



National Association of REALTORS®

2013 PROFILE OF HOME BUYERS AND SELLERS

Methodology

In July 2013, NAR mailed out a 122 question survey using a random sample weighted to be representative of sales on a geographic basis to 148,011 recent home buyers. The recent home buyers had to have purchased a home between July of 2012 and June of 2013. A total of 8,767 responses were received. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 6.1 percent.

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 2013, with the exception of income data, which are reported for 2012. 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.



Bought Home Between July 2012 – June 2013

Methodology

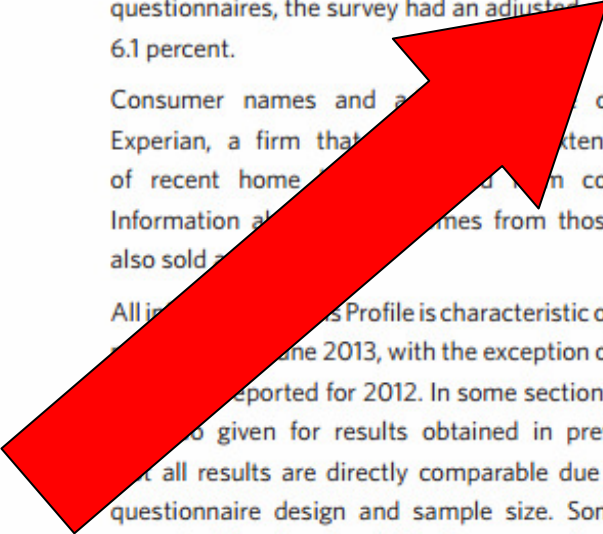
In July 2013, NAR mailed a random sample of questionnaires on a geographic basis to 148,011 recent home buyers. The recent home buyers had to have purchased a home between July of 2012 and June of 2013. A total of 8,767 responses were received. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 6.1 percent.

Consumer names and addresses were obtained from Experian, a firm that has an extensive database of recent home buyers. Information also comes from those who also sold...

All income data in this Profile is characteristic of the 12-month period ending in June 2013, with the exception of income data, which is reported for 2012. In some sections comparisons are 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.



8,767 Responses



Highlights

Financing the Home Purchase

- Eighty-eight percent of home buyers financed their recent home purchase. Among those who financed their home purchase, buyers typically financed 90 percent.
- The share of first-time buyers who financed their home purchase was 95 percent compared to 86 percent of repeat buyers.
- More than half of home buyers reported they have made some sacrifices such as reducing spending on luxury items, entertainment or clothing.
- Twenty-four percent of buyers reported the mortgage application and approval process was somewhat more difficult than expected and 16 percent reported it was much more difficult than expected.
- Twelve percent of buyers overall cited saving for a downpayment was difficult. Forty-three percent of buyers reported student loans, 38 percent reported credit card debt, and 31 percent car loans as the reason for the difficulty.

Home Sellers and Their Selling Experience

- Almost half of home sellers traded up to a larger size and higher priced home and 59 percent purchased a newer home.
- The typical seller lived in their home for nine years. The median tenure has increased in recent years. In 2007, the typical tenure in home was only six years.
- Eighty-eight percent of sellers were assisted by a real estate agent when selling their home.
- Recent sellers typically sold their homes for 97 percent of the listing price, and 47 percent reported they reduced the asking price at least once.
- Thirteen percent of recent sellers had to delay or stall selling their home because the value of their home was worth less than their mortgage.
- Thirty-six percent of sellers offered incentives to attract buyers, most often assistance with home warranty policies and closing costs.

Home Selling and Real Estate Professionals

- Thirty-nine percent of sellers who used a real estate agent found their agents through a referral by friends or family, and 25 percent used the agent they worked with previously to buy or sell a home.
- Two-thirds of home sellers only contacted one agent before selecting the one to assist with their home sale.
- Eighty-five percent of sellers reported that their home was listed or advertised on the multiple listing (MLS) website.
- Among recent sellers who used an agent, 84 percent reported they would definitely (65 percent) or probably (19 percent) use that real estate agent again or recommend to others.

