

Home Renovation Market in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic home renovation market with the following conditions:

1. Research period: From April to June, 2017
2. Research targets: Companies in the business of home renovation
3. Research methodologies: Face-to-face interviews by the expert researchers, and literature research

What is the Home Renovation Market?

The home renovation market in this research indicates the following four categories:

- 1) Refurbishment of space more than 10m², 2) Refurbishment of space 10m² or less,
- 3) Facility repairing and maintenance costs, 4) Furniture and interior costs.

◆ Key Findings

■ Home Renovation Market in 2016 Declined by 4.4% to End Up With 6.2 Trillion Yen

Size of the home renovation market in 2016 shrank by 4.4% from that of the previous year to end up with 6.2003 trillion yen. Refurbishment costs (of space both more than 10m² and 10m² or less) rose by 1.4%, “Facility repairing and maintenance costs” decreased by 5.0%, and “Furniture and interior costs” fell by 6.0% from the previous year, respectively.

■ Home Renovation Market in 2017 Expected to Rise by 4.3% on Y-o-Y Basis to Attain 6.5 Trillion Yen, and to Achieve 7.3 Trillion Yen by 2020, Rise by 17% from 2016

The home renovation market in 2017 is likely to rise by 4.3% from the previous year to attain 6.4689 trillion yen. Although there seems to be no particular factors that can influence the renovation demand, with the stock prices remaining high, the current market is in the state of bringing about favorable impact any time, so that the home renovation market is expected to grow steadily.

The market is projected to attain 7.3 trillion yen by 2020, a rise by around 17% from 2016. The main market category “Facility repairing and maintenance costs” is expected to increase in association with the rising number of housing stocks, leading the entire market to stable growth.

■ Home Renovation Market Projected to Attain 7.2 Trillion Yen by 2025 and 7.1 Trillion Yen by 2030

The home renovation market in 2025 is likely to attain 7.2 trillion yen, a rise by around 16% from the size of 2016, whereas the market size in 2030 expected to be 7.1 trillion yen, a rise by almost 15% of 2016. In addition to such structural factors from long-term perspectives as declining population, the baby boomers who have encouraged consumption becoming 75 years of age and beyond, and lessening number of households, the recent improved performance and quality of newly-built residences extend the consumers’ renovation demand. Against this backdrop, a certain market size is regarded to be generated, while at the same time, the market has been considered entering the period of maturity.

◆ **Report Format:**

Published report: “Home Renovation Market 2017”

Issued on: June 29, 2017

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Format: 417 pages in A4 format

Price: 120,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

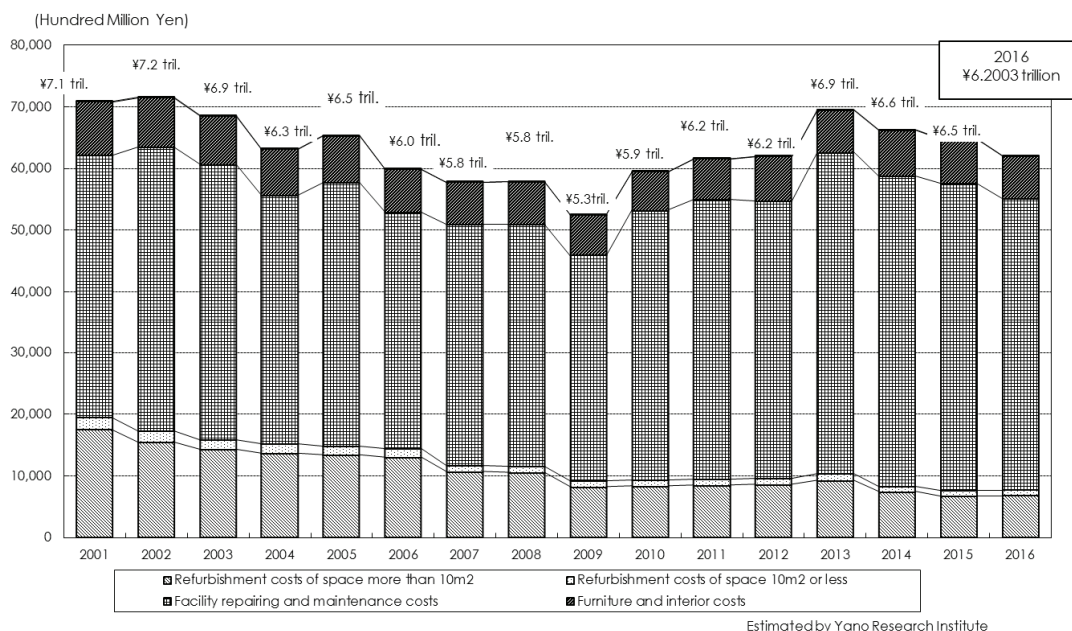
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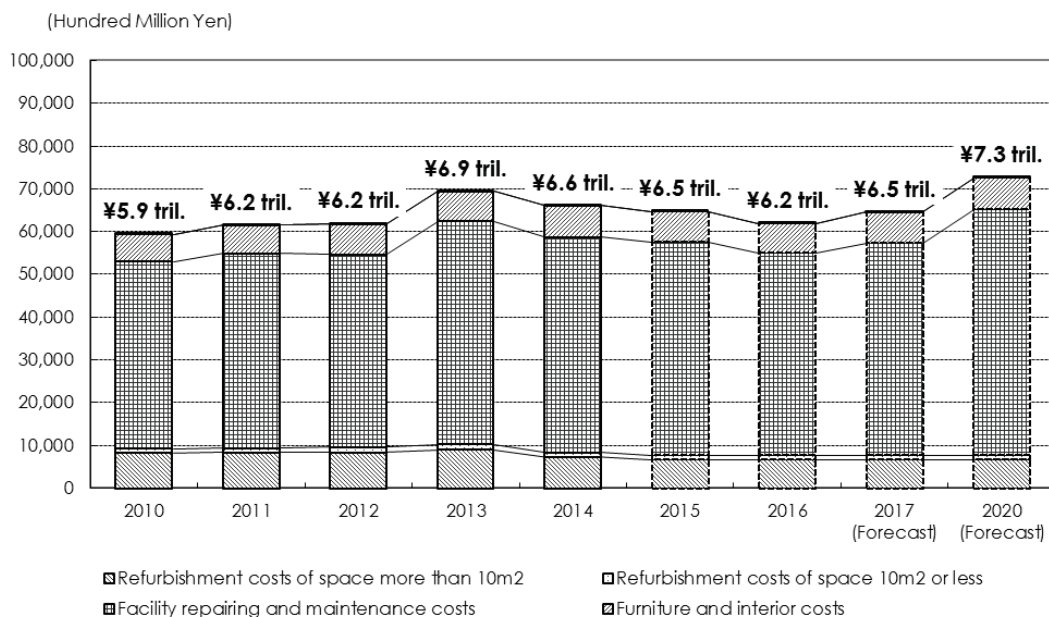
■ **Figure 1: Transition of Home Renovation Market Size**



