

# HOME Survey

## Housing Opportunities and Market Experience

March 2018

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 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. In Q1 2018, non-owners were asked if there is any particular reason preventing them from saving for a downpayment, how their financial situation is making it difficult to qualify for a mortgage, and how owners and non-owners would use an unexpected windfall of \$5,000.

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.

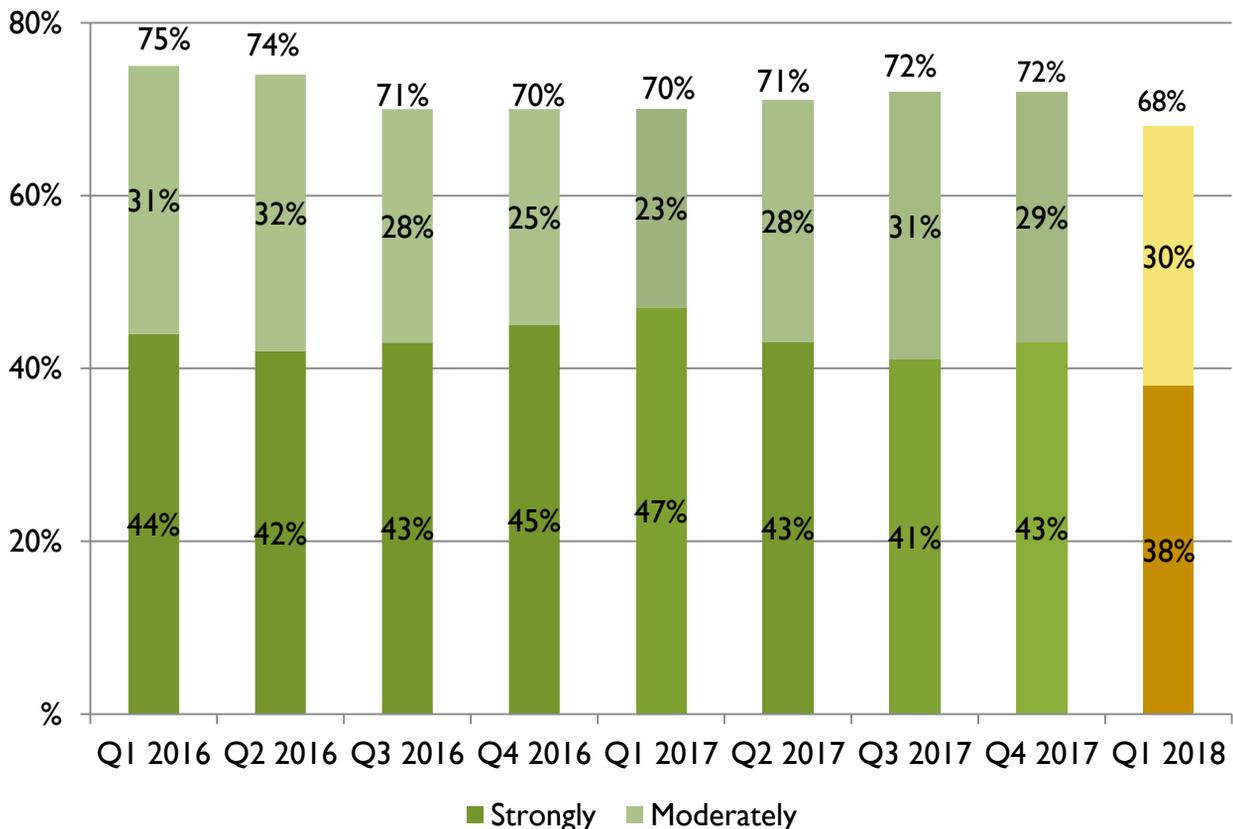
Additional topics are examined in depth on <http://economistsoutlook.blogs.realtor.org/> including whether housing as a good financial investment, whether homeownership is part of the American Dream, and if renters want to become homeowners.

This HOME survey is released on a quarterly basis.

# Good Time to Buy a Home

- In the first quarter of 2018, 68 percent of people believe that now is a good time to buy a home. Thirty-eight percent believe that strongly, a decrease from 43 percent in Q4 2017.
- 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.

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



# Good Time to Buy 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	55%	65%	67%	82%	77%
Not a Good Time	45%	36%	33%	18%	23%

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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	61%	75%	71%
Not a Good Time	39%	25%	29%

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<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
A Good Time	67%	72%	74%	58%
Not a Good Time	33%	28%	26%	42%

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<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
A Good Time	78%	69%	58%
Not a Good Time	22%	31%	42%

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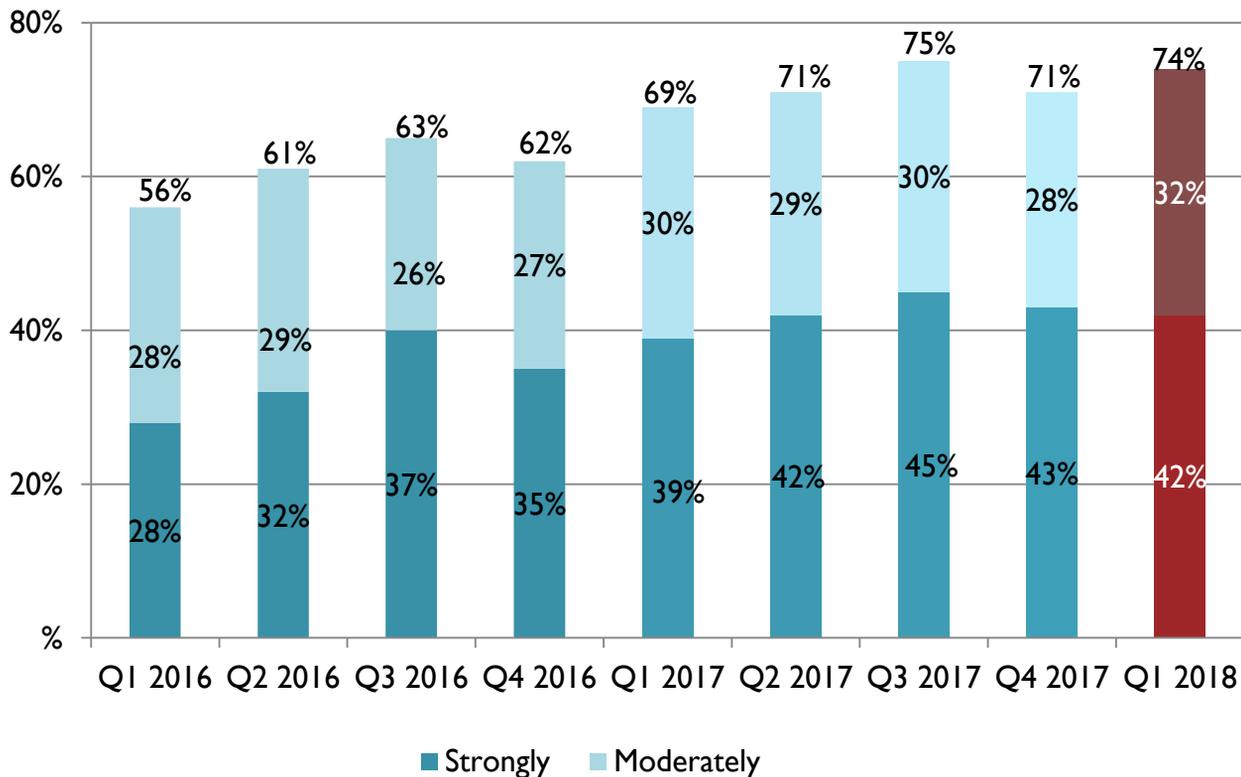
<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
A Good Time	76%	55%	60%
Not a Good Time	24%	45%	40%

