

National Buyers and Sellers Guide Released: Local Look Coming in December

***Editor's note:** MIBOR participates in an oversample of the national study specific to our 10-county service area. Those local findings will be available to members in December. Read on for the just-released national study findings including information gathered in the study specific to consumer's use of various brokerage models.*

NAR released its 2009 Profile of Home Buyers and Sellers last week at the 2009 Conference & Expo in San Diego. Among the key findings – first-time home buyers reached the highest market share on record during the past year. The number of first-time home buyers rose to 47 percent of all home sales from 41 percent of transactions in last year's study, and was the highest on record dating back to 1981. The previous high was 44 percent in 1991.

On a national scale, fifty-five percent of entry level buyers reported they financed their purchase with an FHA loan, while another 8 percent used the VA loan program. Only 12 percent said financing their first home was more difficult than expected, but 13 percent of successful buyers said they had experienced a purchase agreement that was canceled, terminated or fell through; and 8 percent had been rejected by a lender.

Among all purchasers, buyers searched a median of 12 weeks and viewed 12 homes. The typical repeat buyer was 48 years old, earned \$88,100, purchased a home costing \$224,500 and plans to stay in that home for 12 years. The median down payment of all home buyers was 8 percent, and the number purchasing with no money down fell from 23 percent in 2008 to 15 percent in the current survey; 8 percent of buyers paid all cash for their home.

The median age of home sellers was 46 and their income was \$91,100. Typical sellers had been in their home for seven years, up from six years in the 2008 survey, moved a median distance of 19 miles, and their home was on the market for 10 weeks. Nearly half traded up in size, 30 percent bought a comparable home and 22 percent traded down.

Eighty-five percent of sellers used a real estate professional, and 64 percent of sellers chose their agent based on a referral or had used the same agent in the past. Eighty-one percent of sellers are likely to use the same agent again or recommend to others.

Of sellers working with real estate agents, the study found that 80 percent used full-service brokerage, in which agents provide a range of services that include managing most of the process of selling a home from listing to closing. Nine percent of sellers chose limited services, which may include discount brokerage, and 11 percent used minimal service, such as simply listing a property on a multiple listing service.

Home buyers thought the most important services agents offer are helping find the right house, and negotiating sales terms and price. The most commonly cited benefits of using an agent are helping buyers understand the process, pointing out unnoticed features or faults, negotiating better contract terms, and providing a better list of service providers. Comparable to sellers, buyers chose agents based on a referral or had used them in a previous transaction, with trustworthiness and reputation being the biggest factors in selecting an agent.

The difficulty of for-sale-by-owner transactions increased with challenging market conditions over the past year. The level of FSBOs was a record low 11 percent, down from 13 percent in 2008. The share of homes sold without professional representation has trended down since reaching a cyclical peak of 18 percent in 1997. The most difficult tasks reported by unrepresented sellers are preparing and fixing the home for sale, getting the right price, understanding and performing paperwork, and selling within the planned length of time.

Free to members, the 2009 National Association of Realtors® Profile of Home Buyers and Sellers can be ordered by calling 800-874-6500, or online at www.realtor.org/newresearch.