

BRIAN BUFFINI'S REAL ESTATE REPORT



US EDITION
1ST BIENNIAL 2021





The new year is upon us! Although the economy took several unexpected twists and turns in 2020, the housing market remains on solid ground as we enter 2021. While there was plenty of buzz surrounding the uncertain future of the economy and markets, much of it was only noise. That's why at Buffini & Company, my team and I are dedicated to cutting through this noise and identifying the market trends that matter. We present this information in Brian Buffini's Real Estate Report, a biannual publication designed to help real estate agents and their clients access relevant, up-to-date statistics to enhance market knowledge. Dive into this guide to learn all you need to know about what's happening in the industry, both on the national scene and as a whole.

It's a Good Life!®

Brian Buffini

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State of the Market

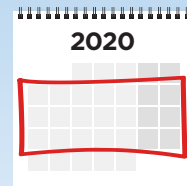
The market experienced a few changes in 2020 as inventory dwindled and buyer demand started to increase. The specific state of any market still varies depending on where you live, but these national trends can help shine a light on how the market is doing.



Existing Home Sales:

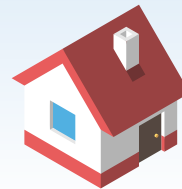
2.7 months of inventory in late 2020

A RECORD LOW



The median length of time recently sold homes were on the market:

3 WEEKS



Median Home Price:
\$272,500

New Residential Construction

Builder confidence is high as housing starts increase.



Housing Starts in Late 2020:
1,530,000

Single Family Housing Starts:
1,179,000

A Country on the Move

Nearly
15.9 MILLION
Americans moved in 2020

22%
of Americans moved due to the COVID-19 pandemic

2%
increase in permanent moves

27%
increase in temporary moves

Mortgage Stats

Mortgage rates have continued to hover at historic lows, making homeownership more accessible for many families. Low rates have also encouraged many current owners to refinance.

87%
of recent buyers
financed their
home purchase

50%
of all buyers made
less than a 20%
down payment

Median Down Payment

All Buyers:	First-time Buyers:	Repeat Buyers:
12%	7%	16%

Refinance Applications Jumped in 2020

Areas Where Refinancing Saves You the Most Money:

1. Hawaii
2. Washington D.C.
3. California
4. New York
5. New Jersey



Average Interest Rate on a 30-Year Fixed Mortgage

2012	3.66%
2013	3.98%
2014	4.17%
2015	3.85%
2016	3.65%
2017	3.99%
2018	4.54%
2019	3.94%
2020*	3.19%

Today's Buyer Profile

Inventory is still tight, but that hasn't stopped buyers from making moves. With increased opportunities for remote work and a need for more space, first-time and move-up buyers are flocking to larger homes in affordable suburban and rural areas. Here's a snapshot of where these buyers stand right now.

In 2020, buyers typically searched for 8 weeks and looked at a median of 9 homes. Home search time decreased from 10 weeks in 2019.



Buyers' Needs Have Shifted

- ▶ Nearly one-third of aspiring homebuyers would look for a home with a dedicated office, more square footage and more rooms.
- ▶ Suburban cities across the U.S. experienced an increase of new residents looking for more space and affordability in a time of remote work opportunities.
- ▶ Millennial buyers are leaving more expensive, densely populated areas in favor of more affordable regions.

First-Time Buyers are Getting Back in the Game

31% OF ALL BUYERS are first-time buyers

49% OF MILLENNIALS have pushed up homebuying plans as a result of the COVID-19 pandemic

57% OF FIRST-TIME BUYERS are 18-34 years old

75% OF FIRST-TIME BUYERS made less than a 20% down payment

SOURCES: 2020 NAR Profile of Home Buyers and Sellers, MyMove, REALTORS® Confidence Index Survey, Realtor.com, SmartAsset, Zillow

Today's Seller Profile

Home prices have increased due to low inventory, which means sellers can get more bang for their buck in today's market. Whether you need more space or a change of scenery, understanding the latest home selling trends can make your relocation a bit easier.

