

# HOME Survey

## Housing Opportunities and Market Experience

December 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 how many times a year they hosted family and friends for holidays, weekend get-togethers, and special occasions, whether moving near family is important, and if they had or were thinking about upgrading or remodeling their home to accommodate friends and family for gatherings.

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.

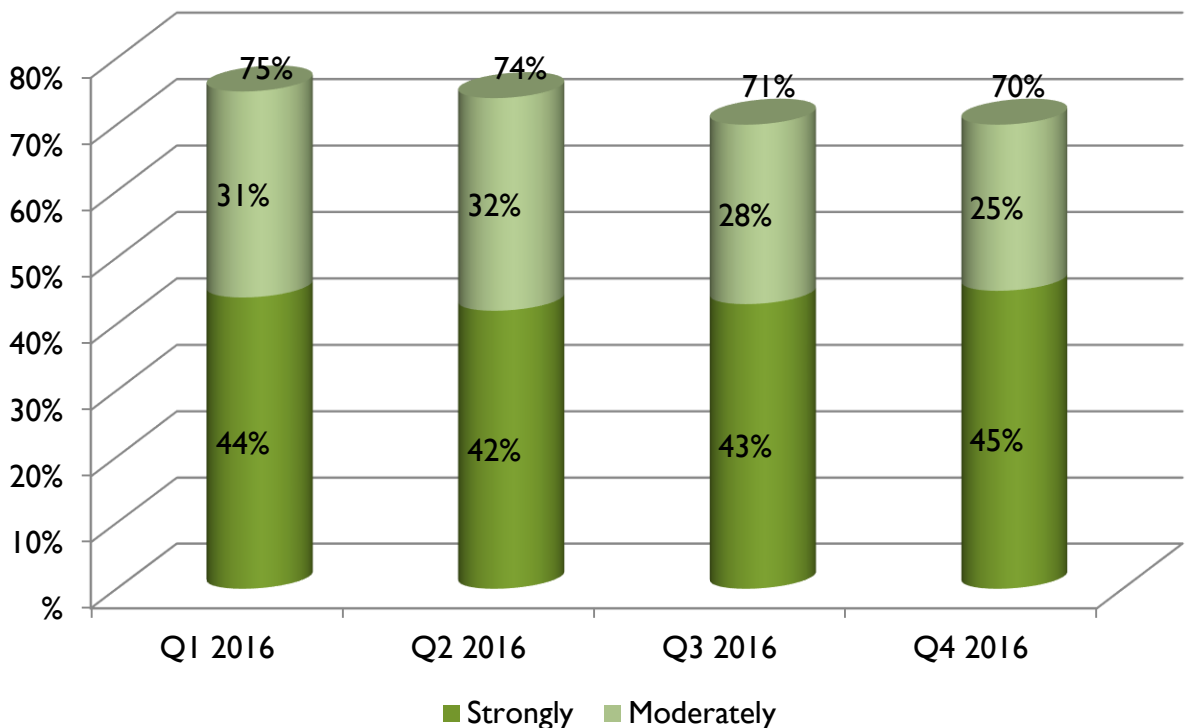
Additional topics will be examined in depth on <http://economistsoutlook.blogs.realtor.org/> including whether housing as a good financial investment, whether homeownership is part of the American Dream, and if renters want to become homeowners.

This HOME survey will be released on a quarterly basis.

# Good Time to Buy a Home

- In the fourth quarter of 2016, 70 percent of people believe that now is a good time to buy a home. Forty-five percent believe that strongly, up from 43 percent in Q3 2016.
- Only 30 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.
- Nearly 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 Midwest and South believe that now is a good time to buy a home, which is consistent with Q1, Q2, and Q3 of 2016.

## Good Time to Buy a Home, Strongly or Moderately



# Good Time to Buy a Home

<b>Age:</b>	<b>34 or under</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 or over</b>
A Good Time	62%	69%	73%	72%	79%
Not a Good Time	38%	31%	27%	28%	22%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
A Good Time	62%	75%	78%
Not a Good Time	38%	25%	22%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
A Good Time	68%	77%	73%	59%
Not a Good Time	32%	23%	27%	41%

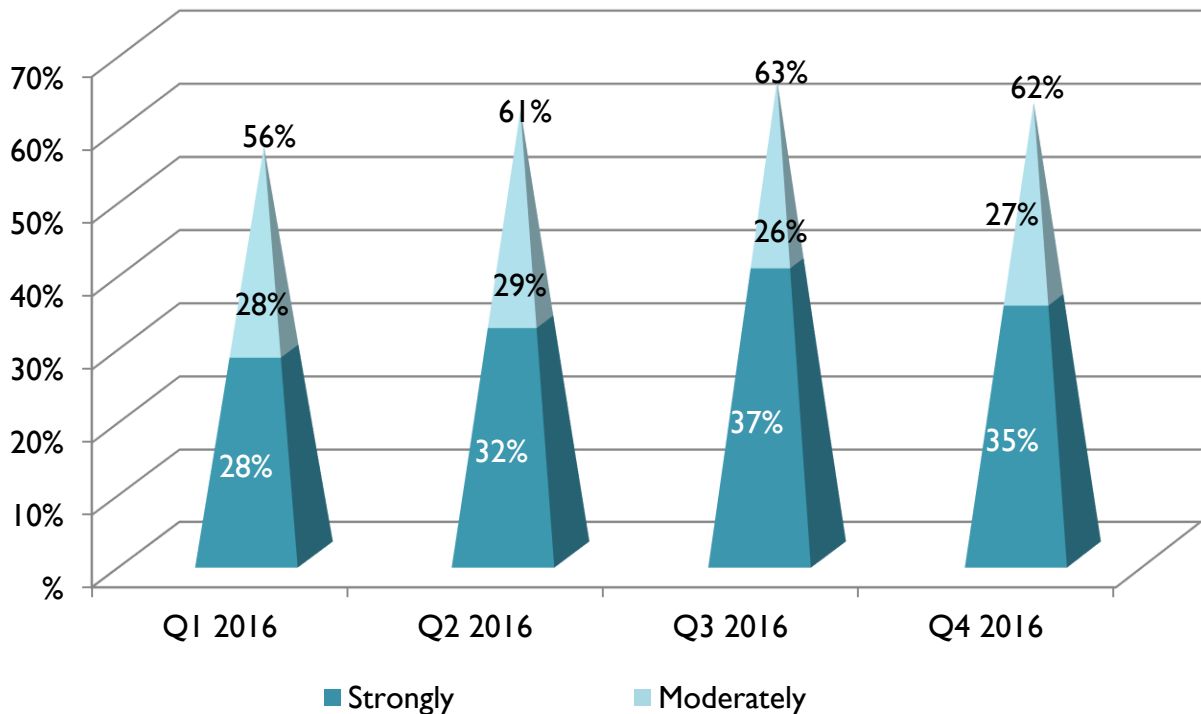
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
A Good Time	71%	74%	63%
Not a Good Time	29%	26%	37%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
A Good Time	78%	57%	49%
Not a Good Time	22%	43%	51%

