

NATIONAL ASSOCIATION OF REALTORS®

Profile of Home Buyers and Sellers 2011



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NATIONAL ASSOCIATION OF REALTORS®

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Introduction

The NATIONAL ASSOCIATION OF REALTORS® annually surveys recent home buyers and sellers to gather detailed information about their experiences buying and selling a home. The information provided helps to provide understanding from the consumer level of the trends that are transpiring and the changes seen. The surveys cover 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.

Many of the demographics covered in the report show trends that have not been seen in the last 10 years. In the last two years, home buyers were urged into the market by the Home Buyer Tax Credit and record affordability. Buyers now are facing tighter credit standards and are typically only buyers with the very best credit—often without financing. This change is one that is so substantial, it is changing who purchases homes, who sells homes, and how the home is financed. As demographics of buyers change, the home search process shifts as well.

As the market has changed in recent years, understanding the role of the real estate agent as it evolves is an invaluable tool. The majority of home buyers and sellers use real estate professionals to assist them with their transaction. The real estate market is largely based on word of mouth from successful clients passing information to friends and family, building referrals for real estate professionals. One indicator of client satisfaction is that a majority of both buyers and sellers report that they would use the same real estate agent again or recommend that agent to others.

This report provides real estate professionals with insights into the needs and expectations of their clients. What do consumers want when choosing a real estate professional? How do home buyers begin the process of searching for a home? Why do some sellers choose to forego the assistance of an agent? The answers to these questions, along with other findings in this report, will help real estate professionals better understand the housing market and also provide the information necessary to address the needs of America's real estate consumers.



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Jessica Lutz

November 2011

The Housing Environment

The global economy has continued to sputter in the last year as it attempts to rebuild from the economic recession. Stateside household net worth has rebounded from lows seen in the recession and is slowly growing. However, the job market continues to be bleak as the unemployment rate stays firmly between 9 and 10 percent and the underemployment rate continues to grow. For the economy to move forward, many policymakers and households are looking to the job market for a cure.

Home sales during the survey period of the report, mid-2010 to mid-2011, dropped following the expiration of the Home Buyer Tax Credit. Many buyers purchased in the two years prior to the expiration, with the tax credit from the federal government giving an added push into the market. Thus, buyers who were buying a home during this survey period were often in a situation where they needed to purchase a home for family changes or a job-relocation and not because of the tax credit. However, while sales declined, home values appear to have found more solid footing with several measures of prices showing little change compared to the year before.

Distressed sales continue to account for a large share of home sales in some local markets. The rise in foreclosures is well known, as is the concentration of foreclosures in a small number of states that experienced a rapid rise in prices and sales in the middle of the decade. In these areas, many investors are purchasing these homes, often making all cash purchases

For more than one-quarter of home buyers the number one reason for buying a home is simply the plain desire to own a home. Homeowners, who purchase a property as their primary residence, are also buying in to a neighborhood. A long and distinguished body of academic research has shown that homeownership strengthens the community; homeowners have a stake in the community and are likely to invest through their participation in civic activities such as voting or volunteering their time. Moreover, it is now well documented that homeowners and their families benefit in a number of ways ranging from more positive feelings about the future to better health. Although the financial aspects of homeownership are important, they do not stand alone as the primary motivators for the purchase of a home.



Highlights

Characteristics of Home Buyers

- Thirty-seven percent of recent home buyers were first-time buyers, a drop from 50 percent in 2010.
- The typical buyer was 45-years-old, a jump from 39-years-old in 2010.
- The 2010 median household income of buyers was \$80,900. The median income was \$62,400 among first-time buyers and \$96,600 among repeat buyers.
- Sixty-four percent of recent home buyers were married couples—the highest share since 2001. Eighteen percent of recent home buyers were single females—the lowest share since 2004.
- For 27 percent of recent home buyers, the primary reason for the recent home purchase was a desire to own a home.

Characteristics of Homes Purchased

- New home purchases continue to drag at a share of 16 percent of all recent home purchases.
- The typical home purchased was 1,900 square feet in size, was built in 1993, and had three bedrooms and two bathrooms.
- Seventy-seven percent of home buyers purchased a detached single-family home.
- The quality of the neighborhood, convenience to job, and overall affordability of homes are the top three factors influencing neighborhood choice, however neighborhood choice varies considerably among household compositions.
- When considering the purchase of a home, heating and cooling costs were at least somewhat important to 87 percent of buyers and commuting costs were considered at least somewhat important by 73 percent of buyers.

The Home Search Process

- For 35 percent of home buyers, the first step in the home buying process was looking online for properties.
- Ten percent of home buyers first looked online for information about the home buying process.
- The use of the Internet in the home search dipped slightly to 88 percent from a high of 90 percent in 2009 as the demographics of home buyers shifted to slightly older repeat buyers from younger first-time buyers.
- Real estate agents were viewed as a useful information source by 98 percent of buyers who used an agent while searching for a home.
- The typical home buyer searched for 12 weeks and viewed 12 homes.
- Nine in ten recent buyers were satisfied with the home buying process.

Home Buying and Real Estate Professionals

- Eighty-nine percent of buyers purchased their home through a real estate agent or broker—a share that has steadily increased from 69 percent in 2001.
- Forty-one percent of buyers found their agent through a referral from a friend or family member and 9 percent used an agent they had used before to buy or sell a home.
- About two-thirds of recent buyers only interviewed one agent before they found the agent they worked with.
- Nearly nine in ten buyers would use their agent again or recommend to others.

Highlights

Financing the Home Purchase

- Eighty-seven percent of home buyers financed their recent home purchase. Among those who financed their home purchase, the buyers typically financed 89 percent.
- The share of first-time buyers who financed their home purchase was 95 percent compared to 82 percent of repeat buyers.
- Nearly half (46 percent) of home buyers reported they have made some sacrifices such as reducing spending on luxury items, entertainment or clothing, in order to afford the home.
- Twenty-three percent of buyers reported the mortgage application and approval process was somewhat more difficult than expected and 16 percent reported it was much more difficult than expected.

Home Sellers and Their Selling Experience

- About half of home sellers traded up to a larger sized and higher priced home and 60 percent purchased a newer home.
- The typical seller lived in their home for nine years. The median tenure has increased in recent years. In 2007, the typical tenure in a home was only six years.
- Eighty-seven percent of sellers were assisted by a real estate agent when selling their home.
- Recent sellers typically sold their homes for 95 percent of the listing price, and 61 percent reported they reduced the asking price at least once.
- Forty-one percent of sellers offered incentives to attract buyers, most often assistance with home warranty policies and closing costs.

Home Selling and Real Estate Professionals

- Thirty-nine percent of sellers who used a real estate agent found their agents through a referral by friends or family, and 22 percent used the agent they worked with previously to buy or sell a home.
- Two-thirds of home sellers only contacted one agent before selecting the one to assist with their home sale.
- Ninety-two percent of sellers reported that their home was listed or advertised on the Internet.
- Among recent sellers who used an agent, 85 percent reported they would definitely (69 percent) or probably (16 percent) use that real estate agent again or recommend to others.

For-Sale-by-Owner (FSBO) Sellers

- The share of home sellers who sold their home without the assistance of a real estate agent was 10 percent. Forty percent of those sellers knew the buyer prior to home purchase.
- The primary reason that sellers choose to sell their home without the assistance of a real estate agent to a buyer they did not know was that they did not want to pay a fee or commission (37 percent).
- More than one-third of FSBO sellers took no action to market their home, and 59 percent did not offer any incentives to attract buyers.
- The typical FSBO home sold for \$150,000 compared to \$215,000 among agent-assisted home sales.

Chapter 1:

Characteristics of Home Buyers

The end of the Home Buyer Tax Credit in 2010 coincided with increased lending standards for home buyers. The combination of these two events changed who is buying a home and why they are purchasing a home in the last year.

First-time home buyers dropped from half of all buyers to just over one-third of home buyers. The demographics shifted to buyers who were older and had higher incomes than buyers in past years. There was also a reversal of a 10 year trend of more single buyers in the market to a higher share of married couple buyers than was seen since 2001.

Many buyers today are still buying homes because of the desire to own a home of their own; however, many buyers are also buying because they find themselves in a situation where they need to buy a new home. Often buyers have a life change where they need a larger or smaller home or need to move for a job relocation. As the market shifts towards buyers who are no longer buying just because they want to own a home but because they need to in order to accommodate these life changes, it also shifts the dynamics of the home buying market and the demographics of buyers.

DEMOGRAPHIC CHARACTERISTICS OF HOME BUYERS

- **Exhibits 1-1 through 1-4**

The demographic characteristics of home buyers have changed in the last year. The median age of home buyers has jumped to 45-years-old from 39-year-old. While the largest share of home buyers is aged 25 to 34, this share accounted for 36 percent in the 2010 report and now only accounts for 27 percent of recent buyers.

The median household income of homebuyers increased in the 2010 report, after two consecutive years of decline. The increase in household income reflects the tightening credit conditions that homebuyers are facing. The median household income of buyers nationally is \$80,900.

After following a distinct pattern from 2001 to 2010, household composition has broken from the trend line. Household composition from 2001 to 2010 followed a trend of widening the market to single home buyers and unmarried couples and a smaller share of married couples buying homes, thus the drop in married couples from 2001 to 2010 was 68 percent to 58 percent. In 2011, however, we see a distinct decline in both single home buyers and unmarried couples, as well as a rise in married couples. In 2011, the largest share of married couples since 2001 reported they were recent buyers—64 percent. The report also evidences the smallest share of single female buyers since 2004—just 18 percent.

RACE, ETHNICITY, LANGUAGE AND NATIONAL ORIGIN OF BUYERS

- **Exhibits 1-5 through 1-8, and Exhibits 1-15 through 1-17**

Among all buyers nationwide, 85 percent reported their ethnicity as Caucasian. However, the race and ethnicity of home buyers varies greatly by the region in which they purchased a home.

Home buyers are most diverse in the West. Twenty percent of buyers in the West reported that their race was Hispanic or Asian. The South was also more diverse than the U.S. overall. Sixteen percent of home buyers in the South reported their race was Black or Hispanic. By household composition, single female buyers are more likely to be diverse.

The share of home buyers who speak English at home was 95 percent nationally. Overall the share of home buyers born in the US is unchanged from last year at 90 percent. In the West, 87 percent of buyers reported being born in the US while the share in the Midwest was 95 percent.

First-time buyers are more diverse than repeat buyers in general and an increased share of first-time buyers identify themselves as a race or ethnicity other than Caucasian, compared to 2010. First-time buyers are also more likely to speak a language other than English at home and are more likely than repeat buyers to have been born outside of the United States.

DEMOGRAPHIC CHARACTERISTICS OF FIRST-TIME AND REPEAT HOME BUYERS

■ Exhibits 1-9 through 1-14

The end of the Home Buyer Tax Credit decreased the share of first-time home buyers to 37 percent from 50 percent in 2010 and 47 percent in 2009. The Midwest and South had the smallest share of first-time buyers at 34 percent, while the Northeast had the greatest share of first-time buyers at 43 percent.

First-time buyers include a higher share of single buyers and unmarried couples, while married buyers are predominately repeat buyers. Overall, the same share of first-time and repeat buyers have children under the age of 18 living in their home. The typical age for first-time buyers was 31, nearly unchanged from 2010, while the typical age for repeat buyers increased to 53 from 49 in 2010.

The typical income for both first-time buyers and repeat buyers has increased from the last report. The typical household income for first-time buyers was \$62,400 and \$96,600 for repeat buyers in 2010. Married repeat buyers typically had the highest income among buyers at \$110,800, while single female first-time buyers had the lowest income at \$46,300.

PRIOR LIVING ARRANGEMENT

■ Exhibits 1-18 and 1-19

Nearly half of all home buyers owned their previous residence prior to buying a new home. This is an increase from 35 percent in 2010 because of the drop in the share of first-time home buyers. Forty-two percent of all recent home buyers rented an apartment or house immediately before buying their home. Renting a home was most common among first-time buyers; however 21 percent of repeat buyers did rent before purchasing their home.

When comparing household compositions, married couples were more likely than other household types to own their previous residence before buying. Unmarried couples were the most likely to be renters before buying. Single men and single women were more likely than other household types to live with parents, relatives, or friends before buying.

PRIMARY REASON FOR HOME PURCHASE AND TIMING OF PURCHASE

▪ Exhibits 1-20 through 1-24

The primary reason for purchasing a home was the desire to own a home—more than one-quarter of home buyers cited this reason in 2011; while this remains the most cited reason among all types of buyers, it has decreased in prominence from 2010.

The primary reason to purchase a home among repeat buyers is often because of life changes: the desire for a larger home, a job-relocation or move, desire to be closer to family and friends, or a change in a family situation. Among ages of home buyers there are also shifts from the younger ages where buyers want to own a home of their own, to older ages where a change is taking place so they need to upgrade, downgrade or perhaps move cities for a job-related relocation.

The primary reason for the timing of the home purchase remains that it was just the right time to buy and the buyer felt ready to buy a home. Affordability is the second most common reason among all buyers; however, affordability has decreased in prominence in both repeat and first-time buyers. Affordability as a reason for the timing of the home purchase also changed based on age. Younger buyers placed a higher priority on affordability, while older buyers were more likely to purchase a home because they had to make the purchase when they did.

OWNERSHIP OF MULTIPLE HOMES

▪ Exhibits 1-25 through 1-26

Nineteen percent of recent home buyers own more than one home. The share of buyers who own a second home increased from 14 percent in the 2010 report to 19 percent in the 2011 report. The increase speaks to those who are able to purchase a home in this market. Owning a second or third home is most common among buyers aged 65 or older. Ninety-nine percent of buyers aged 18 to 24 own only one home, whereas only 74 percent of buyers aged 65 or older own just one home. One in ten buyers 45 or older owns an investment property in addition to the home they recently purchased.

The primary reason to purchase a home among repeat buyers is often because of life changes: the desire for a larger home, a job-relocation or move, desire to be closer to family and friends, or a change in a family situation.

Exhibit 1-1 AGE OF HOME BUYERS, BY REGION

(Percentage Distribution)

BUYERS WHO PURCHASED A HOME IN THE					
	All Buyers	Northeast	Midwest	South	West
18 to 24 years	4%	3%	4%	3%	4%
25 to 34 years	27	29	31	25	25
35 to 44 years	19	20	18	18	21
45 to 54 years	19	18	17	20	20
55 to 64 years	19	17	16	21	18
65 to 74 years	10	9	10	10	10
75 years or older	3	2	4	4	3
Median age (years)	45	43	43	47	45

Exhibit 1-2 HOUSEHOLD INCOME OF HOME BUYERS, BY REGION, 2010

(Percentage Distribution)

BUYERS WHO PURCHASED A HOME IN THE					
	All Buyers	Northeast	Midwest	South	West
Less than \$25,000	4%	2%	5%	4%	6%
\$25,000 to \$34,999	8	7	6	8	8
\$35,000 to \$44,999	8	8	10	8	7
\$45,000 to \$54,999	9	10	9	9	9
\$55,000 to \$64,999	9	8	11	8	8
\$65,000 to \$74,999	8	9	9	7	9
\$75,000 to \$84,999	8	9	7	7	7
\$85,000 to \$99,999	11	10	10	11	11
\$100,000 to \$124,999	12	12	13	12	12
\$125,000 to \$149,999	8	8	7	8	9
\$150,000 to \$174,999	5	5	4	6	5
\$175,000 to \$199,999	3	4	3	3	4
\$200,000 or more	8	9	6	10	7
Median income (2010)	\$80,900	\$82,700	\$75,900	\$82,800	\$81,000

Exhibit 1-3 ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS, 2001-2011

(Percentage Distribution)

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011
Married couple	68%	59%	62%	61%	61%	62%	61%	60%	58%	64%
Single female	15	21	18	21	22	20	20	21	20	18
Single male	7	11	8	9	9	9	10	10	12	10
Unmarried couple	7	8	9	7	7	7	7	8	8	7
Other	3	1	2	2	1	2	2	1	1	1

Exhibit 1-4

NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD

(Percentage Distribution)

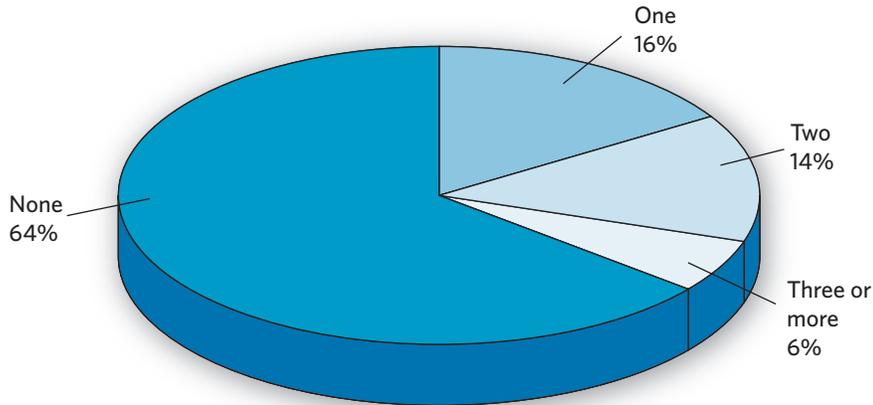


Exhibit 1-5

RACE/ETHNICITY OF HOME BUYERS, BY REGION

(Percent of Respondents)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
White/Caucasian	85%	88%	92%	82%	80%
Black/African-American	6	5	4	9	2
Hispanic/Latino	6	3	2	7	11
Asian/Pacific Islander	4	3	2	3	9
Other	2	2	1	2	3

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

Exhibit 1-6

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%	86%	79%	90%	82%	76%	80%	87%
Black/African-American	6	4	12	3	6	14	6	6
Hispanic/Latino	6	6	6	4	10	6	8	5
Asian/Pacific Islander	4	5	4	3	5	1	6	3
Other	2	2	2	2	2	3	2	2

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

Exhibit 1-7

PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD, BY REGION

(Percentage Distribution)

	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
English	95%	96%	97%	95%	93%
Other	5	4	3	5	8

Exhibit 1-8

NATIONAL ORIGIN OF HOME BUYERS, BY REGION

(Percentage Distribution)

	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
Born in U.S.	90%	90%	95%	90%	87%
Not born in U.S.	10	10	5	10	13

Exhibit 1-9

FIRST-TIME HOME BUYERS

(Percent of all Home Buyers)

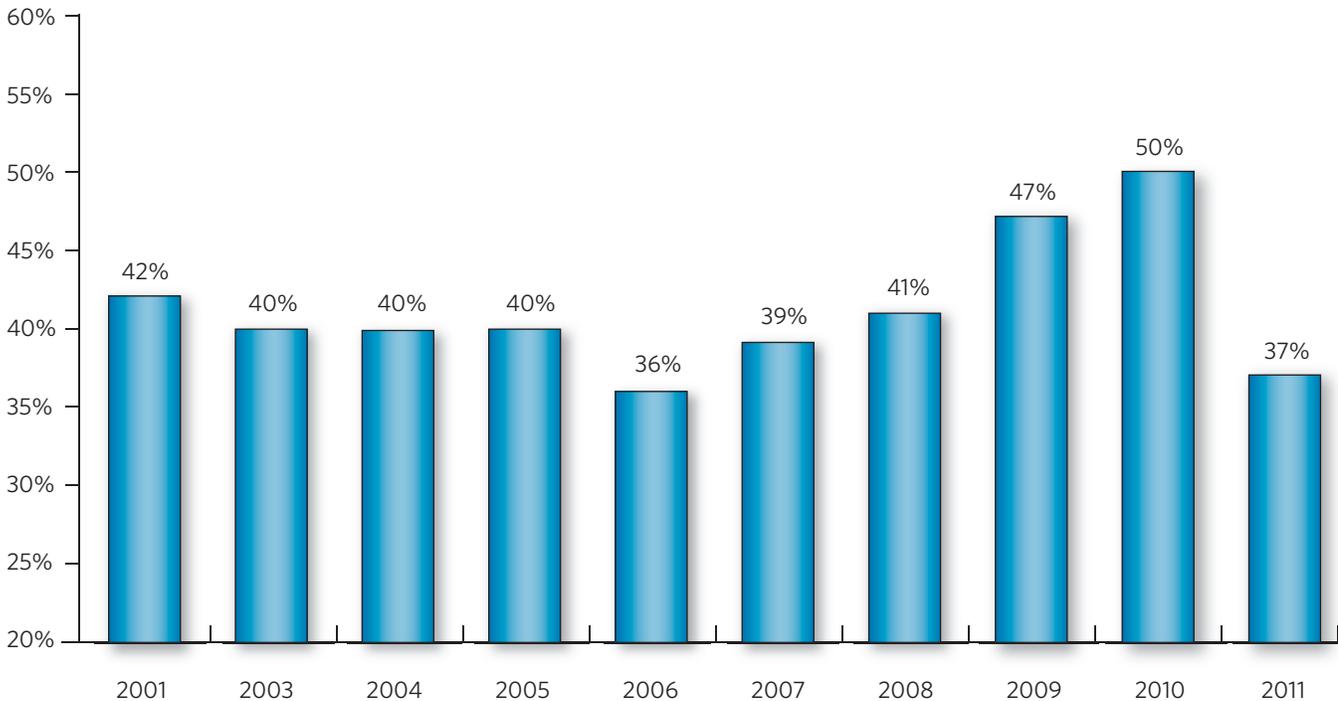


Exhibit 1-10

FIRST-TIME HOME BUYERS, BY REGION

(Percent of all Home Buyers)

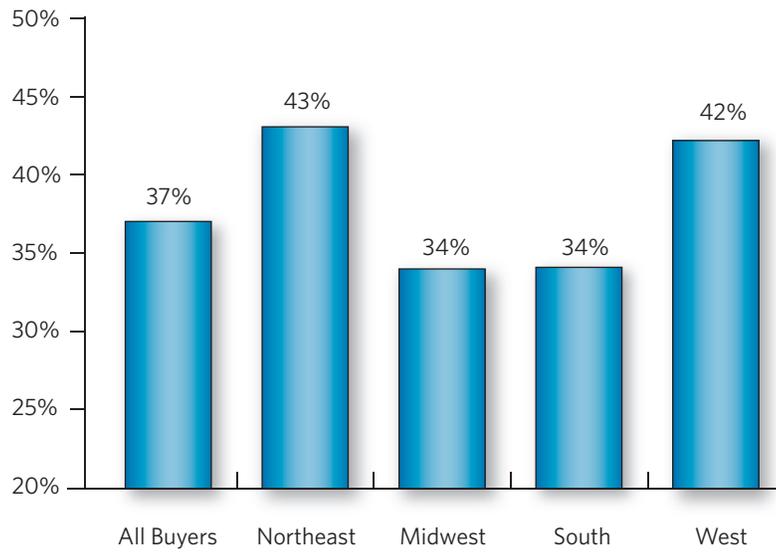


Exhibit 1-11

FIRST-TIME AND REPEAT HOME BUYERS BY HOUSEHOLD TYPE

(Percentage Distribution)

