ESSENT FIRST-TIME HOMEBUYERS STUDY
RESEARCH OBJECTIVES

Understand the needs and preferences of First-Time Home Buyers, specifically related to:

• Technology and the tools First-Time Home Buyers want to use when finding and buying their first homes;
• Home financing and First-Time Home Buyers’ knowledge about financing options;
• Influencers and information sources;
• Real estate agents and the role they play in the home purchase process; and,
• Home options First-Time Home Buyers are willing to consider to purchase their home (e.g., fixer uppers).
FIRST-TIME HOME BUYERS
Individuals age 40 or younger who are currently in the market to buy or who have recently purchased their first home. Broken down as follows:

POTENTIAL HOME BUYERS
Considering purchase within next 9 months

NEW HOME OWNERS
Purchased first home within past two years

SAMPLE SIZE

N=3036

±1.8%

MARGIN OF ERROR

20-minute online survey

METHOD

Survey fielded from (February 22 - March 7, 2018)

TIMING
THE ROLE OF DIGITAL AND SOCIAL
FIRST-TIME HOME BUYERS PREFER TO USE DIGITAL TOOLS AT ALL STAGES OF THE HOME BUYING PROCESS FROM HOME SEARCH TO SECURING A MORTGAGE.
Q25: Which of the following have you done/did you do while searching for your first home? (n=3,034)

**WEBSITES AND APPS USED TO SEARCH HOME LISTINGS**

<table>
<thead>
<tr>
<th>Source</th>
<th>Potential Home Buyer</th>
<th>New Home Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zillow</td>
<td>83%</td>
<td>80%</td>
</tr>
<tr>
<td>Realtor</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>Trulia</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Real estate agency websites (e.g. Coldwell Banker, RE/MAX)</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td>MLS</td>
<td>22%</td>
<td>35%</td>
</tr>
<tr>
<td>Home Finder</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Redfin</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>For Sale By Owner Homes</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Zip Realty</td>
<td>11%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Q19: How much do you agree or disagree with the following statements? (n=2,546)

90% of first-time home buyers prefer to work with a real estate agent who uses digital tools throughout the home buying process.
First-time home buyers want to use text messaging, online document sharing and e-signature services with real estate agents.

**DigitAl Tool Preferences with Real Estate Agent**

Shown: Top two box somewhat, strongly interested

- Text messaging: 94%
- Online portal to access MLS listings: 90%
- Online document sharing: 90%
- eSignature services: 89%
- Online scheduling/calendar tools: 88%
- Instant messenger: 72%
- Digital wallet/online payment services: 71%

Q20: And how interested would you be in using the following types of digital tools when working with your real estate agent during the home buying process? (n=2,282)
Q19: How much do you agree or disagree with the following statements? (n=2,546)

83% of first-time home buyers would be interested in using an online application to apply for a mortgage.
75% of first-time home buyers are interested in using an online financial document locker during the mortgage process.

PREFERENCE OF WORKING WITH DIGITAL TOOLS IN MORTGAGE PROCESS

Shown: Top two box somewhat, strongly interested

<table>
<thead>
<tr>
<th>Digital Tool</th>
<th>Interest Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online mortgage application</td>
<td>83%</td>
</tr>
<tr>
<td>eSignature tools</td>
<td>80%</td>
</tr>
<tr>
<td>Text messaging</td>
<td>79%</td>
</tr>
<tr>
<td>Online scheduling/calendar tools</td>
<td>76%</td>
</tr>
<tr>
<td>Online financial document “locker”</td>
<td>75%</td>
</tr>
<tr>
<td>Digital wallet/online payment services</td>
<td>64%</td>
</tr>
<tr>
<td>Instant messenger</td>
<td>60%</td>
</tr>
</tbody>
</table>

Q51: How interested are/were you in using the following types of digital tools when working with a mortgage provider? (n=3,034)
MORE THAN 40% OF POTENTIAL FIRST-TIME HOME BUYERS HAVE USED OR PLAN TO USE A MORTGAGE AGGREGATOR SITE TO COMPARE RATES

Use of a Mortgage Aggregator Site

Q48: When searching for a mortgage provider, Have you used/did you use either of the following?