# Good Time to Sell a Home

- Sixty-two percent of people believe that now is a good time to sell a home. Thirty-five percent believe that strongly, down from 37 percent in Q3 2016.
- Thirty-eight percent believe that now is not a good time to sell a home.
- 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 Q3 2016.

## Now is Good Time To Sell, Strongly or Moderately



# Good Time to Sell a Home

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<b>Age:</b>	<b>34 or under</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 or over</b>
A Good Time	57%	61%	65%	65%	67%
Not a Good Time	43%	40%	35%	35%	33%

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<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
A Good Time	54%	66%	73%
Not a Good Time	46%	34%	27%

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<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
A Good Time	56%	62%	62%	69%
Not a Good Time	44%	38%	38%	31%

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<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
A Good Time	55%	67%	61%
Not a Good Time	45%	33%	39%

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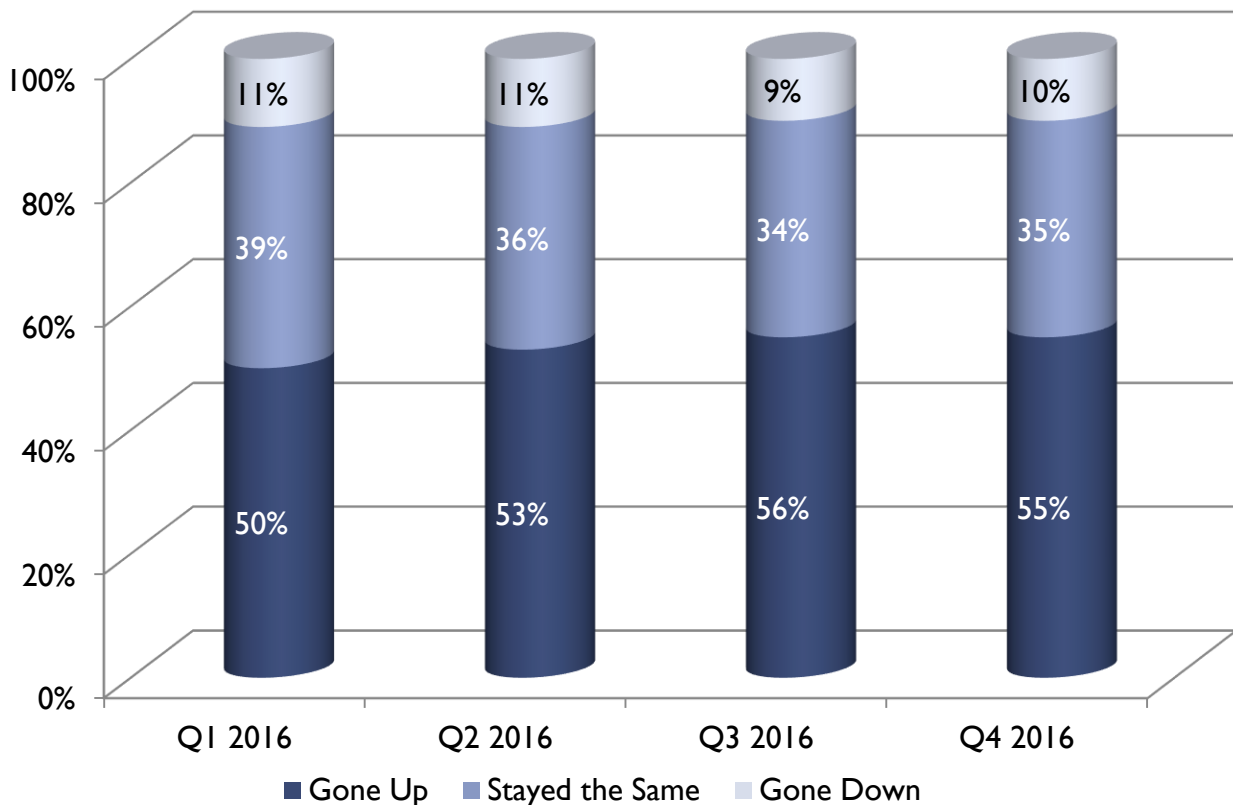
<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
A Good Time	67%	55%	54%
Not a Good Time	33%	45%	46%

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# Home Prices in the Past 12 Months

- Fifty-five percent of people believe that within their communities prices have gone up in the last 12 months. Thirty-five percent believe prices have stayed the same and 10 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-six percent of renters (down from 58 percent in Q3 2016) compared to 55 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

