

# HOME Survey

## Housing Opportunities and Market Experience

December 2015



National Association of REALTORS® Research Department



# Introduction

The new 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 housing as a good financial investment, whether homeownership is part of the American Dream, if now is a good time to buy or sell a home and perception of home price changes.

Additionally, current topical trends are covered in the HOME survey. Renters are asked about their experience in the mortgage market and difficulties obtaining a home loan and when they will be ready to purchase a home.

Each quarter new questions will be added to the survey that reflect timely topics in an ever changing residential real estate marketplace.

Lastly, 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.

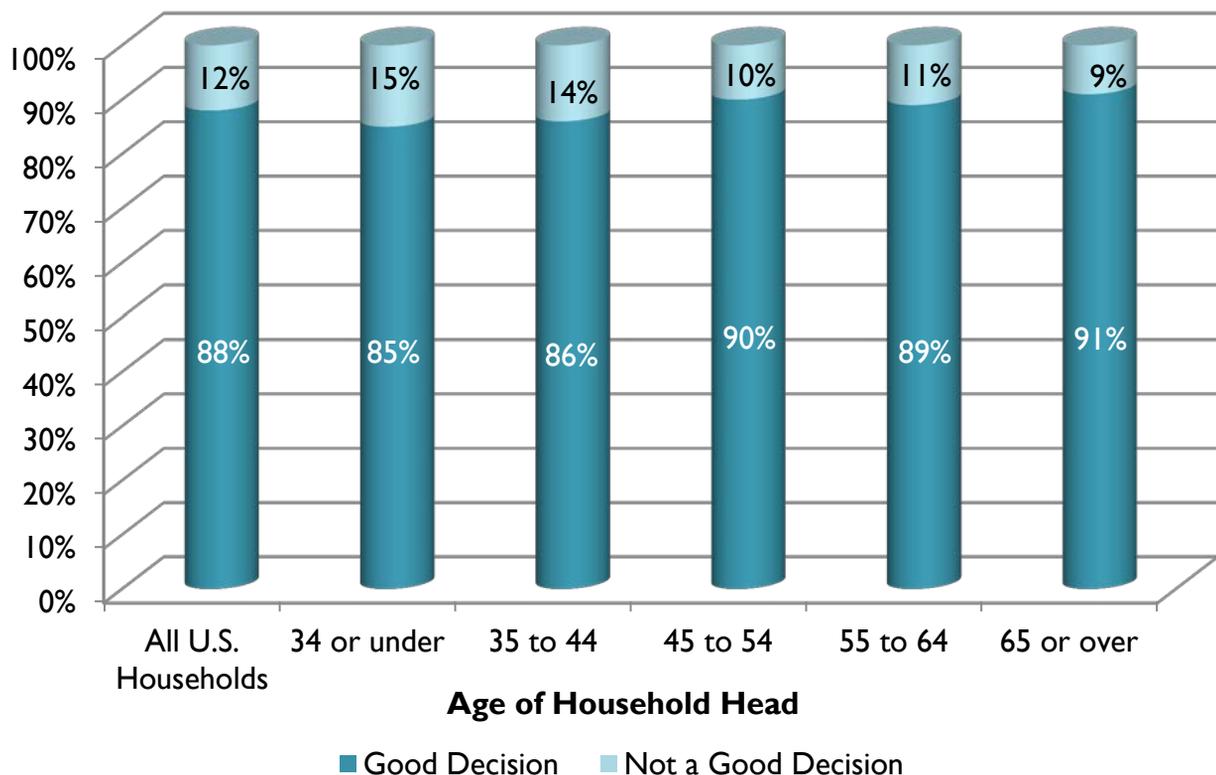
This HOME survey will be released on a quarterly basis. The 2016 release dates are:

- March 15, 2016
- June 15, 2016
- September 14, 2016
- December 14, 2016

# Homeownership is a Good Financial Decision

- Eighty-eight percent of U.S. households believe owning a home is a good financial decision. When asked if they believe this strongly or moderately, 76 percent among those who believe it's a good decision believe it strongly.
- Older households more frequently view homeownership as a good financial decision.
- Eighty-nine percent of White/Caucasian households, 88 percent of Black households, 84 percent of Asian households, and 82 percent of Hispanic/Latino households believe ownership is a good financial decision.
- Among those with at least some college education 89 percent believe buying a home is a good financial decision compared to 85 percent of those with no college education.

