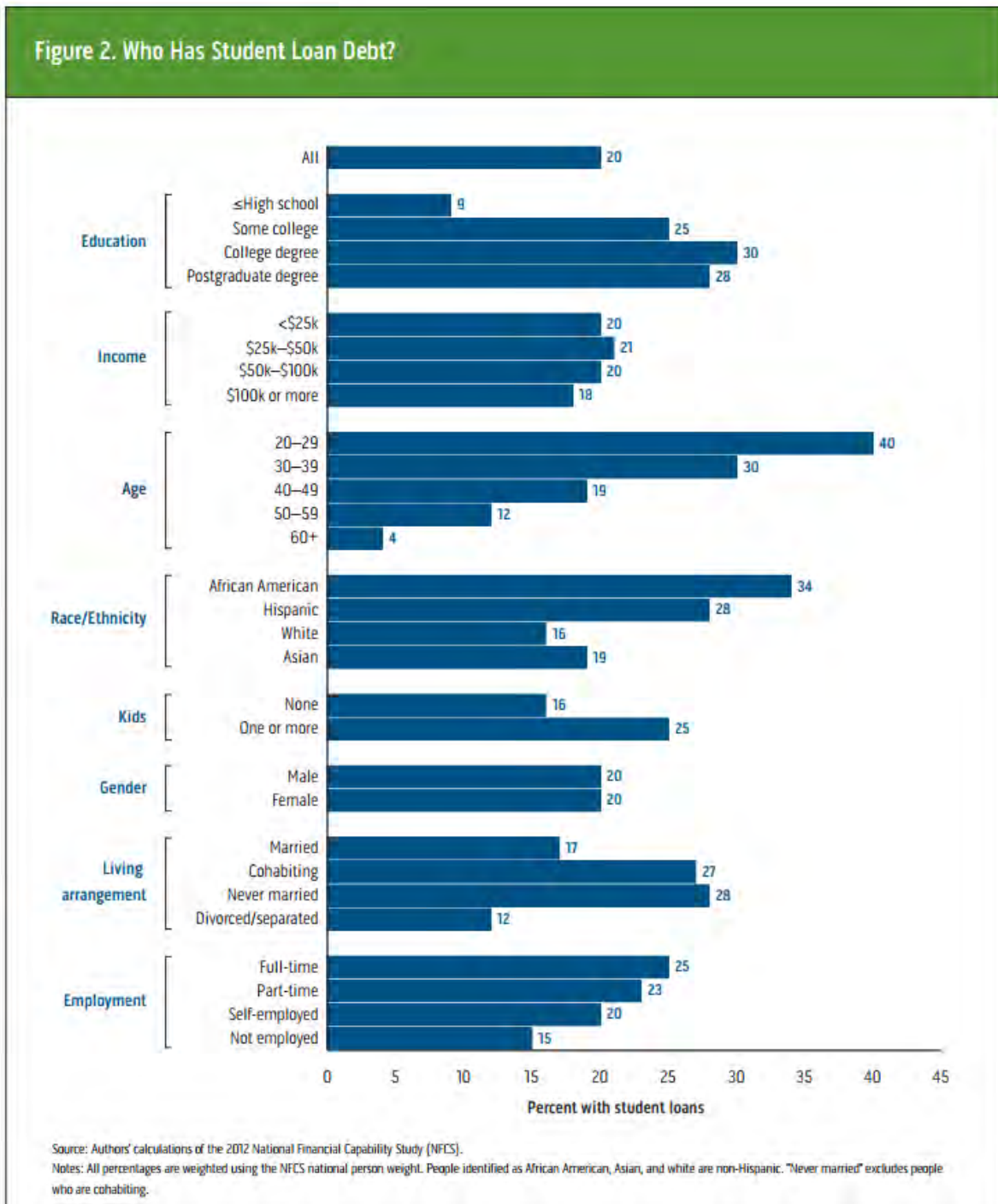


Figure 4



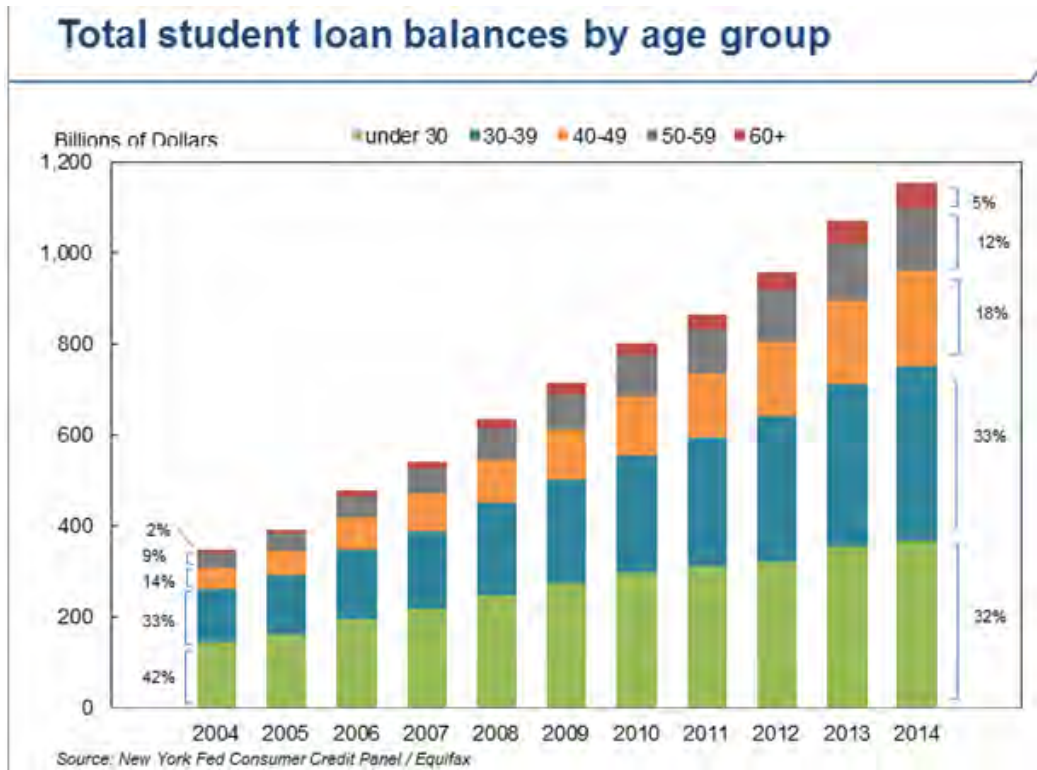
12

¹¹ Ibid

¹² Forever in Your Debt: Who Has Student Loan Debt, and Who's Worried? Urban Institute.

<http://www.urban.org/sites/default/files/alfresco/publication-pdfs/412849-Forever-in-Your-Debt-Who-Has-Student-Loan-Debt-and-Who-s-Worried-PDF>

Figure 5

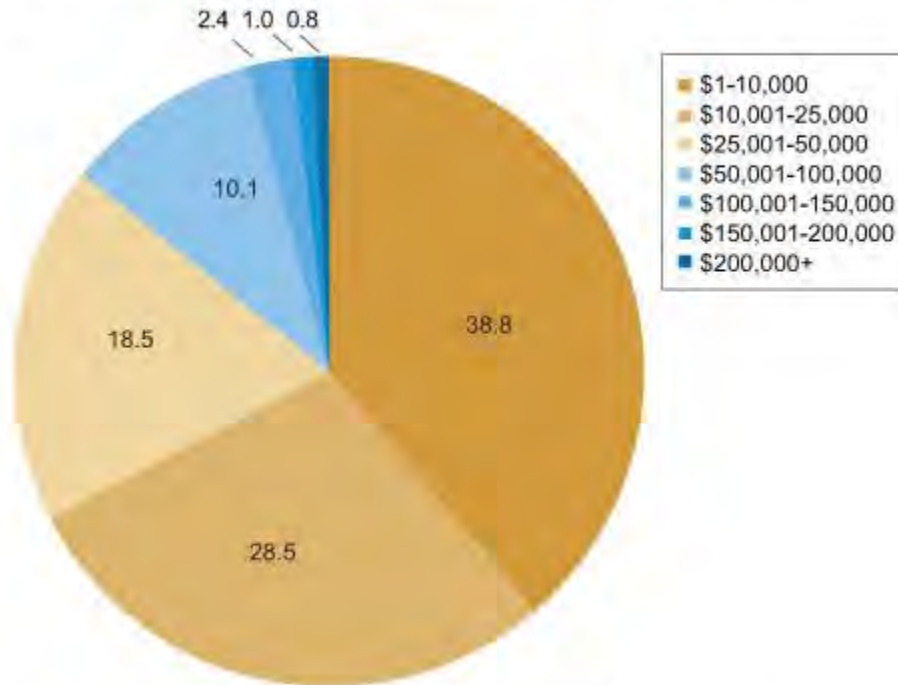


13

¹³ New York Fed to Host Press Briefing on Student Loans. http://www.newyorkfed.org/newsevents/mediaadvisory/2015/0410_2015.html

Figure 6

Distribution of Student Loan Borrowers by Balance in 2014
Percent



Source: Federal Reserve Bank of New York Consumer Credit Panel /Equifax.

14

Delinquencies and Defaults:

- As of 2015 Q2, 11.5 percent of student loans were 90+ days delinquent, up from 6.3 percent in 2003. (Delinquency rate for all outstanding debt is 5.6 percent, mortgages is 2.5 percent, auto loans is 3.4 percent)¹⁵
- Under 30: 8.9 percent of loans are 90+ days delinquent, 30-39: 12.1 percent of loans delinquent, 40-49: 16.1 percent of loans delinquent (Q4 2012)¹⁶
- Those who defaulted on student loan debt after two calendar years has declined for all types of borrowers from the previous year.¹⁷
- 9% of graduates and 24% of non-graduates defaulted on their student loan debt in 2015 after entering repayment in 2011-12.¹⁸

¹⁴ *The Student Loan Landscape*. Liberty Street Economics. Federal Reserve Bank of New York.

http://libertystreeteconomics.newyorkfed.org/2015/02/the_student_loan-landscape.html#.VSv22fnF_OE

¹⁵ FRBNY, Household Debt and Credit Report, Second Quarter 2015. http://www.newyorkfed.org/householdcredit/2015-q2/data/pdf/HHDC_2015Q2.pdf

¹⁶ FRBNY, Student Loan Debt by Age Group, Data as of Fourth Quarter 2013, Released March 29, 2013.

<http://www.newyorkfed.org/studentloandebt/>

¹⁷ *Trends in Higher Education*. The College Board. <http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

¹⁸ *Trends in Higher Education*. The College Board. <http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

Figure 7

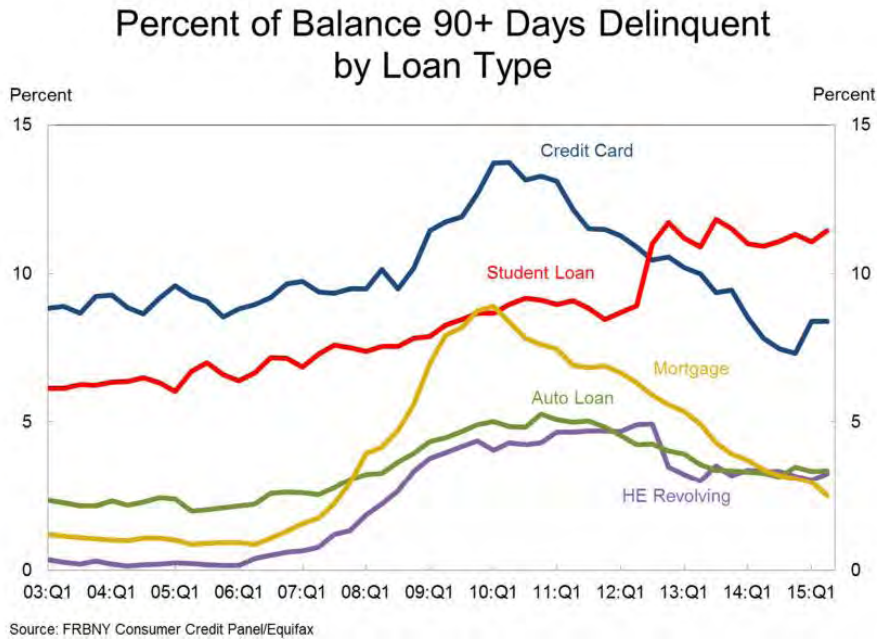


Figure 8

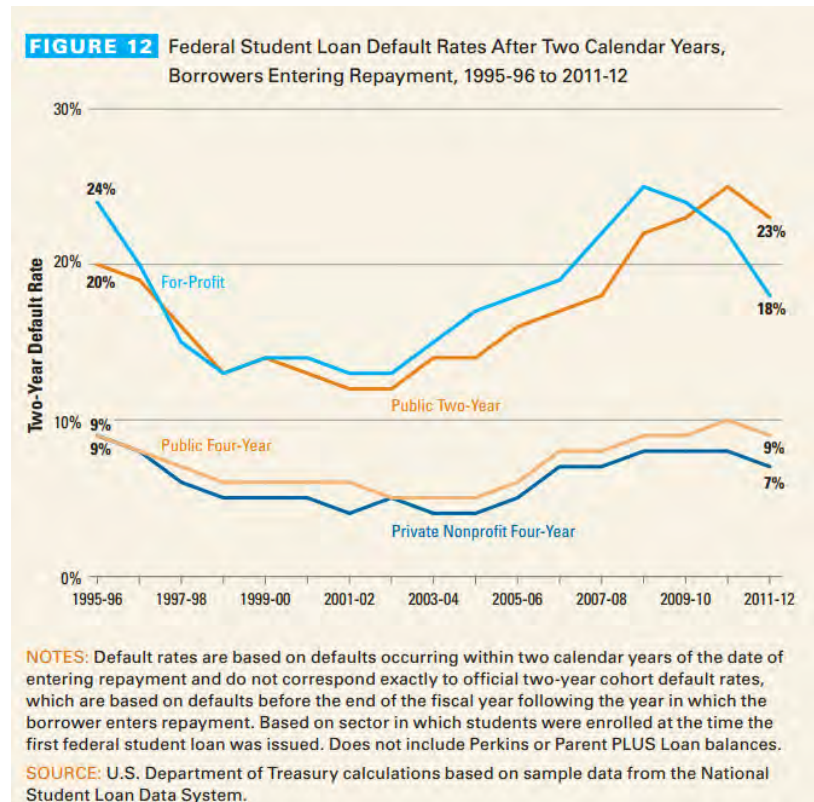


Figure 9

2009 Cohort: Default Rates by School-Leaving Balance

Percent of borrowers who have ever defaulted as of 2014:Q4



Source: New York Fed Consumer Credit Panel/Equifax.

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- Defaults are concentrated at the lower levels of debt.

Debt—Four Year College Graduates:

- 61% of college seniors who graduated from public and private nonprofit colleges in 2014 had student loan debt. Increase of 17% over a decade.²⁰
- Racial differences: Among those who graduated in 2012, 32% of black graduates, 17% of Hispanics, 16% of white students, and 7% of Asian graduates owed \$40,000 or more in student debt.
- Among 2012 graduates, 40% of borrowers with education debt owed less than \$10,000 for undergraduate, while 18% owed \$40,000 or more.²¹
- On average, the 61% of public and private four-year bachelor’s degree recipients who graduated with debt in 2013-14 borrowed \$26,900 (in 2014 dollars), 17% more than the average debt of the 2003-04 graduates who borrowed.²²
- Average debt per public four-year college graduate, including those who did not borrow, increased by 24% (from \$13,100 to \$16,300 in 2014 dollars) between 2003-04 and 2013-14.²³

¹⁹ Looking at Student Loan Defaults through a Larger Window. Liberty Street Economics. Federal Reserve Bank of New York.

http://libertystreeteconomics.newyorkfed.org/2015/02/looking_at_student_loan_defaults_through_a_larger_window.html#.VSv2JPnF_OE

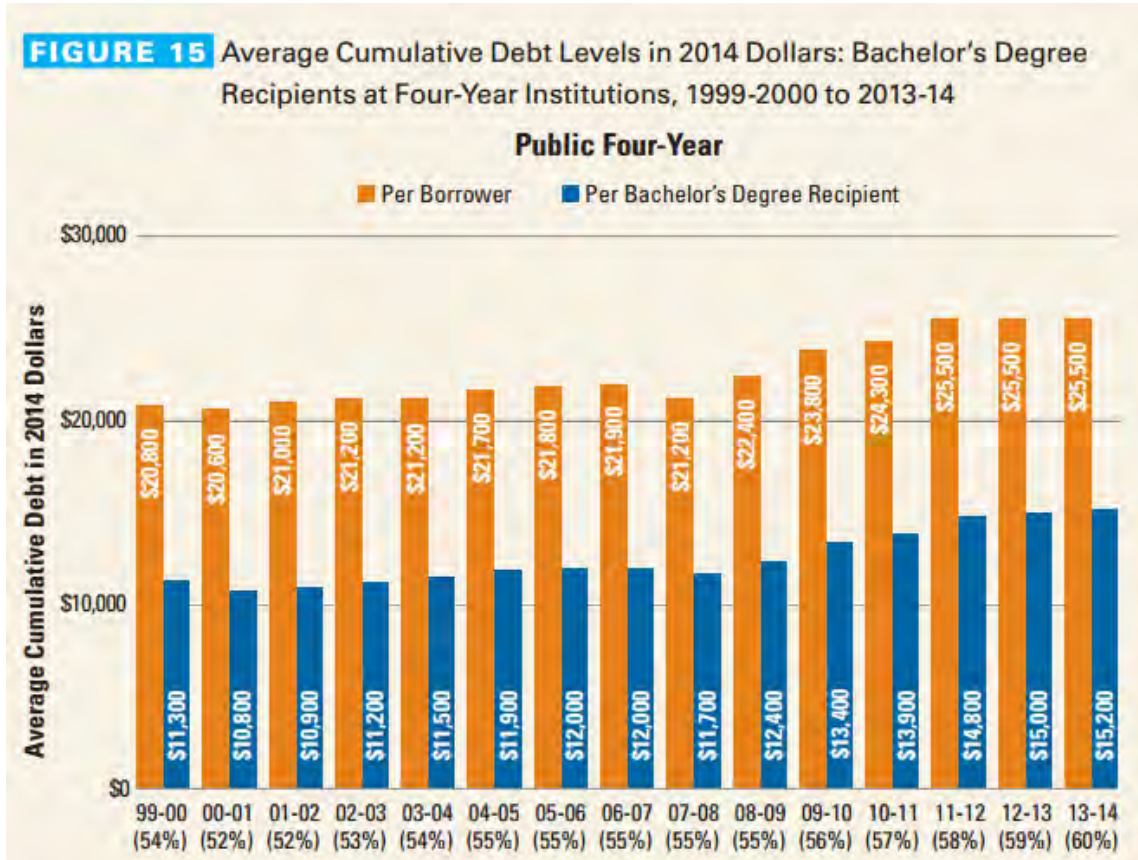
²⁰ Trends in Higher Education. The College Board. <http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

²¹ Trends in Higher Education. The College Board. <http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

²² Trends in Higher Education. The College Board. <http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

Figure 10

Average Cumulative Debt Levels in 2013 Dollars: Bachelor's Degree Recipients at Public Four-Year Institutions, 1999-2000 to 2013-14



24

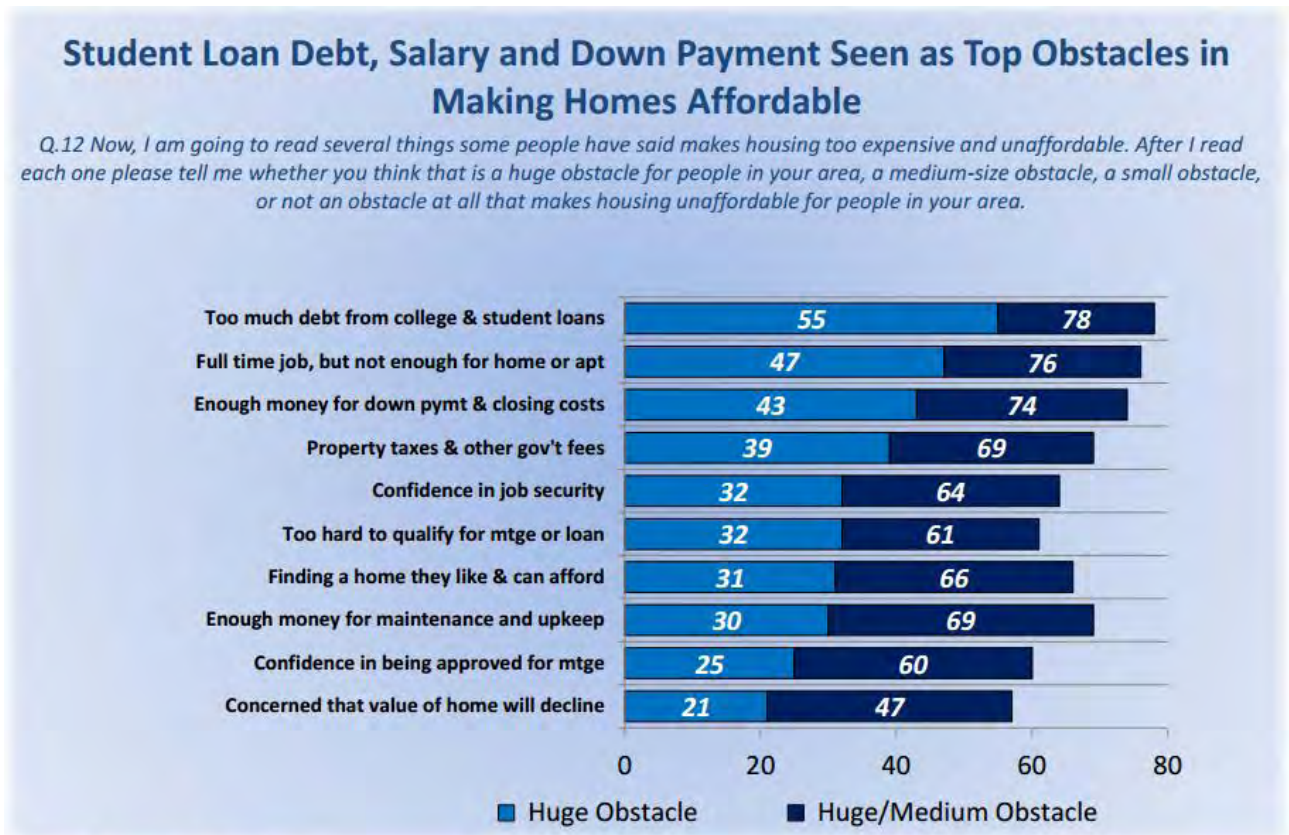
²³ Trends in Higher Education. The College Board. <http://trends.collegeboard.org/student-aid/figures-tables/distribution-outstanding-education-debt-balances-2013>

²⁴ Trends in Higher Education. The College Board. <http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

“Housing Pulse Survey” National Association of REALTORS®.²⁵

- 78% of Americans view that having too much debt from college and student loans is a huge to medium obstacle to home ownership
- 55% of Americans assess having too much debt from college or student loans is a huge obstacle to home ownership

