



# Home Buyer and Seller Generational Trends Report 2017

National Association of REALTORS® Research Department



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# NATIONAL ASSOCIATION OF REALTORS®

## 2017 Home Buyers and Sellers Generational Trends Report

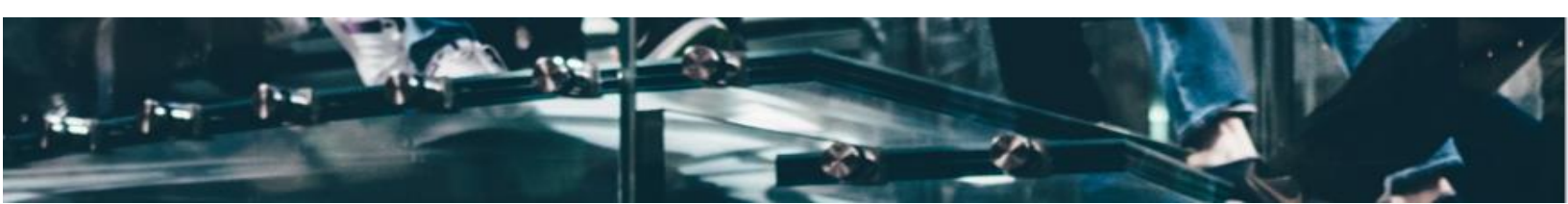
### Introduction

Since 2013, the National Association of REALTORS® has been writing the *Home Buyers and Sellers Generational Trends Report*. This report provides insights into differences and similarities across generations of home buyers and home sellers. The home buyer and seller data is taken from the annual *Profile of Home Buyers and Sellers*.

One consistent finding for the last four years of reports has been that **buyers 36 years and younger (Millennials/Gen Yers)** is the largest share of home buyers at 34 percent (down from 35 percent last year). Sixty-six percent of these buyers were also first-time home buyers. The largest cohort in America is growing up and becoming more traditional in their buying habits. This year's report saw an increased share who purchased in suburban locations and who purchased detached single-family homes. Forty-nine percent of buyers 36 years and younger now have children under the age of 18 in their home, 66 percent are married couples, and 13 percent are unmarried couples (the largest share of all generations).

**Buyers 37 to 51 (Gen Xers)** consists of 28 percent of recent home buyers. They are consistent with their buying trends and demographics. Notably, they are also the most racially and ethnically diverse population of home buyers, with 21 percent identifying they are a race other than White/Caucasian. Buyers 37 to 51 are in their peak earning years and thus their incomes are the highest among all generations of buyer types at \$106,600. They are both the generation most likely to be married and most likely to have children under the age of 18 in their home. Their housing preferences are driven by these demographics. Buyers 37 to 51 have the highest median priced homes of all other buyers and buy the largest homes in median square footage and bedrooms. Their neighborhood choices are driven by their convenience to job, but also the quality and convenience of school districts.

For the report, **buyers 52 to 61 (Younger Baby Boomers)** and **buyers 62 to 70 (Older Baby Boomers)** were broken into two separate categories as they have differing demographics and buying behaviors. Buyers 52 to 61 consist of 16 percent of recent buyers and buyers 62 to 70 consist of 14 percent of recent buyers. Buyers 52 to 61 have higher median household incomes and are more likely to have children under the age of 18 in their home. Buyers 52 to 61 are also more likely to buy a multi-generational home. As the sandwich generation, they are nearly equally likely to buy this type of home for both children over 18 living at home and caretaking for aging parents. Buyers 52 to 61 buy for an array of reasons such as a job-relocation, desire for a smaller home, and the desire to be closer to friends and family. Buyers 52 to 61 also project the length of time they will live in their home is the longest at 20 years. Buyers 62 to 70 are often moving due to retirement, desire to be closer to friends and family, and desire for a smaller home. Buyers 62 to 70 typically move the longest distance at a median of 25 miles and are least likely to make compromises on their home purchase.



**Buyers 71 to 91 (The Silent Generation)** represents the smallest share of buyers at eight percent. As most of these buyers are likely to have retired or scaled back their work demands, they have the lowest median household incomes. The primary reasons to purchase are the desire to be closer to friends and family, the desire for a smaller home, and for retirement. Buyers 71 to 91 are least likely to purchase a detached single-family home. Twenty-four percent purchased in senior-related housing and they tend to purchase the newest homes.

**How to finance the home purchase** has stayed similar to what buyers reported in past years. Eighty-eight percent of home buyers financed their home purchase—a share that decreases as the age of the buyer increases. New to last year's report was the impact of debt to saving for a downpayment. Among those who did have debt, that debt hindered the ability to save for a downpayment. Student loan debt is one of the debts that buyers may have. In fact, 46 percent of buyers 36 years and younger that had debt reported having student loan debt with a median loan balance of \$25,000. The share who have student loan debt declines as the buyer's age increases. While only 27 percent of buyers 37 to 51 have student loan debt, they have the highest median balance of debt at \$30,000. This may be due to not only their personal educational loans, but accumulating debt from their children's education loans. Buyers are also coming back from distressed sales. While nine percent of buyers have did buy after a distressed sale, the share rises to 14 percent among those aged 37 to 51.

Among home sellers, those aged 37 to 51 years make up the largest generation of sellers at 29 percent, followed by sellers 62 to 70 at 21 percent. Consistent with past reports, sellers 51 years and younger tend to trade up to a larger and more expensive home when they buy. Sellers 52 to 61 stay at similarly priced and sized homes, while sellers 61 years and older are often downsizing to a smaller and lower priced home when they buy. Among all sellers, 12 percent wanted to move earlier than they did, but could not because their home was worth less than their mortgage balance. This was most common among sellers 37 to 51—21 percent had the situation that they could not sell when they wanted to originally.

**All generations of buyers continue to consult a real estate agent or broker to help them buy and sell their home.** Buyers need the help of a real estate professional to help them find the right home, negotiate terms of sale, and help with price negotiations. Sellers, as well, turn to professionals to help market their home to potential buyers, sell within a specific timeframe, and price their home competitively.



## NATIONAL ASSOCIATION OF REALTORS® 2017 Home Buyer and Seller Generational Trends

### Highlights

#### Characteristics of Home Buyers

- First-time buyers made up 35 percent of all home buyers, an increase over last year's near all-time low of 32 percent. Sixty-six percent of buyers 36 years and younger were first-time buyers, followed by buyers 37 to 51 years at 26 percent.
- At 34 percent, buyers 36 years and younger continue to be the largest generational group of home buyers with a median of 31 years old. Home buyers between the ages of 37 and 51 were reported to have the highest household incomes among any other generation at \$106,600, followed by buyers between 51 and 60 that had an income at \$93,800 (down from \$100,200).
- Sixty-six percent of recent buyers were married couples, 17 percent were single females, seven percent were single males, and eight percent were unmarried couples. The highest percentage of single female home buyers was found in the 62 to 70 age group.
- Thirty-eight percent of all buyers had children under the age of 18 living at home.
- Sixty-two percent of buyers between 37 and 51 years had at least one child under the age of 18 residing in the home.
- Eleven percent of home buyers purchased a multi-generational home to take care of aging parents, for cost savings, and because children over the age of 18 are moving back. One in five home buyers aged 52 to 61 purchased a multi-generational home. Buyers 62 to 70 was the second largest share at 14 percent.
- The 37 to 51 age group showed to be the most racially diverse group of home buyers in 2016. Twenty-one percent of this group of home buyers identified as Hispanic/Latino, black/African American, or Asian/Pacific Islander.
- The most common reasons for recently purchasing a home differed between the generations. For all three groups under the age of 61 years, the main reason for purchasing was the desire to own a home of their own. Among the 62 to 70 age group, the desire to be closer to friends and family and retirement were the top two reasons to purchase at 19 percent. Buyers between 71 and 91 years purchased their home to be closer to family and friends and for the desire for a smaller home at 23 percent.

#### Characteristics of Homes Purchased

- Buyers of new homes made up 14 percent and buyers of previously owned homes made up 86 percent. For buyers 36 years and younger, 11 percent bought new homes again this year. New home purchased increased with age, 15 percent for buyers 37 to 51 years and 21 percent for those 71 to 91 years.
- Most recent buyers who purchased new homes were looking to avoid renovations and problems with plumbing or electricity at 34 percent. Buyers who purchased previously owned homes were most often considering a better price at 32 percent. For buyers 36 years and younger, 48 percent bought new homes to avoid renovations and problems compared to 18 percent of buyers 71 years and older. Thirty-five percent of buyers 62 to 70 years bought previously owned homes to receive a better overall value.



- The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased compared to 87 percent of buyers 37 to 51 years and only 65 percent for buyers 71 years and older (a decrease from 71 percent last year).
- Senior-related housing increased slightly this year to 14 percent of buyers over the age of 50; that number was seven percent for buyers 52 to 61 years and 24 percent for buyers 71 years and older.
- There was only a median of 12 miles between the homes that recent buyers purchased and the homes that they moved from. For buyers 62 to 70 years, the median distance was 25 miles and for buyers 51 and younger the median was 10 miles.
- The typical home that was recently purchased was 1,900 square feet, had three bedrooms and two bathrooms, and was built in 1991. The size of homes for buyers 37 to 51 years was typically larger homes at 2,100 square feet, compared to buyers 36 years and younger and 71 years and older that purchased homes at a median of 1,800. For buyers 36 years and younger, the median home was built in 1984; for ages 62 to 70, the median was 1998. For home buyers over 71, the median was 1999.
- Heating and cooling costs were the most important environmental features for recent home buyers, with 84 percent finding these features at least somewhat important.
- For buyers 36 years and younger, commuting costs were more important than heating and cooling costs at 39 percent and 31 percent respectively. Compared to buyers 62 years through 70, commuting costs was listed as very important to only 12 percent whereas heating and cooling accounted for 34 percent.
- Overall, buyers expect to live in their homes for a median of 12 years, while 18 percent say that they are never moving. For buyers 36 years and younger, the expected length of time is only 10 years compared to 20 years for buyers 52 to 61 years.

### The Home Search Process

- Among nearly all generations of home buyers, the first step taken was to look online for properties, except for buyers 71 years and older who contacted a real estate agent first.
- Buyers typically searched for 10 weeks and looked at a median of 10 homes. The length of the home search was the longest for buyers 37 to 51 years at 12 weeks. For all other generations, buyers searched for 10 weeks. All generations viewed a median of 10 homes this year.
- When looking during the home search process, buyers 36 and younger were the most likely generation to consider purchasing a home that was in foreclosure. A trend showed that as the buyers got older, they were less likely to consider purchasing a home in foreclosure.
- As a result of an internet home search, buyers most often walked through the home that they viewed online. Buyers 51 years and younger saw the exterior of homes because of searching online for properties. The most important website feature was photos for nine in 10 buyers under the age of 62.
- Buyers of all generations were overall very satisfied with their home buying process. Buyers 62 to 70 years were the most satisfied of any generation with the buying process at 91 percent.



## Home Buying and Real Estate Professionals

- Eighty-eight percent of all buyers purchased their home through an agent, as did 92 percent of buyers 36 years and younger, 88 percent of buyers 37 to 51, and 87 percent of buyers 52 to 61 years. Ten percent of buyers 71 and older purchased their homes directly from the previous owner.
- Buyers from all generations primarily wanted their agent's help to find the right home to purchase at 50 percent. Buyers were also looking for help to negotiate the terms of sale and to help with price negotiations.
- Help understanding the purchase process was most beneficial to 36 years and younger buyers at 74 percent.
- Referrals continue to be the way that most buyers find their real estate agent. Referrals by friends, neighbors, or relatives were higher among younger buyers such as 36 years and younger (52 percent, up from 46 percent last year) and 37 to 51 (39 percent) compared to older generations.
- When choosing an agent to work with, working with an agent that is honest and trustworthy was the most important factor for buyers.
- Nearly seven in 10 buyers interviewed only one real estate agent during their home search, consistent across all generations.
- Eighty-eight percent of buyers would use their agent again or recommend their agent to others, also consistent across all generations.

## Financing the Home Purchase

- Eighty-eight percent of recent buyers financed their home purchase. Ninety-eight percent of buyers 36 years and younger financed, whereas only 68 percent of buyers aged 62 to 70 years financed their home, and 58 percent 71 years and older.
- For 61 percent of buyers, the source of their downpayment came from their savings and 35 percent from the proceeds from the sale of a primary residence. Seventy-five of buyers 36 years and younger used savings (down from 80 percent) to finance their home purchase compared to only 41 percent of buyers 71 years and older. Buyers 62 to 70 years used proceeds from a previous sale more than any other generation at 56 percent.
- Thirteen percent of all buyers cited that saving for a downpayment was most difficult step in the home buying process. For buyers 36 years and younger, this was 23 percent compared to only three percent of buyers 62 to 70 years.
- Twenty-seven percent of all buyers reported having student loan debt with a median amount of \$25,000. For buyers 36 years and younger, 46 percent have student debt with a median amount of \$25,000 compared to just four percent for buyers 62 to 70 years who had the lowest median amount of debt at \$13,800.
- Fifty-nine percent of all buyers used conventional loans to finance their home. Only 56 percent of buyers 36 years and younger used a conventional loan compared to 64 percent of buyers 62 to 70 years.
- Eighty-two percent of all buyers reported they view a home purchase as a good investment. Eighty-five percent of buyers 36 years and younger said owning a home was a good financial investment compared to 70 percent of buyers 71 years and older.



## Home Sellers and Their Selling Experience

- Sellers 37 to 51 years made up 29 percent of all sellers, had a median age of 44 years, and reported the highest income of \$122,100. Sellers 62 to 70 years made up the second largest share at 21 percent and had a median age of 66 years. Sellers 71 years and older had the lowest income of \$63,300.
- Seventy-six percent of sellers were married couples. Married couples were the highest for sellers 36 and younger at 86 percent and the lowest for sellers 71 years and over at 65 percent.
- Seventy-two percent of all sellers moved within the same state. For sellers 51 years and younger, 76 percent purchased in the same state compared to 63 percent of sellers 62 to 70 years.
- For all sellers, the most commonly cited reason for selling their home was that it was too small (18 percent), followed by the desire to move closer to friends and family (15 percent), and a job relocation (14 percent). For sellers 36 and under, they cited that the home was too small (37 percent, up from 31 percent last year), which was higher than any other age group. For sellers 62 years and over, they cited they wanted to be closer to friends and family (26 percent). Sellers 37 to 51 years cited that the home was too small (26 percent) and selling for a job relocation (22 percent).
- Sellers typically lived in their home for 10 years before selling, an increase from nine years in last year's report. Sellers 36 years and younger stayed in their home for six years compared to 17 years for sellers 71 years and older.
- Nine in 10 home sellers worked with a real estate agent to sell their home, which is consistent across all age groups.
- For recently sold homes, the final sales price was a median 98 percent of the final listing price. Sellers 36 years and younger, the final sales price was 99 percent of the listing price and only 96 percent of the listing price for sellers 71 years and older.
- Recently sold homes were on the market for a median of four weeks. For sellers 36 years and younger, time on market was a median of three weeks and a median of five weeks for sellers 71 years and older.
- Thirty-six percent of all sellers offered incentives to attract buyers. This varies across age groups where it was less likely for sellers 71 years and over to offer incentives and more likely for sellers 36 years and younger.
- This year, home sellers cited that they sold their homes for a median of \$43,100 more than they purchased it. Sellers 36 years and younger gained the least at \$20,100 in equity compared to sellers 71 years and over that gained \$60,400 in equity as they likely had lived in their homes for a longer period of time.
- Sixty-one percent of sellers were 'very satisfied' with the selling process, consistent with the year prior and consistent across all age groups.

## Home Selling and Real Estate Professionals

- Sixty-four percent of recent home sellers used a referral or the same real estate agent they had worked with in the past. That number jumps to 74 percent for home sellers aged 36 and younger.
- Fifty-five percent of sellers used the same agent to buy and sell their homes. As distance and age increases, using the same agent declines.





- Nine in ten sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home.
- The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home. That number jumps to 37 percent for sellers aged 37 to 51 years.
- Eighty-five percent said that they would definitely (70 percent) or probably (15 percent) recommend their agent for future services. Sellers 37 to 51 were the most likely to recommend their agent (87 percent).



## **NATIONAL ASSOCIATION OF REALTORS® 2017 Home Buyer and Seller Generational Trends**

### **CHAPTER 1: CHARACTERISTICS OF HOME BUYERS**

The Millennial Generation this year is 36 years old and younger. Generation X is 37 to 51, Younger Boomers are 52 to 61, Older Boomers are 62 to 70, and the Silent Generation are aged 71 to 91. Buyers 36 years old and younger made up the largest generation of home buyers in 2016 at 34 percent. Sixty-six percent of buyers 36 years and younger were first-time buyers, followed by buyers 37 to 51 years at 26 percent. In 2016, the majority of recent home buyers were married couples and buyers 37 to 51 had the highest median household income at \$106,600.

Married couples comprised the majority of household compositions; followed by single females, single males, and unmarried couples. Buyers 52 to 61 years most often purchased multi-generational homes. The most common reason for purchasing a multi-generational home for all age groups was for the health and caretaking of aging parents. For all three groups under the age of 61 years, the main reason for purchasing was the desire to own a home of their own.

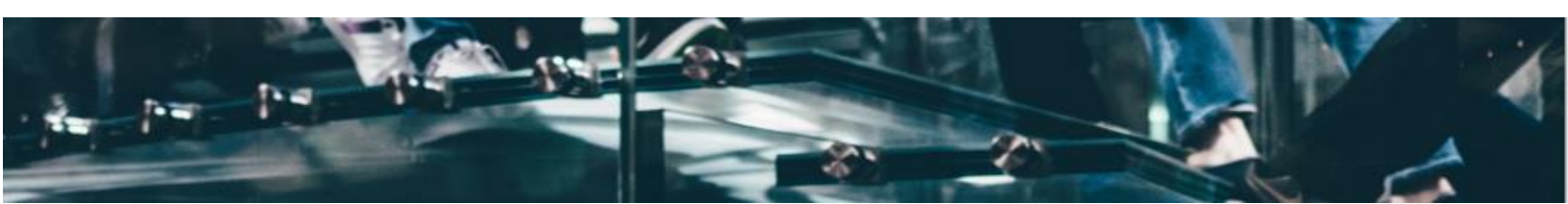
#### **DEMOGRAPHIC CHARACTERISTICS OF HOME BUYERS**

##### **Exhibits 1-1 through 1-5**

At 34 percent, buyers 36 years and younger continue to be the largest generational group of home buyers. Buyers 37 to 51 made up the second largest generational group of home buyers at 28 percent, up from 26 in 2015. These buyers were a median of 43 years old. Buyers 52 to 61 made up 16 percent, the same as in 2015, and were typically 57 years old. The proportion of buyers 62 to 70 also stayed the same as the previous year at 14 percent. The median age of these home buyers in 2016 was 66 years old. Buyers over 71 years saw a slight decrease to eight percent in 2016, with a median age of 75.

The median household income of home buyers for 2015 rose again this year to \$88,500 from \$86,500 in last year's report. Home buyers between the age of 37 and 51 reported the highest household income among generations at \$106,600, up from \$104,700 in the previous year. Buyers between 52 and 61 had the second highest income at \$93,800 (down from \$100,200), followed by 36 and younger at \$82,000 (up from \$77,400), 62 to 70 at \$76,800 (down from \$81,600), and 71 to 91 at \$66,600 (down from \$67,100).

Among all age groups, the household composition was primarily married couples; followed by single females, single males, and unmarried couples. The 62 to 70 age group had the highest percentage of single female home buyers. Thirty-eight percent of all buyers had children under the age of 18 living at home. Ninety-seven percent of buyers between 71 and 91, and 93 percent of buyers 62 to 70 years had no children



under the age of 18 living with them. In contrast, 62 percent of buyers between 37 and 51 had children under the age of 18 residing in the home.

One in five home buyers aged 52 to 61 purchased a multi-generational home. Buyers 62 to 70 was the second largest share at 14 percent. Twelve percent of buyers between 37 and 51, 11 percent of buyer between 71 and 91, and only seven percent of buyers under 36 purchased a multi-generational home. For buyers of all generations, the most common reason for purchasing a multi-generational home was for the health and caretaking of aging parents. Other popular reasons for purchasing a multi-generational home included cost savings and children/relative over 18 moving back into the house.

### **RACE, ETHNICITY, LANGUAGE AND NATIONAL ORIGIN OF BUYERS** **Exhibits 1-6 through 1-9**

In 2016, three percent of buyers 36 and younger and four percent of buyers 37 to 51 identified as gay, lesbian, or bisexual. The 37 to 51 age group were the most racially diverse group of home buyers in 2016. Twenty-one percent of home buyers 37 to 51 identified as Hispanic/Latino, black/African American, or Asian/Pacific Islander. Only 15 percent of buyer under 36 years, 12 percent of 52 to 70, and seven percent of buyers over 71 identifies as a race other than White/Caucasian.

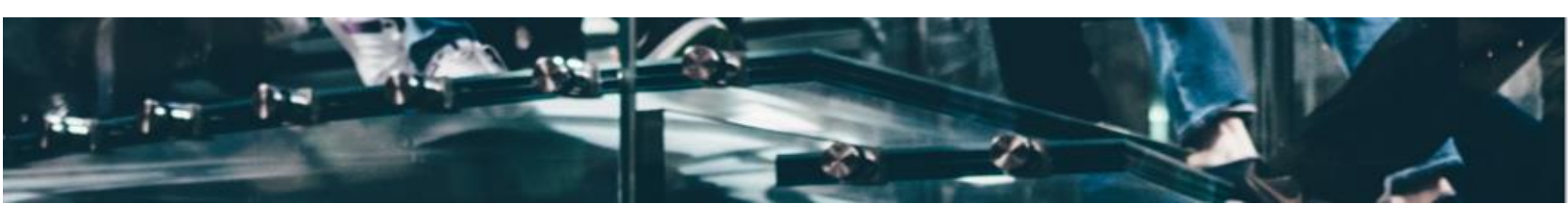
English was the primary language spoken, with all generations experiencing increases from 2015. The majority of recent home buyers were born in the U.S. Foreign buyers were most common within the 37 to 51 age range (13 percent), followed by 36 and younger (10 percent), 52 to 61 and 62 to 70 (seven percent), and 71 and older (six percent).

### **DEMOGRAPHIC CHARACTERISTICS OF FIRST-TIME AND REPEAT HOME BUYERS** **Exhibits 1-10 through 1-14**

A majority of buyers 36 and younger were first-time buyers at 66 percent in 2016. Among other buyers, the 37 to 51 age group had the second highest percentage of first-time buyers at 26 percent, a decrease from 36 percent in 2015. Looking at all other age categories, recent buyers most often rented an apartment or house prior to purchasing their home. Buyers 36 and younger were the most likely to be first-time buyers, and they were also the most likely to have rented an apartment or house (56 percent) or have lived with parents, relatives, or friends (20 percent).

The most common reasons for recently purchasing their home differed between some generations. For all three groups under the age of 61 years, the main reason for purchasing was the desire to own a home of their own. Looking at the 62 to 70 age group, the desire to be closer to friends and family and retirement were the top two reasons to purchase at 19 percent. Buyers between 71 and 91 years purchased their home to be closer to family and friends and for the desire for a smaller home at 23 percent.

When looking at the timing of purchasing their home, buyers across all generations said that it was just the right time, and they were ready to buy a home. Among all



generations, the second most common reason for the timing of their purchase was that they did not have much choice, and had to purchase when they did.

The majority of buyers from all generations owned only the home that they recently purchased. Buyers between 37 and 70, three age groups, were also likely to own one or more investment properties (11 percent). Buyers between 62 and 91 were the largest share that owned one or more vacation homes (six percent) and who still owned a previous home that they were trying to sell (seven and eight percent respectively).



## CHARACTERISTICS OF HOME BUYERS

- Exhibit 1-1 AGE OF HOME BUYERS
- Exhibit 1-2 HOUSEHOLD INCOME OF HOME BUYERS
- Exhibit 1-3 ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS
- Exhibit 1-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD  
HOME PURCHASED WAS A MULTI-GENERATIONAL HOME (WILL HOME ADULT SIBLINGS, ADULT  
CHILDREN, PARENTS, AND/OR GRANDPARENTS)
- Exhibit 1-5 CHILDREN, PARENTS, AND/OR GRANDPARENTS)
- Exhibit 1-6 HOME BUYER SEXUAL ORIENTATION
- Exhibit 1-7 RACE/ETHNICITY OF HOME BUYERS
- Exhibit 1-8 PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD
- Exhibit 1-9 NATIONAL ORIGIN OF HOME BUYERS
- Exhibit 1-10 FIRST-TIME HOME BUYERS IN AGE GROUP
- Exhibit 1-11 PRIOR LIVING ARRANGEMENT
- Exhibit 1-12 PRIMARY REASON FOR PURCHASING A HOME
- Exhibit 1-13 PRIMARY REASON FOR THE TIMING OF HOME PURCHASE
- Exhibit 1-14 OTHER HOMES OWNED

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-1

### AGE OF HOME BUYERS

*(Percentage Distribution)*

	Year Born:	Age in 2016:	Percent in Category	Median Age in Group
<b>Younger Gen Y/Millennials:</b>	1990-1998	26 and younger	6%	25
<b>Older Gen Y/Millennials:</b>	1980-1989	27 to 36	28	32
<b>Gen X:</b>	1965-1979	37 to 51	28	43
<b>Younger Boomers:</b>	1955-1964	52 to 61	16	57
<b>Older Boomers:</b>	1946-1954	62 to 70	14	66
<b>Silent Generation:</b>	1925-1945	71 to 91	8	75

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-2

### HOUSEHOLD INCOME OF HOME BUYERS

(Percentage Distribution)

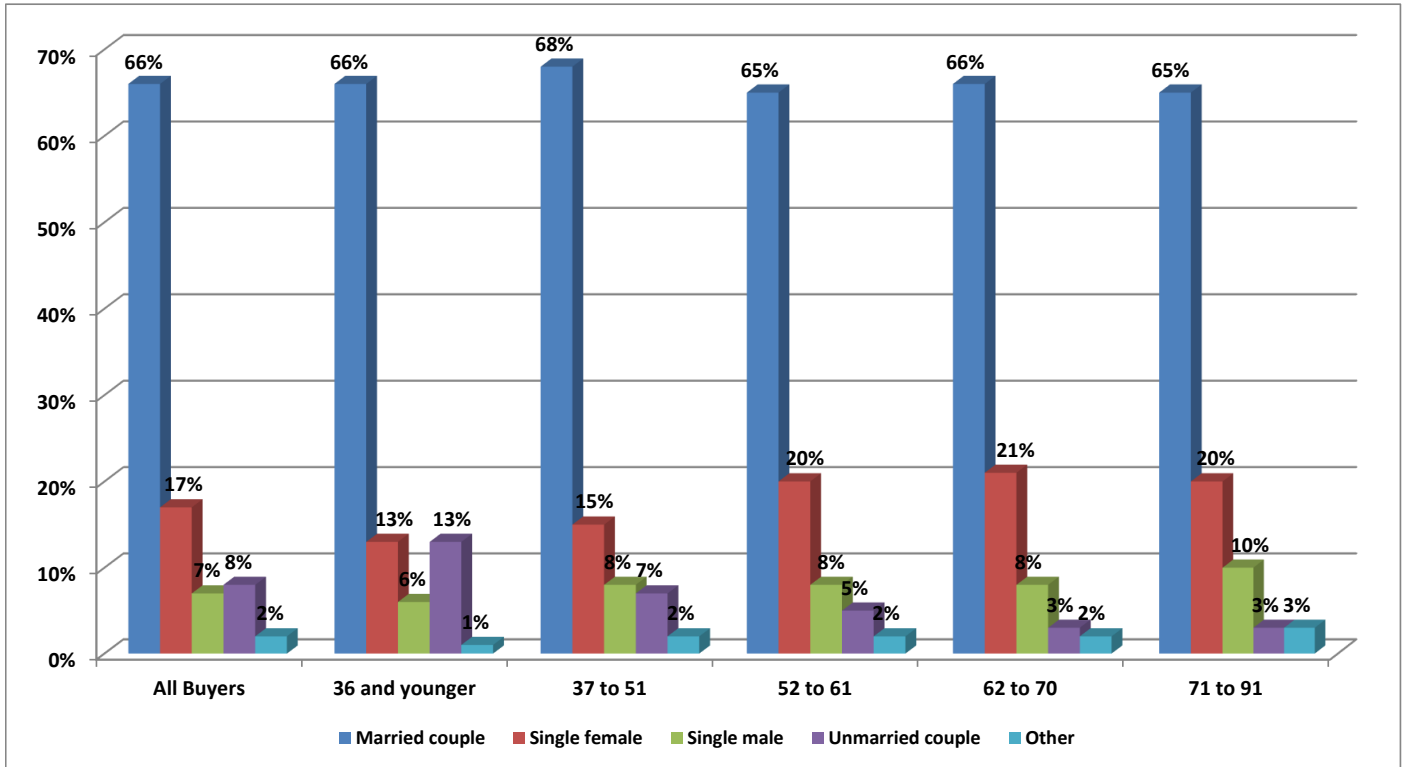
	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Less than \$25,000	3%	2%	1%	4%	4%	5%
\$25,000 to \$34,999	5	6	2	3	9	11
\$35,000 to \$44,999	7	8	4	7	6	11
\$45,000 to \$54,999	8	9	5	7	13	11
\$55,000 to \$64,999	8	9	6	8	9	10
\$65,000 to \$74,999	9	10	6	7	8	12
\$75,000 to \$84,999	8	10	7	8	5	9
\$85,000 to \$99,999	12	12	13	10	9	9
\$100,000 to \$124,999	15	15	16	15	16	10
\$125,000 to \$149,999	9	7	12	9	7	4
\$150,000 to \$174,999	5	5	7	7	4	2
\$175,000 to \$199,999	4	3	5	5	1	1
\$200,000 or more	8	4	13	10	7	5
<b>Median income (2015)</b>	<b>\$88,500</b>	<b>\$82,000</b>	<b>\$106,600</b>	<b>\$93,800</b>	<b>\$76,800</b>	<b>\$66,600</b>

