



HOUSING TRENDS REPORT

QUARTER 3, 2018



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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 is released quarterly to track changes in buyers' perceptions over time.

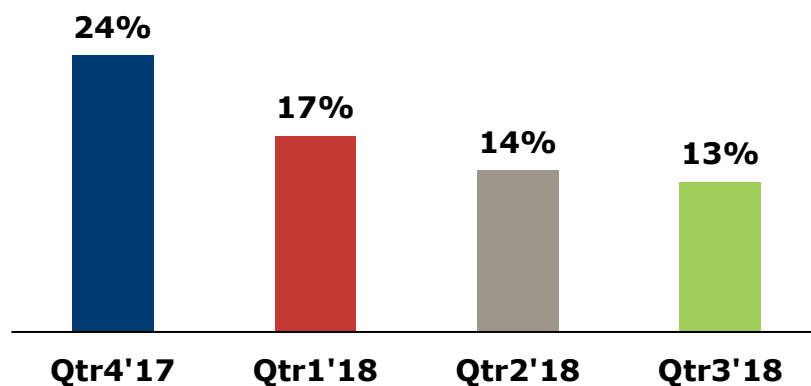
Generation definitions:

- Millennials: Born 1980 to 2000.
- Gen X: Born 1965 to 1979.
- Boomers: Born 1946 to 1964.
- Seniors: Born 1945 or earlier.

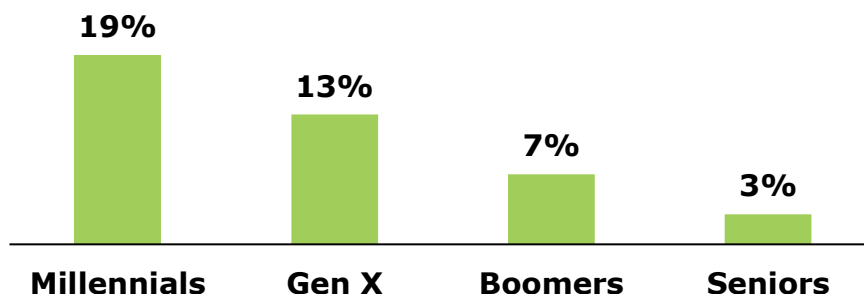
Results are not yet seasonally adjusted due to the short time horizon of the series; therefore, caution is advised when interpreting trends or comparing time periods.

PLANNING TO BUY A HOME WITHIN 12 MONTHS

- 13% of respondents in Qtr3'18 are prospective home buyers, i.e. they are planning to buy a home within 12 months.



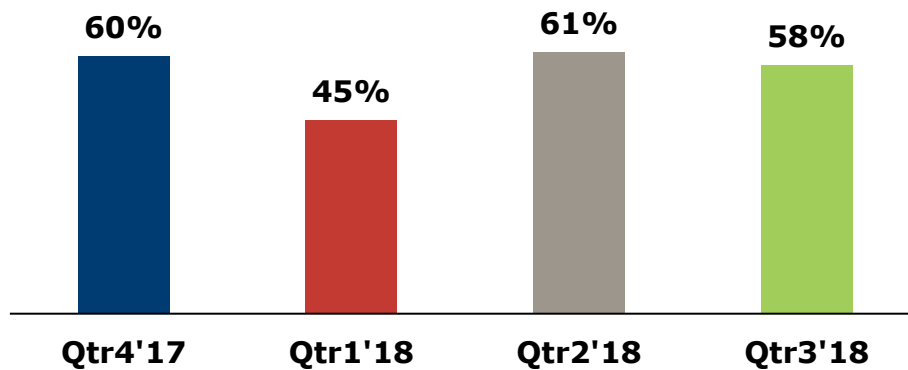
- In Qtr3'18, Millennials are the most likely generation to report planning a home purchase within 12 months (19%).