Figure 11

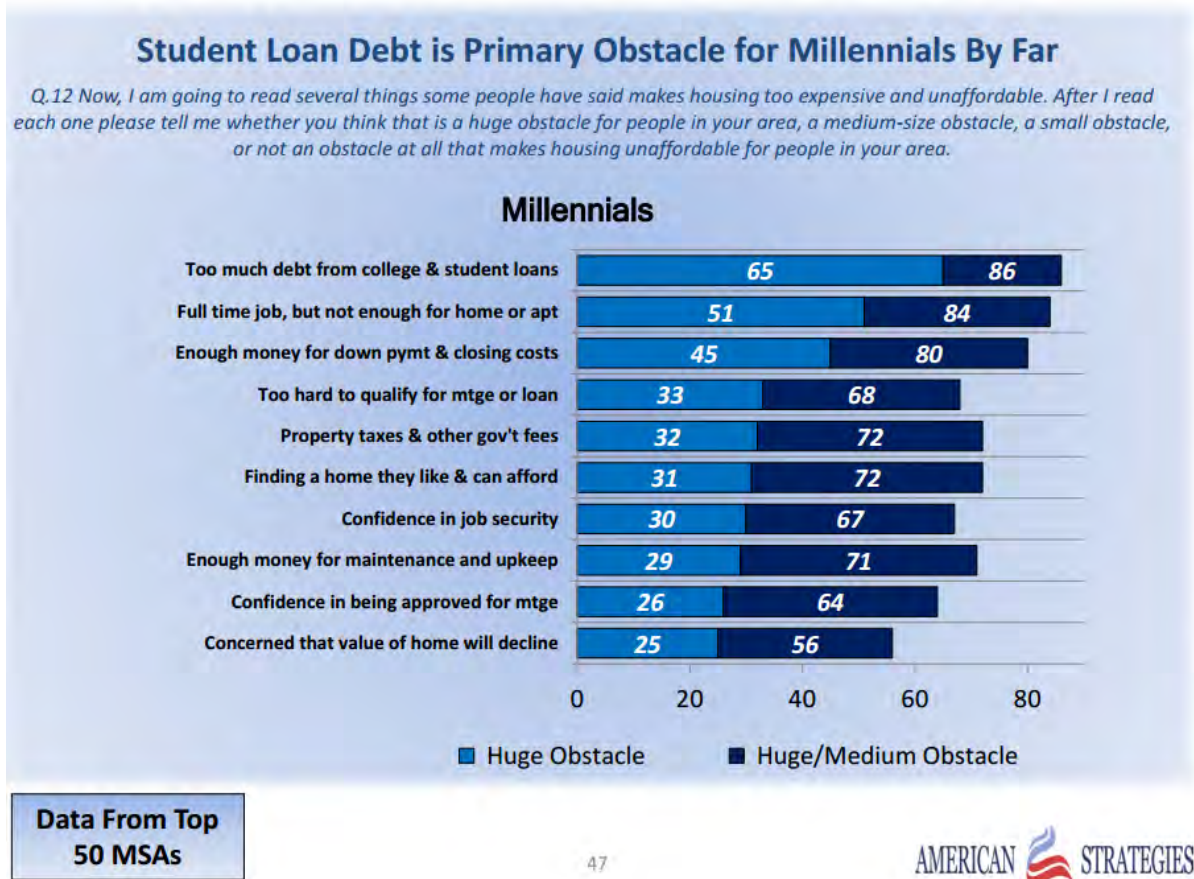


Data From Top 50 MSAs

- 86% of millennials view that having too much debt from college and student loans is a huge to medium obstacle to home ownership
- 65% of millennials assess having too much debt from college or student loans is a huge obstacle to home ownership

²⁵ National Association of REALTORS®, *Housing Pulse Survey*, October 2015. <http://www.realtor.org/sites/default/files/reports/2015/national-pulse-report-2015-10-13.pdf>

Figure 12



“2015 Profile of Home Buyers and Sellers” National Association of REALTORS® :²⁶

- All debt is (if buyer had debt) is delaying home buyers 4 years from purchasing a home
 - 24% of buyers were delayed more than 5 years

Figure 13

EXHIBIT 5-8 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	16%	17%	15%
Two years	19	21	17
Three years	14	13	15
Four years	7	8	7
Five years	20	19	19
More than five years	24	22	27
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	4	3	4

²⁶ 2015 Profile of Home Buyers and Sellers. National Association of Realtors. <http://www.realtor.org/research-and-statistics>

- Among buyers who said saving for the downpayment was the most difficult task in the home buying process (13%), 51% cited student loan debt was the debt that held them back. They typically delayed buying a home for three years.
- Among first-time buyers 25% said saving for a downpayment was the most difficult task in the home buying process. Among those 58% said student loan debt was the debt that delayed them from saving. It typically delayed them three years.

Figure 14

EXHIBIT 5-9 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 Down Payment Was Difficult)

	All Buyers	First-time Buyers	Repeat Buyers
Share Saving for Downpayment was Most Difficult Task in Buying Process:	13%	25%	7%
Debt that Delayed Saving:			
Student Loans	51%	58%	36%
Credit card debt	47	47	46
Car loan	35	37	30
Child care expenses	18	15	23
Health care costs	13	13	13
Other	17	11	29
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	3	3	3

- Single female buyers were delayed the longest at five years if saving for a downpayment was difficult.

Figure 15

EXHIBIT 5-10 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 Down Payment 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:	13%	12%	10%	14%	23%	15%
Debt that Delayed Saving:						
Student Loans	51%	53%	51%	42%	51%	50%
Credit card debt	47	47	56	40	40	63
Car loan	35	35	27	22	53	33
Child care expenses	18	20	11	8	8	56
Health care costs	13	14	11	13	7	27
Other	17	14	25	27	15	25
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	3	3	5	4	4	7

- 25% of recent buyers have student loan debt. 41% of first-time home buyers and 17% of repeat buyers have student loan debt.
- The median balance is \$25,000 for all recent home buyers.

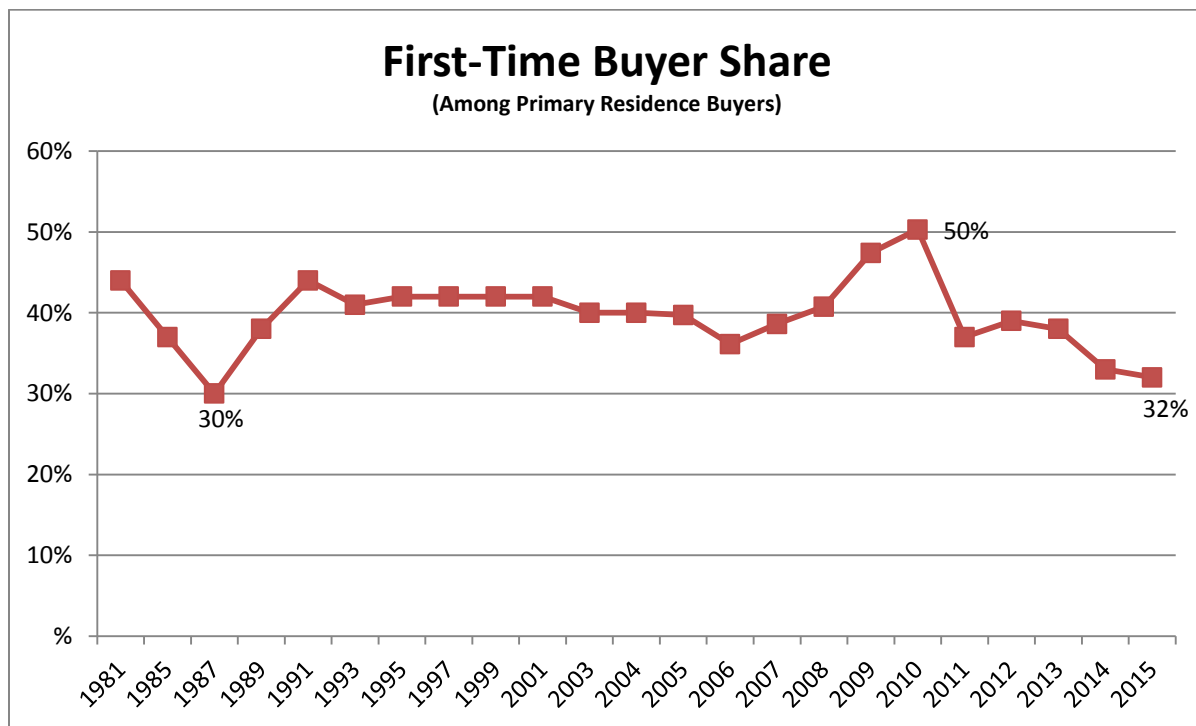
Figure 16

EXHIBIT 5-15 BUYERS WHO HAVE STUDENT LOAN DEBT
(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Have student loan debt	25%	41%	17%
Under \$10,000	21	21	22
\$10,000 to \$24,999	28	28	29
\$25,000 to \$49,999	22	21	23
\$50,000 to \$74,999	13	12	13
\$75,000 or more	16	19	13
Median amount of student loan debt	\$25,000	\$25,000	\$25,000

- First-buyer share among primary residence buyers is at 32%—lows not seen since 1987 when the share was 30%.

Figure 17



Additional Research Studies Related to Student Loan Debt:

“Great Jobs, Great Lives. The Relationship Between Student Debt, Experiences and Perceptions of College Worth” Report from Gallup-Purdue Index 2015 Report²⁷

- Random sample of 30,151 respondents with a bachelor’s degree or higher. Survey conducted Dec 2014-June 2015
- Half of US alumni “strongly agree” their education was worth the cost—higher among public college attendees, those who are employed full time, and higher incomes
- Among those who took out loans for undergraduate studies, about half delayed postgraduate studies because of the debt.
- More than one-third (36%) delayed buying a home and (36%) delayed buying a car because of student loan debt among those who had debt
- 25% of those with loans over \$25k say debt forced them to delay starting their own business

“2015 Housing Survey” Report from NeighborWorks²⁸

- Survey among 1,000 adults using random digit dial survey
- The survey found that student loan debt continues to grow as an obstacle in a consumers’ ability to buy a home, as 57 percent of 2015 respondents who acknowledge having student loans said this debt was either “very much” or “somewhat” of an obstacle compares to 49 percent of 2014 respondents.

“Trends in Debt Concentration in the United States By Income” Report from Federal Reserve Bank of New York²⁹

- Average student loan balances in the lowest quintile were 52 percent of those in the highest quintile in 2004, but rose to 59 percent in 2014.
- Student debt seems to have become relatively less concentrated in the highest-income groups compared to credit card and mortgage debt.

“Intended College Attendance: Evidence from an Experiment on College Returns and Costs” Report from Federal Reserve Bank of New York³⁰

- College enrollment rates, defined as the percent of high school graduates who have enrolled in a two- or four-year college, have hovered between 60 and 70 percent in the United States

²⁷ “Great Jobs, Great Lives. The Relationship Between Student Debt, Experiences and Perceptions of College Worth” Gallup-Purdue Index 2015 Report <http://www.gallup.com/services/185888/gallup-purdue-index-report-2015.aspx>

²⁸ 2015 Housing Survey. NeighborWorks. <http://neighborworks.org/Media-Center/Press-Releases/2015-Archive/October/NeighborWorks-America-survey-finds-student-debt,-mortgage-market-confusion,-and-a-declining-marriage>

²⁹ “Trends in Debt Concentration in the United States By Income” Report from Federal Reserve Bank of New York

<http://libertystreeteconomics.newyorkfed.org/2015/11/trends-in-debt-concentration-in-the-united-states-by-income.html#.VjtHOLerSUK>

³⁰ “Intended College Attendance: Evidence from an Experiment on College Returns and Costs” Housing Choices” Report from Federal Reserve Bank of New York http://www.newyorkfed.org/research/staff_reports/sr739.pdf

over the last two decades, but the average college graduation rate in the US has been about 35 percent

- There is a 30 percentage point gap in college enrollment by household income and by parents educational attainment, which has remained relatively stable over time
- Household heads tend to underestimate net benefits and overestimate net costs of a college degree.

“Student Loan Debt and Young Consumers’ Housing Choices” Report from Federal Reserve Bank of New York³¹

- Home Ownership, Data based on: FRBNY Consumer Credit Panel—representative sample of consumer credit data that New York Federal Reserve acquired from Equifax
- Why the decline in housing and auto markets?
- Weakened labor market
- Decreased access to credit
- Underwriting standards tightened in the recession and recovery
- DTI calculations include larger student loan balances
- Possible delayed life-cycle timing
- Credit scores are 15-20 points lower among student loan borrowers
- Student borrowers are less likely to own homes at 30 and less likely to purchase cars using credit at age 25, but those most at risk are borrowers not finishing the college degree.
- Difficult to infer clear fiscal policy prescriptions from the limited evidence available on the student debt and housing relationship.

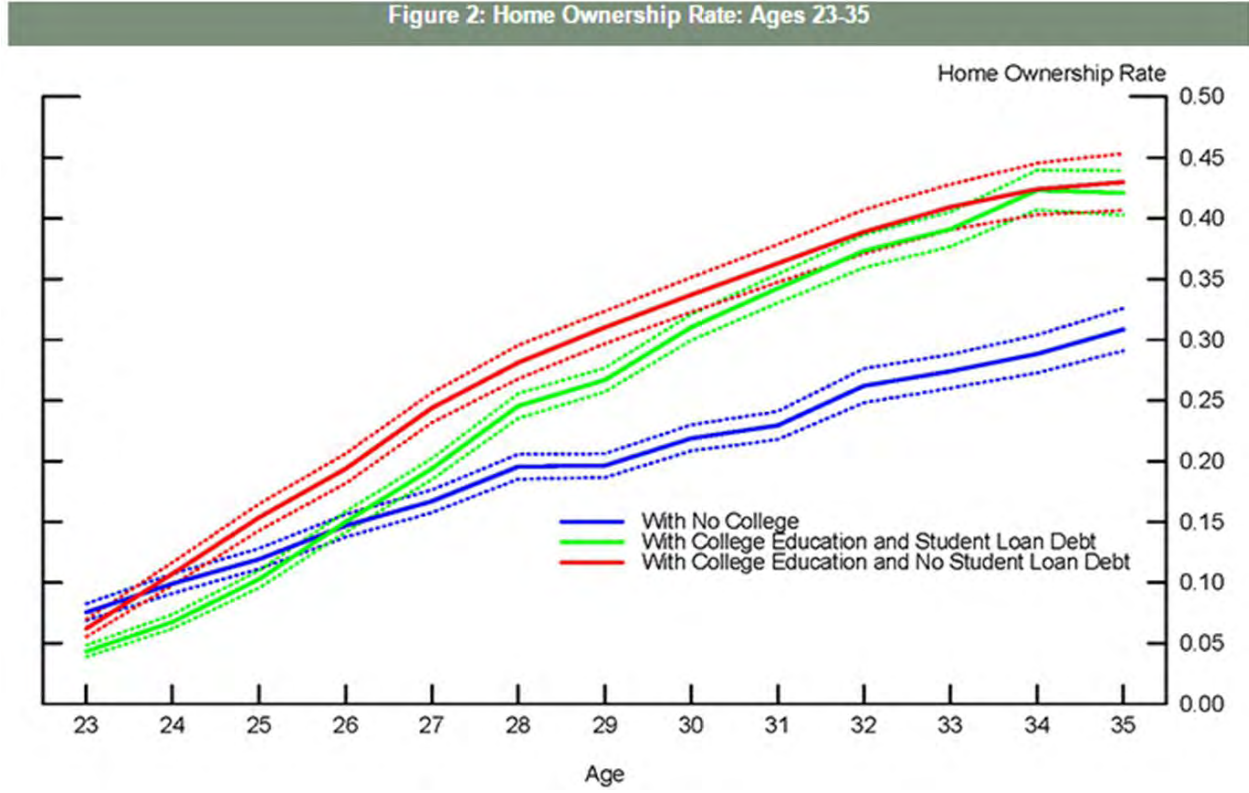
“Student Loans and Homeownership Trends” Report from Federal Reserve Bank of New York³²

- The analysis in the note is based on a nationally representative, anonymous sample of credit bureau records randomly drawn by TransUnion, LLC
- A cohort of 34,890 young individuals who were between ages 23 and 31 in 2004.
- The data spans the period 1997 through 2010.
- Higher homeownership rates among those who went to college but did not have any student loans might be caused by lower overall debt burdens
 - Potentially also by other factors: ability of one's family to provide funds for a down payment.
- Results cannot address how homeownership trends in recent years

³¹ “Student Loan Debt and Young Consumers’ Housing Choices” Report from Federal Reserve Bank of New York
http://www.urban.org/events/upload/Bleemer_Brown_Lee_vanderKlaauw_LivingwithParents.pdf

³² “Student Loans and Homeownership Trends” Report from Federal Reserve Bank of New York
<http://www.federalreserve.gov/econresdata/notes/feds-notes/2014/student-loans-and-homeownership-trends-20141015.html>

Figure 18



Borrower level information QM, and Millennials:

- 2012 was the first year that the homeownership rate for 30 years old with student loan debt dropped below the homeownership rate for 30 years olds without student loan debt.³³
- The qualified mortgage (QM) rule and ability to repay (ATR) rules were implemented in January of 2014. They are only two of several rules that came from the Dodd–Frank Wall Street Reform and Consumer Protection Act that will impact the housing market.
- The ATR rule is intended to protect consumers through stronger underwriting standards by requiring full documentation of income, assets, employment and the ability to repay for all mortgages.
- The features of these safer QM loans include a maximum of 3% for points and fees, a cap of 43% on the back-end debt-to-income ratio, and limitations on the type of mortgage products that qualify and prepayment penalties among other requirements.³⁴
- The implication for millennials is that a home purchase may be pushed back and borrowing ability is adversely affected. Assuming that this group's income grows at 5% per year, they will

³³ FRBNY, May 2014, "Just Released: Young Student Loan Borrowers Remained on the Sidelines of the Housing Market in 2013" <http://libertystreeteconomics.newyorkfed.org/2014/05/just-released-young-student-loan-borrowers-remained-on-the-sidelines-of-the-housing-market-in-2013.html#.U3wTBvldUWI>

³⁴ National Association of REALTORS®, Research Division, February, 2014. Economists Outlook Blog, "QM Rule Opens the Door for Many" <http://economistsoutlook.blogs.realtor.org/2014/02/20/qm-rule-opens-the-door-for-many/>

meet the 43% DTI in seven years. With an average student debt of \$21,402, their current borrowing ability declines by the same amount.³⁵ (Figure 13, 14)

Figure 19

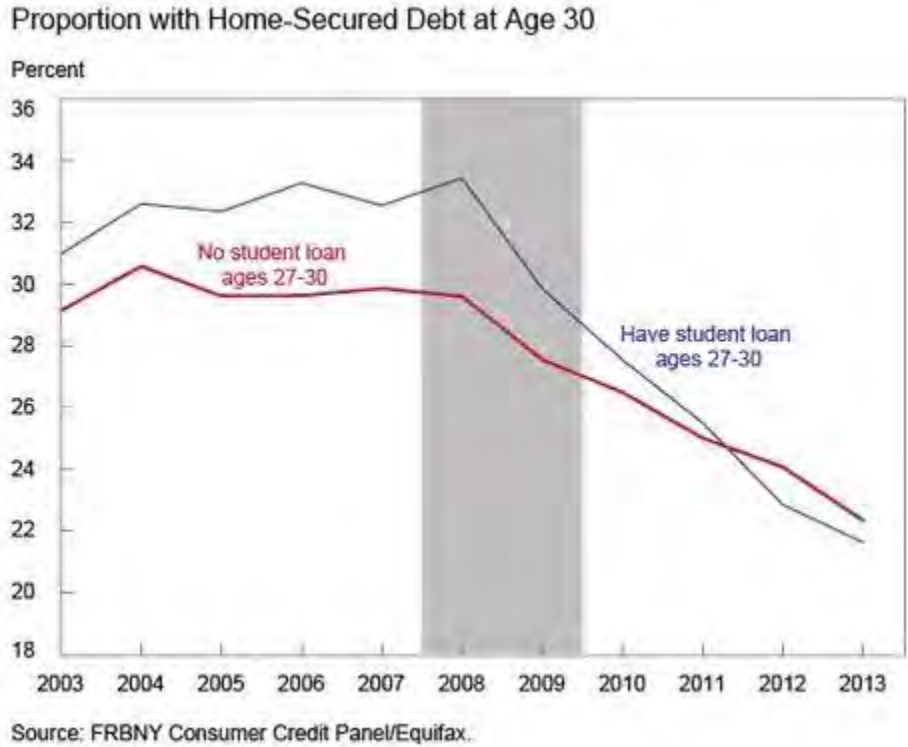
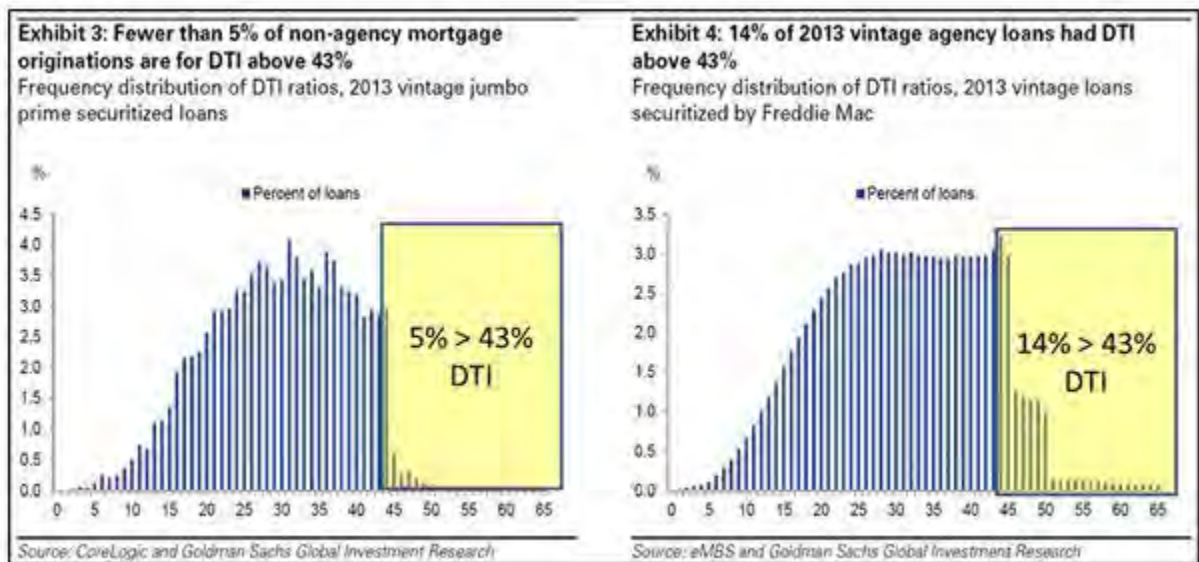


Figure 20



³⁵ National Association of REALTORS®, Research Division, February, 2014. Economists Outlook Blog, “Prospect of Homeownership for Millennials” <http://economistsoutlook.blogs.realtor.org/2014/02/13/prospect-of-homeownership-for-millennials/>

Figure 21

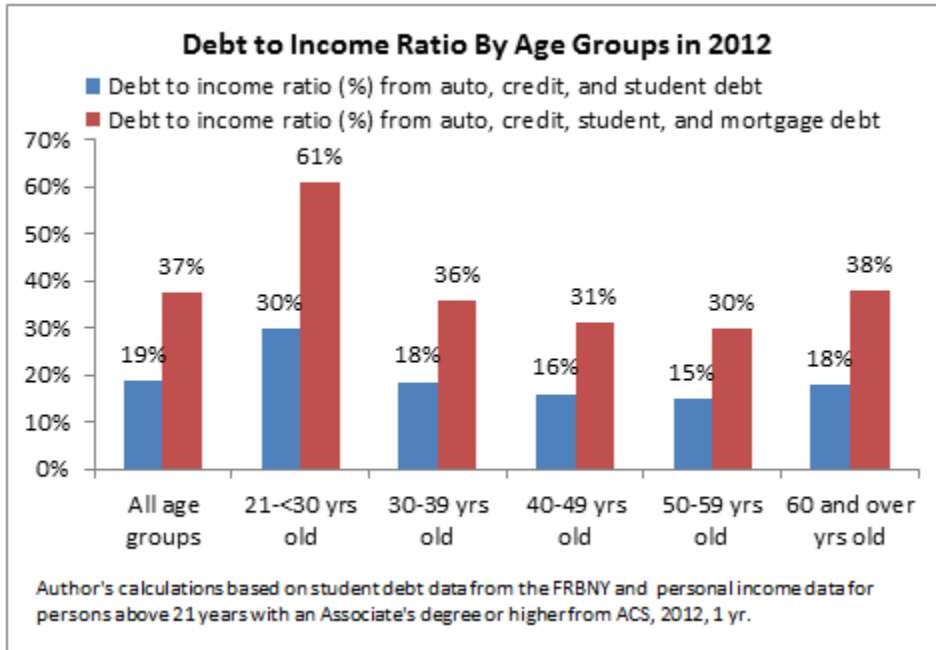
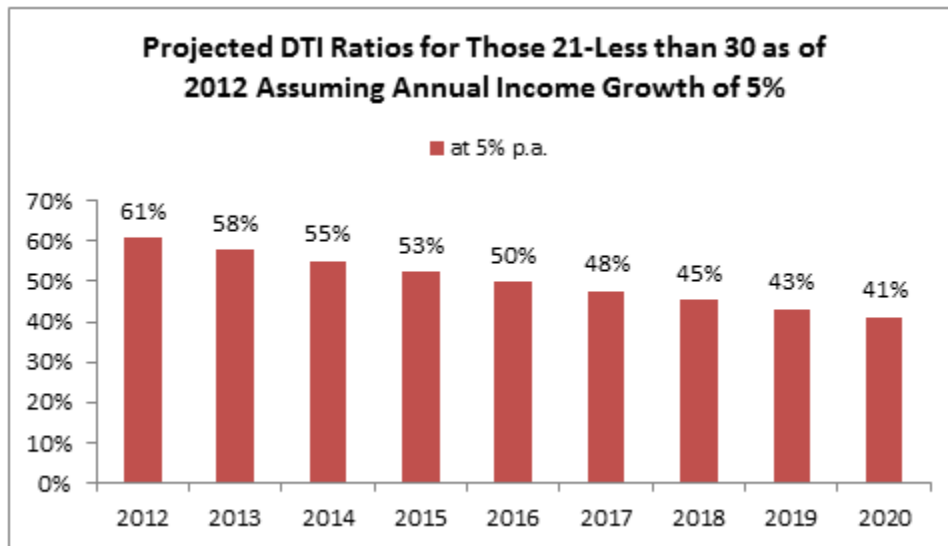


Figure 22



“Student Loan Debt and Economic Outcomes” Federal Reserve Bank of Boston³⁶

- Overall, student debt lowers the likelihood of homeownership for a group of students who attended college during the 1990s. There is also a fairly strong negative correlation between student loan debt and wealth (excluding student loan debt) for a group of households with at least some college experience.

