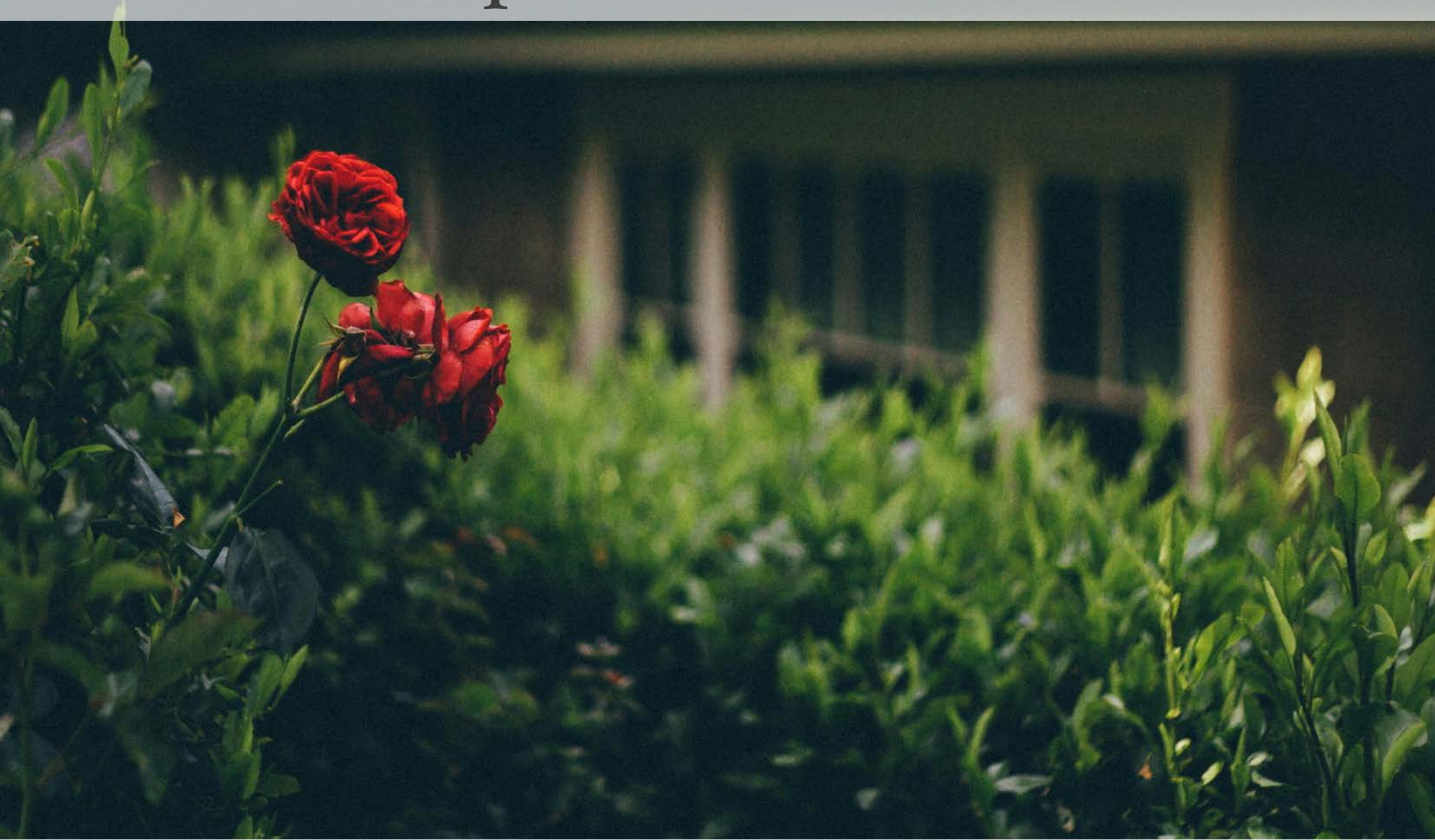


HOME Survey

Housing Opportunities and Market Experience

September 2016



National Association of REALTORS® Research Department

Introduction

The Housing Opportunities and Market Experience (HOME) report was created to monitor consumer sentiment about the housing market. This new report covers core topics that will be tracked on a monthly basis such as views on if now is a good time to buy or sell a home, the perception of home price changes, perceived ability to qualify for a mortgage, and the outlook on the U.S. economy.

Additionally, current topical trends are covered in the HOME survey. This quarter, survey respondents were asked what percent downpayment they believe they need to purchase a home, if they helped a child or family member with a downpayment, and if they received downpayment assistance from a family member to purchase a home.

On a monthly basis renters and homeowners are asked about their personal financial outlook which is indexed on a scale of 0 to 100. Data will be reported not only on ownership status, but by age, income, and type of geographic location.

Additional topics will be examined in depth on <http://economistsoutlook.blogs.realtor.org/> including whether housing as a good financial investment, whether homeownership is part of the American Dream, and if renters want to become homeowners.

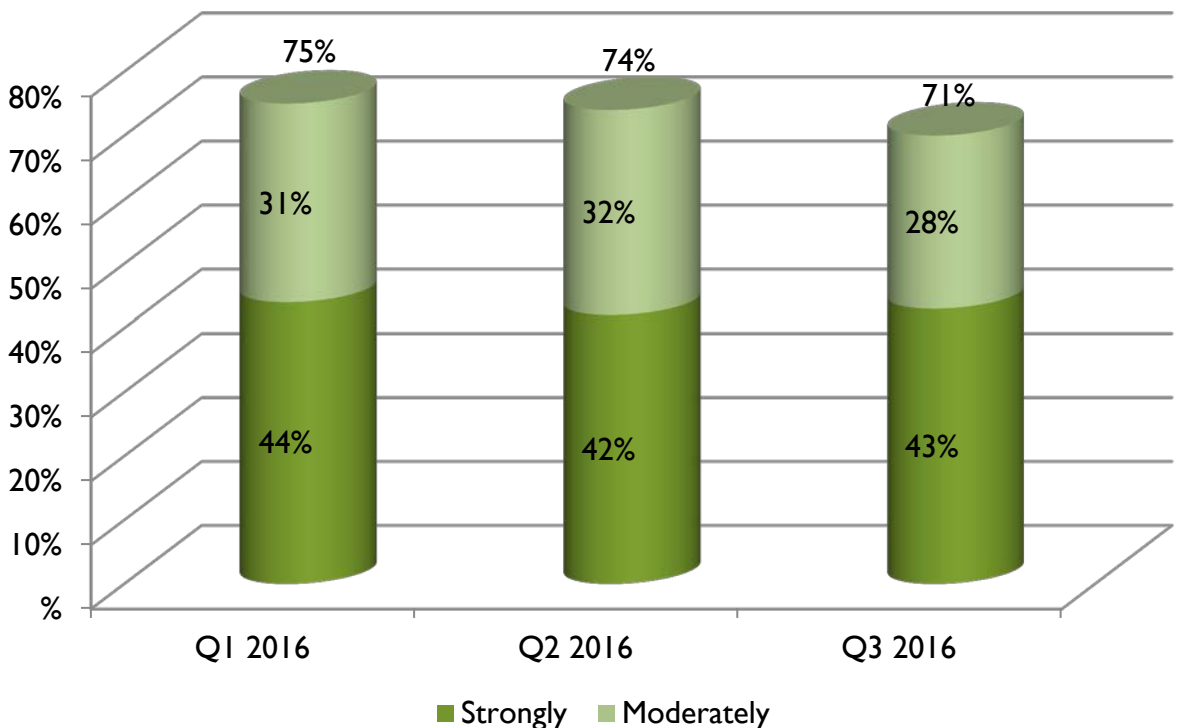
This HOME survey will be released on a quarterly basis. The next 2016 release date is:

- December 14, 2016

Good Time to Buy a Home

- In the third quarter of 2016, 71 percent of people believe that now is a good time to buy a home. Forty-three percent believe that strongly, up from 42 percent in Q2 2016.
- Only 29 percent of people believe that now is not a good time to buy a home.
- Across all groups surveyed, the majority feel that now is a good time to buy a home. Not surprisingly, with rapid home price acceleration, those who are currently renting or living with someone else, those who are under 34 years of age, and those who live in urban areas are less confident that now is a good time to buy.
- Three in four people who currently own a home, those over 45 years of age, those with incomes over \$50,000, and those in the Northwest, Midwest, and South believe that now is a good time to buy a home, which is consistent with Q1 and Q2 2016.

