	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%	36.4%
<b>Landscaping and horticultural services</b>															
1-yr % change	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%	4.1%
% change vs. 2019	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%	57.3%
<b>Concrete work contractors</b>															
1-yr % change	-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%	2.8%
% change vs. 2019	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%	18.5%

Source: BAC Internal data

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## Trends by category

### Lumber stores: down YoY & MoM in Dec; 4Q down YoY

For the month of December, spending at lumber stores was (8.2%) lower YoY and down (17.3%) on a MoM basis (+15.0% compared vs. December 2019). 4Q23 spending decreased (6.0%) YoY vs. a (8.1%) YoY decrease in 3Q23. 4Q23 spending decreased (14.9%) QoQ.

### Floor coverings: down YoY & MoM in Dec; 4Q down YoY

For the month of December, spending at floor covering stores was down (10.4%) YoY and fell (20.0%) on a MoM basis (+9.7% vs. December 2019). 4Q23 spending decreased (9.0%) YoY vs. an (11.0%) YoY decrease in 3Q23. 4Q23 spending decreased (7.7%) QoQ.

### Roofing and siding: up YoY, down MoM in Dec; 4Q up YoY

For the month of December, spending on roofing and siding, sheet metal work contractors increased 1.6% YoY, but fell (11.7%) MoM (+58.8% vs. December 2019). 4Q23 spending increased 5.3% YoY vs. a 3.3% YoY increase in 3Q23. 4Q23 spending decreased (33.3%) QoQ.

### General contractor-resi: down YoY and MoM in Dec/4Q

For the month of December, spending on general contractors (residential) fell (8.6%) YoY

and (9.2%) MoM (+23.0% vs. December 2019). 4Q23 spending decreased (6.1%) YoY vs. a (4.1%) YoY decrease in 3Q23. 4Q23 spending decreased (38.2%) QoQ.

### Heating, plumbing, AC: down YoY & MoM; 4Q up YoY

For the month of December, spending on AC, heating, and plumbing contractors was down (7.9%) YoY and (8.3%) MoM (+53.8% vs. December 2019). 4Q23 spending increased 1.5% YoY vs. a 3.6% YoY increase in 3Q23. 4Q23 spending decreased (43.9%) QoQ.

### Carpentry: down YoY & MoM in December; 4Q down YoY

For the month of December, spending on carpentry contractors was down (2.8%) YoY and (10.6%) on a MoM basis (+23.0% compared to December 2019). 4Q23 spending decreased (6.4%) YoY vs. a (10.5%) YoY decrease in 3Q23. 4Q23 spending decreased (34.5%) QoQ.

### Landscaping & Horticultural services: Up YoY in Dec/4Q

For the month of December, spending on landscaping and horticultural services was up 1.9% YoY, but fell (22.3%) MoM (+64.6% compared to December 2019). 4Q23 spending increased 6.8% YoY vs. a 2.2% YoY increase in 3Q23. 4Q23 spending decreased (37.3%) QoQ.

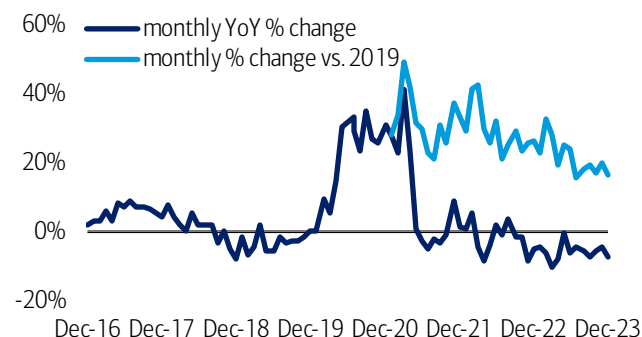
### Concrete work contractors: Down YoY in Dec/4Q

For the month of December, spending on concrete work contractors was down (0.6%) YoY and (17.7%) MoM (+23.8% compared to December 2019). 4Q23 spending decreased (0.4%) YoY vs. a (6.3%) YoY decrease in 3Q23. 4Q23 spending decreased (37.1%) QoQ.

