

2023

New Jersey Profile of Home Buyers and Sellers

National Association of
REALTORS®
Research Group



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Introduction: National

The NATIONAL ASSOCIATION OF REALTORS® Profile of Home Buyers and Sellers is an annual survey of recent home buyers and sellers who recently completed a transaction between July 2022 and June 2023. The flagship report has been published since 1981. The annual report allows industry professionals to gain insight into detailed buying and selling behavior. Each iteration of the report is as unique as the economic, social and demographic environment in which it is published.

While each year providing new opportunities and challenges for buyers and sellers, this year marked the end of the COVID-19 pandemic induced housing boom. The 2023 Profile shows some moderation in trends that moved towards all-time highs and lows in the data. Some of the reversion in the data is likely due to the increase in mortgage interest rates, which moved between six and over seven percent in the period. Data in this year's report continues to show buyers encountering a housing market with limited housing inventory and affordability constraints. Other trends are likely a result of return-to-office demands.

For home buyers to compete in this year's housing market, they had to have a household income to support their purchase. The typical home buyer had a household income of \$107,000, up from \$88,000 the year before. With the rise in housing equity, due to the rise in home prices, there is an elevated share of buyers who are not financing their home purchase. Twenty percent of home buyers paid cash for their home, without financing it. In the 2022 report, 22 percent of buyers paid with cash for their home, but in 2021, this share was only 13 percent. Downpayments also grew this year for both first-time and repeat buyers—first-time buyers likely as they may need to have a stronger offer among all-cash buyers and among repeat buyers as they have increased housing equity. The typical downpayment for first-time buyers was eight percent, which is the highest share since 1997 when the typical downpayment was 9% for first-time buyers. The typical downpayment for repeat buyers was 19%, which is the highest share since 2005 when the typical downpayment was 21%.

Buyers were driven into the market with the desire own a home of one's own, to be near friends and family and the need for a larger home. Distance moved from the last home decreased from 50 miles to 20 miles, but remains elevated from previous years where 15 miles was typical. Similarly, while suburbs have boomeranged back (47 percent in 2023 report from 39 percent in the 2022 report), they remain under the norm seen in 2017 to 2021 when the share was over 50 percent of buyers. At the same time, small towns and rural areas remain more popular than they were over the same time period.

As competition in the market receded due to higher borrowing costs, first-time buyers had an opportunity to enter the market. Their share grew from a historic low of 26 percent to 32 percent. While this is a rise, this is still the fourth lowest share seen in more than four decades of data collection. The age of both first-time buyers and repeat buyers has declined one-year from historic highs seen last year to a median of 35 and 58, respectively. These are the second highest ages seen in the data set.

This year's report also saw a growing number of minority home buyers. Overall 81 percent of buyers were White/ Caucasian, down from 88 percent last year. Ten percent of buyers were born outside the U.S., up from eight percent last year. Six percent of buyers spoke a primary language other than English, up from five percent last year.

Household composition of buyers continues to shift. Fifty- nine percent of recent buyers were married couples. This is the lowest share of married couples since 2010, while single women and men rose. Multi-generational living continues to remain popular with the 14 percent of all buyers purchasing a home that will house different generations for elder care, young adults moving back, and for cost savings. The share of buyers with children under the age of 18 dropped to the lowest level seen at 30 percent of all buyers.

Introduction: National (Continued)

The number of weeks a buyer searched for a home remained steady at 10 weeks from last year. Many buyers took advantage of virtual tours and virtual listings and used those in their search process, a transformation that happened in the pandemic and has continued among buyers' activity. Due to limited inventory, it is not a surprise, buyers continue to report the most difficult task for them in the home buying process was just finding the right home to purchase. However, overall 92 percent of home buyers are satisfied with the buying process.

Sellers continue to report the top reasons to sell were the desire to be close to friends and family and because their home was too small. Tenure has also maintained the high of 10 years, which has become common out of the Great Recession. Among sellers, 39 percent purchased a larger home and 28 purchased the same size home. This year, sellers sold their property typically at 100 percent of their asking price, and one-third received more than asking price for their home.

Buyers needed the help of a real estate professional to help them find the right home for them and negotiate terms of sale. Eighty-nine percent of buyers used an agent to help them purchase a home, an increase from 86 percent the year prior. The top item buyers want from their agent is help them find the right home to purchase. Buyers also found their agent helped them understand the buying process, pointed out unnoticed features and faults in the property, provided a better list of service providers and negotiated better sales contract terms. Data is collected from a nationally representative sample of recent home buyers who purchased a primary residence in the 12-month period between July and June. Data is also representative of the geographic distribution of home sales. Consumer names are obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records.

Sellers, as well, turned to professionals to price their home competitively, help market the home to potential buyers, and sell within a specific timeframe.

Eighty-nine percent of sellers used an agent to sell their home, an increase from 87 percent the year prior. While they survey asked about iBuyer of respondents, less than one percent of sellers used these online only programs. Seven percent of sellers sold via For-Sale-By-Owner (FSBO), a decrease from 10 percent last year and matching a series low seen in 2021. Over half of FSBO sellers knew the buyer of their home.

The information provided supplies understanding, from the consumer level, of the trends that are transpiring. This survey covers information on demographics, housing characteristics, and the experience of consumers in the housing market, as well as for those who are not yet able to enter the market. Buyers and sellers also provide valuable information on the role that real estate professionals play in home sales transactions.

