

National Association of REALTORS®



2017 Profile of Home Buyers and Sellers

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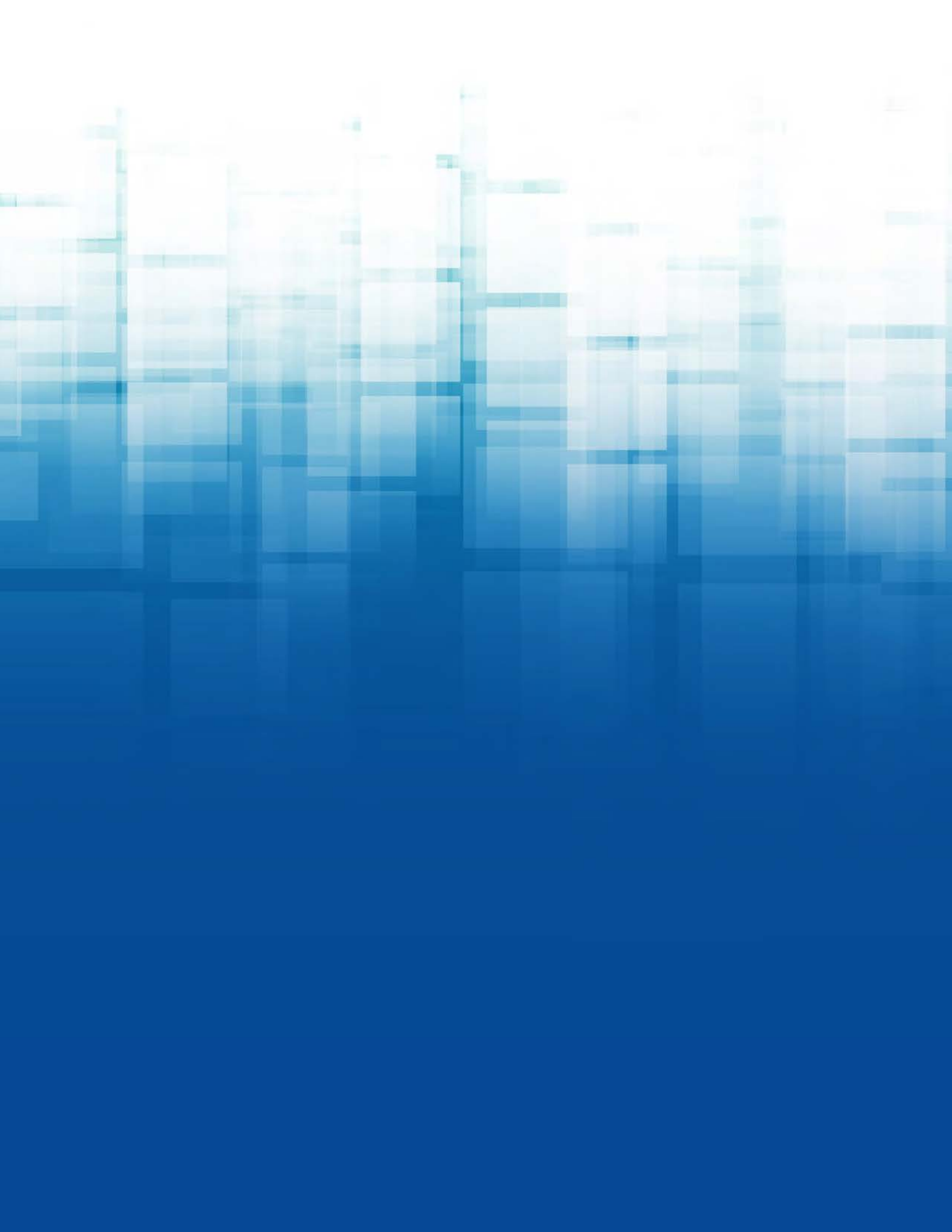
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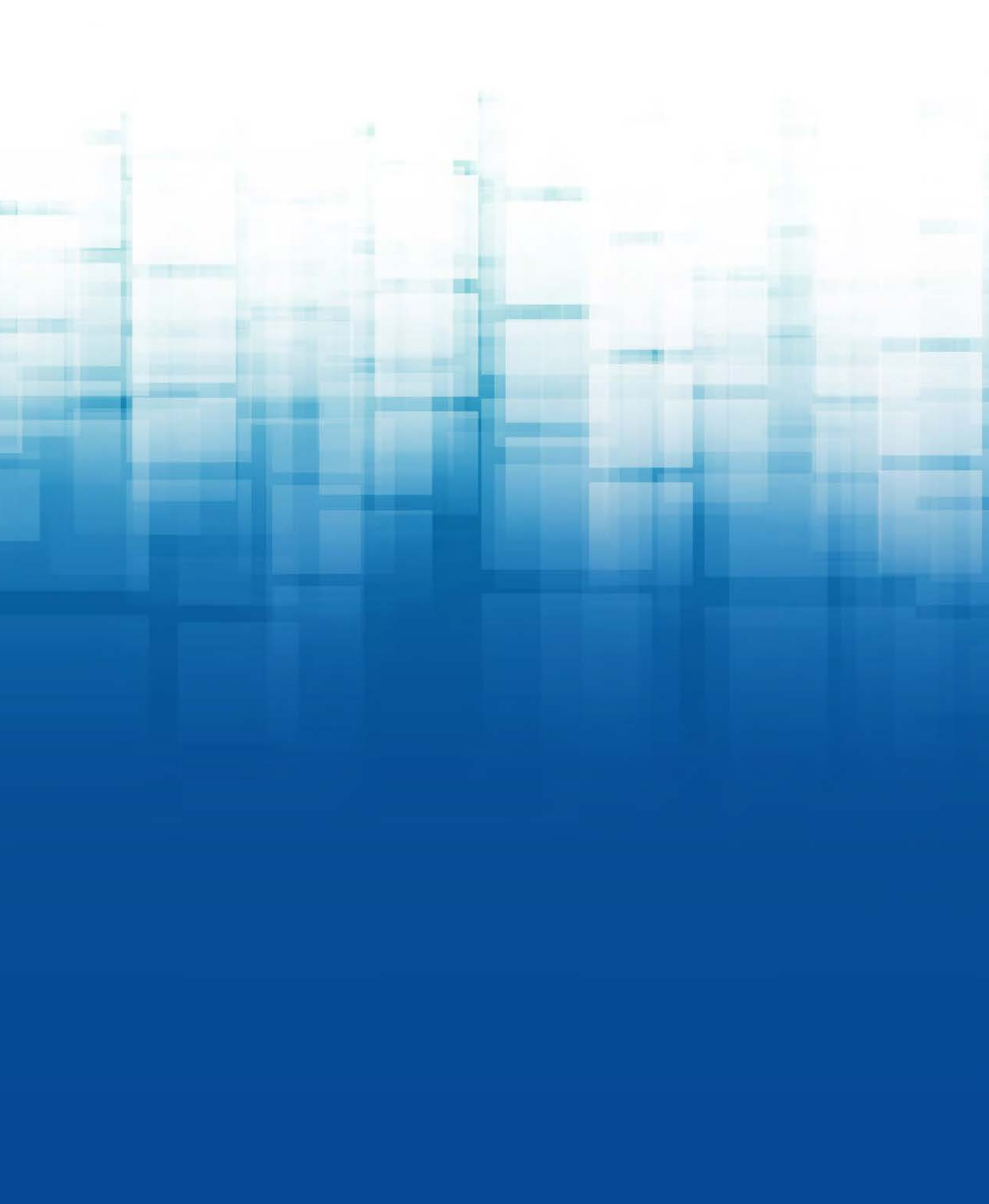


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Introduction

Buying a primary residence for home buyers is a financial decision but also an emotional decision that involves many lifestyle factors. For most home buyers, the purchase of a primary residence is one of the largest financial transactions they will make. Buyers purchase a home not only for the desire to own a home of their own, but also because of changes in jobs, family situations, and the need for a smaller or larger living area. This annual survey conducted by the NATIONAL ASSOCIATION OF REALTORS® of recent home buyers and sellers helps to gain insight into detailed information about their unique experience with this transaction. The information provided supplies understanding, from the consumer level, of the trends that are transpiring. The survey covers information on demographics, housing characteristics, and the experience of consumers in the housing market. Buyers and sellers also provide valuable information on the role that real estate professionals play in home sales transactions.

The report has grown and evolved to keep up with changing home buying trends and the need for more information. NAR first administered the survey in 1981 with just 59 questions. In 2017, the survey contained 131 questions. Although the report has evolved, data has been collected for more than three decades describing the demographic characteristics of home buyers and sellers, buyers and sellers' experience in the home transaction process, as well as market characteristics including the use of real estate agents. One measure of how the market has changed is the manner in which the data is collected. In 1981, only a paper copy of the survey was offered. Today, recent home buyers can take the survey via paper or online, and in English or Spanish. Because of its long history and timely information available each year, the report is valued by REALTORS®, market analysts, and policymakers.

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

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

In 2017, the share of first-time home buyers was 34 percent, a decrease from 35 percent last year. This figure gravitates away from the historical norm at 40 percent of the market. The median household income increased again this year, likely due to a nationwide increase in home prices caused by a lack of housing inventory pushing out lower income buyers. Married and unmarried couples have double the buying power of single home buyers in the market and may be better able to meet the price increases of this housing market. Repeat buyers are also returning to the market.

Tightened inventory is affecting the home search process of buyers. Due to suppressed inventory levels in many areas of the country, buyers are typically purchasing more expensive homes as prices increase. The number of weeks a buyer is searching for a home remained at 10 weeks. Buyers continue to report the most difficult task for them in the home buying process is just finding the right home to purchase.

Increased prices are also impacting sellers. Tenure in the home has maintained a peak of 10 years again this year. Historically, tenure in the home has been six to seven years. Sellers may now have the equity and buyer demand to sell their home after stalling or delaying their home sale.

Buyers need the help of a real estate professional to help them find the right home for them, negotiate terms of sale, and help with price negotiations. Sellers, as well, turn to professionals to help market their home to potential buyers, sell within a specific timeframe, and price their home competitively. For-sale-by-owner sales have dropped to the lowest level recorded in this data set at eight percent of sales again this year, while the use of the agent to sell the home stays at historic highs. Likewise, the buyer use of the agent is at historic highs as the number of buyers purchasing directly from a previous owner or through a builder falls.

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

Highlights

Characteristics of Home Buyers

- First-time buyers made up 34 percent of all home buyers, a decrease from last year's 35 percent.
- The typical buyer was 45 years old this year, and the median household income for 2016 rose again this year to \$88,800.
- Sixty-five percent of recent buyers were married couples, 18 percent were single females, seven percent were single males, and eight percent were unmarried couples.
- Thirteen percent of home buyers purchased a multi-generational home, to take care of aging parents, for cost savings, and because of children over the age of 18 moving back home.
- Eighty-nine percent of recent home buyers identified as heterosexual, three percent as gay or lesbian, one percent as bisexual, and seven percent preferred not to answer.
- Eighteen percent of recent home buyers are veterans and three percent are active-duty service members.
- At 30 percent, the primary reason for purchasing a home was the desire to own a home of their own.

Characteristics of Homes Purchased

- Buyers of new homes made up 15 percent and buyers of previously owned homes made up 85 percent.
- Most recent buyers who purchased new homes were looking to avoid renovations and problems with plumbing or electricity at 36 percent. Buyers who purchased previously-owned homes were most often considering a better price at 32 percent.
- Detached single-family homes continue to be the most common home type for recent buyers at 83 percent, followed by seven percent of buyers choosing townhomes or row houses.
- Senior-related housing stayed the same this year at 13 percent, with 16 percent of buyers typically purchasing condos and six percent purchasing a townhouse or row house.
- There was a median of only 15 miles between the homes that recent buyers purchased and the homes that they moved from.
- Home prices increased slightly this year to a median of \$235,000 among all buyers. Buyers typically purchased their homes for 98 percent of the asking price.

- The typical home that was recently purchased was 1,870 square feet, had three bedrooms and two bathrooms, and was built in 1991.
- Heating and cooling costs were the most important environmental features for recent home buyers, with 85 percent finding these features at least somewhat important.
- Overall, buyers expect to live in their homes for a median of 15 years, while 18 percent say that they are never moving.

The Home Search Process

- For 42 percent of recent buyers, the first step that they took in the home buying process was to look online at properties for sale, while 17 percent of buyers first contacted a real estate agent.
- Seventy-nine percent of recent buyers found their real estate agent to be a very useful information source. Online websites were seen as the most useful information source at 88 percent.
- Buyers typically searched for 10 weeks and looked at a median of 10 homes.
- The typical buyer who did not use the internet during their home search spent only four weeks searching and visited four homes, compared to those who did use the internet and searched for 10 weeks and visited 10 homes.
- Among buyers who used the internet during their home search, 89 percent of buyers found photos and 84 percent found detailed information about properties for sale very useful.
- Sixty-one percent of recent buyers were very satisfied with their recent home buying process.

Home Buying and Real Estate Professionals

- Eighty-seven percent of buyers recently purchased their home through a real estate agent or broker, and seven percent purchased directly from a builder or builder's agent.
- Having an agent to help them find the right home was what buyers wanted most when choosing an agent at 52 percent.
- Forty-two percent of buyers used an agent that was referred to them by a friend, neighbor, or relative and 12 percent used an agent that they had worked with in the past to buy or sell a home.
- Seven in 10 buyers interviewed only one real estate agent during their home search.

Highlights

- Eighty-nine percent of buyers would use their agent again or recommend their agent to others.

Financing the Home Purchase

- Eighty-eight percent of recent buyers financed their home purchase. Those who financed their home purchase typically financed 90 percent.
- First-time buyers who financed their home typically financed 95 percent of their home compared to repeat buyers at 86 percent.
- For 59 percent of buyers, the source of the downpayment came from their savings. Thirty-eight percent of buyers cited using the proceeds from the sale of a primary residence, which was the next most commonly reported way of securing a downpayment.
- Forty-three percent of buyers saved for their downpayment for six months or less.
- For 13 percent of buyers, the most difficult step in the home buying process was saving for a downpayment.
- Of buyers who said saving for a downpayment was difficult, 49 percent of buyers reported that student loans made saving for a downpayment difficult. Forty-two percent cited credit card debt, and 37 percent cited car loans as also making saving for a downpayment hard.
- Buyers continue to see purchasing a home as a good financial investment. Eighty-three percent reported they view a home purchase as a good investment.

Home Sellers and Their Selling Experience

- The typical home seller was 55 years old, with a median household income of \$103,300.
- For all sellers, the most commonly cited reason for selling their home was that it was too small (16 percent), followed by the desire to move closer to friends and family (14 percent), and a job relocation (11 percent).
- Sellers typically lived in their home for 10 years before selling, the same as last year.
- Eighty-nine percent of home sellers worked with a real estate agent to sell their home.
- For recently sold homes, the final sales price was a median 99 percent of the final listing price.
- Recently sold homes were on the market for a median of three weeks, down from four weeks last year.

- Thirty-seven percent of all sellers offered incentives to attract buyers.
- This year, home sellers cited that they sold their homes for a median of \$47,500 more than they purchased it.
- Sixty-two percent of sellers were very satisfied with the selling process.

Home Selling and Real Estate Professionals

- Sixty-four percent of sellers found their agent through a referral from a friend, neighbor, or relative or used an agent they had worked with before to buy or sell a home.
- Seventy-four percent of recent sellers contacted only one agent before finding the right agent they worked with to sell their home.
- Ninety percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home.
- Seventy-six percent of sellers reported that they provided the agent's compensation.
- The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home.
- Eighty-five percent said that they would definitely (67 percent) or probably (18 percent) recommend their agent for future services.

For-Sale-by-Owner (FSBO) Sellers

- Only eight percent of recent home sales were FSBO sales again this year. For the third year, this is the lowest share recorded since this report started in 1981.
- The median age for FSBO sellers is 55 years. Seventy-four percent of FSBO sales were by married couples that have a median household income of \$103,100.
- FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$190,000 last year (up from \$185,000 the year prior), and significantly lower than the median of agent-assisted homes at \$250,000.
- FSBO homes sold more quickly on the market than agent-assisted homes. Fifty-eight percent of FSBO homes sold in less than two weeks—often because homes are sold to someone the seller knows.
- Sixty-eight percent of successful FSBO sellers who knew the buyer were very satisfied with the process of selling their home.

CHAPTER 1:

Characteristics of Home Buyers

The NATIONAL ASSOCIATION OF REALTORS®'s *Profile of Home Buyers and Sellers* report has become a leading industry source of trusted insight into consumer behavior. The information has been collected since 1981 and we examine the data through comparison to trends over the last three and a half decades.

The share of first-time home buyers has been a key indicator of the market. In 2017, the share of first-time home buyers was 34 percent, a decrease from over last year at 35 percent. This figure remains below the historical norm of 40 percent of recent primary residence home buyers in the market.

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

The largest share of home buyers continues to be the 25 to 34 age group, accounting for 26 percent of all buyers. The median household income for 2016, stayed flat this year at \$88,800 compared to \$88,500 in last year's report. The share of married couples decreased to 65 percent this year, and the share of single females increased to 18 percent in 2017. Thirty-seven percent of all buyers had children under the age of 18 living at home.

As to be expected, 73 percent of first-time home buyers rented their previous living arrangement, whereas 68 percent of repeat buyers owned their previous residence. An increasing share of first-time buyers, 21 percent moved from a family or friend's home directly into home buying. For first-time home buyers, 65 percent purchased for the desire to own a home of their own.

Demographic Characteristics of Home Buyers

■ Exhibits 1-1 through 1-6, and 1-11

The demographics of home buyers continued to shift over the last several years due to tightened credit conditions and sparse inventory on the market which are driving up home sales prices. The *Profile of Home Buyers and Sellers* has collected data on the median age since 1981. The median age increased to a peak of 45 years old, the highest recorded occurring only once in 2011. The median age for first-time buyers stayed at 32 years again this year. Also its highest since 1981, the median age for repeat buyers increased to 54 years.

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

Similarly, the median age of first-time buyers was 29 in 1981. The median age for first-time buyers peaked at 36 years in 1993, then remained around 30 to 32 for over 20 years from 1995 to 2017. We see a jump in the median age for all buyers as the median age for repeat buyers has increased over time. In 1981, the median age for repeat buyers was 36. It was only that low once more in 1995, whence it has steadily increased over the years. In 2011, it broke the 50-year mark and rose to a median of 53 years, the highest age in three and a half decades. The median age remained at 53 years in 2014 and 2015, declined to 52 years in 2016, and jumped back up to 54 in 2017.

The largest share of home buyers continues to be in the 25 to 34 age group, accounting for 26 percent of all buyers again this year, followed by 35 to 44 years at 21 percent, and 55 to 64 years at 18 percent, surpassing the 45 to 54 age group that accounted for the third largest share last year.

The median household income for 2016, stayed flat this year at \$88,800 compared to \$88,500 in last year's report. Buyers in the Northeast and Midwest region tend to be younger, while buyers in the West and South regions tend to be older. Buyers in the West region had the highest incomes this year, followed by the South.

The share of married couples decreased to 65 percent this year, down slightly from 66 percent. The share of single females increased to 18 percent in 2017 from 17 percent last year, and single males remained at seven percent, both suppressed due to market conditions. Unmarried couples rose slightly to eight percent this year. Dual incomes from married couples had stronger purchasing power than single buyers.

The *Profile of Home Buyers and Sellers* report has collected data on household composition since 1981, when the share of married couples accounted for 73 percent of all homes purchased, single females purchased 11 percent of homes, and single males 10 percent. The share of married couples peaked at 81 percent in 1985, then steadily declined over the years. In 2010, the share of married couples was at a low point at 58 percent of all homes purchased. Single females remained above 20 percent from 2005 to 2010, at which point the share started to decline, hovering at 16 percent from 2012 through 2014. The share of single male buyers hit a 35-year peak in 2010 at 12 percent before steadily declining to seven percent in 2017.

Thirty-seven percent of all buyers had children under the age of 18 living at home, down from 38 percent last year. Thirteen percent of home buyers purchased a multi-generational home—a home that had adult siblings, adult children over the age of 18, parents, and/or grandparents in the household. The top three reasons for purchasing a multi-generational home was to take care of aging parents (22 percent), cost savings (17 percent), and children over the age of 18 moving back home (16 percent).



Race, Ethnicity, Language and National Origin of Buyers

Exhibits 1-7 through 1-11, and Exhibits 1-19 through 1-21

Down from 85 percent last year, 83 percent of recent home buyers identified their ethnicity as White or Caucasian. The West continues to be more diverse, with 24 percent reporting themselves as a race other than White or Caucasian, and the Midwest reportedly has the least diversity. Single females and unmarried couples are also the most diverse, as are families with children under the age of 18 living at home.

Twenty-four percent of first-time home buyers identified as non-White or Caucasian whereas only 13 percent of repeat buyers did so. Eight percent of first-time buyers, compared to three percent for repeat buyers, reported a language other than English as their primary language. Fourteen percent of first-time home buyers, compared to seven percent for repeat buyers, reported being born outside of the United States.

Ninety-six percent of home buyers speak English, which is consistent with last year. Ninety-eight percent in the Midwest reported that English was the primary language spoken at home and 93 percent in the West. Ninety-one percent reported that they were born in the United States. Ninety-four percent were U.S.-born in the Midwest and only 86 percent in the West.

Eighty-nine percent of recent home buyers identified as heterosexual, three percent as gay or lesbian, one percent as bisexual, and seven percent preferred not to answer, which is consistent with last year. Recent home buyers also reported that 18 percent are veterans and three percent are active-duty service members.

Thirteen percent of home buyers purchased a multi-generational home—a home that had adult siblings, adult children over the age of 18, parents, and/or grandparents in the household.

Demographic Characteristics of First-time and Repeat Home Buyers

Exhibits 1-13 through 1-18

First-time home buyers decreased to 34 percent of the market share (down from 35 percent last year), and are below the historical norm of 40 percent among primary residence home buyers. Since 2011, the share of first-time home buyers has been suppressed. In 2015, it was the lowest share since 1987, when the share of first-time home buyers reported was 30 percent. The Northeast region had the largest share of first-time home buyers at 43 percent and the South had the smallest share at 30 percent.

The share of first-time buyers who are married couples was 57 percent, down from 58 percent last year, and married repeat buyers declined again to 69 percent, down from 71 percent the year before. The share of first-time buyers who are unmarried couples continues to increase—this year the share rose to 16 percent from 14 percent last year. Forty-two percent of first-time buyers reported having children under the age of 18 living at home, compared to 35 percent for repeat buyers. The median age of first-time buyers stayed at 32 years and increased to 54 for repeat buyers (up from 52 years).

The median household income rose for first-time buyers and decreased for repeat buyers, although the gap between them varies greatly. First-time home buyers reported a median income of \$75,000 (up from \$72,000 last year) and \$97,500 (down from \$98,000 last year) for repeat buyers. Married repeat buyers have the highest income among all buyers at \$113,200. Increased median household income could suggest stricter financing that forces low income buyers out of the market and an increase in home prices which is restricting who can enter the market.

Prior Living Arrangement

- Exhibits 1-22 through 1-23

Recent home buyers were more likely to own their previous home than rent a home or an apartment. As to be expected, 73 percent of first-time home buyers rented their previous living arrangement and 21 percent lived with friends and family. The share who lived with friends and family before purchasing has steadily increased. In comparison, 68 percent (down from 70 percent in the previous year) of repeat buyers owned their previous residence and 23 percent rented.

With regards to household composition, married couples were more likely than other household types to own their previous residence at 54 percent. Unmarried couples were the most likely to rent a home before making a purchase at 58 percent, but were also most likely to live with friends and family before buying. Those with children under the age of 18 living at home were equally likely to rent and own prior to buying, while those without children were more likely to own their previous home.



Primary Reason for Home Purchase and Timing of Purchase

- Exhibits 1-24 through 1-26

For first-time home buyers, 65 percent purchased for the desire to own a home of their own, compared to just 12 percent for repeat buyers. Repeat home buyers bought for the following reasons: desire for a larger home (14 percent), the desire to be closer to friends and family (11 percent), job-related relocation (10 percent), and the desire for a home in a better area (nine percent).

Half of all buyers said that the timing was just right and they were ready to purchase a home at 50 percent (down from 55 percent last year). The second most common reason was that the buyer did not have much choice and they had to purchase the home when they did (17 percent), followed by that it was the best time because of the availability of homes for sale (10 percent).

Ownership of Multiple Homes

- Exhibits 1-27

In 2017, the number of recent home buyers who own more than one home was 17 percent, up from 15 percent in 2016. The ability of a buyer to own an additional home besides the home they just purchased speaks to the tightened credit conditions as buyers who have higher incomes and own more than one property are more commonly making home purchases. Owning more than one property was the most common for buyers aged 65 years and older at 24 percent.

The Profile of Home Buyers and Sellers report has collected data on household composition since 1981, when the share of married couples accounted for 73 percent of all homes purchased, single females purchased 11 percent of homes, and single males 10 percent. The share of married couples peaked at 81 percent in 1985, then steadily declined over the years.

EXHIBIT 1-1 MEDIAN AGE OF HOME BUYERS, 1981-2017

(Median Age)

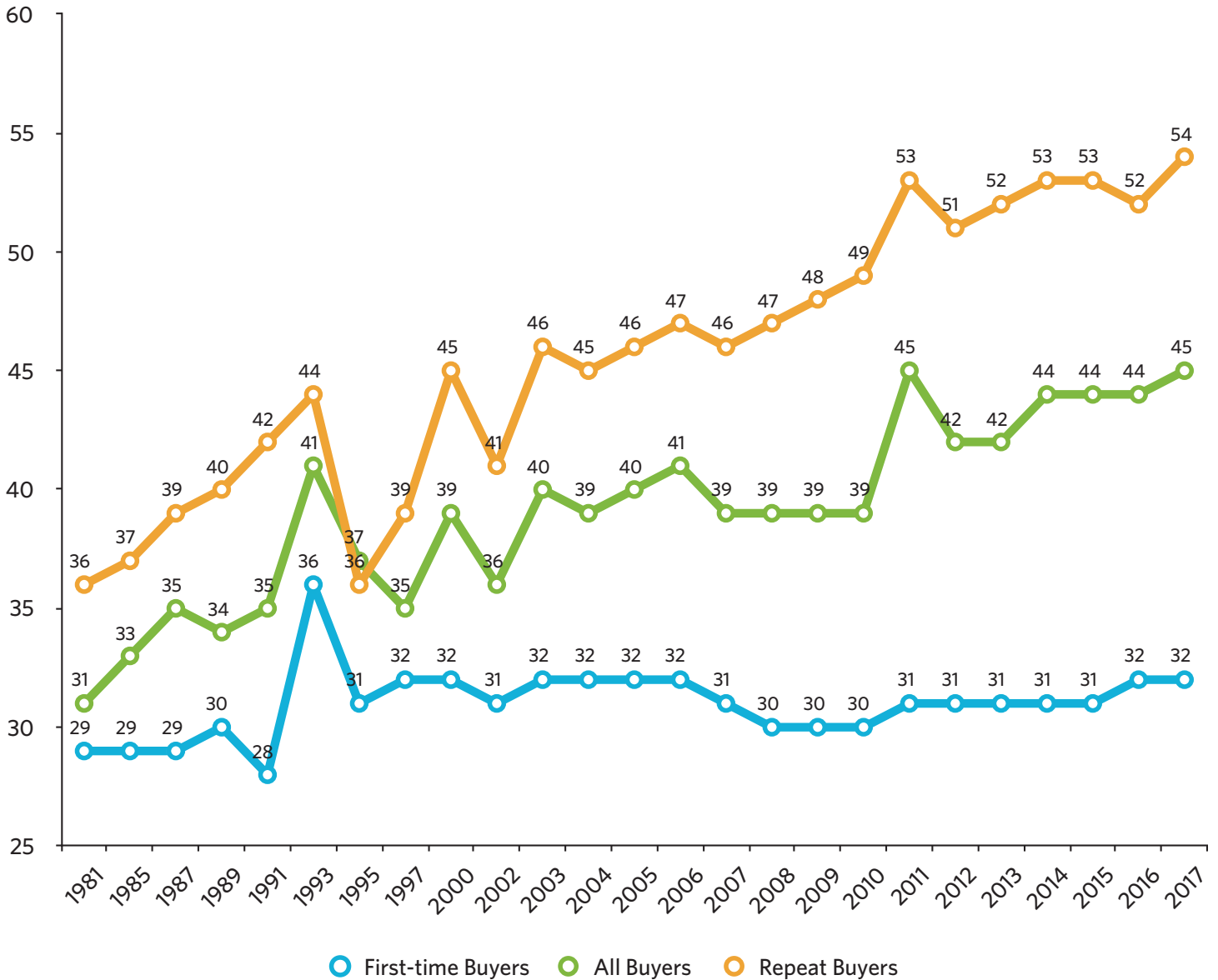


EXHIBIT 1-2**AGE OF HOME BUYERS, BY REGION***(Percentage Distribution)***BUYERS WHO PURCHASED A HOME IN THE**

| | All Buyers | Northeast | Midwest | South | West |
|--------------------|------------|-----------|---------|-------|------|
| 18 to 24 years | 2% | 2% | 2% | 2% | 1% |
| 25 to 34 years | 26 | 31 | 30 | 22 | 24 |
| 35 to 44 years | 21 | 22 | 20 | 20 | 23 |
| 45 to 54 years | 16 | 15 | 16 | 17 | 16 |
| 55 to 64 years | 18 | 17 | 15 | 19 | 19 |
| 65 to 74 years | 13 | 11 | 12 | 15 | 13 |
| 75 years or older | 4 | 2 | 5 | 5 | 4 |
| Median age (years) | 45 | 42 | 42 | 48 | 45 |

EXHIBIT 1-3**HOUSEHOLD INCOME OF HOME BUYERS, BY REGION, 2016***(Percentage Distribution)***BUYERS WHO PURCHASED A HOME IN THE**

| | All Buyers | Northeast | Midwest | South | West |
|------------------------|------------|-----------|----------|----------|----------|
| Less than \$25,000 | 3% | 2% | 4% | 3% | 2% |
| \$25,000 to \$34,999 | 4 | 4 | 5 | 5 | 3 |
| \$35,000 to \$44,999 | 6 | 4 | 7 | 5 | 6 |
| \$45,000 to \$54,999 | 8 | 10 | 9 | 7 | 7 |
| \$55,000 to \$64,999 | 9 | 9 | 9 | 8 | 8 |
| \$65,000 to \$74,999 | 8 | 8 | 10 | 8 | 8 |
| \$75,000 to \$84,999 | 9 | 9 | 10 | 9 | 8 |
| \$85,000 to \$99,999 | 12 | 13 | 11 | 13 | 11 |
| \$100,000 to \$124,999 | 15 | 14 | 13 | 14 | 16 |
| \$125,000 to \$149,999 | 9 | 9 | 9 | 9 | 9 |
| \$150,000 to \$174,999 | 6 | 7 | 5 | 7 | 7 |
| \$175,000 to \$199,999 | 4 | 3 | 3 | 4 | 4 |
| \$200,000 or more | 9 | 7 | 6 | 9 | 10 |
| Median income (2016) | \$88,800 | \$89,600 | \$81,000 | \$90,800 | \$95,900 |

EXHIBIT 1-4 ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS, 1981-2017

(Percentage Distribution)

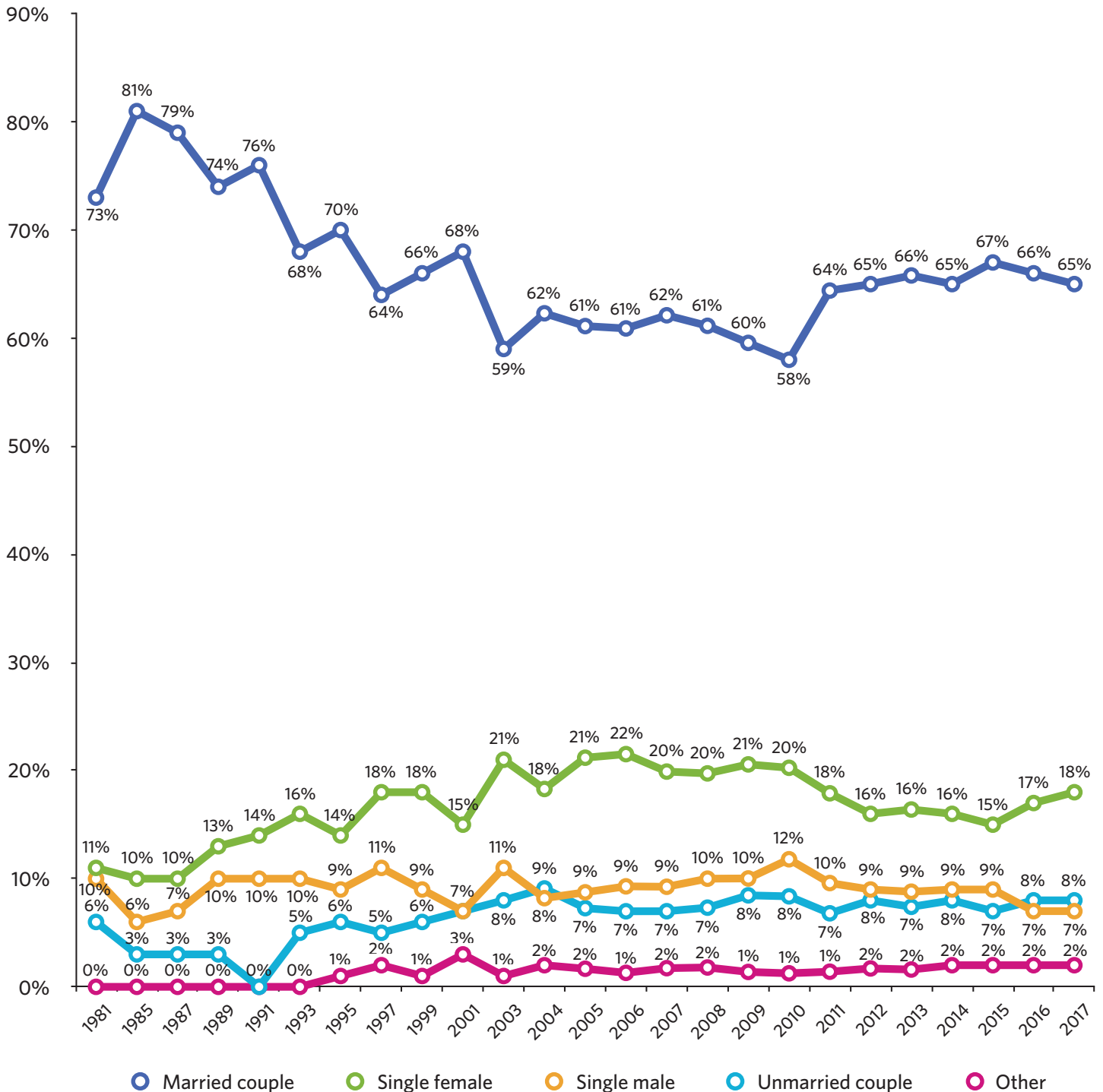


EXHIBIT 1-5

NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD

(Percentage Distribution of Households)

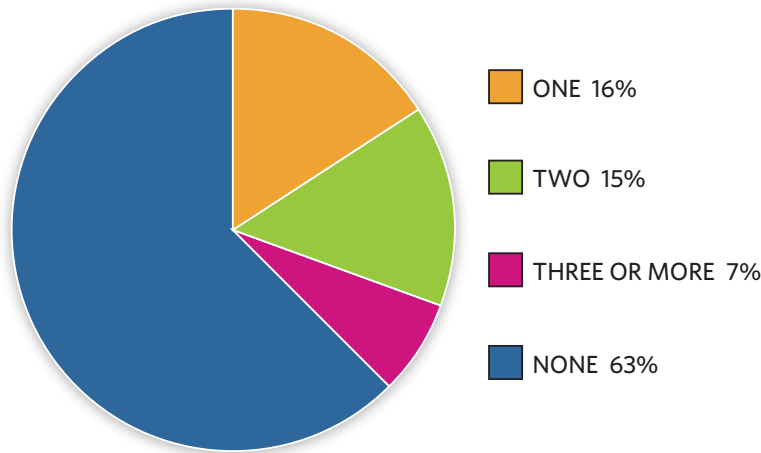


EXHIBIT 1-6

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

(Percent of Respondents)

| | ADULT COMPOSITION OF HOUSEHOLD | | | | | | CHILDREN IN HOME | |
|--|--------------------------------|----------------|---------------|-------------|------------------|-------|---------------------------|---------------------|
| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other | Children under 18 in home | No children in home |
| Multi-generational household | 13% | 13% | 12% | 10% | 11% | 40% | 15% | 12% |
| REASONS FOR PURCHASE: | | | | | | | | |
| Health/Caretaking of aging parents | 22% | 25% | 21% | 12% | 3% | 24% | 22% | 22% |
| Cost Savings | 17 | 16 | 14 | 20 | 16 | 27 | 21 | 14 |
| Children/relatives over 18 moving back into the house | 16 | 17 | 18 | 10 | 15 | 11 | 13 | 18 |
| Children/relatives over 18 never left home | 13 | 14 | 10 | 4 | 19 | 11 | 15 | 12 |
| To spend more time with aging parents | 10 | 10 | 8 | 4 | 3 | 19 | 11 | 8 |
| Wanted a larger home that multiple incomes could afford together | 6 | 5 | 6 | 6 | 8 | 11 | 7 | 5 |
| None of the above | 21 | 19 | 22 | 32 | 39 | 11 | 18 | 23 |
| Other | 7 | 7 | 6 | 16 | 8 | 8 | 7 | 7 |

EXHIBIT 1-7 HOME BUYER SEXUAL ORIENTATION

(Percentage Distribution)

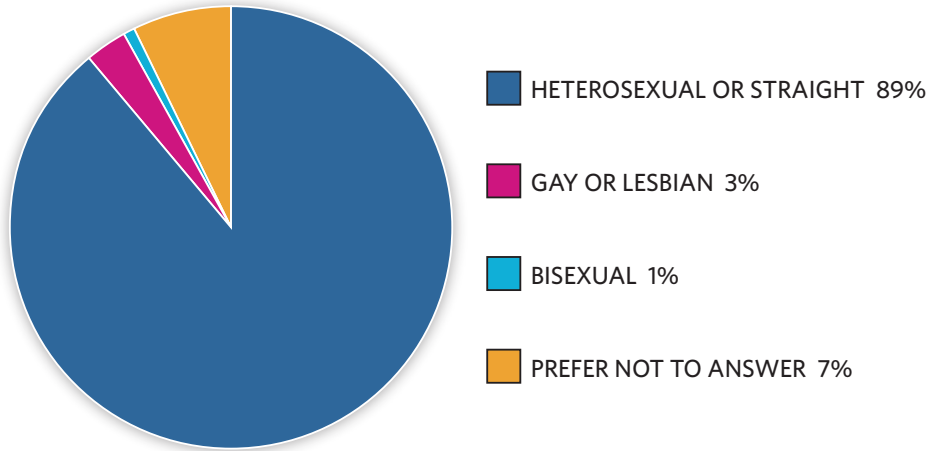


EXHIBIT 1-8 RACE/ETHNICITY OF HOME BUYERS, BY REGION

(Percent of Respondents)

BUYERS WHO PURCHASED A HOME IN THE

| | All Buyers | Northeast | Midwest | South | West |
|--------------------------------------|------------|-----------|---------|-------|------|
| White/Caucasian | 83% | 89% | 92% | 81% | 76% |
| Hispanic/Latino/Mexican/Puerto Rican | 7 | 3 | 3 | 8 | 11 |
| Asian/Pacific Islander | 5 | 4 | 2 | 4 | 10 |
| Black/African-American | 5 | 4 | 3 | 7 | 4 |
| Other | 3 | 3 | 2 | 3 | 4 |

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

EXHIBIT 1-9 RACE/ETHNICITY OF HOME BUYERS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents)

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 |
|--------------------------------------|------------|----------------|---------------|-------------|------------------|-------|---------------------------|---------------------|
| White/Caucasian | 83% | 84% | 83% | 84% | 81% | 79% | 77% | 87% |
| Hispanic/Latino/Mexican/Puerto Rican | 7 | 7 | 6 | 7 | 12 | 5 | 11 | 5 |
| Asian/Pacific Islander | 5 | 6 | 2 | 2 | 4 | 3 | 8 | 3 |
| Black/African-American | 5 | 4 | 8 | 5 | 5 | 9 | 7 | 4 |
| Other | 3 | 3 | 3 | 3 | 4 | 8 | 3 | 3 |

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

EXHIBIT 1-10 PRIMARY LANGUAGE SPOKEN IN HOME BUYER HOUSEHOLD, BY REGION

(Percentage Distribution)

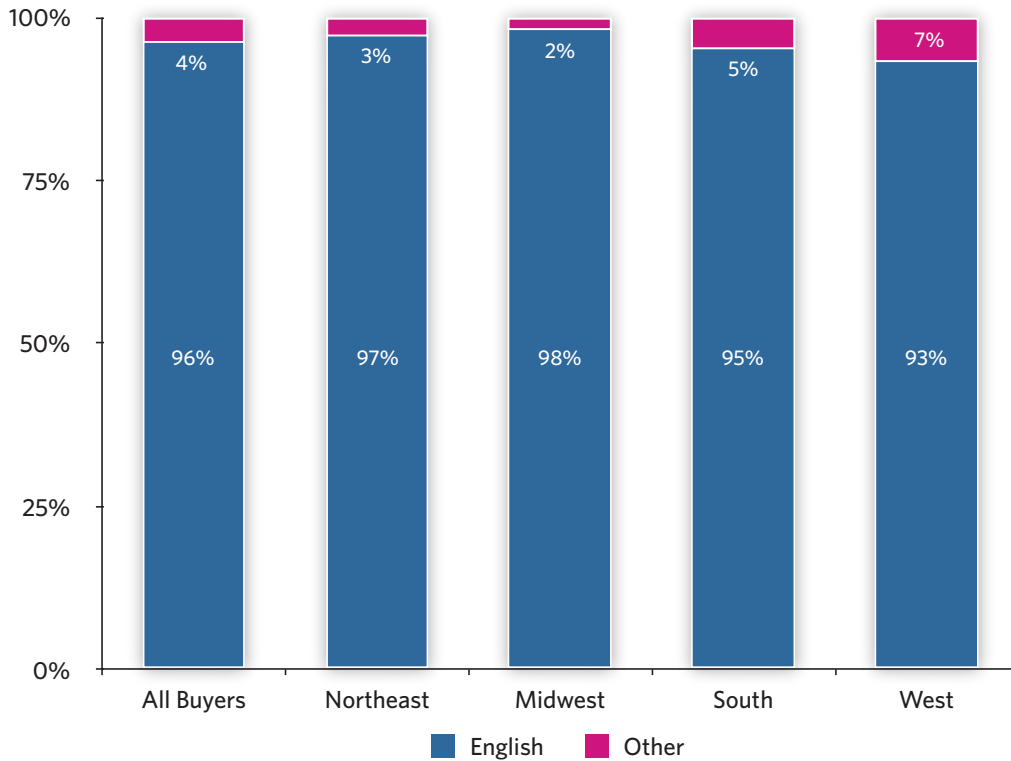


EXHIBIT 1-11 NATIONAL ORIGIN OF HOME BUYERS, BY REGION

(Percentage Distribution)

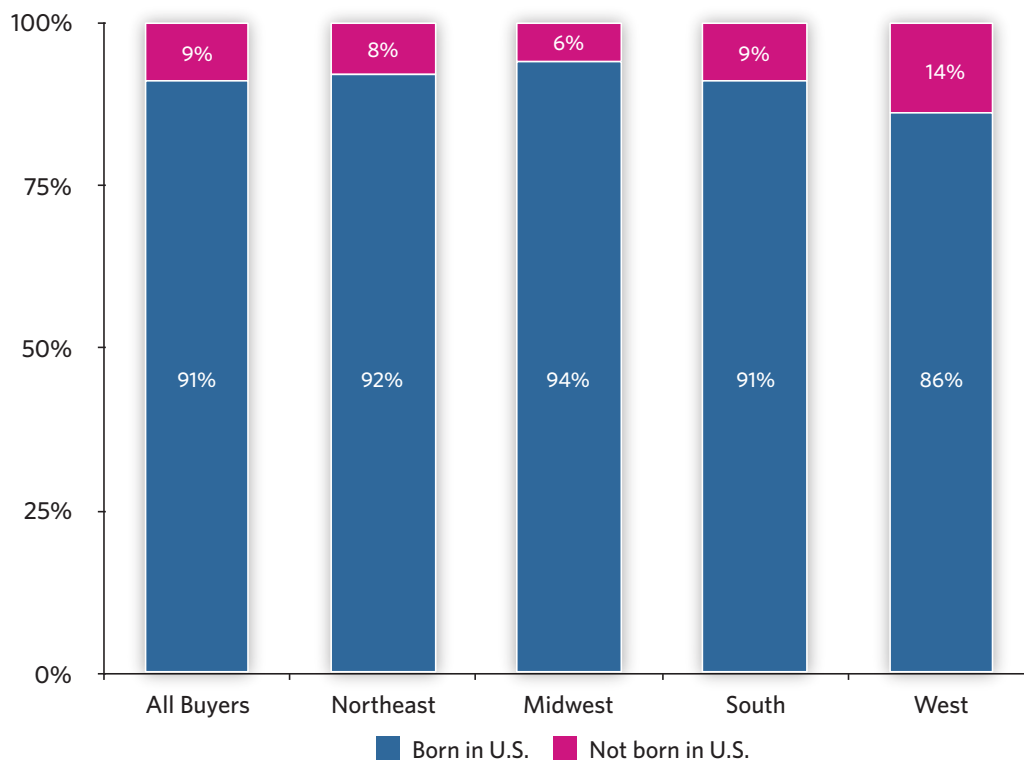


EXHIBIT 1-12 SELF OR SPOUSE/PARTNER IS ACTIVE MILITARY OR VETERAN

(Percentage Distribution)

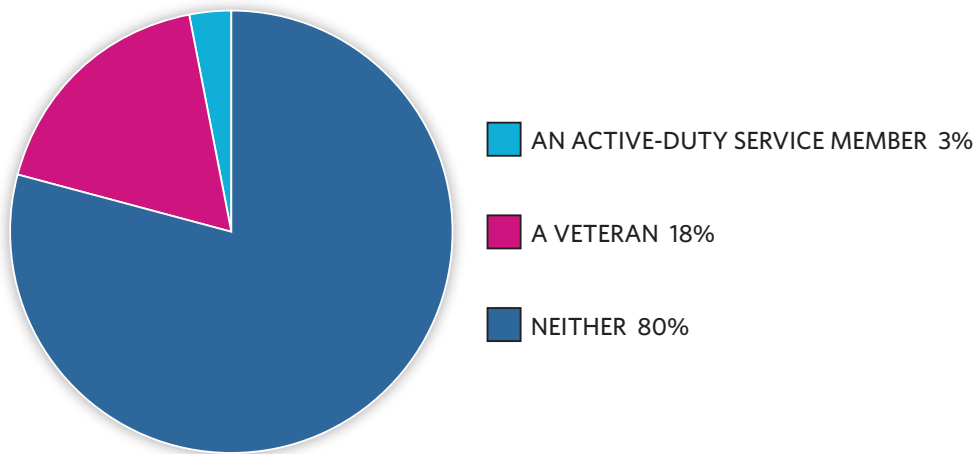


EXHIBIT 1-13 FIRST-TIME HOME BUYERS, 1981-2017

(Percent of all Home Buyers)

