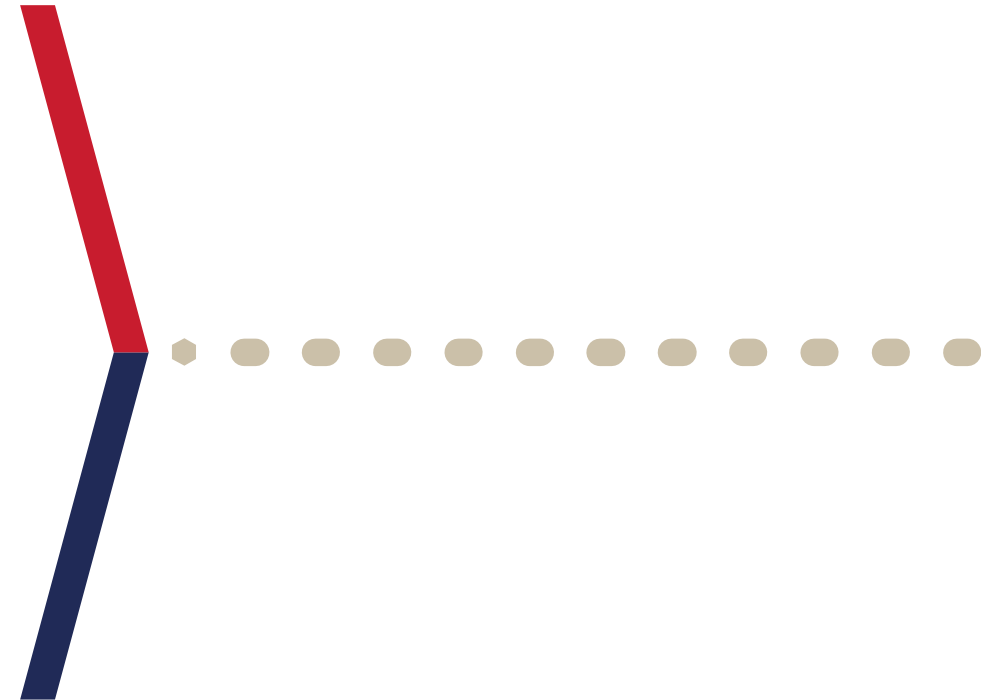


Housing Trends Report

Second Quarter 2018



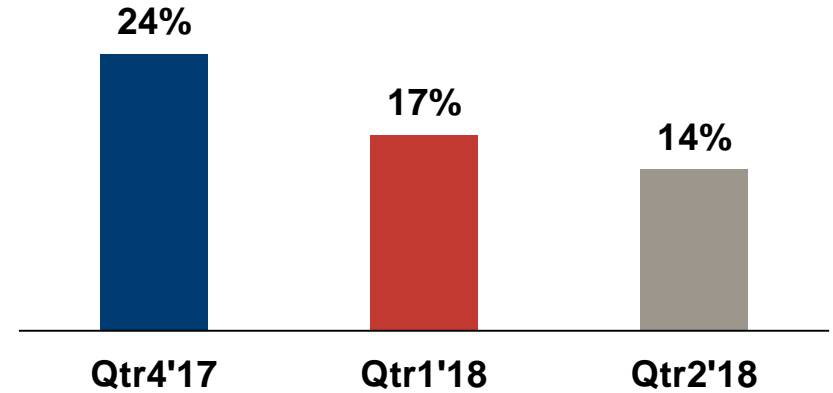


The Housing Trends Report (HTR) measures prospective home buyers' perceptions about the availability and affordability of homes for-sale in their markets.

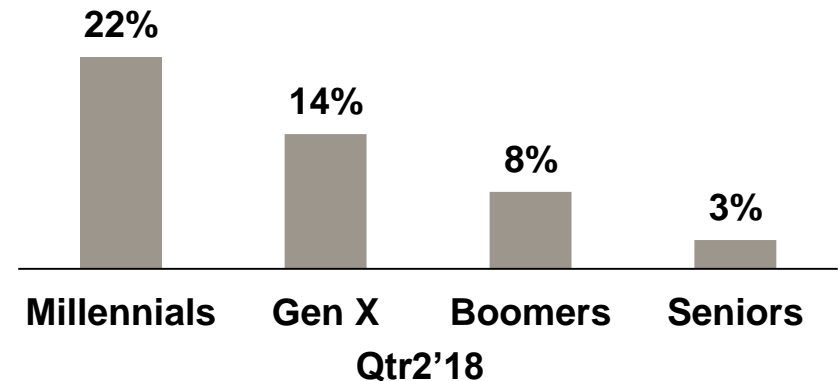
All data are derived from national polls of representative samples of American adults conducted for NAHB by Morning Consult. This report will be released quarterly to track changes in buyers' perceptions over time.

