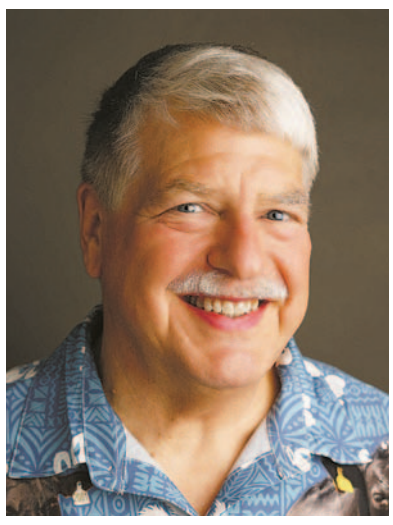

Spokane Association of REALTORS® President's
**Guest Column**
**By Eric Etzel**
2022 President
Spokane Association of REALTORS(R)

# Superlatives Describe Housing Landscape

Superlatives in headlines always get our attention – smallest, oldest, farthest, highest. These words got my attention, this week, when I read them in a headline that describes the national housing landscape right now: the share of first-time buyers is smallest, the share of first-time buyers is oldest, the median distance moved is farthest, and the share of homes purchased in small towns and rural areas is highest.

The headline is from the National Association of REALTORS® 2022 Profile of Home Buyers and Sellers (a copy of which you can find on our website: spokanerealtor.com ).

**The report shares these key highlights**

- At just 26%, the share of first-time buyers was the lowest since NAR began tracking the data. The typical first-time buyer was 36 years old – an all-time high.
- The median distance between the home that recent buyers purchased and the home from which they moved was 50 miles – a record high and more than a three-fold jump from a median of 15 miles from 2018 through 2021. The shares of homes purchased in small towns (29%) and rural areas (19%) were all-time highs.
- Nearly nine in 10 buyers (86%) and sellers (87%) purchased or sold a home using a real estate agent or broker.

"It's not surprising that the share of first-time buyers shrank to the lowest level ever recorded given the housing market's combination of historically low inventory, persistently high home prices and rapidly escalating interest rates," said Jessica Lautz, NAR vice president of demographics and behavioral insights.

"Those who have housing equity hold the cards and they've fared very well in the current real estate market. First-time buyers are older as a result of saving for down payments for longer periods of time or relying on a generational transfer of wealth to propel them into homeownership."

First-time buyers made up only 26% of all buyers, down from 34% last year and a peak of 50% in 2010 during the First-Time Home Buyer Tax Credit. The age of the typical first-time buyer was 36 years – up from 33 years one year ago – and the typical repeat buyer's age 2021. Both ages are the highest in the history of the data set.

The median expected home tenure for first-time buyers was 18 years, the highest ever recorded and up from 10 years in 2021.

The median distance between the home that recent buyers purchased and the home from which they moved was 50 miles, the highest ever recorded. From 2018 through 2021, the median distance moved was just 15 miles.

Lautz noted that several reasons were behind the decisions among last year's buyers to seek homes farther distances away from their previous residences.

"Family support systems still prevailed as a motivating factor when moving and in neighborhood choice," Lautz said. "For others, housing affordability was a driving factor to seek homes in areas farther away. For many, remote work decisions were formalized in the last year, providing clarity for employees to permanently move to more distant areas."

The shares of buyers who purchased homes in small towns (29%) and rural areas (19%) were the highest ever recorded, while the shares of homes purchased in suburban (39%) and urban (10%) locations declined from one year ago.

In terms of the share of home buyers by race, White Americans accounted for 88% of all buyers, followed by Hispanic Americans at 8%, Black Americans at 3%, and Asian Americans at 2%. The shares for White and Hispanic Americans increased from a year ago – 82% and 7%, respectively – while the shares of Black and Asian American buyers declined – both down from 6%.

"Housing affordability and limited inventory impacted the buying power of all buyers, however, the greatest impact was felt by Black and Asian Americans, as both groups saw a shrinking share of home buyers," Lautz said. "Conversely, White and Hispanic Americans experienced gains in buyer shares. Population growth among Hispanic Americans likely drove the increase, while many White Americans are repeat buyers with housing equity that allows them to make easier trades in today's market."

## Spokane Association of REALTORS®

### Year-to-date Home Sales Report

### For October 2022

**SALES DOWN 15.8%**

Closed sales January through October 2022 total 5,795 compared to January through October 2021 when the total was 6,886.

**MEDIAN PRICE UP 14.2%**

The median closed price January through October 2022 was $420,000 compared to January through October 2021 when the median price was $367,663.

Note: Does not represent home values.

**INVENTORY UP 85.8%**

Inventory at the end of October 2022 totaled 1,044 units, which represents a 2.2 month supply. At the end of October 2021 there were 562 units, a 0.8 month supply.

Note: Months supply based on closed sales for October.

**NEW LISTINGS UP 0.2%**

The number of new listings January through October 2022 was 8,053, compared to January through October 2021 when 8,035 new listings were reported.

✔ Residential ✔ Condo

Note: Information comes from the SAR's Monthly Activity Report which looks at single family residential/site built properties on less than one acre and condominiums.

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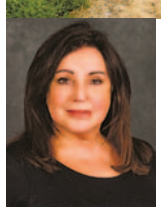

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Real Estate

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