

National Association of REALTORS®

2013 PROFILE OF HOME BUYERS AND SELLERS

The Voice for Real Estate®



Webinar: 2013 Profile of Home Buyers and Sellers

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November 20, 2013



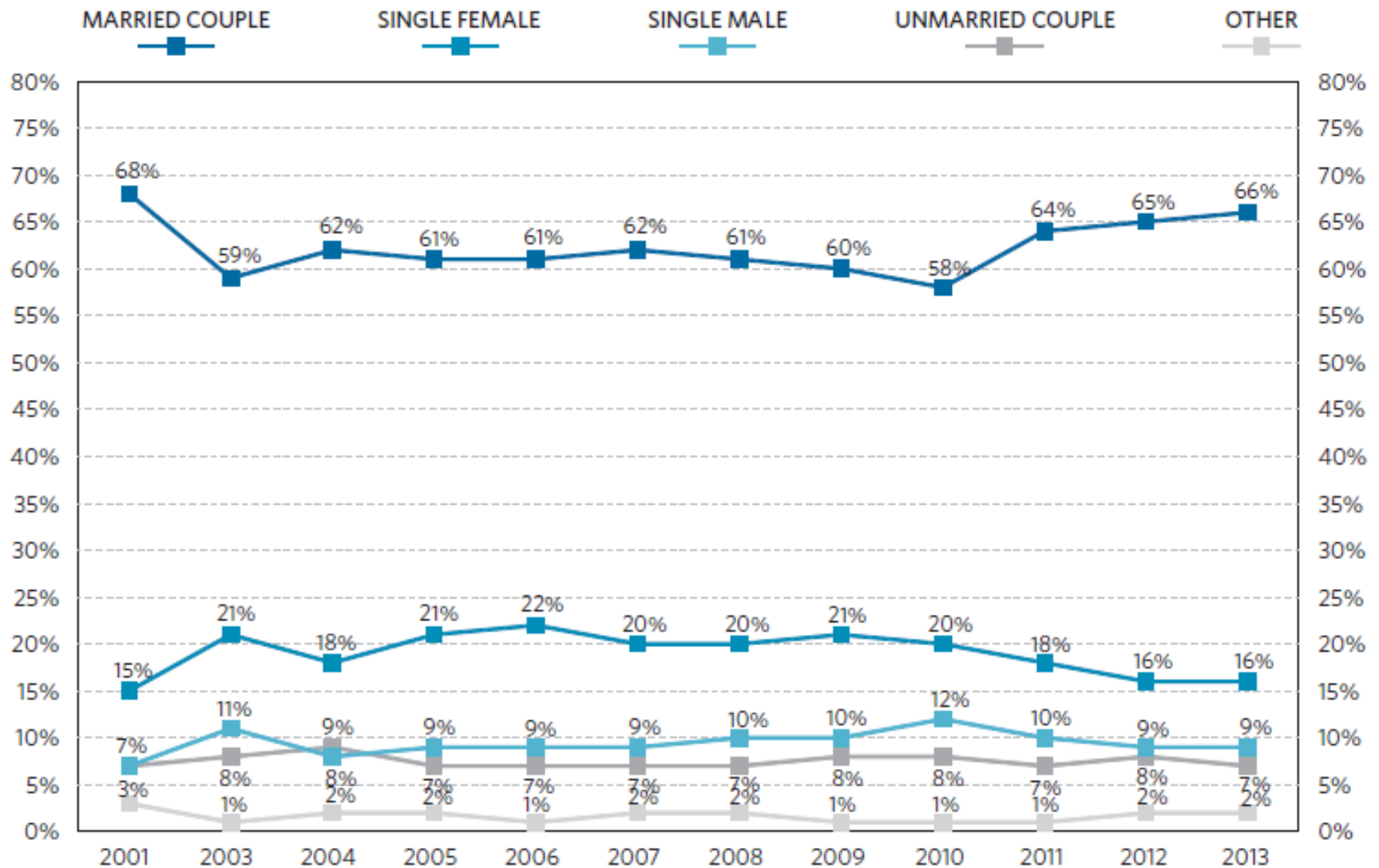
Methodology

- Survey conducted with recent home buyers who purchased a home between July 2012– June 2013
- Seller information gathered from those home buyers who sold a home
- Mailed 148,011 questionnaires- response rate of 6.1%
- Names obtained from Experian
- Data in the presentation is based on medians or the typical buyer in the category and is not all encompassing

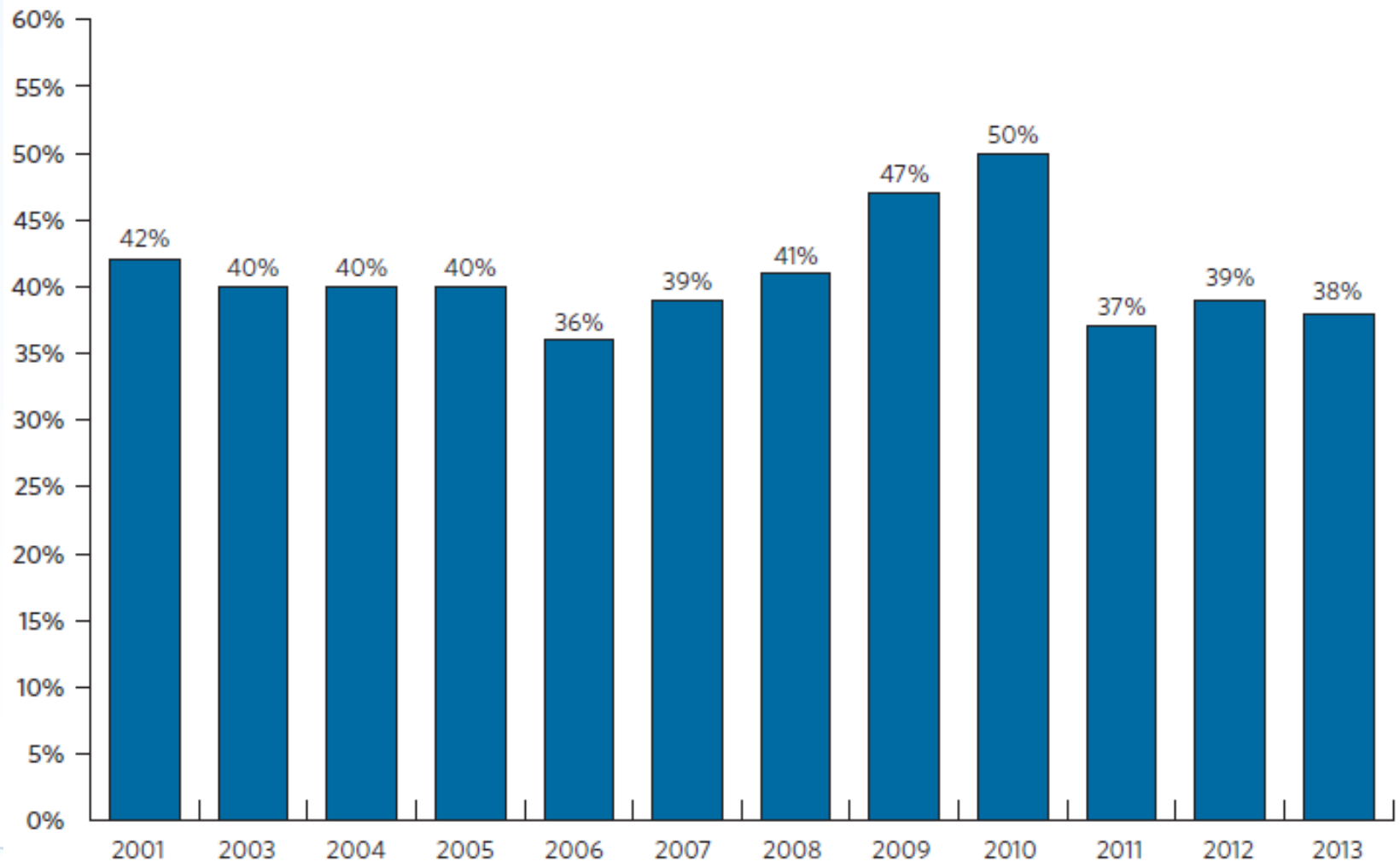
Demographic Changes Since 2010

	2010 Profile	2011 Profile	2012 Profile	2013 Profile
Median Age	39	45	42	42
Gross HH Income	\$72,200	\$80,900	\$78,600	\$83,300
Household Composition	58% married couples, 20% single females, 12% single males, 8% unmarried couples	64% married couples, 18% single females, 10% single males, 7% unmarried couples	65% married couples, 16% single females, 9% single males, 8% unmarried couples	66% married couples, 16% single females, 9% single males, 7% unmarried couples
Children in Home	35%	36%	41%	40%
Own a 2 nd Home	14%	19%	19%	19%

