What Home Buyers Spend After Moving and How Long the Impact Lasts

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Buying a home typically generates a wave of consumer spending beyond the purchase of the home itself. Following a home purchase, households often buy appliances and furnishings and undertake remodeling and repair projects to make the home fit their needs and preferences. This spending supports many businesses and industries, extending the economic impact of home buying.

Since the COVID-19 pandemic, the housing market and consumer spending behavior have changed substantially. Housing demand surged, home prices rose rapidly, inflation accelerated, supply chains were disrupted, and mortgage rates shifted from historic lows to elevated levels. These changes raise important questions about the post-purchase spending patterns among home buyers and how long the spending boost associated with a home purchase lasts.

NAHB analysis of Consumer Expenditure Survey data from 2020 through 2023 shows that buyers of both newly built and existing single-family detached homes spend substantially more than homeowners who stay put. Buyers of newly built homes spend an average of $26,882 on appliances, furnishings, and remodeling and repairs during the first year after purchasing a home, nearly three times the $9,457 spent by non-moving homeowners. Meanwhile, buyers of existing homes spend an average of $18,673 during the first year after purchasing a home, approximately twice the amount spent by non-moving homeowners.

The Data

This study uses data from the Consumer Expenditure Survey (CES), the primary source of information on consumer spending in the United States collected by the US Bureau of Labor Statistics (BLS). Besides detailed expenditure data, the CES collects information on household income, socio-demographic characteristics, housing tenure, and the year a home was built and acquired. Compared to some other government household surveys, the CES sample is not particularly large, with approximately 7,000 usable household interviews every quarter, and it is not specially designed to capture home buyers.

To obtain a sufficient sample of recent home buyers, this study pooled quarterly CES data from 2020 through 2023. The analysis is limited to owner-occupied single-family detached homes and categories households into three groups: buyers of newly built homes (roughly 0.8%), buyers of existing homes (5.2%), and homeowners who did not move during the survey period (94.1%). A newly built home in this analysis is defined as a home built within the previous four years at the time of the survey[1].

These shares are roughly consistent with national patterns reported in the 2023 American Housing Survey (AHS). Among owners of single-family detached homes, approximately 1.5% were buyers of newly built homes, which are defined as homes constructed within the previous four years, 7.4% were buyers of existing homes, and 91.1% were non-moving homeowners. All expenditures and household income are adjusted for inflation and expressed in 2023 dollars using the Consumer Price Index (CPI).

Expenditure Levels

Home buyers spend considerably more on appliances, furnishings, and property alterations and repairs than non-moving homeowners. The average includes all homeowners, regardless of whether a purchase was made during the year. This average primarily measures the overall market demand generated by each homeowner group.