Good Time to Buy a Home, Strongly or Moderately



Good Time to Buy a Home

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
A Good Time	62%	70%	74%	76%	78%
Not a Good Time	38%	30%	26%	24%	22%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
A Good Time	66%	74%	76%
Not a Good Time	35%	26%	24%

Region:	Northeast	Midwest	South	West
A Good Time	72%	73%	73%	65%
Not a Good Time	28%	27%	27%	36%

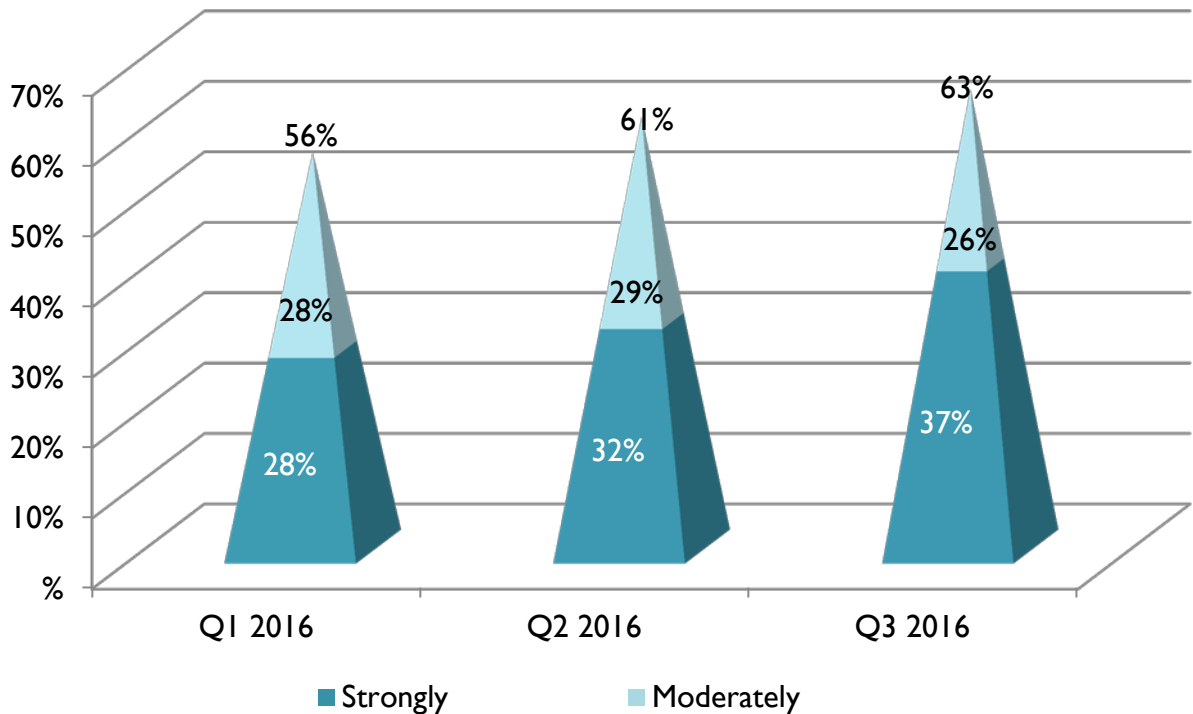
Location:	Rural	Suburban	Urban
A Good Time	76%	71%	68%
Not a Good Time	24%	30%	32%

Tenure:	Own	Rent	Live with someone
A Good Time	78%	60%	54%
Not a Good Time	22%	40%	46%

Good Time to Sell a Home

- Sixty-three percent of people believe that now is a good time to sell a home, up from 61 percent in Q2 2016. Thirty-seven percent believe that strongly, up from 32 percent in Q2 2016.
- Thirty-seven percent believe that now is not a good time to sell a home, down from 39 percent in Q2 2016.
- Those who are in the West are most likely to think now is a good time to sell a home. They conversely are also the least likely region to think now is a good time to buy a home, which is consistent with Q2 2016.

Now is Good Time To Sell, Strongly or Moderately



Good Time to Sell a Home

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
A Good Time	54%	63%	67%	68%	65%
Not a Good Time	46%	37%	33%	32%	35%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
A Good Time	55%	63%	71%
Not a Good Time	45%	37%	29%

Region:	Northeast	Midwest	South	West
A Good Time	57%	63%	61%	70%
Not a Good Time	41%	33%	37%	30%

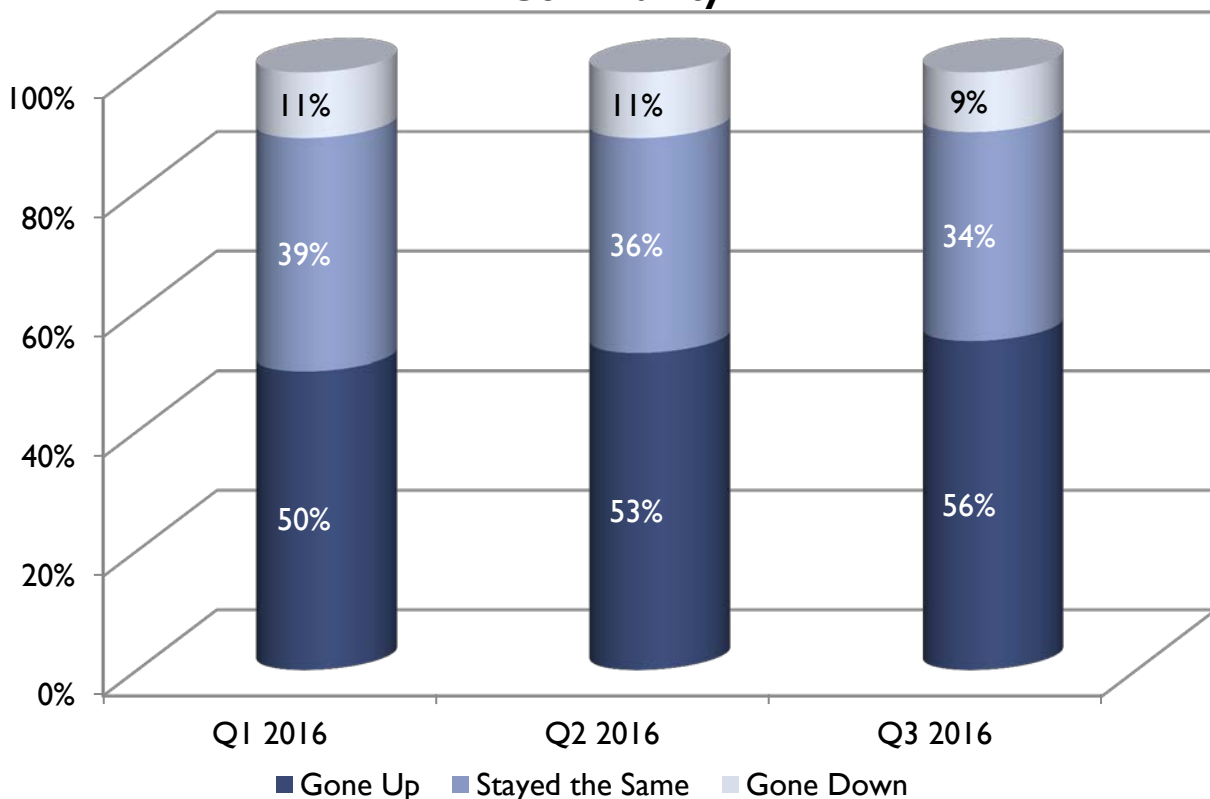
Location:	Rural	Suburban	Urban
A Good Time	56%	65%	64%
Not a Good Time	44%	35%	36%

