

Avocado Toast for One, Please

NAR presentation touches on millennial impacts, other factors in current housing market

It's certainly no secret in the real estate community that that millennial generation is impacting the housing market. Jessica Lautz is NAR's Managing Director of Survey Research and Communication. Her presentation "Avocado Toast for One, Please" poked fun at the premise many millennials are spending \$20 for avocado toast rather than saving for a home. Lautz presented to a group of nearly 400 at an NAR Members Edge event, which was the highlight of programming at the Region XI REALTOR Conference in Albuquerque, NM April 11-13.

Lautz's presentation shared plenty of insights into the current home buying trends of buyers of all ages. Some of the key points: minority homebuyers are growing; millennial homebuyers now outnumber baby boomers, the marriage rate among homebuyers is falling and homebuyers are living longer.

While the national economy is bouncing back from the recession of a decade ago there are still areas of concern in the housing market. The historical rate shows 39 percent of all homebuyers are first timers, however that number has fallen in recent years and was 34 percent in 2017. Since 1981, the median age of first-time homebuyers has jumped from 29 to 32 and the median age of repeat buyers has spiked from 36 to 54.

The NAR executive alluded to a shortage of home supply across the country. Nevada is among the states with a huge inventory shortage. She pointed that could be due to many home buyers wanting a similar home – 3 bedroom, 2 bath, with a short commute to friends and family among other common house hunting goals. The shortage has resulted in this figure – the median weeks a home was on the market in 2017 was just three, down from 11 in 2012. Not surprisingly, the national market has seen home prices rise for 72 consecutive months and inventory has



New subdivisions are going up in growth areas throughout Nevada, but NAR statistics still show a housing shortage in the state and across the country. Nationally, home prices have risen for 72 consecutive months all while supply has continued to fall.

fallen for 33 straight months.

NAR's Profile of Home Buyers and Sellers showed that the actual tenure for homeowners staying in their home is elevating. The average stay of a homeowner in their home has doubled, from five years in 1985 to 2017's figure of 10 years.

Lautz also addressed the student debt crisis affecting many millennials. According the Student Loan Debt and Housing Report, the median student loan debt is \$41,200. That makes it tough to save and buy a home when the median income for those carrying student debt is only \$38,800. Additionally, student loan debt is keeping borrowers from saving for retirement and starting a business. Those same borrowers expect a delay of seven years before buying a home due to their student loan debt.

There were some positives from the presentation. Agent-assisted sales nationwide are at an all-time high – 89

percent. For sale by owner sales have declined from 21 percent in 1985 to 8 percent last year. To no one's surprise in the audience, Lautz said home prices in the region are expected to rise throughout 2018, including an expected 5 percent hike in Nevada.

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NAR statistics shared during the Region XI REALTOR® Conference
