



National Association of REALTORS®

2016 PROFILE OF HOME BUYERS AND SELLERS

35th Anniversary Edition

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National Association of REALTORS®

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Introduction

Buying a primary residence for home buyers is a financial decision but also an emotional decision that involves many lifestyle factors. For most home buyers, the purchase of a primary residence is one of the largest financial transactions they will make. Buyers purchase a home not only for the desire to own a home of their own, but also because of changes in jobs, family situations, and the need for a smaller or larger living area.

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 provided supplies 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 on the role that real estate professionals play in home sales transactions.

This year's *2016 Profile of Home Buyers and Sellers* is a special commemorative anniversary report. NAR has administered the survey since 1981. To mark the 35th year of publication, the report highlights key trends in home buyer and seller behavior that has changed or stayed the same over the decades with historical trend line data. In this year's edition, there are expanded time series using the history of the collection.

The report has grown and evolved to keep up with changing home buying trends and the need for more information. The 1981 survey was just 59 questions long. The 2016 survey contained 132 questions. Although the report has evolved, data has been collected for more than three decades describing the demographic characteristics of home buyers and sellers, buyers and sellers' experience in the home transaction process as well as market characteristics including the use of real estate agents. One measure of how the market

has changed is the manner in which the data is collected. In 1981, only a paper copy of the survey was offered. Today recent home buyers can take the survey via paper or online, and in English or Spanish. Because of its long history and timely information available each year, the report is valued by REALTORS®, market analysts, and policymakers.

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

Today the data set provides a wealth of data that is used to create a number of spin-off NAR reports including: *Home Buyer and Seller Generational Trends Report*, *Recent Home Buyer Profiles*, *Profile of Home Buyers and Sellers in Sub-regions*, *Real Estate in a Digital Age*, *Veterans and Active Military Home Buyers and Sellers Profile*, and *Moving with Kids*.



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In 2016, the share of first-time home buyers was 35 percent, a three-point increase over last year's 32 percent. This figure gravitates back towards the historical norm at 40 percent of the market. The median household income of buyers increased again this year, likely due to a nationwide increase in home prices caused by a lack of housing inventory. Married and unmarried couples have double the buying power of single home buyers, and may be better able to meet the price increases of this 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.

Tenure in the home has returned to a peak of 10 years again this year. Historically, tenure in the home has been six to seven years. Sellers may now have the equity and buyer demand to sell their home after stalling or delaying their home sale but may be facing reduced affordability to buy a new home.

Buyers need the help of a real estate professional to help them find the right home for them, negotiate terms of sale, and help with price negotiations. 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 sales have dropped to the lowest level recorded in this data set at eight percent of sales again this year, while the use of the agent to sell the home stays at historic highs. Likewise, the buyer's 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.



Highlights

Characteristics of Home Buyers

- First-time buyers made up 35 percent of all home buyers, an increase over last year's near all-time low of 32 percent.
- The typical buyer was 44 years old again for the third straight year in a row, and the median household income for 2015 rose again this year to \$88,500.
- Sixty-six percent of recent buyers were married couples, 17 percent were single females, seven percent were single males, and eight percent were unmarried couples.
- Eleven percent of home buyers purchased a multi-generational home, to take care of aging parents, for cost savings, and because of children over the age of 18 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 two percent are active-duty service members.
- At 31 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 14 percent and buyers of previously owned homes made up 86 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 stayed the same this year at 14 percent, with 20 percent of buyers typically purchasing condos and eight percent purchasing townhomes or row houses.
- There was a median of 12 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 \$227,700 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 12 years, while 18 percent say that they are never moving.

The Home Search Process

- For 44 percent of recent buyers, the first step that they took in the home buying process was to look online at properties for sale, while 17 percent of buyers first contacted a real estate agent.
- Seventy-nine percent of recent buyers found their real estate agent to be a very useful information source. Online websites were seen as the most useful at 86 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 four weeks searching and visited four 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, 89 percent of buyers found photos and 85 percent found detailed information about properties for sale very useful.
- Sixty percent of recent buyers were very satisfied with their recent home buying process, up from 59 percent a year ago.

Home Buying and Real Estate Professionals

- Eighty-eight percent of buyers recently purchased their home through a real estate agent or broker, and six percent purchased directly from a builder or builder's agent.
- Having an agent to help them find the right home was what buyers wanted most when choosing an agent at 50 percent.
- Forty-two percent of buyers used an agent that was referred to them by a friend, neighbor, or relative and 11 percent used an agent that they had worked with in the past to buy or sell a home.
- Nearly seven in 10 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-eight 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 typically financed 96 percent of their home compared to repeat buyers at 84 percent.
- For 61 percent of buyers, the source of the downpayment came from their savings. Thirty-five percent of buyers cited using the proceeds from the sale of a primary residence, which was the next most commonly reported way of securing a downpayment.
- Forty 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, 49 percent of buyers reported that student loans made saving for a downpayment difficult. Forty percent cited credit card debt, and 34 percent cited car loans as also making saving for a downpayment difficult.
- Buyers continue to see purchasing a home as a good financial investment. Eighty-two 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 \$100,700.
- For all sellers, the most commonly cited reason for selling their home was that it was too small (18 percent), followed by the desire to move closer to friends and family (15 percent), and a job relocation (14 percent).
- Sellers typically lived in their home for 10 years before selling, an increase from nine 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-six percent of all sellers offered incentives to attract buyers.
- This year, home sellers cited that they sold their homes for a median of \$43,100 more than they purchased it.
- Sixty-one percent of sellers were very satisfied with the selling process.

Home Selling and Real Estate Professionals

- Sixty-four percent of sellers found their agent through a referral from a friend, neighbor, or relative or used an agent they had worked with before to buy or sell a home.
- Seventy-two percent of recent sellers contacted only one agent before finding the right agent they worked with to sell their home.
- Ninety-two percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home.
- Seventy-seven percent of sellers reported they provided the agents' compensation.
- The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home.
- Eighty-five percent said that they would definitely (70 percent) or probably (15 percent) recommend their agent for future services.

For-Sale-by-Owner (FSBO) Sellers

- Only eight percent of recent home sales were FSBO sales again this year. For the second year, this is the lowest share recorded since this report started in 1981.
- The median age for FSBO sellers is 59 years. Seventy-three percent of FSBO sales were by married couples that have a median household income of \$100,600.
- FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$185,000 last year (down from \$210,000 the year prior), and significantly lower than the median of agent-assisted homes at \$245,000.
- FSBO homes sold more quickly on the market than agent-assisted homes. Sixty-seven percent of FSBO homes sold in less than two weeks—often because homes are sold to someone the seller knows.
- Seventy-one percent of successful FSBO sellers who knew the buyer were satisfied with the process of selling their home.

CHAPTER 1:

Characteristics of Home Buyers

The NATIONAL ASSOCIATION OF REALTORS®'s *Profile of Home Buyers and Sellers* report has become a leading industry source of trusted insight into consumer behavior. This year marks the 35th anniversary of the *Profile of Home Buyers and Sellers* report, and we examine the 2016 data by comparing trends over the last three and a half decades. The share of first-time home buyers has been a key indicator of the market. In 2016, the share of first-time home buyers was 35 percent, an increase over last year's near all-time low of 32 percent. This figure is still below the historical norm of 40 percent of primary residence home buyers in the market.

By comparison in 1981, the share of first-time buyers was 44 percent. In 1987, the number fell to an all-time low of 30 percent, but jumped back to 44 percent in 1991. The share remained between 40 and 42 percent from 1993 to 2005 until it took a dip in 2006 to 36 percent. In 2010, with the help of the federal government tax credit to boost home sales demand of first-time buyers, the share reached a peak at 50 percent—the highest in NAR's 35-years of data. From 2011 to 2016, the share of first-time home buyers has been under the historical norm of 40 percent as buyers face tight inventory, rising home prices, rising rents, and high student debt loads.

The largest share of home buyers continues to be the 25 to 34 age group, accounting for 26 percent of all buyers. The median household income for 2015 rose again this year to \$88,500 from \$86,100 in last year's report. The share of married couples decreased to 66 percent this year, and single females increased to 17 percent in 2016. Thirty-eight percent of all buyers had children under the age of 18 living at home, up from 37 percent last year.

As to be expected, 74 percent of first-time home buyers rented their previous living arrangement, whereas 70 percent (up from 66 percent in the previous year) of repeat buyers owned their previous residence. For first-time home buyers, 67 percent purchased for the desire to own a home of their own (jumping up from 64 percent last year).

Demographic Characteristics of Home Buyers

■ Exhibits 1-1 through 1-6

The demographics of home buyers continue to shift over the last several years due to tightened credit conditions and sparse inventory on the market which are driving up home sale prices. The *Profile of Home Buyers and Sellers* has collected data on the median age over the course of its 35-year history. The median age remained at 44 years old again for the third straight year in a row. The median age for first-time buyers rose slightly to 32 years after staying at 31 years since 2011, and the median age for repeat buyers fell slightly to 52 years after holding at 53 years for two years in a row.

By comparison, the median age for all buyers in 1981 was 31 years. The median age for all buyers had predominantly been in the mid-thirties from 1985 to 2004 with brief years peaking at 41 in 1993, 40 in 2003 and 2005, and 41 in 2006. From 2007 through 2010, the median age held steady at 39 years, but was broken in 2011 when it jumped up to the oldest median age of 45 years for all buyers in the history of NAR collecting the data.

Similarly, the median age of first-time buyers was 29 in 1981. The median age for first-time buyers peaked at 36 years in 1993, then remained between 30 to 32 for over 20 years from 1995 to 2016. The median age for all buyers rose as the median age for repeat buyers has increased over time. In 1981, the median age for repeat buyers was 36. It was only that low once more in 1995, whence it has steadily increased over the years. In 2011, it broke the 50-year mark and rose to a median of 53 years, the highest age in three and a half decades. The median age remained at 53 years in 2014 and 2015 before declining to 52 years in 2016.

The largest share of home buyers continues to be in the 25 to 34 age group, accounting for 26 percent of all buyers (down from 28 percent last year), followed by 35 to 44 years at 22 percent (up from 20 percent), and 45 to 54 years at 17 percent. The median household income for 2015 rose again this year to \$88,500 from \$86,100 in last year's report. Buyers in the Northeast region tend to be younger, while buyers in the West and South regions tend to be older. Buyers in the West region had the highest incomes this year, followed by the South.

The share of married couples decreased to 66 percent this year, down slightly from 67 percent. The share of single females increased to 17 percent in 2016 from 15 percent last year, and single males dropped to seven percent from nine in 2015, both suppressed due to market conditions. Unmarried couples increased slightly to eight percent from seven percent in the previous year. Dual incomes from married couples had stronger purchasing power than single buyers.

The *Profile of Home Buyers and Sellers* report has collected data on household composition since 1981, when the share of married couples accounted for 73 percent of all homes purchased, single females purchased 11 percent of homes, and single males 10 percent. The share of married couples peaked at 81 percent in 1985, then steadily declined over the years. In 2010, the share of married couples was at a low point at 58 percent of all homes purchased. Single females remained above 20 percent from 2005 to 2010, at which point the share started to decline, hovering at 16 percent from 2012 through 2014. The share of single male buyers hit a 35-year peak in 2010 at 12 percent before steadily declining to seven percent in 2016.

Thirty-eight percent of all buyers had children under the age of 18 living at home, up from 37 percent last year. Eleven percent (down from 13 percent last year) 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 (19 percent), cost savings (18 percent, up from 15 percent last year), and children over the age of 18 moving back home (14 percent, up from 11 percent last year).

Race, Ethnicity, Language, and National Origin of Buyers

- **Exhibits 1-7 through 1-12, and Exhibits 1-19 through 1-21**

Similar to the previous two years, 85 percent of recent home buyers identified their ethnicity as White or Caucasian. The West continues to be more diverse, with 25 percent reporting themselves as a race other than Caucasian, and the Northeast reportedly has the least diversity. Single males and married couples are also the most diverse, as are families with children under the age of 18 living at home.

Twenty-seven percent of first-time home buyers identified as non-White/Caucasian whereas only 15 percent of repeat buyers did so. Seven percent of first-time buyers, compared to two percent for repeat buyers, reported a language other than English as their primary language. Thirteen percent of first-time home buyers, compared to eight percent for repeat buyers, reported being born outside of the United States.

Ninety-six percent of home buyers speak English, which is consistent with last year. Ninety-seven percent in the Northeast and Midwest reported that English was the primary language spoken at home and 96 percent in the South and West. Ninety percent reported that they were born in the United States, down from 91 percent last year. Ninety-four percent were U.S.-born in the Midwest and only 88 percent in the West.

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, which is consistent with last year. Recent home buyers also reported that 18 percent are veterans and two percent are active-duty service members.

Demographic Characteristics of First-Time and Repeat Home Buyers

- **Exhibits 1-13 through 1-18**

First-time home buyers increased to 35 percent of the market share (up from 32 percent last year), but still are below the historical norm of 40 percent among primary residence home buyers. Since 2011, the share of first-time home buyers has been suppressed. In 2015, it was the lowest share since 1987, when the share of first-time home buyers reported was 30 percent. The Northeast region had the largest share of first-time home buyers at 44 percent and the South had the smallest share at 31 percent.

The share of married couples rose again among first-time buyers to 58 percent, up from 56 percent last year, and repeat buyers declined to 71 percent this year, down from 72 percent the year before. Thirty-nine percent of first-time buyers reported having children under the age of 18 living at home, compared to 37 percent for repeat buyers. The median age of first-time buyers increased slightly to 32 (up from 31 last year) and decreased to 52 for repeat buyers (down from 53 years).

The median household income rose for first-time buyers and remained nearly flat for repeat buyers, although the gap between them varies greatly. First-time home buyers reported a median income of \$72,000 (up from \$69,400 last year) and \$98,000 (down from \$98,700 last year) for repeat buyers. Married repeat buyers have the highest income among all buyers at \$107,000. Increased median household income could suggest stricter financing and rising home prices is forcing low income buyers out of the market.

Prior Living Arrangement

- **Exhibits 1-22 through 1-23**

Recent home buyers were more likely to own their previous home than rent a home or an apartment. As to be expected, 74 percent of first-time home buyers rented their previous living arrangement and 21 percent lived with parents (up from 19 percent last year). In comparison, 70 percent (up from 66 percent in the previous year) of repeat buyers owned their previous residence and 24 percent (down from 27 percent last year) rented.

With regards to household composition, married couples were more likely than other household types to own their previous residence at 55 percent (up from 52 percent last year). Unmarried couples were the most likely to rent a home before making a purchase at 59 percent (up from 57 percent last year). Those with children under the age of 18 living at home were equally likely to rent and own prior to buying, while those without children were more likely to own their previous home.

Primary Reason for Home Purchase and Timing of Purchase

- **Exhibits 1-24 through 1-26**

For first-time home buyers, 67 percent purchased for the desire to own a home of their own (up from 64 percent last year), compared to just 12 percent for repeat buyers. Repeat home buyers bought for the following reasons: desire for a larger home (14 percent), job-related relocation (11 percent), the desire to be closer to friends and family (10 percent), and the desire for a home in a better area (nine percent).

Married couples were most likely to move for the desire for a larger home or for a job-related relocation. Single males and single females were more likely to move for a change in their family situation than other household compositions.

Over half of all buyers said that the timing was just right and they were ready to purchase a home at 55 percent (up from 46 percent last year). The second most common reason was that the buyer did not have much choice and they had to purchase the home when they did (18 percent), followed by that it was the best time because of the availability of homes for sale (10 percent).

Ownership of Multiple Homes

- **Exhibit 1-27**

In 2016, the number of recent home buyers who own more than one home was 15 percent, down from 19 percent in 2015. 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 65 years and older at 21 percent.

First-time home buyers increased to 35 percent of the market share (up from 32 percent last year), but still are below the historical norm of 40 percent among primary residence home buyers.

EXHIBIT 1-1 MEDIAN AGE OF HOME BUYERS, 1981-2016

(Median Age)

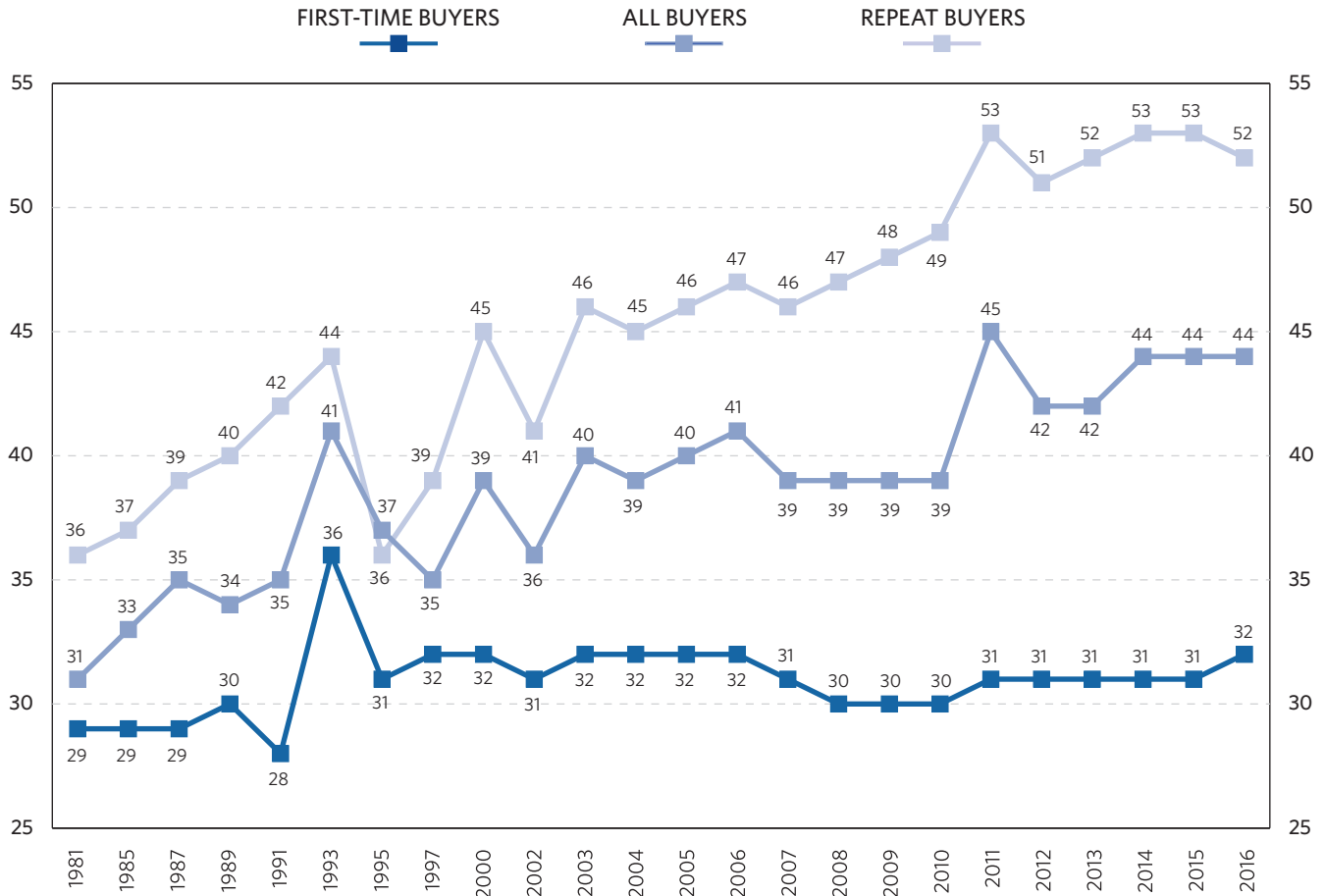


EXHIBIT 1-2**AGE OF HOME BUYERS, BY REGION***(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
18 to 24 years	2%	2%	3%	2%	1%
25 to 34 years	26	34	32	22	24
35 to 44 years	22	22	21	22	24
45 to 54 years	17	15	17	18	17
55 to 64 years	16	14	15	17	16
65 to 74 years	13	11	9	15	14
75 years or older	4	3	4	4	4
Median age (years)	44	40	41	47	45

EXHIBIT 1-3**HOUSEHOLD INCOME OF HOME BUYERS, BY REGION, 2015***(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Less than \$25,000	3%	2%	4%	3%	2%
\$25,000 to \$34,999	5	5	7	6	4
\$35,000 to \$44,999	7	7	7	6	7
\$45,000 to \$54,999	8	8	10	7	9
\$55,000 to \$64,999	8	8	9	8	8
\$65,000 to \$74,999	9	8	8	9	8
\$75,000 to \$84,999	8	8	9	8	7
\$85,000 to \$99,999	12	14	12	11	12
\$100,000 to \$124,999	15	14	15	15	16
\$125,000 to \$149,999	9	8	8	9	9
\$150,000 to \$174,999	5	4	5	6	6
\$175,000 to \$199,999	4	4	2	4	4
\$200,000 or more	8	9	5	10	9
Median income (2015)	\$88,500	\$88,200	\$82,100	\$89,800	\$92,700

EXHIBIT 1-4 ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS, 1981-2016

(Percentage Distribution)

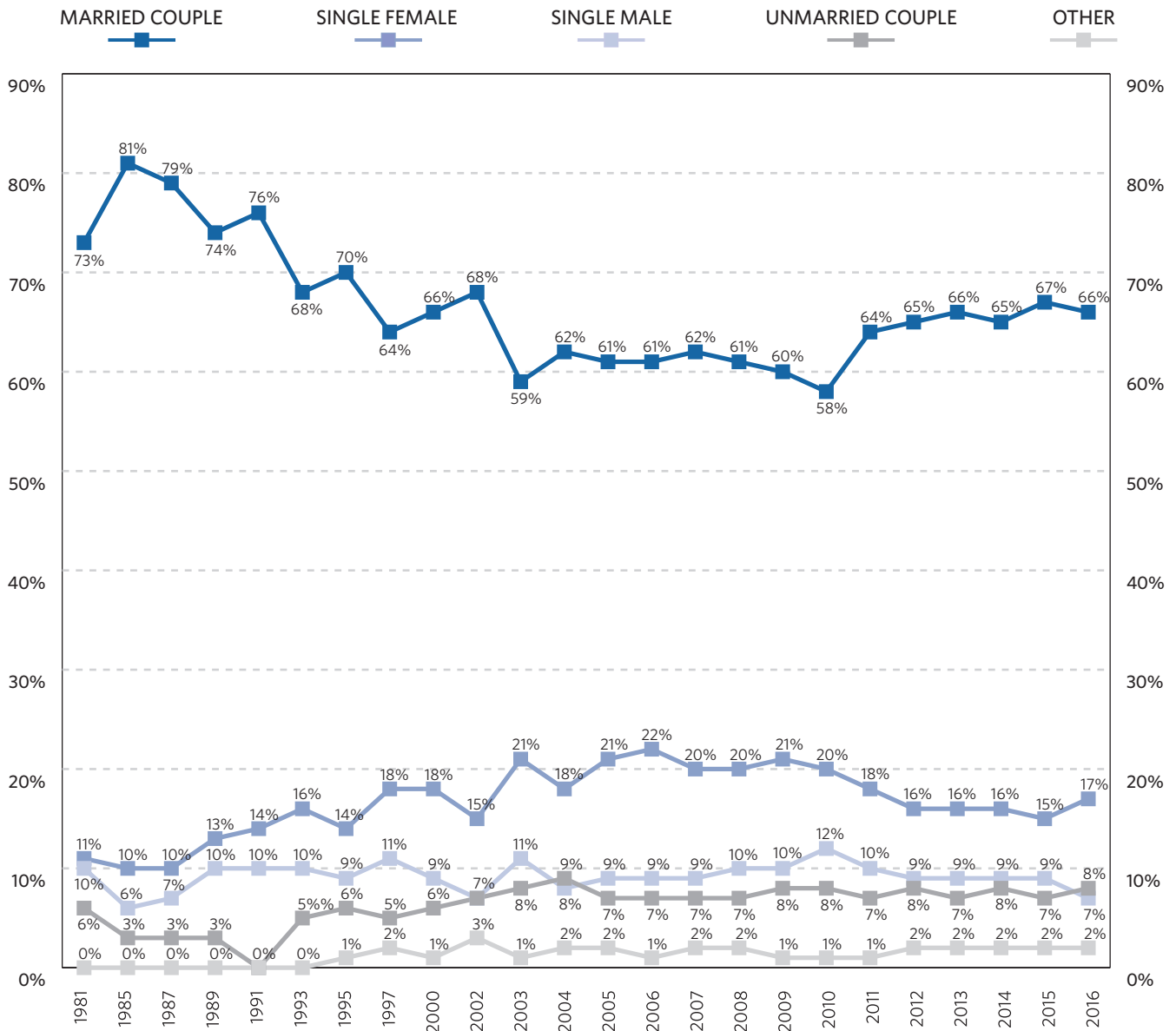


EXHIBIT 1-5

NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD

(Percentage Distribution)

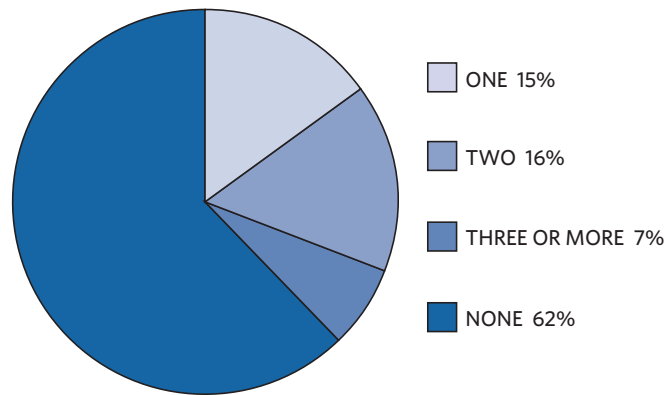


EXHIBIT 1-6

HOME PURCHASED WAS A MULTI-GENERATIONAL HOME (WILL HOME ADULT SIBLINGS, ADULT CHILDREN, PARENTS, AND/OR GRANDPARENTS)

(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
Multi-generational household	11%	12%	12%	12%	6%	23%	13%	11%
REASONS FOR PURCHASE:								
Health/Caretaking of aging parents	19%	17%	21%	9%	24%	58%	20%	19%
Cost Savings	18	16	21	25	16	27	21	16
Children/relatives over 18 moving back into the house	14	17	10	4	8	4	15	13
To spend more time with aging parents	8	8	8	9	8	*	9	7
Wanted a larger home that multiple incomes could afford together	7	8	2	4	13	23	7	7
Children/relatives over 18 never left home	6	6	10	4	*	*	7	6
None of the above	26	27	21	36	21	8	20	30
Other	7	5	14	9	8	4	7	7

* Less than 1 percent

EXHIBIT 1-7 HOME BUYER SEXUAL ORIENTATION

(Percentage Distribution)

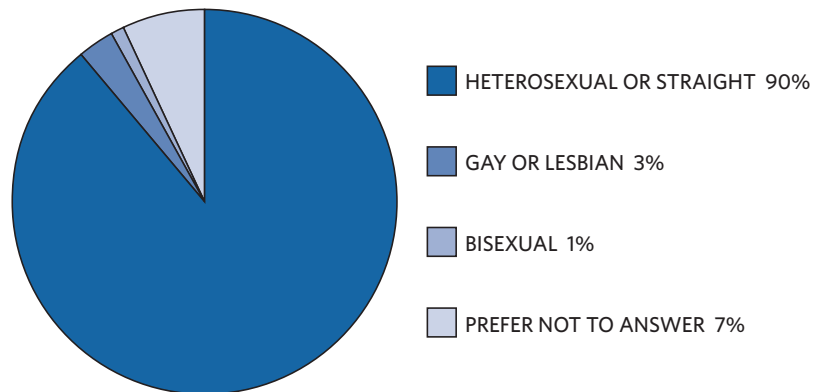


EXHIBIT 1-8 RACE/ETHNICITY OF HOME BUYERS, BY REGION

(Percent of Respondents)

	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
White/Caucasian	85%	92%	91%	82%	80%
Hispanic/Latino/Mexican/Puerto Rican	7	3	5	8	9
Asian/Pacific Islander	5	3	3	4	9
Black/African-American	4	2	3	7	2
Other	3	2	2	2	5

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 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%	84%	87%	83%	92%	78%	79%	89%
Hispanic/Latino/Mexican/Puerto Rican	7	8	5	7	4	13	11	4
Asian/Pacific Islander	5	6	2	4	2	6	7	3
Black/African-American	4	4	7	7	3	1	6	4
Other	3	3	2	2	1	6	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 1-10 PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD, BY REGION

(Percentage Distribution)

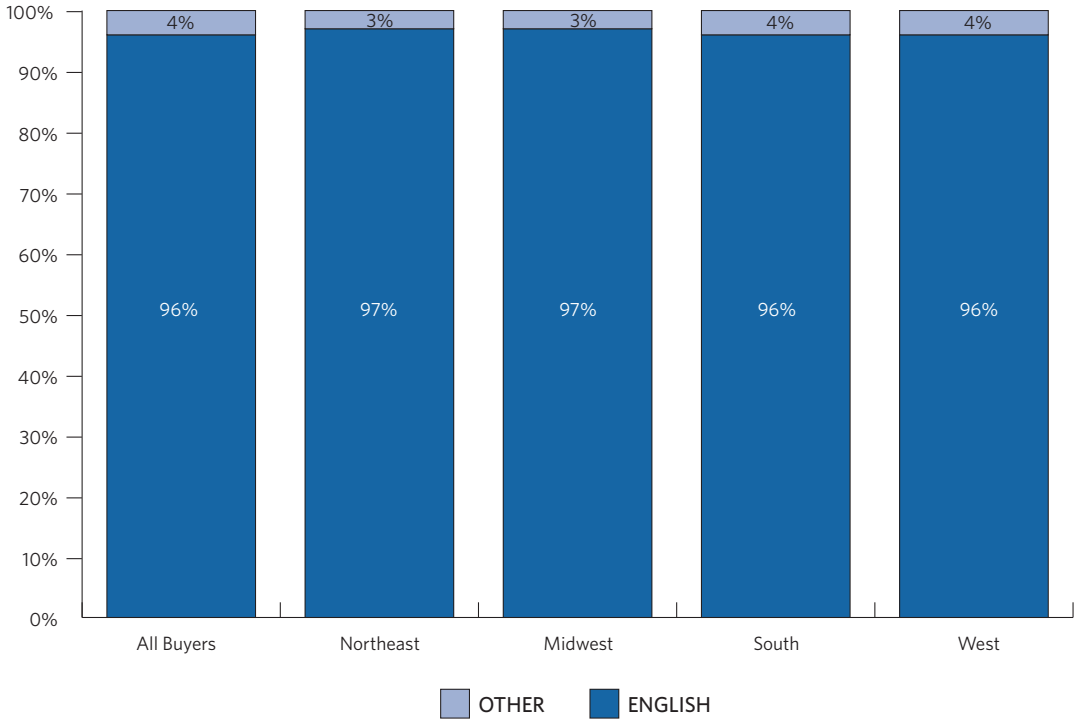


EXHIBIT 1-11 NATIONAL ORIGIN OF HOME BUYERS, BY REGION

(Percentage Distribution)

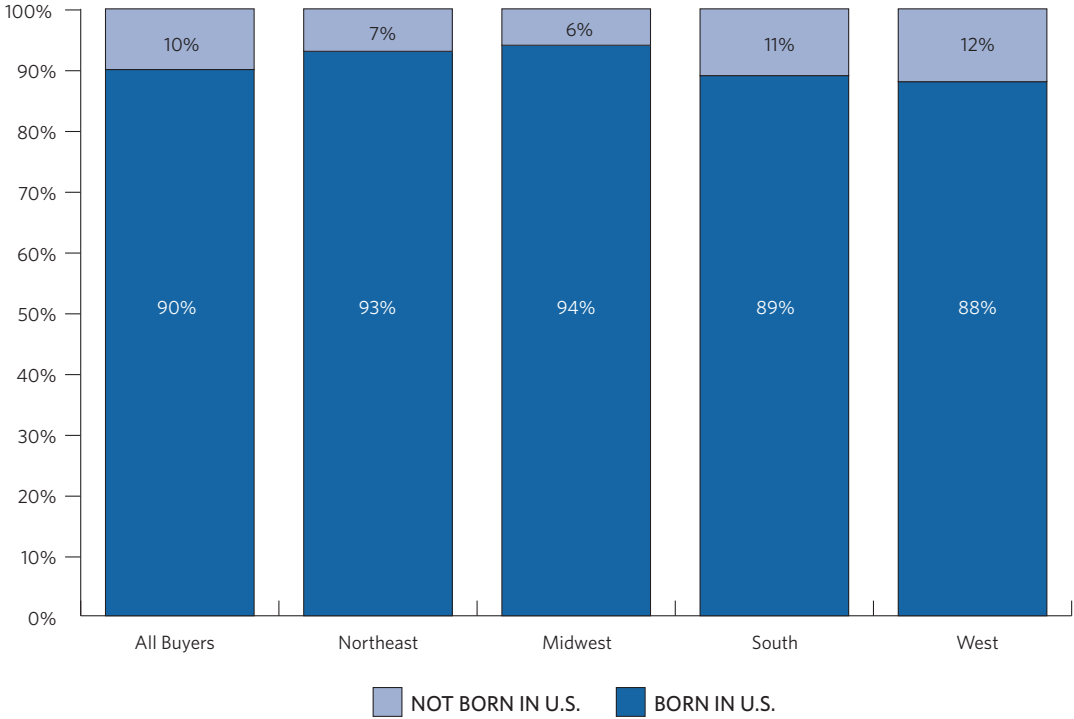


EXHIBIT 1-12 SELF OR SPOUSE/PARTNER IS ACTIVE MILITARY OR VETERAN

(Percentage Distribution)

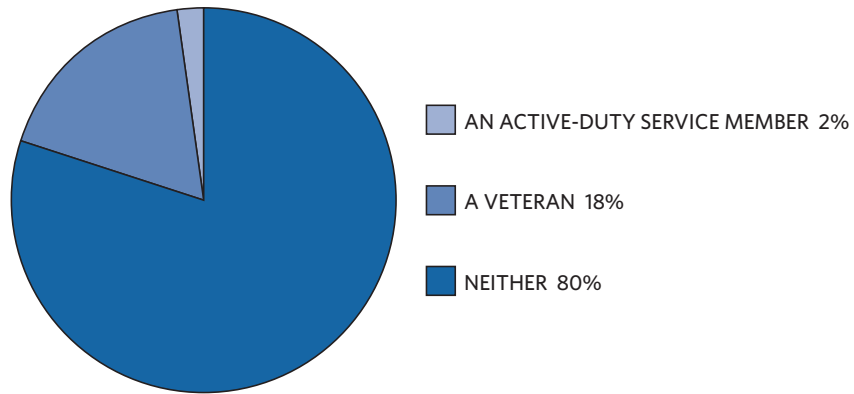


EXHIBIT 1-13 FIRST-TIME HOME BUYERS, 1981-2016

(Percent of all Home Buyers)

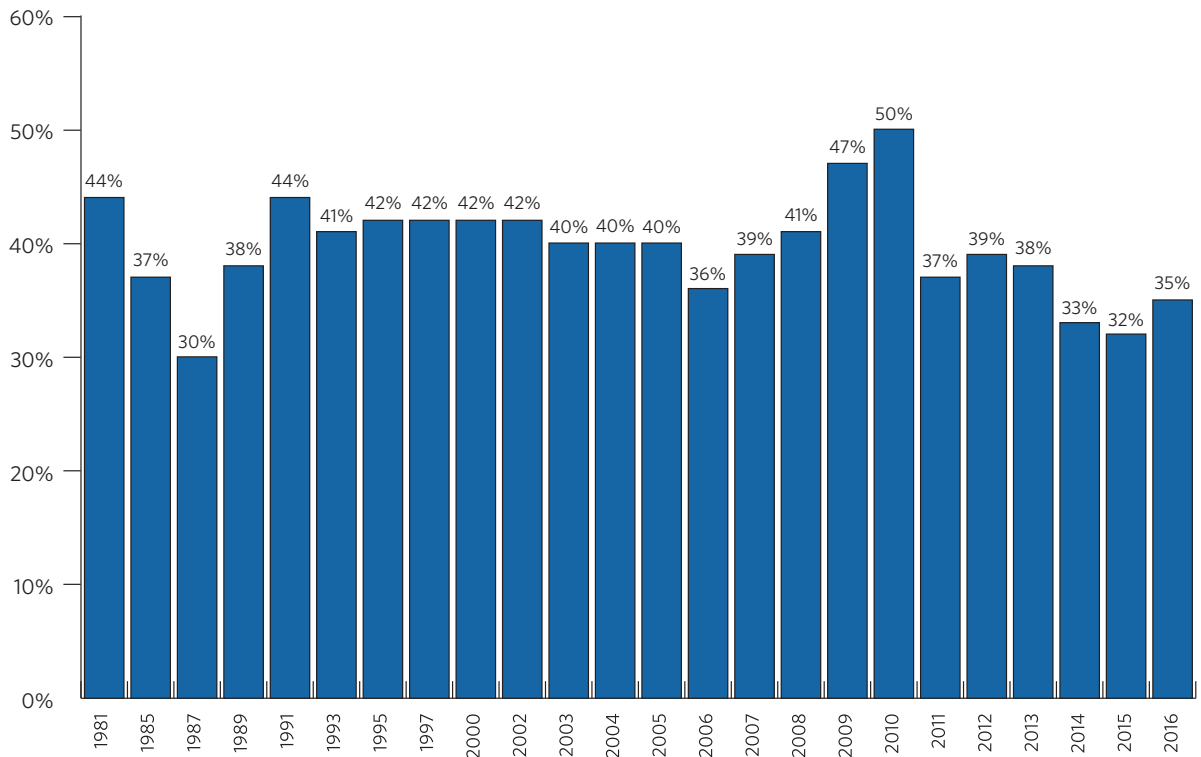


EXHIBIT 1-14 FIRST-TIME HOME BUYERS, BY REGION

(Percent of all Home Buyers)

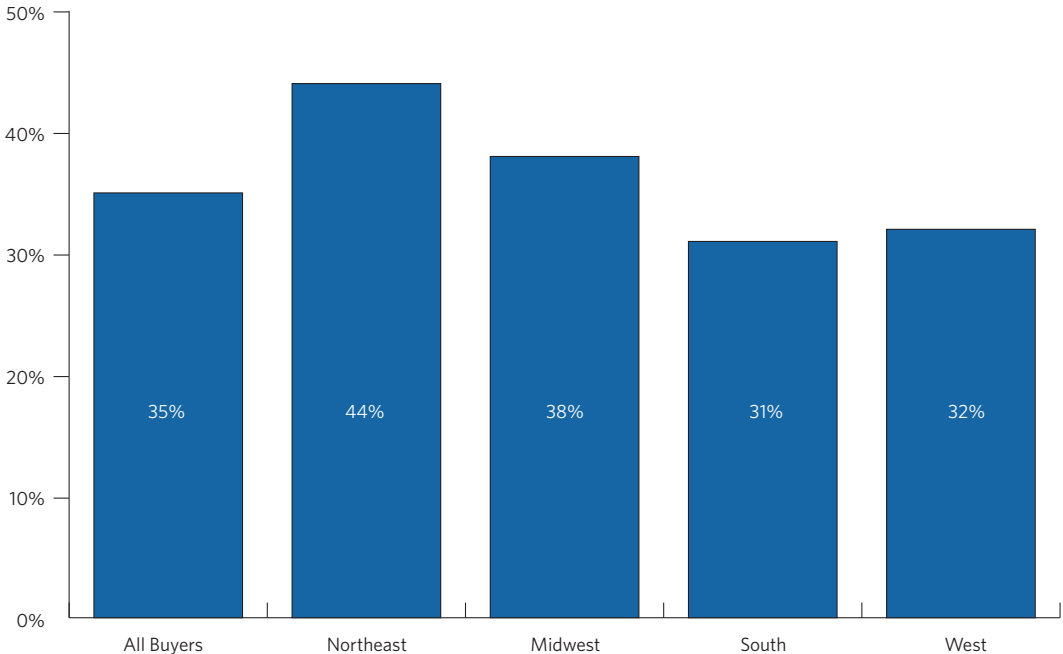


EXHIBIT 1-15 FIRST-TIME AND REPEAT HOME BUYERS BY HOUSEHOLD TYPE

(Percentage Distribution)