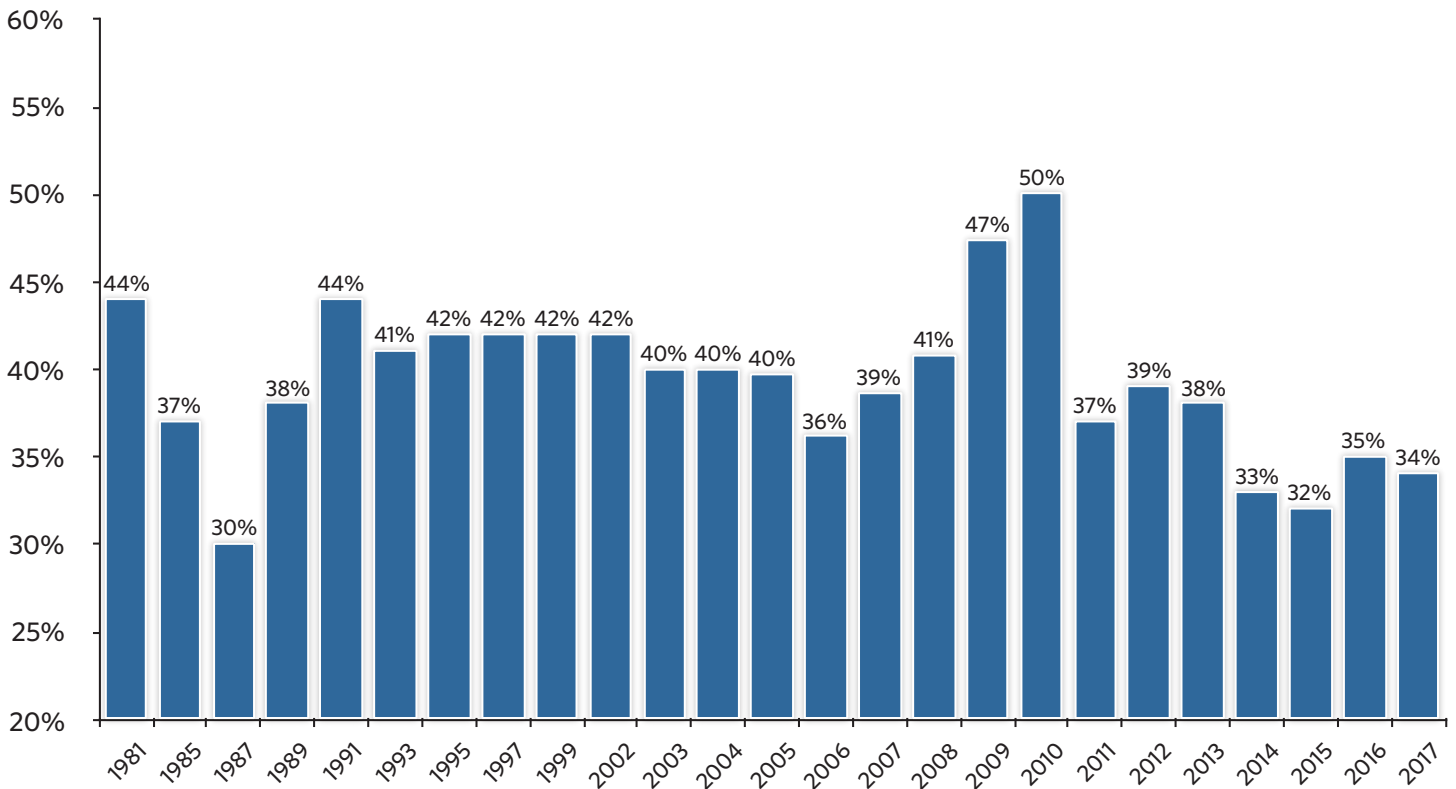


EXHIBIT 1-14 **FIRST-TIME HOME BUYERS, BY REGION**

(Percent of all Home Buyers)

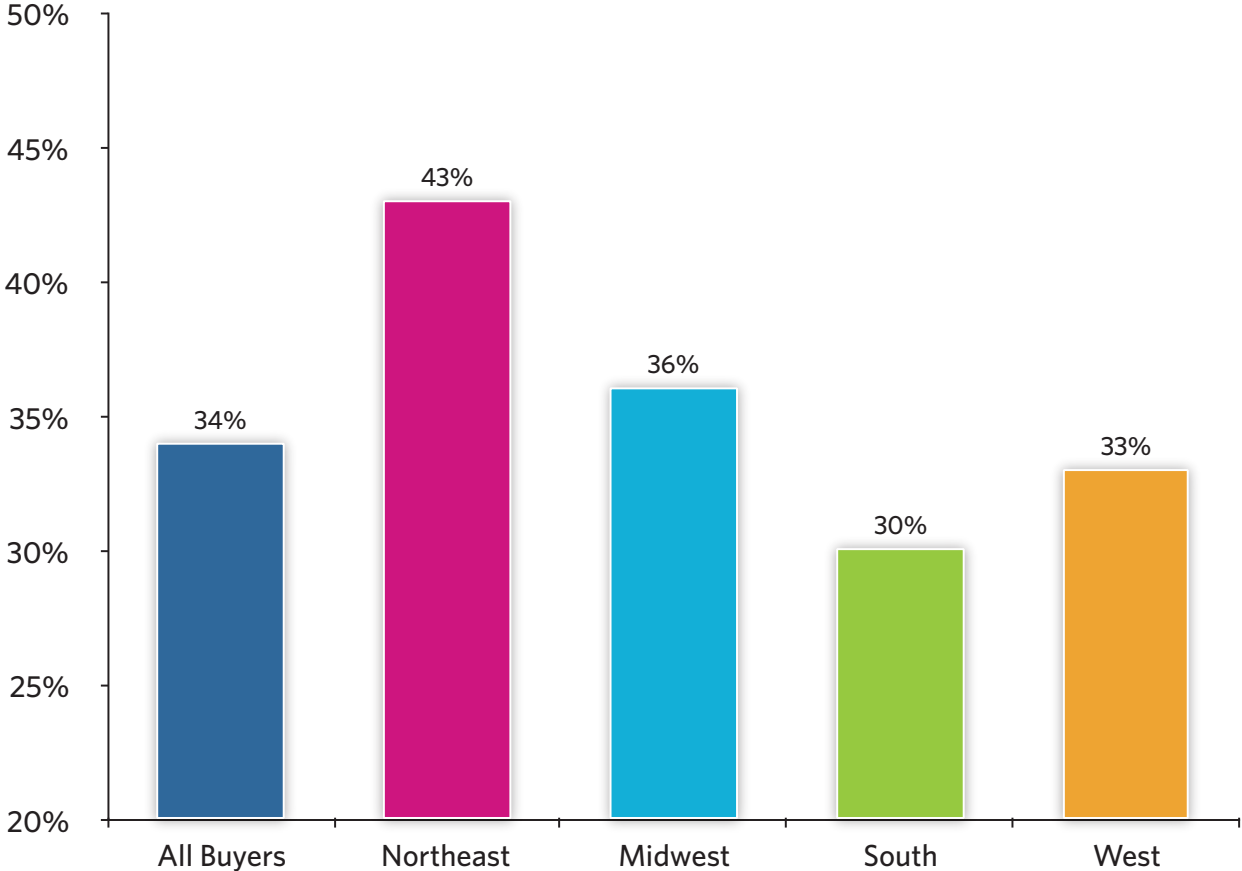
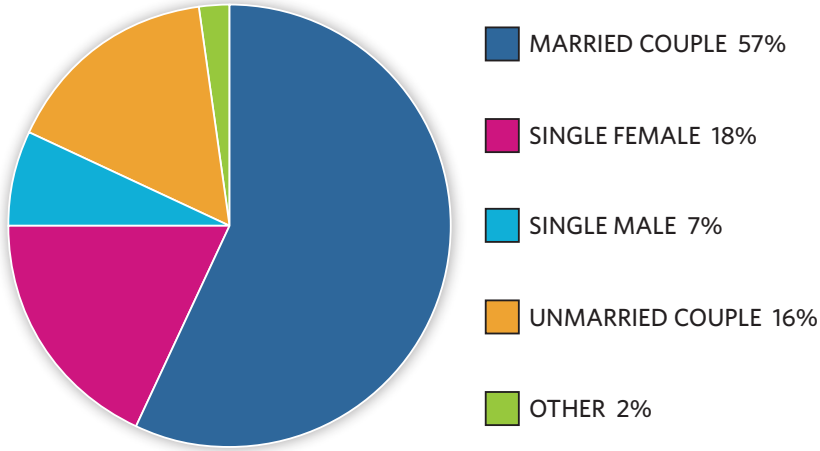


EXHIBIT 1-15 FIRST-TIME AND REPEAT HOME BUYERS BY HOUSEHOLD TYPE

(Percentage Distribution of Households)

FIRST-TIME HOME BUYERS



REPEAT HOME BUYERS

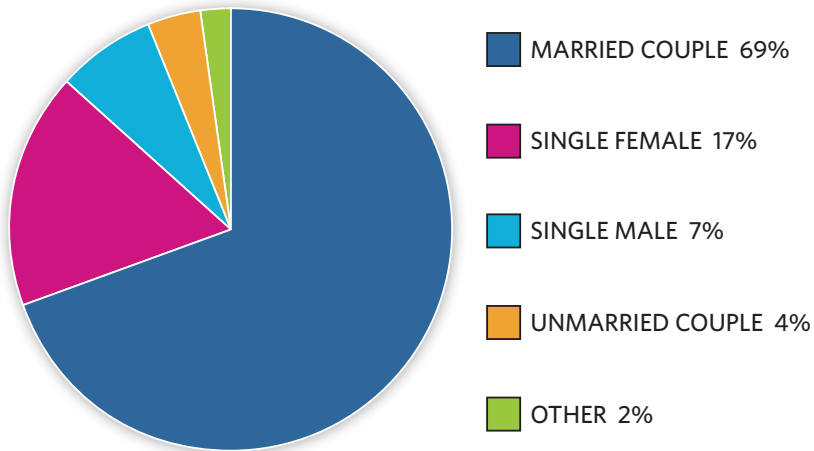
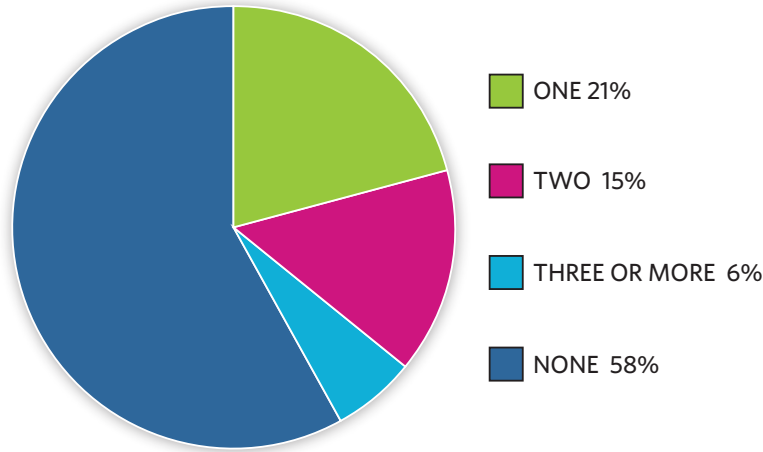


EXHIBIT 1-16

FIRST-TIME AND REPEAT HOME BUYERS BY CHILDREN IN HOUSEHOLD

(Percentage Distribution of Households)

FIRST-TIME HOME BUYERS



REPEAT HOME BUYERS

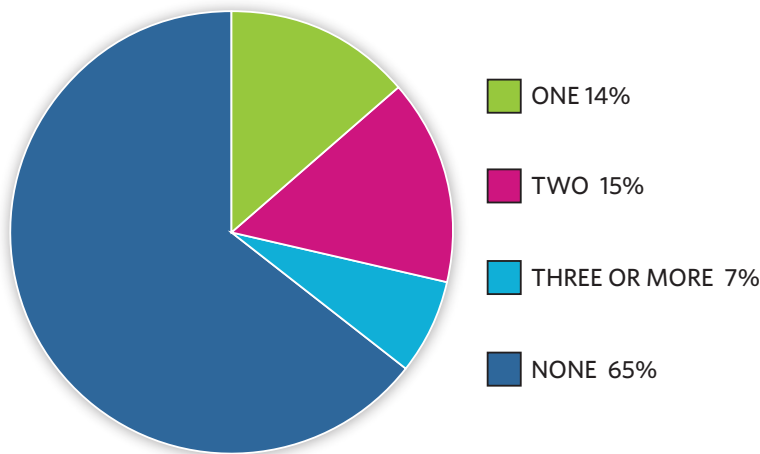


EXHIBIT 1-17 AGE OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|--------------------|------------|-------------------|---------------|
| 18 to 24 years | 2% | 5% | * |
| 25 to 34 years | 26 | 55 | 11 |
| 35 to 44 years | 21 | 23 | 20 |
| 45 to 54 years | 16 | 8 | 20 |
| 55 to 64 years | 18 | 5 | 25 |
| 65 to 74 years | 13 | 3 | 18 |
| 75 years or older | 4 | * | 6 |
| Median age (years) | 45 | 32 | 54 |
| Married couple | 44 | 32 | 52 |
| Single female | 52 | 35 | 58 |
| Single male | 51 | 31 | 56 |
| Unmarried couple | 34 | 30 | 45 |
| Other | 54 | 37 | 61 |

* Less than 1 percent

EXHIBIT 1-18 HOUSEHOLD INCOME OF FIRST-TIME AND REPEAT BUYERS, 2016

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|------------------------|------------|-------------------|---------------|
| Less than \$25,000 | 3% | 4% | 2% |
| \$25,000 to \$34,999 | 4 | 6 | 4 |
| \$35,000 to \$44,999 | 6 | 8 | 5 |
| \$45,000 to \$54,999 | 8 | 11 | 6 |
| \$55,000 to \$64,999 | 9 | 10 | 8 |
| \$65,000 to \$74,999 | 8 | 11 | 7 |
| \$75,000 to \$84,999 | 9 | 11 | 8 |
| \$85,000 to \$99,999 | 12 | 12 | 12 |
| \$100,000 to \$124,999 | 15 | 12 | 16 |
| \$125,000 to \$149,999 | 9 | 7 | 10 |
| \$150,000 to \$174,999 | 6 | 4 | 7 |
| \$175,000 to \$199,999 | 4 | 1 | 5 |
| \$200,000 or more | 9 | 4 | 10 |
| Median income (2016) | \$88,800 | \$75,000 | \$97,500 |
| Married couple | \$101,500 | \$87,100 | \$113,200 |
| Single female | \$62,300 | \$54,000 | \$68,000 |
| Single male | \$74,000 | \$59,600 | \$80,600 |
| Unmarried couple | \$84,100 | \$77,300 | \$97,900 |
| Other | \$75,900 | \$76,800 | \$73,300 |

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

| | All Buyers | First-time Buyers | Repeat Buyers |
|--------------------------------------|------------|-------------------|---------------|
| White/Caucasian | 83% | 76% | 87% |
| Hispanic/Latino/Mexican/Puerto Rican | 7 | 11 | 5 |
| Asian/Pacific Islander | 5 | 7 | 4 |
| Black/African-American | 5 | 7 | 4 |
| Other | 3 | 4 | 3 |

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

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

| | All Buyers | First-time Buyers | Repeat Buyers |
|---------|------------|-------------------|---------------|
| English | 96% | 92% | 97% |
| Other | 4 | 8 | 3 |

EXHIBIT 1-21 NATIONAL ORIGIN OF FIRST-TIME AND REPEAT BUYERS*(Percentage Distribution)*

| | All Buyers | First-time Buyers | Repeat Buyers |
|------------------|------------|-------------------|---------------|
| Born in U.S. | 91% | 86% | 93% |
| Not born in U.S. | 9 | 14 | 7 |

EXHIBIT 1-22 PRIOR LIVING ARRANGEMENT OF FIRST-TIME AND REPEAT BUYERS*(Percentage Distribution)*

| | All Buyers | First-time Buyers | Repeat Buyers |
|--|------------|-------------------|---------------|
| Owned previous home | 47% | 4% | 68% |
| Rented an apartment or house | 40 | 73 | 23 |
| Lived with parents/relatives/friends, paid rent | 6 | 10 | 3 |
| Lived with parents/relatives/friends, did not pay rent | 6 | 11 | 4 |
| Rented the home ultimately purchased | 1 | 2 | 1 |
| Rented dorm | * | * | * |

* Less than 1 percent

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

EXHIBIT 1-23 PRIOR LIVING ARRANGEMENT, 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 |
| Owned previous home | 47% | 54% | 43% | 37% | 21% | 39% | 43% | 51% |
| Rented an apartment or house | 40 | 36 | 39 | 46 | 58 | 43 | 44 | 37 |
| Lived with parents/relatives/friends, paid rent | 6 | 3 | 9 | 9 | 11 | 12 | 5 | 5 |
| Lived with parents/relatives/friends, did not pay rent | 6 | 5 | 8 | 7 | 9 | 5 | 6 | 6 |
| Rented the home ultimately purchased | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 1 |
| Rented dorm | * | * | * | * | 1 | * | * | * |

* Less than 1 percent

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

EXHIBIT 1-24 PRIMARY REASON FOR PURCHASING A HOME, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Desire to own a home of own | 30% | 65% | 12% |
| Desire for larger home | 10 | 3 | 14 |
| Job-related relocation or move | 8 | 4 | 10 |
| Desire to be closer to family/friends/relatives | 8 | 1 | 11 |
| Change in family situation (e.g. marriage, birth of child, divorce, etc.) | 8 | 6 | 8 |
| Desire for a home in a better area | 7 | 2 | 9 |
| Desire for smaller home | 5 | * | 8 |
| Retirement | 5 | 1 | 6 |
| Desire to be closer to job/school/transit | 4 | 2 | 5 |
| Affordability of homes | 3 | 3 | 2 |
| Establish a household | 2 | 4 | 1 |
| Financial security | 2 | 2 | 2 |
| Desire for a newly built or custom-built home | 2 | * | 2 |
| Purchased home for family member or relative | * | 1 | * |
| Desire for vacation home/investment property | * | * | * |
| Greater number of homes on the market for sale/better choice | * | * | * |
| Other | 6 | 3 | 7 |

* Less than 1 percent

EXHIBIT 1-25 PRIMARY REASON FOR PURCHASING A HOME, 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 |
| Desire to own a home of own | 30% | 23% | 36% | 38% | 54% | 36% | 31% | 28% |
| Desire for larger home | 10 | 13 | 3 | 5 | 8 | 8 | 18 | 6 |
| Job-related relocation or move | 8 | 11 | 4 | 5 | 4 | 2 | 11 | 7 |
| Desire to be closer to family/friends/relatives | 8 | 8 | 12 | 6 | 3 | 10 | 3 | 11 |
| Change in family situation (e.g. marriage, birth of child, divorce, etc.) | 8 | 6 | 13 | 11 | 6 | 9 | 9 | 7 |
| Desire for a home in a better area | 7 | 8 | 5 | 6 | 4 | 3 | 9 | 6 |
| Desire for smaller home | 5 | 6 | 8 | 4 | 1 | 4 | 2 | 8 |
| Retirement | 5 | 5 | 4 | 3 | 1 | 5 | * | 7 |
| Desire to be closer to job/school/transit | 4 | 4 | 3 | 3 | 3 | 3 | 5 | 3 |
| Affordability of homes | 3 | 2 | 2 | 3 | 3 | 5 | 2 | 3 |
| Establish a household | 2 | 2 | 1 | 3 | 4 | | 2 | 2 |
| Financial security | 2 | 2 | 2 | 4 | 2 | 4 | 1 | 2 |
| Desire for a newly built or custom-built home | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 |
| Purchased home for family member or relative | * | * | 1 | 1 | * | 3 | * | * |
| Desire for vacation home/investment property | * | * | * | * | 1 | * | * | * |
| Greater number of homes on the market for sale/better choice | * | * | * | * | * | * | * | * |
| Other | 6 | 6 | 5 | 4 | 4 | 7 | 4 | 6 |

** Less than 1 percent*

EXHIBIT 1-26 PRIMARY REASON FOR THE TIMING OF HOME PURCHASE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|--|------------|-------------------|---------------|
| It was just the right time, was ready to buy a home | 50% | 58% | 46% |
| Did not have much choice, had to purchase when I did | 17 | 13 | 18 |
| It was the best time because of availability of homes for sale | 10 | 6 | 11 |
| It was the best time because of mortgage financing options available | 8 | 10 | 7 |
| It was the best time because of improved affordability of homes | 6 | 7 | 6 |
| Wish had waited | 2 | 2 | 2 |
| Other | 8 | 4 | 10 |

EXHIBIT 1-27 OTHER HOMES OWNED, BY AGE

(Percentage Distribution)

| | AGE OF HOME BUYER | | | | |
|---|-------------------|----------|----------|----------|-------------|
| | All Buyers | 18 to 24 | 25 to 44 | 45 to 64 | 65 or older |
| Recently purchased home only | 83% | 98% | 89% | 78% | 76% |
| One or more investment properties | 8 | * | 7 | 11 | 8 |
| Previous homes that buyer is trying to sell | 3 | * | 1 | 4 | 5 |
| Primary residence | 3 | 2 | 2 | 3 | 4 |
| One or more vacation homes | 3 | * | 1 | 5 | 7 |
| Other | 2 | * | 1 | 3 | 3 |

* Less than 1 percent

CHAPTER 2:

Characteristics of Homes Purchased

When choosing to purchase either a new or previously-owned home, buyers typically chose one or the other for specific reasons. For example, buyers of new homes typically are looking to avoid renovations or plumbing and electrical problems, as well as having the ability to choose and customize design features. Buyers of previously-owned homes are looking for a better price and overall value in a home.

Due to a lack of new home construction, the share of new homes purchased remains low at 15 percent (it held steady at 16 percent from 2011 through 2015). Previously-owned home purchases decreased to 85 percent from 86 percent last year. By way of comparison, in 1981 new home purchases made up 18 percent of the market share and previously-owned homes were 82 percent. New home purchases reached a high of 29 percent in 1989 and 28 percent in 2003. Since 2007, new home purchases have been on the decline.

The most frequently purchased housing type among all buyers was a detached single-family home. Single females and single males were the most likely to have purchased a townhouse or row house, over any other household type. The share of senior-related housing purchases was 13 percent this year, with buyers over 50 purchasing townhouses, row houses, and condos at higher rates than other buyers.

Overall, buyers expect that they will live in their homes for 15 years. The expected tenure increases with age, and is also higher among repeat buyers. The biggest factor that would cause a buyer to move from their newly purchased home is due to life changes, including additions to their family, marriage, children moving out, or retirement. While 27 percent of buyers report that life changes could cause them to move, 18 percent of recent buyers say that this is their forever home and have no intention of moving.

New and Previously Owned Homes Purchased

- **Exhibits 2-1 through 2-3**

Due to a lack of new home construction, the share of new homes purchased remains low at 15 percent (it held steady at 16 percent from 2011 through 2015). Previously-owned home purchases decreased to 85 percent from 86 percent last year. In comparison, in 1981 new home purchases accounted for 18 percent of the market share and previously-owned homes were 82 percent. New home purchases were most common in the South at 21 percent of all homes sold (up from 19 percent last year), and just six percent of homes sold in the Northeast.

Buyers chose to purchase new and previously-owned homes for different reasons. Purchasers of new homes are looking to avoid renovations and problems with plumbing or electricity (36 percent). New home buyers also like having the ability to choose and customize design features in their home (36 percent), and having the amenities of new home construction communities (18 percent). Buyers who chose a previously-owned home were considering a better price (32 percent), overall value (31 percent), and a home with more charm and character (21 percent).

Type of Home Purchased

- **Exhibits 2-4 through 2-7**

The most common type of home purchased continues to be the detached single-family home, which made up 83 percent of all homes purchased, unchanged from last year. Seven percent of recent buyers purchased townhomes or row homes, and most frequently these homes were located in urban and central city areas. The most popular location to purchase a single-family home was in the suburbs or in a subdivision.

Townhomes continue to be the most common among first-time home buyers, compared to repeat buyers. Single female and single male buyers were more likely to purchase a townhouse or condo than married couples and unmarried couples. Among buyers with children under the age of 18 in the home, 88 percent purchased a detached single-family home, as opposed to 80 percent of buyers who have no children in their home.

Since 1981, the *Profile of Home Buyers and Sellers* has been tracking data on the type of homes purchased. In 1981, 76 percent of home buyers purchased detached single-family homes, 16 percent bought condos, and eight bought townhomes. In 1985, the share of detached single-family homes purchased was at its highest at 88 percent and in 2007 it was at its lowest at 74 percent. For most of the 1980s and 1990s, detached single-family homes ranged in the low to mid 80 percentiles. By 2005 through 2012, the share of detached single-family homes sold ranged in the mid to high 70 percentiles. Since 2007, condo sales have steadily decreased from 11 percent to four percent in 2017.

Location of Home Purchased

- **Exhibits 2-8 through 2-10**

Among all regions, the largest percentages of homes were located in the suburbs or subdivisions, and in small towns. In the Northeast, 36 percent of recent buyers purchased a home in a small town, compared to 18 percent in the South. Six in 10 buyers of new homes purchased their home in a suburb or subdivision. The location of buyers' previously sold home is similar to the location of their recently purchased homes. Thirty-seven percent of all buyers purchased homes that were located in the suburbs or a subdivision subsequently sold a home that was also located in the suburbs or in a subdivision.

Senior Housing and Active Adult Communities

- **Exhibit 2-11**

Senior-related housing stayed at 13 percent of buyers over the age of 50 this year, and has incrementally increased from 11 percent in 2010. For buyers over 50 who recently purchased senior related housing, 68 percent (up from 62 percent last year) purchased a detached single-family home and 48 percent (up from 46 percent last year) bought in a suburb or subdivision. Both are lower for buyers in senior-related housing than other types of buyers. Other home types purchased include townhomes and row homes at six percent, and condos at 16 percent. The location of senior-related housing showed that other than the suburbs and subdivisions, 20 percent of buyers purchased in small towns (down from 26 percent last year), and 17 percent in resort or recreational areas as well as rural areas (up from 11 percent last year).

Distance Between Home Purchased and Previous Residence

- **Exhibit 2-12**

The distance between the home that buyers recently purchased and their previous residence was a median of 15 miles, up from 12 miles last year. Regionally, buyers in the Northeast and Midwest moved the shortest distance —just a median of 10 miles to their current residence. Buyers in the South and West moved a median of 15 miles to their recently purchased home.

Factors Influencing Neighborhood Choice

- **Exhibits 2-13 through 2-14**

Some of the factors that influence recent home buyers' neighborhood choice have remained consistent from last year. Quality of the neighborhood (58 percent), convenience to job (42 percent), and overall home affordability (39 percent) were the three most important factors to recent home buyers when choosing a neighborhood. In urban or central city locations and resort or recreational areas, convenience to entertainment or leisure activities and convenience to parks or recreational facilities were more important factors than in any other location. Single females more than any other household composition cited the convenience to friends and family as an influencing factor of their neighborhood choice, at 44 percent. Half of recent buyers with children under the age of 18 living in their home cited quality of the school district as an influencing factor of their neighborhood choice.

Price of Home Purchased

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

Home prices of homes that were purchased increased this year to a median of \$235,000, encompassing all buyers. The most expensive homes were found in the West, where the median home price of a home purchased was \$327,000, up from \$325,000 last year. Homes in Midwest were the most affordable at a median of \$175,000.

New homes were typically more expensive than previously-owned homes. The median price for a new home was \$307,000 (up from \$294,000 last year) and the median price for a previously-owned home was \$223,000 (up from \$217,000 last year). First-time buyers commonly purchased a home that was less expensive than the home that repeat buyers purchased. Repeat buyers purchased homes that were a median price of \$266,500, where the first-time buyers purchased homes that were a median of \$190,000 (up from \$250,000 and \$182,500 last year, respectively).

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

Size of Home Purchased

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

Recent homes purchased had a median size of 1,870 square feet this year. The size of homes repeat buyers purchased was typically larger than homes purchased by first-time buyers. The median home size for first-time buyers was 1,640 square feet, and 2,000 square feet for repeat buyers. Single females and single males purchased the smallest sized homes, with medians of 1,530 square feet each. Married couples and households with children under 18 purchased the largest homes compared to any other household composition, with a median of 2,050 square feet and 2,120 square feet respectively.

The largest homes purchased were detached single-family homes, with a median of 1,930 square feet. In the South, the median home purchased was 2,000 square feet, which was larger than in any other region. The most expensive price per square foot was found in apartments and condos in buildings with more than five units. The price per square foot in these homes was \$170. The next most expensive was townhomes and row houses at \$140 per square foot. The typical home purchased this year had a median of three bedrooms and two bathrooms. Among households that have children under the age of 18 living in their home, there were a median of four bedrooms in the house.

Year Home Was Built

- Exhibits 2-24

This year, the homes purchased were slightly older than in previous years. The typical home purchased was built in 1991. The South had the newest homes purchased, where the typical purchased home was built in 2000. The oldest built homes were found in the Northeast, where the median year built was 1970.

Environment Features and Commuting Costs

- Exhibits 2-25 through 2-28

Commuting costs were only somewhat important at 40 percent of buyers and 33 percent said commuting costs were not important to them when they recently purchased their home. Most recent buyers thought their home's environmentally friendly features were at least somewhat important to them. The most important environmental feature to buyers in all regions was heating and cooling costs, which 85 percent of buyers found at least somewhat important. As the home's age increases, buyers place less importance on environmentally friendly features compared to buyers of newer homes.

Characteristics of Home on Which Buyer Compromised

- Exhibits 2-29 through 2-31

When deciding on a home to purchase, recent buyers made compromises on some home characteristics. The most common compromise made was the price of the home at 21 percent, followed by the condition of the home at 18 percent. Thirty-three percent of buyers said that they made no compromises when purchasing their home. Buyers with no children in the home under 18 years were least likely to make compromises when choosing their home at 38 percent.

Expected Length of Tenure in Home Purchased

- Exhibits 2-32 through 2-35

The expected tenure in homes has increased to a median of 15 years from 12 years in the last report. First-time and repeat buyers are intending to stay in their homes for the same length of time as the previous year at 10 years and 15 years respectively. The youngest buyers between the ages of 18 to 24 had the shortest expected tenure of seven years, compared to buyers aged 45 and older who expect to stay in their homes for 15 years.

While buyers can estimate the timeframe that they will live in their homes, there are factors which could cause buyers to move. Twenty-seven percent of buyers said that they would potentially move because of a life change such as an addition to the family, marriage, children moving out, or retirement. Buyers between the ages of 18 and 24 were more likely than any other age group to potentially move because they may outgrow the home. Households with no children were the most likely at 21 percent to say that they are never moving and that this is their forever home.

Townhomes continue to be the most common among first-time home buyers, compared to repeat buyers. Single female and single male buyers were more likely to purchase a townhouse or condo than married couples and unmarried couples.

EXHIBIT 2-1

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, 1981-2017

(Percentage Distribution)

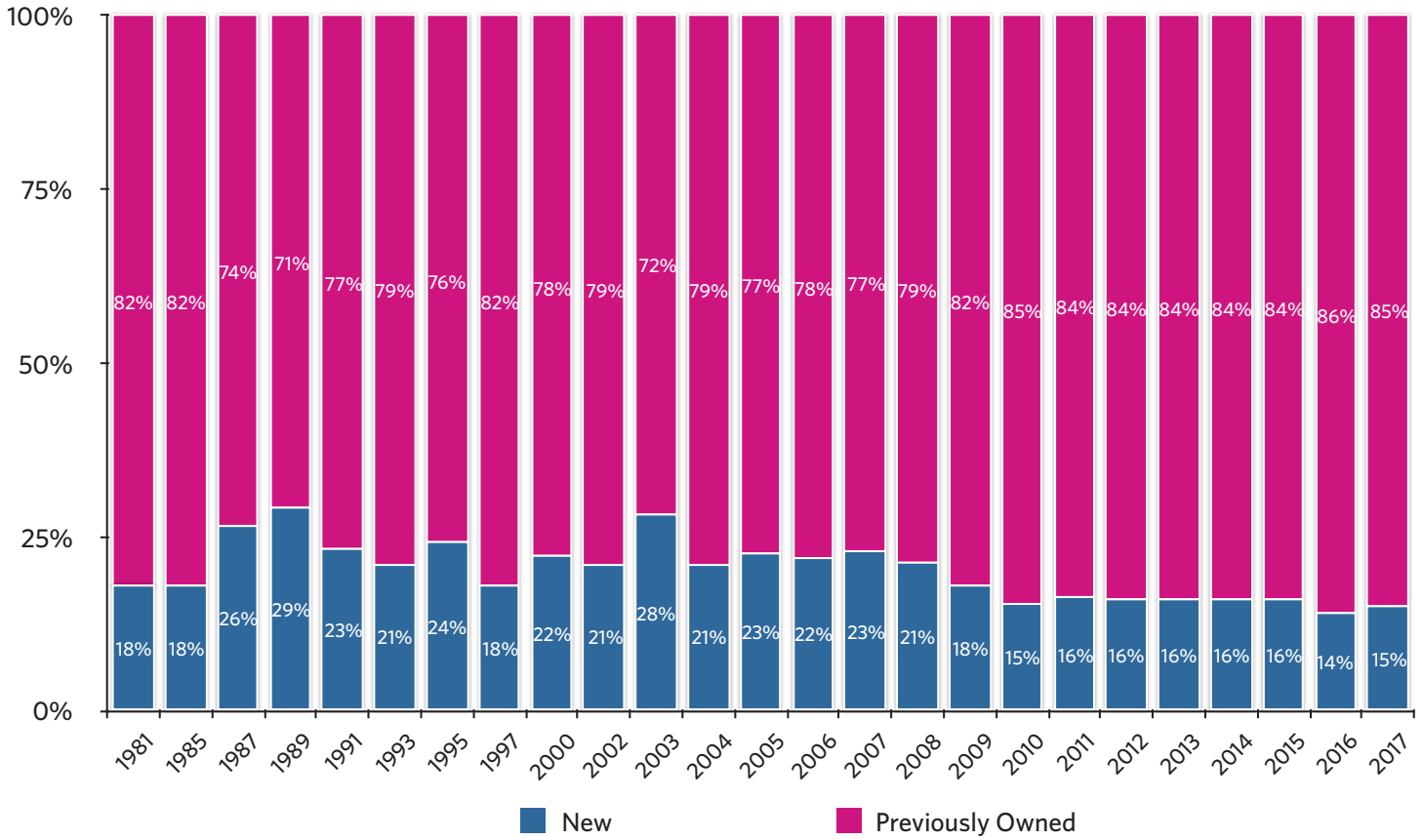


EXHIBIT 2-2

NEW AND PREVIOUSLY OWNED HOMES PURCHASED, BY REGION

(Percentage Distribution)

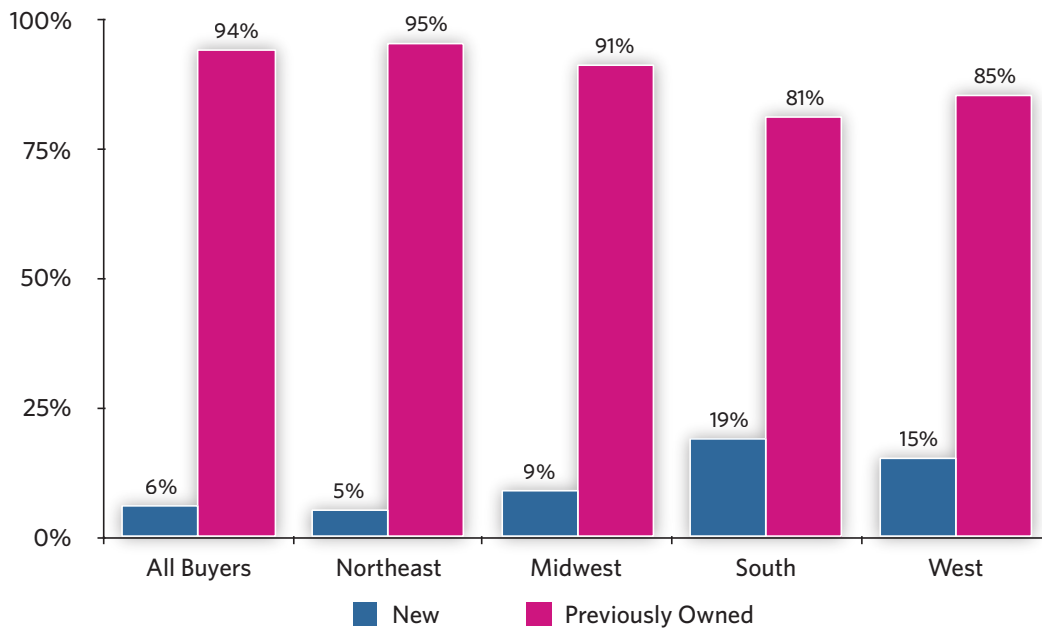


EXHIBIT 2-3 WHY NEW AND PREVIOUSLY OWNED HOMES PURCHASED

(Percent of Respondents)

| NEW HOME: | |
|--|-----|
| Avoid renovations or problems with plumbing or electricity | 36% |
| Ability to choose and customize design features | 36 |
| Amenities of new home construction communities | 18 |
| Green/energy efficiency | 12 |
| Lack of inventory of previously owned home | 10 |
| Smart home features | 4 |
| Other | 15 |
| PREVIOUSLY OWNED HOME: | |
| Better price | 32% |
| Better overall value | 31 |
| More charm and character | 21 |
| Lack of inventory of new homes | 10 |
| Other | 18 |

EXHIBIT 2-4 TYPE OF HOME PURCHASED, BY LOCATION

(Percentage Distribution)

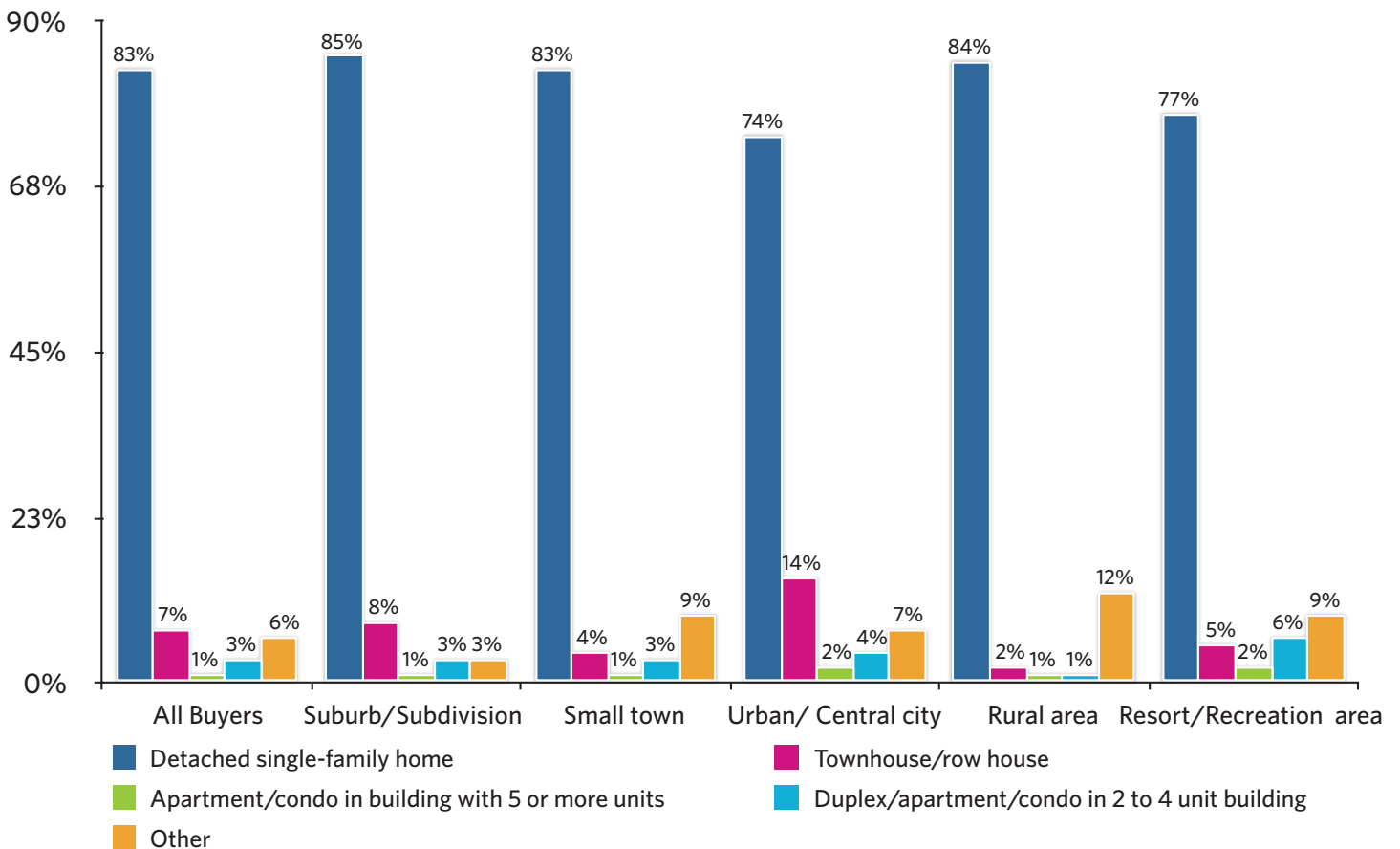


EXHIBIT 2-5

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

(Percentage Distribution)

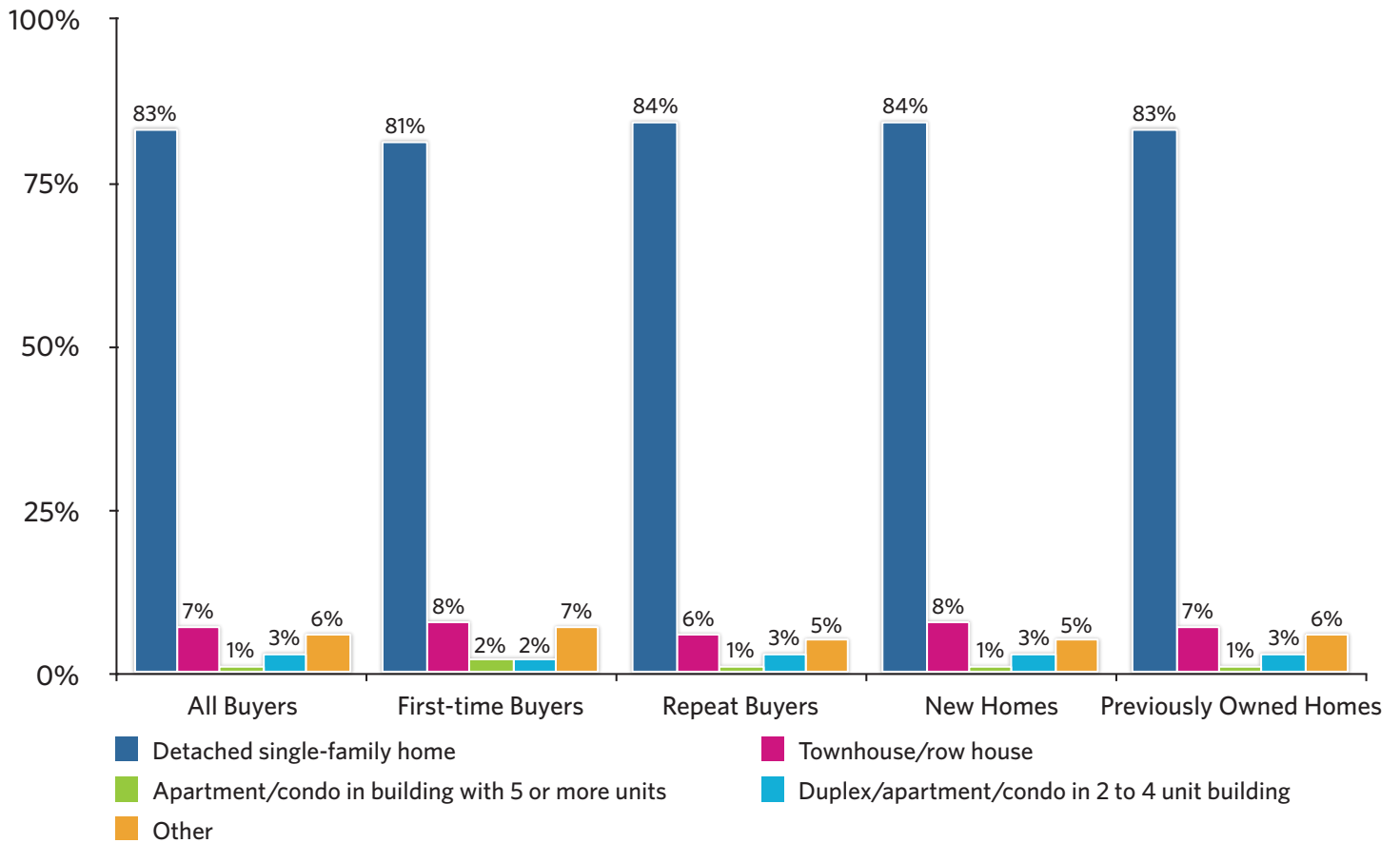


EXHIBIT 2-6

TYPE OF HOME PURCHASED, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

| | 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 |
| Detached single-family home | 83% | 87% | 75% | 73% | 84% | 66% | 88% | 80% |
| Townhouse/row house | 7 | 5 | 12 | 13 | 5 | 8 | 5 | 8 |
| Apartment/condo in building with 5 or more units | 1 | 1 | 2 | 3 | 1 | 4 | 1 | 2 |
| Duplex/apartment/condo in 2 to 4 unit building | 3 | 2 | 6 | 4 | 1 | 6 | 1 | 4 |
| Other | 6 | 5 | 5 | 8 | 8 | 15 | 6 | 6 |

EXHIBIT 2-7 TYPE OF HOME PURCHASED, 1981-2017
(Percentage Distribution)

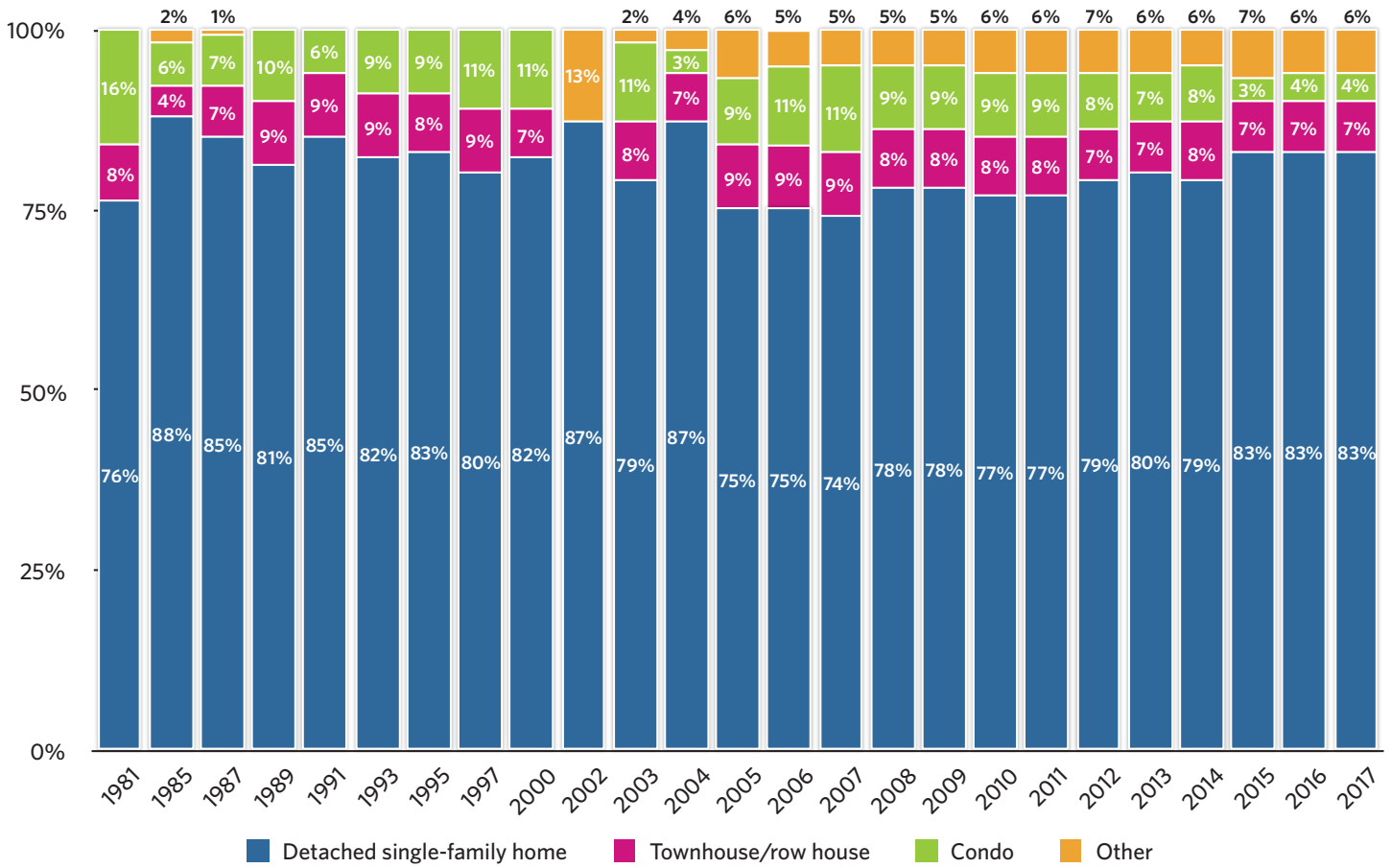


EXHIBIT 2-8

LOCATION OF HOME PURCHASED, BY REGION

(Percentage Distribution)