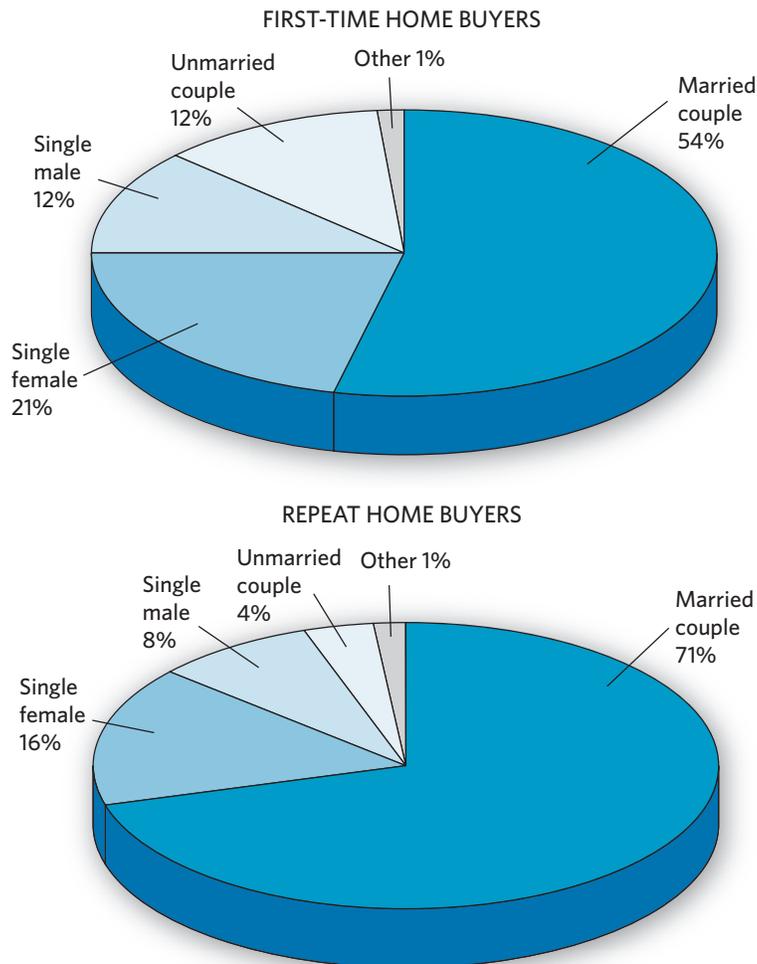


Exhibit 1-12

FIRST-TIME AND REPEAT HOME BUYERS BY CHILDREN IN HOUSEHOLD

(Percentage Distribution)

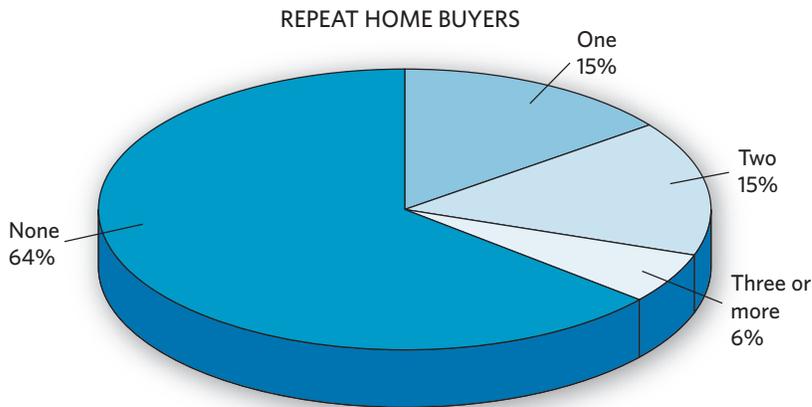
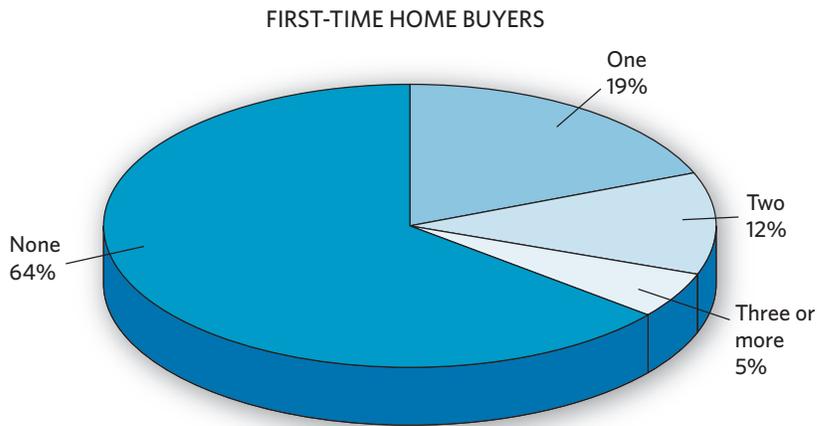


Exhibit 1-13**AGE OF FIRST-TIME AND REPEAT BUYERS***(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
18 to 24 years	4%	9%	*
25 to 34 years	27	52	12
35 to 44 years	19	20	19
45 to 54 years	19	11	24
55 to 64 years	19	6	26
65 to 74 years	10	2	14
75 years or older	3	*	5
Median age (years)	45	31	53
Married couple	45	31	51
Single female	47	34	56
Single male	45	30	54
Unmarried couple	33	29	51
Other	56	41	62

* Less than 1 percent

Exhibit 1-14**HOUSEHOLD INCOME OF FIRST-TIME AND REPEAT BUYERS, 2010***(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$25,000	4%	5%	4%
\$25,000 to \$34,999	8	12	5
\$35,000 to \$44,999	8	13	5
\$45,000 to \$54,999	9	12	7
\$55,000 to \$64,999	9	11	7
\$65,000 to \$74,999	8	10	7
\$75,000 to \$84,999	8	8	7
\$85,000 to \$99,999	11	11	10
\$100,000 to \$124,999	12	9	14
\$125,000 to \$149,999	8	4	10
\$150,000 to \$174,999	5	3	7
\$175,000 to \$199,999	3	1	4
\$200,000 or more	8	2	12
Median income (2010)	\$80,900	\$62,400	\$96,600
Married couple	\$96,400	\$73,300	\$110,800
Single female	\$50,200	\$46,300	\$55,200
Single male	\$58,400	\$47,900	\$67,000
Unmarried couple	\$76,900	\$69,800	\$107,100
Other	\$49,300	\$40,000	\$52,500

Exhibit 1-15

RACE/ETHNICITY OF FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents)

	All Buyers	First-time Buyers	Repeat Buyers
White/Caucasian	85%	75%	90%
Black/African-American	6	9	4
Hispanic/Latino	6	11	4
Asian/Pacific Islander	4	7	3
Other	2	2	2

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

Exhibit 1-16

PRIMARY LANGUAGE SPOKEN IN FIRST-TIME AND REPEAT BUYER HOUSEHOLDS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
English	95%	91%	98%
Other	5	9	3

Exhibit 1-17

NATIONAL ORIGIN OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Born in U.S.	90%	85%	93%
Not born in U.S.	10	15	7

Exhibit 1-18

PRIOR LIVING ARRANGEMENT OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Rented an apartment or house	42%	77%	21%
Owned previous residence	47	3	73
Lived with parents, relatives or friends	10	19	6
Rented the home buyer 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 1-19**PRIOR LIVING ARRANGEMENT, BY ADULT COMPOSITION OF HOUSEHOLD***(Percentage Distribution)*

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Rented an apartment or house	42%	37%	49%	47%	58%	33%	46%	40%
Owned previous residence	47	56	33	33	25	48	47	48
Lived with parents, relatives or friends	10	6	17	19	15	20	8	11
Rented the home buyer ultimately purchased	1	1	1	1	1	*	*	1

* Less than 1 percent

Exhibit 1-20**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 my own	27%	60%	8%
Desire for larger home	10	2	15
Job-related relocation or move	10	3	13
Change in family situation	8	7	8
Affordability of homes	8	11	6
Desire to be closer to family/friends/relatives	7	1	10
Desire for a home in a better area	5	1	7
Retirement	5	1	7
Desire for smaller home	4	*	6
Desire to be closer to job/school/transit	4	2	5
Establish household	2	3	1
Greater number of homes on the market for sale/better choice	1	2	1
Financial security	1	2	1
Desire for a newly built or custom-built home	1	*	2
Purchased home for family member or relative	1	1	2
Desire for vacation home/investment property	1	1	1
Tax benefits	1	1	1
Other	5	2	6

* Less than 1 percent

Exhibit 1-21

PRIMARY REASON FOR PURCHASING A HOME, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Desire to own a home of my own	27%	61%	39%	17%	6%
Desire for larger home	10	1	15	7	5
Job-related relocation or move	10	3	9	14	2
Change in family situation	8	6	9	8	5
Affordability of homes	8	14	8	8	5
Desire to be closer to family/friends/relatives	7	*	2	7	28
Desire for a home in a better area	5	1	5	5	5
Retirement	5	N/A	N/A	8	14
Desire for smaller home	4	*	1	6	12
Desire to be closer to job/school/transit	4	2	4	5	2
Establish household	2	3	3	1	*
Greater number of homes on the market for sale/better choice	1	*	2	2	*
Financial security	1	2	1	2	1
Desire for a newly built or custom-built home	1	*	1	2	2
Purchased home for family member or relative	1	*	*	2	2
Desire for vacation home/investment property	1	4	*	1	2
Tax benefits	1	1	1	1	1
Other	5	3	2	6	9

* Less than 1 percent

N/A- not applicable

Exhibit 1-22**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 my own	27%	22%	35%	32%	47%	21%	26%	28%
Desire for larger home	10	13	4	4	7	8	19	5
Job-related relocation or move	10	13	4	4	4	4	13	8
Change in family situation	8	5	11	15	8	18	9	7
Affordability of homes	8	6	10	14	7	9	6	8
Desire to be closer to family/friends/relatives	7	7	10	5	3	9	2	10
Desire for a home in a better area	5	6	2	2	1	5	7	4
Retirement	5	6	4	5	1	3	1	7
Desire for smaller home	4	5	5	2	1	3	1	6
Desire to be closer to job/school/transit	4	4	2	3	8	8	6	3
Establish household	2	2	1	1	4	4	2	2
Greater number of homes on the market for sale/better choice	1	1	3	2	1	1	1	2
Financial security	1	1	2	5	1	1	1	2
Desire for a newly built or custom-built home	1	1	1	*	1	*	1	1
Purchased home for family member or relative	1	1	*	1	1	*	1	1
Desire for vacation home/investment property	1	1	1	1	3	5	*	2
Tax benefits	1	1	1	1	1	*	1	1
Other	5	5	4	3	1	4	4	5

* Less than 1 percent

Exhibit 1-23**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, the buyer was ready to buy a home	37%	42%	34%
It was the best time because of affordability of homes	23	27	20
The buyer did not have much choice and had to purchase	14	8	17
It was the best time because of mortgage financing options available	10	14	8
It was the best time for me because of availability of homes for sale	7	4	8
Other	7	3	10
The buyer wished they had waited	3	3	3

Exhibit 1-24

PRIMARY REASON FOR THE TIMING OF HOME PURCHASE, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
It was just the right time, the buyer was ready to buy a home	37%	34%	38%	35%	38%
It was the best time because of affordability of homes	23	31	24	21	19
Did not have much choice, had to purchase	14	6	11	18	13
It was the best time because of mortgage financing options available	10	15	13	9	5
It was the best time because of availability of homes for sale	7	9	5	6	11
Other	7	3	5	8	11
The buyer wished they had waited	3	1	3	3	4

Exhibit 1-25

NUMBER OF HOMES CURRENTLY OWNED, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
One	81%	99%	87%	74%	74%
Two	15	1	11	19	21
Three or more	4	*	2	7	6

* Less than 1 percent

Exhibit 1-26

OTHER HOMES OWNED, BY AGE

(Percentage Distribution)

	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Recently purchased home only	76%	98%	84%	67%	66%
One or more investment properties	9	*	9	10	10
Previous homes that buyer is trying to sell	5	*	3	8	9
Primary residence	4	2	2	6	6
One or more vacation homes	4	1	2	6	7
Other	3	*	1	4	4

* Less than 1 percent

Chapter 2:

Characteristics of Homes Purchased

Due to the changing demographics of home buyers in the last year, the type of home that the buyer is purchasing is different from the past two years. As buyers shift to include a higher share of repeat buyers, the typical home size and price also increased. The sale of new homes continued to lag as existing homes are sold at higher rates.

Trends in home buying do remain, however. Repeat buyers purchase larger homes than first-time buyers and new homes are larger than previously owned homes. Thirteen percent of recent home buyers over 50 years of age purchased a home in senior-related housing or an active adult community.

Once the buyer is moved in to their newly purchased home, they expect to live there for 15 years—substantially longer than seen in previous years. First-time home buyers and younger buyers expect their tenure will be shorter, while older buyers expect their tenure to be longer.

NEW AND PREVIOUSLY OWNED HOMES PURCHASED

- **Exhibits 2-1 and 2-2**

While construction slowed across the country during and after the recession, new home sales also slowed. In the 2010 report, only 15 percent of recent buyers reported purchasing a new home. In 2011, the share rose slightly to 16 percent. By region, the South had the highest share of buyers who purchased a new home (23 percent) and the Northeast had the lowest share (11 percent).

TYPE OF HOME PURCHASED

- **Exhibits 2-3 through 2-5**

Detached single-family homes continue to be the most popular type of home purchased, accounting for 77 percent of the home buying market. Eight percent of households purchased a townhouse or row house and 9 percent purchased a condo.

First-time home buyers are slightly more likely to purchase a townhouse or a condo than repeat buyers. New homes that were purchased were slightly more likely than existing homes to be a townhouse or row house. Single buyers were more likely to purchase a townhouse or condo than married couples and unmarried couples.

LOCATION OF HOME PURCHASED

- **Exhibits 2-6 through 2-8**

Slightly more than half of buyers purchased a home in a suburb or subdivision. Eighteen percent of buyers purchased in a small town, 18 percent purchased in an urban area, and 11 percent purchased in a rural area. Purchasing a home in a suburb was most popular in the South and least popular in the Northeast. First-time home buyers were more likely than repeat buyers to purchase a home in an urban or central city area. Buyers of new homes were most likely to purchase in a suburb. The highest share of repeat buyers, 36 percent, both purchased a home and sold a home in a suburban area.

SENIOR HOUSING AND ACTIVE ADULT COMMUNITIES

- **Exhibit 2-9**

Thirteen percent of recent home buyers over 50 years of age purchased a home in senior-related housing or an active adult community, either for themselves or for a friend or family member. More than half of these homes purchased were detached single-family homes. Almost one in five were condos and 11 percent were townhouses. Most of the homes purchased were in the suburbs, but one in five were in a small town.

DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE

- **Exhibit 2-10**

Nationally, home buyers moved a median of 12 miles from their previous residence, a figure that is unchanged from the 2010 report. Buyers in the South moved the farthest—a median of 15 miles from their previous residence, while buyers in the Midwest and Northeast moved only 10 miles.

FACTORS INFLUENCING NEIGHBORHOOD CHOICE

- **Exhibits 2-11 and 2-12**

For the past several years, the top factor influencing where a buyer purchased a home was the quality of the neighborhood. Convenience to work was the second most significant factor, with about half of buyers citing its importance. Affordability of homes was also very important, with 45 percent citing it as a factor in their neighborhood choice. By family type there are variations in the importance of neighborhood factors. Single females place a higher priority on convenience to friends and family than other family types. Both single males and single females value affordability of homes. Married couples and those with children in the home place more priority on the quality and convenience to schools than other buyers. Unmarried couples and single males place a higher value on convenience to entertainment and leisure activities.

PRICE OF HOME PURCHASED

- **Exhibits 2-13 through 2-16**

Following a two year trend of prices declining, the typical buying price increased for recent home buyers. This follows the trend of buyer demographics: a higher share of repeat buyers, higher household incomes, and older buyers typically purchase more expensive homes. The median price paid by all recent buyers from mid-2010 to mid-2011 was \$190,000, compared to the price from mid-2009 to mid-2010 of \$179,000. Prices were the highest in the West with a median of \$233,600, followed by the Northeast. Prices were the lowest in the Midwest at a median price paid of \$165,000.

Typically, new homes are more expensive than previously owned homes. The median price buyers paid for a new home was \$230,000 compared to \$180,000 for a previously owned home. The median price repeat buyers paid for their home was \$219,000 compared to a median price of \$155,000 for first-time buyers.

Buyers typically paid slightly less than the asking price, with the median purchase price 96 percent of the asking price, down from 97 percent in the previous survey. Ten percent of buyers paid more than the asking price and one in five buyers paid the asking price of the home.

SIZE OF HOME PURCHASED

- **Exhibits 2-17 through 2-21**

The median size of homes purchased was 1,900, an increase from the 2010 report when the typical home purchased was 1,780 square feet. Repeat buyers usually purchase larger homes than first-time buyers. Repeat buyers typically purchased a 2,100 square foot home whereas first-time buyers purchased a 1,570 square foot home. Married couples and families with children under the age of 18 in their home typically purchased the largest homes, while single buyers typically purchased the smallest homes.

Homes purchased in the South were generally larger at a median of 2,050 square feet. Looking at price per square foot makes it possible to compare prices across regions and types of homes. Homes purchased in the West and Northeast were more expensive per square foot compared to the Midwest and South. When looking at the type of home purchased, condos in buildings with 5 or more units were the most expensive type of home based on square footage, while detached single-family homes and duplex and condos in buildings with two to four units were the least expensive.

The typical buyer purchased a home with three bedrooms and two bathrooms. Buyers with children under the age of 18 in the home typically purchased a four bedroom house with two bathrooms. About 7 in 10 single buyers purchased a house with three or more bedrooms compared to 9 in 10 married buyers.

YEAR HOME WAS BUILT

■ **Exhibit 2-22**

The typical home purchased was built in 1993. By region the age of homes varies. Homes in the South were typically the newest homes and built in 1999, which is not surprising due to the high percent of new home sales in the South. Homes in the Northeast were typically the oldest homes and built in 1973. Homes in the Midwest were typically built in 1986 and homes in the West 1991.

ENVIRONMENTAL FEATURES AND COMMUTING COSTS

■ **Exhibits 2-23 through 2-25**

Commuting costs and environmental efficiency have increasingly factored into home buying decisions due to higher energy costs, but also due to overall concern for the environment. Factors that are most important to buyers are those directly related to the buyers' pocketbook. Heating and cooling costs were at least "somewhat" important to 87 percent of home buyers. Commuting costs were at least "somewhat" important to 73 percent of home buyers.

CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED

■ **Exhibits 2-26 through 2-28**

More than a third of respondents said that they did not make any compromises when purchasing their home. However, 18 percent of buyers reported that they compromised on the price of the home, and 16 percent compromised on the condition of the home. First-time buyers and unmarried couples were the most likely to make compromises when purchasing a home.

EXPECTED LENGTH OF TENURE IN HOME PURCHASED

■ **Exhibits 2-29 and 2-30**

Forty-one percent of recent buyers were unsure of how long they expected to own their home. The typical buyer estimated they would live in their home for 15 years, a large increase from the estimated 10 years recorded in the 2010 report. First-time home buyers estimated they would live in their house for 10 years before moving. Buyers aged 18 to 24 had the shortest timeframe of 5 years, while buyers aged 45 to 64 had the longest timeframe of 20 years.

PRIMARY RESIDENCE AND SECOND HOME

■ **Exhibits 2-31 through 2-33**

The median price of second homes decreased to \$130,000 from \$160,000 and the median price of primary homes increased to \$191,000 from \$180,000. Second home buyers more often purchased condos (18 percent) than did primary home buyers (6 percent). The location of the second home was more likely to be in a small town, urban central city, or resort area than primary home purchases.

Exhibit 2-1

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, 2001-2011

(Percentage Distribution)

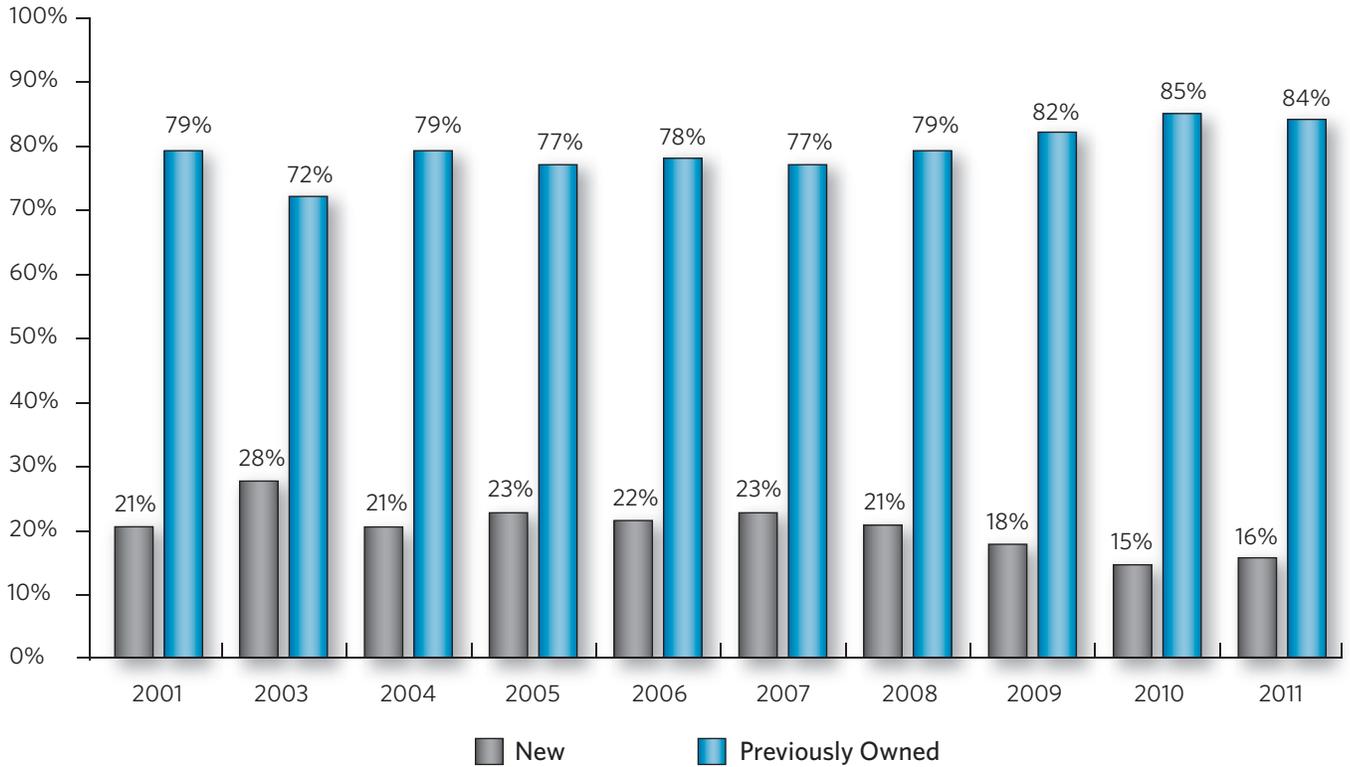


Exhibit 2-2

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, BY REGION

(Percentage Distribution)

	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
New	16%	11%	13%	23%	12%
Previously Owned	84	89	87	77	88

Exhibit 2-3

TYPE OF HOME PURCHASED, BY LOCATION

(Percentage Distribution)

	BUYERS WHO PURCHASED A HOME IN A					
	All Buyers	Suburb/ Subdivision	Small town	Urban/ Central city	Rural area	Resort/ Recreation area
Detached single-family home	77%	82%	79%	62%	82%	73%
Townhouse/row house	8	8	7	12	3	3
Apartment/condo in building with 5 or more units	7	4	5	17	1	13
Duplex/apartment/condo in 2 to 4 unit building	2	2	3	5	*	1
Other	6	4	7	5	13	11

* Less than 1 percent

Exhibit 2-4

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

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Detached single-family home	77%	73%	80%	76%	78%
Townhouse/row house	8	9	7	11	7
Apartment/condo in building with 5 or more units	7	8	6	6	7
Duplex/apartment/condo in 2 to 4 unit building	2	3	2	3	2
Other	6	7	5	5	6

Exhibit 2-5

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	77%	83%	64%	64%	78%	68%	87%	73%
Townhouse/row house	8	5	14	10	9	8	4	9
Apartment/condo in building with 5 or more units	7	4	13	16	4	8	3	9
Duplex/apartment/condo in 2 to 4 unit building	2	2	2	4	4	1	1	3
Other	6	6	7	5	6	15	5	6

