

Active-Duty and Veteran Housing Landscape Snapshot

Service member experiences with
renting, buying, and home loans

11/10/2022





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Research Overview



Objective:

The goal of this research is to understand the perceptions of active-duty military service members, veterans, and their spouses when it comes to home renting, home ownership, and home loans – and specifically VA loans.

Methodology:



ONLINE NATIONAL SURVEY

12-minute online survey taken on a smartphone, computer, or tablet between September 27 and October 10, 2022. Total N=1,979.



TARGET POPULATION

Active-duty military (n=490), veterans (n=1,489), and their spouses who qualify for VA home loans in the US. All participants and spouses are ages 18-65. Mix of military branches, gender, income, region, urbanicity, and owner/renter to fall out naturally.

All service members served in the military for at least 90 days and were not dishonorably discharged. All spouses have been legally married to an active-duty service member or veteran for at least six months. All spouses rent or own a home together with an active-duty service member or veteran.



Key findings: active-duty service members





Affordable housing is a top concern among active-duty service members when they return to civilian life



Finding affordable housing is expected to be a **challenge**.



They need **more information** to feel confident in the homebuying process.



There is **high VA home loan familiarity** among active-duty service member households.



VA home loans are the loans that active-duty service member households chose most.



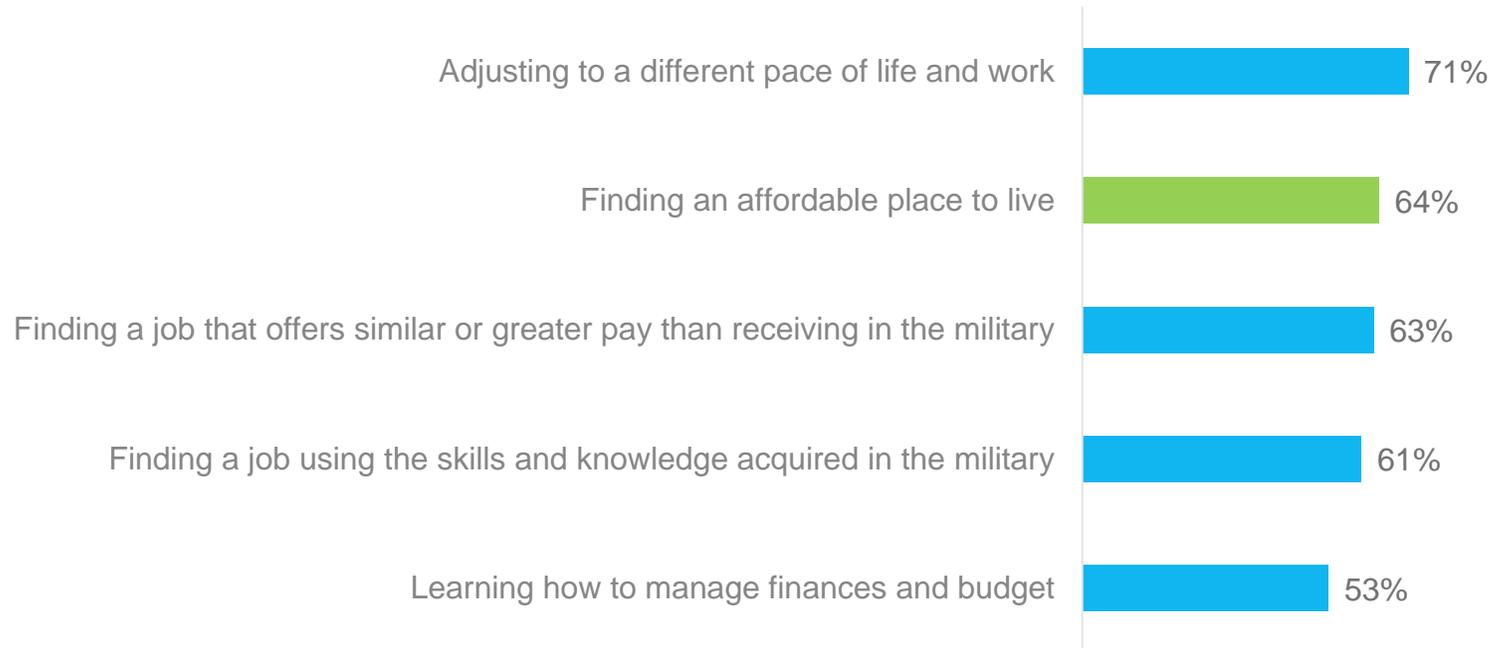
Active-duty renters have a strong desire to own a home in the future and most are likely to use a VA loan to do so.

VA loans are popular and provide a clear **pathway to home ownership**.



