

Aspiring Home Buyers Profile

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National Association of REALTORS® Research Group



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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.

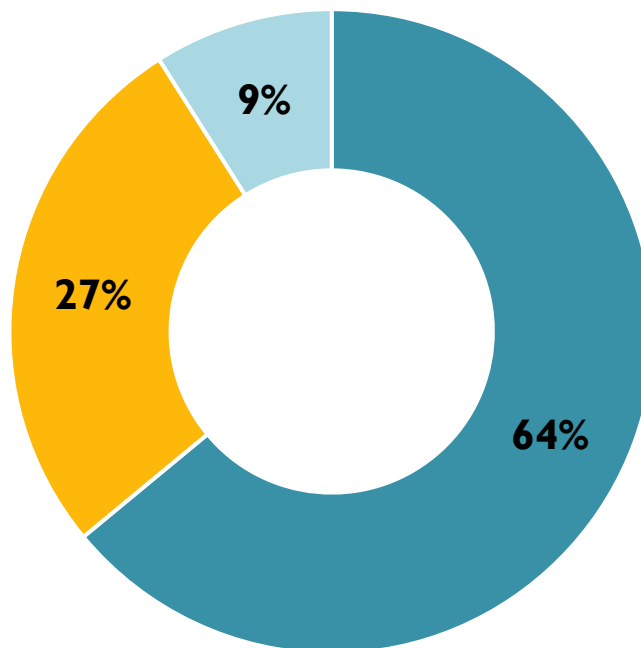
Data was collected throughout 2018 on a monthly basis as part of NAR's Housing Opportunities and Market Experience (HOME) report, which monitors consumer sentiment about the housing market. Topics include if now is a good time to buy a home, the perception of homeownership as part of their American Dream, 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 2018, 64 percent of respondents were homeowners, 27 percent were renters, and nine percent lived with someone else.
- Of the non-owners, 45 percent were 34 years or under, 59 percent make an income of under \$50,000, and 43 percent live in suburban areas.

Living Situation in 2018



■ Homeowner ■ Rent ■ Live with someone else

Profile of Owners and Non-Owners

Age:	Owners	Non-Owners
34 or under	10%	45%
35 to 44	20%	23%
45 to 54	17%	12%
55 to 64	25%	11%
65 or over	28%	10%

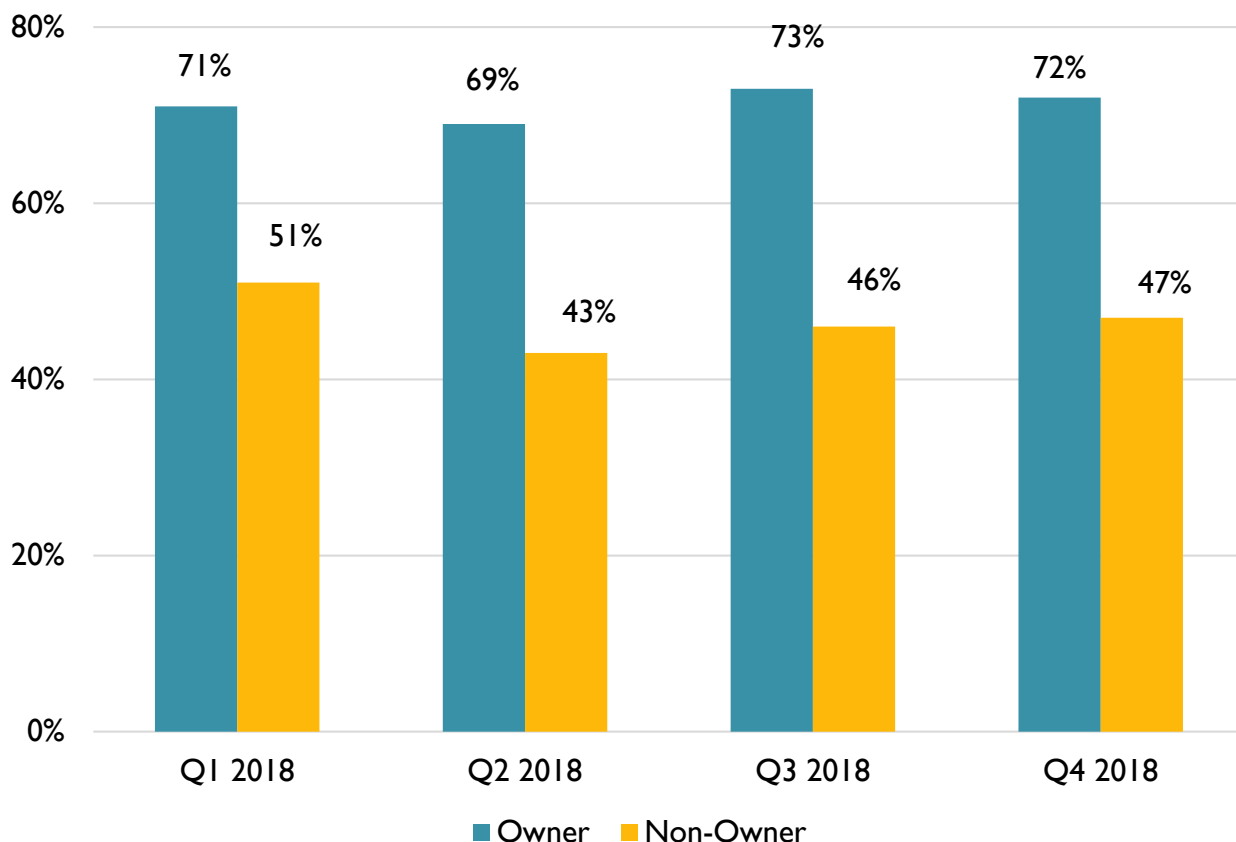
Household Income:	Owners	Non-Owners
Under \$50,000	27%	59%
\$50,000 to \$100,000	35%	28%
More than \$100,000	38%	13%

