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55+ Economic & Market Forecast

JANUARY 21, 2016 || 10 – 11:00 AM

Presenter:

Paul Emrath || *NAHB, Washington, DC*

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Session Description

As 10,000 more Americans turn 65 every day, the number of people looking for a low-maintenance, energy efficient and user-friendly homes and apartments - in both age-qualified and multi-generational communities - is growing by leaps and bounds. In this session, an NAHB economist and a nationally-known market analyst will present data on the size and health of the 55+ market sector compared to the entire housing market. They will also provide information on important economic and demographic trends you should be aware of.

Learning Outcomes

- Understand the size and growth potential of the 55+ housing sector.
- Gain insight about builder confidence in this sector.
- Learn which markets are strongest for this sector.

Topics



The National 55+ Market



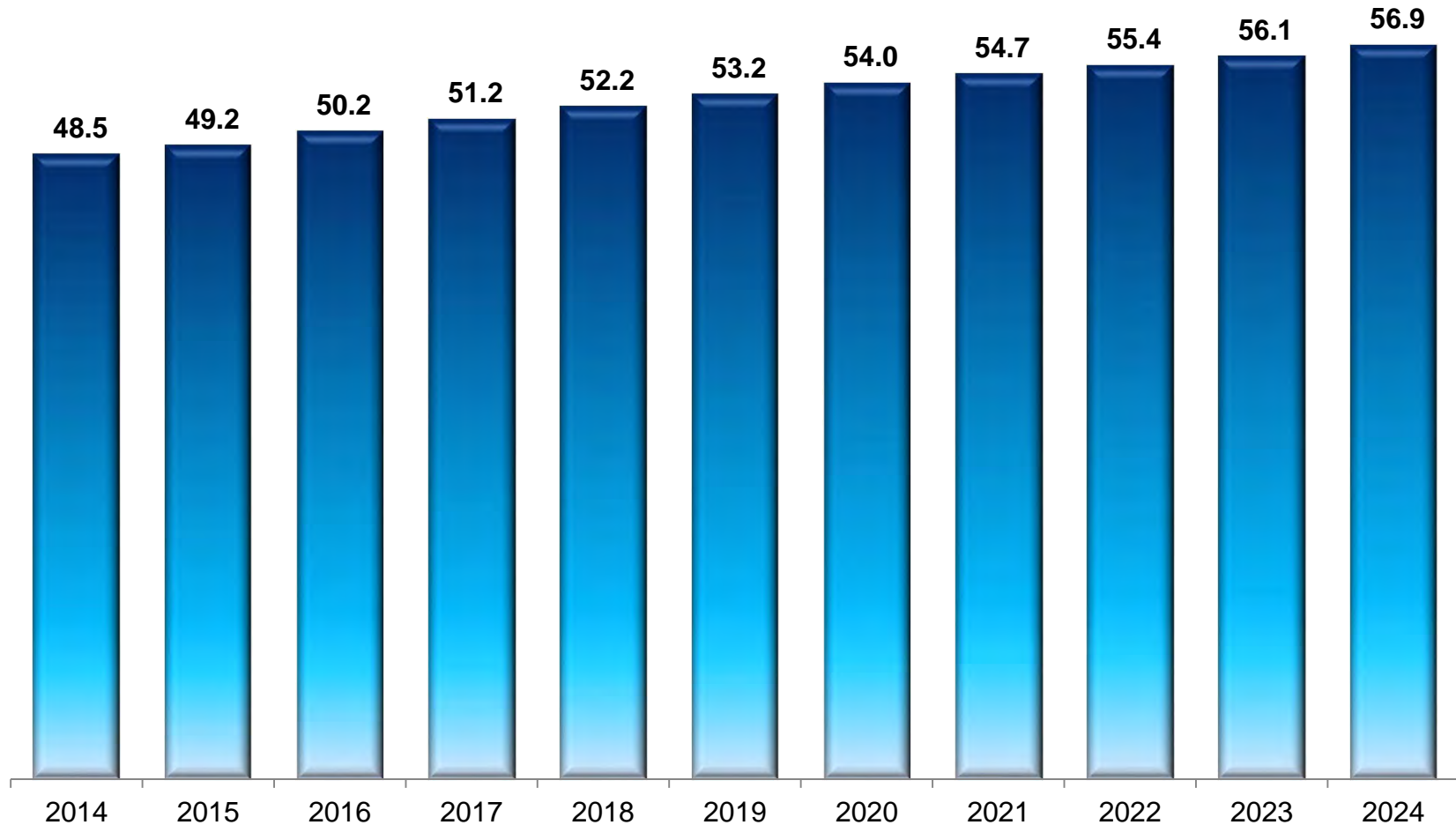
Where Potential Customers Exist



What They're Looking For

Number of U.S. Households Age 55+ (millions)

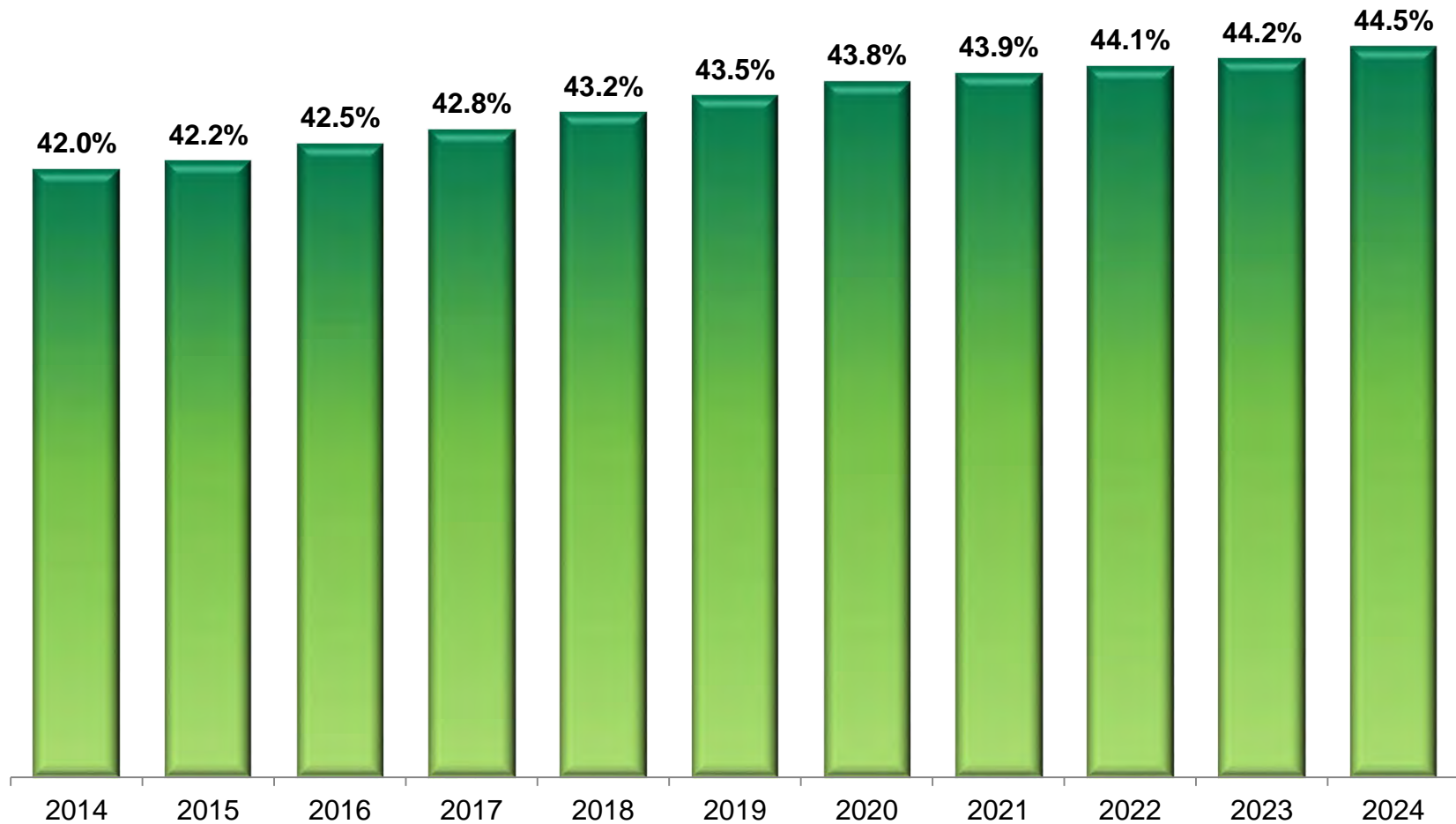
Growing and projected to continue growing



