

# 2022 Buyer and Seller Insights Report

70% of Recent Buyers Have At Least One Regret, One in Five Bought Too Quickly

Nearly a third of those who moved to a new city or farther said pandemic policies impacted decision

Over 40% bought an older or smaller home than they initially planned

More than one in five bought a house sight unseen as virtual open houses became a home search staple













# About This Survey

HomeLight's 2022 Homebuyer and Seller Insights Survey was fielded between January 5-January 27, 2022, through an online poll of 1,620 members of the US population who bought or sold a home in the past twelve months. HomeLight partnered with a third party research panel to provide survey respondents.

HomeLight collected 505 responses among the national population, and an additional 85-125 responses in 10 key markets to gather readable sample sizes at the local level. All responses reported in the national sample are representative of the general population of the U.S. on the basis of region.

## Specific markets where additional sample was collected

-  Phoenix
-  Los Angeles
-  San Francisco Bay Area
-  Sacramento
-  Denver
-  Tampa Bay
-  Orlando
-  Dallas / Fort Worth
-  Houston
-  Austin



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# Competition in the Housing Market Means Fast Decisions, Compromises — and For Many, Regrets

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Most people who bought a home in the past year have the same glazed look in their eye. It's the look of someone who has been through countless battles for their cozy craftsman, dream Mediterranean retreat, or sleek modern loft — and only after giving up some wish list items or perhaps throwing in an all-expenses-paid vacation for the seller were they able to successfully conclude their home search.

In contrast, the past 12 months feel like a gold rush for sellers. Some homeowners have made snap decisions to sell based on massive equity gains, stories of homes receiving dozens of offers, and bidding wars driving sale prices [\\$100k or more over asking](#).

This competitive frenzy manifested in a variety of ways, including a high amount of sight-unseen purchases, swell of cash offers, and dream home compromises. Overall, while the buyers in our survey were able to purchase a home, they did so using creative tactics. And many did not make it through their process unscathed or with the exact home they set out to buy.

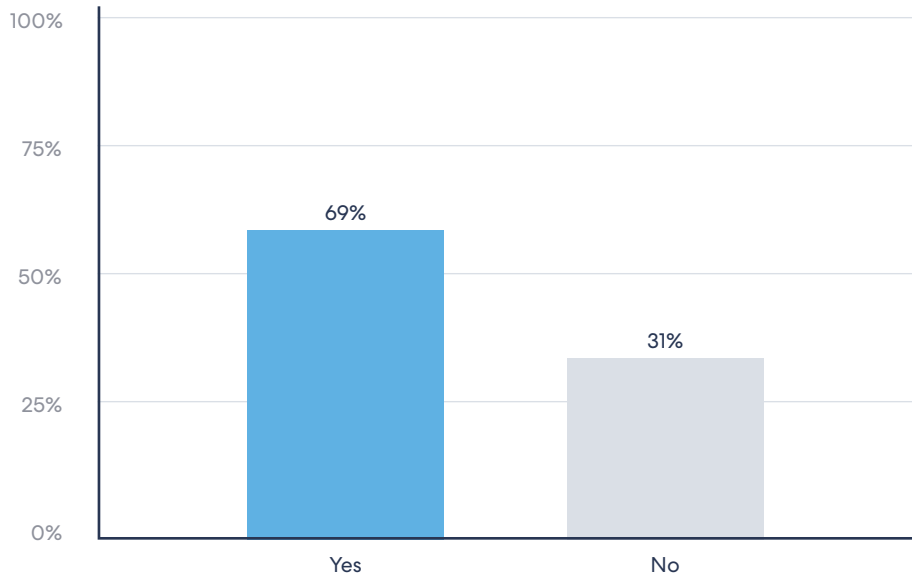
# Buyers Use All-Cash, Creative Tactics to Secure Home Purchase

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31% of buyers bought their home with cash, while 78% altered their approach in response to competition

The greatest advantage a buyer could have when heading out into the wild 2021 housing market was a cash offer in hand. Among successful buyers in our survey, nearly one third (**31%**) did not use a mortgage to purchase their home.

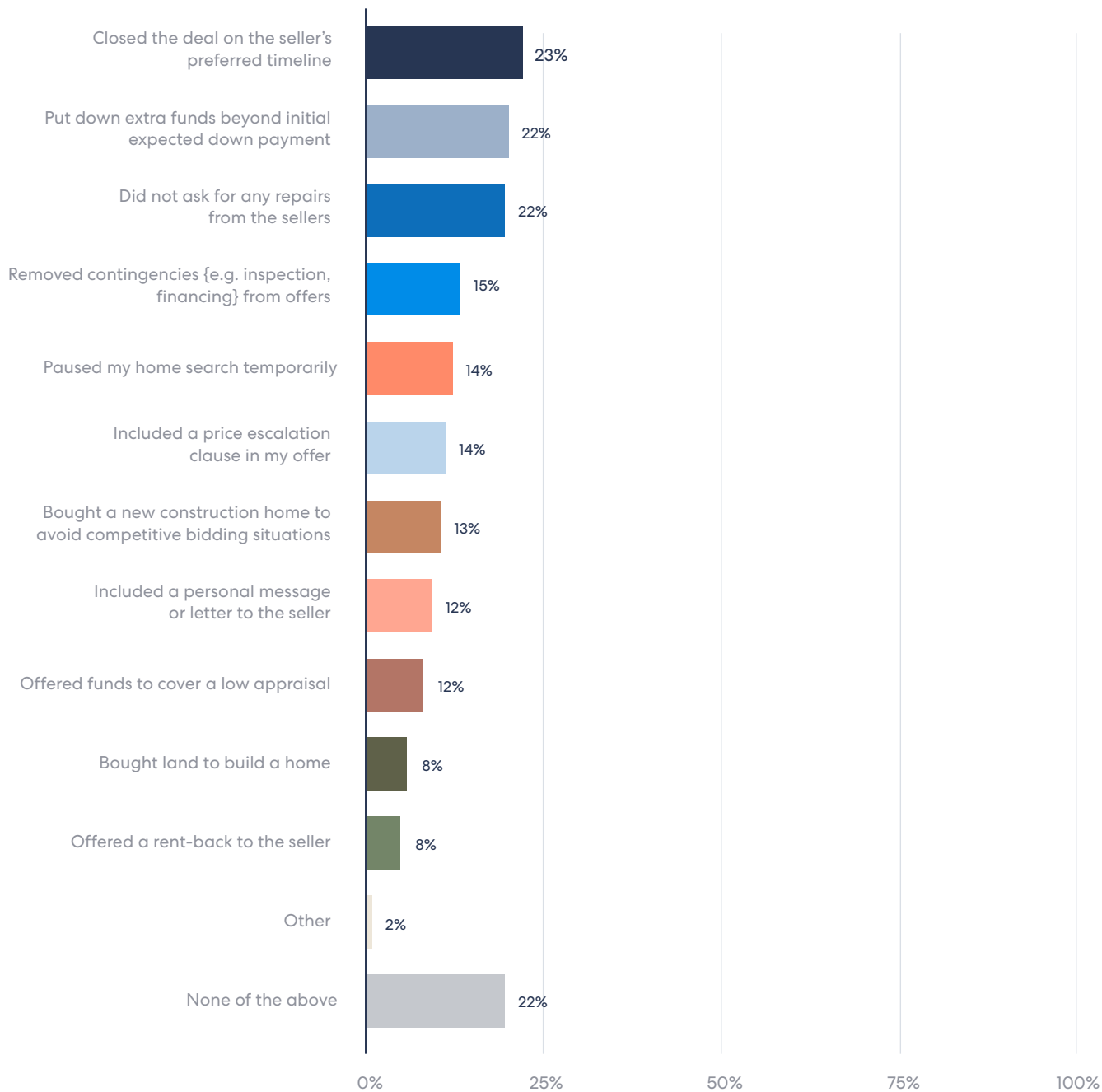
### Did you use a **mortgage** to purchase your home?



Outside of a cash offer, buyers used a variety of tactics to make their offers more appealing to sellers. **23%** of buyers altered their closing timeline to fit the seller's preferences, **22%** of buyers decided to put down extra funds beyond their initial down payment to make their offer more attractive, and **22%** asked for no repairs from the seller.

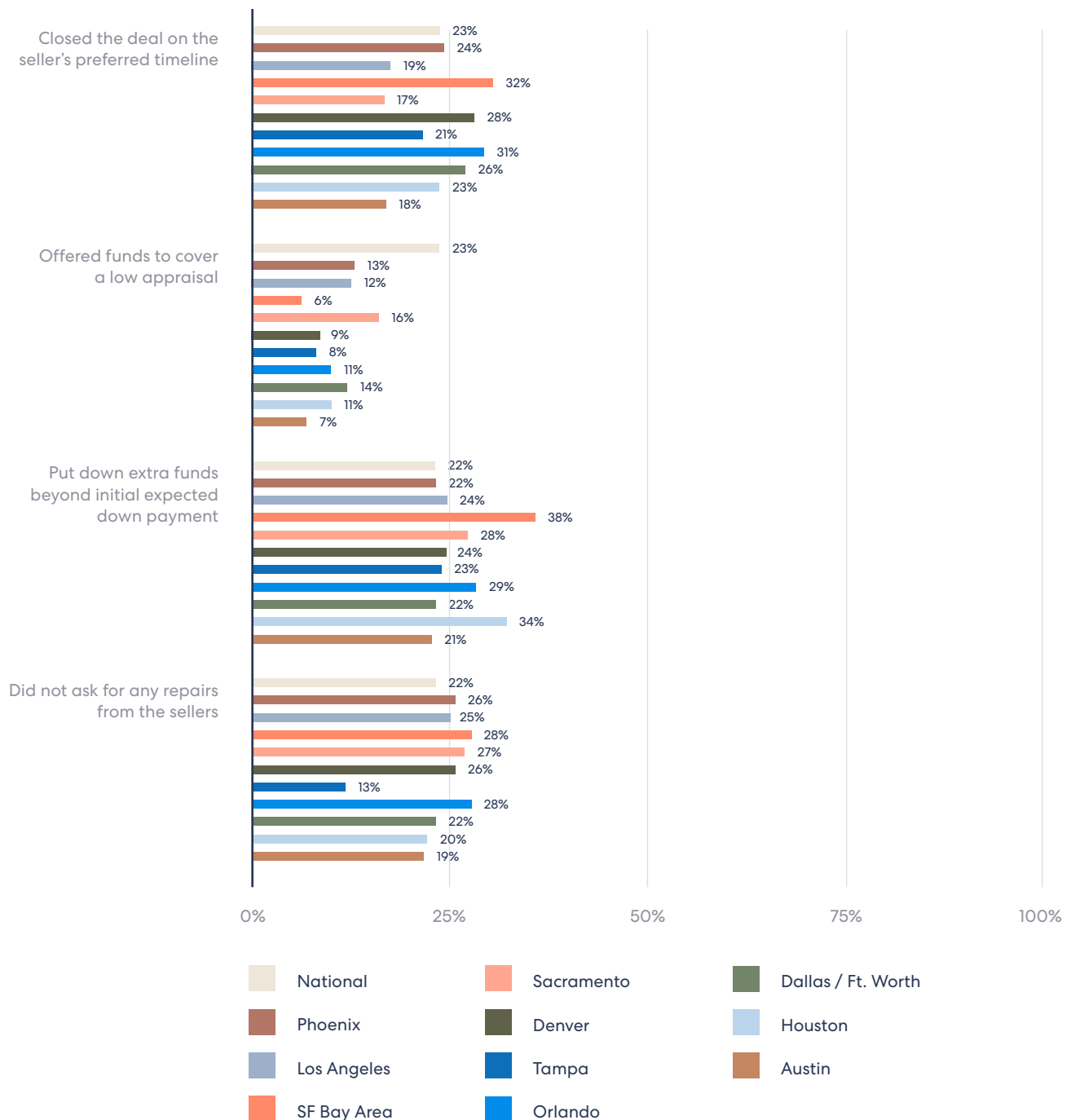
### Did you do any of the following as a result of **competition in the housing market**?

Select all the apply.

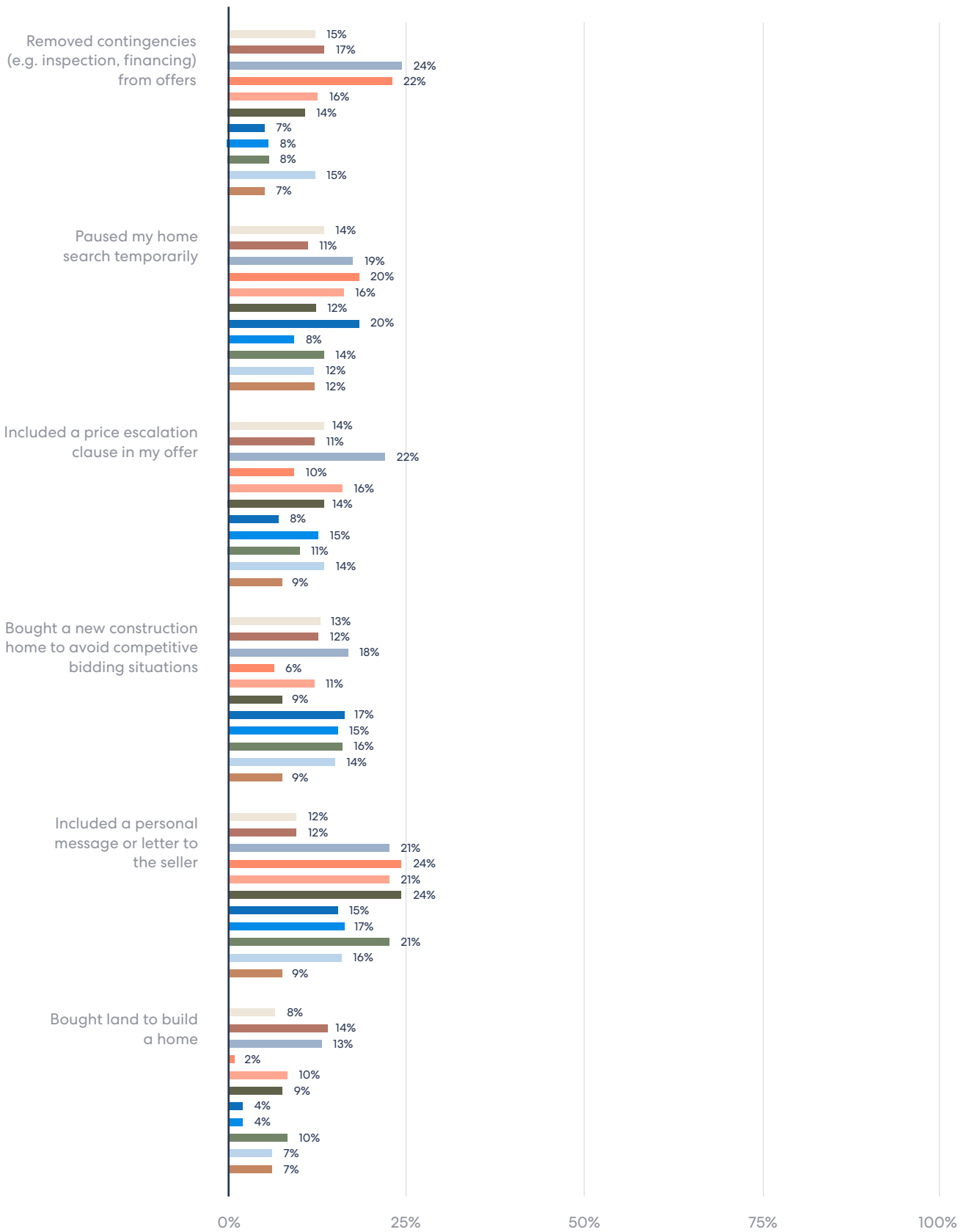


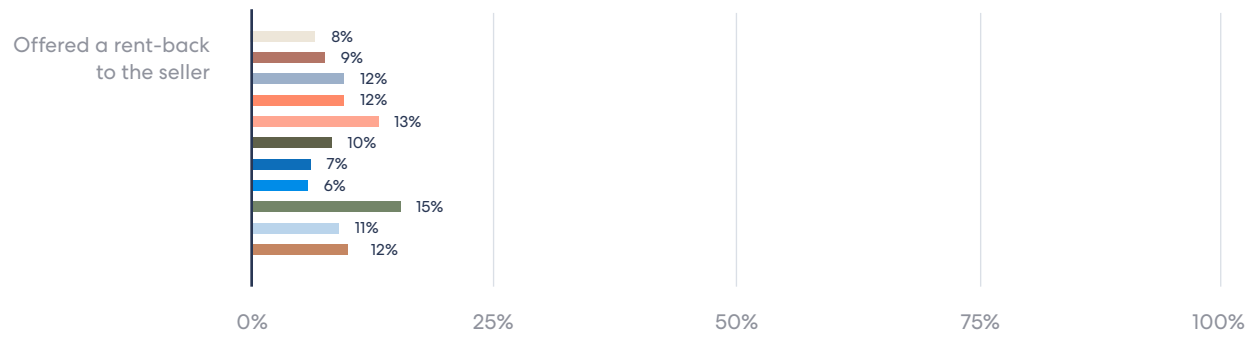
Among some of the hottest markets in the U.S., removing offer contingencies was significantly more common in Los Angeles and in the San Francisco Bay Area at **24%** and **22%** respectively, compared to **15%** on average nationally. Incorporating a personal message or letter to win a bidding war was also more common across all California markets we specifically surveyed; including Los Angeles (**21%**), San Francisco Bay Area (**24%**), and Sacramento (**24%**); compared to **12%** nationally.

**Did you do any of the following as a result of competition in the housing market?  
(Market specific)**



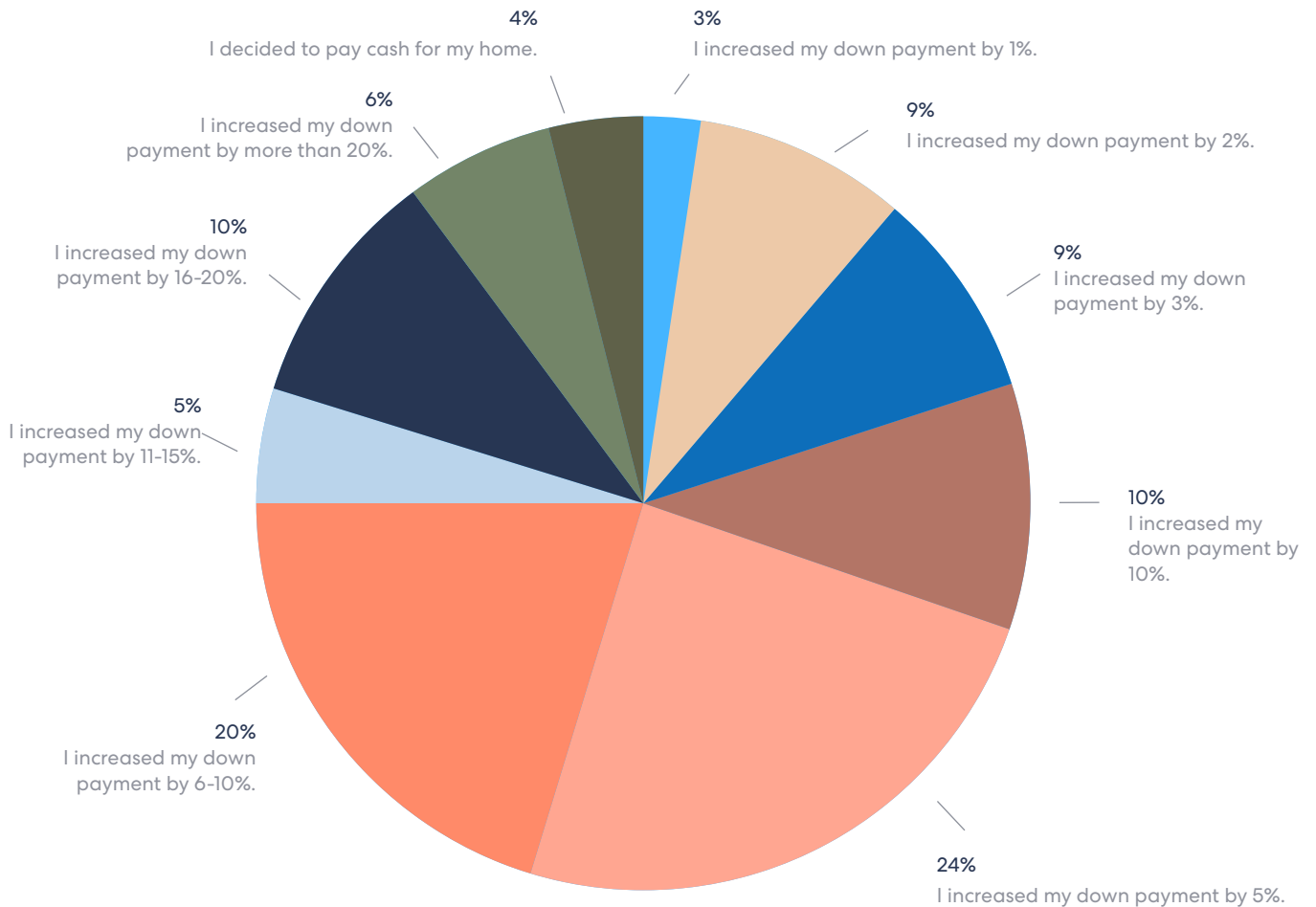






Buyers who raised their down payments had to come up with significant amounts of cash to get competitive. Of the **23%** of buyers who increased their down payment to help them win a bidding war, **35%** increased their down payment by **6%-20%** of the total purchase price.

