

How the pandemic spurred fundamental and technological shifts in homebuying trends

Most Surprising Takeaways: On Home Purchases

The below highlights some of the most surprising takeaways related to the homebuying experience from the **ServiceLink State of Homebuying Report**.

Respondents who purchased a home within the last 12 months (11%):

WHO



Survey respondents who purchased a home in the last 12 months

- 17% Gen Z/millennials
- 9% Gen X
- 4% Baby boomers

WHERE



40% of these respondents moved to a different state

WHY



36% did so to upsize from their current home



32% bought as an investment



23% needed more space to work remotely

Some had buyer's remorse...

23% regretted their recent purchase, citing overpaying, pressure to buy due to competitive rates/market and not seeing the home in-person until after buying it as top factors driving their sentiment.

Respondents who **did not** purchase a home within the last 12 months (89%):



Chose to upgrade current home instead



Said options were too expensive



Said their financial situation had changed

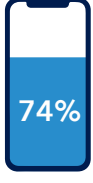
Some considered buying a home in 2020, but ultimately decided against it (33%). Gen Z/millennials led the way in abandoning the buying process (50%). Their reasoning? Chose to upgrade their current home instead (42%), said options were too expensive (40%) and a change in their financial situations (28%) all topped the list. Baby boomers (43%) were happy with their current homes (never considered moving, had their current homes paid off).

All respondents, regardless of home purchase timeframe (1,000 homeowners total):

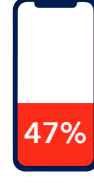
Technology



Homebuyers who leveraged technology during the homebuying process (68%) used it to:



Research property listings online



Take virtual tours of properties



Solicit advice/recommendations for mortgage services/realtors online

They cited convenience/ease of use (68%) and time savings (68%) as top benefits of leveraging tech.

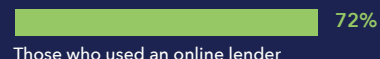
source: ServiceLink

Preparedness

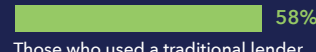
Most respondents felt confident and informed about the homebuying process overall (87% of all respondents felt fully/mostly informed versus the 13% who expressed they felt completely unprepared or didn't know a lot in advance); especially those who went through an online lender (72% versus 58% for those who went through a traditional lender).

A breakdown of the numbers shows a disparity between online lenders and traditional lenders.

Buyers who felt fully informed about the homebuying process



Those who used an online lender



Those who used a traditional lender

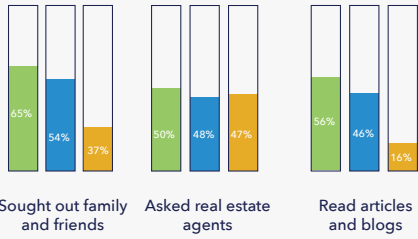
source: ServiceLink

Education and research

When tapping resources for help to begin their homebuying journey, 54% of all respondents turned to their family and friends, followed by 49% who asked their real estate agent. Another 42% read articles, blogs and sought out information online.

Generationally, Gen Z/millennials were the most likely to seek various resources ahead of their home purchase. They sought out family/friends (65%), their real estate agents (50%) and read articles and blogs (56%) most frequently compared to homebuyers within the Gen X/baby boomer demographics.

Resources used at start of homebuying process by age



source: ServiceLink

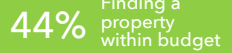
Challenges

Combined, 80% of all homebuyers surveyed cited budget-related issues as the most difficult part of the process. Finding a property in their budget (44%) and determining their budget range (36%) topped the list.

80% Budget related issues



Determining budget range



Finding a property within budget

source: ServiceLink

Finding a real estate agent was ranked third highest in terms of difficulty (25%), particularly among Gen Z/millennials (20%).

Changes

When asked what they would change about their homebuying experience, less paperwork topped the list (35%) followed by more transparency around fees (33%) and not having to provide the same documentation multiple times (33%).



Want less paperwork



Want more transparency around fees



Want not to have to provide the same documentation multiple times



Want more transparency into the steps and timeline

source: ServiceLink

Future

Despite the hot market and lack of inventory, a portion of respondents still expressed a likelihood to buy a home this year (32%).



Self-serve approach

They also expressed a willingness to self-serve and leverage technology during the homebuying process, if given the option.



Very likely/likely to self-schedule their appraisal, inspection and/or closing appointments online



Very willing/willing to conduct their closing via video conferencing



Willing to eSign all of their mortgage documents

source: ServiceLink

Methodology

This ServiceLink study was completed online among a random sample of the U.S. population. A total of 1,000 homeowners, ages 18+ participated. Interviewing was conducted by Market Cube from April 14-19, 2021.