Adjusting to a new pace of work and life, finding affordable housing, and finding a suitable job are the top three concerns among active-duty households

Adjustments that service members expect to be extremely or somewhat challenging in civilian life

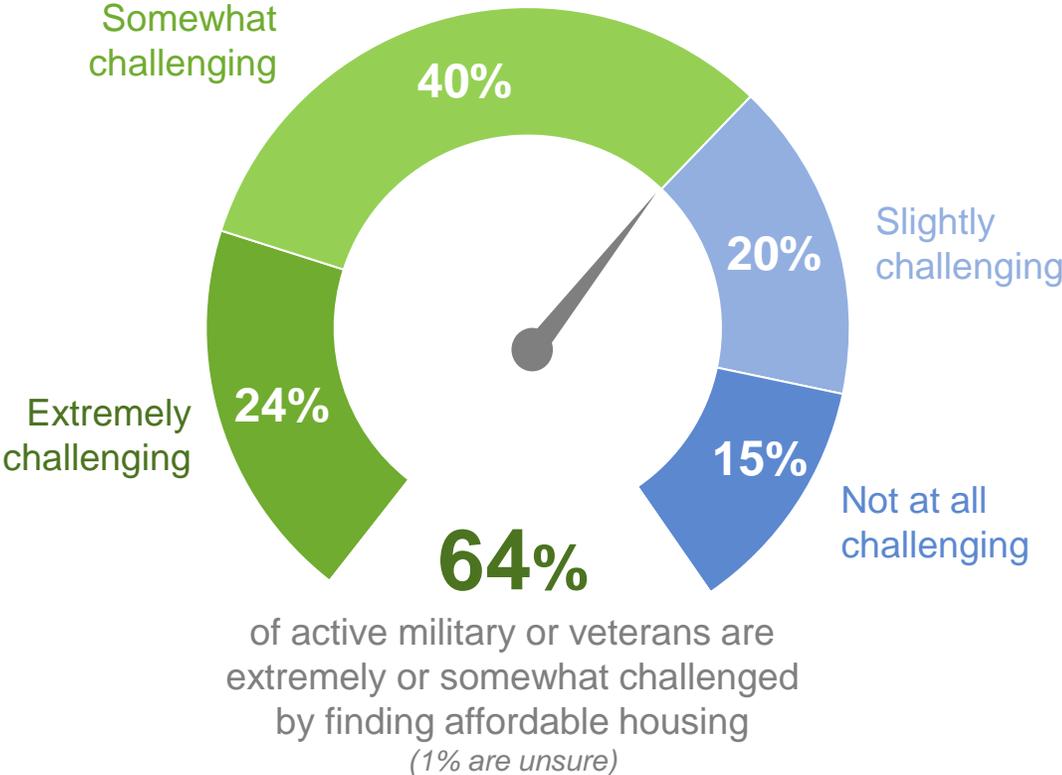


Finding **affordable housing** is the second biggest concern among active-duty service member households.



Most active-duty service members expect that the search for affordable housing in civilian life will be challenging

Level of concern about finding an affordable place to live after leaving service



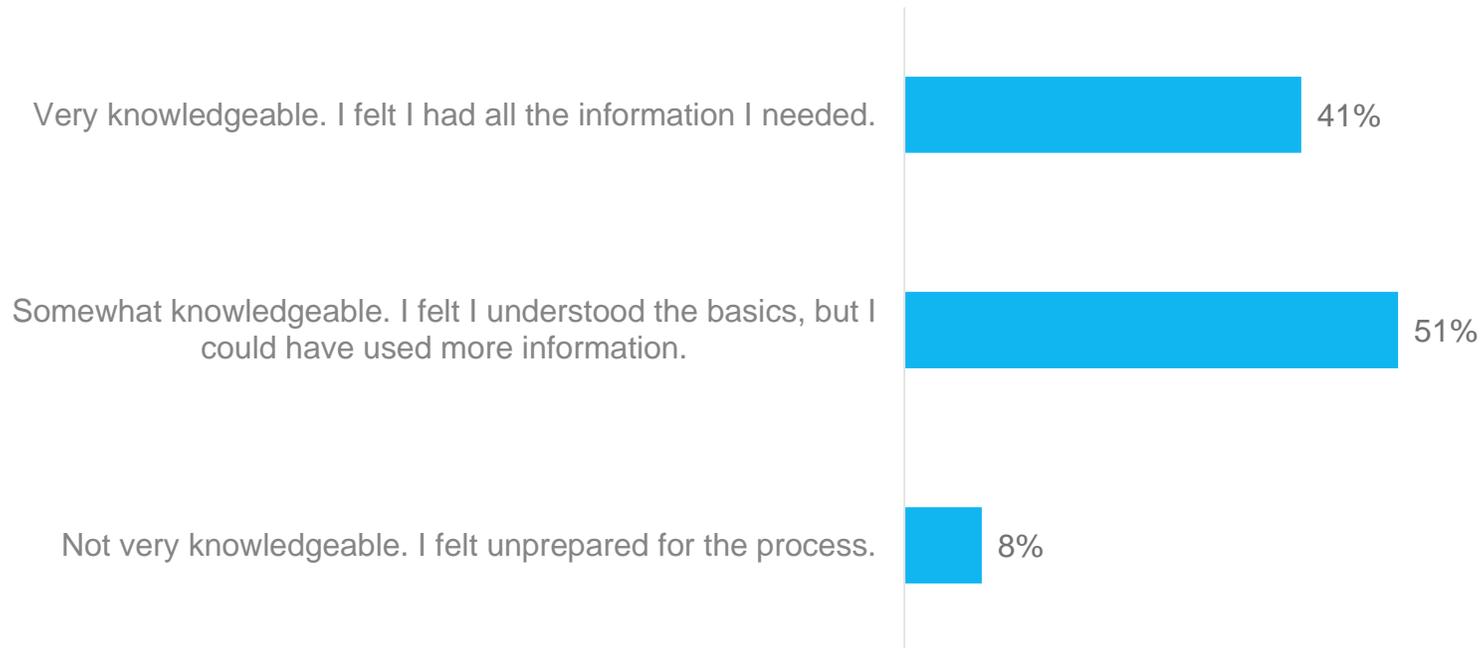
64% of active-duty service members expect that finding an affordable place to live after leaving the service will be extremely or somewhat **challenging.**