The Profile of Home Buyers and Sellers report has been the leading industry source of trusted insight into consumer behavior for over four decades. It has grown and evolved to keep up with changing home buying trends and the need for more information. NAR first administered the survey in 1981 with just 59 questions. In 2023, the survey contained 129 questions. Although the report has evolved, data has been collected for more than three decades describing the demographic characteristics of home buyers and sellers, buyers and sellers' experience in the home transaction process, as well as market characteristics including the use of real estate agents. One measure of how the market has changed is the manner in which the data is collected. In 1981, only a paper copy of the survey was offered. Today, recent home buyers can take the survey via paper or online, and in English or Spanish. Because of its long history and timely information available each year, the report is valued by REALTORS®, market analysts, and policymakers.

Introduction: National (Continued)

Data is collected from a nationally representative sample of recent home buyers who purchased a primary residence in the 12-month period between July and June. Data is also representative of the geographic distribution of home sales. Consumer names are obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records.

This report provides real estate professionals with insights into the needs and expectations of their clients. What do consumers want when choosing a real estate professional? How do home buyers begin the process of searching for a home? Why do some sellers choose to forego the assistance of an agent? The answers to these questions, along with other findings in this report, will help real estate professionals better understand the housing market and provide the information necessary to address the needs of America's real estate consumers.

The data set provides a wealth of data that is used to create a number of spin-off NAR reports including: Home Buyer and Seller Generational Trends Report, Real Estate in a Digital Age, Veterans and Active Military Home Buyers and Sellers Profile, Profile of LGBT Buyers and Sellers, A Snapshot of Race and Home Buying in America, Downpayment Expectations and Hurdles to Homeownership, and Moving with Kids.

New Jersey Stats at a Glance

Characteristics of Home Buyers

- The median age decreased this year to 49 years old, from 53 last year. The largest share of home buyers this year were in the 35 to 44 age group (21 percent) and the 25 to 34 age group (19 percent), followed by the 55 to 64 years age group at 18 percent. In New Jersey, the median age of recent home buyers was 46 years old. The largest share of home buyers in New Jersey this year were in the 35 to 44 age group (27 percent) and the 25 to 34 age group (20 percent).
- The median household income for 2022 rose this year to \$107,000 compared to \$88,000 in last year's report. In New Jersey, buyers had a median income of \$123,800.
- Fifty-nine percent of recent buyers were married couples, 19 percent were single females, ten percent were single males, and nine percent were unmarried couples. This is the lowest share of unmarried couples recorded. In New Jersey, 63 percent were married couples, 18 percent were single females, six percent were single males, and two percent were unmarried couples.
- First-time buyers made up 32 percent, up from last year's 26 percent. In New Jersey, 41 percent were first-time buyers.
- Thirty-one percent of all buyers had children under the age of 18 living at home, the lowest share since 1981 but holding steady from 30 percent last year. In New Jersey, 36 percent buyers had children under the age of 18 living at home.
- Fourteen percent of home buyers purchased a multi-generational home, to take care of aging parents, because of children or relatives over the age of 18 moving back home, and for cost-savings. In New Jersey, that share was 19 percent.
- Eighty-one percent of buyers were White/Caucasian, seven percent were Hispanic/Latino, seven percent were Black/African-American, six percent were Asian/Pacific Islander, and six percent identified as other. In New Jersey, 80 percent of buyers were White/Caucasian, 7 percent were Hispanic/Latino, five percent were Black/African-American, seven percent were Asian/Pacific Islander, and three percent identified as other.

New Jersey Stats at a Glance (*Continued*)

Characteristics of Homes Purchased

- Thirteen percent of buyers purchased a new home, and 87 percent of buyers purchased a previously-owned home. In New Jersey, this share is 5 percent for new homes and 95 percent for previously owned homes.
- Detached single-family homes continued to be the most common home type for recent buyers at 79 percent, followed by townhouses/rowhouses at eight percent. In New Jersey, buyers most often bought single-family homes at 74 percent.
- Forty-seven percent of all buyers purchased in a suburb/subdivision, 23 percent in a small town, and 14 percent purchased in a rural area or urban area. In New Jersey, 26% purchased in a small town, 9 percent in a rural area, and 58 percent in a suburb/subdivision.
- Thirty-three percent of buyers considered heating and cooling costs to be very important to them, and 31 percent said commuting costs were very important.. In New Jersey, 37 percent of buyers considered heating and cooling costs to be very important and 33 percent said commuting costs were very important.

The Home Search Process

- Among all buyers, the most difficult step in the home buying process was finding the right home to purchase at 59 percent. In New Jersey, finding the right property was also the most difficult step at 68 percent.

Home Buying and Real Estate Professionals

- Eighty-nine percent of buyers recently purchased their home through a real estate agent or broker, and six percent purchased directly through the previous owner. In New Jersey, 89 percent purchased through a real estate agent, and six percent purchased directly through the previous owner.
- Ninety percent of buyers would use their agent again or recommend their agent to others. Ninety percent would use their agent again or recommend their agent to others in New Jersey.