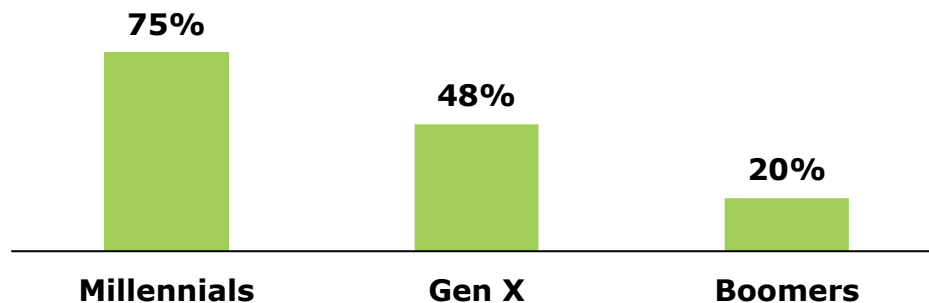
Remaining of this report is based entirely on prospective home buyers, i.e. those planning to buy a home within the next 12 months.

1ST-TIME HOME BUYERS

- Most prospective home buyers (58%) in Qtr3'18 are first-time buyers.

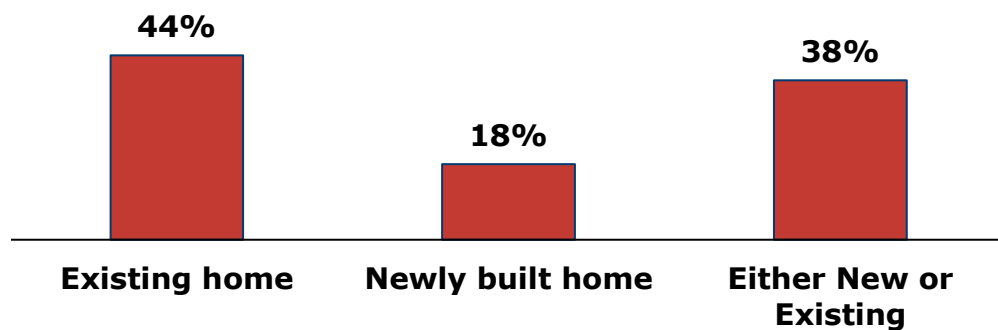


- In Qtr3'18, 75% of Millennials planning a home purchase within a year are first-time buyers.

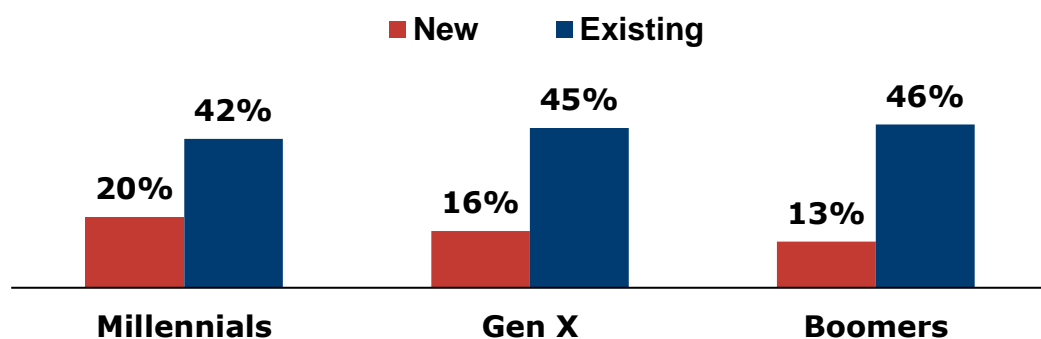


NEW OR EXISTING HOME?

- Plurality of buyers in Qtr3'18 are looking for an existing home (44%); only 18% are looking at newly built homes.

