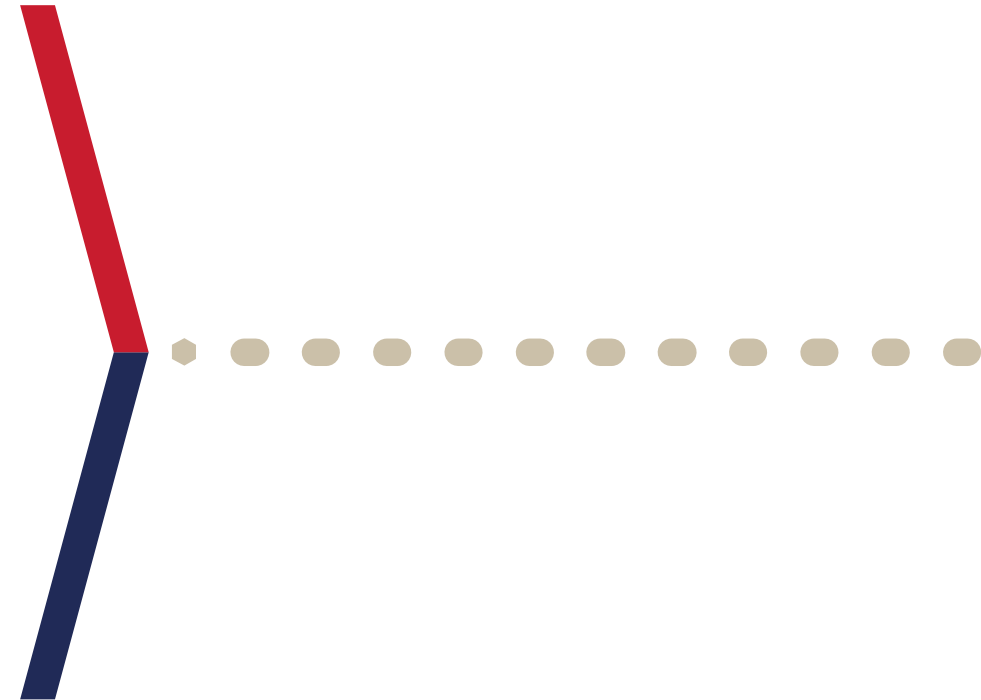


Housing Trends Report

First Quarter 2018



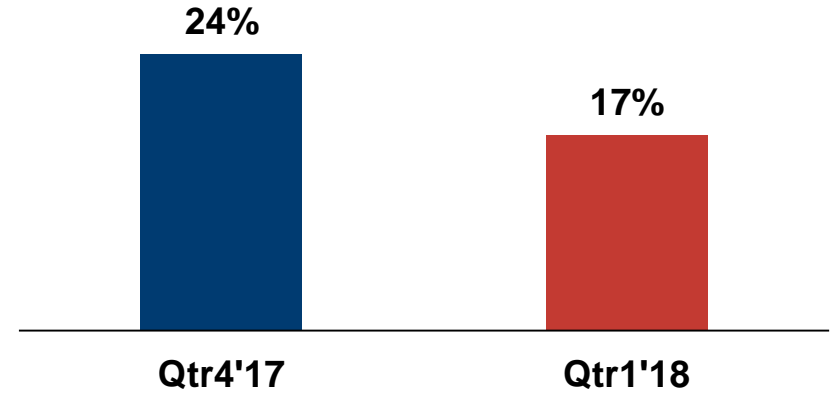


The Housing Trends Report (HTR) measures prospective home buyers' perceptions about the availability and affordability of homes for-sale in their markets.

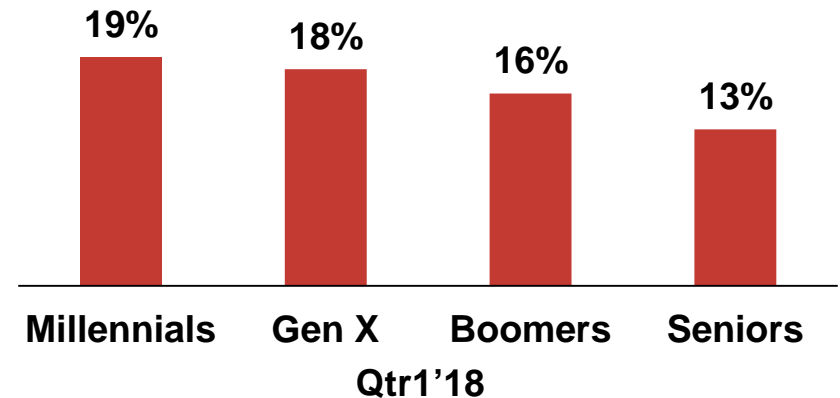
All data are derived from national polls of representative samples of American adults conducted for NAHB by Morning Consult. This report will be released quarterly to track changes in buyers' perceptions over time.

