

First-time home buyers reach historic low: Only 24% enter market



Sara B. Hansen

Fewer first-time buyers are taking the plunge into homeownership.

Research from the National Association of Realtors shows the percentage of first-time buyers hit an all-time low of 24% this year.

That's down from 32% last year and is the lowest since the association began keeping records in 1981.

In response to this trend, the personal finance website WalletHub created a report on the Best and Worst Cities for First-Time Home Buyers in 2025.

WalletHub compared 300 cities of various sizes across 22 key indicators related to market attractiveness, affordability, and quality of life.

The data includes cost of living, real estate taxes, and property crime rates.

Flint, Michigan, offers the most affordable housing, with a median house price that is 9.7 times lower than the median annual household income. In contrast, Santa Barbara, California, has the least affordable housing.

Honolulu boasts the lowest real estate tax rate, which is 10 times lower than

that of Paterson, New Jersey, where the tax rate is the highest.

Thirteen Colorado cities made the WalletHub list. Thornton ranked 16th, Arvada 23rd, Colorado Springs 37th, Longmont 43rd, Centennial 48th, Westminster 57th, Pueblo 69th, Fort Collins 70th, Greeley 77th, Aurora 119th, Lakewood 140th, Denver 148th, and Boulder 235th.

Home buyer characteristics

First-time buyers are getting older, according to the National Association of Realtors' research.

The median age for a first-time buyer is now 38, up from 35 last year. Repeat buyers are an average of 61 years old.

The desire to own a home remains a strong reason for buyers, with 64% of first-time buyers citing that reason.

Although 73% of buyers do not have children under 18, 17% choose multigenerational living.

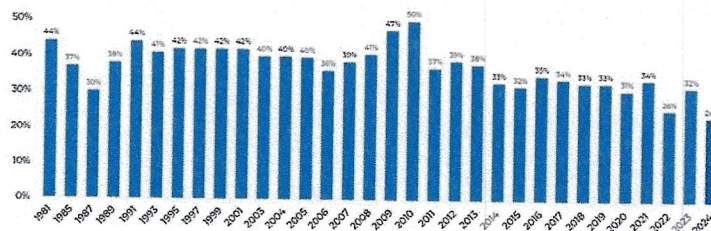
Those who chose multigenerational homes did so for:

- Cost savings (36%)
- Care for aging parents (25%)
- Provide room for children or relatives over the age of 18 moving back home (21%)

Chapter 1: Characteristics of Home Buyers

First-time home buyers decreased to 24 percent of the market share (32 percent last year). This year now marks the lowest share since NAR began collecting the data in 1981. Prior to 2008, the historical norm of first-time buyers was 40 percent.

Exhibit 1-16 First-Time Home Buyers, 1981-2024 (Percentage Distribution)



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- Provide room for children over the age of 18 who have never left home (20%)

Home seller characteristics

The typical age of a home seller was 63 this year, the highest ever recorded by the association.

Sellers often want to downsize or relocate closer to family.

According to association research, 36% purchased a larger home, 30% bought a house of similar size, and 32% downsized.

The median number of years that sellers owned their homes was 10 years, the same as last year. This figure is higher than the reported average from 2000 to 2008, when sellers

typically stayed in their homes for six years.

For recently sold homes, the median final sales price was 100% of the final listing price. This marks the highest recorded median since 2002.

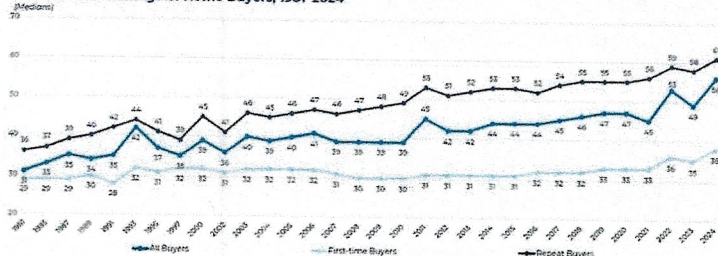
Time on the market this year was a median of three weeks, which is one week longer than last year.

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at *The Denver Post*, *The Des Moines Register*, *The Fort Collins Coloradoan*, and *At Home with Century 21*. She's also the founder and editor of *DogsBestLife.com* and the author of *"The Complete Guide to Cocker Spaniels."*

Chapter 1: Characteristics of Home Buyers

The median age increased to a peak of 56 years old, up from 49 last year. The median first-time buyer age increased to 38 years old this year, increasing from 35 last year, while the typical repeat buyer age also increased to 61 years from 58 last year. These ages are all record highs.

Exhibit 1-1 Median Age of Home Buyers, 1981-2024 (Medians)



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NATIONAL ASSOCIATION OF REALTORS®

Overall Rank	City	Total Score	Affordability Rank	Real-Estate Market Rank	Quality of Life Rank
16	Thornton	60.55	117	56	23
23	Arvada	59.62	128	29	62
37	Colorado Springs	58.38	104	31	152
43	Longmont	57.78	164	27	55
48	Centennial	57.29	108	95	77
57	Westminster	56.49	126	67	107
69	Pueblo	55.67	77	50	248
70	Fort Collins	55.52	169	74	29
77	Greeley	55.08	121	110	82
119	Aurora	53.13	132	20	262
140	Lakewood	51.95	151	102	186
148	Denver	51.64	155	24	263
235	Boulder	44.78	289	90	60