

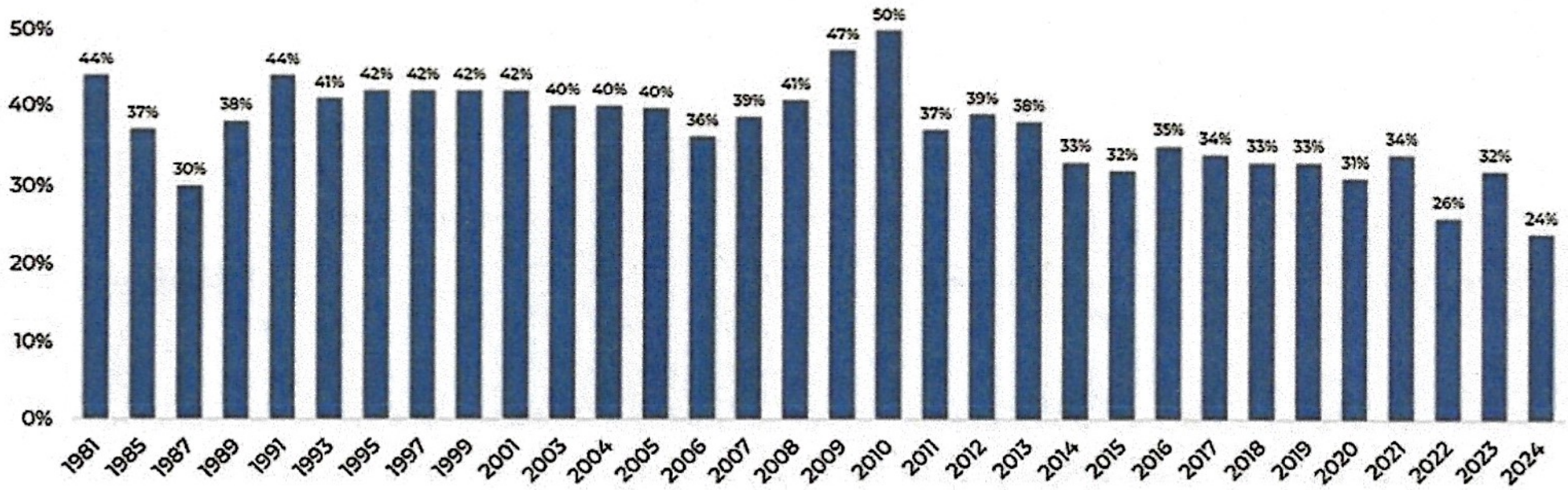
The surprising age shift in home buyers revealed in 2024 report

Chapter 1: Characteristics of Home Buyers

First-time home buyers decreased to 24 percent of the market share (32 percent last year). This year now marks the lowest share since NAR began collecting the data in 1981. Prior to 2008, the historical norm of first-time buyers was 40 percent.



Exhibit 1-16 First-Time Home Buyers, 1981-2024
(Percentage Distribution)



