



Aspiring Home Buyers Profile

January 2018

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.

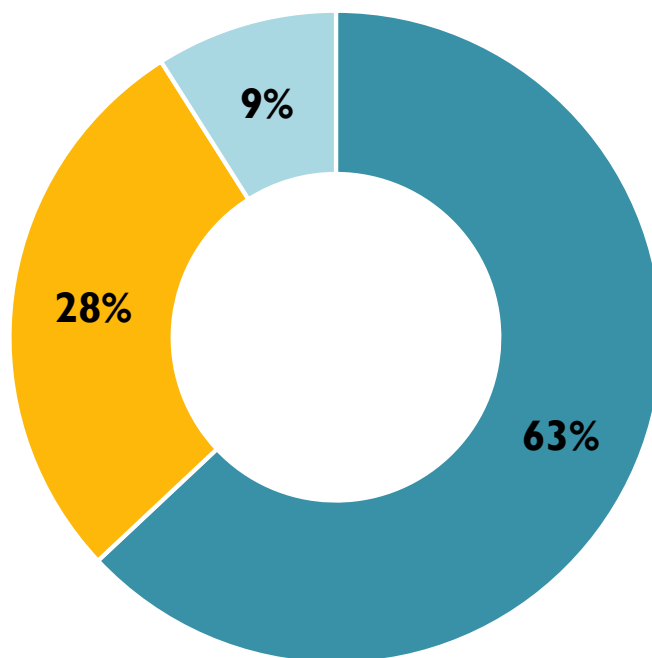
Data was collected throughout 2017 on a monthly basis as part of NAR's Housing Opportunities and Market Experience (HOME) report, which monitors consumer sentiment about the housing market. Topics include if now is a good time to buy a home, the perception of homeownership as part of their American Dream, 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 2017, 63 percent of respondents were homeowners, 28 percent were renters, and 9 percent lived with someone else.
- Of the non-owners, 46 percent were 34 years or under, 57 percent make an income of under \$50,000, and 41 percent live in suburban areas.

Living Situation in 2017



■ Homeowner ■ Rent ■ Live with someone else

Profile of Owners and Non-Owners

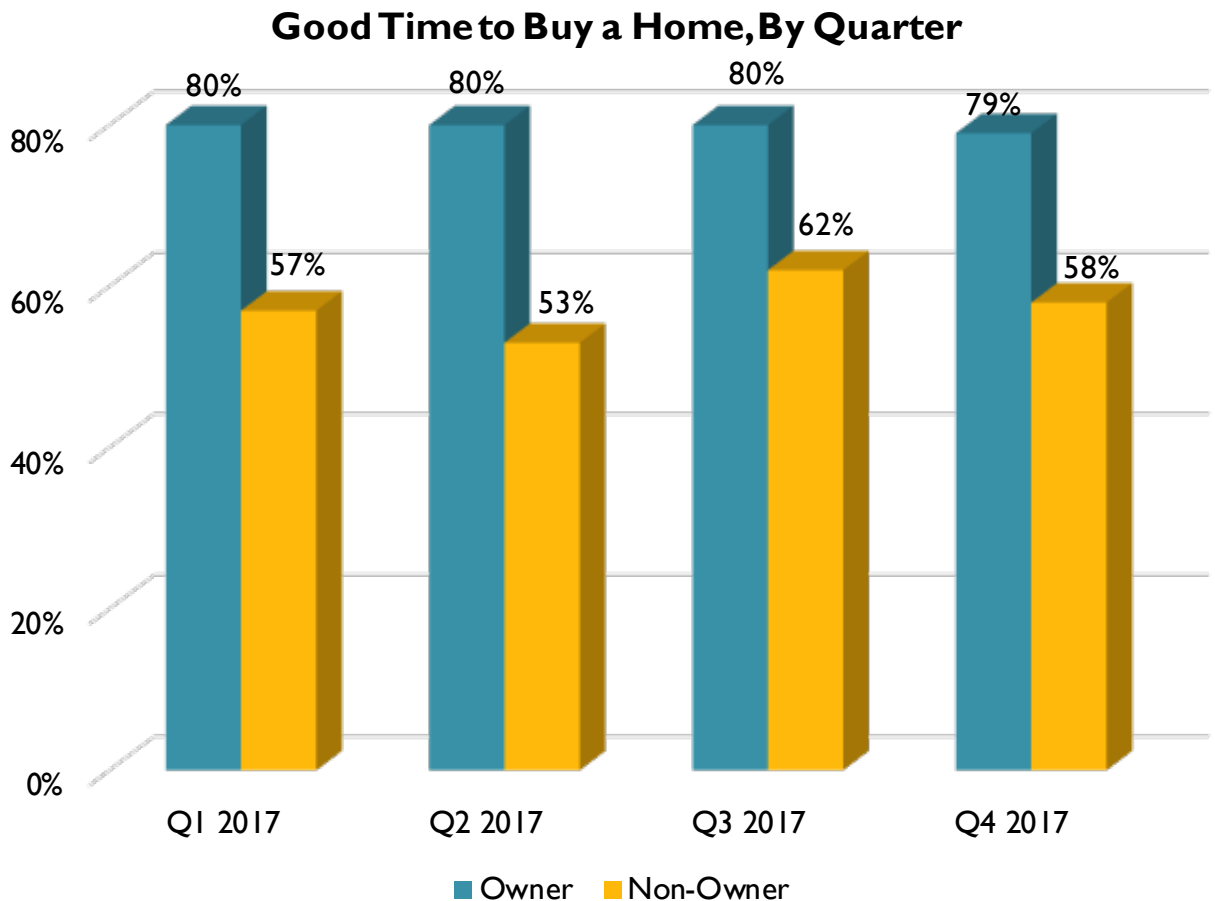
Age:	Owners	Non-Owners
34 or under	11%	46%
35 to 44	19%	19%
45 to 54	17%	11%
55 to 64	26%	13%
65 or over	27%	11%