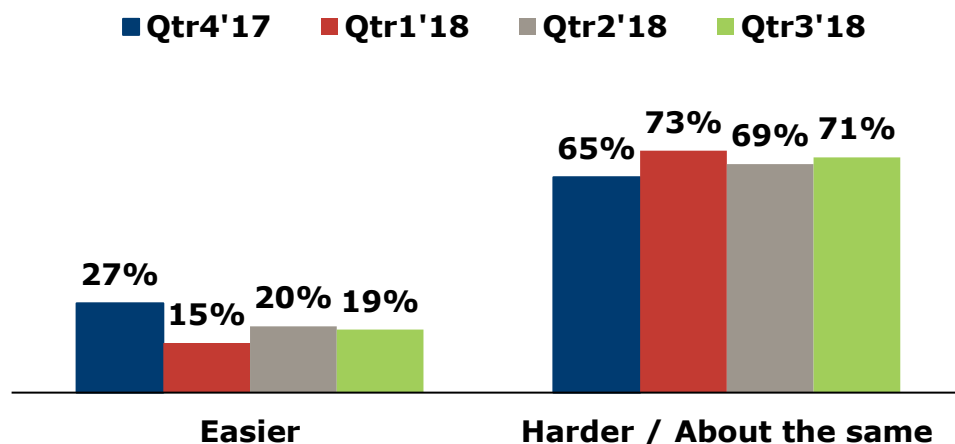


- Across generations, an existing home would be the first choice for more than 40% of buyers.
- 20% of Millennials are looking for a newly built home.

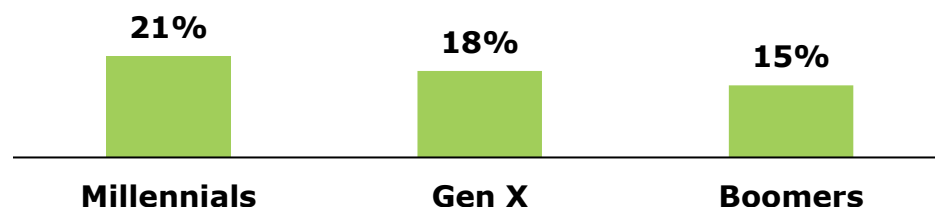


AVAILABILITY EXPECTATIONS

- Only 19% of buyers in Qtr3'18 expect house search to get easier in months ahead.
- 71% think it will get harder or stay the same.

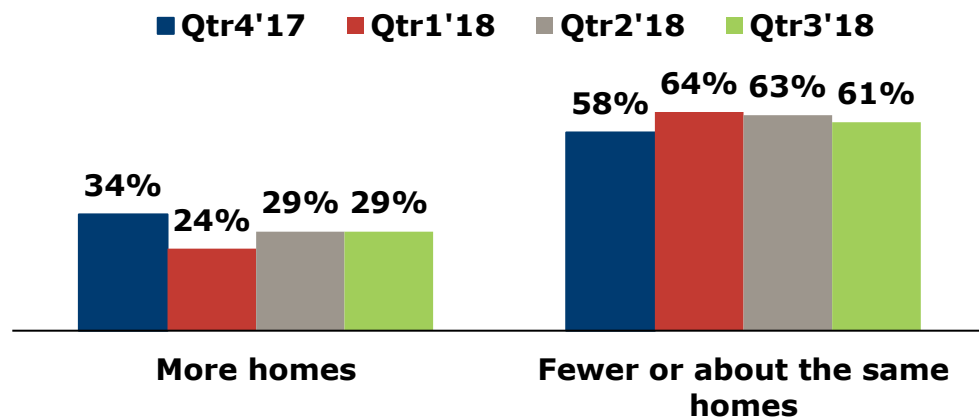


- Across generations, only a minority of buyers expect house search to get easier: Millennials (21%), Gen X (18%), and Boomers (15 %).

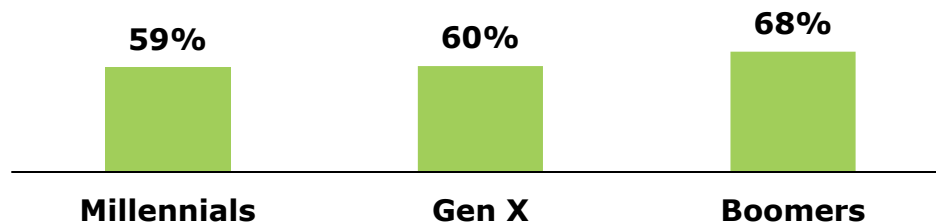


CHANGES IN INVENTORY

- 29% of buyers in Qtr3'18 report seeing more homes for-sale* than three months earlier.
- A majority (61%) report fewer/same number of homes for- sale*.



