



REALTORS®

Experiences and Barriers of Prospective Homebuyers Across Races/Ethnicities

— SEPTEMBER 2023

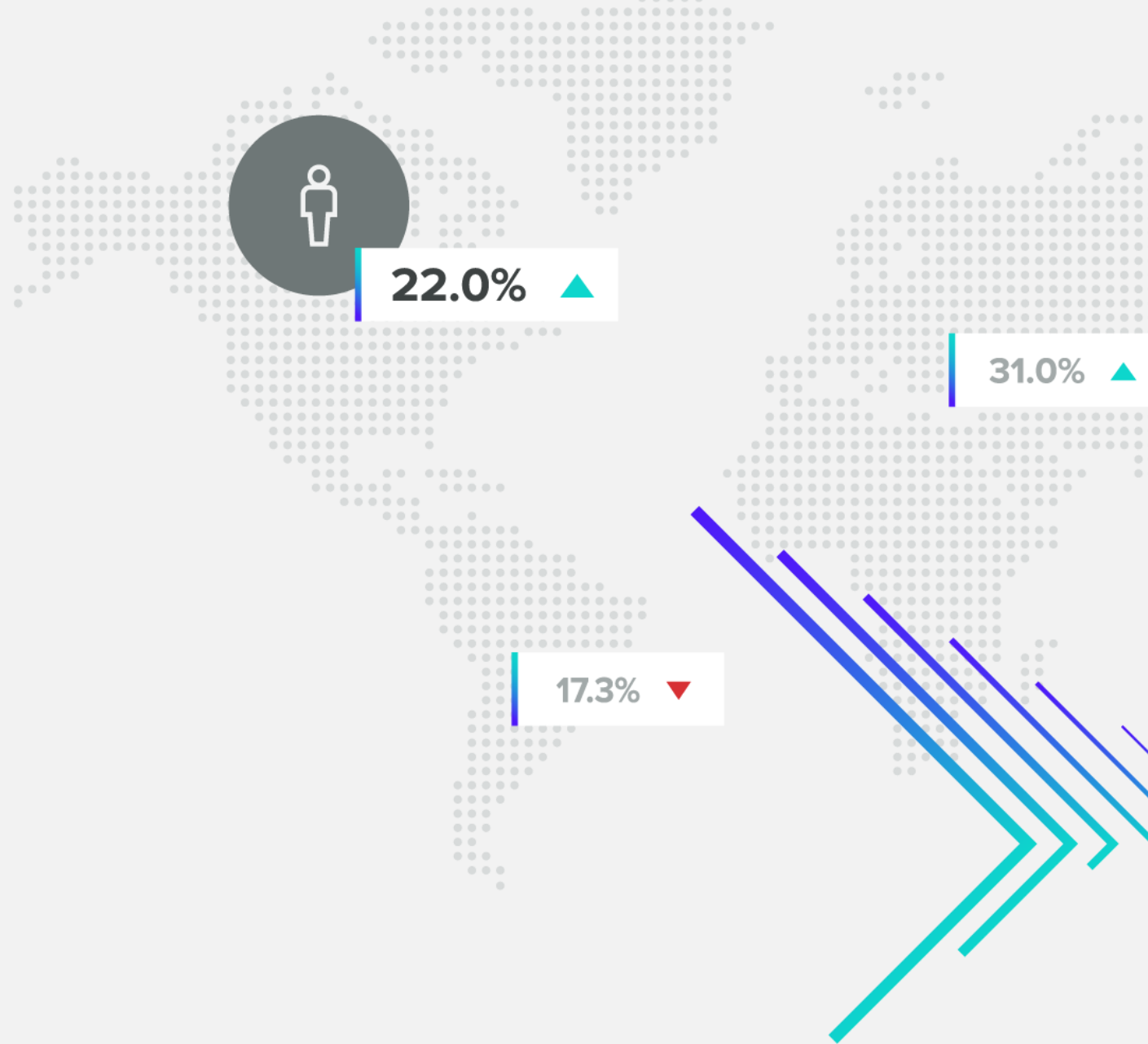


Methodology

This poll was conducted between June 9-June 29, 2023 among a sample of 587 White (non-Hispanic), 560 Hispanic, 533 Black (non-Hispanic), and 521 Asian (non-Hispanic) Prospective Homebuyers. The interviews were conducted online and results are not weighted. Results for each sample have a margin of error of +/-4 percentage points.

Sample

Prospective Homebuyers are defined as respondents who have started the process of buying a home in the last 12 months, such as contacting a real estate agent or mortgage lender/bank, getting pre-qualified or applying for a home loan, requesting more information on a listing or placing an offer on a home.



Key Takeaways

1 **The real estate market is the main barrier prospective homebuyers are experiencing.**

Prospective homebuyers across races/ethnicities tested have not yet bought a house mainly because they are waiting for prices to drop. Additional reasons cited are also market-related, such as waiting for mortgage rates to drop.

2 **Saving for a house down payment is also an obstacle for prospective homebuyers.**

In thinking about what is holding them back from saving for a sufficient down payment, prospective homebuyers across races/ethnicities tested cite current rent/mortgage payments and credit card payments as barriers. Despite this, awareness of existing down payment assistance programs is low.

3 **Discrimination also plays a role in the homebuying process.**

About one in six prospective homebuyers across races/ethnicities report facing discrimination in the homebuying process. More than half of Black (63%), Asian (60%), and Hispanic (52%) who report this say it was due to their race/ethnicity. Despite this, most discrimination during the homebuying process goes unreported.

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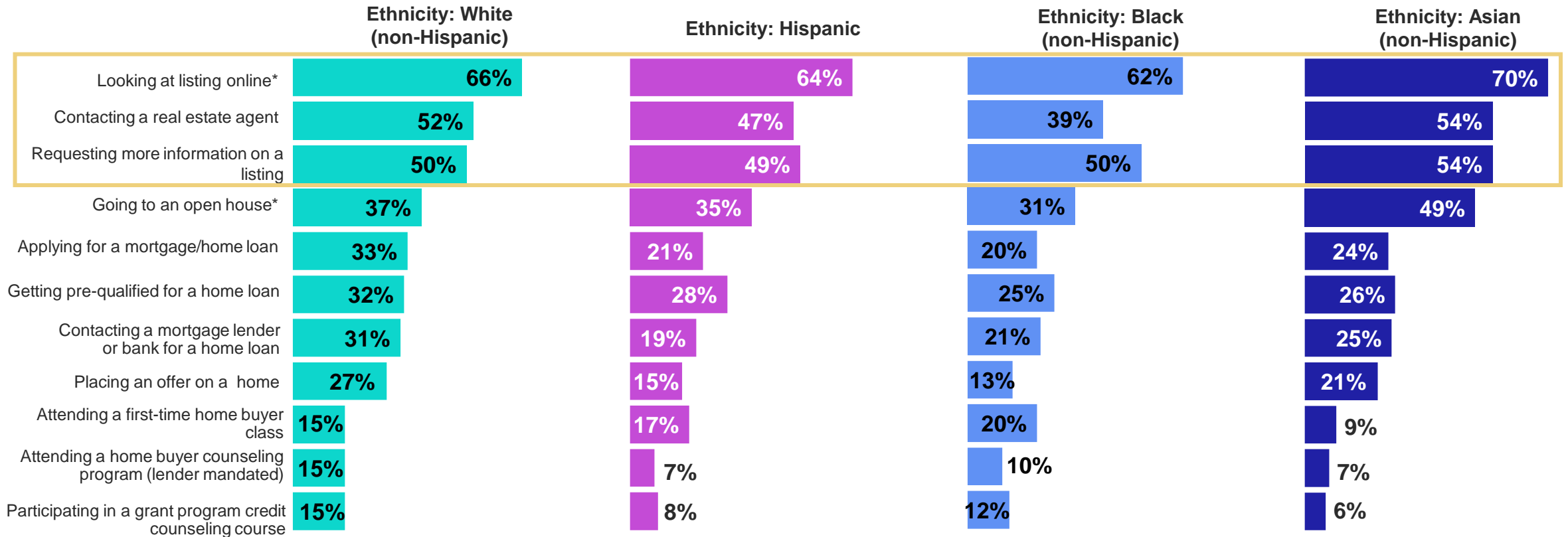
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HOMEBUYING STATUS AND PREFERENCES