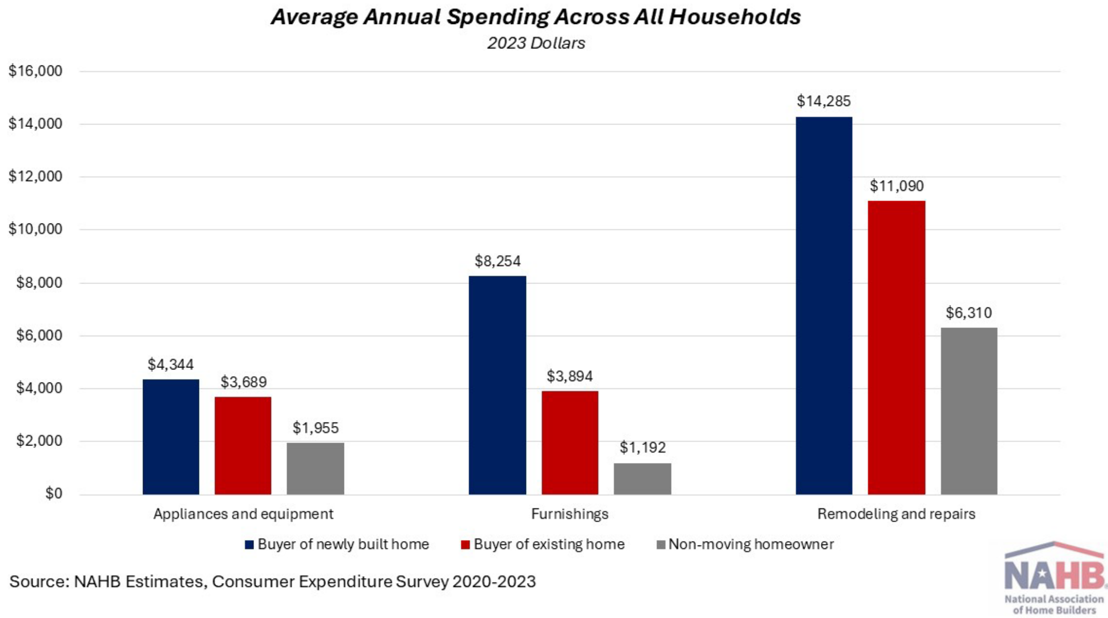
As shown in the chart below, buyers of newly built homes spend an average of $26,882 on appliances, furnishings and property alterations and repairs during the first year after purchasing a home, nearly three times the $9,457 spent by non-moving homeowners. Buyers of existing homes spend $18,673, approximately twice the amount spent by non-moving homeowners. Detailed items and project level estimates are provided in Table 1.

[1] The earlier special study used data from 2017 through 2019 and defined newly built homes as those constructed after 2016. Because the data period, variable definition and sample construction differ from the earlier study, the results are not directly comparable.

Table 1. Single-Family Detached Home Owners' Average Annual Spending on Various Items, in $2020

	1st Year After Buying Home		Non-Moving Owners
	Newly Built Home	Existing Home	
A. Furnishings			
Sofas	$1,178	$1,010	$208
Living room chairs and tables	$352	$348	$113
Other living/family/recreation room furn.	$568	$149	$64
All dining room and kitchen furniture	$702	$399	$47
Bedroom furn. (incl. mattresses/springs)	$1,680	$733	$253
Infants furniture & equipment	$209	$63	$25
Patio/porch/outdoor furniture & equipm.	$744	$325	$119
Office furniture for home use	$111	$60	$19
China, dinnerware, glassware, etc	$64	$28	$20
Non-electric cookware	$30	$18	$17
Bedroom/ bathroom and other linens	$231	$122	$78
Lamps and other decorative items	$465	$206	$98
Non-permanent floor coverings	$235	$116	$40
Curtains and drapes	$315	$57	$16
Blinds, Shades, Other Window coverings	$1,089	$183	$31
Other furnishings	$280	$81	$52
Total furnishings	**$8,254**	**$3,894**	**$1,192**
B. Property Alterations & Repairs			
Building an addition or a new structure incl. porch,	$785	$423	$631
Finishing a basement/attic or enclosing a porch	$2,739	$629	$178
Remodeling one or more rooms	$471	$2,764	$1,210
Landscaping	$3,512	$712	$449
Building outdoor patios/walks/fences/pools/drivewa	$4,303	$932	$706
Outdoor repairs	$20	$210	$188
Painting or wallpapering	$171	$870	$290
Plastering or paneling	$1	$16	$18
Plumbing/water heating	$309	$614	$327
Electrical work	$442	$276	$139
Heating or air conditioning jobs	$78	$1,034	$524
Flooring, incl. carpeting, wood, vinyl, tile	$182	$926	$260
Insulation	$5	$47	$19
Roofing, gutters, or downspouts	$6	$658	$550
Siding	$1	$2	$3
Window panes, screens, storm doors, awnings, et	$141	$333	$269
Masonry, brick or stucco work	$6	$60	$44
Other improvements or repairs	$1,114	$584	$505
Total alerations, repairs	**$14,285**	**$11,090**	**$6,310**

