

Bidding Wars Are Most Common Reason Active Buyers Can't Make Purchase

eyeonhousing.org/2021/05/bidding-wars-are-most-common-reason-active-buyers-cant-make-purchase

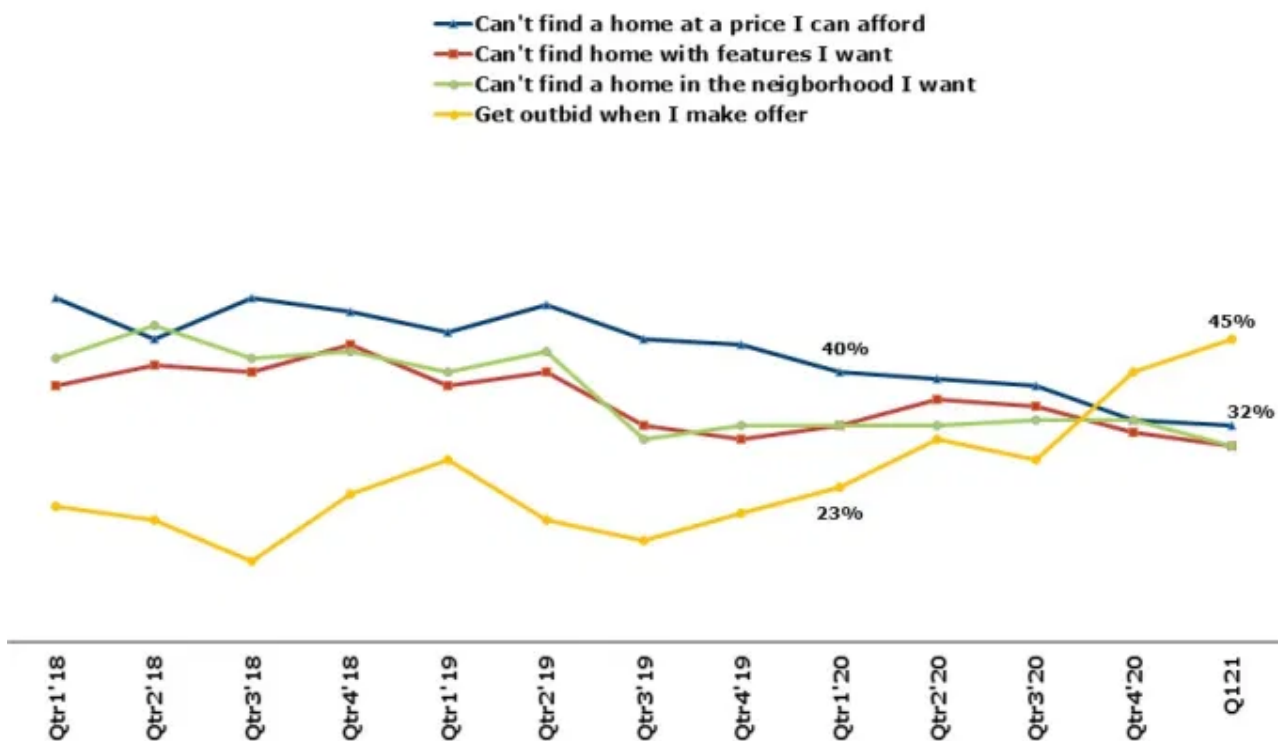
Rose Quint

May 10, 2021



An [earlier post](#) revealed that 64% of buyers who were actively engaged in the process of finding a home in the first quarter of 2021 have spent upwards of 3 months searching for a home without success. For the second time in this series history, the most common reason long-time searchers haven't pulled the trigger is not because they can't find a home at an affordable price (32%), but because they continue to lose out in bidding wars (45%). The reasons are flipped from a year earlier, when 40% cited unaffordable prices and only 23% better offers by other buyers.