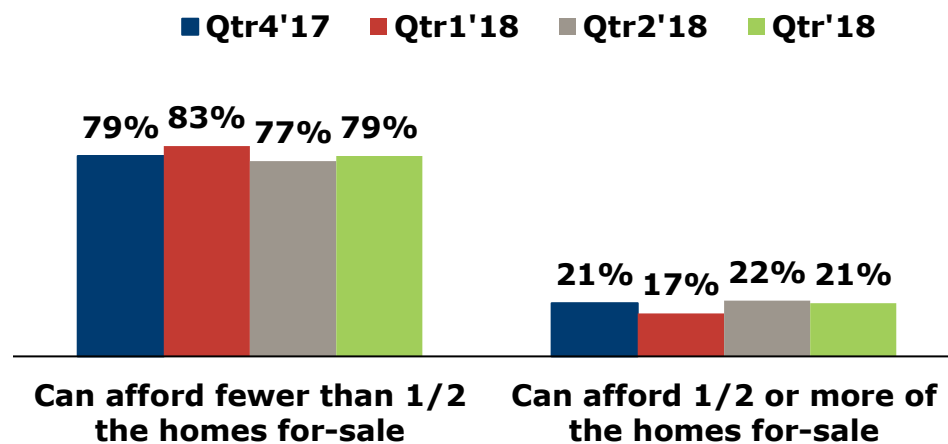
- More than half of each generation's buyers report fewer/same number of homes for-sale*.



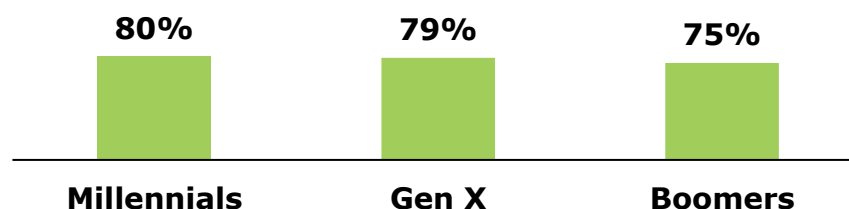
* Homes with buyer's desired features and price point.

AFFORDABILITY EXPECTATIONS

- A large majority of buyers (79%) can afford fewer than half of all the homes available in their markets.
- Only 21% can afford a majority of the homes available.

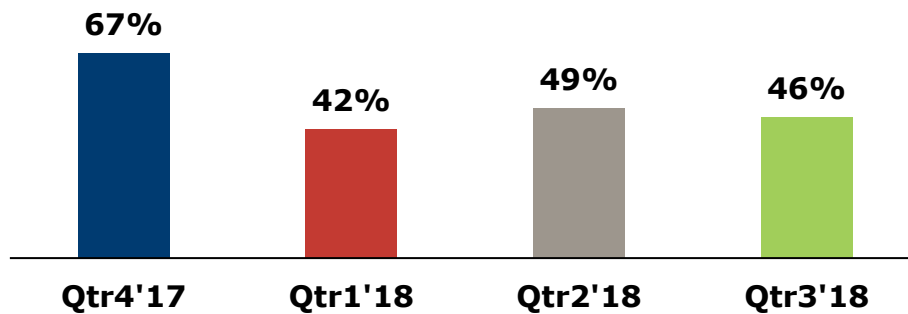


- Affordability is an issue for all age groups: 75% to 80% of buyers in each generation can afford fewer than half of all the homes available in their markets.

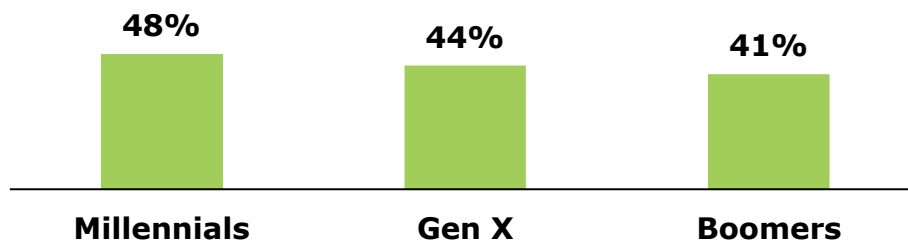


BEYOND JUST PLANNING

- Nearly half of buyers in Qtr3'18 (46%) are already actively trying to find a home to buy (and not just planning it).



