

Markets

DIY Fades as Paintmakers Cater to a New Favorite: Do-It-For-Me

By [Jack Kaskey](#).

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- ▶ Sherwin-Williams sales rise on booming contractor business
 - ▶ Americans happier paying others to do “miserable tasks”
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Van English in Houston, on Feb. 20. *Photographer: Loren Elliott/Bloomberg*

Houston homeowner Van English was repainting his suburban house when the two-story foyer and its curving staircase stopped him cold.

“It pushed me over the edge,” said the 62-year-old writer and interior designer, who decided, “I’m not going to do that.”

English hired a professional who painted the foyer with two coats of “crushed-ice” white in two-hours, saving him days of toil. He’s been bringing contractors back to paint more rooms of the 42-year-old home in the Huntwick development north of Houston. “This is too easy,” English said.

North American homeowners are abandoning do-it-yourself projects in record numbers to go with the pros, making “do-it-for-me” the largest and fastest growing sector of the market, according to Sherwin-Williams Co. The trend is a boon for contractor-focused paint shops owned by Sherwin, PPG Industries Inc. and Benjamin Moore, a unit of Berkshire Hathaway Inc.

“Residential repaint activity, which is the largest segment in the pro market, has been very strong,” Bob Wells, a Sherwin senior vice president said on a Jan. 31 conference call. “DIY on the other hand has been lagging.”

Buying Time

Similar trends are emerging throughout the economy. Valvoline Inc. says Americans are increasingly abandoning DIY motor-oil changes for lube shops. The rise of grocery deliveries and meal kits means many consumers spend less time in supermarkets.

Paying others to perform tasks you’d rather not do is like buying time, said Elizabeth Dunn, a psychology professor at the University of British Columbia in Vancouver and co-author of a book on how time, money and technology shape happiness. She has found that such bought time tends to make people happier than acquiring more material things.

“It’s good news that these trends are emerging,” Dunn said. “People don’t always spontaneously consider how they could improve their lives by not torturing themselves with miserable tasks that they hate doing.”

Generation X couples, many working two jobs while raising children, are “time starved” and particularly likely to hire pros, said Jennifer Albert, a PPG senior marketing manager. Baby Boomers who did their own painting when they were younger now have the financial resources to pay others to do home improvements. Millennials are becoming homeowners, often buying older houses that need updating.

Professionals Rule

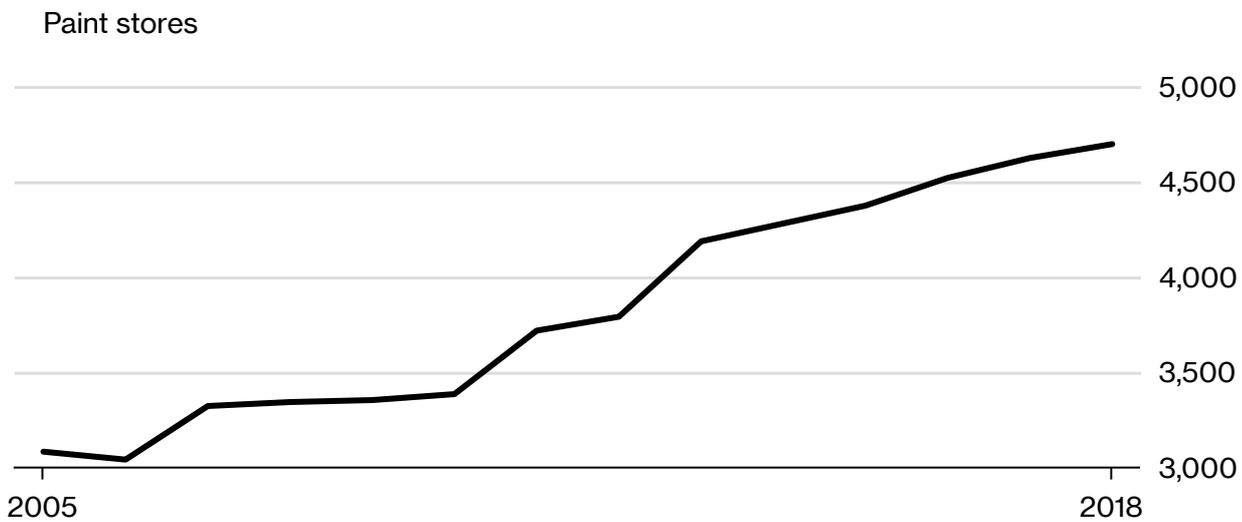
Homeowners are doing more remodeling as they stay in their houses longer -- on average more than eight years. A healthy economy and low unemployment means more people can afford to hire professional painters, Albert said.

Contractors accounted for 62 percent of North American home repaint jobs in 2017, with the remainder DIY, according to Sherwin-Williams. That’s a big reversal from 1980, when DIY

dominated with 59 percent of the market. While the 2009 recession gave a brief boost to DIY, contractors have gained each year since.

Paint by Numbers

Sherwin-Williams paint stores expand across the Americas



Source: Bloomberg data

Paintmakers are hurrying to adapt to the change in their customers' habits, in part by opening more branded stores that cater to contractors. Sherwin Williams, the world's largest paintmaker, operates 4,696 such stores in the Americas, up 40 percent in a decade. PPG, the No. 2 coatings maker, has more than doubled its stores to about 900, though house paint makes up a smaller part of its industrial-focused portfolio.

Sales Boost

The rise of do-it-for-me is driving above-average sales growth at Sherwin even as sales of existing homes - a big market driver - have languished, said Dmitry Silversteyn, an analyst at [Buckingham Research](#). Sherwin's residential repainting revenue has gained more than 10 percent annually for more than five years, faster than the overall market, Wells said.

Sherwin is seeing earnings margins benefit, too, as it can eke out more profit by selling paint directly through its stores than it can through retailers such as Lowe's. Gross margins at its own stores are almost 50 percent compared with about 40 percent for paints sold through other retailers, though most of the difference is given back to contractors who expect superior service and steep discounts for buying in bulk, Silversteyn said.

Contractors also prefer thinner coatings that can be applied easily and cost less than the thicker single-coat paints preferred by DIY painters, he said.

Labor Shortage

Getting the balance right is challenging paintmakers as the market shifts. Sherwin stores accounted for 55 percent of sales and 73 percent of profit last year, according to data compiled by Bloomberg.

PPG gets only 40 percent of North American house-paint revenue from its stores, but that's twice what it was before 2013 when the company paid \$1.05 billion for an Akzo Nobel NV business that included 600 stores, Silversteyn said.

The market could grow even faster if labor shortages didn't hold it back. Nigel Costoloe, owner of Catchlight Painting in Brookline, Massachusetts, has had to turn away work because he can't find enough qualified painters even though he offers health insurance, time off and training.

"The challenge at the moment is not finding customers, but finding people to hire," said Costoloe, who chairs the Painting and Decorating Contractors of America, a trade group. "Most of our clients are two-income families and the last thing they want to do is spend their weekends painting."

In this article

PPG

PPG INDS INC

112.87 USD ▲ +1.15 +1.03%

SHW

SHERWIN-WILLIAMS

430.71 USD ▼ -0.51 -0.12%

BRK/A

BERKSHIRE HATH-A

301,215.00 USD ▼ -34.90 -0.01%

VVV

VALVOLINE INC

18.56 USD ▲ +0.02 +0.11%

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