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# Good Time to Sell a Home

- Seventy-four percent of people believe that now is a good time to sell a home, up from 71 percent in Q4 2017 and an increase from 56 percent in Q1 2016. Forty-two percent believe that strongly.
- Twenty-six percent believe that now is *not* a good time to sell a home.
- Those who are in the West (77 percent) are most likely to think that now is a good time to sell a home, which is also the least likely region to think that now is a good time to buy a home.
- Eighty percent of people aged 55 to 64 think now is a good time to sell compared to 72 percent of all other age groups.

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



# Good Time to Sell 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	72%	72%	72%	80%	72%
Not a Good Time	28%	28%	28%	20%	28%

<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	64%	80%	82%
Not a Good Time	37%	21%	18%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
A Good Time	70%	74%	74%	77%
Not a Good Time	30%	26%	26%	23%

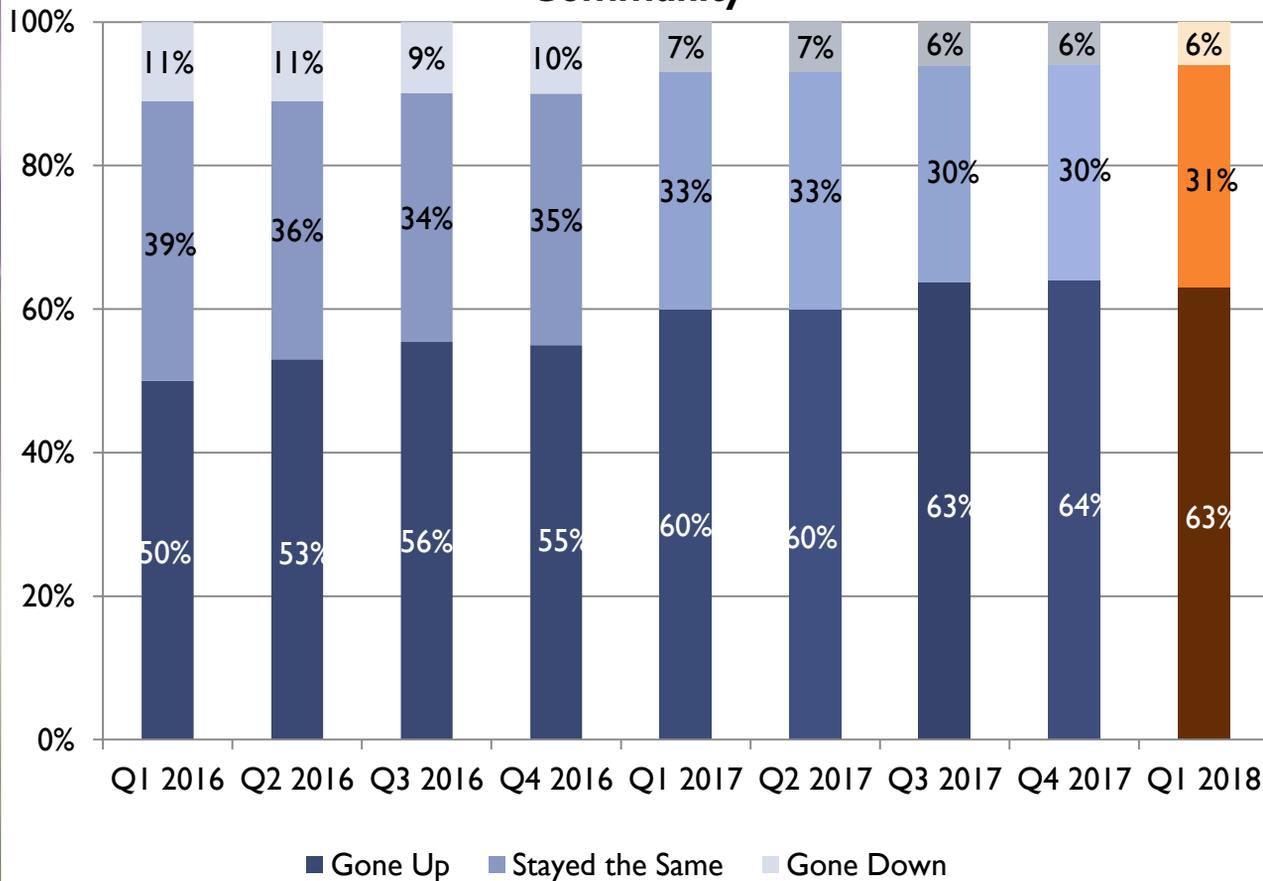
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
A Good Time	70%	77%	74%
Not a Good Time	30%	24%	26%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
A Good Time	77%	68%	69%
Not a Good Time	23%	32%	31%

# Home Prices in the Past 12 Months

- Sixty-three percent of people believe that prices have gone up within their communities in the last 12 months, which is consistent with Q4 2017 and an increase from 50 percent in Q1 2016. Thirty-one percent believe prices have stayed the same and six percent believe prices have gone down.
- Those who are in the West, those with incomes over \$100,000, and those 35 to 44 years in age and 65 years and over are most likely to report that prices have increased in their communities.

