Table of Contents

Table of Contents ............................................................................................................................................. 1
Zillow Economic Research ............................................................................................................................... 4
Zillow Group .................................................................................................................................................. 7
HOME VALUES AND RENTS ........................................................................................................................................ 8
  Zillow Home Value Index ................................................................................................................................. 9
  Zillow Home Value Index, Annual and Monthly Growth .................................................................................. 10
  Annual Home Value Growth .............................................................................................................................. 11
  Zillow Home Value Forecast ............................................................................................................................ 12
  Zillow Home Value Index, by Thirds ................................................................................................................ 13
  Annual Home Value Appreciation, by Thirds ...................................................................................................... 14
  Zillow Rent Index ........................................................................................................................................ 15
  Annual Rent Appreciation ............................................................................................................................... 16
  Multifamily and Single-Family Home Rents ....................................................................................................... 17
  Zillow Rent Forecast .................................................................................................................................. 18
HOUSING AFFORDABILITY .................................................................................................................................... 19
  Zillow Mortgage and Rent Affordability ........................................................................................................... 20
  Mortgage Affordability by Metro .................................................................................................................... 21
  Zillow Mortgage Affordability, by Thirds ........................................................................................................ 22
  Rent Affordability by Metro ............................................................................................................................ 23
Household Income, by Thirds ................................................................. 24
Housing Affordability Table .................................................................. 25

INVENTORY, CONSTRUCTION AND DEMOGRAPHICS .......................... 26
Zillow For-Sale Inventory ....................................................................... 27
Zillow For-Sale Inventory, by Thirds ...................................................... 28
New Homes Listed For Sale ..................................................................... 29
Days on Zillow ......................................................................................... 30
Home Sales .............................................................................................. 31
New Residential Construction Permits .................................................. 32
Age of Sold Homes .................................................................................. 33
Home Sale Prices ..................................................................................... 34
Home and Lot Sizes ................................................................................ 35
Typical Buyer Profile .............................................................................. 36
Single-Family Residence Rentals ............................................................. 37
Homeownership Views by Age ................................................................. 38
Share of Millennials Living With Their Parents ....................................... 39
Comparing First-Time and Repeat Buyers .............................................. 40
NEW IN Q2 ............................................................................................... 41
U.S. Homeownership Rate ....................................................................... 42
Homeownership Rate by Race ................................................................. 43
Rental Listing Affordability ..................................................................... 44
Newly Formed Households ................................................................................................................................. 45
Home Values in Redlined Areas .............................................................................................................................. 46
Fertility and Housing .............................................................................................................................................. 47
The Tax Cuts and Jobs Act ...................................................................................................................................... 48
The Evolving American Dream ................................................................................................................................. 49

About Zillow ............................................................................................................................................................. 53
Zillow Economic Research

Dr. Svenja Gudell, Chief Economist
@SvenjaGudell

Svenja joined Zillow in 2011 and leads the company’s industry-leading economic research team, a recognized voice of impartial, data-driven economic analysis on the U.S. housing market. Under Svenja’s leadership, Zillow produces monthly reports on housing trends for more than 450 metros nationwide, with data often available down to the ZIP-code level. In addition, Svenja and her team publish original research on various real estate topics, ranging from rental and mortgage affordability, negative equity and forecasting, to policy, generational and mortgage research. Svenja has presented to various federal agencies and at numerous industry conferences, and has been widely quoted in national and local media.

Prior to joining Zillow, Svenja did economic, financial and strategy consulting for Analysis Group and was an Assistant Economist in the Research Group of the Federal Reserve Bank of New York. Svenja has a Bachelor of Arts in economics from the University of Rochester, a Master of Arts in economics from New York University, a Master of Science in business administration from the University of Rochester, and a Ph.D. in finance from the University of Rochester. Contact Svenja at svenjag@zillow.com
Dr. Skylar Olsen, Senior Economist

Skylar joined Zillow in the summer of 2012. Her research is used by consumers, policy makers, and other researchers to understand the real estate markets and make better decisions. While authoring numerous research projects such as A House Divided – How Race Colors the Path to Homeownership, she also creates many of Zillow’s real estate metrics, including the Buyer-Seller Index and the Buy-Rent Breakeven Horizon. She holds a Ph.D. in Economics from the University of Washington and specializes in the spatial patterns of housing and demographic change.

