

More women looking to buy homes

by *Jim_Woodard*

The profile of the average home buyer is constantly changing. One of the most dramatic changes currently is growth in the number of women buyers, particularly single women.

Single women now comprise more than one in every five home buyers. Married couples make up the largest share of buyers (about 61 percent of transactions).

"Single women have a particularly strong sense of homeownership as a good investment and an inherent appreciation of what it takes to build a nest egg and wealth overtime," it was stated in a report from the National Association of Realtors.

Especially appealing to women buyers are condos and townhomes. With these residences they don't have to mow the lawn or maintain landscaping. And they often have amenities they particularly enjoy such as a recreation room, swimming pool and a strong security system.

The rise in single women home buyers can be attributed to three main factors, according to a study by Harvard University's Joint Center for Housing Studies. Today there are more unmarried women in the population, more women are delaying marriage until later, and more women are forming their own households.

More women are also buying homes for the first time. The Harvard study found that first-time female buyers accounted for 41 percent of all unmarried female buyers of homes.

"The role of the single woman home buyer in the real estate market is clearly strong and shows signs of continued growth and expansion," the NAR report noted.

Another Harvard study revealed that women now control 91 percent of home buying or remodeling decisions.

Realtors and home builders recognize that women have more buying power than ever, it was noted by Sandy Dunn, vice president of the National Association of Home Builders. Single women, in fact, are the second-largest and fastest-growing demographic in the home-buying arena.

"Women hold the purse strings when it comes to major home-buying decisions," said Tara Nicholle-Nelson, author of the new book "Trillion Dollar Women."

Overall, the typical home buyer is 39 years old, while the typical repeat buyer is 46, according to a NAR survey. Nine percent of home buyers reported they were born outside the United States. Three-quarters of buyers between 18 and 24 purchased a home because of their desire to own a home and establish a household.

As for the newly purchased properties themselves, the typical home has 1,810 square feet of livable space. About 67 percent of those homes are detached single-family residences. The median distance buyers move from their old to new home is 13 miles. Most buyers plan to stay in their newly purchased home for about 10 years.

About a third of buyers reported that their first step in the home-buying process was looking online for sale properties. A whopping 84 percent of buyers report they used the Internet to search for homes at some point in their home-seeking process.

The typical home buyer searched for eight weeks and viewed 10 homes before making a decision.

About 79 percent of buyers purchased their home through a real estate broker or agent. Forty-three percent of buyers found their broker-agent through a referral from a friend or family member.

Ninety-three percent of home buyers arranged financing for their purchase. Nearly three-quarters of first-time buyers rely on savings for their down payment. More than three-quarters of buyers feel their home purchase was at least as good an investment as stocks, the NAR survey revealed.

Q: When will the housing market bottom out, and how are builders dealing with it?

A: Much of the needed correction process in housing and mortgage markets is now behind us, according to a report from the National Association of Home Builders. Housing imbalances during the boom years (2003-2005) were corrected to some degree during the past couple of years. Other analysts are predicting the market will bottom out later this year.

To address the sagging market, many sellers of new and existing homes cut prices and offered a variety of

non-price sales incentives. At the same time, median household income grew at a healthy rate - about 5 percent per year. As a result, home-price-to-income ratios have recently fallen in most markets. They had been on the rise in all major regions of the country.

On the supply side, home builders have cut back dramatically on production of new housing, dropping single-family construction starts by more than 50 percent from the high two years ago. These cutbacks have led to modest reductions in unsold inventories of new homes. Inventories of existing homes are also decreasing.

As for mortgages, the unsound practices that helped fuel the boom generally were weeded out during the past year.

"We're not looking for further tightening of mortgage lending conditions in 2008," said a NAHB spokesperson.

Another report, this one from the National Association of Realtors, sees a steady housing market for the next few months with a rise in new and existing home sales later this year and into 2009.

Existing home sales in 2007 will probably total 5.66 million units when all the figures are in and tabulated - that's the fifth largest on record. The number of sales are projected to edge up to 5.7 million this year, and 5.91 million in 2009. Last year's existing home prices are expected to be down by 1.9 percent from the previous year.

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