

2021 | Virginia REALTORS®



Who Bought a Home in Virginia?

Profile of Home Buyers

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Profile of Home Buyers

The National Association of REALTORS® conducted a survey of home buyers and sellers between July 2019 and June 2020. This survey includes information on demographics, housing characteristics, and the behaviors of consumers in the housing market. Data on home buyer characteristics is always important for understanding the real estate market. This information is even more valuable during the changing environment brought on by COVID-19 and the economic recession.

Between July 2019 and June 2020, there were nearly 150,000 homes sold in Virginia. NAR's survey of home buyers and sellers provides details about these transactions that are not available from any other source. This report summarizes the results of this survey for buyers who purchased a home in Virginia. For most people, purchasing a home is the biggest financial decision they will make. But the home-buying process is emotional as well as financial. Economic trends, changing consumer preferences, and new home-buying processes have a major impact on home buying behavior.

This report is designed to provide real estate professionals insights into the needs and desires of home buyers in Virginia. Why do individuals and families decide to buy a home? What home and neighborhood features are important to them? How have the demographics of home buyers in Virginia changed? Other reports in this series will examine first-time buyers and single buyers, as well as describe in more detail the home buying and selling process and the value of REALTORS® to the experience.

Characteristics of Home Buyers

Age

Over the July 2019 through June 2020 period, the median age of a home buyer in Virginia was 47 years, the same as for home buyers nationally. The median age of a home buyer in Virginia was unchanged from 2019, but the typical home buyer had been getting gradually older between 2010 and 2019.

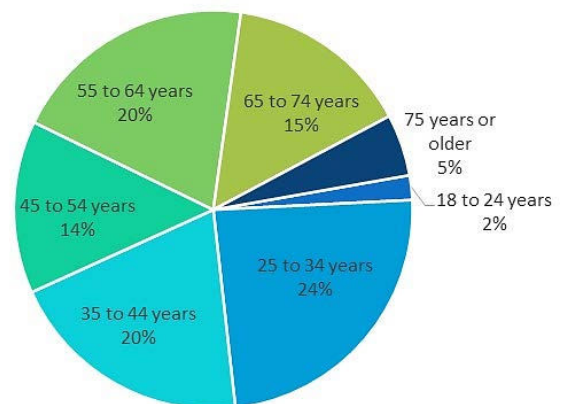
About a quarter of Virginia home buyers (26%) were under age 35 and 34% of home buyers were between the ages of 35 and 54. The share of older buyers has increased in recent years, reflecting overall demographic trends. Forty percent of Virginia home buyers were age 55 and older and one out of 5 buyers (20%) was age 65 or older.

Family Type

Nearly two-thirds of home buyers in Virginia (64%) were married-couple families. While home buyers are more likely to be married than single, the share of buyers that are married-couple families has been declining in recent years.

The fastest growing segment of the home-buyer population is the single-female buyer. Between July 2019 and June 2020, single females accounted for 16% of home buyers in Virginia. Single males were 11% of home buyers and unmarried couples accounted for 6% of home buyers.

