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SUMMER 2025 FIRST-TIME HOME BUYER SURVEY RESULTS



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Executive Summary

Buying a first home is never easy—and the Summer 2025 market proved to be one of the most demanding in recent memory. Yet aspiring first-time buyers continued to push forward with determination, digital savvy, and a willingness to adapt, even as mortgage rates remained elevated and housing inventory stayed tight.

To better understand the outlook and behavior of this pivotal segment, *The Mortgage Reports* surveyed recent and prospective first-time buyers across the United States. The results reveal a consumer group that is both resilient and resourceful—one redefining what it means to achieve homeownership in a shifting market.



What we found: Rent fatigue is real, with a majority of buyers citing it as their primary motivator. Personal savings remain the cornerstone of affordability, but assistance programs and side income are playing increasingly important roles. And affordability isn't just a concern—it's the dominant factor shaping decisions, from the size and location of the home to the willingness to accept longer commutes or consider fixer-uppers.

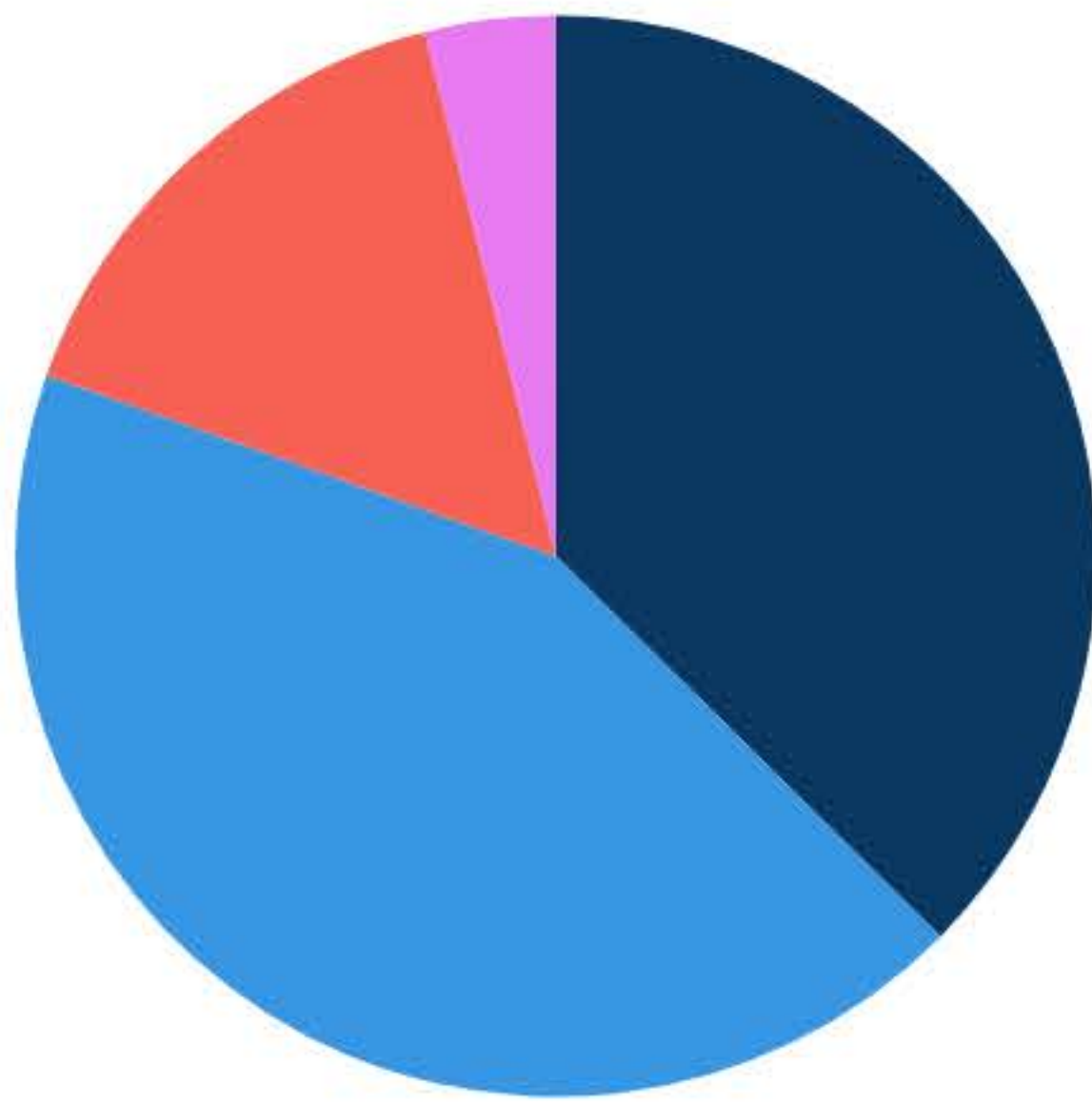


Here's the good news....

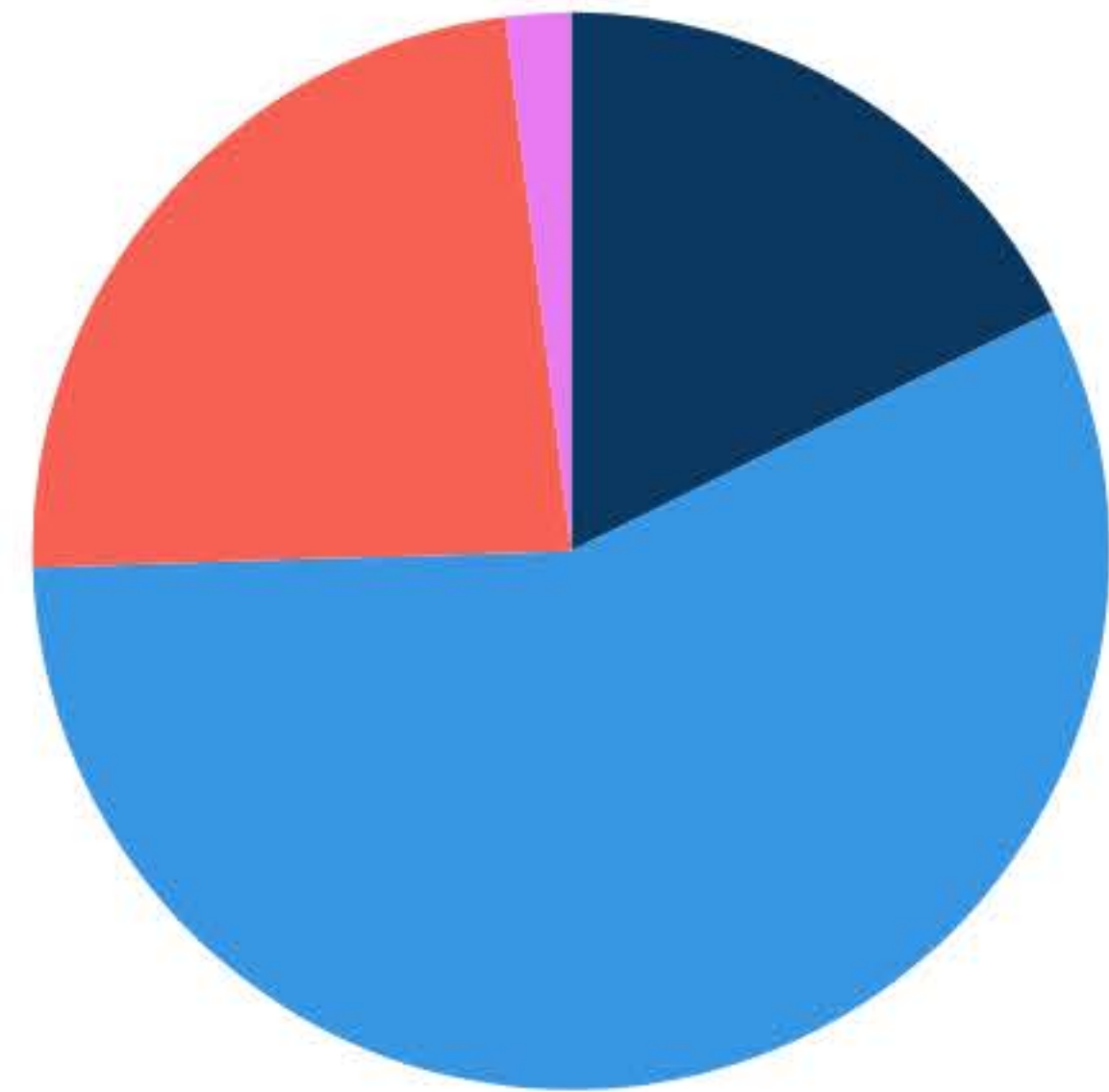
Despite economic headwinds, first-time buyers are meeting the moment with realism and flexibility. They are exploring new neighborhoods, adjusting expectations, and learning more about mortgage options and financial tradeoffs than ever before. In short: they're still buying—but they're doing it differently.

