



HOUSING TRENDS REPORT

QUARTER 1, 2019



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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.

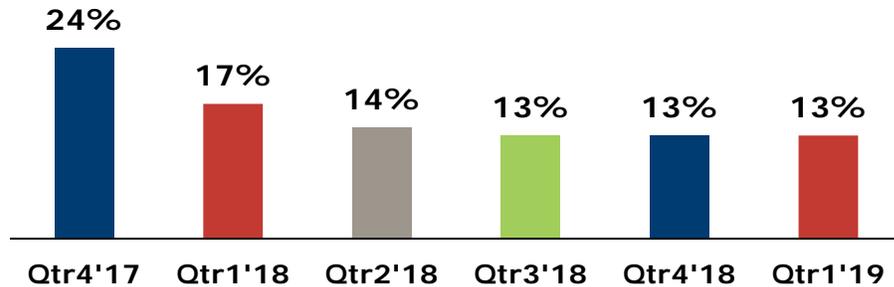
Methodology:

The interviews were conducted online and the data were weighted to approximate a target sample of adults based on age, educational attainment, gender, race, and region. In qtr1'19, weights were refined to better match the general US population and provide more consistent distributions across demographic groups over time. These new weights were applied retroactively to the entire series in order to maintain comparability.

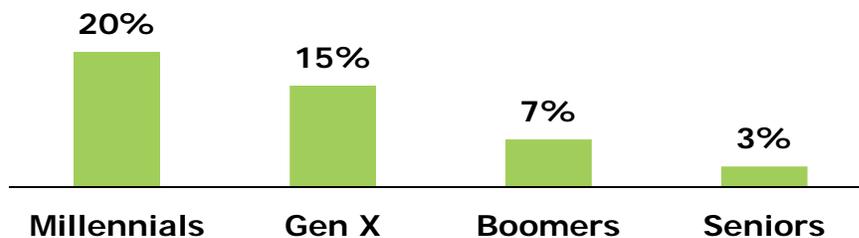
Results are not yet seasonally adjusted due to the short-time horizon of the series; therefore, only year-over-year comparisons are statistically valid.

PLANNING TO BUY A HOME WITHIN 12 MONTHS

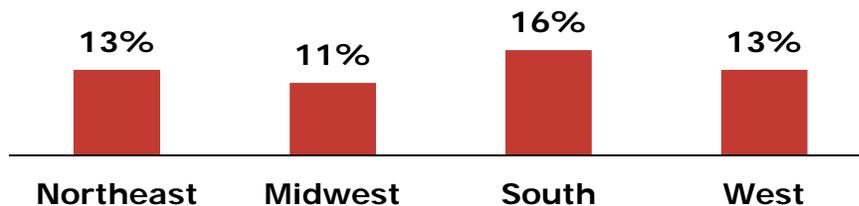
- 13% of respondents in Qtr1'19 are prospective home buyers, i.e. they are planning to buy a home within 12 months. A year earlier, that share stood at 17%.



- BY GENERATION: 20% of Millennials have plans for a home purchase within 12 months, compared to only 3% of Seniors.



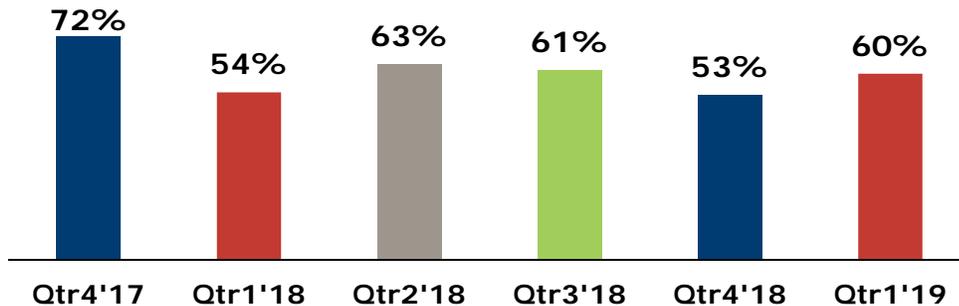
- BY REGION: 16% of respondents in the South are prospective home buyers, compared to 13% in both the Northeast and West and 11% in the Midwest.



