



HOW AMERICA RENOVATES:

Home Improvement & Financing Trends

JULY 2025





The electrical panel dates back decades, the roof leaked again last winter, and those outdated bathroom fixtures feel more embarrassing every day.

For American homeowners in 2025, the list of needed repairs and wanted improvements is extensive—and many are choosing to take action through financing rather than waiting for the perfect financial moment.

Based on a survey of 1,000 American homeowners conducted by Acorn Finance, more than half (52%) report their homes need essential repairs, and 84% plan to complete those repairs within the next 12 months. Beyond urgent fixes, 36% are planning renovations this year, with another 22% eyeing projects in the next 2-5 years.

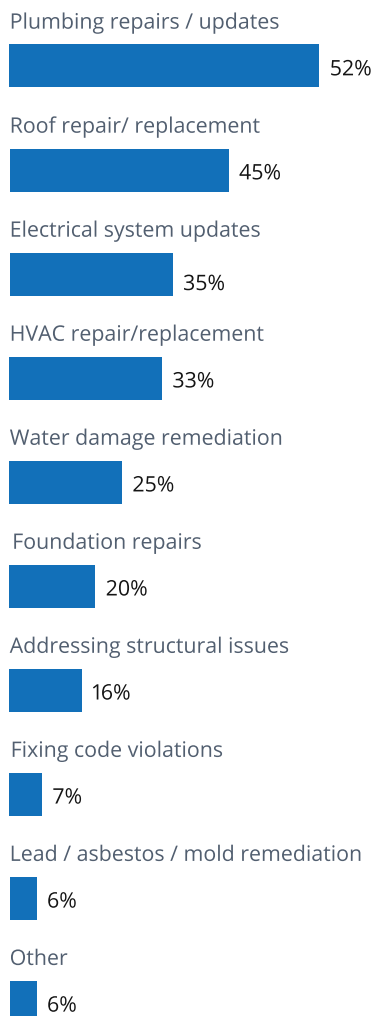
The urgency stems partly from the essential nature of many needed repairs, but economic factors are also accelerating timelines—29% of homeowners are fast-tracking their projects due to concerns about tariffs and rising material costs. Financing plays a significant role in making these projects possible: 54% plan to use financing for essential repairs, while 32% intend to finance their non-essential renovations.

These numbers reveal financing as a central tool in homeowners' strategies for maintaining and improving their homes. Rather than waiting to save up cash or postponing necessary work, Americans are turning to various financing options to make their home improvement goals achievable now. This report explores what's driving home improvement activity in 2025, how homeowners are prioritizing and funding their projects, and what economic factors are influencing their timing decisions.

Essential repairs: Immediate needs call for quick action

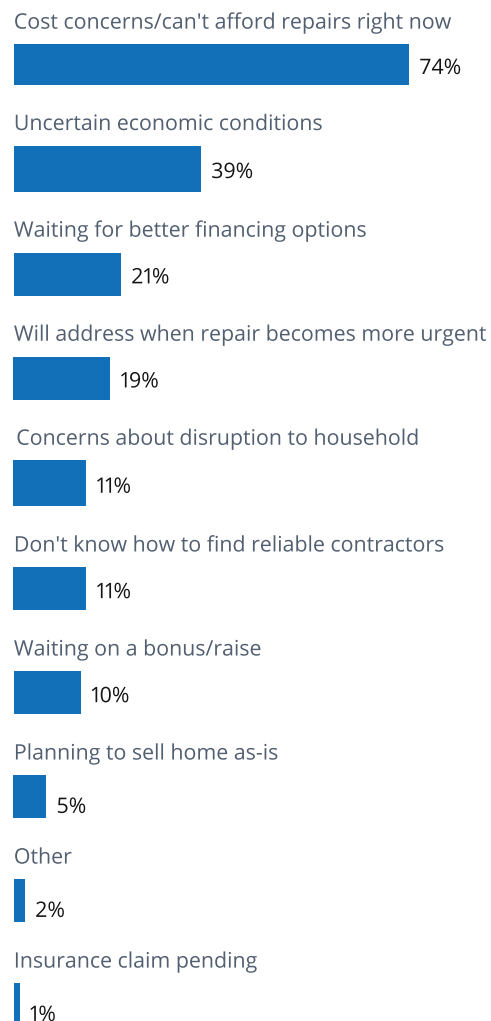
Homeowners are facing significant repair needs across critical home systems. Plumbing leads the list at 52%, followed closely by roofing at 45% and electrical systems at 35%. The commitment to addressing these issues within 12 months demonstrates how homeowners are prioritizing necessary maintenance over discretionary spending.