Exhibit 2-6

LOCATION OF HOME PURCHASED, BY REGION

(Percentage Distribution)

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Suburb/subdivision	51%	41%	51%	59%	45%
Small town	18	30	19	13	17
Urban area/central city	18	17	18	16	23
Rural area	11	11	11	10	11
Resort/recreation area	3	2	1	3	4

Exhibit 2-7

LOCATION OF HOME PURCHASED 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
Suburb/subdivision	51%	46%	54%	61%	49%
Small town	18	18	17	15	18
Urban area/central city	18	26	14	12	19
Rural area	11	10	11	8	11
Resort/recreation area	3	1	4	4	2

Exhibit 2-8

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	36%	5%	4%	4%	1%
	Small town	7	7	1	3	1
	Urban area/central city	6	2	5	2	*
	Rural area	6	3	2	3	1
	Resort/recreation area	1	*	*	*	1

* Less than 1 percent

Exhibit 2-9

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	13%
BUYERS OVER 50 WHO PURCHASED SENIOR RELATED HOUSING:	
TYPE OF HOME PURCHASED	
Detached single-family home	56%
Townhouse/row house	11
Apartment/condo in building with 5 or more units	13
Duplex/apartment/condo in 2 to 4 unit building	8
Other	11
LOCATION	
Suburb/subdivision	52%
Small town	20
Urban/central city	9
Rural area	7
Resort/recreation area	13

Exhibit 2-10

DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE

(Median Miles)

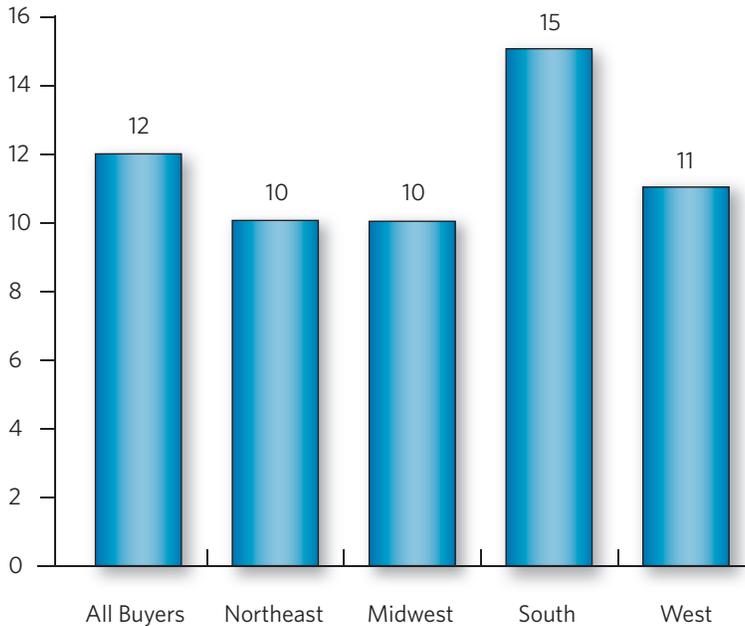


Exhibit 2-11

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	67%	74%	59%	65%	50%	65%
Convenient to job	49	52	44	56	37	23
Overall affordability of homes	45	47	49	42	41	32
Convenient to friends/family	39	42	38	35	34	31
Design of neighborhood	32	35	27	35	22	31
Convenient to shopping	28	31	24	29	19	16
Quality of the school district	27	35	23	15	25	7
Convenient to schools	22	27	21	16	18	7
Convenient to entertainment/ leisure activities	21	21	12	35	9	43
Convenient to parks/ recreational facilities	18	20	15	22	9	26
Availability of larger lots or acreage	16	14	14	7	48	6
Convenient to health facilities	11	12	9	11	8	16
Home in a planned community	10	13	5	4	4	22
Convenient to public transportation	8	6	4	20	2	2
Convenient to airport	7	8	3	9	4	20
Green (environmentally friendly) community features	6	6	4	8	6	13
Other	7	6	9	9	6	13

Exhibit 2-12**FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY ADULT COMPOSITION OF HOUSEHOLD AND CHILDREN IN HOUSEHOLD***(Percent of Respondents)*

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD					CHILDREN IN HOME	
		Married couple	Single female	Single male	Unmarried couple	Other	Children under 18 in home	No children in home
Quality of the neighborhood	67%	69%	64%	60%	70%	54%	72%	66%
Convenient to job	49	50	44	49	61	35	57	46
Overall affordability of homes	45	42	51	51	55	44	44	46
Convenient to friends/family	39	36	50	34	42	35	37	40
Design of neighborhood	32	34	31	24	29	24	32	32
Convenient to shopping	28	29	30	23	26	23	26	29
Quality of the school district	27	34	16	11	23	*	55	13
Convenient to schools	22	27	14	11	21	13	50	8
Convenient to entertainment/leisure activities	21	21	21	23	24	6	18	24
Convenient to parks/recreational facilities	18	20	15	20	15	6	23	16
Availability of larger lots or acreage	16	19	9	12	18	19	21	14
Convenient to health facilities	11	12	12	10	5	8	7	13
Home in a planned community	10	11	9	6	7	15	8	11
Convenient to public transportation	8	7	8	10	8	10	6	8
Convenient to airport	7	8	6	8	6	4	6	8
Green (environmentally friendly) community features	6	7	5	6	4	8	6	6
Other	7	6	9	6	5	5	4	8

* Less than 1 percent

Exhibit 2-13**PRICE OF HOME PURCHASED, BY REGION***(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
Less than \$75,000	7%	6%	9%	7%	6%
\$75,000 to \$99,999	8	8	10	9	7
\$100,000 to \$124,999	8	7	10	8	8
\$125,000 to \$149,999	11	9	12	13	8
\$150,000 to \$174,999	10	9	14	10	6
\$175,000 to \$199,999	8	10	8	10	5
\$200,000 to \$249,999	13	12	14	12	13
\$250,000 to \$299,999	10	9	9	10	11
\$300,000 to \$349,999	6	7	3	6	6
\$350,000 to \$399,999	5	5	4	4	8
\$400,000 to \$499,999	6	9	5	5	6
\$500,000 or more	9	10	4	7	16
Median price	\$190,000	\$209,900	\$165,000	\$184,500	\$233,600

Exhibit 2-14

PRICE OF HOME PURCHASED, NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	All Buyers	BUYERS WHO PURCHASED A	
		New Home	Previously Owned Home
Less than \$75,000	7%	1%	9%
\$75,000 to \$99,999	8	1	10
\$100,000 to \$124,999	8	4	9
\$125,000 to \$149,999	11	9	11
\$150,000 to \$174,999	10	12	9
\$175,000 to \$199,999	8	12	8
\$200,000 to \$249,999	13	19	12
\$250,000 to \$299,999	10	13	9
\$300,000 to \$349,999	6	7	6
\$350,000 to \$399,999	5	6	5
\$400,000 to \$499,999	6	7	5
\$500,000 or more	9	9	9
Median price	\$190,000	\$230,000	\$180,000

Exhibit 2-15

PRICE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$75,000	7%	10%	6%
\$75,000 to \$99,999	8	12	6
\$100,000 to \$124,999	8	12	6
\$125,000 to \$149,999	11	14	9
\$150,000 to \$174,999	10	10	9
\$175,000 to \$199,999	8	8	9
\$200,000 to \$249,999	13	12	13
\$250,000 to \$299,999	10	7	11
\$300,000 to \$349,999	6	4	7
\$350,000 to \$399,999	5	4	6
\$400,000 to \$499,999	6	3	7
\$500,000 or more	9	5	12
Median price	\$190,000	\$155,000	\$219,500
Married couple	\$225,000	\$175,000	\$245,000
Single female	\$135,000	\$125,700	\$147,500
Single male	\$142,000	\$133,500	\$159,900
Unmarried couple	\$168,200	\$157,000	\$185,000
Other	\$143,000	\$119,600	\$155,000

Exhibit 2-16**PURCHASE PRICE COMPARED WITH ASKING PRICE, BY REGION***(Percentage Distribution)*

Percent of asking price:	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
Less than 90%	22%	23%	28%	20%	15%
90% to 94%	19	22	23	19	13
95% to 99%	31	32	27	31	36
100%	19	15	16	21	21
101% to 110%	8	6	4	7	12
More than 110%	2	2	2	2	2
Median (purchase price as a percent of asking price)	96%	95%	94%	96%	97%

Exhibit 2-17**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	New Homes	Previously Owned Homes
1,000 sq ft or less	1%	2%	1%	*	1%
1,001 to 1,500 sq ft	15	23	11	5	17
1,501 to 2,000 sq ft	26	34	22	20	27
2,001 to 2,500 sq ft	23	21	24	25	22
2,501 to 3,000 sq ft	14	11	16	21	13
3,001 to 3,500 sq ft	10	5	13	16	9
3,501 sq ft or more	10	4	14	13	10
Median (sq ft)	1,900	1,570	2,100	2,250	1,800

* Less than 1 percent

Exhibit 2-18**SIZE OF HOME PURCHASED, BY ADULT COMPOSITION OF HOUSEHOLD***(Percentage Distribution)*

	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
1,000 sq ft or less	1%	1%	2%	4%	1%	8%	*	2%
1,001 to 1,500 sq ft	15	9	32	23	18	17	10	18
1,501 to 2,000 sq ft	26	22	36	35	31	37	20	30
2,001 to 2,500 sq ft	23	24	19	19	24	19	21	23
2,501 to 3,000 sq ft	14	17	6	12	11	6	17	13
3,001 to 3,500 sq ft	10	13	3	3	10	9	14	8
3,501 sq ft or more	10	14	2	3	6	5	17	7
Median (sq ft)	1,900	2,100	1,500	1,570	1,760	1,650	2,200	1,800

* Less than 1 percent

Exhibit 2-19

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	1,850	2,050	1,770
Price per square foot	\$100	\$120	\$95	\$90	\$115
Detached single-family home					
Square feet	2,000	1,800	1,990	2,200	1,890
Price per square foot	\$95	\$120	\$95	\$90	\$115
Townhouse or row house					
Square feet	1,600	1,570	1,600	1,700	1,500
Price per square foot	\$110	\$135	\$90	\$120	\$120
Duplex/apartment/condo in 2-4 unit building					
Square feet	1,600	1,660	2,180	1,330	1,500
Price per square foot	\$95	\$100	\$90	\$100	\$95
Apartment/condo in building with 5 or more units					
Square feet	1,200	1,140	1,210	1,240	1,150
Price per square foot	\$135	\$210	\$105	\$125	\$150

Exhibit 2-20

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

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
One bedroom	2%	3%	1%	1%	2%
Two bedrooms	15	17	15	13	16
Three bedrooms or more	83	81	84	86	82
Median number of bedrooms	3	3	3	3	3
One full bathroom	17	28	11	4	20
Two full bathrooms	60	62	58	62	59
Three full bathrooms or more	24	10	32	35	21
Median number of full bathrooms	2	2	2	2	2

Exhibit 2-21**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	2%	1%	4%	6%	*	1%	*	3%
Two bedrooms	15	10	27	26	16	18	6	20
Three bedrooms or more	83	89	69	68	84	81	94	77
Median number of bedrooms	3	3	3	3	3	3	4	3
One full bathroom	17	12	25	29	18	19	13	19
Two full bathrooms	60	57	68	55	66	66	56	61
Three full bathrooms or more	24	30	7	17	15	15	31	20
Median number of full bathrooms	2	2	2	2	2	2	2	2

* Less than 1 percent

Exhibit 2-22**YEAR HOME BUILT, BY REGION***(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		Northeast	Midwest	South	West
2011	4%	3%	3%	6%	4%
2008 through 2010	13	8	10	18	9
2005 through 2007	10	5	7	13	13
2000 through 2004	11	7	12	13	9
1985 through 1999	21	16	21	21	26
1960 through 1984	22	25	21	19	25
1911 through 1959	16	27	23	9	15
1910 or earlier	3	9	4	1	1
Median	1993	1973	1986	1999	1991

Exhibit 2-23

IMPORTANCE OF COMMUTING COSTS

(Percentage Distribution)

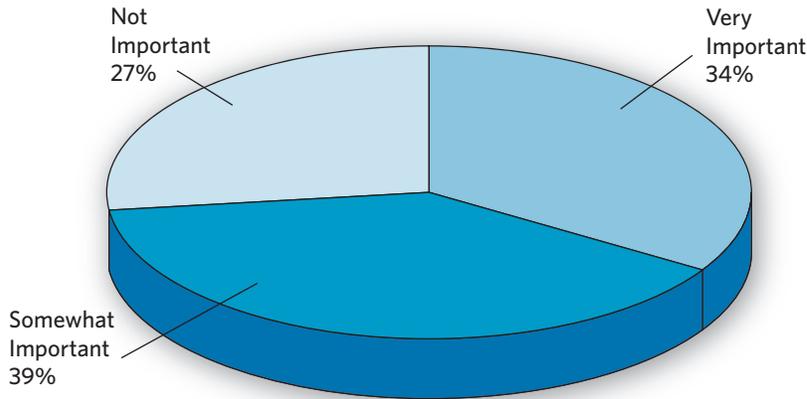


Exhibit 2-24

IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

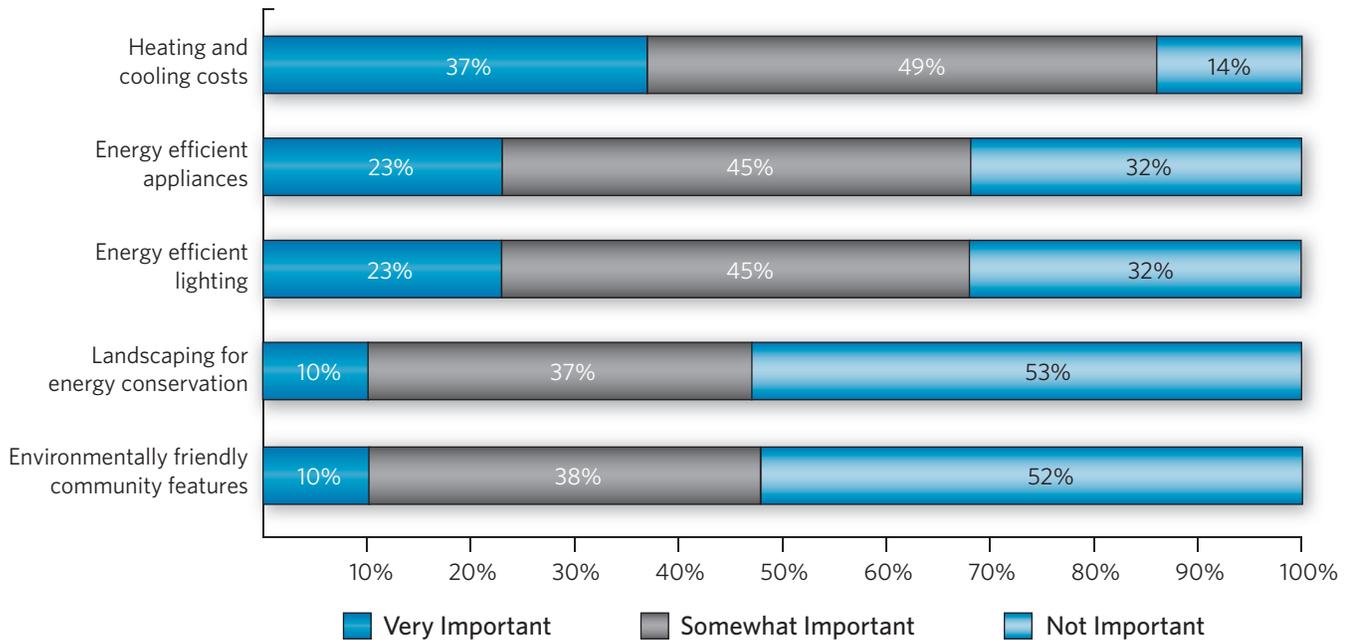


Exhibit 2-25

ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT", BY REGION

(Percent of Respondents)

	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
Heating and cooling costs	37%	32%	35%	43%	34%
Energy efficient appliances	23	19	18	28	21
Energy efficient lighting	23	18	19	27	25
Landscaping for energy conservation	10	5	5	12	14
Environmentally friendly community features	10	7	7	12	12

Exhibit 2-26**CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED,
BY LOCATION***(Percent of Respondents)*

BUYERS WHO PURCHASED A HOME IN A

	All Buyers	Suburb/subdivision	Small town	Urban/central city	Rural	Resort/recreation area
Price of home	18%	17%	21%	22%	13%	14%
Condition of home	16	14	19	20	16	14
Size of home	15	14	17	18	12	16
Style of home	12	11	15	10	14	9
Distance from job	12	12	12	9	15	6
Lot size	11	14	10	9	10	1
Distance from friends or family	6	6	8	5	7	6
Quality of the neighborhood	4	3	4	9	1	2
Quality of the schools	2	2	2	3	2	1
Distance from school	1	1	2	1	1	*
None - Made no compromises	40	41	37	33	47	48
Other compromises not listed	7	7	8	9	6	14

* Less than 1 percent

Exhibit 2-27**CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED, 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
Price of home	18%	21%	16%	13%	19%
Condition of home	16	17	15	2	19
Size of home	15	19	12	9	16
Style of home	12	14	11	10	12
Distance from job	12	16	9	14	11
Lot size	11	11	12	17	10
Distance from friends or family	6	7	5	7	6
Quality of the neighborhood	4	6	3	3	4
Quality of the schools	2	3	2	3	2
Distance from school	1	2	1	1	1
None - Made no compromises	40	32	44	50	38
Other compromises not listed	7	8	7	5	8

Exhibit 2-28

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	18%	18%	17%	18%	21%	14%	17%	18%
Condition of home	16	16	16	16	13	8	17	15
Size of home	15	14	17	17	18	15	16	14
Style of home	12	12	12	11	11	17	13	11
Distance from job	12	12	8	10	18	15	14	11
Lot size	11	13	8	6	14	13	14	10
Distance from friends or family	6	6	7	4	9	5	6	6
Quality of the neighborhood	4	3	5	6	4	13	4	4
Quality of the schools	2	2	2	2	2	*	3	2
Distance from school	1	2	1	1	1	*	3	*
None - Made no compromises	40	40	42	45	34	39	34	43
Other compromises not listed	7	7	9	8	6	13	7	8

* Less than 1 percent

Exhibit 2-29

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

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
1 year or less	1%	1%	1%	1%	1%
2 to 3 years	2	2	2	2	2
4 to 5 years	8	12	6	8	8
6 to 7 years	2	3	1	2	2
8 to 10 years	14	15	14	13	15
11 to 15 years	5	3	6	5	5
16 or more years	27	24	28	27	27
Don't Know	41	40	42	42	41
Median	15	10	15	15	15

Exhibit 2-30**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 to 3 years	2	4	2	2	1
4 to 5 years	8	20	12	5	2
6 to 7 years	2	4	3	2	1
8 to 10 years	14	11	17	12	11
11 to 15 years	5	2	5	5	6
16 or more years	27	13	27	32	16
Don't Know	41	40	34	42	62
Median	15	5	10	20	15

* Less than 1 percent

Exhibit 2-31**PURCHASE PRICE, PRIMARY RESIDENCE AND SECOND HOME***(Percentage Distribution)*

	All Buyers	BUYERS WHO PURCHASED A	
		Primary Residence	Non-primary Residence/second Home
Less than \$75,000	7%	7%	22%
\$75,000 to \$99,999	8	8	20
\$100,000 to \$124,999	8	8	5
\$125,000 to \$149,999	11	11	7
\$150,000 to \$174,999	10	10	9
\$175,000 to \$199,999	8	9	1
\$200,000 to \$249,999	13	13	13
\$250,000 to \$299,999	10	10	7
\$300,000 to \$349,999	6	6	2
\$350,000 to \$399,999	5	5	3
\$400,000 to \$499,999	6	6	1
\$500,000 or more	9	9	10
Median price	\$190,000	\$191,000	\$130,000

Exhibit 2-32

TYPE OF HOME, PRIMARY RESIDENCE AND SECOND HOME

(Percentage Distribution)

	All Buyers	BUYERS WHO PURCHASED A	
		Primary Residence	Non-primary Residence/second Home
Detached single-family home	77%	78%	67%
Townhouse/row house	8	8	7
Apartment/condo in building with 5 or more units	7	6	18
Duplex/apartment/condo in 2 to 4 unit building	2	2	1
Other	6	6	8

Exhibit 2-33

LOCATION OF HOME, PRIMARY RESIDENCE AND SECOND HOME

(Percentage Distribution)

	All Buyers	BUYERS WHO PURCHASED A	
		Primary Residence	Non-primary Residence/second Home
Suburb/subdivision	51%	52%	34%
Small town	18	18	20
Urban area/central city	18	18	22
Rural area	11	11	10
Resort/recreation area	3	2	14

Chapter 3:

The Home Search Process

Real estate agents and the Internet continue to be the most highly rated sources of information in the home search process. The use and usefulness of real estate agents and the Internet continue to be the most important sources in the home search process. The use of the Internet did decline slightly to 88 percent from 90 percent of buyers in the last two years. This is partially attributed to the rise in repeat buyers and older buyers this year, as they tend to use the Internet less frequently.

The search process remains 12 weeks long and the typical buyer saw 12 homes before finding the right home for them. The most difficult part of the search process for buyers is finding the right property. First-time buyers were most likely to have difficulty in purchasing a home. Overall, 9 in 10 buyers are at least somewhat satisfied with their search process to find a home.

THE FIRST STEP IN THE HOME BUYING PROCESS

■ Exhibits 3-1 and 3-2

When starting the home buying process, the Internet continues to play an important role. Thirty-five percent of buyers first looked online for properties for sale as their first step. An additional 10 percent began by finding information online about the home buying process and 21 percent started by talking to an agent.

Repeat buyers were more likely than first-time buyers to look online for properties for sale and drive by homes and neighborhoods as the first step in the home buying process. First-time buyers were more likely to look online for information about the home buying process and talk with friends about the process. Buyers aged 25 to 44 were most likely to look online for properties for sale. Buyers over 65 and older were most likely to contact a real estate agent as their first step.

INFORMATION SOURCES

■ Exhibits 3-3 through 3-6

Eighty-eight percent of home buyers used the Internet as one of the information sources in their home search process. First-time home buyers and buyers under 44 years of age were most likely to use the Internet during their home search.

The second most used information source was the real estate agent. Eighty-seven percent of buyers used real estate agents during their home search process. Buyers of previously owned homes were most likely to report using a real estate agent. The third most commonly used information source was yard signs. Fifty-five percent of home buyers used yard signs in their search.

The Internet and real estate agents have remained the two highest-ranking sources by usefulness consistently for several years, however, real estate agents are ranked the most useful resource. Eighty-three percent of buyers ranked the real estate agent a very useful source and 16 percent ranked the agent somewhat useful. Ninety-seven percent of buyers ranked the Internet at least somewhat useful. The third ranked source is home builders, with 50 percent of buyers finding them very useful to their search. While 55 percent of buyers use yard signs, the usefulness falls to fourth at 37 percent of buyers finding them very useful.

THE SEARCH PROCESS

- Exhibits 3-7 through 3-11

The length of the typical home search has remained the same at 12 weeks since 2009. While searching, buyers on average looked at 12 homes before deciding on their purchase. Buyers in the South typically only looked at 11 homes, while buyers in the West looked at 15 homes. Buyers usually spent two weeks searching before they contacted an agent, while first-time buyers spent three weeks. First-time buyers also searched longer for their first home, 12 weeks, compared with repeat buyers who spent 10 weeks in the process.

Where buyers found the home they purchased has changed drastically since 2001. In 2001, 8 percent of buyers found their home on the Internet; today 40 percent of buyers find the home they ultimately purchased on the Internet. The Internet has edged out all other sources in the process. The real estate agent remains the second most common source at 35 percent, but it has declined steadily from 48 percent in 2001. Sources such as yard signs, word of mouth, home builders and print newspaper advertisements have all declined.