## 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	58%	69%	65%	59%	67%
Gone Down	8%	6%	7%	5%	6%
Stayed the Same	34%	25%	28%	36%	28%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Gone Up	56%	62%	74%
Gone Down	8%	7%	5%
Stayed the Same	36%	31%	21%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Gone Up	55%	54%	60%	79%
Gone Down	9%	9%	5%	4%
Stayed the Same	36%	37%	34%	17%

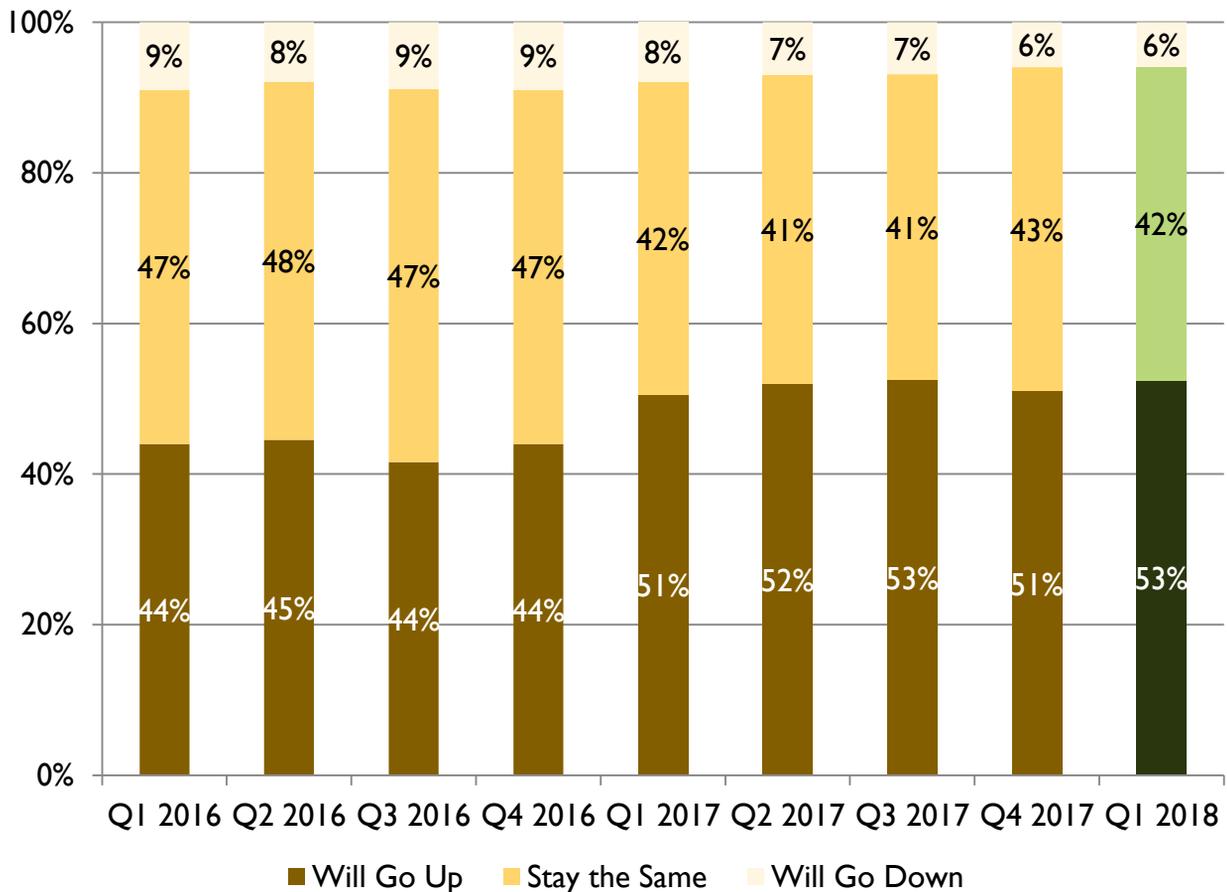
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Gone Up	55%	66%	67%
Gone Down	7%	7%	5%
Stayed the Same	38%	27%	28%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Gone Up	65%	61%	57%
Gone Down	6%	9%	5%
Stayed the Same	29%	31%	38%

# Home Prices in the Next Six Months

- Forty-two percent of respondents believe that prices will stay the same in their communities in the next six months, which is down from 47 percent Q1 2016. Fifty-three percent believe prices will increase in the next six months and six percent believe prices will go down in the next six months.
- Those who are in the West, in urban areas, and renters 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	50%	59%	55%	47%	53%
Will Go Down	7%	4%	6%	5%	5%
Stay the Same	43%	37%	40%	48%	43%

<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	47%	56%	57%
Will Go Down	6%	5%	6%
Stay the Same	47%	40%	37%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Will Go Up	47%	45%	52%	64%
Will Go Down	10%	7%	4%	4%
Stay the Same	44%	49%	44%	31%