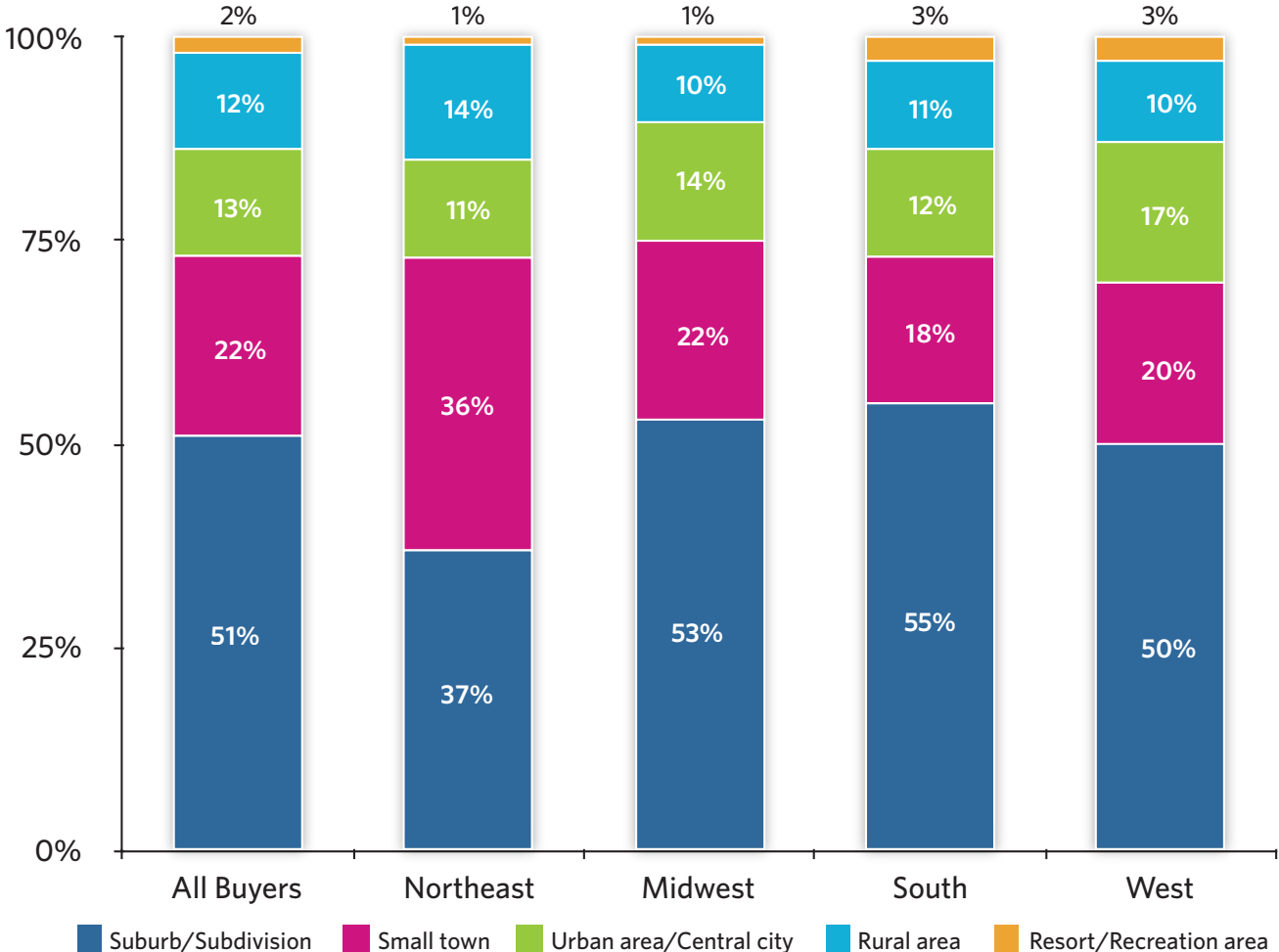


EXHIBIT 2-9 LOCATION OF HOME PURCHASED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

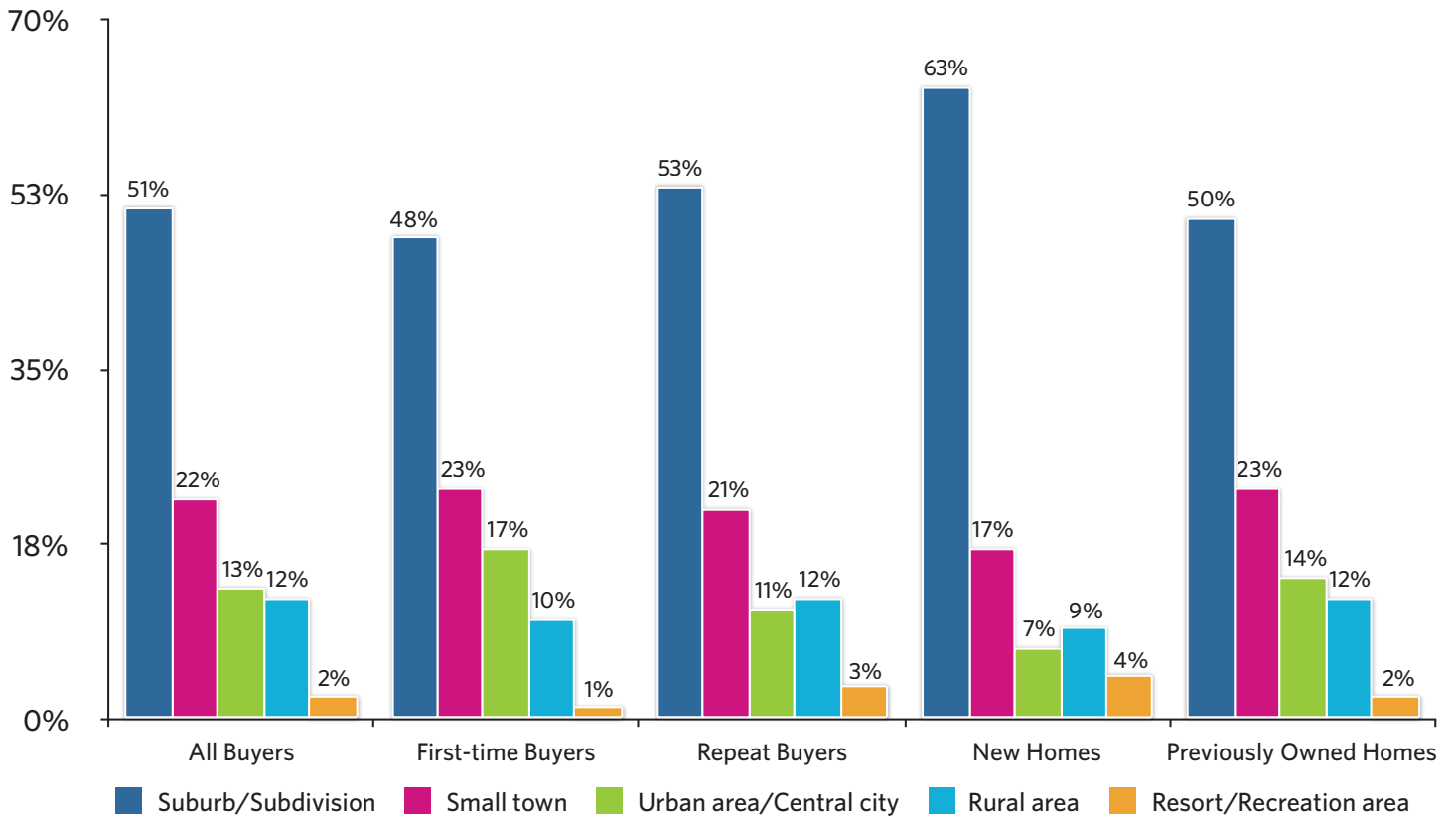


EXHIBIT 2-10 LOCATION OF HOME PURCHASED VERSUS LOCATION OF HOME SOLD

(Percentage Distribution Among those that Sold a Home)

| | | LOCATION OF HOME PURCHASED | | | | |
|-----------------------|-------------------------|----------------------------|------------|--------------------|------------|----------------------------|
| | | Suburb/ Subdivision | Small town | Urban/Central city | Rural area | Resort/ Recreation area |
| LOCATION OF HOME SOLD | Suburb/Subdivision | 37% | 6% | 3% | 4% | 2% |
| | Small town | 5 | 8 | 1 | 3 | 1 |
| | Urban area/Central city | 5 | 2 | 5 | 2 | * |
| | Rural area | 5 | 4 | 1 | 3 | * |
| | Resort/Recreation area | 1 | * | * | * | 1 |

* Less than 1 percent

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

(Percentage Distribution)

ALL BUYERS OVER 50

| | |
|---|-----|
| Share who purchased a home in senior-related housing | 13% |
| BUYERS OVER 50 WHO PURCHASED SENIOR-RELATED HOUSING: | |
| Type of home purchased | |
| Detached single-family home | 68% |
| Townhouse/row house | 6 |
| Apartment/condo in building with 5 or more units | 3 |
| Duplex/apartment/condo in 2 to 4 unit building | 13 |
| Other | 10 |
| LOCATION | |
| Suburb/Subdivision | 48% |
| Small town | 20 |
| Urban/Central city | 6 |
| Rural area | 8 |
| Resort/Recreation area | 17 |

EXHIBIT 2-12 DISTANCE BETWEEN HOME PURCHASED AND PREVIOUS RESIDENCE

(Median Miles)

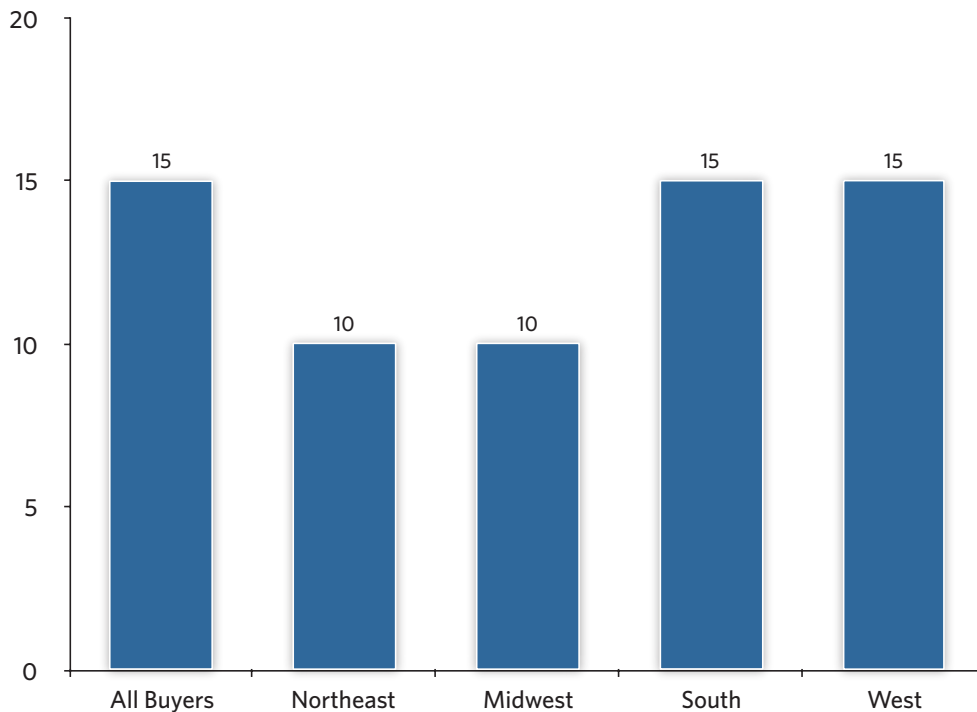


EXHIBIT 2-13 FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY LOCATION

(Percent of Respondents)

BUYERS WHO PURCHASED A HOME IN A

| | All Buyers | Suburb/ Subdivision | Small town | Urban/ Central city | Rural area | Resort/ Recreation area |
|--|------------|------------------------|------------|------------------------|------------|----------------------------|
| Quality of the neighborhood | 58% | 66% | 54% | 55% | 37% | 53% |
| Convenient to job | 42 | 46 | 40 | 48 | 32 | 13 |
| Overall affordability of homes | 39 | 40 | 39 | 41 | 30 | 30 |
| Convenient to friends/family | 36 | 37 | 37 | 37 | 33 | 27 |
| Quality of the school district | 25 | 32 | 21 | 15 | 16 | 8 |
| Design of neighborhood | 25 | 28 | 21 | 25 | 13 | 30 |
| Convenient to shopping | 24 | 28 | 18 | 27 | 12 | 26 |
| Convenient to schools | 21 | 24 | 18 | 18 | 17 | 6 |
| Convenient to entertainment/leisure activities | 19 | 21 | 12 | 32 | 8 | 35 |
| Convenient to parks/recreational facilities | 17 | 18 | 14 | 25 | 10 | 26 |
| Availability of larger lots or acreage | 17 | 12 | 16 | 9 | 48 | 4 |
| Home in a planned community | 8 | 10 | 5 | 3 | 4 | 30 |
| Convenient to airport | 6 | 7 | 4 | 8 | 3 | 9 |
| Convenient to public transportation | 4 | 4 | 3 | 11 | 1 | 4 |
| Convenient to health facilities | 3 | 4 | 2 | 2 | 1 | 6 |
| Other | 6 | 5 | 5 | 6 | 7 | 13 |

EXHIBIT 2-14 FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY ADULT COMPOSITION OF HOUSEHOLD AND CHILDREN IN HOUSEHOLD

(Percent of Respondents)

ADULT COMPOSITION OF HOUSEHOLD

CHILDREN IN HOME

| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other | Children under 18 in home | No children in home |
|--|------------|----------------|---------------|-------------|------------------|-------|---------------------------|---------------------|
| Quality of the neighborhood | 58% | 60% | 55% | 50% | 61% | 59% | 59% | 59% |
| Convenient to job | 42 | 42 | 39 | 38 | 58 | 31 | 49 | 39 |
| Overall affordability of homes | 39 | 36 | 41 | 44 | 48 | 40 | 36 | 40 |
| Convenient to friends/family | 36 | 35 | 44 | 36 | 36 | 36 | 34 | 38 |
| Quality of the school district | 25 | 30 | 12 | 11 | 22 | 19 | 49 | 10 |
| Design of neighborhood | 25 | 26 | 21 | 21 | 27 | 28 | 24 | 26 |
| Convenient to shopping | 24 | 25 | 22 | 25 | 25 | 27 | 21 | 27 |
| Convenient to schools | 21 | 24 | 12 | 8 | 21 | 19 | 45 | 6 |
| Convenient to entertainment/leisure activities | 19 | 19 | 18 | 21 | 28 | 16 | 15 | 22 |
| Convenient to parks/recreational facilities | 17 | 18 | 15 | 18 | 20 | 11 | 20 | 16 |
| Availability of larger lots or acreage | 17 | 20 | 7 | 11 | 17 | 12 | 19 | 16 |
| Home in a planned community | 8 | 9 | 5 | 8 | 5 | 6 | 6 | 9 |
| Convenient to airport | 6 | 6 | 5 | 9 | 6 | 5 | 3 | 7 |
| Convenient to public transportation | 4 | 4 | 5 | 4 | 6 | 5 | 4 | 5 |
| Convenient to health facilities | 3 | 3 | 2 | 4 | 2 | 5 | 2 | 4 |
| Other | 6 | 5 | 7 | 7 | 6 | 8 | 4 | 7 |

EXHIBIT 2-15 PRICE OF HOME PURCHASED, BY REGION*(Percentage Distribution)***BUYERS WHO PURCHASED A HOME IN THE**

| | All Buyers | Northeast | Midwest | South | West |
|------------------------|------------|-----------|-----------|-----------|-----------|
| Less than \$75,000 | 4% | 5% | 7% | 3% | 2% |
| \$75,000 to \$99,999 | 4 | 6 | 8 | 3 | 1 |
| \$100,000 to \$124,999 | 5 | 8 | 10 | 5 | 2 |
| \$125,000 to \$149,999 | 8 | 8 | 12 | 9 | 3 |
| \$150,000 to \$174,999 | 9 | 9 | 12 | 10 | 4 |
| \$175,000 to \$199,999 | 8 | 9 | 8 | 9 | 6 |
| \$200,000 to \$249,999 | 15 | 15 | 16 | 16 | 10 |
| \$250,000 to \$299,999 | 12 | 9 | 10 | 13 | 15 |
| \$300,000 to \$349,999 | 9 | 9 | 6 | 9 | 11 |
| \$350,000 to \$399,999 | 7 | 7 | 3 | 7 | 10 |
| \$400,000 to \$499,999 | 8 | 7 | 4 | 7 | 13 |
| \$500,000 or more | 11 | 8 | 3 | 9 | 23 |
| Median price | \$235,000 | \$216,400 | \$175,000 | \$230,000 | \$327,000 |

EXHIBIT 2-16 PRICE OF HOME PURCHASED, NEW AND PREVIOUSLY OWNED HOMES*(Percentage Distribution)***BUYERS WHO PURCHASED A**

| | All Buyers | New Home | Previously Owned Home |
|------------------------|------------|-----------|-----------------------|
| Less than \$75,000 | 4% | 2% | 4% |
| \$75,000 to \$99,999 | 4 | * | 5 |
| \$100,000 to \$124,999 | 5 | 1 | 6 |
| \$125,000 to \$149,999 | 8 | 2 | 9 |
| \$150,000 to \$174,999 | 9 | 5 | 9 |
| \$175,000 to \$199,999 | 8 | 6 | 9 |
| \$200,000 to \$249,999 | 15 | 12 | 15 |
| \$250,000 to \$299,999 | 12 | 19 | 11 |
| \$300,000 to \$349,999 | 9 | 14 | 8 |
| \$350,000 to \$399,999 | 7 | 11 | 6 |
| \$400,000 to \$499,999 | 8 | 13 | 7 |
| \$500,000 or more | 11 | 14 | 10 |
| Median price | \$235,000 | \$307,000 | \$223,000 |

* Less than 1 percent

EXHIBIT 2-17 PRICE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|------------------------|------------|-------------------|---------------|
| Less than \$75,000 | 4% | 6% | 3% |
| \$75,000 to \$99,999 | 4 | 7 | 3 |
| \$100,000 to \$124,999 | 5 | 8 | 4 |
| \$125,000 to \$149,999 | 8 | 11 | 6 |
| \$150,000 to \$174,999 | 9 | 12 | 7 |
| \$175,000 to \$199,999 | 8 | 10 | 7 |
| \$200,000 to \$249,999 | 15 | 15 | 14 |
| \$250,000 to \$299,999 | 12 | 10 | 14 |
| \$300,000 to \$349,999 | 9 | 6 | 10 |
| \$350,000 to \$399,999 | 7 | 5 | 8 |
| \$400,000 to \$499,999 | 8 | 5 | 9 |
| \$500,000 or more | 11 | 6 | 13 |
| Median price | \$235,000 | \$190,000 | \$266,500 |
| Married couple | \$269,000 | \$215,800 | \$290,000 |
| Single female | \$185,000 | \$154,000 | \$205,000 |
| Single male | \$175,200 | \$145,000 | \$200,000 |
| Unmarried couple | \$201,000 | \$177,200 | \$256,600 |
| Other | \$198,000 | \$181,800 | \$213,000 |

EXHIBIT 2-18 PURCHASE PRICE COMPARED WITH ASKING PRICE, BY REGION

(Percentage Distribution)

BUYERS WHO PURCHASED A HOME IN THE

| Percent of asking price: | All Buyers | Northeast | Midwest | South | West |
|---|------------|-----------|---------|-------|------|
| Less than 90% | 8% | 12% | 11% | 8% | 4% |
| 90% to 94% | 15 | 18 | 15 | 16 | 10 |
| 95% to 99% | 36 | 35 | 34 | 37 | 35 |
| 100% | 28 | 21 | 27 | 29 | 31 |
| 101% to 110% | 12 | 13 | 12 | 9 | 17 |
| More than 110% | 2 | 2 | 1 | 1 | 3 |
| Median (purchase price as a percent of asking price) | 98% | 97% | 98% | 98% | 99% |

EXHIBIT 2-19 SIZE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES*(Percentage Distribution)*

| | BUYERS OF | | | | |
|----------------------|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| 1,000 sq ft or less | 1% | 1% | * | * | 1% |
| 1,001 to 1,500 sq ft | 14 | 22 | 10 | 3 | 16 |
| 1,501 to 2,000 sq ft | 29 | 35 | 25 | 20 | 30 |
| 2,001 to 2,500 sq ft | 25 | 24 | 25 | 28 | 24 |
| 2,501 to 3,000 sq ft | 15 | 10 | 17 | 21 | 14 |
| 3,001 to 3,500 sq ft | 8 | 5 | 9 | 14 | 7 |
| 3,501 sq ft or more | 9 | 3 | 12 | 15 | 8 |
| Median (sq ft) | 1,870 | 1,640 | 2,000 | 2,240 | 1,800 |

* Less than 1 percent

EXHIBIT 2-20 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% | * | 2% | 1% | 2% | 2% | 1% | 1% |
| 1,001 to 1,500 sq ft | 14 | 9 | 25 | 30 | 22 | 15 | 9 | 17 |
| 1,501 to 2,000 sq ft | 29 | 24 | 42 | 31 | 31 | 33 | 21 | 33 |
| 2,001 to 2,500 sq ft | 25 | 26 | 19 | 22 | 26 | 17 | 24 | 25 |
| 2,501 to 3,000 sq ft | 15 | 19 | 7 | 7 | 10 | 19 | 20 | 12 |
| 3,001 to 3,500 sq ft | 8 | 10 | 3 | 4 | 5 | 5 | 10 | 7 |
| 3,501 sq ft or more | 9 | 12 | 3 | 4 | 4 | 10 | 14 | 6 |
| Median (sq ft) | 1,870 | 2,050 | 1,530 | 1,530 | 1,680 | 1,750 | 2,120 | 1,750 |

* Less than 1 percent

EXHIBIT 2-21 HOME SIZE AND PRICE PER SQUARE FOOT, BY REGION

(Median)

BUYERS WHO PURCHASED A HOME IN THE

| | All Buyers | Northeast | Midwest | South | West |
|---|------------|-----------|---------|-------|-------|
| All homes purchased | | | | | |
| Square feet | 1,870 | 1,740 | 1,790 | 2,000 | 1,830 |
| Price per square foot | \$120 | \$130 | \$100 | \$110 | \$170 |
| Detached single-family home | | | | | |
| Square feet | 1,930 | 1,800 | 1,800 | 2,070 | 1,900 |
| Price per square foot | \$120 | \$120 | \$100 | \$110 | \$170 |
| Townhouse or row house | | | | | |
| Square feet | 1,700 | 1,730 | 1,600 | 1,800 | 1,680 |
| Price per square foot | \$140 | \$160 | \$120 | \$140 | \$190 |
| Duplex/apartment/condo in 2-4 unit building | | | | | |
| Square feet | 1,500 | 1,370 | 1,500 | 1,620 | 1,320 |
| Price per square foot | \$120 | \$100 | \$110 | \$110 | \$210 |
| Apartment/condo in building with 5 or more units | | | | | |
| Square feet | 1,350 | 1,200 | 1,520 | 1,430 | 1,300 |
| Price per square foot | \$170 | \$180 | \$100 | \$140 | \$400 |

EXHIBIT 2-22 NUMBER OF BEDROOMS AND BATHROOMS, BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

BUYERS OF

| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
|---------------------------------|------------|-------------------|---------------|-----------|------------------------|
| One bedroom | 1% | 1% | * | * | 1% |
| Two bedrooms | 14 | 13 | 15 | 11 | 15 |
| Three bedrooms or more | 85 | 86 | 85 | 89 | 85 |
| Median number of bedrooms | 3 | 3 | 3 | 3 | 3 |
| One full bathroom | 17 | 28 | 11 | 2 | 20 |
| Two full bathrooms | 60 | 60 | 61 | 59 | 61 |
| Three full bathrooms or more | 23 | 13 | 28 | 38 | 20 |
| Median number of full bathrooms | 2 | 2 | 2 | 2 | 2 |

* Less than 1 percent

EXHIBIT 2-23 NUMBER OF BEDROOMS AND BATHROOMS, BY ADULT HOUSEHOLD COMPOSITION AND CHILDREN IN HOUSEHOLD

(Percentage Distribution)

| | 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 |
| One bedroom | 1% | * | 1% | 2% | 1% | * | * | 1% |
| Two bedrooms | 14 | 9 | 27 | 26 | 16 | 16 | 5 | 20 |
| Three bedrooms or more | 85 | 91 | 72 | 72 | 83 | 84 | 95 | 79 |
| Median number of bedrooms | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 3 |
| One full bathroom | 17 | 11 | 28 | 30 | 29 | 22 | 13 | 19 |
| Two full bathrooms | 60 | 61 | 61 | 60 | 57 | 54 | 56 | 63 |
| Three full bathrooms or more | 23 | 28 | 11 | 11 | 14 | 24 | 31 | 18 |
| Median number of full bathrooms | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

* Less than 1 percent

EXHIBIT 2-24 YEAR HOME BUILT, BY REGION

(Percentage Distribution)

| | BUYERS WHO PURCHASED A HOME IN THE | | | | |
|-------------------|------------------------------------|-----------|---------|-------|------|
| | All Buyers | Northeast | Midwest | South | West |
| 2016 | 14% | 5% | 9% | 20% | 12% |
| 2015 through 2012 | 4 | 2 | 3 | 5 | 4 |
| 2011 through 2008 | 5 | 2 | 3 | 7 | 4 |
| 2007 through 2003 | 12 | 6 | 10 | 13 | 13 |
| 2002 through 1988 | 20 | 15 | 20 | 21 | 21 |
| 1987 through 1962 | 25 | 28 | 23 | 23 | 28 |
| 1961 through 1914 | 19 | 32 | 28 | 11 | 16 |
| 1913 and older | 3 | 9 | 5 | 1 | 1 |
| Median | 1991 | 1970 | 1980 | 2000 | 1991 |

EXHIBIT 2-25 IMPORTANCE OF COMMUTING COSTS

(Percentage Distribution)

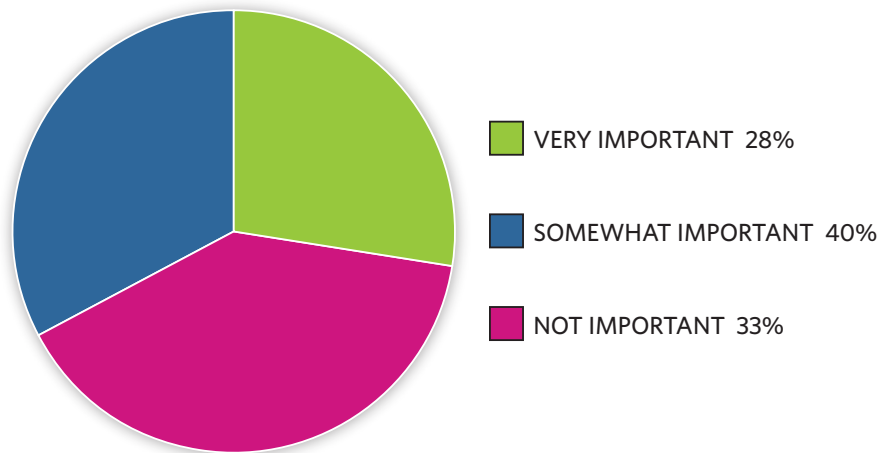


EXHIBIT 2-26 IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

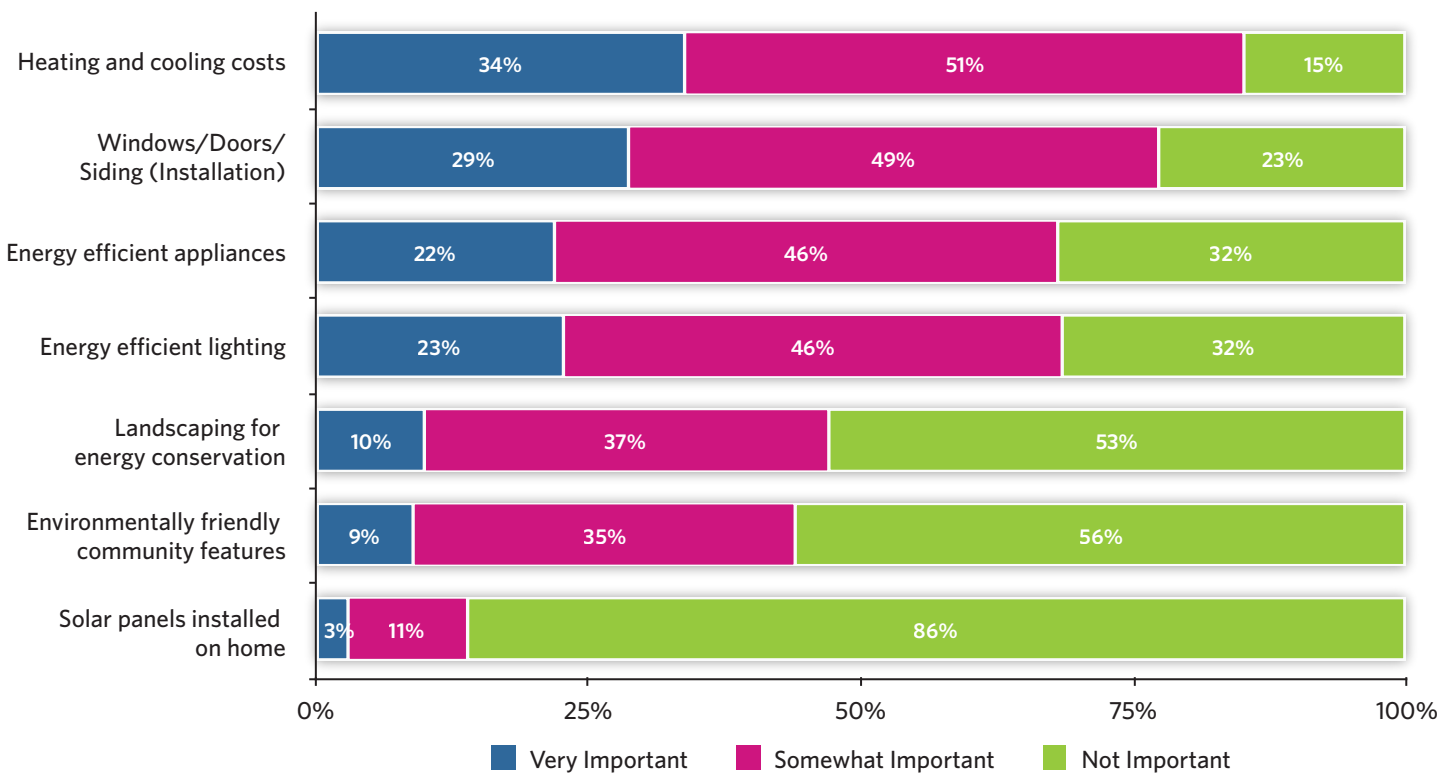


EXHIBIT 2-27 ENVIRONMENTALLY FRIENDLY FEATURES CONSIDERED "VERY IMPORTANT," BY REGION

(Percent of Respondents)

BUYERS WHO PURCHASED A HOME IN THE

| | All Buyers | Northeast | Midwest | South | West |
|---|------------|-----------|---------|-------|------|
| Heating and cooling costs | 34% | 37% | 30% | 37% | 30% |
| Windows/Doors/Siding (Installation) | 29 | 30 | 31 | 29 | 26 |
| Energy efficient appliances | 22 | 21 | 18 | 25 | 21 |
| Energy efficient lighting | 23 | 20 | 18 | 25 | 23 |
| Landscaping for energy conservation | 10 | 6 | 7 | 10 | 13 |
| Environmentally friendly community features | 9 | 7 | 6 | 10 | 12 |
| Solar panels installed on home | 3 | 1 | 2 | 2 | 5 |

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

(Percent of Respondents)

| | All Buyers | 2016 | 2015 through 2012 | 2011 through 2008 | 2007 through 2003 | 2002 through 1988 | 1987 through 1962 | 1961 through 1914 | 1913 and older |
|---|------------|------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Heating and cooling costs | 34% | 46% | 43% | 41% | 33% | 29% | 32% | 31% | 28% |
| Windows/Doors/Siding (Installation) | 29 | 42 | 34 | 32 | 27 | 25 | 26 | 28 | 24 |
| Energy efficient appliances | 22 | 43 | 35 | 26 | 20 | 16 | 17 | 18 | 11 |
| Energy efficient lighting | 23 | 40 | 34 | 25 | 21 | 20 | 17 | 19 | 13 |
| Landscaping for energy conservation | 10 | 16 | 11 | 12 | 11 | 9 | 8 | 7 | 4 |
| Environmentally friendly community features | 9 | 18 | 14 | 7 | 9 | 8 | 7 | 7 | 5 |
| Solar panels installed on home | 3 | 3 | 5 | 4 | 3 | 2 | 2 | 2 | 2 |

EXHIBIT 2-29 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 | 21% | 21% | 21% | 25% | 16% | 17% |
| Condition of home | 18 | 18 | 18 | 22 | 18 | 18 |
| Size of home | 18 | 17 | 19 | 20 | 17 | 16 |
| Lot size | 15 | 15 | 17 | 13 | 14 | 11 |
| Style of home | 15 | 15 | 15 | 15 | 12 | 9 |
| Distance from job | 14 | 15 | 14 | 11 | 15 | 4 |
| Distance from friends or family | 7 | 6 | 8 | 5 | 9 | 5 |
| Quality of the neighborhood | 6 | 5 | 5 | 11 | 3 | 3 |
| Quality of the schools | 4 | 4 | 3 | 6 | 2 | 2 |
| Distance from school | 2 | 2 | 3 | 2 | 2 | 2 |
| None—Made no compromises | 33 | 33 | 34 | 30 | 36 | 46 |
| Other compromises not listed | 9 | 9 | 8 | 9 | 9 | 12 |

EXHIBIT 2-30 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 | 21% | 23% | 19% | 18% | 21% |
| Condition of home | 18 | 20 | 18 | 2 | 21 |
| Size of home | 18 | 22 | 15 | 13 | 18 |
| Lot size | 15 | 16 | 14 | 22 | 13 |
| Style of home | 15 | 18 | 13 | 13 | 15 |
| Distance from job | 14 | 20 | 11 | 15 | 14 |
| Distance from friends or family | 7 | 8 | 6 | 7 | 7 |
| Quality of the neighborhood | 6 | 7 | 5 | 4 | 6 |
| Quality of the schools | 4 | 7 | 3 | 4 | 4 |
| Distance from school | 2 | 3 | 2 | 3 | 2 |
| None—Made no compromises | 33 | 24 | 38 | 42 | 31 |
| Other compromises not listed | 9 | 10 | 8 | 10 | 9 |

EXHIBIT 2-31 CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED, BY ADULT COMPOSITION OF HOUSEHOLD*(Percent of Respondents)*

| | ADULT COMPOSITION OF HOUSEHOLD | | | | | | CHILDREN IN HOME | |
|---------------------------------|--------------------------------|----------------|---------------|-------------|------------------|-------|---------------------------|---------------------|
| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other | Children under 18 in home | No children in home |
| Price of home | 21% | 21% | 20% | 18% | 20% | 16% | 23% | 19% |
| Condition of home | 18 | 18 | 19 | 21 | 17 | 14 | 19 | 18 |
| Size of home | 18 | 18 | 16 | 17 | 17 | 20 | 20 | 16 |
| Lot size | 15 | 16 | 9 | 14 | 16 | 8 | 19 | 13 |
| Style of home | 15 | 14 | 13 | 17 | 18 | 12 | 16 | 13 |
| Distance from job | 14 | 14 | 11 | 15 | 17 | 13 | 18 | 12 |
| Distance from friends or family | 7 | 6 | 7 | 7 | 7 | 3 | 7 | 6 |
| Quality of the neighborhood | 6 | 5 | 6 | 9 | 6 | 3 | 5 | 6 |
| Quality of the schools | 4 | 4 | 3 | 4 | 6 | 5 | 5 | 3 |
| Distance from school | 2 | 2 | 2 | 1 | 2 | * | 5 | * |
| None—Made no compromises | 33 | 33 | 34 | 36 | 27 | 43 | 25 | 38 |
| Other compromises not listed | 9 | 9 | 10 | 7 | 10 | 5 | 8 | 9 |

* Less than 1 percent

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

| | BUYERS OF | | | | |
|------------------|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| 1 year or less | 1% | 1% | 1% | 2% | 1% |
| 2 to 3 years | 3 | 4 | 3 | 4 | 3 |
| 4 to 5 years | 9 | 13 | 7 | 9 | 9 |
| 6 to 7 years | 3 | 5 | 2 | 2 | 3 |
| 8 to 10 years | 14 | 15 | 14 | 15 | 14 |
| 11 to 15 years | 6 | 5 | 6 | 6 | 6 |
| 16 or more years | 27 | 23 | 29 | 28 | 27 |
| Don't Know | 36 | 34 | 37 | 34 | 36 |
| Median | 15 | 10 | 15 | 10 | 15 |

EXHIBIT 2-33 EXPECTED LENGTH OF TENURE IN HOME PURCHASED, BY AGE

(Percentage Distribution)

| | AGE OF HOME BUYER | | | | |
|------------------|-------------------|----------|----------|----------|-------------|
| | All Buyers | 18 to 24 | 25 to 44 | 45 to 64 | 65 or older |
| 1 year or less | 1% | * | 1% | 1% | 1% |
| 2 to 3 years | 3 | 10 | 4 | 3 | 2 |
| 4 to 5 years | 9 | 20 | 12 | 7 | 4 |
| 6 to 7 years | 3 | 12 | 4 | 2 | * |
| 8 to 10 years | 14 | 15 | 16 | 14 | 13 |
| 11 to 15 years | 6 | 5 | 5 | 7 | 7 |
| 16 or more years | 27 | 18 | 28 | 31 | 20 |
| Don't Know | 36 | 20 | 31 | 34 | 53 |
| Median | 15 | 7 | 10 | 15 | 15 |

* Less than 1 percent

EXHIBIT 2-34 FACTORS THAT COULD CAUSE BUYER TO MOVE, BY AGE

(Percentage Distribution)

| | AGE OF HOME BUYER | | | | |
|--|-------------------|----------|----------|----------|-------------|
| | All Buyers | 18 to 24 | 25 to 44 | 45 to 64 | 65 or older |
| Move with life changes (addition to family, marriage, children move out, retirement, etc.) | 27% | 28% | 28% | 31% | 18% |
| Never moving-forever home | 18 | 6 | 12 | 22 | 29 |
| Move with job or career change | 13 | 16 | 19 | 10 | 1 |
| May outgrow home | 9 | 30 | 15 | 3 | 1 |
| Downsize/smaller house | 8 | * | 6 | 12 | 7 |
| Household member's health | 8 | * | 1 | 7 | 30 |
| Want nicer home/added features | 6 | 13 | 9 | 4 | 3 |
| May desire better area/neighborhood | 5 | 5 | 7 | 4 | 3 |
| Will flip home | 1 | * | 1 | 1 | 1 |
| Other | 4 | 2 | 3 | 4 | 7 |

* Less than 1 percent

EXHIBIT 2-35 FACTORS THAT COULD CAUSE BUYER TO MOVE, 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 |
| Move with life changes (addition to family, marriage, children move out, retirement, etc.) | 27% | 24% | 36% | 31% | 27% | 26% | 29% | 26% |
| Never moving-forever home | 18 | 19 | 19 | 14 | 13 | 28 | 14 | 21 |
| Move with job or career change | 13 | 14 | 10 | 13 | 12 | 5 | 16 | 11 |
| May outgrow home | 9 | 9 | 6 | 8 | 15 | 8 | 12 | 7 |
| Downsize/smaller house | 8 | 10 | 6 | 6 | 5 | 9 | 11 | 7 |
| Household member's health | 8 | 9 | 8 | 4 | 3 | 9 | 1 | 12 |
| Want nicer home/added features | 6 | 6 | 6 | 8 | 12 | 5 | 8 | 6 |
| May desire better area/neighborhood | 5 | 5 | 5 | 8 | 7 | 3 | 5 | 5 |
| Will flip home | 1 | 1 | * | 2 | 1 | * | 1 | 1 |
| Other | 4 | 4 | 4 | 6 | 5 | 6 | 3 | 5 |

* Less than 1 percent

CHAPTER 3:

The Home Search Process

Starting the home buying process online continues to be the first step that many home buyers are taking. Forty-two percent of recent buyers first looked online for properties for sale, with 95 percent of all recent buyers using the internet at some point during the home search process.

Since 1987, we have collected data on how many weeks buyers searched for the home they bought and how many homes they viewed. While the number of weeks increased with time, home buyers viewed roughly the same number of homes for three decades. In 2017, home buyers searched for a median of 10 weeks. By comparison, in 1987 home buyers searched for a median of just seven weeks. From 1989 to 2007, buyers typically searched for a home for eight weeks, with 2001 as the exception at just seven weeks. From 2009 to 2013, the search time jumped up to twelve weeks, then came back down to 10 weeks in 2014 and remained there for the last four years.

Buyers viewed a median of 10 homes in 2017, compared to 12 homes in 1987. Home buyers continued to view a median of 12 homes from 1991 through 1995 and again in 2009 through 2011. There was a brief period from 2004 to 2006 when buyers only looked at a median of nine homes. In all other years, home buyers viewed a median of 10 homes before purchasing.

Fifty-one percent of buyers who used the internet during their home search process ultimately found the home that they purchased through the internet. Sixty-eight percent of buyers who used their mobile device to search found their home through a mobile application.

Real estate agents remain a vital part of the home search process, and are the second most frequented information source for home buyers. With tightened inventory conditions in many areas of the country, finding the right property remains the most difficult step in the home buying process. Overall, home buyers continue to be satisfied with the home buying process at 92 percent.

THE FIRST STEP IN THE HOME BUYING PROCESS

- Exhibits 3-1 and 3-2

Forty-two percent of home buyers looked online for properties for sale as their first step in the home buying process, while 17 percent of buyers first contacted a real estate agent. Repeat home buyers were more likely than first-time buyers to look online for properties for sale as a first step. First-time home buyers were more likely to look online for information about the home buying process at 18 percent compared to repeat buyers at eight percent. The first steps of contacting a real estate agent increased as the age of the home buyer also increased. Across all age groups, reading books or guides about the home buying process was not a step taken this year.

INFORMATION SOURCES

- Exhibits 3-3 through 3-6

Throughout the home search process, online websites and real estate agents continue to be the two most used resources. An increasing percentage of home buyers are using mobile or tablet search devices at 74 percent. The use of yard signs and open houses as information sources remained relatively the same compared to last year, both of which have historically been used most frequently after online websites and real estate agents.

Online websites, real estate agents, mobile or tablet search devices, and online video sites were the most used information sources. Only eleven percent of recent home buyers rarely used, or did not use, a real estate agent. Online websites were seen as the most useful information source during the home search process at 88 percent.

THE SEARCH PROCESS

- Exhibits 3-7 through 3-11

The typical search period stayed the same from last year's report at 10 weeks for a buyer to find a home. From 2009 to 2013, the typical home search process took 12 weeks for a buyer. Buyers typically looked at a median of 10 homes before finding a home to purchase. In the most recent report, in the South and West, buyers searched for only eight weeks, the shortest amount of time, and buyers in the Northeast searched for the longest at 12 weeks.

Buyers who used an agent typically spent two weeks searching before they contacted an agent. First-time buyers usually searched longer than repeat buyers for a home at 10 weeks (down from 12 last year), compared with repeat buyers who searched for eight weeks (down from 10 last year).

The internet has become the main source where buyers are finding the home that they purchased. Today 49 percent of recent buyers (down from 51 percent last year) found their home through the internet. In 2001, 15 years ago, only eight percent of buyers found their home through the internet. Finding a home through a real estate agent has shifted from being the most common source for finding a property to the second most common source. Sources such as yard signs, friends, relatives and neighbors, or home builders, remain at last year's levels, but have declined throughout the years with the rise of the internet as an information source.

Thirty-five percent of recent buyers considered purchasing a home in foreclosure (down from 39 percent last year), but the top reason for ultimately not purchasing a foreclosure property was not being able to find the right home. Other reasons for not purchasing a home in foreclosure included that the process was too difficult or complex and the poor condition of the home. This year, first-time buyers made up the largest group who considered purchasing a home in foreclosure.

Among all buyers, the most difficult step in the home buying process was finding the right home to purchase at 54 percent. For 22 percent of buyers, the most difficult step was the paperwork, and 16 percent cited the most difficult step was understanding the process and steps involved. While 16 percent of recent buyers had no difficult steps, this was much more common among repeat buyers and buyers of new homes.

INTERNET USAGE TRENDS

- Exhibits 3-13 and 3-14

The percentage of home buyers who used the internet to search for a home is 95 percent, the same as last year. The *Profile of Home Buyers and Sellers* started collecting data on the use of the internet for the home search process in 1995, when only two percent of buyers looked online. In 1997, that number jumped to 18 percent of home buyers who used the internet in their search. That number doubled over the years and by 2009, 90 percent of buyers used the internet at some point in their search. That share dropped a few percentage points in the next several years until 2012 when it slowly started going back up.

As a result of searching for a home on the internet, 63 percent of buyers are walking through the homes that they viewed online, and 43 percent are looking at the exterior of these homes and driving through the neighborhoods. First-time buyers were the most likely to request more information as a result of searching online.

CHARACTERISTICS OF INTERNET SEARCHERS AND SOURCES USED

- Exhibits 3-14 through 3-17

Comparing buyers who use the internet during their home search to those who do not, it is interesting to see how the demographics vary. Typically, a buyer who used the internet in their home search is 44 years-old and had a median household income in 2016 of \$90,800. In comparison, the typical buyer who did not use the internet to search for a home was 65 years old and had a median household income in 2016 of \$69,900 (down from \$73,900 in 2015). The typical buyer who did not use the internet during their home search spent only four weeks searching and visited four homes, compared to those who did use the internet and searched for 10 weeks and visited 10 homes.

Among buyers who did not use the internet in their home search process, real estate agents were the most used information source at 64 percent (down from 69 percent in the year prior). Additionally, they used yard signs, open houses, and home builders as information sources. Those who did not use the internet to search used home builders and print newspaper advertisements more often in their home search than those who used the internet to search. Buyers who did use the internet used two sources more than any other: online websites (95 percent) and real estate agents (90 percent), which is consistent with last year.

Fifty-one percent of buyers who used the internet during their home search process ultimately found the home that they purchased through the internet. Forty percent of buyers who did not use the internet during their home search process found their home through a real estate agent, compared to only 30 percent of buyers who did use the internet. Buyers who did not use the internet found their home more frequently through a yard sign, through a friend, relative or neighbor, through a builder or builder's agent, or directly from the sellers than those who used the internet to search.

It is evident that while a majority of home buyers are using the internet during the home search process, online search cannot replace the role of the real estate agent in the transaction. Of home buyers who used the internet to search for homes, 88 percent ultimately purchased their home through a real estate agent. Interestingly, there is a larger percentage of buyers who used the internet and still purchased their home through an agent (88 percent), than buyers who did not use the internet and purchased through an agent during their search (65 percent).

WEBSITE FEATURES AND MOBILE SEARCH

- Exhibits 3-18 and 3-19

Among buyers who used the internet during their home search, 89 percent of buyers found photos and detailed information about properties for sale (84 percent) to be very useful. The next most useful website features included: floor plans, virtual tours, detailed information about properties for sale, and neighborhood information.

Using mobile devices is becoming more common among all home buyers. Sixty-eight percent of buyers who used their mobile device to search found their home through a mobile application (up from 58 percent last year). First-time buyers found their homes through a mobile application (70 percent) slightly more than repeat buyers (66 percent).

SATISFACTION IN BUYING PROCESS

- Exhibit 3-20

Sixty-one percent of recent buyers were very satisfied with their recent home buying process. Thirty-one percent of buyers were somewhat satisfied with the buying process. Only eight percent of recent buyers were dissatisfied with the buying process.