Planning to Buy Home Within 12 Months

17% of respondents in the first quarter of 2018 (Qtr1'18) are planning to buy a home within 12 months, down from 24% in the fourth quarter of 2017 (Qtr4'17).



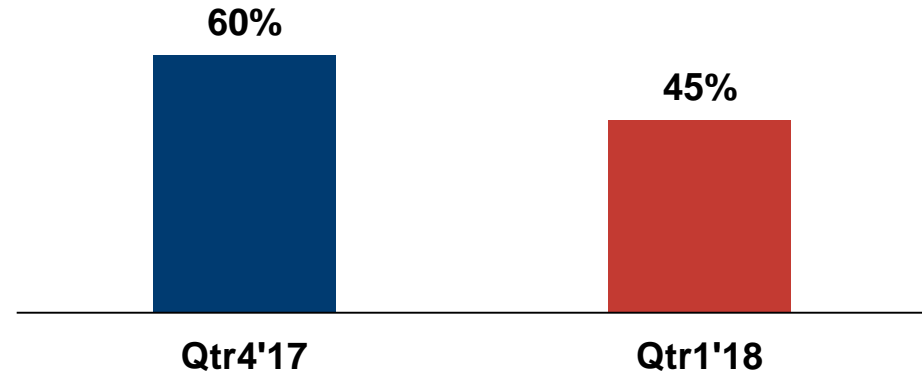
In Qtr1'18, Millennials are likeliest generation to report planning to buy a home within the next year (19%).



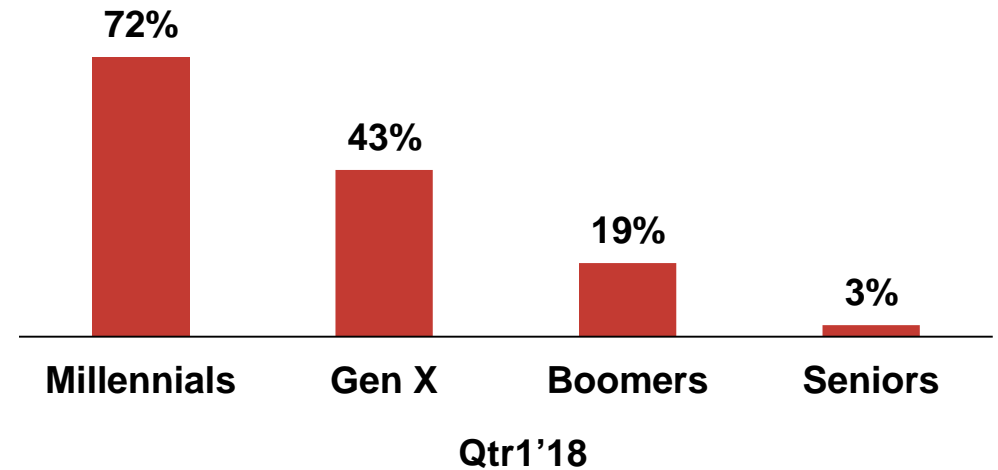
This report is based entirely on prospective home buyers: those planning to buy a home within the next 12 months.

Share Who are First-time Home Buyers

45% of prospective home buyers in Qtr1'18 were first-time buyers, compared to 60% in Qtr4'17.



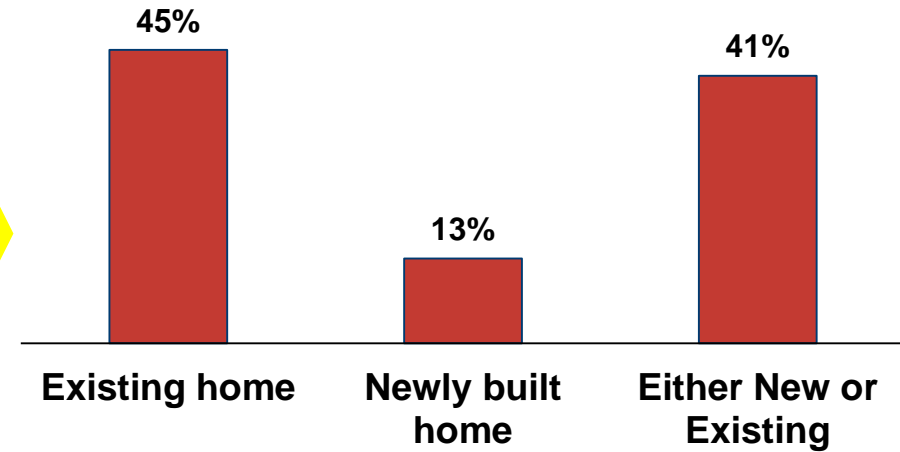
In Qtr1'18, 72% of Millennials planning to buy a home within 12 months were 1st-time buyers.