### By how much did you **increase** your down payment?

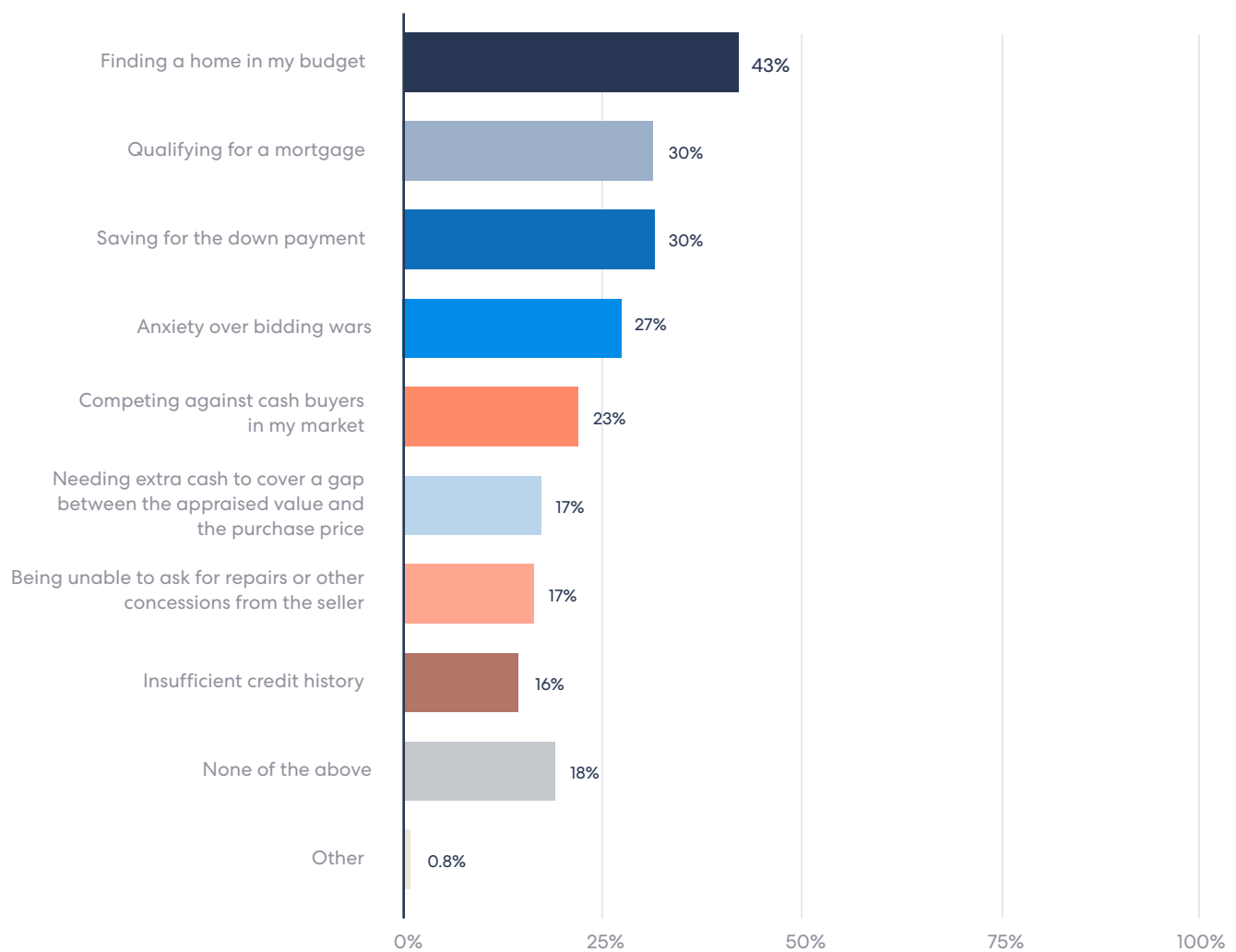


Among the **69%** of buyers who used a mortgage to purchase their home, **43%** said finding a home within their budget was a challenge, and **28%** said that finding a home in their budget was the most significant obstacle they faced.

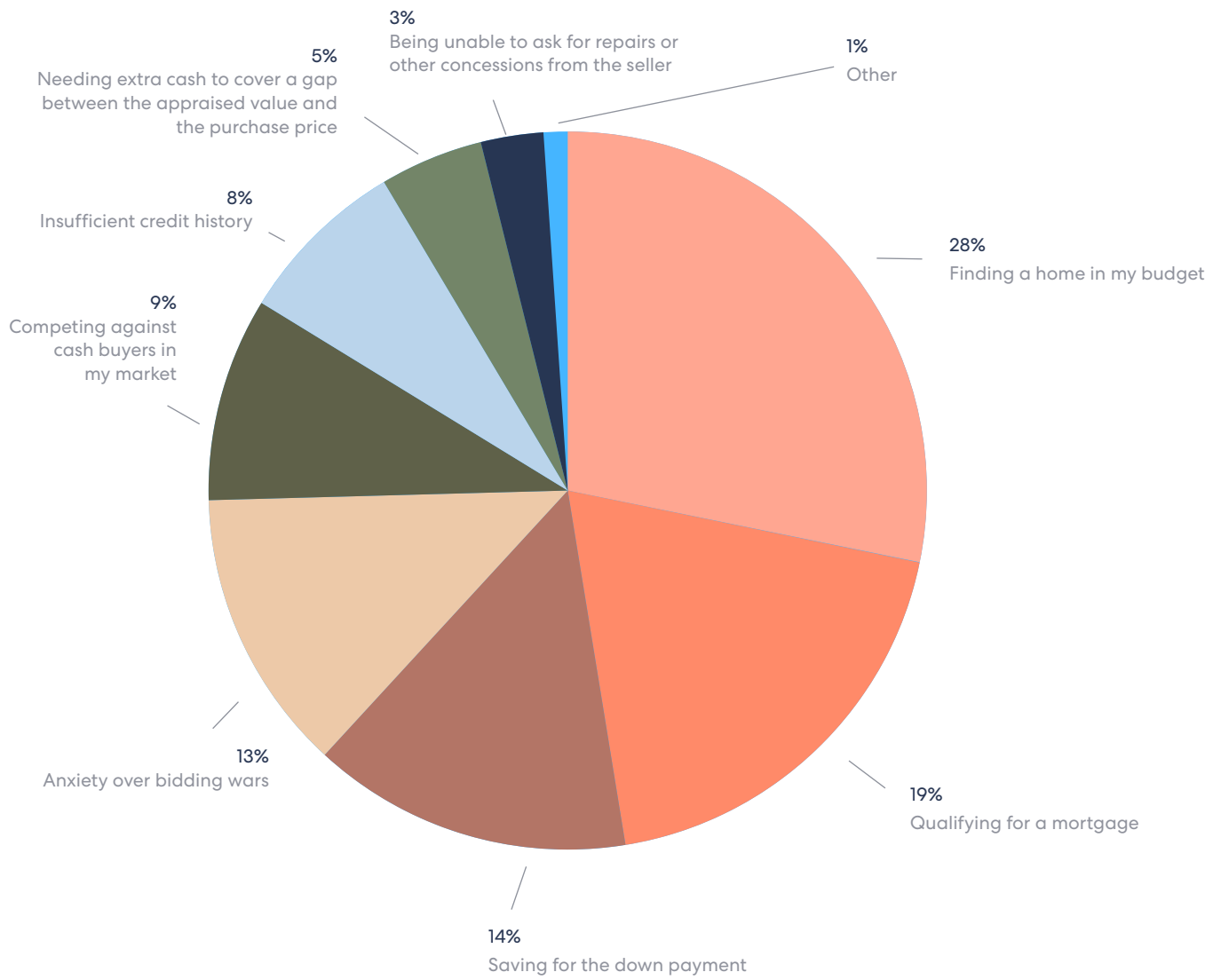
Saving for a down payment was no easy task, either. **30%** of buyers said saving for the down payment was a challenging part of their home buying process, and another **30%** said they found qualifying for a mortgage challenging.

The competitive market also created significant strife for buyers, with **27%** saying they struggled with anxiety over bidding wars during their home search, and **23%** who said competing against cash buyers in their market was a challenge.

### Which of the following challenges, if any, did you experience during your **home buying process**?



## And which of the challenges was **most significant**?



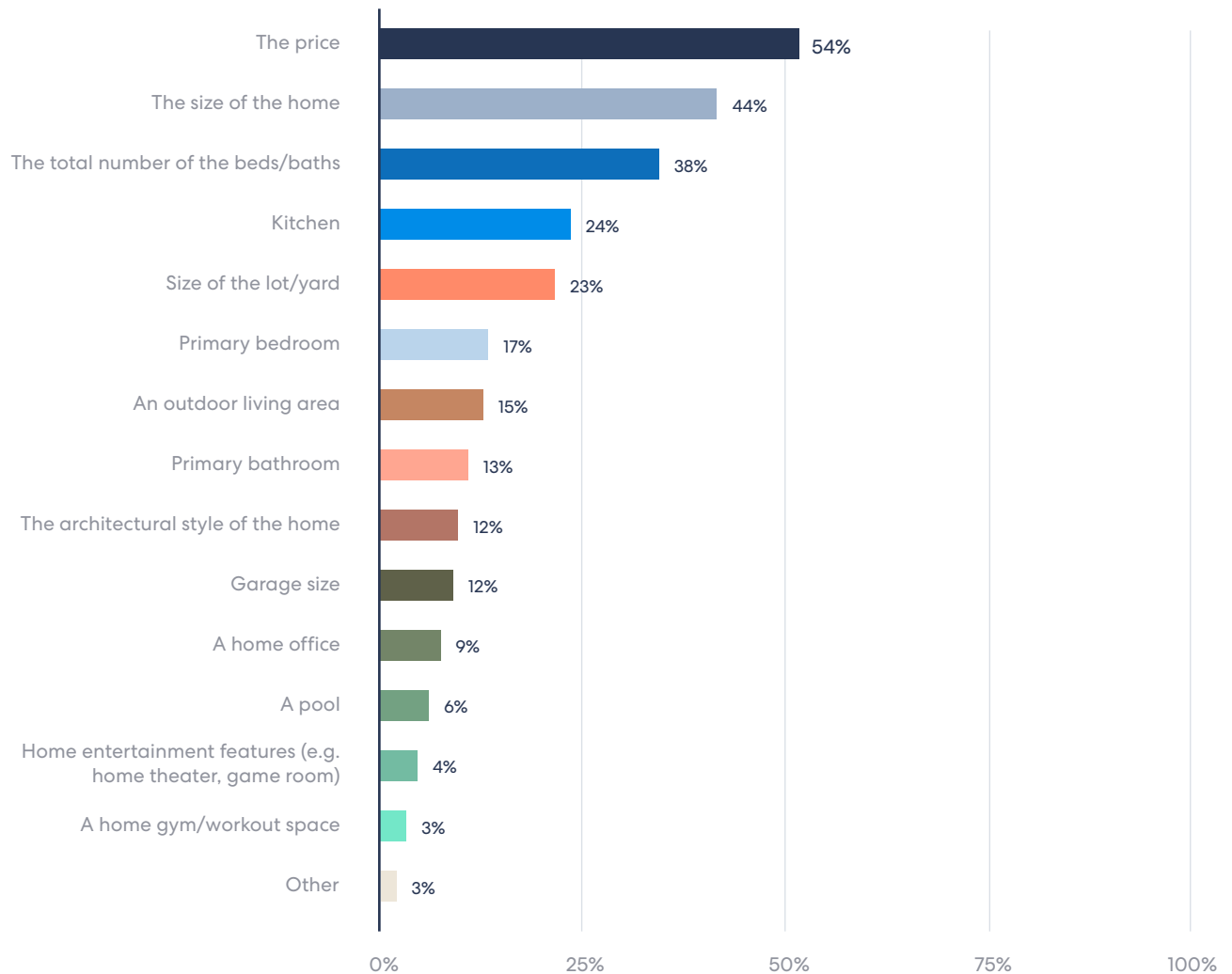
# Home Price, Age, and Condition Most Likely to Be Compromised

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80% of buyers sacrificed at least one wish list item

For buyers over the past year, the most important home features outside of location were the price (**54%** selected as a top feature), the overall size (**44%**), and the total number of beds and baths (**38%**). After that, the most important features to buyers are the kitchen (**24%**), size of the lot/yard (**23%**), and primary bedroom (**16%**).

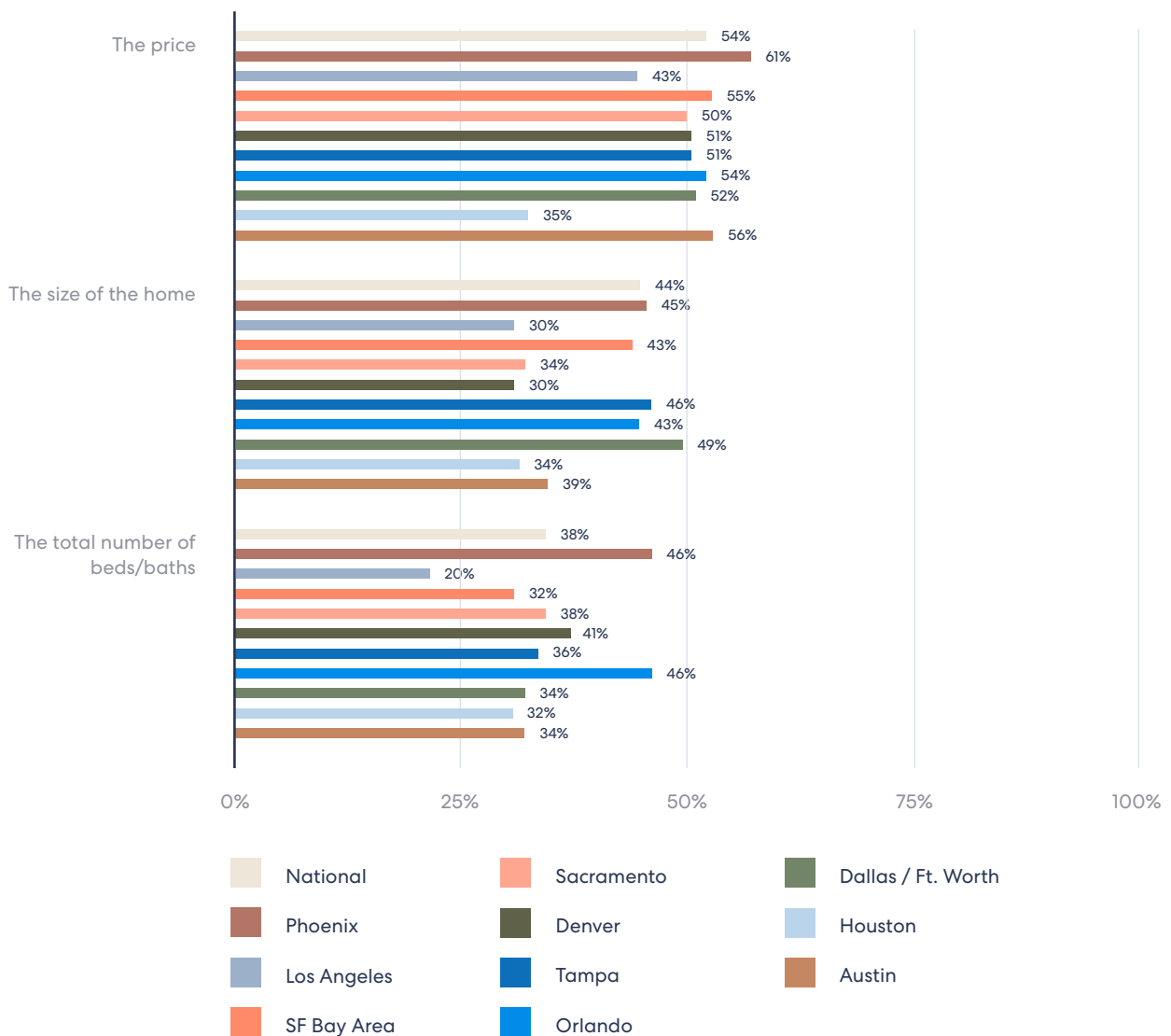
Which of the following features of a home **unrelated to location** were most important in your search?



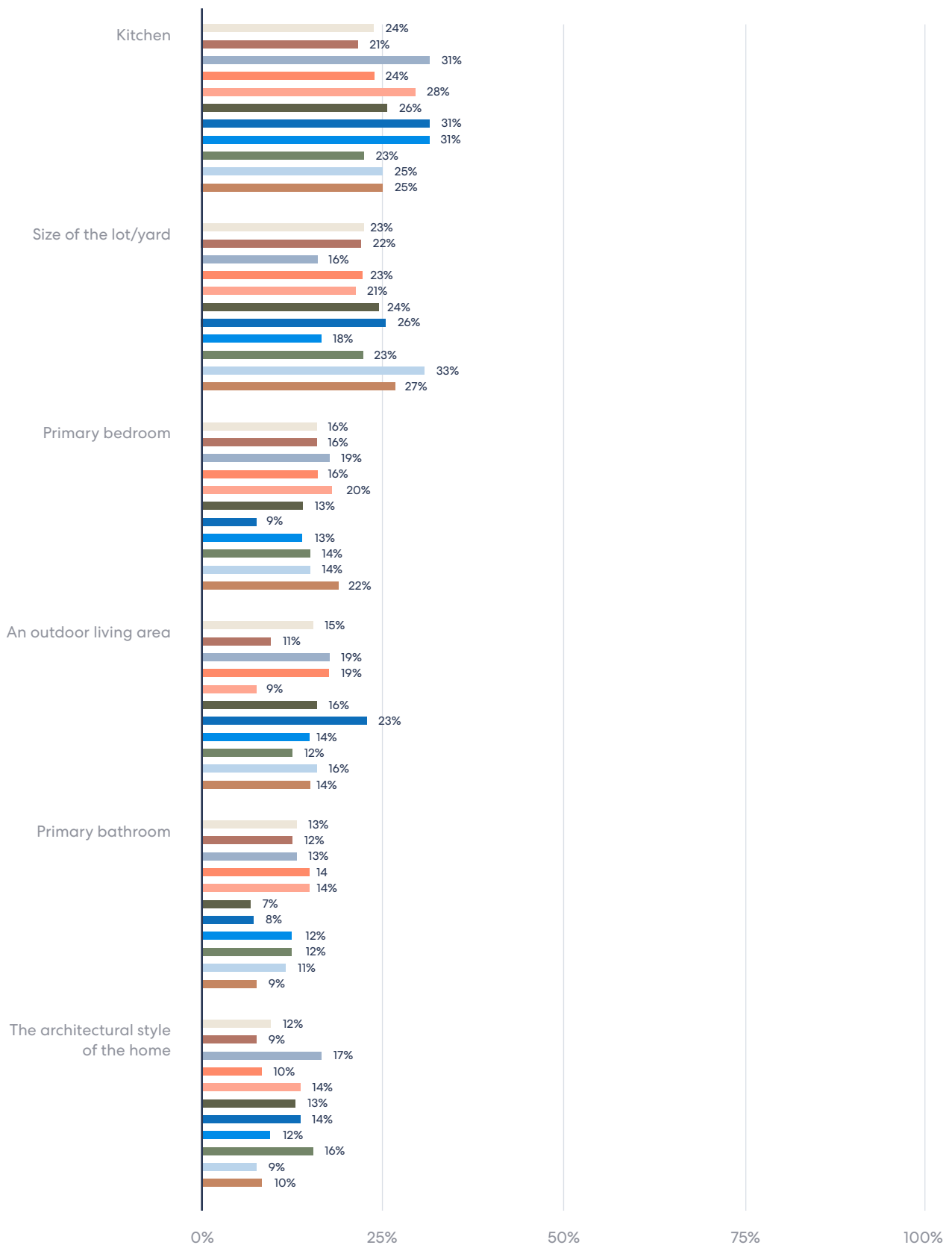
**Buyer priorities also differed across some of the nation's hottest markets:**

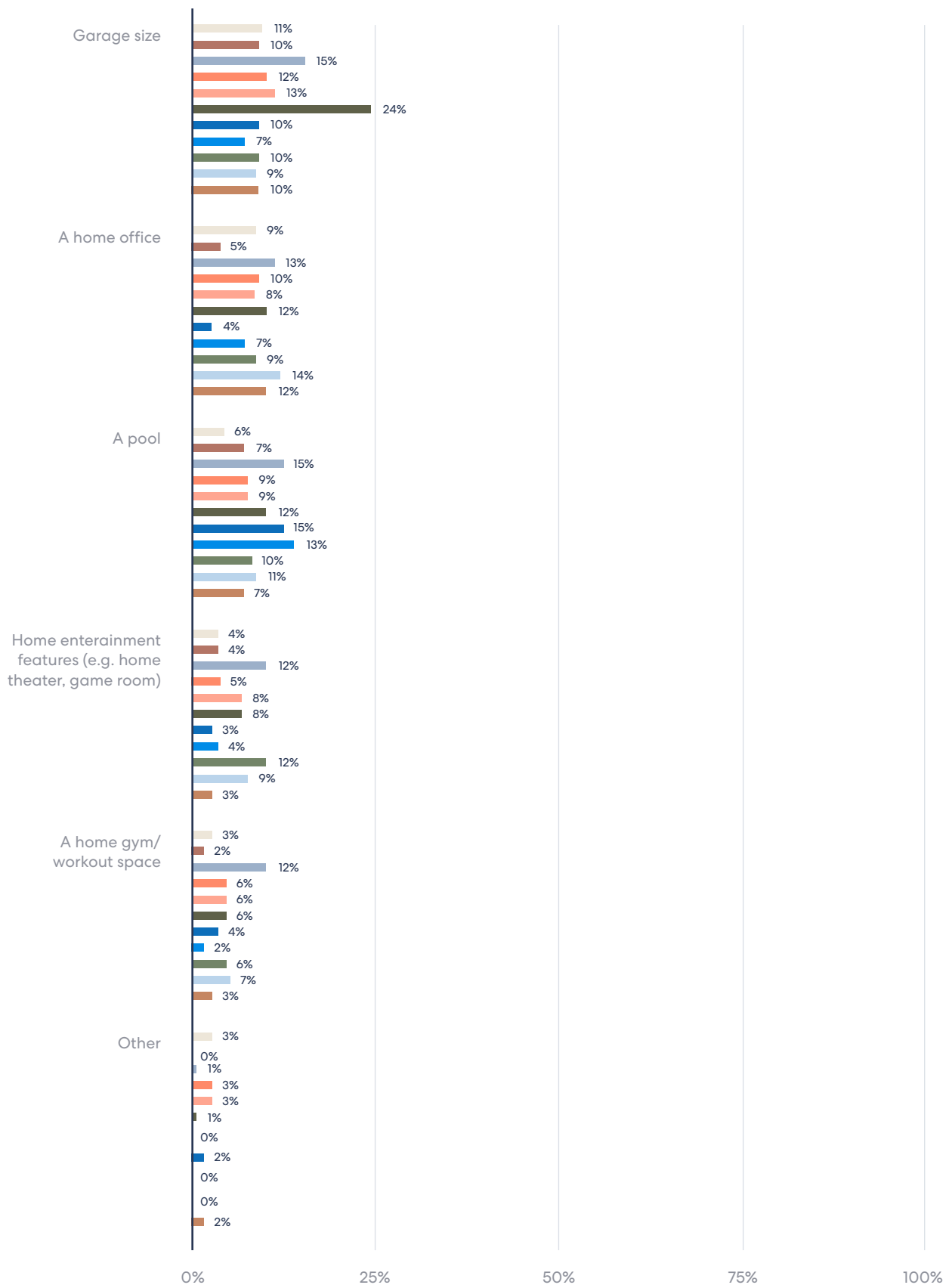
- In Los Angeles, buyers were more likely to look for a home with a home gym at **12%** compared to only **3%** nationally.
- Buyers in Phoenix were more likely to say the price was a paramount consideration at **61%** compared to **54%** nationally.
- Buyers in Denver cared significantly more about garage size at **24%** compared to **11%** nationally.
- **33%** of buyers in Houston said that the size of the lot/yard was a top consideration, compared to **23%** nationally.

