

Market Outlook:

EU and US Housing Starts and Home Improvements

歐盟與美國新屋和家居修繕市場展望

Introduction

The housing and home improvement markets in the U.S. and the EU have shown resilience and adaptation in 2024 despite ongoing economic challenges. With the entry into 2025, this article provides a comprehensive analysis of the latest housing starts statistics and the outlook for the home improvements market, using actual data from 2024 and projections for 2025 and beyond.

Housing Starts: Current Trends and Outlook

U.S. Housing Starts: 2024 Overview

According to the U.S. Census Bureau, housing starts in the U.S. in 2024 showed a positive trend. **As of December 2024, the annualized rate of housing starts was reported at 1.63 million units, reflecting a 4.5% increase** compared to December 2023.

Table 1: U.S. Housing Starts: 2024 Data Summary

Type of Housing	December 2024 Starts (Annualized)	Year-over-Year Growth (%)
Single-family	1.08 million units	+5%
Multi-family	556,000 units	+3%

Projections for 2025 suggest that the U.S. housing market will continue to experience moderate growth, with **housing starts expected to reach approximately 1.65 million units in 2025, driven by stabilizing interest rates and continued demand for new homes.**

EU Housing Starts: 2024 and Outlook for 2025

The EU housing market faced some challenges in 2024, with overall starts slightly down in comparison to previous years. Eurostat data indicated that **housing starts in the EU in 2024 totalled approximately 1.49 million units, a 3% decrease from 2023 levels.** However, a **3.5% increase is projected for the EU housing market in 2025, with the total number of starts reaching approximately 1.55 million units.**

The decrease in housing starts in the EU in 2024, especially in the multi-family segment, could be attributed to increasing construction costs and challenges related to building material shortages. These factors have hindered new projects, particularly in urban areas. However, government efforts to stimulate affordable housing construction are expected to drive growth in 2025.

Table 2: EU Housing Starts: 2024 and 2025 Projections

Region	2024 Housing Starts (Million Units)	Projected Growth for 2025 (%)
EU (total)	1.49 million	+3.5
Germany	400,000	+2.5
France	380,000	+4.2
UK	210,000	+2.0

The expected recovery in 2025 is driven by government initiatives, the focus on energy-efficient housing, and urbanization trends.

Home Improvement Market Outlook for 2025 and Beyond

U.S. Home Improvement Market

The U.S. home improvement market grew in 2024, reaching an estimated US\$510 billion, a 5% increase from 2023, according to the Harvard Joint Centre for Housing Studies. As we look ahead to 2025, the market is projected to continue growing at a moderate pace, with **an estimated market size of US\$530 billion by the end of 2025, driven by increased demand for energy-efficient home renovations and smart home technologies.**

Table 3: U.S. Home Improvement Market: 2025 Projections

Segment	2025 Projected Market Size (Billion USD)	Projected Growth (%)
Total Home Improvement Market	530	+4%
DIY Market	170	+5%
Professional Services (Contractors)	360	+3%



Key factors contributing to the growth in the U.S. home improvement sector in 2025 include:

- Energy-efficient renovations, driven by both consumer demand and incentives such as tax credits for solar panels and energy-efficient appliances.
- Aging housing stock, particularly in suburban and older urban areas, will continue to push renovation demand.

EU Home Improvement Market: Outlook for 2025

The EU home improvement market experienced similar moderate growth in 2024, valued at approximately €320 billion. It is projected to expand by 4.5% in 2025, reaching €335 billion by the end of the year, driven by sustainability initiatives and the focus on improving energy efficiency.

As the EU looks ahead to 2025, there will be a marked increase in demand for renovations that improve energy efficiency, including the installation of heat pumps, insulation, and solar power systems. The EU's push to meet its climate goals is expected to continue driving these trends, as both consumers and policymakers focus on sustainable living practices.

Table 4: EU Home Improvement Market: 2025 Projections

Country	2025 Projected Market Size (€ Billion)	Projected Growth (%)
Germany	120	+4.3
France	95	+5.3
Italy	48	+3.8
Spain	43	+4.0

The continued shift towards green building practices, renovations for energy efficiency, and smart home integrations will be key drivers in the EU home improvement market in 2025.



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Insights and Key Projections for 2025 and Beyond

As we move into 2025, the housing and home improvement markets in both the U.S. and the EU show promising signs of recovery and growth. Several critical factors are expected to shape both the housing starts and home improvement markets over the next few years.

U.S. Market Outlook for 2025 and Beyond

- **Housing Starts:** Expected to continue growing, with 1.65 million units projected in 2025.
- **Home Improvement:** The U.S. home improvement market is forecasted to reach US\$530 billion by the end of 2025.
- **Energy-efficient Renovations:** Driven by government incentives, green building technologies, and a continued shift towards sustainable living.

As the U.S. housing market stabilizes and the home improvement market grows, there is likely to be an increased emphasis on sustainable and energy-efficient construction. This trend will not only meet consumer demand but also align with broader national and global efforts to combat climate change.

EU Market Outlook for 2025 and Beyond

- **Housing Starts:** Projected to rise by 3.5% in 2025, reaching 1.55 million units.

- **Home Improvement:** The EU home improvement market is expected to grow to €335 billion by 2025.
- **Sustainability and Energy Efficiency:** There will be a continued push for renovations that focus on carbon reduction and meeting EU energy efficiency goals.

The EU's emphasis on energy-efficient housing will continue to have a significant influence on the home improvement market. The Green Deal and Renovation Wave are likely to continue being the primary drivers of these trends, especially as EU regulations around energy use in buildings become stricter.

Conclusion

Both the U.S. and the EU housing and home improvement markets are poised for continued growth in 2025 and beyond, driven by a variety of factors including energy-efficient housing, government incentives, and smart home technologies. While challenges like supply chain disruptions and high material costs may persist, the underlying demand for housing and improvements remains strong, suggesting a positive outlook for the industry in the coming years. ▣

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Resources:

- U.S. Census Bureau – Housing Starts Data (2024)
- Eurostat – Housing Starts Data (2024)
- Harvard Joint Center for Housing Studies – U.S. Home Improvement Market Report (2024)
- Euroconstruct – European Housing Outlook and Projections (2024–2025)
- Statista – EU Home Improvement Market Report (2024)

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