Location:	Owners	Non-Owners
Suburban	47%	43%
Rural	29%	17%
Urban	22%	36%

Good Time to Buy a Home

- Over the course of 2018, non-homeowners' perception that now is a good time to buy a home decreased by four points.
- For non-owners, 51 percent felt that now was a good time to buy in Q1 compared to 47 percent by Q4. For owners, 71 percent felt that now was a good time to buy in Q1 compared to 72 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	48%	50%	52%	63%	51%
Not a Good Time	52%	50%	49%	37%	49%

Household Income:	Under \$50,000	\$50,000 to \$100,000	More than \$100,000
A Good Time	49%	55%	50%
Not a Good Time	51%	45%	50%

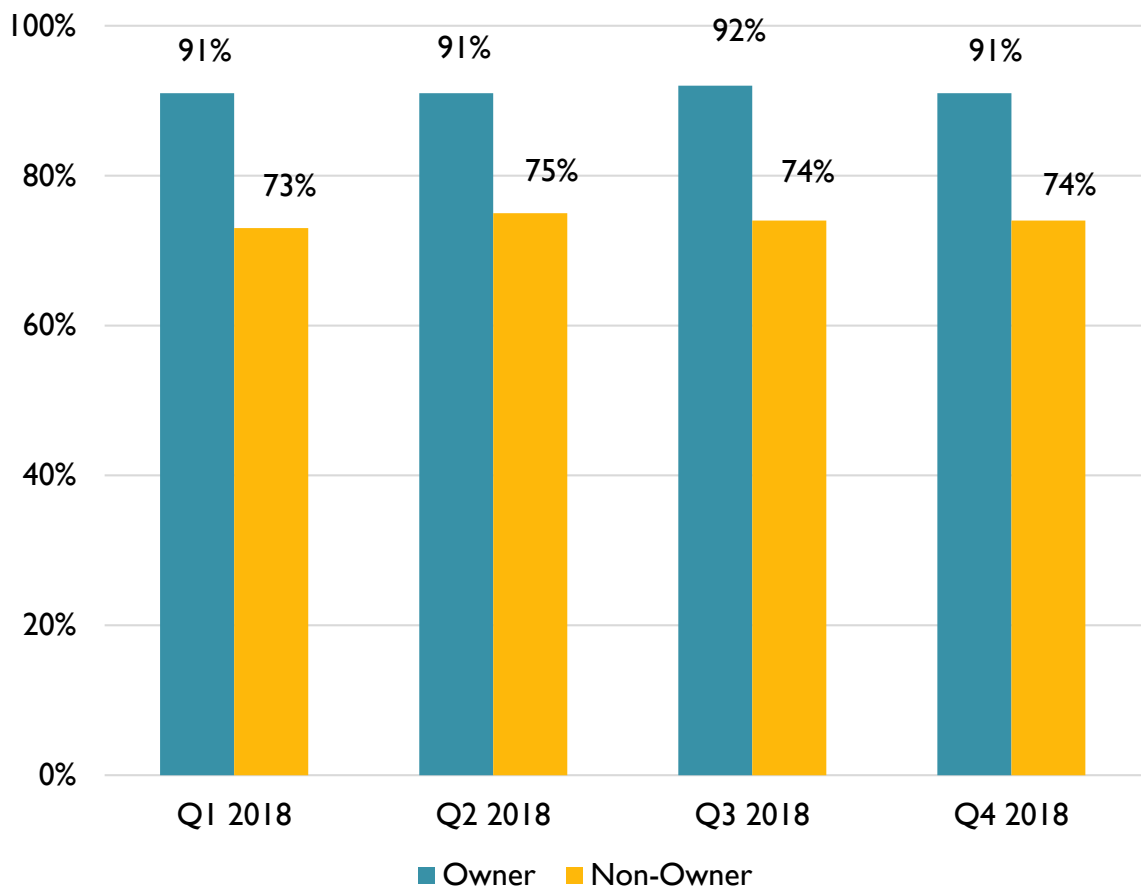
Region:	Northeast	Midwest	South	West
A Good Time	50%	51%	53%	48%
Not a Good Time	50%	49%	47%	52%

Location:	Rural	Suburban	Urban
A Good Time	54%	52%	47%
Not a Good Time	46%	48%	53%

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, roughly 75 percent reported that homeownership is part of their American Dream. For owners, nine in 10 believe it is part of their American Dream.

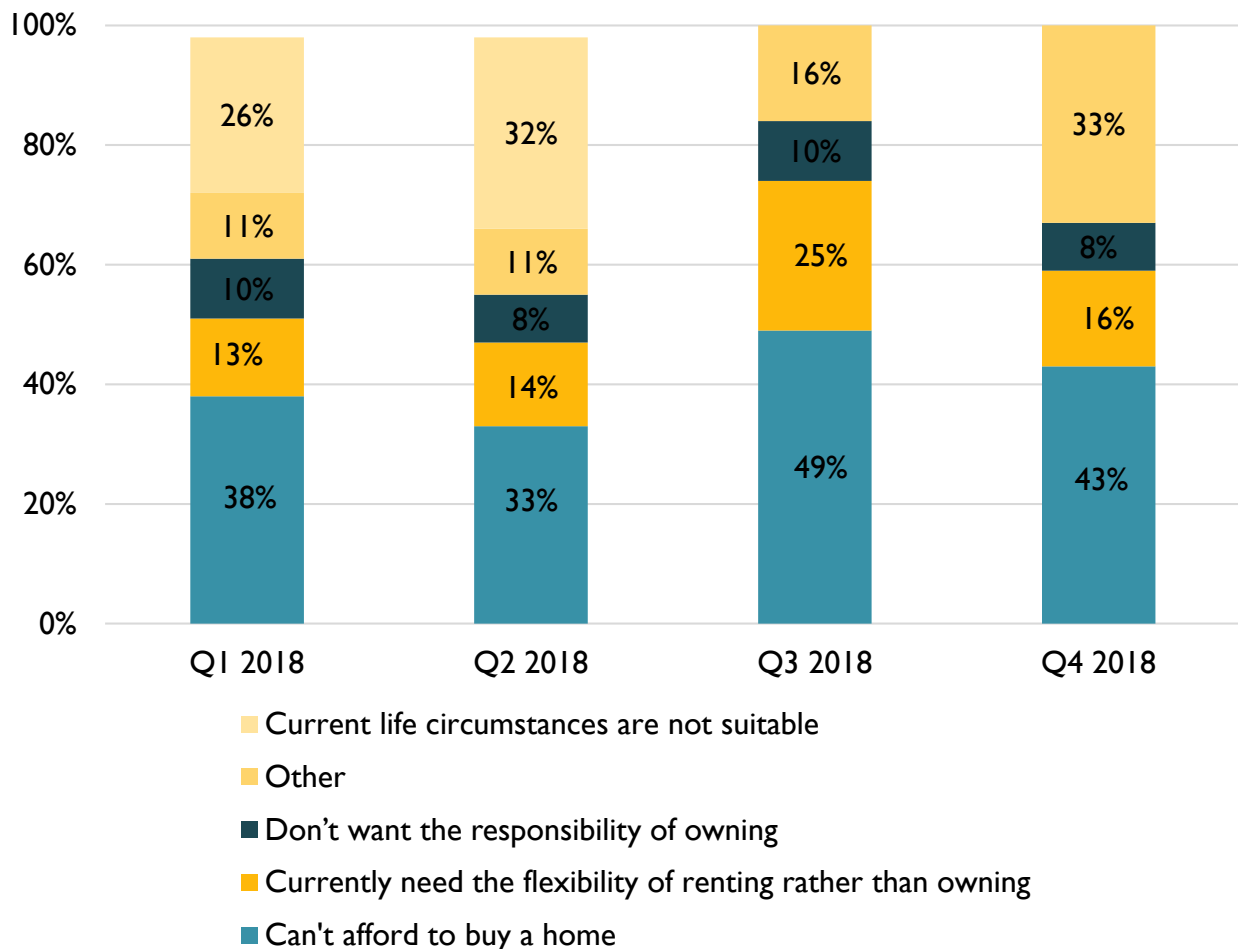
Homeownership Part of American Dream, By Quarter