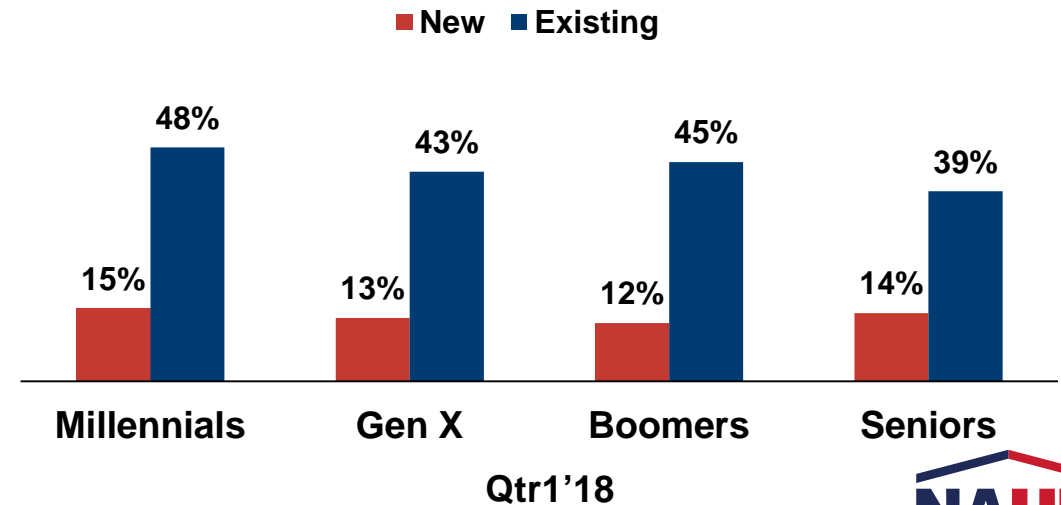
Source: NAHB national consumer polls, conducted by Morning Consult.

Plurality of Buyers Are Looking for an Existing Home

- 45% of prospective home buyers in Qtr1'18 say they are looking for an existing home
- 13% are looking for a newly built home
- 41% are looking at both.



Millennials are most likely generation to be looking for an existing home (48%).



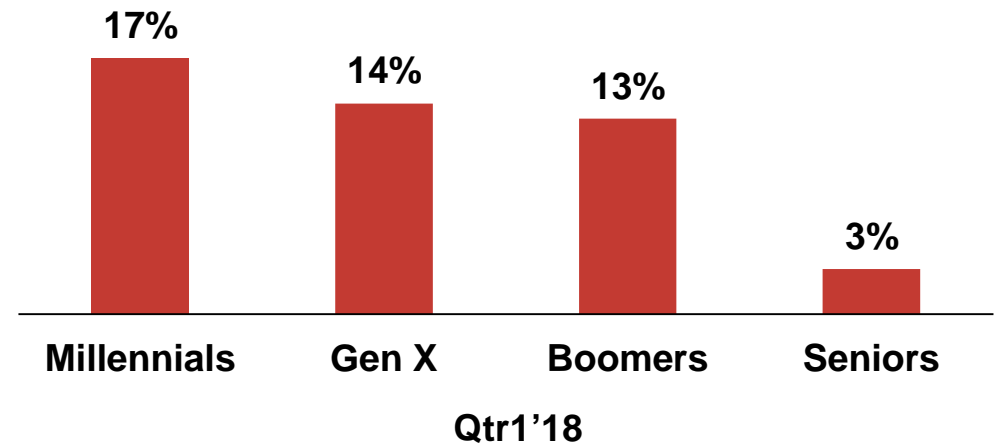
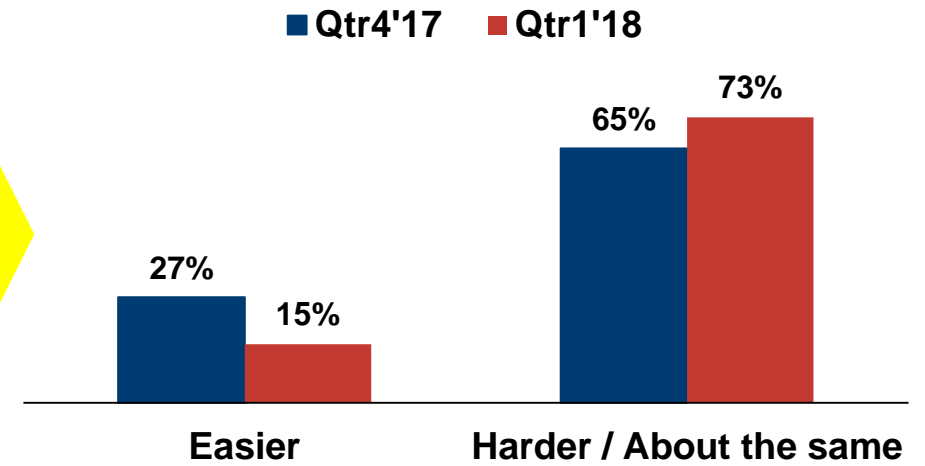
Source: NAHB national consumer polls, conducted by Morning Consult.