Shift in Household Composition



First-time Buyer Share Remains Under Historical Norm



Multi-Generational Households

	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Multi-generational household	14%	13%	14%	10%	10%	49%
Reasons for purchase:						
Children over 18 moving back into the house	24%	24%	31%	18%	22%	14%
Cost Savings	24	19	28	36	36	40
Health/Caretaking of aging parents	20	23	10	10	12	32
To spend more time with aging parents	11	12	10	5	5	*
Other	22	22	22	31	24	14

First-time Buyers

Median Household Income
\$67,400

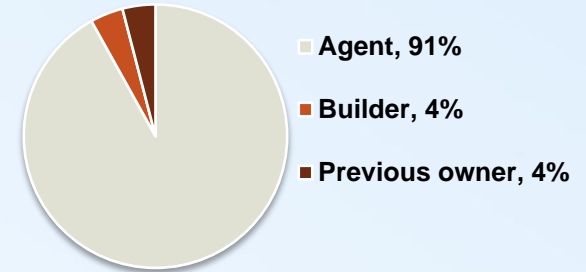
Median Age
31

Type of Home Purchased

- Single-family, 77%
- Townhouse, 8%
- Apt/ condo, 7%
- Other, 6%

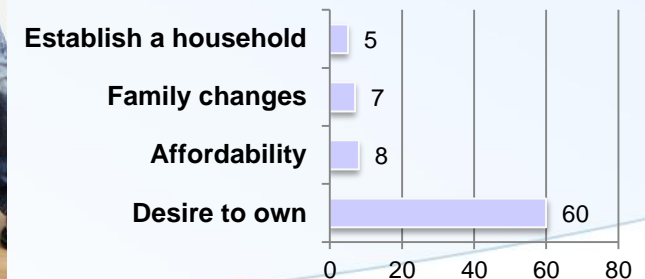


How Buyer Purchased a Home



Median Square Feet
1,670

Reasons to Purchase Home

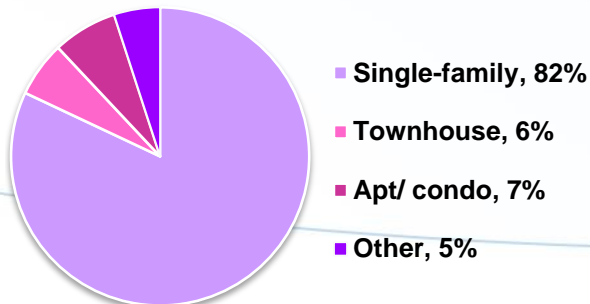


Repeat Buyers

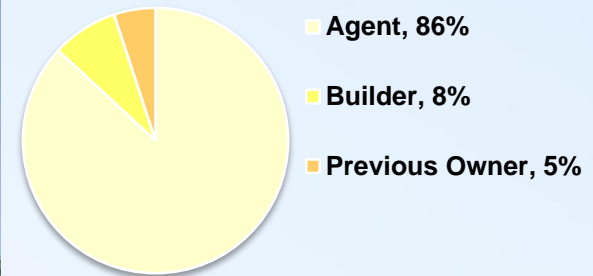
**Median
Household
Income**
\$96,000

**Median
Age**
52

Type of Home Purchased

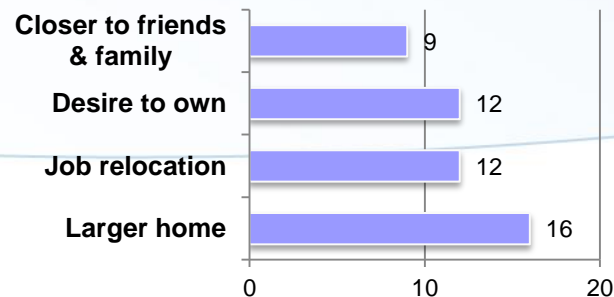


How Buyer Purchased a Home

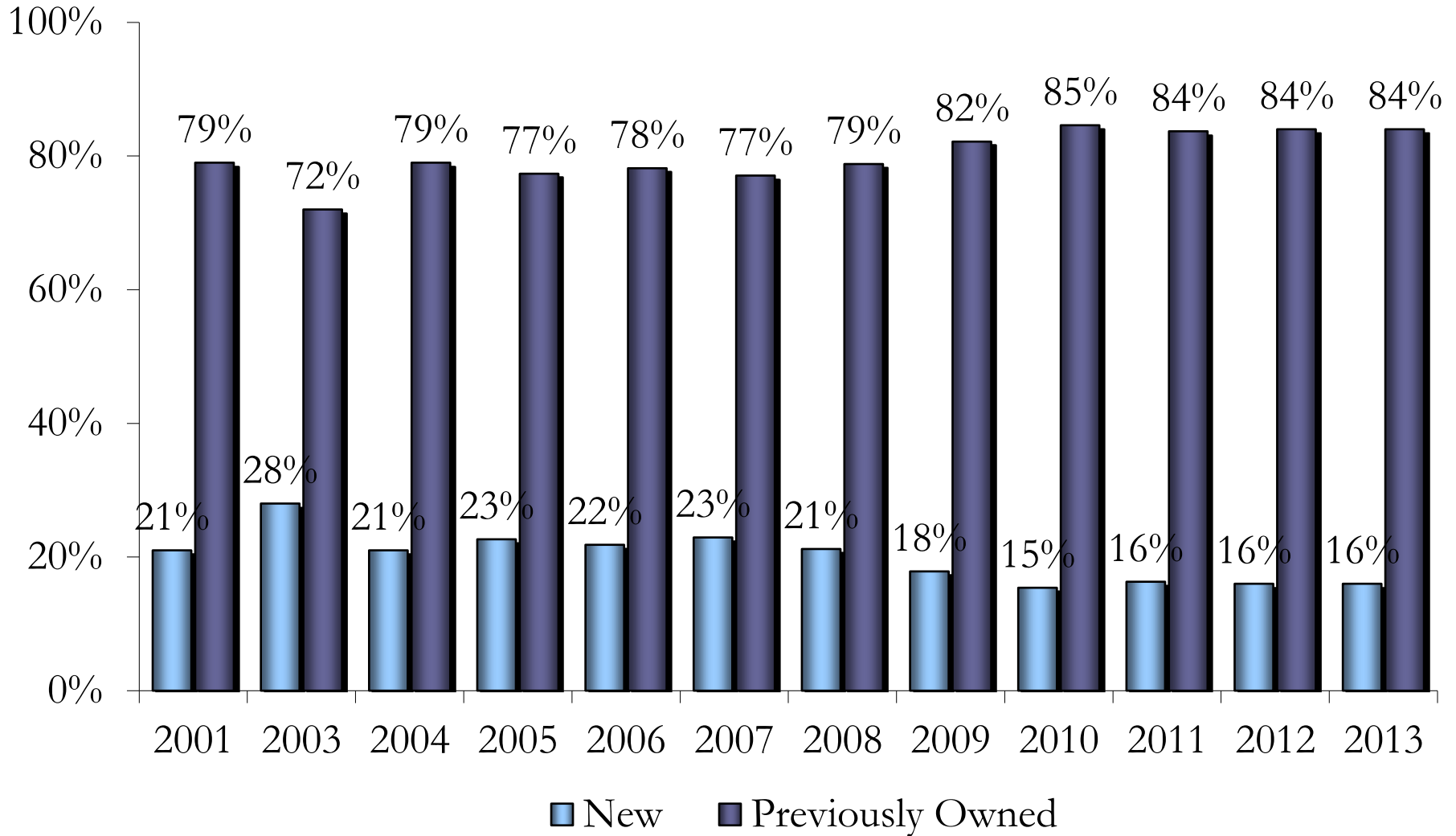


**Median
Square Feet**
2,060

Reasons to Purchase Home



No New Homes to Buy



Reason for New or Previously Owned Home

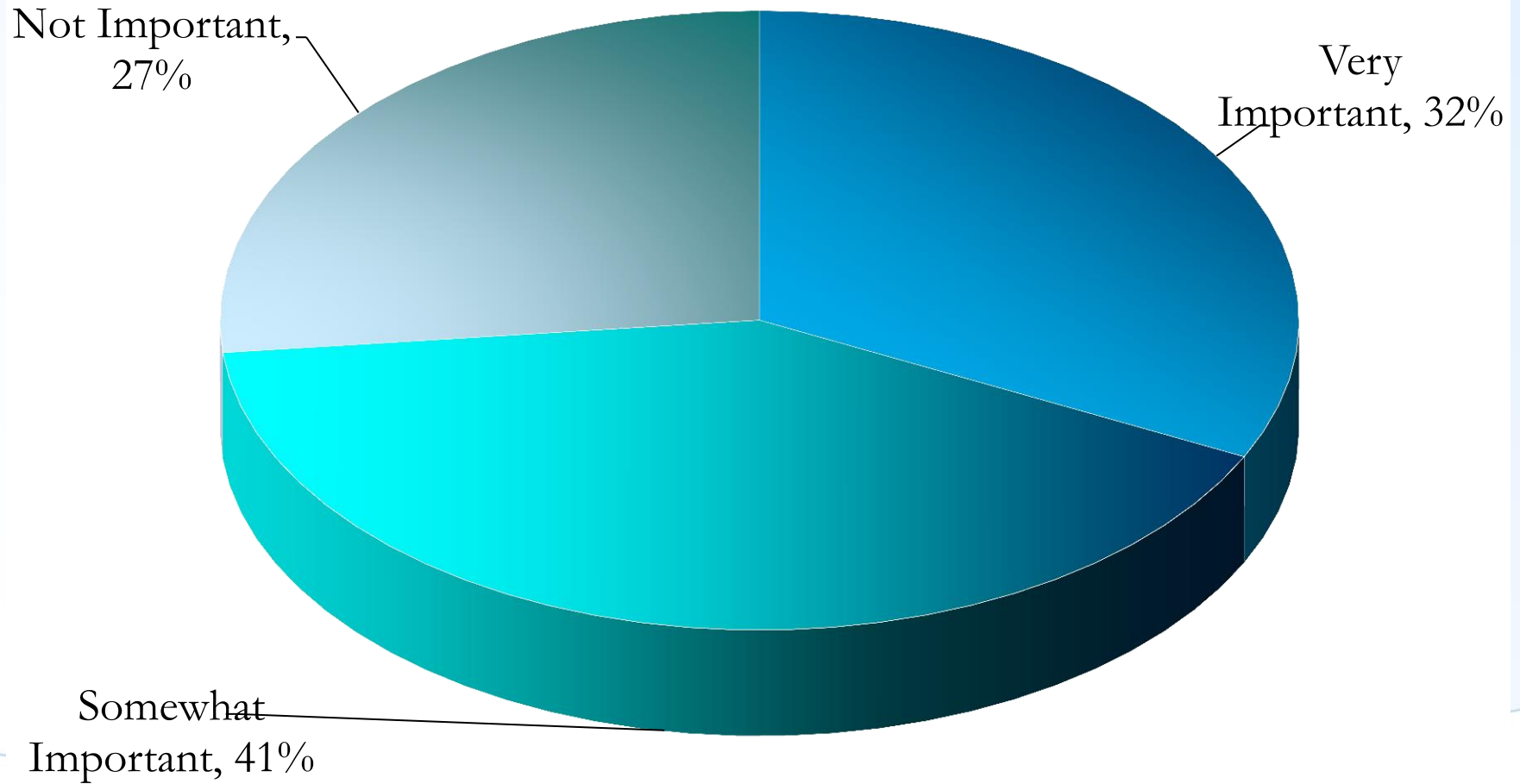
New Home:	16%
Avoid renovations or problems with plumbing or electricity	32%
Ability to choose and customize design features	25
Amenities of new home construction communities	14
Lack of inventory of previously owned home	10
Green/energy efficiency	6
Other	13
Previously Owned Home:	84%
Better price	30%
Better overall value	28
More charm and character	17
Lack of inventory of new homes	9
Other	16

