

percentage points above the rejection rate among Millennials.

High density (defined in NAHB’s survey as a community with smaller lots and attached or multifamily buildings), other mixed use (homes near office buildings or other commercial buildings), and infill (in the center of an older, established neighborhood) are interesting because public policy often seeks to encourage these types of development. For example, the number one housing policy cited in [Policies that Work](#) (published by the Governors’ Institute of Community Design) calls for “cities and counties to permit more multi-family and higher density housing.”

Yet high density is one of the least popular of the 150-plus housing and community features in the NAHB survey, showing that there are limits to how far jurisdictions can push this type of policy when planning for communities consisting primarily of owner-occupied housing.

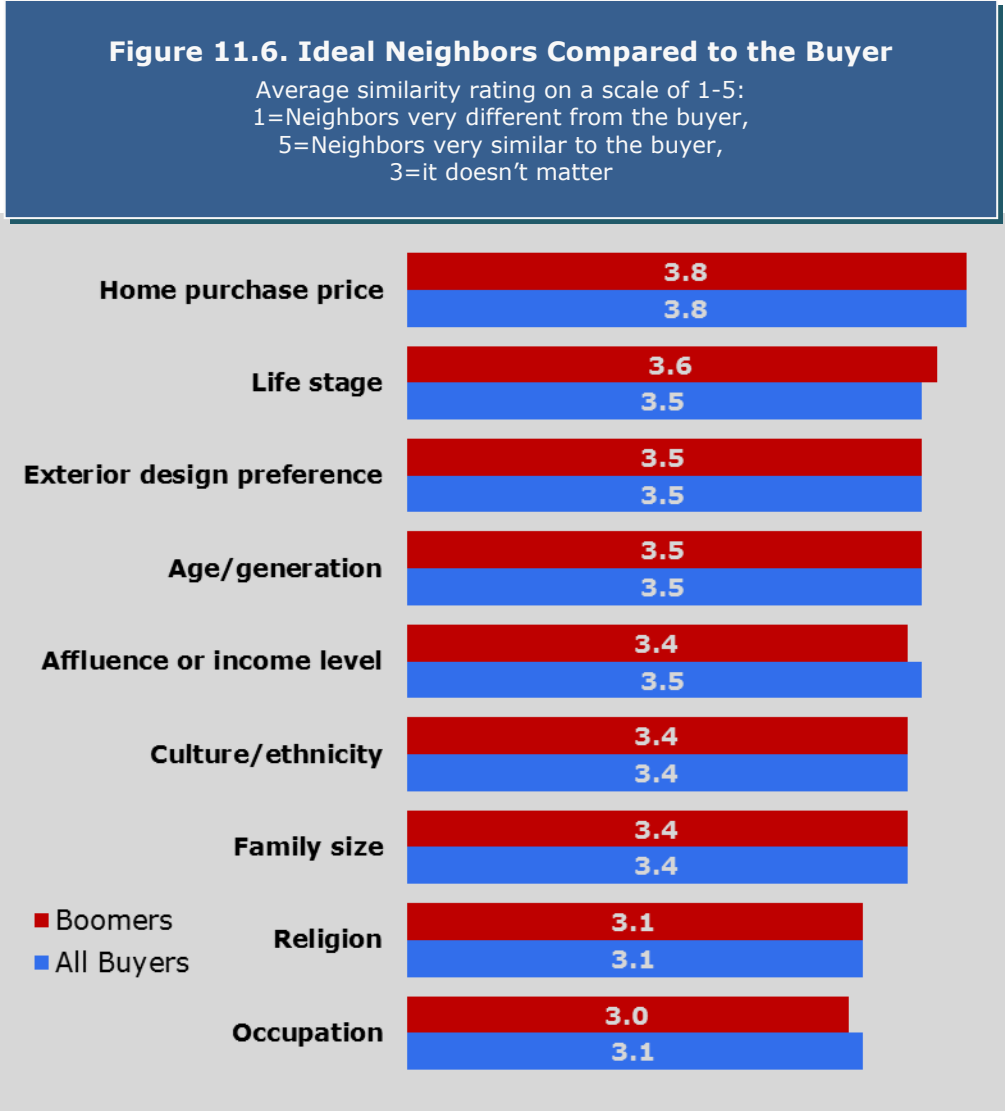
Compared to high density, fewer home buyers reject “other mixed use”—except at the high end of the age scale, where 46% of Seniors reject high density, and 49% reject other mixed use. The survey explicitly defined an “other” mixed use category to distinguish it from retail stores mixed with residential development, which, as described above, tends to be quite popular.

The “do not want” percentages for infill development are

lower (no more than 30% irrespective of generation). Home buyers tend to be indifferent rather than actively hostile toward infill. In fact, 45% of buyers specifically said they were indifferent about infill (Appendix A39), the highest indifferent percentage for any of the 19 community features.

Similarity or Difference of Their Neighbors Matters Relatively Little to Most Home Buyers

The survey also collected some information on how similar (or dissimilar) to themselves home buyers want their neighbors to be, asking about what, in an ideal community, their neighbors would be like with reference to nine specific attributes. The survey asked buyers



to evaluate these neighbor attributes using a scale of 1 to 5, where 1 indicates neighbors very different from the buyer, 5 indicates neighbors very similar to the buyer, and the middle value of 3 means similarity of neighbors doesn't matter to the buyer. In short, the higher the number, the more similar to themselves home buyers would like their neighbors to be.