Figure 23

TABLE 1: Homeownership Rate by Age Group

	With Student Loan Debt At Least Some College Experience	Without Student Loan Debt
Age 20-24	7.9%	17.3%
Age 25-29	28.7%	30.7%
Age 30-34	50.3%	52.7%
Age 35-39	65.2%	66.3%
College Graduates Only		
Age 20-24	8.6%	9.1%
Age 25-29	32.6%	31.0%
Age 30-34	52.7%	59.9%
Age 35-39	71.9%	78.3%

Source: Authors' calculations using PSID data. Notes: Data on the presence or absence of student loan debt refer to 2011 and/or 2013. The top portion of the table is restricted to households where the head or spouse (or both) have at least some college experience. The bottom portion of the table is restricted to households where the head or spouse (or both) have a college degree or more.

“Student Loan Delinquency: A Big Problem Getting Worse?” Federal Reserve Bank of St. Louis³⁷

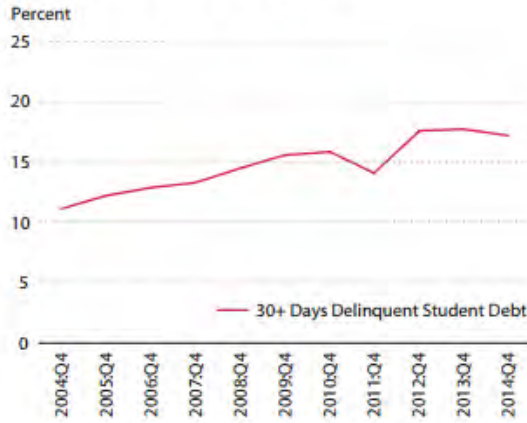
- The delinquency rate decreased during 2011 and then increased sharply during 2012; since then it has remained quite stable at about 17 percent.
- Given the previous analysis, we conclude that the delinquency rates are high, but the evolution over the past 10 years seems less problematic.
- Researchers believe the way the delinquency rate is calculated is not accurate. As the number of borrowers who are not in repayment has declined.

³⁶ “Student Loan Debt and Economic Outcomes” Federal Reserve Bank of Boston. <http://www.bostonfed.org/economic/current-policy-perspectives/2014/cpp1407.htm> October 2014.

³⁷ “Student Loan Delinquency: A Big Problem Getting Worse?” Federal Reserve Bank of St. Louis. <http://research.stlouisfed.org/publications/es/article/10344> April 2015.

Figure 24

Student Loan Delinquency Rate



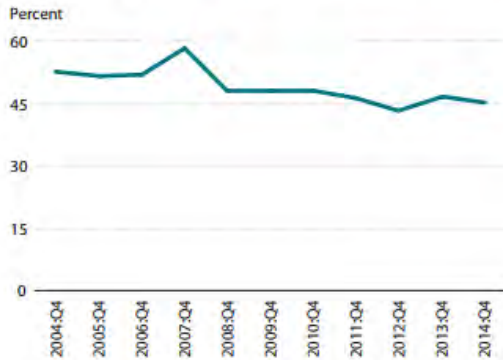
NOTE: The "30+ days delinquent" rate is calculated as

$$\frac{\text{No. of student loan borrowers with loans 30 or more days late}}{\text{No. of student loan borrowers}}$$

SOURCE: Authors' calculations using data from Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

Figure 25

Student Loan Borrowers Not In Repayment*



NOTE: The "Not in repayment" rate is calculated as

$$\frac{\text{No. of student loan borrowers not in repayment}}{\text{No. of student loan borrowers}}$$

SOURCE: Authors' calculations using data from Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

*Defined as a borrower with a balance in period t equal to or larger than the balance in the prior period (t-1) and a past-due amount in period t of zero.

Useful Data Sources and Sites:

National Association of REALTORS® Reports and Blog Posts:

<http://economistsoutlook.blogs.realtor.org/2014/02/20/qm-rule-opens-the-door-for-many/>
<http://economistsoutlook.blogs.realtor.org/2014/02/13/prospect-of-homeownership-for-millennials/>
<http://www.realtor.org/reports/home-buyer-and-seller-generational-trends>
<http://www.realtor.org/reports/housing-pulse-surveys>
<http://www.realtor.org/hbs>

FRBNY Consumer Credit Panel Data on Household Debt and Credit:

<http://www.newyorkfed.org/studentloandebt/>
<http://www.newyorkfed.org/microeconomics/data.html>
<http://libertystreeteconomics.newyorkfed.org/2014/05/just-released-young-student-loan-borrowers-remained-on-the-sidelines-of-the-housing-market-in-2013.html>
<http://www.newyorkfed.org/householdcredit/>

Federal Student Aid Office of the U.S. Department of Education:

<http://studentaid.ed.gov/types/loans/interest-rates>
<http://www.direct.ed.gov/student.html>
<http://studentaid.ed.gov/data-center>
<http://www2.ed.gov/offices/OSFAP/defaultmanagement/defaultrates.html>

The College Board. Trends in Student Aid, 2015:

<http://trends.collegeboard.org/sites/default/files/2015-trends-student-aid-final-508.pdf>

The Institute for College Access and Success “Student Debt and the Class of 2013”:

<http://projectonstudentdebt.org/files/pub/classof2013.pdf>

The Council of Graduate Schools and TIAA-CREFF Collaborate to Create GradSense:

<http://www.cgsnet.org/addressing-student-loan-debt-crisis-new-web-tool-helps-students-better-plan-their-financial-futures>

State by State Data:

http://projectonstudentdebt.org/state_by_state-data.php

Pew Study:

<http://www.pewsocialtrends.org/2012/09/26/a-record-one-in-five-households-now-owe-student-loan-debt/>

The College Score Card:

<https://collegescorecard.ed.gov/>



National Association of REALTORS®

2015 PROFILE OF HOME BUYERS AND SELLERS

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Introduction

Buying a primary residence for home buyers is a major 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. This annual survey conducted by the NATIONAL ASSOCIATION OF REALTORS® of recent home buyers and sellers helps to gain insight into detailed information about their unique experience with this transaction. The information provides understanding, from the consumer level, of the trends that are transpiring. The survey covers information on demographics, housing characteristics, and the experience of consumers in the housing market. Buyers and sellers also provide valuable information about the role that real estate professionals play in home sales transactions.

Demographics continue to shift as the share of first-time home buyers dropped further from last year's report to 32 percent of the market. This is second only to the lowest share reported in 1987 of 30 percent. Last year's report had a share of first-time buyers of 33 percent. First-time home buyers are traditionally more likely to be single male or female home buyers and traditionally have lower incomes. As the share of repeat buyers continues to rise, the number of married couples increases and the income of home buyers purchasing homes is higher. Married couples have double the buying power of single home buyers in the market and may be better able to meet the price increases of the housing market.

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 is searching for a home remained at 10 weeks. Buyers continue to report the most difficult task for them in the home buying process is simply finding the right home to purchase.

Increased prices are also impacting sellers. Tenure in the home had risen to a peak of 10 years, but in this year's report it has eased back to nine years. 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 need the help of a real estate professional to find the right home for them, negotiate the terms of the sale, and assist with price negotiations. Sellers, as well, turn to professionals to help market their home to potential buyers, sell within a specific timeframe, and price their home competitively. For-Sale-By-Owner (FSBO) sales have dropped to the lowest level recorded in this survey at eight percent of sales, while the use of the agent to sell the home stays at historic highs. Likewise, buyers use of the agent is at historic highs as buyers purchasing directly from a previous owner or through a builder falls.

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 also provide the information necessary to address the needs of America's real estate consumers.

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CFPC Pg. 105

Highlights

Characteristics of Home Buyers

- First-time buyers made up 32 percent of all home buyers, down from 33 percent last year.
- The typical buyer was 44 years old, and had a median household income of \$86,100.
- Sixty-seven percent of recent buyers were married couples, 15 percent were single females, nine percent were single males, and seven percent were unmarried couples.
- Thirteen percent of home buyers purchased a multi-generational home to take care of aging parents, for cost savings, and because children over the age of 18 are moving back home.
- Ninety percent of recent home buyers identified as heterosexual, three percent as gay or lesbian, one percent as bisexual, and seven percent preferred not to answer.
- Eighteen percent of recent home buyers are veterans and three percent are active-duty service members.
- At 30 percent, the primary reason for purchasing a home was the desire to own a home of their own.

Characteristics of Homes Purchased

- Buyers of new homes made up 16 percent and buyers of previously owned homes made up 84 percent.
- Most recent buyers who purchased new homes were looking to avoid renovations and problems with plumbing or electricity at 34 percent. Buyers who purchased previously owned homes were most often considering a better price at 32 percent.
- Detached single-family homes continue to be the most common home type for recent buyers at 83 percent, followed by seven percent of buyers choosing townhomes or row houses.
- Senior related housing increased this year to 14 percent, with buyers typically purchasing detached single-family homes.
- There was only a median of 14 miles between the homes that recent buyers purchased and the homes that they moved from.
- Home prices increased slightly this year to a median of \$220,000 among all buyers. Buyers typically purchased their homes for 98 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 1991.

- Heating and cooling costs were the most important environmental features for recent home buyers, with 84 percent finding these features at least somewhat important.
- Overall, buyers expect to live in their homes for a median of 14 years, while 23 percent say that they are never moving.

The Home Search Process

- For 42 percent of recent buyers, the first step that they took in the home buying process was to look online at properties for sale, while 14 percent of buyers first contacted a real estate agent.
- Seventy-eight percent of recent buyers found their real estate agent to be a very useful information source. Online websites were seen as a very useful information source at 82 percent.
- Buyers typically searched for 10 weeks and looked at a median of 10 homes.
- The typical buyer who did not use the Internet during their home search spent only five weeks searching and visited five homes, compared to those who did use the Internet and searched for 10 weeks and visited 10 homes.
- Among buyers who used the Internet during their home search, 87 percent of buyers found photos and 84 percent found detailed information about properties for sale very useful.
- Fifty-nine percent of recent buyers were very satisfied with their recent home buying process, up from 56 percent a year ago.

Home Buying and Real Estate Professionals

- Eighty-seven percent of buyers recently purchased their home through a real estate agent or broker, and eight percent purchased directly from a builder or builder's agent.
- Having an agent to help them find the right home was most important to buyers when choosing an agent at 53 percent.
- Forty-one percent of buyers used an agent that was referred to them by a friend, neighbor, or relative.
- Nearly seven in ten buyers interviewed only one real estate agent during their home search.
- Eighty-eight percent of buyers would use their agent again or recommend their agent to others.

Highlights

Financing the Home Purchase

- Eighty-six percent of recent buyers financed their home purchase. Those who financed their home purchase typically financed 90 percent.
- First-time buyers who financed their home financed 94 percent of their home compared to repeat buyers at 86 percent.
- For 60 percent of buyers, the source of their downpayment came from their savings. Thirty-eight percent of buyers cited using the proceeds from the sale of a primary residence was the next most commonly reported way of financing a home purchase.
- Forty-six percent of buyers saved for their downpayment for six months or less.
- The most difficult step in the home buying process was saving for a downpayment, as cited by 13 percent of respondents.
- Of buyers who said saving for a downpayment was difficult, 51 percent of buyers reported that student loans made saving for a downpayment difficult. Forty-seven percent cited credit card debt, and 35 percent cited car loans as also making saving for a downpayment hard.
- Buyers continue to see purchasing a home as a good financial investment. Eighty percent reported they view a home purchase as a good investment.

Home Sellers and Their Selling Experience

- The typical home seller was 54 years old, with a median household income of \$104,100.
- For all sellers, the most commonly cited reason for selling their home was that it was too small (16 percent), followed by a job relocation (14 percent), and the desire to move closer to friends and family (13 percent).
- Sellers typically lived in their home for nine years before selling, declining from 10 years in last year's report.
- 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 98 percent of the final listing price.
- Recently sold homes were on the market for a median of four weeks.
- Thirty-seven percent of all sellers offered incentives to attract buyers.

- This year, home sellers cited that they sold their homes for a median of \$40,000 more than they purchased.
- Sixty-one percent of sellers were very satisfied with the selling process.

Home Selling and Real Estate Professionals

- Seventy-two 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.
- Agents receive their compensation predominantly from sellers at 76 percent.
- The typical seller has recommended their agent once since selling their home. Thirty-two percent of sellers recommended their agent three or more times since selling their home.
- Eighty-four percent said that they would definitely (67 percent) or probably (17 percent) recommend their agent for future services.

For-Sale-by-Owner (FSBO) Sellers

- Only eight percent (down from nine percent) of recent home sales were FSBO sales. This is the lowest share recorded since this report started in 1981.
- The median age for FSBO sellers is 54 years. Seventy-seven percent of FSBO sales were by married couples that have a median income of \$104,100.
- FSBOs typically sold for less than the selling price of agent-assisted homes; FSBO homes sold at a median of \$210,000 (up from \$208,700 the year prior), yet lower than the median of all homes at \$245,000.
- FSBO homes sold more quickly on the market than agent-assisted homes. All FSBO homes typically sold in less than two weeks—often because homes are sold to someone the seller knows.
- Seventy percent of successful FSBO sellers were satisfied with the process of selling their home.
- Nine in 10 FSBO sellers who both knew and did not know the buyer were satisfied with the home selling process.

CHAPTER 1:

Characteristics of Home Buyers

A decrease in home inventory and tight credit conditions continue to suppress the level of first-time home buyers in the market again this year. First-time home buyers decreased in 2015 to 32 percent of all home buyers down from 33 percent last year. The historical norm for primary residence buyers is 40 percent of the market. This report shows the lowest share, second only to 1987 when the share was 30 percent of first-time home buyers. Due to the lower share of first-time buyers, the data shows a market with a higher share of married couples who have higher household income than seen in the last few reports.

The median household income for 2014 rose again this year to \$86,100 from \$84,500 in last year's report. Thirty-seven percent of all buyers had children under the age of 18 living at home, up from 35 percent last year. For first-time home buyers, 64 percent purchased for the desire to own a home of their own (jumping up from 53 percent last year).

Age, Income, Household Type of Home Buyers

■ Exhibits 1-1 through 1-5

The demographics of home buyers continue to shift over the last four years due to tightened credit conditions and sparse inventory on the housing market. First-time home buyers are feeling the squeeze while vacation and investment home buyers are purchasing similarly priced homes as first-time home buyers. Repeat buyers tend to have higher incomes and are more likely to be married.

The median age remained the same as last year at 44 years old. The largest share of home buyers continues to be in the 25 to 34 age group accounting for 28 percent of home buyers, followed by 35 to 44 years (20 percent) and 55 to 64 years (17 percent). The median household income for 2014 rose again this year to \$86,100 from \$84,500 in last year's report.

Buyers in the Midwest region tend to be younger, while buyers in the West and South regions tend to be older. Buyers in the South region had the highest incomes this year followed by the West.

The share of married couples rose to 67 percent this year, up from 65 percent. The share of single females dropped slightly to 15 percent from 16 percent and single males remained flat at nine percent, both suppressed due to market conditions. From 2005 to 2010, single females made up one fifth of the market share. The continued drop of single females reflects the dual incomes from married couples had stronger purchasing power than single buyers.

Thirty-seven percent of all buyers had children under the age of 18 living at home, up from 35 percent last year. Thirteen 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 was to take care of aging parents (21 percent), cost savings (15 percent), and children over the age of 18 moving back home (11 percent).

Characteristics of Buyers

■ Exhibits 1-6 through 1-11, and Exhibits 1-18 through 1-20

Ninety percent of recent home buyers identified as heterosexual, three percent as gay or lesbian, one percent as bisexual, and seven percent preferred not to answer.

Similar to the previous year, 85 percent of recent home buyers identified their ethnicity as White or Caucasian. The West continues to be more diverse with 21 percent reporting themselves as a race other than Caucasian and the Midwest reportedly has the least diversity.

Ninety-six percent of home buyers speak English, which is consistent with last year. Ninety-eight percent in the Midwest and 95 percent in the West reported that English was the primary language spoken at home. Ninety-one percent reported that they were born in the United States, up from 89 percent last year. Ninety-six percent were U.S.-born in the Midwest and only 89 percent in the South and West.

Recent home buyers also reported that 18 percent are veterans and three percent are active-duty service members.

Twenty-five percent of first-time home buyers identified as non-White/Caucasian whereas only four percent of repeat buyers did. Six percent of home buyers, compared to two percent for repeat buyers, reported English as their primary language. Twelve percent of first-time home buyers, compared to eight percent for repeat buyers, reported being born outside of the United States.

First-time home buyers dropped to an all-time low of 32 percent of the market share, well below the historical norm of 40 percent.

Demographic Characteristics of First-Time and Repeat Home Buyers

■ Exhibits 1-12 through 1-17

First-time home buyers dropped to an all-time low of 32 percent of the market share, well below the historical norm of 40 percent. Since 2011, the share of first-time home buyers has continued to decrease. This is the lowest share since 1987, when the share of first-time home buyers reported was 30 percent. The West had the smallest share of first-time home buyers at 26 percent and the Northeast had the largest share at 43 percent.

The market share for married couples rose for both first-time and repeat buyers; first-time buyers were 56 percent, up from 54 percent last year, and repeat buyers were 72 percent this year, up from 70 percent the year before. Forty percent of first-time buyers reported having children under the age of 18 living at home compared to 36 percent for repeat buyers. The median age of first-time buyers is 31 and 53 for repeat buyers, both unchanged from last year.

The median household income rose for both first-time and repeat buyers, although the gap between them varies greatly. First-time home buyers reported a median income of \$69,400 and \$98,700 for repeat buyers. Married repeat buyers have the highest income among all buyers and that figure jumped up this year to \$108,600. Increased median household income could suggest stricter financing that forces low income buyers out of the market, but also the rise in repeat buyers overall.

Prior Living Arrangement

■ Exhibits 1-21 and 1-22

Recent home buyers were more likely to own their previous home than rent a home or an apartment. As to be expected, 75 percent of first-time home buyers rented their previous living arrangement and 19 percent lived with parents, consistent with last year. Whereas, 66 percent of repeat buyers owned their previous residence and 27 percent rented.

With regards to household composition, married couples were more likely than other household types to own their previous residence at 52 percent. Unmarried couples were the most likely to rent a home before making a purchase at 57 percent. Those with children under the age of 18 living at home were more likely to rent prior to owning, while those without children were more likely to own their previous home.

Primary Reason for Home Purchase and Timing of Purchase

■ Exhibits 1-23 through 1-25

For first-time home buyers, 64 percent purchased for the desire to own a home of their own (jumping up from 53 percent last year), compared to just 13 percent for repeat buyers. Repeat home buyers bought for the following reasons: desire for a larger home (13 percent), job-related relocation (11 percent), desire for a smaller home (nine percent), and the desire to be closer to friends and family (nine percent).

Nearly half of all buyers said that the timing was just right and they were ready to purchase a home (46 percent). The second most common reason was that the buyer did not have much choice and they had to purchase the home when they did (16 percent), followed by that it was the best time because of the availability of homes for sale (11 percent).

Ownership of Multiple Homes

■ Exhibit 1-26

In 2015, the number of recent home buyers who own more than one home was 19 percent, down from 21 percent in 2014. 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 the most common for buyers aged 45 to 64 years old at 23 percent.

For first-time home buyers, 64 percent purchased for the desire to own a home of their own.