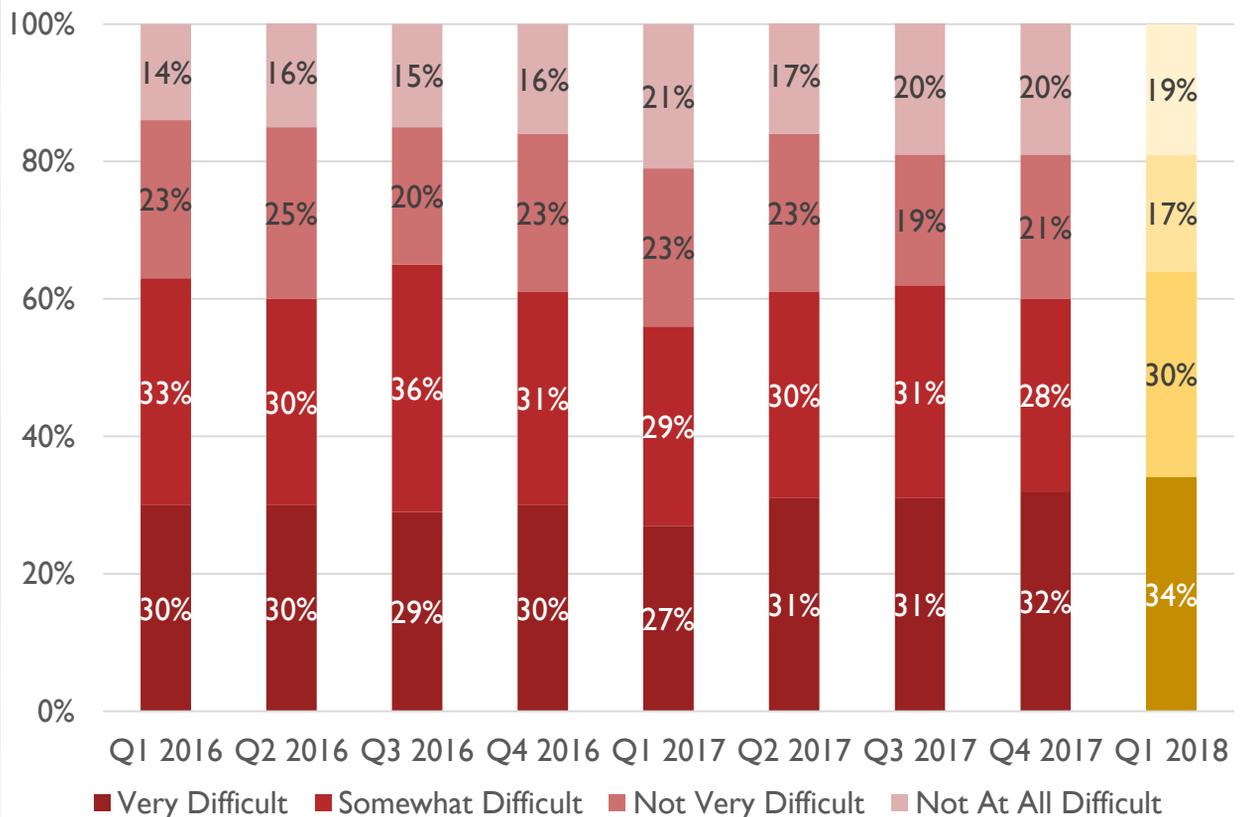
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Will Go Up	49%	52%	57%
Will Go Down	5%	6%	6%
Stay the Same	47%	42%	37%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Will Go Up	52%	56%	46%
Will Go Down	5%	6%	9%
Stay the Same	42%	39%	45%

# Qualify for a Mortgage

- Among those who currently do not own a home, 34 percent believe it would be very difficult (up from 27 percent one year ago in Q1 2017) and 30 percent believe it would be somewhat difficult to qualify for a mortgage given their current financial situation.
- Seventy-six percent of those who make under \$50,000 believe it would be at least somewhat difficult to qualify for a mortgage compared to 31 percent of those making over \$100,000.

## With Household's Current Financial Situation, Non-Owners' 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	33%	25%	46%	39%	43%
Somewhat Difficult	32%	30%	26%	36%	20%
Not Very Difficult	17%	24%	12%	8%	12%
Not At All Difficult	18%	21%	17%	18%	24%

<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%	22%	15%
Somewhat Difficult	35%	29%	16%
Not Very Difficult	12%	24%	19%
Not At All Difficult	11%	25%	50%

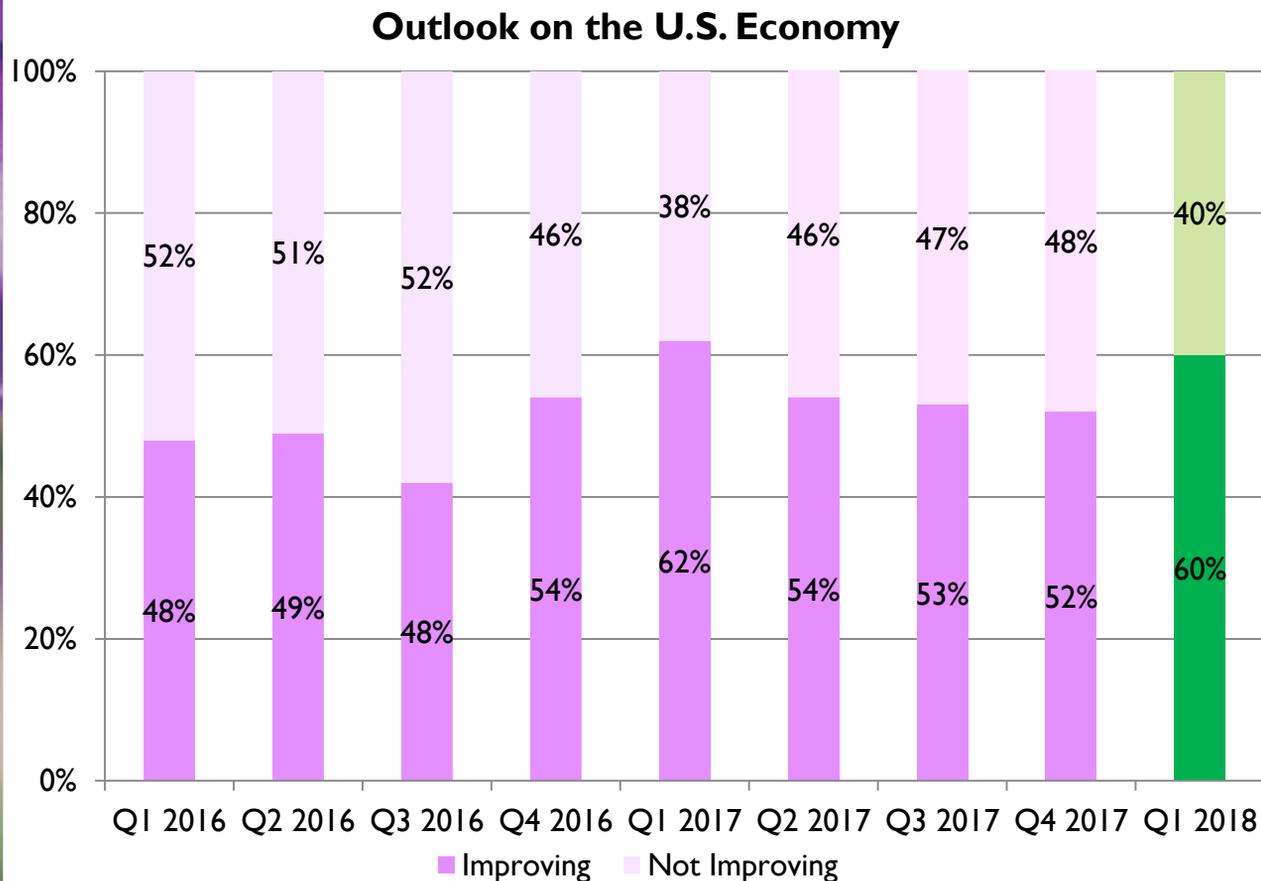
<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Very Difficult	39%	33%	32%	34%
Somewhat Difficult	27%	27%	35%	29%
Not Very Difficult	15%	12%	16%	22%
Not At All Difficult	19%	28%	17%	16%