Planning to Buy Home Within 12 Months

14% of respondents are prospective home buyers, i.e. they are planning to buy a home within 12 months. In Qtr4'17, that share stood at 24%.



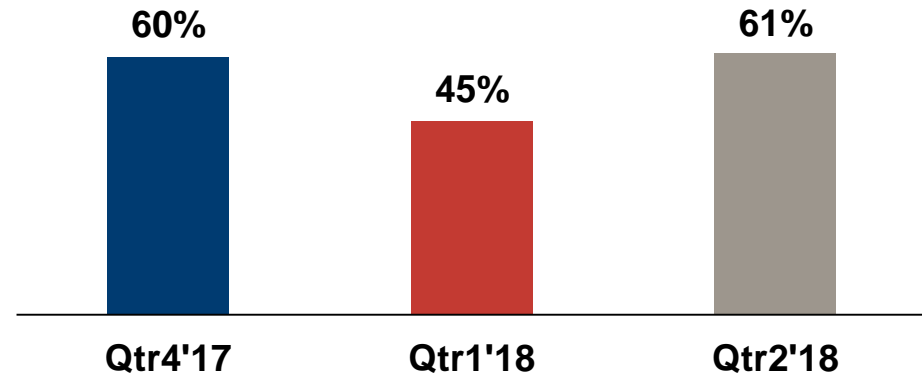
In Qtr2'18, Millennials are significantly more likely than any other generation to report planning a home purchase in the next year (22%).



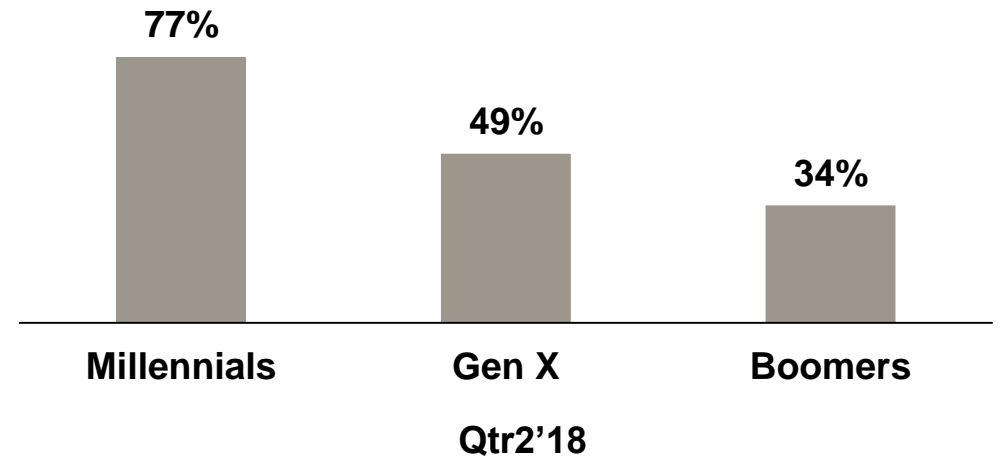
This report is based entirely on prospective home buyers: those planning to buy a home within the next 12 months.

Share Who are First-time Home Buyers

Most (61%) prospective home buyers are first-time buyers, back to the same level as in Qtr4'17 (60%).



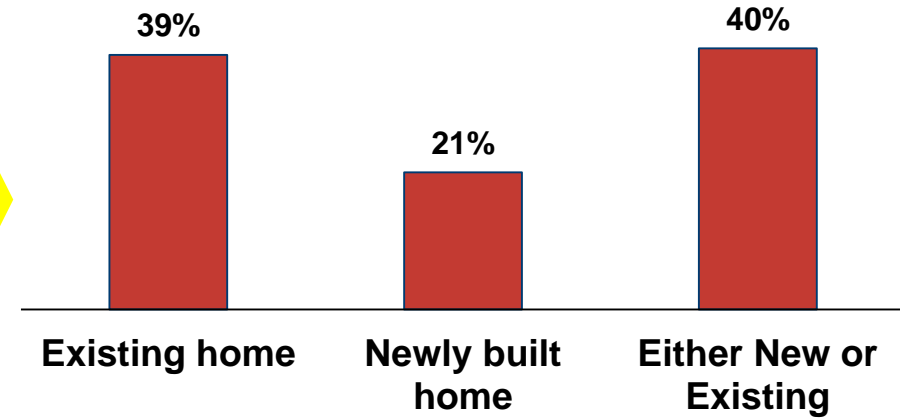
In Qtr2'18, 77% of Millennials planning a home purchase within a year are 1st time buyers.