New Jersey Stats at a Glance *(Continued)*

Financing the Home Purchase

- For 54 percent of buyers, the source of the downpayment came from their savings, and 53% of buyers cited using the proceeds from the sale of a primary residence for their downpayment. In New Jersey, 63 percent used savings, and 35 percent used proceeds from sale of a primary residence.
- The median percent financed for first-time buyers was 94 percent compared to 74 percent for repeat buyers, which was about the same as last year. In New Jersey, median percent financed for first-time buyers was 86 percent compared to 76 percent for repeat buyers
- Buyers continue to see purchasing a home as a good financial investment. Eighty-two percent reported they view a home purchase as a good investment. In New Jersey, 67 percent reported they view a home purchase as a good financial investment.

Home Sellers and Their Selling Experience

- For all sellers, the most commonly cited reason for selling their home was the desire to move closer to friends and family (23 percent), moving due to retirement (eight percent), or the neighborhood has become less desirable (9 percent). In New Jersey, the reasons include to move closer to friends and family (4 percent), and due to retirement (6 percent).
- Sellers typically lived in their home for 10 years before selling. In New Jersey, sellers also sold after six years.

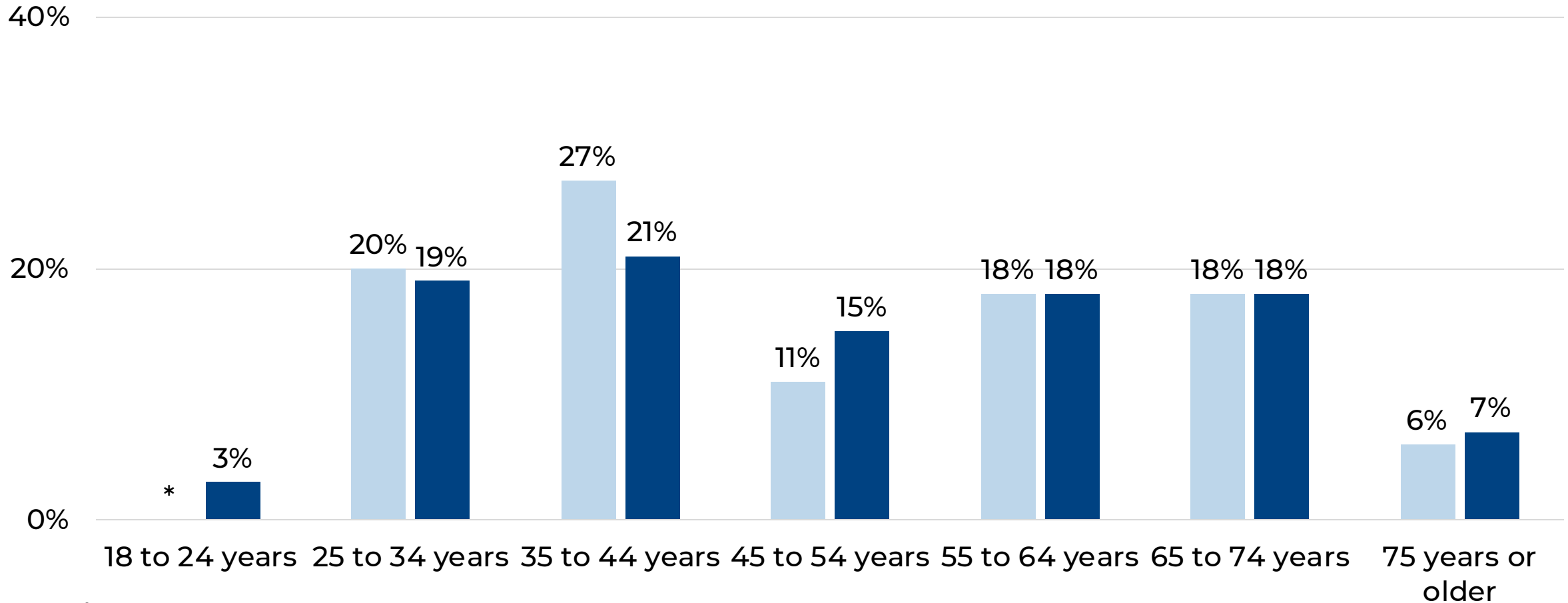
Home Selling and Real Estate Professionals

- 85 percent of sellers reported that their agent provided a broad range of services and management of most aspects of the home sale. In New Jersey, 83 percent said that their agent provided a broad range of services.
- Seventy-three percent said that they would definitely or probably (14 percent) recommend their agent for future services. In New Jersey, 66 percent said definitely and 15 percent said probably.

Characteristics of Home Buyers



Age of Home Buyers



Median Age:

All Buyers: 53 years old

New Jersey: 46 years old

■ New Jersey ■ All Buyers

* Less than 1 percent

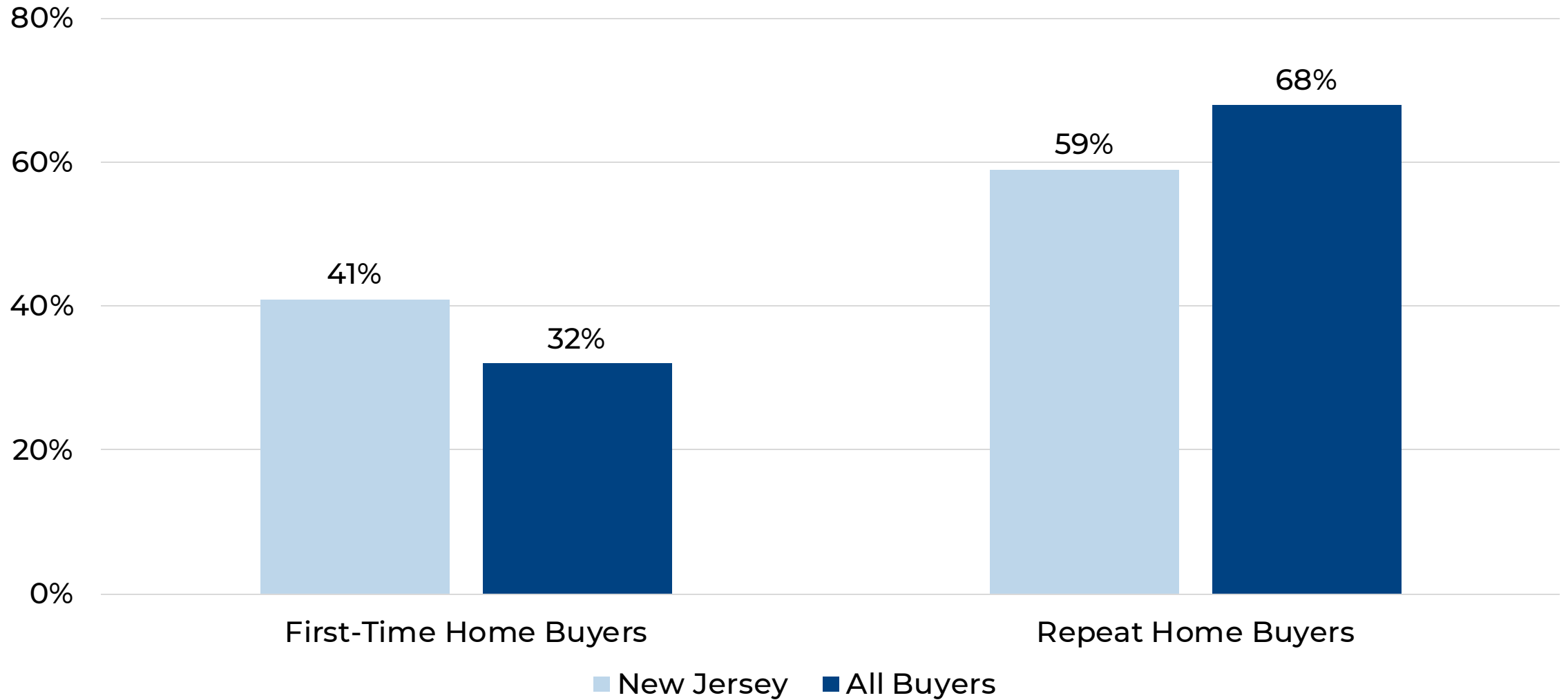
Household Income of Home Buyers, 2022

	New Jersey	All Buyers
Less than \$25,000	1%	2%
\$25,000 to \$34,999	2%	3%
\$35,000 to \$44,999	2%	4%
\$45,000 to \$54,999	4%	7%
\$55,000 to \$64,999	3%	6%
\$65,000 to \$74,999	4%	6%
\$75,000 to \$84,999	8%	7%
\$85,000 to \$99,999	6%	9%
\$100,000 to \$124,999	21%	15%
\$125,000 to \$149,999	12%	9%
\$150,000 to \$174,999	10%	8%
\$175,000 to \$199,999	7%	5%
\$200,000 or more	19%	16%
Median	\$123,800	\$107,000