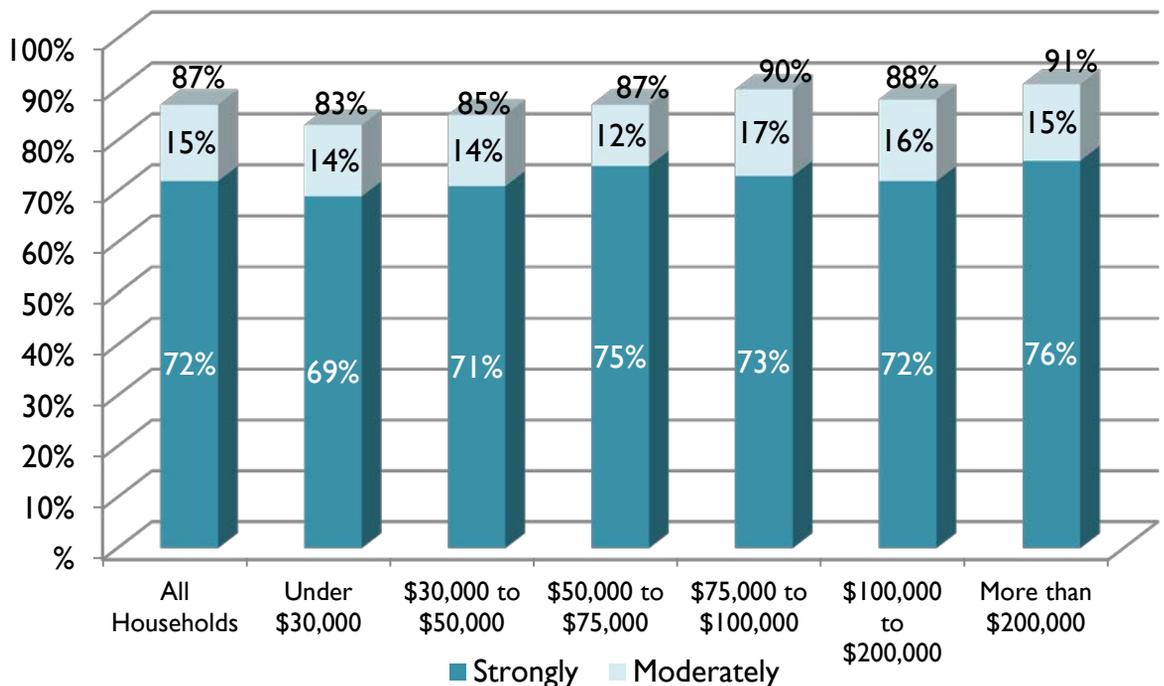
**Homeownership is a Good Financial Decision by Age of Household Head**



# Homeownership is Part of the American Dream

- Eighty-seven percent of U.S. households believe homeownership is part of their American Dream. Of those, 72 percent believe it strongly and 15 percent moderately.
- Believing homeownership is part of their American Dream is highest among those who are 65 and over (89 percent) and among those with at least some college education (87 percent).
- While 44 percent of households surveyed believe the economy is in a recession, the desirability of homeownership remains strong. Eighty-seven percent of U.S. households that believe the economy is in a recession also believe owning a home is part of their American Dream, compared to 88 percent who do not believe the economy is currently in a recession.
- Among U.S. households who believe homeownership is part of their American Dream the most appealing aspects of homeownership were:
  - A place to raise a family—36%
  - Owning place of one's own—26%
  - A nest egg for retirement—14%
  - Financial security now—13%
  - Being part of a community—8%
  - Settling down—4%