Household Income:	Owners	Non-Owners
Under \$50,000	28%	57%
\$50,000 to \$100,000	37%	30%
More than \$100,000	35%	14%

Location:	Owners	Non-Owners
Rural	28%	17%
Urban	22%	40%
Suburban	48%	41%

Good Time to Buy a Home

- For non-owners, 58 percent felt that now was a good time to buy in Q4 compared to 79 percent of owners.
- 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, 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%

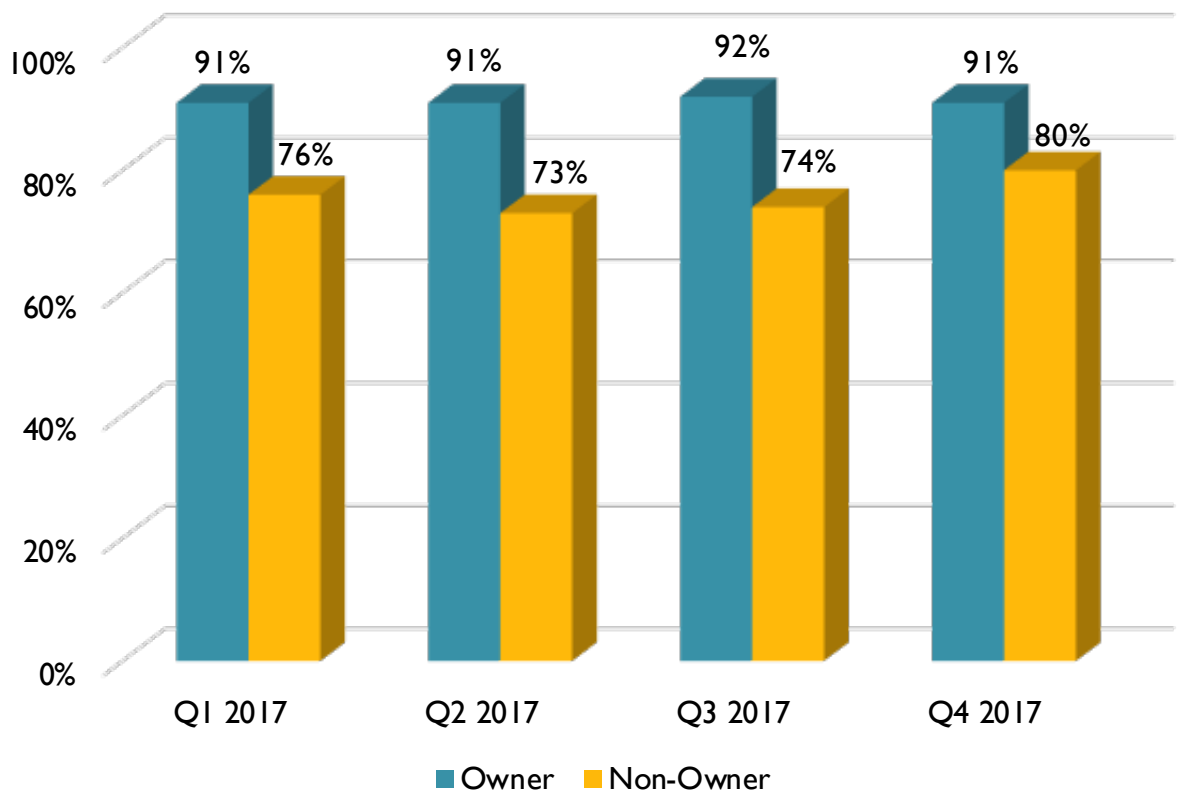
Region:	Northeast	Midwest	South	West
A Good Time	59%	64%	62%	54%
Not a Good Time	41%	36%	38%	46%