Q38 – After leaving military service, how challenging do you anticipate any of the following to be for you or your spouse? Base: N=490 Active-duty service member households



There is an opportunity to increase understanding of the homebuying process

How knowledgeable they felt about the homebuying process while applying for a mortgage

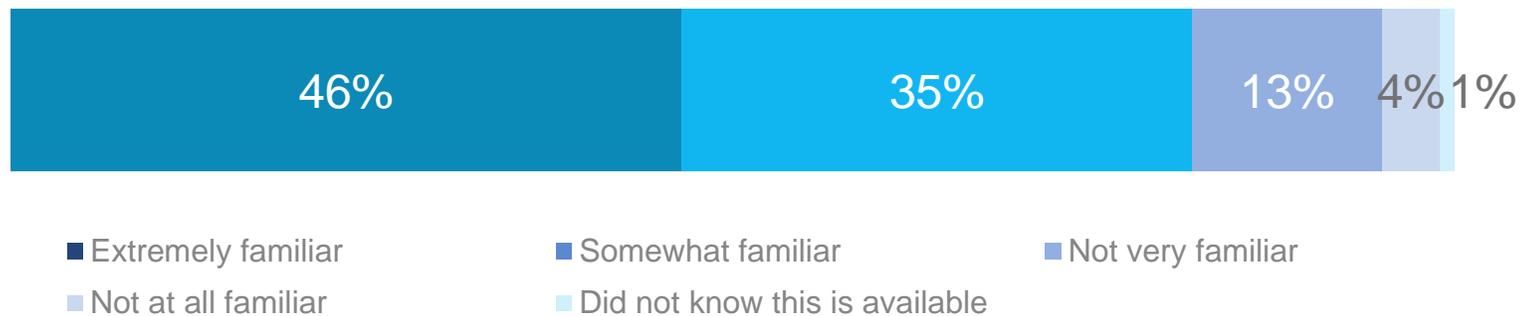


Over half of active-duty service member households feel they could have used **more information** when they were going through the mortgage process.

VA home loans provide a clear pathway to home ownership



Level of familiarity with the VA home loan (among active-duty service members)



87% of active-duty households are aware of the VA home loan benefit, with **81%** extremely or somewhat familiar.

