

# The Florida 2005 Profile of Home Buyers and Sellers

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February, 2006



NATIONAL ASSOCIATION OF REALTORS®

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The 2005 NATIONAL ASSOCIATION OF REALTORS®  
**Profile of Home Buyers and Sellers**  
Florida Report

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**NATIONAL ASSOCIATION OF REALTORS®**  
**2005 NAR Profile of Home Buyers and Sellers**  
**Florida Report**

**Introduction**

Throughout 2005, the U.S. housing market remained one of the strongest segments of the U.S. economy with record sales volumes and strong price appreciation in many areas. Existing home sales set a record in 2005 as the combined forces of low mortgage interest rates, strong demand and a strengthening economy contributed to robust sales of new and existing homes. The strength of the housing market was reflected in a homeownership rate that approached 70 percent, a remarkable increase from 65 percent 10 years ago.

The robust housing market has also contributed significantly to the growth in household wealth. By mid-2005, aggregate homeowners' equity had increased by 50 percent since year-end 2001 and by 15 percent in the previous year alone. For many homeowners this equity represents a major portion of their net worth. In addition, mortgage refinancing, home equity loans and home equity lines of credit have allowed homeowners to unlock equity that they have used to make home improvements, reduce high cost consumer debt, and support consumer spending.

First-time buyers continued to be a significant share of the market, accounting for roughly two of every five home sales. Most first-time buyers seek to fulfill their desire to own a home and enjoy the pride of ownership. Trade-up buyers still seek the pride of ownership, but lifestyle changes often drive their desire for a different home. The need for more space, a job change, or the desire to be closer to friends and family motivate some buyers to purchase another home. Others purchase a vacation home to serve as a personal retreat or an investment property that will generate additional income.

Whatever the motivation for purchasing a home, real estate professionals have continued to work with consumers to help them find the right home. From the initial search to the closing, real estate agents and brokers help guide homebuyers through the many steps that culminate in a successful home purchase. Real estate professionals also help home sellers by developing a marketing plan, pricing the home competitively and utilizing their experience to assist sellers through each step of the process. Buyers and sellers may also choose to complete a home sales transaction without a real estate professional. However, a majority of buyers and sellers value the experience and expertise of real estate professionals; a majority of both buyers and sellers would recommend their agent to others.

The NATIONAL ASSOCIATION OF REALTORS® periodically surveys homebuyers and sellers to gather detailed information on the homebuying and selling process. These surveys provide information on demographics, housing characteristics and the experience of buyers and sellers in the housing market. Buyers and sellers also share information on the role of real estate professionals in home sales transactions. The results of the most recent survey are reported in *The 2005 NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers*. This report provides REALTORS® with insights into the characteristics and needs of their clients and enables them to improve their client service. 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 *2005 NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers* shows that homebuyers rely on real estate professionals to guide them through the complex process of collecting and evaluating information about local real estate market conditions and using that knowledge to choose a home that fits their needs. On the other side of the transaction, sellers report that real estate professionals are key to marketing their home and negotiating the best deals on price, contingencies, transaction date and other important elements. The **2005 Profile** highlights the significant role of real estate professionals in serving both buyers and sellers.

## NOTES

In August 2005, the NATIONAL ASSOCIATION OF REALTORS® mailed an 8-page questionnaire to 4,000 Florida consumers who bought a home between August 2004 and July 2005. Information on sellers comes from those buyers who also sold a home. Hurricane Katrina disrupted mail service in late August 2005 in some areas of the country and artificially depressed the response rate to the survey. Consequently, the questionnaire was re-fielded to an additional 4,000 homebuyers in the Florida area. All told, the survey yielded 561 usable responses yielding a response rate of 7 percent. Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records.

This report consists of eight chapters that focus on specific areas of the homebuying and selling process.

- Chapter 1: Characteristics of Home Buyers
- Chapter 2: Characteristics of Homes Purchased
- Chapter 3: The Home Search Process
- Chapter 4: Home Buying and Real Estate Professionals
- Chapter 5: Financing the Home Purchase
- Chapter 6: Home Sellers and Their Selling Experience
- Chapter 7: Home Selling and Real Estate Professionals
- Chapter 8: For Sale by Owner Sellers

All information in this **Profile** is characteristic of the 12-month period ending July 2005, with the exception of income data which was reported for 2004. 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 Census regions: Northeast, West, Midwest and South. 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.