Location, Location, Location

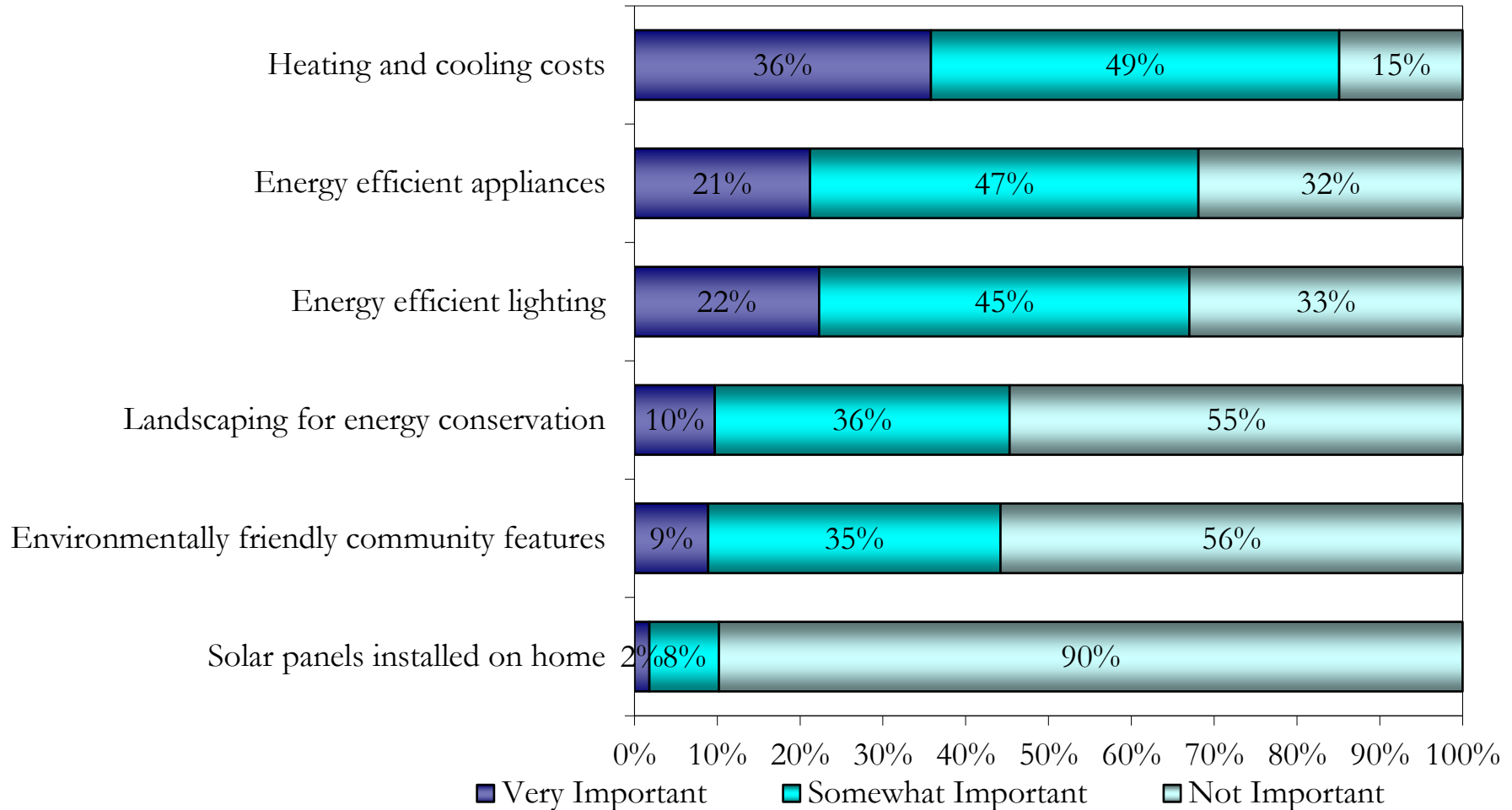


- Quality of the neighborhood
- Convenient to job
- Overall affordability of homes
- Convenient to friends/family
- Quality of school district
- Design of neighborhood
- Convenient to shopping

Commuting Costs



Environmentally Friendly Features

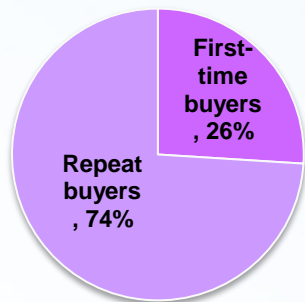


Compromises on Home Purchase

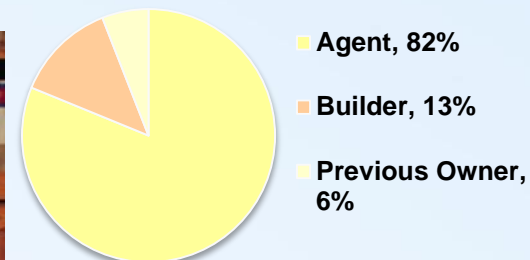
	All Buyers	First-time Buyers	Repeat Buyers
Price of home	20%	22%	19%
Size of home	18	21	16
Condition of home	17	16	17
Distance from job	14	19	11
Lot size	14	16	13
Style of home	13	16	12
Distance from friends or family	6	9	5
Quality of the neighborhood	5	6	4
Quality of the schools	3	6	2
Distance from school	2	2	1
None - Made no compromises	33	26	38

