



Advertising Trends in the Home Services Industry: 2025 Outlook

*Understanding the Current Market Landscape
and Advertising Response Strategies*



Contents

| | |
|---|-------|
| 1. Introduction | pg. 2 |
| 2. Market conditions | |
| • Macroeconomic pressures | pg. 3 |
| • Policy and global uncertainty | pg. 4 |
| • Changing consumer behavior | pg. 5 |
| 3. Consideration for industry marketers | pg. 6 |
| 4. 2025 Outlook | pg. 7 |
| 5. About NJ Advance Media | pg. 8 |
| 6. References | pg. 9 |



Introduction

The home services industry in NJ—encompassing HVAC, roofing, plumbing, remodeling, landscaping, and other residential services—is navigating a period marked by economic uncertainty and changing behavior amongst consumers. After so many experienced significant growth during the pandemic, recent shifts in the economy have introduced new challenges that are new to the Garden State

This paper examines the key economic and industry-specific factors currently influencing marketing decisions in New Jersey's home services sector. It also provides strategic recommendations for business owners and marketers to maintain visibility, drive revenue, and sustain market share in this cautious and competitive environment.



INTEREST RATES



INFLATION AND MARGIN



LABOR



Market Conditions

Macroeconomic Pressures

Higher Interest Rates

In New Jersey, elevated home prices and higher interest rates have significantly impacted buyer activity. As of March 2025, existing-home sales in the U.S. declined by 4.9% month-over-month to a seasonally adjusted annual rate of 4.38 million units. This downturn is attributed to the ongoing affordability challenges posed by rising mortgage rates and escalating home prices *.¹

Inflation and Margin Compression

Persistent inflation continues to elevate the cost of materials and labor. In New Jersey—where local suppliers and contractors are already paying premiums for logistics and permits—profit margins are tightening. This has led many businesses to scale back discretionary expenses, including advertising.²

Labor Challenges

New Jersey is no exception to the national skilled labor shortage. For instance, the Home Builders Institute reported that the number of open, unfilled construction jobs nationwide decreased from 456,000 in February to 274,000 in March 2024. This decline suggests a tightening labor market, which has direct implications for the home improvement industry, as fewer available workers can lead to project delays and increased costs.³

Market Conditions

Policy and Global Uncertainty

Tariff Volatility and Supply Chain Issues

In 2025, the home services industry in New Jersey is facing significant challenges due to tariff volatility and supply chain disruptions. The U.S. government's imposition of a 25% tariff on imported steel and aluminum has notably increased construction costs. This escalation is particularly impactful in New Jersey, where the construction sector relies heavily on these materials. The heightened costs are leading to project delays and reduced profitability for contractors⁴

Election Year Caution

In the lead-up to the 2025 election, small and mid-sized home service businesses across New Jersey are exhibiting caution in their investment strategies, particularly concerning large-scale marketing expenditures. This hesitancy is largely due to uncertainties surrounding potential policy shifts in taxation and infrastructure that may follow the election.

This sentiment is reflected in the National Federation of Independent Business (NFIB) Small Business Optimism Index, which declined by 3.3 points in March 2025 to 97.4, falling just below the 51-year average of 98. The Uncertainty Index also decreased by eight points from February's second-highest reading to 96. Business conditions and sales expectations contributed significantly to this decline in optimism.⁵

TARIFF & SUPPLY CHAIN



ELECTION YEAR



CAUTION AND PRICE SENSITIVITY



LONGER DECISION CYCLES



Market Conditions

Changing Consumer Behavior

Homeowner Caution and Price Sensitivity

In its April 2025 Consumer Sentiment Survey, the New Jersey Association of Realtors found that approximately **78% of New Jersey homeowners** reported a heightened level of caution when it comes to home improvement spending. According to the survey, many homeowners are delaying or scaling back renovation projects due to increased borrowing costs and inflationary pressures, which have heightened price sensitivity in the current market.⁶

Longer Decision Cycles

In 2025, New Jersey homeowners are exhibiting increased caution and price sensitivity regarding home improvement projects. According to a survey by This Old House, 91% of homeowners nationwide do not plan to sell their homes in 2025, with 24% citing the inability to afford a new home as the primary reason. This trend is leading many to consider renovations instead of purchasing new properties. However, 33% of homeowners planning renovations report needing to save longer due to inflation, and 61% intend to borrow money to finance their projects. This financial prudence reflects a broader pattern of homeowners taking more time to make significant investment decisions, emphasizing the need for thorough research, reviews, and educational content before committing to high-ticket renovations.⁷

Considerations for Industry Marketers

Despite the challenges, this environment presents opportunities for well-positioned marketers to gain market share and build long-term brand equity.



