

EMERGING TRENDS

Home Hunters: How Home Improvement and Purchasing Trends Affect Consumers in 2024



EXECUTIVE SUMMARY

- **Interest rate fluctuations and generational shifts will shape the future of homeownership and consumer behavior.**
 - 2023 saw one of the slowest years for home purchases in three decades due to high mortgage costs driven by rising interest rates. Anticipated rate cuts could stimulate a new wave of homeownership, particularly among Millennials and Gen Z, impacting spending patterns across both home merchandise and even grocery and food service sectors.
- **Generational preferences and sustainability concerns will drive retail and brand trends in home improvement and décor.**
 - Millennials and Gen X lead in online spending for home merchandise, while Gen Z prefers in-store purchases at retailers like Walmart and Target. Over half of Americans, especially Millennials and Boomers, prioritize sustainability when renovating or redecorating, pushing brands to focus on sustainable products and educate younger consumers on their importance.
- **High real estate costs and mortgage rates remain significant barriers to homeownership, influencing market dynamics.**
 - Despite interest in buying homes, rising real estate prices and stagnant wage growth have delayed many renters, particularly younger generations, from entering the market. Home improvement and decor brands must adapt to these trends to effectively target potential homeowners and support their needs.



Introduction

HOUSE HUNTERS: HOW HOME IMPROVEMENT AND PURCHASING TRENDS AFFECT CONSUMERS IN 2024

Homeownership has been one of the largest financial milestones for Americans and is a symbol of economic stability and success. However, 2023 saw [one of the slowest years](#) for home purchases in three decades with Americans dealing with high mortgage costs due in part to growing interest rates. With inflation cooling and the job market slowing in recent months, the Federal Reserve's short-term interest rate hikes appear to have done their job. Now, analysts are anticipating [rate cuts as early as next month](#) to jumpstart the economy, and those changes could create a new wave of homeownership should long-term treasury yields follow through.

The housing market slowdown has broad implications for consumer brands, not only in general merchandise and durable goods but also for consumer behavior in the food service industry and CPG space. As Millennials set the next wave of homeownership as they raise [Gen Alpha](#), understanding their preferences and priorities will be crucial for companies to stay resilient. Numerator has compiled insights on overall homeownership, [houseware](#) & [home improvement](#) trends, purchasing behaviors of current homeowners, and what to expect from younger Americans.



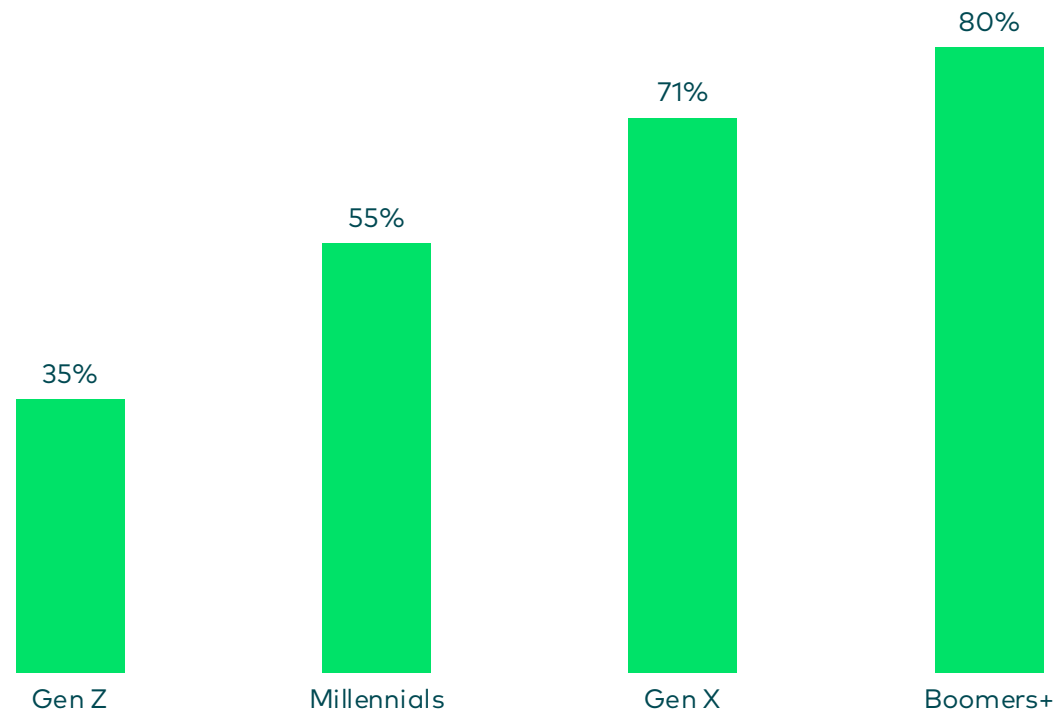
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Read all the findings and view the interactive charts for this article.