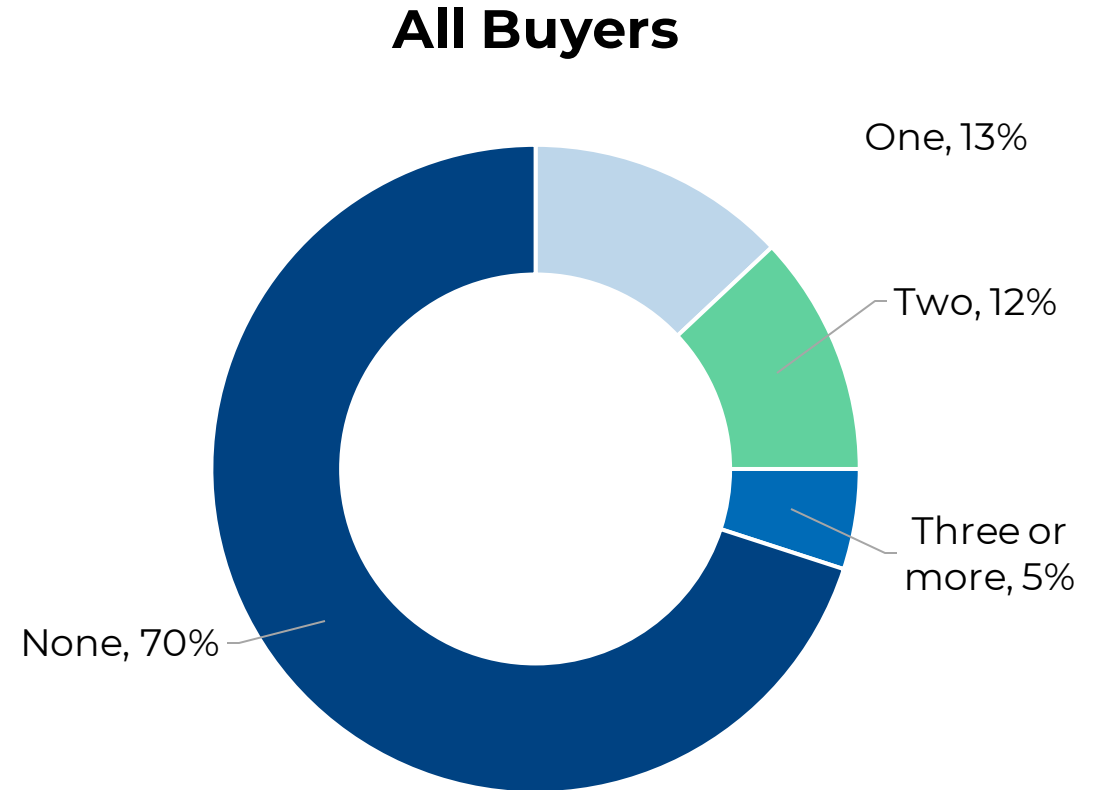
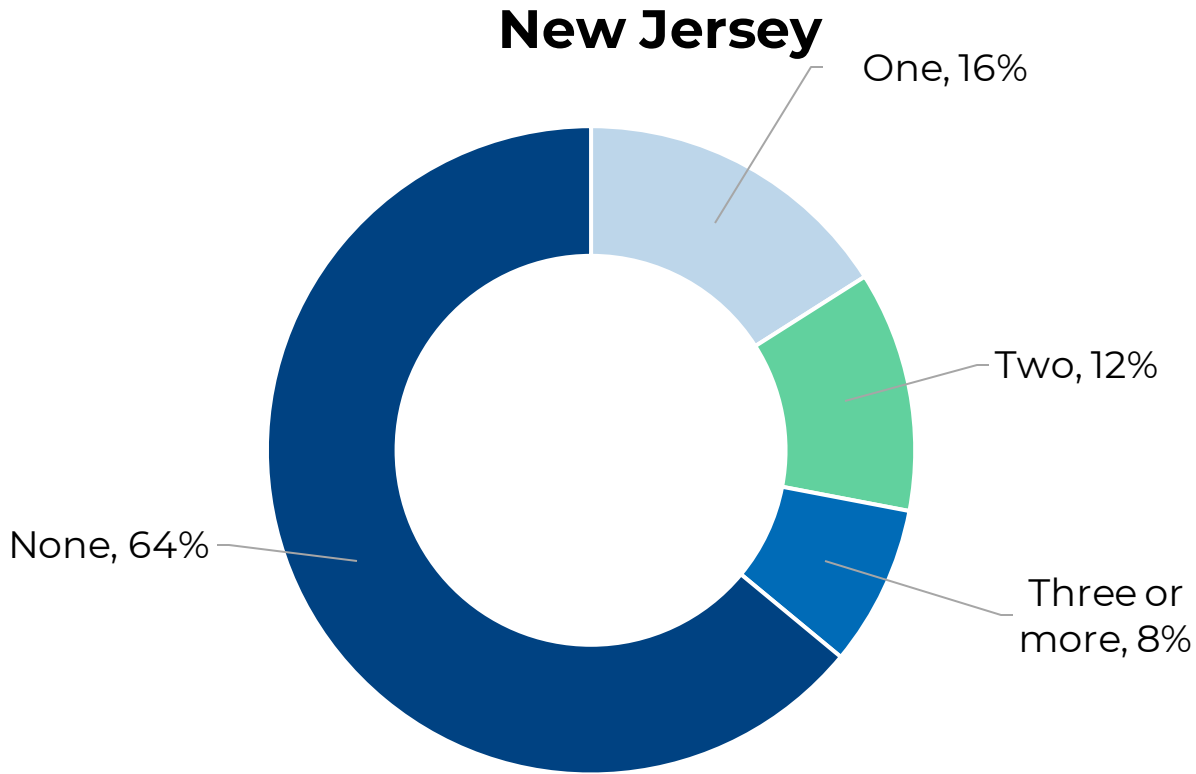
Adult Composition of Home Buyer Households

	New Jersey	All Buyers
Married couple	63%	59%
Single female	18%	19%
Single male	6%	10%
Unmarried couple	10%	9%
Other	2%	3%

First-time Home Buyers



Number of Children Under the Age of 18 Residing In Household



■ One ■ Two ■ Three or more ■ None

■ One ■ Two ■ Three or more ■ None

Home Purchased Was a Multi-generational Home (Will Home Adult Siblings, Adult Children, Parents, And/Or Grandparents)

	New Jersey	All Buyers
Multi-generational household	16%	14%
Reasons for purchase:		
Health/Caretaking of aging parents	35%	27%
Wanted a larger home that multiple incomes could afford together	19%	22%
Children/relatives over 18 moving back into the house	15%	19%
Children/relatives over 18 never left home	27%	19%
Cost Savings	19%	13%
To spend more time with aging parents	27%	11%
None of the above	15%	19%
Other	4%	8%