1

EMBRACE FLEXIBILITY AND TESTING

Short-term, iterative testing allows businesses to evaluate performance quickly and shift budget toward what's working. This also aligns with a cautious economic mindset while allowing for forward movement.

2

INVEST IN CONTENT AND EDUCATION

In light of longer decision cycles, educational content—such as blog posts, how-to guides, or short videos—can help build trust and differentiate a provider. According to Modernize, educational content directly supports increased conversion in complex sales like roofing or HVAC.

3

MONITOR CONSUMER SENTIMENT REGULARLY

Staying attuned to shifts in consumer confidence, spending habits, and economic indicators helps advertisers respond quickly with the right message and offer at the right time.

4

MAINTAIN A BALANCED MARKETING MIX

A healthy balance of awareness and performance marketing ensures short- and long-term gains for businesses. While lower-funnel tactics may drive immediate ROI, sustained growth depends on consistent brand visibility. Marketers who continue to invest across the full funnel are better positioned to build brand equity, navigate demand fluctuations, and drive more efficient conversions over time.

2025 Outlook

STRATEGIC GROWTH IN A CAUTIOUS CLIMATE

The New Jersey home services sector—including construction, renovation, and specialty trades—is entering 2025 with cautious optimism. Despite economic pressures, the state’s projected \$57.6 billion in construction spending signals underlying strength in the market.⁸

TOP HOMEOWNER TRENDS IN NEW JERSEY⁹



Energy-Efficient Upgrades: High-efficiency windows, insulation, and solar.



Open-Concept Renovations: Adaptable living spaces for remote work and aging in place.



Smart Home Features: Voice automation, smart security, and climate control.

OPPORTUNITIES FOR GROWTH

In 2025, New Jersey’s residential construction sector is poised for growth, driven by several key factors: including affordable housing initiatives⁹ and streamlined permitting practices.¹⁰ These developments indicate a favorable environment for residential construction in New Jersey, with opportunities for growth in affordable housing and more efficient project approvals.

OUR POINT OF VIEW

The home services industry in New Jersey is navigating a more cautious advertising and growth environment in 2025. Economic and labor constraints persist, but businesses that invest in data-driven, content-rich marketing strategies—especially localized to homeowner trends—can emerge more resilient, efficient, and competitively positioned as the market stabilizes.

WE'RE MARKETING EXPERTS

and we're here to help.

NJ Advance Media is a data-driven marketing agency and the #1 provider of local news in New Jersey. We drive daily conversations and engage millions of people through quality journalism on NJ.com and Jersey's Best, through social media channels and newsletters, and our online newspapers, including The Star-Ledger, the Times of Trenton, South Jersey Times.

As part of Advance Local, we have the knowledge, experience, and resources to create innovative and effective cross-channel marketing solutions. We have first-party data collected from more than 170 million devices owned by consumers of our 12 affiliated websites across the United States. And we partner with some of the world's largest data providers. Taken together, that wealth of information can give you the edge you need to better understand your customers, anticipate and respond to changing markets, and target new audiences, who will be your customers of tomorrow

You're the expert in providing valuable home services. We're the experts in helping you build your brand, connect with the right consumers throughout the decision process, and drive leads to your website or inbox.



FOR MORE INFORMATION :



Email
marketing@njadvancemedia.com



visit
njadvancemedia.com/home-services

REFERENCES

1. Great Bergen Realtors, “Elevated Home Prices & Higher Interest Rates Continue To Impact Buyer Activity,” 2025
2. HousingWire, “Harvard study suggests inflation, labor shortages threaten remodeling industry,” March 20, 2025
3. Homebuilders Institute, “Home Builders Institute (HBI) construction labor market report” 2024
4. Associated Press “From Aluminum cans to airplanes, steel and aluminum are a fundamental part of American Life,” 2025
5. NJ business & Industry Association, “Main Street’s optimism slips in March,” March 2025
6. NJ Association of Realtors, Consumer Sentiment Survey, 2025
7. This Old House, “Homeowners Survey: 48% plan to renovate in 2025.” January 2025
8. NJBIZ, NJ Alliance for Action, Construction Forecast 2025-2026
9. Real Estate NJ’s Market Forecast, January 2025
10. NJBIA. “Supported Bill Signed into Law to Streamline Construction,” August 2024