The average ratings varied from 3.0 to 3.8, indicating that home buyers as a group ranged from not caring at all to expressing a rather modest preference for neighbors who are somewhat similar to themselves, depending on the attribute. Buyers in general cared least about their neighbors' religion and occupation (giving these attributes' average ratings close to 3.0), and only slightly more about having neighbors who purchase homes similar to theirs in price (average rating of 3.8). The average similarity ratings for Baby Boomers were nearly identical to those for home buyers in general (fig. 11.6).

As the figure suggests, there was a strong tendency for buyers to say the similarity or difference of their neighbors didn't matter. Irrespective of generation, category 3 (doesn't matter) was the most common response for every one of the nine neighbor attributes except home purchase price (Appendix A17–A19).

To summarize a few of the important points in Chapter 11:

- Of the four general locations, home buyers most often (36% of the time) prefer an outlying suburb, and least often (8%) prefer a central city.
- These tendencies are essentially the same for Baby Boomers and have not changed appreciably since 2007.

- Although most buyers prefer to live elsewhere, 8% of the market still allows for a substantial amount of owner-occupied housing in central cities.
- Of a list of 19 community features, the one most wanted (rated essential or desirable by at least 70% of home buyers in general and Baby Boomers in particular) is a typically suburban neighborhood with single-family detached homes.
- Next is a group of three features rated essential or desirable by more than 60 percent (of home buyers in general and Boomers in particular): being near retail stores, a park area, and walking/jogging trails.
- Among the more popular community amenities, the main generational differences are that older buyers less often want playgrounds, and more often want an outdoor maintenance service.
- More than 45% of home buyers are unlikely to buy a home in golf course or high density communities—making these the most unwanted of the 19 community features, and among the least popular of all 150-plus home and community features that buyers rated on the four-tier scale.
- Older home buyers are even more likely than others to explicitly reject the less popular community features—including golf courses, high density, and mixed use (other than retail).
- Like home buyers in general, Baby Boomers show a slight preference for neighbors who buy homes in the same price range as themselves. Otherwise, they are largely indifferent about how similar or dissimilar to themselves their neighbors are.