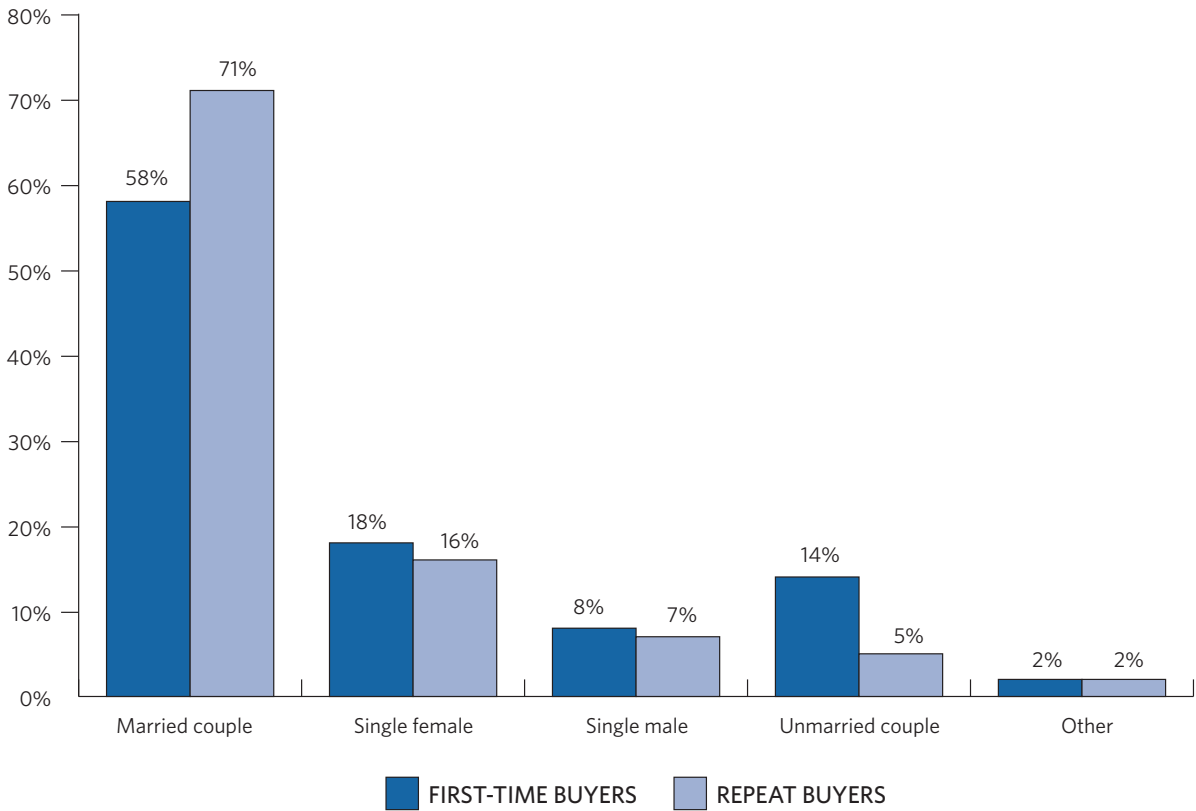


EXHIBIT 1-16 FIRST-TIME AND REPEAT HOME BUYERS BY CHILDREN IN HOUSEHOLD

(Percentage Distribution)

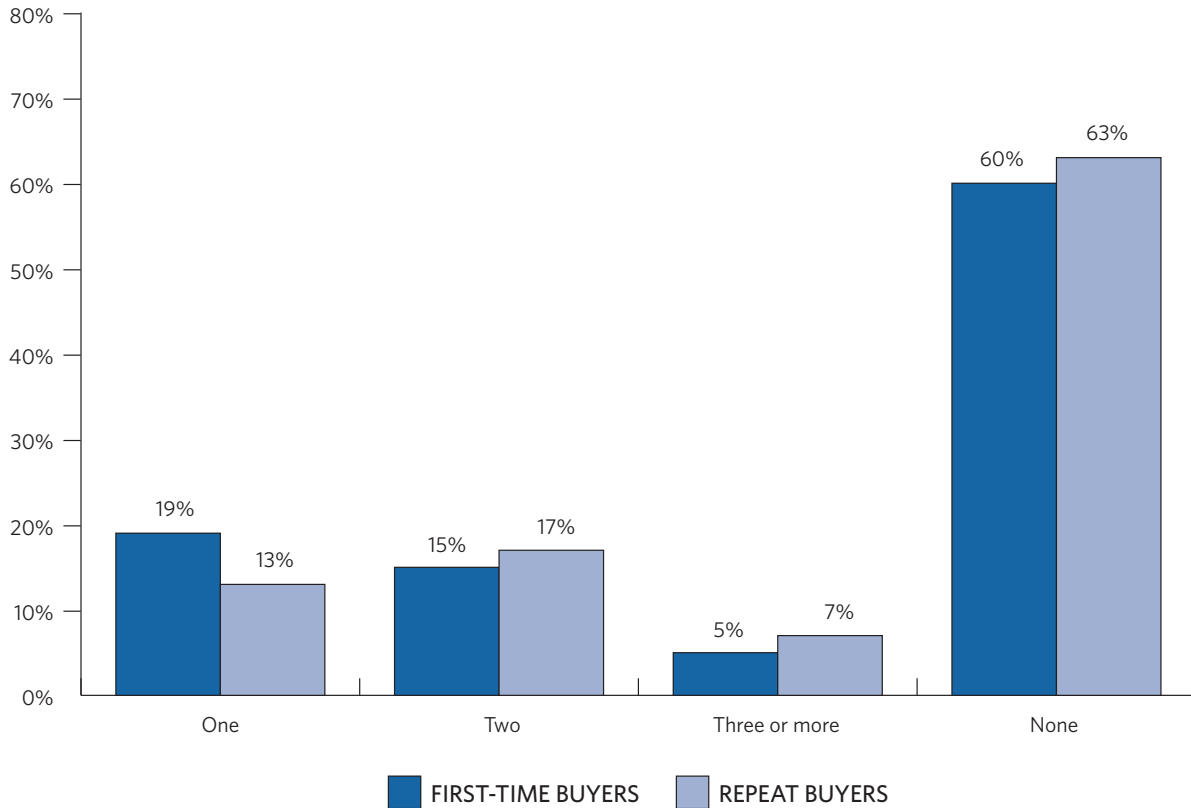


EXHIBIT 1-17 AGE OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
18 to 24 years	2%	5%	*
25 to 34 years	26	56	12
35 to 44 years	22	21	23
45 to 54 years	17	10	20
55 to 64 years	16	5	21
65 to 74 years	13	3	18
75 years or older	4	*	6
Median age (years)	44	32	52
Married couple	44	33	51
Single female	50	34	57
Single male	47	31	55
Unmarried couple	33	29	50
Other	48	36	52

* Less than 1 percent

EXHIBIT 1-18 HOUSEHOLD INCOME OF FIRST-TIME AND REPEAT BUYERS, 2015*(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	8	11	7
\$55,000 to \$64,999	8	10	7
\$65,000 to \$74,999	9	10	8
\$75,000 to \$84,999	8	9	8
\$85,000 to \$99,999	12	12	11
\$100,000 to \$124,999	15	12	17
\$125,000 to \$149,999	9	5	10
\$150,000 to \$174,999	5	4	6
\$175,000 to \$199,999	4	2	4
\$200,000 or more	8	3	11
Median income (2015)	\$88,500	\$72,000	\$98,000
Married couple	\$99,200	\$84,100	\$107,000
Single female	\$55,300	\$48,400	\$63,700
Single male	\$69,600	\$58,300	\$84,100
Unmarried couple	\$84,800	\$74,600	\$102,500
Other	\$69,100	\$60,800	\$85,900

EXHIBIT 1-19 RACE/ETHNICITY OF FIRST-TIME AND REPEAT BUYERS*(Percent of Respondents)*

	All Buyers	First-time Buyers	Repeat Buyers
White/Caucasian	85%	79%	88%
Hispanic/Latino/Mexican/Puerto Rican	7	9	6
Asian/Pacific Islander	5	8	3
Black/African-American	4	7	3
Other	3	3	3

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

EXHIBIT 1-20 PRIMARY LANGUAGE SPOKEN IN FIRST-TIME AND REPEAT BUYER HOUSEHOLDS*(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
English	96%	93%	98%
Other	4	7	2

EXHIBIT 1-21 NATIONAL ORIGIN OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Born in U.S.	90%	87%	92%
Not born in U.S.	10	13	8

EXHIBIT 1-22 PRIOR LIVING ARRANGEMENT OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Owned previous home	47%	4%	70%
Rented an apartment or house	41	74	24
Lived with parents/relatives/friends	11	21	5
Rented the home ultimately purchased	1	1	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 1-23 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
Owned previous home	47%	55%	43%	42%	22%	45%	45%	52%
Rented an apartment or house	41	38	40	37	59	37	45	37
Lived with parents/relatives/friends	11	7	16	20	18	19	9	11
Rented the home ultimately purchased	1	1	1	2	1	*	1	1

* Less than 1 percent

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

EXHIBIT 1-24 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	31%	67%	12%
Desire for larger home	10	3	14
Job-related relocation or move	8	3	11
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	8	6	8
Desire to be closer to family/friends/relatives	7	1	10
Desire for a home in a better area	6	2	9
Desire for smaller home	6	1	9
Retirement	5	1	7
Establish a household	3	6	1
Desire to be closer to job/school/transit	3	1	4
Affordability of homes	3	3	3
Financial security	2	3	1
Desire for a newly built or custom-built home	2	*	2
Tax benefits	1	*	1
Purchased home for family member or relative	*	*	1
Greater number of homes on the market for sale/better choice	*	*	*
Other	6	3	8

* Less than 1 percent

EXHIBIT 1-25 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	31%	25%	38%	37%	50%	24%	31%	29%
Desire for larger home	10	14	3	2	5	8	19	6
Job-related relocation or move	8	10	4	3	6	2	11	7
Change in family situation (e.g. marriage, birth of child, divorce, etc.)	8	5	11	16	10	24	10	7
Desire to be closer to family/friends/relatives	7	8	9	4	1	2	3	10
Desire for a home in a better area	6	7	4	5	4	6	7	6
Desire for smaller home	6	6	7	8	2	5	1	9
Retirement	5	5	5	4	2	2	1	7
Establish a household	3	3	1	1	6	2	3	3
Desire to be closer to job/school/transit	3	3	3	2	2	7	5	2
Affordability of homes	3	2	4	6	4	8	2	3
Financial security	2	1	3	3	2	6	1	2
Desire for a newly built or custom-built home	2	2	1	1	1	*	2	2
Tax benefits	1	1	1	2	*	*	1	1
Purchased home for family member or relative	*	1	*	1	*	*	*	1
Greater number of homes on the market for sale/better choice	*	*	*	*	*	*	*	*
Other	6	7	5	6	4	3	4	7

* Less than 1 percent

EXHIBIT 1-26 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	55%	60%	51%
Did not have much choice, had to purchase when did	18	14	20
It was the best time for because of availability of homes for sale	10	6	12
It was the best time for because of mortgage financing options available	8	10	7
It was the best time for because of improved affordability of homes	8	9	7
Wish had waited	*	*	*
Other	1	1	2

* Less than 1 percent

EXHIBIT 1-27 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	85%	98%	89%	80%	79%
One or more investment properties	9	2	9	12	8
Previous homes that buyer is trying to sell	3	*	2	4	8
One or more vacation homes	3	*	1	4	6
Other	2	*	1	4	2

* Less than 1 percent

CHAPTER 2:

Characteristics of Homes Purchased

NAR is celebrating 35 years of collecting data for the *Profile of Home Buyers and Sellers*. We have tracked the types of homes purchased since 1981. When choosing to purchase either a new or previously owned home, buyers typically chose one or the other for specific reasons. For example, 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.

Due to a lack of new home construction, the share of new homes purchased dropped slightly to 14 percent (from 16 percent where it had remained since 2011 through 2015). This is the lowest share of new homes purchased since the survey started in 1981. Previously-owned home purchases increased to 86 percent, up from 84 percent last year. By way of comparison, in 1981 new home purchases made up 18 percent of the market share and previously-owned homes were 82 percent. New home purchases reached a high of 29 percent in 1989 and 28 percent in 2003. Since 2007, new home purchases have been on the decline and hit a record low of 14 percent this year.

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 townhome or row house, over any other household type. The share of senior-related housing purchases stayed the same this year at 14 percent, with buyers over 50 purchasing townhomes, row houses, and condos at higher rates than other buyers.

Overall, buyers expect that they will live in their homes for 12 years. The expected tenure increases with age, and is also higher among repeat buyers. The biggest factor that would cause a buyer to move from their newly purchased home is due to life changes, including additions to their family, marriage, children moving out, or retirement. While 26 percent of buyers report that life changes could cause them to move, 18 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

Due to a lack of new home construction, the share of new homes purchased dropped slightly to 14 percent (from 16 percent where it had remained since 2011 through 2015). Previously-owned home purchases increased to 86 percent, up from 84 percent last year. In comparison, in 1981 new home purchases accounted for 18 percent and previously-owned homes were 82 percent. New home purchases were most common in the South at 19 percent of all homes sold (down from 24 percent last year), and just five percent of homes sold in the Northeast.

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 (18 percent). Buyers who chose a previously-owned home were considering a better price (32 percent), overall value (28 percent), and a home with more charm and character (19 percent).

Type of Home Purchased

▪ Exhibits 2-4 through 2-7

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased, unchanged from last year. Seven percent of recent buyers purchased townhomes or row houses, and most frequently these homes were located in urban and central city areas. 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 and unmarried couples. Among buyers with children under the age of 18 in the home, 91 percent purchased a detached single-family home, as opposed to 79 percent of buyers who have no children in their home.

Since 1981, the *Profile of Home Buyers and Sellers* has been tracking data on the type of homes purchased. In 1981, 76 percent of home buyers purchased detached single-family homes, 16 percent bought condos, and eight bought townhomes. In 1985, the share of detached single-family homes purchased was at its highest at 88 percent and in 2007 it was at its lowest at 74 percent. For most of the 1980s and 1990s, detached single-family homes ranged in the low to mid 80 percentiles. By 2005 through 2012, the share of detached single-family homes sold ranged in the mid to high 70 percentiles. Since 2007, condo sales have steadily decreased from 11 percent to four percent in 2016.

Location of Home Purchased

▪ Exhibits 2-8 through 2-10

Among all regions, the largest percentages of homes were located in the suburbs or subdivisions and in small towns. In the Northeast, 34 percent of recent buyers purchased a home in a small town, compared to 16 percent in the South. Six in 10 buyers of new homes purchased their home in a suburb or subdivision. The location of buyers' previously sold home is similar to the location of their recently purchased homes. Forty 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 2-11

Senior-related housing stayed at 14 percent of buyers over the age of 50 this year, and has incrementally increased from 11 percent in 2010. For buyers over 50 who recently purchased senior-related housing, 62 percent (down from 67 percent last year) purchased a detached single-family home and 46 percent (down from 57 percent last year) bought in a suburb or subdivision. Both are lower for buyers in senior-related housing than other types of buyers. Other home types purchased include townhomes and row houses at eight percent and condos at 20 percent. The location of senior-related housing showed that other than the suburbs and subdivisions, 26 percent of buyers purchased in small towns (up from 21 percent last year), and 11 percent in resort or recreational areas, as well as, rural areas.

Distance Between Home Purchased and Previous Residence

- **Exhibit 2-12**

The distance between the home that buyers recently purchased and their previous residence was a median of 12 miles, down from 14 miles last year. 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 moved a median of 15 miles to their recently purchased home.

Factors Influencing Neighborhood Choice

- **Exhibits 2-13 and 2-14**

Some of the factors that influence recent home buyers' neighborhood choice have remained consistent from last year. Quality of the neighborhood (60 percent), convenience to job (43 percent), and overall home affordability (40 percent) were the three most important factors to recent home buyers when choosing a neighborhood. 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 49 percent up from 43 percent last year. Half of recent buyers with children under the age of 18 living in their home cited quality of the school district as an influencing factor of their neighborhood choice.

Price of Home Purchased

- **Exhibits 2-15 through 2-18**

The price of homes purchased increased this year to a median of \$227,700, encompassing all buyers. The most expensive homes were found in the West, where the median home price was \$325,000, up from \$280,000 last year. Homes in the Midwest were the least expensive at a median of \$175,000.

New homes were typically more expensive than previously-owned homes. The median price for a new home was \$294,000 (up from \$277,000 last year) and the median price for a previously-owned home was \$217,000 (up from \$209,000 last year). First-time buyers commonly purchased a home that was less expensive than the home that repeat buyers purchased. Repeat buyers purchased homes that were a median price of \$250,000, and first-time buyers purchased homes that were a median of \$182,500 (up from \$246,400 and \$170,000 last year, respectively).

Recent buyers typically purchased their home for a median of 98 percent of the asking price. Thirteen percent of buyers paid more than the asking price for their home. Home buyers in the Northeast and Midwest were able to obtain the largest discounts, where 12 percent paid less than 90 percent of the asking price for their homes.

Size of Home Purchased

- **Exhibits 2-19 through 2-23**

Recent homes purchased had a median size of 1,900 square feet again this year. The size of homes repeat buyers purchased was typically larger than homes purchased by first-time buyers. The median home size for first-time buyers was 1,650 square feet, and 2,000 square feet for repeat buyers. Single females and single males purchased the smallest sized homes, with medians of 1,520 and 1,575 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 2,010 square feet and 2,100 square feet respectively.

The largest homes purchased were detached single-family homes, with a median of 1,900 square feet. In the South, the median home purchased was 2,000 square feet, which was larger than in any other region. The most expensive price per square foot was found in townhomes and row houses. 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 and detached single-family homes 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.

Year Home Was Built

- **Exhibit 2-24**

This year, the homes purchased were slightly older than in previous years. The typical home purchased was built in 1991. The South had the newest homes purchased, where the typical home was built in 1999. The oldest built homes were found in the Northeast, where the median year built was 1965.

Environment Features and Commuting Costs

- **Exhibits 2-25 through 2-28**

Commuting costs were somewhat important at 39 percent of buyers and 32 percent said commuting costs were not important to them when they recently purchased their home. Most recent buyers thought their home's environmentally-friendly features were at least somewhat important to them. The most important environmental feature to buyers in all regions was heating and cooling costs, which 84 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.

Characteristics of Home on Which Buyer Compromised

- **Exhibits 2-29 through 2-31**

When deciding on a home to purchase, recent buyers made compromises on some home characteristics. The most common compromise made was the price of the home at 21 percent, followed by the condition of the home at 19 percent. Thirty-two percent of buyers said that they made no compromises when purchasing their home. Single males were least likely to make compromises when choosing their home at 38 percent. Quality of schools and distance from schools continues to be the least likely characteristics home buyers compromise on.

Expected Length of Tenure in Home Purchased

- **Exhibits 2-32 through 2-35**

The expected tenure in homes has decreased to a median of 12 years from 14 years in the last report. 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 44 had the shortest expected tenure of 10 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. Twenty-six 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 25 and 44 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 22 percent to say that they are never moving and that this is their forever home.

Due to a lack of new home construction, the share of new homes purchased dropped slightly to 14 percent (from 16 percent where it had remained since 2011 through 2015). This is the lowest share of new homes purchased since the survey started in 1981.

EXHIBIT 2-1

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, 1981-2016

(Percentage Distribution)

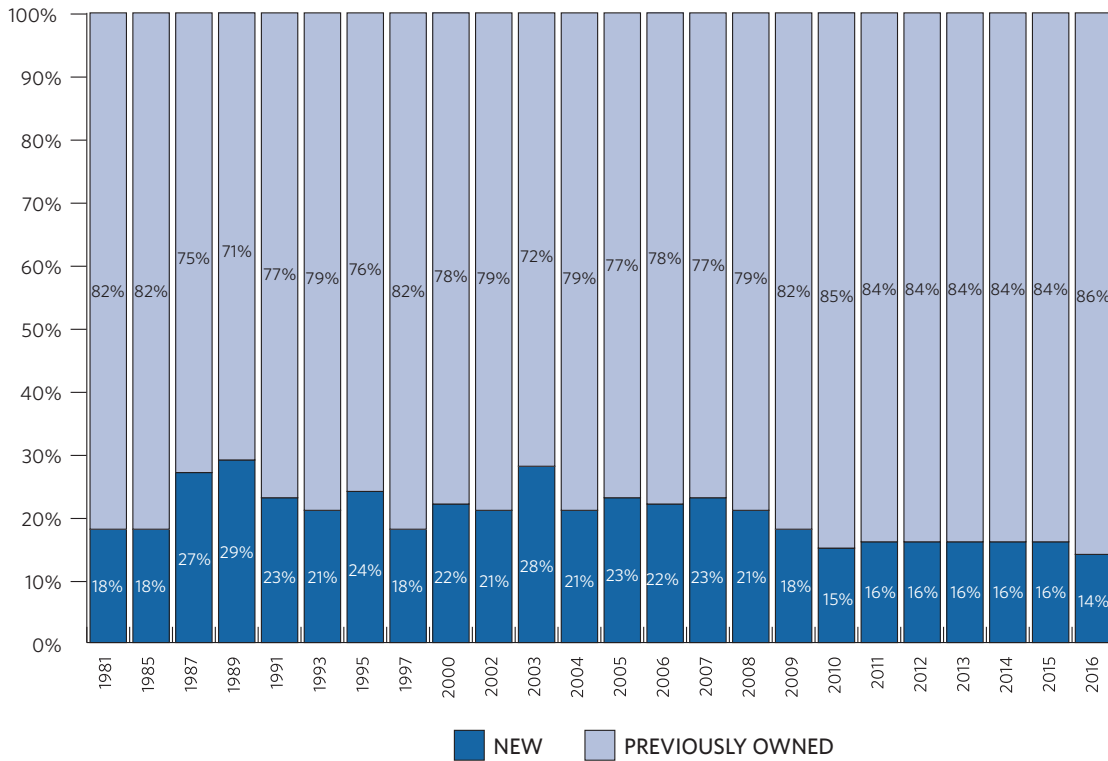


EXHIBIT 2-2

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, BY REGION

(Percentage Distribution)

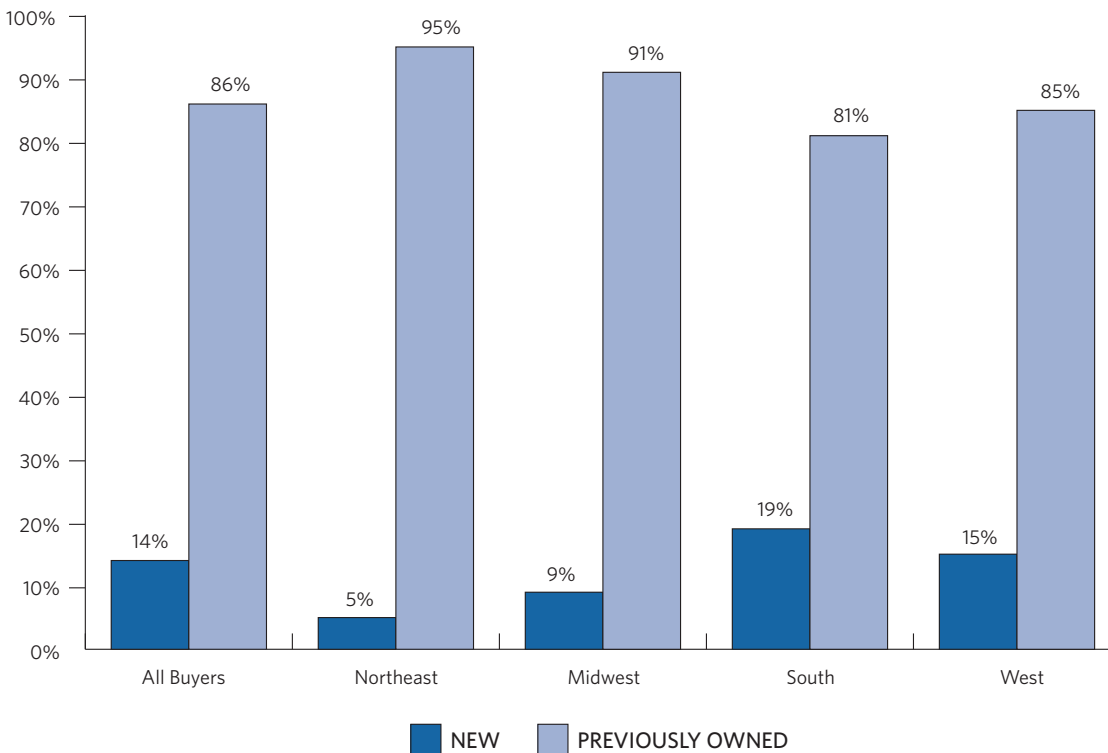


EXHIBIT 2-3

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	18
Green/energy efficiency	10
Lack of inventory of previously owned home	10
Smart home features	4
Other	15
PREVIOUSLY OWNED HOME:	
Better price	32%
Better overall value	28
More charm and character	19
Lack of inventory of new homes	9
Other	18

EXHIBIT 2-4

TYPE OF HOME PURCHASED, BY LOCATION

(Percentage Distribution)

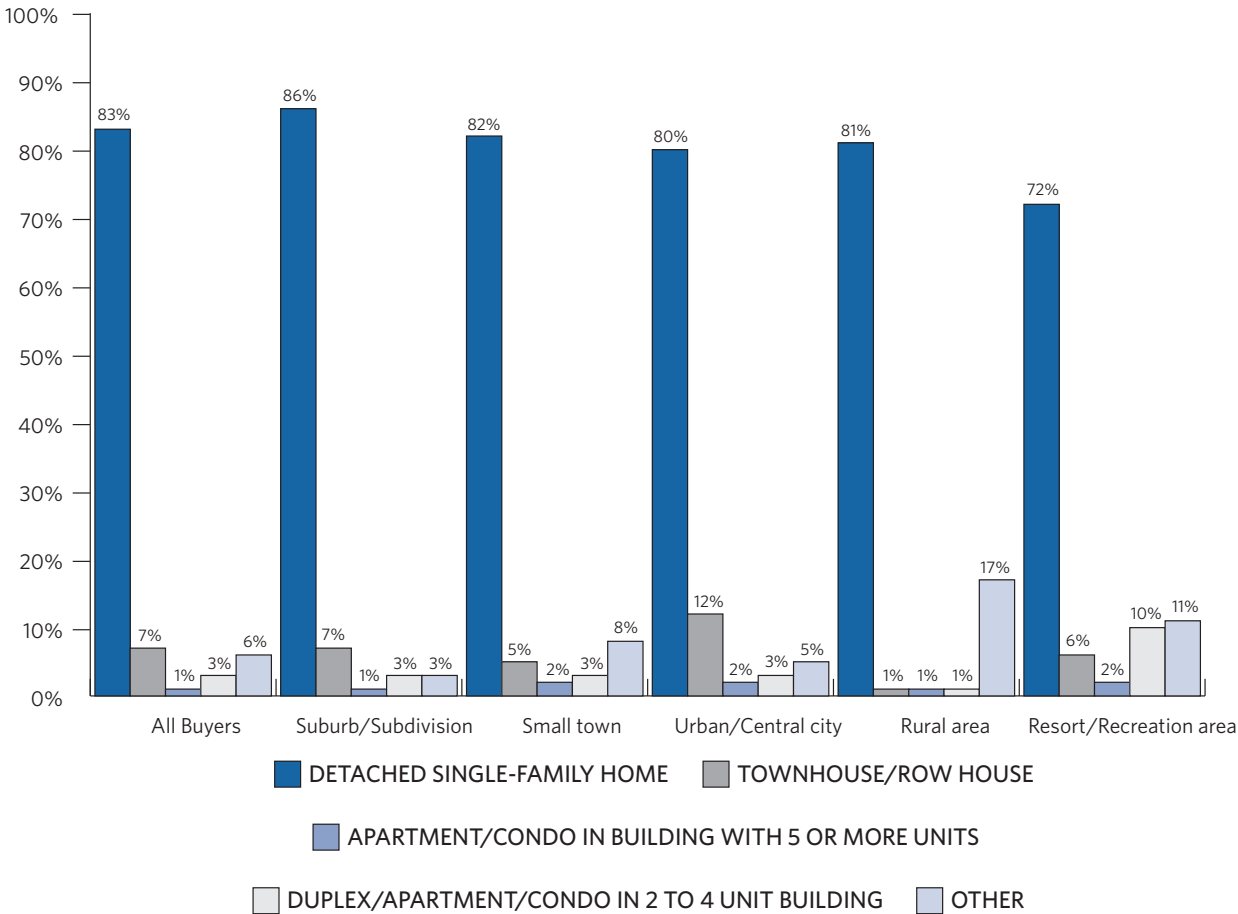


EXHIBIT 2-5

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

(Percentage Distribution)

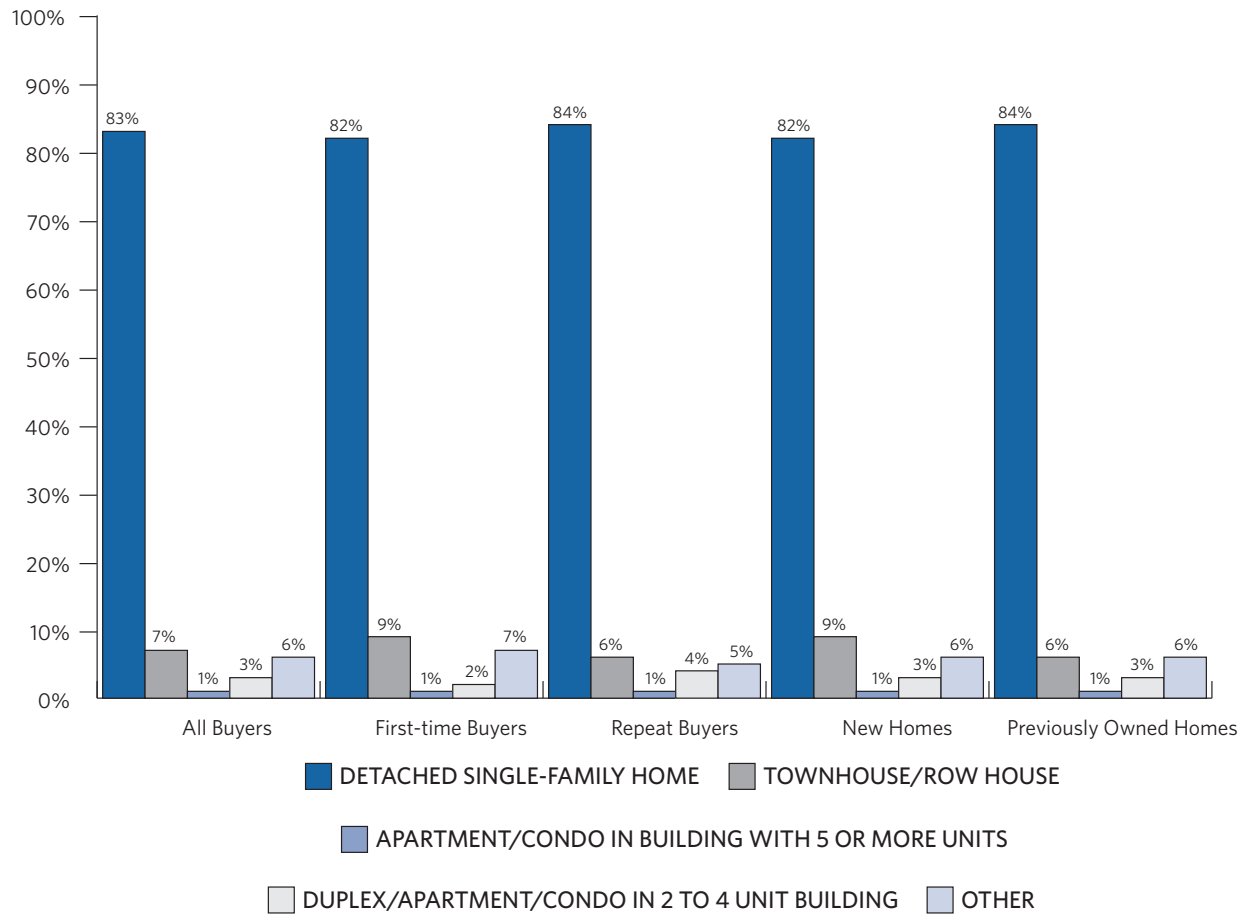


EXHIBIT 2-6

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%	74%	74%	85%	79%	91%	79%
Townhouse/row house	7	5	12	9	7	6	4	8
Apartment/condo in building with 5 or more units	1	1	2	5	1	2	*	2
Duplex/apartment/condo in 2 to 4 unit building	3	2	6	3	1	3	1	4
Other	6	5	6	9	5	9	4	7

* Less than 1 percent

EXHIBIT 2-7 **TYPE OF HOME PURCHASED, 1981-2016**
 (Percentage Distribution)

	Detached single-family home	Townhouse/ row house	Condo	Other
1981	76%	8%	16%	*
1985	88	4	6	2
1987	85	7	7	1
1989	81	9	10	*
1991	85	9	6	*
1993	82	9	9	*
1995	83	8	9	*
1997	80	9	11	*
2000	82	7	11	*
2002	87	*	*	13
2003	79	8	11	2
2004	87	7	3	4
2005	75	9	9	6
2006	75	9	11	5
2007	74	9	11	5
2008	78	8	9	5
2009	78	8	9	5
2010	77	8	9	6
2011	77	8	9	6
2012	79	7	8	7
2013	80	7	7	6
2014	79	8	8	6
2015	83	7	3	7
2016	83	7	4	6

* Less than 1 percent

EXHIBIT 2-8 LOCATION OF HOME PURCHASED, BY REGION

(Percentage Distribution)

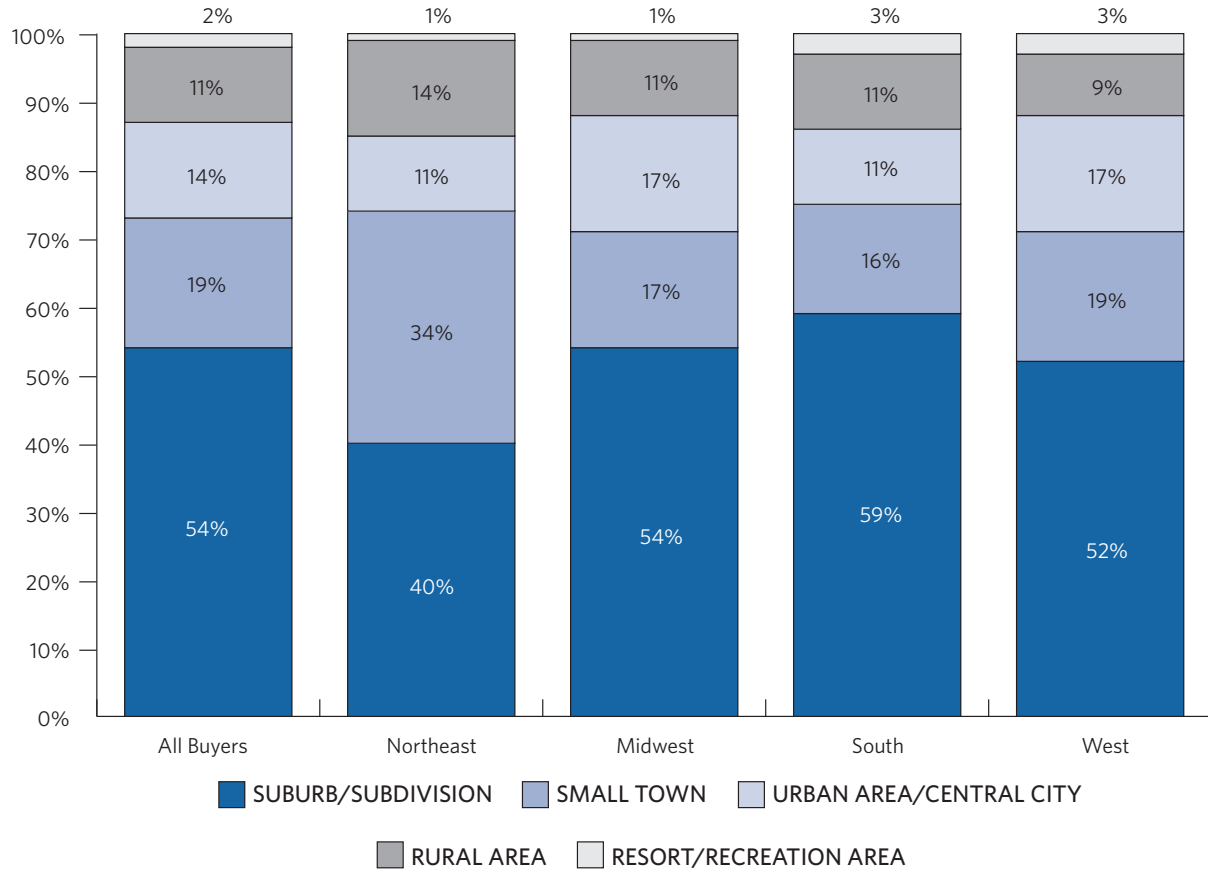


EXHIBIT 2-9

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

(Percentage Distribution)

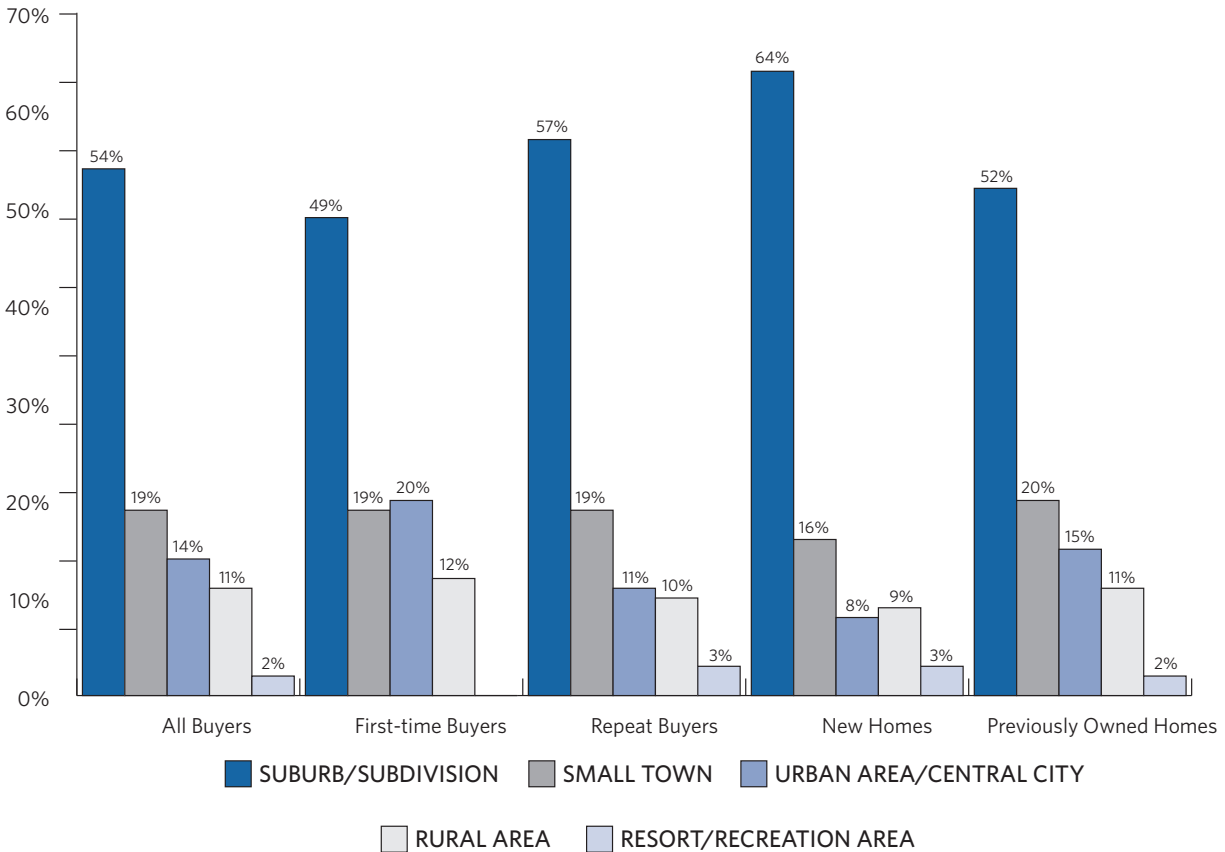


EXHIBIT 2-10

LOCATION OF HOME PURCHASED VERSUS LOCATION OF HOME SOLD

(Percentage Distribution Among those that Sold a Home)

		LOCATION OF HOME PURCHASED				
		Suburb/Subdivision	Small town	Urban/Central city	Rural area	Resort/Recreation area
LOCATION OF HOME SOLD	Suburb/Subdivision	40%	7%	3%	3%	1%
	Small town	5	7	1	3	*
	Urban area/Central city	5	2	5	1	1
	Rural area	6	3	1	3	*
	Resort/Recreation area	1	1	*	*	1

