THE 2003 NATIONAL ASSOCIATION OF REALTORS® PROFILE OF HOME BUYERS AND SELLERS
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HOUSING CONTINUES TO BE A PILLAR OF STRENGTH IN THE U.S. ECONOMY IN 2003, EXPANDING robustly even while other sectors of the economy succumbed to recession and geopolitical uncertainties. Interest rates were near historical lows in 2002, which helped to propel the housing market to a record 6.54 million home sales. Not only has the pace of sales remained strong in 2003, but price appreciation also has added to the wealth of households at a time when equity markets languished. The American Dream of homeownership is now a reality for nearly 74 million households; the U.S. homeownership rate is 68 percent, up from 64 percent a decade ago. The strong pace of home sales is expected to continue throughout 2003 and possibly reach record levels.

But even with favorable market conditions, buying a home remains a challenging endeavor. Establishing where to buy, how to search, and how much home one can afford are all difficult tasks—especially for first-time buyers.

In today’s hot real estate market, many people mistakenly believe that selling a home is uncomplicated and effortless. However, selling a home is often even more daunting than buying one. Establishing a competitive list price, deciding how to market a home, and timing the sale to coincide with a purchase of another home are all challenging but important undertakings that the home seller must manage.

Real estate professionals specialize in assisting buyers and sellers with these tasks and are knowledgeable in all aspects of the home sales transaction. They have the experience and expertise to coordinate all parts of the sales transaction for both buyers and sellers. It is, therefore, no surprise that the majority of home sales involve a real estate professional in some capacity.

Real estate professionals know their neighborhoods and the homes in those neighborhoods better than anyone. With this knowledge, they help clients find properties that meet the needs of first-time buyers, married couples with children, or empty-nesters looking to downsize. Additionally, real estate professionals also assist sellers in pricing, marketing and selling their homes in a timely manner.

The NATIONAL ASSOCIATION OF REALTORS® periodically surveys homebuyers and sellers in an effort to gather detailed information on the homebuying and selling process. Information is collected on the demographics of buyers and sellers, characteristics of their homes, and their recent experience in the housing market. The survey also provides information on the important role that real estate professionals play in home sales transactions. Results of the survey provide the Association with a Profile of Home Buyers and Sellers. The Profile allows REALTORS® and other real estate professionals to better determine who their clients are, what their clients want from real estate agents, and ways that real estate professionals can improve their products and services for homebuying and selling consumers.
The 2003 NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers shows that homebuyers continue to rely on real estate professionals to guide them through the often overwhelming process of gathering and understanding information on available homes and the home sales transaction. Home sellers use the expertise of a real estate professional to properly price their properties and market them in a fashion that leads to a quick sale. As shown in previous Profiles, it remains true that real estate agents and brokers are successfully serving both buyers and sellers in the U.S. housing market.

NOTES TO THE 2003 HOME BUYER AND SELLER PROFILE

In March 2003, the NATIONAL ASSOCIATION OF REALTORS® mailed a 6-page questionnaire to 44,918 consumers who either bought or sold a home in early 2003. The survey resulted in 3,023 usable responses. 3,723 were returned due to an invalid address. As a result, the survey had an adjusted response rate of 7.3 percent. Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent homebuyers derived from county records.

This report consists of nine chapters that focus on specific areas of the homebuying and selling process.

Chapter 1: Homebuyers: Characteristics of Buyers
Chapter 2: Homebuyers: Characteristics of Homes Purchased
Chapter 3: Homebuying: The Search Process
Chapter 4: Homebuying: The Role of Real Estate Professionals
Chapter 5: Homebuyers: Use of the Internet
Chapter 6: Homebuyers: Financing the Home Purchase
Chapter 7: Homesellers: Characteristics of Sellers and the Homes They Sell
Chapter 8: Homeselling and Real Estate Professionals
Chapter 9: Homeselling: For Sale By Owner

All information in this Profile is characteristic of early 2003, with the exception of income data which was reported for 2002. 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 in regional breakouts using the Census Bureau definitions of the Northeast, West, Midwest and South. 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.
The process of buying or selling a home is most efficient when consumers and real estate professionals understand the marketplace, are cognizant of the latest trends in buying and selling and utilize all resources at their disposal. Understanding those trends and how best to use those resources allows real estate professionals to gauge the changing needs of buyers and sellers and tailor their products and services to meet the needs of their future clients. Consumers can learn from the experiences of the thousands of homeowners who participated in this study.

The 2003 Profile of Home Buyers and Sellers indicates that homebuyers and sellers continue to rely on real estate professionals to assist them in all aspects of real estate transactions. Despite the growing number of resources that allow buyers and sellers to obtain real estate information on their own, real estate professionals remain the primary source of information for those searching for, or selling, a home. The vast majority of real estate transactions continue to involve one or more real estate professionals, with most buyers and sellers reporting that they are very satisfied with the performance of their agents.

Homebuyers:
- Forty percent of homebuyers were first-time purchasers.
- The median age of buyers was 40 years.
- Most buyers were married with no children residing in the home.
- The median income for all buyer-households was $66,300; among first-time buyers, the median income was $54,800.
- Twenty-eight percent of buyers purchased a new home.
- The median price of homes purchased was $164,500.
- Roughly one in ten recently purchased second homes was in a resort or recreation area.
- The typical buyer walked through 10 homes and searched for eight weeks before finding the home they ultimately purchased.
- Eighty-six percent of buyers used a real estate agent during their search.
- Three quarters of buyers bought their home with the assistance of an agent.
- Forty-one percent of homebuyers first found out about the home they purchased through an agent.
- Forty-two percent of buyers used the Internet frequently as part of their home search.
- Buyers typically searched for homes on their own for two weeks before contacting an agent.
Forty-four percent of buyers found their real estate agent through a referral from a friend, neighbor or relative.

Eighty-nine percent of homebuyers who used a real estate professional would definitely use, or consider using, their agent again.

Ninety-three percent of buyers obtained a mortgage to finance the purchase of their home.

**HOME SELLERS:**

- Seventy-nine percent of home sellers sold a detached, single-family home.
- Fifty-one percent of homes that were sold were located in a suburb and 20 percent were in an urban area.
- The typical home seller owned their home for six years.
- Fifty-five percent of sellers purchased a home that was larger than the home they sold.
- The typical home sold in five weeks.
- Eighty-three percent of sellers sold their homes with the assistance of an agent.
- Sixty-nine percent of sellers contacted only one agent before listing their home.
- Forty percent first found their listing agent through a referral from a friend or family member.
- When choosing an agent, 62 percent of sellers thought an agent’s reputation was the most important factor.
- Seventy percent of home sellers reported that they would definitely use the same agent in their next sale or recommend the agent to a friend.
- Nearly one third of “for-sale-by-owner” (FSBO) sellers thought understanding and completing the necessary paperwork was the most difficult task when selling a home themselves.
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The Research Division of the NATIONAL ASSOCIATION OF REALTORS® produces the premier measurement of residential real estate activity—the existing home sales series—and analyzes how changes in the economy can impact the real estate business. It also examines trends in real estate practices, and how NAR members are adapting technology in their business operations. NAR Research looks at recent regulatory and legislative policy proposals and how those policies could affect REALTORS® and their clients, America’s property owners.

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