Aaron Terrazas, Senior Economist
@AaronTerraz

Aaron is a Senior Economist at Zillow where his research focuses primarily on mortgage and rental markets. Previously he was an economist at the United States Treasury Department’s Office of Economic Policy, and a policy analyst at the Migration Policy Institute in Washington, D.C. He received his bachelor’s degree in international relations from Georgetown University and his master’s degree in applied economics from Johns Hopkins University.
Sarah Mikhitarian, Economist

Sarah joined Zillow in October 2015, working on unveiling current real estate market conditions, interesting patterns in the housing market and past and future market trends. Prior to joining Zillow, Sarah worked at the Institute for Health Metrics and Evaluation, where she conducted research aimed at understanding and improving national and global health and evaluating the performance of health systems. She received her undergraduate degree in both economics and Hispanic studies from Scripps College, and was awarded a Master of Arts in economics with a specialization in applied microeconometrics from the University of Washington.

Alexander Casey, Policy Advisor

Alexander joined Zillow as a policy analyst in the summer of 2016. He works on the Economic Research team, using Zillow’s research to contribute to current public policy concerning housing and the overall economy. Alexander is involved with a variety of policy issues including housing assistance, land use, finance and transportation. Prior to joining Zillow, Alexander worked at the Minnesota Attorney General’s Office on consumer protection issues. Alexander holds an M.P.A. from the Evans School of Public Policy and Governance at the University of Washington, and a B.A. in Sociology from the University of Minnesota.
Dr. Stan Humphries, Chief Analytics Officer
@StanHumphries

Dr. Stan Humphries is the chief analytics officer of Zillow Group, a portfolio of the largest and most vibrant real estate and home-related brands on Web and mobile. Stan is the co-author of the New York Times Best Seller “Zillow Talk: Rewriting the Rules of Real Estate.”

As chief analytics officer, Stan oversees Zillow Group financial planning and analysis, corporate strategy, economic research, data science and engineering, marketing and business analytics, and pricing analytics. Stan was one of Zillow’s earliest pre-launch employees and is the creator of the Zestimate and its first algorithm.

Stan also serves as chief economist for Zillow Group. He has built out the industry-leading economics and analytics team at Zillow, a recognized voice of impartial, data-driven economic analysis on the U.S. housing market. Stan is a member of Fannie Mae’s Affordable Housing Advisory Council and the Commerce Department’s Data Advisory Council. Stan also serves on the Visiting Committee of the Department of Economics at the University of Washington.

Prior to joining Zillow, Stan spent five years at Expedia, where he ran the advanced analytics team. Before Expedia, Stan served as a researcher and faculty member at the University of Virginia, and was previously a Presidential Management Fellow where he served at NASA, the Office of Science and Technology Policy in the Executive Office of the President, and the Technology Administration within the Department of Commerce. Stan has also served in the United States Peace Corps, where he taught high school physics and chemistry in the West African country of Benin. Stan has a Bachelor of Arts from Davidson College, a Master of Science in foreign service from Georgetown University and a Ph.D. in government from the University of Virginia.
HOME VALUES AND RENTS

• U.S. home values are growing at a steady pace, and have surpassed pre-recession highs nationally and in a number of large markets. Driven largely by limited inventory and high demand, home values are growing fastest at the bottom end of the market.

• Regionally, markets in the Pacific Northwest, Texas, Florida and parts of the Southwest continue to outperform slower-moving markets in the Midwest and Mid-Atlantic.

• Growth in U.S. rents has slowed considerably over the past couple of years and has largely stabilized. Pockets of strong rent appreciation remain in the Pacific Northwest and California.
Zillow Home Value Index

U.S. home values have surpassed pre-recession highs.

Source: Zillow Home Value Index (June 2018).
The pace of annual U.S. home value growth has accelerated over the past few years.

Source: Zillow Home Value Index (June 2018).
Annual Home Value Growth

Markets in the Pacific Northwest, Texas and Florida continue to outperform slower-moving markets in the Midwest and Mid-Atlantic.

Source: Zillow Home Value Index (June 2018).
Zillow Home Value Forecast

Home value growth is expected to slow over the next 12 months.