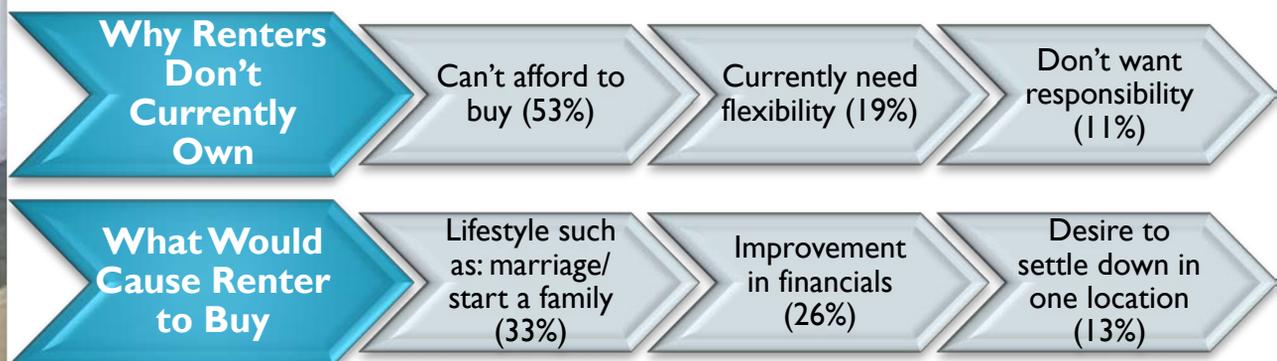
**Homeownership is Part of the American Dream by Household Income**



# Renters Aspire to be Homeowners

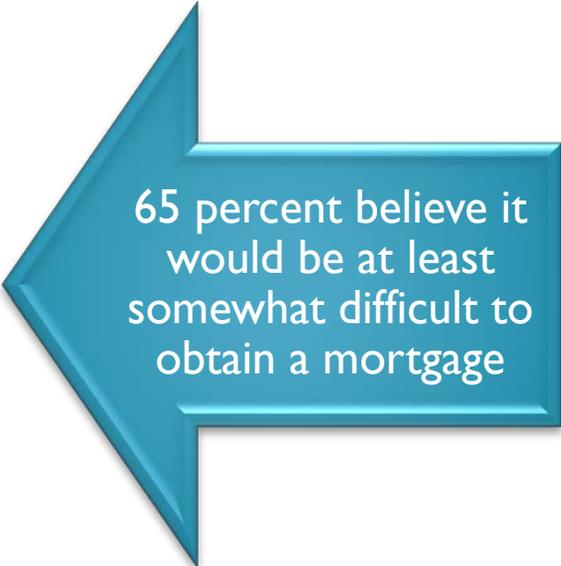
- Eighty-three percent of current renters do want to own a home in the future.
- Renters age 34 and younger most frequently say they aspire to be homeowners in the future (94 percent).
- Eighty-seven percent of Asian Americans households, 86 percent of Black households, 86 percent of Hispanic households, and 84 percent of White/Caucasian households who currently rent do want to be homeowners in the future.
- Seventy-seven percent of renters believe homeownership is part of their American Dream.

Affordability is often the biggest roadblock to owning a home:



# Obtaining a Mortgage is a Concern for Renters

- Thirty-one percent of renters think it would be very difficult and 34 percent think it would be at least somewhat difficult to obtain mortgage.
- Only five percent of renters have recently tried and failed to obtain a mortgage. However, 51 percent have not tried recently and don't feel confident they could obtain a mortgage.
- Among those who thought it would be very difficult to obtain a mortgage, 10 percent have attempted to obtain a mortgage and failed. However, 79 percent who think it would be very difficult to obtain a mortgage have not tried.
- There are differences among income brackets: renters who make between \$30,000 and \$40,000 had the highest share who tried and failed to obtain a mortgage at 10 percent, while 51 percent of those who make more than \$50,000 a year have not tried but feel confident they could succeed in obtaining a mortgage.