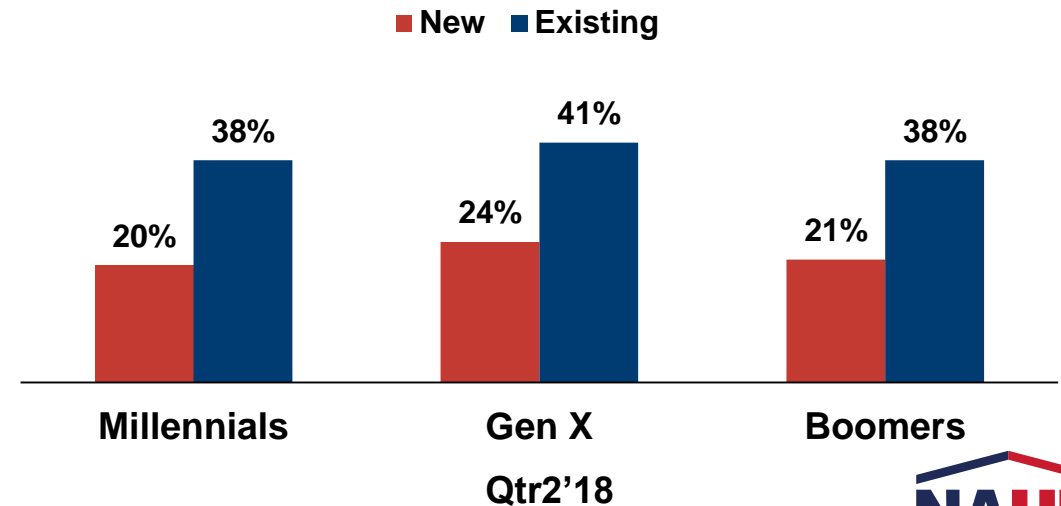
Source: NAHB national consumer polls, conducted by Morning Consult.

Only 21% Are Looking to Buy a Newly Built Home

- 39% of prospective home buyers in Qtr2'18 say they are looking for an existing home
- 21% are looking for a newly built home
- 40% are looking at both.



Around 40% of each generation is looking for an existing home. Only 20%-24% are considering a newly built home.



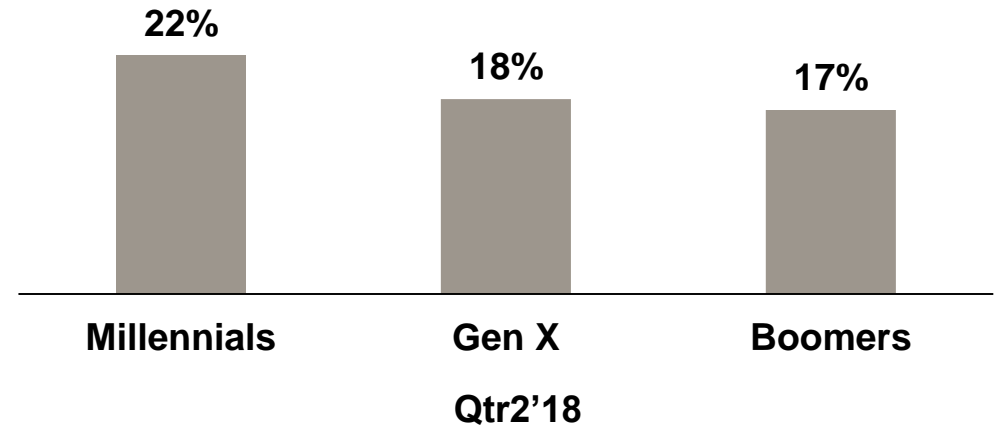
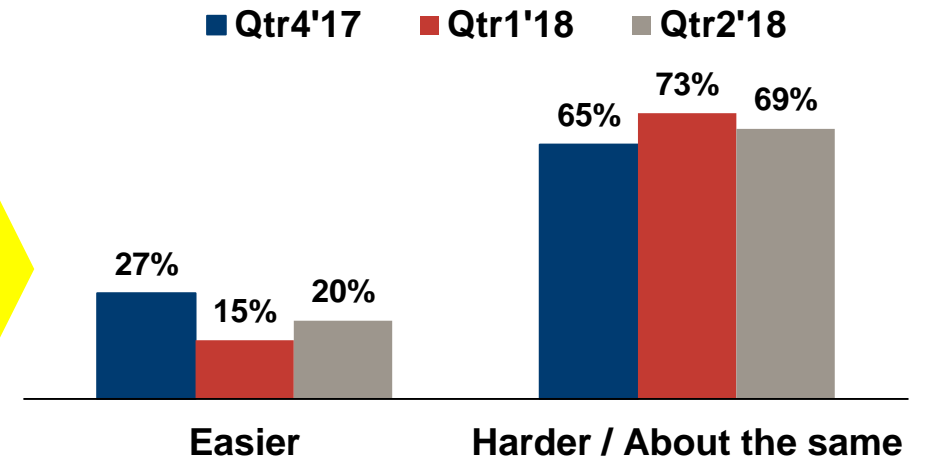
Source: NAHB national consumer polls, conducted by Morning Consult.