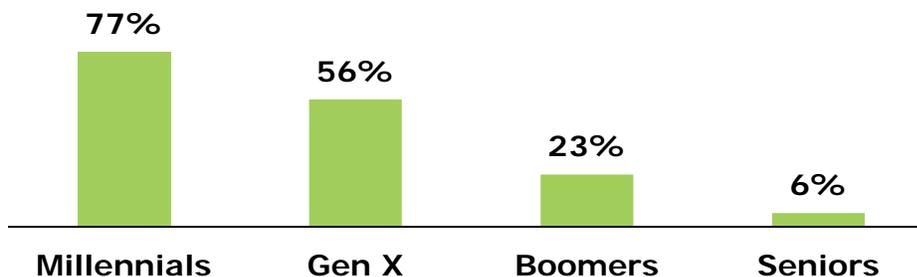
Remaining of this report is based entirely on prospective home buyers, i.e. those planning to buy a home within the next 12 months.

1ST-TIME HOME BUYERS

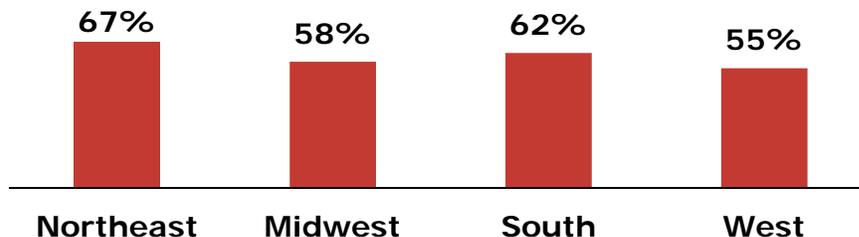
- 60% of prospective home buyers in Qtr1'19 are first-time buyers. A year earlier, 54% of those planning a home purchase were first-timers.



- BY GENERATION: Most prospective Millennial buyers in Qtr1'19 are first-timers (77%), compared to only 6% of Senior buyers.

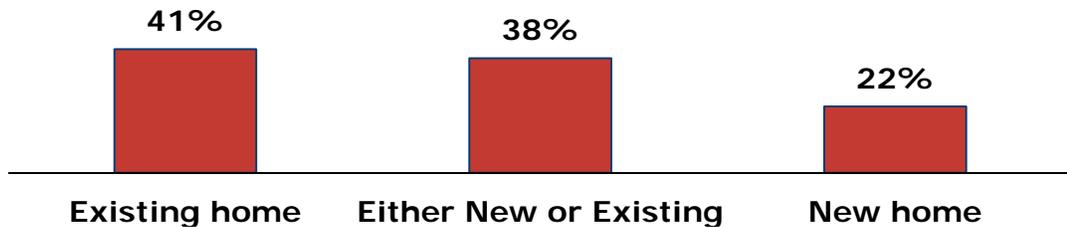


- BY REGION: More than half of prospective buyers in every region are first-timers, led by the Northeast (67%).

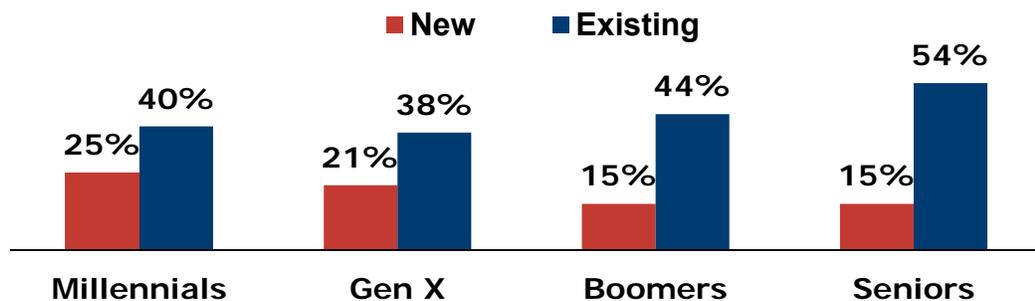


NEW OR EXISTING HOME?