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 in Q4. For owners, nine in 10 believe it is part of their American Dream.

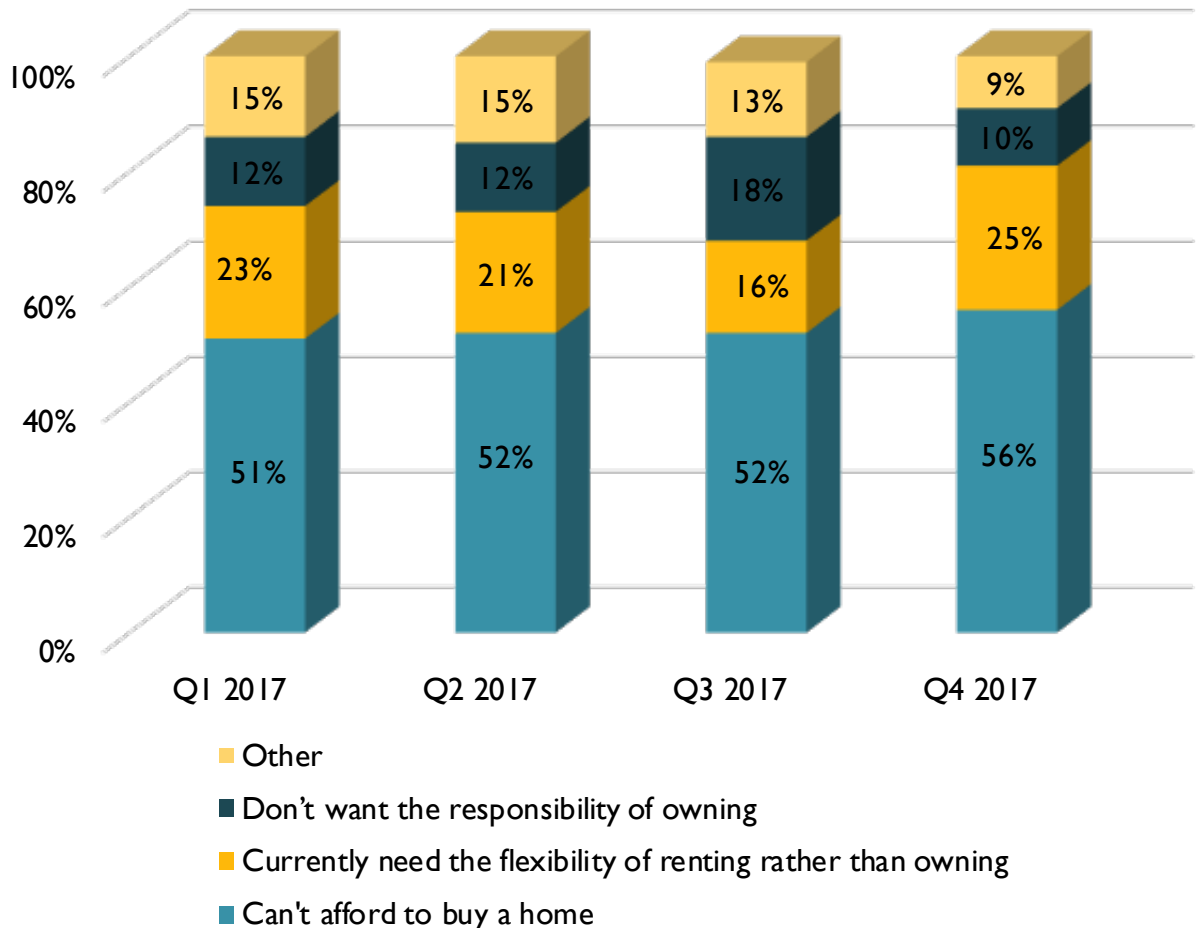
Homeownership Part of American Dream, By Quarter



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 highest in Q4 at 56 percent.