Most Don't Expect House Search to Get Easier

Only 20% of prospective home buyers expect that finding the 'right' home will become easier in the months ahead, up slightly from 15% in Qtr1'18.

69% expect the search to become harder or stay about the same, just below the 73% in Qtr1'18.

Share expecting search to get easier in the months ahead is below 25% across each generation.



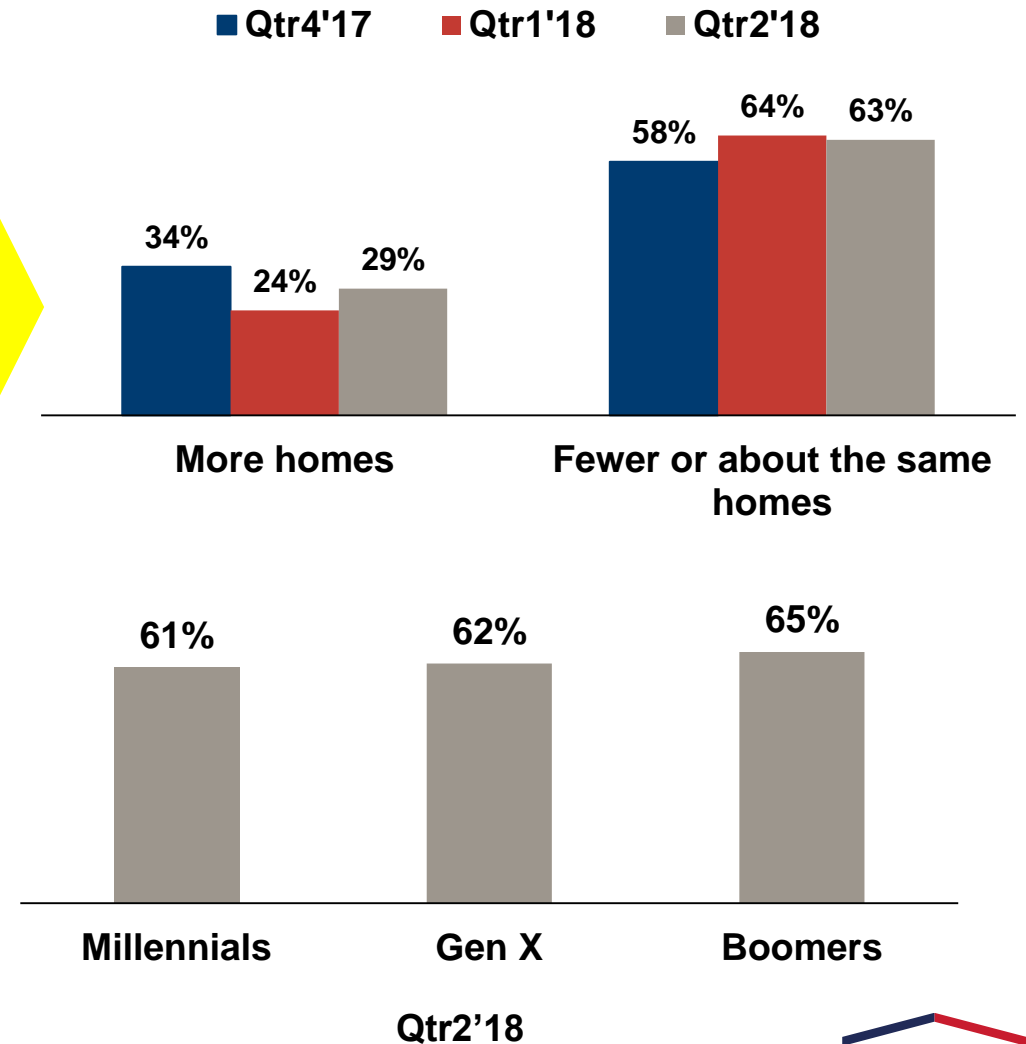
Source: NAHB national consumer polls, conducted by Morning Consult.