# NATIONAL ASSOCIATION OF REALTORS®

## 2005 NAR Profile of Home Buyers and Sellers

### Highlights – Florida Area

Today's consumers have access to a vast amount of information about the home buying and selling process, including a large and growing number of Internet-based tools that provide detailed information about local property markets whether they are across town or across the country. Consequently, home buyers and sellers are becoming increasingly sophisticated and require real estate professionals to meet their heightened expectations for service. Even with increasing access to information, however, most home buyers and sellers depend on the experience and expertise of real estate professionals to assist them with the complex task of completing a real estate transaction. Because of this evolution, it is important for real estate professionals to have a clear picture of today's home buyers and sellers. The *2005 NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers* describes the characteristics and motivations of recent home buyers and sellers and in so doing will help real estate professionals track the changing demands of consumers in a dynamic real estate market. Results for the Florida area show:

#### CHARACTERISTICS OF HOME BUYERS

- The median age of homebuyers was 48 years old.
- The median household income of homebuyers was \$73,200 compared to \$71,600 in the U.S.
- Sixty-five percent of homebuyers reported that there were no children under age 18 years residing in the home.
- First time homebuyers accounted for 22 percent of homes purchased in 2005.
- Forty-three percent of first time home buyers were between 25 and 34 years old.
- The median income of first time home buyers was \$49,400.

#### CHARACTERISTICS OF HOMES PURCHASED

- Seventy-six percent of homes purchased in Florida were detached single family homes.
- Forty-three percent of homebuyers remained in the suburbs when they purchased another home.
- The typical homebuyer purchased a home 14 miles from their previous residence.
- Sixty-four percent of recent buyers ranked neighborhood quality as the most important factor influencing the location of their home purchase.
- Sixty-three percent of homes purchased were in the suburbs.
- The median price of homes purchased was \$212,500 compared to \$195,000 in the U.S.

#### THE HOME SEARCH PROCESS

- Home buyers searched for a home for a median six weeks and saw a median eight homes.
- Eighty-seven percent of homebuyers used a real estate professional during their home search.
- Thirty-eight percent of homebuyers first learned about the home they purchased from a real estate professional.
- Forty-eight percent of first-time homebuyers used the Internet frequently to search for homes compared with 55 percent of repeat homebuyers.
- Fifteen percent of buyers first found their home on the Internet.
- The majority of Internet home searchers were looking for properties for sale.

#### HOME BUYING AND REAL ESTATE PROFESSIONALS

- Sixty-four percent of homebuyers purchased their home through a real estate agent.
- Buyers searched for a median of two weeks on their own before contacting a real estate professional.
- Seventy-eight percent of homebuyers used only one agent in their home search.

- Thirty-seven percent of first time buyers were referred to their agent by a friend, neighbor or relative.
- Seventy-two percent of recent buyers wanted their agent to help them find the right home.
- Buyers ranked reputation and knowledge of the neighborhood as the most important factors when choosing a real estate professional to assist with a home purchase.
- Sixty-four percent of recent buyers will definitely use their agent again.

### **FINANCING THE HOME PURCHASE**

- Eighty-five percent of homebuyers financed their home purchase and 18 percent financed the entire purchase price.
- Ninety-six percent of first time home buyers financed the purchase of their home compared to 76 percent of repeat buyers.
- Savings was the primary source of first-time homebuyers' downpayment.
- Sixty-four percent of repeat buyers used equity from the previous home as a downpayment.
- Ninety-five percent of all buyers believe that their home purchase was a good financial investment.

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

- The median age of home sellers was 52 years in 2005.
- The median income of home sellers was \$83,800.
- Sixty-six percent of home sellers were married and 70 percent have no children under 18 years old living at home.
- Three out of four homes sold were detached single family homes.
- Twenty percent of sellers spent three to four years in their previous home.
- Sixty-seven percent of sellers used an agent or broker to sell their home.
- The typical home was on the market for three weeks.
- Seventy-five percent of all sellers were very satisfied with the selling process.

