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Baby boomers still play active role in housing market, C.A.R. survey finds

Previous homeowners twice as likely to buy again as non-owners

LOS ANGELES (Dec. 22) – As the wealthiest generation and the first to drive the housing market, baby boomers will continue to be a pillar of the housing market, according to a 2014 CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) survey of California baby boomers* (born between 1946 and 1964).

While nearly half (46 percent) of baby boomer renters who previously owned a home sold it primarily due to financial reasons, the vast majority still have a strong desire to purchase a home.

The survey found that 63 percent of boomer renters would be motivated to buy a home if they saw an improvement in their finances, affordable home prices, or other reasons. Moreover, 22 percent said they expect to buy a home in the next five years.

“Baby boomers are in their peak earning years and will continue to wield great influence on the housing market,” said C.A.R. President Chris Kutzkey. “Even those who went through financial difficulties during the economic crisis recognize the benefits of homeownership and would rather buy another home than rent.”

Baby boomer renters who previously owned a home are also in a better financial position to purchase a home, having a higher average annual household income (\$78,570) than those boomers who have never owned a home (\$39,825).

Nearly half (45 percent) of boomer renters have previously owned a home and are more likely to buy again than those who have not owned before by about a two-to-one margin (31 percent vs. 17 percent).

Additional findings from C.A.R.’s “2014 Baby Boomer Survey” include:

- Nearly all homeowners (92 percent) have equity in their home, but 77 percent said they don’t plan to use the home equity for income during retirement.
- More than half of homeowner boomers (59 percent) don’t plan to sell their home when they retire, with 78 percent of them indicating they won’t sell because they like their current home.
- Out of the 10 percent of current homeowners who plan on selling their home when they retire, nearly half (47 percent) plan to downsize to a smaller home, and 44 percent plan to move out of California.
- Despite the recent economic recession, only one in four baby boomers had to postpone retirement. On average, they plan to retire in nine years, with 67 percent saying they plan to retire within 10

years.

- Three in 10 baby boomers live with their children, with 2 percent saying they moved in with their children; 8 percent of them saying their children moved back in with them; and 21 percent saying their children never moved out. The majority of those living with their children live with adult children mainly due to their children's financial troubles. Baby boomers pay for a majority of living expenses, with their children only contributing a median of \$325 monthly for living expenses.
- Improved affordability would motivate boomer renters to buy a home, but 37 percent said they don't want to buy.
- Less than half of boomer renters (47 percent) have debt that would prevent them from buying a home.

California Baby Boomer Survey Slides (click links to open):

- [Majority of boomer renters want to buy a home](#)
- [Boomer renters expect to buy within 5 years](#)
- [Boomers living with their children](#)

*Approximately 8.6 million baby boomers currently reside in California. (U.S. Census Bureau)

C.A.R.'s "2014 California Baby Boomer Survey" was conducted in September 2014 in an effort to learn more about baby boomers' attitudes toward home buying and homeownership. The online survey polled 623 California residents age 50-68. For complete survey results, visit www.car.org/marketdata.

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