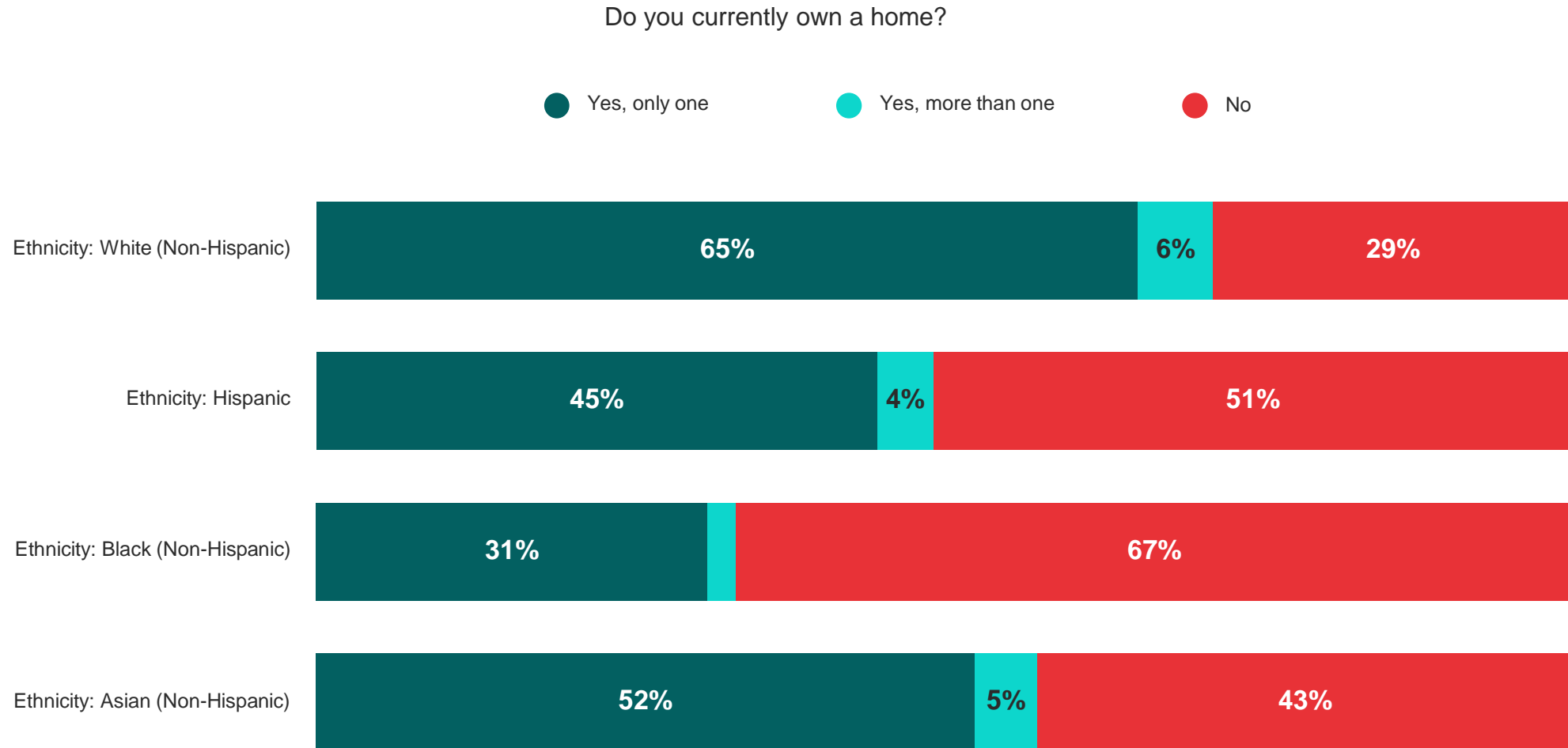
Most prospective homebuyers across races/ethnicities tested say they have started the process of buying a home by *looking at a listing online, contacting a real estate agent, and requesting additional information on a listing.*

In the **past 12 months**, have you started the process of buying a home by doing any of the following? Please select all that apply.



HOME BUYING STATUS AND PREFERENCES

Two-thirds (71%) of White respondents say they currently own at least one home, while a similar share (67%) of Black respondents say they do not currently own a home.

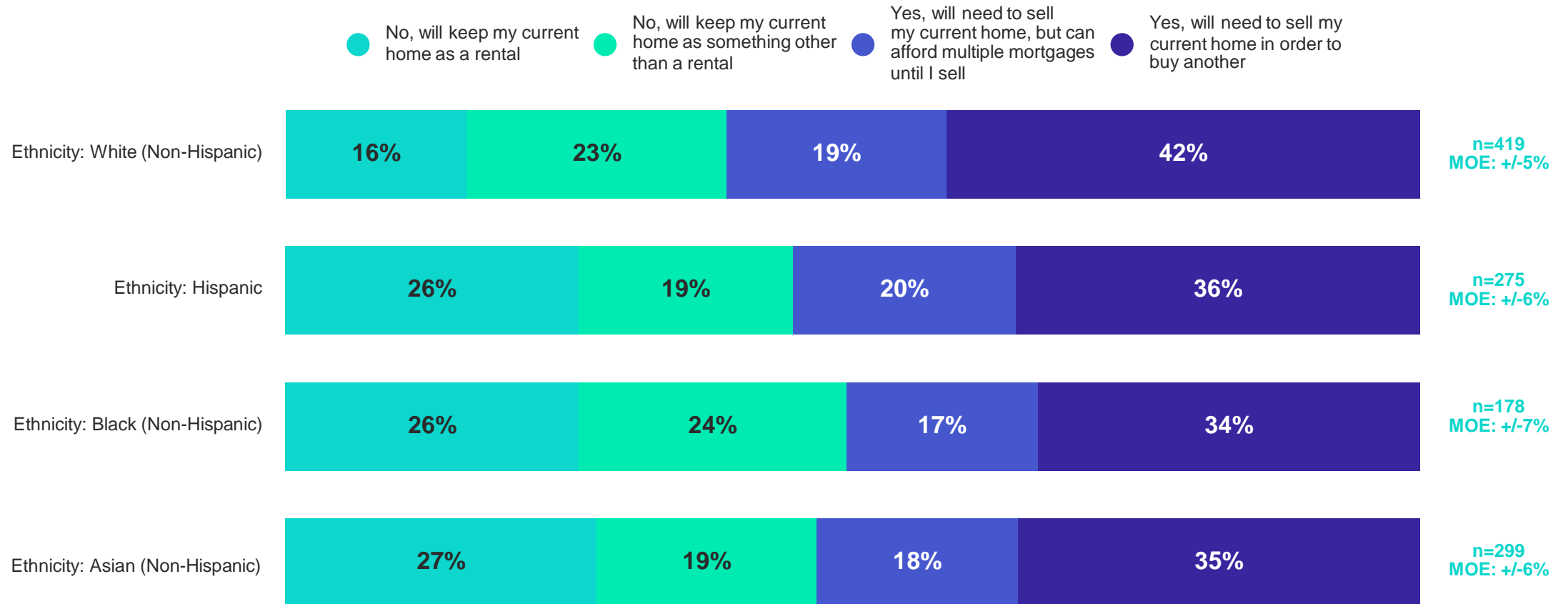


HOME BUYING STATUS AND PREFERENCES

At least half of prospective homebuyers across races/ethnicities tested say they will need to sell their current home in order to buy another.

You mentioned you have started the process of buying a home. Do you need to sell your current home in order to purchase another home?*

AMONG RESPONDENTS WHO CURRENTLY OWN AT LEAST ONE HOME

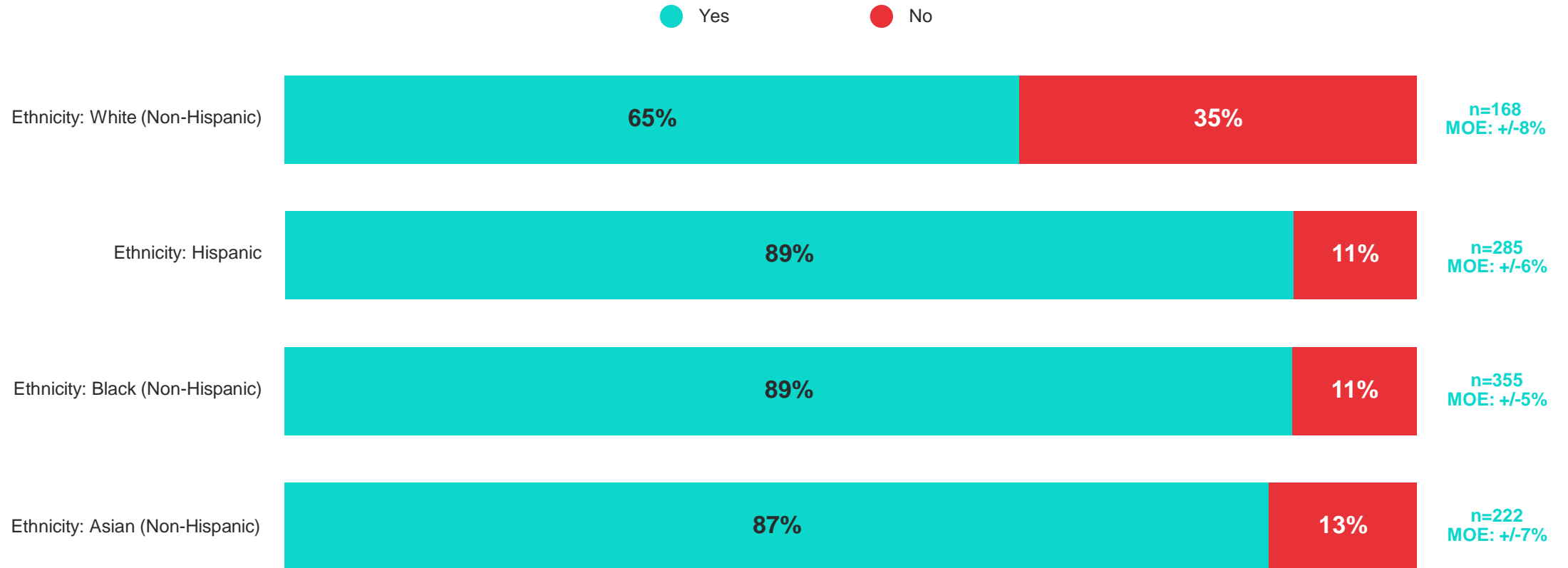


HOME BUYING STATUS AND PREFERENCES

Among those who do not currently own a home, nearly all Hispanic (89%), Black (89%), and Asian (87%) respondents will be first-time homebuyers, while only two-thirds (65%) of White respondents will be first-time homebuyers.