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-3

### ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS

(Percentage Distribution)



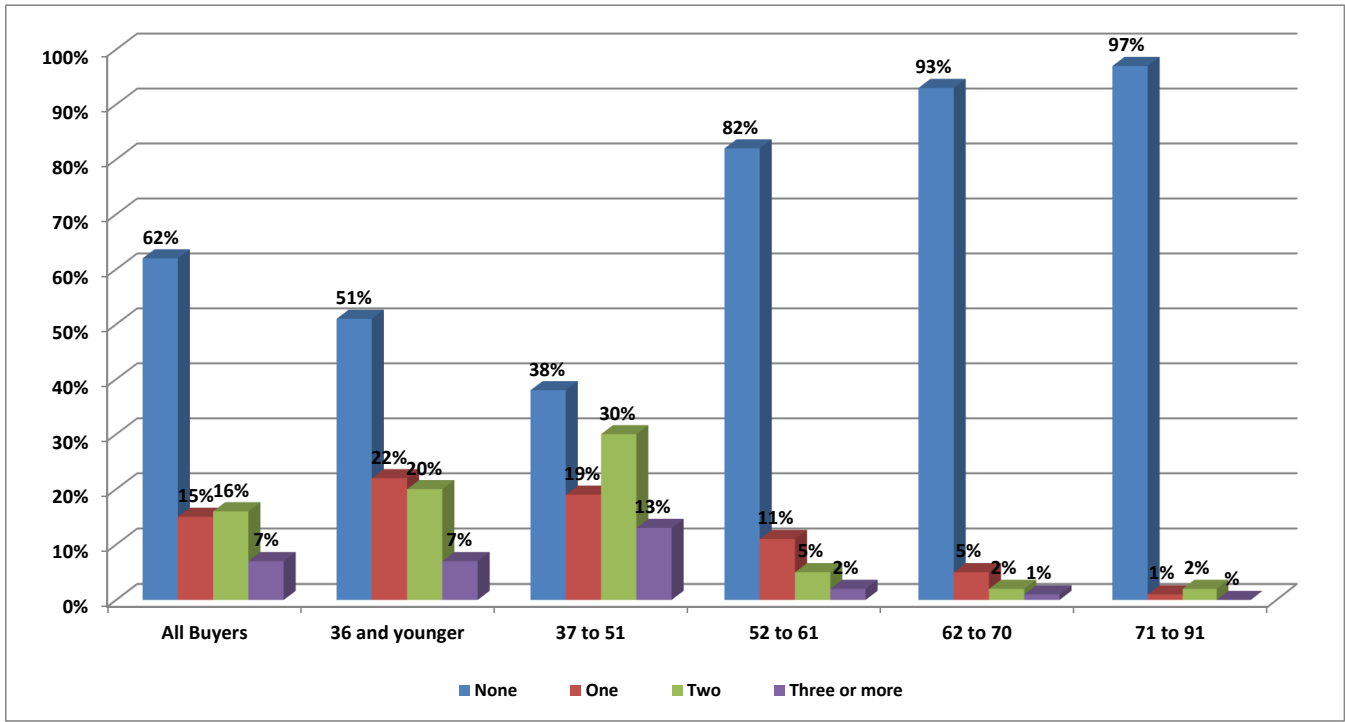


# CHARACTERISTICS OF HOME BUYERS

Exhibit 1-4

## NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD

(Percentage Distribution of Households)



CHARACTERISTICS OF HOME BUYERS

Exhibit 1-5  
**HOME PURCHASED WAS A MULTI-GENERATIONAL HOME (WILL HOME ADULT SIBLINGS, ADULT CHILDREN, PARENTS, AND/OR GRANDPARENTS)**  
*(Percent of Respondents)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Multi-generational household</b>	11%	7%	12%	20%	14%	11%
<b>Reasons for purchase:</b>						
Health/Caretaking of aging parents	19%	20%	19%	18%	19%	21%
Cost Savings	18	34	14	15	12	10
Children/relatives over 18 moving back into the house	14	3	17	20	18	10
To spend more time with aging parents	8	7	9	11	3	*
Children/relatives over 18 never left home	6	1	9	10	3	*
Wanted a larger home that multiple incomes could afford together	7	6	5	9	10	7
None of the above	26	25	23	17	32	52
Other	7	11	7	7	2	2

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-6

### HOME BUYER SEXUAL ORIENTATION

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Heterosexual or straight</b>	90%	93%	90%	89%	85%	91%
<b>Gay or lesbian</b>	3	2	4	4	4	1
<b>Bisexual</b>	1	1	*	*	*	*
<b>Prefer not to answer</b>	7	4	6	6	11	8

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-7

### RACE/ETHNICITY OF HOME BUYERS

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>White/Caucasian</b>	85%	85%	79%	88%	88%	93%
<b>Hispanic/Latino</b>	7	8	8	7	4	3
<b>Black/African-American</b>	5	4	6	5	4	3
<b>Asian/Pacific Islander</b>	4	6	7	1	2	2
<b>Other</b>	3	2	3	2	5	1

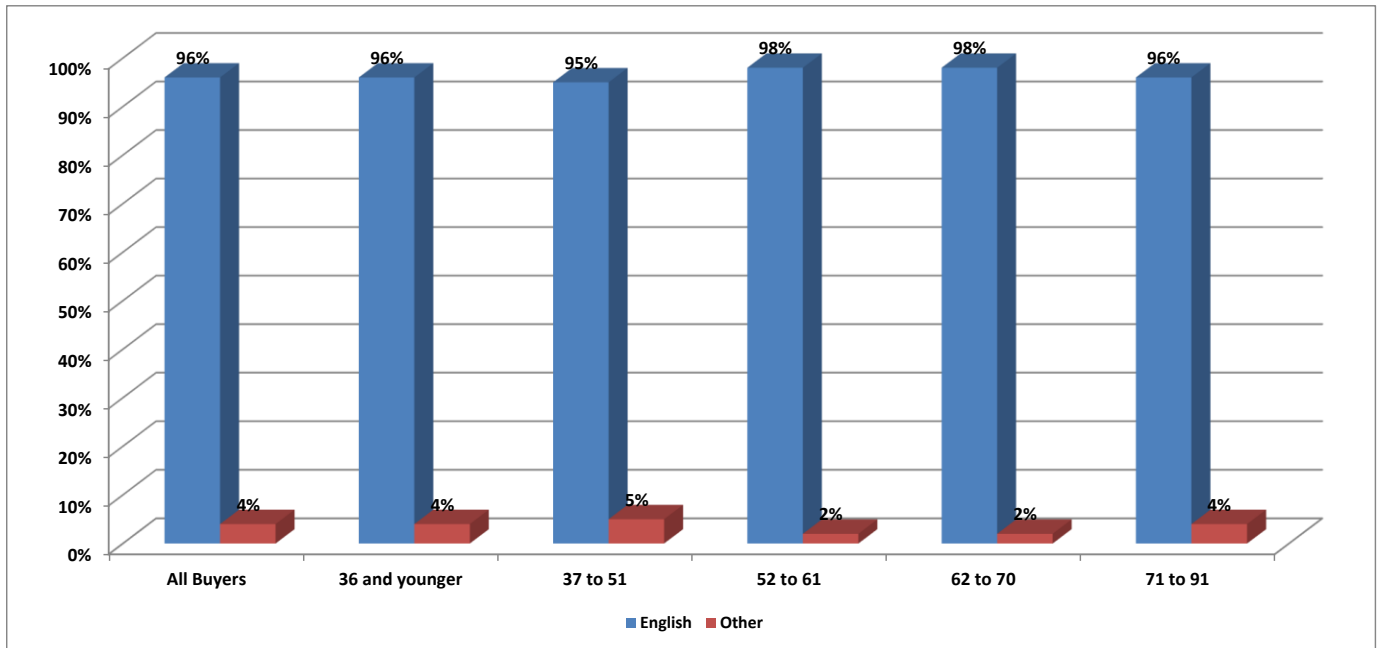
*Note: Respondents were permitted to select as many races and ethnicities as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.*

# CHARACTERISTICS OF HOME BUYERS

Exhibit 1-8

## PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD

(Percentage Distribution)

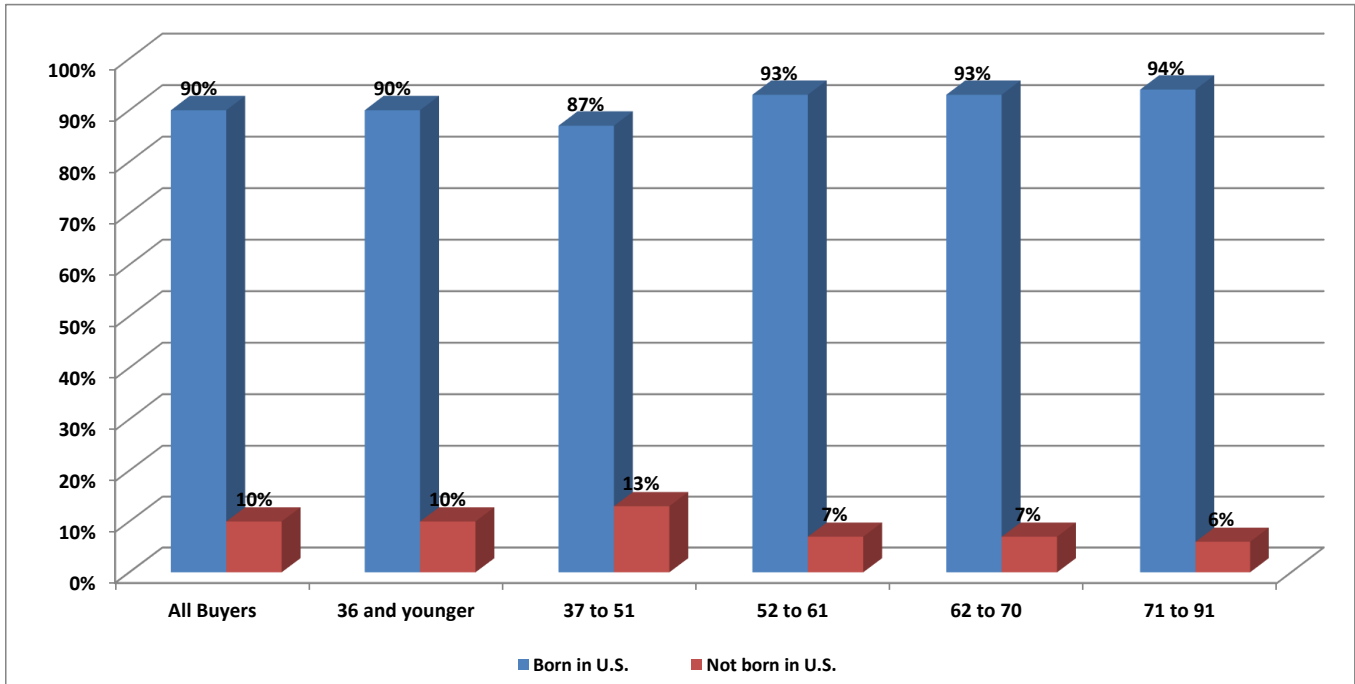


## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-9

### NATIONAL ORIGIN OF HOME BUYERS

(Percentage Distribution)

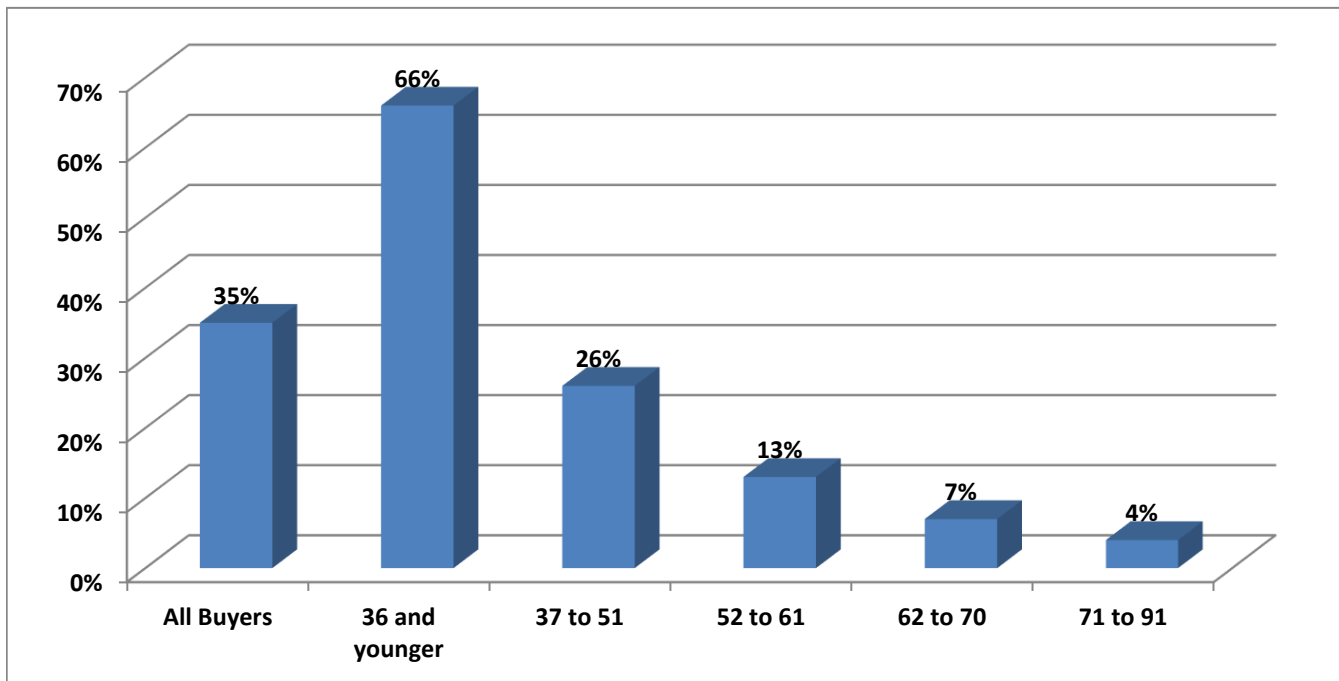


## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-10

### FIRST-TIME HOME BUYERS IN AGE GROUP

(Percent of all Home Buyers)



## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-11

### PRIOR LIVING ARRANGEMENT

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Owned previous residence</b>	47%	24%	47%	57%	78%	91%
<b>Rented an apartment or house</b>	41	56	45	34	18	7
<b>Lived with parents, relatives or friends</b>	11	20	7	7	4	2
<b>Rented the home buyer ultimately purchased</b>	1	*	1	2	1	*

*Note: After selling their previous home, buyers may have rented a home or apartment before purchasing their next home. A first-time buyer could have acquired ownership of their previous home (as an inheritance or gift, for example) without having been the buyer of the home. Thus, a first-time buyer could have owned a home prior to their first home purchase.*



## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-12

### PRIMARY REASON FOR PURCHASING A HOME

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Desire to own a home of my own	31%	50%	29%	22%	9%	4%
Desire for larger home	10	12	17	6	4	4
Job-related relocation or move	8	8	12	11	1	0
Change in family situation	8	8	10	7	6	5
Desire to be closer to family/friends/relatives	7	1	2	10	19	23
Desire for a home in a better area	6	4	7	6	8	10
Desire for smaller home	6	*	3	10	12	23
Retirement	5	*	1	6	19	10
Affordability of homes	3	3	2	4	2	4
Desire to be closer to job/school/transit	3	3	5	3	1	1
Establish household	3	6	2	1	*	*
Financial security	2	2	2	1	2	1
Desire for a newly built or custom-built home	2	1	2	2	2	2
Tax benefits	1	1	1	1	*	1
Purchased home for family member or relative	*	*	*	*	1	2
Greater number of homes on the market for sale/better choice	*	*	*	1	1	*
Other	6	2	6	8	10	9

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-13

### PRIMARY REASON FOR THE TIMING OF HOME PURCHASE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
It was just the right time, was ready to buy a home	55%	60%	53%	50%	52%	51%
Did not have much choice, had to purchase when did	18	13	21	22	19	21
It was the best time for because of availability of homes for sale	10	9	8	13	11	14
It was the best time for because of mortgage financing options available	8	8	8	8	7	5
It was the best time for because of improved affordability of homes	8	9	7	6	8	9
Wish had waited	*	1	*	*	*	*
Other	1	1	2	2	2	*

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-14

### OTHER HOMES OWNED

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Recently purchased home only	85%	89%	80%	77%	73%	73%
One or more investment properties	9	7	11	11	11	9
Previous homes that buyer is trying to sell	3	1	3	4	7	8
One or more vacation homes	3	*	2	4	6	6
Other	2	*	2	5	2	1

\* Less than 1 percent

## **NATIONAL ASSOCIATION OF REALTORS®** **2017 Home Buyer and Seller Generational Trends**

### **Chapter 2: Characteristics of Homes Purchased**

In 2016, 14 percent of all buyers purchased new homes. For buyers 36 years and younger, 11 percent bought new homes again this year. New home purchases increased with age, 15 percent for buyers 37 to 51 years and 21 percent for those 71 to 91 years.

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased compared to 87 percent of buyers 37 to 51 years and only 65 percent for buyers 71 to 91 (a decrease from 71 percent last year). The most popular location to purchase a home was in the suburbs or in a subdivision, 54 percent for all buyers, 57 percent for buyers under 36 years and 49 percent for buyers 52 to 61 years.

Quality of the neighborhood (60 percent), convenience to job (43 percent), and overall home affordability (40 percent) were the three most important factors to recent home buyers when choosing a neighborhood. Convenience to a job (three percent) and to school districts (four percent) were the least important to buyers over 71 years compared to convenience to friends and family (44 percent) and convenience to shopping (39 percent). Convenience to a job and affordability were the most important for buyers under 36 years (65 and 50 percent respectively). Convenience to a job (49 percent), quality of school districts (35 percent), and distance to schools (31 percent) were a few of the most important factors to buyers 37 to 51 years.

The expected tenure in homes has decreased from last year to a median of 12 years. For buyers 36 years and younger, the expected length of time is only 10 years compared to 20 years for buyers 52 to 61 years.

#### **NEW AND PREVIOUSLY OWNED HOMES PURCHASED** **Exhibits 2-1 through 2-2**

In 2016, 14 percent of all buyers purchased new homes, down from 16 percent last year. The share of previously purchased homes was 86 percent. For buyers 36 years and younger, 11 percent bought new homes again this year. New home purchased increased with age, 15 percent for buyers 37 to 51 years and 21 percent for those 71 to 91 years.

Buyers chose to purchase new and previously owned homes for different reasons. Purchasers of new homes are looking to avoid renovations and problems with plumbing or electricity (34 percent) and the ability to choose and customize design features in their home (30 percent). Buyers who chose a previously owned home were considering a better price (32 percent) and overall value (28 percent). For buyers 36 years and younger, 48 percent bought new homes to avoid renovations and problems compared



to 18 percent of buyers 71 years and older. Thirty-five percent of buyers 62 to 70 years bought previously owned homes to receive a better overall value.

## **TYPE OF HOME PURCHASED AND LOCATION**

### **Exhibits 2-3 through 2-4**

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased compared to 87 percent of buyers 37 to 51 years and only 65 percent for buyers 71 to 91 (a decrease from 71 percent last year). The most popular location to purchase a home was in the suburbs or in a subdivision, 54 percent for all buyers, 57 percent for buyers under 36 years and 49 percent for buyers 52 to 61 years.

## **SENIOR HOUSING AND ACTIVE ADULT COMMUNITIES**

### **Exhibit 2-5**

Senior-related housing remained at 14 percent of buyers this year for those over the age of 50; that number was seven percent for buyers 52 to 61 years and 24 percent for buyers over 71 years (a decrease from 30 percent last year). For all buyers over 50 who recently purchased senior-related housing, 62 percent purchased a detached single-family home (down from 67 percent last year) and 46 percent bought in a suburb or subdivision (down from 57 percent last year). Eighty-five percent of buyers in senior-related housing 52 to 61 years bought detached single-family homes compared to 65 percent of buyers over 71 years. Forty-nine percent of buyers 52 to 61 years bought in suburbs compared to 54 percent of buyers 71 years and older.

## **DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE**

### **Exhibit 2-6**

The distance between the home that buyers recently purchased and their previous residence was a median of 12 miles. For buyers 62 to 70 years, the median distance was 25 miles and for buyers 51 and younger the median was 10 miles.

## **FACTORS INFLUENCING NEIGHBORHOOD CHOICE**

### **Exhibits 2-7**

Some of the factors that influence recent home buyers' neighborhood choice have remained consistent from last year. Quality of the neighborhood (60 percent), convenience to job (43 percent), and overall home affordability (40 percent) were the three most important factors to recent home buyers when choosing a neighborhood.

Convenience to a job (three percent) and to school districts (four percent) were the least important to buyers over 71 years compared to convenience to friends and family (44 percent) and convenience to shopping (39 percent). Convenience to a job and affordability were the most important for buyers under 36 years (65 and 50 percent respectively). Convenience to a job (49 percent), quality of school districts (35 percent),



and distance to schools (31 percent), were a few of the most important factors to buyers 37 to 51 years.

## **PRICE OF HOME PURCHASED**

### **Exhibits 2-8 through 2-9**

Home prices increased slightly this year to a median of \$227,700 for all buyers. Buyers 37 to 51 years purchased the highest priced homes at a median of \$261,000; buyers 36 years and younger purchased the most affordable homes at a median of \$205,000 (up from \$187,400 last year).

Recent buyers typically purchased their home for a median of 98 percent of the asking price for their home, which was closely consistent between all generations. Thirteen percent of all buyers paid more than the asking price for their home, 17 percent for buyers 36 years and younger and only seven percent for buyers over 71 years.

## **SIZE OF HOME PURCHASED AND YEAR HOME WAS BUILT**

### **Exhibits 2-10 through 2-12**

Recent homes purchased had a median size of 1,900 square feet, consistent with last year. The size of homes for buyers 37 to 51 years was typically larger homes at 2,100 square feet, compared to buyers 36 years and younger and 71 years and older that purchased homes at a median of 1,800. Homes for all buyers across generations typically had three bedrooms and two bathrooms.

This year, the homes purchased were slightly older than in previous years. The typical home purchased was built in 1991. For buyers 36 years and younger, the median home was built in 1984; for ages 62 to 70, the median was 1998. For home buyers over 71, the median was 1999.

## **ENVIRONMENT FEATURES AND COMMUTING COSTS**

### **Exhibits 2-13**

To the majority of recent home buyers, heating and cooling costs were the most important environmentally friendly factors at 33 percent. Twenty-eight percent of buyers said that commuting costs were also important to them when they recently purchased their home. For buyers 36 years and younger, commuting costs were more important than heating and cooling costs at 39 percent and 31 percent respectively. Compared to buyers 62 to 70, commuting costs were listed as very important to only 12 percent whereas heating and cooling costs accounted for 34 percent.

## **CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED**

### **Exhibits 2-14**

When deciding on a home to purchase, recent buyers made compromises on some home characteristics. The most common compromise made was the price of the home



at 21 percent, followed by the condition of the home at 19 percent. Thirty-two percent of buyers said that they made no compromises when purchasing their home.

For buyers 36 years and younger, 24 percent made compromises on the size and price of the home. As buyers go up in age, the percentage drops for those who compromised on the condition of the home, namely 20 percent for those 36 and younger and 13 percent for buyers 71 years and older. The percentage also increases for those reporting that they made no compromises, notably more than half of buyers (50 percent) 62 to 70 years did not compromise, compared to 20 percent of buyers 36 years and younger.

### **EXPECTED LENGTH OF TENURE IN HOME PURCHASED**

#### **Exhibits 2-15 and 2-16**

The expected tenure in homes has decreased from last year to a median of 12 years. For buyers 36 years and younger, the expected length of time is only 10 years compared to 20 years for buyers aged 52 to 61. While buyers can estimate the timeframe that they will live in their homes, there are factors, which could cause buyers to move. Twenty-six percent of buyers (down from 40 percent last year) said that they would potentially move because of a life change, such as an addition to the family, marriage, children moving out, or retirement; that number jumps up to 32 percent (down from 47 percent last year) for buyers 52 to 61 years. Buyers 36 years and younger were more likely than any other age group to potentially move because of a job or career change, while buyers over 62 years are most likely to say they are never moving.