Most Don't See Improvement in Inventory

Most prospective home buyers (63%) report seeing 'fewer' or 'same number' of homes for-sale (with desired features and price point) than 3 months earlier.

Only 29% report seeing 'more' such homes available for-sale.

More than 60% of each generation report 'fewer' or 'the same' number of homes for-sale (with right features and price) vs. 3 months earlier.



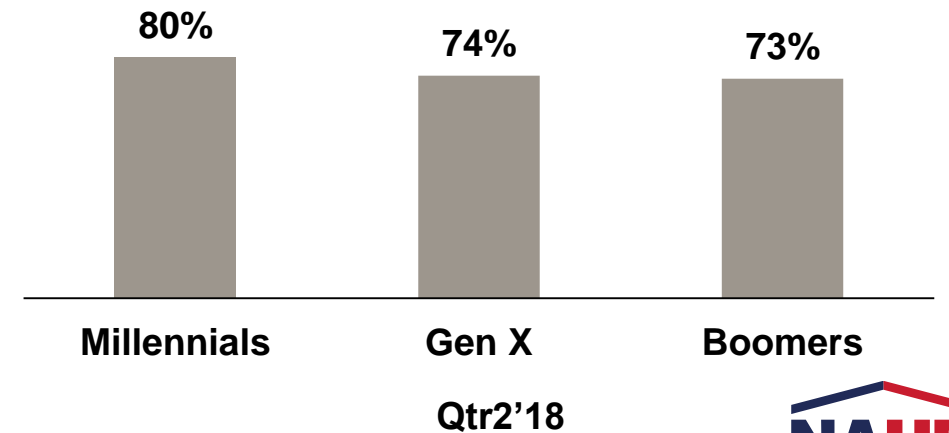
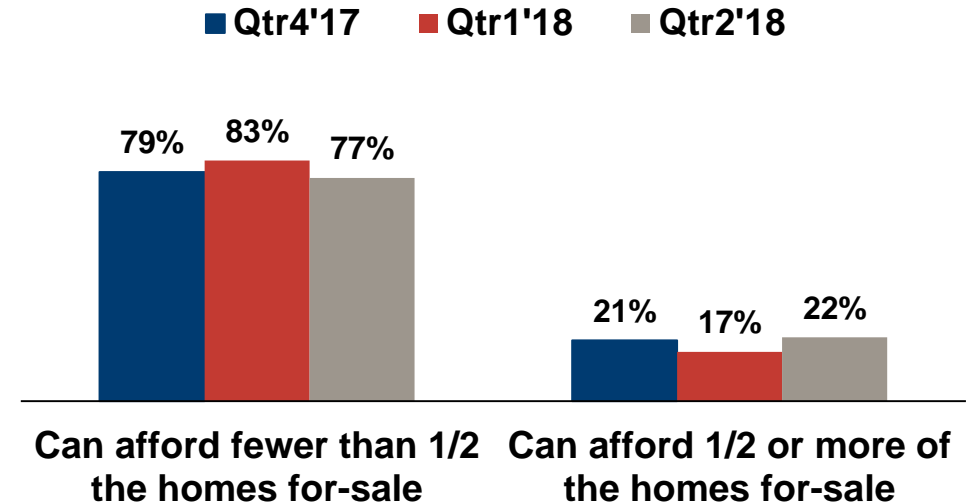
Source: NAHB national consumer polls, conducted by Morning Consult.

Only a Minority Can Afford the Majority of Homes For-Sale

Only 22% of prospective buyers say they can afford half or more of the homes for-sale in their markets, up slightly from 17% in Qtr1'18.

77% can afford fewer than half the homes available, down from 83% in Qtr1'18.

80% of Millennials can afford < 50% of the homes available in their markets. The share remains high across generations.