Expected Home Value Appreciation Through June 2019

- Los Angeles, CA: 12.1%
- Detroit, MI: 9.0%
- Boston, MA: 8.1%
- Dallas, TX: 7.8%
- San Francisco, CA: 7.5%
- Tampa, FL: 7.5%
- Seattle, WA: 7.1%
- Chicago, IL: 7.1%
- Atlanta, GA: 6.9%
- New York, NY: 6.8%
- Philadelphia, PA: 6.6%
- United States: 6.6%
- Minneapolis, MN: 6.1%
- Miami, FL: 5.4%
- St. Louis, MO: 4.9%
- Baltimore, MD: 4.8%
- San Diego, CA: 4.7%
- Washington, DC: 3.8%
- Phoenix, AZ: 3.7%
- Riverside, CA: 1.7%
- Houston, TX: 1.5%

Source: Zillow Home Value Forecast, Top 20 Metros (June 2018).
Zillow Home Value Index, by Thirds

Homes valued in the bottom-third of the market are growing in value the fastest.

Source: Zillow Home Value Index (June 2018).
Annual Home Value Appreciation, by Thirds

Home value appreciation among homes valued in the bottom third has slowed somewhat, but the annual pace of growth is still more than double that of top-third homes.

Source: Zillow Home Value Index (June 2018).
Zillow Rent Index

Annual growth in rents has slowed since the beginning of 2018.

Source: Zillow Rent Index (June 2018).
Annual Rent Appreciation

The annual pace of rent growth is largely sustainable in most large markets.

Source: Zillow Rent Index (June 2018).
Multifamily and Single-Family Home Rents

Rents for single-family homes and units in larger multifamily buildings share similar trends.

Source: Zillow Rent Index (June 2018).
Rental appreciation is expected to remain steady over the next year.

Source: Zillow Rent Forecast (June 2018).
HOUSING AFFORDABILITY

• Overall, mortgage affordability – the share of income necessary to afford a typical mortgage payment – looks reasonable in most markets. But affordability is suffering, especially at the bottom end of the market, as home values and interest rates rise and incomes fail to keep pace.

• As mortgage and interest rates rise, some would-be home sellers with lower mortgage interest rates may decide not to sell and instead stay in their current home, choosing not to give up a lower monthly payment. This phenomenon of “mortgage rate lock-in” could end up negatively impacting inventory.

• Unlike mortgage affordability, rental affordability is much worse today than it was historically, though the recent slowdown in rent growth has helped somewhat.

• Poor rent affordability is worrisome, as more money devoted to rent makes it more difficult to save for homeownership.
Zillow Mortgage and Rent Affordability

Nationwide, the share of income spent on a mortgage is well below historic norms.

Source: Zillow Mortgage Affordability, Zillow Rent Affordability (2018 Q2).
Mortgage Affordability by Metro

In some coastal markets that have seen rapid home value appreciation, share of income spent on a mortgage has surpassed historic norms.

Source: Zillow Mortgage Affordability (2018 Q2).
Weak income growth and rapid appreciation, even with very low mortgage interest rates, means homes are becoming more unaffordable, more quickly for buyers of homes valued in the bottom third.

Source: Zillow Mortgage Affordability (2018 Q2).
Rent Affordability by Metro

The share of income spent on rent is higher than the historic average in all but one of the nation’s 20 largest metros.

Source: Zillow Rent Affordability (2018 Q2).
Household Income, by Thirds

Income growth for the lowest earners has been especially weak.

Nominal Income Growth, 2000-2016
- Top Third: 50.5%
- Middle Third: 35.2%
- Bottom Third: 30.5%

Source: Zillow analysis of U.S. Census Bureau ACS data, IPUMS (2017 Q2).
## Housing Affordability Table

