Home Trends,
Buyer Preferences &
Must-Have Features for 2020
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Characteristics of New Homes Built in 2019
After peaking at 2,689 sq. ft. in 2015…

Average Size of New Homes has fallen FOUR years in a row.

In 2019, the average new home was 2,520 sq. ft. – the smallest since 2011.

Source: U.S. Census Bureau.
New Homes with 4+ Bedrooms
(% of single-family homes started)

- After peaking at 47% in 2015...
- % of new homes with 4+ bedrooms has edged down in the past four years.
- In 2019, the share was unchanged at 44% – the smallest since 2012.

Source: U.S. Census Bureau.
New Homes with 3+ Full Bathrooms
(% of single-family homes started)

- After peaking at 37% in 2015…
- % of new homes with 3+ full bathrooms has trended down in the past four years.
- In 2019, the share was 33% – the smallest since 2012.

Source: U.S. Census Bureau.
After peaking at 23% in 2015…

% of new homes with a 3+ car garage has fallen for FOUR years in a row.

In 2019, the share was 18% – back to 2011 level & just slightly above recession level (16%).

Source: U.S. Census Bureau.
TAKEAWAYS

 Builders are working to meet demand for smaller homes.

 The average new home in 2019 was the smallest since 2011 & only 20 sq. ft. larger than in 2007.

 Why is it difficult to build small?

 • Restrictive zoning/land use regulations
   Min lot size; Min parking requirements; Design Standards; Inclusionary Zoning

 • Lot prices
BALA Winners
ICON Ebony, Palm Springs, California
BALA Winners
The Binkley, St. Petersberg, Florida
BALA Winners
The Kiawah River Butterfly Cottage, Johns Island, North Carolina
BALA Winners
Terra Luna Plan 1, Las Vegas, Nevada
BALA Winners
Alastar, Douglas, Michigan
BALA Winners
Crescendo at Central Park, Highlands Ranch, Colorado
Must-Have Features in 2020
Most Likely Features in Typical 2020 New Home
(Avg. Rating, 1=Not at all likely, 5=Very Likely Builder will include)

- Walk-in closet in master bedroom: 4.9
- Low-e windows: 4.8
- Laundry room: 4.8
- Efficient lighting (< energy than traditional bulbs): 4.7
- Great room (Kitchen-Family-Living room): 4.7
- Central Island in kitchen: 4.6
- Programmable thermostat: 4.6
- 9' feet+ ceilings in 1st floor: 4.6
- ENERGY STAR appliances: 4.6
- 2-car garage: 4.4
- Front porch: 4.4
- Exterior lighting: 4.3
- Private toilet compartment in master bathroom: 4.2
- Water-conserving toilets: 4.2
- Bathroom linen closet: 4.2
- Indoor fireplace: 4.2
- Patio: 4.2
- Walk in pantry: 4.2
- ENERGY STAR windows: 4.2
- Granite countertop in kitchen: 4.2

Source: NAHB Economics.
Most **Unlikely** Features in Typical 2020 New Home
(Avg. Rating, 1=Not at all likely, 5=Very Likely Builder will include)

1. Cork flooring for living areas on main level - 1.3
2. Geothermal heat pump - 1.4
3. Solar water heating/electric system - 1.4
4. Dual toilets in master bath - 1.5
5. Laminate countertop in kitchen - 1.6
6. Pet washing station - 1.8
7. Outdoor kitchen (cooking, refrigeration, & sink) - 2.1
8. Carpet flooring for living areas on main level - 2.2
9. Whirlpool in master bathroom - 2.2
10. Sunroom - 2.2
11. Media room - 2.3
12. Outdoor fireplace - 2.3
13. Two-story family room - 2.4
14. Two-story foyer - 2.5

Source: NAHB Economics.
Home Buyer Preferences

1st Time Buyers

vs.

Repeat Buyers
Preference for Type of Home to Buy

<table>
<thead>
<tr>
<th></th>
<th>Single-family Detached</th>
<th>Townhome</th>
<th>Multifamily Unit</th>
<th>Manufactured Home</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Time Buyers</strong></td>
<td>77%</td>
<td>9%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Repeat Buyers</strong></td>
<td>77%</td>
<td>13%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Preference for New vs. Existing Home

<table>
<thead>
<tr>
<th></th>
<th>New Home</th>
<th>Existing Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Time Buyers</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Repeat Buyers</td>
<td>56%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Preference for Home Size

Current Home Size

1st Time Buyers
1,268 sq. ft.

Repeat Buyers
1,926 sq. ft.