<b>Age:</b>	<b>34 or under</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 or over</b>
Gone Up	59%	56%	52%	55%	53%
Gone Down	9%	8%	11%	9%	11%
Stayed the Same	32%	36%	38%	37%	36%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Gone Up	51%	56%	64%
Gone Down	11%	9%	8%
Stayed the Same	38%	36%	29%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Gone Up	45%	49%	54%	72%
Gone Down	10%	12%	10%	7%
Stayed the Same	45%	39%	37%	21%

<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Gone Up	42%	59%	61%
Gone Down	14%	8%	8%
Stayed the Same	43%	33%	30%

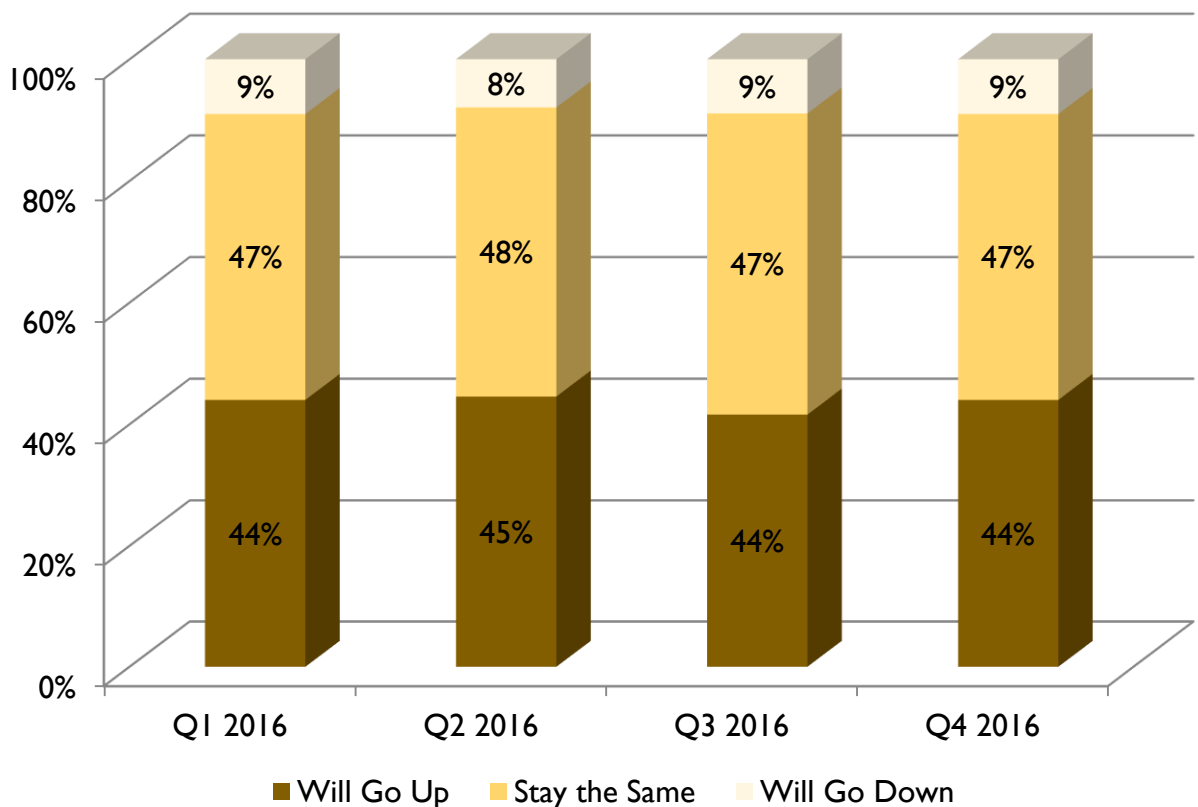
<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Gone Up	55%	56%	61%
Gone Down	11%	9%	4%
Stayed the Same	35%	36%	36%



# 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 Q3 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 suburban areas, and those that live with someone are most likely to believe prices will go up in their communities.

**Home Prices in the Next 6 Months In Local Community**



# Home Prices in the Next Six Months

<b>Age:</b>	<b>34 or under</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 or over</b>
Will Go Up	48%	44%	40%	41%	41%
Will Go Down	13%	6%	9%	8%	5%
Stay the Same	39%	50%	51%	51%	54%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Will Go Up	42%	44%	47%
Will Go Down	9%	8%	8%
Stay the Same	49%	48%	45%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Will Go Up	35%	38%	45%	54%
Will Go Down	9%	8%	8%	11%
Stay the Same	56%	55%	47%	35%