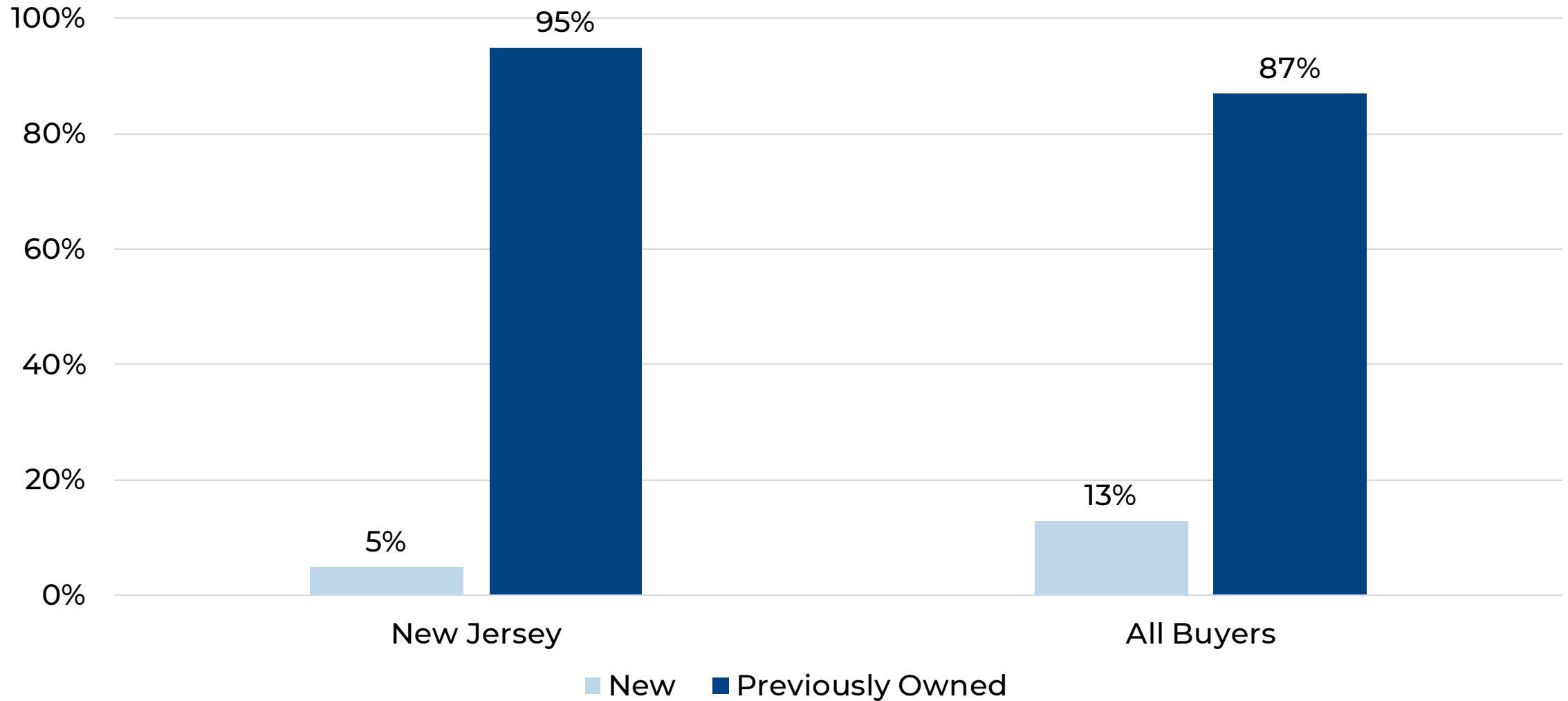
Race/Ethnicity of Home Buyers

	New Jersey	All Buyers
White/Caucasian	80	81%
Hispanic/Latino	7	7%
Asian/Pacific Islander	7	7%
Black/African-American	5	6%
Other	3	6%

Characteristics of Homes Purchased



New and Previously Owned Homes Purchased



Type of Home Purchased

	New Jersey	All Buyers
Detached single-family home	74%	79%
Townhouse/rowhouse	13%	8%
Cabin/cottage	2%	2%
Mobile/manufactured home	*	2%
Duplex/apartment/condo in 2 to 4 unit bldg	5%	4%
Apartment/condo in building with 5+ units	3%	1%
Other	3%	4%

* Less than 1 percent

Location of Home Purchased

	New Jersey	All Buyers
Suburb/Subdivision	58%	47%
Small town	26%	23%
Rural area	9%	14%
Urban area/Central city	4%	14%
Resort/Recreation area	3%	2%

Environmentally Friendly Features Considered "Very Important"

	New Jersey	All Buyers
Heating and cooling costs	37	33%
Windows/Doors/Siding (Installation)	38	31%
Commuting costs	33	31%
Energy efficient lighting	22	26%
Energy efficient appliances	26	23%
Landscaping for energy conservation	16	14%
Environmentally friendly community features	18	14%
Solar panels installed on home	6	6%

The Home Search Process



Most Difficult Steps of Home Buying Process

	New Jersey	All Buyers
Finding the right property	68	59%
Paperwork	15	18%
Understanding the process and steps	20	17%
Saving for the down payment	21	17%
Appraisal of the property	4	5%
Getting a mortgage	9	8%
No difficult steps	12	17%
Other	7	6%