Desired Home Size

1,977 sq. ft. (56%)

2,066 sq. ft. (7%)
## Preference for Location

<table>
<thead>
<tr>
<th>Location</th>
<th>1st Time Buyers</th>
<th>Repeat Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suburbs</td>
<td>59%</td>
<td>65%</td>
</tr>
<tr>
<td>Rural</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Central City</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>
BALA Winners
Ray Meadows R270, Redmond, Washington
BALA Winners
Avance, Phoenix, Arizona
BALA Winners

Miraval II, Costa Mesa, California
BALA Winners
Azure Residence 1, Paradise Valley, Arizona
BALA Winners
Urban Costal Farmhouse, Franklin, Tennessee
BALA Winners
Estancia at Yorba Linda Olimpico, Yorba Linda, California
BALA Winners
Rouge at Pivot, Edmonton, Alberta and 81 Crain Square Boulevard, Houston, Texas
Preference for Parking Facility

<table>
<thead>
<tr>
<th></th>
<th>1st Time Buyers</th>
<th>Repeat Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Car Garage</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>3-Car Garage</td>
<td>4%</td>
<td>16%</td>
</tr>
<tr>
<td>None</td>
<td>12%</td>
<td>4%</td>
</tr>
</tbody>
</table>
### Preference for Number of Stories

<table>
<thead>
<tr>
<th></th>
<th>1st Time Buyers</th>
<th>Repeat Buyers</th>
<th>Split Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Story</td>
<td>48%</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>2-Story</td>
<td>42%</td>
<td>27%</td>
<td>3%</td>
</tr>
<tr>
<td>Split Level</td>
<td></td>
<td></td>
<td>4%</td>
</tr>
</tbody>
</table>
### Preferences to Keep in Mind

<table>
<thead>
<tr>
<th>Feature</th>
<th>1st Time Buyers</th>
<th>Repeat Buyers</th>
<th>Laundry on the 1st Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Kitchen-Family Room</td>
<td>76%</td>
<td>81%</td>
<td>57%</td>
</tr>
<tr>
<td>Three Bedrooms</td>
<td>48%</td>
<td>49%</td>
<td>72%</td>
</tr>
</tbody>
</table>

(IBS Education)
Preference for Color of Kitchen Cabinets

**White**

- 1st Time Buyers: 21%
- Repeat Buyers: 33%

**Medium Brown**

- 1st Time Buyers: 27%
- Repeat Buyers: 26%
Preference for Color of Kitchen Appliances

**Stainless Steel**
- 1st Time Buyers: 70%
- Repeat Buyers: 67%

**Black**
- 1st Time Buyers: 18%
- Repeat Buyers: 15%
## Preference for Kitchen Countertop Material

<table>
<thead>
<tr>
<th>Material</th>
<th>1st Time Buyers</th>
<th>Repeat Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granite/Natural Stone</td>
<td>64%</td>
<td>56%</td>
</tr>
<tr>
<td>Quartz/Engineered Stone</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Laminate</td>
<td>11%</td>
<td>8%</td>
</tr>
</tbody>
</table>
# Most **Wanted** Features

<table>
<thead>
<tr>
<th>1st Time Buyer</th>
<th>Repeat Buyer</th>
<th>Common to both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laundry room</td>
<td>Laundry room</td>
<td></td>
</tr>
<tr>
<td>Hardwood flooring (main level)</td>
<td>ENERGY STAR windows</td>
<td></td>
</tr>
<tr>
<td>ENERGY STAR windows</td>
<td>Patio</td>
<td></td>
</tr>
<tr>
<td>Walk-in pantry</td>
<td>ENERGY STAR appliances</td>
<td></td>
</tr>
<tr>
<td>Patio</td>
<td>Ceiling fan</td>
<td>Kitchen double sink</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>Exterior lighting</td>
<td></td>
</tr>
<tr>
<td>Table space for eating in kitchen</td>
<td>Garage storage</td>
<td></td>
</tr>
<tr>
<td>Kitchen double sink</td>
<td>Hardwood flooring (main level)</td>
<td></td>
</tr>
<tr>
<td>Both shower stall/tub in master bath</td>
<td>Walk-in pantry</td>
<td></td>
</tr>
<tr>
<td>Dining room</td>
<td>Kitchen double sink</td>
<td></td>
</tr>
</tbody>
</table>
## Most UNWANTED Features

### 1st Time Buyer
- Elevator
- Charging station for electric car
- Cork flooring (main level)
- Wine cellar
- Golf course community
- Pet washing station
- Only a shower stall in master bath
- Wine cooler
- Roof covered by plants
- High density community

### Repeat Buyer
- Elevator
- Wine cellar
- Roof covered by plants
- Daycare center nearby
- Pet washing station
- Dual toilets in master bath
- Two-story family room
- Cork flooring (main level)
- High density community
- Laminate kitchen countertops

### Common to both
BALA Winners
Lakemore Residence, Austin, Texas
BALA Winners
Modern on the North End, Anna Maria, Florida
BALA Winners
Kingfield, Rye Brook, New York and Kirkwood Terrace, Sammamish, Washington
BALA Winners
Lakemoore Residence, Austin, Texas
BALA Winners
Wedgewood Plan 2, Yorba Linda, California
BALA Winners
In Plane Sight, Paradise Valley, Arizona and Sennette Residence, Asheville, No. Carolina
Which Would You Prefer for Same Amount of Money?

Smaller house w/ high quality products & amenities

1st Time Buyers: 62%
Repeat Buyers: 67%

Bigger house w/ fewer amenities

1st Time Buyers: 38%
Repeat Buyers: 33%
BALA Winners
Trend at Novel Park, Irvine, California
BALA Winners
Surf Betty, Port Aransas, Texas
BALA Winners
Hickory Hill, Gull Lake, Michigan
BALA Winners
Mercer Island Residence, Mercer Island, Washington
BALA Winners
Phoenician Modern, Scottsdale, Arizona
BALA Winners
Harbor Island, Newport Beach, California
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