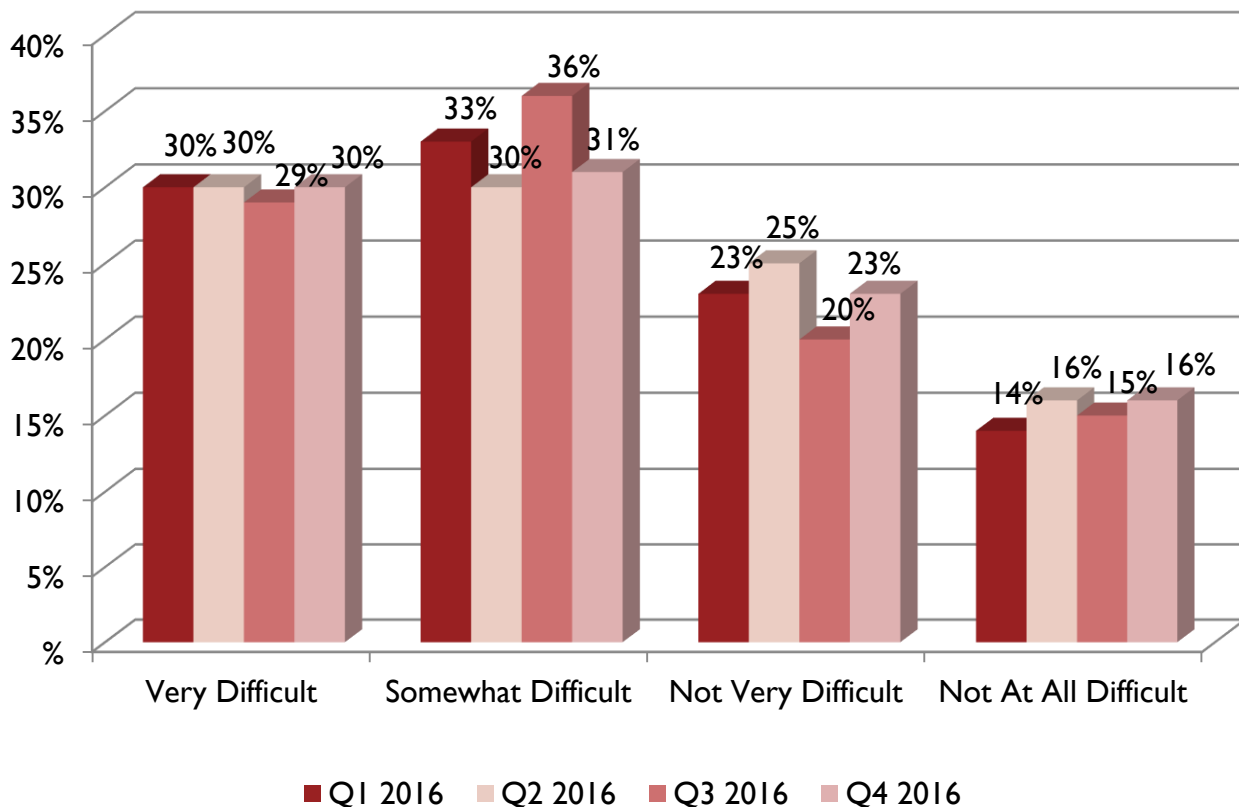
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Will Go Up	36%	46%	45%
Will Go Down	9%	7%	11%
Stay the Same	55%	47%	42%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Will Go Up	43%	44%	52%
Will Go Down	8%	11%	9%
Stay the Same	50%	45%	39%

# Qualify for a Mortgage

- Among those who currently do not own a home, 30 percent believe it would be very difficult (up from 29 percent in Q3 2016) and 31 percent believe it would be somewhat difficult (down from 36 percent in Q3 2016) to qualify for a mortgage given their current financial situation.
- Seventy-six percent (down from 78 percent in Q3 2016) of those who make under \$50,000 believe it would be at least somewhat difficult to qualify for a mortgage compared to only 15 percent (down from 44 percent in Q3 2016) of those making over \$100,000.

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



# Qualify for a Mortgage

<b>Age:</b>	<b>34 or under</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 or over</b>
Very Difficult	24%	35%	37%	41%	35%
Somewhat Difficult	34%	29%	31%	26%	16%
Not Very Difficult	24%	24%	24%	13%	16%
Not At All Difficult	18%	13%	8%	19%	33%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Very Difficult	41%	15%	5%
Somewhat Difficult	35%	33%	10%
Not Very Difficult	17%	29%	36%
Not At All Difficult	7%	23%	49%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Very Difficult	28%	25%	35%	29%
Somewhat Difficult	32%	28%	27%	37%
Not Very Difficult	24%	21%	26%	19%
Not At All Difficult	16%	26%	12%	15%

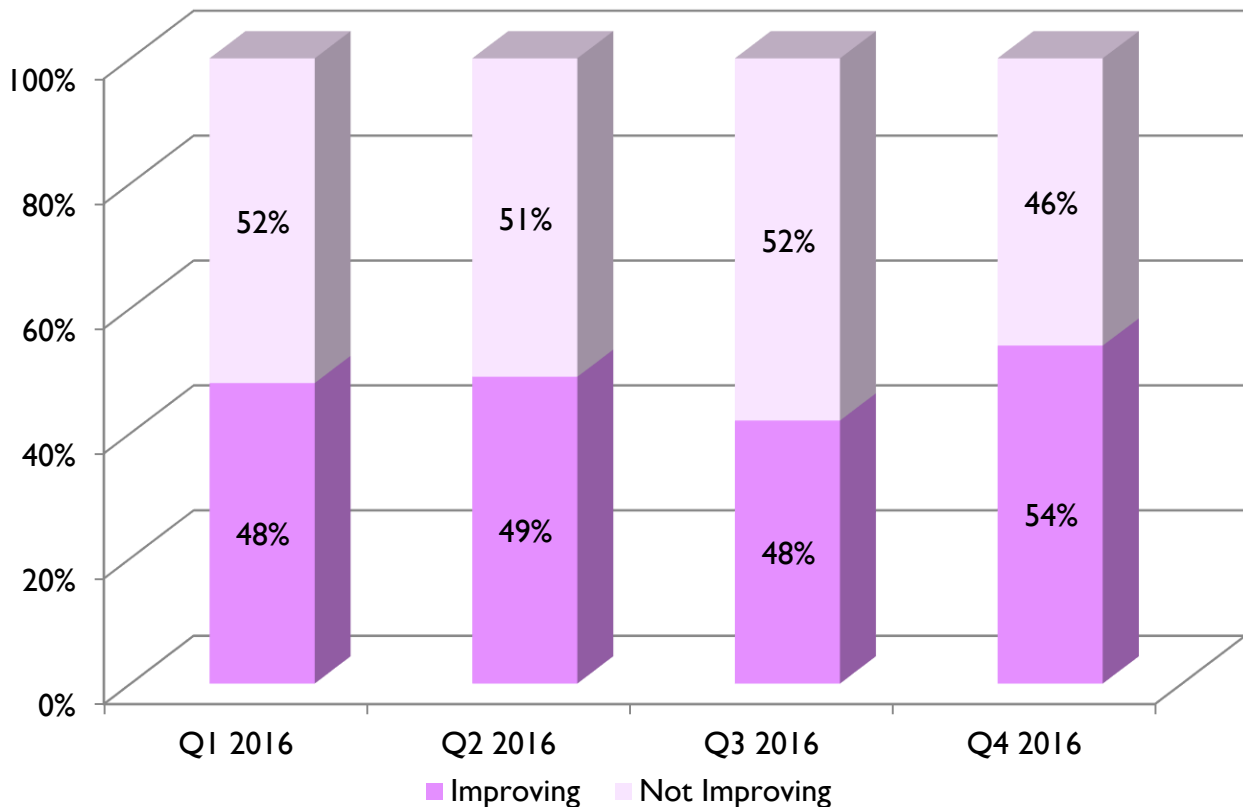
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Very Difficult	37%	25%	33%
Somewhat Difficult	28%	33%	30%
Not Very Difficult	21%	23%	22%
Not At All Difficult	15%	19%	14%