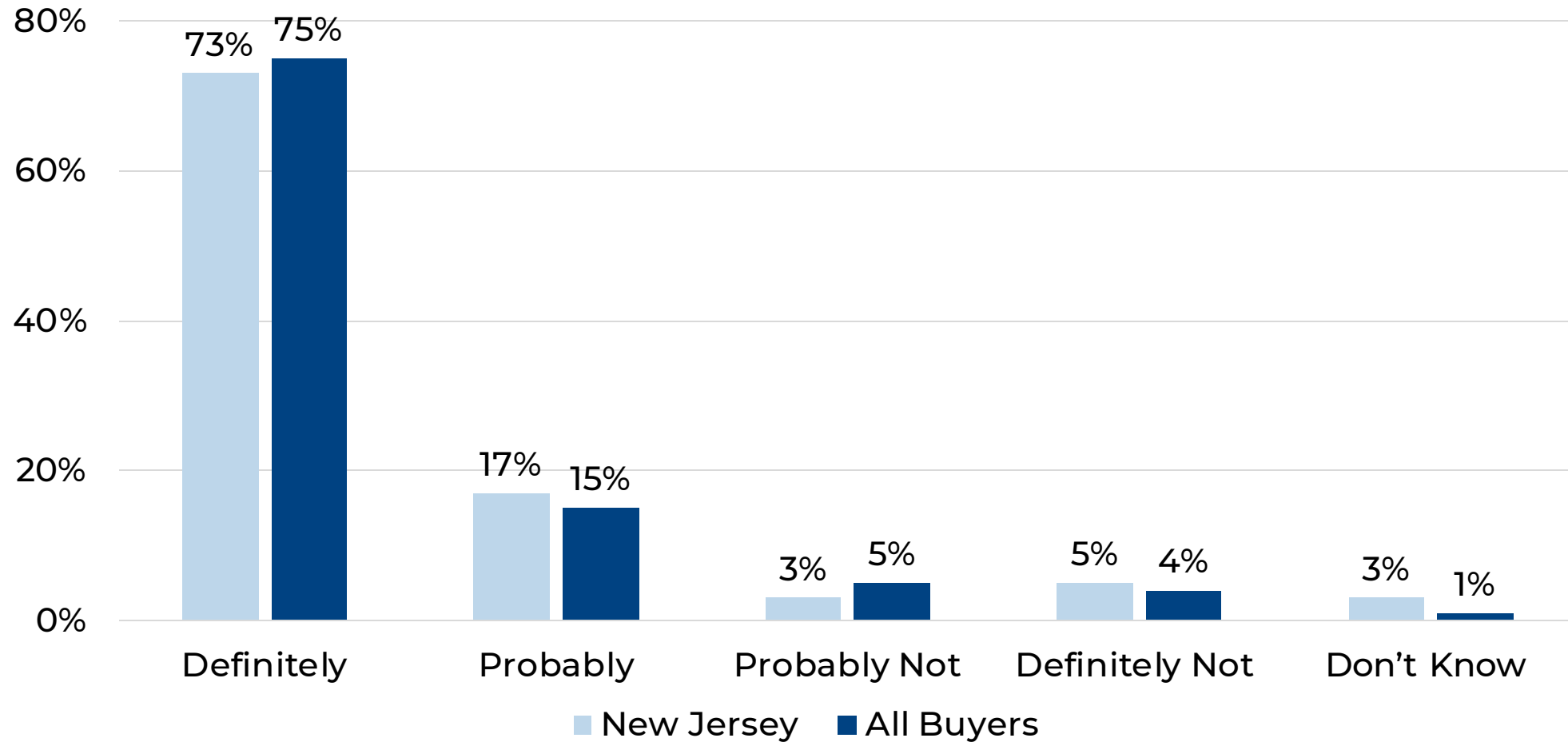
Home Buying and Real Estate Professionals



Method of Home Purchase

	New Jersey	All Buyers
Through a real estate agent or broker	89%	89%
Directly from builder or builder's agent	3%	5%
Directly from the previous owner	6%	6%
Knew previous owner	4%	4%
Did not know previous owner	2%	2%

Would Buyer Use Real Estate Agent Again or Recommend to Others



Financing the Home Purchase



Sources of Downpayment

	New Jersey	All Buyers
Savings	63%	54%
Proceeds from sale of primary residence	35%	37%
Sale of stocks or bonds	1%	7%
Gift from relative or friend	11%	9%
401k/pension fund including a loan	7%	6%

Median Percent of Downpayment by First-time and Repeat Buyers

	New Jersey First-time Buyers	New Jersey Repeat Buyers	All First-time Buyers	All Repeat Buyers
Less than 50%	10%	14%	9%	18%
50% to 59%	3%	11%	3%	7%
60% to 69%	2%	17%	3%	8%
70% to 79%	16%	13%	10%	14%
80% to 89%	31%	23%	20%	24%
90% to 94%	11%	13%	16%	11%
95% to 99%	16%	5%	22%	9%
100% – Financed the entire purchase price with a mortgage	11%	5%	16%	9%
Median percent financed	86%	76%	92%	81%

* Less than 1 percent

Buyers' View of Homes as a Financial Investment

	New Jersey	All Buyers
Good financial investment	67%	82%
Better than stocks	41%	44%
About as good as stocks	26%	28%
Not as good as stocks	13%	10%
Not a good financial investment	7%	5%
Don't know	12%	13%

Home Sellers and Their Selling Experience



Primary Reason for Selling Previous Home

	New Jersey	All Sellers
Want to move closer to friends or family	4%	23%
Moving due to retirement	6%	8%
Neighborhood has become less desirable	6%	9%
Home is too small	19%	13%
Change in family situation (e.g., marriage, birth of a child, divorce)	13%	10%