Chapter 12

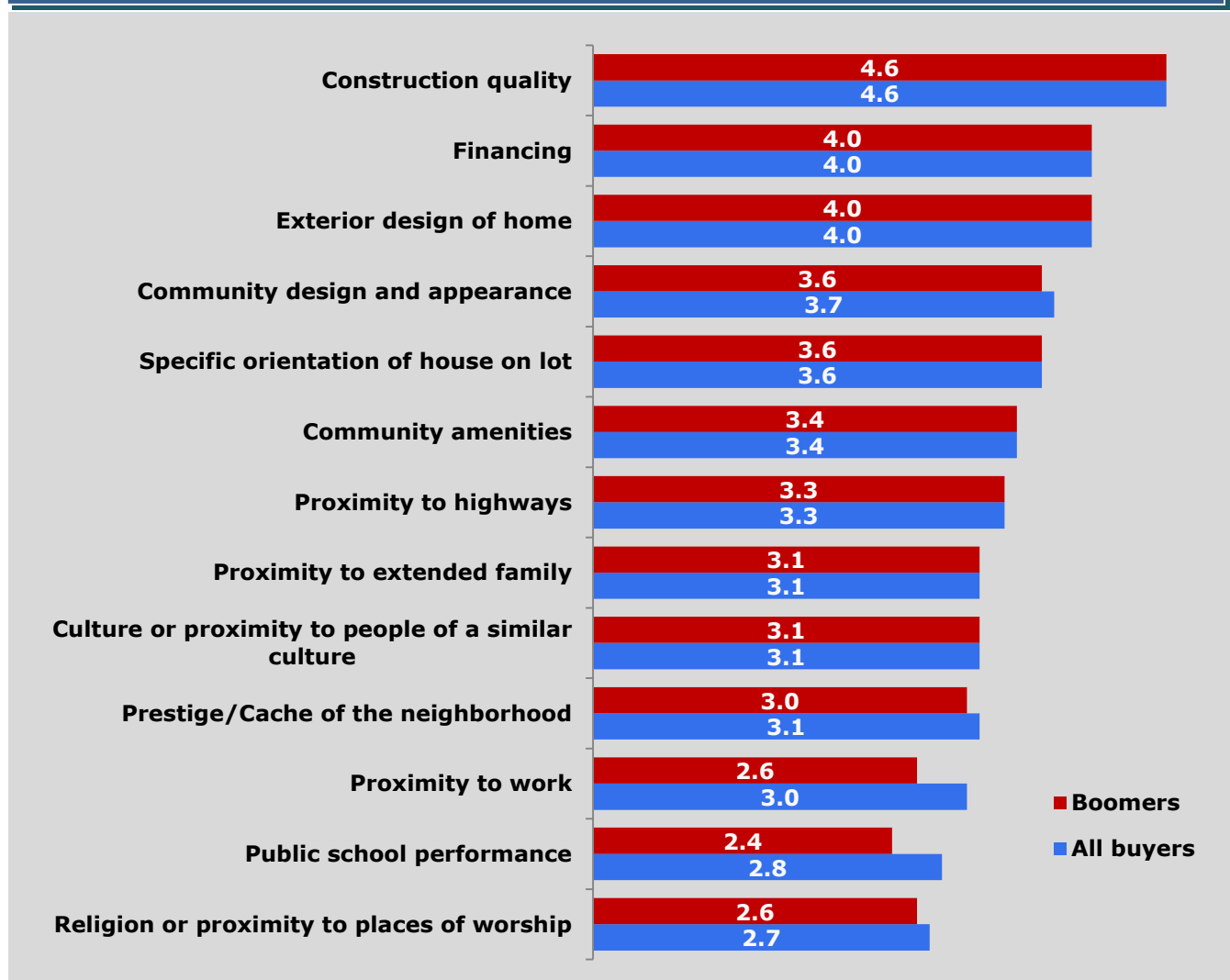
Factors Influencing Move to a New Home

After Price, Construction Quality is Most Important

There are countless factors that home buyers may take into consideration when choosing a particular home. For the majority of people, the principal constraint around that choice is money. Given this reality, the NAHB survey sought to understand how important of a role 13 factors play in the purchase decision once price is taken into account. So, if the choice comes down to two similarly-priced homes, what will set them apart? What else (and in what order) matters?

The findings are clear: outside of price, home buyers rank construction quality as the most important factor contributing to their decision, with an average rating of 4.6 (on a scale from 1 to 5, where 1=not important at all and 5=very important). Tied for second place, with average ratings of 4.0, are financing (ease of financing available or financing options) and the exterior design of the home (fig. 12.1). Interestingly, the same three factors—in the same order and average ratings—are the most important drivers of the home purchase decision for Baby Boomers as well.

Figure 12.1. Importance of Factors in Home Purchase Decision
(Average Rating; 1=Not important at all; 5=Very Important)



Next most important is community design and appearance, with average ratings of 3.7 among buyers overall and 3.6 among Boomers, followed by the specific orientation of the house on the lot (both rate it a 3.6), community amenities (both rate it a 3.4), proximity to highways (both rate it a 3.3), proximity to extended family (both rate it a 3.1), culture or proximity to people of similar culture (both rate it a 3.1), and the prestige/cache of the neighborhood (3.1 average rating from buyers overall; 3.0 from Boomers).

Perhaps a bit surprisingly, proximity to work ranks towards the bottom of this list, as it received an average rating of 3.0 from buyers across all generations and a 2.6 from Boomers. But in the end, the two factors recent and prospective home buyers are least likely to rate as very important when making their home purchase

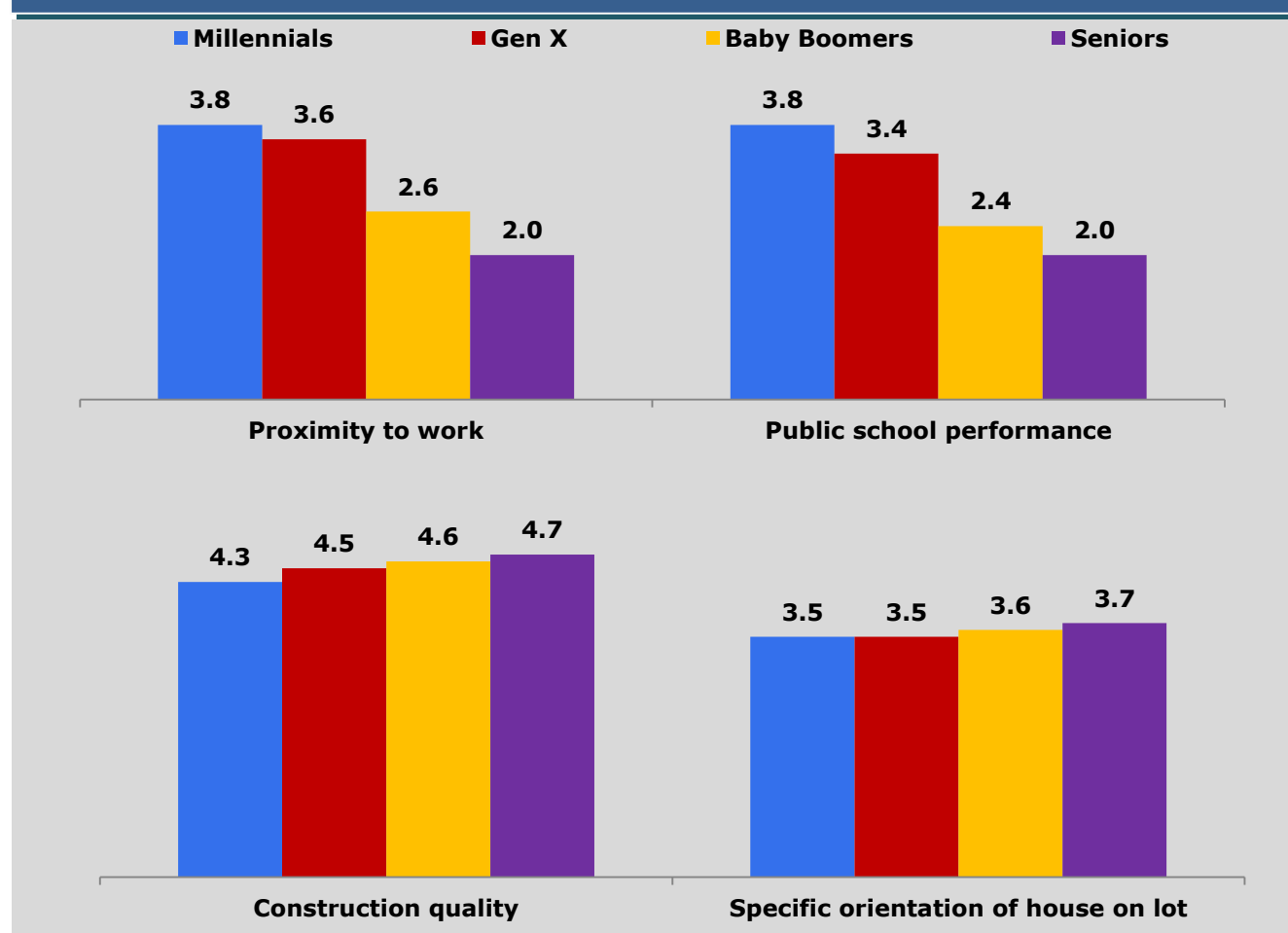
decision are public school performance and religion or proximity to places of worship.