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

- Seventy-one 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, 39 percent of sellers received a recommendation from a friend, neighbor or relative.
- Thirty-six percent of sellers used the same agent for their home purchase.
- Twenty-seven percent of sellers wanted their real estate professional to help find the right buyer for their home and 25 percent wanted help selling their home within a specific timeframe each.
- Nearly three out of four sellers used the Internet to market their home.
- Sixty-seven percent of sellers reported they would definitely use the same real estate agent again.

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

- Twenty-seven percent of sellers sold their home without the assistance of an agent.
- Eighty percent of FSBO sellers sold a detached single-family home.
- Sixty percent of FSBO's previous homes were in the suburbs.
- The median selling price of FSBO homes was \$210,000 compared with \$255,000 for agent-assisted home sales.
- The primary reason FSBO sellers did not use a real estate agent was to avoid paying a commission.
- The most difficult tasks for FSBO sellers were preparing and fixing the house up for sale.
- Fifty-nine percent of FSBO sellers relied on yard signs to help them market their home.

## AGE OF HOMEBUYERS, BY REGION

(Percentage Distribution)

|                           | Florida   | U.S.      | Northeast | Midwest   | South     | West      |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Less than 25 years        | 3%        | 6%        | 7%        | 10%       | 5%        | 4%        |
| 25 - 34 years             | 19        | 32        | 34        | 34        | 31        | 29        |
| 35 - 44 years             | 20        | 24        | 25        | 23        | 24        | 26        |
| 45 - 54 years             | 27        | 19        | 16        | 18        | 20        | 20        |
| 55 - 64 years             | 16        | 11        | 12        | 8         | 12        | 14        |
| 65 - 74 years             | 11        | 5         | 6         | 5         | 6         | 5         |
| 75 years or older         | 3         | 2         | 1         | 2         | 2         | 3         |
| <b>Median age (years)</b> | <b>48</b> | <b>40</b> | <b>39</b> | <b>38</b> | <b>41</b> | <b>42</b> |

## HOUSEHOLD INCOME OF HOMEBUYERS, 2004

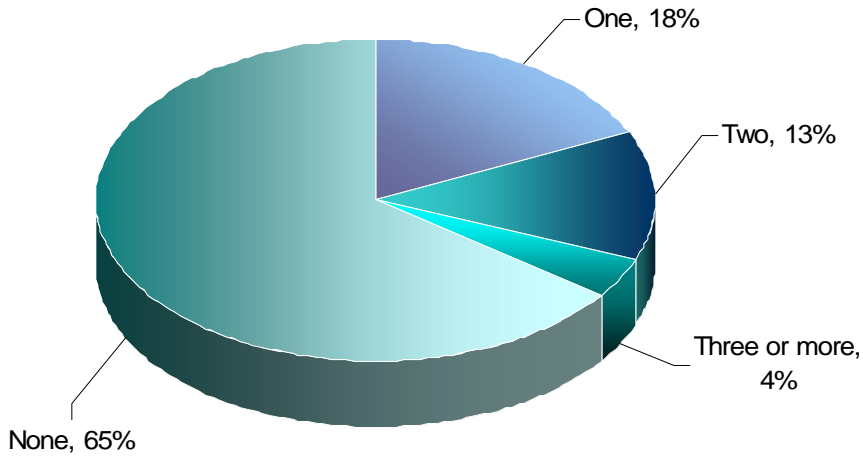
(Percentage Distribution)

