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# 2008 Profile of Home Buyers and Sellers Minnesota Report

Prepared for:  
Minnesota Association of REALTORS®

Prepared by:  
NATIONAL ASSOCIATION OF REALTORS®  
Research Division

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NATIONAL ASSOCIATION OF REALTORS®

*The Voice for Real Estate®*

# 2008 Profile of Home Buyers and Sellers Minnesota Report

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# 2008 Profile of Home Buyers and Sellers Minnesota Report

## Introduction

For most households, the purchase or sale of a home is one of the most significant financial and lifestyle choices they can make. Even for experienced buyers, the process is often complex and requires a number of choices and decisions about such matters as location, commuting distance, type of home, price range and financing alternatives. Sellers are faced with a different array of equally challenging tasks on their path to the successful completion of a home sale.

Most home buyers and sellers rely on real estate professionals to assist them with their transaction. Surveys of both buyers and sellers consistently reveal that consumers value the guidance and advice offered by real estate professionals. Consumers expect real estate professionals to display high levels of knowledge, integrity and expertise. Most buyers and sellers report that their agent met or exceeded their expectations. In fact, a substantial majority of both buyers and sellers report that they would use the same real estate agent again or recommend that agent to others.

The NATIONAL ASSOCIATION OF REALTORS® surveys home buyers and sellers annually to gather detailed information about the home buying and selling process. These surveys provide information on demographics, housing characteristics and the experience of consumers in the housing market. Buyers and sellers also share information on the role that real estate professionals play in home sales transactions.

This report, drawn from the *2008 Profile of Home Buyers and Sellers*, provides REALTORS® in Minnesota with insights into the characteristics, 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. Others benefit from the findings of this research by better understanding the housing market and how the unique role of real estate professionals continues to be important as the housing market evolves.

## THE NATIONAL HOUSING ENVIRONMENT

Although the pace of activity in the housing market has been slowing since mid-2005, the past several months have proven even more challenging for homeowners as well as home buyers and sellers. Beginning in the fall of 2007, credit markets faltered and ultimately came to a near standstill following large losses on mortgage-related securities at financial institutions. As these losses cascaded throughout the financial system, lenders became increasingly reluctant to underwrite mortgages for all but the most creditworthy.

As credit market conditions tightened, the inventory of homes for sale rose markedly. Not only did those households compelled to sell their home for customary reasons such as job relocation place their home on the market, but rising foreclosures and sellers facing possible foreclosure added to the number of homes for sale. One consequence was a further decline in home prices as buyers bargained more aggressively while sellers had little recourse but to lower prices sufficiently to complete a sale. Despite a large selection of homes and lower prices in many areas, some potential buyers took a wait and see attitude and have remained sidelined.

As of fall 2008, the outlook for the economy and housing market is cloudy. Policymakers in the U.S. and abroad have taken actions aimed at restoring confidence in financial markets in order to forestall—to the extent possible—further spillovers to the overall economy.

## **NOTES**

In August 2008, the NATIONAL ASSOCIATION OF REALTORS® mailed an eight-page questionnaire to 133,000 consumers who purchased a home between July 2007 and June 2008. The survey yielded 10,053 usable responses with a response rate, after adjusting for undeliverable addresses, of 7.9 percent. There were 438 unweighted responses from Minnesota, yielding a response rate of 10 percent, which form the basis for this report. 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 2008, with the exception of income data, which are reported for 2007. 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.

# 2008 Profile of Home Buyers and Sellers

## Minnesota Report

### Highlights

The real estate market offers a variety of choices, opportunities and challenges for home buyers, sellers, and real estate professionals helping them with their transactions. For home buyers, there are numerous ways to search for and find a home, a variety of mortgage products to finance their home and a growing list of services that their agent can provide to assist them in the process. Home sellers can choose to sell their home themselves or enlist the professional assistance of an agent who can provide various levels of service to best suit each home seller's needs. Because the real estate market is always evolving, it is important for real estate professionals to have a clear picture of today's home buyers and sellers. The *2008 Profile of Home Buyers and Sellers* describes the characteristics and motivations of recent home buyers and sellers in Minnesota and in so doing helps real estate professionals track the changing demands of consumers in a dynamic market.

### CHARACTERISTICS OF HOME BUYERS

- The median age of home buyers was 34 years old. Among first-time buyers, the median age was 28.
- The median 2007 household income of home buyers in Minnesota was \$73,400 compared to \$74,900 among home buyers nationally.
- Sixty-nine percent of home buyers had no children under age 18 residing in the home.
- Fifty-five percent of home buyers were married couples, 24 percent single females, 12 percent single males, and 7 percent were unmarried couples.
- Five percent of home buyers reported they were born outside the United States, compared to 9 percent nationally.
- First-time home buyers accounted for 47 percent of recent home purchases.
- Sixty-five percent of first-time home buyers were between 25 and 34 years old.
- The median income of first-time home buyers was \$62,300 compared to \$60,600 among all first-time buyers nationally.
- Seven percent of first-time buyers identified their race or ethnicity as non-white.
- The primary reason for the recent home purchase was a desire to own a home for 66 percent of first-time buyers.
- For the timing of the home purchase, 42 percent reported it was just the right time for them, 18 percent noted they had to purchase when they did, and 27 percent reported it was either due to improved affordability of homes or availability of homes for sale. Only 5 percent stated they wished they had waited to buy.
- Forty-nine percent of home buyers reported using social networking Web sites, such as MySpace, Facebook, LinkedIn, and Friendster. Among home buyers aged 18 to 24, 79 percent reported using social networking sites, and 29 percent reported using them every day or nearly every day.