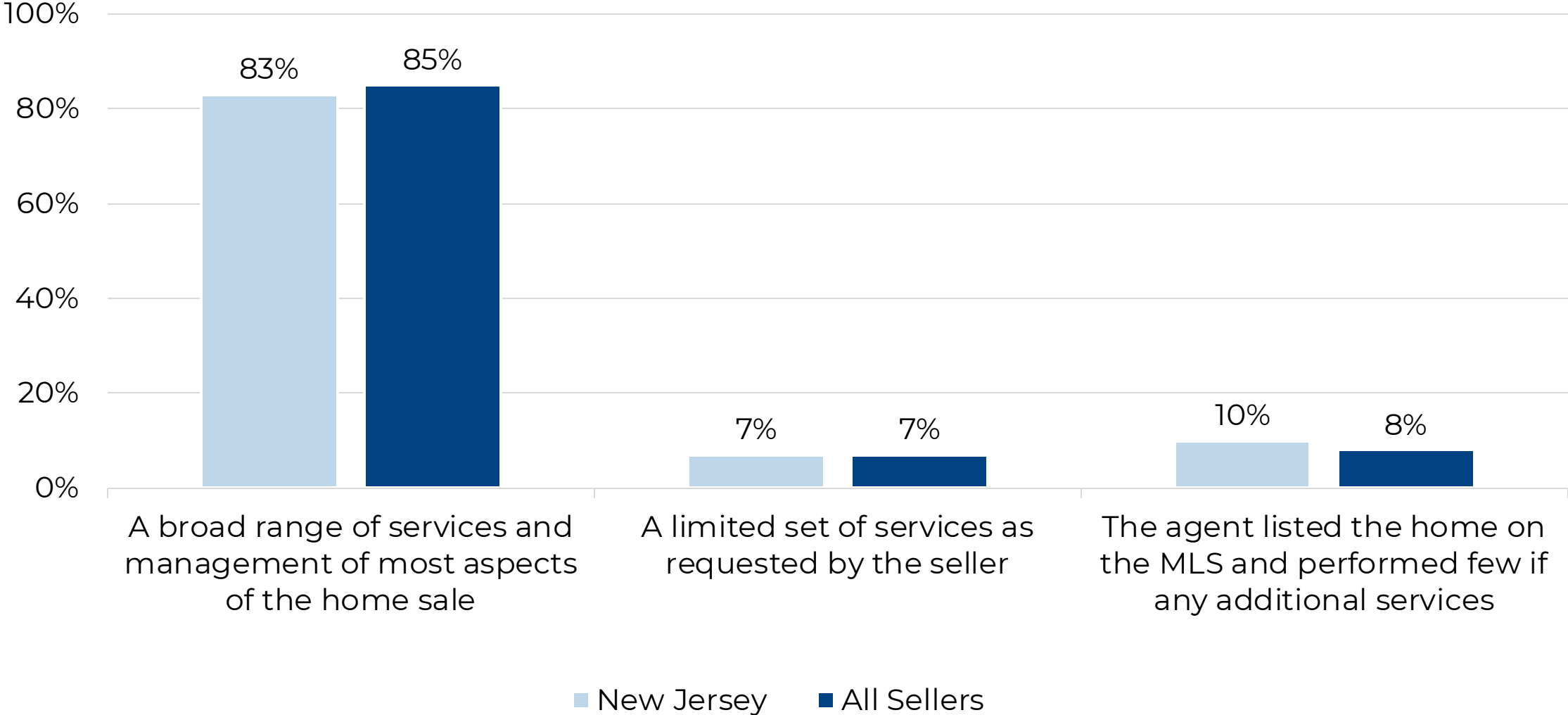
Median Seller Tenure in Home

	New Jersey	All Sellers
1 year or less	1%	2%
2 to 3 years	7%	12%
4 to 5 years	13%	14%
6 to 7 years	10%	12%
8 to 10 years	7%	11%
11 to 15 years	15%	13%
16 to 20 years	10%	11%
21 years or more	36%	25%
Median	6	10



Home Selling and Real Estate Professionals

Level of Service Provided by the Real Estate Agent



Would Seller Use Real Estate Agent Again or Recommend to Others

	New Jersey	All Sellers
Definitely	66%	73%
Probably	17%	14%
Probably Not	7%	6%
Definitely Not	9%	6%
Don't Know/ Not Sure	1%	1%

Methodology

In July 2023, NAR mailed out a 129-question survey using a random sample weighted to be representative of sales on a geographic basis to 153,045 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2022 and June of 2023. A total 4,854 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.2 percent. In New Jersey, a random sample of 11,142 recent home buyers were sent the survey, 178 respondents took the survey. New Jersey had a response rate of 1.6 percent.

Respondents had the option to fill out the survey via hard copy or online. The online survey was available in English and Spanish.

Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records. Information about sellers comes from those buyers who also sold a home.

All information in this Profile is characteristic of the 12-month period ending June 2023, with the exception of income data, which are reported for 2022. In some sections comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South, and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.

Data gathered in the report is based on primary residence home buyers. From the Realtors Confidence Index, 87 percent of home buyers were primary residence buyers in 2022, which accounts for 5,857,350 homes sold in 2022 (accounting for new and existing homes). Using that calculation, the sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.41%.

The National Association of REALTORS® is America's largest trade association, representing more than 1.5 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP

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