Most Don't Expect House Search to Get Easier

Only 15% of prospective home buyers in Qtr1'18 expect that finding the 'right' home will become easier in the months ahead, down from 27% in Qtr4'17.

73% expect the search to become harder or stay about the same, up from 65% in Qtr4'17.

Share expecting search to get easier is below 20% across all generations.



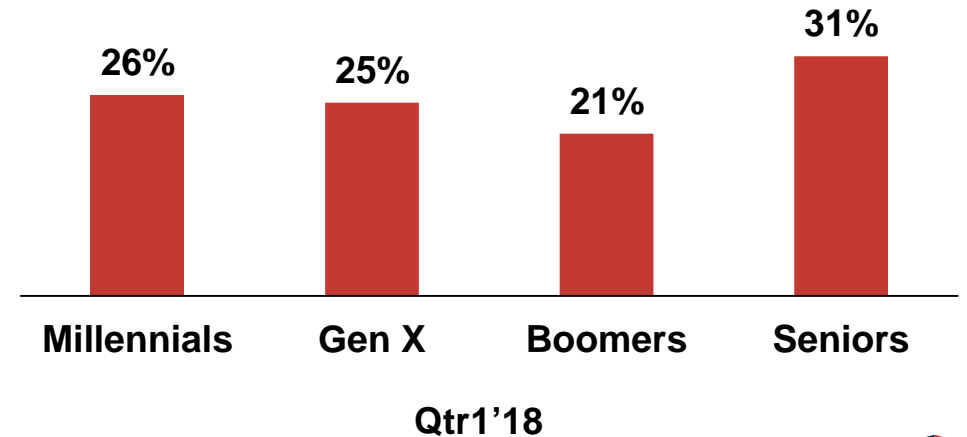
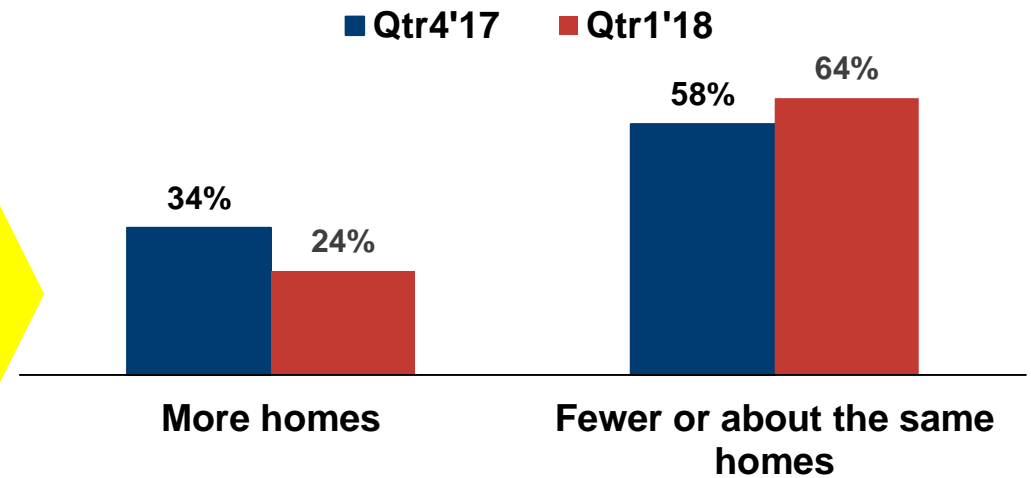
Source: NAHB national consumer polls, conducted by Morning Consult.