### CHARACTERISTICS OF HOMES PURCHASED

- New home purchases were 18 percent of recent home purchases.
- Sixty-seven percent of homes purchased were detached single family homes.
- The typical home buyer purchased a home 12 miles from their previous residence.
- The median price of homes purchased was \$224,000 compared to \$204,000 in the U.S.
- The typical buyer purchased a home that was 1,880 square feet in size. The median size of home purchased by first-time buyers was 1,670 square feet

- Commuting costs were considered as very or somewhat important by 86 percent of buyers when considering which home to purchase.
- Recent home buyers plan to live in their home a median of 10 years.

### **THE HOME SEARCH PROCESS**

- Forty-one percent of recent buyers reported that their first step in the home-buying process was looking online for properties for sale. Ten percent of first-time buyers and 21 percent of repeat buyers reported their first step was to contact a real estate agent.
- Ninety-three percent of home buyers used the Internet to search for homes.
- The typical home buyer searched for a home for a median 10 weeks and saw a median 15 homes.
- Eighty-seven percent of home buyers used a real estate professional during their home search.
- Among home buyers, the typical Internet searcher was 33 years old and visited a median 15 homes. The typical home buyer who did not use the Internet to search for homes was 57 years old and saw a median 8 homes.
- Thirty-three percent of home buyers first learned about the home they purchased from a real estate professional; 45 percent first learned about the home they purchased through the Internet.
- Real estate agents were viewed as a very useful information source by 81 percent of buyers, and as a somewhat useful information source by an additional 17 percent of buyers searching for a home.
- Seven percent of buyers purchased a foreclosed home. 48 percent considered buying a home in foreclosure, but either could not find the right home, or found the purchase process to be too difficult or complex.

### **HOME BUYING AND REAL ESTATE PROFESSIONALS**

- Eighty-five percent of home buyers purchased their home through a real estate agent or broker.
- Fifty-three percent of first-time buyers were referred to their agent by a friend, family member, neighbor or relative.
- Ninety-seven percent of buyers ranked honesty and integrity as a "very important" factor when choosing a real estate professional to assist with a home purchase.
- When asked about their agent's performance on those qualities considered important, 84 percent reported they were "very satisfied" with the honesty and integrity of their agent.
- Sixty-seven percent of recent buyers will definitely use their agent again and 17 percent will probably use the agent again or recommend to others.

### **FINANCING THE HOME PURCHASE**

- Ninety-four percent of home buyers financed their home purchase; 99 percent of first-time home buyers financed the purchase of their home compared to 90 percent of repeat buyers.
- Savings was the chief source of the downpayment for 78 percent of first-time buyers.
- Fifty-seven percent of repeat buyers used proceeds from the sale of their primary residence toward the downpayment; 47 percent relied on savings for a portion of the downpayment.
- 48 percent of home buyers reported they have made some sacrifices to be able to make their home purchase, such as reducing spending on luxury items, entertainment or clothing.
- Forty percent of all buyers believe that their home purchase was a better financial investment than stocks, and an additional 35 percent of buyers feel their home purchase was at least as good an investment as stocks.

### **HOME SELLERS AND THEIR SELLING EXPERIENCE**

- The median age of home sellers was 43 years; they had a median income of \$90,200.
- Sixty-six percent of home sellers were married and 61 percent had no children under 18 years old living at home.
- Fifty-five percent of sellers traded up to a larger home when purchasing their next home.
- The typical home seller owned their home for 6 years.
- The typical home was on the market for 10 weeks. Thirty-five percent of home sellers did not reduce their asking price before their home sold.
- Recent sellers typically sold their homes for 95 percent of the listing price.
- Thirty percent of sellers offered incentives to attract buyers, most often assistance with closing costs and home warranty policies.
- Ninety-one percent of sellers used an agent or broker to sell their home.
- Fifty-one percent of all sellers were very satisfied with the selling process.

### **HOME SELLERS AND REAL ESTATE PROFESSIONAL**

- Fifty-two percent of sellers contacted only one agent before selecting one to help assist in the sale of their home.
- When selecting a real estate professional, 44 percent of sellers received a recommendation from a friend, neighbor or relative.
- The reputation of the agent was the most important factor when choosing a real estate professional for 37 percent of recent sellers.
- Fifty-seven percent of sellers used the same agent for their home purchase.
- For 23 percent of sellers, their most important expectation was that the real estate agent will help price home competitively. 14 percent of reported their most important expectation was that the agent will help sell the home within a specific timeframe.
- Ninety-four percent of sellers reported their home was listed or advertised on the Internet.
- Seventy-eight percent of sellers used an agent that provided a broad range of services and managed most aspects of the sales transaction.
- Sixty-three percent of sellers reported they would definitely use the same real estate agent again.