Source: NAHB Long Term Forecast

Share of U.S. Households Age 55+

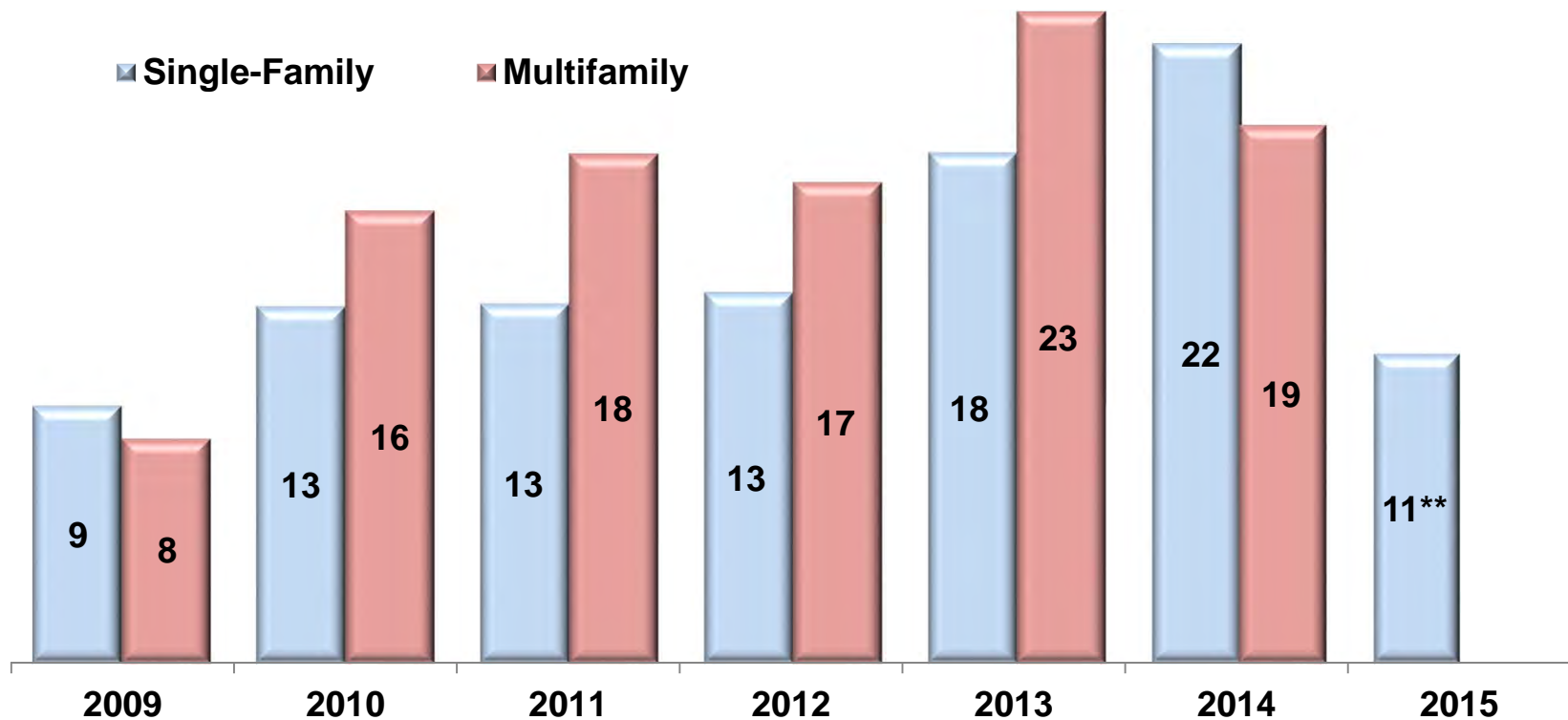
Also projected to grow every year through 2024



Source: NAHB Long Term Forecast

Age-Restricted Housing Starts (in Thousands)

Production stabilizing after post 2009 surge



** Starts through 1st half of the year only.

NAHB tabulation of data from the Survey of Construction, U.S. Census Bureau and HUD.

How Satisfied 55+ Households Are With Their Current Home

On a scale of 1 to 10; 1=worst; 10=best


	Age			Total 55+
	55 to 64	65 to 74	75+	
1	0.2%	0.1%	0.4%	0.2%
2	0.2%	0.1%	0.1%	0.2%
3	0.3%	0.2%	0.3%	0.3%
4	0.5%	0.5%	0.3%	0.4%
5	3.2%	3.0%	3.1%	3.1%
6	3.3%	2.6%	2.9%	3.0%
7	10.5%	8.3%	6.9%	8.9%
8	27.5%	25.1%	25.3%	26.3%
9	19.2%	18.1%	16.5%	18.2%
10	35.1%	42.1%	44.2%	39.5%
Average Rating	8.6	8.8	8.8	8.7

At least an 8
for most!

Source: American Housing Survey, U.S. Census Bureau, funded by HUD

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







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OVER 1/3 OF HOUSEHOLDS ARE NOW AGE 55+ IN EVERY STATE

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Special Studies, January 4, 2016
By Paul Emrath, Ph.D.
Economics and Housing Policy
National Association of Home Builders




Report available to the public as a courtesy of HousingEconomics.com

Households age 55 or older form an important part of the housing market. They define a distinct class of housing, as 55 is the youngest age cutoff mentioned in any of the criteria under which it's possible legally to build age- restricted housing for older persons.

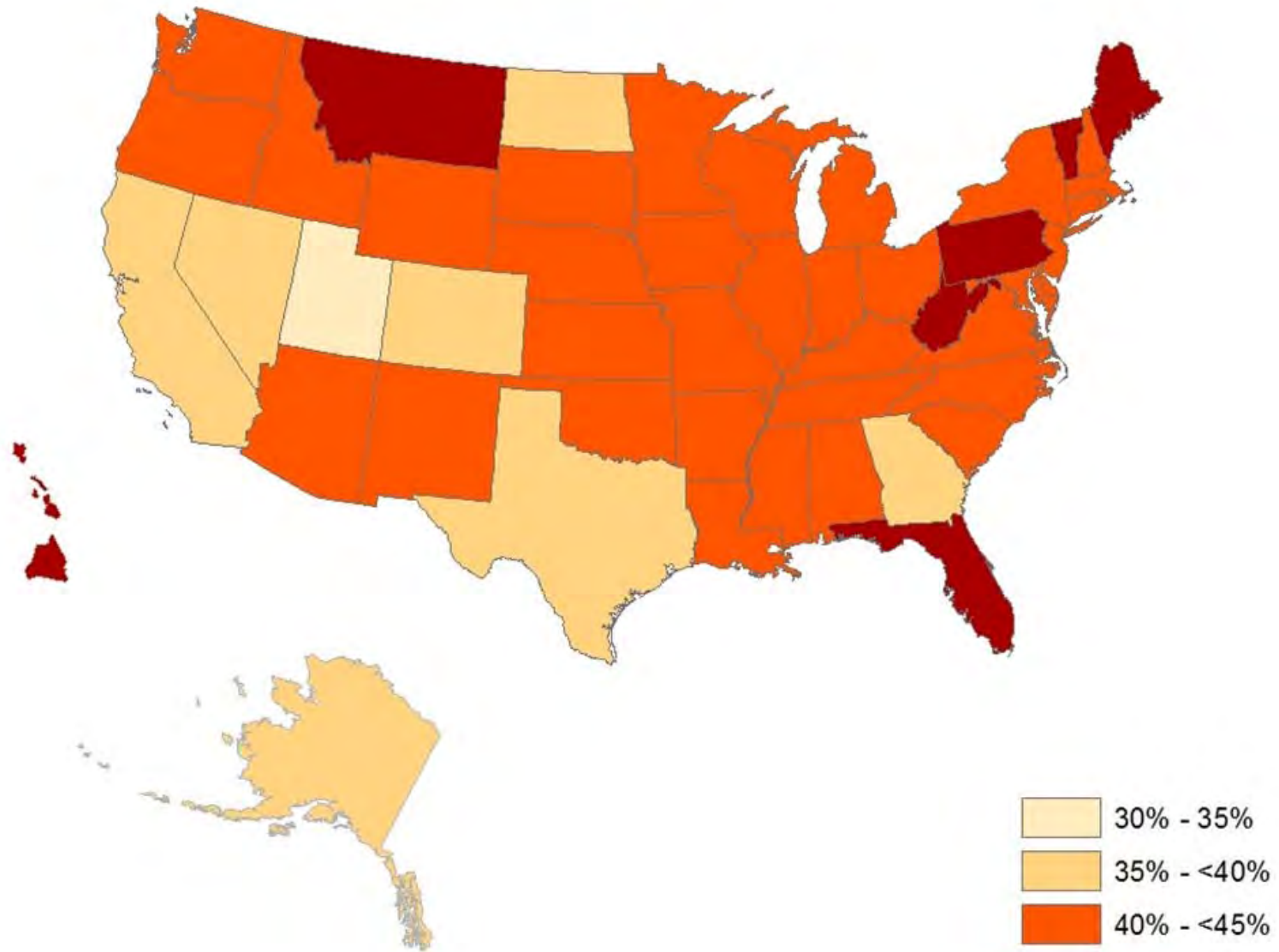
This article looks at how many households headed by someone age 55+ there are in the U.S., and where they're located. The article is based on new **American Community Survey** data released by the U.S. Census Bureau at the end of 2015. The data show that, in the U.S. as a whole, about 42 percent of all households are headed by someone age 55+.

Other highlights include:

- In every state, the 55+ category accounts for over 34 percent of all households.
- In every county, 55+ category accounts for over 20 percent of all households.
- In 99 percent of the counties, 55+ accounts for over 30 percent.