	1st Year After Buying Home		Non-Moving Owners
	Newly Built Home	Existing Home	
C. Appliances			
Cooking stove, range, or oven	$153	$127	$60
Microwave oven	$19	$32	$17
Refrigerator or home freezer	$789	$291	$121
Built-in dishwasher	$32	$65	$38
Clothes washer/dryer	$387	$331	$100
Small electrical kitchen appliances	$111	$46	$40
Electric floor cleaning equipment	$129	$44	$28
Electric personal care appliances	$26	$12	$12
Other household appliances	$136	$41	$31
Lawnmowers / other yard equipment	$367	$262	$120
Power tools	$79	$73	$43
Non-power tools	$9	$32	$10
Window air conditioners	$0	$8	$6
Portable cooling&heating equipment	$2	$19	$10
Television, all types	$574	$250	$99
DVD players, VCRs, DVRs, video cameras	$3	$5	$6
Stereos, radios, speakers, and sound compo	$44	$30	$21
Other sound and video equipment	$21	$17	$12
Musical instruments, supplies, accessories	$17	$33	$37
Gen. sports equipment (incl shoes)	$164	$56	$46
Health and exercise equipment	$223	$79	$36
Hunting/fishing/camping equipment	$98	$111	$69
Winter sports equipment	$34	$11	$8
Water sports equipment	$25	$8	$9
Bicycles	$235	$30	$31
Playground equipment	$17	$13	$4
Computer hardware/systems	$388	$169	$172
Computer software/accessories	$53	$24	$30
Telephones and accessories	$73	$156	$124
Satellite dishes	$0	$1	$1
Other appliances	$135	$1,314	$614
Total appliances	**$4,344**	**$3,689**	**$1,955**
Total alerations, repairs, appliances and furnishings	**$26,882**	**$18,674**	**$9,457**



Appliances

Among all households, buyers of newly built homes spend an average of $4,344 on appliances during the first year after purchasing a home, compared with $3,689 for buyers of existing homes and $1,955 for non-moving homeowners. The largest appliance expenditure among buyers of newly built homes includes refrigerators and home freezers, televisions, clothes washers and dryers, computers, and lawn equipment. This pattern may partly reflect differences in which appliances are already included with a newly built home and which items buyers must acquire separately. Most newly constructed homes include essentials like stoves, ovens and dishwashers. However, refrigerators and/or freezers and laundry appliances are often optional upgrades.

Televisions, while not among the most expensive appliances, rarely come with new homes. As a result, buying television sets for multiple rooms in the new house can add up to the high level of spending, reflecting the high frequency of these purchases by new home buyers rather than a particularly high cost of the item. Buyers of existing homes exhibit a similar spending pattern, although average expenditures are somewhat lower. However, spending on clothes washers and dryers is higher for buyers of existing homes ($481) than for buyers of newly built homes ($387).

Furnishings

Recent home buyers also spent considerably more on furnishings than non-moving homeowners Among all households, buyers of newly built homes spend an average of $8,254, more than twice the $3,894 spent by buyers of existing homes and approximately seven times the $1,192 spent by non-moving homeowners.

Compared with buyers of existing homes, buyers of newly built homes spend more on nearly every major furnishing category. The largest furnishing expenditure among buyers of newly built homes is for bedroom furniture (about $1,204) and sofas ($1,178), followed by blinds, shades, and other window coverings ($1,089). The corresponding expenditures for buyers of existing homes are $385, $1,010, and $183, respectively, while non-moving homeowners spend only $111, $208, and $31.

Spending on dining room and kitchen furniture also differs substantially across homeowner groups. Buyers of newly built homes spend $702, compared with $399 for buyers of existing homes and $47 for non-moving homeowners. These differences reflect the need to furnish an entire home after a purchase, particularly for buyers of newly constructed homes with few window treatments.