* Less than 1 percent

EXHIBIT 2-11 SENIOR-RELATED HOUSING BY TYPE OF HOME PURCHASED AND LOCATION

(Percentage Distribution)

ALL BUYERS OVER 50

Share who purchased a home in senior-related housing	14%
Buyers over 50 who purchased senior-related housing:	
TYPE OF HOME PURCHASED	
Detached single-family home	62%
Townhouse/row house	8
Apartment/condo in building with 5 or more units	6
Duplex/apartment/condo in 2 to 4 unit building	14
Other	10
LOCATION	
Suburb/ Subdivision	46%
Small town	26
Urban/ Central city	6
Rural area	11
Resort/ Recreation area	11

EXHIBIT 2-12 DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE

(Median Miles)

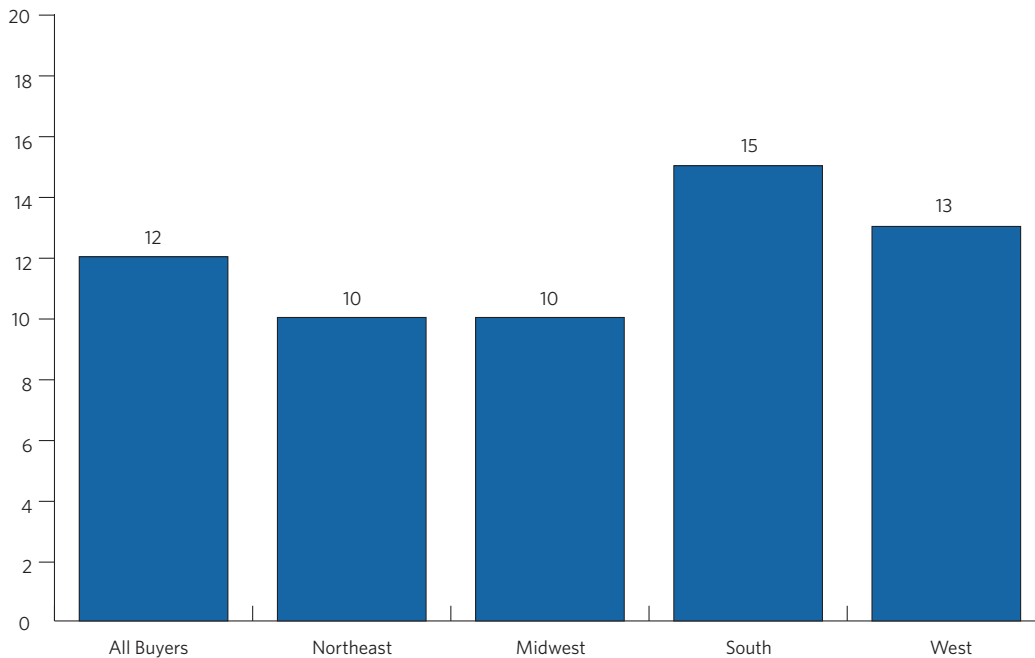


EXHIBIT 2-13 FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY LOCATION*(Percent of Respondents)*

BUYERS WHO PURCHASED A HOME IN A

	All Buyers	Suburb/ Subdivision	Small town	Urban/ Central city	Rural area	Resort/ Recreation area
Quality of the neighborhood	60%	65%	57%	57%	43%	53%
Convenient to job	43	45	41	53	34	21
Overall affordability of homes	40	41	41	44	29	23
Convenient to friends/family	37	39	38	38	26	30
Quality of the school district	26	31	23	19	16	8
Convenient to shopping	24	26	23	25	13	25
Design of neighborhood	20	22	17	20	12	41
Convenient to entertainment/leisure activities	20	21	15	33	7	33
Convenient to schools	20	22	19	20	16	8
Convenient to parks/recreational facilities	17	17	15	23	10	24
Availability of larger lots or acreage	16	12	17	8	42	8
Home in a planned community	8	10	5	4	3	33
Convenient to airport	6	6	5	7	3	11
Convenient to public transportation	5	5	3	15	1	3
Convenient to health facilities	1	1	1	1	2	3
Other	5	5	6	3	9	11

EXHIBIT 2-14 FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY ADULT COMPOSITION OF HOUSEHOLD AND CHILDREN IN HOUSEHOLD*(Percent of Respondents)*

ADULT COMPOSITION OF HOUSEHOLD

CHILDREN IN HOME

	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Quality of the neighborhood	60%	62%	59%	48%	63%	62%	62%	59%
Convenient to job	43	43	43	40	57	44	48	41
Overall affordability of homes	40	37	47	35	51	51	40	40
Convenient to friends/family	37	35	49	35	36	35	33	40
Quality of the school district	26	31	14	13	22	31	49	12
Convenient to shopping	24	24	27	24	26	23	20	26
Design of neighborhood	20	22	19	14	15	18	19	21
Convenient to entertainment/ leisure activities	20	19	21	21	32	17	15	24
Convenient to schools	20	23	13	13	13	29	43	6
Convenient to parks/ recreational facilities	17	18	13	17	19	26	19	17
Availability of larger lots or acreage	16	19	6	15	16	16	21	13
Home in a planned community	8	8	9	9	5	5	8	9
Convenient to airport	6	6	5	7	5	8	5	7
Convenient to public transportation	5	5	6	5	6	7	4	6
Convenient to health facilities	1	2	1	1	*	*	1	1
Other	5	6	6	4	4	8	3	7

* Less than 1 percent

EXHIBIT 2-15 PRICE OF HOME PURCHASED, BY REGION

(Percentage Distribution)

BUYERS WHO PURCHASED A HOME IN THE					
	All Buyers	Northeast	Midwest	South	West
Less than \$75,000	4%	5%	8%	4%	1%
\$75,000 to \$99,999	5	4	8	5	1
\$100,000 to \$124,999	6	8	10	5	2
\$125,000 to \$149,999	8	10	12	10	3
\$150,000 to \$174,999	10	10	12	11	5
\$175,000 to \$199,999	9	9	11	10	5
\$200,000 to \$249,999	15	13	15	16	14
\$250,000 to \$299,999	11	12	10	12	11
\$300,000 to \$349,999	9	9	5	7	13
\$350,000 to \$399,999	6	6	4	6	9
\$400,000 to \$499,999	8	7	3	7	14
\$500,000 or more	10	8	3	8	21
Median price	\$227,700	\$215,000	\$175,000	\$217,000	\$325,000

EXHIBIT 2-16 PRICE OF HOME PURCHASED, NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

BUYERS WHO PURCHASED A			
	All Buyers	New Home	Previously Owned Home
Less than \$75,000	4%	1%	5%
\$75,000 to \$99,999	5	*	6
\$100,000 to \$124,999	6	1	7
\$125,000 to \$149,999	8	4	9
\$150,000 to \$174,999	10	6	10
\$175,000 to \$199,999	9	9	9
\$200,000 to \$249,999	15	18	14
\$250,000 to \$299,999	11	13	11
\$300,000 to \$349,999	9	15	7
\$350,000 to \$399,999	6	8	6
\$400,000 to \$499,999	8	12	7
\$500,000 or more	10	13	10
Median price	\$227,700	\$294,000	\$217,000

* Less than 1 percent

EXHIBIT 2-17 PRICE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS*(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$75,000	4%	7%	3%
\$75,000 to \$99,999	5	8	3
\$100,000 to \$124,999	6	8	4
\$125,000 to \$149,999	8	11	7
\$150,000 to \$174,999	10	13	8
\$175,000 to \$199,999	9	10	9
\$200,000 to \$249,999	15	12	16
\$250,000 to \$299,999	11	9	13
\$300,000 to \$349,999	9	6	10
\$350,000 to \$399,999	6	4	8
\$400,000 to \$499,999	8	6	9
\$500,000 or more	10	7	12
Median price	\$227,700	\$182,500	\$250,000
Married couple	\$255,000	\$208,500	\$270,000
Single female	\$173,000	\$146,300	\$198,000
Single male	\$190,600	\$157,000	\$220,000
Unmarried couple	\$181,400	\$165,500	\$245,000
Other	\$192,500	\$161,200	\$215,000

EXHIBIT 2-18 PURCHASE PRICE COMPARED WITH ASKING PRICE, BY REGION*(Percentage Distribution)*

BUYERS WHO PURCHASED A HOME IN THE

Percent of asking price:	All Buyers	Northeast	Midwest	South	West
Less than 90%	9%	12%	12%	9%	5%
90% to 94%	15	16	16	15	11
95% to 99%	36	39	39	35	33
100%	27	22	25	29	30
101% to 110%	11	9	7	9	18
More than 110%	2	2	1	3	4
Median (purchase price as a percent of asking price)	98%	97%	98%	98%	100%

EXHIBIT 2-19 SIZE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	BUYERS OF			
	All Buyers	First-time Buyers	Repeat Buyers	Previously Owned Homes
1,000 sq ft or less	*	1%	*	*
1,001 to 1,500 sq ft	15	24	9	16
1,501 to 2,000 sq ft	27	32	24	28
2,001 to 2,500 sq ft	26	24	28	27
2,501 to 3,000 sq ft	15	12	17	14
3,001 to 3,500 sq ft	8	4	10	7
3,501 sq ft or more	9	4	11	8
Median (sq ft)	1,900	1,650	2,000	1,820

* Less than 1 percent

EXHIBIT 2-20 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	15	8	28	27	24	17	10	17
1,501 to 2,000 sq ft	27	23	39	35	31	28	20	31
2,001 to 2,500 sq ft	26	29	20	22	25	30	27	26
2,501 to 3,000 sq ft	15	17	9	7	11	12	17	13
3,001 to 3,500 sq ft	8	10	3	5	6	4	11	6
3,501 sq ft or more	9	12	1	3	3	10	14	6
Median (sq ft)	1,900	2,010	1,520	1,575	1,670	1,850	2,100	1,800

* Less than 1 percent

EXHIBIT 2-21 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	1,700	1,800	2,000	1,850
Price per square foot	\$120	\$130	\$100	\$110	\$160
Detached single-family home					
Square feet	1,950	1,800	1,800	2,100	1,900
Price per square foot	\$120	\$130	\$100	\$105	\$160
Townhouse or row house					
Square feet	1,660	1,330	1,670	1,800	1,540
Price per square foot	\$130	\$110	\$120	\$200	\$115
Duplex/apartment/condo in 2-4 unit building					
Square feet	1,600	1,680	1,580	1,650	1,300
Price per square foot	\$120	\$130	\$110	\$110	\$210
Apartment/condo in building with 5 or more units					
Square feet	1,320	1,500	1,500	1,200	1,400
Price per square foot	\$115	\$115	\$80	\$90	\$251

EXHIBIT 2-22 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	*	*	*	*	*
Two bedrooms	14	13	14	7	15
Three bedrooms or more	86	86	86	93	85
Median number of bedrooms	3	3	3	3	3
One full bathroom	16	28	10	1	19
Two full bathrooms	60	59	61	59	61
Three full bathrooms or more	23	13	29	40	21
Median number of full bathrooms	2	2	2	2	2

* Less than 1 percent

EXHIBIT 2-23 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%	*	*	*	*	
Two bedrooms	14	9	26	27	16	15	4	19
Three bedrooms or more	86	21	73	72	84	85	96	80
Median number of bedrooms	3	3	3	3	3	3	4	3
One full bathroom	16	11	27	25	29	19	13	18
Two full bathrooms	60	60	65	16	55	58	56	63
Three full bathrooms or more	23	29	9	12	16	24	32	18
Median number of full bathrooms	2	2	2	2	2	2	2	2

* Less than 1 percent

EXHIBIT 2-24 YEAR HOME BUILT, BY REGION

(Median)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
2015	14%	5%	8%	19%	14%
2014 through 2011	4	1	3	6	4
2010 through 2007	5	2	4	6	5
2006 through 2002	12	7	10	14	14
2001 through 1987	20	15	18	21	22
1986 through 1961	25	25	25	24	26
1960 through 1913	17	35	27	9	14
1912 and older	3	9	5	1	1
Median	1991	1965	1979	1999	1993

EXHIBIT 2-25 IMPORTANCE OF COMMUTING COSTS

(Percentage Distribution)

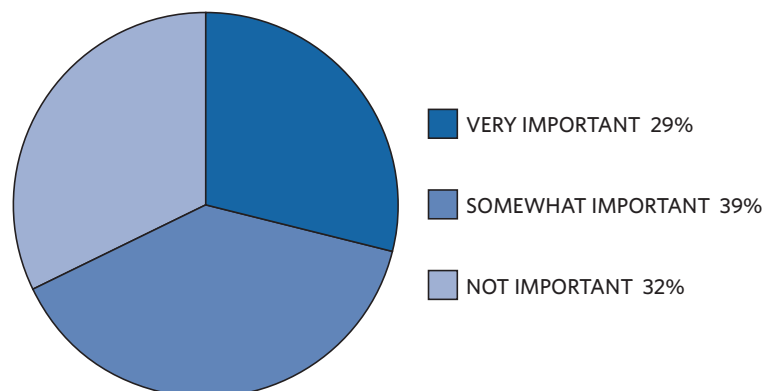


EXHIBIT 2-26 IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

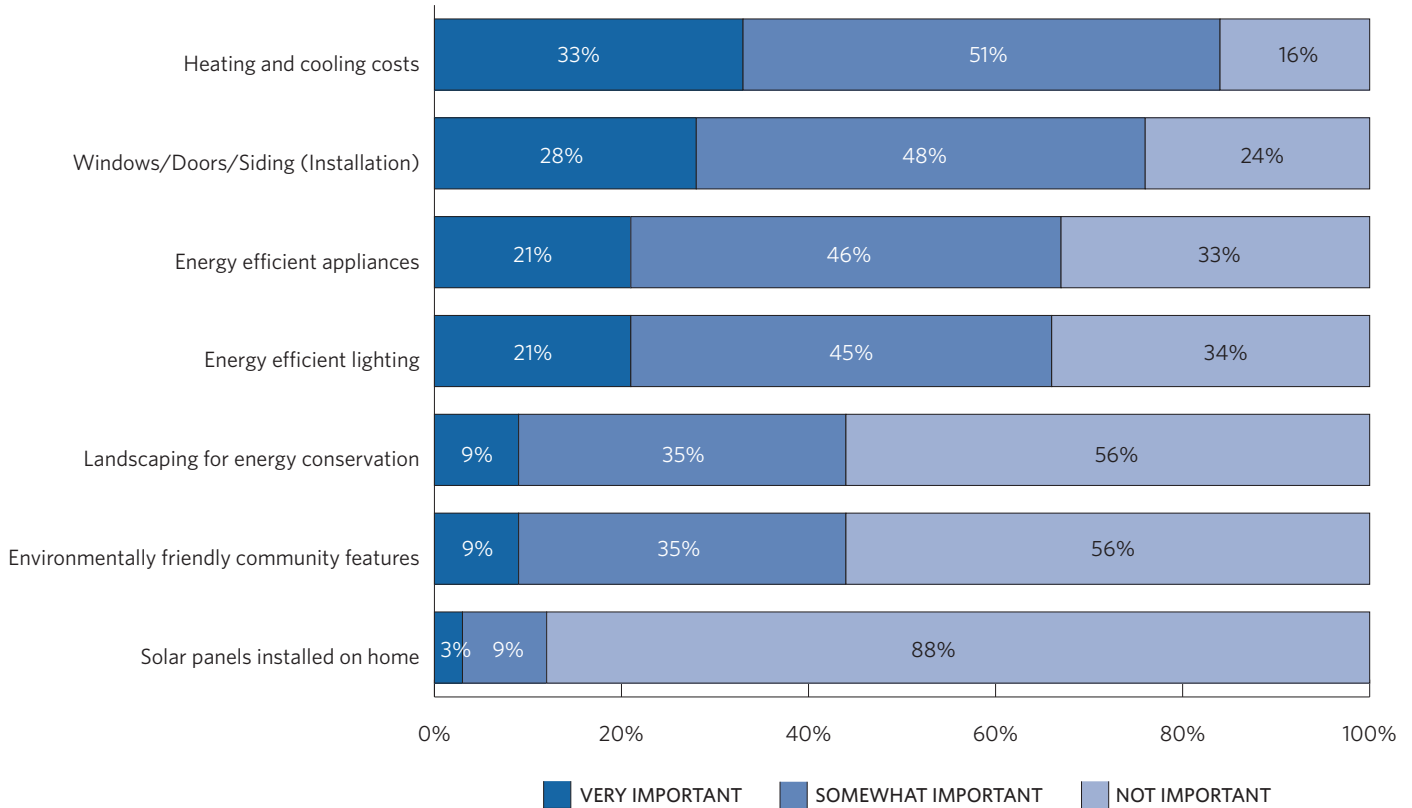


EXHIBIT 2-27 ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT," BY REGION

(Percent of Respondents)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Heating and cooling costs	33%	35%	31%	37%	29%
Windows/Doors/Siding (Installation)	28	26	32	28	26
Energy efficient appliances	21	19	19	25	18
Energy efficient lighting	21	16	19	24	22
Landscaping for energy conservation	9	5	6	9	15
Environmentally friendly community features	9	7	7	11	9
Solar panels installed on home	3	1	1	2	6

EXHIBIT 2-28 ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT," BY YEAR HOME WAS BUILT

(Percent of Respondents)

	All Buyers	2015	2014 through 2011	2010 through 2007	2006 through 2002	2001 through 1987	1986 through 1961	1960 through 1913	1912 and older
Heating and cooling costs	33%	49%	36%	49%	31%	29%	30%	29%	30%
Windows/Doors/Siding (Installation)	28	40	28	35	25	22	28	27	27
Energy efficient appliances	21	43	32	29	19	15	15	16	14
Energy efficient lighting	21	40	27	28	17	17	17	15	15
Landscaping for energy conservation	9	15	8	14	9	10	7	7	9
Environmentally friendly community features	9	19	8	11	9	7	7	7	8
Solar panels installed on home	3	5	1	4	3	2	2	2	2

EXHIBIT 2-29 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	21%	21%	19%	23%	19%	21%
Condition of home	19	18	20	21	21	21
Size of home	18	17	19	21	17	74
Lot size	15	16	16	11	13	10
Style of home	15	15	15	19	15	11
Distance from job	14	13	14	12	19	7
Distance from friends or family	7	6	9	4	9	6
Quality of the neighborhood	5	4	6	10	3	8
Quality of the schools	4	4	3	7	3	*
Distance from school	2	1	2	1	3	2
None - Made no compromises	32	32	35	30	31	39
Other compromises not listed	7	8	6	6	9	3

* Less than 1 percent

EXHIBIT 2-30 CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage of Respondents)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Price of home	21%	22%	20%	21%	21%
Condition of home	19	20	19	4	22
Size of home	18	24	15	14	19
Lot size	15	17	14	20	14
Style of home	15	18	14	12	16
Distance from job	14	19	11	16	13
Distance from friends or family	7	8	7	8	7
Quality of the neighborhood	5	6	4	3	5
Quality of the schools	4	7	2	4	4
Distance from school	2	2	1	2	1
None - Made no compromises	32	25	36	40	31
Other compromises not listed	7	7	8	7	7

EXHIBIT 2-31 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	21%	22%	23%	20%	22%	16%	23%	21%
Condition of home	19	20	19	21	17	27	22	18
Size of home	18	17	19	20	23	17	21	16
Lot size	15	17	7	14	17	7	19	13
Style of home	15	16	16	16	14	20	18	14
Distance from job	14	14	11	14	13	19	16	12
Distance from friends or family	7	7	8	9	6	7	7	7
Quality of the neighborhood	5	4	6	5	6	6	5	4
Quality of the schools	4	3	3	4	10	9	5	3
Distance from school	2	2	1	3	1	2	3	*
None - Made no compromises	32	32	32	38	28	25	26	36
Other compromises not listed	7	7	9	5	10	3	6	8

* Less than 1 percent

EXHIBIT 2-32 EXPECTED LENGTH OF TENURE IN HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
1 year or less	1%	1%	1%	1%	1%
2 to 3 years	3	3	3	3	3
4 to 5 years	9	13	7	9	9
6 to 7 years	3	4	2	2	3
8 to 10 years	15	17	14	16	15
11 to 15 years	6	4	7	6	6
16 or more years	26	23	27	28	25
Don't Know	38	35	39	36	38
Median	12	10	15	15	12

EXHIBIT 2-33 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	1%	1%	1%	1%	2%
2 to 3 years	3	4	3	2	3
4 to 5 years	9	20	12	7	5
6 to 7 years	3	5	4	1	1
8 to 10 years	15	28	17	14	10
11 to 15 years	6	*	6	6	7
16 or more years	26	9	26	31	19
Don't Know	38	34	31	38	54
Median	12	10	10	15	15

* Less than 1 percent

EXHIBIT 2-34 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.)	26%	28%	28%	30%	15%
Never moving-forever home	18	6	12	25	31
Move with job or career change	13	15	20	10	1
May outgrow home	9	29	15	2	1
Downsize/smaller house	8	2	5	12	10
Household member's health	8	2	1	8	31
Want nicer home/added features	7	6	10	4	3
May desire better area/neighborhood	1	*	1	1	*
Will flip home	1	2	1	1	*
Other	9	9	8	9	9

* Less than 1 percent

EXHIBIT 2-35 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.)	26%	23%	37%	34%	24%	39%	25%	27%
Never moving-forever home	18	20	20	14	15	17	15	22
Move with job or career change	13	15	8	12	15	5	18	10
May outgrow home	9	9	6	8	16	6	12	7
Downsize/smaller house	8	10	4	8	6	3	9	7
Household member's health	8	9	10	6	3	9	1	12
Want nicer home/added features	7	6	5	7	10	6	9	5
May desire better area/neighborhood	1	1	1	1	1	*	1	1
Will flip home	1	1	*	3	1	1	1	1
Other	9	8	10	7	10	13	9	8

* Less than 1 percent

CHAPTER 3:

The Home Search Process

The *Profile of Home Buyers and Sellers* has tracked an immense amount of data on the home search process since its inception. This year we celebrate the report's 35th anniversary, and in doing so we look at data going back to 1981. Starting the home buying process online continues to be the first step that many home buyers are taking. Forty-four percent of recent buyers first looked online for the properties for sale, with 95 percent of all recent buyers using the internet at some point during the home search process.

Since 1987, we have collected data on how many weeks buyers searched for the home they bought and how many homes they viewed. While the number of weeks increased with time, home buyers viewed roughly the same number of homes for three decades. In 2016, home buyers searched for a median of 10 weeks. By comparison, in 1987 home buyers searched for a median of just seven weeks. From 1989 to 2007, buyers typically searched for a home for eight weeks, with 2001 as the exception at just seven weeks. From 2009 to 2013, the search time jumped up to twelve weeks, then came back down to 10 weeks in 2014 and remained there for the last three years.

Buyers viewed a median of 10 homes in 2016, compared to 12 homes in 1987. Home buyers continued to view a median of 12 homes from 1991 through 1995 and again in 2009 through 2011. There was a brief period from 2004 to 2006 when buyers only looked at a median of nine homes. All other years, home buyers viewed a median of 10 homes before purchasing.

Among the 72 percent who used a mobile or tablet in the home buying process, nearly six in 10 recent home buyers found the home their ultimately purchased on that device. Of the 95 percent of home buyers who used the internet to search for a home, 50 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. With tightened inventory conditions in many areas of the country, 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 92 percent, slightly up from 91 percent in 2015.

The First Step in the Home Buying Process

- Exhibits 3-1 and 3-2

Forty-four percent of home buyers first looked online for properties for sale as their first step in the home buying process, while 17 percent of buyers first contacted a real estate agent. Repeat home buyers were more likely than first-time buyers to look online for properties for sale as a first step. First-time home buyers were more likely to look online information about the home buying process at 21 percent. The first steps 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, 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 under the age of 45 were the most likely to search for homes through an online website, while buyers between the ages of 18 and 24 most frequently used a real estate agent as an information source. An increasing percentage of home buyers are using mobile or tablet search devices at 72 percent. The use of yard signs and open houses as information sources remained relatively the same compared to 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 search devices, and open online video sites were the most used sources. Only eight 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 86 percent.

The Search Process

- Exhibits 3-7 through 3-11

The typical search period 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. In the most recent report, in the West, buyers searched for only nine weeks, the shortest amount of time, and buyers in the Northeast searched for the longest at 12 weeks. The Midwest and the South followed the median trend at 10 weeks to find a home.

Buyers who used an agent typically spent three 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 51 percent of recent buyers (up from 44 percent last year) found their home through the internet. Only eight percent of buyers found their home through the internet 15 years ago. 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, have incrementally declined throughout the years with the rise of the internet as an information source.

Thirty-nine percent of recent buyers considered purchasing a home in foreclosure (down from 41 percent last year), 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 the 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 52 percent. For 24 percent of buyers, the most difficult step was the paperwork, and 17 percent cited the most difficult step was understanding the process and steps involved. While 16 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 increased to 95 percent after holding steady at 92 percent for three years in a row. The *Profile of Home Buyers and Sellers* started collecting data on the use of the internet for the home search process in 1995, where only two percent of buyers looked online at that time. In 1997, that number jumped to 18 percent of home buyers who used the internet in their search. That number doubled over the years and by 2009, 90 percent of buyers used the internet at some point in their search. That share dropped a few percentage points in the next several years until 2012 when it slowly started increasing.

As a result of searching for a home on the internet, 67 percent of buyers walked through the homes that they viewed online, and 44 percent saw the exterior of these homes and drove 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 43 years old and had a median household income in 2015 of \$89,900. In comparison, the typical buyer who did not use the internet to search for a home was 63 years old and had a median household income in 2015 of \$73,900 (up from \$64,400 in 2014). The typical buyer who did not use the internet during their home search spent only four weeks searching and visited four 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 69 percent (down from 73 percent in the year prior). 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 and print newspaper advertisements 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), which is consistent with last year.

Fifty percent of buyers who used the internet during their home search process ultimately found the home that they purchased through the internet. Thirty-nine 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 30 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 search 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, 90 percent ultimately purchased their home through a real estate agent. Interestingly, there is a larger percentage of buyers who used the internet and still purchased their home through an agent (90 percent), than buyers who did not use the internet and purchased through an agent during their search (70 percent).

Website Features and Mobile Search

- **Exhibits 3-18 and 3-19**

Among buyers who used the internet during their home search, 89 percent of buyers found photos and detailed information about properties for sale (85 percent) to be very useful. The next most useful website features included: floor plans, virtual tours, detailed information about properties for sale, and neighborhood information.

Using mobile devices is becoming more common among all home buyers. Fifty-eight percent of buyers who used their mobile device to search found their home through a mobile application (down from 66 percent last year). First-time buyers found their homes through a mobile application (60 percent) slightly more than repeat buyers (57 percent).

The Profile of Home Buyers and Sellers started collecting data on the use of the internet for the home search process in 1995, where only two percent of buyers looked online at that time.

Satisfaction in Buying Process

- **Exhibit 3-20**

Sixty percent of recent buyers were very satisfied with their recent home buying process, up from 59 percent a year ago. Thirty-two percent of buyers were somewhat satisfied with the buying process. Only eight 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	44%	32%	49%
Contacted a real estate agent	17	12	18
Looked online for information about the home buying process	13	21	8
Contacted a bank or mortgage lender	7	9	5
Drove-by homes/neighborhoods	6	5	7
Talked with a friend or relative about home buying process	6	13	3
Visited open houses	3	2	4
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	1	1	1
Contacted builder/visited builder models	1	1	3
Attended a home buying seminar	1	1	*
Contacted a home seller directly	1	1	1
Looked in newspapers, magazines, or home buying guides	1	1	1
Read books or guides about the home buying process	*	1	*
Other	1	1	1

* 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	44%	32%	42%	51%	33%
Contacted a real estate agent	17	11	13	15	26
Looked online for information about the home buying process	13	21	16	8	8
Contacted a bank or mortgage lender	7	14	8	6	4
Drove-by homes/neighborhoods	6	5	4	8	9
Talked with a friend or relative about home buying process	6	14	9	3	5
Visited open houses	3	1	3	4	6
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation)	1	*	1	1	1
Contacted builder/visited builder models	1	*	1	3	4
Attended a home buying seminar	1	2	1	*	*
Contacted a home seller directly	1	*	1	1	3
Looked in newspapers, magazines, or home buying guides	1	*	1	*	2
Read books or guides about the home buying process	*	*	1	*	*
Other	1	*	1	1	1

* 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	95%	95%	93%	90%	94%
Real estate agent	92	88	88	76	89
Mobile or tablet search device	72	78	66	63	71
Open house	50	48	50	51	49
Yard sign	49	46	50	29	50
Online video site	36	32	38	34	36
Print newspaper advertisement	16	15	18	16	17
Home builder	14	13	20	65	10
Home book or magazine	12	11	12	16	11
Billboard	4	6	4	16	4
Television	3	4	3	7	3
Relocation company	3	3	3	5	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	95%	98%	98%	93%	82%
Real estate agent	92	92	88	86	89
Mobile or tablet search device	72	90	82	64	41
Open house	50	37	53	48	43
Yard sign	49	48	49	51	46
Online video site	37	32	30	43	43
Print newspaper advertisement	16	14	14	18	26
Home builder	14	11	16	19	21
Home book or magazine	12	10	10	15	15
Billboard	4	3	5	5	2
Television	3	7	3	3	3
Relocation company	3	2	4	3	1

EXHIBIT 3-5 FREQUENCY OF USE OF DIFFERENT INFORMATION SOURCES

(Percentage Distribution)

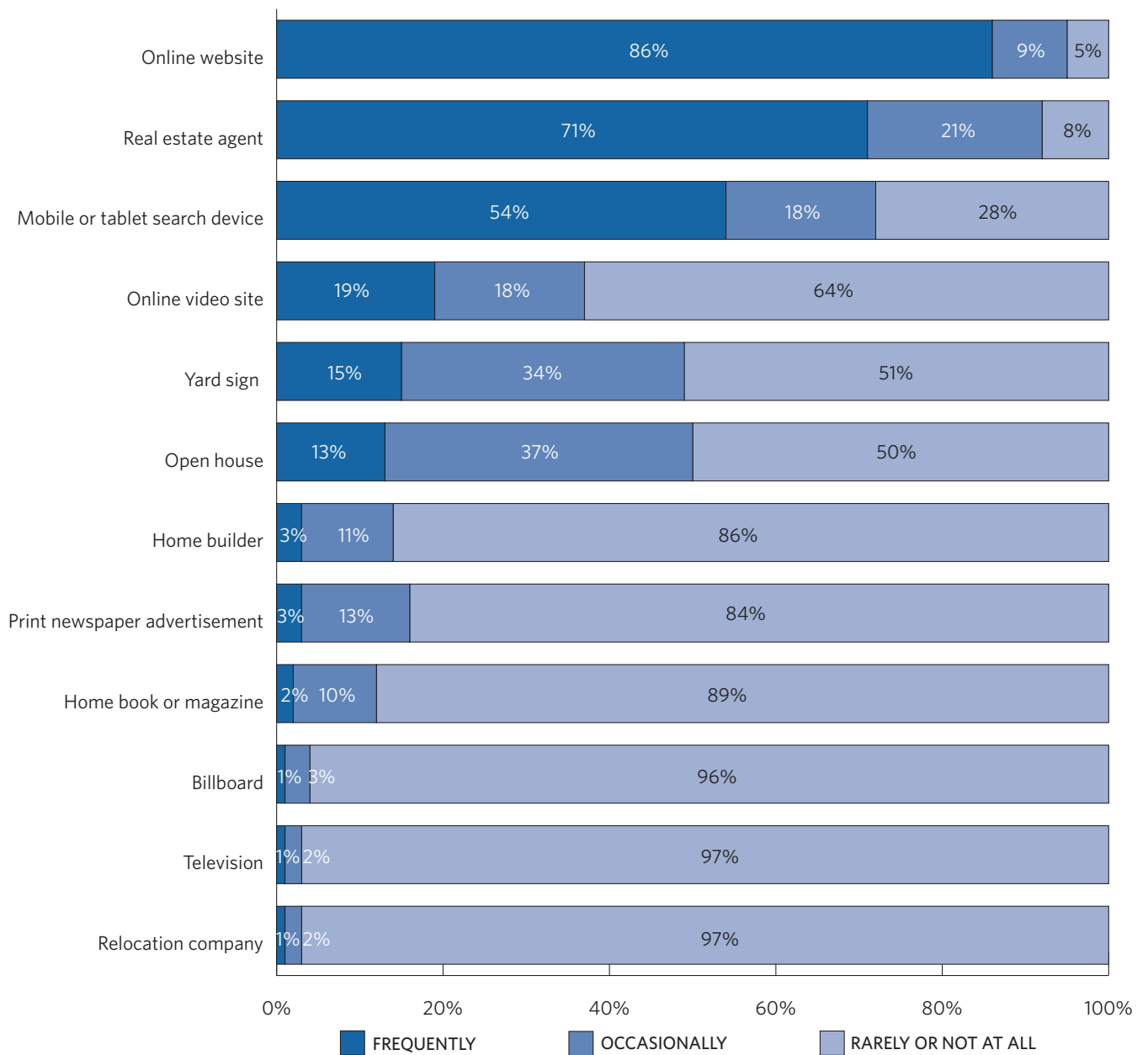


EXHIBIT 3-6

USEFULNESS OF INFORMATION SOURCES

(Percentage Distribution Among Buyers that Used Each Source)

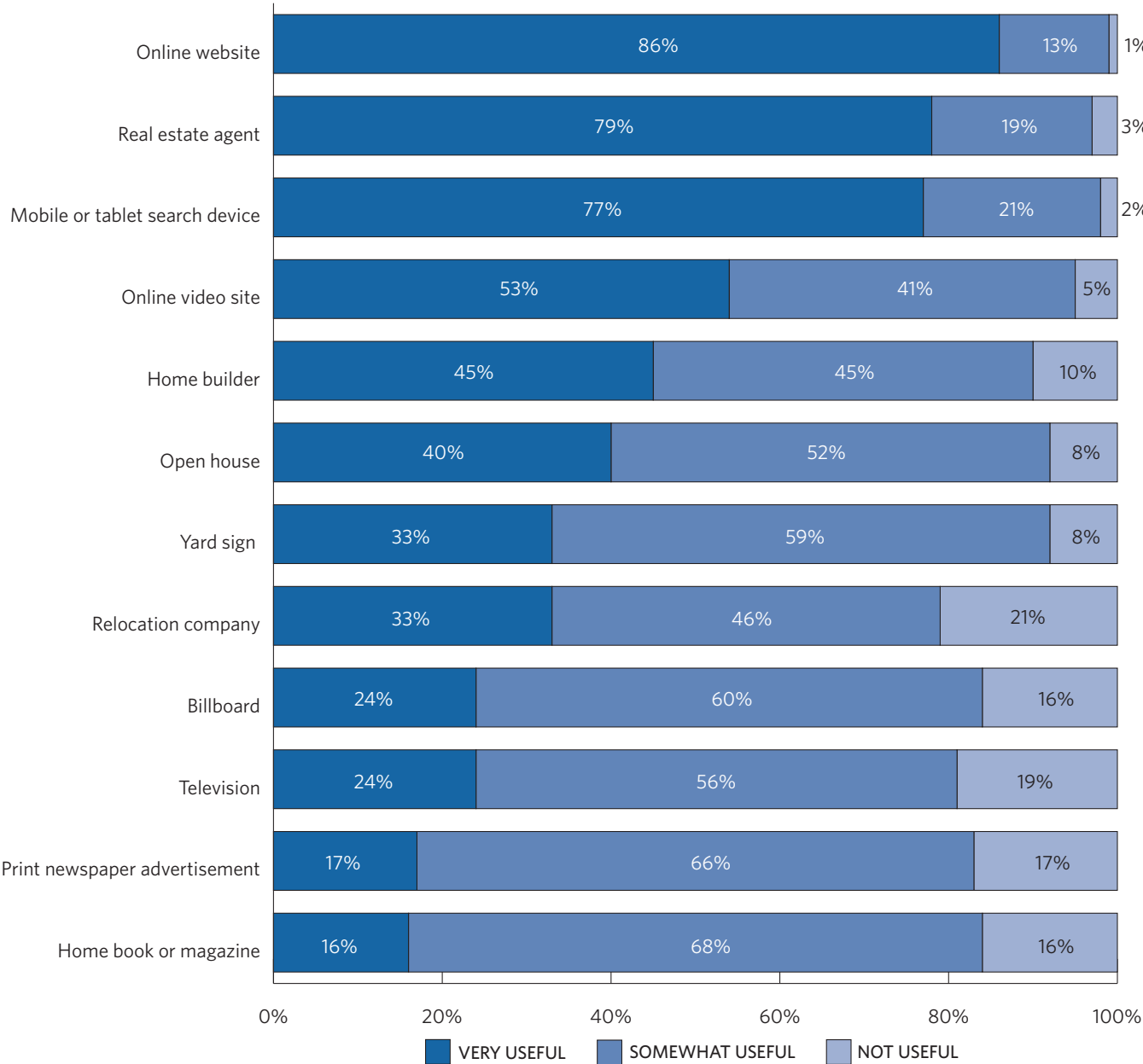


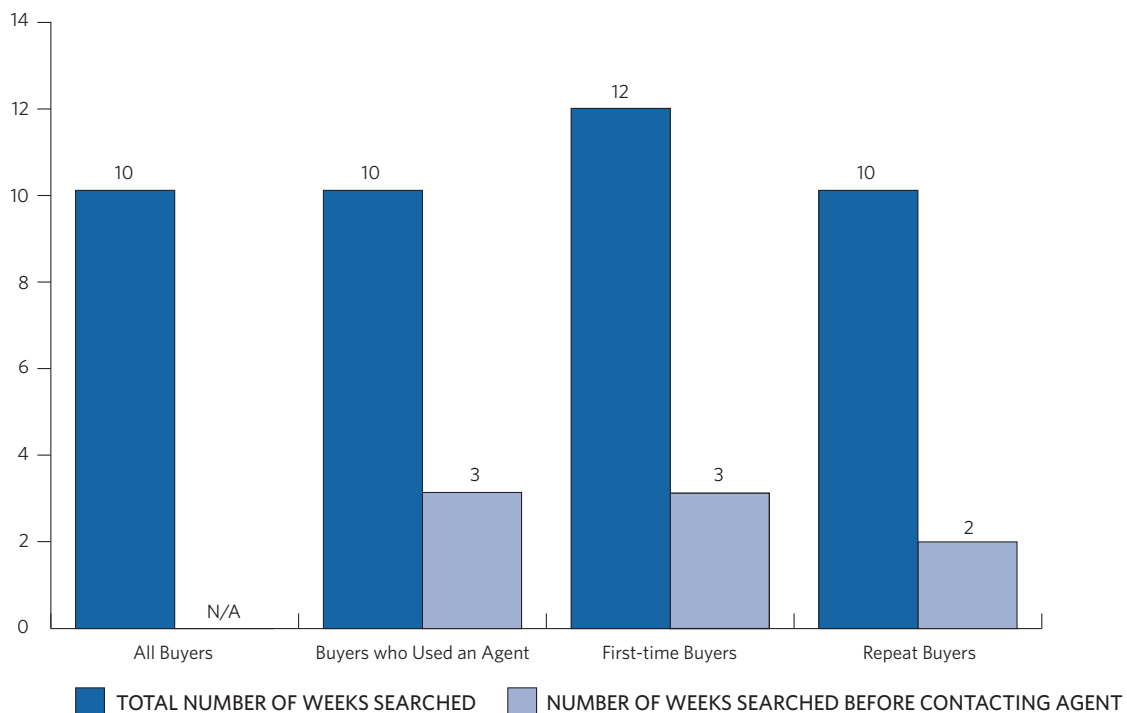
EXHIBIT 3-7 LENGTH OF SEARCH, BY REGION

(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
2016	10	12	10	10	9
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)



N/A- Not Applicable

EXHIBIT 3-9**WHERE BUYER FOUND THE HOME THEY PURCHASED, 2001-2016***(Percentage Distribution)*