Which of the following features of a home **unrelated to location** were most important in your search? **(Market specific)**



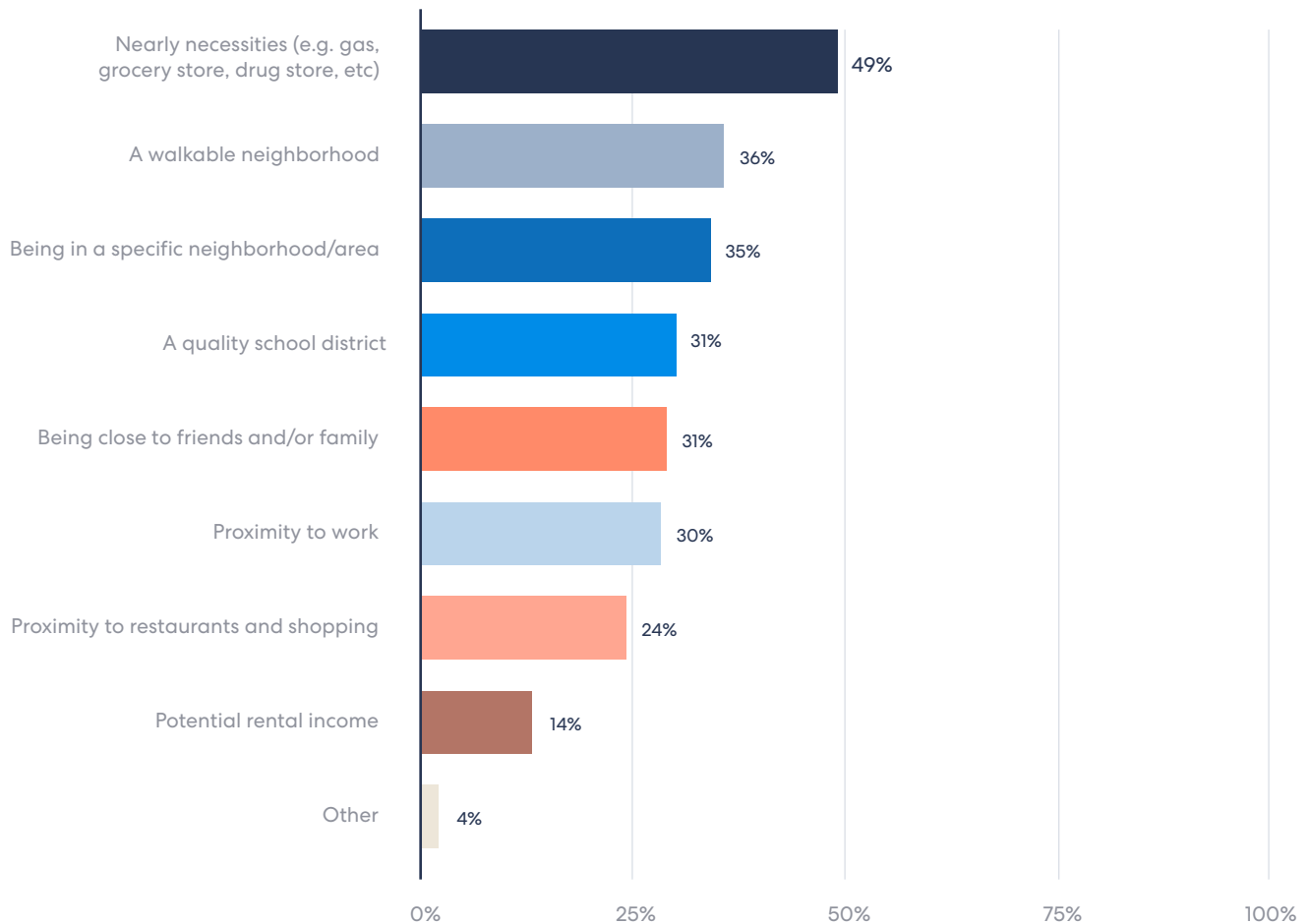






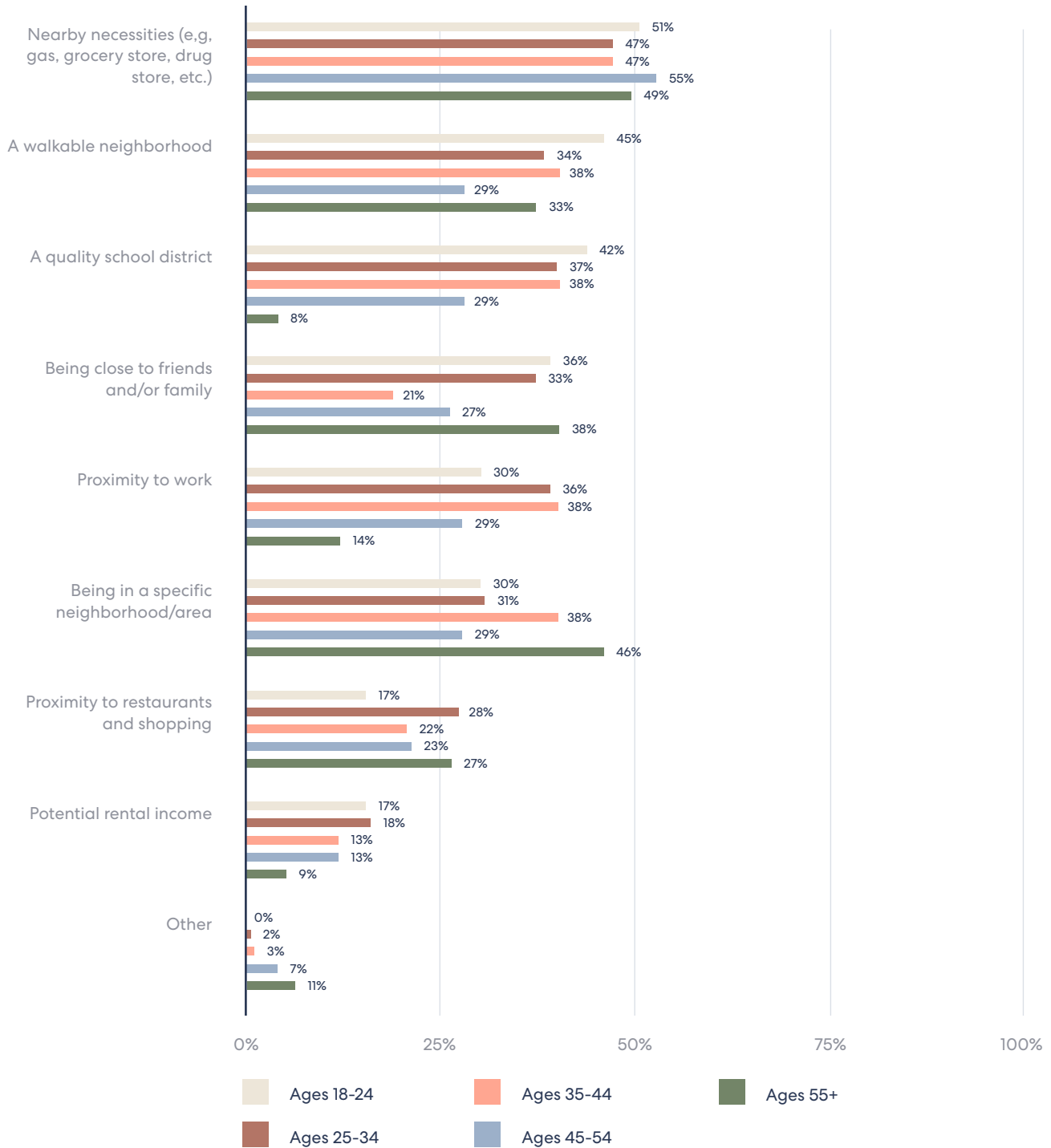
With regards to location, **49%** of buyers focused on nearby necessities, while **35%** respectively said walkable neighborhoods, specific neighborhoods, or areas they find desirable were among the three most important location-related features.

Which of the following **location-related features** were most important to you in your home search?



**40%** of buyers under the age of 45 said a quality school district is an important home feature to them, while **46%** of buyers age 55-plus desired a specific neighborhood/area compared to less than **40%** for any other group.

Which of the following **location-related features** were most important to you in your home search? (**Generation specific**)



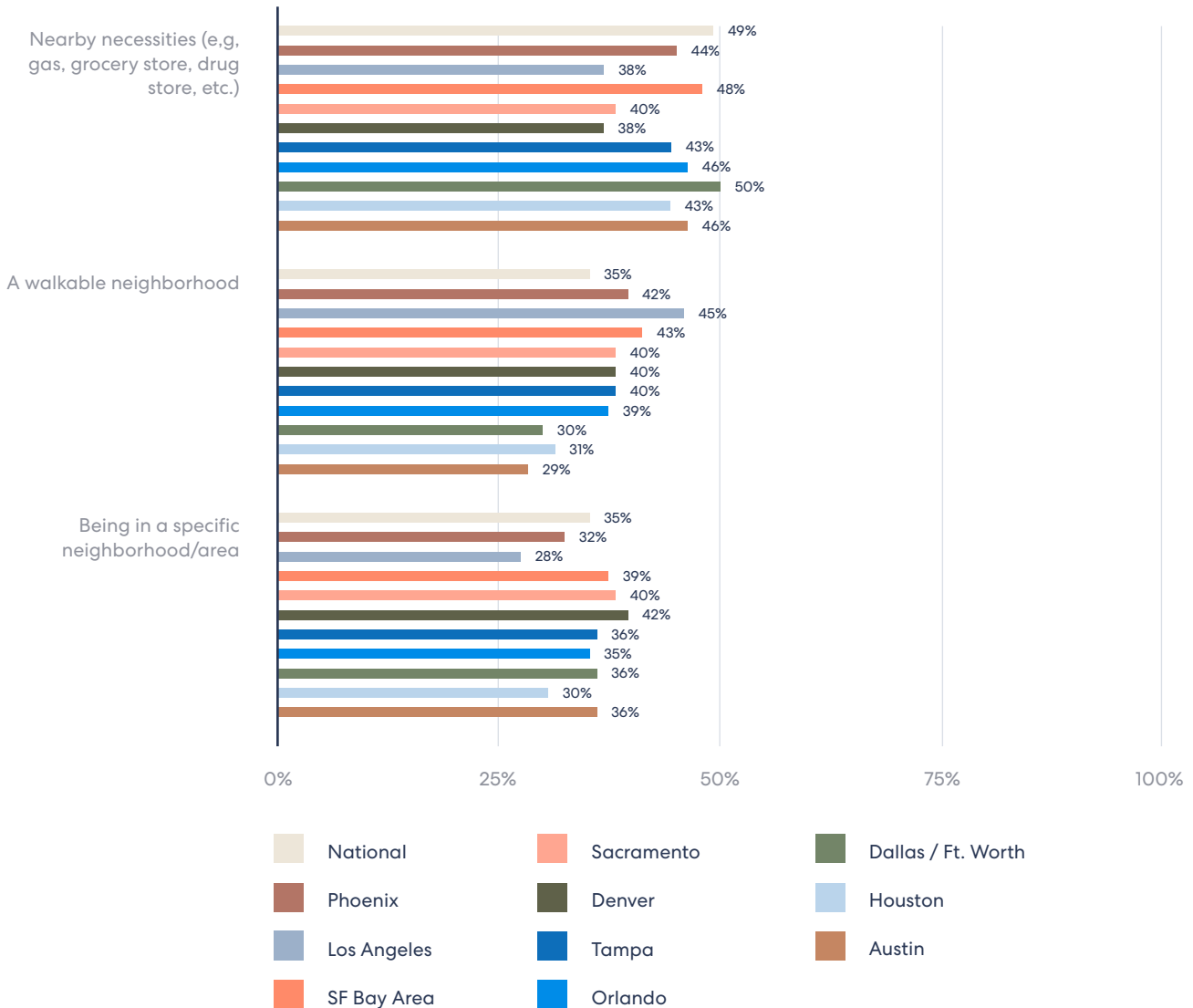
**In some of the country's hottest markets, some interesting trends emerge.**

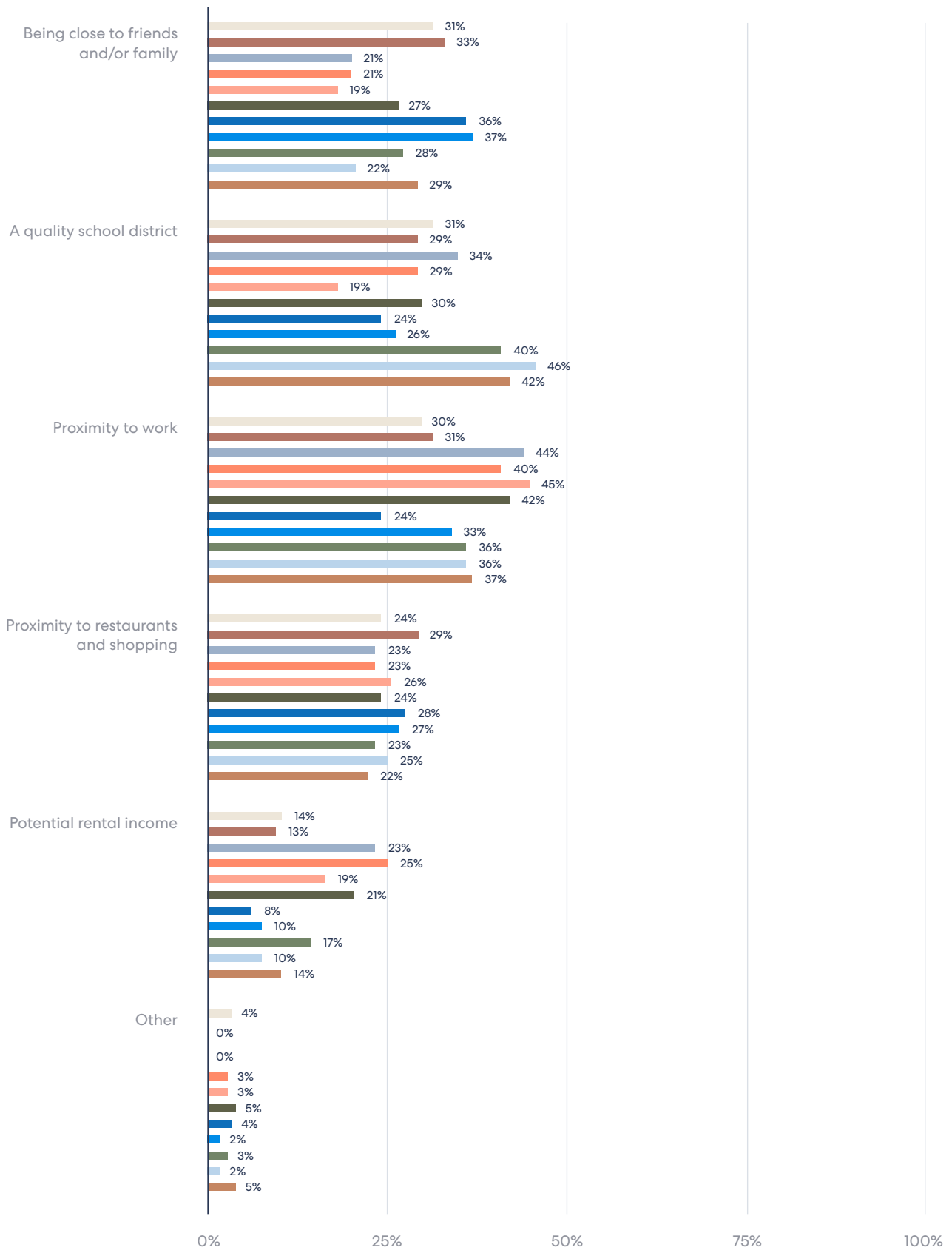
In both of the Florida markets we surveyed, Orlando and Tampa, buyers were significantly more likely to say that being close to friends and family was a top location-related consideration for their next home purchase at **37%** and **36%** respectively, compared to California markets, which all fell between **19%** and **21%**.

Conversely, **23%** of buyers in Los Angeles and **25%** in the San Francisco Bay Area were on the hunt for a home with potential rental income compared to only **8%** buyers in Tampa and **10%** in Orlando.

Quality school districts were more important to those in the three largest markets in Texas, with over **40%** selecting schools as a top location feature for their next home, compared to less than **30%** in Phoenix, the San Francisco Bay Area, Sacramento, Orlando, and Tampa.

**Which of the following location-related features were most important to you in your home search? (Market specific)**



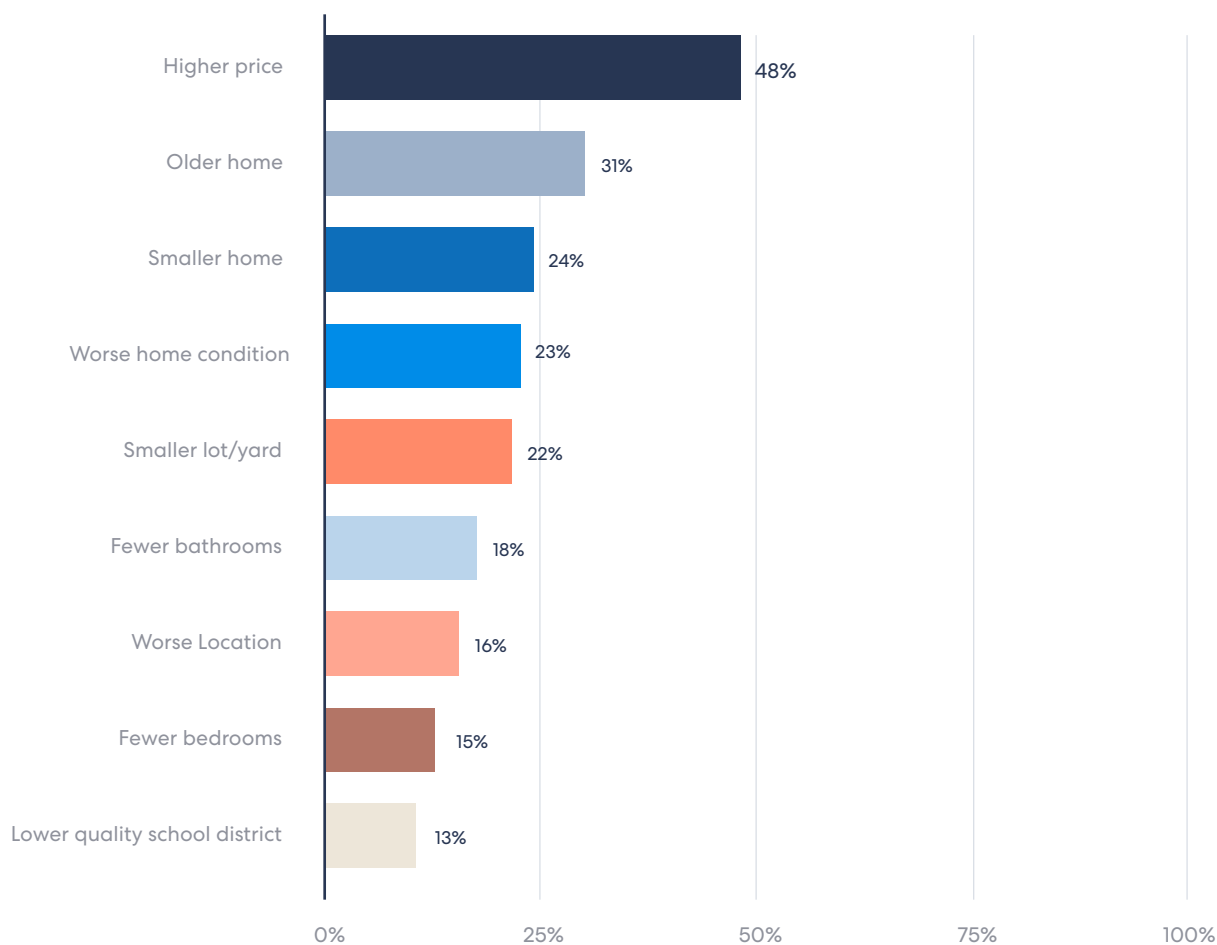


## 80% of buyers compromised on key home features

As buyers navigated the housing market of the past 12 months, many learned they would need to compromise on their wish list. Where these buyers decided to compromise tells us a lot about how buyers make decisions in competitive markets.

By far, the most common compromise buyers made was on price, with nearly half (**48%**) of buyers saying they paid more for their homes than they initially expected. **31%** of buyers bought an older home that they initially expected, **24%** bought a smaller home than they initially hoped, and **23%** bought a home that was in worse condition compared to their expectations at the start of their search.

### Percentage of buyers who **compromised on specific home features** relative to initial expectations



Some markets saw more buyer compromises than others. In the San Francisco Bay Area, Sacramento, and Denver, at least **90%** of buyers made at least one compromise on the home they purchased, and in Phoenix, Los Angeles, Dallas/Ft. Worth, Houston, and Austin, at least **85%** of buyers made a compromise on the home they bought.

Only in Tampa and Orlando did the proportion of buyers who made compromises match or come in lower than the national figure, with **80%** of buyers in Tampa, and **78%** in Orlando making a compromise.

