

The State of the American Homeowner

2021 Report



unison



As the world in 2020 began to feel more perilous and uncertain, our homes took on new roles.

They became far more than just addresses to store our things—they became the new offices, gyms, schools and sanctuaries.

Given the growing importance of our homes, Unison looked to explore the current experience of American homeowners and determine if or how the volatility of 2020 had changed their circumstances and outlook.

Here's what we discovered.



Home is where safety is

Feelings about homeownership amidst the pandemic

Homeowners who feel emotionally attached to their home:



Last year, staying home became a necessity and that caused many homeowners to have renewed gratitude for the roof over their head. In fact, 64% of American homeowners say living through a pandemic has made their home more important to them than ever. That makes sense, especially because 83% of homeowners say their home has kept them safe during the COVID-19 pandemic.

Though more than a quarter of homeowners (29%) say they used to view their home as a burden, now it's one of the most important things in their life. An overwhelming majority (91%) of homeowners say they feel secure, stable or successful owning a home. That feeling of security extends to the financial aspects of homeownership as well.

Despite the uncertainty of the past year, 17% of homeowners say they are more financially secure in their home now as compared to before the pandemic. Forty three percent of homeowners consider their home completely a financial asset — up from 36% who said the same before the pandemic. And while over half (56%) of American homeowners include their home in their personal financial portfolio, nearly a quarter (22%) of those don't know how they'll use it as an asset now or in the future.

“
My home gives me a sense of comfort and security.”

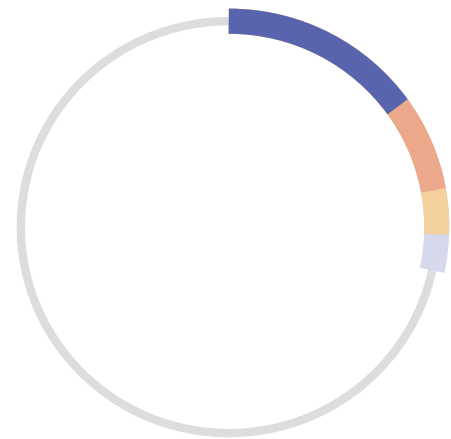
“
I'm more appreciative of my home as it has become my sanctuary during this pandemic.”

Keeping what's yours

Financial realities as a result of the pandemic

Home finances are still a major stressor for some—

Especially for younger homeowners and for those navigating mortgage forbearance.



29%

Due to economic factors caused by the pandemic, 29% of homeowners had to take action in order to keep up with mortgage payments:

11%

homeowners in mortgage forbearance

8%

delayed a home remodel

5%

refinanced their home

4%

took on an additional job

Millennials were hit even harder

61% of millennial homeowners had to take action in order to keep up with mortgage payments:



38%

millennial homeowners in mortgage forbearance (compared to 16% Gen X and 1% Boomers)