Which essential repairs does your home currently need?



For those who aren't moving forward with repairs immediately, cost remains the primary barrier at 74%, followed by uncertain economic conditions (39%). Notably, 21% are waiting for better financing options, indicating that if homeowners had better access to competitive loan comparisons and financing education, it could accelerate project timelines.

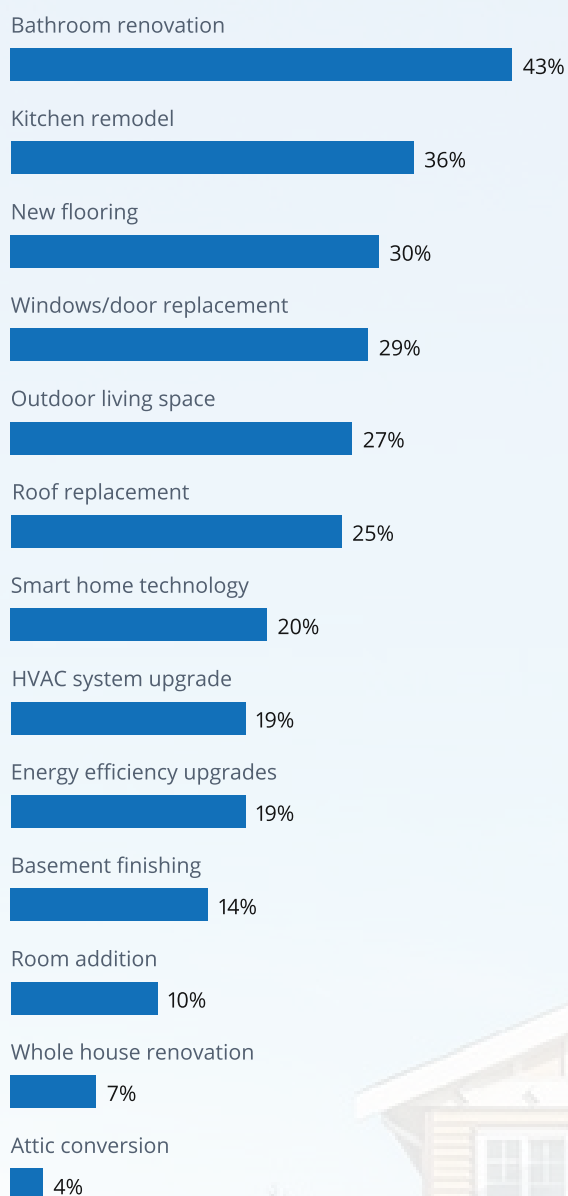
What are your main reasons for not completing essential repairs in the next 12 months?



Renovation projects: Comfort and quality of life take priority

Beyond essential repairs, homeowners are focusing on projects that enhance daily living. Bathrooms lead at 43%, followed by kitchen remodels at 36% and new flooring at 30%. These spaces most critical to daily routines top the list, followed by foundational improvements like windows and doors at 29%.