### **FOR SALE BY OWNER SELLERS (FSBO)**

- Eight percent of sellers sold their home without the assistance of an agent compared with 13 percent of sellers nationally. Among all sellers, 3 percent were FSBO sellers who knew the buyer.
- Seventy percent of FSBO sellers reported that they had some difficulty in selling their home themselves, in performing tasks such as understanding and performing the necessary paperwork to complete the transaction, preparing the home for sale, and getting the price right.

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-12

### AGE OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

#### Minnesota

	All Buyers	First-time Buyers	Repeat Buyers
<b>18 to 24 years</b>	8%	16%	1%
<b>25 to 34 years</b>	43	65	23
<b>35 to 44 years</b>	22	15	29
<b>45 to 54 years</b>	13	4	22
<b>55 to 64 years</b>	8	1	14
<b>65 to 74 years</b>	4	*	8
<b>75 years or older</b>	2	*	4
<b>Median age (years)</b>	34	28	43
Married couple	34	28	42
Single female	40	29	49
Single male	33	28	48
Unmarried couple	29	26	45
Other	33	35	33

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
<b>18 to 24 years</b>	5%	12%	*
<b>25 to 34 years</b>	33	54	18
<b>35 to 44 years</b>	23	20	25
<b>45 to 54 years</b>	17	8	24
<b>55 to 64 years</b>	13	5	19
<b>65 to 74 years</b>	6	1	9
<b>75 years or older</b>	2	*	3
<b>Median age (years)</b>	39	30	47
Married couple	39	30	45
Single female	44	32	52
Single male	39	30	48
Unmarried couple	30	28	45
Other	45	38	55

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-13

### HOUSEHOLD INCOME OF FIRST-TIME AND REPEAT BUYERS, 2007

(Percentage Distribution)

#### Minnesota

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$25,000	3%	2%	3%
\$25,000 to \$34,999	6	8	4
\$35,000 to \$44,999	7	9	5
\$45,000 to \$54,999	14	18	10
\$55,000 to \$64,999	13	18	9
\$65,000 to \$74,999	10	12	8
\$75,000 to \$84,999	10	10	11
\$85,000 to \$99,999	11	11	11
\$100,000 to \$124,999	12	6	17
\$125,000 to \$149,999	4	4	5
\$150,000 to \$174,999	4	3	6
\$175,000 to \$199,999	3	*	5
\$200,000 or more	4	1	6
<b>Median income (2007)</b>	<b>\$73,400</b>	<b>\$62,300</b>	<b>\$86,200</b>
Married couple	\$90,400	\$77,700	\$102,900
Single female	\$53,500	\$51,100	\$57,500
Single male	\$57,100	\$53,800	\$70,000
Unmarried couple	\$75,000	\$68,300	\$92,500
Other	\$104,200	\$62,500	\$112,500

\* Less than 1 percent

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$25,000	4%	5%	3%
\$25,000 to \$34,999	7	10	5
\$35,000 to \$44,999	8	13	5
\$45,000 to \$54,999	10	15	7
\$55,000 to \$64,999	12	14	10
\$65,000 to \$74,999	9	10	8
\$75,000 to \$84,999	9	9	9
\$85,000 to \$99,999	10	9	11
\$100,000 to \$124,999	12	7	16
\$125,000 to \$149,999	6	3	8
\$150,000 to \$174,999	4	2	5
\$175,000 to \$199,999	2	1	3
\$200,000 or more	5	2	8
<b>Median income (2007)</b>	<b>\$74,900</b>	<b>\$60,600</b>	<b>\$88,200</b>
Married couple	\$86,500	\$70,400	\$98,500
Single female	\$51,800	\$47,400	\$57,600
Single male	\$61,100	\$53,500	\$73,700
Unmarried couple	\$73,400	\$64,900	\$94,500
Other	\$53,100	\$45,000	\$64,500

## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-10

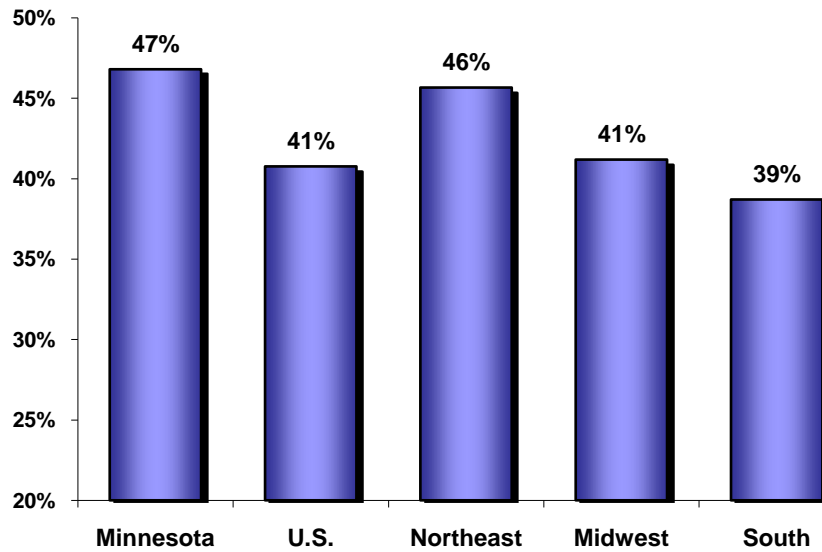
### FIRST-TIME HOME BUYERS, BY REGION

*(Percent of all Home Buyers)*

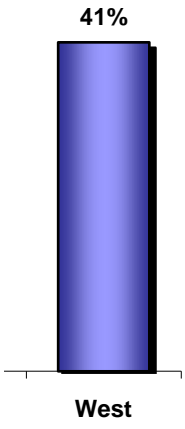
<b>Minnesota</b>	47%
<b>U.S.</b>	41%
<b>Northeast</b>	46%
<b>Midwest</b>	41%
<b>South</b>	39%
<b>West</b>	41%