16%

delaying a home remodel



11%

renting out a portion of their home



7%

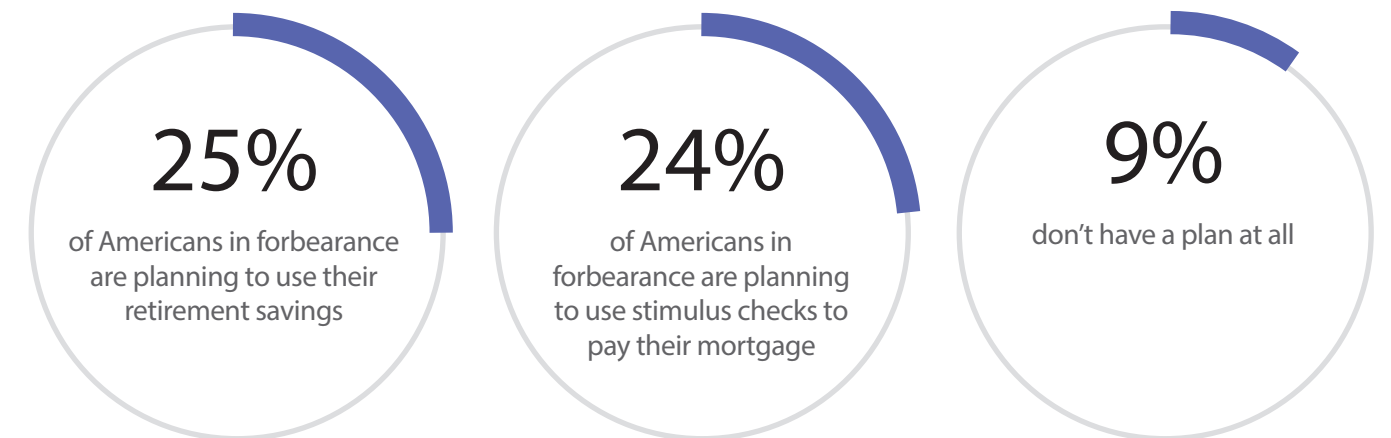
dipping into their retirement savings





What does the road ahead look like?

Once mortgage forbearance programs expire:



“

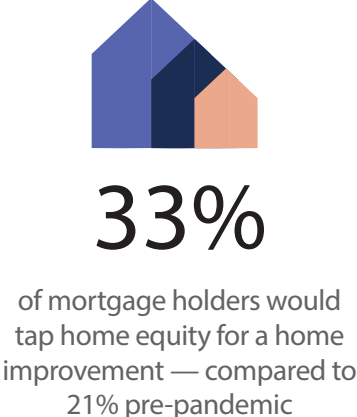
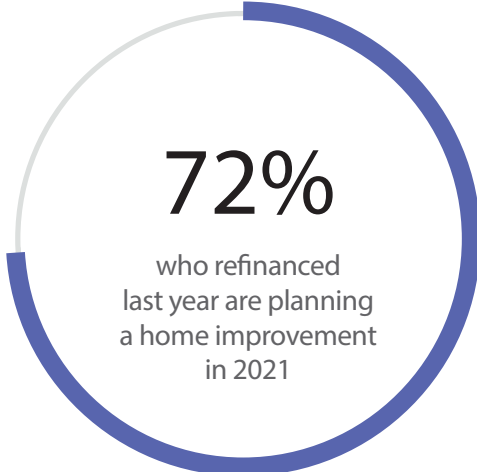
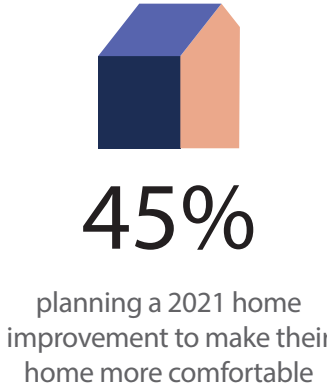
We are so thankful for our home. It keeps us safe and we have grown to love it even more for that reason.”

“

I have always loved my home, but since the pandemic started, I'm very appreciative that I can still afford my mortgage and have a safe place to live.”

Home improvements: A national pastime

Improving the home to make it work for new needs



All that time inside transformed the quirks of our homes into nuisances. It was no longer possible to ignore how drab the living room paint had become. Or how outdated the bathroom was. Or how tiny the spare bedroom-converted-into-new-office felt. Given the new roles homes took on over the past year, homeowners realized it was time to make some upgrades.

Many homeowners are considering making changes to their houses to support their new needs — some even have specific plans:

“
I spend much more time at home now, so I want to make my home work for me for work and personal uses.”

“
I have to work from home now, so my home is my paradise - it's everything I have. Home is the place I make a living.”



The office down the hall

Creative solutions for work from home

For homeowners working from home during the pandemic, many took action to make their homes (and Zoom calls) more comfortable. Over half (57%) of WFH homeowners are working somewhere other than a dedicated office room. Some favorite spots for millennials include: the bed (13%), the couch (13%), the kitchen table (11%), while more creative spots include: the kids' playroom (2%), the unfinished basement or attic (2%) or even the floor (6%).