<b>Tenure:</b>	<b>Rent</b>	<b>Live with someone</b>
Very Difficult	28%	35%
Somewhat Difficult	31%	31%
Not Very Difficult	23%	21%
Not At All Difficult	18%	12%

# Outlook on U.S. Economy

- Fifty-four percent of people believe the U.S. economy is improving, up from 48 percent in Q3 2016.
- Sixty-two percent of those under 34 years of age believe the economy is improving, up from 58 percent in Q3 2016.
- Those who are renters and living with someone else are more optimistic than homeowners about the U.S. economy.
- Fifty-eight percent of those in rural areas (down from 63 percent in Q3 2016), 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

<b>Age:</b>	<b>34 or under</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 or over</b>
Improving	62%	59%	49%	48%	46%
Not Improving	38%	41%	51%	52%	54%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Improving	52%	56%	57%
Not Improving	48%	44%	43%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Improving	58%	51%	53%	54%
Not Improving	42%	49%	47%	46%

<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Improving	43%	55%	61%
Not Improving	58%	45%	39%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Improving	50%	62%	54%
Not Improving	50%	38%	46%

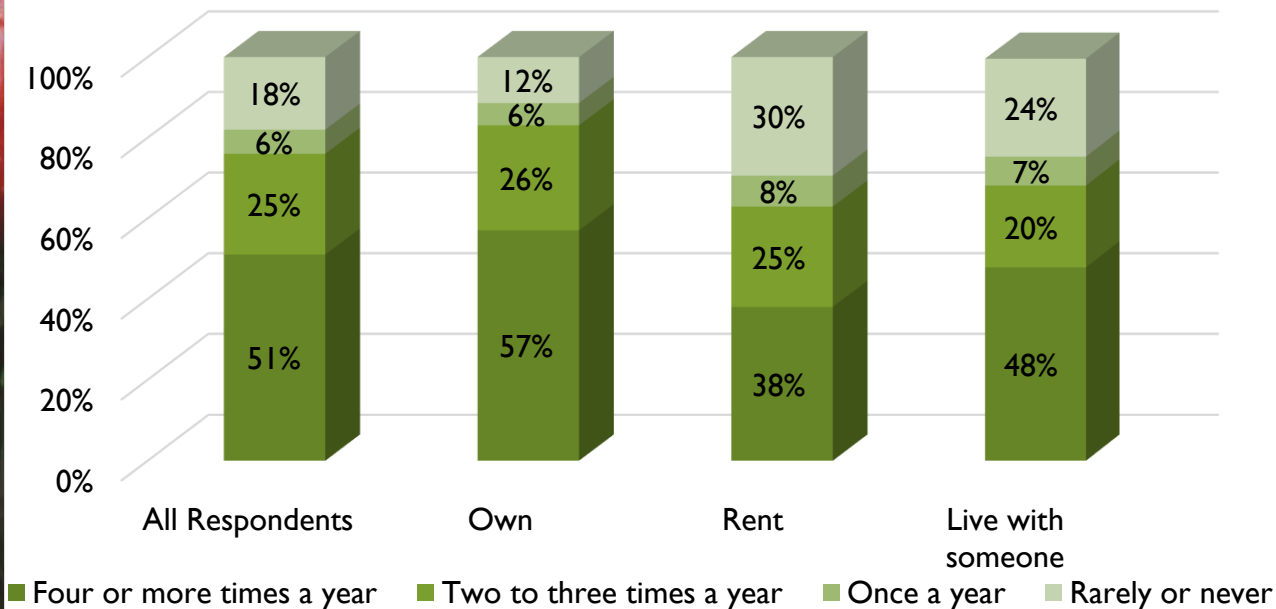
# Family & Friends Gathering

Survey respondents were asked questions related to how frequently family and friends gathered at their home for holidays, weekend get-togethers, and special occasions.

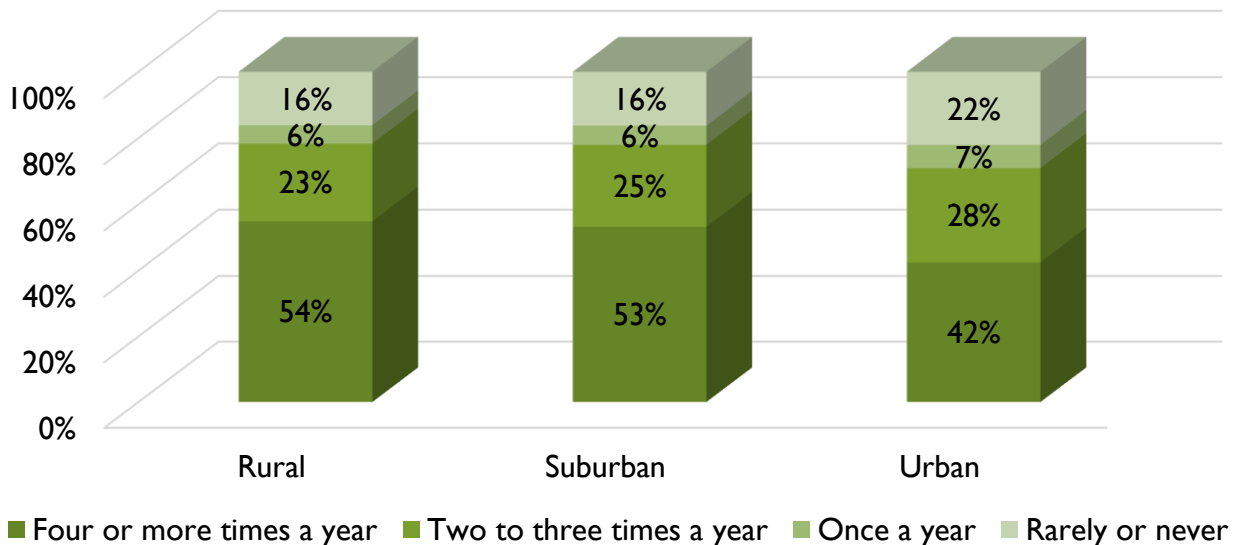
Fifty-seven percent of those own their own home host family and friends four or more times a year.