EXHIBIT 3-1**FIRST STEP TAKEN DURING THE HOME BUYING PROCESS, FIRST-TIME AND REPEAT BUYERS***(Percentage Distribution)*

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Looked online for properties for sale | 42% | 32% | 48% |
| Contacted a real estate agent | 17 | 14 | 19 |
| Looked online for information about the home buying process | 12 | 18 | 8 |
| Contacted a bank or mortgage lender | 8 | 10 | 6 |
| Drove-by homes/neighborhoods | 6 | 5 | 6 |
| Talked with a friend or relative about home buying process | 6 | 12 | 3 |
| Visited open houses | 3 | 3 | 3 |
| Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation) | 1 | 1 | 1 |
| Contacted builder/visited builder models | 1 | 1 | 2 |
| Attended a home buying seminar | 1 | | |
| Contacted a home seller directly | 1 | 1 | 1 |
| Looked in newspapers, magazines, or home buying guides | 1 | * | 1 |
| Read books or guides about the home buying process | * | 1 | * |
| Other | 1 | 1 | 1 |

* Less than 1 percent

EXHIBIT 3-2**FIRST STEP TAKEN DURING THE HOME BUYING PROCESS, BY AGE***(Percentage Distribution)*

| | AGE OF HOME BUYER | | | | |
|---|-------------------|----------|----------|----------|-------------|
| | All Buyers | 18 to 24 | 25 to 44 | 45 to 64 | 65 or older |
| Looked online for properties for sale | 42% | 41% | 41% | 48% | 39% |
| Contacted a real estate agent | 17 | 11 | 15 | 17 | 25 |
| Looked online for information about the home buying process | 12 | 19 | 14 | 8 | 7 |
| Contacted a bank or mortgage lender | 8 | 8 | 9 | 7 | 4 |
| Drove-by homes/neighborhoods | 6 | 2 | 5 | 6 | 8 |
| Talked with a friend or relative about home buying process | 6 | 13 | 8 | 2 | 5 |
| Visited open houses | 3 | 1 | 3 | 4 | 4 |
| Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transportation) | 1 | 1 | 2 | 1 | 1 |
| Contacted builder/visited builder models | 1 | 2 | 1 | 1 | 3 |
| Attended a home buying seminar | 1 | 3 | 1 | * | * |
| Contacted a home seller directly | 1 | * | 1 | 1 | 2 |
| Looked in newspapers, magazines, or home buying guides | 1 | * | * | 1 | 2 |
| Read books or guides about the home buying process | * | * | * | * | * |
| 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)

| | BUYERS OF | | | | |
|--------------------------------|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Online website | 95% | 96% | 93% | 90% | 94% |
| Real estate agent | 89 | 89 | 88 | 79 | 90 |
| Mobile or tablet search device | 74 | 78 | 68 | 66 | 73 |
| Open house | 52 | 50 | 52 | 59 | 51 |
| Yard sign | 48 | 46 | 48 | 46 | 48 |
| Online video site | 39 | 32 | 42 | 41 | 38 |
| Home builder | 19 | 14 | 22 | 69 | 10 |
| Print newspaper advertisement | 15 | 14 | 17 | 17 | 15 |
| Home book or magazine | 12 | 10 | 12 | 16 | 11 |
| Billboard | 5 | 5 | 5 | 17 | 3 |
| Relocation company | 3 | 2 | 3 | 5 | 3 |
| Television | 2 | 3 | 2 | 3 | 2 |

EXHIBIT 3-4

INFORMATION SOURCES USED IN HOME SEARCH, BY AGE

(Percent of Respondents)

| | AGE OF HOME BUYER | | | | |
|--------------------------------|-------------------|----------|----------|----------|-------------|
| | All Buyers | 18 to 24 | 25 to 44 | 45 to 64 | 65 or older |
| Online website | 95% | 96% | 93% | 90% | 94% |
| Real estate agent | 89 | 89 | 88 | 79 | 90 |
| Mobile or tablet search device | 74 | 78 | 68 | 66 | 73 |
| Open house | 52 | 50 | 52 | 59 | 51 |
| Yard sign | 48 | 46 | 48 | 46 | 48 |
| Online video site | 39 | 32 | 42 | 41 | 38 |
| Home builder | 19 | 14 | 22 | 69 | 10 |
| Print newspaper advertisement | 15 | 14 | 17 | 17 | 15 |
| Home book or magazine | 12 | 10 | 12 | 16 | 11 |
| Billboard | 5 | 5 | 5 | 17 | 3 |
| Relocation company | 3 | 2 | 3 | 5 | 3 |
| Television | 2 | 3 | 2 | 3 | 2 |

EXHIBIT 3-5

FREQUENCY OF USE OF DIFFERENT INFORMATION SOURCES

(Percentage Distribution)

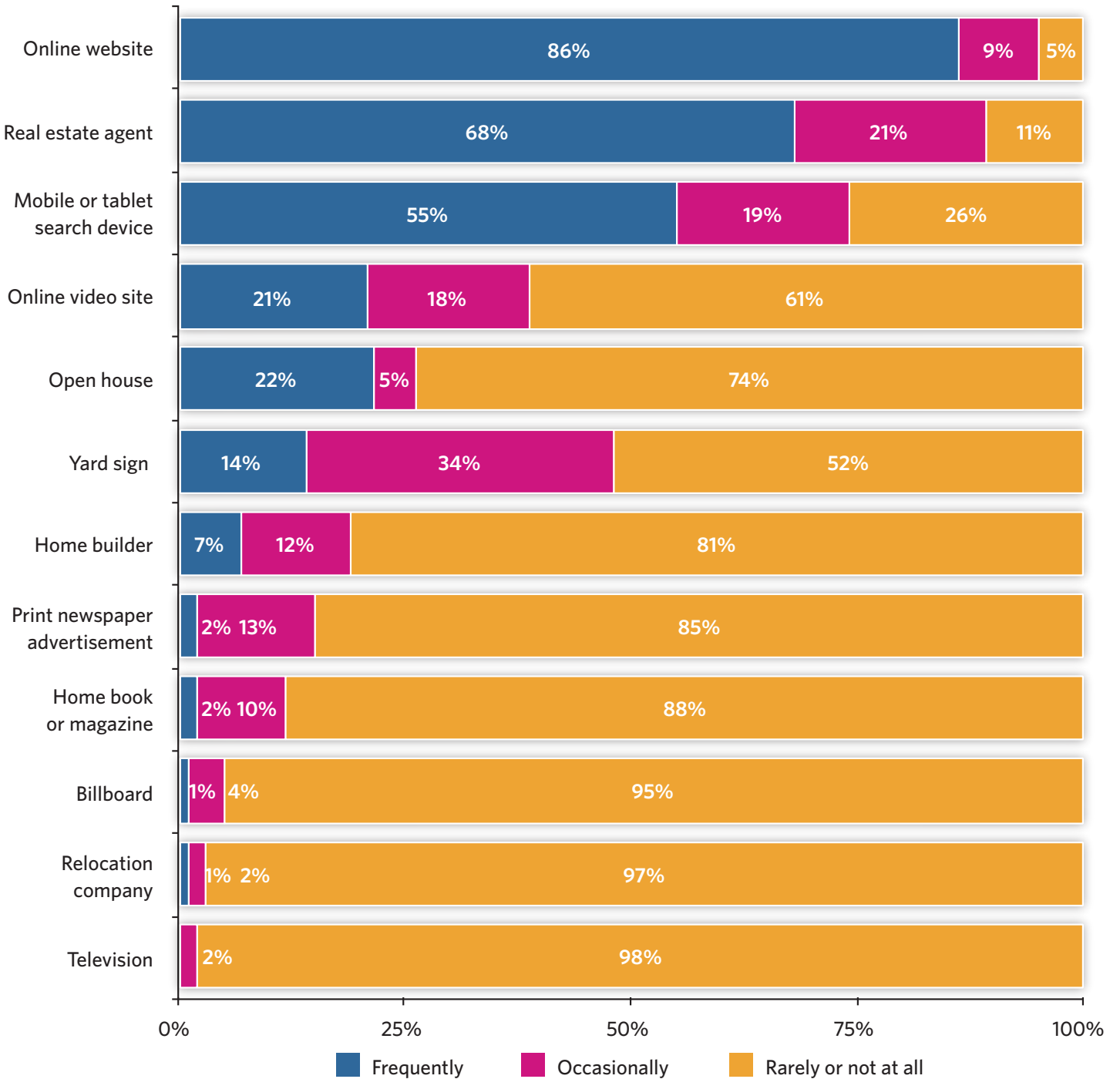


EXHIBIT 3-6 USEFULNESS OF INFORMATION SOURCES

(Percentage Distribution Among Buyers that Used Each Source)

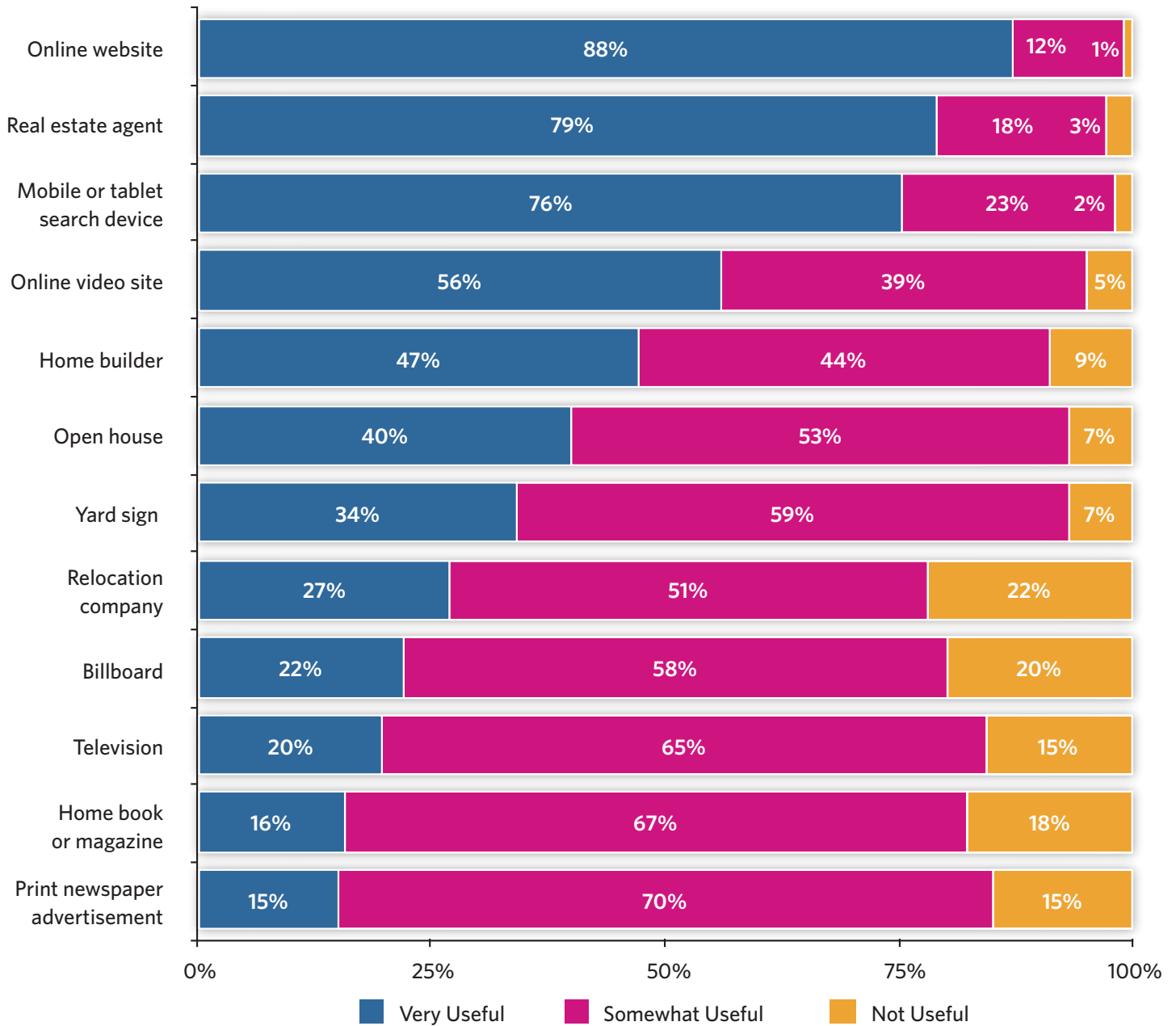


EXHIBIT 3-7 LENGTH OF SEARCH, BY REGION

(Median)

BUYERS WHO PURCHASED A HOME IN THE

| Number of Weeks Searched | All Buyers | Northeast | Midwest | South | West |
|--------------------------|------------|-----------|---------|-------|------|
| 2001 | 7 | 7 | 7 | 7 | 7 |
| 2003 | 8 | 10 | 8 | 8 | 6 |
| 2004 | 8 | 12 | 8 | 8 | 8 |
| 2005 | 8 | 10 | 8 | 8 | 6 |
| 2006 | 8 | 12 | 8 | 8 | 8 |
| 2007 | 8 | 12 | 8 | 8 | 8 |
| 2008 | 10 | 12 | 10 | 8 | 10 |
| 2009 | 12 | 12 | 10 | 10 | 12 |
| 2010 | 12 | 14 | 10 | 10 | 12 |
| 2011 | 12 | 12 | 10 | 10 | 12 |
| 2012 | 12 | 12 | 12 | 10 | 12 |
| 2013 | 12 | 12 | 10 | 10 | 12 |
| 2014 | 10 | 12 | 10 | 10 | 10 |
| 2015 | 10 | 12 | 10 | 10 | 10 |
| 2016 | 10 | 12 | 10 | 10 | 9 |
| 2017 | 10 | 12 | 9 | 8 | 8 |
| Number of homes viewed | 10 | 10 | 10 | 10 | 10 |

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

(Median Weeks)



NA=Not applicable

EXHIBIT 3-9

WHERE BUYER FOUND THE HOME THEY PURCHASED, 2001-2017

(Percentage Distribution)

| | 2001 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Internet | 8% | 11% | 15% | 24% | 24% | 29% | 32% | 36% | 37% | 40% | 42% | 43% | 43% | 44% | 51% | 49% |
| Real estate agent | 48 | 41 | 38 | 36 | 36 | 34 | 34 | 36 | 38 | 35 | 34 | 33 | 33 | 33 | 34 | 31 |
| Yard sign/open house sign | 15 | 16 | 16 | 15 | 15 | 14 | 15 | 12 | 11 | 11 | 10 | 9 | 9 | 9 | 8 | 7 |
| Friend, relative or neighbor | 8 | 7 | 7 | 7 | 8 | 8 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 4 | 6 |
| Home builder or their agent | 3 | 7 | 7 | 7 | 8 | 8 | 7 | 5 | 4 | 5 | 5 | 5 | 5 | 6 | 2 | 6 |
| Directly from sellers/ Knew the sellers | 4 | 4 | 5 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 1 | 2 |
| Print newspaper advertisement | 7 | 7 | 5 | 5 | 5 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Home book or magazine | 2 | 1 | 2 | 1 | 1 | 1 | 1 | * | * | * | * | * | * | * | * | * |
| Other | 5 | 6 | 4 | * | * | * | * | * | * | * | * | 1 | * | * | * | * |

* Less than 1 percent

EXHIBIT 3-10

BUYER INTEREST IN PURCHASING A HOME IN FORECLOSURE, BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percent of Respondents)

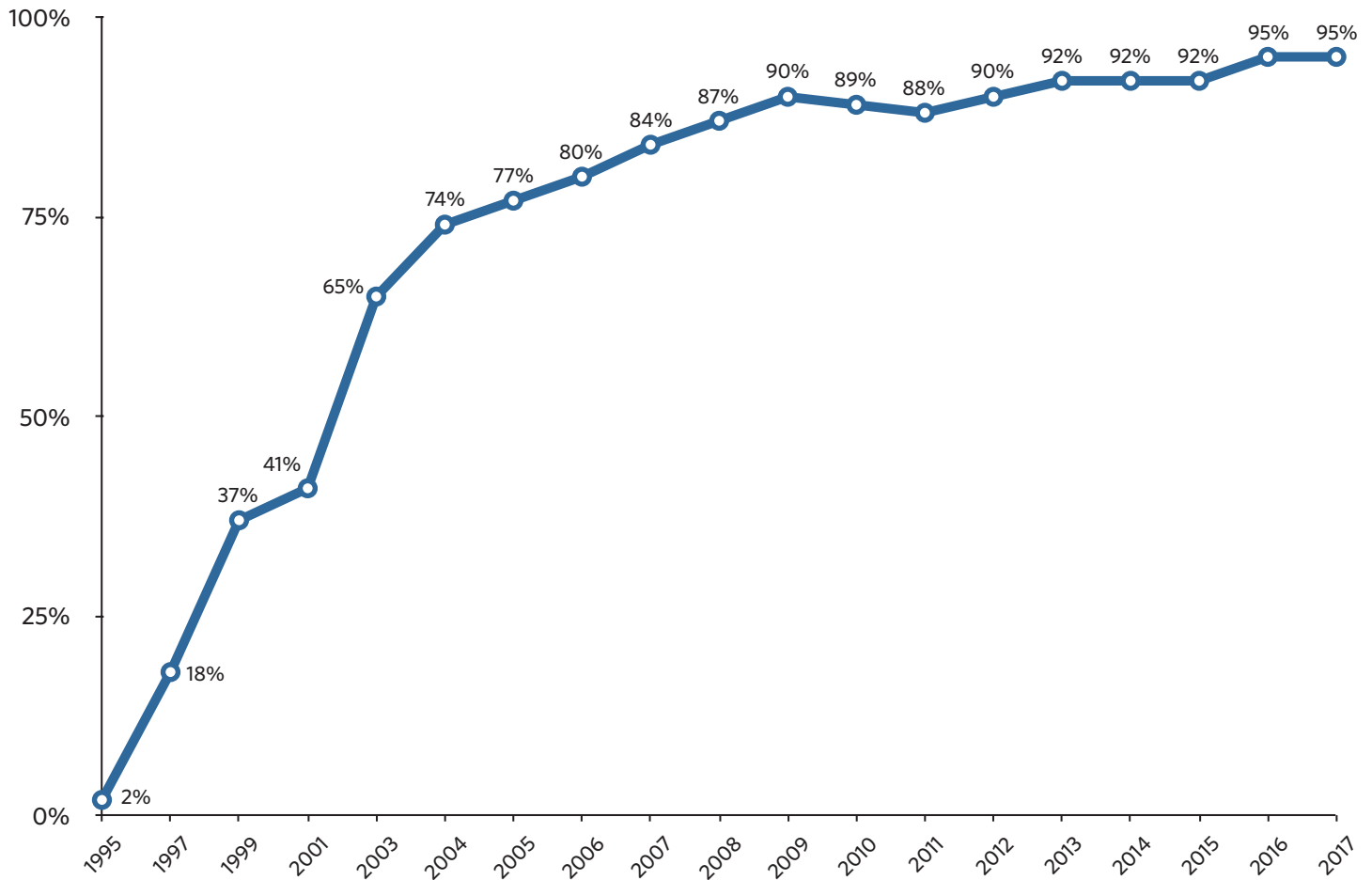
| | BUYERS OF | | | | |
|---|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Did not consider purchasing a home in foreclosure | 65% | 57% | 71% | 82% | 63% |
| Considered purchasing a home in foreclosure, but did not: | | | | | |
| Could not find the right home | 20 | 23 | 17 | 12 | 20 |
| The process was too difficult or complex | 9 | 11 | 7 | 4 | 9 |
| The home was in poor condition | 8 | 12 | 6 | 3 | 9 |
| The home price was too high | 3 | 4 | 2 | 2 | 3 |
| The neighborhood was undesirable | 3 | 4 | 2 | 1 | 3 |
| Financing options were not attractive | 3 | 5 | 2 | 2 | 3 |

EXHIBIT 3-11

MOST DIFFICULT STEPS OF HOME BUYING PROCESS BY FIRST-TIME AND REPEAT BUYERS AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

| | BUYERS OF | | | | |
|-------------------------------------|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Finding the right property | 54% | 55% | 53% | 46% | 55% |
| Paperwork | 22 | 27 | 19 | 22 | 22 |
| Understanding the process and steps | 16 | 34 | 7 | 13 | 17 |
| Saving for the down payment | 13 | 25 | 7 | 10 | 14 |
| Getting a mortgage | 9 | 12 | 8 | 9 | 9 |
| Appraisal of the property | 5 | 6 | 5 | 4 | 5 |
| No difficult steps | 16 | 8 | 20 | 21 | 15 |
| Other | 6 | 4 | 7 | 6 | 6 |

EXHIBIT 3-12 BUYER USE OF INTERNET IN HOME SEARCH PROCESS, 1995-2017*(Percentage Distribution)***EXHIBIT 3-13 ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH, FIRST-TIME AND REPEAT BUYERS***(Percent of Respondents Among Buyers Who Used the Internet)*

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Walked through home viewed online | 63% | 59% | 65% |
| Saw exterior of homes/neighborhood, but did not walk through home | 43 | 44 | 41 |
| Found the agent used to search for or buy home | 32 | 35 | 32 |
| Requested more information | 29 | 33 | 26 |
| Pre-qualified for a mortgage online | 19 | 20 | 16 |
| Looked for more information on how to get a mortgage and general home buyers tips | 16 | 27 | 8 |
| Applied for a mortgage online | 14 | 15 | 12 |
| Found a mortgage lender online | 11 | 14 | 8 |
| Contacted builder/developer | 8 | 5 | 10 |

EXHIBIT 3-14 CHARACTERISTICS OF HOME SEARCHERS AND SEARCH ACTIVITY, BY USE OF INTERNET

(Percentage Distribution)

| HOUSEHOLD COMPOSITION | Used Internet to Search | Did Not Use Internet to Search |
|----------------------------------|-------------------------|--------------------------------|
| Married couple | 66% | 56% |
| Single female | 17 | 26 |
| Single male | 7 | 13 |
| Unmarried couple | 8 | 3 |
| Other | 2 | 4 |
| Median age (years) | 44 | 65 |
| Median income (2016) | \$90,800 | \$69,900 |
| LENGTH OF SEARCH (MEDIAN WEEKS) | | |
| All buyers | 10 | 4 |
| First-time buyers | 10 | 4 |
| Repeat buyers | 10 | 5 |
| Buyers using an agent | 10 | 6 |
| Before contacting agent | 3 | 0 |
| NUMBER OF HOMES VISITED (MEDIAN) | 10 | 4 |

EXHIBIT 3-15 INFORMATION SOURCES USED IN HOME SEARCH, BY USE OF INTERNET

(Percent of Respondents)

| | Used Internet to Search | Did Not Use Internet to Search |
|--------------------------------|-------------------------|--------------------------------|
| Online website | 95% | NA |
| Real estate agent | 90 | 64 |
| Mobile or tablet search device | 75 | NA |
| Yard sign | 48 | 34 |
| Open house | 53 | 26 |
| Online video site | 40 | NA |
| Print newspaper advertisement | 15 | 18 |
| Home builder | 19 | 26 |
| Home book or magazine | 12 | 8 |
| Billboard | 5 | 2 |
| Television | 2 | 3 |
| Relocation company | 3 | 3 |

NA= Not Applicable

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

(Percentage Distribution)

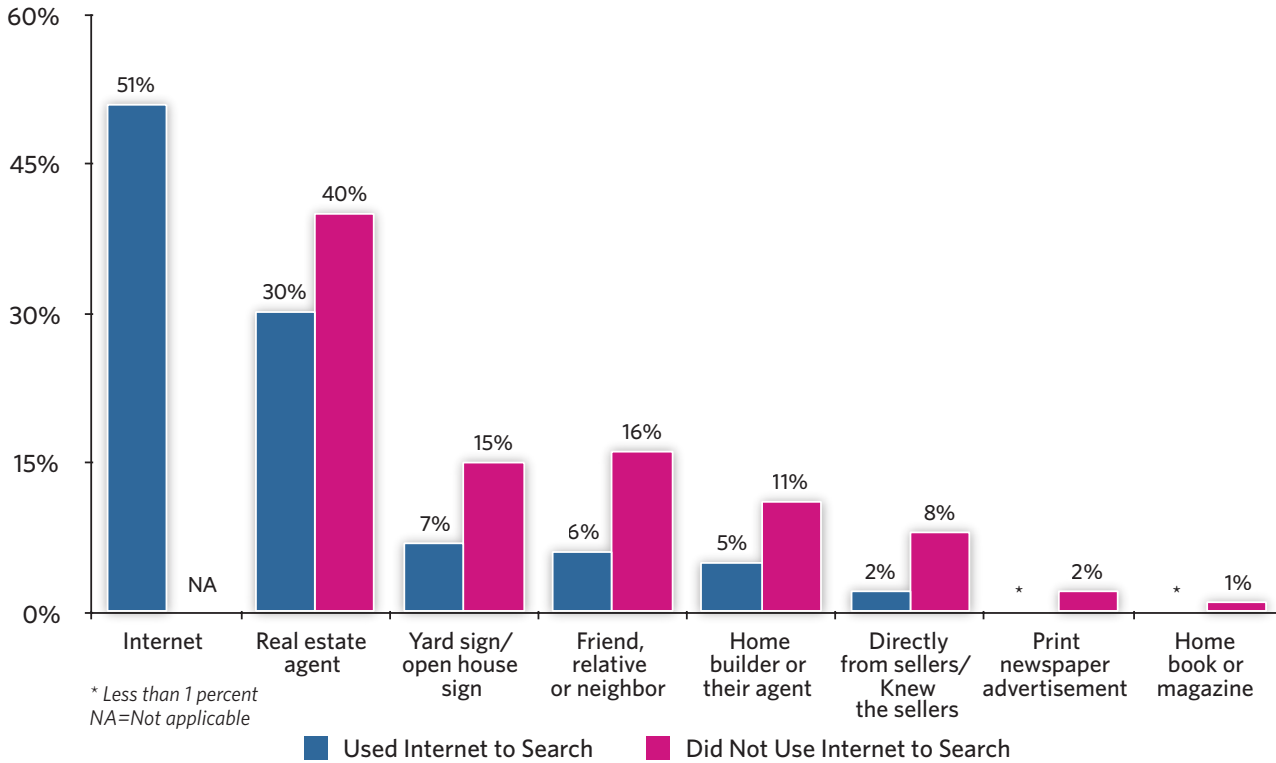


EXHIBIT 3-17 METHOD OF HOME PURCHASE, BY USE OF INTERNET

(Percentage Distribution)

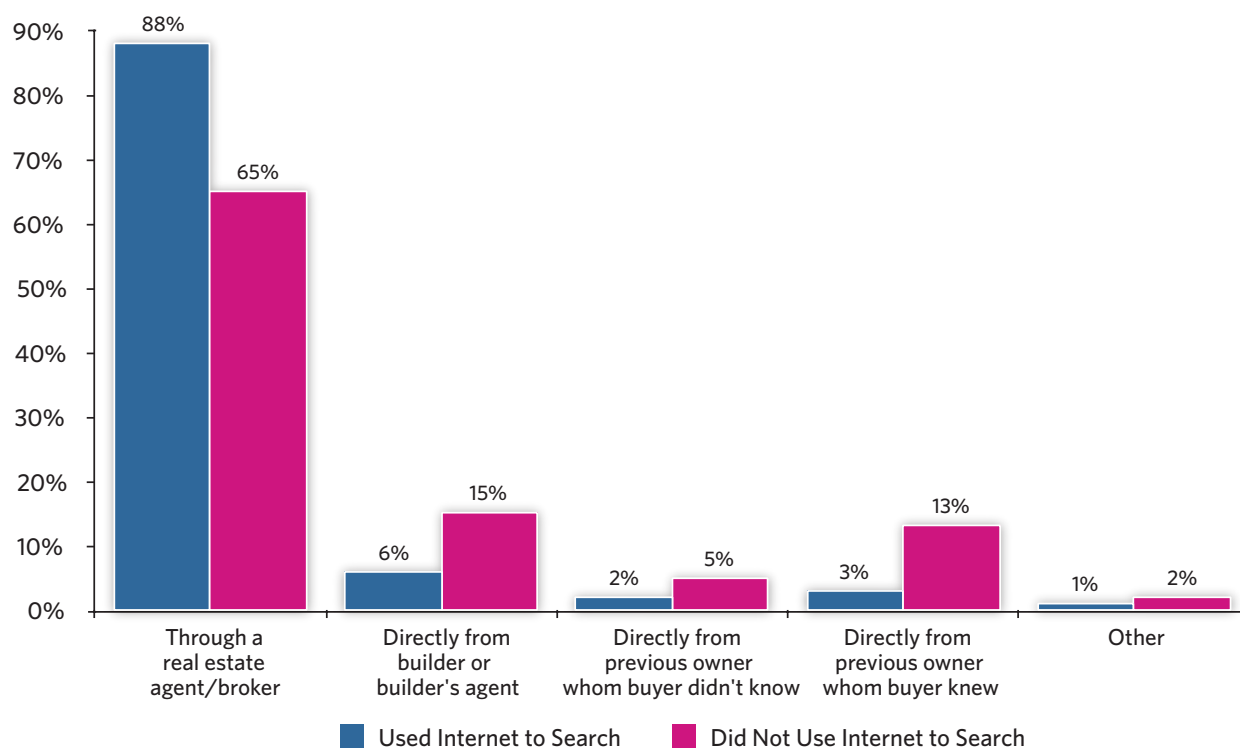


EXHIBIT 3-18 VALUE OF WEBSITE FEATURES

(Percentage Distribution Among Buyers Who Used the Internet)

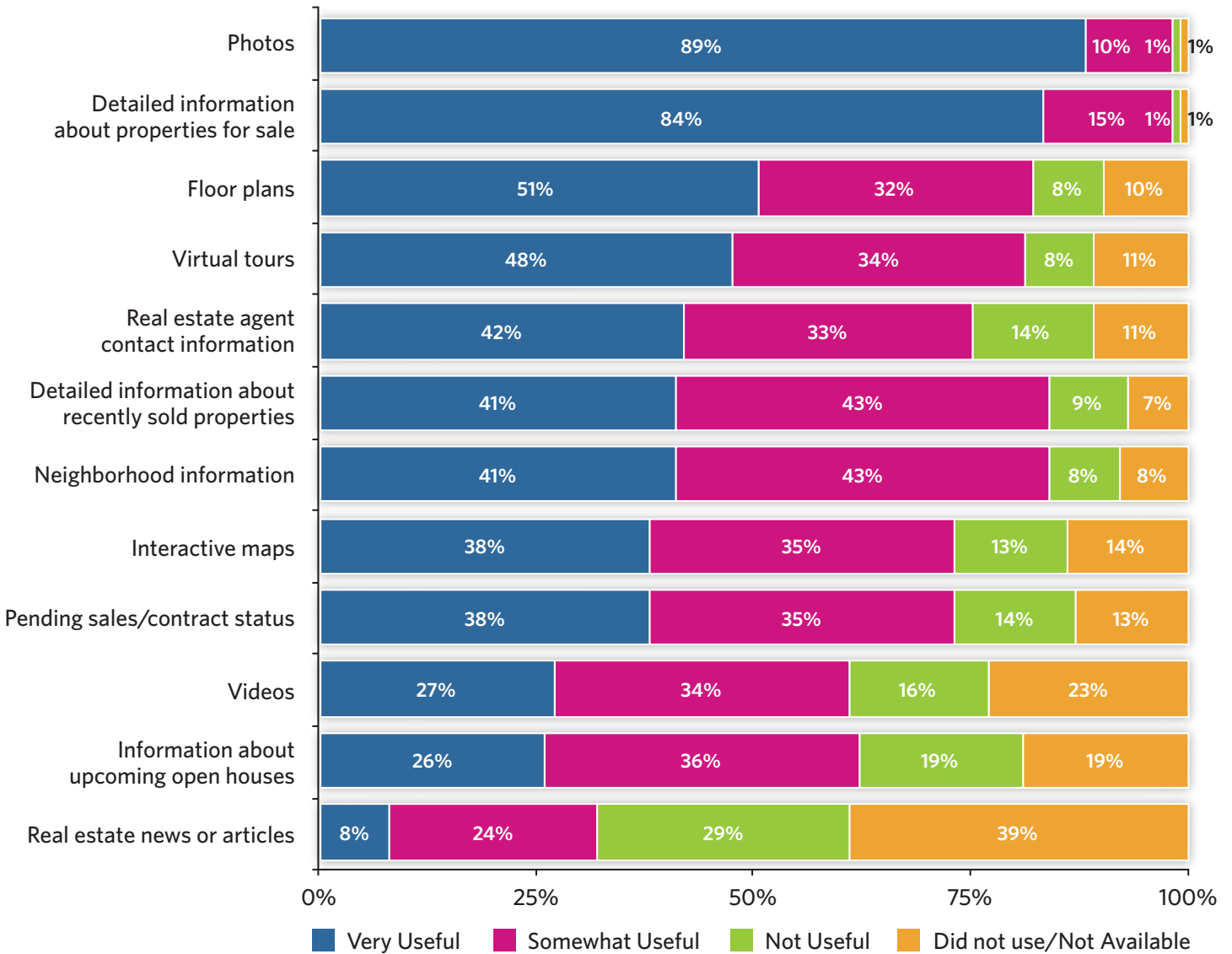


EXHIBIT 3-19 MOBILE SEARCH BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among those Who Used Mobile Search)

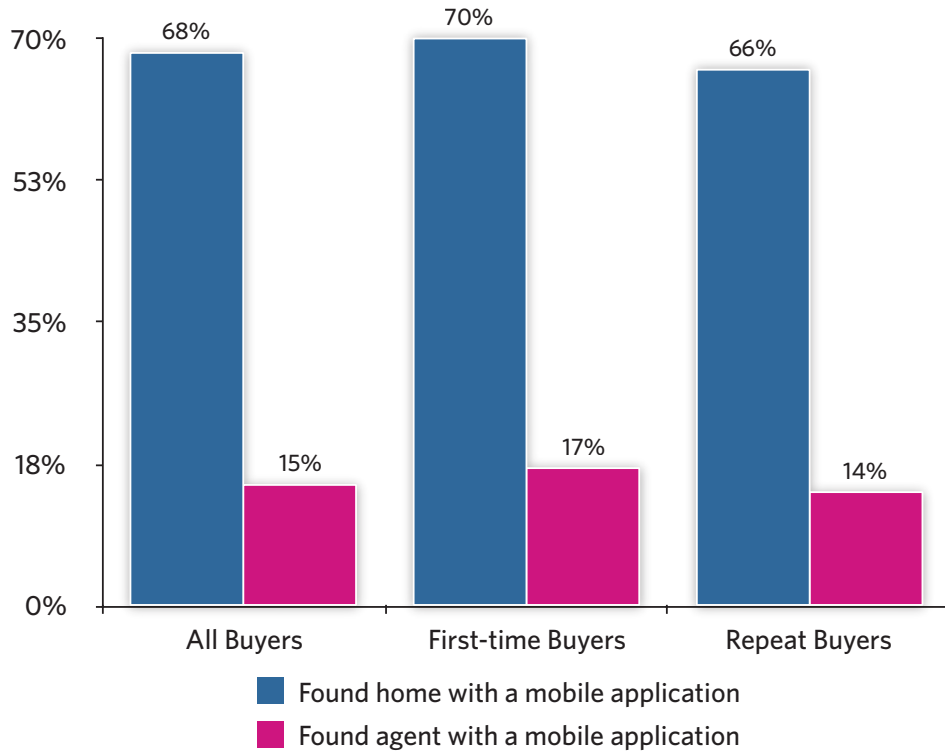
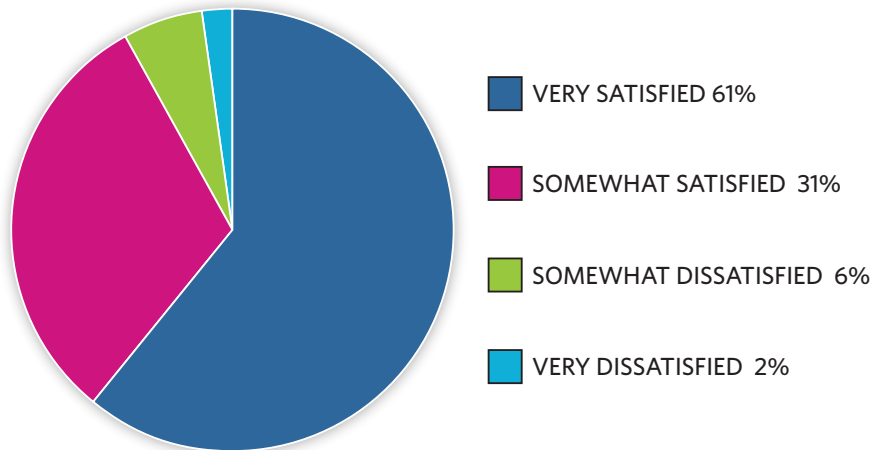


EXHIBIT 3-20 SATISFACTION WITH BUYING PROCESS

(Percentage Distribution)



CHAPTER 4:

Home Buying and Real Estate Professionals

Purchasing a home through a real estate agent is a consistent real estate trend that continued again this year. Eighty-seven percent of buyers in 2017 purchased their home through a real estate agent or broker, seven percent directly from a builder or builder's agent, and six percent from the previous owner. Looking back to 1981, 82 percent purchased through an agent, eight percent directly through a builder or builder's agent, and 10 percent from the previous owner. In 1987 and 2000, purchases directly from the owner were at a peak of 15 percent. In 1987 and 2000, seven in 10 buyers purchased through an agent. Since then, the share of those working with an agent to purchase a home has steadily grown over the years, peaking at 89 percent in 2011 and 2012 and hovering in the high 80 percent range since that time.

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

More than three-fifths of recent buyers signed a disclosure agreement either at first meeting, when the contract was written, or at some other time. The most common arrangement was a written arrangement, followed by an oral arrangement. The most common compensation structure for real estate agents was payment through the seller, which was the case for over half of recent home buyers.

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

Method of Home Purchase

▪ Exhibits 4-1 to 4-4

Recent home buyers most commonly purchased their homes through a real estate agent or broker, at 87 percent. Seven percent purchased directly from the builder or builder's agent, while six percent purchased directly through the previous owner. By comparison, in 1981 82 percent purchased through an agent, eight percent directly through a builder or builder's agent, and 10 percent from the previous owner. The Northeast and West regions showed the highest percentage of buyers who purchased their homes through real estate agents or brokers, as there is more new construction in the South and the Midwest regions.

Compared to buyers of previously owned homes, buyers of new homes purchased directly from the builder or builder's agent at a much higher rate: 42 percent of new home buyers did so, which is up from 39 percent in 2016. Unmarried couples (93 percent) and single females (88 percent) were the household compositions that most frequently purchased through a real estate agent or broker.

Agent Representation and Compensation

▪ Exhibits 4-5 to 4-7

Sixty-one percent of recent buyers signed an agent representation disclosure, either at first meeting, when the contract was written, or at some other time. The most common arrangement was a written agreement at 40 percent, followed by an oral agreement at 17 percent. Only 28 percent of buyers had no representation arrangement with their agent, which is consistent with last year.

Generally real estate agents are compensated through the seller at 54 percent, whereas only 21 percent of agents are compensated by the buyer only. When the agent was compensated by the buyer, they were most commonly paid a percentage of the sales price as opposed to a flat fee.

What Buyers Want from Agents and Benefits Provided

▪ Exhibits 4-8 to 4-11

Most important to recent buyers when looking for a real estate agent was finding someone who could help them find the right home to purchase (52 percent). Buyers were also looking for someone who could help them negotiate the terms of sale (13 percent) and help with price negotiations (11 percent). Repeat buyers were slightly more interested than first-time buyers in receiving help from an agent to determine what comparable homes were selling for. More buyers of new homes (eight percent) wanted assistance to determine what comparable homes were selling for on the market compared to other buyer types. Unmarried couples wanted to negotiate the terms of sale (16 percent) more than any other household composition. Single males wanted help to find the right home (56 percent) more than other household compositions.

There are many benefits for buyers using a real estate agent, with the foremost reported as being the buyer(s) receive help in understanding the buying process (60 percent). Pointing out unnoticed features or faults with the property was the next most important benefit (56 percent), especially to first-time home buyers (60 percent). Also important to buyers was negotiating better sales terms, providing a better list of services providers, and gaining improved knowledge of search areas as benefits that their real estate agent provided.

When searching for an agent, buyers are looking for someone who is honest and has integrity, is responsive, has knowledge of the purchase process, and who has knowledge of the real estate market.

Finding a Real Estate Agent

- Exhibits 4-12 to 4-15

Referrals are still by far the most common way for buyers to find the real estate agent that they worked with. Forty-two percent of buyers used an agent that was referred to them by a friend, neighbor, or relative. Recent buyers also chose to work with agents that they had previously used to buy or sell a home (12 percent). Compared to repeat buyers, first-time buyers were more likely to find their agent through a referral (51 percent) or more likely to find their agent through a website (10 percent). Married couples were the most likely to use an agent that they had previously used to buy or sell a home (13 percent).

Seven in 10 buyers interviewed only one real estate agent during their home search. Compared with first-time buyers, repeat buyers were more likely to only interview one agent (72 percent), whereas only 68 percent of first-time buyers only interviewed one agent. Nineteen percent of first-time buyers interviewed two agents before deciding on the one to work with. Buyers typically reached out to their agent by phone (41 percent), in person (20 percent), and by e-mail (15 percent). Agents commonly responded to buyers on their first attempt of contact.

With tight housing inventory in many areas of the country, what buyers wanted most from their agent is to help them find the right home to purchase. Buyers were also looking for help to negotiate the terms of sale and with price negotiations.

Factors When Choosing an Agent

- Exhibits 4-16 to 4-20

The most important factor to recent buyers when choosing an agent was finding an agent that was trustworthy and honest at 19 percent. Other important factors when choosing an agent include the agent's experience and their reputation.

When searching for an agent, buyers are looking for someone who is honest and has integrity, is responsive, has knowledge of the purchase process, and who has knowledge of the real estate market. Having an honest agent with integrity was the most important to buyers, where 97 percent of respondents considered this very important. Recent buyers also found it very important for their agent was responsive, had knowledge of the purchase process and real estate market, to have good communication and negotiation skills. Single females more than any other household composition considered it very important for their agent to have skills with technology at 49 percent.

Overall, 76 percent of buyers felt that it was important that their agent call them personally to inform them of any activity. It was important for buyers that agents send postings as soon as a property is listed, the price changes or goes under contract, and that they are able to communicate with their agent through text message.

Satisfaction with Agent

- Exhibits 4-21 to 4-23

In general, buyers were very satisfied with their real estate agent's skill and qualities, with nearly nine in 10 buyers saying that they were very satisfied with their agent's honesty and integrity as well as their knowledge of the purchase process. When asked if they would use their real estate agent again or recommend them to others, 89 percent of buyers would at least probably recommend their agent to others. Buyers have typically already recommended their agent once since purchasing their home.

EXHIBIT 4-1 METHOD OF HOME PURCHASE, 1981-2017

(Percentage Distribution)

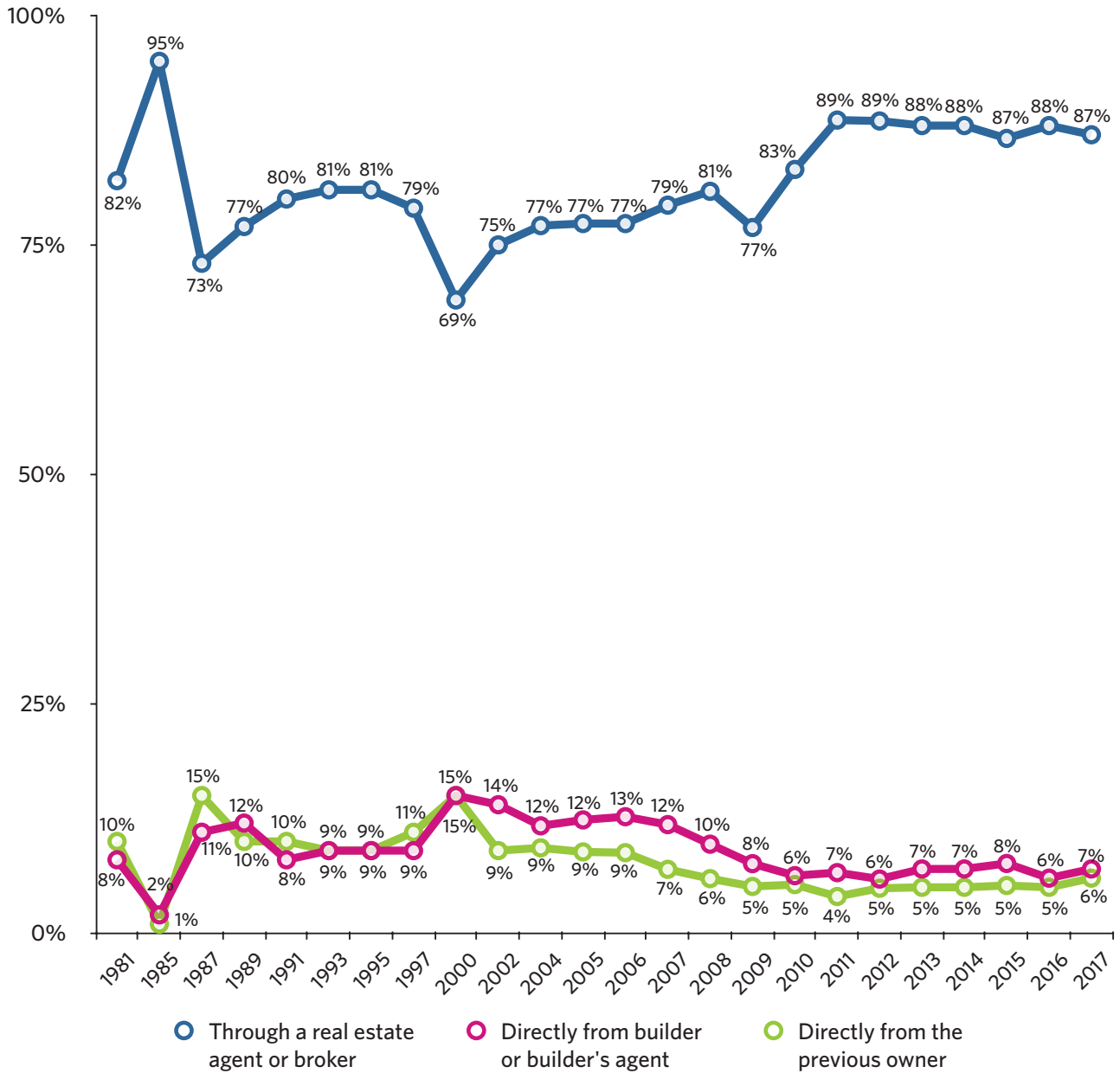


EXHIBIT 4-2 METHOD OF HOME PURCHASE, BY REGION

(Percentage Distribution)

BUYERS WHO PURCHASED A HOME IN THE

| | All Buyers | Northeast | Midwest | South | West |
|--|------------|-----------|---------|-------|------|
| Through a real estate agent or broker | 87% | 90% | 87% | 85% | 89% |
| Directly from builder or builder's agent | 7 | 2 | 4 | 9 | 7 |
| Directly from the previous owner | 6 | 8 | 8 | 4 | 4 |
| Knew previous owner | 3 | 5 | 5 | 2 | 2 |
| Did not know previous owner | 2 | 3 | 3 | 2 | 2 |

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 | 87% | 56% | 92% |
| Directly from builder or builder's agent | 7 | 42 | NA |
| Directly from the previous owner | 6 | NA | 7 |
| Knew previous owner | 3 | NA | 4 |
| Did not know previous owner | 2 | NA | 3 |

NA=Not applicable

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 | 87% | 86% | 88% | 86% | 93% | 87% |
| Directly from builder or builder's agent | 7 | 8 | 4 | 4 | 3 | 6 |
| Directly from the previous owner | 6 | 5 | 6 | 9 | 4 | 3 |
| Knew previous owner | 3 | 3 | 3 | 6 | 2 | 1 |
| Did not know previous owner | 2 | 2 | 3 | 3 | 2 | 2 |

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 | 26% | 24% | 27% |
| Yes, when contract was written | 22 | 19 | 24 |
| Yes, at some other time | 13 | 12 | 13 |
| No | 21 | 24 | 19 |
| Don't know | 19 | 22 | 17 |

EXHIBIT 4-6 BUYER REPRESENTATIVE ARRANGEMENT WITH AGENT, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|----------------------------|------------|-------------------|---------------|
| Yes, a written arrangement | 40% | 36% | 43% |
| Yes, an oral arrangement | 17 | 19 | 16 |
| No | 28 | 26 | 29 |
| Don't know | 15 | 20 | 12 |

EXHIBIT 4-7 HOW REAL ESTATE AGENT WAS COMPENSATED

(Percentage Distribution)

| | TYPE OF AGENT REPRESENTATION | | |
|--------------------------|------------------------------|------------|----------------------------|
| | All Types of Representation | Buyer Only | Seller or Seller and Buyer |
| Paid by seller | 54% | 58% | 50% |
| Paid by buyer and seller | 12 | 11 | 13 |
| Paid by buyer only | 21 | 21 | 21 |
| Percent of sales price | 17 | 18 | 16 |
| Flat fee | 2 | 2 | 2 |
| Other | * | * | * |
| Don't know | 2 | * | 2 |
| Other | 2 | 1 | 2 |
| Don't know | 11 | 8 | 15 |

*Less than 1 percent

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

(Percentage Distribution)