Figure 1. Age of Home Buyers in Virginia

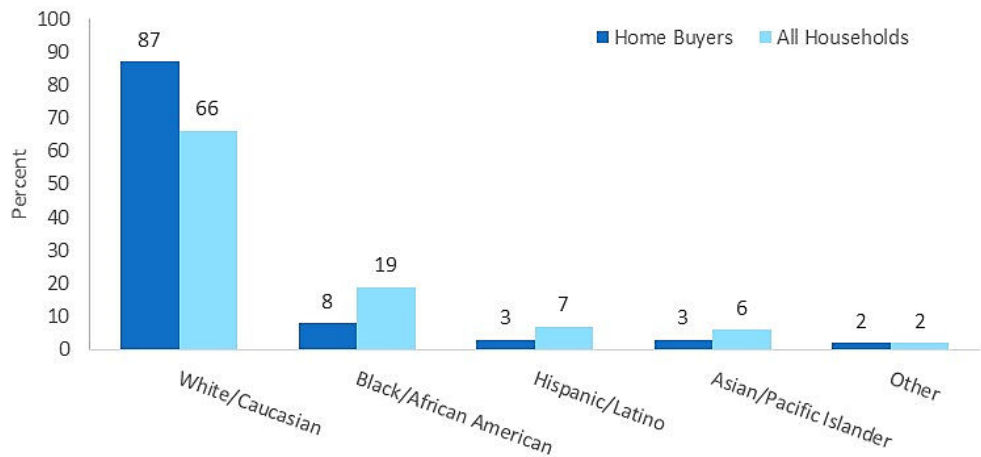


Only 39% of home buyers in Virginia are families with children, and, nationally, the share of home buyers with children has been declining for four decades.

Race and Ethnicity

Home buyers in Virginia are much more likely to be White than the overall population of the state. About 87% of home buyers during the July 2019 through June 2020 period were White or Caucasian. An estimated 8% were Black or African American, while 3% were Hispanic/Latino and 3% were Asian/Pacific Islander. By comparison, only 66% of Virginia households are White or Caucasian and 19% are Black or African American. Hispanic/Latino households account for

Figure 2. Race/Ethnicity of Households in Virginia



6% of all households in Virginia and Asian/Pacific Islander households are 6% of Virginia households.

Foreign-born residents account for only a small number of home buyers in Virginia. However, they are a growing share of the home-buying population. About 5% of home buyers in Virginia were foreign-born residents. By comparison, 10% of the home buyers nationally were born outside of the U.S.

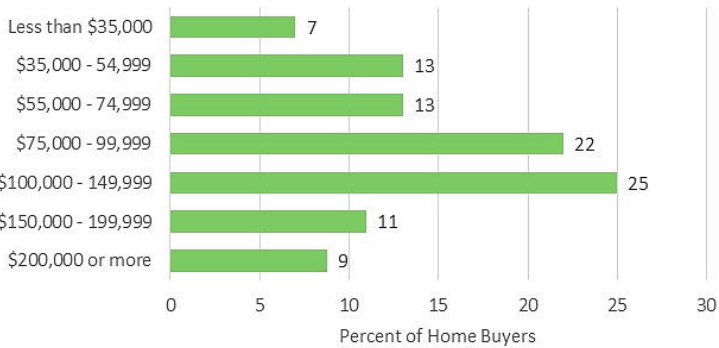
Income

The median household income of home buyers in Virginia was \$93,800, which is higher than the overall median household income in the state. Nationally, the median household income of home buyers was slightly higher (\$96,500). About 45% of home buyers in Virginia had incomes of \$100,000 or more. Only 20% of home buyers had incomes below \$55,000.

First-time buyers in Virginia had lower incomes (median income \$81,700) than did repeat buyers (\$103,600).

Military Service

Figure 3. Income of Home Buyers in Virginia



Military personnel are an important part of the housing market in Virginia. Veterans and active-duty military members make up a significantly larger share of home buyers in Virginia than they do nationally. Between July 2019 and June 2020, about a quarter of Virginia home buyers (23%) were veterans and 7% were active-duty military. By contrast, only 18% of home buyers nationally were veterans and 2% were active-duty military.

Reasons for Buying a Home

Buying a home is a financial decision, but it is also a very personal and emotional decision. There are many different reasons why home buyers choose to move and why they choose their particular home and neighborhood.

According to the 2020 survey of home buyers and sellers, home buyers in Virginia are most likely to say that they bought a home simply because of the desire to own a home. Other important reasons include the desire for a larger home (12%) and the desire to be closer to friends and family (10%). Nine percent bought a home because of a job relocation. About 7% of home buyers bought a home because they were retiring and another 7% said that a change in family situation led to the decision to purchase a home.