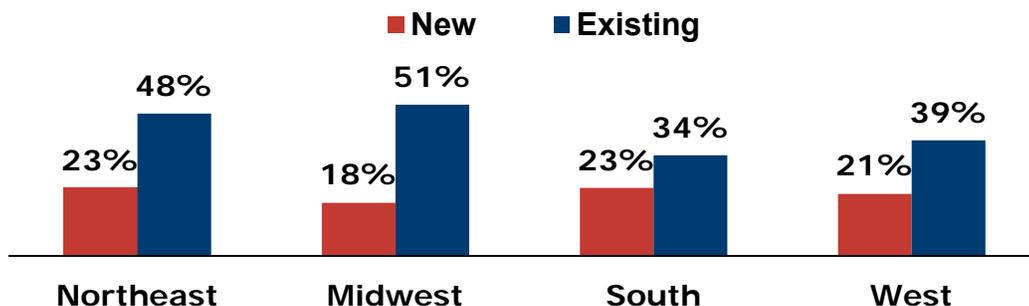
- 41% of buyers in Qtr1'19 are looking to buy an existing home; 22% a new home; and 38% would buy either type.



- By GENERATION: 40% of prospective Millennial buyers are looking for an existing home, and 25% want a new home. Senior buyers are the likeliest to want an existing home (54%).

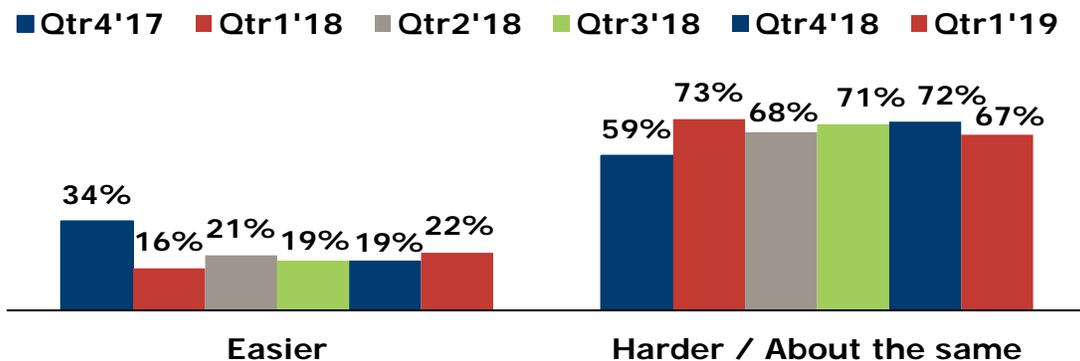


- BY REGION: Midwest buyers are the most likely to prefer an existing home (51%), while those in the Northeast and South are the likeliest to want a newly-built unit (23%).

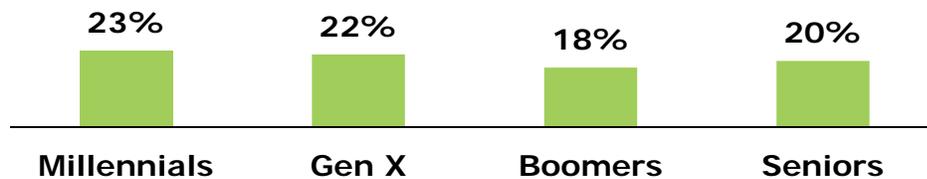


AVAILABILITY EXPECTATIONS

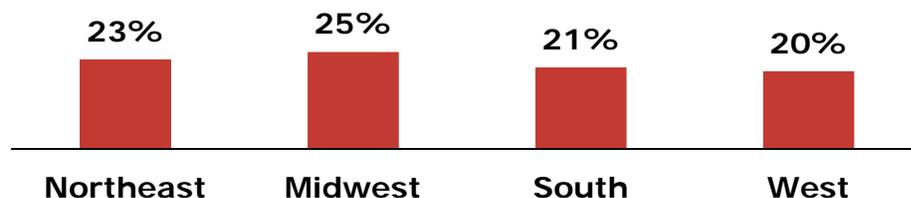
- 22% of buyers in Qtr1'19 expect their house search to get easier in the months ahead; an improvement over the 16% who had that same expectation a year earlier.
- 67% think the search will get harder or stay about the same (down from 73% a year earlier).