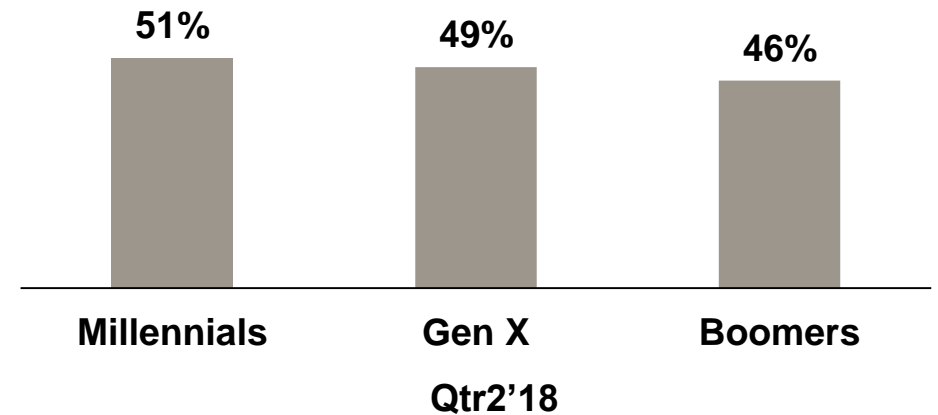
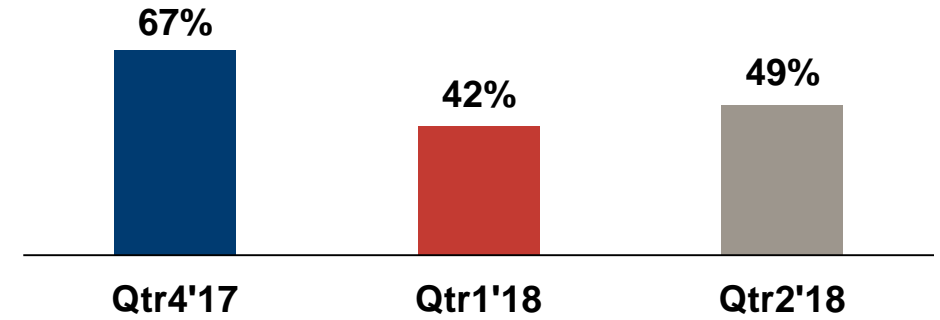


Source: NAHB national consumer polls, conducted by Morning Consult.

Many Aren't Merely Planning a Home Purchase; They Are Actively Looking for One

49% of prospective buyers say they are already actively trying to find a home to buy (and not just planning it), up from 42% in Qtr1'18 (but still below the 67% in Qtr4'17).

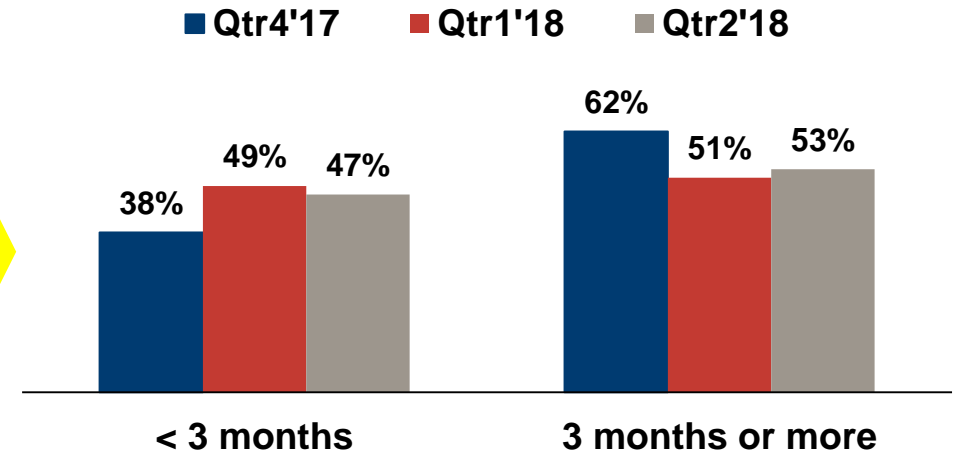
About half of Millennials and Gen X'ers planning to buy a home within 12 months are already active in the search.



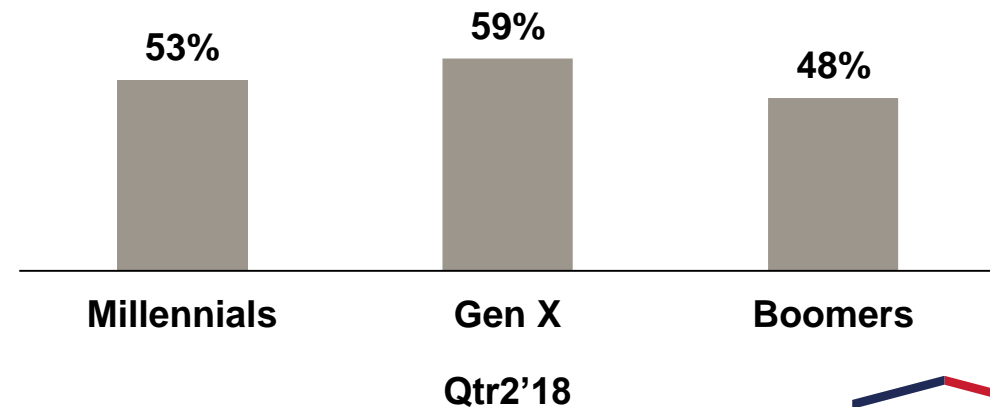
Source: NAHB national consumer polls, conducted by Morning Consult.