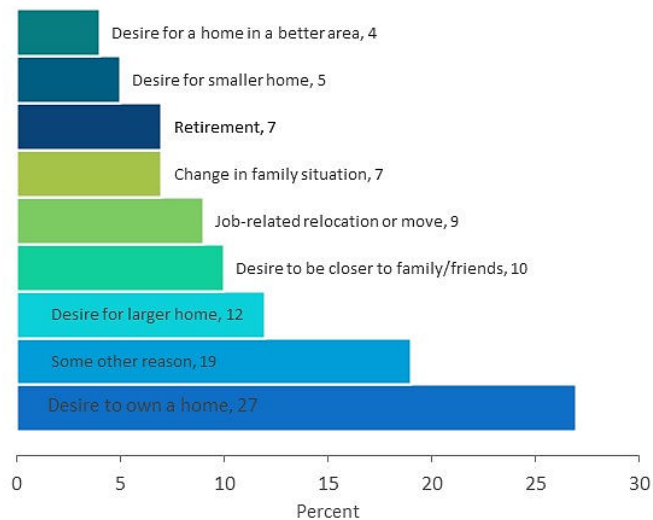
Households with children were more likely to buy because they want or need a bigger home. Nearly a quarter (24%) of buyers with children said that the primary reason they were moving was to purchase a bigger home.

Buyers do not move far. The median distance between the home purchased and the buyer’s previous residence was just ten miles. Nationally, the median distance moved was 15 miles.

Some buyers in Virginia think a lot about their commute when they buy a home. Among home buyers who purchased a home between July 2019 and June 2020 in Virginia, 66% said that commuting costs were “very” or “somewhat” important when deciding on a home or neighborhood, and nearly half chose their neighborhood at least in part because it was close to their job.

Buyers expect to be in their homes an average of 12 years, with more than 40% saying that they expect to live in their newly purchased home 16 years or longer.

Figure 4. Primary Reason for Purchasing a Home



Characteristics of Homes Purchased

The NAR survey of home buyers and sellers collected information on home purchases through June 2020. As a result, changing housing preferences brought about by the COVID-19 pandemic largely will not be reflected in this data.

Home Type

About 17% of home buyers in Virginia purchased a new home, a slightly larger share than home buyers nationally. According to Virginia REALTORS®, there were approximately 123,000 previously owned homes and an estimated 25,000 new homes purchased in Virginia between July 2019 and June 2020.

According to the NAR survey of home buyers and sellers, detached single-family homes are by far the most common types of homes purchased in Virginia. Between July 2019 and June 2020, 79% of home buyers in Virginia purchased a detached single-family home, 12% purchased a townhome or rowhouse, and 9% purchased a condominium or some other type of property.

Twelve percent of home buyers in Virginia purchased a multigenerational home designed to accommodate two or more generations of family members. The most important reasons for buying a multigenerational home were to accommodate adult children, either living at home or potentially moving back home, and to care for aging parents. Single-female buyers were more likely than other buyers to purchase a multigenerational home.

Home Location

Half of home buyers in Virginia (51%) said that the home they purchased was in a suburb or subdivision. This is the same share of home buyers nationally. Nineteen percent of home buyers said they purchased a home in a small town and another 19% bought in a rural area. Fewer than one in ten home buyers (9%) purchased their home in an urban area or central city. One percent bought in a resort or recreation area.

Age of the Home

The typical home purchased in Virginia was built in 1964. About 29% of home buyers purchased homes that were built after 2006, 13% of homes were built between 2001 and 2006, 22% were built between 1985 and 2000, and 3% were built before 1985.