Most Don't See Improvement in Inventory

Only 24% of prospective buyers in Qtr1'18 report seeing more homes (with desired features and price point) available for-sale than 3 months earlier, down from 34% in Qtr4'17.

64% report seeing fewer homes or about the same number, up from 58% in Qtr4'17.

Less than a third of all generations report an increase in the number of for-sale homes (with right features and price) vs. 3 months earlier.



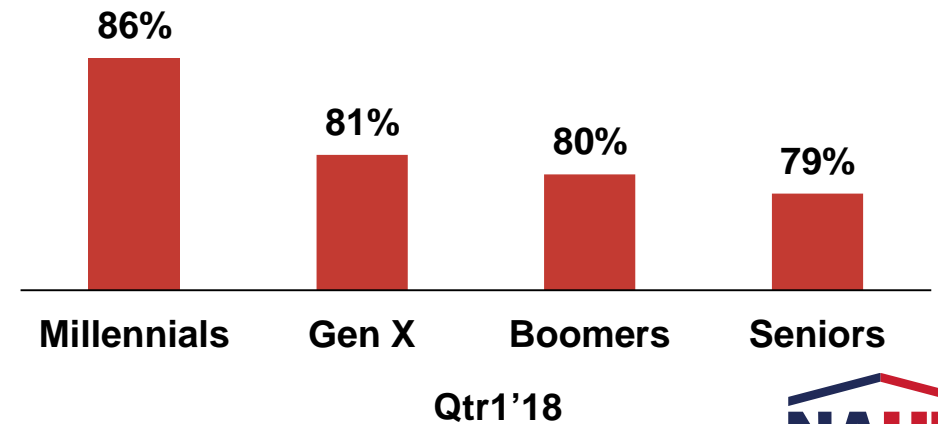
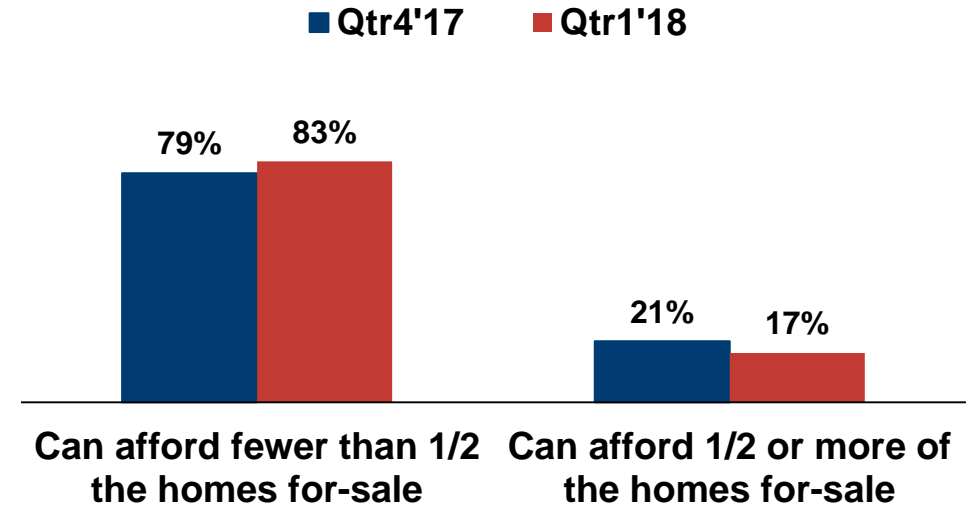
Source: NAHB national consumer polls, conducted by Morning Consult.

Only a Minority Can Afford the Majority of Homes For-Sale

83% of prospective buyers in Qtr1'18 say they can afford fewer than half the homes available in their markets, up from 79% in Qtr4'17.

Small minorities can afford half or more of the homes for-sale (21% in Qtr4'17 and 17% in Qtr1'18).