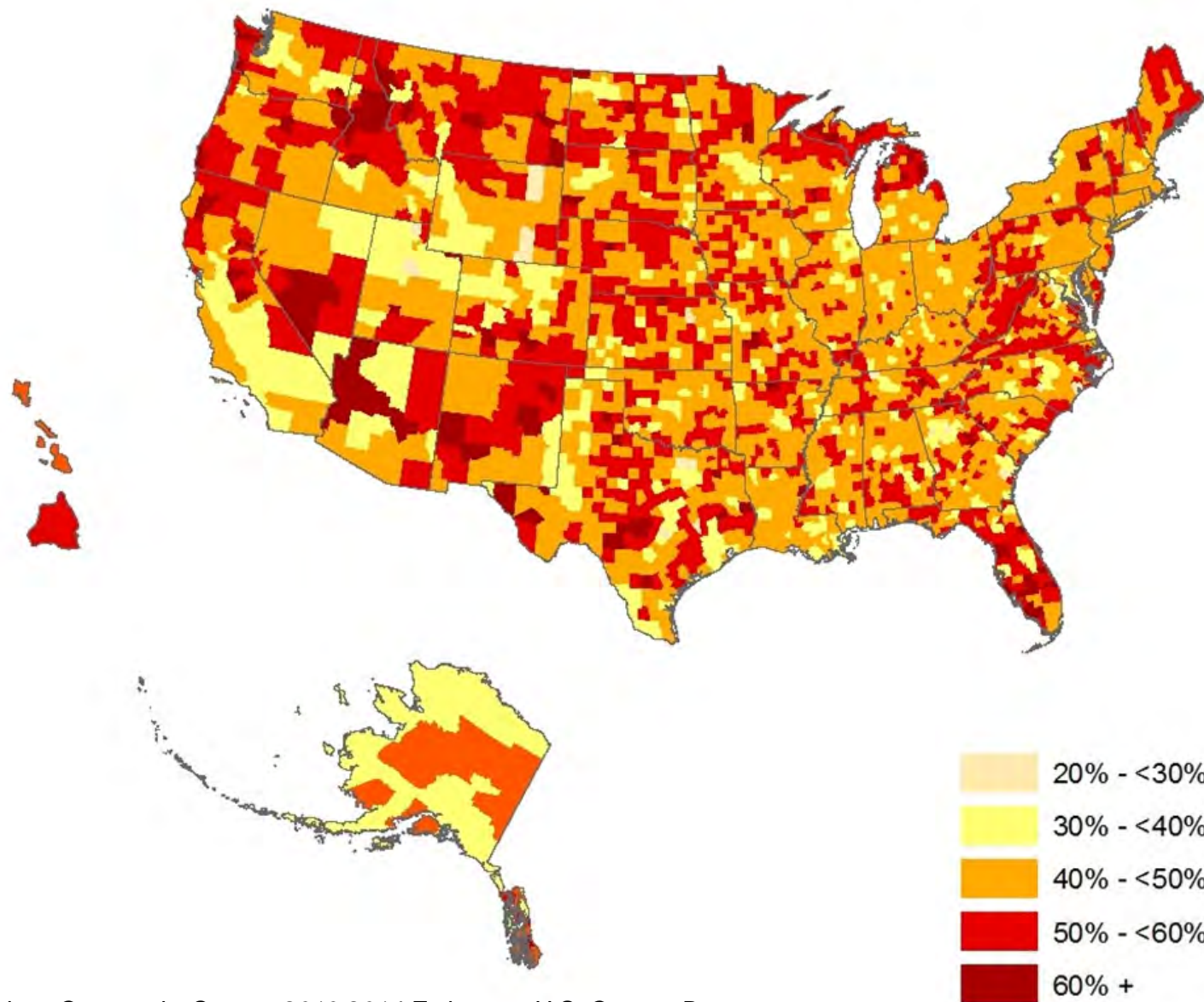
Additional Resources
[Print the Full Article](#) 
[Table 1 - 55+ by State](#) 
[Table 2 - 55+ by County](#) 
[See previous Special Studies](#)

55+ As a Share of All Households: States



American Community Survey, 2010-2014 Estimates, U.S. Census Bureau.

55+ As a Share of All Households: Counties



American Community Survey, 2010-2014 Estimates, U.S. Census Bureau.

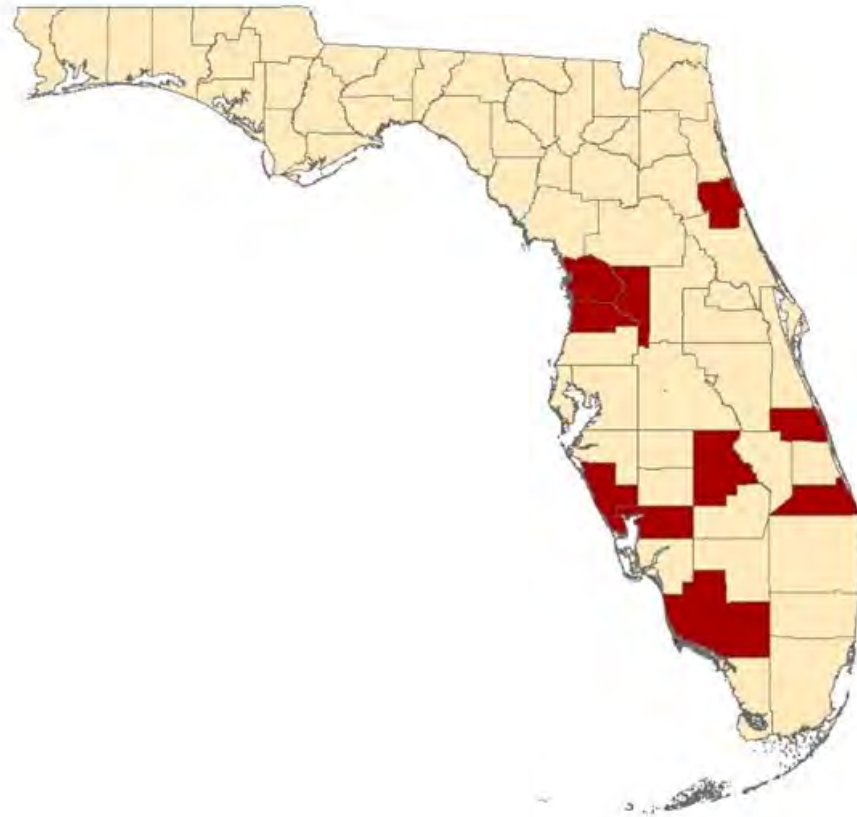
Top 55+ Counties

(Counties with More than 20,000 55+ Households **AND**
Where 55+ Accounts for Over 60% of All Households)

Massachusetts



Florida



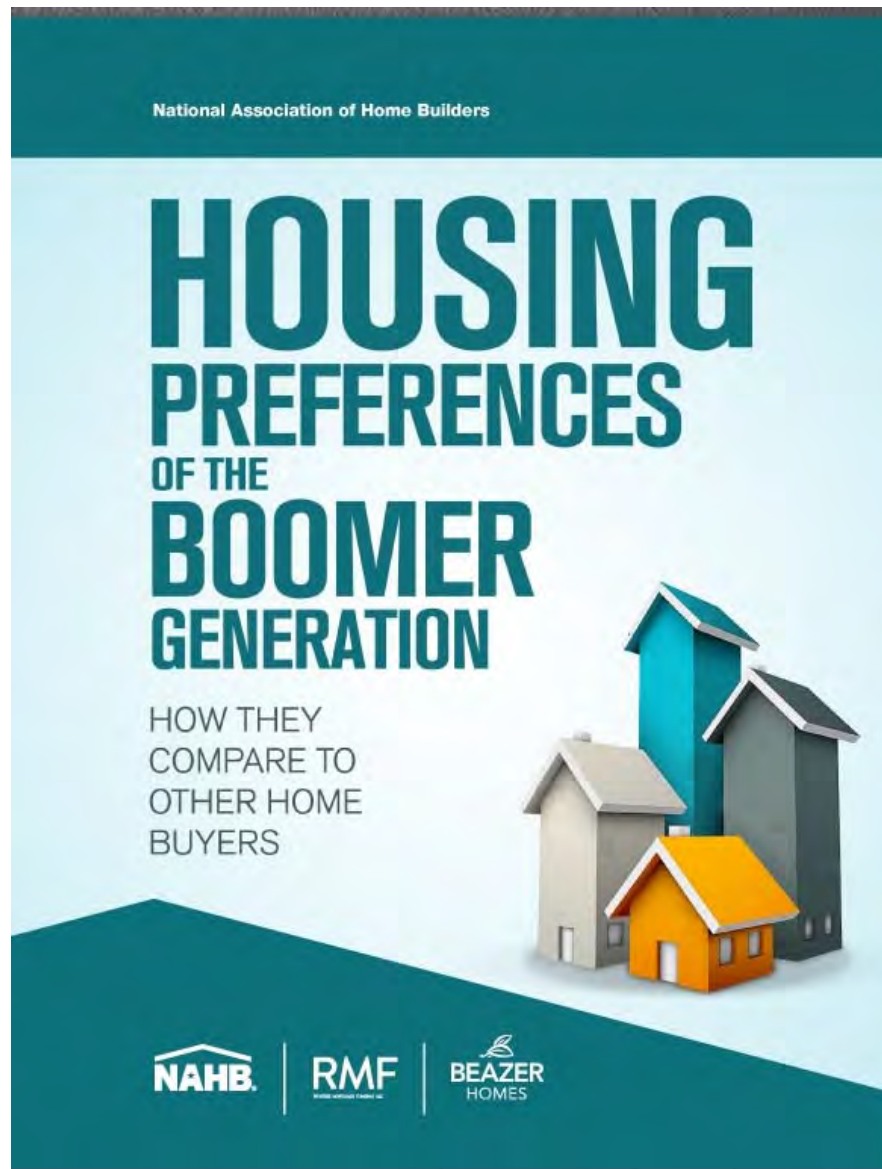
Arizona



American Community Survey, 2010-2014 Estimates, U.S. Census Bureau.

Summary so far...

- NAHB projects that the number and share of 55+ households will grow every year through 2024
- 55+ accounts for over 1/3 of all households in every state.
- 55+ accounts for over 30% of households in 99% of the counties in the U.S.
- But most are very satisfied where they are
- Challenge of building 55+ housing is not finding potential 55+ customers, but giving them what they want