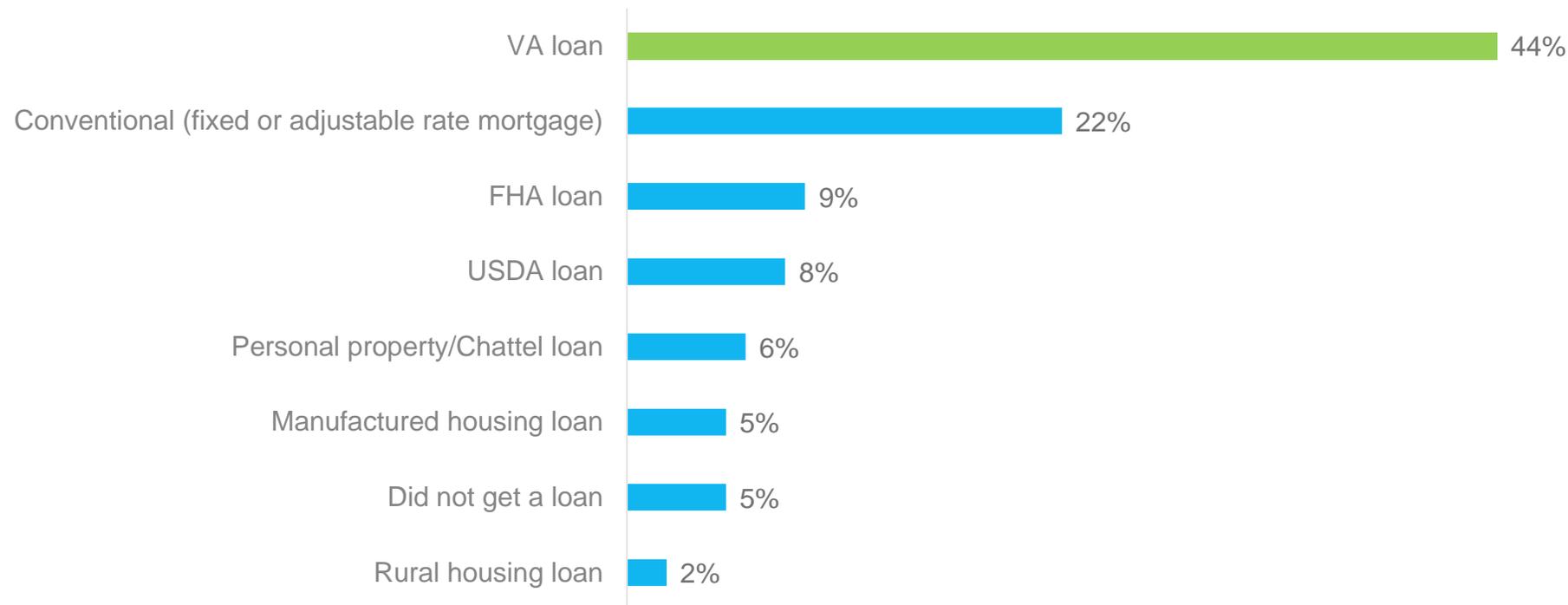
Q18 – Have you heard of this type of home loan or not? Base: N=490 Active-duty service member households

Q41 – Service members and their families have access to several different benefits. How familiar are you with the following benefits offered to service members? Base: N=490 Active-duty service member households

72% of active-duty service member households currently own a home, and VA loans are the most popular loan choice



Loan used to buy current home

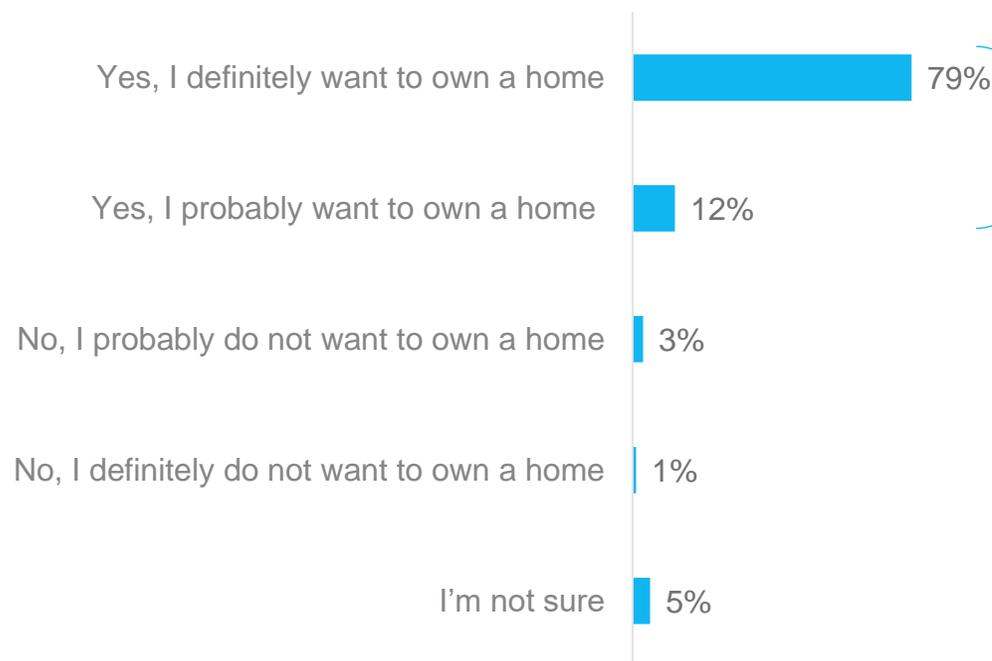


Q23 - What type of loan did you use to purchase your current home? Base: N=353 Active-duty service member households who currently own a home



