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# First-Time Homebuyers Undeterred by Rising Mortgage Interest Rates

In a recent survey of first-time homebuyers released today by PulteGroup (NYSE: PHM), one of the nation's largest homebuilders, respondents were resoundingly clear that achieving the dream of homeownership was not going to be derailed by the current mortgage interest rate environment.

Conducted during summer 2023, the survey sought the opinions of PulteGroup customers who purchased their first home in the past 12 months. Given rising mortgage interest rates over the past year, the survey sought to better understand first-time homebuyer motivations and the considerations they faced.

Specific findings include:

- When asked why they purchased their first home recently, the answer was simple: because they wanted to. Either the desire to stop renting or recognition that homeownership is a smart financial investment was the main motivator for 72 percent of respondents.
- "Overall value" was the primary reason for choosing new construction over resale for 75 percent of respondents, whereas only five percent indicated low resale inventory as the reason.
- Higher mortgage interest rates did not deter their purchase, but 55 percent of respondents said it did impact certain decisions. For example, 35 percent of that group said they bought a smaller home than they originally planned, 27 percent said they included fewer options and upgrades and 26 percent said they bought in a different location.
- With 95 percent of respondents using mortgage financing to purchase their home, 72 percent said they paid for their down payment through savings, with 10 percent saying they were able to use a gift from family members, and five percent used

government down payment assistance. Of the 11 percent who indicated they used other sources, respondents cited sources such as VA loans or borrowings against 401k savings.

“First-time homebuyers can be more severely impacted by higher mortgage rates, so ongoing strong demand among this buyer group has been a positive development as 2023 has progressed,” said Matthew Koart, PulteGroup Executive Vice President and Chief Operating Officer. “This buyer group appreciates the financial benefits of homeownership and remains ready to buy. The availability of high quality, newly constructed homes supported by innovative incentive programs has helped sustain, and in some markets accelerate, first-time homebuyer sales.”

Conducted over a three-week period in June and July, survey results were based on responses from 556 PulteGroup first-time homebuyers who closed on their home purchase within the prior 12 months. PulteGroup offers homes to first-time buyers across its brands, including Centex, which helps first-time homebuyers put themselves in a better place. Centex builds consumer inspired homes and communities that balance smart design and affordability with a friendly, enjoyable buying process that includes access to favorable financing options and other incentives. For more information about Centex, visit centex.com.

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**About PulteGroup**

PulteGroup, Inc. (NYSE: PHM), based in Atlanta, Georgia, is one of America's largest homebuilding companies with operations in more than 45 markets throughout the country. Through its brand portfolio that includes Pulte Homes, Centex, Del Webb, DiVosta Homes, and John Wieland Homes and Neighborhoods, the company is one of the industry's most versatile homebuilders able to meet the needs of multiple buyer groups and respond to changing consumer demand. PulteGroup's purpose is building incredible places where people can live their dreams.

For more information about PulteGroup, Inc. and PulteGroup brands, go to pultegroup.com; pulte.com; centex.com; delwebb.com; divosta.com; and jwhomes.com. Follow PulteGroup, Inc. on X: @PulteGroupNews.

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