Tenure:	Own	Rent	Live with someone
A Good Time	67%	56%	48%
Not a Good Time	33%	44%	52%

Home Prices in the Past 12 Months

- Fifty-six percent of people believe that within their communities prices have gone up in the last 12 months, which increased from 53 percent in Q2 2016. Thirty-four percent believe prices have stayed the same (down from 36 percent in Q2 2016) and nine percent believe prices have gone down.
- Those who are in the West, those with incomes over \$100,000, and those under 44 years in age are most likely to report that prices have increased in their communities.
- Fifty-eight percent of renters (up slightly from 57 percent in Q2 2016) compared to 57 percent of owners believe prices have increased in the last year.

Home Prices in the Last 12 Months In Local Community



Home Prices in the Past 12 Months

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
Gone Up	58%	58%	55%	55%	53%
Gone Down	7%	10%	11%	10%	9%
Stayed the Same	35%	33%	34%	35%	38%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
Gone Up	50%	56%	66%
Gone Down	10%	10%	7%
Stayed the Same	40%	33%	27%

Region:	Northeast	Midwest	South	West
Gone Up	50%	48%	55%	71%
Gone Down	11%	11%	9%	7%
Stayed the Same	38%	41%	36%	22%

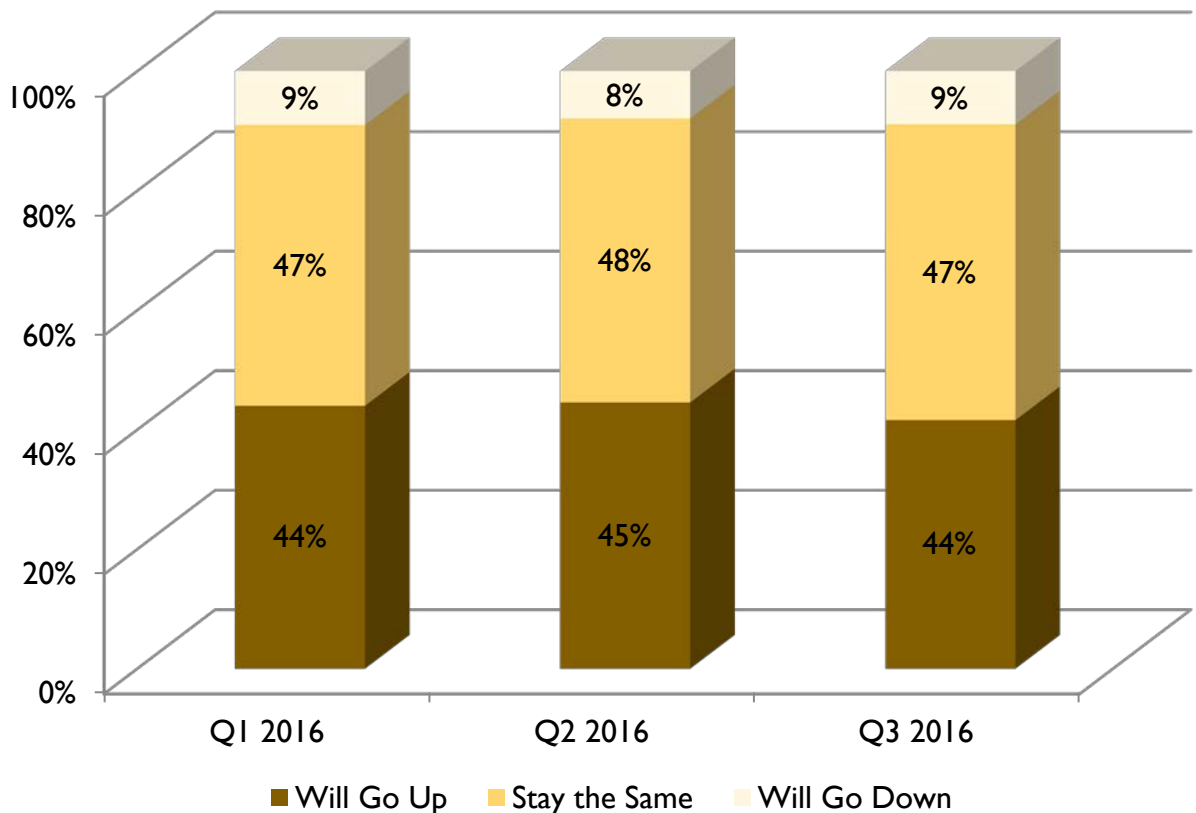
Location:	Rural	Suburban	Urban
Gone Up	43%	62%	59%
Gone Down	14%	8%	8%
Stayed the Same	44%	30%	33%

Tenure:	Own	Rent	Live with someone
Gone Up	57%	58%	50%
Gone Down	10%	7%	8%
Stayed the Same	33%	35%	42%

Home Prices in the Next Six Months

- Nearly half, 47 percent, of people believe that prices will stay the same in their communities in the next six months, which is consistent with Q2 2016. Forty-four percent believe prices will increase in the next six months and nine percent believe prices will go down in the next six months.
- Those who are in the West, in urban areas, and who rent are most likely to believe prices will go up in their communities.
- Fifty-one percent of renters compared to 41 percent of owners believe prices will increase in their communities in the next six months, which is consistent with Q2 2016.

Home Prices in the Next 6 Months In Local Community



Home Prices in the Next Six Months

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
Will Go Up	50%	44%	37%	40%	41%
Will Go Down	9%	10%	11%	9%	7%
Stay the Same	41%	46%	51%	51%	51%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
Will Go Up	44%	45%	42%
Will Go Down	10%	9%	8%
Stay the Same	45%	46%	50%

Region:	Northeast	Midwest	South	West
Will Go Up	39%	36%	45%	52%
Will Go Down	7%	10%	10%	9%
Stay the Same	54%	54%	45%	39%