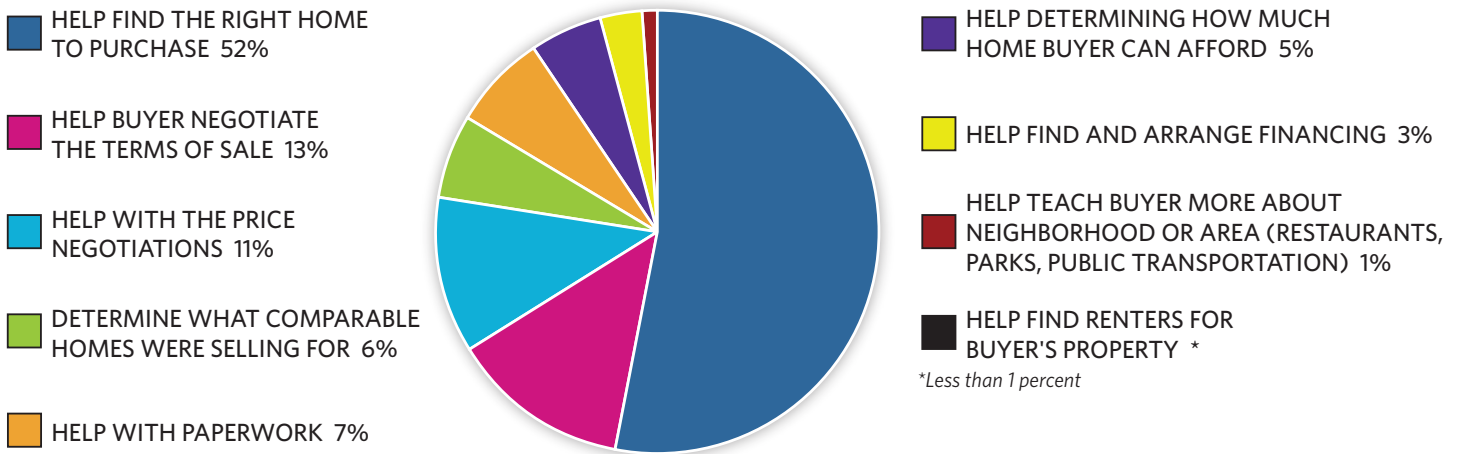


EXHIBIT 4-9 WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

| | BUYERS OF | | | | |
|--|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Help find the right home to purchase | 52% | 50% | 53% | 51% | 52% |
| Help buyer negotiate the terms of sale | 13 | 13 | 13 | 13 | 13 |
| Help with the price negotiations | 11 | 10 | 11 | 8 | 11 |
| Determine what comparable homes were selling for | 6 | 5 | 7 | 8 | 6 |
| Help with paperwork | 7 | 8 | 7 | 8 | 7 |
| Help determining how much home buyer can afford | 5 | 7 | 3 | 4 | 5 |
| Help find and arrange financing | 3 | 4 | 3 | 3 | 3 |
| Help teach buyer more about neighborhood or area (restaurants, parks, public transportation) | 1 | 1 | 1 | 2 | 1 |
| Help find renters for buyer's property | * | * | * | 1 | * |
| Other | 2 | 2 | 2 | 2 | 2 |

* Less than 1 percent

EXHIBIT 4-10 WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

| | ADULT COMPOSITION OF HOUSEHOLD | | | | | |
|--|--------------------------------|----------------|---------------|-------------|------------------|-------|
| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
| Help find the right home to purchase | 52% | 52% | 55% | 56% | 52% | 49% |
| Help buyer negotiate the terms of sale | 13 | 13 | 13 | 8 | 16 | 9 |
| Help with the price negotiations | 11 | 11 | 10 | 9 | 10 | 9 |
| Determine what comparable homes were selling for | 6 | 7 | 4 | 5 | 4 | 2 |
| Help with paperwork | 7 | 7 | 6 | 7 | 7 | 6 |
| Help determining how much home buyer can afford | 5 | 4 | 5 | 5 | 4 | 16 |
| Help find and arrange financing | 3 | 2 | 3 | 5 | 4 | 4 |
| Help teach buyer more about neighborhood or area (restaurants, parks, public transportation) | 1 | 2 | 2 | 4 | 2 | 4 |
| Help find renters for buyer's property | * | * | * | * | * | * |
| Other | 2 | 2 | 2 | 4 | 2 | 4 |

* Less than 1 percent

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

(Percent of Respondents)

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Helped buyer understand the process | 60% | 83% | 48% |
| Pointed out unnoticed features/faults with property | 56 | 60 | 54 |
| Negotiated better sales contract terms | 47 | 51 | 45 |
| Provided a better list of service providers (e.g. home inspector) | 46 | 50 | 43 |
| Improved buyer's knowledge of search areas | 44 | 46 | 42 |
| Negotiated a better price | 38 | 40 | 36 |
| Shortened buyer's home search | 29 | 30 | 28 |
| Provided better list of mortgage lenders | 22 | 27 | 20 |
| Expanded buyer's search area | 20 | 22 | 19 |
| Narrowed buyer's search area | 15 | 15 | 14 |
| None of the above | 7 | 4 | 8 |
| Other | 2 | 2 | 2 |

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

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Referred by (or is) a friend, neighbor or relative | 42% | 51% | 37% |
| Used agent previously to buy or sell a home | 12 | 2 | 17 |
| Website (without a specific reference) | 9 | 10 | 8 |
| Visited an open house and met agent | 6 | 5 | 6 |
| Saw contact information on For Sale/Open House sign | 4 | 3 | 4 |
| Referred by another real estate agent/broker | 5 | 5 | 5 |
| Personal contact by agent (telephone, e-mail, etc.) | 4 | 3 | 4 |
| Referred through employer or relocation company | 2 | 2 | 3 |
| Walked into or called office and agent was on duty | 2 | 1 | 2 |
| Mobile or tablet application | 1 | 2 | 1 |
| Newspaper, Yellow Pages or home book ad | * | * | 1 |
| Direct mail (newsletter, flyer, postcard, etc.) | * | * | 1 |
| Advertising specialty (calendar, magnet, etc.) | * | * | * |
| Crowdsourcing through social media/knew the person through social media | 1 | 1 | * |
| Saw the agent's social media page without a connection | * | * | * |
| Other | 11 | 13 | 11 |

*Less than 1 percent

EXHIBIT 4-13 HOW BUYER FOUND REAL ESTATE AGENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

ADULT COMPOSITION OF HOUSEHOLD

| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
|---|------------|----------------|---------------|-------------|------------------|-------|
| Referred by (or is) a friend, neighbor or relative | 42% | 41% | 45% | 42% | 45% | 42% |
| Used agent previously to buy or sell a home | 12 | 13 | 11 | 12 | 6 | 10 |
| Website (without a specific reference) | 9 | 9 | 9 | 7 | 10 | 10 |
| Referred by another real estate agent/broker | 6 | 5 | 7 | 5 | 3 | 8 |
| Visited an open house and met agent | 4 | 6 | 4 | 5 | 7 | 5 |
| Saw contact information on For Sale/Open House sign | 5 | 4 | 4 | 6 | 2 | 1 |
| Personal contact by agent (telephone, e-mail, etc.) | 4 | 4 | 4 | 4 | 4 | 4 |
| Referred through employer or relocation company | 2 | 3 | 1 | 1 | 2 | * |
| Walked into or called office and agent was on duty | 2 | 1 | 2 | 1 | 1 | 1 |
| Mobile or tablet application | 1 | * | * | * | * | * |
| Newspaper, Yellow Pages or home book ad | * | 1 | * | 1 | * | 1 |
| Advertising specialty (calendar, magnet, etc.) | * | * | * | * | * | * |
| Direct mail (newsletter, flyer, postcard, etc.) | * | * | * | * | 1 | * |
| Crowdsourcing through social media/knew the person through social media | 1 | * | 1 | * | 1 | * |
| Saw the agent's social media page without a connection | * | * | * | * | * | 1 |
| Other | 11 | 11 | 10 | 13 | 15 | 16 |

*Less than 1 percent

EXHIBIT 4-14 HOW MANY TIMES BUYER CONTACTED AGENT BEFORE RECEIVED RESPONSE AND ORIGINAL FORM OF CONTACT

(Percentage Distribution)

| | |
|--|-----|
| Phone call | 41% |
| Talked to them in person | 20 |
| E-mail | 15 |
| Ask a friend to put me in touch | 9 |
| Inquiry for more information through 3rd party website | 7 |
| Text message | 5 |
| Through agent's website | 2 |
| Social Media (FaceBook, Twitter, LinkedIn, etc.) | 2 |
| Number of Times Contacted (median) | 1 |

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

(Percentage Distribution)

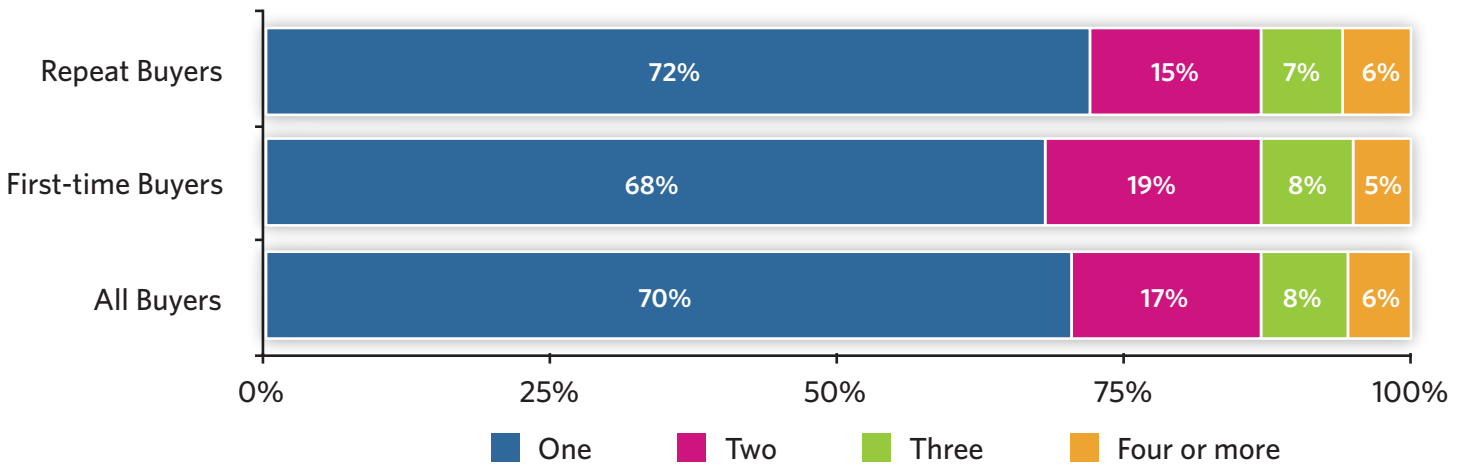


EXHIBIT 4-16 MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT

(Percentage Distribution)

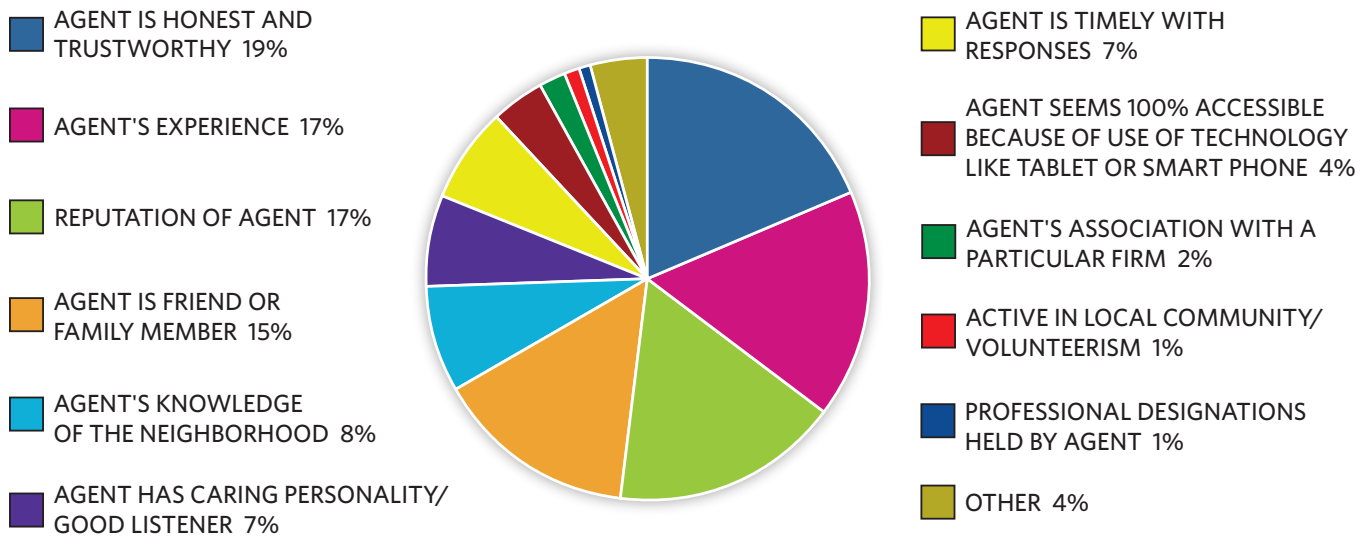


EXHIBIT 4-17 IMPORTANCE OF REAL ESTATE AGENT SKILLS AND QUALITIES

(Percentage Distribution)

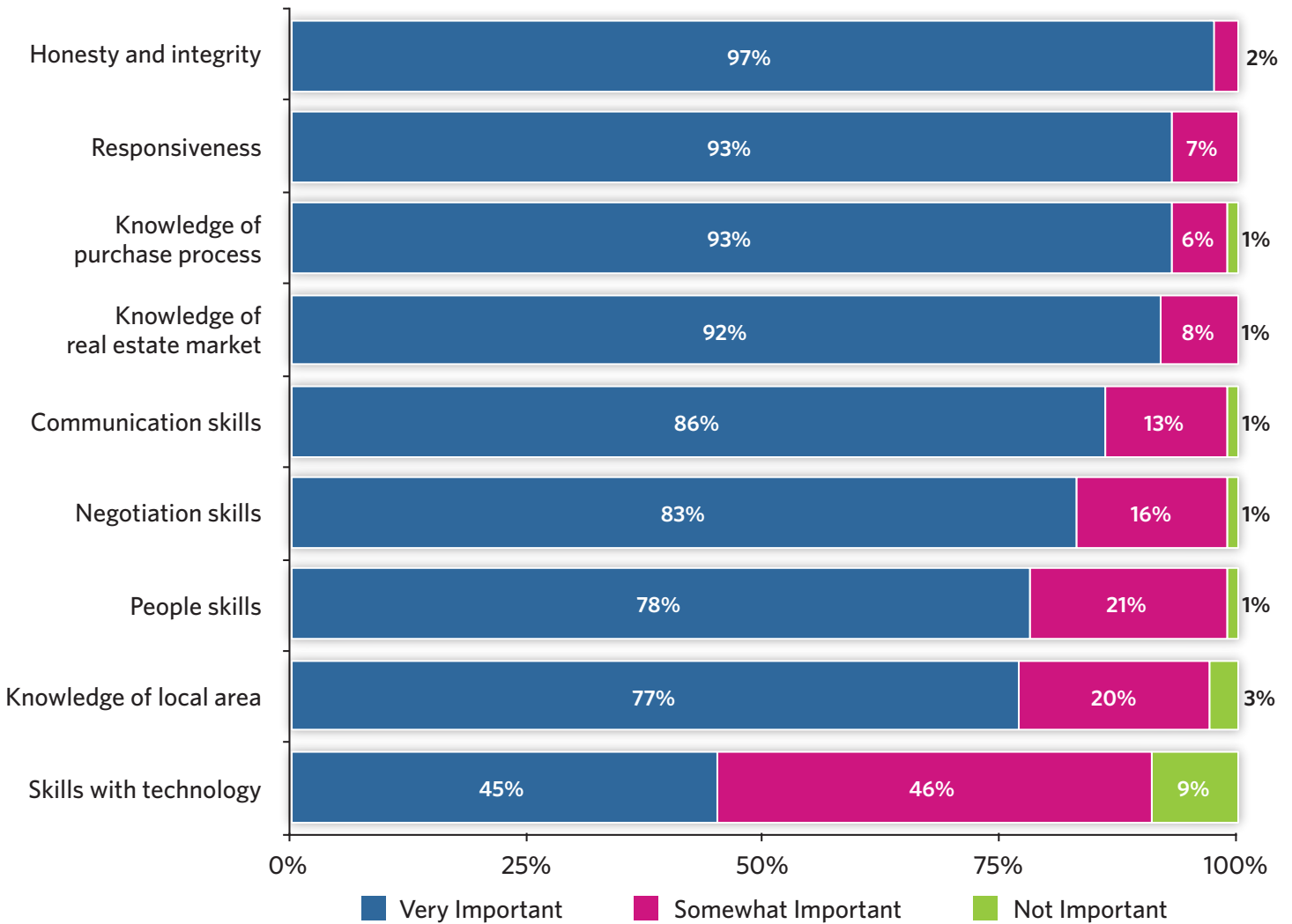


EXHIBIT 4-18 AGENT SKILLS AND QUALITIES CONSIDERED "VERY IMPORTANT" BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percent of Respondents)

| | BUYERS OF | | | | |
|---------------------------------|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Honesty and integrity | 97% | 97% | 97% | 99% | 97% |
| Knowledge of purchase process | 93 | 95 | 92 | 92 | 93 |
| Responsiveness | 93 | 93 | 93 | 93 | 93 |
| Knowledge of real estate market | 92 | 90 | 93 | 95 | 91 |
| Communication skills | 86 | 87 | 85 | 86 | 86 |
| Negotiation skills | 83 | 85 | 82 | 82 | 83 |
| People skills | 78 | 79 | 78 | 79 | 78 |
| Knowledge of local area | 77 | 71 | 80 | 79 | 77 |
| Skills with technology | 45 | 44 | 46 | 49 | 45 |

EXHIBIT 4-19 AGENT SKILLS AND QUALITIES CONSIDERED "VERY IMPORTANT" BY ADULT COMPOSITION OF HOUSEHOLD*(Percent of Respondents)***ADULT COMPOSITION OF HOUSEHOLD**

| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
|---------------------------------|------------|----------------|---------------|-------------|------------------|-------|
| Honesty and integrity | 97% | 98% | 98% | 94% | 97% | 98% |
| Knowledge of purchase process | 93 | 93 | 94 | 90 | 95 | 96 |
| Responsiveness | 93 | 93 | 93 | 88 | 94 | 87 |
| Knowledge of real estate market | 92 | 92 | 95 | 85 | 90 | 89 |
| Communication skills | 86 | 86 | 88 | 82 | 90 | 86 |
| Negotiation skills | 83 | 83 | 86 | 78 | 84 | 78 |
| People skills | 78 | 78 | 81 | 72 | 82 | 83 |
| Knowledge of local area | 77 | 78 | 78 | 73 | 71 | 77 |
| Skills with technology | 45 | 44 | 49 | 43 | 47 | 54 |

EXHIBIT 4-20 IMPORTANCE OF AGENT COMMUNICATIONS*(Percent of Respondents)*

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Calls personally to inform of activities | 76% | 74% | 77% |
| Sends postings as soon as a property is listed/the price changes/under contract | 71 | 71 | 71 |
| Sends property info and communicates via text message | 63 | 66 | 61 |
| Sends emails about specific needs | 55 | 59 | 52 |
| Can send market reports on recent listings and sales | 52 | 47 | 55 |
| Has a website | 31 | 27 | 33 |
| Has a mobile site to show properties | 30 | 29 | 31 |
| Is active on social media | 13 | 13 | 13 |
| Active in local community/volunteerism | 13 | 12 | 14 |
| Sends an email newsletter | 8 | 8 | 8 |
| Advertises in newspapers | 4 | 3 | 5 |
| Has a blog | 1 | 2 | 1 |

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

(Percentage Distribution)

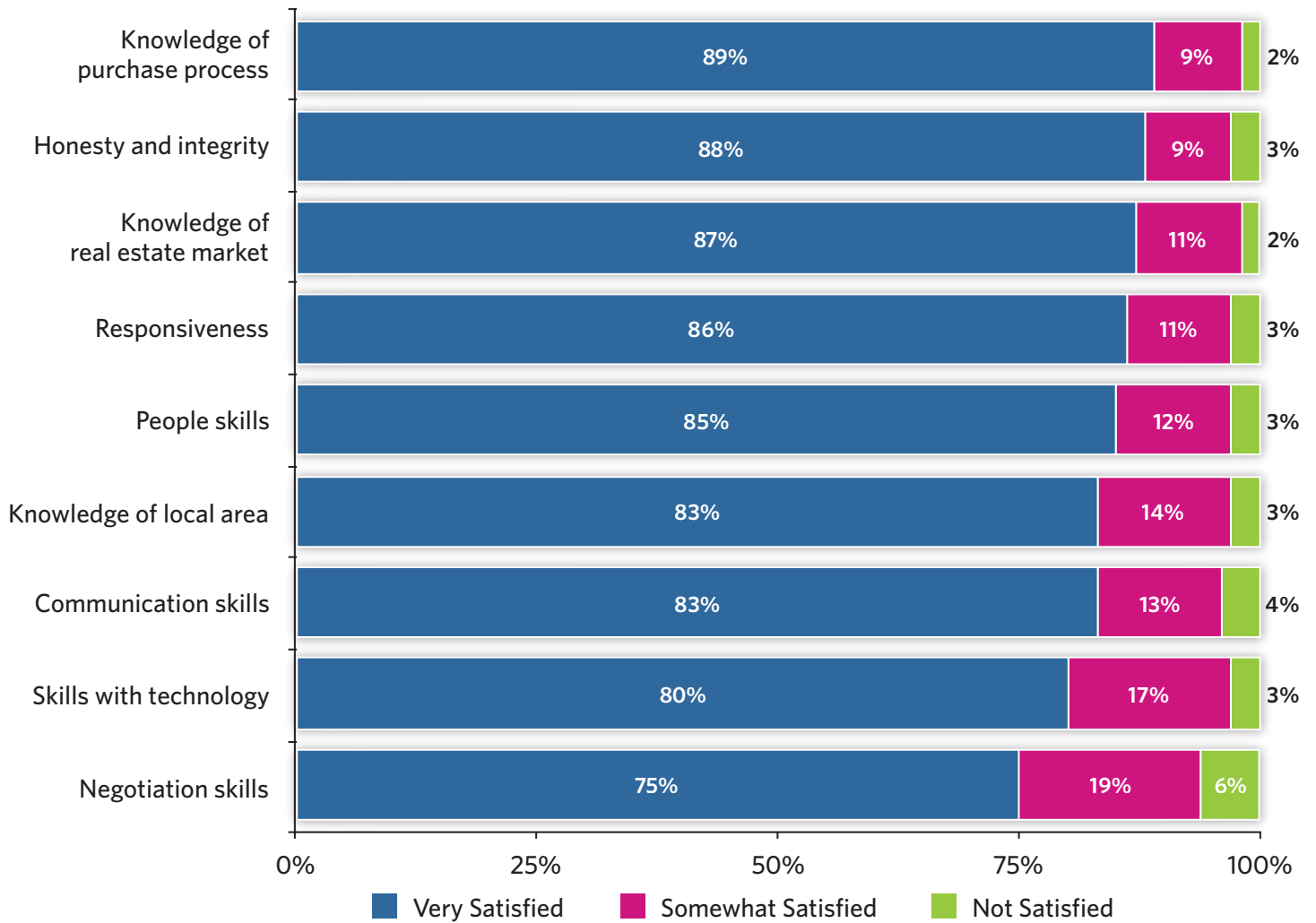


EXHIBIT 4-22 WOULD BUYER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

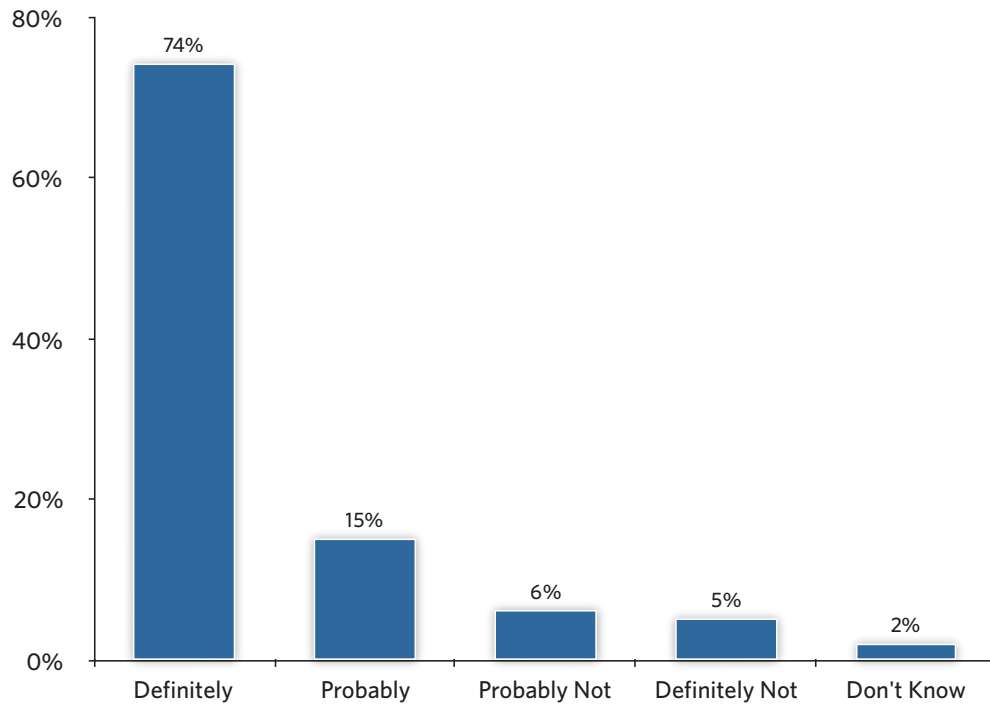


EXHIBIT 4-23 HOW MANY TIMES BUYER RECOMMENDED AGENT

(Percentage Distribution)

| | |
|---|----|
| None | 3% |
| One time | 91 |
| Two times | 3 |
| Three times | 1 |
| Four or more times | 2 |
| Times recommended since buying (median) | 1 |

CHAPTER 5:

Financing the Home Purchase

While many share the desire to own their own home, financing the purchase has a variety of obstacles, according to this year's survey responses. NAR has collected data since 1989 on the median percent of the downpayment that was financed for all buyers, as well as first-time and repeat buyers alike. Eighty-eight percent of all buyers financed their homes last year and, consistent with previous years, younger buyers are more likely to finance their home purchase.

In 2017, the median downpayment was 10 percent for all buyers, five percent for first-time buyers, and 14 percent for repeat buyers. The median percent financed has decreased over time. To compare to this trend, in 1989 the median percent of the downpayment for all buyers was 20 percent, 10 percent for first-time buyers, and 23 percent for repeat buyers. Between 1991 and 1999, the median percent financed was closer to 10 percent for all buyers, peaking back up to 18 percent in 2001. In 2006 to 2008, the median percent financed was nine percent followed by eight percent in 2009 and 2010. For all buyers, the median percent financed has remained steady at 10 percent since 2013.

For repeat buyers, the median percent financed was around a steady 20 percent through 2005, with a peak at its highest percent of downpayment at 25 percent in 2001. By 2006, it decreased to 16 percent downpayment and is now at 14 percent. For first-time buyers, the median downpayment has been 10 percent or below since 1989. The percent of the downpayment financed dropped to its lowest point in 2005 and 2006 at just two percent of the downpayment. The median percent of downpayment increased to six percent in 2014 where it has stayed until going back down to five percent this year.

Savings remain a key source of the downpayment for home buyers, both first-time and repeat buyers alike. Fifty-nine percent of recent home buyers used their savings to finance their home purchase, nearly flat from 61 percent last year. Overall, this is still above the historical norm of 55 percent since 2000. For all buyers who saved for a downpayment, 43 percent saved in less than six months, which is up from 40 percent last year. Sixty percent of buyers did not need to make any financial sacrifices to purchase their home. For those who did, the most common sacrifices buyers reported were cutting spending on luxury goods, entertainment, and clothes.

While the share of home buyers who reported that the process of obtaining a mortgage is more difficult than expected (34 percent in 2017) was considerably higher in the 2009 and 2010 reports, it has steadily decreased in the last few years. Conventional financing was the most common mortgage type, followed by FHA loans, primarily among home buyers again this year.

Buyers Who Financed Their Home

■ Exhibits 5-1 to 5-4

Eighty-eight percent of all buyers financed their homes last year, the same as last year. Consistent with previous years, younger buyers are more likely to finance their home purchase. Ninety-seven percent of buyers aged 18 to 44 years old financed, whereas only 64 percent of buyers over the age of 65 years financed their home.

First-time home buyers were more likely to finance their home at 96 percent than repeat buyers at 84 percent. Nearly all married couples that were first-time home buyers financed their homes at 97 percent compared to only 77 percent of single female repeat buyers.

Fourteen percent of buyers, the same as the last three years, financed 100 percent of the entire purchase price with a mortgage. The median percent financed for first-time buyers was 95 percent compared to 86 percent for repeat buyers, which was consistent with last year.

In 2017, the median downpayment was 10 percent for all buyers, five percent for first-time buyers, and 14 percent for repeat buyers. While the downpayment for repeat buyers increased to 14 percent from 11 percent, it is the same as in 2015 and closer to the trend from 2008 to 2015. In 1989, the median percent financed for all buyers was 20 percent, 10 percent for first-time buyers, and 23 percent for repeat buyers.

Sources of Downpayment

■ Exhibits 5-5 to 5-8

Fifty-nine percent of recent home buyers used their savings to finance their home purchase, nearly flat from 61 percent last year. Overall, this is still above the historical norm of 55 percent since 2000. For all buyers, the proceeds from the sale of a primary residence was the next most commonly cited way of financing a home purchase at 38 percent, up from 35 percent last year. For repeat buyers, proceeds from the sale of a primary residence was the most common way to finance a home purchase at 55 percent, up from 47 percent in 2014 and more than double the 25 percent in 2012, likely due to the increase in property values allowing buyers to use equity from their previous home at higher rates. For first-time buyers, they cited using savings (78 percent) and a gift from relative or friend (25 percent).

For all buyers who saved for a downpayment, 43 percent saved in less than six months, up from 40 percent last year. Forty-eight percent of first-time buyers saved for a year or less, compared to 63 percent of repeat buyers, which is up from 60 percent the year prior.

Unmarried couples surpassed single males with the highest percent of savings used for the downpayment at 70 percent. Seventy-four percent of single males used savings to finance the downpayment in 2015, which declined to 62 percent this year. Married couples and single females were the most likely to save for a downpayment in less than six months (44 and 43 percent respectively). Married couples and single females were the most likely to use proceeds from the sale of a primary home (43 percent and 38 percent respectively).

Expenses that Delayed Saving for a Downpayment or Home Purchase

■ Exhibits 5-9 to 5-11

Over one-fifth of buyers (22 percent) were delayed in purchasing a home by more than five years if they had debt that impeded them. The median length of time buyers waited to buy a home while saving for the downpayment and paying down debt was three years. Buyers were asked what difficulties they encountered in their home search and home buying process. The share that cited their most difficult step in the home buying process was saving for a downpayment was 13 percent again this year. These buyers were asked what expenses made saving for a downpayment difficult. Forty-nine percent of all buyers reported student loans again this year, 42 percent reported credit card debt, and 37 percent car loans.

For first-time home buyers, 25 percent said saving for a downpayment was the most difficult step in the process. Of that share, 55 percent said student loan debt delayed them in saving for a home. Among the seven percent of repeat buyers who reported that saving for a downpayment was the most difficult task, 41 percent reported credit card debt delayed them in saving for a home. Nineteen percent of unmarried couples reported saving for a downpayment was the most difficult task in the home buying process. Of that 19 percent, 62 percent reported student loans delayed their saving and 43 percent report credit card debt delayed their savings.

Sacrifices Made to Purchase Home

- Exhibits 5-12 to 5-13

Some buyers chose to make financial sacrifices in order to make a home purchase. Sixty percent of buyers did not need to make any sacrifices. For all buyers, the most common sacrifices reported were a cut in spending on luxury or non-essential items (28 percent), a cut in spending on entertainment (21 percent), and a cut in spending on clothes (15 percent). First-time buyers were more likely to make sacrifices than repeat buyers—56 percent compared to 32 percent made sacrifices. Unmarried couples reported making the most financial sacrifices.

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

- Exhibits 5-14 to 5-18

Eleven percent of buyers said the mortgage application process was more difficult than expected and 20 percent said it was easier than expected. Forty-six percent of buyers said that the mortgage application and approval process was no more difficult than expected. Twenty-six percent of first-time buyers said that the mortgage application and approval process was somewhat more difficult than expected compared to 21 percent of repeat buyers. Single males and single females were more likely to report the process was easier than expected for them.

Five percent of successful home buyers did have a mortgage application rejected from a mortgage lender before securing a mortgage. They typically had a median of one rejection. The most common reasons for the buyer reporting they were rejected was because of their debt to income ratio (12 percent), low credit score (11 percent), because their income was unable to be verified (five percent), not enough money in reserves (five percent), or insufficient downpayment (five percent).

Twenty-six percent of all buyers reported having student loan debt. That number jumps to 41 percent for first-time buyers and drops to 19 percent for repeat buyers. The median amount of student loan debt for all buyers was \$25,000, \$29,000 for first-time buyers and \$24,000 for repeat buyers.

Nine percent of recent buyers had a distressed property sale in the past—either a short sale or a foreclosure—and the typical year for a distressed sale was in 2010.

Type of Mortgage Loan

- Exhibits 5-19 to 5-20

Ninety-two percent of all buyers used a fixed-rate mortgage. Fifty-eight percent of buyers chose a conventional loan to finance their home, consistent with last year. Twenty-three percent of buyers reported securing a FHA loan and 13 percent chose a VA loan. First-time buyers sought FHA loans more commonly than repeat buyers at 34 percent compared to 16 percent. Repeat buyers largely used conventional loans at 65 percent, compared to 46 percent of first-time buyers.

Buyers' View of Homes as a Financial Investment

- Exhibits 5-21 to 5-22

Buyers continue to see purchasing a home as a good financial investment. Eighty-three percent reported the view that a home purchase is a good investment and 44 percent said it was better than owning stock. Only five percent reported that it was not a good financial investment, consistent with last year. Eighty-four percent of first-time buyers see owning a home as a sound financial endeavor compared to 82 percent of repeat buyers. Married couples are most likely to feel their home is a good financial investment at 83 percent.

In 2017, the median downpayment was 10 percent for all buyers, five percent for first-time buyers, and 14 percent for repeat buyers.

EXHIBIT 5-1

BUYERS WHO FINANCED THEIR HOME PURCHASE, BY AGE

(Percentage Distribution)

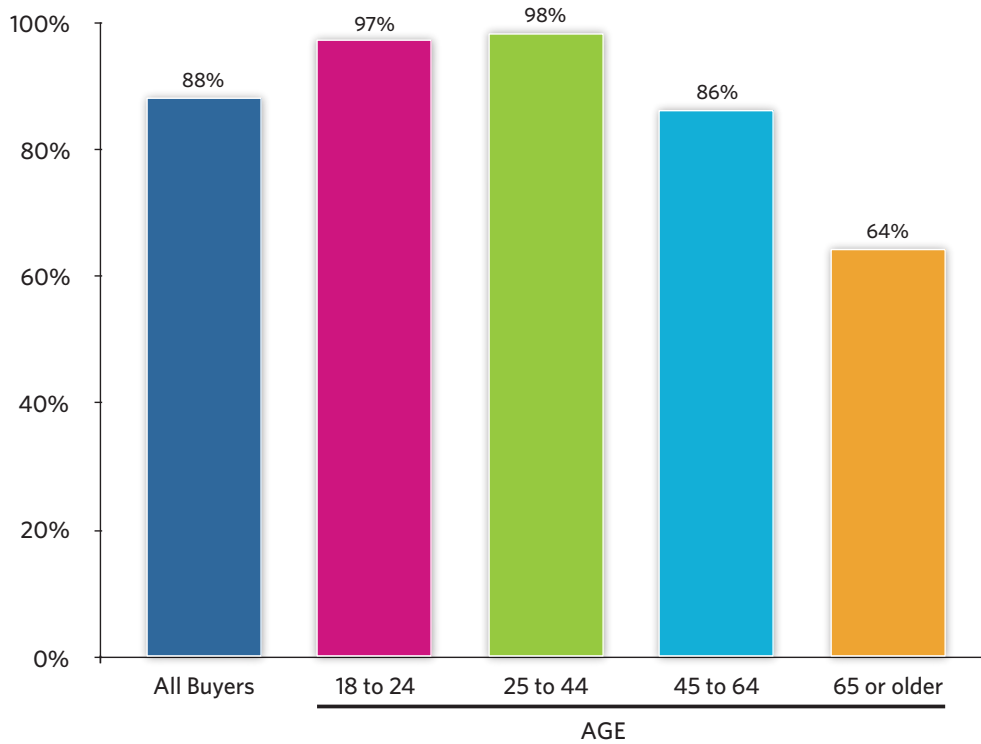


EXHIBIT 5-2

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

(Percentage Distribution)

ADULT COMPOSITION OF HOUSEHOLD

| | All buyers | Married couple | Single female | Single male | Unmarried couple | Other |
|-------------------|------------|----------------|---------------|-------------|------------------|-------|
| All Buyers | 88% | 88% | 83% | 87% | 93% | 82% |
| First-time Buyers | 96 | 97 | 94 | 94 | 96 | 91 |
| Repeat Buyers | 84 | 85 | 77 | 85 | 88 | 76 |

EXHIBIT 5-3 PERCENT OF HOME FINANCED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

| | BUYERS OF | | | | |
|---|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Less than 50% | 9% | 7% | 11% | 13% | 9% |
| 50% to 59% | 3 | 1 | 4 | 5 | 3 |
| 60% to 69% | 5 | 2 | 6 | 5 | 4 |
| 70% to 79% | 12 | 7 | 15 | 15 | 12 |
| 80% to 89% | 22 | 17 | 25 | 22 | 22 |
| 90% to 94% | 14 | 17 | 13 | 12 | 15 |
| 95% to 99% | 21 | 31 | 15 | 16 | 22 |
| 100%—Financed the entire purchase price with a mortgage | 14 | 18 | 12 | 13 | 14 |
| Median percent financed | 90% | 95% | 86% | 85% | 90% |

EXHIBIT 5-4 MEDIAN PERCENT DOWNPAYMENT BY FIRST-TIME AND REPEAT BUYERS, 1989-2017

(Medians)

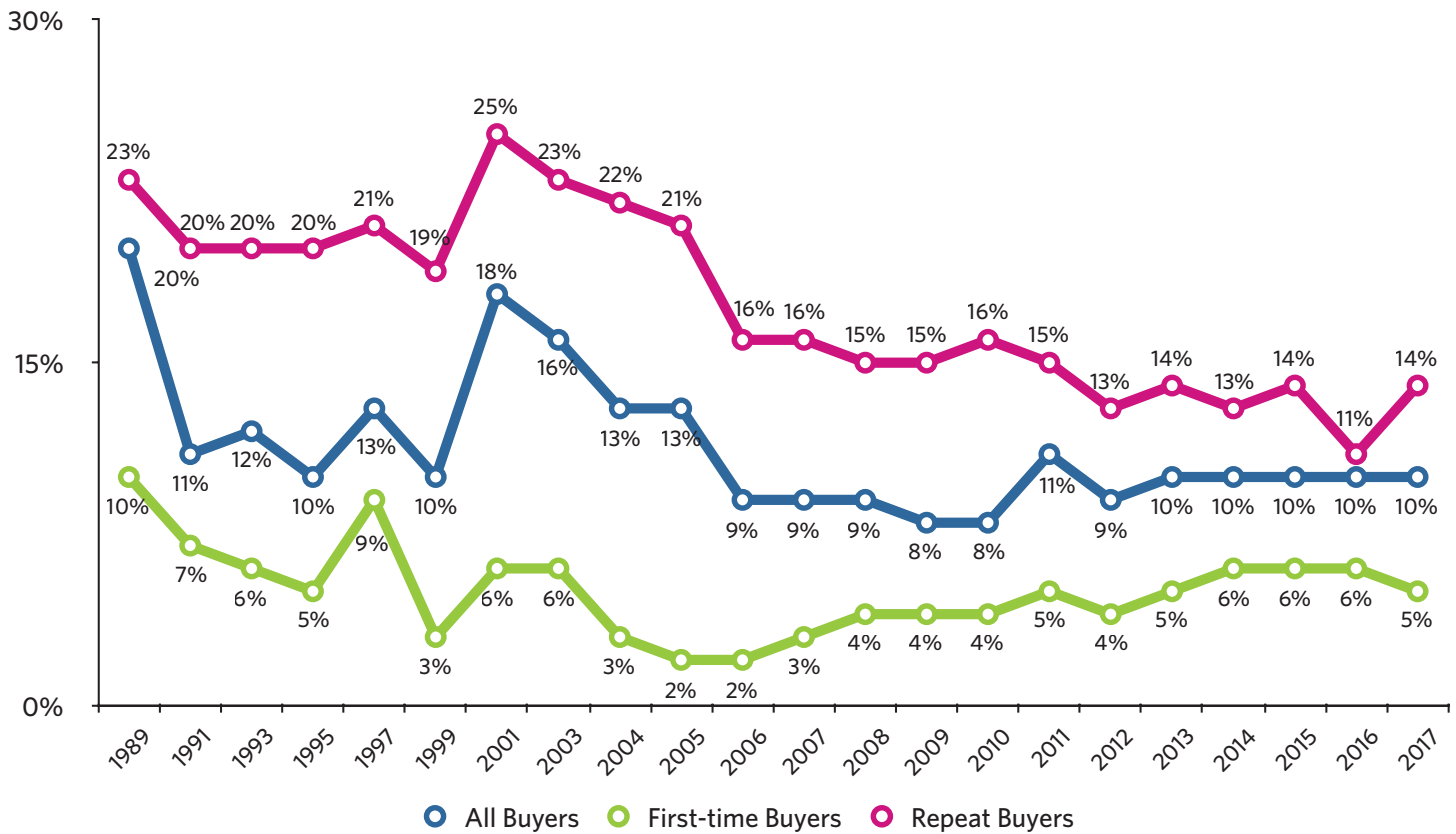


EXHIBIT 5-5

SOURCES OF DOWNPAYMENT, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Those Who Made a Downpayment)

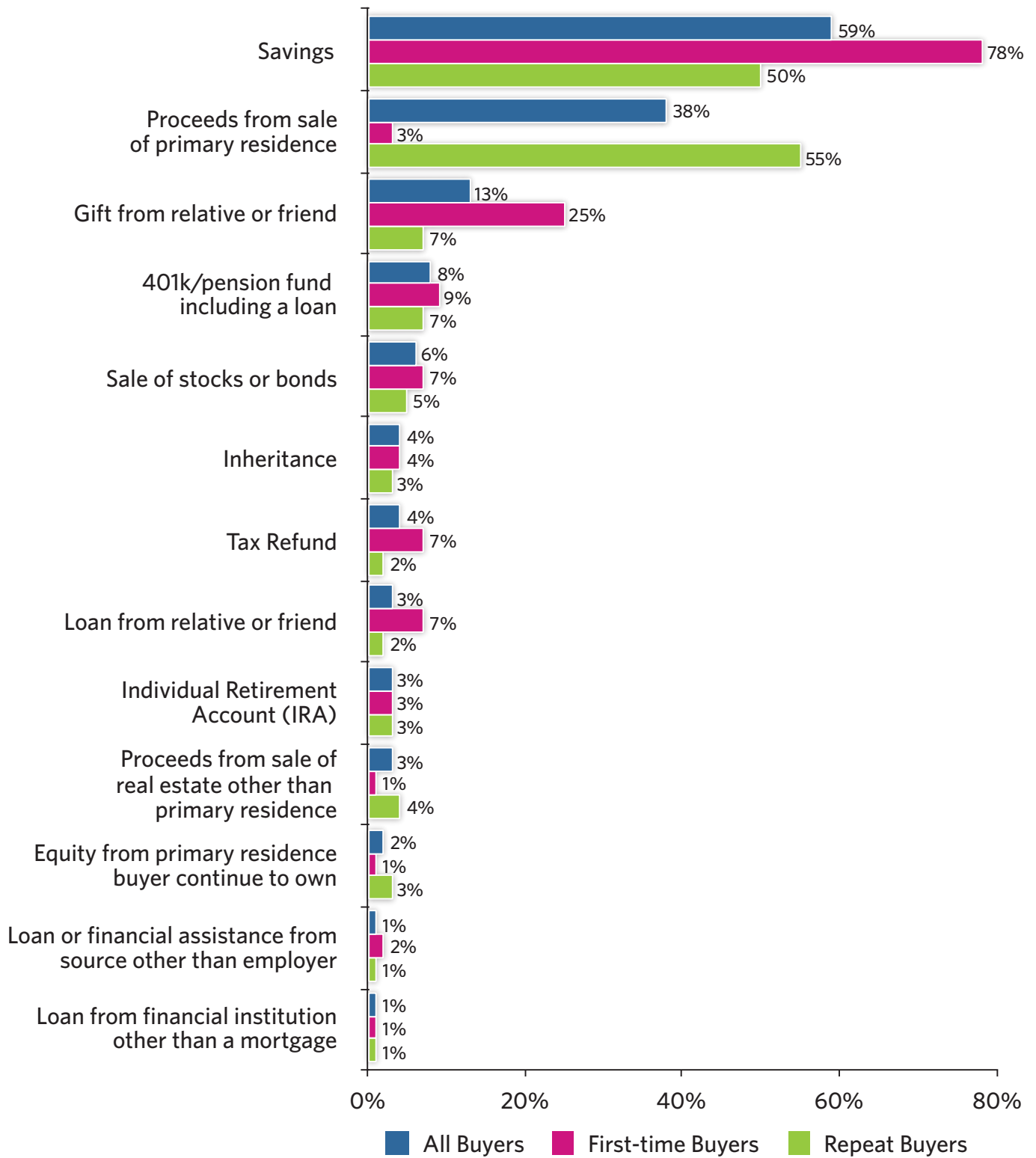


EXHIBIT 5-6

SOURCES OF DOWNPAYMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents Among Those Who Made a Downpayment)

| | ADULT COMPOSITION OF HOUSEHOLD | | | | | |
|--|--------------------------------|----------------|---------------|-------------|------------------|-------|
| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
| Savings | 59% | 58% | 54% | 62% | 70% | 48% |
| Proceeds from sale of primary residence | 38 | 43 | 38 | 28 | 17 | 30 |
| Gift from relative or friend | 13 | 12 | 12 | 9 | 23 | 13 |
| 401k/pension fund including a loan | 8 | 7 | 7 | 6 | 7 | 8 |
| Sale of stocks or bonds | 6 | 7 | 4 | 6 | 8 | 5 |
| Inheritance | 4 | 3 | 4 | 6 | 3 | 5 |
| Tax refund | 4 | 4 | 3 | 4 | 6 | 7 |
| Loan from relative or friend | 3 | 3 | 4 | 3 | 5 | 8 |
| Individual Retirement Account (IRA) | 3 | 3 | 3 | 4 | 3 | 3 |
| Proceeds from sale of real estate other than primary residence | 3 | 3 | 2 | 4 | 2 | 5 |
| Equity from primary residence buyer continue to own | 2 | 2 | 1 | 3 | 1 | * |
| Loan or financial assistance from source other than employer | 1 | 1 | 1 | 1 | 2 | 2 |
| Loan from financial institution other than a mortgage | 1 | * | 1 | 1 | 1 | * |
| Loan or financial assistance through employer | * | * | * | * | * | * |
| Other | 4 | 3 | 5 | 5 | 4 | 5 |

* Less than 1 percent

EXHIBIT 5-7

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

(Percent of Respondents Among Those Who Made a Downpayment)

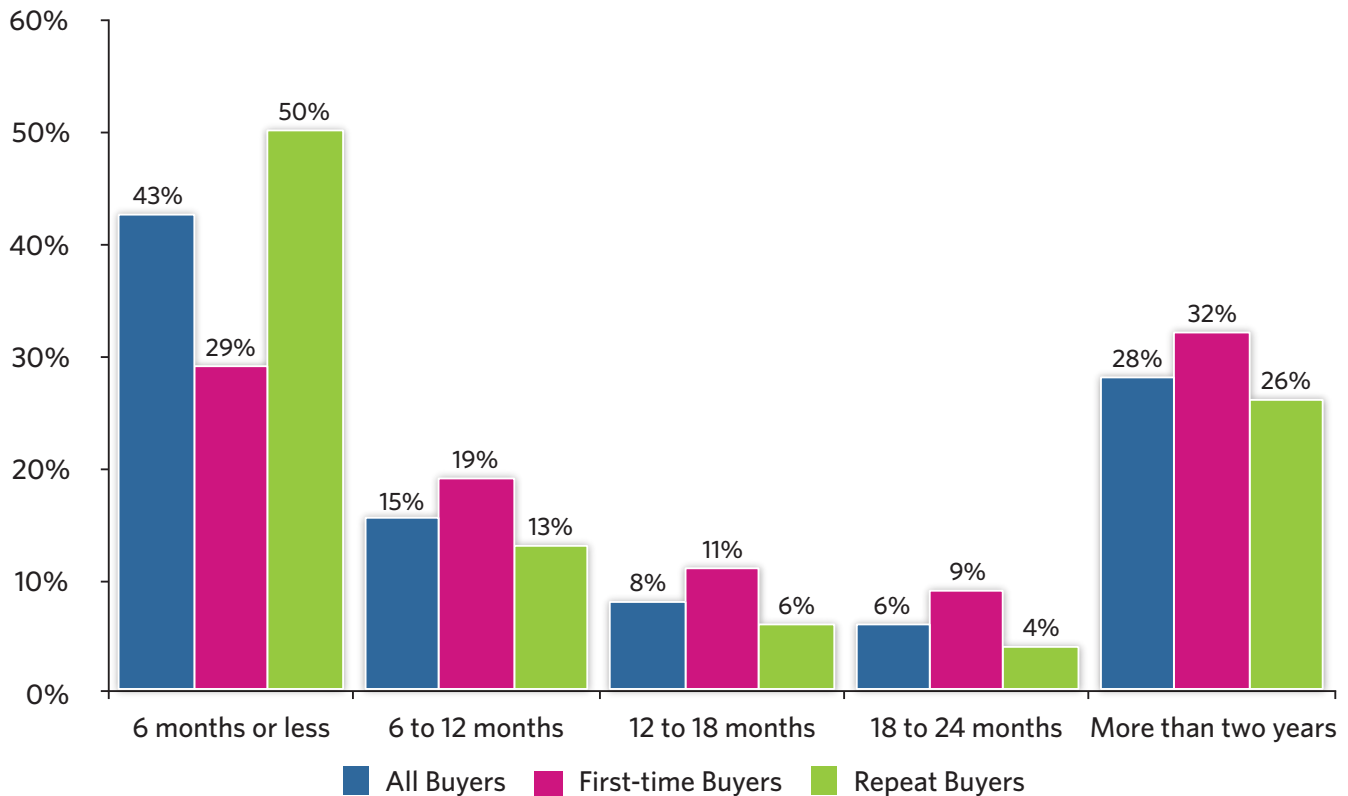


EXHIBIT 5-8 LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents Among Those Who Made a Downpayment)