Buyers' Demographic Snapshot

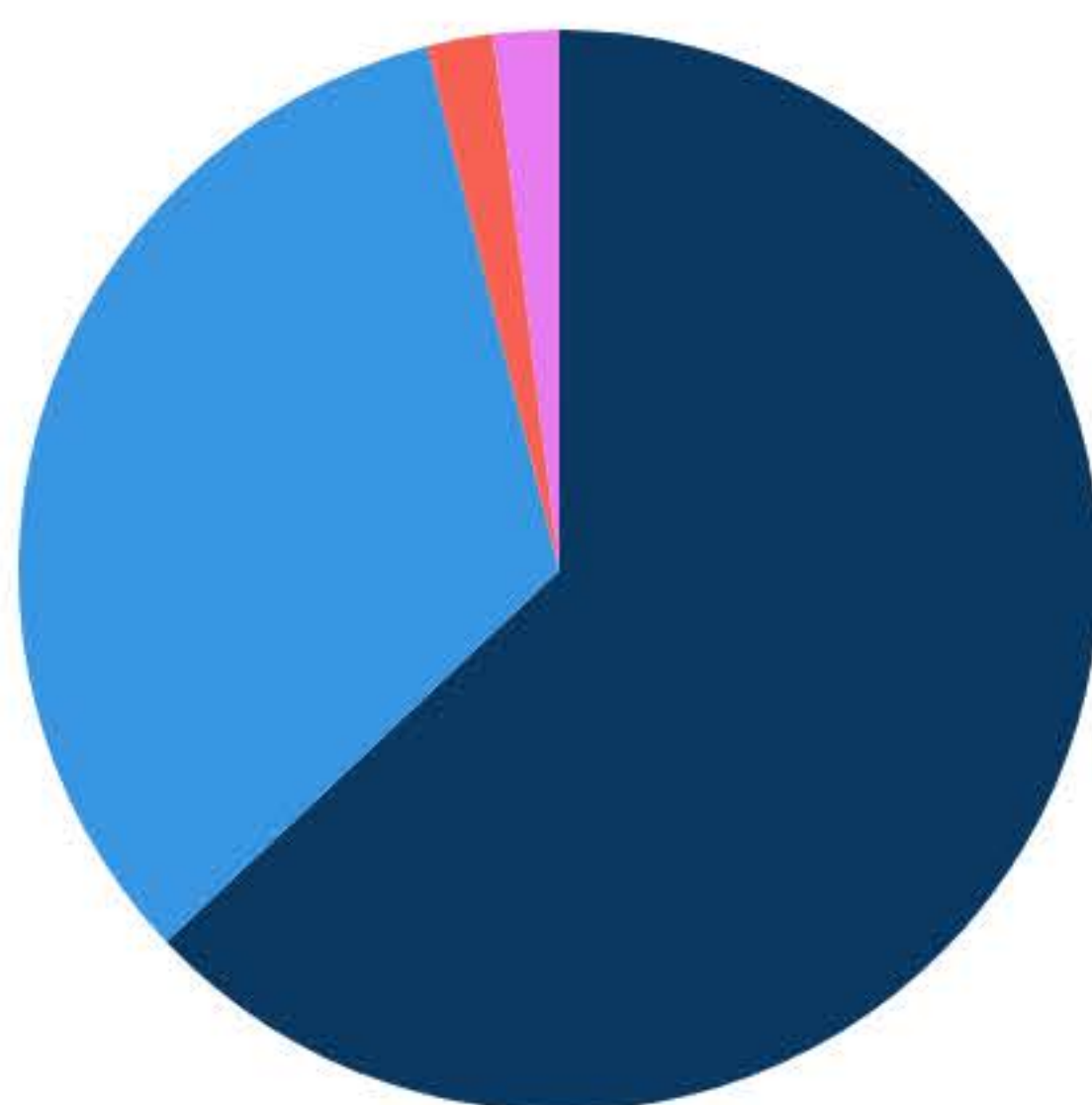
Annual household income



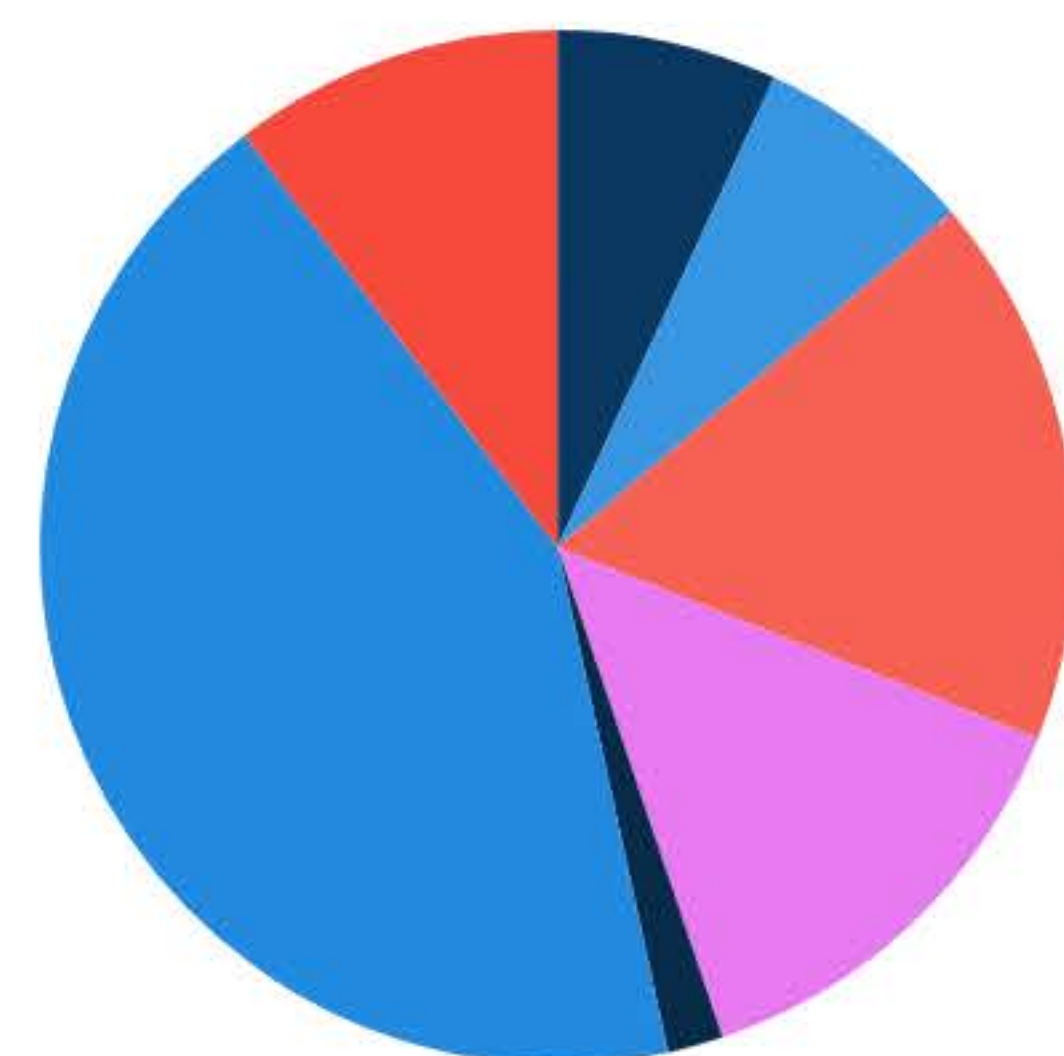
Age range



Gender



Race



Female (62.96%) Male (33.11%)
 Non-Binary (1.97%) Not Disclosed (1.97%)