65 percent believe it would be at least somewhat difficult to obtain a mortgage

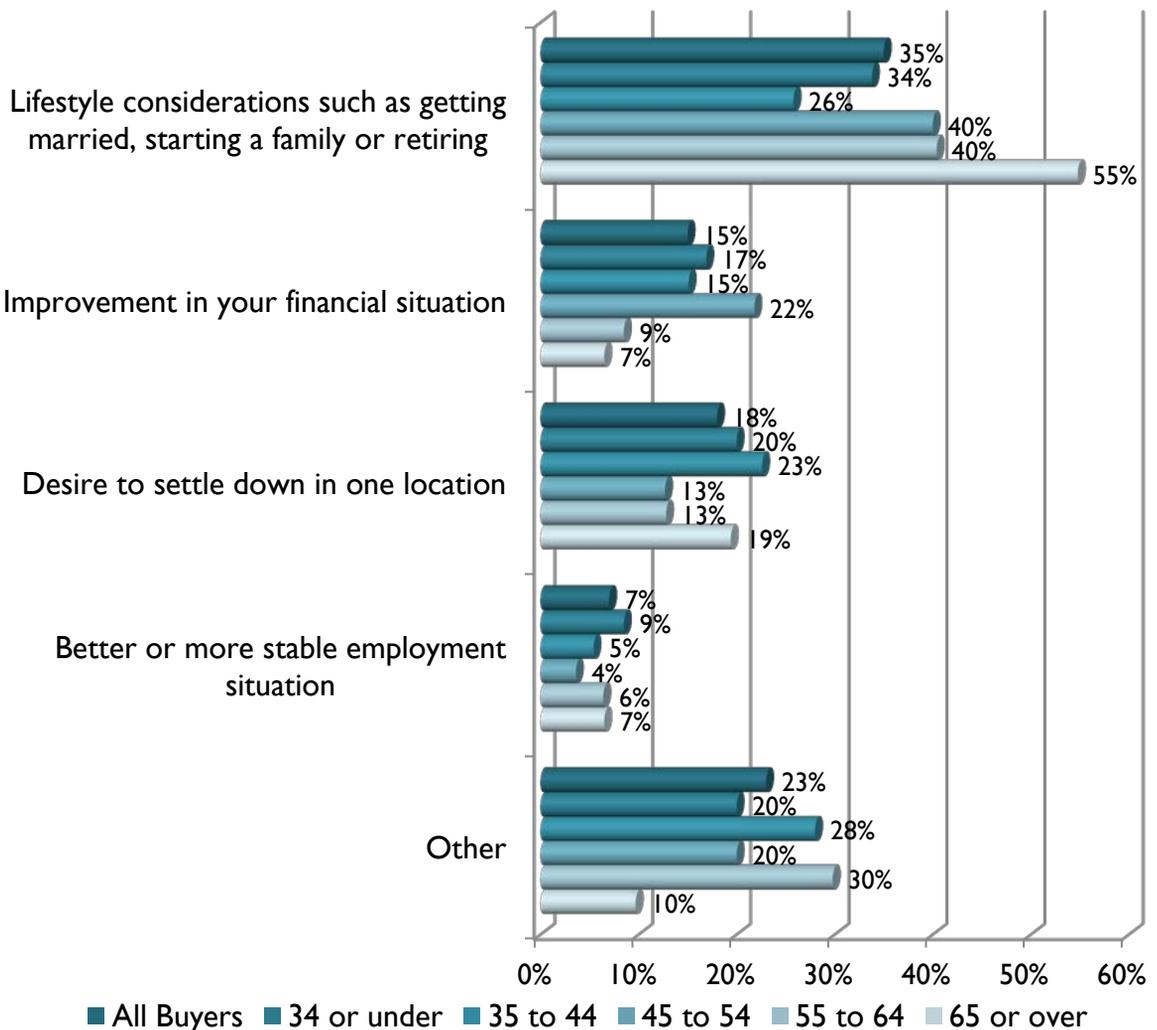


5 percent have recently tried and failed in obtaining mortgage financing

# The Move to Owning a Home Occurs for Many Reasons

- Homeowners become owners for a variety of emotional and financial reasons. Most commonly owners bought a home because: 35 percent had lifestyle changes such as getting married, starting a family, or retiring; 18 percent had the desire to settle down in one location; and 15 percent had an improvement in their financial situation.
- Reasons why homeowners bought a home vary widely by age.

## Why Homeowner Purchased a Home By Age of Household Head



# Renters Monitor Economic Outlook

- Among renter households, over this data collection period, 45 percent believe the U.S. economy is currently in a recession. Forty-three percent of renters believe the economy is not currently improving.
- Among renters who currently believe the U.S. economy is not in a recession, 81 percent do want own a home sometime in the future. In comparison to 78 percent of those who think the U.S. economy is currently in a recession still want to own a home in the future.
- Similarly, 82 percent of renters who believe the economy is improving do want to own a home in the future compared to 76 percent of those who believe the economy is not improving.