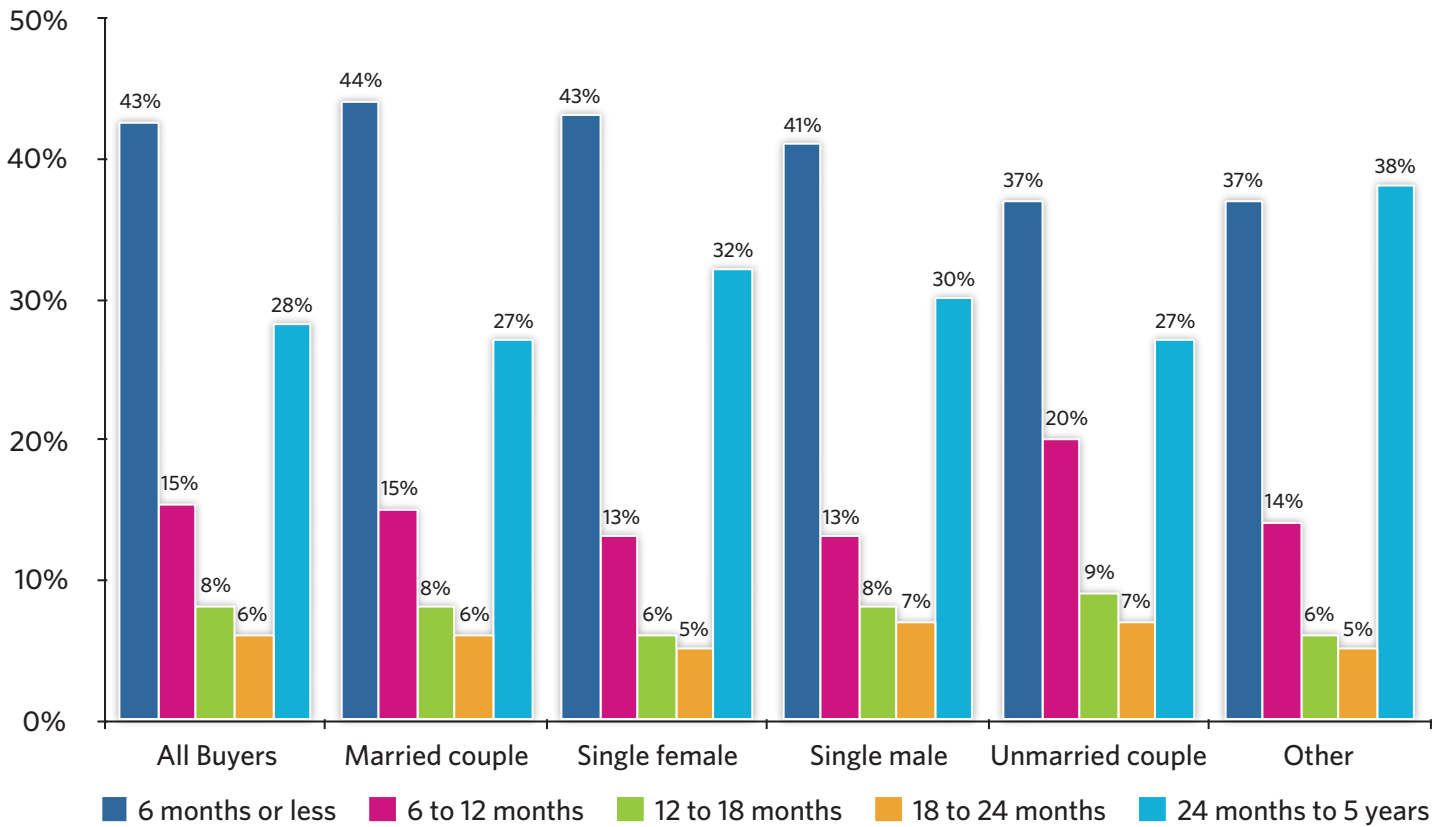


EXHIBIT 5-9 YEARS DEBT DELAYED HOME BUYERS FROM SAVING FOR A DOWNPAYMENT OR BUYING A HOME

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|----------------------|------------|-------------------|---------------|
| One year | 16% | 16% | 16% |
| Two years | 21 | 21 | 22 |
| Three years | 14 | 14 | 14 |
| Four years | 9 | 8 | 9 |
| Five years | 18 | 18 | 17 |
| More than five years | 22 | 23 | 22 |
| Median | 3 | 3 | 3 |

EXHIBIT 5-10 EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Who Reported Saving for a Downpayment Was Difficult)

| | All Buyers | First-time Buyers | Repeat Buyers |
|---|------------|-------------------|---------------|
| Share Saving for Downpayment was Most Difficult Task in Buying Process: | 13% | 25% | 7% |
| Debt that Delayed Saving: | | | |
| Student Loans | 49% | 55% | 38% |
| Credit card debt | 42 | 43 | 41 |
| Car loan | 37 | 40 | 31 |
| Child care expenses | 20 | 17 | 26 |
| Health care costs | 19 | 19 | 19 |
| Other | 17 | 16 | 19 |
| Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving | 2 | 2 | 2 |

EXHIBIT 5-11 EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents Who Reported Saving for a Downpayment Was Difficult)

ADULT COMPOSITION OF HOUSEHOLD

| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
|---|------------|----------------|---------------|-------------|------------------|-------|
| Share Saving for Downpayment was Most Difficult Task in Buying Process: | 13% | 13% | 10% | 12% | 19% | 19% |
| Debt that Delayed Saving: | | | | | | |
| Student Loans | 49% | 50% | 46% | 35% | 62% | 47% |
| Credit card debt | 42 | 42 | 39 | 52 | 43 | 63 |
| Car loan | 37 | 40 | 25 | 40 | 38 | 33 |
| Child care expenses | 20 | 23 | 7 | 18 | 16 | 33 |
| Health care costs | 19 | 19 | 16 | 8 | 20 | 33 |
| Other | 17 | 14 | 24 | 23 | 20 | 13 |
| Median Years Debt Delayed Home Purchase Among Those Who Had Difficulty Saving | 2 | 2 | 2 | 2 | 1 | 3 |

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

(Percent of Respondents)

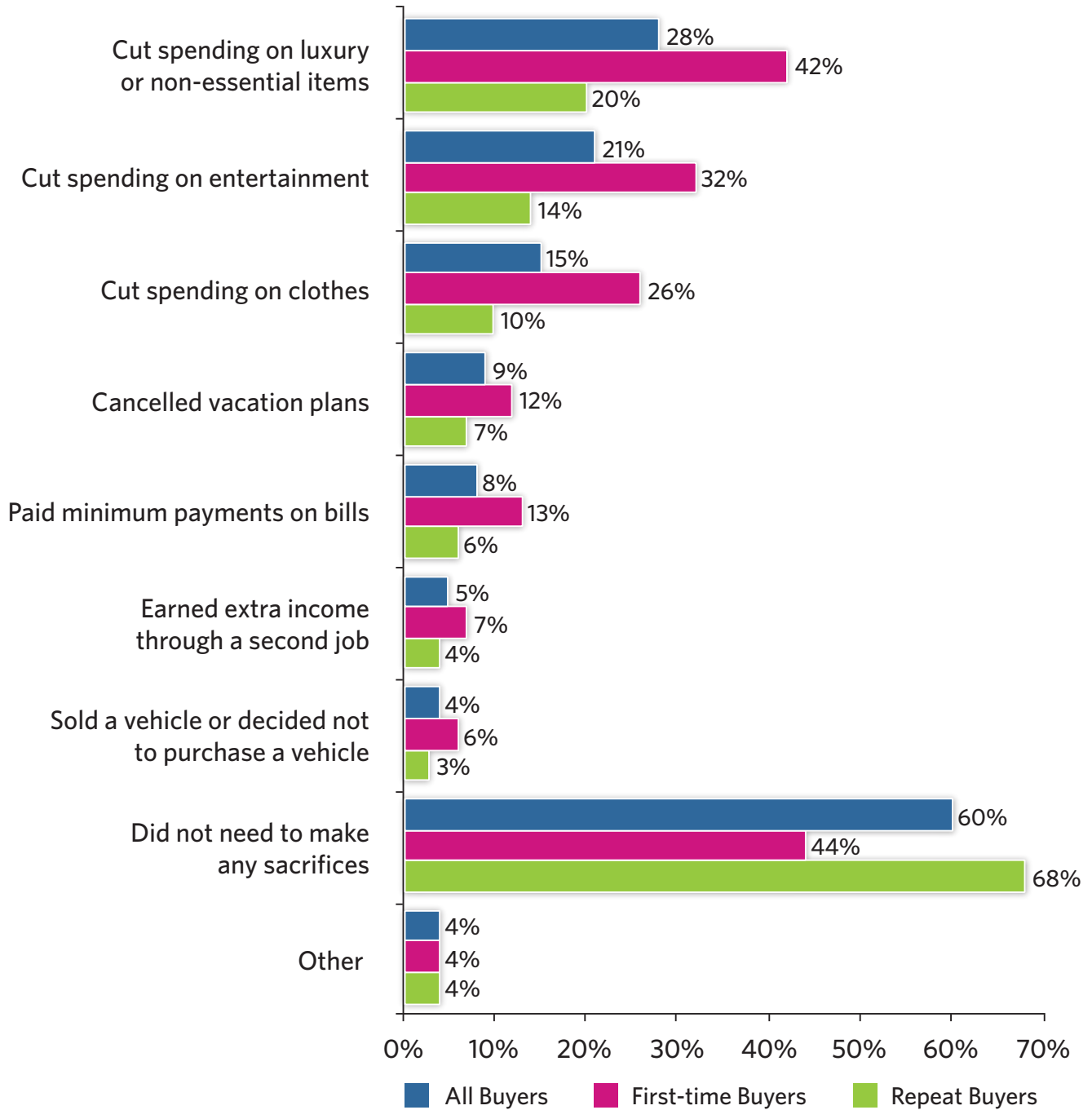


EXHIBIT 5-13 SACRIFICES MADE TO PURCHASE HOME, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents)

| | ADULT COMPOSITION OF HOUSEHOLD | | | | | |
|---|--------------------------------|----------------|---------------|-------------|------------------|-------|
| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
| Cut spending on luxury or non-essential items | 28% | 26% | 28% | 27% | 38% | 21% |
| Cut spending on entertainment | 21 | 19 | 20 | 22 | 30 | 20 |
| Cut spending on clothes | 15 | 13 | 19 | 12 | 23 | 19 |
| Cancelled vacation plans | 9 | 9 | 7 | 10 | 11 | 13 |
| Paid minimum payments on bills | 8 | 8 | 8 | 6 | 13 | 8 |
| Earned extra income through a second job | 5 | 4 | 5 | 6 | 8 | 14 |
| Sold a vehicle or decided not to purchase a vehicle | 4 | 4 | 3 | 6 | 6 | 3 |
| Did not need to make any sacrifices | 60 | 61 | 60 | 61 | 48 | 61 |
| Other | 4 | 4 | 5 | 4 | 4 | 6 |

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

(Percentage Distribution Among Those Who Financed Their Home Purchase)

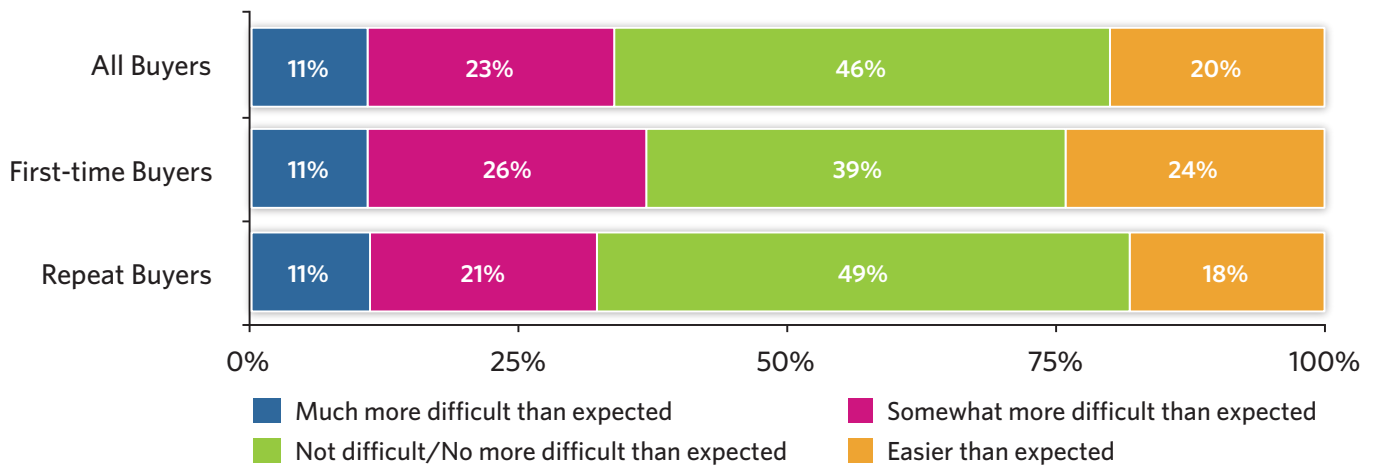


EXHIBIT 5-15 DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution Among Those Who Financed Their Home Purchase)

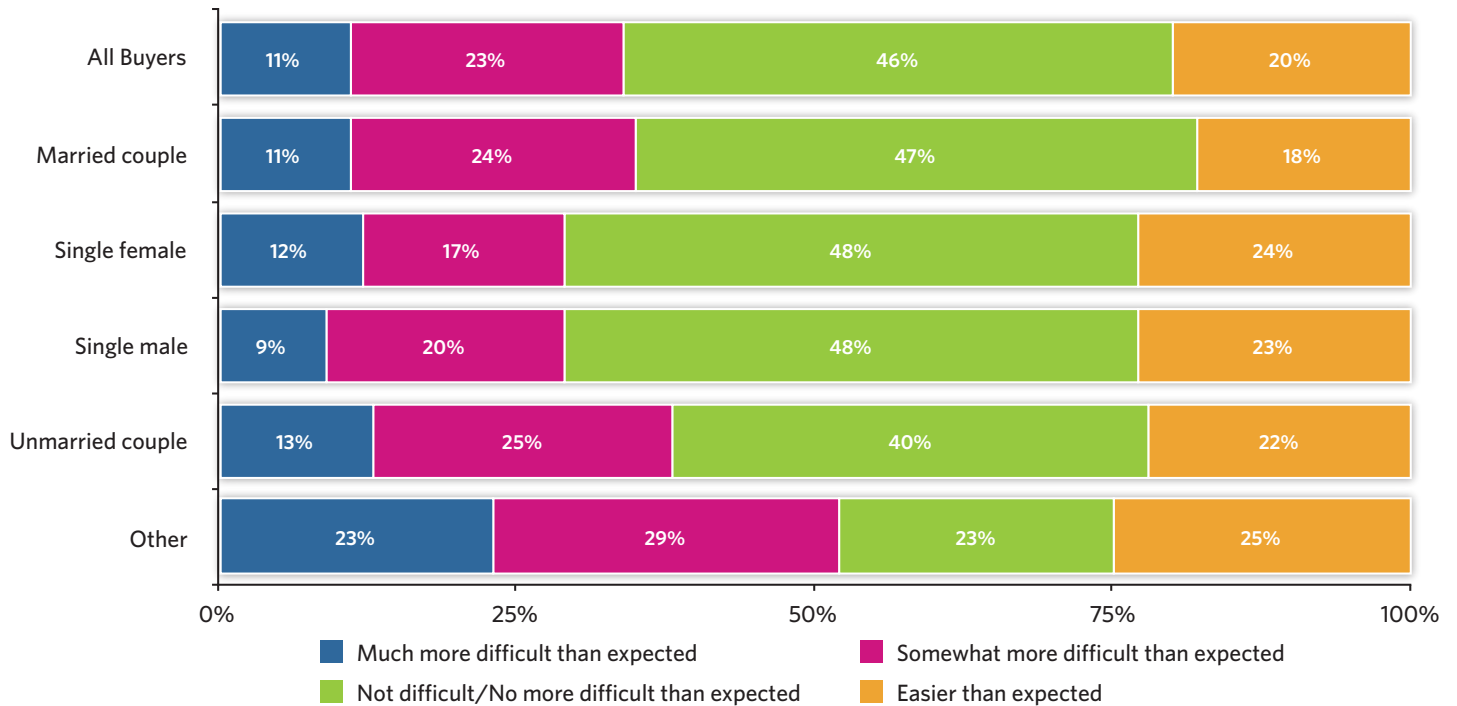


EXHIBIT 5-16 BUYER MORTGAGE APPLICATION HAD BEEN REJECTED FROM MORTGAGE LENDER

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|--|------------|-------------------|---------------|
| Have had application denied | 5% | 6% | 4% |
| Median number of times application was denied | 1 | 1 | 1 |
| BUYER REASONS WHY REJECTED BY MORTGAGE LENDER | | | |
| Debt to income ratio | 6% | 9% | 6% |
| Low credit score | 11 | 15 | 8 |
| Income was unable to be verified | 5 | 6 | 4 |
| Not enough money in reserves | 5 | 8 | 3 |
| Insufficient downpayment | 5 | 8 | 3 |
| Too soon after refinancing another property | 1 | 1 | * |
| Other | 63 | 52 | 69 |

* Less than 1 percent

EXHIBIT 5-17 BUYERS WHO HAVE STUDENT LOAN DEBT

(Percentage Distribution)

| | All Buyers | First-time Buyers | Repeat Buyers |
|------------------------------------|------------|-------------------|---------------|
| Have student loan debt | 26% | 41% | 19% |
| Under \$10,000 | 20% | 18% | 22% |
| \$10,000 to \$24,999 | 27 | 26 | 29 |
| \$25,000 to \$49,999 | 23 | 26 | 21 |
| \$50,000 to \$74,999 | 13 | 13 | 12 |
| \$75,000 or more | 17 | 17 | 17 |
| Median amount of student loan debt | \$25,000 | \$29,000 | \$24,000 |

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

(Percentage Distribution)

| | |
|---|------|
| Previously had a distressed property sale | 9% |
| Median year of sale | 2010 |

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

(Percentage Distribution Among Those Who Financed Their Home Purchase)

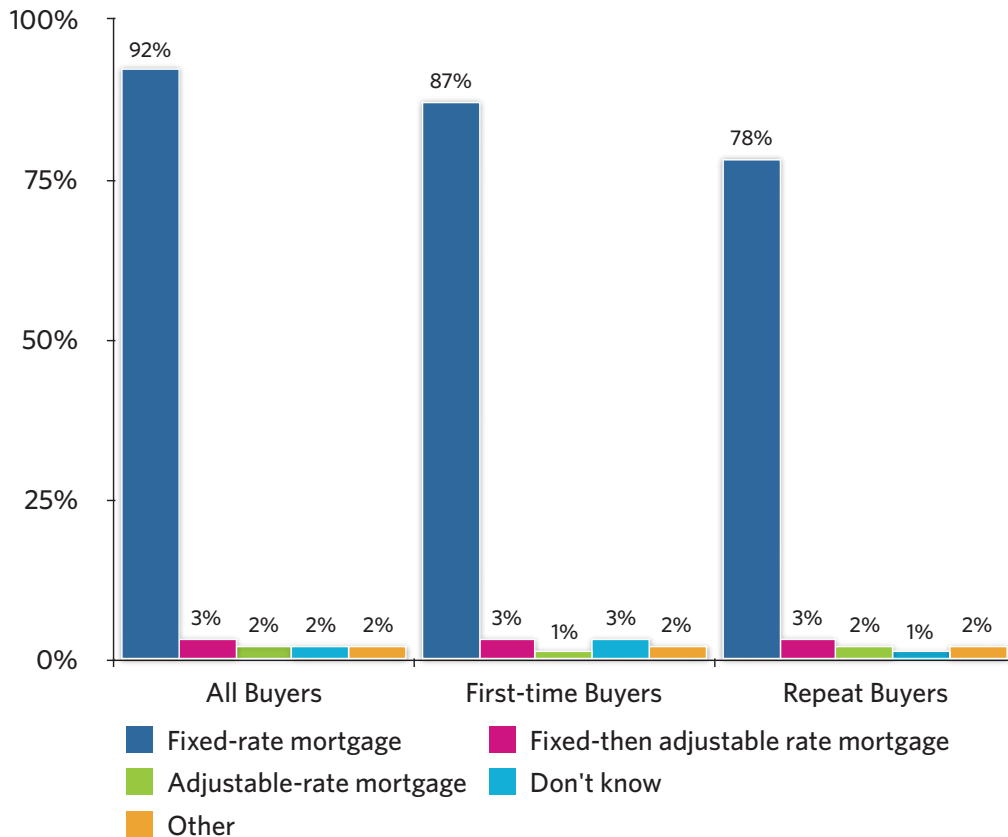


EXHIBIT 5-20 TYPE OF LOAN, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among Those Who Financed Their Home Purchase)

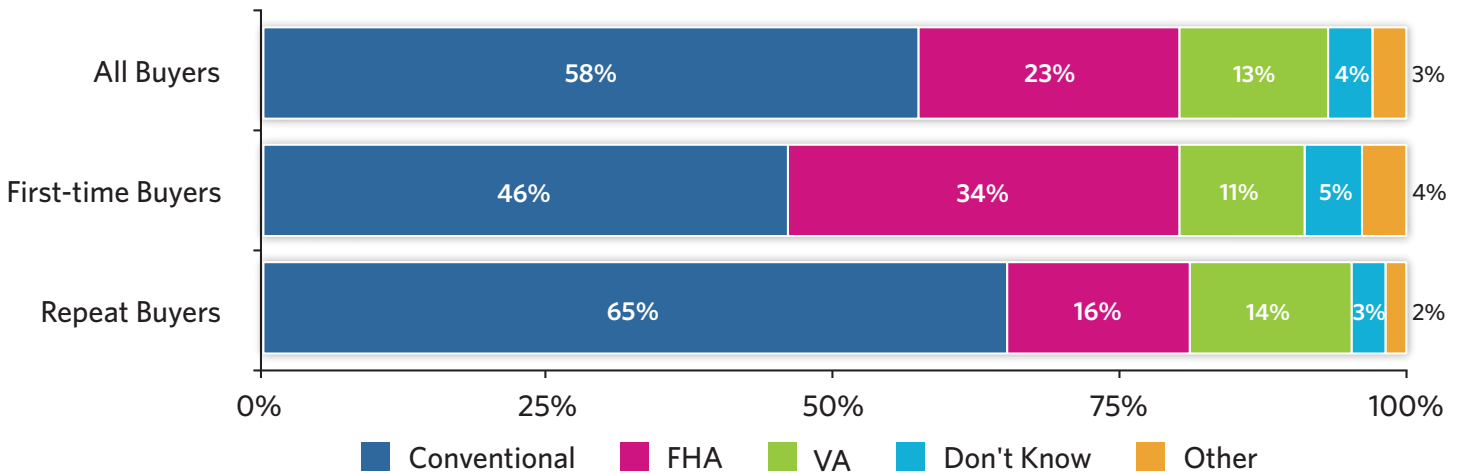


EXHIBIT 5-21 BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

| | BUYERS OF | | | | |
|---------------------------------|------------|-------------------|---------------|-----------|------------------------|
| | All Buyers | First-time Buyers | Repeat Buyers | New Homes | Previously Owned Homes |
| Good financial investment | 83% | 84% | 82% | 83% | 82% |
| Better than stocks | 44 | 48 | 42 | 41 | 44 |
| About as good as stocks | 27 | 26 | 27 | 28 | 27 |
| Not as good as stocks | 12 | 10 | 13 | 14 | 11 |
| Not a good financial investment | 5 | 3 | 6 | 4 | 5 |
| Don't know | 13 | 14 | 13 | 13 | 13 |

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

(Percentage Distribution)

| | ADULT COMPOSITION OF HOUSEHOLD | | | | | |
|---------------------------------|--------------------------------|----------------|---------------|-------------|------------------|-------|
| | All Buyers | Married couple | Single female | Single male | Unmarried couple | Other |
| Good financial investment | 83% | 83% | 81% | 80% | 82% | 76% |
| Better than stocks | 44 | 42 | 44 | 39 | 52 | 44 |
| About as good as stocks | 27 | 28 | 29 | 26 | 24 | 21 |
| Not as good as stocks | 12 | 13 | 8 | 15 | 6 | 11 |
| Not a good financial investment | 5 | 5 | 4 | 6 | 4 | 6 |
| Don't know | 13 | 12 | 15 | 14 | 14 | 17 |

CHAPTER 6:

Home Sellers and their Selling Experience

NAR has collected data on the median tenure in the home since 1985. In 2017, the median tenure for sellers was 10 years. In 1985, the median tenure was just five years. In the last 30 years, sellers have remained in the same home for longer periods of time. From 1987 to 2008, sellers stayed in the home for a median of six years, with the only exception of 1997 when the median tenure bumped up to seven years. After 2008, the median tenure in the home began to increase by one year each year. By 2011, the median tenure reached nine years, where it remained for three consecutive years, and jumped up again in 2014 to 10 years. It decreased to nine years in 2015, but rose in 2016 to a median of 10 years where it remained in 2017, effectively doubling since the data collection started three decades prior.

Tightened inventory continues to cause prices to increase in many areas of the country. While housing inventory is reduced in many areas, sellers see a favorable market where they receive a median of 99 percent of their asking price and sell their homes typically within three weeks.

Increased home prices have lowered the share of home sellers who report they delayed the sale of their home because their home was worth less than their mortgage. That share of sellers dropped from 12 percent in the 2016 report to 10 percent in 2017. However, sellers who purchased their home eight to 10 years ago continue to report stalling their home sale at higher rates—26 percent of sellers reported delaying their home sale.

The typical seller had \$47,500 in equity in their home when their home sold, in comparison to the purchase price of their home.

Home Seller Characteristics

■ Exhibits 6-1 through 6-6

The typical age of home sellers was 55 this year, up from 46 in 2009. The median income in 2016 for the typical household was \$103,300, up from \$100,700 just last year. Incomes in the Northeast and South were typically higher than in the Midwest and West.

The share of married couples selling their home was 74 percent this year, down slightly from 76 percent last year. From 2004 to 2010, the share of married couples selling their homes stayed between 71 and 75 percent. Single females who sold their home gained two percent this year to 16 percent. Of all homes sold on the market, 65 percent did not have children under the age of 18 residing in the home.

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

Home Selling Situation

■ Exhibits 6-7 through 6-8

For repeat buyers, 22 percent sold their home in 2017, 45 percent sold in 2016, and only three percent have not been able to sell yet. Six percent do not plan to sell their home. Two-thirds (66 percent) were repeat sellers and the share of first-time home sellers was 34 percent.

Home Sold vs. Home Purchased

■ Exhibits 6-9 through 6-20

The majority of home sellers in the 2017 reported they purchased a home in the same state as they sold a home at 73 percent. Fifteen percent of home sellers moved to another region of the country and 12 percent remained in the same region but moved to a nearby state. Half of the homes sold (52 percent) were located in the suburbs or a subdivision. Thirty-nine percent of the homes sold this year were located in the South region, 24 percent were in the Midwest region, and 23 percent were in the West region.

Detached single-family homes were the most likely home sold at 81 percent. Townhome and row houses sold at six percent and multi-unit apartments or condos buildings sold at eight percent. Townhomes and condos were more common in urban and central city areas at 10 percent and 18 percent respectively.

Fifty-two percent of sellers traded up and purchased a home that was larger in size than what they previously owned, 28 percent bought a home that was similar in size, and 20 percent traded down and purchased a home that was smaller in size. For buyers 55 years in age and older, they purchased a smaller home by 100 square feet. For buyers who were 44 years and younger, they purchased a home 600 square feet larger. The typical home had three bedrooms and two bathrooms, the same as in the year prior.

Fifty-five percent of all sellers purchased a home that was newer in age than their previous home. Twenty-two percent purchased a home the same age and 23 percent purchased an older home. Fifty-one percent of sellers traded up to purchase a more expensive home than the home they just sold, 33 percent purchased a less expensive home, and 16 percent purchased a home similar in price. Buyers who are 64 and younger typically bought a more expensive home than the one they just sold. Buyers aged 35 to 44 bought the most expensive trade-ups this year by an increase of \$90,000. Buyers aged 65 and over typically bought a less expensive home.

For all sellers, the most commonly cited reason for selling their home was that it was too small (16 percent), followed by the desire to move closer to friends and family (14 percent), and a job relocation (11 percent). For sellers that moved the greatest distances, the primary reason was to relocate for a job. For sellers moving within 10 miles, the most common reason was the home was too small followed by the home was too big, and the neighborhood became less desirable. For the most common reasons among seller experience: for first-time sellers, 29 percent said their home was too small and repeat buyers wanted to be closer to friends and family (17 percent).

Eighty-nine percent of home sellers worked with a real estate agent to sell their home. The share of FSBO sales was at eight percent again this year, which is lower than the historical norm.

Seller Stalled Home Sale

- **Exhibits 6-21 and 6-22**

Ten percent of recent sellers stalled or delayed their home sale because their home was worth less than their mortgage. Ninety percent were able to sell when they wanted to. Thirteen percent of first-time buyers stalled but lived in the home, compared to eight percent for repeat buyers. Twenty-six percent of those who purchased their home eight to 10 years ago reported stalling or waiting to sell the home.

Tenure in Home

- **Exhibits 6-23 and 6-25**

The median number of years a seller remained in their home was 10 years. That number is still higher than reported in 2001 to 2008 where the tenure in the home was only six years. The highest tenure in a home was for cabins homes, where sellers typically lived for 12 years, followed by detached single-family mobile or manufactured homes which sold typically after 11 years. Sellers who were 18 to 34 years of age had the shortest tenure in their homes—selling within five years, compared to those over 75 years of age who sold their home typically after 16 years. In 1985, the median tenure was just five years, doubling over to 10 years this year.

Distance Moved

- **Exhibits 6-26 and 6-27**

The purchasing habits of sellers lead them to buy close to where they previously lived, moving a median of 18 miles away. In the Northeast and Midwest, sellers typically moved within 15 miles compared to 20 miles in the West. This trend varies with age, where younger sellers between 35 and 44 years only move within 11 miles. Sellers of 65 to 74 years moved over 100 miles away 35 percent of the time.

Method of Sale

- **Exhibits 6-28 through 6-31**

Eighty-nine percent of home sellers worked with a real estate agent to sell their home. The share of FSBO sales was at eight percent again this year, which is lower than the historical norm. From 2001 to 2008, FSBO sales ranged from 12 percent to 14 percent. Working with an agent was highest in the West and South at 90 percent and lowest in the Midwest at 87 percent. Inversely, FSBO sales were highest in the Midwest at 11 percent and seven percent in the other regions.

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

Of all home sellers, only eight percent reported that they knew the buyer of their home. Among those sellers that were assisted by an agent, just four percent knew the buyer. In contrast, 41 percent of FSBO sellers said they knew the buyer of their home before the transaction.

Sales Price and Time on the Market

- **Exhibits 6-32 through 6-36**

For recently sold homes, the final sales price was a median 99 percent of the final listing price. In the West, the median final sales price was as high as 100 percent of the listing price compared to 98 percent in all other regions. For all sellers, time on market was a median of three weeks, down from four weeks last year. In the Northeast, it was a median of four weeks, and just three weeks in the other three regions. Time on the market and the ratio of sales price to listing price have a strong relationship; generally, the longer a home is on the market the greater the discount from the listing price upon sale. Homes that were on the market for two weeks or less received a median of 100 percent of their asking price. Twenty-four percent of sellers who sold their home in less than a week, sold for more than the asking price. Homes that were on the market for 17 weeks or more typically received just 95 percent of the sale price compared to the listing price. Forty-six percent of sellers reported their home was on the market for two weeks or less.

Homes which are on the market longer tend to reduce their listing price. Ninety-four percent of homes that were listed on the market for less than one week did not reduce their asking price. For homes that were listed for three to four weeks, 35 percent reduced their asking price overall and 25 percent reduced the asking price only once. For homes on the market for 17 weeks or more, only 15 percent were sold at the initial asking price.

Incentives to Prospective Buyers

- **Exhibits 6-37 and 6-38**

Thirty-seven percent of all sellers offered incentives to attract buyers. This varies by region, and was the most common in the South and Midwest and less likely in the Northeast and West. Home warranty policies followed by assistance with closing costs were the top two listed incentives when selling a home. As to be expected, the longer a home is on the market, the more likely the seller is to add an incentive. For homes that were listed on the market for over 17 weeks, 44 percent offered some kind of incentive compared to only 15 percent of homes that were listed for less than one week.

The median number of years a seller remained in their home was 10 years. That number is still higher than reported in 2001 to 2008 where the tenure in the home was only six years.



Equity by Tenure

- **Exhibit 6-39**

This year, home sellers cited that they sold their homes for a median of \$47,500 more than they purchased it, up from \$43,100 the year prior. This accounts for a 26 percent price gain, up from 24 percent the year before. Generally, the longer a seller is in the home the greater the increase attributable to price appreciation. Sellers who owned their homes for two to seven years, all reported roughly selling their homes for \$25,000 to 45,000 more than they purchased it. That number drops to \$30,000 between eight and 10 years, and then increases again. Homes sold after 21 years reported a price gain of \$138,000.

Satisfaction with the Sales Process

- **Exhibit 6-40**

Sixty-two percent of sellers were “very satisfied” with the selling process. Twenty-six percent were somewhat satisfied. Thirteen percent were dissatisfied with the process.



EXHIBIT 6-1 AGE OF HOME SELLERS, BY REGION

(Percentage Distribution)

| | SELLERS WHO SOLD A HOME IN THE | | | | |
|--------------------|--------------------------------|-----------|---------|-------|------|
| | All Sellers | Northeast | Midwest | South | West |
| 18 to 34 years | 12% | 13% | 15% | 11% | 11% |
| 35 to 44 years | 19 | 16 | 20 | 20 | 18 |
| 45 to 54 years | 18 | 19 | 18 | 18 | 16 |
| 55 to 64 years | 24 | 27 | 22 | 24 | 26 |
| 65 to 74 years | 20 | 20 | 17 | 20 | 22 |
| 75 years or older | 7 | 4 | 8 | 7 | 7 |
| Median age (years) | 55 | 56 | 53 | 55 | 56 |

EXHIBIT 6-2 HOUSEHOLD INCOME OF HOME SELLERS, 2016

(Percentage Distribution)

| | SELLERS WHO SOLD A HOME IN THE | | | | |
|------------------------|--------------------------------|-----------|----------|-----------|----------|
| | All Sellers | Northeast | Midwest | South | West |
| Less than \$25,000 | 2% | 1% | 3% | 2% | 3% |
| \$25,000 to \$34,999 | 3 | 2 | 4 | 4 | 2 |
| \$35,000 to \$44,999 | 4 | 4 | 5 | 4 | 5 |
| \$45,000 to \$54,999 | 6 | 7 | 6 | 4 | 8 |
| \$55,000 to \$64,999 | 7 | 8 | 9 | 6 | 7 |
| \$65,000 to \$74,999 | 7 | 6 | 7 | 6 | 9 |
| \$75,000 to \$84,999 | 8 | 8 | 8 | 10 | 7 |
| \$85,000 to \$99,999 | 12 | 13 | 11 | 13 | 10 |
| \$100,000 to \$124,999 | 16 | 15 | 16 | 17 | 18 |
| \$125,000 to \$149,999 | 11 | 10 | 11 | 11 | 11 |
| \$150,000 to \$174,999 | 8 | 7 | 8 | 8 | 7 |
| \$175,000 to \$199,999 | 5 | 5 | 5 | 5 | 4 |
| \$200,000 or more | 11 | 14 | 7 | 9 | 11 |
| Median income (2016) | \$103,300 | \$101,700 | \$95,100 | \$101,500 | \$98,500 |

EXHIBIT 6-3

ADULT COMPOSITION OF HOME SELLER HOUSEHOLDS, 2004-2017

(Percentage Distribution)

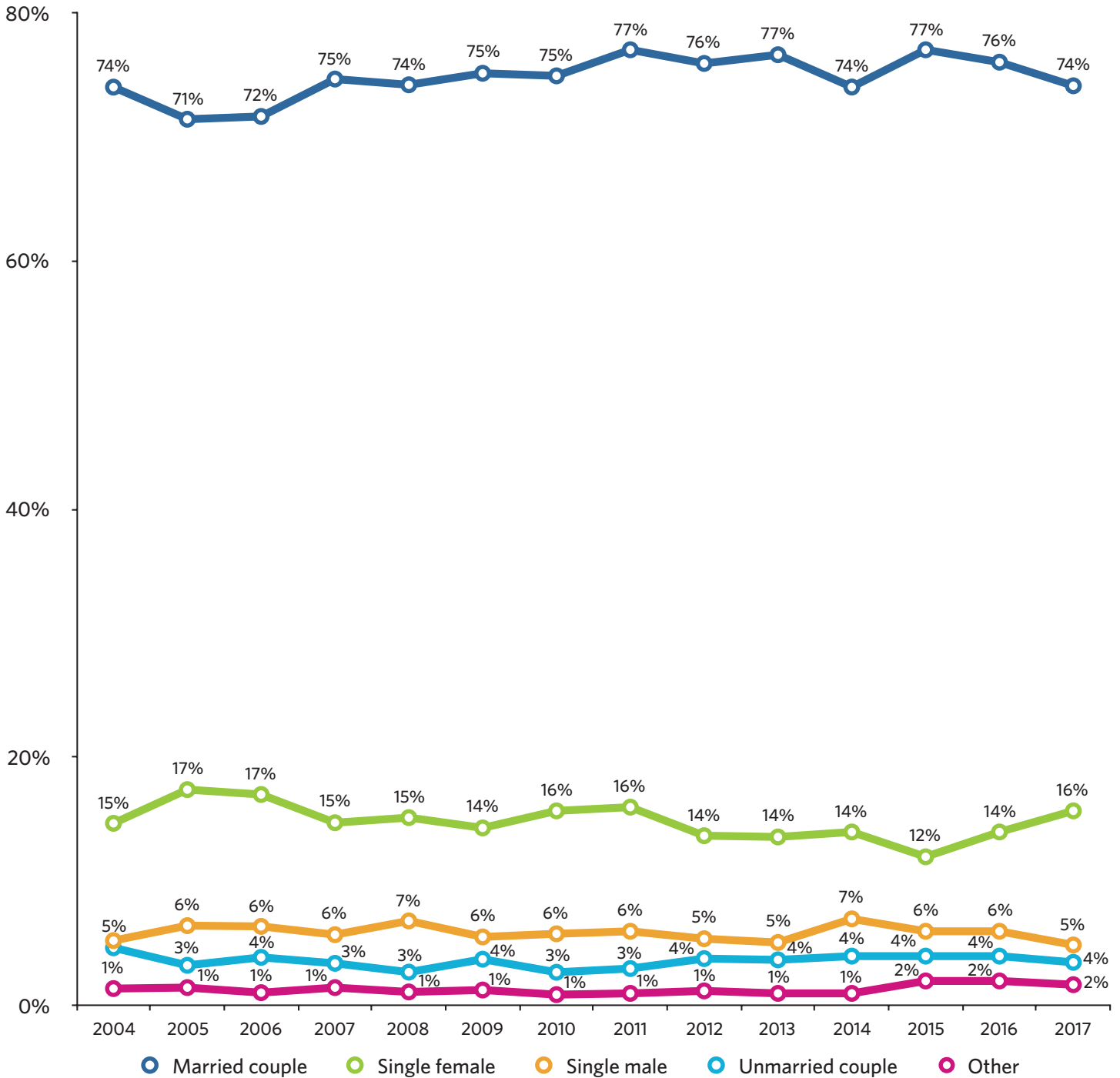


EXHIBIT 6-4 NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOME SELLER HOUSEHOLD

(Percentage Distribution of Home Seller Households)

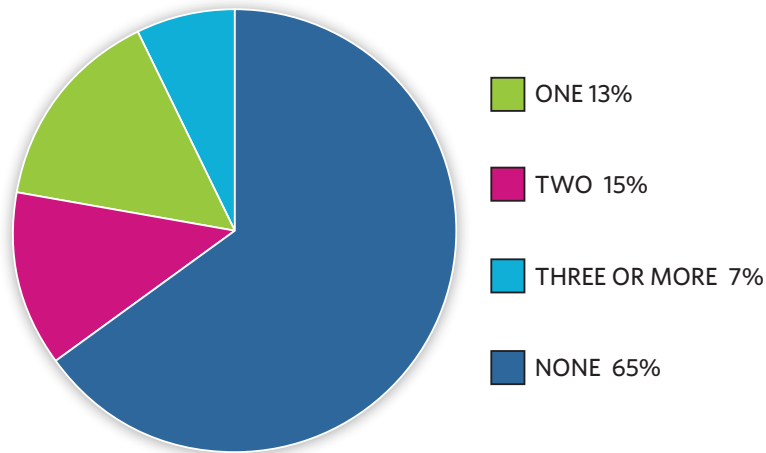


EXHIBIT 6-5 RACE/ETHNICITY OF HOME SELLERS, BY REGION

(Percent of Respondents)

SELLERS WHO SOLD A HOME IN THE

| | All Sellers | Northeast | Midwest | South | West |
|--------------------------------------|-------------|-----------|---------|-------|------|
| White/Caucasian | 90% | 95% | 95% | 88% | 85% |
| Hispanic/Latino/Mexican/Puerto Rican | 4 | 1 | 2 | 5 | 7 |
| Asian/Pacific Islander | 3 | 2 | 2 | 2 | 8 |
| Black/African-American | 3 | 1 | 2 | 5 | 3 |
| Other | 2 | 1 | 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 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% | 97% |
| Other | 2 | 1 | 1 | 1 | 3 |

EXHIBIT 6-7

HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

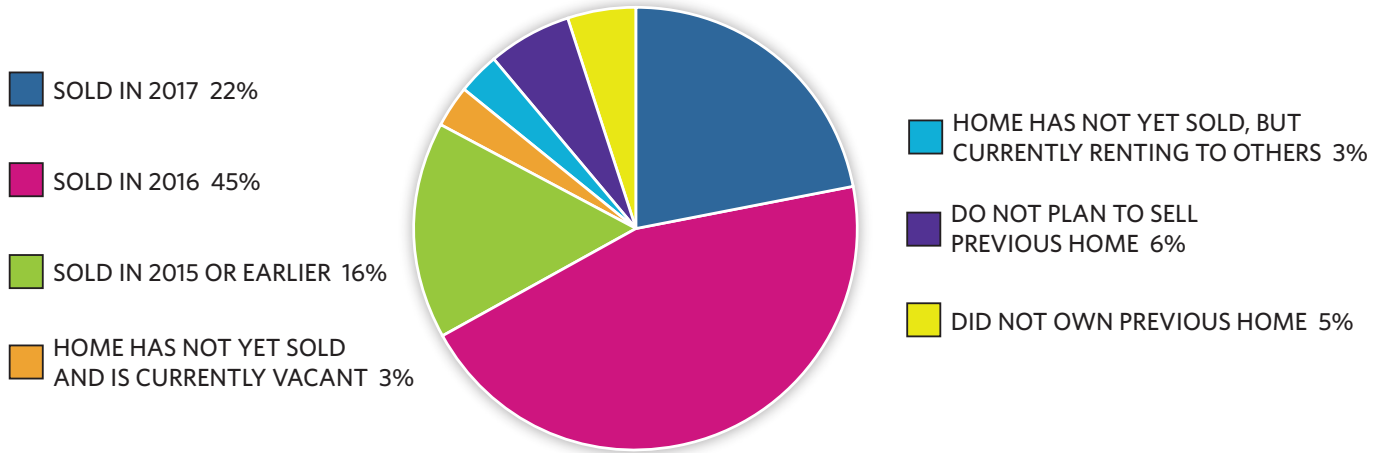


EXHIBIT 6-8

FIRST-TIME OR REPEAT SELLER

(Percentage Distribution)

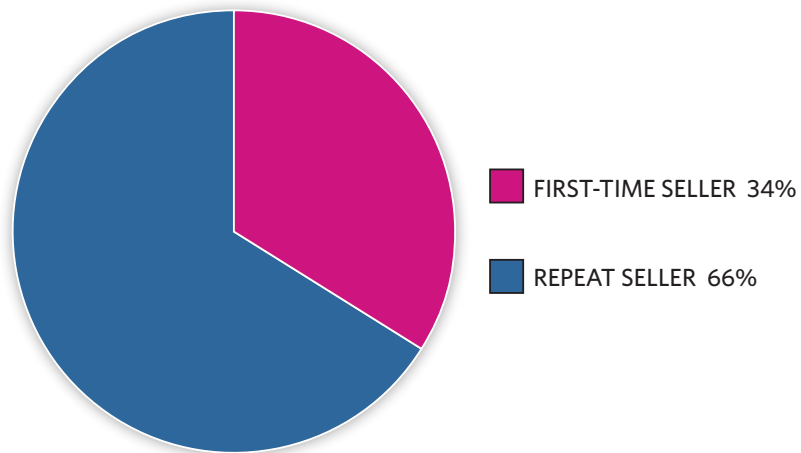


EXHIBIT 6-9

HOMES SOLD AND FOR SALE, BY REGION

(Percentage Distribution)

| Region | Homes Sold | Home has not yet sold and is currently vacant | Home has not yet sold, but currently renting to others |
|-----------|------------|---|--|
| Northeast | 14% | 18% | 17% |
| Midwest | 24 | 30 | 16 |
| South | 39 | 35 | 54 |
| West | 23 | 17 | 13 |

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 | 52% | 40% | 50% |
| Small town | 18 | 23 | 16 |
| Urban area/Central city | 14 | 11 | 24 |
| Rural area | 13 | 21 | 7 |
| Resort/Recreation area | 2 | 6 | 3 |

EXHIBIT 6-11 PROXIMITY OF HOME SOLD TO HOME PURCHASED

(Percentage Distribution)

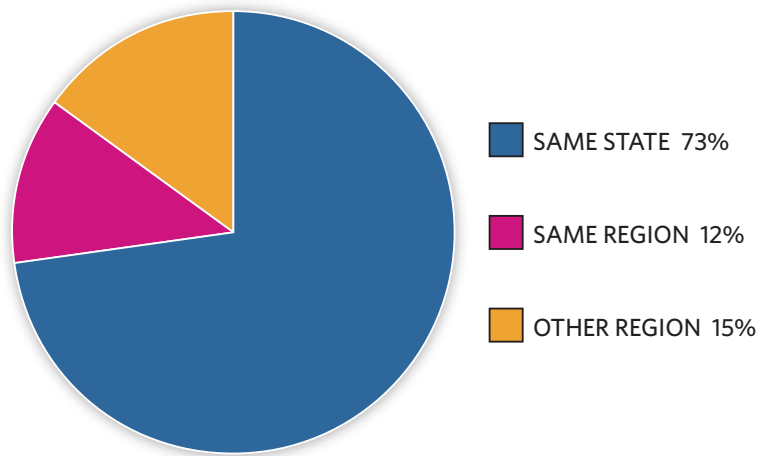


EXHIBIT 6-12 TYPE OF HOME SOLD, BY LOCATION

(Percentage Distribution)

SELLERS WHO SOLD A HOME IN A

| | All Sellers | Suburb/ Subdivision | Small town | Urban/ Central city | Rural area | Resort/ Recreation area |
|--|-------------|------------------------|------------|------------------------|------------|----------------------------|
| Detached single-family home | 81% | 85% | 84% | 69% | 81% | 56% |
| Townhouse/row house | 6 | 7 | 3 | 10 | 2 | 11 |
| Apartment/condo in a building with 5 or more units | 4 | 3 | 2 | 12 | 1 | 8 |
| Duplex/apartment/condo in 2 to 4 unit building | 4 | 3 | 3 | 6 | 2 | 18 |
| Other | 5 | 2 | 8 | 3 | 14 | 7 |

EXHIBIT 6-13 SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD*(Percentage Distribution)***SIZE OF HOME PURCHASED**

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

* Less than 1 percent

 52% Trading Up 28% Remaining at the Same Size Range 20% Trading Down
EXHIBIT 6-14 SIZE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD, BY AGE OF SELLER*(Median Square Feet)*