Over half of Millennials are now homeowners.

Home Ownership by Age Generation
% of Households Within Each Age Generation | Latest 12 Months Ending 7/31/2024



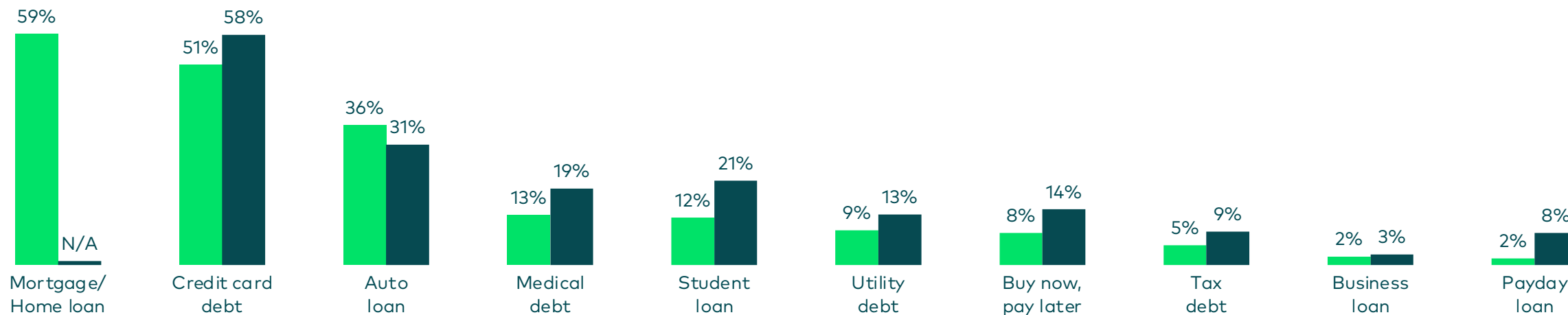
Source: Numerator | N=150,000 , Sample varies by generation | Q1. What Kind of Structure do you live in? | Q2. Do you own or rent your home? | Q3. How long have you been there?

Renters often face more debts and loans compared to homeowners which likely limits their ability to purchase a house.

