

National Association of Home Builders

# Outlook, Remodeling & Preferences

## Home Building Association of Richmond

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CHIEF ECONOMIST



# Three Areas

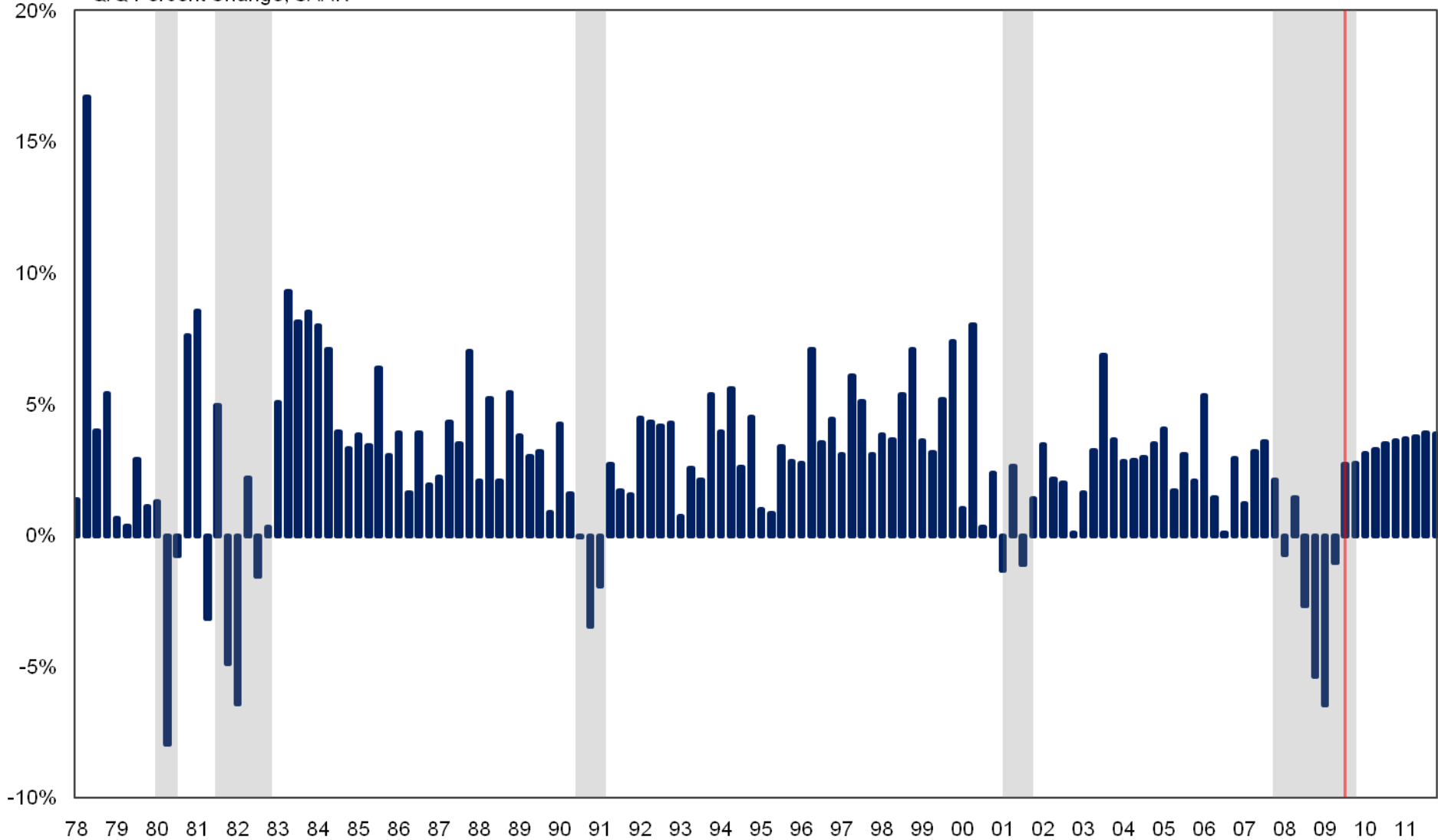
- Macroeconomic factors and forecast
- Remodeling outlook and popular jobs
- Consumer preferences



