



U.S. NEW HOME CONSUMER INSIGHTS





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Study Objective: Define future consumer residential housing trends given today's new normal market conditions.


What has changed? A lot!

- We have witnessed the lowest new home sales on record.
- Home prices have dropped more than 50% in some of the biggest home markets in the country.
- 6 million mortgages are currently delinquent.
- Everyone is 5 years older than when the housing crash started. A new generation of buyers is emerging.



Current market conditions require a look back...and a look forward:

1. **Macroeconomic and Competitive Trends:** John Burns Real Estate Consulting is consistently analyzing macroeconomic and housing trends, and we are on the ground in markets all over the nation. However, the goal for our consumer research is to look forward by understanding what consumers will do next.
2. **Consumer Research. Great market conditions give more flexibility for error.** Consumer research in the real estate world is often overlooked because it is difficult and expensive to conduct. However, understanding what consumers want today is critical given the market climate. Our goal for this study is to focus on what consumers will buy next. It is not focused on why they bought their last home. **This is a "focus forward" study** so that real estate practitioners can use this information to make strategic decisions moving forward. We can provide this to you at a significantly reduced cost thanks to a combined effort from our team and the builders that participated.



Life isn't about waiting for
the storm to pass...
It's about learning to dance
in the rain.

-Anonymous

Stop waiting.
Make today your opportunity.



Study Objective: Identify New Home Consumer Trends

Here's what we wanted to know...

- **When?** Are consumers willing to buy **today**? **Why or why not?**
- **What?**
 - **Price:** Is price the motivating factor?
 - **Size:** Are smaller, lower-priced, box-on-box homes the key?
 - **Features:** What do buyers expect to be included in their next home versus what do they want to personalize and pay extra for?
 - **Energy:** What **green technologies** are important?
- **Why?** What motivates purchase behavior today?
- **Who?**
 - **Gen Y:** The new entry-level buyer is Gen Y. Will they rent forever? Where are they? What do they want?
 - **Boomers:** What are their next moves? Will they move up? Down? Across? How far will they move and when?
 - **Other:** What **life stages** have pent-up demand?
- **Where?** Are there **regional differences**?





Study Methodology: Internet survey of interested home buyers

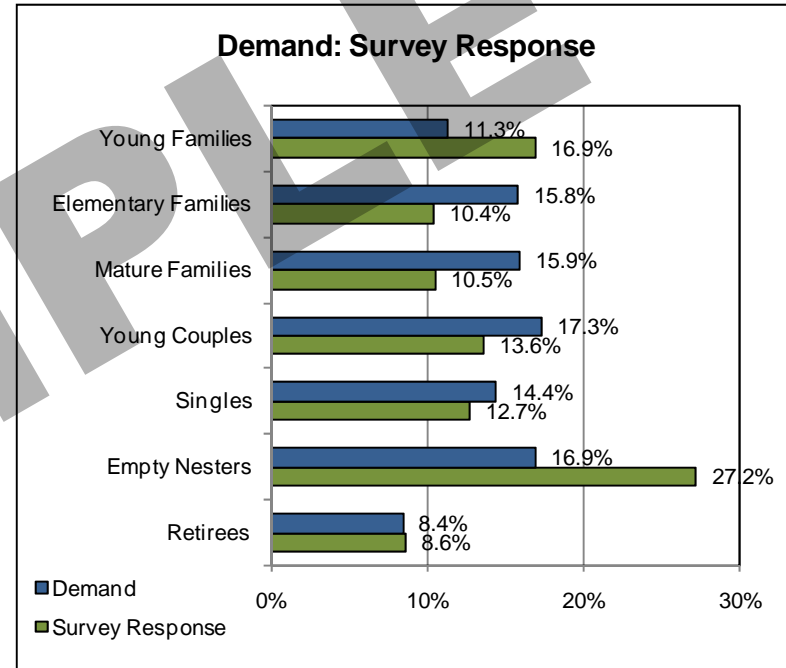
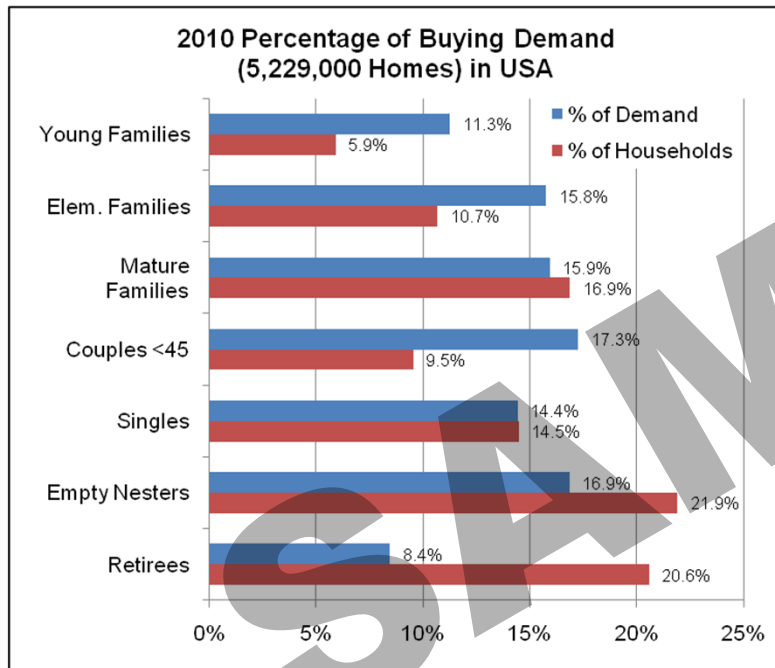


Here's what we did...