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Internet	8%	11%	15%	24%	24%	29%	32%	36%	37%	40%	42%	43%	43%	44%	51%
Real estate agent	48	41	38	36	36	34	34	36	38	35	34	33	33	33	34
Yard sign/open house sign	15	16	16	15	15	14	15	12	11	11	10	9	9	9	8
Friend, relative or neighbor	8	7	7	7	8	8	7	6	6	6	6	6	6	6	4
Home builder or their agent	3	7	7	7	8	8	7	5	4	5	5	5	5	6	2
Directly from sellers/Knew the sellers	4	4	5	3	3	3	2	2	2	2	2	2	3	2	1
Print newspaper advertisement	7	7	5	5	5	3	3	2	2	2	1	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	61%	55%	66%	79%	59%
Considered purchasing a home in foreclosure, but did not:					
Could not find the right home	23	25	20	12	24
The process was too difficult or complex	10	13	8	5	11
The home was in poor condition	10	15	7	6	10
The home price was too high	3	4	3	2	4
The neighborhood was undesirable	3	5	2	2	3
Financing options were not attractive	3	5	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	52%	56%	51%	41%	54%
Paperwork	24	28	22	27	24
Understanding the process and steps	17	33	8	16	17
Saving for the down payment	13	26	6	10	14
Getting a mortgage	11	13	10	13	11
Appraisal of the property	5	6	4	3	5
No difficult steps	16	9	20	23	15
Other	6	4	6	5	7

EXHIBIT 3-12 BUYER USE OF INTERNET IN HOME SEARCH PROCESS, 1995-2016

(Percentage Distribution)

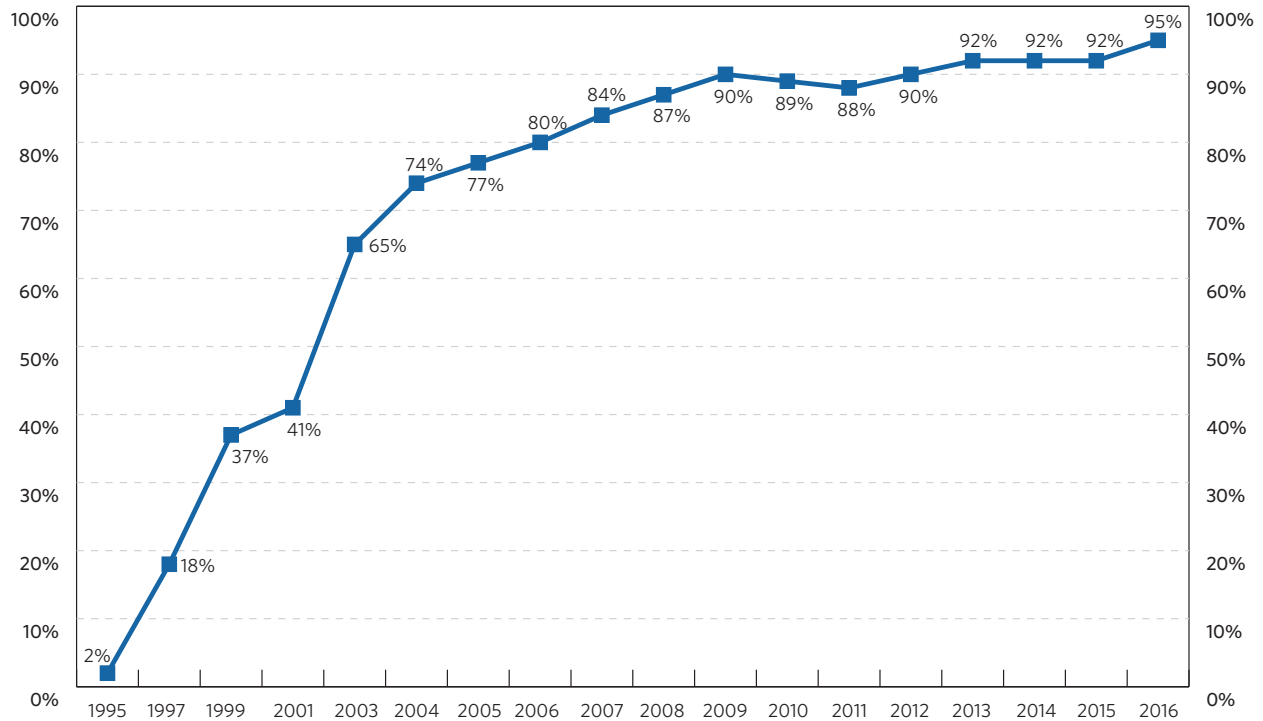


EXHIBIT 3-13 ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Buyers Who Used the Internet)

	All Buyers	First-time Buyers	Repeat Buyers
Walked through home viewed online	67%	65%	67%
Saw exterior of homes/neighborhood, but did not walk through home	44	45	44
Found the agent used to search for or buy home	33	35	31
Requested more information	27	31	25
Pre-qualified for a mortgage online	19	24	17
Looked for more information on how to get a mortgage and general home buyers tips	16	30	8
Applied for a mortgage online	14	17	12
Found a mortgage lender online	9	14	7
Contacted builder/developer	8	5	10

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	67%	58%
Single female	16	23
Single male	7	11
Unmarried couple	8	5
Other	2	3
Median age (years)	43	63
Median income (2015)	\$89,900	\$73,900
Length of Search (Median weeks)		
All buyers	10	4
First-time buyers	12	4
Repeat buyers	10	4
Buyers using an agent	10	6
Before contacting agent	3	0
Number of Homes Visited (median)	10	4

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	69
Mobile or tablet search device	74	N/A
Yard sign	50	38
Open house	50	27
Online video site	38	N/A
Print newspaper advertisement	17	18
Home builder	17	21
Home book or magazine	12	8
Billboard	5	5
Television	3	2
Relocation company	3	4

N/A- Not Applicable

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

(Percentage Distribution)

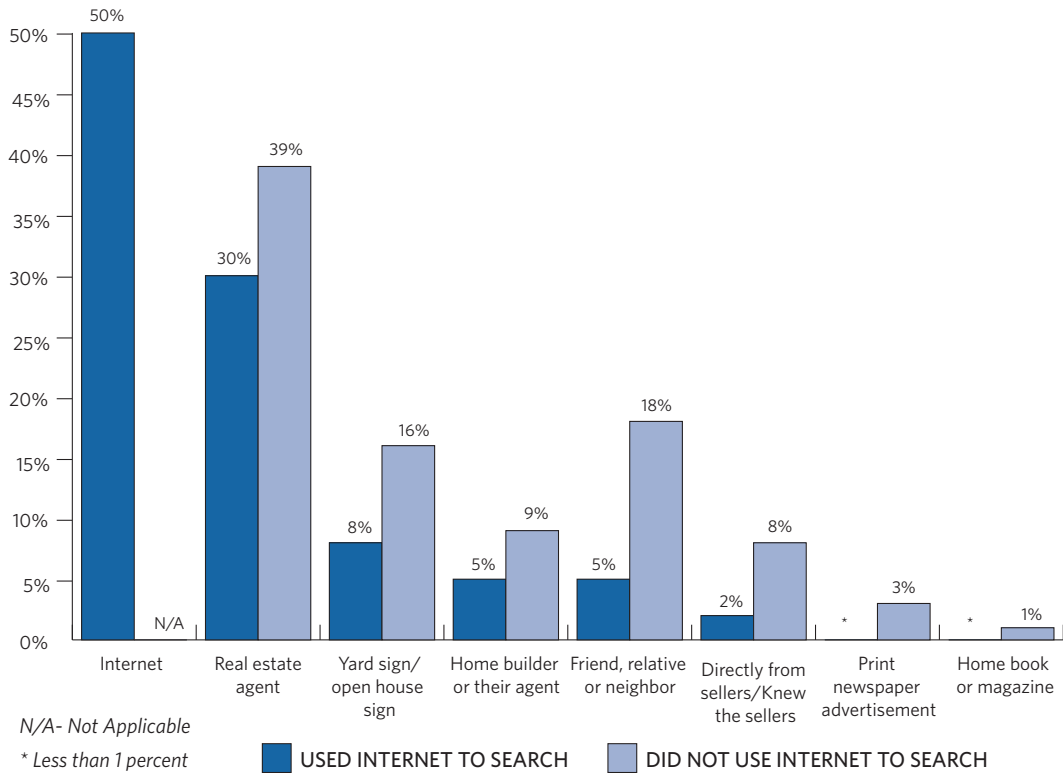


EXHIBIT 3-17 METHOD OF HOME PURCHASE, BY USE OF INTERNET

(Percentage Distribution)

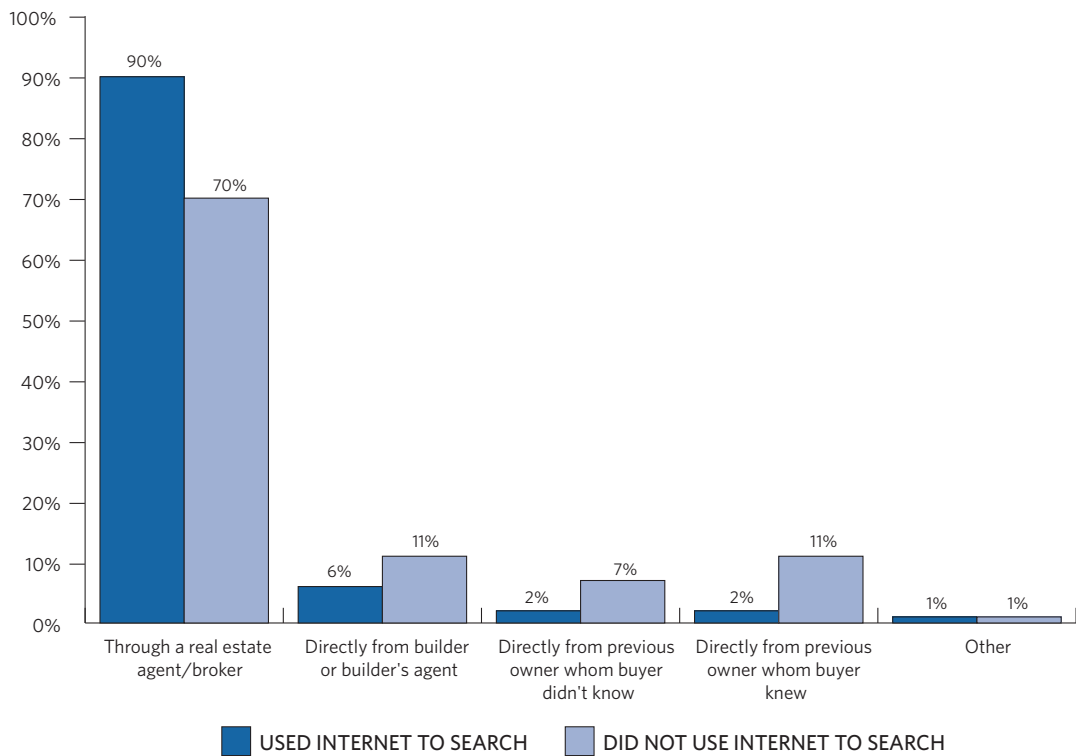


EXHIBIT 3-18 VALUE OF WEBSITE FEATURES

(Percentage Distribution Among Buyers Who Used the Internet)

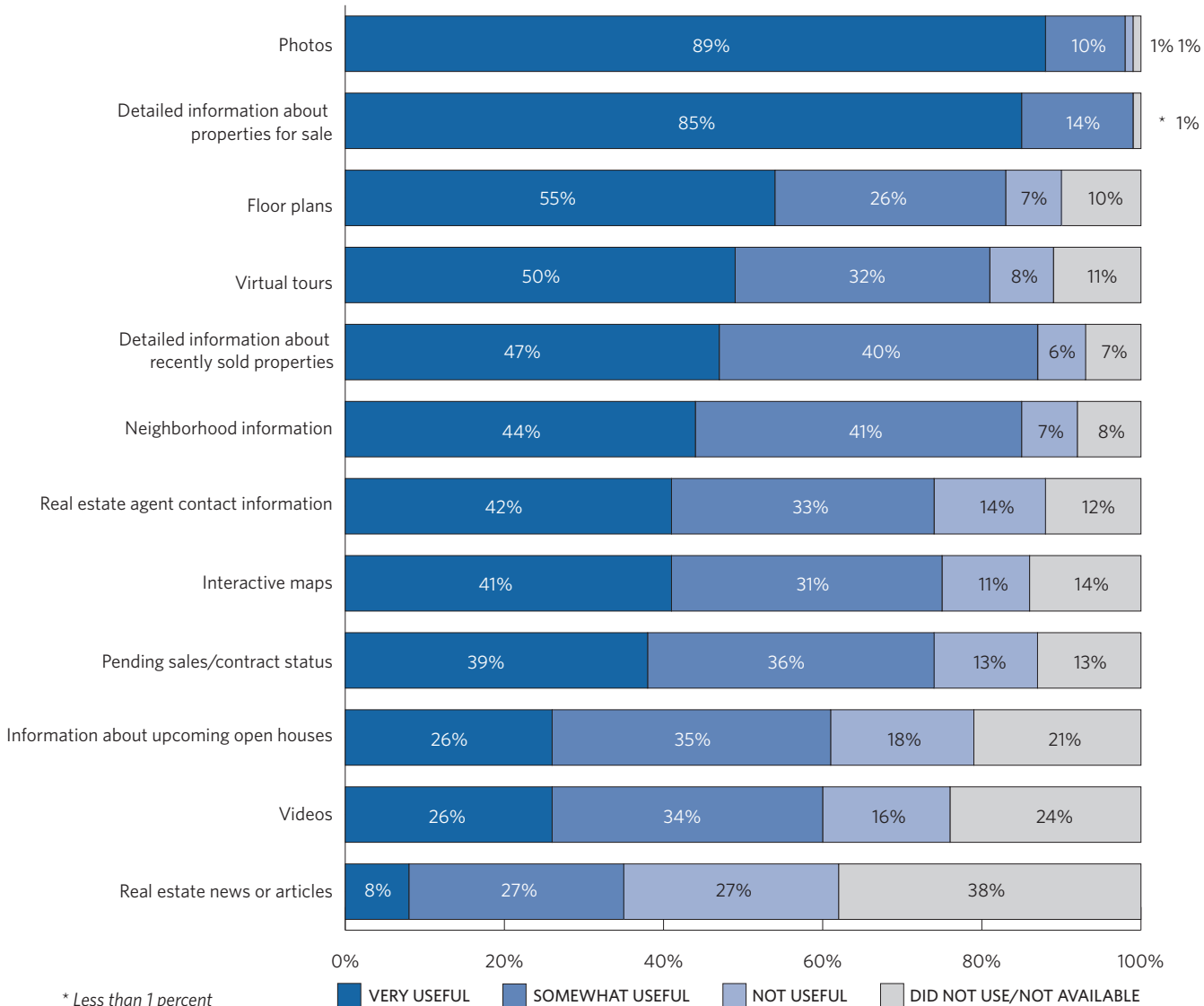


EXHIBIT 3-19 MOBILE SEARCH BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among those Who Used Mobile Search)

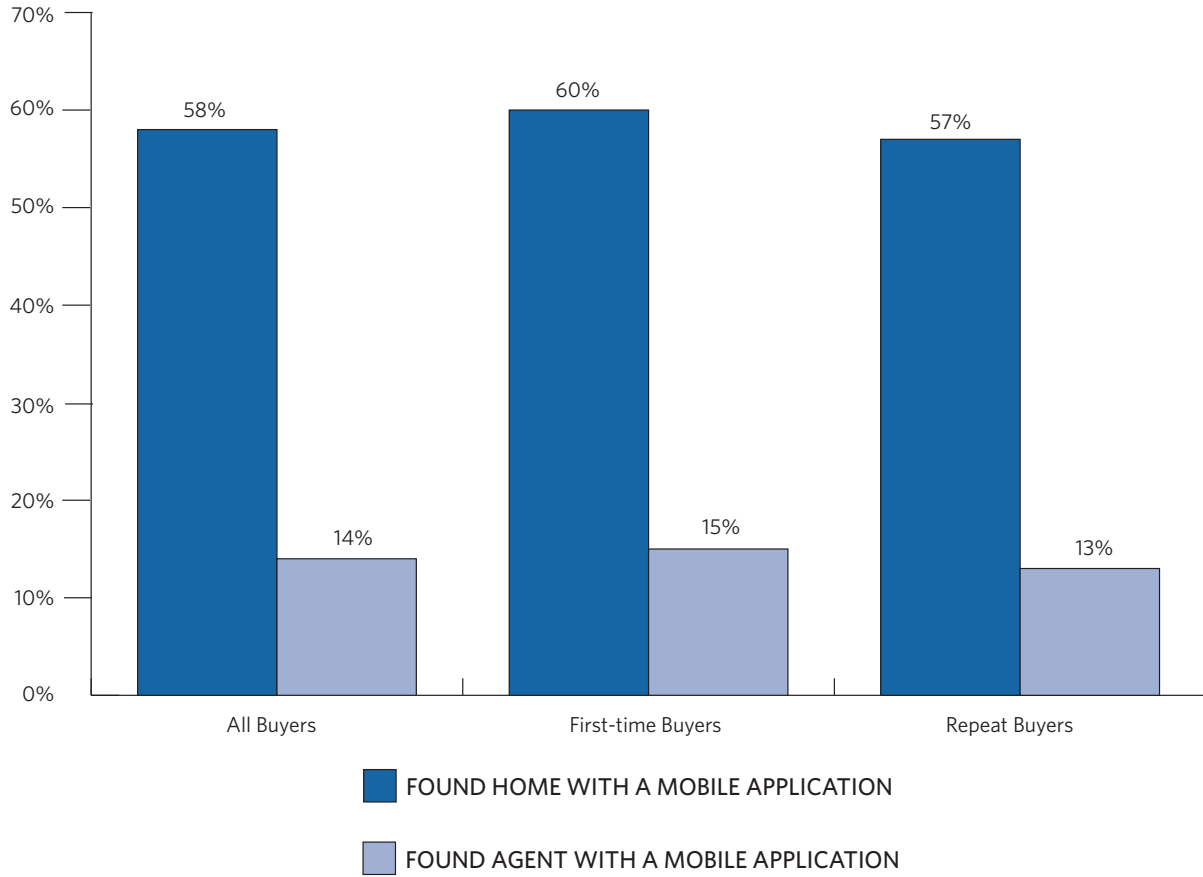
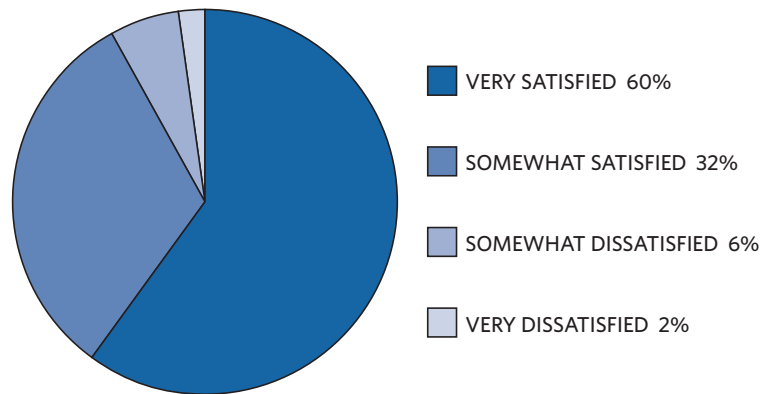


EXHIBIT 3-20 SATISFACTION WITH BUYING PROCESS

(Percentage Distribution)



CHAPTER 4:

Home Buying and Real Estate Professionals

This year the *Profile of Home Buyers and Sellers* celebrates its 35th anniversary and has collected data on the buyer's method of purchase since 1981. Purchasing a home through a real estate agent is a consistent trend that continued again this year. Up slightly from 87 percent in 2015, 88 percent of buyers in 2016 purchased their home through a real estate agent or broker, six percent directly from a builder or builder's agent, and five percent from the previous owner. Looking back to 1981, 82 percent purchased through an agent, eight percent directly through a builder or builder's agent, and 10 percent from the previous owner. In 1987 and 2000, purchases directly from the owner were at a peak of 15 percent and seven in 10 buyers purchased through an agent. Since then, the share of those working with an agent to purchase a home has steadily grown, peaking at 89 percent in 2011 and 2012 and hovering around 88 percent since 2013.

By household composition, unmarried couples tended to purchase their homes through real estate agents and brokers at a higher rate than any other household composition. Four in 10 buyers of new homes purchased their home directly from a builder or builder's agent, but 60 percent used a real estate agent to purchase a newly built home. The majority of buyers who purchased a previously owned home bought their home through a real estate agent or broker; buying directly from the previous owner was the next most common purchase method.

Over half of recent buyers signed a 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.

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

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 88 percent. Six percent purchased directly from the builder or builder's agent, down from eight percent in 2015, while five percent purchased directly through the previous owner, which is consistent with last year. By comparison, in 1981 82 percent purchased through an agent, eight percent directly through a builder or builder's agent, and 10 percent from the previous owner. The Northeast and Midwest regions showed the highest percentage of buyers who purchased their homes through real estate agents or brokers, as there is more new construction in the South and the West regions.

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: 39 percent of new home buyers did so, which is down from 44 percent in 2015. Unmarried couples (92 percent) and single females and single males (both at 89 percent) were the household compositions that most frequently purchased through a real estate agent or broker.

Agent Representation and Compensation

■ Exhibits 4-5 through 4-7

Sixty-two percent of recent buyers signed an agent representation disclosure, either at first meeting, when the contract was written, or at some other time. The most common arrangement was a written agreement at 42 percent, followed by an oral agreement at 16 percent. Only 29 percent of buyers had no representation arrangement with their agent, which is consistent with last year.

Generally real estate agents are compensated through the seller at 57 percent, whereas only 20 percent of agents are compensated by the buyer only. When the agent was compensated by the buyer, they were most commonly paid a percentage of the sales price.

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 (50 percent). Buyers were also looking for someone who could help them negotiate the terms of sale (13 percent) and help with price negotiations (12 percent). Repeat buyers were slightly more interested than first-time buyers in receiving help from an agent to negotiate the terms of sale. Buyers of previously owned homes (51 percent) were more interested in an agent helping to find the right home than buyers of new homes (46 percent). More buyers of new homes (11 percent) wanted assistance to determine what comparable homes were selling for on the market compared to other buyer types. Single males wanted help with price negotiations (17 percent) more than any other household composition and were the least interested in help to negotiate the terms of sale (nine percent).

There are many benefits for buyers using a real estate agent, with the foremost reported as being the buyer(s) receive help in understanding the buying process (61 percent). Pointing out unnoticed features or faults with the property was the next most important benefit (55 percent), especially to first-time home buyers (59 percent). Also important to buyers was negotiating better sales terms, providing a better list of services providers, and gaining improved knowledge of search areas as benefits that their real estate agent provided.

Finding a Real Estate Agent

- Exhibits 4-12 through 4-15

Referrals are still by far the most common way for buyers to find the real estate agent that they worked with. Forty-two percent of buyers used an agent that was referred to them by a friend, neighbor, or relative. Recent buyers also chose to work with agents that they had previously used to buy or sell a home (11 percent). Compared to repeat buyers, first-time buyers were more likely to find their agent through a referral (52 percent) or more likely to find their agent through a website (11 percent). Single males were the most likely to use an agent that they had previously used to buy or sell a home (16 percent).

Nearly seven in 10 buyers interviewed only one real estate agent during their home search. Compared with first-time buyers, repeat buyers were more likely to only interview one agent (71 percent) whereas only 64 percent of first-time buyers only interviewed one agent. Twenty-three percent of first-time buyers interviewed two agents before deciding on the one to work with. Buyers typically reached out to their agent by phone (41 percent), in person (21 percent), and by e-mail (15 percent). Agents commonly responded to buyers on a buyer's first attempt of contact.

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 (50 percent).

Factors When Choosing an Agent

- Exhibits 4-16 through 4-20

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

When searching for an agent, buyers are looking for someone who is honest and has integrity, is responsive, has knowledge of the purchase process, and who has knowledge of the real estate market. Having an honest agent with integrity was the most important to buyers, where 98 percent of respondents considered this very important. Recent buyers also found it very important for their agent to have good communication and negotiation skills. Unmarried couples more than any other household composition considered it very important for their agent to have skills with technology at 57 percent.

Overall, 75 percent of buyers felt that it was important that their agent call them personally to inform them of any activity. It was important for buyers that agents send postings as soon as a property is listed, the price changes or goes under contract, and that they are able to communicate with their agent through text message.

Satisfaction with Agent

- Exhibits 4-21 through 4-23

In general, buyers were very satisfied with their real estate agent's skill and qualities, with nine in ten buyers saying that they were very satisfied with their agent's knowledge of the real estate market, knowledge of the purchase process, honesty and integrity and responsiveness. When asked if they would use their real estate agent again or recommend them to others, 88 percent of buyers would at least probably recommend their agent to others. Buyers have typically already recommended their agent once since purchasing their home.

EXHIBIT 4-1 METHOD OF HOME PURCHASE, 1981-2016

(Percentage Distribution)

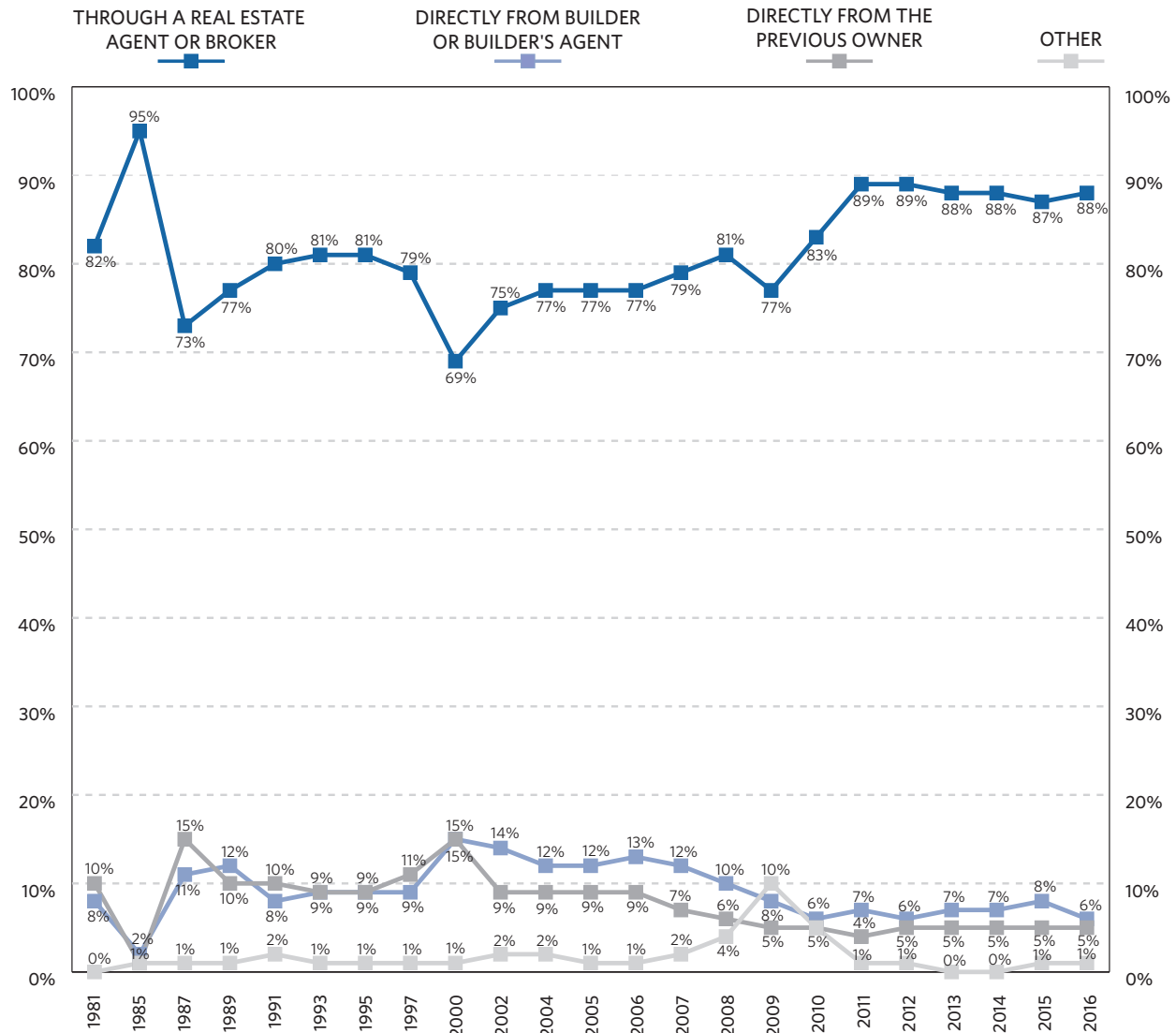


EXHIBIT 4-2 METHOD OF HOME PURCHASE, BY REGION

(Percentage Distribution)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Through a real estate agent or broker	88%	92%	90%	86%	89%
Directly from builder or builder's agent	6	2	4	7	8
Directly from the previous owner	5	5	6	6	3
Knew previous owner	2	3	3	2	2
Did not know previous owner	3	2	3	4	1

EXHIBIT 4-3 METHOD OF HOME PURCHASE, NEW AND PREVIOUSLY OWNED HOMES*(Percentage Distribution)*

BUYERS OF

	All Buyers	New Homes	Previously Owned Homes
Through a real estate agent or broker	88%	60%	93%
Directly from builder or builder's agent	6	39	*
Directly from the previous owner	5	*	6
Knew previous owner	2	*	3
Did not know previous owner	3	*	3

*Less than 1 percent

EXHIBIT 4-4 METHOD OF HOME PURCHASE, BY ADULT COMPOSITION OF HOUSEHOLD*(Percentage Distribution)*

ADULT COMPOSITION OF HOUSEHOLD

	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Through a real estate agent or broker	88%	88%	89%	89%	92%	89%
Directly from builder or builder's agent	6	7	6	4	4	4
Directly from the previous owner	5	5	5	6	2	6
Knew previous owner	2	2	2	4	2	2
Did not know previous owner	3	3	3	2	1	4

EXHIBIT 4-5 AGENT REPRESENTATION DISCLOSURE, FIRST-TIME AND REPEAT BUYERS*(Percentage Distribution)*

Disclosure Statement Signed?	All Buyers	First-time Buyers	Repeat Buyers
Yes, at first meeting	29%	25%	31%
Yes, when contract was written	21	19	22
Yes, at some other time	12	13	11
No	20	23	19
Don't know	19	21	17

EXHIBIT 4-6 BUYER REPRESENTATIVE ARRANGEMENT WITH AGENT, FIRST-TIME AND REPEAT BUYERS*(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
Yes, a written arrangement	42%	37%	44%
Yes, an oral arrangement	16	18	15
No	29	26	30
Don't know	14	19	11

EXHIBIT 4-7 HOW REAL ESTATE AGENT WAS COMPENSATED

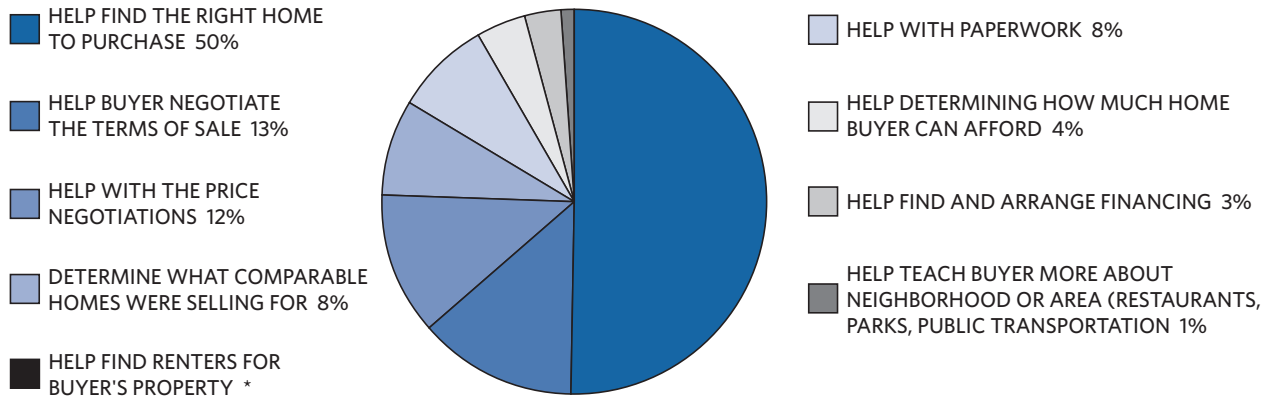
(Percentage Distribution)

	All Types of Representation	TYPE OF AGENT REPRESENTATION	
		Buyer Only	Seller or Seller and Buyer
Paid by seller	57%	56%	58%
Paid by buyer and seller	12	10	13
Paid by buyer only	20	19	22
Percent of sales price	16	18	15
Flat fee	1	1	1
Other	*	*	*
Don't know	*	2	2
Other	*	2	2
Don't know	2	13	7

*Less than 1 percent

EXHIBIT 4-8 WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS

(Percentage Distribution)



* Less than 1 percent

EXHIBIT 4-9**WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES***(Percentage Distribution)*

	BUYERS OF				
	All Buyers	First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Help find the right home to purchase	50%	50%	50%	46%	51%
Help buyer negotiate the terms of sale	13	12	14	13	13
Help with the price negotiations	12	12	11	12	12
Determine what comparable homes were selling for	8	6	8	11	7
Help with paperwork	8	7	8	6	8
Help determining how much home buyer can afford	4	6	2	2	4
Help find and arrange financing	3	4	2	3	3
Help teach buyer more about neighborhood or area (restaurants, parks, public transportation)	1	1	1	3	1
Help find renters for buyer's property	*	*	*	1	*
Other	2	1	2	2	2

* Less than 1 percent

EXHIBIT 4-10**WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS, BY ADULT COMPOSITION OF HOUSEHOLD***(Percentage Distribution)*

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Help find the right home to purchase	50%	50%	54%	49%	52%	53%
Help buyer negotiate the terms of sale	13	13	14	9	16	11
Help with the price negotiations	12	11	12	17	11	10
Determine what comparable homes were selling for	8	9	4	10	5	6
Help with paperwork	8	8	6	10	9	5
Help determining how much home buyer can afford	4	3	5	2	3	2
Help find and arrange financing	3	3	3	*	2	6
Help teach buyer more about neighborhood or area (restaurants, parks, public transportation)	1	2	*	*	1	1
Help find renters for buyer's property	*	*	*	*	*	*
Other	2	2	2	3	2	6

* Less than 1 percent

EXHIBIT 4-11 BENEFITS PROVIDED BY REAL ESTATE AGENT DURING HOME PURCHASE PROCESS, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents)

	All Buyers	First-time Buyers	Repeat Buyers
Helped buyer understand the process	61%	80%	51%
Pointed out unnoticed features/faults with property	55	59	53
Negotiated better sales contract terms	47	49	46
Provided a better list of service providers (e.g. home inspector)	39	39	38
Improved buyer's knowledge of search areas	43	47	41
Negotiated a better price	36	39	35
Shortened buyer's home search	29	30	28
Provided better list of mortgage lenders	22	26	20
Expanded buyer's search area	21	24	19
Narrowed buyer's search area	15	14	15
None of the above	6	4	7
Other	2	1	2

EXHIBIT 4-12 HOW BUYER FOUND REAL ESTATE AGENT, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

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

*Less than 1 percent

EXHIBIT 4-13 HOW BUYER FOUND REAL ESTATE AGENT, BY ADULT COMPOSITION OF HOUSEHOLD*(Percentage Distribution)*

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Referred by (or is) a friend, neighbor or relative	42%	40%	47%	45%	49%	36%
Used agent previously to buy or sell a home	11	12	11	16	5	11
Website (without a specific reference)	9	10	8	7	7	12
Referred by another real estate agent/broker	6	5	5	3	6	10
Visited an open house and met agent	4	6	6	5	5	11
Saw contact information on For Sale/Open House sign	5	5	4	5	3	2
Personal contact by agent (telephone, e-mail, etc.)	3	4	4	3	2	2
Referred through employer or relocation company	3	3	1	2	3	*
Walked into or called office and agent was on duty	2	2	2	2	3	4
Mobile or tablet application	1	1	1	*	2	2
Newspaper, Yellow Pages or home book ad	*	*	1	*	*	*
Advertising specialty (calendar, magnet, etc.)	*	*	*	1	1	*
Direct mail (newsletter, flyer, postcard, etc.)	*	*	1	*	*	*
Crowdsourcing through social media/knew the person through social media	*	*	*	1	*	*
Saw the agent's social media page without a connection	*	*	*	*	1	2
Other	11	10	11	11	13	8

*Less than 1 percent

EXHIBIT 4-14 HOW MANY TIMES BUYER CONTACTED AGENT BEFORE RECEIVED RESPONSE AND ORIGINAL FORM OF CONTACT*(Median, Percentage Distribution)*

Phone call	41%
Talked to them in person	21
E-mail	15
Ask a friend to put me in touch	9
Inquiry for more information through 3rd party website	6
Text message	4
Through agent's website	2
Social Media (FaceBook, Twitter, LinkedIn, etc.)	2
Number of Times Contacted (median)	1

EXHIBIT 4-15 NUMBER OF REAL ESTATE AGENTS INTERVIEWED BY FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

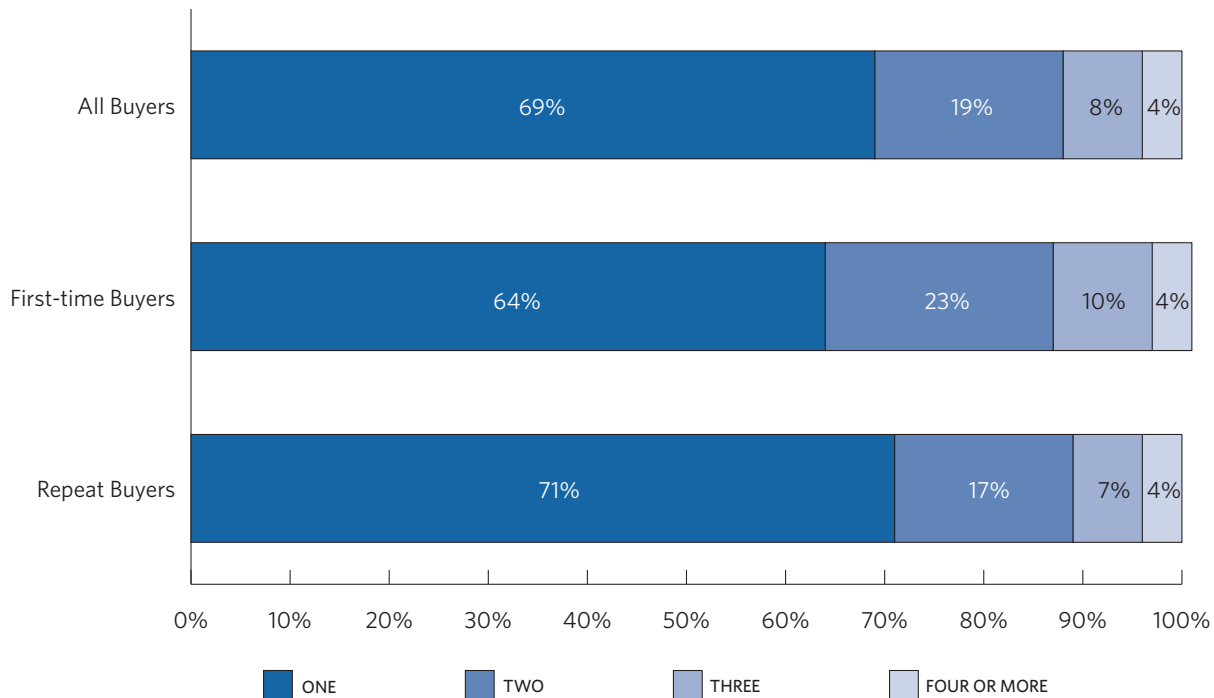
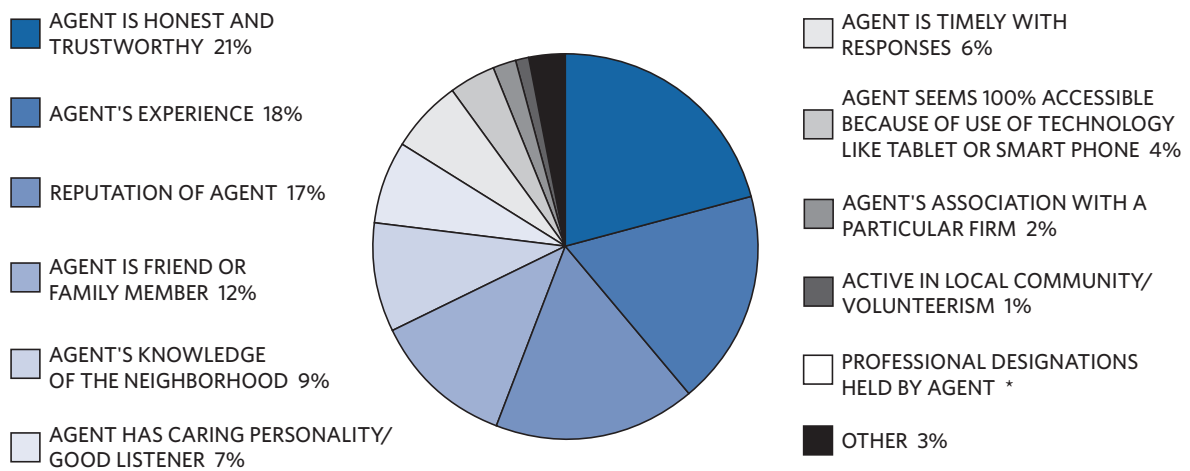