New publication released at 2016 IBS

Survey results from over 4,300 recent and prospective buyers

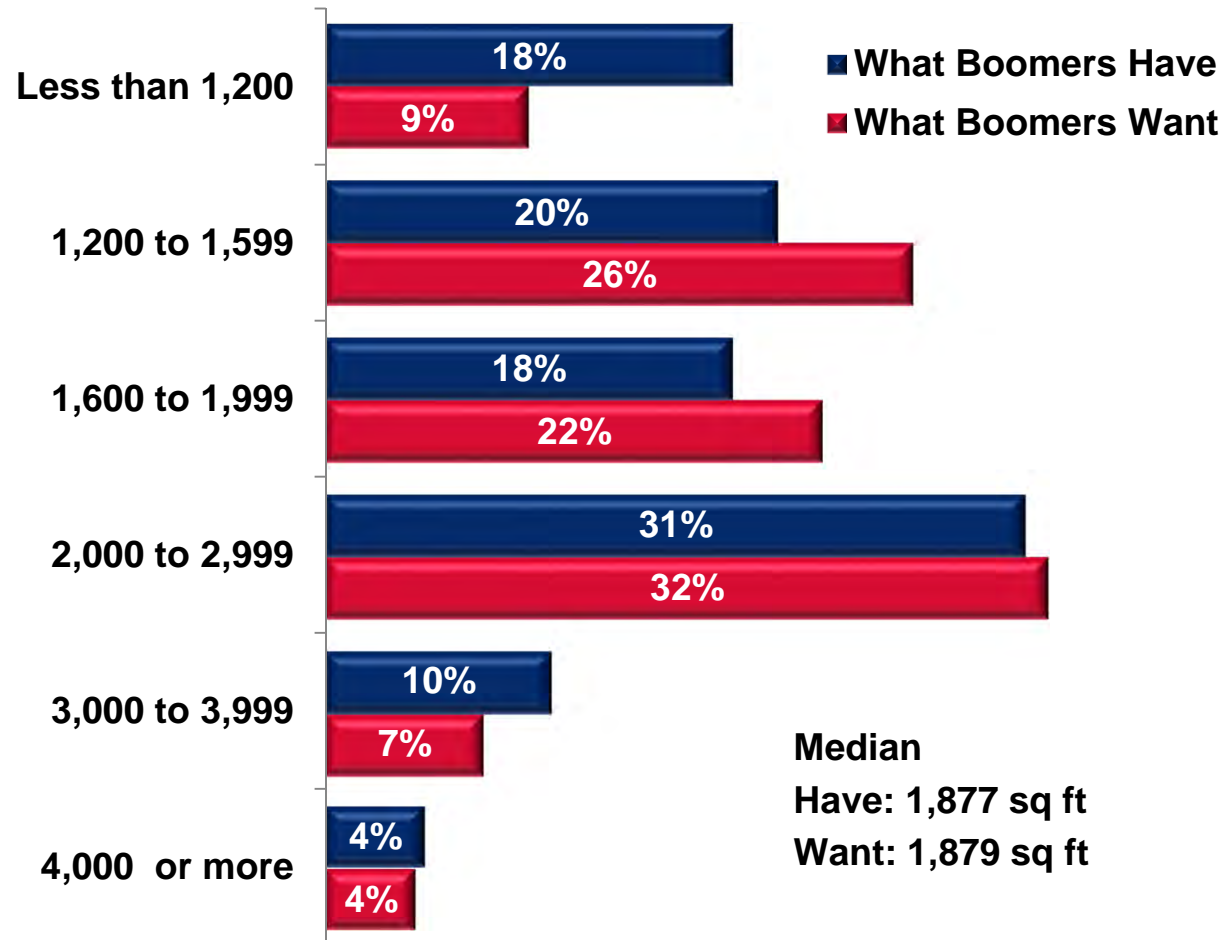
Emphasis on Baby Boomers (Born 1946-1964) compares them to other generations

Includes

- Preferences for general home size, price & layout
- Detail on many home features
- Price / amenity trade-offs
- Attitudes about environmental impacts
- Technology
- Community / development features

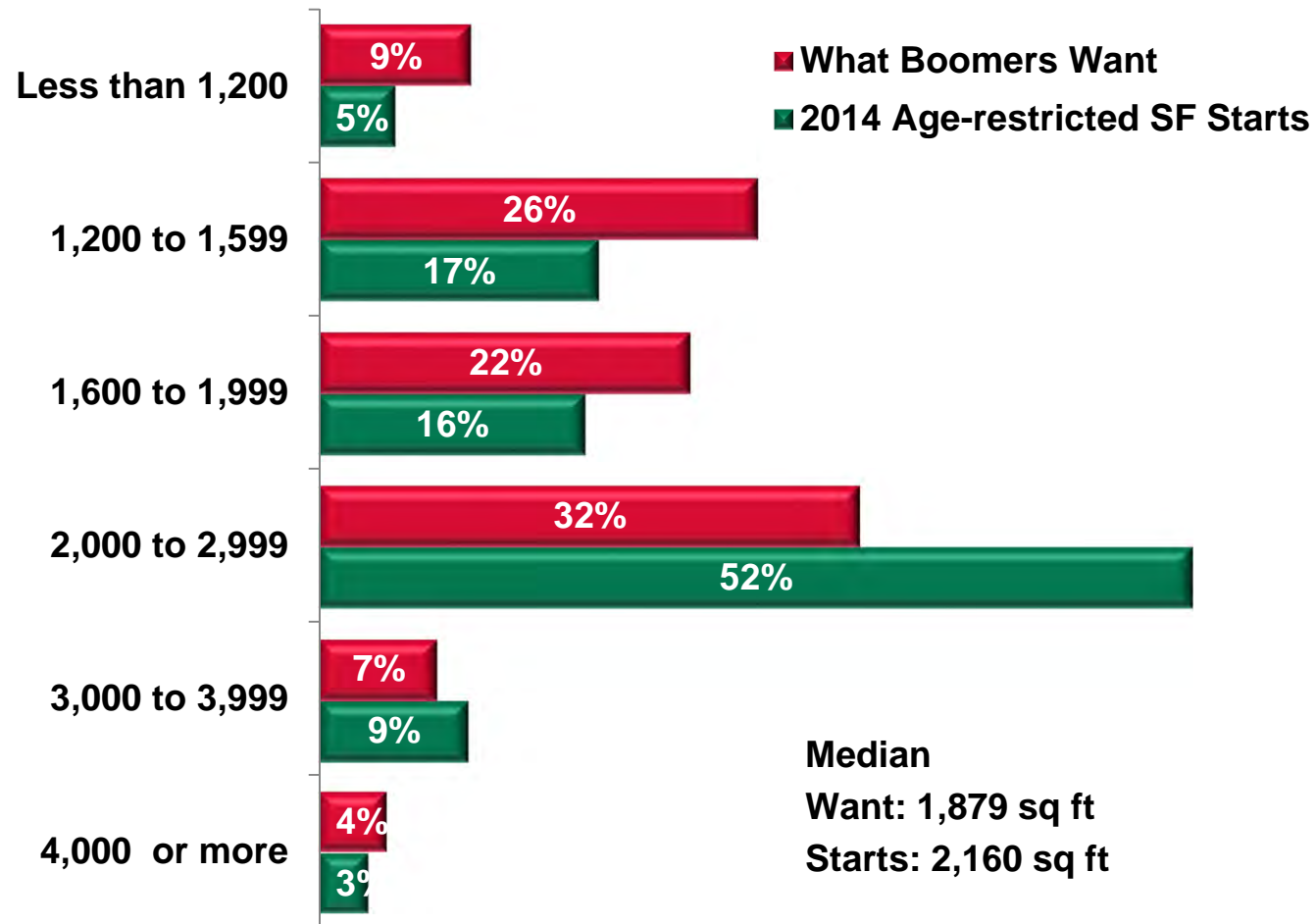
Home Size (in square feet)

What Boomers Want vs. What They Have



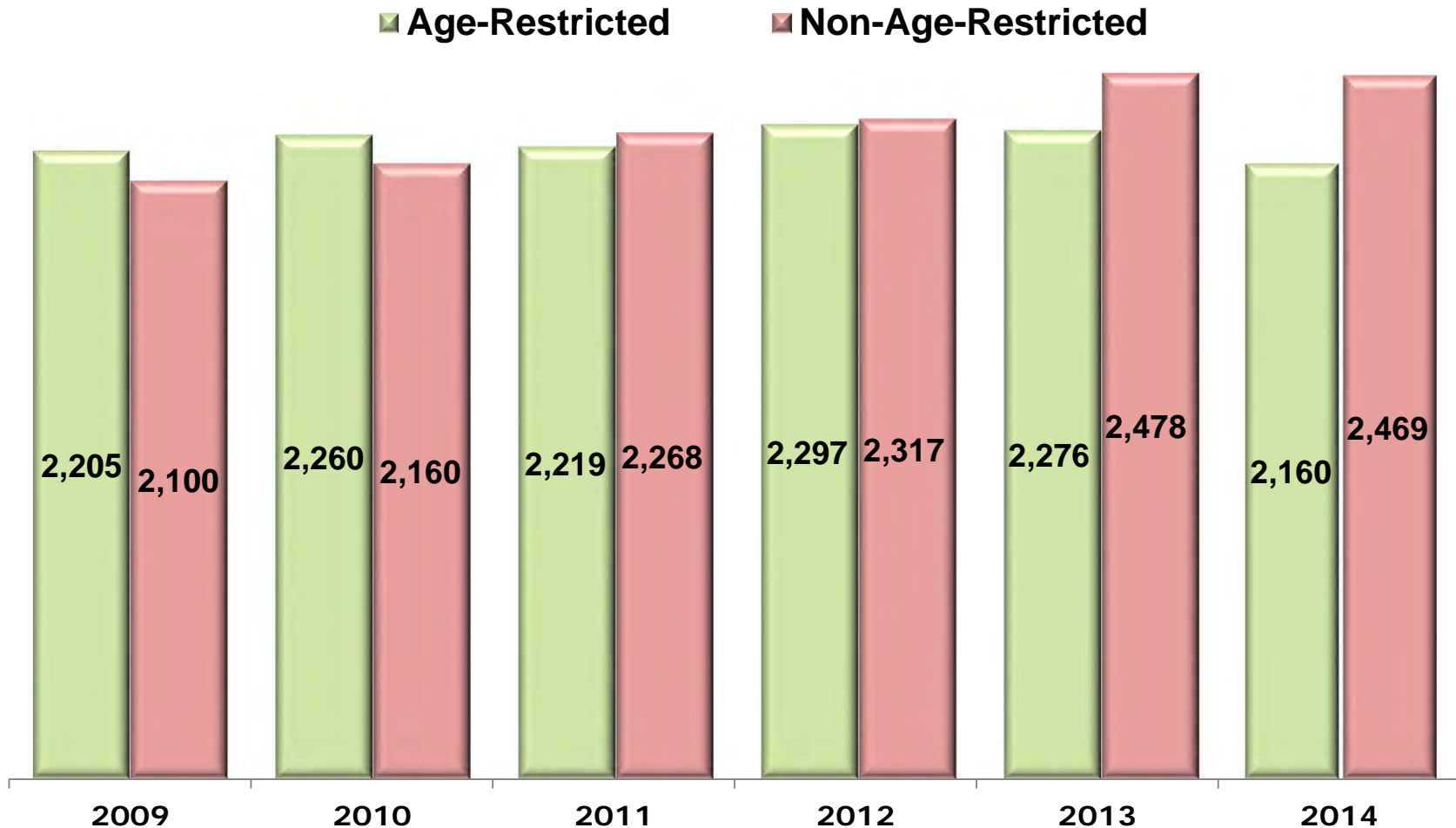
Home Size (in square feet)