<table>
<thead>
<tr>
<th>Region Name</th>
<th>Median Income</th>
<th>Mortgage Affordability, 2018 Q2</th>
<th>Mortgage Affordability, 1985-2000</th>
<th>Forecast Mortgage Affordability (5% Interest Rate)</th>
<th>Forecast Mortgage Affordability (6% Interest Rate)</th>
<th>Forecast Mortgage Affordability (7% Interest Rate)</th>
<th>Rent Affordability, 2018 Q2</th>
<th>Rent Affordability, 1985-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$60,748</td>
<td>17.5%</td>
<td>21.2%</td>
<td>19.6%</td>
<td>21.9%</td>
<td>24.3%</td>
<td>28.4%</td>
<td>25.8%</td>
</tr>
<tr>
<td>New York, NY</td>
<td>$75,508</td>
<td>27.9%</td>
<td>29.2%</td>
<td>31.3%</td>
<td>35.0%</td>
<td>38.8%</td>
<td>37.7%</td>
<td>26.3%</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>$70,373</td>
<td>45.0%</td>
<td>34.6%</td>
<td>53.1%</td>
<td>59.3%</td>
<td>65.8%</td>
<td>46.9%</td>
<td>36.3%</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>$69,333</td>
<td>15.6%</td>
<td>23.1%</td>
<td>17.5%</td>
<td>19.6%</td>
<td>21.7%</td>
<td>28.3%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>$67,348</td>
<td>16.7%</td>
<td>22.9%</td>
<td>18.9%</td>
<td>21.1%</td>
<td>23.5%</td>
<td>28.4%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>$69,336</td>
<td>16.1%</td>
<td>20.4%</td>
<td>18.1%</td>
<td>20.2%</td>
<td>22.4%</td>
<td>27.1%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>$64,575</td>
<td>15.1%</td>
<td>21.1%</td>
<td>16.1%</td>
<td>18.0%</td>
<td>19.9%</td>
<td>28.8%</td>
<td>24.4%</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>$100,739</td>
<td>19.4%</td>
<td>22.3%</td>
<td>21.2%</td>
<td>23.7%</td>
<td>26.3%</td>
<td>25.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>$53,775</td>
<td>24.9%</td>
<td>20.3%</td>
<td>27.6%</td>
<td>30.8%</td>
<td>34.2%</td>
<td>41.5%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>$65,950</td>
<td>15.2%</td>
<td>18.3%</td>
<td>17.1%</td>
<td>19.1%</td>
<td>21.2%</td>
<td>25.4%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>$86,622</td>
<td>25.8%</td>
<td>26.3%</td>
<td>29.3%</td>
<td>32.7%</td>
<td>36.3%</td>
<td>32.7%</td>
<td>26.4%</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>$104,172</td>
<td>44.9%</td>
<td>38.5%</td>
<td>50.7%</td>
<td>56.6%</td>
<td>62.9%</td>
<td>39.2%</td>
<td>30.6%</td>
</tr>
<tr>
<td>Detroit, MI</td>
<td>$58,826</td>
<td>12.9%</td>
<td>16.0%</td>
<td>14.8%</td>
<td>16.5%</td>
<td>18.3%</td>
<td>24.4%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Riverside, CA</td>
<td>$61,860</td>
<td>28.3%</td>
<td>27.9%</td>
<td>30.2%</td>
<td>33.8%</td>
<td>37.5%</td>
<td>36.8%</td>
<td>32.7%</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>$61,975</td>
<td>20.2%</td>
<td>21.1%</td>
<td>22.0%</td>
<td>24.5%</td>
<td>27.2%</td>
<td>26.4%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>$84,369</td>
<td>28.6%</td>
<td>25.9%</td>
<td>32.2%</td>
<td>36.0%</td>
<td>39.9%</td>
<td>30.9%</td>
<td>23.8%</td>
</tr>
<tr>
<td>Minneapolis, MN</td>
<td>$76,931</td>
<td>16.7%</td>
<td>17.8%</td>
<td>18.6%</td>
<td>20.7%</td>
<td>23.0%</td>
<td>25.5%</td>
<td>21.2%</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>$75,597</td>
<td>37.9%</td>
<td>33.5%</td>
<td>41.7%</td>
<td>46.5%</td>
<td>51.6%</td>
<td>40.3%</td>
<td>34.7%</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>$62,753</td>
<td>12.6%</td>
<td>17.0%</td>
<td>13.9%</td>
<td>15.5%</td>
<td>17.2%</td>
<td>21.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Tampa, FL</td>
<td>$53,782</td>
<td>18.7%</td>
<td>18.8%</td>
<td>21.1%</td>
<td>23.5%</td>
<td>26.1%</td>
<td>31.0%</td>
<td>27.6%</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>$81,411</td>
<td>16.0%</td>
<td>21.6%</td>
<td>17.6%</td>
<td>19.6%</td>
<td>21.8%</td>
<td>25.6%</td>
<td>27.0%</td>
</tr>
</tbody>
</table>

Source: Zillow Mortgage Affordability, Zillow Rent Affordability (2018 Q2).
INVENTORY, CONSTRUCTION AND DEMOGRAPHICS

- Inventory of homes for sale is very low, and getting lower. Inventory constraints are particularly acute among entry-level and median homes – the exact homes sought by first-time homebuyers and young families.

- New construction has thus far failed to get back to pre-recession levels, especially for single-family homes.