57% of renters say economy improving

82% of renters who believe the economy is improving do want to own a home in the future

76% of renters who believe the economy is not improving want to own a home in the future

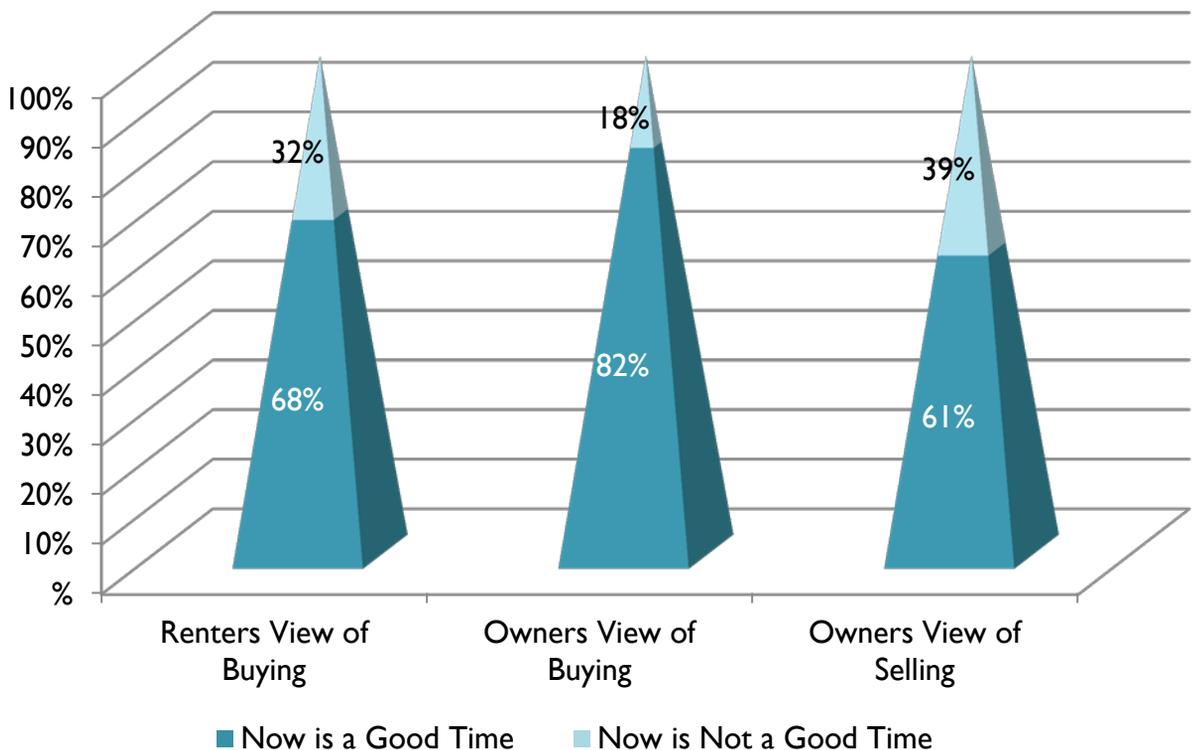


43% of renters say economy not improving

# Majority Believe it is a Good Time to Buy or Sell a Home

- Owners are more likely than renters to believe now is a good time to buying a home over the data collection period from March to December. Eighty-two percent of owners believe now is a good time to buy a home compared to 68 percent of renters.
- Among owners who thought it was a good time to buy a home, 64 percent held that viewpoint strongly. Renters held a more moderate viewpoint. Among renters who felt now was a good time to buy a home, 50 percent held that viewpoint strongly.
- Among current owners, 61 percent of households believe it is a good time to sell a home.
- Among owners who thought it was a good time to sell a home, 53 percent held that viewpoint strongly and 47 percent felt that way moderately.

