



Aspiring Home Buyers Profile

February 2017

National Association of REALTORS® Research Department

Introduction

The *Aspiring Home Buyer Profile* is an in depth examination of the consumer preferences of non-homeowners, defined as those that rent and those that live with someone else (such as family or friends) without paying rent.

The *Aspiring Home Buyer Profile* compares and contrasts the perceptions of homeownership, the American Dream, and housing affordability from the perspective of non-homeowners.

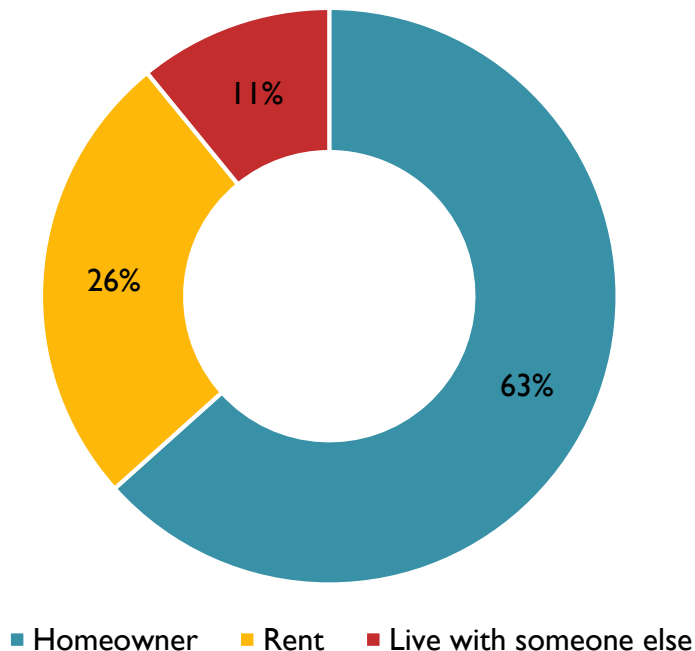
Data was collected throughout 2016 on a monthly basis as part of NAR's Housing Opportunities and Market Experience (HOME) report, which monitors consumer sentiment about the housing market. Topics include if now is a good time to buy a home, the perception of homeownership as part of their American Dream, why non-owners do not own now, and what would cause them to purchase in the future.

Additional topics are examined in depth on <http://economistsoutlook.blogs.realtor.org/>.

Owners and Non-Owners

- Of the U.S. consumer households that were surveyed each month in 2016, 64 percent of respondents were homeowners, 26 percent were renters, and 11 percent lived with someone else.
- Of the non-owners, 59 percent were 34 years or under, 64 percent make an income of under \$50,000, and 43 percent live in suburban areas.

Living Situation 2016



Profile of Owners and Non-Owners

Age:	Owners	Non-Owners
34 or under	12%	59%
35 to 44	18%	17%
45 to 54	18%	9%
55 to 64	26%	9%
65 or over	26%	7%