What Boomers Want vs. Single-family Starts



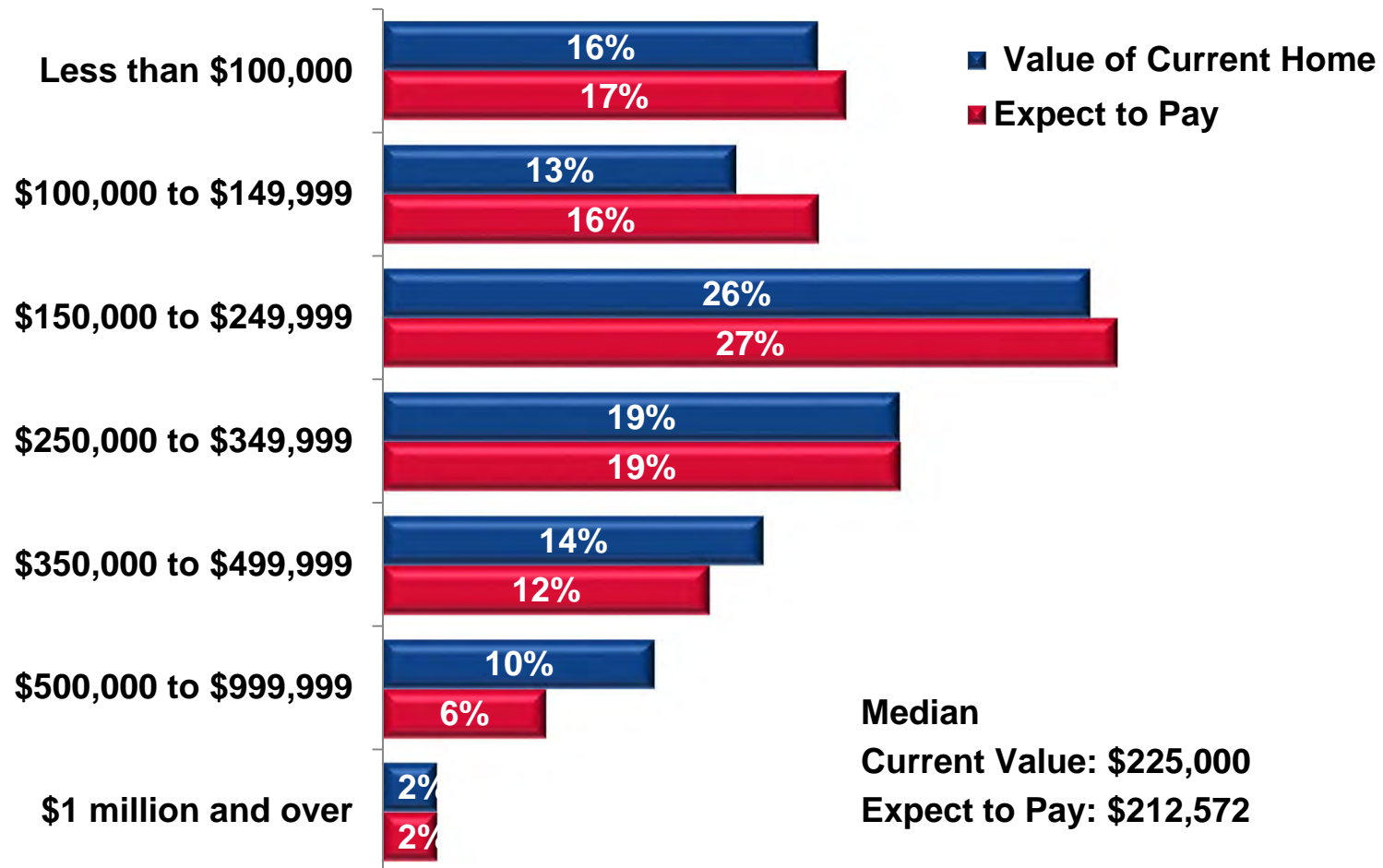
Median Size of Single-Family Homes Started (square feet)

Age-restricted stable at around 2,200; Other homes getting larger



NAHB tabulation of data from the Survey of Construction, U.S. Census Bureau and HUD

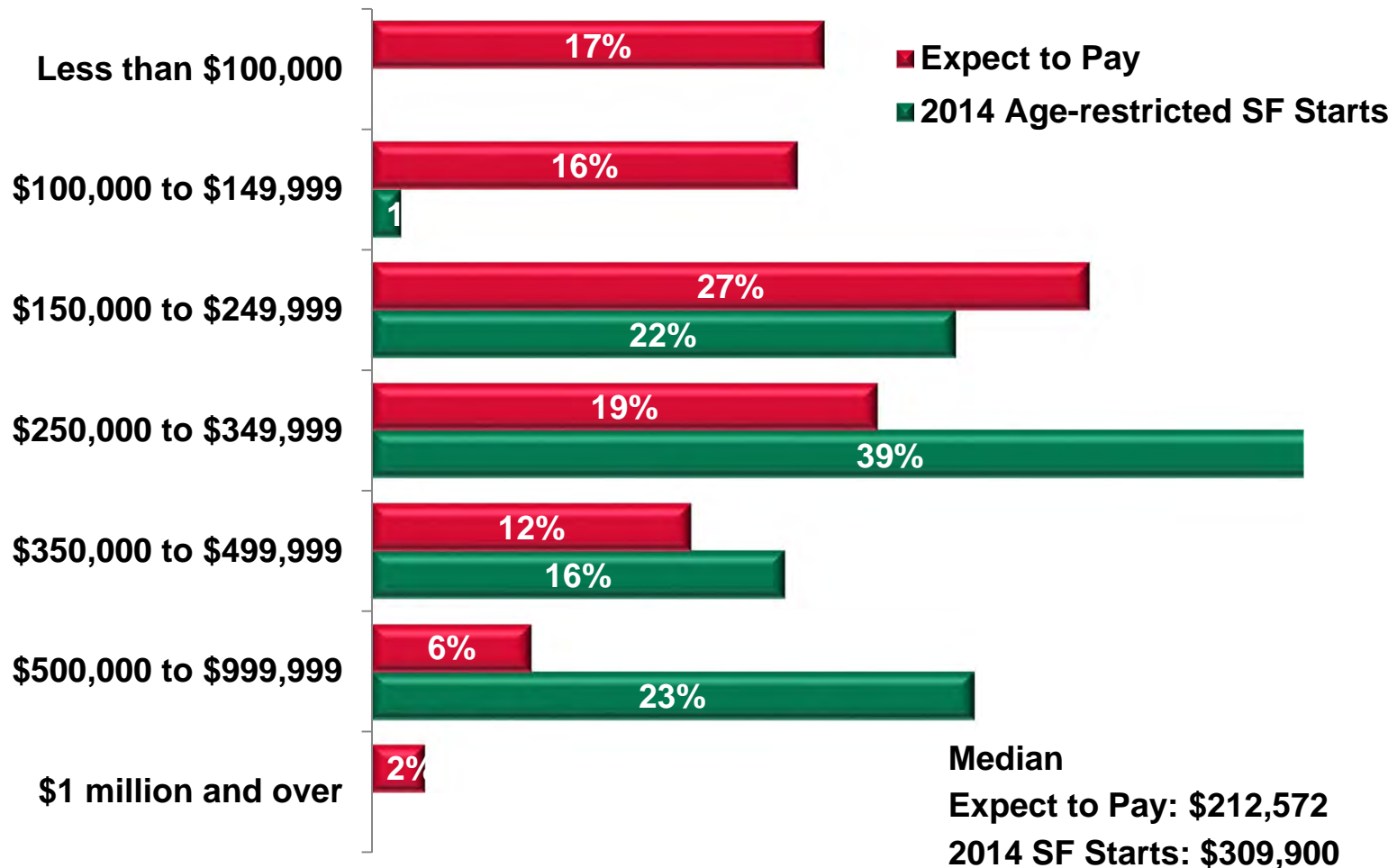
Boomers' Current and Expected Home Price



*Housing Preferences of the Boomer Generation, NAHB;
NAHB tabulation of data from the Survey of Construction, U.S. Census Bureau and HUD.*