57% of WFH homeowners are working somewhere other than a dedicated office room

Some millennial WFH families took to sharing spaces:

20%

shared an office room with a spouse or partner

17%

purchased a space heater to work in the basement

16%

finished a basement, attic or other unfinished area

16%

converted a closet into an office

13%

converted or built a backyard shed or tiny home into an office

11%

had their kids share a room to convert their bedroom into an office



Of WFH homeowners:

29%

converted a spare room into an office

23%

upgraded internet or cellular service

17%

purchased a space heater to work in the basement

16%

purchased gym equipment or created a dedicated space for exercise



The kitchen-or-bathroom debate

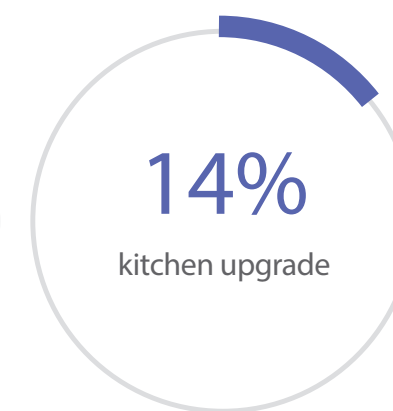
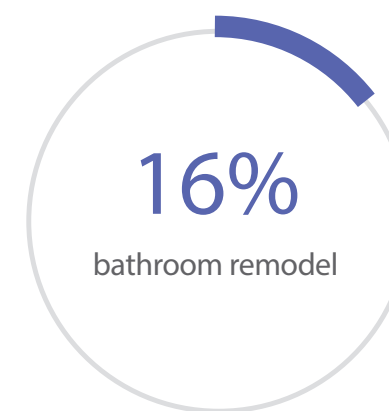
It's in full swing

Some homeowners have specific plans for the year ahead:

16% have plans for a bathroom remodel

14% have plans for a kitchen upgrade

When thinking about the year ahead, homeowners say this is the number one change to their home to improve their lives:



8%
larger outdoor area

6%
better wifi

5%
home gym

3%
additional bathroom

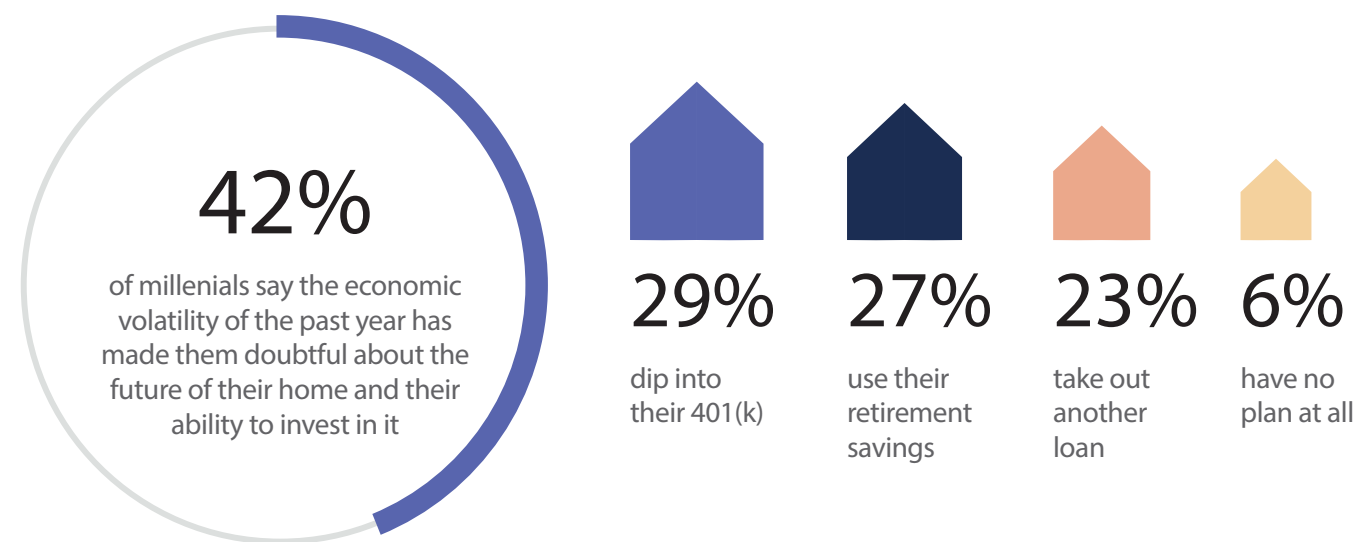
“I appreciate my home a lot more.”