Active-duty renters have a strong desire to own a home in the future and most are likely to use a VA loan to do so

Desire to own a home among active-duty service members who currently rent

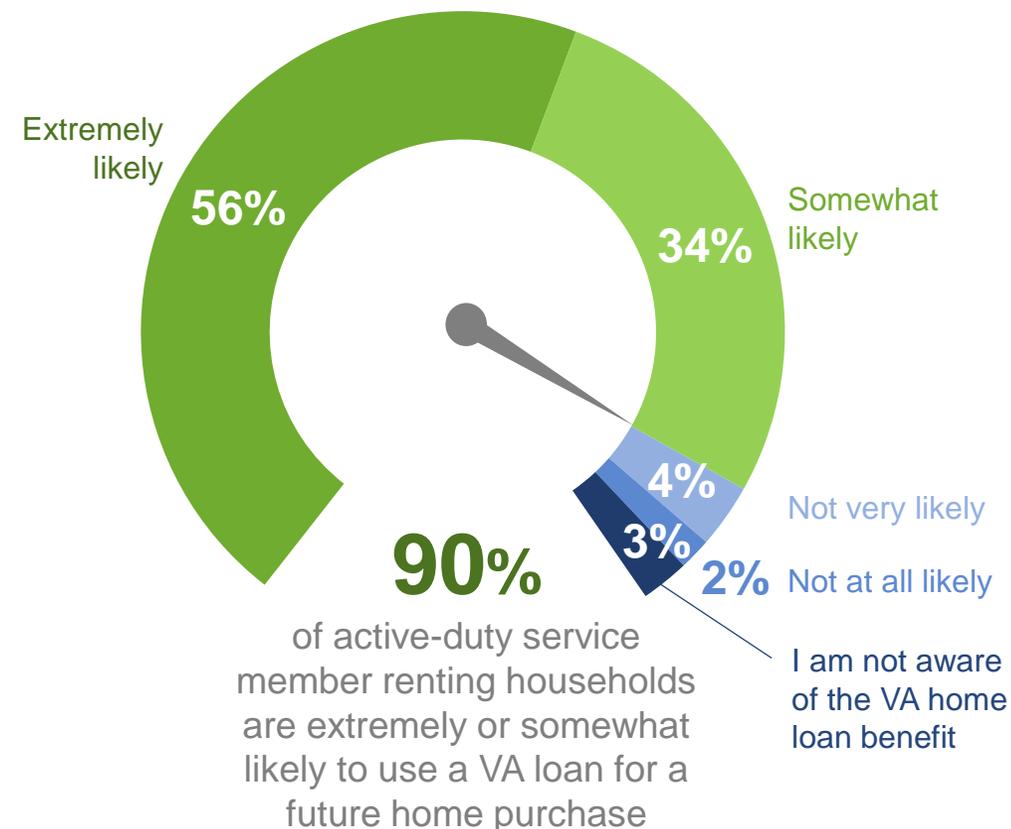


91% desire to own a home in the future.

73% of active-duty households expect to buy the residence they move to next.

Likelihood of using a VA loan to buy a home

(among renters who desire to own a home)



Q32 – Do you want to own a home in the future? Base: N=137 Active-duty service member households who currently

rent
Q33 – Do you expect to rent or buy your next residence? Base: N=490 Active-duty service member households