## Building Products

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

December 2023 spending fell 7.5% YoY, but increased 16.7% vs. Dec 2019

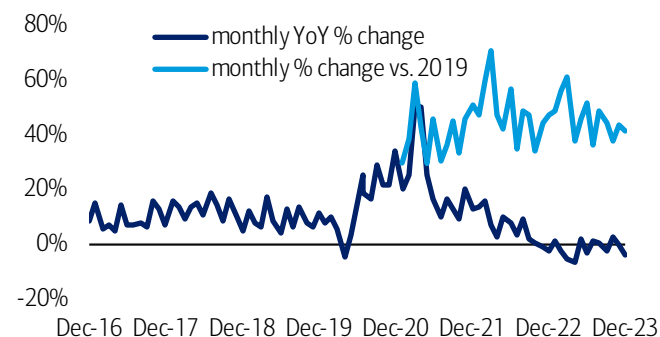


Source: BAC internal data  
Data through December 2023

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

December 2023 spending fell 4.1% YoY, but increased 41.4% vs. Dec 2019

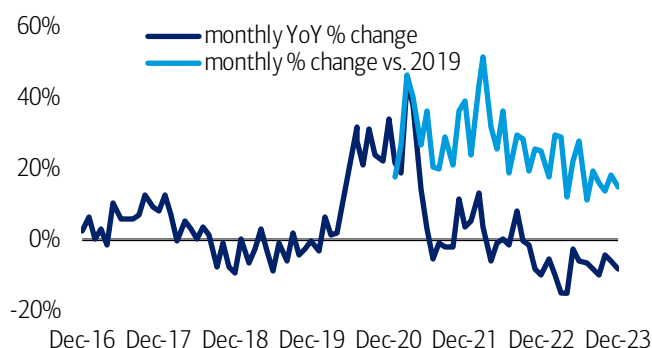


Source: BAC internal data  
Data through December 2023

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

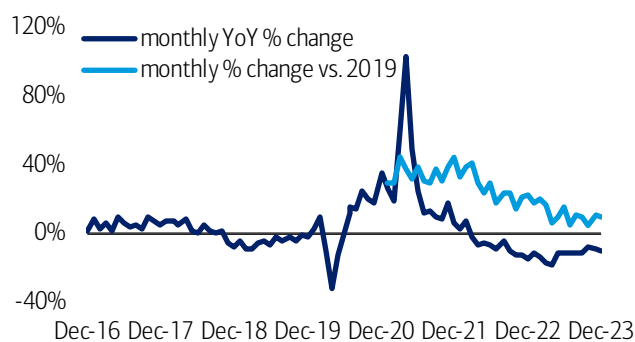
December 2023 spending fell 8.2% YoY, but increased 15.0% vs. Dec 2019

Source: BAC internal data  
Data through December 2023

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

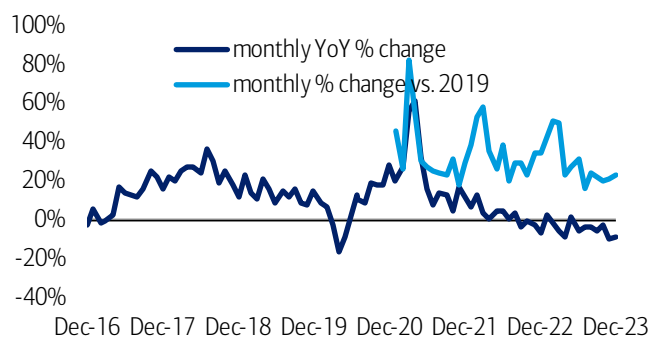
December 2023 spending fell 10.4% YoY, but increased 9.7% vs. Dec 2019

Source: BAC internal data  
Data through December 2023

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

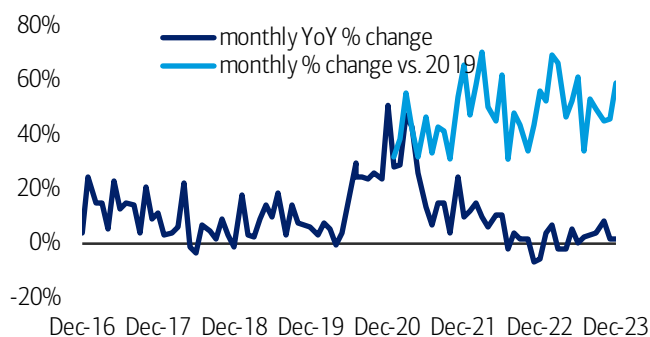
December 2023 spending fell 8.6% YoY, but increased 23.0% vs. Dec 2019

Source: BAC internal data  
Data through December 2023

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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)**