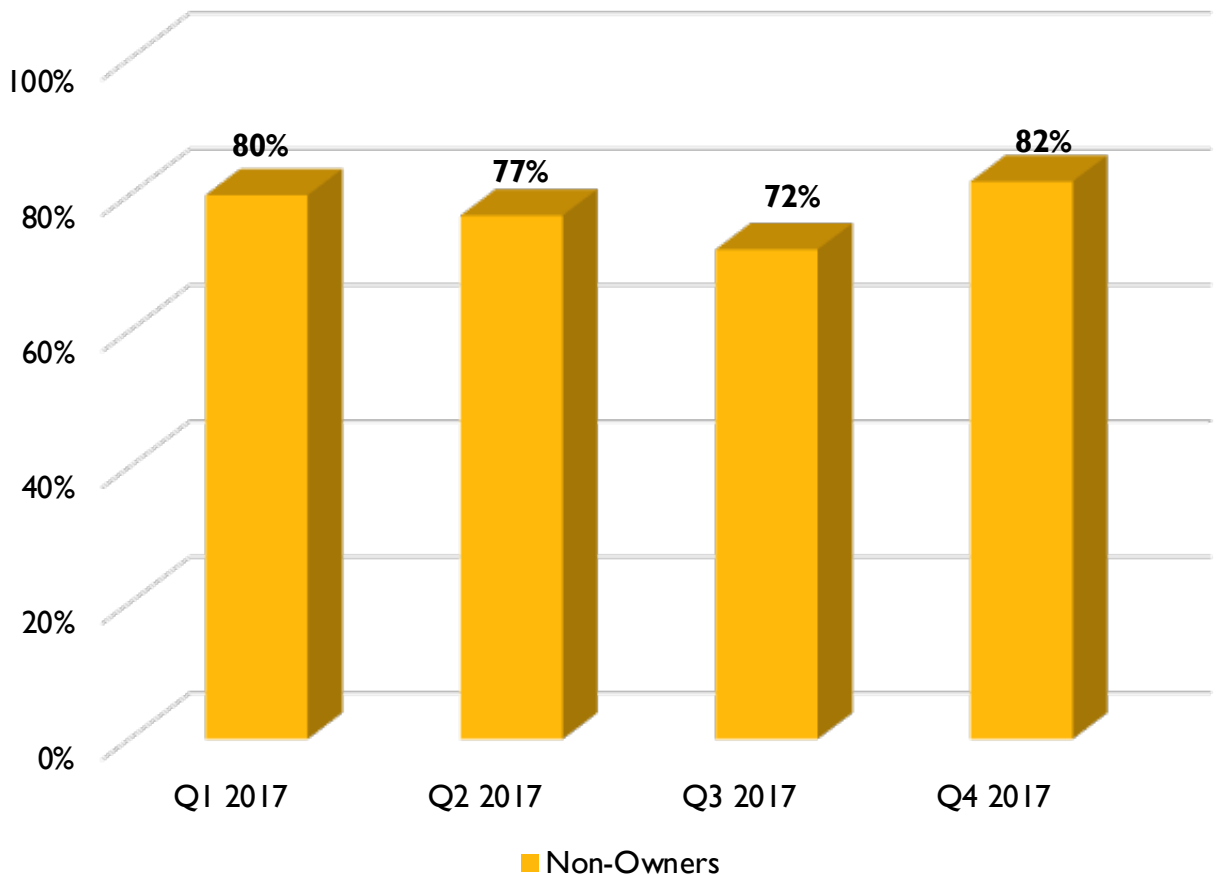
Main Reason Non-Owners Do Not Currently Own, By Quarter



Want to Own a Home in The Future

- Throughout 2017, non-homeowners were consistent in their desire to own a home in the future. Eighty-two percent of non-owners in Q4, aspired to be homeowners in the future.