Listing prices **INCREASED BY 17%** last year, tilting the market in favor of sellers

Sellers sold their homes for a median of **99%** of the final listing price

The typical listing received an average of **3.4 OFFERS** before closing

22% of all sellers reduced their asking price at least once

33% is the median amount of equity a seller had in the home at the time of sale

In 2020, sellers sold their homes for a median of **\$66,000** more than the price they purchased it at — **in 2019, that amount was only \$60,000**

Recently sold homes were on the market for a median of **3 WEEKS**



Top 3 Reasons for Selling

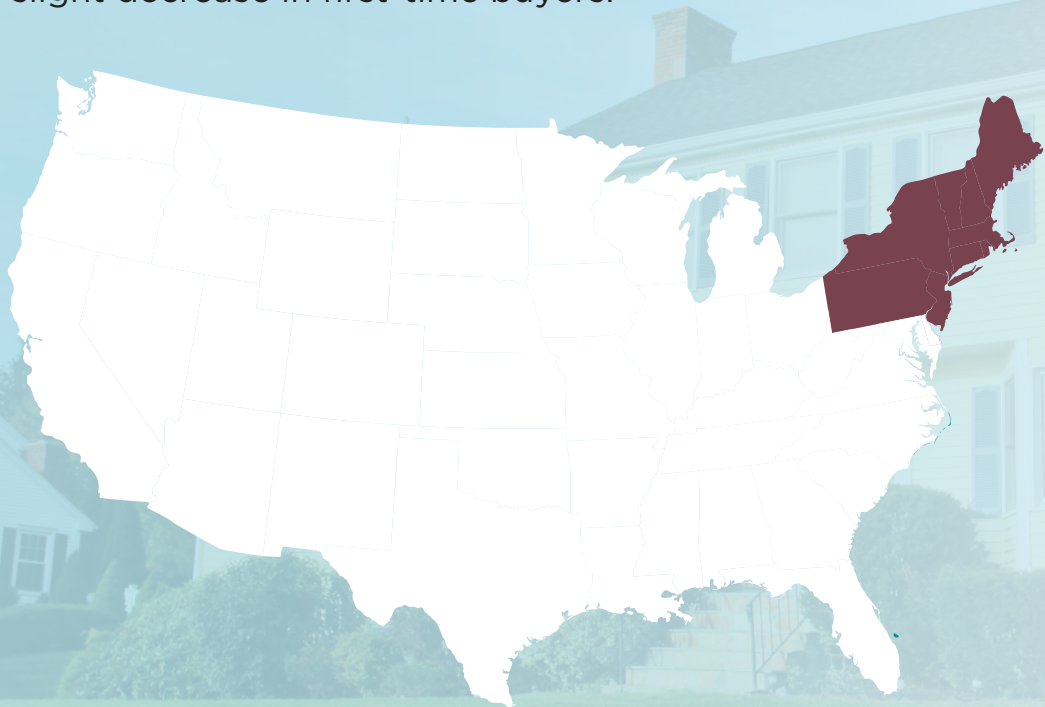
- ▶ Desired to move closer to friends and family.
- ▶ Home was too small.
- ▶ Experienced a change in their family situation.

 **67%** of recent sellers used an agent that was referred to them or used an agent they had worked with in the past to buy or sell a home.

SOURCES: 2020 NAR Profile of Home Buyers and Sellers, Realtor.com, REALTORS® Confidence Index

Trends in Your Neighborhood: Northeast

New home construction dipped slightly in the Northeast, reflecting an ongoing inventory shortage in the region. Homes are selling quickly and close to full price, with a slight decrease in first-time buyers.



