



BERKSHIRE  
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HomeServices

# NEWS RELEASE



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FOR IMMEDIATE RELEASE

## Consumers' Perception of U.S. Housing Gains Ground; Boomers Show More Optimism While Millennials Exercise Patience in Quest for Homes

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*Renters also share their perspectives on home buying; respondents sound off on the presidential race and its impact on the housing market*

**IRVINE, CA (Aug. 22, 2016)** -- Berkshire Hathaway HomeServices, part of the HSF Affiliates LLC family of real estate brokerage franchise networks, today released results of its latest Homeowner Sentiment Survey indicating that current and prospective homeowners remain optimistic about the current state of the U.S. real estate market. Respondents cite higher home values, increasing housing inventory and low interest rates as the main reasons for their optimism.

The survey showed that 66% of existing homeowners view the U.S. real estate market favorably, representing a 5-percentage point jump since spring to the highest level in more than a year. Favorability also grew most among baby boomers, who are making noise with a newly favorable attitude toward the housing market. To date, boomers have been the most pessimistic group tracked in the ongoing survey but the latest results reveal a full 60% of boomers view the housing market favorably, a 6-point increase since last spring. They overwhelmingly (72%) point to interest rates as the primary reason for their optimism.

"We find this data particularly interesting in light of the housing-inventory shortage seen in many markets," said Gino Blefari, CEO of Berkshire Hathaway HomeServices. "As homeowners feel increasingly confident about the outlook of housing and their homeownership investments, they are more likely to consider a move for themselves – up, down or laterally to another market. Perhaps this is a signal that more existing homes may gradually come to market freeing up more options for first-time and move-up buyers."

### Millennials Are Most Optimistic

Among all respondents, millennials are most optimistic about the real estate market and are the most satisfied with the U.S. economy. In fact, 76% of respondents ages 18 to 34 view housing favorably, up a point from last spring and a full 17 percentage points from November. A large majority of millennials (85%) also believe that owning a home is an important part of the "American Dream," a sentiment shared with older generations.

Mortgage rates remain low but how low is up to interpretation. Just 13% of millennial respondents described loan rates as "low" while 53% categorized them as "average." Additionally, millennials indicated that their biggest challenge in purchasing a home is securing a low mortgage rate. Gen-Xers said their largest barrier to homeownership is saving money for the purchase, while boomers – in

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concert with their growing confidence – said their biggest challenge is “finding a home that suits their family’s wants and needs.”

The possibility of rising mortgage rates remains a concern among all demographic groups surveyed. Not surprisingly, 81% of prospective homebuyers expressed concern about rate increases. “Mortgage rates have been low for so long it’s only reasonable for rates to rise a little at some point down the road,” said Stephen Phillips, president of Berkshire Hathaway HomeServices. “If and when rates do rise, it’s also reasonable to expect only a gradual increase over time – no rate shock.”

### **Renters Respond**

Berkshire Hathaway HomeServices’ Homeowner Sentiment Survey also asked renters about their perspectives on homeownership. Many said they’ve been renting homes for longer periods than originally planned.

Those renting for a year to three years said their largest challenge is saving money for a down payment. Prospective homeowners renting from three to five years said their primary hurdles include finding a suitable home, trying to save money and getting a good interest rate on a loan. Those renting for six years or more expressed more concern about the U.S. economy.

Besides saving for a down payment, 37% of millennial renters indicated they are interested in buying only when they’re ready to afford their dream home, signaling that they find the concept of a “starter home” less desirable than previous generations.

Renters who said they could not buy a home listed poor credit scores and strict lender guidelines as their principle hurdles.

### **Presidential Race and Real Estate**

With presidential campaigns in high gear, the survey asked respondents which candidate would have a more positive impact on the housing market. Among current homeowners, 33% said Donald Trump would be better for real estate while 31% picked Hillary Clinton. Among prospective homeowners, 35% said Clinton would have a more positive impact on housing compared with 27% for Trump.

Most Democrats and Republicans surveyed expressed a favorable outlook for the U.S. housing market. Regardless of political affiliation, respondents indicated that credit scores impacted by the recession, stricter lending requirements, and the competitive landscape for available homes are key challenges for the market.

“A much larger percentage of survey respondents admitted they ‘don’t know’ which candidate will be best for real estate,” Blefari said. “It will be interesting to see who will embrace the housing needs of Americans and put forth the best case for positively impacting our real estate market.”

The full survey details are available upon request.

### **Berkshire Hathaway HomeServices Consumer Sentiment Survey Methodology**

Interviews with 2,521 respondents were conducted online by Edelman Intelligence in June 2016. The respondents captured were either current homeowners (individuals who currently own a home as a primary residence) or prospective homeowners (individuals who do not currently own a home and are likely to buy a home as their primary residence in the next six months). The margin of error is +/-2.2% for current homeowners and +/- 4.4% for prospective homeowners.

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#### **About Berkshire Hathaway HomeServices and HSF Affiliates LLC**

Berkshire Hathaway HomeServices, based in Irvine, CA, is a real estate brokerage network built for a new era in residential real estate. The network, among the few organizations entrusted to use the world-renowned Berkshire Hathaway name, brings to the real estate market a definitive mark of trust, integrity, stability and longevity. Visit [www.berkshirehathawayhs.com](http://www.berkshirehathawayhs.com).

Irvine, CA-based HSF Affiliates LLC operates Berkshire Hathaway HomeServices, Prudential Real Estate and Real Living Real Estate franchise networks. The company is a joint venture of which HomeServices of America, Inc., the nation's second-largest, full-service residential brokerage firm, is a majority owner. HomeServices of America is an affiliate of world-renowned Berkshire Hathaway Inc.

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