- Use of a Mortgage Aggregator Site

**Potential Home Buyers**

- Yes: 21%
- No: 56%
- No, but I intend to: 23%

**New Home Owners**

- Yes: 10%
- No: 64%
- Don’t remember: 26%
MORTGAGE AGGREGATORS OFFER FIRST-TIME HOME OWNERS A SNAPSHOT OF WHAT IS AVAILABLE TO THEM BUT DON’T ALWAYS PROVIDE A GOOD EXPERIENCE

“Wanted to try-- it was awful. Much worse offers than the three local banks we approached and I was harassed by salesmen for months (still get calls/spam from them almost two years later).”

- NEW HOME OWNER

“It was the easiest way to get a snapshot of current rates and terms before deciding which lenders to approach.”

- NEW HOME OWNER

“It gives me many options without having to go to each mortgage providers site individually and so is easier to compare.”

- POTENTIAL HOME BUYER
FIRST-TIME HOME BUYERS WANT AND EXPECT SOCIAL MEDIA TO BE A PART OF THEIR HOME BUYING PROCESS.
Q19: How much do you agree or disagree with the following statements? (n=2,546)

76% Of first-time home buyers would like to see home listing ads targeted toward them on social media

63% Of first-time home buyers agree: “I expect a real estate agent to be active on social media”
**MOST FIRST-TIME HOME WOULD ENGAGE WITH THEIR REAL ESTATE AGENTS THROUGH SOCIAL CHANNELS**

**PREFERENCE OF SOCIAL MEDIA**

*Shown: Top two box
Asked of those who use social media*

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would/do follow a real estate agent on social media</td>
<td><strong>83%</strong></td>
</tr>
<tr>
<td>I am most likely to see real estate information if it’s posted in my social media feeds</td>
<td><strong>82%</strong></td>
</tr>
<tr>
<td>I would/do follow a real estate company on social media</td>
<td><strong>80%</strong></td>
</tr>
<tr>
<td>I would/did continue to follow my real estate agent on social media after my home purchase is/was completed</td>
<td><strong>78%</strong></td>
</tr>
<tr>
<td>I would/did friend my real estate agent on Facebook</td>
<td><strong>77%</strong></td>
</tr>
<tr>
<td>I would like to see home listing ads targeted toward me on social media</td>
<td><strong>77%</strong></td>
</tr>
<tr>
<td>I would/did connect with my real estate agent on LinkedIn</td>
<td><strong>64%</strong></td>
</tr>
</tbody>
</table>

Q19: How much do you agree or disagree with the following statements?
Q24: And how much do you agree or disagree with the following statements?
**Q21: On which social media sites do you expect a real estate agent to be active?**

**Younger Millennials Expect Real Estate Agents to have a broad social media presence**

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Younger Millennials (N=543)</th>
<th>Older Millennials (N=816)</th>
<th>Gen X (N=253)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>85%</td>
<td>85%</td>
<td>90%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>40%</td>
<td>51%</td>
<td>50%</td>
</tr>
<tr>
<td>Instagram</td>
<td>52%</td>
<td>39%</td>
<td>37%</td>
</tr>
<tr>
<td>Twitter</td>
<td>42%</td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>YouTube</td>
<td>31%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>20%</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Snapchat</td>
<td>26%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Tumblr</td>
<td>9%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Shown: Percent selected by generation.
INFORMATION SOURCES
First-time home buyers rely on their real estate agents and mortgage professionals for home buying information, but trust their parents most advice.
FIRST-TIME HOME BUYERS RELY ON REAL ESTATE AGENTS AND MORTGAGE PROFESSIONALS MOST FOR ADVICE DURING THEIR HOME SEARCH

Q61: How much are you currently relying on each of the following to help advise or guide you on the purchase of your first home? (PHB only)
Q62: How much did you rely on each of the following to help advise or guide you on the purchase of your first home? (NHO only)

Resources Relied on during Home Search

Shown: Net Relying (Potential Home Buyers)/Relied (New Home Owners)

