



Most homebuyers confident, new Realtors survey says

Many expect their new addresses to do at least as well as Wall Street

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LAS VEGAS – Even with all the negative buzz about the housing sector, most Americans are bullish about their home purchases.

A new survey shows that more than three-quarters of recent homebuyers think that their investment will perform as well or better than the stock market.

And almost half of new homeowners predict their housing buy will beat Wall Street, according to a new survey from the National Association of Realtors.

Lawrence Yun, an economist with the association, said homebuyers who don't plan on flipping their houses shouldn't worry about current conditions.

"If you are in it for the long term, you consistently win," Mr. Yun said at the Realtors' annual meeting this week in Las Vegas.

Short-term owners may not fare as well, he said.

"Many speculators entered the market looking for price appreciation," Mr. Yun said. "When the price appreciation is not coming around, they are leaving."

Most recent buyers said they plan to stay in their homes seven years or more, the Realtors found in a poll taken in August of people who had purchased a home in the last year.

The average buyer in the nationwide survey was in their late 30s and earned \$74,000 a year. They purchased homes with an average price of \$215,000 – close to nationwide average costs.

The number of first-time buyers in the survey totaled almost 40 percent. Among those buyers, almost half said they put no money down.

"Most of the transactions in this survey took place before the credit crunch impacted the market, so the percentage purchasing with no money down is likely to be much smaller today," Mr. Yun said.

Repeat buyers polled said they on average made a 16 percent down payment. About 10 percent said they paid cash for their houses.

The top reasons buyers said they decided to make a recent purchase was to own their own residence (33 percent), because of a job relocation (12 percent) or because they needed a bigger home (12 percent).

More than three-quarters of the buyers polled purchased a pre-owned home.

Almost a third of recent buyers said the first stop on the home shopping trip was the Internet.

"We have reached the point in real estate where a Web site is the equivalent of indoor plumbing," housing economist John Tuccillo told the Realtors. "If you haven't got a Web site, you are still using an outhouse."

Buyers looked at an average of 10 homes before finding the right one.

Almost 80 percent of the buyers and sellers surveyed said they used a real estate agent. The majority of them said they found their agents through a referral. Among sellers, more than three-fourths said they used a full-service agent as opposed to firms that charge lower prices for fewer services.