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

EXHIBIT 6-15 NUMBER OF BEDROOMS AND BATHROOMS BY ADULT COMPOSITION OF HOUSEHOLD AND CHILDREN IN HOUSEHOLD*(Percentage Distribution)***ADULT COMPOSITION OF HOUSEHOLD****CHILDREN IN HOME**

| | All Sellers | Married couple | Single female | Single male | Unmarried couple | Other | Children under 18 in home | No children in home |
|---------------------------------|-------------|----------------|---------------|-------------|------------------|-------|---------------------------|---------------------|
| One bedroom | 1% | * | 1% | 3% | 1% | * | * | 1% |
| Two bedrooms | 14 | 11 | 20 | 21 | 23 | 23 | 10 | 15 |
| Three bedrooms or more | 86 | 89 | 79 | 76 | 76 | 77 | 89 | 84 |
| Median number of bedrooms | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| One full bathroom | 17 | 15 | 20 | 25 | 26 | 16 | 19 | 15 |
| Two full bathrooms | 59 | 59 | 57 | 56 | 62 | 75 | 57 | 59 |
| Three full bathrooms or more | 25 | 27 | 24 | 19 | 11 | 9 | 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 | 2016 | 2012 through 2015 | 2008 through 2011 | 2003 through 2007 | 1988 through 2002 | 1962 through 1987 | 1914 through 1961 | 1913 and older |
|--------------------------|------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| 2016 | * | * | * | * | * | * | * | * |
| 2012 through 2015 | 1 | * | * | * | 1 | * | * | * |
| 2008 through 2011 | 2 | 1 | 1 | 1 | 1 | 1 | * | * |
| 2003 through 2007 | 5 | 1 | 1 | 3 | 2 | 3 | 2 | * |
| 1988 through 2002 | 6 | 1 | 2 | 4 | 6 | 5 | 2 | * |
| 1962 through 1987 | 4 | 1 | 2 | 3 | 6 | 7 | 3 | 1 |
| 1914 through 1961 | 1 | 1 | 1 | 2 | 4 | 4 | 4 | 1 |
| 1913 and older | * | * | * | * | 1 | 1 | 1 | 1 |

* Less than 1 percent

55% Purchased a Newer Home 22% Purchased a Home the Same Age 23% Purchased Older Home

EXHIBIT 6-17 PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD

(Percentage Distribution)

PRICE OF HOME PURCHASED

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

* Less than 1 percent

51% Trading Up 16% Remaining at the Same Price Range 33% Trading Down

EXHIBIT 6-18 PRICE OF HOME PURCHASED COMPARED TO HOME RECENTLY SOLD, BY AGE OF SELLER

(Median)

| | Price of home sold | Price of home purchased | Difference |
|-------------------|--------------------|-------------------------|------------|
| 18 to 34 years | \$187,800 | \$263,000 | \$75,200 |
| 35 to 44 years | \$225,000 | \$315,000 | \$90,000 |
| 45 to 54 years | \$262,300 | \$291,500 | \$29,200 |
| 55 to 64 years | \$274,000 | \$270,000 | \$4,000 |
| 65 to 74 years | \$270,000 | \$250,000 | -\$20,000 |
| 75 years or older | \$244,100 | \$235,000 | -\$9,100 |

EXHIBIT 6-19 PRIMARY REASON FOR SELLING PREVIOUS HOME, BY MILES MOVED*(Percentage Distribution)*

| | MILES MOVED | | | | | | |
|--|-------------|------------------|----------------|----------------|-----------------|------------------|-------------------|
| | All Sellers | 10 miles or less | 11 to 20 miles | 21 to 50 miles | 51 to 100 miles | 101 to 500 miles | 501 miles or more |
| Home is too small | 16% | 30% | 15% | 13% | 4% | 2% | 1% |
| Want to move closer to friends or family | 14 | 4 | 9 | 15 | 22 | 35 | 27 |
| Job relocation | 11 | 2 | 1 | 5 | 10 | 24 | 34 |
| Neighborhood has become less desirable | 10 | 13 | 17 | 13 | 6 | 5 | 2 |
| Change in family situation (e.g., marriage, birth of a child, divorce) | 9 | 12 | 9 | 13 | 15 | 4 | 3 |
| Home is too large | 9 | 14 | 14 | 8 | 4 | 4 | 3 |
| Moving due to retirement | 6 | 2 | 2 | 4 | 13 | 13 | 16 |
| Want to move closer to current job | 5 | 1 | 9 | 12 | 12 | 8 | 2 |
| Upkeep of home is too difficult due to health or financial limitations | 4 | 4 | 6 | 4 | 5 | 2 | 2 |
| Schools became less desirable | 3 | 2 | 7 | 4 | | 1 | 1 |
| Can not afford the mortgage and other expenses of owning home | 2 | 3 | 1 | 1 | 1 | * | 2 |
| To avoid possible foreclosure | * | * | * | * | * | * | * |
| Other | 10 | 13 | 11 | 8 | 8 | 4 | 9 |

* Less than 1 percent

EXHIBIT 6-20 PRIMARY REASON FOR SELLING PREVIOUS HOME, BY FIRST-TIME AND REPEAT SELLERS*(Percentage Distribution)*

| | All Sellers | First-time Seller | Repeat Seller |
|--|-------------|-------------------|---------------|
| Home is too small | 16% | 29% | 10% |
| Want to move closer to friends or family | 14 | 8 | 17 |
| Job relocation | 11 | 11 | 11 |
| Neighborhood has become less desirable | 10 | 12 | 9 |
| Change in family situation (e.g., marriage, birth of a child, divorce) | 9 | 11 | 8 |
| Home is too large | 9 | 4 | 13 |
| Moving due to retirement | 6 | 3 | 8 |
| Want to move closer to current job | 5 | 6 | 4 |
| Upkeep of home is too difficult due to health or financial limitations | 4 | 2 | 4 |
| Schools became less desirable | 3 | 3 | 2 |
| Can not afford the mortgage and other expenses of owning home | 2 | 1 | 2 |
| To avoid possible foreclosure | * | * | * |
| Other | 10 | 9 | 10 |

* Less than 1 percent

EXHIBIT 6-21 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE, BY FIRST-TIME AND REPEAT SELLERS

(Percentage Distribution)

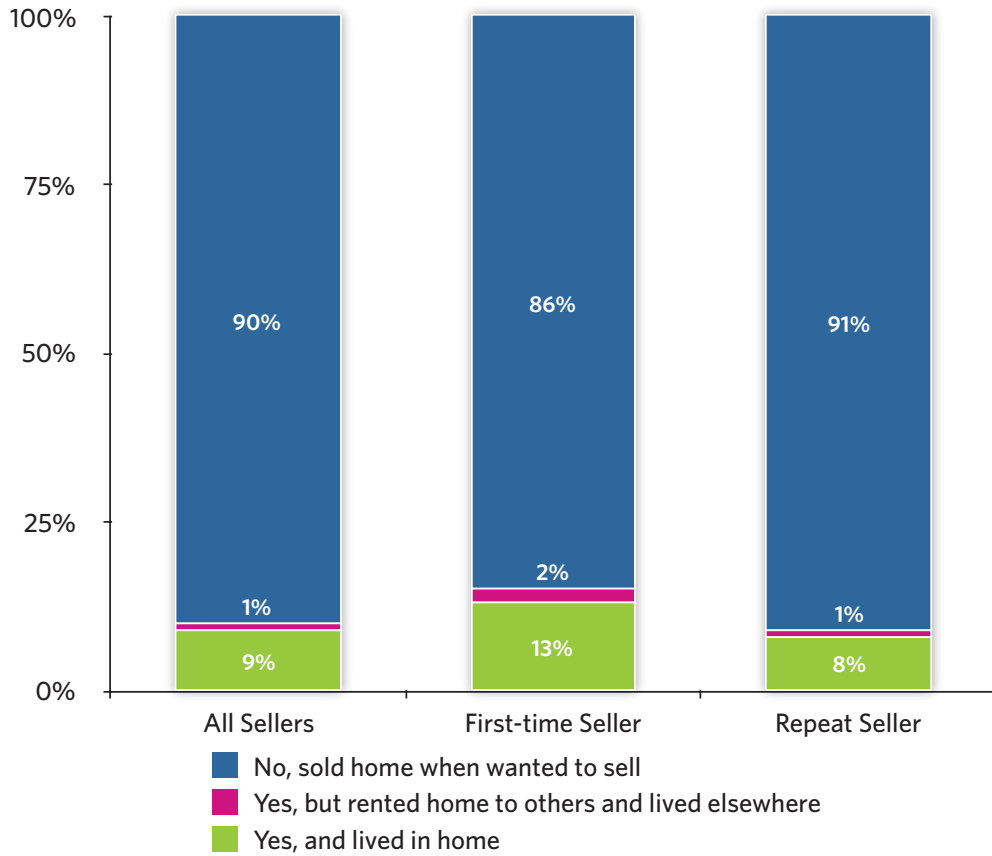


EXHIBIT 6-22 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE, BY TENURE IN HOME

(Percentage Distribution)

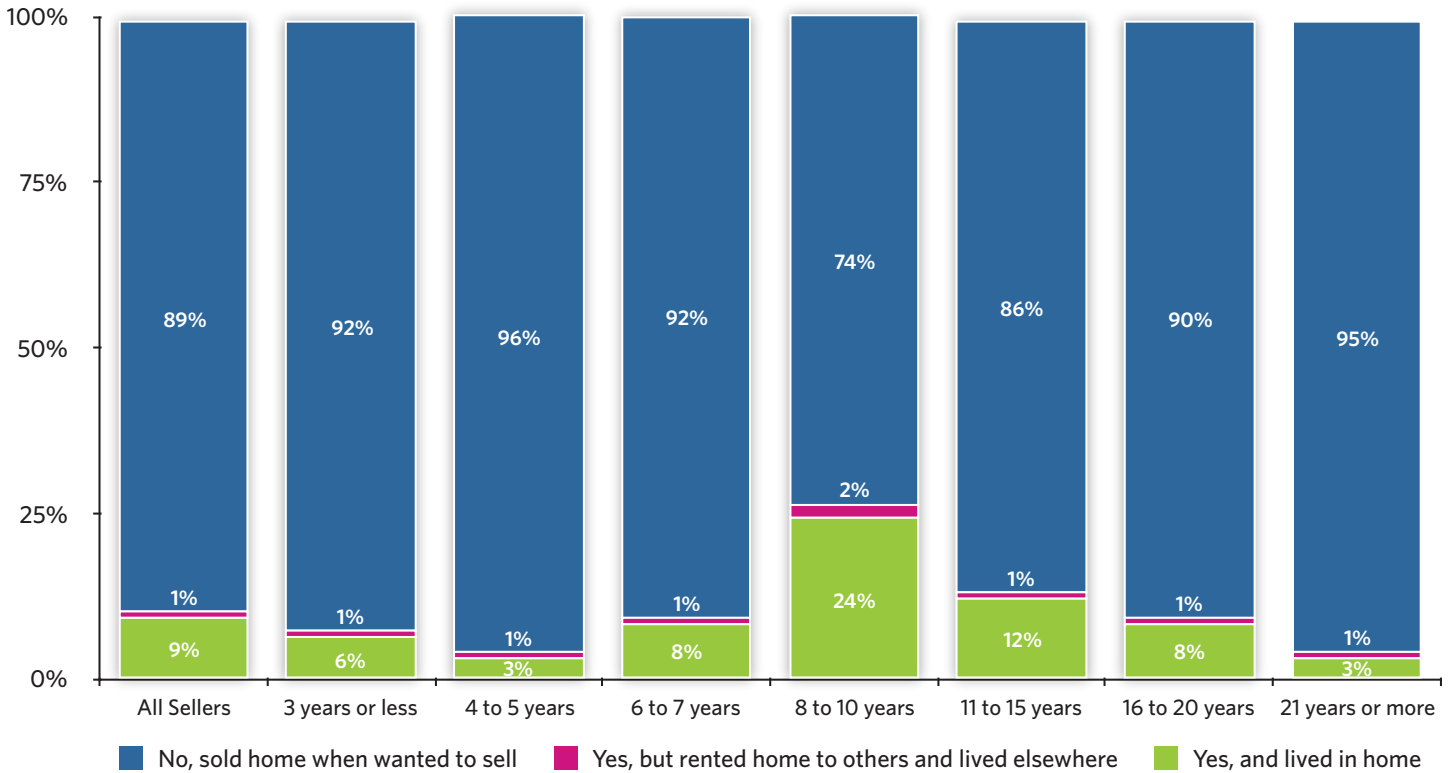


EXHIBIT 6-23 TENURE IN PREVIOUS HOME

(Percentage Distribution)

| | All Types | Cabin/cottage | Duplex/apartment/condo in 2-4 unit structure | Apartment/condo in building with 5 or more units | Townhouse/row house | Detached single-family home | Mobile/manufactured home | Other |
|------------------|-----------|---------------|--|--|---------------------|-----------------------------|--------------------------|-------|
| 1 year or less | 4% | * | 9% | 5% | 6% | 4% | 2% | 10% |
| 2 to 3 years | 10 | 12 | 7 | 17 | 13 | 10 | 9 | 10 |
| 4 to 5 years | 12 | 12 | 11 | 12 | 15 | 12 | 17 | 6 |
| 6 to 7 years | 10 | 6 | 10 | 16 | 7 | 10 | 11 | 2 |
| 8 to 10 years | 14 | 9 | 15 | 20 | 21 | 14 | 9 | 13 |
| 11 to 15 years | 21 | 26 | 23 | 16 | 21 | 20 | 32 | 33 |
| 16 to 20 years | 11 | 21 | 8 | 9 | 8 | 11 | 6 | 8 |
| 21 years or more | 17 | 15 | 17 | 4 | 8 | 19 | 13 | 19 |
| Median | 10 | 12 | 10 | 8 | 9 | 11 | 11 | 12 |

* Less than 1 percent

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

(Percentage Distribution)

AGE OF HOME SELLER

| | All Sellers | 18 to 34 years | 35 to 44 years | 45 to 54 years | 55 to 64 years | 65 to 74 years | 75 years or older |
|------------------|-------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| 1 year or less | 4% | 3% | 6% | 4% | 4% | 4% | 4% |
| 2 to 3 years | 10 | 23 | 13 | 12 | 5 | 6 | 7 |
| 4 to 5 years | 12 | 30 | 13 | 10 | 9 | 8 | 3 |
| 6 to 7 years | 10 | 21 | 13 | 10 | 7 | 7 | 3 |
| 8 to 10 years | 14 | 19 | 25 | 13 | 14 | 8 | 6 |
| 11 to 15 years | 21 | 3 | 26 | 27 | 22 | 19 | 24 |
| 16 to 20 years | 11 | NA | 5 | 15 | 13 | 15 | 13 |
| 21 years or more | 17 | NA | NA | 10 | 25 | 34 | 40 |
| Median | 10 | 5 | 8 | 11 | 13 | 15 | 16 |

NA= Not applicable

EXHIBIT 6-25 MEDIAN SELLER TENURE IN HOME, 1985-2017

(Median Years)

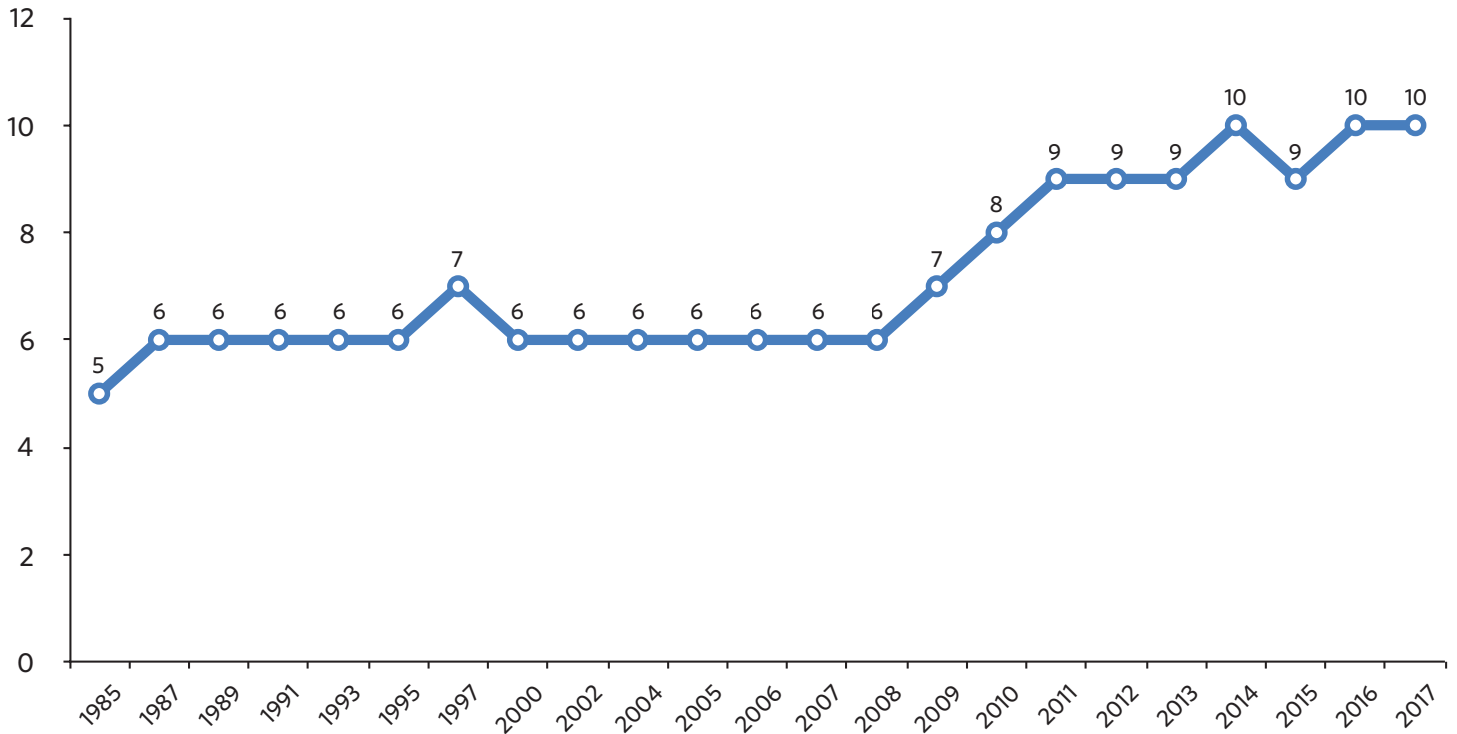


EXHIBIT 6-26 DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY REGION

(Median Miles)

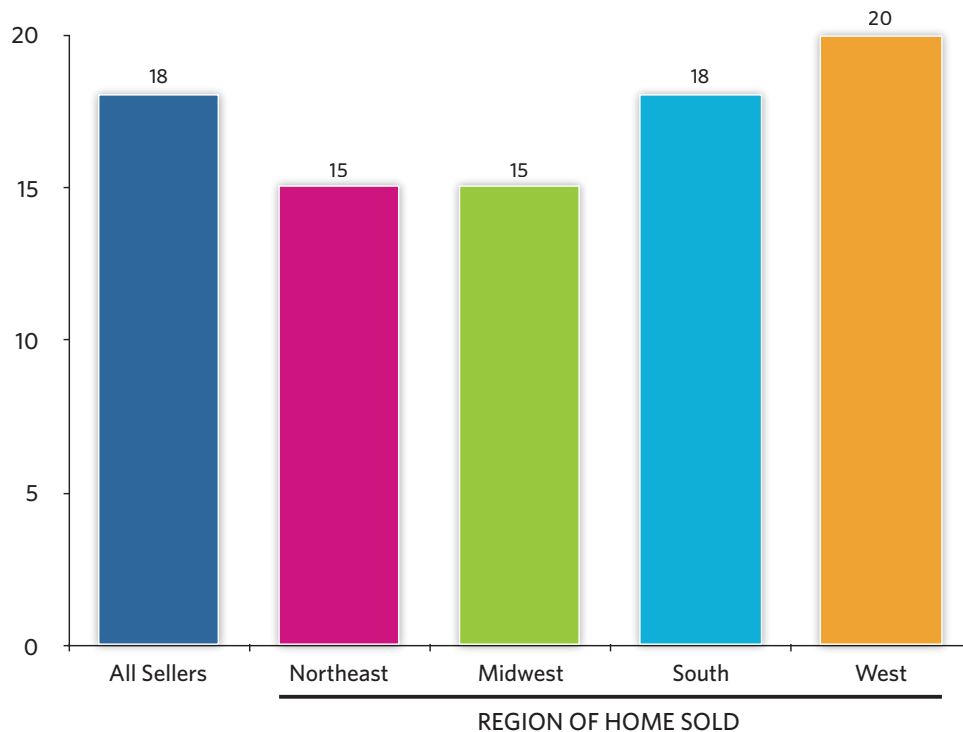


EXHIBIT 6-27 DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY AGE

(Percentage Distribution)

AGE OF HOME SELLER

| | All Sellers | 18 to 34 years | 35 to 44 years | 45 to 54 years | 55 to 64 years | 65 to 74 years | 75 years or older |
|---------------------|-------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| 5 miles or less | 26% | 25% | 32% | 29% | 20% | 22% | 23% |
| 6 to 10 miles | 15 | 16 | 18 | 13 | 15 | 11 | 15 |
| 11 to 15 miles | 9 | 10 | 11 | 9 | 9 | 6 | 7 |
| 16 to 20 miles | 6 | 10 | 8 | 7 | 4 | 5 | 6 |
| 21 to 50 miles | 11 | 15 | 10 | 13 | 9 | 12 | 9 |
| 51 to 100 miles | 6 | 5 | 3 | 4 | 6 | 8 | 9 |
| 101 to 500 miles | 10 | 7 | 5 | 7 | 14 | 13 | 16 |
| 501 to 1,000 miles | 8 | 7 | 5 | 8 | 11 | 7 | 8 |
| 1,001 miles or more | 10 | 5 | 8 | 10 | 12 | 15 | 8 |
| Median (miles) | 20 | 15 | 11 | 15 | 25 | 35 | 20 |

EXHIBIT 6-28 METHOD USED TO SELL HOME, BY REGION

(Percentage Distribution)

SELLERS WHO SOLD A HOME IN THE

| | All Sellers | Northeast | Midwest | South | West |
|--|-------------|-----------|---------|-------|------|
| Sold home using an agent or broker | 89% | 89% | 87% | 90% | 90% |
| Seller used agent/broker only | 87 | 88 | 85 | 88 | 89 |
| Seller first tried to sell it themselves, but then used an agent | 2 | 1 | 2 | 2 | 1 |
| For-sale-by-owner (FSBO) | 8 | 7 | 11 | 7 | 7 |
| Seller sold home without using a real estate agent or broker | 7 | 7 | 10 | 6 | 6 |
| First listed with an agent, but then sold home themselves | 1 | * | 1 | 1 | 1 |
| Sold home to a homebuying company | * | * | * | 1 | * |
| Other | 2 | 3 | 2 | 2 | 2 |

* Less than 1 percent

EXHIBIT 6-29 METHOD USED TO SELL HOME, BY SELLER URGENCY

(Percentage Distribution)

SELLER NEEDED TO SELL

| | All Sellers | Very urgently | Somewhat urgently | Not urgently |
|--|-------------|---------------|-------------------|--------------|
| Sold home using an agent or broker | 89% | 87% | 91% | 89% |
| Seller used agent/broker only | 87 | 86 | 89 | 87 |
| Seller first tried to sell it themselves, but then used an agent | 2 | 1 | 2 | 2 |
| For-sale-by-owner (FSBO) | 8 | 8 | 7 | 9 |
| Seller sold home without using a real estate agent or broker | 7 | 7 | 6 | 8 |
| First listed with an agent, but then sold home themselves | 1 | 1 | 1 | 1 |
| Sold home to a homebuying company | * | 1 | * | * |
| Other | 2 | 3 | 2 | 1 |

* Less than 1 percent

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

| | Seller Knew Buyer | Seller did not Know Buyer |
|--|-------------------|---------------------------|
| ALL SELLERS | 8% | 92% |
| Sold home using an agent or broker | 4 | 96 |
| Seller used agent/broker only | 4 | 96 |
| Seller first tried to sell it themselves, but then used an agent | 7 | 93 |
| For-sale-by-owner (FSBO) | 41 | 59 |
| Sold home without using a real estate agent or broker | 42 | 58 |
| First listed with an agent, but then sold home themselves | 32 | 68 |
| Other | 8 | 92 |

EXHIBIT 6-31 METHOD USED TO SELL HOME, 2001-2017*(Percentage Distribution)*

| | 2001 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Sold home using an agent or broker | 79% | 83% | 82% | 85% | 84% | 85% | 84% | 85% | 88% | 87% | 88% | 88% | 88% | 89% | 89% | 89% |
| For-sale-by-owner (FSBO) | 13 | 14 | 14 | 13 | 12 | 12 | 13 | 11 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 |
| Sold to home buying company | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * |
| Other | 7 | 3 | 3 | 2 | 3 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 |

* Less than 1 percent

EXHIBIT 6-32 SALES PRICE COMPARED WITH LISTING PRICE, BY REGION*(Percentage Distribution of Sales Price as a Percent of Listing Price)***SELLERS WHO SOLD A HOME IN THE**

| | All Sellers | Northeast | Midwest | South | West |
|--|-------------|-----------|---------|-------|------|
| Less than 90% | 7% | 11% | 8% | 5% | 6% |
| 90% to 94% | 13 | 15 | 16 | 14 | 8 |
| 95% to 99% | 37 | 36 | 36 | 40 | 32 |
| 100% | 28 | 25 | 24 | 28 | 31 |
| 101% to 110% | 12 | 11 | 13 | 10 | 17 |
| More than 110% | 4 | 3 | 3 | 3 | 6 |
| Median (sales price as a percent of listing price) | 99% | 98% | 98% | 98% | 100% |

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

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

| | SELLER NEEDED TO SELL | | | |
|--|-----------------------|---------------|-------------------|--------------|
| | All Sellers | Very urgently | Somewhat urgently | Not urgently |
| Less than 90% | 7% | 13% | 9% | 5% |
| 90% to 94% | 13 | 12 | 15 | 11 |
| 95% to 99% | 37 | 33 | 36 | 36 |
| 100% | 28 | 28 | 24 | 31 |
| 101% to 110% | 12 | 10 | 12 | 12 |
| More than 110% | 4 | 5 | 4 | 4 |
| Median (sales price as a percent of listing price) | 99% | 98% | 98% | 99% |

EXHIBIT 6-34 NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET, BY REGION

(Percentage Distribution)

| | SELLERS WHO SOLD A HOME IN THE | | | | |
|------------------|--------------------------------|-----------|---------|-------|------|
| | All Sellers | Northeast | Midwest | South | West |
| Less than 1 week | 6% | 5% | 8% | 6% | 5% |
| 1 to 2 weeks | 40 | 36 | 41 | 40 | 42 |
| 3 to 4 weeks | 11 | 11 | 12 | 10 | 13 |
| 5 to 6 weeks | 6 | 5 | 6 | 6 | 8 |
| 7 to 8 weeks | 7 | 8 | 6 | 9 | 7 |
| 9 to 10 weeks | 3 | 4 | 3 | 3 | 3 |
| 11 to 12 weeks | 6 | 5 | 5 | 7 | 7 |
| 13 to 16 weeks | 4 | 7 | 4 | 5 | 3 |
| 17 to 24 weeks | 5 | 6 | 6 | 4 | 5 |
| 25 to 36 weeks | 4 | 5 | 4 | 4 | 4 |
| 37 to 52 weeks | 3 | 5 | 3 | 3 | 3 |
| 53 or more weeks | 3 | 5 | 2 | 3 | 1 |
| Median weeks | 3 | 4 | 3 | 3 | 3 |

EXHIBIT 6-35 SALES PRICE COMPARED WITH LISTING PRICE, BY NUMBER OF WEEKS HOME WAS ON THE MARKET

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

| | SELLERS WHOSE HOME WAS ON THE MARKET FOR | | | | | | |
|--|--|------------------|--------------|--------------|--------------|---------------|------------------|
| | All Sellers | Less than 1 week | 1 to 2 weeks | 3 to 4 weeks | 5 to 8 weeks | 9 to 16 weeks | 17 or more weeks |
| Less than 90% | 7% | 2% | 2% | 3% | 4% | 12% | 24% |
| 90% to 94% | 13 | 5 | 5 | 12 | 13 | 29 | 25 |
| 95% to 99% | 37 | 19 | 30 | 42 | 53 | 44 | 37 |
| 100% | 28 | 50 | 37 | 31 | 22 | 11 | 9 |
| 101% to 110% | 12 | 21 | 22 | 7 | 5 | 4 | 1 |
| More than 110% | 4 | 3 | 5 | 5 | 3 | 1 | 3 |
| Median (sales price as a percent of listing price) | 99% | 100% | 100% | 99% | 97% | 96% | 95% |

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

| | All Sellers | Less than 1 week | 1 to 2 weeks | 3 to 4 weeks | 5 to 8 weeks | 9 to 16 weeks | 17 or more weeks |
|---------------------------------------|-------------|------------------|--------------|--------------|--------------|---------------|------------------|
| None, did not reduce the asking price | 60% | 94% | 85% | 65% | 46% | 25% | 15% |
| One | 22 | 6 | 13 | 25 | 39 | 35 | 27 |
| Two | 10 | * | 1 | 7 | 11 | 23 | 29 |
| Three | 4 | * | * | 2 | 2 | 12 | 15 |
| Four or more | 3 | * | * | 1 | 1 | 4 | 15 |

* Less than 1 percent

EXHIBIT 6-37 INCENTIVES OFFERED TO ATTRACT BUYERS, BY REGION*(Percent of Respondents)***SELLERS WHO SOLD A HOME IN THE**

| | All Sellers | Northeast | Midwest | South | West |
|---|-------------|-----------|---------|-------|------|
| None | 63% | 71% | 59% | 60% | 68% |
| Home warranty policies | 21 | 9 | 24 | 23 | 21 |
| Assistance with closing costs | 16 | 15 | 18 | 19 | 11 |
| Credit toward remodeling or repairs | 8 | 8 | 7 | 9 | 9 |
| Other incentives, such as a car, flat screen TV, etc. | 4 | 1 | 4 | 4 | 4 |
| Assistance with condo association fees | * | * | * | 1 | * |
| Other | 4 | 2 | 4 | 4 | 4 |

* Less than 1 percent

EXHIBIT 6-38 INCENTIVES OFFERED TO ATTRACT BUYERS, BY NUMBER OF WEEKS HOME WAS ON THE MARKET*(Percent of Respondents)***SELLERS WHOSE HOME WAS ON THE MARKET FOR**

| | All Sellers | Less than 1 week | 1 to 2 weeks | 3 to 4 weeks | 5 to 8 weeks | 9 to 16 weeks | 17 or more weeks |
|---|-------------|------------------|--------------|--------------|--------------|---------------|------------------|
| None | 63% | 85% | 68% | 64% | 54% | 55% | 56% |
| Home warranty policies | 21 | 7 | 19 | 21 | 27 | 24 | 23 |
| Assistance with closing costs | 16 | 7 | 14 | 16 | 19 | 21 | 19 |
| Credit toward remodeling or repairs | 8 | 4 | 5 | 9 | 10 | 13 | 11 |
| Other incentives, such as a car, flat screen TV, etc. | 4 | * | 2 | 6 | 6 | 3 | 3 |
| Assistance with condo association fees | * | * | * | * | 1 | 1 | 1 |
| Other | 4 | * | 3 | 3 | 4 | 5 | 5 |

* Less than 1 percent

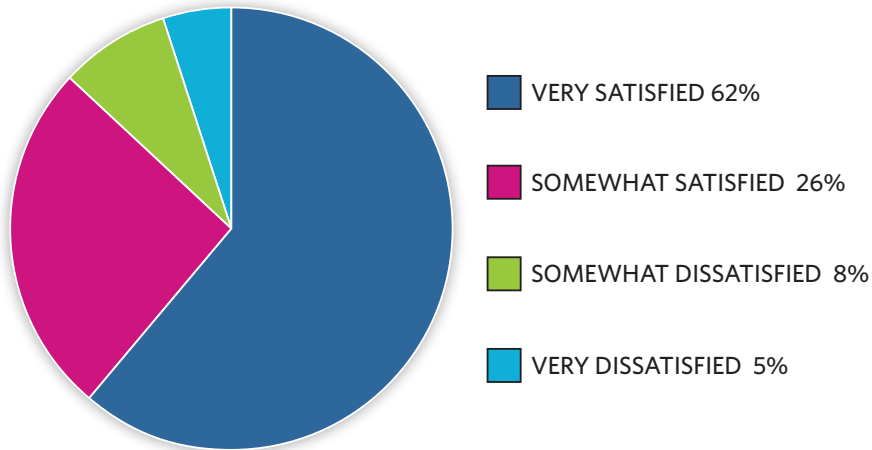
EXHIBIT 6-39 EQUITY EARNED IN HOME RECENTLY SOLD, BY TENURE IN HOME

(Median)

| TENURE IN HOME | Dollar value | Percent |
|------------------|--------------|---------|
| 1 year or less | \$28,000 | 14% |
| 2 to 3 years | \$25,000 | 13% |
| 4 to 5 years | \$38,300 | 19% |
| 6 to 7 years | \$45,000 | 27% |
| 8 to 10 years | \$30,000 | 14% |
| 11 to 15 years | \$32,900 | 18% |
| 16 to 20 years | \$91,900 | 56% |
| 21 years or more | \$138,000 | 104% |
| Median | \$47,500 | 26% |

EXHIBIT 6-40 SATISFACTION WITH THE SELLING PROCESS

(Percentage Distribution)



CHAPTER 7:

Home Selling and Real Estate Professionals

While the home search process has shifted toward digital technology, the need for a trusted real estate agent to help sell a home is still paramount. Personal relationships and connections remain the most important feature of the agent-buyer/seller bond. Real estate agents are most commonly referred by a friend, neighbor, or relative.

Sellers place a high importance on the reputation of the agent when looking to hire, and trustworthiness and honesty are at the top of the list. In 2006 when data collection started on the level of service provided by real estate agents, 83 percent of agents provided a broad range of services and the management of most aspects of the home, nine percent provided limited services as requested by the seller, and eight percent listed the home on the MLS with few other services provided. Those numbers have by-and-large remained the same over the last decade. In 2017, 82 percent of agents also provided a broad range of services and the management of most aspects of the home, nine percent provided limited services as requested by the seller, and nine percent listed the home on the MLS with few other services provided.

Sellers place high priority on the following five tasks: market the home to potential buyers (21 percent), sell the home within a specific timeframe (20 percent), price the home competitively (18 percent), find a buyer for home (15 percent), and help fix the home to sell better (15 percent).

Client referrals and repeat business are the predominant ways sellers find their real estate agent. Most sellers—85 percent—said that they would definitely (67 percent) or probably (18 percent) recommend their agent for future services.

Finding a Real Estate Agent

■ Exhibit 7-1 through Exhibit 7-4

Nearly two-thirds of recent sellers used an agent that was referred to them or used an agent they had worked with in the past to buy or sell a home. Roughly half of first-time sellers worked with an agent that was referred to them by a friend or family member to sell their home (47 percent). For repeat buyers, many used an agent they previously worked with (25 percent).

Three-quarters of recent sellers contacted only one agent before finding the right agent they worked with to sell their home, the same as last year.

Fifty-three percent of recent home sellers used the same real estate agent to represent them purchasing their home as selling their home. That number jumps to 84 percent for all sellers within 20 miles of their home purchase. If the seller moved more than 50 miles, they typically used a different agent for each real estate transaction.

Sellers place high priority on the following five tasks: market the home to potential buyers (21 percent), sell the home within a specific timeframe (20 percent), price the home competitively (18 percent), find a buyer for home (15 percent), and help fix the home to sell better (15 percent).

Home Listed on Multiple Listing Service and Level of Service

■ Exhibits 7-5 through Exhibit 7-6

Consistent with last year, 90 percent of sellers listed their homes on the Multiple Listing Service (MLS), which is the number one source for sellers to list their home. Only four percent opted not to list on a MLS.

Real estate agents provide a wide range of services and conduct the management of most aspects of the home sale. Eighty-two percent of sellers reported that their agents provided the lion's share of these services. Nine percent of sellers note that their agent only provided a limited set of services and nine percent said their agent listed the home on a MLS but performed few other services.

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



What Sellers Most Want and Level of Service

■ Exhibit 7-7 through 7-8

Sellers place high priority on the following five tasks: market the home to potential buyers (21 percent), sell the home within a specific timeframe (20 percent), price the home competitively (18 percent), find a buyer for home (15 percent), and help fix the home to sell better (15 percent).

The reputation of the real estate agent was by far the most important factor when sellers selected an agent to sell their home (34 percent). Sellers also place value on the agent's trustworthiness and honesty (18 percent) and whether the agent is a friend or family member (16 percent).

Methods Used to Market the Home

■ Exhibit 7-9

Real estate agents list homes on MLSs first and foremost (87 percent). They also post yard signs (68 percent), list on Realtor.com (51 percent), host an open house (51 percent), list the home on their website (50 percent), and list on their company's website (45 percent). Real estate agents also list homes on social media (17 percent, up from four percent last year).

Fifty-three percent of recent home sellers used the same real estate agent to represent them purchasing their home as selling their home. That number jumps to 84 percent for all sellers within 20 miles of their home purchase.

Agent's Performance and Compensation

■ Exhibit 7-10 through 7-13

Agents receive their compensation predominantly from sellers at 76 percent. Of that compensation, 71 percent of sellers pay a percent of the sales price. Only a small fraction pays a flat fee (three percent), and only 13 percent of overall compensation is paid by both the buyer and seller. Six percent of sellers reported buyers paying as the only means of compensation.

The real estate agent most often initiated the discussion of compensation (48 percent). The client initiated the discussion and the agent was able and willing to negotiate 20 percent of the time. In 15 percent of cases, the client did not know that commissions and fees could be negotiated.

Client referrals and repeat business are the predominant sources of business for real estate agents. Most sellers—85 percent—said that they would definitely (67 percent) or probably (18 percent) recommend their agent for future services. Regardless of distance moved, recommendations do remain strong. The typical seller has recommended their agent twice since selling their home. Thirty-three percent of sellers recommended their agent three or more times since selling their home.



EXHIBIT 7-1

METHOD USED TO FIND REAL ESTATE AGENT, BY FIRST-TIME OR REPEAT SELLER

(Percentage Distribution)

| | All Sellers | First-time Seller | Repeat Seller |
|---|-------------|-------------------|---------------|
| Referred by (or is) a friend, neighbor or relative | 41% | 47% | 39% |
| Used agent previously to buy or sell a home | 23 | 20 | 25 |
| Personal contact by agent (telephone, email, etc.) | 5 | 4 | 6 |
| Internet website (without a specific reference) | 5 | 5 | 4 |
| Visited an open house and met agent | 4 | 4 | 4 |
| Referred by another real estate or broker | 3 | 3 | 3 |
| Saw contact information on For Sale/Open House sign | 2 | 1 | 3 |
| Referred through employer or relocation company | 2 | 1 | 2 |
| Direct mail (newsletter, flyer, postcard, etc.) | 2 | 2 | 2 |
| Walked into or called office and agent was on duty | 1 | 2 | 1 |
| Newspaper, Yellow pages or home book ad | * | 1 | * |
| Advertising specialty (calendar, magnet, etc.) | * | 1 | * |
| Crowdsourcing through social media/knew the person through social media | * | 1 | * |
| Saw the person's social media page without a connection | * | * | * |
| Other | 10 | 9 | 10 |

* Less than 1 percent

EXHIBIT 7-2

METHOD USED TO FIND REAL ESTATE AGENT, BY MILES MOVED

(Percentage Distribution)

| | All Sellers | 10 miles or less | 11 to 20 miles | 21 to 50 miles | 51 to 100 miles | 101 to 500 miles | 501 miles or more |
|---|-------------|------------------|----------------|----------------|-----------------|------------------|-------------------|
| Referred by (or is) a friend, neighbor or relative | 41% | 40% | 48% | 34% | 47% | 41% | 45% |
| Used agent previously to buy or sell a home | 23 | 28 | 25 | 23 | 11 | 22 | 16 |
| Personal contact by agent (telephone, email, etc.) | 5 | 5 | 6 | 6 | 4 | 7 | 4 |
| Internet website (without a specific reference) | 5 | 4 | 3 | 6 | 7 | 3 | 7 |
| Visited an open house and met agent | 4 | 5 | 4 | 6 | 3 | 2 | 1 |
| Referred by another real estate or broker | 3 | 3 | 1 | 3 | 5 | 5 | 4 |
| Saw contact information on For Sale/Open House sign | 2 | 2 | 3 | 1 | 3 | 2 | 4 |
| Referred through employer or relocation company | 2 | 1 | 1 | | | 3 | 6 |
| Direct mail (newsletter, flyer, postcard, etc.) | 2 | 2 | * | 2 | 1 | 1 | 3 |
| Walked into or called office and agent was on duty | 1 | 1 | 1 | 2 | 1 | 3 | 2 |
| Newspaper, Yellow pages or home book ad | * | 1 | * | 1 | 1 | * | * |
| Advertising specialty (calendar, magnet, etc.) | * | 1 | * | 1 | * | * | * |
| Crowdsourcing through social media/knew the person through social media | * | * | * | * | * | * | * |
| Saw the person's social media page without a connection | * | * | * | 1 | * | * | * |
| Other | 10 | 9 | 7 | 13 | 16 | 9 | 10 |

* Less than 1 percent

EXHIBIT 7-3

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

(Percentage Distribution)

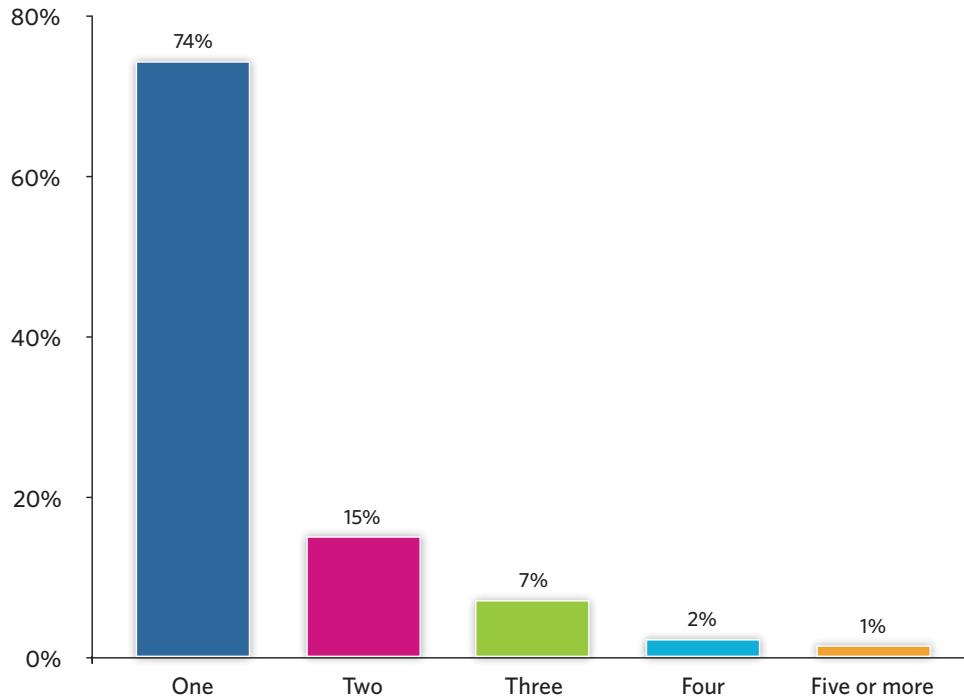


EXHIBIT 7-4

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

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

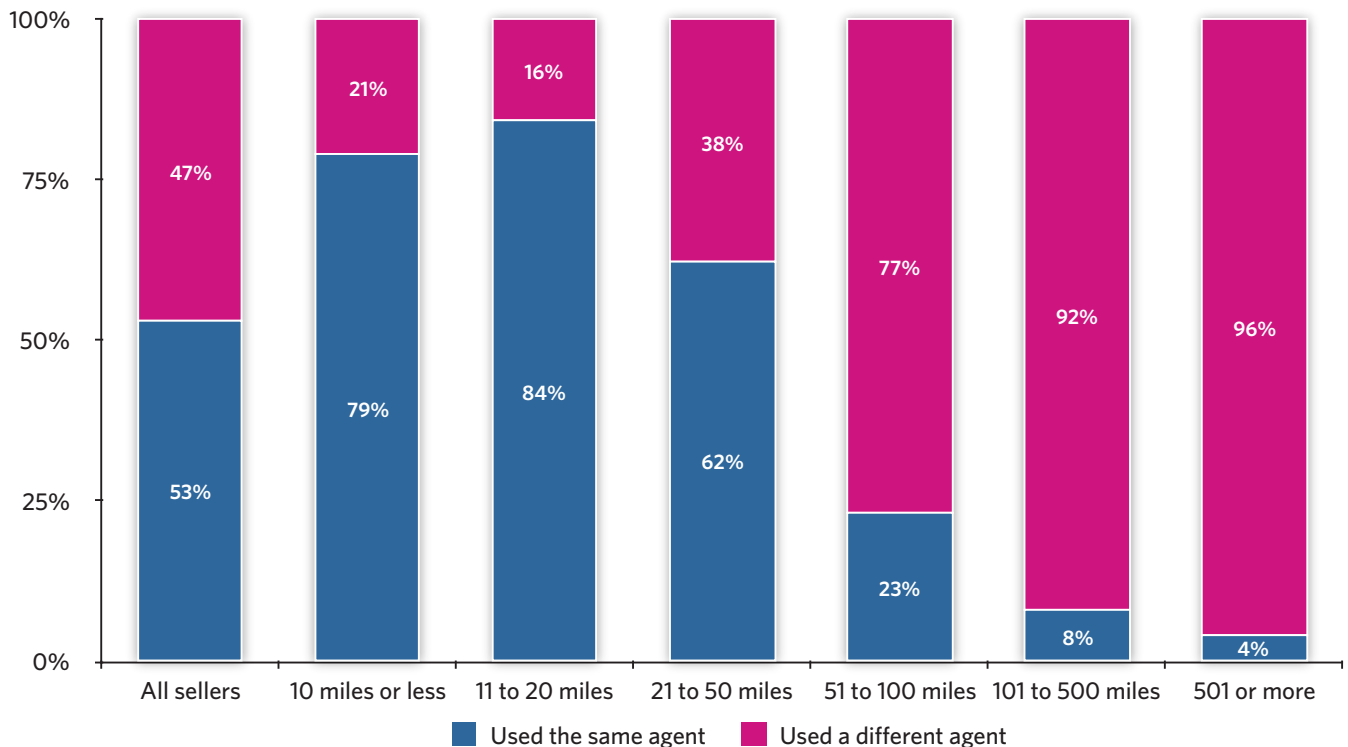


EXHIBIT 7-5

HOME LISTED ON MULTIPLE LISTING SERVICE

(Percentage Distribution)

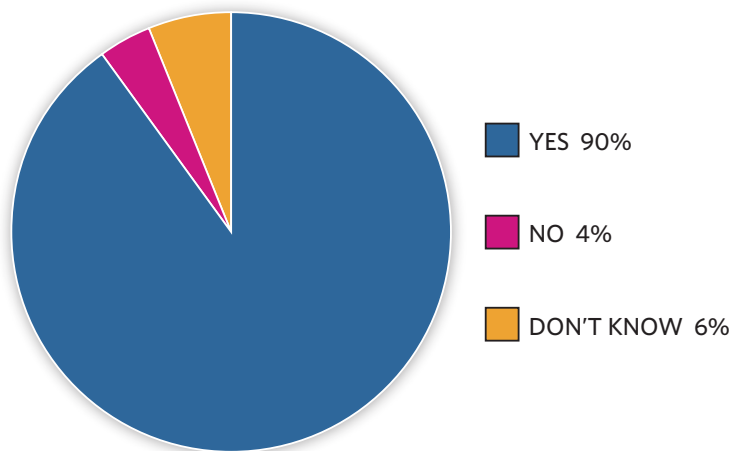


EXHIBIT 7-6

LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT, 2006-2017

(Percentage Distribution)