You mentioned you have started the process of buying a home. Will this be the first home you've ever purchased?

AMONG RESPONDENTS WHO DO NOT CURRENTLY OWN A HOME

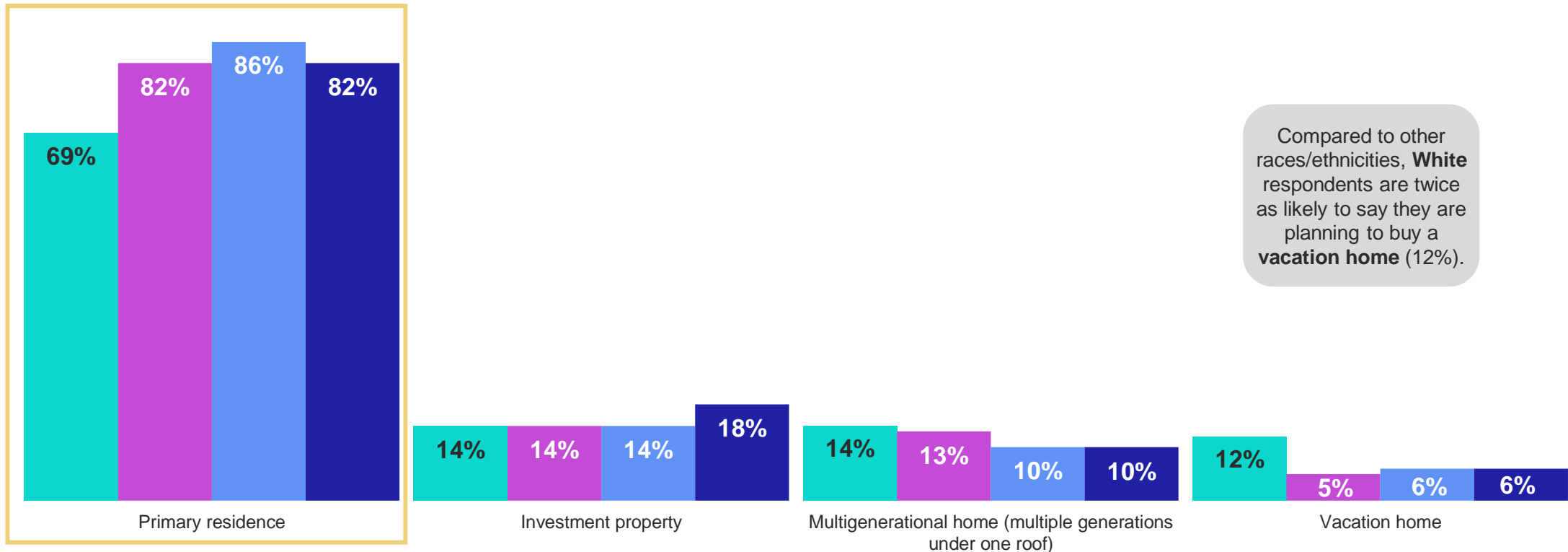


HOMEBUYING STATUS AND PREFERENCES

The majority of prospective homebuyers across races/ethnicities tested say they are planning to buy a property that will serve as their *primary residence*.

Thinking about the homebuying process you've started, what kind of property are you planning to buy? Please select all that apply.

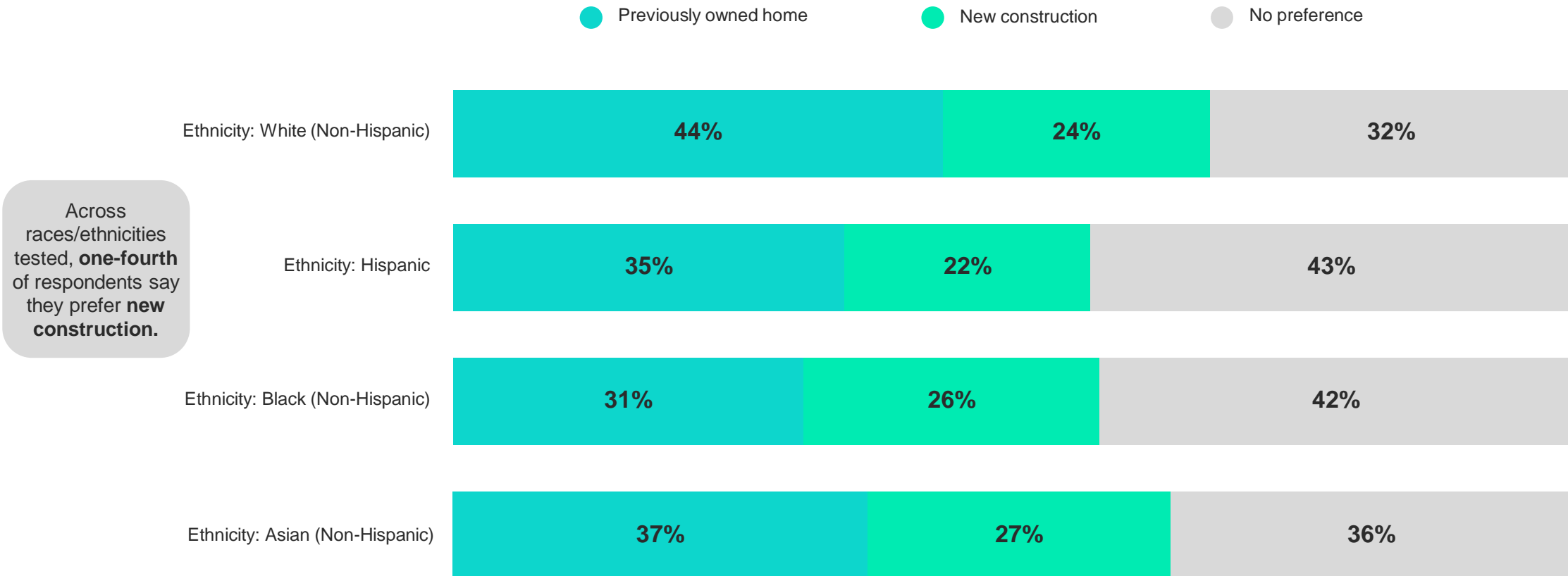
■ White (non-Hispanic) ■ Hispanic ■ Black (non-Hispanic) ■ Asian (non-Hispanic)



HOME BUYING STATUS AND PREFERENCES

Almost half (44%) of White respondents say they prefer their next home to be *previously owned*, while a similar share of Hispanic (43%) and Black (42%) respondents say they have *no preference* on whether their next home is previously owned or new construction.

