Impact of Rising House Prices on Home Buyers & Sellers

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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
- Largest generation are Millennials
- Drop in Marriage Rates
Rise in Household Income Successful Buyers

Profile of Home Buyers and Sellers
First-time Buyers Remain Suppressed

Historical norm is 39% among primary residence buyers
Median Age of Home Buyers

Profile of Home Buyers and Sellers

- All Buyers
- First-time Buyers
- Repeat Buyers


25 30 35 40 45 50 55

29 32 36 45 54

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

Profile of Home Buyers and Sellers
Inventory is Top Struggle with Buying Process

- Finding the right property: 54%
- Paperwork: 22%
- Understanding process: 16%
- Getting a mortgage: 9%
- Saving for the down payment: 13%
- No difficult steps: 16%

2017 Profile of Home Buyers and Sellers
Profile of Home Buyers and Sellers
Low Inventory Driving Prices

- Inventory fallen 28 consecutive months
- 67 months of price increase
- 4.2 months supply
- Inventory fallen 28 consecutive months
Affordability Problems Increasing

- 80% homeowners good time to buy vs 60% renters
- 78% think it’s a good time to sell—HIGH
- 60% difficult qualify for a mortgage & 66% difficult save for a downpayment
- 58% think community only affordable to average and above incomes
Knowledge Gap Among Non-Owners

87% non-owners think they need 10%+ for downpayment

Typical downpayment 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

Student Loan Debt and Housing Report
32% not happy in job

25% changed careers/sector

24% took 2nd job

30% job outside field

21% BORING job

Student Loan Debt and Housing Report
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
Reasons Non-Owners Don’t Own Due to Debt

- Can’t save for a downpayment
- Not financially secure enough
- Can’t qualify for a mortgage: debt-to-income ratio
- Can’t afford preferred home/ neighborhood

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

No, student loan debt did not delay selling home - 45%
Yes, too expensive to move and upgrade to a new home - 21%
Yes, problems with student loans have impacted credit for a future mortgage - 4%
Yes, underwater on house because student loan debt has limited ability to pay - 3%

Median Delay: 3 years
<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>
</tr>
<tr>
<td>Median amount student loan debt</td>
<td>$25,000</td>
<td>$29,000</td>
<td>$24,000</td>
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<tr>
<td>Family/friend help w/ downpayment: 16%-6% more</td>
<td>African-American/Black buyer: 36%-7% less</td>
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<td>------------------------------------------------</td>
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<tr>
<td>Asian/Pacific Islander buyer: 39%-17% more</td>
<td>Buyer w/ student loan debt: 9%-4% less</td>
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First Step is Online Dream

Only 8% 1st reach out to bank/mortgage lender
54% buyers used agent referrals or repeat client
64% sellers used agent referrals or repeat client
70% of buyers & 74% sellers only contact 1 agent
Among members 40% from repeat clients & referrals
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

- **First-time Buyers**
  - 2006: 6
  - 2007: 6
  - 2008: 9
  - 2009: 10
  - 2010: 10
  - 2011: 10
  - 2012: 10
  - 2013: 10
  - 2014: 10
  - 2015: 10
  - 2016: 10
  - 2017: 10

- **Repeat Buyers**
  - 2006: 6
  - 2007: 6
  - 2008: 9
  - 2009: 10
  - 2010: 15
  - 2011: 15
  - 2012: 15
  - 2013: 15
  - 2014: 15
  - 2015: 15
  - 2016: 15
  - 2017: 15

**Chart Notes:***
- The chart shows the expected tenure (in years) of home buyers and sellers from 2006 to 2017.
- **First-time Buyers**
  - 2006-2008: Linear increase from 6 to 9 years.
  - 2009-2017: Stabilized at 10 years.
- **Repeat Buyers**
  - 2006-2008: Linear increase from 6 to 9 years.

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Profile of Home Buyers and Sellers
Buyer Use of Agents

Real estate agent/broker
Builder/builder's agent
Previous owner
Agent-Assisted Sales at All-Time High

Profile of Home Buyers and Sellers

- All FSBO (For-sale-by-owner)
- Agent-assisted
- Other

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Respond to the Tax Reform Call to Action

Receive 2017 Profile of Home Buyers and Sellers — Download

2017 Edition!
Apple Pie and Homeownership

8 in 10 part of their American Dream

9 in 10 want to own in the future
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