

# 2020

## Profile of Home Buyers and Sellers



NATIONAL  
ASSOCIATION OF  
REALTORS®

# 2020 PROFILE OF HOME BUYERS AND SELLERS

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# 2020 PROFILE OF HOME BUYERS AND SELLERS

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## INTRODUCTION

The NATIONAL ASSOCIATION OF REALTORS® *Profile of Home Buyers and Sellers* is an annual survey of recent home buyers and sellers who purchased in the last year, from July 2019 to June 2020. This report allows industry professionals to gain insight into detailed buying and selling behavior. While every year is a unique time capsule where buyers and sellers purchase amid a changing economic environment, 2020 is especially distinctive as COVID-19 impacted Americans' lives starting in March 2020.

Buying a primary residence for home buyers is a financial decision, but also an emotional decision that involves many lifestyle factors. For most home buyers, the purchase of a primary residence is one of the largest financial transactions they will make. Buyers purchase a home not only for the desire to own a home of their own, but also because of changes in jobs, family situations, and the need for a smaller or larger living area. The information provided supplies understanding, from the consumer level, of the trends that are transpiring. This survey covers information on demographics, housing characteristics, and the experience of consumers in the housing market. Buyers and sellers also provide valuable information on the role that real estate professionals play in home sales transactions.

The *Profile of Home Buyers and Sellers* report has been the leading industry source of trusted insight into consumer behavior for nearly four decades. It has grown and evolved to keep up with changing home buying trends and the need for more information. NAR first administered the survey in 1981 with just 59 questions. In 2020, the survey contained 131 questions. Although the report has evolved, data has been collected for more than three decades describing the demographic characteristics of home buyers and sellers, buyers and sellers' experience in the home transaction process, as well as market characteristics including the use of real estate agents. One measure of how the market has changed is the manner in which the data is collected. In 1981, only a paper copy of the survey was offered. Today, recent home buyers can take the survey via paper or online, and in English or Spanish. Because of its long history and timely information available each year, the report is valued by REALTORS®, market analysts, and policymakers.

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**November 2020**

Data is collected from a nationally representative sample of recent home buyers who purchased a primary residence in the 12-month period between July and June. Data is also representative of the geographic distribution of home sales. Consumer names are obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records.

Given the unique data collection time period, this report continues to include eight chapters on buying and selling activity, but also includes two additional chapters. Chapter 9 separates buyers who closed on their transaction before April 2020 and those who closed on their transaction after April 2020. While buyers who may have established they intend to purchase before COVID-19, their search process and closing process may differ. Not every chart is reported in Chapter 9, only those which show unique differences in buyers and buyer behavior. Buyers who purchased during the onset of COVID-19 were more likely to have higher household incomes, purchase at a higher price point, and more likely to purchase a multi-generational home. Similarly, Chapter 10 focuses on the unique differences in sellers who closed in their home sale transaction before and after April 2020. While these sellers may have listed their home prior to the onset of COVID-19 in March, they closed on their transaction during a timeframe when many state and local areas had restrictions in place. Sellers who sold after April 2020 were more likely want to sell at least somewhat urgently, were more likely to sell in the suburbs, and need a larger home.

Among all buyers last year, the share of first-time home buyers continued to fall to 31 percent, from 33 percent the year before. This is the lowest share since 1987 when it was at 30 percent. While first-time buyers have had record low interest rates they have also faced a housing environment that has scarce inventory and rising home prices.

Tightened inventory is affecting the home search process of buyers. Due to suppressed inventory levels in many areas of the country, buyers are typically purchasing more expensive homes as prices increase. The number of weeks a buyer searched for a home fell to eight weeks from 10. Many buyers took advantage of new virtual tours and virtual listings and used those in their search process. Buyers continue to report the most difficult task for them in the home buying process was just finding the right home to purchase.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

Increased prices are also impacting sellers. Tenure in the home remained at a high of 10 years this year. Historically, tenure in the home has been six to seven years. Sellers may now have the equity and buyer demand to sell their home after stalling or delaying their home sale.

Buyers needed the help of a real estate professional to help them find the right home for them, negotiate terms of sale, and help with price negotiations. Eighty-eight percent of buyers used an agent to help them purchase a home. Sellers, as well, turned to professionals to help market their home to potential buyers, price their home competitively, and sell within a specific timeframe. The use of agent to sell the home reached historical highs of 89 percent. While the survey asked about iBuyer options, less than one percent of sellers used these online-only programs. Only eight percent of sellers sold via For-Sale-By-Owner (FSBO).

This report provides real estate professionals with insights into the needs and expectations of their clients. What do consumers want when choosing a real estate professional? How do home buyers begin the process of searching for a home? Why do some sellers choose to forego the assistance of an agent? The answers to these questions, along with other findings in this report, will help real estate professionals better understand the housing market and provide the information necessary to address the needs of America's real estate consumers.

The data set provides a wealth of data that is used to create a number of spin-off NAR reports including: *Home Buyer and Seller Generational Trends Report*, *Buyer Bios*, *Real Estate in a Digital Age*, *Veterans and Active Military Home Buyers and Sellers Profile*, *Profile of LGB Buyers and Sellers*, *A Snapshot of Race and Home Buying in America*, *Downpayment Expectations and Hurdles to Homeownership*, and *Moving with Kids*.



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## HIGHLIGHTS

### Characteristics of Home Buyers

- First-time buyers made up 31 percent of all home buyers, a dip from last year's 33 percent.
- The typical buyer was 47 years old this year, holding steady from last year, and the median household income for 2019 rose again this year to \$96,500.
- Sixty-two percent of recent buyers were married couples, 19 percent were single females, nine percent were single males, and nine percent were unmarried couples.
- Twelve percent of home buyers purchased a multi-generational home, the same as last year, to take care of aging parents, because of children over the age of 18 moving back home, and for cost-savings.
- Ninety-one percent of recent home buyers identified as heterosexual, three percent as gay or lesbian, one percent as bisexual, and five percent preferred not to answer.
- Eighteen percent of recent home buyers were veterans and two percent were active-duty service members.
- At 27 percent, the primary reason for purchasing a home was the desire to own a home of their own. For first-time buyers, this number jumps to 64 percent.

### Characteristics of Homes Purchased

- Fifteen percent of buyers purchased a new home, and 85 percent of buyers purchased a previously-owned home.
- Most recent buyers who purchased new homes were looking to avoid renovations and problems with plumbing or electricity at 44 percent. Buyers who purchased previously-owned homes were most often considering better overall value at 35 percent.
- Detached single-family homes continued to be the most common home type for recent buyers at 81 percent, followed by townhomes or row houses at seven percent.
- Senior-related housing held steady this year at 12 percent, with 17 percent of buyers typically purchasing condos and nine percent purchasing a townhouse or row house.
- The median distance between the home that recent buyers purchased and the home they moved from was only 15 miles.
- Home prices increased slightly this year to a median of \$272,500 among all buyers. Buyers typically purchased their homes for 99 percent of the asking price.

- The typical home that was recently purchased was 1,900 square feet, had three bedrooms and two bathrooms, and was built in 1993.
- Heating and cooling costs were the most important environmental features for recent home buyers, with 83 percent finding these features at least somewhat important.
- Overall, buyers expected to live in their homes for a median of 15 years, while 21 percent said that they were never moving.

### The Home Search Process

- For 43 percent of recent buyers, the first step that they took in the home buying process was to look online at properties for sale, while 18 percent of buyers first contacted a real estate agent.
- Ninety-one percent of recent buyers found their real estate agent to be a very or somewhat useful information source.
- Buyers typically searched for eight weeks and looked at a median of nine homes, and viewed five of these homes only online.
- The share of home buyers who used the internet to search for a home increased to an all-time high of 97 percent.
- When asked where their internet searches were conducted, home buyers were split; they typically conducted 50 percent of their search on a desktop/laptop and 50 percent on a mobile device(s).
- Sixty-four percent of recent buyers were very satisfied with their recent home buying process.

### Home Buying and Real Estate Professionals

- Eighty-eight percent of buyers recently purchased their home through a real estate agent or broker, and six percent purchased directly from a builder or builder's agent.
- Having an agent to help them find the right home was what buyers wanted most when choosing an agent at 51 percent.
- Forty percent of buyers used an agent that was referred to them by a friend, neighbor, or relative and 13 percent used an agent that they had worked with in the past to buy or sell a home.
- Seventy-three percent of buyers interviewed only one real estate agent during their home search.
- Ninety-one percent of buyers would use their agent again or recommend their agent to others.

# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Financing the Home Purchase

- Eighty-seven percent of recent buyers financed their home purchase. Those who financed their home purchase typically financed 88 percent.
- First-time buyers who financed their home typically financed 93 percent of their home compared to repeat buyers at 84 percent.
- For 58 percent of buyers, the source of the downpayment came from their savings. Thirty-eight percent of buyers cited using the proceeds from the sale of a primary residence, which was the next most commonly reported way of securing a downpayment.
- For 11 percent of buyers, the most difficult step in the home buying process was saving for a downpayment.
- Of buyers who said saving for a downpayment was difficult, 47 percent of buyers reported that student loans made saving for a downpayment difficult. Forty-three percent cited high rent/mortgages and 36 percent cited credit card debt also making saving for a downpayment hard.
- Buyers continue to see purchasing a home as a good financial investment. Eighty-three percent reported they view a home purchase as a good investment.

## Home Sellers and Their Selling Experience

- The typical home seller was 56 years old, with a median household income of \$107,100.
- For all sellers, the most commonly cited reason for selling their home was the desire to move closer to friends and family (15 percent), that it was too small (14 percent), and a change in family situation (12 percent). Sellers typically lived in their home for 10 years before selling, similar to last year.
- Eighty-nine percent of home sellers worked with a real estate agent to sell their home.
- For recently sold homes, the final sales price was a median of 99 percent of the final listing price.
- Recently sold homes were on the market for a median of three weeks, the same as last year.
- Forty-six percent of all sellers offered incentives to attract buyers.
- This year, home sellers cited that they sold their homes for a median of \$66,000 more than they purchased it.
- Sixty-nine percent of sellers were very satisfied with the selling process.

## Home Selling and Real Estate Professionals

- Sixty-seven percent of sellers found their agent through a referral from a friend, neighbor, or relative or used an agent they had worked with before to buy or sell a home.
- Seventy-seven percent of recent sellers contacted only one agent before finding the right agent they worked with to sell their home.
- Ninety-one percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home.
- Seventy-seven percent of sellers reported that they provided the agent's compensation.
- The typical seller has recommended their agent once since selling their home. Twenty-seven percent of sellers recommended their agent four or more times since selling their home.
- Eighty-nine percent said that they would definitely (74 percent) or probably (15 percent) recommend their agent for future services.

## For-Sale-by-Owner (FSBO) Sellers

- Only eight percent of recent home sales were FSBO sales this year. This remains close to the lowest share recorded since this report started in 1981.
- The median age for FSBO sellers is 57 years. Sixty-four percent of FSBO sales were by married couples that have a median household income of \$96,700.
- FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$217,900 last year (up from last year), and significantly lower than the median of agent-assisted homes at \$242,300.
- FSBO homes sold more quickly on the market than agent-assisted homes. Seventy-seven percent of FSBO homes sold in less than two weeks—often because homes were sold to someone the seller knows.
- Eighty-one percent of successful FSBO sellers who knew the buyer were very satisfied with the process of selling their home.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Home Buyers Before and During COVID-19

- Buyers who purchased after March were more likely to purchase a multi-generational home at 15 percent compared to 11 percent who purchased before April. Pandemic buyers purchased multi-generational homes for a number of reasons.
- Buyers who purchased after March have a shorter expected tenure in the home they purchased, just 10 years compared to those who purchased before the pandemic who expect to own their home for 15 years.
- Fifty-seven percent of buyers who purchased during the pandemic purchased in a suburban location, compared to 50 percent of pre-pandemic buyers. However, 23 percent of buyers who purchased pre-pandemic purchased in a small town compared to 16 percent of buyers post-pandemic.
- Buyers who purchased during the pandemic purchased a home that typically was \$339,400 compared to pre-pandemic buyers who purchased a home that was \$270,000. Twenty-three percent of buyers who purchased after March purchased a home that was \$500,000 or more.
- Buyers who purchased after March of 2020 searched for just two weeks before working with an agent compared to those who purchased pre-pandemic who searched for three weeks before an agent.
- Finding the right property was the most difficult step for half of buyers before and after March. However, one in six buyers after March ran into the inability to move forward in their buying process due to COVID-19.

### Home Sellers Before and During COVID-19

- The top reason for sellers before April to sell their home was because they wanted to be closer to friends and family. Home sellers who sold their home after March were more likely to report the main reason for selling was because their home was too small.
- Home sellers who sold after March were more likely to say they were somewhat urgent in their need to sell their home—46 percent compared to 39 percent of those who sold before April.
- Sellers who sold after March were more likely to use technology as a marketing tool. The biggest difference seen is among those using virtual tours. Twenty-seven percent used virtual tours after March compared to 16 percent of those pre-April.
- The median time both sellers who sold before and after March owned their homes was 11 years. However, 39 percent of sellers who sold after March had owned their home for 16 years or more compared to 34 percent of sellers who sold before April.
- Home sellers who sold after March sold their home for \$300,000 while those who sold before April sold it for \$270,700.





# CHAPTER 1:

## Characteristics of Home Buyers

The NATIONAL ASSOCIATION OF REALTORS®'s *Profile of Home Buyers and Sellers* report has been the leading industry source of trusted insight into consumer behavior for nearly four decades. The information has been collected since 1981, which allows data trends to be traced over the years.

The share of first-time home buyers has been a key indicator of the market. In 2020, the share of first-time home buyers was 31 percent, a dip from last year's 33 percent, and the lowest share since 1987 when it was 30 percent. This figure remains below the historical norm of 40 percent of recent primary residence home buyers in the market.

By comparison in 1981, the share of first-time buyers was 44 percent. In 1987, the number fell to an all-time low of 30 percent, but jumped back to 44 percent in 1991. The share remained between 40 and 42 percent from 1993 to 2005 until it took a dip in 2006 to 36 percent. In 2010, with the federal government tax credit to help boost the home sales demand of first-time buyers, the share reached a peak at 50 percent—the highest in NAR's four decades of collecting this data. Since 2011, the share of first-time home buyers has been under the historical norm of 40 percent as buyers face tight inventory, rising home prices, rising rents, and high student debt loads.

The largest share of home buyers continues to be the 25 to 34 age group, accounting for 23 percent of all buyers. The median household income for 2019 increased to \$96,500, compared to \$93,200 in last year's report. The share of married couples increased to 62 percent this year, the share of single females also stepped up slightly to 18 percent, and the share of single males held steady at nine percent—the same as last year. Thirty-three percent of all buyers had children under the age of 18 living at home.

As might be expected, 72 percent of first-time home buyers rented their previous living arrangement, while 72 percent of repeat buyers owned their previous residence. A steady share of first-time buyers, 22 percent, moved from a family or friend's home directly into home buying. Sixty-four percent of first-time buyers purchased for the desire to own a home of their own.

## CHAPTER 1: Characteristics of Home Buyers

### Exhibits 1-1 through 1-7

The demographics of home buyers continued to shift over the last several years due to both tightened credit conditions and the lack of inventory on the market, which are driving up home sales prices. The *Profile of Home Buyers and Sellers* has collected data on the median age of home buyers since 1981. The median age held steady this year at a peak of 47 years old, the same as last year. In addition, the median age for repeat buyers held steady again this year for the third year in a row at 55 years, the highest since NAR began collecting this data in 1981. The median age for first-time buyers continued to be 33 years in 2020, also a historic high.

By comparison, the median age for all buyers in 1981 was 31 years. The median age for all buyers had predominantly been in the mid-thirties from 1985 to 2004 with brief years peaking at 41 in 1993, 40 in 2003 and 2005, and 45 in 2011 and 2017. From 2007 through 2010, the median age held steady at 39 years, but was broken in 2011 when it jumped up to 45 years, then reached the oldest median age (at 47 years for all buyers in 2019 and 2020) in the history of NAR collecting the data.

Similarly, the median age of first-time buyers was 29 in 1981 and then remained around 30 to 32 for over 20 years from 1995 to 2018. There is a jump in the median age for all buyers as the median age for repeat buyers has increased over time. In 1981, the median age for repeat buyers was 36. It was only that low once more in 1995, from which point it has steadily increased over the years. In 2011, it broke the 50-year mark and rose to a median of 53 years, the highest age in three and a half decades. The median age remained at 53 years in 2014 and 2015, declined to 52 years in 2016, and jumped back up to 54 in 2017, followed by the record high in 2018, 2019, and 2020 at 55 years.

The largest share of home buyers continues to be in the 25 to 34 age group, accounting for 23 percent of all buyers this year, followed by 35 to 44 years at 20 percent, and 55 to 64 years at 17 percent, with the 65 to 74 years age group accounting for 16 percent and the 45 to 54 years age group accounting for 16 percent of total home buyers. Unsurprisingly, the 18-24 and 75 and over categories were the smallest, accounting for 3 and 5 percent of total home buyers respectively.

The median household income for 2019 increased this year at \$96,500 compared to \$93,200 in last year's report. Buyers in the West region had the highest incomes this year, followed closely by buyers in the Northeast. Buyers in the Northeast and Midwest regions tended to be moderately younger, while buyers in the West and South regions tended to be moderately older.

The share of married couples increased to 62 percent this year, up slightly from 61 percent. The share of single females rose slightly to 18 percent, and single males held steady at nine percent from nine percent the past two years. Unmarried couples also remained at nine percent this year from nine percent last year. Dual incomes from married couples had stronger purchasing power than single buyers.

The *Profile of Home Buyers and Sellers* report has collected data on household composition since 1981, when the share of married couples accounted for 73 percent of all homes purchased, single females purchased 11 percent of homes, and single males 10 percent. The share of married couples peaked at 81 percent in 1985, then steadily declined over the years. In 2010, the share of married couples was at a low point at 58 percent of all homes purchased. Single females remained above 20 percent from 2005 to 2010, at which point the share started to decline, hovering at 16 percent from 2012 through 2014. The share of single male buyers hit a 35-year peak in 2010 at 12 percent before steadily declining to seven percent in 2017, but has been increasing to previous levels seen from 2012 to 2015.

Thirty-three percent of all buyers had children under the age of 18 living at home, down from 35 percent last year, a historic low. Twelve percent of home buyers purchased a multi-generational home—a home that had adult siblings, adult children over the age of 18, parents, and/or grandparents in the household. The top three reasons for purchasing a multi-generational home were to take care of aging parents (25 percent), children over the age of 18 moving back home (19 percent), cost savings (16 percent), and to spend more time with aging parents (16 percent).

### Exhibits 1-8 through 1-11, Exhibits 1-13 and 1-14, Exhibits 1-22 through 1-24

Down slightly from 84 percent last year, 83 percent of recent home buyers identified their ethnicity as White or Caucasian. The West continued to be more diverse, with 27 percent reporting themselves as a race other than White or Caucasian, and the Midwest reportedly had the least diversity. Single females and unmarried couples were also the most diverse, as were families with children under the age of 18 living at home.

Thirty-six percent of first-time home buyers identified as non-White or Caucasian whereas only 15 percent of repeat buyers did so. Eight percent of first-time buyers, compared to three percent for repeat buyers, reported a language other than English as their primary language. Fourteen percent of first-time home buyers, compared to eight percent for repeat buyers, reported being born outside of the United States.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

Ninety-six percent of home buyers spoke English, which is consistent with last year. Ninety-seven percent in the Midwest reported that English was the primary language spoken at home and 94 percent in the West. Ninety percent reported that they were born in the United States. Ninety-four percent were U.S.-born in the Midwest and 87 percent were U.S.-born in the West, and purchased in the Midwest and 87 percent were U.S.-born, and purchased in the West.

Ninety-one percent of recent home buyers identified as heterosexual, three percent as gay or lesbian, one percent as bisexual, and five percent preferred not to answer, which is consistent with last year. Recent home buyers also reported that 18 percent were veterans and two percent were active-duty service members.

### Exhibits 1-16 through 1-24

First-time home buyers dipped slightly to 31 percent of the market share (33 percent last year), and are below the historical norm of 40 percent among primary residence home buyers. Since 2011, the share of first-time home buyers has been suppressed. The Northeast region had the largest share of first-time home buyers at 37 percent and the South had the smallest share at 28 percent.

The share of first-time buyers who were married couples was 52 percent, down from 53 percent last year, and married repeat buyers remained the same at 67 percent from 67 percent the year before. The share of first-time buyers who were unmarried couples fell slightly to 16 percent. Thirty-four percent of first-time buyers reported having at least one child under the age of 18 living at home, compared to 33 percent for repeat buyers. The median age of first-time buyers stayed steady at 33 years and also stayed steady at 55 for repeat buyers.

The median household income rose slightly for first-time buyers and for repeat buyers, although the gap between them varies greatly. First-time home buyers reported a median income of \$80,000 (up from \$79,400 last year) and repeat buyers reported an income of \$106,700 (up from \$101,600 last year). Married repeat buyers have the highest income among all buyers at \$120,300. Increased median household income could suggest stricter financing that forces low income buyers out of the market and an increase in home prices, which has been restricting who can enter the market.

### Exhibits 1-25 and 1-26

Recent home buyers were more likely to own their previous home than rent a home or an apartment. As might be expected, 72 percent of first-time home buyers rented their previous living arrangement and 22 percent lived with friends and family. The share who lived with friends and family before purchasing remained steady from last year. In comparison, 72 percent of repeat buyers owned their previous residence and 21 percent rented.

With regards to household composition, married couples were more likely than other household types to own their previous residence at 57 percent. Unmarried couples were the most likely to rent a home before making a purchase at 54 percent, while single females were most likely to live with friends and family before buying. Those with children under the age of 18 living at home were somewhat more likely to own (48 percent) than rent (41 percent) prior to buying, while those without children were more definitively likely to own their previous home.

### Exhibits 1-27 through 1-29

For first-time home buyers, 64 percent purchased for the desire to own a home of their own, compared to just 10 percent for repeat buyers. Repeat home buyers bought for the following reasons: the desire for a larger home (13 percent), desire to be closer to friends and family (13 percent), and a change in family situation such as a marriage or birth of a child (nine percent).

Fifty-one percent of all buyers said that the timing was just right and they were ready to purchase a home (slightly up from 50 percent last year). The second most common reason was that the buyer did not have much choice and they had to purchase the home when they did (15 percent), followed by that it was the best time because of the availability of homes for sale (12 percent).

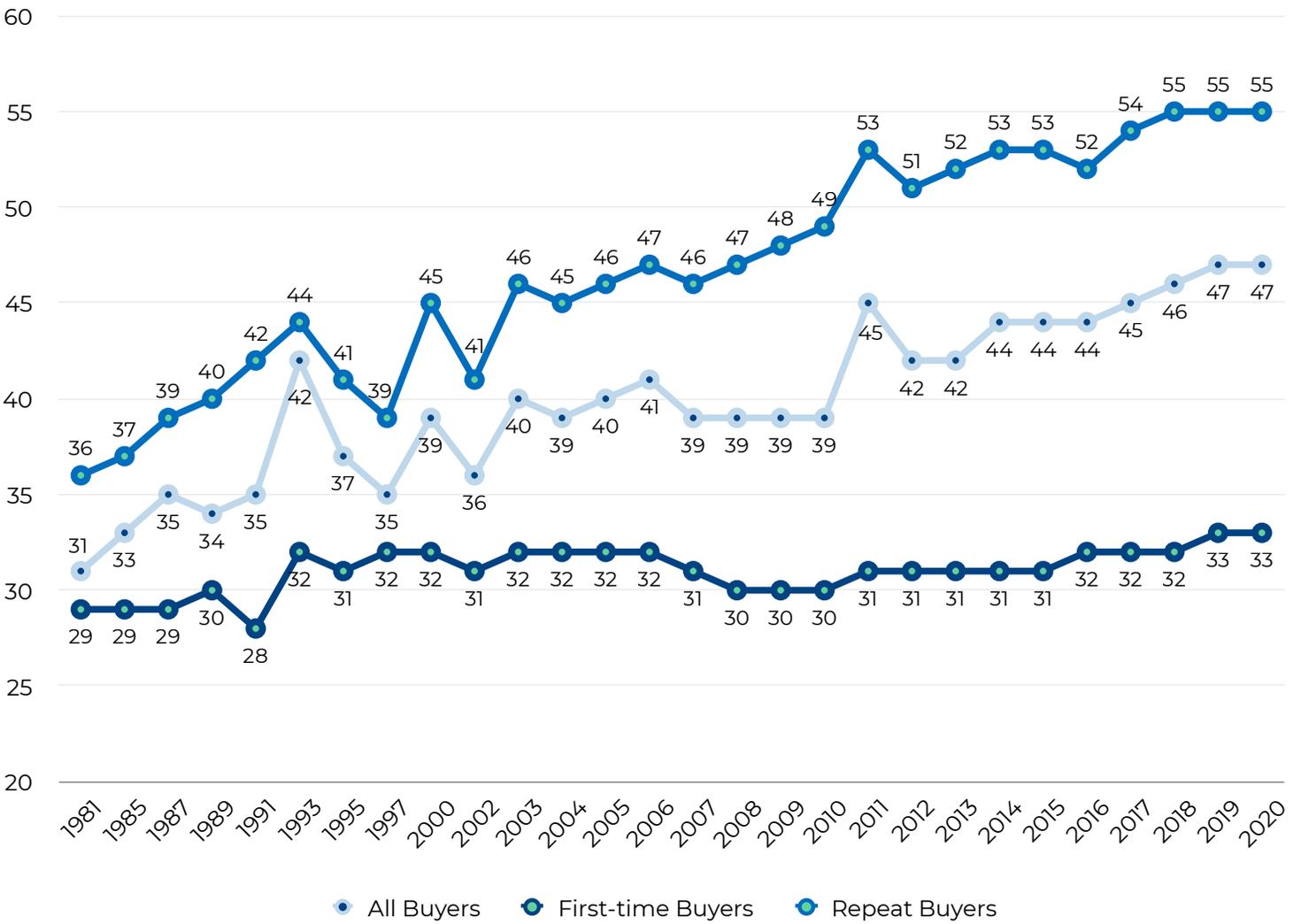
### Exhibit 1-30

In 2020, the number of recent home buyers who own more than one home was 17 percent, up from 16 percent in 2019. The ability of a buyer to own an additional home besides the home they just purchased speaks to the tightened credit conditions as buyers who have higher incomes and own more than one property are more commonly making home purchases. Owning more than one property was most common for buyers aged 65 years and older at 22 percent.

# CHAPTER 1: Characteristics of Home Buyers

## Exhibit 1-1 Median Age of Home Buyers, 1981–2020

(Median Age)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 1-2 Age of Home Buyers, by Region

(Percentage Distribution)

#### BUYERS WHO PURCHASED A HOME IN THE

	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
18 to 24 years	3%	2%	3%	3%	2%
25 to 34 years	23%	27%	27%	19%	22%
35 to 44 years	20%	21%	19%	19%	22%
45 to 54 years	16%	16%	15%	17%	16%
55 to 64 years	17%	15%	17%	19%	17%
65 to 74 years	16%	15%	15%	17%	16%
75 years or older	5%	4%	5%	6%	5%
Median age (years)	47	44	44	50	46

### Exhibit 1-3 Household Income of Home Buyers, by Region, 2019

(Percentage Distribution)

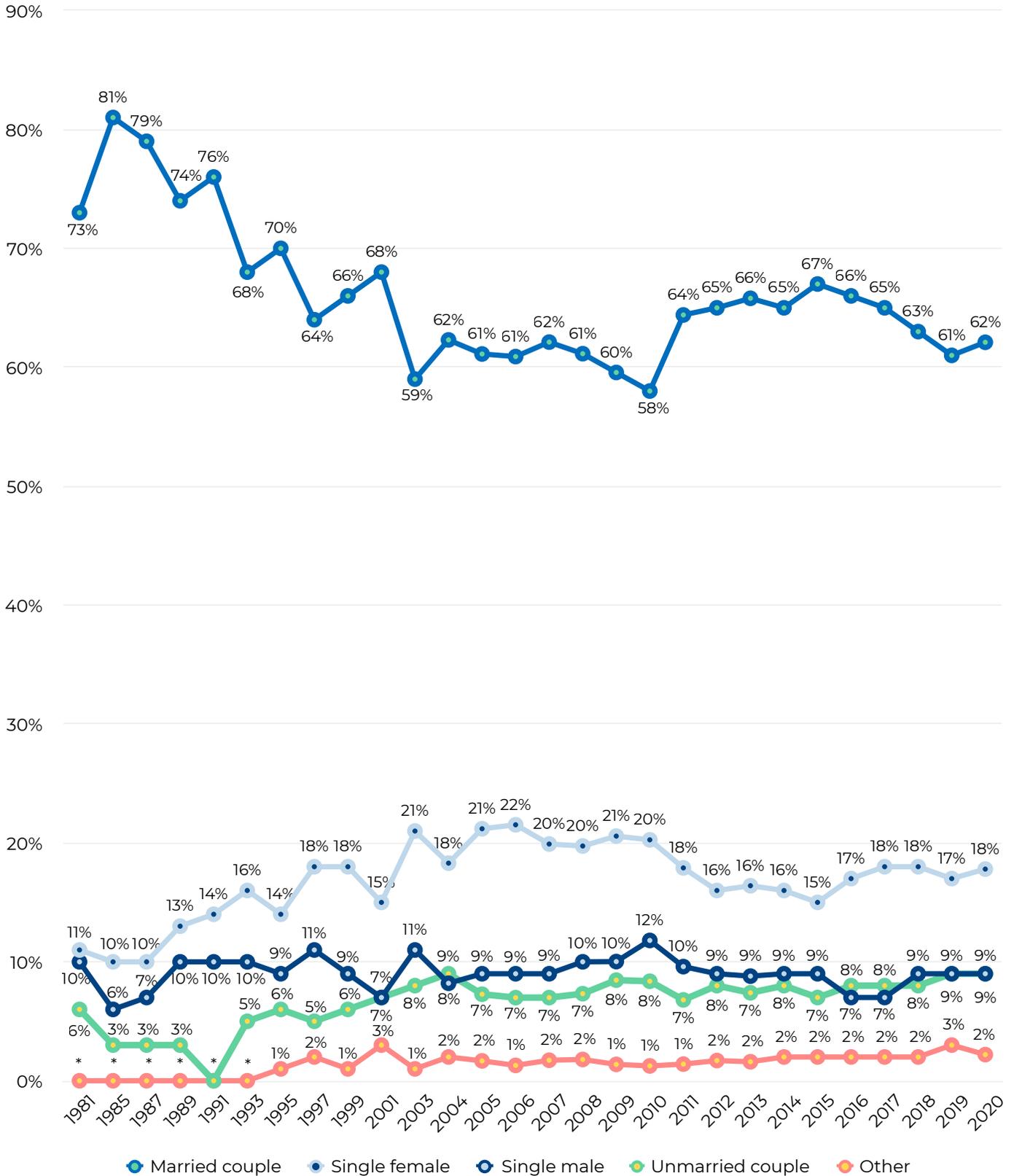
#### BUYERS WHO PURCHASED A HOME IN THE

	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
Less than \$25,000	2%	2%	3%	2%	3%
\$25,000 to \$34,999	4%	4%	5%	4%	4%
\$35,000 to \$44,999	6%	6%	8%	5%	3%
\$45,000 to \$54,999	8%	6%	8%	8%	7%
\$55,000 to \$64,999	7%	9%	8%	6%	6%
\$65,000 to \$74,999	8%	8%	10%	8%	7%
\$75,000 to \$84,999	8%	7%	9%	8%	8%
\$85,000 to \$99,999	10%	8%	10%	10%	9%
\$100,000 to \$124,999	14%	16%	14%	14%	14%
\$125,000 to \$149,999	10%	10%	9%	10%	11%
\$150,000 to \$174,999	7%	6%	6%	7%	7%
\$175,000 to \$199,999	4%	5%	3%	4%	5%
\$200,000 or more	13%	12%	7%	12%	18%
Median income (2019)	\$96,500	\$100,000	\$83,900	\$98,500	\$105,400

# CHAPTER 1: Characteristics of Home Buyers

## Exhibit 1-4 Adult Composition of Home Buyer Households, 1981-2020

(Percentage Distribution)

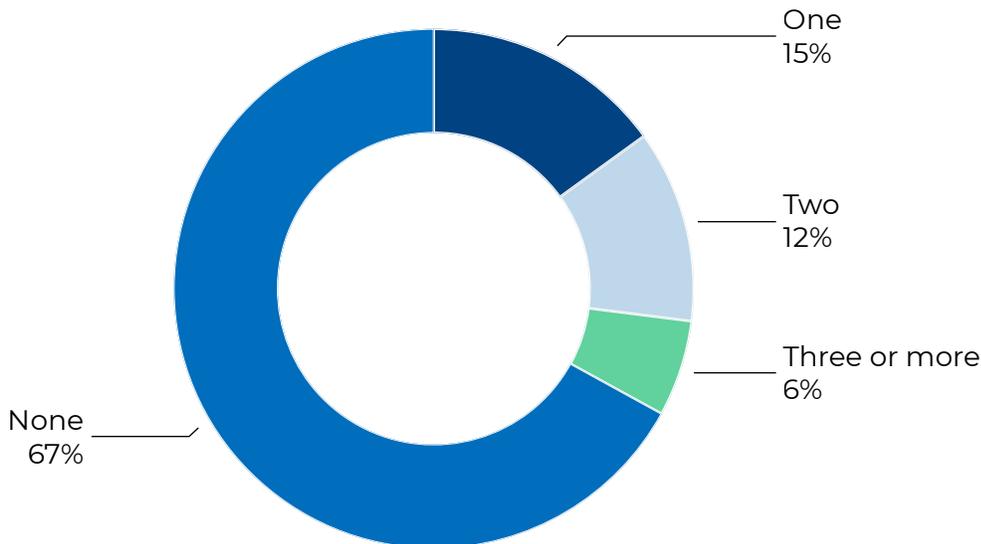


\* Less than 1 percent

# 2020 PROFILE OF HOME BUYERS AND SELLERS

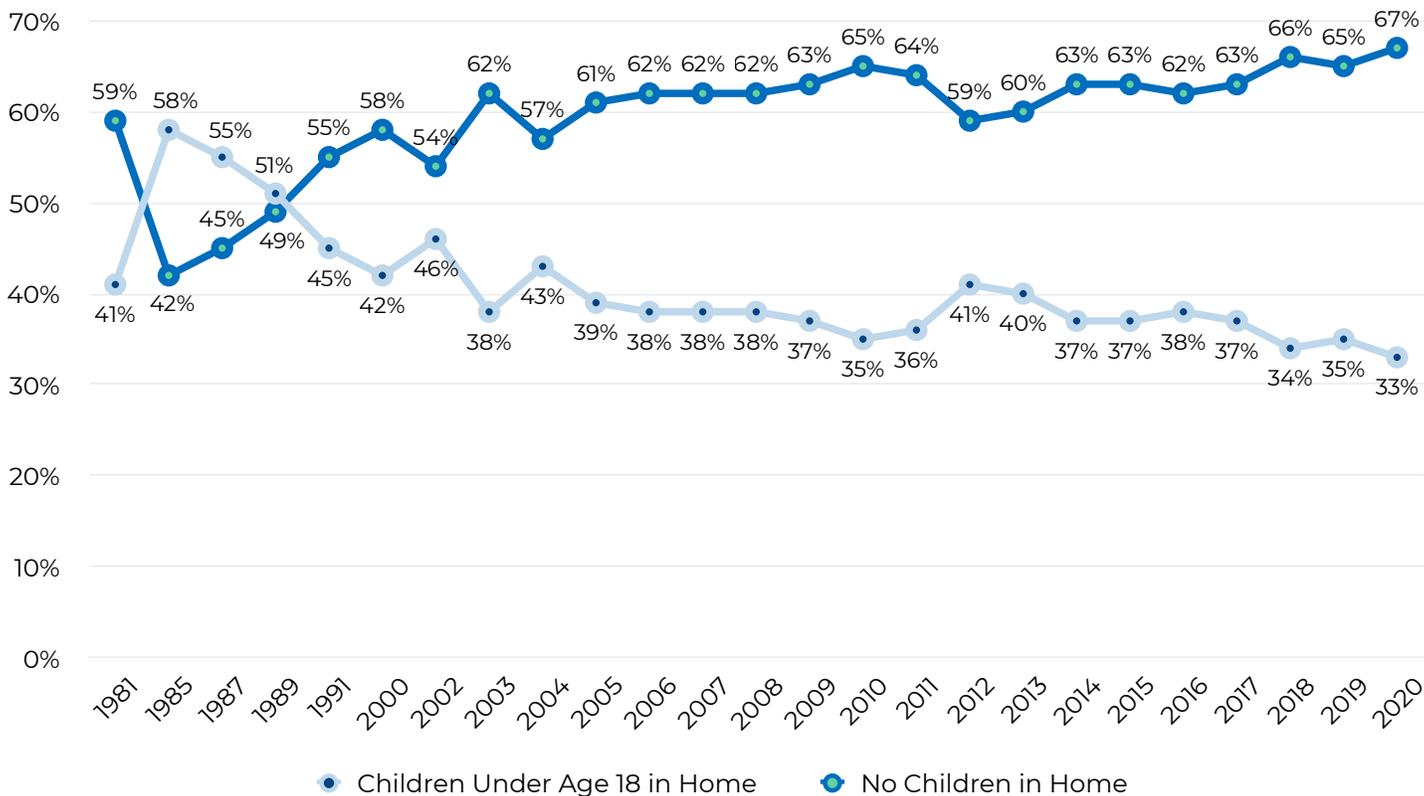
## Exhibit 1-5 Number of Children Under the Age of 18 Residing in Household

(Percentage Distribution of Households)



## Exhibit 1-6 Share of Home Buyers with Children Under the Age of 18 in Home

(Percentage Distribution)



# CHAPTER 1: Characteristics of Home Buyers

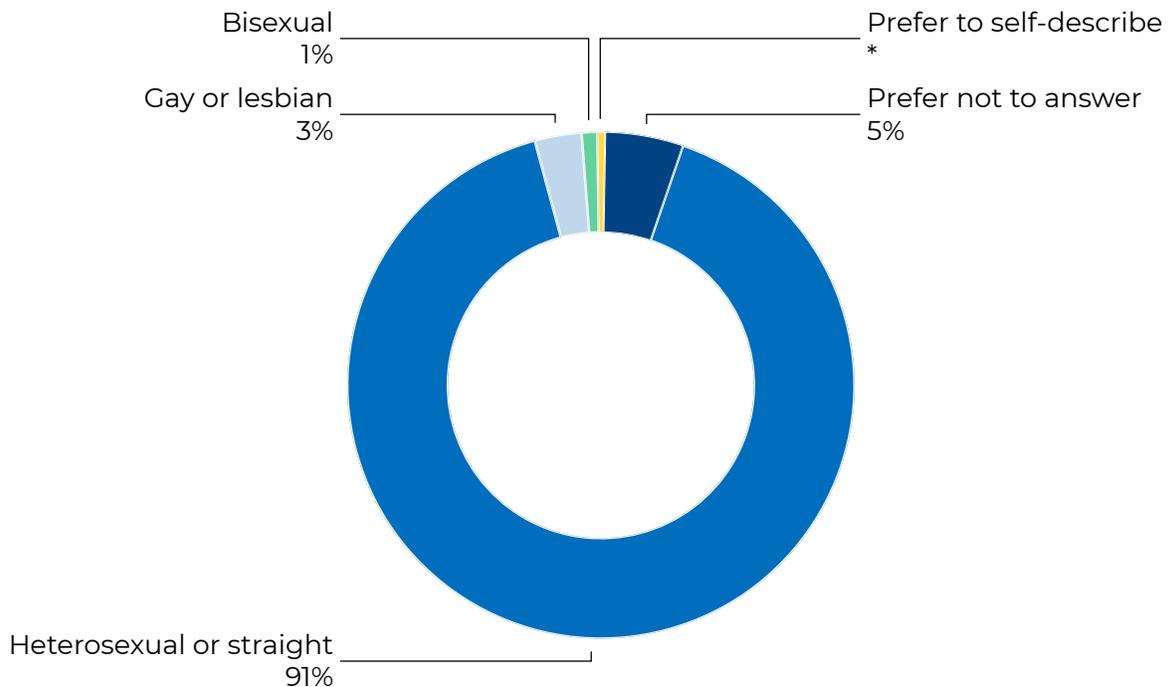
## Exhibit 1-7 Home Purchased Was a Multi-Generational Home (Will Home Adult Siblings, Adult Children, Parents, and/or Grandparents)

(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Multi-generational household	12%	12%	11%	8%	6%	46%	16%	10%
<b>REASONS FOR PURCHASE</b>								
Health/Caretaking of aging parents	25%	26%	22%	10%	21%	38%	26%	24%
Children/relatives over 18 moving back into the house	19%	22%	16%	11%	6%	14%	19%	19%
Cost Savings	16%	14%	10%	29%	27%	31%	20%	13%
To spend more time with aging parents	16%	17%	14%	7%	21%	23%	22%	12%
Children/relatives over 18 never left home	14%	16%	9%	3%	8%	21%	15%	13%
Wanted a larger home that multiple incomes could afford together	12%	12%	5%	13%	30%	19%	15%	10%
None of the above	25%	22%	36%	44%	21%	14%	21%	29%
Other	8%	7%	9%	8%	4%	18%	8%	8%

## Exhibit 1-8 Home Buyer Sexual Orientation

(Percentage Distribution)

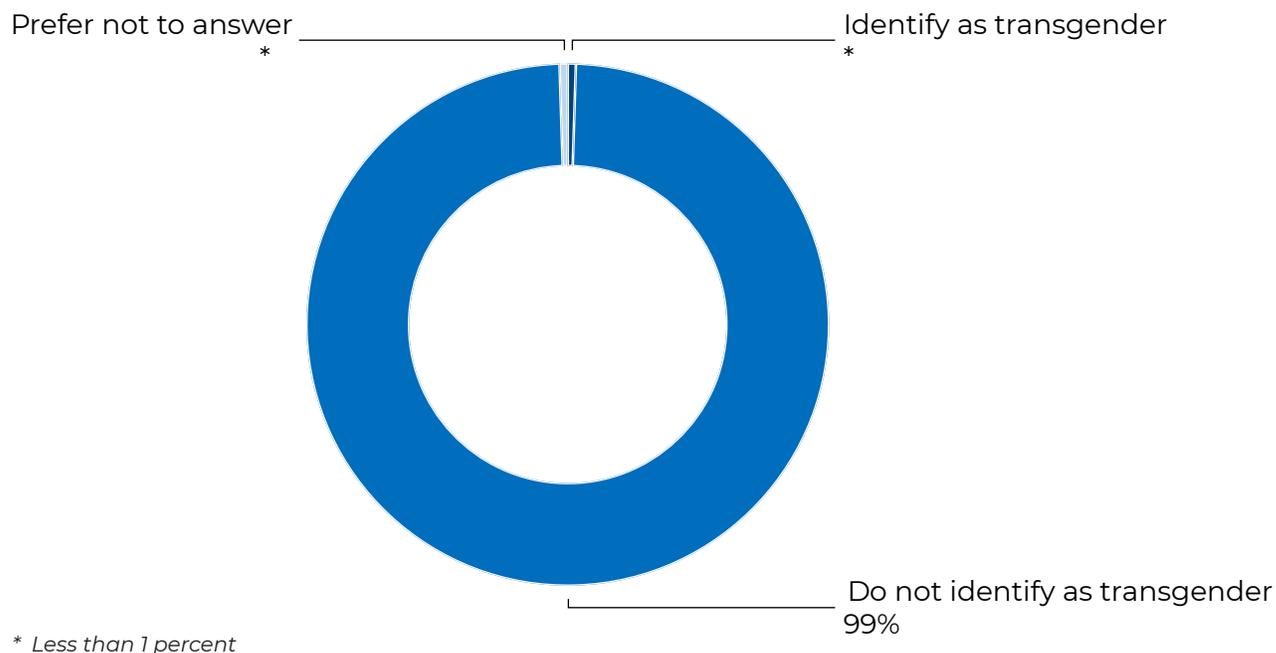


\* Less than 1 percent

# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 1-9 Home Buyer Identifies as Transgender

(Percentage Distribution)



## Exhibit 1-10 Race/Ethnicity of Home Buyers, by Region

(Percent of Respondents)

	BUYERS WHO PURCHASED A HOME IN THE				
	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
White/Caucasian	83%	87%	90%	81%	78%
Hispanic/Latino	7%	6%	3%	8%	10%
Asian/Pacific Islander	5%	4%	3%	3%	10%
Black/African-American	5%	4%	4%	8%	3%
Other	3%	3%	2%	3%	4%

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.

# CHAPTER 1: Characteristics of Home Buyers

## Exhibit 1-11 Race/Ethnicity of Home Buyers, by Adult Composition of Household

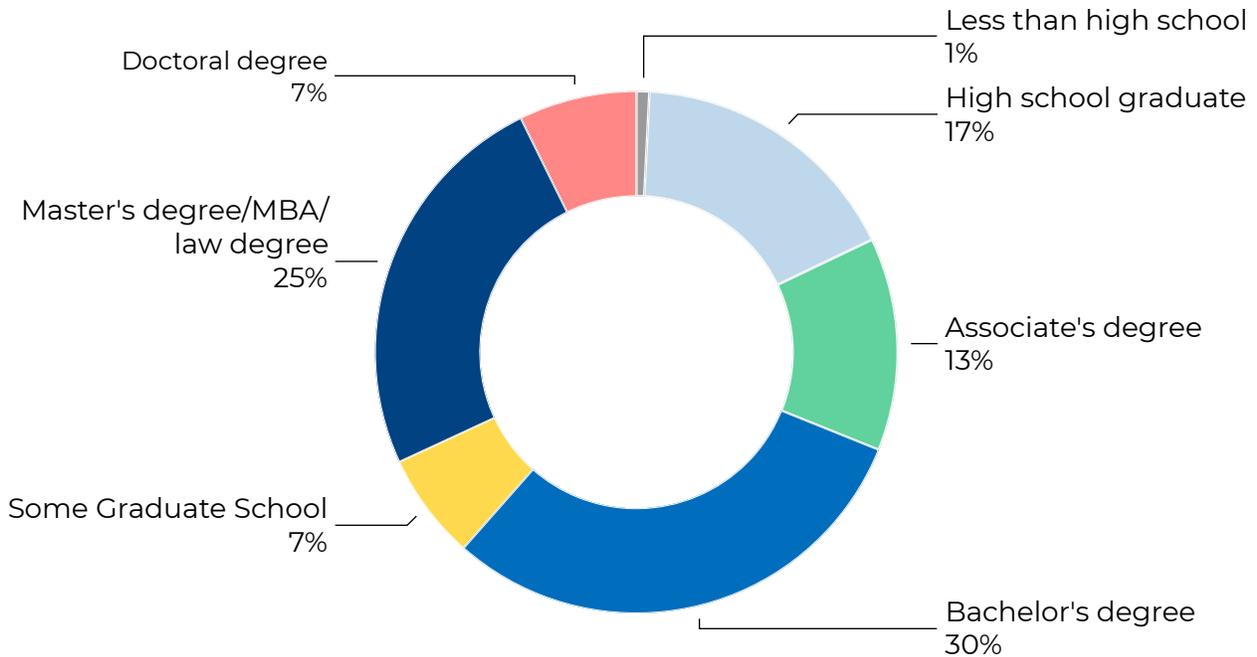
(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
White/Caucasian	83%	84%	81%	84%	83%	77%	77%	86%
Hispanic/Latino	7%	7%	6%	8%	10%	12%	10%	6%
Asian/Pacific Islander	5%	5%	3%	4%	6%	4%	7%	4%
Black/African-American	5%	4%	9%	6%	5%	5%	7%	5%
Other	3%	3%	4%	2%	1%	8%	3%	3%

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.

## Exhibit 1-12 Highest Education Achieved by Household Head

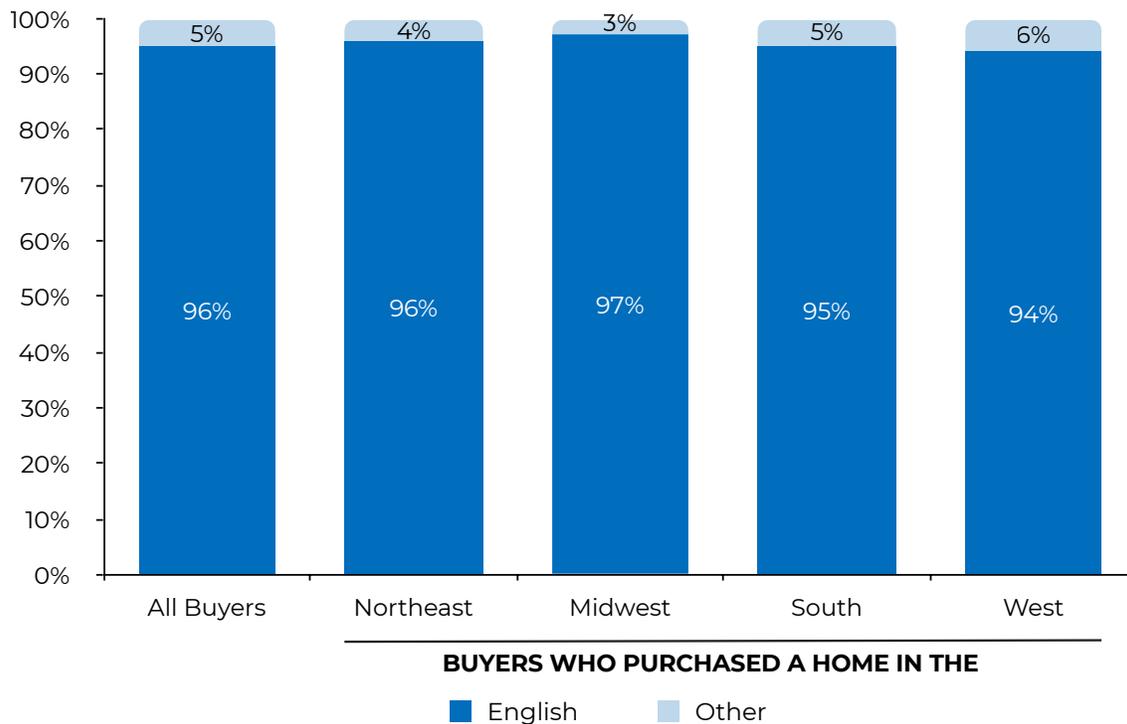
(Percentage Distribution)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

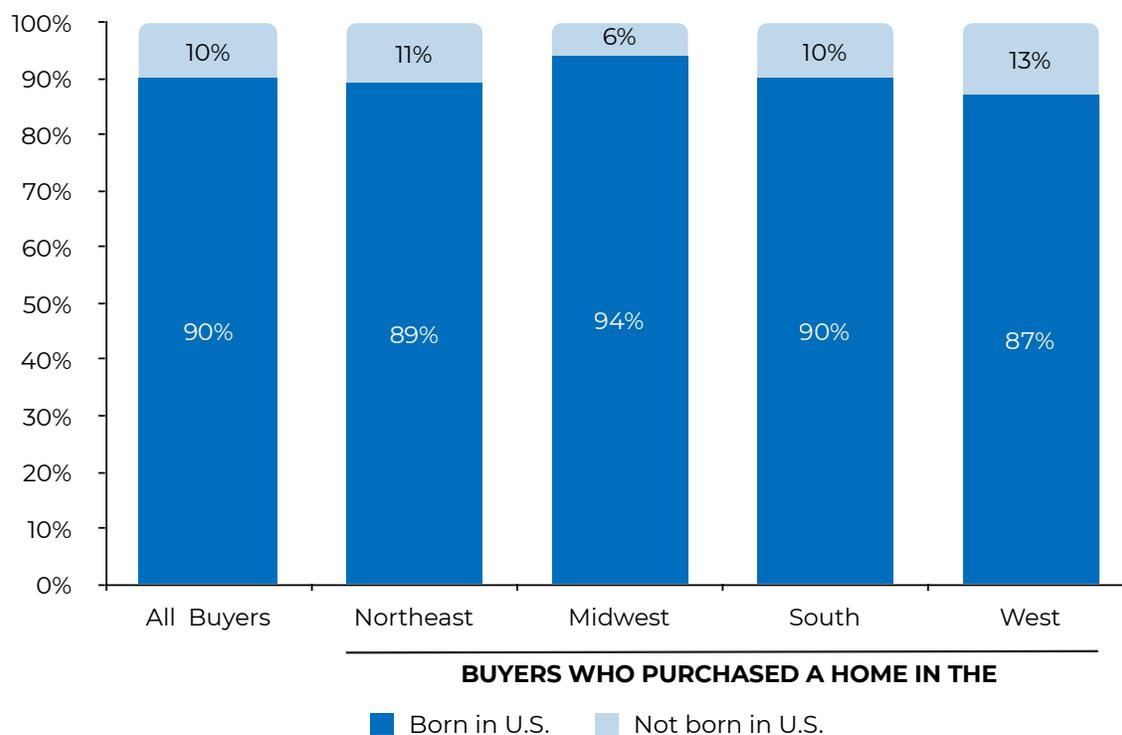
## Exhibit 1-13 Primary Language Spoken in Home Buyer Household, by Region

(Percentage Distribution)



## Exhibit 1-14 National Origin of Home Buyers, by Region

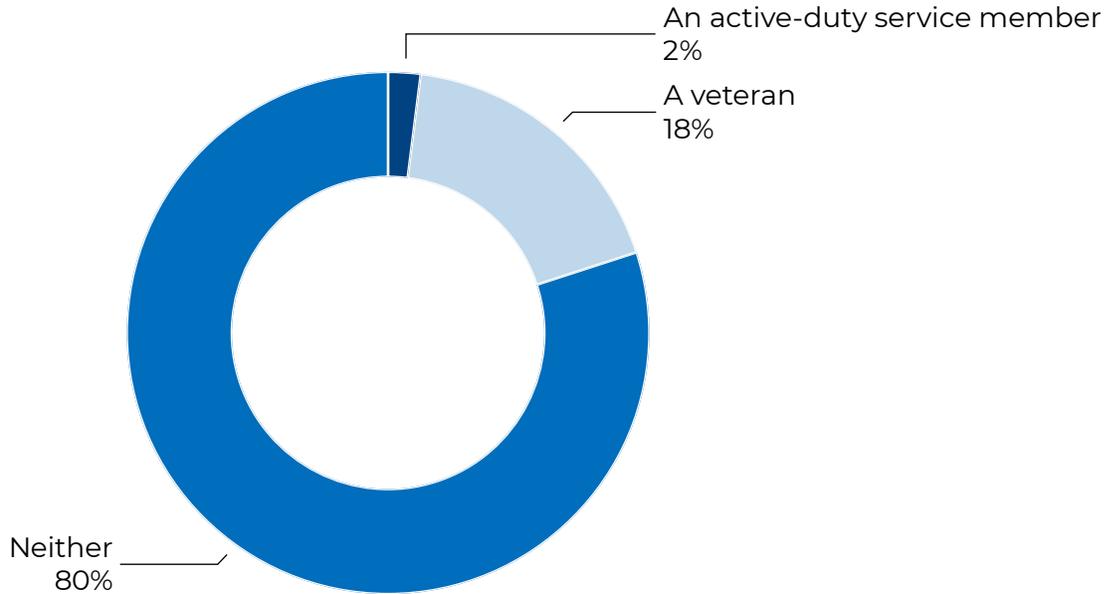
(Percentage Distribution)