Fifty-five percent of buyers did consider a foreclosure when they made their home purchase. Many ruled out buying a foreclosure because they could not find the right home, the process was too difficult or the home was in poor condition. First-time buyers were most likely to consider a home in foreclosure.

The most difficult step for home buyers in the home buying process was finding the right home to purchase (51 percent). For 22 percent of buyers the most difficult step was the paperwork, and 17 percent cited the most difficult step was understanding the process and the steps involved. Seventeen percent of recent buyers had no difficult steps. First-time buyers were more likely than repeat buyers to have difficulty in the home buying process.

INTERNET USAGE TRENDS

- Exhibits 3-12 and 3-13

After the use of the Internet climbed in the home search to 90 percent in 2009, it has dipped slightly to 88 percent for the most recent home buyers. This is in part contributed to the rise in repeat buyers in the last year, as they tend to use the Internet less frequently in their home search. As a result of using the Internet in the home search, 75 percent of buyers drove by a home and 63 percent of buyers walked through a home they had viewed online. First-time buyers are more likely than repeat buyers to find the agent they worked with as a result of an Internet search or request more information online.

CHARACTERISTICS OF INTERNET SEARCHERS

- Exhibit 3-14

The buyers who use the Internet in their home search, compared to those who do not, vary along demographic lines. The typical buyer who used the Internet in their home search is 42-years-old and had a median 2010 household income of \$83,700. The typical buyer who did not use the Internet to search for home was 60-years-old and had a median 2010 household income of \$60,300. The typical buyer who used the Internet searched double the length of time of the typical non-Internet searcher.

SOURCES OF INFORMATION

- Exhibit 3-15

Buyers who used the Internet to search for a home used other sources with higher frequency than those who did not use the Internet to search. Nine in ten buyers of those who used the Internet used an agent compared to 7 in 10 buyers of those who did not use the Internet. Fifty-six percent of buyers who used the Internet also used yard signs compared to 46 percent of those who did not use the Internet. Additionally, 46 percent of those who used the Internet used open houses as a source, compared to 34 percent of those who did not use the Internet.

FINDING A HOME

■ Exhibit 3-16

Forty-five percent of buyers who used the Internet first found their home through the Internet; 9 percent higher than in the 2009 report. For buyers who used the Internet, 34 percent of them first found their home through their agent. In comparison, among buyers who did not use the Internet, 45 percent found their home through an agent. Buyers who did not use the Internet found their home more frequently through a yard sign or through a friend, relative or neighbor, or directly from the sellers than those who used the Internet to search.

METHOD OF PURCHASE

■ Exhibit 3-17

While the vast majority of buyers use the Internet during the home buying process, the Internet does not replace the real estate agent in the transaction. Ninety-one percent of home buyers who used the Internet to search for homes purchased their home through an agent. In fact, buyers who used the Internet were more likely than those who did not use the Internet to purchase their home through an agent.

WEB SITES

■ Exhibits 3-18 through 3-20

Visuals of the properties for sale are becoming useful to buyers as more buyers use the Internet in their search process. Eighty-five percent of home buyers found photos very useful on websites. Eighty-one percent of buyers found detailed information about the property very useful when searching for a home. Fifty-eight percent found virtual tours very useful and 44 percent found interactive maps very useful.

The most common website used by home buyers was a Multiple Listing Service Website, at 56 percent. Real estate agent websites, REALTOR.com®, and real estate company websites were all used by at least 40 percent of buyers.

SATISFACTION IN BUYING PROCESS

■ Exhibit 3-21

Fifty-eight percent of recent buyers were very satisfied with their recent home buying process. One-third of buyers were somewhat satisfied with the process. Ten percent were somewhat to very dissatisfied.

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	35%	28%	40%
Contacted a real estate agent	21	18	22
Looked online for information about the home buying process	10	15	7
Drove by homes/neighborhoods	8	5	9
Contacted a bank or mortgage lender	7	9	6
Talked with a friend or relative about home buying process	7	13	3
Visited open houses	4	4	5
Contacted builder/visited builder models	2	1	3
Looked in newspapers, magazines, or home buying guides	2	2	2
Attended a home buying seminar	2	3	1
Contacted a home seller directly	1	1	1
Read books or guides about the home buying process	1	1	*
Other	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	35%	34%	40%	35%	24%
Contacted a real estate agent	21	17	16	23	30
Looked online for information about the home buying process	10	12	13	7	3
Drove by homes/neighborhoods	8	5	5	9	15
Contacted a bank or mortgage lender	7	10	8	7	4
Talked with a friend or relative about home buying process	7	11	9	4	5
Visited open houses	4	6	3	4	8
Contacted builder/visited builder models	2	3	1	3	4
Looked in newspapers, magazines, or home buying guides	2	1	1	3	4
Attended a home buying seminar	2	2	2	2	1
Contacted a home seller directly	1	1	1	1	2
Read books or guides about the home buying process	1	1	1	*	*
Other	1	*	1	2	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	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Internet	88%	92%	86%	81%	90%
Real estate agent	87	88	87	79	89
Yard sign	55	53	56	49	56
Open house	45	40	47	54	43
Print newspaper advertisement	30	28	31	30	30
Home book or magazine	19	17	20	20	19
Home builder	16	12	19	62	7
Relocation company	4	3	4	6	3
Television	4	5	4	7	4
Billboard	4	5	3	12	2

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
Internet	88%	95%	96%	86%	66%
Real estate agent	87	78	88	88	87
Yard sign	55	59	54	57	55
Open house	45	35	44	47	46
Print newspaper advertisement	30	30	27	33	39
Home book or magazine	19	16	17	21	19
Home builder	16	14	14	18	21
Relocation company	4	2	4	5	*
Television	4	6	4	4	4
Billboard	4	4	4	4	2

* Less than 1 percent

Exhibit 3-5

FREQUENCY OF USE OF DIFFERENT INFORMATION SOURCES

(Percentage Distribution)

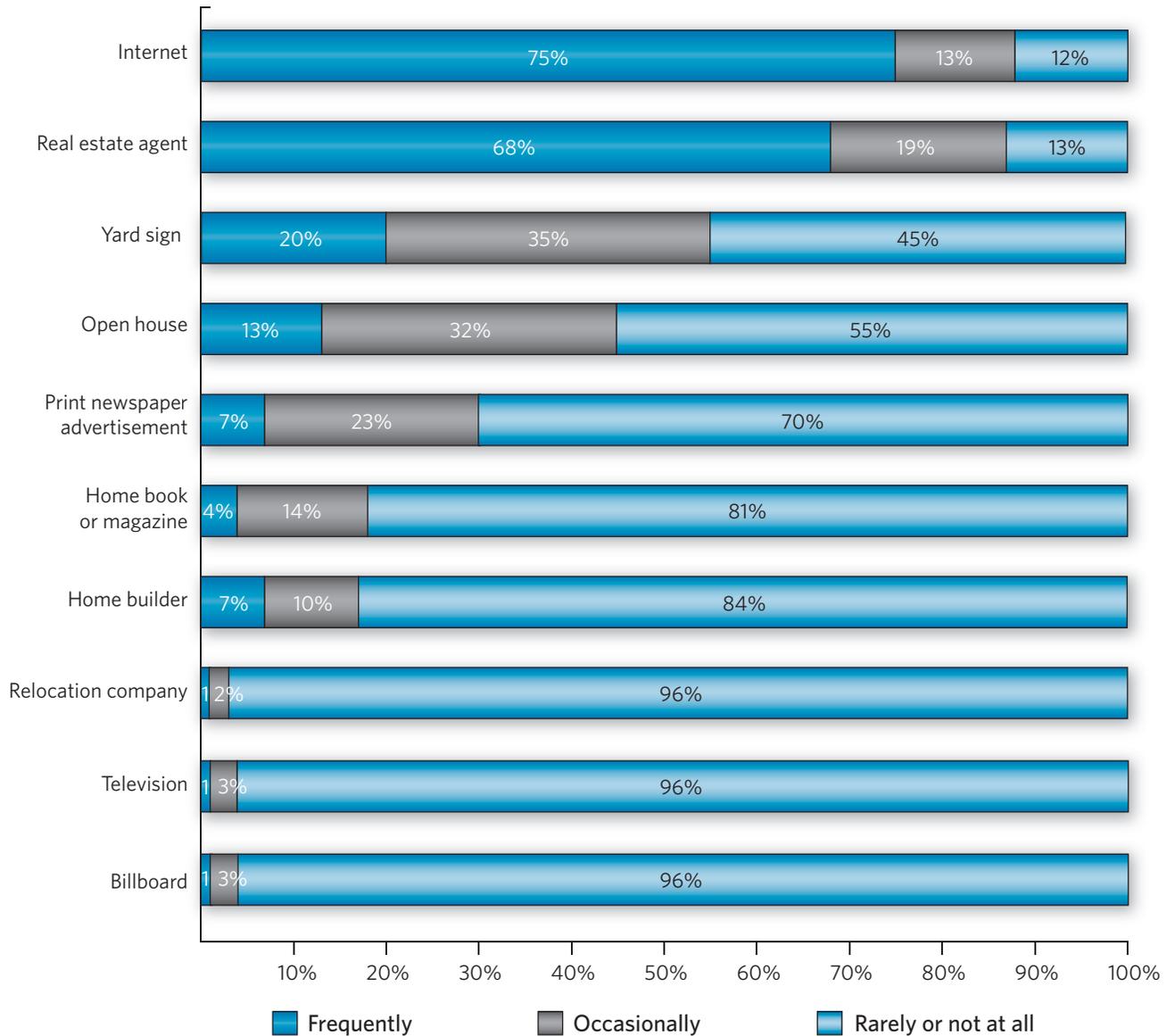


Exhibit 3-6 **USEFULNESS OF INFORMATION SOURCES**

(Percentage Distribution Among Buyers that Used Each Source)

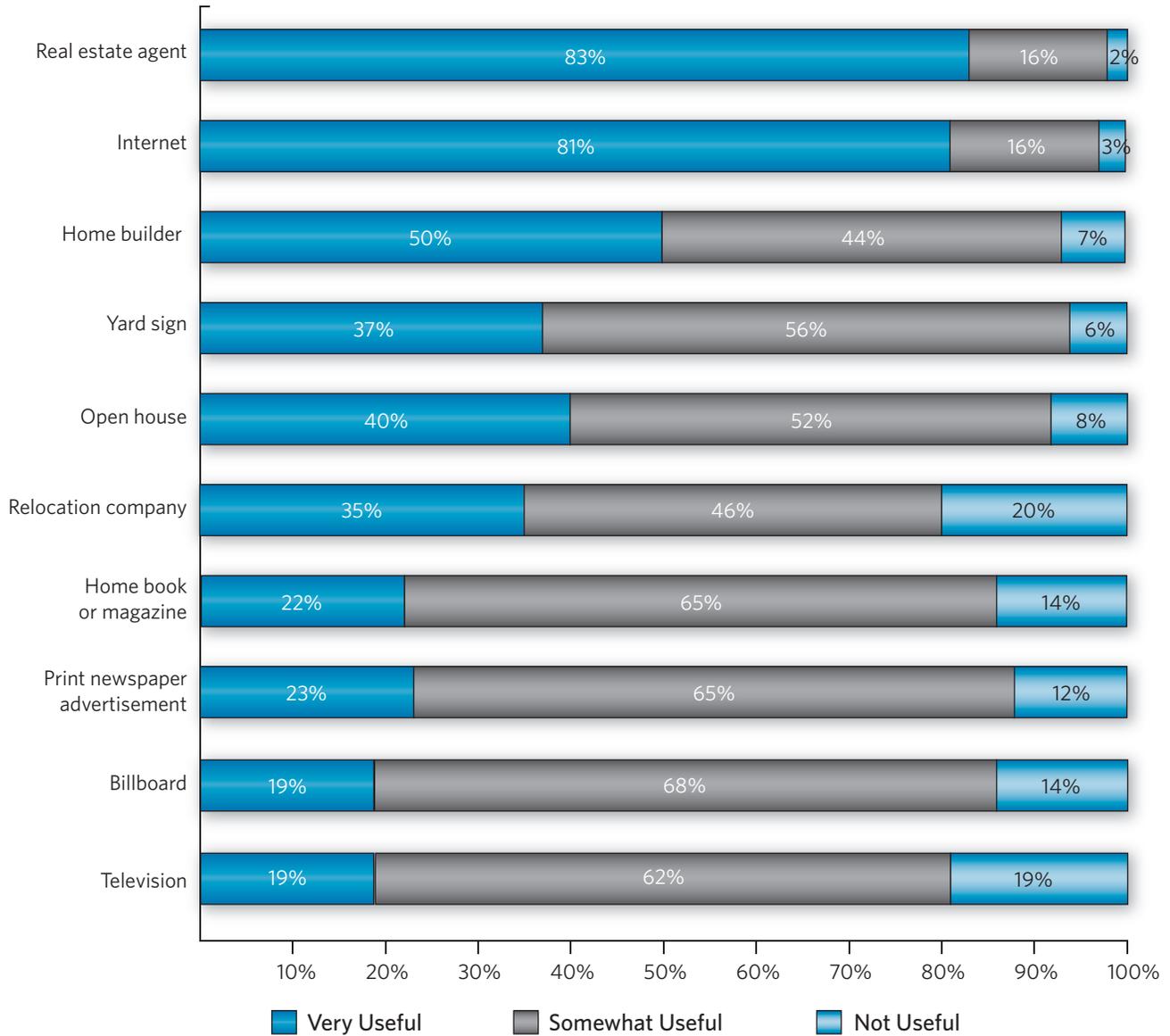


Exhibit 3-7 **LENGTH OF SEARCH, BY REGION**

(Median)

Number of Weeks Searched	All Buyers	BUYERS WHO PURCHASED A HOME IN THE			
		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
Number of homes viewed	12	12	12	11	15

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

(Median Weeks)

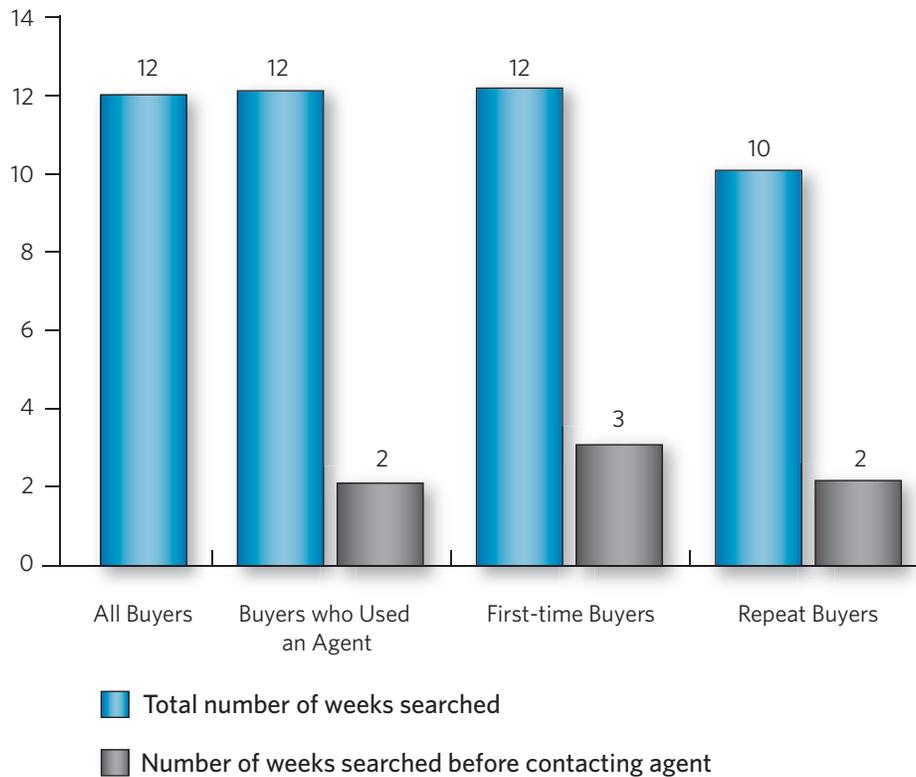


Exhibit 3-9

WHERE BUYER FOUND THE HOME THEY PURCHASED, 2001-2011

(Percentage Distribution)

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

* 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)

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Did not consider purchasing a home in foreclosure	45%	35%	50%	63%	41%
Considered purchasing a home in foreclosure, but did not:					
Could not find the right home	29	34	25	22	30
The process was too difficult or complex	15	16	15	12	16
The home was in poor condition	15	19	13	10	16
The home price was too high	6	7	5	4	6
The neighborhood was undesirable	5	7	4	5	5
Financing options were not attractive	3	5	2	3	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)

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Finding the right property	51%	51%	52%	42%	53%
Paperwork	22	27	19	25	22
Understanding the process and steps	17	30	9	16	17
No difficult steps	17	10	21	23	15
Getting a mortgage	12	15	10	11	12
Saving for the down payment	10	17	5	7	10
Appraisal of the property	6	8	5	4	6
Other	6	6	7	4	7

Exhibit 3-12

USE OF INTERNET TO SEARCH FOR HOMES, 2003-2011

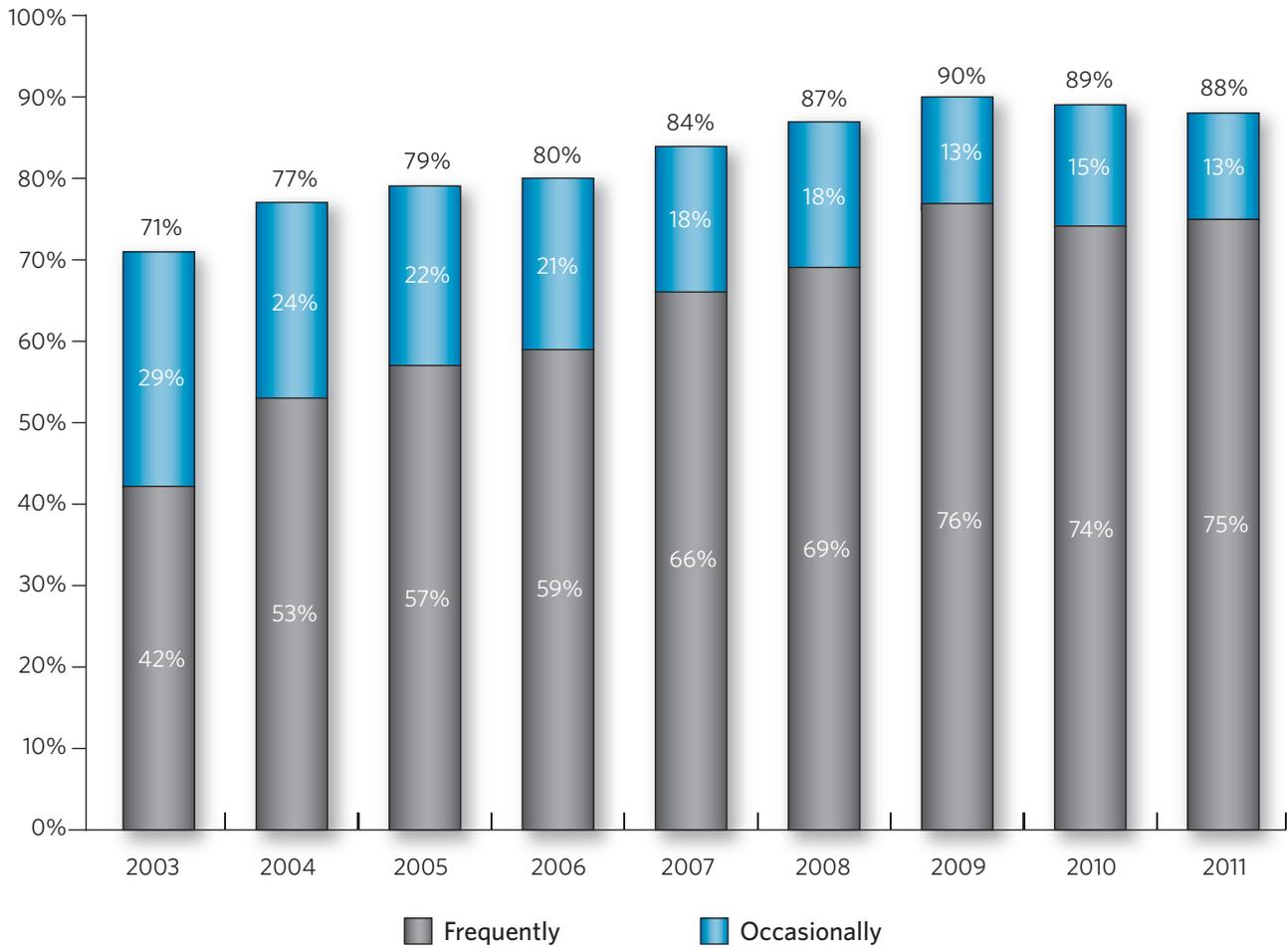


Exhibit 3-13

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
Drove-by or viewed home	75%	75%	74%
Walked through home viewed online	63	63	63
Found the agent used to search for or buy home	29	32	27
Requested more information	26	30	23
Pre-qualified for a mortgage online	10	12	8
Contacted builder/developer	7	4	9
Applied for a mortgage online	5	7	5
Found a mortgage lender online	4	7	3

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	66%	54%
Single female	17	26
Single male	9	12
Unmarried couple	7	4
Other	1	4
Median age (years)	42	60
Median income	\$83,700	\$60,300
Length of Search (Median weeks)		
All buyers	12	6
First-time buyers	12	8
Repeat buyers	12	6
Buyers using an agent	12	6
Before contacting agent	2	*
Number of Homes Visited (median)	15	6

* Less than 1 percent

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
Real estate agent	89%	72%
Yard sign	56	46
Open house	46	34
Print newspaper advertisement	30	29
Home book or magazine	20	12
Home builder	15	25
Television	4	4
Billboard	4	5
Relocation company	4	1

Exhibit 3-16**WHERE BUYERS FOUND THE HOME THEY PURCHASED, BY USE OF INTERNET***(Percentage Distribution)*

	Used Internet to Search	Did Not Use Internet to Search
Internet	45%	NA
Real estate agent	34	45
Yard sign/open house sign	10	17
Friend, relative or neighbor	4	17
Home builder or their agent	1	4
Directly from sellers/knew the sellers	1	7
Print newspaper advertisement	5	10
Home book or magazine	*	*

* Less than 1 percent

N/A- Not Applicable

Exhibit 3-17**METHOD OF HOME PURCHASE, BY USE OF INTERNET***(Percentage Distribution)*

	Used Internet to Search	Did Not Use Internet to Search
Through a real estate agent/broker	91%	70%
Directly from builder or builder's agent	5	16
Directly from previous owner whom buyer didn't know	2	3
Directly from previous owner whom buyer knew	1	9
Other	1	1

Exhibit 3-18**VALUE OF WEB SITE FEATURES***(Percentage Distribution Among Buyers Who Used the Internet)*

	Very Useful	Somewhat Useful	Not Useful	Did not use/Not Available
Photos	85%	13%	1%	1%
Detailed information about properties for sale	81	18	1	1
Virtual tours	58	30	6	6
Interactive maps	44	33	10	13
Real estate agent contact information	42	36	11	11
Neighborhood information	38	43	11	9
Pending sales/contract status	34	34	16	16
Detailed information about recently sold properties	30	43	14	13
Information about upcoming open houses	22	33	21	24

Exhibit 3-19

WEB SITES USED IN HOME SEARCH BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Buyers Who Used the Internet)

	All Buyers	First-time Buyers	Repeat Buyers
Multiple Listing Service (MLS) Web site	56%	57%	55%
Real estate agent Web site	46	46	45
REALTOR.com®	45	42	47
Real estate company Web site	40	40	39
Other Web sites with real estate listings (e.g. Google, Yahoo, etc.)	38	46	32
For-sale-by-owner (FSBO) Web site	14	12	15
Newspaper Web site	6	6	6
Real estate magazine Web site	4	4	4
Video hosting Web sites (e.g. YouTube, etc.)	1	1	1
Social networking Web sites (e.g. Facebook, Twitter, etc.)	1	1	1
Other	15	18	14

Exhibit 3-20

WEB SITES USED IN HOME SEARCH, BY AGE

(Percent of Respondents Among Buyers Who Used the Internet)

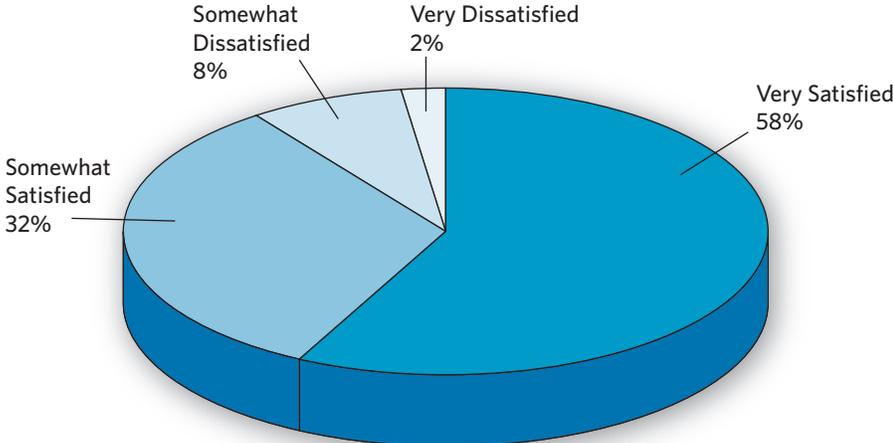
	All Buyers	AGE OF HOME BUYER			
		18 to 24	25 to 44	45 to 64	65 or older
Multiple Listing Service (MLS) Web site	59%	57%	60%	58%	55%
REALTOR.com®	45	47	46	44	42
Real estate company Web site	43	45	44	43	38
Real estate agent Web site	42	41	44	41	40
Other Web sites with real estate listings (e.g. Google, Yahoo, etc.)	41	53	44	38	30
For-sale-by-owner (FSBO) Web site	15	12	16	14	10
Newspaper Web site	8	12	9	7	8
Real estate magazine Web site	4	5	4	4	6
Social networking Web sites (e.g. Facebook, Twitter, etc.)	2	2	2	1	1
Video hosting Web sites (e.g. YouTube, etc.)	1	1	1	1	*

* Less than 1 percent

Exhibit 3-21

SATISFACTION WITH BUYING PROCESS

(Percentage Distribution)



Chapter 4:

Home Buying and Real Estate Professionals

Most buyers purchase their homes through a real estate agent or a broker. While nearly all buyers of previously owned homes use real estate agents, a sizeable portion of new home buyers purchase their homes through developers.