# Macroeconomics and Forecast

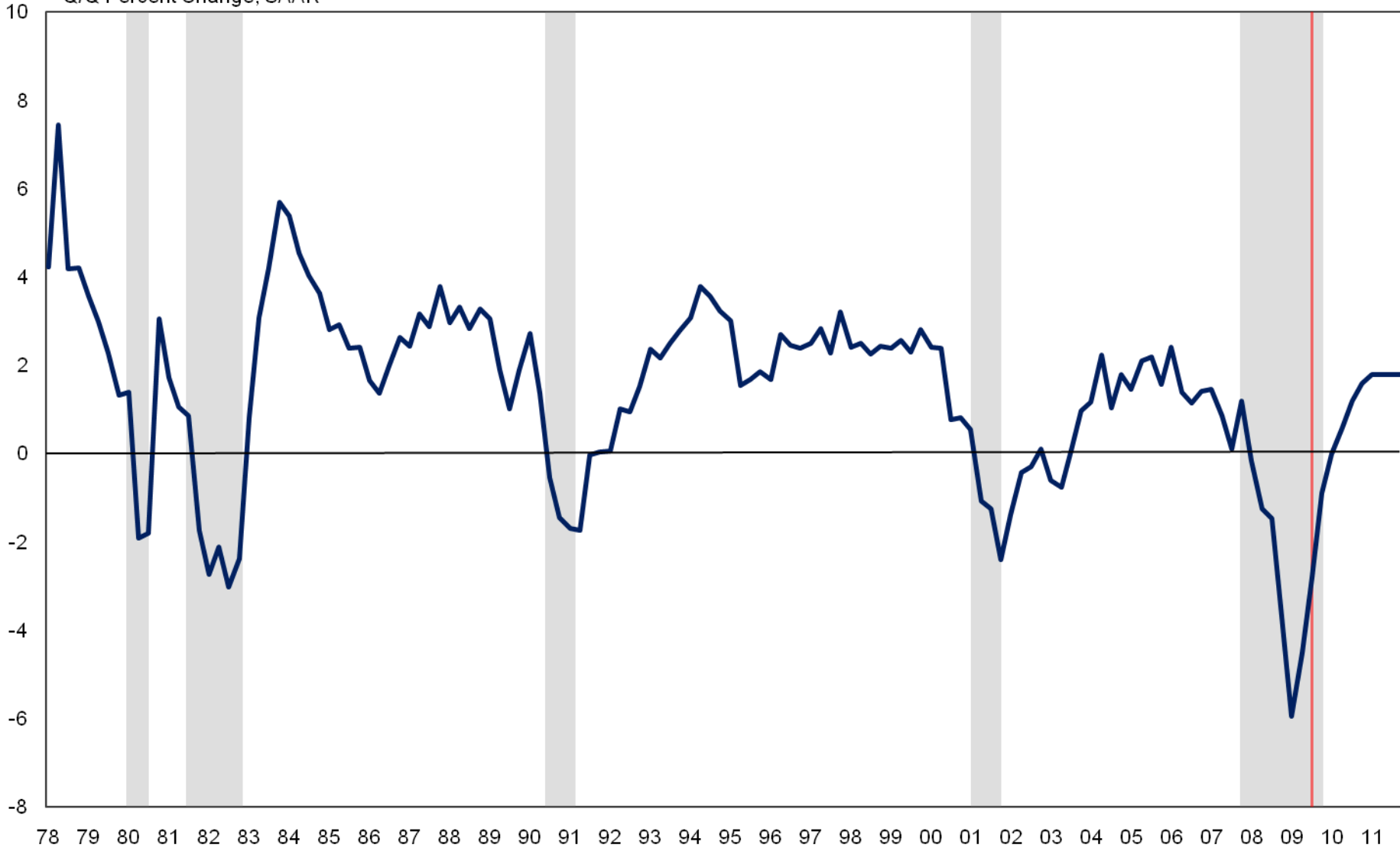
# Real GDP Growth

Q/Q Percent Change, SAAR

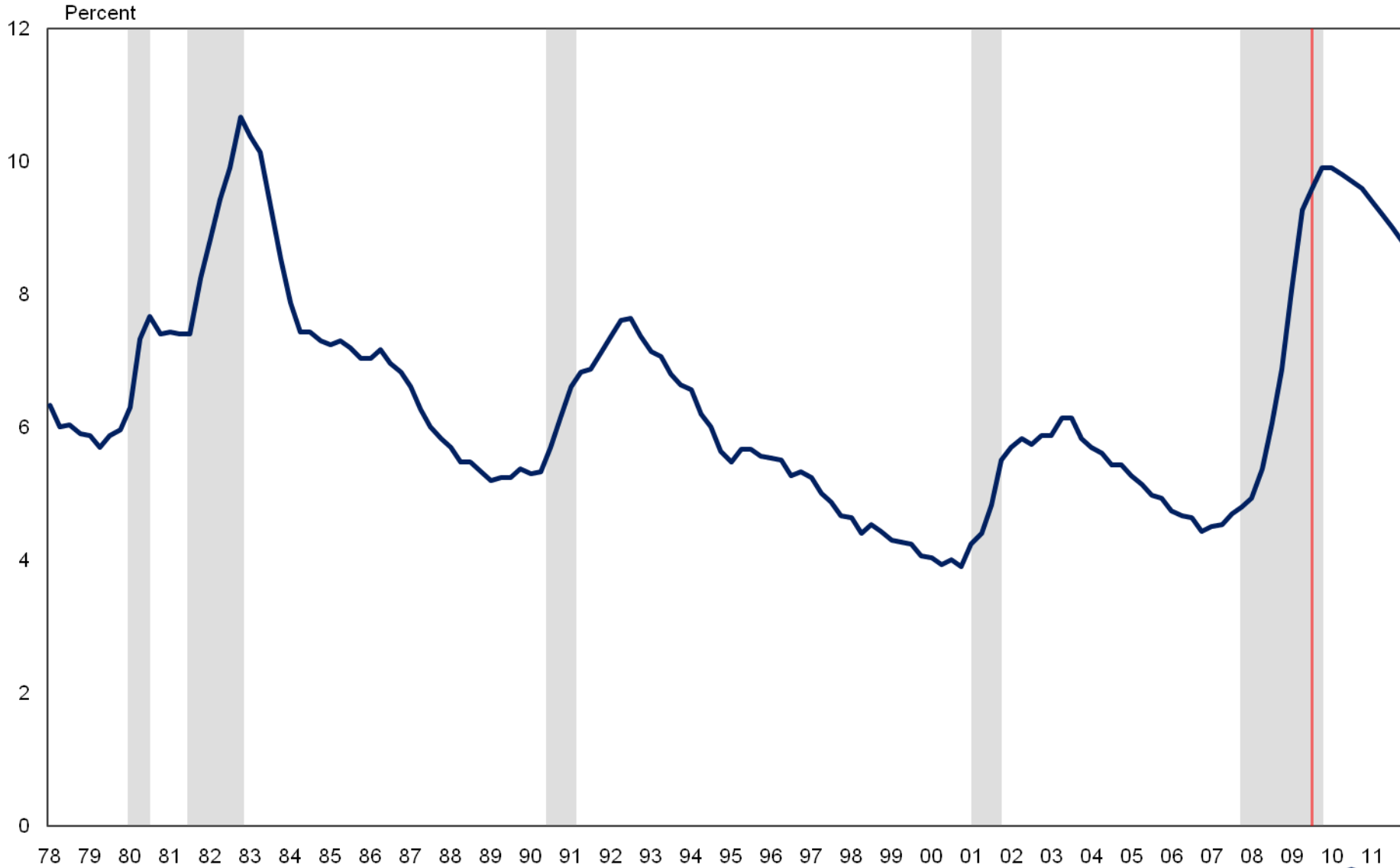


# Payroll Employment Growth

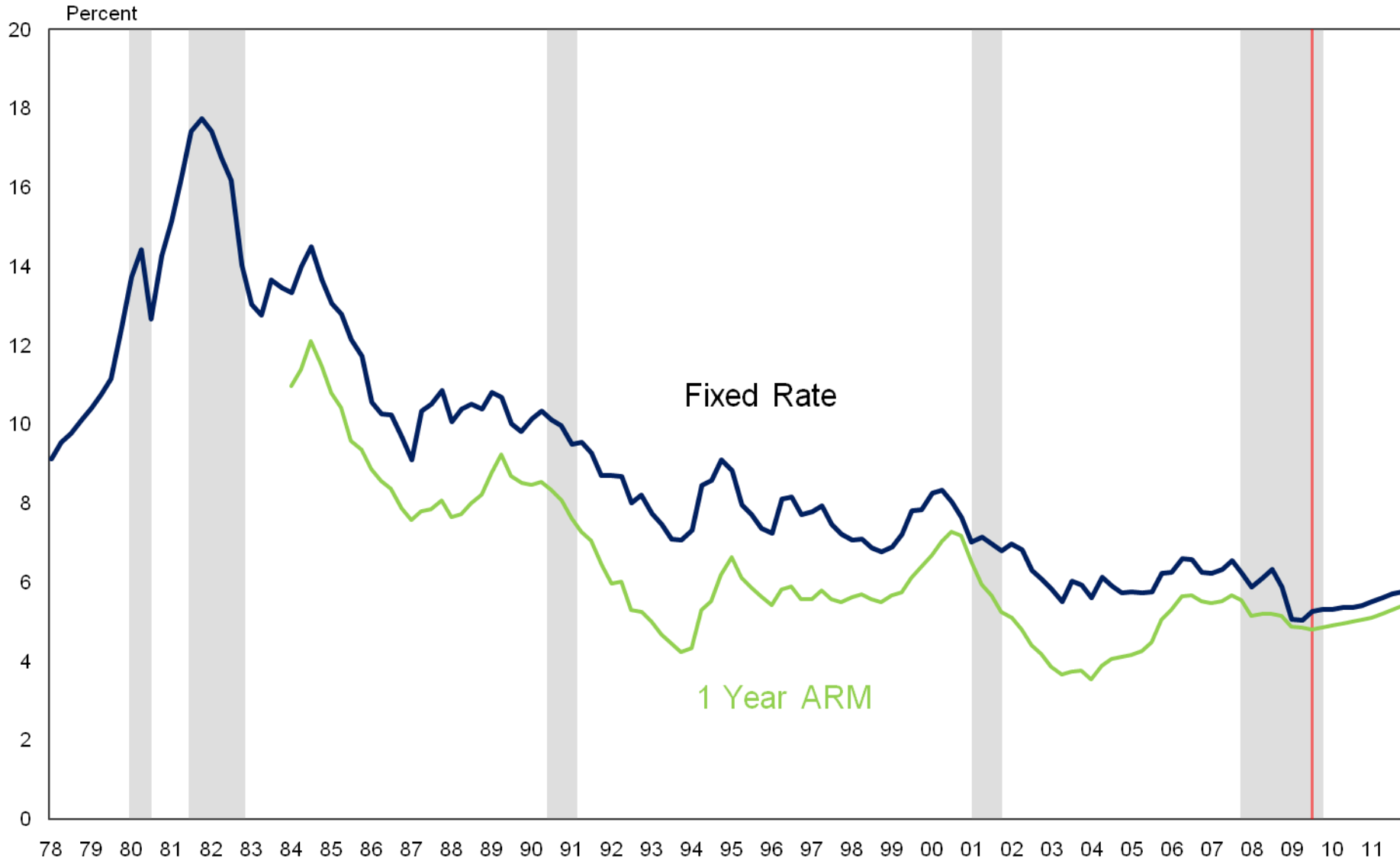