# CHAPTER 1: Characteristics of Home Buyers

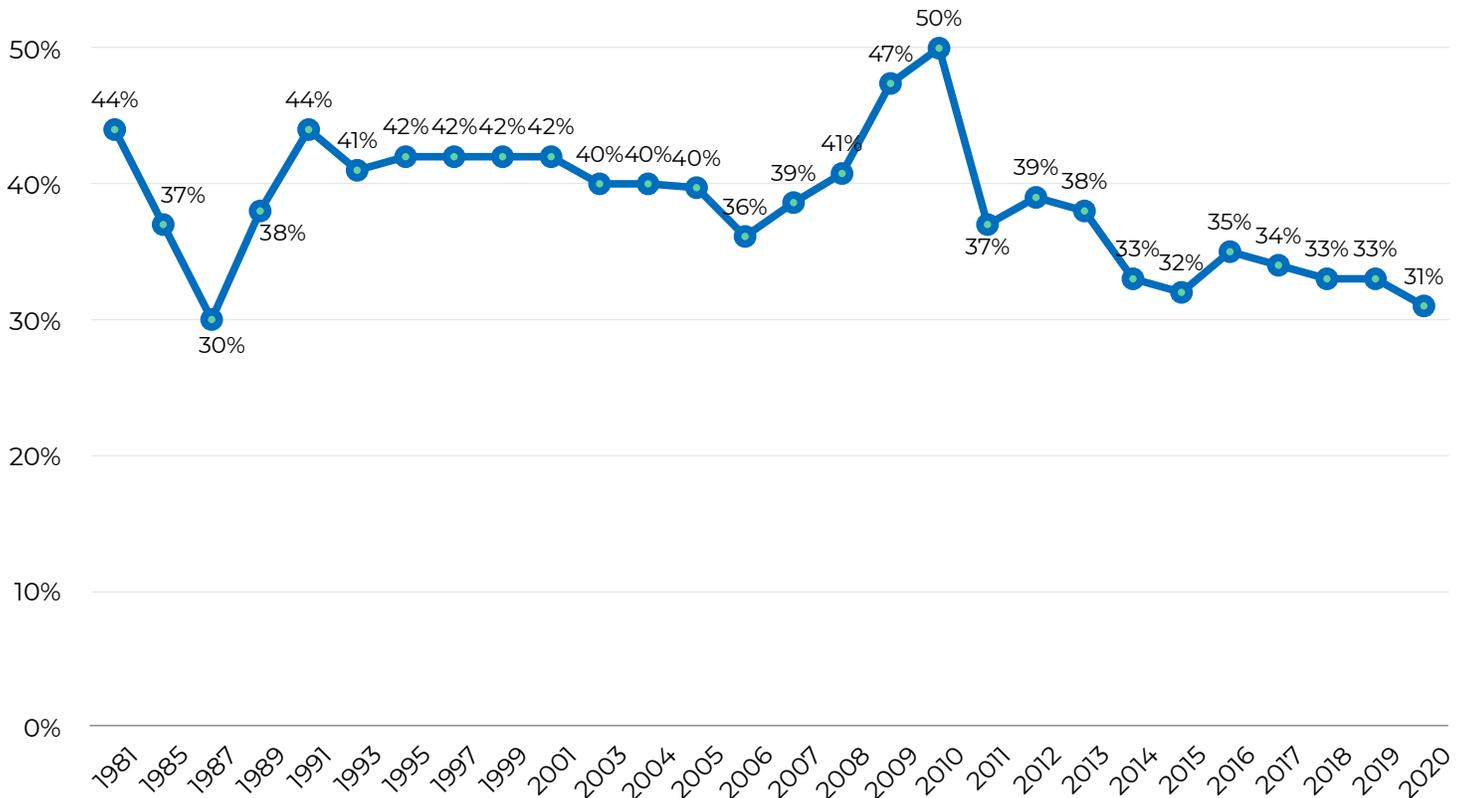
## Exhibit 1-15 Self or Spouse/Partner is Active Military or Veteran

(Percentage Distribution)



## Exhibit 1-16 First-Time Home Buyers

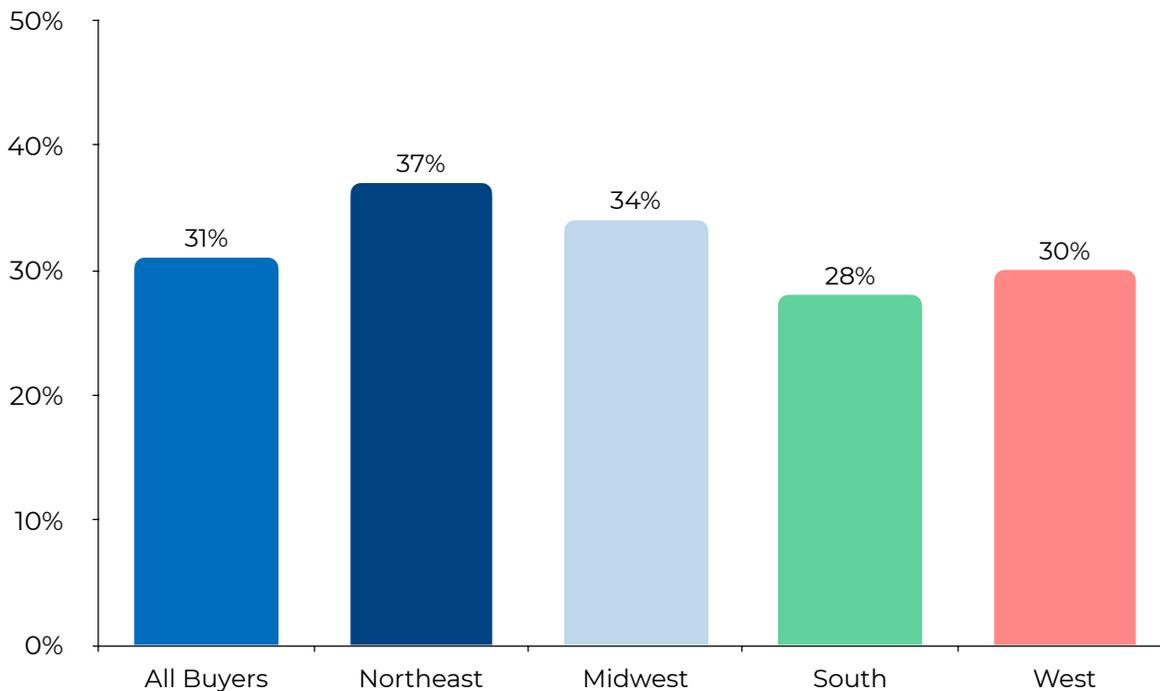
(Percent of all Home Buyers)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

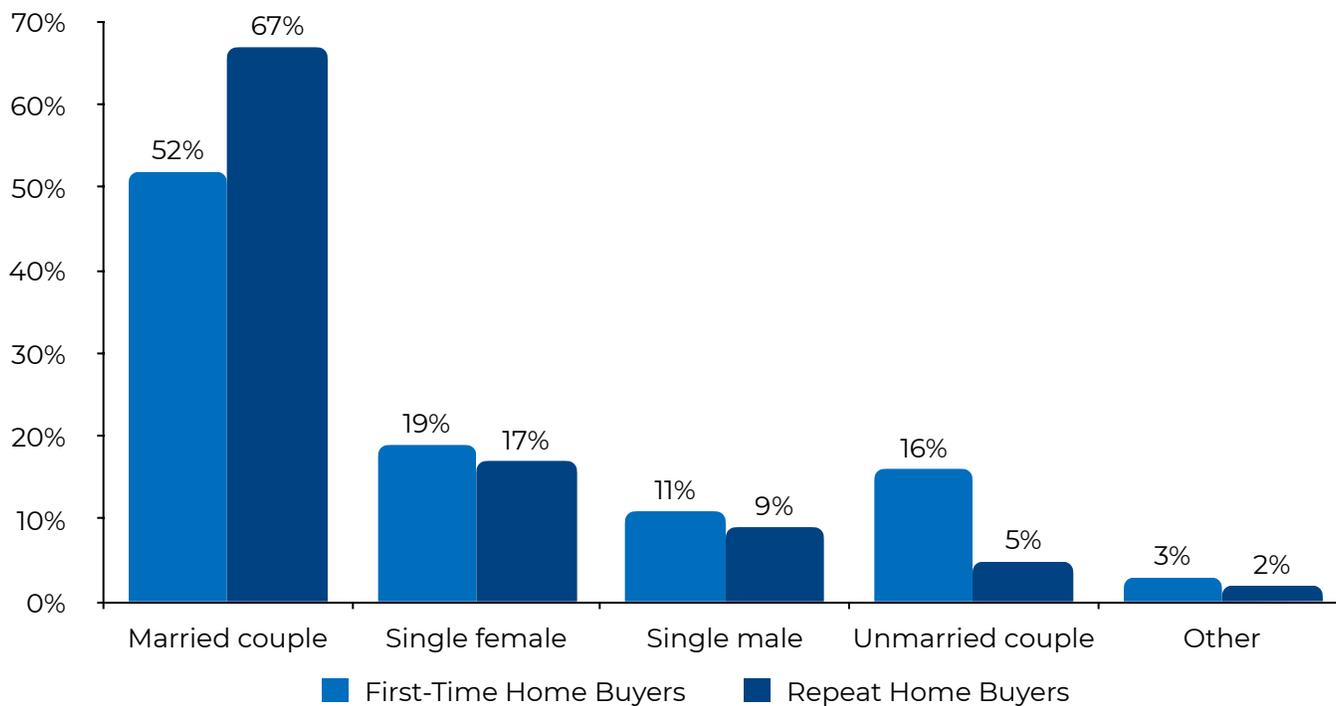
### Exhibit 1-17 First-Time Home Buyers, by Region

(Percent of all Home Buyers)



### Exhibit 1-18 First-Time and Repeat Home Buyers, by Household Type

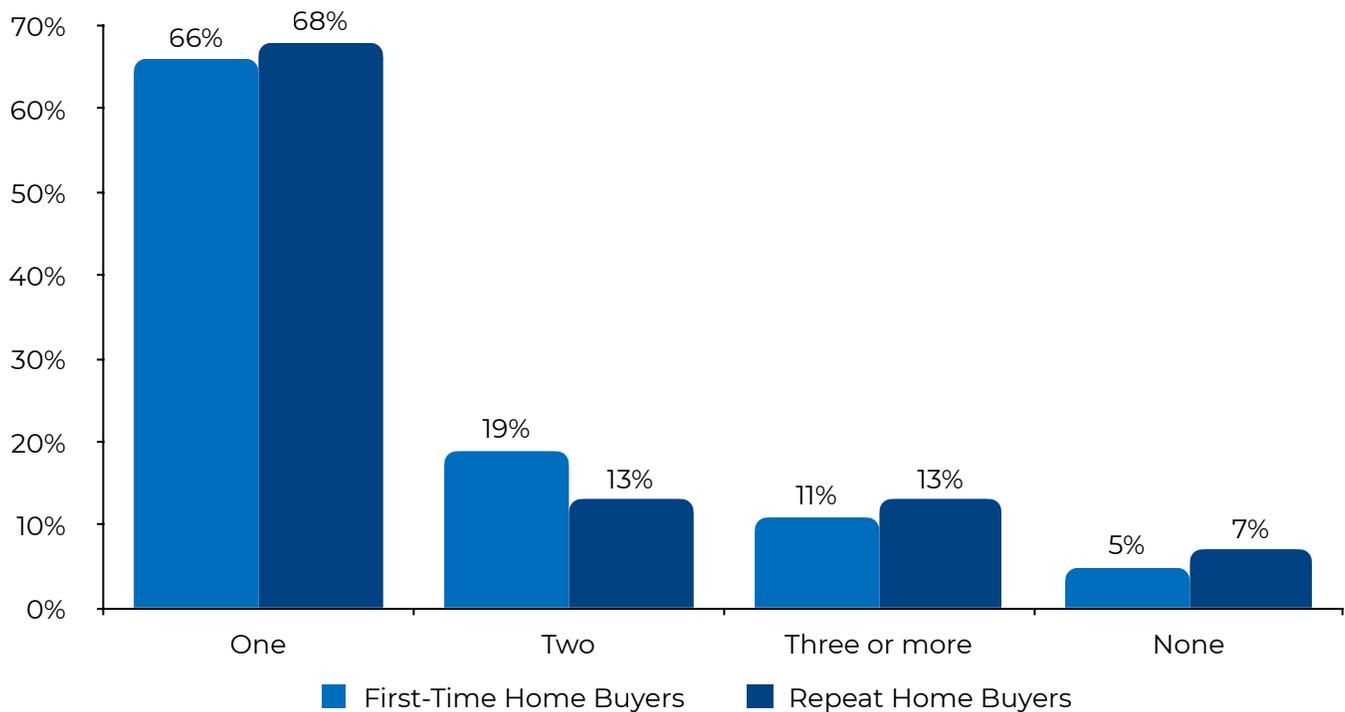
(Percentage Distribution of Households)



## CHAPTER 1: Characteristics of Home Buyers

### Exhibit 1-19 First-Time and Repeat Home Buyers, by Children in Household

(Percentage Distribution of Households)



### Exhibit 1-20 Age of First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
18 to 24 years	3%	7%	1%
25 to 34 years	23%	50%	10%
35 to 44 years	20%	23%	19%
45 to 54 years	16%	11%	18%
55 to 64 years	17%	7%	22%
65 to 74 years	16%	2%	23%
75 years or older	5%	*	7%
Median age (years)	47	33	55
Married couple	47	33	54
Single female	51	33	59
Single male	50	31	58
Unmarried couple	36	30	53
Other	56	37	64

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 1-21 Household Income of First-Time and Repeat Buyers, 2019

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Less than \$25,000	2%	3%	2%
\$25,000 to \$34,999	4%	6%	4%
\$35,000 to \$44,999	6%	8%	4%
\$45,000 to \$54,999	8%	9%	7%
\$55,000 to \$64,999	7%	10%	6%
\$65,000 to \$74,999	8%	9%	7%
\$75,000 to \$84,999	8%	10%	7%
\$85,000 to \$99,999	10%	10%	9%
\$100,000 to \$124,999	14%	14%	15%
\$125,000 to \$149,999	10%	8%	11%
\$150,000 to \$174,999	7%	5%	8%
\$175,000 to \$199,999	4%	2%	5%
\$200,000 or more	13%	4%	15%
Median income (2019)	\$96,500	\$80,000	\$106,700
Married couple	\$111,800	\$91,900	\$120,300
Single female	\$62,300	\$58,100	\$65,000
Single male	\$76,000	\$60,800	\$85,000
Unmarried couple	\$95,900	\$89,600	\$122,700
Other	\$63,100	\$55,000	\$68,300

### Exhibit 1-22 Race/Ethnicity of First-Time and Repeat Buyers

(Percent of Respondents)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
White/Caucasian	83%	74%	87%
Hispanic/Latino	7%	12%	5%
Asian/Pacific Islander	5%	8%	3%
Black/African-American	5%	8%	4%
Other	3%	8%	3%

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.

## CHAPTER 1: Characteristics of Home Buyers

### Exhibit 1-23 Primary Language Spoken in First-Time and Repeat Buyer Households

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
English	96%	92%	97%
Other	5%	8%	3%

### Exhibit 1-24 National Origin of First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Born in U.S.	90%	86%	92%
Not born in U.S.	10%	14%	8%

### Exhibit 1-25 Prior Living Arrangement of First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Owned previous home	51%	4%	72%
Rented an apartment or house	37%	72%	21%
Lived with parents/relatives/friends, did not pay rent	6%	11%	3%
Lived with parents/relatives/friends, paid rent	5%	11%	3%
Rented the home ultimately purchased	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.*

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 1-26 Prior Living Arrangement, by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Owned previous home	51%	57%	45%	43%	27%	45%	48%	52%
Rented an apartment or house	37%	34%	36%	40%	54%	38%	41%	35%
Lived with parents/relatives/friends, did not pay rent	6%	4%	9%	9%	7%	8%	4%	7%
Lived with parents/relatives/friends, paid rent	5%	3%	9%	7%	11%	9%	6%	5%
Rented the home ultimately purchased	1%	1%	1%	1%	1%	*	1%	1%

\* Less than 1 percent

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.

### Exhibit 1-27 Primary Reason for Purchasing a Home, First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Desire to own a home of my own	27%	64%	10%
Desire for larger home	10%	3%	13%
Desire to be closer to family/friends/relatives	9%	2%	13%
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	8%	6%	9%
Job-related relocation or move	6%	3%	8%
Desire for smaller home	6%	1%	8%
Desire for a home in a better area	6%	2%	7%
Retirement	5%	1%	7%
Desire to be closer to job/school/transit	3%	2%	4%
Affordability of homes	3%	2%	3%
Establish a household	2%	5%	1%
Financial security	2%	4%	2%
Desire for a newly built or custom-built home	2%	1%	2%
Desire for better home for pet(s)	1%	2%	1%
Purchased home for family member or relative	1%	1%	1%
Better weather conditions	1%	*	1%
Greater number of homes on the market for sale/better choice	*	*	*
Other	1%	*	2%

\* Less than 1 percent

# CHAPTER 1: Characteristics of Home Buyers

## Exhibit 1-28 Primary Reason for Purchasing a Home, by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Desire to own a home of my own	27%	22%	33%	36%	43%	28%	28%	27%
Desire for larger home	10%	13%	4%	4%	8%	8%	19%	6%
Desire to be closer to family/friends/relatives	9%	10%	11%	7%	5%	9%	3%	12%
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	8%	5%	13%	14%	10%	20%	10%	7%
Job-related relocation or move	6%	8%	2%	5%	2%	2%	9%	5%
Desire for smaller home	6%	7%	5%	4%	4%	8%	4%	7%
Desire for a home in a better area	5%	7%	4%	4%	4%	3%	7%	5%
Retirement	5%	6%	4%	5%	3%	5%	1%	7%
Desire to be closer to job/school/transit	3%	4%	3%	2%	3%	3%	5%	2%
Affordability of homes	3%	2%	4%	4%	3%	2%	2%	3%
Establish a household	2%	2%	1%	1%	5%	1%	2%	2%
Financial security	2%	2%	2%	4%	3%	2%	2%	3%
Desire for a newly built or custom-built home	2%	2%	1%	2%	1%	1%	2%	2%
Desire for better home for pet(s)	1%	1%	2%	1%	2%	1%	*	2%
Purchased home for family member or relative	1%	*	1%	1%	*	4%	1%	1%
Better weather conditions	1%	1%	*	1%	1%	*	*	1%
Greater number of homes on the market for sale/better choice	*	*	*	*	*	*	*	*
Other	1%	1%	*	1%	1%	2%	1%	1%

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 1-29 Primary Reason for the Timing of Home Purchase, First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
It was just the right time, the buyer was ready to buy a home	51%	63%	45%
Did not have much choice, had to purchase	15%	12%	17%
It was the best time because of availability of homes for sale	12%	7%	14%
It was the best time because of mortgage financing options available	5%	6%	4%
It was the best time because of affordability of homes	4%	4%	4%
The buyer wished they had waited	2%	2%	2%
Other	12%	6%	14%

### Exhibit 1-30 Other Homes Owned, by Age

(Percentage Distribution)

	AGE OF HOME BUYER				
	ALL BUYERS	18 TO 24	25 TO 44	45 TO 64	65 OR OLDER
Recently purchased home only	81%	93%	87%	76%	76%
One or more investment properties	9%	2%	8%	11%	8%
Previous homes that buyer is trying to sell	3%	*	1%	3%	5%
One or more vacation homes	3%	2%	1%	4%	6%
Other	2%	2%	1%	3%	3%

\* Less than 1 percent



# CHAPTER 2:

## Characteristics of Homes Purchased

When choosing to purchase either a new or previously-owned home, buyers typically make their choice for specific reasons. For example, buyers of new homes typically were looking to avoid renovations or plumbing and electrical problems, as well as have the ability to choose and customize design features. Buyers of previously-owned homes were looking for a better price and overall value in a home.

Due to a lack of new home construction, the share of new homes purchased remained relatively low at 15 percent (it held steady at 16 percent from 2011 through 2015, but increased this year from 13 percent in 2019). Previously-owned home purchases decreased slightly to 85 percent from 87 percent last year. By way of comparison, in 1981 new home purchases made up 18 percent of the market share and previously-owned homes were 82 percent. New home purchases reached a high of 29 percent in 1989 and 28 percent in 2003. Since 2007, new home purchases have been on the decline.

The most frequently purchased housing type among all buyers was a detached single-family home. Single females and single males were the most likely to have purchased a townhouse or row house, over any other household type. The share of senior-related housing purchases was 12 percent in 2020, holding steady from last year.

Overall, buyers expected that they will live in their homes for 15 years. The expected tenure increased with age, and was also higher among repeat buyers. The biggest factor that would cause a buyer to move from their newly purchased home was due to life changes, including additions to their family, marriage, children moving out, or retirement. While 27 percent of buyers reported that life changes could cause them to move, 21 percent of recent buyers said that this was their forever home and had no intention of moving.

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibits 2-1 through 2-3

Due to a lack of new home construction, the share of new homes purchased remained somewhat low at 15 percent (it held steady at 16 percent from 2011 through 2015, but is up from 13 percent in 2019). Previously-owned home purchases decreased slightly to 85 percent from 87 percent last year. In comparison, in 1981 new home purchases accounted for 18 percent of the market share and previously-owned homes were 82 percent. New home purchases were most common in the South at 21 percent of all homes sold (up from 18 percent last year), and just eight percent of homes purchased were new in the Northeast and Midwest.

Buyers chose to purchase new and previously-owned homes for different reasons. Purchasers of new homes were looking to avoid renovations and problems with plumbing or electricity (44 percent). New home buyers also liked having the ability to choose and customize design features in their home (30 percent), and having the amenities of new home construction communities (24 percent). Buyers who chose a previously-owned home were considering a better price (31 percent), overall value (35 percent), and a home with more charm and character (20 percent).

### Exhibits 2-4 through 2-7

The most common type of home purchased continued to be the detached single-family home, which made up 81 percent of all homes purchased, slightly down from 83 percent from last year. Seven percent of recent buyers purchased townhomes or row homes, and most frequently these homes were located in urban areas/central cities. The most popular location to purchase a single-family home was in a suburb or subdivision.

Townhomes continued to be more common choice among first-time home buyers compared to repeat buyers. Single female and single male buyers were more likely to purchase a townhouse or condo than married couples and unmarried couples. Among buyers with children under the age of 18 in the home, 89 percent purchased a detached single-family home, as opposed to 77 percent of buyers who had no children in their home.

Since 1981, the *Profile of Home Buyers and Sellers* has been tracking data on the type of homes purchased. In 1981, 76 percent of home buyers purchased detached single-family homes, 16 percent bought condos, and eight bought townhomes. In 1985, the share of detached single-family homes purchased was at its highest at 88 percent and in 2007 it was at its lowest at 74 percent. For most of the 1980s and 1990s, detached single-family homes ranged in the low to mid 80 percentiles. By 2005 through 2012, the share of detached single-family homes sold ranged in the mid to high 70 percentiles. Since 2007, condo sales have steadily decreased from 11 percent to five percent in 2019 and 2020.

### Exhibits 2-8 through 2-10

Among all regions, the largest percentages of homes were located in the suburbs or subdivisions, and in small towns. In the Northeast, 36 percent of recent buyers purchased a home in a small town, compared to 18 percent in the South. Sixty percent of buyers who purchased new homes did so in a suburb or subdivision. The location of buyers' previously sold home was similar to the location of their recently purchased homes. Sixty-nine percent of all buyers purchased homes that were located in the suburbs or a subdivision and subsequently sold a home that was also located in the suburbs or in a subdivision.

### Exhibit 2-11

Senior-related housing held steady at 12 percent of buyers over the age of 50 this year. For buyers over 50 who recently purchased senior-related housing, 62 percent (up from 60 percent last year) purchased a detached single-family home and 52 percent bought in a suburb or subdivision. Both categories were lower for buyers in senior-related housing than other types of buyers. Other home types purchased include townhomes and row homes at nine percent, and condos at 17 percent. The location of senior-related housing showed that other than in suburbs and subdivisions, 19 percent of buyers purchased in small towns (down from 21 percent last year), and 13 percent in resort or recreational areas (up from 12 percent last year). Only six percent of buyers of senior-related housing purchased in rural areas.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-12

The distance between the home that buyers recently purchased and their previous residence was a median of 15 miles. Regionally, buyers in the Northeast and Midwest moved the shortest distance —just a median of 10 miles to their current residence. Buyers in the West moved a median of 15 miles, and those in the South moved the greatest distance, a median of 16 miles to their recently purchased home.

### Exhibits 2-13 and 2-14

Some of the factors that influenced recent home buyers' neighborhood choice have remained relatively consistent from last year. Quality of the neighborhood (62 percent), convenience to job (45 percent), and overall home affordability (43 percent) were the three most important factors to recent home buyers when choosing a neighborhood. In urban or central city locations and resort or recreational areas, convenience to entertainment or leisure activities and convenience to shopping were more important factors than in any other location. Single females more than any other household composition cited the convenience to friends and family as an influencing factor in their neighborhood choice at 53 percent. Almost half of recent buyers with children under the age of 18 living in their home cited quality of the school district as an influencing factor in their neighborhood choice.

### Exhibits 2-15 through 2-18

Prices of homes that were purchased increased this year nationally to a median of \$272,500 from \$257,000 last year. The most expensive homes were found in the West, where the median home price of a home purchased was \$400,000, up from \$360,000 last year. Homes in the Midwest were the most affordable at a median of \$206,500.

New homes were typically more expensive than previously-owned homes. The median price for a new home purchased was \$334,100 (up from \$329,800 last year) and the median price purchased for a previously-owned home was \$260,000 (up from \$257,000 last year). First-time buyers commonly purchased a home that was less expensive than the home that repeat buyers purchased. Repeat buyers purchased homes that were a median price of \$297,000, whereas first-time buyers purchased homes that were a median of \$230,000 (up from \$287,000 and \$215,000 last year, respectively).

Recent buyers typically purchased their home for a median of 99 percent of the asking price for their home. Fifteen percent of buyers paid more than the asking price for their home. Home buyers in the Northeast and Midwest were able to get the largest discounts, where 11 percent paid less than 90 percent of the asking price for their homes in both regions.

### Exhibits 2-19 through 2-23

Recent homes purchased were a median size of 1,900 square feet this year. The size of homes that repeat buyers purchased was typically larger than homes purchased by first-time buyers. The median home size for first-time buyers was 1,680 square feet, and 2,020 square feet for repeat buyers. Single females and single males purchased the smallest sized homes, with medians of 1,590 and 1,650 square feet respectively. Married couples and households with children under 18 purchased the largest homes compared to any other household composition, with a median of 2,100 square feet and 2,200 square feet respectively.

The largest homes purchased were detached single-family homes, with a median of 2,000 square feet. In the South, the median home purchased was 2,000 square feet, which was larger than in any other region. The most expensive price per square foot was found in apartment/condo in buildings with 5 or more units. The price per square foot in these homes was \$170. The next most expensive was townhouses or rowhouses at \$150 per square foot. The typical home purchased this year had a median of three bedrooms and two bathrooms. Among households that have children under the age of 18 living in their home, there were a median of four bedrooms in the house.

**“The expected tenure in homes has remained at a median of 15 years. First-time and repeat buyers intended to stay in their homes for the same length of time as the previous year at 10 years and 15 years respectively.”**

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-24

This year, the homes purchased were slightly newer than in previous years. The typical home purchased was built in 1993, compared to 1990 the previous year. The South had the newest homes purchased, where the typical purchased home was built in 2001. The oldest built homes were found in the Northeast, where the median year built was 1970.

### Exhibits 2-25 through 2-28

Commuting costs were only somewhat important for 34 percent of buyers, and 35 percent said commuting costs were not important to them when they recently purchased their home. Most recent buyers thought their home's environmentally friendly features were at least somewhat important to them. The most important environmental feature to buyers in all regions was heating and cooling costs, which 83 percent of buyers found at least somewhat important. As the home's age increases, buyers place less importance on environmentally friendly features compared to buyers of newer homes.

### Exhibits 2-29 through 2-31

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 23 percent, followed by the condition of the home at 20 percent. Thirty-one percent of buyers said that they made no compromises when purchasing their home. Single male buyers were the most likely to not make compromises when choosing their home at 33 percent.

### Exhibits 2-32 through 2-35

The expected tenure in homes has remained at a median of 15 years. First-time and repeat buyers intended to stay in their homes for the same length of time as the previous year at 10 years and 15 years respectively. Buyers between the ages of 18 to 44 had the shortest expected tenure of ten years, compared to buyers aged 45 to 64 who expect to stay in their homes for 20 years.

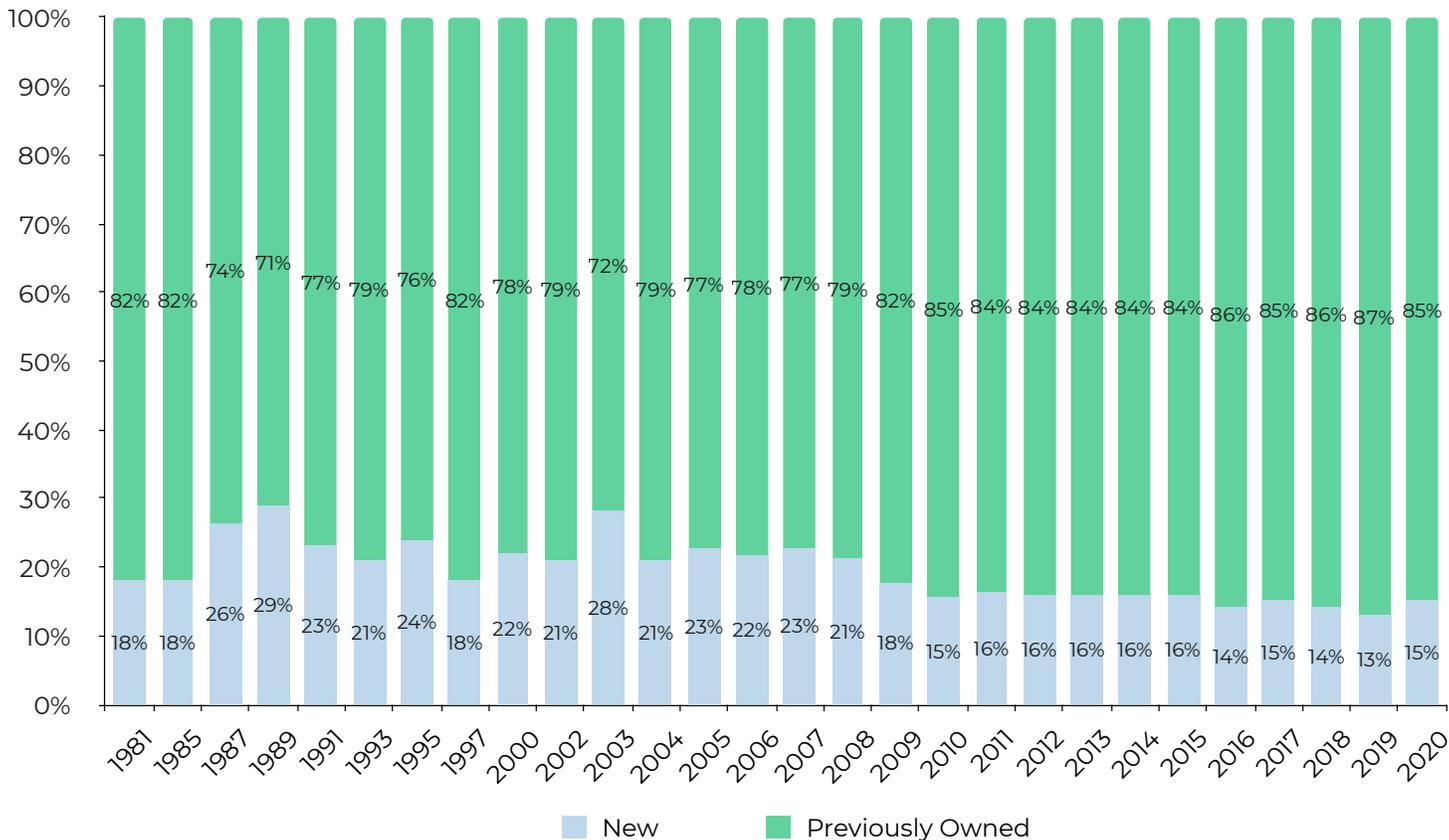
While buyers estimate the timeframe that they will live in their homes, there are factors which could cause buyers to move earlier. Twenty-seven percent of buyers said that they would potentially move because of a life change such as an addition to the family, marriage, children moving out, or retirement. Buyers between the ages of 18 and 24 were more likely than any other age group to potentially move for a larger home, and buyers between the ages of 25 and 44 because of a job change. Households with no children, as well as single females and married couples were the most likely at 23 and 22 percent, respectively, to say that they are never moving and that this is their forever home.

**“Quality of the neighborhood (62 percent), convenience to job (45 percent), and overall home affordability (43 percent) were the three most important factors to recent home buyers when choosing a neighborhood.”**

# 2020 PROFILE OF HOME BUYERS AND SELLERS

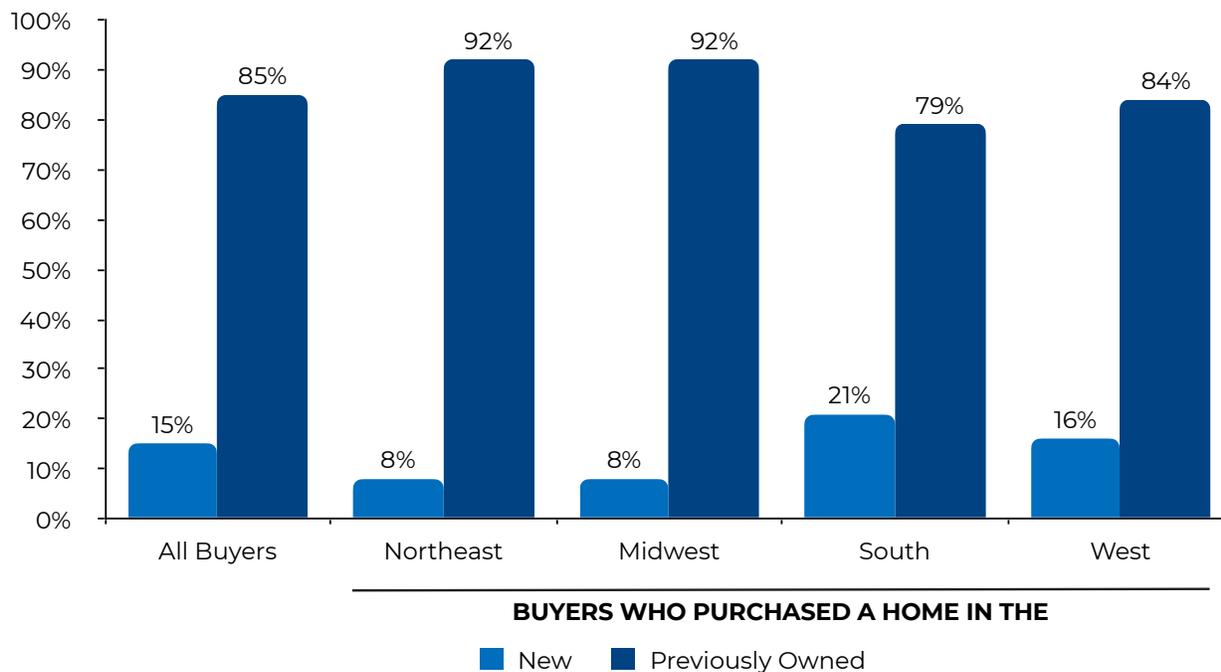
## Exhibit 2-1 New and Previously Owned Homes Purchased, 1981-2020

(Percentage Distribution)



## Exhibit 2-2 New and Previously Owned Homes Purchased, by Region

(Percentage Distribution)



## CHAPTER 2: Characteristics of Homes Purchased

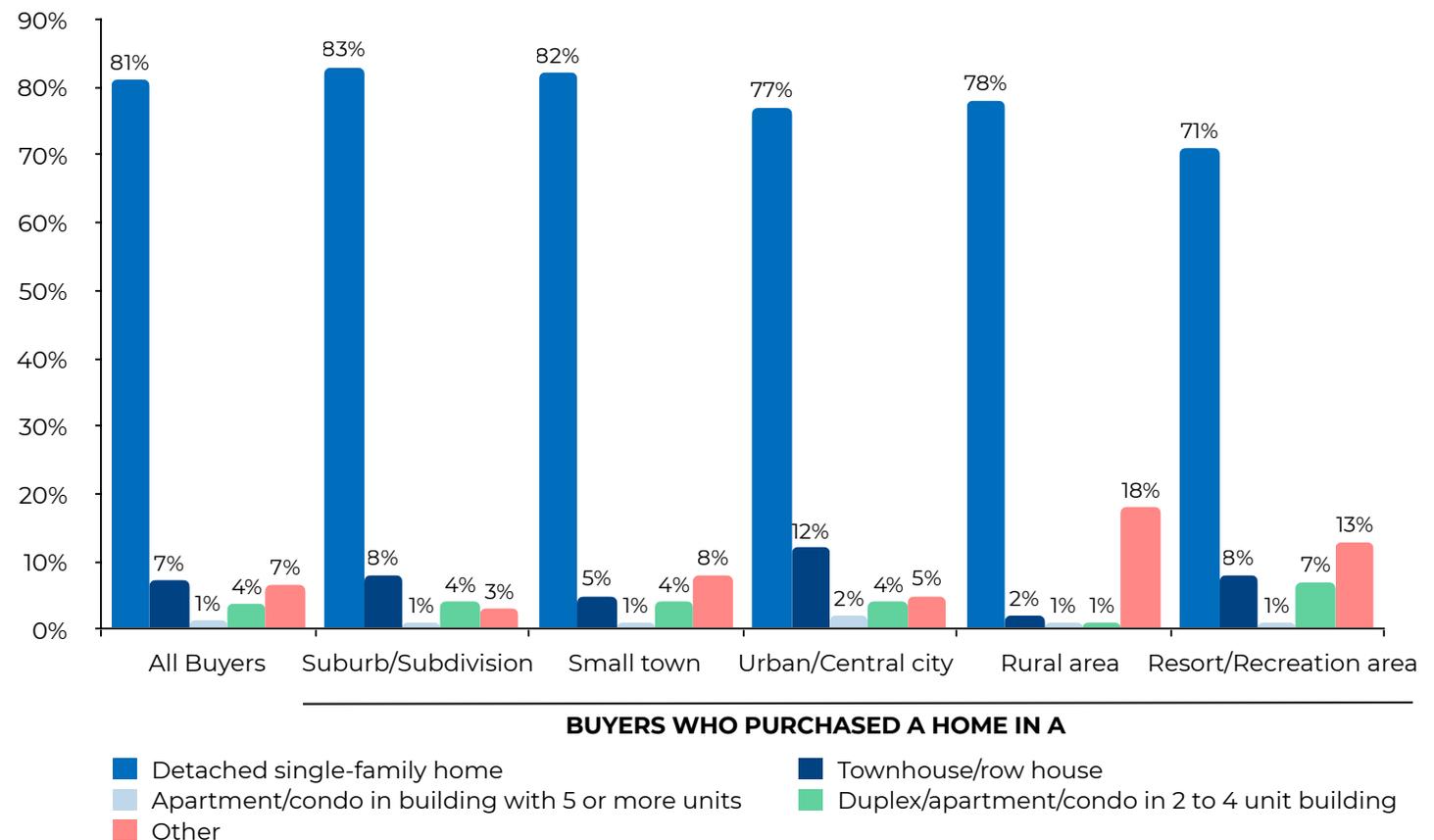
### Exhibit 2-3 Why New and Previously Owned Homes Purchased

(Percent of Respondents)

NEW HOME:	
Avoid renovations or problems with plumbing or electricity	44%
Ability to choose and customize design features	30%
Amenities of new home construction communities	24%
Green/energy efficiency	15%
Lack of inventory of previously owned home	12%
Smart home features	10%
Other	16%
PREVIOUSLY OWNED HOME:	
Better overall value	35%
Better price	31%
More charm and character	20%
Lack of inventory of new homes	10%
Want to DIY a fixer upper	6%
Other	19%

### Exhibit 2-4 Type of Home Purchased, by Location

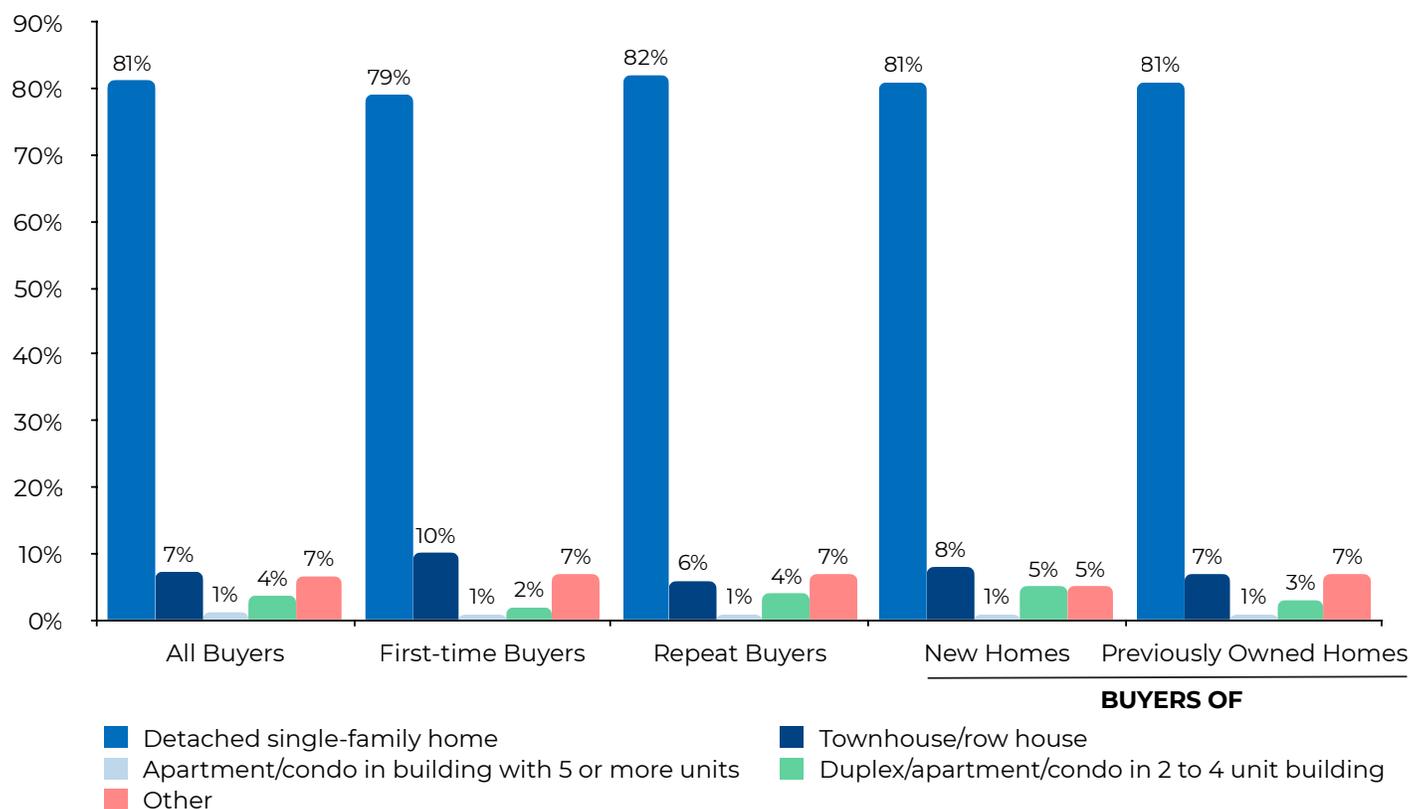
(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-5 Type of Home Purchased by First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)



### Exhibit 2-6 Type of Home Purchased, by Adult Composition of Household

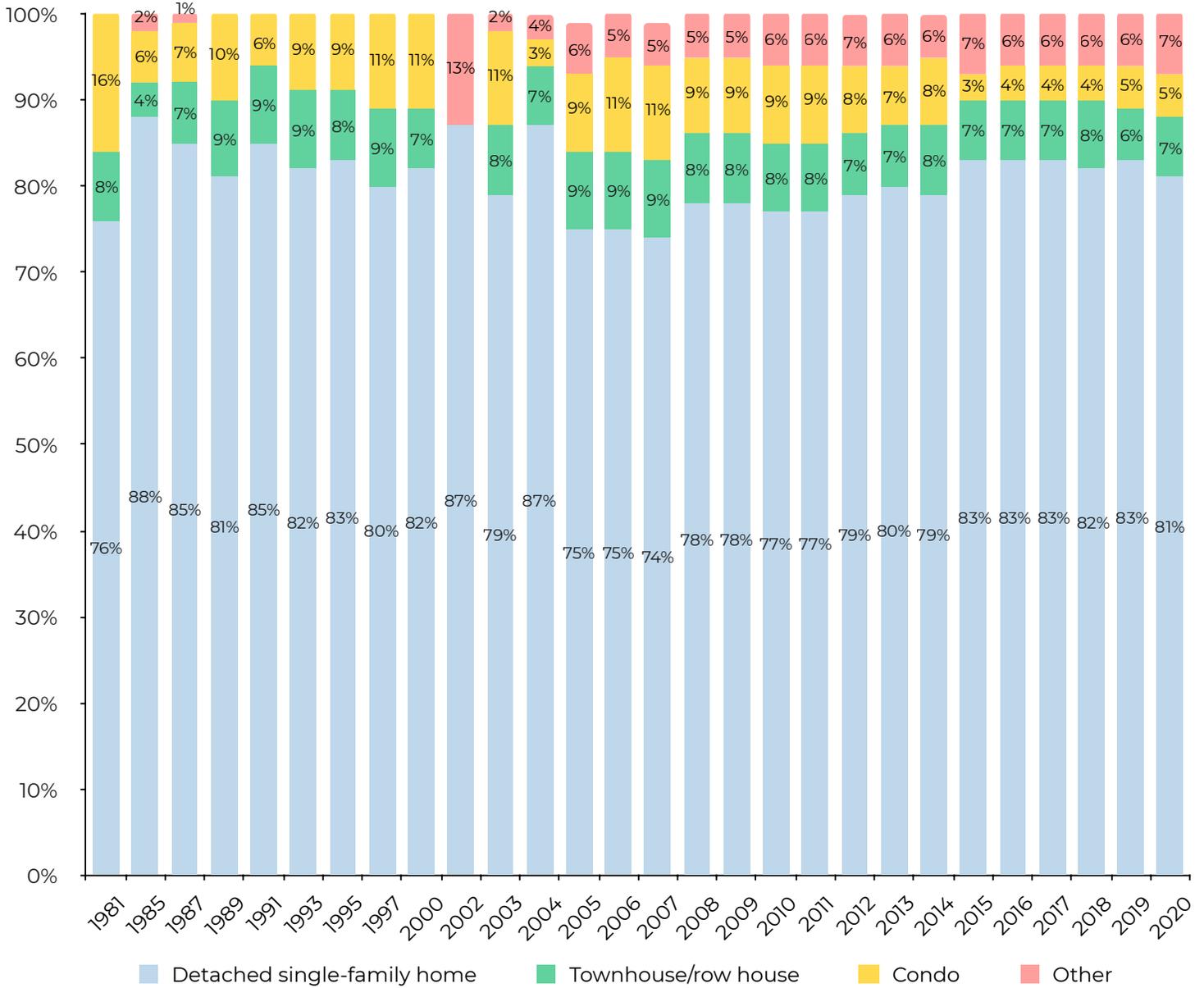
(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Detached single-family home	81%	85%	69%	74%	83%	85%	89%	77%
Townhouse/row house	7%	5%	14%	10%	8%	5%	5%	8%
Apartment/condo in building with 5 or more units	1%	1%	3%	2%	1%	2%	1%	2%
Duplex/apartment/condo in 2 to 4 unit building	4%	3%	7%	5%	2%	3%	1%	5%
Other	7%	6%	7%	9%	7%	5%	4%	8%

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-7 Type of Home Purchased, 1981-2020

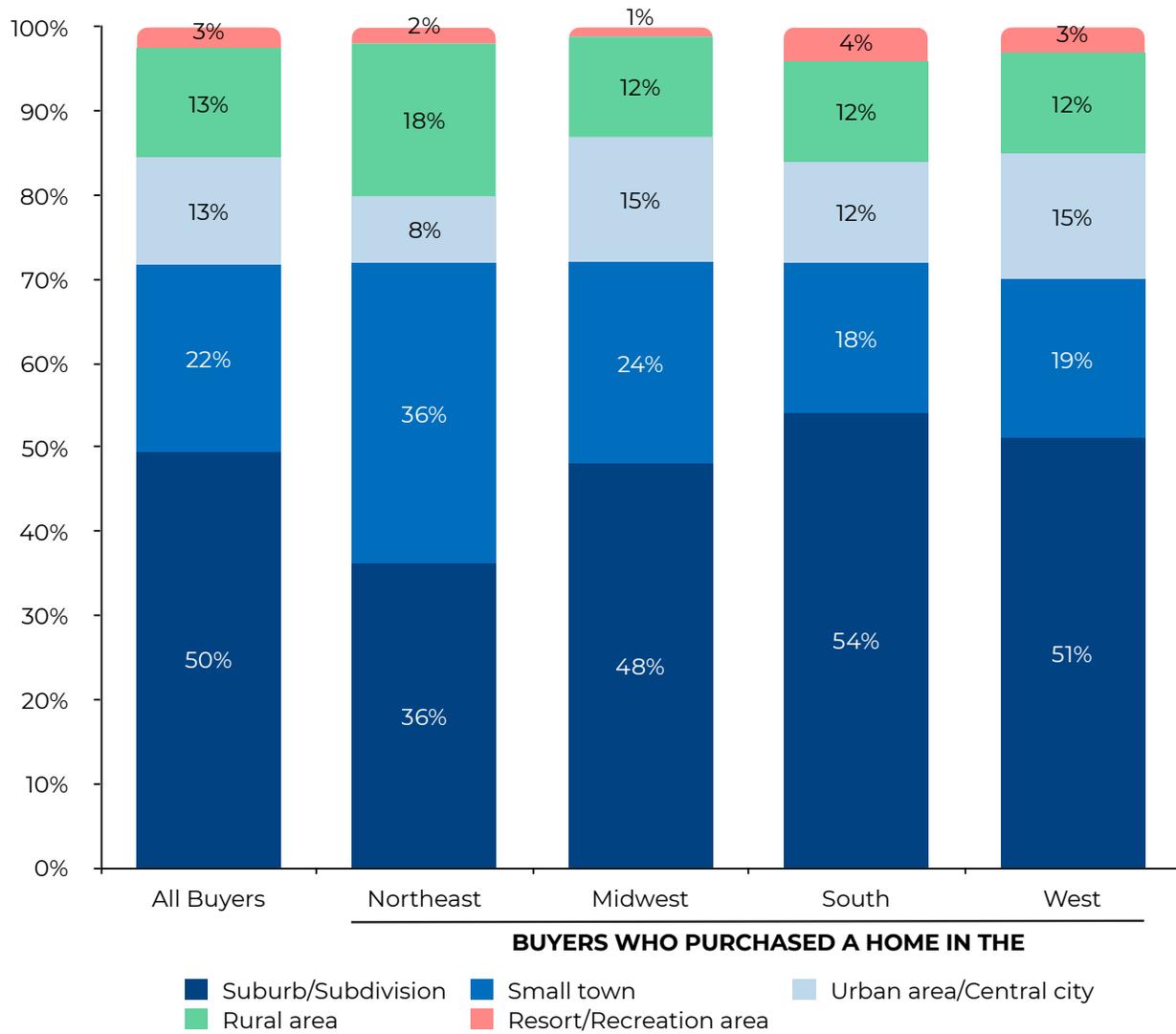
(Percentage Distribution)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 2-8 Location of Home Purchased, by Region

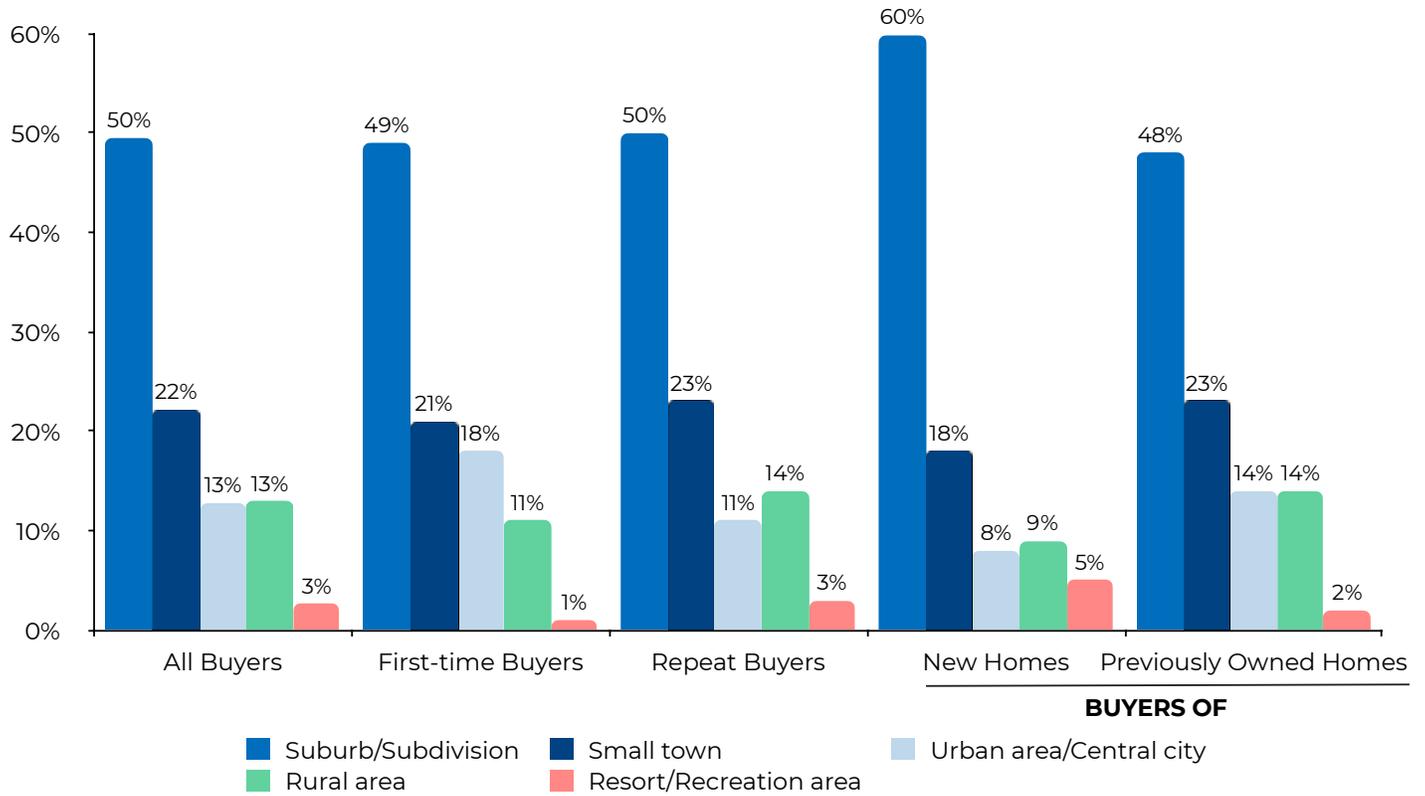
(Percentage Distribution)



## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-9 Location of Home Purchased by First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)



### Exhibit 2-10 Location of Home Purchased Versus Location of Home Sold

(Percentage Distribution Among Those that Sold a Home)

#### LOCATION OF HOME PURCHASED

LOCATION OF HOME SOLD	SUBURB/SUBDIVISION	SMALL TOWN	URBAN/CENTRAL CITY	RURAL AREA	RESORT/RECREATION AREA
Suburb/Subdivision	69%	27%	26%	35%	46%
Small town	9%	42%	8%	25%	9%
Urban area/Central city	10%	10%	52%	12%	11%
Rural area	10%	17%	11%	28%	16%
Resort/Recreation area	2%	3%	3%	1%	18%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-11 Senior-Related Housing by Type of Home Purchased and Location

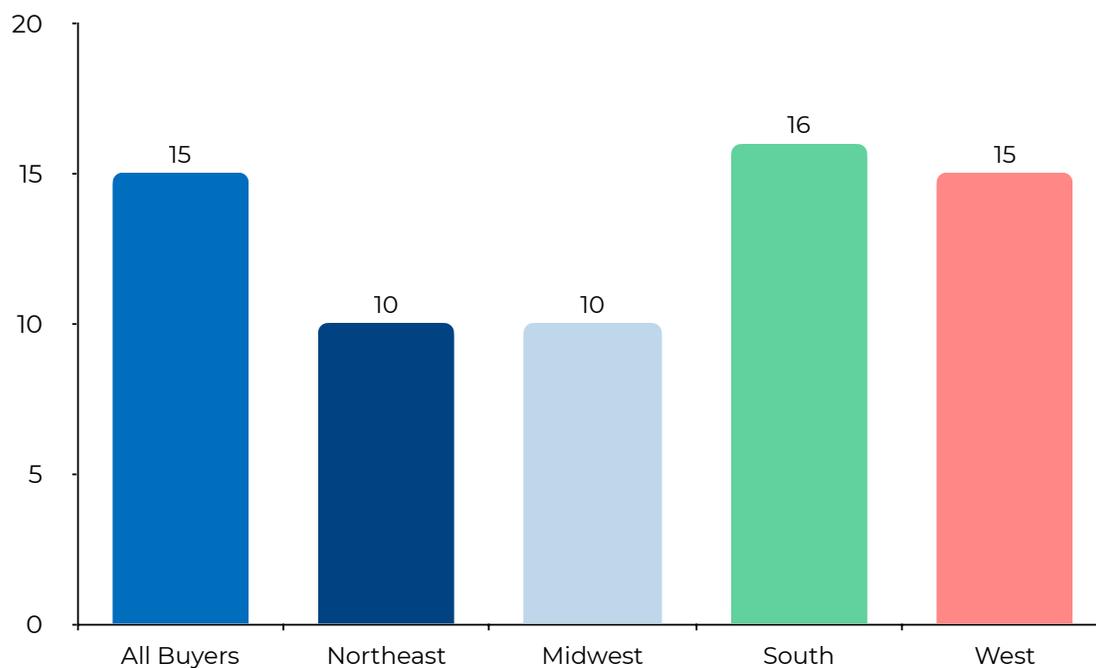
(Percentage Distribution)