Loans & Debts by Home Ownership

% of Respondents | Fielded 8/7/2024

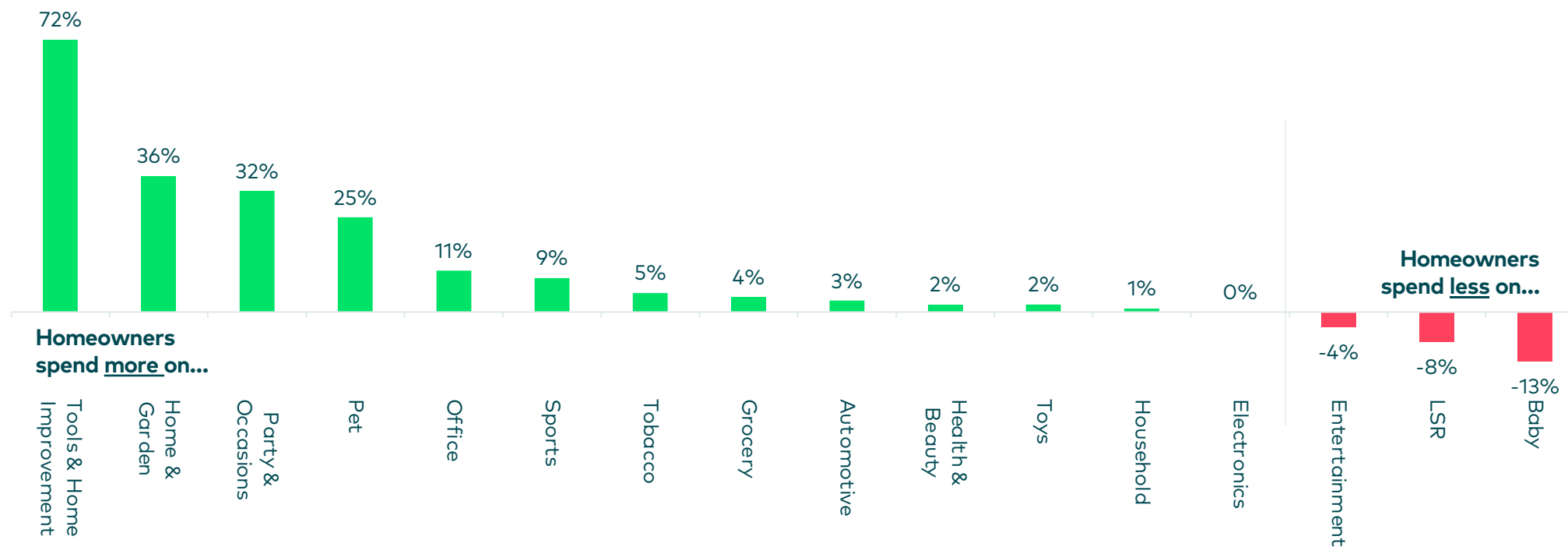
■ Owner ■ Renter



Source: Numerator | N=2678, Sample varies by generation | Q. Which of the following loan(s)/debt(s) do you currently have, if any? Select all that apply.

Tracking homeownership is important as it affects demand across general merchandise, grocery and out-of-home dining.

Spend per Household % Change Between Homeowner vs. Renter
 Among Middle Class, 4 Member Households with Children | Latest 12 Months Ending 7/31/2024

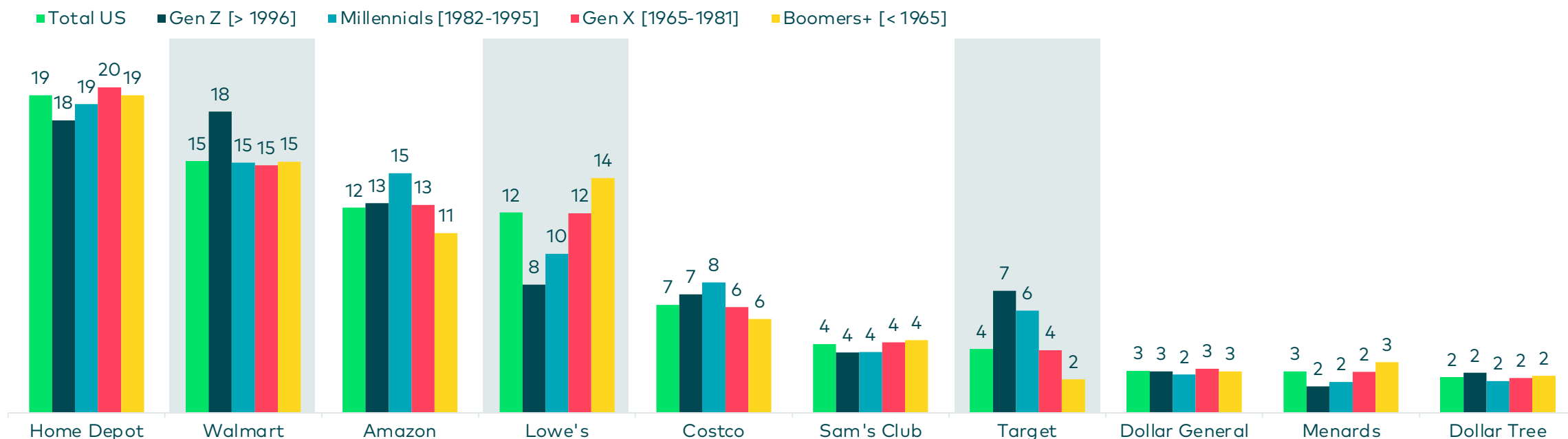


Middle class defined as middle 33% in purchasing power (income accounting for household size and cost of living).
 Source: Numerator | Read as: Tools & Home Improvement purchasers who are homeowners spend 72% more than renters.

Where consumers purchase their home merchandise varies drastically between generations— particularly Lowe's and Mass.

Home Merchandise Value Market Share by Retailer (in %)

Showing Top 10 Total US Retailers | Brick & Mortar and eCommerce Combined | Latest 12 Months 6/30/2024



Source: Numerator TruView | Among US Household Spending | Looking at Home & Garden and Tools & Home Improvement Sectors

Gen X is Gen DIY while Gen Z has room to grow into the DIY space.