- **E-mail Survey:** We invited nearly 1 million consumers to participate in a comprehensive 54-question survey about their next home.
- **Partners:** Almost 30 builders and developers joined in the effort by helping write the questions and sending the e-mail to their lists.
- **Sample Size:** Nearly 10,000 participated. The sample is not representative of all households, but is representative of those who are serious enough about home buying that they recently gave their e-mail address to a home builder or land developer. All major states were represented, with a bias toward California (29%). Regional and local results are available separately.

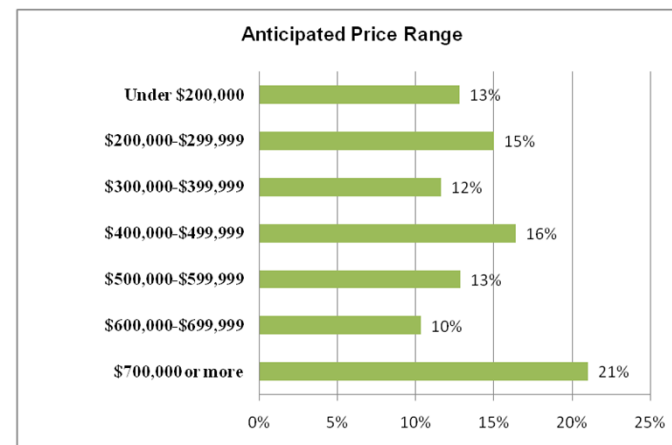
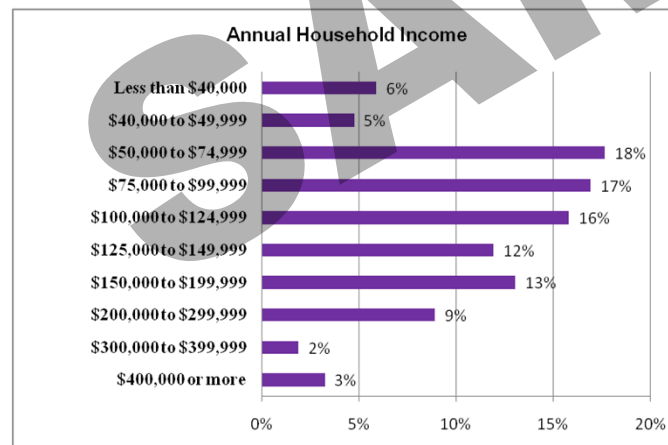
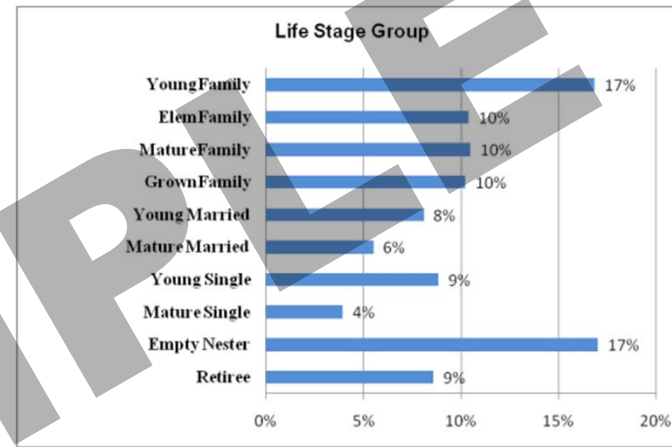
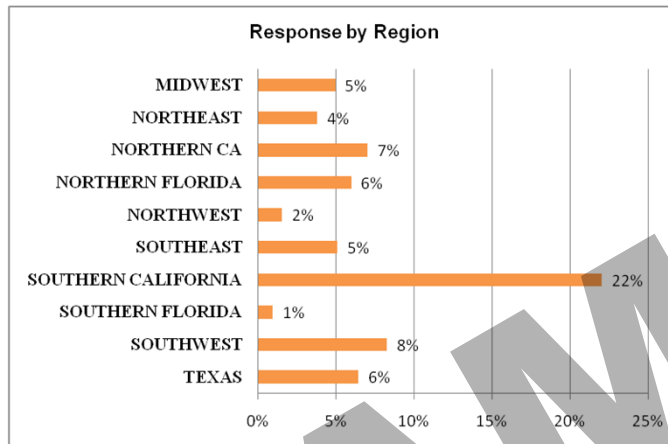


Our survey response is shown below in comparison to market demand.



There are more Young Families and Empty Nesters in the market today with fewer Elementary and Mature Families.

Survey response: Well-segmented by region, income, price point and life stage



Note: Responses to each question were not required. The percentages above are based on the number of responses received for each particular question.

Survey response covers the nation and is concentrated in large building markets.

All major regions were represented with a strong survey response. Southern California was over-represented, which is why we are breaking out regional conclusions where significant.