<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Very Difficult	34%	37%	30%
Somewhat Difficult	31%	29%	32%
Not Very Difficult	16%	17%	17%
Not At All Difficult	19%	17%	21%

<b>Tenure:</b>	<b>Rent</b>	<b>Live with someone</b>
Very Difficult	33%	36%
Somewhat Difficult	30%	30%
Not Very Difficult	18%	13%
Not At All Difficult	19%	20%

# Outlook on U.S. Economy

- Sixty percent of people believe the U.S. economy is improving, up from 52 percent in Q4 2017.
- Optimism is highest in the South, in rural areas, and among those with household incomes above \$100,000 a year.
- Sixty-six percent of those 55 to 64 years of age or older believe the economy is improving.
- Fifty percent of those in urban areas believe the economy is improving compared to 72 percent in rural areas.



# 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	56%	59%	59%	66%	63%
Not Improving	44%	41%	41%	34%	38%

<b>Household Income:</b>	<b>Under \$50,000</b>	<b>\$50,000 to \$100,000</b>	<b>More than \$100,000</b>
Improving	48%	65%	69%
Not Improving	52%	35%	31%

<b>Region:</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Improving	56%	60%	62%	60%
Not Improving	44%	40%	38%	40%

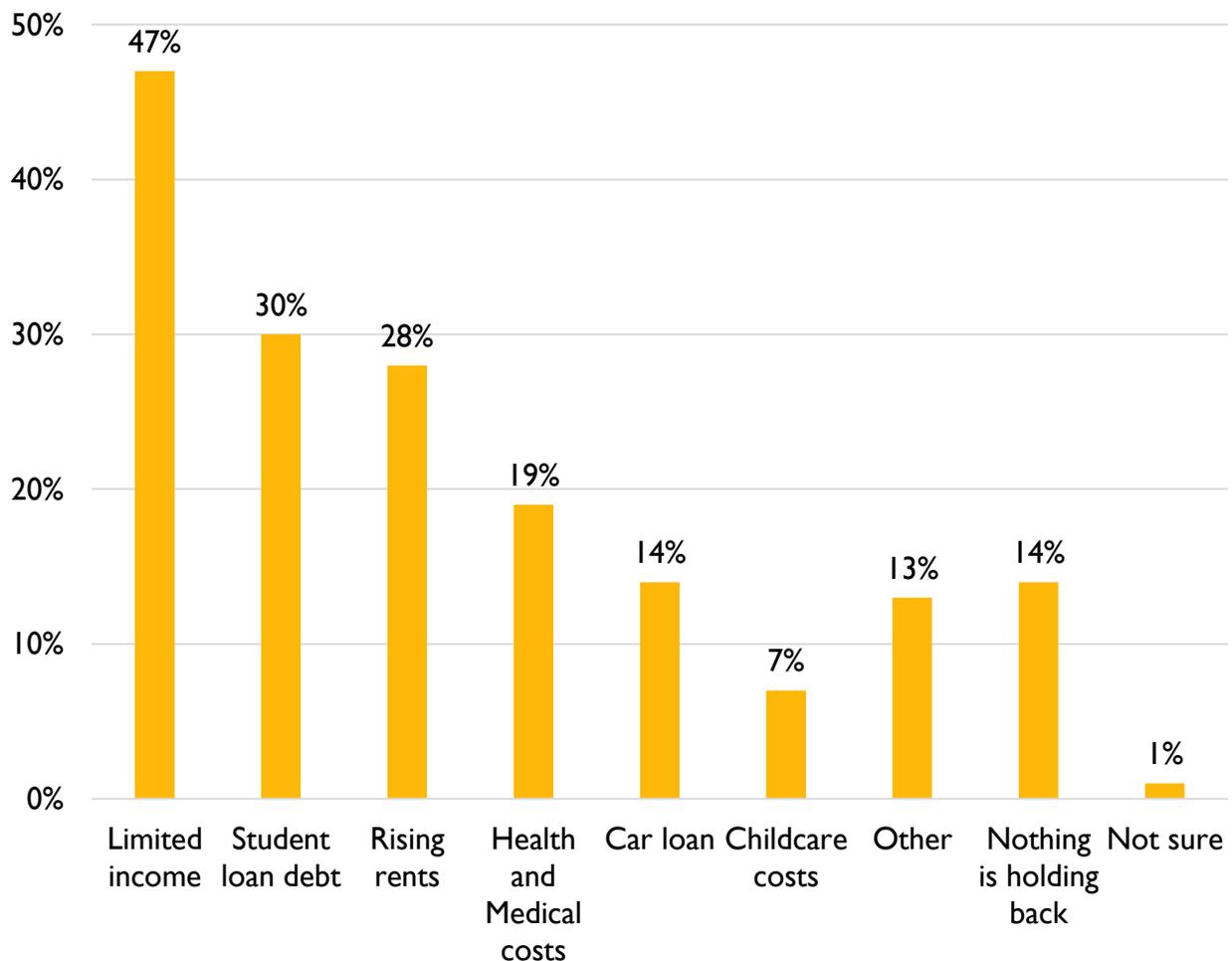
<b>Location:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Improving	72%	59%	50%
Not Improving	28%	41%	50%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Improving	66%	49%	52%
Not Improving	34%	51%	48%

# Preventing Saving for a Downpayment

- In Q1 2018, non-owners were asked if there were any particular reason preventing them from saving for a downpayment, how their financial situation is making it difficult to qualify for a mortgage, and how owners and non-owners would use an unexpected windfall of \$5,000.
- Among non-owners, 47 percent cannot save because they have limited income, 30 percent because of their student loan debt, 28 percent because of rising rental costs, and 19 percent because of health and medical expenses.