- Respondent in rural areas and in the Northeast and Midwest, were slightly more likely to host family and friends more frequently.

### Frequency of Gatherings at Home by Tenure



### Frequency of Gatherings at Home by Location



# Family & Friends Gathering

<b>Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Four or more times a year	43%	52%	64%
Two to three times a year	25%	29%	23%
Once a year	7%	5%	5%
Rarely or never	25%	15%	9%

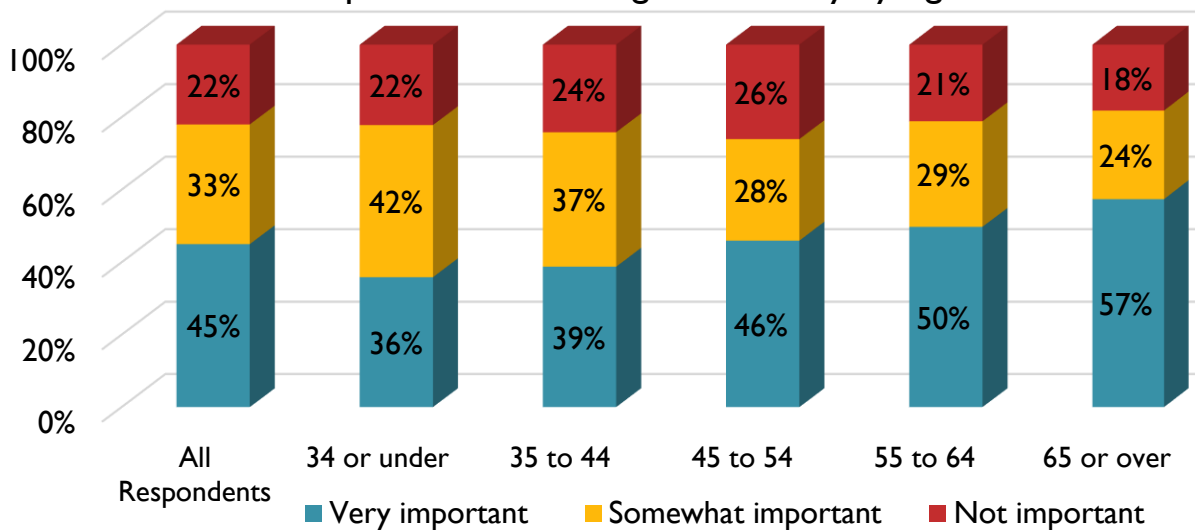
<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Four or more times a year	52%	52%	48%	52%
Two to three times a year	24%	26%	27%	23%
Once a year	7%	4%	8%	5%
Rarely or never	17%	17%	17%	20%



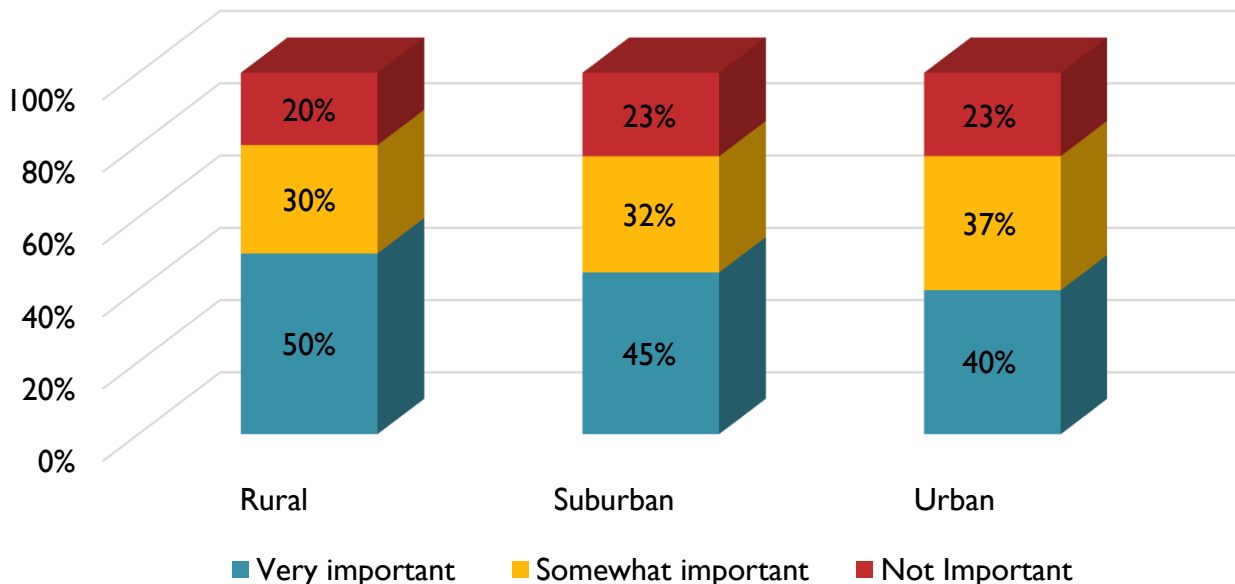
# Importance of Moving Near Family

- Seventy-eight percent of all respondents said moving near family is at least somewhat important. The importance of moving near family increased with age and is nearly identical across location.
- The importance of moving near family is virtually identical across income brackets and across all regions. Moving near family was very important to owners at 49 percent compared to 37 percent of renters.