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 33 percent of all non-owners and was highest in Q3 at 49 percent.

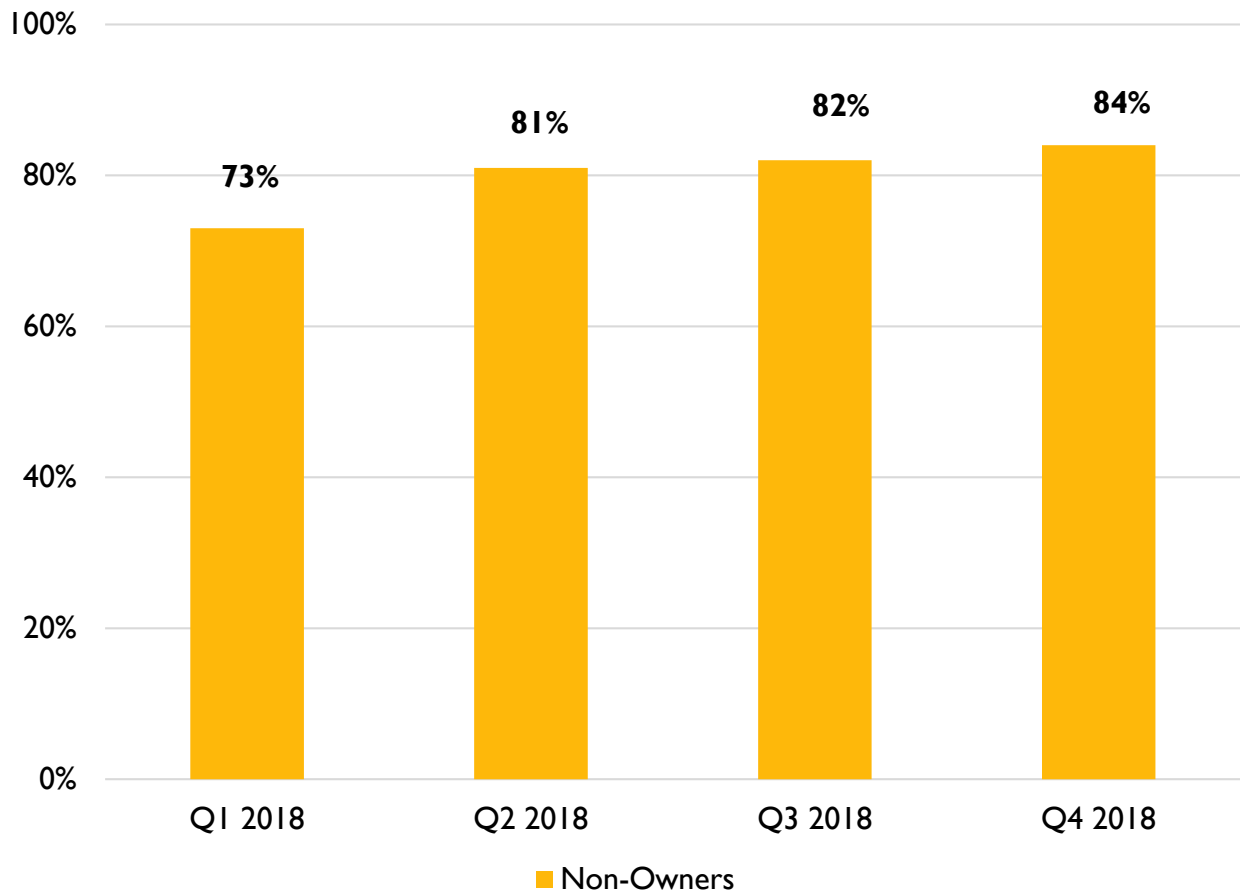
Main Reason Non-Owners Do Not Currently Own, By Quarter