#### ALL BUYERS OVER 50

Share who purchased a home in senior-related housing	12%
<b>TYPE OF HOME PURCHASED</b>	
Detached single-family home	62%
Townhouse/row house	9%
Apartment/condo in building with 5 or more units	4%
Duplex/apartment/condo in 2 to 4 unit building	13%
Other	12%
<b>LOCATION</b>	
Suburb/ Subdivision	52%
Small town	19%
Urban/ Central city	10%
Rural area	6%
Resort/ Recreation area	13%

### Exhibit 2-12 Distance Between Home Purchased and Previous Residence

(Median Miles)



## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-13 Factors Influencing Neighborhood Choice, by Location

(Percent of Respondents)

#### BUYERS WHO PURCHASED A HOME IN A

	ALL BUYERS	SUBURB/ SUBDIVISION	SMALL TOWN	URBAN/ CENTRAL CITY	RURAL AREA	RESORT/ RECREATION AREA
Quality of the neighborhood	62%	70%	56%	63%	43%	57%
Convenient to job	45%	49%	41%	54%	36%	13%
Overall affordability of homes	43%	42%	41%	43%	34%	32%
Convenient to friends/family	41%	45%	45%	43%	37%	26%
Convenient to shopping	29%	33%	25%	33%	19%	34%
Design of neighborhood	29%	33%	25%	30%	17%	42%
Quality of the school district	24%	28%	21%	16%	17%	10%
Convenient to entertainment/ leisure activities	23%	24%	17%	31%	12%	49%
Convenient to schools	23%	24%	19%	19%	16%	8%
Convenient to parks/ recreational facilities	22%	26%	22%	27%	14%	32%
Availability of larger lots or acreage	21%	16%	18%	9%	50%	13%
Walkability	20%	21%	23%	31%	9%	22%
Convenient to vet/outdoor space for pet	18%	17%	17%	19%	22%	15%
Convenient to health facilities	15%	15%	15%	12%	10%	25%
Access to bike paths	10%	10%	10%	14%	4%	14%
Home in a planned community	9%	11%	6%	6%	4%	30%
Convenient to airport	8%	9%	5%	11%	4%	16%
Convenient to public transportation	5%	5%	3%	16%	1%	2%
Other	7%	6%	8%	6%	11%	18%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-14 Factors Influencing Neighborhood Choice, by Adult Composition of Household and Children in Household

(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Quality of the neighborhood	62%	64%	61%	57%	62%	50%	65%	61%
Convenient to job	45%	45%	41%	44%	59%	40%	56%	40%
Overall affordability of homes	43%	38%	46%	42%	49%	42%	41%	41%
Convenient to friends/family	41%	41%	53%	39%	44%	39%	41%	44%
Convenient to shopping	29%	30%	28%	28%	30%	26%	25%	31%
Design of neighborhood	29%	31%	27%	25%	30%	19%	29%	29%
Quality of the school district	24%	28%	13%	11%	21%	15%	49%	11%
Convenient to entertainment/leisure activities	23%	21%	22%	25%	31%	13%	19%	24%
Convenient to schools	23%	25%	13%	10%	18%	15%	49%	7%
Convenient to parks/recreational facilities	22%	24%	22%	22%	25%	14%	27%	22%
Availability of larger lots or acreage	21%	23%	10%	16%	21%	21%	25%	18%
Walkability	20%	21%	23%	20%	20%	18%	19%	23%
Convenient to vet/outdoor space for pet	18%	17%	20%	13%	27%	14%	14%	19%
Convenient to health facilities	15%	15%	15%	11%	10%	17%	9%	17%
Access to bike paths	10%	10%	8%	10%	10%	4%	9%	10%
Home in a planned community	9%	10%	5%	6%	5%	6%	8%	9%
Convenient to airport	8%	7%	6%	12%	9%	5%	6%	9%
Convenient to public transportation	5%	5%	4%	7%	7%	6%	6%	5%
Other	7%	7%	9%	8%	6%	10%	5%	8%

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-15 Price of Home Purchased, by Region

(Percentage Distribution)

	BUYERS WHO PURCHASED A HOME IN THE				
	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
Less than \$75,000	3%	6%	6%	2%	1%
\$75,000 to \$99,999	3%	4%	6%	2%	1%
\$100,000 to \$124,999	4%	4%	7%	3%	1%
\$125,000 to \$149,999	6%	7%	8%	6%	1%
\$150,000 to \$174,999	7%	8%	11%	7%	2%
\$175,000 to \$199,999	7%	7%	10%	7%	3%
\$200,000 to \$249,999	14%	14%	18%	17%	7%
\$250,000 to \$299,999	13%	12%	12%	15%	10%
\$300,000 to \$349,999	10%	10%	7%	11%	12%
\$350,000 to \$399,999	8%	8%	5%	9%	11%
\$400,000 to \$499,999	10%	8%	6%	10%	17%
\$500,000 or more	15%	13%	4%	11%	33%
Median price	\$272,500	\$253,000	\$206,500	\$267,000	\$400,000

### Exhibit 2-16 Price of Home Purchased, New and Previously Owned Homes

(Percentage Distribution)

	BUYERS WHO PURCHASED A		
	ALL BUYERS	NEW HOME	PREVIOUSLY OWNED HOME
Less than \$75,000	3%	1%	3%
\$75,000 to \$99,999	3%	*	4%
\$100,000 to \$124,999	4%	*	4%
\$125,000 to \$149,999	6%	2%	6%
\$150,000 to \$174,999	7%	2%	8%
\$175,000 to \$199,999	7%	3%	7%
\$200,000 to \$249,999	14%	13%	14%
\$250,000 to \$299,999	13%	17%	12%
\$300,000 to \$349,999	10%	15%	10%
\$350,000 to \$399,999	8%	12%	8%
\$400,000 to \$499,999	10%	14%	10%
\$500,000 or more	15%	20%	14%
Median price	\$272,500	\$334,100	\$260,000

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-17 Price of Home Purchased, First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Less than \$75,000	3%	5%	2%
\$75,000 to \$99,999	3%	4%	2%
\$100,000 to \$124,999	4%	5%	3%
\$125,000 to \$149,999	6%	8%	4%
\$150,000 to \$174,999	7%	9%	6%
\$175,000 to \$199,999	7%	8%	6%
\$200,000 to \$249,999	14%	16%	13%
\$250,000 to \$299,999	13%	13%	13%
\$300,000 to \$349,999	10%	9%	11%
\$350,000 to \$399,999	8%	6%	9%
\$400,000 to \$499,999	10%	7%	12%
\$500,000 or more	15%	9%	17%
Median price	\$272,500	\$230,000	\$297,000
Married couple	\$305,000	\$256,000	\$325,000
Single female	\$210,000	\$180,200	\$220,000
Single male	\$234,000	\$196,900	\$259,000
Unmarried couple	\$250,000	\$220,000	\$294,000
Other	\$230,000	\$205,000	\$266,000

### Exhibit 2-18 Purchase Price Compared with Asking Price, by Region

(Percentage Distribution)

#### BUYERS WHO PURCHASED A HOME IN THE

PERCENT OF ASKING PRICE:	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
Less than 90%	9%	11%	11%	8%	6%
90% to 94%	13%	16%	15%	14%	8%
95% to 99%	34%	31%	32%	37%	34%
100%	30%	26%	27%	31%	32%
101% to 110%	13%	14%	13%	10%	17%
More than 110%	2%	1%	1%	1%	3%
Median (purchase price as a percent of asking price)	99%	98%	98%	98%	99%

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-19 Size of Home Purchased, First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
1,000 sq ft or less	*	1%	*	*	*
1,001 to 1,500 sq ft	14%	20%	10%	3%	15%
1,501 to 2,000 sq ft	27%	35%	23%	23%	28%
2,001 to 2,500 sq ft	25%	25%	25%	30%	24%
2,501 to 3,000 sq ft	15%	11%	17%	21%	14%
3,001 to 3,500 sq ft	10%	5%	12%	13%	9%
3,501 sq ft or more	9%	4%	11%	11%	9%
Median (sq ft)	1,900	1,680	2,020	2,150	1,860

\* Less than 1 percent

### Exhibit 2-20 Size of Home Purchased, by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
1,000 sq ft or less	*	*	1%	1%	*	1%	*	*
1,001 to 1,500 sq ft	14%	9%	23%	23%	17%	16%	8%	16%
1,501 to 2,000 sq ft	27%	22%	38%	33%	35%	26%	20%	31%
2,001 to 2,500 sq ft	25%	26%	24%	19%	27%	27%	25%	25%
2,501 to 3,000 sq ft	15%	18%	8%	12%	10%	16%	18%	13%
3,001 to 3,500 sq ft	10%	13%	4%	6%	5%	6%	15%	8%
3,501 sq ft or more	9%	12%	3%	5%	6%	9%	14%	7%
Median (sq ft)	1,900	2,100	1,590	1,650	1,700	1,900	2,200	1,800

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-21 Home Size and Price per Square Foot, by Region

(Median)

#### BUYERS WHO PURCHASED A HOME IN THE

	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
All homes purchased					
Square feet	1,900	1,750	1,800	2,000	1,900
Price per square foot	\$140	\$140	\$110	\$130	\$200
Detached single-family home					
Square feet	2,000	1,800	1,890	2,100	2,000
Price per square foot	\$140	\$150	\$110	\$130	\$200
Townhouse or row house					
Square feet	1,660	1,650	1,700	1,770	1,510
Price per square foot	\$150	\$140	\$130	\$150	\$220
Duplex/apartment/condo in 2-4 unit building					
Square feet	1,600	1,690	1,580	1,600	1,540
Price per square foot	\$140	\$140	\$130	\$140	\$310
Apartment/condo in building with 5 or more units					
Square feet	1,300	1,300	1,350	1,360	1,100
Price per square foot	\$170	\$170	\$110	\$170	\$320

### Exhibit 2-22 Number of Bedrooms and Bathrooms, by First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)

#### BUYERS OF

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
One bedroom	1%	1%	*	*	1%
Two bedrooms	15%	15%	15%	9%	16%
Three bedrooms or more	84%	84%	85%	91%	83%
Median number of bedrooms	3	3	3	3	3
One full bathroom	16%	26%	12%	2%	19%
Two full bathrooms	58%	60%	58%	60%	58%
Three full bathrooms or more	25%	14%	31%	38%	23%
Median number of full bathrooms	2	2	2	2	2

\* Less than 1 percent

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-23 Number of Bedrooms and Bathrooms, by Adult Household Composition and Children in Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
One bedroom	1%	*	1%	2%	1%	*	*	1%
Two bedrooms	15%	11%	27%	21%	14%	13%	5%	20%
Three bedrooms or more	84%	89%	72%	77%	85%	87%	95%	79%
Median number of bedrooms	3	3	3	3	3	3	4	3
One full bathroom	16%	11%	24%	25%	27%	24%	13%	18%
Two full bathrooms	58%	58%	64%	56%	57%	50%	54%	60%
Three full bathrooms or more	25%	31%	13%	18%	16%	27%	33%	22%
Median number of full bathrooms	2	2	2	2	2	2	2	2

\* Less than 1 percent

### Exhibit 2-24 Year Home Built, by Region

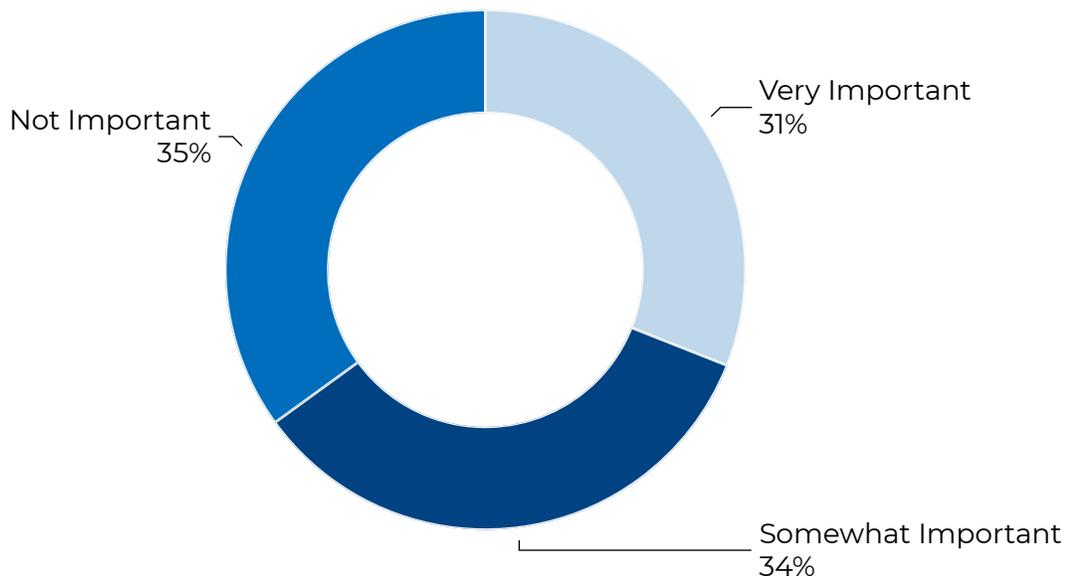
(Percentage Distribution)

	BUYERS WHO PURCHASED A HOME IN THE				
	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
2020	4%	1%	1%	5%	5%
2019	10%	5%	5%	14%	10%
2018 through 2013	7%	3%	5%	9%	7%
2012 through 2007	7%	3%	5%	8%	7%
2006 through 2001	12%	8%	10%	14%	11%
2000 through 1985	20%	18%	19%	20%	23%
1984 through 1959	22%	24%	26%	19%	21%
1958 through 1916	16%	27%	23%	8%	13%
1915 and older	4%	11%	5%	1%	2%
Median	1993	1970	1979	2001	1996

# 2020 PROFILE OF HOME BUYERS AND SELLERS

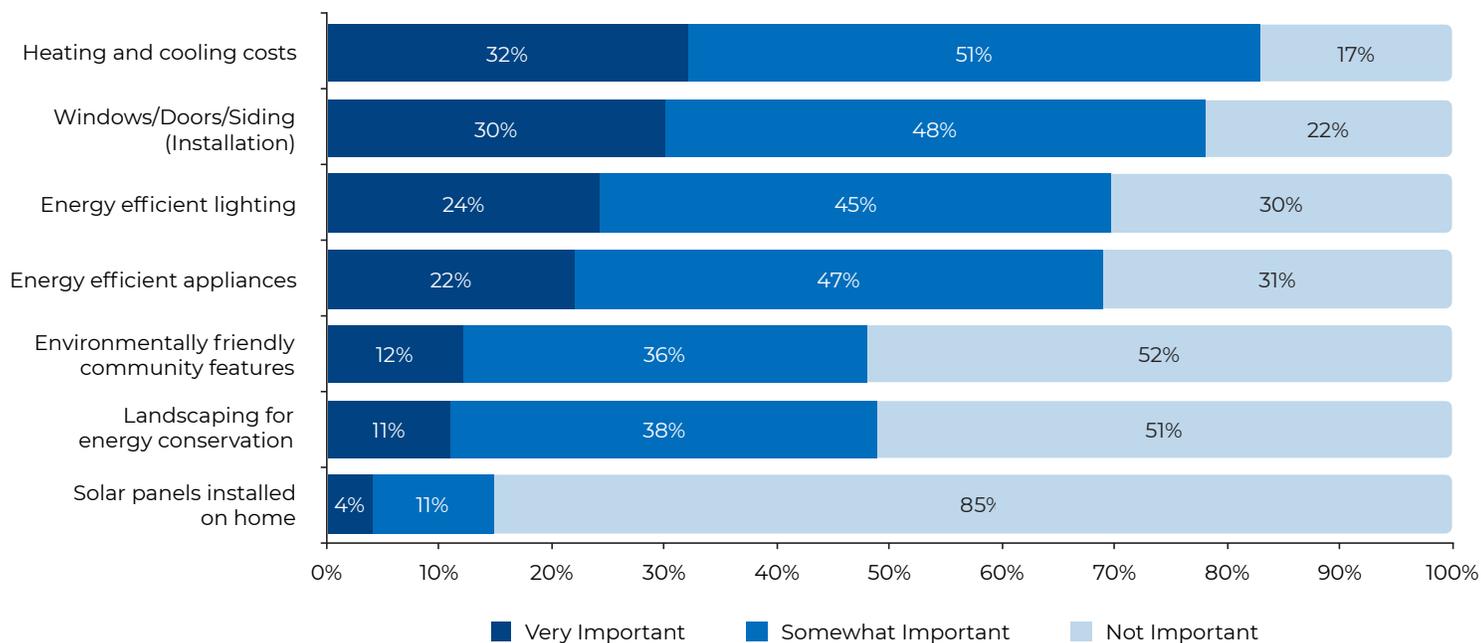
## Exhibit 2-25 Importance of Commuting Costs

(Percentage Distribution)



## Exhibit 2-26 Importance of Home's Environmentally Friendly Features

(Percentage Distribution)



## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-27 Environmentally Friendly Features Considered “Very Important,” by Region

(Percentage Distribution)

#### BUYERS WHO PURCHASED A HOME IN THE

	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
Heating and cooling costs	32%	33%	30%	35%	27%
Windows/Doors/Siding (Installation)	30%	29%	31%	29%	30%
Energy efficient lighting	24%	20%	20%	28%	25%
Energy efficient appliances	22%	20%	20%	25%	21%
Environmentally friendly community features	12%	9%	8%	13%	16%
Landscaping for energy conservation	11%	8%	7%	11%	15%
Solar panels installed on home	4%	2%	2%	3%	9%

### Exhibit 2-28 Environmentally Friendly Features Considered “Very Important,” by Year Home Was Built

(Percentage Distribution)

	ALL BUYERS	2020	2019	2018 THROUGH 2013	2012 THROUGH 2007	2006 THROUGH 2001	2000 THROUGH 1985	1984 THROUGH 1959	1958 THROUGH 1916	1915 AND OLDER
Heating and cooling costs	32%	45%	45%	33%	29%	30%	28%	31%	30%	29%
Windows/Doors/Siding (Installation)	30%	42%	39%	31%	28%	26%	26%	30%	28%	29%
Energy efficient lighting	24%	45%	41%	28%	24%	22%	20%	19%	23%	18%
Energy efficient appliances	22%	46%	40%	28%	22%	19%	16%	19%	18%	16%
Environmentally friendly community features	12%	19%	18%	13%	11%	11%	11%	10%	10%	11%
Landscaping for energy conservation	11%	14%	15%	11%	12%	11%	10%	10%	8%	9%
Solar panels installed on home	4%	9%	6%	5%	6%	4%	3%	3%	2%	2%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2–29 Characteristics of Home on Which Buyer Compromised, by Location

(Percent of Respondents)

#### BUYERS WHO PURCHASED A HOME IN A

	ALL BUYERS	SUBURB/ SUBDIVISION	SMALL TOWN	URBAN/ CENTRAL CITY	RURAL	RESORT/ RECREATION AREA
Price of home	23%	24%	22%	27%	22%	22%
Condition of home	20%	19%	21%	23%	22%	14%
Size of home	18%	16%	19%	25%	18%	14%
Style of home	17%	17%	16%	18%	17%	13%
Lot size	15%	16%	14%	15%	12%	16%
Distance from job	12%	12%	12%	10%	15%	4%
Distance from friends or family	8%	7%	8%	5%	12%	10%
Quality of the neighborhood	6%	5%	7%	13%	4%	3%
Quality of the schools	4%	4%	3%	7%	3%	*
Distance from school	2%	1%	2%	3%	2%	*
None—made no compromises	31%	31%	30%	26%	31%	38%
Other compromises not listed	9%	8%	9%	9%	10%	8%

\* Less than 1 percent

### Exhibit 2–30 Characteristics of Home on Which Buyer Compromised, First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percent of Respondents)

#### BUYERS OF

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Price of home	23%	28%	21%	23%	23%
Condition of home	20%	21%	19%	4%	23%
Size of home	18%	23%	15%	16%	18%
Style of home	17%	20%	15%	16%	17%
Lot size	15%	17%	14%	22%	14%
Distance from job	12%	18%	9%	13%	12%
Distance from friends or family	8%	9%	7%	11%	7%
Quality of the neighborhood	6%	8%	5%	6%	6%
Quality of the schools	4%	7%	2%	3%	4%
Distance from school	2%	2%	1%	2%	1%
None—made no compromises	31%	23%	34%	34%	30%
Other compromises not listed	9%	8%	9%	8%	9%

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-31 Characteristics of Home on Which Buyer Compromised, by Adult Composition of Household

(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Price of home	23%	23%	23%	24%	25%	20%	24%	23%
Condition of home	20%	19%	22%	19%	24%	23%	21%	19%
Size of home	18%	17%	17%	19%	21%	18%	19%	17%
Style of home	17%	16%	17%	14%	21%	19%	19%	16%
Lot size	15%	16%	11%	16%	13%	11%	19%	13%
Distance from job	12%	13%	8%	10%	18%	15%	15%	11%
Distance from friends or family	8%	8%	7%	6%	8%	3%	8%	8%
Quality of the neighborhood	6%	6%	6%	7%	8%	6%	7%	6%
Quality of the schools	4%	4%	3%	3%	5%	2%	6%	3%
Distance from school	2%	2%	1%	1%	2%	1%	4%	1%
None—made no compromises	31%	31%	31%	33%	25%	34%	26%	33%
Other compromises not listed	9%	8%	10%	10%	7%	10%	8%	9%

### Exhibit 2-32 Expected Length of Tenure in Home Purchased, First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
1 year or less	1%	2%	1%	1%	1%
2 to 3 years	5%	5%	5%	4%	5%
4 to 5 years	14%	22%	10%	16%	14%
6 to 7 years	4%	5%	3%	4%	3%
8 to 10 years	23%	23%	22%	25%	22%
11 to 15 years	9%	5%	11%	9%	9%
16 or more years	44%	37%	48%	41%	45%
Don't Know	1%	*	1%	1%	1%
Median	15	10	15	10	15

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 2-33 Expected Length of Tenure in Home Purchased, by Age

(Percentage Distribution)

	AGE OF HOME BUYER				
	ALL BUYERS	18 TO 24	25 TO 44	45 TO 64	65 OR OLDER
1 year or less	1%	*	1%	2%	2%
2 to 3 years	5%	9%	5%	4%	4%
4 to 5 years	14%	24%	19%	10%	6%
6 to 7 years	4%	12%	5%	3%	1%
8 to 10 years	23%	27%	23%	21%	22%
11 to 15 years	9%	10%	7%	9%	14%
16 or more years	44%	18%	39%	51%	50%
Don't Know	1%	*	*	1%	1%
Median	15	10	10	20	16

\* Less than 1 percent

### Exhibit 2-34 Factors that Could Cause Buyer To Move, by Age

(Percent of Respondents)

	AGE OF HOME BUYER				
	ALL BUYERS	18 TO 24	25 TO 44	45 TO 64	65 OR OLDER
Move with life changes (addition to family, marriage, children move out, retirement, etc.)	27%	36%	30%	30%	14%
Never moving-forever home	21%	9%	12%	25%	33%
Move with job or career change	10%	14%	17%	7%	1%
Household member's health	9%	1%	1%	8%	27%
Want a larger home	7%	18%	15%	2%	1%
Downsize/smaller house	7%	1%	5%	10%	8%
Want nicer home/added features	6%	10%	9%	5%	3%
May desire better area/neighborhood	5%	5%	6%	4%	3%
Will flip home	1%	2%	1%	1%	1%
Unfit living conditions due to environmental factors	1%	*	1%	1%	1%
Other	5%	5%	4%	5%	7%

\* Less than 1 percent

## CHAPTER 2: Characteristics of Homes Purchased

### Exhibit 2-35 Factors That Could Cause Buyer To Move, by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
Move with life changes (addition to family, marriage, children move out, retirement, etc.)	27%	24%	37%	32%	26%	29%	28%	26%
Never moving—forever home	21%	22%	22%	16%	16%	24%	17%	23%
Move with job or career change	10%	11%	6%	12%	8%	7%	14%	8%
Household member's health	9%	10%	8%	9%	5%	8%	1%	12%
Want a larger home	7%	7%	7%	7%	15%	4%	11%	6%
Downsize/smaller house	7%	8%	5%	5%	7%	8%	9%	7%
Want nicer home/added features	6%	6%	5%	7%	10%	6%	7%	6%
May desire better area/neighborhood	5%	5%	4%	6%	6%	7%	5%	4%
Will flip home	1%	1%	1%	2%	2%	1%	1%	1%
Unfit living conditions due to environmental factors	1%	1%	1%	1%	1%	1%	2%	1%
Other	5%	6%	6%	4%	4%	5%	5%	5%

# CHAPTER 3:

## The Home Search Process

Starting the home buying process online continues to be the first step that many home buyers are taking. Forty-three percent of recent buyers first looked online for properties for sale, while 97 percent of all recent buyers used the internet at some point during the home search process, an all-time high likely due to many stay-at-home orders in 2020.

Since 1987, NAR has collected data on how many weeks buyers searched for the home they bought and how many homes they also viewed. While the number of weeks increased with time, home buyers have viewed roughly the same number of homes for the past three decades. However, for the first time since 2014, the typical search period decreased. Buyers typically spent eight weeks searching for the home they purchased. By comparison, in 1987 home buyers searched for a median of just seven weeks. From 1989 to 2007, buyers typically searched for a home for eight weeks, with 2001 as the exception at just seven weeks. From 2009 to 2013, the search time jumped up to twelve weeks, then came back down to 10 weeks in 2014 and remained there for five years.

In 2020, buyers typically looked at a median of 9 homes before finding a home to purchase (five of which they viewed only online), compared to 12 homes in 1987. Home buyers continued to view a median of 12 homes from 1991 through 1995 and again in 2009 through 2011. There was a brief period from 2004 to 2006 when buyers looked at a median of nine homes, which occurred again in 2019 and 2020.

This year, new charts were added comparing those who used mobile devices more than 50 percent of the time compared to those who used laptop/desktop computers more than 50 percent of the time. Mobile device owners are typically younger, had shorter search times, and were more likely to purchase their home through an agent.

Real estate agents remain a vital part of the home search process and are the most used information source for home buyers, followed by mobile search devices. With tightened inventory and increased demand due to historically low mortgage rates, finding the right property remained the most difficult step in the home buying process. Overall, home buyers remained satisfied with the home buying process at 94 percent.

## CHAPTER 3: The Home Search Process

### Exhibits 3-1 and 3-3

Forty-three percent of home buyers looked online for properties for sale as their first step in the home buying process, while 18 percent of buyers first contacted a real estate agent. Repeat home buyers were more likely than first-time buyers to look online for properties for sale as a first step. First-time home buyers were more likely to look online for information about the home buying process or to talk to a friend or relative about the home buying process. Across all age groups, looking online for properties for sale was the first step taken, and highest among those aged 45 to 64.

### Exhibits 3-3 through 3-6

Throughout the home search process, real estate agents continue to be the most used resource (87 percent), followed by mobile or tablet search devices at 76 percent. The use of yard signs and open houses as information sources increased slightly compared to last year, both of which have historically been used most frequently after real estate agents and online sources.

Real estate agents and mobile or tablet search devices were the most frequently used information sources, followed by online video sites. Only 13 percent of recent home buyers rarely used, or did not use, a real estate agent. Agents were also seen as the most useful information source during the home search process at 72 percent.



### Exhibits 3-7 through 3-10

For the first time since 2014, the typical search period decreased. Buyers typically spent eight weeks searching for the home they purchased. Buyers commonly looked at a median of nine homes before finding a home to purchase, five of which they viewed only online. In this year's report, buyers in the Northeast searched for the longest period at 12 weeks.

Buyers who used an agent typically spent three weeks searching before they contacted an agent. First-time buyers searched for a median of nine weeks, while repeat buyers and buyers who used an agent searched for a median of eight weeks.

The internet remains the main source where buyers are finding the home that they purchased. In this year's report, 51 percent of recent buyers (down slightly from 52 percent last year) first found their home through the internet. In 2010, just 10 years ago, only 37 percent of buyers found their home through the internet. Finding a home through a real estate agent has shifted from being the most common source for finding a property to the second most common source. Yard signs and home builders increased slightly from last year's levels, but have declined throughout the years with the rise of the internet as an information source.

Among all buyers, the most difficult step in the home buying process was finding the right home to purchase at 53 percent. For 17 percent of buyers, the most difficult step was the paperwork, and 15 percent cited the most difficult step was understanding the process and steps involved. While 20 percent of recent buyers had no difficult steps, this was much more common among repeat buyers and buyers of new homes.



### Exhibits 3–11 and 3–15

The share of home buyers who used the internet to search for a home increased to an all-time high of 97 percent. *The Profile of Home Buyers and Sellers* started collecting data on the use of the internet for the home search process in 1995, when only two percent of buyers looked online. In 1997, that number jumped to 18 percent of home buyers who used the internet in their search. That number doubled over the years and by 2009, 90 percent of buyers used the internet at some point in their search. That share dropped a few percentage points in the next several years until 2012 when it slowly started going back up.

When asked where their internet searches were conducted, home buyers were split; they typically conducted 50 percent of their search on a desktop/laptop and 50 percent on a mobile device(s). Those aged 44 and younger were more likely to use mobile devices, and those 45 and older were more likely to use a desktop/laptop.

As a result of searching for a home on the internet, 56 percent of buyers walked through the homes that they viewed online, lower than 65 percent last year and likely due to many stay-at-home orders in 2020. Thirty-seven percent looked at the exterior of these homes and drove through the neighborhoods. First-time buyers were the most likely to look for more information on how to get a mortgage as a result of searching online.

**“Among all buyers, the most difficult step in the home buying process was finding the right home to purchase at 53 percent.”**

### Exhibits 3–15 through 3–18

Nearly all buyers use the internet in their search process, but differed in their use of the internet. Those buyers who use mobile devices more than half of the time while online had a shorter search process and only looked for a home for eight weeks compared to those who searched on a desktop or laptop computer who searched for 10 weeks.

Buyers who searched on a laptop/desktop computer more than half of the time were more likely to use online video sites in their search at 46 percent compared to 40 percent among mobile users, and were more likely to use home builders, at 20 percent compared to 17 percent among mobile users.

Mobile users were more likely to find the home they purchased online, while laptop/desktop users were more likely to find their home through a real estate agent. However, when purchasing a home, mobile users were more likely to purchase through a real estate agent.

### Exhibit 3–19

Buyers who used the internet during their home search found photos (89 percent) and detailed information about properties for sale (86 percent) to be very useful. The next most useful website features included: floor plans, real estate agent contact information, and virtual tours. New options were added in this year’s survey that look at the usefulness of virtual open houses and virtual listing tours. Fifty-three percent of buyers found virtual open houses at least somewhat useful and 45 percent found virtual open listing tours at least somewhat useful.

### Exhibit 3–20

Sixty-four percent of recent buyers were very satisfied with their recent home buying process. Thirty percent of buyers were somewhat satisfied with the buying process. Only seven percent of recent buyers were dissatisfied with the buying process.

## CHAPTER 3: The Home Search Process

### Exhibit 3-1 First Step Taken During the Home Buying Process, First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Looked online for properties for sale	43%	31%	48%
Contacted a real estate agent	18%	14%	19%
Looked online for information about the home buying process	9%	17%	5%
Contacted a bank or mortgage lender	7%	10%	6%
Talked with a friend or relative about the home buying process	7%	15%	3%
Drove-by homes/neighborhoods	6%	3%	7%
Visited open houses	4%	3%	4%
Contacted builder/visited builder models	2%	1%	2%
Contacted a home seller directly	2%	1%	2%
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	1%	1%	1%
Attended a home buying seminar	1%	2%	*
Looked in newspapers, magazines, or home buying guides	1%	*	*
Read books or guides about the home buying process	*	1%	*
Other	2%	1%	2%

\* Less than 1 percent

### Exhibit 3-2 First Step Taken During the Home Buying Process, by Age

(Percentage Distribution)

	AGE OF HOME BUYER				
	ALL BUYERS	18 TO 24	25 TO 44	45 TO 64	65 OR OLDER
Looked online for properties for sale	43%	36%	40%	49%	40%
Contacted a real estate agent	18%	12%	16%	17%	23%
Looked online for information about the home buying process	9%	13%	12%	6%	6%
Contacted a bank or mortgage lender	7%	7%	8%	8%	4%
Talked with a friend or relative about the home buying process	7%	12%	10%	3%	4%
Drove-by homes/neighborhoods	6%	9%	3%	6%	8%
Visited open houses	4%	5%	4%	3%	4%
Contacted builder/visited builder models	2%	1%	1%	2%	3%
Contacted a home seller directly	2%	3%	1%	2%	2%
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	1%	2%	1%	1%	1%
Attended a home buying seminar	1%	*	1%	*	*
Looked in newspapers, magazines, or home buying guides	1%	*	*	*	1%
Read books or guides about the home buying process	*	*	*	*	*
Other	2%	*	1%	2%	2%

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 3-3 Information Sources Used in Home Search, by First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percent of Respondents)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Real estate agent	87%	86%	87%	80%	88%
Mobile or tablet search device	76%	81%	73%	70%	76%
Open house	53%	53%	53%	57%	53%
Yard sign	41%	41%	41%	34%	42%
Online video site	41%	34%	45%	47%	40%
Home builder	18%	15%	20%	64%	11%
Print newspaper advertisement	10%	9%	10%	11%	10%
Home book or magazine	8%	7%	9%	11%	8%
Billboard	4%	5%	4%	15%	2%
Relocation company	3%	2%	3%	3%	3%
Television	3%	4%	3%	4%	3%

### Exhibit 3-4 Information Sources Used in Home Search, by Age

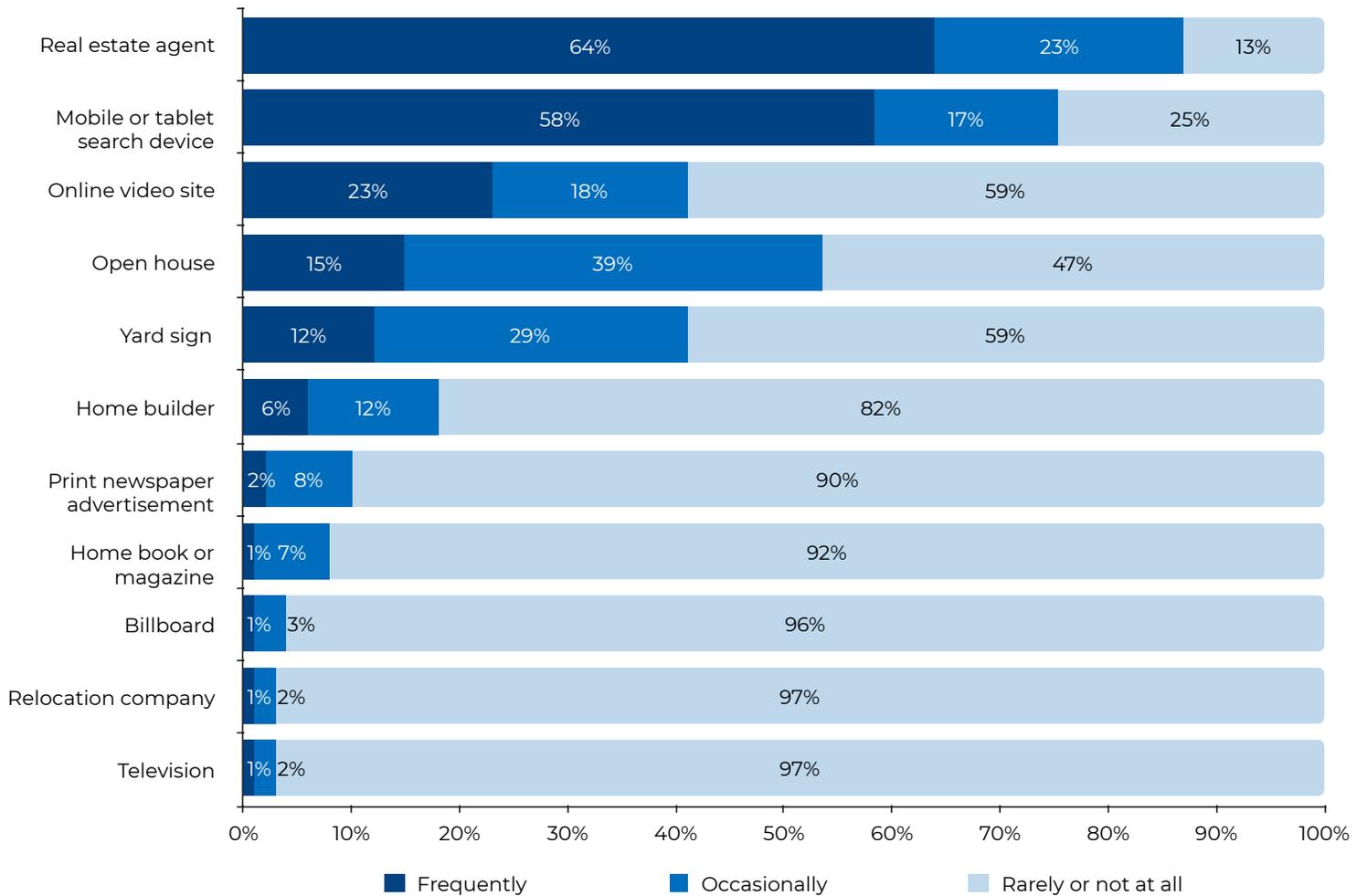
(Percent of Respondents)

	AGE OF HOME BUYER				
	ALL BUYERS	18 TO 24	25 TO 44	45 TO 64	65 OR OLDER
Real estate agent	87%	84%	86%	87%	89%
Mobile or tablet search device	76%	81%	84%	75%	56%
Open house	53%	55%	54%	55%	47%
Yard sign	41%	47%	39%	43%	40%
Online video site	41%	27%	33%	47%	54%
Home builder	18%	24%	15%	19%	22%
Print newspaper advertisement	10%	11%	7%	9%	16%
Home book or magazine	8%	3%	6%	10%	12%
Billboard	4%	4%	4%	5%	3%
Relocation company	3%	3%	3%	3%	1%
Television	3%	4%	3%	2%	3%

## CHAPTER 3: The Home Search Process

### Exhibit 3-5 Frequency of Use of Different Information Sources

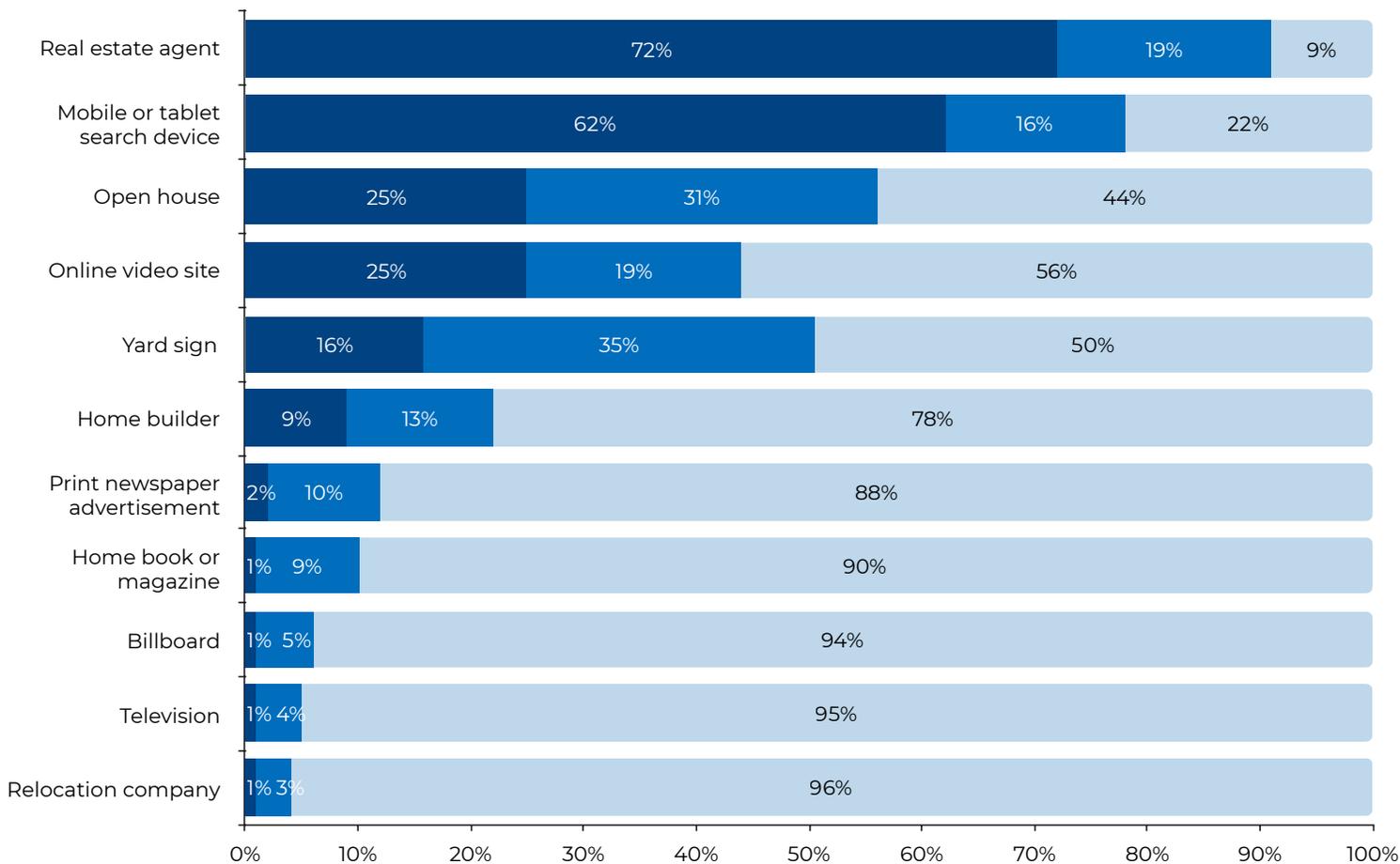
(Percentage Distribution)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 3-6 Usefulness of Information Sources

(Percentage Distribution Among Buyers that Used Each Source)



## CHAPTER 3: The Home Search Process

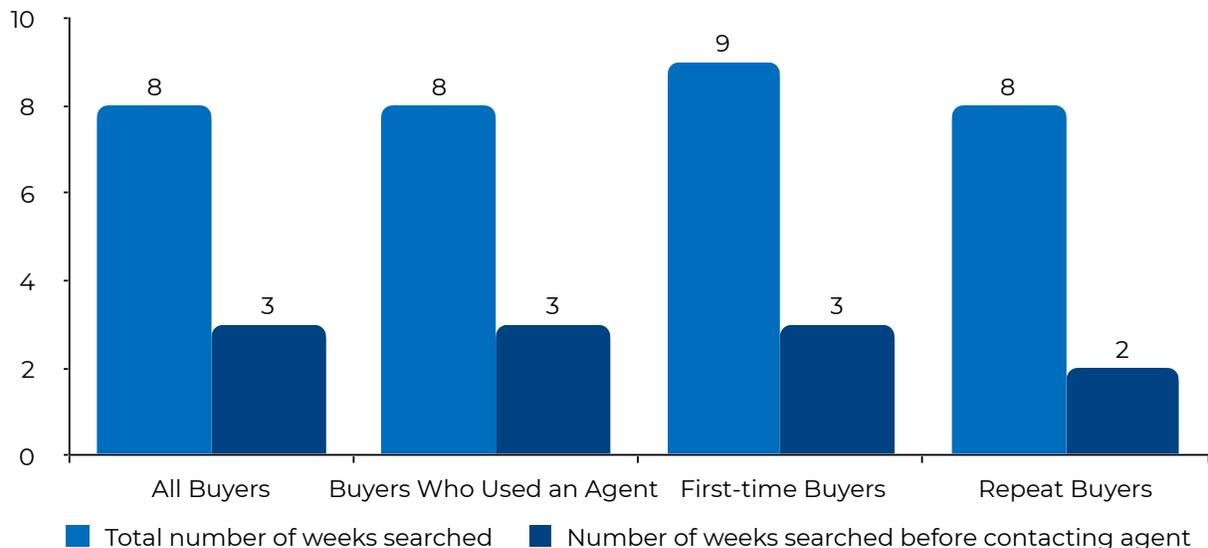
### Exhibit 3-7 Length of Search, by Region

(Median)

NUMBER OF WEEKS SEARCHED	BUYERS WHO PURCHASED A HOME IN THE				
	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
2001	7	7	7	7	7
2003	8	10	8	8	6
2004	8	12	8	8	8
2005	8	10	8	8	6
2006	8	12	8	8	8
2007	8	12	8	8	8
2008	10	12	10	8	10
2009	12	12	10	10	12
2010	12	14	10	10	12
2011	12	12	10	10	12
2012	12	12	12	10	12
2013	12	12	10	10	12
2014	10	12	10	10	10
2015	10	12	10	10	10
2016	10	12	10	10	9
2017	10	12	9	8	8
2018	10	12	10	10	10
2019	10	12	10	9	9
2020	8	12	8	8	8
Number of homes viewed	9	8	8	9	10
Number of homes viewed only online	5	4	5	5	5

### Exhibit 3-8 Length of Search for Buyers Who Used an Agent, First-Time and Repeat Buyers

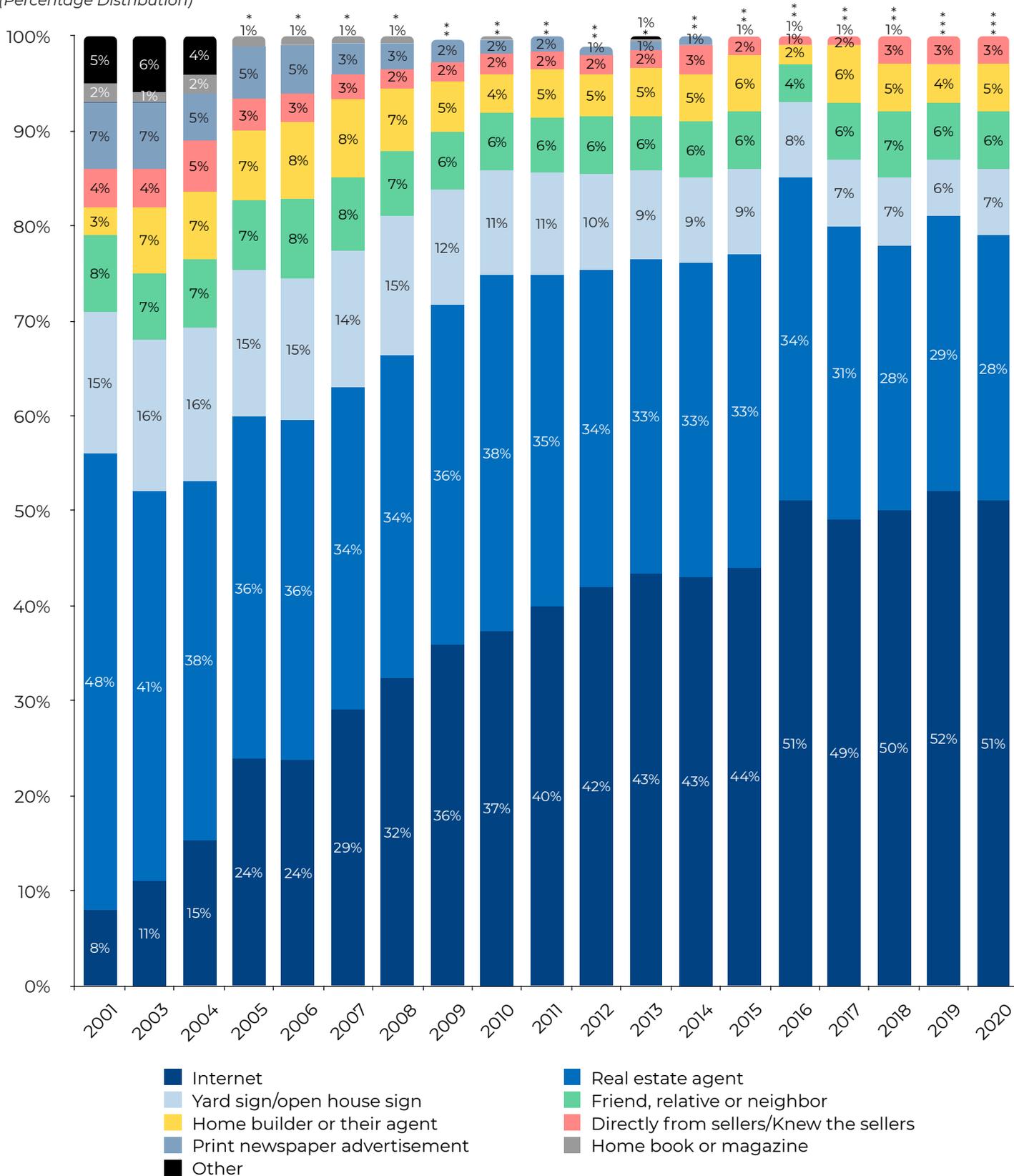
(Median Weeks)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 3-9 Where Buyer Found the Home They Purchased, 2001-2020

(Percentage Distribution)



\* Less than 1 percent

## CHAPTER 3: The Home Search Process

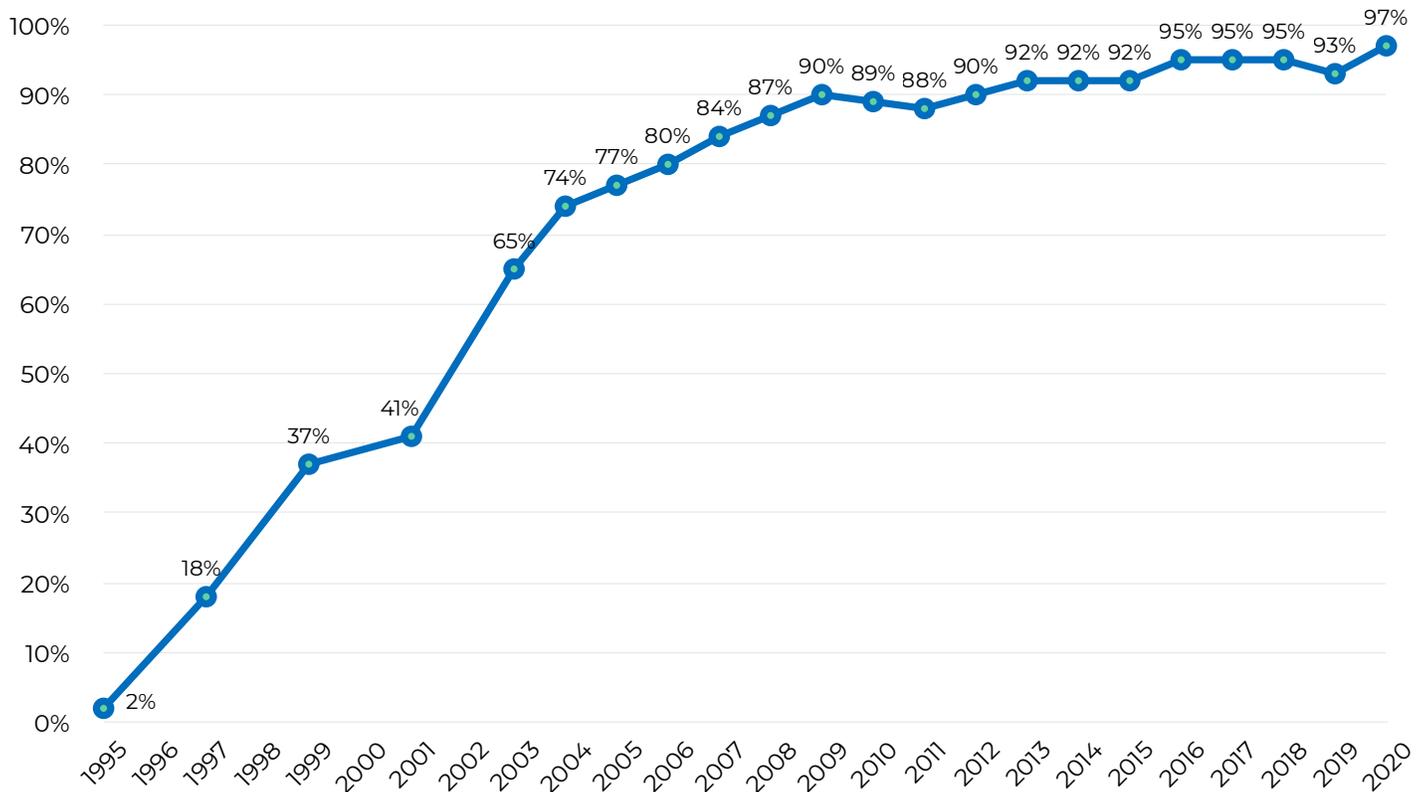
### Exhibit 3-10 Most Difficult Steps of Home Buying Process by First-Time and Repeat Buyers and Buyers of New and Previously Owned Homes

(Percentage Distribution)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Finding the right property	53%	56%	52%	44%	55%
Paperwork	17%	23%	15%	20%	17%
Understanding the process and steps	15%	33%	7%	15%	15%
Saving for the down payment	11%	25%	5%	10%	12%
Getting a mortgage	7%	10%	6%	9%	7%
Appraisal of the property	4%	5%	4%	3%	5%
Inability to move forward in process due to COVID-19	2%	2%	2%	3%	2%
No difficult steps	20%	9%	25%	26%	19%
Other	6%	4%	7%	7%	6%

### Exhibit 3-11 Buyer Use of Internet in Home Search Process, 1995–2020

(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 3-12 Percentage of Time Using Devices in Home Search

(Medians)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Desktop/Laptop	50%	40%	50%
Mobile Device(s)	50%	60%	50%

### Exhibit 3-13 Percentage of Time Using Devices in Home Search, by Age

(Medians)

	AGE OF HOME BUYER				
	ALL BUYERS	18 TO 24	25 TO 44	45 TO 64	65 OR OLDER
Desktop/Laptop	50%	30%	30%	50%	75%
Mobile Device(s)	50%	70%	70%	50%	20%

### Exhibit 3-14 Actions Taken as a Result of Internet Home Search, First-Time and Repeat Buyers

(Percent of Respondents Among Buyers Who Used the Internet)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Walked through home viewed online	56%	51%	59%
Saw exterior of homes/neighborhood, but did not walk through home	37%	37%	36%
Found the agent used to search for or buy home	35%	39%	33%
Pre-qualified for a mortgage online	26%	32%	23%
Requested more information	26%	31%	24%
Put in a contract/offer on a home	23%	22%	23%
Applied for a mortgage online	22%	27%	19%
Looked for more information on how to get a mortgage and general home buyers tips	14%	30%	6%
Found a mortgage lender online	12%	17%	10%
Contacted builder/developer	9%	6%	10%

## CHAPTER 3: The Home Search Process

### Exhibit 3-15 Characteristics of Home Searchers and Search Activity, by Use of Internet

(Percentage Distribution)

HOUSEHOLD COMPOSTION	USED LAPTOP/DESKTOP MORE THAN 50%	USED MOBILE DEVICE MORE THAN 50%
Married couple	62%	64%
Single female	18%	16%
Single male	10%	8%
Unmarried couple	8%	10%
Other	2%	2%
Median age (years)	53	41
LENGTH OF SEARCH (MEDIAN WEEKS)		
All buyers	10	8
First-time buyers	8	9
Repeat buyers	10	8
Buyers using an agent	10	8
Before contacting agent	3	3
Number of Homes Visited (median)	10	9
Number of Homes Viewed Only Online (median)	5	5