Importance of Moving Near Family by Age



Importance of Moving Near Family by Location



# Importance of Moving Near Family

<b>Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Very Important	46%	44%	43%
Somewhat Important	32%	33%	36%
Not Important	22%	23%	20%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Very Important	45%	47%	43%	46%
Somewhat Important	33%	34%	32%	33%
Not Important	22%	20%	25%	21%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with Someone</b>
Very important	49%	37%	39%
Somewhat important	30%	37%	39%
Not important	21%	26%	23%

# Upgrades and Remodeling Home to Accommodate Friends and Family For Gathering Place

- Forty-three percent of all respondents by age and location upgrade or remodeled their home within the last few years. Forty-five percent said they do not have plans to upgrade or remodel.

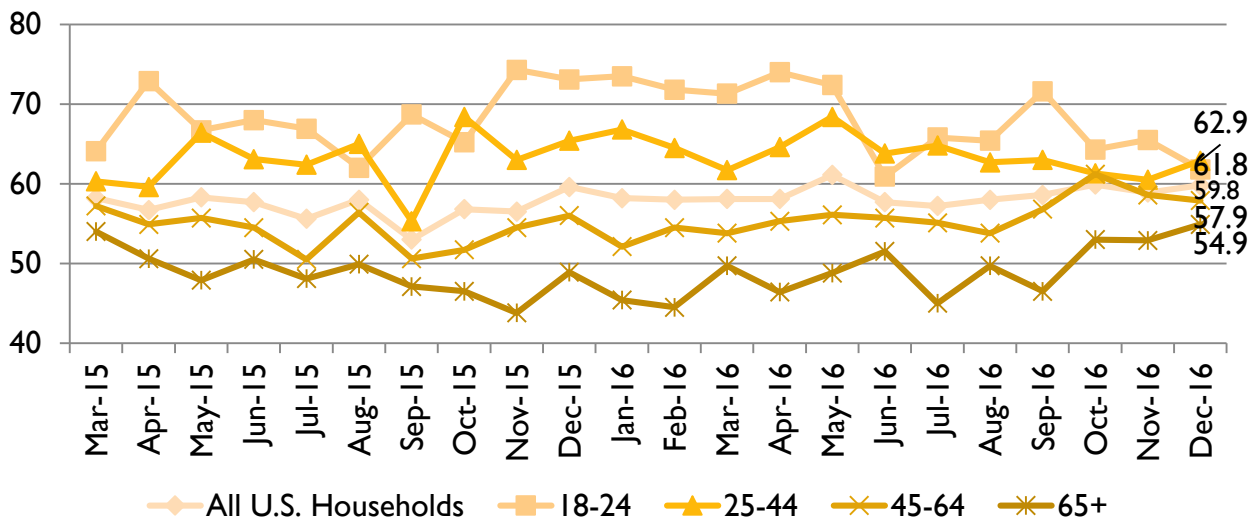
Age:	All Respondents	34 or under	35 to 44	45 to 54	55 to 64	65 or over
Have not upgraded or remodeled and do not have plans to do so	45%	52%	42%	41%	41%	46%
Upgraded or remodeled within the past year	23%	22%	23%	23%	25%	21%
Upgraded or remodeled more than one year ago	20%	11%	21%	21%	26%	28%
Plan to upgrade in 2017	18%	14%	23%	23%	17%	13%

Location:	Rural	Suburban	Urban
Have not upgraded or remodeled and do not have plans to do so	43%	43%	50%
Upgraded or remodeled within the past year	25%	24%	21%
Upgraded or remodeled more than one year ago	25%	20%	18%
Plan to upgrade in 2017	22%	15%	12%