EXHIBIT 4-16 MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT

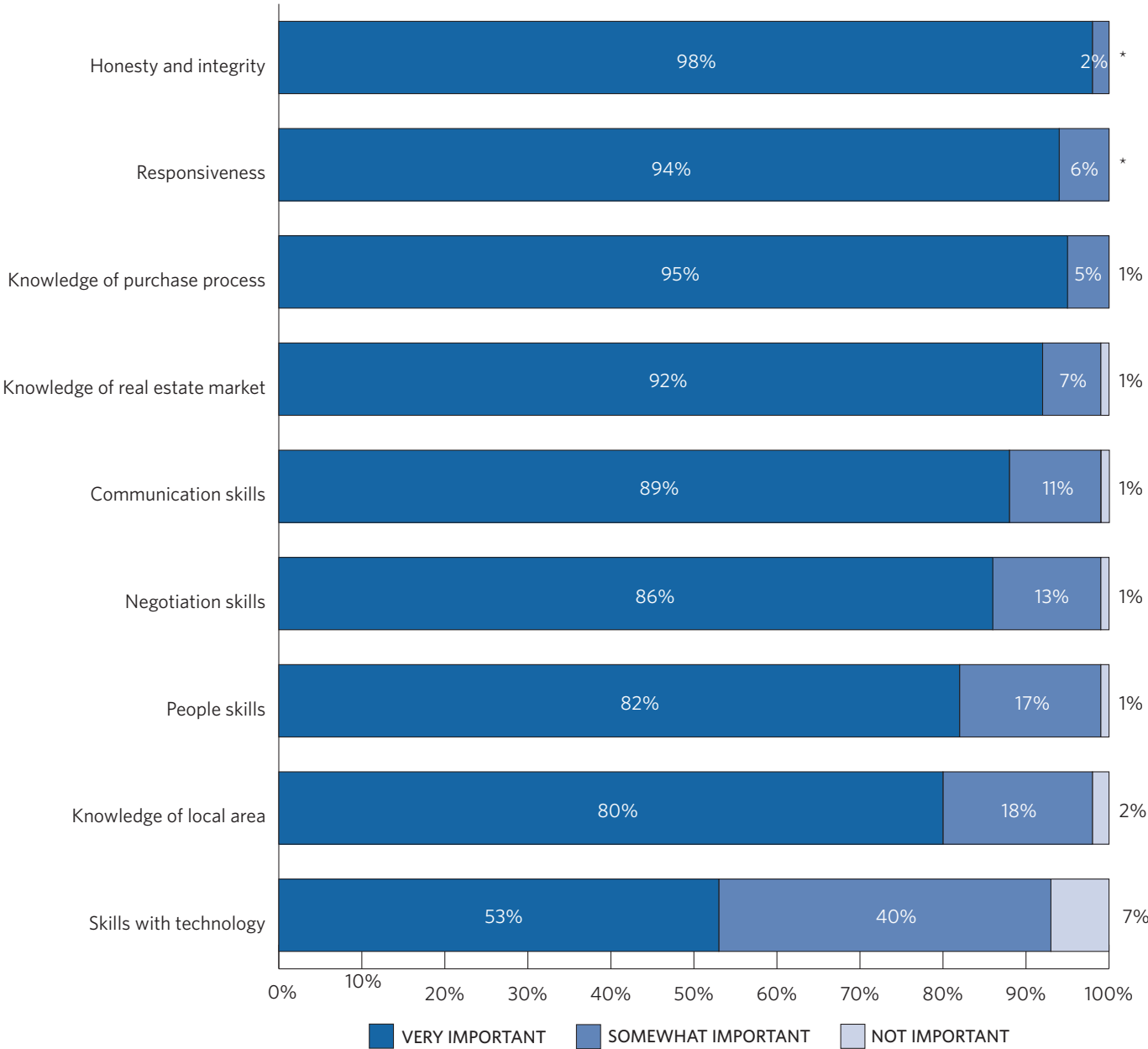
(Percentage Distribution)



* Less than 1 percent

EXHIBIT 4-17 IMPORTANCE OF REAL ESTATE AGENT SKILLS AND QUALITIES

(Percentage Distribution)



* Less than 1 percent

EXHIBIT 4-18 AGENT SKILLS AND QUALITIES CONSIDERED "VERY IMPORTANT" BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percent of Respondents)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Honesty and integrity	98%	97%	98%	98%	98%
Knowledge of purchase process	94	97	94	95	95
Responsiveness	95	93	95	91	94
Knowledge of real estate market	92	91	93	92	93
Communication skills	89	90	88	86	89
Negotiation skills	86	88	85	83	87
People skills	82	83	81	84	82
Knowledge of local area	80	77	82	82	80
Skills with tecóology	53	54	52	58	53

EXHIBIT 4-19 AGENT SKILLS AND QUALITIES CONSIDERED "VERY IMPORTANT" BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage of Respondents)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Honesty and integrity	98%	98%	98%	97%	96%	96%
Knowledge of purchase process	94	94	96	93	95	90
Responsiveness	95	95	95	91	93	90
Knowledge of real estate market	92	93	94	91	89	88
Communication skills	89	88	92	85	87	91
Negotiation skills	86	86	88	86	89	80
People skills	82	82	85	76	81	78
Knowledge of local area	80	91	91	91	72	79
Skills with tecóology	53	53	55	52	57	54

EXHIBIT 4-20 IMPORTANCE OF AGENT COMMUNICATIONS

(Percent of Respondents)

	All Buyers	First-time Buyers	Repeat Buyers
Calls personally to inform of activities	75%	75%	76%
Sends postings as soon as a property is listed/the price changes/under contract	73	71	73
Sends property info and communicates via text message	62	65	60
Sends emails about specific needs	47	47	47
Can send market reports on recent listings and sales	55	50	58
Has a website	35	33	36
Has a mobile site to show properties	33	32	33
Is active on social media	10	11	10
Sends an email newsletter	9	10	8
Advertises in newspapers	5	3	5
Has a blog	1	2	1

EXHIBIT 4-21 SATISFACTION WITH REAL ESTATE AGENT SKILLS AND QUALITIES

(Percentage Distribution)

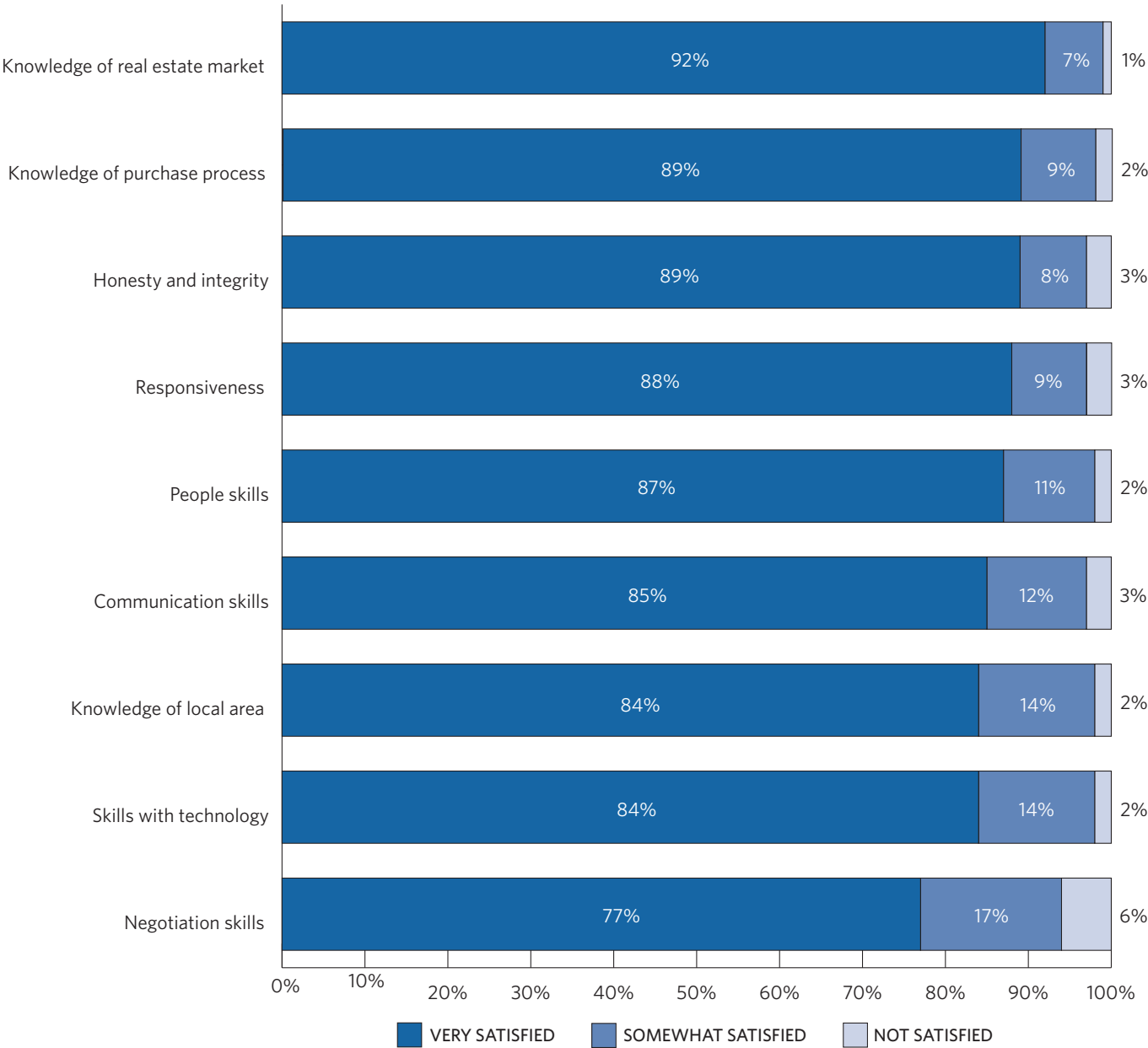


EXHIBIT 4-22 WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

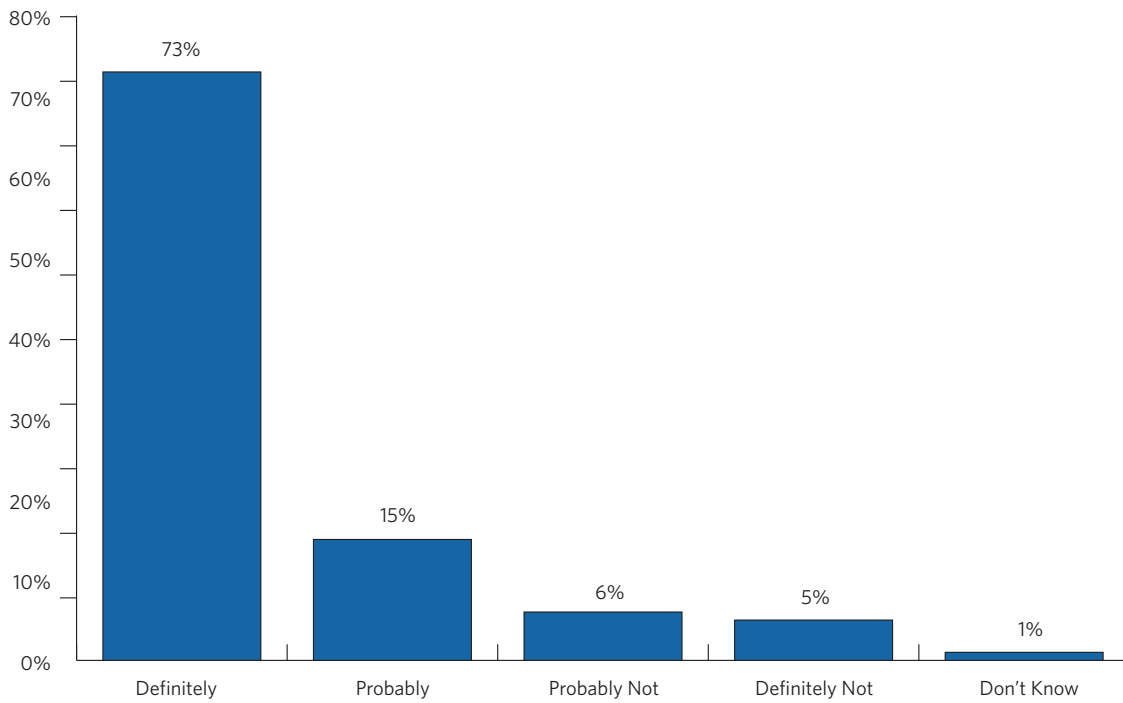


EXHIBIT 4-23 HOW MANY TIMES BUYER RECOMMENDED AGENT

(Percentage Distribution)

All Buyers	
None	35%
One time	15
Two times	21
Three times	10
Four or more times	19
Times recommended since buying (median)	1

CHAPTER 5:

Financing the Home Purchase

To help celebrate NAR's 35th anniversary of the *Profile of Home Buyers and Sellers* report, we take a look at financing over three decades. While many share the desire to own their own home, financing the purchase has a variety of obstacles, according to this year's survey responses. NAR has collected data since 1989 on the median downpayment for all buyers, as well as first-time and repeat buyers. Eighty-eight percent of all buyers financed their homes last year and, consistent with previous years, younger buyers are more likely to finance their home purchase.

In 2016, the median downpayment was 10 percent for all buyers, six percent for first-time buyers, and 14 percent for repeat buyers. The median downpayment has decreased over time. To compare to this trend, in 1989 the median downpayment for all buyers was 20 percent, 10 percent for first-time buyers, and 23 percent for repeat buyers. Between 1991 and 1999, the median downpayment was closer to 10 percent for all buyers, peaking back up to 18 percent in 2001. In 2006 to 2008, the median downpayment was nine percent followed by eight percent in 2009 and 2010. For all buyers, the median downpayment has remained steady at 10 percent for the last four years in a row.

For repeat buyers, the median downpayment was near 20 percent through 2005, with a peak at its highest percent of downpayment at 25 percent in 2001. By 2006, it decreased to 16 percent downpayment and is now at 14 percent. For first-time buyers, the median downpayment has been 10 percent or below since 1989. The downpayment dropped to its lowest point in 2005 and 2006 at just two percent. The median downpayment among first-time buyers increased to six percent in 2014 where it has stayed for the last three years.

Savings remain a key source of the downpayment for home buyers, both for first-time and repeat buyers alike. Sixty-one percent of recent home buyers used their savings to finance their home purchase, nearly flat from 60 percent last year. Overall, this is still above the historical norm of 55 percent since 2000. For all buyers who saved for a downpayment, 40 percent saved in less than six months, which is down from 46 percent last year. Sixty percent of buyers did not need to make any financial sacrifices to purchase their home, up from 54 percent last year. For those who did, the most common sacrifices buyers reported making were cuts in spending on luxury goods, entertainment, and clothes shopping.

While the share of home buyers (36 percent in 2016) who reported that the process of obtaining a mortgage is more difficult than expected was considerably higher in the 2009 and 2010 reports, it has steadily decreased in the last few years. Conventional financing was the most common mortgage type, followed by FHA loans again this year.

Buyers Who Financed Their Home

■ Exhibits 5-1 through 5-4

Eighty-eight percent of all buyers financed their homes last year, up from 86 percent the year prior. Consistent with previous years, younger buyers are more likely to finance their home purchase. Ninety-eight percent of buyers aged 18 to 44 years old financed, whereas only 63 percent of buyers over the age of 65 years financed their home.

First-time home buyers were more likely to finance their home at 96 percent compared to repeat buyers at 84 percent. Nearly all unmarried couples that were first-time home buyers financed their homes compared to only 77 percent of single female repeat buyers.

Fourteen percent of buyers, the same as the last two years, financed 100 percent of the entire purchase price with a mortgage. The median percent financed for first-time buyers was 94 percent compared to 86 percent for repeat buyers, which was consistent with last year.

In 2016, the median downpayment was 10 percent for all buyers, six percent for first-time buyers, and 14 percent for repeat buyers. In 1989, the median downpayment for all buyers was 20 percent, 10 percent for first-time buyers, and 23 percent for repeat buyers.

Sources of Downpayment

■ Exhibits 5-5 through 5-8

Sixty-one percent of recent home buyers used their savings for their downpayment, nearly flat from 60 percent last year. Overall, this is still above the historical norm collected in the series of 55 percent since 2000. For all buyers, the proceeds from the sale of a primary residence was the next most commonly cited source of downpayment at 35 percent, down from 38 percent last year. For repeat buyers, savings surpassed proceeds from the sale of a primary residence as the most common downpayment source at 53 percent. The proceeds from the sale of a primary residence came in at a close second at 52 percent, up from 47 percent in 2014 and more than double the 25 percent in 2012, likely due to the increase in property values allowing buyers to use equity from their previous home at higher rates. For first-time buyers, they

cited using savings (76 percent, down from 81 percent last year) and a gift from relative or friend (24 percent).

For all buyers who saved for a downpayment, 40 percent saved in less than six months, down from 46 percent last year. Forty-nine percent of first-time buyers saved for a year or less, down from 51 percent last year, and compared to 60 percent of repeat buyers which is down from 66 percent the year prior.

Unmarried couples surpassed single males with the highest percent of savings used for the downpayment at 70 percent. Seventy-four percent of single males used savings to finance the downpayment in 2015, which declined to 66 percent this year. Married couples and single females were the most likely to save for a downpayment in less than six months (41 percent). Married couples and single females were the most likely to use proceeds from the sale of a primary home (41 percent and 33 percent respectively).

Expenses that Delayed Saving for a Downpayment or Home Purchase

■ Exhibits 5-9 through 5-11

Over one-fifth of buyers (22 percent) were delayed in purchasing a home by more than five years if they had debt that impeded them. The median length of time buyers waited to buy a home while saving for the downpayment was three years. Buyers were asked what difficulties they encountered in their home search and home buying process. The share that cited their most difficult step in the home buying process was saving for a downpayment was 13 percent again this year. These buyers were asked what expenses made saving for a downpayment difficult. Forty-nine percent of all buyers reported student loans (down from 51 percent), 40 percent credit card debt (down from 47 percent), and 34 percent car loans.

For first-time home buyers, 26 percent said saving for a downpayment was the most difficult step in the process. Of that share, 55 percent said student loan debt delayed them in saving for a home. Among the six percent of repeat buyers who reported that saving for a downpayment was the most difficult task, 49 percent reported credit card debt delayed them in saving for a home (up from 46 percent). Eighteen percent of unmarried couples reported saving for a

downpayment was the most difficult task in the home buying process (down from 23 percent last year). Of that 18 percent, 62 percent reported student loans delayed their saving (up from 51 percent last year) and 49 percent report car loans delayed their savings, down from 53 percent last year.

Sacrifices Made to Purchase Home

- Exhibits 5-12 and 5-13

Some buyers chose to make financial sacrifices in order to make a home purchase. Sixty percent of buyers did not need to make any sacrifices, up from 54 percent last year. For all buyers, the most common sacrifices reported were a cut in spending on luxury or non-essential items (29 percent), a cut in spending on entertainment (22 percent), and a cut in spending on clothes (17 percent). First-time buyers were more likely to make sacrifices than repeat buyers—56 percent compared to 32 percent made sacrifices. Single females and unmarried couples reported making the most financial sacrifices.

Difficulty of Mortgage Application and Approval Process and Sold a Distressed Property

- Exhibits 5-14 through 5-18

Fourteen percent of buyers said the mortgage application process was more difficult than expected and 20 percent said it was easier than expected. Forty-three percent of buyers said that the mortgage application and approval process was no more difficult than expected. Twenty-seven percent of first-time buyers said that the mortgage application and approval process was somewhat more difficult than expected, compared to 21 percent of repeat buyers. Single females and unmarried couples were more likely to report the process was easier than expected for them.

Five percent of successful home buyers did have a mortgage application rejected from a mortgage lender before securing a mortgage. They typically had a median of one rejection. The most common reasons for the buyer reporting they were rejected were because of their debt to income ratio (15 percent), low credit score (14 percent), or because their income was unable to be verified (6 percent).

Twenty-seven percent of all buyers reported having student loan debt. That number jumps to 40 percent for first-time buyers and drops to 19 percent for repeat buyers. The median amount of student loan debt for all buyers was \$25,000, \$26,000 for first-time buyers and \$24,200 for repeat buyers.

Nine percent of recent buyers had a distressed property sale in the past—either a short sale or a foreclosure—and the typical year for a distressed sale was in 2011.

Type of Mortgage Loan

- Exhibits 5-19 and 5-20

Ninety-two percent of all buyers used a fixed rate mortgage. Fifty-nine percent of buyers chose a conventional loan to finance their home, consistent with last year. Twenty-four percent of buyers reported securing a FHA loan and 12 percent chose a VA loan. First-time buyers sought FHA loans more commonly than repeat buyers at 33 percent compared to 18 percent. Repeat buyers largely used conventional loans at 65 percent.

Buyers' View of Homes as a Financial Investment

- Exhibits 5-21 and 5-22

Buyers continue to see purchasing a home as a good financial investment. Eighty-two percent (up from 80 percent last year) reported the view that a home purchase is a good investment and 47 percent said it was better than owning stock. Only six percent reported that it was not a good financial investment, consistent with last year. Eighty-three percent of first-time buyers see owning a home as a sound financial endeavor compared to 80 percent of repeat buyers. Single males are most likely to feel their home is a good financial investment at 86 percent.

EXHIBIT 5-1

BUYERS WHO FINANCED THEIR HOME PURCHASE, BY AGE

(Percent of Respondents)

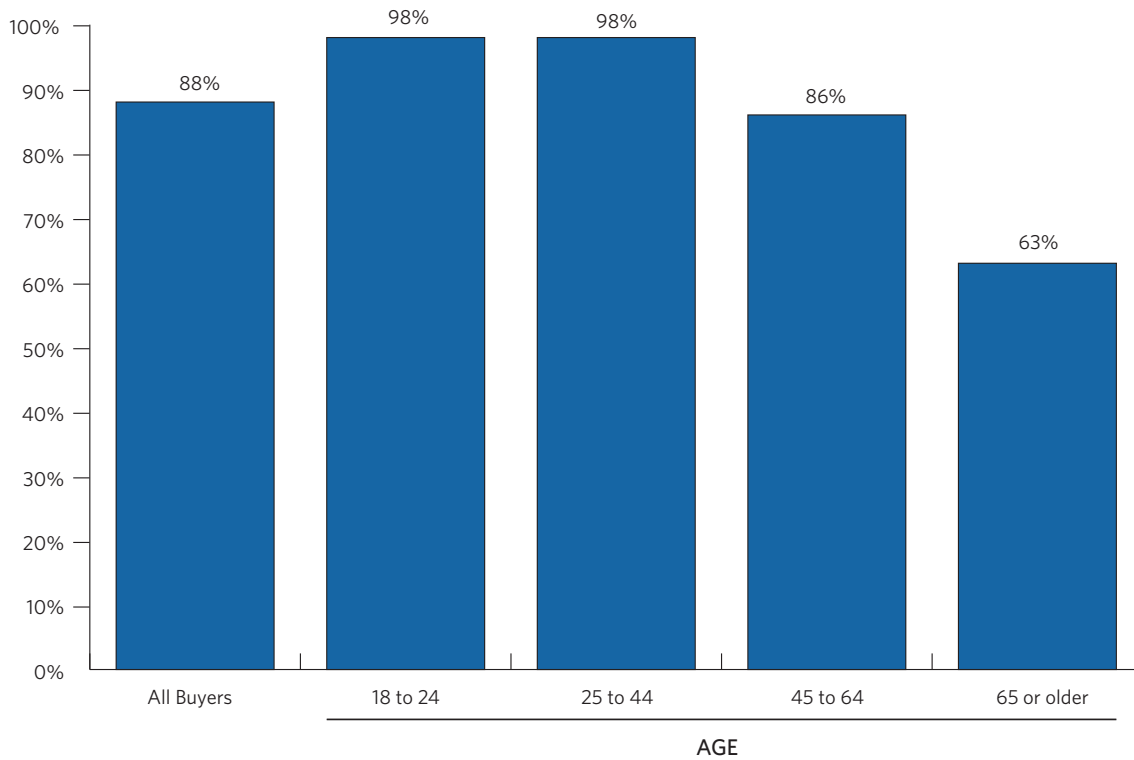


EXHIBIT 5-2

BUYERS WHO FINANCED THEIR HOME PURCHASE, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD					
	All buyers	Married couple	Single female	Single male	Unmarried couple	Other
All Buyers	88%	88%	83%	87%	95%	90%
First-time Buyers	96	96	94	95	99	90
Repeat Buyers	84	85	77	82	88	89

EXHIBIT 5-3

PERCENT OF HOME FINANCED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	BUYERS OF				
	All Buyers	First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Less than 50%	9%	8%	10%	13%	8%
50% to 59%	4	2	5	4	3
60% to 69%	4	2	6	6	4
70% to 79%	11	7	14	13	11
80% to 89%	23	20	25	21	24
90% to 94%	14	15	13	11	14
95% to 99%	21	29	16	21	21
100%—Financed the entire purchase price with a mortgage	14	17	11	10	14
Median percent financed	90%	94%	86%	87%	90%

EXHIBIT 5-4

MEDIAN PERCENT DOWNPAYMENT BY FIRST-TIME AND REPEAT BUYERS, 1989-2016

(Medians)

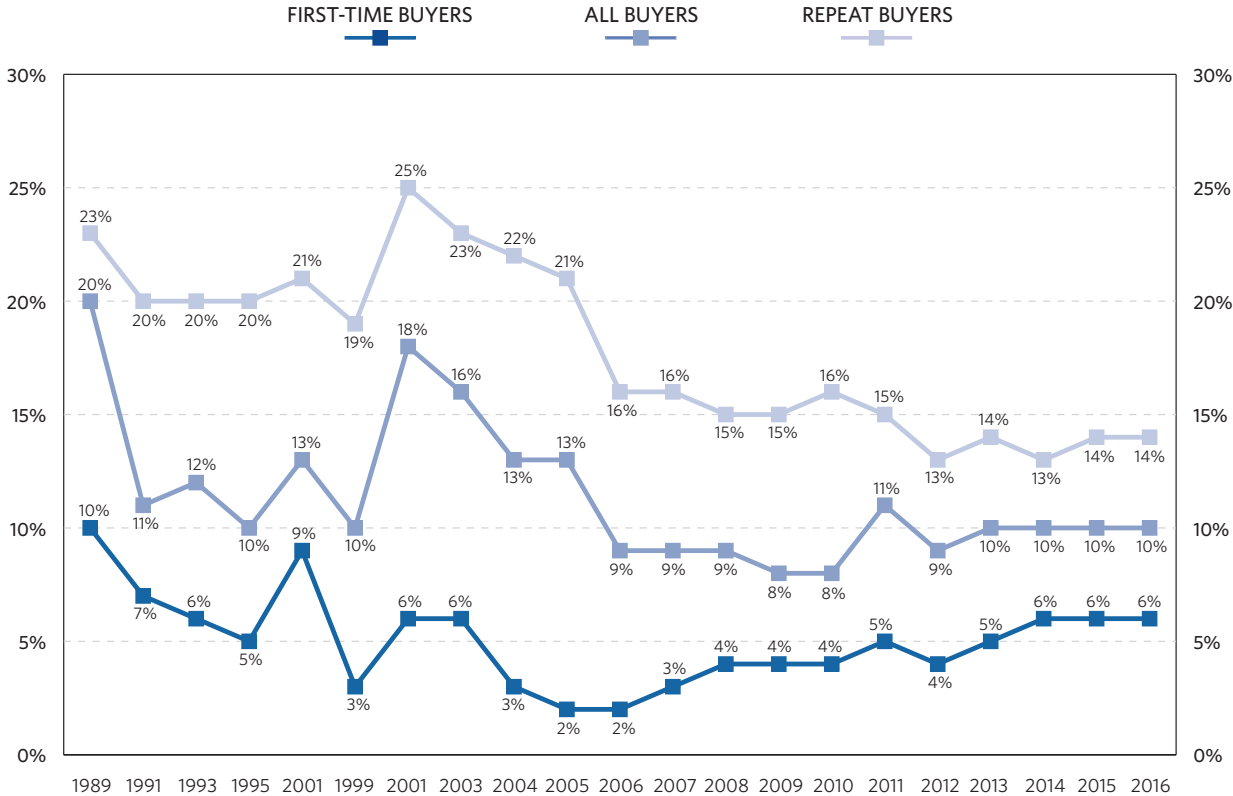


EXHIBIT 5-5 SOURCES OF DOWNPAYMENT, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Those Who Made a Downpayment)

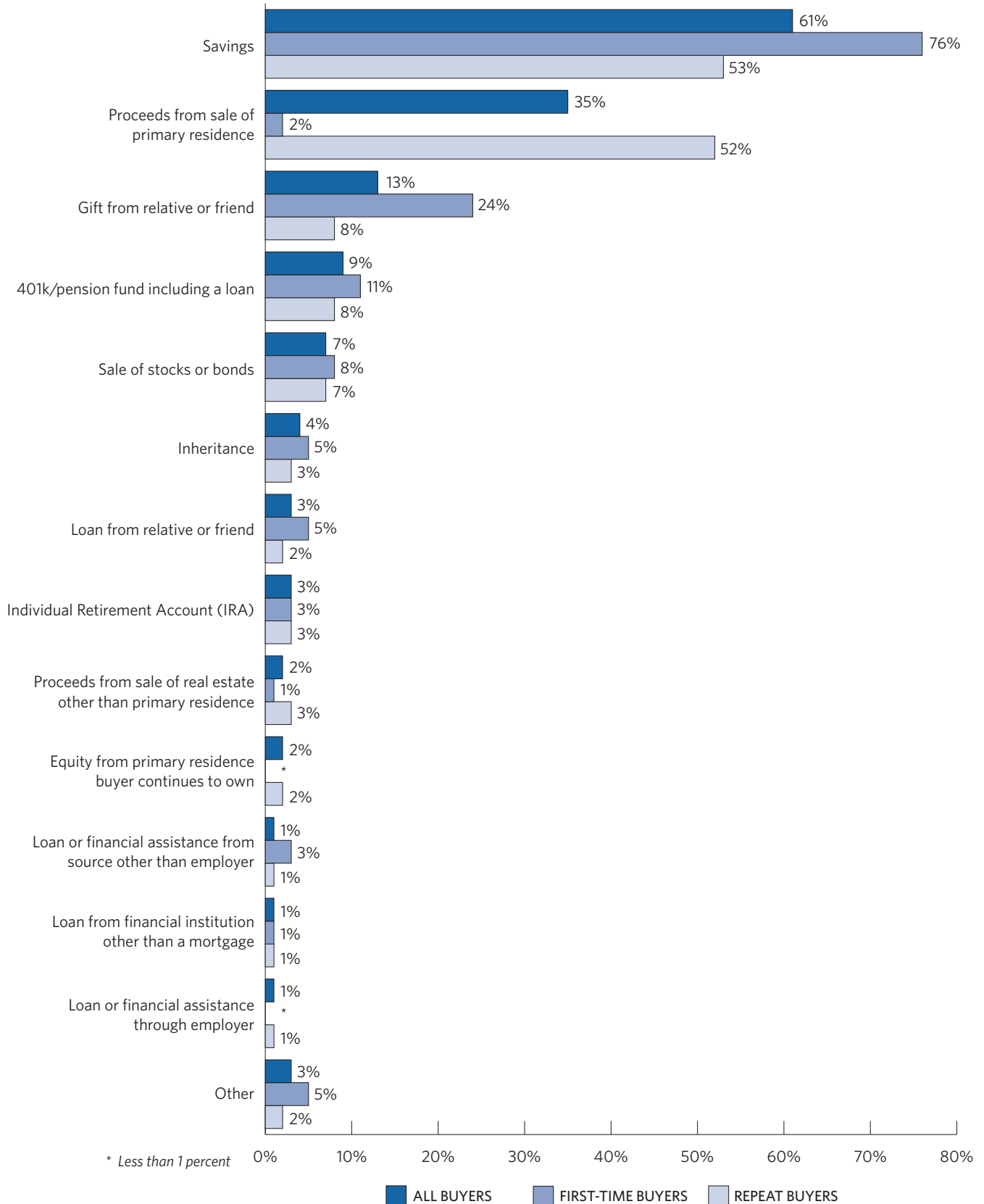


EXHIBIT 5-6

SOURCES OF DOWNPAYMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents Among Those Who Made a Downpayment)

ADULT COMPOSITION OF HOUSEHOLD

	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Savings	61%	60%	52%	66%	70%	61%
Proceeds from sale of primary residence	35	41	33	23	17	32
Gift from relative or friend	13	13	13	12	18	12
401k/pension fund including a loan	9	8	10	7	12	13
Sale of stocks or bonds	7	7	6	5	8	8
Inheritance	4	3	5	2	9	9
Loan from relative or friend	3	3	3	1	3	2
Individual Retirement Account (IRA)	3	3	4	3	2	6
Proceeds from sale of real estate other than primary residence	2	2	2	2	2	1
Equity from primary residence buyer continues to own	2	2	1	2	*	2
Loan or financial assistance from source other than employer	1	1	4	3	*	2
Loan from financial institution other than a mortgage	1	1	1	1	*	*
Loan or financial assistance through employer	1	1	*	2	*	*
Other	3	3	4	5	3	2

* Less than 1 percent

EXHIBIT 5-7

LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Those Who Made a Downpayment)

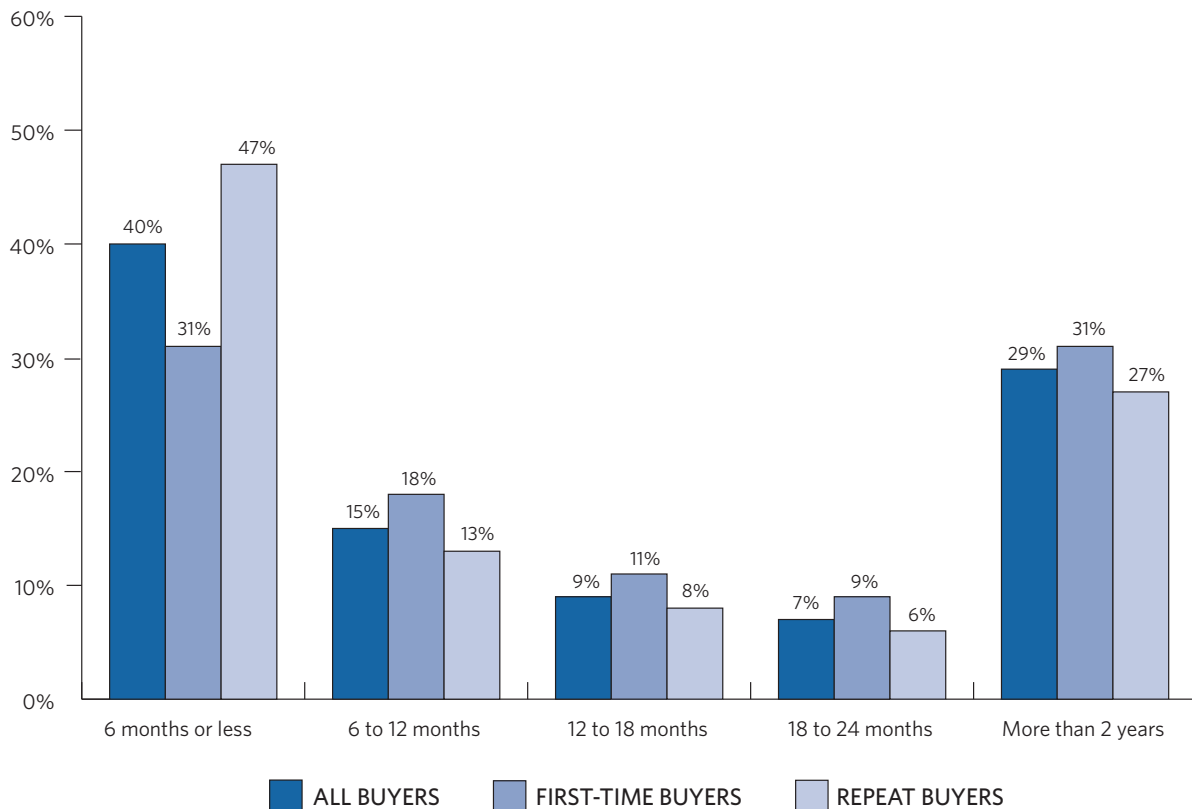


EXHIBIT 5-8 LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents Among Those Who Made a Downpayment)

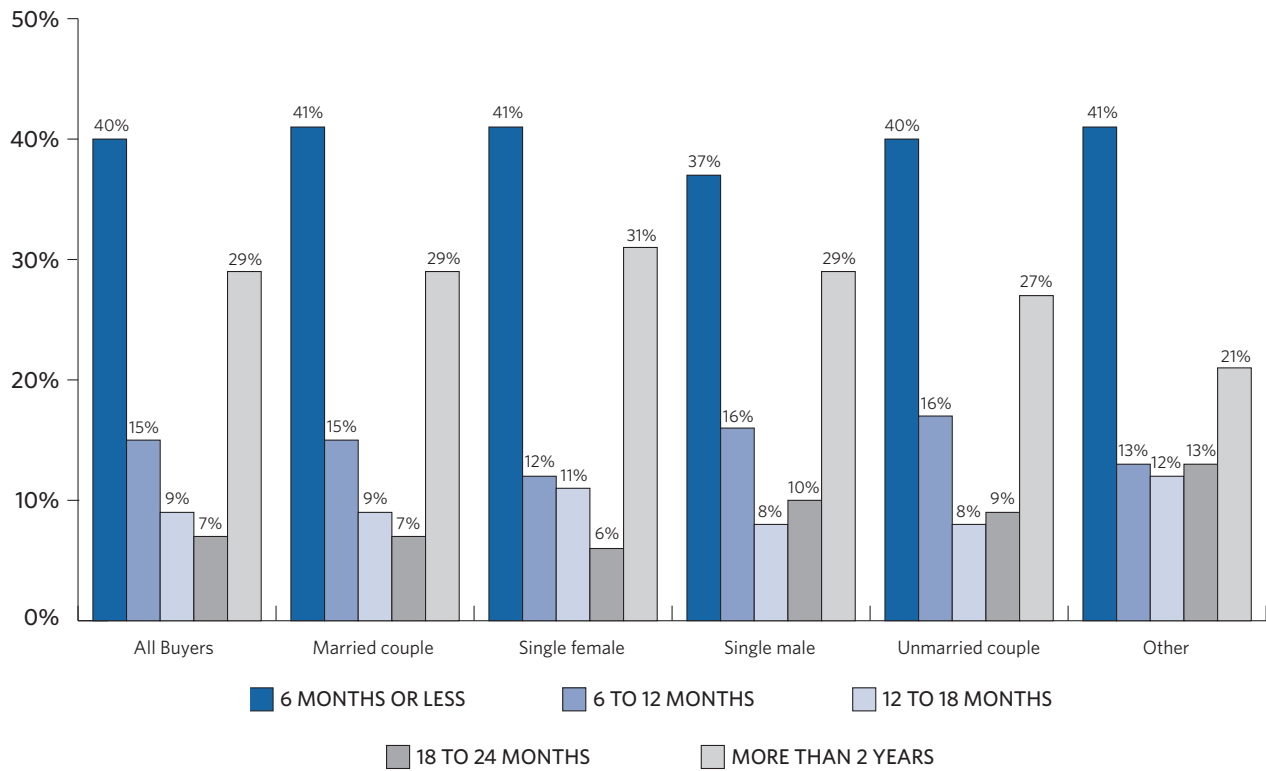


EXHIBIT 5-9 YEARS DEBT DELAYED HOME BUYERS FROM SAVING FOR A DOWNPAYMENT OR BUYING A HOME

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
One year	17%	16%	20%
Two years	21	20	23
Three years	17	17	16
Four years	7	7	8
Five years	16	16	15
More than five years	22	24	16
Median	3	3	3

EXHIBIT 5-10 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%	26%	6%
Debt that Delayed Saving:			
Student Loans	49%	55%	36%
Credit card debt	40	36	49
Car loan	34	35	29
Child care expenses	18	14	26
Health care costs	14	15	10
Other	15	11	23
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	3	3	3

