

2022 Profile of Home Buyers and Sellers: Highlights

The National Association of REALTORS (NAR) has published its annual report. The report is based on surveys of recent home buyers including those who sold one property to buy another. The survey consisted of 129 questions mailed to 153,045 recent home buyers. These reports began in 1981 with just 59 questions and are intended to provide insight into consumer behavior, specifically their needs and expectations.

The reports are as unique as the economic, social and demographic environment. The time period covered ran from July 2021 through June 2022 and was impacted by a number of major events including a Real Estate market in transition.

The highlights are broken down into several characteristics.

Home Buyers:

- 26% were first-time buyers, the lowest share ever recorded in these reports, down from 34%
- The typical first-time buyer was 36 years old, up from 33, and the typical repeat buyer was 59, both all-time highs for these reports
- The share of unmarried couples buying was higher than reported previously
- 22% of all buyers said that their primary reason for buying was to own their own home; the number rose to 62% for first-time buyers
- 86% of recent buyers used a Real Estate professional; 10% bought directly from the owner
- 49% used an agent to help them find the right home.

As you will see as I continue, several factors have been adversely affecting buyers, especially first-time buyers.

Homes Purchased:

- 12% bought new homes with 41% of them looking to avoid renovations and mechanical problems
- 88% bought previously-owned homes with 31% of them looking for a better price
- 79% bought detached, single-family homes
- The median distance between the recent purchase and their prior home was 50 miles, up from 15 miles as reported between 2018 and 2021
- 49% cited the quality of the neighborhood as the most important factor in selecting a location; affordability and proximity to family and friends were both cited at 37%
- The typical purchase was at the full asking price while 28% spent more than the asking price
- Typical buyers expected to live in their home for 15 years; 28% said they would never move

The Home Search Process:

- 47% started by searching online; 18% started by contacting a Real Estate agent
- 96% of buyers used online tools in their search
- Typical buyers searched for 10 weeks, up from 8 weeks, and looked at a median of five homes plus another four they only viewed online
- 86% found their agent to be a very or somewhat useful source of information

- 91% were at least somewhat satisfied with their home-buying process

As I have seen in other reports, delaying contacting a professional may have an adverse effect on buyers especially if they learn that financing requires them to do some work to “qualify”.

Financing the Home Purchase:

- 78% of recent buyers financed their purchase, down from 87%
- The typical down payment for first-time buyers was 6%; 17% for repeat buyers
- 47% used their savings for their down payment. 38% of repeat buyers used the proceeds from the sale of their home; 22% of first-time buyers used a gift or a loan from family or friends
- 26% of first-time buyers cited saving for a down payment as the most difficult step in the process
- 88% of buyers viewed a home purchase as a good financial investment

Home Sellers:

- The typical seller was 60 years old, up from 56
- 21% sold to move closer to family and friends; 11% sold due to retirement; 11% said that their neighborhood had become less desirable
- Sellers typically lived in their home for 10 years, up from 8 years
- 41% bought a larger home; 32% bought the same size home
- 39% used the same Real Estate agent to buy as they used to sell
- 86% used a Real Estate professional; 10% sold on their own, meaning without representation
- The median final selling price was 100% of the asking price, the highest since 2002
- The median time on the market was two weeks, up from one week
- 91% of sellers were at least somewhat satisfied with the selling process

FSBO Sellers (meaning For Sale By Owner or Unrepresented Sellers):

- 10% of sellers sold without representation, up from 7%
- 6% of suburban sellers sold without representation while 13% did so in rural areas
- 50% knew the buyer of their home
- FSBO homes typically sold for less than Real Estate agent-assisted sales. FSBOs sold for a median price of \$225,000 compared to Real Estate agent-assisted sales at \$345,000.

Sellers who do not use a Real Estate agent typically do so to save the commission. Given the wide disparity in results that merits a conversation. That being said, some sellers say they needed to save the commission to make a move. Their choice but I respectfully suggest that all sellers think about it.

This is a lot to digest. How closely these results may reflect your feelings and experiences will vary. Selling and buying Real Estate is a personal decision, often an emotional one justified with logic.

Remember, when it comes to selling or buying what is likely your biggest asset and your largest overall investment,

There is no time for inexperience, empty promises *or* false expectations.

HIRE WISELY: We are not “*all the same*”!