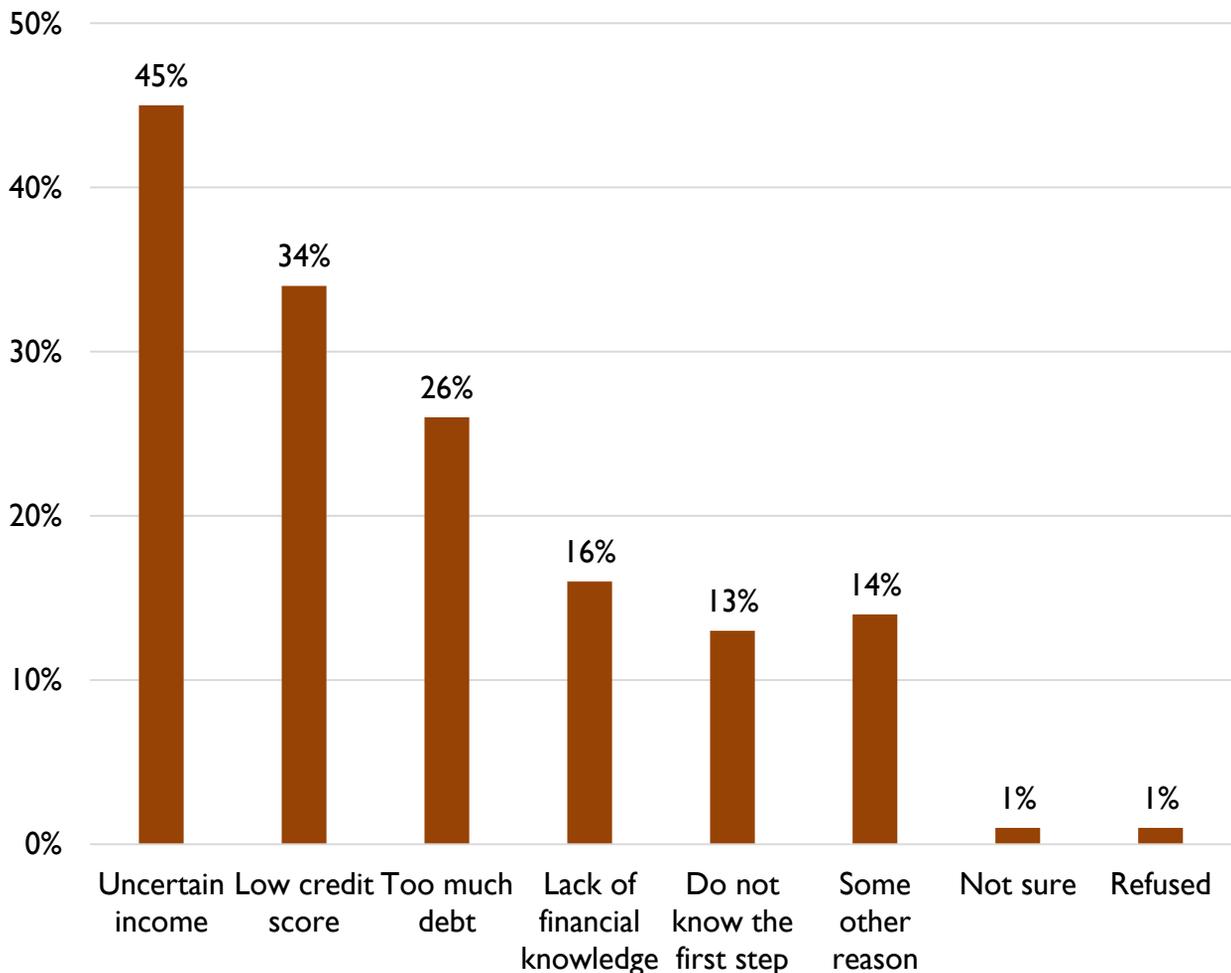
## Preventing Saving for a Downpayment



# Causes of Difficulty Qualifying for a Mortgage

- Among non-owners 45 percent believe they would have difficulties qualifying for a mortgage because of uncertain income, 34 percent because of low credit scores, and 26 percent because they have too much debt.
- Sixteen percent of non-owners feel they have a lack of financial knowledge and 13 percent would not know the first step in the process.

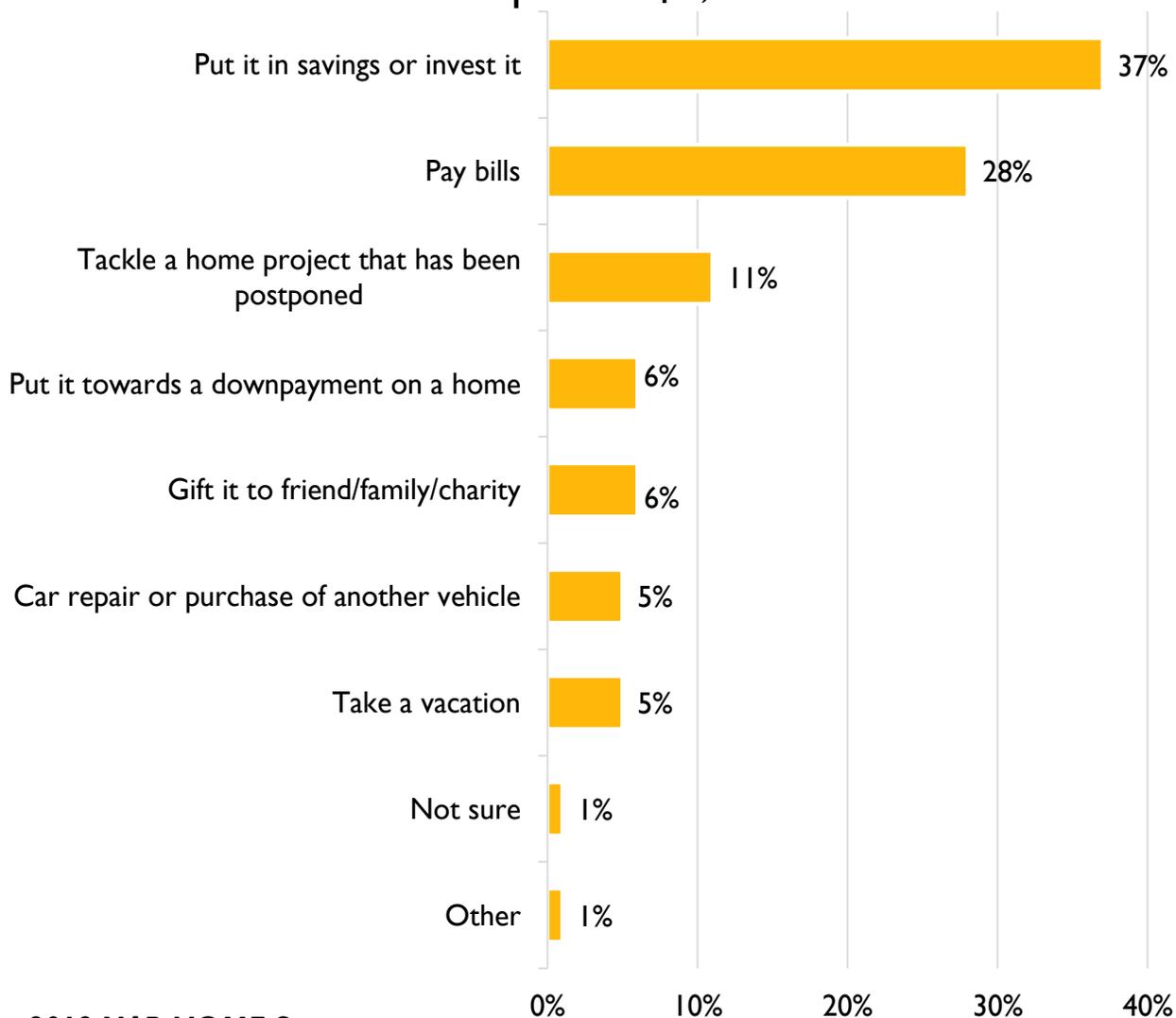
## Causes of Difficulty Qualifying for a Mortgage