- BY GENERATION: 18% to 23% of buyers in every generation expect the home search to become easier in the near future.

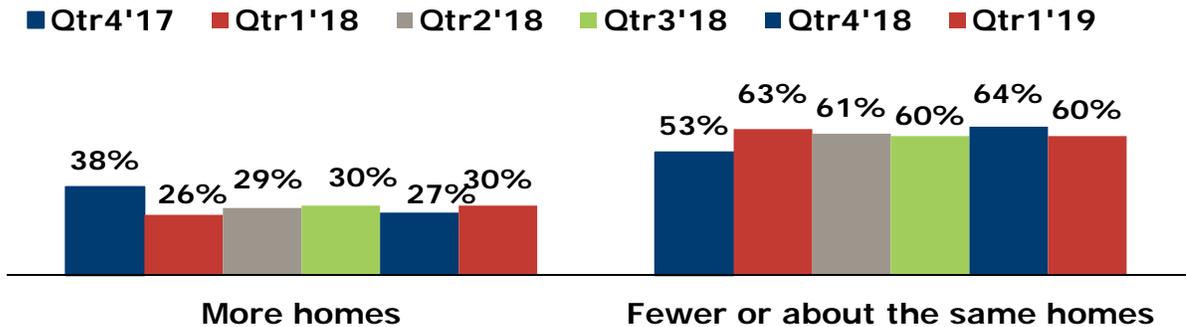


- BY REGION: 20% to 25% of buyers in all four regions expect the home search to ease up in the months ahead.

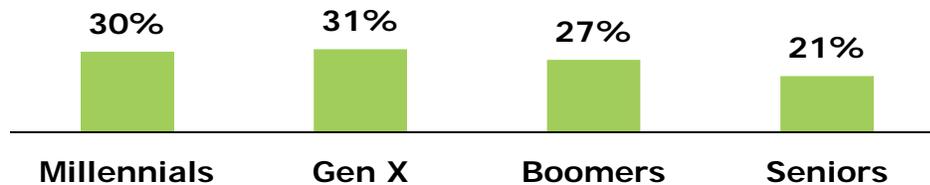


CHANGES IN INVENTORY

- 30% of buyers in Qtr1'19 report seeing ***more*** homes for-sale* than three months earlier, slightly higher than a year earlier (26%).
- 60% report seeing fewer/same number of homes for- sale*, slightly lower than a year earlier (63%).

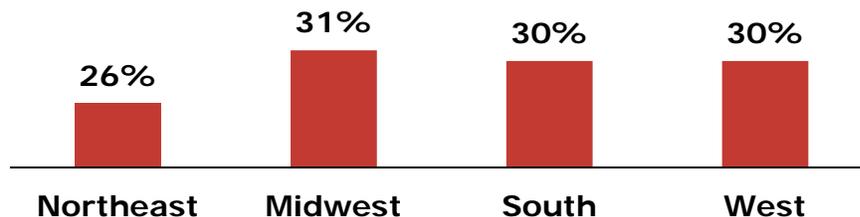


- BY GENERATION: Around 30% of Millennials and Gen Xers see ***more*** homes available in Qtr1'19 (i.e. an improvement in inventory), compared to 21% of Seniors.