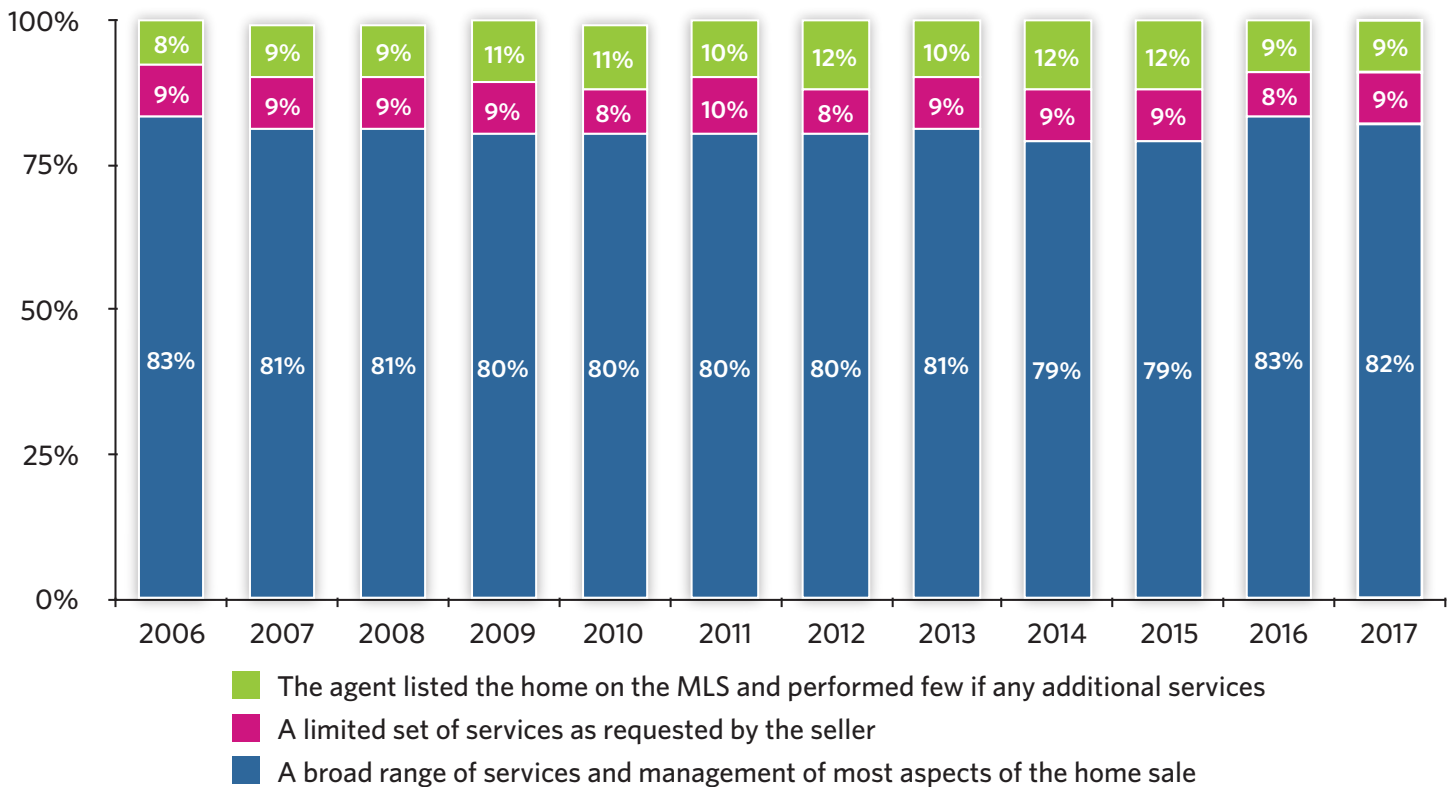


EXHIBIT 7-7**WHAT SELLERS MOST WANT FROM REAL ESTATE AGENTS,
BY LEVEL OF SERVICE PROVIDED BY THE AGENT***(Percentage Distribution)***LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER**

| | All Sellers | A broad range of services and management of most aspects of the home sale | A limited set of services as requested by the seller | The agent listed the home on the MLS and performed few if any additional services |
|--|-------------|---|--|---|
| Help seller market home to potential buyers | 21% | 21% | 15% | 22% |
| Help sell the home within specific timeframe | 20 | 19 | 25 | 26 |
| Help price home competitively | 18 | 19 | 13 | 15 |
| Help find a buyer for home | 15 | 14 | 21 | 15 |
| Help seller find ways to fix up home to sell it for more | 15 | 16 | 12 | 11 |
| Help with negotiation and dealing with buyers | 6 | 6 | 5 | 5 |
| Help with paperwork/inspections/preparing for settlement | 3 | 3 | 3 | 5 |
| Help seller see homes available to purchase | 1 | 1 | 4 | * |
| Help create and post videos to provide tour of my home | 1 | 1 | * | * |
| Other | 1 | 1 | 2 | 2 |

* Less than 1 percent

EXHIBIT 7-8**MOST IMPORTANT FACTOR IN CHOOSING A REAL ESTATE AGENT TO SELL HOME,
BY LEVEL OF SERVICE PROVIDED BY THE AGENT***(Percentage Distribution)***LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER**

| | All Sellers | A broad range of services and management of most aspects of the home sale | A limited set of services as requested by the seller | The agent listed the home on the MLS and performed few if any additional services |
|--|-------------|---|--|---|
| Reputation of agent | 34% | 36% | 26% | 25% |
| Agent is honest and trustworthy | 18 | 18 | 14 | 18 |
| Agent is friend or family member | 16 | 16 | 16 | 13 |
| Agent's knowledge of the neighborhood | 12 | 11 | 17 | 14 |
| Agent has caring personality/good listener | 5 | 5 | 5 | 5 |
| Agent's commission | 4 | 3 | 7 | 5 |
| Agent's association with a particular firm | 3 | 3 | 2 | 9 |
| Agent seems 100% accessible because of use of technology like tablet or smartphone | 3 | 3 | 7 | 5 |
| Professional designations held by agent | 1 | 1 | * | 1 |
| Other | 4 | 3 | 9 | 8 |

* Less than 1 percent

EXHIBIT 7-9 METHODS REAL ESTATE AGENT USED TO MARKET HOME

(Percent of Respondents Among Sellers Who Used an Agent)

| | |
|---|-----|
| Multiple Listing (MLS) website | 87% |
| Yard sign | 68 |
| Realtor.com | 51 |
| Open house | 51 |
| Real estate agent website | 50 |
| Real estate company website | 45 |
| Third party aggregators | 44 |
| Third party aggregators | 44 |
| Social networking websites (e.g. Facebook, Twitter, etc.) | 17 |
| Video | 11 |
| Print newspaper advertisement | 10 |
| Direct mail (flyers, postcards, etc.) | 10 |
| Online Classified Ads | 9 |
| Other Web sites with real estate listings | 7 |
| Real estate magazine website | 5 |
| Real estate magazine | 5 |
| Video hosting websites | 3 |
| Television | 1 |
| Other | 3 |

EXHIBIT 7-10 HOW REAL ESTATE AGENT WAS COMPENSATED

(Percentage Distribution)

| | |
|--------------------------|-----|
| Paid by seller | 76% |
| Percent of sales price | 71 |
| Flat fee | 3 |
| Per task fee | * |
| Other | * |
| Don't Know | 2 |
| Paid by buyer and seller | 13 |
| Paid by buyer only | 6 |
| Other | 2 |
| Don't Know | 4 |

* Less than 1 percent

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

(Percentage Distribution)

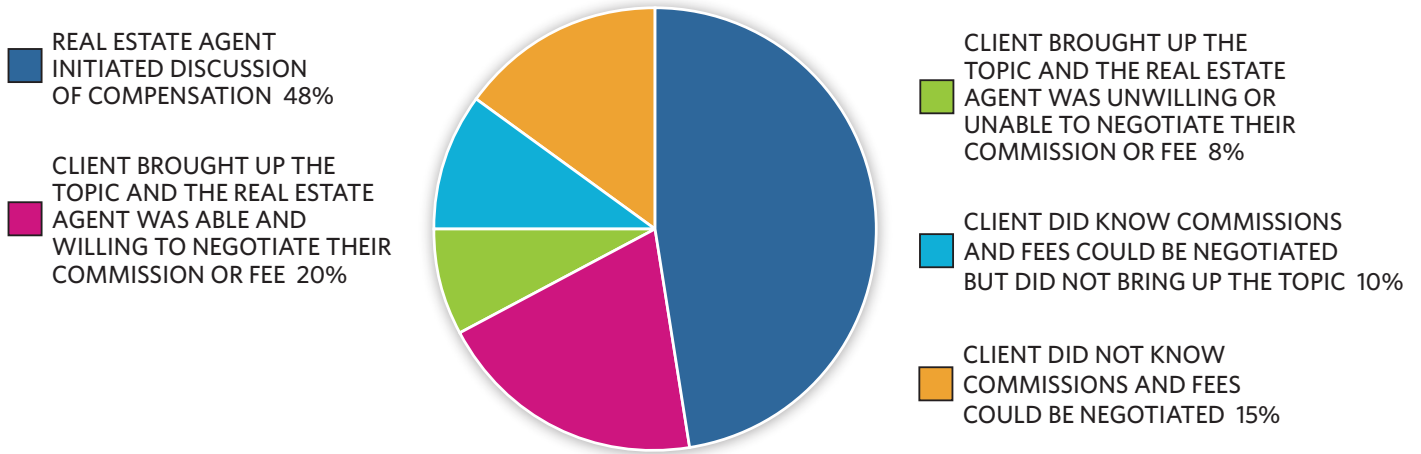


EXHIBIT 7-12 WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

| | All Sellers | 10 miles or less | 11 to 20 miles | 21 to 50 miles | 51 to 100 miles | 101 to 500 miles | 501 miles or more |
|---------------------|-------------|------------------|----------------|----------------|-----------------|------------------|-------------------|
| Definitely | 67% | 70% | 71% | 63% | 57% | 64% | 64% |
| Probably | 18 | 16 | 17 | 21 | 27 | 19 | 19 |
| Probably Not | 7 | 7 | 6 | 7 | 8 | 5 | 8 |
| Definitely Not | 7 | 6 | 6 | 7 | 6 | 9 | 8 |
| Don't Know/Not Sure | 2 | 1 | 1 | 2 | 2 | 3 | 2 |

EXHIBIT 7-13 HOW MANY TIMES SELLER RECOMMENDED AGENT

(Percentage Distribution)

| | |
|---|-----|
| None | 37% |
| One time | 13 |
| Two times | 18 |
| Three times | 11 |
| Four or more times | 22 |
| Times recommended since buying (median) | 2 |

CHAPTER 8:

For-Sale-by-Owner (FSBO) Sellers

In 1981, FSBO home sales accounted for 15 percent of all sales, and agent-assisted sales accounted for 85 percent. FSBO sales have declined over time and in 2017, FSBOs accounted for eight percent of total home sales again for the third year in a row. This is the lowest share since the *Profile of Home Buyers and Sellers* data collection began. In 2017, 40 percent of FSBO sellers knew the buyers for their homes and 60 percent did not know the buyer.

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

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

NFSBO and Agent Assisted Sales, By Location and Over Time

▪ Exhibits 8-1 to 8-2

Eighty-nine percent of sellers sold with the assistance of a real estate agent, consistent with last year, and only eight percent were FSBO sales. In 1981, FSBO sales accounted for as much as 15 percent of sales but have steadily decreased over time. This year, only three percent of buyers knew the sellers and five percent of FSBOs buyers and sellers had no previous relationship. FSBO sales were highest in rural areas at 14 percent compared to only six percent in suburbs.

Characteristics of Sellers and Homes Sold

▪ Exhibits 8-3 to 8-6

The median age for FSBO sellers is 57 years, compared to 54 for all agent-assisted sellers. Seventy-one percent of FSBO sellers were married couples and the median income for all FSBO sellers was \$86,500. For FSBO sellers, those who knew the buyer tend to be older and have lower median household incomes compared to those who did not know the buyer.

A majority of all homes sold were detached single-family homes at 81 percent. FSBO homes are also predominantly detached single-family homes at 66 percent (down from 69 percent in 2016), yet are also more likely to be mobile or manufactured homes at 13 percent compared to only two percent of agent-assisted sales. Among agent-assisted sales, 83 percent of all homes sold are detached single-family homes, which is consistent with last year. Twenty-two percent of FSBO sales were located in rural areas compared to only 13 percent of agent-assisted sales which were in rural locations. Most agent-assisted sales were located in suburban areas at 54 percent.

FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$190,000 in 2017 (up from \$185,000 in 2016), and still far lower than the median selling price of all homes at \$249,000. Agent-assisted homes sold for a median of \$250,000. FSBOs typically received 100 percent of their asking price and 99 percent when the seller did not know the buyer, whereas agent-assisted sales typically received 98 percent of the asking price. Sellers who began as a FSBO, then ended up working with an agent, also received 98 percent of the asking price, but had to reduce their price the most before arriving at a final listing price.

The Selling Process for FSBO Sales

▪ Exhibits 8-7 to 8-10

FSBO sellers price their homes using a number of different sources to determine the asking price. For FSBO sellers who knew their buyers, the most common ways they priced their homes were by appraisals (41 percent), comparisons to recent home sales in their area (31 percent), by the profit the seller needed from the sale (29 percent), an agent presentation where seller did not use the agent (13 percent), and online evaluation tools (five percent). For FSBO sellers who did not know their buyers, the most common ways they determined their home price were comparisons to recent home sales in their area (57 percent), by appraisals (30 percent), online home evaluation tools (21 percent), and by the profit the seller needed from the sale (19 percent).

FSBO homes sold more quickly on the market than agent-assisted homes. All FSBO homes typically sold in less than two weeks. For sellers that knew the buyer, their homes sold in less than a week (34 percent, down from 46 percent in 2016). The median number of weeks FSBOs were on the market was two, up from one week in 2016. Agent-assisted homes generally sold in a median number of three weeks, down from four last year. For sellers that started as FSBO and then were agent-assisted, the median number of weeks on the market was 12.

Forty-one percent of those who were first FSBO, then sold with an agent needed to sell somewhat urgently. FSBO sellers who knew the buyer were more likely to not need to sell urgently (55 percent). It was not common for FSBOs to use incentives to sell their homes (80 percent of all FSBOs did not offer any incentives). Eighty-eight percent of sellers who knew the buyer used no incentives. Agent-assisted sellers offered home warranty policies (22 percent) and assistance with closing costs (17 percent) to help sell their homes, which is consistent with last year.

Reasons of FSBOs, Marketing, and Sellers Experience

■ Exhibits 8-11 to 8-15

For 69 percent of FSBO sellers that knew the buyer the main reason to sell via FSBO was because they sold to a relative, friend, or neighbor, and 24 percent sold using this method because they did not want to pay a commission or fee. For FSBO sellers that did not know the buyer, 61 percent sold this method because they did not want to pay a commission or fee, and 16 percent because the buyers contacted the sellers directly.

Of all sellers, 90 percent sold when they wanted to list on the market. Sellers that started as FSBOs and then received assistance from an agent were the most likely to want to sell but were delayed because their home was worth less than the mortgage.

FSBOs typically sell for less than the selling price of other homes; FSBO homes sold at a median of \$190,000 in 2017 (up from \$185,000 in 2016), and still far lower than the median selling price of all homes at \$249,000. Agent-assisted homes sold for a median of \$250,000.

Yard signs, third party aggregators, and open houses were the most common marketing methods for FSBOs. When FSBO sellers knew the buyer, 61 percent did not need to market their home. Getting the right price and selling within the length of time planned were the most difficult steps in selling for FSBO sellers.

For FSBO sellers who knew the buyer, 31 percent said they would use an agent to sell their current home. Of FSBO sellers who did not know the buyer, 51 percent said they would sell their current home themselves. Seven in 10 successful FSBO sellers were satisfied with the process of selling their home.

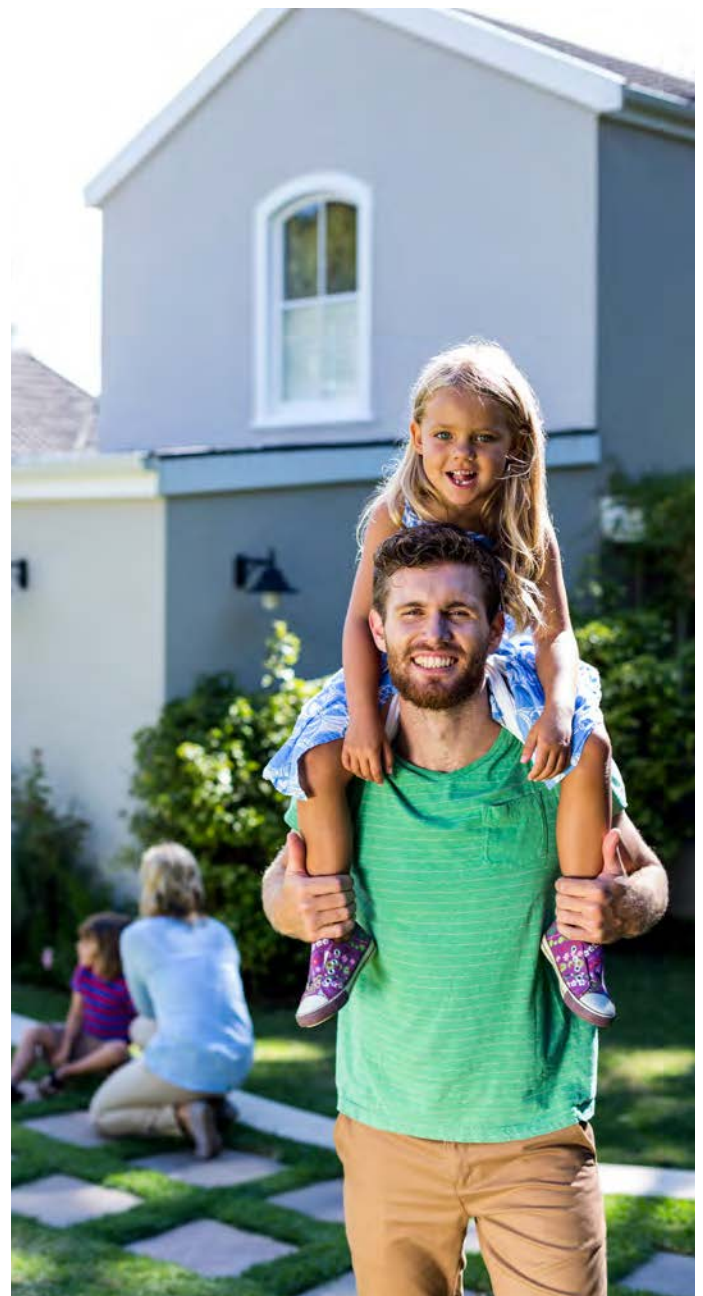


EXHIBIT 8-1 FSBO AND AGENT-ASSISTED SALES, 1981-2017

(Percentage Distribution)

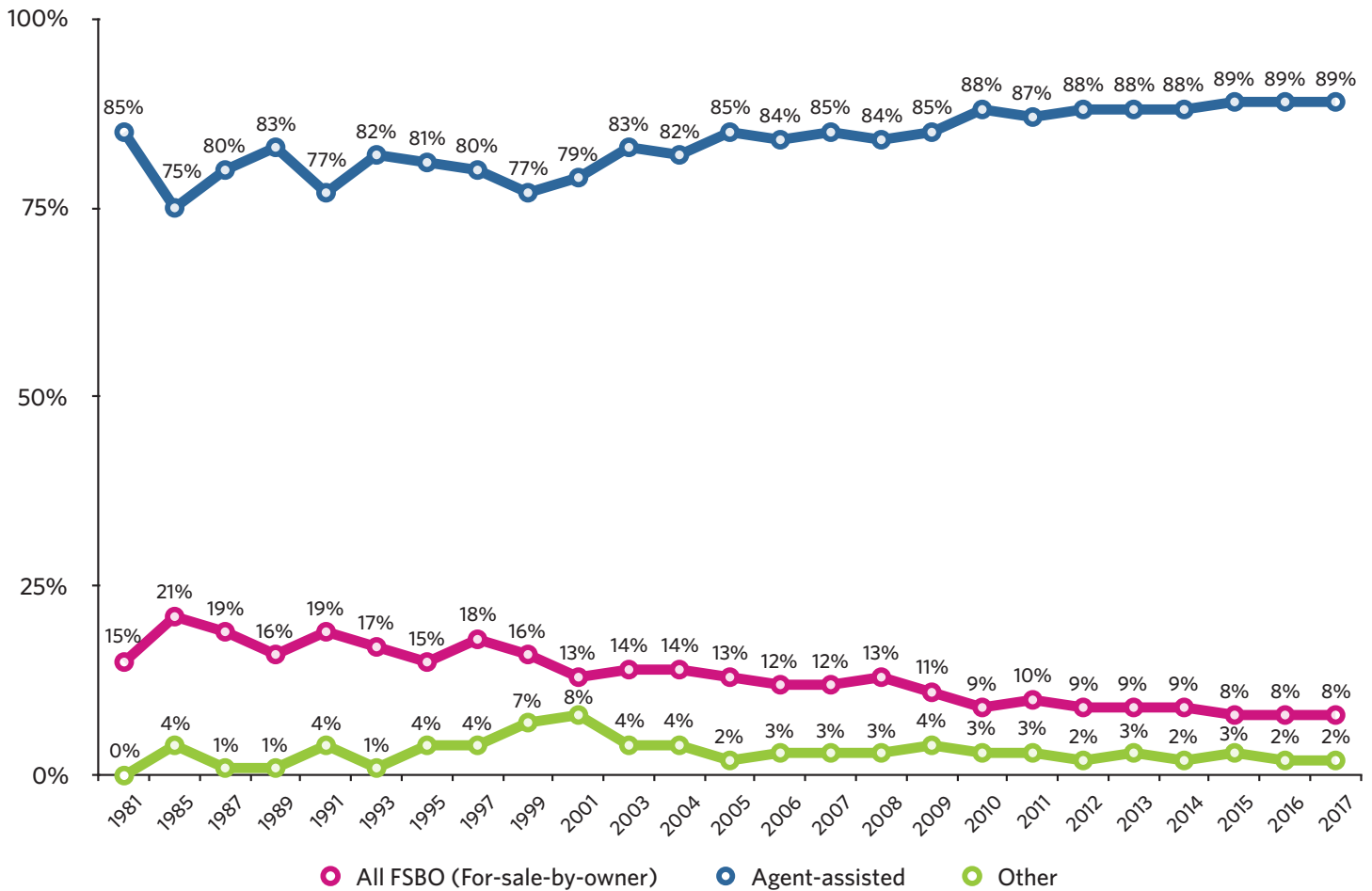


EXHIBIT 8-2 FSBO AND AGENT-ASSISTED SALES, BY LOCATION

(Percentage Distribution)

SELLERS WHO SOLD A HOME IN A

| | All Sellers | Suburb/ Subdivision | Small town | Urban/ Central city | Rural area | Resort/ Recreation area |
|---------------------------------|-------------|------------------------|------------|------------------------|------------|----------------------------|
| For-sale-by-owner (FSBO) | 8% | 6% | 8% | 10% | 14% | 9% |
| Seller knew buyer | 3 | 2 | 3 | 4 | 5 | 3 |
| Seller did not know buyer | 5 | 4 | 5 | 6 | 9 | 6 |
| Agent-assisted | 89 | 92 | 89 | 87 | 84 | 90 |
| Other | 2 | 2 | 2 | 4 | 2 | 1 |

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

(Percentage Distribution)

| | FSBO | | | | AGENT-ASSISTED | | |
|------------------------------|-------------|----------|-------------------|---------------------------|--------------------|---------------------|---------------------------------|
| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | All Agent-assisted | Agent-assisted only | First FSBO, then Agent-assisted |
| Median age | 55 | 57 | 61 | 54 | 54 | 54 | 53 |
| Median income (2016) | \$103,100 | \$86,500 | \$82,600 | \$91,000 | \$91,000 | \$102,900 | \$91,900 |
| HOUSEHOLD COMPOSITION | | | | | | | |
| Married couple | 74% | 71% | 63% | 75% | 75% | 75% | 73% |
| Single female | 16 | 16 | 24 | 12 | 15 | 15 | 18 |
| Single male | 5 | 6 | 9 | 5 | 5 | 5 | 3 |
| Unmarried couple | 4 | 5 | 1 | 7 | 3 | 3 | 5 |
| Other | 2 | 2 | 4 | 1 | 2 | 2 | * |

* Less than 1 percent

EXHIBIT 8-4 TYPE OF HOME SOLD, FSBO AND AGENT-ASSISTED SELLERS

(Percentage Distribution)

| | FSBO | | | | |
|--|-------------|----------|-------------------|---------------------------|----------------|
| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | Agent-Assisted |
| Detached single-family home | 81% | 66% | 66% | 66% | 83% |
| Townhouse/row house | 6 | 7 | 6 | 7 | 6 |
| Duplex/apartment/condo in 2 to 4 unit building | 4 | 5 | 4 | 6 | 3 |
| Apartment/condo in a building with 5 or more units | 4 | 6 | 3 | 7 | 4 |
| Mobile/manufactured home | 3 | 13 | 15 | 12 | 2 |
| Other | 3 | 4 | 7 | 2 | 2 |

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

| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | Agent-Assisted |
|-------------------------|-------------|----------|-------------------|---------------------------|----------------|
| Suburb/Subdivision | 52% | 41% | 40% | 41% | 54% |
| Small town | 14 | 16 | 17 | 15 | 13 |
| Urban area/Central city | 18 | 19 | 19 | 19 | 18 |
| Rural area | 13 | 22 | 22 | 23 | 13 |
| Resort/Recreation area | 2 | 2 | 2 | 2 | 2 |

EXHIBIT 8-6**SELLING PRICE, FSBO AND AGENT-ASSISTED SELLERS***(Percentage Distribution)***FSBO****AGENT-ASSISTED**

| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | All Agent-assisted | Agent-assisted only | First FSBO, then Agent-assisted |
|---|-------------|-----------|-------------------|---------------------------|--------------------|---------------------|---------------------------------|
| Median selling price | \$249,000 | \$190,000 | \$160,300 | \$226,900 | \$250,000 | \$250,000 | \$205,900 |
| SALES PRICE COMPARED WITH ASKING PRICE: | | | | | | | |
| Less than 90% | 7% | 9% | 9% | 8% | 6% | 6% | 10% |
| 90% to 94% | 13 | 8 | 1 | 12 | 14 | 14 | 16 |
| 95% to 99% | 37 | 26 | 13 | 33 | 38 | 38 | 44 |
| 100% | 28 | 51 | 65 | 42 | 25 | 25 | 15 |
| 101% to 110% | 12 | 3 | 6 | 1 | 13 | 13 | 10 |
| More than 110% | 4 | 4 | 5 | 4 | 4 | 4 | 6 |
| Median (sales price as a percent of asking price) | 99% | 100% | 100% | 99% | 98% | 98% | 98% |
| NUMBER OF TIMES ASKING PRICE WAS REDUCED: | | | | | | | |
| None | 60% | 66% | 82% | 57% | 59% | 59% | 33% |
| One | 22 | 22 | 10 | 30 | 23 | 23 | 27 |
| Two | 10 | 6 | 3 | 8 | 11 | 10 | 37 |
| Three | 4 | 4 | 2 | 5 | 5 | 5 | 2 |
| Four or more | 3 | 1 | 5 | 1 | 2 | 2 | 2 |

EXHIBIT 8-7

HOW FSBO SELLER DETERMINED ASKING PRICE OF HOME SOLD

(Percent of Respondents)

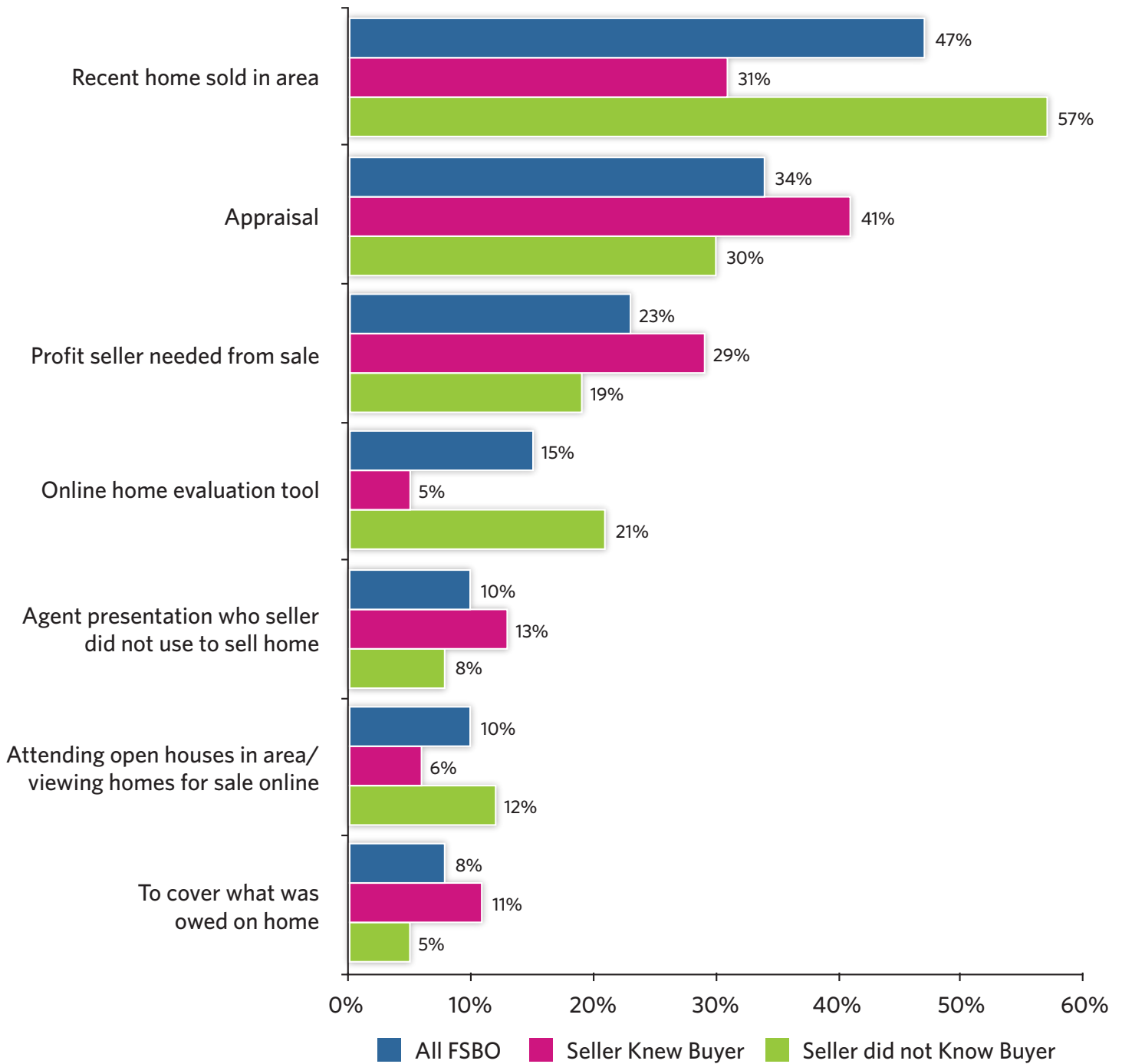


EXHIBIT 8-8 TIME ON THE MARKET, FSBO AND AGENT-ASSISTED SELLERS*(Percentage Distribution)*

| | FSBO | | | | AGENT-ASSISTED | | |
|------------------|-------------|----------|-------------------|---------------------------|--------------------|---------------------|---------------------------------|
| | All Sellers | 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 | 6% | 18% | 34% | 10% | 5% | 5% | 2% |
| 1 to 2 weeks | 40 | 40 | 43 | 37 | 40 | 40 | 16 |
| 3 to 4 weeks | 11 | 10 | 8 | 11 | 11 | 12 | 8 |
| 5 to 6 weeks | 6 | 2 | * | 3 | 7 | 7 | 8 |
| 7 to 8 weeks | 7 | 10 | * | 15 | 7 | 7 | 6 |
| 9 to 10 weeks | 3 | 1 | * | 2 | 3 | 4 | * |
| 11 to 12 weeks | 6 | 2 | 4 | 1 | 7 | 7 | 16 |
| 13 to 16 weeks | 4 | 2 | 3 | 1 | 5 | 5 | 6 |
| 17 to 24 weeks | 5 | 3 | * | 5 | 5 | 5 | 6 |
| 25 to 36 weeks | 4 | 5 | 3 | 7 | 4 | 4 | 10 |
| 37 to 52 weeks | 3 | 4 | 2 | 5 | 3 | 3 | 18 |
| 53 or more weeks | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| Median weeks | 3 | 2 | 1 | 1 | 3 | 3 | 12 |

* Less than 1 percent

EXHIBIT 8-9 SELLER URGENCY, FSBO AND AGENT-ASSISTED SELLERS*(Percentage Distribution)*

| Sellers needed to sell: sell: | FSBO | | | | AGENT-ASSISTED | | |
|-------------------------------|-------------|----------|-------------------|---------------------------|--------------------|---------------------|---------------------------------|
| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | All Agent-assisted | Agent-assisted only | First FSBO, then Agent-assisted |
| Very urgently | 16% | 15% | 14% | 16% | 15% | 15% | 11% |
| Somewhat urgently | 38 | 31 | 31 | 31 | 39 | 39 | 41 |
| Not urgently | 46 | 54 | 55 | 53 | 46 | 46 | 48 |

EXHIBIT 8-10 INCENTIVES OFFERED TO ATTRACT BUYERS, FSBO AND AGENT-ASSISTED SELLERS*(Percent of Respondents)*

| | FSBO | | | | AGENT-ASSISTED | | |
|---|-------------|----------|-------------------|---------------------------|--------------------|---------------------|---------------------------------|
| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | All Agent-assisted | Agent-assisted only | First FSBO, then Agent-assisted |
| None | 63% | 80% | 88% | 76% | 61% | 61% | 60% |
| Home warranty policies | 21 | 7 | 2 | 10 | 22 | 23 | 22 |
| Assistance with closing costs | 16 | 10 | 6 | 12 | 17 | 17 | 16 |
| Credit toward remodeling or repairs | 8 | 4 | 5 | 4 | 9 | 9 | 2 |
| Other incentives, such as a car, flat screen TV, etc. | 4 | 1 | * | 2 | 4 | 4 | 13 |
| Assistance with condo association fees | * | * | * | * | * | * | * |
| Other | 4 | 4 | 3 | 5 | 4 | 3 | 8 |

* Less than 1 percent

EXHIBIT 8-11 MOST IMPORTANT REASON FOR SELLING HOME AS FSBO

(Percentage Distribution)

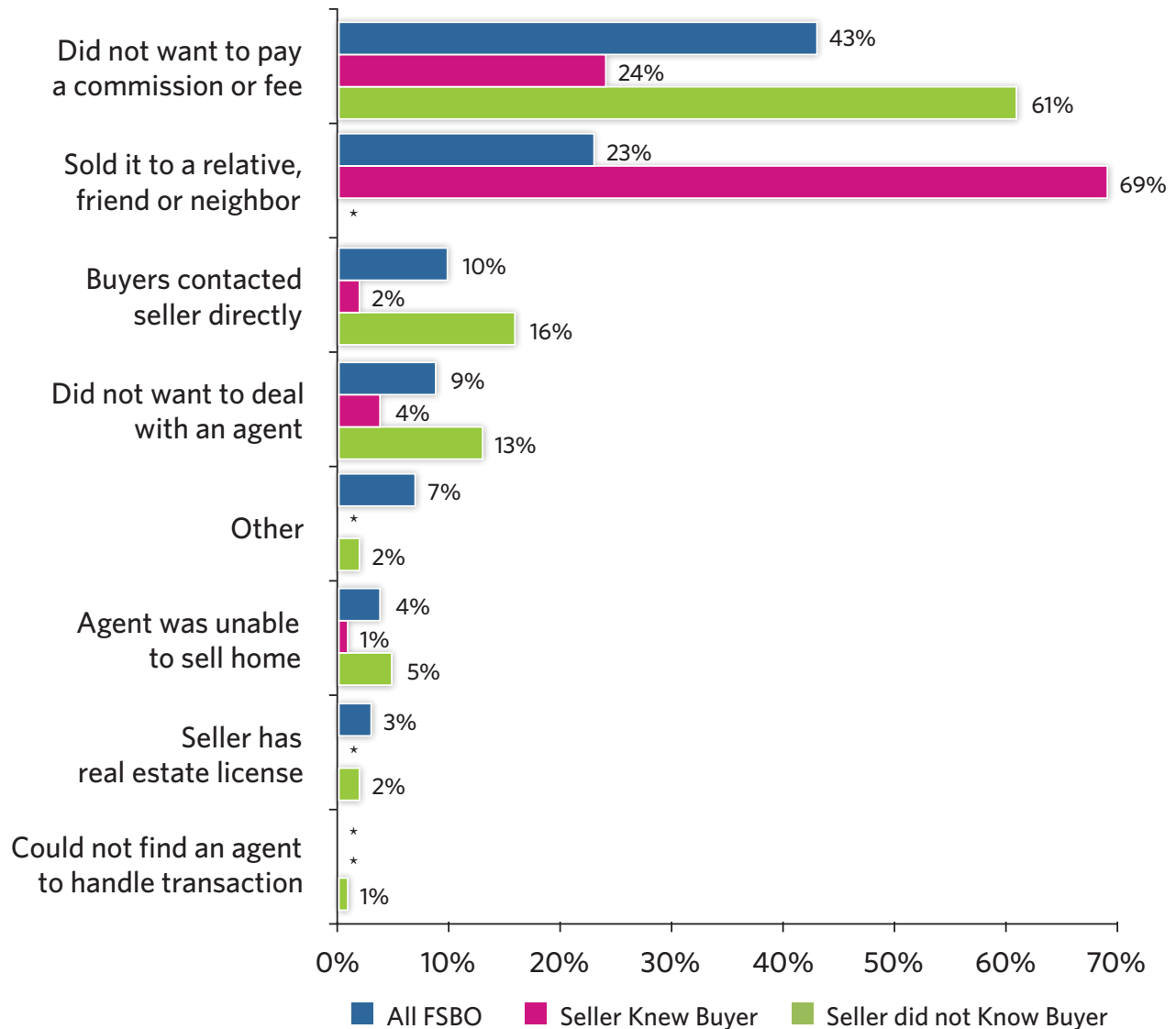


EXHIBIT 8-12 SELLER WANTED TO SELL EARLIER BUT WAITED OR STALLED BECAUSE HOME WAS WORTH LESS THAN MORTGAGE

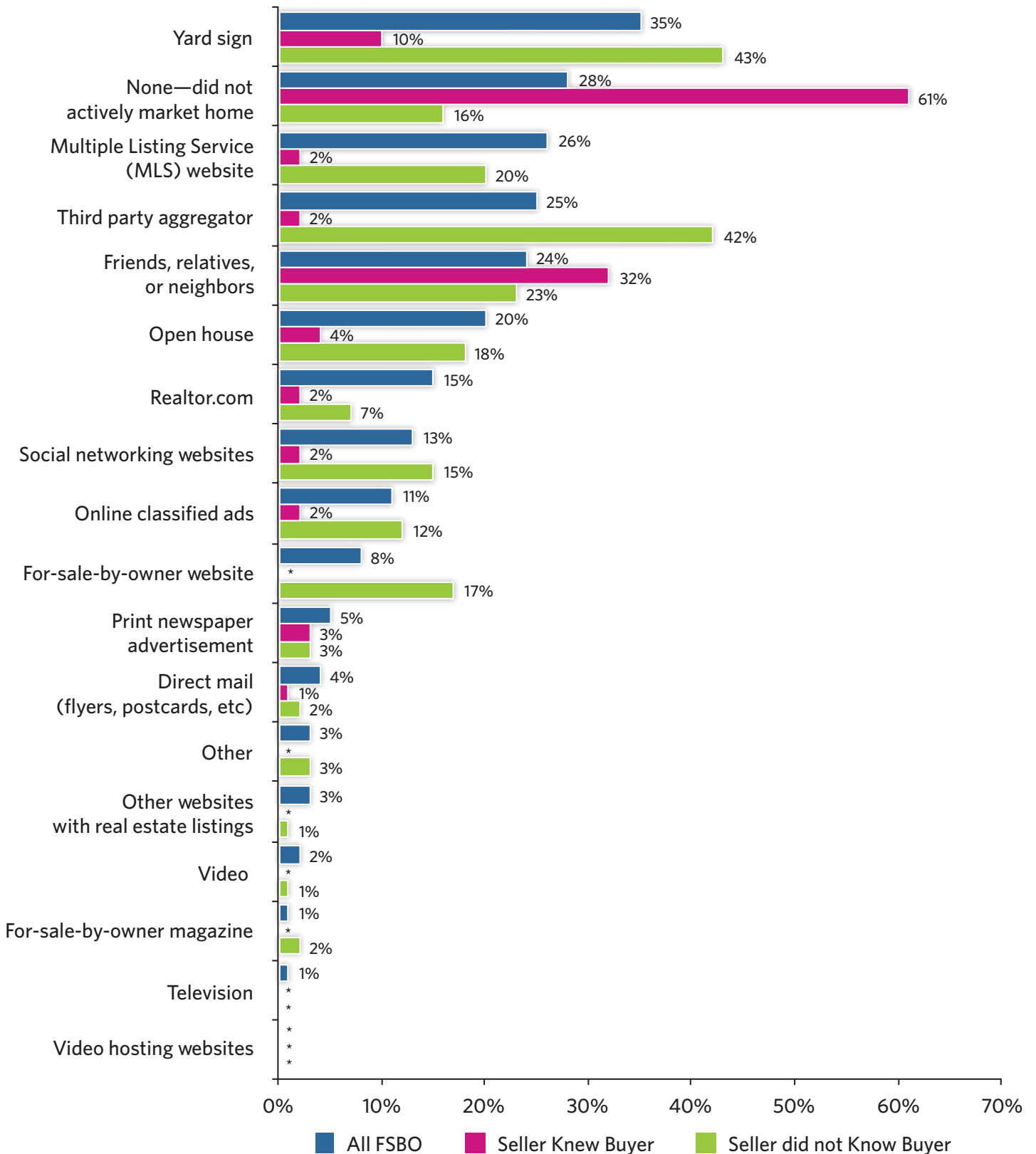
(Percentage Distribution)

| | FSBO | | | | AGENT-ASSISTED | | |
|--|-------------|----------|-------------------|---------------------------|--------------------|---------------------|---------------------------------|
| | All Sellers | All FSBO | Seller Knew Buyer | Seller did not Know Buyer | All Agent-assisted | Agent-assisted only | First FSBO, then Agent-assisted |
| Yes, and lived in home | 9% | 8% | 5% | 9% | 10% | 9% | 16% |
| Yes, but rented home to others and lived elsewhere | 1 | 2 | 3 | 2 | 1 | 1 | * |
| No, sold home when I wanted to sell | 90 | 90 | 92 | 89 | 89 | 89 | 84 |

* Less than 1 percent

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

(Percent of Respondents)



* Less than 1 percent

EXHIBIT 8-14 MOST DIFFICULT TASK FOR FSBO SELLERS

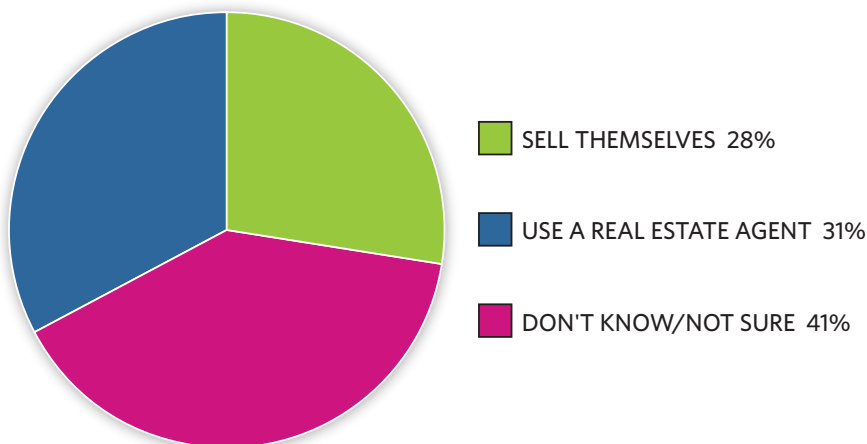
(Percentage of Distribution)

| | All FSBO | Seller Knew Buyer | Seller did not Know Buyer |
|---|----------|-------------------|---------------------------|
| Getting the price right | 15% | 10% | 12% |
| Preparing or fixing up the home for sale | 9 | 4 | 12 |
| Understanding and performing paperwork | 12 | 24 | 14 |
| Selling within the length of time planned | 13 | 10 | 10 |
| Having enough time to devote to all aspects of the sale | 3 | 1 | 3 |
| Attracting potential buyers | 4 | 1 | 3 |
| Helping buyer obtain financing | 2 | 1 | 2 |
| Other | 3 | 3 | 1 |
| None/Nothing | 39 | 45 | 43 |

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

(Percentage Distribution)

SELLER KNEW BUYER



SELLER DID NOT KNOW BUYER

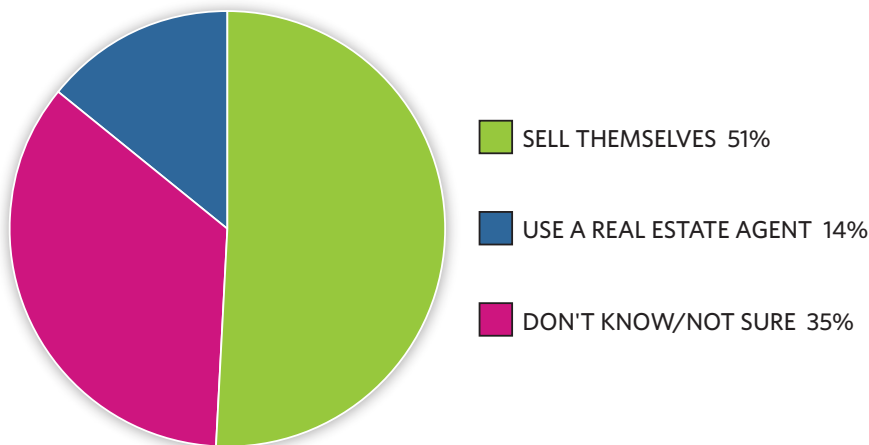
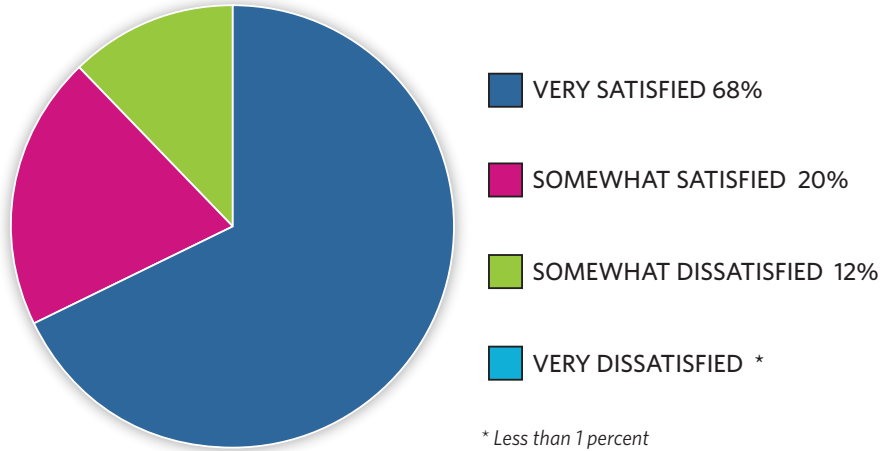


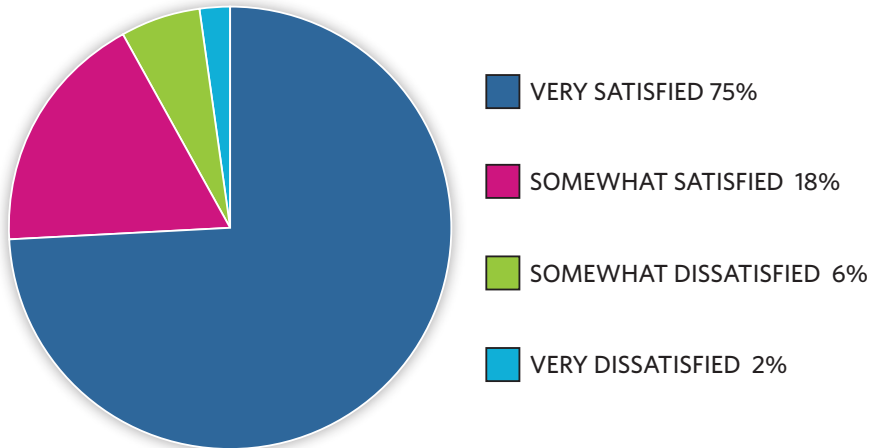
EXHIBIT 8-16 FSBO SELLERS SATISFACTION PROCESS OF SELLING HOME

(Percentage Distribution)

SELLER KNEW BUYER



SELLER DID NOT KNOW BUYER



Methodology

In July 2017, NAR mailed out a 131-question survey using a random sample weighted to be representative of sales on a geographic basis to 145,800 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2016 and June of 2017. A total of 7,866 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 5.6 percent.

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

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

All information in this Profile is characteristic of the 12-month period ending June 2017, with the exception of income data, which are reported for 2016. In some sections comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South, and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.

Data gathered in the report is based on primary residence home buyers. From the *2017 Investment and Vacation Home Buyer Survey*, 70 percent of home buyers were primary residence buyers, which accounts for 4,207,000 homes sold in 2016. Using that calculation, the sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.10%.



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