Figure 5. Type of Home Purchased

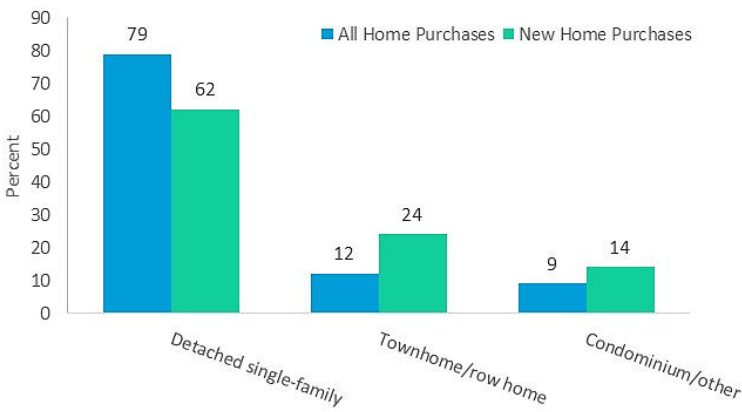


Figure 6. Location of Home Purchased

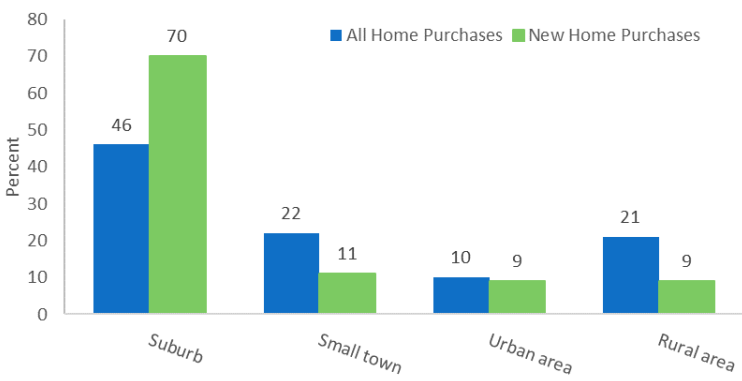
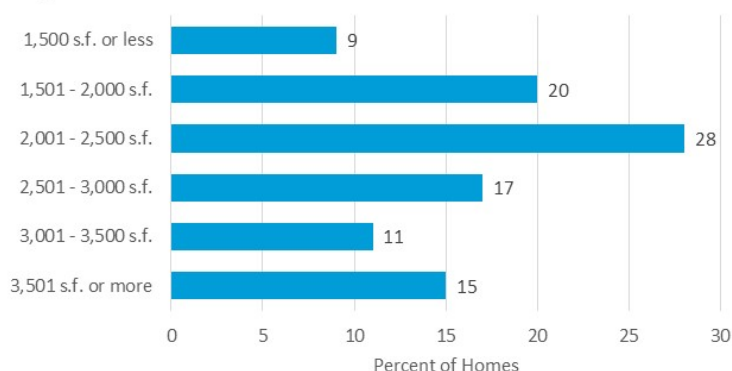


Figure 7. Size of Home Purchased



Home Size

According to the NAR survey of home buyers and sellers, more than nine out of ten buyers in Virginia purchased a home with three or more bedrooms. Fifty-seven percent of homes purchased had two full bathrooms and 34 percent had three or more full bathrooms.

The typical home purchased in Virginia between July 2019 and June 2020 was 1,750 square feet, slightly smaller than the median nationally (1,900 square feet). The biggest share of homes purchased were between 2,001 and 2,500 square feet. Fifteen

percent of buyers in Virginia purchased a home that was 3,501 square feet or bigger.

Compromises on Home Characteristics

Buyers were not always able to find everything they were looking for in a home. Seventy percent of home buyers said that they compromised on at least one characteristic of the home. The most common compromise was on the price of the home; 26% of home buyers said that they ended up having to pay more than what they had originally wanted to on a home. Seventeen percent of buyers said they ended up compromising on the size of the home, and another 17% said that they had to make concessions on the home's condition.

Buyers were least likely to compromise on the home's distance to schools, quality of schools, or quality of the neighborhood.

Outlook for 2021

This information on home buyers in Virginia comes from a survey conducted over the July 2019 through June 2020 period. The COVID-19 pandemic and economic downturn had a major impact on the real estate sector. The Governor of Virginia issued temporary stay-at-home orders in March 2020, which slowed home sales transactions in the state considerably. The housing market rebounded strongly in the summer of 2020, but buyers faced a very different home-buying environment. Mortgage rates hit historic lows. Virtual showings replaced open houses. Inventory, which was already low, became even more limited. Working from home was the new normal for many across Virginia. As a result, we expect that the characteristics and housing preferences of home buyers were somewhat different in the second half of the year and into 2021.

