

# Market Trends: Single-family Homes or Condos?

The housing market continues to recover from the crash

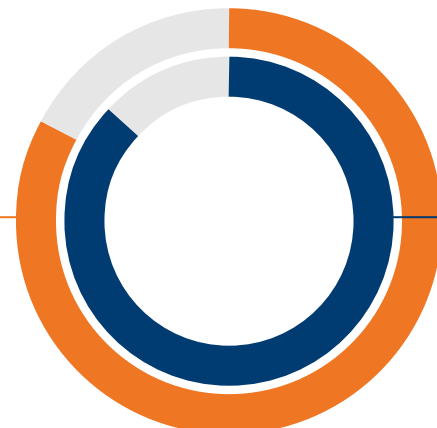


From suburban houses with picket fences to high-rise downtown condos, residential construction home purchases and values are on the rise as the housing market continues to recover from last decade's crash.<sup>1</sup> Learn what options buyers are facing—and choosing—to help provide reliable, timely insights.

## The Homeownership Landscape



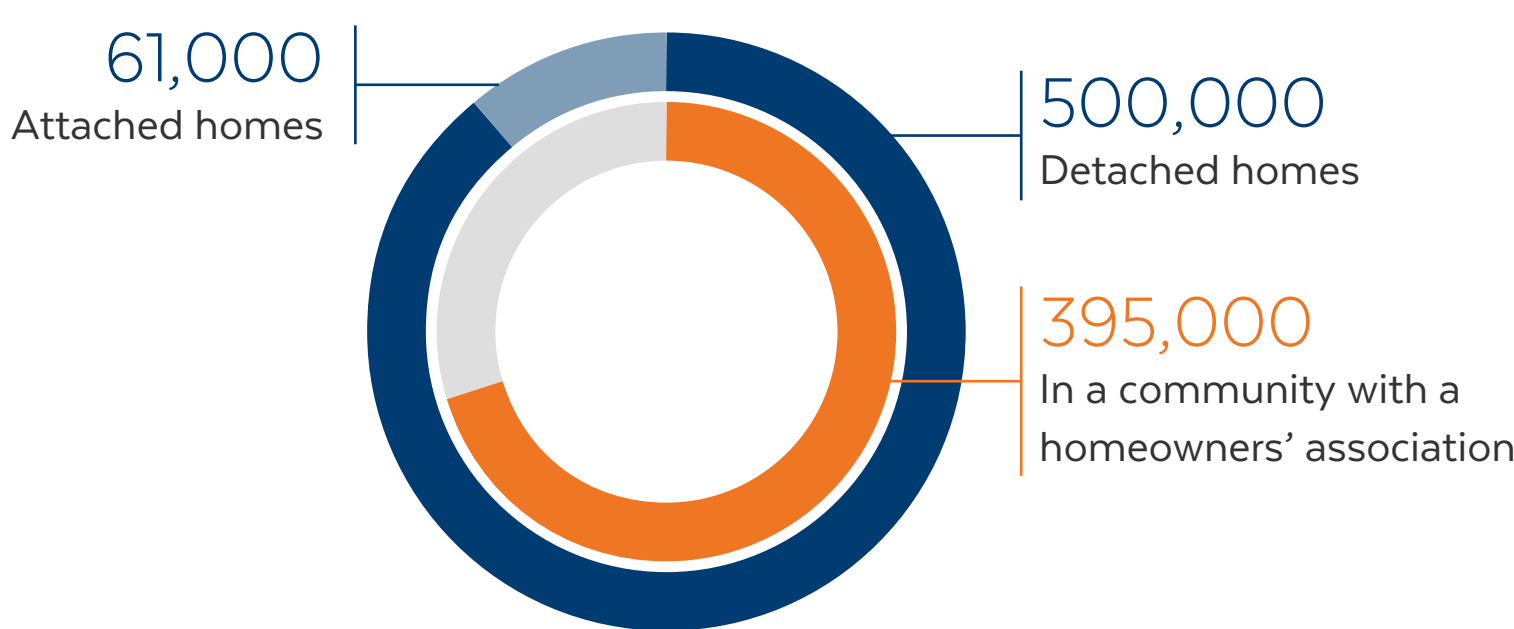
**63%** of U.S. households (about **74.5 million**) are owner-occupied<sup>2</sup>



Single-family homes made up **83%** of all homes purchased in 2016<sup>3</sup>

**87%** of buyers ages 37 to 51 purchased single-family homes

**561,000** new single-family homes were sold in 2016<sup>4</sup>



## Prices and Sales

Sales and prices of existing condos and single-family homes continue to rise.