- My real estate agent
- My loan officer/mortgage broker

Potential Home Buyers
- 68% for PHB
- 70% for NHO

New Home Owners
- 54% for PHB
- 62% for NHO
54%

Of first-time home buyers rely on their parents for advice when buying a home.
**H owever, there is now a single source that all first-time home buyers use for advice during the process**

**Most Relied on Down Payment Advisors - Total**

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>My real estate agent</td>
<td>42%</td>
<td>14%</td>
<td>17%</td>
<td>14%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>My loan officer/mortgage broker</td>
<td>10%</td>
<td>23%</td>
<td>22%</td>
<td>20%</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>My parents</td>
<td>16%</td>
<td>14%</td>
<td>15%</td>
<td>16%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Other Sources (total of 8 other sources)</td>
<td>25%</td>
<td>33%</td>
<td>32%</td>
<td>30%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>N/A</td>
<td>7%</td>
<td>16%</td>
<td>14%</td>
<td>20%</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Q53: Who have you relied/did you rely on the most to advise you about the following?
### FEWER THAN 30% RELY ON THEIR MORTGAGE PROFESSIONALS THE MOST FOR ADVICE ABOUT FINANCING

**MOST RELIED ON DOWN PAYMENT ADVISORS - TOTAL**

*Shown: Percent selected*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>My real estate agent</td>
<td>42%</td>
<td>14%</td>
<td>17%</td>
<td>14%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>My loan officer/mortgage broker</td>
<td>10%</td>
<td>23%</td>
<td>22%</td>
<td>20%</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>My parents</td>
<td>16%</td>
<td>14%</td>
<td>15%</td>
<td>16%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Other Sources (total of 8 other sources)</td>
<td>25%</td>
<td>33%</td>
<td>32%</td>
<td>30%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>N/A</td>
<td>7%</td>
<td>16%</td>
<td>14%</td>
<td>20%</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Q63: Who have you relied/did you rely on the most to advise you about the following?
FINANCING PERCEPTIONS
KEY TAKEAWAY

FIRST-TIME HOME BUYERS’ KNOWLEDGE OF DOWN PAYMENTS AND PMI VARIES GREATLY.
MORE THAN HALF OF ALL FIRST-TIME HOME BUYERS BELIEVE THAT THEY NEED TO PUT DOWN 10% OR MORE TO SECURE A MORTGAGE

Q44: What do you believe is the minimum down payment required to purchase a home?

**MINIMUM DOWN PAYMENT REQUIRED**

*Shown: Percent selected*

- **Less than 5% of the selling price**: 26%
- **5%-9% of the selling price**: 24%
- **10%-14% of the selling price**: 26%
- **15%-19% of the selling price**: 7%
- **20% or more of the selling price**: 16%
NOT SURPRISINGLY, THE MAJORITY OF FIRST-TIME HOME BUYERS ARE NOT FAMILIAR WITH PMI

FAMILIARITY WITH PRIVATE MORTGAGE INSURANCE

Shown: Percent selected

Q52: How familiar are you with private mortgage insurance (PMI)?

- I am very familiar with PMI: 13% (Potential Home Buyer), 25% (New Home Owner)
- I am somewhat familiar with PMI: 20% (Potential Home Buyer), 28% (New Home Owner)
- I know a little bit about PMI: 17% (Potential Home Buyer), 17% (New Home Owner)
- I’ve heard of PMI, but don’t know anything about it: 19% (Potential Home Buyer), 14% (New Home Owner)
- I’ve never heard of PMI: 31% (Potential Home Buyer), 17% (New Home Owner)
MOST FIRST-TIME HOME BUYERS KNOW LITTLE ABOUT MORTGAGES, MAKING THEM DEFER TO TRADITIONAL AND CONSERVATIVE OPTIONS.
Q34: How easy or difficult have each of the following been during the search for/purchase of your first home?

Of potential first-time home buyers say that understanding the mortgage process has been difficult for them.