Purchase Home Improvement Items for Personal DIY Projects
 % of Households Within Each Age Generation | Latest 12 Months Ending 7/31/2024



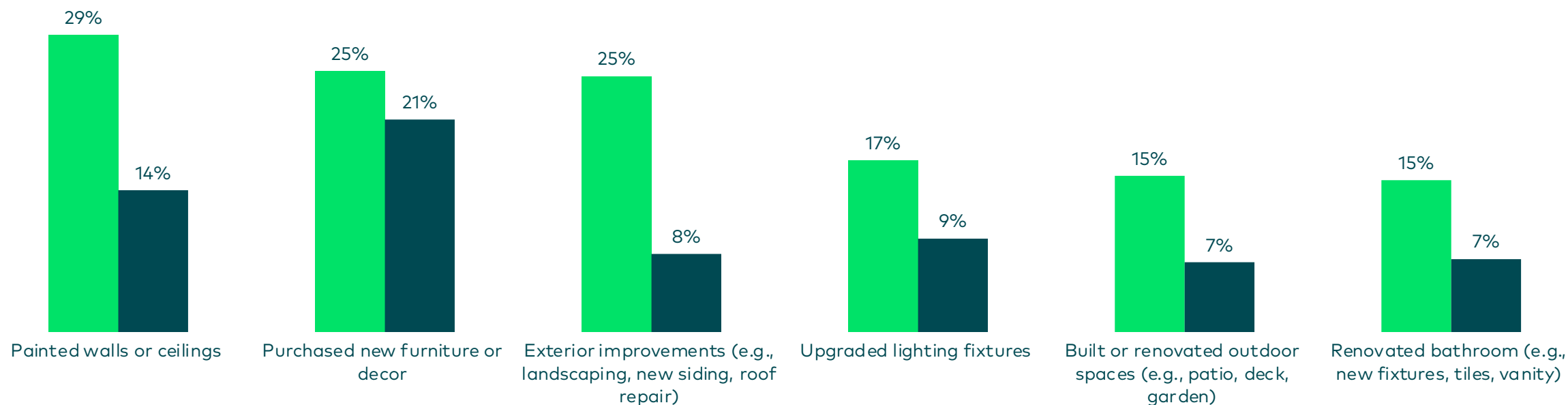
Source: Numerator | N=150,000 , Sample varies by generation | Q. Thinking about how you shop at home improvement stores, which best describes you?

Home improvement categories and furniture demand will flux depending on if more houses are being purchased.