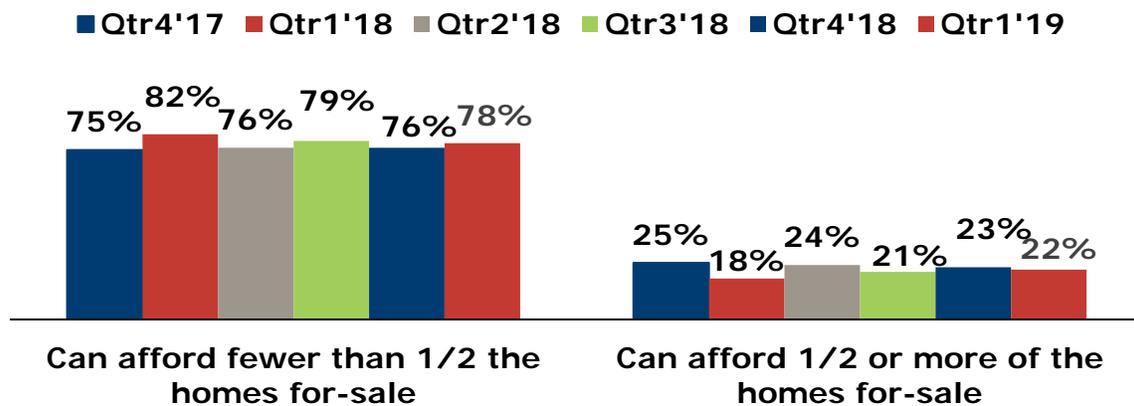
* Homes with buyer's desired features and price point.

- BY REGION: Buyers in the Midwest (31%), South (30%), and West (30%) are slightly more likely to report better availability than those in the Northeast (26%).

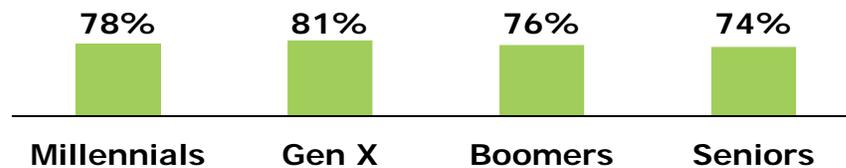


AFFORDABILITY EXPECTATIONS

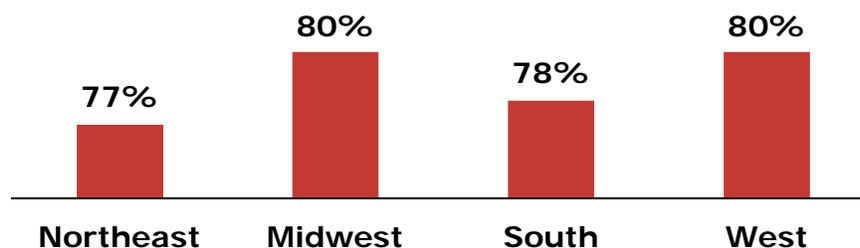
- 78% of buyers in Qtr1'19 can afford fewer than half the homes available in their markets. A year earlier, that share stood at 82%.
- A minority of 22% can afford the majority of homes available, a slight improvement over the 18% share a year earlier.



- BY GENERATION: More than 70% of buyers in each generation say they can afford fewer than half the homes for sale in their markets.

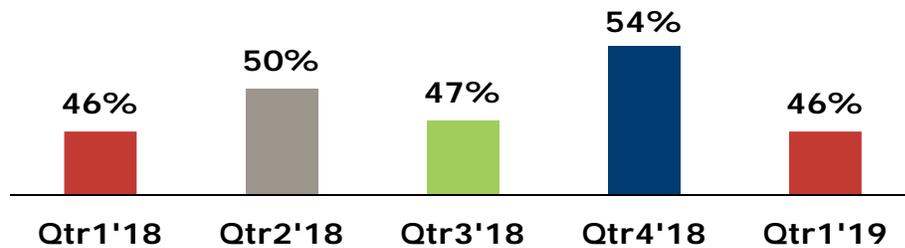


- BY REGION: More than three out of four buyers in every region of the country say they can afford under half of the homes available in their areas.

