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**A Message from Jeffrey Chalmers:**  
*"Is new construction the best option for today's buyers?"*

## NAHB Say Home Buyers Looking, but Facing a Tough Market

A new poll indicates that 17 percent of adults are ready and willing to purchase a home over the next year, and **many will be first-time buyers**. The information comes from a new research project inaugurated this week by the National Association of Home Builders (NAHB). Its first edition of the quarterly Housing Trends Report (HTR), which covers the first quarter of 2018, contains information about prospective home buyers' take on the availability and affordability of homes for sale in their local markets.

Almost half of those potential buyers (45 percent) said if they were successful **it would be their first owned home**. Both numbers are lower than the 24 percent with homebuying plans who responded in the fourth quarter 2017, of whom 60 percent said they would be first-time buyers.

Those most likely to be buyers-in-waiting were millennials (19 percent), closely followed (18%) by Gen Xers and Boomers (16 percent.) The fewest potential buyers were found among the group NAHB defined as "seniors," 13 percent. Seventy-two percent of Millennials within the buyer group said they would be first time buyers while many fewer in the other three age categories classified themselves that way.

## National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

Freddie Mac			
30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00

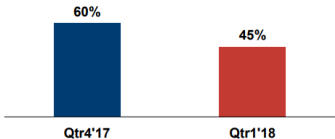
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/3

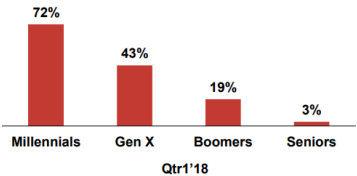
## Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

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.



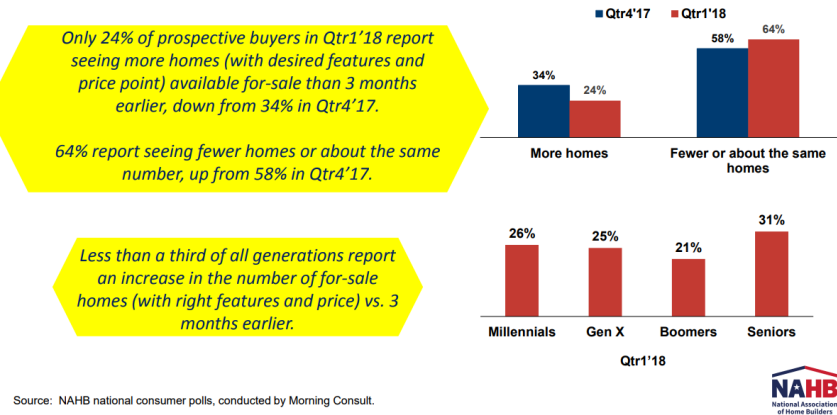
		Value	Change
Builder Confidence	Mar	51	+6.25%

Most of those who plan to buy are **flexible regarding the kind of house** they will look for, with only 13 percent focusing exclusively on new construction. Forty-five percent said they wanted to buy an existing home and 41 percent would consider either. Millennials were slightly more likely to be shopping only for an existing home than the other age groups, while the percentages looking only at new homes varied only slightly across generations.

Forty-two percent of those planning to buy, (and almost half of Millennials) are **already actively looking** with 51 percent of those in at least their third month of doing so. This is fewer than the percentage who were already searching in the previous quarter, and less than had been at it for three months. Fewer (15 percent, down from 27 percent) expected the search to get any easier in upcoming months as well. Seniors were significantly more pessimistic (3 percent) on that score than the other age groups.

Affordability and for-sale inventories were much on the mind of respondents. Eighty-three percent of prospective buyers in the first quarter said they **can afford fewer than half of the homes** on the market in their area, up from 79 percent in the fourth quarter of 2017. This percentage declines, although not precipitously, with age. Among Millennials 86 percent made that claim; with seniors it was 79 percent.

Only 24% of prospective buyers in Qtr1'18 report seeing more homes with the features they want and an affordable price than three months earlier, down from 34% in Quarter 4. 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.



If prospective buyers are unable to buy a home in the next three months the number one reason stated, at 53 percent, **will be affordability**. This is up 11 percentage points from the previous survey and only varied by 1 or 2 points across age groups. The three other answers most frequently given are not unrelated to price. Being unable to find a house in the neighborhood they want or with the features they want were cited by 43 percent and 39 percent respectively while 16 percent said they keep getting outbid. The last was the only response that declined from the previous quarter.

So, what if the house search isn't successful in the upcoming months? Sixty percent said they would just keep looking and 43 percent said they would expand the search area. About a quarter would accept a home smaller than they wanted while 13 percent (19 percent of Millennials) would give up looking for a while. Only 11 percent would spend more than they originally intended.

## Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

**Jeffrey Chalmers**