EXHIBIT 5-11 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%	13%	12%	13%	18%	11%
Debt that Delayed Saving:						
Student Loans	49%	50%	51%	27%	62%	20%
Credit card debt	40	44	38	41	24	20
Car loan	34	29	34	34	49	60
Child care expenses	18	25	10	*	6	30
Health care costs	14	15	15	21	7	*
Other	15	13	24	17	16	33
Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving	3	3	5	3	2	2

* Less than 1 percent

EXHIBIT 5-12 SACRIFICES MADE TO PURCHASE HOME, BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents)

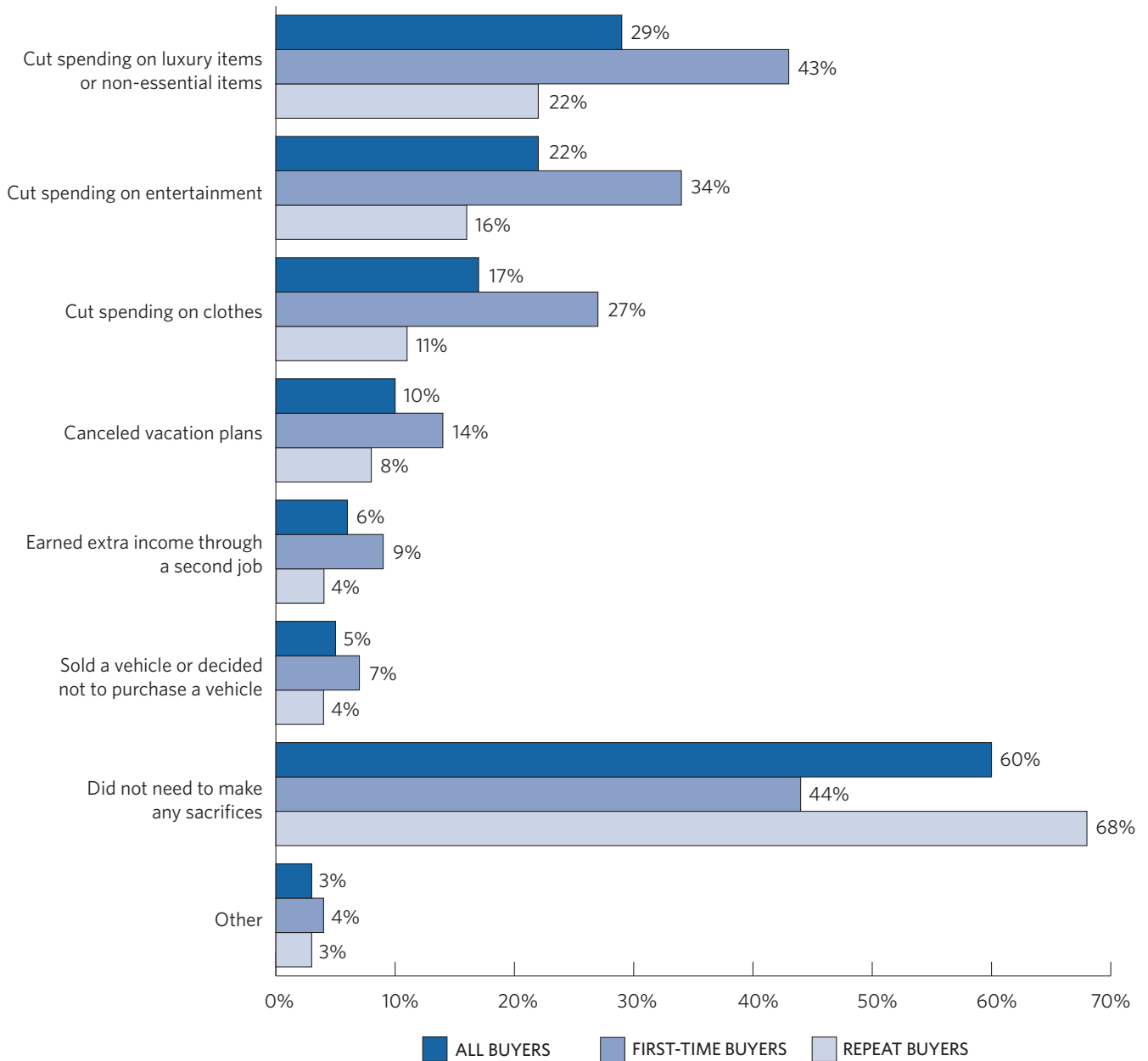


EXHIBIT 5-13 SACRIFICES MADE TO PURCHASE HOME, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents)

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Cut spending on luxury or non-essential items	29%	27%	31%	31%	36%	29%
Cut spending on entertainment	22	21	23	28	28	21
Cut spending on clothes	17	15	24	15	20	21
Cancelled vacation plans	10	9	8	13	11	21
Earned extra income through a second job	6	5	7	2	6	8
Sold a vehicle or decided not to purchase a vehicle	5	5	3	6	5	8
Paid minimum payments on bills	2	2	2	3	1	6
Did not need to make any sacrifices	60	62	57	59	51	48
Other	3	3	4	3	3	2

EXHIBIT 5-14 DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among Those Who Financed Their Home Purchase)

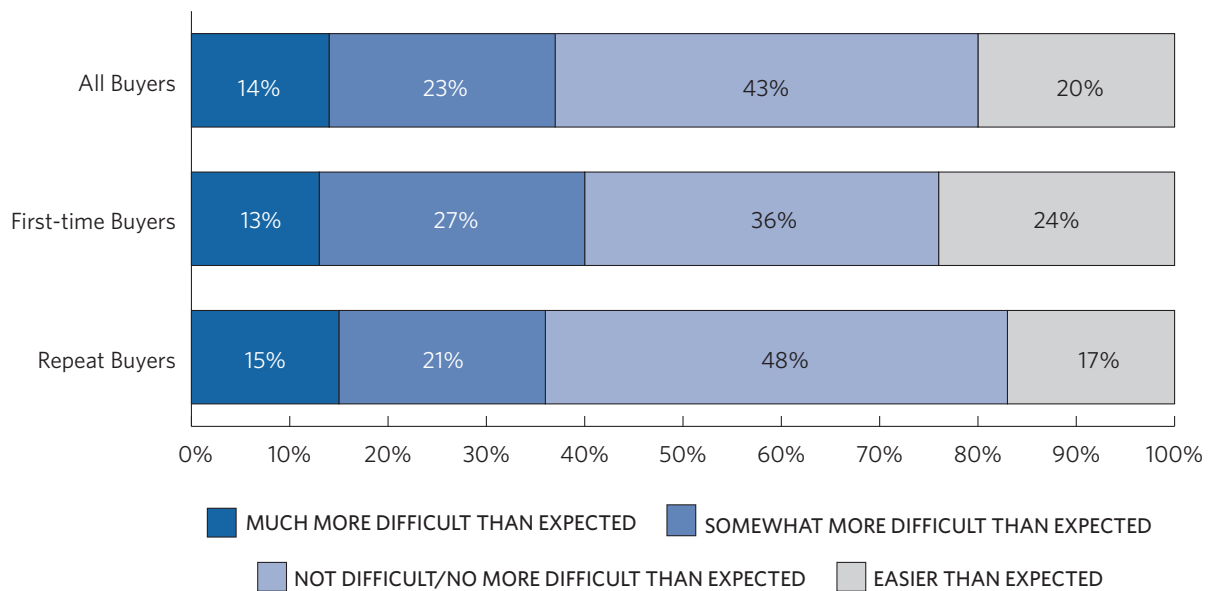


EXHIBIT 5-15 DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution Among Those Who Financed Their Home Purchase)

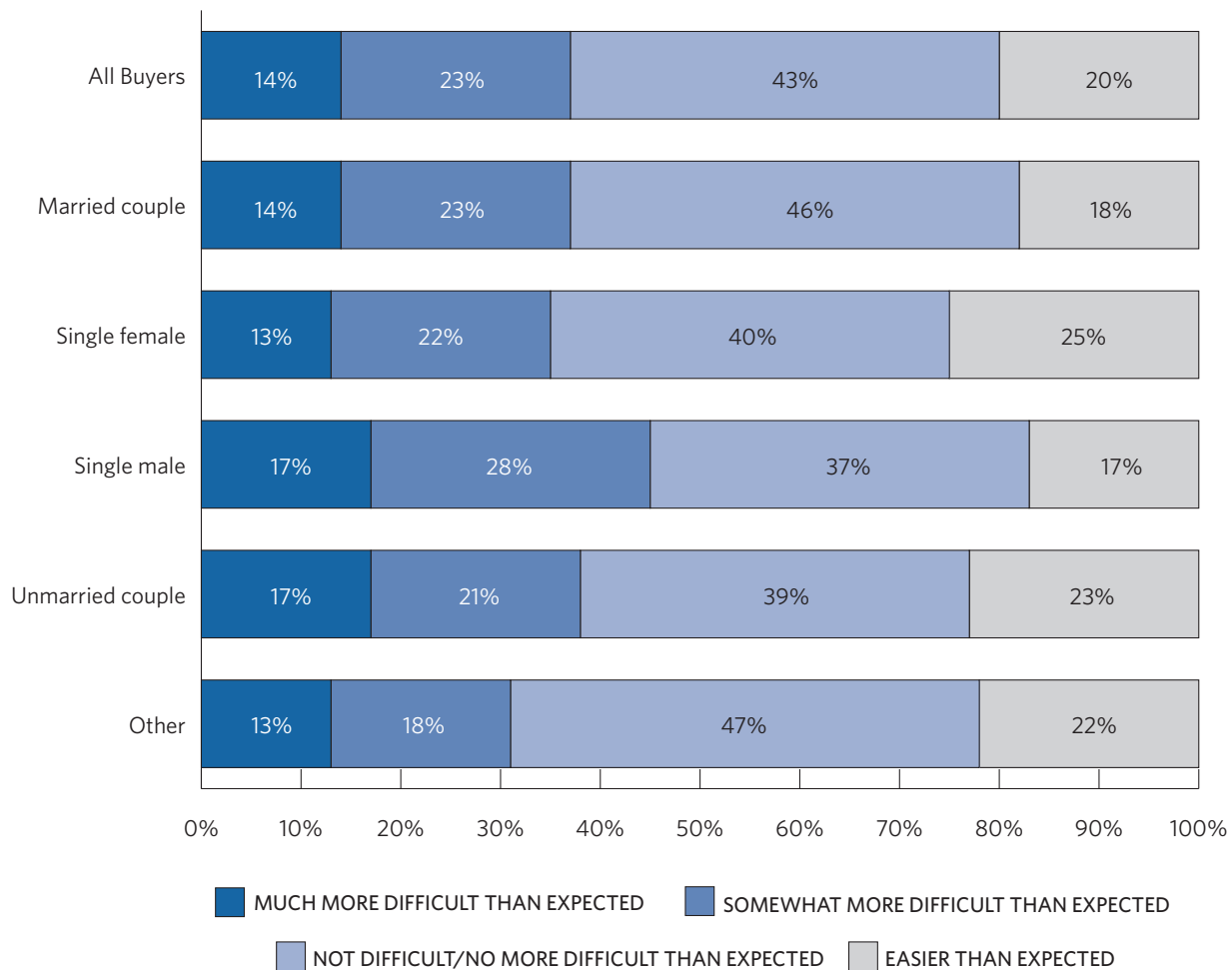


EXHIBIT 5-16 BUYER MORTGAGE APPLICATION HAD BEEN REJECTED FROM MORTGAGE LENDER

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Have had application denied	5%	7%	4%
Median number of times application was denied	1	1	1
Buyer reasons why rejected by mortgage lender			
Debt to income ratio	15%	16%	15%
Low credit score	14	18	11
Income was unable to be verified	6	3	8
Not enough money in reserves	4	4	4
Insufficient downpayment	3	5	2
Too soon after refinancing another property	2	*	4
Other	54	53	55

* Less than 1 percent

EXHIBIT 5-17 BUYERS WHO HAVE STUDENT LOAN DEBT

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Have student loan debt	27%	40%	19%
Under \$10,000	21%	20%	23%
\$10,000 to \$24,999	26	25	28
\$25,000 to \$49,999	23	25	21
\$50,000 to \$74,999	14	14	13
\$75,000 or more	16	16	16
Median amount of student loan debt	\$25,000	\$26,000	\$24,200

EXHIBIT 5-18 BUYER PREVIOUSLY SOLD A DISTRESSED PROPERTY (SHORT SALE OR FORECLOSURE)

(Percentage Distribution)

	All Buyers
Previously had a distressed property sale	9%
Median year of sale	2011

EXHIBIT 5-19 TYPE OF MORTGAGE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among Those Who Financed Their Home Purchase)

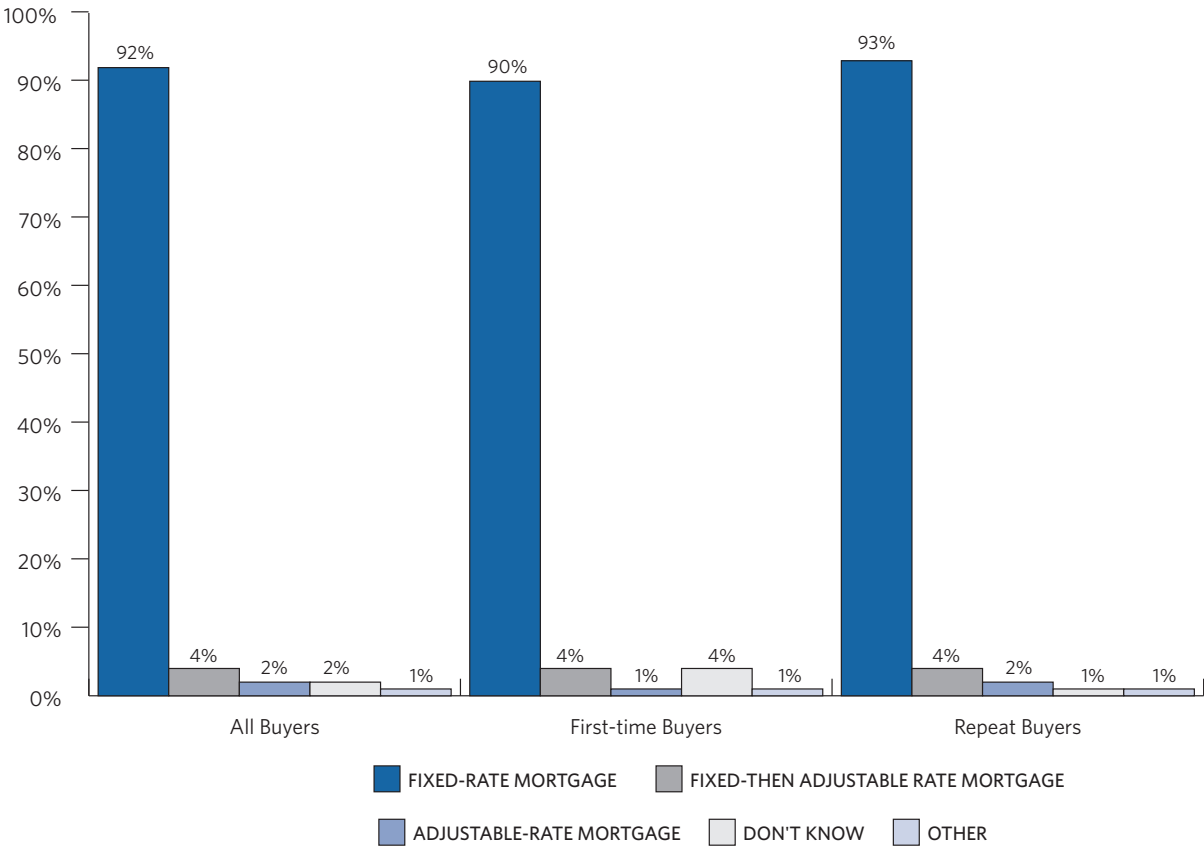


EXHIBIT 5-20 TYPE OF LOAN, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among Those Who Financed Their Home Purchase)

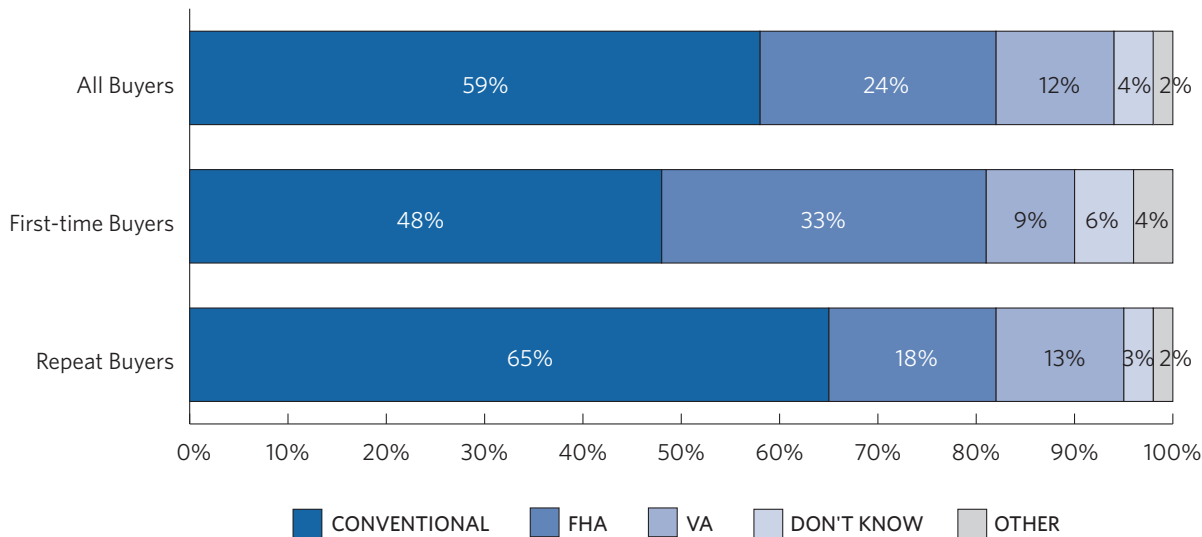


EXHIBIT 5-21 BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	All Buyers	BUYERS OF			
		First-time Buyers	Repeat Buyers	New Homes	Previously Owned Homes
Good financial investment	82%	83%	80%	85%	81%
Better than stocks	47	47	46	49	46
About as good as stocks	25	27	24	27	25
Not as good as stocks	10	9	10	9	10
Not a good financial investment	6	3	8	7	6
Don't know	12	13	12	8	13

EXHIBIT 5-22 BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Good financial investment	82%	82%	80%	86%	84%	69%
Better than stocks	47	46	50	49	44	47
About as good as stocks	25	25	22	28	30	22
Not as good as stocks	10	11	8	9	10	*
Not a good financial investment	6	7	5	6	4	12
Don't know	12	12	16	9	12	19

* Less than 1 percent

CHAPTER 6:

Home Sellers and Their Selling Experience

The *Profile of Home Buyers and Sellers* reaches its 35th anniversary this year, and we celebrate the survey by looking back at how long residents lived in their homes before selling. NAR has collected data on the median tenure in the home since 1985. In 2016, the median tenure for sellers was 10 years. In 1985, the median tenure was just five years. In the last 30 years, sellers have remained in the same home for longer periods of time. From 1987 to 2008, sellers stayed in the home for a median of six years, with the only exception of 1997 when the median tenure bumped up to seven years. After 2008, the median tenure in home began to increase by one year each year. By 2011, the median tenure reached nine years, where it remained for three consecutive years, and jumped up again in 2014 to 10 years. Last year, it decreased to nine years, but rose in 2016 to a median of 10 years, effectively doubling since the data collection started three decades prior.

Tightened inventory continues to cause prices to increase in many areas of the country. While housing inventory is reduced in many areas, sellers see a favorable market where they receive a median of 98 percent of their asking price and sell their homes typically within four weeks.

Increased home prices have lowered the share of home sellers who report they delayed the sale of their home because their home was worth less than their mortgage. That share of sellers dropped from 14 percent in the 2015 report to 12 percent in the 2016 report. However, sellers who purchased their home eight to 10 years ago continue to report stalling their home sale at higher rates—31 percent of sellers reported delaying their home sale.

The typical seller had \$43,100 in equity from their home when their home sold, in comparison to the original purchase price of their home.

Home Seller Characteristics

■ Exhibits 6-1 through 6-6

The typical age of home sellers was 54 this year, the same as the last three years but up from 46 in 2009. The median income in 2015 for the typical household was \$100,700, down from \$104,100 just last year. Incomes in the Northeast and South were typically higher than in the Midwest and West.

The share of married couples selling their home was 76 percent this year, down slightly from 77 percent last year. From 2004 to 2010, the share of married couples selling their homes stayed between 71 and 75 percent. Single females who sold their home gained two percent this year to 14 percent. Of all homes sold on the market, 63 percent did not have children under the age of 18 residing in the home.

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

Home Selling Situation

■ Exhibits 6-7 and 6-8

For repeat buyers, 25 percent sold their home in 2016, 44 percent sold in 2015, and only six percent have not been able to sell yet. Six percent, down from seven last year, do not plan to sell their home. Two-thirds (60 percent) were repeat sellers and 40 percent were first-time home sellers.

Home Sold vs. Home Purchased

■ Exhibits 6-9 through 6-20

The majority of home sellers in the 2016 reported they purchased a home in the same state as they sold a home, at 72 percent. Sixteen percent of home sellers moved to another region of the country, and 12 percent remained in the same region but moved to a nearby state. Half of the homes sold (53 percent) were located in the suburbs or a subdivision. Thirty-nine percent of the homes sold this year were located in the South region, 25 percent were in the West region, and 23 percent were in the Midwest region.

Detached single-family homes account for the largest share of all homes sold (81 percent). Townhome and row houses sold at seven percent and multi-unit apartments or condo buildings sold at seven percent. Townhomes and condos were more common in urban and central city areas at 11 percent and 13 percent respectively.

Forty-six percent of sellers traded up and purchased a home that was larger in size than what they previously owned, 26 percent bought a home that was similar in size, and 29 percent traded down and purchased a home that was smaller in size. For buyers 75 years in age and older, they purchased a smaller home by 200 square feet. For buyers who were 44 years and younger, they purchased a home 600 square feet larger. The typical home had three bedrooms and two bathrooms, the same as in the year prior.

Fifty-six percent of all sellers purchased a home that was newer in age than their previous home. Twenty-five percent purchased a home the same age and 19 percent purchased an older home. Forty-four percent of sellers traded up to purchase a more expensive home than the home they just sold, 32 percent purchased a less expensive home, and 24 percent purchased a home similar in price. Buyers who are 54 and younger typically bought a more expensive home than the one they just sold. Buyers aged 35 to 44 bought the most expensive trade-ups this year by an increase of \$87,500. Buyers aged 55 and over typically bought a less expensive home.

For all sellers, the most commonly cited reason for selling their home was that it was too small (18 percent), followed by the desire to move closer to friends and family (15 percent), and a job relocation (14 percent). For sellers that moved the greatest distances, the primary reason was to relocate for a job. For sellers moving within 10 miles, the most common reason was the home was too small followed by the home was too big, and the neighborhood became less desirable. For first-time sellers, 31 percent said their home was too small and repeat buyers wanted to be closer to friends and family (18 percent).

Seller Stalled Home Sale

- Exhibits 6-21 and 6-22

Twelve percent of recent sellers stalled or delayed their home sale because their home was worth less than their mortgage, down from 14 percent in the year prior. Eighty-seven percent were able to sell when they wanted to. Sixteen percent of first-time buyers stalled, compared to 11 percent for repeat buyers. Thirty-one percent of those who purchased their home eight to 10 years ago reported stalling or waiting to sell the home.

Tenure In Home

- Exhibits 6-23 through 6-25

The median number of years a seller remained in their home was 10 years, up from nine years in 2015. That number is still higher than reported in 1987 to 2008 where the tenure in the home was only six years (with the exception of 1997). The highest tenure in a home was for detached single-family homes, which account for the largest share of homes purchased, where sellers typically lived for 11 years, followed by mobile or manufactured homes which sold typically after 10 years. Sellers who were 18 to 34 years of age had the shortest tenure in their homes—selling within five years, compared to those over 75 years of age who sold their home typically after 17 years. In 1985, the median tenure was just five years, doubling over a 30-year period to 10 years this year.

Distance Moved

- Exhibits 6-26 and 6-27

The purchasing habits of sellers lead them to buy close to where they previously lived, moving no further than 20 miles away. In the Northeast, Midwest, and South regions, sellers also typically moved within 20 miles. This trend varies with age, where younger sellers between 35 and 44 years only move within 13 miles. Sellers of 65 to 74 years moved over 100 miles away 37 percent of the time.

Method of Sale

- Exhibits 6-28 through 6-31

Eighty-nine percent of home sellers worked with a real estate agent to sell their home. The share of FSBO sales was at eight percent again this year, which is lower than the historical norm. From 2001 to 2008, FSBO sales ranged from 12 percent to 14 percent. Working with an agent was highest in the West at 95 percent and lowest in the Midwest at 85 percent. Inversely, FSBO sales were highest in the Midwest at 11 percent and lowest in the West at just three percent (down from six percent last year).

The method of sale tends to differ in conjunction with the relationship between the buyer and seller. If the buyer and seller know each other, the sale can be either an arms-length transaction consistent with local market conditions or it may involve considerations that would be not be relevant in the absence of a prior relationship.

Of all home sellers, only eight percent reported that they knew the buyer of their home. Among those sellers that were assisted by an agent, just four percent knew the buyer. In contrast, 46 percent of FSBO sellers, up from 36, said they knew the buyer of their home before the transaction.

This year, home sellers cited that they sold their homes for a median of \$43,100 more than they purchased it, up from \$40,000 the year prior. This accounts for a 24 percent price gain, up from 23 percent the year before.

Sales Price and Time on the Market

■ Exhibits 6-32 through 6-36

For recently sold homes, the final sales price was a median 98 percent of the final listing price, the same as the year prior. That figure was the same regardless of seller urgency. In the West, the median final sales price was as high as 99 percent of the listing price compared to 97 percent in the Northeast and Midwest regions. For all sellers, time on market was a median of four weeks. In the Northeast, it was a median of six weeks, four weeks in the Midwest and the South, and just three weeks in the West, the same as last year. Time on the market and the ratio of sales price to listing price have a strong relationship; generally, the longer a home is on the market the greater the discount from the listing price upon sale. Homes that were on the market for two weeks or less received a median of 100 percent of their asking price. Twenty-nine percent of sellers who sold their home in less than a week sold for more than the asking price. Homes that were on the market for 17 weeks or more typically received just 93 percent of the sale price compared to the listing price, which is the same as last year. Forty-one percent of sellers reported their home was on the market for two weeks or less.

Homes which are on the market longer tend to reduce their listing price. Ninety-four percent (up from 89 percent last year) of homes that were listed on the market for less than one week did not reduce their asking price. For homes that were listed for three to four weeks, 37 percent reduced their asking price overall and 28 percent reduced the asking price only once. For homes on the market for 17 weeks or more, only 14 percent were sold at the initial asking price, which is up from 13 percent the year before.

NAR has collected data on the median tenure in the home since 1985. In 2016, the median tenure for sellers was 10 years. In 1985, the median tenure was just five years.

Incentives To Prospective Buyers

■ Exhibits 6-37 and 6-38

Thirty-six percent of all sellers offered incentives to attract buyers. This varies by region, and was the most common in the South and Midwest and less likely in the Northeast and West. Home warranty policies followed by assistance with closing costs were the top two listed incentives when selling a home. As to be expected, the longer a home is on the market, the more likely the seller is to add an incentive. For homes that were listed on the market for over 17 weeks, 46 percent (down from 55 percent last year) offered some kind of incentive compared to only 17 percent of homes that were listed for less than one week.

Equity by Tenure

■ Exhibit 6-39

This year, home sellers cited that they sold their homes for a median of \$43,100 more than they purchased it, up from \$40,000 the year prior. This accounts for a 24 percent price gain, up from 23 percent the year before. Generally, the longer a seller is in the home the greater the increase attributable to price appreciation. Sellers who owned their homes for two to seven years, all reported roughly selling their homes for \$30-45,000 more than they purchased it. That number drops drastically to only \$5,000 between eight and 10 years, and then appreciates steadily. Homes sold after 21 years reported a price gain of \$127,600, down from \$138,000 last year.

Satisfaction With Sales Process

■ Exhibit 6-40

Sixty-one percent of sellers were 'very satisfied' with the selling process, the same as the year prior. Twenty-seven percent were somewhat satisfied, also consistent with last year. Thirteen percent were dissatisfied with the process.

EXHIBIT 6-1 AGE OF HOME SELLERS, BY REGION*(Percentage Distribution)*

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
18 to 34 years	12%	10%	14%	11%	13%
35 to 44 years	22	20	22	23	21
45 to 54 years	18	17	18	19	15
55 to 64 years	22	27	21	20	22
65 to 74 years	20	21	19	19	23
75 years or older	7	6	5	8	6
Median age (years)	54	56	53	53	55

EXHIBIT 6-2 HOUSEHOLD INCOME OF HOME SELLERS, 2015*(Percentage Distribution)*

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
Less than \$25,000	2%	1%	2%	3%	1%
\$25,000 to \$34,999	4	4	3	5	4
\$35,000 to \$44,999	5	5	4	4	5
\$45,000 to \$54,999	6	5	7	5	8
\$55,000 to \$64,999	6	4	6	6	7
\$65,000 to \$74,999	7	8	7	8	7
\$75,000 to \$84,999	7	3	14	5	7
\$85,000 to \$99,999	12	14	12	12	10
\$100,000 to \$124,999	17	17	18	18	15
\$125,000 to \$149,999	11	11	10	12	9
\$150,000 to \$174,999	7	6	6	7	9
\$175,000 to \$199,999	5	6	3	5	7
\$200,000 or more	11	16	8	12	11
Median income (2015)	\$100,700	\$108,800	\$93,800	\$102,800	\$101,700

EXHIBIT 6-3 ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS, 2004-2016

(Percentage Distribution)

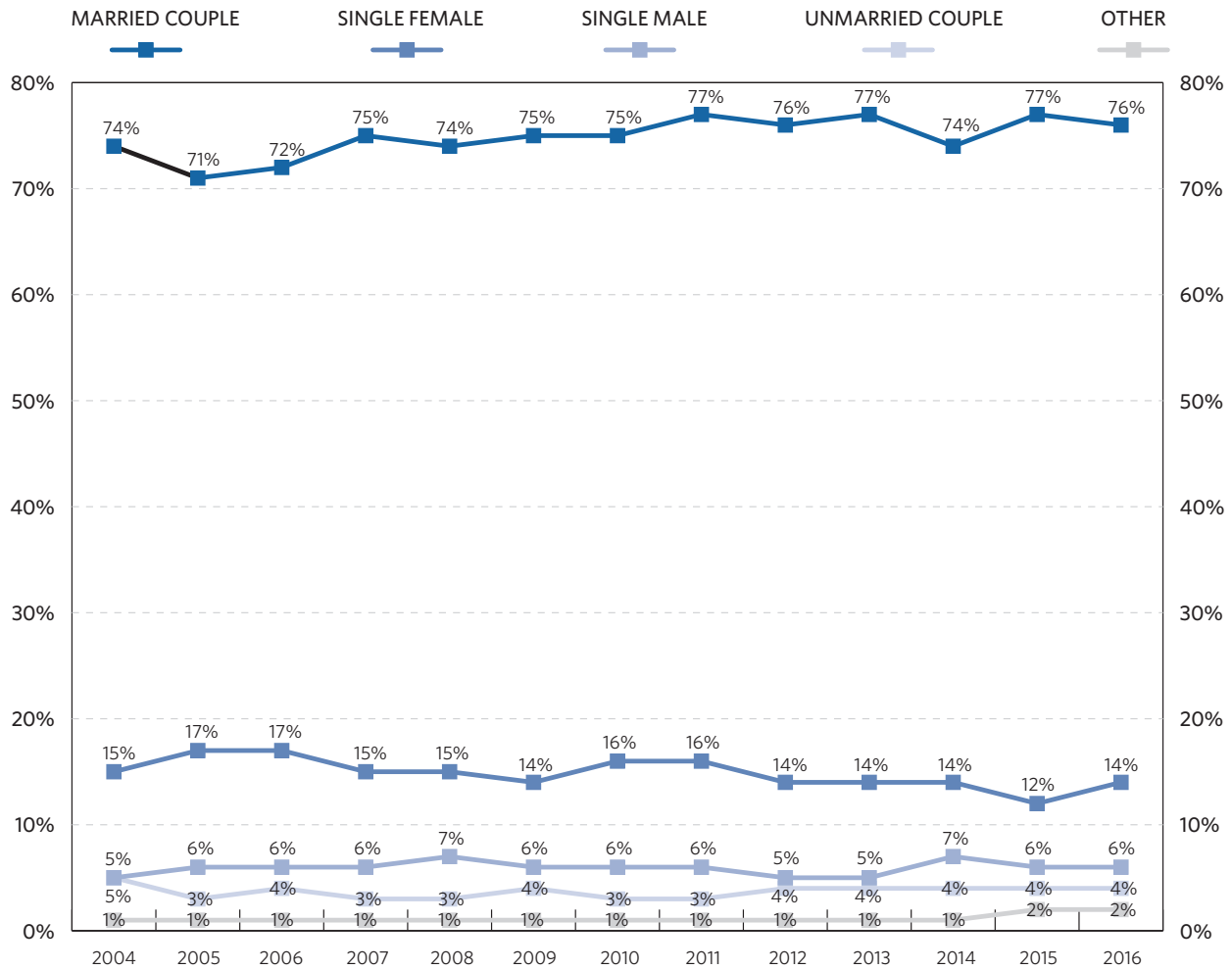


EXHIBIT 6-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD

(Percentage Distribution of Home Seller Households)

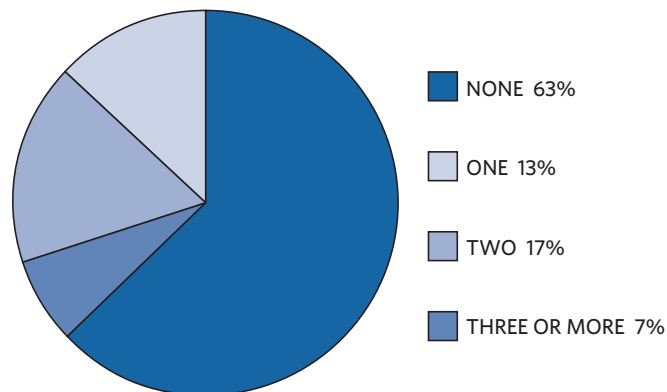


EXHIBIT 6-5 RACE/ETHNICITY OF HOME SELLERS, BY REGION

(Percent of Respondents)

	All Sellers	SELLERS WHO SOLD A HOME IN THE			
		Northeast	Midwest	South	West
White/Caucasian	90%	97%	94%	90%	84%
Hispanic/Latino/Mexican/Puerto Rican	5	2	3	4	9
Asian/Pacific Islander	3	1	1	2	6
Black/African-American	3	1	2	4	2
Other	2	1	1	2	2

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

EXHIBIT 6-6 PRIMARY LANGUAGE SPOKEN IN HOME SELLER HOUSEHOLD, BY REGION

(Percentage Distribution)

	All Sellers	SELLERS WHO SOLD A HOME IN THE			
		Northeast	Midwest	South	West
English	98%	99%	98%	98%	99%
Other	2	1	2	2	1

EXHIBIT 6-7 HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

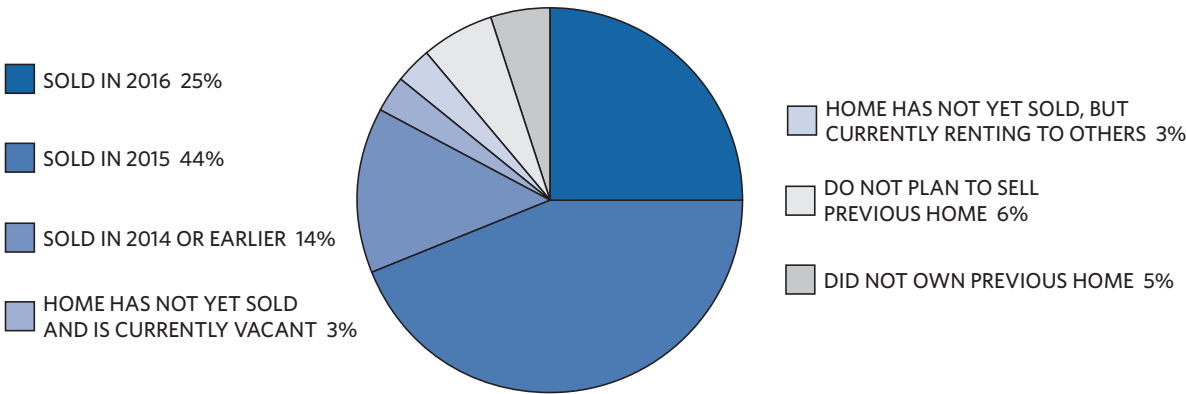


EXHIBIT 6-8 FIRST-TIME OR REPEAT SELLER

(Percentage Distribution)

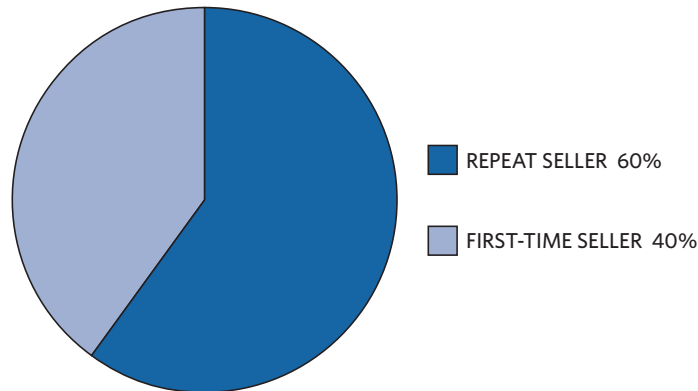


EXHIBIT 6-9 HOMES SOLD AND FOR SALE, BY REGION

(Percentage Distribution)

	Home sold	Home has not yet sold and is currently vacant	Home has not yet sold, but currently renting to others
Northeast	14%	20%	15%
Midwest	23	17	21
South	39	39	51
West	25	23	14

EXHIBIT 6-10 LOCATION OF HOME SOLD

(Percentage Distribution)

	Home sold	Home has not yet sold and is currently vacant	Home has not yet sold, but currently renting to others
Suburb/Subdivision	53%	34%	44%
Small town	16	25	24
Urban area/Central city	14	11	18
Rural area	14	24	10
Resort/Recreation area	3	6	3

EXHIBIT 6-11 PROXIMITY OF HOME SOLD TO HOME PURCHASED

(Percentage Distribution)

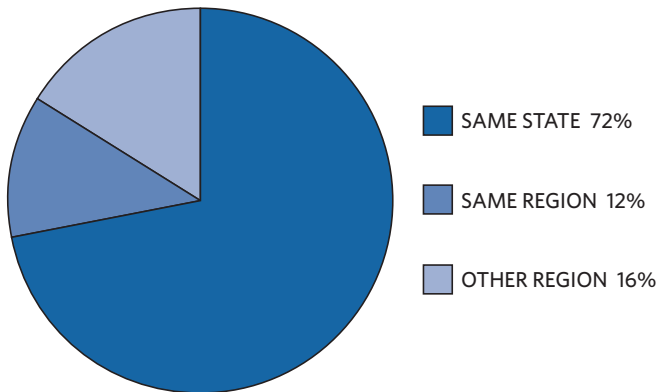


EXHIBIT 6-12 TYPE OF HOME SOLD, BY LOCATION

(Percentage Distribution)

SELLERS WHO SOLD A HOME IN A

	All Sellers	Suburb/ Subdivision	Small town	Urban/ Central city	Rural area	Resort/ Recreation area
Detached single-family home	81%	85%	82%	70%	79%	65%
Townhouse/row house	7	8	5	11	3	3
Apartment/condo in a building with 5 or more units	4	3	4	9	1	9
Duplex/apartment/condo in 2 to 4 unit building	3	3	3	4	2	8
Other	6	2	6	6	16	15

EXHIBIT 6-13 SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

(Percentage Distribution)

