

Century 21 Real Estate First-Time Home Buyer Survey Reveals Increasing Demand Despite Concerns about the Economy

78% Of Potential First-Time Home Buyers Say That Now is a Good Time to Buy

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PARSIPPANY, N.J., Mar 26, 2009 (BUSINESS WIRE) -- Century 21 Real Estate LLC, the franchisor of the world's largest residential real estate sales organization today announced the results of its recently commissioned first-time home buyer survey. The survey found that more than three-quarters (78 percent) of potential first-time home buyers say that now is a good time to buy a home, despite widespread concern about the economy. Out of the 1,000 prospective U.S. first-time home buyers surveyed in early March for the CENTURY 21 First-Time Home Buyer Survey, 68 percent think now is a better time to buy than six months ago. Prices are the driving motivation for potential first-time home buyers with more than eight of ten first-time home buyers (85 percent) saying they consider current home prices affordable and 73 percent citing that taking advantage of current prices is a major factor in their decision to buy. Interestingly, potential first-time buyers are still split between "being willing to consider an offer now" (42 percent) and "waiting for prices to go down before they seriously consider making a purchase" (48 percent).

"Current pricing, rates and incentives, such as the First Time Homebuyer Tax Credit, provide tremendous opportunities for first-time home buyers to get into the market," said Tom Kunz, Century 21 Real Estate president and CEO. "Our research shows that while consumers still have concerns about the future of the economy, many are actively considering their options as we move into the spring selling season."

Among the survey's other key findings:

-- Bargains in the marketplace are providing additional options for buyers to consider. 56 percent of potential first-time home buyers are considering purchasing a foreclosed or short sale home, and 63 percent are open to purchasing either a "fixer-upper" or "as-is" home.

-- When asked to rate the features that they look for when choosing a home, price is the primary consideration with 87 percent saying this feature is "very important," followed closely by neighborhood safety (80 percent) and the condition of the home (71 percent).

-- Having enough money for a down payment is a top concern of potential first-time home buyers as nearly half (46 percent) said they are "very worried" about the issue.

-- Most respondents (86 percent) are in the market for single family homes.

Available Government Incentives

In addition to affordable home prices and mortgage rates, the survey also showed strong interest in taking advantage of the recent government stimulus. More than three-quarters (77 percent) of potential first-time home buyers say they are more likely to buy a home in the next six months because of the \$8,000 first-time home buyer tax credit offered in the American Recovery and Reinvestment Act of 2009.

Affordable Mortgage Rates

Perception about the lending market is a key concern for prospective first-time home buyers. Current mortgage rates are considered to be affordable by approximately three-quarters (72 percent) of respondents and 62 percent recognize that rates are lower than a year ago. However, 75 percent of potential first-time home buyers believe it is difficult to get a home loan right now and 74 percent think it is harder to get a loan than the same time last year.

"Traditional mortgage investors, Fannie Mae, Freddie Mac, FHA and VA are receiving significant financial backing from the federal government, keeping interest rates low and mortgage funds available for qualified buyers," said Marshall Gayden, senior vice president of Century 21 Mortgage(R). "Home buyers who have a stable job history of at least two years, solid credit (620 and above) and down payment money that can be documented (3.5% on FHA loans) are well positioned to secure a mortgage in today's credit environment."

Understanding the Buying Process

Prospective first-time home buyers also indicate that there is a real need for someone who can provide accurate and reliable information while they look for a home. When asked about the real estate transaction process, more than half (59 percent) of potential buyers rated their understanding of the process as only "fair" or "poor."

"Between home loans, the closing process and understanding the new government stimulus, real estate professionals play a vital role in working with first-time home buyers to help them navigate the current market," said Kunz. "Every individual situation is different, and consumers should use their Realtor as a trusted advisor to seek opportunities, get educated on the process and make informed decisions."

In addition, the survey asked potential buyers which factors are most relevant in their decision to choose a home:

First-Time Home Buyers' Top Reasons for Buying	(% saying major factor)
Taking advantage of current housing prices	73
Moving to a bigger living space	60
Having a more suitable place to start or raise family	56
Buying a home as an investment	47
Moving to a better neighborhood	44
Moving to better location for work	28

Visit www.century21.com for additional first time home buyer information.