Q/Q Percent Change, SAAR



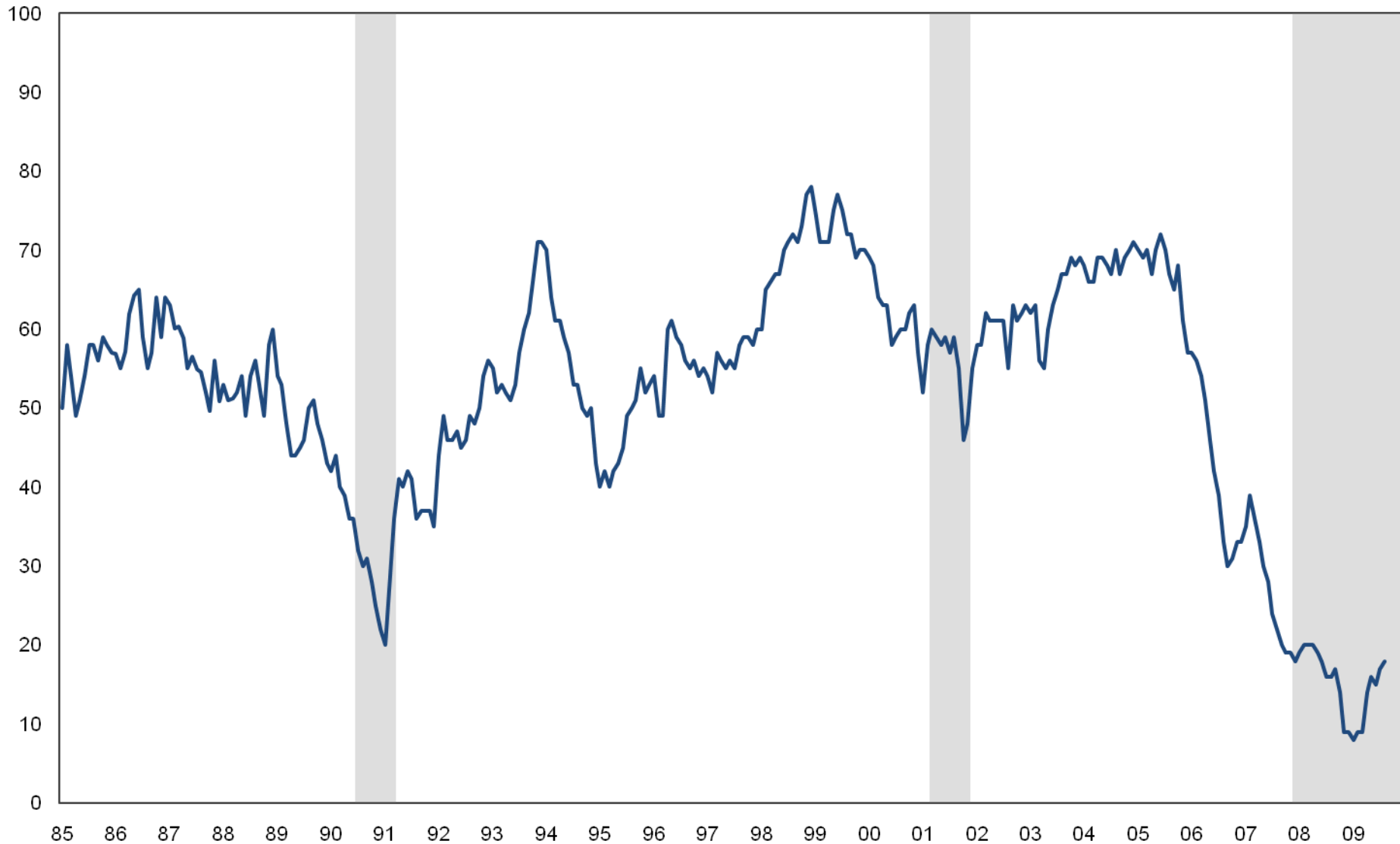
# Civilian Unemployment Rate



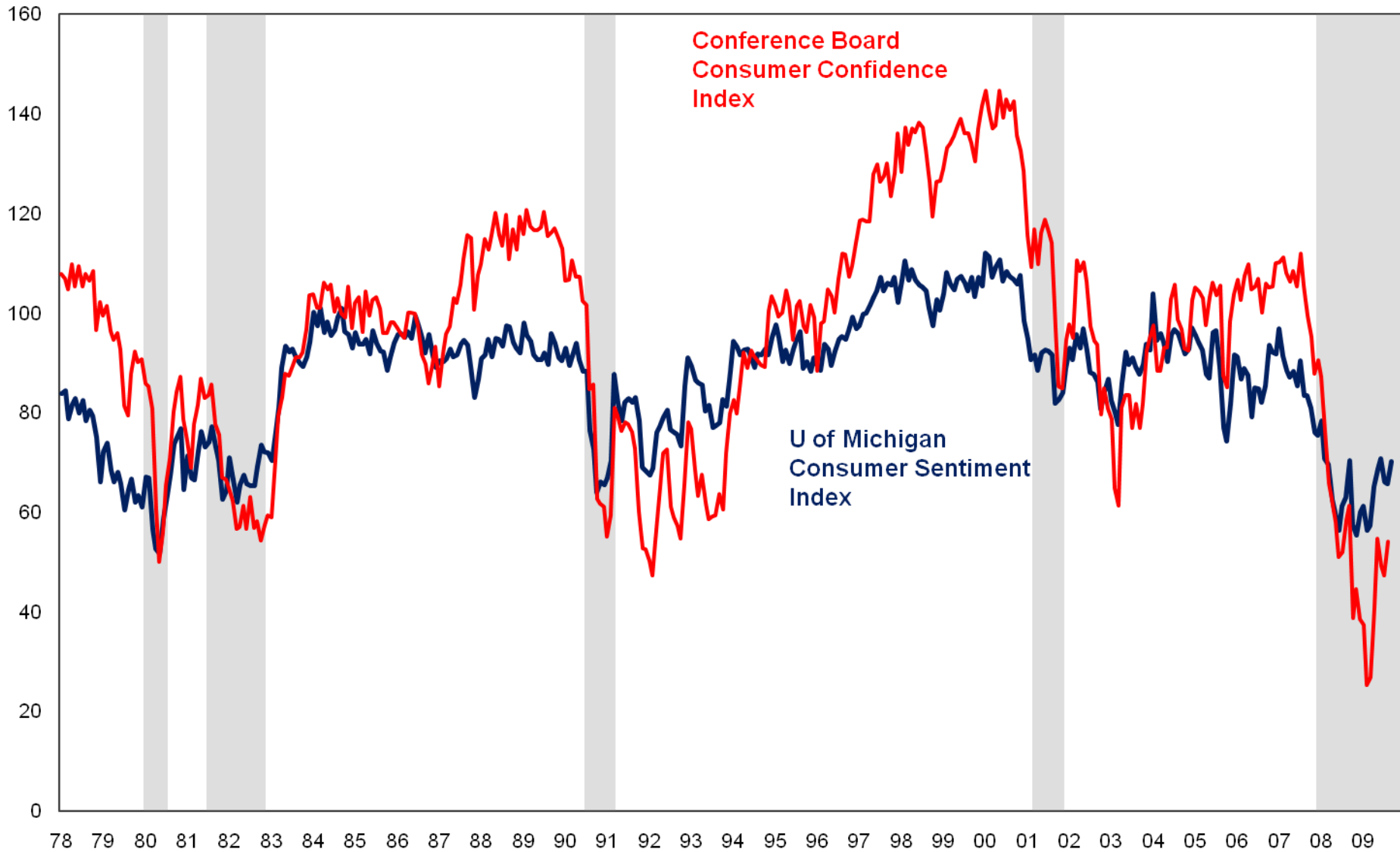
# Prime Conventional Conforming Home Mortgage Rates