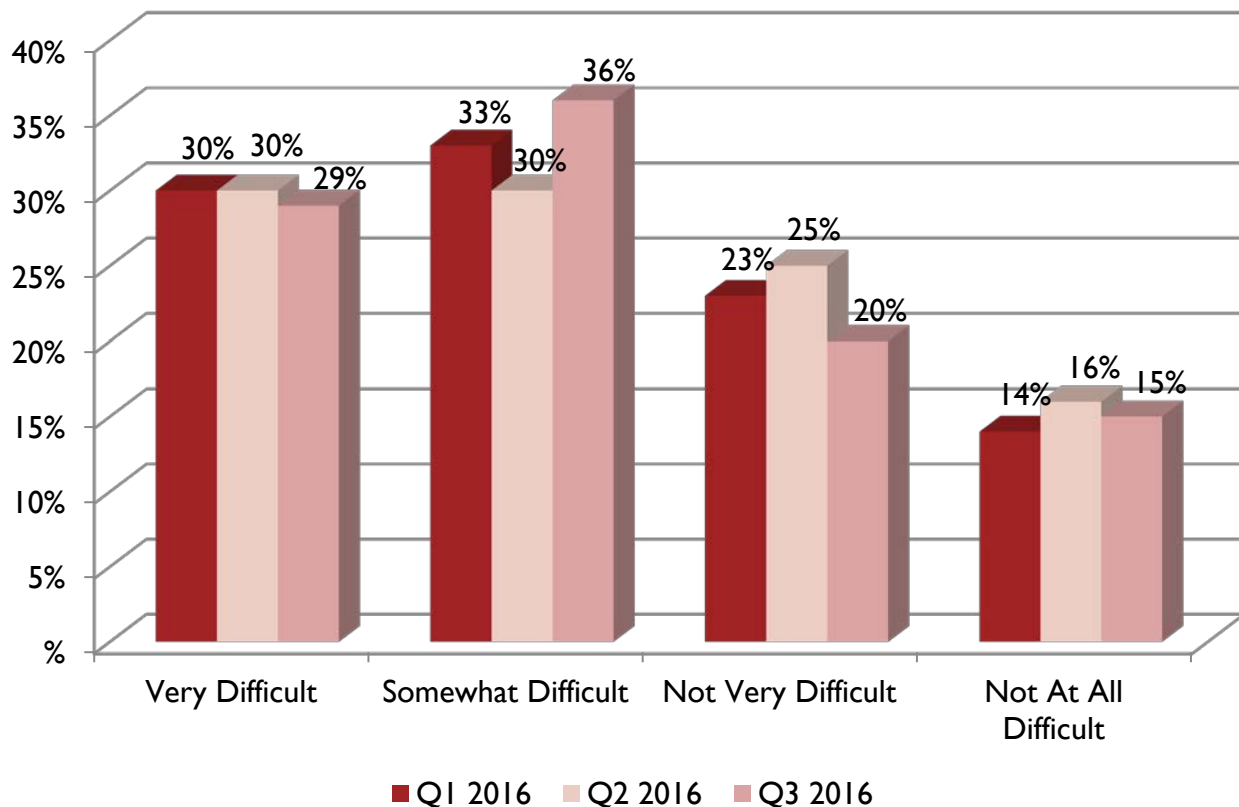
Location:	Rural	Suburban	Urban
Will Go Up	30%	47%	50%
Will Go Down	13%	8%	8%
Stay the Same	56%	45%	42%

Tenure:	Own	Rent	Live with someone
Will Go Up	41%	51%	44%
Will Go Down	10%	9%	9%
Stay the Same	50%	40%	47%

Qualify for a Mortgage

- Among those who currently do not own a home, 29 percent believe it would be very difficult (down from 30 percent in Q2 2016) and 36 percent believe it would be somewhat difficult (up from 30 percent in Q2 2016) to qualify for a mortgage given their current financial situation.
- Seventy-eight percent (up from 70 percent in Q2 2016) of those who make under \$50,000 believe it would be at least somewhat difficult to qualify for a mortgage compared to only 44 percent (up from 37 percent in Q2 2016) of those making over \$100,000.

With Household's Current Financial Situation, Perceived Difficulty Qualifying for a Mortgage



Qualify for a Mortgage

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
Very Difficult	27%	20%	36%	32%	50%
Somewhat Difficult	39%	41%	39%	25%	14%
Not Very Difficult	21%	25%	10%	19%	13%
Not At All Difficult	13%	14%	15%	24%	23%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
Very Difficult	37%	13%	23%
Somewhat Difficult	41%	32%	21%
Not Very Difficult	14%	32%	12%
Not At All Difficult	7%	23%	45%

Region:	Northeast	Midwest	South	West
Very Difficult	27%	20%	32%	33%
Somewhat Difficult	31%	41%	37%	34%
Not Very Difficult	21%	17%	22%	18%
Not At All Difficult	21%	22%	9%	15%

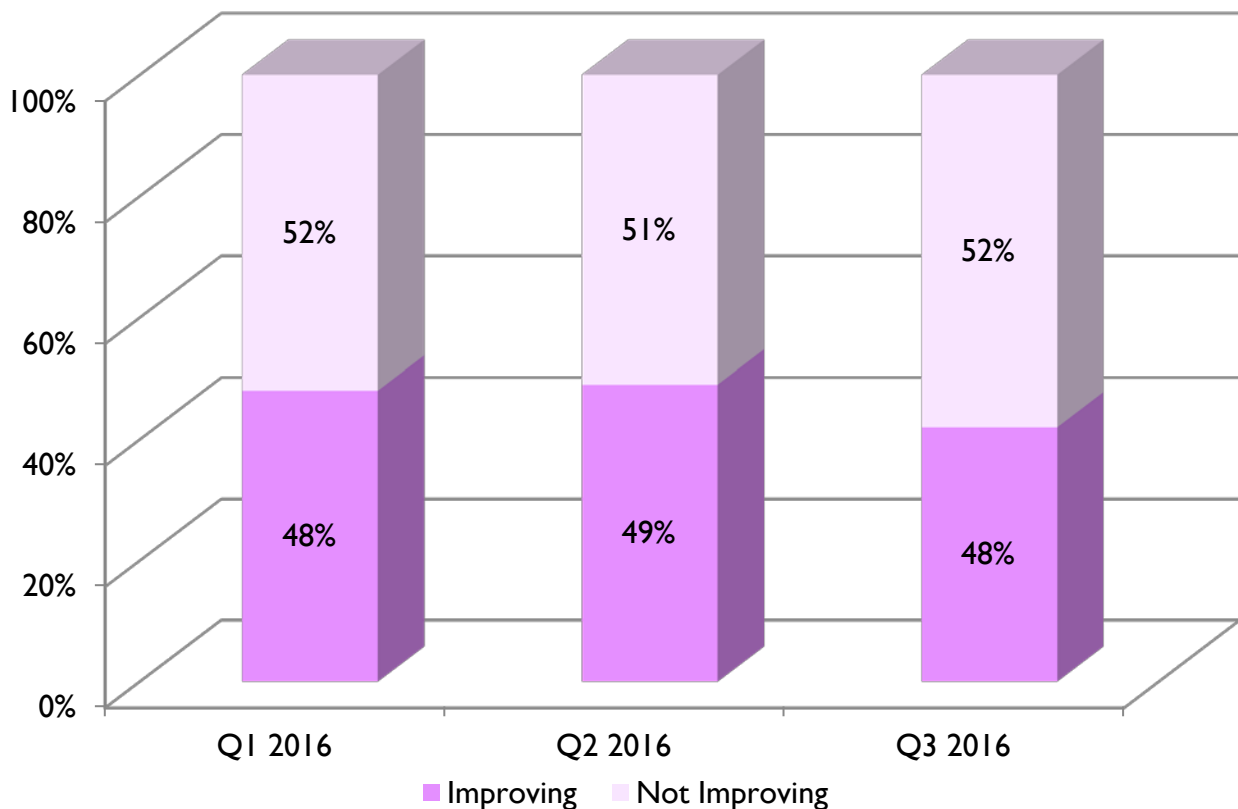
Location:	Rural	Suburban	Urban
Very Difficult	42%	27%	26%
Somewhat Difficult	31%	39%	36%
Not Very Difficult	11%	21%	23%
Not At All Difficult	16%	13%	16%

Tenure:	Rent	Live with someone
Very Difficult	29%	30%
Somewhat Difficult	34%	40%
Not Very Difficult	22%	15%
Not At All Difficult	15%	15%

Outlook on U.S. Economy

- Forty-eight percent of people believe the U.S. economy is improving, nearly flat from 49 percent in Q2 2016.
- Fifty-eight percent of those under 34 years of age believe the economy is improving, up from 56 in Q2 2016.
- Those who are renters and living with someone else are more optimistic than homeowners about the U.S. economy.
- Sixty-three percent of those in rural areas, and six in 10 people 45 and older do not believe the economy is improving.