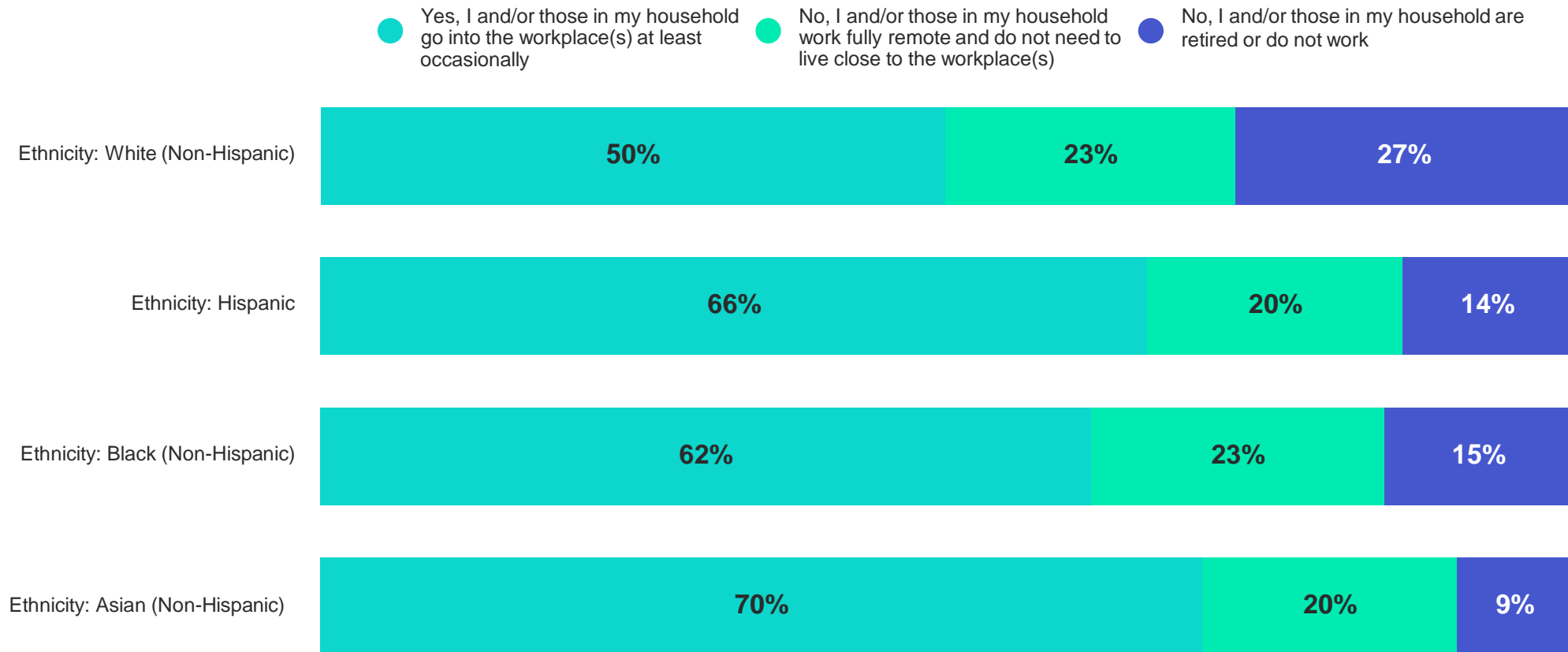
Thinking about the homebuying process you've started, do you prefer a previously owned home or new construction?



HOME BUYING STATUS AND PREFERENCES

Hispanic (66%), Black (62%), and Asian (70%) respondents are more likely than White (50%) respondents to say they are determining the location of their next home based on where they or where someone in their home works.

Are you determining the location of your next home based on the location of your job or the job of someone in your household?



HOME BUYING STATUS AND PREFERENCES

Across races/ethnicities tested, after buying their new home, prospective homebuyers plan to live within a 20-25 minute drive from their job or the job of someone in their household.

Approximately how far do you plan to live in **driving distance** from your current job or the job of those in your household after you buy your new home? Please enter the furthest distance and respond in minutes.

AMONG RESPONDENTS DETERMINING LOCATION OF NEXT HOME BASED ON JOB LOCATION

Ethnicity	N-size	Median (minutes)	Mean (minutes)
White (Non-Hispanic)	292	25	84
Hispanic	369	25	28
Black (Non-Hispanic)	327	25	36
Asian (Non-Hispanic)	366	20	41

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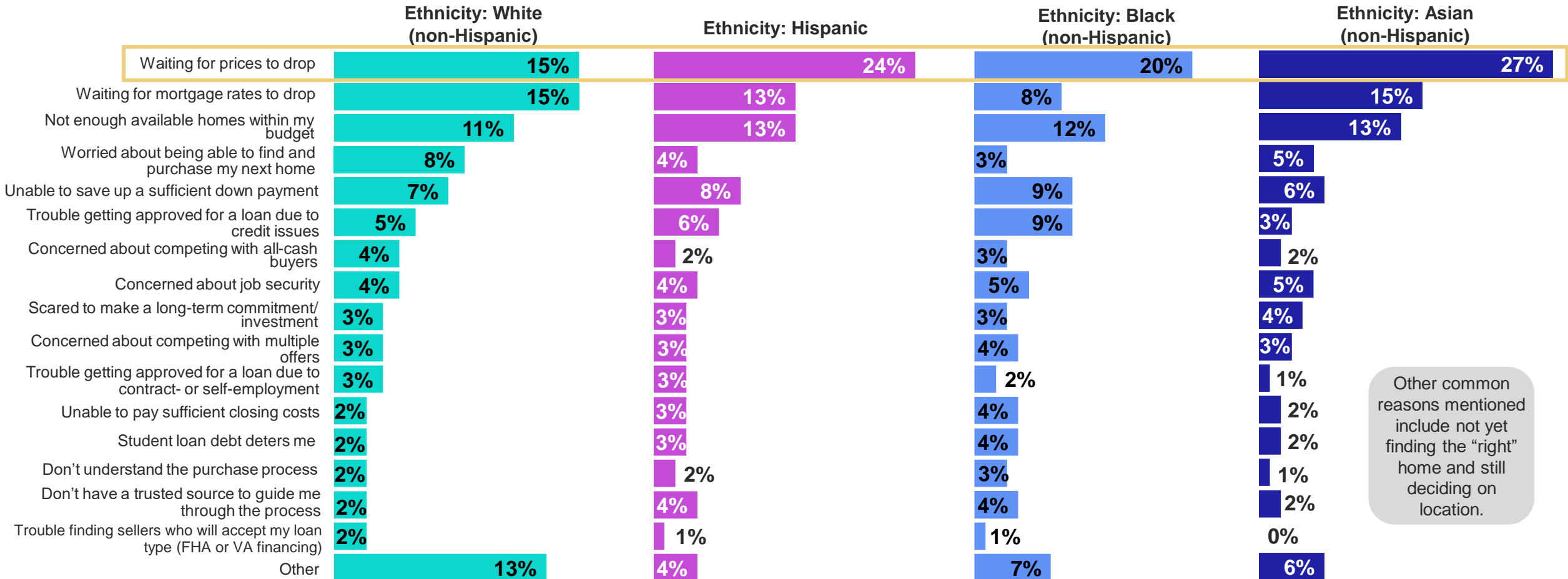
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COMMON HOMEBUYING BARRIERS

A plurality of Hispanic (24%), Black (20%), and Asian (27%) respondents say the main reason they have not yet bought a home is because they are *waiting for prices to drop*. However, White (15%) respondents are just as likely to say it is because they are *waiting for mortgage rates to drop*.

You mentioned you have started the process of buying a home. What is the **main reason** that you have not yet bought a home?

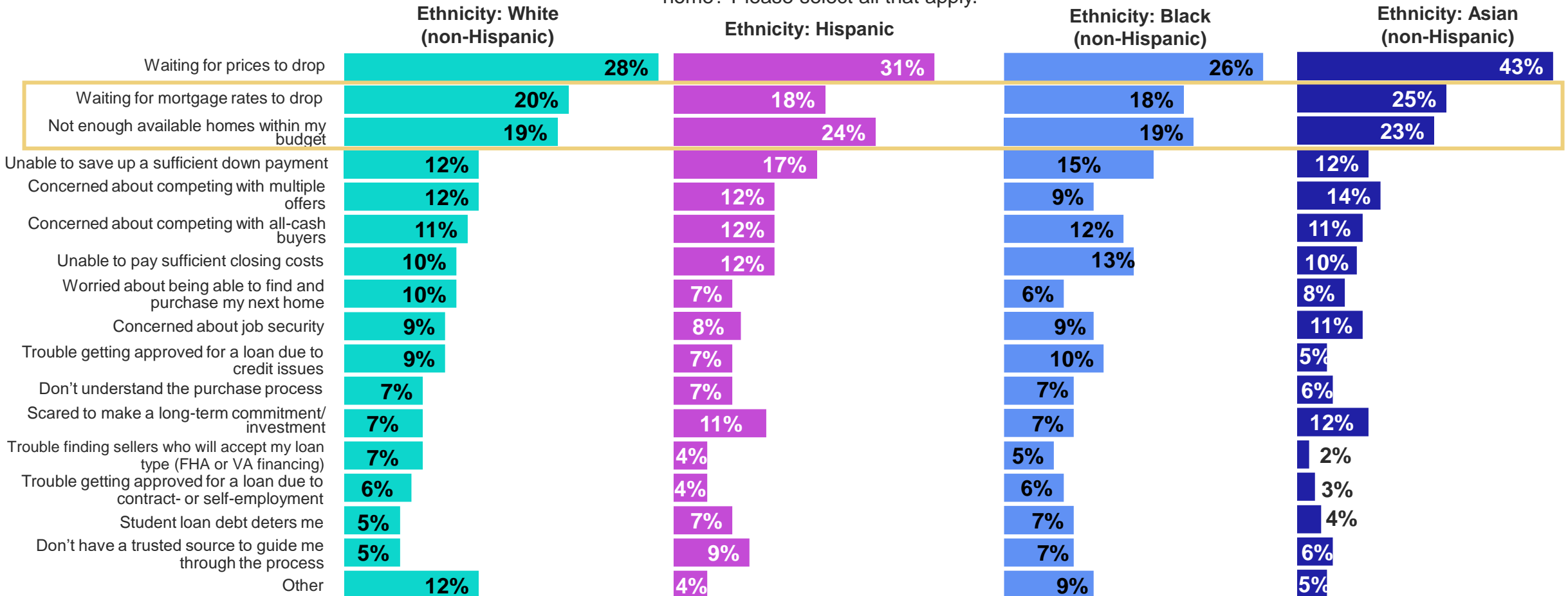


Other common reasons mentioned include not yet finding the “right” home and still deciding on location.