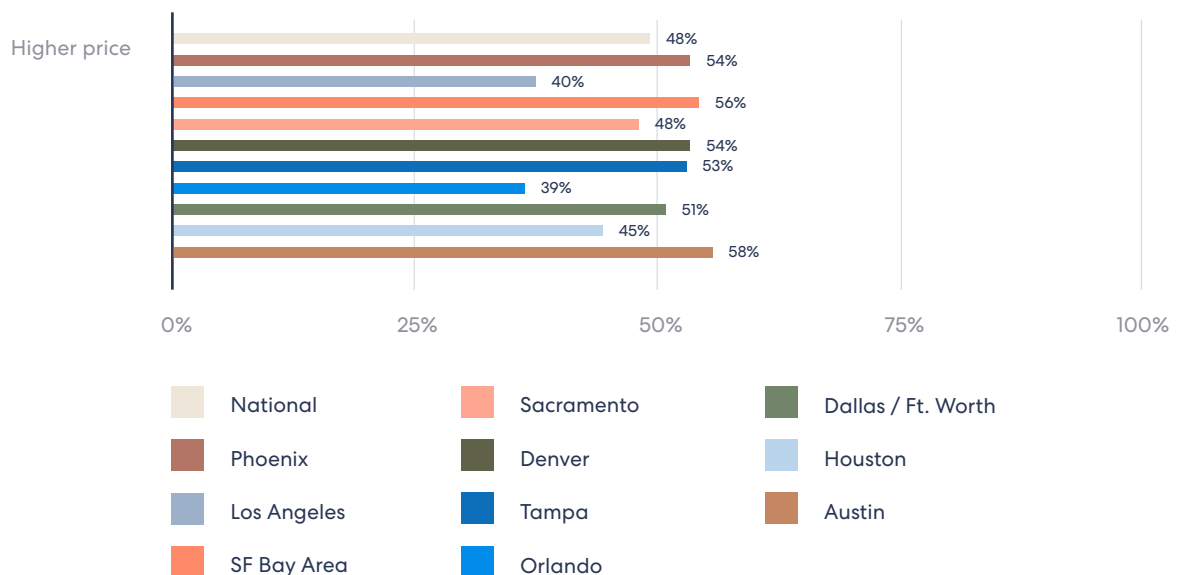
While price is the most common compromise made by buyers both nationally and in specific hot markets, there are key differences.

Buyers in Phoenix were the most likely to compromise on the location of the home they purchased, with nearly a third (**32%**) saying the location of the home they bought is worse than the location they initially hoped for. Phoenix buyers were also the most likely to compromise on the age of the home they bought, with **46%** buying an older home than they'd initially hoped.

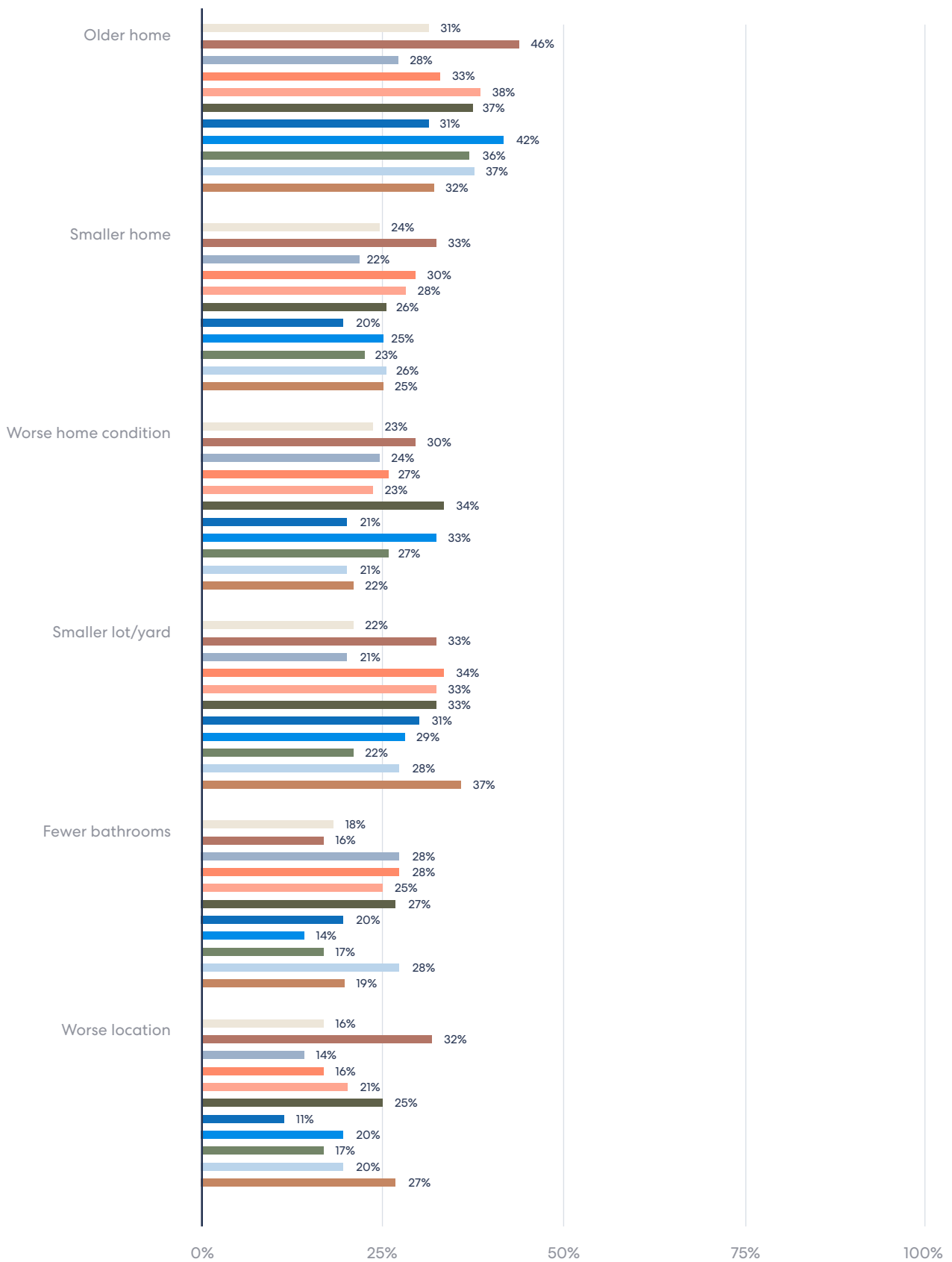
Buyers in California markets were more likely than those in other areas of the country to compromise on the numbers of bedrooms (**22%** in Los Angeles, **21%** in the San Francisco Bay Area, **20%** in Sacramento) and bathrooms (**28%** in Los Angeles and the San Francisco Bay Area, and **25%** in Sacramento) in their new homes, while those in Denver were more likely to compromise on the condition of the home they purchased (**34%**).

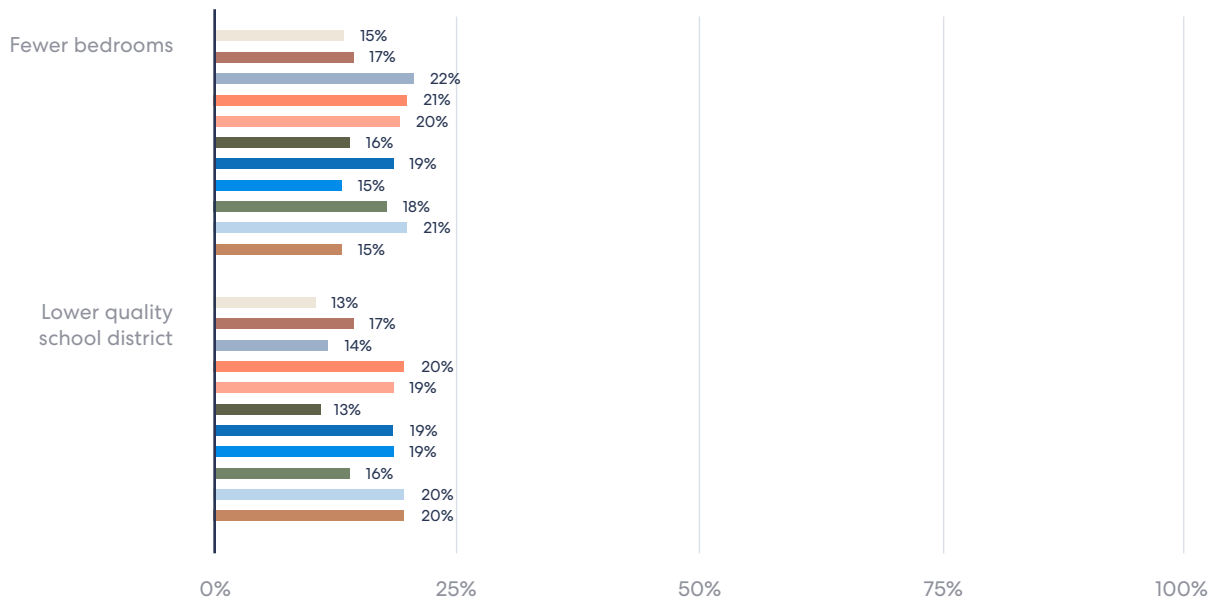
Compromises made on homes also vary slightly by the age of the buyer. Buyers between the ages of 18-34 were more likely to compromise on the size of their home's lot/yard than those 35 and older (**28%** vs. **17%**), while those age 45 and up were slightly more likely to sacrifice square footage than those under 45 (**26%** vs. **22%**).

### Percentage of buyers who **compromised on home features** relative to initial expectations **(Market specific)**









# Cost Concerns and Feeling Rushed Top List of Buyer Regrets

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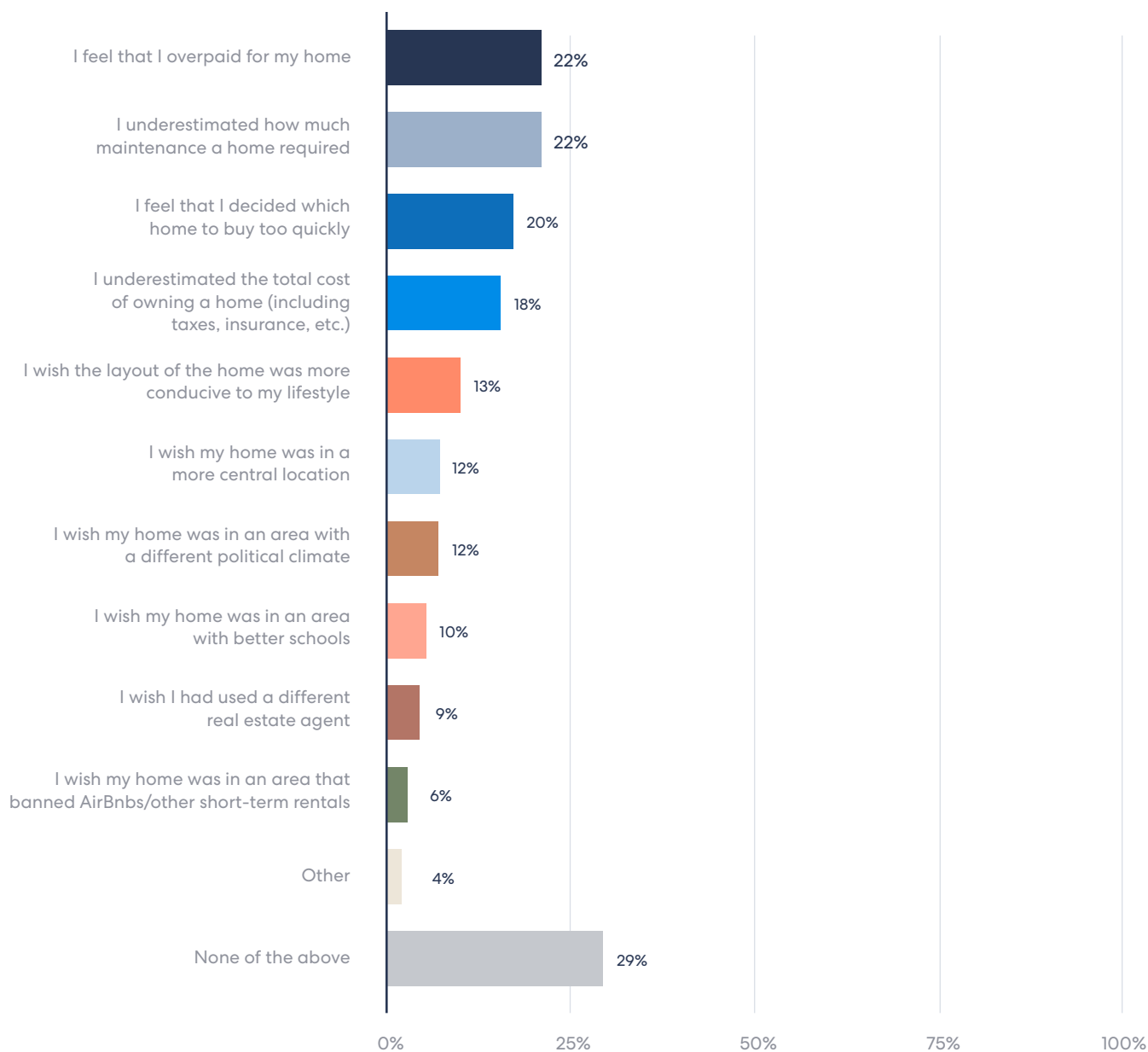
70% of buyers nationally said they have at least one regret about their home buying experience

For buyers in a competitive market, making compromises can inevitably lead to buyer's remorse. We asked buyers if they regret any part of their home buying process to see how they reflect on their experience.

Overall, more than **70%** of buyers nationally said they have at least one regret about their home buying experience, and cost-based regrets dominate the top four.

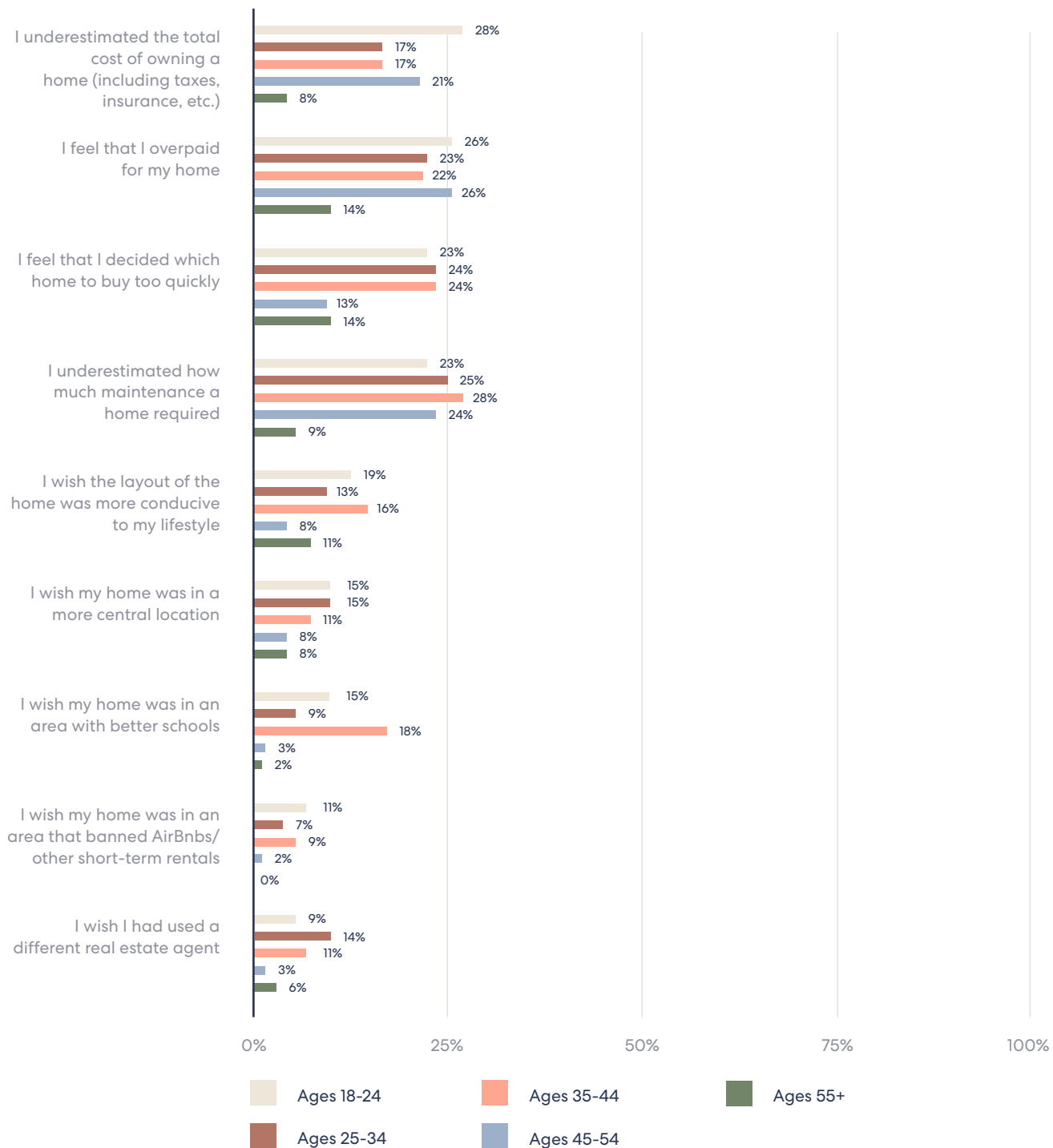
Among those regrets were **22%** of buyers who felt that they overpaid for their home, and the same proportion said they underestimated how much maintenance a home required. Another **18%** said they underestimated the total cost of owning a home including taxes, insurance, etc. One in five buyers said they feel that they decided which home to buy too quickly.

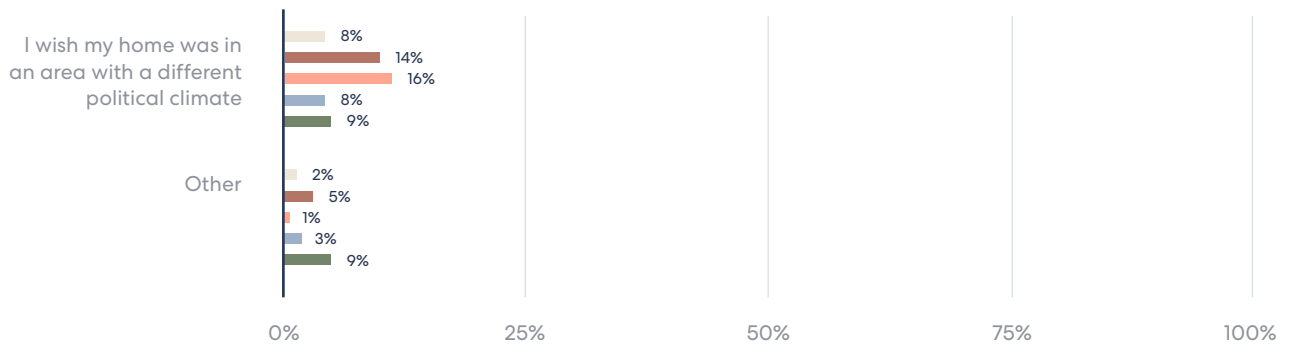
### What would you say you **regret** about your home buying process?



Younger buyers were more likely to regret not understanding the total cost of homeownership (**28%** among buyers 18-24 years old), and buyers 18-34 were more likely to wish their home was in a more central location (**15%** vs. **8%** among those over 35).

### What would you say you **regret** about your home buying process? (**Generation specific**)





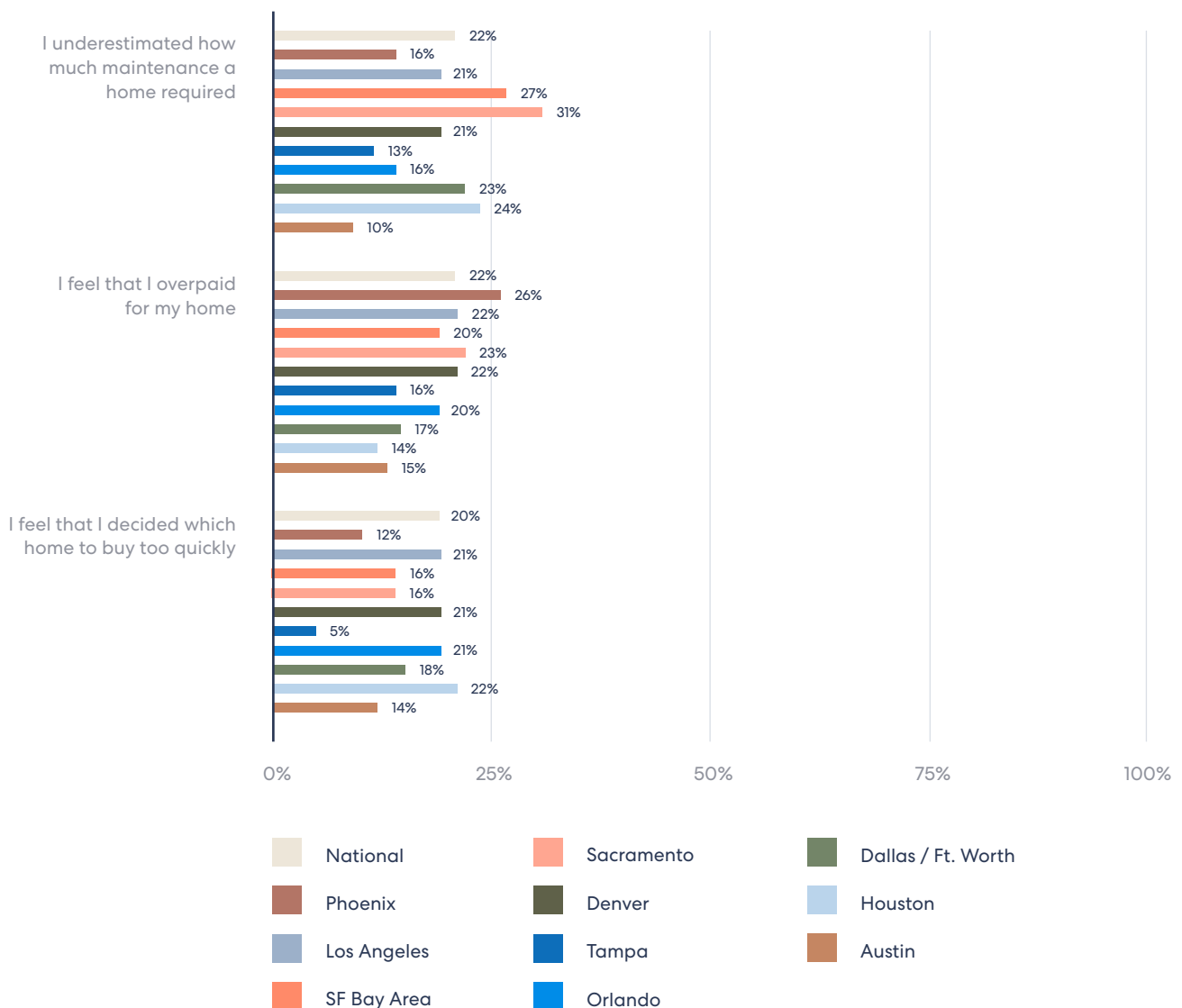
Buyer regrets were even more common in Phoenix and California markets, with at least **79%** of buyers expressing at least one regret. In Phoenix, buyers were more likely to wish their home was in a more central location at **21%**, relative to a national average of **12%**.