Median home price is
\$253,000



Median buyer income is
\$100,000



37% OF BUYERS
were first-time buyers



11% OF BUYERS PAID LESS THAN 90%
of their home's asking price

Seller's home was on the market for a
MEDIAN OF 3 WEEKS

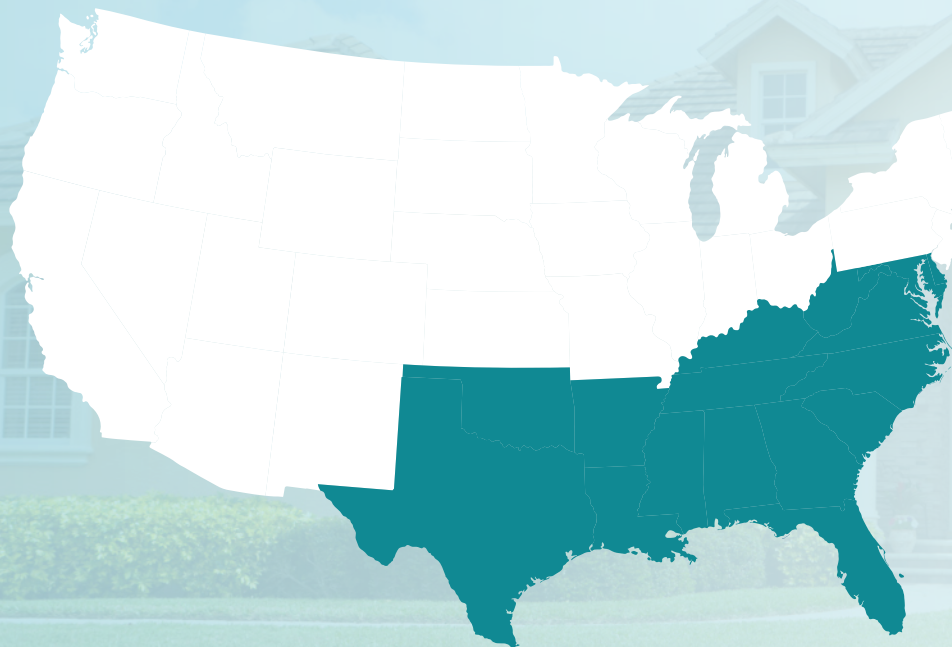
92%
percentage of homes sold which were existing homes

Single Family and Multi-Family
HOUSING STARTS: DOWN 1.4%



Trends in Your Neighborhood: South

Many who fled dense urban areas during the COVID-19 pandemic seemed to settle primarily in the South for its affordability and extra space. This contributed to a subtle increase in home prices and home sales.



Median home price is
\$267,000



Median buyer income is
\$98,500



28% OF BUYERS
were first-time buyers



8% OF BUYERS PAID LESS THAN 90%
of their home's asking price

Seller's home was on the market for a
MEDIAN OF 3 WEEKS

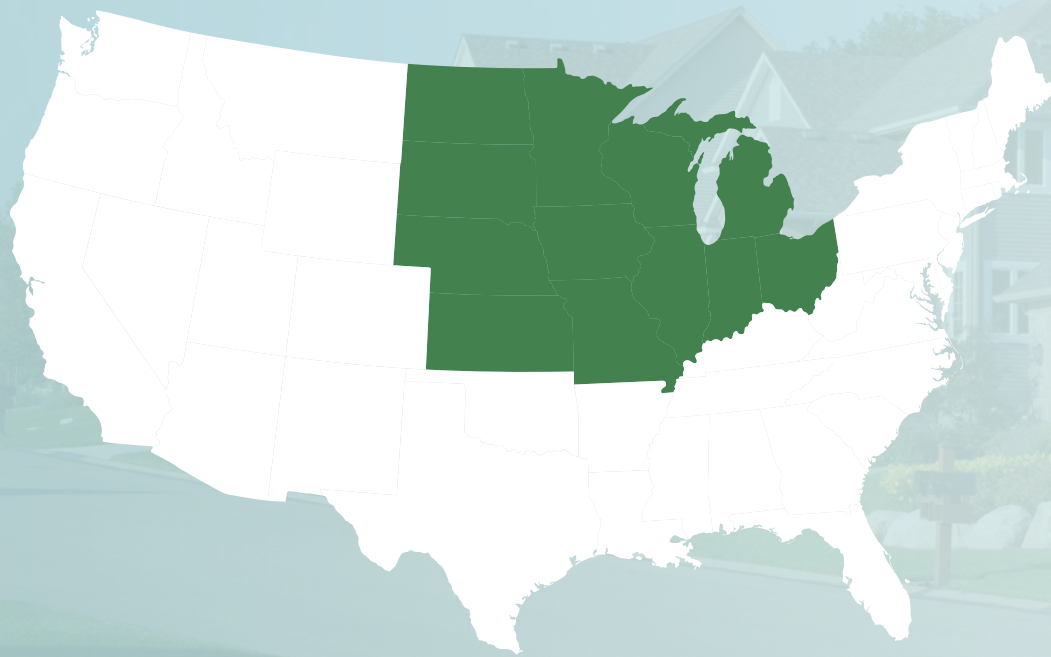
79%
percentage of homes sold which were existing homes

Single Family and Multi-Family
HOUSING STARTS: UP 5.7%



Trends in Your Neighborhood: Midwest

The Midwest continues to be the most reliably affordable spot to own, and homes there are selling more quickly than other regions. New construction was on the rise in 2020, adding even more supply to these markets.