EXHIBIT 1-1 AGE OF HOME BUYERS, BY REGION*(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
18 to 24 years	3%	3%	4%	2%	2%
25 to 34 years	28	33	36	24	24
35 to 44 years	20	21	18	21	19
45 to 54 years	15	15	12	16	17
55 to 64 years	17	16	14	17	18
65 to 74 years	14	10	13	15	15
75 years or older	4	4	3	4	4
Median age (years)	44	41	38	45	46

EXHIBIT 1-2 HOUSEHOLD INCOME OF HOME BUYERS, BY REGION, 2014*(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Less than \$25,000	3%	3%	3%	3%	2%
\$25,000 to \$34,999	5	5	7	5	4
\$35,000 to \$44,999	7	5	9	7	6
\$45,000 to \$54,999	7	8	8	7	7
\$55,000 to \$64,999	9	9	10	9	10
\$65,000 to \$74,999	9	9	9	9	9
\$75,000 to \$84,999	9	9	9	8	10
\$85,000 to \$99,999	10	12	8	9	10
\$100,000 to \$124,999	15	15	13	16	16
\$125,000 to \$149,999	9	8	11	8	9
\$150,000 to \$174,999	5	5	4	7	5
\$175,000 to \$199,999	3	3	3	4	3
\$200,000 or more	8	10	6	9	8
Median income (2014)	\$86,100	\$87,200	\$79,000	\$89,500	\$87,400

EXHIBIT 1-3 ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS, 2001-2015

(Percentage Distribution)

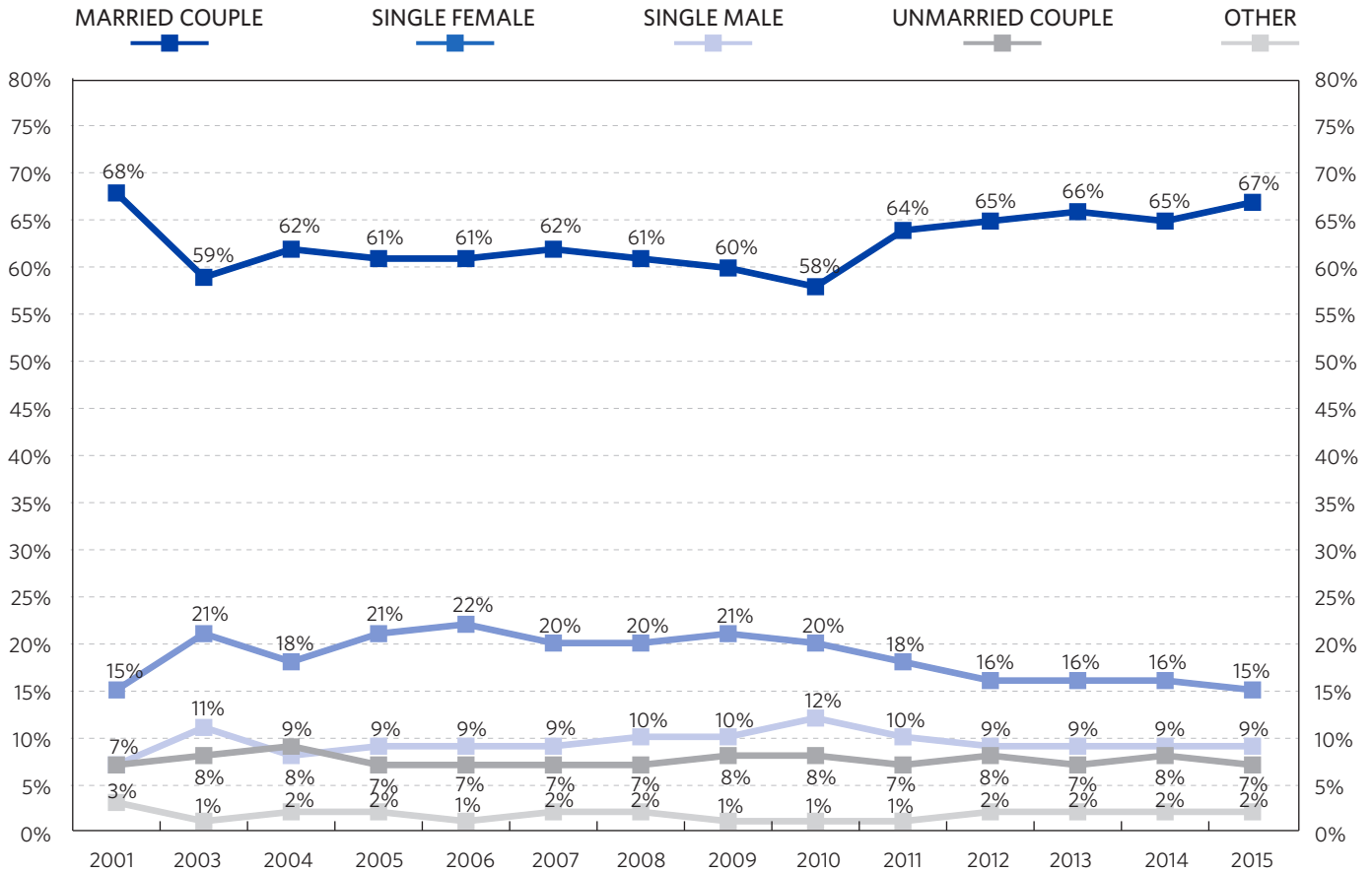


EXHIBIT 1-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD

(Percentage Distribution)

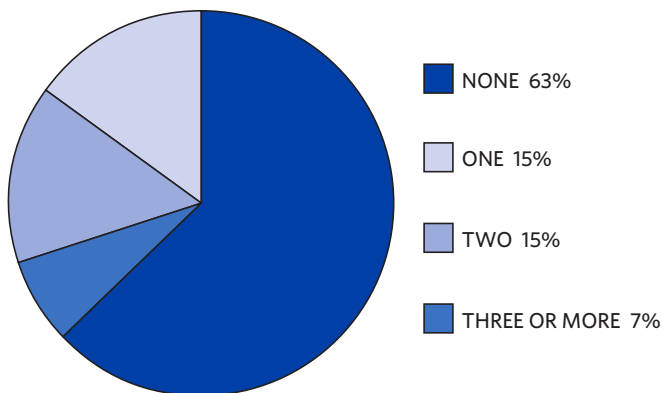
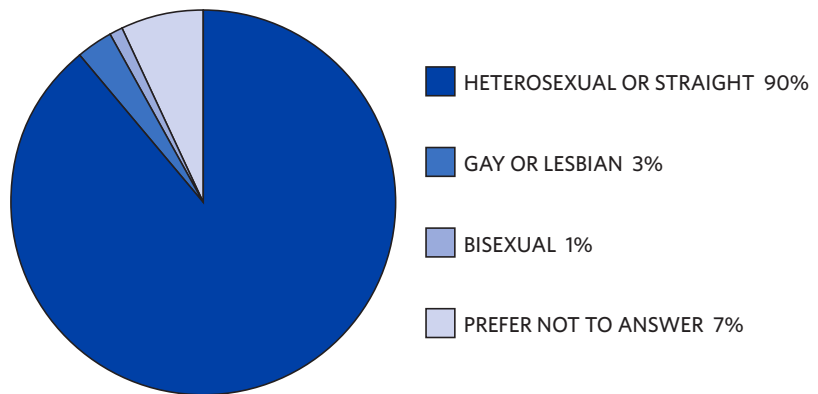


EXHIBIT 1-5**HOME PURCHASED WAS A MULTI-GENERATIONAL HOME (WILL HOME ADULT SIBLINGS, ADULT CHILDREN, PARENTS, AND/OR GRANDPARENTS)***(Percentage Distribution)*

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Multi-generational household	13%	13%	11%	10%	8%	37%	15%	12%
REASONS FOR PURCHASE:								
Health/Caretaking of aging parents	21%	24%	14%	10%	22%	14%	24%	19%
Cost Savings	15	14	9	27	14	20	16	14
Children/relatives over 18 moving back into the house	11	11	13	13	14	8	10	12
To spend more time with aging parents	7	10	2	3	*	4	10	6
Children/relatives over 18 never left home	7	9	2	3	*	8	6	7
Wanted a larger home that multiple incomes could afford together	5	4	6	10	8	4	6	4
None of the above	29	24	50	32	33	28	24	33
Other	5	5	5	2	8	14	5	5

* Less than 1 percent

EXHIBIT 1-6**HOME BUYER SEXUAL ORIENTATION***(Percentage Distribution)***EXHIBIT 1-7****RACE/ETHNICITY OF HOME BUYERS, BY REGION***(Percent of Respondents)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
White/Caucasian	85%	90%	93%	82%	81%
Hispanic/Latino/Mexican/Puerto Rican	6	4	2	8	8
Asian/Pacific Islander	5	3	1	4	8
Black/African-American	5	4	3	6	2
Other	2	2	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 1-8 RACE/ETHNICITY OF HOME BUYERS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
White/Caucasian	85%	85%	83%	85%	91%	82%	78%	89%
Hispanic/Latino/Mexican/Puerto Rican	6	6	5	8	6	6	10	4
Asian/Pacific Islander	5	5	2	3	3	7	7	3
Black/African-American	5	4	10	4	3	3	6	4
Other	2	2	2	4	1	2	2	2

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 1-9 PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD, BY REGION

(Percentage Distribution)

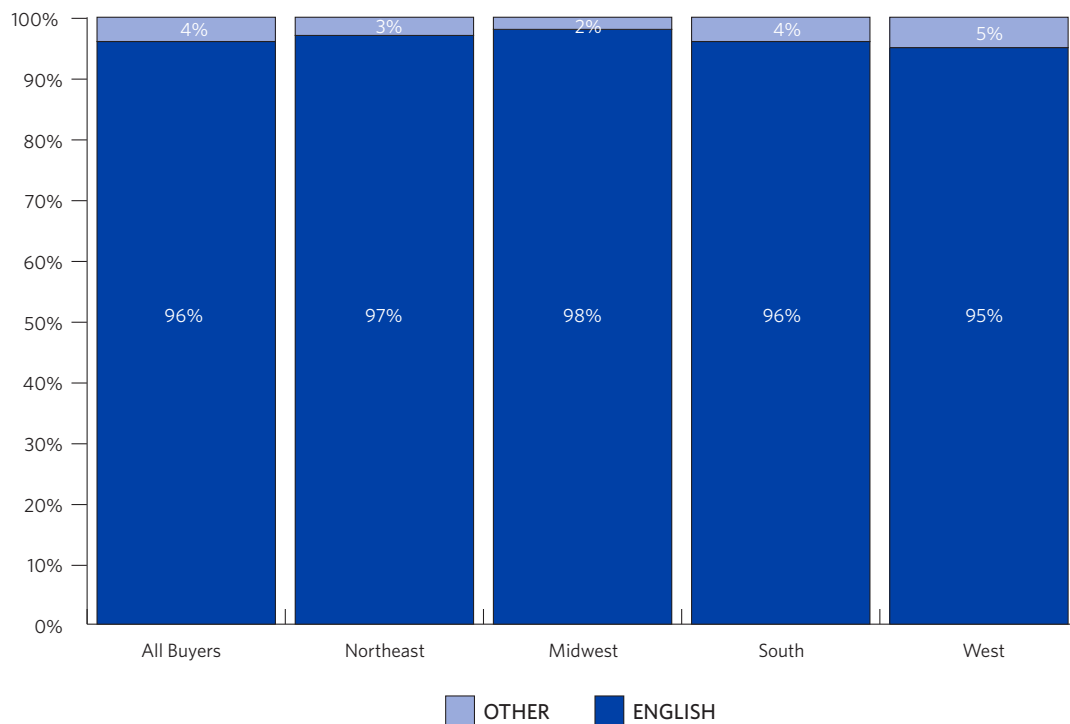


EXHIBIT 1-10 NATIONAL ORIGIN OF HOME BUYERS, BY REGION

(Percentage Distribution)

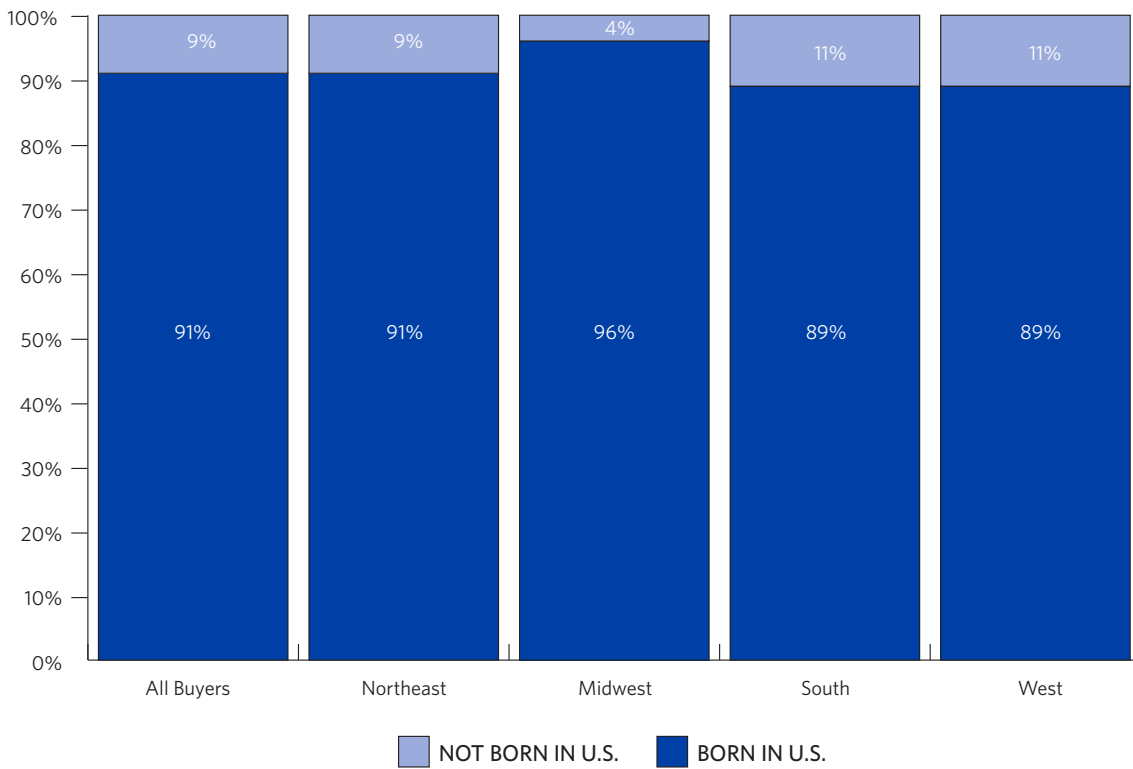


EXHIBIT 1-11 SELF OR SPOUSE/PARTNER IS ACTIVE MILITARY OR VETERAN

(Percentage Distribution)

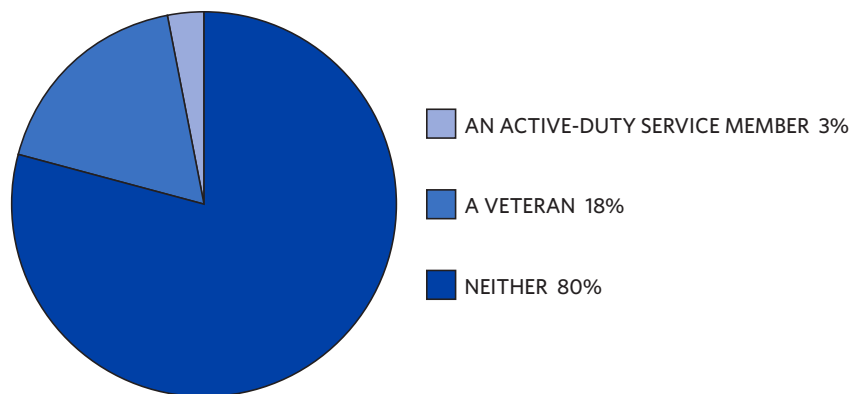


EXHIBIT 1-12 FIRST-TIME HOME BUYERS

(Percent of all Home Buyers)

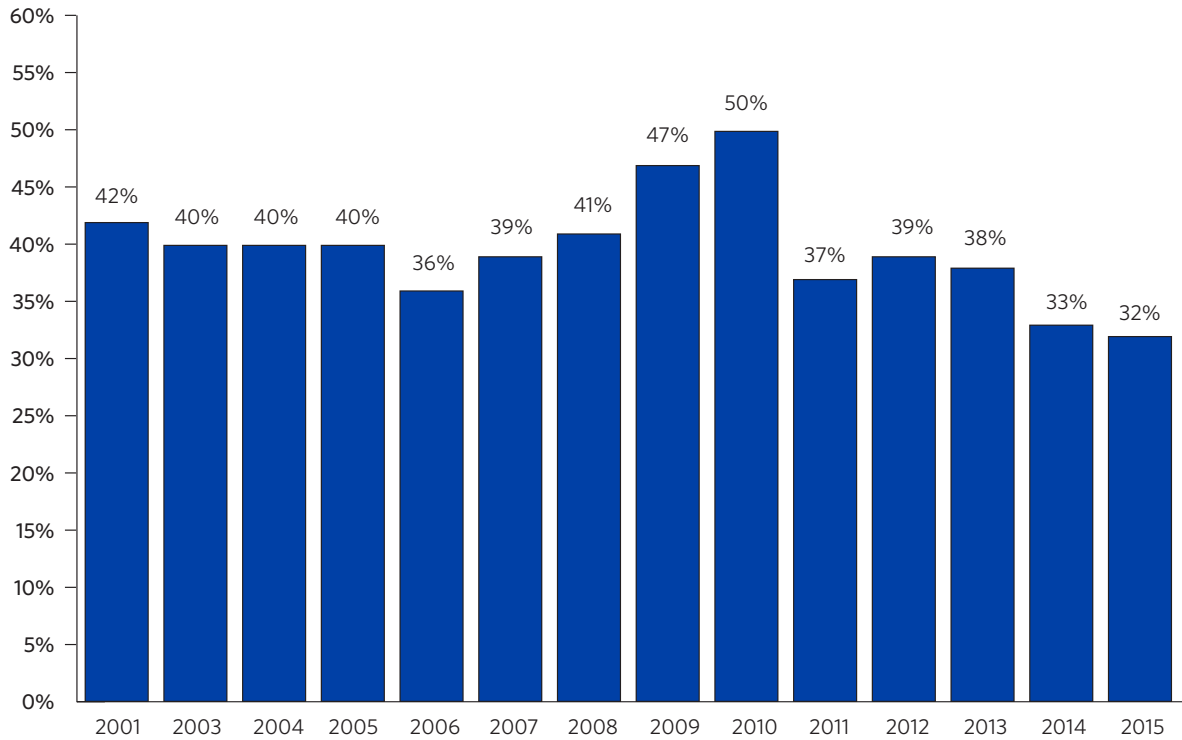


EXHIBIT 1-13 FIRST-TIME HOME BUYERS, BY REGION

(Percent of all Home Buyers)

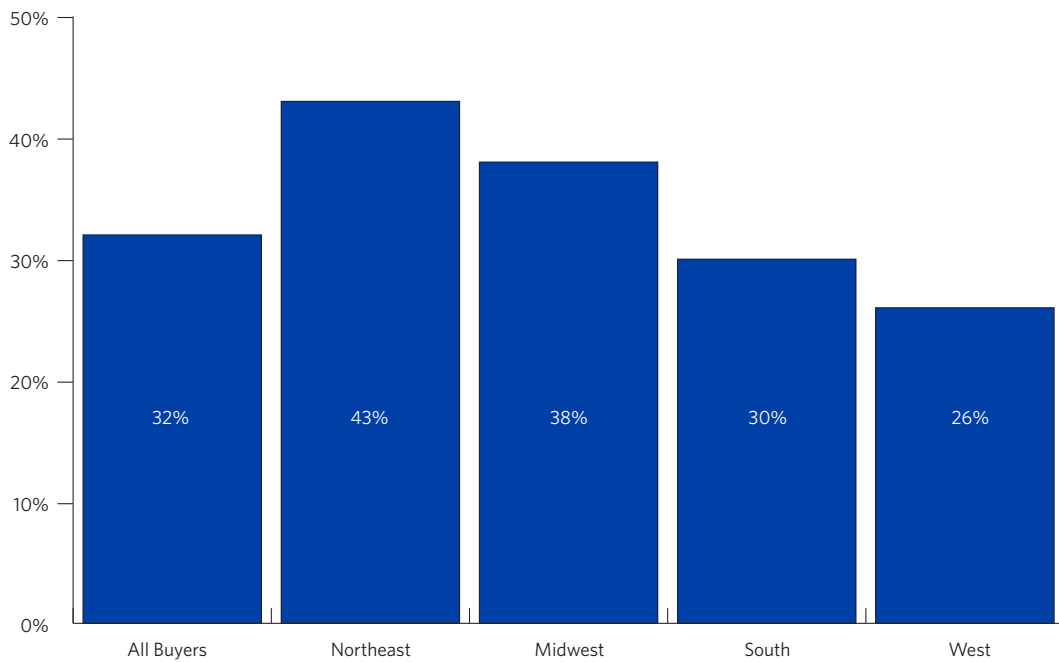
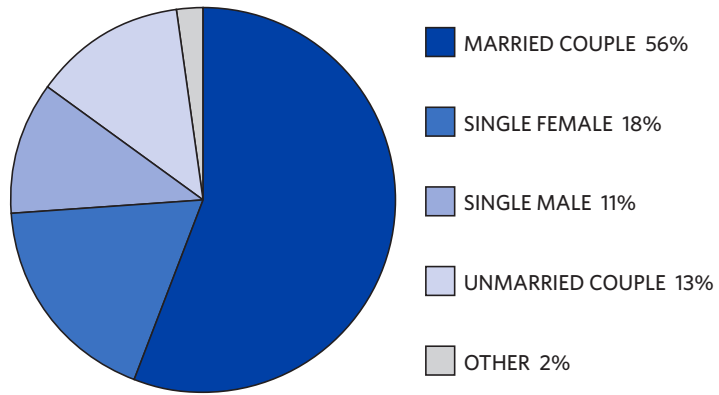


EXHIBIT 1-14 FIRST-TIME AND REPEAT HOME BUYERS BY HOUSEHOLD TYPE

(Percentage Distribution of Households)

FIRST-TIME HOME BUYERS
(Percentage Distribution)



REPEAT HOME BUYERS
(Percentage Distribution)

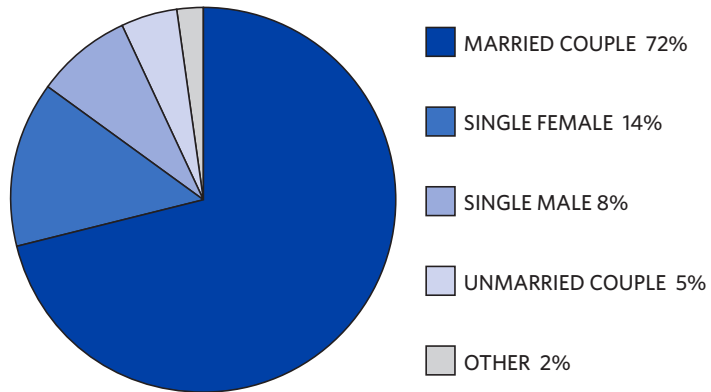
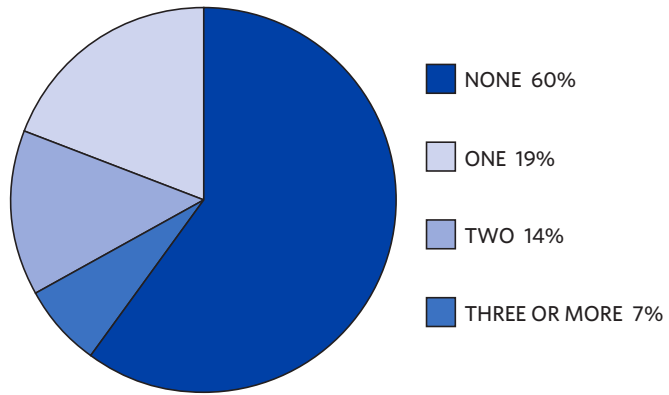


EXHIBIT 1-15 **FIRST-TIME AND REPEAT HOME BUYERS BY CHILDREN IN HOUSEHOLD**

(Percentage Distribution of Households)

FIRST-TIME HOME BUYERS
(Percentage Distribution)



REPEAT HOME BUYERS
(Percentage Distribution)

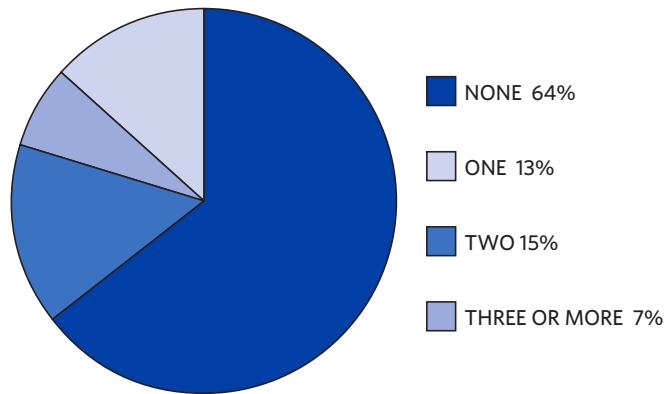


EXHIBIT 1-16 AGE OF FIRST-TIME AND REPEAT BUYERS*(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
18 to 24 years	3%	8%	*
25 to 34 years	28	58	13
35 to 44 years	20	19	20
45 to 54 years	15	8	19
55 to 64 years	17	5	22
65 to 74 years	14	2	20
75 years or older	4	*	6
Median age (years)	44	31	53
Married couple	43	31	51
Single female	50	32	58
Single male	45	30	54
Unmarried couple	33	28	49
Other	54	45	62

* Less than 1 percent

EXHIBIT 1-17 HOUSEHOLD INCOME OF FIRST-TIME AND REPEAT BUYERS, 2014*(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$25,000	3%	4%	2%
\$25,000 to \$34,999	5	8	4
\$35,000 to \$44,999	7	10	5
\$45,000 to \$54,999	7	10	6
\$55,000 to \$64,999	9	13	8
\$65,000 to \$74,999	9	12	8
\$75,000 to \$84,999	9	10	8
\$85,000 to \$99,999	10	8	10
\$100,000 to \$124,999	15	12	17
\$125,000 to \$149,999	9	4	11
\$150,000 to \$174,999	5	4	6
\$175,000 to \$199,999	3	2	4
\$200,000 or more	8	3	11
Median income (2014)	\$86,100	\$69,400	\$98,700
Married couple	\$99,400	\$77,500	\$108,600
Single female	\$57,300	\$49,400	\$62,300
Single male	\$67,000	\$58,100	\$71,900
Unmarried couple	\$87,600	\$74,600	\$107,300
Other	\$68,700	\$63,800	\$76,800

EXHIBIT 1-18 RACE/ETHNICITY OF FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents)

	All Buyers	First-time Buyers	Repeat Buyers
White/Caucasian	85%	78%	88%
Hispanic/Latino/Mexican/Puerto Rican	6	9	5
Asian/Pacific Islander	5	6	4
Black/African-American	5	7	3
Other	2	3	2

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 1-19 PRIMARY LANGUAGE SPOKEN IN FIRST-TIME AND REPEAT BUYER HOUSEHOLDS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
English	96%	94%	98%
Other	4	6	2

EXHIBIT 1-20 NATIONAL ORIGIN OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Born in U.S.	91%	88%	92%
Not born in U.S.	9	12	8

EXHIBIT 1-21 PRIOR LIVING ARRANGEMENT OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Owned previous residence	46%	4%	66%
Rented an apartment or house	43	75	27
Lived with parents, relatives or friends	10	19	6
Rented the home buyer ultimately purchased	2	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.