|                       | Florida         | U.S.            | Northeast       | Midwest         | South           | West            |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Less than \$25,000    | 5%              | 4%              | 6%              | 4%              | 4%              | 4%              |
| \$25,000 - \$34,999   | 8               | 8               | 8               | 10              | 8               | 7               |
| \$35,000 - \$44,999   | 8               | 9               | 7               | 10              | 9               | 9               |
| \$45,000 - \$54,999   | 9               | 11              | 10              | 14              | 11              | 10              |
| \$55,000 - \$64,999   | 13              | 11              | 13              | 11              | 10              | 11              |
| \$65,000 - \$74,999   | 8               | 10              | 10              | 11              | 9               | 10              |
| \$75,000 - \$84,999   | 7               | 9               | 7               | 10              | 9               | 9               |
| \$85,000 - \$94,999   | 6               | 7               | 6               | 8               | 7               | 7               |
| \$95,000 - \$104,999  | 6               | 8               | 9               | 6               | 8               | 10              |
| \$105,000 - \$114,999 | 6               | 5               | 5               | 2               | 5               | 7               |
| \$115,000 - \$124,999 | 5               | 3               | 5               | 3               | 2               | 3               |
| \$125,000 - \$134,999 | 3               | 3               | 2               | 2               | 4               | 2               |
| \$135,000 - \$149,999 | 3               | 2               | 2               | 2               | 2               | 3               |
| \$150,000 - \$174,999 | 3               | 3               | 3               | 2               | 3               | 3               |
| \$175,000 - \$199,999 | 2               | 1               | 1               | 1               | 1               | 1               |
| \$200,000 or more     | 8               | 5               | 5               | 5               | 5               | 5               |
| <b>Median income</b>  | <b>\$73,200</b> | <b>\$71,600</b> | <b>\$71,500</b> | <b>\$66,800</b> | <b>\$72,500</b> | <b>\$75,400</b> |

**NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD**

*(Percentage Distribution of Households)*

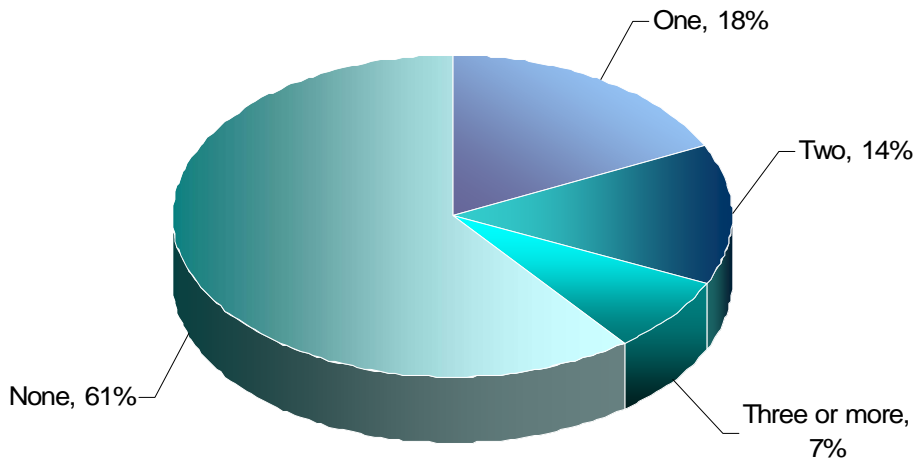
**FLORIDA**



**NUMBER OF CHILDREN UNDER THE AGE OF 18 RESIDING IN HOUSEHOLD**

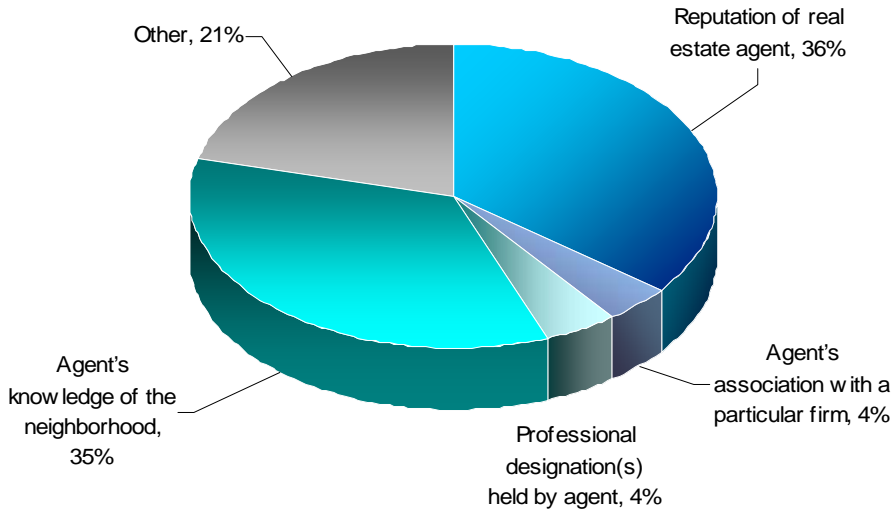
*(Percentage Distribution of Households)*