# NAHB/Wells Fargo Housing Market Index

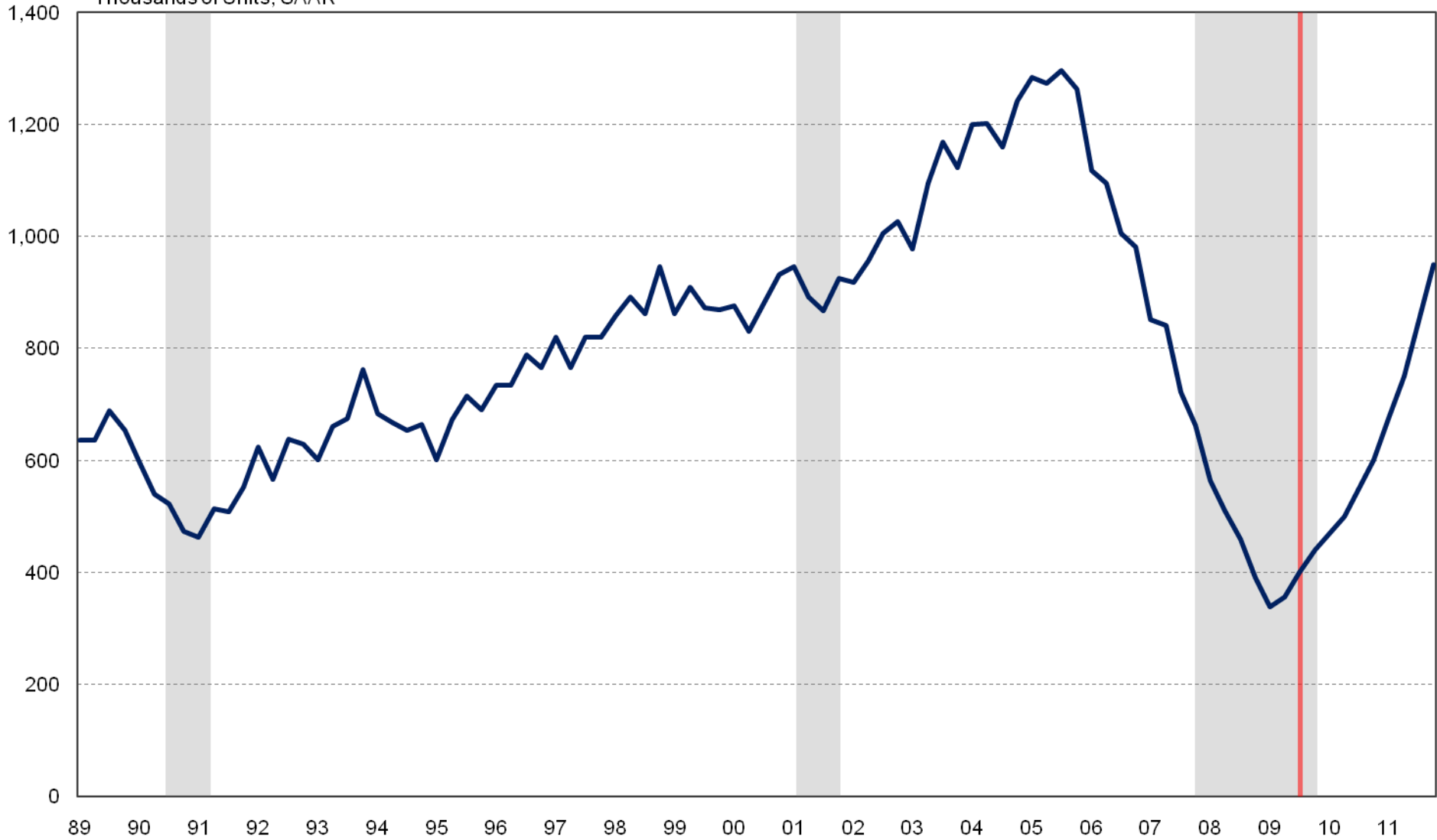


# Consumer Confidence/Sentiment



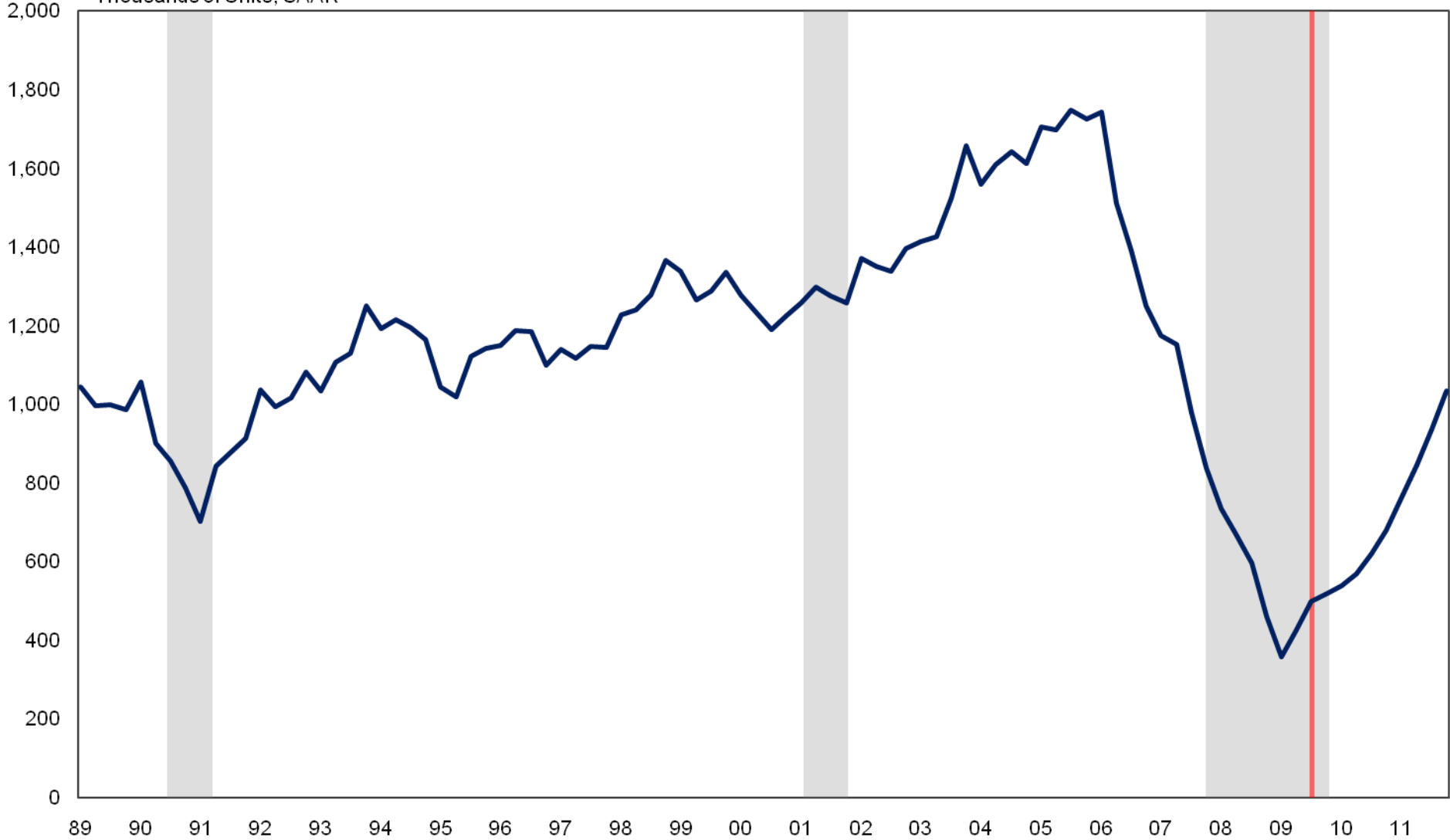
# New Home Sales

Thousands of Units, SAAR



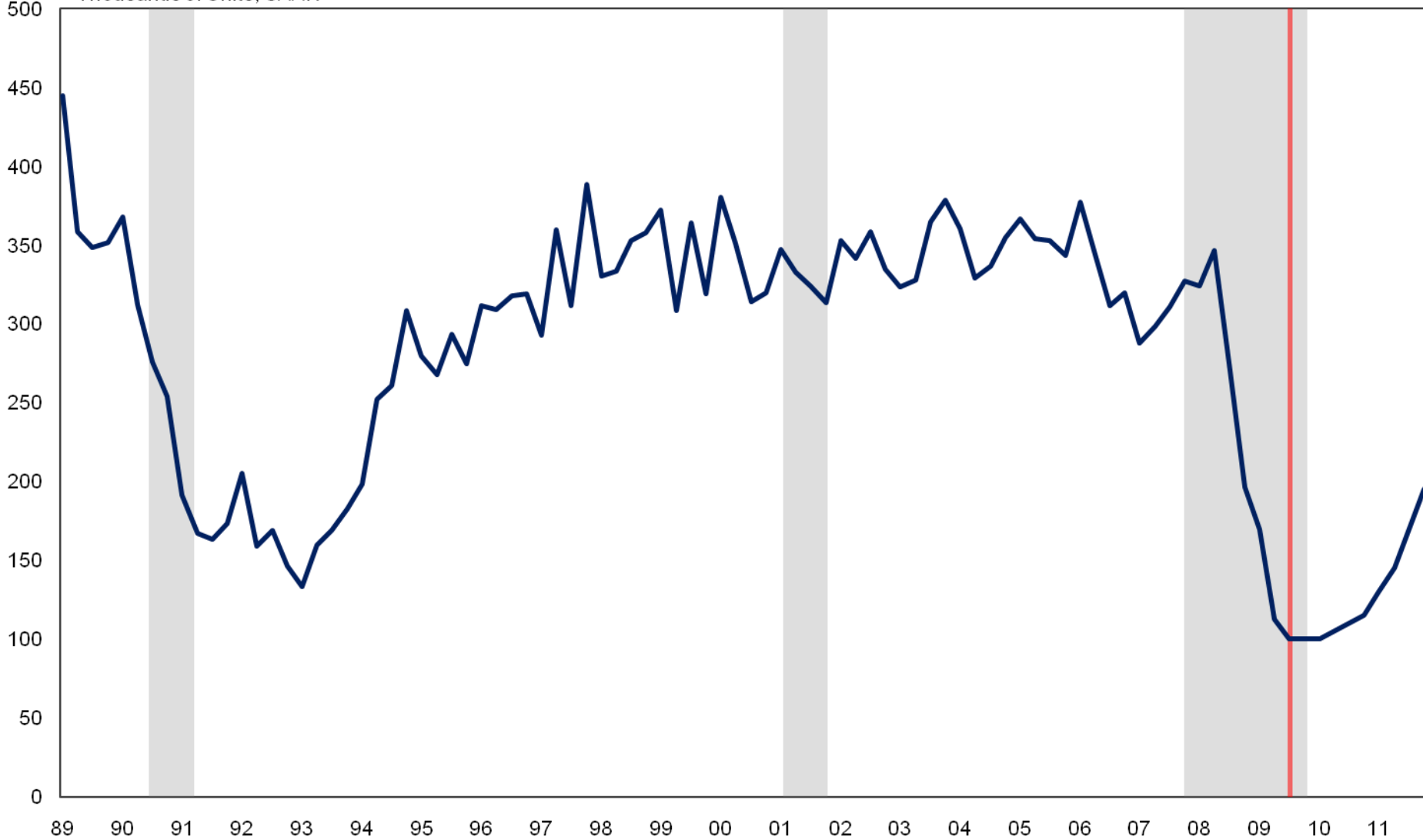
# Single Family Housing Starts

Thousands of Units, SAAR

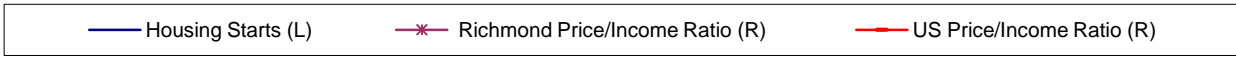
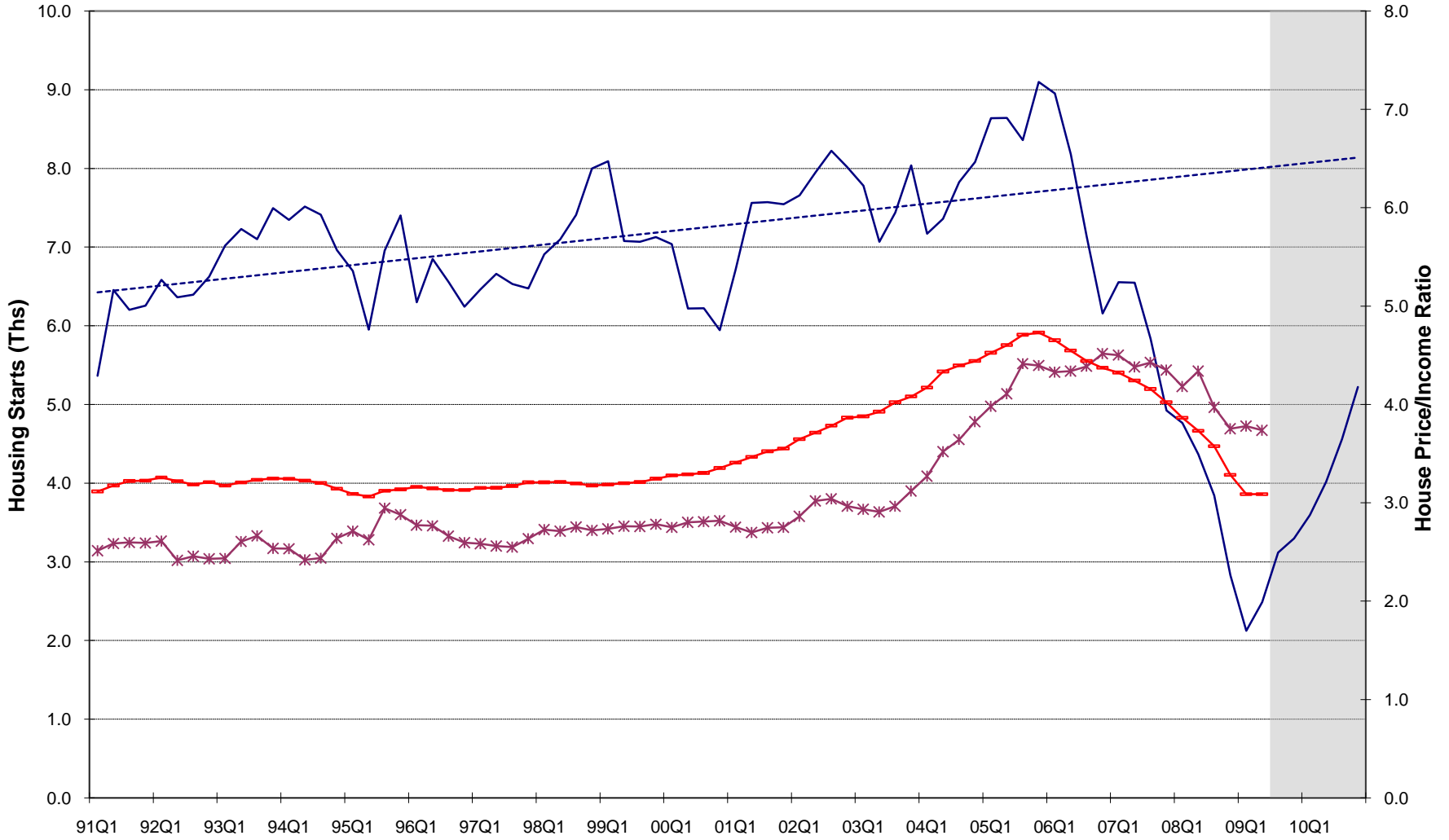


