Report: Houzz lays off 180 employees, eyes IPO

Houzz, an online home design and furnishings platform valued at $4 billion, has laid off 180 employees as the startup reportedly gears up to go public, according to TechCrunch.

The company reportedly recently laid off 110 people in Britain and Germany and 70 in the U.S., amounting to roughly 10 percent of the company.

Founded in 2008 by Adi Tatarko and Alon Cohen, the company is headquartered in Palo Alto, California, but has 11 offices and many other employees across the world.

With a reported community of more than 40 million users, Houzz's platform lets homeowners browse design photos, find home services and construction professionals, and order furniture and furnishings. Houzz did not immediately respond to a request for comment.

The international restructuring was intended to allow Houzz to "double down on the areas that will have the greatest impact for Houzz," a Houzz spokesperson told TechCrunch.

"It's always difficult to go through a restructure at growth stages given the impact on people's lives," the spokesperson said, adding that the company is trying to switch some laid-off employees into new roles and paying severance packages.

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Nonetheless, “Houzz’s business is strong and we continue to hire and scale teams across our international and U.S. offices,” the spokesperson said. A look at Houzz’s careers webpage shows the company has job listings for various positions.

That is just the sort of image a business looking to go public would want to project, and a source told TechCrunch that the layoffs are about helping the company reach profitability before announcing an initial public offering.

Houzz clinched an additional $400 million in funding about two years ago in a round that valued the company at $4 billion.

To fortify its position in the online home design space, Houzz has made moves including building augmented reality (AR) functionality into its mobile app, which lets users visualize furnishings in real spaces, and has acquired the interior design business management startup IvyMark.

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