**U.S.**



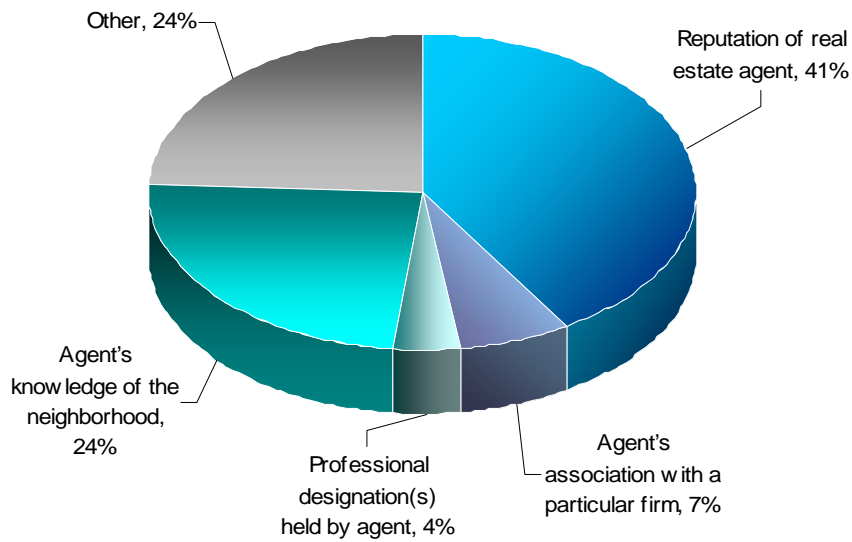
**MOST IMPORTANT FACTORS IN CHOOSING AN AGENT**  
*(Percentage Distribution)*

**FLORIDA**



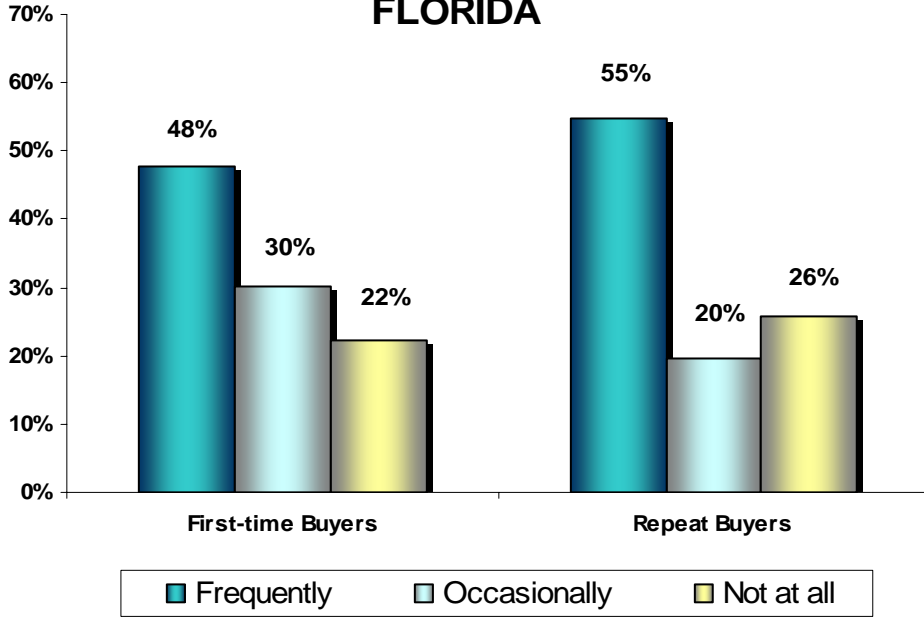
**MOST IMPORTANT FACTORS IN CHOOSING AN AGENT**  
*(Percentage Distribution)*