Outlook on the U.S. Economy



Outlook on U.S. Economy

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
Improving	58%	53%	42%	41%	39%
Not Improving	42%	47%	58%	59%	61%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
Improving	46%	52%	49%
Not Improving	54%	49%	51%

Region:	Northeast	Midwest	South	West
Improving	49%	44%	48%	50%
Not Improving	51%	56%	52%	50%

Location:	Rural	Suburban	Urban
Improving	37%	50%	55%
Not Improving	63%	50%	45%

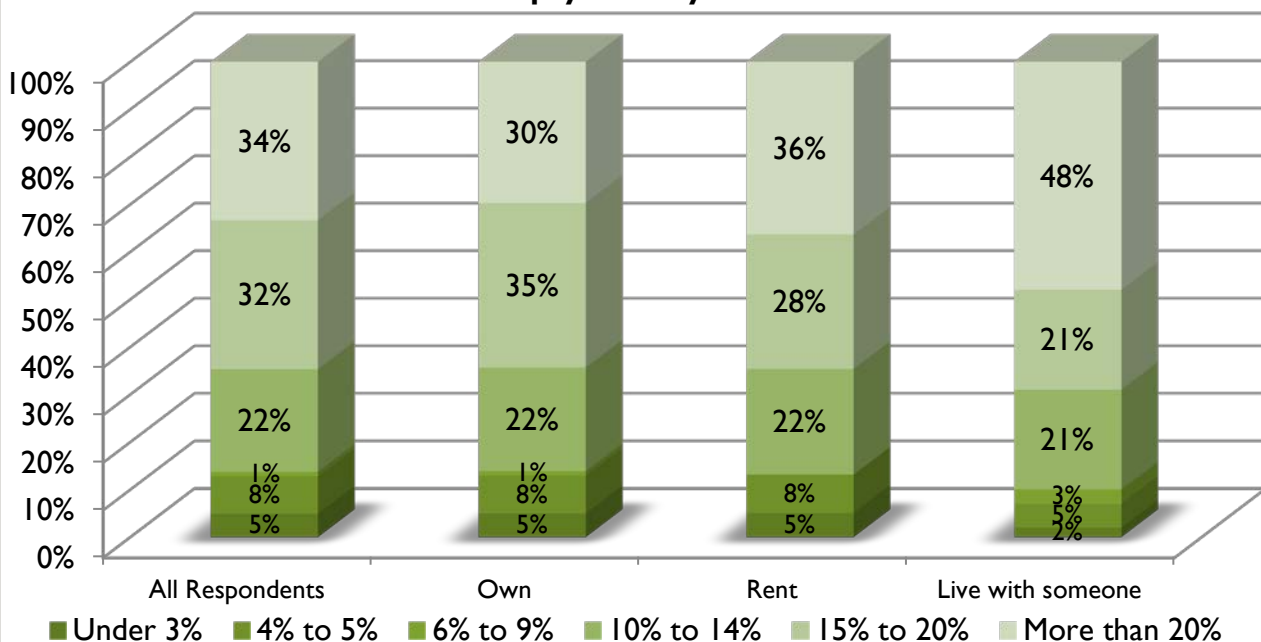
Tenure:	Own	Rent	Live with someone
Improving	44%	57%	50%
Not Improving	56%	44%	50%

Downpayment Expectations

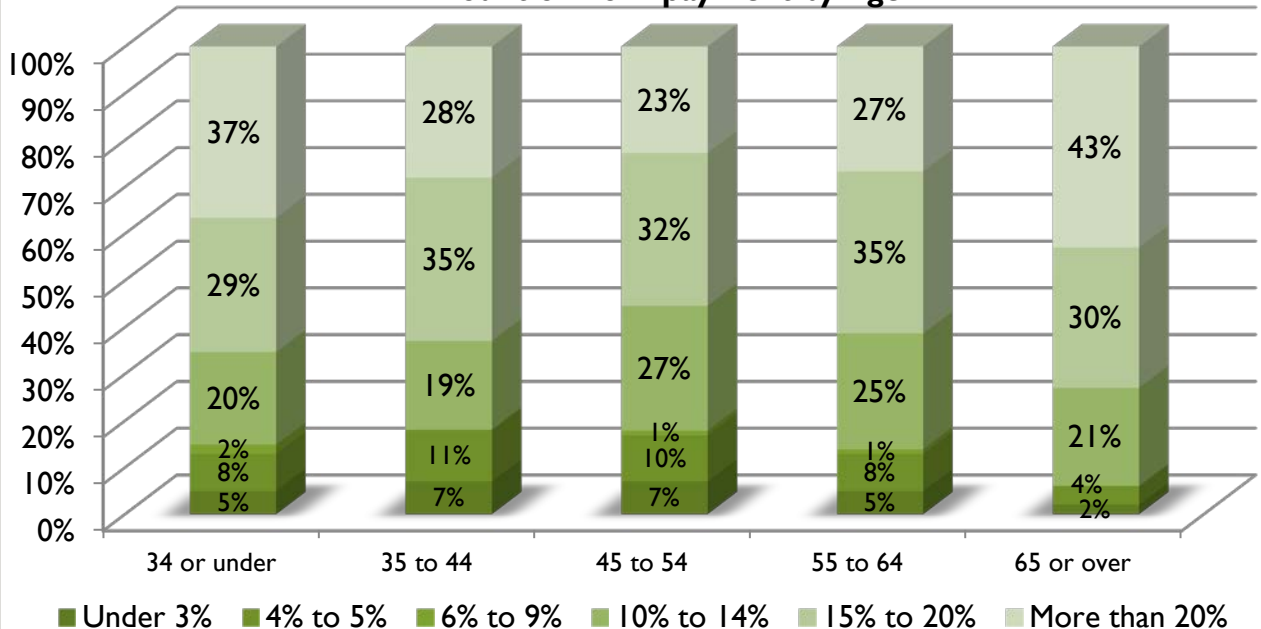
Survey respondents were asked a series of questions related to downpayments and the amount of downpayment they believe they need to purchase a home.

- Thirty-seven percent of those 34 years or younger believe they need more than 20 percent for a downpayment, and only 13 percent believe they need five percent or less.
- Respondent awareness of low downpayment mortgage options was minimal across all income and education brackets.