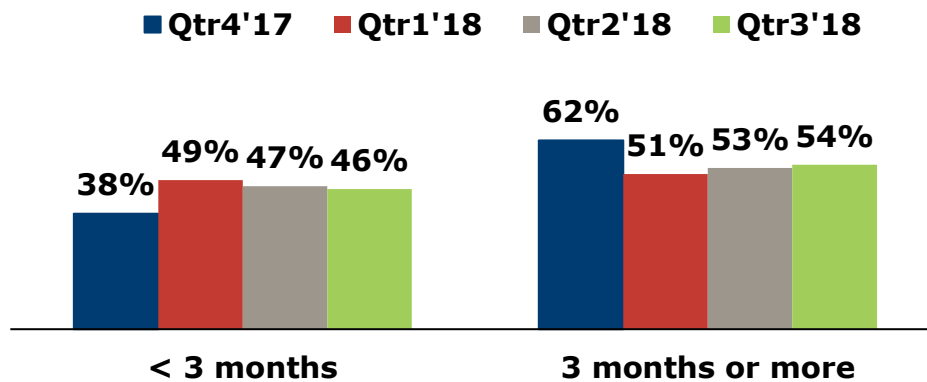
- More than 40% of buyers in each generation are already actively searching for a home.



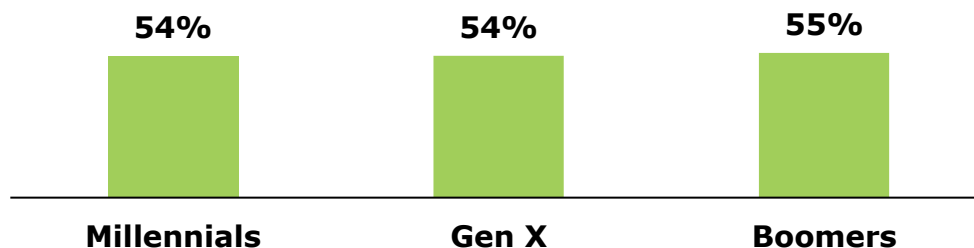
Next set of findings are based solely on responses from buyers who are actively engaged in trying to find a home.

TIME SPENT SEARCHING FOR A HOME

- In Qtr3'18, 54% of those already actively looking for a home have been searching for 3+ months.

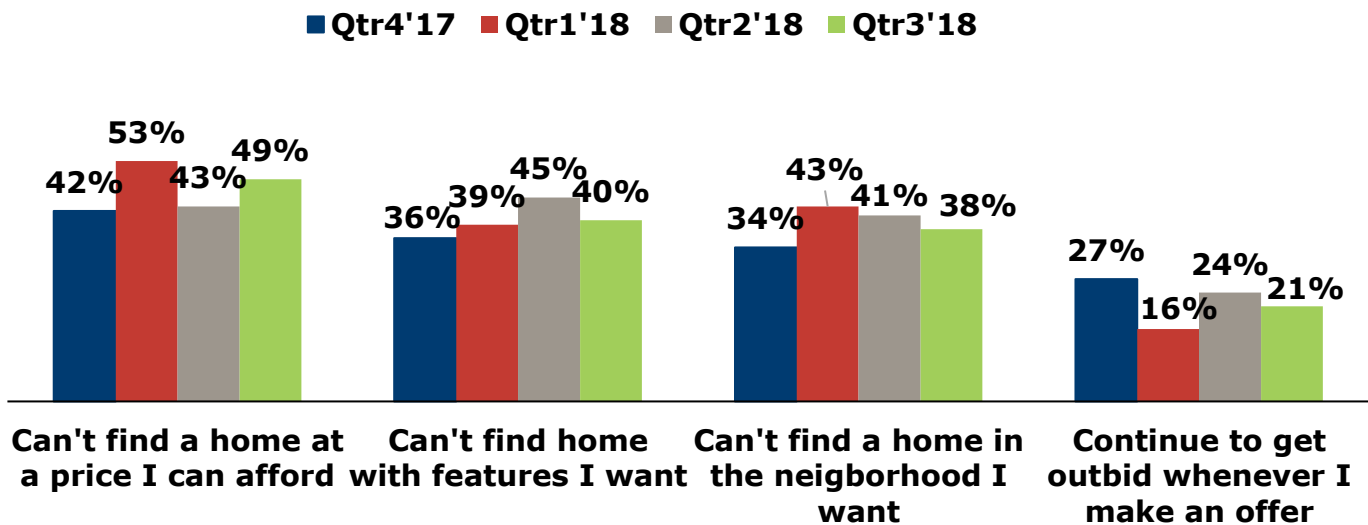


- More than half of active buyers in every generation group have been looking for 3+ months for the right home to buy.

