

## Open House: Single women saying 'I do' to real estate

*by Jim Woodard*

Single women are becoming a more important segment in the home-buying market. Married couples still constitute 60 percent of home buyers, but that proportion has been dropping in recent years. It was 70 percent 12 years ago, according to the National Association of Realtors.

It's also interesting to note that unmarried women accounted for 22 percent of sales last year - up from 14 percent in 1995. Single men, on the other hand, accounted for just 9 percent of home sales last year. That's unchanged from the mid-'90s.

Experts say the trend is ripe with opportunities for condominium builders and sales agents who specialize in the smaller, low-maintenance homes that single women prefer. Builders are already targeting women when decorating many of their model homes, emphasizing the lighter colors they believe women favor and showcasing upgrades in rooms such as the kitchen. Realtors are emphasizing a neighborhood's safety and the security of attached garages when talking with single women interested in buying a home.

This home-buying phenomenon is rooted in societal changes, including the fact that women are waiting longer to get married, analysts report. Married women who get divorced also are less likely to remarry, and remarry less quickly than men, according to a study by Rutgers University's National Marriage Project. Another factor is the gains college-educated working women have achieved. "They are a solid majority of the college students in America today, said demographics expert Peter Francese. "They have substantial moneymaking capabilities and that will continue far into the future.

A Harvard University study last summer found that unmarried women are buying about 1 million homes per year. Between 2002 and 2003 they spent \$550 billion on residential real estate.

The study showed that single women prefer homes in the city to the suburbs and tend to shy away from new construction. Most women buy smaller homes or less expensive condos that give them a stronger sense of safety while requiring less maintenance.

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Q: Why aren't more rental apartments being built?

A: The building of new rental apartment buildings will escalate over the next two years, due to increasing consumer demand for rentals. This follows a depleted supply of rental units, largely due to so many conversions of rental apartment buildings to condominium ownership units in recent years.

That's the forecast of economists at the National Association of Home Builders. "We are forecasting that the rental and for-sale sectors of the multifamily market will make a major adjustment over the next couple of years, said. David Seiders, the association's chief economist. "Last year, the for-sale market had grown to include almost half of all multifamily construction starts. That's a record share and a correction now is under way.

Builders are particularly optimistic about the rising level of construction in the moderate-rent and low-rent apartments. The planning of more low-rent units reflects the improved Congressional climate for funding affordable housing. When asked about their expectations for rental occupancy over the next six months, multifamily builders and developers expressed strong optimism. However, many builders noted that rental vacancy rates have recently risen a bit in their area, and it's requiring longer periods of time to find tenants. Also, rental rates have been dropping slightly.

Q: Why are home buyers so fussy these days?

A: People who grew up during the Great Depression bought homes in the 1940s and '50s replete with one-car garages, Formica countertops and vinyl floors. In recent years, baby boomers have been much more picky. Armed with greater wealth, they often demand 10-foot ceilings, high-end appliances, a clubhouse concierge

and live theater performances. Major builders who know how to deliver that lifestyle are enjoying brisk sales, even as today's housing downturn continues. The over-55 market is growing and becoming a much more important sector in the home buying market.

In 2005, the U.S. Census estimated that there were 67 million people age 55 and older. That 55-plus population will grow at more than two percent a year during the next decade and reach 85 million by 2014, it was estimated by the National Association of Home Builders. It was also predicted that someone 55 or older would head 40 percent of all households by 2012.

Baby boomers have a substantial share of the nation's wealth - about \$2.8 trillion or 36 percent of total household income.

Q: What's causing mortgage interest rates to drop in today's market?

A: Mortgage rates have indeed been edging down in recent weeks (at this writing), allowing more people to qualify for a home purchase or refinance mortgage loan.

Mortgage rates have been sliding downward as volatility in overseas stock markets face questions about implications for the U.S. economy, said Frank Nothaft, chief economist for Freddie Mac, a major government-sponsored buyer of existing mortgages. Uncertainties about the strength of the economy dominated the effects of other indicators, such as recent personal income growth and core inflation rate. Both increased at rates faster than had been expected, and potentially would have put upward pressure in interest rates. But the stock market's fall pushed bond yield down instead.

Looking ahead, as excess business inventories are worked off and the drag from residential investment diminishes, we expect real gross domestic product growth to accelerate in the first half of this year. That considered, we do not foresee significant movement from today's low mortgage rates.

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