### FIRST-TIME HOME BUYERS, BY REGION

*(Percent of all Home Buyers)*



ON



## CHARACTERISTICS OF HOME BUYERS

Exhibit 1-22

### PRIMARY REASON FOR THE TIMING OF HOME PURCHASE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

#### Minnesota

	All Buyers	First-time Buyers	Repeat Buyers
It was just the right time, the buyer was ready to buy a home	42%	47%	38%
Did not have much choice, had to purchase	18	4	30
It was the best time because of improved affordability of homes	18	26	12
It was the best time because of availability of homes for sale	9	7	11
It was the best time because of mortgage financing options available	5	7	4
Other	3	2	3
The buyer wished they had waited	5	6	3

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
It was just the right time, the buyer was ready to buy a home	43%	52%	37%
Did not have much choice, had to purchase	19	10	25
It was the best time because of improved affordability of homes	14	16	12
It was the best time because of availability of homes for sale	10	8	11
It was the best time because of mortgage financing options available	7	9	5
Other	4	2	5
The buyer wished they had waited	4	3	5

## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-14

### PRICE OF HOME PURCHASED, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

#### Minnesota

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$75,000	1%	2%	*
\$75,000 to \$99,999	1	3	*
\$100,000 to \$124,999	7	9	5
\$125,000 to \$149,999	5	8	2
\$150,000 to \$174,999	11	15	9
\$175,000 to \$199,999	12	15	9
\$200,000 to \$249,999	25	30	19
\$250,000 to \$299,999	16	13	19
\$300,000 to \$349,999	7	2	11
\$350,000 to \$399,999	3	2	5
\$400,000 to \$499,999	6	1	10
\$500,000 or more	7	2	11
<b>Median price</b>	<b>\$224,000</b>	<b>\$197,170</b>	<b>\$264,000</b>
Married couple	\$265,500	\$220,500	\$300,000
Single female	\$184,000	\$169,500	\$189,938
Single male	\$194,000	\$175,000	\$237,000
Unmarried couple	\$205,000	\$197,450	\$282,000
Other	\$189,900	\$184,950	\$385,000

\* Less than 1 percent

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$75,000	4%	6%	3%
\$75,000 to \$99,999	6	10	4
\$100,000 to \$124,999	9	12	6
\$125,000 to \$149,999	11	15	8
\$150,000 to \$174,999	11	12	10
\$175,000 to \$199,999	9	9	8
\$200,000 to \$249,999	15	15	15
\$250,000 to \$299,999	10	8	12
\$300,000 to \$349,999	7	4	9
\$350,000 to \$399,999	5	3	6
\$400,000 to \$499,999	6	3	8
\$500,000 or more	8	4	11
<b>Median price</b>	<b>\$204,000</b>	<b>\$165,000</b>	<b>\$236,000</b>
Married couple	\$227,600	\$176,000	\$255,000
Single female	\$166,000	\$150,000	\$187,000
Single male	\$185,000	\$170,000	\$200,000
Unmarried couple	\$171,000	\$161,200	\$207,600
Other	\$167,700	\$133,000	\$189,500

# CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-19

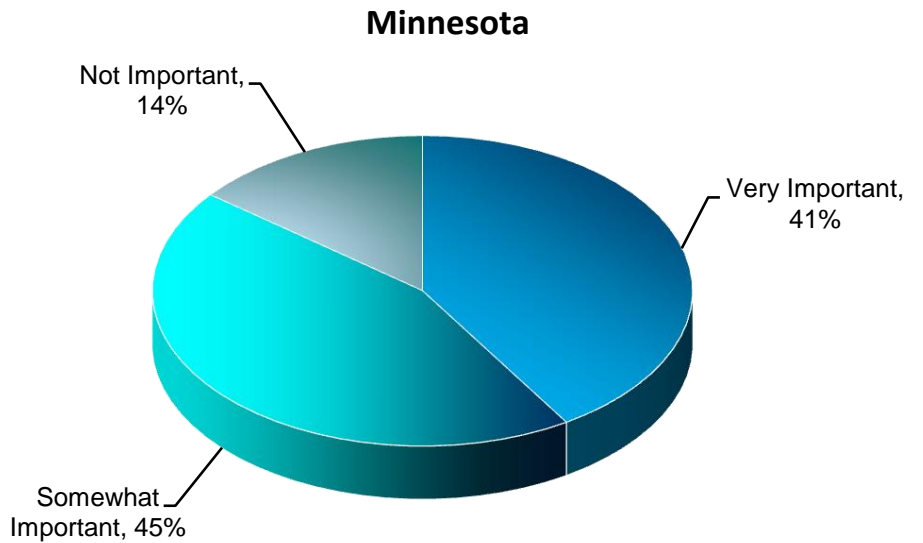
## IMPORTANCE OF COMMUTING COSTS

(Percentage Distribution)