Notes:

1. Estimated by Yano Research Institute based on “Statistics on Housing Starts” by MLIT, “Chronology of Family Income and Expenditure” and “Basic Resident Register” by MIT, and “Estimated number of households in Japan” by National Institute of Population and Social Security Research.

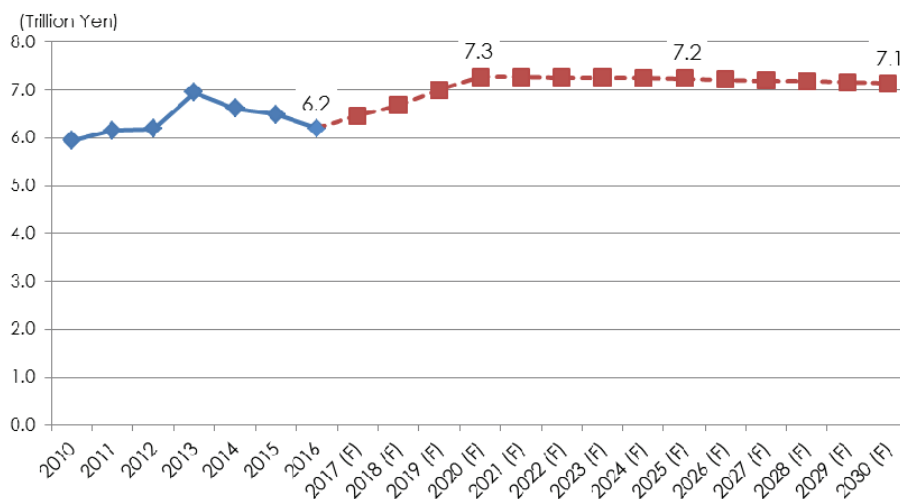
■ **Figure 2: Forecast of Size of Home Renovation Market**



Notes:

- Estimated by Yano Research Institute based on “Statistics on Housing Starts” by MLIT, “Chronology of Family Income and Expenditure” and “Basic Resident Register” by MIT, and “Estimated number of households in Japan” by National Institute of Population and Social Security Research.
- The figures for 2017 and beyond are forecast figures.

■ **Figure 3: Longterm Market Size Forecast until 2030**



Estimated by Yano Research Institute

Notes:

- Estimated by Yano Research Institute based on “Statistics on Housing Starts” by MLIT, “Chronology of Family Income and Expenditure” and “Basic Resident Register” by MIT, “Estimated number of households in Japan” by National Institute of Population and Social Security Research, and “Trial Calculation on Mid-to-Long Term Economic Policy” by the Council on Economic and Fiscal Policy at the Cabinet Office.
- (F) stands for “forecast.” The figures for 2017 and beyond are forecast.