Buyers who Purchased Senior Housing or in an Active Adult Community

Median Household Income
\$67,400

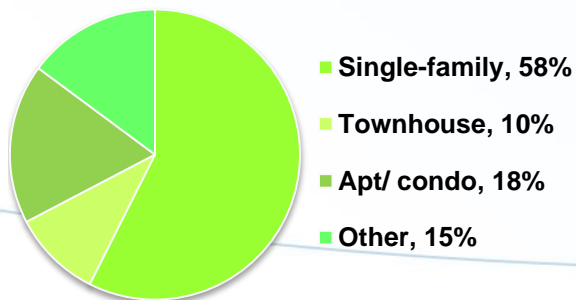


How Buyer Purchased a Home

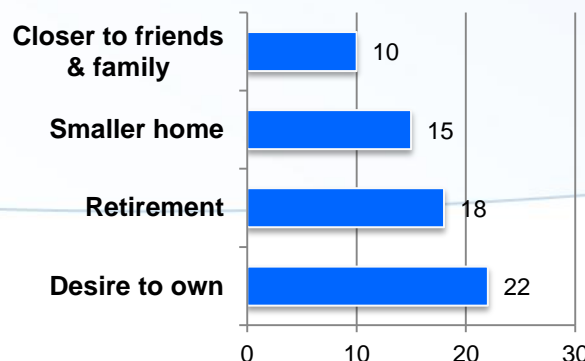


Median Square Feet
1,700

Type of Home Purchased