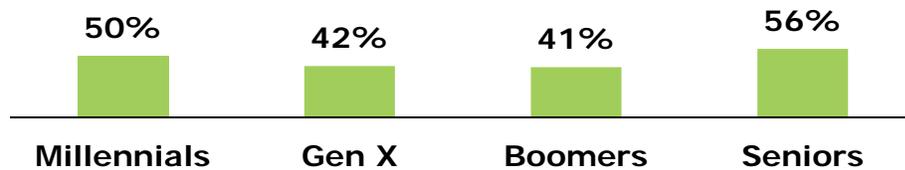


BEYOND JUST PLANNING

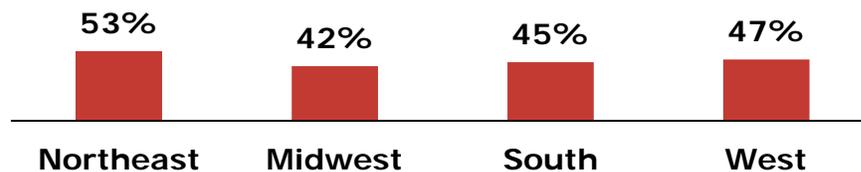
- 46% of prospective buyers in Qtr1'19 are already actively trying to find a home to buy (and not just merely planning it). That share is the same as a year earlier.



- BY GENERATION: 56% of Seniors and 50% of Millennials planning a home purchase are already actively looking for a home to buy, compared to 41% of Boomers.



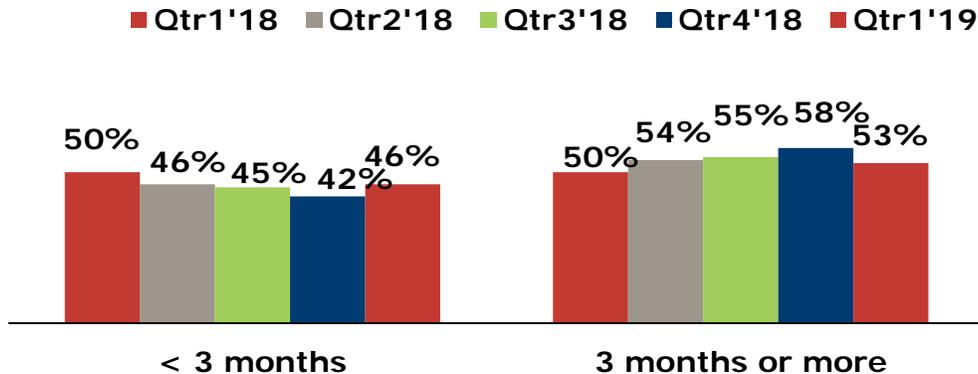
- BY REGION: Prospective buyers in the Northeast are the most likely to already be actively searching for a home (53%); while buyers in the Midwest are the least likely (42%).



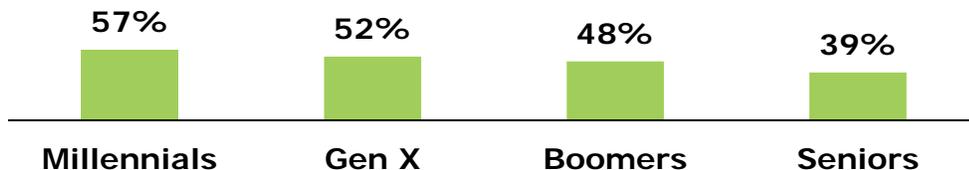
Remaining set of findings are based solely on responses from buyers who are already actively engaged in trying to find a home (i.e. active buyers)

TIME SPENT SEARCHING FOR A HOME

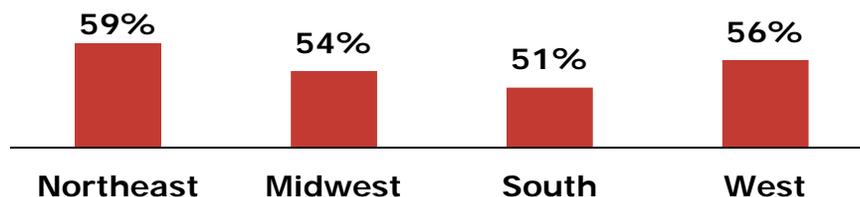
- In Qtr1'19, 53% of those already actively looking for a home to buy have been searching for 3+ months – a slight increase from the 50% share a year earlier.