Agents and buyers share a lot of critical information, so most agents have their buyers sign disclosure agreements. Buyer representative arrangements are often less formal agreements between buyers and agents. In the last year, an increasing number of real estate agents have been compensated by the buyer—although the majority is still compensated by the seller.

Buyers are most often looking for real estate agents to help them find the right home.

Referrals are the primary method for finding an agent for most buyers. Most buyers only interviewed one agent during their search process. Buyers tend to be looking for agents with a good reputation and who are honest and trustworthy. At the end of the process, most buyers are satisfied with their agent and would recommend their agent to others.

METHOD OF HOME PURCHASE

- Exhibits 4-1 through 4-4

The majority of buyers purchased their home through a real estate agent or broker. In 2011, 89 percent of buyers used a real estate agent, up steadily from 69 percent of buyers in 2001. Seven percent of purchases were made directly from the builder and 4 percent were directly from the previous owner.

In the West, 93 percent of homes were purchased through an agent, compared to 86 percent in the South. In the South, due to new construction in the region, 9 percent of homes purchased were through a builder or builder's agent. Single buyers were most likely to use an agent to purchase a home and less likely to purchase directly through the builder.

AGENT REPRESENTATION AND COMPENSATION

- Exhibits 4-5 through 4-7

Due to the nature of the information that agents and buyers share, disclosure agreements are essential. Two-thirds of buyers had a disclosure agreement, 31 percent of which were signed at their first meeting. A slightly larger share of repeat buyers sign a disclosure agreement than first-time buyers. Forty-two percent of buyers had an oral buyer representative arrangement with the agent and 18 percent had a written agreement.

Sixty percent of agents were compensated by the seller only—a drop from 65 percent in the 2010 report. In 19 percent of transactions the buyer compensated the real estate agent, and in 11 percent of transactions the agent was compensated by both the buyer and the seller.

WHAT BUYERS WANT FROM AGENTS AND BENEFITS PROVIDED

- Exhibits 4-8 through 4-11

Buyers look to real estate agents most to help them find the right home. Fifty-five percent of buyers said that what they want most from their agent is help finding the right home. Thirteen percent of buyers wanted their real estate agent to help negotiate the price, and 12 percent wanted help with the terms of sale. The share of home buyers was consistent over first-time and repeat buyers, new and previously owned home buyers, and by household composition.

Buyers most often noted that the benefit of having an agent was helping them understand the process (61 percent), more so for first-time buyers (81 percent). Also, more than half of buyers noted that real estate agents pointed out unnoticed features or faults with a property, while over 4 in 10 said real estate agents negotiated better sales contract terms, improved buyers' knowledge of search areas, and provided a better list of service providers.

FINDING A REAL ESTATE AGENT

■ Exhibits 4-12 through 4-14

Real estate is an industry that works largely on word of mouth and the reputation of agents. Roughly half of buyers find their real estate agent through a referral from a friend, neighbor, or relative or used an agent they had worked with before. First-time buyers are more likely to find their real estate agent from a referral. Repeat buyers more often use an agent they previously used to buy or sell a home. One in ten buyers found their real estate agent through a web site. Unmarried couples tended to rely on referrals slightly more than other types of households, while married couples are more likely to use an agent they had worked with before.

Sixty-five percent of buyers only interviewed one real estate agent in their search. Only 16 percent of buyers interviewed three or more real estate agents before finding the best match. Repeat buyers were more likely to contact only one agent, as they are more likely to work with someone they had worked with in the past.

In 2011, 89 percent of buyers used a real estate agent, up steadily from 69 percent of buyers in 2001.

FACTORS WHEN CHOOSING AN AGENT

■ Exhibits 4-15 through 4-18

Buyers are often making the largest purchase in their lifetime when they buy a home, so they need someone they can trust. Honesty and trustworthiness is ranked the most important factor when choosing an agent to work with (30 percent). The reputation of the agent follows at 20 percent. Fifteen percent of buyers choose their agent because they are a friend or family member.

Aside from personal characteristics like honesty, integrity and responsiveness which are very important skills and qualities that buyers look for in agents, knowledge of the real estate market and purchase process are very important qualities for over nine in ten buyers. Among adult household composition these attributes consistently remain highly ranked.

SATISFACTION WITH AGENT

■ Exhibits 4-19 and 4-20

Most buyers are satisfied with their agents. Almost nine in ten (89 percent) buyers would probably recommend their agent to others. Buyers are most often very satisfied with their agents' honesty and integrity and their agents' knowledge of the purchase process. Buyers tend to have slightly less satisfaction overall with agents' negotiation and technology skills, however an agent's technological skills are also among the least important attributes to buyers.

Exhibit 4-1**METHOD OF HOME PURCHASE, 2001-2011***(Percentage Distribution)*

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011
Through a real estate agent or broker	69%	75%	77%	77%	77%	79%	81%	77%	83%	89%
Directly from builder or builder's agent	15	14	12	12	13	12	10	8	6	7
Directly from the previous owner	15	9	9	9	9	7	6	5	5	4

Exhibit 4-2**METHOD OF HOME PURCHASE, BY REGION***(Percentage Distribution)*

	BUYERS WHO PURCHASED A HOME IN THE				
	All Buyers	Northeast	Midwest	South	West
Through a real estate agent or broker	89%	88%	90%	86%	93%
Directly from builder or builder's agent	7	6	5	9	5
Directly from the previous owner	4	6	5	4	2
Knew previous owner	2	4	2	2	1
Did not know previous owner	2	2	3	2	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	89%	59%	94%
Directly from builder or builder's agent	7	39	*
Directly from the previous owner	4	1	5
Knew previous owner	2	1	2
Did not know previous owner	2	*	2

* 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	89%	88%	91%	90%	87%	81%
Directly from builder or builder's agent	7	7	4	5	8	14
Directly from the previous owner	4	4	4	4	4	5
Knew previous owner	2	2	2	3	2	1
Did not know previous owner	2	2	2	1	2	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	31%	26%	34%
Yes, when contract was written	23	25	22
Yes, at some other time	12	11	12
No	18	19	17
Don't know	16	19	15

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%	39%	43%
Yes, an oral arrangement	18	19	18
No	29	28	29
Don't know	11	14	10

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	60%	61%	60%
Paid by buyer and seller	11	10	12
Paid by buyer only	19	20	17
Percent of sales price	15	17	13
Flat fee	1	2	1
Other	*	1	*
Don't know	2	2	3
Other	2	3	2
Don't know	8	6	10

*Less than 1 percent

Exhibit 4-8

WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS

(Percentage Distribution)

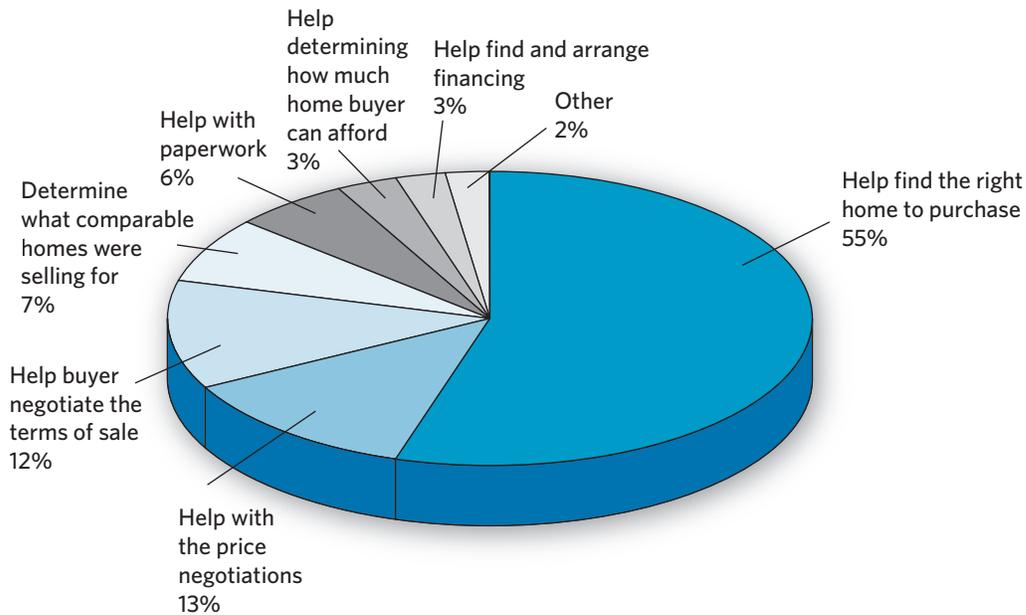


Exhibit 4-9

WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Help find the right home to purchase	55%	52%	56%	55%	55%
Help with the price negotiations	13	11	13	11	13
Help buyer negotiate the terms of sale	12	12	12	11	12
Determine what comparable homes were selling for	7	6	8	10	7
Help with paperwork	6	7	5	6	6
Help determining how much home buyer can afford	3	6	1	6	3
Help find and arrange financing	3	4	2	1	3
Other	2	2	2	1	2

Exhibit 4-10

WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Help find the right home to purchase	55%	57%	52%	51%	50%	46%
Help with the price negotiations	13	12	14	15	15	10
Help buyer negotiate the terms of sale	12	11	12	10	11	25
Determine what comparable homes were selling for	7	8	6	7	8	5
Help with paperwork	6	6	5	5	7	3
Help determining how much home buyer can afford	3	2	5	4	4	7
Help find and arrange financing	3	2	3	3	2	2
Other	2	2	2	4	2	3

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%	81%	48%
Pointed out unnoticed features/faults with property	55	59	53
Improved buyer's knowledge of search areas	46	45	47
Provided a better list of service providers	46	47	45
Negotiated better sales contract terms	44	46	43
Negotiated a better price	37	38	37
Shortened buyer's home search	27	28	27
Provided better list of mortgage lenders	20	23	19
Expanded buyer's search area	20	22	19
Narrowed buyer's search area	16	16	16
None of the above	7	4	8
Other	1	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	41%	49%	36%
Used agent previously to buy or sell a home	9	1	14
Internet Web site	9	12	7
Visited an open house and met agent	7	8	7
Saw contact information on For Sale/Open House sign	6	6	7
Referred by another real estate agent or broker	5	5	5
Referred through employer or relocation company	4	2	6
Walked into or called office and agent was on duty	4	3	4
Personal contact by agent (telephone, email, etc.)	3	3	3
Newspaper, Yellow Pages or home book ad	1	1	1
Other	10	9	11

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	41%	38%	45%	41%	57%	39%
Used agent previously to buy or sell a home	9	10	7	11	5	7
Internet Web site	9	9	7	12	8	7
Visited an open house and met agent	7	8	6	4	5	3
Saw contact information on For Sale/Open House sign	6	7	5	8	5	15
Referred by another real estate agent or broker	5	5	5	5	3	10
Referred through employer or relocation company	4	6	3	2	2	*
Walked into or called office and agent was on duty	4	3	4	4	3	12
Personal contact by agent (telephone, email, etc.)	3	3	4	4	2	*
Newspaper, Yellow Pages or home book ad	1	1	*	2	1	*
Other	10	10	13	7	10	7

*Less than 1 percent

Exhibit 4-14

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

(Percentage Distribution)

	All Buyers	First-time Buyers	Repeat Buyers
One	65%	59%	68%
Two	20	23	18
Three	10	12	9
Four or more	6	7	5

Exhibit 4-15

MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT

(Percentage Distribution)

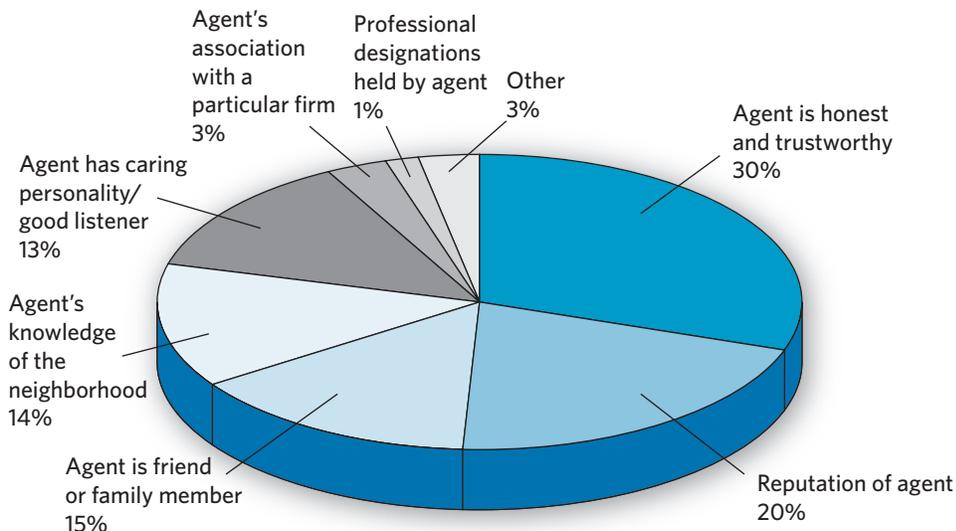


Exhibit 4-16**IMPORTANCE OF REAL ESTATE AGENT SKILLS AND QUALITIES***(Percentage Distribution)*

	Very Important	Somewhat Important	Not Important
Honesty and integrity	98%	2%	*
Responsiveness	94	6	1
Knowledge of purchase process	93	7	1
Knowledge of real estate market	91	8	1
Communication skills	84	15	1
Negotiation skills	84	15	1
People skills	80	19	1
Knowledge of local area	80	18	2
Skills with technology	41	50	9

*Less than 1 percent

Exhibit 4-17**AGENT SKILLS AND QUALITIES CONSIDERED "VERY IMPORTANT" BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES***(Percentage of Respondents)*

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Honesty and integrity	98%	97%	98%	98%	98%
Responsiveness	94	93	94	92	94
Knowledge of purchase process	93	95	91	91	93
Knowledge of real estate market	91	89	93	92	91
Communication skills	84	86	84	82	85
Negotiation skills	84	85	83	84	84
People skills	80	79	81	83	80
Knowledge of local area	80	76	83	85	79
Skills with technology	41	43	40	46	41

Exhibit 4-18**AGENT SKILLS AND QUALITIES CONSIDERED "VERY IMPORTANT" BY ADULT COMPOSITION OF HOUSEHOLD***(Percentage Distribution)*

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Honesty and integrity	98%	98%	98%	96%	98%	100%
Responsiveness	94	94	95	87	94	91
Knowledge of purchase process	93	92	96	90	91	100
Knowledge of real estate market	91	92	95	85	87	87
Communication skills	84	85	89	72	82	90
Negotiation skills	84	83	89	79	81	85
People skills	80	81	86	70	77	78
Knowledge of local area	80	81	82	73	76	91
Skills with technology	41	38	52	41	40	52

Exhibit 4-19

SATISFACTION WITH REAL ESTATE AGENT SKILLS AND QUALITIES

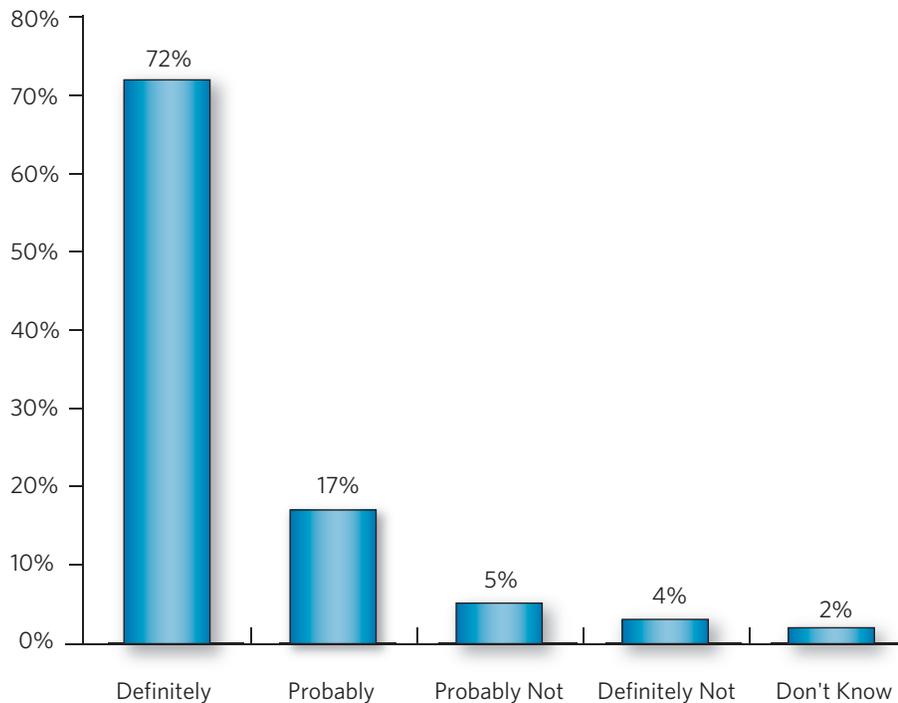
(Percentage Distribution)

	Very Satisfied	Somewhat Satisfied	Not Satisfied
Honesty and integrity	87%	10%	3%
Knowledge of purchase process	86	12	2
People skills	83	14	3
Knowledge of real estate market	83	15	2
Responsiveness	82	14	4
Communication skills	80	16	4
Knowledge of local area	80	16	4
Skills with technology	74	23	4
Negotiation skills	71	22	7

Exhibit 4-20

WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)



Chapter 5:

Financing the Home Purchase

The difficulties in financing home purchases are evident in the responses to this year's survey. Fewer than 9 in 10 (87 percent) buyers financed a home purchase in 2011. The share of those financing a home purchase decreased more notably than in previous survey years. The financing pattern by age remains roughly constant; younger buyers were more likely to finance their home purchase than older buyers.

Savings remain a key source of the downpayment for home buyers, both first-time and repeat buyers alike. The increased savings rate in the economy may bode well for future home buying. As in past years, home buyers made sacrifices to purchase their home, prioritizing homeownership over luxury goods, entertainment, and clothes shopping.

While the share of home buyers reporting that the process of obtaining a mortgage is more difficult than expected is about the same as in 2010, it remains considerably higher than the figures reported in 2008 and 2009. Conventional financing regained its position as the most common mortgage type, but FHA financing remains prominent, especially among first-time home buyers.

While attitudes on the investment quality of a home purchase have diminished somewhat among home buyers, a majority (78 percent) continue to say that the financial investment in a home is as good as or better than stocks.

BUYERS WHO FINANCED THEIR HOME

■ Exhibits 5-1 through 5-3

Fewer than 9 in 10 (87 percent) buyers responding to the survey financed their home purchase. This share is 4 percent lower than the 91 percent reported in 2010. From 2003 to 2009, the share of home buyers financing their purchase consistently ranged from 92 to 93 percent. The survey captures a higher percent of owner-occupants and a smaller percent of investor buyers relative to the whole home purchase market, which pushes this figure higher than some other estimates.

Younger buyers were more likely to finance, with 96 percent of those aged 25 to 44 financing their home purchase, compared to slightly less than two-thirds of buyers aged 65 years and older who used financing.

Similar to the patterns based on age, first-time buyers were more likely to finance their home purchase than repeat buyers and both first-time and repeat buyers were less likely to finance their home purchase in 2011 than in 2010. A higher share of unmarried couples used financing than did married couples or singles buyers who were less likely to use mortgage financing. Single females and other households had the largest divergence in the share using financing between first-time buyers and repeat-buyers.

Thirteen percent of buyers financed 100 percent of the entire purchase price with a mortgage. First-time buyers more often financed their entire purchase than did repeat buyers. The median percent financed among first-time buyers using financing was 95 percent, compared to 85 percent among repeat buyers using financing.

SOURCES OF DOWNPAYMENT AND SACRIFICES MADE TO PURCHASE HOME

■ Exhibits 5-4 through 5-7

Two in three home buyers use savings as a source of funding for a downpayment. The next most cited source of downpayment funds was proceeds from the sale of a primary residence by just over a quarter of buyers. Gifts from a relative or friend were also selected by a sizeable number of buyers (14 percent). First-time buyers are much more likely to rely on savings (79 percent) than repeat buyers (59 percent) for a downpayment. First-time buyers also more often rely on gifts and loans from friends or relatives as sources of a downpayment. Four in ten repeat buyers (41 percent) listed proceeds from the sale of their primary residence as a downpayment source compared with just two percent for first-time buyers.

More than half of buyers said that they did not need to make any sacrifices to purchase their home. First-time buyers were more likely to indicate sacrificing for a home purchase, and most commonly gave up spending on luxury or non-essential items. Single females, unmarried couples, and other households were most likely to sacrifice for a home purchase.

DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS

■ Exhibits 5-8 and 5-9

About four in ten (39 percent) buyers said that the mortgage application and approval process was more difficult than expected. That is about the same share as 2010 and substantially higher than 2008 and 2009, when less than a third indicated more difficulty than expected. Outcomes for buyers varied. Sixteen percent found the process easier than expected.