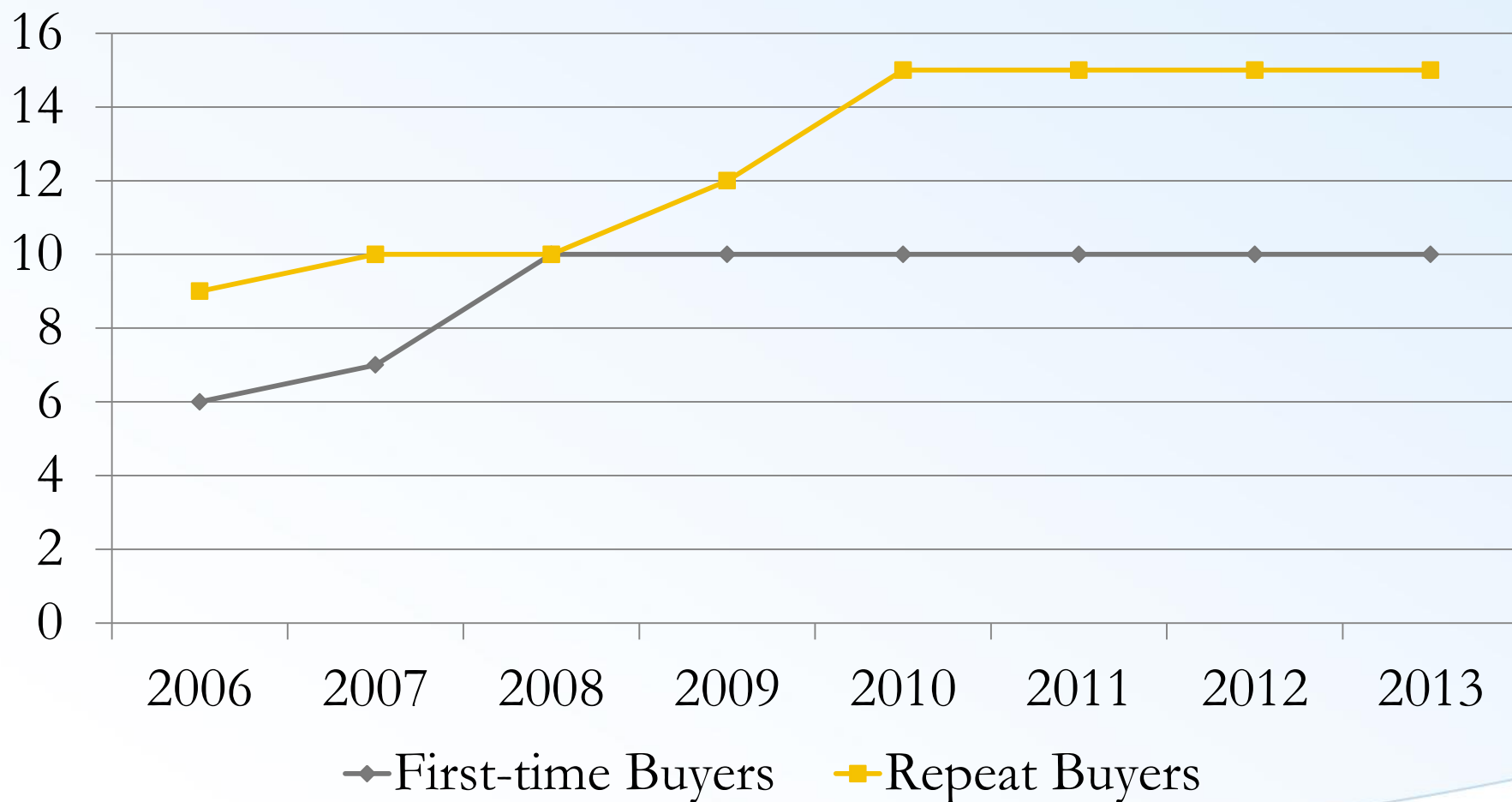


Reasons to Purchase Home

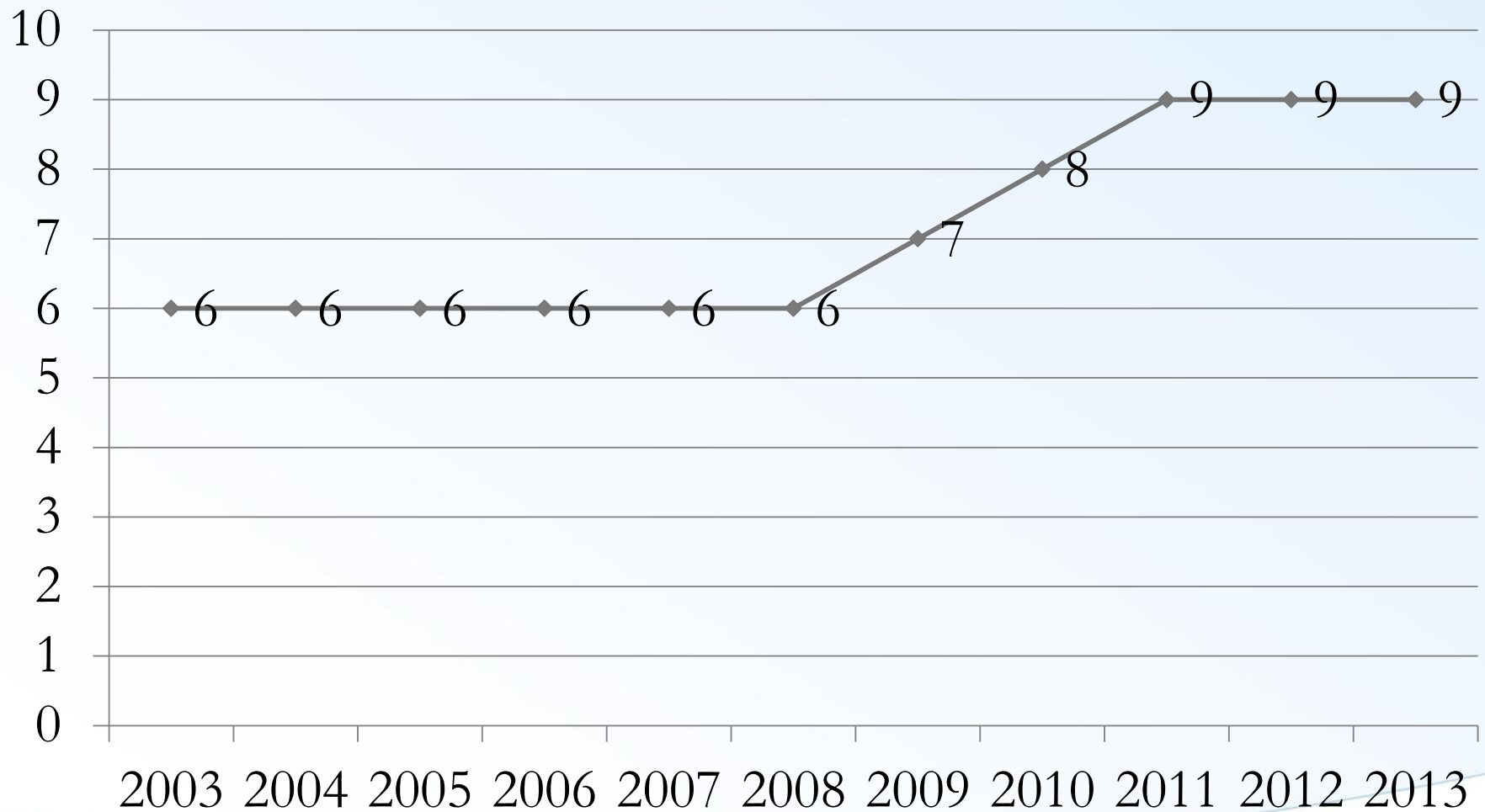


Median Age
64

Expected Tenure Remains High



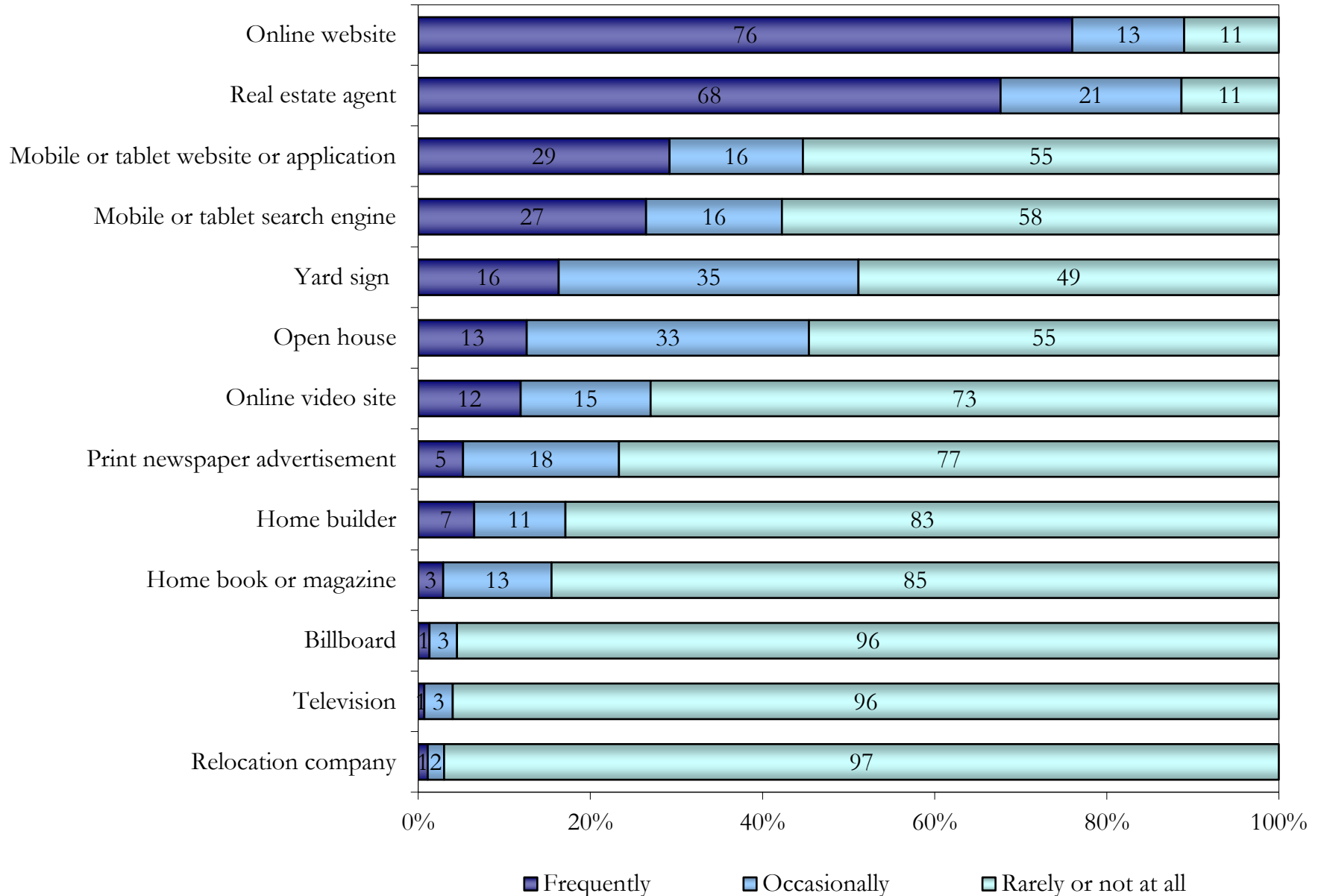
Actual Tenure Among Sellers Remains High