“The upgrades make the space even more enjoyable as we spend a lot of time in the home.”

Getting a foot in the door

Younger homeowners are just starting out on their journey

Once mortgage forbearance programs expire— millennials in forbearance are planning to borrow against their retirement to pay for their mortgage:



“**I view my home as a safe area. I can relax.**”

“**My home is a treasure, I really appreciate my home and that one day, Lord willing, I’ll have it paid off.**”



Millennials* are more likely than older generations to have an emotional connection to their homes and that connection has only grown stronger during the pandemic. Over ¾ (78%) of millennials feel emotionally attached to their home compared to 70% Gen X and 69% Boomers and around the same percent (77%) say living through a pandemic has made their home more important to them now than ever.

But their finances are less established: Of the millennials who refinanced or thought about refinancing their homes last year, 37% did so to cover other life expenses and 31% did it to help pay down debts elsewhere — 15% did it because they couldn’t make the mortgage payments. One in three (37%) millennials say that the COVID-19 pandemic has made them consider moving, with the biggest reason being needing more space (14%) followed swiftly by reducing living expenses (13%) and new job location flexibility (10%).

Millennials are also more likely than older generations to own a home at the expense of their future saving and retirement plans and when current forbearance programs end, millennials will feel the impact most.

* surveyed millennials ages 35-40

The home as a nest egg

Retired homeowners have built up equity or paid their homes off completely

Confidence in retirement savings

89%

of retired homeowners confident in money/assets saved by the time they were retired

68%

of working age homeowners confident in money/assets saved to fund retirement (compared to 51% pre-pandemic)

Funding retirement

80%

of retired homeowners funding retirement through social security (70% used a pension and just 2% used funds from selling their home)

55%

of working age homeowners plan to fund retirement through social security (36% with a pension and 59% with a 401(k))

11%

of working age homeowners plan to sell their home to fund their retirement (7% plan to access their equity)

“

My home is an asset for my retirement.”

“

The pandemic made me appreciate owning my house free and clear.”



Seven in ten (70%) retired homeowners' homes are fully paid off and nearly half (47%) say owning a home makes them feel secure, that it's a big financial asset.

Thanks in part to this nest egg, retired homeowners say the pandemic didn't impact their financial situation. Almost none of retired homeowners (0.1%) are in mortgage forbearance and 87% kept up their mortgage payments just fine despite economic factors caused by the coronavirus pandemic. Eighty-five percent of retired homeowners didn't have to think about refinancing during 2020, and of the Boomers who refinanced or thought about refinancing their homes last year, a whopping 82% did so to take advantage of low rates — only 1% did so out of necessity.

These homeowners consider their homes in their financial portfolios and they're confident in their retirement savings. Nearly two-thirds (61%) of Boomer homeowners include their home in their personal financial portfolio, and 41% of retired homeowners who consider their home in their financial portfolio plan to leave it to their kids.

Retired homeowners, and those planning ahead to retirement, are funding their retirement with social security or a pension — and they feel confident in the money they've saved or their plans to do so. But the Fed is showing retirees' wealth in their home decreasing as they age, and rock-bottom interest rates are putting pension funds and recipients at significant risk down the line, meaning this sense of security might be superficial. A co-founder of the Tax Policy Center said: “We're bailing out the present and making the future pay for it.”

Stability in uncertainty

The home remains the best place to be

Despite the upheaval and uncertainty of the past year, one thing has stayed the same: the home continues to be of the utmost importance and a place of security and comfort. That's why tapping the equity you've built up in your home — for a home improvement project, paying down debts, or funding your retirement — without adding more debt, interest or monthly payments can be a great option for homeowners of any age. That way, you can spend your (extra) time at home enjoying it, and while we may not have much control over what happens outside, inside we'll find family, safety and hope.

Methodology:

Unison conducted this research using an online survey prepared by [Method Research](#) and distributed by [Dynata](#) among n=2,000 adults in the United States who currently own a home, have been a homeowner for at least 5 years, have an income of at least \$50k and are older than 35. The sample was balanced across age, gender and geography. Data was collected from February 4 to February 11, 2021.

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