Of potential first-time home buyers say that finding the right mortgage product has been difficult.
FIRST-TIME HOME BUYERS ARE MOST INTERESTED IN 30-YEAR FIXED RATE MORTGAGES

Q47: Which type of mortgage do you plan to/did you secure to purchase your first home?

<table>
<thead>
<tr>
<th>Type of Mortgage</th>
<th>Potential Home Buyers</th>
<th>New Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-year fixed rate</td>
<td>36%</td>
<td>42%</td>
</tr>
<tr>
<td>FHA (Federal Housing Administration)</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>Not sure</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>15-year fixed rate</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Adjustable-rate</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>VA (Veterans Affairs)</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Construction</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>203(k)</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>4%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Q45: How much do you plan to/did you put down on your first home? (n=3,034)

<table>
<thead>
<tr>
<th>Intended/Actual Down Payment</th>
<th>Percent Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% or more</td>
<td>21%</td>
</tr>
<tr>
<td>15%-19%</td>
<td>9%</td>
</tr>
<tr>
<td>10%-14%</td>
<td>24%</td>
</tr>
<tr>
<td>5%-9%</td>
<td>23%</td>
</tr>
<tr>
<td>Less than 5%</td>
<td>23%</td>
</tr>
</tbody>
</table>

More than half of first-time home buyers plan to put at least 10% down on their first home.
Q53: Do you think that you will put less than 20% down on your mortgage, which may require private mortgage insurance (PMI)?

46% of Potential Home Buyers expect they will be required to include PMI in their mortgage.
First-time home buyers are more likely to secure a mortgage through a small bank or independent company because they have better rates and customer-service.
Q55: How familiar are you with the following types of mortgage providers? (n=3,034)

When it comes to mortgage providers, first-time home buyers are most familiar with major banks and least familiar with peer lending institutions.

- Major banks: 85%
- Small banks: 75%
- Online financial institutions: 64%
- Independent mortgage companies: 63%
- Peer lending institutions: 56%
**First-Time Home Buyers See Major Banks as Being More Established in the Industry**

**Key Benefits of Major Banks**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percent Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can keep all my accounts in one place</td>
<td>37%</td>
</tr>
<tr>
<td>More likely to be established in the industry</td>
<td>35%</td>
</tr>
<tr>
<td>Greater variety of mortgage options</td>
<td>29%</td>
</tr>
<tr>
<td>More knowledgeable mortgage professionals</td>
<td>29%</td>
</tr>
<tr>
<td>Personal information is more secure with this institution</td>
<td>24%</td>
</tr>
<tr>
<td>Better interest rates</td>
<td>23%</td>
</tr>
<tr>
<td>Faster closing process</td>
<td>23%</td>
</tr>
<tr>
<td>Easier to get approved for a mortgage</td>
<td>22%</td>
</tr>
<tr>
<td>I don’t know/No opinion</td>
<td>20%</td>
</tr>
<tr>
<td>Lower fees and closing costs</td>
<td>19%</td>
</tr>
<tr>
<td>More personalized customer service</td>
<td>17%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>0%</td>
</tr>
</tbody>
</table>

Q56: What do you think are the benefits to securing a mortgage with each type of financial institution?
SMALL BANKS OFFER MORE PERSONALIZED SERVICE, BETTER INTEREST RATE AND CLOSING COSTS

**KEY BENEFITS OF SMALL BANKS**

*Shown: Percent selected*

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>More personalized customer service</td>
<td>36%</td>
</tr>
<tr>
<td>I don’t know/No opinion</td>
<td>26%</td>
</tr>
<tr>
<td>Lower fees and closing costs</td>
<td>24%</td>
</tr>
<tr>
<td>Better interest rates</td>
<td>24%</td>
</tr>
<tr>
<td>Can keep all my accounts in one place</td>
<td>23%</td>
</tr>
<tr>
<td>Easier to get approved for a mortgage</td>
<td>20%</td>
</tr>
<tr>
<td>Personal information is more secure with this institution</td>
<td>19%</td>
</tr>
<tr>
<td>Faster closing process</td>
<td>18%</td>
</tr>
<tr>
<td>More knowledgeable mortgage professionals</td>
<td>15%</td>
</tr>
<tr>
<td>More likely to be established in the industry</td>
<td>12%</td>
</tr>
<tr>
<td>Greater variety of mortgage options</td>
<td>12%</td>
</tr>
</tbody>
</table>