# Multifamily Housing Starts

Thousands of Units, SAAR



# Richmond VA MSA Housing Market Conditions - Single Family Housing Starts and Prices Relative to Income

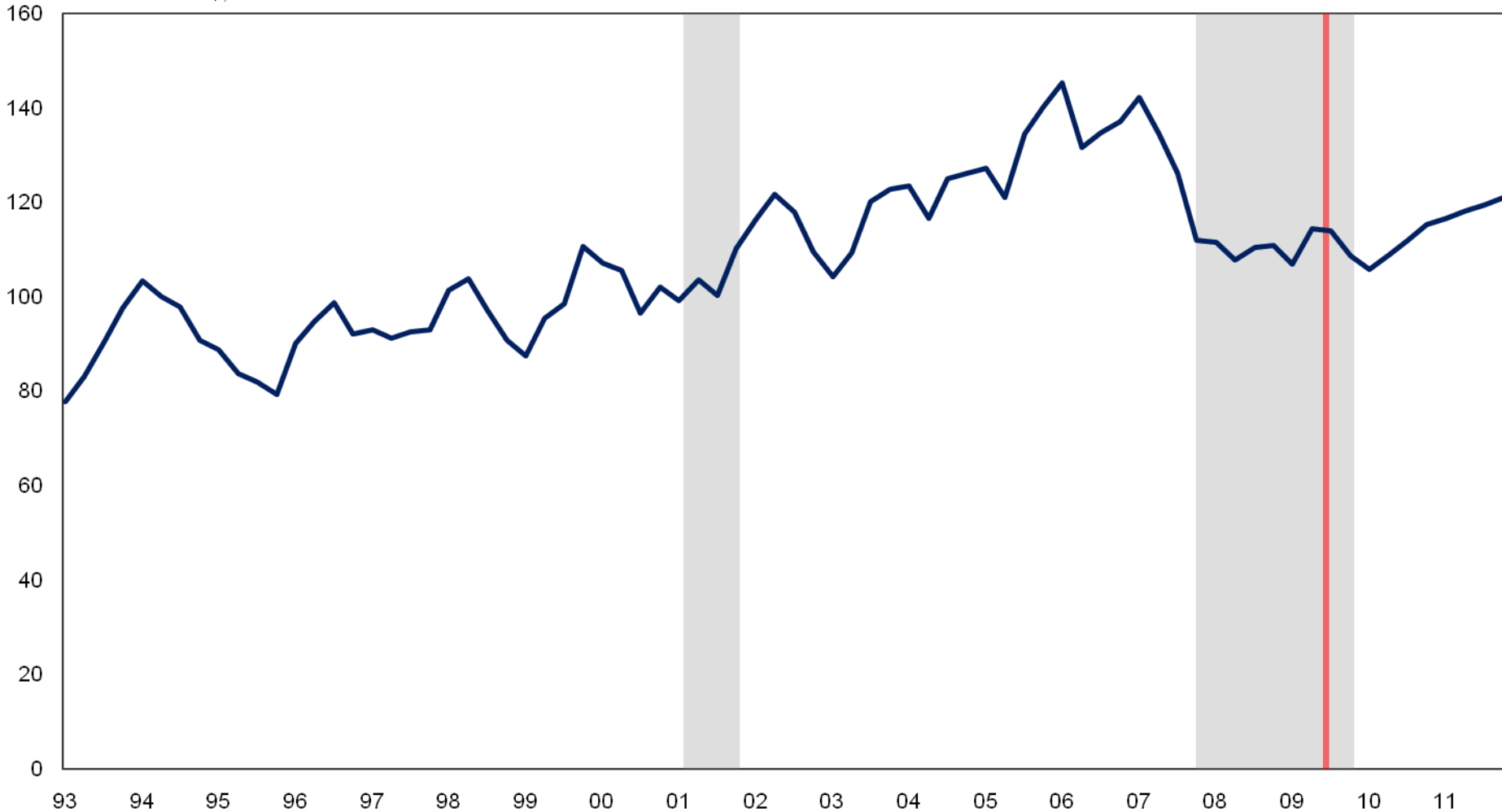




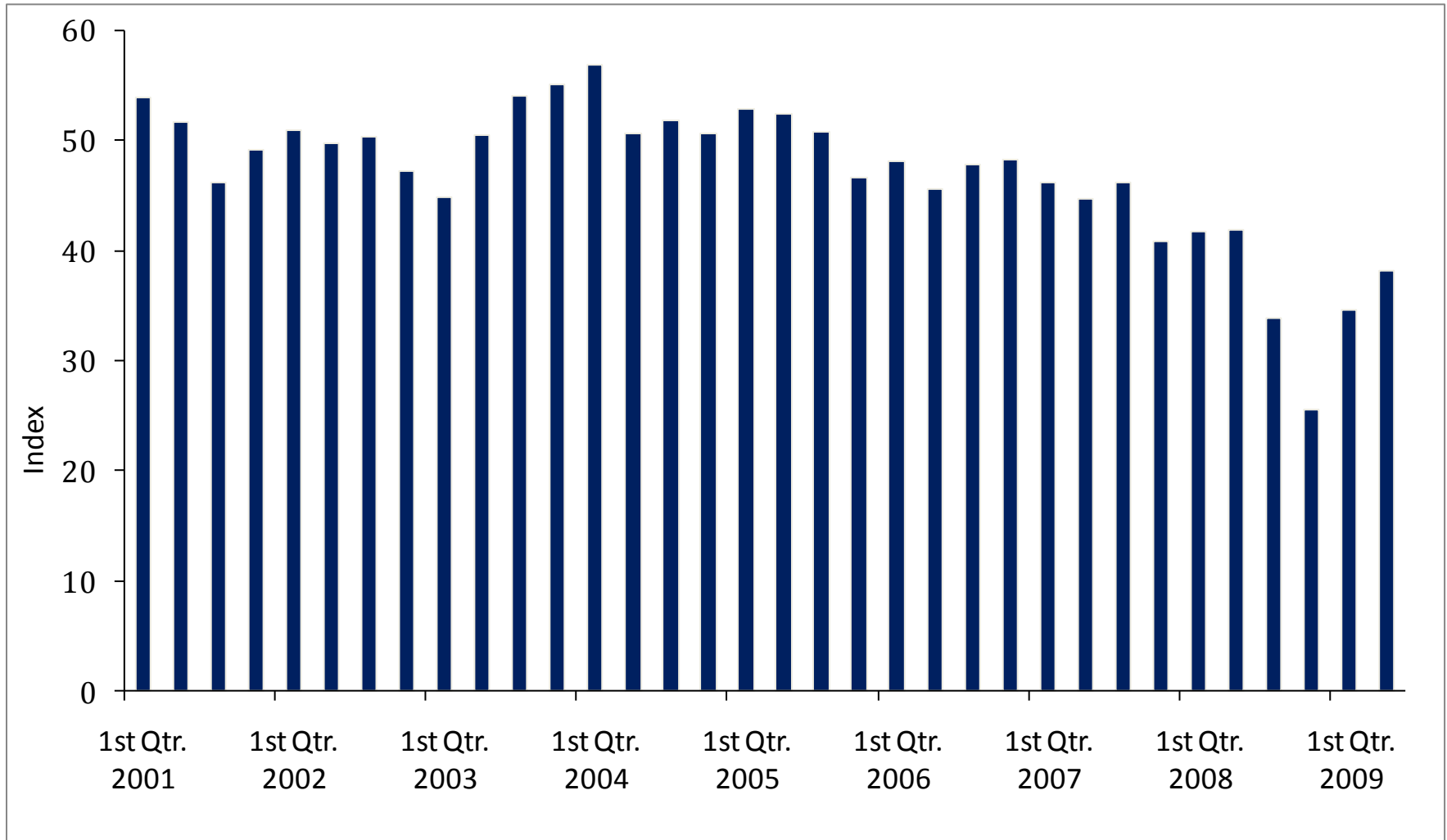
# Remodeling

# Residential Remodeling: Owner-Occupied Improvements

Billions 2005 \$, SAAR

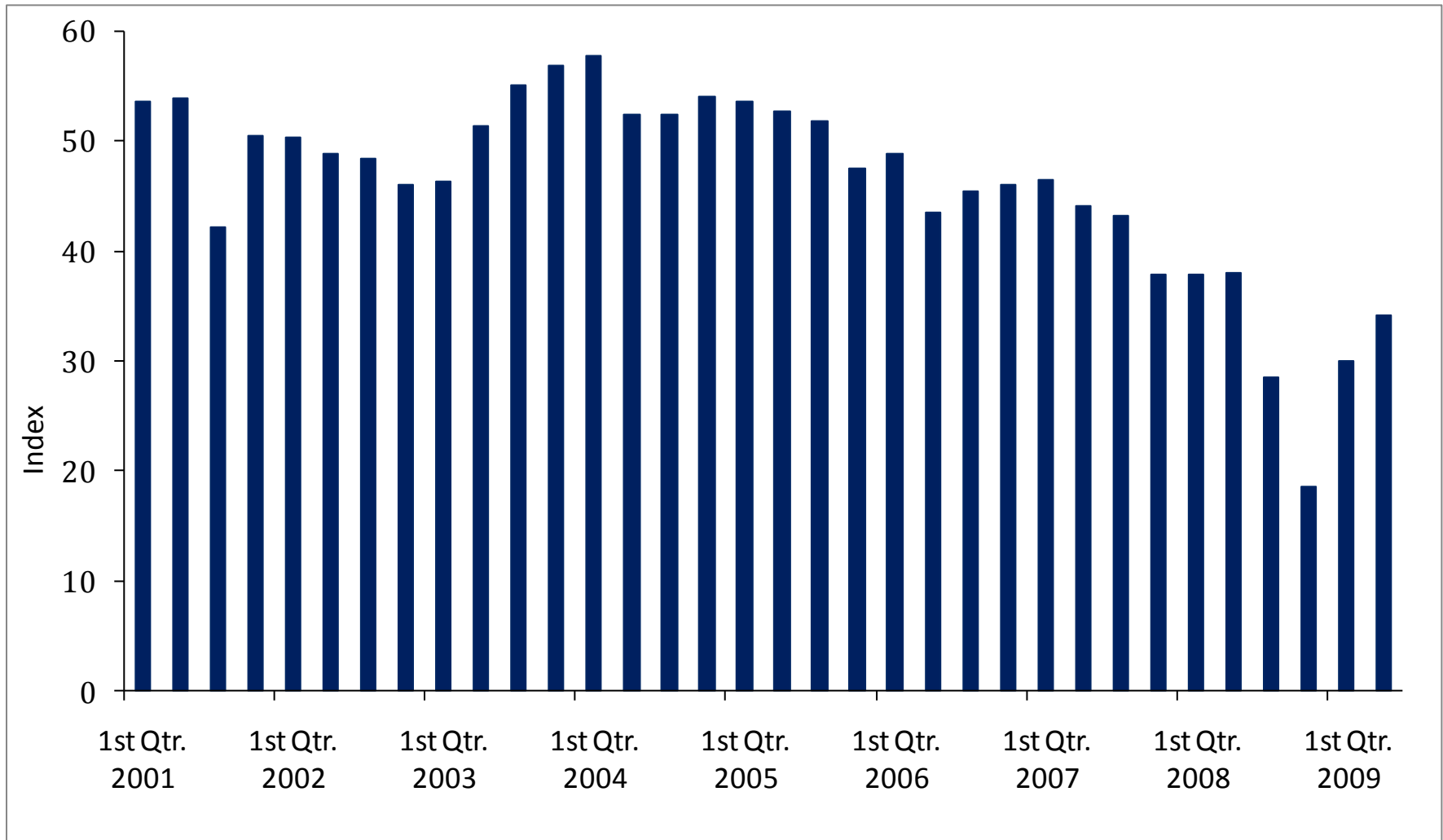


## Remodeling Market Index (Seasonally Adjusted): Current Market Conditions (National)



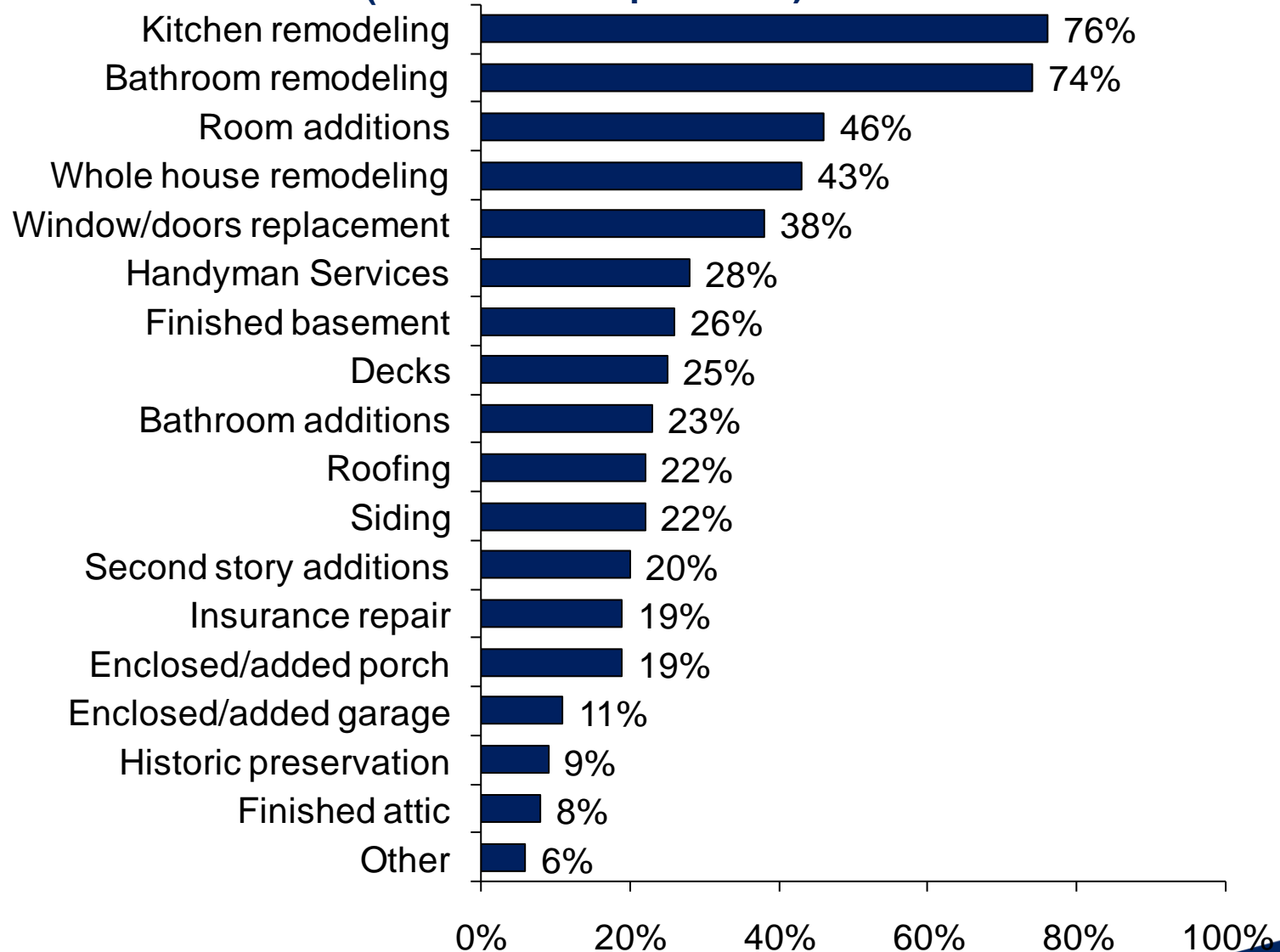