Summary of findings among veterans and active-duty service members

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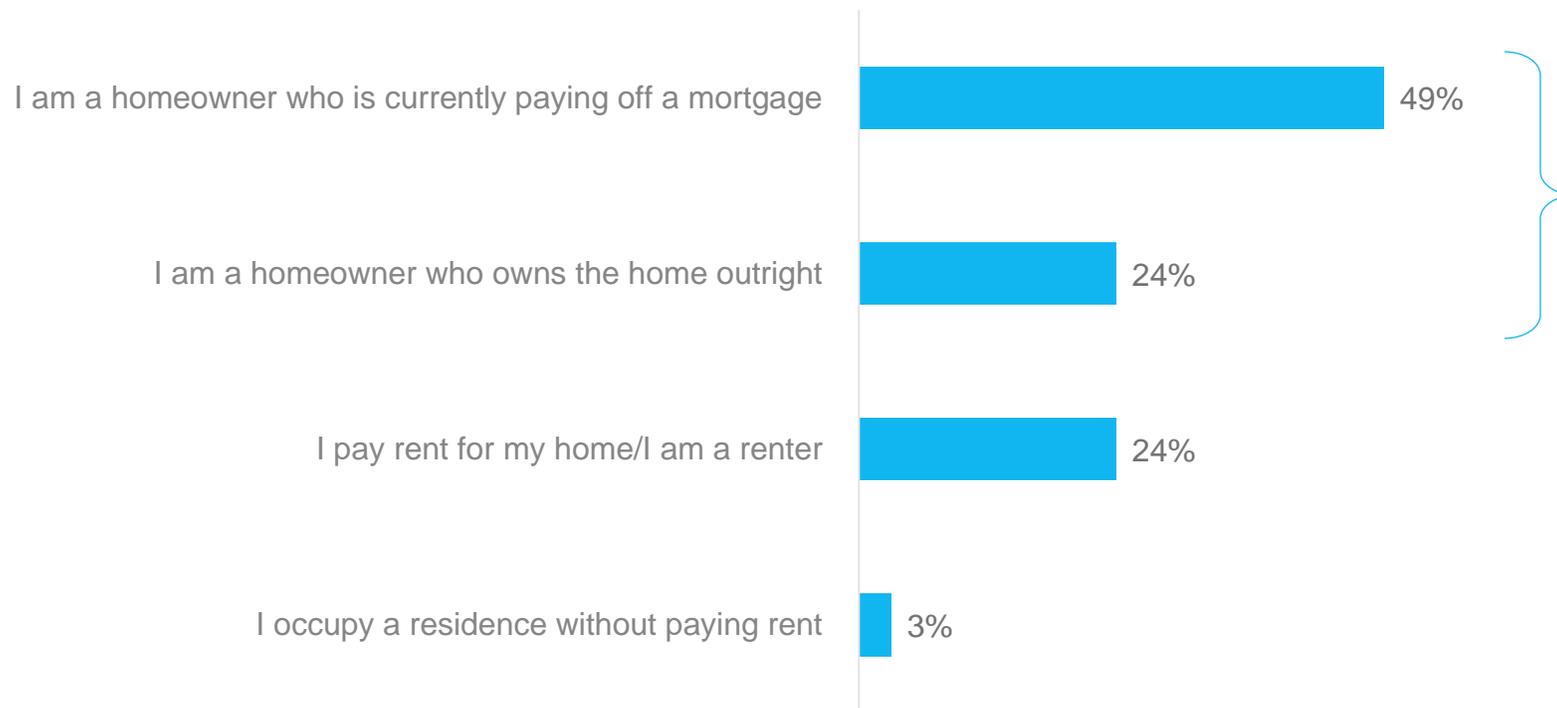


 Freddie Mac

Home ownership among service members is high



Current housing situation



73% of service members own a home, compared to 66% for the general US population.

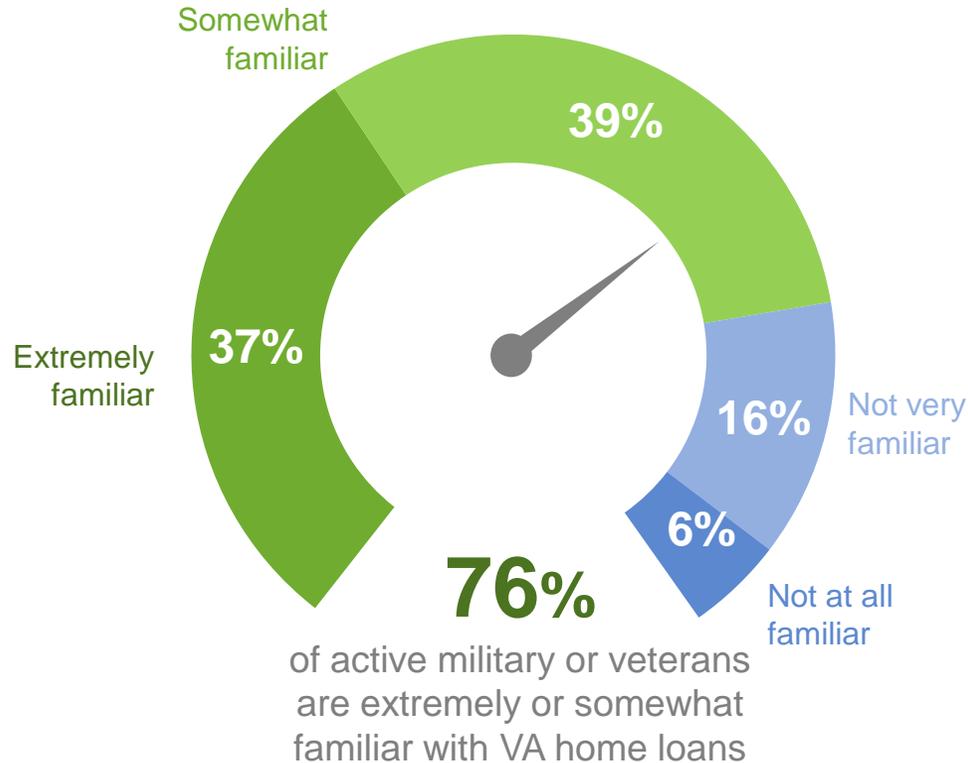
Q16 - Which of the following best represents your current housing situation? Base: N=1,979 Active-duty and veteran service members

US Census: *Residential vacancies and homeownership second quarter 2022 dated August 2, 2022*



Service members are familiar with (and like) VA loans

Familiarity level with VA home loans (among all service member households)



92% of service members have heard of VA loans.