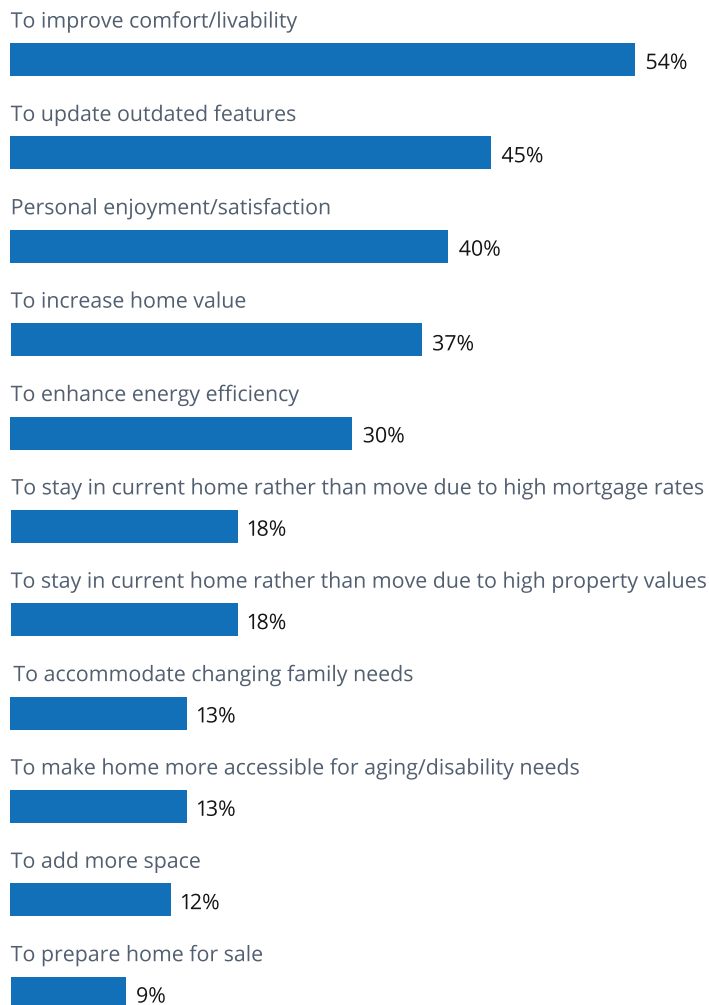
Which home improvement projects are you planning?



The motivation behind these projects reveals homeowners' priorities: 54% want to improve comfort and livability, while 45% aim to update outdated features. Personal enjoyment ranks third at 40%, showing that comfort and livability currently outweigh financial considerations like increasing home value (37%) or energy savings (30%).



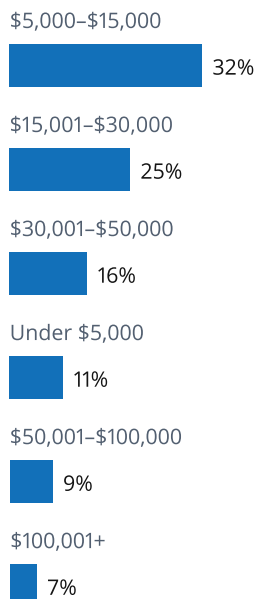
Why are you planning to renovate?



Budget planning and economic pressures

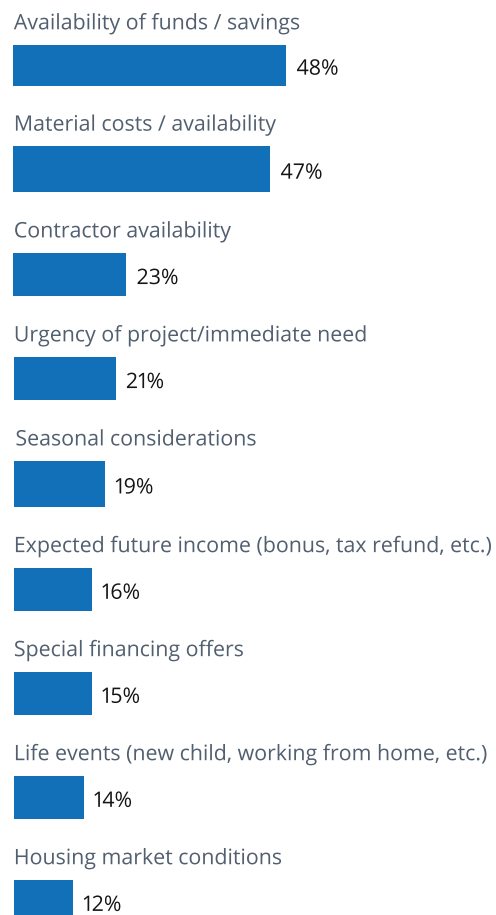
Most homeowners are planning moderate-sized projects, with 32% targeting \$5,000-\$15,000 budgets and 25% planning \$15,001-\$30,000 projects. Combined, 57% are planning projects under \$30,000, suggesting a focus on impactful but manageable improvements rather than whole-home overhauls.

What is your renovation budget?



Economic factors are influencing project timing, with availability of funds at 48% and material costs at 47% being nearly equal top considerations. Contractor availability affects 23% of homeowners, highlighting supply-side constraints in the home improvement market.

What factors are impacting the timing of your renovation projects?



Project scope flexibility is another consideration for homeowners planning renovations. When unexpected issues or opportunities arise during projects, 44% would consider adding complementary work that enhances the original project, even if not strictly necessary. Another 30% would only add unplanned work for essential issues discovered during renovation, while 27% prefer to stick strictly to their original scope.