House Price: Boomers' Expectations and Age-Restricted SF Starts

New construction satisfying mid-upper end of the market

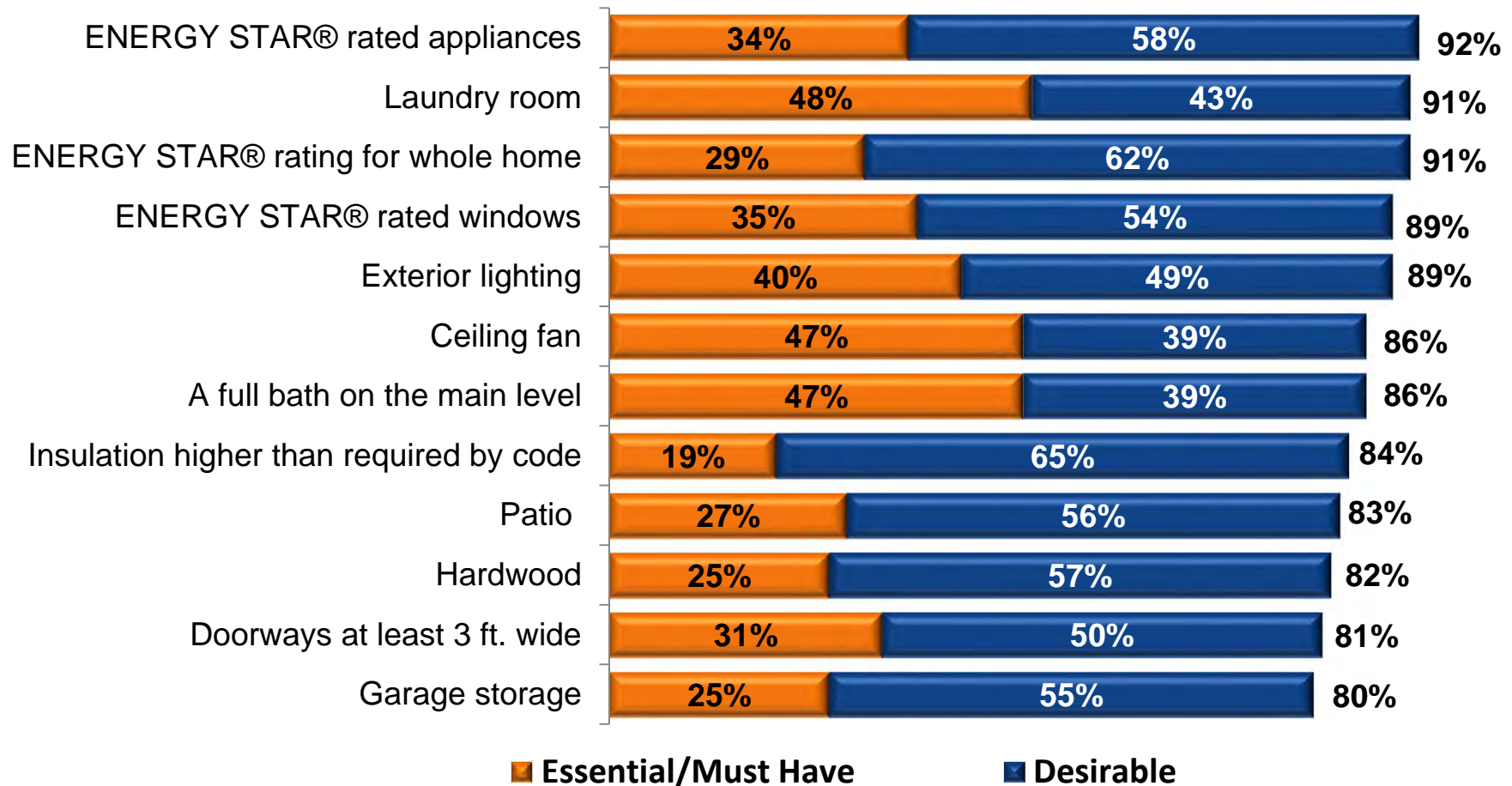


*Housing Preferences of the Boomer Generation, NAHB;
NAHB tabulation of data from the Survey of Construction, U.S. Census Bureau and HUD.*

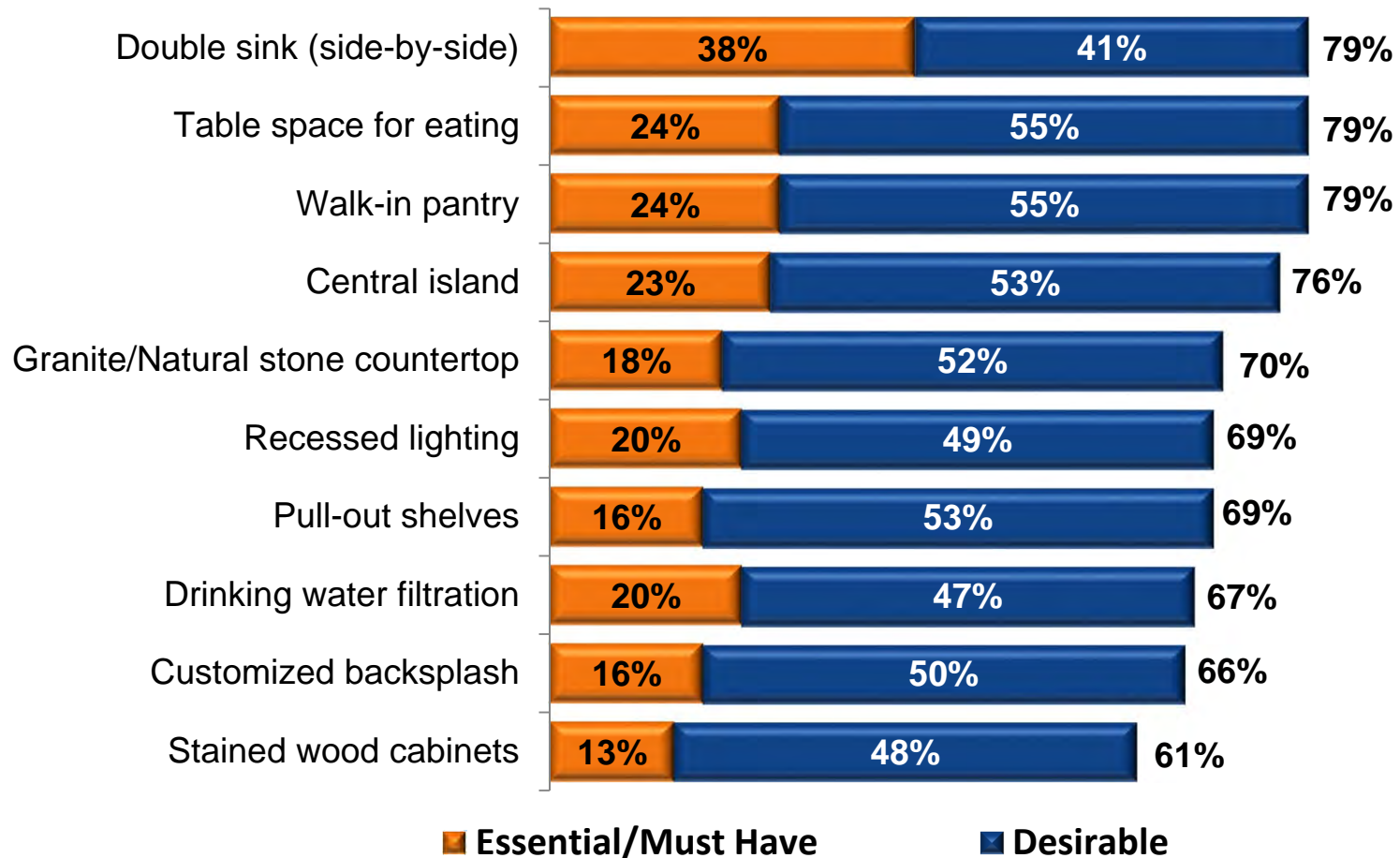
In Housing Preferences of the Boomer Generation **Home Buyers Rated 150+ Features as:**

- Essential/Must have – unlikely to buy a home without feature
- Desirable – seriously influenced to buy home if feature is included
- Indifferent – would not influence purchase decision
- Do not want – not likely to buy a home with this feature