77% of service members are extremely or somewhat familiar with VA home loans.



81% of those who have used VA loans like them – rating them excellent or very good.

Quality of the VA home loan benefit (among those familiar with VA loans and used one)



Q18 – Have you heard of this type of home loan or not? Base: N=1,979 Active-duty and veteran service member households

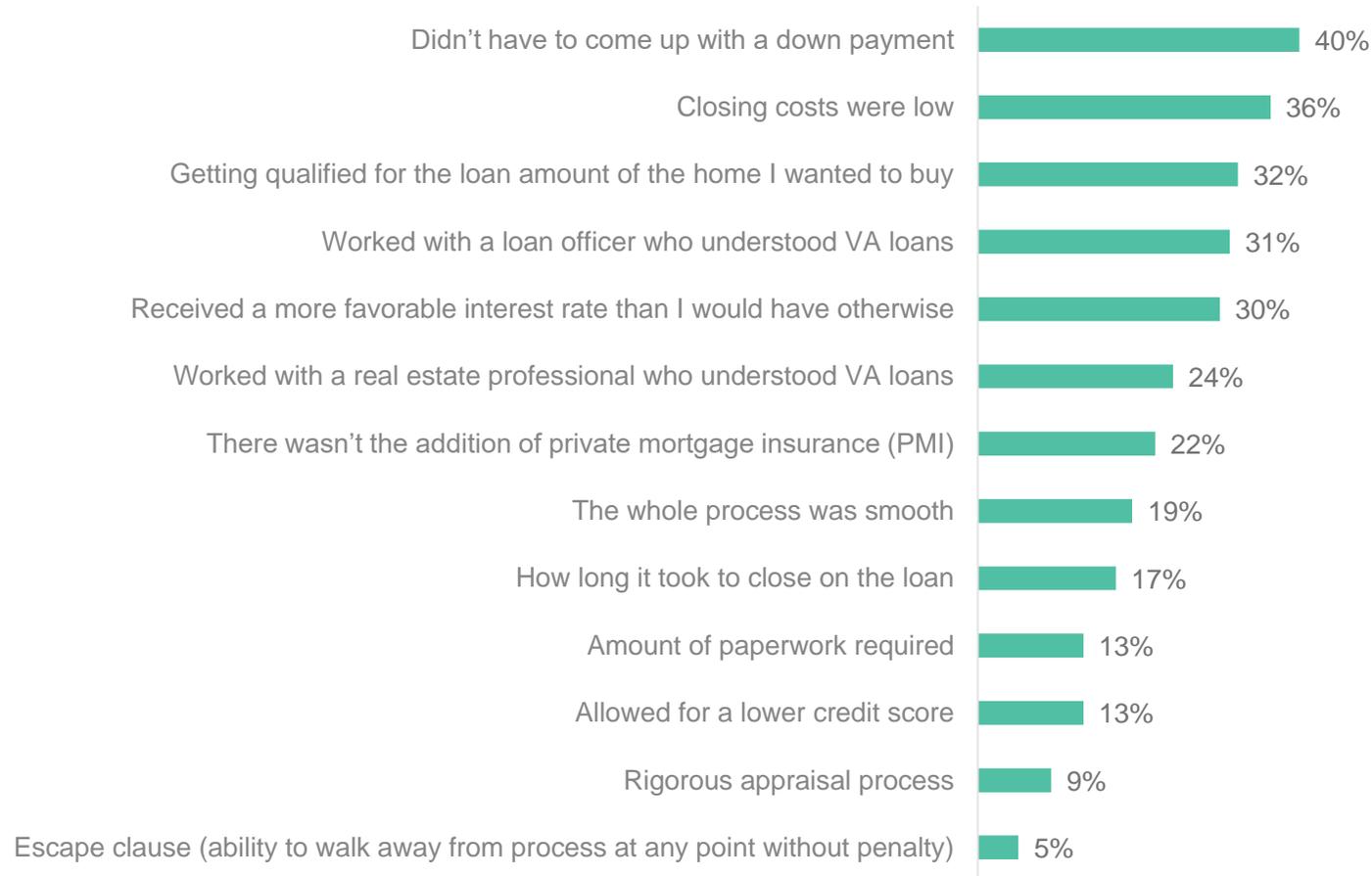
Q41 - Service members and their families have access to a number of different benefits. How familiar are you with the following benefits offered to service members? Base: N=1,979 Active-duty and veteran service member households

Q42 - What is your view of the quality of the benefits? Base: N=732 service members who are extremely or somewhat familiar with VA loans and used one in the past

The low down payment feature is the biggest benefit of a VA loan



What worked well with the VA loan (among those aware of and used one)



Those who used a VA loan like the low down payment feature, low closing costs, and higher loan qualification amounts.