COMMON HOMEBUYING BARRIERS

Prospective homebuyers across races/ethnicities tested say other reasons they have not yet bought a home include *waiting for mortgage rates to drop* and *there not being enough available homes for purchase within their budget*.

You mentioned you have started the process of buying a home. Which of the following do you view as **additional reasons** that you have not yet bought a home? Please select all that apply.*



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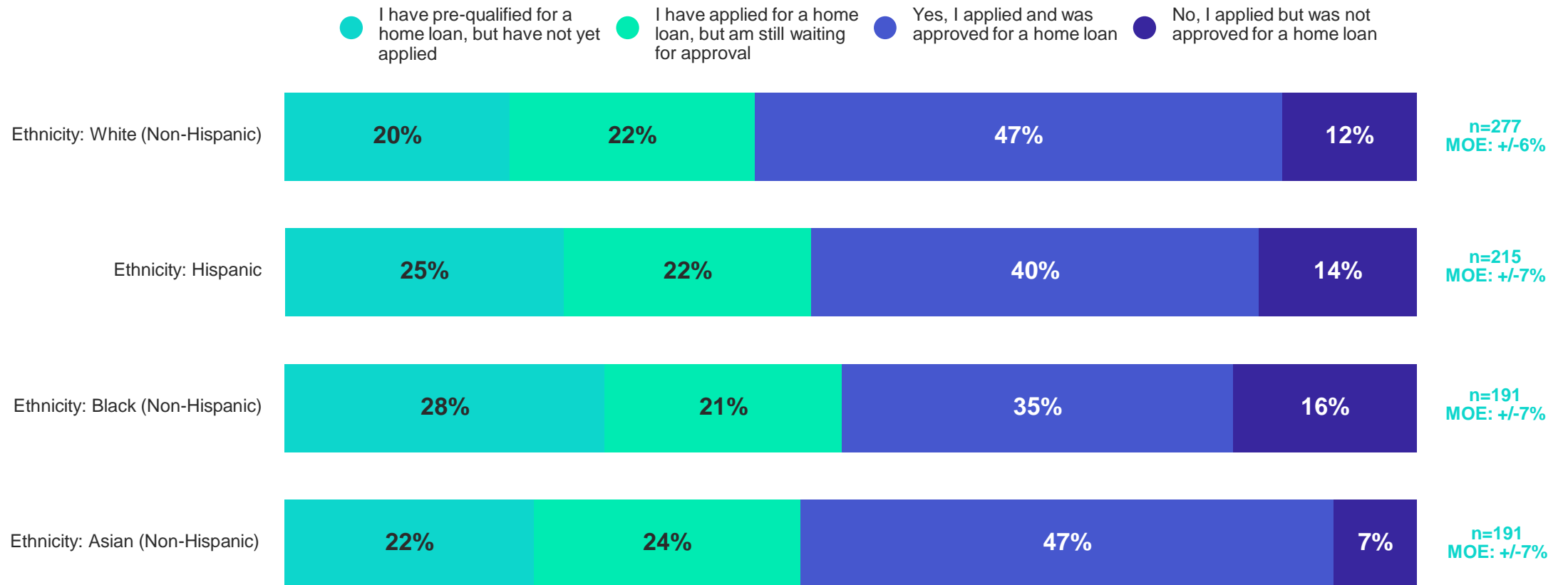


EXPERIENCES WITH HOME LOANS

Among prospective homebuyers who pre-qualified and/or applied for a home loan, less than 20% across races/ethnicities tested say they applied but were not approved.

You mentioned you pre-qualified and/or applied for a home loan through a mortgage lender or bank. Were you **approved** for a home loan?

AMONG RESPONDENTS WHO PRE-QUALIFIED AND/OR APPLIED FOR A HOME LOAN

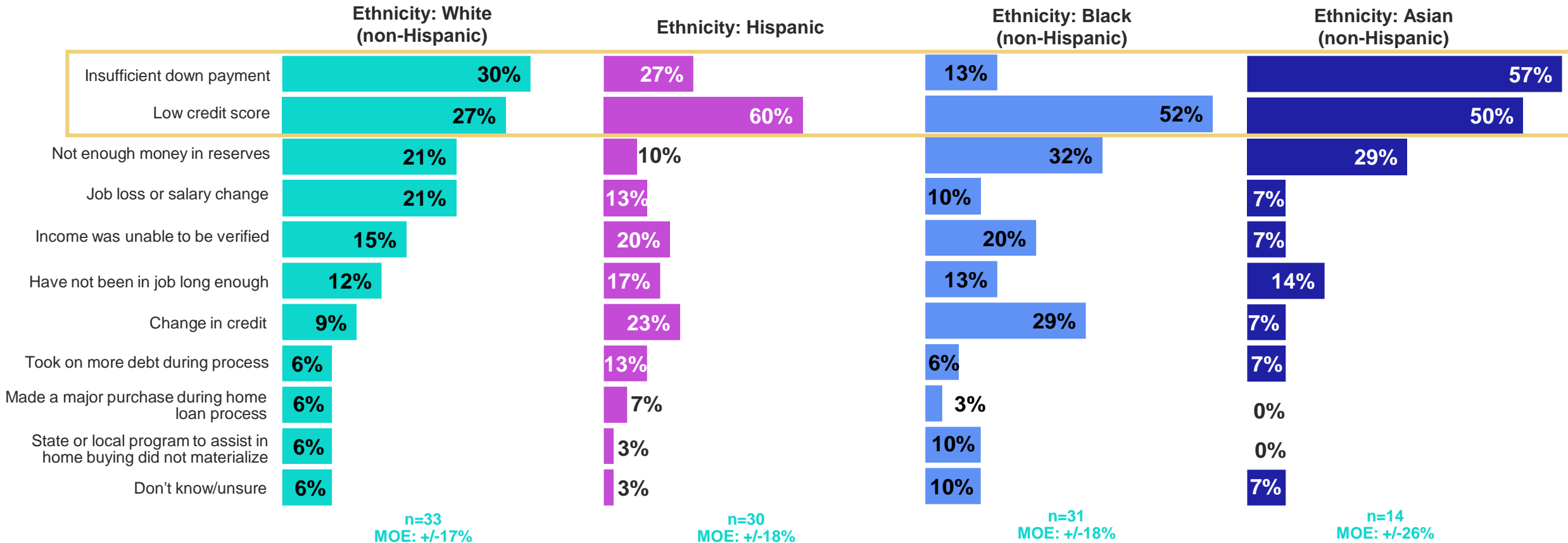


EXPERIENCES WITH HOME LOANS

Prospective homebuyers who were not approved for a home loan primarily say *low credit score and insufficient down payment* are the reasons why they were not approved. This trend is generally consistent across races/ethnicities tested.

What are the reasons you were not approved for a home loan? Please select all that apply.