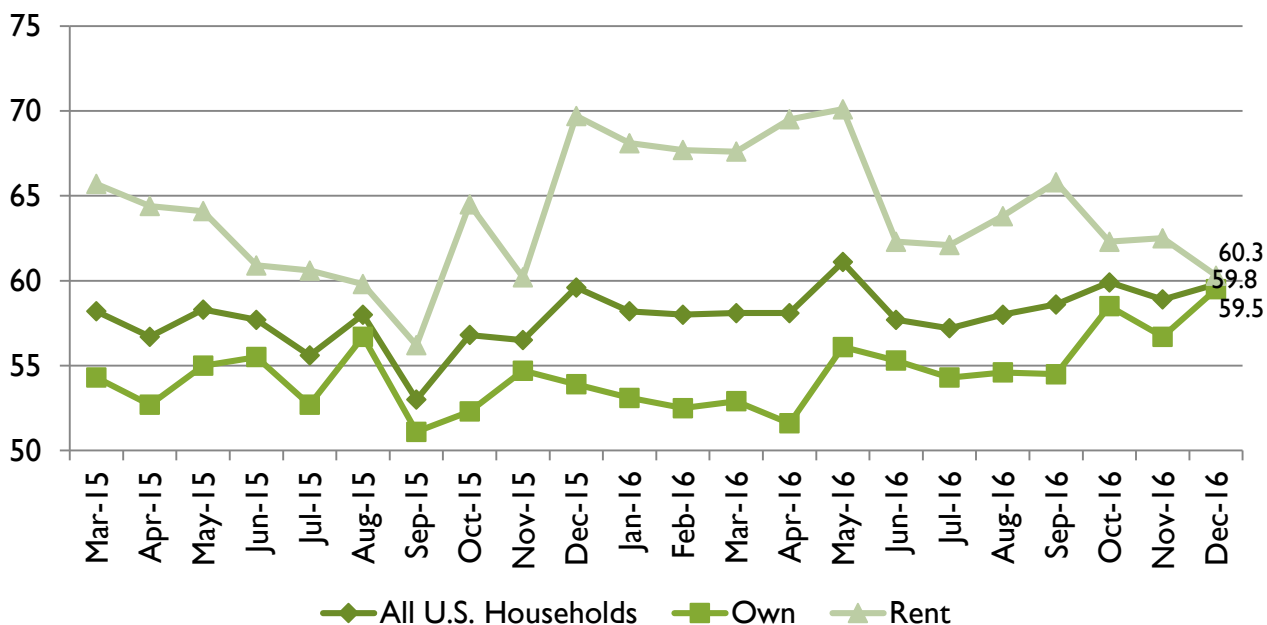
# Personal Financial Outlook Index

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



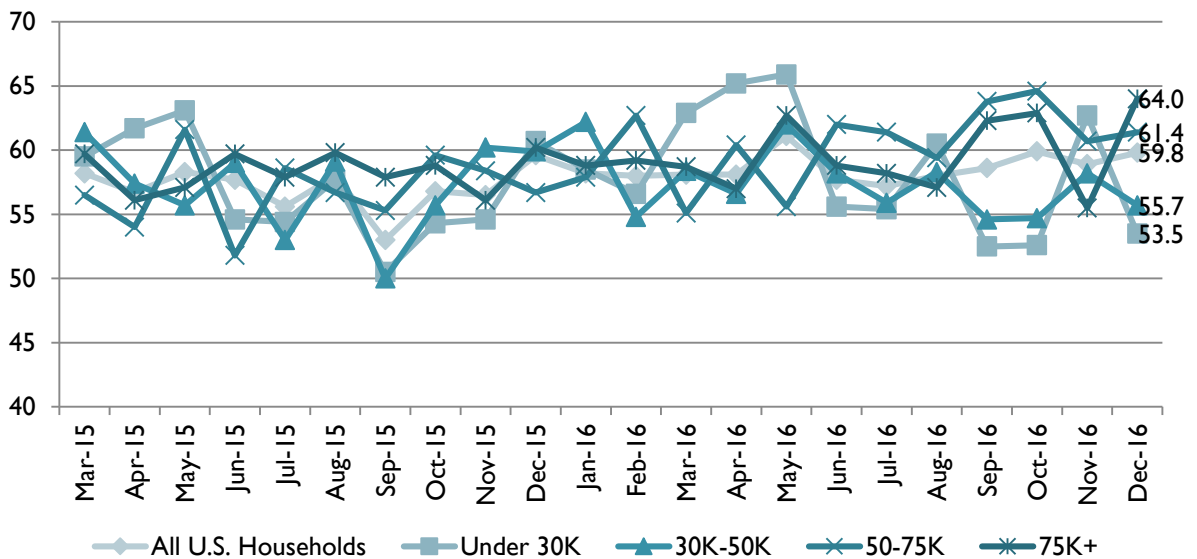
## Personal Financial Outlook by Owners or Renters



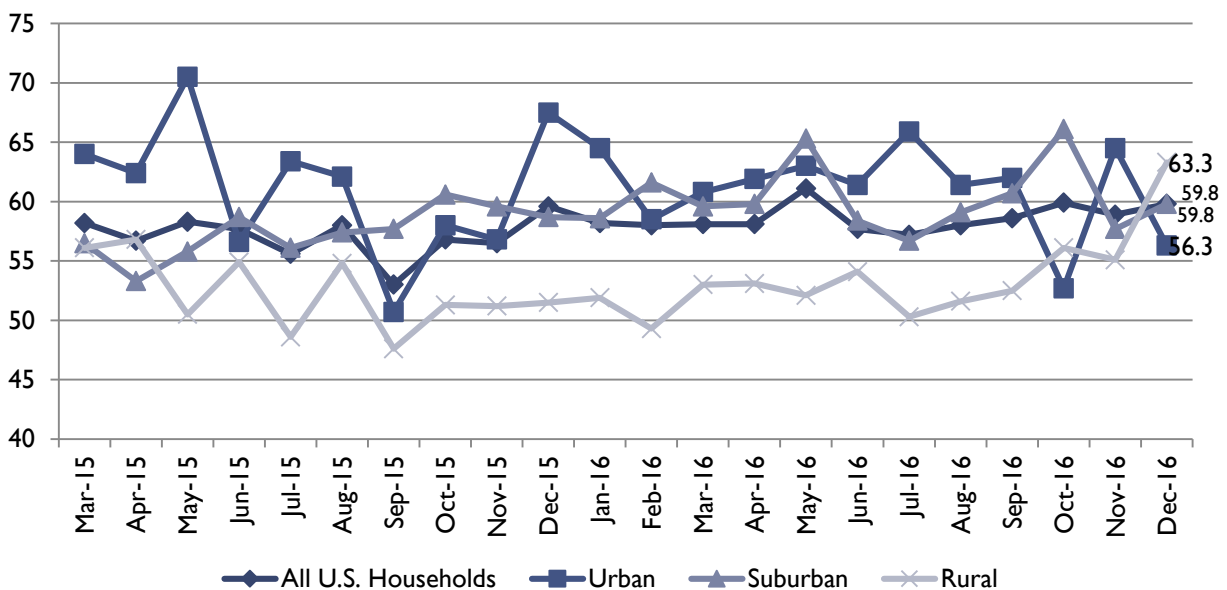
# Personal Financial Outlook Index

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, October through December 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 2,776 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  
500 New Jersey Avenue, NW  
Washington, DC 20001  
202-383-1000  
[data@realtors.org](mailto:data@realtors.org)