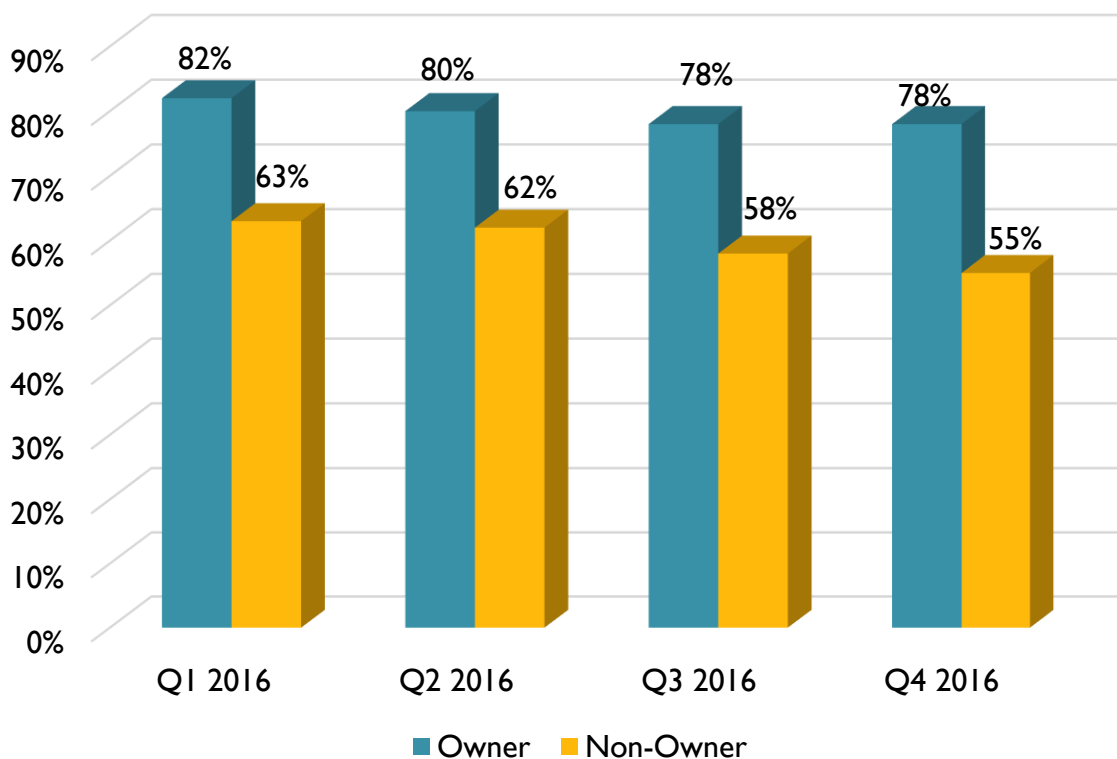
Household Income:	Owners	Non-Owners
Under \$50,000	30%	64%
\$50,000 to \$100,000	39%	25%
More than \$100,000	31%	11%

Location:	Owners	Non-Owners
Rural	31%	17%
Urban	21%	37%
Suburban	45%	43%

Good Time to Buy a Home

- Over the course of 2016, non-homeowners' perception that now is a good time to buy a home decreased more significantly—eight points—compared to homeowners at four percent.
- For non-owners, 63 percent felt that now was a good time to buy in Q1 compared to 55 percent by Q4. For owners, 82 percent felt that now was a good time to buy in Q1 compared to 78 percent by Q4.
- For non-owners, the perception that now is a good time to buy a home was roughly the same across age, income, and city size, with the exception of the West region which was lower than all other regions.

Good Time to Buy a Home, By Quarter



Good Time to Buy a Home, Among Non-Owners

Age:	34 or under	35 to 44	45 to 54	55 to 64	65 or over
A Good Time	59%	62%	62%	59%	63%
Not a Good Time	41%	38%	38%	41%	37%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
A Good Time	60%	61%	63%
Not a Good Time	40%	39%	37%