Median home price is
\$206,500



Median buyer income is
\$83,900



34% OF BUYERS
were first-time buyers



11% OF BUYERS PAID LESS THAN 90%
of their home's asking price

Seller's home was on the market for a
MEDIAN OF 2 WEEKS

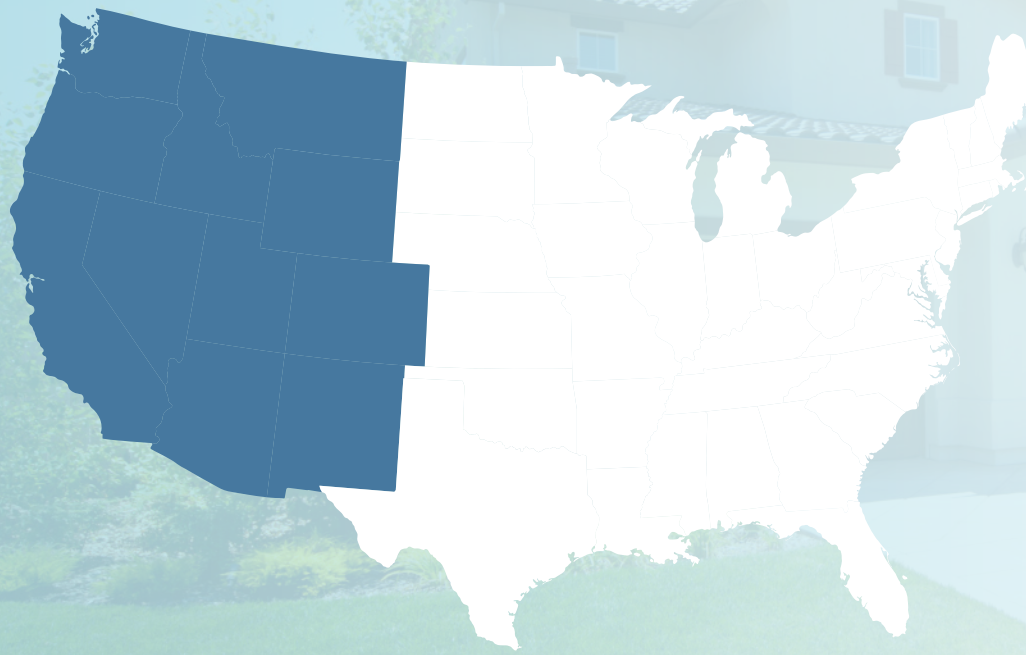
92%
percentage of homes sold which were existing homes

Single Family and Multi-Family
**HOUSING STARTS:
UP 11%**



Trends in Your Neighborhood: West

Markets in the west are hot, with an increase in home prices matching an increase in median buyer income. A slight increase in housing starts may help prices cool slightly this year.



Median home price is
\$400,000



Median buyer income is
\$105,400



30% OF BUYERS
were first-time buyers



6% OF BUYERS PAID LESS THAN 90%
of their home's asking price

Seller's home was on the market for a
MEDIAN OF 3 WEEKS

84%
percentage of homes sold which were existing homes

Single Family and Multi-Family
HOUSING STARTS: UP 4.5%



Why I Work by Referral



Relationships are more important than transactions.

My business is built on relationships, so I work to provide my clients with outstanding service and care during and long after a transaction.



You control my business.

Your referrals are the foundation of my business, so I aim to exceed your expectations every step of the way.



Service that continues after the sale.

I am devoted to serving your needs even after the sale is complete. If you need a referral for a contractor, helpful advice or an agent for your friend or family member, I am here to help.

MORE THAN 80%
of all transactions are conducted through a sphere of influence — there is an existing relationship that leads to sales

90% OF BUYERS & 70% OF SELLERS
would use their agent again or refer them to others

“There is no lead more powerful than one referred from someone you know — someone who knows you, trusts you and will put their name to you.”

— BRIAN BUFFINI