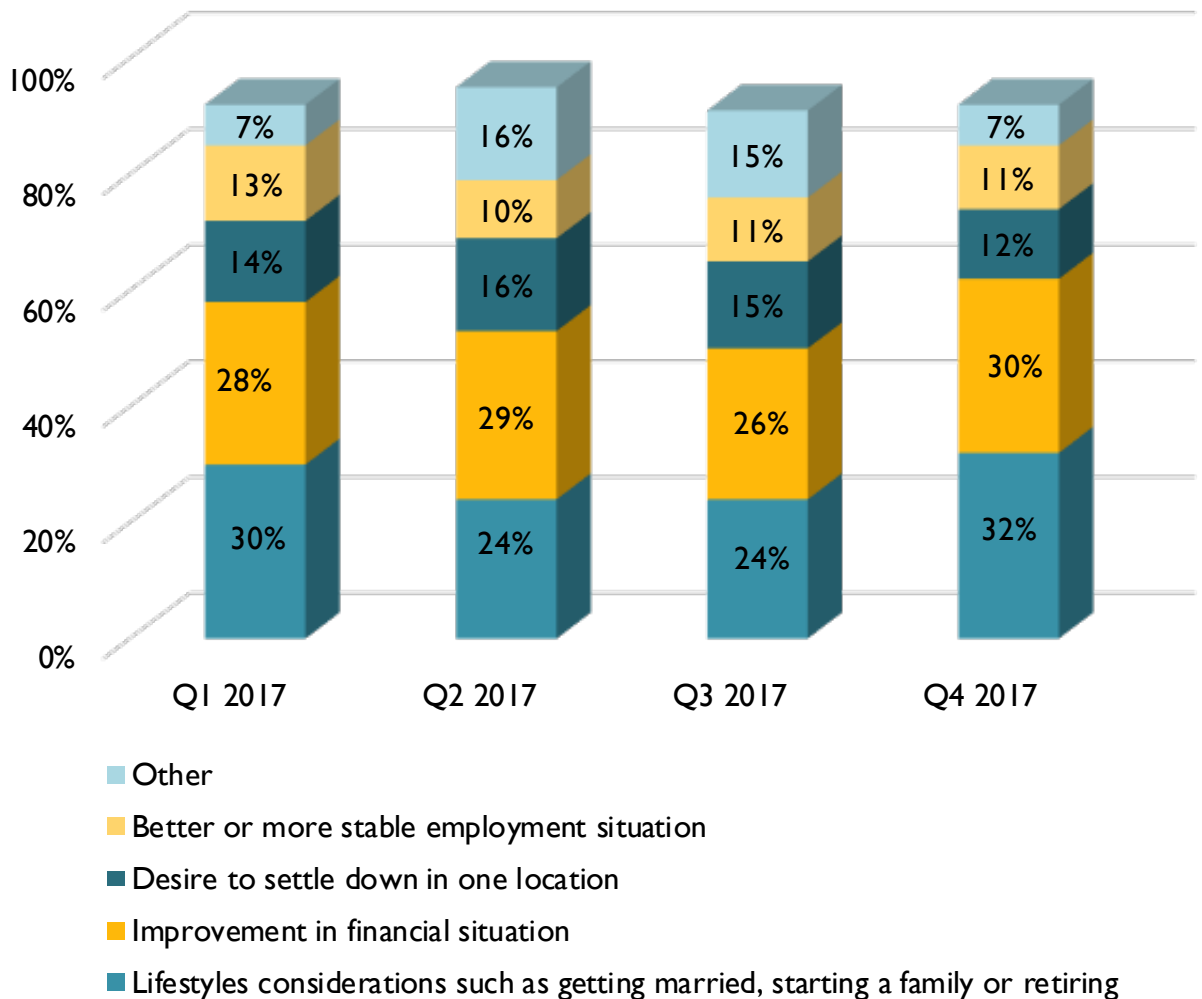
Non-Owners Who Want to Own a Home in The Future, By Quarter



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 24 percent each quarter); followed by an improvement in financial situation (30 to 26 percent each quarter); the desire to settle down in one location (16 to 12 each quarter percent); and a better or more stable employment situation (13 to 10 percent each quarter).

Main Reason Non-Owners Would Buy, By Quarter

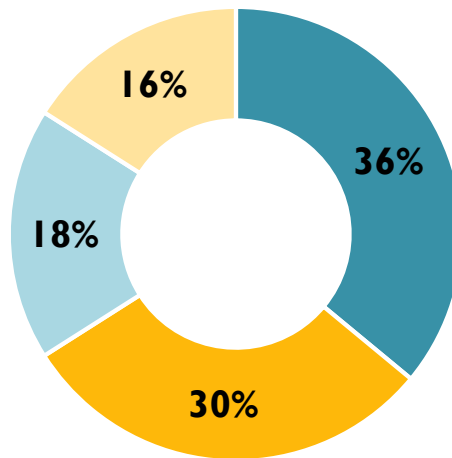


Saving for Down Payment

Survey respondents were asked questions related to saving for a downpayment given their current financial situation, if they expect rent to increase, and the impact rent has on their living arrangements.