Proximity to Work and School Performance Matter Less with Age

There are significant variations in how home buyers of different generations rate the importance that some of the 13 factors have on the home buying decision. The two where age matters the most are proximity to work and public school performance. The former received average importance ratings of 3.8 and 3.6, respectively, from Millennials and Gen X buyers, but only 2.6 from Boomers and 2.0 from Seniors. School performance, likewise, received an average rating of 3.8 from Millennials and 3.4 from Gen X, but only a 2.4 from Boomers and a 2.0 from Seniors (fig. 12.2).

Figure 12.2. Importance of Selective Factors in Home Purchase Decision by Generation

(Average Rating; 1=Not important at all; 5=Very Important)



On the other hand, there are two factors for which importance increases with the buyer's age: construction quality and the specific orientation of the house. Whereas Millennials give construction quality an average rating of 4.3, Gen X'ers give it a 4.5, Boomers a 4.6, and Seniors a 4.7. Similarly, those ratings for the specific orientation of the house are 3.5 for Millennials and Gen X'ers, 3.6 for Boomers, and 3.7 for Seniors.

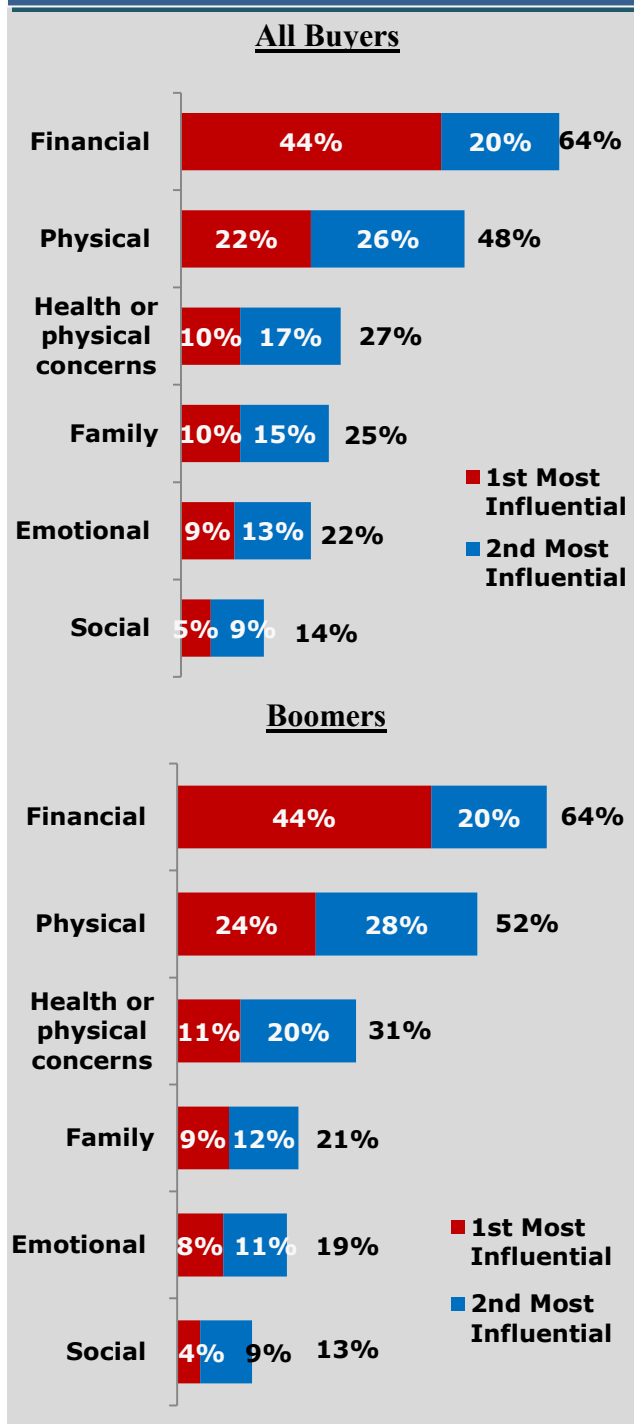
Money is Most Influential Consideration When Contemplating a Move

As alluded to in the previous section, for the majority of people, the principal factor constraining the home purchase decision is money. Evidence supporting this statement came from another question in the survey that asked home buyers to rank six different considerations in terms of how influential each would be in their decision to move forward with a move to another home. Buyers ranked them from 1 to 6, where 1 was most influential and 6 was least influential.

