

2021 HOMEBUYER INSIGHTS REPORT: Home Improvement and Equity Spotlight





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Every year, our Homebuyer Insights Report explores homebuyer and homeowner preferences and behaviors. For the first time, we're spotlighting home renovations and found that more people are customizing their homes. At the same time, our nation's housing stock is aging and in need of updating. Whether you're purchasing a fixer-upper or have been in your home for years and are looking for a refresh, leveraging the equity you've built can offer flexibility and help you achieve your goals, like customizing the look and feel of your home.

Ann Thompson

Specialty Lending Executive



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Ann Thompson

Table of Contents

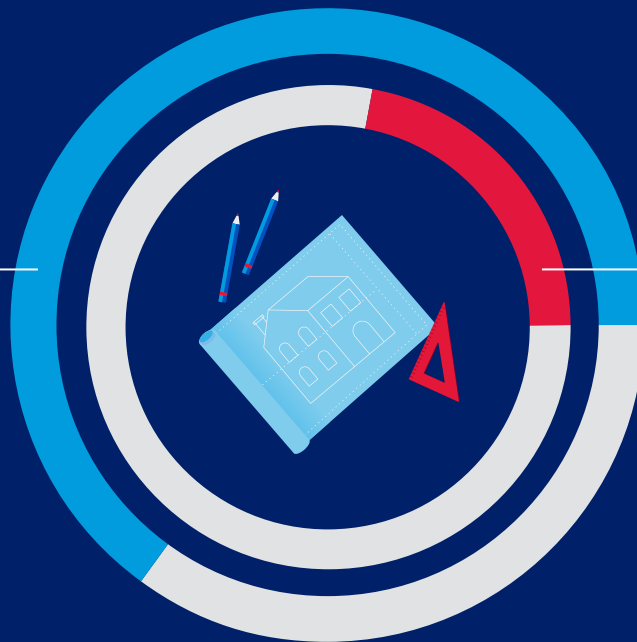
1

Home Improvements: What's the Payoff?

With more time at home, many are eager to remodel the spaces that they spend time in, prioritizing return on enjoyment over return on investment.

Many said they are likely to renovate or remodel in 2021

65%
Younger
Generations



22%
Older
Generations



People are making home improvements to:



67%

Enjoy their home



73%

Older Generations



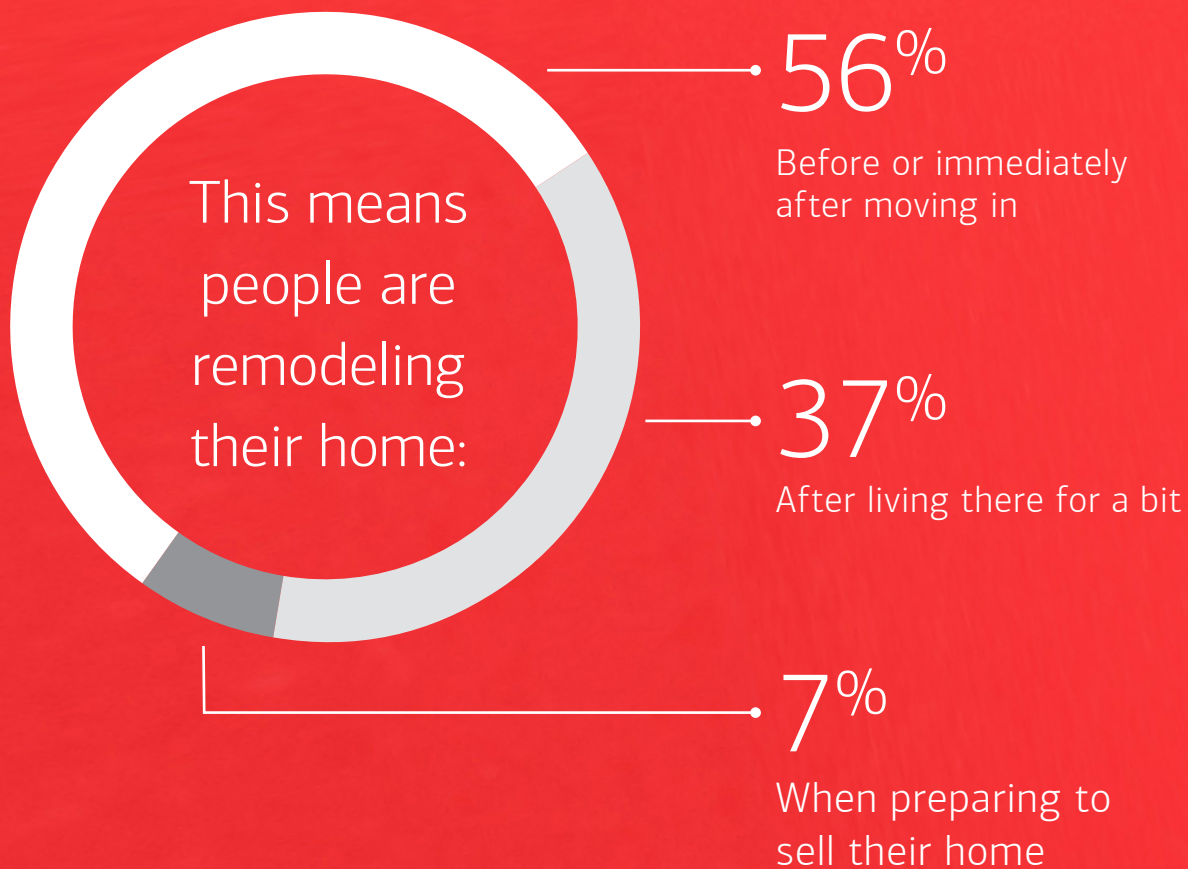
53%

Younger Generations



33%

Increase the value
of their home

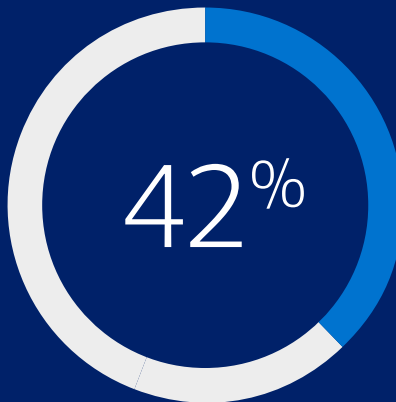


2

Younger Generations Take Remodeling Into Their Own Hands

In a dynamic market, buying a fixer-upper and taking on DIY projects are ways younger generations can build equity.

Prospective homebuyers are
interested in buying fixer-uppers:



Younger homebuyers prefer to buy a fixer-upper
and improve it over time than to buy a home
that's move-in ready



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Building equity is more important than ever, and younger generations are looking to fixer-uppers and other affordable homeownership options so they can begin building their long-term wealth. We know that while many prospective homebuyers can afford monthly mortgage payments, the upfront costs may make homeownership seem out of reach. That's why our [Community Homeownership Commitment](#) is designed to help hopeful buyers over that initial hurdle and into a home of their own.

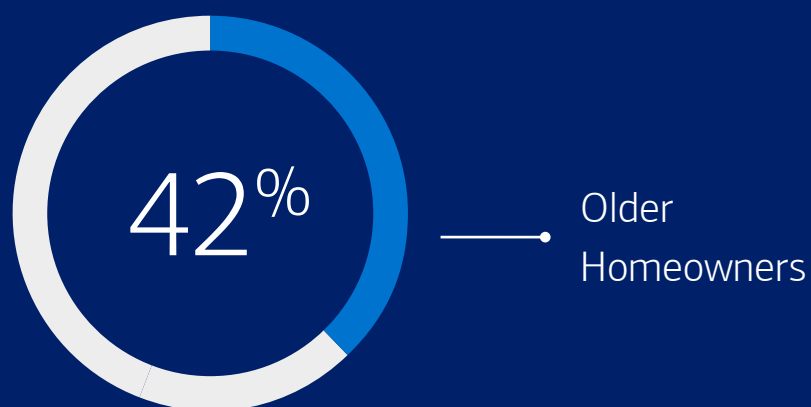
AJ Barkley

Neighborhood and Community
Lending Executive



@AJBARKLEY1

Many homeowners have done
DIY work around their homes
in recent months:





Consumers are turning
to technology for
their home renovation
projects:

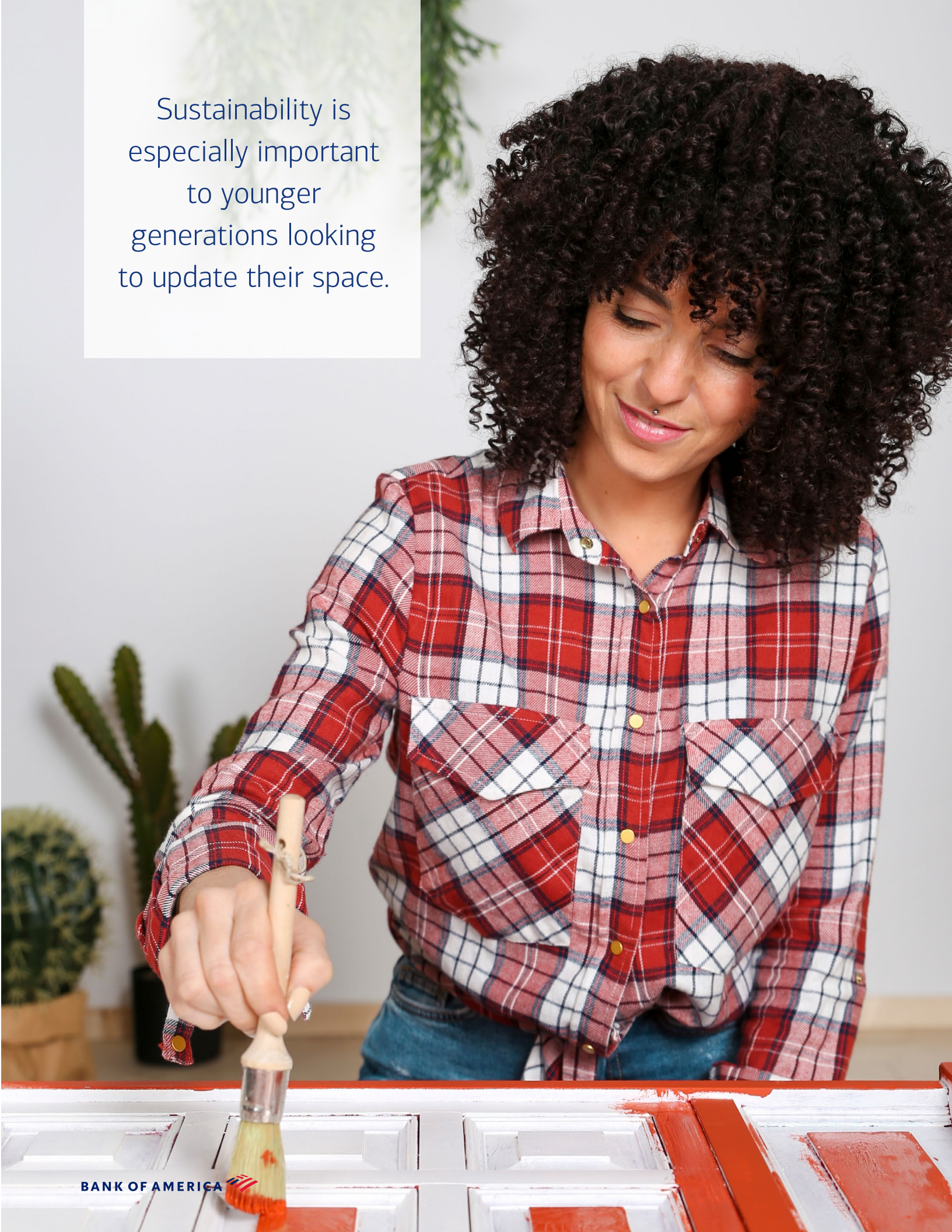
50%

Learned from
watching videos online

39%

Watched TV shows
(e.g., HGTV)

Sustainability is
especially important
to younger
generations looking
to update their space.