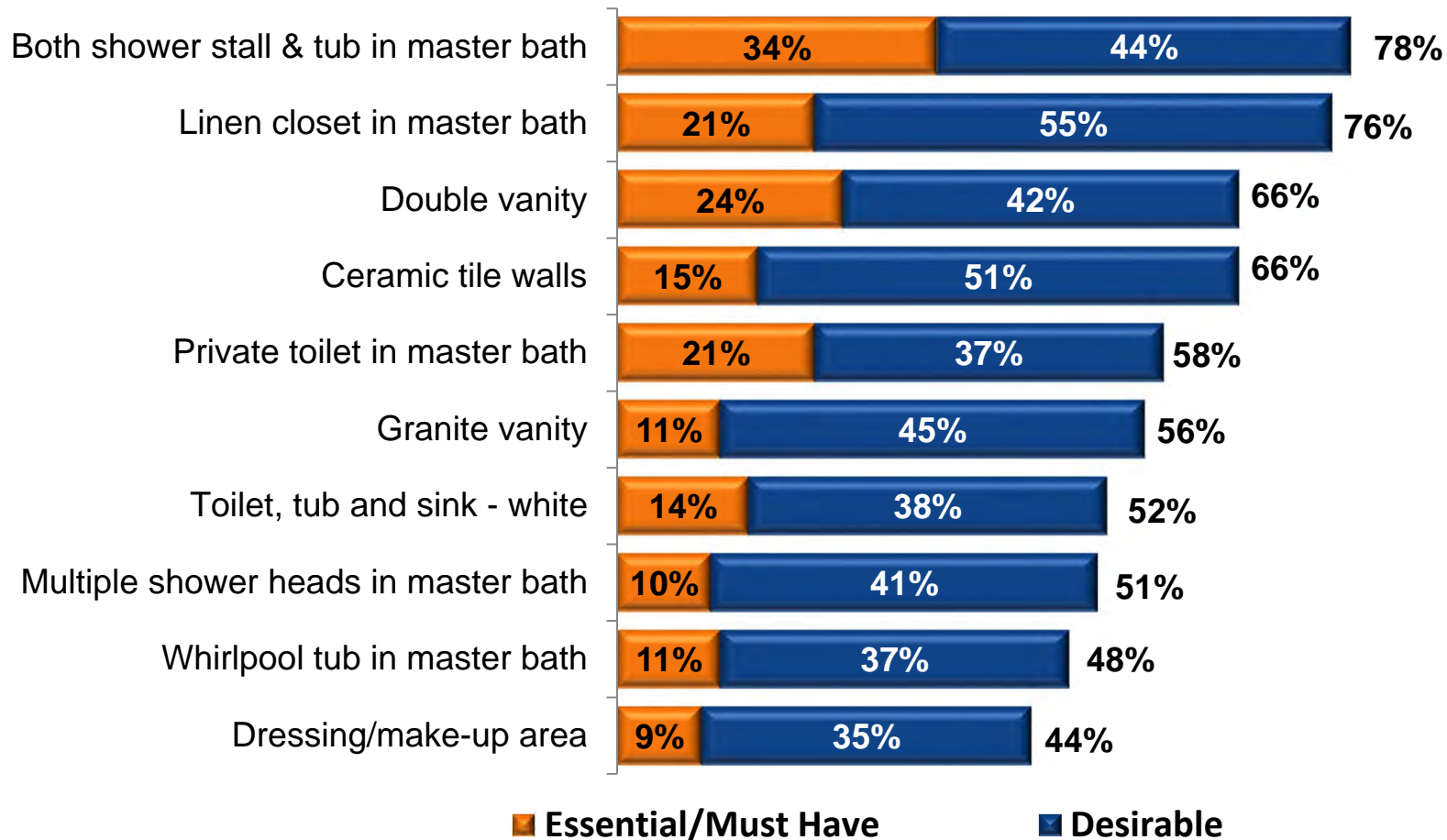
Boomer's Most Wanted List



Boomer's Most Wanted Kitchen Features

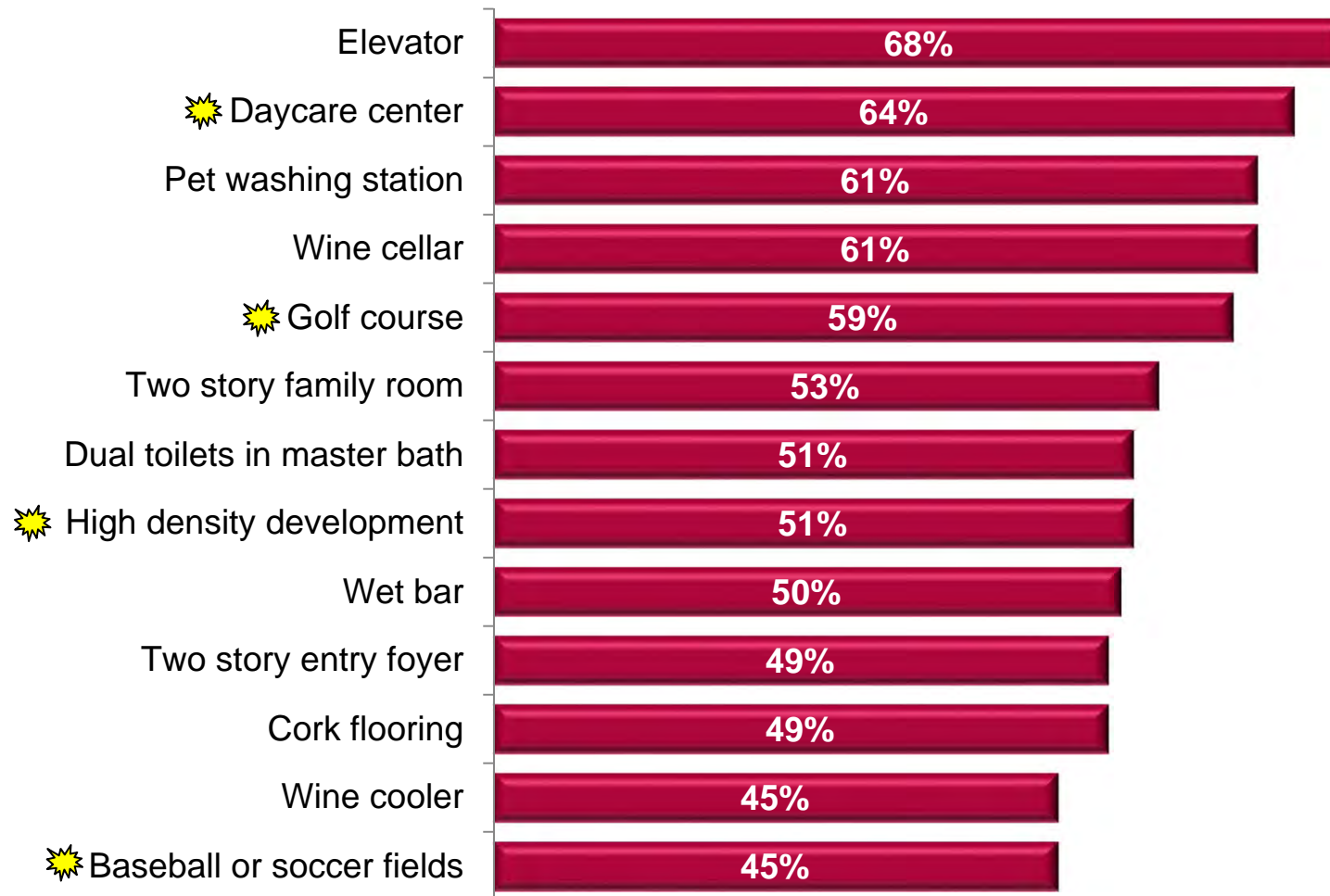


Boomer's Most Wanted Bathroom Features



Boomer's Most *Unwanted*

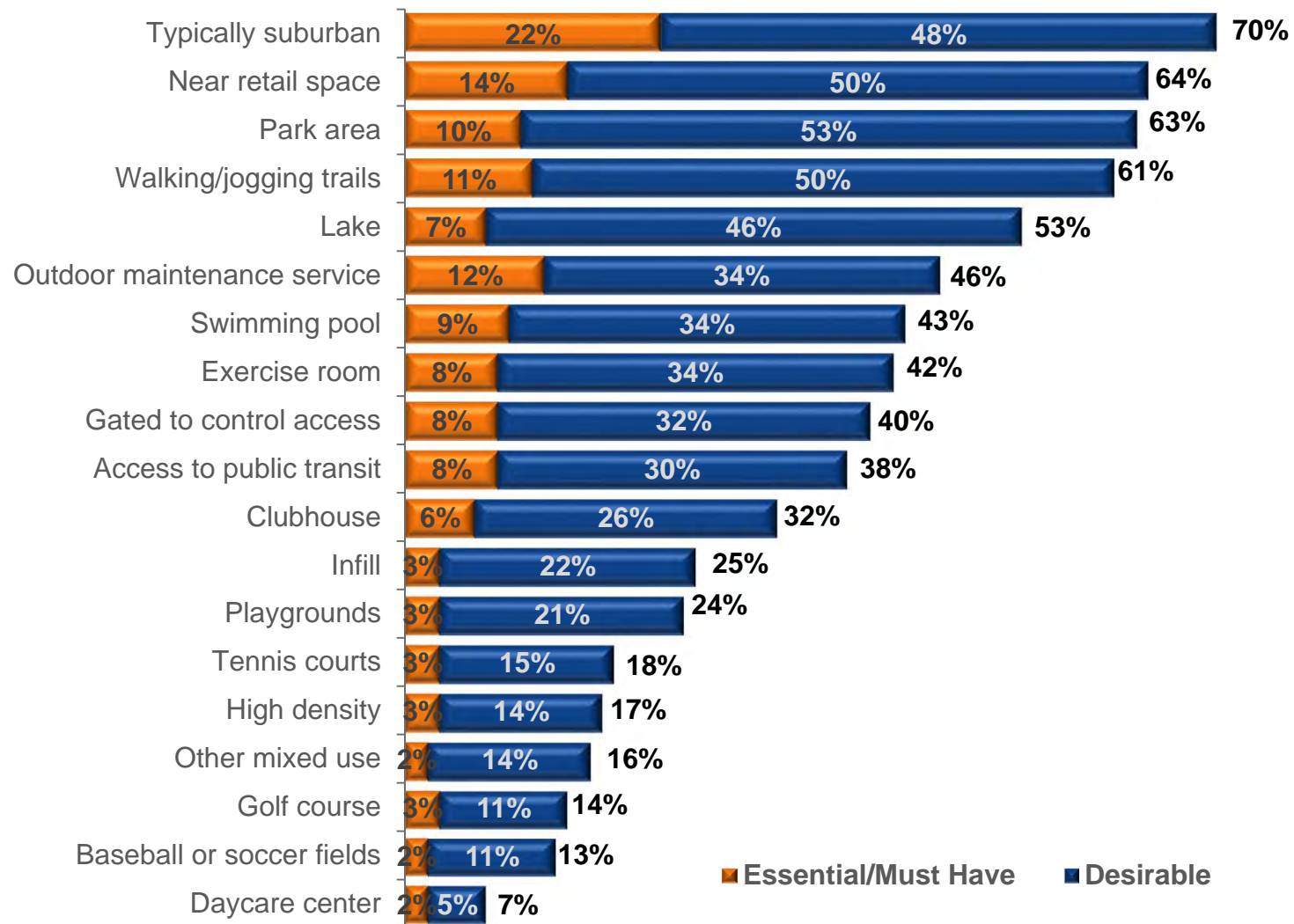
(Share of Boomers unlikely to buy home with this feature)



Location Home Buyers Prefer: History

	2007	2012	2015
Baby Boomers			
Rural	31%	28%	28%
Outlying Suburb	35%	37%	35%
Close-in Suburb	27%	28%	29%
Central City	7%	7%	7%
All Home Buyers			
Rural	28%	27%	27%
Outlying Suburb	35%	36%	36%
Close-in Suburb	30%	30%	30%
Central City	7%	8%	8%

Community Features Rated Essential or Desirable by Boomers



Definitions

Community features:

Typically suburban (all single-family detached houses)

High density (smaller lots and attached or multifamily buildings)

Infill (in the center of an older, established neighborhood)

Near retail space (grocery, drug stores etc.)