TYPE OF MORTGAGE LOAN

- Exhibits 5-10 and 5-11

While 95 percent of buyers in 2010 chose fixed rate mortgages, only 92 percent chose fixed-rate financing in 2011. Of those with an adjustable product, a fixed- then adjustable product was about twice as common. Repeat buyers were somewhat more likely to choose adjustable-rate financing than first-time buyers.

Conventional loans were the most common type of loan, though 36 percent of buyers reported using a FHA loan. FHA loans were much more prevalent among first-time buyers compared with repeat buyers, in part due to the restrictions and eligibility requirements for FHA loans. Over half of first-time buyers (54 percent) chose FHA loans, while the share of repeat buyers relying on conventional financing rose 6 percent to 64 percent as repeat buyers shifted away from FHA financing.

Seventy-eight percent of buyers feel that their home purchase is a good financial investment, while only 8 percent felt it was not a good investment.

BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

- Exhibit 5-12 and 5-13

While most home buyers continue to see their home purchase not only as a place to live, but also as a good financial investment, a smaller share of buyers expressed this view than in the past. Seventy-eight percent of buyers feel that their home purchase is a good financial investment, while only 8 percent felt it was not a good investment. In the 2010 survey, 85 percent reported that a home was a good financial investment and in 2009, 87 percent of buyers held that view. In the past, repeat buyers tended to have more favorable views of the investment value of homes, but in 2011 first-time buyers tended to have the more positive outlook. Despite the somewhat diminished outlook among some buyers, seven in ten believe that a home purchase is as good or better of an investment as stocks.

Exhibit 5-1

BUYERS WHO FINANCED THEIR HOME PURCHASE, BY AGE

(Percent of Respondents)

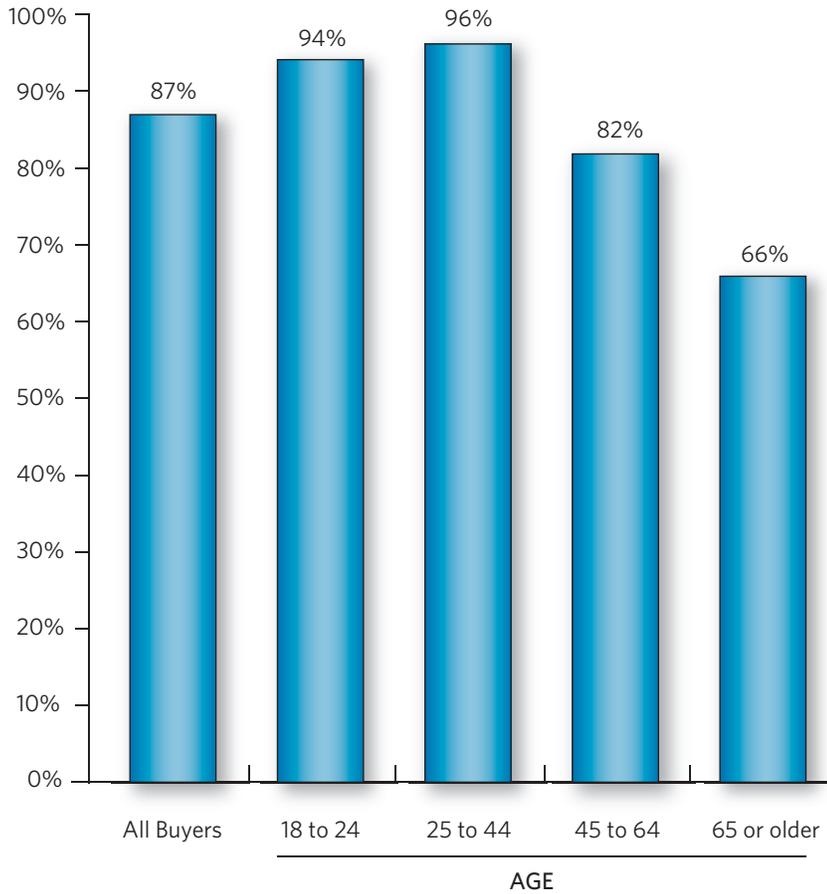


Exhibit 5-2

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	87%	89%	84%	80%	90%	65%
First-time Buyers	95	97	96	88	96	82
Repeat Buyers	82	85	75	72	80	56

Exhibit 5-3**PERCENT OF HOME FINANCED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES***(Percentage Distribution)*

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Less than 50%	10%	8%	12%	15%	9%
50% to 59%	4	1	6	4	4
60% to 69%	5	3	6	6	5
70% to 79%	11	7	14	11	11
80% to 89%	21	17	24	20	21
90% to 94%	13	15	11	12	13
95% to 99%	24	33	17	20	25
100% - Financed the entire purchase price with a mortgage	13	16	10	13	12
Median percent financed	89%	95%	85%	87%	90%

Exhibit 5-4**SOURCES OF DOWNPAYMENT, FIRST-TIME AND REPEAT BUYERS***(Percent of Respondents Among those who Made a Downpayment)*

	All Buyers	First-time Buyers	Repeat Buyers
Savings	67%	79%	59%
Proceeds from sale of primary residence	26	2	41
Gift from relative or friend	14	26	7
Sale of stocks or bonds	10	9	10
401k/pension fund including a loan	8	8	8
Inheritance	5	5	4
Loan from relative or friend	5	7	3
Individual Retirement Account (IRA)	4	4	4
Equity from primary residence buyer continued to own	3	*	4
Loan or financial assistance from source other than employer	2	4	1
Proceeds from sale of real estate other than primary residence	2	1	3
Loan from financial institution other than a mortgage	1	1	1
Loan or financial assistance through employer	*	1	*
Other	4	5	4

* Less than 1 percent

Exhibit 5-5

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	67%	67%	61%	71%	74%	46%
Proceeds from sale of primary residence	26	32	20	17	8	33
Gift from relative or friend	14	13	18	14	21	13
Sale of stocks or bonds	10	10	7	14	12	5
401k/pension fund including a loan	8	8	7	7	11	11
Inheritance	5	4	5	6	7	11
Loan from relative or friend	5	4	5	5	7	2
Individual Retirement Account (IRA)	4	4	4	5	3	2
Equity from primary residence buyer continued to own	3	3	2	*	1	*
Loan or financial assistance from source other than employer	2	1	4	2	3	2
Proceeds from sale of real estate other than primary residence	2	2	2	*	2	5
Loan from financial institution other than a mortgage	1	1	1	*	*	*
Loan or financial assistance through employer	*	*	*	*	1	3
Other	4	4	6	4	6	10

* Less than 1 percent

Exhibit 5-6

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

(Percent of Respondents)

	All Buyers	First-time Buyers	Repeat Buyers
Cut spending on luxury items or non-essential items	34%	44%	27%
Cut spending on entertainment	25	35	19
Cut spending on clothes	20	28	14
Canceled vacation plans	12	14	12
Sold a vehicle or decided not to purchase a vehicle	6	6	6
Earned extra income through a second job	5	8	4
Other	5	5	5
Did not need to make any sacrifices	54	42	62

Exhibit 5-7**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 items or non-essential items	34%	32%	39%	27%	43%	43%
Cut spending on entertainment	25	23	31	22	33	25
Cut spending on clothes	20	17	31	13	24	23
Canceled vacation plans	12	12	13	10	12	21
Sold a vehicle or decided not to purchase a vehicle	6	6	4	8	7	10
Earned extra income through a second job	5	5	8	4	9	1
Other	5	5	5	3	4	7
Did not need to make any sacrifices	54	56	48	62	44	41

Exhibit 5-8**DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY FIRST-TIME AND REPEAT BUYERS***(Percentage Distribution Among those who Financed their Home Purchase)*

	All Buyers	First-time Buyers	Repeat Buyers
Much more difficult than expected	16%	15%	16%
Somewhat more difficult than expected	23	27	21
Not difficult/no more difficult than expected	45	41	47
Easier than expected	16	18	16

Exhibit 5-9**DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY ADULT COMPOSITION OF HOUSEHOLD***(Percentage Distribution Among those who Financed their Home Purchase)*

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Much more difficult than expected	16%	16%	14%	19%	13%	20%
Somewhat more difficult than expected	23	23	22	20	32	20
Not difficult/no more difficult than expected	45	46	46	44	34	35
Easier than expected	16	15	18	17	22	25

Exhibit 5-10

TYPE OF MORTGAGE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among those who Financed their Home Purchase)

	All Buyers	First-time Buyers	Repeat Buyers
Fixed-rate mortgage	92%	94%	91%
Fixed- then adjustable-rate mortgage	4	3	5
Adjustable-rate mortgage	2	1	3
Don't know	1	1	1
Other	1	1	1

Exhibit 5-11

TYPE OF LOAN, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among those who Financed their Home Purchase)

	All Buyers	First-time Buyers	Repeat Buyers
Conventional	50%	30%	64%
FHA	36	54	23
VA	7	6	8
Don't Know	4	5	3
Other	4	5	2

Exhibit 5-12**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	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Good financial investment	78%	81%	77%	78%	78%
Better than stocks	45	51	42	42	46
About as good as stocks	24	23	25	26	24
Not as good as stocks	9	7	10	9	9
Not a good financial investment	8	5	9	8	7
Don't know	14	14	14	14	14

Exhibit 5-13**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	78%	78%	79%	79%	85%	73%
Better than stocks	45	43	53	45	51	40
About as good as stocks	24	25	21	24	26	31
Not as good as stocks	9	10	6	10	9	3
Not a good financial investment	8	8	5	9	4	7
Don't know	14	14	16	12	11	20

Chapter 6:

Home Sellers and Their Selling Experience

As the demographics among buyers changed in the most recent report, there is also a change in the demographics of recent sellers. Those who are completing real estate transactions in the last year are older, typically had a higher household income than was seen in previous years, and are more likely to be a married couple than other household compositions. The most common reasons for selling one's home was a job relocation, the home was too small, or the desire to be closer to friends and family. The typical seller was in their home nine years before selling—a trend that continues to increase.

Eighty-seven percent of recent sellers turned to an agent to sell their home and just 10 percent sold their home via FSBO sale. Among recently sold homes, the sales price was a median 95 percent of the listing price and the typical home was on the market for nine weeks. Home sellers reported that they typically sold the home they purchased for \$26,000 more than they purchased it—about a 16 percent price gain. This is significantly lower than was seen in the 2010 report.

HOME SELLER CHARACTERISTICS

- Exhibits 6-1 through 6-6

Similar to the demographics of buyers, the demographics of sellers has changed as well. The typical age of home sellers has jumped to 53 from 49 in the 2010 report and 46 in the 2009 report. The typical income of recent sellers is more than \$10,000 higher than in the previous report. The typical median income for selling households in 2010 was \$101,500 compared to \$90,000 in 2009. Incomes in the Northeast and South were higher, while incomes in the Midwest and West were lower.

The share of married couples selling their home also grew to the highest level seen in this report. A record number, 77 percent, of selling households were married. From 2004 to 2010 the share of married couples ranged from 71 percent to 75 percent. Single females selling accounted for 13 percent of households, and single males for 6 percent. Sixty-three percent of households who sold their home had no children in their home.

Ninety-four percent of recent home sellers were white and 98 percent of selling households primarily speak English in their home.

HOME SELLING SITUATION

- Exhibits 6-7 through 6-10

A majority of repeat buyers (68 percent) reported that they had already sold their previous home. Thirteen percent of repeat buyers do not intend to sell their previous home, 7 percent have a home that has not sold and is currently vacant, and 7 percent have a home that has not sold and they are renting to others. Two-thirds of recent sellers are first time sellers.

Sellers with unsold homes are more concentrated in the South and the share of rented unsold homes in the South is much larger than both its share of vacant homes and sold homes. In the Northeast, the share of homes sold is larger than the shares that are vacant or rented to others. In rural areas there is a higher concentration of vacant homes than homes that are rented or homes sold.

HOME SOLD VS. HOME PURCHASED

■ Exhibits 6-11 through 6-19

Most home sellers (66 percent) remain in the same state when they purchase their next home. Sellers who moved to another region accounted for 21 percent, while sellers who moved within the same region, but to a different state, was 14 percent.

Seventy-nine percent of sellers sold a detached single-family home, and the townhouse/row house was the second most frequent type of home sold.

Forty-six percent of recent sellers purchased a home that was larger than the home they just sold, 31 percent purchased a home that was about the same size, and 23 percent traded down to a smaller home. Trading up to a larger home is most common among buyers who are 54 and younger. Buyers who are 55 to 64 years old tend to buy about the same size home and buyers over 65 tend to purchase a smaller home than the one they sold. The typical home that was sold was three bedrooms and two bathrooms.

Sixty percent of sellers purchased a newer home than the home they recently sold, 20 percent purchased an older home and 20 percent purchased a home that was about the same age. Just more than half of sellers traded up to purchase a more expensive home than the home they just sold, about one-quarter purchased a home in the same price range and about one-quarter traded down to a home less expensive than the one sold. Buyers who are 54 and younger typically buy a more expensive home than the one they just sold. Buyers aged 55 to 64 typically buy a home that is about the same price, while buyers aged 65 and older typically buy a less expensive home.

The most common reasons cited for selling one's home were a job relocation, the home was too small, or the desire to be closer to friends and family. However, the motivation for selling one's home varies by age. Sellers who are aged 18 to 44 are most likely to move because the home is too small. Sellers who are 55 and older are most likely to move to be closer to friends and family. Sellers aged 45 to 54 are most likely to move for a job relocation or because the neighborhood has become less desirable.

TENURE IN HOME

■ Exhibits 6-20 and 6-21

The typical home seller has owned their home for nine years. The median tenure in home has progressively increased over the last several years from a low of 6 years in 2007. Sellers of detached single-family homes, which account for the largest share of homes sold, owned their home for a median of 10 years. Younger sellers tend to have the shortest tenure in the home—those aged 18 to 34 sold their home within six years, compared to those aged 65 to 74 who sold their home after a tenure of 14 years.

DISTANCE MOVED

■ Exhibits 6-22 and 6-23

Home sellers tended to stay relatively close when purchasing a home, only moving 18 miles away. Sellers in the South moved the farthest distance at 24 miles, while sellers in the West moved the shortest at 17 miles. Distance moved also varies by the age of the seller. Younger sellers tend to move the shortest distance—those who are 18 to 34 moved only 12 miles, while those who are 75 years or older typically moved 46 miles away.

The typical age of home sellers has jumped to 53 from 49 in the 2010 report and 46 in the 2009 report. The typical income of recent sellers is more than \$10,000 higher than in the previous report.

METHOD OF SALE

▪ Exhibits 6-24 through 6-27

Eighty-seven percent of home sellers sold their home with the assistance of a real estate agent. FSBO sales continued at a low rate of 10 percent. Working with an agent was highest in the Northeast at 90 percent and lowest in the Midwest at 85 percent. FSBO sales, alternatively, were highest in the Midwest at 13 percent and lowest in the West at just 6 percent.

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.

Among all home sellers, 6 percent reported that they knew the buyer of their home compared with 8 percent in the 2010 Profile. Among those sellers that were assisted by an agent, just 3 percent knew the buyer. In contrast, 37 percent of FSBO sellers indicated that they knew the buyer of their home before the transaction.

SALES PRICE AND TIME ON THE MARKET

▪ Exhibits 6-28 through 6-32

Among recently sold homes, the sales price was a median 95 percent of the listing price. There is little variation among regions between the asking and the selling price.

Sellers who reported needing to sell very urgently were more likely to accept a price that was less than 90 percent of the asking price while those who reported less urgency were more likely to receive 95 to 99 percent of the original asking price. However, the median sales price to asking price ratio differed little with the sellers' need to sell urgently.

The median time on the market for recently sold homes was 9 weeks. One-quarter of sellers reported that their home was on the market for two weeks or less. Homes in the Northeast and the Midwest were typically on the market for 12 weeks while homes in the South and the West were typically on the market for eight weeks.

Time on the market and the ratio of sales price to listing price are highly correlated; 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 less than one week received a median of 100 percent of their asking price—2 percent received more than the asking price. Homes that were on the market of 17 weeks or more typically received just 90 percent of the sales price as compared to the listing price.

Homes which are on the market longer tend to reduce their listing price. Eighty-nine percent of homes that are only on the market for one week or less never reduced their asking price compared to just 6 percent of homes that were on the market for 17 weeks or more. More than one-quarter of homes that were on the market for more than 17 weeks reduced their price four times or more.

INCENTIVES TO PROSPECTIVE BUYERS

■ Exhibits 6-33 and 6-34

Sellers occasionally add incentives to attract buyers, though there are regional variations. Incentives are least common in the Northeast and the West. The most frequently offered incentive regardless of region is a home warranty policy. The second most commonly offered incentive is assistance with closing costs. Not surprisingly, the longer a home is on the market, the more frequently sellers offer incentives. However, regardless of time on market, home warranty policies and assistance with closing costs remain the top two incentives most frequently offered by sellers.

SATISFACTION WITH SALES PROCESS

■ Exhibit 6-36

Fifty-four percent of sellers reported that they were very satisfied with the process, 31 percent were somewhat satisfied, and 15 percent were dissatisfied with the process.

Eighty-seven percent of home sellers sold their home with the assistance of a real estate agent. FSBO sales continued at a low rate of 10 percent.

EQUITY BY TENURE

■ Exhibit 6-35

Home sellers reported that they typically sold the home they purchased for \$26,000 more than they purchased it—about a 16 percent price gain. This is a significant decline from the typical equity gain seen in the 2010 report of \$33,000 and 24 percent. Generally, the longer a seller is in the home the greater the increase attributable to price appreciation; however, the recent path of home prices has resulted in the level of equity, in homes with seller tenures of 1 to 5 years, to vary from that trend. Sellers who owned a home for one year or less typically reported higher gains than those who owned a home for 2 to 7 years. One explanation for these large gains is that they result from the rehabilitation and resale of formerly distressed properties.

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	13%	15%	16%	12%	8%
35 to 44 years	19	19	21	16	23
45 to 54 years	21	17	18	24	25
55 to 64 years	25	26	23	26	23
65 to 74 years	16	18	16	18	13
75 years or older	6	5	7	5	8
Median age (years)	53	53	52	54	53

Exhibit 6-2**HOUSEHOLD INCOME OF HOME SELLERS, 2010***(Percentage Distribution)*

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
Less than \$25,000	4%	1%	3%	4%	7%
\$25,000 to \$34,999	4	5	4	5	6
\$35,000 to \$44,999	5	5	5	5	7
\$45,000 to \$54,999	6	6	5	4	8
\$55,000 to \$64,999	6	7	8	5	5
\$65,000 to \$74,999	7	9	8	7	5
\$75,000 to \$84,999	7	7	7	7	8
\$85,000 to \$99,999	10	6	12	10	9
\$100,000 to \$124,999	16	14	17	15	22
\$125,000 to \$149,999	11	13	6	12	13
\$150,000 to \$174,999	7	8	7	7	2
\$175,000 to \$199,999	5	5	6	5	3
\$200,000 or more	12	15	12	13	7
Median income (2010)	\$101,500	\$108,000	\$98,000	\$105,700	\$94,800

Exhibit 6-3**ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS***(Percentage Distribution)*

	2004	2005	2006	2007	2008	2009	2010	2011
Married couple	74%	71%	72%	75%	74%	75%	75%	77%
Single female	15	17	17	15	15	14	16	13
Single male	5	6	6	6	7	6	6	6
Unmarried couple	5	3	4	3	3	4	3	3
Other	1	1	1	1	1	1	1	2

Exhibit 6-4

NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD

(Percentage Distribution of Home Seller Households)

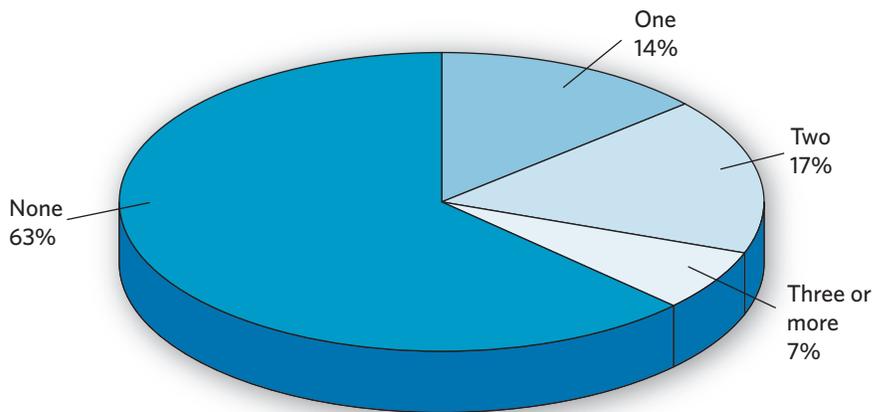


Exhibit 6-5

RACE/ETHNICITY OF HOME SELLERS, BY REGION

(Percent of Respondents)

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
White/Caucasian	94%	94%	98%	92%	91%
Black/African-American	2	2	1	3	*
Asian/Pacific Islander	2	3	*	1	6
Hispanic/Latino	2	*	1	3	3
Other	1	1	1	1	2

* Less than 1 percent

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 6-6

PRIMARY LANGUAGE SPOKEN IN HOME SELLER HOUSEHOLD, BY REGION

(Percentage Distribution)

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
English	98%	99%	99%	99%	96%
Other	2	1	1	1	4

Exhibit 6-7

HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

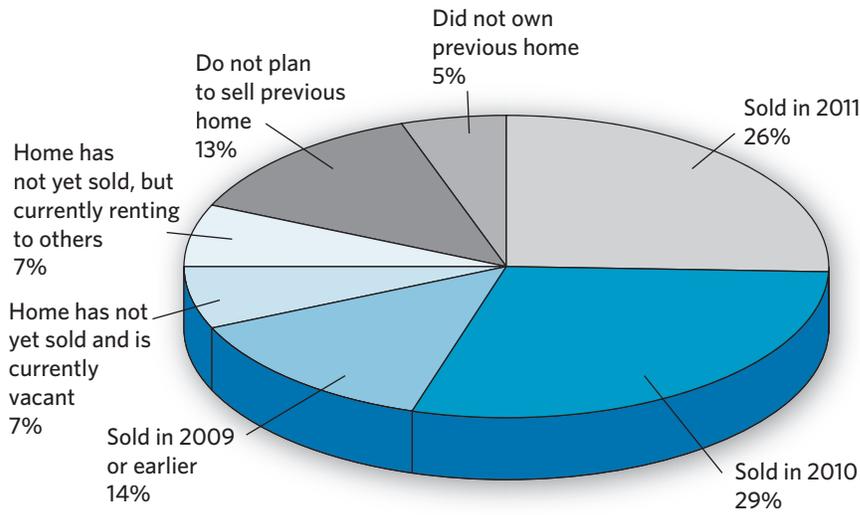


Exhibit 6-8

FIRST-TIME OR REPEAT SELLER

(Percentage Distribution)

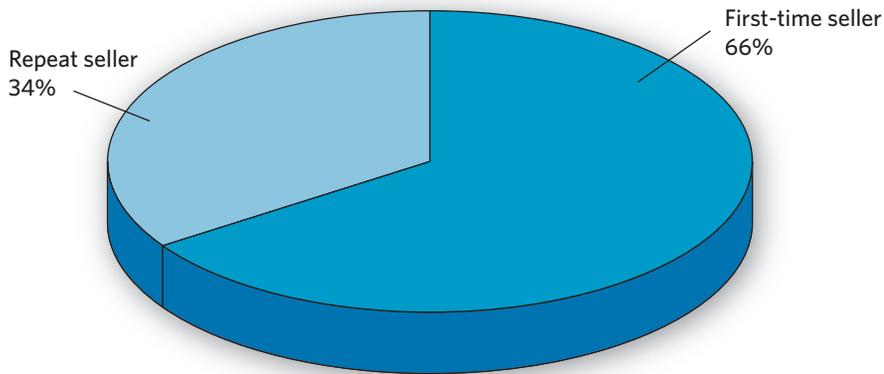


Exhibit 6-9

HOMES SOLD AND FOR SALE, BY REGION

(Percentage Distribution)