Younger Generations

51%

Will renovate to
install solar panels

vs

Older Generations

33%

Will renovate to
install solar panels



Younger Generations

48%

Will renovate to have
energy-efficient appliances

vs

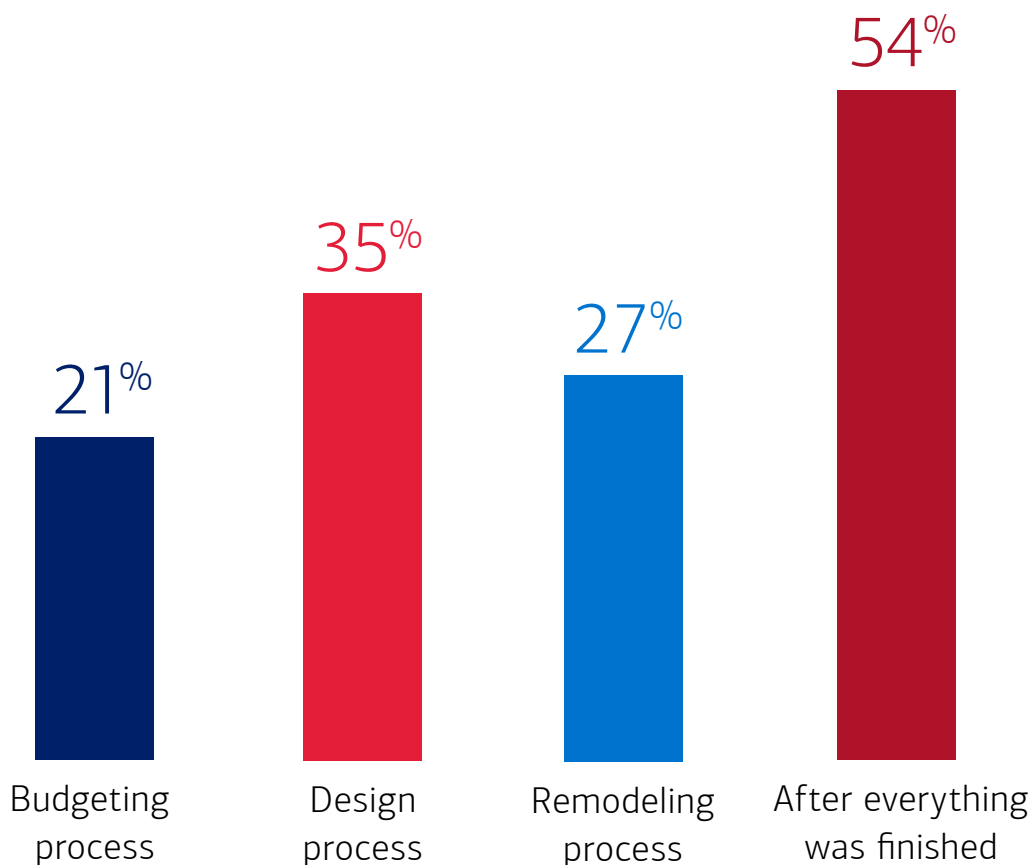
Older Generations

36%

Will renovate to have
energy-efficient appliances



For those who've remodeled their homes, happiness levels increased as projects got closer to completion.



3

Financing Home Renovations

As prospective homebuyers and current homeowners consider home renovations, perceptions vary around how best to fund home projects.

If homeowners were to make significant improvements, they would pay for the work with one or more of the following:

62%

Use money
in savings

32%

[Take out a home equity line of credit](#)

24%

Put costs on a credit card

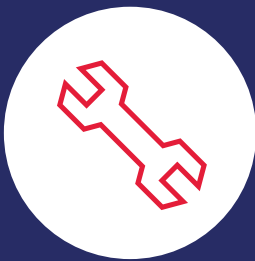
18%

Use money invested in the stock market





Younger homeowners have used home equity lines of credit as a funding source for more varied purposes:



52%

Making home improvements



27%

Buying a car



14%

Paying for tuition

In comparison, older generations
have used home equity
lines of credit primarily as a funding
source for home improvements:



59%

Making home
improvements



12%

Buying
a car



2%

Paying
for tuition



“

While purchasing a home is a major life milestone, assessing your finances should be an ongoing practice.

We're all juggling many priorities, whether it's major home improvement projects, education expenses, debt consolidation, or just unexpected expenses.

Learn how to put a [home equity line of credit](#) to work for you with tips from [Better Money Habits](#) or by speaking to a lending specialist.

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Generational Definitions:

Younger: 18 to 43 years old

Older: 57 to 75 years old

Methodology

Sparks Research conducted a national online survey on behalf of Bank of America between February 18 and March 1, 2021. Sparks surveyed a national sample of 2,000 adults ages 18+ who currently own a home or plan to in the future. In addition, an augment of 185 surveys was conducted to oversample First Generation homeowner populations (363 surveys in total). The margin of error for the national quota is +/- 2.2 percent at the 95 percent confidence level. Select questions allowed respondents to choose more than one answer, resulting in responses that may equate to more than 100 percent.

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