# How Funds Would be Used With an Unexpected \$5,000

- If a household received an unexpected windfall of \$5,000, 37 percent would put it in savings or invest it and 28 percent would pay bills.
- Eleven percent of respondents would tackle a home project they have postponed and six percent would put the funds towards a downpayment on a home.

## How Funds Would be Used if Received an Unexpected \$5,000



# How Funds Would be Used With an Unexpected \$5,000

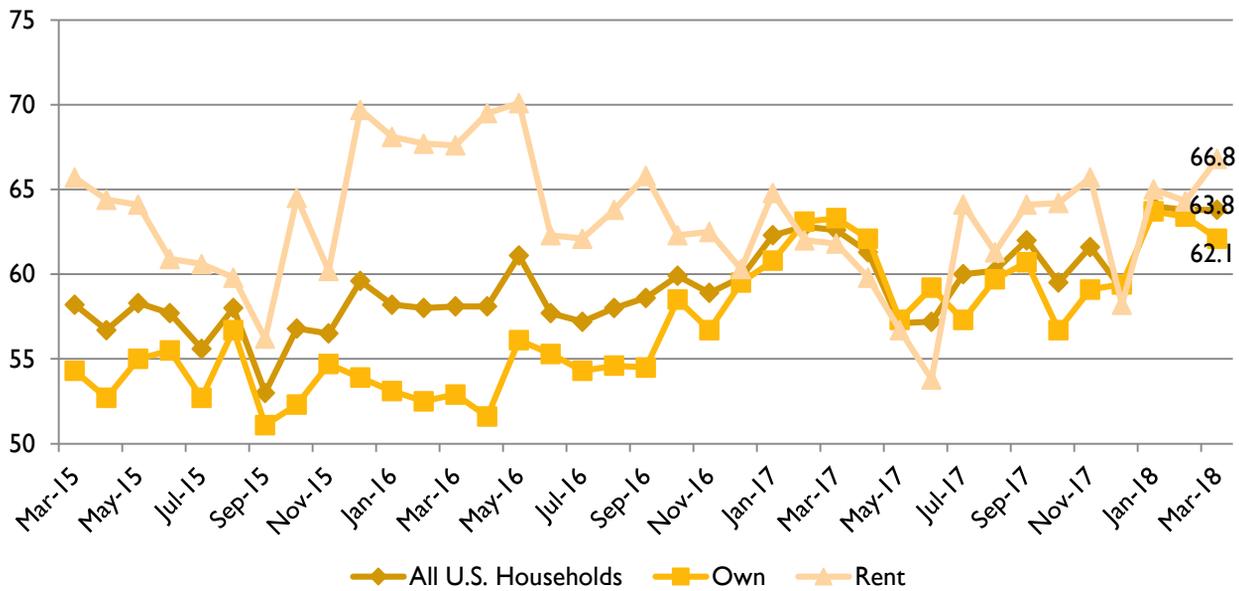
<b>Tenure:</b>	<b>Rural</b>	<b>Suburban</b>	<b>Urban</b>
Put it into savings or invest	34%	38%	40%
Pay bills	29%	28%	28%
Tackle a home project you have been postponing	13%	12%	8%
Gift it to friend/family/charity	8%	5%	6%
Car repair or purchase of another vehicle	6%	6%	3%
Put it towards a down payment on a home	5%	5%	10%
Other	1%	1%	2%

<b>Tenure:</b>	<b>Own</b>	<b>Rent</b>	<b>Live with someone</b>
Put it into savings or invest	39%	33%	46%
Pay bills	26%	36%	23%
Tackle a home project you have been postponing	16%	2%	2%
Gift it to friend/family/charity	6%	4%	8%
Car repair or purchase of another vehicle	4%	5%	10%
Put it towards a down payment on a home	2%	14%	7%
Other	1%	2%	1%