Source: National Association of Home Builders.

## Remodeling Market Index (Seasonally Adjusted): Future Expectations (National)



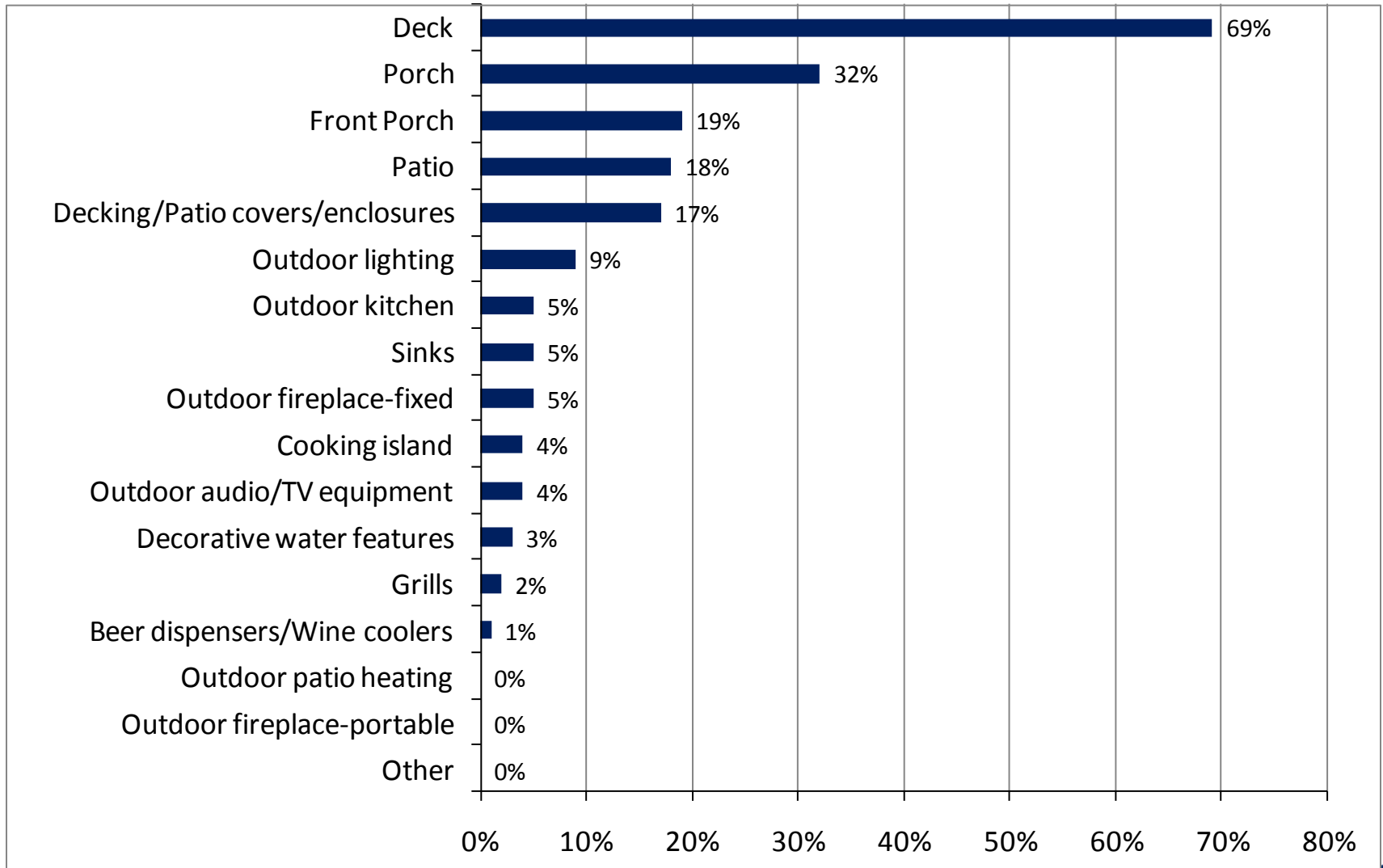
Source: National Association of Home Builders.

## Most Common remodeling jobs for your company during 2008 (Percent of Respondents)



Source: Remodelers Market Index Special Questions, 1<sup>st</sup> Qtr. 2009, NAHB EchP.

# Most Common Type of Outdoor Remodeling Jobs During January-June 2009



Source: Remodelers Market Index Special Questions, 2<sup>nd</sup> Qtr. 2009, NAHB Echp.