### Exhibit 3-16 Information Sources Used in Home Search, by Use of Internet

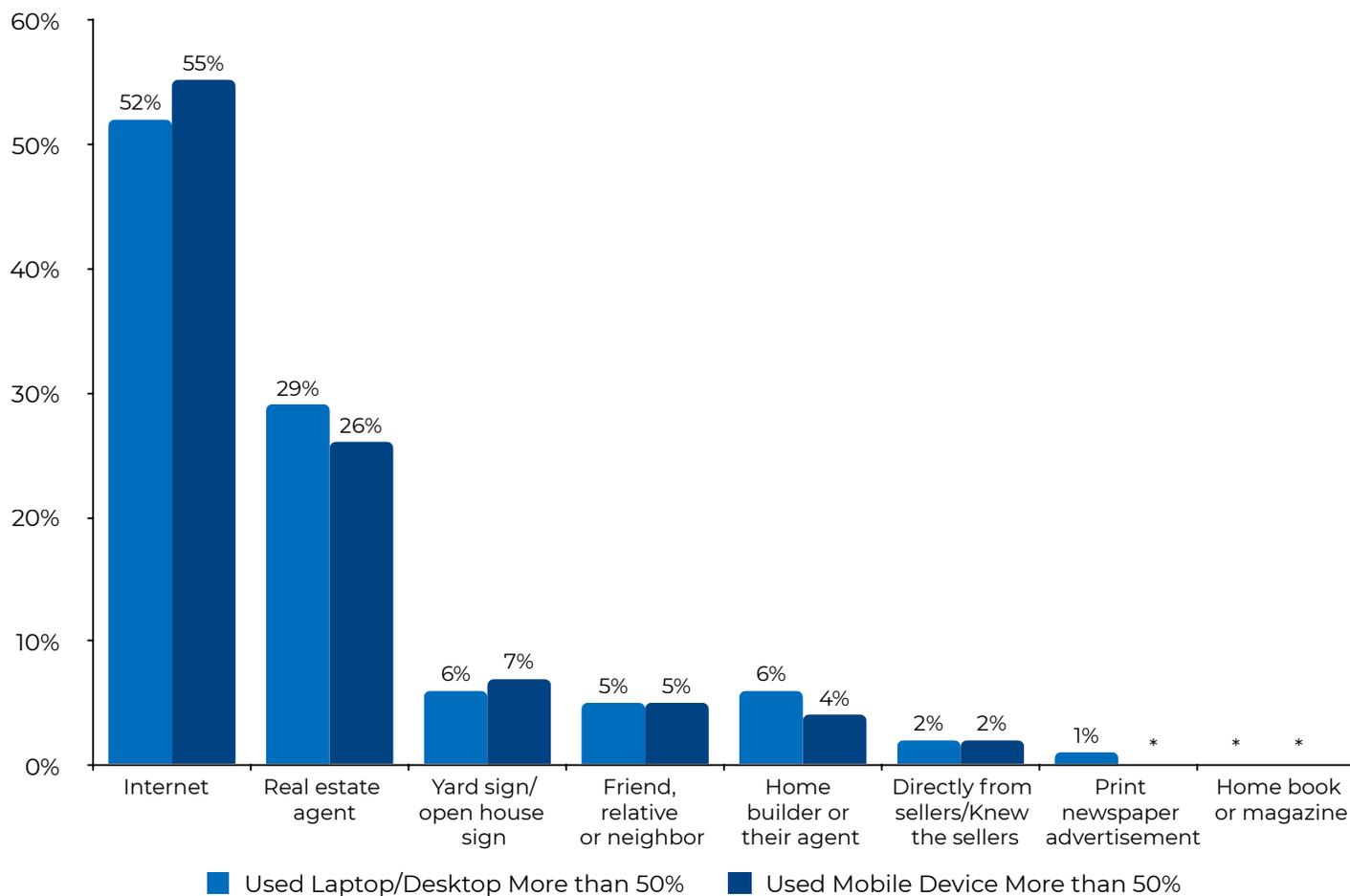
(Percent of Respondents)

	USED LAPTOP/DESKTOP MORE THAN 50%	USED MOBILE DEVICE MORE THAN 50%
Real estate agent	88%	87%
Open house	54%	55%
Yard sign	40%	43%
Online video site	46%	40%
Print newspaper advertisement	10%	9%
Home builder	20%	17%
Home book or magazine	8%	8%
Billboard	5%	5%
Television	3%	3%
Relocation company	3%	3%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 3-17 Where Buyers Found the Home They Purchased, by Use of Internet

(Percentage Distribution)

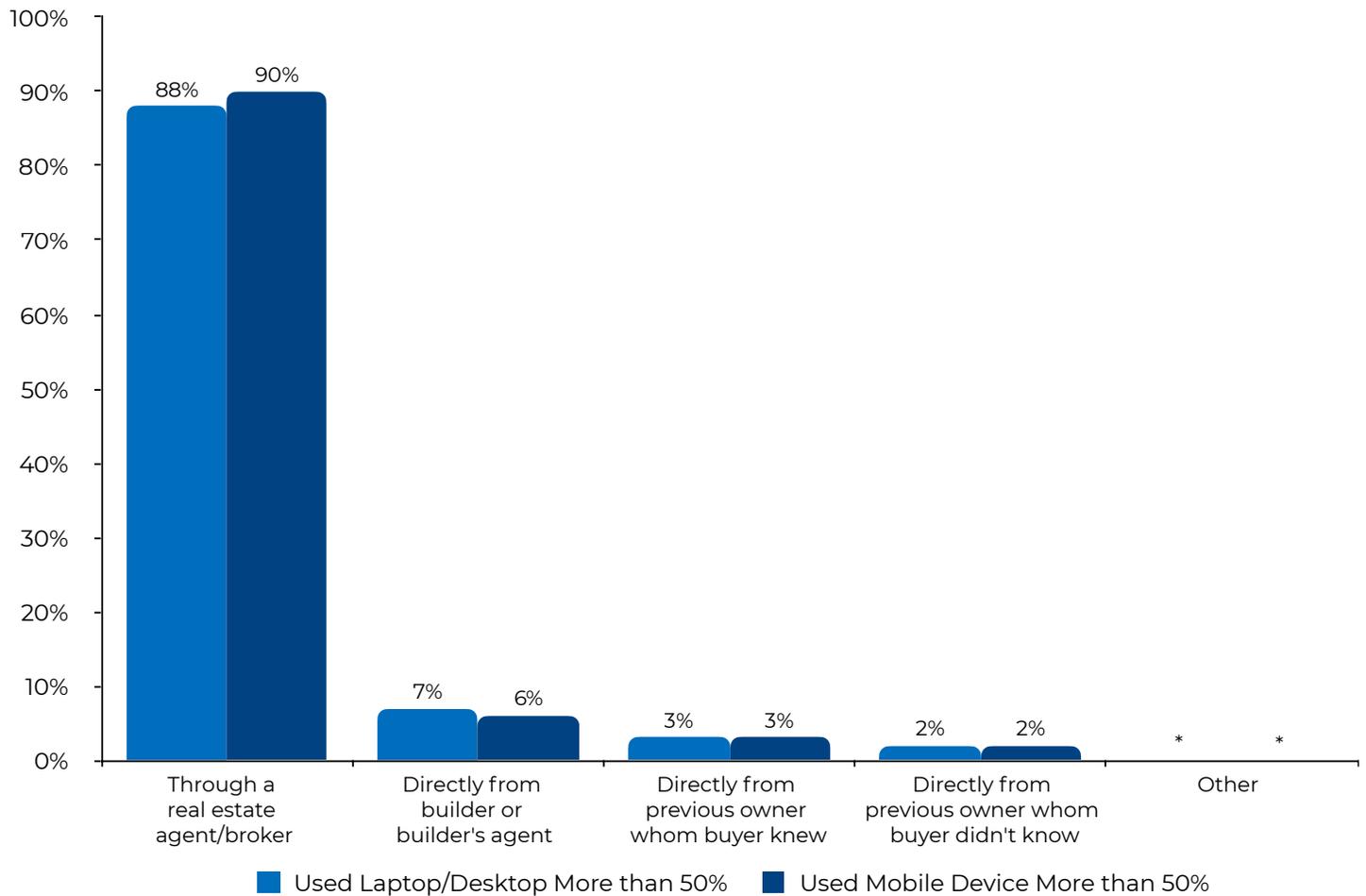


\* Less than 1 percent

## CHAPTER 3: The Home Search Process

### Exhibit 3-18 Method of Home Purchase, by Use of Internet

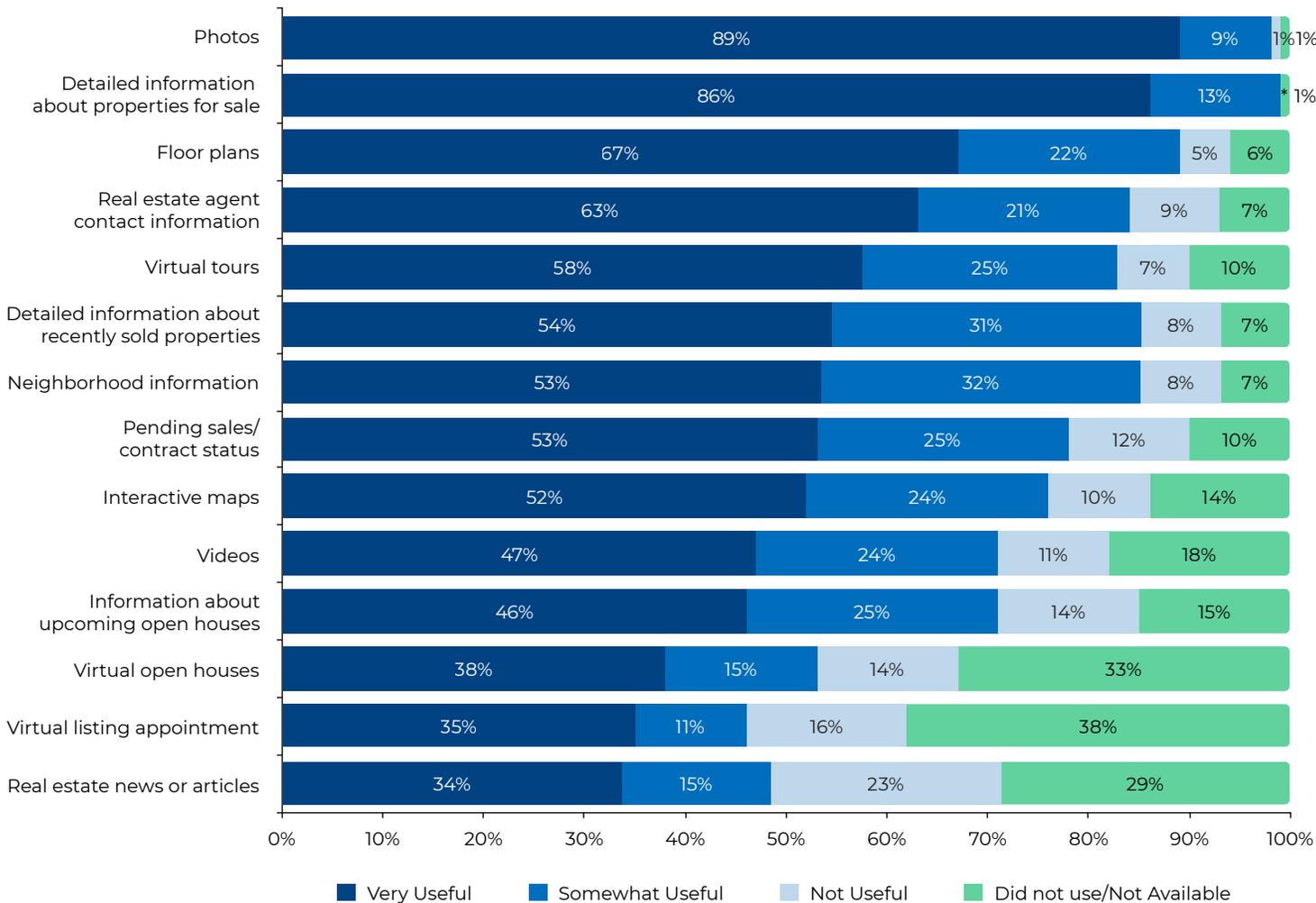
(Percentage Distribution)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 3-19 Value of Website Features

(Percentage Distribution Among Buyers Who Used the Internet)

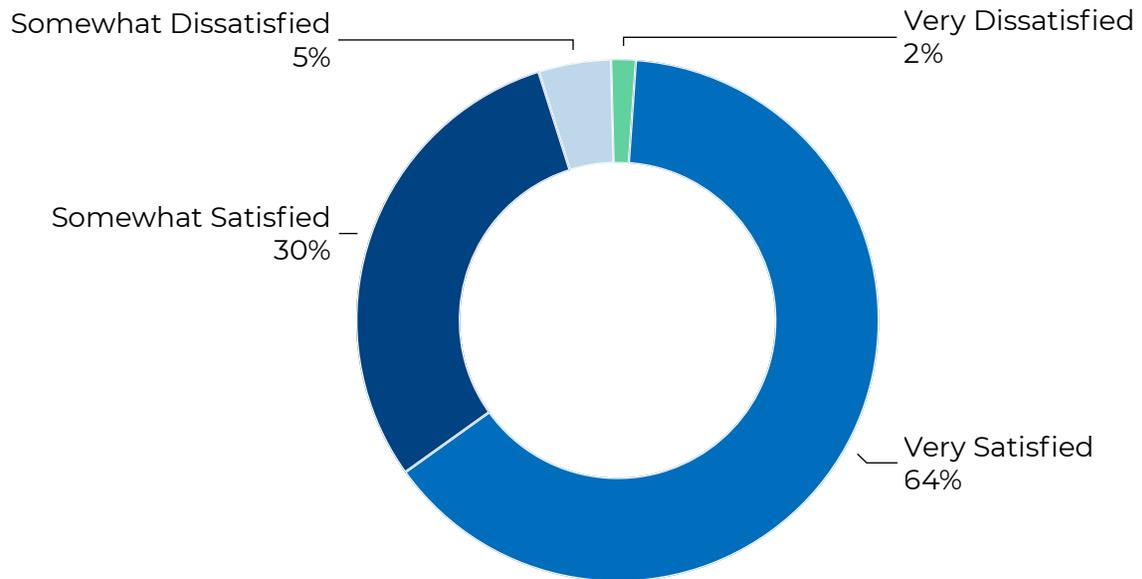


\* Less than 1 percent

## CHAPTER 3: The Home Search Process

### Exhibit 3-20 Satisfaction With Buying Process

(Percentage Distribution)



# CHAPTER 4:

## Home Buying and Real Estate Professionals

Making the home purchase through a real estate agent is a consistent trend that continued again this year. Eighty-eight percent of buyers in 2020 purchased their home through a real estate agent or broker, six percent directly from a builder or builder's agent, and five percent from the previous owner. Looking back to 1981, 82 percent purchased through an agent, eight percent directly through a builder or builder's agent, and 10 percent from the previous owner. In 1987 and 2000, purchases directly from the owner were at a peak of 15 percent. In 1987 and 2000, seven in 10 buyers purchased through an agent. Since then, the share of those working with an agent to purchase a home has steadily grown over the years, peaking at 89 percent in 2011 and 2012 and hovering in the high 80 percent range before returning to peak 89 percent last year.

By household composition, unmarried couples tended to purchase their homes through real estate agents and brokers at a higher rate than any other household composition at 90 percent. Thirty-eight percent of buyers of new homes purchased their home directly from a builder or builder's agent, but many used a real estate agent to purchase a newly built home. The majority of buyers who purchased a previously owned home bought their home through a real estate agent or broker; buying directly from the previous owner was the next most common purchase method.

Slightly less than three-fifths of recent buyers signed a disclosure agreement either at first meeting, when the contract was written, or at some other time. The most common arrangement was a written arrangement, followed by an oral arrangement. The most common compensation structure for real estate agents was payment through the seller, which was the case for over half of recent home buyers.

With housing inventory tight in many areas of the country, buyers wanted help from their agent most on finding the right home to purchase. Buyers were also looking for help to negotiate the terms of sale and with price negotiations. The most common way that buyers found their real estate agent was through a referral by a friend, neighbor, or relative. Buyers typically interviewed only one real estate agent before working with them, and the most important factor was that the agent was honest and trustworthy. Another important factor was the agent's experience. Recent buyers were overall very satisfied with their real estate agent's skills and qualities, and definitely would use their agent again or recommend them to others.

## CHAPTER 4: Home Buying and Real Estate Professionals

### Exhibits 4-1 through 4-4

Recent home buyers most commonly purchased their homes through a real estate agent or broker, at 88 percent. Six percent purchased directly from the builder or builder's agent, while five percent purchased directly through the previous owner. By comparison, in 1981 82 percent purchased through an agent, eight percent directly through a builder or builder's agent, and 10 percent from the previous owner. Buyers in the West had the highest percentage who purchased their homes through real estate agents or brokers at 90 percent.

Compared to buyers of previously owned homes, buyers of new homes purchased directly from the builder or builder's agent at a much higher rate: 38 percent of new home buyers did so, which was up from 36 percent in 2019. Unmarried couples (90 percent) and single males (88 percent) were the household compositions that were most likely to purchase through a real estate agent or broker.

**“When asked if they would use their real estate agent again or recommend them to others, 91 percent of buyers would at least probably recommend their agent to others. Buyers have typically already recommended their agent twice since purchasing their home.”**

### Exhibits 4-5 through 4-7

Fifty-nine percent of recent buyers signed an agent representation disclosure, either at the first meeting, when the contract was written, or at some other time. The most common arrangement was a written agreement at 40 percent, followed by an oral agreement at 17 percent. Only 28 percent of buyers had no representation arrangement with their agent, which is the same as last year.

Generally real estate agents were compensated through the seller at 55 percent, whereas only 22 percent of agents were compensated by the buyer only. When the agent was compensated by the buyer, they were most commonly paid a percentage of the sales price as opposed to a flat fee.

### Exhibits 4-8 through 4-11

What recent buyers wanted most from their agent was finding the right home to buy (51 percent). Buyers were also looking for someone who could help them negotiate the terms of sale (13 percent) and help with price negotiations (11 percent). First-time buyers were more interested in receiving help from their agent in determining how much they could afford than repeat buyers. Repeat buyers and buyers of previously-owned homes were more likely to want help negotiating the terms of the sale (13 percent). Unmarried couples also wanted help negotiating the terms of sale (15 percent) more than any other household composition. Single females wanted help to find the right home (54 percent) more than any other household composition.

There were many benefits for buyers using a real estate agent, with the foremost reported as being the buyer(s) received help in understanding the buying process (62 percent). Pointing out unnoticed features or faults with the property was the next most important benefit (61 percent), especially to first-time home buyers (63 percent). Also important to buyers was negotiating better sales terms, providing a better list of services providers, and gaining improved knowledge of search areas as benefits that their real estate agent provided.

### Exhibits 4-12 through 4-15

Referrals were still by far the most common way for buyers to find the real estate agent that they worked with. Forty percent of buyers used an agent that was referred to them by a friend, neighbor, or relative. Recent buyers also chose to work with agents that they had previously used to buy or sell a home (13 percent). Compared to repeat buyers, first-time buyers were more likely to find their agent through a referral (50 percent) or more likely to have inquired about a specific property online (8 percent). Married couples were the most likely to use an agent that they had previously used to buy or sell a home (14 percent).

## 2020 PROFILE OF HOME BUYERS AND SELLERS

Seventy-three percent interviewed only one real estate agent during their home search. Compared with first-time buyers, repeat buyers were more likely to only interview one agent (76 percent), whereas only 67 percent of first-time buyers only interviewed one agent. Twenty percent of first-time buyers interviewed two agents before choosing the agent they ultimately worked with. Buyers typically reached out to their agent by phone (39 percent), in person (18 percent), and by e-mail (14 percent). Agents commonly responded to buyers on their first attempted contact.

### Exhibits 4–16 through 4–20

The most important factor to recent buyers when choosing an agent was finding an agent that was trustworthy and honest at 21 percent. Other important factors when choosing an agent included the agent's experience and their reputation.

When searching for an agent, buyers were looking for someone who was honest and had integrity, was responsive, had knowledge of the purchase process, and who had knowledge of the real estate market. Having an honest agent with integrity was the most important to buyers, and 98 percent of respondents considered this very important. Recent buyers also found it very important for their agent was responsive, had knowledge of the purchase process and real estate market, and had good communication and negotiation skills. Single females, slightly more than any other household composition, considered it very important for their agent to have skills with technology at 48 percent.

Overall, 72 percent of buyers felt that it was important that their agent call them personally to inform them of any activity. It was important for buyers that agents send postings as soon as a property was listed, the price changed or went under contract, and that they were able to communicate with their agent through text message.

### Exhibits 4–21 through 4–23

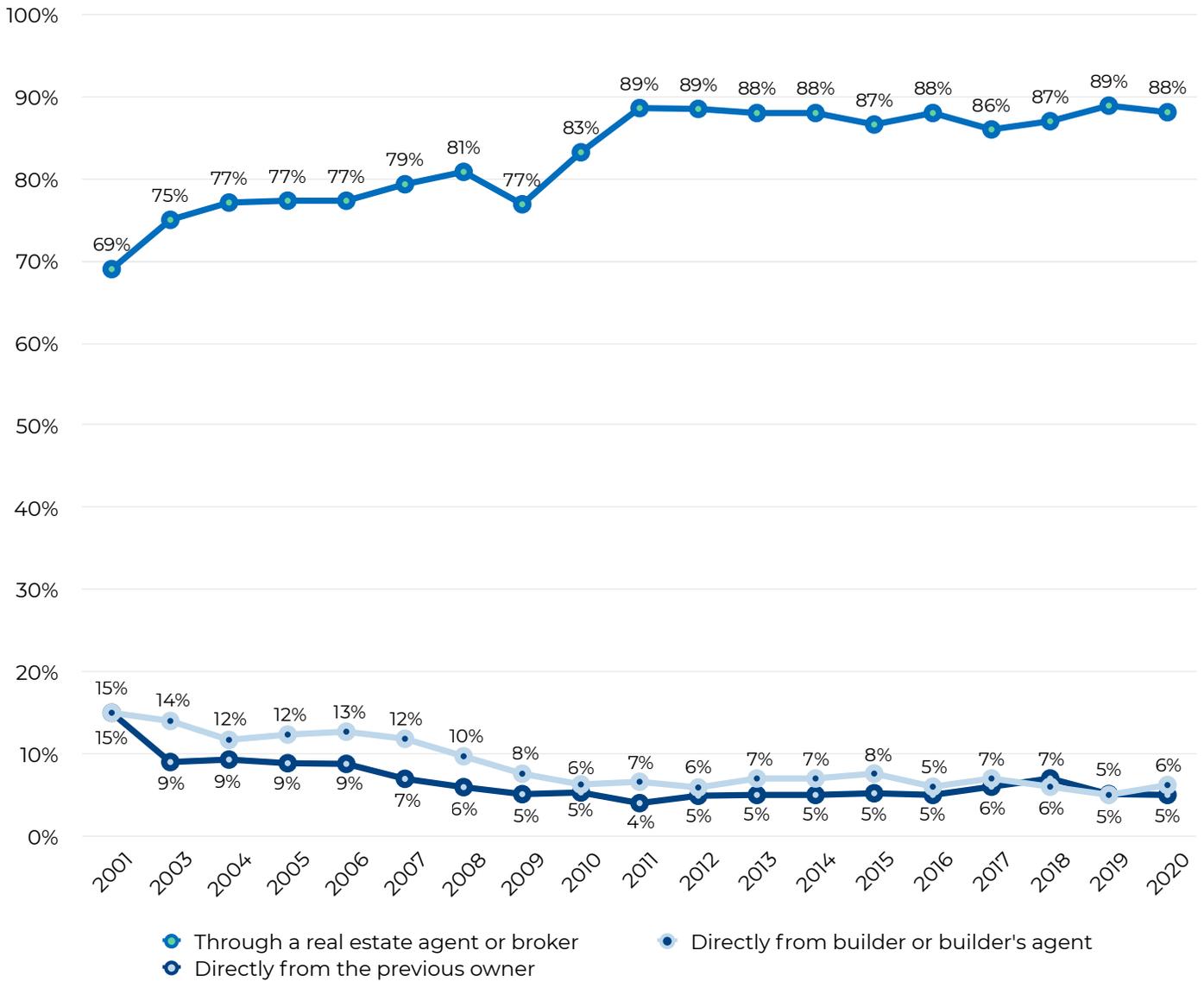
In general, buyers were very satisfied with their real estate agent's skill and qualities, with 91 percent saying that they were very satisfied with their agent's honesty and integrity, as well as 91 percent very satisfied with their agent's knowledge of the purchase process. When asked if they would use their real estate agent again or recommend them to others, 91 percent of buyers would at least probably recommend their agent to others. Buyers have typically already recommended their agent twice since purchasing their home.

**“Referrals were still by far the most common way for buyers to find the real estate agent that they worked with. Forty percent of buyers used an agent that was referred to them by a friend, neighbor, or relative. Recent buyers also chose to work with agents that they had previously used to buy or sell a home (13 percent).”**

# CHAPTER 4: Home Buying and Real Estate Professionals

## Exhibit 4-1 Method of Home Purchase, 2001-2020

(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 4–2 Method of Home Purchase, by Region

(Percentage Distribution)

#### BUYERS WHO PURCHASED A HOME IN THE

	ALL BUYERS	NORTHEAST	MIDWEST	SOUTH	WEST
Through a real estate agent or broker	88%	87%	88%	85%	90%
Directly from builder or builder's agent	6%	3%	3%	9%	6%
Directly from the previous owner	5%	8%	8%	4%	3%
Knew previous owner	3%	6%	5%	2%	2%
Did not know previous owner	2%	2%	3%	2%	1%

### Exhibit 4–3 Method of Home Purchase, New and Previously Owned Homes

(Percentage Distribution)

#### BUYERS OF

	ALL BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Through a real estate agent or broker	88%	60%	92%
Directly from builder or builder's agent	6%	38%	NA
Directly from the previous owner	5%	1%	6%
Knew previous owner	3%	NA	4%
Did not know previous owner	2%	1%	2%

NA = Not Applicable

### Exhibit 4–4 Method of Home Purchase, by Adult Composition of Household

(Percentage Distribution)

#### ADULT COMPOSITION OF HOUSEHOLD

	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Through a real estate agent or broker	88%	87%	87%	88%	90%	93%
Directly from builder or builder's agent	6%	7%	4%	3%	4%	3%
Directly from the previous owner	5%	5%	8%	6%	5%	4%
Knew previous owner	3%	3%	5%	4%	3%	1%
Did not know previous owner	2%	2%	3%	2%	2%	3%

## CHAPTER 4: Home Buying and Real Estate Professionals

### Exhibit 4–5 Agent Representation Disclosure, First-Time and Repeat Buyers

(Percentage Distribution)

DISCLOSURE STATEMENT SIGNED?	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Yes, at first meeting	26%	21%	29%
Yes, when contract was written	21%	20%	21%
Yes, at some other time	12%	13%	12%
No	20%	24%	18%
Don't know	21%	22%	20%

### Exhibit 4–6 Buyer Representative Arrangement with Agent, First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Yes, a written arrangement	40%	35%	42%
Yes, an oral arrangement	17%	19%	16%
No	28%	24%	30%
Don't know	15%	22%	12%

### Exhibit 4–7 How Real Estate Agent Was Compensated

(Percentage Distribution)

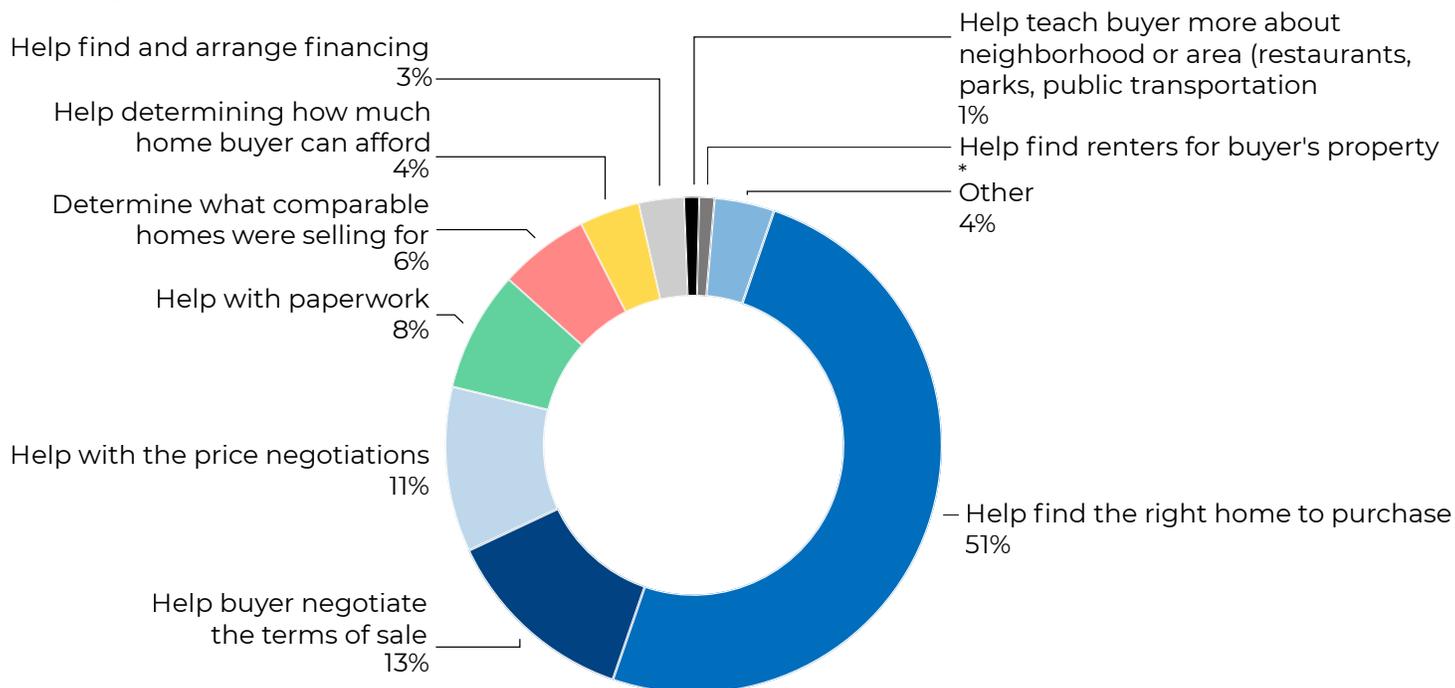
	TYPE OF AGENT REPRESENTATION		
	ALL TYPES OF REPRESENTATION	BUYER ONLY	SELLER OR SELLER AND BUYER
Paid by seller	55%	58%	52%
Paid by buyer and seller	12%	11%	13%
Paid by buyer only	22%	23%	20%
Percent of sales price	75%	78%	70%
Flat fee	3%	4%	3%
Per task fee	*	*	*
Other	1%	1%	1%
Don't know	21%	17%	27%
Other	1%	1%	1%
Don't know	10%	7%	15%

\*Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 4–8 What Buyers Want Most From Real Estate Agents

(Percentage Distribution)



\* Less than 1 percent

### Exhibit 4–9 What Buyers Want Most From Real Estate Agents, First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Help find the right home to purchase	51%	50%	52%	49%	52%
Help buyer negotiate the terms of sale	13%	12%	13%	9%	13%
Help with the price negotiations	11%	12%	10%	10%	11%
Help with paperwork	8%	9%	8%	8%	8%
Determine what comparable homes were selling for	6%	4%	7%	7%	6%
Help determining how much home buyer can afford	4%	6%	2%	4%	3%
Help find and arrange financing	3%	4%	2%	3%	3%
Help teach buyer more about neighborhood or area (restaurants, parks, public transportation)	1%	1%	2%	3%	1%
Help find renters for buyer's property	*	*	*	*	*
Other	4%	3%	4%	5%	3%

\* Less than 1 percent

## CHAPTER 4: Home Buying and Real Estate Professionals

### Exhibit 4–10 What Buyers Want Most From Real Estate Agents, by Adult Composition of Household

(Percentage Distribution)

#### ADULT COMPOSITION OF HOUSEHOLD

	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Help find the right home to purchase	51%	51%	54%	53%	50%	42%
Help buyer negotiate the terms of sale	13%	13%	12%	12%	15%	14%
Help with the price negotiations	11%	11%	11%	10%	12%	12%
Help with paperwork	8%	8%	7%	8%	9%	11%
Determine what comparable homes were selling for	6%	7%	4%	6%	5%	3%
Help determining how much home buyer can afford	4%	3%	4%	3%	4%	6%
Help find and arrange financing	3%	3%	3%	3%	2	8%
Help teach buyer more about neighborhood or area (restaurants, parks, public transportation)	1%	2%	1%	2%	1%	*
Help find renters for buyer's property	*	*	*	*	*	1%
Other	4%	3%	4%	4%	2%	4%

\* Less than 1 percent

### Exhibit 4–11 Benefits Provided by Real Estate Agent During Home Purchase Process, First-Time and Repeat Buyers

(Percent of Respondents)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Helped buyer understand the process	62%	83%	52%
Pointed out unnoticed features/faults with property	61%	63%	59%
Negotiated better sales contract terms	49%	51%	47%
Provided a better list of service providers (e.g. home inspector)	49%	51%	48%
Improved buyer's knowledge of search areas	44%	47%	43%
Negotiated a better price	38%	38%	38%
Shortened buyer's home search	29%	33%	28%
Provided better list of mortgage lenders	24%	28%	22%
Expanded buyer's search area	20%	22%	19%
Narrowed buyer's search area	15%	17%	14%
None of the above	5%	4%	5%
Other	3%	2%	4%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 4–12 How Buyer Found Real Estate Agent, First-Time and Repeat Buyers

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Referred by (or is) a friend, neighbor or relative	40%	50%	34%
Used agent previously to buy or sell a home	13%	2%	18%
Inquired about specific property viewed online	7%	8%	7%
Website (without a specific reference)	6%	7%	6%
Visited an open house and met agent	6%	6%	6%
Referred by another real estate agent/broker	5%	5%	5%
Personal contact by agent (telephone, e-mail, etc.)	4%	4%	4%
Saw contact information on For Sale/Open House sign	3%	2%	3%
Referred through employer or relocation company	2%	1%	3%
Walked into or called office and agent was on duty	1%	1%	2%
Mobile or tablet application	1%	1%	1%
Crowdsourcing through social media/ knew the person through social media	1%	1%	*
Direct mail (newsletter, flyer, postcard, etc.)	*	*	*
Saw the agent's social media page without a connection	*	*	*
Newspaper, Yellow Pages or home book ad	*	*	*
Advertising specialty (calendar, magnet, etc.)	*	*	*
Other	10%	11%	10%

\*Less than 1 percent

## CHAPTER 4: Home Buying and Real Estate Professionals

### Exhibit 4-13 How Buyer Found Real Estate Agent, by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD					
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Referred by (or is) a friend, neighbor or relative	40%	37%	45%	42%	42%	37%
Used agent previously to buy or sell a home	13%	14%	12%	12%	10%	11%
Inquired about specific property viewed online	7%	7%	7%	7%	9%	9%
Website (without a specific reference)	6%	6%	6%	6%	10%	8%
Visited an open house and met agent	6%	7%	5%	7%	5%	4%
Referred by another real estate agent/broker	5%	5%	5%	5%	5%	5%
Personal contact by agent (telephone, e-mail, etc.)	4%	4%	4%	4%	3%	3%
Saw contact information on For Sale/Open House sign	3%	3%	3%	3%	2%	1%
Referred through employer or relocation company	2%	3%	1%	1%	*	*
Walked into or called office and agent was on duty	1%	1%	1%	2%	2%	*
Mobile or tablet application	1%	1%	1%	*	1%	2%
Crowdsourcing through social media/knew the person through social media	1%	1%	*	*	1%	*
Direct mail (newsletter, flyer, postcard, etc.)	*	*	*	*	*	*
Saw the agent's social media page without a connection	*	*	1%	1%	*	*
Newspaper, Yellow Pages or home book ad	*	*	*	*	*	1%
Advertising specialty (calendar, magnet, etc.)	*	*	*	1%	*	*
Other	10%	11%	9%	11%	8%	20%

\*Less than 1 percent

### Exhibit 4-14 How Many Times Buyer Contacted Agent Before Received Response and Original Form of Contact

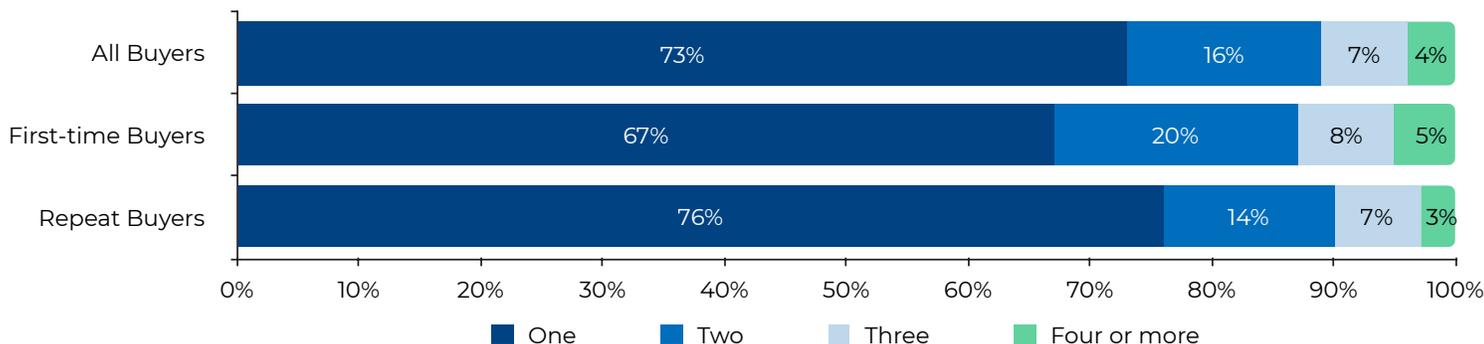
(Median, Percentage Distribution)

Phone call	39%
Talked to them in person	18%
E-mail	14%
Text message	10%
Inquiry for more information through 3rd party website	8%
Ask a friend to put me in touch	7%
Through agent's website	2%
Social Media (FaceBook, Twitter, LinkedIn, etc.)	2%
Number of Times Contacted (median)	1

## 2020 PROFILE OF HOME BUYERS AND SELLERS

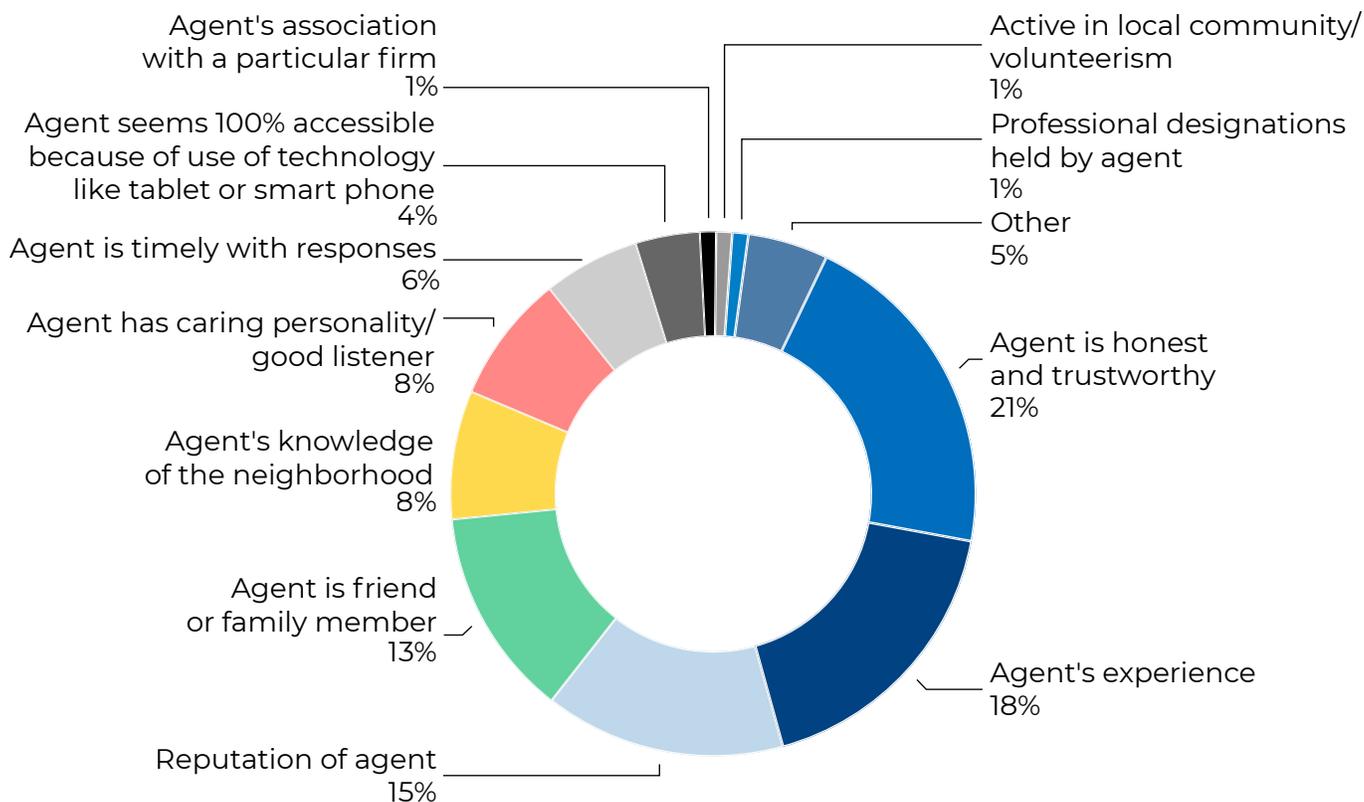
**Exhibit 4-15 Number of Real Estate Agents Interviewed by First-Time and Repeat Buyers**

(Percentage Distribution)



**Exhibit 4-16 Most Important Factors When Choosing an Agent**

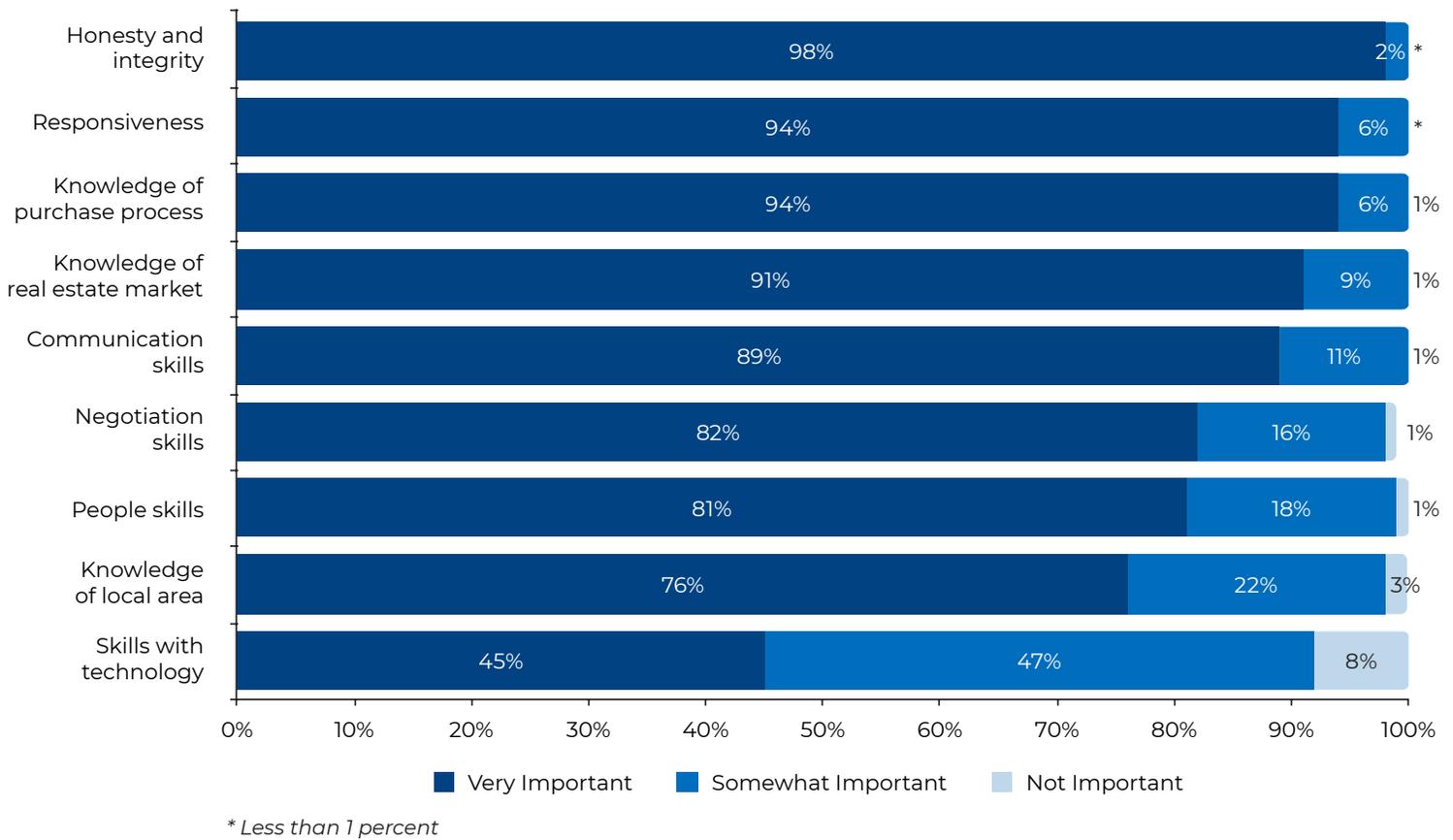
(Percentage Distribution)



## CHAPTER 4: Home Buying and Real Estate Professionals

### Exhibit 4-17 Importance of Real Estate Agent Skills and Qualities

(Percentage Distribution)



### Exhibit 4-18 Agent Skills and Qualities Considered "Very Important" by First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percent of Respondents)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Honesty and integrity	98%	97%	98%	98%	98%
Responsiveness	94%	93%	95%	95%	94%
Knowledge of purchase process	94%	96%	92%	93%	94%
Knowledge of real estate market	91%	88%	92%	93%	91%
Communication skills	89%	90%	88%	90%	88%
Negotiation skills	82%	83%	82%	82%	82%
People skills	81%	80%	81%	82%	80%
Knowledge of local area	76%	70%	78%	80%	75%
Skills with technology	45%	44%	46%	46%	45%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 4–19 Agent Skills and Qualities Considered "Very Important" by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD					
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Honesty and integrity	98%	97%	98%	97%	98%	95%
Responsiveness	94%	94%	96%	89%	95%	95%
Knowledge of purchase process	94%	93%	95%	91%	95%	93%
Knowledge of real estate market	91%	91%	92%	90%	89%	90%
Communication skills	89%	88%	92%	81%	91%	96%
Negotiation skills	82%	81%	87%	77%	86%	82%
People skills	81%	80%	84%	77%	80%	83%
Knowledge of local area	76%	76%	77%	74%	69%	73%
Skills with technology	45%	44%	48%	42%	47%	57%

### Exhibit 4–20 Importance of Agent Communications

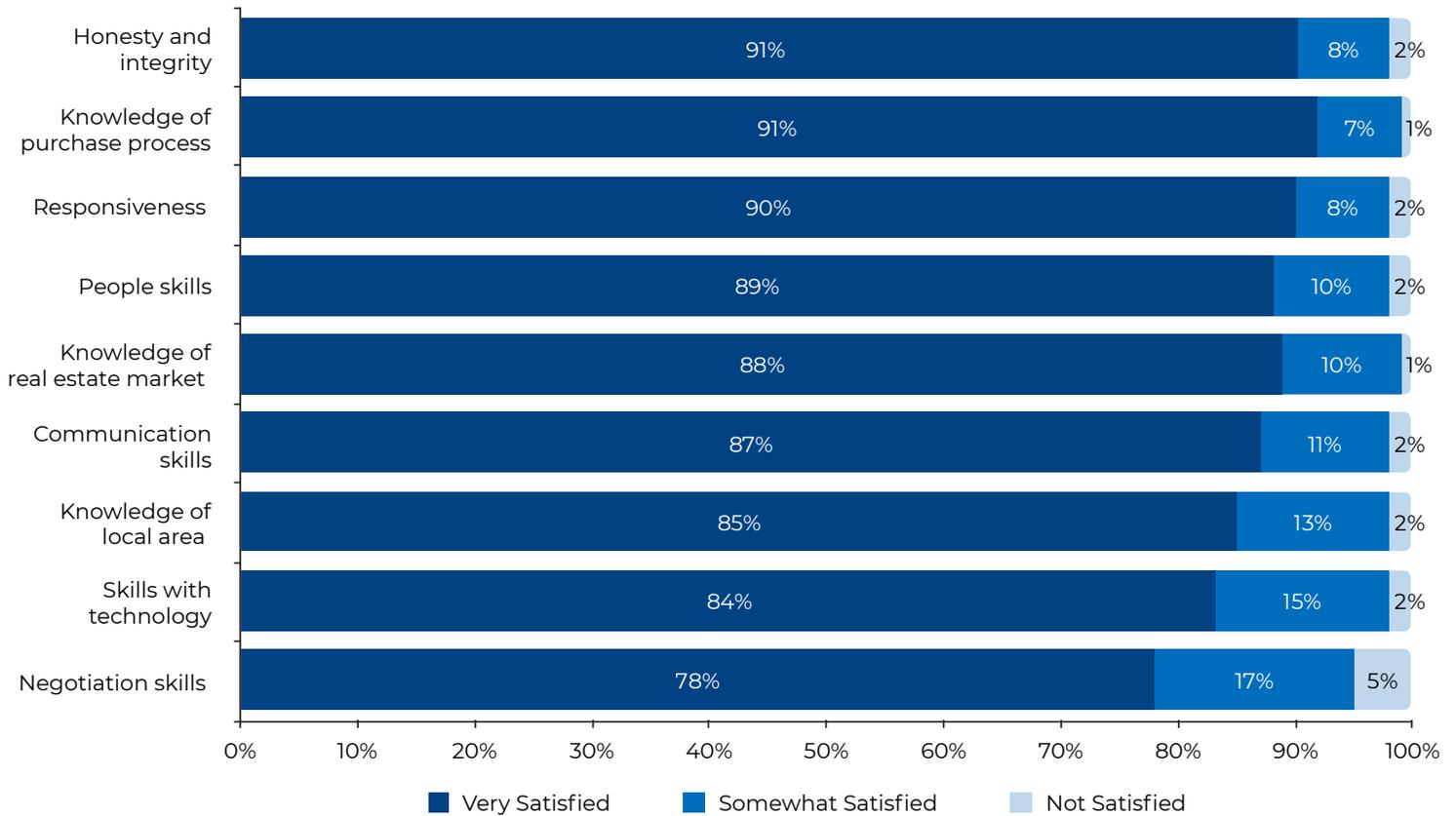
(Percent of Respondents)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Calls personally to inform me of activities	72%	68%	74%
Sends me postings as soon as a property is listed/the price changes/under contract	69%	68%	70%
Sends me property info and communicates via text message	68%	71%	67%
Sends me emails about my specific needs	52%	56%	50%
Can send market reports on recent listings and sales	50%	46%	51%
Has a website	29%	26%	31%
Has a mobile site to show properties	27%	25%	28%
Active in local community/volunteerism	13%	13%	12%
Is active on social media	14%	15%	13%
Sends me an email newsletter	8%	8%	7%
Advertises in newspapers	3%	2%	3%
Has a blog	1%	1%	1%

## CHAPTER 4: Home Buying and Real Estate Professionals

### Exhibit 4–21 Satisfaction With Real Estate Agent Skills and Qualities

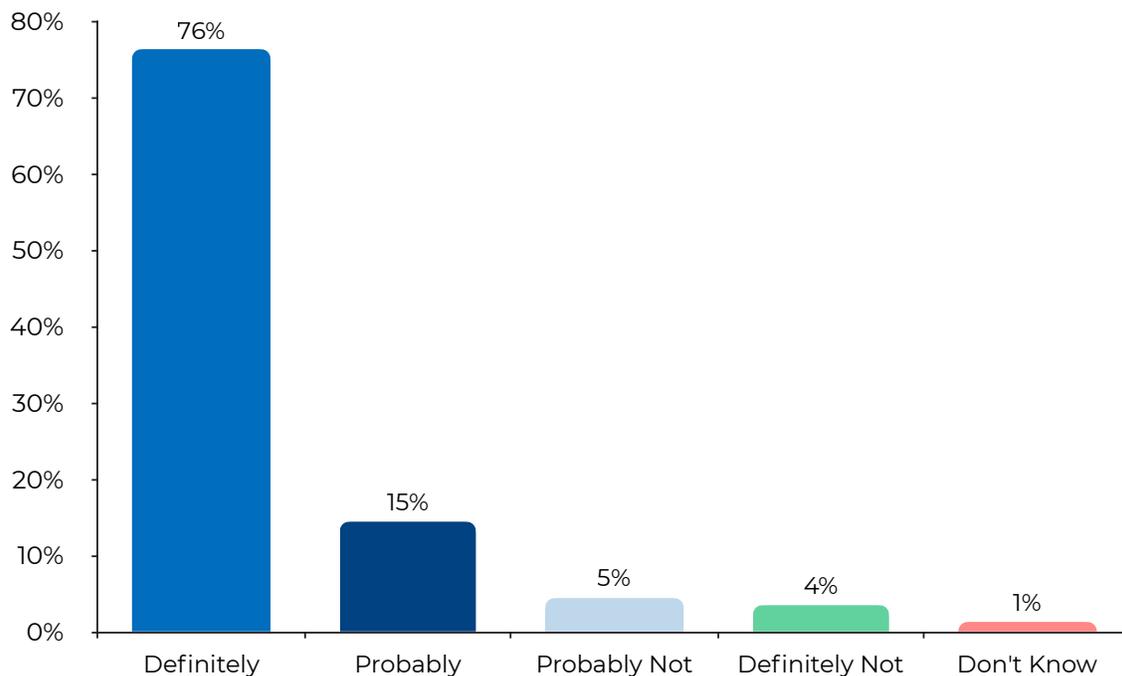
(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 4–22 Would Buyer Use Real Estate Agent Again or Recommend to Others

(Percentage Distribution)



### Exhibit 4–23 How Many Times Buyer Recommended Agent

(Percentage Distribution)

	ALL BUYERS
None	34%
One time	16%
Two times	18%
Three times	11%
Four or more times	22%
Times recommended since buying (median)	2



# 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. NAR has collected data since 1989 on the median downpayment for all buyers, as well as first-time and repeat buyers alike. Eighty-seven percent of all buyers financed their homes last year, consistent with previous years. Younger buyers were more likely to finance their home purchase.

In 2020, the median downpayment was 12 percent for all buyers, seven percent for first-time buyers, and 16 percent for repeat buyers. Comparing this to previous years, in 1989 the median downpayment for all buyers was 20 percent, 10 percent for first-time buyers, and 23 percent for repeat buyers. Between 1991 and 1999, the median downpayment was closer to 10 percent for all buyers, peaking back up to 18 percent in 2001. In 2006 to 2008, the median downpayment was nine percent followed by eight percent in 2009 and 2010. For all buyers, the median downpayment remained steady at 10 percent from 2013 until 2017 but rose to 13 percent in 2018, the highest it's been since 2005.

For repeat buyers, the median downpayment hovered around a steady 20 percent through 2005, with a peak at its highest percent at 25 percent in 2001. In 2006 it began decreasing and hit its lowest at 11 percent in 2016. The downpayment for repeat buyers bounced back up to 16 percent in 2018 and has remained there since. For first-time buyers, the median downpayment has been 10 percent or below since 1989. The downpayment dropped to its lowest point in 2005 and 2006 at just two percent. The median downpayment for first-time buyers increased to six percent in 2014, until rising to seven percent in 2018, dipping back to six percent in 2019, and then bumping back up to seven percent in 2020.

Savings remained a key source of the downpayment for home buyers, both for first-time and repeat buyers alike. Fifty-eight percent of recent home buyers used their savings to finance their home purchase. Overall, this is still above the historical norm of 55 percent since 2000 when the report began tracking sources of the downpayment. Sixty-seven percent of buyers did not need to make any financial sacrifices to purchase their home. For those who did, the most common sacrifices buyers reported were cutting spending on luxury goods, entertainment, and clothes.

While the number of home buyers who reported that obtaining a mortgage was more difficult than expected (28 percent in 2020) was considerably higher in the 2009 and 2010 reports, it has steadily decreased in the last few years. Conventional financing was the most common mortgage type, followed by FHA loans, primarily among first-time home buyers again this year.

## CHAPTER 5: Financing the Home Purchase

### Exhibits 5-1 through 5-4

Eighty-seven percent of all buyers financed their homes in 2020, up slightly from 86 percent last year. Consistent with previous years, younger buyers were more likely to finance their home purchase. Ninety-seven percent of buyers aged 18 to 44 years old financed, whereas only 66 percent of buyers over the age of 65 years financed their home.

First-time home buyers were more likely to finance their home at 95 percent than repeat buyers at 83 percent. Nearly all married couples that were first-time home buyers financed their homes at 95 percent compared to only 77 percent of single female repeat buyers.

This year, 14 percent of buyers, fairly consistent with the last four years, financed 100 percent of the entire purchase price with a mortgage. The median percent financed for first-time buyers was 93 percent compared to 84 percent for repeat buyers, which was about the same as last year. The median percent financed for all buyers was 88 percent.

In 2020, the median downpayment was 12 percent for all buyers, seven percent for first-time buyers, and 16 percent for repeat buyers. In 1989, the median downpayment for all buyers was 20 percent, 10 percent for first-time buyers, and 23 percent for repeat buyers. The downpayment has either decreased or held steady since 2005, but the past two years have seen an increasing trend towards higher downpayments.

