

More home buyers go online

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More Americans who search online for a new home are more likely to purchase a house through a real-estate agent than a non-Internet user, says a recent survey from the National Association of Realtors.

The survey revealed 81 percent of online home searches bought a house through a real-estate agent, compared with 63 percent of non-Internet users. These non-Internet users were most likely to buy directly from the builder or the owner.

"Home buyers are making use of many sources of information in their home searches," said NAR's senior economist Paul Bishop on homebuyers taking advantage of the Internet, which offers a variety of information from schools to neighborhoods.

The real-estate business in the last five years has changed in terms of the amount of information available to home buyers and sellers, Bishop said. With the Internet, purchasers have access to information on local community information, school districts and other aspects of neighborhood quality, he said.

And in fact, respondents said neighborhood quality was the most important factor in choosing a home, followed by other factors including job or school proximity, family and friend proximity, and school district.

The same survey of more than 7,800 responses also reported that the use of the Internet for home searches rose dramatically from 2 percent of buyers in 1995 to 77 percent in 2005, even though nine out of 10

homebuyers still use a real-estate agent in the search process.

Yard signs were the next-largest source of buyer information, with 70 percent.

More people also found their purchased home first via the Internet, up from 15 percent in 2004 to 24 percent in 2005 compared to a mere 2 percent in 1997, according to the survey. Meanwhile, 36 percent of homebuyers cited a real-estate agent and 15 percent yard signs.

However, despite the growing use of technology, Bishop says, there is still a dependence on a real-estate agent due to the complexity of a transaction.

"Home purchases are becoming more complex -- there's more paperwork," said Bishop. Instead he urges homebuyers and sellers to take advantage of having lots of information in a really competitive market and the agents who are competing for their business.

This complexity could also account for the "clear downtrend" of for-sale-by-owners, which has leveled off.

Among respondents, only 13 percent of sellers conducted transactions with no assistance of an agent in 2005 compared to a market share of 14 percent in 2003 and 2004. Of the 13 percent, 39 percent of transactions were based on prior and "closely-held" relationships between buyer and seller.

According to Bishop the most important criteria for an agent are reputation and knowledge of a local market.

And nine of 10 buyers, according to the survey, also believed that desired qualities in an agent were knowledge of the purchase process,

responsiveness and knowledge of the market.

Among other findings:

- Four out of 10 respondents were first-time buyers.
- The median age of entry-level buyers was 32 years, also typical over time, and the household income was \$57,200.
- The typical repeat buyer was 46 years old and had a household income of \$83,200.
- Married couples make up the largest share of the housing market at 61 percent.
- More single women purchase homes than single men: 21 percent vs. 9 percent.
- Typical buyers walk through nine properties, eight weeks of home searching, and moved 12 miles away from a previous residence.
- Typical sellers had homes on the market for four weeks, lived in the house for six years, moved 15 miles away from the new residence and previously owned three houses, including the current one sold.

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