Without a doubt, financial considerations (further defined as "will I be able to afford everything I need in a new home?") are the single most influential factor home buyers take into account when contemplating a move, as 64% ranked the issue 1st or 2nd highest on the influence scale (fig. 12.3). In fact, 44% ranked financial issues the most influential factor, at least twice as many as any other consideration. After that, physical concerns (the hassle of moving in general) is the 1st or 2nd most influential factor when looking to move for 48% of buyers, followed by health concerns (health/physical condition; proximity to care), 27%; family issues (e.g., children's attachment to the home they grew up in), 25%; and emotional considerations (attachment to current home, the memories it holds, or being able to take/keep possessions), 22%. The least influential of the six considerations listed is of a social nature (defined as 'don't want to leave my neighborhood or neighbors'), as only 14% ranked this issue the 1st or 2nd most influential when contemplating a move.

As far as Boomers, they ranked the influence of the six considerations over a potential move in the exact same order as buyers overall, but as will be described in the next

Figure 12.3. Most Influential Considerations when Contemplating Move to Another Home
(Percent of Respondents Ranking 1st and 2nd Most Influential)



section, those born between 1946 and 1964 tended to have stronger opinions about some of these issues than buyers overall.

As Buyers Age, Moving is Influenced More by Concerns over Physical Hassles and Less by Family Ties

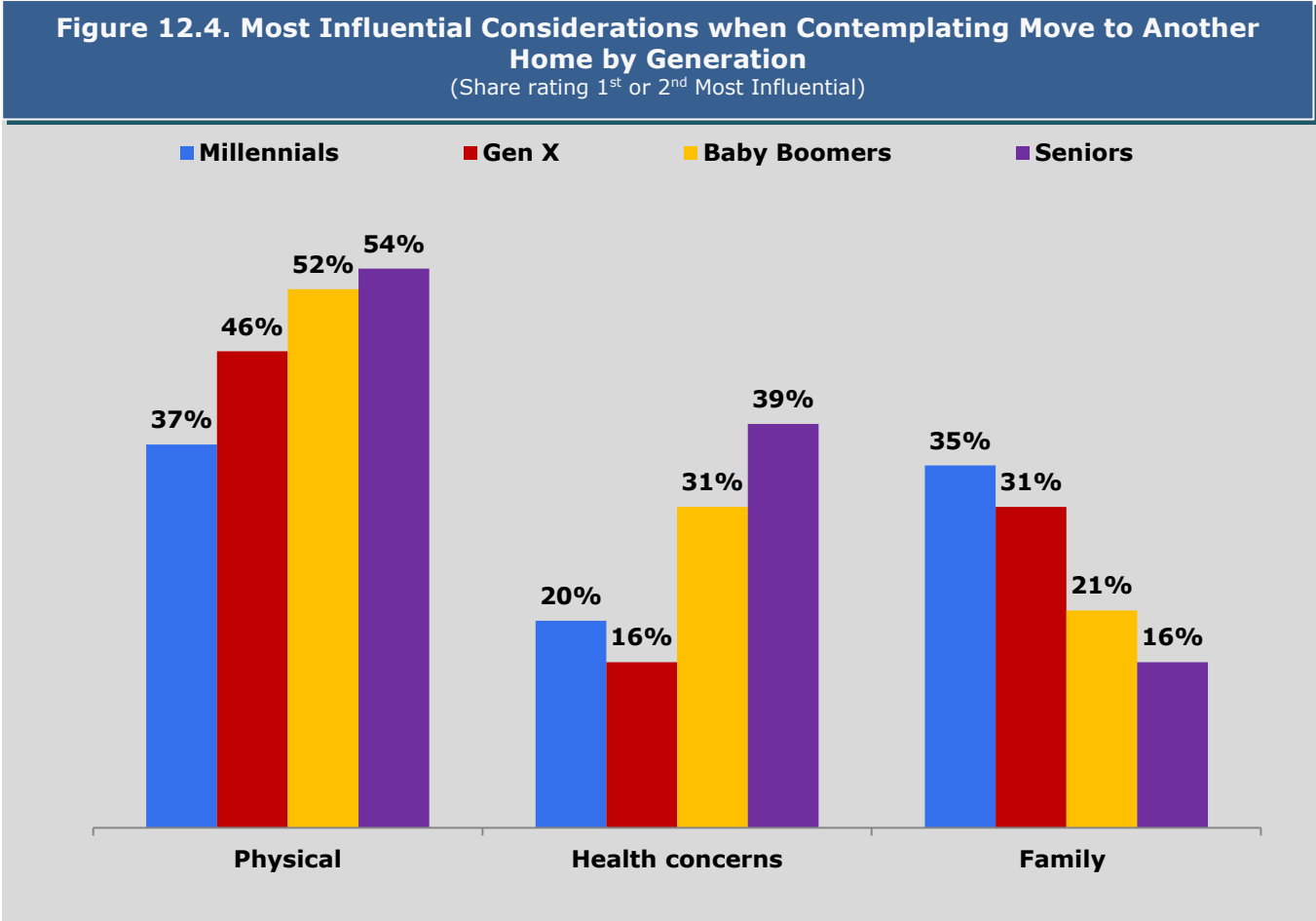
An analysis of how different generations rank the six considerations listed (financial, emotional, physical, family, health, and social) in terms of their influence when contemplating a move to another home shows that, in some cases, issues gain influence as buyers grow in age, while others lose sway with older generations. For example, the share of buyers ranking concerns over physical issues (the hassle of moving) as the 1st or 2nd most influential factor when deciding to move increases steadily with age, from 37% of Millennials, to 46% of Gen X buyers, 52% of Boomers, and 54% of Seniors (fig. 12.4).

Similarly, while only 20% of Millennials and 16% of Gen X’ers consider health concerns (healthy/physical condition; proximity to care) the 1st or 2nd most influential factor when moving, the shares are significantly larger among Boomers (31%) and Seniors (39%).

