

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"The real estate market has begun to recover from the recent crisis. Mortgage rates are still low, housing prices have rebounded in many markets, and most people have a positive attitude toward buying property. However, there are social trends and economic challenges that are influencing the market, causing a shift toward renting rather than purchasing."

This report looks at the following areas:

A shift toward renting

This report includes a discussion of the various forces influencing today's real estate market, including demographic trends, economic trends, and social trends. It also includes a discussion of the growth and projected growth of housing expenditures, as well as of consumer attitudes toward real estate, future plans to purchase, and the reasons renters are renting and not purchasing.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

+61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

The issues

A shift toward renting

Figure 1: Percentage of households that own vs. rent homes, 2004-14

Figure 2: Home ownership rates, by age, 2004-14

Figure 3: Attitudes toward home ownership, by generation, May 2015

The opportunities

Single people

Figure 4: Home ownership/plans to purchase home, by marital status, May 2015

Single women are buying more homes

Figure 5: Adult composition of home buyer households, 2014

Figure 6: Chase and Capital One mortgage ads, 2015

What it means

The Market - What You Need to Know

Housing sales are strong and strength is forecast to continue

Inventory is falling

Permits for multiunit buildings are on the increase

Sale prices are rising faster than rents

Mortgage rates are staying low

More foreigners are purchasing homes

Market Size and Forecast

Historic and projected sales performance

Figure 7: Total US value sales and forecast of housing, at current prices, 2010-20

Growth in existing home sales continues

Figure 8: Existing home sales, June 2014-June 2015

Inventory is falling

Figure 9: Existing homes inventory, Jan. 2102-June 2015

Market Breakdown

Permits for multiunit buildings are rising faster than for single-family units

Figure 10: Number of permits for new privately owned housing units, Jan. 2004-June 2015

Market Perspective

Median sales prices are rising faster than median rents



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

FMAII · renorts@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 11: Median house prices and rents, 2004-14

Market Factors

Unemployment continues to fall

Figure 12: Unemployment rate, June 2015-June 2015

Mortgage rates are trending down

Figure 13: Mortgage rates, July 2005-July 2015

Mortgage debt

Figure 14: Total mortgage debt, Q1 2005-Q1 2015

Rents are rising

Figure 15: Monthly rents, by region, 2004-Q1 2015

Figure 16: Live rent-free to save money for a down payment, by generation, May 2015

An increase in foreign buyers

Figure 17: Number of sales to foreign buyers, 2009-15*

Figure 18: Dollar volume of sales to foreign buyers, 2009-15*

Key Players - What You Need to Know

The return of the first-home buyer

Lenders are loosening mortgage restrictions

More people are up-to-date on their mortgages

Consumers have positive attitudes about real estate

Fewer people own homes

What's Working?

First-time home buyers coming back

Figure 19: Plan to buy in next five years, by generation, May 2015

Mortgage restrictions are beginning to loosen

Figure 20: Movement of credit standards on all types of residential mortgages, by type of mortgage, April 2015*

Mortgage delinquencies are decreasing

Figure 21: Percentage of mortgage balances 90+ days delinquent, Q1 2005-Q1 2015

Consumer attitudes indicate strong market ahead

Figure 22: Attitudes toward homeownership, by home ownership status, May 2015

What's Struggling?

Homeownership rates are falling

Figure 23: Home ownership rates, by age, 2004-14

What's Next?

Trulia going mobile

Xome

Interest-only loans are back

The Consumer – What You Need to Know



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

EMAIL: reports@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Houses are purchased, condos are rented

Mortgages are king

Owning a home is not important to everyone

Why people rent

Online home-search tools are important

Homeownership

Most own a home

Figure 24: Homeownership, May 2015

Homeownership among young women is lagging

Figure 25: Homeownership, by generation and age, May 2015

Renting is more popular among women

Figure 26: Residence rental, by gender and age, May 2015

Ownership of non-primary residences

Figure 27: Ownership of non-primary residence, by generation, May 2015

Reason for Buying Non-primary Residence

Second homes are primarily for vacation

Figure 28: Purpose of secondary residence, May 2015

Financing a Real Estate Purchase

Mortgage for a primary home, cash for a second home

Figure 29: Method of financing home purchase, by type of home, May 2015

Purchase or Rent?

Owning a home is not a primary financial goal for most consumers

Figure 30: Importance of owning a home, by household income, generation, parental status, May 2015

Who plans to buy a home next?

Figure 31: Plan to purchase home in next five years, by generation, Hispanic origin, area, May 2015

What Do Renters Think?

Not everybody wants to buy

Figure 32: Attitudes toward home ownership, by home ownership status, May 2015

Some renters may just be leery of the market

Figure 33: Attitudes toward home ownership, by ownership status, May 2015

Reasons for renting

Figure 34: Reasons for renting a residence, May 2015

Women are having trouble saving for a down payment

Figure 35: Reasons for renting a residence, by gender and age, May 2015

The Home-buying Process

More home searching done online

Figure 36: Researched properties online, by gender and age, May 2015

BUY THIS REPORT NOW VISIT: store.mintel.con

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

EMAIL: reports@mintel.con



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

But real estate agents are still important

Figure 37: Preference for using real estate agent, by generation, May 2015

Real estate agents are more popular with those with high incomes

Figure 38: Preference for using real estate agent, by household income, May 2015

Real estate agents help with mortgages

Figure 39: Used mortgage lender recommendation from real estate agent, by generation, Hispanic origin, and parental status, May 2015

Opportunities for real estate agents

Figure 40: Preference for using real estate agent - CHAID - Tree output, May 2015

Attitudes Toward Homeownership

Most think homeownership is important

Figure 41: Importance of homeownership, May 2015

Figure 42: Attitudes toward homeownership, by homeownership, May 2015

Real Estate as an Investment

Most believe real estate is a smart investment

Figure 43: Attitudes toward real estate as an investment, by generation, May 2015

Married couples are more positive about real estate as an investment

Figure 44: Attitudes toward real estate as an investment, by marital status, May 2015

Appendix - Data Sources and Abbreviations

Data sources

Fan chart forecast

Consumer survey data

Direct marketing creative

Abbreviations and terms

Abbreviations

Appendix - CHAID Analysis Methodology

Methodology

Figure 45: Attitudes toward home ownership- CHAID - Table output, May 2015