American Indian (6.9%) Asian (6.9%)
 Black or African American (17.25%)
 Hispanic or Latino (13.8%)
 Native Hawaiian or other Pacific Island (1.72%)
 White (43.1%) Not Disclosed (10.34%)

Buyers' Home Search Experience

Home Buying Search Trends: What's Driving and Delaying Buyers?

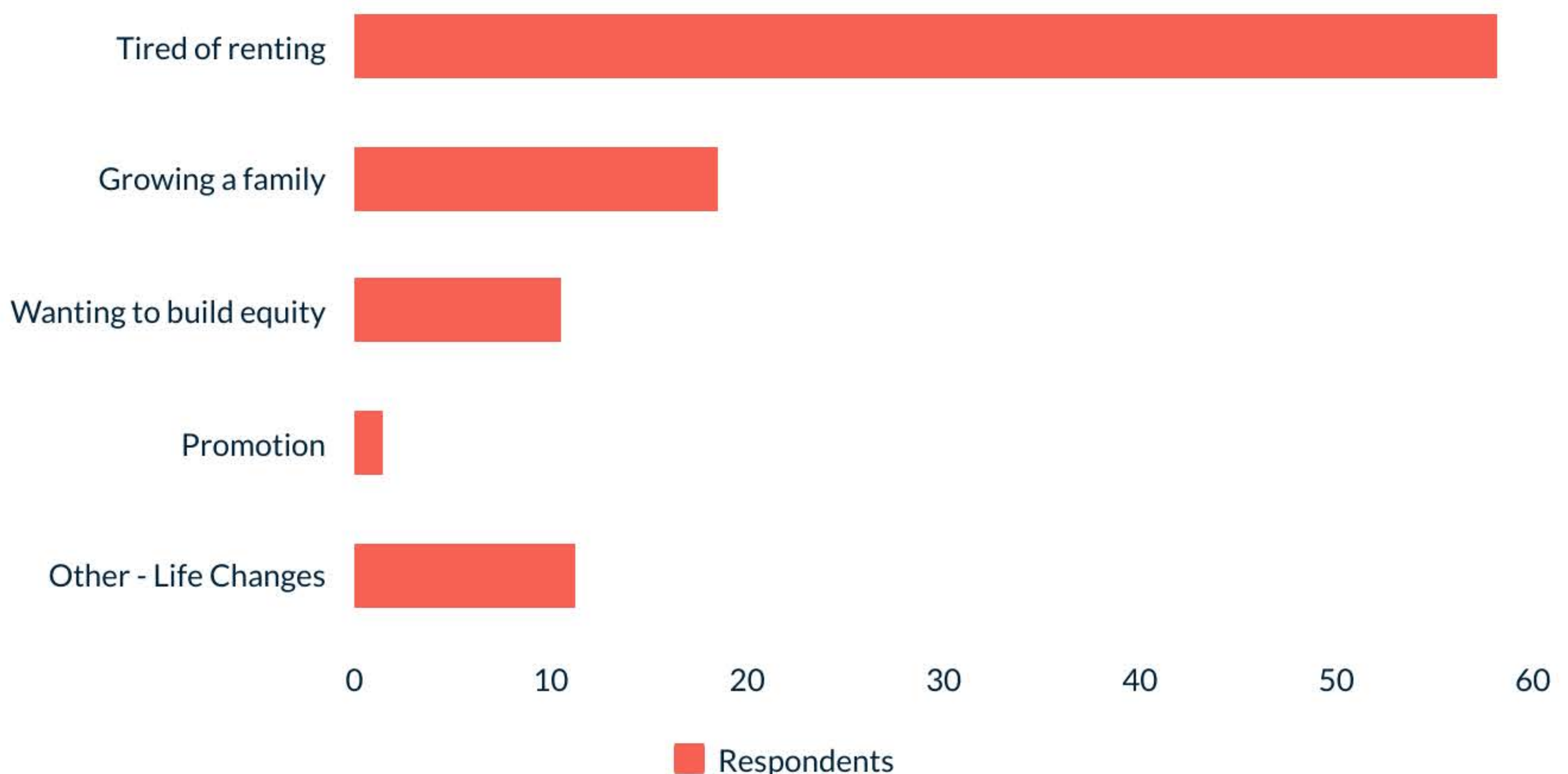
Most buyers aren't entering the market for upgrades or investment, they're trying to escape renting. **Over 58%** said being *tired of renting* was their top reason for starting a home search, far outpacing those who cited family growth (19%) or a desire to build equity (11%).