Property Alterations and Repairs

Property alterations and repair projects account for the largest share of home buyer spending. During the first year after purchasing a home, buyers of newly built homes spend an average of $14,285 on property alterations and repairs, compared with $11,090 for buyers of existing homes and $6,310 for non-moving homeowners. While both groups of home buyers spend substantially more than non-moving homeowners, the composition of their remodeling expenditures differs considerably.

The composition of property alterations and repair spending differed between the two home buyer groups. Buyers of newly built homes allocate relatively more spending to projects that customized or expanded the property, including landscaping, patios, walkways, fences, driveways, swimming pools, and finishing basements, attics, or porches. These projects may add features that were not included in the original construction.

Buyers of existing homes, by contrast, invest more into updating, replacing, or repairing existing components. Major categories included room remodeling, heating and air-conditioning systems, flooring, painting, and roofing. The results therefore suggest that buyers of newly built homes tend to focus more on customization and additions, while buyers of existing homes tend to focus more on renovation and replacement.

The Analysis

Characteristics of Home Buyers and Non-Moving Homeowners

Home buyers after move-in spend substantially more on appliances, furnishings, and property alterations and repairs than non-moving homeowners, as shown in the previous section.

However, these differences cannot be attributed only to the purchase of a home. Buyers of both newly built and existing homes are different from non-moving homeowners in several demographic and socioeconomic characteristics. Home buyers tend to be larger households with higher income, and higher levels of educational attainment. They are more likely to live in urban areas and to be married couples with children under 17. Buyers of newly built homes are more heavily concentrated in the South than either buyers of existing homes or non-moving homeowners. In contrast, non-moving homeowners are more likely to be non-Hispanic White people, accounting for 75.3% of the group, compared to about 70% for both home buyer groups.

Spending Attributable to Home Buying

Because these socio-economic characteristics also influence spending, comparing group averages alone overstates the effect of the home purchase itself. Therefore, it is worthwhile to estimate how much additional spending is associated with purchasing a home after taking these differences into account. Tobit regression is used in this statistical analysis, because many households report no spending in a given category, resulting in expenditure distributions with a large concentration at zero. We then use the results to compare predicted spending for similar households under different homeownership situations.

Table 2. Characteristics of Single-Family Detached Homeowners

Household Characteristics	"New" Home Buyers	"Old" Home Buyers	Non-Moving Owners
Number of Cases	317	2,296	45,103
Household Size	2.8	2.8	2.6
Household Income	$164,214	$127,359	$120,383
Region of Residence			
Northeast	4%	14.1%	15.9%
Midwest	12.7%	24.4%	22.8%
South	54.8%	43%	41.4%
West	28.6%	18.5%	19.9%
Rural vs. Urban			
Urban	96.7%	93.6%	92.8%
Rural	3.3%	6.4%	7.2%
Education of Respondent			
Less than High School	4.1%	5%	6.3%
High School	11.7%	17%	19.9%
Some College	27.8%	29%	29.3%
College Graduate or more	56.4%	49%	44.5%
Minority			
White Non-Hispanic	70.4%	69.8%	75.3%
Minority	29.6%	30.2%	24.7%
Family Type			
Married Couple Only	31.3%	22.6%	28.9%
Married Couple with Children under 17	28.2%	25.9%	17.4%
Other	40.5%	51.6%	53.7%

Table 3. Spending of a "Typical" New Home Buyer

Spending Category	If Not Moving	If Buying a Newly Built Home		
		Year 1	Year 2	Year 3
Appliances	$2,722	$4,475 (+$1,752)***	$3,006 (+$284)	$2,796 (+$74)
Furnishings	$2,354	$7,236 (+$4,882)***	$2,860 (+$506)*	$3,121 (+$767)**
Property Alterations & Repairs	$9,660	$11,776 (+$2,116)	$8,716 (−$944)	$11,402 (+$1,742)