**“Buyers continue to see purchasing a home as a good financial investment. Eighty-three percent reported believing that a home purchase is a good investment and 42 percent said it was better than owning stock.”**

### Exhibits 5-5 and 5-6

Fifty-eight percent of recent home buyers used their savings to finance their home purchase, similar to 60 percent last year and 58 percent in 2018. 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 38 percent, remaining steady from last year. For repeat buyers, proceeds from the sale of a primary residence was the most common way to finance a home purchase at 54 percent, up from 47 percent in 2014 and more than double the 25 percent in 2012. This is likely due to the increase in property values, allowing buyers to use a higher share of equity from their previous home. For first-time buyers, they cited using savings (79 percent) and a gift from relative or friend (22 percent).

Unmarried couples surpassed single males with the highest percent of savings used for the downpayment at 72 percent. Seventy-four percent of single males used savings for their downpayment in 2015, which declined to 64 percent in 2020 but is up from 62 percent in 2018. Married couples and single females were the most likely to use proceeds from the sale of a primary home (44 percent and 35 percent respectively).

### Exhibits 5-7 through 5-9

Slightly less than a quarter of buyers (24 percent) were delayed in purchasing a home by more than five years if they had debt that impeded them. The median length of time buyers waited to buy a home while saving for the downpayment and paying down debt was three years, down from 4 years in 2019. Buyers were asked what difficulties they encountered in their home search and home buying process. The share that cited their most difficult step in the home buying process was saving for a downpayment was 11 percent this year down from 13 percent in 2019. These buyers were asked what expenses made saving for a downpayment difficult. Forty-seven percent reported student loans, 43 percent reported high rent/current mortgage payment, and 36 percent cited credit card debt.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

For first-time home buyers, 25 percent said saving for a downpayment was the most difficult step in the process. Of that share, 51 percent said student loan debt delayed them in saving for a home. Among the five percent of repeat buyers who reported that saving for a downpayment was the most difficult task, 44 percent reported that high rent or their current mortgage payment delayed them saving. Eighteen percent of unmarried couples reported saving for a downpayment was the most difficult task in the home buying process, more than any other household composition. Of that 18 percent, 58 percent reported student loans delayed their savings and 44 percent report their car loan delayed their savings.

### Exhibits 5-10 and 5-11

Some buyers chose to make financial sacrifices in order to make a home purchase. Sixty-seven percent of buyers did not need to make any sacrifices. For all buyers, the most common sacrifices reported were a cut in spending on luxury or non-essential items (23 percent), a cut in spending on entertainment (15 percent), and a cut in spending on clothes (12 percent). First-time buyers were more likely to make sacrifices than repeat buyers—52 percent compared to 24 percent made sacrifices, respectively. Unmarried couples reported making the most financial sacrifices at 44 percent.

### Exhibits 5-12 through 5-16

Twenty-eight percent of buyers said the mortgage application process was at least somewhat more difficult than expected and 24 percent said it was easier than expected. Forty-eight percent of buyers said that the mortgage application and approval process was no more difficult than expected. Twenty-five percent of first-time buyers said that the mortgage application and approval process was somewhat more difficult than expected, compared to 17 percent of repeat buyers. Single females were more likely than other groups to report the process was easier than expected at 29 percent.

Four percent of successful home buyers did have a mortgage application rejected from a mortgage lender before securing a mortgage. They typically had a median of one rejection. The most common reasons for the buyer reporting they were rejected was because of their debt to income ratio (35 percent), low credit score (24 percent), because their income was unable to be verified (14 percent), not enough money in reserves (eight percent), or insufficient downpayment (six percent).

Twenty-two percent of all buyers reported having student loan debt. That number jumps to 37 percent for first-time buyers and drops to 15 percent for repeat buyers. The median amount of student loan debt for all buyers was \$30,000, which is consistent among first-time and repeat buyers.

Seven 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.

### Exhibits 5-17 and 5-18

Ninety-two percent of all buyers used a fixed-rate mortgage. Sixty-four percent of buyers chose a conventional loan to finance their home, slightly up from last year. Sixteen percent of buyers reported securing a FHA loan and 14 percent chose a VA loan. First-time buyers sought FHA loans more commonly than repeat buyers at 24 percent compared to 11 percent. Repeat buyers largely used conventional loans at 69 percent, compared to 54 percent of first-time buyers.

### Exhibits 5-19 and 5-20

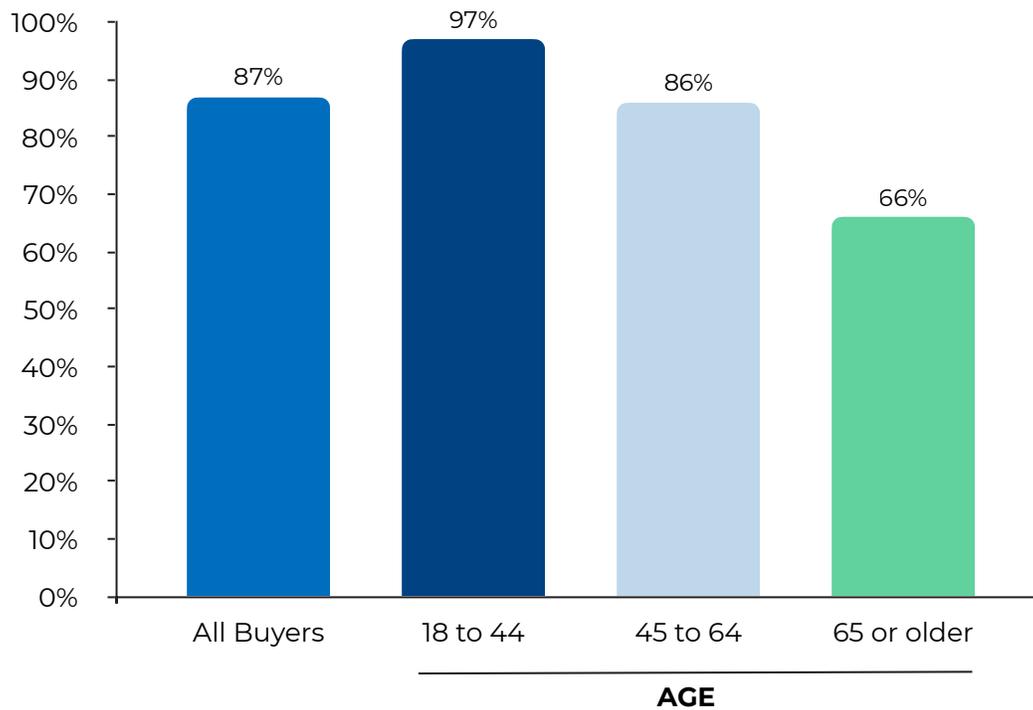
Buyers continue to see purchasing a home as a good financial investment. Eighty-three percent reported believing that a home purchase is a good investment and 42 percent said it was better than owning stock. Only four percent reported that it was not a good financial investment. Eighty-five percent of first-time buyers see owning a home as a sound financial endeavor compared to 82 percent of repeat buyers. Unmarried couples are most likely to feel their home is a good financial investment at 86 percent.

**“In 2020, the median downpayment was 12 percent for all buyers, seven percent for first-time buyers, and 16 percent for repeat buyers.”**

## CHAPTER 5: Financing the Home Purchase

### Exhibit 5-1 Buyers Who Financed Their Home Purchase, by Age

(Percentage Distribution)



### Exhibit 5-2 Buyers Who Financed Their Home Purchase, by Adult Composition of Household

(Percentage Distribution)

#### ADULT COMPOSITION OF HOUSEHOLD

	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
All Buyers	87%	87%	83%	85%	95%	81%
First-time Buyers	95%	95%	95%	94%	98%	90%
Repeat Buyers	83%	84%	77%	81%	90%	76%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

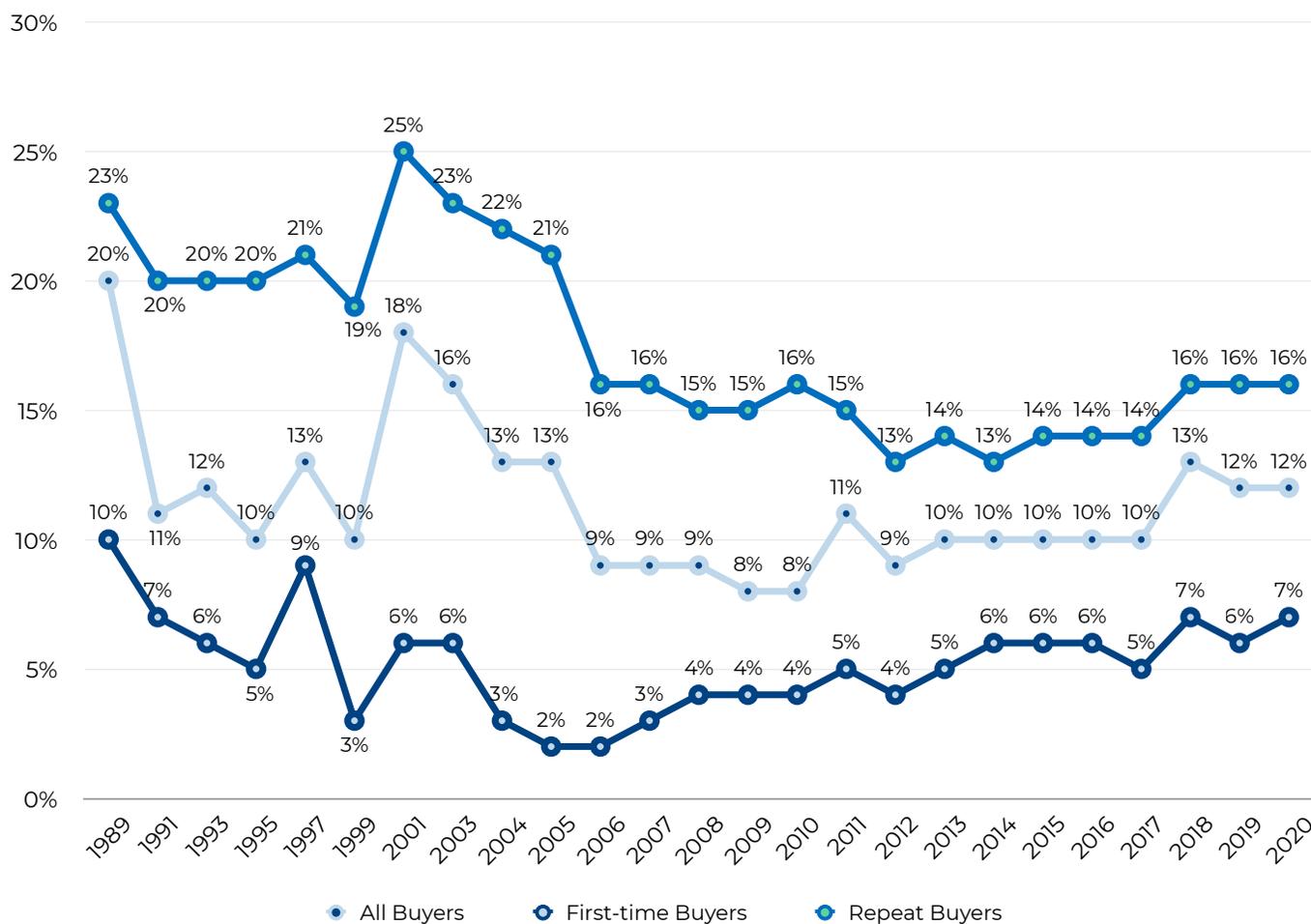
### Exhibit 5-3 Percent of Home Financed by First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Less than 50%	11%	7%	13%	14%	10%
50% to 59%	4%	1%	5%	4%	4%
60% to 69%	5%	2%	6%	5%	5%
70% to 79%	13%	8%	16%	16%	12%
80% to 89%	23%	20%	24%	22%	23%
90% to 94%	14%	18%	12%	13%	15%
95% to 99%	17%	27%	12%	15%	17%
100%—Financed the entire purchase price with a mortgage	14%	17%	12%	12%	14%
Median percent financed	88%	93%	84%	85%	88%

### Exhibit 5-4 Median Percent Downpayment by First-Time and Repeat Buyers, 1989-2020

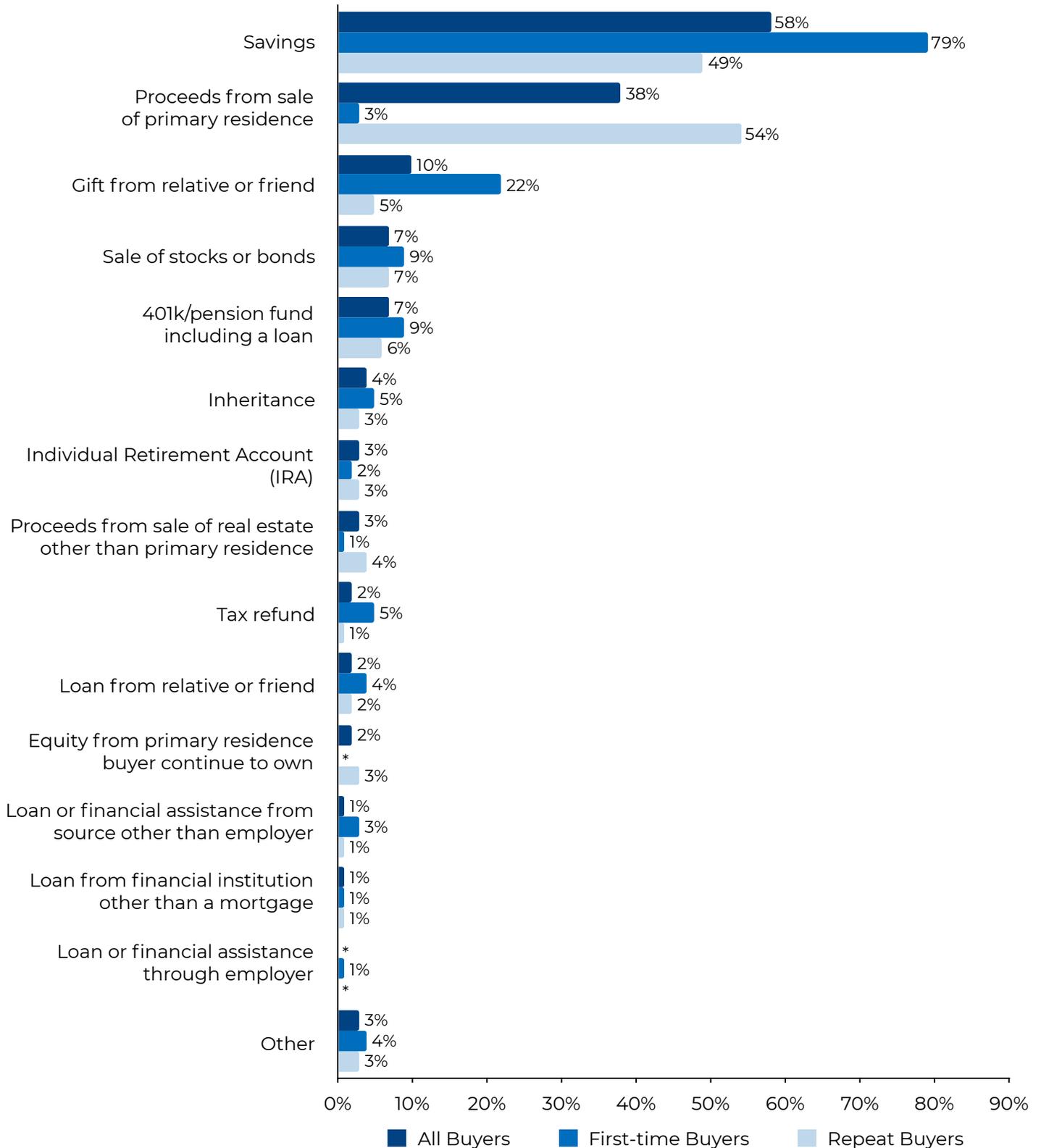
(Percentage Distribution)



# CHAPTER 5: Financing the Home Purchase

## Exhibit 5-5 Sources of Downpayment, First-Time and Repeat Buyers

(Percent of Respondents Among Those Who Made a Downpayment)



\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 5-6 Sources of Downpayment, by Adult Composition of Household

(Percent of Respondents Among Those Who Made a Downpayment)

#### ADULT COMPOSITION OF HOUSEHOLD

	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Savings	58%	57%	54%	64%	72%	51%
Proceeds from sale of primary residence	38%	44%	35%	26%	22%	35%
Gift from relative or friend	10%	9%	11%	9%	17%	16%
Sale of stocks or bonds	7%	7%	6%	11%	9%	6%
401k/pension fund including a loan	7%	7%	7%	5%	9%	7%
Inheritance	4%	4%	4%	5%	5%	8%
Tax refund	2%	2%	2%	3%	5%	1%
Loan from relative or friend	2%	2%	2%	2%	3%	2%
Individual Retirement Account (IRA)	3%	3%	4%	3%	2%	7%
Proceeds from sale of real estate other than primary residence	3%	3%	3%	3%	1%	3%
Equity from primary residence buyer continue to own	2%	3%	1%	1%	2%	4%
Loan or financial assistance from source other than employer	1%	1%	1%	2%	1%	3%
Loan from financial institution other than a mortgage	1%	1%	1%	*	1%	1%
Loan or financial assistance through employer	*	*	*	*	1%	*
Other	3%	2%	4%	4%	2%	5%

\* Less than 1 percent

### Exhibit 5-7 Years Debt Delayed Home Buyers From Saving for a Downpayment or Buying a Home

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
One year	18%	16%	22%
Two years	21%	21%	21%
Three years	14%	16%	11%
Four years	7%	7%	6%
Five years	16%	15%	17%
More than five years	24%	25%	22%
Median	3	3	3

## CHAPTER 5: Financing the Home Purchase

### Exhibit 5-8 Expenses That Delayed Saving for a Downpayment or Saving for a Home Purchase, by First-Time and Repeat Buyers

(Percent of Respondents Who Reported Saving for a Downpayment was Difficult)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Share Saving for Downpayment was Most Difficult Task in Buying Process:	11%	25%	5%
<b>DEBT THAT DELAYED SAVING:</b>			
Student Loans	47%	51%	36%
High rent/current mortgage payment	43%	43%	44%
Credit card debt	36%	34%	40%
Car loan	35%	34%	37%
Child care expenses	12%	10%	17%
Health care costs	11%	10%	12%
Other	13%	13%	11%
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	2	2	2

### Exhibit 5-9 Expenses That Delayed Saving for a Downpayment or Saving for a Home Purchase, by Adult Composition of Household

(Percent of Respondents Who Reported Saving for a Downpayment Was Difficult)

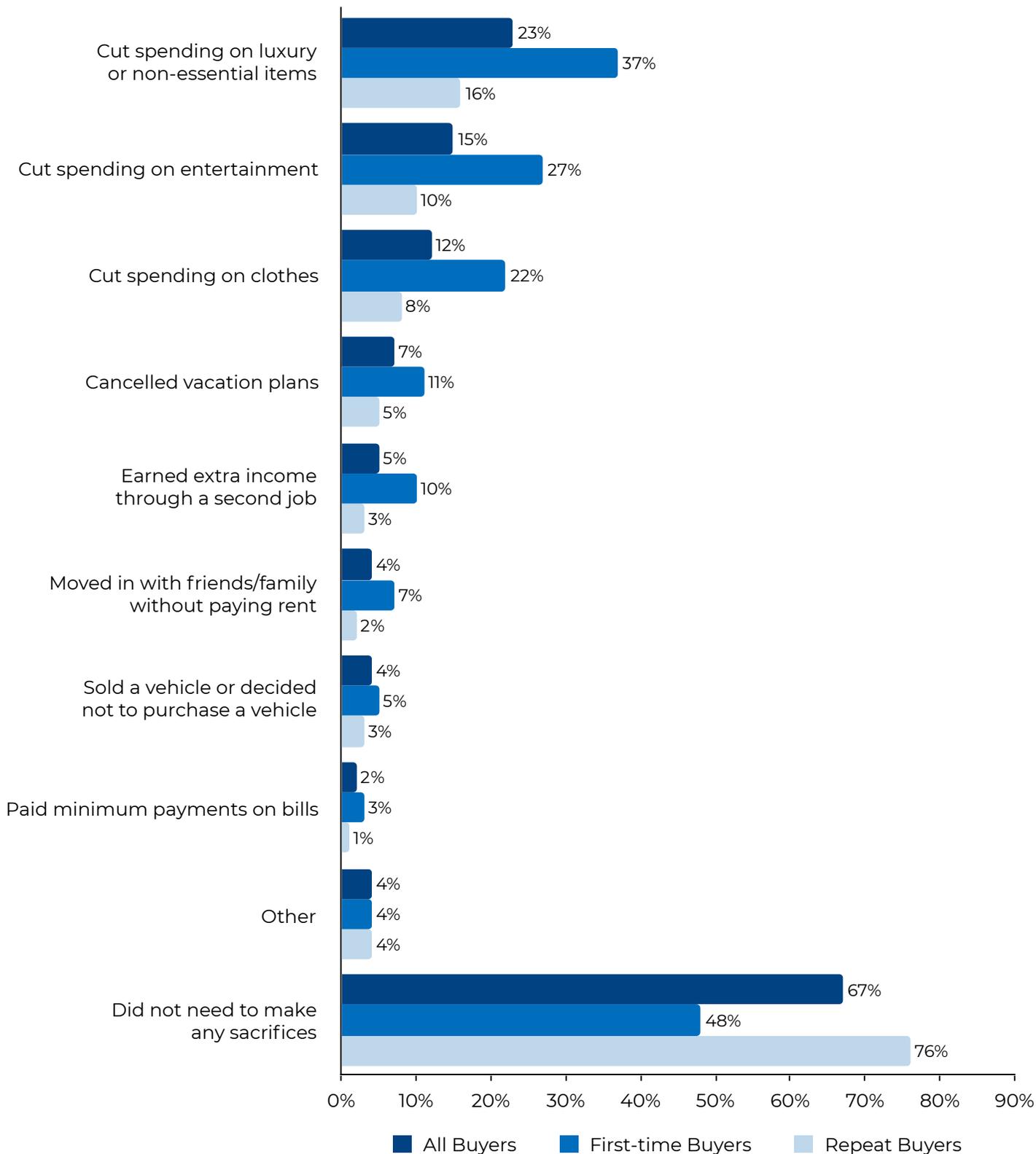
	ADULT COMPOSITION OF HOUSEHOLD					
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Share Saving for Downpayment was Most Difficult Task in Buying Process:	11%	11%	11%	12%	18%	12%
<b>DEBT THAT DELAYED SAVING:</b>						
Student Loans	47%	45%	51%	32%	58%	29%
High rent/current mortgage payment	43%	47%	36%	39%	42%	25%
Credit card debt	36%	35%	40%	29%	35%	55%
Car loan	35%	31%	39%	32%	44%	35%
Child care expenses	12%	15%	6%	8%	9%	*
Health care costs	11%	12%	5%	9%	10%	29%
Other	13%	12%	12%	17%	14%	10%
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	2	2	2	1	3	4

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 5-10 Sacrifices Made To Purchase Home, by First-Time and Repeat Buyers

(Percent of Respondents)



## CHAPTER 5: Financing the Home Purchase

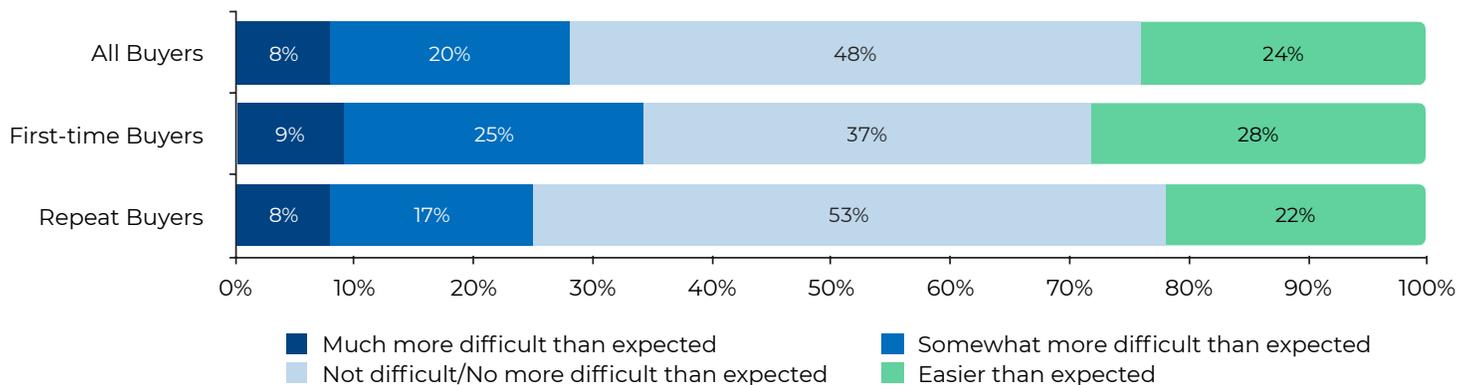
### Exhibit 5-11 Sacrifices Made To Purchase Home, by Adult Composition of Household

(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD					
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Cut spending on luxury or non-essential items	23%	20%	27%	17%	33%	25%
Cut spending on entertainment	15%	14%	19%	14%	23%	18%
Cut spending on clothes	12%	10%	19%	9%	17%	16%
Cancelled vacation plans	7%	7%	7%	5%	6%	11%
Earned extra income through a second job	5%	4%	6%	5%	7%	5%
Sold a vehicle or decided not to purchase a vehicle	4%	4%	2%	4%	6%	8%
Moved in with friends/family without paying rent	4%	3%	5%	3%	3%	4%
Paid minimum payments on bills	2%	2%	2%	1%	3%	4%
Other	4%	3%	5%	5%	3%	5%
Did not need to make any sacrifices	67%	69%	61%	71%	56%	63%

### Exhibit 5-12 Difficulty of Mortgage Application and Approval Process, by First-Time and Repeat Buyers

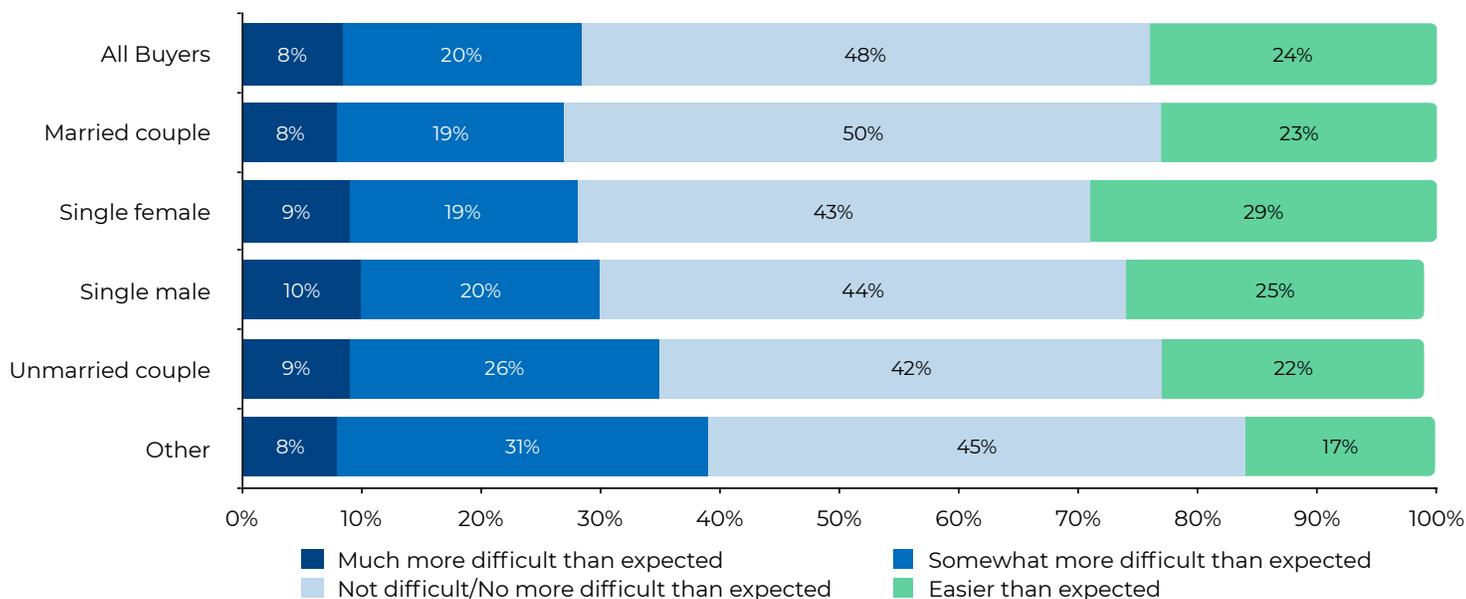
(Percentage Distribution Among Those Who Financed Their Home Purchase)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 5-13 Difficulty of Mortgage Application and Approval Process, by Adult Composition of Household

(Percentage Distribution Among Those Who Financed Their Home Purchase)



### Exhibit 5-14 Buyer Mortgage Application Had Been Rejected From Mortgage Lender

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Have had application denied	4%	6%	4%
Median number of times application was denied	1	1	1
<b>BUYER REASONS WHY REJECTED BY MORTGAGE LENDER</b>			
Debt to income ratio	35%	38%	32%
Low credit score	24%	33%	17%
Income was unable to be verified	14%	13%	15%
Not enough money in reserves	8%	6%	11%
Insufficient downpayment	6%	6%	5%
Too soon after refinancing another property	2%	3%	*
Don't know	8%	7%	9%
Other	29%	22%	34%

\* Less than 1 percent

## CHAPTER 5: Financing the Home Purchase

### Exhibit 5-15 Buyers Who Have Student Loan Debt

(Percentage Distribution)

	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS
Have student loan debt	22%	37%	15%
Under \$10,000	18%	18%	17%
\$10,000 to \$24,999	25%	24%	26%
\$25,000 to \$49,999	23%	25%	20%
\$50,000 to \$74,999	15%	14%	15%
\$75,000 or more	21%	20%	21%
Median amount of student loan debt	\$30,000	\$30,000	\$30,000

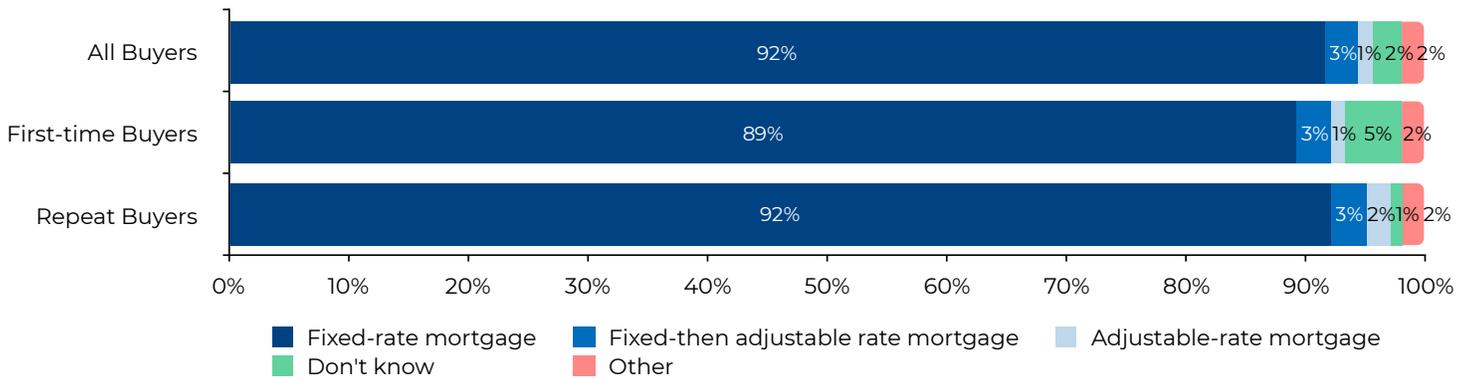
### Exhibit 5-16 Buyer Previously Sold a Distressed Property (Short Sale or Foreclosure)

(Percentage Distribution)

	ALL BUYERS
Previously had a distressed property sale	7%
Median year of sale	2011

### Exhibit 5-17 Type of Mortgage, First-Time and Repeat Buyers

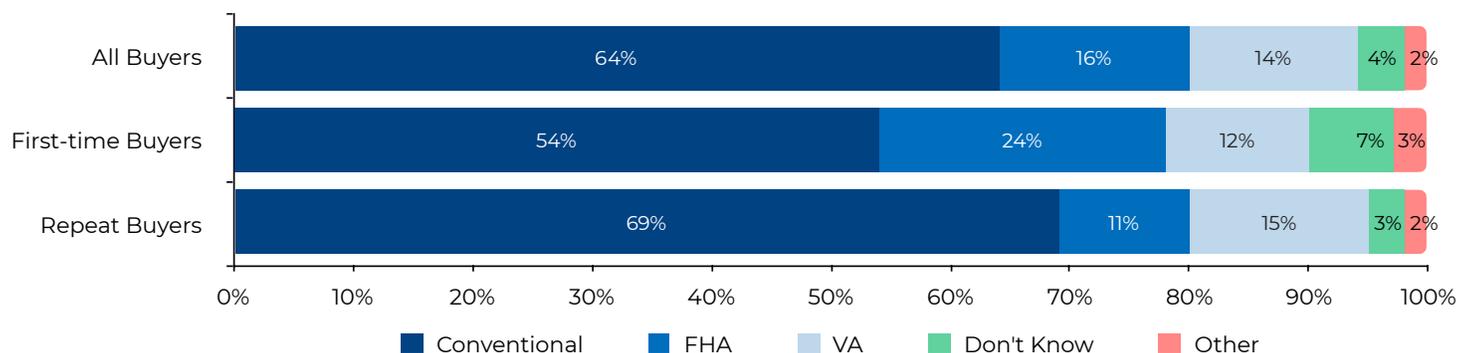
(Percentage Distribution Among Those Who Financed Their Home Purchase)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 5-18 Type of Loan, First-Time and Repeat Buyers

(Percentage Distribution Among Those Who Financed Their Home Purchase)



### Exhibit 5-19 Buyers' View of Homes as a Financial Investment, First-Time and Repeat Buyers, and Buyers of New and Previously Owned Homes

(Percentage Distribution)

	BUYERS OF				
	ALL BUYERS	FIRST-TIME BUYERS	REPEAT BUYERS	NEW HOMES	PREVIOUSLY OWNED HOMES
Good financial investment	83%	85%	82%	84%	83%
Better than stocks	42%	44%	41%	39%	42%
About as good as stocks	29%	30%	28%	28%	29%
Not as good as stocks	13%	11%	13%	17%	12%
Not a good financial investment	4%	2%	5%	6%	4%
Don't know	13%	13%	13%	10%	13%

### Exhibit 5-20 Buyers' View of Homes as a Financial Investment, by Adult Composition of Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD					
	ALL BUYERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER
Good financial investment	83%	83%	82%	83%	86%	78%
Better than stocks	42%	41%	43%	41%	43%	44%
About as good as stocks	29%	28%	30%	28%	32%	21%
Not as good as stocks	13%	14%	9%	14%	11%	13%
Not a good financial investment	4%	4%	4%	6%	1%	4%
Don't know	13%	12%	15%	10%	13%	18%



# CHAPTER 6:

## Home Sellers and their Selling Experience

NAR has collected data on the median tenure in the home since 1985. In 2020, the median tenure for sellers was 10 years. In 1985, the median tenure was just five years. In the last 30 years, sellers have remained in the same home for longer periods of time. From 1987 to 2008, sellers stayed in the home for a median of six years, with the only exception of 1997 when the median tenure bumped up to seven years. After 2008, the median tenure in the home began to increase by one year each year. While, there has been some change in recent years, in 2019 and 2020 the tenure has remained at a high of 10 years.

Tightened inventory continues to cause prices to increase in many areas of the country. While housing inventory was reduced in many areas, sellers saw a favorable market where they received a median of 99 percent of their asking price and sold their homes typically within three weeks.

Increased home prices have lowered the share of home sellers who report they delayed the sale of their home because their home was worth less than their mortgage. That share of sellers dropped from seven percent in the 2019 report to six percent in 2020. However, sellers who purchased their home 11 to 20 years ago continue to report stalling their home sale at higher rates—10 percent of sellers reported delaying their home sale.

The typical seller had \$66,000 in equity in their home when their home sold, in comparison to the purchase price of their home.

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibits 6–1 through 6–6

The typical age of home sellers was 56 this year, up from 46 in 2009. The median income in 2019 for the typical household was \$106,500, up from \$102,900 just last year. Incomes in the Northeast and West were typically higher than in the Midwest and South.

The share of married couples selling their home was 71 percent this year, down slightly from 72 percent last year. Single females who sold their home held steady this year at 16 percent. Of all homes sold on the market, 68 percent did not have children under the age of 18 residing in the home.

For all sellers, 90 percent identified as White or Caucasian and 98 percent of households speak English as their primary language.

### Exhibits 6–7 and 6–8

For repeat sellers, 23 percent sold their home in 2020, 45 percent in 2019, 15 percent sold in 2018 or earlier, and only four percent have not been able to sell yet. Eight percent did not plan to sell their home. Two-thirds (69 percent) were repeat sellers, and the share of first-time home sellers was 31 percent.

### Exhibits 6–9 through 6–20

The majority of home sellers in 2020 reported they purchased a home in the same state as they sold a home at 70 percent. Sixteen percent of home sellers moved to another region of the country, and 14 percent remained in the same region but moved to a nearby state. Half of the homes sold (51 percent) were located in the suburbs or a subdivision. Thirty-seven percent of the homes sold this year were located in the South region, 25 percent were in the West region, 24 percent were in the Midwest region, and 14 percent were in the Northeast.

Detached single-family homes were the most common homes sold at 80 percent. Townhome and row houses sold at six percent and multi-unit apartments or condos buildings sold at four percent. Townhomes and condos were more common in urban and central city areas at eight percent and 10 percent, respectively.

Forty-four percent of sellers traded up and purchased a home that was larger in size than what they previously owned, 30 percent bought a home that was similar in size, and 28 percent traded down and purchased a home that was smaller in size. For buyers 75 years in age and older, they bought a home that was 100 square feet smaller. Buyers 55 years in age and older also downsized and purchased a home 100 square feet smaller. For buyers who were 44 years and younger, they purchased a home 600 to 700 square feet larger. The typical home had two bedrooms and two bathrooms, slightly smaller than the year prior.

Sixty-one percent of all sellers purchased a home that was newer in age than their previous home. Twenty-one percent purchased a home the same age, and 26 percent purchased an older home. Forty-nine percent of sellers traded up to purchase a more expensive home than the home they just sold, 27 percent purchased a less expensive home, and 23 percent purchased a home similar in price. Buyers who are 54 and younger typically bought a more expensive home than the one they just sold. Buyers aged 35 to 44 bought the most expensive trade-ups this year by an increase of \$98,900. Buyers aged 55 and over typically bought a less expensive home.

For all sellers, the most commonly cited reason for selling their home was the desire to move closer to friends and family (15 percent), followed by the home was too small (14 percent), a change in family situation (12 percent), and a job relocation (11 percent). For sellers that moved the greatest distances, the primary reason was to relocate for a job. For sellers moving within 10 miles, the most common reason was the home was too small, followed by the home being too large, and a change in family situation. First-time sellers were most likely to sell because their home was too small (28 percent), and repeat sellers were most likely to sell to be closer to friends and family (19 percent).

### Exhibits 6–21 and 6–22

Six percent of recent sellers stalled or delayed their home sale because their home was worth less than their mortgage. Ninety-five percent were able to sell when they wanted to. Eight percent of first-time buyers stalled but lived in the home, compared to four percent for repeat buyers. Ten percent of those who purchased their home 11 to 20 years ago reported stalling or waiting to sell the home.

**“For all sellers, time on market was a median of three weeks. In the Northeast, South and West, it was a median of three weeks, and just two weeks in the Midwest.”**

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibits 6–23 and 6–25

The median number of years a seller remained in their home was 10 years. That number was still higher than reported in 2001 to 2008 where the tenure in the home was only six years. The highest tenure in a home was for detached single-family homes, where sellers typically lived for 11 years, followed by mobile or manufactured homes which sold typically after nine years. Sellers who were 18 to 34 years of age had the shortest tenure in their homes—selling within five years, compared to those 65 years of age or older who remained in their homes typically for 16 years. In 1985, the median tenure was just five years, doubling to 10 years this year.

### Exhibits 6–26 and 6–27

Sellers decided to buy close to where they previously lived, moving a median of 20 miles away. In the Northeast and Midwest, sellers typically moved within 15 and 14 miles respectively, compared to 20 miles in the South and 35 miles in the West. This trend varied with age, where sellers between 35 to 44 years only moved within 10 miles. Sellers of 65 to 74 years moved over 100 miles away 40 percent of the time.

### Exhibits 6–28 through 6–31

Eighty-nine percent of home sellers worked with a real estate agent to sell their home, the same as last year. The share of FSBO sales remains below the historic norm at eight percent this year. From 2001 to 2008, FSBO sales ranged from 12 percent to 14 percent. Working with an agent was highest in the West and Northeast at 92 and 91 percent respectively, and lowest in the South and Midwest at 89 percent and 88 percent, respectively. FSBO sales were highest in the Northeast and Midwest at nine percent and eight percent, respectively. Less than one percent of recent sellers used an iBuyer program to sell their home.

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.

Of all home sellers, only eight percent reported that they knew the buyer of their home. Among those sellers that were assisted by an agent, four percent knew the buyer. In contrast, 51 percent of FSBO sellers said they knew the buyer of their home before the transaction.

### Exhibits 6–32 through 6–36

For recently sold homes, the final sales price was a median 99 percent of the final listing price. In the West, the median of 99 percent of final sales price was as high as 100 percent of the listing price compared to 98 percent in the Northeast. For all sellers, time on market was a median of three weeks. In the Northeast, South and West, it was a median of three weeks, and just two weeks in the Midwest. Time on the market and the ratio of sales price to listing price have a strong relationship; generally, the longer a home is on the market the greater the discount from the listing price upon sale. Homes that were on the market for two weeks or less received a median of 100 percent of their asking price. Twenty-nine percent of sellers who sold their home in less than a week, sold for more than the asking price. Homes that were on the market for 17 weeks or more typically received just 94 percent of the sale price compared to the listing price. Thirty-eight percent of sellers reported their home was on the market for two weeks or less.

Homes which are on the market longer tend to reduce their listing price. Ninety-two percent of homes that were listed on the market for less than one week did not reduce their asking price. For homes that were listed for three to four weeks, 34 percent reduced their asking price overall and 25 percent reduced the asking price only once. For homes on the market for 17 weeks or more, only 16 percent were sold at the initial asking price.

**“Sixty-nine percent of sellers were ‘very satisfied’ with the selling process. Twenty-one percent were somewhat satisfied.”**

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibits 6–37 and 6–38

Forty-six percent of all sellers offered incentives to attract buyers. This varies by region, and was the most common in the South, West, and Midwest and less likely in the Northeast. Home warranty policies followed by assistance with closing costs were the top two listed incentives when selling a home. As might be expected, the longer a home is on the market, the more likely the seller is to add an incentive. For homes that were listed on the market for over 17 weeks, 70 percent offered some kind of incentive compared to only 24 percent of homes that were listed for less than one week.

### Exhibit 6–39

This year, home sellers cited that they sold their homes for a median of \$66,000 more than they purchased it, up from \$60,000 the year prior. This accounted for a 33 percent price gain, up from 31 percent the year before. Generally, the longer a seller is in the home the greater the increase attributable to price appreciation. Sellers who owned their homes for eight to 10 years reported roughly selling their homes for \$79,900 more than they purchased it. That number dropped to \$49,800 between 11 and 15 years, and then increased again. Homes sold after 21 years reported a price gain of \$152,300.

### Exhibit 6–40

Sixty-nine percent of sellers were ‘very satisfied’ with the selling process. Twenty-one percent were somewhat satisfied. Ten percent were dissatisfied with the process.

**“For all sellers, the most commonly cited reason for selling their home was the desire to move closer to friends and family (15 percent), followed by the home was too small (14 percent), a change in family situation (12 percent), and a job relocation (11 percent).”**



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6-1 Age of Home Sellers, by Region

(Percentage Distribution)

#### SELLERS WHO SOLD A HOME IN THE

	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
18 to 34 years	11%	10%	14%	10%	9%
35 to 44 years	19%	20%	22%	17%	18%
45 to 54 years	17%	16%	16%	17%	16%
55 to 64 years	22%	21%	20%	22%	23%
65 to 74 years	24%	27%	21%	25%	24%
75 years or older	9%	6%	6%	10%	10%
Median age (years)	56	56	53	57	59

### Exhibit 6-2 Household Income of Home Sellers, 2019

(Percentage Distribution)

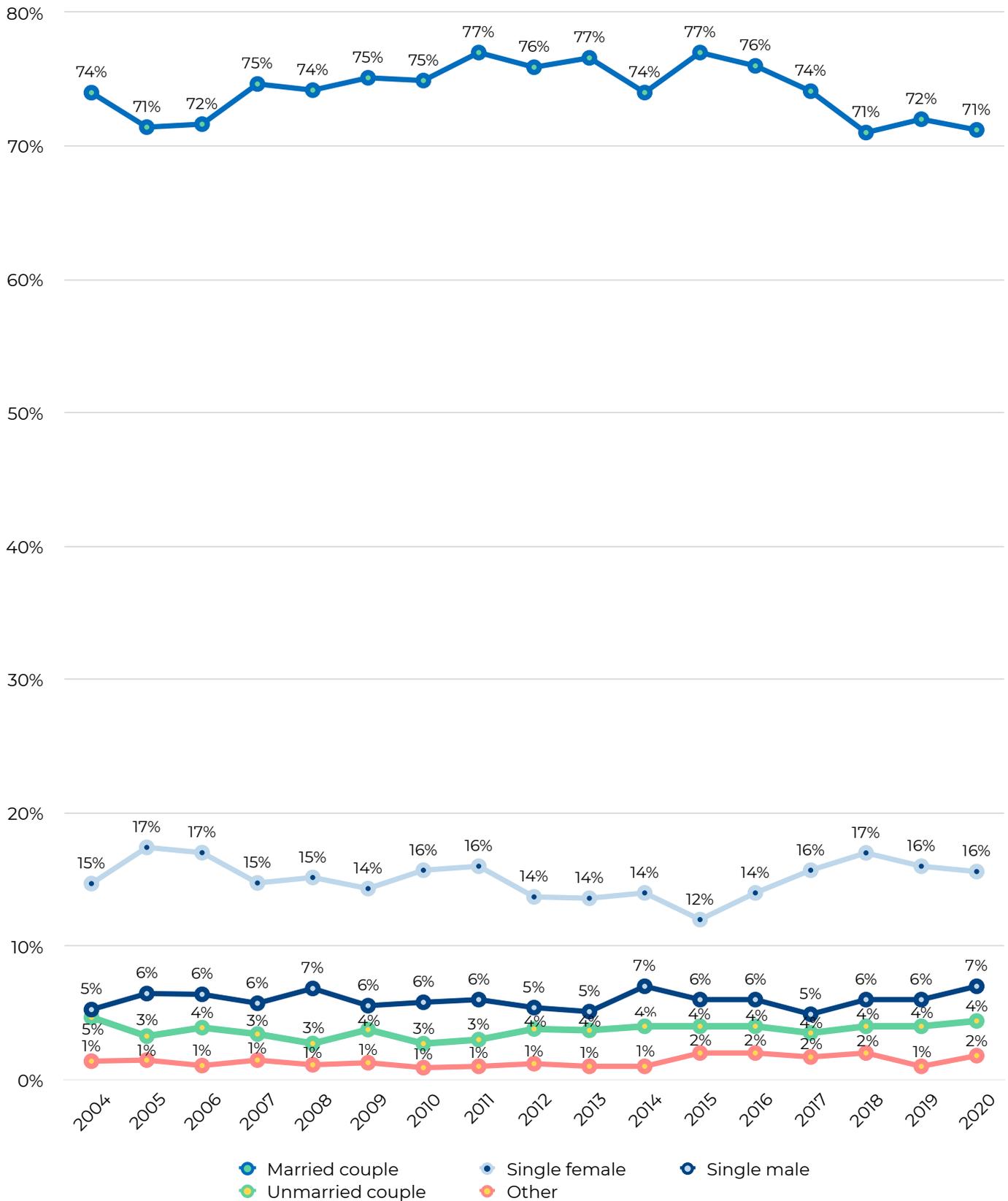
#### SELLERS WHO SOLD A HOME IN THE

	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
Less than \$25,000	2%	1%	2%	2%	4%
\$25,000 to \$34,999	3%	4%	3%	3%	3%
\$35,000 to \$44,999	4%	4%	5%	4%	4%
\$45,000 to \$54,999	6%	4%	5%	6%	8%
\$55,000 to \$64,999	6%	6%	7%	6%	6%
\$65,000 to \$74,999	7%	7%	8%	8%	6%
\$75,000 to \$84,999	8%	8%	9%	7%	7%
\$85,000 to \$99,999	9%	8%	10%	10%	8%
\$100,000 to \$124,999	15%	18%	15%	15%	14%
\$125,000 to \$149,999	11%	13%	12%	10%	10%
\$150,000 to \$174,999	8%	6%	7%	9%	7%
\$175,000 to \$199,999	5%	5%	5%	5%	6%
\$200,000 or more	15%	17%	11%	15%	18%
Median income (2019)	\$106,500	\$111,100	\$101,700	\$106,700	\$107,100

# CHAPTER 6: Home Sellers and Their Selling Experience

## Exhibit 6-3 Adult Composition of Home Seller Households

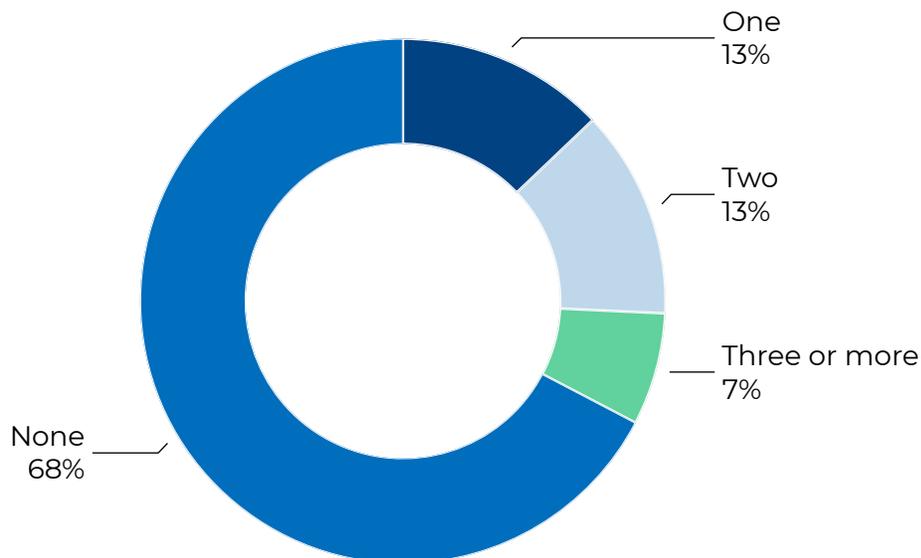
(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6-4 Number of Children Under the Age of 18 Residing in Home Seller Household

(Percentage Distribution of Home Seller Households)



### Exhibit 6-5 Race/Ethnicity of Home Sellers, by Region

(Percent of Respondents)

#### SELLERS WHO SOLD A HOME IN THE

	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
White/Caucasian	90%	91%	94%	88%	88%
Hispanic/Latino/Mexican/Puerto Rican	4%	3%	2%	5%	7%
Asian/Pacific Islander	3%	4%	3%	2%	4%
Black/African-American	3%	1%	2%	5%	1%
Other	2%	3%	2%	2%	3%

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.