Other mixed use (homes near office or other commercial buildings)

Generations:

Millennials: Born 1980 or later

Gen X: Born 1965 to 1979

Boomers: Born 1946 to 1964

Seniors: Born 1945 or earlier

Top 8 Community Amenities by Generation

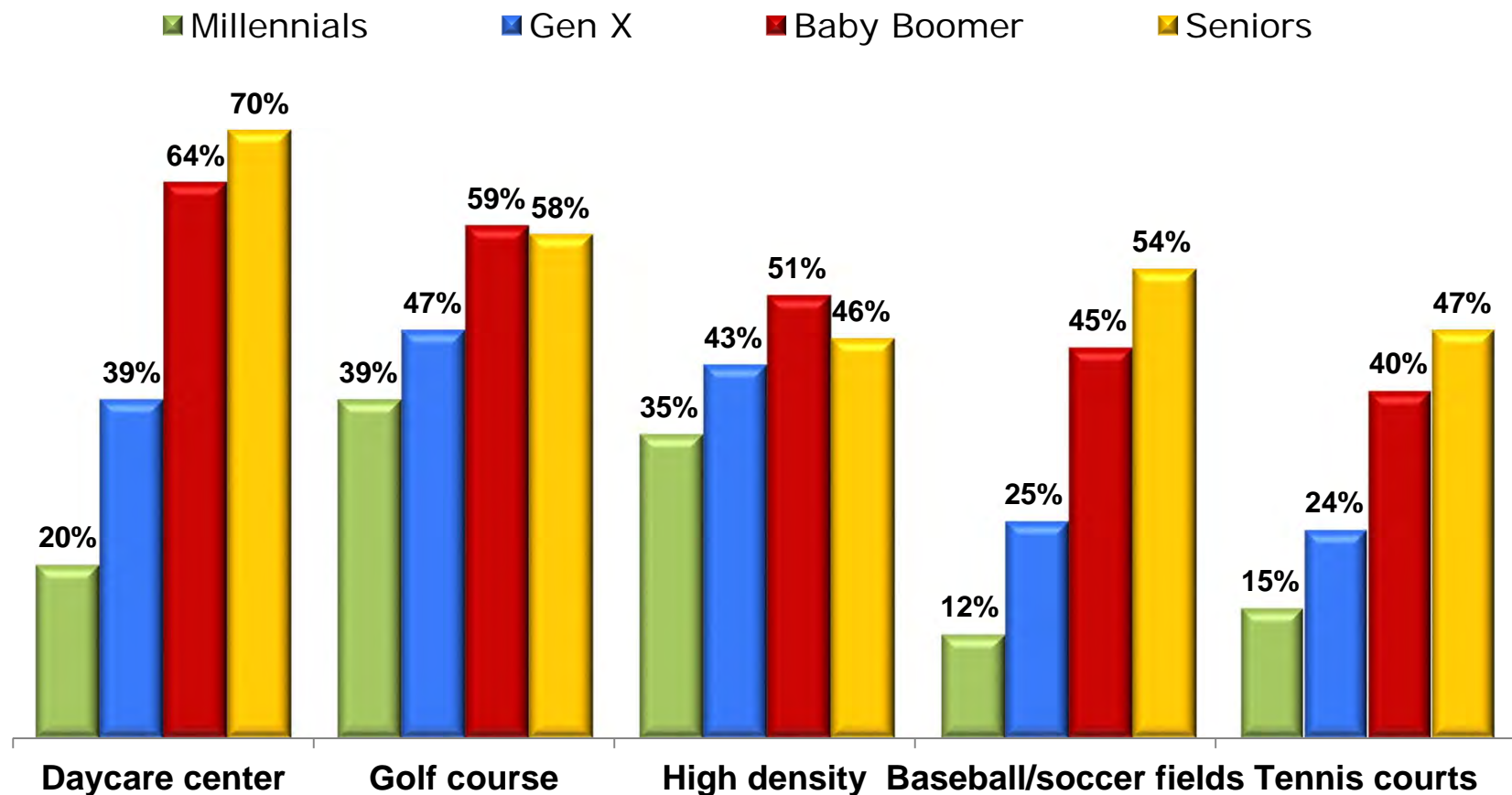
	Millennials	Gen X	Baby Boomers	Seniors
1	Park area	Typically suburban	Typically suburban	Typically suburban
2	Typically suburban	Park area	Near retail space	Near retail space
3	Walking/jogging trails	Walking/jogging trails	Park area	Walking/jogging trails
4	Playgrounds	Near retail space	Walking/jogging trails	Park area
5	Near retail space	Lake	Lake	Outdoor maint. service
6	Swimming pool	Swimming pool	Outdoor maint. service	Lake
7	Lake	Exercise room	Swimming pool	Swimming pool
8	Exercise room	Playgrounds	Exercise room	Exercise room

Less Popular Community Features

- At least 30 percent of Boomers say they “do not want” 10 of the community features
- In all 10 cases, Boomers reject the feature more than other buyers (statistically controlling for income, geography, household composition and race)
- In some cases (e.g. day care centers), this is what everyone would expect.
- In other cases, the results may be more surprising...

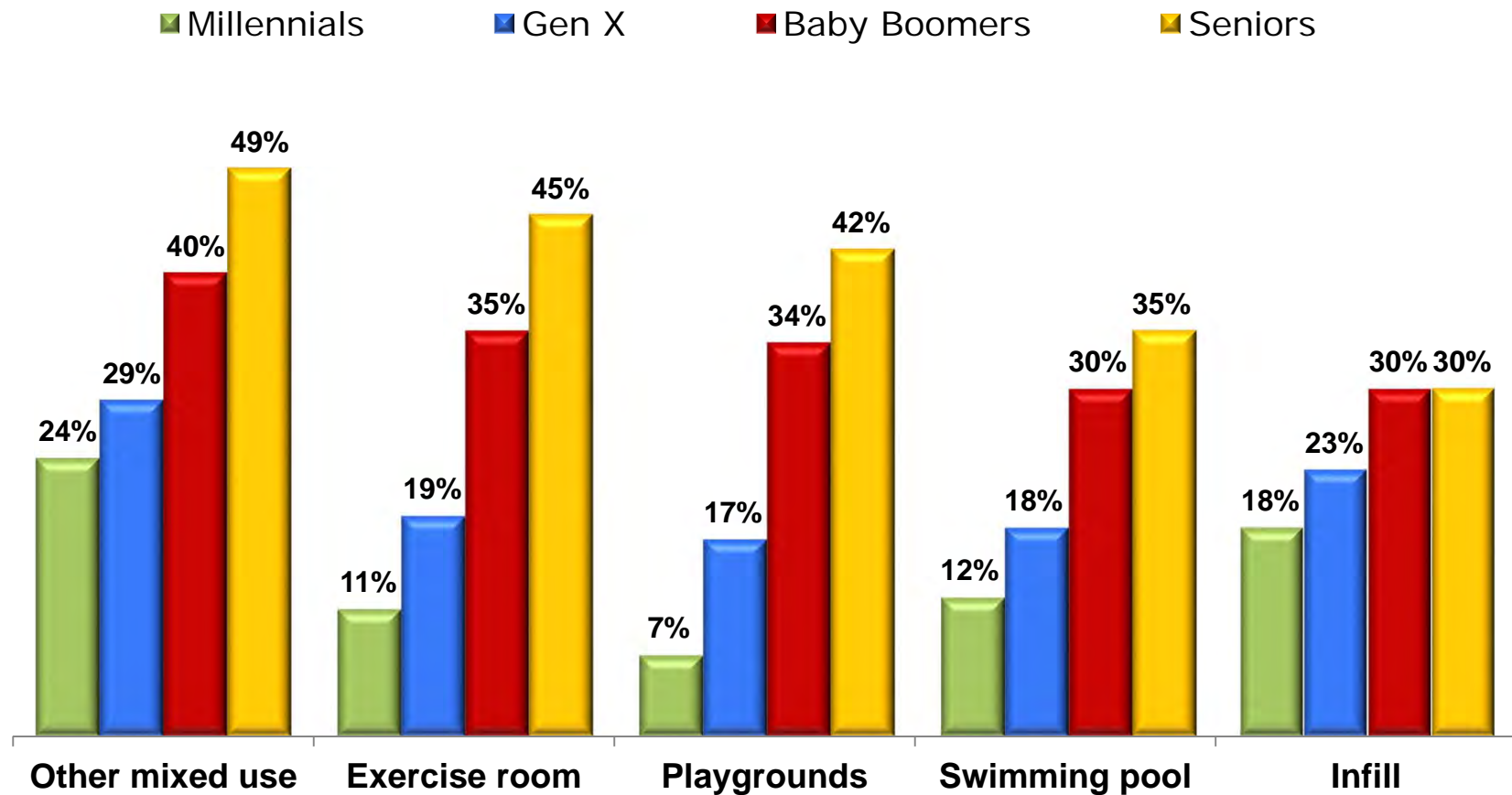
UNWANTED Community Features by Generation: I

(Share of Buyers Unlikely to Buy a Home in a Community with These Features)

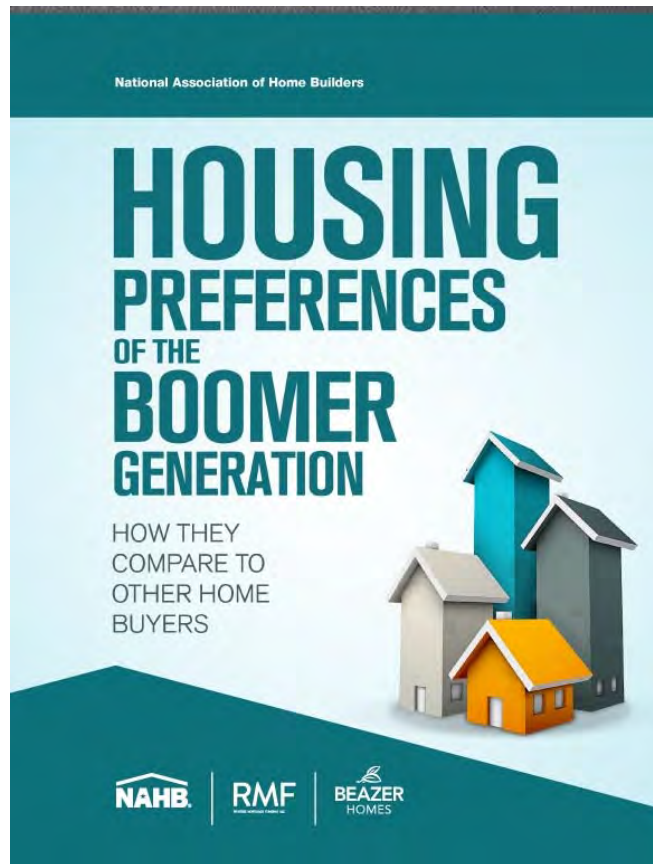


UNWANTED Community Features by Generation: II

(Share of Buyers Unlikely to Buy a Home in a Community with These Features)



Housing Preferences of the Boomer Generation



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