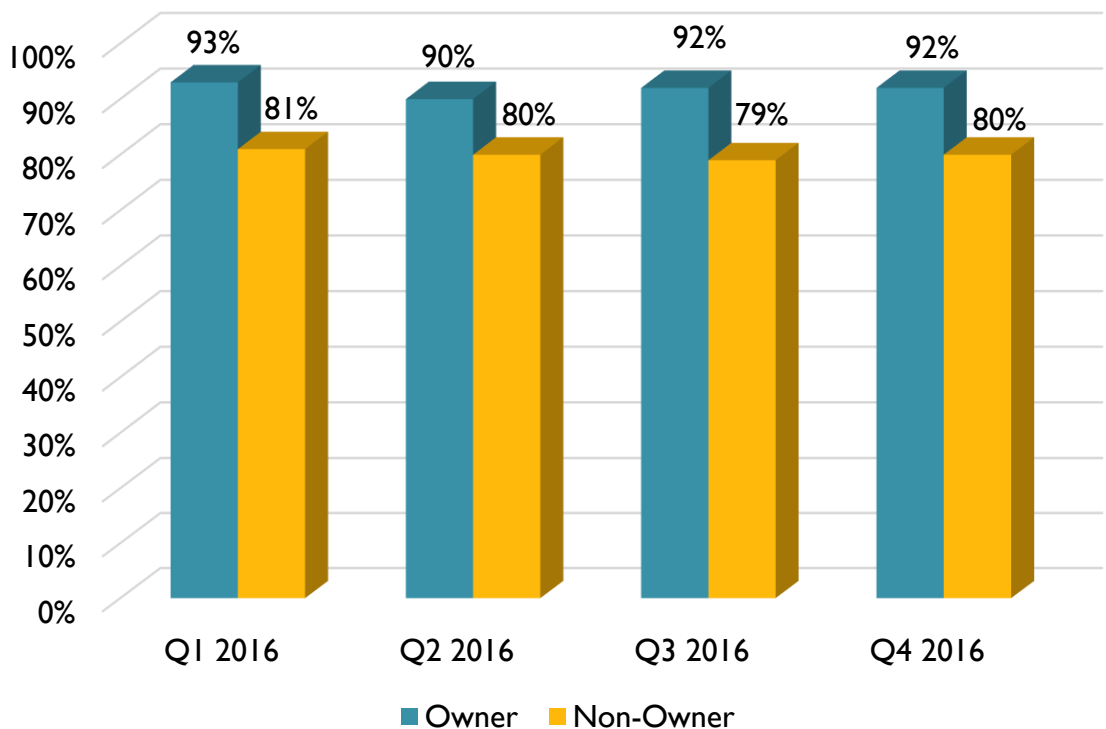
Region:	Northeast	Midwest	South	West
A Good Time	59%	64%	62%	54%
Not a Good Time	41%	36%	38%	46%

Location:	Rural	Suburban	Urban
A Good Time	62%	62%	57%
Not a Good Time	39%	38%	43%

Homeownership Part of American Dream

- For both homeowners and non-homeowners alike, homeownership is strongly considered a part of the American Dream. For non-owners, eight in 10 reported that homeownership is part of their American Dream. For owners, nine in 10 believe it is part of their American Dream.

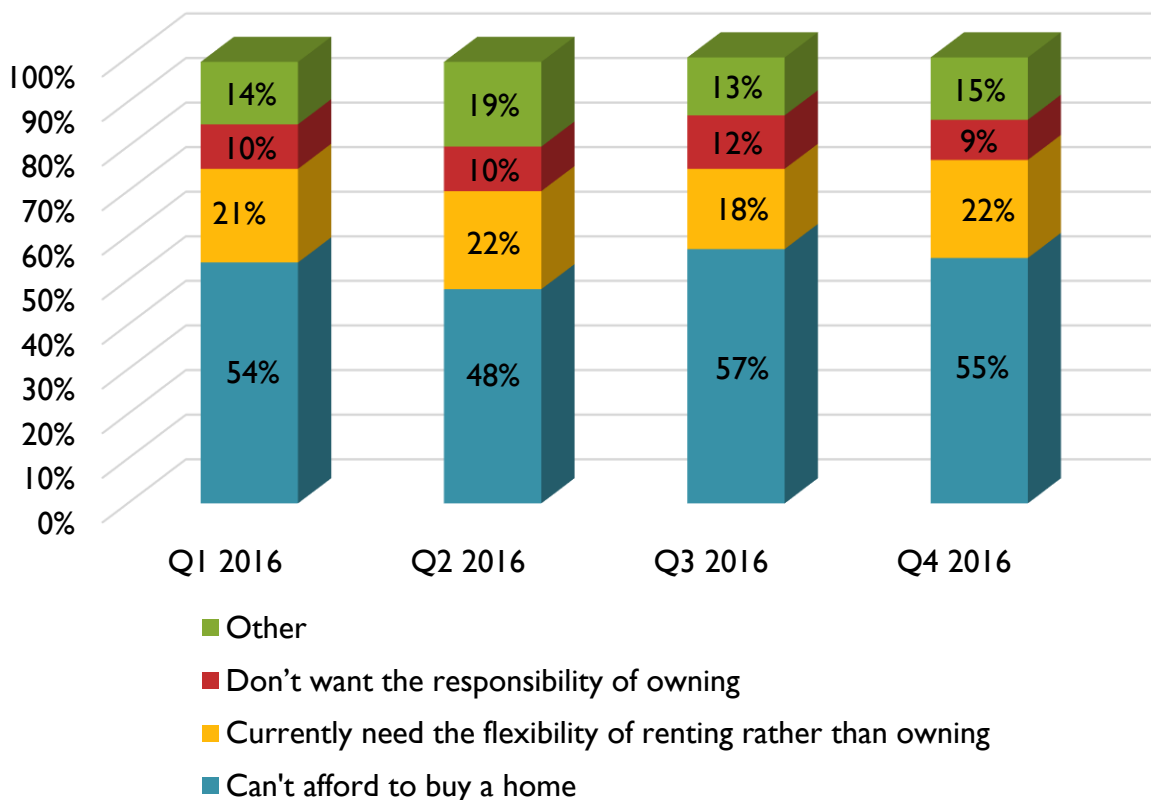
Homeownership Part of American Dream, By Quarter