### Exhibit 6-6 Primary Language Spoken in Home Seller Household, by Region

(Percentage Distribution)

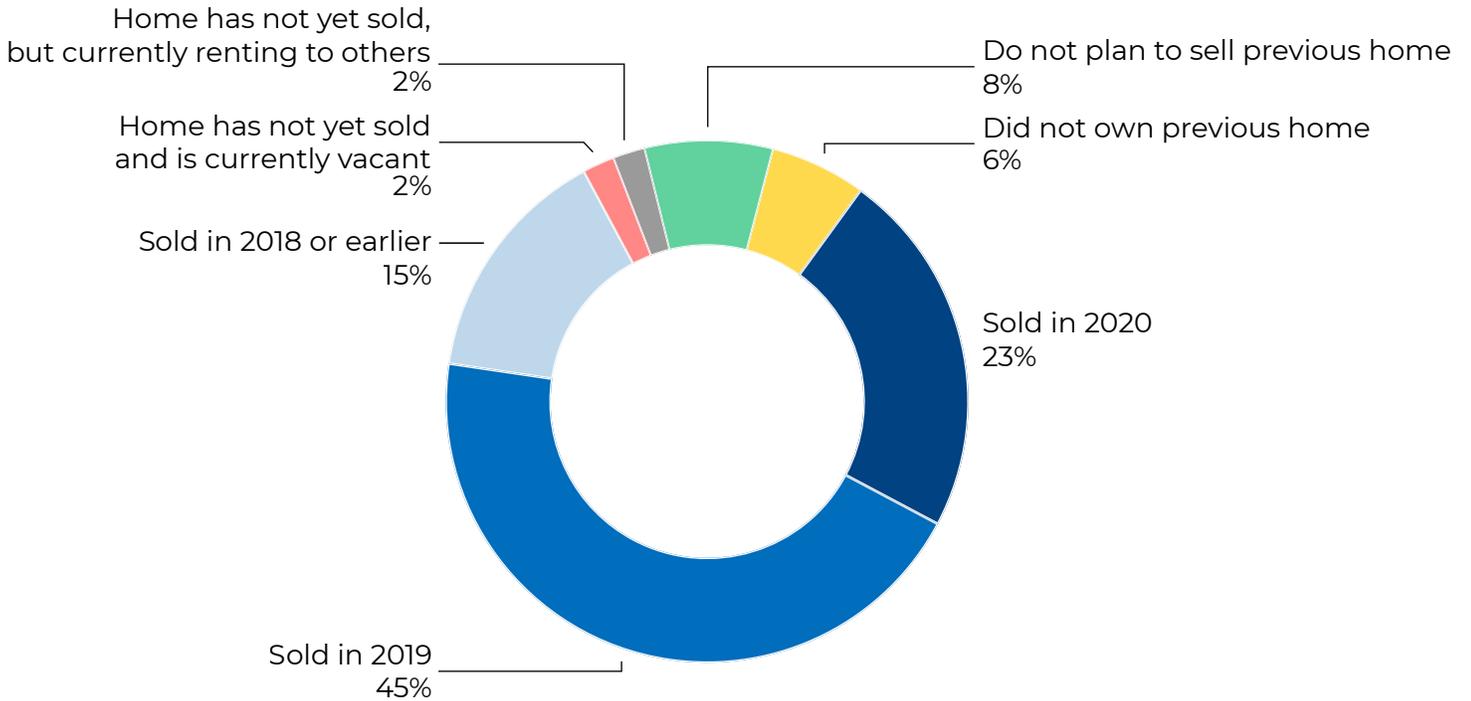
#### SELLERS WHO SOLD A HOME IN THE

	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
English	98%	97%	98%	98%	98%
Other	2%	3%	2%	2%	2%

## CHAPTER 6: Home Sellers and Their Selling Experience

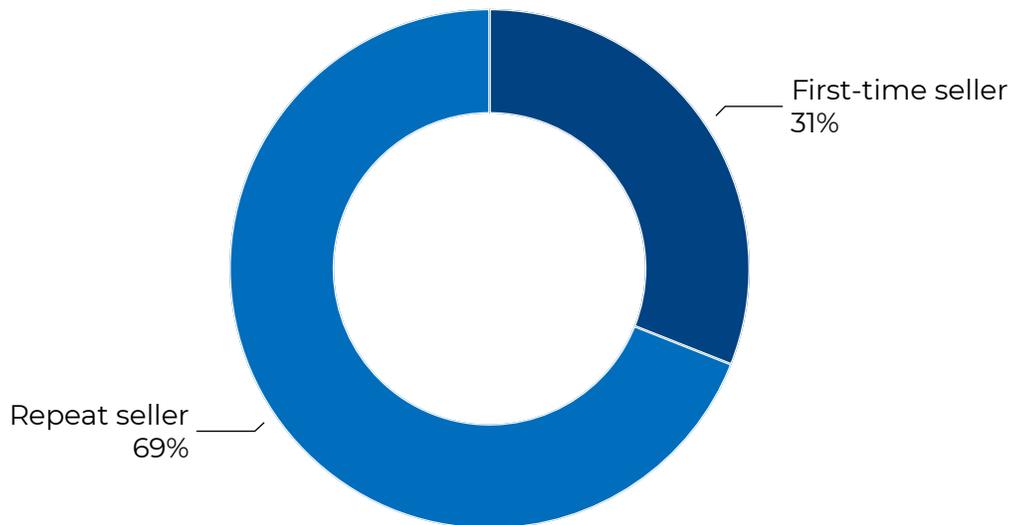
### Exhibit 6-7 Home Selling Situation Among Repeat Buyers

(Percentage Distribution)



### Exhibit 6-8 First-Time or Repeat Seller

(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6-9 Homes Sold and for Sale, by Region

(Percentage Distribution)

	HOMES SOLD	HOME HAS NOT YET SOLD AND IS CURRENTLY VACANT	HOME HAS NOT YET SOLD, BUT CURRENTLY RENTING TO OTHERS
Northeast	14%	18%	14%
Midwest	24%	24%	22%
South	37%	43%	44%
West	25%	15%	21%

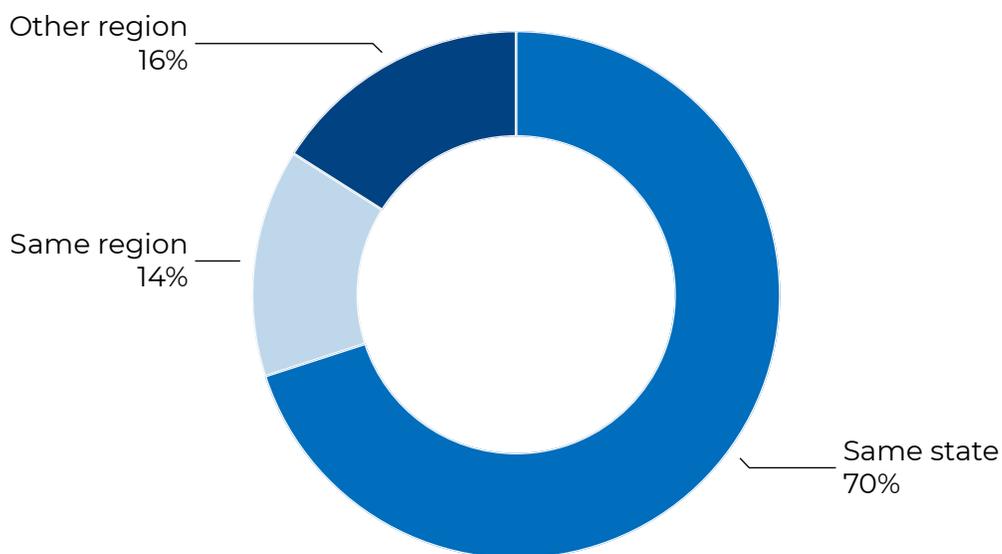
### Exhibit 6-10 Location of Home Sold

(Percentage Distribution)

	HOMES SOLD	HOME HAS NOT YET SOLD AND IS CURRENTLY VACANT	HOME HAS NOT YET SOLD, BUT CURRENTLY RENTING TO OTHERS
Suburb/Subdivision	51%	43%	36%
Small town	18%	27%	13%
Urban area/Central city	13%	11%	35%
Rural area	15%	16%	12%
Resort/Recreation area	3%	3%	5%

### Exhibit 6-11 Proximity of Home Sold to Home Purchased

(Percentage Distribution)



## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6-12 Type of Home Sold, by Location

(Percentage Distribution)

	SELLERS WHO SOLD A HOME IN A					
	ALL SELLERS	SUBURB/ SUBDIVISION	SMALL TOWN	URBAN/ CENTRAL CITY	RURAL AREA	RESORT/ RECREATION AREA
Detached single-family home	80%	82%	84%	70%	84%	62%
Townhouse/row house	6%	8%	5%	8%	1%	3%
Apartment/condo in a building with 5 or more units	4%	3%	2%	10%	1%	8%
Duplex/apartment/condo in 2 to 4 unit building	4%	4%	2%	9%	1%	6%
Other	6%	2%	7%	2%	13%	21%

### Exhibit 6-13 Size of Home Purchased Compared to Home Recently Sold

(Percentage Distribution)

SIZE OF HOME SOLD	SIZE OF HOME PURCHASED					
	1,000 SQ FT OR LESS	1,001 SQ FT TO 1,500 SQ FT	1,501 SQ FT TO 2,000 SQ FT	2,001 SQ FT TO 2,500 SQ FT	2,501 SQ FT TO 3,000 SQ FT	MORE THAN 3,000 SQ FT
1,000 SQ FT OR LESS	*	*	1%	*	*	*
1,001 TO 1,500 SQ FT	*	3%	4%	4%	2%	1%
1,501 TO 2,000 SQ FT	*	3%	7%	7%	4%	4%
2,001 TO 2,500 SQ FT	*	2%	5%	7%	5%	7%
2,501 TO 3,000 SQ FT	*	1%	2%	4%	4%	5%
MORE THAN 3,000 SQ FT	*	1%	2%	4%	4%	9%

\* Less than 1 percent

■ 44% Trading Up   ■ 30% Remaining at the Same Size Range   ■ 28% Trading Down

### Exhibit 6-14 Size of Home Purchased Compared to Home Recently Sold, by Age of Seller

(Median Square Feet)

	SIZE OF HOME SOLD	SIZE OF HOME PURCHASED	DIFFERENCE
18 to 34 years	1,600	2,300	700
35 to 44 years	1,800	2,400	600
45 to 54 years	2,000	2,300	300
55 to 64 years	2,100	2,000	-100
65 to 74 years	2,000	1,900	-100
75 years or older	2,000	1,900	-100

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6-15 Number of Bedrooms and Bathrooms by Adult Composition of Household and Children in Household

(Percentage Distribution)

	ADULT COMPOSITION OF HOUSEHOLD						CHILDREN IN HOME	
	ALL SELLERS	MARRIED COUPLE	SINGLE FEMALE	SINGLE MALE	UNMARRIED COUPLE	OTHER	CHILDREN UNDER 18 IN HOME	NO CHILDREN IN HOME
One bedroom	1%	1%	2%	4%	1%	2%	1%	1%
Two bedrooms	13%	10%	24%	15%	25%	13%	8%	16%
Three bedrooms or more	86%	89%	74%	81%	75%	86%	91%	83%
Median number of bedrooms	3	3	3	3	3	3	3	3
One full bathroom	16%	15%	21%	18%	24%	13%	20%	14%
Two full bathrooms	57%	56%	59%	55%	64%	61%	53%	58%
Three full bathrooms or more	27%	30%	21%	27%	12%	27%	27%	28%
Median number of full bathrooms	2	2	2	2	2	2	2	2

### Exhibit 6-16 Age of Home Purchased Compared to Home Recently Sold

(Percentage Distribution)

YEAR HOME SOLD WAS BUILT	YEAR PURCHASED HOME WAS BUILT								
	2020	2019	2018 THROUGH 2013	2012 THROUGH 2007	2006 THROUGH 2001	2000 THROUGH 1985	1984 THROUGH 1959	1958 THROUGH 1916	1915 AND OLDER
2020	*	*	*	*	*	*	*	*	*
2019	*	*	*	*	*	*	*	*	*
2018 THROUGH 2013	1%	2%	1%	1%	1%	1%	1%	1%	*
2012 THROUGH 2007	1%	2%	1%	1%	1%	2%	1%	1%	*
2006 THROUGH 2001	1%	3%	2%	2%	3%	3%	1%	1%	*
2000 THROUGH 1985	2%	4%	2%	2%	3%	7%	5%	1%	*
1984 THROUGH 1959	2%	1%	2%	2%	4%	6%	5%	3%	1%
1958 THROUGH 1916	1%	*	1%	1%	2%	3%	3%	4%	1%
1915 AND OLDER	*	*	1%	*	*	1%	1%	2%	*

\* Less than 1 percent

61% Purchased a Newer Home    21% Purchased a Home the Same Age    26% Purchased Older Home

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6-17 Price of Home Purchased Compared to Home Recently Sold

(Percentage Distribution)

#### PRICE OF HOME PURCHASED

PRICE OF HOME SOLD	LESS THAN \$100,000	\$100,000 TO \$149,999	\$150,000 TO \$199,999	\$200,000 TO \$249,999	\$250,000 TO \$299,999	\$300,000 TO \$349,999	\$350,000 TO \$399,999	\$400,000 TO \$499,999	\$500,000 OR MORE
LESS THAN \$100,000	1%	1%	1%	1%	1%	*	*	*	*
\$100,000 TO \$149,999	1%	2%	3%	2%	1%	*	*	*	*
\$150,000 TO \$199,999	1%	1%	3%	3%	3%	1%	1%	1%	*
\$200,000 TO \$249,999	*	1%	2%	2%	3%	3%	2%	1%	1%
\$250,000 TO \$299,999	*	*	1%	2%	2%	2%	2%	2%	1%
\$300,000 TO \$349,999	*	*	1%	2%	1%	1%	2%	2%	1%
\$350,000 TO \$399,999	*	*	*	1%	1%	1%	1%	2%	2%
\$400,000 TO \$499,999	*	*	*	1%	1%	1%	2%	2%	4%
\$500,000 OR MORE	*	*	*	*	1%	1%	1%	3%	9%

\* Less than 1 percent

■ 49% Trading Up   ■ 21% Remaining at the Same Price Range   ■ 27% Trading Down

### Exhibit 6-18 Price of Home Purchased Compared to Home Recently Sold, by Age of Seller

(Median)

	PRICE OF HOME SOLD	PRICE OF HOME PURCHASED	DIFFERENCE
18 to 34 years	\$229,800	\$322,400	\$92,600
35 to 44 years	\$255,900	\$354,800	\$98,900
45 to 54 years	\$314,900	\$329,900	\$15,000
55 to 64 years	\$317,800	\$295,000	-\$22,800
65 to 74 years	\$299,900	\$288,100	-\$11,800
75 years or older	\$292,500	\$265,000	-\$27,500

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6–19 Primary Reason for Selling Previous Home, by Miles Moved

(Percentage Distribution)

	MILES MOVED						
	ALL SELLERS	10 MILES OR LESS	11 TO 20 MILES	21 TO 50 MILES	51 TO 100 MILES	101 TO 500 MILES	501 MILES OR MORE
Want to move closer to friends or family	15%	3%	12%	18%	24%	40%	30%
Home is too small	14%	30%	20%	12%	5%	2%	1%
Change in family situation (e.g., marriage, birth of a child, divorce)	12%	13%	13%	12%	8%	4%	5%
Job relocation	11%	1%	1%	3%	8%	20%	27%
Home is too large	9%	14%	14%	7%	10%	1%	2%
Neighborhood has become less desirable	7%	9%	12%	11%	7%	4%	2%
Moving due to retirement	7%	2%	3%	5%	12%	14%	16%
Want to move closer to current job	5%	2%	5%	12%	12%	3%	2%
Upkeep of home is too difficult due to health or financial limitations	4%	6%	4%	4%	4%	1%	2%
Can not afford the mortgage and other expenses of owning home	2%	1%	3%	2%	3%	3%	2%
Schools became less desirable	1%	2%	1%	4%	*	*	*
Unfit living conditions due to environmental factors	*	*	*	*	*	*	*
To avoid possible foreclosure	*	*	*	*	*	*	*
Other	12%	16%	13%	11%	10%	7%	8%

\* Less than 1 percent

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6–20 Primary Reason for Selling Previous Home, by First-Time and Repeat Sellers

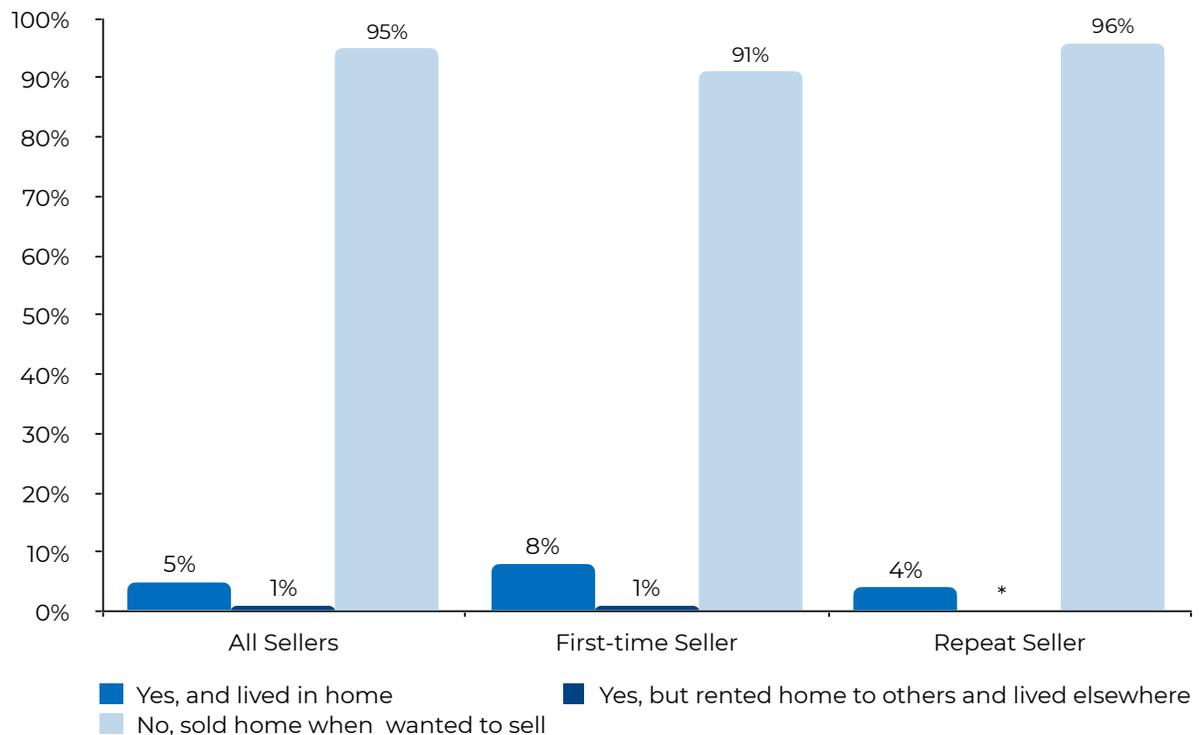
(Percentage Distribution)

	ALL SELLERS	FIRST-TIME SELLER	REPEAT SELLER
Want to move closer to friends or family	15%	10%	19%
Home is too small	14%	28%	11%
Change in family situation (e.g., marriage, birth of a child, divorce)	12%	11%	9%
Job relocation	11%	11%	9%
Home is too large	9%	3%	12%
Neighborhood has become less desirable	7%	8%	7%
Moving due to retirement	7%	4%	9%
Want to move closer to current job	5%	7%	3%
Upkeep of home is too difficult due to health or financial limitations	4%	2%	5%
Can not afford the mortgage and other expenses of owning home	2%	1%	2%
Schools became less desirable	1%	3%	1%
Unfit living conditions due to environmental factors	*	*	*
To avoid possible foreclosure	*	*	*
Other	12%	11%	13%

\* Less than 1 percent

### Exhibit 6–21 Seller Wanted To Sell Earlier but Waited or Stalled Because Home Was Worth Less than Mortgage, by First-Time and Repeat Sellers

(Percentage Distribution)

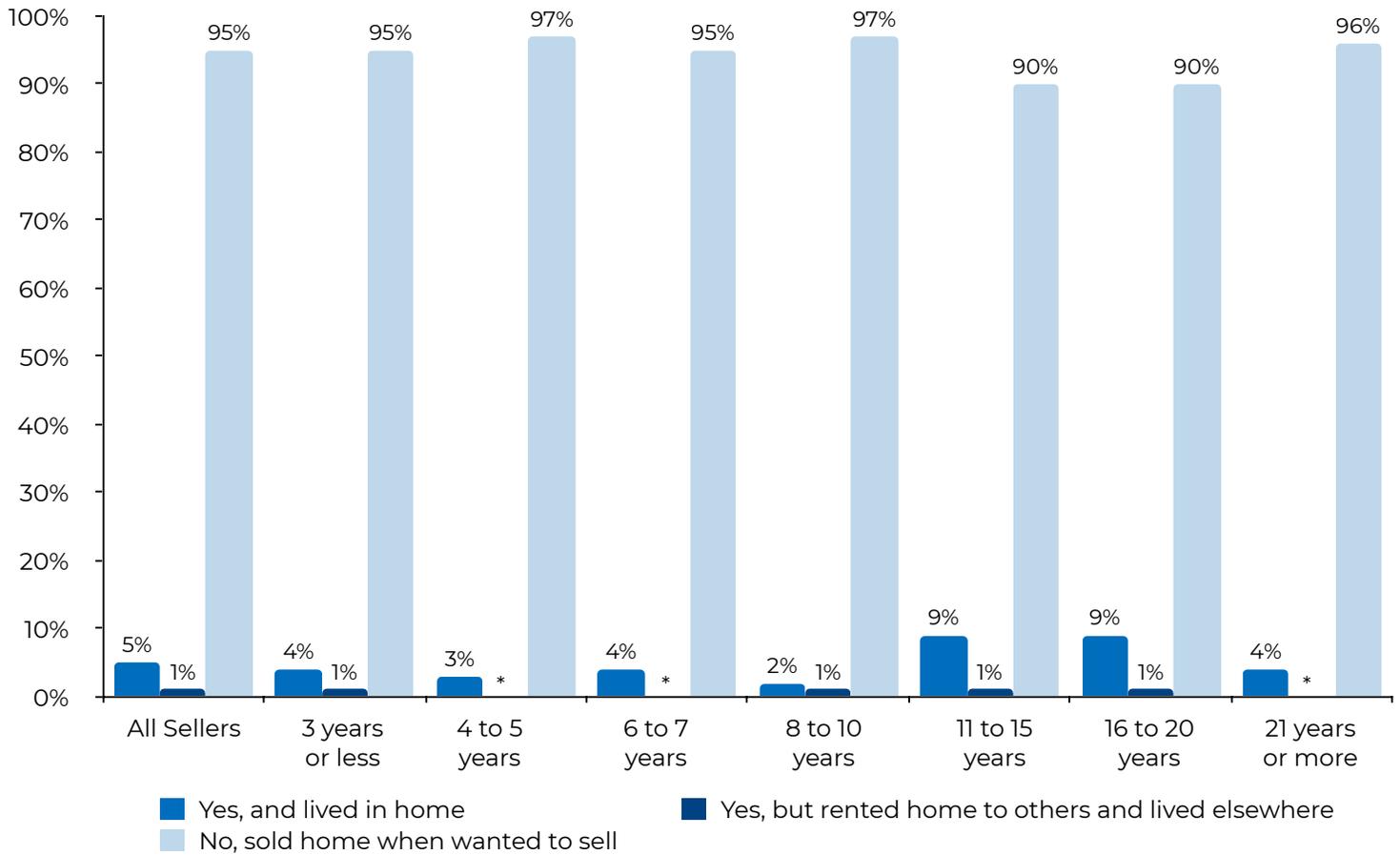


\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6–22 Seller Wanted To Sell Earlier but Waited or Stalled Because Home Was Worth Less than Mortgage, by Tenure in Home

(Percentage Distribution)



\* Less than 1 percent

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6–23 Tenure in Previous Home

(Percentage Distribution)

	ALL TYPES	CABIN/ COTTAGE	DUPLEX/ APARTMENT/ CONDO IN 2-4 UNIT STRUCTURE	APARTMENT/ CONDO IN BUILDING WITH 5 OR MORE UNITS	TOWNHOUSE/ ROW HOUSE	DETACHED SINGLE-FAMILY HOME	MOBILE/ MANUFACTURED HOME	OTHER
1 year or less	4%	3%	6%	5%	4%	4%	5%	4%
2 to 3 years	11%	21%	12%	15%	22%	10%	4%	7%
4 to 5 years	14%	15%	15%	18%	18%	13%	15%	9%
6 to 7 years	12%	13%	18%	15%	13%	11%	15%	7%
8 to 10 years	11%	10%	14%	12%	10%	11%	17%	13%
11 to 15 years	16%	13%	16%	24%	20%	15%	16%	11%
16 to 20 years	13%	8%	8%	4%	5%	14%	14%	15%
21 years or more	20%	18%	11%	5%	8%	22%	14%	35%
Median	10	7	7	6	7	11	9	15

### Exhibit 6–24 Tenure in Previous Home, by Age of Seller

(Percentage Distribution)

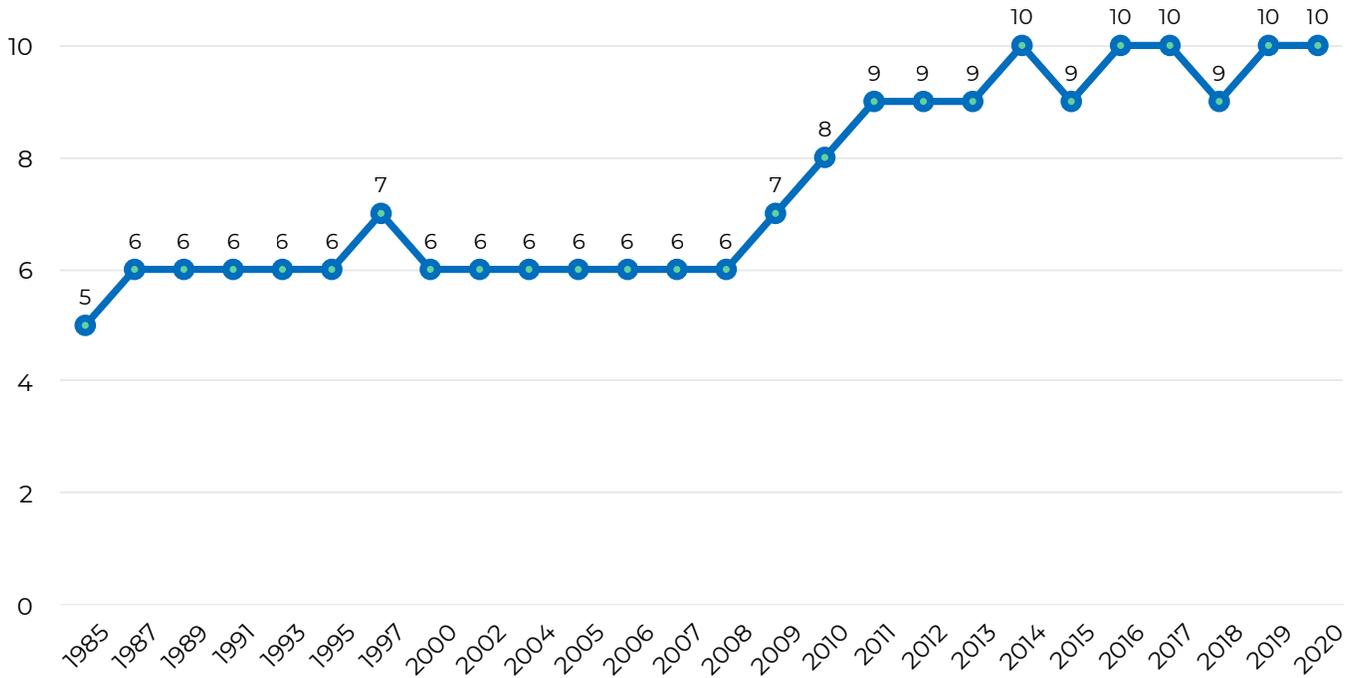
	AGE OF HOME SELLER						
	ALL SELLERS	18 TO 34 YEARS	35 TO 44 YEARS	45 TO 54 YEARS	55 TO 64 YEARS	65 TO 74 YEARS	75 YEARS OR OLDER
1 year or less	4%	5%	6%	2%	3%	4%	5%
2 to 3 years	11%	26%	13%	9%	10%	6%	8%
4 to 5 years	14%	28%	16%	14%	12%	9%	10%
6 to 7 years	12%	22%	17%	13%	9%	7%	2%
8 to 10 years	11%	12%	17%	14%	9%	8%	7%
11 to 15 years	16%	4%	23%	21%	16%	14%	14%
16 to 20 years	13%	NA	7%	18%	17%	14%	16%
21 years or more	20%	NA	1%	9%	23%	38%	36%
Median	10	5	7	10	13	16	16

NA = Not Applicable

# 2020 PROFILE OF HOME BUYERS AND SELLERS

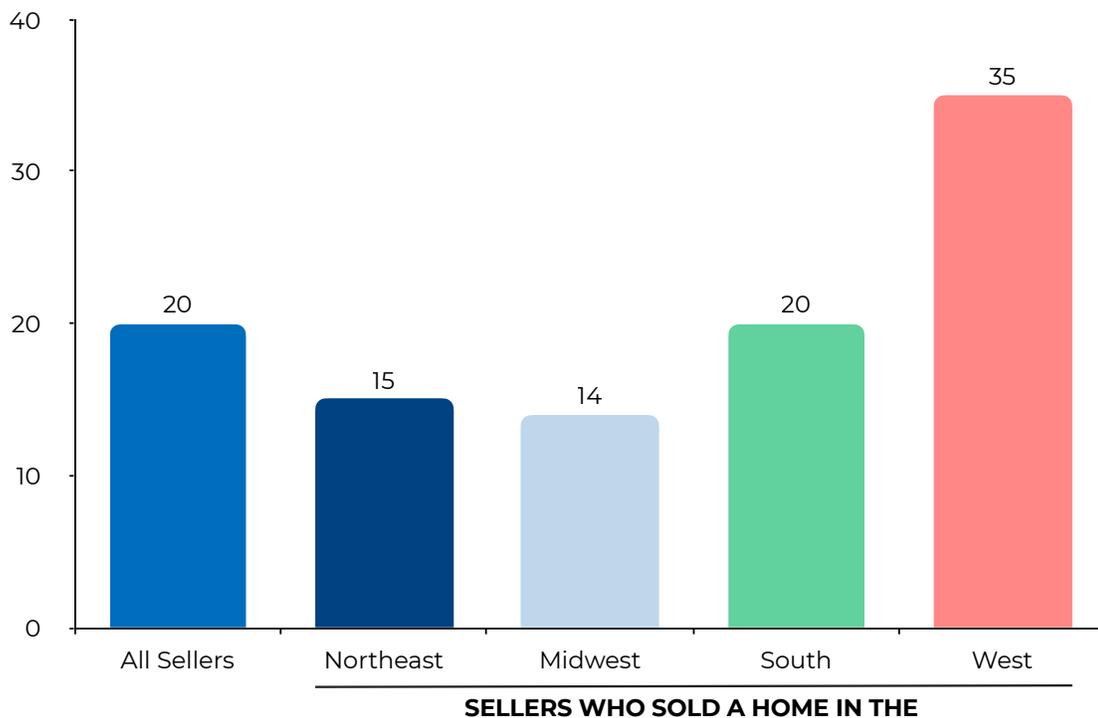
**Exhibit 6–25 Median Seller Tenure in Home, 1985–2020**

(Median Years)



**Exhibit 6–26 Distance Between Home Purchased and Home Recently Sold, by Region**

(Median Miles)



## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6–27 Distance Between Home Purchased and Home Recently Sold, by Age

(Percentage Distribution)

	AGE OF HOME SELLER						
	ALL SELLERS	18 TO 34 YEARS	35 TO 44 YEARS	45 TO 54 YEARS	55 TO 64 YEARS	65 TO 74 YEARS	75 YEARS OR OLDER
5 miles or less	26%	27%	35%	33%	21%	19%	22%
6 to 10 miles	14%	17%	17%	14%	12%	11%	11%
11 to 15 miles	8%	10%	8%	7%	6%	9%	8%
16 to 20 miles	5%	6%	5%	6%	5%	4%	4%
21 to 50 miles	12%	17%	11%	9%	14%	11%	10%
51 to 100 miles	5%	2%	4%	3%	5%	6%	4%
101 to 500 miles	12%	8%	8%	9%	15%	16%	15%
501 to 1,000 miles	8%	5%	4%	5%	8%	11%	12%
1,001 miles or more	11%	8%	8%	13%	13%	13%	15%
Median (miles)	20	15	10	14	30	40	40

### Exhibit 6–28 Method Used To Sell Home, by Region

(Percentage Distribution)

	SELLERS WHO SOLD A HOME IN THE				
	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
Sold home using an agent or broker	89%	91%	88%	89%	92%
Seller used agent/broker only	88%	89%	87%	88%	91%
Seller first tried to sell it themselves, but then used an agent	1%	2%	1%	1%	1%
Received quote from iBuyer, but sold with real estate agent/broker	*	*	*	*	*
For-sale-by-owner (FSBO)	8%	9%	8%	7%	5%
Seller sold home without using a real estate agent or broker	8%	8%	8%	7%	5%
First listed with an agent, but then sold home themselves	*	1%	*	*	*
Sold home to a homebuying company	1%	*	1%	2%	1%
Sold it through an iBuyer program	*	*	*	*	*
Other	2%	1%	3%	1%	1%

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6–29 Method Used To Sell Home, by Seller Urgency

(Percentage Distribution)

	SELLER NEEDED TO SELL			
	ALL SELLERS	VERY URGENTLY	SOMEWHAT URGENTLY	NOT URGENTLY
Sold home using an agent or broker	89%	91%	92%	87%
Seller used agent/broker only	88%	90%	91%	86%
Seller first tried to sell it themselves, but then used an agent	1%	1%	1%	1%
Received quote from iBuyer, but sold with real estate agent/broker	*	*	*	*
For-sale-by-owner (FSBO)	8%	4%	6%	9%
Seller sold home without using a real estate agent or broker	8%	4%	6%	9%
First listed with an agent, but then sold home themselves	*	*	*	*
Sold home to a homebuying company	1%	2%	1%	1%
Sold it through an iBuyer program	*	*	*	*
Other	2%	2%	1%	1%

\* Less than 1 percent

### Exhibit 6–30 Method of Sale, by Buyer and Seller Relationship

(Percentage Distribution)

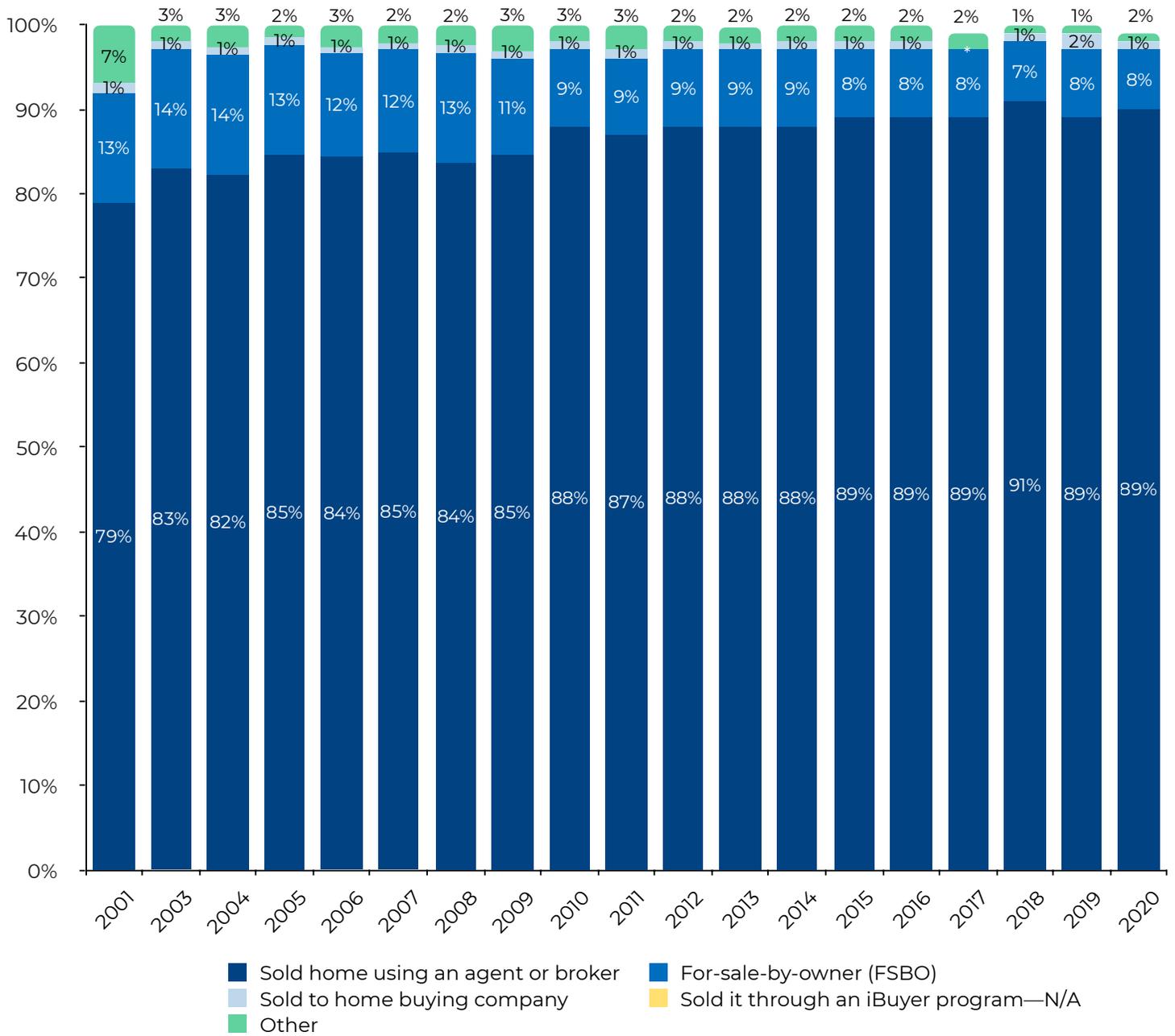
BUYER AND SELLER RELATIONSHIP	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER
All sellers	8%	92%
Sold home using an agent or broker	4%	96%
Seller used agent/broker only	4%	96%
Seller first tried to sell it themselves, but then used an agent	10%	90%
Received quote from iBuyer, but sold with real estate agent/broker	29%	71%
For-sale-by-owner (FSBO)	51%	49%
Sold home without using a real estate agent or broker	51%	49%
First listed with an agent, but then sold home themselves	42%	58%
Sold home to a homebuying company	10%	90%
Sold it through an iBuyer program	*	100%
Other	41%	59%

\* Less than 1 percent

# CHAPTER 6: Home Sellers and Their Selling Experience

**Exhibit 6–31: Method Used To Sell Home, 2001–2020**

(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6–32 Sales Price Compared with Listing Price, by Region

(Percentage Distribution of Sales Price as a Percent of Listing Price)

#### SELLERS WHO SOLD A HOME IN THE

	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
Less than 90%	6%	9%	6%	6%	4%
90% to 94%	12%	15%	13%	13%	8%
95% to 99%	35%	37%	32%	37%	34%
100%	29%	21%	31%	30%	30%
101% to 110%	14%	14%	16%	12%	16%
More than 110%	4%	4%	3%	2%	6%
Median (sales price as a percent of listing price)	99%	98%	99%	99%	100%

### Exhibit 6–33 Sales Price Compared with Listing Price, by Seller Urgency

(Percentage Distribution of Sales Price as a Percent of Listing Price)

#### SELLER NEEDED TO SELL

	ALL SELLERS	VERY URGENTLY	SOMEWHAT URGENTLY	NOT URGENTLY
Less than 90%	6%	6%	8%	4%
90% to 94%	12%	11%	14%	10%
95% to 99%	35%	33%	36%	35%
100%	29%	29%	24%	33%
101% to 110%	14%	16%	14%	14%
More than 110%	4%	4%	3%	4%
Median (sales price as a percent of listing price)	99%	100%	98%	100%

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6–34 Number of Weeks Recently Sold Home Was on the Market, by Region

(Percentage Distribution)

	SELLERS WHO SOLD A HOME IN THE				
	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
Less than 1 week	12%	9%	15%	11%	11%
1 to 2 weeks	38%	37%	39%	37%	39%
3 to 4 weeks	13%	12%	10%	13%	14%
5 to 6 weeks	7%	4%	7%	7%	7%
7 to 8 weeks	6%	7%	7%	6%	5%
9 to 10 weeks	3%	4%	2%	3%	4%
11 to 12 weeks	6%	6%	6%	6%	5%
13 to 16 weeks	4%	3%	4%	4%	3%
17 to 24 weeks	6%	7%	5%	6%	6%
25 to 36 weeks	4%	5%	3%	4%	2%
37 to 52 weeks	2%	4%	1%	2%	1%
53 or more weeks	1%	1%	1%	1%	1%
Median weeks	3	3	2	3	3

### Exhibit 6–35 Sales Price Compared with Listing Price, by Number of Weeks Home Was on the Market

(Percentage Distribution of Sales Price as a Percent of Listing Price)

	SELLERS WHOSE HOME WAS ON THE MARKET FOR						
	ALL SELLERS	LESS THAN 1 WEEK	1 TO 2 WEEKS	3 TO 4 WEEKS	5 TO 8 WEEKS	9 TO 16 WEEKS	17 OR MORE WEEKS
Less than 90%	6%	1%	1%	4%	6%	11%	23%
90% to 94%	12%	4%	4%	9%	17%	25%	29%
95% to 99%	35%	17%	29%	44%	48%	45%	36%
100%	29%	49%	40%	29%	16%	11%	9%
101% to 110%	14%	23%	22%	11%	8%	6%	1%
More than 110%	4%	6%	4%	3%	4%	2%	2%
Median (sales price as a percent of listing price)	99%	100%	100%	99%	97%	96%	94%

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 6–36 Number of Times Asking Price Was Reduced, by Number of Weeks Home Was on the Market

(Percentage Distribution)

#### SELLERS WHOSE HOME WAS ON THE MARKET FOR

	ALL SELLERS	LESS THAN 1 WEEK	1 TO 2 WEEKS	3 TO 4 WEEKS	5 TO 8 WEEKS	9 TO 16 WEEKS	17 OR MORE WEEKS
None, did not reduce the asking price	62%	92%	86%	66%	42%	27%	16%
One	22%	8%	13%	25%	38%	34%	29%
Two	9%	*	1%	6%	14%	22%	27%
Three	4%	*	*	2%	5%	11%	16%
Four or more	3%	*	*	1%	1%	6%	12%

\* Less than 1 percent

### Exhibit 6–37 Incentives Offered To Attract Buyers, by Region

(Percent of Respondents)

#### SELLERS WHO SOLD A HOME IN THE

	ALL SELLERS	NORTHEAST	MIDWEST	SOUTH	WEST
None	67%	77%	63%	65%	69%
Home warranty policies	17%	6%	20%	19%	16%
Assistance with closing costs	14%	10%	14%	17%	10%
Credit toward remodeling or repairs	8%	7%	7%	7%	11%
Other incentives, such as a car, flat screen TV, etc.	3%	2%	4%	3%	2%
Assistance with condo association fees	*	*	*	*	*
Other	4%	4%	2%	4%	4%

\* Less than 1 percent

## CHAPTER 6: Home Sellers and Their Selling Experience

### Exhibit 6–38 Incentives Offered To Attract Buyers, by Number of Weeks Home Was on the Market

(Percent of Respondents)

#### SELLERS WHOSE HOME WAS ON THE MARKET FOR

	ALL SELLERS	LESS THAN 1 WEEK	1 TO 2 WEEKS	3 TO 4 WEEKS	5 TO 8 WEEKS	9 TO 16 WEEKS	17 OR MORE WEEKS
None	67%	82%	75%	62%	58%	56%	54%
Home warranty policies	17%	9%	13%	19%	24%	20%	22%
Assistance with closing costs	14%	7%	9%	18%	15%	20%	21%
Credit toward remodeling or repairs	8%	4%	6%	10%	9%	12%	11%
Other incentives, such as a car, flat screen TV, etc.	3%	1%	2%	5%	4%	1%	6%
Assistance with condo association fees	*	*	*	*	*	*	1%
Other	4%	3%	2%	3%	4%	6%	9%

\* Less than 1 percent

### Exhibit 6–39 Equity Earned in Home Recently Sold, by Tenure in Home

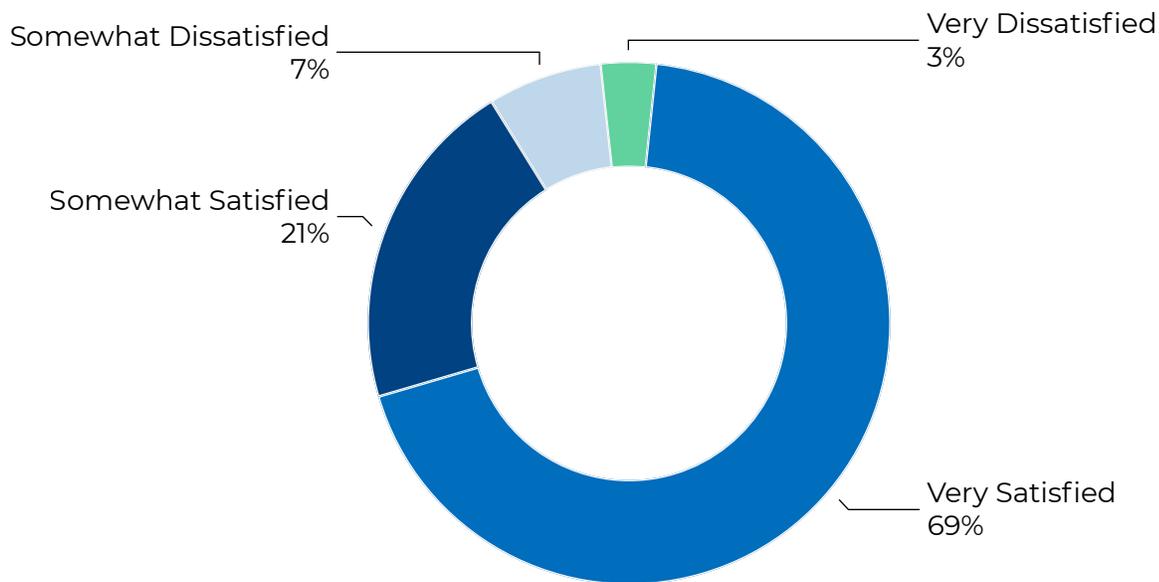
(Median)

TENURE IN HOME	DOLLAR VALUE	PERCENT
1 year or less	\$39,900	19%
2 to 3 years	\$30,000	13%
4 to 5 years	\$50,000	21%
6 to 7 years	\$62,000	29%
8 to 10 years	\$79,900	39%
11 to 15 years	\$49,800	25%
16 to 20 years	\$85,000	48%
21 years or more	\$152,300	140%
Median	\$66,000	33%

# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 6-40 Satisfaction with the Selling Process

(Percentage Distribution)





# CHAPTER 7:

## Home Selling and Real Estate Professionals

While the home search process has shifted toward digital technology, the need for a trusted real estate agent to help sell a home is still paramount. Personal relationships and connections remained the most important feature of the agent-buyer/seller bond. Sellers most commonly found their real estate agents through referral by a friend, neighbor, or relative.

Sellers placed a high importance on the reputation of the agent when looking to hire, and trustworthiness and honesty were at the top of the list. In 2006 when data collection started on the level of service provided by real estate agents, 83 percent of agents provided a broad range of services and the management of most aspects of the home, nine percent provided limited services as requested by the seller, and eight percent listed the home on the MLS with few other services provided. Those numbers have by-and-large remained the same over the last decade. In 2020, 88 percent of agents provided a broad range of services and the management of most aspects of the home sale, the highest share recorded. Six percent provided limited services as requested by the seller, and six percent listed the home on the MLS with few other services provided.

Sellers placed high priority on the following five tasks: sell the home within a specific timeframe (22 percent), price the home competitively (21 percent), help market the home to potential buyers (17 percent), help find ways to fix up the home to sell for more (16 percent), and find a buyer for home (11 percent).

Client referrals and repeat business were the predominant ways sellers found their real estate agent. Most sellers—89 percent—said that they would definitely (74 percent) or probably (15 percent) recommend their agent for future services.

## CHAPTER 7: Home Selling and Real Estate Professionals

### Exhibit 7-1 through 7-4

Sixty-seven percent of recent sellers used an agent that was referred to them or used an agent they had worked with in the past to buy or sell a home. Nearly half of first-time sellers worked with an agent that was referred to them by a friend or family member to sell their home (46 percent). For repeat buyers, many used an agent they previously worked with (28 percent).

Seventy-seven percent of recent sellers contacted only one agent before finding the agent they worked with to sell their home, the same as last year.

Fifty-four percent of recent home sellers used the same real estate agent to represent them purchasing their home as selling their home. That number jumps to 84 percent for all sellers within 10 miles of their home purchase. If the seller was more than 50 miles away, they typically used a different agent for each real estate transaction.

### Exhibits 7-5 and 7-6

Up from last year's number, 91 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 two percent opted not to list on a MLS.

Real estate agents provide a wide range of services and conduct the management of most aspects of the home sale. Eighty-eight percent of sellers reported that their agents provided the lion's share of these services, the highest historical share recorded. Six percent of sellers note that their agent only provided a limited set of services and six percent said their agent listed the home on a MLS but performed few other services.

By way of comparison, in 2006 when data collection started on the level of service provided by real estate agents, those numbers were nearly identical. Eighty-three percent of agents provided a broad range of services and the management of most aspects of the home, nine percent provided limited services as requested by the seller, and eight percent listed the home on the MLS with few other services provided in 2006.

### Exhibits 7-7 and 7-8

Sellers placed high priority on the following five tasks: sell the home within a specific timeframe (22 percent), price the home competitively (21 percent), market the home to potential buyers (17 percent), help find ways to fix up the home to sell for more (16 percent), and find a buyer for home (11 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 placed value on the agent's trustworthiness and honesty (26 percent) and whether the agent was a friend or family member (15 percent).

### Exhibit 7-9

Real estate agents listed homes on MLSs first and foremost (88 percent). They also posted yard signs (68 percent), hosted an open house (53 percent), listed on realtor.com (52 percent), listed the home on their own website (50 percent), and listed on their company's website (44 percent). Real estate agents also listed homes on social media (22 percent, slightly down from 23 percent last year).

### Exhibits 7-10 through 7-13

Agents received compensation predominantly from sellers at 77 percent. Of that compensation, 92 percent of sellers paid a percent of the sales price. Only a small fraction paid a flat fee (three percent), and only 11 percent of overall compensation was paid by both the buyer and seller. Six percent of sellers reported buyers paying as the only means of compensation.

The real estate agent most often initiated the discussion of compensation (44 percent). The client initiated the discussion and the agent was able and willing to negotiate 23 percent of the time. Fifteen percent of the time, the client did not know that commissions and fees could be negotiated.

Client referrals and repeat business were the predominant sources of business for real estate agents. Most sellers—89 percent—said that they would definitely (74 percent) or probably (15 percent) recommend their agent for future services. Regardless of distance moved, recommendations remained strong. The typical seller (67 percent) has recommended their agent at least once since selling their home. Twenty-seven percent of sellers recommended their agent four or more times since selling their home.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 7-1 Method Used To Find Real Estate Agent, by First-Time or Repeat Seller

(Percentage Distribution)

	ALL SELLERS	FIRST-TIME SELLER	REPEAT SELLER
Referred by (or is) a friend, neighbor or relative	41%	46%	38%
Used agent previously to buy or sell a home	26%	21%	28%
Internet website (without a specific reference)	5%	5%	5%
Personal contact by agent (telephone, email, etc.)	4%	2%	4%
Referred by another real estate or broker	4%	3%	4%
Visited an open house and met agent	3%	3%	3%
Referred through employer or relocation company	2%	2%	2%
Saw contact information on For Sale/Open House sign	1%	1%	1%
Direct mail (newsletter, flyer, postcard, etc.)	1%	1%	1%
Walked into or called office and agent was on duty	1%	1%	1%
Newspaper, Yellow pages or home book ad	1%	*	1%
Advertising specialty (calendar, magnet, etc.)	1%	1%	*
Saw the person's social media page without a connection	1%	2%	1%
Crowdsourcing through social media/knew the person through social media	*	*	*
Other	11%	11%	12%

\* Less than 1 percent

### Exhibit 7-2 Method Used To Find Real Estate Agent, by Miles Moved

(Percentage Distribution)

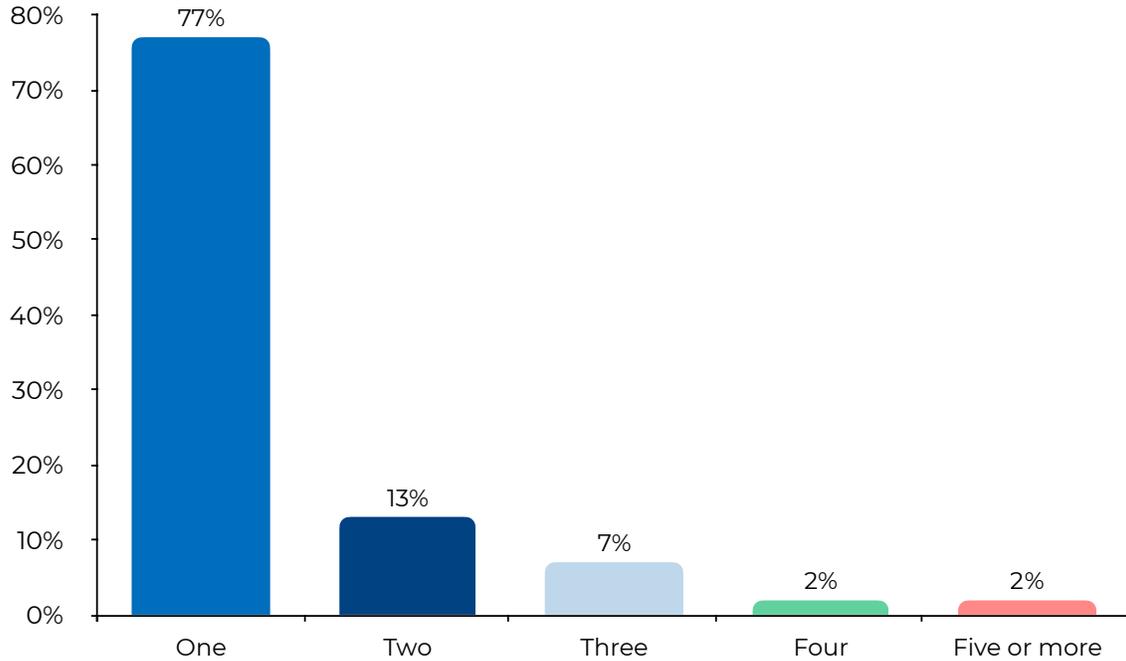
	ALL SELLERS	10 MILES OR LESS	11 TO 20 MILES	21 TO 50 MILES	51 TO 100 MILES	101 TO 500 MILES	501 MILES OR MORE
Referred by (or is) a friend, neighbor or relative	39%	38%	42%	39%	36%	41%	41%
Used agent previously to buy or sell a home	27%	32%	25%	26%	36%	24%	22%
Personal contact by agent (telephone, email, etc.)	3%	3%	3%	3%	*	4%	4%
Internet website (without a specific reference)	5%	3%	5%	4%	4%	6%	5%
Visited an open house and met agent	3%	5%	3%	2%	2%	1%	1%
Referred by another real estate or broker	4%	3%	5%	4%	6%	2%	4%
Referred through employer or relocation company	2%	1%	*	1%	2%	3%	5%
Saw contact information on For Sale/Open House sign	1%	2%	1%	2%	*	1%	1%
Direct mail (newsletter, flyer, postcard, etc.)	1%	1%	1%	1%	3%	1%	2%
Walked into or called office and agent was on duty	1%	1%	1%	4%	*	2%	*
Newspaper, Yellow pages or home book ad	1%	*	*	*	*	2%	*
Advertising specialty (calendar, magnet, etc.)	1%	*	*	*	2%	1%	1%
Saw the person's social media page without a connection	1%	1%	*	*	*	1%	1%
Crowdsourcing through social media/knew the person through social media	*	1%	*	*	*	*	1%
Other	11%	10%	13%	13%	8%	10%	12%

\* Less than 1 percent

## CHAPTER 7: Home Selling and Real Estate Professionals

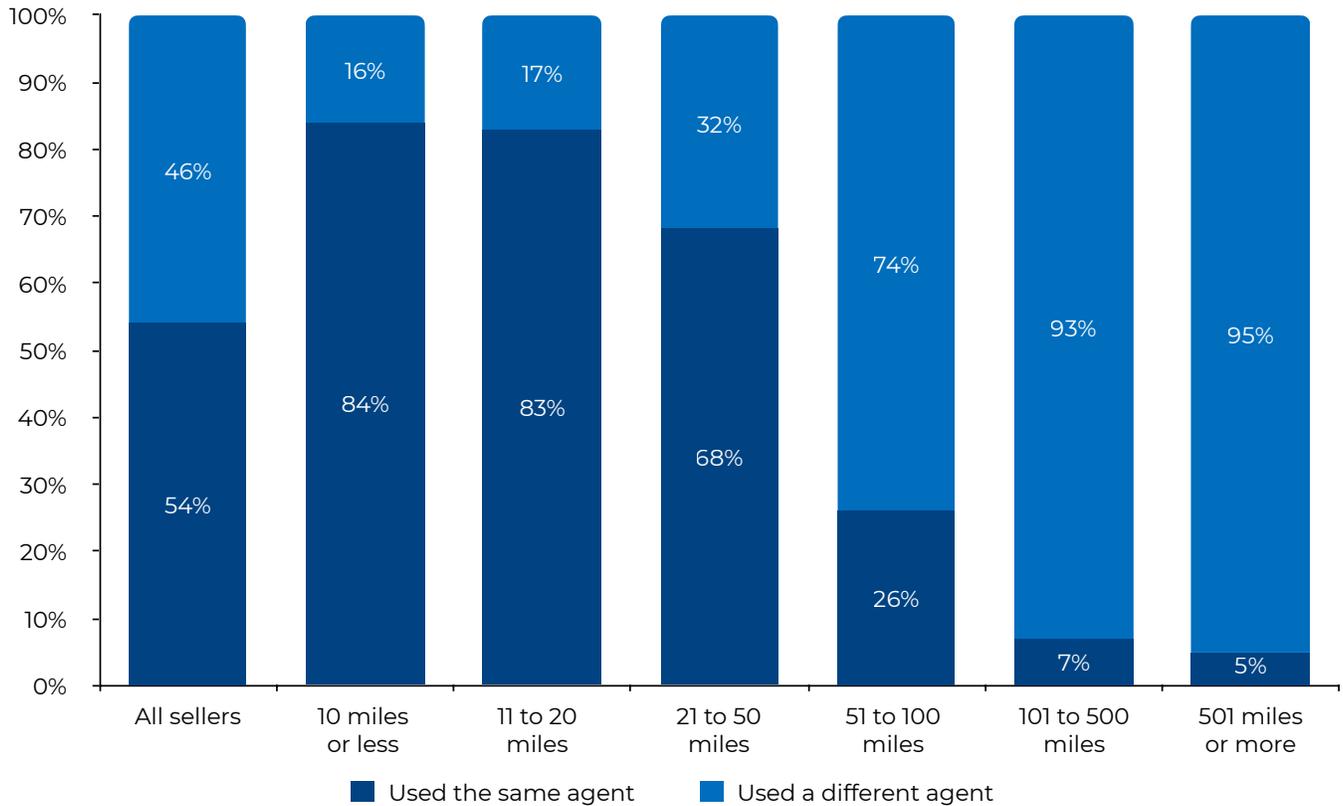
### Exhibit 7-3 Number of Agents Contacted Before Selecting One To Assist With Sale of Home

(Percentage Distribution)



### Exhibit 7-4 Seller Used Same Real Estate Agent for Their Home Purchase, by Miles Moved

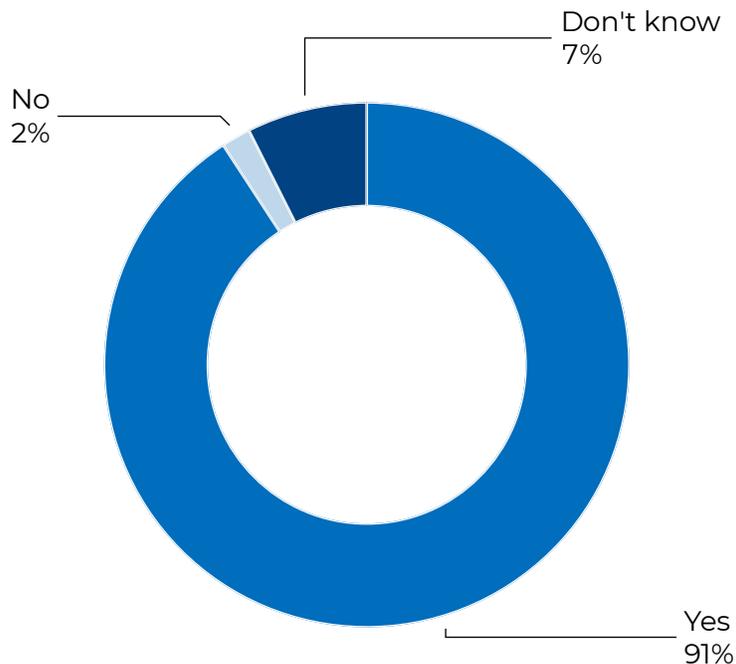
(Percentage Distribution Among Sellers Who Used an Agent to Purchase a Home)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