# Consumer Preferences

# Generations of Home Buyers

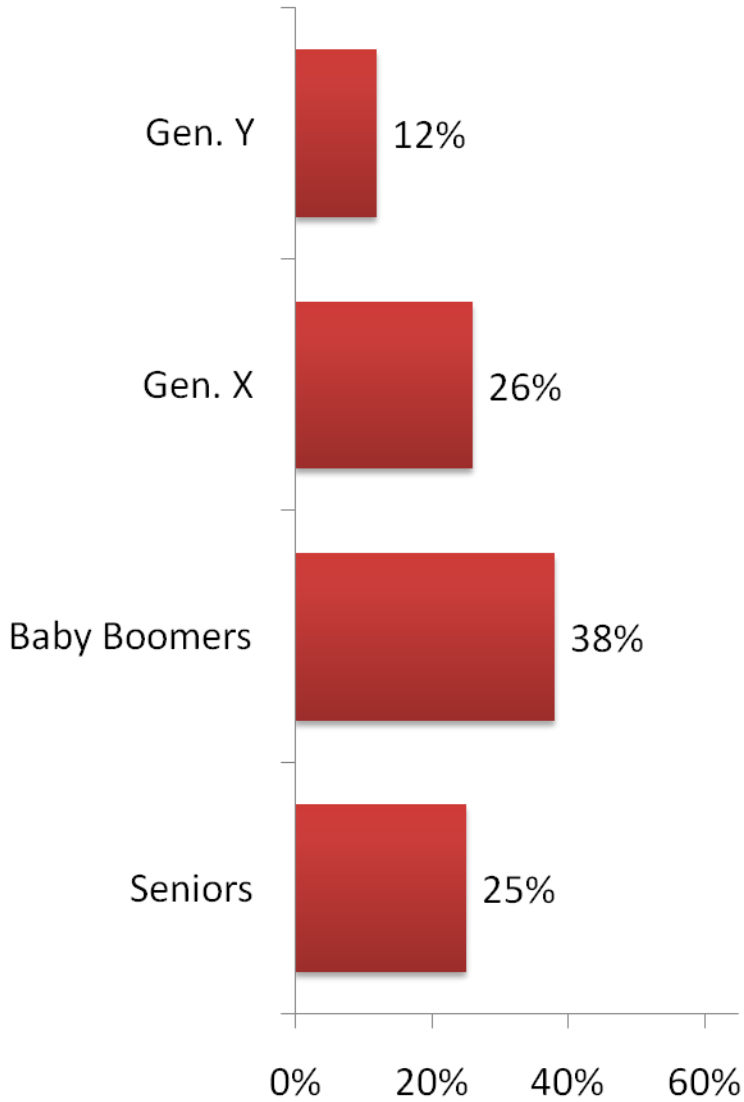
**Gen Y:** *Born 1979 or later (Echo Boomers)*

**Gen X:** *Born between 1965 and 1978*

**Baby Boomers:** *Born between 1946 and 1964*

**Seniors :** *Born before 1946*

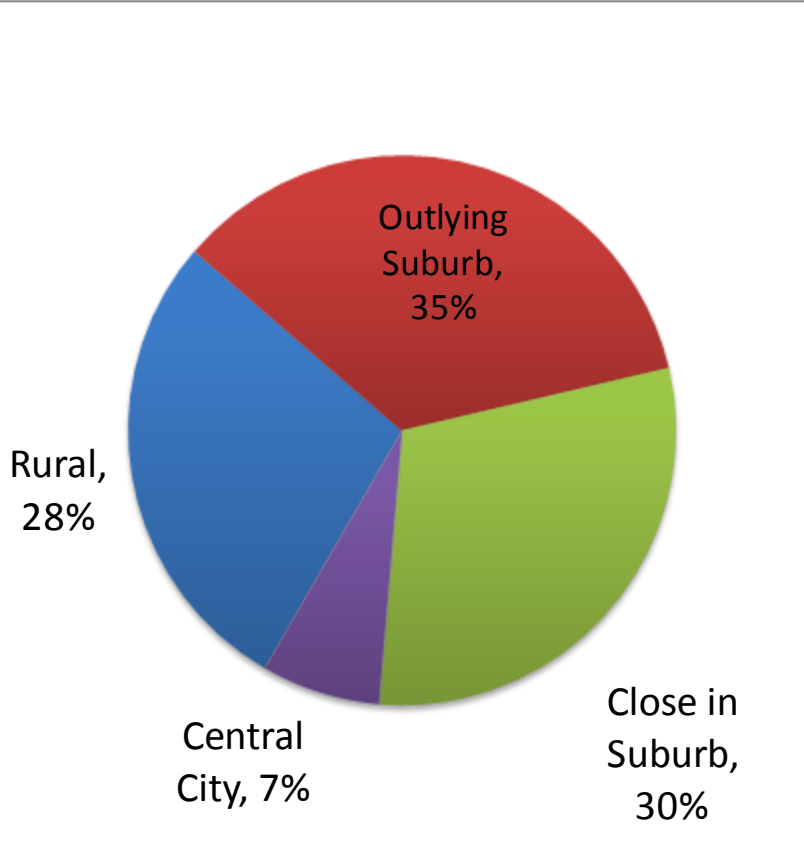
# Share of Households



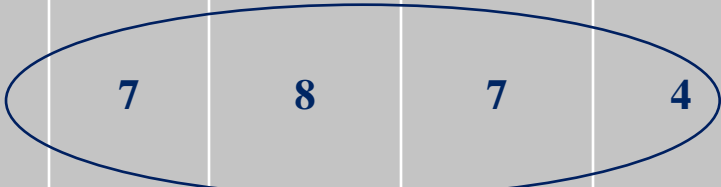
	Gen. Y	Gen. X	Baby Boomers	Seniors	TOTAL
Number of Households (in millions)	13.2	28.4	41.8	27.3	110.7
Percent Share	12%	26%	38%	25%	100%

# Area Preferred (Percent of Respondents)

## National



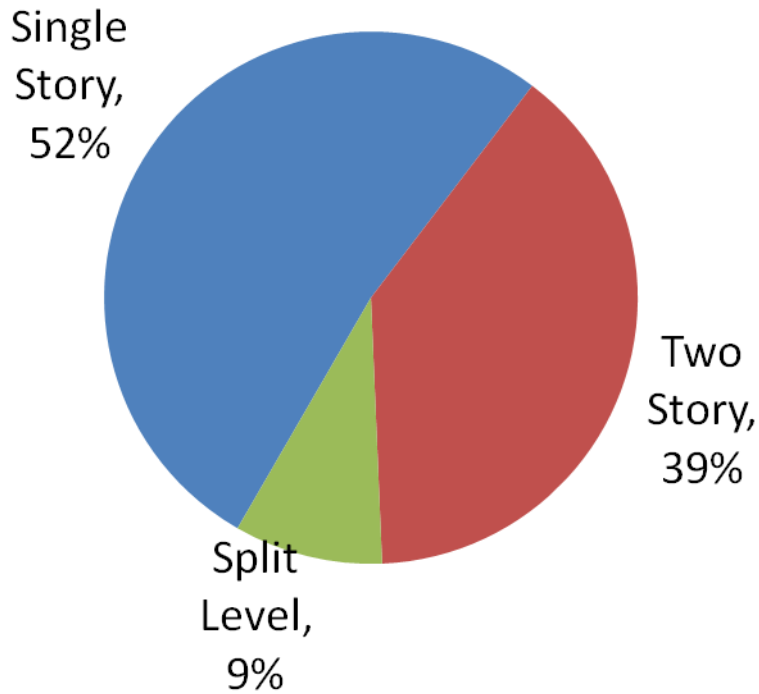
	Gen. Y	Gen. X	Baby Boomers	Seniors
Rural	27%	25%	31%	31%
Outlying Suburb	29	37	35	39
Close in Suburb	37	31	27	27
Central City	7	8	7	4



## Finished Area of Present Home and Like to Have (Median Square Feet)

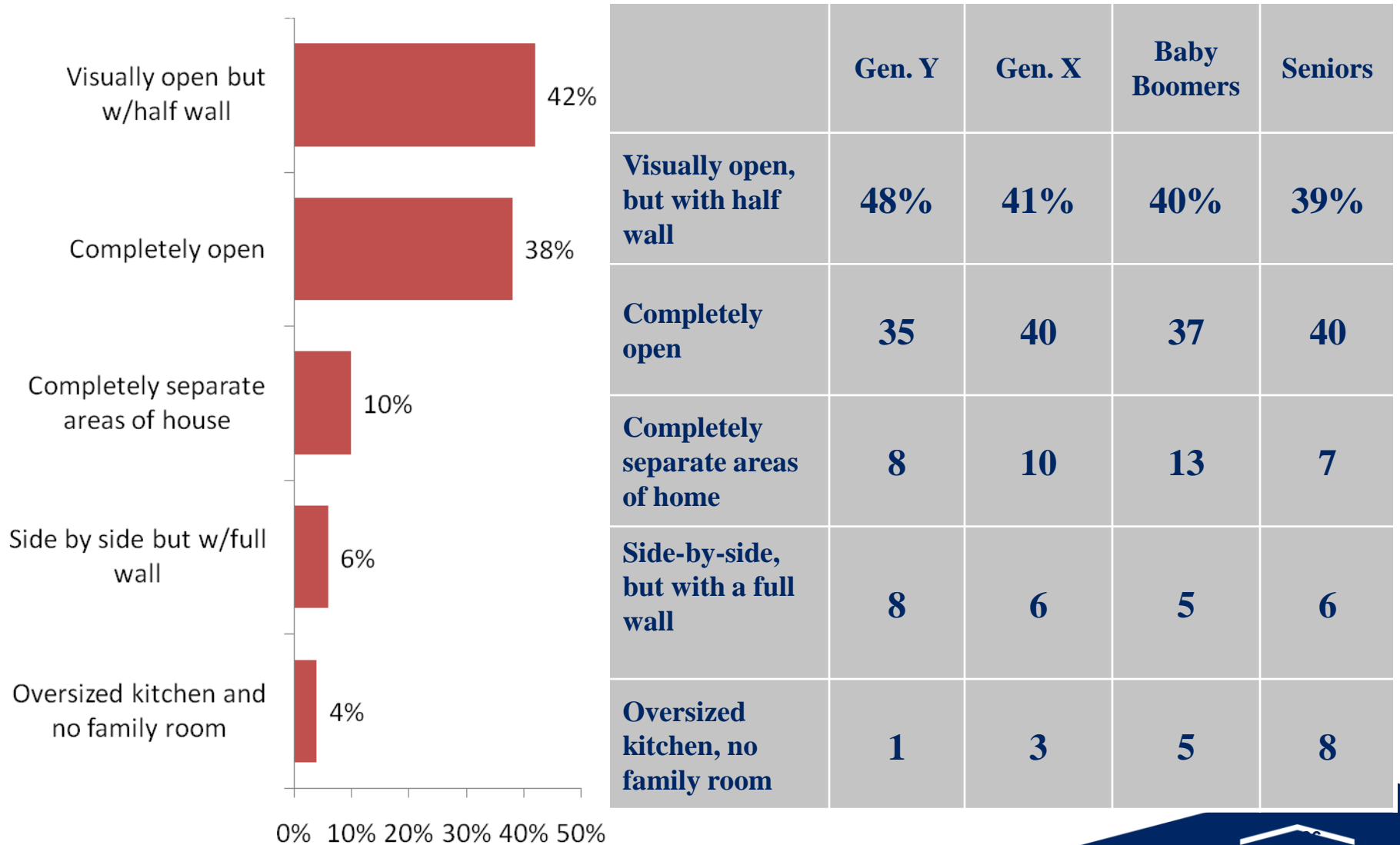
NATIONAL		Gen. Y		Gen. X		Baby Boomers		Seniors	
Present Home	Like to Have	Present Home	Like to Have	Present Home	Like to Have	Present Home	Like to Have	Present Home	Like to Have
1,835	2,354	1,836	2,297	1,806	2,673	1,767	2,465	1,969	2,480
<i>(%) Change</i> 22%		<i>(%) Change</i> 20%		<i>(%) Change</i> 32%		<i>(%) Change</i> 28%		<i>(%) Change</i> 21%	