Main Reason Why Do Not Currently Own

- Non-homeowners cited the main reason why they do not currently own is that they cannot afford to buy a home. That perception was lowest in Q2 at 48 percent of all non-owners and was highest in Q3 at 57 percent.

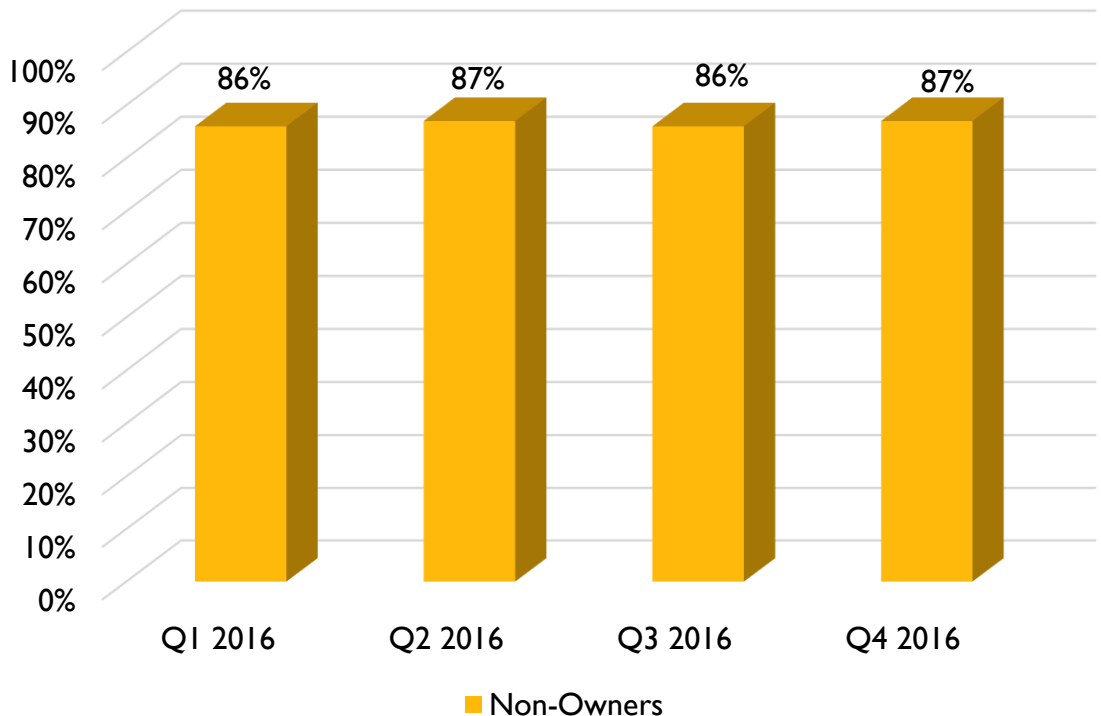
Main Reason Non-Owners Do Not Currently Own, By Quarter



Want to Own a Home in The Future

- Throughout 2016, non-homeowners were consistent in their desire to own a home in the future. Eighty-six to 87 percent of non-owners each quarter expressed a desire to be a homeowner.