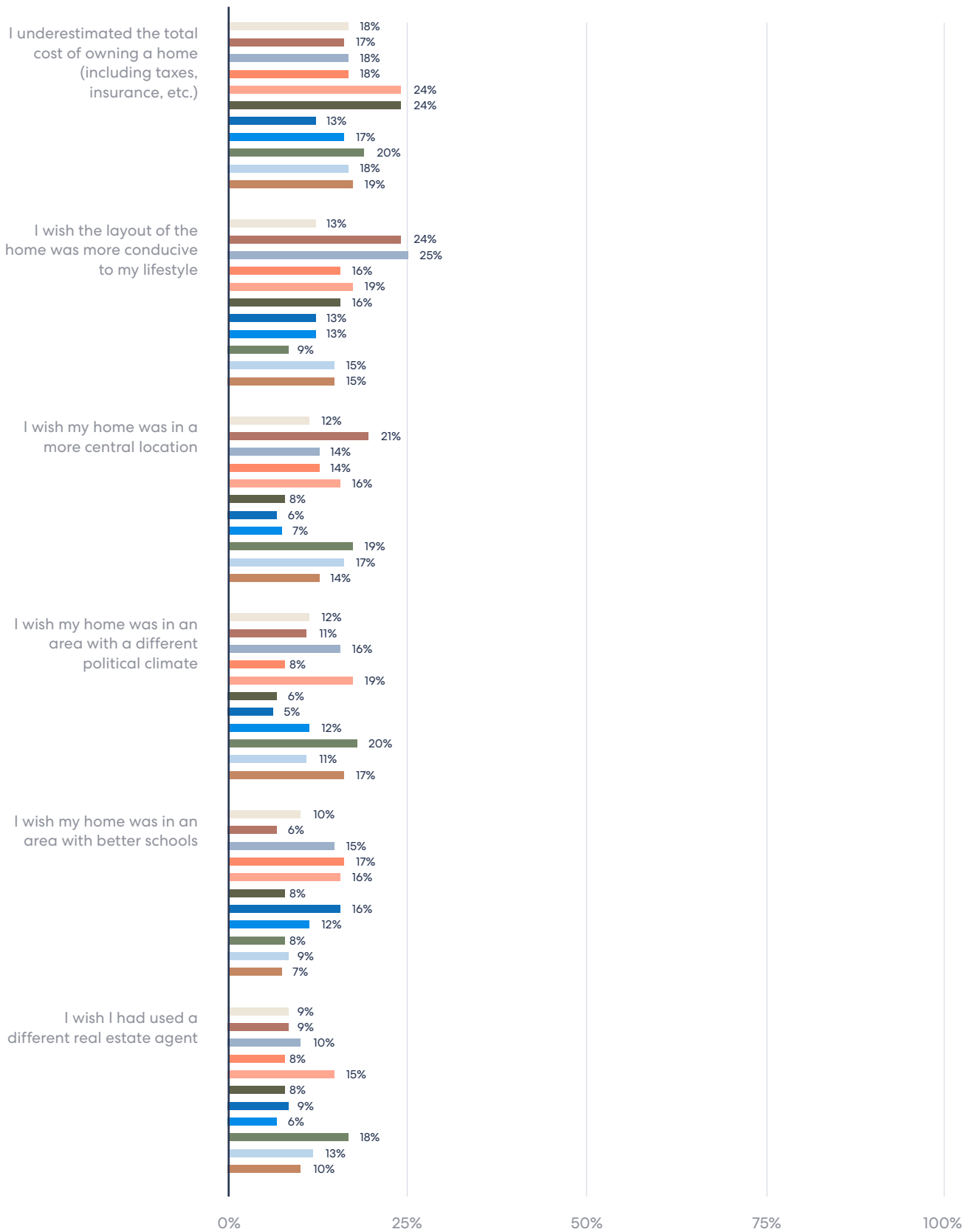
In the San Francisco Bay Area and Sacramento, buyers were more likely to say they underestimated how much maintenance a home required at **27%** and **31%** respectively, compared to a national average of **22%**.

Buyers in the Dallas/Ft. Worth area were more likely to express regrets about their homes related to its location. **19%** of Dallas buyers said they wish their home was in a more central location, and **20%** said they wish their home was in an area with a different political climate, compared to a national average of **12%**.

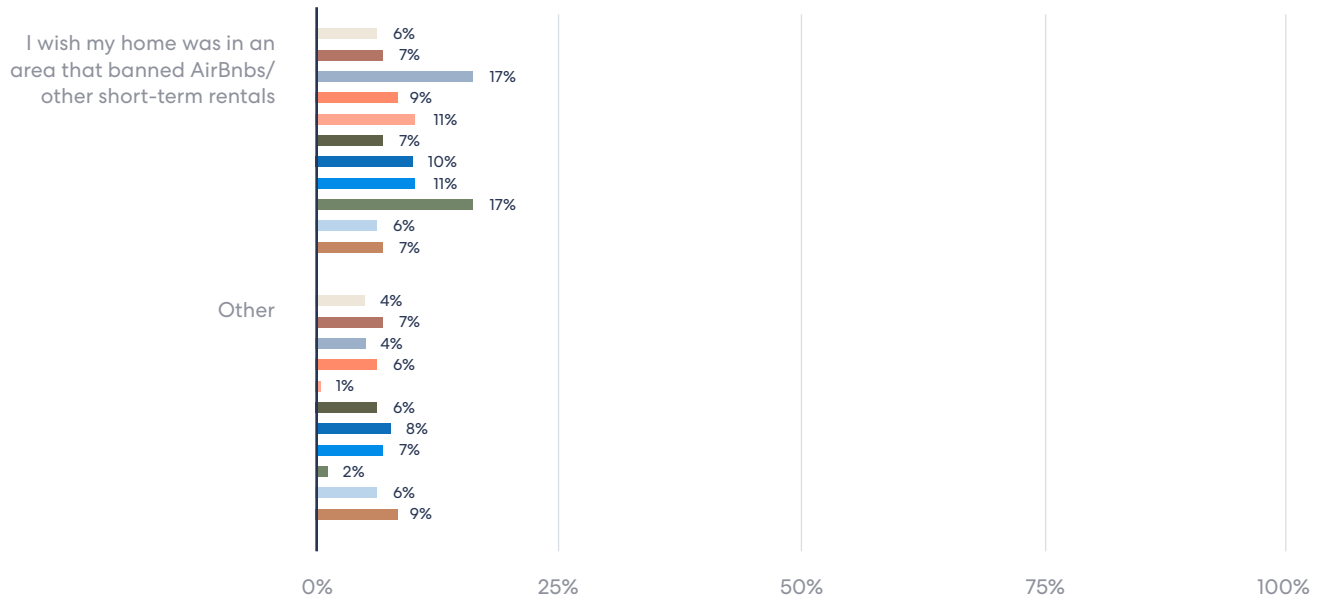
Buyers in Sacramento were also likely to express concerns about the local political climate, with **19%** wishing the local politics around their home were different.

### What would you say you **regret** about your home buying process? (Market specific)









# Masks, Vaccines, and Politics Drive Pandemic Relocations

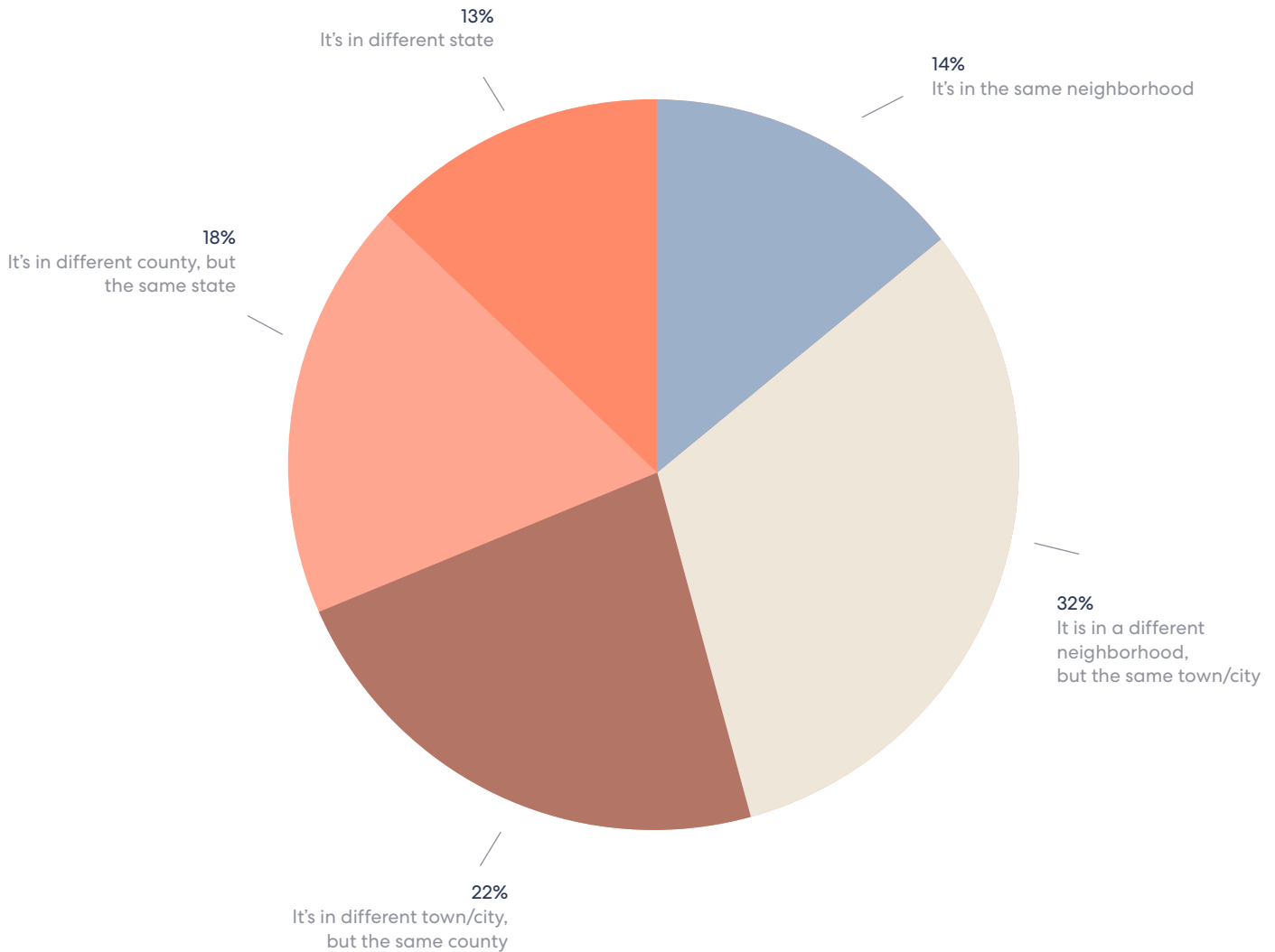
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Nearly a third of buyers who moved to a new city or farther said pandemic policies impacted moving decision

As the pandemic persisted over the past 12 months, and division and tensions grew deeper, the search for uniformity drove some buyer decisions. We asked buyers whether they moved to a new city, county, or state; and if so, whether local pandemic-related factors influenced their decision of where to live next.

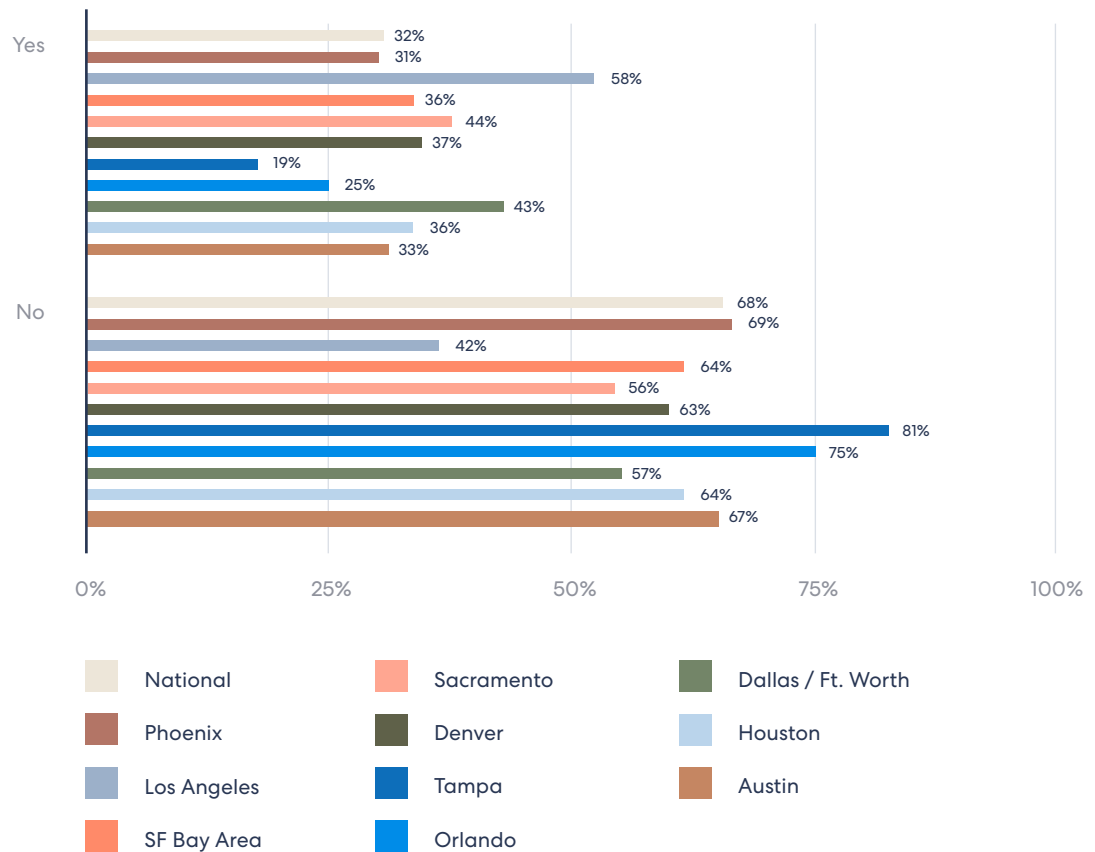
**53%** of buyers in our national group moved to a new town/city or farther, and among that group, **32%** said the response to the pandemic of their previous local government or member of their previous community impacted their decision of where to live.

### How far is your new home from your previous residence?



In specific markets, buyers in Los Angeles were the most likely to move based on pandemic-related factors, with **58%** stating the pandemic politics factored into their decision. Tampa and Orlando were least likely to have buyers moving for reasons related to pandemic policies, at only **19%** and **25%**, respectively.

Did the response to the pandemic of your previous location impact your decision of where to live? **(Market specific)**

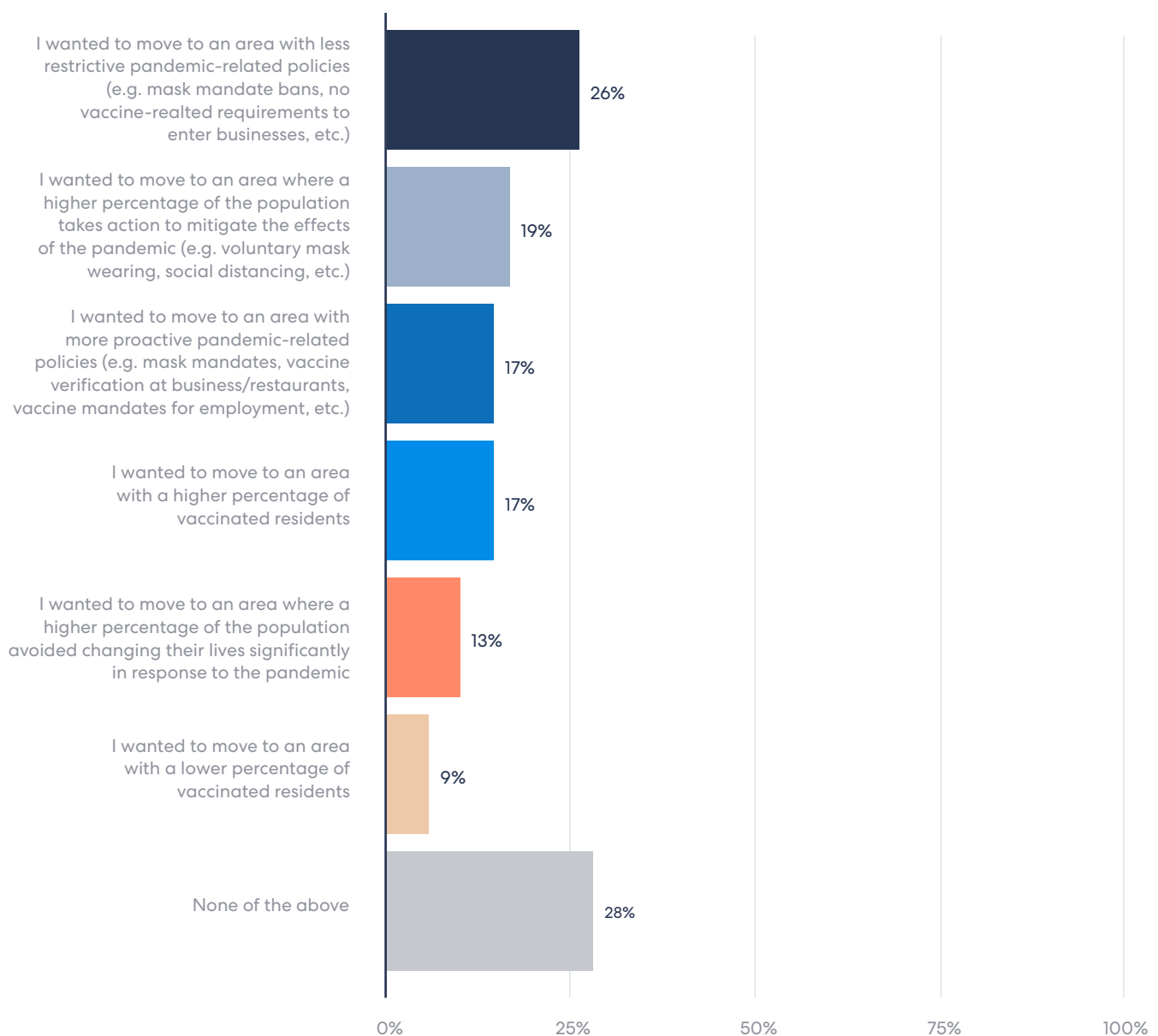


Among those who said the pandemic responses of their previous area impacted their decision of where to live, **26%** sought an area with less restrictive pandemic-related policies, including mask mandate bans, and a lack of vaccine requirements.

On the flip side, **19%** of buyers wanted to move to an area where a higher percentage of the residents take action to mitigate the pandemic (e.g. voluntary mask wearing, social distancing, etc.)

**17%** of buyers who considered pandemic policies in their move wanted to move to an area with more proactive local policies, including mask mandates and vaccine verification to enter businesses, and another **17%** wanted to move to an area with a higher percentage of vaccinated residents.