Want to Own a Home in The Future

- Throughout 2018, non-homeowners were consistent in their desire to own a home in the future. Seventy-three to 84 percent of non-owners each quarter expressed a desire to be a homeowner.

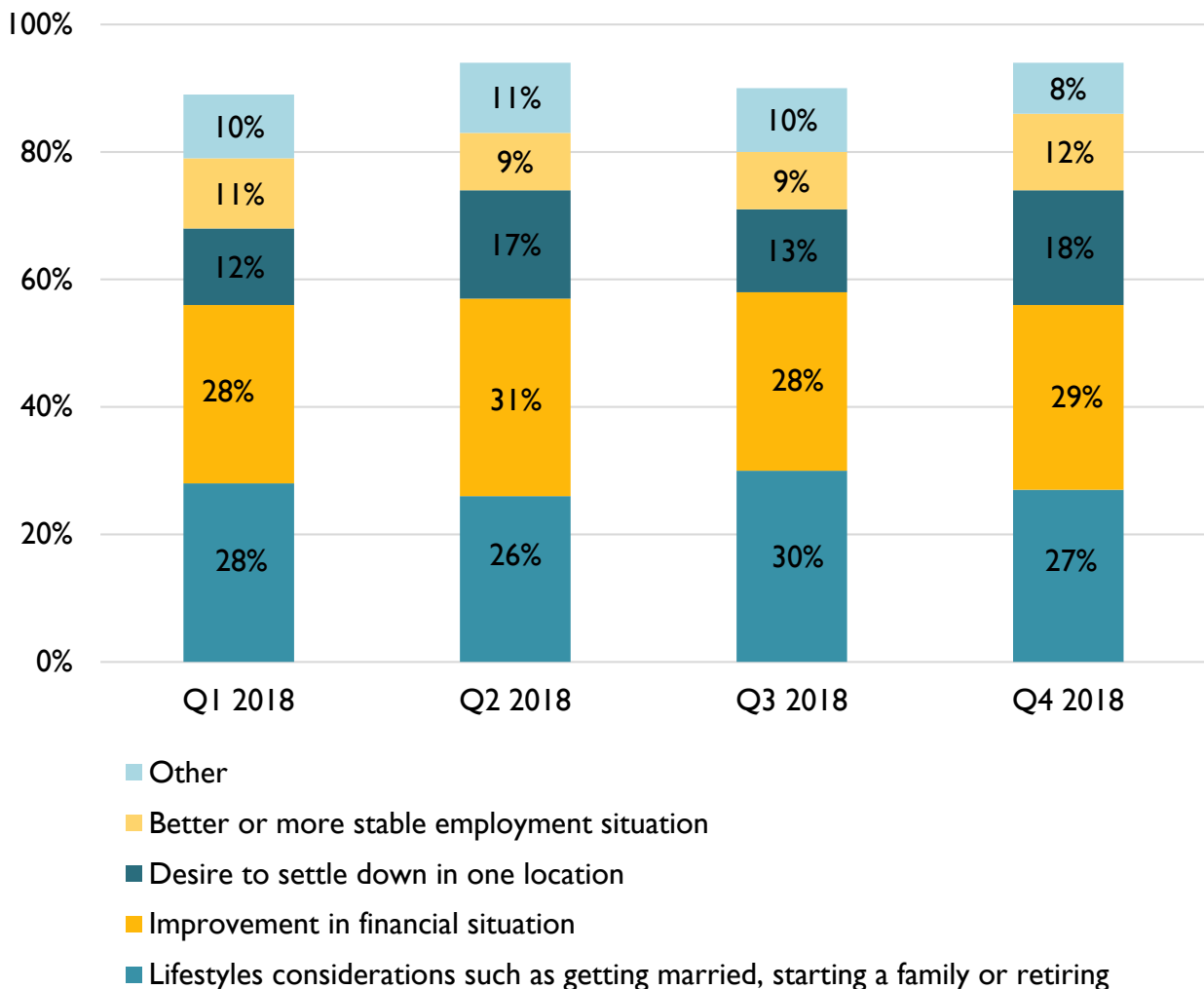
**Non-Owners Who Want to Own a Home in The Future,
By Quarter**