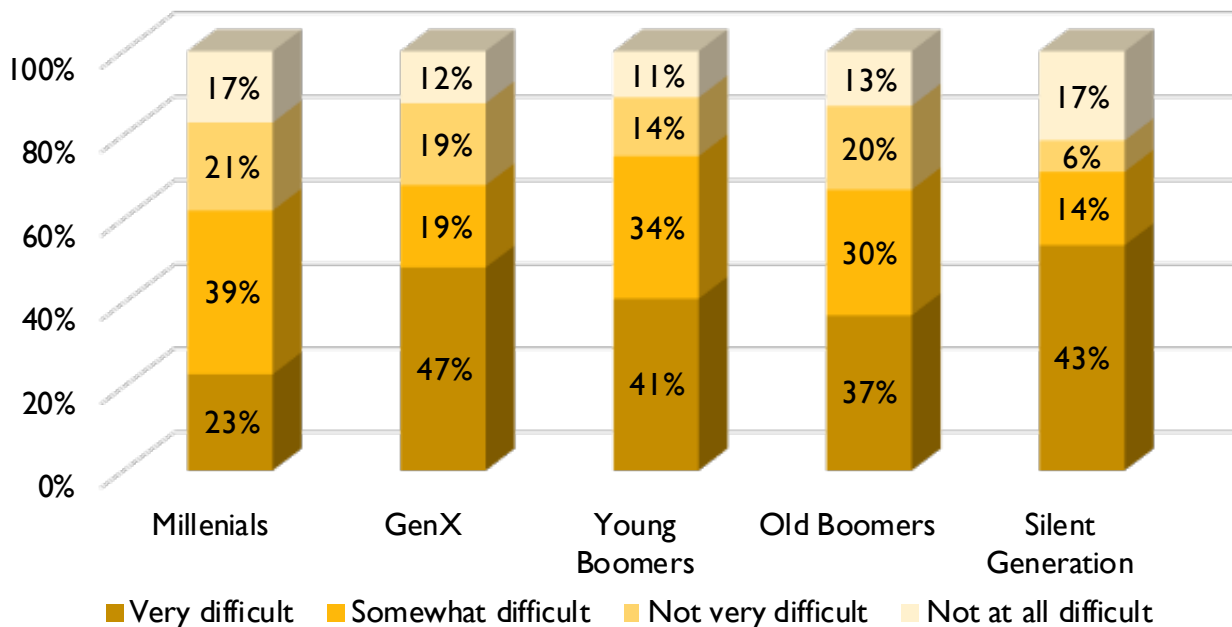
- Thirty-six percent of all respondents find saving for a downpayment would be very difficult.
- Among generations, Gen Xers are the most likely to say saving for a downpayment would be very difficult at 47 percent.

Difficulty of Saving for Down Payment, Q3



■ Very difficult ■ Somewhat difficult ■ Not very difficult ■ Not at all difficult

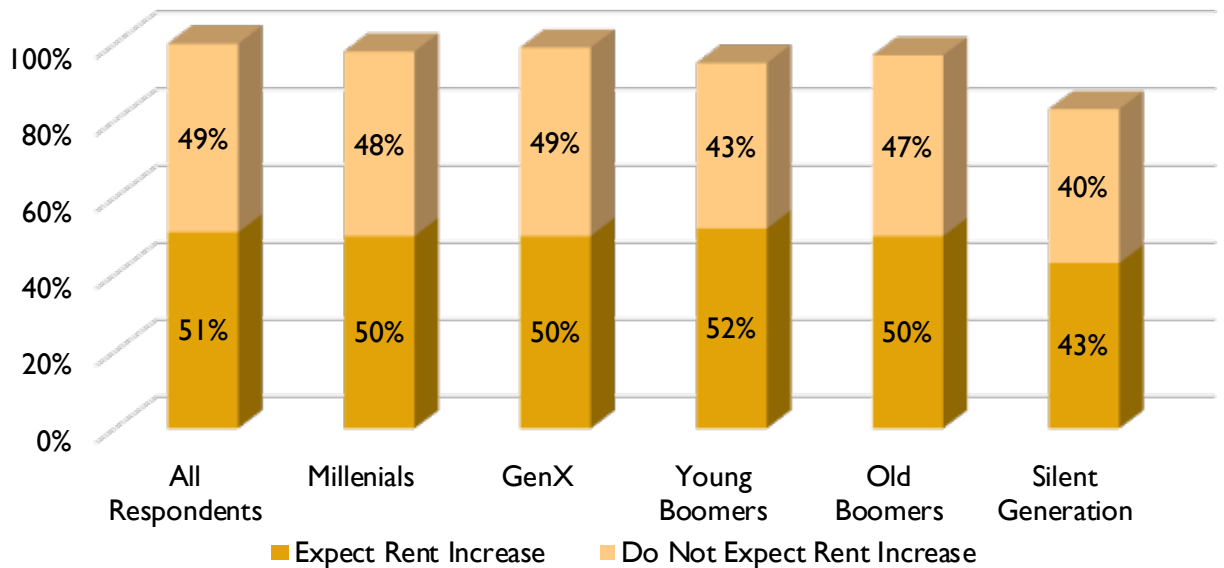
Difficulty of Saving for Down Payment by Generation, Q3