Downpayment by Tenure



Amount of Downpayment by Age



Downpayment Expectations

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
Under 3%	3%	7%	5%
4% to 5%	7%	10%	9%
6% to 9%	1%	1%	1%
10% to 14%	22%	24%	19%
15% to 20%	26%	32%	42%
More than 20%	41%	27%	25%

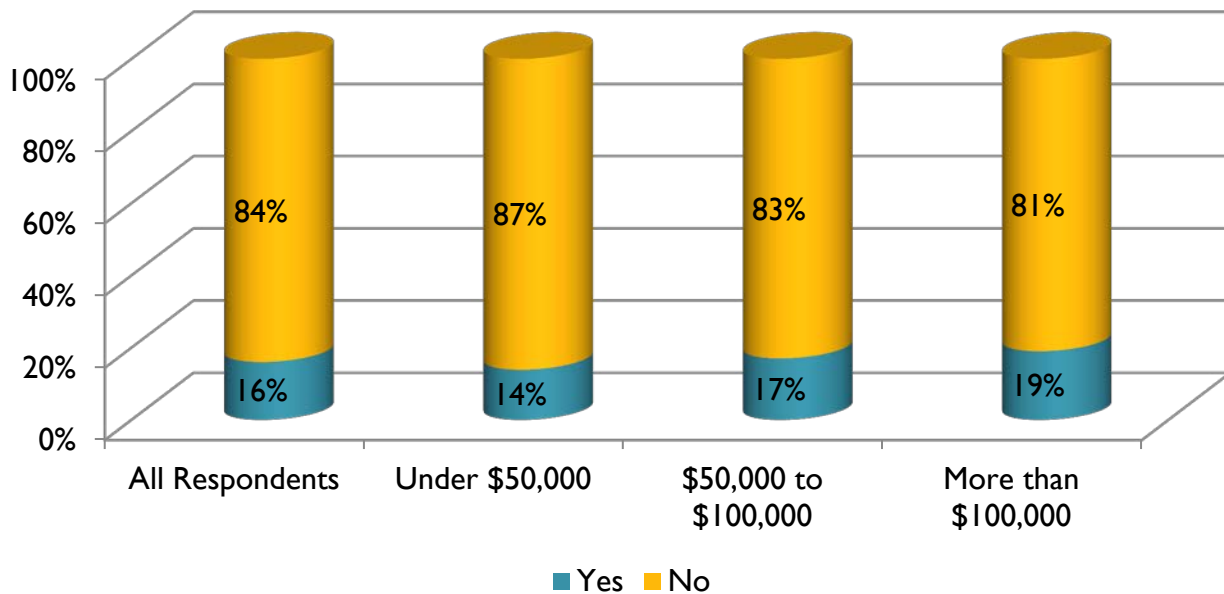
Education Status:	No college education	At least some college education
Under 3%	3%	5%
4% to 5%	8%	8%
6% to 9%	1%	1%
10% to 14%	20%	22%
15% to 20%	23%	34%
More than 20%	46%	30%

View on Ability to Qualify for a Mortgage:	Very difficult	Somewhat difficult	Not very difficult	Not at all difficult
Under 3%	4%	3%	6%	8%
4% to 5%	9%	6%	9%	8%
6% to 9%	2%	1%	1%	1%
10% to 14%	23%	23%	22%	22%
15% to 20%	20%	28%	29%	31%
More than 20%	42%	39%	32%	31%

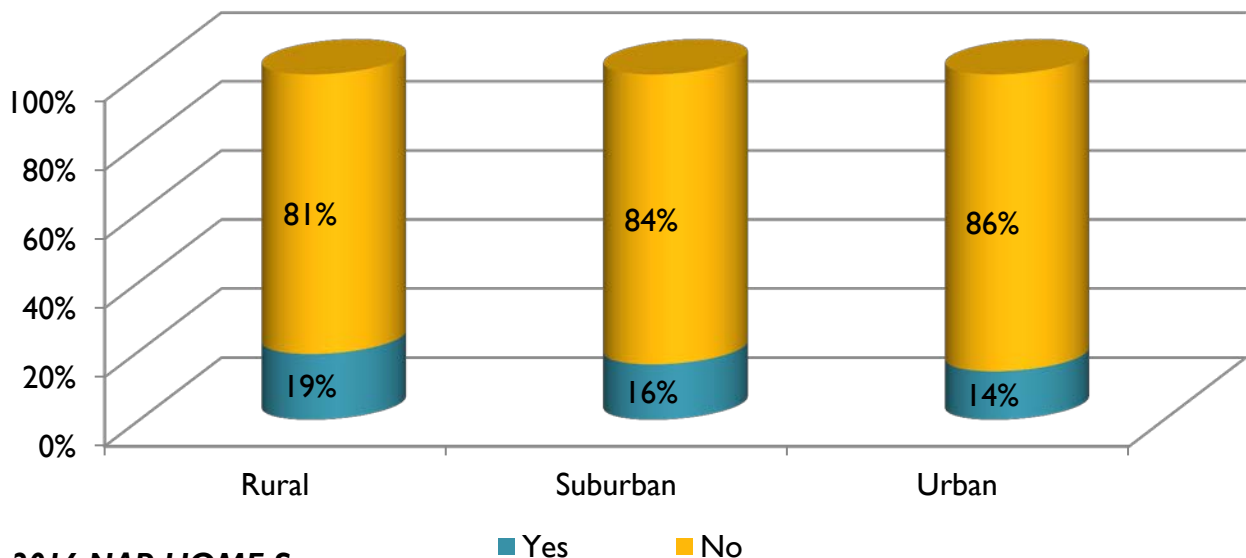
Helped Others with Downpayment

- Fourteen percent who make under \$50,000 helped a child or family member with the downpayment, compared to 19 percent of those who make more than \$100,000.
- Helping a child or family member with a downpayment is more common in rural areas at 19 percent compared to urban areas at 14 percent.

Helped Child or Family Member with Downpayment by Household Income



Helped Child or Family Member with Downpayment by Location



Helped Others with Downpayment

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
Yes	6%	10%	13%	23%	33%
No	94%	87%	87%	77%	67%

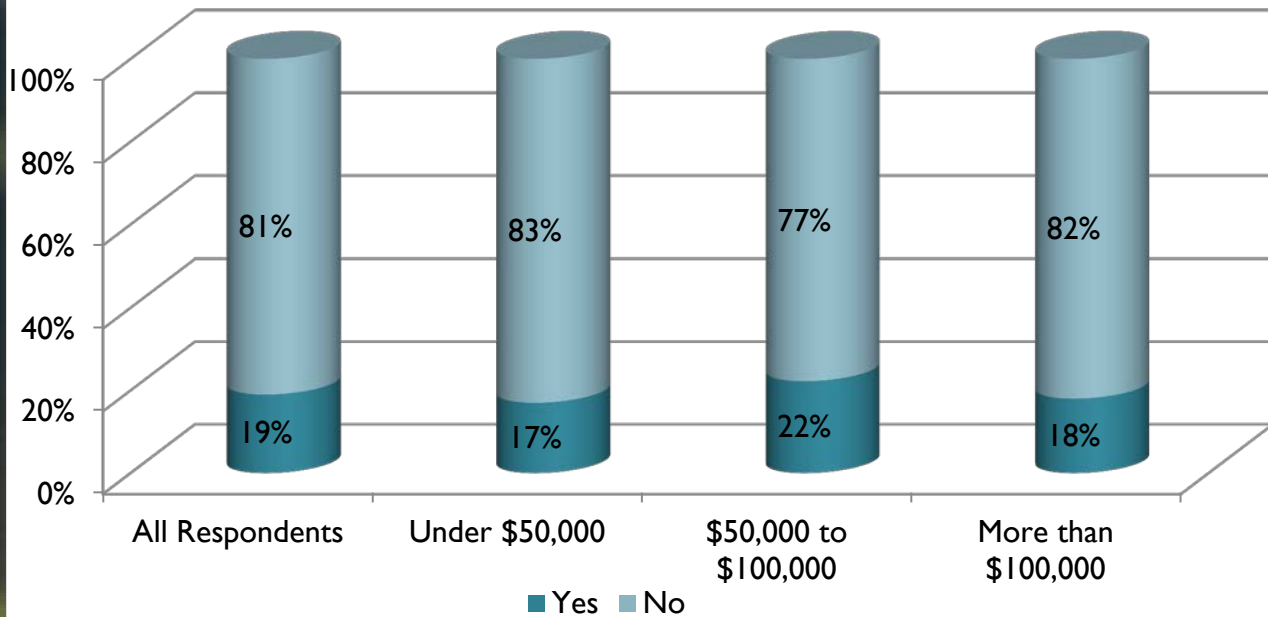
Region:	Northeast	Midwest	South	West
Yes	18%	16%	16%	16%
No	82%	84%	84%	84%