How would you respond to unexpected issues or opportunities during future renovation projects?

44%

I would consider adding complementary projects that enhance the original work, even if not strictly necessary

30%

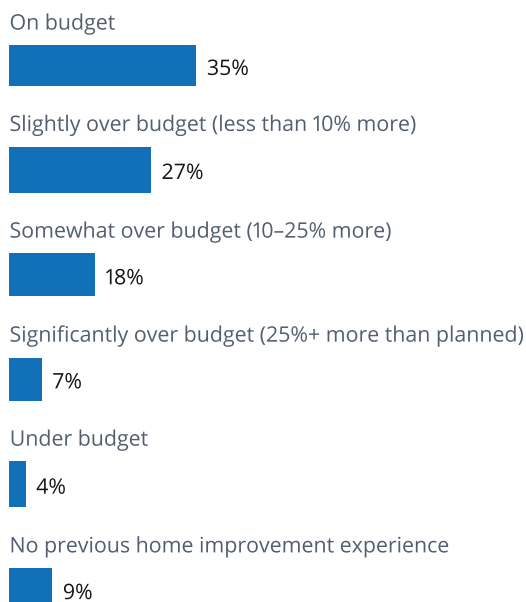
I would only add unplanned work if it addresses essential issues discovered during renovation

27%

I would strictly adhere to my original plan, addressing only what was initially scoped

For homeowners with previous renovation experience, budget management has been mixed. While 35% stayed on budget and 27% were only slightly over (less than 10% more), another 18% went somewhat over budget by 10-25%. Only 7% experienced significant cost overruns of 25% or more, and just 4% came in under budget. These numbers highlight the importance of contingency planning and realistic budgeting for renovation projects.

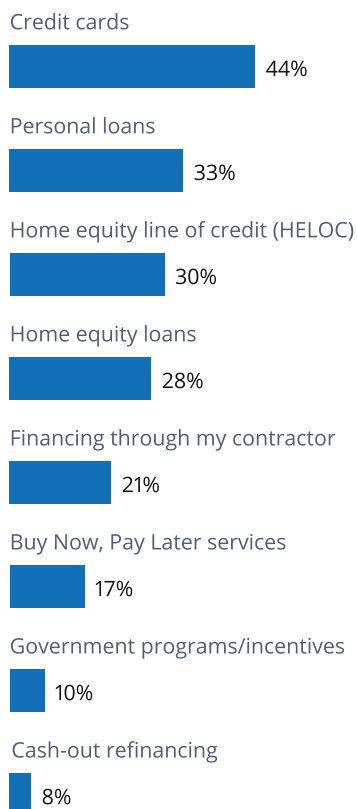
If you've done home improvement projects in the past, how did your actual costs compare to your budget?



Financing preferences and decision factors

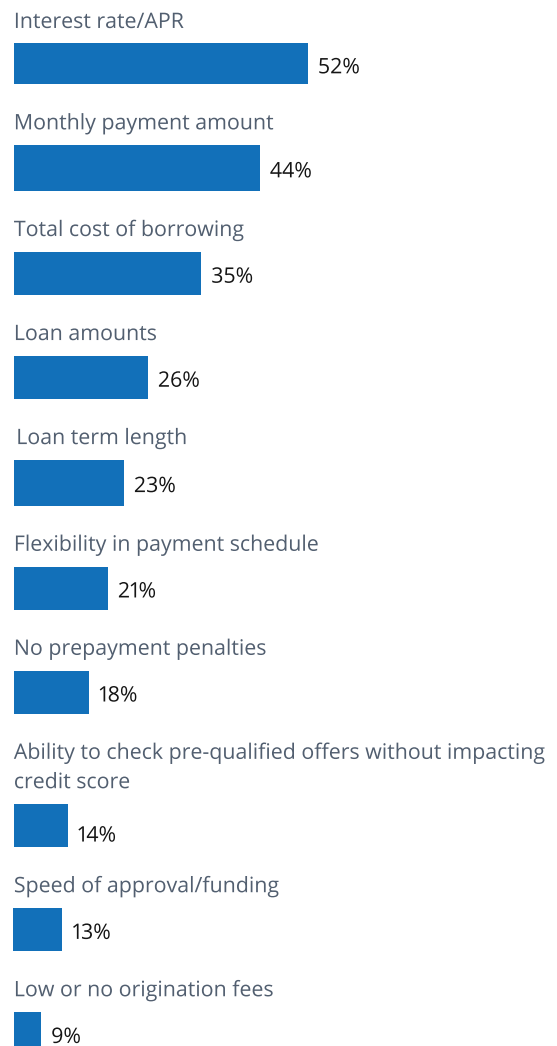
Credit cards lead financing options at 44%, likely due to familiarity and accessibility, though they typically carry higher interest rates than other options. Personal loans follow at 33% and HELOCs at 30%. Home equity loans rank at 28%, while contractor financing appeals to 21% of homeowners.