## Now is Good Time To Buy or Sell by Renters or Owners



# Outlook for Housing Prices

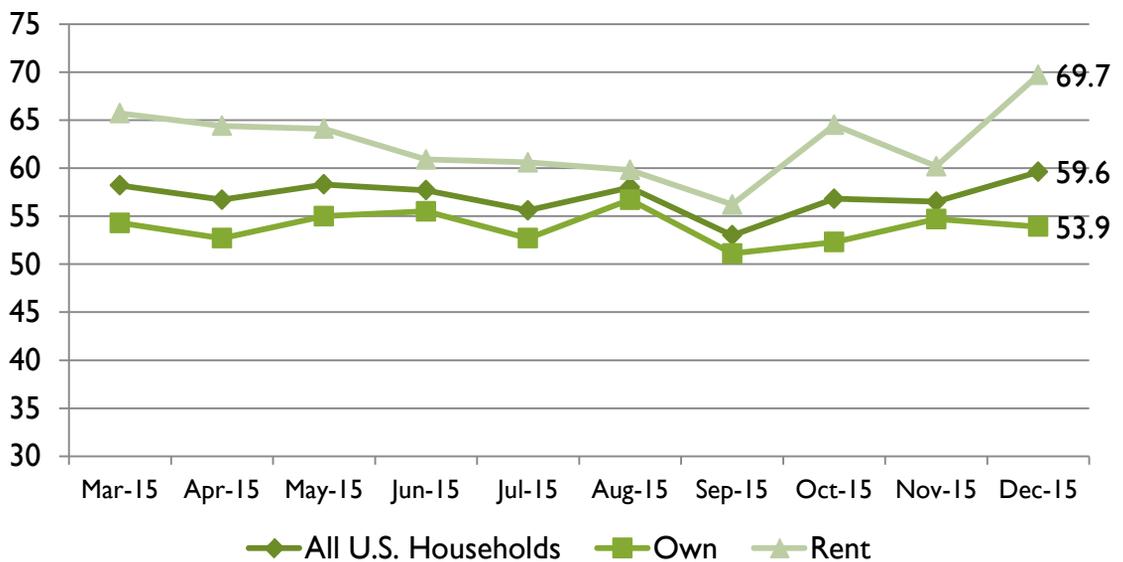
- Fifty percent of respondents believe home prices in their communities have gone up during the past 12 months. Eleven percent believe home prices have gone down and 39 percent believe they have stayed the same.
- About 56 percent of U.S. households who believe that the U.S. economy is improving and is not in a recession also believe that home prices have increased in their local community. For those who believe the economy is not improving and is in a recession, only 44 percent believe home prices have increased during the past 12 months.
- Forty-two percent of respondents believe home prices in their communities will increase during the next six months, 9 percent believe they will go down, and 49 percent believe they will stay the same.
- Looking ahead to the next six months, individuals who do not believe the economy is in a recession and is improving are also more optimistic about home prices. Among those who believe the economy is not in a recession, 47 percent believe home prices will increase compared to 37 percent of those who believe the economy is in a recession. Similarly, 50 percent of respondents who believe the economy is improving believe home prices will increase compared to 34 percent of those who believe the economy is not improving.