# Type of Floor Plan Preferred



	Gen. Y	Gen. X	Baby Boomers	Seniors
Single Story	35%	36%	64%	87%
Two story	56	56	26	6
Split level	9	9	10	7

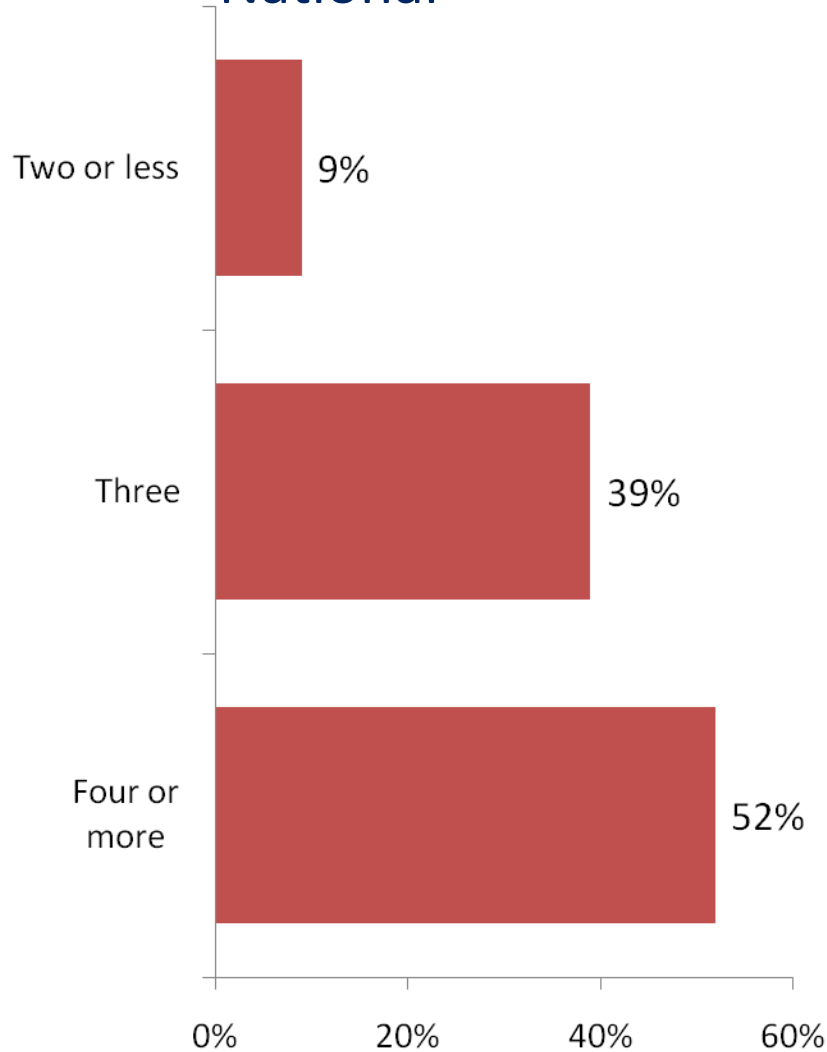
# Kitchen-Family Room Arrangements (Percent of Respondents)



0% 10% 20% 30% 40% 50%

# Number of Bedrooms Preferred (Percent of Respondents)

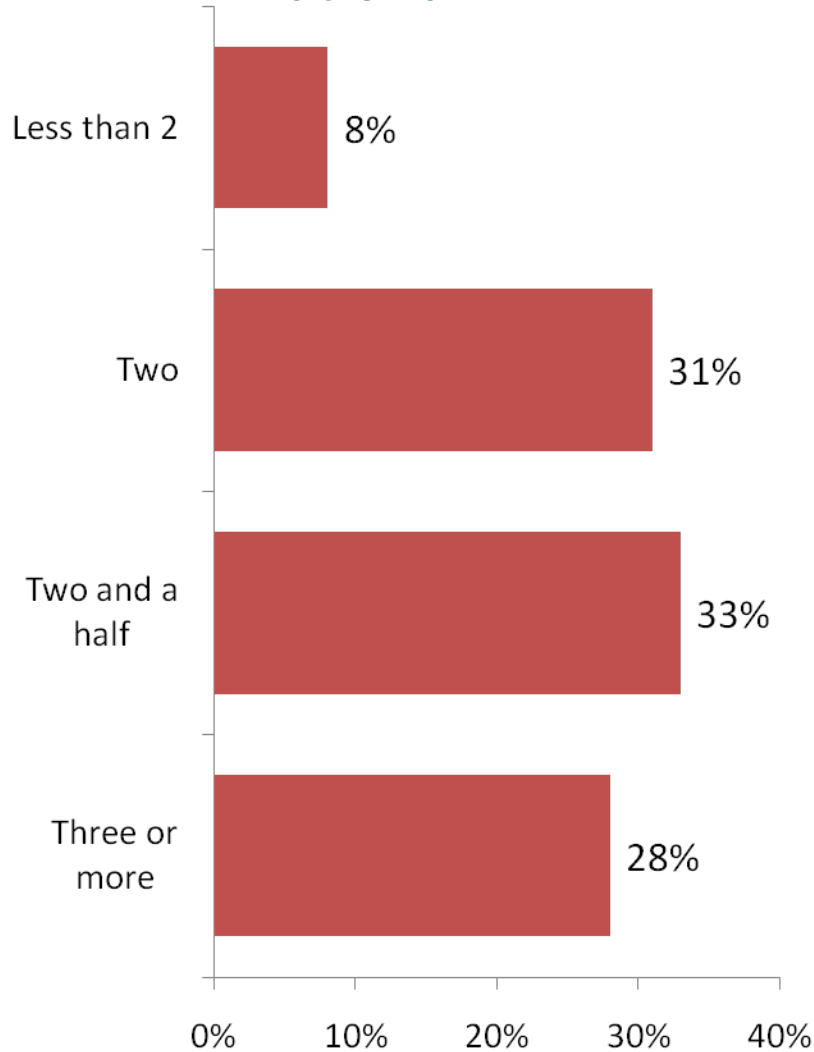
## National



	Gen. Y	Gen. X	Baby Boomers	Seniors
Two or Less	4%	4%	12%	22%
Three	32	26	50	58
Four or more	65	70	37	21

# Number of Bathrooms Preferred (Percent of Respondents)

National



	Gen. Y	Gen. X	Baby Boomers	Seniors
Less than 2	7%	6%	10%	11%
Two	28	24	35	47
2 1/2	42	35	28	23
Three or more	24	34	27	19

## Trade-offs Preferred

	National	Gen. Y	Gen. X	Baby Boomers	Seniors
A bigger house with fewer amenities <u>OR</u>	42%	51%	52%	35%	22%
A smaller house with high quality products and amenities	58	49	48	65	78
A much larger family room and no living room <u>OR</u>	47	51	49	43	44
Family room and living room about equal in size	53	49	51	57	56
An open living room /dining room <u>OR</u>	61	62	59	59	64
Distinct and separate dining and living rooms	39	38	41	41	36
Larger than average kitchen and smaller living area spaces <u>OR</u>	37	36	37	36	39
Typical kitchen and living area spaces	63	64	63	64	61

## Trade-offs Preferred (continued)

	National	Gen. Y	Gen. X	Baby Boomers	Seniors
More space in master bedroom and less space in the master bath <u>OR</u>	69%	67%	69%	72%	68%
Less space in master bedroom and more in the master bath	31	33	31	28	32
Two full master bedroom suites plus one standard bedroom <u>OR</u>	26	19	17	34	40
One full master bedroom suite plus three standard bedrooms	74	81	83	66	60
Master bedroom on the first floor in a two-story home <u>OR</u>	57	43	43	67	89
Master bedroom on the second floor in a two-story home	43	57	57	33	11
A highly energy efficient home that resulted in lower utility bills over the lifetime of the home and used less energy <u>OR</u>	91	88	89	92	96
A home without energy efficient features that costs 2-3% less	9	12	11	8	



**Questions?**

**Answers:**

**[www.housingeconomics.com](http://www.housingeconomics.com)**