Tenure:	Own	Rent	Live with someone
Yes	20%	9%	10%
No	80%	91%	90%

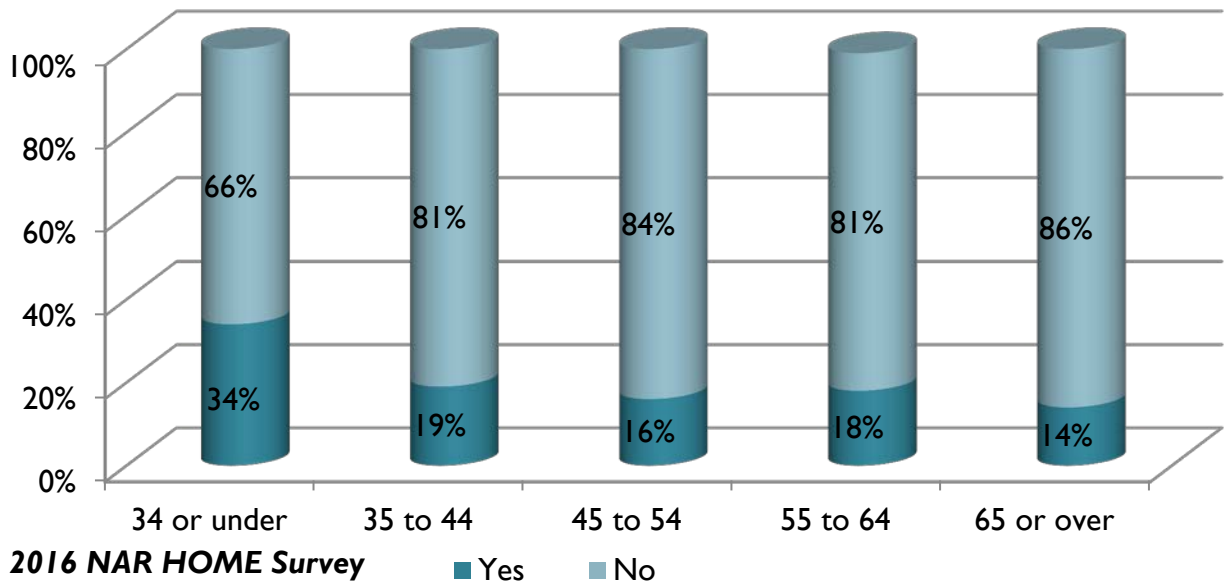
Received Downpayment Assistance From Family

- Thirty-four percent of those 34 and younger received downpayment assistance from a parent or relative compared to only 19 percent of those 35 to 44 years in age.
- Twenty-two percent of those who make \$50,000 to \$100,000 received downpayment assistance from a parent or relative.

Receive Downpayment Assistance From a Parent or Relative By Income



Received Downpayment Assistance From Parent or Relative By Age



Received Downpayment Assistance From Family

By Region:	Northeast	Midwest	South	West
Yes	24%	17%	17%	19%
No	75%	82%	82%	81%

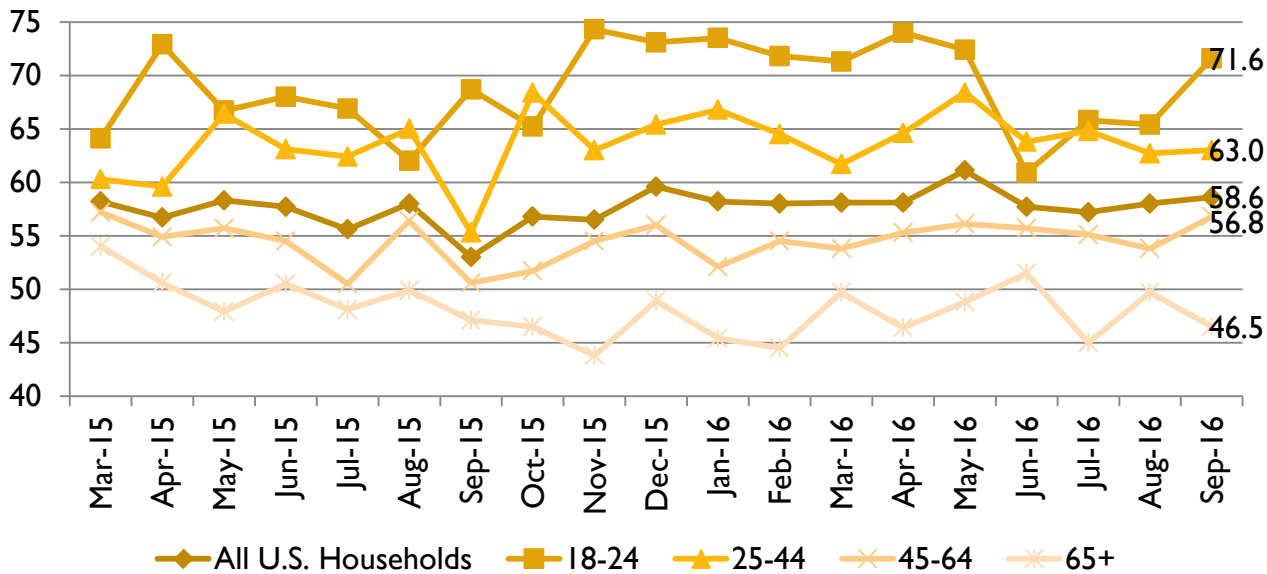
By Location:	Rural	Suburban	Urban
Yes	16%	19%	20%
No	83%	80%	79%

Education Status:	No college education	At least some college education
Yes	13%	20%
No	87%	80%