Which financing options are you considering for home improvements?



When comparing financing options, interest rates dominate at 52%, followed by monthly payment amounts at 44%. Total cost of borrowing ranks third at 35%, reinforcing the importance of affordability and transparency in loan offerings.

When comparing loan options for home improvements, which factors are most influential?



For homeowners who prefer paying cash, 61% want to avoid taking on debt, 50% have sufficient savings available, and 42% prefer the simplicity of paying upfront. High interest rates concern 34% of cash-preferring homeowners, while 19% feel their project is too small to justify financing costs.

Why do you prefer to pay with cash or savings rather than financing for home improvements?

Want to avoid taking on debt



Have sufficient savings available



Prefer the simplicity of paying upfront



Interest rates are too high



Project is too small to justify financing:



Concerned about unexpected fees or penalties



Not confident in ability to get good financing terms



Concerned about impact on credit score



Previous negative experience with financing



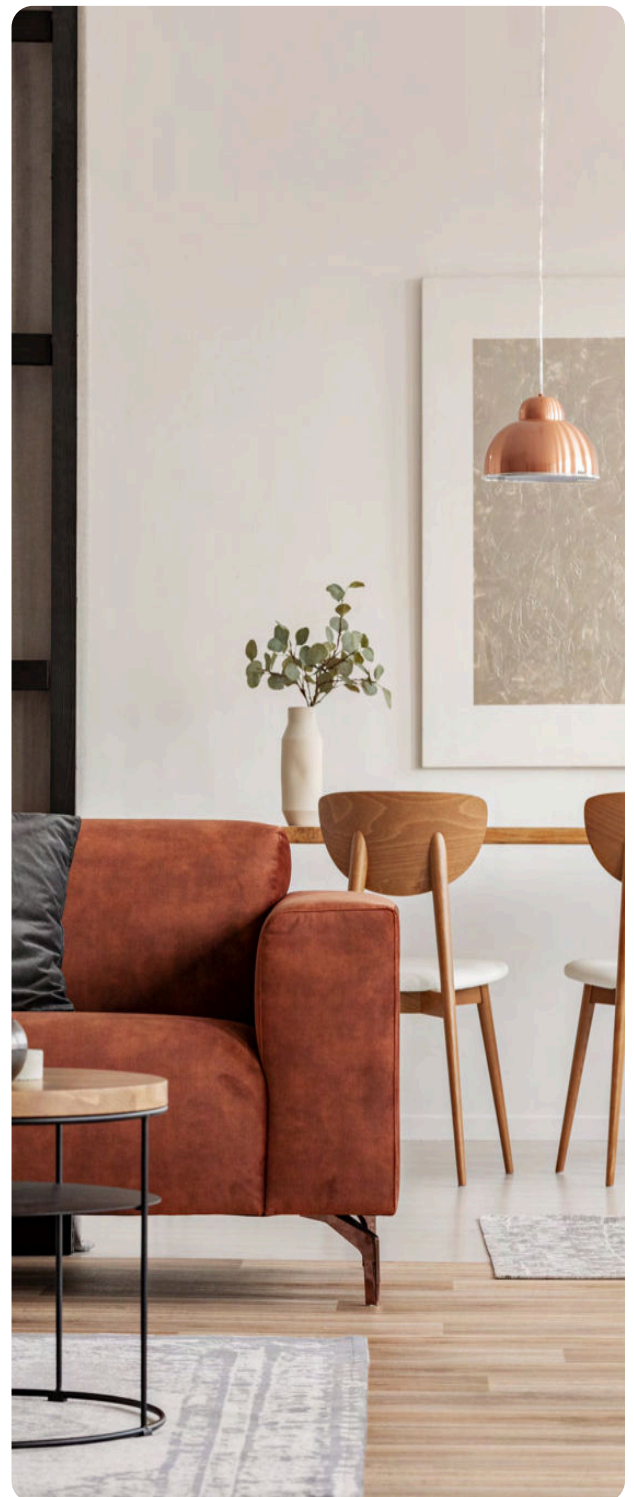
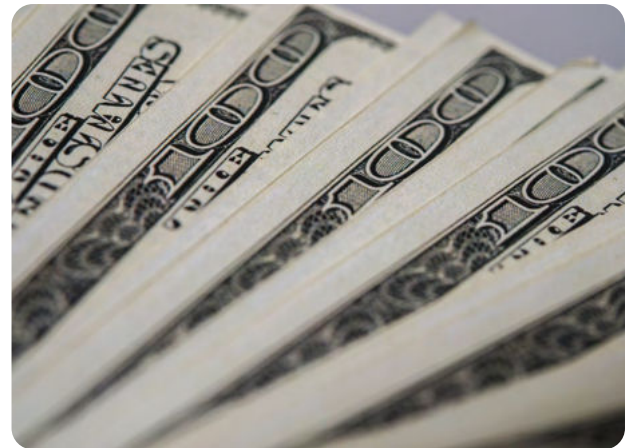
Financing options seem too confusing