- BY GENERATION: Most Millennial (57%) and Gen X (52%) actively-engaged buyers have been looking for 3+ months for a home to buy. In contrast, only 39% of Seniors have spent that much time searching.

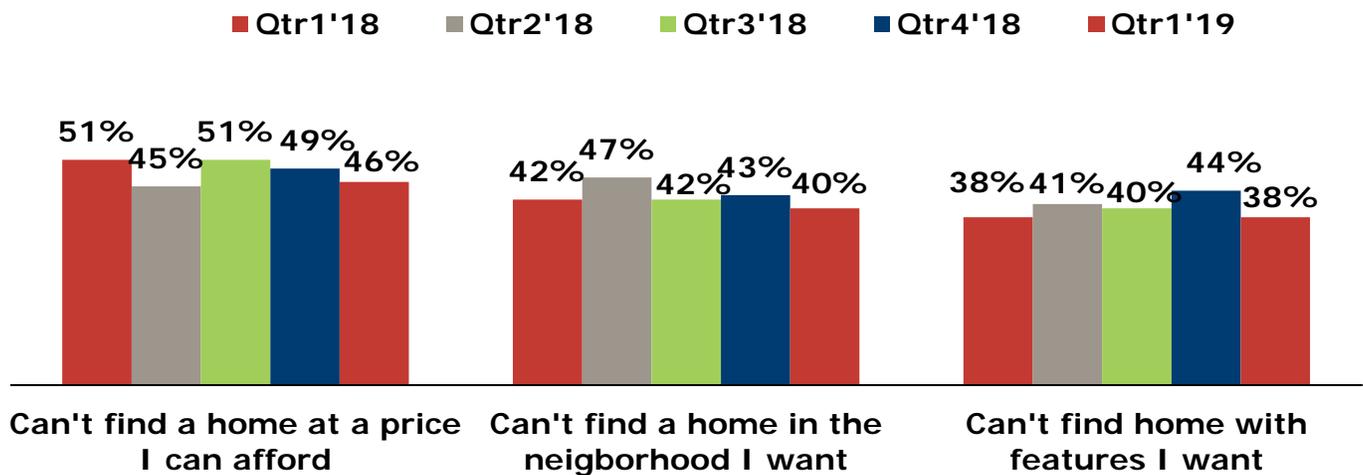


- BY REGION: A majority of active buyers in every region of the country have been trying to find a home for at least three months.

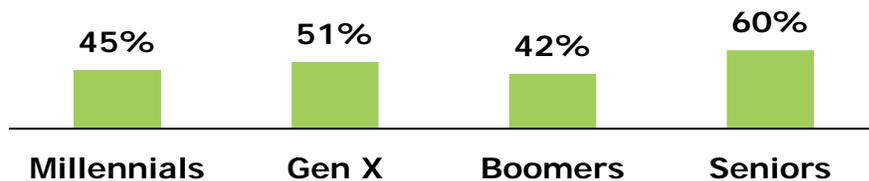


TOP REASONS BUYERS ACTIVE FOR 3+ MONTHS HAVE NOT BEEN SUCCESSFUL

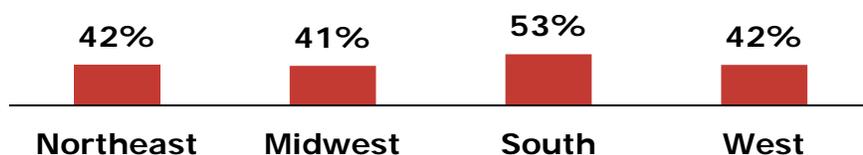
- In Qtr1'19, the top reason long-time searchers hadn't pulled the trigger was the inability to find an affordable home (46%), but that was lower than a year earlier (51%). The second reason was the inability to find a home in the desired neighborhood (40%).



- BY GENERATION: The inability to find an affordable home is the reason more than 50% of Gen X and Senior buyers looking for 3+ months haven't pulled the trigger.