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-1	NEW AND PREVIOUSLY OWNED HOMES PURCHASED
Exhibit 2-2	WHY NEW AND PREVIOUSLY OWNED HOMES PURCHASED
Exhibit 2-3	TYPE OF HOME PURCHASED
Exhibit 2-4	LOCATION OF HOME PURCHASED
Exhibit 2-5	SENIOR-RELATED HOUSING BY TYPE OF HOME PURCHASED AND LOCATION
Exhibit 2-6	DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE
Exhibit 2-7	FACTORS INFLUENCING NEIGHBORHOOD CHOICE
Exhibit 2-8	PRICE OF HOME PURCHASED
Exhibit 2-9	PURCHASE PRICE COMPARED WITH ASKING PRICE
Exhibit 2-10	SIZE OF HOME PURCHASED
Exhibit 2-11	NUMBER OF BEDROOMS AND BATHROOMS
Exhibit 2-12	YEAR HOME BUILT
Exhibit 2-13	ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT"
Exhibit 2-14	CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED
Exhibit 2-15	EXPECTED LENGTH OF TENURE IN HOME PURCHASED
Exhibit 2-16	FACTORS THAT COULD CAUSE BUYER TO MOVE

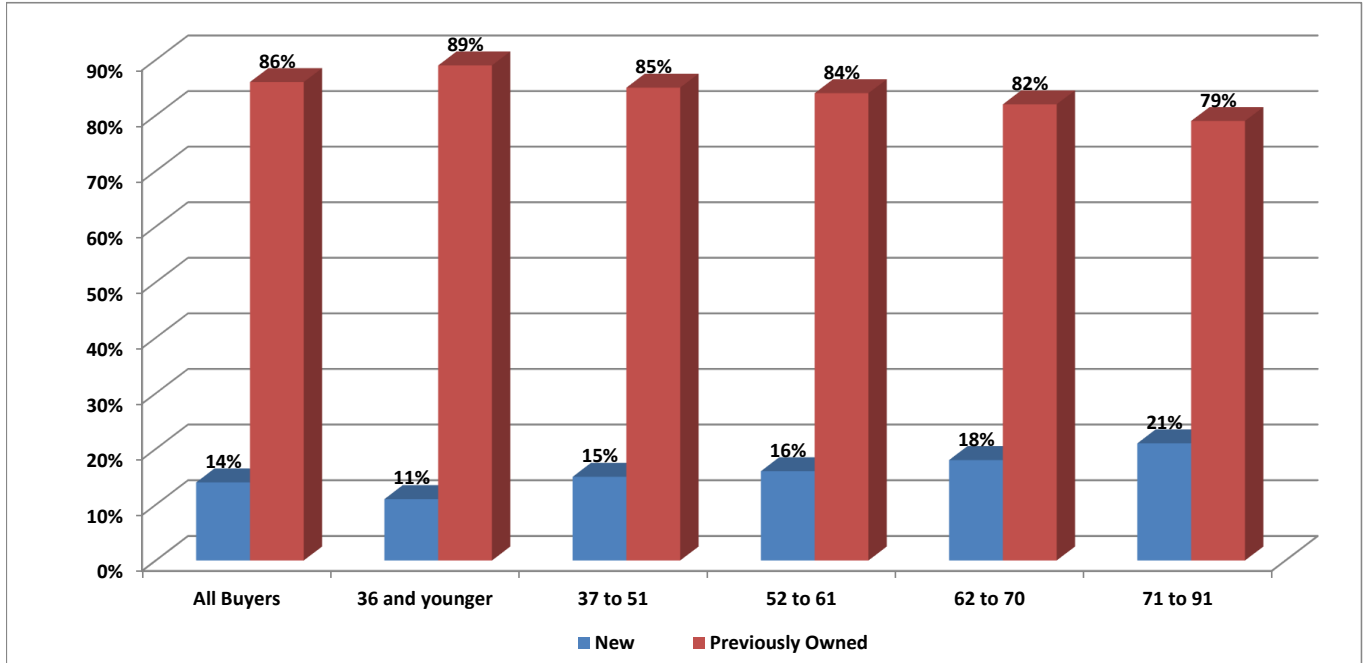


## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-1

### NEW AND PREVIOUSLY OWNED HOMES PURCHASED

(Percentage Distribution)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-2

### WHY NEW AND PREVIOUSLY OWNED HOMES PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>New Home:</b>						
Avoid renovations or problems with plumbing or electricity	34%	48%	37%	27%	30%	18%
Ability to choose and customize design features	30	28	35	32	33	22
Amenities of new home construction communities	18	17	16	18	19	22
Green/energy efficiency	10	13	12	10	9	2
Lack of inventory of previously owned home	10	12	13	9	2	10
Smart home features	4	5	3	4	*	7
Other	15	12	16	19	13	18
<b>Previously Owned Home:</b>						
Better price	32%	44%	29%	25%	24%	21%
Better overall value	28	25	27	29	35	30
More charm and character	19	20	22	21	18	17
Lack of inventory of new homes	9	10	11	7	6	5
Other	18	13	18	21	19	28

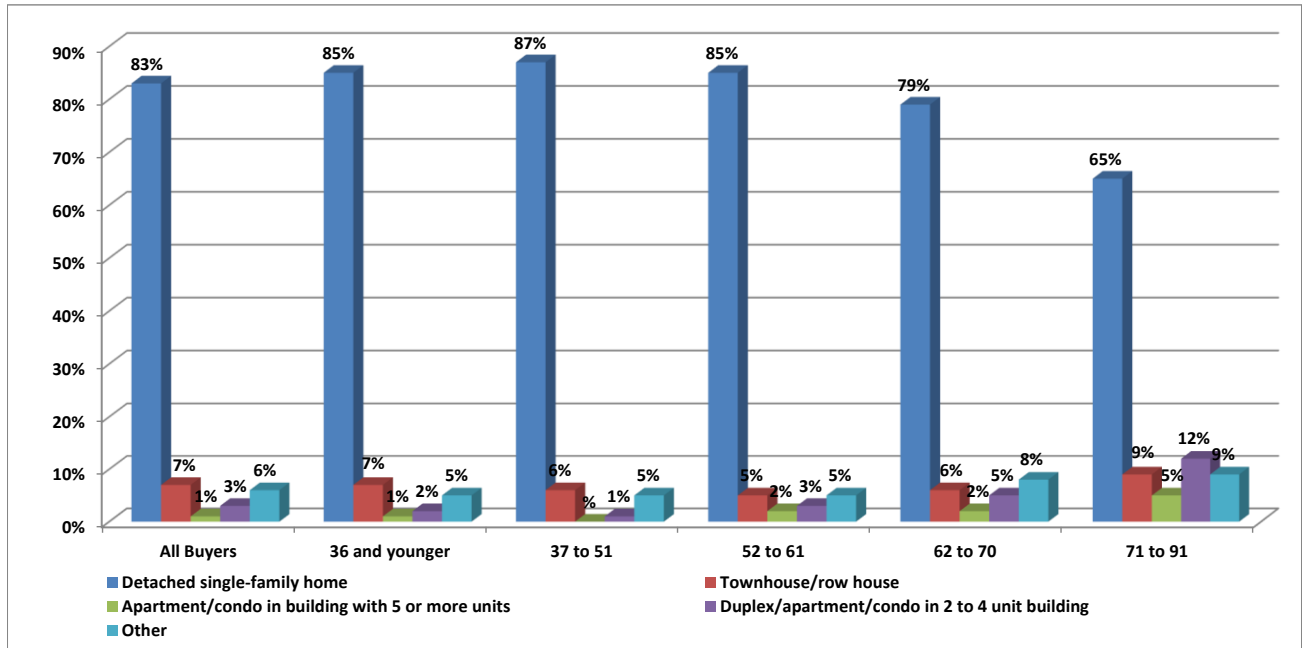
\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-3

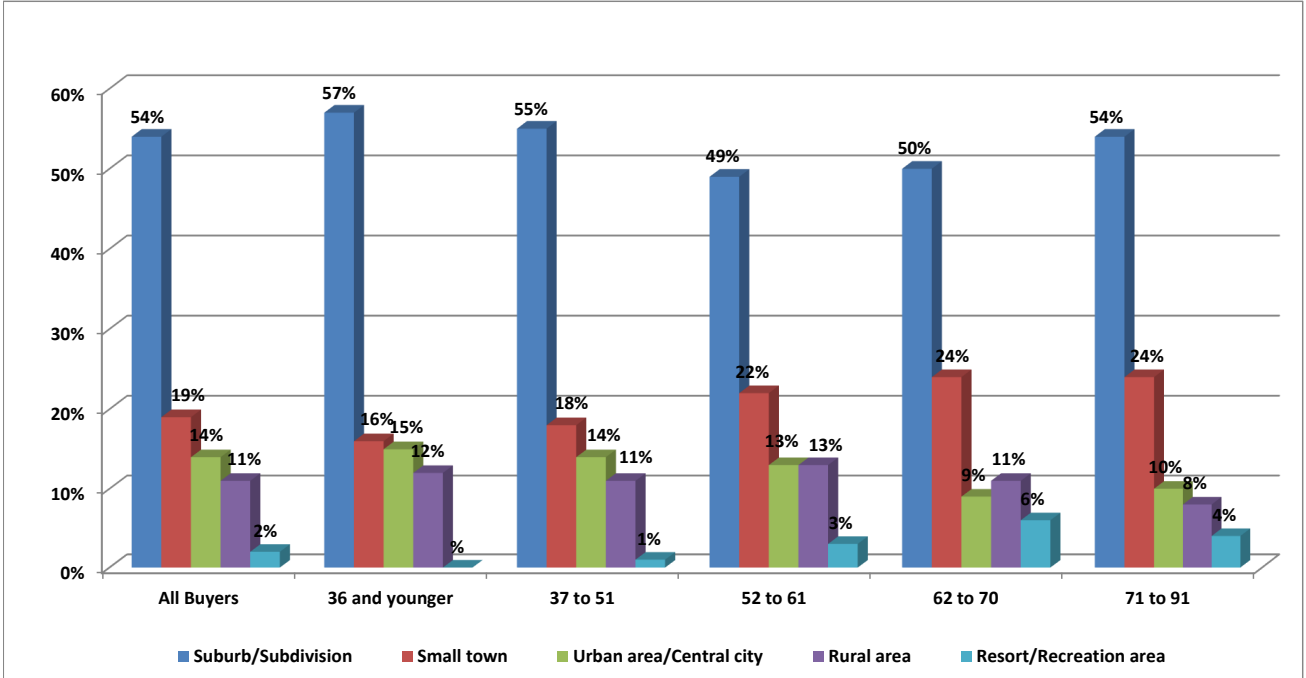
### TYPE OF HOME PURCHASED

(Percentage Distribution)



# CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-4  
**LOCATION OF HOME PURCHASED**  
(Percentage Distribution)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-5

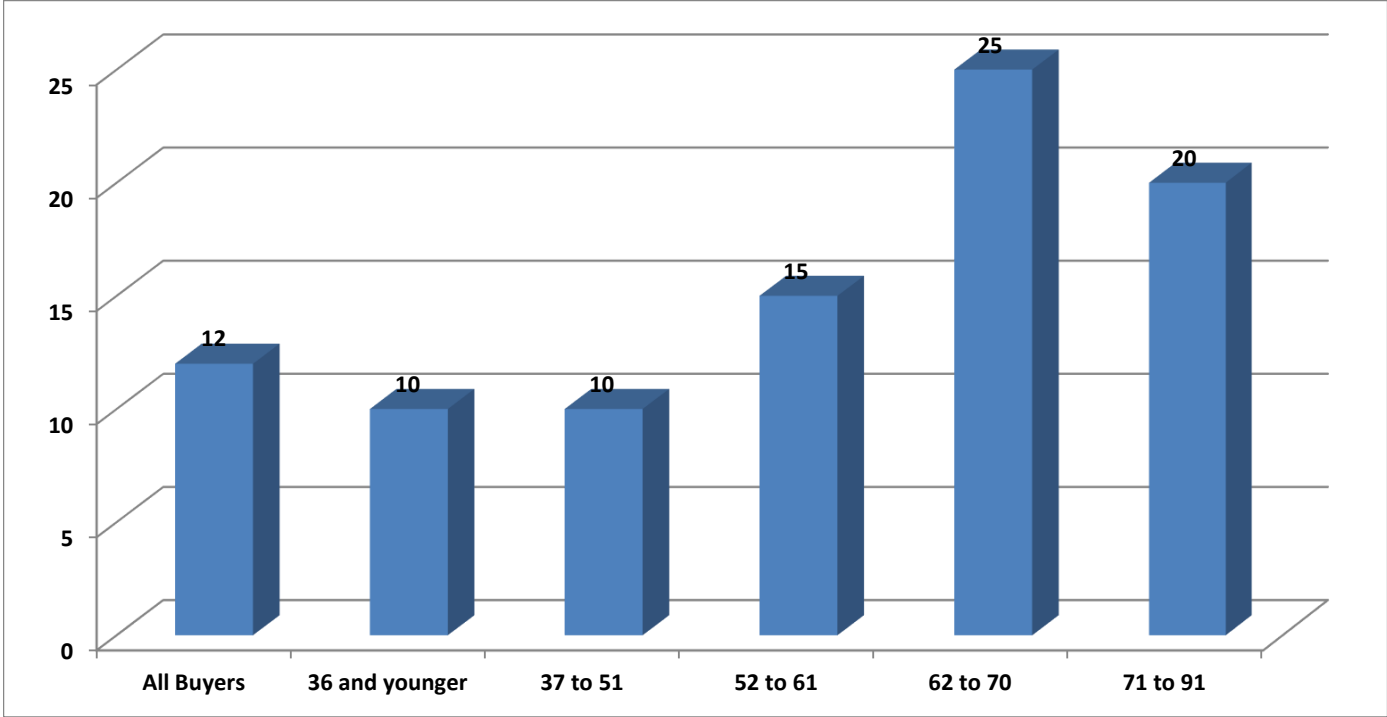
### SENIOR-RELATED HOUSING BY TYPE OF HOME PURCHASED AND LOCATION

(Percentage Distribution)

	All buyers over 50	AGE OF HOME BUYER		
		52 to 61	62 to 70	71 to 91
<b>Share who purchased a home in senior-related housing</b>	14%	7%	17%	24%
<b>Buyers over 50 who purchased senior-related housing:</b>				
<b>Type of home purchased</b>				
Detached single-family home	62%	85%	79%	65%
Townhouse/row house	8	5	6	9
Duplex/apartment/condo in 2 to 4 unit building	6	2	2	5
Apartment/condo in building with 5 or more units	14	3	5	12
Other	10	5	8	9
<b>Location</b>				
Suburb/ Subdivision	46%	49%	50%	54%
Small town	26	22	24	24
Resort/ Recreation area	6	13	9	10
Urban/ Central city	11	13	11	8
Rural area	11	3	6	4

CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-6  
**DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE**  
(Median Miles)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-7

### FACTORS INFLUENCING NEIGHBORHOOD CHOICE

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Quality of the neighborhood	60%	66%	61%	54%	55%	58%
Convenient to job	43	65	49	37	14	3
Overall affordability of homes	40	50	37	32	38	28
Convenient to friends/family	37	43	28	33	43	44
Quality of the school district	26	40	35	11	5	4
Convenient to shopping	24	22	22	22	28	39
Design of neighborhood	20	17	18	22	28	29
Convenient to entertainment/leisure activ	20	25	19	17	18	16
Convenient to schools	20	30	31	5	4	2
Convenient to parks/recreational facilities:	17	22	17	13	16	12
Availability of larger lots or acreage	16	18	19	15	13	7
Home in a planned community	8	5	8	8	13	15
Convenient to airport	6	5	6	6	9	8
Convenient to public transportation	5	6	6	5	4	4
Convenient to health facilities	1	1	1	2	2	1
Other	5	4	4	8	9	9

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-8

### PRICE OF HOME PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Less than \$75,000</b>	4%	4%	2%	6%	4%	6%
<b>\$75,000 to \$99,999</b>	5	6	3	5	6	3
<b>\$100,000 to \$124,999</b>	6	7	4	4	6	4
<b>\$125,000 to \$149,999</b>	8	9	7	8	9	11
<b>\$150,000 to \$174,999</b>	10	11	9	8	8	8
<b>\$175,000 to \$199,999</b>	9	11	7	9	8	10
<b>\$200,000 to \$249,999</b>	15	13	15	17	18	17
<b>\$250,000 to \$299,999</b>	11	11	12	10	10	12
<b>\$300,000 to \$349,999</b>	9	8	7	11	7	11
<b>\$350,000 to \$399,999</b>	6	5	8	6	7	6
<b>\$400,000 to \$499,999</b>	8	6	11	9	6	6
<b>\$500,000 or more</b>	10	8	15	8	10	6
<b>Median price</b>	\$227,700	\$205,000	\$261,000	\$230,000	\$225,000	\$220,000



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-9

### **PURCHASE PRICE COMPARED WITH ASKING PRICE**

*(Percentage Distribution)*

Percent of asking price:	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Less than 90%</b>	9%	8%	9%	11%	11%	10%
<b>90% to 94%</b>	15	14	14	17	17	14
<b>95% to 99%</b>	36	35	37	33	37	36
<b>100%</b>	27	26	26	30	27	33
<b>101% to 110%</b>	11	15	11	9	6	5
<b>More than 110%</b>	2	2	3	1	3	2
<b>Median (purchase price as a percent of asking price)</b>	98%	98%	98%	98%	98%	98%

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-10

### SIZE OF HOME PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>1,000 sq ft or less</b>	*	*	*	*	*	*
<b>1,001 to 1,500 sq ft</b>	15	19	11	14	13	9
<b>1,501 to 2,000 sq ft</b>	27	28	20	31	32	34
<b>2,001 to 2,500 sq ft</b>	26	27	27	21	27	36
<b>2,501 to 3,000 sq ft</b>	15	14	16	15	14	13
<b>3,001 to 3,500 sq ft</b>	8	7	12	8	6	5
<b>3,501 sq ft or more</b>	9	5	14	11	8	3
<b>Median (sq ft)</b>	1,900	1,800	2,100	1,900	1,800	1,800

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-11

### NUMBER OF BEDROOMS AND BATHROOMS

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>One bedroom</b>	*	*	*	1%	*	*
<b>Two bedrooms</b>	14	10	8	17	22	28
<b>Three bedrooms or more</b>	86	89	92	83	78	72
<b>Median number of bedrooms</b>	3	3	3	3	3	3
<b>One full bathroom</b>	16	24	13	13	12	8
<b>Two full bathrooms</b>	60	58	57	60	68	72
<b>Three full bathrooms or more</b>	23	18	30	27	20	19
<b>Median number of full bathrooms</b>	2	2	2	2	2	2

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-12

### YEAR HOME BUILT

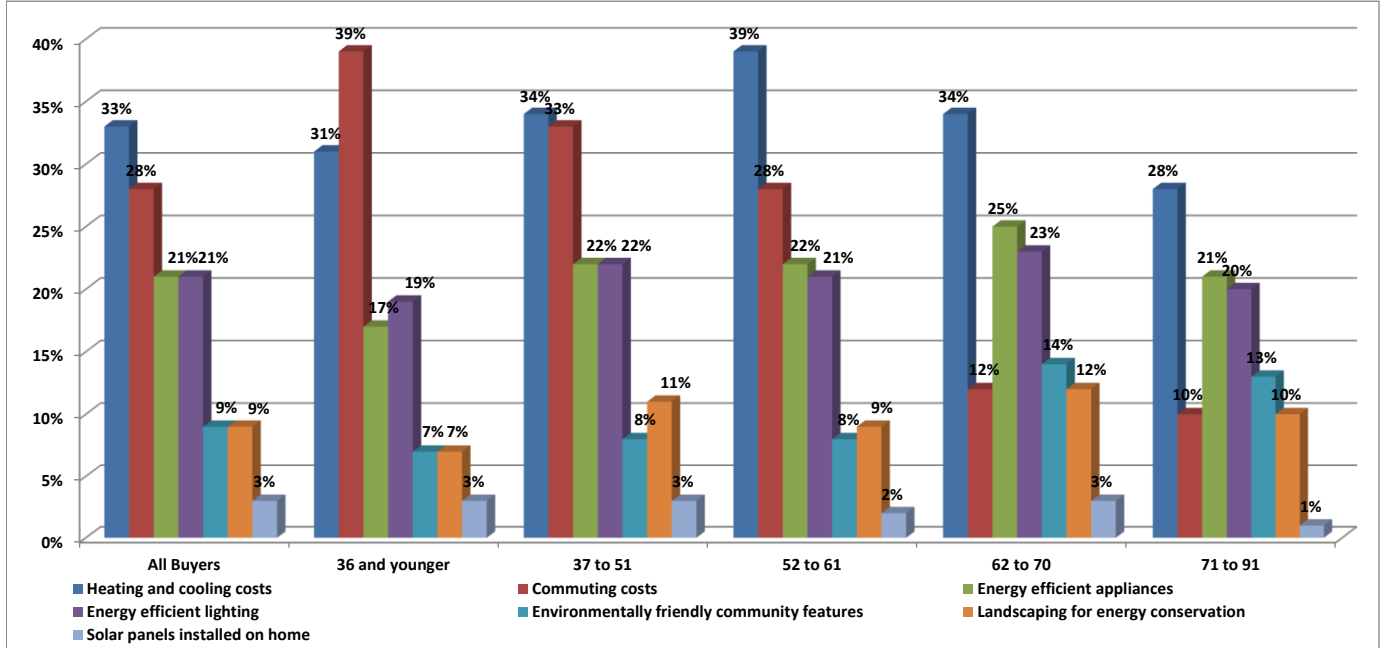
(Median)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>2015</b>	14%	10%	14%	14%	16%	19%
<b>2014 through 2011</b>	4	4	4	4	4	6
<b>2010 through 2007</b>	5	4	6	6	5	4
<b>2006 through 2002</b>	12	10	13	11	16	16
<b>2001 through 1987</b>	20	18	20	22	23	22
<b>1986 through 1961</b>	25	27	24	24	22	24
<b>1960 through 1913</b>	17	22	16	16	13	8
<b>1912 and older</b>	3	5	2	2	1	2
<b>Median</b>	1991	1984	1994	1992	1998	1999

CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-13

**ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT"**  
 (Percent of Respondents)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-14

### CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Price of home	21%	24%	23%	16%	19%	23%
Condition of home	19	20	21	20	16	13
Size of home	18	24	18	14	12	15
Lot size	15	18	16	13	8	16
Style of home	15	19	16	13	9	11
Distance from job	14	19	15	12	4	1
Distance from friends or family	7	9	5	6	7	7
Quality of the neighborhood	5	4	5	5	3	5
Quality of the schools	4	7	5	1	*	1
Distance from school	2	1	3	1	1	*
None - Made no compromises	32	20	29	39	50	47
Other compromises not listed	7	7	7	9	7	7

\* Less than 1 percent

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-15

### EXPECTED LENGTH OF TENURE IN HOME PURCHASED

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>1 year or less</b>	1%	1%	1%	1%	2%	2%
<b>2 to 3 years</b>	3	3	2	2	3	2
<b>4 to 5 years</b>	9	14	7	7	6	3
<b>6 to 7 years</b>	3	5	2	1	1	2
<b>8 to 10 years</b>	15	19	15	13	9	12
<b>11 to 15 years</b>	6	6	7	6	7	6
<b>16 or more years</b>	26	21	32	33	27	10
<b>Don't Know</b>	38	30	34	37	45	64
<b>Median</b>	12	10	15	20	15	10

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-16

### FACTORS THAT COULD CAUSE BUYER TO MOVE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Move with life changes (addition to family, marriage, children move out, retirement, etc.)</b>	26%	29%	28%	32%	18%	13%
<b>Never moving-forever home</b>	18	9	19	26	31	30
<b>Move with job or career change</b>	13	20	18	7	*	1
<b>May outgrow home</b>	9	19	5	2	1	*
<b>Downsize/smaller house</b>	8	3	10	11	12	10
<b>Household member's health</b>	8	1	1	8	25	36
<b>Want nicer home/added features</b>	7	10	7	3	3	2
<b>May desire better area/neighborhood</b>	1	1	1	*	*	*
<b>Will flip home</b>	1	1	1	1	*	*
<b>Other</b>	9	7	9	9	9	8

\* Less than 1 percent



## **NATIONAL ASSOCIATION OF REALTORS® 2017 Home Buyers and Sellers Generational Trends**

### **Chapter 3: The Home Search Process**

Searching online continues to be the first step that most buyers took. Real estate agents remain a vital part of the home search process, and are the second most frequently used information source for home buyers. The length of the home search was the longest for buyers 37 to 51 years old at 12 weeks. For all other generations, buyers searched for 10 weeks. All generations viewed a median of 10 homes this year.

Similar to the info sources used, younger generations typically found the home they purchased through the internet. The share of buyers that found their home on the internet decreases with age; conversely, the share of buyers that found their home through an agent increases with age. In response to looking at homes on the internet, buyers typically walked through the homes that they viewed online. Buyers also valued website features such as photos and detailed property information. Overall, buyers of all generations continue to be very satisfied with their home buying process.

#### **THE FIRST STEP IN THE HOME BUYING PROCESS AND INFORMATION SOURCES Exhibits 3-1 through 3-3**

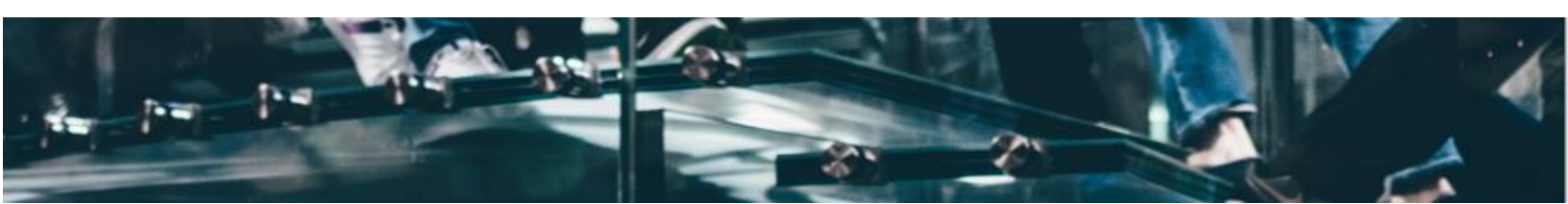
Among nearly all generations of home buyers, the first step taken was to look online for properties, except for buyers 71 years and older who contacted a real estate agent first. Forty percent of buyers 36 years and younger, 47 percent aged 37 to 51, 53 percent aged 52 to 61, and 45 percent aged 62 to 70 looked online for properties for sale first. As age increases, the share that contacted an agent first increased, from 12 percent for buyers 36 years and younger to 30 percent for buyers over 71 years.

The most used information source for buyers 70 years and younger was online websites. Ninety-nine percent of buyers 36 year and younger used online websites. Among buyers 71 and older, the most used information source was a real estate agent.

The length of the home search was the longest for buyers 37 to 51 years old at 12 weeks. For all other generations, buyers searched for 10 weeks. All generations viewed a median of 10 homes this year. Buyers 51 years and younger waited three weeks before contacting an agent, and those 52 years and older waited only two weeks in their home search process.

#### **FINDING THE PURCHASED HOME Exhibit 3-4 and 3-6**

Similar to the information sources used, younger generations typically found the home they purchased through the internet. The share of buyers that found their home on the internet decreases with age; conversely, the share of buyers that found their home through an agent increases with age. Over half of buyers 36 years and younger (56



percent) and buyers aged 37 to 51 years (50 percent) found their home through the internet. Forty-four percent of buyers 71 to 91 years found their home through a real estate agent.

When looking during the home search process, buyers 36 years and younger were the most likely generation to consider purchasing a home that was in foreclosure. A trend showed that as the buyers got older, they were less likely to consider purchasing a home in foreclosure.

Across all generations, the most difficult step in the home buying process was finding the right property. Younger buyers are more likely to cite there are difficult steps in the home buying process. Ninety-one percent of buyers 36 and younger cite there was at least one difficult step compared to 73 percent of buyers 71 to 91 years old.

### **WEBSITE AND MOBILE SEARCH**

#### **Exhibit 3-7 through 3-10**

Over 50 percent of buyers from all generations frequently used the internet to search for their home. Ninety-three percent of buyers 36 years and younger frequently used the internet during their home search process. As a result of searching for homes on the internet, buyers most often walked through the home that they viewed online. Buyers 51 years and younger saw the exterior of homes because of searching online for properties. The most important website feature was photos for nine in 10 buyers under the age of 62. Detailed information about properties for sale were equally important website features for all generations.

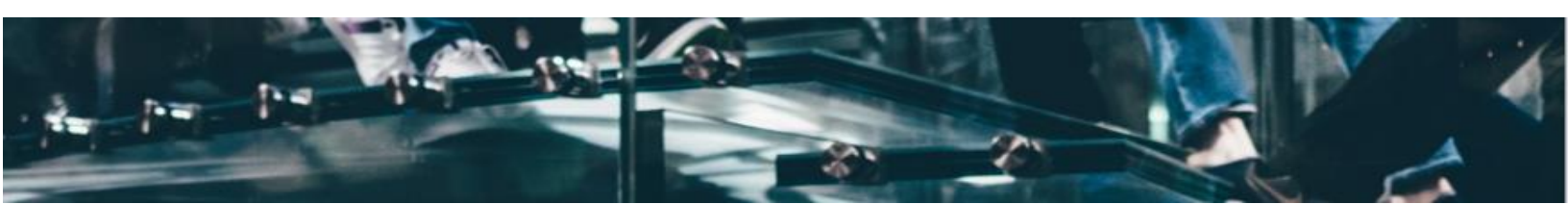
Using mobile applications during the home search was common among younger generations of buyers. Fifty-eight percent of buyers 36 years and younger found their homes through a mobile application (down from 71 percent last year). Forty-six percent of buyers 37 to 51 years, 33 percent for those 52 to 61, and 24 percent of those 62 to 70 years, found their homes by using a mobile application, if they used a mobile device to search.

Recent buyers also used mobile applications to find the agents they used during the home buying process. Buyers 36 years and younger, more than any other generation, found their agent through a mobile application.

### **SATISFACTION IN BUYING PROCESS**

#### **Exhibit 3-11**

Buyers of all generations were overall very satisfied with their home buying process. Buyers 62 to 70 years were the most satisfied of any generation with the buying process, 67 percent saying that they were very satisfied. Sixty-four percent of buyers 52 to 61 years, 60 percent of buyers over 71 years, and 58 percent of buyers 51 years and younger, were very satisfied with the buying process.