Privacy concerns about sharing financial information



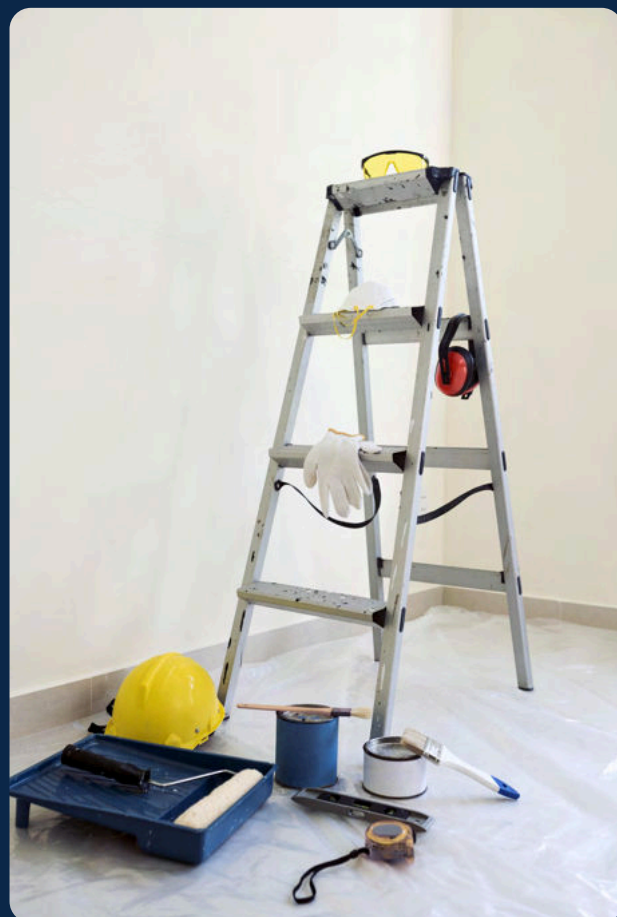
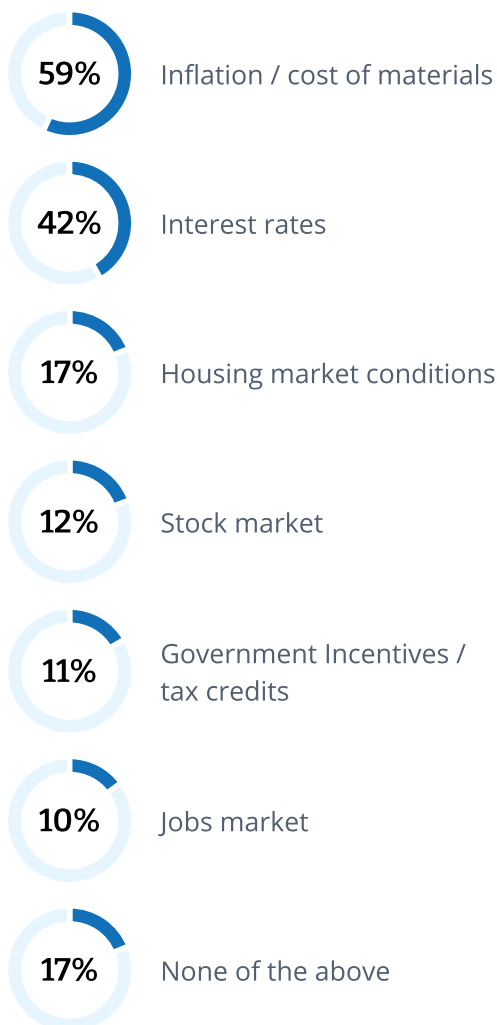
Application process is too time-consuming