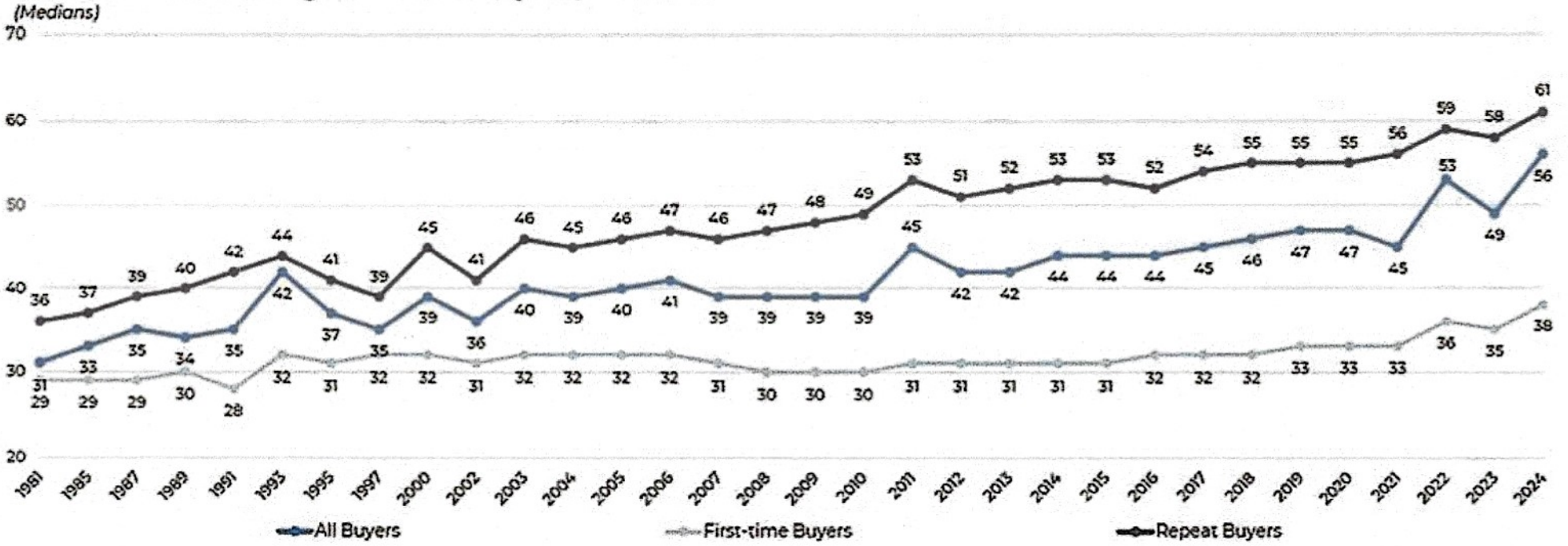
Sara B. Hansen



Chapter 1: Characteristics of Home Buyers

The median age increased to a peak of 56 years old, up from 49 last year. The median first-time buyer age increased to 38 years old this year, increasing from 35 last year, while the typical repeat buyer age also increased to 61 years from 58 last year. These ages are all record highs.

Exhibit 1-1 Median Age of Home Buyers, 1981-2024



The 2024 National Association of Realtors report shows a significant shift in homebuyer demographics.

First-time buyers now represent only 24% of the market, with their median age rising to 38.

In contrast, the median age of repeat buyers increased to 61.

These trends highlight challenges in the real estate market, as rising prices and limited availability challenge potential home buyers.

This year's Profile of Home Buyers and Sellers reveals that the share of first-time home buyers dropped to a historic low of 24%, while the median age of first-time homebuyers climbed to a record high of 38.

Overall, the median age of homebuyers hit 56, up from 49 in 2023. Both are record highs.

At the same time, the age of repeat buyers jumped to 61 years from 58 last year.

Fewer first-time buyers

Not only are first-time buyers getting older, but fewer are making purchases. The number of first time buyers dropped to 24% of the market, compared to 32% last year.

That's the lowest market share since the realtor association started collecting data in 1981.

First-time buyers also struggle to make down payments and increasingly turn to their parents or relatives for help.

According to a Redfin survey, 36% of potential millennial or Gen Z homebuyers use a cash gift from family to help pay their down payment. About 16% of millennials and GenZers plan to use an inheritance.

Other homebuyer details

Marital breakdown: 62% were married couples, 20% were single females, 8% were single males, and 6% were unmarried couples.

Fewer kids: 73% don't have a child under 18, the highest share recorded.

Multigenerational families:

17% of home buyers purchased a multigenerational home for cost savings (36%), to take care of aging parents (25%), because children or relatives over the age of 18 moved back home (21%), or because of children over the age of 18 who never left home (20%).

Money matters: 26% of buyers paid cash, a record high.

Down payments: The median down payment for all home buyers was 18%, and 9% for first-time buyers.

Fewer for-sale-by-owner sales

Only 6% of all sales were for sale-by-owner, a historic low. And 38% of those sales were to a relative, friend, or neighbor.

The for-sale-by-owner homes typically sell for less, with a median price of \$380,000 in 2023 (up from \$310,000 in 2022), far below the median sales price of \$435,000 nationally for all homes.

According to the report, 90% of sellers used a real estate agent, up from 89% in 2023.

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at The Denver Post, The Des Moines Register, The Fort Collins Coloradoan, and At Home with Century 21. She's also the founder and editor of DogsBestLife.com and the author of "The Complete Guide to Cocker Spaniels."