*Note: Values are predicted annual spending in 2023 dollars for a typical new home buyer. "Predicted Spending If Not Moving" represents predicted spending for the same household characteristics under a non-moving homeowner scenario. The predicted difference equals predicted spending if purchasing a home minus predicted spending if not moving. Statistical significance is based on the corresponding Tobit buyer-status coefficient. *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively.*

Table 3 shows how purchasing a newly built home affects household spending after accounting for differences in household characteristics. The estimates compare the same household under two scenarios: if it purchases a newly built home and if it does not move. The Year 1, Year 2, and Year 3 columns show the predicted annual spending of a typical newly built home buyer in the first three years after purchasing a home, while the "If Not Moving" column shows the predicted spending for the same household had it remained in its current home. The differences shown in parentheses represent the additional spending associated with buying a newly built home.

If the typical new home buyer does not move, it is predicted to spend about $2,722 per year on appliances, $2,354 on furnishings, and $9,660 on property alterations and repairs. During the first year after purchasing a newly built home, spending increases in all three categories. The largest increase is in furnishings, where predicted spending rises to $7,236, about $4,882 more than for an otherwise identical non-moving homeowner. Appliance spending also increases substantially to $4,475 (+$1,752). Property alterations and repair spending rises to $11,776 (+$2,116), although this increase is not statistically significant.

The spending boost changes over time. Appliance spending is concentrated in the first year after purchase and returns close to the non-moving level thereafter. Furnishing spending also peaks in the first year but remains moderately higher in the second and third years, suggesting that households continue furnishing their homes over time. In contrast, property alterations and repair spending shows little evidence of a lasting increase. This pattern is consistent with newly built homes requiring fewer repairs and replacements, so post-purchase property alterations projects are generally more discretionary.

Table 4. Spending of a "Typical" Existing Home Buyer

Spending Category	If Not Moving	If Buying a Existing Home		
		Year 1	Year 2	Year 3
Appliances	$2,454	$3,656 (+$1,202)***	$2,642 (+$189)	$2,651 (+$198)
Furnishings	$2,069	$4,042 (+$1,973)***	$2,452 (+$382)***	$2,429 (+$360)***
Property Alterations & Repairs	$8,384	$13,882 (+$5,498)***	$9,975 (+$1,590)***	$10,481 (+$2,097)***

*Note: Values are predicted annual spending in 2023 dollars for a typical existing home buyer. "Predicted Spending If Not Moving" represents predicted spending for the same household characteristics under a non-moving homeowner scenario. The predicted difference equals predicted spending if purchasing a home minus predicted spending if not moving. Statistical significance is based on the corresponding Tobit buyer-status coefficient. *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively.*

Table 4 presents a similar comparison for households with characteristics typical of an existing home buyer. During the first year after purchase, a typical buyer of existing homes spends significantly more than otherwise identical homeowner who does not move on appliances, furnishings, and property alterations and repair projects. The largest increase occurs in property alterations and repairs, with predicted annual spending of $13,882, approximately $5,498 more. A typical buyer of existing homes also spends more on furnishings (+$1,973) and appliances (+$1,202).

Typical existing home buyers spend more on appliances primarily during the first year after purchase. Furnishing expenditures decline after the first year but remain modestly elevated through the third year. Property alterations and repair spending exhibits the greatest persistence. Even in the second and third years after purchase, buyers of existing homes continue to spend substantially more on property alterations and repairs. This sustained spending reflects that existing homes often required renovations, repairs, and deferred maintenance that are completed over time after purchase.

Despite purchasing different types of homes, buyers of newly built and existing single-family detached homes generate almost the same increase in spending during the first year after purchase, about $8,750 and $8,674, respectively. The difference is not in how much they spend, but what they spend it on. Buyers of newly built homes spend more on furnishings, while buyers of existing homes spend more on property alterations and repairs. For both groups, most appliance purchases occur during the first year after buying a home.