- Homes that are on the market are selling faster – currently, homes spend ten days less on the market before selling than they did a year ago.

- Millennials do value homeownership, but many are finding it difficult to attain, and more young adults are living with their parents.
The number of U.S. homes for sale is low, and falling.

Source: Zillow For-Sale Inventory (Seasonally Adjusted, Smoothed) (June 2018).
Inventory shortages are particularly acute among bottom- and middle-third homes.

Source: Zillow For-Sale Inventory (Seasonally Adjusted, Smoothed) (June 2018).
New Homes Listed For Sale

The number of listings hitting the market has remained consistent.

Source: Zillow Listing Data (June 2017).
Days on Zillow

Homes listed for sale are selling more quickly than in the past few years.

Source: Zillow Days on Zillow, Including REOs (June 2018).
Home Sales

Sales of existing homes largely plateaued in the first half of 2018, while new home sales continue to climb in fits and starts.

New Residential Construction Permits

Permits for new multifamily projects are near pre-recession levels, while single-family permits remain low.

Age of Sold Homes

The age of sold homes has almost doubled since the housing collapse, largely because of a lack of new construction.

Home Sale Prices

The price gap between newly built and existing homes has widened over the past decade.

Home and Lot Sizes

Since 1999, homes have gotten larger while lots have gotten smaller.

Note: Centered 7-month moving average

## Typical Buyer Profile

<table>
<thead>
<tr>
<th>Existing Homes</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td><strong>Income</strong></td>
</tr>
<tr>
<td>$70K</td>
<td>$95K</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td><strong>Marital Status</strong></td>
</tr>
<tr>
<td>56.6% married</td>
<td>75.5% married</td>
</tr>
<tr>
<td><strong>Have At Least One Child</strong></td>
<td><strong>Have At Least One Child</strong></td>
</tr>
<tr>
<td>40%</td>
<td>46.1%</td>
</tr>
<tr>
<td><strong>Millennial Share</strong></td>
<td><strong>Millennial Share</strong></td>
</tr>
<tr>
<td>30%</td>
<td>26.2%</td>
</tr>
<tr>
<td><strong>Typical Commute Time</strong></td>
<td><strong>Typical Commute Time</strong></td>
</tr>
<tr>
<td>20 minutes</td>
<td>25 minutes</td>
</tr>
</tbody>
</table>

Source: Zillow analysis of U.S. Census Bureau, American Community Survey, 2014, made available by the University of Minnesota, IPUMS-USA.
Single-Family Residence Rentals

Renting single-family homes is increasingly popular.

Owning a home is necessary to live the American Dream. Owning a home increases your standing in the local community. Owning a home is a key to a higher social status.

Millennials do have positive views of homeownership.

Source: Zillow Housing Aspirations Report (March 2018).
The share of millennials (age 18-34) living with their parents has increased sharply in the past decade.

Source: Zillow analysis of U.S. Census, American Community Survey, 2005-2016, made available by the University of Minnesota, IPUMS-USA.
**Comparing First-Time and Repeat Buyers**

Today’s first-time home buyer is more than three years older and typically rents longer before making the jump into homeownership compared to previous generations.

<table>
<thead>
<tr>
<th>1975-1979</th>
<th>2010-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average age</strong></td>
<td><strong>Average age</strong></td>
</tr>
<tr>
<td>29 years old</td>
<td>32.5 years old</td>
</tr>
<tr>
<td><strong>Household size</strong></td>
<td><strong>Household size</strong></td>
</tr>
<tr>
<td>2.6 people</td>
<td>2 people</td>
</tr>
<tr>
<td><strong>Years renting before buying</strong></td>
<td><strong>Years renting before buying</strong></td>
</tr>
<tr>
<td>4.6 years</td>
<td>6 years</td>
</tr>
<tr>
<td><strong>Home value in today’s dollars</strong></td>
<td><strong>Home value in today’s dollars</strong></td>
</tr>
<tr>
<td>$99K</td>
<td>$140K</td>
</tr>
<tr>
<td><strong>Income in today’s dollars</strong></td>
<td><strong>Income in today’s dollars</strong></td>
</tr>
<tr>
<td>$55K</td>
<td>$54K</td>
</tr>
</tbody>
</table>

NEW IN Q2

- The homeownership rate is at multi-decade lows, as renters stay renting longer and would-be buyers find it difficult to enter the market.
- Birth rates have fallen in markets that have experienced the most home value growth.
- A greater share of rentals are out of reach for black and hispanic households compared to white and Asian households.
- The single-family home in the suburbs remains a mainstream standard of what homeownership should look like but the image of the ideal American home is beginning to evolve, if only slightly. Especially for younger Americans.
The U.S. homeownership rate is near historic lows.