One consideration where age works in the opposite direction, meaning older buyers give it less importance than younger ones, is family ties. Thirty-five percent of Millennials rank family issues the 1st or 2nd most influential factor on their decision to move, compared to 31% among Gen X buyers, 21% among Boomers, and 16% among Seniors.

Changes in Health: Likeliest to Motivate Move

The survey also asked recent and prospective home buyers about the likelihood that a number of more specific, personal events



(whether he/she had experienced them or anticipated any of them) would influence a move to another home. Buyers evaluated nine such events on a scale from 1 to 5, where 1 meant “not at all likely to influence me to move,” and 5 meant “very likely to influence me to move.”

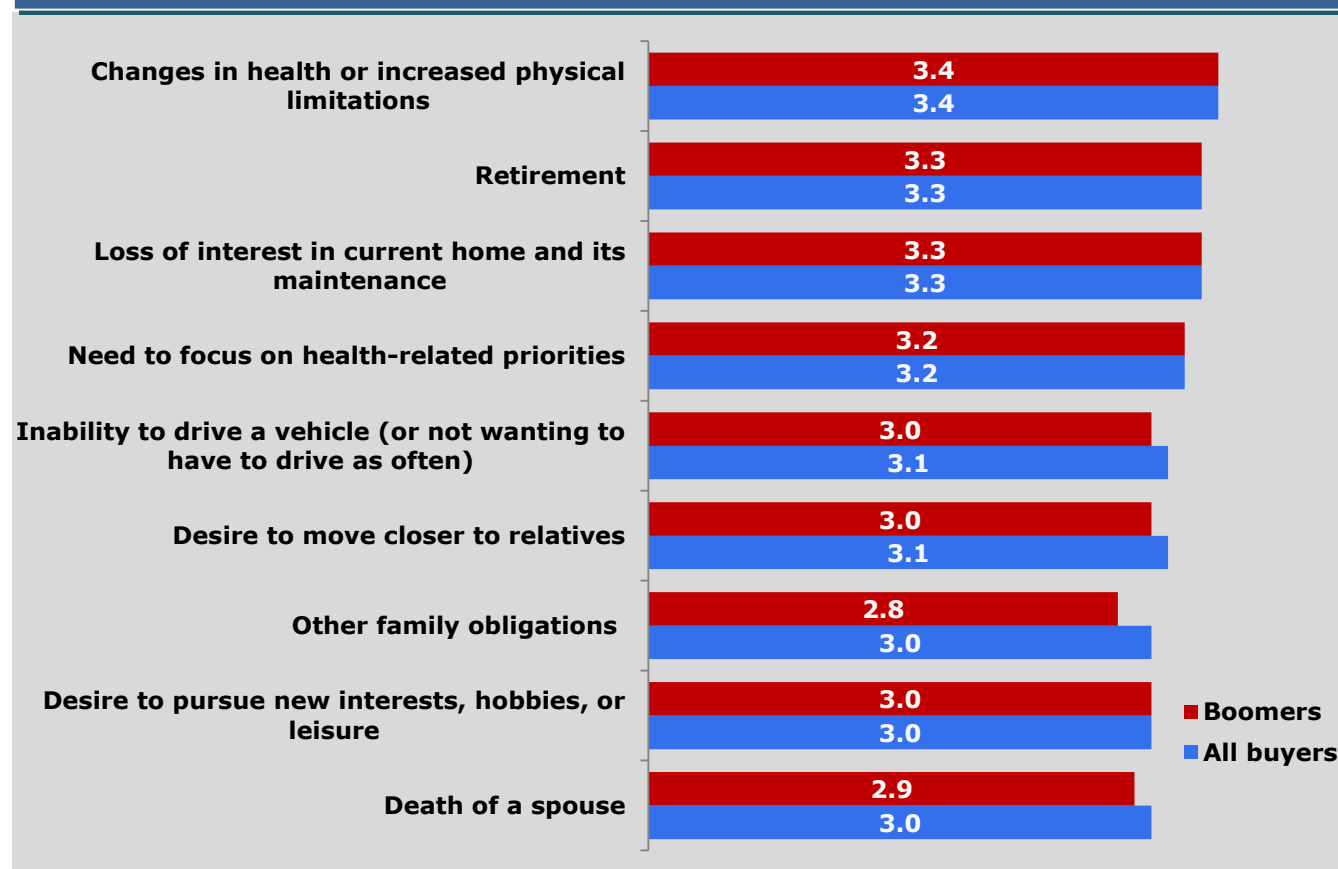
Changes in health or increased physical limitations have the biggest influence among this group of events, as buyers gave it an average influence rating of 3.4. Tied in second place, retirement and loss of interest in current home and its maintenance both received average ratings of 3.3, while the need to focus on health-related priorities was fourth most influential, with a 3.2

average influence ratings as buyers overall (fig. 12.5).

Meanwhile, the inability to drive a vehicle (or not wanting to do so as often) received an average influence rating of 3.1 from buyers overall and 3.0 from Boomers, followed by a desire to move closer to relatives (3.1 from buyers overall; 3.0 from Boomers), other family obligations like children needing to come live in the home (3.0 from buyers overall, 2.8 from Boomers), a desire to pursue new interests, hobbies, or leisure (3.0 from both groups), and the death of a spouse, which received an average influence rating of 3.0 from buyers overall and 2.9 from Boomers.