### Minnesota

Very Important	41%
Somewhat Important	45%
Not Important	14%

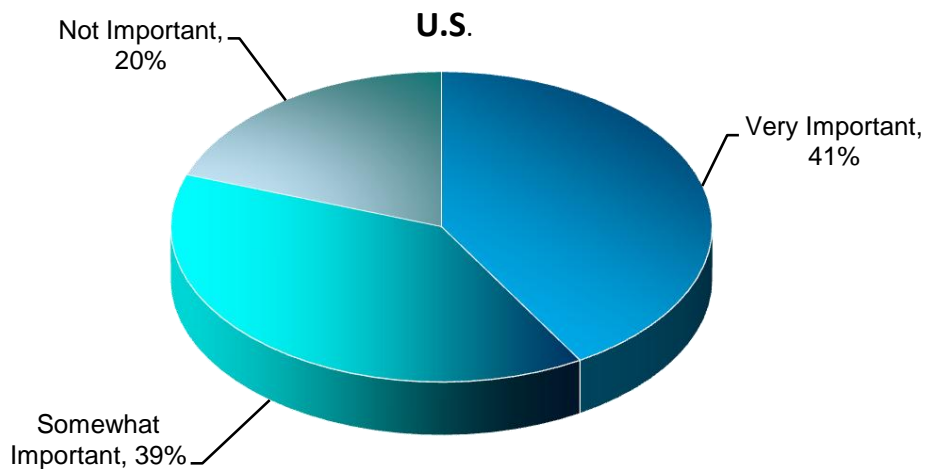
IMPORTANCE OF COMMUTING COSTS  
(Percentage Distribution)



### U.S.

Very Important	41%
Somewhat Important	39%
Not Important	20%

IMPORTANCE OF COMMUTING COSTS  
(Percentage Distribution)



## CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-20

### IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

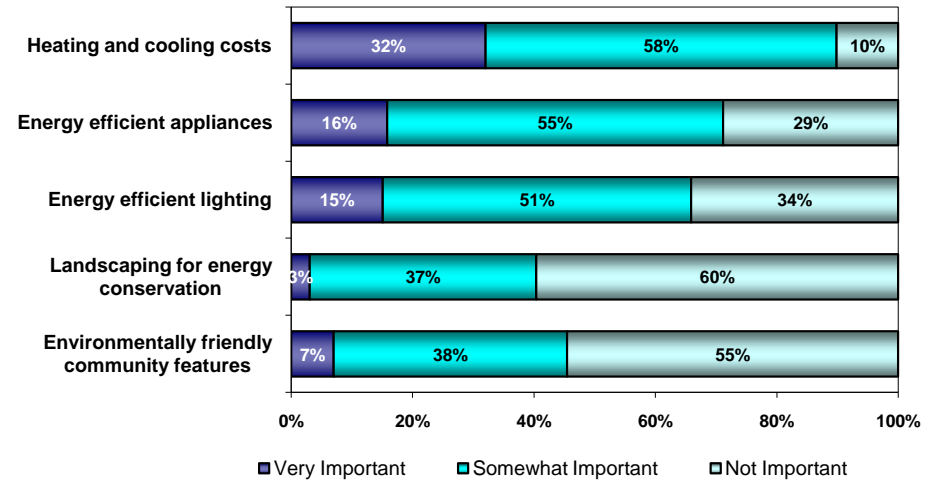
#### Minnesota

	Very Important	Somewhat Important	Not Important
Heating and cooling costs	32%	58%	10%
Energy efficient appliances	16	55	29
Energy efficient lighting	15	51	34
Landscaping for energy conservation	3	37	60
Environmentally friendly community features	7	38	55

### IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

#### Minnesota



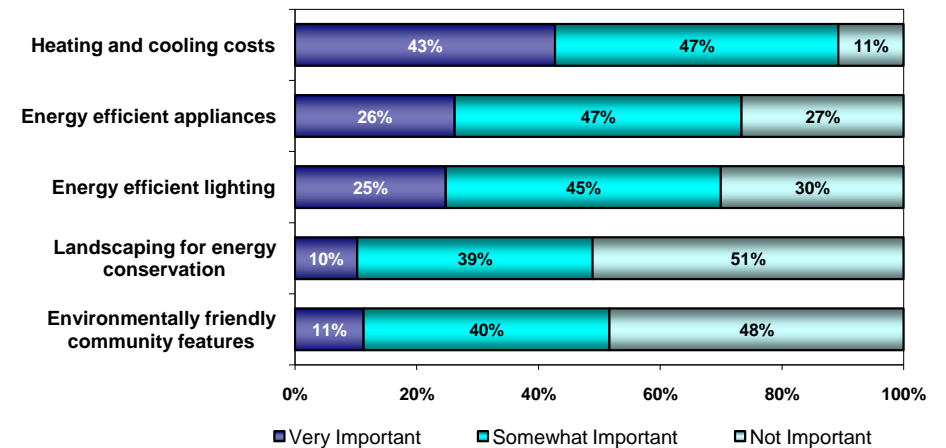
#### U.S.