## THE HOME SEARCH PROCESS

- Exhibit 3-1 FIRST STEP TAKEN DURING THE HOME BUYING PROCESS
- Exhibit 3-2 INFORMATION SOURCES USED IN HOME SEARCH
- Exhibit 3-3 LENGTH OF SEARCH
- Exhibit 3-4 WHERE BUYER FOUND THE HOME THEY PURCHASED
- Exhibit 3-5 BUYER INTEREST IN PURCHASING A HOME IN FORECLOSURE
- Exhibit 3-6 MOST DIFFICULT STEPS OF HOME BUYING PROCESS
- Exhibit 3-7 USE OF INTERNET TO SEARCH FOR HOMES
- Exhibit 3-8 ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH
- Exhibit 3-09 VALUE OF WEBSITE FEATURES
- Exhibit 3-10 MOBILE SEARCH
- Exhibit 3-11 SATISFACTION IN BUYING PROCESS

THE HOME SEARCH PROCESS

Exhibit 3-1

**FIRST STEP TAKEN DURING THE HOME BUYING PROCESS**

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Looked online for properties for sale	44%	40%	47%	53%	45%	26%
Contacted a real estate agent	17	12	14	16	21	30
Looked online for information about the home buying process	13	18	11	7	7	8
Contacted a bank or mortgage lender	7	8	8	4	5	3
Talked with a friend or relative about home buying process	6	11	4	2	4	5
Drove-by homes/neighborhoods	6	3	7	8	9	7
Visited open houses	3	2	4	3	3	9
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transit, etc.)	1	1	1	1	1	1
Contacted builder/visited builder models	1	1	2	3	3	4
Contacted a home seller directly	1	1	1	1	1	4
Looked in newspapers, magazines, or home buying guides	1	1	*	1	1	2
Attended a home buying seminar	1	1	1	*	*	*
Read books or guides about the home buying process	*	*	*	*	*	*
Other	1	1	1	*	1	1

\* Less than 1 percent

THE HOME SEARCH PROCESS

Exhibit 3-2

**INFORMATION SOURCES USED IN HOME SEARCH**

*(Percent of Respondents)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Online website</b>	95%	99%	96%	90%	89%	77%
<b>Real estate agent</b>	92	90	86	84	88	90
<b>Mobile or tablet search device</b>	72	86	74	61	49	40
<b>Open house</b>	50	51	63	46	45	43
<b>Yard sign</b>	49	47	51	49	46	49
<b>Online video site</b>	36	28	36	63	46	45
<b>Print newspaper advertisement</b>	16	13	15	20	22	31
<b>Home builder</b>	14	14	21	18	18	20
<b>Home book or magazine</b>	12	10	12	15	3	16
<b>Billboard</b>	4	4	6	6	3	2
<b>Television</b>	3	3	3	2	2	3
<b>Relocation company</b>	3	3	3	3	1	2

## THE HOME SEARCH PROCESS

Exhibit 3-3

### LENGTH OF SEARCH

(Median)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Number of Weeks Searched	10	10	12	10	10	10
Number of Weeks Searched Before Contacting an Agent	3	3	3	2	2	2
Number of homes viewed	10	10	10	10	10	10

## THE HOME SEARCH PROCESS

Exhibit 3-4

### WHERE BUYER FOUND THE HOME THEY PURCHASED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Internet	51%	56%	50%	47%	37%	23%
Real estate agent	34	28	28	33	35	44
Yard sign/open house sign	8	6	8	8	10	14
Friend, relative or neighbor	4	5	4	5	8	10
Home builder or their agent	2	3	6	4	7	6
Directly from sellers/Knew the sellers	1	2	3	2	2	1
Print newspaper advertisement	1	*	*	1	1	2
Home book or magazine	*	*	*	*	*	*
Other	*	*	*	*	*	*

\* Less than 1 percent

THE HOME SEARCH PROCESS

Exhibit 3-5

**BUYER INTEREST IN PURCHASING A HOME IN FORECLOSURE**

*(Percent of Respondents)*

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Did not consider purchasing a home in foreclosure</b>	61%	52%	60%	68%	75%	79%
<b>Considered purchasing a home in foreclosure, but did not:</b>						
<b>Could not find the right home</b>	23	27	22	17	15	13
<b>The process was too difficult or complex</b>	10	12	11	10	5	5
<b>The home was in poor condition</b>	10	14	9	7	7	5
<b>The home price was too high</b>	3	3	3	3	4	2
<b>The neighborhood was undesirable</b>	3	4	3	2	2	2
<b>Financing options were not attractive</b>	3	5	3	2	1	1



THE HOME SEARCH PROCESS

Exhibit 3-6

**MOST DIFFICULT STEPS OF HOME BUYING PROCESS**

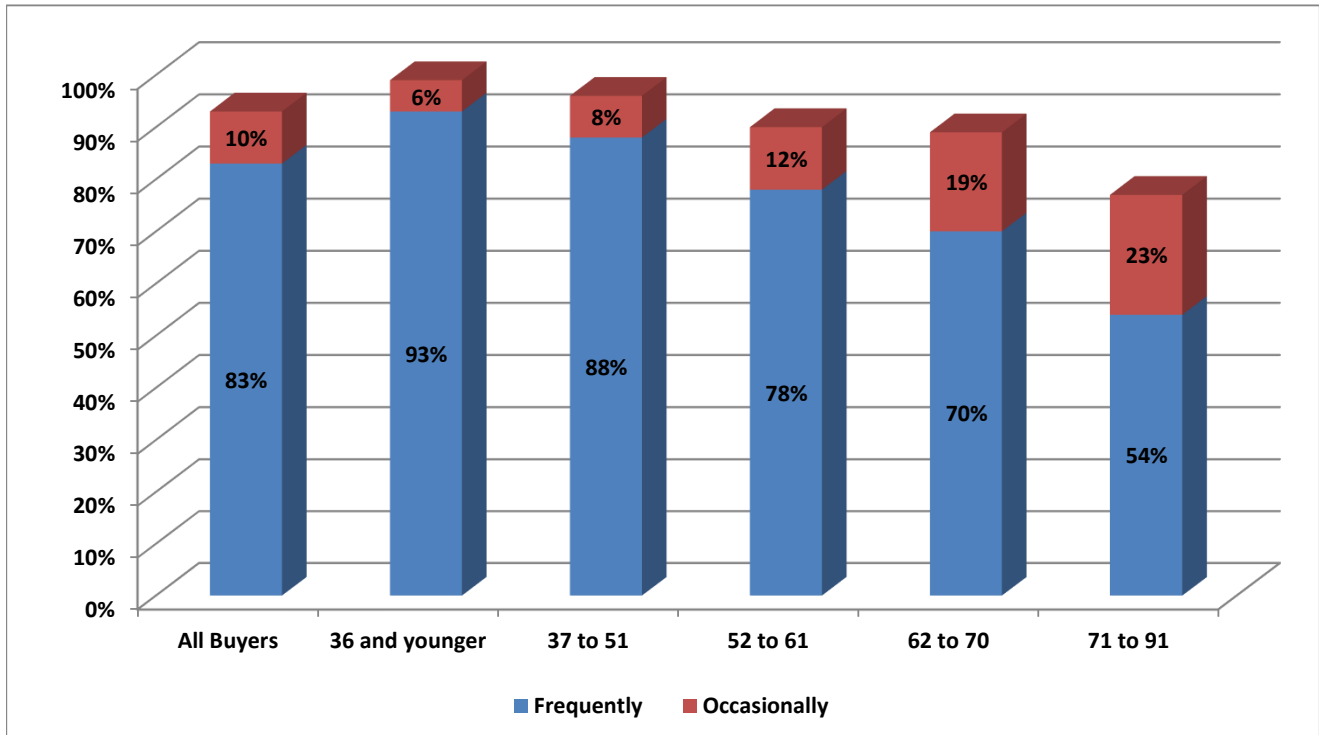
*(Percent of Respondents)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Finding the right property</b>	52%	57%	54%	50%	46%	47%
<b>Paperwork</b>	24	27	24	23	22	23
<b>Understanding the process and steps</b>	17	28	12	7	9	11
<b>Saving for the down payment</b>	13	23	13	4	3	1
<b>Getting a mortgage</b>	11	12	11	9	8	10
<b>Appraisal of the property</b>	5	7	4	4	3	3
<b>No difficult steps</b>	16	9	14	22	26	27
<b>Other</b>	6	5	7	5	5	5

# THE HOME SEARCH PROCESS

Exhibit 3-7

## USE OF INTERNET TO SEARCH FOR HOMES



THE HOME SEARCH PROCESS

Exhibit 3-8

**ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH**

*(Percent of Respondents Among Buyers Who Used the Internet)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Walked through home viewed online	67%	70%	70%	67%	61%	59%
Saw exterior of homes/neighborhood, but did not walk through home	44	48	47	40	39	28
Found the agent used to search for or buy home	33	34	25	34	39	39
Requested more information	27	32	26	21	26	24
Pre-qualified for a mortgage online	19	23	17	19	14	12
Looked for more information on how to get a mortgage and general home buyers tips	16	26	14	9	7	7
Applied for a mortgage online	14	16	14	15	9	8
Found a mortgage lender online	9	12	9	9	8	6
Contacted builder/developer	8	7	10	8	9	12

## THE HOME SEARCH PROCESS

Exhibit 3-09

### VALUE OF WEBSITE FEATURES

(Percentage Ranking Feature "Very Useful" Among Buyers Who Used the Internet)

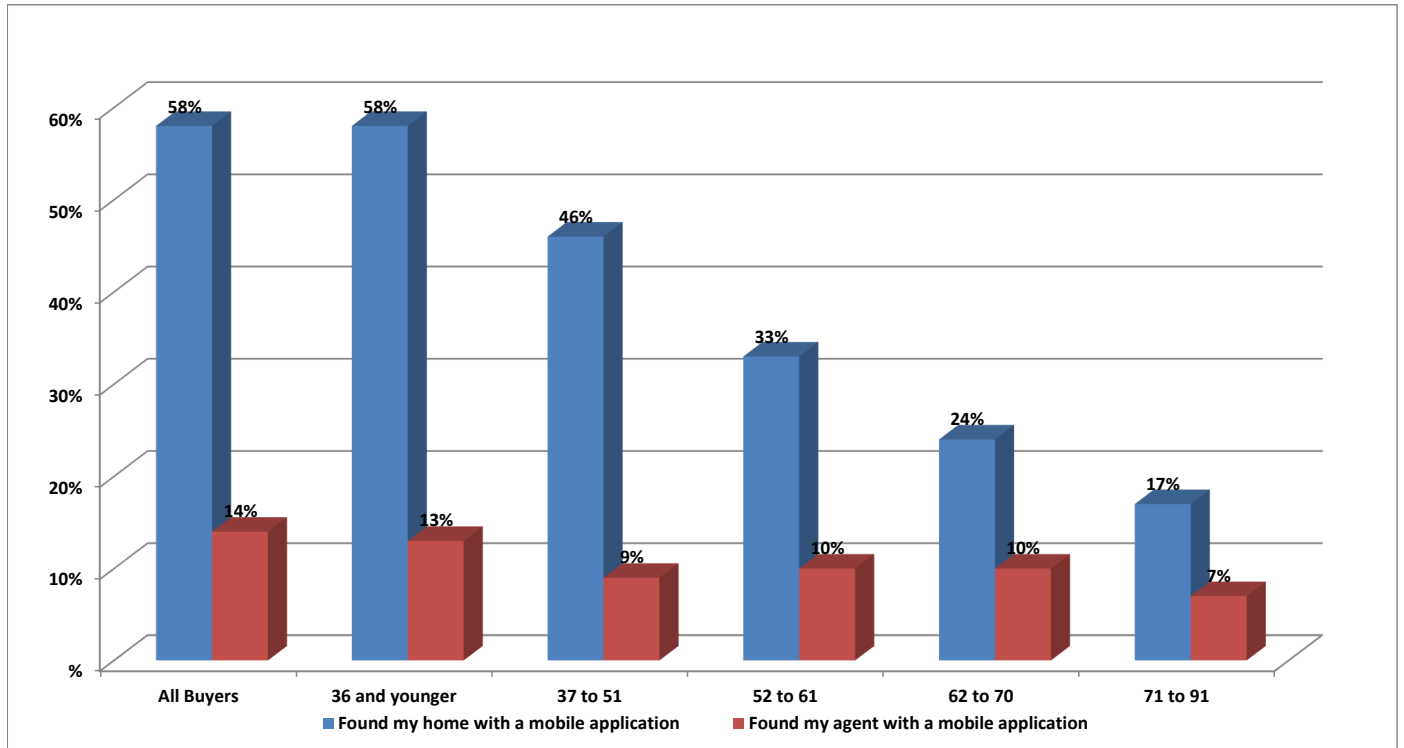
	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Photos</b>	89%	91%	90%	87%	82%	73%
<b>Detailed information about properties for sale</b>	85	88	88	82	80	69
<b>Floor Plans</b>	55	54	55	54	54	54
<b>Virtual tours</b>	50	48	51	53	48	50
<b>Detailed information about recently sold properties</b>	47	49	51	43	39	38
<b>Neighborhood information</b>	44	48	48	37	36	37
<b>Real estate agent contact information</b>	42	39	40	45	46	50
<b>Interactive maps</b>	41	44	46	39	32	22
<b>Pending sales/contract status</b>	39	43	40	36	27	32
<b>Information about upcoming open houses</b>	26	30	27	23	21	16
<b>Videos</b>	26	26	28	28	24	26
<b>Real estate news or articles</b>	8	8	7	6	6	12

## THE HOME SEARCH PROCESS

Exhibit 3-10

### MOBILE SEARCH

(Percent of Respondents Among those Who Used Mobile Search)

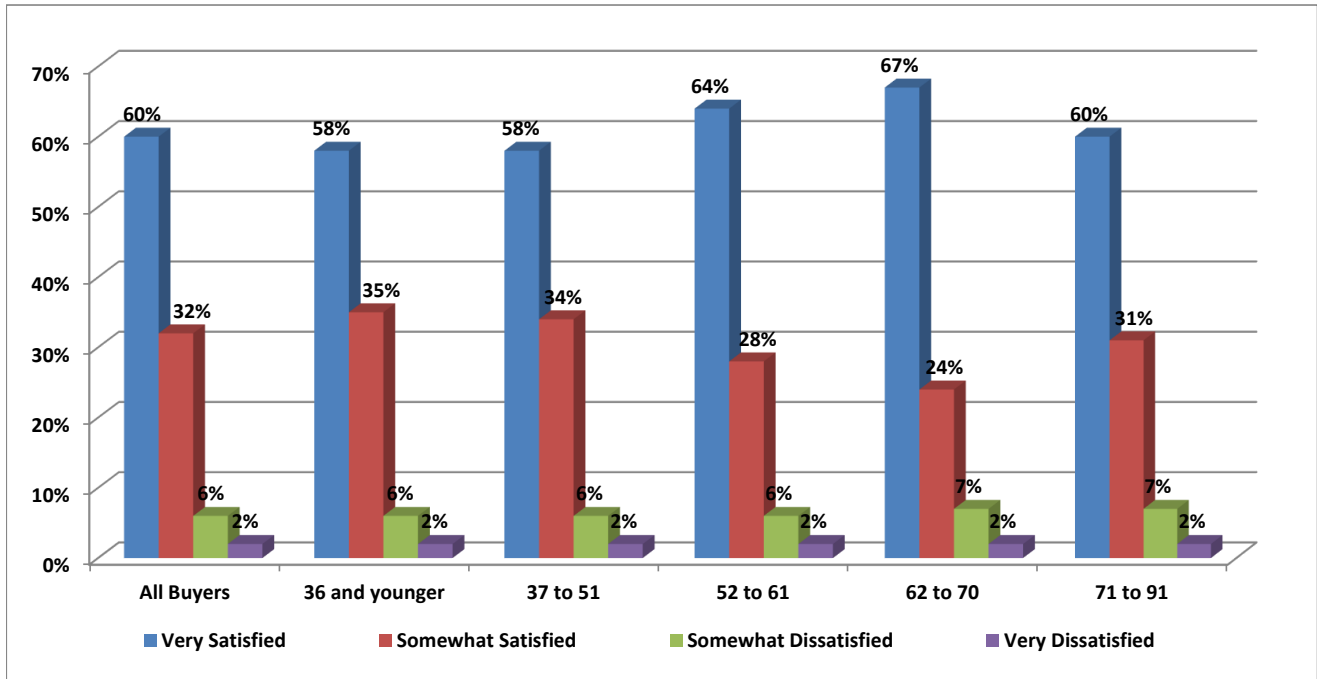


# THE HOME SEARCH PROCESS

Exhibit 3-11

## SATISFACTION IN BUYING PROCESS

(Percentage Distribution)



## **NATIONAL ASSOCIATION OF REALTORS® 2017 Home Buyers and Sellers Generational Trends**

### **Chapter 4: Home Buying and Real Estate Professionals**

Purchasing a home through a real estate agent continues to be the most used purchase method for recent buyers. When choosing an agent to work with, buyers wanted help finding the right home, negotiating sales terms, and negotiating prices. Buyers 36 years and younger, more than any other generation, found that their agent helped them understand the home buying process.

Referrals continue to be the way that most buyers find their real estate agent. Referrals by friends, neighbors, or relatives were higher among buyers 36 years and younger (52 percent, up from 46 percent last year) and 37 to 51 (39 percent). Recent buyers initially contacted their agent by phone and interviewed only one agent.

Buyers were overall very satisfied with their agent's skills and qualities, such as honesty and integrity and knowledge of the purchase process. The majority of buyers would definitely recommend or use their agent again.

#### **METHOD OF HOME PURCHASE** **Exhibits 4-1 to 4-4**

Buyers from all generations typically used a real estate agent or broker to purchase their home. In 2016, younger buyers used agents more often than older buyers to purchase a home. Eighty-eight percent of all buyers purchased their home through an agent, as did 92 percent of buyers 36 years and younger, 88 percent of buyers 37 to 51, and 87 percent of buyers 52 to 61 years. Seven percent of buyers 62 to 70 purchased their homes directly from the previous owner. Ten percent of buyers 71 years and older purchased directly from the builder or builder's agent.

When working with an agent, whether or not buyers signed an agent representation disclosure agreement varied by generation. Twenty-three percent of buyers 36 years and younger did not sign a disclosure agreement, while 23 percent signed a disclosure at their first meeting. Buyers 37 to 51 (27 percent), 52 to 61 (34 percent, up from 28 percent last year), 62 to 70 (34 percent), and 71 years and older (31 percent) typically signed an agreement at the first meeting. Buyer representation arrangements were typically written agreements.

Buyers from all generations primarily wanted their agent's help to find the right home to purchase. Buyers were also looking for help to negotiate the terms of sale and to help with price negotiations. Particularly important to buyers 71 years and over was to have help determining what comparable homes were selling for (12 percent).



## **AGENT BENEFITS AND CONTACT METHOD**

### **Exhibits 4-5 to 4-8**

Working with a real estate agent during the home buying process has many benefits. The benefit that most buyers cited was help understanding the purchase process. Buyers 36 years and younger found help understanding the purchase process was most beneficial compared to other generations.

Referrals continue to be the way that most buyers find their real estate agent. Referrals by friends, neighbors, or relatives were higher among buyers 36 years and younger (52 percent, up from 46 percent last year) and 37 to 51 (39 percent) compared to older generations. Buyers of all generations initially contacted their agent by phone. Initial contact through e-mail was most common among buyers 36 years and younger (19 percent) and 37 to 51 (16 percent). Buyers 71 years and older (32 percent) and 62 to 70 (25 percent) were the most likely to initially talk to their agent in person.

When interviewing agents to work with, buyers often interviewed only one real estate agent. At 70 percent, buyers 36 years and younger were the most likely to interview only one agent.

## **CHOOSING A REAL ESTATE AGENT**

### **Exhibits 4-9 to 4-11**

When choosing an agent to work with, working with an agent that is honest and trustworthy was the most important factor for all buyers at 21 percent, as well as buyers 36 years and younger (24 percent), 37 to 51 (19 percent), 52 to 61 (20 percent), and 62 to 70 (18 percent). For buyers 71 years and older, working with an agent that is honest and trustworthy, an agent's experience, and the reputation of the agent were all equally important at 16 percent. Buyers 37 to 51 years found that an agent's experience was equally important as one who is honest and trustworthy, both at 19 percent.

Recent buyers from all generations looked for agents who were honest and had integrity, were responsive, had knowledge of the purchase process, and had knowledge of the real estate market. It is interesting to see that an agent's skills with technology were more important to buyers 37 to 51 (55 percent) compared to buyers 62 to 70 (47 percent).

When communicating with their agent, recent buyers found it important that their agent personally calls to inform them of activities. It was particularly important to buyers 36 years and younger (75 percent) and 37 to 61 (74 percent) that the agent send postings as soon as a property is listed, a price changes, or is under contract, indicating low inventory in the market.





## **SATIFICATION AND RECOMMENDATION OF AGENT**

### **Exhibits 4-12 to 4-14**

Recent buyers from all generations were satisfied with their real estate agent's skills and qualities. Buyers 36 years and younger were most satisfied with the agent's knowledge of the purchase process and honesty and integrity, both at 90 percent. Buyers 37 to 51 were most satisfied with the agent's knowledge of the purchase process at 90 percent. Buyers 52 years and older were most satisfied with the agent's honesty and integrity.

Across all generations, the majority of recent buyers would definitely use their agent again or recommend their agent to others. Eighty-nine percent of buyers 36 years and younger, 86 percent of 37 to 51, 89 percent of 52 to 61, 89 percent of 62 to 70, and 91 percent of buyers 71 years and older would definitely or probably use again or recommend their agent to others.

Since purchasing, buyers 36 years and younger and 37 to 51 years have recommended their agent twice. Buyers 52 years or older have recommended their agent once. Forty-three percent of buyers 71 years and older have not recommended their agent.



## HOME BUYING AND REAL ESTATE PROFESSIONALS

- Exhibit 4-1 METHOD OF HOME PURCHASE
- Exhibit 4-2 AGENT REPRESENTATION DISCLOSURE
- Exhibit 4-3 BUYER REPRESENTATIVE ARRANGEMENT WITH AGENT
- Exhibit 4-4 WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS
- Exhibit 4-5 BENEFITS PROVIDED BY REAL ESTATE AGENT DURING HOME PURCHASE PROCESS
- Exhibit 4-6 HOW BUYER FOUND REAL ESTATE AGENT
- Exhibit 4-7 HOW TIMES CONTACTED AGENT BEFORE RECEIVED RESPONSE AND ORIGINAL FORM OF CONTACT
- Exhibit 4-8 NUMBER OF REAL ESTATE AGENTS INTERVIEWED
- Exhibit 4-9 MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT
- Exhibit 4-10 AGENT SKILLS AND QUALITIES CONSIDERED 'VERY IMPORTANT'
- Exhibit 4-11 IMPORTANCE OF AGENT COMMUNICATIONS
- Exhibit 4-12 SATISFACTION WITH REAL ESTATE AGENT SKILLS AND QUALITIES
- Exhibit 4-13 WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS
- Exhibit 4-14 HOW MANY TIMES BUYER RECOMMENDED TYPICAL AGENT

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-1

### METHOD OF HOME PURCHASE

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Through a real estate agent or broker	88%	92%	88%	87%	85%	86%
Directly from builder or builder's agent	6	4	6	7	7	10
Directly from the previous owner	5	4	5	6	7	4
Knew previous owner	2	2	3	3	3	2
Did not know previous owner	3	2	2	3	4	2

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-2

### AGENT REPRESENTATION DISCLOSURE

*(Percentage Distribution)*

Disclosure Statement Signed?	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Yes, at first meeting</b>	29%	23%	27%	34%	34%	31%
<b>Yes, when contract was written</b>	21	21	22	22	20	22
<b>Yes, at some other time</b>	12	14	13	13	6	6
<b>No</b>	20	23	20	19	21	15
<b>Don't know</b>	19	19	17	13	19	26

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-3

### BUYER REPRESENTATIVE ARRANGEMENT WITH AGENT

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Yes, a written arrangement</b>	42%	38%	45%	45%	41%	34%
<b>Yes, an oral arrangement</b>	16	16	15	15	19	22
<b>No</b>	29	29	28	30	33	32
<b>Don't know</b>	13	18	12	10	7	12

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-4

### WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Help find the right home to purchase	50%	48%	48%	53%	53%	50%
Help buyer negotiate the terms of sale	13	15	14	13	12	9
Help with the price negotiations	12	14	11	10	8	9
Determine what comparable homes were selling for	8	7	8	8	7	12
Help with paperwork	8	8	8	6	10	10
Help determining how much home buyer can afford	4	3	4	2	3	2
Help find and arrange financing	3	2	3	3	3	1
Help teach buyer more about neighborhood or area (restaurants, parks, public transportation)	1	1	1	3	1	1
Help find renters for buyers property	*	*	*	*	*	1
Other	2	1	2	3	2	4

\*Less than 1 percent

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-5

### BENEFITS PROVIDED BY REAL ESTATE AGENT DURING HOME PURCHASE PROCESS

(Percent of Respondents)

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Helped buyer understand the process	61%	74%	59%	54%	47%	41%
Pointed out unnoticed features/faults with property	55	60	52	51	53	47
Negotiated better sales contract terms	47	53	44	44	42	35
Improved buyer's knowledge of search areas	43	46	41	40	41	38
Provided a better list of service providers (e.g. home inspector)	39	38	34	41	38	38
Negotiated a better price	36	40	33	31	35	33
Shortened buyer's home search	29	30	26	26	32	32
Provided better list of mortgage lenders	22	27	24	17	12	8
Expanded buyer's search area	21	24	19	17	18	14
Narrowed buyer's search area	15	12	15	15	18	18
None of the above	6	4	8	7	7	8
Other	2	1	3	3	3	2

\*Less than 1 percent

HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-6

**HOW BUYER FOUND REAL ESTATE AGENT**

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Referred by (or is) a friend, neighbor or relative	42%	52%	39%	33%	33%	38%
Used agent previously to buy or sell a home	11	8	14	13	16	17
Website (without a specific reference)	9	10	8	10	10	6
Visited an open house and met agent	6	4	7	7	6	6
Referred by another real estate agent/broker	5	4	6	5	7	2
Saw contact information on For Sale/Open House sign	4	2	5	6	6	4
Personal contact by agent (telephone, e-mail, etc.)	3	4	3	4	3	4
Referred through employer or relocation company	3	3	4	2	0	1
Walked into or called office and agent was on duty	2	1	1	3	3	7
Mobile or tablet application	1	1	1	1	1	1
Newspaper, Yellow Pages or home book ad	*	*	*	*	1	1
Advertising specialty (calendar, magnet, etc.)	*	*	*	*	*	*
Crowdsourcing through social media/knew the person through social media	*	1	*	1	*	1
Direct mail (newsletter, flyer, postcard, etc.)	*	*	*	1	1	1
Saw the agent's social media page without a connection	*	1	*	*	1	*
Other	11	9	11	12	13	12

\*Less than 1 percent



HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-7

**HOW TIMES CONTACTED AGENT BEFORE RECEIVED RESPONSE AND ORIGINAL FORM OF CONTACT**

*(Median, Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Phone call	41%	37%	39%	46%	44%	46%
Talked to them in person	21	17	23	20	25	32
E-mail	15	19	16	14	8	6
Ask a friend to put me in touch	9	9	7	8	12	10
Inquiry for more information through 3rd party website	6	7	5	5	5	3
Text message	4	5	6	4	1	2
Through agent's website	2	2	2	2	4	2
Social Media (FaceBook, Twitter, LinkedIn, etc.)	2	4	2	2	*	*
Number of Times Contacted (median)	1	1	1	1	1	1

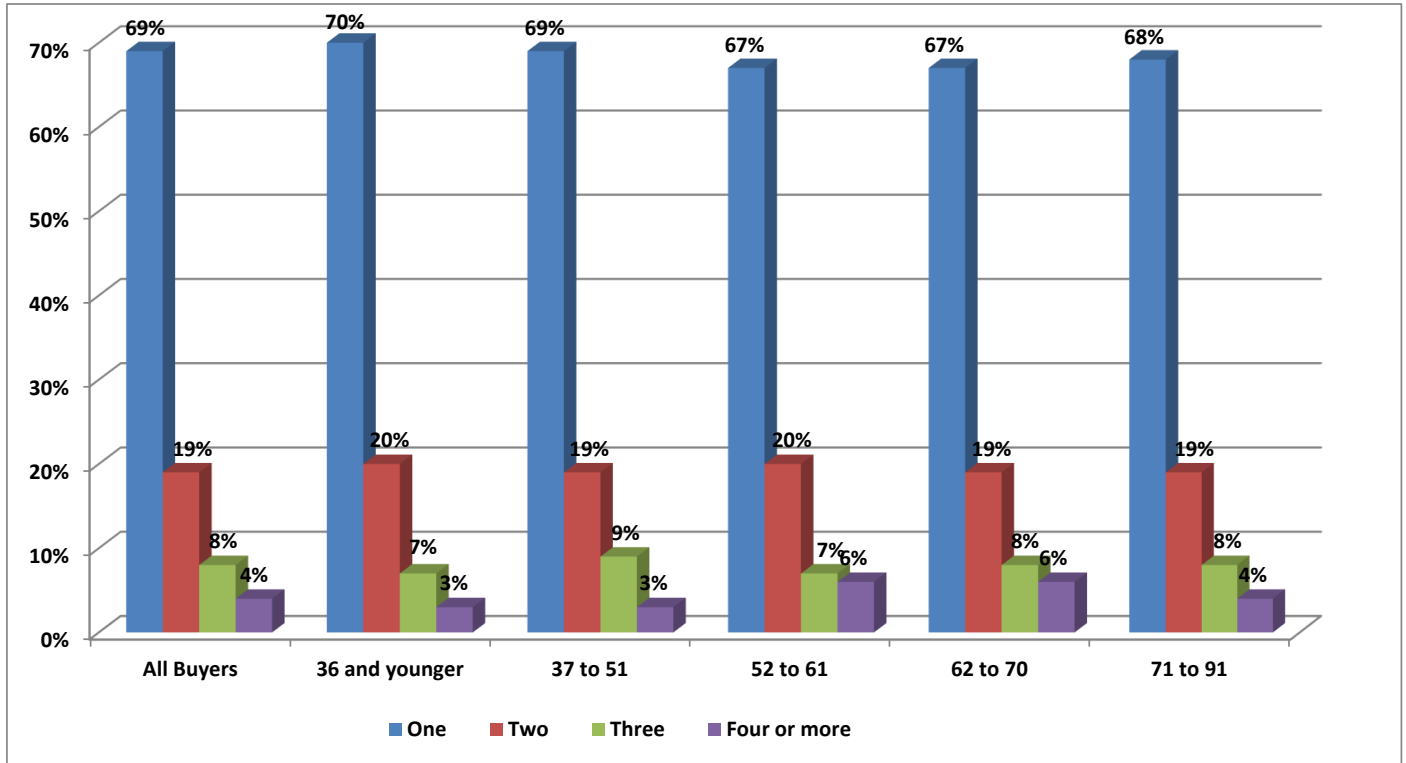
\*Less than 1 percent

# HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-8

## NUMBER OF REAL ESTATE AGENTS INTERVIEWED

(Percentage Distribution)



## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-9

### **MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT**

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Agent is honest and trustworthy</b>	21%	24%	19%	20%	18%	16%
<b>Agent Experience</b>	18	18	19	18	17	16
<b>Reputation of agent</b>	17	19	14	16	17	16
<b>Agent is friend or family member</b>	12	14	11	10	12	12
<b>Agent's knowledge of the neighborhood</b>	9	6	12	10	12	13
<b>Agent has caring personality/good listener</b>	7	6	7	7	8	6
<b>Agent is timely with responses</b>	6	6	7	7	5	6
<b>Agent seems 100% accessible because of use of technology like tablet or smartphone</b>	4	4	4	4	5	6
<b>Agent's association with a particular firm</b>	2	1	2	2	2	5
<b>Active in local community/volunteerism</b>	1	*	1	*	1	1
<b>Professional designations held by agent</b>	*	*	*	1	*	1
<b>Other</b>	3	2	3	4	4	2

\*Less than 1 percent

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-10

### AGENT SKILLS AND QUALITIES CONSIDERED 'VERY IMPORTANT'

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Honesty and integrity</b>	98%	97%	98%	98%	99%	96%
<b>Knowledge of purchase process</b>	95	96	95	93	93	90
<b>Responsiveness</b>	94	94	95	92	95	91
<b>Knowledge of real estate market</b>	92	93	92	93	91	87
<b>Communication skills</b>	89	91	91	85	85	80
<b>Negotiation skills</b>	86	89	88	83	80	76
<b>People skills</b>	82	83	83	80	82	77
<b>Knowledge of local area</b>	80	77	82	80	82	84
<b>Skills with technology</b>	53	54	55	52	47	53

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-11

### IMPORTANCE OF AGENT COMMUNICATIONS

(Percent of Respondents)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Calls personally to inform of activities</b>	75%	75%	72%	80%	79%	79%
<b>Sends postings as soon as a property is listed/the price changes/under contract</b>	73	75	74	74	67	55
<b>Sends property info and communicates via text message</b>	62	69	63	60	55	40
<b>Can send market reports on recent listings and sales</b>	55	56	58	53	56	47
<b>Sends emails about specific needs</b>	47	47	47	49	52	39
<b>Has a website</b>	35	32	34	37	39	42
<b>Has a mobile site to show properties</b>	33	33	32	36	33	33
<b>Is active on social media</b>	10	13	10	9	10	9
<b>Sends an email newsletter</b>	9	8	7	9	12	13
<b>Advertises in newspapers</b>	5	3	3	6	6	14
<b>Has a blog</b>	1	1	1	1	2	2

\*Less than 1 percent

## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-12

### SATISFACTION WITH REAL ESTATE AGENT SKILLS AND QUALITIES

(Percent Ranking 'Very Satisfied')

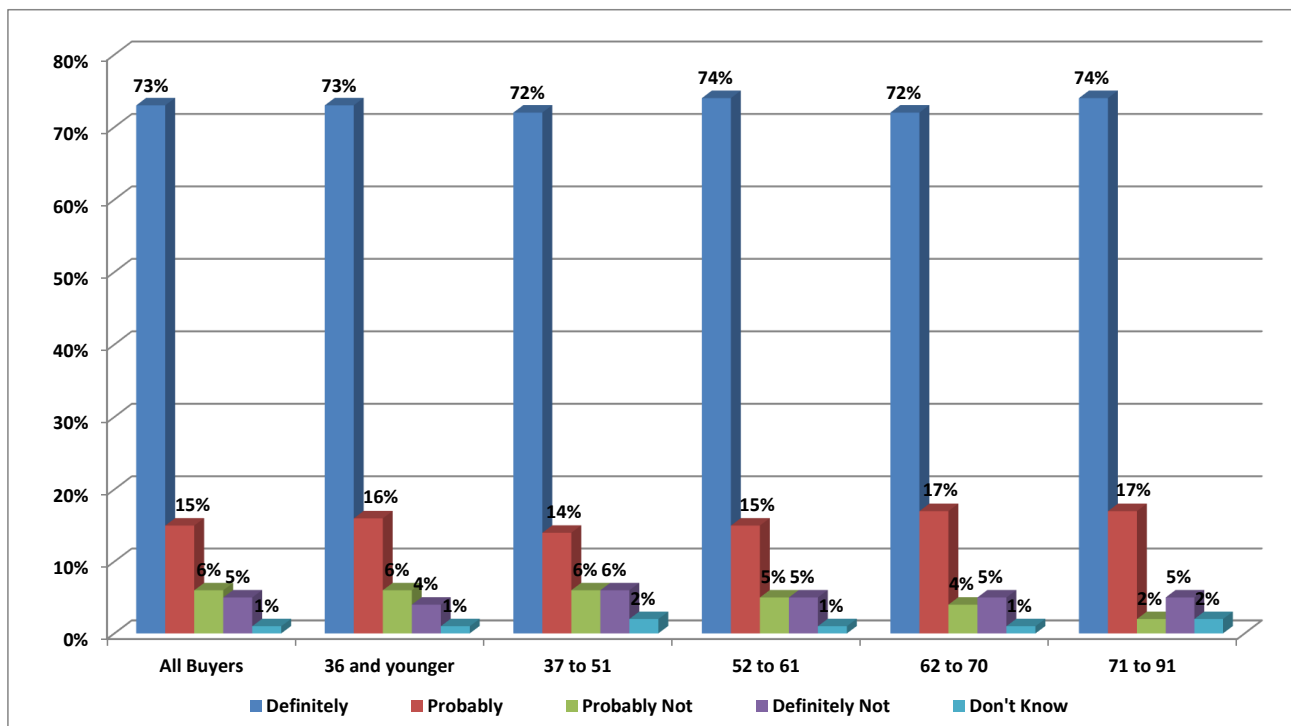
	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Knowledge of real estate market</b>	92%	89%	88%	87%	88%	82%
<b>Knowledge of purchase process</b>	89	90	89	89	87	83
<b>Honesty and integrity</b>	89	90	87	90	90	87
<b>Responsiveness</b>	88	89	87	87	88	84
<b>People skills</b>	87	89	86	86	84	82
<b>Communication skills</b>	85	86	84	84	83	82
<b>Knowledge of local area</b>	84	84	84	84	85	82
<b>Skills with technology</b>	84	85	84	82	81	80
<b>Negotiation skills</b>	77	78	76	76	77	76

# HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-13

## WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage distribution)



## HOME BUYING AND REAL ESTATE PROFESSIONALS

Exhibit 4-14

### HOW MANY TIMES BUYER RECOMMENDED TYPICAL AGENT

*(Percentage distribution)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>None</b>	35%	34%	34%	36%	40%	43%
<b>One time</b>	15	16	14	14	16	15
<b>Two times</b>	21	23	21	20	16	16
<b>Three times</b>	10	10	10	12	10	8
<b>Four or more times</b>	19	17	23	17	18	16
<b>Times recommended since buying (median)</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>



## **NATIONAL ASSOCIATION OF REALTORS**

### **2017 Home Buyer and Seller Generational Trends**

#### **Chapter 5: Financing the Home Purchase**

While many share the desire to own their own home, financing the purchase has a variety of obstacles according to this year's survey responses. Eighty-eight percent of all buyers financed their homes last year. Consistent with previous years, younger buyers are more likely to finance their home purchase. Ninety-eight percent of buyers 36 years and younger financed, whereas only 68 percent of buyers aged 62 years to 70 financed their home, and 58 percent of buyers 71 years and older.

Seventy-five percent of buyers 36 years and younger used savings (down from 80 percent) to finance their home purchase compared to only 41 percent of buyers 71 years and older. Buyers 62 to 70 years used proceeds from a previous sale more than any other generation at 56 percent. Younger buyers were also more likely to use a gift from a friend or relative for their downpayment. Thirteen percent of all buyers reported that saving for the downpayment was the most difficult task. For buyers 36 years and younger, this was 23 percent compared to only one percent of buyers 71 years and older.

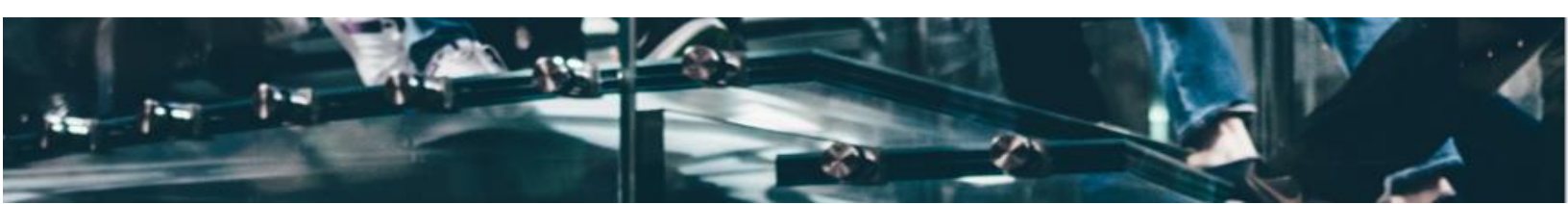
Fourteen percent of buyers said that the mortgage application process was more difficult than expected and 20 percent said it was easier. The bulk of buyers said that the mortgage application and approval process was no more difficult than expected at 43 percent, which was fairly consistent across all age groups. Twenty-four percent of buyers 52 to 61 years said the process was easier than expected. Twenty-three percent of buyers 71 years and older said the process was much more difficult than expected.

#### **BUYERS WHO FINANCED THEIR HOME PURCHASE**

##### **Exhibits 5-1 and 5-2**

Eighty-eight percent of all buyers financed their homes last year. Consistent with previous years, younger buyers are more likely to finance their home purchase. Ninety-eight percent of buyers 36 years and younger financed, whereas only 68 percent of buyers aged 62 to 70 financed their home, and 58 percent of buyers 71 years and older.

Fourteen percent of buyers, the same as last two years, financed 100 percent of the entire purchase price with a mortgage. The median percent financed for all buyers was 90 percent compared to 93 percent of buyers 36 years and younger and 76 percent for buyers 71 years and older.



## **SOURCES OF DOWNPAYMENT**

### **Exhibits 5-3 and 5-4**

Sixty-one percent of recent home buyers used their savings to finance their home purchase, consistent with last year. Overall, this is still above the historical norm of 55 percent since 2000. For all buyers, the proceeds from the sale of a primary residence was the next most commonly cited way of financing a home purchase at 35 percent. Seventy-five of buyers 36 years and younger used savings (down from 80 percent) to finance their home purchase compared to only 41 percent of buyers 71 years and older. Buyers 62 to 70 years used proceeds from a previous sale more than any other generation at 56 percent. Younger buyers were also more likely to use a gift from a friend or relative for their downpayment at 25 percent.

Forty percent of all buyers saved for six months or less for their downpayment. Twenty-four percent of buyers 36 years and younger (up from 18 percent last year) saved for more than two years. Buyers 71 to 91 years saved for the least amount of time—58 percent—citing that they saved for six months or less. Thirty-one percent of this group also cited saving for more than two years.

## **DEBT DELAY AND SOURCES OF DEBT**

### **Exhibits 5-5 and 5-6**

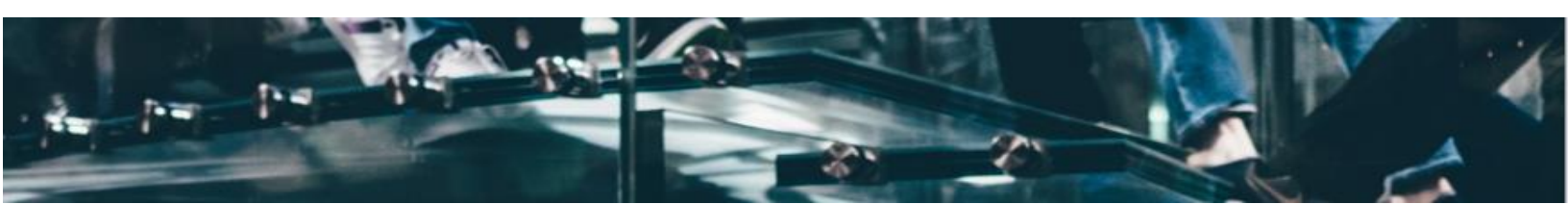
For all buyers, the median period of time that debt delayed home buyers from saving for a downpayment was three years, down from four years last year. Sixteen percent were delayed for five years and 22 percent were delayed for more than five years. For buyers 36 years and younger, three years was the median compared to five years for buyers 62 to 70 years. Twenty-two percent of buyers 36 years and younger were delayed only one year whereas 40 percent of buyers 62 to 70 years were delayed more than five years.

Thirteen percent of all buyers reported that saving for the downpayment was the most difficult task. For buyers 36 years and younger, this was 23 percent compared to only three percent of buyers 62 to 70 years. Forty-nine percent of all buyers who had problems saving reported that student loan debt delayed buying a home. Fifty-five percent of buyers who were delayed saving who are 36 years and younger reported being delayed due to student loan debt as did 29 percent for buyers 37 to 51 years.

## **SACRIFICES MADE TO PURCHASE HOME**

### **Exhibit 5-7**

Some buyers chose to make financial sacrifices in order to make a home purchase. Sixty percent of buyers did not need to make any sacrifices, up from 54 percent last year. For all buyers, the most common sacrifices reported were a cut in spending on luxury or non-essential items (29 percent), a cut in spending on entertainment (22 percent), and a cut in spending on clothes (17 percent). For buyers 36 years and younger, 44 percent cut spending on luxury items compared to nine percent of buyers



71 years and older. Inversely, only 44 percent of buyers 36 years and younger reported not making any sacrifices compared to 85 percent of buyers 71 years and older.

### **DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS AND SOLD A DISTRESSED PROPERTY** **Exhibits 5-8 through 5-10**

Fourteen percent of buyers said that the mortgage application process was more difficult than expect and 20 percent said it was easier. The bulk of buyers said that the mortgage application and approval process was no more difficult than expected at 43 percent, which was fairly consistent across age groups. Twenty-four percent of buyers 52 to 61 years said the process was easier than expected. Twenty-three percent of buyers 71 years and older said the process was much more difficult than expected.

Five percent of successful home buyers were previously rejected by a mortgage lender. Seven percent of buyers 52 to 61 years were rejected and only three percent of buyers 62 to 70 years. The median number of times an application was denied was one, except for buyers 71 years and older who were rejected a median of two times. The top reasons for rejection were debt to income ratio (15 percent), low credit score (14 percent), income was unable to be verified (six percent), and other reasons (54 percent). Debt to income ratio, low credit score, and unverifiable income was highest among buyers 37 to 51 years compared to all other generations.

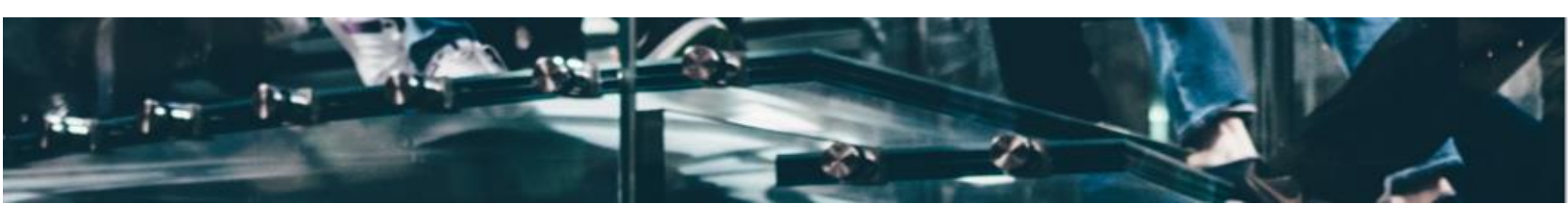
Nine percent of recent buyers had a distressed property sale in the past—either a short sale or a foreclosure—and the typical year for a distressed sale was in 2011. For buyers 36 years and younger, only five percent had a distressed sale compared to 14 percent for buyers 37 to 51 years, both had the distressed sale in 2011.

### **STUDENT LOAN DEBT** **Exhibit 5-11**

Twenty-seven percent of all buyers reported having student loan debt with a median amount of \$25,000. Twenty-six percent of buyers who have student loan debt have debt between \$10,000 and 24,999. For buyers 36 years and younger, 46 percent have student debt with a median amount of \$25,000 compared to just four percent for buyers 62 to 70 years who had the lowest median amount of debt at \$13,800. Twenty percent of this age group also reported falling between the \$25,000 and \$49,999 debt range.

### **TYPE OF MORTGAGE AND LOAN** **Exhibits 5-12 and 5-13**

Ninety-two percent of all buyers used a fixed rate mortgage, 93 percent for buyers 37 to 51 years and 83 percent for buyers 71 years and older. Fifty-nine percent of buyers chose a conventional loan to finance their home, consistent with last year. Twenty-four percent of buyers reported securing a FHA loan and 12 percent chose a VA loan. Only



56 percent of buyers 36 years and younger used a conventional loan compared to 64 percent of buyers 62 to 70 years. Twenty-seven percent of buyers 36 years and younger used an FHA loan. Twenty percent of buyers 71 years and older used a VA loan and only four percent used a FHA loan.

## **BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT**

### **Exhibit 5-14**

Buyers continue to see purchasing a home as a good financial investment. Eighty-two percent (up from 80 percent last year) reported that they view that a home purchase is a good financial investment and 47 percent said it was better than owning stock. Only six percent reported that it was not a good financial investment, consistent with last year. Eighty-five percent of buyers 36 years and younger said owning a home was a good financial investment compared to 70 percent of buyers 71 years and older. Only three percent of buyers 36 years and younger said they considered it not to be a good financial investment.



## FINANCING THE HOME PURCHASE

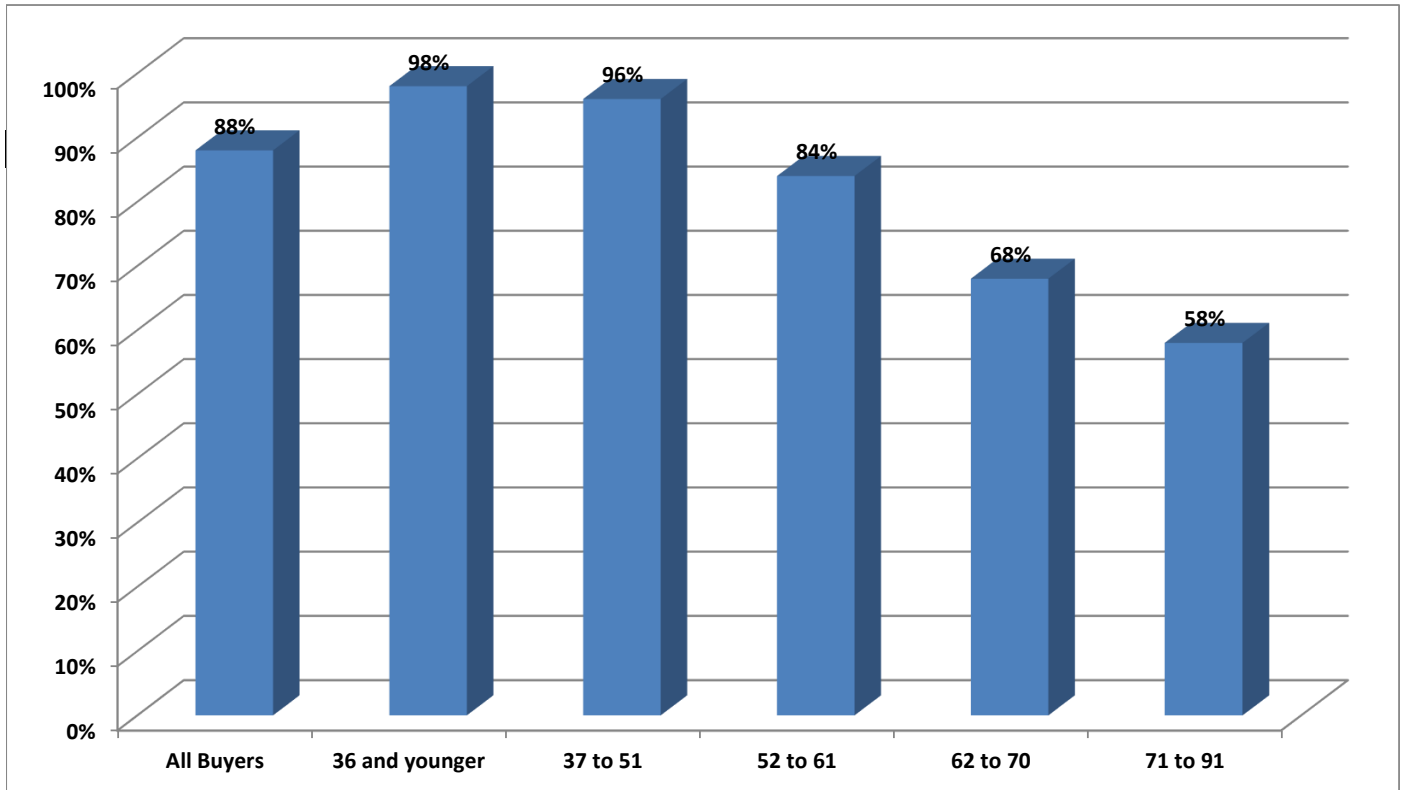
- Exhibit 5-1 BUYERS WHO FINANCED THEIR HOME PURCHASE
- Exhibit 5-2 PERCENT OF HOME FINANCED
- Exhibit 5-3 SOURCES OF DOWNPAYMENT
- Exhibit 5-4 LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT
- Exhibit 5-6 EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY AGE
- Exhibit 5-7 SACRIFICES MADE TO PURCHASE HOME
- Exhibit 5-8 DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS
- Exhibit 5-9 BUYER MORTGAGE APPLICATION HAD BEEN REJECTED FROM MORTGAGE LENDER
- Exhibit 5-10 BUYER PREVIOUSLY SOLD A DISTRESSED PROPERTY (SHORT SALE OR FORECLOSURE)
- Exhibit 5-11 BUYERS WHO HAVE STUDENT LOAN DEBT
- Exhibit 5-12 TYPE OF MORTGAGE
- Exhibit 5-13 TYPE OF LOAN
- Exhibit 5-14 BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

## FINANCING THE HOME PURCHASE

Exhibit 5-1

### BUYERS WHO FINANCED THEIR HOME PURCHASE

(Percent of Respondents)



## FINANCING THE HOME PURCHASE

Exhibit 5-2

### PERCENT OF HOME FINANCED

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Less than 50%</b>	9%	6%	6%	12%	18%	18%
<b>50% to 59%</b>	4	1	4	3	7	11
<b>60% to 69%</b>	4	2	4	5	10	11
<b>70% to 79%</b>	11	8	12	15	14	16
<b>80% to 89%</b>	23	24	24	25	16	22
<b>90% to 94%</b>	14	18	15	9	10	2
<b>95% to 99%</b>	21	26	23	17	10	6
<b>100% – Financed the entire purchase price with a mortgage</b>	14	15	12	13	15	14
<b>Median percent financed</b>	90%	93%	90%	86%	81%	76%

## FINANCING THE HOME PURCHASE

Exhibit 5-3

### SOURCES OF DOWNPAYMENT

(Percent of Respondents Among those who Made a Downpayment)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Savings</b>	61%	75%	61%	45%	47%	41%
Proceeds from sale of primary residence	35	19	36	49	56	55
Gift from relative or friend	13	25	11	8	3	1
401k/pension fund including a loan	9	8	12	13	7	1
Sale of stocks or bonds	7	8	7	6	7	8
Inheritance	4	3	3	4	4	4
Individual Retirement Account (IRA)	3	2	2	3	6	5
Loan from relative or friend	3	4	3	2	1	1
Proceeds from sale of real estate other than primary residence	2	1	2	3	2	7
Equity from primary residence buyer continue to own	2	1	2	2	3	3
Loan or financial assistance from source other than employer	1	2	1	1	1	1
Loan from financial institution other than a mortgage	1	*	1	1	1	1
Loan or financial assistance through employer	1	*	1	1	*	*
Other	3	4	3	3	3	2

\* Less than 1 percent

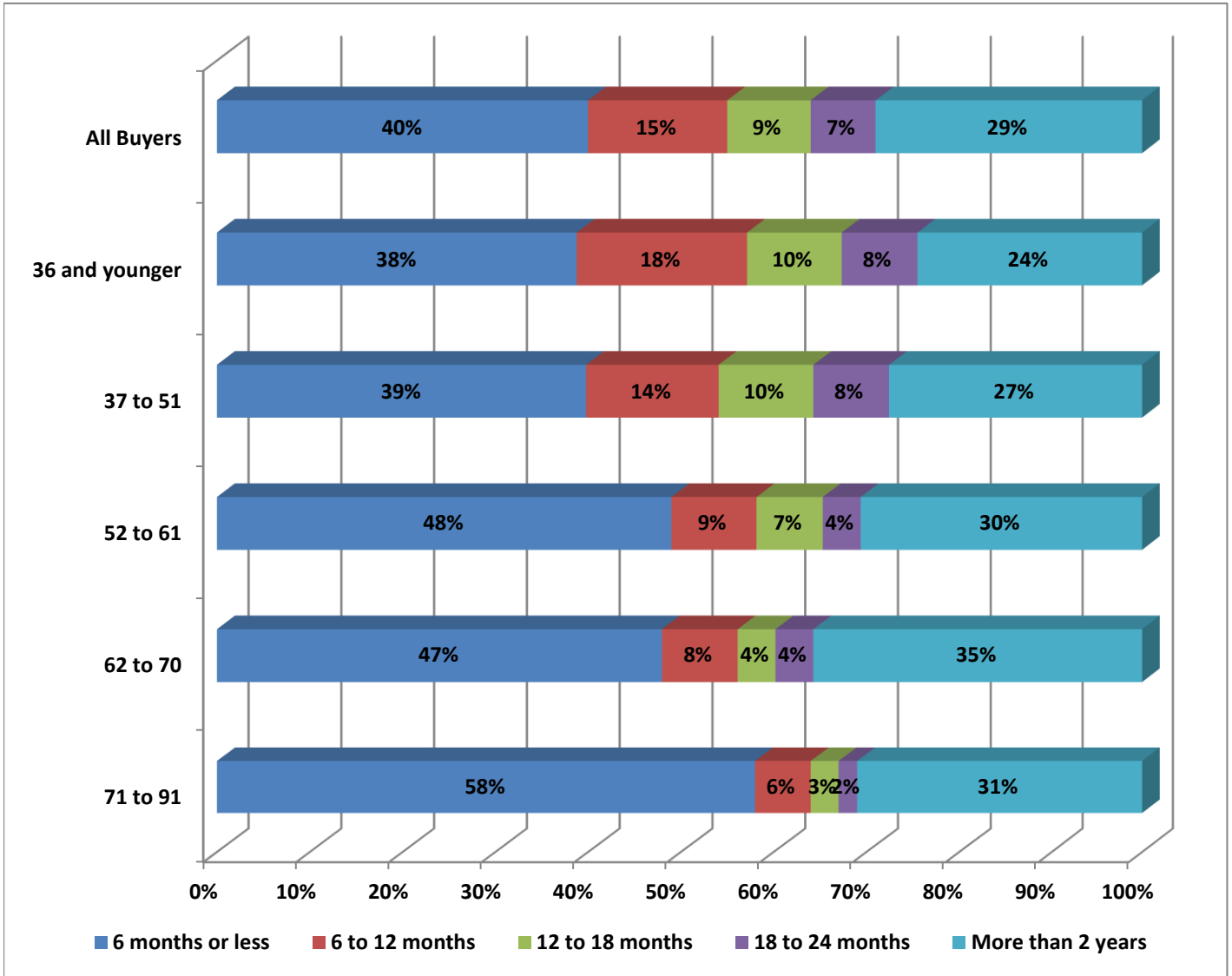


# FINANCING THE HOME PURCHASE

Exhibit 5-4

## LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT

(Percentage Distribution Among those who Made a Downpayment)



## FINANCING THE HOME PURCHASE

Exhibit 5-5

### YEARS DEBT DELAYED HOME BUYERS FROM SAVING FOR A DOWNPAYMENT OR BUYING A HOME

(Percentage Distribution)

	AGE OF HOME BUYER				
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70
<b>One year</b>	17%	22%	12%	16%	16%
<b>Two years</b>	21	24	18	23	18
<b>Three years</b>	17	19	18	16	5
<b>Four years</b>	7	7	7	7	9
<b>Five years</b>	16	16	18	13	11
<b>More than five years</b>	22	15	27	25	40
<b>Median</b>	3	3	4	3	5

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

Exhibit 5-6

### EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY AGE

*(Percent of Respondents Who Reported Saving for a Down Payment was Difficult)*

	AGE OF HOME BUYER				
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70
<b>Share Saving for Downpayment was Most Difficult Task in Buying Process:</b>	13%	23%	13%	4%	3%
<b>Debt that Delayed Saving:</b>					
<b>Student Loans</b>	49%	55%	29%	9%	7%
<b>Credit card debt</b>	40	31	41	29	31
<b>Car loan</b>	34	32	21	14	10
<b>Child care expenses</b>	18	12	15	1	4
<b>Health care costs</b>	14	9	10	13	11
<b>Other</b>	15	18	26	52	48
<b>Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving</b>	3	3	4	3	4

## FINANCING THE HOME PURCHASE

Exhibit 5-7

### SACRIFICES MADE TO PURCHASE HOME

(Percent of Respondents)