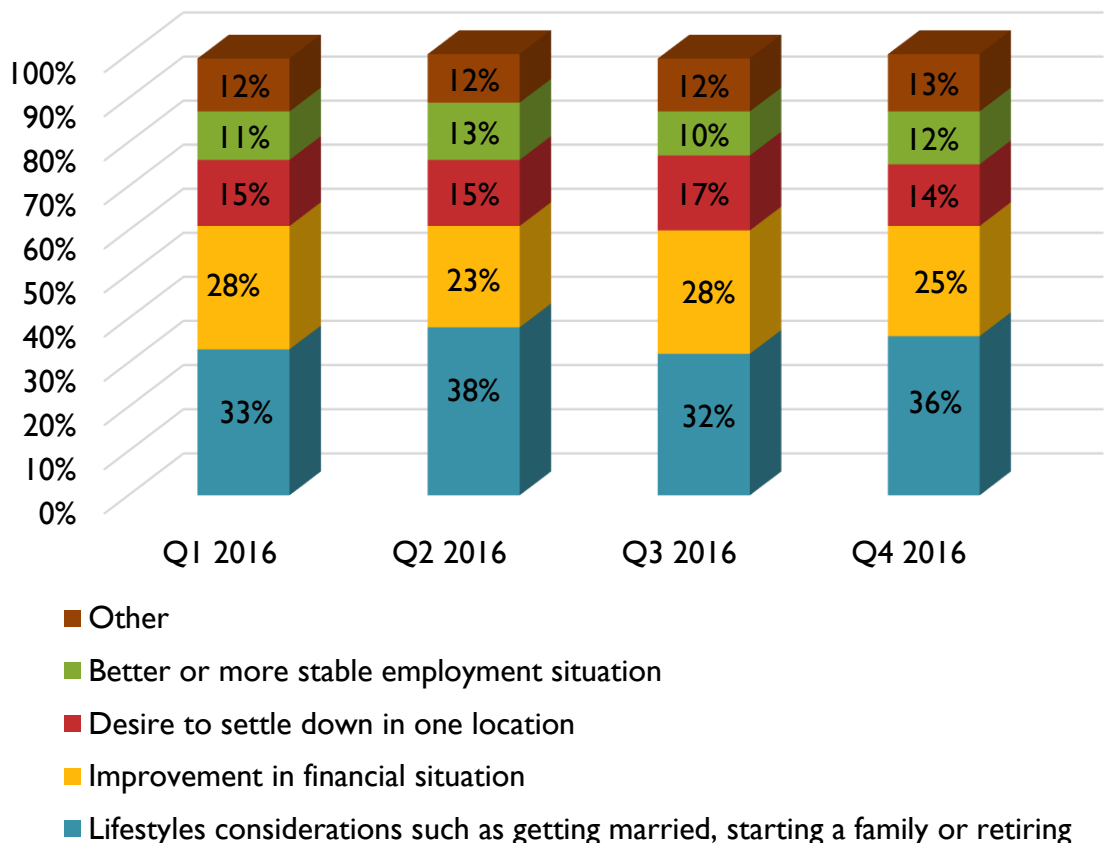
Non-Owners Who Want to Own a Home in The Future, By Quarter



Main Reason Would Buy In the Future

- The main reasons that non-owners would buy a home in the future are a change in lifestyle such as getting married, starting a family, or retiring (32 to 38 percent each quarter); followed by an improvement in financial situation (23 to 28 percent each quarter); the desire to settle down in one location (14 to 17 each quarter percent); and a better or more stable employment situation (10 to 13 percent each quarter).