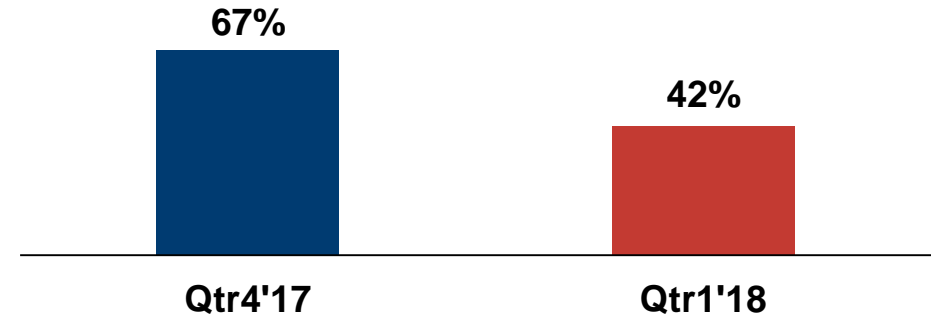
86% of Millennials can afford fewer than half of the homes available in their markets. The share declines (slightly) with age.



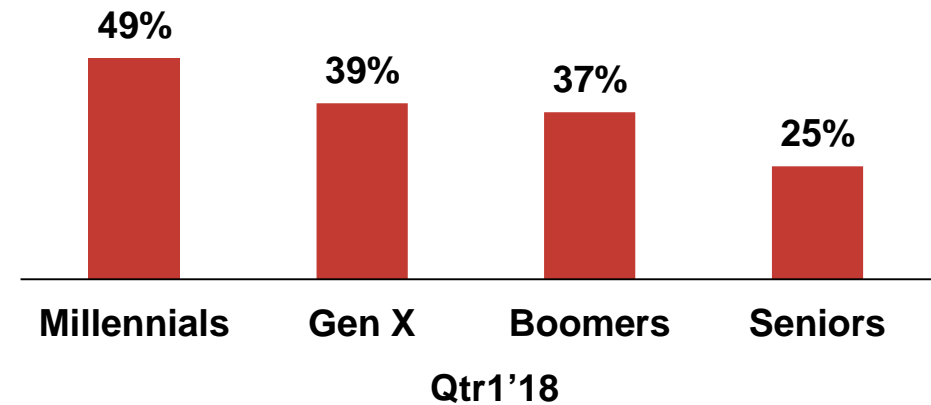
Source: NAHB national consumer polls, conducted by Morning Consult.

Many Planning to Buy Within 12 Months are Already Actively Looking

42% of prospective buyers in Qtr1'18 say they are already actively trying to find a home to buy (and not just planning it), down from 67% in Qtr4'17.



About half of Millennials planning to buy a home within 12 months are already actively looking, the largest share among all generations.

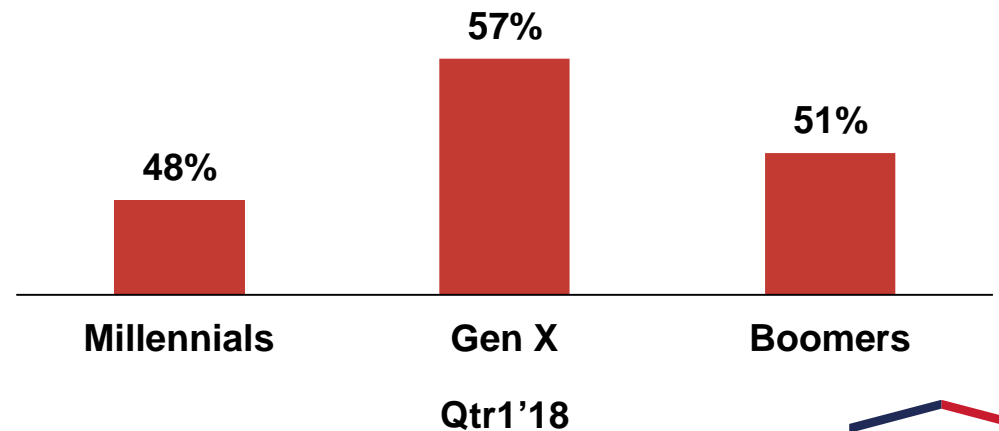
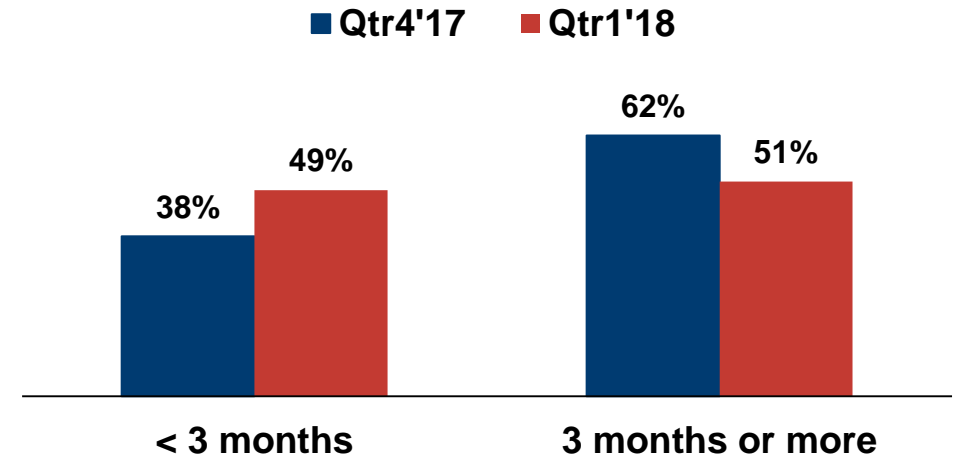