Figure 12.5. Likelihood that Events Would Influence Move to Another Home

(Average Rating; 1=Not at all likely to influence me to move; 5=Very Likely to influence me to move)



average rating. Interestingly, Boomers rate the same four events as the most likely to influence their decision to move, assigning them the same

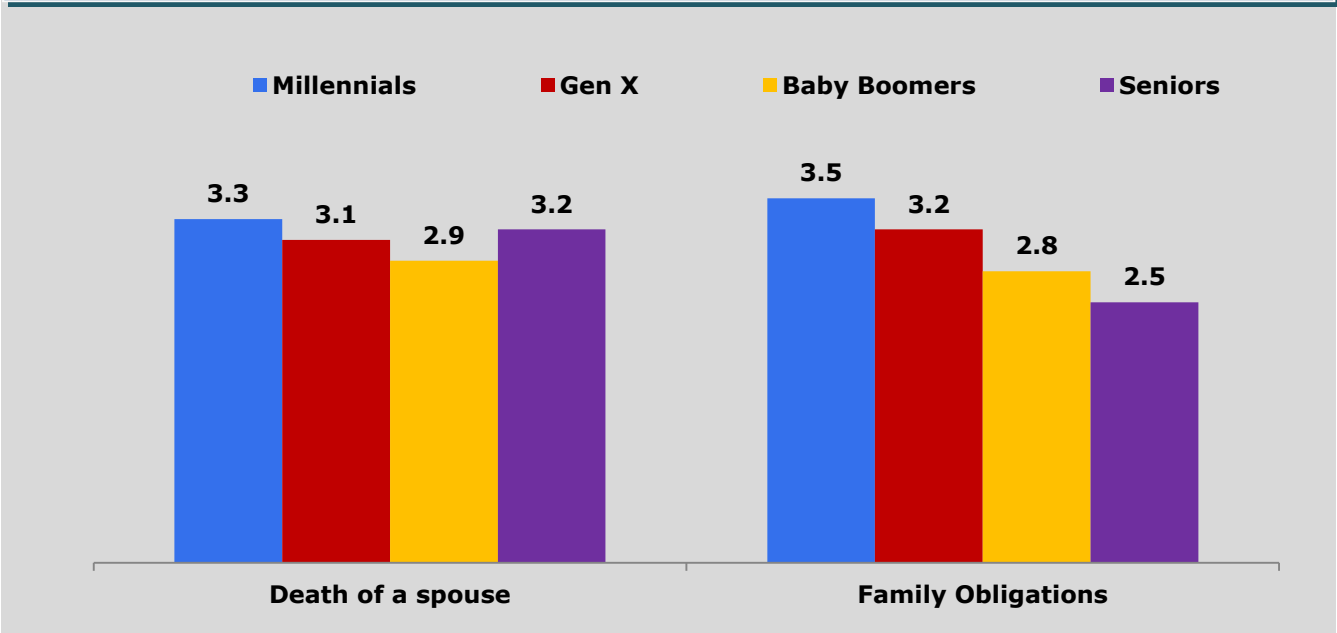
Boomers are Likelier to Move Due to Spouse's Death than to Other Family Obligations

Boomers differ from younger generations in how likely two particular events are to influence them to move. Whereas Millennials are the likeliest to say that a spouse's death would be likely to influence them to move (average rating 3.3), Boomers are the least likely to express the same opinion (average rating 2.9). One possible explanation for this finding is that younger buyers who lose a spouse may be financially unable to stay in their current home on just one income, whereas Boomers who are widowed are more likely to be financially settled and, therefore, not be forced to move.

Another event younger buyers are more likely to say would motivate them to move to another home is family obligations, such as the need for children and extended family to live with them. Millennials gave an average influence rating of 3.5 to this event (whether or not they had experienced it or anticipated it happening), compared to 3.2 among Gen X buyers, 2.8 among Boomers, and 2.5 among Seniors (fig. 12.6). A reasonable explanation for why Millennials and Gen X'ers are relatively more likely to move due to family obligations than older buyers is that the younger cohorts may still be in search of a good place to raise their children or, in some cases, may have to tend to aging parents.

Figure 12.6. Likelihood Selected Events Would Influence Move to Another Home by Generation

(Average Rating; 1=Not at all likely to influence me to move; 5=Very Likely to influence me to move)



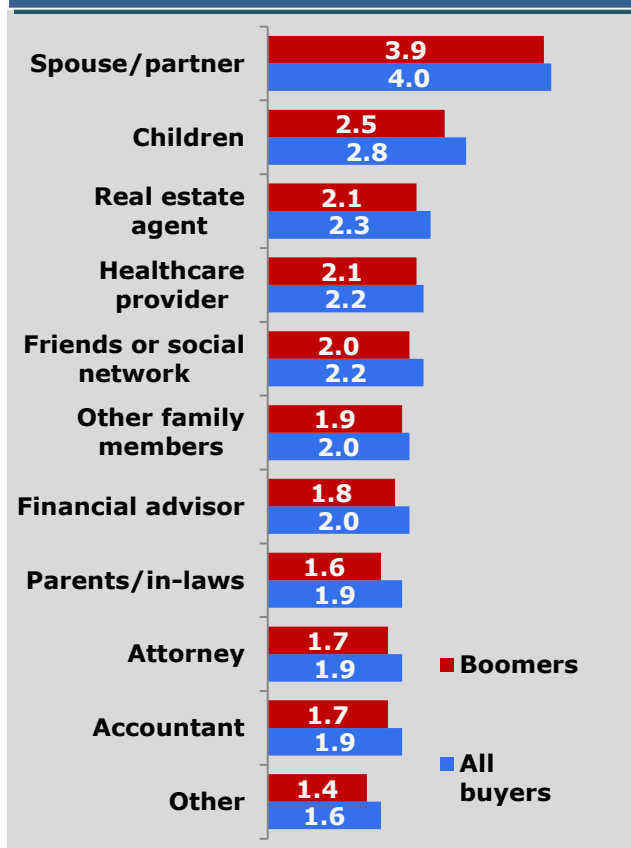
Spouse/Partner Is Most Influential Person on Home Selection