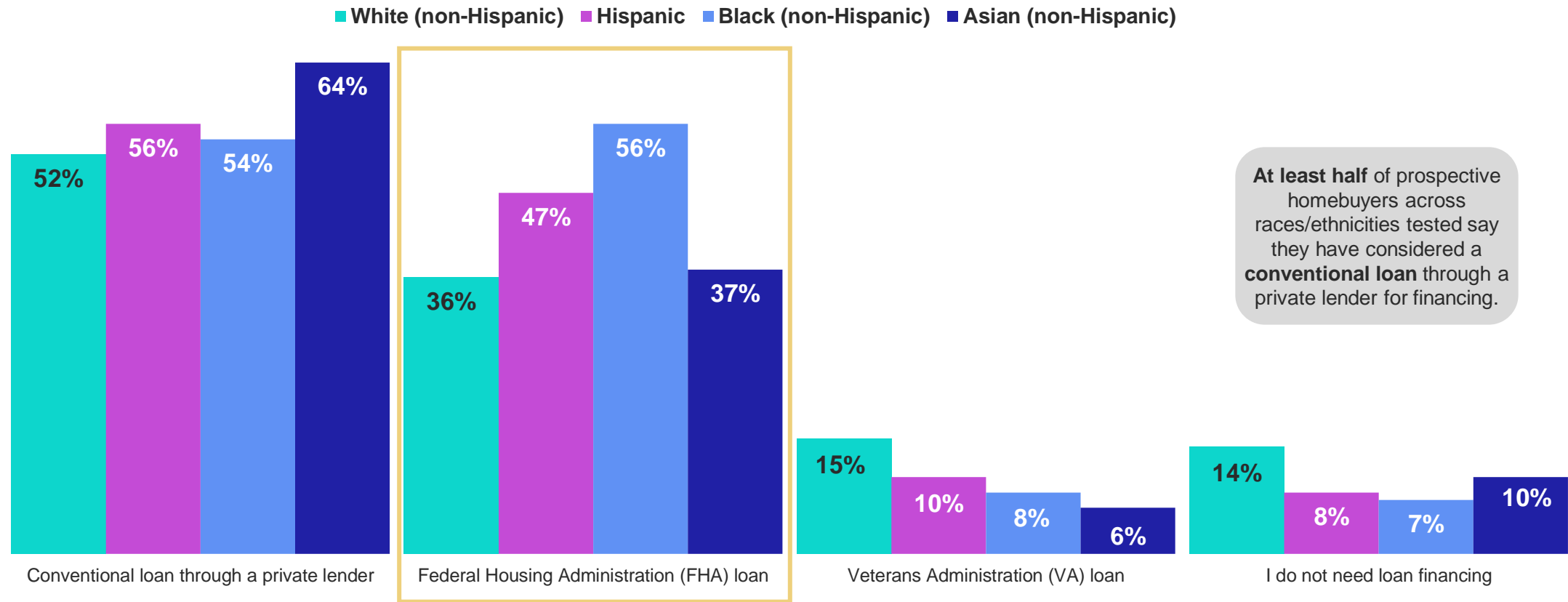
AMONG RESPONDENTS WHO WERE NOT APPROVED FOR A HOME LOAN



EXPERIENCES WITH HOME LOANS

Half of Black (56%) and Hispanic (47%) respondents say they have considered an FHA loan as a financing option, while only one-third of White (36%) and Asian (37%) respondents have considered this option.

Which of the following home loan financing options have you considered? Please select all that apply.

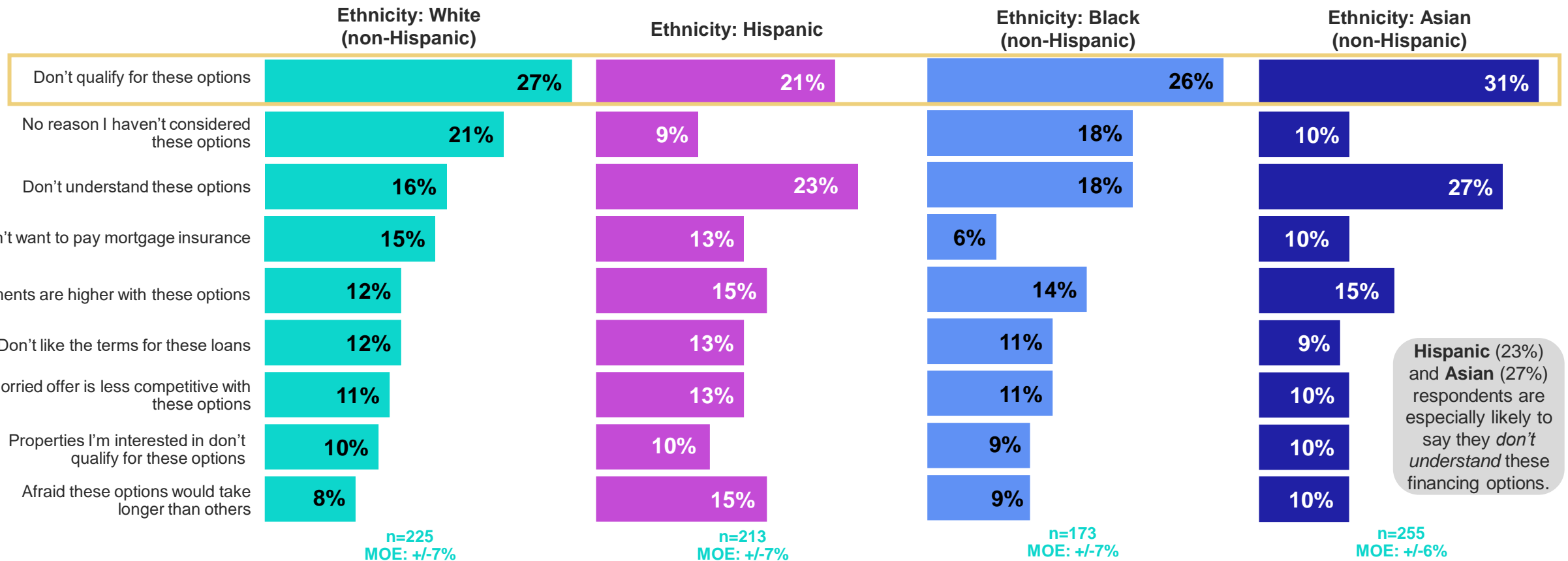


EXPERIENCES WITH HOME LOANS

Among prospective homebuyers who have not considered FHA or VA loan financing options, about one-fourth of respondents across races/ethnicities tested say it is because they *don't qualify for these options*.

What are the reasons you have not considered a home loan financing option like an FHA or VA loan? Please select all that apply.

AMONG RESPONDENTS WHO HAVE NOT CONSIDERED FHA OR VA LOAN FINANCING



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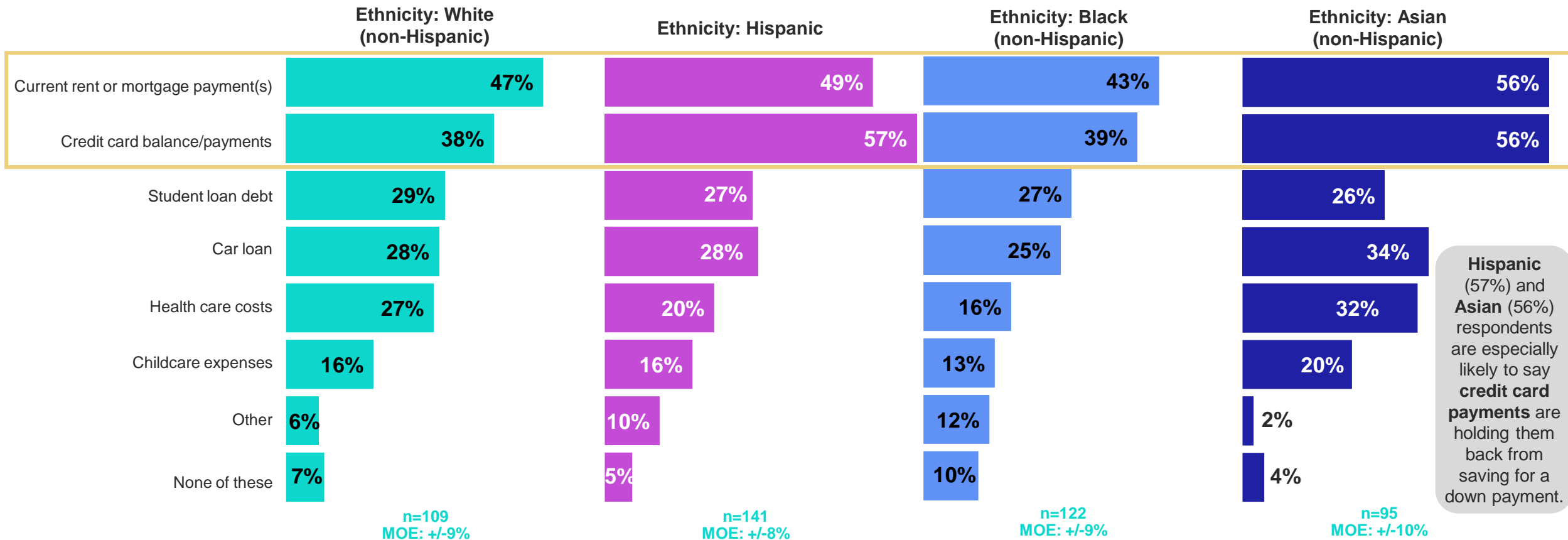


EXPERIENCES WITH DOWN PAYMENT ASSISTANCE PROGRAMS

Prospective homebuyers across races/ethnicities tested say *current rent/mortgage payments* and *credit card payments* are holding them back from saving for a sufficient down payment.

Which of the following are holding you back from saving for a sufficient down payment? Please select all that apply.