But strong motivation doesn't always lead to quick results. While a third of buyers found a home in 1–3 months, **over 27% searched for more than a year**, often due to a mismatch between expectations and market realities.

Affordability remains the biggest hurdle. Nearly 63% said there weren't enough homes in their price range, and 33% struggled to find move-in ready properties. Another 24% faced stiff competition. Only 18% reported no significant challenges at all.

Flexibility was essential. **43% settled for a different area than they'd hoped for**, and many leaned on professionals to help navigate the process — **76% used a real estate agent**. While just over half bought on their own (51%), nearly half purchased with a partner or family.

Top reason for starting a home search

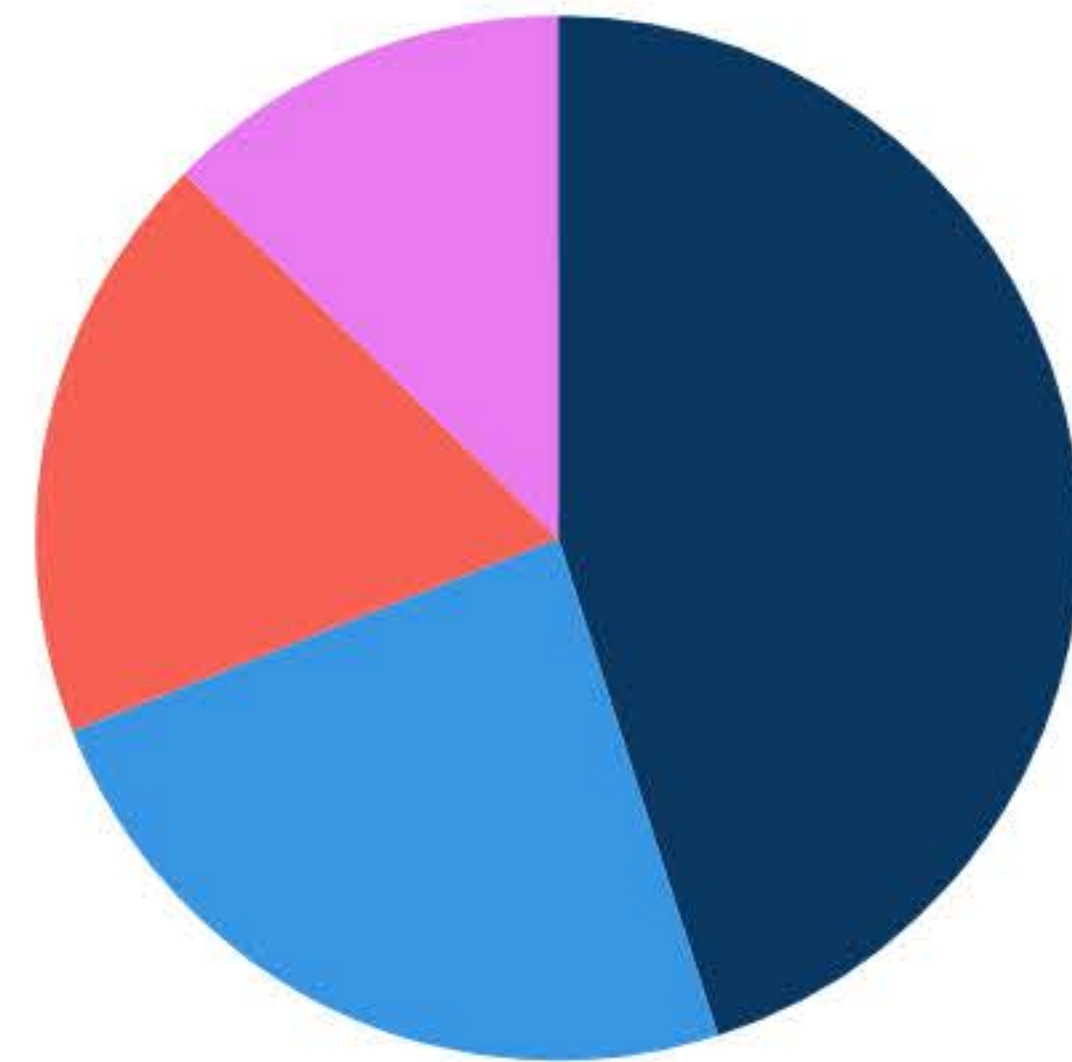


How long did your home search take?



- 1-3 months (32.67%)
- 4-6 months (26.02%)
- 6 months or longer (14.3%)
- More than a year (27.02%)

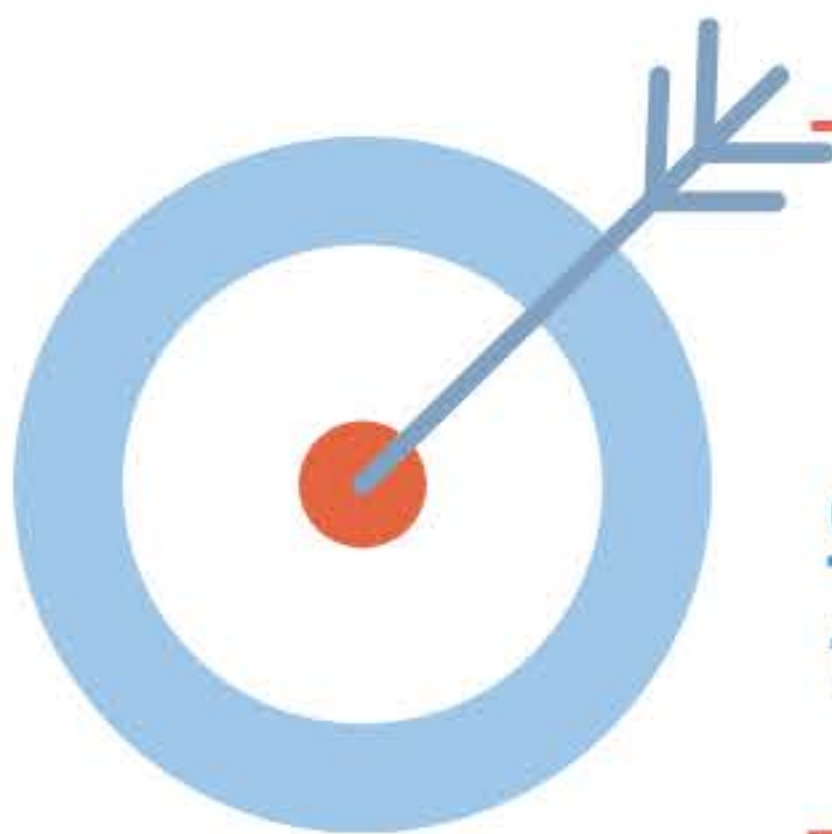
Home search challenge?



- Too few homes in my price range (45.06%)
- not enough updated / ready to move in homes (23.93%)
- Too much competition (18.33%)
- No significant challenges (12.67%)

76%

of buyers worked with
a real estate agent



56% bought
exactly where
they wanted

51% of buyers bought
on their own

Buyers' Affordability

Trends in Affordability: Buyers Relying on Savings, Worried About Long-Term Costs