EXHIBIT 1-22 PRIOR LIVING ARRANGEMENT, BY ADULT COMPOSITION OF HOUSEHOLD*(Percentage Distribution)*

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Rented an apartment or house	43%	39%	44%	50%	57%	51%	45%	41%
Owned previous residence	46	52	37	29	27	44	43	47
Lived with parents, relatives or friends	10	7	17	20	15	4	11	10
Rented the home buyer ultimately purchased	2	2	2	1	1	2	2	2

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 1-23 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 own	30%	64%	13%
Desire for larger home	10	4	13
Job-related relocation or move	8	3	11
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	7	6	8
Desire to be closer to family/friends/relatives	7	2	9
Desire for smaller home	6	*	9
Desire for a home in a better area	6	2	7
Retirement	5	1	7
Desire to be closer to job/school/transit	4	1	5
Affordability of homes	3	4	2
Financial security	2	3	2
Desire for a newly built or custom-built home	2	1	3
Establish a household	2	4	1
Tax benefits	1	1	1
Purchased home for family member or relative	*	*	1
Other	7	4	8

* Less than 1 percent

EXHIBIT 1-24 PRIMARY REASON FOR PURCHASING A HOME, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Desire to own a home of own	30%	24%	37%	47%	43%	36%	30%	29%
Desire for larger home	10	13	4	3	10	2	18	5
Job-related relocation or move	8	10	4	3	5	3	12	6
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	7	5	12	11	8	16	9	6
Desire to be closer to family/friends/relatives	7	7	9	6	2	9	3	9
Desire for smaller home	6	6	7	4	4	2	2	9
Desire for a home in a better area	6	6	4	3	6	8	7	5
Retirement	5	6	5	6	2	2	1	8
Desire to be closer to job/school/transit	4	4	3	1	1	5	6	3
Affordability of homes	3	3	3	4	5	2	3	3
Financial security	2	2	3	4	2	*	2	3
Desire for a newly built or custom-built home	2	3	*	1	1	2	2	2
Establish a household	2	2	*	2	4	2	3	1
Tax benefits	1	1	2	1	1	2	1	1
Purchased home for family member or relative	*	*	1	1	*	2	*	1
Other	7	7	7	3	5	10	4	8

* Less than 1 percent

EXHIBIT 1-25 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, was ready to buy a home	46%	57%	41%
Did not have much choice, had to purchase when did	16	12	18
It was the best time because of availability of homes for sale	11	6	13
It was the best time because of mortgage financing options available	9	11	8
It was the best time because of affordability of homes	8	7	8
Other	9	5	11
Wish had waited	2	2	2

EXHIBIT 1-26 OTHER HOMES OWNED, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Recently purchased home only	81%	98%	85%	77%	78%
One or more investment properties	10	*	10	10	9
Previous homes that buyer is trying to sell	3	*	2	4	6
Primary residence	3	1	2	3	2
One or more vacation homes	4	*	1	6	6
Other	2	*	1	4	2

* Less than 1 percent

CHAPTER 2:

Characteristics of Homes Purchased

When choosing to purchase either a new or previously owned home, buyers typically chose one or the other for specific reasons. Buyers of new homes typically are looking to avoid renovations or plumbing and electrical problems, as well as having the ability to choose and customize design features. Buyers of previously owned homes are looking for a better price and overall value in a home.

Looking at recent buyers, over eight in ten homes purchased were previously owned homes. 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 increased this year with buyers over 50 mainly purchasing detached single-family home in the suburbs or in a subdivision.

This year recent buyers are expecting to stay in their homes longer than the previous year. Overall buyers expect that they will live in their homes for 14 years. The expected tenure increases with age, and is also higher among repeat buyers. The biggest factor that causes buyers to move is due to life changes, including additions to their family, marriage, children moving out, or retirement. While 40 percent of buyers report that life changes could cause them to move, 23 percent of recent buyers say that this is their forever home and have no intention of moving.

New and Previously Owned Homes Purchased

- **Exhibits 2-1 through 2-3**

The trend of purchasing new homes continues, which has remained at 16 percent since 2011. The share of previously purchased homes has remained at 84 percent also since 2011. New home purchases were most common the South, where new homes make up 24 percent of all homes sold.

Buyers chose to purchase new and previously owned homes for different reasons. Purchasers of new homes are looking to avoid renovations and problems with plumbing or electricity (34 percent). New home buyers also like having the ability to choose and customize design features in their home (30 percent), and having the amenities of new home construction communities (17 percent). Buyers who chose a previously owned home were considering a better price (32 percent), overall value (29 percent), and a home with more charm and character (19 percent).

Type of Home Purchased

- **Exhibits 2-4 through 2-6**

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased. Seven percent of recent buyers purchased townhomes or row homes, and most frequently these homes were located in urban and central city areas, or within a resort or recreation area. The most popular location to purchase a single-family home was in the suburbs or in a subdivision.

Townhomes continue to be more common 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 80 percent of buyers who have no children in their home.

Location of Home Purchased

- **Exhibits 2-7 through 2-9**

Among all regions, the largest percentages of homes were located in the suburbs or subdivisions and in small towns. In the West, 18 percent of recent buyers purchased a home in an urban area or central city. Six in 10 buyers of new homes purchased their home in a suburb or subdivision. The location of buyers' previously sold home seems to correlate to the location of their recently purchased homes. Thirty-five percent of buyers who purchased homes that were located in the suburbs or a subdivision subsequently sold a home that was also located in the suburbs or in a subdivision.

Senior Housing and Active Adult Communities

- **Exhibit 2-10**

Senior-related housing increased slightly this year to 14 percent of buyers over the age of 50. This has incrementally increased from 11 percent in 2010. For buyers over 50 who recently purchased senior-related housing, 67 percent purchased a detached single-family home and 57 percent bought in a suburb or subdivision. Other home types purchased include townhomes and row homes at seven percent, and 10 percent were condos. The location of senior-related housing showed that other than the suburbs and subdivisions, 21 percent of buyers purchased in small towns, and 12 percent in resort or recreational areas.

Distance Between Home Purchased and Previous Residence

- **Exhibit 2-11**

The distance between the home that buyers recently purchased and their previous residence was a median of 14 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 South and West moved a median of 15 miles to their recently purchased home.

Factors Influencing Neighborhood Choice

■ Exhibits 2-12 and 2-13

Some of the factors that influence recent home buyers' neighborhood choice have remained consistent from last year. Quality of the neighborhood (59 percent), convenience to job (44 percent), and overall home affordability (38 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 parks or recreational facilities 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 of their neighborhood choice at 43 percent. Five in ten recent buyers with children under the age of 18 living in their home cited quality of the school district as an influencing factor of their neighborhood choice.

Price of Home Purchased

■ Exhibits 2-14 through 2-17

Home prices of sold homes increased slightly this year to a median of \$220,000, encompassing all buyers. The most expensive homes were found in the West, where the median home price of a home purchased was \$280,000. Homes in Midwest were the least expensive at a median of \$170,000.

New homes were typically more expensive than previously owned homes. The median price for a new home was \$277,000 and the median price for a previously owned home was \$209,000. 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 of \$246,400, where the first-time buyers purchased homes that were a median of \$170,000.

Recent buyers typically purchased their home for a median of 98 percent of the asking price for their home. Ten percent of buyers paid more than the asking price for their home. The largest discount on homes was seen in the Northeast, where 15 percent of buyers paid less than 90 percent of the asking price for their homes.

Size of Home Purchased

■ Exhibits 2-18 through 2-22

Recent homes purchased had a median size of 1,900 square feet, slightly larger than last year's median of 1,870. 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 1,620 square feet and 2,020 square feet for repeat buyers. Single females and single males purchased the smallest sized homes, with medians of 1,560 and 1,500 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 2,050 square feet and 2,100 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 2,010 square feet which was larger than in any other region. Different from last year, the most expensive price per square foot was found in townhomes and row homes. The price per square foot in these homes was \$130. The next most expensive was duplexes, apartments, and condos in a two to four unit building at \$120 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.

Senior-related housing increased slightly this year to 14 percent of buyers over the age of 50. This has incrementally increased from 11 percent in 2010.

Year Home Was Built

- **Exhibit 2-23**

This year, the homes purchased were slightly older than the previous year. The typical home purchased was built in 1991. The South appeared to have the newest homes purchased that were built in 2000. The oldest built homes were found in the Northeast, where the median year built was 1972.

Commuting Costs and Environmental Features

- **Exhibits 2-24 through 2-27**

To the majority of recent home buyers, commuting costs were only somewhat important at 38 percent. Thirty-two percent of buyers said that commuting costs were not important to them when they recently purchased their home. Most recent buyers thought that 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 85 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.

Five in ten recent buyers with children under the age of 18 living in their home cited quality of the school district as an influencing factor of their neighborhood choice.

Characteristics of Home on Which Buyer Compromised

- **Exhibits 2-28 through 2-30**

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 20 percent, followed by the condition of the home at 19 percent. Thirty-five percent of buyers said that they made no compromises when purchasing their home. Single females and single males were the two household compositions that were least likely to make compromises when choosing their home, both at 41 percent.

Expected Length of Tenure in Home Purchased

- **Exhibits 2-31 through 2-34**

The expected tenure in homes has increased from last year to a median of 14 years. First-time and repeat buyers are intending to stay in their homes for the same length of time as the previous year at 10 years and 15 years respectively. The youngest buyers between the ages of 18 and 24 had the shortest expected tenure of just eight years, compared to buyers aged 45 and older who expect to stay in their homes for 15 years.

While buyers can estimate the timeframe that they will live in their homes, there are factors which could cause buyers to move. Forty 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 because of a job or career change. Households with no children were the most likely at 26 percent to say that they are never moving and that this is their forever home.

EXHIBIT 2-1

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, 2001-2015

(Percentage Distribution)

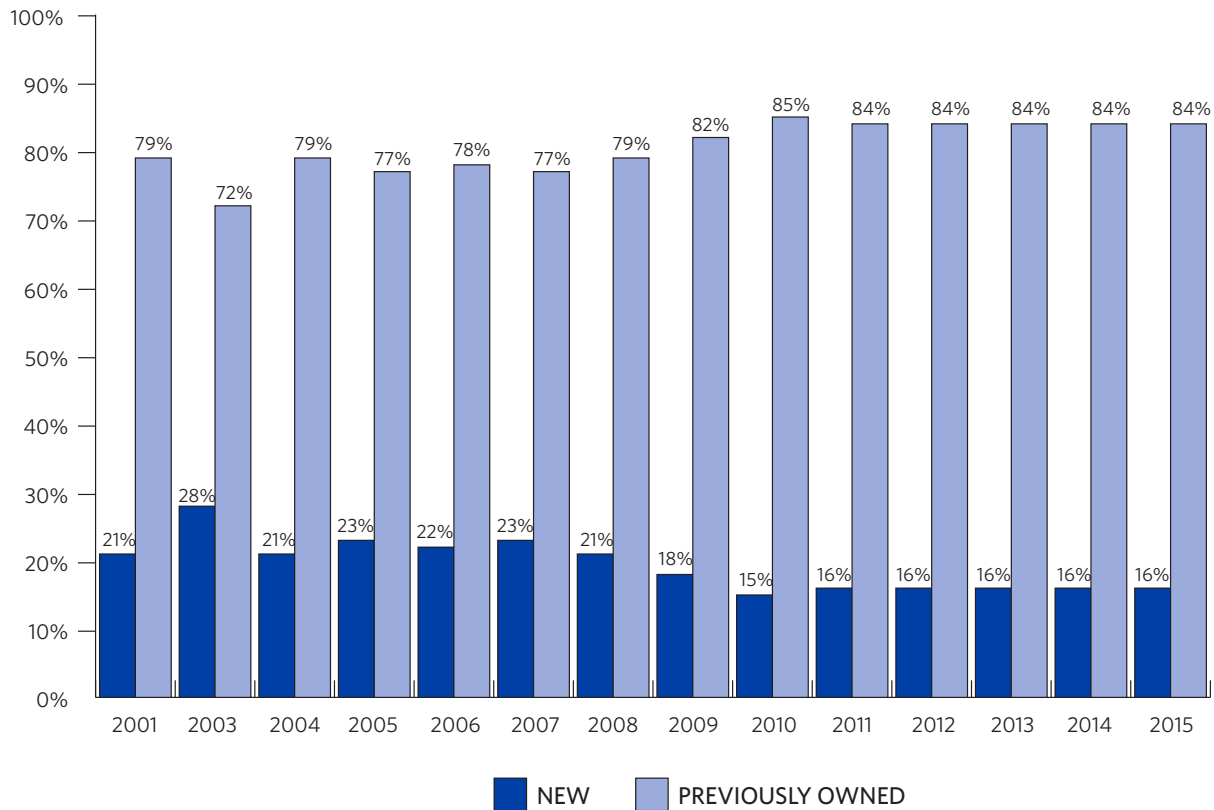


EXHIBIT 2-2

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, BY REGION

(Percentage Distribution)

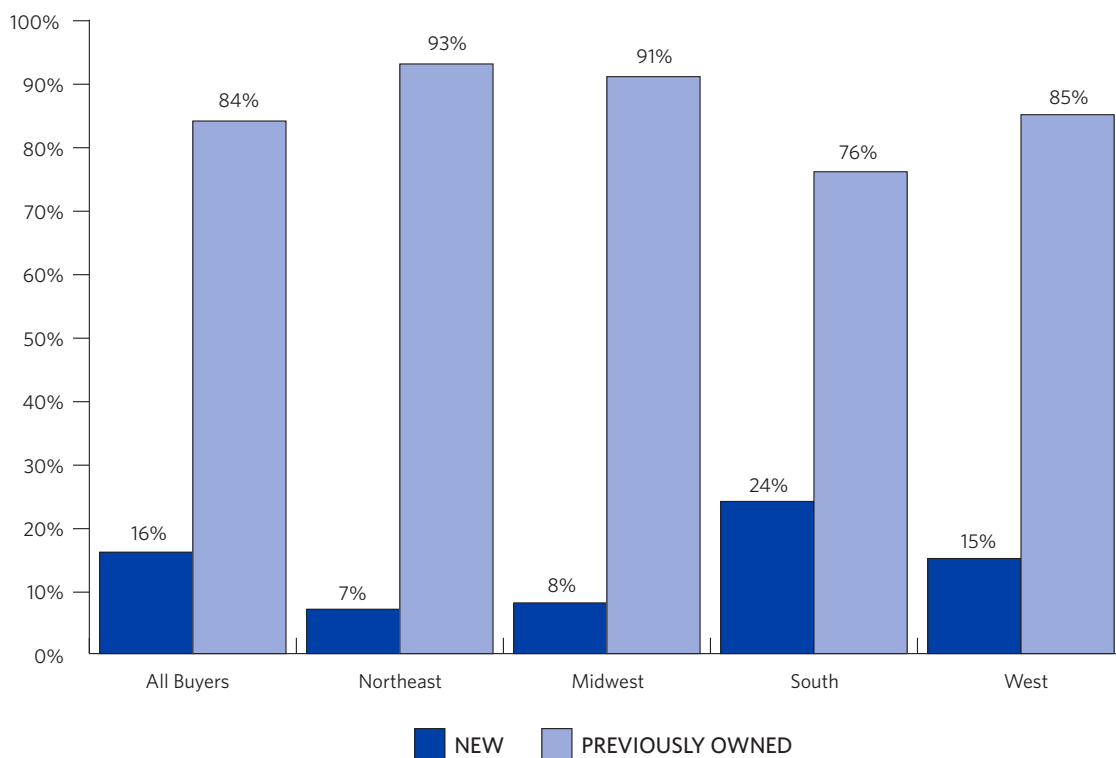


EXHIBIT 2-3 WHY BUYER PURCHASED A NEW OR PREVIOUSLY OWNED HOME

(Percent of Respondents)

NEW HOME:	
Avoid renovations or problems with plumbing or electricity	34%
Ability to choose and customize design features	30
Amenities of new home construction communities	17
Green/energy efficiency	11
Lack of inventory of previously owned home	7
Other	12
PREVIOUSLY OWNED HOME:	
Better price	32%
Better overall value	29
More charm and character	19
Lack of inventory of new homes	9
Other	17

EXHIBIT 2-4 TYPE OF HOME PURCHASED, BY LOCATION

(Percentage Distribution)

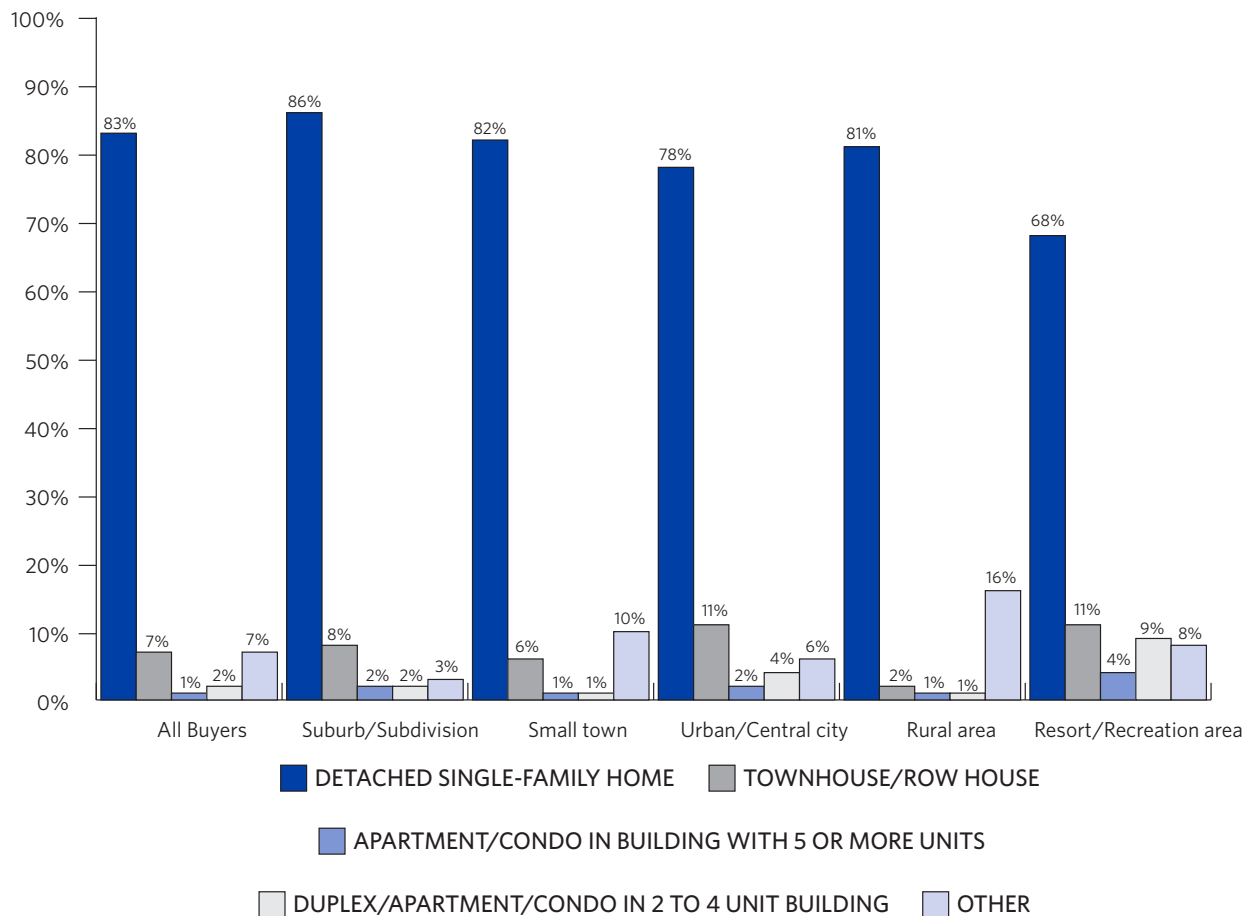


EXHIBIT 2-5

TYPE OF HOME PURCHASED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

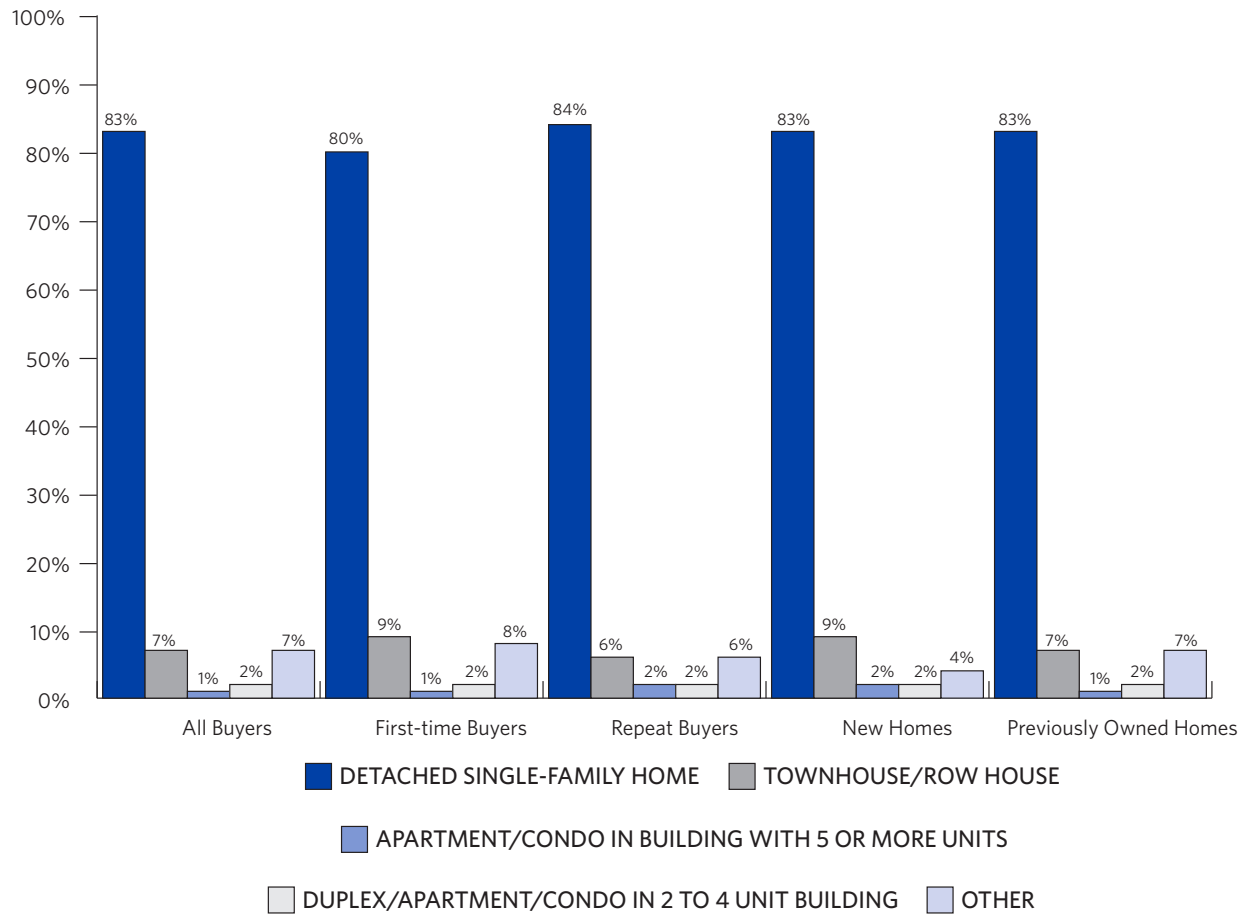


EXHIBIT 2-6

TYPE OF HOME PURCHASED, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Detached single-family home	83%	87%	72%	73%	85%	79%	89%	80%
Townhouse/row house	7	5	12	10	5	6	4	9
Apartment/condo in building with 5 or more units	1	1	4	2	1	2	1	2
Duplex/apartment/condo in 2 to 4 unit building	2	1	3	5	2	2	1	3
Other	7	5	9	10	7	11	5	7