	Homes Sold	Home has not yet sold and is currently vacant	Home has not yet sold, but currently renting to others
Northeast	19%	10%	9%
Midwest	28	30	28
South	36	42	44
West	16	19	19

Exhibit 6-10 LOCATION OF HOME SOLD

(Percentage Distribution)

	Homes Sold	Home has not yet sold and is currently vacant	Home has not yet sold, but currently renting to others
Suburb/Subdivision	50%	46%	54%
Small town	19	16	16
Urban area/Central city	16	16	18
Rural area	13	18	11
Resort/Recreation area	2	4	2

Exhibit 6-11 PROXIMITY OF HOME SOLD TO HOME PURCHASED

(Percentage Distribution)

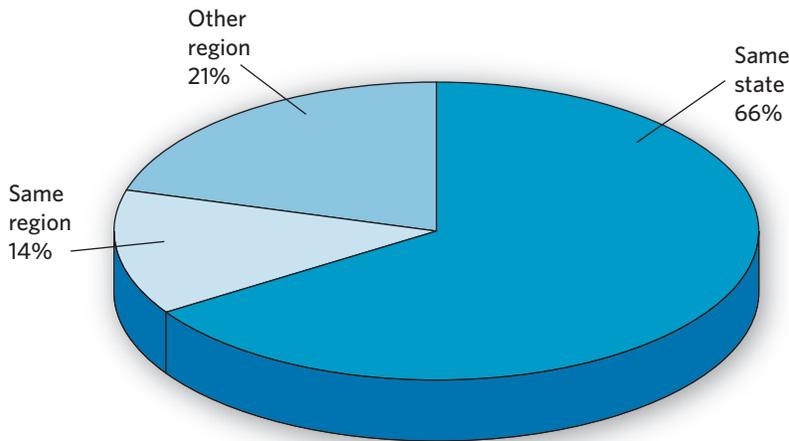


Exhibit 6-12 TYPE OF HOME SOLD, BY LOCATION

(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	79%	84%	87%	66%	81%	69%
Townhouse/row house	7	9	3	9	1	*
Apartment/condo in a building with 5 or more units	5	3	2	15	*	17
Duplex/apartment/condo in 2 to 4 unit building	1	1	1	4	*	*
Other	7	3	7	7	17	14

* Less than 1 percent

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%	1%	*	*
1,001 to 1,500 sq ft	*	3	4	3	2	2
1,501 to 2,000 sq ft	*	2	5	7	5	4
2,001 to 2,500 sq ft	*	1	3	7	4	7
2,501 to 3,000 sq ft	*	1	3	3	3	7
More than 3,000 sq ft	*	1	2	4	3	13

* Less than 1 percent

 23% Trading Down 31% Remaining at the same size range 46% Trading Up
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	2,200	700
35 to 44 years	1,850	2,700	850
45 to 54 years	2,200	2,500	300
55 to 64 years	2,100	2,200	100
65 to 74 years	2,000	1,900	-100
75 years or older	1,900	1,600	-300

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	2%	1%	2%	5%	17%	4%	*	3%
Two bedrooms	14	11	22	29	15	29	11	16
Three bedrooms or more	84	88	76	66	67	68	89	81
Median number of bedrooms	3	3	3	3	3	3	3	3
One full bathroom	20	18	25	20	30	25	23	18
Two full bathrooms	55	56	50	53	55	68	54	56
Three full bathrooms or more	25	26	25	27	15	7	24	26
Median number of full bathrooms	2	2	2	2	2	2	2	2

* Less than 1 percent

Exhibit 6-16

AGE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

(Percentage Distribution)

YEAR PURCHASED HOME WAS BUILT

YEAR HOME SOLD WAS BUILT	2011	2008 through 2010	2005 through 2007	2000 through 2004	1985 through 1999	1960 through 1984	1911 through 1959	1910 or older
2011	*	*	*	*	*	*	*	*
2008 through 2010	*	*	*	*	1	*	*	*
2005 through 2007	1	1	1	2	2	1	1	*
2000 through 2004	1	4	2	2	3	2	1	*
1985 through 1999	2	6	4	5	7	4	2	*
1960 through 1984	2	4	2	3	6	6	2	*
1911 through 1959	1	2	2	1	4	5	3	1
1910 or older	*	1	*	*	*	1	1	1

* Less than 1 percent

60% Purchased a Newer Home 20% Purchased a Home the Same Age 20% Purchased a Newer 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	3%	3%	3%	*	*	*	*	*	*
\$100,000 to \$149,999	3	4	6	4	2	1	1	*	*
\$150,000 to \$199,999	1	2	6	3	3	1	1	1	*
\$200,000 to \$249,999	1	1	2	3	2	2	1	2	1
\$250,000 to \$299,999	*	*	1	2	1	1	1	2	1
\$300,000 to \$349,999	*	*	1	1	1	1	1	1	1
\$350,000 to \$399,999	*	*	1	*	1	1	*	1	1
\$400,000 to \$499,999	*	*	*	*	1	1	1	1	3
\$500,000 or more	*	*	*	*	1	1	1	2	5

* Less than 1 percent

26% Trading Down 24% Remaining at the same price range 51% Trading Up

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	\$150,000	\$203,300	\$53,300
35 to 44 years	\$224,700	\$310,000	\$85,300
45 to 54 years	\$215,000	\$275,000	\$60,000
55 to 64 years	\$228,200	\$228,500	\$300
65 to 74 years	\$210,600	\$200,000	-\$10,600
75 years or older	\$185,000	\$162,500	-\$22,500

Exhibit 6-19**PRIMARY REASON FOR SELLING PREVIOUS HOME, BY AGE**

(Percentage Distribution)

	All Sellers	AGE OF HOME SELLER					
		18 to 34 years	35 to 44 years	45 to 54 years	55 to 64 years	65 to 74 years	75 years or older
Job relocation	17%	24%	26%	29%	13%	*	*
Home is too small	17	39	35	12	5	7	2
Want to move closer to friends or family	15	4	4	7	18	28	50
Neighborhood has become less desirable	9	9	11	12	8	10	2
Change in family situation (e.g., marriage, birth of a child, divorce)	8	10	9	10	9	4	6
To avoid possible foreclosure	8	4	5	13	8	10	3
Home is too large	8	2	2	8	12	12	12
Moving due to retirement	7	*	*	1	15	16	3
Want to move closer to current job	4	5	5	4	5	*	3
Can not afford the mortgage and other expenses of owning home	4	3	2	1	5	4	8
Upkeep of home is too difficult due to health or financial limitations	3	*	1	2	3	9	10
Other	*	*	*	1	*	*	1

* Less than 1 percent

Exhibit 6-20**TENURE IN PREVIOUS HOME, BY TYPE OF 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	4%	7%	5%	4%	3%	3%	5%	8%
2 to 3 years	8	7	19	8	3	8	9	11
4 to 5 years	13	29	10	16	18	12	29	19
6 to 7 years	16	*	14	15	23	16	14	24
8 to 10 years	17	21	19	26	20	17	14	8
11 to 15 years	18	21	14	13	21	19	14	5
16 to 20 years	9	7	10	8	6	10	6	8
21 years or more	15	7	10	11	6	16	11	16
Median	9	8	9	8	8	10	7	6

* Less than 1 percent

Exhibit 6-21 **TENURE IN PREVIOUS HOME, BY AGE OF SELLER**

(Percentage Distribution)

	All Sellers	AGE OF HOME SELLER					
		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	4%	2%	2%	4%	5%	5%	3%
2 to 3 years	8	19	10	5	3	8	4
4 to 5 years	13	29	14	13	10	6	8
6 to 7 years	16	30	19	17	12	11	9
8 to 10 years	17	17	25	16	18	10	13
11 to 15 years	18	3	26	21	18	19	20
16 to 20 years	9	*	5	16	13	6	5
21 years or more	15	*	*	9	21	37	38
Median	9	6	8	10	11	14	13

* Less than 1 percent

Exhibit 6-22 **DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY REGION**

(Median Miles)

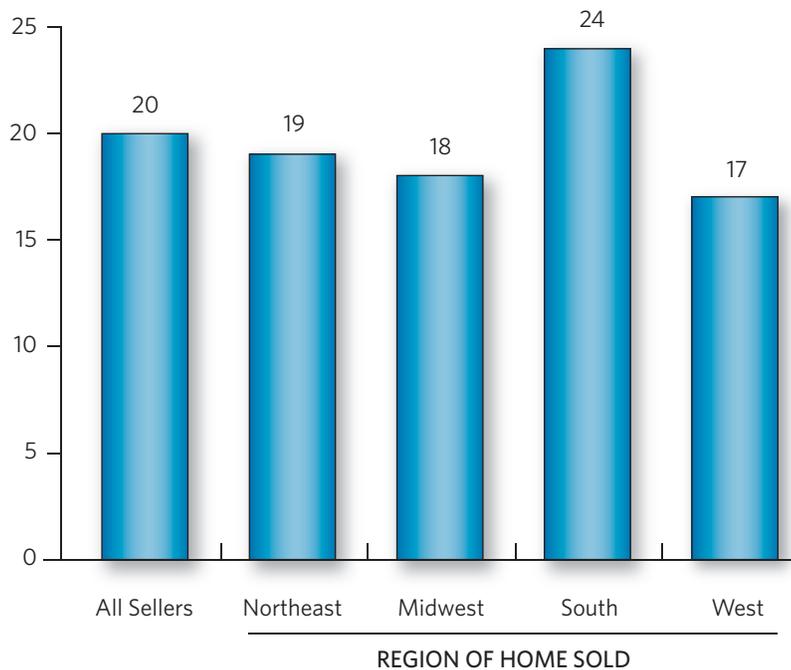


Exhibit 6-23**DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY AGE***(Percentage Distribution)*

	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	23%	28%	30%	27%	19%	16%	17%
6 to 10 miles	15	21	16	13	13	18	8
11 to 15 miles	7	8	7	8	5	6	4
16 to 20 miles	6	8	6	7	6	5	2
21 to 50 miles	9	10	10	5	10	7	22
51 to 100 miles	4	3	3	3	4	6	6
101 to 500 miles	12	11	8	14	14	13	18
501 to 1,000 miles	10	5	12	9	13	11	8
1,001 miles or more	13	8	8	14	16	19	14
Median (miles)	20	12	14	17	42	43	46

Exhibit 6-24**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	87%	90%	85%	88%	89%
Seller used agent/broker only	85	90	82	84	89
Seller first tried to sell it themselves, but then used an agent	2	*	3	4	*
For-sale-by-owner (FSBO)	10	8	13	9	6
Seller sold home without using a real estate agent or broker	8	6	11	7	6
First listed with an agent, but then sold home themselves	2	1	2	2	1
Sold home to a homebuying company	1	1	2	1	1
Other	2	1	1	3	4

* Less than 1 percent

Exhibit 6-25 **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	87%	87%	90%	86%
Seller used agent/broker only	85	85	88	83
Seller first tried to sell it themselves, but then used an agent	2	2	2	3
For-sale-by-owner (FSBO)	10	8	7	12
Seller sold home without using a real estate agent or broker	8	6	5	10
First listed with an agent, but then sold home themselves	2	2	2	2
Sold home to a homebuying company	1	*	1	1
Other	2	5	2	1

* Less than 1 percent

Exhibit 6-26 **METHOD OF SALE, BY BUYER AND SELLER RELATIONSHIP**

(Percentage Distribution)

Buyer and Seller Relationship	Seller Knew Buyer	Seller did not Know Buyer
All sellers	6%	94%
Sold home using an agent or broker	3	98
Seller used agent/broker only	3	98
Seller first tried to sell it themselves, but then used an agent	2	98
For-sale-by-owner (FSBO)	37	64
Sold home without using a real estate agent or broker	36	64
First listed with an agent, but then sold home themselves	36	64
Other	6	94

Method of Home Sale	All Sellers	Seller Knew Buyer	Seller did not Know Buyer
Sold home using an agent or broker	87%	36%	91%
Seller used agent/broker only	85	35	88
Seller first tried to sell it themselves, but then used an agent	2	1	2
For-sale-by-owner (FSBO)	10	57	7
Sold home without using a real estate agent or broker	8	46	5
First listed with an agent, but then sold home themselves	2	11	1
Other	2	7	2

Exhibit 6-27**METHOD USED TO SELL HOME, 2001-2011***(Percentage Distribution)*

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sold home using an agent or broker	79%	83%	82%	85%	84%	85%	84%	85%	88%	87%
For-sale-by-owner (FSBO)	13	14	14	13	12	12	13	11	9	10
Sold to home buying company	1	1	1	1	1	1	1	1	1	1
Other	7	3	3	2	3	2	2	3	3	2

Exhibit 6-28**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%	25%	24%	29%	22%	24%
90% to 94%	21	27	21	19	15
95% to 99%	35	34	35	37	32
100%	15	11	13	16	21
101% to 110%	3	2	2	4	5
More than 110%	2	3	*	2	3
Median (sales price as a percent of listing price)	95%	94%	95%	96%	96%

* Less than 1 percent

Exhibit 6-29**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%	25%	33%	27%	18%
90% to 94%	21	18	24	19
95% to 99%	35	31	32	40
100%	15	12	13	18
101% to 110%	3	2	3	4
More than 110%	2	4	1	2
Median (sales price as a percent of listing price)	95%	94%	94%	96%

Exhibit 6-30

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	4%	5%	4%	4%	3%
1 to 2 weeks	21	19	26	19	17
3 to 4 weeks	12	8	9	14	18
5 to 6 weeks	6	7	3	7	5
7 to 8 weeks	7	5	5	8	9
9 to 10 weeks	3	2	1	5	6
11 to 12 weeks	7	8	7	7	7
13 to 16 weeks	6	6	7	6	7
17 to 24 weeks	11	14	11	10	11
25 to 36 weeks	8	11	10	7	5
37 to 52 weeks	7	6	7	8	4
53 or more weeks	8	9	10	6	8
Median weeks	9	12	12	8	8

Exhibit 6-31

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%	25%	2%	5%	8%	10%	27%	50%
90% to 94%	21	7	9	19	23	30	25
95% to 99%	35	29	49	46	43	35	20
100%	15	61	29	18	16	7	3
101% to 110%	3	2	9	6	4	*	*
More than 110%	2	*	1	3	4	2	2
Median (sales price as a percent of listing price)	95%	100%	98%	97%	96%	94%	90%

* Less than 1 percent

Exhibit 6-32

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	39%	89%	79%	60%	40%	28%	6%
One	26	9	18	34	48	31	22
Two	14	*	3	5	7	27	23
Three	10	*	1	1	3	10	22
Four or more	10	2	*	1	2	3	27

* Less than 1 percent

Exhibit 6-33

INCENTIVES OFFERED TO ATTRACT BUYERS, BY REGION

(Percent of Respondents)

	SELLERS WHO SOLD A HOME IN THE				
	All Sellers	Northeast	Midwest	South	West
None	59%	69%	58%	51%	68%
Home warranty policies	23	11	27	28	18
Assistance with closing costs	20	15	19	26	16
Credit toward remodeling or repairs	7	5	5	7	9
Other incentives, such as a car, flat screen TV, etc.	3	2	4	4	2
Assistance with condo association fees	1	*	2	1	1
Other	4	5	5	4	2

* Less than 1 percent

Exhibit 6-34

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	59%	85%	71%	58%	59%	61%	48%
Home warranty policies	23	8	14	26	19	17	34
Assistance with closing costs	20	2	15	17	24	21	25
Credit toward remodeling or repairs	7	3	4	5	8	5	10
Other incentives, such as a car, flat screen TV, etc.	3	*	2	7	1	2	4
Assistance with condo association fees	1	*	*	*	1	*	2
Other	4	5	2	6	5	5	5

* Less than 1 percent

Exhibit 6-35

EQUITY EARNED IN HOME RECENTLY SOLD, BY TENURE IN HOME

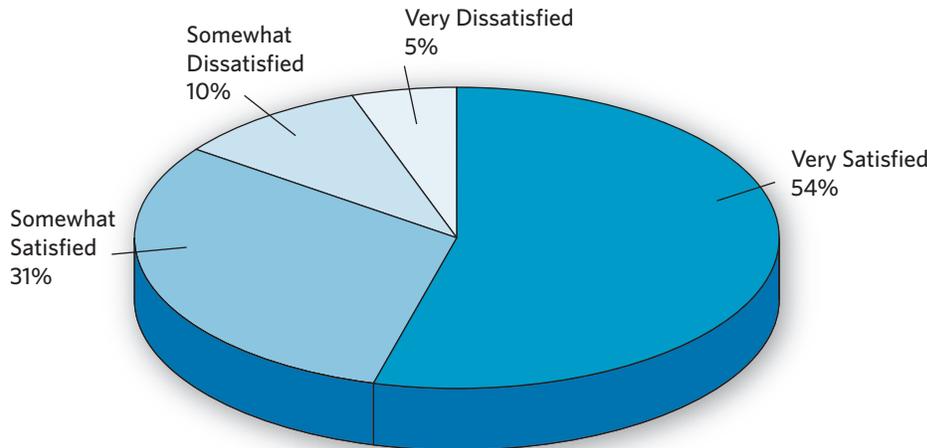
(Percent of Respondents)

TENURE IN HOME	Dollar value	Percent
1 year or less	\$35,000	17%
2 to 3 years	\$300	0%
4 to 5 years	-\$1,200	-1%
6 to 7 years	\$3,200	2%
8 to 10 years	\$21,000	12%
11 to 15 years	\$57,900	39%
16 to 20 years	\$67,500	64%
21 years or more	\$138,000	161%
Median	\$26,000	16%

Exhibit 6-36

SATISFACTION WITH THE SELLING PROCESS

(Percentage Distribution)



Chapter 7:

Home Selling and Real Estate Professionals

The home seller and real estate agent relationship has remained largely the same as in past years. The relationship starts and grows based on referrals from friends or family of the seller and the reputation of the agent. Sellers value honesty in an agent and want to work with someone they can trust. Sellers trust their agent to be able to perform the same four tasks as in previous years: help the seller market the home to potential clients, help price the home competitively, help sell the home within a specific timeframe, and help find a buyer for the home.

How the seller and real estate agent approach marketing the home to find a buyer has also remained the same, but has continued the increasing trend of technology use. Sellers are embracing nontraditional websites, social networking sites, and video hosting websites to market homes. However, traditional marketing methods are often used as well. The majority of the sellers had a positive experience with their real estate agent and would recommend them to others or use them again.

FINDING A REAL ESTATE AGENT

- Exhibits 7-1 through 7-3

Referral by friend, neighbor or relative is the most commonly cited method sellers used to find their real estate agent. Thirty-nine percent of sellers used a referral to find their agent, and an additional 22 percent used an agent they had worked with before. The typical seller only contacts one agent during the selling process, further emphasizing the importance of personal relationships in real estate. Sixteen percent of sellers contacted two agents before selling their home and 18 percent contacted three or more agents.

HOME LISTED ON MULTIPLE LISTING SERVICE AND LEVEL OF SERVICE

- Exhibits 7-4 and 7-5

The Multiple Listing Service (MLS) remained a vital resource for sellers in 2011. Ninety-two percent of sellers listed their homes on a MLS. Only 4 percent of sellers did not list their home on a MLS. Eighty percent of sellers worked with an agent who could provide a broad range of services and manage most aspects of the sale. One in 10 sellers worked with an agent who provided a limited set of services provided by the seller and 1 in 10 sellers worked with an agent who listed the home on a MLS and performed few additional services.

WHAT SELLERS MOST WANT AND LEVEL OF SERVICE

- Exhibits 7-6 and 7-7

Regardless of the housing market climate, sellers consistently report they expect four top goals from their selling agent: help the seller market the home to potential clients, help price the home competitively, help sell the home within a specific timeframe, and help find a buyer for the home. These goals are among the top four tasks required for sellers no matter the level of service provided by the real estate agent.

Also consistent with past years are the most important factors that sellers look for in choosing a real estate agent to work with. As many sellers use word of mouth to find their agent, the reputation of their agent is on the top of the list for most important factor. Sellers want to work with someone who a friend or a family member has had a good experience with. Sellers also value the agent's honesty and trustworthiness, as they are making one of the biggest purchases they may make in their lives.

METHODS USED TO MARKET THE HOME

▪ Exhibit 7-8

The marketing method of sellers continued to branch out into creative ways to use technology to capture the buyer's attention and hopefully spark the buyer to look at and purchase the home. While listings on the Internet are the number one marketing source of sellers (92 percent), sellers are also using nontraditional websites (27 percent), social networking websites (5 percent), and video hosting websites (3 percent) with more frequency than in previous years. Traditional marketing tools such as yard signs and open houses remain popular methods to market the home to potential buyers—used by 77 percent and 58 percent, respectively.

Regardless of the housing market climate, sellers consistently report they expect four top goals from their selling agent: help the seller market the home to potential clients, help price the home competitively, help sell the home within a specific timeframe, and help find a buyer for the home.

AGENT'S PERFORMANCE AND COMPENSATION

▪ Exhibits 7-9 through 7-11

Most agents, 78 percent, are paid by the seller in full. Among compensations that are paid by the seller nearly all are paid as a percent of sales price. A small share of sales agents are compensated by the buyer and the seller—8 percent, or by the buyer only—5 percent.

In 43 percent of sales the real estate agent initiated the discussion of compensation. In 36 percent of sales the client brought up the topic of compensation and in the majority of cases the real estate agent was willing to negotiate their commission or fee. Thirteen percent of sellers did not know the commission or fee could be negotiated.

With repeat business and referrals being the strongest sign of client satisfaction, most sellers — 84 percent — reported that they would recommend their agent or use the agent's services in the future. This is the same share as in 2010.

Exhibit 7-1

METHOD USED TO FIND REAL ESTATE AGENT

(Percentage Distribution)

Referred by (or is) a friend, neighbor or relative	39%
Used agent previously to buy or sell a home	22
Referred through employer or relocation company	5
Personal contact by agent (telephone, email, etc.)	4
Saw contact information on For Sale/open house sign	4
Visited an open house and met agent	4
Referred by another real estate agent or broker	4
Internet Web site	3
Direct mail (newsletter, flyer, postcard, etc.)	2
Walked into or called office and agent was on duty	1
Newspaper, Yellow Pages or home book ad	1
Advertising specialty (calendar, magnet, etc.)	*
Other	11

* Less than 1 percent

Exhibit 7-2

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

(Percentage Distribution)

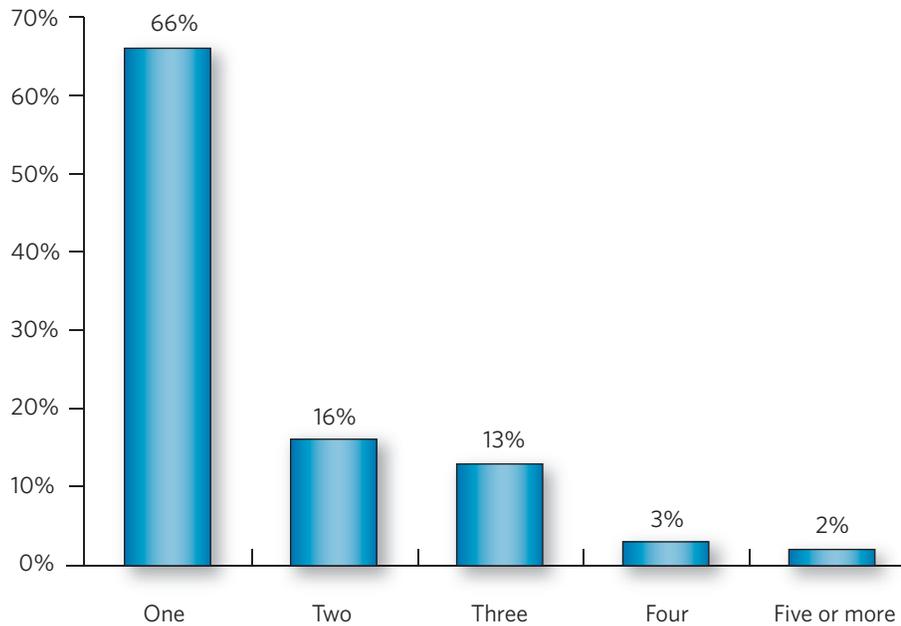


Exhibit 7-3

DID SELLER USE THE SAME REAL ESTATE AGENT FOR THEIR HOME PURCHASE?