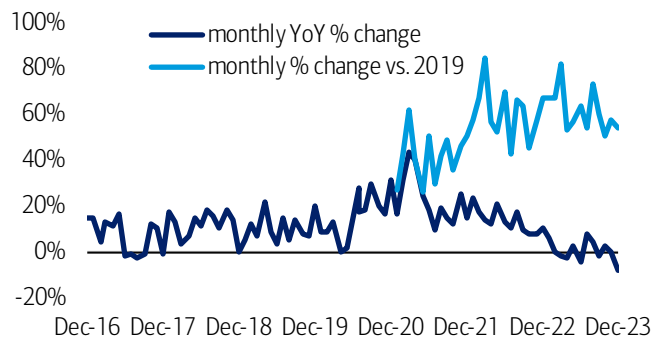
December 2023 spending increased 1.6% YoY and 58.8% vs. Dec 2019

Source: BAC internal data  
Data through December 2023

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

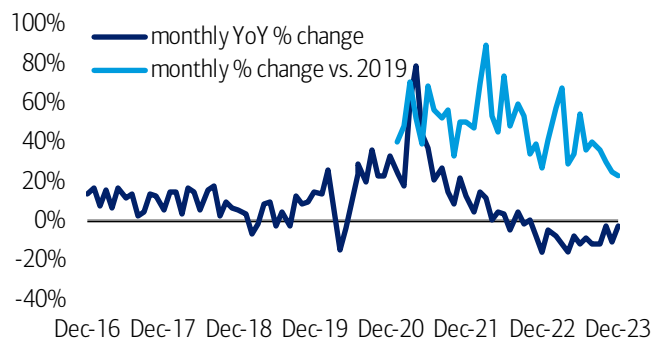
December 2023 spending fell 7.9% YoY, but increased 53.8% vs. Dec 2019

Source: BAC internal data  
Data through December 2023

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

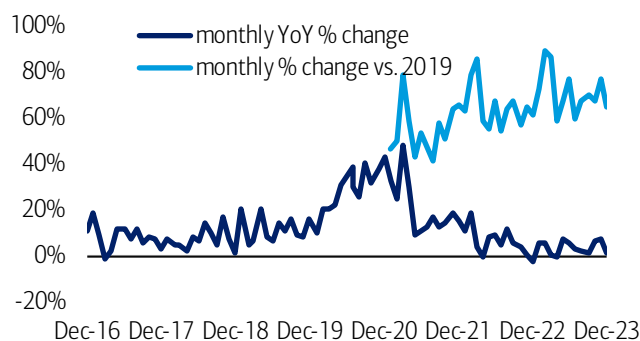
December 2023 spending fell 2.8% YoY, but increased 23.0% vs. Dec 2019

Source: BAC internal data  
Data through December 2023

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

December 2023 spending increased 1.9% YoY and 64.6% vs. Dec 2019

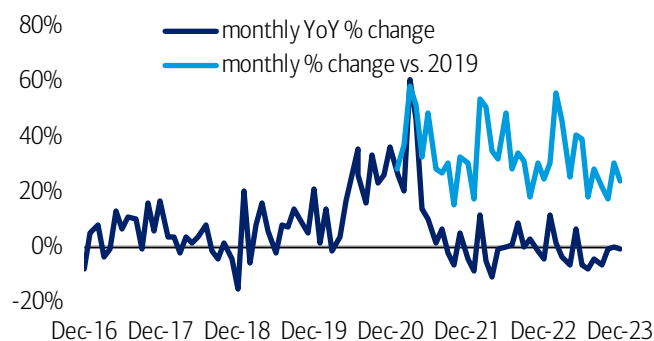


Source: BAC internal data  
Data through December 2023

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

December 2023 spending fell 0.6% YoY, but increased 23.8% vs. Dec 2019



Source: BAC internal data  
Data through December 2023

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**Exhibit 13: 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

Contractors, Special Trade (not elsewhere classified)

**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

Special trade contractors that perform construction work not elsewhere classified. Examples include awning installation, bathtub refinishing, fence

**Exhibit 13: Data category and description**  
Merchants are categorized based on products/services they provide

Data category	Description
	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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Selected Bank of America (“BAC”) transaction data are used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used are not comprehensive; they are based on aggregated and anonymized selections of BAC data and may reflect a degree of selection bias and limitations on the data available.

**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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