EXHIBIT 2-7

LOCATION OF HOME PURCHASED, BY REGION

(Percentage Distribution)

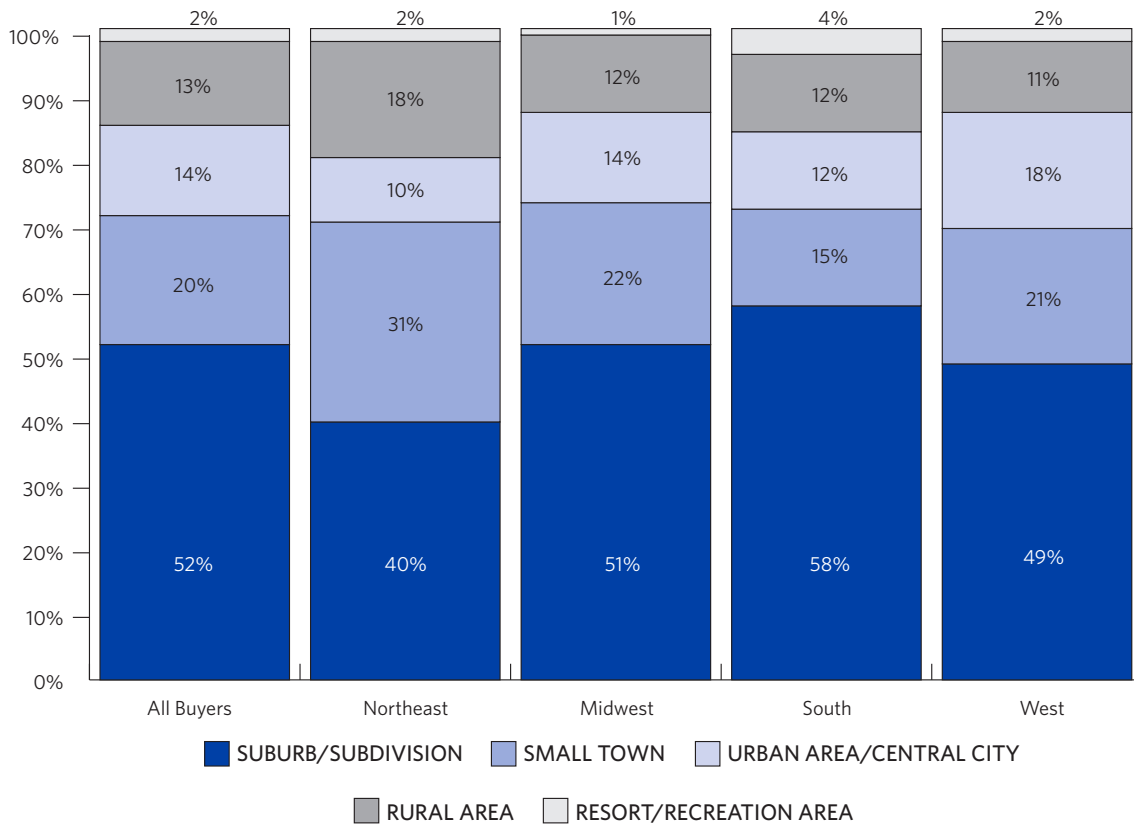


EXHIBIT 2-8

LOCATION OF HOME PURCHASED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

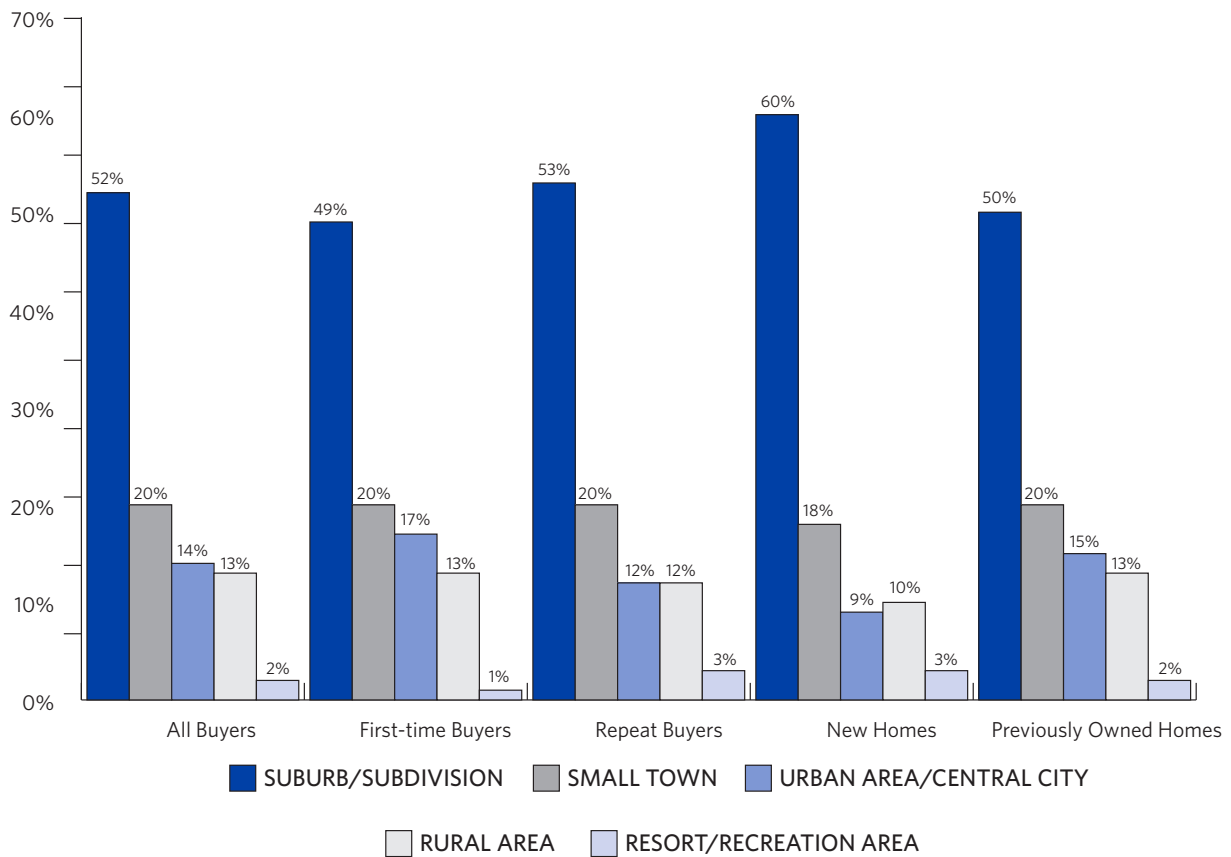


EXHIBIT 2-9

LOCATION OF HOME PURCHASED VERSUS LOCATION OF HOME SOLD

(Percentage Distribution Among those that Sold a Home)

		LOCATION OF HOME PURCHASED				
		Suburb/Subdivision	Small town	Urban/Central city	Rural area	Resort/Recreation area
LOCATION OF HOME SOLD	Suburb/Subdivision	35%	5%	3%	4%	1%
	Small town	7	8	1	2	1
	Urban area/Central city	6	3	5	2	*
	Rural area	6	4	1	4	*
	Resort/Recreation area	1	1	*	*	1

* Less than 1 percent

EXHIBIT 2-10 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	14%
Buyers over 50 who purchased senior-related housing:	
TYPE OF HOME PURCHASED	
Detached single-family home	67%
Townhouse/row house	7
Duplex/apartment/condo in 2 to 4 unit building	6
Apartment/condo in building with 5 or more units	4
Other	15
LOCATION	
Suburb/ Subdivision	57%
Small town	21
Resort/ Recreation area	12
Urban/ Central city	8
Rural area	3

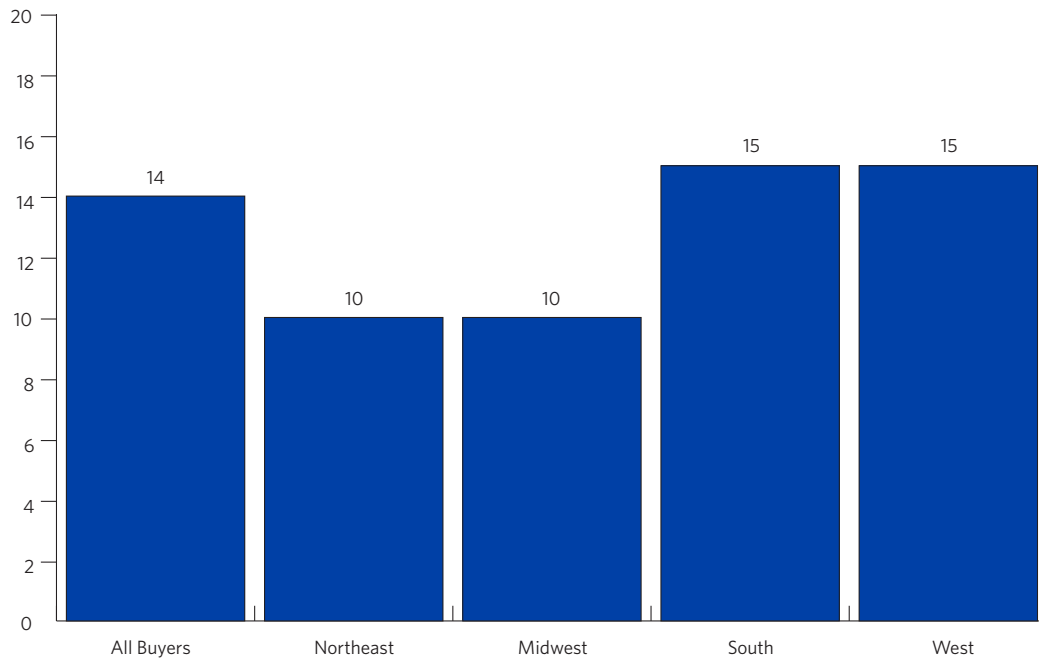
EXHIBIT 2-11 DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE*(Median Miles)*

EXHIBIT 2-12 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	59%	66%	56%	60%	41%	42%
Convenient to job	44	48	37	50	34	18
Overall affordability of homes	38	40	39	41	33	28
Convenient to friends/family	35	37	36	35	28	34
Design of neighborhood	26	29	23	29	15	31
Convenient to shopping	25	30	19	25	12	26
Quality of the school district	25	31	21	16	22	7
Convenient to entertainment/leisure activities	20	22	14	32	9	36
Convenient to schools	20	22	20	19	13	5
Convenient to parks/recreational facilities	17	18	17	22	10	22
Availability of larger lots or acreage	18	13	16	11	49	6
Convenient to health facilities	11	12	11	10	8	21
Home in a planned community	9	11	6	3	4	29
Convenient to public transportation	5	5	3	11	2	3
Convenient to airport	5	7	4	5	3	12
Other	5	5	5	4	7	12

EXHIBIT 2-13 FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY ADULT COMPOSITION OF HOUSEHOLD AND CHILDREN IN HOUSEHOLD

(Percent of Respondents)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Quality of the neighborhood	59%	61%	56%	51%	59%	64%	62%	58%
Convenient to job	44	44	41	43	53	33	49	41
Overall affordability of homes	38	36	42	42	47	45	39	39
Convenient to friends/family	35	34	43	36	41	30	31	38
Design of neighborhood	26	26	25	22	27	30	25	26
Convenient to shopping	25	25	25	25	21	29	19	28
Quality of the school district	25	31	8	13	23	25	50	11
Convenient to entertainment/leisure activities	20	20	19	24	26	12	15	24
Convenient to schools	20	24	12	7	16	26	43	6
Convenient to parks/recreational facilities	17	18	14	17	15	14	21	15
Availability of larger lots or acreage	18	21	10	13	16	10	20	17
Convenient to health facilities	11	11	11	12	7	10	6	14
Home in a planned community	9	10	8	4	4	12	6	10
Convenient to public transportation	5	5	5	5	5	5	4	5
Convenient to airport	5	6	5	5	4	3	4	6
Other	5	5	7	4	4	10	3	6

EXHIBIT 2-14 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	4%	4%	7%	5%	2%
\$75,000 to \$99,999	5	5	10	5	2
\$100,000 to \$124,999	6	10	9	6	3
\$125,000 to \$149,999	10	9	13	11	6
\$150,000 to \$174,999	9	8	12	10	6
\$175,000 to \$199,999	9	9	9	9	8
\$200,000 to \$249,999	15	16	16	15	14
\$250,000 to \$299,999	12	12	10	12	13
\$300,000 to \$349,999	8	7	5	7	11
\$350,000 to \$399,999	5	5	3	6	7
\$400,000 to \$499,999	6	8	3	7	9
\$500,000 or more	10	8	3	8	19
Median price	\$220,000	\$215,900	\$170,000	\$214,000	\$280,000

EXHIBIT 2-15 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	4%	7%	3%
\$75,000 to \$99,999	5	9	3
\$100,000 to \$124,999	6	9	5
\$125,000 to \$149,999	10	15	8
\$150,000 to \$174,999	9	12	8
\$175,000 to \$199,999	9	10	8
\$200,000 to \$249,999	15	14	16
\$250,000 to \$299,999	12	8	14
\$300,000 to \$349,999	8	4	9
\$350,000 to \$399,999	5	3	7
\$400,000 to \$499,999	6	4	8
\$500,000 or more	10	5	12
Median price	\$220,000	\$277,000	\$209,000

EXHIBIT 2-16 PRICE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$75,000	4%	2%	5%
\$75,000 to \$99,999	5	1	6
\$100,000 to \$124,999	6	1	7
\$125,000 to \$149,999	10	4	11
\$150,000 to \$174,999	9	8	10
\$175,000 to \$199,999	9	8	9
\$200,000 to \$249,999	15	17	15
\$250,000 to \$299,999	12	16	11
\$300,000 to \$349,999	8	12	7
\$350,000 to \$399,999	5	9	5
\$400,000 to \$499,999	6	12	5
\$500,000 or more	10	10	9
Median price	\$220,000	\$170,000	\$246,400
Married couple	\$242,000	\$188,200	\$266,800
Single female	\$169,100	\$138,100	\$187,000
Single male	\$160,000	\$145,000	\$170,300
Unmarried couple	\$187,400	\$151,000	\$251,000
Other	\$202,000	\$186,700	\$209,400

EXHIBIT 2-17 PURCHASE PRICE COMPARED WITH ASKING PRICE, BY REGION

(Percentage Distribution)

Percent of asking price:	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Less than 90%	10%	15%	11%	9%	6%
90% to 94%	17	20	22	18	12
95% to 99%	36	38	38	36	35
100%	26	19	22	28	30
101% to 110%	9	7	6	8	15
More than 110%	1	1	1	1	3
Median (purchase price as a percent of asking price)	98%	97%	97%	98%	99%

EXHIBIT 2-18 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	Previously Owned Homes
1,000 sq ft or less	*	1%	*	1%
1,001 to 1,500 sq ft	13	21	9	15
1,501 to 2,000 sq ft	28	37	23	30
2,001 to 2,500 sq ft	27	25	28	26
2,501 to 3,000 sq ft	15	9	17	13
3,001 to 3,500 sq ft	9	5	11	9
3,501 sq ft or more	9	3	11	8
Median (sq ft)	1,900	1,620	2,020	1,820

* Less than 1 percent

EXHIBIT 2-19 SIZE OF HOME PURCHASED, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				CHILDREN IN HOME		
		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	13	9	23	24	18	14	9	16
1,501 to 2,000 sq ft	28	23	38	42	34	22	22	30
2,001 to 2,500 sq ft	27	29	24	19	25	33	25	28
2,501 to 3,000 sq ft	15	17	9	8	13	15	17	14
3,001 to 3,500 sq ft	9	12	3	4	7	11	13	7
3,501 sq ft or more	9	12	2	2	3	4	15	5
Median (sq ft)	1,900	2,050	1,560	1,500	1,700	1,900	2,100	1,800

* Less than 1 percent

EXHIBIT 2-20 HOME SIZE AND PRICE PER SQUARE FOOT, BY REGION

(Median)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
All homes purchased					
Square feet	1,900	1,750	1,800	2,010	1,800
Price per square foot	\$110	\$120	\$95	\$100	\$150
Detached single-family home					
Square feet	2,000	1,800	1,900	2,100	1,900
Price per square foot	\$110	\$120	\$100	\$100	\$150
Townhouse or row house					
Square feet	1,660	1,670	1,450	1,870	1,490
Price per square foot	\$130	\$130	\$100	\$125	\$220
Duplex/apartment/condo in 2-4 unit building					
Square feet	1,480	1,570	1,370	1,500	1,480
Price per square foot	\$120	\$120	\$80	\$115	\$320
Apartment/condo in building with 5 or more units					
Square feet	1,400	1,400	1,400	1,640	1,280
Price per square foot	\$110	\$160	\$90	\$105	\$140

EXHIBIT 2-21 NUMBER OF BEDROOMS AND BATHROOMS, BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
One bedroom	*	1%	*	*	*
Two bedrooms	13	13	13	8	14
Three bedrooms or more	87	87	86	92	86
Median number of bedrooms	3	3	3	3	3
One full bathroom	15	27	9	2	18
Two full bathrooms	63	61	64	62	63
Three full bathrooms or more	22	12	27	36	19
Median number of full bathrooms	2	2	2	2	2

* Less than 1 percent

EXHIBIT 2-22 NUMBER OF BEDROOMS AND BATHROOMS, BY ADULT HOUSEHOLD COMPOSITION AND CHILDREN IN HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
One bedroom	*	*	1%	2%	*	*	*	1%
Two bedrooms	13	8	26	24	17	13	4	18
Three bedrooms or more	87	92	74	75	83	87	96	82
Median number of bedrooms	3	3	3	3	3	3	4	3
One full bathroom	15	10	24	25	26	19	13	17
Two full bathrooms	63	62	66	65	61	58	56	67
Three full bathrooms or more	22	28	10	10	13	23	31	17
Median number of full bathrooms	2	2	2	2	2	2	2	2

* Less than 1 percent

EXHIBIT 2-23 YEAR HOME BUILT, BY REGION

(Median)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
2014	15%	7%	8%	22%	14%
2013 through 2010	3	1	2	5	3
2009 through 2006	8	4	4	10	8
2005 through 2001	11	7	10	12	13
2000 through 1986	21	17	23	21	21
1985 through 1960	25	29	25	23	26
1959 through 1912	15	29	23	8	15
1911 or earlier	3	7	6	1	1
Median (year)	1991	1972	1980	2000	1992

EXHIBIT 2-24 IMPORTANCE OF COMMUTING COSTS

(Percentage Distribution)

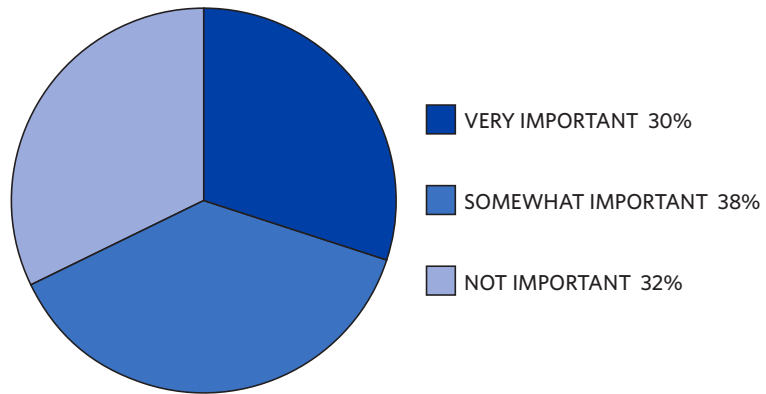


EXHIBIT 2-25 IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

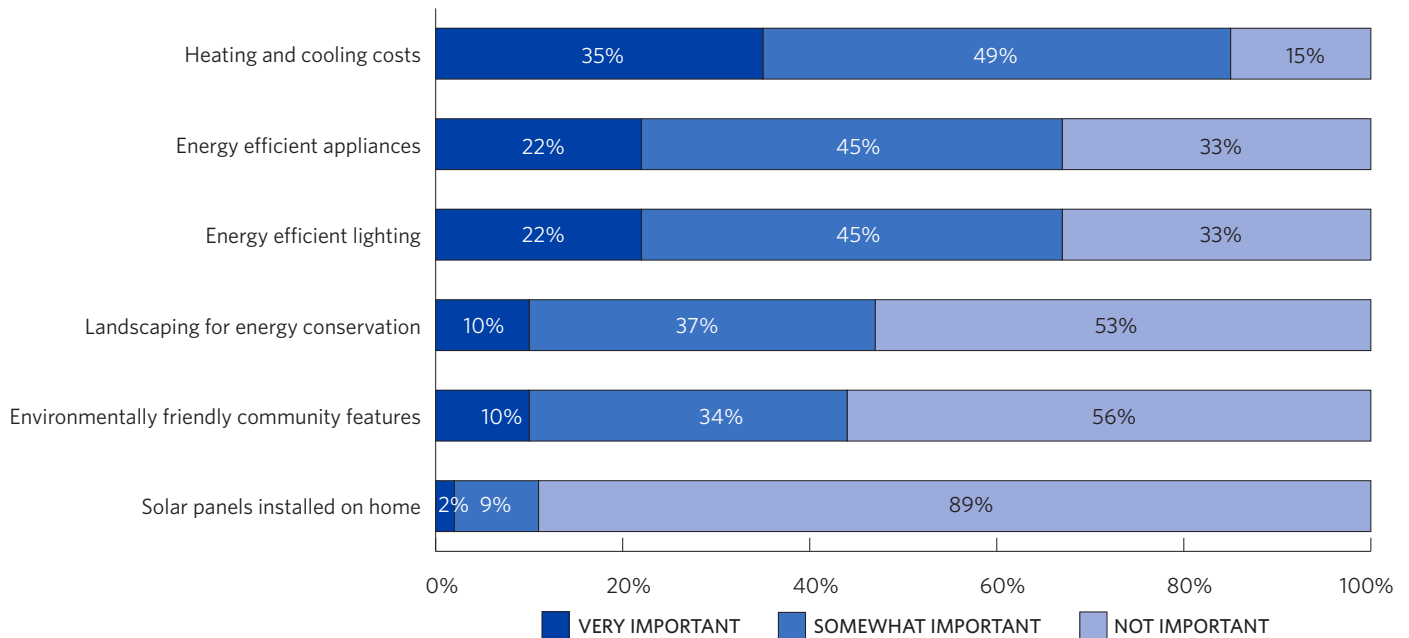


EXHIBIT 2-26 ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT," BY REGION

(Percent of Respondents)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Heating and cooling costs	35%	42%	31%	38%	30%
Energy efficient appliances	22	17	18	27	20
Energy efficient lighting	22	16	16	26	23
Landscaping for energy conservation	10	6	6	11	14
Environmentally friendly community features	10	8	7	11	12
Solar panels installed on home	2	2	1	3	3