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

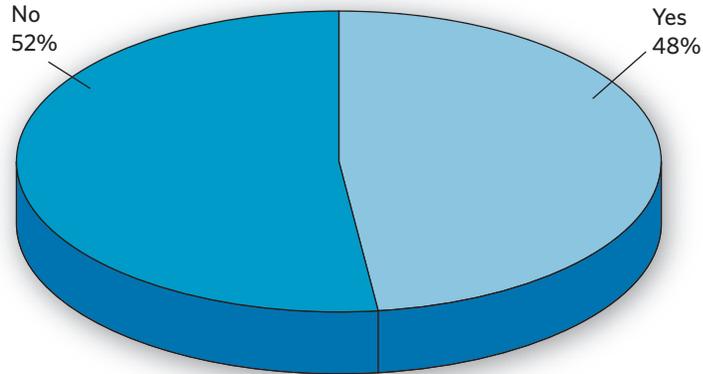


Exhibit 7-4

HOME LISTED ON MULTIPLE LISTING SERVICE

(Percentage Distribution)

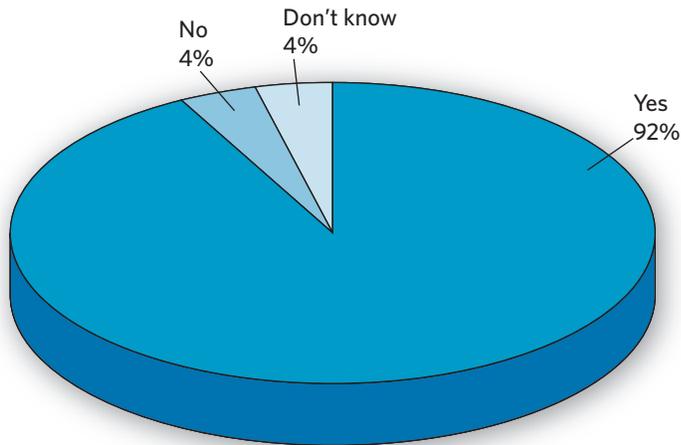


Exhibit 7-5

LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT

(Percentage Distribution)

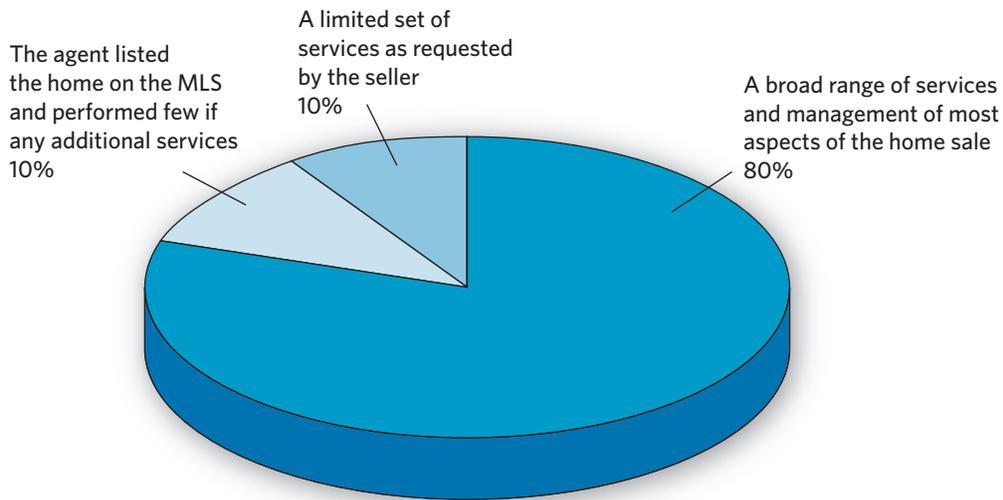


Exhibit 7-6

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	24%	24%	30%	25%
Help price home competitively	20	20	20	17
Help sell the home within specific timeframe	19	19	26	15
Help find a buyer for home	19	18	13	25
Help seller find ways to fix up home to sell it for more	9	10	4	5
Help with negotiation and dealing with buyers	5	4	4	9
Help with paperwork/ inspections/preparing for settlement	3	3	4	1
Help seller see homes available to purchase	2	2	*	3
Other	1	1	*	*

* Less than 1 percent

Exhibit 7-7**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	38%	39%	31%	31%
Agent is honest and trustworthy	20	20	20	21
Agent is friend or family member	18	17	20	20
Agent's knowledge of the neighborhood	11	11	14	14
Agent's association with a particular firm	5	4	6	9
Agent has caring personality/good listener	4	4	1	2
Professional designations held by agent	1	1	*	*
Other	4	4	7	4

* Less than 1 percent

Exhibit 7-8**METHODS REAL ESTATE AGENT USED TO MARKET HOME, BY TYPE OF HOME SOLD***(Percent of Respondents)*

TYPE OF HOME SOLD

	All Homes	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
Listing on the Internet	92%	73%	88%	92%	95%	89%	92%	97%
Other Web sites with real estate listings (e.g. Yahoo, Google, etc.)	27	9	41	31	26	12	27	21
Social networking Web sites (e.g. Twitter, FaceBook, etc.)	5	36	22	3	4	*	5	3
Video hosting Web sites (e.g., YouTube, etc.)	3	*	*	1	*	*	4	*
Yard sign	77	64	82	33	56	67	81	64
Open house	58	55	67	66	67	23	58	52
Print newspaper advertisement	31	27	24	19	30	26	32	42
Real estate magazine	25	9	18	22	17	15	27	24
Direct mail (flyers, postcards, etc.)	18	36	41	38	18	15	16	46
Video	14	36	12	18	6	7	15	16
Television	3	*	6	*	4	*	3	*
Other	3	*	12	7	2	11	2	9

* Less than 1 percent

Exhibit 7-9 HOW REAL ESTATE AGENT WAS COMPENSATED

(Percentage Distribution)

Paid by seller	78%
Percent of sales price	75
Flat fee	1
Per task fee	*
Other	*
Don't Know	1
Paid by buyer and seller	8
Paid by buyer only	5
Other	6
Don't Know	4

* Less than 1 percent

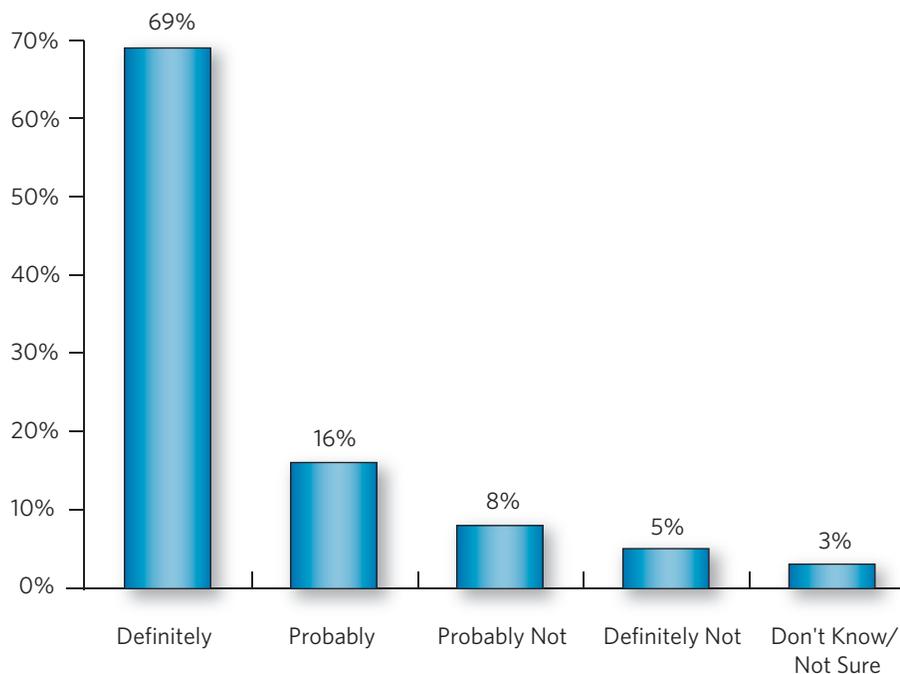
Exhibit 7-10 NEGOTIATING THE COMMISSION RATE OR FEE WITH THE REAL ESTATE AGENT

(Percentage Distribution)

Real estate agent initiated discussion of compensation	43%
Client brought up the topic and the real estate agent was willing to negotiate their commission or fee	26
Client brought up the topic and the real estate agent was not willing to negotiate their commission or fee	10
Client did know commissions and fees could be negotiated but did not bring up the topic	8
Client did not know commissions and fees could be negotiated	13

Exhibit 7-11 WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)



Chapter 8:

For Sale By Owner Sellers

More sellers in the current housing market have shifted from trying to sell their home alone to using the expertise of an agent. Fourteen percent of sales were For-Sale-By-Owners in 2003 and 2004, compared to just 10 percent in 2011.

FSBOs are more popular in rural areas and central cities. Typically FSBO sellers have lower median incomes and are more often single males or female sellers. FSBOs are also more common for mobile home sales.

Many sellers who opt for FSBOs are selling their property to someone they know, like a friend, relative, or neighbor. That helps keep FSBOs on the market for less time, and more often sellers receive 100 percent of the asking price. FSBOs are less likely to use incentives. Yard signs and internet listings are the most popular method of marketing FSBOs.

FSBO AND AGENT ASSISTED SALES, BY LOCATION AND OVER TIME

- **Exhibits 8-1 and 8-2**

FSBO sales declined to 10 percent of sales transactions in 2011, down from 14 percent of sales in 2003. Forty percent of FSBO sales occur when the seller knows the buyer, since a real estate agent is not usually needed in those types of transactions. Use of real estate agents to sell homes rose to 87 percent in 2011 from 82 percent in 2004. Small towns and resort areas tend to have the highest rates of FSBO sales, with only seven percent of suburban area transactions being FSBOs.

CHARACTERISTICS OF FSBO AND AGENT-ASSISTED SELLERS

- **Exhibit 8-3**

FSBO seller demographics are similar to agent-assisted sellers, especially in age and household composition. However, FSBO sellers typically have lower median incomes than agent-assisted sellers. FSBO sellers who knew the buyer are more likely than all other sellers to be single sellers, especially single males.

CHARACTERISTICS OF HOMES SOLD BY FSBO AND AGENT-ASSISTED SELLERS

- **Exhibits 8-4 through 8-6**

Among all homes sold, 81 percent are detached single-family homes. FSBO sales are less likely than other selling methods to involve a detached single-family home and more likely than other methods to be for a mobile or manufactured home. Fourteen percent of all FSBO sales are mobile homes. Among agent-assisted sales, 83 percent of all homes sold are detached single-family homes and just 2 percent are mobile or manufactured homes.

The majority (52 percent) of agent-assisted sales occurred in suburban areas. A smaller share (39 percent) of FSBOs were located in suburban areas. FSBO sales are more likely than agent-assisted sales to happen in central cities or rural areas.

FSBOs typically have a lower median selling price, though FSBOs typically received 98 percent of their asking price, whereas agent-assisted sales typically received 95 percent of their asking price. Some of the explanation for this is that when looking at FSBO sales where the seller knew the buyer, over half of the time the sales price was equal to or more than the asking price. Sellers who started as a FSBO, then ended up using an agent, sold for the lowest price and reduced their price the most of all selling methods.

THE SELLING PROCESS FOR FSBO SALES

- Exhibits 8-7 through 8-9

FSBOs were typically on the market for less time than agent-assisted homes. This was especially true of FSBOs where the seller knew the buyer. The median time on the market for FSBOs was four weeks compared to 10 weeks for agent-assisted sales. In FSBOs where the buyer knew the seller, the median time on the market was one week. Agents seemed to help in circumstances where homes were difficult to sell. Those who first tried a FSBO then sought out an agent had a median number of weeks on the market of 12.

More than half of FSBO sellers did not need to sell their home urgently compared to 60 percent of agent-assisted sellers who needed to sell their home at least somewhat urgently.

Agent-assisted transactions were more likely to use incentives to attract buyers. One-quarter of agent-assisted sellers used home warranties to attract buyers, and slightly more than one in five (22 percent) sellers used assistance with closing costs to attract buyers.

FSBO sales declined to 10 percent of sales transactions in 2011, down from 14 percent of sales in 2003.

REASONS OF FSBOs, MARKETING, AND SELLERS EXPERIENCE

- Exhibits 8-10 through 8-13

Of FSBO sellers, roughly two in five used FSBOs because they did not want to pay commission or a fee—this was most common among sellers who did not know the buyer. Among sellers who knew the buyer, 67 percent sold the home to a relative or friend, 14 percent did not want to pay the commission or fee, and 12 percent were contacted by the buyer directly.

Yard signs, internet listings, and word of mouth to friends, relatives and neighbors were the most common marketing methods for FSBOs. When the seller knew the buyer, 71 percent of the time the seller did not actively market the home. Attracting buyers was the most difficult task for FSBO sellers, followed closely by getting the price right and understanding and performing paperwork.

More FSBO sellers who knew the buyer would use a real estate agent rather than sell their current home themselves. However, among those who did not know the buyer, a larger share would attempt to sell their homes themselves than use an agent.

Exhibit 8-1 FSBO AND AGENT-ASSISTED SALES, BY LOCATION

(Percentage Distribution)

	All Sellers	SELLERS WHO SOLD A HOME IN A				
		Suburb/ subdivision	Small town	Urban/ central city	Rural area	Resort/ recreation area
For-sale-by-owner (FSBO)	10%	7%	15%	9%	11%	15%
Seller knew buyer	4	3	5	3	4	*
Seller did not know buyer	6	4	9	5	7	15
Agent-assisted	87	91	83	89	81	83
Other	3	2	2	3	8	2

* Less than 1 percent

Exhibit 8-2 FSBO AND AGENT-ASSISTED SALES, 2003-2011

(Percentage Distribution)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
All FSBO (For-sale-by-owner)	14%	14%	13%	12%	12%	13%	11%	9%	10%
Seller knew buyer	5	5	5	5	5	6	5	5	4
Seller did not know buyer	9	10	8	7	7	7	6	5	6
Agent-assisted	83	82	85	84	85	84	85	88	87
Other	4	4	2	3	3	3	4	3	3

Exhibit 8-3 CHARACTERISTICS OF FSBO AND AGENT-ASSISTED SELLERS

	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	53	51	56	51	53	53	49
Median income (2009)	\$101,500	\$82,500	\$84,000	\$82,000	\$105,400	\$106,100	\$95,000
Household composition							
Married couple	77%	73%	67%	77%	78%	78%	95%
Single female	13	15	16	14	13	13	3
Single male	6	8	13	6	6	6	3
Unmarried couple	3	3	2	4	3	3	*
Other	2	1	3	*	1	1	*

* 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%	71%	87%	62%	83%
Townhouse/row house	7	5	5	5	7
Duplex/apartment/condo in 2 to 4 unit building	1	2	2	2	1
Apartment/condo in a building with 5 or more units	5	6	3	8	5
Mobile/manufactured home	4	14	3	20	2
Other	3	2	*	3	3

* Less than 1 percent

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	50%	39%	44%	37%	52%
Small town	16	14	15	14	16
Urban area/central city	19	29	27	29	18
Rural area	13	14	15	14	12
Resort/recreation area	2	4	*	6	2

* Less than 1 percent

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	\$207,100	\$150,000	\$167,100	\$140,300	\$215,000	\$217,000	\$136,000
Sales price compared with asking price:							
Less than 90%	25%	21%	9%	28%	25%	25%	24%
90% to 94%	21	16	11	19	21	21	14
95% to 99%	35	26	29	24	36	36	43
100%	15	33	46	25	13	12	19
101% to 110%	3	2	*	3	3	3	*
More than 110%	2	3	5	1	2	2	*
Median (sales price as a percent of asking price)	95%	98%	100%	95%	95%	95%	97%
Number of times asking price was reduced:							
None	39%	52%	77%	37%	37%	37%	33%
One	26	28	13	37	27	26	38
Two	14	7	3	8	15	15	10
Three	10	6	2	8	10	10	3
Four or more	10	7	5	8	11	11	18

* Less than 1 percent

Exhibit 8-7

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	4%	21%	33%	14%	1%	2%	*
1 to 2 weeks	21	25	36	19	20	20	33
3 to 4 weeks	12	9	*	14	13	13	*
5 to 6 weeks	6	9	2	13	5	5	10
7 to 8 weeks	7	6	3	8	7	7	*
9 to 10 weeks	3	*	*	*	4	4	3
11 to 12 weeks	7	4	5	3	7	7	20
13 to 16 weeks	6	3	2	4	7	7	5
17 to 24 weeks	11	5	3	6	12	12	3
25 to 36 weeks	8	4	7	2	9	9	13
37 to 52 weeks	7	9	5	12	6	7	*
53 or more weeks	8	6	3	7	8	8	15
Median weeks	9	4	1	6	10	10	12

* Less than 1 percent

Exhibit 8-8**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	17%	15%	16%	14%	17%	17%	15%
Somewhat urgently	43	33	33	33	44	44	29
Not urgently	41	52	51	53	40	39	56

Exhibit 8-9**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
No	59%	76%	91%	68%	56%	56%	63%
Home warranty policies	23	12	2	18	25	25	22
Assistance with closing costs	20	7	5	8	22	22	22
Credit toward remodeling or repairs	7	2	*	3	7	7	5
Other incentives, such as a car, flat screen TV, etc.	3	3	2	4	3	4	5
Assistance with condo association fees	1	2	*	3	1	1	*
Other	4	5	2	8	4	5	2

* Less than 1 percent

Exhibit 8-10**MOST IMPORTANT REASON FOR SELLING HOME AS FSBO***(Percentage Distribution)*

	All FSBO	Seller Knew Buyer	Seller did not Know Buyer
Did not want to pay a commission or fee	37%	14%	53%
Sold it to a relative, friend or neighbor	27	67	1
Buyers contacted seller directly	16	12	17
Agent was unable to sell home	8	2	12
Did not want to deal with an agent	8	4	10
Seller has real estate license	2	*	3
Could not find an agent to handle transaction	1	2	*
Other	2	*	3

* Less than 1 percent

Exhibit 8-11

METHOD USED BY FSBO SELLERS TO MARKET HOME

(Percent of Respondents)

	All FSBO	Seller Knew Buyer	Seller did not Know Buyer
Yard sign	44%	16%	60%
Listing on the Internet	33	9	47
For-sale-by-owner Web site	12	2	18
Social networking Web sites (e.g. Twitter, Facebook, etc.)	7	7	7
Other Web sites with real estate listings (e.g. Yahoo, Google, etc.)	6	5	7
Video hosting Web sites (e.g. YouTube, etc.)	1	3	*
Friends, relatives, or neighbors	27	26	27
Open house	19	7	25
Print newspaper advertisement	17	3	26
Direct mail (flyers, postcards, etc)	5	*	8
Video	3	*	5
For-sale-by-owner magazine	1	*	2
Television	1	2	*
None - Did not actively market home	38	71	19
Other	1	*	2

* Less than 1 percent

Exhibit 8-12

MOST DIFFICULT TASK FOR FSBO SELLERS

(Percentage Distribution)

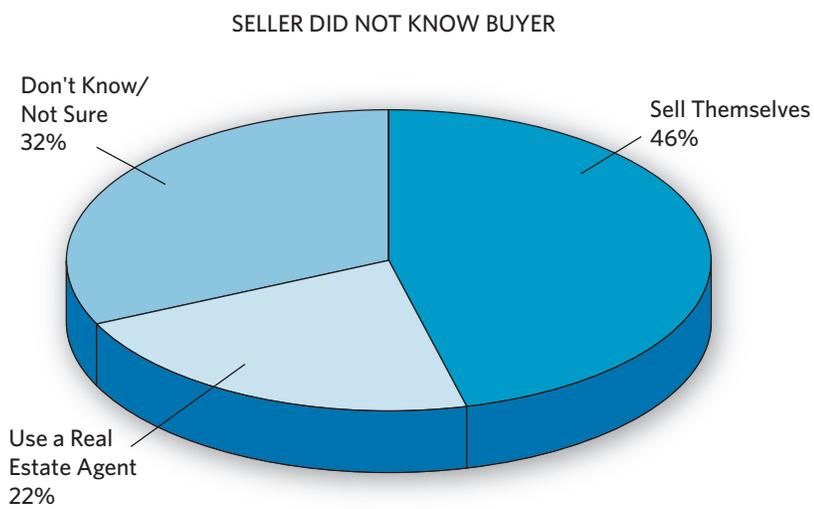
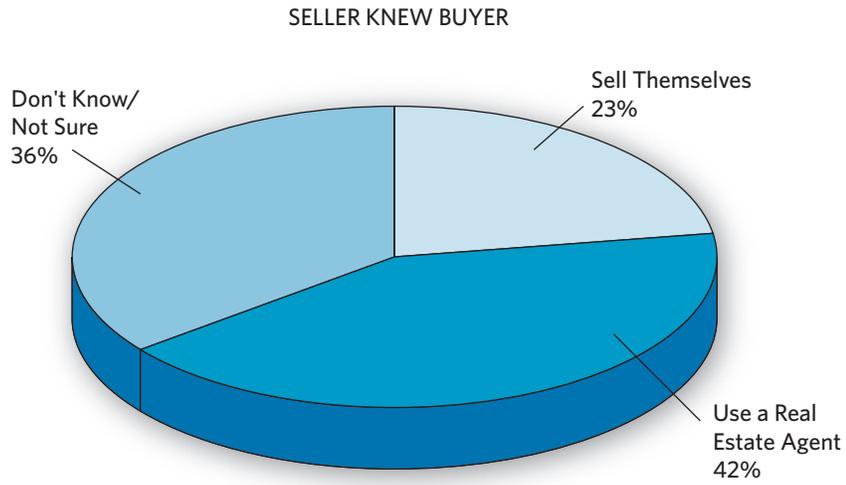
	All FSBO	Seller Knew Buyer	Seller did not Know Buyer
Attracting potential buyers	14%	9%	17%
Getting the price right	12	7	15
Understanding and performing paperwork	11	7	13
Having enough time to devote to all aspects of the sale	6	9	4
Selling within the length of time planned	5	5	4
Preparing or fixing up the home for sale	5	2	8
Helping buyer obtain financing	3	7	1
None/Nothing	44	55	38

* Less than 1 percent

Exhibit 8-13

HOW FSBO SELLERS WILL SELL THEIR CURRENT HOME

(Percentage Distribution)



Methodology

In July 2011, NAR mailed out a questionnaire survey to a random sample of 80,099 recent home buyers. The recent home buyers had to have purchased a home between July of 2010 and June of 2011. The Tailored Survey Design Method was used to survey the sample, which includes a pre-postcard mailing, the survey, a follow-up letter and a re-mailing of the survey. Using this method, a total of 5,708 responses were received. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 7.3 percent.

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 2011, with the exception of income data, which are reported for 2010. 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. Survey responses were weighted to be representative of state level sales. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add up to 100 percent.



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Exhibit 8-12 MOST DIFFICULT TASK FOR FSBO SELLERS

Exhibit 8-13 HOW FSBO SELLERS WILL SELL THEIR CURRENT HOME



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