Economic influences and market conditions

Inflation and material costs dominate homeowners' economic concerns at 59%, significantly outweighing interest rates at 42%. In addition, 29% of homeowners are accelerating project timelines due to concerns over tariffs, while 25% say news of tariffs are causing them to delay their projects. Housing market conditions influence only 17% of renovation decisions, while 17% say none of these factors affect their plans.

Which economic factors most influence your home renovation decisions?



Recommendations for contractors

Based on these findings, here are practical steps for home improvement professionals:

1.

Make financing part of your initial conversation

Since the majority of homeowners are either planning to use or considering financing, introduce payment options early in your sales process.



2.

Offer multiple financing options

Different customers have different needs. Partner with a platform that offers various loan types, from personal loans to BNPL services, to match each homeowner's situation.



3.

Emphasize monthly payments and total costs

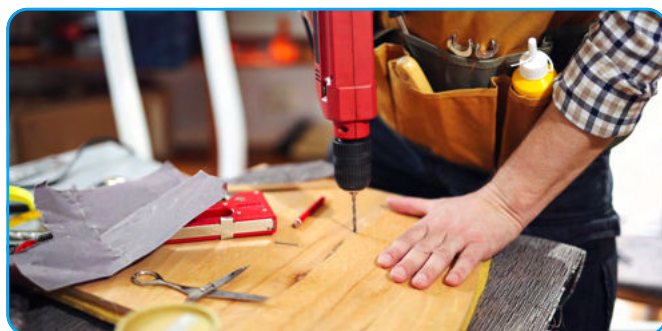
Homeowners prioritize affordability and transparency. Make sure your quotes and financing offers clearly show monthly payments alongside total project costs.



4.

Create urgency around material costs

Nearly 30% of homeowners are accelerating projects due to tariffs and price concerns. Provide realistic estimates of how waiting might affect their bottom line.



5.

Target quality-of-life improvements

Focus marketing on how your services enhance comfort and daily living—these benefits resonate more strongly than pure aesthetics or home value.



6.

Simplify the financing process

Partner with lenders who offer pre-qualification without credit impacts and streamlined applications, since many homeowners still find aspects of financing confusing.



7.

Highlight no prepayment penalty options

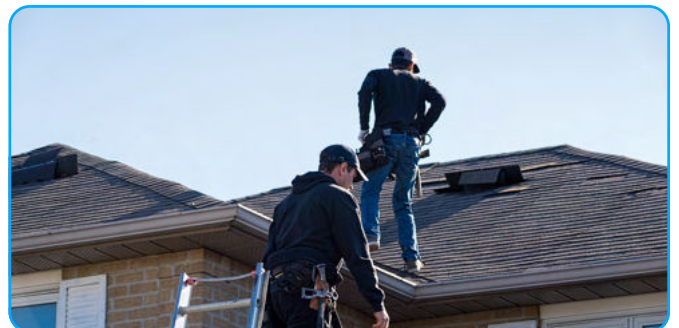
Since 61% of homeowners who prefer to pay cash want to avoid taking on debt, emphasize financing options with no prepayment penalties. This gives customers the confidence to take on a loan knowing they can pay it off early if their financial situation improves.



8.

Prepare for emergency repair opportunities

Have financing options ready specifically for urgent needs like plumbing and roofing repairs—these are both the most common repair needs and the situations where financing is most likely to be used.



In a market where cost concerns remain the top barrier to project completion, the right financing partnership becomes a competitive advantage that helps homeowners achieve their goals while growing your business.

Survey Methodology

This survey was conducted online on May 7, 2025, with a representative sample of 1,000 homeowners located in the United States. All statistics are rounded to the nearest whole percentage. The survey explored homeowners' repair needs, renovation plans, financing preferences, and economic factors influencing their home improvement decisions in 2025.