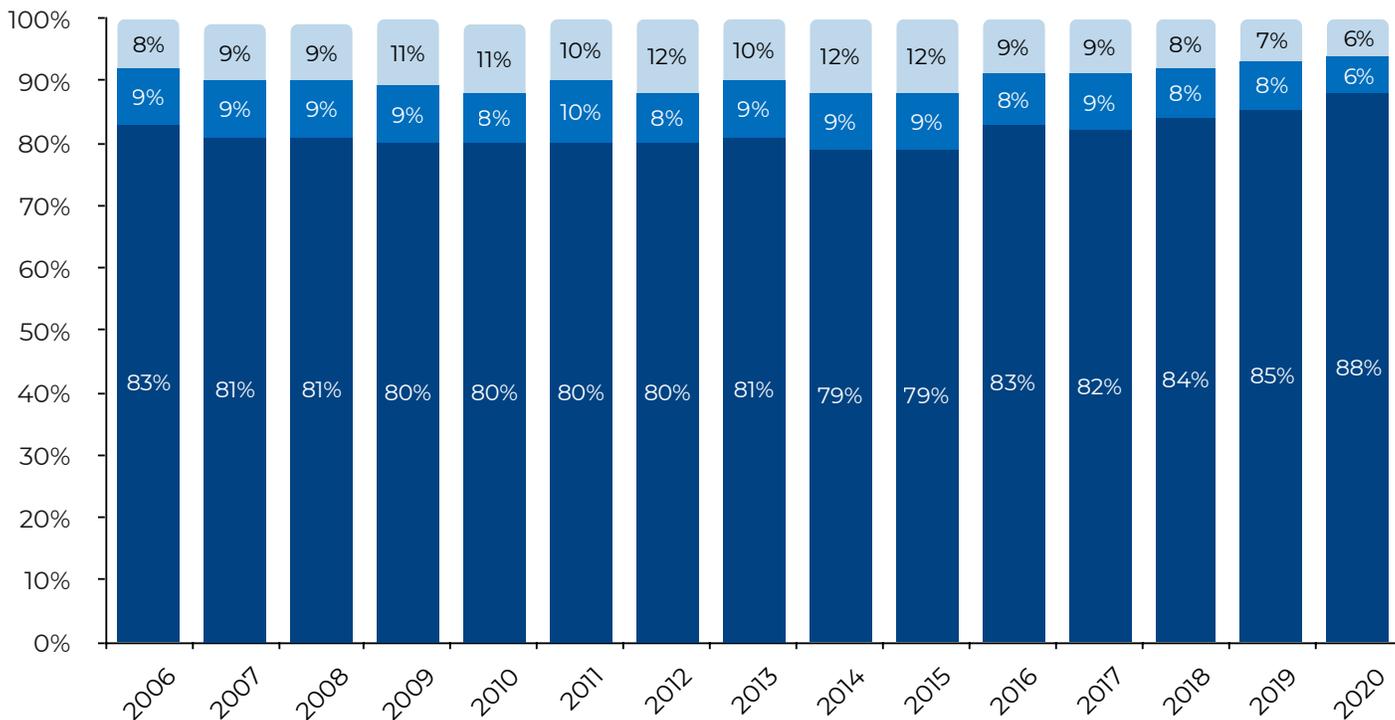
## Exhibit 7-5 Home Listed on Multiple Listing Service

(Percentage Distribution)



## Exhibit 7-6 Level of Service Provided by the Real Estate Agent

(Percentage Distribution)



- The agent listed the home on the MLS and performed few if any additional services
- A limited set of services as requested by the seller
- A broad range of services and management of most aspects of the home sale

## CHAPTER 7: Home Selling and Real Estate Professionals

### Exhibit 7-7 What Sellers Most Want from Real Estate Agents, by Level of Service Provided by the Agent

(Percentage Distribution)

#### LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER

	ALL SELLERS	A BROAD RANGE OF SERVICES AND MANAGEMENT OF MOST ASPECTS OF THE HOME SALE	A LIMITED SET OF SERVICES AS REQUESTED BY THE SELLER	THE AGENT LISTED THE HOME ON THE MLS AND PERFORMED FEW IF ANY ADDITIONAL SERVICES
Help sell the home within specific timeframe	22%	21%	21%	25%
Help price home competitively	21%	22%	17%	17%
Help seller market home to potential buyers	17%	17%	17%	27%
Help seller find ways to fix up home to sell it for more	16%	16%	6%	13%
Help find a buyer for home	11%	10%	23%	6%
Help with negotiation and dealing with buyers	7%	8%	6%	2%
Help with paperwork/ inspections/preparing for settlement	3%	3%	4%	4%
Help seller see homes available to purchase	2%	2%	*	4%
Help create and post videos to provide tour of my home	*	*	*	2%
Other	1%	1%	4%	*

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 7-8 Most Important Factor in Choosing a Real Estate Agent To Sell Home, by Level of Service Provided by the Agent

(Percentage Distribution)

#### LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER

	ALL SELLERS	A BROAD RANGE OF SERVICES AND MANAGEMENT OF MOST ASPECTS OF THE HOME SALE	A LIMITED SET OF SERVICES AS REQUESTED BY THE SELLER	THE AGENT LISTED THE HOME ON THE MLS AND PERFORMED FEW IF ANY ADDITIONAL SERVICES
Reputation of agent	31%	32%	15%	29%
Agent is honest and trustworthy	26%	27%	25%	25%
Agent is friend or family member	15%	15%	19%	19%
Agent's knowledge of the neighborhood	12%	13%	15%	4%
Agent's commission	3%	3%	*	2%
Agent seems 100% accessible because of use of technology like tablet or smartphone	2%	2%	4%	4%
Agent has caring personality/good listener	2%	2%	4%	*
Agent's association with a particular firm	1%	1%	4%	2%
Professional designations held by agent	1%	1%	*	*
Other	7%	6%	15%	15%

\* Less than 1 percent

## CHAPTER 7: Home Selling and Real Estate Professionals

### Exhibit 7-9 Methods Real Estate Agent Used To Market Home

(Percent of Respondents Among Sellers Who Used an Agent)

	ALL HOMES
Multiple Listing (MLS) website	88%
Yard sign	68%
Open house	53%
Realtor.com	52%
Real estate agent website	50%
Third party aggregators	46%
Real estate company website	44%
Social networking websites (e.g. Facebook, Twitter, etc.)	22%
Video	12%
Direct mail (flyers, postcards, etc.)	9%
Other Web sites with real estate listings	7%
Online Classified Ads	5%
Print newspaper advertisement	6%
Real estate magazine	4%
Real estate magazine website	4%
Video hosting websites	3%
Virtual open houses	4%
Virtual tours	17%
Television	1%
Other	4%

### Exhibit 7-10 How Real Estate Agent Was Compensated

(Percentage Distribution)

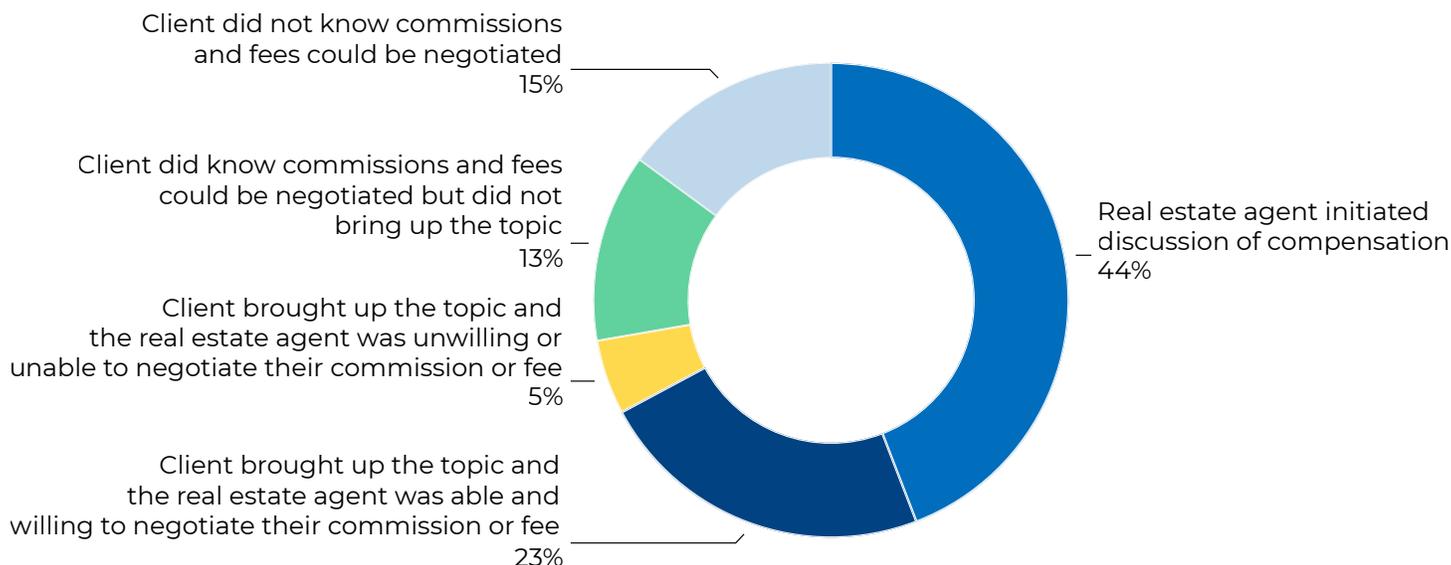
Paid by seller	77%
Percent of sales price	92%
Flat fee	3%
Per task fee	*
Other	2%
Don't Know	4%
Paid by buyer and seller	11%
Paid by buyer only	6%
Other	2%
Don't Know	4%

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 7-11 Negotiating the Commission Rate or Fee with the Real Estate Agent

(Percentage Distribution)



### Exhibit 7-12 Would Seller Use Real Estate Agent Again or Recommend to Others

(Percentage Distribution)

	ALL SELLERS	10 MILES OR LESS	11 TO 20 MILES	21 TO 50 MILES	51 TO 100 MILES	101 TO 500 MILES	501 MILES OR MORE
Definitely	74%	78%	77%	72%	73%	67%	68%
Probably	15%	13%	14%	15%	15%	19%	17%
Probably Not	5%	4%	4%	6%	8%	8%	5%
Definitely Not	5%	5%	3%	5%	4%	5%	9%
Don't Know/Not Sure	1%	1%	2%	2%	*	2%	1%

\* Less than 1 percent

### Exhibit 7-13 How Many Times Seller Recommended Agent

(Percentage Distribution)

	ALL SELLERS
None	33%
One time	12%
Two times	18%
Three times	11%
Four or more times	27%
Times recommended since buying (median)	2



# CHAPTER 8:

### **For-Sale-by-Owner (FSBO) Sellers**

In 1981, FSBO home sales accounted for 15 percent of all sales, and agent-assisted sales accounted for 85 percent. FSBO sales have declined over time and in 2020, FSBOs accounted for eight percent of total home sales, up from seven percent last year. This is close to the lowest share since the *Profile of Home Buyers and Sellers* data collection began. In 2020, four percent of FSBO sellers knew the buyers of their homes and four percent did not know the buyer.

FSBO sellers that knew the buyer predominantly sold to a friend, relative, or neighbor. FSBOs typically sold for less than the selling price of other homes. For FSBO sellers, those who knew the buyer tended to have lower median household incomes compared to those who did not know the buyer.

Where FSBO sellers knew the buyer, the time on market for the home was usually less than a week, and sellers received 100 percent of the asking price.

## CHAPTER 8: For-Sale-by-Owner (FSBO) Sellers

### Exhibits 8-1 and 8-2

Eighty-nine percent of sellers sold with the assistance of a real estate agent, slightly up from last year, and only eight percent were FSBO sales. In 1981, FSBO sales accounted for as much as 15 percent of sales but have steadily decreased over time. This year, only four percent of buyers knew the sellers and four percent of FSBOs buyers and sellers had no previous relationship. FSBO sales were highest in suburban/subdivisions at 31 percent and in urban areas or central cities at 30 percent, compared to only three percent in resort and recreation areas.

### Exhibits 8-3 through 8-6

The median age for FSBO sellers was 57 years, compared to 56 years for all agent-assisted sellers. Sixty-four percent of FSBO sellers were married couples and the median income for all FSBO sellers was \$96,700. For FSBO sellers, those who did not know the buyer tended to have higher median household incomes compared to those who did know the buyer. Those who sold through agent-assisted only had the highest median income of \$108,300.

A majority of all homes sold were detached single-family homes at 81 percent. FSBO homes were also predominantly detached single-family homes at 78 percent (down from 82 percent in 2019), yet were also more likely to be mobile or manufactured homes at nine percent compared to only two percent of agent-assisted sales. Among agent-assisted sales, 81 percent of all homes sold were detached single-family homes, which is slightly down from last year. Twenty-two percent of FSBO sales were located in rural areas compared to only 14 percent of agent-assisted sales which were in rural areas. Most agent-assisted sales were located in suburban areas at 52 percent.

FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$217,900 in 2020 (up from \$200,000 in 2019), and still far lower than the median selling price of all homes at \$242,300. Agent-assisted homes sold for a median of \$295,000. FSBOs typically received 100 percent of their asking price, whereas agent-assisted sales typically received 99 percent of the asking price. Sellers who began as a FSBO, then ended up working with an agent, received 98 percent of the asking price, but had to reduce their price the most before arriving at a final listing price.

### Exhibits 8-7 through 8-10

FSBO sellers priced their homes using a number of different sources to determine the asking price. For FSBO sellers who knew their buyers, the most common ways they priced their homes were by comparisons to recent home sales in their area (41 percent), by appraisals (32 percent), by the profit the seller needed from the sale (29 percent), from an online home evaluation tool (21 percent), and to cover what was owed on the home (15 percent). For FSBO sellers who did not know their buyers, the most common ways they determined their home price were comparisons to recent home sales in their area (56 percent), by appraisals (35 percent), by online home evaluation tools (23 percent), and by the profit the seller needed from the sale (12 percent).

FSBO homes sold more quickly on the market than agent-assisted homes. Most FSBO homes typically sold in less than two weeks. For sellers that knew the buyer, their homes sold in less than a week (52 percent, up from 46 percent in 2019). The median number of weeks FSBOs were on the market was one, down from two weeks in 2019. Agent-assisted homes generally sold in a median of three weeks. For sellers that started as FSBO and then were agent-assisted, the median weeks on the market was two.

Fifty-one percent of those who were first FSBO, then sold with an agent needed to sell at least somewhat urgently. FSBO sellers who knew the buyer were more likely to not need to sell urgently (52 percent). It was not common for FSBOs to use incentives to sell their homes (85 percent of all FSBOs did not offer any incentives). Eighty-eight percent of sellers who knew the buyer used no incentives. Agent-assisted sellers offered home warranty policies (18 percent) and assistance with closing costs (14 percent) to help sell their homes, which is similar to last year.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibits 8-11 through 8-16

For 56 percent of FSBO sellers that knew the buyer the main reason to sell via FSBO was because they sold to a relative, friend, or neighbor. Of FSBO sellers that sold to a buyer they knew, 24 percent did not want to pay a commission or fee. For FSBO sellers that did not know the buyer, 58 percent sold this way because they did not want to pay a commission or fee, and 22 percent because the buyers contacted the sellers directly.

Of all sellers, 95 percent sold when they wanted to list on the market. Sellers that started as FSBOs and then received assistance from an agent were the most likely to want to sell but were delayed because their home was worth less than the mortgage.

Yard signs, third party aggregators, and using friends, relatives, and neighbors were the most common marketing methods for FSBOs. When FSBO sellers knew the buyer, 68 percent did not need to market their home. Both preparing and fixing the home up for sale, as well as understanding and performing the paperwork, were the two most difficult steps for FSBO sellers.

For FSBO sellers who knew the buyer, 33 percent said they would use an agent to sell their current home. Of FSBO sellers who did not know the buyer, 45 percent said they would sell their current home themselves. Eight in 10 successful FSBO sellers were very satisfied with the process of selling their home.



## CHAPTER 8: For-Sale-by-Owner (FSBO) Sellers

### Exhibit 8-1 FSBO and Agent-Assisted Sales, 2003–2020

(Percentage Distribution)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
All FSBO (For-sale-by-owner)	14%	14%	13%	12%	12%	13%	11%	9%	10%
Seller knew buyer	5%	5%	5%	5%	5%	6%	5%	5%	4%
Seller did not know buyer	9%	10%	8%	7%	7%	7%	6%	5%	6%
Agent-assisted	83%	82%	85%	84%	85%	84%	85%	88%	87%
Other	4%	4%	2%	3%	3%	3%	4%	3%	3%

	2012	2013	2014	2015	2016	2017	2018	2019	2020
All FSBO (For-sale-by-owner)	9%	9%	9%	8%	8%	8%	7%	7%	8%
Seller knew buyer	3%	4%	4%	3%	4%	3%	4%	4%	4%
Seller did not know buyer	6%	6%	5%	5%	4%	5%	3%	3%	4%
Agent-assisted	88%	88%	88%	89%	89%	89%	91%	89%	89%
Other	2%	3%	2%	3%	3%	2%	2%	3%	2%

### Exhibit 8-2 FSBO and Agent-Assisted Sales, by Location

(Percentage Distribution)

#### SELLERS WHO SOLD A HOME IN A

	ALL SELLERS	SUBURB/ SUBDIVISION	SMALL TOWN	URBAN/ CENTRAL CITY	RURAL AREA	RESORT/ RECREATION AREA
For-sale-by-owner (FSBO)	8%	5%	12%	6%	11%	14%
Seller knew buyer	4%	3%	7%	2%	5%	5%
Seller did not know buyer	4%	2%	5%	4%	6%	9%
Agent-assisted	89%	93%	87%	92%	88%	86%
Other	2%	2%	1%	2%	1%	*

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 8-3 Characteristics of FSBO and Agent-Assisted Sellers

(Percentage Distribution)

	FSBO				AGENT-ASSISTED		
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	ALL AGENT-ASSISTED	AGENT-ASSISTED ONLY	FIRST FSBO, THEN AGENT-ASSISTED
Median age	56	57	55	59	56	56	64
Median income (2019)	\$106,500	\$96,700	\$84,200	\$107,800	\$108,300	\$108,300	\$79,000
<b>HOUSEHOLD COMPOSITION</b>							
Married couple	71%	64%	60%	68%	73%	73%	63%
Single female	16%	21%	20%	22%	15%	15%	23%
Single male	7%	7%	10%	4%	7%	7%	10%
Unmarried couple	4%	4%	4%	3%	4%	4%	5%
Other	2%	5%	7%	3%	2%	2%	*

\* Less than 1 percent

### Exhibit 8-4 Type of Home Sold, FSBO and Agent-Assisted Sellers

(Percentage Distribution)

	FSBO				
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	AGENT-ASSISTED
Detached single-family home	81%	78%	82%	75%	81%
Townhouse/row house	6%	3%	1%	5%	7%
Duplex/apartment/condo in 2 to 4 unit building	4%	4%	4%	3%	4%
Apartment/condo in a building with 5 or more units	4%	3%	3%	4%	4%
Mobile/manufactured home	3%	9%	7%	11%	2%
Other	2%	3%	2%	2%	2%

### Exhibit 8-5 Location of Home Sold, FSBO and Agent-Assisted Sellers

(Percentage Distribution)

	FSBO				
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	AGENT-ASSISTED
Suburb/Subdivision	51%	31%	36%	26%	52%
Small town	13%	10%	7%	14%	13%
Urban area/Central city	19%	30%	33%	28%	18%
Rural area	15%	22%	20%	25%	14%
Resort/Recreation area	3%	6%	4%	8%	3%

## CHAPTER 8: For-Sale-by-Owner (FSBO) Sellers

### Exhibit 8-6 Selling Price, FSBO and Agent-Assisted Sellers

(Percentage Distribution)

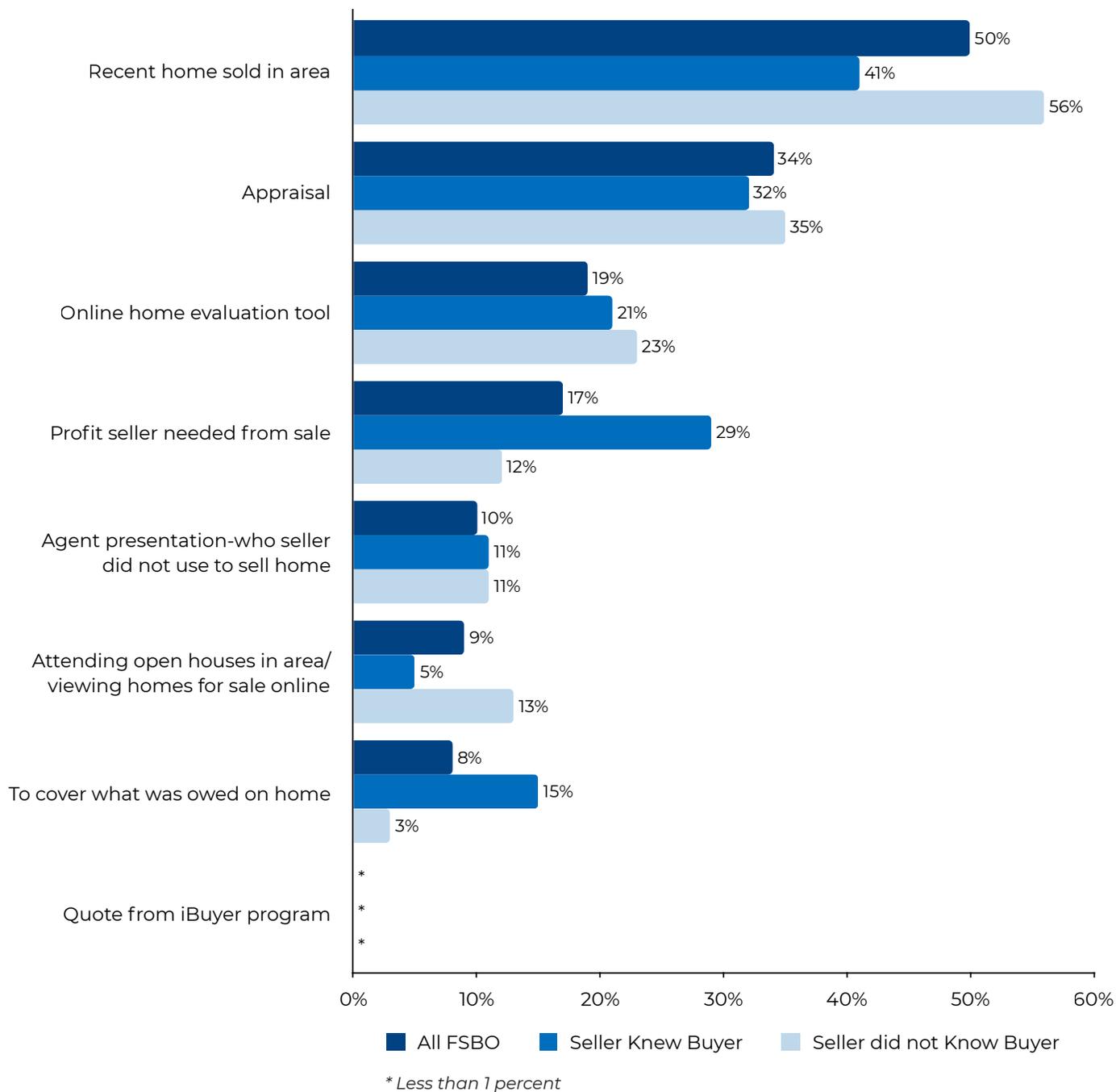
	FSBO				AGENT-ASSISTED		
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	ALL AGENT-ASSISTED	AGENT-ASSISTED ONLY	FIRST FSBO, THEN AGENT-ASSISTED
Median selling price	\$242,300	\$217,900	\$176,700	\$255,000	\$295,000	\$295,000	\$269,000
<b>SALES PRICE COMPARED WITH ASKING PRICE:</b>							
Less than 90%	6%	5%	8%	2%	6%	6%	3%
90% to 94%	12%	8%	9%	8%	12%	12%	18%
95% to 99%	35%	26%	12%	38%	36%	36%	38%
100%	29%	56%	67%	44%	26%	26%	33%
101% to 110%	14%	4%	3%	5%	15%	16%	8%
More than 110%	4%	2%	*	3%	4%	4%	*
Median (sales price as a percent of asking price)	98%	100%	100%	100%	99%	99%	98%
<b>NUMBER OF TIMES ASKING PRICE WAS REDUCED:</b>							
None	62%	74%	74%	73%	61%	61%	62%
One	22%	23%	24%	22%	22%	22%	21%
Two	9%	2%	1%	2%	10%	10%	13%
Three	4%	1%	1%	2%	5%	5%	5%
Four or more	2%	1%	*	2%	3%	3%	*

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 8-7 How FSBO Seller Determined Asking Price of Home Sold

(Percent of Respondents)



## CHAPTER 8: For-Sale-by-Owner (FSBO) Sellers

### Exhibit 8–8 Time on the Market, FSBO and Agent-Assisted Sellers

(Percentage Distribution)

	FSBO				AGENT-ASSISTED		
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	ALL AGENT-ASSISTED	AGENT-ASSISTED ONLY	FIRST FSBO, THEN AGENT-ASSISTED
Less than 1 week	12%	39%	52%	26%	9%	9%	16%
1 to 2 weeks	38%	38%	31%	45%	38%	38%	35%
3 to 4 weeks	13%	10%	7%	13%	13%	13%	5%
5 to 6 weeks	7%	2%	2%	3%	7%	7%	3%
7 to 8 weeks	6%	3%	4%	4%	6%	6%	8%
9 to 10 weeks	3%	*	1%	*	3%	3%	8%
11 to 12 weeks	6%	2%	2%	3%	6%	6%	14%
13 to 16 weeks	4%	*	*	1%	4%	4%	*
17 to 24 weeks	6%	*	*	*	6%	6%	8%
25 to 36 weeks	4%	1%	1%	2%	4%	4%	*
37 to 52 weeks	2%	3%	2%	3%	2%	2%	3%
53 or more weeks	1%	1%	*	2%	1%	1%	*
Median weeks	3	1	0	1	3	3	2

\* Less than 1 percent

### Exhibit 8–9 Seller Urgency, FSBO and Agent-Assisted Sellers

(Percentage Distribution)

SELLERS NEEDED TO SELL	FSBO				AGENT-ASSISTED		
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	ALL AGENT-ASSISTED	AGENT-ASSISTED ONLY	FIRST FSBO, THEN AGENT-ASSISTED
Very urgently	14%	9%	13%	5%	14%	15%	12%
Somewhat urgently	41%	33%	35%	31%	41%	41%	39%
Not urgently	45%	57%	52%	64%	44%	44%	49%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 8-10 Incentives Offered To Attract Buyers, FSBO and Agent-Assisted Sellers

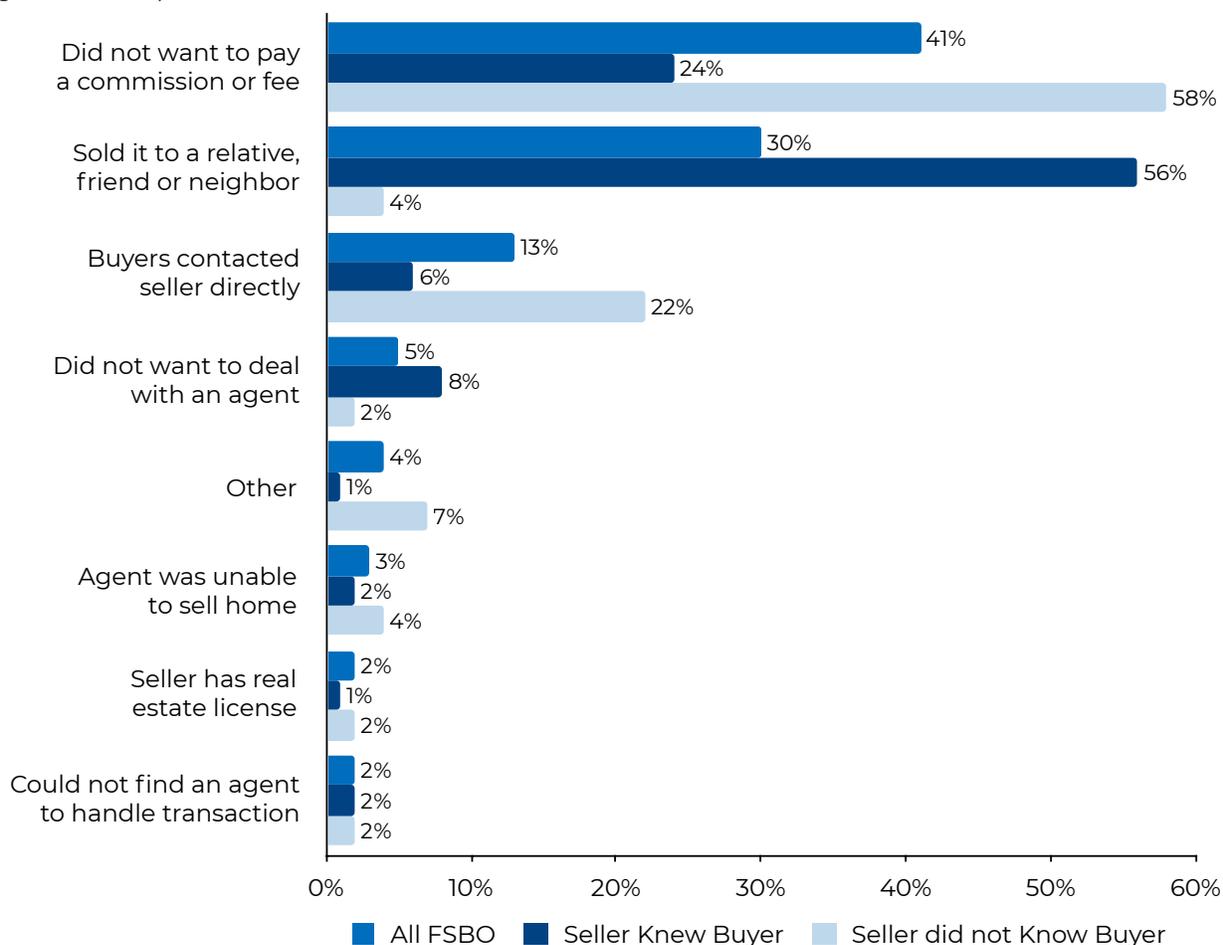
(Percent of Respondents)

	FSBO				AGENT-ASSISTED		
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	ALL AGENT-ASSISTED	AGENT-ASSISTED ONLY	FIRST FSBO, THEN AGENT-ASSISTED
None	67%	85%	88%	82%	65%	65%	54%
Home warranty policies	17%	5%	2%	8%	18%	18%	8%
Assistance with closing costs	14%	7%	9%	5%	15%	15%	13%
Credit toward remodeling or repairs	8%	4%	4%	4%	8%	8%	18%
Other incentives, such as a car, flat screen TV, etc.	3%	2%	1%	2%	3%	3%	5%
Assistance with condo association fees	*	*	*	*	*	*	*
Other	4%	3%	2%	4%	4%	4%	5%

\* Less than 1 percent

### Exhibit 8-11 Most Important Reason for Selling Home as FSBO

(Percentage Distribution)



## CHAPTER 8: For-Sale-by-Owner (FSBO) Sellers

### Exhibit 8-12 Seller Wanted To Sell Earlier but Waited or Stalled Because Home Was Worth Less Than Mortgage

(Percentage Distribution)

	FSBO				AGENT-ASSISTED		
	ALL SELLERS	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER	ALL AGENT-ASSISTED	AGENT-ASSISTED ONLY	FIRST FSBO, THEN AGENT-ASSISTED
Yes, and lived in home	5%	5%	4%	6%	5%	5%	12%
Yes, but rented home to others and lived elsewhere	1%	1%	1%	1%	*	1%	*
No, sold home when I wanted to sell	95%	94%	95%	93%	95%	95%	88

\* Less than 1 percent

### Exhibit 8-13 Method Used by FSBO Sellers To Market Home

(Percent of Respondents)

	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER
None—Did not actively market home	46%	68%	24%
Other (Specify):	2%	1%	2%
For-sale-by-owner magazine	*	*	1%
Direct mail (flyers, postcards, etc)	1%	*	2%
Video	2%	2%	2%
Print newspaper advertisement	2%	2%	3%
Other Websites with real estate listings (e.g. Google, Yahoo)	2%	2%	2%
Virtual tours	2%	*	4%
Realtor.com	5%	*	10%
Online classified ads (e.g. Craigslist, Newspaper etc.)	5%	4%	7%
For-sale-by-owner Website	5%	*	10%
Multiple Listing Service (MLS) website	6%	*	12%
Open house	11%	5%	17%
Social networking Websites (e.g. Facebook, MySpace, etc.)	14%	7%	20%
Friends, relatives, or neighbors	22%	25%	18%
Third party aggregator (Zillow, Trulia, Redfin, etc.)	24%	5%	43%
Yard sign	25%	11%	39%
Television	*	*	*
Video hosting Websites (e.g. YouTube, etc.)	*	*	*
Virtual open houses	*	*	*

\* Less than 1 percent

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 8-14 Most Difficult Task for FSBO Sellers

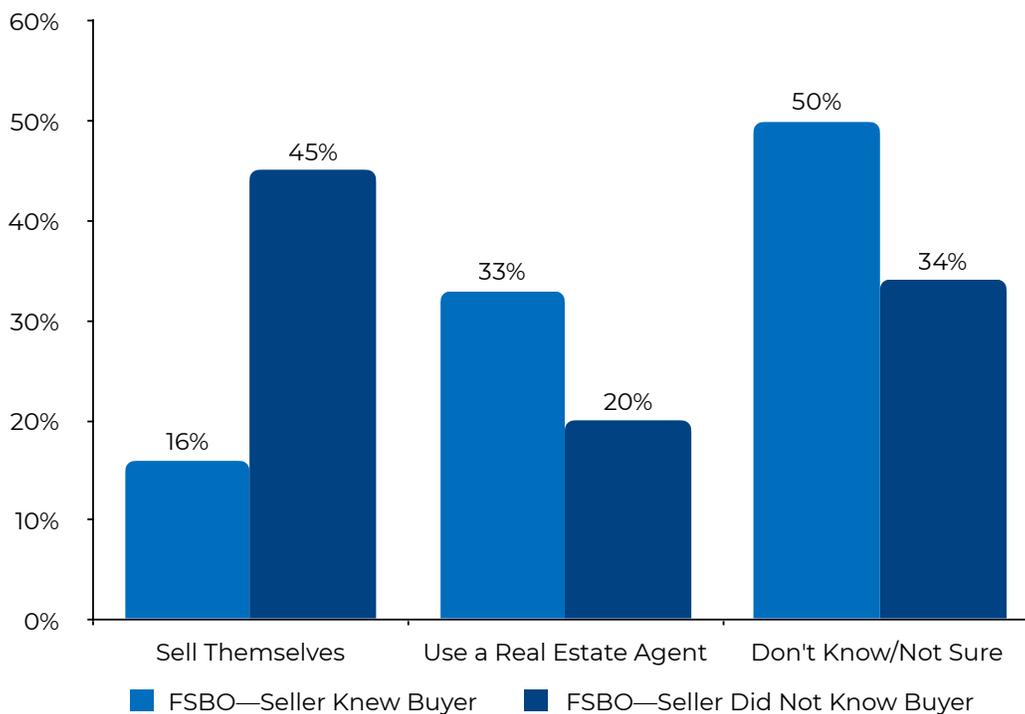
(Percentage of Distribution)

	ALL FSBO	SELLER KNEW BUYER	SELLER DID NOT KNOW BUYER
Preparing or fixing up the home for sale	12%	9%	16%
Understanding and performing paperwork	10%	9%	10%
Getting the price right	9%	6%	12%
Selling within the length of time planned	6%	7%	5%
Having enough time to devote to all aspects of the sale	5%	3%	6%
Other	3%	2%	4%
Attracting potential buyers	2%	*	3%
Helping buyer obtain financing	1%	2%	1%
None/Nothing	53%	63%	43%

\* Less than 1 percent

### Exhibit 8-15 How FSBO Sellers Will Sell Their Current Home

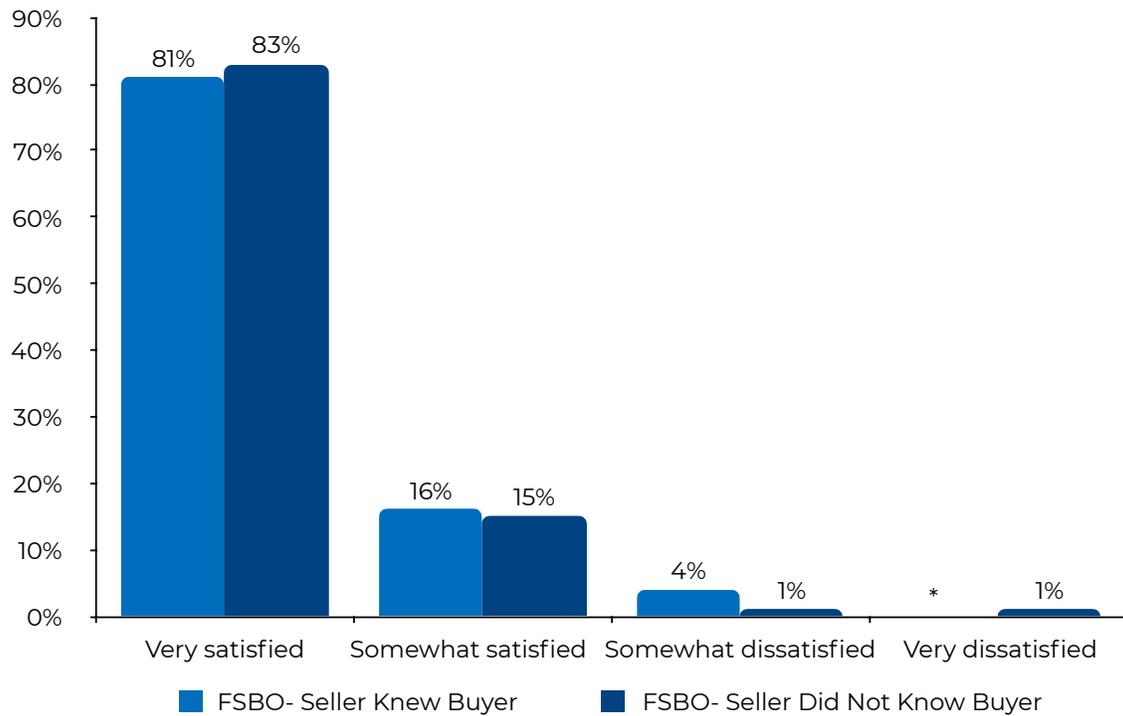
(Percentage Distribution)



## CHAPTER 8: For-Sale-by-Owner (FSBO) Sellers

### Exhibit 8-16 FSBO Sellers Satisfaction Process of Selling Home

(Percentage Distribution)



\* Less than 1 percent



# CHAPTER 9:

## Home Buyers Before and During COVID-19

COVID-19 has changed everyone's lives worldwide as they adapt to the virus. It has also changed the relationship many have with their home, and how homeowners use their home. Often families are working remotely, while their children learn virtually. As families adapt, many decided to purchase a new home that fits their needs better. This chapter explores buyers who purchased before April of 2020 and those who purchased after March of 2020.

While some buyers may have been in the home buying market before the pandemic, they will have closed on their home purchase while the pandemic was in full swing in many areas of the country. Not every chart in Chapters 1 through 5 is repeated in this chapter. The only charts represented are those which showed differences in home buyers, the type of home purchased, the relationship to their agent, and their financing.

## CHAPTER 9: Home Buyers Before and During COVID-19

### Exhibits 9-1 through 9-5

Households who purchased before April of 2020 were more likely to be single females, while buyers who purchased after March were more likely to be unmarried couples or fall into the “other” category, likely roommates. Buyers who purchased in April or later were also more likely to have children under the age of 18 of in their home. Buyers who purchased after April were more likely to be Hispanic/Latino or Asian/Pacific Islander. Those who bought during the pandemic were also more likely to be born outside of the U.S.

Buyers who purchased after March were more likely to purchase a multi-generational home at 15 percent compared to 11 percent who purchased before April. Pandemic buyers purchased multi-generational homes for a number of reasons. They were more likely than pre-pandemic buyers to purchase for the health and caretaking of aging parents and relatives, to spend more time with aging parents and relatives, for cost savings, because children or relatives never left their home, or for the ability to pool money to purchase a larger home that multiple incomes could afford.

The household income for buyers who purchased after March was higher than those who purchased before April—\$110,800 compared to \$94,400. Those who purchased after the pandemic started were more likely to have rented their past house or apartment.

### Exhibits 9-6 through 9-8

Buyers who purchased after March have a shorter expected tenure in the home they purchased, just 10 years compared to those who purchased pre-pandemic who expect to own their home for 15 years. Fifty-seven percent of buyers who purchased during the pandemic purchased in a suburban location, compared to 50 percent of pre-pandemic buyers. However, 23 percent of buyers who purchased pre-pandemic purchased in a small town compared to 16 percent of buyers during the pandemic. Buyers who purchased during the pandemic purchased a home that typically was \$339,400 compared to pre-pandemic buyers who purchased a home that was \$270,000. Twenty-three percent of buyers who purchased after March purchased a home that was \$500,000 or more.

### Exhibits 9-9 and 9-10

Buyers who purchased after March of 2020 searched for just two weeks before working with an agent compared to those who purchased pre-pandemic who searched for three weeks before an agent. Buyers who purchased after March also were more strategic in the homes viewed, only walking through eight homes compared to those pre-pandemic buyers who viewed nine homes in-person.

When working with an agent, the factors that buyers who purchased during the pandemic ranked higher were the agent’s honesty and trustworthiness, that the agent was a friend or family member, and the agent’s knowledge of the neighborhood, in comparison to pre-pandemic buyers. This is possibly because buyers were limiting the amount of contact they had with individuals outside of their direct contacts.

### Exhibits 9-11 through 9-15

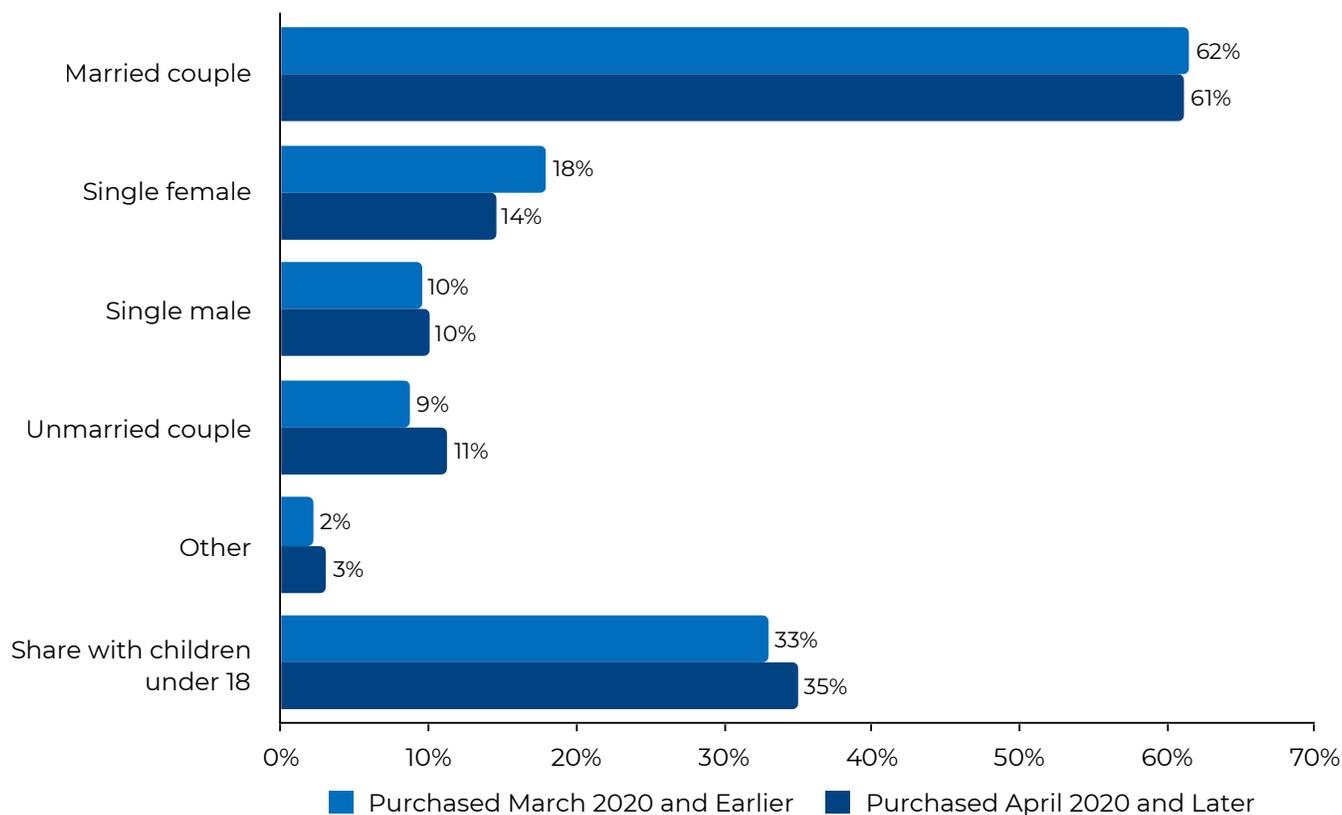
Buyers who purchased before April were more likely not to use a mortgage in their home purchase—13 percent compared to eight percent of pandemic buyers. Buyers who purchased during the pandemic were more likely to use conventional financing in their purchase at 67 percent compared to 63 percent of pre-pandemic purchases. Buyers who purchased after March were less likely to be denied from a mortgage application in the buying process—just two percent of buyers were compared to five percent who purchased before April.

Finding the right property was the most difficult step for half of buyers before and after April. However, one in six buyers after March ran into the inability to move forward in their buying process due to COVID-19. One in five buyers before and after April did not run into any difficult steps in the buying process.

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 9-1 Adult Composition of Home Buyer Households, Before COVID-19 and During COVID-19

(Percentage Distribution)



### Exhibit 9-2 Household Income of Home Buyers, Before COVID-19 and During COVID-19

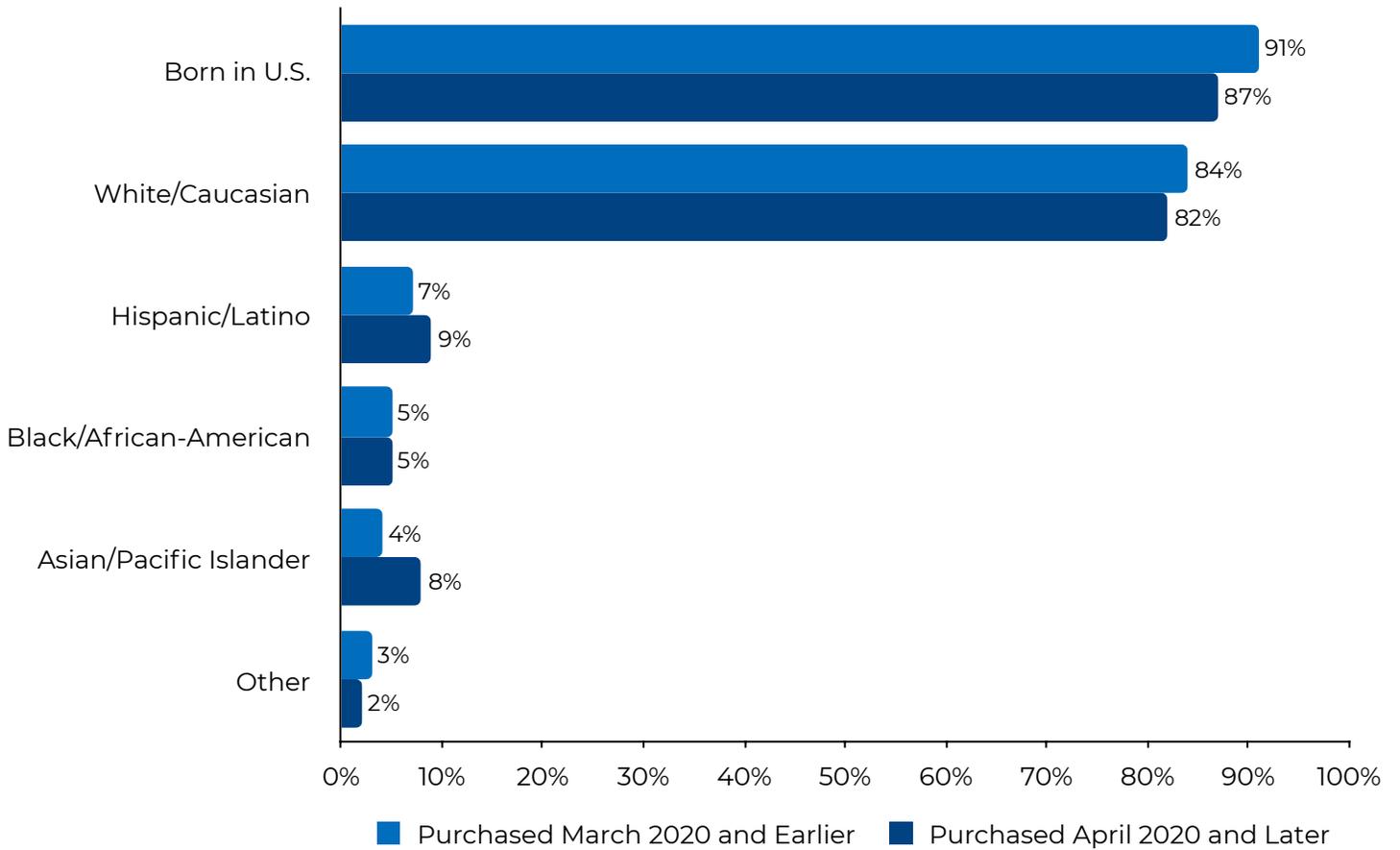
(Percent Distribution)

	PURCHASED MARCH 2020 AND EARLIER	PURCHASED APRIL 2020 AND LATER
Less than \$25,000	2%	1%
\$25,000 to \$34,999	4%	3%
\$35,000 to \$44,999	6%	3%
\$45,000 to \$54,999	8%	7%
\$55,000 to \$64,999	7%	6%
\$65,000 to \$74,999	9%	4%
\$75,000 to \$84,999	8%	11%
\$85,000 to \$99,999	10%	9%
\$100,000 to \$124,999	15%	15%
\$125,000 to \$149,999	10%	12%
\$150,000 to \$174,999	6%	9%
\$175,000 to \$199,999	4%	4%
\$200,000 to \$249,999	4%	7%
\$250,000 and more	7%	10%
Median Household Income	\$94,400	\$110,800

## CHAPTER 9: Home Buyers Before and During COVID-19

### Exhibit 9-3 Race/Ethnicity of Home Buyers, Before COVID-19 and During COVID-19

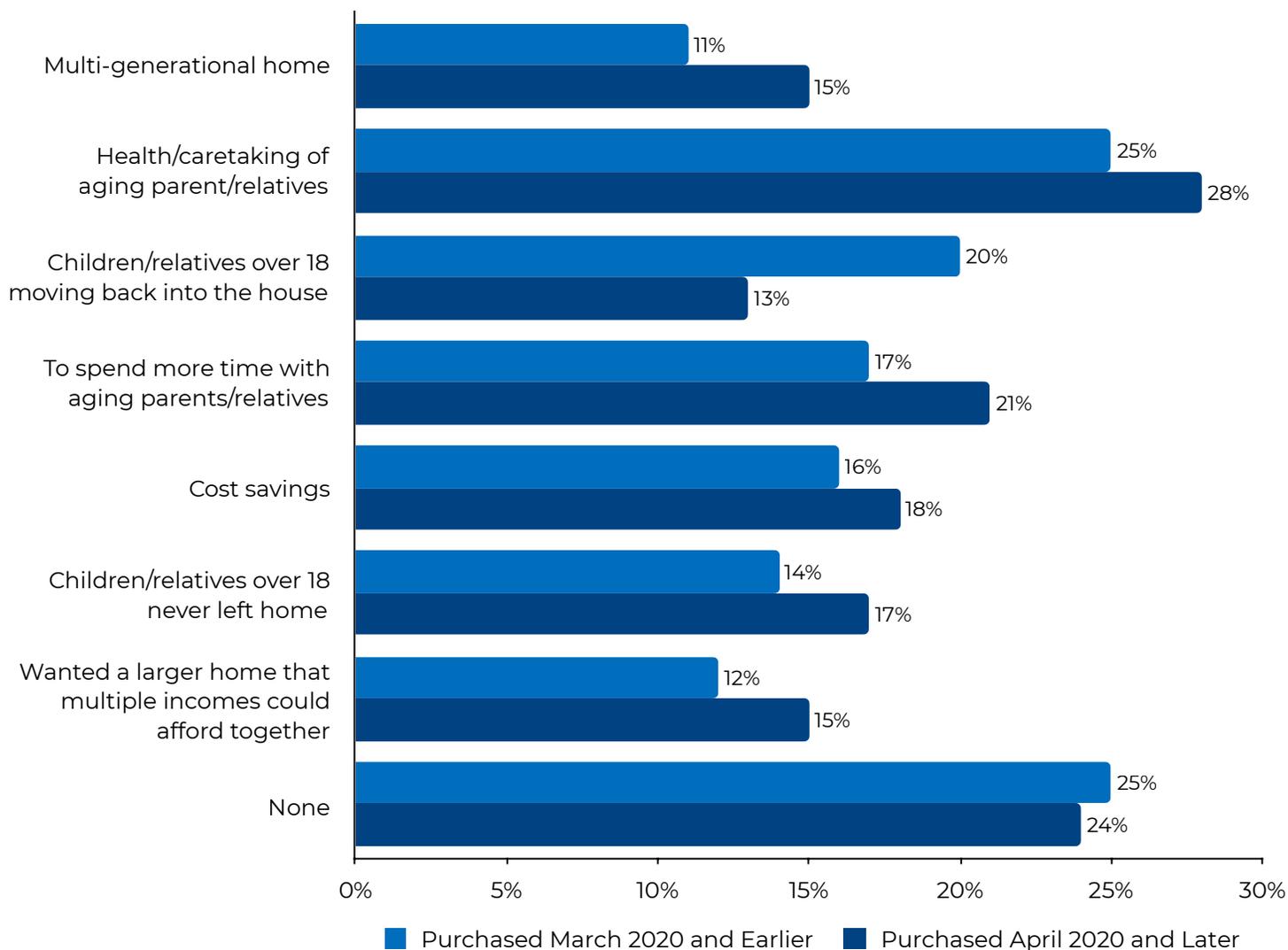
(Percent of Respondents)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 9-4 Home Purchased Was a Multi-Generational Home (Will Home Adult Siblings, Adult Children, Parents, and/or Grandparents), Before COVID-19 and During COVID-19

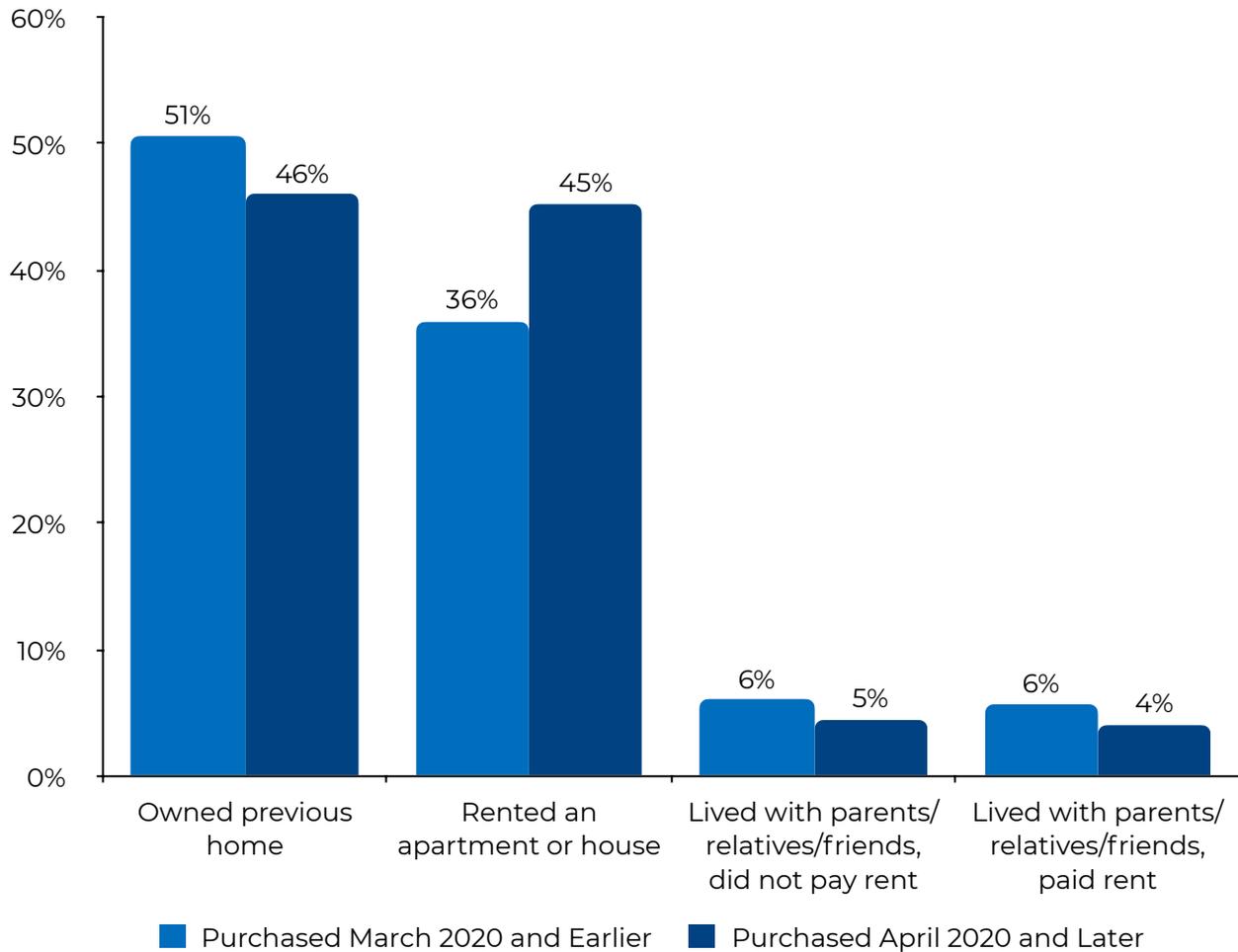
(Percent of Respondents)