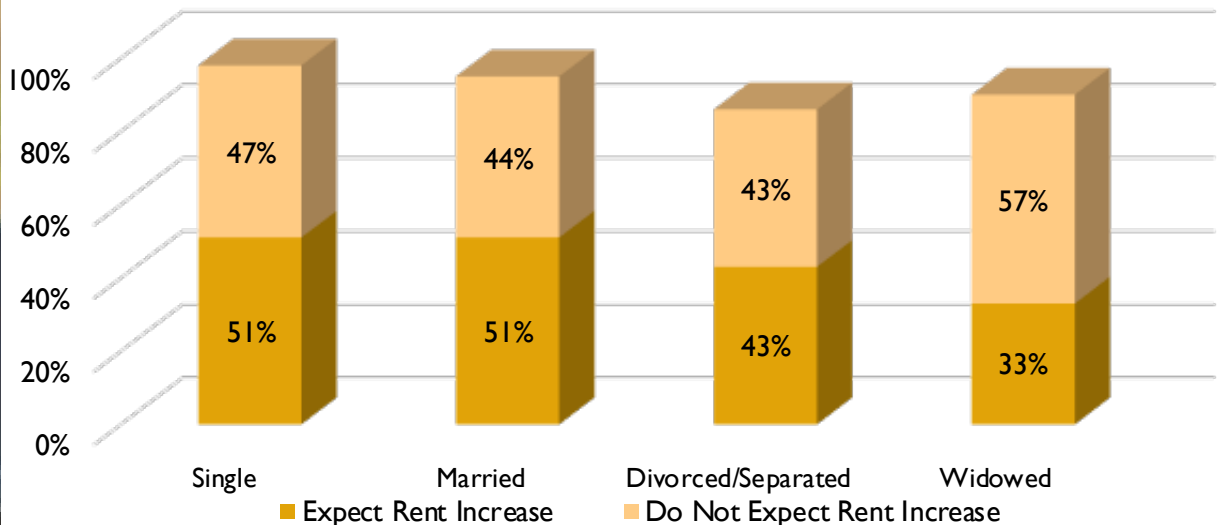
Expect Rent Increase

- Fifty-one percent of all respondents expect their rent to increase, which is consistent for all generations, except for the Silent Generation.
- Those who are single or married are more likely to expect their rent to increase, in comparison to those who are divorced, separated, or widowed.