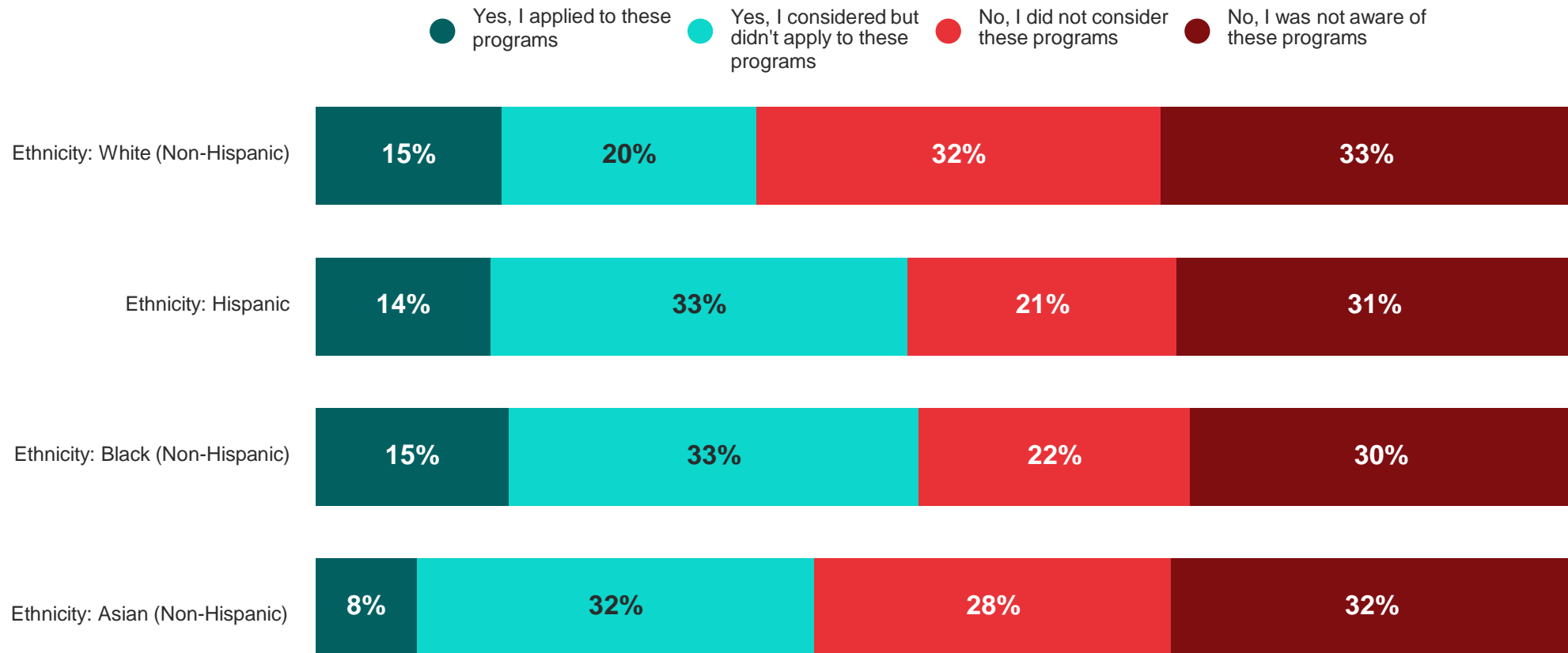
AMONG RESPONDENTS HAVING DIFFICULTY SAVING FOR A DOWN PAYMENT



EXPERIENCES WITH DOWN PAYMENT ASSISTANCE PROGRAMS

One-third of prospective homebuyers are unaware of existing down payment assistance programs. This trend is consistent across races/ethnicities tested.

Have you considered or applied to existing down payment assistance programs?



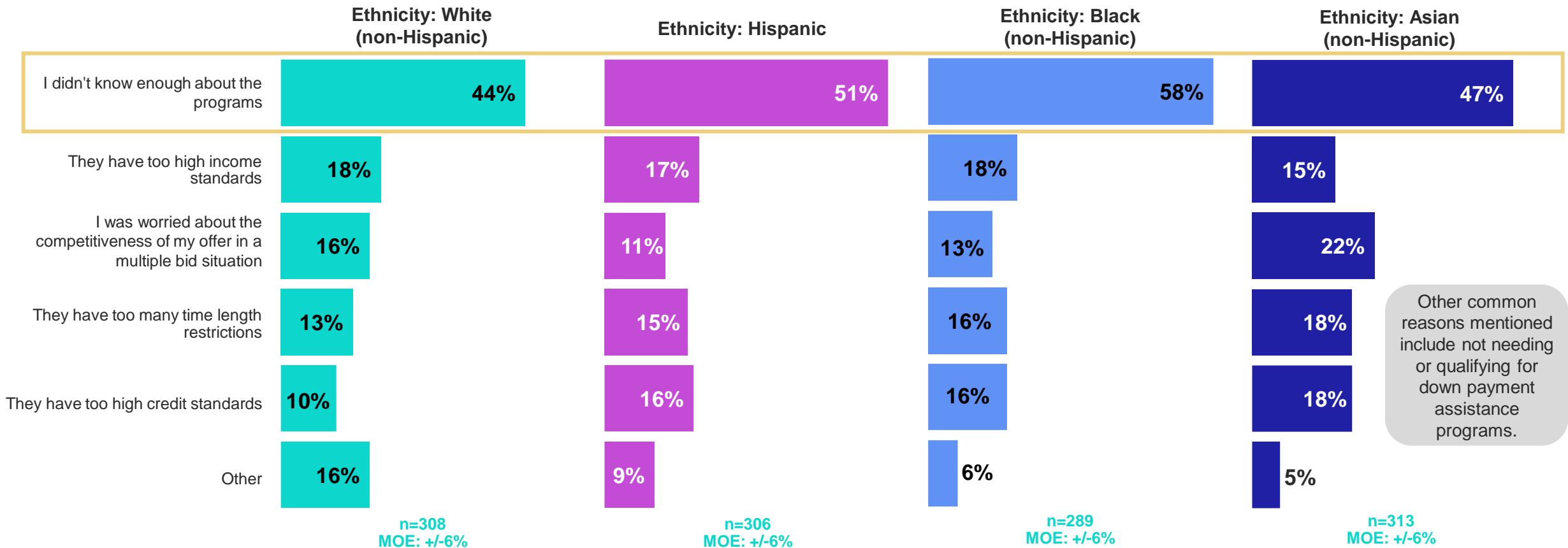
Hispanic (33%), Black (33%), and Asian (32%) respondents are especially likely to say they have **considered but did not apply** to existing down payment assistance programs.

EXPERIENCES WITH DOWN PAYMENT ASSISTANCE PROGRAMS

The primary reason why prospective homebuyers who are aware of down payment assistance programs did not apply to them is that they *didn't know enough about them*.

What are the reasons you did not apply to existing down payment assistance programs? Please select all that apply.

AMONG RESPONDENTS WHO ARE AWARE OF BUT DIDN'T APPLY TO DOWN PAYMENT ASSISTANCE PROGRAMS



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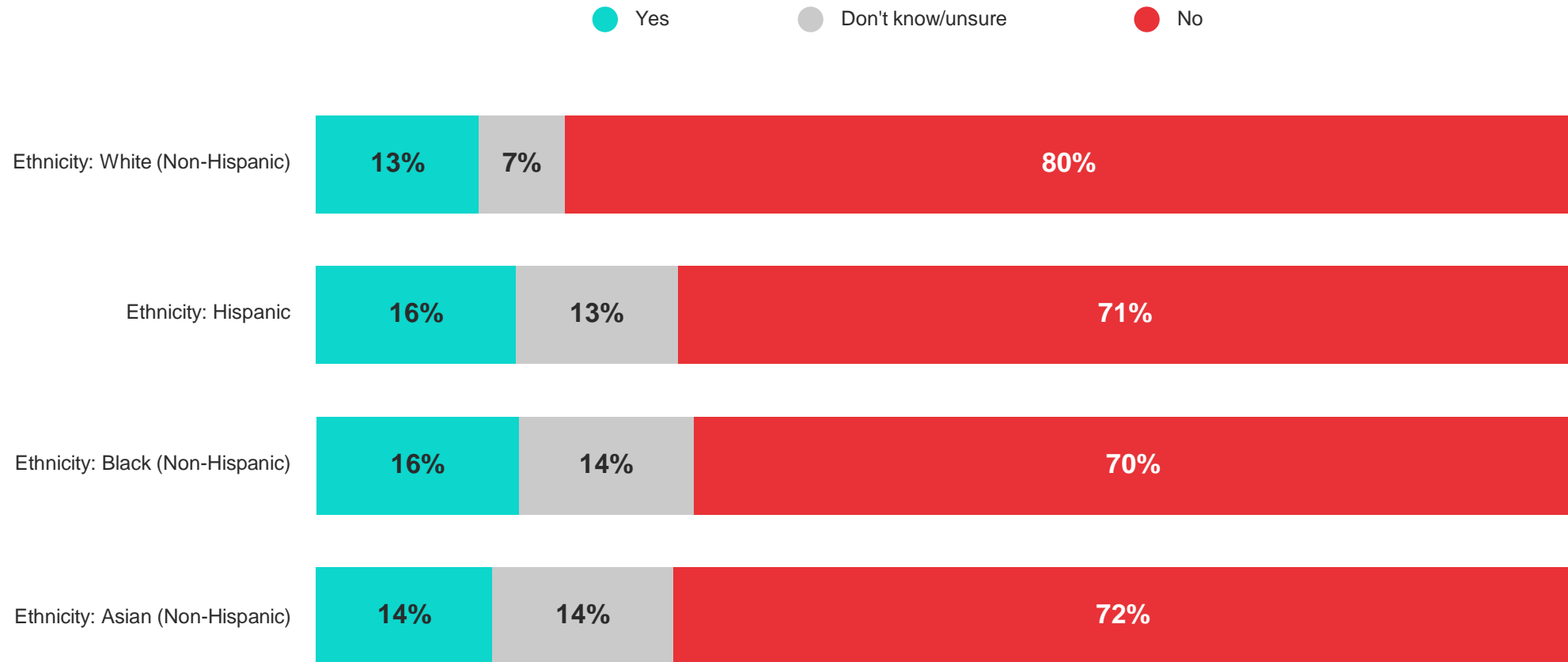
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EXPERIENCES WITH DISCRIMINATION

About one-in-six prospective homebuyers say they have experienced discrimination during their current homebuying process. Notably, White (13%) respondents are just as likely as other races/ethnicities to say they have faced discrimination during homebuying.