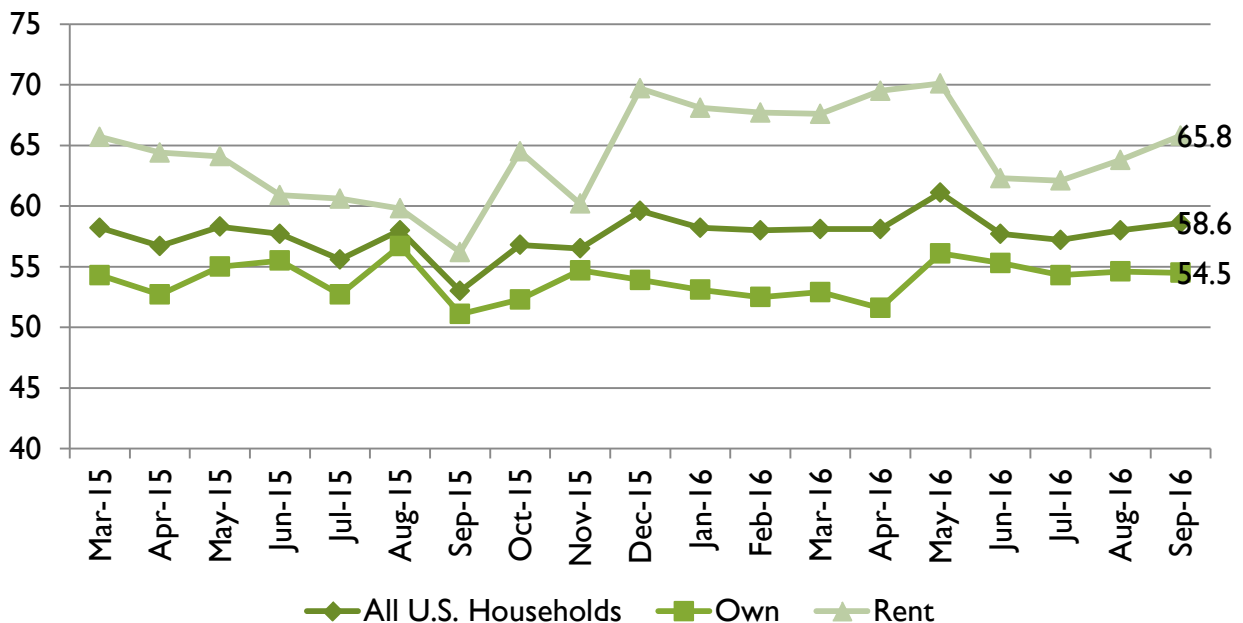
Personal Financial Outlook Index

Index ranges between 0 and 100: 0 = all respondents believe their personal financial situation will be worse in 6 months; 50 = all respondents believe their personal financial situation will be about the same in 6 months; 100 = all respondents believe their personal situation will be better in 6 months.

Personal Financial Outlook by Age of Household Head



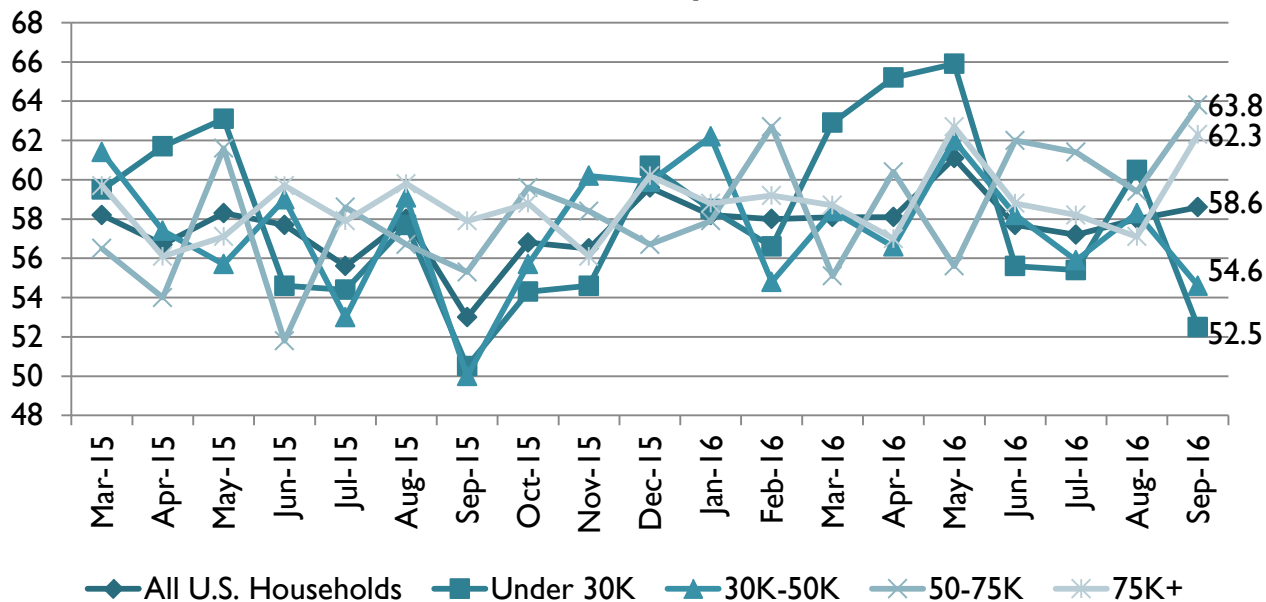
Personal Financial Outlook by Owners or Renters



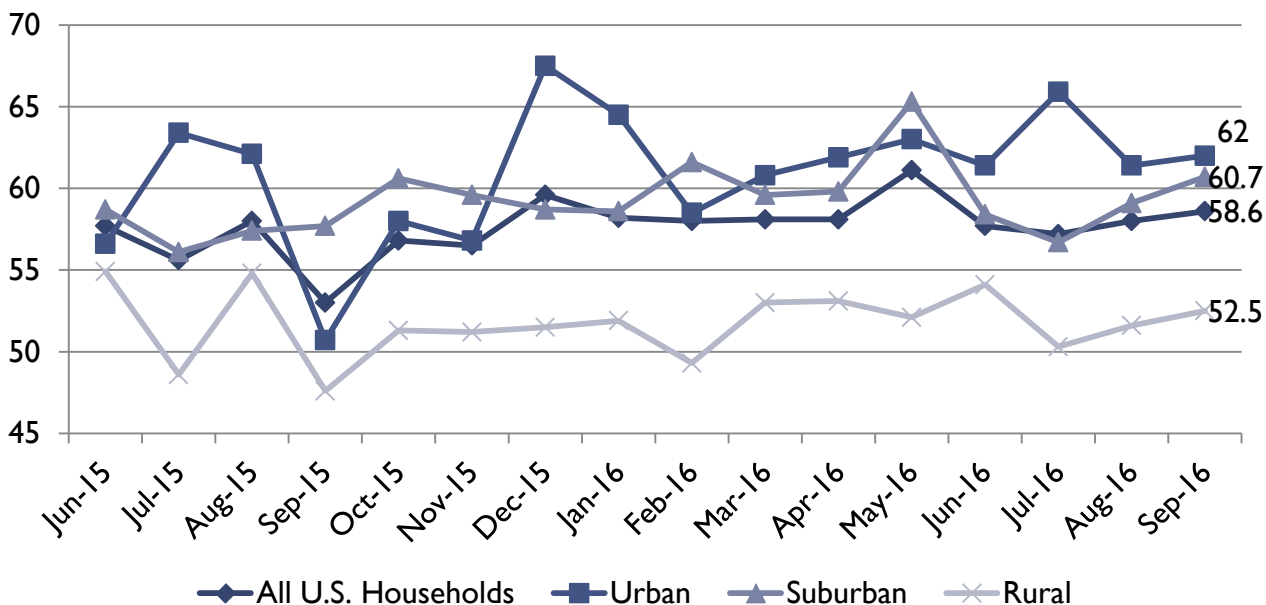
Personal Financial Outlook Index

Index ranges between 0 and 100: 0 = all respondents believe their personal financial situation will be worse in 6 months; 50 = all respondents believe their personal financial situation will be about the same in 6 months; 100 = all respondents believe their personal situation will be better in 6 months.

Personal Financial Outlook by Household Income



Personal Financial Outlook by Area





Methodology

The survey was conducted by an established survey research firm, TechnoMetrica Market Intelligence. Each month, July through September 2016, a sample of U.S. households was surveyed via random-digit dial, including cell phones and land lines. Using a computer-assisted telephone interviewing (CATI) system, TechnoMetrica conducts interviews from their call center in Ramsey, NJ.

Regional quotas are used, based on four census regions and nine census divisions.

Each month approximately 900 qualified households responded to the survey. The data compiled for this report and is based on 2,761 completed telephone interviews. For monthly results, the margin of error for the survey is +/-3.3 percentage points at the 95% confidence level.



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RESEARCH DIVISION**

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