Key ways in which home buying characteristics and processes are likely different in 2021:

- Higher-income working households fared better during the economic downturn. Some lending requirements were also tightened to reflect the uncertainty the COVID-19 pandemic has brought, and home prices have escalated. Therefore, it is likely that home buyers' incomes will be higher in 2021 than they were as reflected in the 2019-2020 NAR survey of home buyers and sellers.
- With working from home becoming much more commonplace and likely to continue, at least in hybrid form, into 2021, it is likely that home buyer preferences are shifting, as well. Greater priority for larger homes and high-speed internet access and growing interest in small town and urban markets could be the norm in 2021.
- New construction began ramping up at the end of 2020. While the pace of new construction is not sufficient to meet all of the housing demand, there will be more new-build options for buyers in 2021. As a result, more buyers could be looking for new construction over previously owned homes.

Methodology

The data for this report are from the National Association of Realtors® annual survey of home buyers and sellers. Although the survey has evolved over time, data have been collected for nearly four decades with the primary goal of describing the demographic characteristics of home buyers and sellers, and documenting buyers' and sellers' experiences in the home transaction process.

For the most recent survey, data was collected from a nationally representative sample of recent home buyers who purchased a primary residence in the 12-month period between July 2019 and June 2020. Consumer names were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records. Recent home buyers were able to take the survey via paper or online, and the survey was available in both English and Spanish.

A total of 8,212 responses were received from primary residence buyers nationally. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 6.2 percent. For Virginia, there were 397 responses, which was a response rate of 3.9 percent.

Statistics based on the sample of Virginia consumers have a margin of error of +/-4.9%.

For more information on the survey's methodology, visit <https://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers>

Detailed Tables

TABLE A-1. AGE OF HOME BUYERS

	Virginia	U.S.
18 to 24 years	2%	3%
25 to 34 years	24	23
35 to 44 years	20	20
45 to 54 years	14	16
55 to 64 years	20	17
65 to 74 years	15	16
75 years or older	5	5
Median age (years)	47	47

TABLE A-2. FAMILY TYPE OF HOME BUYERS

	Virginia	U.S.
Married couple	64%	62%
Single female	16	18
Single male	11	9
Unmarried couple	6	9
Other	2	2

TABLE A-5. RACE/ETHNICITY OF HOME BUYERS

	Virginia	U.S.
White/Caucasian	87%	83%
Black/African American	8	5
Hispanic/Latino	3	7
Asian/Pacific Islander	3	5
Other	2	3

TABLE A-4. HOUSEHOLD INCOME OF HOME BUYERS

	Virginia	U.S.
Less than \$25,000	3%	2%
\$25,000 to \$34,999	4	4
\$35,000 to \$44,999	5	6
\$45,000 to \$54,999	8	8
\$55,000 to \$64,999	6	7
\$65,000 to \$74,999	7	8
\$75,000 to \$84,999	10	8
\$85,000 to \$99,999	12	10
\$100,000 to \$124,999	15	14
\$125,000 to \$149,999	10	10
\$150,000 to \$174,999	6	7
\$175,000 to \$199,999	5	4
\$200,000 or more	9	13
Median income (2019)	\$93,800	\$96,500

TABLE A-5. VETERAN OR ACTIVE-DUTY MILITARY STATUS OF HOME BUYERS

	Virginia	U.S.
Active-duty service member	7%	2%
Veteran	23%	18%
Neither	70%	80%

TABLE A-6. MULTIGENERATIONAL HOME PURCHASES

	Virginia	U.S.
Multigenerational household	12%	12%
Reasons for purchase:		
Children/relatives over 18 moving back into the house	18%	25%
Health/Caretaking of aging parents	18	19
Cost Savings	10	16
To spend more time with aging parents	10	16
Children/relatives over 18 never left home	18	14
Wanted a larger home that multiple incomes could afford together	2	12
None of the above	44	25
Other	4	8