EXHIBIT 2-27 ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT," BY YEAR HOME WAS BUILT

(Percent of Respondents)

	All Buyers	2014	2013 through 2010	2009 through 2006	2005 through 2001	2000 through 1986	1985 through 1960	1959 through 1911	1911 or earlier
		Heating and cooling costs	35%	50%	44%	37%	31%	30%	33%
Energy efficient appliances	22	48	30	27	20	16	15	15	13
Energy efficient lighting	22	43	25	25	20	17	16	17	13
Landscaping for energy conservation	10	18	10	13	9	9	9	7	6
Environmentally friendly community features	10	22	10	8	8	8	7	7	7
Solar panels installed on home	2	5	3	2	2	2	2	1	2

EXHIBIT 2-28 CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED, BY LOCATION

(Percent of Respondents)

	All Buyers	BUYERS WHO PURCHASED A HOME IN A				
		Suburb/Subdivision	Small town	Urban/Central city	Rural	Resort/Recreation area
Price of home	20%	20%	17%	25%	18%	20%
Condition of home	19	17	19	21	19	17
Size of home	17	16	20	21	16	17
Lot size	14	15	13	13	12	17
Style of home	13	13	13	14	14	14
Distance from job	13	13	13	11	17	7
Distance from friends or family	6	6	7	4	6	12
Quality of the neighborhood	6	5	4	13	5	4
Quality of the schools	4	5	1	6	3	1
Distance from school	2	2	1	1	2	*
None - Made no compromises	35	35	39	31	39	35
Other compromises not listed	7	8	6	7	8	6

* Less than 1 percent

EXHIBIT 2-29 CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage of Respondents)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Price of home	20%	22%	19%	20%	20%
Condition of home	19	19	19	3	22
Size of home	17	20	16	16	18
Lot size	14	16	13	19	13
Style of home	13	15	12	11	14
Distance from job	13	18	11	14	13
Distance from friends or family	6	8	6	6	6
Quality of the neighborhood	6	8	5	7	6
Quality of the schools	4	6	3	4	4
Distance from school	2	2	1	2	1
None - Made no compromises	35	29	39	43	34
Other compromises not listed	7	7	8	6	8

EXHIBIT 2-30 CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage of Respondents)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Price of home	20%	20%	20%	19%	21%	18%	21%	19%
Condition of home	19	18	17	21	24	19	21	17
Size of home	17	17	16	16	21	13	20	15
Lot size	14	15	10	12	19	7	17	12
Style of home	13	13	13	9	17	18	16	12
Distance from job	13	14	10	13	17	14	18	10
Distance from friends or family	6	6	4	6	11	6	7	6
Quality of the neighborhood	6	6	6	10	8	10	7	6
Quality of the schools	4	5	2	3	5	6	6	3
Distance from school	2	1	2	0	2	7	4	*
None - Made no compromises	35	34	41	41	27	38	29	39
Other compromises not listed	7	8	7	6	6	11	6	8

* Less than 1 percent

EXHIBIT 2-31 EXPECTED LENGTH OF TENURE IN HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES
(Percentage Distribution)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
1 year or less	2%	1%	2%	2%	2%
2 to 3 years	4	3	4	3	4
4 to 5 years	9	12	7	8	9
6 to 7 years	2	3	2	2	2
8 to 10 years	14	16	14	14	15
11 to 15 years	6	4	6	5	6
16 or more years	26	23	28	27	26
Don't Know	38	38	38	39	37
Median	14	10	15	15	11

EXHIBIT 2-32 EXPECTED LENGTH OF TENURE IN HOME PURCHASED, BY AGE
(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
1 year or less	2%	*	1%	2%	3%
2 to 3 years	4	8	3	3	7
4 to 5 years	9	16	11	7	3
6 to 7 years	2	4	3	2	*
8 to 10 years	14	22	17	12	10
11 to 15 years	6	*	6	5	7
16 or more years	26	10	27	31	20
Don't Know	38	40	32	38	49
Median	14	8	10	15	15

** Less than 1 percent*

EXHIBIT 2-33 FACTORS THAT COULD CAUSE BUYER TO MOVE, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		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.)	40%	39%	37%	45%	41%
Never moving-forever home	23	7	15	27	40
Move with job or career change	16	30	24	13	2
May desire better area/neighborhood	8	7	10	7	5
May outgrow home	6	11	10	1	*
Will flip home	1	3	1	2	1
Other	6	2	3	6	11

* Less than 1 percent

EXHIBIT 2-34 FACTORS THAT COULD CAUSE BUYER TO MOVE, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		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.)	40%	38%	52%	38%	41%	43%	38%	42%
Never moving-forever home	23	25	21	20	15	26	19	26
Move with job or career change	16	18	9	18	14	8	22	13
May desire better area/neighborhood	8	8	8	9	10	6	9	7
May outgrow home	6	6	2	4	13	3	8	4
Will flip home	1	1	1	4	2	1	1	2
Other	6	5	7	7	6	13	3	7

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-two percent of recent buyers first looked online for the properties for sale, with 92 percent of all recent buyers using the Internet at some point during the home search process. Over half of recent home buyers used a mobile or tablet website or application to search for a home. Of the home buyers who used the Internet to search for a home, 47 percent found the home that they ultimately bought online.

Real estate agents remain a vital part of the home search process, and are the second most frequented information source for home buyers. While 33 percent of recent home buyers found the home that they purchased through a real estate agent, finding the right property remains the most difficult step in the home buying process. Overall, home buyers continue to be satisfied with the home buying process at 91 percent, up from 89 percent in 2014.

The First Step in the Home Buying Process

■ Exhibits 3-1 and 3-2

Forty-two percent of home buyers first looked online for properties for sale as their first step in the home buying process, while 14 percent of buyers first contacted a real estate agent. First-time home buyers were more likely than repeat buyers to look online for information about the home buying process as a first step. Repeat home buyers were more likely to look online for properties for sale as a first step at 48 percent. The first step of contacting a real estate agent and contacting a builder/visiting builder models increased as the age of the home buyer also increased. Across all age groups, the first step of reading books or guides about the home buying process was the least taken first step.

Information Sources

■ Exhibits 3-3 through 3-6

Throughout the home search process online websites and real estate agents continue to be the two most used resources. Home buyers between the ages of 25 and 44 were the most likely to search for homes through an online website, while buyers between the ages of 18 and 24 more than any age group used a real estate agent as an information source. An increasing percentage of home buyers are using mobile or tablet website/applications (57 percent) and mobile or tablet search engines (54 percent), compared to 50 percent and 48 percent respectively in 2014. The use of yard signs and open houses as information sources saw slight increases from last year, both of which have historically been used most frequently after online websites and real estate agents.

Online websites, real estate agents, mobile or tablet websites/applications, mobile or tablet search engines, and yard signs were the most frequently used information sources for recent home buyers. Only 12 percent of recent home buyers rarely used, or did not use a real estate agent. Online websites were seen as the most useful information source during the home search process at 82 percent.

The Search Process

■ Exhibits 3-7 through 3-11

The typical search stayed the same from last year's report at 10 weeks for a buyer to find a home. From 2009 to 2013 the typical home search process took 12 weeks for a buyer. Buyers typically looked at a median of 10 homes before finding a home to purchase, a trend that has continued, and throughout all major regions. Buyers who used an agent typically spent two weeks searching before they contacted an agent. First-time buyers usually searched longer than repeat buyers for a home at 12 weeks, compared with repeat buyers who searched for 10 weeks.

The Internet has become the main source where buyers are finding the home that they purchased. Today 44 percent of recent buyers found their home through the Internet. In comparison, only eight percent of buyers found their home through the Internet in 2001. 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. Sources such as yard signs, friends, relatives and neighbors, or home builders, remain at last year's levels, but have declined throughout the years with the rise of the Internet as an information source.

Forty-one percent of recent buyers considered purchasing a home in foreclosure, but the top reason for ultimately not purchasing a foreclosure property was not being able to find the right home. Other reasons for not purchasing a home in foreclosure included that the process was too difficult or complex and poor condition of the home. This year, first-time buyers made up the largest group who considered purchasing a home in foreclosure.

Among all buyers, the most difficult step in the home buying process was finding the right home to purchase at 51 percent. For 23 percent of buyers the most difficult step was the paperwork, and 14 percent cited the most difficult step was understanding the process and steps involved. While 17 percent of recent buyers had no difficult steps, this was much more common among repeat buyers.

Internet Usage Trends

■ Exhibits 3-12 and 3-13

The percentage of home buyers who used the Internet to search for a home remained at 92 percent for the third year in a row. As a result of searching for a home on the Internet, 65 percent of buyers are walking through the homes that they viewed online, and 38 percent are looking at the exterior of these homes and driving through the neighborhoods. First-time buyers were the most likely to request more information as a result of searching online.

Characteristics of Internet Searchers and Sources Used

■ Exhibits 3-14 through 3-17

Comparing buyers who use the Internet during their home search, to those who do not, it is interesting to see how the demographics vary. Typically a buyer who used the Internet in their home search is 42 years-old and had a median household income in 2014 of \$88,600. In comparison, the typical buyer who did not use the Internet to search for a home was 65 years old and had a median household income of \$64,400 in 2014. The typical buyer who did not use the Internet during their home search spent only five weeks searching and visited five homes, compared to those who did use the Internet and searched for 10 weeks and visited 10 homes.

Among buyers who did not use the Internet in their home search process, real estate agents were the most used information source at 73 percent. Additionally they used yard signs, open houses, and home builders as information sources. Those who did not use the Internet to search used home builders, print newspaper advertisements, billboards more often in their home search than those who used the Internet to search. Buyers who did use the Internet used two sources more than any other, online websites (94 percent) and real estate agents (89 percent).

Forty-seven percent of buyers who used the Internet during their home search process ultimately found the home that they purchased through the Internet. Forty-one percent of buyers who did not use the Internet during their home search process found their home through a real estate agent, compared to only

32 percent of buyers who did use the Internet. Buyers who did not use the Internet found their home more frequently through a yard sign, through a friend, relative or neighbor, through a builder or builder's agent, or directly from the sellers than those who used the Internet to search.

It is evident that while a majority of home buyers are using the Internet during the home searching process, the Internet cannot replace the role of the real estate agent in the transaction. Of home buyers who used the Internet to search for homes, 88 percent ultimately purchased their home through a real estate agent. Interestingly, a larger percentage of buyers who used the Internet purchase their home through an agent, compared to only 71 percent of buyers who did not use the Internet during their search.

Website Features and Mobile Search

■ Exhibits 3-18 and 3-19

Among buyers who used the Internet during their home search, 87 percent of buyers found photos and detailed information about properties for sale (84 percent) to be very useful. The next most useful website features included: Interactive maps, real estate agent contact information, virtual tours, and neighborhood information.

Using mobile devices is becoming more common among all home buyers. Sixty-six percent of buyers who used mobile searching found their home through a mobile application. First-time buyers found their homes through a mobile application (68 percent) slightly more than repeat buyers (65 percent).

Satisfaction in Buying Process

■ Exhibit 3-20

Fifty-nine percent of recent buyers were very satisfied with their recent home buying process, up from 56 percent a year ago. Thirty-two percent of buyers were somewhat satisfied with the buying process. Only 10 percent of recent buyers were dissatisfied with the buying 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	42%	33%	48%
Contacted a real estate agent	14	13	15
Looked online for information about the home buying process	13	23	6
Contacted a bank or mortgage lender	7	11	5
Drove-by homes/neighborhoods	7	3	9
Talked with a friend or relative about home buying process	5	10	2
Visited open houses	3	3	2
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	2	1	3
Contacted builder/visited builder models	2	1	2
Attended a home buying seminar	*	*	*
Contacted a home seller directly	*	*	1
Looked in newspapers, magazines, or home buying guides	*	*	1
Read books or guides about the home buying process	*	*	*
Other	6	3	8

* Less than 1 percent

EXHIBIT 3-2

FIRST STEP TAKEN DURING THE HOME BUYING PROCESS, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Looked online for properties for sale	42%	43%	40%	47%	34%
Contacted a real estate agent	14	*	13	15	29
Looked online for information about the home buying process	13	19	17	7	*
Contacted a bank or mortgage lender	7	5	9	6	*
Drove-by homes/neighborhoods	7	5	6	8	7
Talked with a friend or relative about home buying process	5	24	6	1	*
Visited open houses	3	*	2	4	*
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	2	*	3	2	*
Contacted builder/visited builder models	2	*	1	2	9
Attended a home buying seminar	*	*	1	*	*
Contacted a home seller directly	*	*	*	1	*
Looked in newspapers, magazines, or home buying guides	*	*	1	*	*
Read books or guides about the home buying process	*	*	*	*	*
Other	6	5	2	7	22

* Less than 1 percent

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)*

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Online website	89%	90%	88%	81%	90%
Real estate agent	87	87	88	76	90
Mobile or tablet website or application	57	65	53	50	59
Mobile or tablet search engine	54	61	50	49	55
Yard sign	51	49	51	44	51
Open house	48	44	49	56	46
Online video site	29	23	31	33	27
Home builder	20	16	22	68	10
Print newspaper advertisement	20	19	21	23	20
Home book or magazine	13	13	13	19	12
Billboard	6	6	5	16	3
Television	3	5	3	7	3
Relocation company	3	3	4	6	3

EXHIBIT 3-4**INFORMATION SOURCES USED IN HOME SEARCH, BY AGE***(Percent of Respondents)*

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Online website	89%	92%	94%	89%	77%
Real estate agent	87	90	86	89	88
Mobile or tablet website or application	57	64	71	47	33
Mobile or tablet search engine	54	58	67	44	32
Yard sign	51	37	52	52	43
Open house	48	23	49	49	42
Online video site	29	16	26	31	32
Home builder	20	16	18	21	21
Print newspaper advertisement	20	21	17	23	24
Home book or magazine	13	10	13	14	14
Billboard	6	5	5	5	4
Television	3	2	4	4	2
Relocation company	3	3	4	5	2

EXHIBIT 3-5 FREQUENCY OF USE OF DIFFERENT INFORMATION SOURCES

(Percentage Distribution)

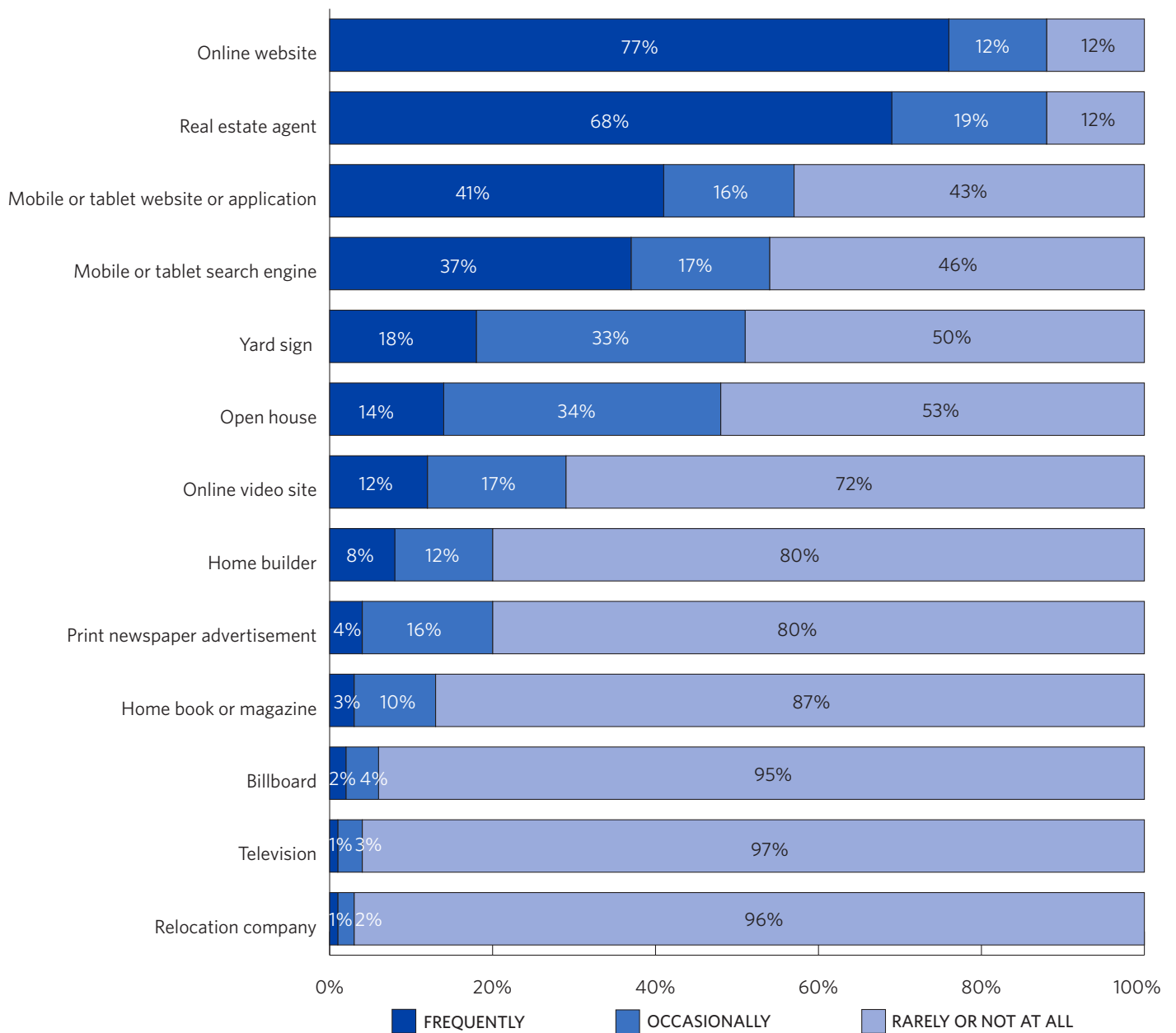


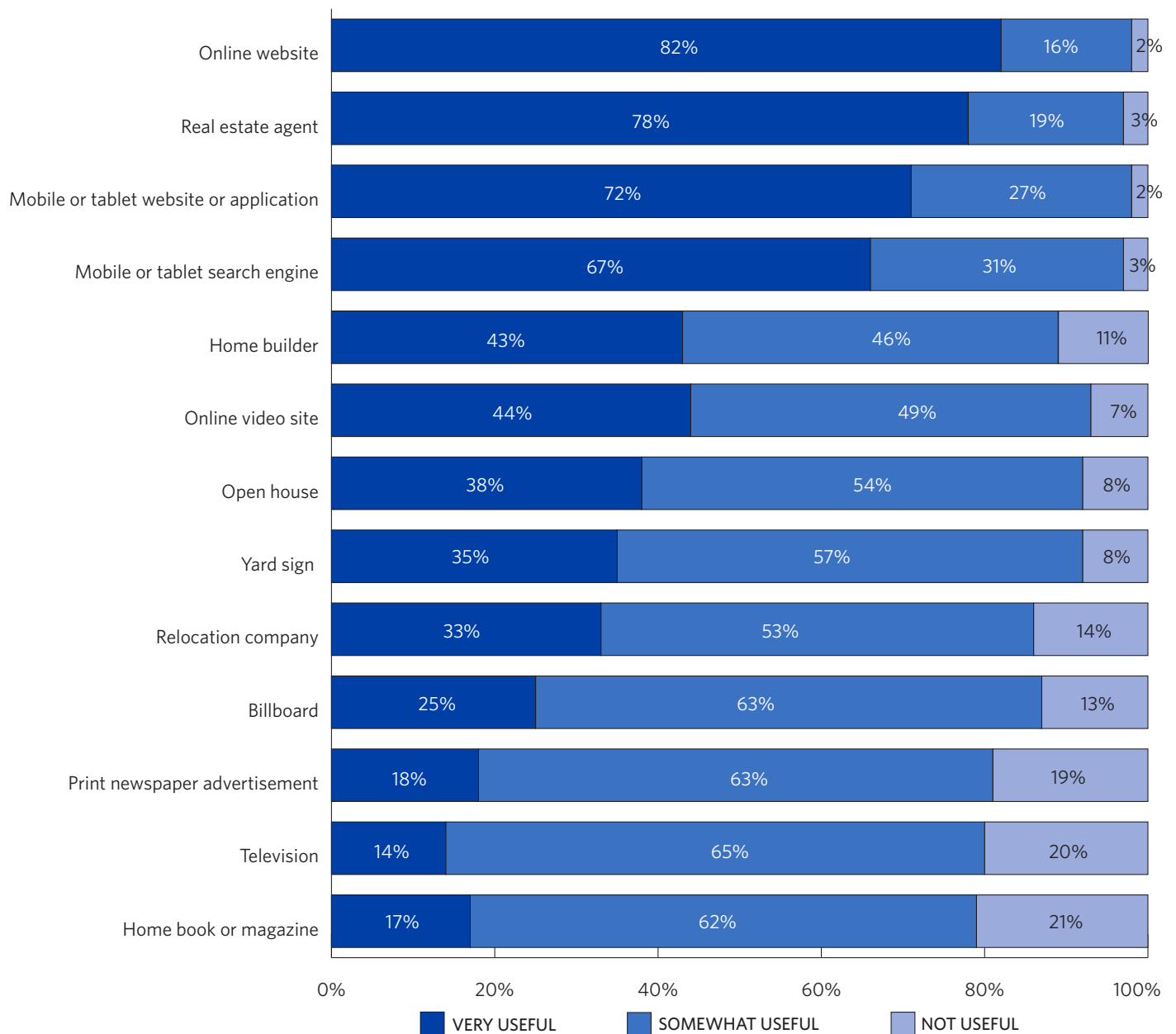
EXHIBIT 3-6 USEFULNESS OF INFORMATION SOURCES*(Percentage Distribution Among Buyers that Used Each Source)*

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
Number of homes viewed	10	10	10	10	10

EXHIBIT 3-8 LENGTH OF SEARCH FOR BUYERS WHO USED AN AGENT, FIRST-TIME AND REPEAT BUYERS

(Median Weeks)

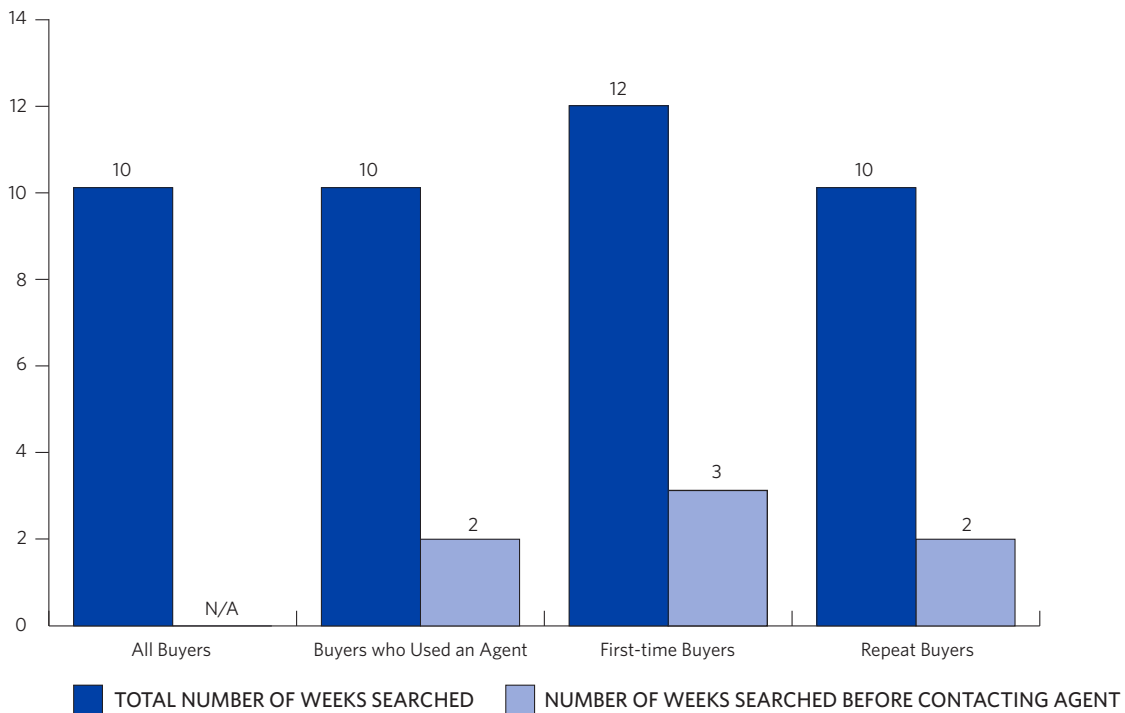


EXHIBIT 3-9**WHERE BUYER FOUND THE HOME THEY PURCHASED, 2001-2015***(Percentage Distribution)*