Source: NAHB national consumer polls, conducted by Morning Consult.

Half of Those Actively Looking Have Been Trying for 3+ Months

51% of those already actively looking for a home in Qtr1'18 have been searching for 3+ months, down from the 62% who reported looking for that long in Qtr4'17.

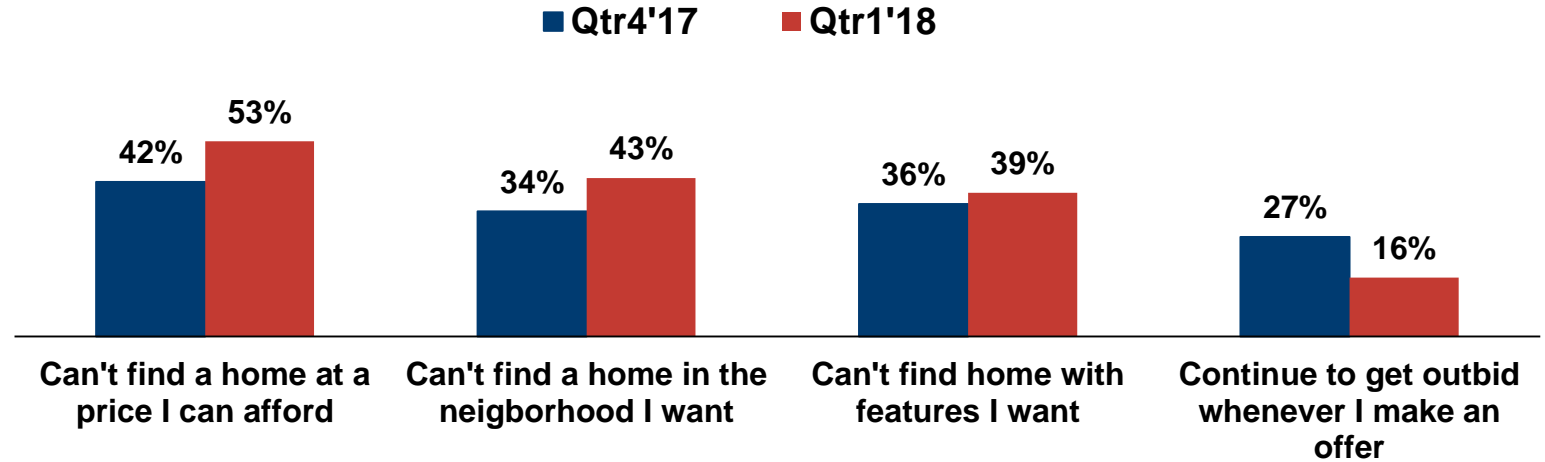
57% of Gen X buyers actively searching for a home to buy have been trying for 3+ months.



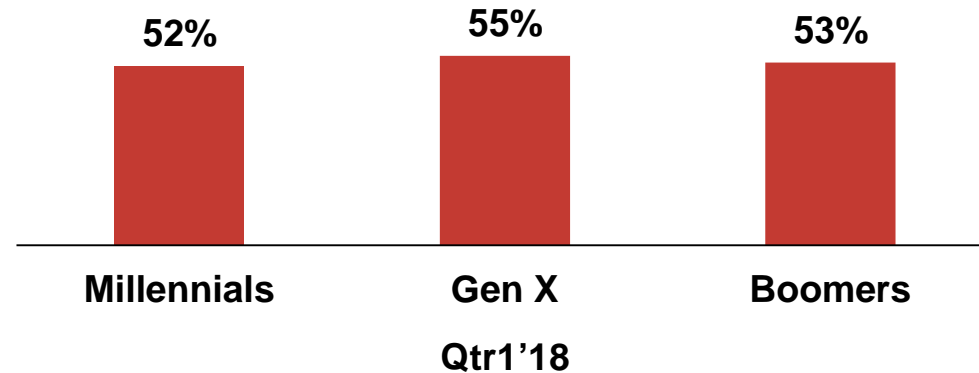
Source: NAHB national consumer polls, conducted by Morning Consult.