Q58: What do you think are the benefits to securing a mortgage with each type of financial institution?
**First-time home buyers are less sure about the benefits of other lending institutions**

**Key Benefits of Lending Institutions**

*Shown: Percent selected*

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Online Financial Institutions</th>
<th>Peer Lending Institutions</th>
<th>Independent Mortgage Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t know/No opinion</td>
<td>34%</td>
<td>52%</td>
<td>33%</td>
</tr>
<tr>
<td>Easier to get approved for a mortgage</td>
<td>23%</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Greater variety of mortgage options</td>
<td>22%</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Faster closing process</td>
<td>20%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Lower fees and closing costs</td>
<td>20%</td>
<td>14%</td>
<td>19%</td>
</tr>
<tr>
<td>Better interest rates</td>
<td>19%</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>More likely to be established in the industry</td>
<td>14%</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>More knowledgeable mortgage professionals</td>
<td>14%</td>
<td>10%</td>
<td>22%</td>
</tr>
<tr>
<td>Can keep all my accounts in one place</td>
<td>12%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Personal information is more secure with this institution</td>
<td>12%</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>More personalized customer service</td>
<td>11%</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Q56: What do you think are the benefits to securing a mortgage with each type of financial institution?
POTENTIAL HOME BUYERS ARE MOST LIKELY TO CONSIDER A MAJOR BANK WHEN SHOPPING FOR A MORTGAGE

MORTGAGE PROVIDER CONSIDERATION/SELECTION

Shown: Sum Extremely/Somewhat likely to select (Potential Home Buyers Only); Percent selected (New Home Owners Only)

Potential Home Buyers

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Potential Home Buyers</th>
<th>New Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major bank</td>
<td>77%</td>
<td>66%</td>
</tr>
<tr>
<td>Small banks</td>
<td>66%</td>
<td>59%</td>
</tr>
<tr>
<td>Online financial institutions</td>
<td>59%</td>
<td>51%</td>
</tr>
<tr>
<td>Independent mortgage companies</td>
<td>51%</td>
<td>33%</td>
</tr>
<tr>
<td>Peer Lending institutions</td>
<td>33%</td>
<td></td>
</tr>
</tbody>
</table>

Q60: How likely are you to consider selecting the following types of financial institutions as your mortgage provider?
However, fewer than 40% of new home owners choose to secure their mortgage from a major bank.

MORTGAGE PROVIDER CONSIDERATION/SELECTION

Shown: Sum Extremely/Somewhat likely to select (Potential Home Buyers Only); Percent selected (New Home Owners Only)

- **Major bank**: 38%
- **Small bank**: 19%
- **Online financial institution**: 10%
- **Independent mortgage company**: 28%
- **Peer Lending institution**: 5%

Q58: Which type of mortgage provider did you select for your first home purchase?
Better interest rates and lower fees drive first-time home buyers to smaller banks or other lending institutions.

Reason for choice of mortgage provider - New home owners

Q59: Why did you ultimately choose that type of mortgage provider for your first home purchase?

- Better interest rates: 36%
- Lower fees and closing costs: 29%
- Easier to get approved for a mortgage: 27%
- More personalized customer service: 27%
- Faster closing process: 24%
- Could keep all my accounts in one place: 23%
- More knowledgeable mortgage professionals: 21%
- Greater variety of mortgage options: 20%
- Personal information was more secure with this institution: 18%
- More likely to be established in the industry: 17%
- Other: 8%
KEY TAKEAWAY

First-time home buyers are willing to consider starter homes, fixer uppers and smaller homes to make purchasing a reality.
Q38: Which are you hoping to buy for your first home?
Q39: How would you best classify your first home purchase?

60% of potential first-time home buyers want to purchase a long-term home that they will stay in for more than 5 years but...