### Top reasons for moving (among people who said the pandemic response of their previous location influenced their decision of where to live)



# Over One in Five Bought a Home Sight Unseen

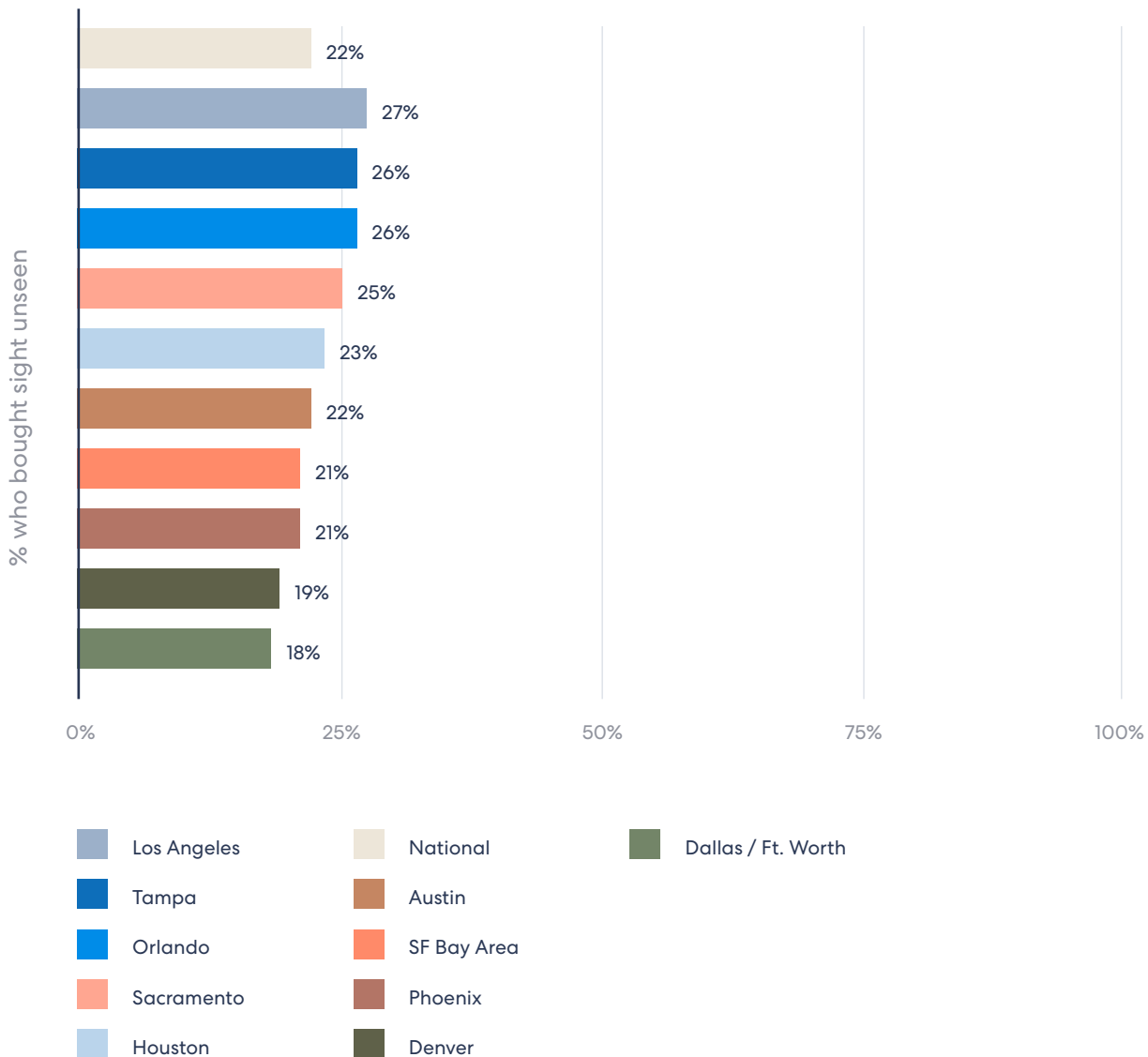
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Over a third of sight-unseen buyers used virtual open houses

In a competitive market environment, speed can be an enormous advantage. So over the past year, some buyers skirted traditional showings in favor of digital tools to act more nimbly. In our survey, **22%** of buyers across the U.S. made an offer on the home they bought without seeing it at an open house or a private home tour.

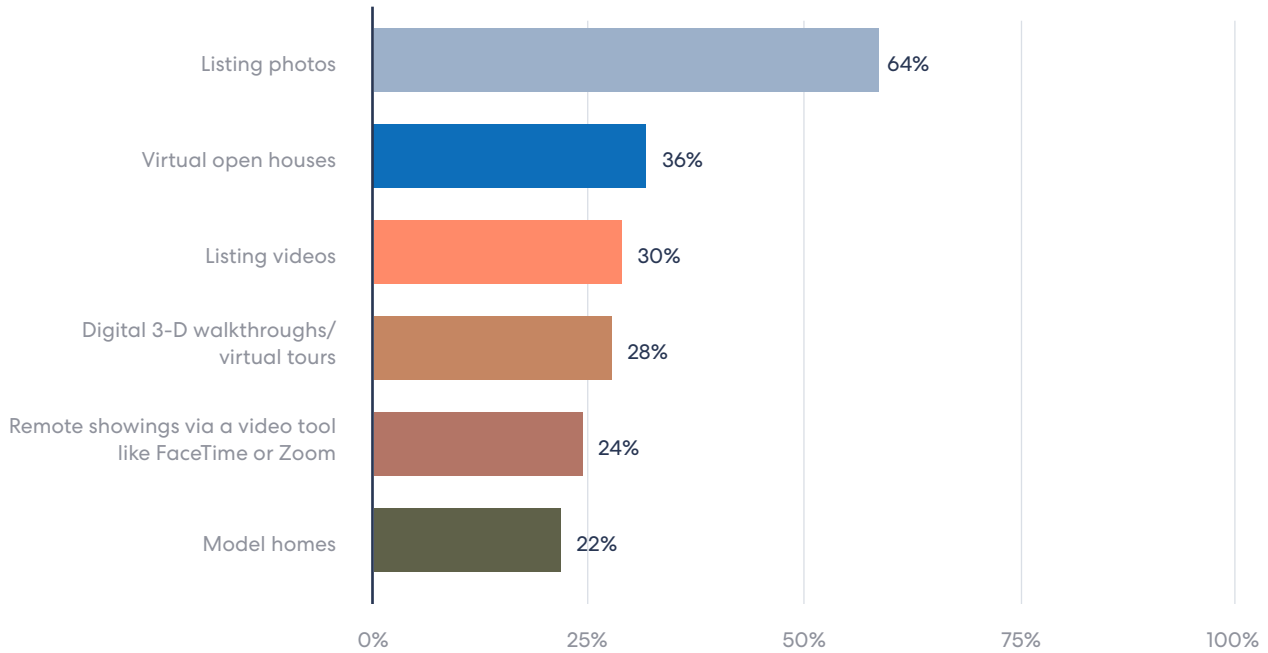
In some of the hottest markets across the U.S., this rate was even higher. In Los Angeles, **27%** of buyers wrote an offer without seeing the home in person, as did **26%** in Tampa and Orlando, and **25%** in Sacramento.

### Percentage of respondents across markets who bought their homes without seeing them in person first



Among buyers who didn't see their homes in person before writing an offer, **64%** used listing photos and over a third (**36%**) relied on virtual open houses. Nearly **30%** used digital walkthroughs or virtual tours in their search.

### Tools used by respondents who bought their homes **without seeing them in person first**





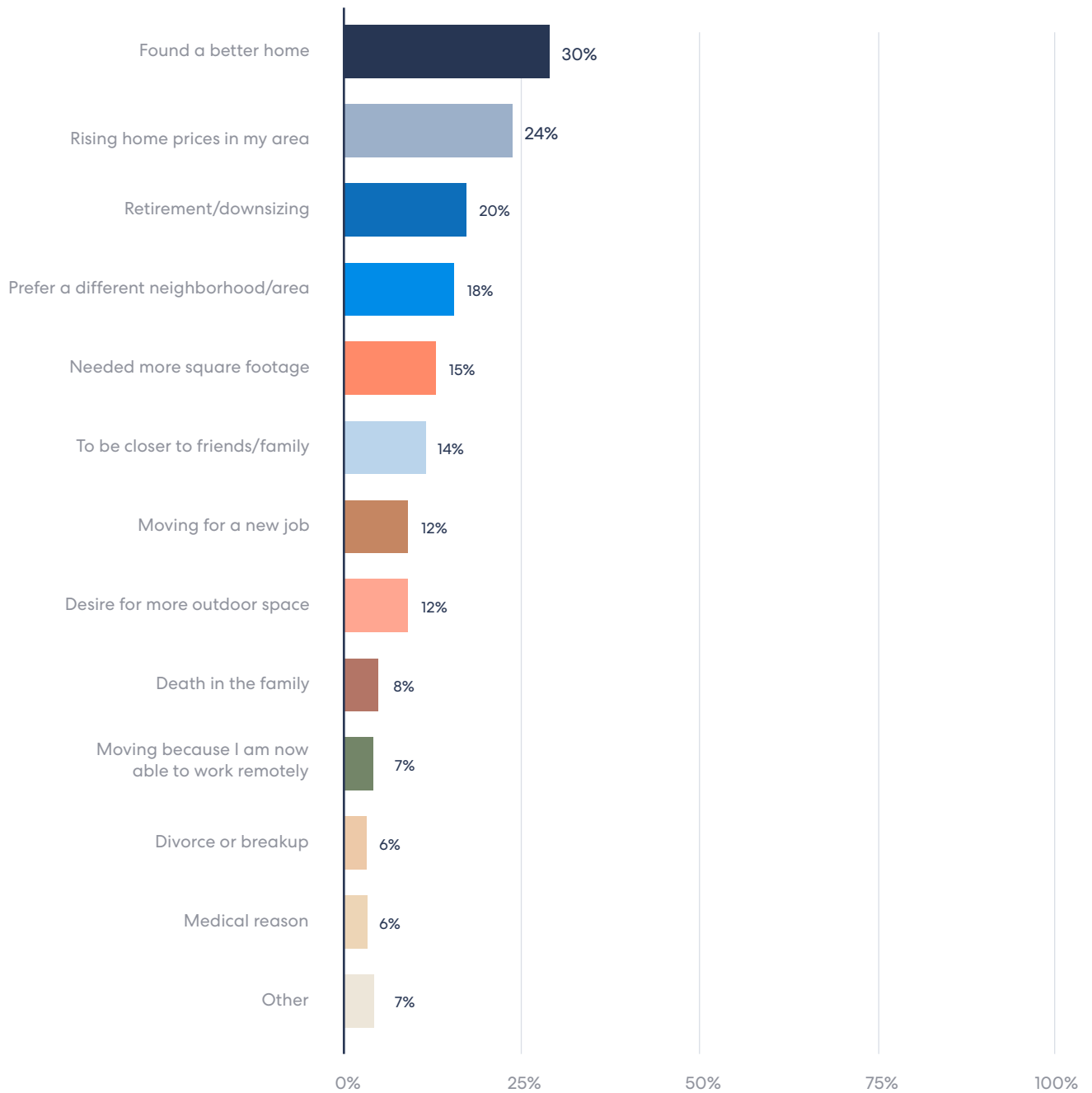
# Sellers Make Quick Decision to List Based on Rising Prices

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50% of sellers in the past year sold their home after living in it for five years or less

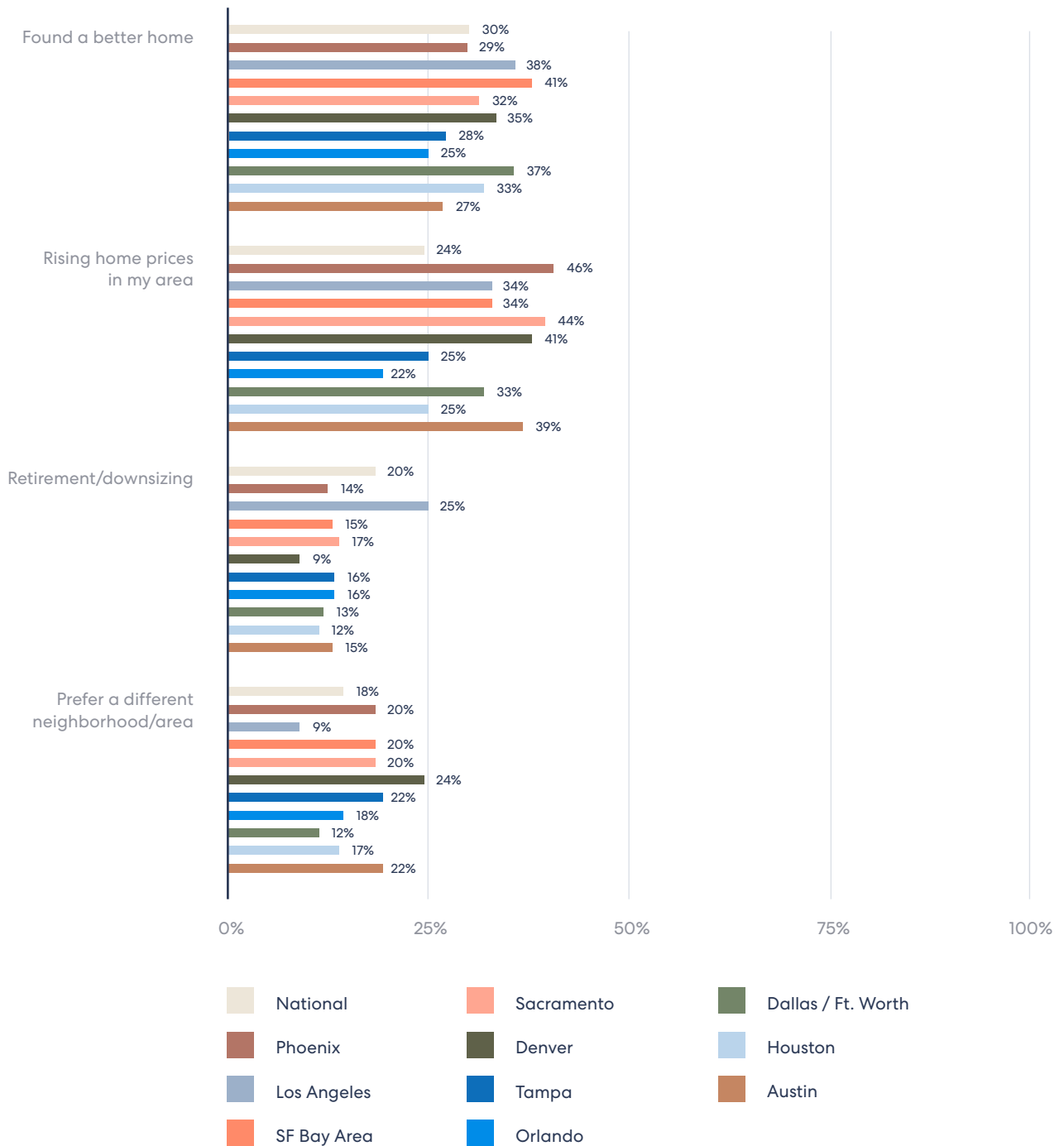
While the market of the past year was grueling for buyers, it was invigorating for sellers. Promises of bidding wars, huge list prices, and fast closing had sellers ready to dive in and cash out on their homes.

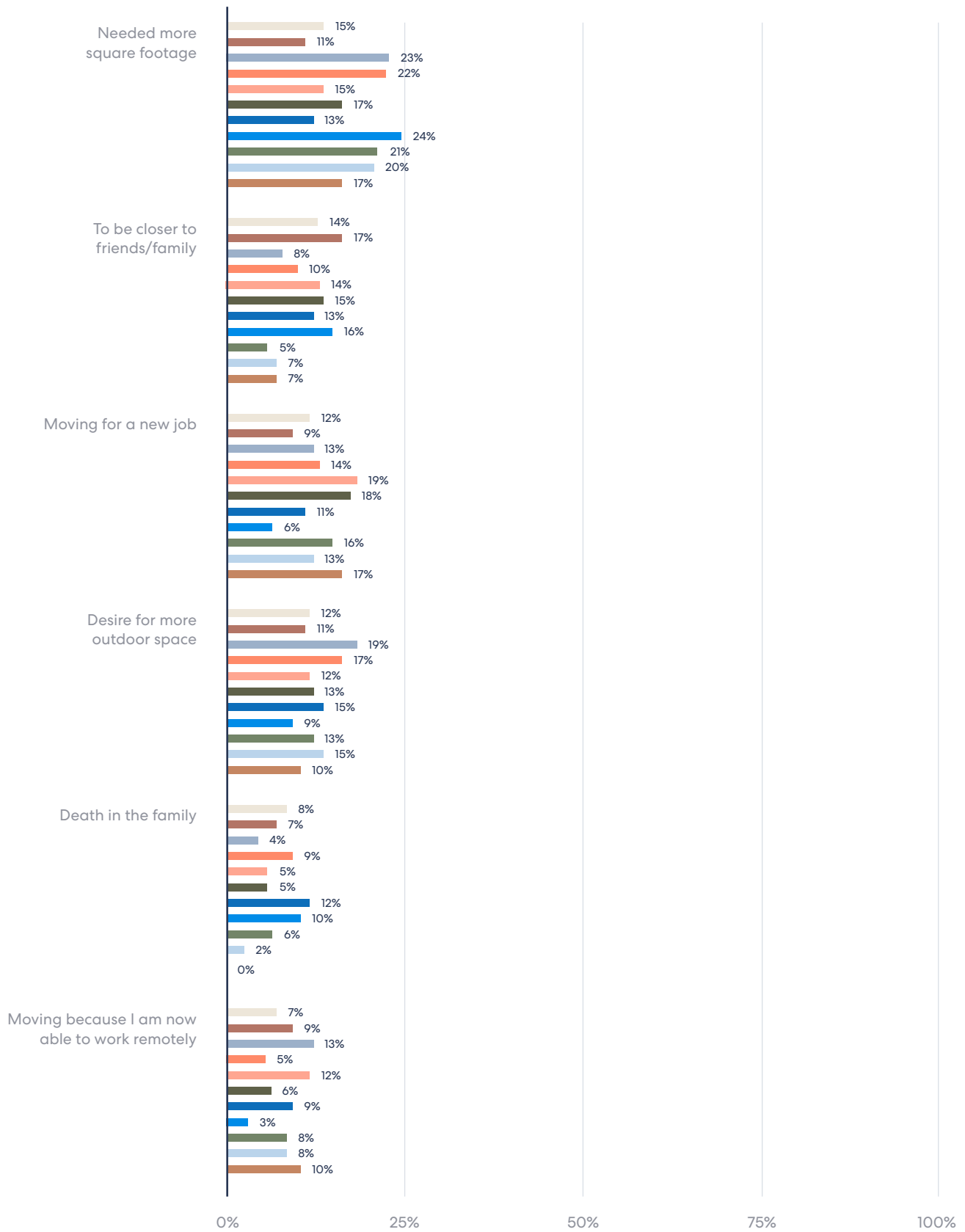
### What made you want to **sell** your home?

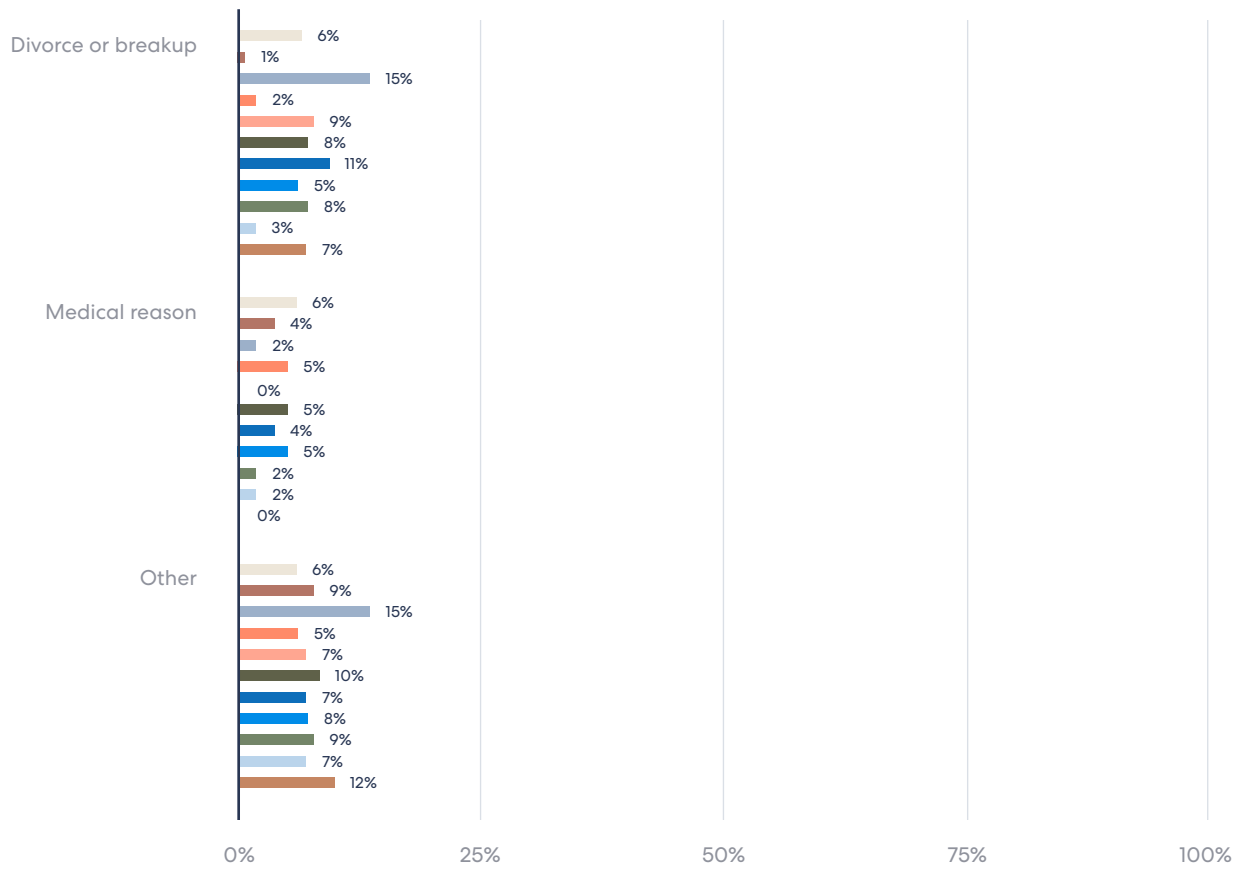


Nationally, **24%** of sellers decided to sell their homes due to rising home prices in their area. In Phoenix, Sacramento, and Denver, over **40%** of sellers said rising home prices spurred them to sell.