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Internet	8%	11%	15%	24%	24%	29%	32%	36%	37%	40%	42%	43%	43%	44%
Real estate agent	48	41	38	36	36	34	34	36	38	35	34	33	33	33
Yard sign/open house sign	15	16	16	15	15	14	15	12	11	11	10	9	9	9
Friend, relative or neighbor	8	7	7	7	8	8	7	6	6	6	6	6	6	6
Home builder or their agent	3	7	7	7	8	8	7	5	4	5	5	5	5	6
Directly from sellers/Knew the sellers	4	4	5	3	3	3	2	2	2	2	2	2	3	2
Print newspaper advertisement	7	7	5	5	5	3	3	2	2	2	1	1	1	1
Home book or magazine	2	1	2	1	1	1	1	*	*	*	*	*	*	*
Other	5	6	4	*	*	*	*	*	*	*	*	1	*	*

* Less than 1 percent

EXHIBIT 3-10**BUYER INTEREST IN PURCHASING A HOME IN FORECLOSURE, 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
Did not consider purchasing a home in foreclosure	59%	48%	64%	76%	55%
Considered purchasing a home in foreclosure, but did not:					
Could not find the right home	23	28	21	14	25
The process was too difficult or complex	11	15	9	6	12
The home was in poor condition	10	15	7	5	11
The home price was too high	4	6	3	4	4
The neighborhood was undesirable	4	6	3	3	4
Financing options were not attractive	3	6	2	2	3

EXHIBIT 3-11**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	51%	51%	51%	43%	53%
Paperwork	23	29	20	21	24
Understanding the process and steps	14	30	6	12	14
Getting a mortgage	13	17	11	13	13
Saving for the down payment	13	25	7	12	13
Appraisal of the property	5	7	4	2	6
No difficult steps	17	9	21	21	16
Other	6	5	6	6	6

EXHIBIT 3-12 USE OF INTERNET TO SEARCH FOR HOMES, 2003-2015

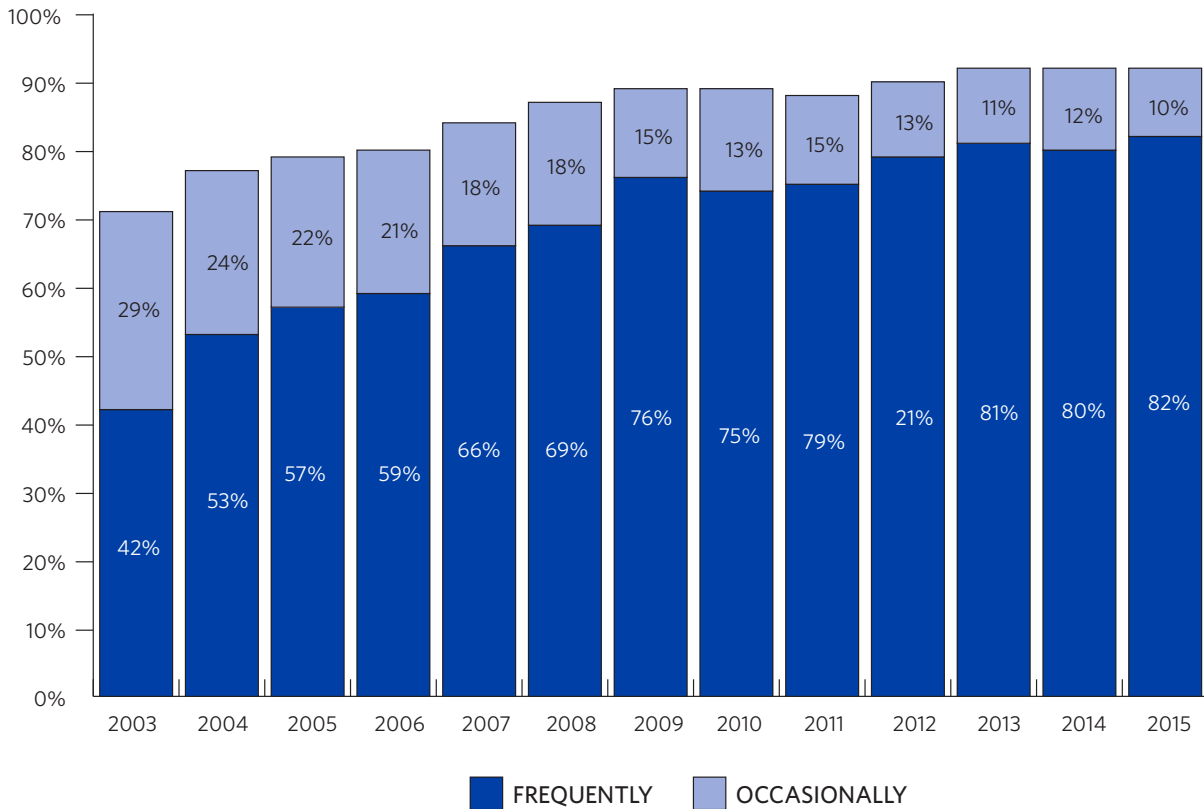


EXHIBIT 3-13 ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Buyers Who Used the Internet)

	All Buyers	First-time Buyers	Repeat Buyers
Walked through home viewed online	65%	61%	67%
Saw exterior of homes/neighborhood, but did not walk through home	38	39	37
Found the agent used to search for or buy home	33	35	32
Requested more information	27	32	25
Looked for more information on how to get a mortgage and general home buyers tips	14	27	7
Pre-qualified for a mortgage online	13	14	12
Contacted builder/developer	17	18	17
Applied for a mortgage online	10	12	9
Found a mortgage lender online	8	13	6

EXHIBIT 3-14 CHARACTERISTICS OF HOME SEARCHERS AND SEARCH ACTIVITY, BY USE OF INTERNET

(Percentage Distribution)

Household Composition	Used Internet to Search	Did Not Use Internet to Search
Married couple	68%	55%
Single female	14	21
Single male	8	15
Unmarried couple	7	5
Other	2	4
Median age (years)	42	65
Median income (2012)	\$88,600	\$64,400
Length of Search (Median weeks)		
All buyers	10	5
First-time buyers	12	6
Repeat buyers	10	4
Buyers using an agent	10	0
Before contacting agent	3	0
Number of Homes Visited (median)	10	5

EXHIBIT 3-15 INFORMATION SOURCES USED IN HOME SEARCH, BY USE OF INTERNET

(Percent of Respondents)

	Used Internet to Search	Did Not Use Internet to Search
Online website	94%	N/A
Real estate agent	89	73
Mobile or tablet website or application	61	N/A
Mobile or tablet search engine	58	N/A
Yard sign	51	38
Open house	48	38
Online video site	30	N/A
Print newspaper advertisement	20	22
Home builder	19	27
Home book or magazine	13	10
Billboard	5	8
Television	3	5
Relocation company	4	3

N/A- Not Applicable

EXHIBIT 3-16 WHERE BUYERS FOUND THE HOME THEY PURCHASED, BY USE OF INTERNET

(Percentage Distribution)

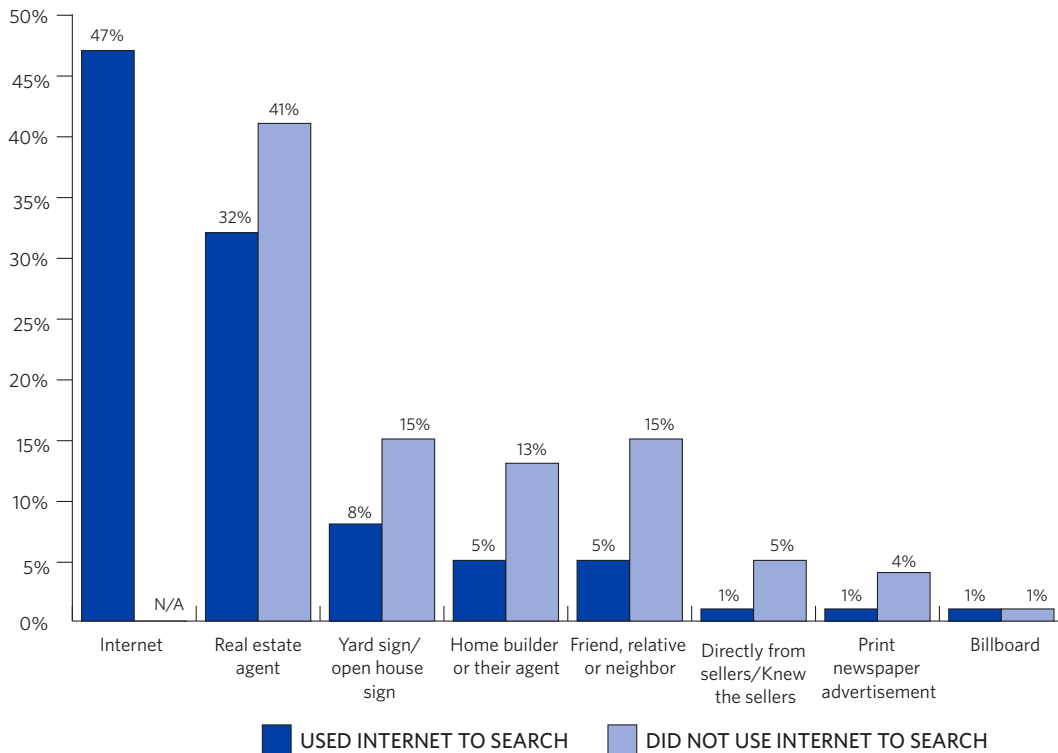


EXHIBIT 3-17 METHOD OF HOME PURCHASE, BY USE OF INTERNET

(Percentage Distribution)

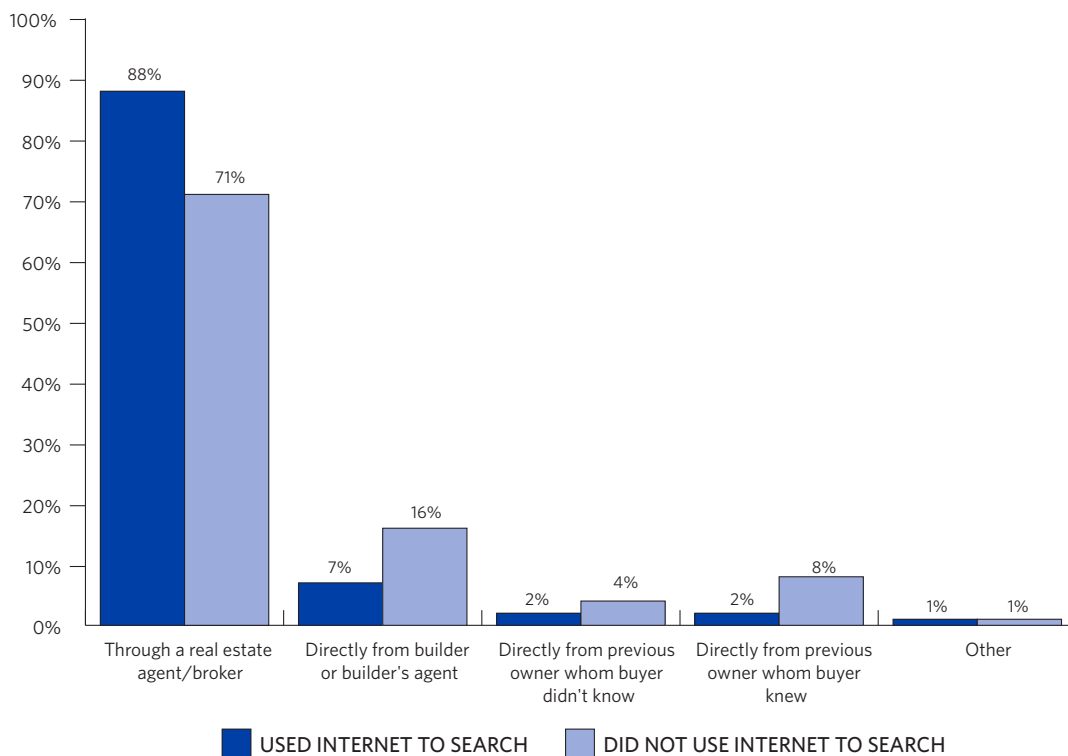


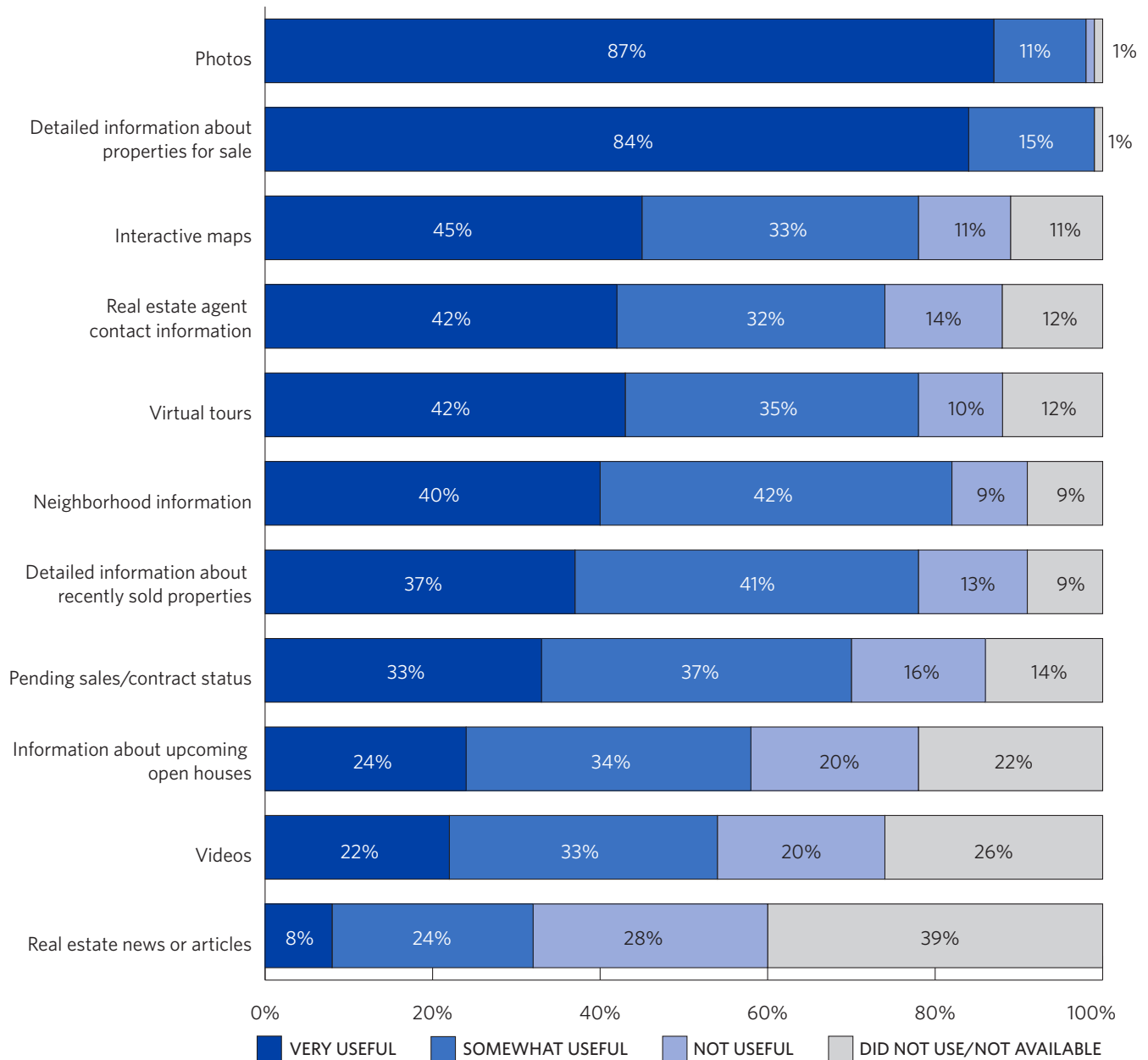
EXHIBIT 3-18 VALUE OF WEBSITE FEATURES*(Percentage Distribution Among Buyers Who Used the Internet)*

EXHIBIT 3-19 MOBILE SEARCH BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among those Who Used Mobile Search)

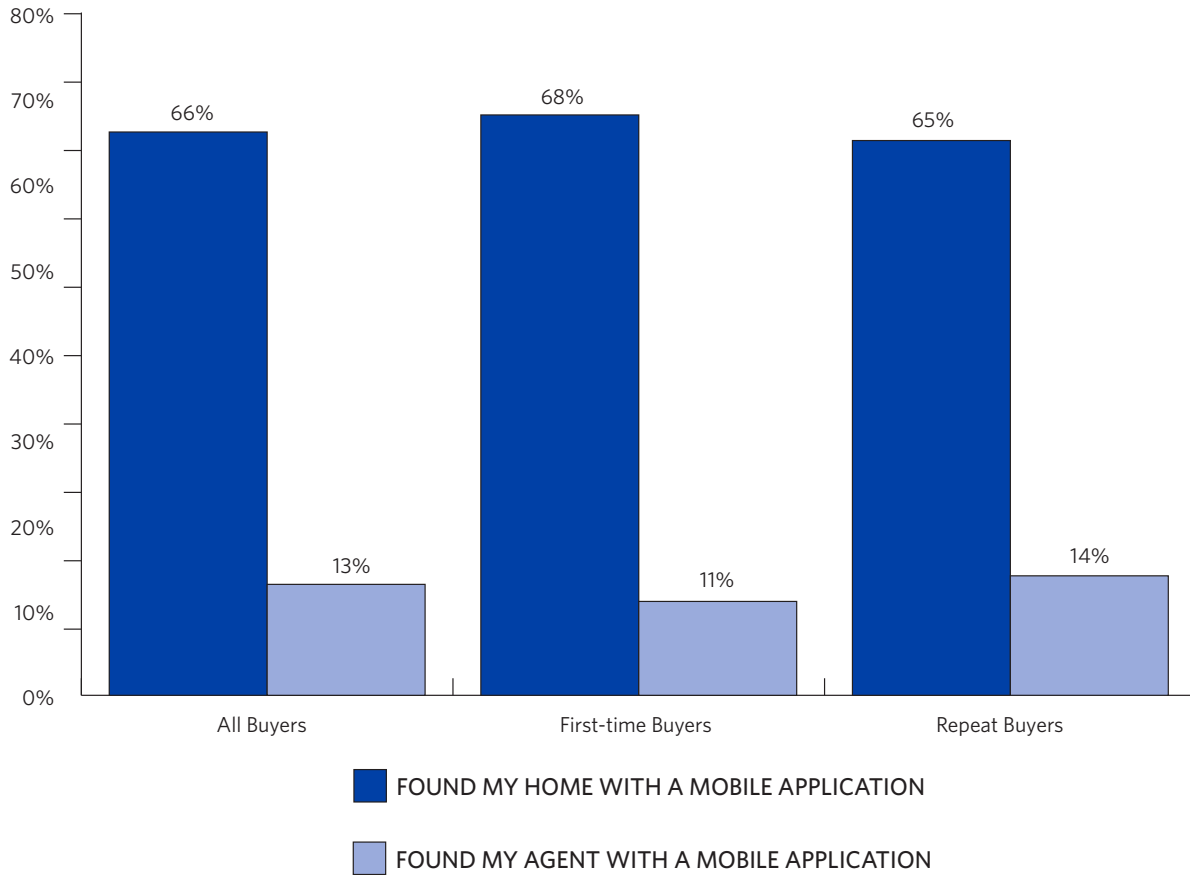
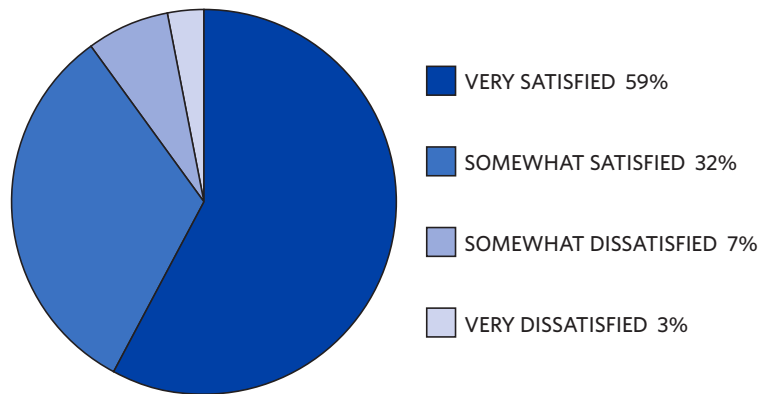


EXHIBIT 3-20 SATISFACTION WITH BUYING PROCESS

(Percentage Distribution)



CHAPTER 4:

Home Buying and Real Estate Professionals

Purchasing a home through a real estate agent is a consistent real estate trend that continued this year. Looking by household composition, single female buyers tended to purchase their homes through real estate agents and brokers at a higher rate than any other household composition. Four in ten buyers of new homes purchased their home directly from a builder or builder's agent, and many use 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, with buying directly from the previous owner being the next most common purchase method.

Over half of recent buyers were required to sign disclosure agreements 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.

The most important thing that buyers were looking for from their real estate agent was help 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 were looking for an agent who has a good reputation and is honest and trustworthy. Recent buyers were overall very satisfied with their real estate agent's skills and qualities, and would definitely use their agent again or recommend them to others.

Method of Home Purchase

■ Exhibits 4-1 through 4-4

Recent home buyers most commonly purchased their homes through a real estate agent or broker at 87 percent. Eight percent purchased directly from the builder or builder's agent, while five percent purchased directly through the previous owner. The Northeast and West regions showed the highest percentage of buyers who purchased their homes through real estate agents or brokers.

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 of 44 percent. Single females (90 percent) and single males (89 percent) were the two household compositions that most frequently purchased through a real estate agent or broker.

Agent Representation and Compensation

■ Exhibits 4-5 through 4-7

Sixty-one 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 18 percent. Only 29 percent of buyers had no representation arrangement with their agent.

Generally real estate agents are compensated through the seller at 56 percent, whereas only 21 percent of agents are compensated by the buyer. When the agent was compensated by the buyer, they were most commonly paid a percentage of the sales prices, as opposed to a flat fee.

What Buyers Want from Agents and Benefits Provided

■ Exhibits 4-8 through 4-11

Most important to recent buyers when looking for a real estate agent, was finding someone who could help them find the right home to purchase (53 percent) and help them negotiate the terms of sale (12 percent). Buyers were also looking for someone who could help with price negotiations (11 percent). These agent characteristics remained consistent when looking at first-time and repeat buyers as well as buyers of new and previously owned homes, and various household compositions.

There are many benefits for buyers using a real estate agent, with the foremost being helping the buyer(s) understand the buying process. Pointing out unnoticed features or faults with the property was the next most important benefit, especially to first-time home buyers (61 percent). Nearly half of all buyers also viewed 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.

Referrals are still by far the most common way buyers found the real estate agent that they worked with. Forty-one percent of buyers used an agent that was referred to them by a friend, neighbor, or relative.