Most Active Buyers Have Been Looking for 3+ Months

53% of those already actively looking for a home have been searching for 3+ months, essentially unchanged from the 51% who reported looking for that long in Qtr1'18.



59% of Gen X buyers actively searching for a home have been looking for 3+ months, just like 53% of Millennials and 48% of Boomers.

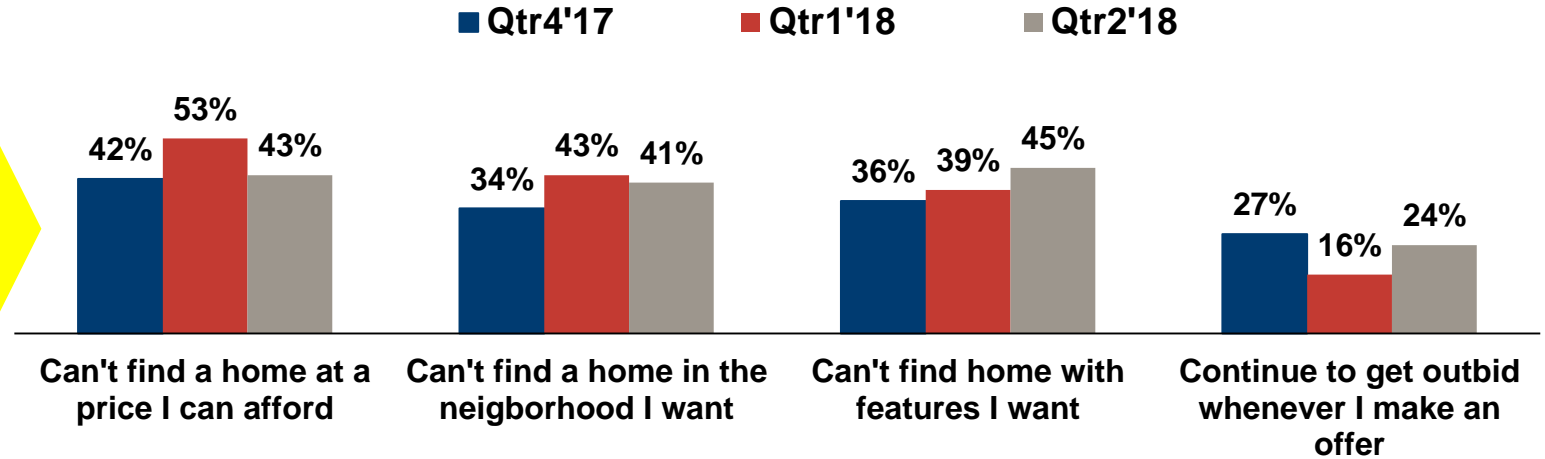


Source: NAHB national consumer polls, conducted by Morning Consult.

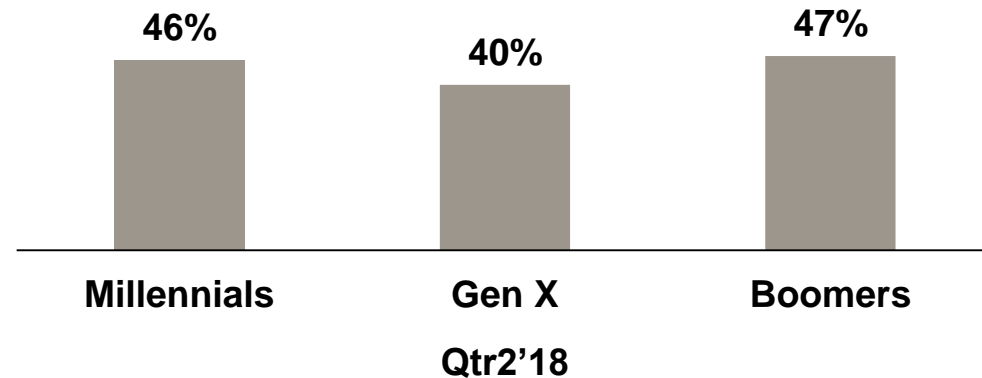
If Unable to Buy Home in 3+ months, Why?