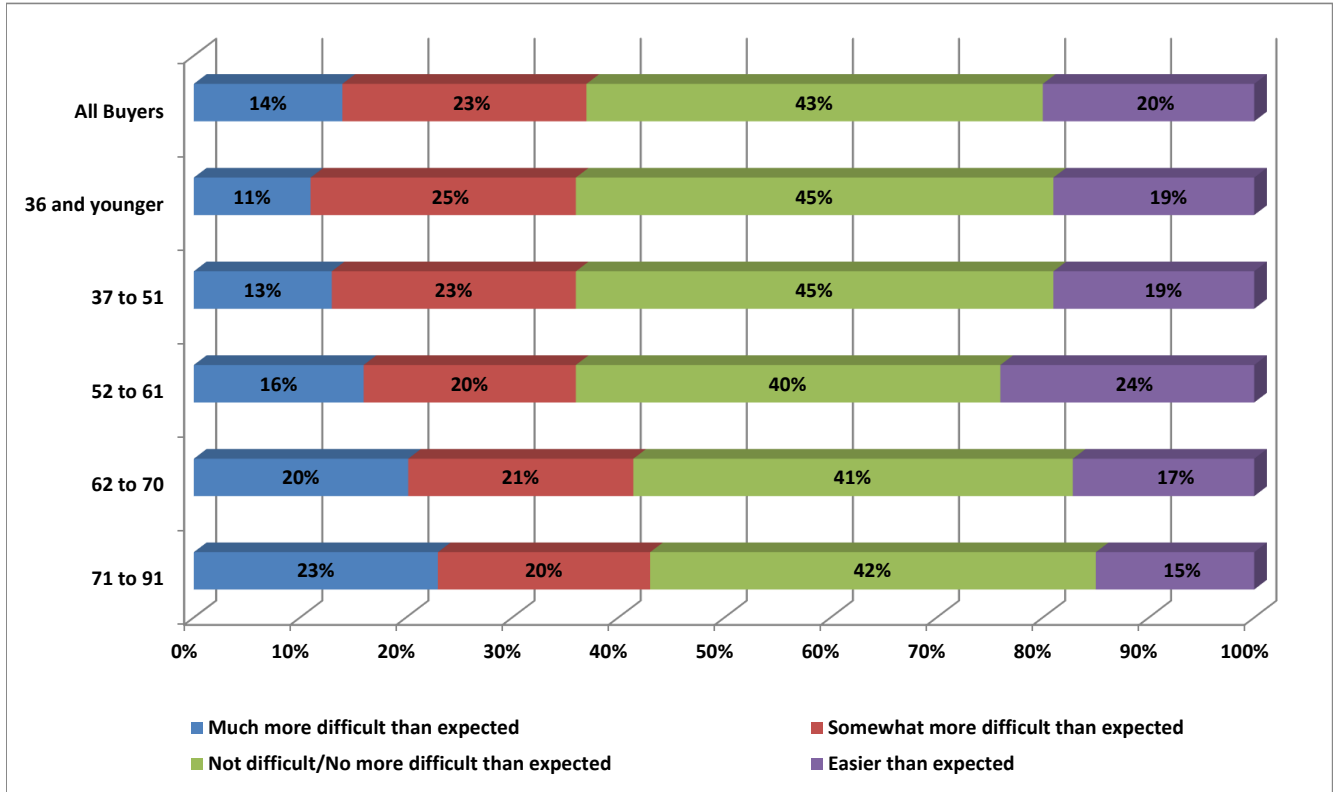
	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Cut spending on luxury items or non-essential items	29%	44%	30%	19%	12%	9%
Cut spending on entertainment	22	32	26	15	7	5
Cut spending on clothes	17	24	20	10	7	5
Canceled vacation plans	10	11	12	8	7	4
Earned extra income through a second job	6	9	6	4	2	0
Sold a vehicle or decided not to purchase a vehicle	5	7	5	4	2	2
Paid minimum payments on bills	2	3	3	1	1	*
Other	3	3	4	4	4	2
Did not need to make any sacrifices	60	44	57	71	81	85

# FINANCING THE HOME PURCHASE

Exhibit 5-8

## DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS

(Percentage Distribution Among those who Financed their Home Purchase)



FINANCING THE HOME PURCHASE

Exhibit 5-9

**REASONS MORTGAGE LENDER REJECTED BUYER APPLICATION**

*(Percentage Distribution)*

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Have had application denied</b>	5%	5%	6%	7%	3%	4%
<b>Median number of times application was denied</b>	1	1	1	1	1	2
<b>Debt to income ratio</b>	15%	18%	20%	13%	9%	7%
<b>Low credit score</b>	14	14	22	16	3	3
<b>Income was unable to be verified</b>	6	4	12	10	3	7
<b>Not enough money in reserves</b>	4	3	7	3	1	6
<b>Insufficient downpayment</b>	3	4	4	4	3	*
<b>Too soon after refinancing another property</b>	2	1	2	6	4	*
<b>Other</b>	54	60	36	57	68	67

## FINANCING THE HOME PURCHASE

Exhibit 5-10

### **BUYER PREVIOUSLY SOLD A DISTRESSED PROPERTY (SHORT SALE OR FORECLOSURE)**

*(Percentage Distribution)*

	All Buyers	AGE OF HOME BUYER				
		36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Sold distressed property</b>	9%	5%	14%	11%	9%	5%
<b>Year sold distressed property (median)</b>	2011	2011	2011	2010	2011	2014

## FINANCING THE HOME PURCHASE

Exhibit 5-11

### BUYERS WHO HAVE STUDENT LOAN DEBT

*(Percentage Distribution)*

	All Buyers	AGE OF HOME BUYER			
		36 and younger	37 to 51	52 to 61	62 to 70
<b>Have student loan debt</b>	27%	46%	27%	12%	4%
<b>Under \$10,000</b>	21%	22%	17%	29%	32%
<b>\$10,000 to \$24,999</b>	26	28	25	34	24
<b>\$25,000 to \$49,999</b>	23	23	26	14	20
<b>\$50,000 to \$74,999</b>	14	13	14	14	16
<b>\$75,000 or more</b>	16	14	18	8	8
<b>Median amount of student loan debt</b>	\$25,000	\$25,000	\$30,000	\$18,000	\$13,800

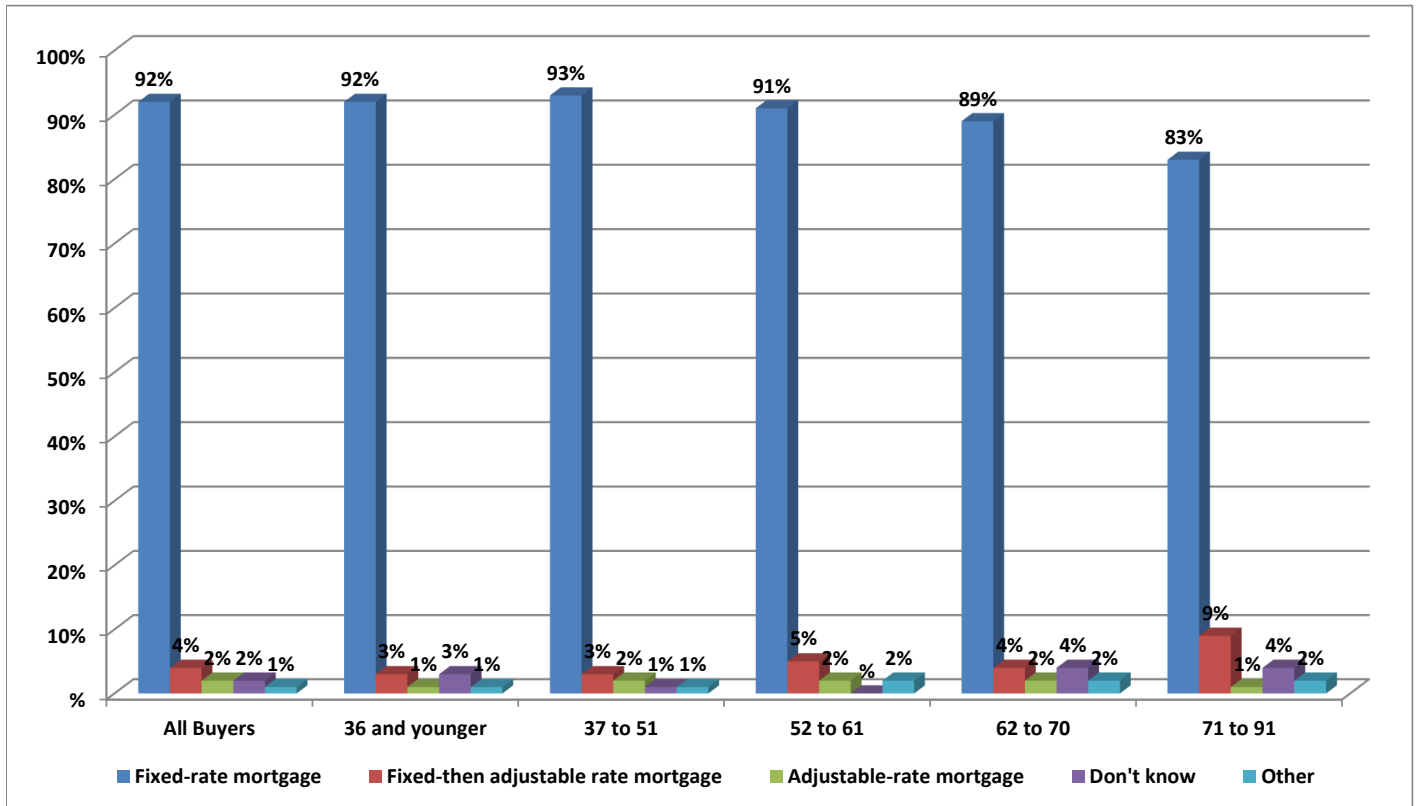


# FINANCING THE HOME PURCHASE

Exhibit 5-12

## TYPE OF MORTGAGE

(Percentage Distribution Among those who Financed their Home Purchase)

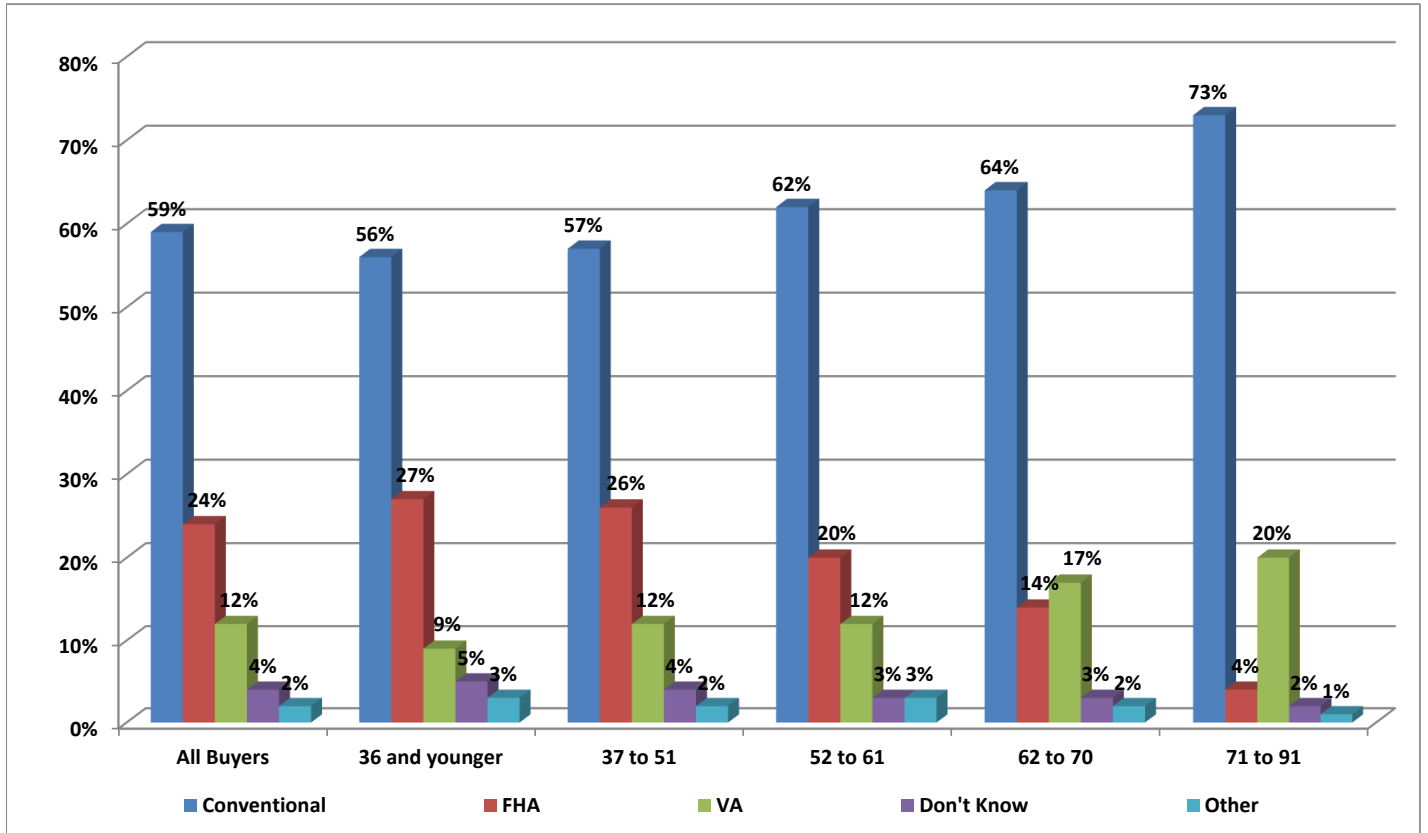


# FINANCING THE HOME PURCHASE

Exhibit 5-13

## TYPE OF LOAN

(Percentage Distribution Among those who Financed their Home Purchase)



## FINANCING THE HOME PURCHASE

Exhibit 5-14

### BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

(Percentage Distribution)

	AGE OF HOME BUYER					
	All Buyers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Good financial investment</b>	82%	85%	82%	81%	80%	70%
<b>Better than stocks</b>	47	45	45	52	50	38
<b>About as good as stocks</b>	25	29	27	22	20	23
<b>Not as good as stocks</b>	10	11	10	7	10	9
<b>Not a good financial investment</b>	6	3	6	8	8	10
<b>Don't know</b>	12	13	12	10	12	19

## **NATIONAL ASSOCIATION OF REALTORS** **2017 Home Buyer and Seller Generational Trends**

### **Chapter 6: Home Sellers and their Selling Experience**

While housing inventory is reduced in many areas, sellers see a favorable market where they receive a median of 98 percent of their asking price across all age groups.

For all sellers, the median price of the home sold was \$240,000 and they traded down to a home that was \$227,700 with a difference of \$12,300 (down from \$20,000 last year). Sellers 52 years and older tended to trade down and purchase less expensive homes; whereas sellers 51 years and younger bought more expensive homes.

This year, home sellers cited that they sold their homes for a median of \$43,100 more than they purchased it, up from \$40,000 the year prior. Sellers 36 years and younger gained the least at \$20,100 in equity compared to sellers 71 years and over that gained \$60,400 in equity as they likely had lived in their homes for a longer period of time. Sixty-one percent of sellers were 'very satisfied' with the selling process, consistent with the year prior and consistent across all age groups.

#### **HOME SELLER CHARACTERISTICS** **Exhibits 6-1 through 6-6**

The typical age of home sellers was 54 again this year, the same as in the last three years but up from 46 in the 2009 report. Sellers 37 to 51 years made up 29 percent of all sellers (up from 25 percent last year) with a median age of 44 years (up from 42 years), followed by sellers 62 to 70 years at 21 percent (down from 24 percent last year) with a median age of 66 years.

The median income in 2015 for the typical household was \$100,700, down from \$104,100 in 2014. Sellers 37 to 51 years had the highest income of \$122,100 and sellers over 71 years had the lowest income of \$63,300 (down from \$69,500 last year).

The share of married couples selling their home was 76 percent this year. Married couples were the highest for sellers 36 years and younger at 86 percent and the lowest for sellers 71 years and over at 65 percent. Single female sellers made up the next largest share at 14 percent for all sellers; the share increases with age from six percent of single female sellers 36 years and younger to 21 percent for sellers 71 years and older.

Of all homes sold on the market, 63 percent did not have children under the age of 18 residing in the home. For sellers 71 years and over, 97 percent did not have children living at home and for sellers 36 years and younger 73 percent reported having at least one child at home.



For all sellers, 90 percent identified as white or Caucasian and 98 percent of households speak English as their primary language. This was consistent across each age group and sellers 37 to 51 reported the most ethnic and racial diversity.

## HOME SELLING SITUATION

### Exhibits 6-7 and 6-8

Repeat sellers made up 60 percent of all sellers, with 40 percent accounting for first-time home sellers (up from 37 percent last year). Among sellers 36 years and younger, 81 percent were first-time sellers. For sellers 71 years and older years, 80 percent were repeat sellers.

Seventy-two percent of all sellers sold their home in the same state as the home they recently purchased. For sellers 51 years and younger, 76 percent purchased in the same state compared to 63 percent of sellers 62 to 70 years.

## HOME SOLD VS. HOME PURCHASED

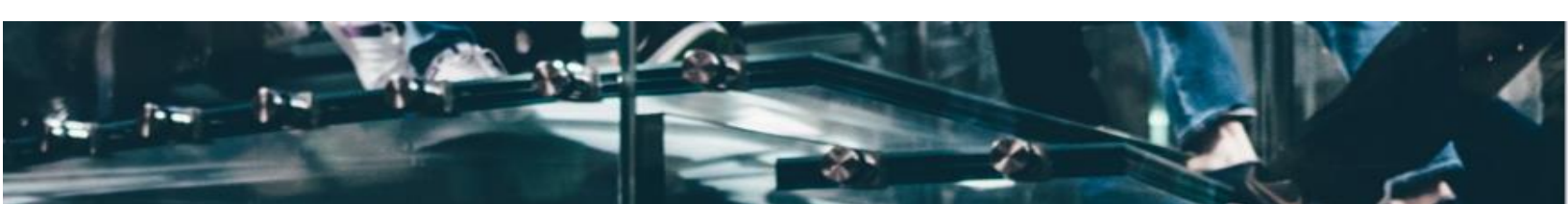
### Exhibits 6-9 through 6-14

Half of the homes sold (53 percent) were located in the suburbs or a subdivision. Fifty-eight percent of sellers 37 to 51 years sold in suburbs or a subdivision compared to only 40 percent of sellers 71 years or older. Eighty-one percent of all homes sold were detached single-family homes. Sellers 36 years and younger were the largest group to sell townhomes at 10 percent and sellers 36 years and under sold apartments or condos at nine percent.

For all sellers, the median size of the home sold was 1,900 square feet (down from 2,000 last year) and they purchased a home that was also 1,900 square feet. Buyers 51 years and younger tended to trade up and purchase a home that 400 to 700 square feet more than what they sold. Buyers 52 years and older tended to trade down by 100 to 200 square feet. For sellers of all ages, they bought and sold a home with a median of three bedrooms and two bathrooms.

For all sellers, the median price of the home sold was \$240,000 and they traded down to a home that was \$227,700 with a difference of \$12,300 (down from \$20,000 last year). Sellers 52 years and older tended to trade down and purchase less expensive homes; whereas sellers 51 years and younger bought more expensive homes.

For all sellers, the most commonly cited reason for selling their home was that it was too small (18 percent), followed by the desire to move closer to friends and family (15 percent), and a job relocation (14 percent). For sellers 36 and under, they cited that the home was too small (37 percent, up from 31 percent last year), which was higher than any other age group. For sellers 62 years and over, they cited they wanted to be closer to friends and family (26 percent). Sellers 37 to 51 years cited that the home was too small (26 percent) and selling for a job relocation (22 percent).



## **SELLER STALLED HOME SALE AND TENURE IN HOME**

### **Exhibits 6-15 and 6-16**

Twelve percent of recent sellers stalled or delayed their home sale because their home was worth less than their mortgage, down from 14 percent in the year prior. Twenty-one percent of sellers 37 to 51 years stalled their home sale compared to five percent of sellers 62 to 70.

The median number of years a seller remained in their home was 10, up from nine years in the last report. That number is still higher than reported in 1985 to 2008 reports where the tenure in the home was six or fewer years. Sellers 36 years and younger stayed in their home for six years compared to sellers 71 years and older that stayed for 17 years.

## **DISTANCE MOVED**

### **Exhibits 6-17**

The purchasing habits of sellers lead them to buy close to where they previously lived, moving a median of 20 miles away. Sellers 37 to 51 typically moved only 12 miles away and sellers 62 to 70 moved the greatest distance of 36 miles (down from 72 miles last year).

## **METHOD OF SALE**

### **Exhibits 6-18**

Eighty-nine percent of home sellers worked with a real estate agent to sell their home, which is consistent across all age groups, except for only 85 percent of sellers 62 to 70 years who worked with an agent or broker. For-Sale-By-Owner (FSBO) was low at eight percent this year, which is the lowest recorded in this data set. The share of FSBO sellers was lowest at seven percent for sellers 37 to 51 and 71 years and over, and highest at 12 percent for those 62 to 70 years. The method of sale tends to differ in conjunction with the relationship between the buyer and seller. If the buyer and seller know each other, the sale can be either an arms-length transaction consistent with local market conditions or it may involve considerations that would be not be relevant in the absence of a prior relationship.

## **SALES PRICE AND TIME ON THE MARKET**

### **Exhibits 6-19 through 6-21**

For recently sold homes, the final sales price was a median 98 percent of the final listing price. Sellers 36 years and younger, the final sales price was 99 percent of the listing price and only 96 percent of the listing price for sellers 71 years and older. For all sellers, time on market was a median of four weeks. For sellers 36 years and younger, time on market was a median of three weeks and a median of five weeks for sellers 71 years and older.

Fifty-nine percent of all sellers did not reduce their asking price, whereas 22 percent reduce once and 10 percent reduce the asking price twice. Seventy percent of sellers



36 years and younger did not reduce their asking price at all compared to 53 percent of sellers 71 years and older.

### **INCENTIVES TO PROSPECTIVE BUYERS**

#### **Exhibits 6-22**

Thirty-six percent of all sellers offered incentives to attract buyers. This varies across age groups where it was less likely for sellers 71 years and over to offer incentives and more likely for sellers 36 years and younger. Home warranty policies followed by assistance with closing costs were the top two listed incentives when selling a home across all age groups.

### **SATISFACTION WITH THE SALES PROCESS**

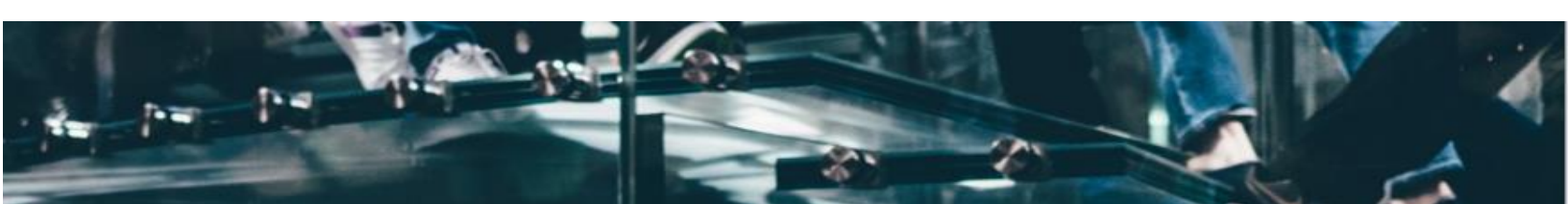
#### **Exhibit 6-23**

Sixty-one percent of sellers were 'very satisfied' with the selling process, consistent with the year prior and consistent across all age groups.

### **EQUITY BY TENURE**

#### **Exhibit 6-24**

This year, home sellers cited that they sold their homes for a median of \$43,100 more than they purchased it, up from \$40,000 the year prior. This accounts for a 24 percent price gain. Generally, the longer a seller is in the home the greater the increase attributable to price appreciation. Sellers 36 years and younger gained the least at \$20,100 in equity compared to sellers 71 years and over that gained \$60,400 in equity as they likely had lived in their homes for a longer period of time.



## HOME SELLERS AND THEIR SELLING EXPERIENCE

- Exhibit 6-1 AGE OF HOME SELLERS
- Exhibit 6-2 HOUSEHOLD INCOME OF HOME SELLERS
- Exhibit 6-3 ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS
- Exhibit 6-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD
- Exhibit 6-5 RACE/ETHNICITY OF HOME SELLERS
- Exhibit 6-6 PRIMARY LANGUAGE SPOKEN IN HOME SELLER HOUSEHOLD
- Exhibit 6-7 FIRST-TIME OR REPEAT SELLER
- Exhibit 6-8 PROXIMITY OF HOME SOLD TO HOME PURCHASED
- Exhibit 6-9 LOCATION OF HOME SOLD
- Exhibit 6-10 TYPE OF HOME SOLD
- Exhibit 6-11 SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD
- Exhibit 6-12 NUMBER OF BEDROOMS AND BATHROOMS
- Exhibit 6-13 PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD
- Exhibit 6-14 PRIMARY REASON FOR SELLING PREVIOUS HOME
- Exhibit 6-15 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE
- Exhibit 6-16 TENURE IN PREVIOUS HOME
- Exhibit 6-17 DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD
- Exhibit 6-18 METHOD USED TO SELL HOME
- Exhibit 6-19 SALES PRICE COMPARED WITH LISTING PRICE
- Exhibit 6-20 NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET
- Exhibit 6-21 NUMBER OF TIMES ASKING PRICE WAS REDUCED
- Exhibit 6-22 INCENTIVES OFFERED TO ATTRACT BUYERS, BY NUMBER OF WEEKS HOME WAS ON THE MARKET
- Exhibit 6-23 SATISFACTION WITH THE SELLING PROCESS



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-1

### AGE OF HOME SELLERS

*(Percentage Distribution)*

	Year Born:	Age in 2016:	Percent in Category	Median Age in Group
<b>Millennials/Gen Y/Gen Next:</b>	<b>1980-1995</b>	<b>36 and younger</b>	18%	33
<b>Gen X:</b>	<b>1965-1979</b>	<b>37 to 51</b>	29	44
<b>Younger Boomers:</b>	<b>1955-1964</b>	<b>52 to 61</b>	20	57
<b>Older Boomers:</b>	<b>1946-1954</b>	<b>62 to 70</b>	21	66
<b>Silent Generation:</b>	<b>1925-1945</b>	<b>71 to 91</b>	13	75

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-2

### HOUSEHOLD INCOME OF HOME SELLERS

(Percentage Distribution)

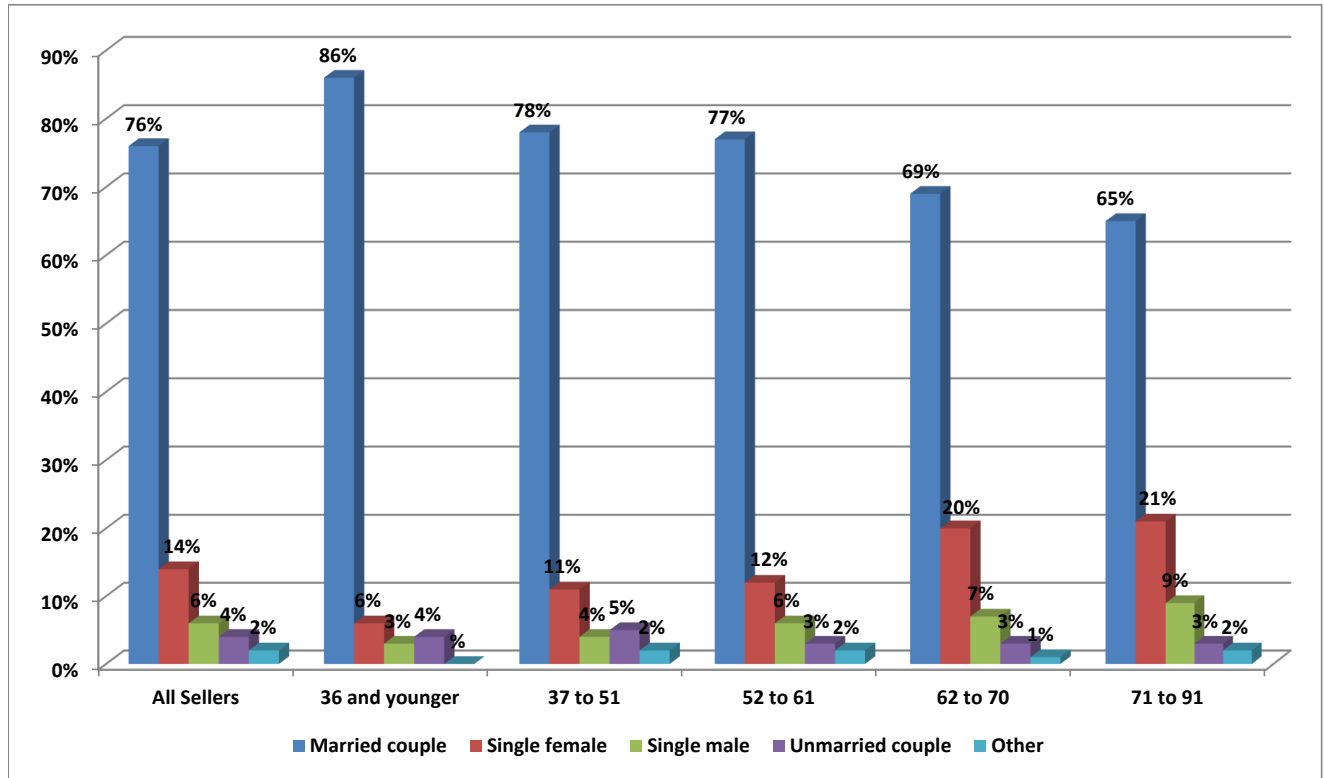
	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Less than \$25,000	2%	*	1%	2%	4%	5%
\$25,000 to \$34,999	4	2	1	2	9	12
\$35,000 to \$44,999	5	4	2	4	6	12
\$45,000 to \$54,999	6	3	3	5	11	11
\$55,000 to \$64,999	6	6	4	4	7	12
\$65,000 to \$74,999	7	8	5	7	6	12
\$75,000 to \$84,999	7	9	7	8	6	7
\$85,000 to \$99,999	12	15	12	10	11	9
\$100,000 to \$124,999	17	22	17	18	17	6
\$125,000 to \$149,999	11	10	15	12	8	3
\$150,000 to \$174,999	7	7	10	8	5	2
\$175,000 to \$199,999	5	7	7	6	1	1
\$200,000 or more	11	6	17	12	9	7
<b>Median income (2015)</b>	\$100,700	\$103,400	\$122,100	\$111,100	\$86,400	\$63,300