For-Sale-by-Owner (FSBO) Sellers

- The share of home sellers who sold their home without the assistance of a real estate agent was nine percent. Forty percent knew the buyer prior to home purchase.
- The primary reason that sellers choose to sell their home without the assistance of a real estate agent to a buyer they did not know was that they did not want to pay a fee or commission (46 percent).
- Approximately one-third of FSBO sellers took no action to market their home, and 64 percent did not offer any incentives to attract buyers.
- The typical FSBO home sold for \$184,000 compared to \$230,000 among those who used an agent.

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Highlights

Financing the Home Purchase

- Eighty-eight percent of home buyers financed their recent home purchase. Among those who financed their home purchase, buyers typically financed 90 percent.
- The share of first-time buyers who financed their home purchase was 95 percent compared to 86 percent of repeat buyers.
- More than half of home buyers reported that they sacrificed some items, such as dining out, to save money on home items, entertainment, and other expenses.
- Twenty-four percent of buyers reported the mortgage application and approval process was somewhat more difficult than expected and 16 percent reported it was much more difficult than expected.
- Twelve percent of buyers overall cited saving for a downpayment was difficult. Forty-three percent of buyers reported student loans, 38 percent reported credit card debt, and 31 percent car loans as the most difficult for the difficulty.

Home Sellers and Their Selling Experience

- Almost half of home sellers traded up to a larger and higher priced home and 59 percent sold and purchased a newer home.
- The typical seller owned their home for nine years. The median tenure of home ownership has increased in recent years. In 2007, the typical seller owned their home for only six years.
- Eighty percent of sellers were assisted by a real estate agent when selling their home.
- Recent sellers typically sold their homes for 97 percent of the listing price, and 47 percent reported they reduced the asking price at least once.
- Thirteen percent of recent sellers had to delay or stall selling their home because the value of their home was worth less than their mortgage.
- Thirty-six percent of sellers offered incentives to attract buyers, most often assistance with home warranty policies and closing costs.

Home Selling and Real Estate Professionals

- Thirty-nine percent of sellers who used a real estate agent found their agents through a referral by friends or family, and 25 percent used the agent they worked with previously to buy or sell a home.
- Two-thirds of home sellers only contacted one agent to assist with their home sale.
- Fifty percent of sellers reported that their home was listed on the multiple listing (MLS).
- Among recent sellers who used an agent, 84 percent reported they would definitely (65 percent) or probably (19 percent) use that real estate agent again or recommend to others.

For-Sale-by-Owner (FSBO) Sellers

- The share of home sellers who sold their home without the assistance of a real estate agent was nine percent. Forty percent knew the buyer prior to home purchase.
- The primary reason that sellers choose to sell their home without the assistance of a real estate agent to a buyer they did not know was that they did not want to pay a fee or commission (46 percent).
- Approximately one-third of FSBO sellers took no action to market their home, and 64 percent did not offer any incentives to attract buyers.
- The typical FSBO home sold for \$184,000 compared to \$230,000 among agent-assisted home sales.

For-Sale-by-Owner (FSBO) Sellers

- Among recent sellers who used an agent, 84 percent reported they would definitely (65 percent) or probably (19 percent) use that real estate agent again or recommend to others.

For-Sale-by-Owner (FSBO) Sellers

The share of home sellers who sold their home without the assistance of a real estate agent was nine percent. Twenty percent knew the buyer prior to home purchase.

- The primary reason that sellers choose to sell their home without the assistance of a real estate agent to a buyer they do not know was that they did not want to pay a fee or commission (46 percent).
- Approximately one-third of FSBO sellers took no action to market their home, and 64 percent did not offer any incentives to attract buyers.
- The typical FSBO home sold for \$184,000 compared to \$230,000 among agent-assisted home sales.

Average Sale Price No Agent: \$184,000.00
Average Sale Price with Agent: \$220,000.00

**A COST OF 20% BY SELLING
ON THEIR OWN!!**