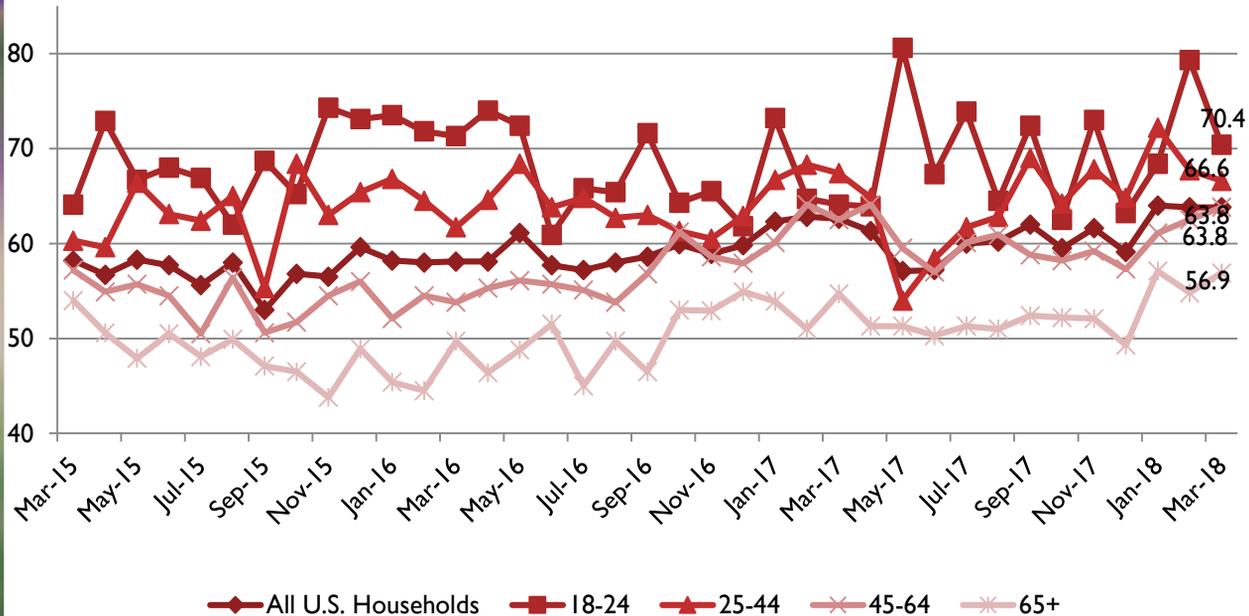
# Personal Financial Outlook Index

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 Tenure



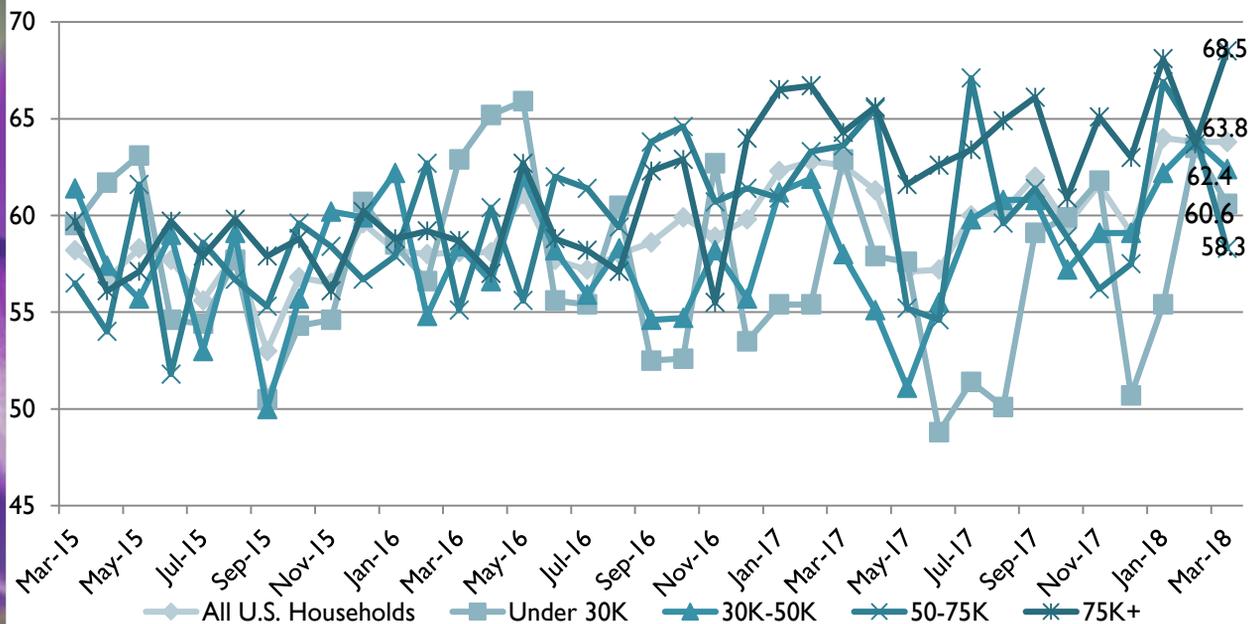
### Personal Financial Outlook by Age of Household Head



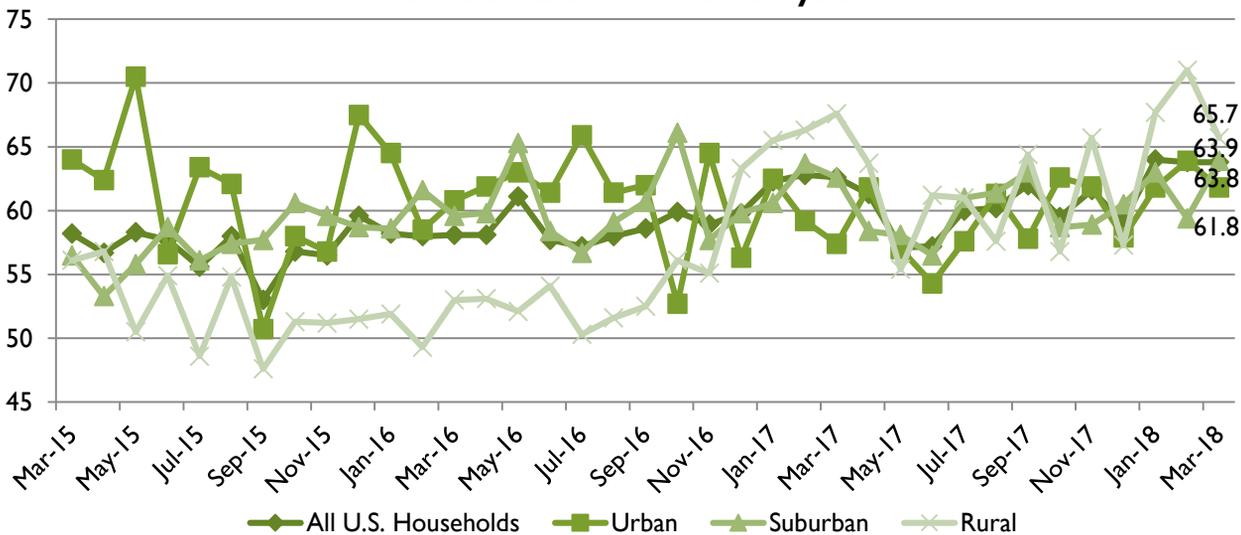
# Personal Financial Outlook Index

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 Income



### Personal Financial Outlook by Area



# Methodology

The survey was conducted by an established survey research firm, TechnoMetrica Market Intelligence. Each month, January through March 2018, 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 2,702 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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