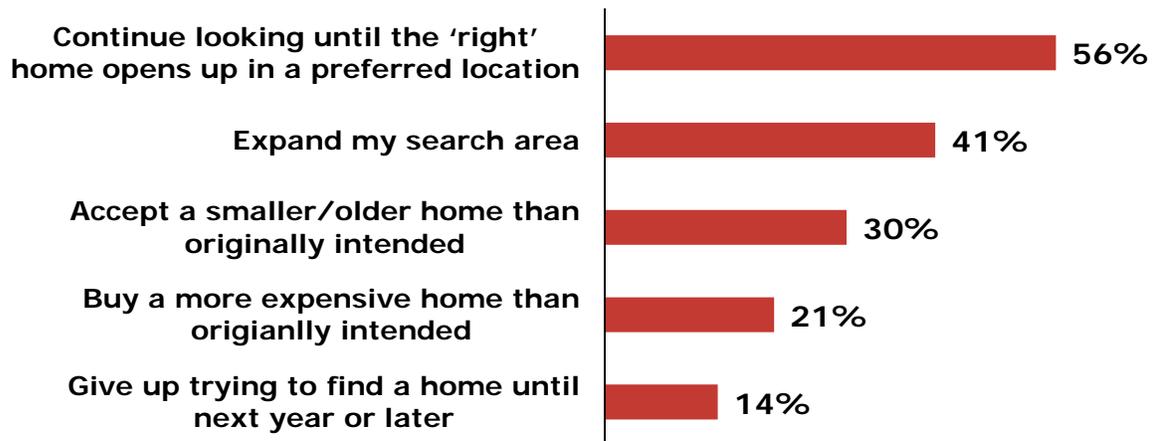


- BY REGION: 53% of active, long-term home buyers in the South have been kept from buying a home for at least three months because of a shortage of affordable homes.

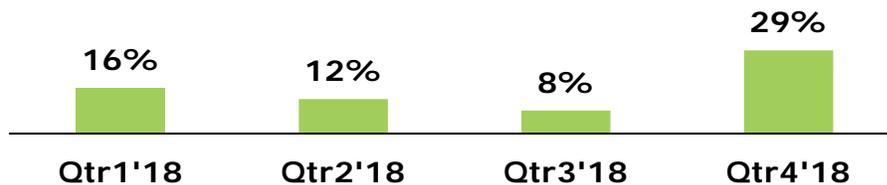


NEXT STEPS IF STILL UNABLE TO FIND HOME IN MONTHS AHEAD

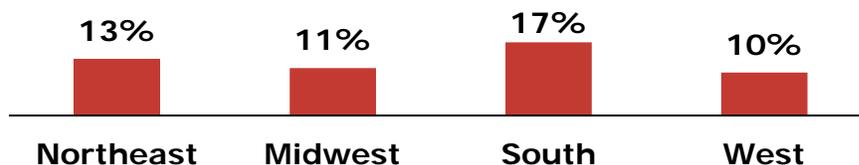
- If still unable to find a home in the next few months, the next step for most long-time searchers is to continue looking for the 'right' home in the same preferred location (56%). The next step for 41% is to expand their search area and for 30% is to accept a smaller/older home. Only 14% will give up.



- BY GENERATION: At most 16% of buyers in the younger three cohorts will give up trying to find a home until next year or later. Among Seniors, the share is much higher, at 29%.



- BY REGION: 17% of buyers searching for 3+ months in the South say they will give up trying to find a home if unable to find one soon, compared to only 10% in the West.



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 education. Further weights are applied to the final set of respondents to ensure proper representation across these demographic variables.
- Table below shows sample size and dates of data collection.

	Sample size	Collection Period
Qtr4'17	2,800	November 16-19, 2017
Qtr1'18	11,674	March 28 – April 1, 2018
Qtr2'18	15,412	June 26 – July 8, 2018
Qtr3'18	20,051	September 25 – October 8, 2018
Qtr4'18	16,891	December 17 – January 9, 2019
Qtr1'19	15,401	March 18 – March 29, 2019