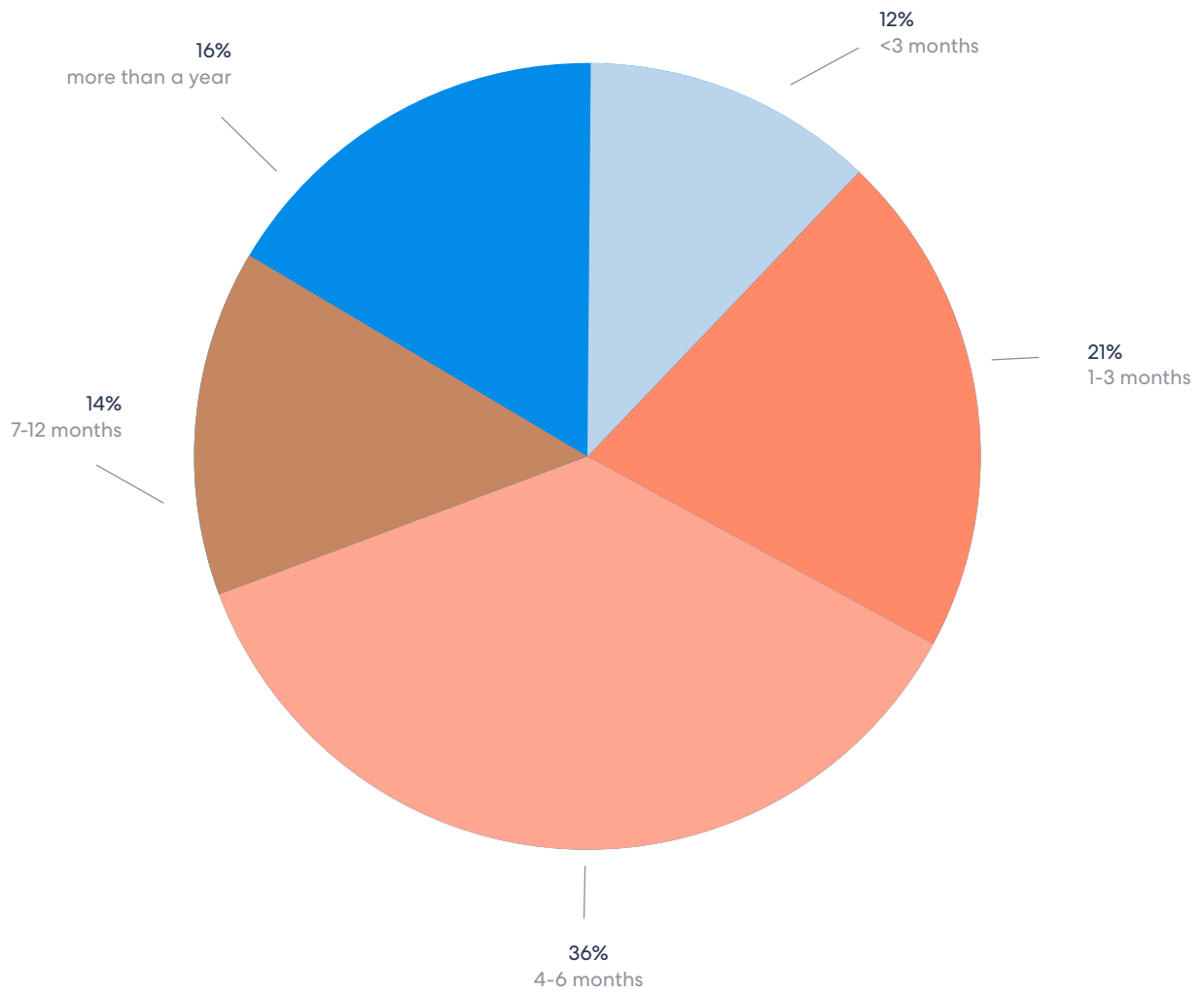
### What made you want to **sell** your home? (Market specific)





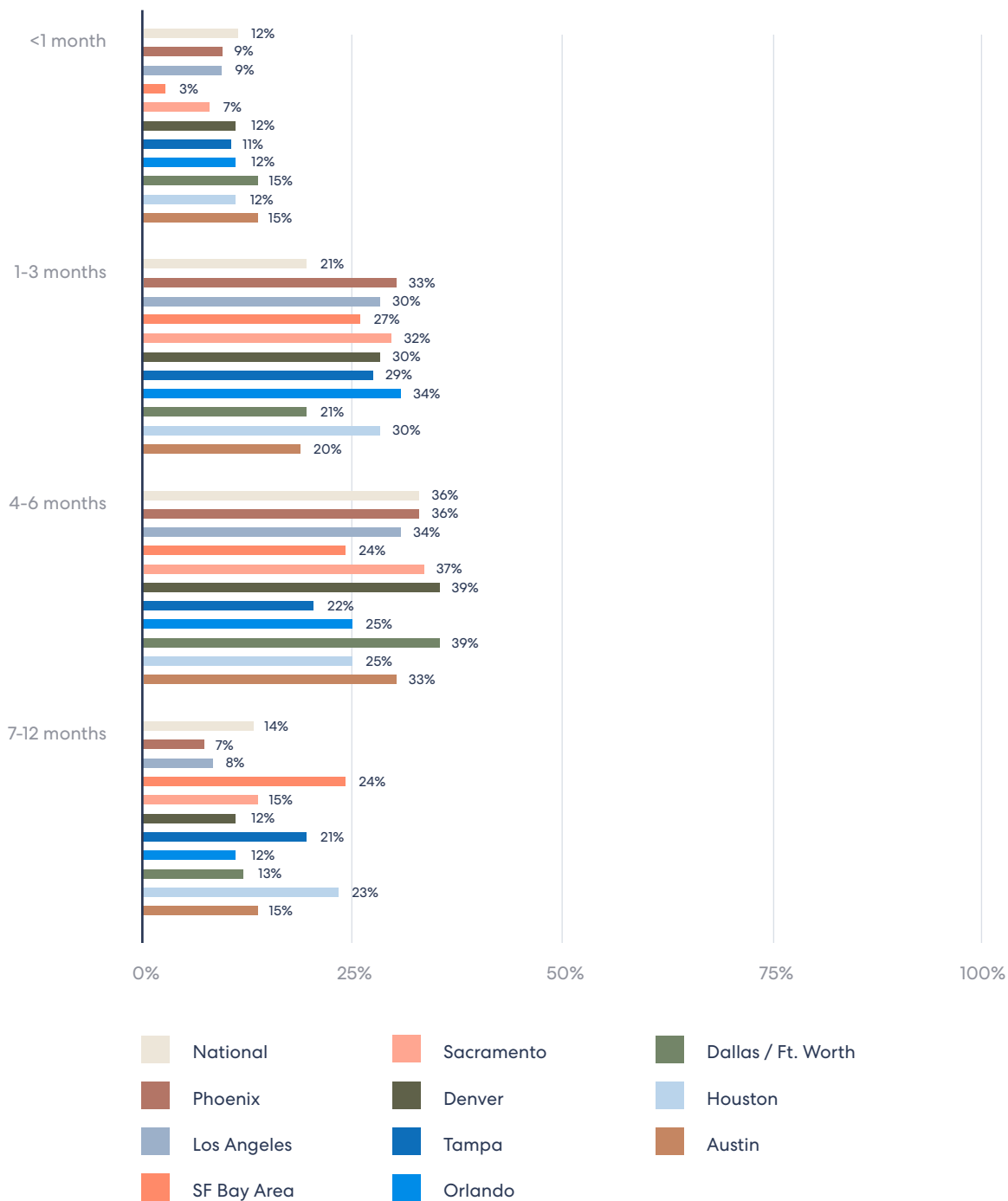


How long were you considering selling your home before deciding to put it up for sale?

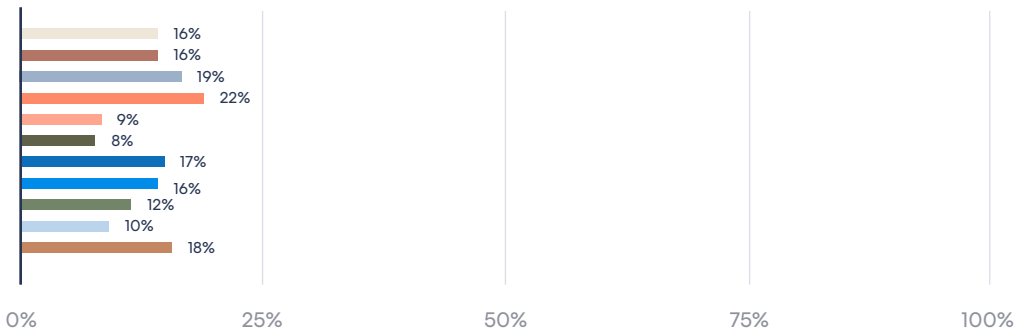


One third of sellers considered selling their homes for three months or less prior to listing it on the market. In some markets, even more sellers made quick decisions to move on from their homes. In Orlando, **46%** of sellers made the decision to sell in less than three months, as did **42%** in Phoenix, Denver, and Houston.

### How long were you considering selling your home before deciding to put it up for sale? (Market specific)



More than a year

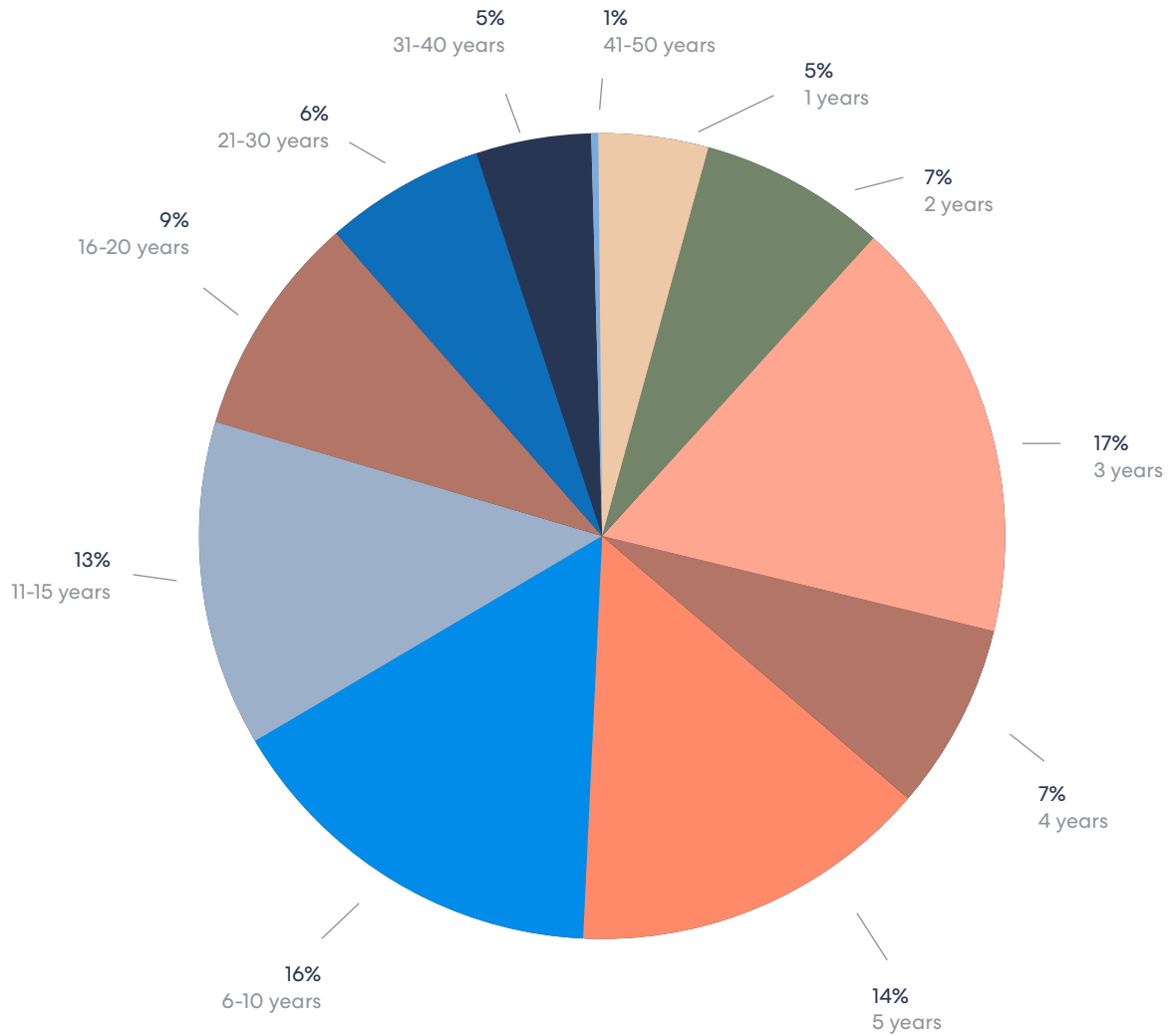




Overall, **24%** of sellers we surveyed across the U.S. said they listed their home sooner than they expected to due to the competitive real estate market. This proportion rises to **30%** or more in Phoenix, Orlando, and Dallas/Ft. Worth.

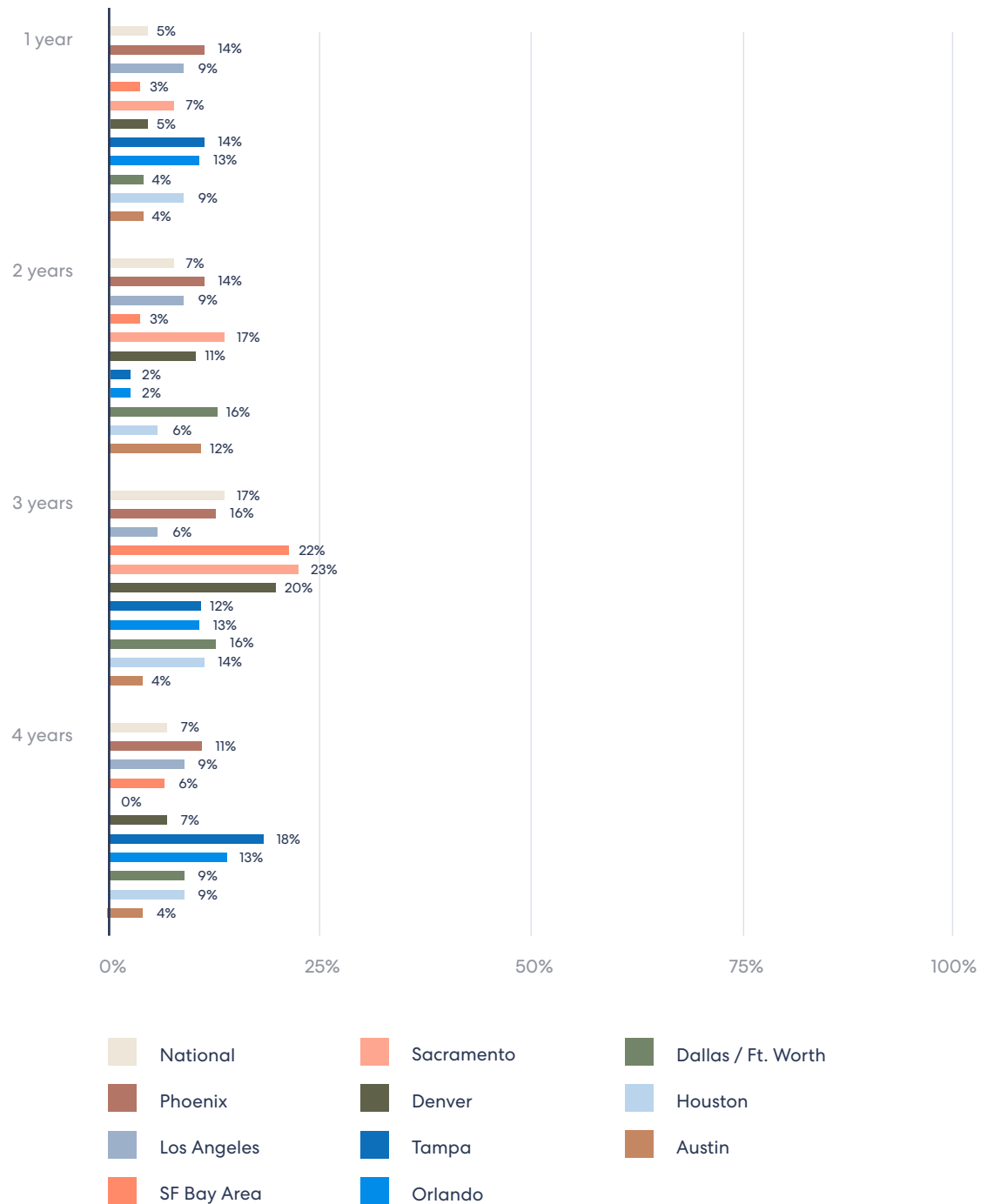
Not only did sellers decide to sell quickly, they moved on from homes after living in them for relatively short periods of time. **50%** of sellers in the past year sold their home after living in it for five years or less, and nearly **30%** moved within the first three years of owning their previous home.

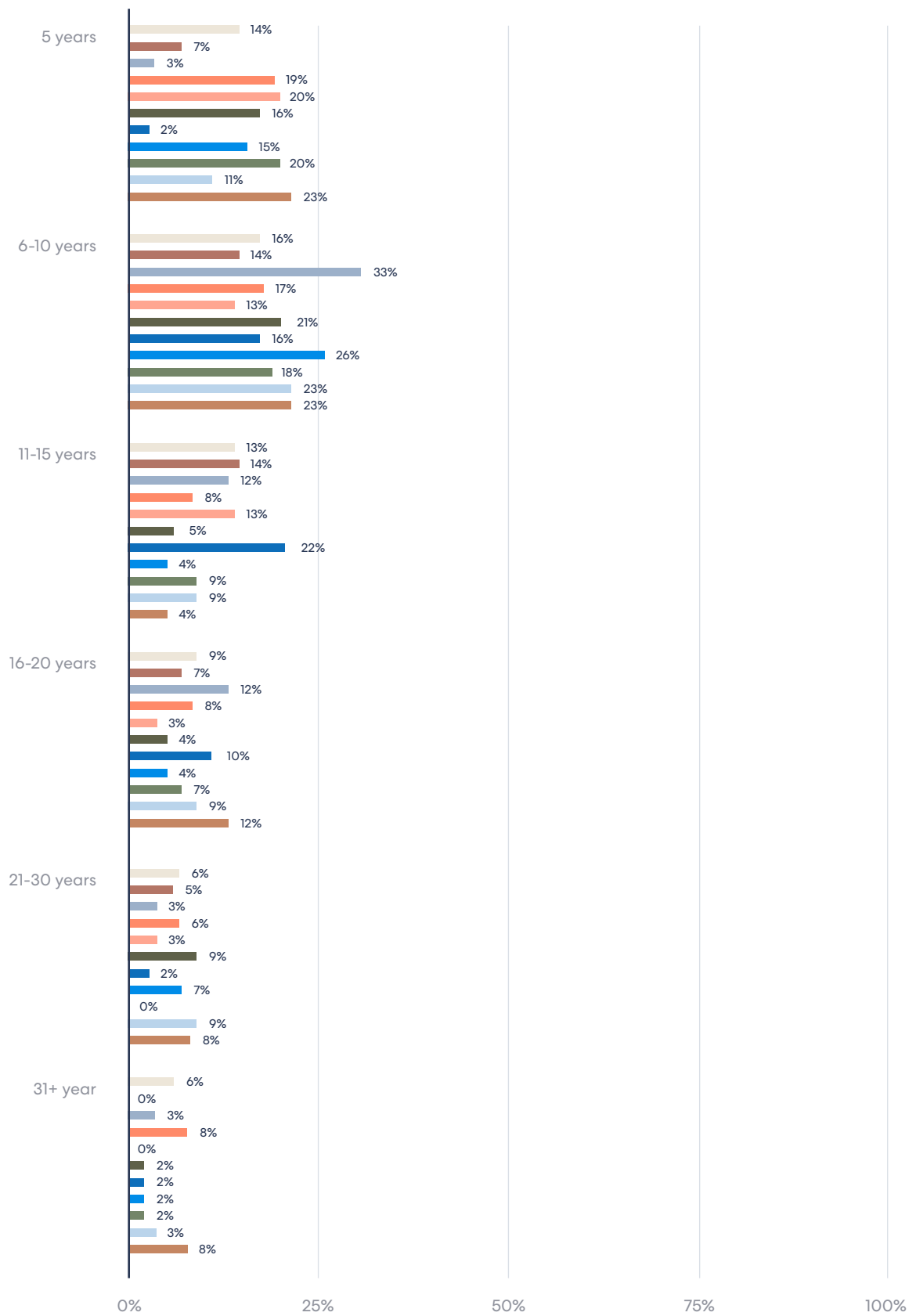
### How **long** did you live in your home prior to deciding to sell it?



Even more sellers moved after 5 years or less in specific markets we surveyed. In Sacramento, two thirds of sellers sold within five years of living in their previous home, and **47%** sold within three years. In Dallas/Ft. Worth and Phoenix, over **60%** of sellers sold within 5 years. Over a third of sellers sold within three years in Phoenix, Denver, and Dallas/Ft. Worth.