Survey respondents rated 10 different people in their periphery on a scale from 1 to 5, where 1 was not at all influential on the specific choice of a home and 5 was very influential. As Figure 12.7 shows, home buyers across generations rated their spouse/partner as the most influential person (average rating 4.0), while everyone else received significantly lower average ratings of at most 2.8.

Children come in a distant second place, with an average rating of 2.8, followed by a real estate agent (2.3), and healthcare provider and friends/social network (both 2.2). Even less influential are other family members and the financial advisor (both 2.0), while parents/in-laws, attorneys, and accountants have the littlest influence of the group (all received average influence ratings of only 1.9).

Figure 12.7. Influence of Others on Home Choice

(Average Rating; 1=Not at all influential; 5=Very influential)



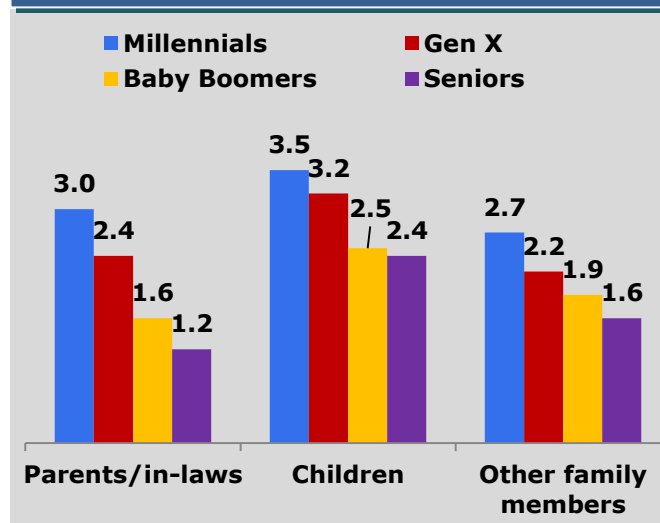
Boomers also rated their spouse/partner as the most influential person on the choice of a new home (average rating 3.9), but as will be detailed in the next section, this group was even less likely than the typical buyer to rate anyone else as highly influential on the selection of a home.

Older Buyers are Less Influenced by Those around Them

As is evident from figure 12.7, when it comes to choosing a specific home, Boomers are less influenced by others (regardless of who they are) than the typical home buyer. The influence of three particular groups of people shows a significant decline as buyers get older. First of all, Millennials give their parents or in-laws an average influence rating of 3.0 (1=not at all influential, 5=very influential), but that sway quickly dissipates with age: Gen X buyers only give parents/in-laws an average rating of 2.4, Boomers give them a 1.6, and Seniors only a 1.2. Similarly, children play an influential role for Millennials (3.5 average rating) and Gen X'ers (3.2), but significantly less so for Boomers (2.5) and Seniors (2.4). Other family members are also far more likely to impact the home choice of the youngest cohort (2.7) than the oldest one (1.6) (fig. 12.8).

Figure 12.8. Level of Influence of Others on Home Choice by Generation

(Average Rating; 1=Not at all influential; 5=Very influential)



A Boomer's Spouse/Partner Also Influences a Move's Timing, Location, and Financing

Following along the line of the previous question, the survey drilled deeper into who exerts influence over Boomers as it relates to three specific aspects of a potential move: its timing, location, and method of financing. Figure 12.9 shows the average rating of influence others have on Boomers, using a similar scale of 1=not at all influential and 5= very influential.

A Boomer's spouse/partner is by far the most influential person on all aspects of a move, receiving an average rating of 3.9 for the move's timing and location, and 3.7 for the method chosen to finance the purchase. Boomers ranked their children second most influential when it comes to the timing and location of a move (average ratings of 2.4 and 2.7, respectively), but regarding the decision on how to finance the home, buyers of this generation give the second place of influence to their real estate agent and financial advisor (tied at 2.1).

A quick glance at the graphs in Figure 12.9 past the second spot of influence clearly shows that the remaining parties in this analysis

do not have much say on when Boomers decide to move, where they choose to go, or how they decide to pay for it all. Except for the first and second spots already mentioned, everyone else received average influence ratings below 2.0 on the timing, location, or financing of the move.

Comparing Boomers to other generations in how they rated the influence of others on their decision to move shows that, across the board, the power of others to impact choices declines as the age of the buyer increases. Regardless of whether the decision is about the timing, the location, or the method of financing, younger buyers are more likely than older ones to rate others around them as influential in the decision-making process.

One example is the declining level of influence parents and in-laws have on moving decisions: whereas Millennials give them an average influence rating of 2.9 on the timing of the move, Seniors only give them a 1.3. As far as the location of the house, the younger cohort give parents/in-laws an average rating of 3.1, compared to 1.2 among Seniors. And when it comes to the method of financing, Millennials give them a 2.8, while Seniors only a 1.1 (Appendix A50–A58).