SIZE OF HOME PURCHASED

SIZE OF HOME SOLD	1,000 sq ft or less	1,001 sq ft to 1,500 sq ft	1,501 sq ft to 2,000 sq ft	2,001 sq ft to 2,500 sq ft	2,501 sq ft to 3,000 sq ft	More than 3,000 sq ft
1,000 sq ft or less	*	*	*	*	*	*
1,001 to 1,500 sq ft	*	2	5	5	2	2
1,501 to 2,000 sq ft	*	2	6	8	5	3
2,001 to 2,500 sq ft	*	2	5	7	5	6
2,501 to 3,000 sq ft	*	1	2	4	3	5
More than 3,000 sq ft	*	1	3	5	4	8

* Less than 1 percent

46% Trading Up 26% Remaining at the Same Size Range 29% Trading Down

EXHIBIT 6-14 SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD, BY AGE OF SELLER

(Median Square Feet)

	Size of home sold	Size of home purchased	Difference
18 to 34 years	1,500	2,100	600
35 to 44 years	1,800	2,400	600
45 to 54 years	2,200	2,300	100
55 to 64 years	2,100	2,000	-100
65 to 74 years	2,000	1,900	-100
75 years or older	2,000	1,800	-200

EXHIBIT 6-15 NUMBER OF BEDROOMS AND BATHROOMS BY ADULT COMPOSITION OF HOUSEHOLD AND CHILDREN IN HOUSEHOLD

(Percentage Distribution)

	All Sellers	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%	1%	3%	1%	1%	*	*	1%
Two bedrooms	13	10	15	26	35	13	9	14
Three bedrooms or more	86	89	81	73	64	84	91	84
Median number of bedrooms	3	3	3	3	3	4	3	3
One full bathroom	15	14	19	19	22	18	17	14
Two full bathrooms	61	61	57	62	62	55	61	61
Three full bathrooms or more	24	25	24	18	16	27	22	25
Median number of full bathrooms	2	2	2	2	2	2	3	2

* Less than 1 percent

EXHIBIT 6-16 AGE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

(Percentage Distribution)

YEAR HOME SOLD WAS BUILT	YEAR PURCHASED HOME WAS BUILT							
	2015	2011 through 2014	2007 through 2010	2002 through 2006	1987 through 2001	1961 through 1986	1913 through 1960	1912 and older
2015	1%	*	*	*	*	*	*	*
2011 through 2014	1	*	*	*	1	*	*	*
2007 through 2010	3	1	2	1	1	1	1	*
2002 through 2006	4	1	2	3	3	3	1	*
1987 through 2001	5	2	1	5	7	4	2	*
1961 through 1986	3	1	1	4	8	7	3	1
1913 through 1959	1	*	1	1	2	5	4	*
1912 and older	*	*	*	1	1	1	1	1

* Less than 1 percent

■ 56% Purchased a Newer Home ■ 25% Purchased a Home the Same Age ■ 19% Purchased Older Home

EXHIBIT 6-17 PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD*(Percentage Distribution)*

PRICE OF HOME PURCHASED

PRICE OF HOME SOLD	Less than \$100,000	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 to \$249,999	\$250,000 to \$299,999	\$300,000 to \$349,999	\$350,000 to \$399,999	\$400,000 to \$499,999	\$500,000 or more
Less than \$100,000	2%	3%	2%	1%	*	*	*	*	*
\$100,000 to \$149,999	1	2	4	2	1	*	1	*	*
\$150,000 to \$199,999	1	3	4	5	4	1	1	1	*
\$200,000 to \$249,999	1	1	3	3	2	2	2	1	1
\$250,000 to \$299,999	*	1	2	2	2	2	2	1	1
\$300,000 to \$349,999	*	*	1	2	2	2	1	2	1
\$350,000 to \$399,999	*	*	*	1	1	1	1	1	1
\$400,000 to \$499,999	*	*	*	*	1	1	1	2	2
\$500,000 or more	*	*	*	1	1	1	1	2	6

* Less than 1 percent

 44% Trading Up
 24% Remaining at the Same Price Range
 32% Trading Down
EXHIBIT 6-18 PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD, BY AGE OF SELLER*(Median)*

	Price of home sold	Price of home purchased	Difference
18 to 34 years	\$185,000	\$261,400	\$76,400
35 to 44 years	\$220,000	\$307,500	\$87,500
45 to 54 years	\$279,700	\$287,700	\$8,000
55 to 64 years	\$279,600	\$252,000	-\$27,600
65 to 74 years	\$249,600	\$236,700	-\$12,900
75 years or older	\$242,000	\$215,000	-\$27,000

EXHIBIT 6-19 PRIMARY REASON FOR SELLING PREVIOUS HOME, BY MILES MOVED

(Percentage Distribution)

	All Sellers	MILES MOVED					
		10 miles or less	11 to 20 miles	21 to 50 miles	51 to 100 miles	101 to 500 miles	501 miles or more
Home is too small	18%	34%	20%	15%	1%	2%	1%
Want to move closer to friends or family	15	2	8	17	35	30	28
Job relocation	14	1	5	1	17	35	38
Neighborhood has become less desirable	10	15	17	10	*	5	3
Change in family situation (e.g., marriage, birth of a child, divorce)	10	14	14	15	7	4	3
Home is too large	10	18	11	7	1	4	3
Moving due to retirement	7	2	3	3	11	12	16
Upkeep of home is too difficult due to health or financial limitations	5	6	8	8	6	1	2
Want to move closer to current job	5	2	7	15	11	3	1
To avoid possible foreclosure	3	4	2	2	4	*	2
Can not afford the mortgage and other expenses of owning home	2	2	5	3	3	2	1
Other	1	1	2	2	3	*	2

* Less than 1 percent

EXHIBIT 6-20 PRIMARY REASON FOR SELLING PREVIOUS HOME, BY FIRST-TIME AND REPEAT SELLERS

(Percentage Distribution)

	All Sellers	First-time Seller	Repeat Seller
Home is too small	18%	31%	9%
Want to move closer to friends or family	15	9	18
Job relocation	14	13	14
Neighborhood has become less desirable	10	12	9
Change in family situation (e.g., marriage, birth of a child, divorce)	10	9	11
Home is too large	10	5	14
Moving due to retirement	7	4	9
Upkeep of home is too difficult due to health or financial limitations	5	4	6
Want to move closer to current job	5	5	4
To avoid possible foreclosure	3	4	1
Can not afford the mortgage and other expenses of owning home	2	1	3
Other	1	1	1

EXHIBIT 6-21

SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE, BY FIRST-TIME AND REPEAT SELLERS

(Percentage Distribution)

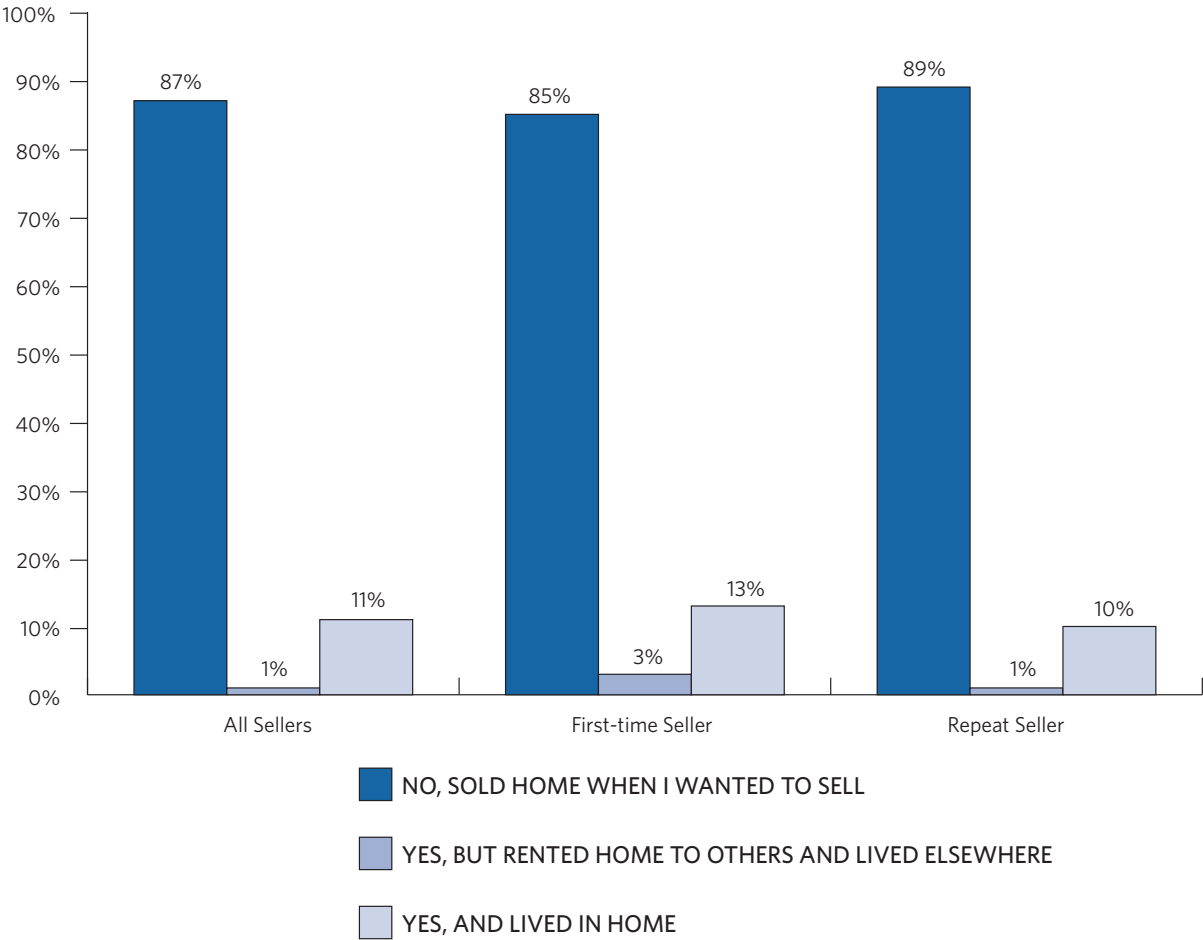


EXHIBIT 6-22 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE, BY TENURE IN HOME

(Percentage Distribution)

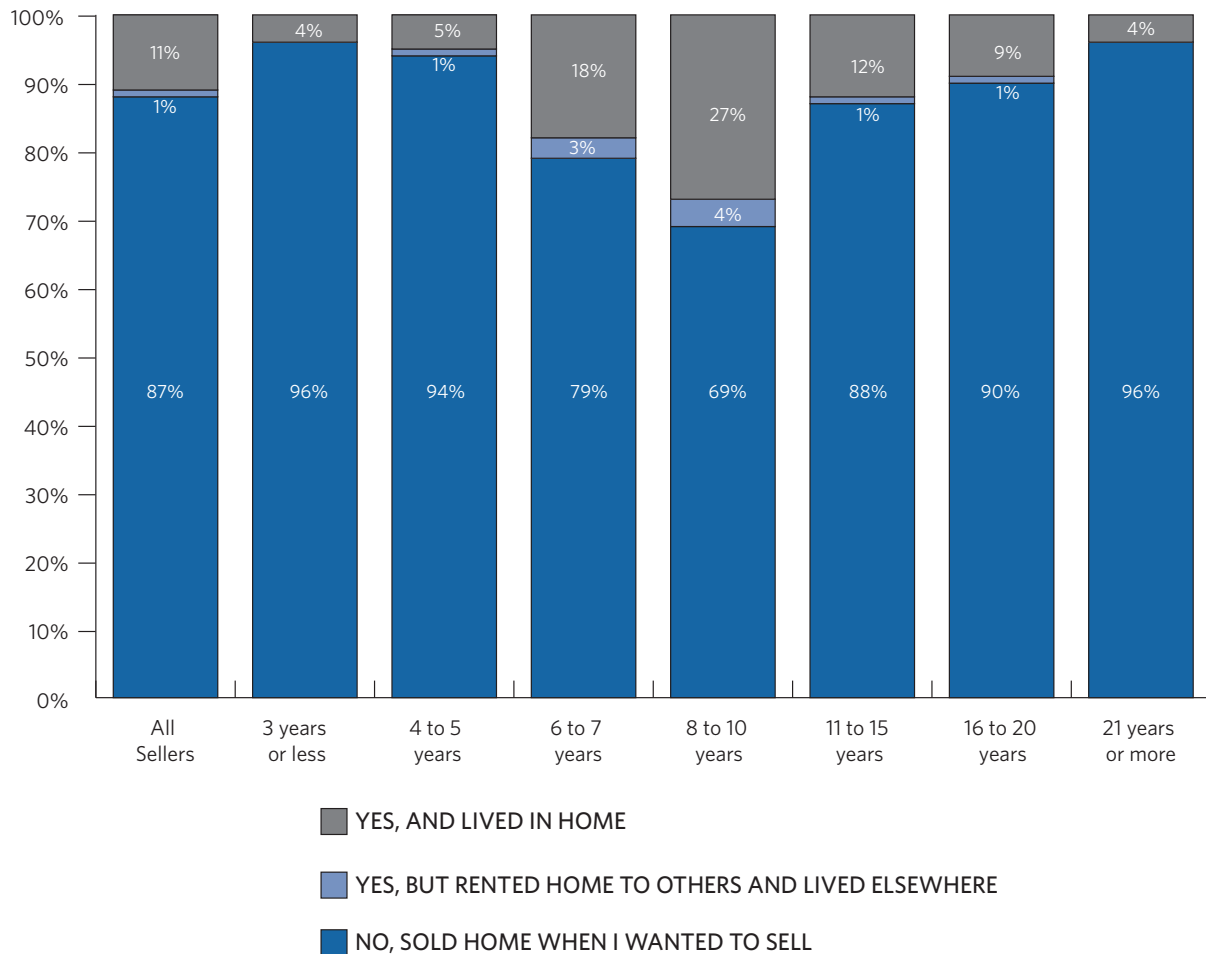


EXHIBIT 6-23 TENURE IN PREVIOUS HOME

(Percentage Distribution)

	All Types							
	Cabin/cottage	Duplex/ apartment/ condo in 2-4 unit structure	Apartment/condo in building with 5 or more units	Townhouse/ row house	Detached single-family home	Mobile/ manufactured home	Other	
1 year or less	3%	*	9%	2%	6%	3%	2%	4%
2 to 3 years	10	10	6	14	12	13	10	4
4 to 5 years	11	20	10	18	20	15	10	4
6 to 7 years	12	10	19	23	15	13	12	*
8 to 10 years	15	30	7	20	15	15	15	17
11 to 15 years	21	5	29	10	15	18	22	30
16 to 20 years	11	10	4	7	4	15	12	13
21 years or more	16	15	15	6	14	7	17	26
Median	10	9	8	7	7	11	10	15

* Less than 1 percent

EXHIBIT 6-24 TENURE IN PREVIOUS HOME, BY AGE OF SELLER

(Percentage Distribution)

	AGE OF HOME SELLER						
	All Sellers	18 to 34 years	35 to 44 years	45 to 54 years	55 to 64 years	65 to 74 years	75 years or older
1 year or less	3%	4%	2%	4%	2%	2%	3%
2 to 3 years	10	25	9	9	7	7	8
4 to 5 years	11	25	15	6	9	9	6
6 to 7 years	12	26	19	11	6	7	1
8 to 10 years	15	17	27	14	10	12	8
11 to 15 years	21	4	24	27	24	22	23
16 to 20 years	11	N/A	3	17	16	12	14
21 years or more	16	N/A	1	11	26	29	38
Median	10	5	8	11	14	13	17

N/A- Not Applicable

EXHIBIT 6-25 MEDIAN SELLER TENURE IN HOME, 1985-2016

(Median Years)

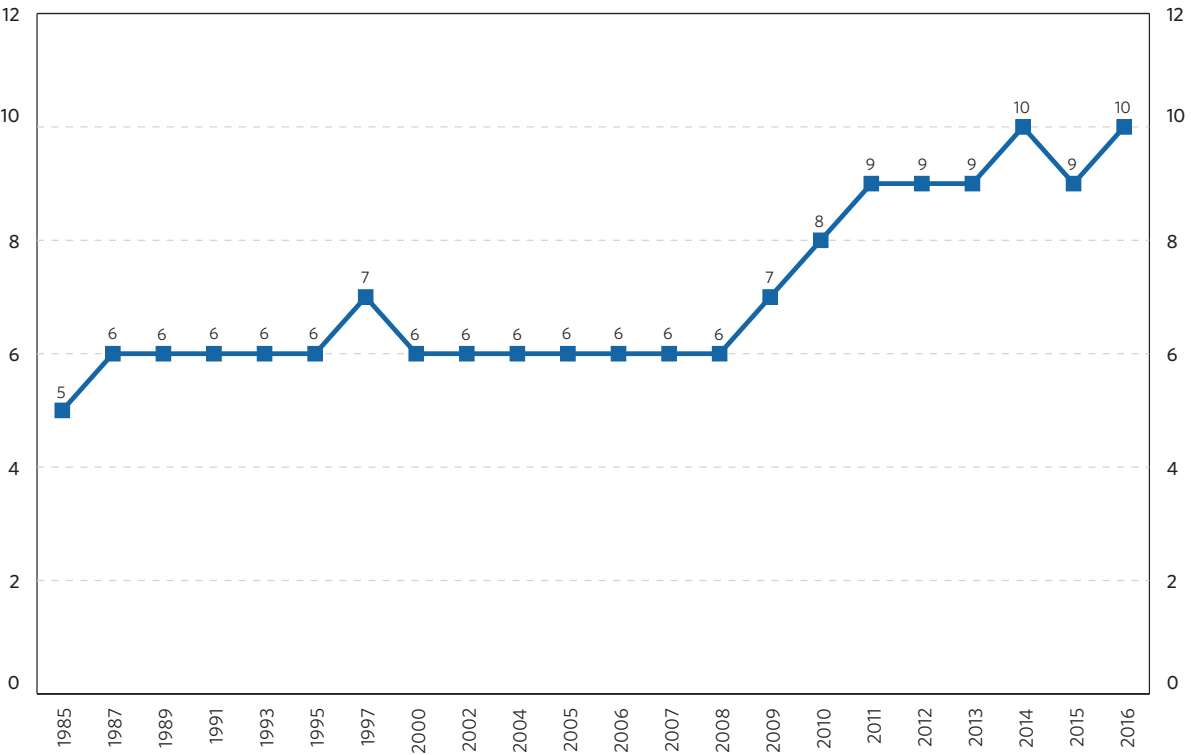


EXHIBIT 6-26 DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY REGION

(Median Miles)

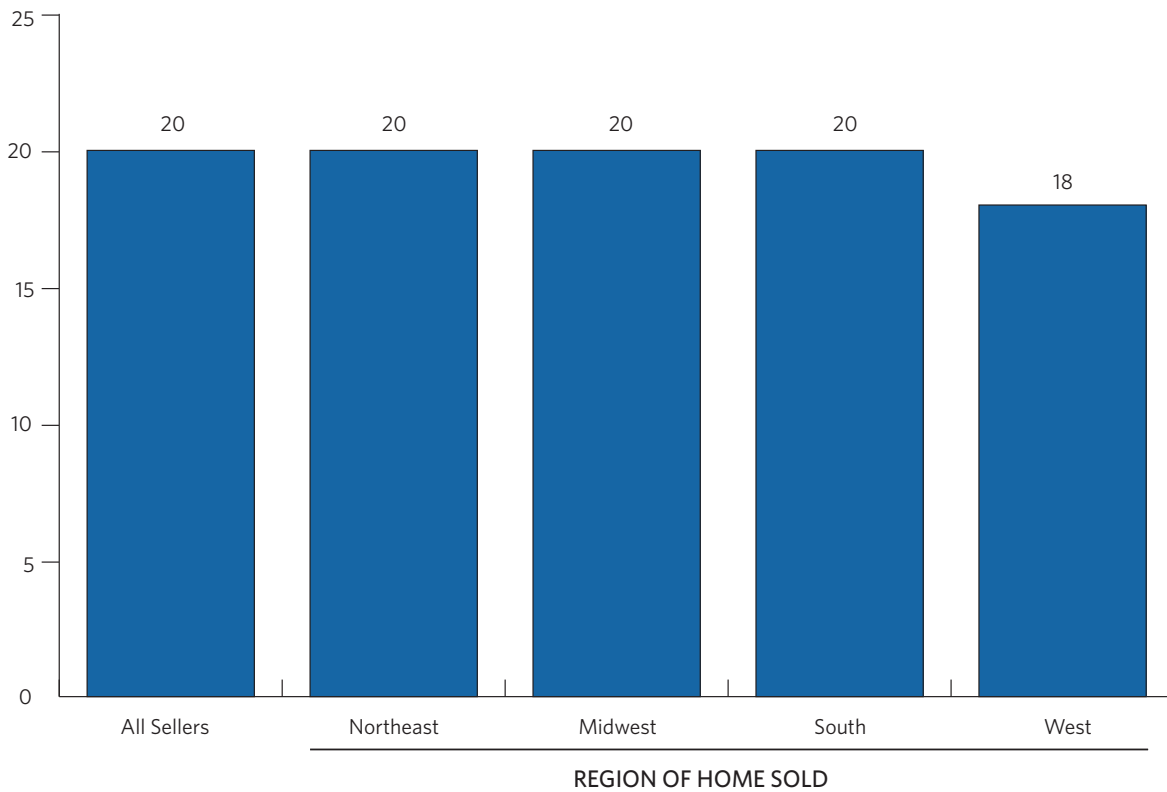


EXHIBIT 6-27 DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY AGE

(Percentage Distribution)

	AGE OF HOME SELLER						
	All Sellers	18 to 34 years	35 to 44 years	45 to 54 years	55 to 64 years	65 to 74 years	75 years or older
5 miles or less	26%	26%	33%	30%	21%	22%	22%
6 to 10 miles	15	17	16	12	15	13	17
11 to 15 miles	8	10	8	9	5	8	4
16 to 20 miles	5	6	5	6	6	4	6
21 to 50 miles	13	17	14	10	10	13	17
51 to 100 miles	3	4	2	3	4	3	5
101 to 500 miles	11	5	8	12	12	14	9
501 to 1,000 miles	8	8	9	8	10	7	12
1,001 miles or more	12	7	7	9	17	16	9
Median (miles)	20	15	13	15	25	27	23

EXHIBIT 6-28 METHOD USED TO SELL HOME, BY REGION*(Percentage Distribution)*

	All Sellers	SELLERS WHO SOLD A HOME IN THE			
		Northeast	Midwest	South	West
Sold home using an agent or broker	89%	88%	85%	89%	95%
Seller used agent/broker only	88	87	84	88	93
Seller first tried to sell it themselves, but then used an agent	1	1	1	1	2
For-sale-by-owner (FSBO)	8	8	11	8	3
Seller sold home without using a real estate agent or broker	7	8	10	7	3
First listed with an agent, but then sold home themselves	1	*	1	1	*
Sold home to a homebuying company	1	1	1	2	1
Other	2	3	3	1	1

* Less than 1 percent

EXHIBIT 6-29 METHOD USED TO SELL HOME, BY SELLER URGENCY*(Percentage Distribution)*

	All Sellers	SELLER NEEDED TO SELL		
		Very urgently	Somewhat urgently	Not urgently
Sold home using an agent or broker	89%	88%	90%	88%
Seller used agent/broker only	88	85	90	87
Seller first tried to sell it themselves, but then used an agent	1	3	*	1
For-sale-by-owner (FSBO)	8	6	7	10
Seller sold home without using a real estate agent or broker	7	5	6	9
First listed with an agent, but then sold home themselves	1	1	1	1
Sold home to a homebuying company	1	1	1	1
Other	2	3	2	1

* Less than 1 percent

EXHIBIT 6-30 METHOD OF SALE, BY BUYER AND SELLER RELATIONSHIP*(Percentage Distribution)*

Buyer and Seller Relationship	Seller Knew Buyer	Seller did not Know Buyer
All sellers	8%	92%
Sold home using an agent or broker	4	96
Seller used agent/broker only	4	96
Seller first tried to sell it themselves, but then used an agent	21	79
For-sale-by-owner (FSBO)	46	54
Sold home without using a real estate agent or broker	48	52
First listed with an agent, but then sold home themselves	35	65
Other	33	67

EXHIBIT 6-31 METHOD USED TO SELL HOME, 2001-2016

(Percentage Distribution)

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sold home using an agent or broker	79%	83%	82%	85%	84%	85%	84%	85%	88%	87%	88%	88%	88%	89%	89%
For-sale-by-owner (FSBO)	13	14	14	13	12	12	13	11	9	9	9	9	9	8	8
Sold to home buying company	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Other	7	3	3	2	3	2	2	3	3	3	2	2	2	2	2

EXHIBIT 6-32 SALES PRICE COMPARED WITH LISTING PRICE, BY REGION

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

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
Less than 90%	10%	15%	12%	8%	7%
90% to 94%	14	20	15	17	7
95% to 99%	37	34	39	37	37
100%	26	23	25	25	30
101% to 110%	10	7	8	11	13
More than 110%	3	2	1	3	6
Median (sales price as a percent of listing price)	98%	97%	97%	98%	99%

EXHIBIT 6-33 SALES PRICE COMPARED WITH LISTING PRICE, BY SELLER URGENCY

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

	SELLER NEEDED TO SELL			
	All Sellers	Very urgently	Somewhat urgently	Not urgently
Less than 90%	10%	15%	10%	6%
90% to 94%	14	16	13	15
95% to 99%	37	32	38	38
100%	26	22	24	29
101% to 110%	10	11	12	8
More than 110%	3	3	3	4
Median (sales price as a percent of listing price)	98%	98%	98%	98%

EXHIBIT 6-34 NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET, BY REGION*(Percentage Distribution)*

SELLERS WHO SOLD A HOME IN THE					
	All Sellers	Northeast	Midwest	South	West
Less than 1 week	7%	5%	7%	7%	7%
1 to 2 weeks	34	29	36	33	38
3 to 4 weeks	13	11	12	14	12
5 to 6 weeks	7	7	5	7	9
7 to 8 weeks	7	8	6	6	8
9 to 10 weeks	4	4	4	3	4
11 to 12 weeks	7	5	7	9	6
13 to 16 weeks	5	7	7	4	3
17 to 24 weeks	7	11	6	7	5
25 to 36 weeks	4	6	4	3	3
37 to 52 weeks	4	6	3	5	4
53 or more weeks	2	4	2	3	1
Median weeks	4	6	4	4	3

EXHIBIT 6-35 SALES PRICE COMPARED WITH LISTING PRICE, BY NUMBER OF WEEKS HOME WAS ON THE MARKET*(Percentage Distribution of Sales Price as a Percent of Listing Price)*

SELLERS WHOSE HOME WAS ON THE MARKET FOR							
	All Sellers	Less than 1 week	1 to 2 weeks	3 to 4 weeks	5 to 8 weeks	9 to 16 weeks	17 or more weeks
Less than 90%	10%	3%	3%	8%	6%	14%	26%
90% to 94%	14	7	4	9	18	23	32
95% to 99%	37	8	31	51	46	47	32
100%	26	54	40	23	22	11	6
101% to 110%	10	20	19	6	7	3	1
More than 110%	3	9	4	2	2	2	3
Median (sales price as a percent of listing price)	98%	100%	100%	98%	98%	96%	93%

EXHIBIT 6-36 NUMBER OF TIMES ASKING PRICE WAS REDUCED, BY NUMBER OF WEEKS HOME WAS ON THE MARKET*(Percentage Distribution)*

SELLERS WHOSE HOME WAS ON THE MARKET FOR							
	All Sellers	Less than 1 week	1 to 2 weeks	3 to 4 weeks	5 to 8 weeks	9 to 16 weeks	17 or more weeks
None, did not reduce the asking price	59%	94%	87%	63%	47%	33%	14%
One	22	4	11	28	34	35	25
Two	10	1	1	6	11	19	25
Three	6	1	*	3	4	9	23
Four or more	3	*	*	*	4	4	1

* Less than 1 percent

EXHIBIT 6-37 INCENTIVES OFFERED TO ATTRACT BUYERS, BY REGION

(Percent of Respondents)

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
None	64%	72%	60%	59%	70%
Home warranty policies	21	8	26	25	16
Assistance with closing costs	16	14	16	18	13
Credit toward remodeling or repairs	6	7	5	6	5
Other incentives, such as a car, flat screen TV, etc.	5	4	4	4	6
Assistance with condo association fees	*	*	*	1	*
Other	3	3	3	3	4

* Less than 1 percent

EXHIBIT 6-38 INCENTIVES OFFERED TO ATTRACT BUYERS, BY NUMBER OF WEEKS HOME WAS ON THE MARKET

(Percent of Respondents)

	SELLERS WHOSE HOME WAS ON THE MARKET FOR						
	All Sellers	Less than 1 week	1 to 2 weeks	3 to 4 weeks	5 to 8 weeks	9 to 16 weeks	17 or more weeks
None	64%	83%	72%	60%	58%	55%	54%
Home warranty policies	21	11	18	25	22	24	24
Assistance with closing costs	16	6	10	17	21	18	25
Credit toward remodeling or repairs	6	3	3	8	4	10	7
Other incentives, such as a car, flat screen TV, etc.	5	1	2	8	6	5	6
Assistance with condo association fees	*	*	*	1	1	1	1
Other	3	1	2	3	4	3	7

* Less than 1 percent

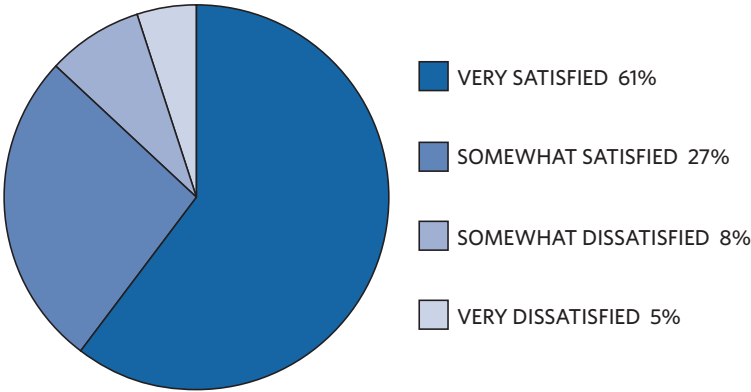
EXHIBIT 6-39 EQUITY EARNED IN HOME RECENTLY SOLD, BY TENURE IN HOME

(Median)

TENURE IN HOME	ALL SELLERS	
	Dollar value	Percent
1 year or less	\$11,300	8%
2 to 3 years	\$30,000	14%
4 to 5 years	\$45,000	21%
6 to 7 years	\$31,200	18%
8 to 10 years	\$5,000	3%
11 to 15 years	\$30,500	16%
16 to 20 years	\$108,700	64%
21 years or more	\$127,600	124%
Median	\$43,100	24%

EXHIBIT 6-40 SATISFACTION WITH THE SELLING PROCESS

(Percentage Distribution)



CHAPTER 7:

Home Selling and Real Estate Professionals

NAR celebrates its 35th anniversary of the *Profile of Home Buyers and Sellers* report this year, which has tracked year-over-year data including the level of service real estate agents have provided sellers since 2006. While the home search process has shifted toward digital technology, the need for a trusted real estate agent to help sell a home is still paramount. Personal relationships and connections remain the most important feature of the agent-buyer/seller bond. Real estate agents are most commonly referred by a friend, neighbor, or relative.

Sellers place a high importance on the reputation of the agent when looking to hire, and trustworthiness and honesty are at the top of the list. In 2006 when NAR started collecting data on the level of service provided by real estate agents, 83 percent of agents provided a broad range of services and the management of most aspects of the home, nine percent provided limited services as requested by the seller, and eight percent listed the home on the MLS with few other services provided. Those numbers have by-and-large remained the same over the last decade. In 2016, 83 percent of agents also provided a broad range of services and the management of most aspects of the home, eight percent provided limited services as requested by the seller, and nine percent listed the home on the MLS with few other services provided.

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

Client referrals and repeat business are the predominant ways sellers find their real estate agent. Most sellers—85 percent—said that they would definitely (70 percent) or probably (15 percent) recommend their agent for future services.

Finding a Real Estate Agent

- Exhibits 7-1 through 7-4

Nearly two-thirds (64 percent) of recent sellers used an agent that was referred to them or used an agent they had worked with in the past to buy or sell a home. Roughly half of first-time sellers worked with an agent that was referred to them by a friend or family member to sell their home (46 percent). For repeat buyers, many used an agent they previously worked with (28 percent).

Seven in 10 recent sellers contacted only one agent before finding the right agent they worked with to sell their home, the same as last year.

Fifty-five percent of recent home sellers used the same real estate agent to represent them purchasing their home as selling their home, which is up from 50 percent last year. That number jumps to 86 percent for all sellers within 10 miles of their home purchase. If the seller moved out of state or to another region, they typically used a different agent for each real estate transaction.

Client referrals and repeat business are the predominant sources of business for real estate agents. Most sellers— 85 percent—said that they would definitely (70 percent) or probably (15 percent) recommend their agent for future services.

Home Listed on Multiple Listing Service and Level of Service

- Exhibits 7-5 and 7-6

Consistent with last year, 92 percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home. Only three percent opted not to list on a MLS.

Real estate agents provide a wide range of services and conduct the management of most aspects of the home sale. Eighty-three percent of sellers reported that their agents provided the lion's share of these services, which is up from 79 percent last year. Eight percent of sellers note that their agent only provided a limited set of services and nine percent said their agent listed the home on a MLS but performed few other services.

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

What Sellers Want Most and Level of Service

- Exhibits 7-7 and 7-8

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

The reputation of the real estate agent was by far the most important factor when sellers selected an agent to sell their home (31 percent). Sellers also place value on the agent's trustworthiness and honesty (21 percent), whether the agent is a friend or family member (14 percent), and the agent's knowledge of the neighborhood (14 percent).

Methods Used to Market the Home

■ Exhibit 7-9

Real estate agents list homes on MLSs first and foremost (89 percent). They also create yard signs (70 percent), list on Realtor.com (52 percent), list the home on their website (50 percent), host an open house (47 percent), and list on their company's website (45 percent). Real estate agents also list homes on social media (four percent), which is down from 12 percent from last year.

Consistent with last year, 92 percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home.

Agent's Performance and Compensation

■ Exhibits 7-10 through 7-13

Agents receive their compensation predominantly from sellers at 77 percent, slightly up from the previous year at 76 percent. Of that compensation, 72 percent of sellers pay a percent of the sales price. Only a small fraction pays a flat fee (two percent), and only 12 percent of overall compensation is paid by both the buyer and seller. Six percent of sellers reported buyers paying as the only means of compensation.

The real estate agent most often initiated the discussion of compensation (48 percent), up from 46 percent the year before. The client initiated the discussion and the agent was able and willing to negotiate 22 percent of the time, up from 20 percent last year. In 14 percent of cases, the client did not know that commissions and fees could be negotiated, which was down from 16 percent in 2015.

Client referrals and repeat business are the predominant sources of business for real estate agents. Most sellers—85 percent—said that they would definitely (70 percent) or probably (15 percent) recommend their agent for future services. Sellers that moved less than 10 miles away were generally (88 percent) more inclined to recommend their agent. That figure decreases the further in distance a seller moves. For sellers that moved more than 500 miles, they reported recommending their agent 82 percent of the time. The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home.