**U.S.**



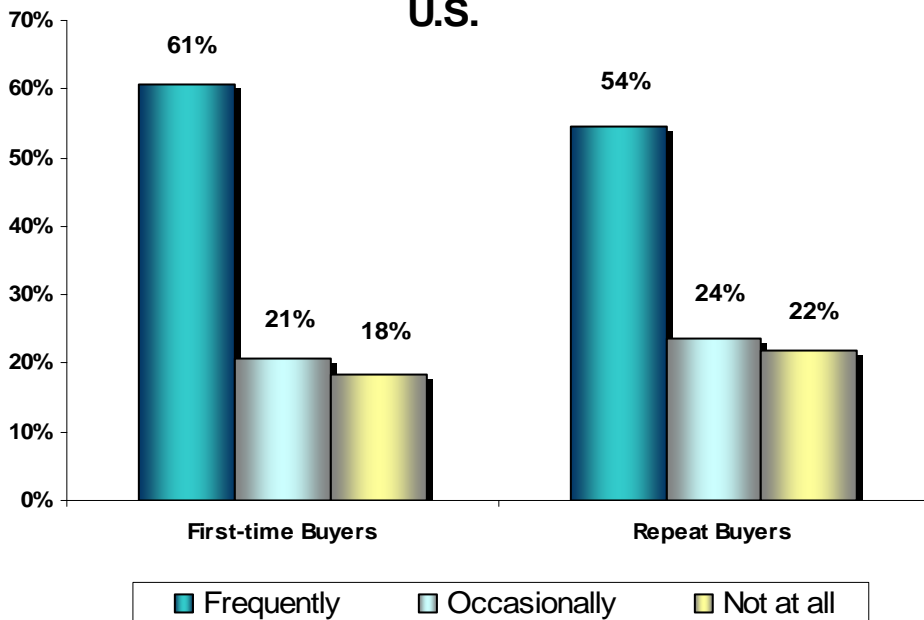
**USE OF INTERNET TO SEARCH FOR HOMES, FIRST-TIME AND REPEAT BUYERS**

**FLORIDA**



**USE OF INTERNET TO SEARCH FOR HOMES, FIRST-TIME AND REPEAT BUYERS**

**U.S.**



**TYPE OF HOME PURCHASED BY FIRST-TIME AND REPEAT BUYERS**

*(Percentage Distribution)*

**FLORIDA**

|  | All Buyers | First-time Buyers | Repeat Buyers |
|--|------------|-------------------|---------------|
| Detached single family                           | 76%        | 65%               | 79%           |
| Townhouse/row house                              | 10         | 15                | 8             |
| Apartment/condo in building with 5 or more units | 8          | 11                | 7             |
| Duplex/apartment/condo in 2-4 unit structure     | 2          | 4                 | 1             |
| Other  | 5          | 4                 | 5             |

**U.S.**

|  | All Buyers | First-time Buyers | Repeat Buyers |
|--|------------|-------------------|---------------|
| Detached single family                           | 75%        | 69%               | 79%           |
| Townhouse/row house                              | 9          | 11                | 8             |
| Apartment/condo in building with 5 or more units | 7          | 9                 | 5             |
| Duplex/apartment/condo in 2-4 unit structure     | 2          | 3                 | 2             |
| Other  | 6          | 7                 | 5             |

**LOCATION OF HOME PURCHASED, BY REGION**

*(Percentage Distribution)*

|                        | Florida | U.S | Northeast | Midwest | South | West |
|------------------------|---------|-----|-----------|---------|-------|------|
| Suburb/Subdivision     | 63%     | 56% | 44%       | 60%     | 62%   | 49%  |
| Small town             | 13      | 17  | 30        | 15      | 13    | 16   |
| Urban/Central city     | 15      | 17  | 12        | 17      | 14    | 24   |
| Rural area             | 8       | 9   | 12        | 7       | 9     | 9    |
| Resort/Recreation area | 1       | 1   | 1         | *       | 1     | 2    |