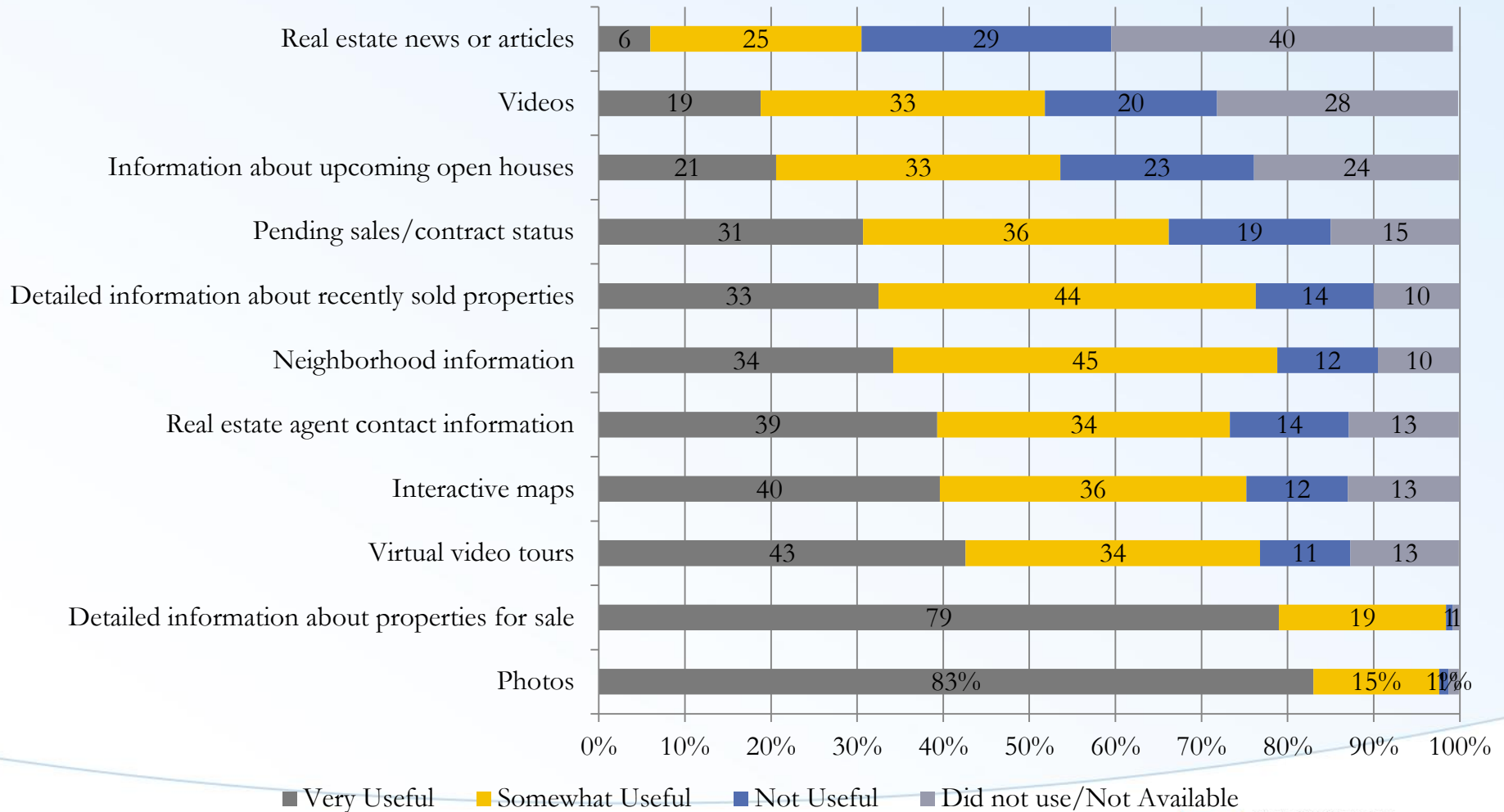
The Search Process



Frequency of Use



Value of Website Features



Mobile Search

	All Buyers	First-time Buyers	Repeat Buyers
Searched with an iPhone	47%	50%	45%
Search with an iPad	40	36	43
Searched with an Android	24	25	23
Found my home with a mobile application	22	23	22
Search with a different tablet	8	7	8
Used QR Code that lead me to more information on the property	5	4	5
Found my agent with a mobile application	4	5	4
Searched with a Windows based mobile device	4	3	4

Importance of Agent Communications

	All Buyers	First-time Buyers	Repeat Buyers
Calls personally to inform of activities	78%	77%	79%
Sends postings as soon as a property is listed/the price changes/under contract	72	72	72
Sends emails about specific needs	61	64	58
Can send market reports on recent listings and sales	54	49	58
Sends property info and communicates via text message	49	53	46
Has a web page	33	32	33
Has a mobile site to show properties	23	24	23
Sends an email newsletter	11	11	11
Advertises in newspapers	6	3	8
Is active on Facebook	3	4	3
Has a blog	1	1	1

Buyer and Seller Changes



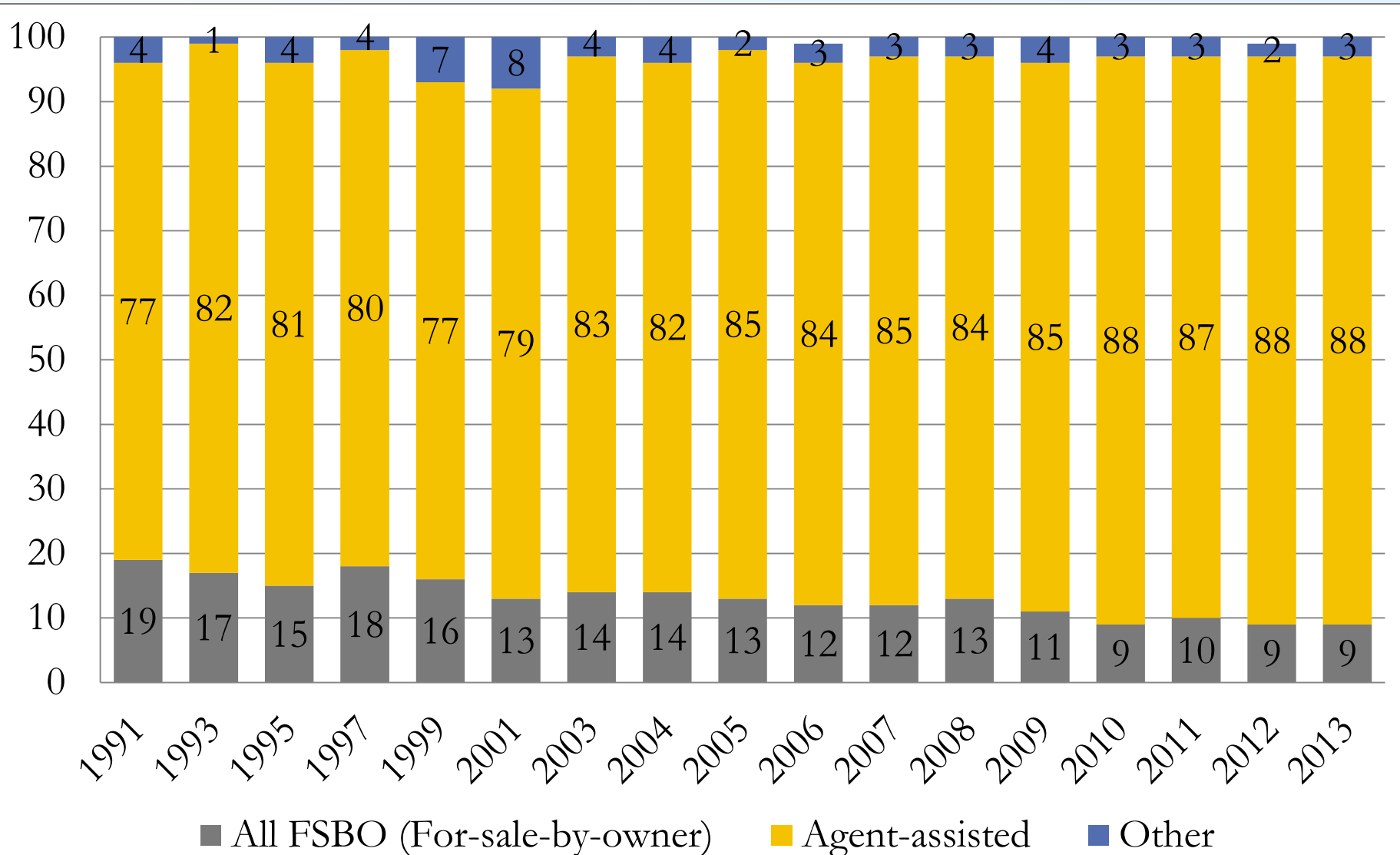
Tightened Inventory Affects Home Search and Selling