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-3

## ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS

(Percentage Distribution)

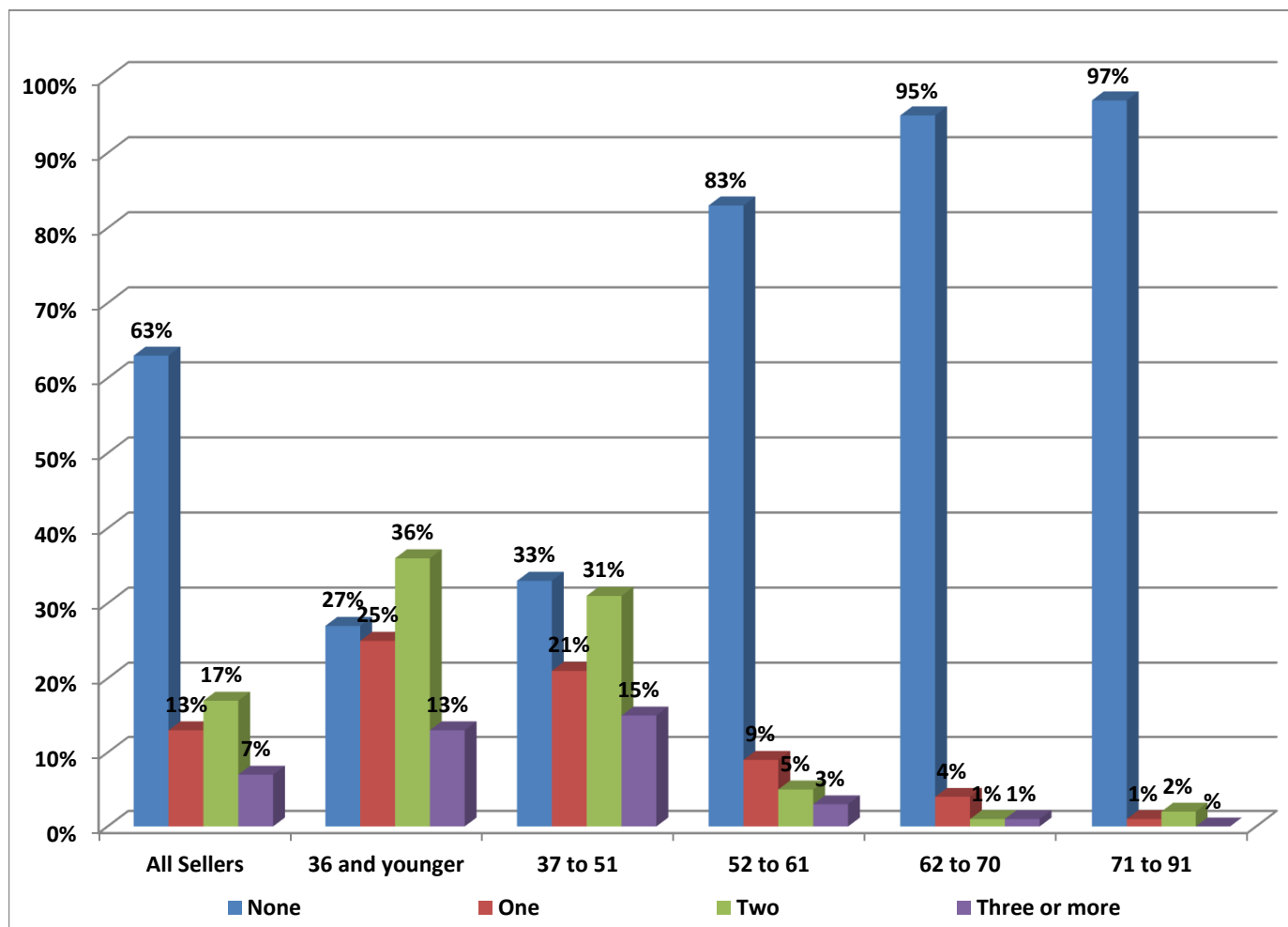


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-4

## NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD

(Percentage Distribution of Home Seller Households)



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-5

### RACE/ETHNICITY OF HOME SELLERS

(Percent of Respondents)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>White/Caucasian</b>	90%	92%	86%	91%	92%	95%
<b>Hispanic/Latino</b>	5	5	6	5	3	3
<b>Asian/Pacific Islander</b>	3	2	6	1	*	2
<b>Black/African-American</b>	3	2	3	2	3	1
<b>Other</b>	2	1	1	1	4	*

\* Less than 1 percent

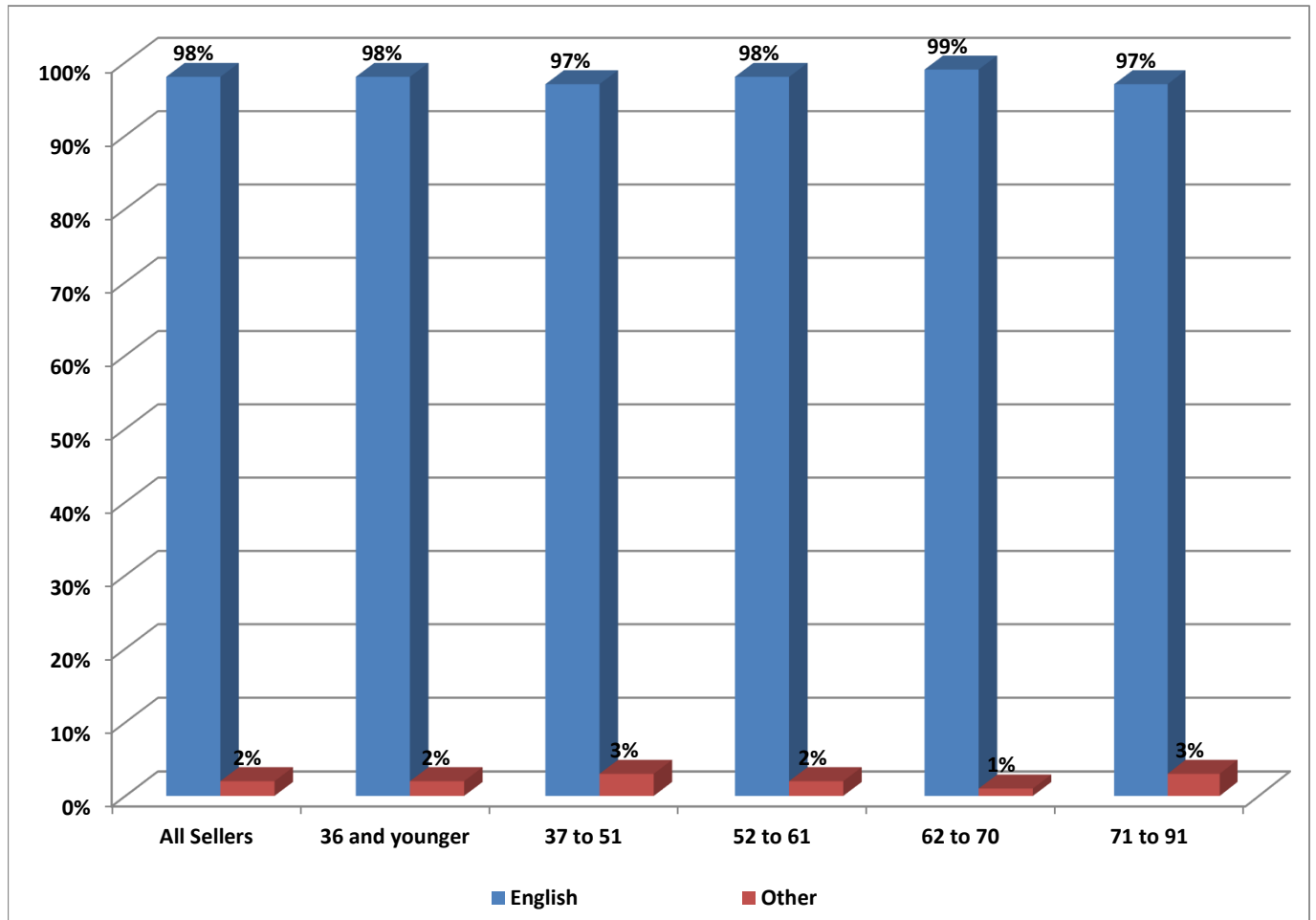
Note: Respondents were permitted to select as many races and ethnicities as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-6

## PRIMARY LANGUAGE SPOKEN IN HOME SELLER HOUSEHOLD

(Percentage Distribution)

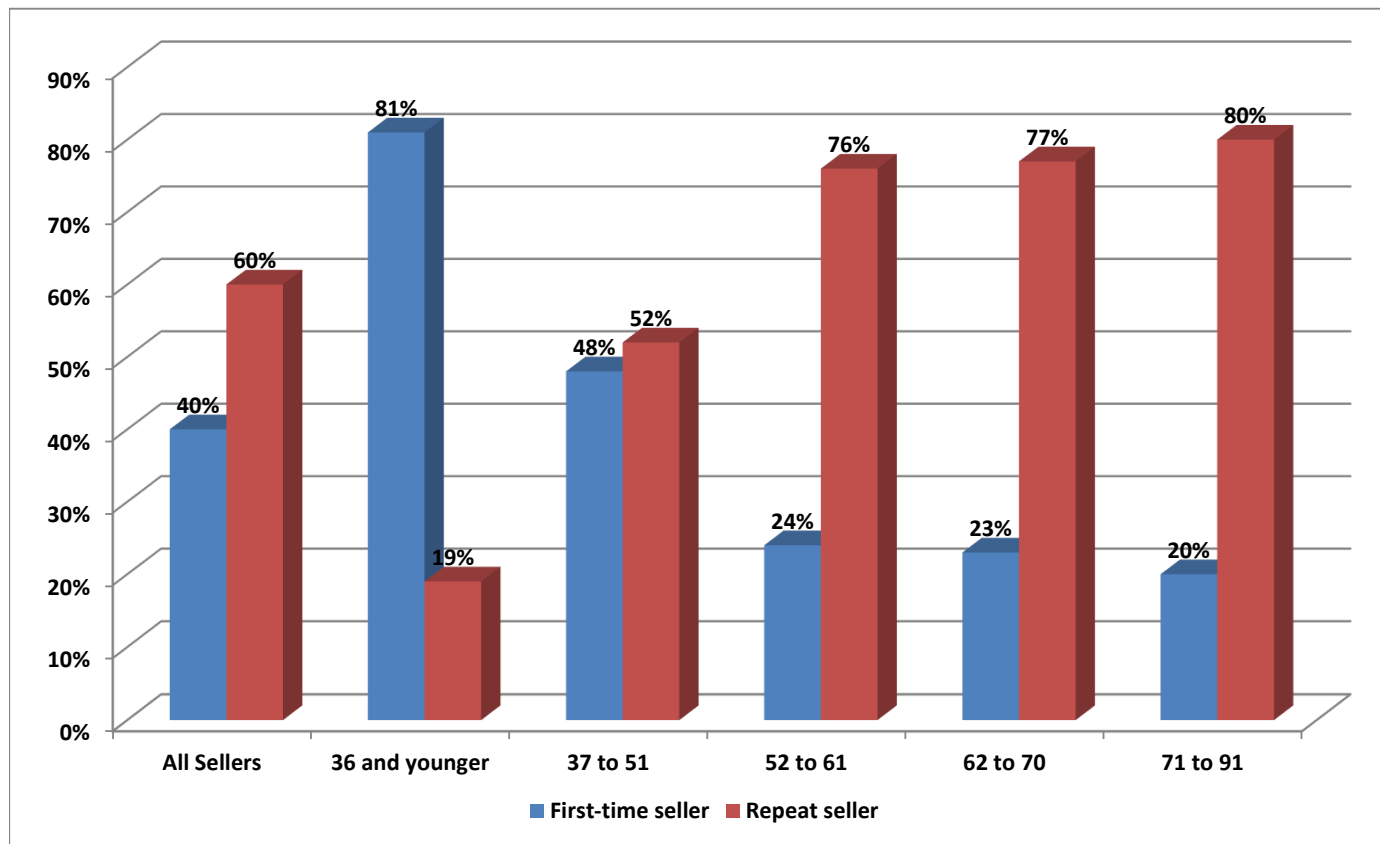


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-7

## FIRST-TIME OR REPEAT SELLER

(Percentage Distribution)

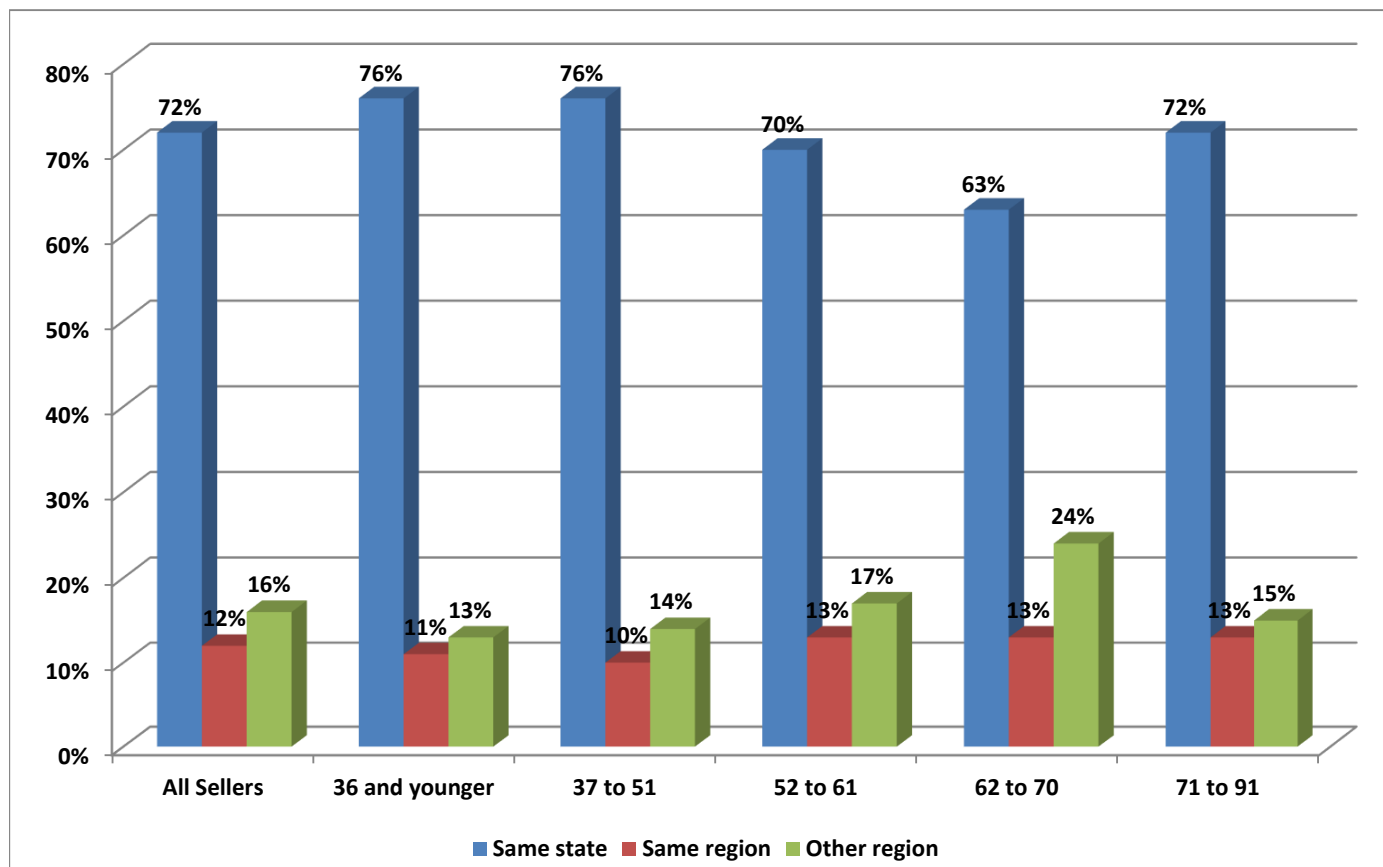


# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-8

## PROXIMITY OF HOME SOLD TO HOME PURCHASED

(Percentage Distribution)





## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-9

### LOCATION OF HOME SOLD

*(Percentage Distribution)*

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Suburb/Subdivision</b>	53%	61%	58%	52%	54%	40%
<b>Small town</b>	16	13	13	19	15	21
<b>Urban area/Central city</b>	14	15	16	12	15	10
<b>Rural area</b>	14	10	13	14	13	22
<b>Resort/Recreation area</b>	3	1	1	3	3	8

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-10

### TYPE OF HOME SOLD

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Detached single-family home</b>	81%	75%	83%	86%	82%	72%
<b>Townhouse/row house</b>	7	10	7	6	5	9
<b>Apartment/condo in a building with 5 or more units</b>	4	5	5	2	4	2
<b>Duplex/apartment/condo in 2 to 4 unit building</b>	3	4	1	2	4	5
<b>Other</b>	6	6	4	5	5	12

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-11

### SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

*(Median Square Feet)*

	Size of home sold	Size of home purchased	Difference
<b>All Buyers</b>	1,900	1,900	0
<b>36 and younger</b>	1,600	2,300	700
<b>37 to 51</b>	1,900	2,300	400
<b>52 to 61</b>	2,200	2,100	-100
<b>62 to 70</b>	2,000	1,900	-100
<b>71 to 91</b>	2,000	1,800	-200

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-12

### NUMBER OF BEDROOMS AND BATHROOMS

*(Percentage Distribution)*

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
One bedroom	1%	1%	1%	*	1%	1%
Two bedrooms	13	14	15	14	14	14
Three bedrooms or more	86	85	84	85	85	85
Median number of bedrooms	3	3	3	3	3	3
One full bathroom	15	20	18	11	15	10
Two full bathrooms	61	70	60	57	60	63
Three full bathrooms or more	24	10	22	31	25	28
Median number of full bathrooms	2	2	2	2	2	2

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-13

### PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

*(Median)*

	Price of home sold	Price of home purchased	Difference
<b>All Buyers</b>	\$240,000	\$227,700	-\$12,300
<b>36 and younger</b>	\$190,000	\$272,000	\$82,000
<b>37 to 51</b>	\$240,000	\$309,600	\$70,000
<b>52 to 61</b>	\$279,800	\$258,800	-\$21,000
<b>62 to 70</b>	\$258,800	\$247,000	-\$12,000
<b>71 to 91</b>	\$242,000	\$220,000	-\$22,000

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-14

### PRIMARY REASON FOR SELLING PREVIOUS HOME

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Home is too small	18%	37%	26%	10%	6%	5%
Want to move closer to friends or family	15	6	6	14	26	26
Job relocation	14	20	22	17	2	*
Neighborhood has become less desirable	10	10	12	8	10	10
Change in family situation (e.g., marriage, birth of a child, divorce)	10	10	12	12	8	7
Home is too large	10	*	4	16	15	22
Moving due to retirement	7	1	*	11	21	6
Upkeep of home is too difficult due to health or financial limitations	5	1	1	2	6	22
Want to move closer to current job	5	9	7	3	1	*
To avoid possible foreclosure	3	3	5	2	*	*
Can not afford the mortgage and other expenses of owning home	2	1	2	4	3	3
Other	1	1	3	2	2	*

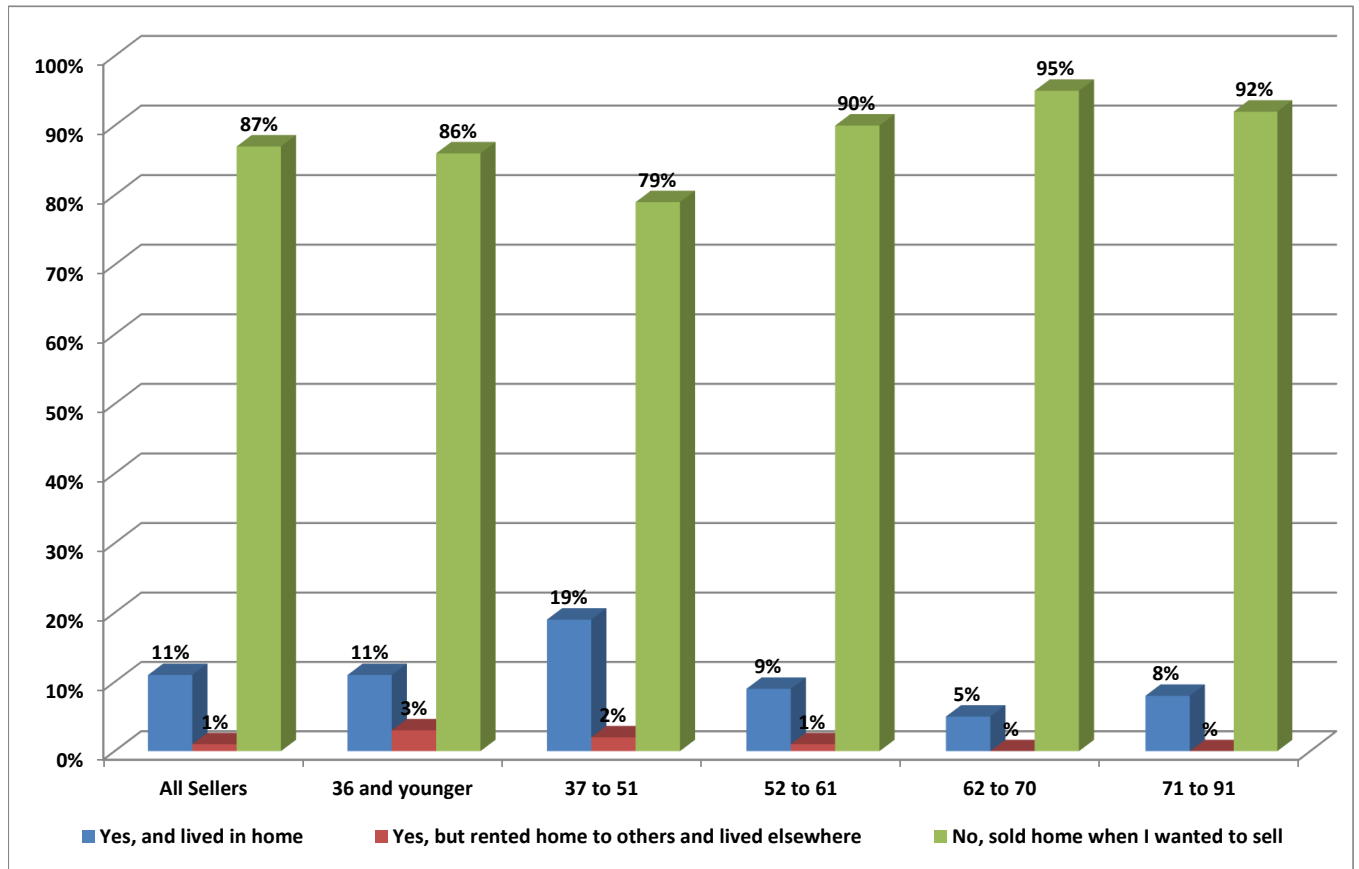
\* Less than 1 percent

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-15

### SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE

(Percentage Distribution)



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-16

### TENURE IN PREVIOUS HOME

(Percentage Distribution)

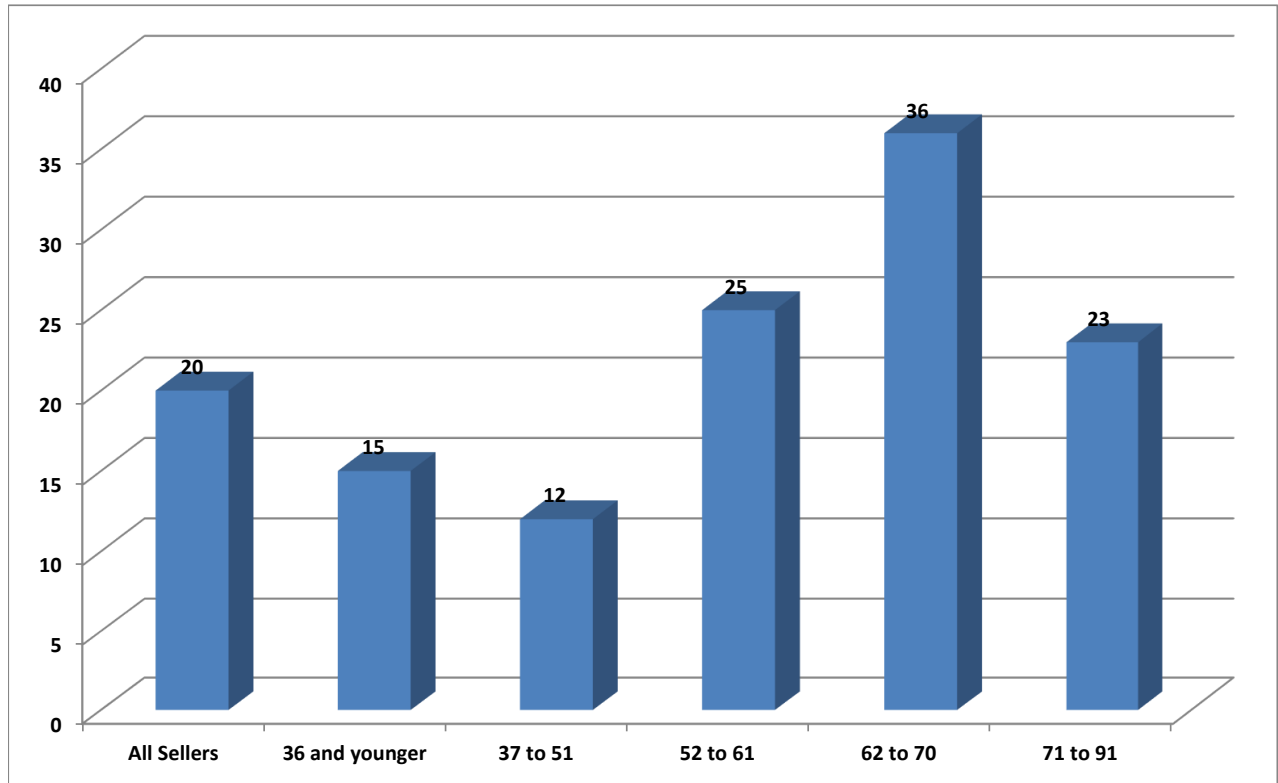
	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>1 year or less</b>	3%	3%	3%	2%	3%	3%
<b>2 to 3 years</b>	10	21	9	8	7	7
<b>4 to 5 years</b>	11	24	9	10	7	8
<b>6 to 7 years</b>	12	25	16	7	7	3
<b>8 to 10 years</b>	15	19	23	10	12	9
<b>11 to 15 years</b>	21	9	28	24	21	23
<b>16 to 20 years</b>	11	*	9	18	13	14
<b>21 years or more</b>	16	*	3	20	32	34
<b>Median</b>	10	6	10	14	16	17



# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-17

## DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD (Median Miles)



HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-18

**METHOD USED TO SELL HOME**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Sold home using an agent or broker</b>	89%	90%	89%	89%	85%	89%
<b>Seller used agent/broker only</b>	88	88	88	87	84	88
<b>Seller first tried to sell it themselves, but then used an agent</b>	1	2	1	2	1	1
<b>For-sale-by-owner (FSBO)</b>	8	8	7	9	12	7
<b>Seller sold home without using a real estate agent or broker</b>	7	7	6	7	11	7
<b>First listed with an agent, but then sold home themselves</b>	1	1	1	2	1	*
<b>Sold home to a homebuying company</b>	1	1	1	1	1	1
<b>Other</b>	2	2	3	1	1	2