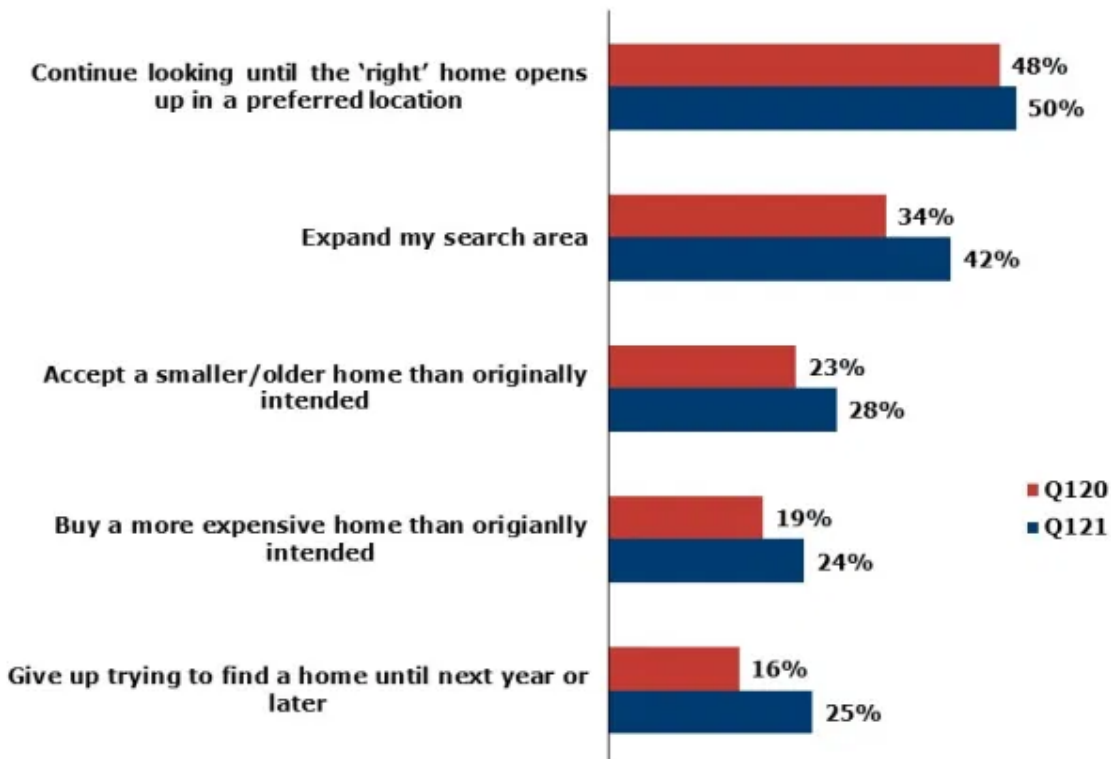
**Reasons Active Buyers Have Been Unsuccessful Finding a Home to Buy for 3+ Months
(Percent of Active Home Buyers)**



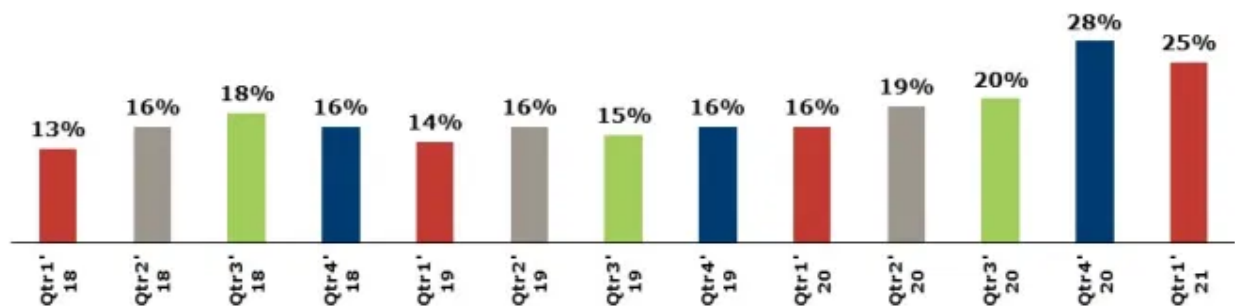
When asked what they are most likely to do next if still unable to find a home in the next few months, 50% of active buyers searching for 3+ months will continue looking for the 'right' home in the same location – about the same as a year earlier. On the other hand, 42% will expand their search area, an increase from the 34% willing to take that step a year earlier.

Difficulties finding a home to buy will likely lead 25% of active buyers to give up until next year or later, up from 16% a year earlier. Historical data show a steadily rising trend in the share of long-term searchers likely to quit looking for a home until next year or later, as the latest increase marks the fifth year-over-year rise in this metric.

**Next Steps if Still Unable to Find Home in Months Ahead
(Percent of Prospective Home Buyers Looking for 3+ Months)**



Share of Prospective Home Buyers Looking for 3+ Months Who Will Give Up Trying



** The Housing Trends Report is a research product created by the NAHB Economics team with the goal of measuring prospective home buyers' perceptions about the availability and affordability of homes for-sale in their markets. The HTR is produced quarterly to track changes in buyers' perceptions over time. All data are derived from national polls of representative samples of American adults conducted for NAHB by Morning Consult. Results are not seasonally adjusted due to the short-time horizon of the series, and therefore only year-over-year comparisons are statistically valid. A description of the poll's methodology and sample characteristics can be found [here](#). This is the sixth in a series of six posts highlighting results for the first quarter of 2021. See previous posts on plans to buy, new vs. existing preference, housing availability, housing affordability, and active buyers.*

◀ Residential Construction Employment Rose Slightly in April
Revolving Credit Rises in the First Quarter ▶

Tags: housing economics, housing trends report