- Buying Side:
 - Buyers saw 10 homes before buying
 - Typically look for 12 weeks total and 2 weeks before contacting an agent
 - 52% of buyers reported hardest task is in process was finding the right home
- Selling Side:
 - Typically received 97% of final asking price increase from 95%
 - Median time on market 5 weeks decrease from 11 weeks
 - 38% sellers home was on market less than 2 weeks-up from 24%

Agent Use By Buyers & Sellers Remains High

- 88% of buyers purchased their home through a real estate agent or broker
 - Most want help finding right home
 - Benefited from help understanding the process
 - High importance on honesty and integrity
- 88% of sellers were assisted by an agent
 - Help market home
 - Sell w/in specific timeframe
 - Help price home competitively
 - Reputation and honesty and integrity important

Agent Assisted Sales High



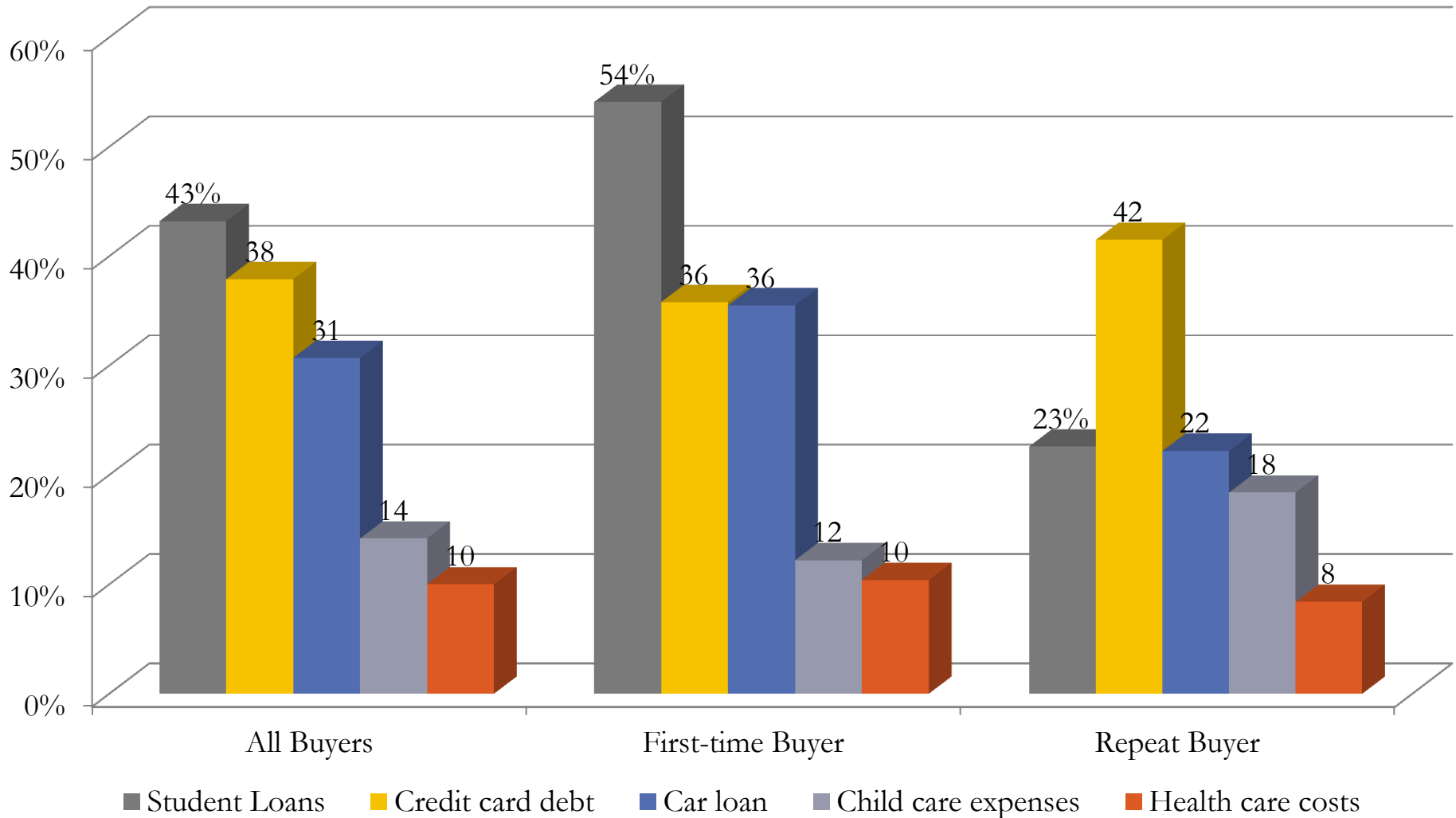
Reasons Behind Selling as FSBO

- Among the 9% of FSBOs
 - 40% knew the buyer
 - 60% did not know the buyer
- 61% did not need to sell urgently
- For FSBO sellers who did not know the buyer
 - 18% were contacted by a buyer they did not know asking to buy home

Hot Topics



Expenses that Delayed Saving for Downpayment or Saving for Home Purchase

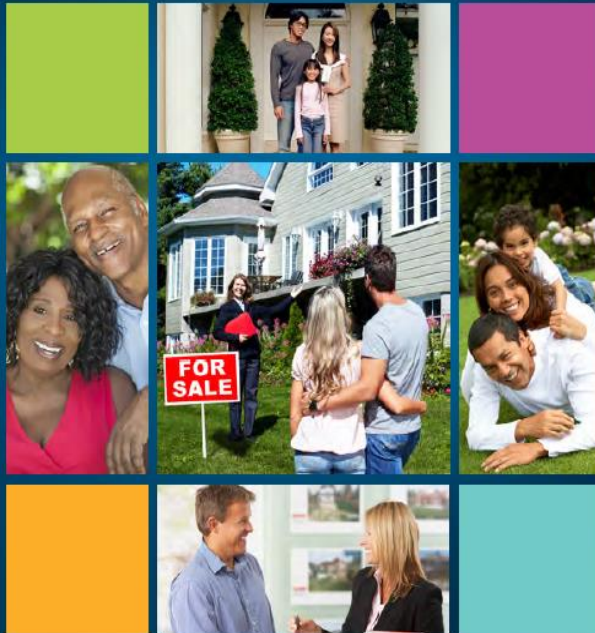


Buyer Previously Sold a Distressed Property

Sold distressed property	6%
Year sold distressed property (median)	2009

Seller Wanted to Sell Earlier, But Waited or Stalled Because Home Was Worth Less Than Mortgage