50% of new home owners purchased a starter home for their first house
44% of potential first-time home buyers are open to purchasing a “fixer upper.”
Q41: Fixer uppers can require different levels of renovation. How much of a renovation project would you be willing to take/did you take on for your first home purchase?

Of those, 36% are considering taking on major renovation projects.

- Complete gut renovation (i.e. taking the home down to the studs and replacing most features including electrical, plumbing, roof, etc.): 15%
- Large renovation (i.e. extensive renovation that includes significant remodel work and cosmetic upgrades for key areas such as the kitchen and bathroom and/or replacing features like electrical, plumbing, etc.): 21%
- Moderate renovation (i.e. moderate remodel work and cosmetic upgrades and/or some changes to features like electrical, plumbing, roof): 40%
- Small renovation (i.e. a few cosmetic upgrades but no significant remodel work and/or no changes to features like electrical, plumbing, roof): 20%
- Minor renovation (i.e. a few cosmetic handy man projects): 4%

Shown: Percent selected

Potential Home Buyers
Q40: Why are you considering/did you consider purchasing a tiny home?

25% are considering a Tiny or mobile home, primarily to save money

Reasons to consider a small/tiny home

- Less expensive than a larger home: 47%
- More environmentally friendly: 39%
- Like the look/design of tiny homes: 34%
- Like the tiny home community/lifestyle: 33%
- Do not need more space/square footage: 31%
- Can move/travel with the home: 26%
THE ROLE OF THE REAL ESTATE AGENT
KEY TAKEAWAY

FIRST-TIME HOME BUYERS WANT REAL ESTATE AGENTS WHO ACT LIKE FRIENDS AND ADVOCATES
Q2: Are you currently working with a real estate agent to find or purchase your first home?

88% of potential first-time home buyers are currently working or are planning on working with a real estate agent.
Q19: How much do you agree or disagree with the following statements?

OF POTENTIAL FIRST-TIME HOME BUYERS PREFER TO WORK WITH AN AGENT WHO ONLY REPRESENTS THEM

82% 18%
FIRST-TIME BUYERS ACKNOWLEDGE THAT THEY WANT A REAL ESTATE AGENT WHO TREATS THEM AS A FRIEND, NOT JUST A CUSTOMER

"Act more like a friend instead of an associate. Go out the way to find something that fits my needs, not just something that fits the price range."
- POTENTIAL HOME BUYER

"It is important to me that the real estate agent is nice and friendly and that they have my best interest at heart. I want to be able to share the experience with them."
- POTENTIAL HOME BUYER

"A good person, someone that I trust and can have a real conversation with. Not someone who I always feel is trying to sell me something."
- POTENTIAL HOME BUYER

"Be available whenever I reach out, advocate for me as if we are friends rather than a client."
- POTENTIAL HOME BUYER

"My real estate agent was always available by phone call, email, or text message throughout the whole process. Afterwards, we became friends on Facebook and she even came to our housewarming party. I consider her a close acquaintance and hopefully even a friend someday. We plan to use her for our next property purchase in a few years when we buy a rental property."
- POTENTIAL HOME BUYER

Q11: What else, if anything, is important to you when choosing a real estate agent? [POTENTIAL HOME BUYERS ONLY (n=687)]
Q13: Why does that statement best describe the role you want your real estate agent to play? [POTENTIAL HOME BUYERS ONLY (n=1340)]
Q18: How can a real estate agent go above and beyond to serve you as a client? If possible, please cite specific examples you’ve seen or experienced.
77% OF POTENTIAL FIRST-TIME HOME BUYERS SAY IT IS EXTREMELY IMPORTANT FOR A REAL ESTATE AGENT TO CARE ABOUT THEM AND THEIR NEEDS

PREPARED AGENT QUALITIES

Shown: Extremely important only

- Seems to care about me and my needs: 77%
- Seems very knowledgeable about the area: 74%
- Seems to be accessible/have time to pay attention to me as a client: 73%
- Seems like s/he would use a no pressure approach when looking at homes: 66%
- Seems like a good negotiator: 66%
- Is a Realtor (i.e. a member of the National Association of Realtors): 49%
- Specializes in the type of home I wanted to buy (e.g. single family, multi-family): 46%
- Has many years of real estate experience in my area: 46%
- Is rated highly in online reviews: 43%
- Seems to be on the cutting edge of real estate trends and tools: 40%
- Comes recommended by a friend/family member I trust: 37%
- Is a full-time (not part-time) real estate agent: 35%
- Works for a well-known real estate agency: 32%
- Is rated highly by area newspapers/magazines: 24%