Main Reason Non-Owners Would Buy, By Quarter

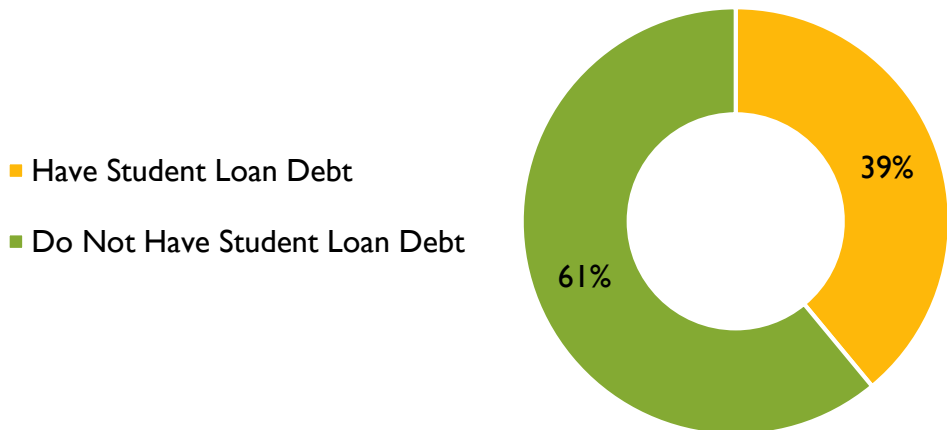


Have Student Loan Debt

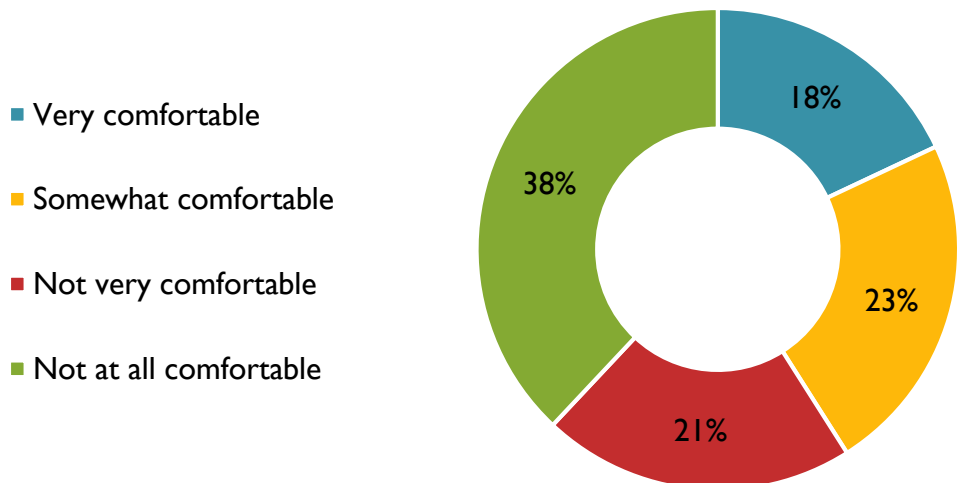
In the second quarter of 2016, survey respondents were asked a series of questions related to their student loan debt and the relationship to home tenure and buying decisions.

- Sixty-one percent of non-owners do not have student loan debt whereas 39 percent do have student loan debt in Q2 of 2016.
- Of the non-owners that reported having student loan debt, 38 percent were not at all comfortable taking on a mortgage compared to 18 percent that are comfortable taking on a mortgage.