\* Less than 1 percent

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-19

### SALES PRICE COMPARED WITH LISTING PRICE

*(Percentage Distribution of Sales Price as a Percent of List Price)*

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Less than 90%</b>	10%	7%	11%	9%	10%	12%
<b>90% to 94%</b>	14	11	10	17	15	24
<b>95% to 99%</b>	37	37	37	36	36	32
<b>100%</b>	26	28	24	28	27	26
<b>101% to 110%</b>	10	14	13	9	8	4
<b>More than 110%</b>	3	4	4	2	3	1
<b>Median (sales price as a percent of listing price)</b>	98%	99%	98%	98%	98%	96%

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-20

### NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Less than 1 week</b>	7%	8%	5%	6%	9%	7%
<b>1 to 2 weeks</b>	34	38	39	30	31	31
<b>3 to 4 weeks</b>	13	13	12	15	12	12
<b>5 to 6 weeks</b>	7	8	7	6	8	6
<b>7 to 8 weeks</b>	7	8	6	8	9	5
<b>9 to 10 weeks</b>	4	4	2	4	3	6
<b>11 to 12 weeks</b>	7	7	8	7	6	8
<b>13 to 16 weeks</b>	5	3	5	6	6	2
<b>17 to 24 weeks</b>	7	5	7	6	6	7
<b>25 to 36 weeks</b>	4	2	3	5	4	4
<b>37 to 52 weeks</b>	4	2	4	4	5	8
<b>53 or more weeks</b>	2	2	1	3	2	5
<b>Median weeks</b>	4	3	4	4	4	5

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-21

### NUMBER OF TIMES ASKING PRICE WAS REDUCED

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>None, did not reduce the asking price</b>	59%	70%	59%	55%	56%	53%
<b>One</b>	22	12	22	24	26	24
<b>Two</b>	10	9	10	11	10	12
<b>Three</b>	6	4	6	7	5	8
<b>Four or more</b>	3	4	2	4	2	4

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-22

### INCENTIVES OFFERED TO ATTRACT BUYERS, BY NUMBER OF WEEKS HOME WAS ON THE MARKET

(Percent of Respondents)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
None	64%	60%	64%	57%	65%	72%
Home warranty policies	21	21	21	24	20	17
Assistance with closing costs	16	24	16	17	14	10
Credit toward remodeling or repairs	6	5	5	7	4	7
Other incentives, such as a car, flat screen TV, etc.	5	5	3	6	3	6
Assistance with condo association fees	*	*	1	*	*	1
Other	3	2	2	5	5	4

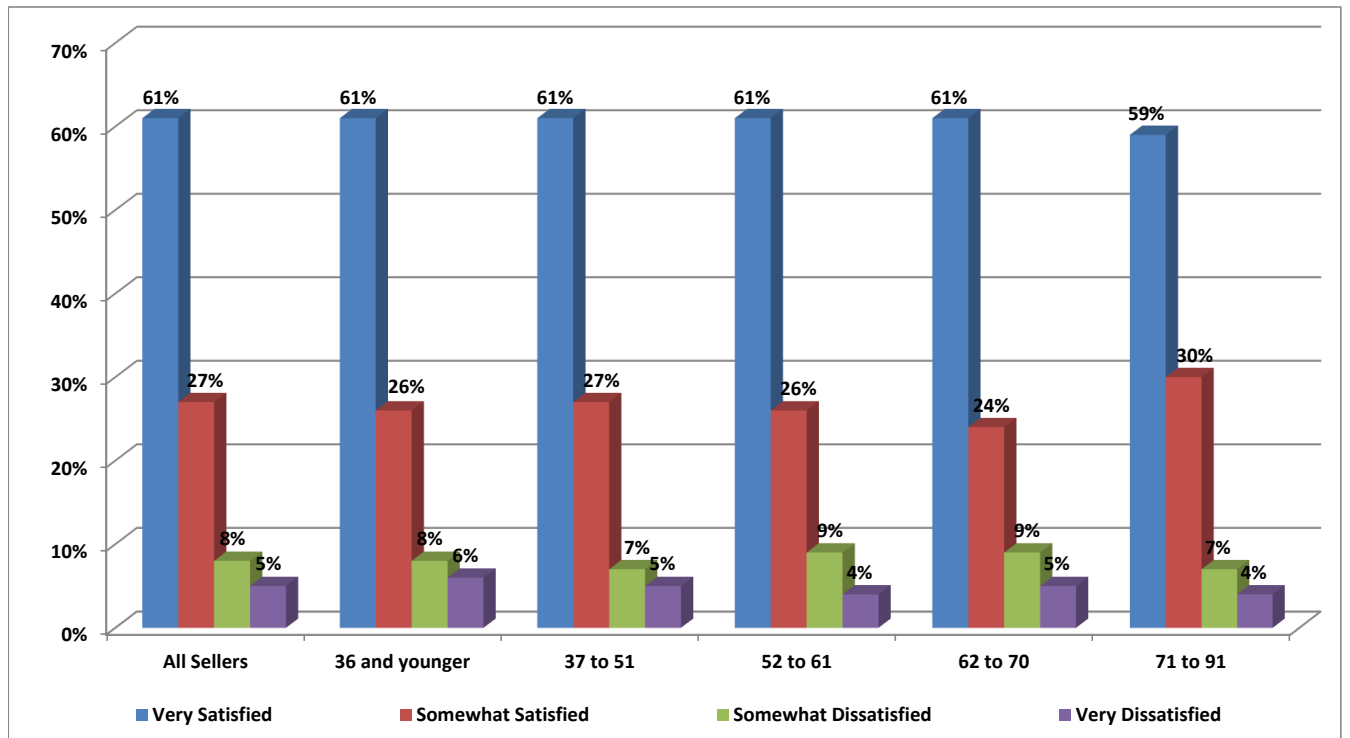
\* Less than 1 percent

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-23

## SATISFACTION WITH THE SELLING PROCESS

(Percentage Distribution)



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-24

### EQUITY EARNED IN HOME RECENTLY SOLD

(Median)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Dollar Value	\$43,100	\$20,100	\$34,000	\$58,100	\$60,000	\$60,400
Percent	24%	14%	18%	27%	36%	33%



## **NATIONAL ASSOCIATION OF REALTORS® 2017 Home Buyer and Seller Generational Trends**

### **Chapter 7: Home Selling and Real Estate Professionals**

The need for a trusted real estate agent is still paramount. Personal relationships and connections remain the most important feature of the agent-buyer/seller bond. Sixty-four percent of recent home sellers used a referral or the same real estate agent they had worked with in the past. That number jumps to 74 percent for home sellers aged 36 and younger.

Finding an agent had some variations by generation. Most commonly, real estate agents are referred by a friend, neighbor, or relative. For sellers 71 years and older, they found their agent through referral 38 percent of the time, but were also likely to find one by visiting on open house more than any other generation. Sellers 51 years and younger were also more likely to get a referral through their employer.

Sellers 37 to 51 were the most likely to recommend their agent (87 percent) compared to sellers 62 to 70 years (81 percent). The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home. That number jumps to 37 percent for sellers aged 37 to 51 years.

#### **FINDING A REAL ESTATE AGENT Exhibit 7-1 through Exhibit 7-3**

Sixty-four percent of recent home sellers used a referral or the same real estate agent they had worked with in the past to purchase their next home. That number jumps to 74 percent for home sellers aged 36 and younger.

For sellers 71 years and older, they found their agent through referral 38 percent of the time but were also likely to find one by visiting on open house more than any other generation. Sellers 51 years and younger were also more likely to get a referral through their employer.

Seven in 10 recent sellers contacted only one agent before finding the right agent they worked with to sell their home, the same as last year. For sellers 36 years and younger, that number was eight in 10.

Fifty-five percent of sellers used the same agent to buy and sell their homes. Using the same agent is most common among sellers 51 years and under and 71 years and over.



## HOME LISTED ON MULTIPLE LISTING SERVICE AND LEVEL OF SERVICE

### Exhibits 7-4 through Exhibit 7-5

Consistent with last year, 92 percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home. Only three percent opted not to list on a MLS. Ninety-four percent of sellers 52 to 61 years listed on the MLS and 90 percent for sellers 36 years and younger and 71 years and over.

Real estate agents provide a wide range of services and conduct the management of most aspects of the home sale. Eighty-three percent of sellers reported that their agents provided the lion's share of these services, which is up from 79 percent last year. Nine percent of sellers note that their agent only provided a limited set of services and eight percent (down from 12 percent last year) said their agent listed the home on a MLS but performed few other services. For sellers 37 to 51, 87 percent of their agents provided the broad range of services and management. For sellers 52 to 61, four percent only provided a limited set of services.

## WHAT SELLERS MOST WANT AND LEVEL OF SERVICE

### Exhibit 7-6 through 7-7

Sellers place high priority on the following five tasks: market the home to potential buyers (23 percent), sell the home within a specific timeframe (20 percent), and price the home competitively (19 percent), find a buyer for home (14 percent), and help fix the home to sell better (14 percent).

As the largest home seller group by age, sellers 37 to 51 prioritized the following: sell the home within a specific timeframe (25 percent), market the home to potential buyers (22 percent), and help seller find ways to fix up home to sell for more (19 percent). Sellers 62 to 70 years also wanted help finding a buyer (22 percent) and sellers 52 to 61 years wanted help to price the home competitively (22 percent).

The reputation of the real estate agent was by far the most important factor when sellers selected an agent to sell their home (31 percent). Sellers also place value on the agent's trustworthiness and honesty (21 percent) and knowledge of the neighborhood at (14 percent). Agent's trustworthiness and honesty was near the top of the list for sellers 52 to 61 years (24 percent) but not as important for sellers 71 year and older (15 percent), who valued that the agents knowledge of the neighborhood (18 percent) more than other generations. Agent was a friend or family member was most important to sellers 36 years and younger (18 percent).

## METHODS USED TO MARKET THE HOME

### Exhibit 7-8

Real estate agents list homes on MLSs first and foremost (89 percent). They also display yard signs (70 percent), list on Realtor.com (52 percent), list the home on their website (50 percent), host an open house (47 percent), and list on their company's website (45 percent). Real estate agents also list homes on social media (16 percent), which is up



from 12 percent from last year. Sellers 36 years and younger were the most likely to work with agents who market on social media at 23 percent, 19 percent for sellers 37 to 51, and 13 percent for sellers 52 to 61 years.

Listing on a real estate magazine website (10 percent) was important for sellers 62 to 70 years and listing in online websites with real estate listings (15 percent) was important for sellers 71 years and older.

## **AGENT'S PERFORMANCE AND COMPENSATION**

### **Exhibit 7-9 through 7-11**

The real estate agent most often initiated the discussion of compensation (48 percent), which is consistent with the year before. The client initiated the discussion and the agent negotiated 22 percent of the time. In 14 percent of cases, the client did not know that commissions and fees could be negotiated. Sellers 36 years and younger were the most likely not to know that commissions and fees could be negotiated (24 percent, up from 18 percent last year) and sellers 71 years and older were more likely to know they could be negotiated but did not bring up the topic (15 percent). Sellers 52 to 70 years brought up the topic of compensation but found their agents unable or unwilling to negotiate (10 percent).

Client referrals and repeat business are the predominant sources of business for real estate agents. Most sellers — 85 percent — said that they would definitely (70 percent) or probably (15 percent) recommend their agent for future services. Sellers 37 to 51 were the most likely to recommend their agent (87 percent) compared to sellers 62 to 70 years (81 percent). The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home. That number jumps to 37 percent for sellers aged 37 to 51 years.



## HOME SELLING AND REAL ESTATE PROFESSIONALS

- Exhibit 7-1 METHOD USED TO FIND REAL ESTATE AGENT
- Exhibit 7-2 NUMBER OF AGENTS CONTACTED BEFORE SELECTING ONE TO ASSIST WITH SALE OF HOME
- Exhibit 7-3 DID SELLER USE THE SAME REAL ESTATE AGENT FOR THEIR HOME PURCHASE?
- Exhibit 7-4 HOME LISTED ON MULTIPLE LISTING SERVICE
- Exhibit 7-5 LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT
- Exhibit 7-6 WHAT SELLERS MOST WANT FROM REAL ESTATE AGENTS, BY LEVEL OF SERVICE PROVIDED BY THE AGENT
- Exhibit 7-7 MOST IMPORTANT FACTOR IN CHOOSING A REAL ESTATE AGENT TO SELL HOME, BY LEVEL OF SERVICE PROVIDED BY THE AGENT
- Exhibit 7-8 METHODS REAL ESTATE AGENT USED TO MARKET HOME
- Exhibit 7-9 NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT
- Exhibit 7-10 WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS
- Exhibit 7-11 HOW MANY TIMES SELLER RECOMMENDED TYPICAL AGENT

## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-1

### METHOD USED TO FIND REAL ESTATE AGENT

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Referred by (or is) a friend, neighbor or relative	39%	44%	43%	32%	36%	38%
Used agent previously to buy or sell a home	25	30	26	27	22	23
Website (without a specific reference)	4	3	4	8	2	1
Personal contact by agent (telephone, email, etc.)	4	2	3	4	6	5
Referred by another real estate or broker	4	5	4	6	5	1
Visited an open house and met agent	4	2	3	2	4	7
Saw contact information on For Sale/Open House sign	2	1	2	2	2	2
Referred through employer or relocation company	2	4	4	2	1	*
Direct mail (newsletter, flyer, postcard, etc.)	2	1	1	2	4	4
Walked into or called office and agent was on duty	1	2	1	2	2	2
Newspaper, Yellow pages or home book ad	1	1	1	1	3	2
Advertising specialty (calendar, magnet, etc.)	*	*	1	*	*	*
Crowdsourcing through social media/knew the person through social media	*	*	*	1	1	*
Saw the person's social media page without a connection	*	1	*	*	1	*
Other	10	6	8	11	11	16

\* Less than 1 percent

## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-2

### NUMBER OF AGENTS CONTACTED BEFORE SELECTING ONE TO ASSIST WITH SALE OF HOME

*(Percentage Distribution)*

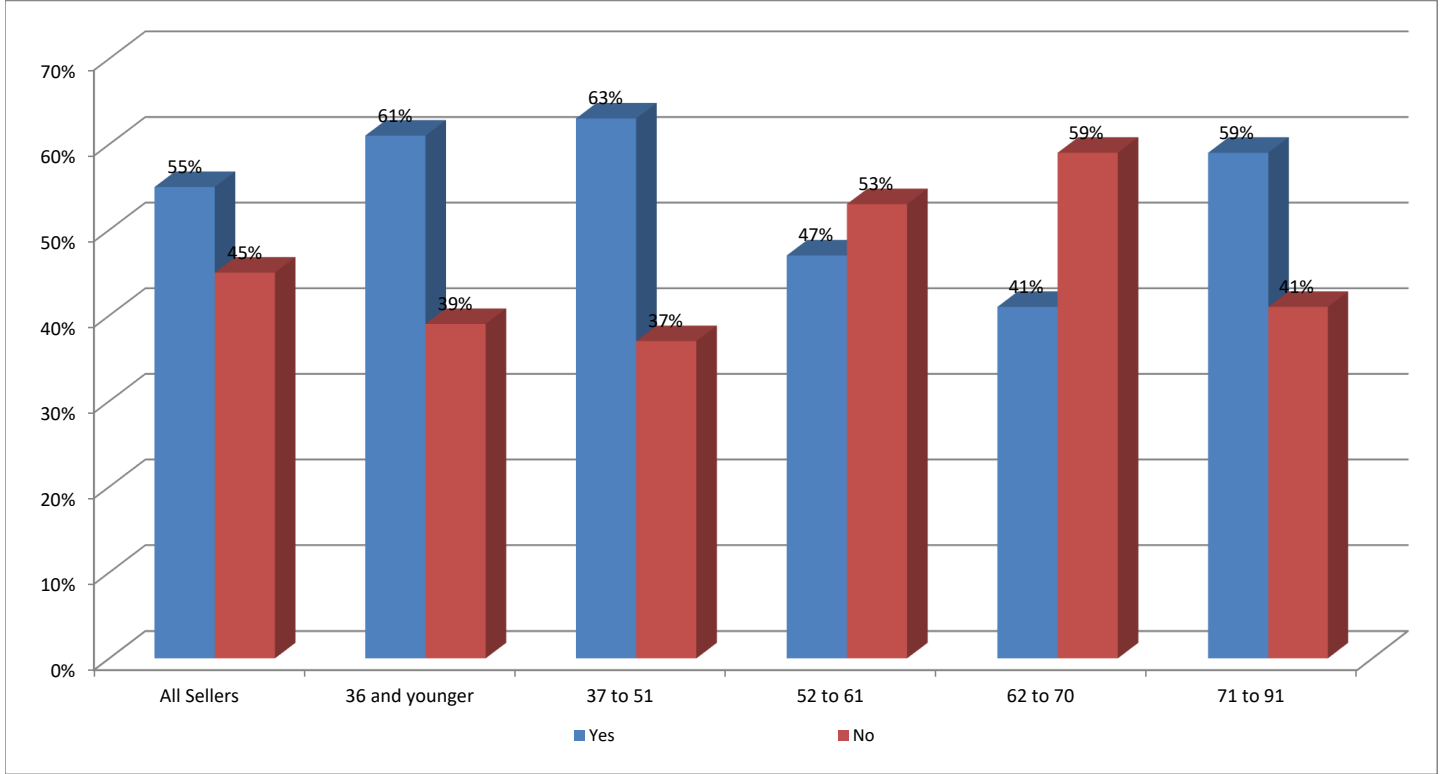
	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>One</b>	72%	82%	71%	71%	65%	74%
<b>Two</b>	16	11	15	17	20	14
<b>Three</b>	8	4	10	7	10	8
<b>Four</b>	2	1	2	4	4	2
<b>Five or more</b>	2	2	2	1	2	1

# HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-3

## DID SELLER USE THE SAME REAL ESTATE AGENT FOR THEIR HOME PURCHASE?

(Percentage Distribution Among Sellers Who Used an Agent to Purchase a Home)

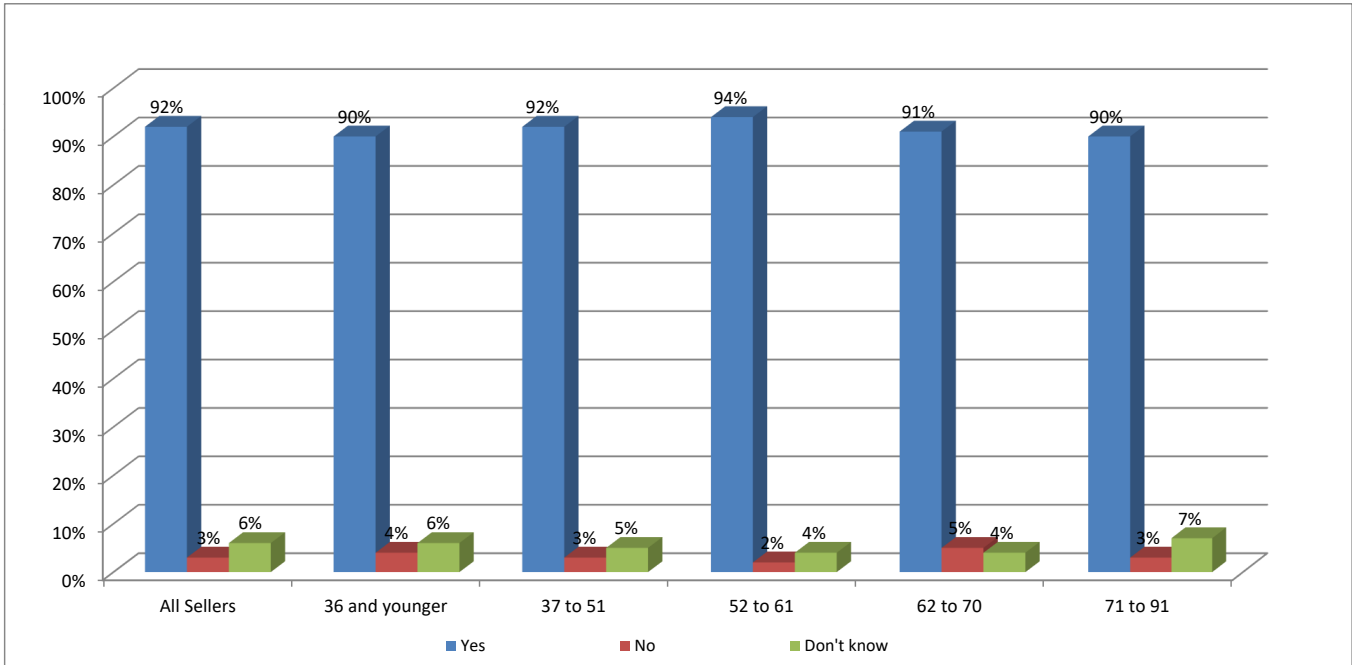


# HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-4

## HOME LISTED ON MULTIPLE LISTING SERVICE

(Percentage Distribution)





## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-5

### LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>A broad range of services and management of most aspects of the home</b>	83%	77%	87%	86%	83%	79%
<b>A limited set of services as requested by the seller</b>	9	12	6	4	7	10
<b>The agent listed the home on the MLS and performed few if any additional services</b>	8	10	7	10	10	11

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-6

**WHAT SELLERS MOST WANT FROM REAL ESTATE AGENTS, BY LEVEL OF SERVICE PROVIDED BY THE AGENT**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Help seller market home to potential buyers	23%	19%	22%	21%	26%	29%
Help sell the home within specific timeframe	20	20	25	20	17	17
Help price home competitively	19	23	16	22	20	12
Help find a buyer for home	14	9	10	13	22	17
Help seller find ways to fix up home to sell it for more	14	21	19	12	7	11
Help with negotiation and dealing with buyers	4	4	3	6	3	5
Help with paperwork/inspections/preparing for settlement	4	4	2	4	3	5
Help seller see homes available to purchase	1	1	1	1	2	1
Help create and post videos to provide tour of my home	1	*	*	1	1	1
Other	1	1	1	2	*	1

\* Less than 1 percent

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-7

**MOST IMPORTANT FACTOR IN CHOOSING A REAL ESTATE AGENT TO SELL HOME, BY LEVEL OF SERVICE PROVIDED BY THE AGENT**

(Percentage Distribution)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Reputation of agent	31%	35%	31%	30%	30%	28%
Agent is honest and trustworthy	21	21	22	24	18	15
Agent is friend or family member	14	18	12	13	15	15
Agent's knowledge of the neighborhood	14	8	13	12	18	18
Agent has caring personality/good listener	5	3	5	4	5	6
Agent's association with a particular firm	4	4	2	6	5	6
Agent's commission	4	5	6	3	2	4
Agent seems 100% accessible because of use of technology like tablet or smartphone	3	2	2	3	3	4
Professional designations held by agent	1	*	2	*	1	2
Other	5	4	6	4	4	2

\* Less than 1 percent

## HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-8

### METHODS REAL ESTATE AGENT USED TO MARKET HOME

(Percent of Respondents Among Sellers Who Used an Agent)

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
Multiple Listing (MLS) website	89%	89%	91%	90%	86%	87%
Yard sign	70	70	72	70	67	70
Realtor.com	52	50	57	54	52	39
Real estate agent website	50	51	52	45	53	43
Open house	47	42	47	48	50	45
Real estate company website	45	36	47	49	46	44
Third party aggregators	42	53	44	43	36	26
Social networking websites (e.g. Facebook, Twitter, etc.)	16	23	19	13	9	3
Online Classified Ads	11	9	8	10	13	13
Print newspaper advertisement	11	6	9	13	11	14
Direct mail (flyers, postcards, etc.)	10	8	9	10	12	4
Video	8	7	5	10	7	12
Other websites with real estate listings	7	3	7	6	5	15
Real estate magazine website	7	2	5	8	10	7
Real estate magazine	6	2	6	6	8	8
Video hosting websites	4	2	4	3	4	3
Television	1	1	1	*	*	*
Other	2	2	2	3	4	2

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-9

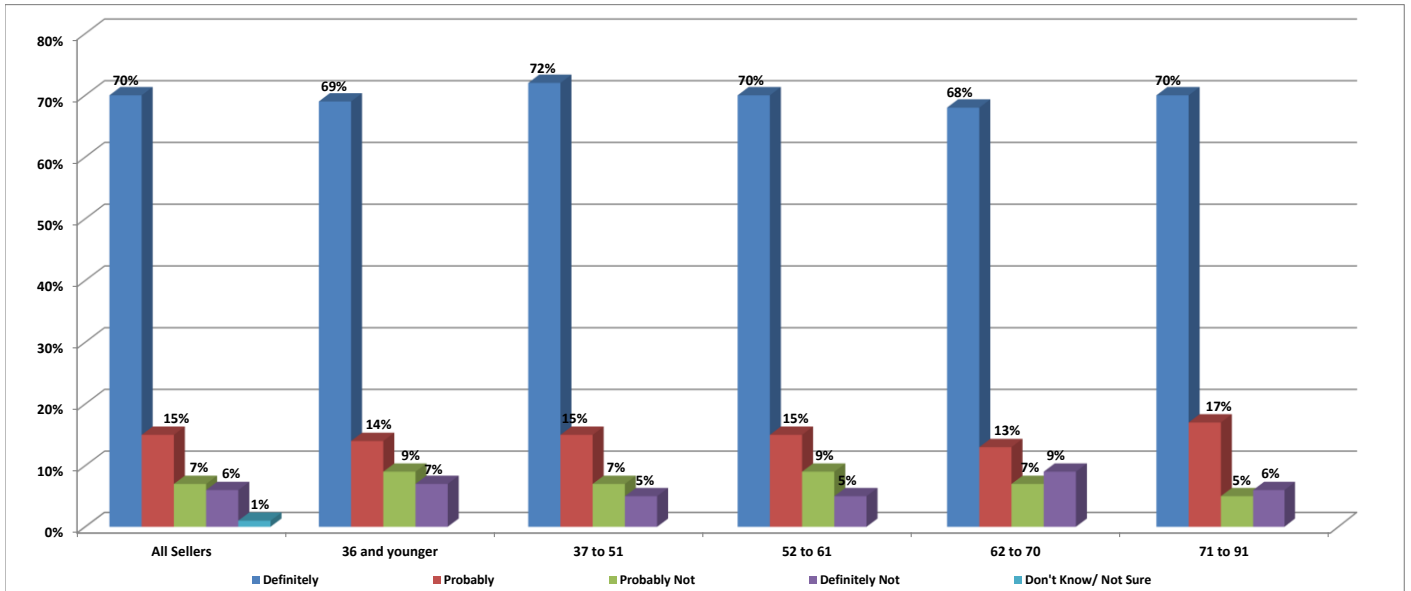
**NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT**

*(Percentage Distribution)*

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>Real estate agent initiated discussion of compensation</b>	48%	45%	47%	51%	46%	49%
<b>Client brought up the topic and the real estate agent was able and willing to negotiate their commission or fee</b>	22	16	23	21	24	19
<b>Client did not know commissions and fees could be negotiated</b>	14	24	14	9	11	11
<b>Client did know commissions and fees could be negotiated but did not bring up the topic</b>	11	10	13	9	9	15
<b>Client brought up the topic and the real estate agent was unwilling or unable to negotiate their commission or fee</b>	6	4	3	10	10	7

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-10  
**WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS**  
(Percentage Distribution)



HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-11

**HOW MANY TIMES SELLER RECOMMENDED TYPICAL AGENT**

*(Percentage distribution)*

	AGE OF HOME SELLER					
	All Sellers	36 and younger	37 to 51	52 to 61	62 to 70	71 to 91
<b>None</b>	36%	34%	31%	37%	44%	39%
<b>One time</b>	13	14	12	14	13	15
<b>Two times</b>	18	20	20	16	13	16
<b>Three times</b>	11	9	12	13	9	9
<b>Four or more times</b>	22	23	25	20	21	21
<b>Times recommended since buying (median)</b>	2	2	2	1	1	1



# Methodology

In July 2016, NAR mailed out a 132-question survey using a random sample weighted to be representative of sales on a geographic basis to 93,171 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2015 and June of 2016. A total of 5,465 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 5.9 percent. Respondents had the option to fill out the survey via hard copy or online. The online survey was available in English and Spanish.

Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records. Information about sellers comes from those buyers who also sold a home.

All information in this Profile is characteristic of the 12-month period ending June 2016, with the exception of income data, which are reported for 2015. In some sections, comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South, and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.

Data gathered in the report is based on primary residence home buyers. From the *2016 Investment and Vacation Home Buyer Survey*, 65 percent of home buyers were primary residence buyers, which accounts for 3,738,000 homes sold in 2015. Using that calculation, the sample at the 95 percent confidence level the confidence interval is plus-or-minus 1.32%.

The definitions of the generations used to distinguish home buyers and sellers were based on a study published in the REALTOR® University's Center for Real Estate Studies journal article titled, *Generational Trends in Homeownership: An Era of Renters?* by Glenn E. Crellin. Additional splitting of older baby boomer age groups and younger baby boomer age groups was modeled on research from the Pew Research Center, *Generations 2010*.

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