Q10: And in general, how important are the following factors to you when selecting a real estate agent? [POTENTIAL HOME BUYERS ONLY]
KEY TAKEAWAY

FIRST-TIME HOME BUYERS WANT REAL ESTATE AGENTS TO GUIDE THEM THROUGH ALL ASPECTS OF THE HOME BUYING PROCESS
THE MAJORITY OF FIRST TIME HOME BUYERS WANT AN AGENT TO LEAD THEM THROUGH EVERY PIECE OF THE HOME SEARCH AND PURCHASE PROCESS

Q12. Which of the following statements best describes the role you want your real estate agent to play in the home buying process?

IDEAL ROLE OF A REAL ESTATE AGENT

- The majority of First Time Home Buyers want an agent to lead them through every piece of the home search and purchase process.

- 66% of respondents want their real estate agent to provide detailed guidance at all stages of the home buying process - from searching for a home to closing on the sale.

- 31% want their real estate agent to be an advisor when searching for a home, but primarily guide them through the actual purchase process.

- 4% don’t want their real estate agent to help them search for a home; they only want the agent to guide them through the purchase process when they are ready to make an offer.
ULTIMATELY, FIRST-TIME HOME BUYERS EXPECT REAL ESTATE AGENTS TO BE EDUCATORS, ADVOCATES AND PROJECT MANAGERS

KEY ROLES OF A REAL ESTATE AGENT

Shown: Verbatim open end responses

**EDUCATOR**

“Since I’m new at purchasing, my real estate agent will be able to answer all my questions, thus ensuring I am understanding the process of my own house purchase at every step of the way.”

   - POTENTIAL HOME BUYER

**ADVOCATE**

“I want my agent to know what I do and do not like…I want to know they have my back, they go to all the inspections with me, and tell me if it really is a good house and deal.”

   - POTENTIAL HOME BUYER

**PROJECT MANAGER**

“I want someone to show me the houses available and help me negotiate the best terms and deal with all the paperwork.”

   - POTENTIAL HOME BUYER

Q13. Why does that statement best describe the role you want your real estate agent to play? Please explain in detail.

Q15. Why does that statement best describe the role you wanted your real estate agent to play? Please explain in detail.
THE BEST REAL ESTATE AGENTS ARE ACCESSIBLE, COMMUNICATIVE, PATIENT + HONEST

ATTRIBUTES OF GREAT REAL ESTATE AGENTS

Shown: Verbatim open end responses

Q18: How can a real estate agent go above and beyond to serve you as a client? If possible, please cite specific examples you’ve seen or experienced. [OPEN]

- **ACCESSIBLE**
  - “My real estate agent keeps in constant contact through text and calls when things are really important. I love that she responds within an hour most of the time too.” - POTENTIAL HOME BUYER

- **COMMUNICATIVE**
  - “Don’t rush me. Explain everything. Point out issues.” - POTENTIAL HOME BUYER

- **PATIENT**
  - “He was available whenever I need help, have questions or go look to check out different locations, day or night. Dedicated to his job.” - POTENTIAL HOME BUYER

- **HONEST**
  - “They must genuinely care about providing the best service to their clients, and not try to trick or deceive them in any way.” - POTENTIAL HOME BUYER

EDelman INTEllIGENCE / ESSENT HOME FINANCING STUDY
WHAT IT MEANS
WHAT IT MEANS

1. Mortgage providers need to more broadly adopt digital tools to meet First-Time Home Buyers’ expectations.

2. There is still a significant opportunity to educate First-Time Home Buyers about down payment and mortgage options available to them.

3. Don’t underestimate the power of low rates and quality service to attract First-Time Home Buyers.
THANK YOU