If Unable to Buy Home in 3+ months, Why?

#1 reason holding buyers back is the inability to find a home at an affordable price, 53% in Qtr1'18 and 42% in Qtr4'17.



Across generations, the inability to find a home they can afford is the reason more than 50% of buyers looking for 3+ months haven't pulled the trigger.



Source: NAHB national consumer polls, conducted by Morning Consult.

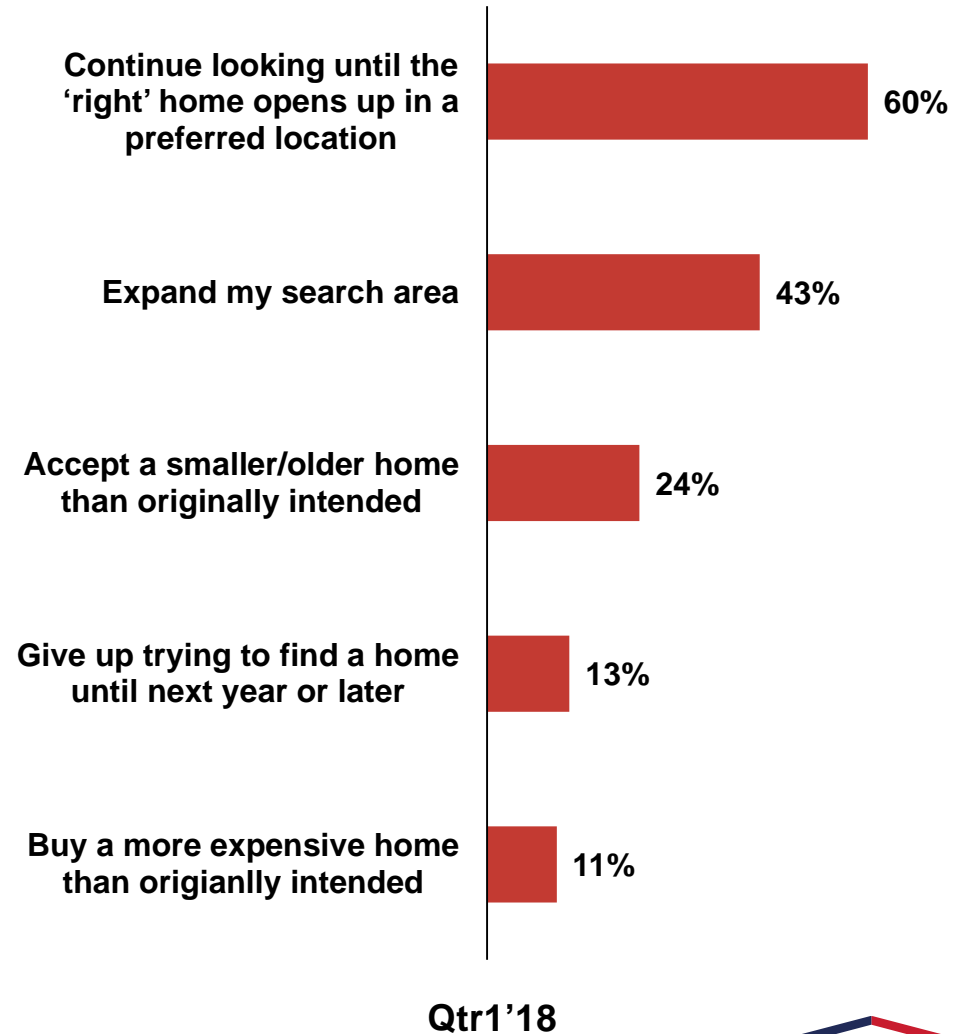
Most Likely Next Steps If Still Unable to Find Home in Months Ahead

If still unable to find a home in the next few months, most buyers (60%) in Qtr1'18 say they will continue looking for the 'right' home in the same preferred location.

Only 13% will give up trying.

Most likely next steps among Millennials:

- 51% will continue looking in same area*
- 49% will expand search area*
- 23% will accept a smaller/older home*
- 19% will give up*
- 16% will buy a more expensive home*



Source: NAHB national consumer polls, conducted by Morning Consult.