\* *Less than one percent*

**PERCENT OF HOME FINANCED**  
*(Percentage Distribution)*

**FLORIDA**

|                                | All Buyers | First-time Buyers | Repeat Buyers |
|--------------------------------|------------|-------------------|---------------|
| Less than 50%                  | 12%        | 4%                | 15%           |
| 51% to 60%                     | 6          | 3                 | 7             |
| 61% to 70%                     | 6          | --                | 8             |
| 71% to 80%                     | 27         | 8                 | 35            |
| 81% to 90%                     | 15         | 21                | 13            |
| 91% to 95%                     | 9          | 12                | 8             |
| 96% to 99%                     | 6          | 17                | 2             |
| 100% (entire purchase price)   | 18         | 35                | 12            |
| <b>Median percent financed</b> | <b>80%</b> | <b>96%</b>        | <b>76%</b>    |

**U.S.**

|                                | All Buyers | First-time Buyers | Repeat Buyers |
|--------------------------------|------------|-------------------|---------------|
| Less than 50%                  | 9%         | 4%                | 13%           |
| 51% to 60%                     | 3          | 1                 | 4             |
| 61% to 70%                     | 5          | 2                 | 8             |
| 71% to 80%                     | 24         | 13                | 32            |
| 81% to 90%                     | 13         | 12                | 14            |
| 91% to 95%                     | 10         | 13                | 7             |
| 96% to 99%                     | 7          | 12                | 4             |
| 100% (entire purchase price)   | 28         | 43                | 18            |
| <b>Median percent financed</b> | <b>87%</b> | <b>98%</b>        | <b>79%</b>    |

**METHOD USED TO SELL HOME**

*(Percentage Distribution)*

|  | Florida | U.S. | Northeast | Midwest | South | West |
|--|---------|------|-----------|---------|-------|------|
| <b>Sold home using an agent or broker</b>                        | 67%     | 85%  | 83%       | 87%     | 80%   | 92%  |
| Seller used agent/broker only                                    | 65      | 81   | 79        | 82      | 76    | 89   |
| Seller first tried to sell it themselves, but then used an agent | 2       | 4    | 4         | 6       | 3     | 3    |
| <b>For-sale-by-owner (FSBO)</b>                                  | 29      | 13   | 14        | 11      | 17    | 7    |
| Seller sold home without using a real estate agent or broker     | 27      | 11   | 14        | 8       | 15    | 6    |
| First listed with an agent, but then sold home themselves        | 2       | 1    | *         | 2       | 2     | 1    |
| <b>Sold home to a homebuying company</b>                         | 1       | 1    | *         | 1       | 1     | *    |
| <b>Other</b>   | 3       | 2    | 2         | 1       | 2     | 1    |

\* Less than one percent

**CHARACTERISTICS OF FSBO VS. AGENT-ASSISTED SELLERS**

*(Median)*

**FLORIDA**

|               | FSBO     | Agent-assisted |
|---------------|----------|----------------|
| Median age    | 51       | 52             |
| Median income | \$81,100 | \$84,700       |

**U.S.**

|               | FSBO     | Agent-assisted |
|---------------|----------|----------------|
| Median age    | 48       | 46             |
| Median income | \$84,400 | \$86,600       |

**NATIONAL ASSOCIATION OF REALTORS®**  
**2005 NAR Profile of Home Buyers and Sellers**

**Florida Report**

**Conclusion**

The robust housing market of the past several years has supported the national economy with record sales activity and healthy price appreciation that has added trillions of dollars to the aggregate wealth of the nation's homeowners. As importantly, millions of households have become homeowners for the first time and can secure the financial and personal benefits that homeownership offers.

Survey results show that typical Florida area buyers had a slightly higher income and were older than buyers nationwide. Buyers in the Florida area were slightly more likely to purchase a detached single family home located in the suburbs than other buyers nationwide.

When embarking on a home purchase or sale, most consumers rely on the experience and expertise of real estate professionals to assist them with this complex transaction. 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 agent again or recommend them to others. In the Florida area 64 percent of buyers and 67 percent of sellers would recommend their agent to others.

The *2005 NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers* allows REALTORS® and other real estate professionals to better determine who their clients are and how the needs of their clients are evolving over time. More importantly, the information in this report will assist REALTORS® as they strive to offer superior service to America's home buyers and sellers.