Types of Home Improvement Done in the Past 12 Months

Showing Top 6 Responses | % of Respondents | Fielded 8/7/2024

■ Owner ■ Renter

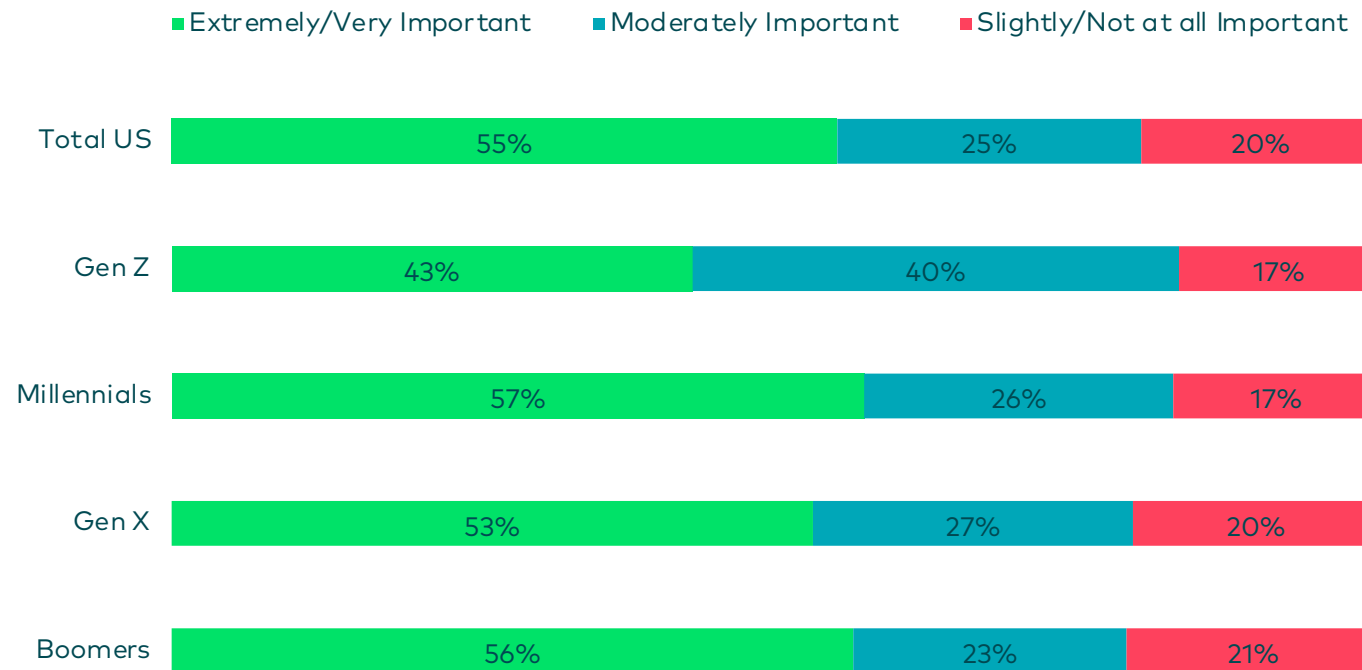


Source: Numerator | N=150,000 , Sample varies by generation | Q. Thinking about how you shop at home improvement stores, which best describes you?

As sustainability practices are an imperative for ESG initiatives, brands & retailers need to act now and also educate Gen Z.

Importance of Sustainability by Age Generation

% of Respondents | Fielded 8/7/2024



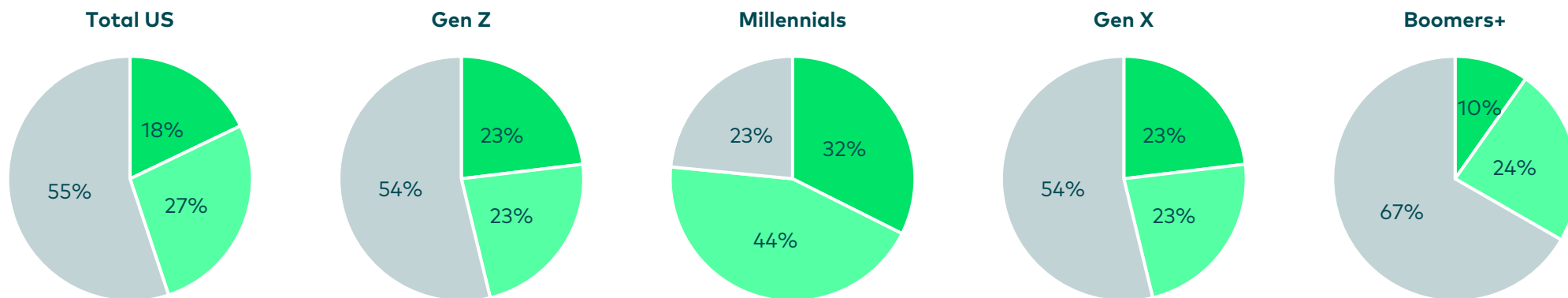
Source: Numerator | N=2678, Sample varies by generation | Q. How important is sustainability to you when renovating or redecorating a home?

Nearly half of the US is considering purchasing a home with Millennials driving the interest and actively looking.

Future Intent of Purchasing a Home in the Next 12 Months

% of Renters | Fielded 8/7/2024

■ Planning – Actively Looking ■ Planning – Not Actively Looking ■ Not Considering



Source: Numerator | N=2678, Sample varies by generation | Q. Are you planning on purchasing a home in the next 12 months?

Reasons for not purchasing a home are varied with absolute housing prices outpacing interest rates.

Reasons for Not Purchasing a Home in the Next 12 Months

% of Renters | Showing Total US Responses >10% | Generation Indexed to Total US | Fielded 8/7/2024

Reasons for Not Purchasing	Total US	Gen Z	Millennials	Gen X	Boomers
High home prices in my desired area	42%				
Unfavorable housing market conditions	41%				
High interest rates	39%				
Concerns about overall economic stability	39%				
Insufficient savings for a down payment	35%				
Satisfied with my current living situation	24%				
Limited housing inventory	23%				
Not finding a home I would like to live in	23%				
Unstable or insufficient income	23%				
Poor credit score	21%				
Fear of a potential market crash	19%				
Lack of knowledge about the home-buying process	19%				
Prefer renting over owning	18%				
High existing debt	17%				
Uncertain job situation	17%				

Earnings has not kept up with housing prices



+30%

Median house price increase
in the past four years

Yet...



+18%

Average hourly earnings increase
in the past four years

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development ([Access](#)) | U.S. Bureau of Labor Statistics ([Access](#))

Source: Numerator | N=2678, Sample varies by generation | Q. What are some personal reasons why you would not purchase a home in the next 12 months, if any?



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