Have you experienced discrimination during the homebuying process you've recently started?

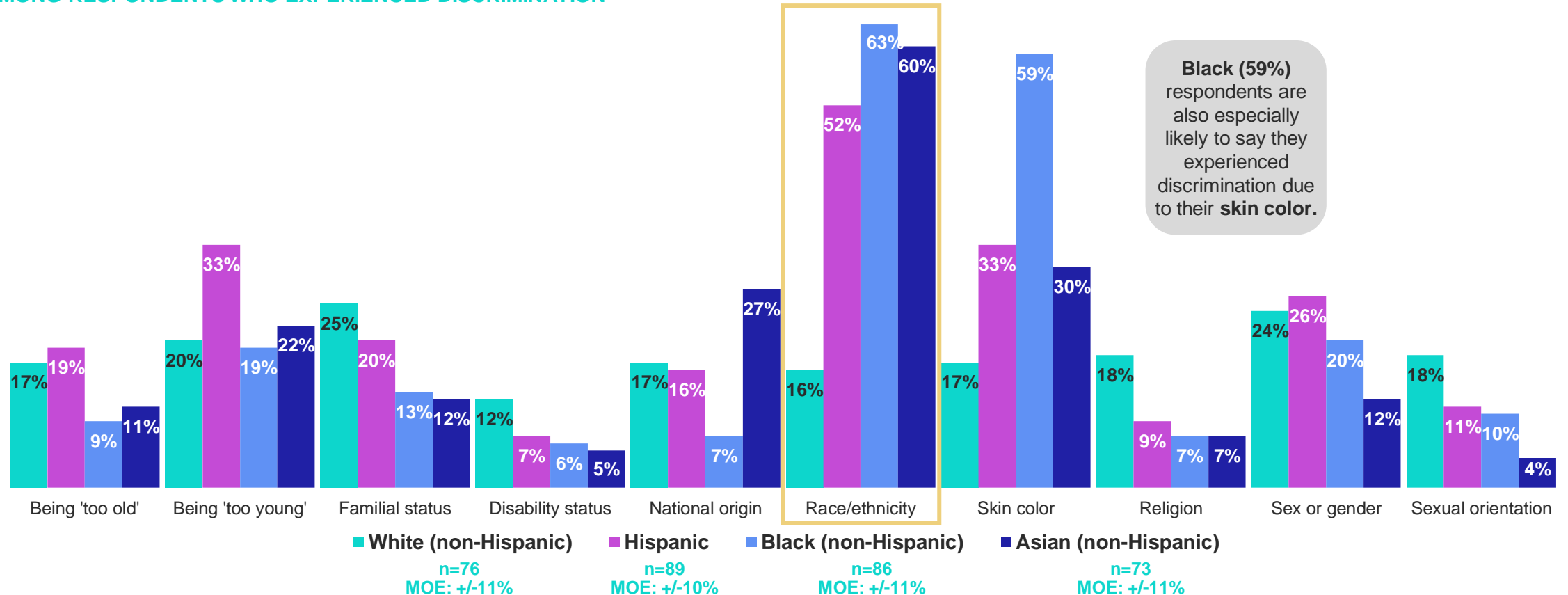


EXPERIENCES WITH DISCRIMINATION

At least half of Black (63%), Asian (60%), and Hispanic (52%) respondents who experienced discrimination during the homebuying process say it was due to their *race/ethnicity*.

On what basis did you experience discrimination during the homebuying process? Please select all that apply.

AMONG RESPONDENTS WHO EXPERIENCED DISCRIMINATION



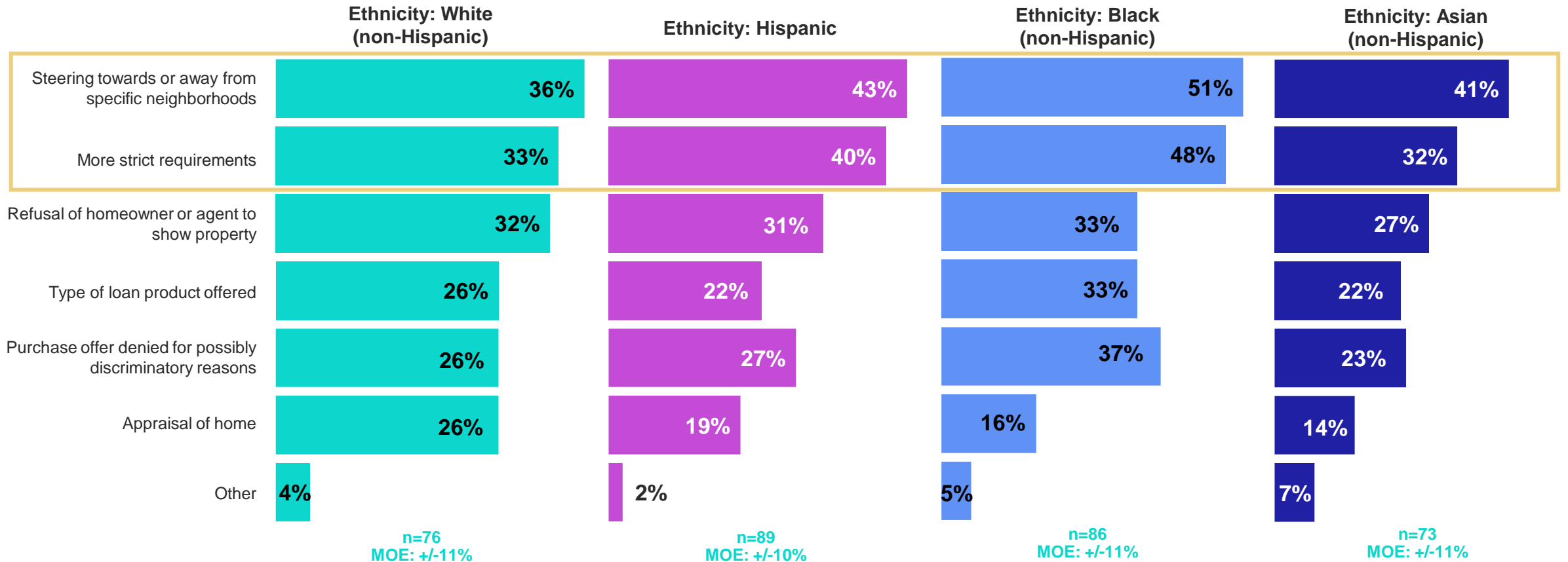
Black (59%) respondents are also especially likely to say they experienced discrimination due to their **skin color**.

EXPERIENCES WITH DISCRIMINATION

Prospective homebuyers, especially Black respondents, say they have experienced discrimination by *being steered towards or away from specific neighborhoods* and *having stricter requirements*.

In what ways have you experienced discrimination during the homebuying process? Please select all that apply.

AMONG RESPONDENTS WHO EXPERIENCED DISCRIMINATION



EXPERIENCES WITH DISCRIMINATION

Asian (19%) and Hispanic (30%) respondents who experienced discrimination during the homebuying process are least likely to say they reported the discrimination, while White (53%) respondents are most likely to say they reported it.

Did you report the discrimination you experienced during the homebuying process to a government agency or legal aid organization?

AMONG RESPONDENTS WHO EXPERIENCED DISCRIMINATION

● Yes ● No

Ethnicity: White (Non-Hispanic)



n=76
MOE: +/-11%

Ethnicity: Hispanic



n=89
MOE: +/-10%

Ethnicity: Black (Non-Hispanic)



n=86
MOE: +/-11%

Ethnicity: Asian (Non-Hispanic)



n=73
MOE: +/-11%

At least half of prospective homebuyers who faced discrimination during homebuying say they **did not report** it to a government agency or legal aid organization—a trend that is consistent across races/ethnicities.

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How many income earners are in your household?