Non-Owners with Student Loan Debt, Q2



Non-Owners with Student Loan Debt & Comfort Level of Taking On a Mortgage, Q2

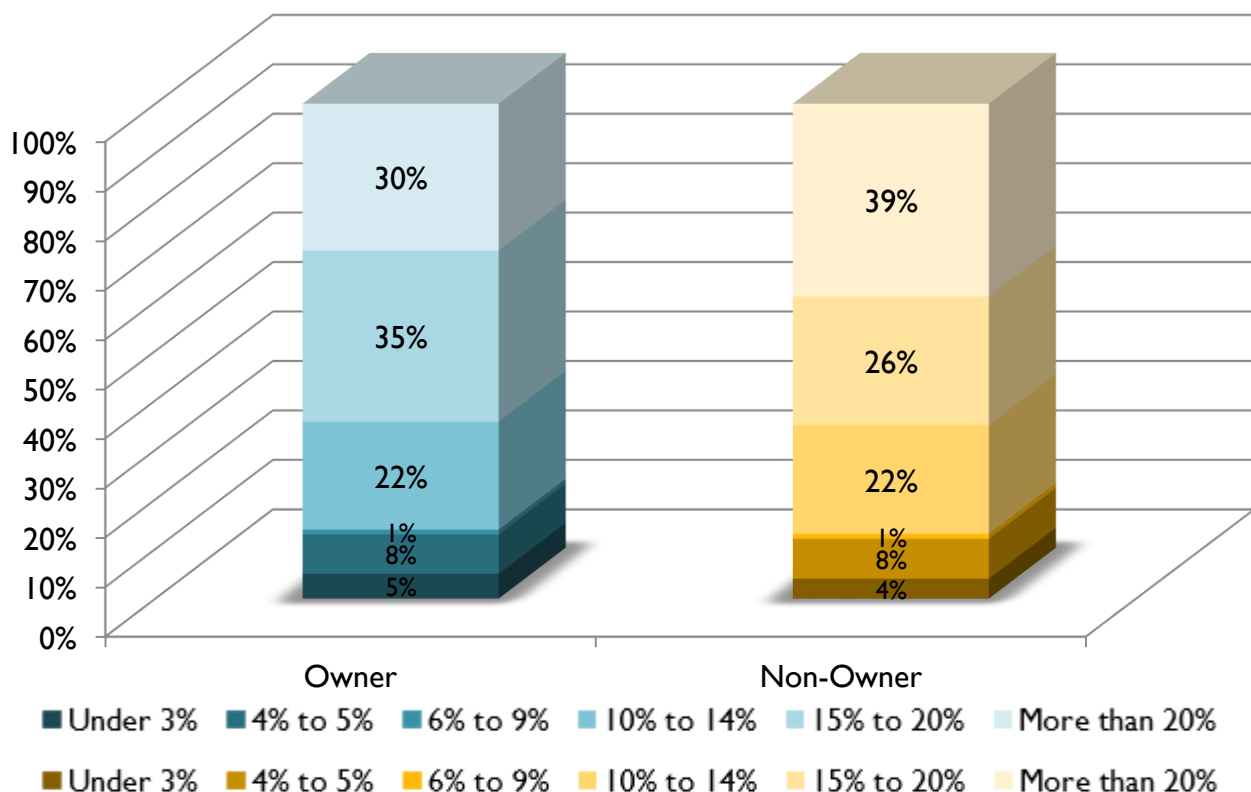


Downpayment Expectations

In the third quarter of 2016, 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-nine percent of non-owners believe they need more than 20 percent for a downpayment, 26 percent believe they need 15 to 20 percent, and 22 percent believe they need 10 to 14 percent.
- Thirty percent of owners believe they need more than 20 percent for a downpayment, 35 percent believe they need 15 to 20 percent, and 22 percent believe they need 10 to 14 percent.

Downpayment by Tenure, Q3



Methodology

The survey was conducted by an established survey research firm, TechnoMetrica Market Intelligence. Each month, January 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.

The data compiled for this report is based on 11,035 completed telephone interviews of qualified households survey respondents over a 12-month period from January to December 2016. Approximately 900 interviews are conducted each month. For the annual results, the margin of error for the survey is +/-3.3 percentage points at the 95% confidence level.

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