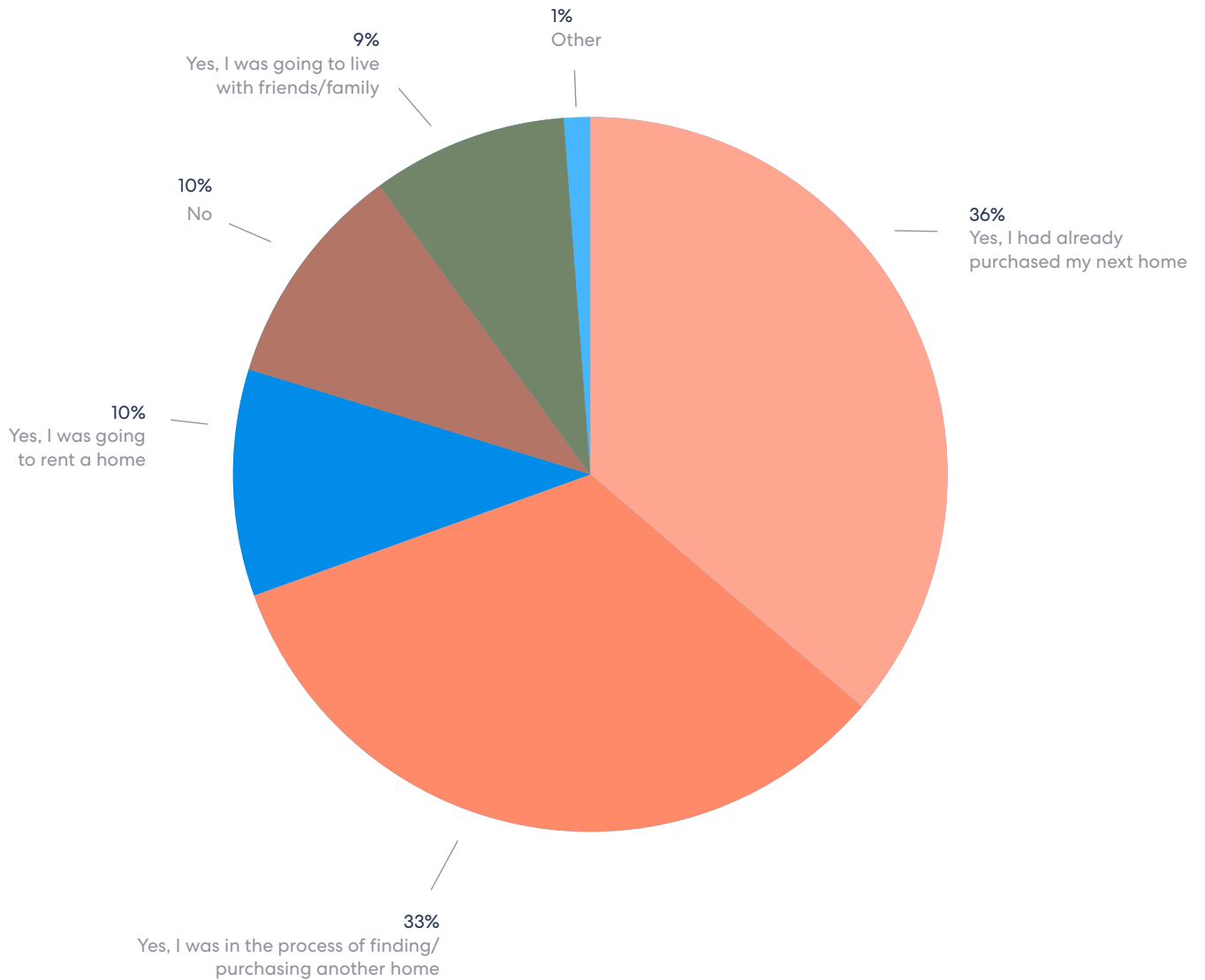
### How long did you live in your home prior to deciding to sell it? (Market specific)





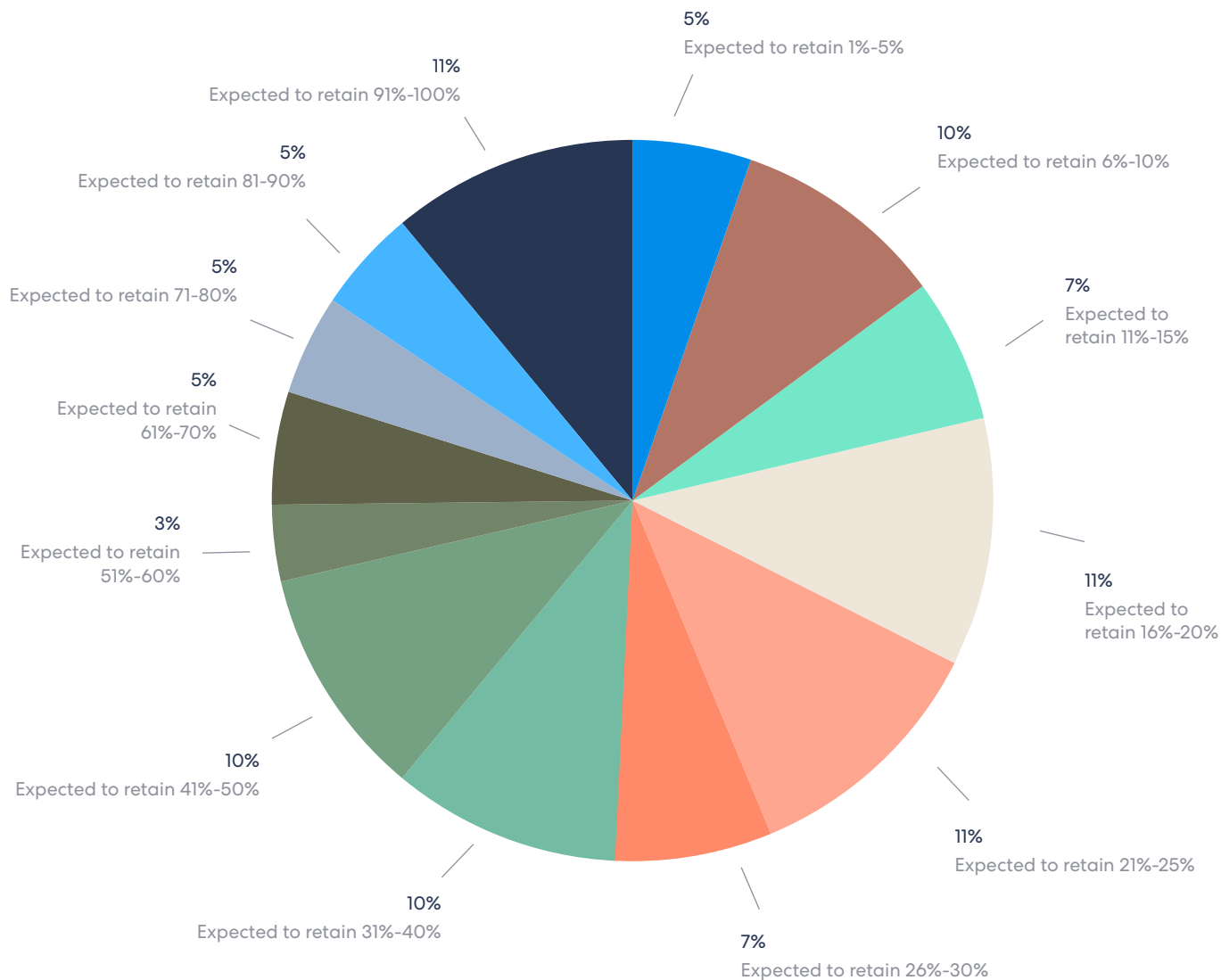
In fact, **10%** of sellers sold their homes without knowing where they would live next, and over twice as many, **23%**, in Phoenix did the same. **19%** of sellers nationally planned to live with friends or family while they searched for their next home.

Did you know where you **planned to live next** when you put your home on the market?



One driving reason for sellers diving head first into last year's market was massive expected equity in their homes. **49%** of sellers expected to retain **30%** or more of the sale price of their homes.

### What **percentage of the total sale price** did you expect to retain as profit?



In addition to equity, sellers expected to have bidding wars on their homes. **87%** of sellers nationally expected to receive more than one offer on their home, and **52%** expected to receive 4 or more offers. In Sacramento, **70%** of sellers expected to receive four or more offers on their home, as did **68%** in Austin and **61%** in Phoenix.

When compared to reality, sellers' expectations didn't always pan out. While **52%** of sellers expected to receive four or more offers on their home, **47%** actually did. Nationally, that isn't a large margin of error, but in some markets, sellers' expectations far exceeded the market.

In Sacramento, **70%** of sellers expected four or more offers, while **63%** actually received that many, and in Denver **60%** expected 4+ offers and only **51%** achieved that number. One market to far exceed their own expectations was San Francisco, where **58%** expected four or more offers, but **68%** actually received that number.

Overall, **44%** of our sellers in our national group received fewer offers than they expected, **25%** expected to receive the number they ended up getting, and **32%** got more offers than expected.

# Many Sellers List Higher Than Expected, Receive Unusual Gifts

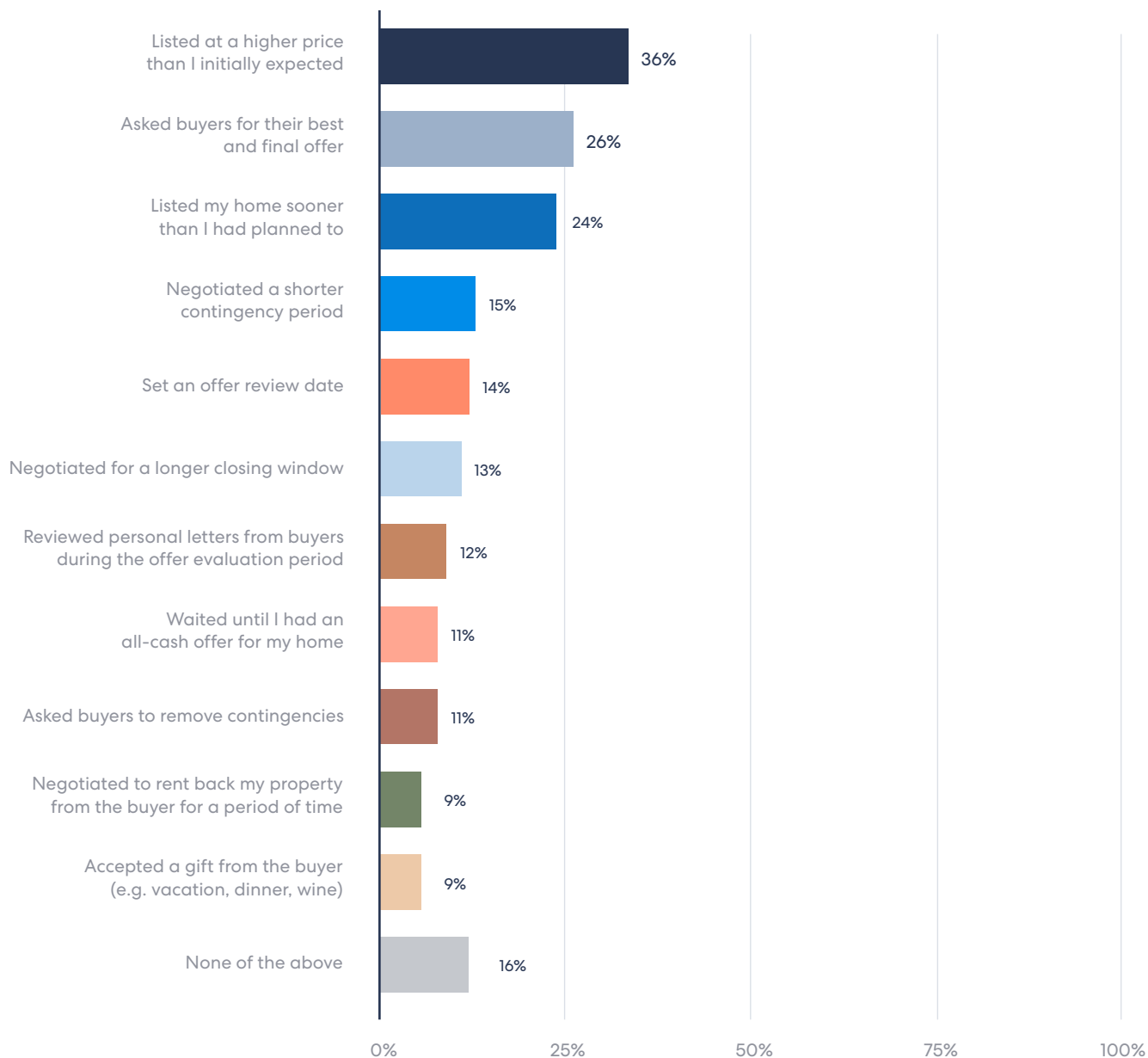
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In Denver, Tampa, and Orlando, over 40% of sellers said they listed at a higher listing price than they initially expected

We asked sellers what actions they took in response to a competitive market for buyers, and with the power in their hands, sellers took advantage.

**36%** of sellers we surveyed nationally said they listed their homes at a higher price than they initially expected, **26%** asked buyers for their best and final offers up front, **15%** negotiated a shorter contingency period.

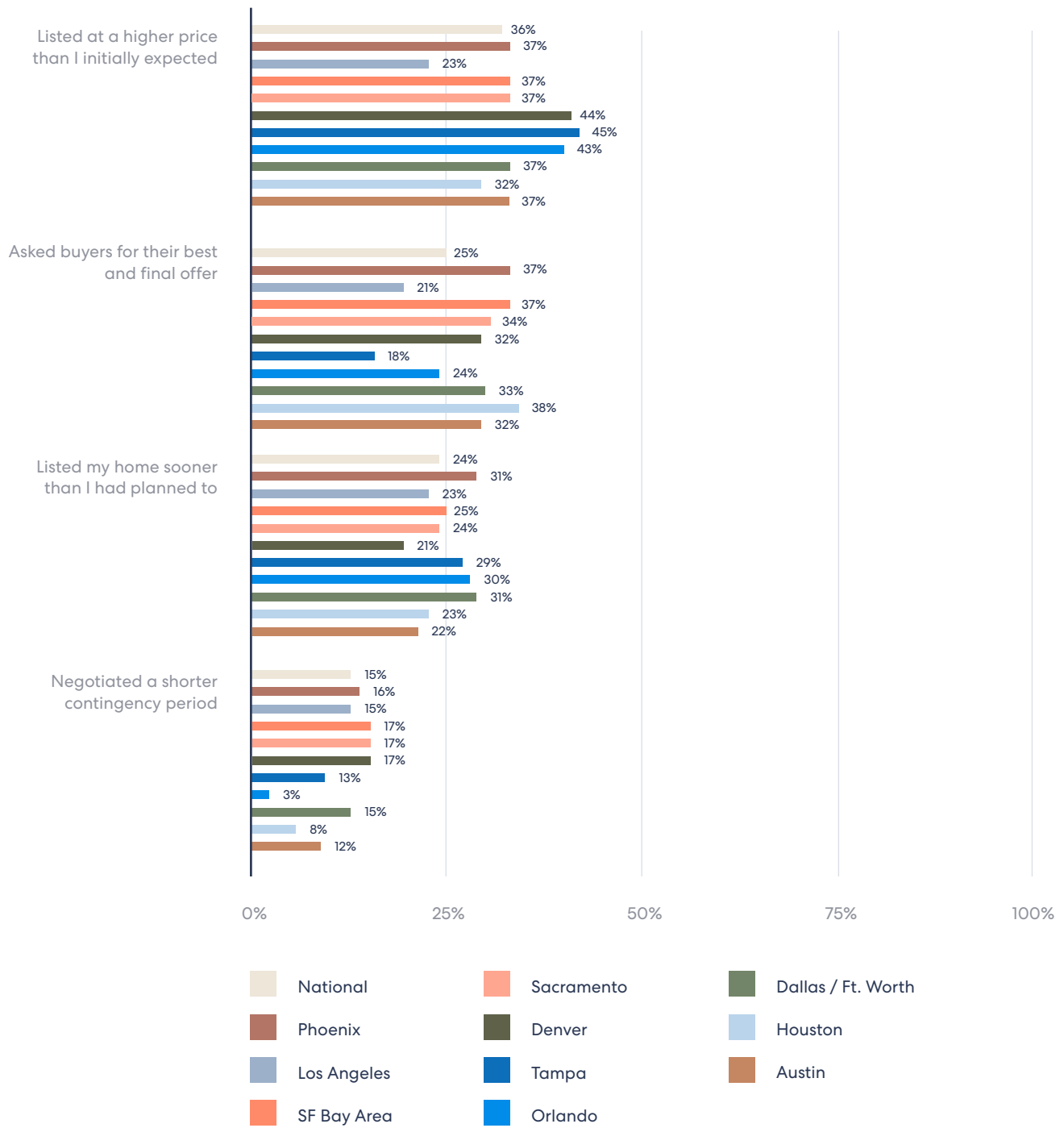
### Did you do any of the following as the result of a **competitive market**?

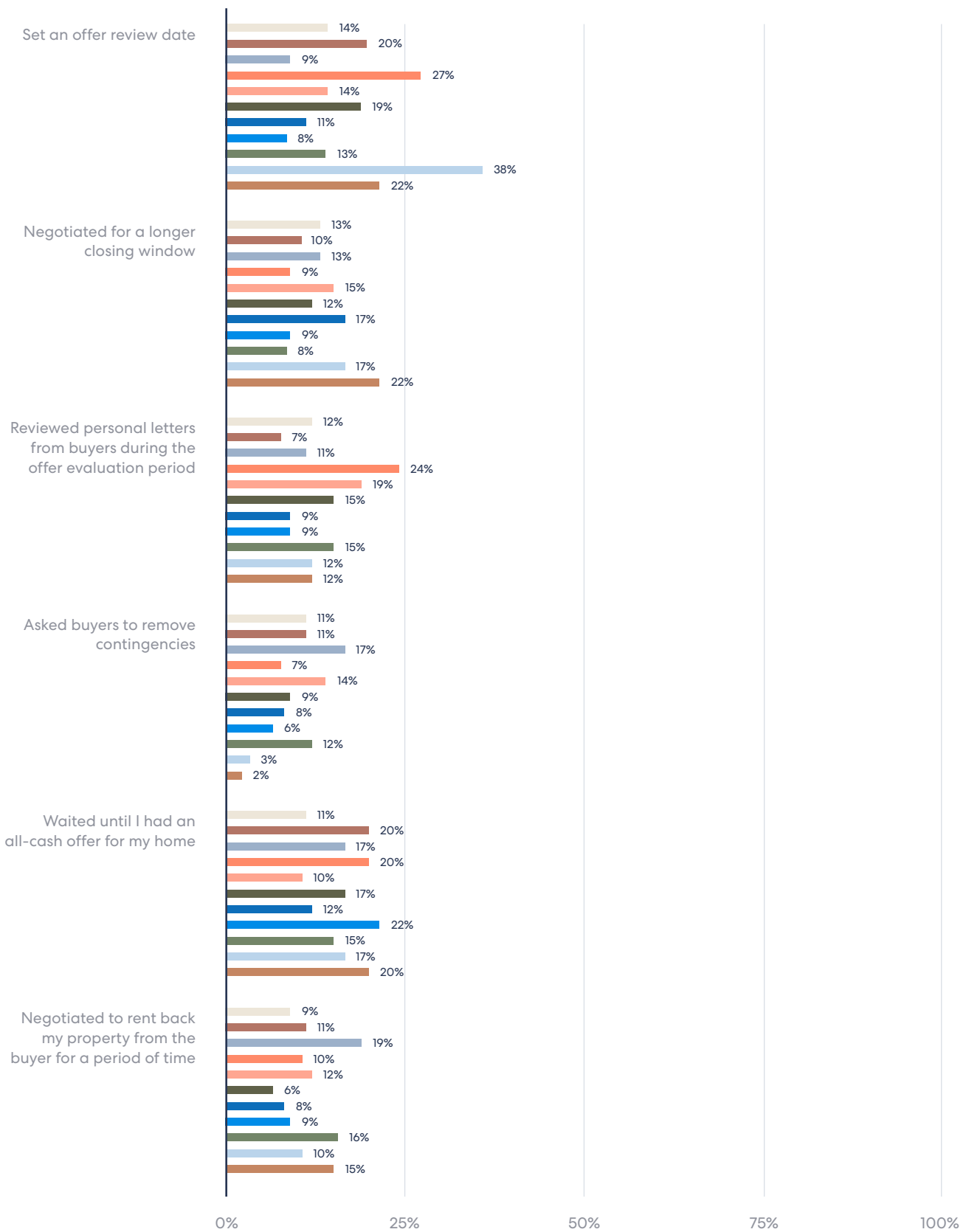


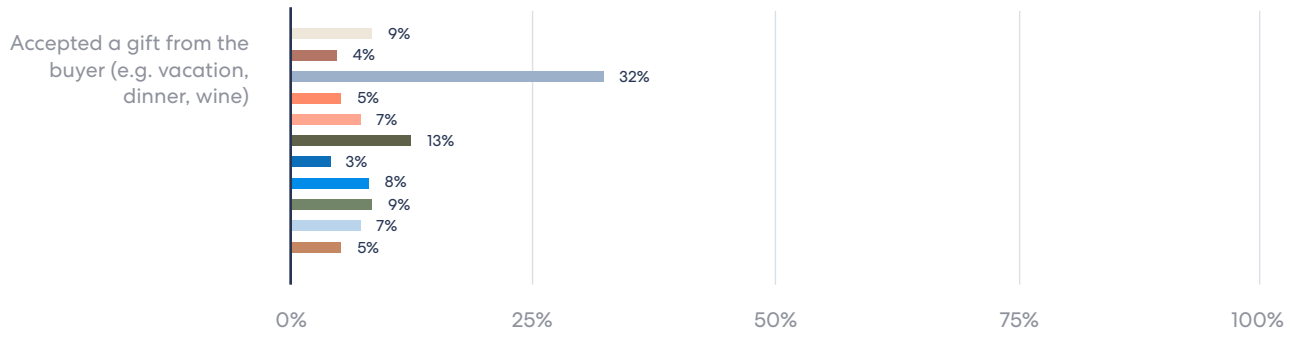


In Denver, Tampa, and Orlando, over **40%** of sellers said they listed at a higher listing price than they initially expected. In San Francisco and Houston, sellers were significantly more likely to set an offer review date at **27%** and **38%** respectively. Sellers in San Francisco were significantly more likely to review personal letters from buyers during the offer evaluation period. Maybe most surprising, nearly a third of sellers in Los Angeles said they accepted a gift from the buyer, including vacations and dinners.

### Did you do any of the following as the result of a **competitive market?** (Market specific)







Speaking of gifts from buyers, we asked our sellers if buyers used any unusual tactics to try to win a bidding war, and the results were shocking.

**Just some of the tactics sellers reported buyers using to have their offer chosen include:**

- An offer of two fully paid, all-inclusive tickets to a resort in Hawaii, presented over dinner
- Offering a \$10,000 signing bonuses if the offer was accepted by midnight
- Buyers offering to buy toys and gifts for the seller's children
- Heartfelt personal letters in hopes of tugging on a seller's heart strings
- An offer to purchase the home with Bitcoin
- Attempted to give the seller exotic animals and a car to accept their offer

**When flattery and (possibly) bribery didn't work, some buyers turned to more nefarious tactics. Among the troubling experiences sellers reported, the highlights include:**

- A buyer lying to the seller and saying they knew the seller's grandmother
- A buyer texting a seller each morning to ask if they had received any better offers
- Buyers promising one price to sellers but writing their offers at a significantly lower price
- Telling the seller a home was on ancestral lands

# What's ahead for housing

As much as buyers deserve a break from what will go down as one of the most competitive years for housing to ever occur, 2022 brings its own set of challenges — including mounting inflation concerns, the continuation of supply chain disruptions, and a steep uptick in mortgage rates. Our survey paints a complete picture of how the homebuying game has changed and why house hunters will need to continue to manage their expectations when entering such a difficult market.

# About HomeLight

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HomeLight is building the future of real estate — today. Our vision is a world where every real estate transaction is simple, certain, and satisfying for all.

The best real estate agents rely on HomeLight's platform to compete and win — and ultimately deliver better outcomes to homebuyers and sellers during every step of the real estate journey, whether that's enabling an all-cash offer, unlocking liquidity of their existing home to buy a new one, or creating certainty through a modern closing process.

Each year, HomeLight facilitates billions of dollars of residential real estate business on its platform for thousands of agents.

Founded in 2012, HomeLight is a privately held company with offices in Scottsdale, San Francisco, New York, Tampa, and Seattle, with backing from prominent investors including Zeev Ventures, Menlo Ventures, Group 11, Crosslink Capital, Bullpen Capital, Montage Ventures, STCAP, Citi Ventures, Google Ventures, and others.