EXHIBIT 7-1**METHOD USED TO FIND REAL ESTATE AGENT, BY FIRST-TIME OR REPEAT SELLER***(Percentage Distribution)*

	All Sellers	First-time Seller	Repeat Seller
Referred by (or is) a friend, neighbor or relative	39%	46%	35%
Used agent previously to buy or sell a home	25	22	28
Personal contact by agent (telephone, email, etc.)	4	5	4
Referred by another real estate or broker	4	4	5
Website (without a specific reference)	4	4	4
Visited an open house and met agent	4	3	4
Saw contact information on For Sale/Open House sign	2	2	2
Referred through employer or relocation company	2	2	2
Direct mail (newsletter, flyer, postcard, etc.)	2	1	3
Walked into or called office and agent was on duty	1	2	1
Newspaper, Yellow pages or home book ad	1	1	1
Advertising specialty (calendar, magnet, etc.)	*	*	*
Crowdsourcing through social media/knew the person through social media	*	1	*
Saw the person's social media page without a connection	*	*	*
Other	10	7	11

* Less than 1 percent

EXHIBIT 7-2**METHOD USED TO FIND REAL ESTATE AGENT, BY MILES MOVED***(Percentage Distribution)*

	All Sellers	10 miles or less	11 to 20 miles	21 to 50 miles	51 to 100 miles	101 to 500 miles	501 miles or more
Referred by (or is) a friend, neighbor or relative	39%	41%	40%	45%	40%	30%	38%
Used agent previously to buy or sell a home	25	27	31	23	20	27	21
Personal contact by agent (telephone, email, etc.)	4	4	6	3	6	5	4
Referred by another real estate or broker	4	3	4	5	3	8	5
Website (without a specific reference)	4	4	3	2	6	5	4
Visited an open house and met agent	4	6	1	3	5	4	1
Saw contact information on For Sale/Open House sign	2	3	*	2	*	1	2
Referred through employer or relocation company	2	*	1	1	3	8	6
Direct mail (newsletter, flyer, postcard, etc.)	2	1	3	2	2	3	4
Walked into or called office and agent was on duty	1	2	1	2	2	1	2
Newspaper, Yellow pages or home book ad	1	1	*	*	2	2	2
Advertising specialty (calendar, magnet, etc.)	*	*	*	*	*	*	*
Crowdsourcing through social media/knew the person through social media	*	*	*	1	*	2	*
Saw the person's social media page without a connection	*	*	*	1	*	*	1
Other	10	9	10	11	12	7	10

* Less than 1 percent

EXHIBIT 7-3

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

(Percentage Distribution)

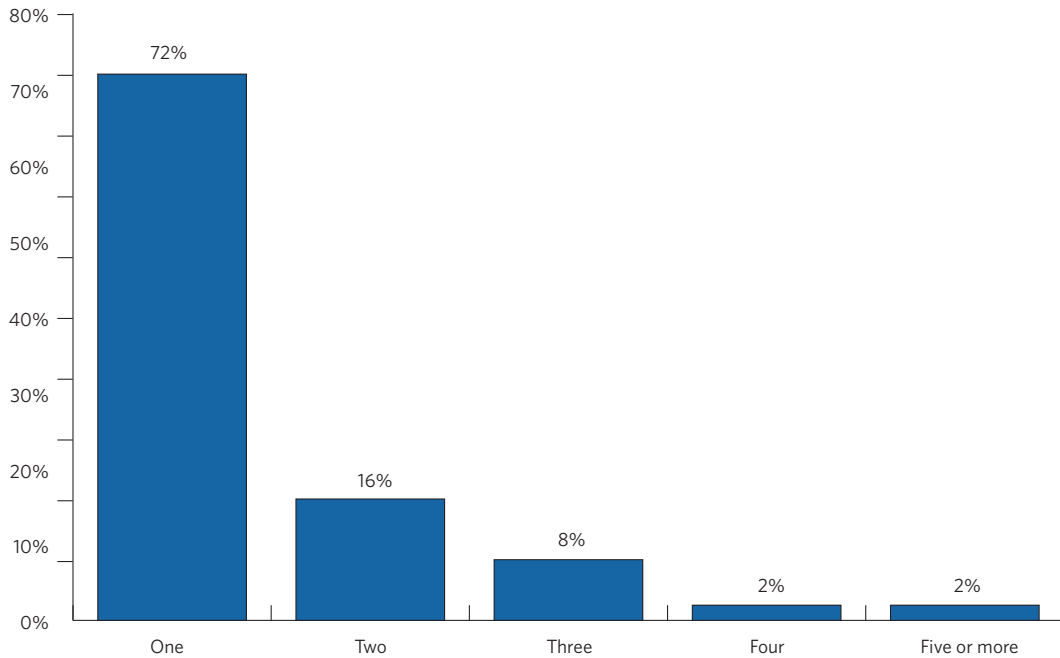


EXHIBIT 7-4

SELLER USED SAME REAL ESTATE AGENT FOR THEIR HOME PURCHASE, BY MILES MOVED

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

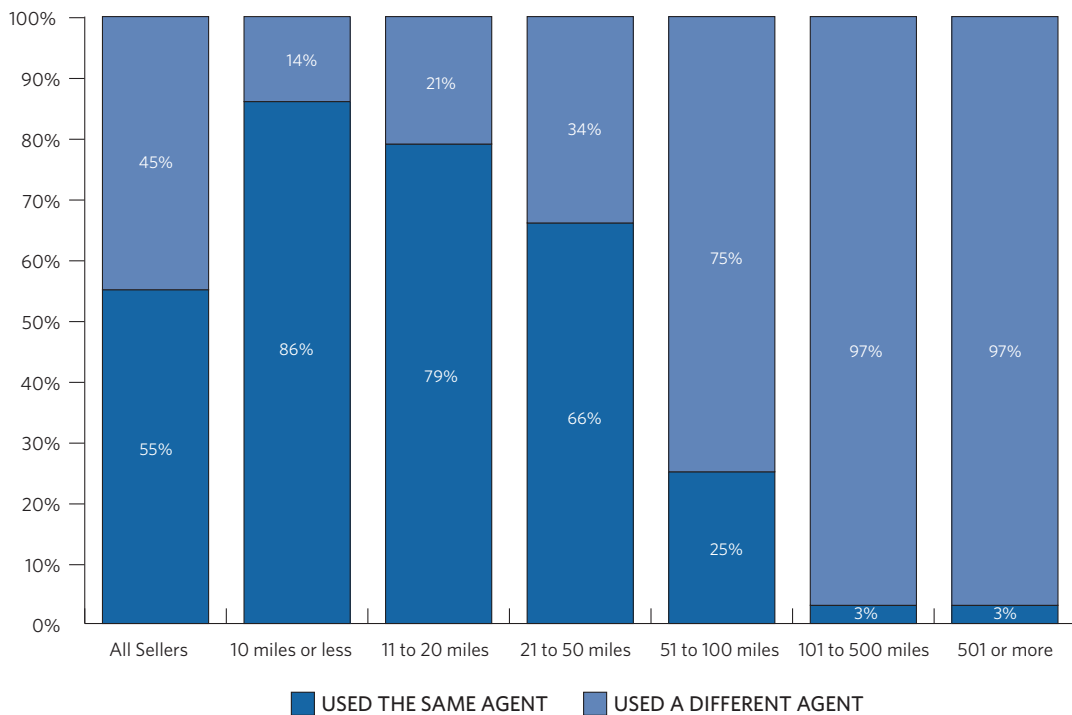


EXHIBIT 7-5

HOME LISTED ON MULTIPLE LISTING SERVICE

(Percentage Distribution)

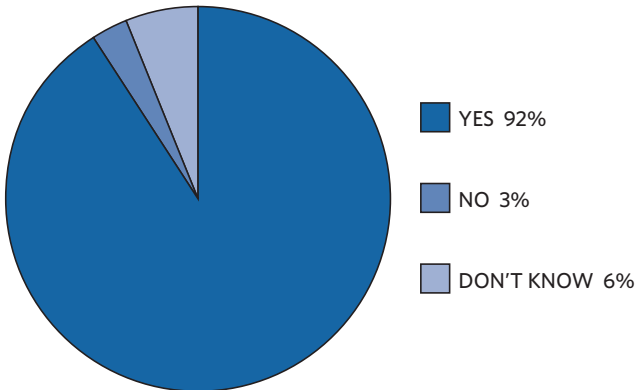
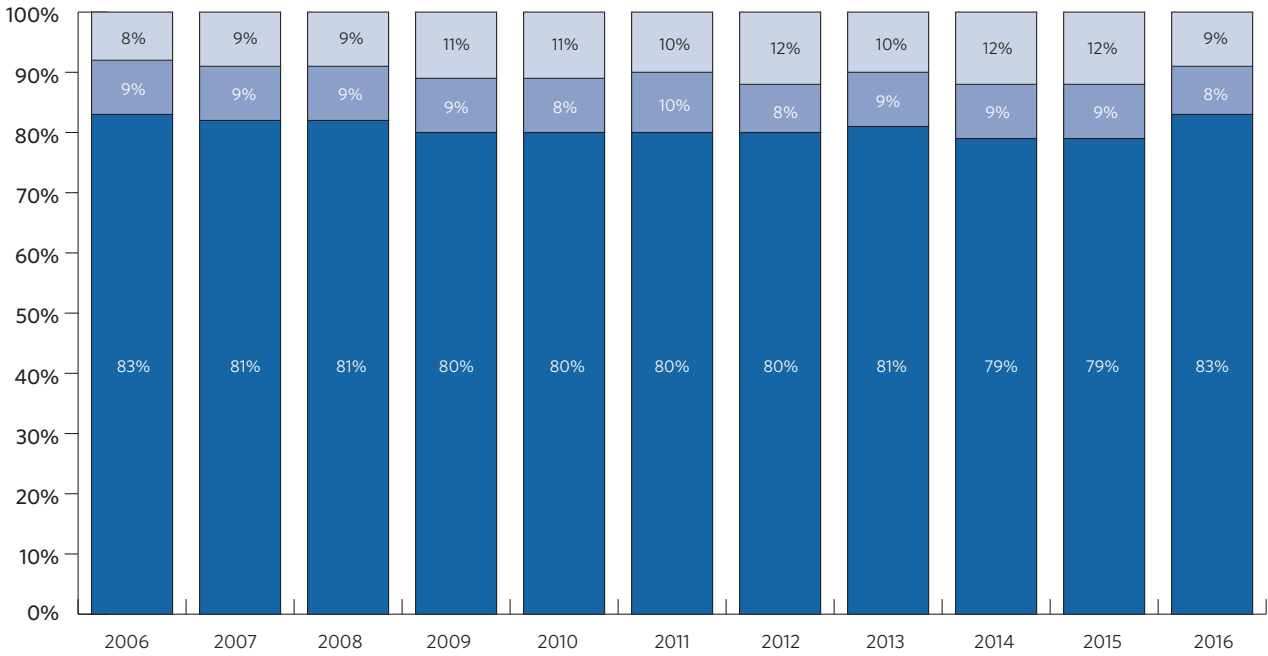


EXHIBIT 7-6

LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT, 2006-2016

(Percentage Distribution)



- A BROAD RANGE OF SERVICES AND MANAGEMENT OF MOST ASPECTS OF THE HOME SALE
- A LIMITED SET OF SERVICES AS REQUESTED BY THE SELLER
- THE AGENT LISTED THE HOME ON THE MLS AND PERFORMED FEW IF ANY ADDITIONAL SERVICES

EXHIBIT 7-7

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

(Percentage Distribution)

LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER

	All Sellers	A broad range of services and management of most aspects of the home sale	A limited set of services as requested by the seller	The agent listed the home on the MLS and performed few if any additional services
Help seller market home to potential buyers	23%	23%	17%	25%
Help sell the home within specific timeframe	20	21	21	14
Help price home competitively	19	19	16	21
Help find a buyer for home	14	12	21	24
Help seller find ways to fix up home to sell it for more	14	15	11	11
Help with negotiation and dealing with buyers	4	4	7	1
Help with paperwork/inspections/preparing for settlement	4	4	5	1
Help seller see homes available to purchase	1	1	1	1
Help create and post videos to provide tour of my home	1	1	*	1
Other	1	1	*	1

* Less than 1 percent

EXHIBIT 7-8

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

(Percentage Distribution)

LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER

	All Sellers	A broad range of services and management of most aspects of the home sale	A limited set of services as requested by the seller	The agent listed the home on the MLS and performed few if any additional services
Reputation of agent	31%	32%	25%	24%
Agent is honest and trustworthy	21	22	12	19
Agent is friend or family member	14	14	16	16
Agent's knowledge of the neighborhood	14	12	24	15
Agent has caring personality/good listener	5	5	1	6
Agent's association with a particular firm	4	4	5	3
Agent's commission	4	4	7	5
Agent seems 100% accessible because of use of technology like tablet or smartphone	3	3	2	5
Professional designations held by agent	1	1	1	1
Other	5	4	7	6

EXHIBIT 7-9**METHODS REAL ESTATE AGENT USED TO MARKET HOME***(Percent of Respondents Among Sellers Who Used an Agent)*

All Homes

Multiple Listing (MLS) website	89%
Yard sign	70
Realtor.com	52
Real estate agent website	50
Open house	47
Real estate company website	45
Third party aggregators	42
Print newspaper advertisement	11
Online Classified Ads	11
Direct mail (flyers, postcards, etc.)	10
Video	8
Other websites with real estate listings	7
Real estate magazine website	7
Real estate magazine	6
Social networking websites (e.g. Facebook, Twitter, etc.)	4
Video hosting websites	4
Television	1
Other	2

EXHIBIT 7-10**HOW REAL ESTATE AGENT WAS COMPENSATED***(Percentage Distribution)*

Paid by seller	77%
Percent of sales price	72
Flat fee	2
Per task fee	*
Other	*
Don't Know	2
Paid by buyer and seller	12
Paid by buyer only	6
Other	3
Don't Know	3

* Less than 1 percent

EXHIBIT 7-11 NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT

(Percentage Distribution)

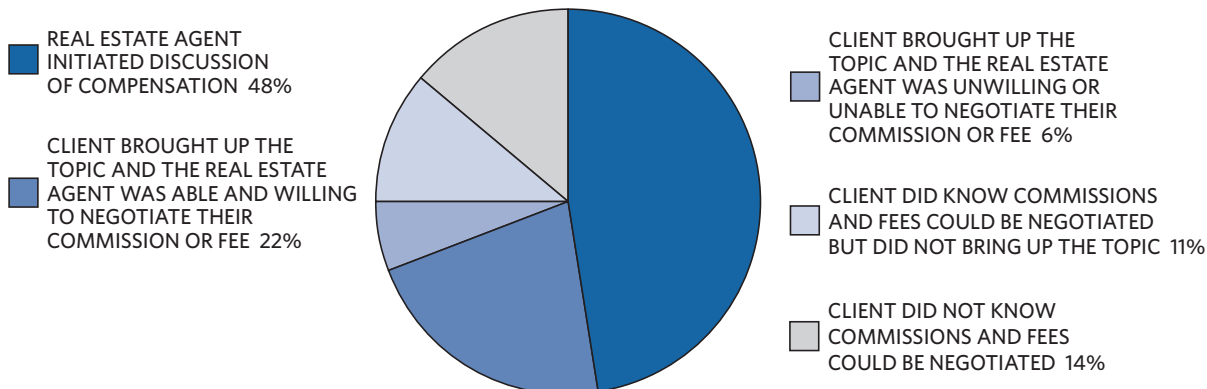


EXHIBIT 7-12 WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

	All Sellers	10 miles or less	11 to 20 miles	21 to 50 miles	51 to 100 miles	101 to 500 miles	501 miles or more
Definitely	70%	75%	71%	64%	63%	68%	65%
Probably	15	13	12	20	18	17	17
Probably Not	7	5	7	6	15	9	10
Definitely Not	6	5	8	8	5	7	6
Don't Know/ Not Sure	1	1	2	2	*	1	2

* Less than 1 percent

EXHIBIT 7-13 HOW MANY TIMES SELLER RECOMMENDED AGENT

(Percentage Distribution)

	All Sellers
None	36%
One time	13
Two times	18
Three times	11
Four or more times	22
Times recommended since buying (median)	2

CHAPTER 8:

For-Sale-By-Owner (FSBO) Sellers

To celebrate NAR's 35th anniversary release of the *Profile of Home Buyers and Sellers*, we take a look back to 1981 when NAR started collecting data on home sales by For-Sale-By-Owners (FSBOs). In 1981, FSBO home sales accounted for 15 percent of all sales, and agent-assisted sales accounted for 85 percent. FSBO sales have declined over time and in 2016, FSBOs accounted for eight percent of total home sales. This is the lowest share since the *Profile of Home Buyers and Sellers* data collection began. The same share of eight percent was recorded in the 2015 report. In 2016, 50 percent of FSBO sellers knew the buyers for their homes and 50 percent did not know the buyer.

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

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

FSBO and Agent Assisted Sales, By Location and Over Time

■ Exhibits 8-1 and 8-2

Eighty-nine percent of sellers sold with the assistance of a real estate agent, consistent with last year, and only eight percent were FSBO sales. In 1981, FSBO sales accounted for as much as 15 percent of sales, but have steadily decreased over time. This year, 50 percent of FSBO sellers knew the buyers, (four percent of all sales) and 50 percent of FSBO sellers had no previous relationship with the buyer (four percent of all sales). FSBO sales were highest in rural areas at 16 percent compared to only six percent in suburbs.

In 1981, FSBO home sales accounted for 15 percent of all sales, and agent-assisted sales accounted for 85 percent. FSBO sales have declined over time and in 2016, FSBOs accounted for eight percent of total home sales. This is the lowest share since the Profile of Home Buyers and Sellers data collection began.

Characteristics of Sellers and Homes Sold

■ Exhibit 8-3 through 8-6

The median age for FSBO sellers is 59 years compared to 53 for all agent-assisted sellers. Seventy-three percent of FSBO sellers were married couples that have a median income of \$100,600. For FSBO sellers, those who knew the buyer tend to have lower median household incomes compared to those who did not know the buyer.

A majority of all homes sold were detached single-family homes at 81 percent. While FSBO homes are predominantly detached single-family homes at 69 percent (down from 75 percent in 2015), they are also more likely to be mobile or manufactured homes at 10 percent compared to only two percent of agent-assisted sales. Among agent-assisted sales, 82 percent of all homes sold are detached single-family homes, which is consistent with last year. Thirty-seven percent of FSBO sales where the buyer knew the seller were located in rural areas compared to only 12 percent of agent-assisted sales. Most agent-assisted sales were located in suburban areas at 55 percent.

FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$185,000 in 2016 (down from \$210,000 in 2015), and still far lower than the median selling price of all homes at \$240,000. Agent-assisted homes sold for a median of \$245,000. FSBOs typically received 100 percent of their asking price and 98 percent when the seller did not know the buyer, whereas agent-assisted sales typically received 98 percent of the asking price. Sellers who began as a FSBO, then ended up working with an agent, also received 98 percent of the asking price, but had to reduce their price the most before arriving at a final listing price.

The Selling Process for FSBO Sales

▪ Exhibits 8-7 through 8-10

FSBO sellers price their homes using a number of different sources. For FSBO sellers who knew their buyers, the most common ways they priced their homes were by appraisals (40 percent), comparisons to recent home sales in their area (18 percent), by the profit the seller needed from the sale (15 percent), an agent presentation where seller did not use the agent (12 percent), and online evaluation tools (12 percent). For FSBO sellers who did not know their buyers, the most common ways they determined their home price were comparisons to recent home sales in their area (52 percent), appraisals (17 percent), online home evaluation tools (16 percent), and attending an open house in the area to view homes for sale online (14 percent).

FSBO homes sold more quickly on the market than agent-assisted homes. All FSBO homes typically sold in two weeks or less. For sellers that knew the buyer, their homes sold in less than a week (46 percent, up from 28 percent in 2015). The median number of weeks FSBOs were on the market was one, down from three weeks in 2015. Agent-assisted homes generally sold in a median number of four weeks. For sellers that started as FSBO and then were agent-assisted, the median number of weeks on the market was 11.

Forty-one percent of those who were first FSBO, then sold with an agent needed to sell very urgently. FSBO sellers who knew the buyer were more likely to not need to sell urgently (nine percent). It was not common for FSBOs to use incentives to sell their homes (79 percent of all FSBOs did not offer any incentives, down from 86 percent in 2015). Eighty-eight percent of sellers who knew the buyer used no incentives, down from 93 percent in 2015. Agent-assisted sellers offered home warranty policies (23 percent) and assistance with closing costs (17 percent) to help sell their homes, which is consistent with last year.

Reasons of FSBOs, Marketing, and Sellers Experience

▪ Exhibits 8-11 through 8-16

For 61 percent of FSBO sellers that knew the buyer, the main reason to sell via FSBO was because they sold to a relative, friend, or neighbor and 16 percent sold using this method because they did not want to pay a commission or fee. For FSBO sellers that did not know the buyer, 61 percent sold this method because they did not want to pay a commission or fee, and 14 percent because the buyers contacted the sellers directly.

Of all FSBO sellers, 93 percent sold when they wanted to list on the market. Sellers that started as FSBOs and then received assistance from an agent were the most likely to want to sell but were delayed because their home was worth less than the mortgage. Twelve percent of these sellers lived in the home and four percent of these sellers rented their home while living elsewhere. Only seven percent (down from 10 percent in 2015) of FSBOs were delayed in selling their home compared to 13 percent of agent-assisted sellers.

Yard signs, third party aggregators, and open houses were the most common marketing methods for FSBOs. When FSBO sellers knew the buyer, 69 percent did not need to market their home. Getting the right price and preparing or fixing up the home for sale were the most difficult steps in selling for FSBO sellers.

For FSBO sellers who knew the buyer, 33 percent (up from 28 percent in 2015) said they will use an agent to sell their current home. Of FSBO sellers who did not know the buyer, 42 percent (up from 37 percent in 2015) said they will sell their current home themselves. Seven in 10 successful FSBO sellers were satisfied with the process of selling their home.

EXHIBIT 8-1 FSBO AND AGENT-ASSISTED SALES, 1981-2016

(Percentage Distribution)

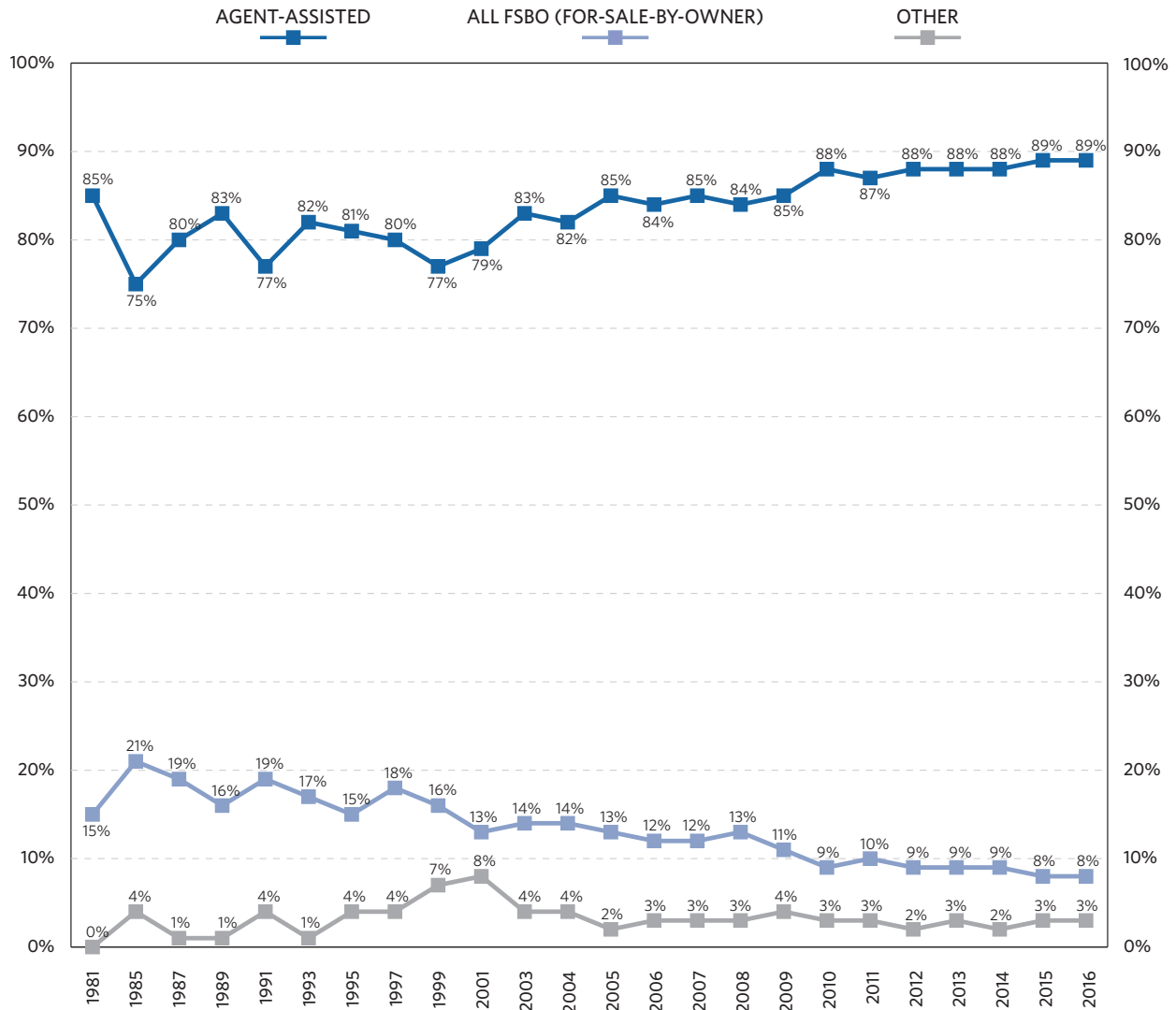


EXHIBIT 8-2 FSBO AND AGENT-ASSISTED SALES, BY LOCATION

(Percentage Distribution)

SELLERS WHO SOLD A HOME IN A

	All Sellers	Suburb/ Subdivision	Small town	Urban/ Central city	Rural area	Resort/ Recreation area
For-sale-by-owner (FSBO)	8%	6%	7%	8%	16%	8%
Seller knew buyer	4	2	3	4	10	3
Seller did not know buyer	4	4	4	4	6	3
Agent-assisted	89	91	90	89	79	89
Other	3	3	3	3	5	3

EXHIBIT 8-3 CHARACTERISTICS OF FSBO AND AGENT-ASSISTED SELLERS*(Percentage Distribution)*

	All Sellers	FSBO			AGENT-ASSISTED		
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	All Agent-assisted	Agent-assisted only	First FSBO, then Agent-assisted
Median age	54	59	58	59	53	53	56
Median income (2015)	\$100,700	\$100,600	\$89,100	\$103,700	\$101,300	\$102,100	\$69,300
Household composition							
Married couple	76%	73%	77%	70%	76%	76%	82%
Single female	14	11	12	11	14	14	18
Single male	6	9	10	8	5	5	*
Unmarried couple	4	6	1	9	4	4	*
Other	2	1	*	1	2	2	*

* Less than 1 percent

EXHIBIT 8-4 TYPE OF HOME SOLD, FSBO AND AGENT-ASSISTED SELLERS*(Percentage Distribution)*

	All Sellers	FSBO			Agent-Assisted
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	
Detached single-family home	81%	69%	77%	63%	82%
Townhouse/row house	7	5	5	6	7
Apartment/condo in a building with 5 or more units	4	6	4	7	4
Duplex/apartment/condo in 2 to 4 unit building	3	2	1	3	3
Mobile/manufactured home	3	10	7	12	2
Other	3	8	6	8	3

EXHIBIT 8-5 LOCATION OF HOME SOLD, FSBO AND AGENT-ASSISTED SELLERS*(Percentage Distribution)*

	All Sellers	FSBO			Agent-Assisted
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	
Suburb/Subdivision	53%	42%	35%	48%	55%
Small town	16	14	12	16	16
Urban area/Central city	14	14	14	14	14
Rural area	14	27	37	19	12
Resort/Recreation area	3	3	2	2	3

EXHIBIT 8-6 SELLING PRICE, FSBO AND AGENT-ASSISTED SELLERS

(Percentage Distribution)

	All Sellers	FSBO			AGENT-ASSISTED		
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	All Agent-assisted	Agent-assisted only	First FSBO, then Agent-assisted
Median selling price	\$240,000	\$185,000	\$168,300	\$200,000	\$245,000	\$245,000	\$182,000
Sales price compared with asking price:							
Less than 90%	10%	8%	9%	7%	9%	9%	19%
90% to 94%	14	13	12	13	15	15	8
95% to 99%	37	22	8	35	38	38	50
100%	26	51	67	39	24	24	15
101% to 110%	10	3	4	2	11	11	*
More than 110%	3	2	*	4	3	3	8
Median (sales price as a percent of asking price)	98%	100%	100%	98%	98%	98%	98%
Number of times asking price was reduced:							
None	59%	69%	79%	61%	57%	58%	36%
One	22	17	11	23	23	23	43
Two	10	7	5	9	10	10	4
Three	6	4	1	6	7	7	18
Four or more	3	3	3	1	3	3	*

* Less than 1 percent

EXHIBIT 8-7

HOW FSBO SELLER DETERMINED ASKING PRICE OF HOME SOLD

(Percent of Respondents)

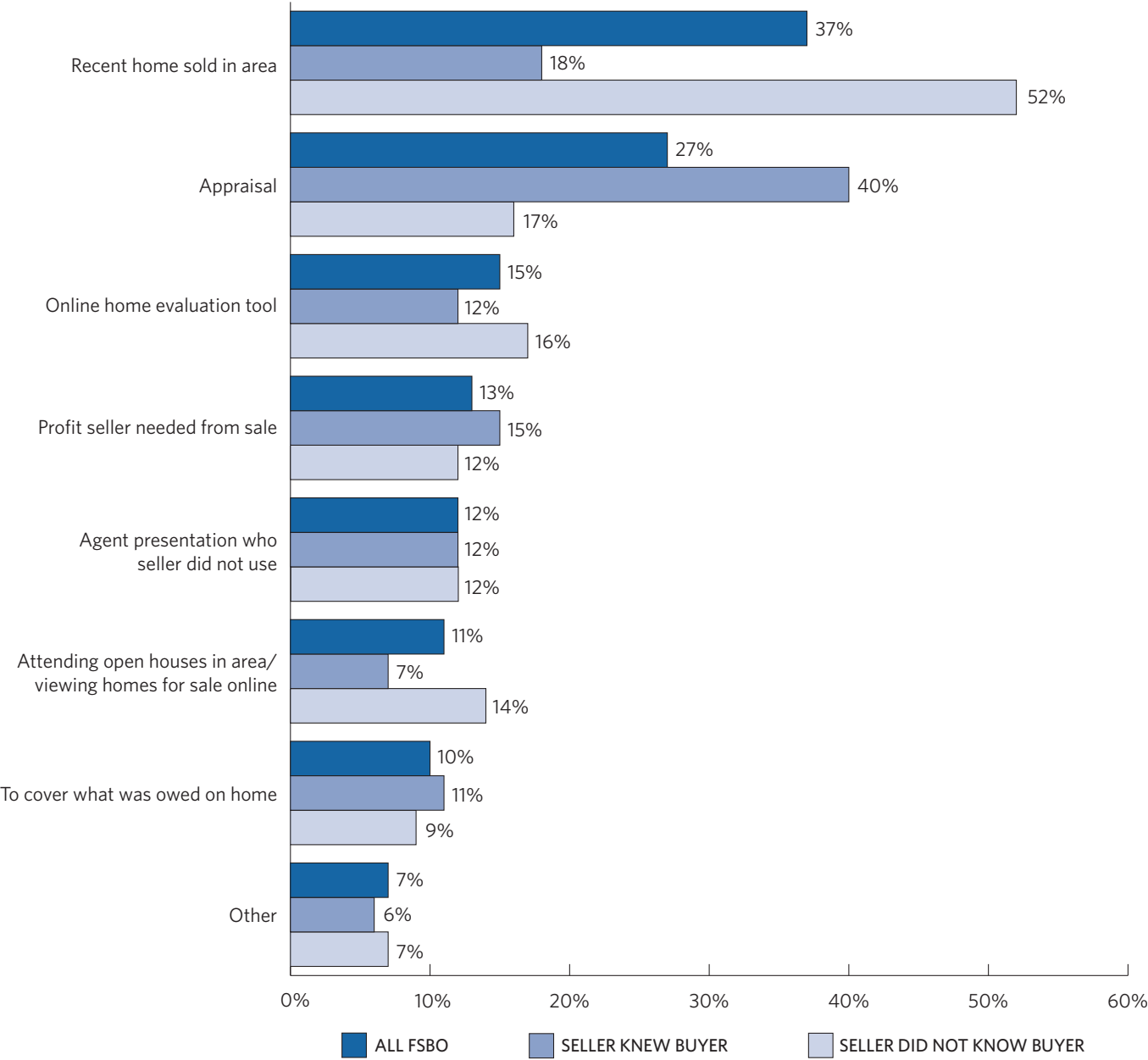


EXHIBIT 8-8 TIME ON THE MARKET, FSBO AND AGENT-ASSISTED SELLERS

(Percentage Distribution)

	All Sellers	FSBO			AGENT-ASSISTED		
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	All Agent-assisted	Agent-assisted only	First FSBO, then Agent-assisted
Less than 1 week	7%	29%	46%	17%	4%	4%	*
1 to 2 weeks	34	38	34	39	34	34	7
3 to 4 weeks	13	3	3	4	14	14	7
5 to 6 weeks	7	1	1	1	8	8	4
7 to 8 weeks	7	4	3	5	7	7	15
9 to 10 weeks	4	3	3	3	4	3	15
11 to 12 weeks	7	6	4	8	7	7	4
13 to 16 weeks	5	2	*	4	5	5	*
17 to 24 weeks	7	5	3	6	7	7	26
25 to 36 weeks	4	5	3	6	4	4	*
37 to 52 weeks	4	2	*	4	5	5	11
53 or more weeks	2	2	3	2	2	2	11
Median weeks	4	1	1	2	4	4	11

* Less than 1 percent

EXHIBIT 8-9 SELLER URGENCY, FSBO AND AGENT-ASSISTED SELLERS

(Percentage Distribution)

Sellers needed to sell:	All Sellers	FSBO			AGENT-ASSISTED		
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	All Agent-assisted	Agent-assisted only	First FSBO, then Agent-assisted
Very urgently	16%	12%	9%	15%	16%	15%	41%
Somewhat urgently	41	34	37	30	42	42	11
Not urgently	43	54	54	55	43	43	48

EXHIBIT 8-10 INCENTIVES OFFERED TO ATTRACT BUYERS, FSBO AND AGENT-ASSISTED SELLERS

(Percent of Respondents)

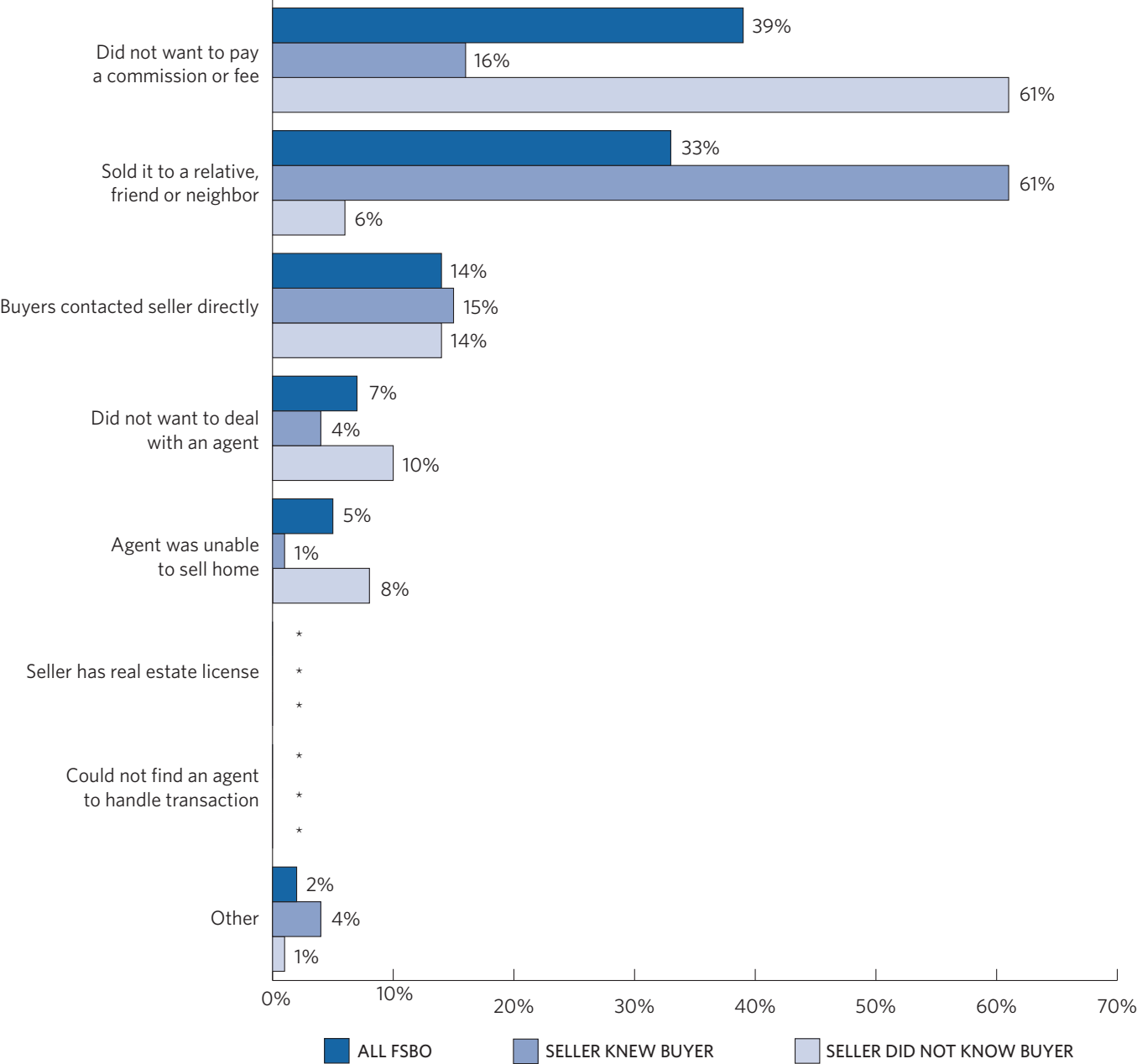
	All Sellers	FSBO			AGENT-ASSISTED		
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	All Agent-assisted	Agent-assisted only	First FSBO, then Agent-assisted
None	64%	79%	88%	69%	62%	62%	50%
Home warranty policies	21	6	1	10	23	23	21
Assistance with closing costs	15	9	6	12	17	17	32
Credit toward remodeling or repairs	6	2	2	2	6	6	4
Other incentives, such as a car, flat screen TV, etc.	5	3	2	4	5	5	*
Assistance with condo association fees	*	*	*	*	1	1	*
Other	3	6	4	7	3	3	11

* Less than 1 percent

EXHIBIT 8-11

MOST IMPORTANT REASON FOR SELLING HOME AS FSBO

(Percentage Distribution)



* Less than 1 percent

EXHIBIT 8-12 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE

(Percentage Distribution)

	All Sellers	FSBO			AGENT-ASSISTED		
		All FSBO	Seller Knew Buyer	Seller did not Know Buyer	All Agent-assisted	Agent-assisted only	First FSBO, then Agent-assisted
Yes, and lived in home	11%	5%	5%	4%	11%	11%	12%
Yes, but rented home to others and lived elsewhere	1	2	1	1	2	2	4
No, sold home when I wanted to sell	87	93	94	95	87	87	84

EXHIBIT 8-13 METHOD USED BY FSBO SELLERS TO MARKET HOME

(Percent of Respondents)

	All FSBO	Seller Knew Buyer	Seller did not Know Buyer
Yard sign	33%	9%	54%
Third party aggregator	21	4	38
Open house	21	1	16
Friends, relatives, or neighbors	16	17	15
Multiple Listing Service (MLS) website	13	1	22
Online classified ads	10	5	14
Social networking Websites	9	3	15
For-sale-by-owner Website	7	*	14
Print newspaper advertisement	3	*	7
Realtor.com	2	*	4
Direct mail (flyers, postcards, etc)	2	*	3
Other Websites with real estate listings	1	1	1
Video	1	*	1
For-sale-by-owner magazine	1	3	*
Video hosting Websites	*	*	*
Television	*	*	*
Other	*	*	*
None - Did not actively market home	41	69	15

* Less than 1 percent

EXHIBIT 8-14 MOST DIFFICULT TASK FOR FSBO SELLERS

(Percentage of Distribution)

	All FSBO	Seller Knew Buyer	Seller did not Know Buyer
Getting the price right	18%	17%	17%
Preparing or fixing up the home for sale	13	14	3
Understanding and performing paperwork	12	11	12
Selling within the length of time planned	3	1	5
Having enough time to devote to all aspects of the sale	3	*	7
Attracting potential buyers	3	3	4
Helping buyer obtain financing	2	4	*
Other	5	8	1
None/Nothing	40	43	40

* Less than 1 percent

EXHIBIT 8-15 HOW FSBO SELLERS WILL SELL THEIR CURRENT HOME

(Percentage Distribution)

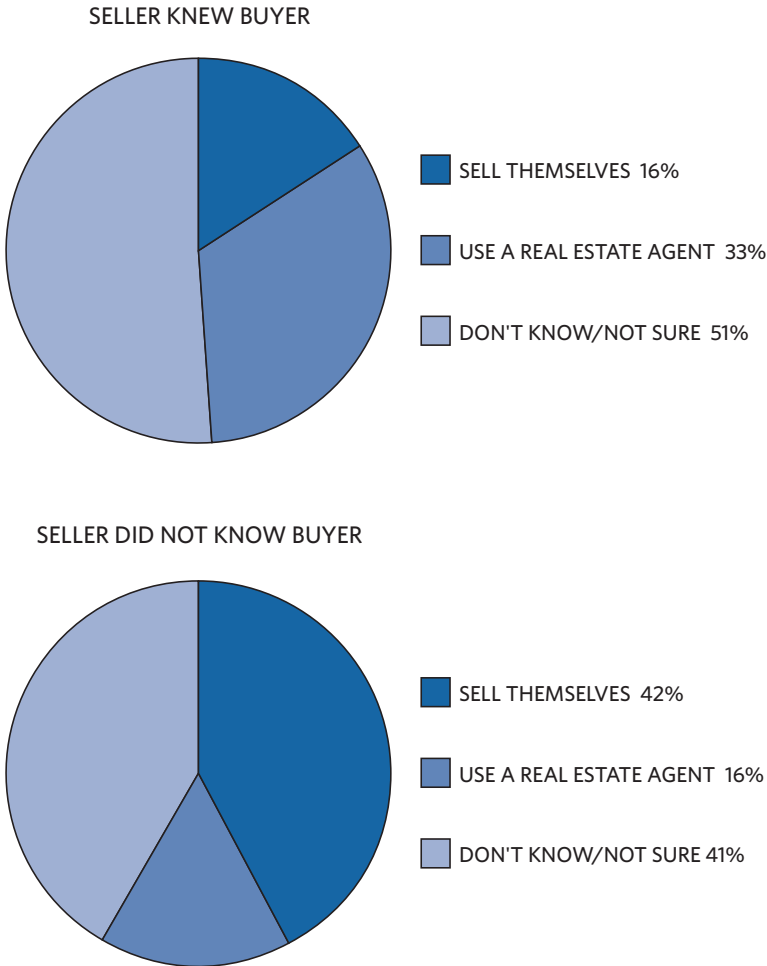
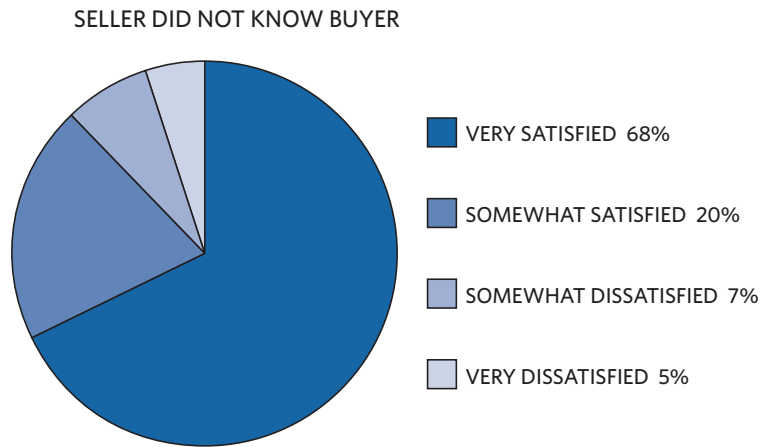
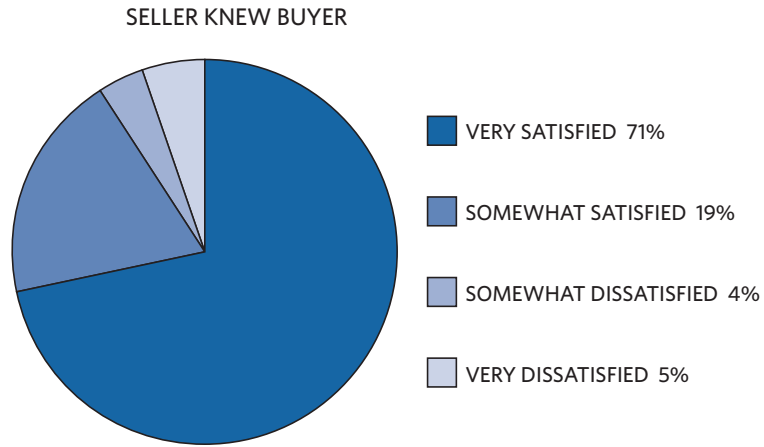


EXHIBIT 8-16 FSBO SELLERS SATISFACTION PROCESS OF SELLING HOME

(Percentage Distribution)



Methodology

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

Respondents had the option to fill out the survey via hard copy or online. The online survey was available in English and Spanish.

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

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

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



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