Source: U.S. Census Bureau Homeownership Rate for the United States (2018 Q2).
Homeownership Rate by Race

The gap between black and white homeownership rates has widened since 1900

Rental Listing Affordability

Blacks and Hispanics can afford fewer rental listings.

Newly Formed Households
Since 2005, newly formed households have tended to rent.

Source: Zillow analysis of U.S. Census Bureau CPS data 1995-2016, IPUMS.
Home Values in Redlined Areas

Home values in the vast majority of neighborhoods that were “redlined” as hazardous for mortgage lending by the federal government 80 years ago are lower now than in areas rated more highly.

Median home values for areas the government designated best, still desirable, definitely declining and hazardous for mortgage lending

Fertility and Housing

Birth rates have fallen most in markets that experienced the most home value growth.

Source: Zillow Home Value Index, 2010-2016, and Zillow analysis of age-specific fertility rates from the Centers for Disease Control and Prevention’s National Center for Health Statistics.
The Tax Cuts and Jobs Act

Americans are likely to reinvest billions in tax savings back into housing.

If you were to receive a 4% raise, how much of this money, if any, would you spend on...?

<table>
<thead>
<tr>
<th>Owners</th>
<th>Renters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings and investment</td>
<td>29%</td>
</tr>
<tr>
<td>Paying off debt</td>
<td>21%</td>
</tr>
<tr>
<td>Home renovations</td>
<td>15%</td>
</tr>
<tr>
<td>Vacation</td>
<td>14%</td>
</tr>
<tr>
<td>Car</td>
<td>5%</td>
</tr>
<tr>
<td>Appliances or consumer goods</td>
<td>5%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>5%</td>
</tr>
<tr>
<td>Housing costs (e.g., buy or rent a bigger home)</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Zillow Housing Aspirations Report, March 2018
The Evolving American Dream

Americans have a preference for homeownership

A clear preference for homeownership

94% of respondents said that if money were no object, they would own their home

64.3% U.S. Homeownership Rate, 2018 Q2

Source: Zillow Housing Aspirations Report, March 2018
The Evolving American Dream

A majority of Americans prefer to live in the suburbs. This preference holds true across races and ethnicities.

- 26% of Americans prefer to live in an urban area.
- 56% of Americans prefer to live in a suburban area.
- 18% of Americans prefer to live in a rural area.

Hispanics, Asians and blacks prefer urban areas more than whites do. All races prefer suburban areas. Whites are more likely than other racial and ethnic groups to prefer rural areas.

Source: Zillow Housing Aspirations Report, March 2018
The Evolving American Dream

Americans overwhelmingly aspire to own a detached single-family home

82% of Americans prefer to live in a single-family home

10% of Americans prefer to live in a condo/co-op

7% of Americans prefer to live in a townhome

Source: Zillow Housing Aspirations Report, March 2018
The Evolving American Dream

The share of people who prefer living close to a highway is almost matched by the share who say they’d prefer not to live near the highway.

- 39% of Americans prefer living close to **major highways**
- 29% of Americans prefer living close to **public transit**
- 32% of Americans **do not want** to live near major highways or public transit

Source: Zillow Housing Aspirations Report, March 2018
About Zillow

Zillow is the leading real estate and rental marketplace dedicated to empowering consumers with data, inspiration and knowledge around the place they call home, and connecting them with great real estate professionals. In addition, Zillow operates an industry-leading economics and analytics bureau led by Zillow Group’s Chief Economist Dr. Svenja Gudell. Dr. Gudell and her team of economists and data analysts produce extensive housing data and research covering more than 450 markets at Zillow Real Estate Research. Zillow also sponsors the quarterly Zillow Home Price Expectations Survey, which asks more than 100 leading economists, real estate experts and investment and market strategists to predict the path of the Zillow Home Value Index over the next five years. Launched in 2006, Zillow is owned and operated by Zillow Group, Inc. (NASDAQ:Z and ZG), and headquartered in Seattle.

Zillow is a registered trademark of Zillow, Inc.

Press Contact: press@zillow.com