### Single-family Homes vs. Condos: U.S. Sales and Median Prices<sup>5</sup>

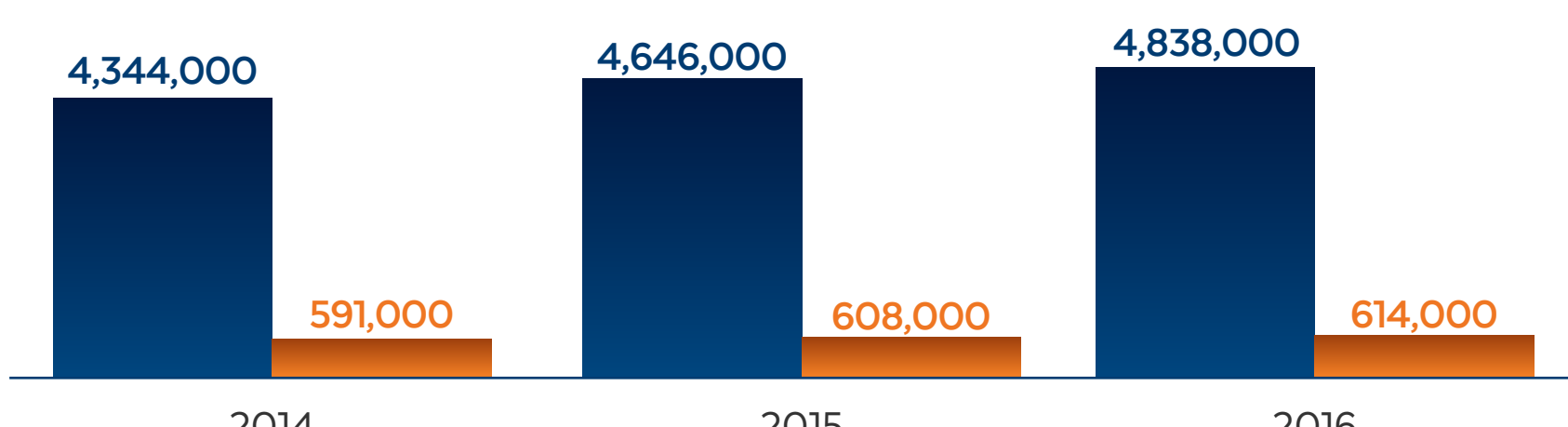


**SINGLE-FAMILY HOMES**

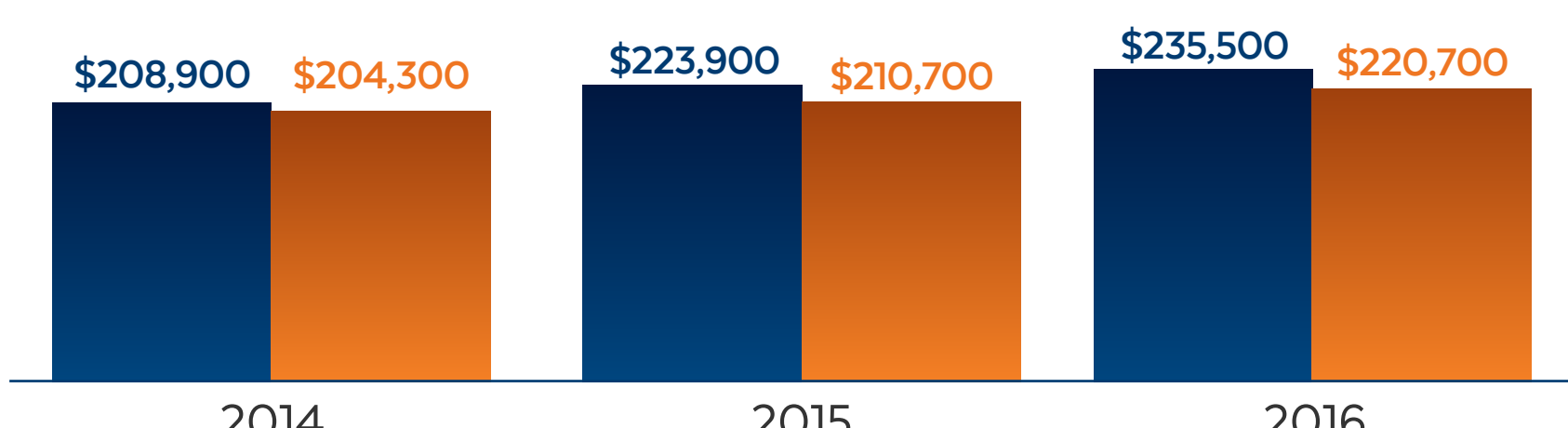


**CONDO/CO-OP**

#### Sales



#### Median Price



## Construction Trends

For the first time since 2005, construction on single-family homes grew faster than multifamily construction.



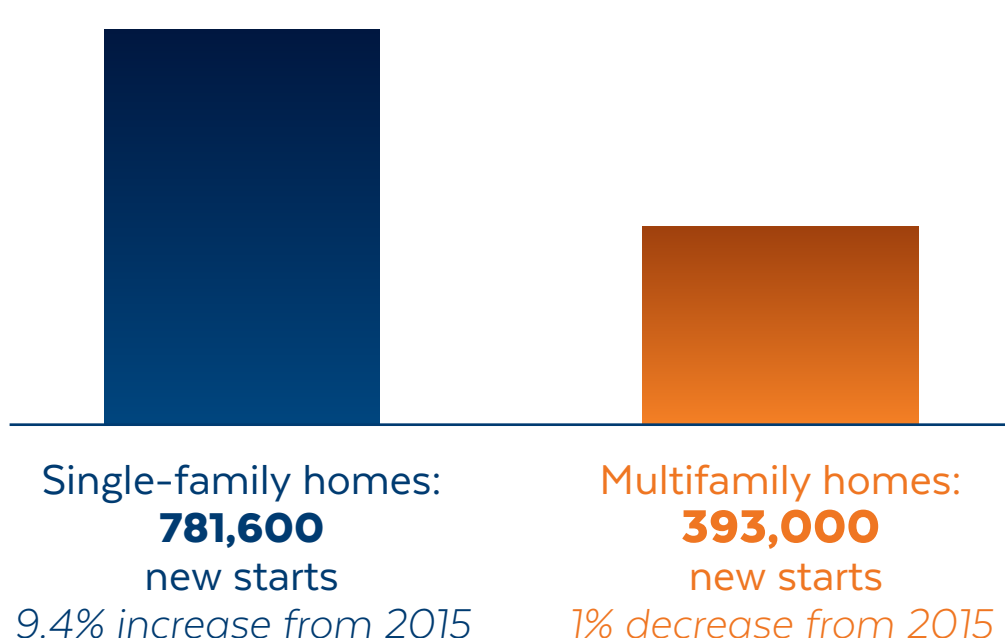
Spending on single-family construction totaled **\$243 billion** in 2016<sup>6</sup>

Overall levels of construction are still **below average**, however, especially for smaller single-family homes, townhouses and condos that first-time homebuyers typically choose.<sup>5</sup>



Although construction trends are below average, demand is still high. Inventory of starter homes has fallen **8.7%** in the past year.<sup>1</sup>

### 2016 construction trends:<sup>6</sup>



Multifamily construction has shifted to focus on rental apartments, as only **8%** of newly completed multifamily units in 2016 were built as condos.<sup>6</sup>

Although home values have continued to rise, there is high demand and low inventory, especially for the starter homes and condos that are attractive to first-time homebuyers. This may impact future affordability on these types of homes.



<sup>1</sup>“Don’t Call It A Comeback: How Rising Home Values May Be Stifling Inventory,” March 22, 2017, Trulia

<sup>2</sup>“Quick Facts: Resident Demographics,” October 2016, National Multifamily Housing Council

<sup>3</sup>“Home Buyer and Seller Generational Trends Report 2017,” March 7, 2017, National Association of Realtors

<sup>4</sup>“Characteristics of New Housing,” 2016, U.S. Census

<sup>5</sup>“Existing-Home Sales,” 2017, National Association of Realtors

<sup>6</sup>“The State of the Nation’s Housing,” 2017, Joint Center for Housing Studies of Harvard University

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