	All Sellers	1 year or less	2 to 3 years	4 to 5 years	6 to 7 years	8 to 10 years	11 to 15 years	16 to 20 years	21 years or more
Yes, and lived in home	12%	8%	3%	11%	19%	20%	11%	7%	7%
Yes, but rented home to others and lived elsewhere	1	0	2	1	1	1	0	1	1
No, sold home when I wanted to sell	87	92	95	88	80	79	89	92	92



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Profile of Home Buyers in Sub-regions

November 04, 2013

NAR Research

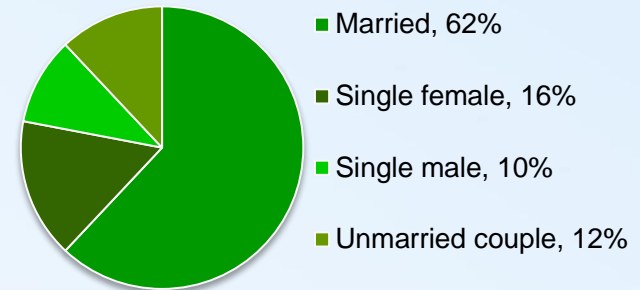


Sub-regions Included

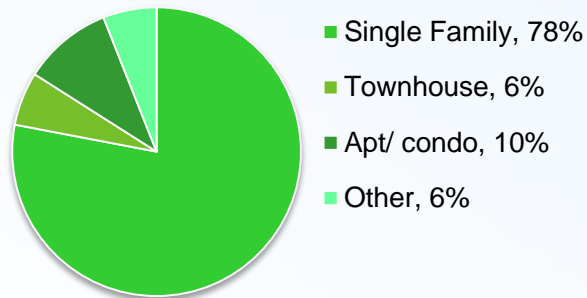
- New England (New Hampshire, Vermont, Maine, Massachusetts, Rhode Island, Connecticut)
- Middle Atlantic (New York, Pennsylvania, New Jersey)
- East North Central (Wisconsin, Illinois, Indiana, Ohio, Michigan)
- West North Central (North Dakota, South Dakota, Minnesota, Iowa, Nebraska, Kansas, Missouri)
- South Atlantic (Delaware, Maryland, West Virginia, Virginia, District of Columbia, North Carolina, South Carolina, Georgia, Florida)
- East South Central (Kentucky, Tennessee, Mississippi, Alabama)
- West South Central (Oklahoma, Arkansas, Louisiana, Texas)
- Mountain (Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, and New Mexico)
- Pacific (Washington, Oregon, California, Alaska)

New England

Household Composition



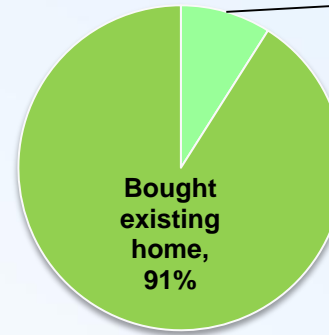
Type of Home Purchased



New England

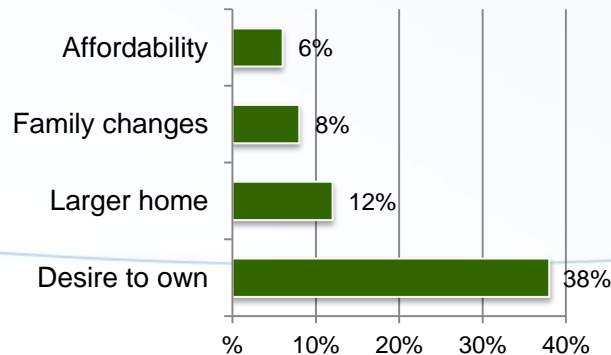


Bought new home, 9%



Median Age
38

Reasons to Purchase Home



11% bought multi-generational home

Reasons:

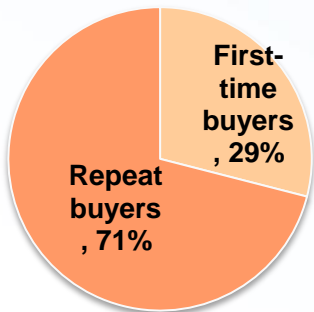
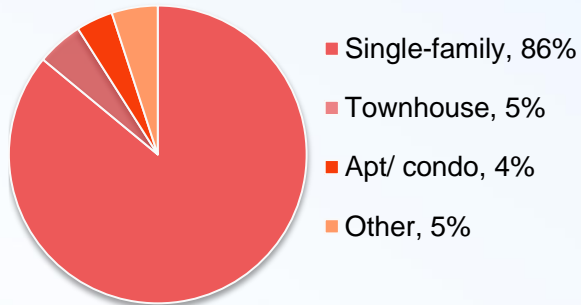
- Cost savings-29%
- Children over 18 moving back into house-23%
- Health/caretaking of aging parents-23%
- Spend more time w/aging parents-7%

Mountain

Mountain

Median Household Income
\$73,900

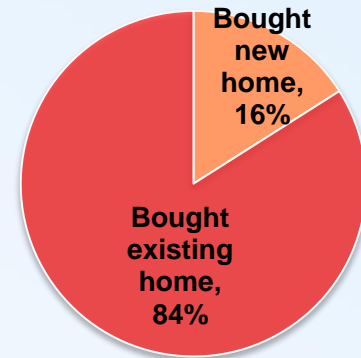
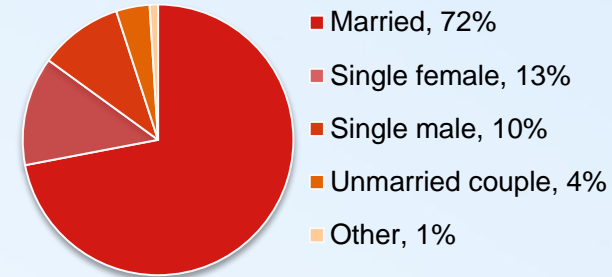
Type of Home Purchased



- 19% bought multi-generational home**
- Reasons:**
- Children over 18 moving back into house-26%
 - Cost savings-24%
 - Health/caretaking of aging parents-17%
 - Spend more time w/aging parents-4%

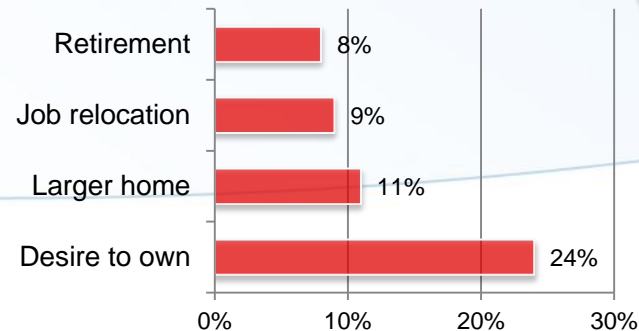


Household Composition



Median Age
48

Reasons to Purchase Home



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Where to find NAR Research

- Jessica Lautz: jlautz@realtors.org, 202-383-1155
- NAR Research www.realtor.org/research-and-statistics
- Economists' Outlook Blog:
economistsoutlook.blogs.realtor.org
- FaceBook: facebook.com/narresearchgroup
- Twitter: twitter.com/NAR_Research