Main Reason Would Buy In the Future

- The main reasons that non-owners would buy a home in the future are an improvement in financial situation (28 to 31 percent each quarter); followed by a change in lifestyle such as getting married, starting a family, or retiring (26 to 30 percent each quarter); the desire to settle down in one location (12 to 18 percent each quarter percent); and a better or more stable employment situation (eight to 11 percent each quarter).

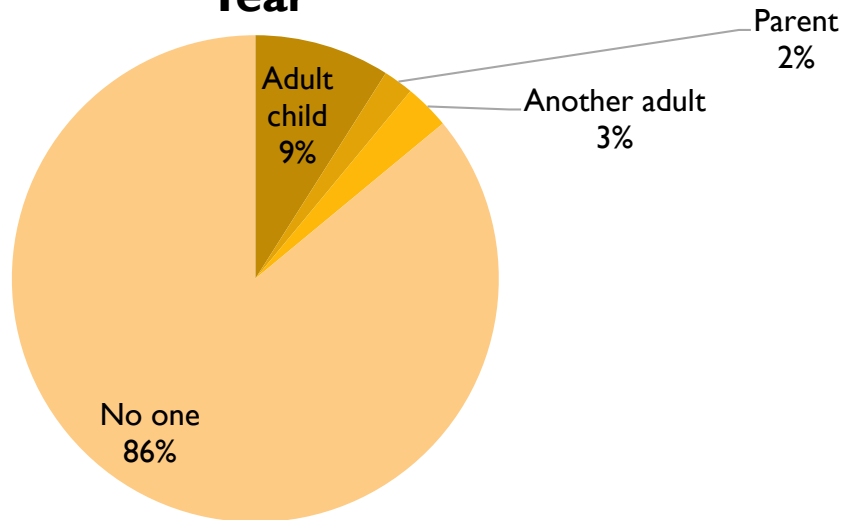
Main Reason Non-Owners Would Buy, By Quarter