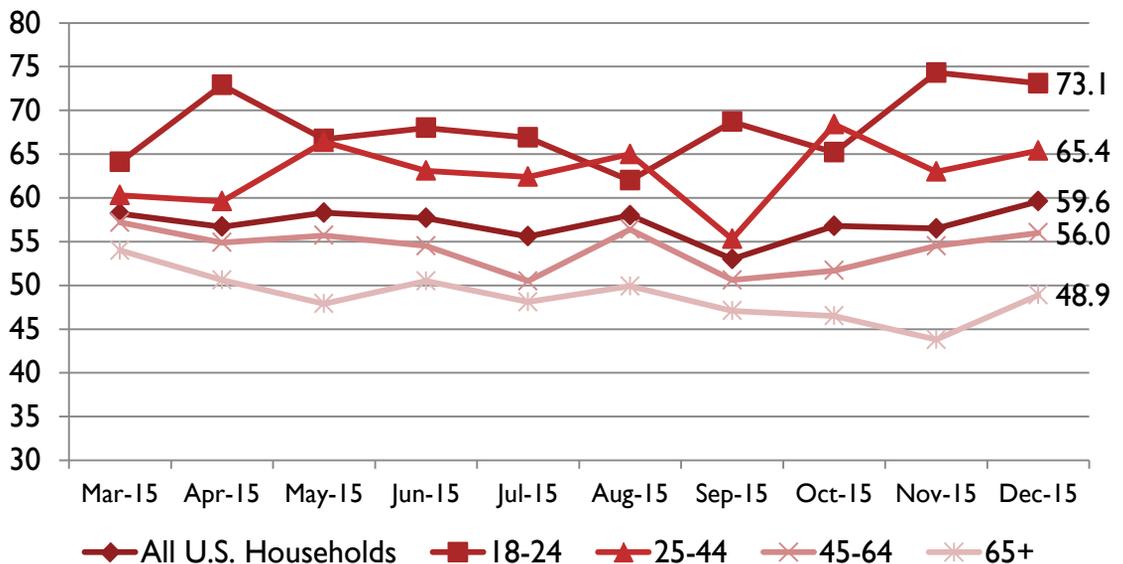
# Personal Financial Outlook Index

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 Owners or Renters



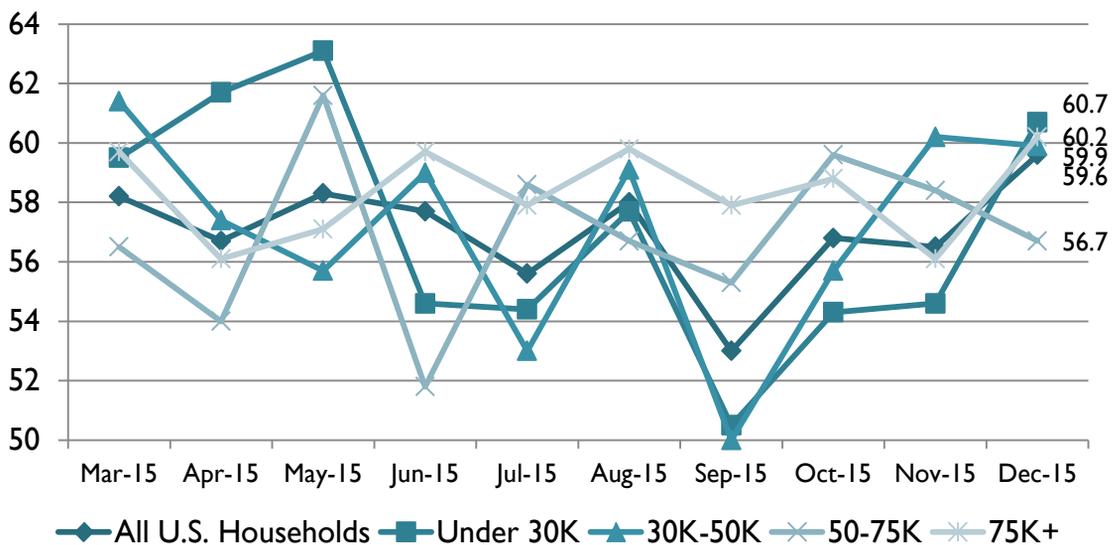
### Personal Financial Outlook by Age of Household Head



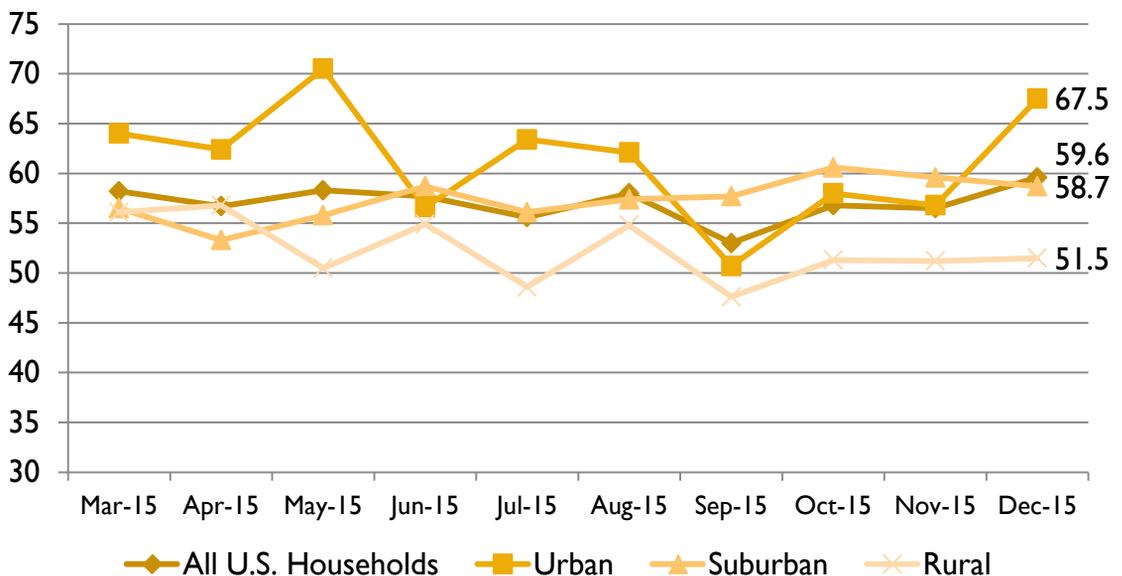
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### Personal Financial Outlook by Household Income



### Personal Financial Outlook by Area





# Methodology

The survey was conducted by an established survey research firm, TechnoMetrica Market Intelligence. Each month, March through December 2015, 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 9,034 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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