TABLE A-7. PRIMARY REASON FOR PURCHASING A HOME

	Virginia	U.S.
Desire to own a home	27%	27%
Job-related relocation or move	9	10%
Desire for larger home	12	9
Desire to be closer to family/friends/relatives	10	8
Change in family situation	7	6
Desire for better home for pet(s)	1	6
Desire for a home in a better area	4	6
Retirement	7	5
Affordability of homes	2	3
Desire to be closer to job/school/transit	2	3
Greater choice of homes on the market	1	2
Desire for smaller home	5	2
Desire for a newly built or custom-built home	1	2
Establish household	3	1
Financial security	2	1
Purchased home for family member or relative	1	1
Desire for vacation home/investment property	*	1
Better weather conditions	*	1
Other	2	*

* less than one percent

TABLE A-8. EXPECTED LENGTH OF TENURE IN HOME PURCHASED

	Virginia	U.S.
1 year or less	1%	1%
2 to 3 years	6	5
4 to 5 years	13	14
6 to 7 years	1	4
8 to 10 years	28	23
11 to 15 years	9	9
16 or more years	41	44
Don't Know	*	1
Median	12	15

* less than one percent

TABLE A-9. TYPE OF HOME PURCHASED

	Virginia	U.S.
Detached single-family home	79%	81%
Townhouse/row house	12	7%
Apartment/condo in building with 5 or more units	1	1%
Duplex/apartment/condo in 2 to 4 unit building	3	4%
Other	5	7%

TABLE A-10. LOCATION OF HOME PURCHASED

	Virginia	U.S
Suburb/Subdivision	51%	50%
Small town	19	22
Urban area/Central city	9	13
Rural area	19	13
Resort/Recreation area	1	3

TABLE A-11. FACTORS INFLUENCING NEIGHBORHOOD CHOICE

	Virginia	U.S.
Quality of the neighborhood	61%	62%
Convenient to job	47	45
Overall affordability of homes	40	43
Convenient to friends/family	41	41
Quality of the school district	26	29
Design of neighborhood	30	29
Convenient to shopping	32	24
Convenient to schools	22	23
Convenient to vet/outdoor space for pet	15	23
Convenient to entertainment/leisure activities	22	22
Convenient to parks/recreational facilities	21	21
Availability of larger lots or acreage	22	20
Convenient to health facilities	18	18
Home in a planned community	7	15
Convenient to public transportation	3	10
Convenient to airport	5	9
Walkability	18	8
Access to bike paths	6	5
Other	9	7

TABLE A-12. YEAR HOME BUILT

	Virginia	U.S.
2020	2%	4%
2019	13	10
2018 through 2013	6	7
2012 through 2007	8	7
2006 through 2001	13	12
2000 through 1985	22	20
1984 through 1959	23	22
1958 through 1916	11	16
1915 and older	1	4
Median	1964	1993

TABLE A-13. NUMBER OF BEDROOMS AND BATHROOMS

	Virginia	U.S.
One bedroom	*	1%
Two bedrooms	7	15
Three bedrooms or more	92	84
Median number of bedrooms	3	3
One full bathroom	9	16
Two full bathrooms	57	58
Three full bathrooms or more	34	25
Median number of full bathrooms	2	2

* less than one percent

TABLE A-14. SIZE OF HOME PURCHASED

	Virginia	U.S.
1,000 sq ft or less	*	*
1,001 to 1,500 sq ft	9	14
1,501 to 2,000 sq ft	20	27
2,001 to 2,500 sq ft	28	25
2,501 to 3,000 sq ft	17	15
3,001 to 3,500 sq ft	11	10
3,501 sq ft or more	15	9
Median (sq ft)	1,750	1,900

* less than one percent

TABLE A-15. CHARACTERISTICS OF HOME ON WHICH BUYER COMPROMISED

	Virginia	U.S.
Price of home	26%	23%
Size of home	17	20
Condition of home	17	18
Distance from job	10	17
Lot size	16	15
Style of home	17	12
Distance from friends or family	7	8
Quality of the neighborhood	6	6
Quality of the schools	6	4
Distance from school	1	2
Other compromises not listed	8	9
None - Made no compromises	30	31

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