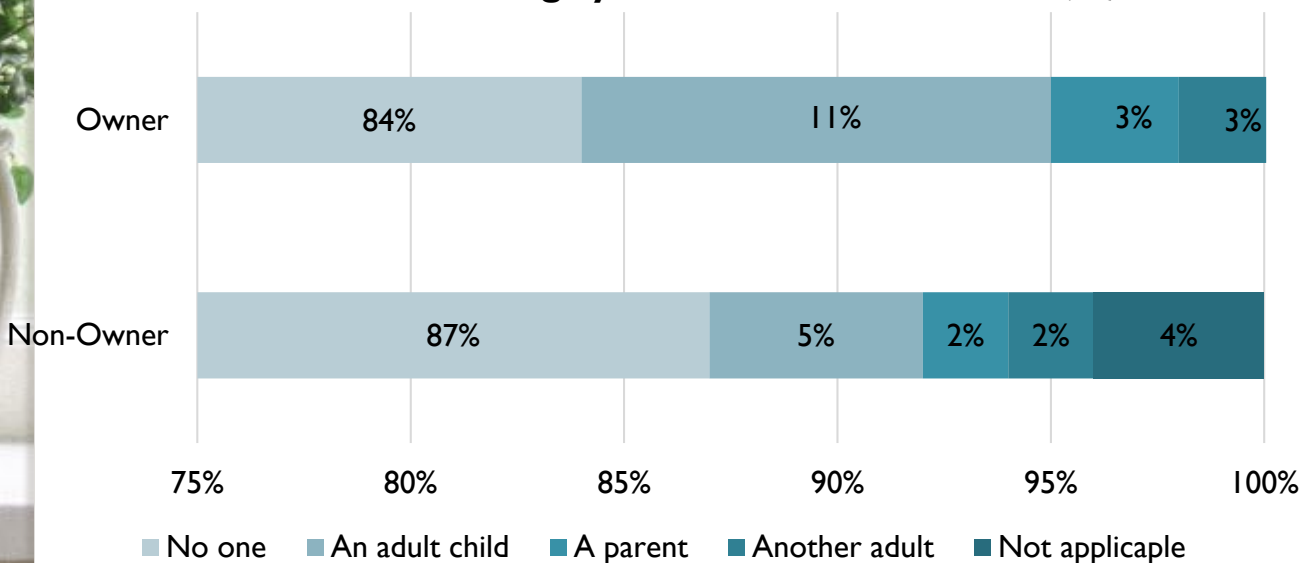
Family or Friend Moved Into Home in Last Year

- In Q4 2018, respondents were asked about adult family or friends moving into their homes, the length of time this individual lived with them, and if they considered moving to a new home because of the change within the household.
- Eighty-six percent of respondents had no one move into their home in the last year.
- Eleven percent of owners had an adult child, and five percent of non-owners had an adult move into their home.

Family or Friend Moved Into Home in Last Year



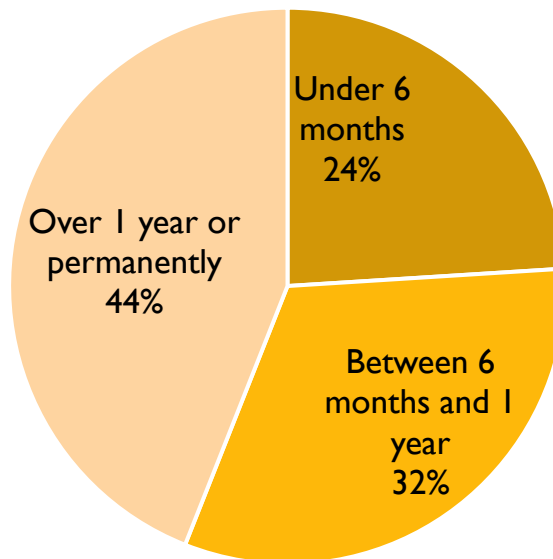
Reasons for Renting by Owners and Non-Owners, Q4



