

WHITE PAPER
NAR Survey Results 2009: About First-Time Buyers

The WHITE PAPER you are about to read is from data interpreted from the NAR's Profiles of Home Buyers & Home Sellers, 2009. While I list some of the stats you are about to read, but I have interpreted the "who, what, where and how" you could use this info to develop a marketing plan and save a ton of money doing so.

I believe that you will find even MORE first-timers entering the real estate market and you are missing a huge chunk of the market if you don't have a game plan to attract FTHB.

- **First-Time Home Buyers Made up 47% of All Home Purchases**

While it has increased 6% over last year, regionally, the Northeast has increased the most with 48% (or almost 1/2 of all business being sold to FTHB); 48% Midwest; 45% South; 51% West. Five out of every 10 buyers fit into this category—they need more handholding and the way you interact with them will be different than your repeat clients.

- **Living Arrangements Prior to Buying Their First Home**

78% of FTHB lived in apartment complexes or rented a home or condo prior to purchasing. It has increased 3% over 2008. 19% lived with parents prior to purchasing. The bottom line is that you might want to concentrate your [marketing to apartment complexes](#) or combing your database for clients who children might be buying a home in the future—and asking for their referrals.

- **Marital Status of First-Time Home Buyers**

*49% Married Couples
12% Unmarried Couples
25% Single Females
12% Single Males*

These numbers only vary 1 per cent over 2007 numbers. Notice that single female buyers are double the percentage of single males and half of married couples. It's a niche within a niche. FTHB seminars are a way to attract prospects but be aware that single females have additional "need & concerns" so you may want to hold a "Women-Only First-Time Home buying Seminar".

- **Medium Age of First-Time Home Buyers**

*12% - Age 18-24
53% - Age 24-35
18% - Age 35-44*

Think Gen X here! They are independent, blunt and skeptical! Creative emails, an awesome website and social networking all need to be part of your FTHB business plan.

- **Average Income of First-Time Home Buyers**

2008		2009
\$70,000	<i>Married</i>	\$71,300
\$65,000	<i>Unmarried Couples</i>	\$68,600
\$47,000	<i>Single Female</i>	\$47,900
\$54,000	<i>Single Male</i>	\$53,700

Single women earn 11% less income than single males, but they purchase twice as many homes. Again, another reason to consider Women-only seminars and creating marketing pieces “for women only”—or “Couples-Only Seminars”.

- **Purchase Price Range**

<i>10% - Price Range \$75K to \$100K</i>	<i>13% - Price Range \$150K to \$175K</i>
<i>12% - Price Range \$100K to \$125K</i>	<i>10% - Price Range \$175K to \$200K</i>
<i>16% - Price Range \$125K to \$150K</i>	

Some areas of country are more affordable than others—however based on this info, over half of your FTHB are more likely to purchase a home \$175K or below.

- **Moving Distance From Current Residence**

FTHB move an average distance of 12 miles from their previous residence (apartment or parent’s home). So if you are [marketing to apartment complexes](#), consider the location of the complex and compare it to the surrounding (affordable) homes as a guide in choosing the complexes to market to.

- **Information Sources PRIOR to Buying Home**

2008		2009
94%	<i>Internet Search Prior to Purchase</i>	94%
63%	<i>Virtual Tour</i>	63%
45%	<i>Newspaper Ads</i>	40%
48%	<i>Open Houses</i>	43%
30%	<i>Homes Magazines</i>	24%
9%	<i>T V</i>	9%

Without a doubt, the Internet plays the most important role in the first steps that FTHB take when looking for a home. While spending your money on a cool-looking website is a must, it’s MORE important that the site is ultra-easy to navigate.

- **The Internet, Virtual Tours and Social Networking**

2008		2009
32%	<i>Found Home On Internet</i>	36%
28%	<i>Found Agent Online</i>	36%
11%	<i>Mortgage Pre-qual Online</i>	11%
7%	<i>Mortgage Application</i>	7%

FTHB use of social networking to find homes and real estate agents. 42% of buyers, age 18-24 uses Social Networking sites EVERY DAY versus 19% of buyers, ages 25-44. However, in the 25-44 age group, another 14% (total of 33%) use it several times a week.

With 94% searching for homes on the web, and over 1/3 buying a home they found while doing the research online, real estate agents and loan officers should team up and provide financing info, with different loan products (FHA, VA, Conventional) and with different down payment scenarios to assist in the buying process. Check out www.KarensUnfairAdvantage.com for dynamic, single property websites.

- **Length of Time to Buy Home**

2008		2009
3 Weeks	<i>Research Time Before Agent</i>	2 weeks
10 Weeks	<i>Sign a Contract</i>	12 weeks

FTHB are finding an agent to work with about a week sooner, but taking longer to buy a home. Keeping in contact, on a regular basis, is critical.

- **Financing The Home Purchase**

2008		2009
69%	<i>Own Savings</i>	61%
26%	<i>Gifts</i>	22%
92%	<i>Fixed Rate Mtg</i>	96%

No brainier here—fixed rates are popular again; savings are down.

- **FTHB Tenure in Home Resale**

*Age 18-25 – 4% plan to sell their home within 2-3 years after buying it
Age 25-44—24% plan to sell their home within 2-3 years after buying it*

It's critical to keep in touch, especially emails or social networking, if you want to chance to sell them another home and work with you in the future.