	Very Important	Somewhat Important	Not Important
Heating and cooling costs	43%	47%	11%
Energy efficient appliances	26	47	27
Energy efficient lighting	25	45	30
Landscaping for energy conservation	10	39	51
Environmentally friendly community features	11	40	48

### IMPORTANCE OF HOME'S ENVIRONMENTALLY FRIENDLY FEATURES

(Percentage Distribution)

#### U.S.



## THE HOME SEARCH PROCESS

Exhibit 3-9

### WHERE BUYER FOUND THE HOME THEY PURCHASED, 2001-2008

(Percentage Distribution)

#### Minnesota

	2008
Real estate agent	33%
Internet	45
Yard sign/open house sign	10
Friend, relative or neighbor	4
Home builder or their agent	4
Print newspaper advertisement	2
Directly from sellers/Knew the sellers	1
Home book or magazine	1
Other	--

#### U.S.

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

## THE HOME SEARCH PROCESS

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)

#### Minnesota

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF:	
				New Homes	Previously Owned Homes
Purchased a home in foreclosure	7%	9%	6%	N/A	9%
Did not consider purchasing a home in foreclosure	45	35	54	65	41
Considered purchasing a home in foreclosure, but did not:	48	57	39	35	50
Could not find the right home	23	28	18	19	24
The process was too difficult or complex	16	16	15	9	17
The home was in poor condition	21	28	14	14	22
The home price was too high	8	9	7	5	8
The neighborhood was undesirable	4	6	3	1	5
Financing options were not attractive	3	5	1	1	3

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF:	
				New Homes	Previously Owned Homes
Purchased a home in foreclosure	6%	7%	5%	N/A	7%
Did not consider purchasing a home in foreclosure	56	48	61	71	52
Considered purchasing a home in foreclosure, but did not:	38	45	34	28	41
Could not find the right home	21	23	19	14	22
The process was too difficult or complex	12	16	10	9	14
The home was in poor condition	12	16	9	7	13
The home price was too high	5	5	4	3	5
The neighborhood was undesirable	5	6	4	3	5
Financing options were not attractive	3	4	2	2	3

N/A- Not Applicable

## THE HOME SEARCH PROCESS

Exhibit 3-16

### METHOD OF HOME PURCHASE, BY USE OF INTERNET

(Percentage Distribution)

#### Minnesota

	Used Internet to Search	Did Not Use Internet to Search
Through a real estate agent/broker	86%	77%
Directly from builder or builder's agent	7	7
Directly from previous owner whom buyer didn't know	1	*
Directly from previous owner whom buyer knew	1	13
Foreclosure or trustee sale	5	3
Other	*	*

\* Less than 1 percent

#### U.S.

	Used Internet to Search	Did Not Use Internet to Search
Through a real estate agent/broker	83%	65%
Directly from builder or builder's agent	8	18
Directly from previous owner whom buyer didn't know	3	5
Directly from previous owner whom buyer knew	2	9
Foreclosure or trustee sale	3	3
Other	1	1

# HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-7

## HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

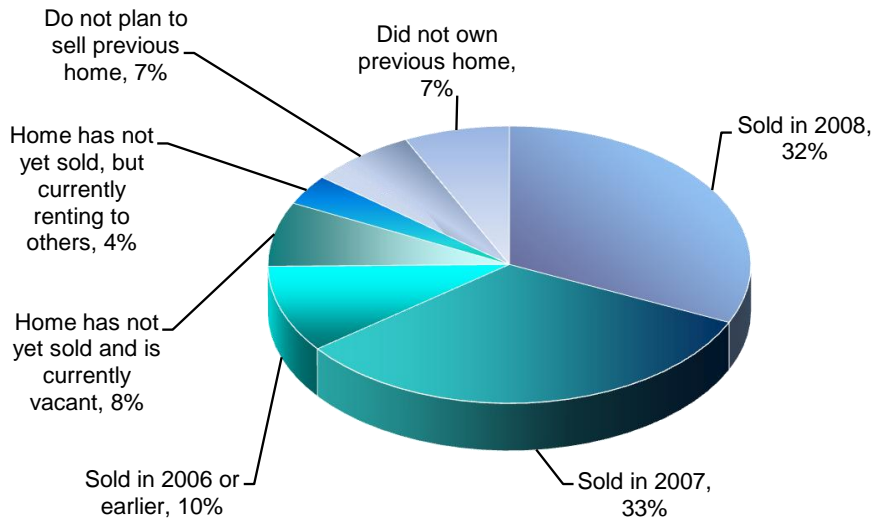
### Minnesota

Sold in 2008	32%
Sold in 2007	33%
Sold in 2006 or earlier	10%
Home has not yet sold and is currently vacant	8%
Home has not yet sold, but currently renting to others	4%
Do not plan to sell previous home	7%
Did not own previous home	7%

### HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

#### Minnesota



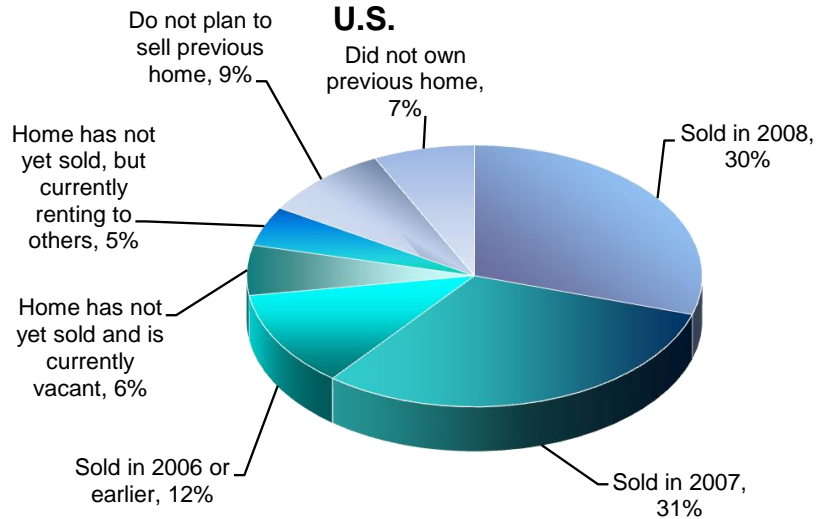
### U.S.

Sold in 2008	30%
Sold in 2007	31%
Sold in 2006 or earlier	12%
Home has not yet sold and is currently vacant	6%
Home has not yet sold, but currently renting to others	5%
Do not plan to sell previous home	9%
Did not own previous home	7%

### HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

#### U.S.



## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-22

### METHOD USED TO SELL HOME, BY SELLER URGENCY

(Percentage Distribution)

#### Minnesota

	All Sellers	SELLER NEEDED TO SELL:		
		Very urgently	Somewhat urgently	Not urgently
<b>Sold home using an agent or broker</b>	91%	75%	92%	95%
<b>Seller used agent/broker only</b>	89	75	89	94
<b>Seller first tried to sell it themselves, but then used an agent</b>	2	*	3	2
<b>For-sale-by-owner (FSBO)</b>	8	21	8	3
<b>Seller sold home without using a real estate agent or broker</b>	7	17	8	3
<b>First listed with an agent, but then sold home themselves</b>	1	4	*	*
<b>Sold home to a homebuying company</b>	1	*	*	2
<b>Other</b>	1	4	*	*

#### U.S.

	All Sellers	SELLER NEEDED TO SELL:		
		Very urgently	Somewhat urgently	Not urgently
<b>Sold home using an agent or broker</b>	84%	83%	85%	82%
<b>Seller used agent/broker only</b>	81	80	84	79
<b>Seller first tried to sell it themselves, but then used an agent</b>	3	3	2	3
<b>For-sale-by-owner (FSBO)</b>	13	12	11	16
<b>Seller sold home without using a real estate agent or broker</b>	11	11	10	14
<b>First listed with an agent, but then sold home themselves</b>	2	2	2	1
<b>Sold home to a homebuying company</b>	1	1	1	*
<b>Other</b>	2	4	2	2

\* Less than 1 percent

## HOME SELLERS AND THEIR SELLING EXPERIENCE

Exhibit 6-30

### INCENTIVES OFFERED TO ATTRACT BUYERS, BY REGION

(Percent of Respondents)

	SELLERS WHO SOLD A HOME IN THE:					
	Minnesota	U.S.	Northeast	Midwest	South	West
<b>None</b>	70%	58%	71%	59%	51%	60%
<b>Assistance with closing costs</b>	20	18	11	19	23	14
<b>Home warranty policies</b>	4	15	9	14	19	13
<b>Credit toward remodeling or repairs</b>	*	4	4	2	3	6
<b>Other incentives, such as a car, flat screen TV, etc.</b>	4	2	2	3	2	3
<b>Other</b>	2	5	5	4	5	5

\* Less than 1 percent

# HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-11

## WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

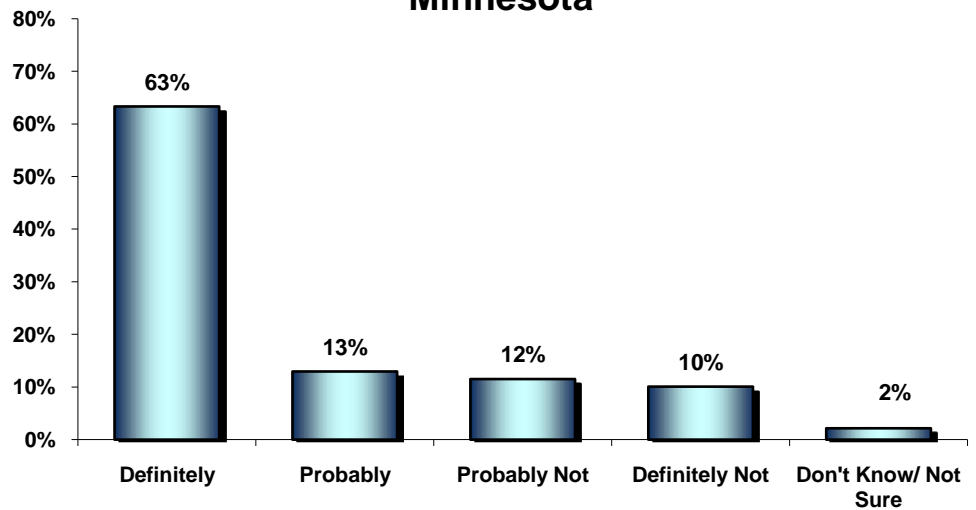
### Minnesota

<b>Definitely</b>	63%
<b>Probably</b>	13%
<b>Probably Not</b>	12%
<b>Definitely Not</b>	10%
<b>Don't Know/ Not Sure</b>	2%

### WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

#### Minnesota



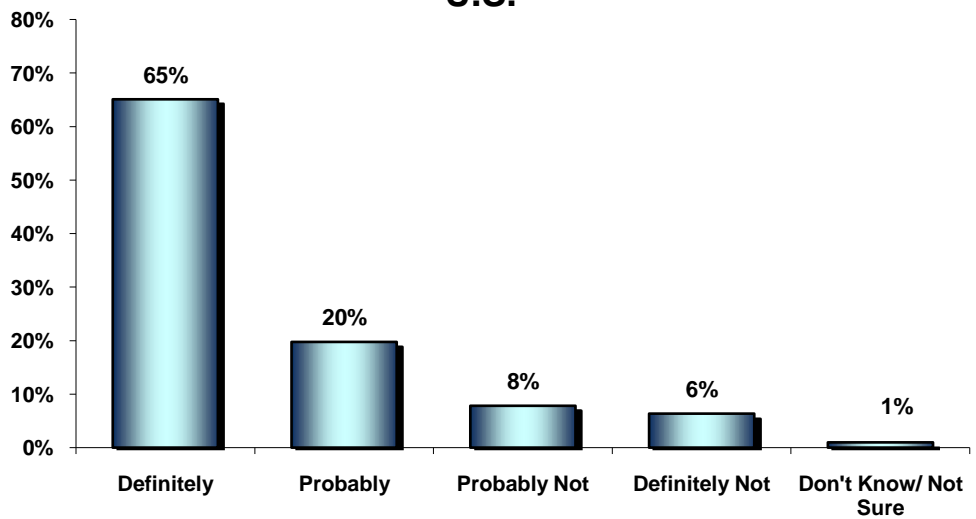
### U.S.

<b>Definitely</b>	65%
<b>Probably</b>	20%
<b>Probably Not</b>	8%
<b>Definitely Not</b>	6%
<b>Don't Know/ Not Sure</b>	1%

### WOULD SELLER USE REAL ESTATE AGENT AGAIN OR RECOMMEND TO OTHERS

(Percentage Distribution)

#### U.S.



# 2008 Profile of Home Buyers and Sellers Minnesota Report

## Conclusion

Home buying and selling remains an important segment of the national and local economies, especially due to the housing sector's unique power to revitalize the economy during challenging times. With historically low mortgage rates, buyers and sellers continue to have opportunities to trade up, trade down, relocate or purchase a second home. First-time buyers, accounting for over 40 percent of the market, are discovering and capturing the benefits of homeownership, which contributes to significant wealth accumulation, among other financial, social, and personal rewards.

Consumers rely on the experience and expertise of real estate professionals to assist when buying and selling a home. Working in an extremely competitive environment, agents and brokers provide high levels of service to meet the varied needs of home buyers and sellers. The value that consumers place on the services offered by real estate professionals is reflected in the large majority of both buyers and sellers who would use their agents again or recommend them to others.

The *2008 Profile of Home Buyers and Sellers* allows real estate professionals to better understand their clients and how their needs are changing over time. For example, survey results show that typical Minnesota buyers had a slightly lower income and were younger than buyers nationwide. Buyers were less likely to purchase a detached single family home, but more likely to purchase a home located in the suburbs compared with other buyers nationwide. Information in this report will assist REALTORS® as they strive to meet the varied needs of their clients while offering superior service to America's home buyers and sellers.

# 2008 Profile of Home Buyers and Sellers Minnesota Report

## Appendix: Selected Exhibits

Age of First-time and Repeat Buyers ..... 1

Household Income of First-time and Repeat Buyers ..... 2

First-time Home Buyers ..... 3

Primary Reason for the Timing of Home Purchase, First-time and Repeat Buyers ..... 4

Price of Home Purchased, First-time and Repeat Buyers ..... 5

Importance of Commuting Costs ..... 6

Importance of Home's Environmentally Friendly Features ..... 7

Where Buyer Found the Home They Purchased ..... 8

Buyer Interest in Purchasing a Home in Foreclosure, by First-time and Repeat Buyers, and Buyers of New and Previously Owned Homes ..... 9

Method of Home Purchase, by Use of Internet ..... 10

Home Selling Situation among Repeat Buyers ..... 11

Method Used to Sell Home, by Seller Urgency ..... 12

Incentives Offered to Attract Buyers, by Region ..... 13

Would Seller Use Real Estate Agent Again or Recommend to Others ..... 14

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**Note:** A complete set of Exhibits along with comparable national survey results are available in full data report.

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