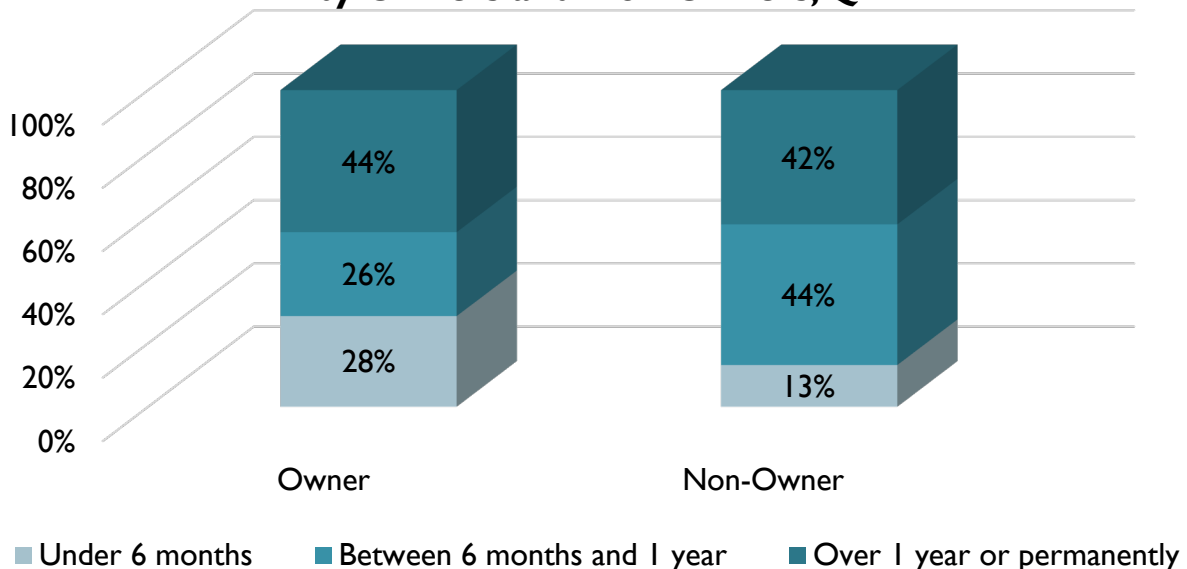
Length of Time Family Member Moved Into Home

- Of those who had someone move into their home, 44 percent reported that the individual planned to live with them for over one year or permanently.
- Forty-four percent of non-owners reported that the adult planned on living with them between 6 months to 1 year.

Length of Time Individual Moved Into Home



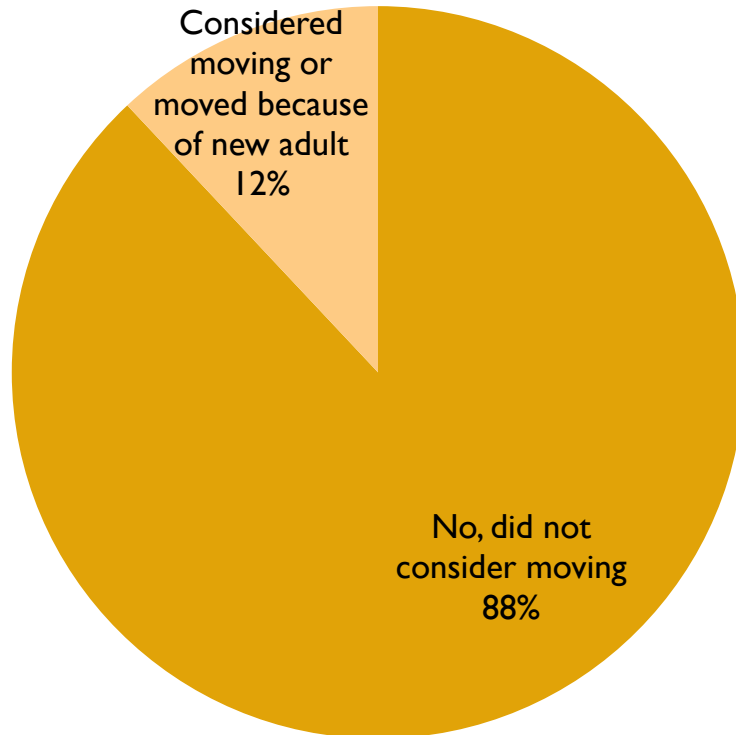
Length of Time Individual Moved Into Home by Owners and Non-Owners, Q4



Considered Moving to a New Home

- Eighty-eight percent of those who had someone move into their home felt that their living situation remained adequate and did not move or consider moving to a new home.
- Twelve percent considered moving or moved because their home situation became inadequate.

Considered Moving or Moved Because of Change in Household





Methodology

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

The data compiled for this report is based on 8,140 completed telephone interviews of qualified households survey respondents over a 12-month period from January to December 2018. Approximately 680 interviews are conducted each month. For the annual results, the margin of error for the survey is +/-3.6 percentage points at the 95% confidence level.

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