VA loans offer better rates and are easier to qualify for.

VA loans have a few more rules in the long run but are basically an easier process to go through.

They're very similar to FHA and some other stuff, but just a bit more favorable terms and a bit easier to qualify.

They just make it easier for veterans to get a home and a mortgage.



Q44 - When purchasing a home with a VA loan, what parts of the process, if any, worked well? Base: N=756 service members who are aware of VA loans and used one in the past

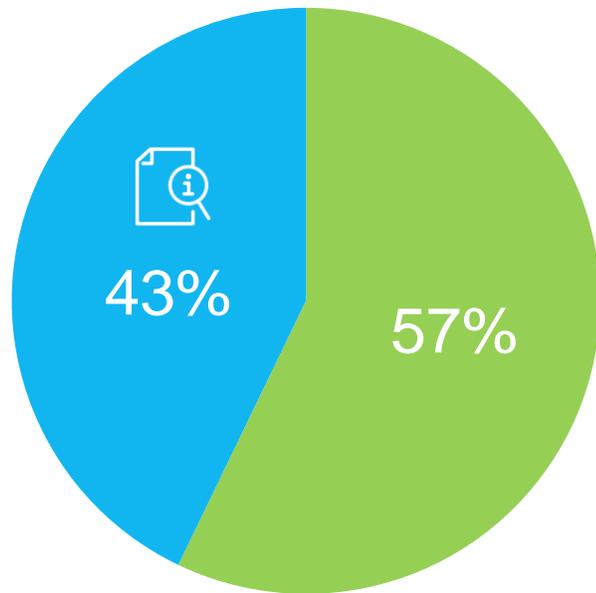
Q46 - Based on your experience, how do VA loans compare to other types of home loans available to you? Why would you or would you not recommend VA loans to other service members? Base: N=756 service members who are aware of VA loans and used one in the past



Many service members still don't choose to use VA loans, but educating them about the homebuying process may help

VA loan usage among current homeowners who are aware of them

- Current homeowner aware of VA Loan and Used One
- Current homeowner aware of VA Loan but Never Used One



Only **57%** of current homeowners who have heard of a VA loan have ever used one in the past.



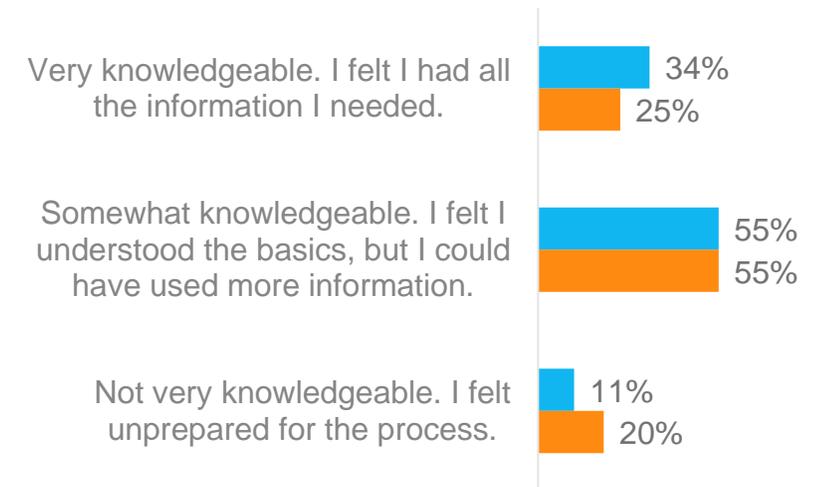
Only **41%** of current homeowners used a VA loan to buy their current home.



VA loan users are more likely to have felt comfortable with their knowledge level of the homebuying process than those who have never used a VA loan.

How knowledgeable they felt about the homebuying process while applying for a mortgage

- Aware of VA Loan and Used One
- Aware of VA Loan but Never Used One



Q19 - Have you ever used this type of home loan in the past? Base: N=692 current homeowner that used VA loan and N=519 current homeowners who have not used a VA loan

Q29 - Thinking back to when you applied for a mortgage in the past, how knowledgeable did you feel about the home buying process overall? Base: N=750 Aware of VA loans and used one in the past and N=632 Aware of VA loans and not used one in the past

Thank You