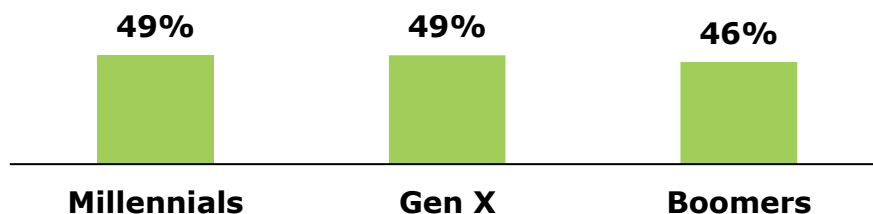


REASONS BUYERS ACTIVE FOR 3+ MONTHS HAVE NOT BEEN SUCCESSFUL

- In Qtr3'18, the first reason was the inability to find an affordable home (49%), followed by the inability to find a home with desired features (40%).

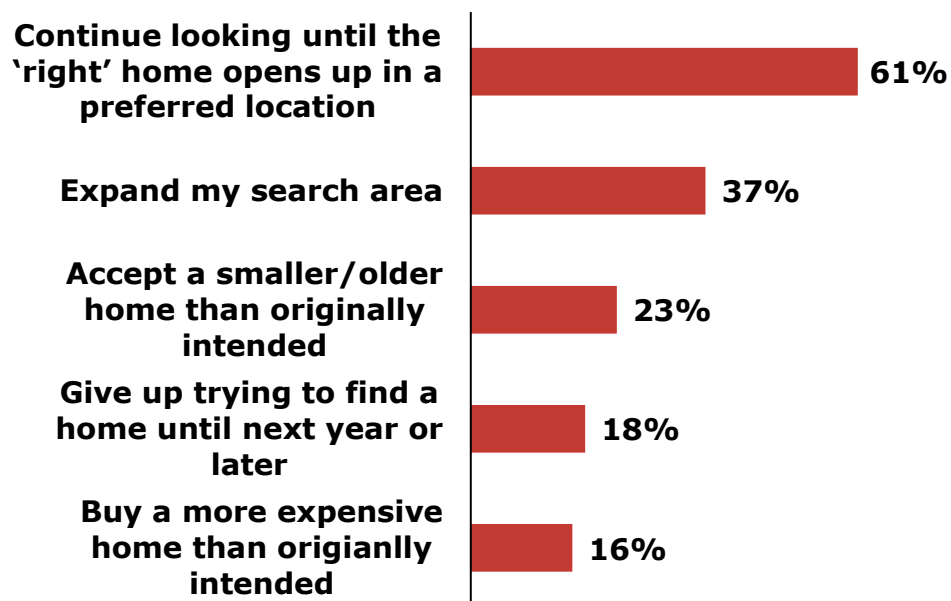


- Across generations, the inability to find an affordable home is the reason nearly 50% of buyers looking for 3+ months haven't pulled the trigger.

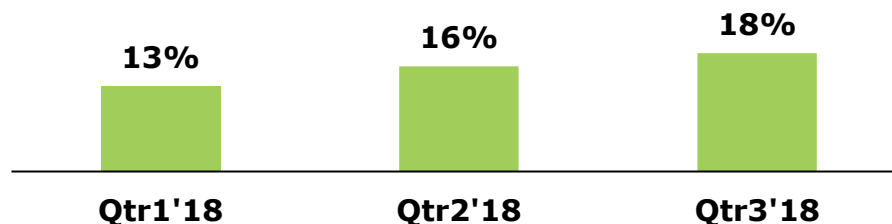


NEXT STEPS IF STILL UNABLE TO FIND HOME IN MONTHS AHEAD

- If still unable to find a home in the next few months, most buyers (61%) say they will continue looking for the 'right' home in the same preferred location.



- The share that will give up trying until next year or later is 18% in Qtr3'18.



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	Qtr3'18
Sample size	2,800	11,674	15,412	20,051
Collection Period	November 16-19, 2017	March 28 – April 1, 2018	June 26 – July 8, 2018	September 25 – October 8, 2018