Expect Rent Increase by Generation, Q3



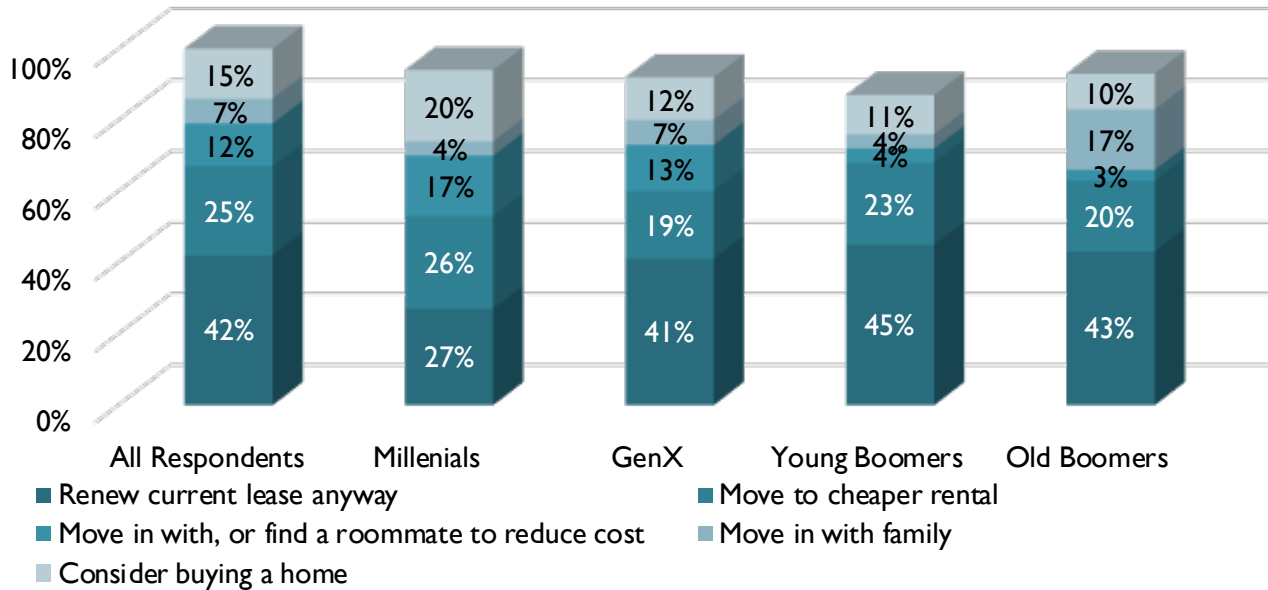
Expect Rent Increase by Marital Status, Q3



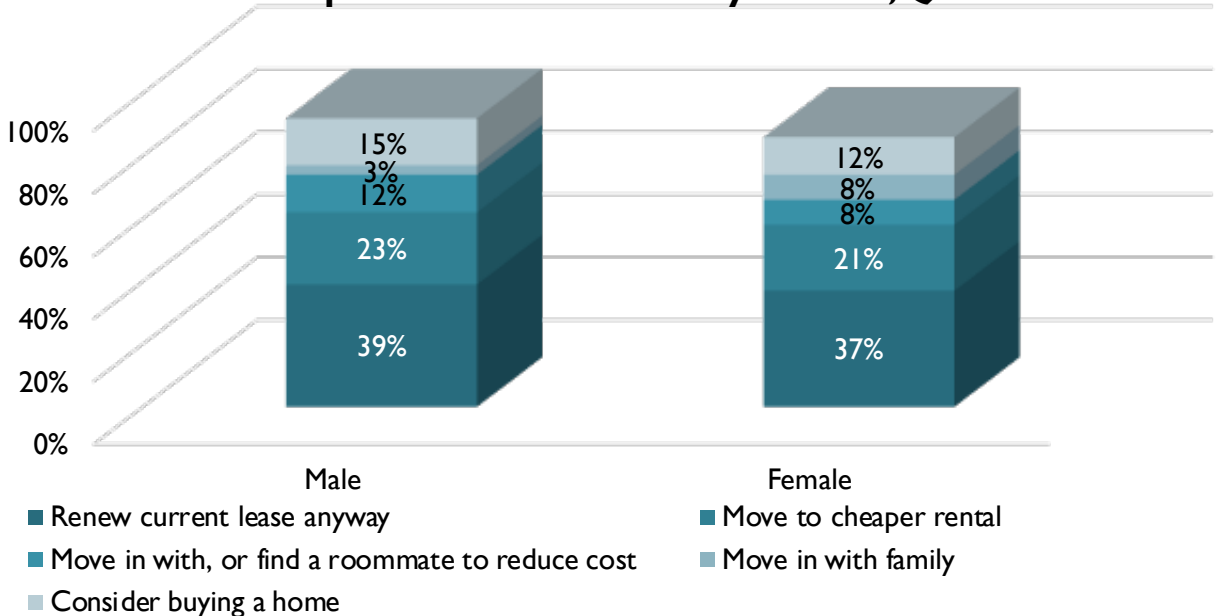
Rent Increase Impact

- Forty-four percent will move to a cheaper rental property, find a roommate to reduce costs, or move in with family if rent prices increase. Fifteen percent will consider buying a home.
- Millennials and males are more likely to consider buying a home if their rent increases.

Impact of Rent Increase by Generation, Q3



Impact of Rent Increase by Gender, Q3



Methodology

The survey was conducted by an established survey research firm, TechnoMetrica Market Intelligence. Each month, January through December 2017, 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 10,823 completed telephone interviews of qualified households survey respondents over a 12-month period from January to December 2017. 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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