

ITEM FILE

New First-Time Homeowners

Between 1988 and 1989, about 1.7 million American householders moved into the first home they ever owned. These persons composed 3 percent of all homeowners and 36 percent of all owners who had moved into their houses during this period.

This Brief focuses on these new first-time owners. The U.S. Census Bureau collected these data in the American Housing Survey (AHS) during fall 1989. Respondents were asked if they had moved into their present home in the past year. Owners who had moved into their first home during the past year are classified as "new" first-time homeowners. "Other recent movers" are owners who moved into a home during this period, but whose home wasn't their first. These groups are compared with all other owners.

New first-time owners were younger than other owners.

In 1989, new first-time owners were more likely to be under 30 years old than other homeowners (47 versus 6 percent). They were less likely to be 45 years old or more (10 versus 62 percent).

New first-time owners tend to be married-couple families.

Sixty-four percent of new first-time owners were married-couple families; only 14 percent were one-person households. For other owners, the figures were 67 percent and 18 percent.

The relative youth of these first-time buyers made it more likely they had children living at home. About one-half had children, compared with just over one-third of other homeowners. (However, if elderly homeowners are excluded, about one-half of the households among other owners had children.)

New first-time homeowners bought less expensive homes.

The median value of new first-time homeowners' units was \$68,000, compared with \$76,000

for all other owner units in 1989. Other recent mover homeowners' units had an even higher median home value of \$96,000.

New first-time owners were less likely to live in single-family, detached units.

Seven in 10 new first-time owners lived in single-family detached homes, compared with slightly more than 8 in 10 of all owners. Just over 1 in 10 first-time owners lived in a mobile home; another 1 in 10 lived in a unit in a multi-unit building; the remainder resided in one-unit, attached structures, such as rowhouses or townhouses.

Like other recent movers, new first-time owners are more likely to live in new units.

One in 5 new first-time owners lived in homes built within the previous four years, compared

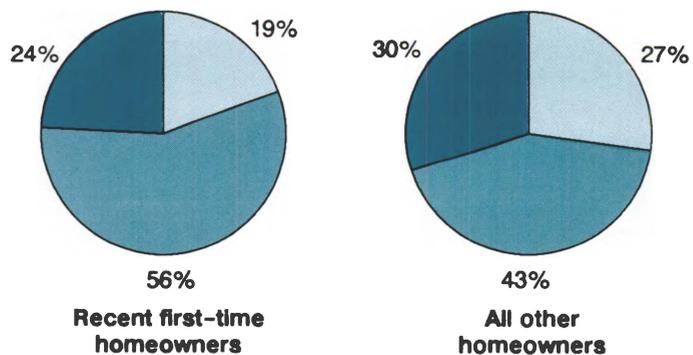


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Recent First-Time Owners Less Likely to Have Low or High Incomes

Household income for recent first-time homeowners and all other homeowners, by income group: 1989



Less than \$20,000
\$20,000 - \$49,999
\$50,000 or more

with just over 1 in 3 of the other recent mover owners. However, just under 6 percent of the remaining owners lived in new homes. Conventional units made up 4 in 5 of the new construction units for first-time homeowners; the rest of the new homes were mobile homes.

Most depend heavily on savings.

About 3 in 4 recent first-time buyers used their savings as a down payment on their home. Five percent used money received as a gift or inheritance for the down payment. Five percent more used personal or other loans not secured by the property as a down payment source. Another 11 percent didn't have to make a down payment. Two percent actually paid nothing for their home—they received it as a gift or through an inheritance.

Pooling resources helped.

New first-time homeowners sometimes must pool their resources to afford a home. Five percent shared the ownership with at least one unrelated person living in the unit with them. Seven percent shared ownership with someone who wasn't a resident of the property. (This was not significantly different than the percentage sharing ownership with nonrelatives.) Another 4 percent had a rent-paying nonrelative in the household. Recent first-time owners were more likely than homeowners overall to live in a household with nonrelatives: 13 percent versus 4 percent.

Many used government assistance to buy their home.

Recent first-time homeowners with a mortgage were more likely to get a lower-cost loan through a State or local government program than other recent mover owners (15 versus 5 percent). Government-insured mortga-

ges—FHA, VA, and Farmer's Home Administration—composed about 1 in 3 mortgages for recent first-time homeowners, compared with 1 in 5 for other recent buyers. Government-insured loans may attract new first-time owners because these loans generally require less cash up front.

More information:

American Housing Survey for the United States in 1989, unpublished tabulations. These data are available from the U.S. Bureau of the Census, Housing and Household Economics Statistics Division, Washington, DC 20233 for the cost of photocopying. For telephone orders, call 301-763-8551. A detailed report on first-time homeowners is planned for the near future. The AHS is sponsored by the Department of Housing and Urban Development and conducted by the Bureau of the Census.

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This Brief is one of a series that presents information of current policy interest. It may include data from businesses, households, or other sources. All statistics are subject to sampling variability as well as survey design flaws, respondent classification and reporting errors, and data processing mistakes. The Census Bureau has taken steps to minimize errors, and analytical statements have been tested and meet statistical standards. However, because of methodological differences, caution should be exercised when comparing these data with data from other sources.