Top 2 reasons holding buyers back:

- *Inability to find a home with desired features (45%).*
- *Inability to find affordable home (43%).*



Across generations, the inability to find a home with desired features is the reason at least 40% of buyers looking for 3+ months haven't pulled the trigger.



Source: NAHB national consumer polls, conducted by Morning Consult.

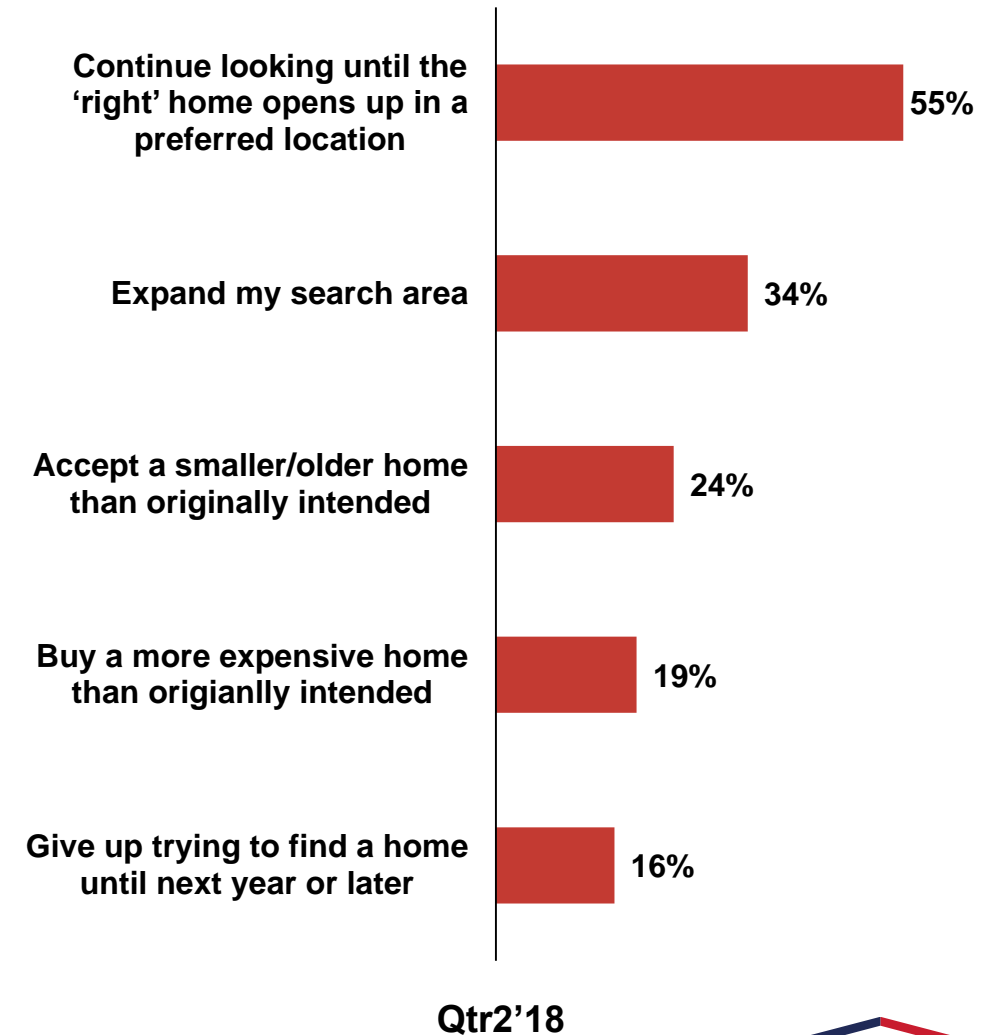
Most Likely Next Steps If Still Unable to Find Home in Months Ahead

If still unable to find a home in the next few months, most buyers (55%) say they will continue looking for the 'right' home in the same preferred location.

Only 16% will give up trying.

Most likely next steps among Millennials:

- 54% will continue looking in same area*
- 36% will expand search area*
- 26% will accept a smaller/older home*
- 23% will buy a more expensive home*
- 19% will give up*



Source: NAHB national consumer polls, conducted by Morning Consult.

Poll Design

- The Housing Trends Report is based on quarterly polls conducted for NAHB by the research firm Morning Consult.
- Polls are based on a national sample of adults selected to proportionately represent the US adult population in terms of age, gender, region, race/ethnicity, and income.
- Table below shows sample size and dates of data collection.

	Qtr4'17	Qtr1'18	Qtr2'18
Sample size	2,800	11,674	15,412
Collection Period	November 16-19, 2017	March 28 – April 1, 2018	June 26 – July 8, 2018