“Avocado Toast for One, Please”

May 3, 2018

Jessica Lautz
Director, Demographics and Behavioral Insights
Research Team
@JessicaLautz
Myths About Home Buying

- Millennials never want to own ANYTHING
- Will buy everything online—even home
- Online replaces word of mouth
“Just the Facts, Ma’am”

- Minorities are Growing
- Millennials Out-Number Boomers
- Drop in Marriage Rates
- Long Life Spans
Profile of Home Buyers and Sellers

Rise in Household Income Successful Buyers

<table>
<thead>
<tr>
<th>Year</th>
<th>All Buyers</th>
<th>First-time Buyers</th>
<th>Repeat Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$58,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$74,000</td>
<td></td>
<td></td>
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<tr>
<td>2008</td>
<td>$85,700</td>
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<td></td>
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<tr>
<td>2009</td>
<td></td>
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<td></td>
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<td>2010</td>
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<td>2011</td>
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<td>2012</td>
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<td>2013</td>
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<td>2014</td>
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<td></td>
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<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$97,500</td>
<td></td>
<td>$75,000</td>
</tr>
</tbody>
</table>

$50,000 $58,600 $74,000 $85,700 $90,000

$75,000 $88,800 $97,500

Rise in Household Income Successful Buyers
First-time Buyers Remain Suppressed

Historical norm: 39% among primary residence buyers

Profile of Home Buyers and Sellers
Median Age of Home Buyers

Profile of Home Buyers and Sellers
First-time Buyers: Marriage is Not Required

Profile of Home Buyers and Sellers
Everyone Wants a Similar Home = No Inventory

- 2 bath
- 3 bed
- Single family home
- Suburbs & small towns
- Close friends & family w/ short commute

2018 Home Buyer and Seller Generational Trends Report
Median Weeks Home On Market

Profile of Home Buyers and Sellers
Low Inventory Driving Prices

- Inventory fallen 34 consecutive months
- 73 months of price increase
- 3.6 months supply

Inventory fallen 34 consecutive months
Affordability Problems Increasing

76% homeowners good time to buy vs 55% renters

74% good time to sell

64% difficult qualify for a mortgage
Downpayment Knowledge Gap

Wrong idea: 87% non-owners need 10% or MORE

Reality: Typical for first-time buyers 5%

Aspiring Home Buyers, 2017
Difficulty Saving for Downpayment

Profile of Home Buyers and Sellers
How Can You Save?

Median Student Loan Debt: $41,200
Median Income: $38,800
40% impacted starting a business

Savings for retirement

Long-term savings
Non-Homeowners: Delay from Buying a Home

Median Delay: 7 years

- Yes, impacted: 83%
- No impact on ability to purchase: 3%
- No, helped ability: 2%
- Don't know: 7%
- Don't want to own: 5%

Student Loan Debt and Housing Report
Among Homeowners: Delay Selling and Buying a New Home

- No, loans did not delay selling home: 45%
- Yes, too expensive to move & upgrade to a new home: 21%
- Yes, problems w/loans impacted credit for a future mortgage: 4%
- Yes, underwater on home/loans limited ability to pay: 3%

Median Delay: 3 years

Student Loan Debt and Housing Report
## Buyers with Student Loan Debt

<table>
<thead>
<tr>
<th></th>
<th>All Buyers</th>
<th>First-time Buyers</th>
<th>Repeat Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have student loan debt</td>
<td>26%</td>
<td>41%</td>
<td>19%</td>
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<tr>
<td>Median amount student loan debt</td>
<td>$25,000</td>
<td>$29,000</td>
<td>$24,000</td>
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</table>

*Profile of Home Buyers and Sellers*
First-Time Buyer: Prior Living Arrangement

<table>
<thead>
<tr>
<th>Year</th>
<th>Rented</th>
<th>Own</th>
<th>Lived w/ parents, relatives or friends</th>
<th>Rented the home purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>82%</td>
<td></td>
<td>12%</td>
<td>7%</td>
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<tr>
<td>1995</td>
<td>73%</td>
<td></td>
<td>12%</td>
<td>21%</td>
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<tr>
<td>2000</td>
<td>73%</td>
<td></td>
<td>12%</td>
<td>21%</td>
</tr>
<tr>
<td>2005</td>
<td>73%</td>
<td></td>
<td>12%</td>
<td>21%</td>
</tr>
<tr>
<td>2010</td>
<td>73%</td>
<td></td>
<td>12%</td>
<td>21%</td>
</tr>
<tr>
<td>2015</td>
<td>73%</td>
<td></td>
<td>12%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Profile of Home Buyers and Sellers

NATIONAL ASSOCIATION OF REALTORS®
Forgotten Generation: Gen Xers

- Highest income & in debt
- Longest delay: 4 yrs
- 13% had distressed sale
- $28k student loans
- 17% stalled selling
Home Buyer Price Divide

- Family/friend gift downpayment: 3.6% more
- Asian/Pacific Islander buyer: 17.4% more
- Single female: 3.1% more

- African-American/Black buyer: 9.2% less
- Hispanic/Latino buyer: 10.8% less
- Buyer w/ student loan debt: 16.9% less
The real estate industry accounted for $28,723 million or 14.4% of the gross Alabama state product in 2016.
When a Home is Sold in Alabama...

Additional expenditures on consumer items such as furniture, appliances, and remodeling are: $4,572
First Step is Online Dream

Only 8% 1st reach out to bank/mortgage lender
Referrals and Repeat Clients Are #1

- 54% buyers found agent
- 64% sellers found agent
- Members: 40% business

Profile of Home Buyers and Sellers and Member Profile
What Buyers Want: Find the Right Home

Honesty/Integrity

Knowledge

Experience/Reputation

Purchase Process

Real Estate Market

Communication

Responsiveness

Profile of Home Buyers and Sellers
What Sellers Want

Honesty/Reputation/Trustworthy

Market Home
Sell in Timeframe Needed
Price Competitively
Find a (Qualified) Buyer

Profile of Home Buyers and Sellers
Maintain Relationships: Expected Tenure

Profile of Home Buyers and Sellers
Actual Tenure in Home is Elevated

Profile of Home Buyers and Sellers
Apple Pie and Homeownership

8 in 10 part of their American Dream

9 in 10 want to own in the future

Housing Opportunities and Market Experience (HOME)
Babies With 4 Legs

99% part of family & 89% would not give up pet due to housing

Important: 85% large enough home & 95% housing community

½ undertook renovations for pet

Animal House: Remodeling Impact
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