## CHAPTER 9: Home Buyers Before and During COVID-19

### Exhibit 9-5 Prior Living Arrangement, Before COVID-19 and During COVID-19

(Percentage Distribution)



### Exhibit 9-6 Expected Length of Tenure of Home Purchased, Before COVID-19 and During COVID-19

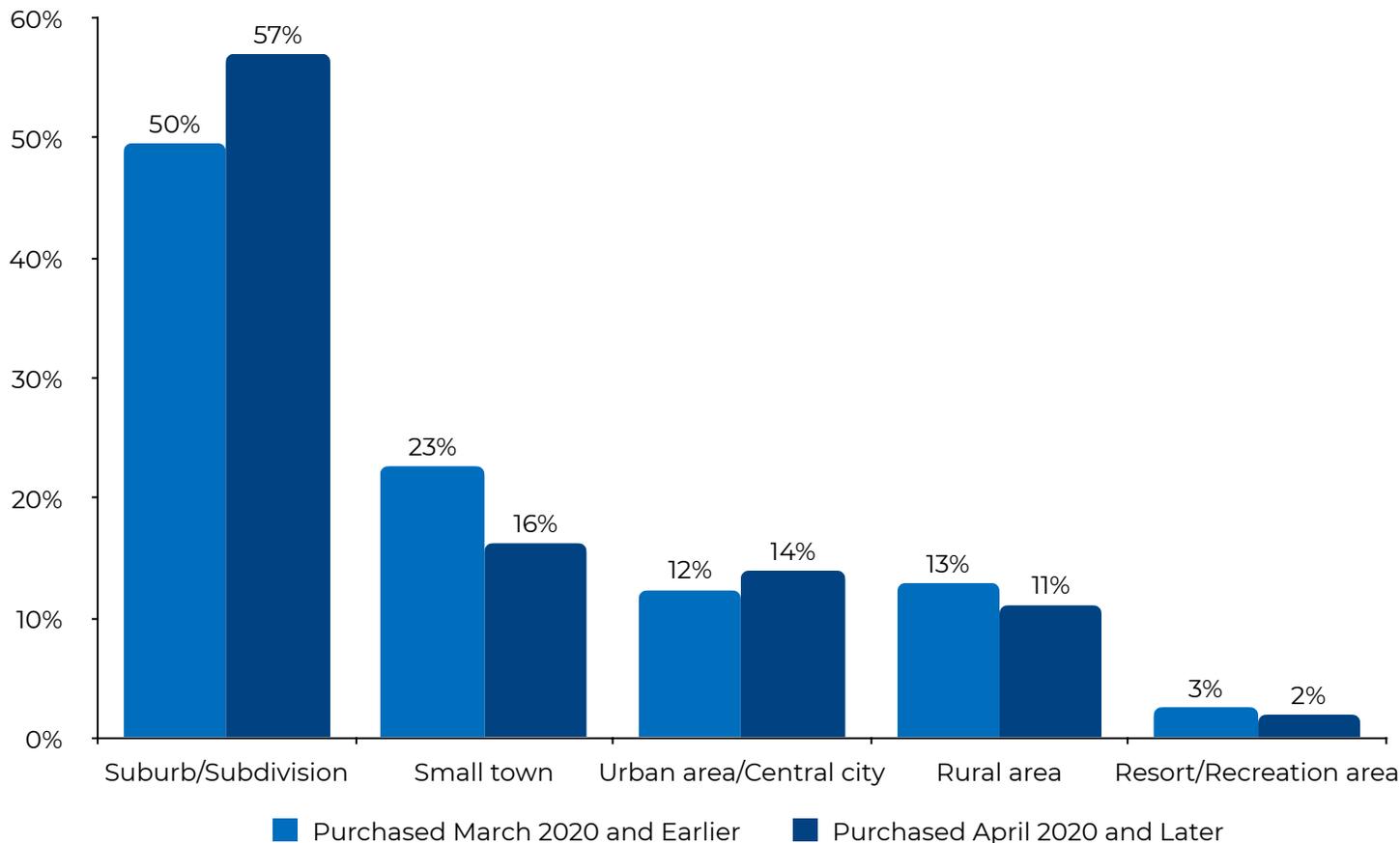
(Percentage Distribution)

	PURCHASED MARCH 2020 AND EARLIER	PURCHASED APRIL 2020 AND LATER
1 year or less	2%	1%
2 to 3 years	5%	4%
4 to 5 years	14%	15%
6 to 7 years	4%	4%
8 to 10 years	23%	27%
11 to 15 years	9%	7%
16 or more years	44%	42%
Median years	15	10

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 9-7 Location of Home Purchased, Before COVID-19 and During COVID-19

(Percentage Distribution)



### Exhibit 9-8 Price of Home Purchased Before COVID-19 and During COVID-19

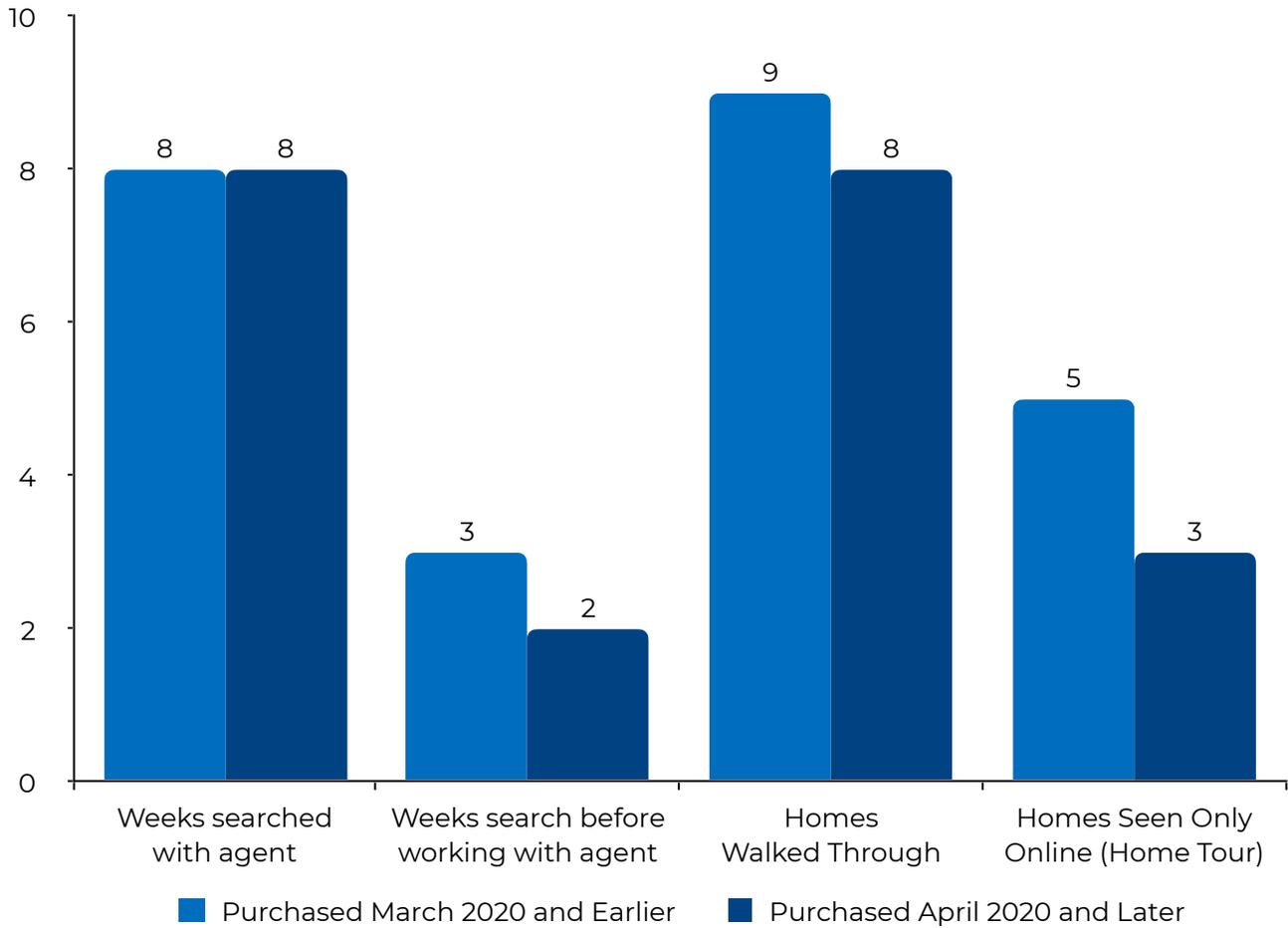
(Percentage Distribution)

	PURCHASED MARCH 2020 AND EARLIER	PURCHASED APRIL 2020 AND LATER
Less than \$100,000	6%	2%
\$100,000 to \$149,999	9%	6%
\$150,000 to \$199,999	14%	9%
\$200,000 to \$249,999	14%	13%
\$250,000 to \$299,999	13%	13%
\$300,000 to \$349,999	11%	10%
\$350,000 to \$399,999	8%	11%
\$400,000 to \$499,999	10%	14%
\$500,000 or more	14%	23%
Median price	\$270,000	\$339,400

## CHAPTER 9: Home Buyers Before and During COVID-19

### Exhibit 9-9 Weeks Searched and Homes Seen, Before COVID-19 and During COVID-19

(Medians)



### Exhibit 9-10 Number of Homes Viewed in Person, Before COVID-19 and During COVID-19

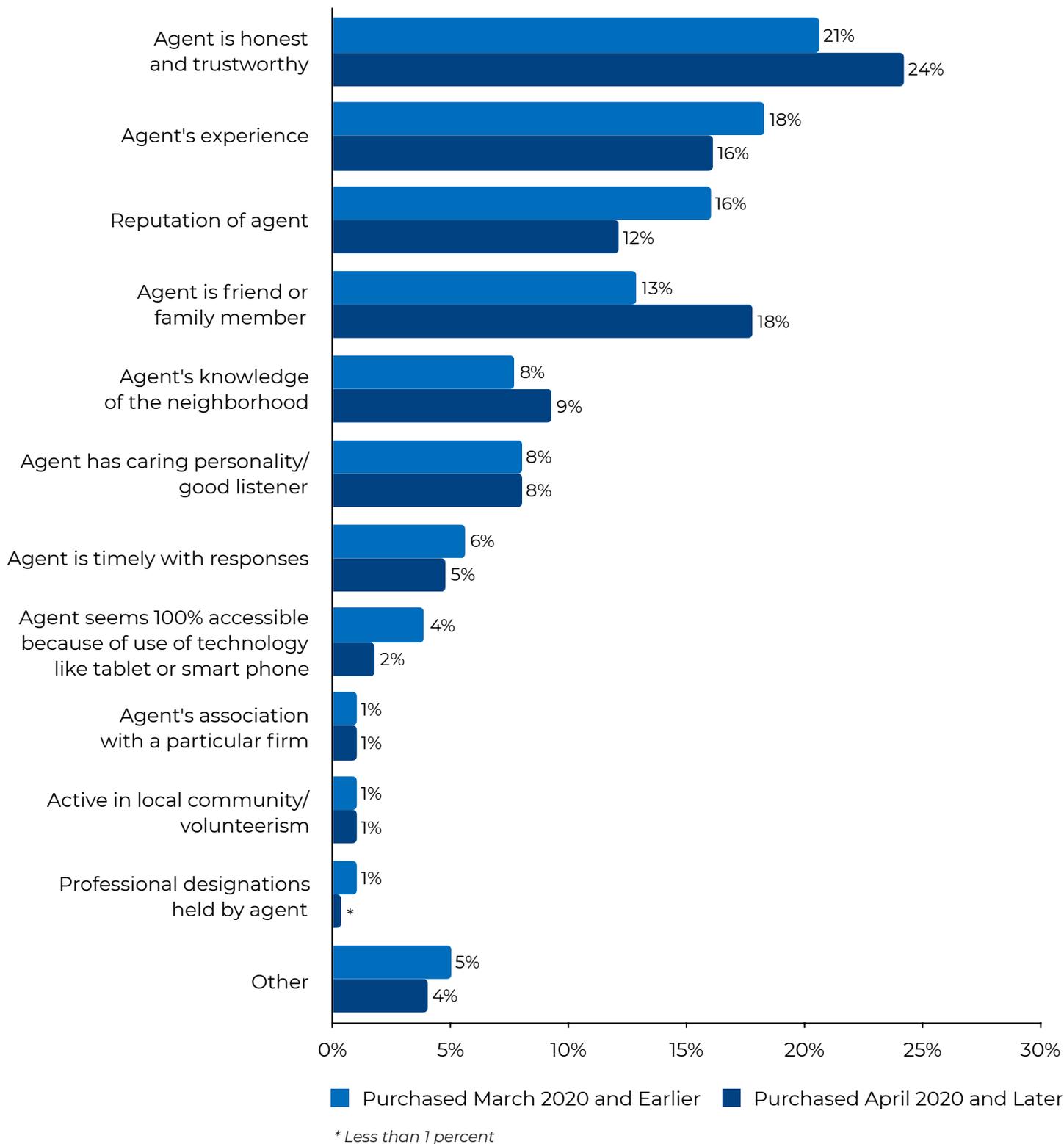
(Percentage Distribution)

	PURCHASED MARCH 2020 AND EARLIER	PURCHASED APRIL 2020 AND LATER
0	3%	5%
1	6%	5%
2	4%	4%
3	7%	7%
4	6%	7%
Five to 10 homes	38%	39%
More than 10 homes	35%	32%

## 2020 PROFILE OF HOME BUYERS AND SELLERS

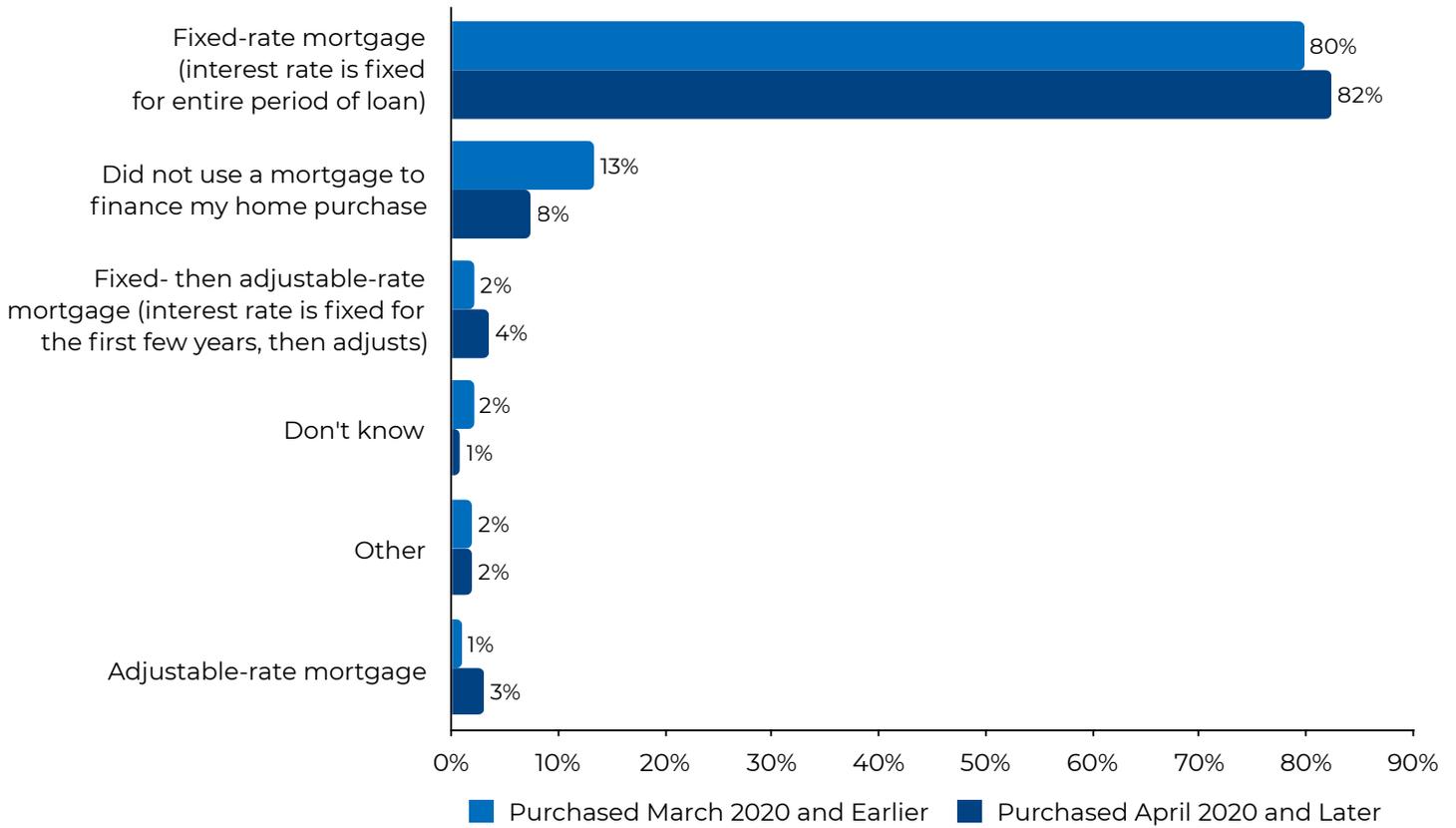
### Exhibit 9-11 Most Important Factors When Choosing an Agent, Before COVID-19 and During COVID-19

(Percentage Distribution)



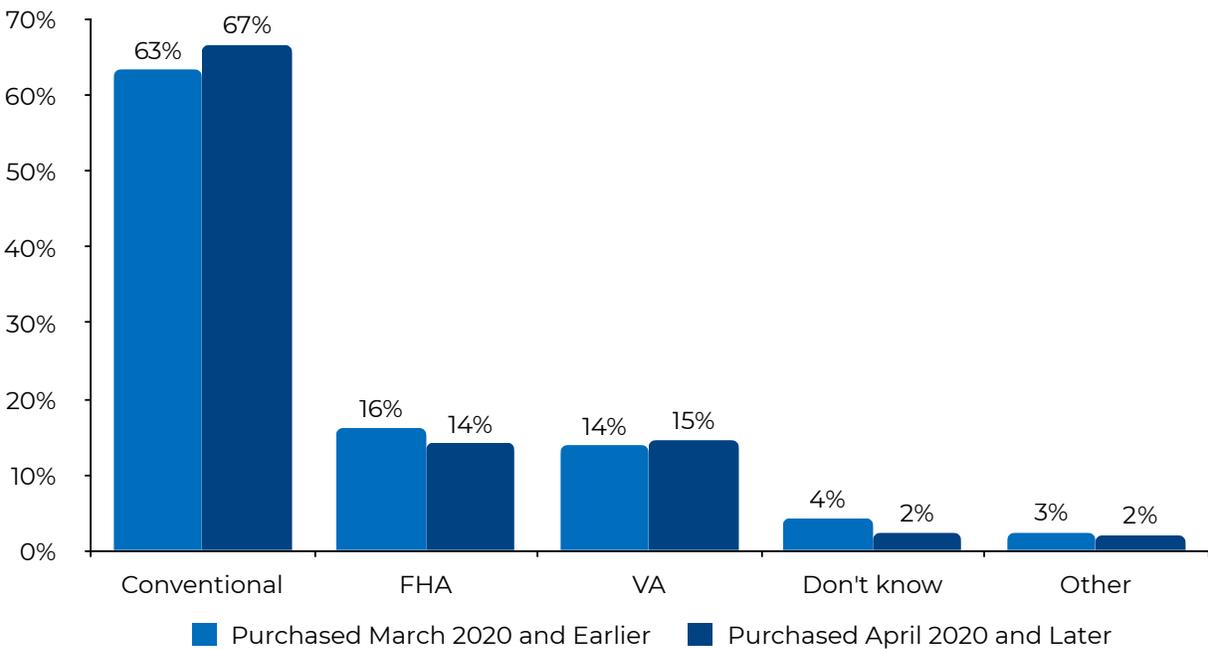
# CHAPTER 9: Home Buyers Before and During COVID-19

**Exhibit 9-12 Type of Mortgage, Before COVID-19 and During COVID-19**



**Exhibit 9-13 Type of Loan, Before COVID-19 and During COVID-19**

(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 9-14 Percent of Home Financed, Before COVID-19 and During COVID-19

(Percentage Distribution)

	PURCHASED MARCH 2020 AND EARLIER	PURCHASED APRIL 2020 AND LATER
Less than 50%	11%	8%
50% to 59%	4%	4%
60% to 69%	5%	4%
70% to 79%	12%	17%
80% to 89%	23%	21%
90% to 94%	15%	15%
95% to 99%	17%	18%
100%—financed the entire purchase price with a mortgage(s)	14%	14%
Median amount	88%	88%

### Exhibit 9-15 Buyer Mortgage Application Had Been Rejected From Mortgage Lender, Before COVID-19 and During COVID-19

(Percent of Respondents)

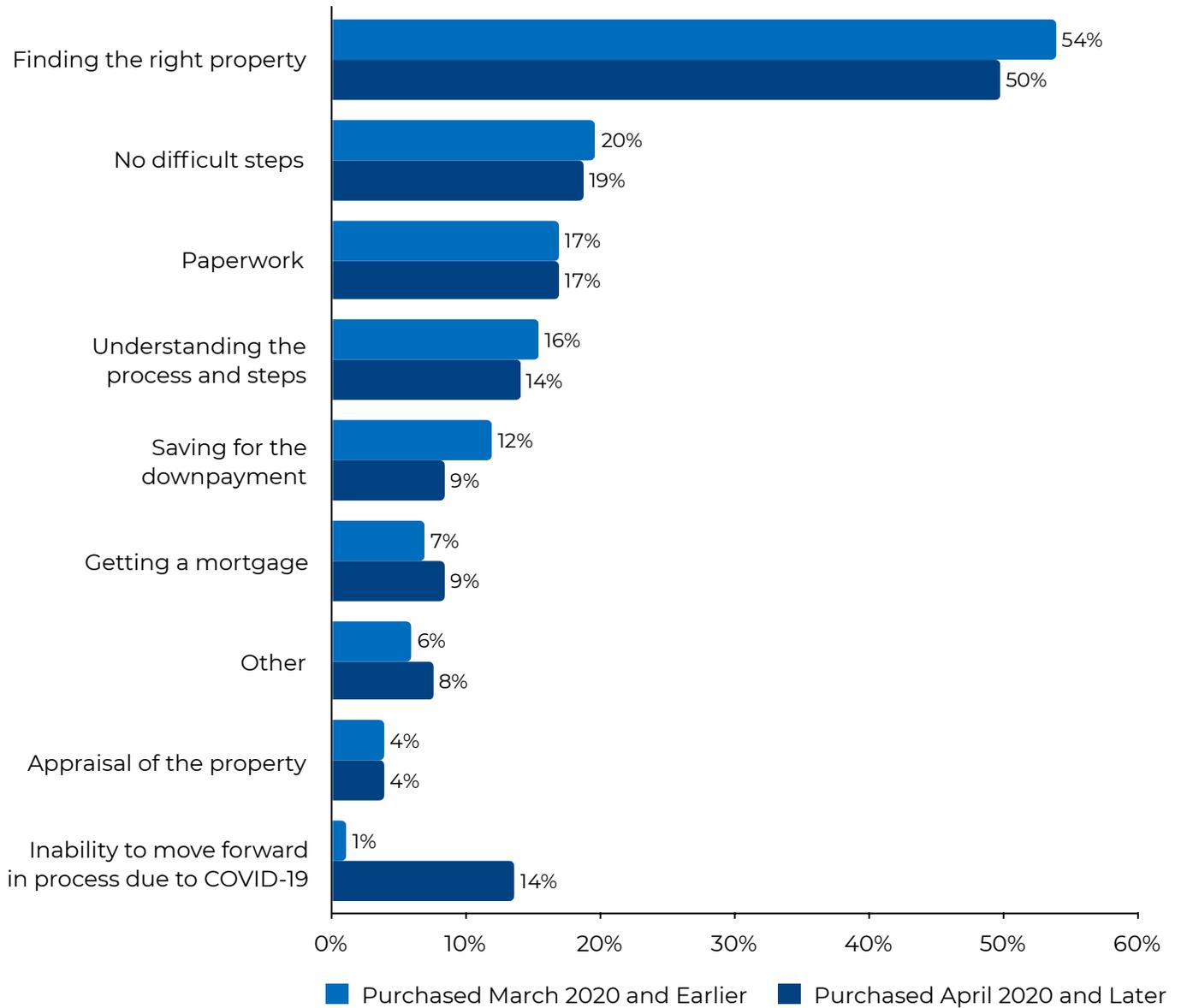
	PURCHASED MARCH 2020 AND EARLIER	PURCHASED APRIL 2020 AND LATER
Have had application denied	5%	2%
Debt to income ratio	36%	20%
Other	26%	47%
Low Credit Score	25%	7%
Income was unable to be verified	15%	7%
Not enough money in reserves	9%	13%
Don't know	9%	7%
Insufficient downpayment	6%	*
Too soon after refinancing another property	2%	*

\* Less than 1 percent

## CHAPTER 9: Home Buyers Before and During COVID-19

### Exhibit 9-16 Most Difficult Steps of Home Buying Process, Before COVID-19 and During COVID-19

(Percent of Respondents)



# CHAPTER 10:

## Home Sellers Before and During COVID-19

Similar to buying patterns of recent home buyers, home sellers who purchased during the pandemic also ran into changes in the home selling market. While REALTORS® worked fast to take precautions that would keep everyone in the home buying and selling market safe amid COVID-19, market activity was not without significant changes. Agents ensured that everyone remained as safe as possible by encouraging the use of face masks, gloves, and even shoe coverings in showings. Others opened all windows and doors both inside and outside for maximum air flow throughout the home and reducing touch-points. Additionally, many had cleanings between listing presentations. Finally, as in-person tours were unrealistic for some at-risk populations or buyers moving farther distances, virtual listings and virtual tours were used more often as a marketing tool.

## CHAPTER 10: Home Sellers Before and During COVID-19

### Exhibits 10-1 through 10-3

Before April, the top reason for sellers to sell their home was because they wanted to be closer to friends and family. Home sellers who sold their home after March were more likely to report the main reason for selling was because their home was too small—18 percent compared to 13 percent of those who sold before April. They were also more likely to sell because the upkeep of the home was too difficult due to health or financial limitations at seven percent compared to four percent of those who sold before April.

Home sellers who sold after March were more likely to say they were somewhat urgent in the need to sell their home—46 percent compared to 39 percent of those who sold before April. Among those who sold before April, 47 percent did not need to sell urgently and could wait for the right offer compared to 40 percent of those selling during the pandemic. Similar to buyers, 56 percent of those who sold after March were selling homes in the suburbs, compared to 48 percent of those selling before April.

### Exhibits 10-4 through 10-6

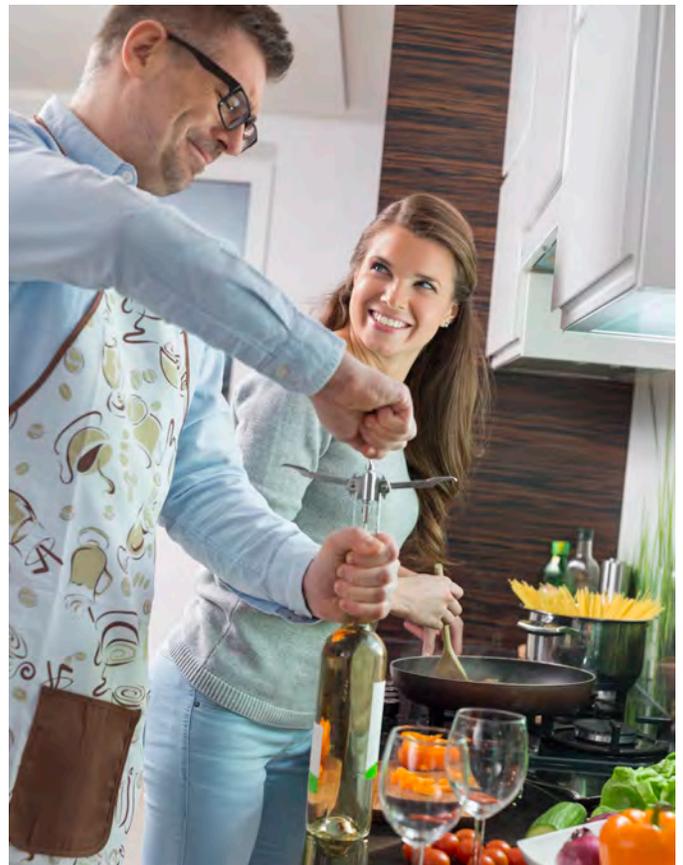
Sellers who sold after March were more likely to use technology as a marketing tool. The biggest difference seen was among those using virtual tours. Twenty-seven percent used virtual tours after March compared to 16 percent of those pre-April. Sellers who sold during the pandemic were also more likely to have their home listed on the MLS at 96 percent, compared to those who sold before April at 90 percent. Sellers who sold after March were more likely to use incentives to attract buyers to their home purchase. Thirty-eight percent of sellers who sold after March used incentives, compared to 31 percent of sellers who sold before April.



### Exhibits 10-7 through 10-10

Both sellers who sold before and after April owned their homes for a median of 11 years. However, 39 percent of sellers who sold during the pandemic had owned their home for 16 years or more compared to 34 percent of sellers who sold before April. Sellers who sold before April typically had a home price gain of \$64,000 or 35 percent to the price they sold at from their original buying price of their home. In comparison, those who sold during the pandemic typically sold for \$80,000 more than the original buying price and sold for 37 percent more than they purchased the home for.

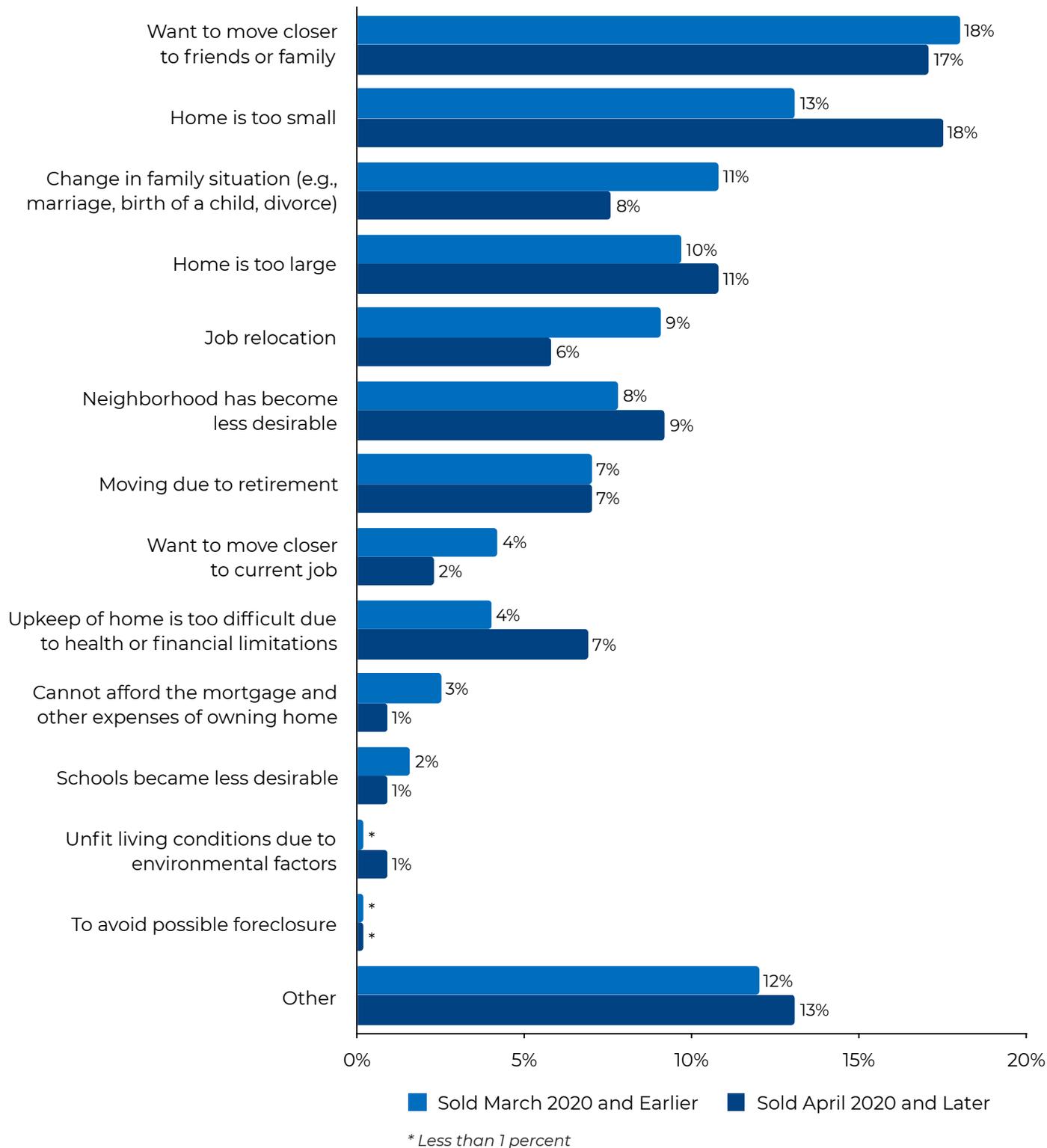
Similar to the price gap seen for home buyers, there was also a price gap seen for home sellers. Home sellers who sold after March sold their home for \$300,000 while those who sold before April sold it for \$270,700. Nearly one-quarter of sellers who sold after March sold their home for 500,000 or more. Home sellers who sold after March did note they had more urgency to sell than those who sold before April. In noting this, there is also a difference in the sales price as a percent of list price. The typical sales price as a percent of list price was 99 percent for sellers before April, while it was 98 percent for those after March.



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 10-1 Primary Reason for Selling Previous Home, Before COVID-19 and During COVID-19

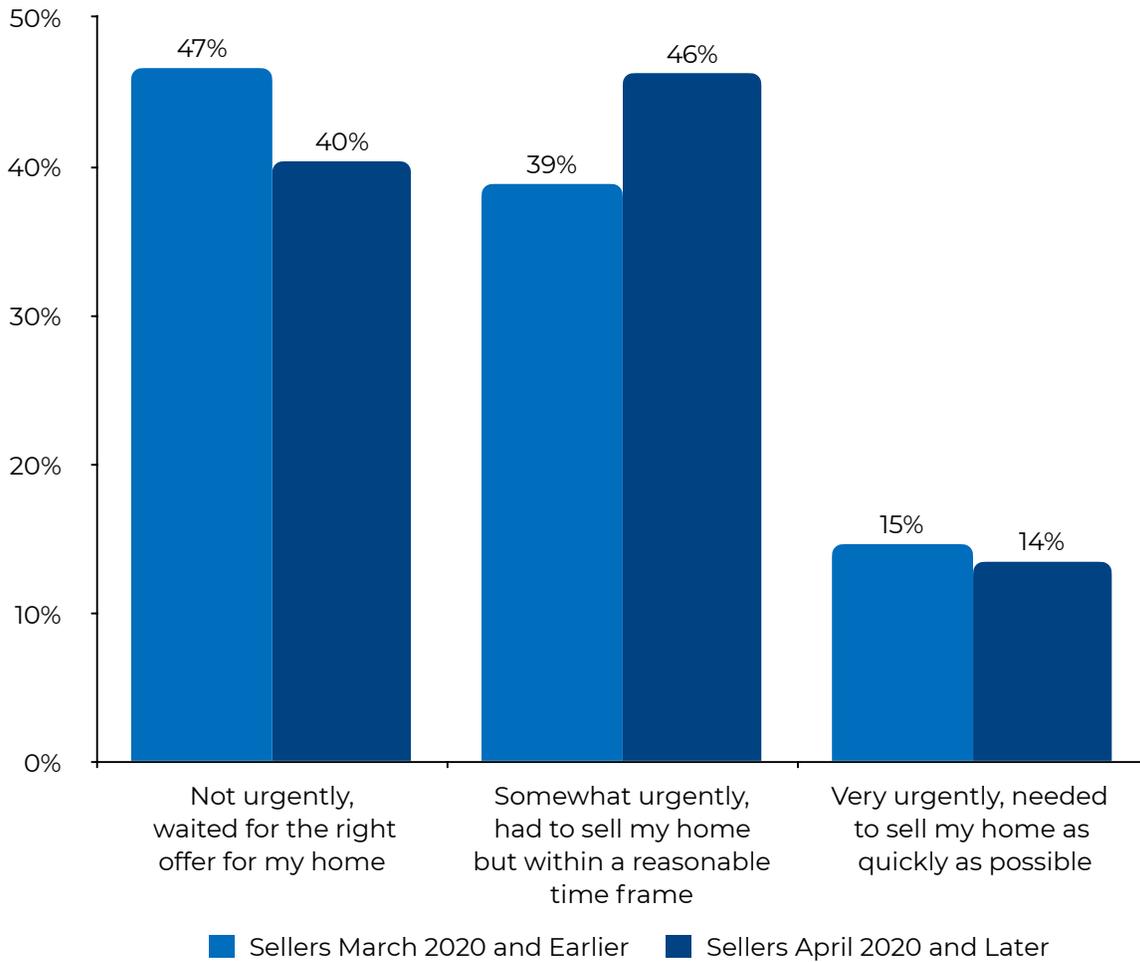
(Percentage Distribution)



## CHAPTER 10: Home Sellers Before and During COVID-19

### Exhibit 10-2 Seller Urgency, Before COVID-19 and During COVID-19

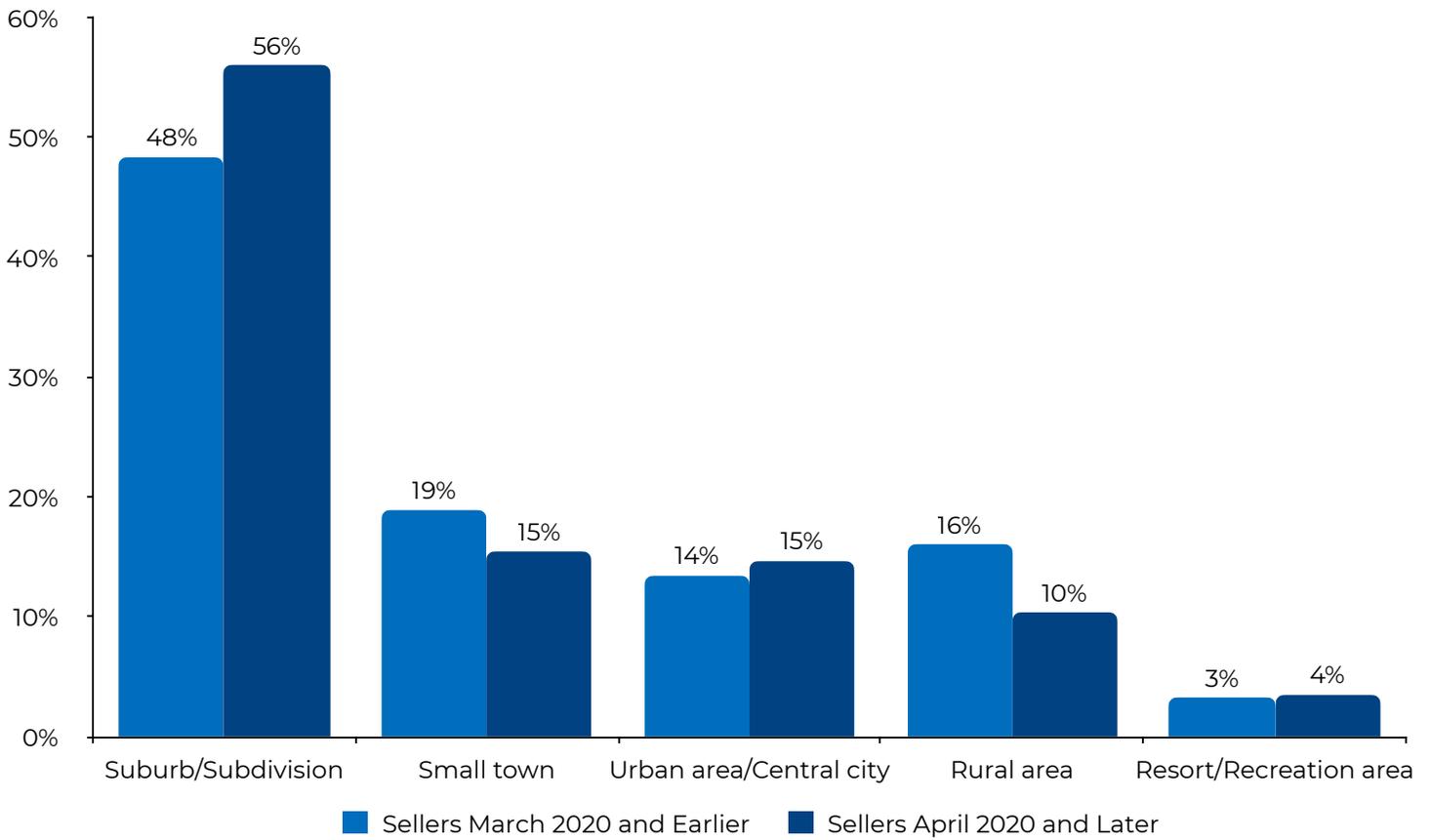
(Percentage Distribution)



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## Exhibit 10-3 Location of Home Sold, Before COVID-19 and During COVID-19

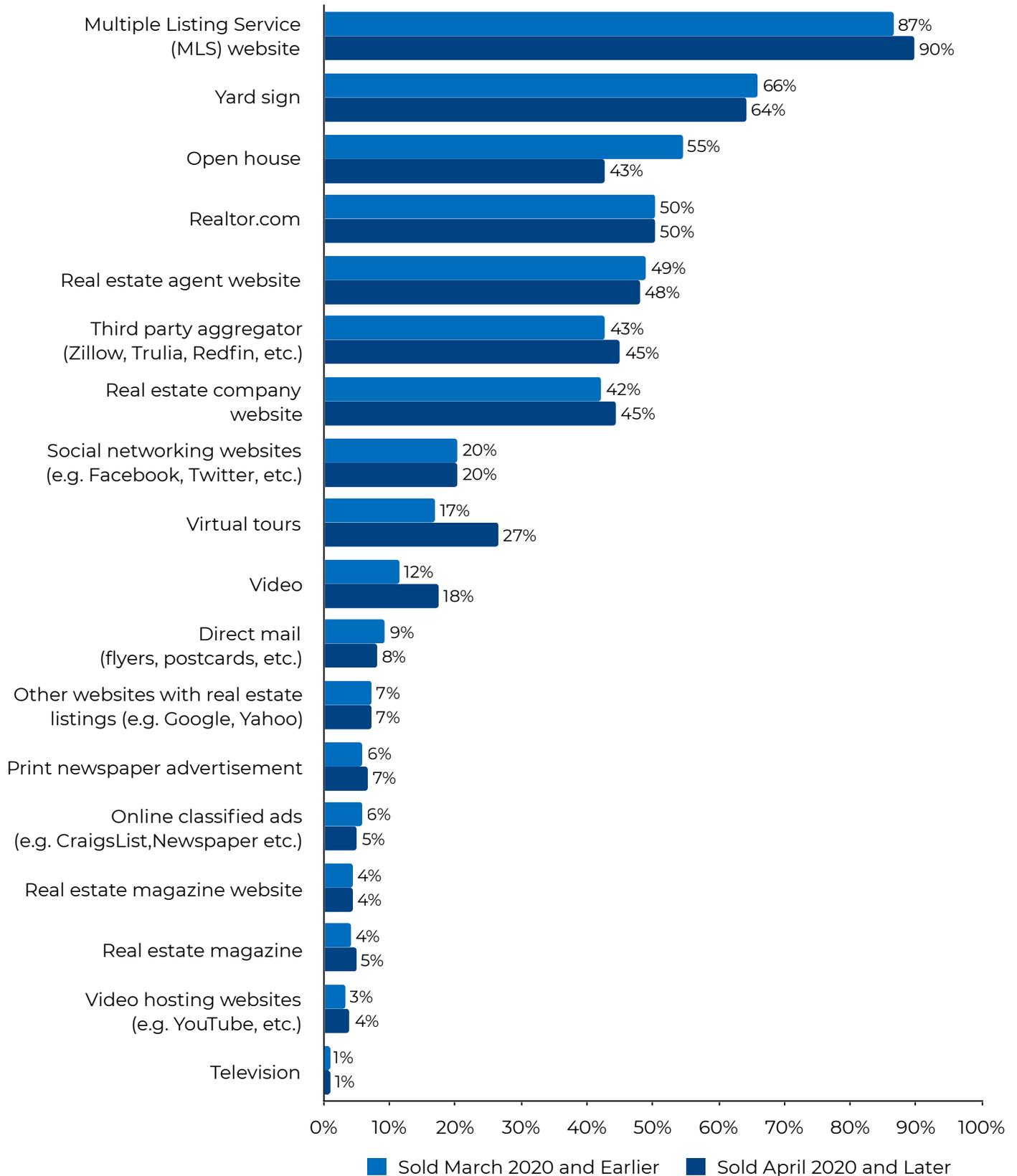
(Percentage Distribution)



# CHAPTER 10: Home Sellers Before and During COVID-19

## Exhibit 10-4 Methods Real Estate Agent Used to Market Home, Before COVID-19 and During COVID-19

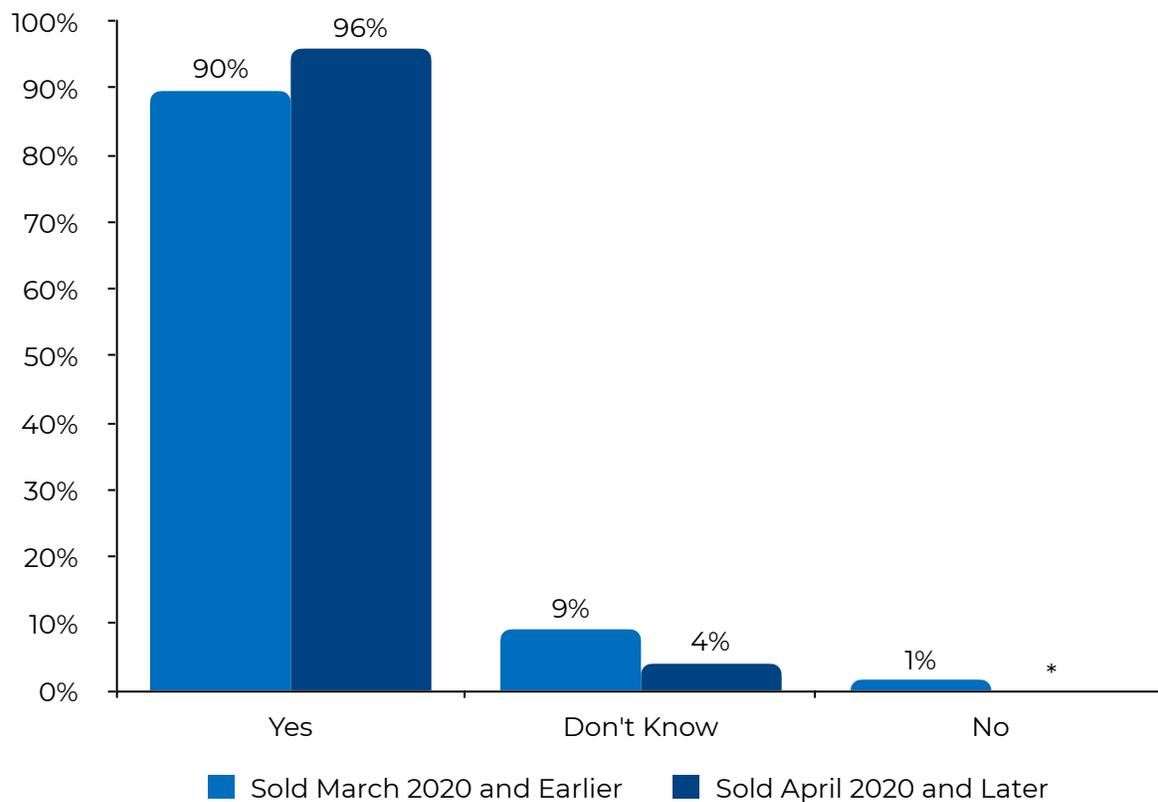
(Percentage Distribution)



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 10-5 Home Listed on Multiple Listing Service, Before COVID-19 and During COVID-19

(Percentage Distribution)

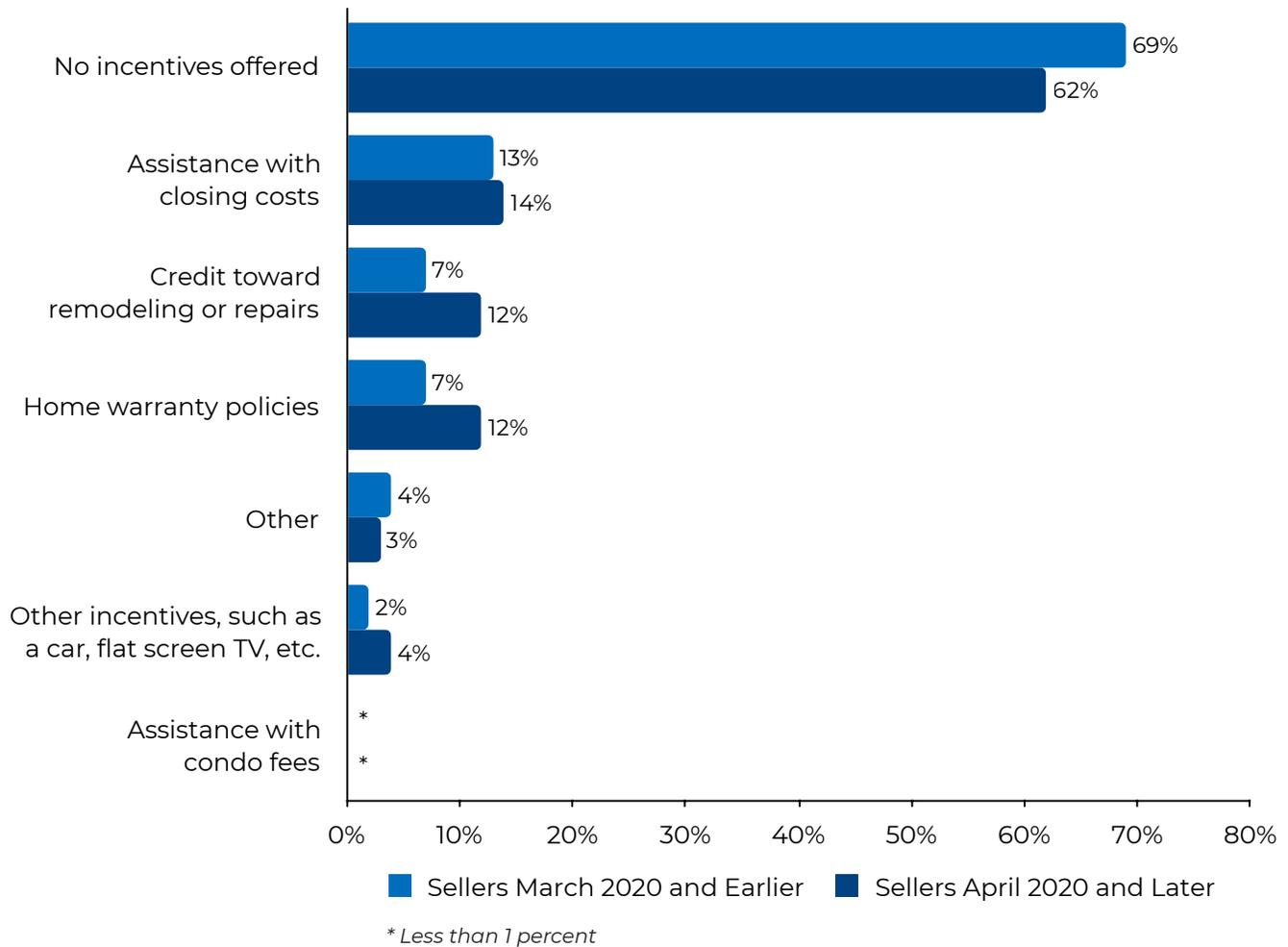


\* Less than 1 percent

## CHAPTER 10: Home Sellers Before and During COVID-19

### Exhibit 10–6 Incentives Offered to Attract Buyers, Before COVID-19 and During COVID-19

(Percent of Respondents)



### Exhibit 10–7 Tenure in Previous Home, Before COVID-19 and During COVID-19

(Percentage Distribution)

	SELLERS MARCH 2020 AND EARLIER	SELLERS APRIL 2020 AND LATER
1 year or less	3%	4%
2 to 3 years	10%	9%
4 to 5 years	13%	13%
6 to 7 years	12%	10%
8 to 10 years	11%	12%
11 to 15 years	17%	13%
16 to 20 years	14%	14%
21 years or more	20%	26%
Median years	11	11

## 2020 PROFILE OF HOME BUYERS AND SELLERS

### Exhibit 10–8 Price of Home Sold, Before COVID-19 and During COVID-19

(Percentage Distribution)

	SELLERS MARCH 2020 AND EARLIER	SELLERS APRIL 2020 AND LATER
Less than \$100,000	5%	5%
\$100,000 to \$149,999	9%	9%
\$150,000 to \$199,999	14%	10%
\$200,000 to \$249,999	16%	13%
\$250,000 to \$299,999	12%	13%
\$300,000 to \$349,999	10%	9%
\$350,000 to \$399,999	9%	7%
\$400,000 to \$499,999	11%	11%
\$500,000 or more	14%	24%
Median price	\$270,700	\$300,000

### Exhibit 10–9 Sales Price Compared with Listing Price, Before COVID-19 and During COVID-19

(Percentage Distribution)

	SELLERS MARCH 2020 AND EARLIER	SELLERS APRIL 2020 AND LATER
Less than 90%	6%	8%
90% to 94%	12%	13%
95% to 99%	35%	38%
100% to 100%	30%	24%
101% to 110%	14%	15%
More than 110%	3%	3%
Median percent	99%	98%

### Exhibit 10–10 Equity Earned in Home Recently Sold, Before COVID-19 and During COVID-19

(Medians)

	SELLERS MARCH 2020 AND EARLIER	SELLERS APRIL 2020 AND LATER
Median dollar amount	\$64,000	\$80,000
Median percent gained	35%	37%



## 2020 PROFILE OF HOME BUYERS AND SELLERS

### METHODOLOGY AMONG RECENT BUYERS AND SELLERS

In July 2020, NAR mailed out a 131-question survey using a random sample weighted to be representative of sales on a geographic basis to 132,550 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2019 and June of 2020. A total 8,212 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 6.2 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 2020, with the exception of income data, which are reported for 2019. 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 *Realtors® Confidence Index*, 85 percent of home buyers were primary residence buyers in 2019, which accounts for 5,270,000 homes sold in 2019 (accounting for new and existing homes). Using that calculation, the sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.08%.



# 2020 PROFILE OF HOME BUYERS AND SELLERS

## LIST OF EXHIBITS

### Chapter 1: Characteristics of Home Buyers

- Exhibit 1-1 Median Age of Home Buyers 1981–2020
- Exhibit 1-2 Age of Home Buyers, by Region
- Exhibit 1-3 Household Income of Home Buyers, by Region, 2019
- Exhibit 1-4 Adult Composition of Home Buyer Households, 1981–2020
- Exhibit 1-5 Number of Children Under the Age of 18 Residing in Household
- Exhibit 1-6 Share of Home Buyers with Children Under the Age of 18 in Home
- Exhibit 1-7 Home Purchased was a Multi-Generational Home (Will Home Adult Siblings, Adult Children, Parents, and/or Grandparents)
- Exhibit 1-8 Home Buyer Sexual Orientation
- Exhibit 1-9 Home Buyer Identify as Transgender
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