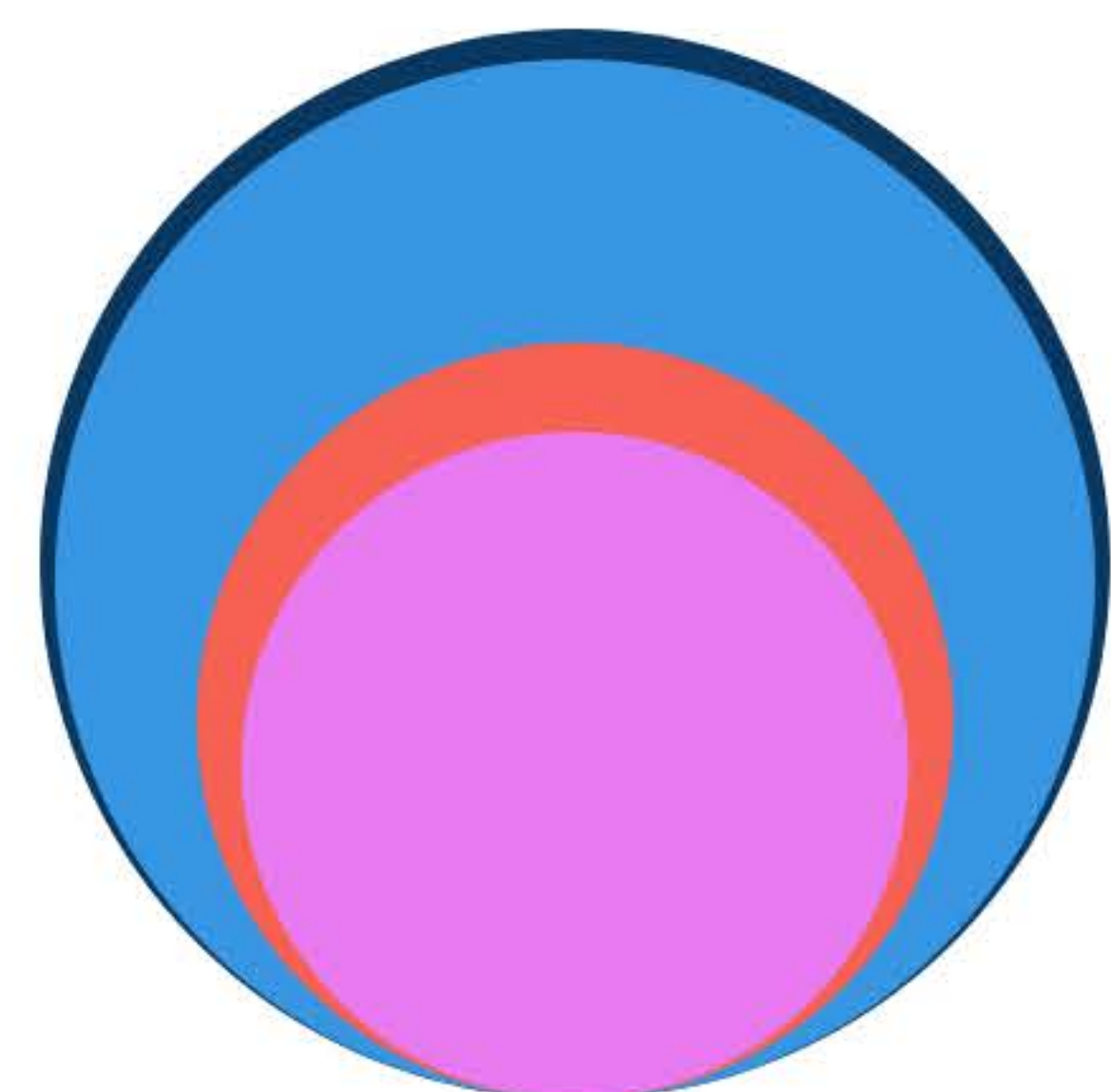
When it comes to funding a home purchase, most buyers are doing it alone. **Nearly 80% used personal savings** for their down payment, far outweighing those who leaned on gift funds (18%) or down payment assistance programs (27%). While DPA programs are available in many states, their relatively low usage may point to **a lack of awareness or eligibility hurdles**, particularly for first-time buyers.

Financial concerns didn't stop at the down payment. While **18% worried about affording upfront costs**, a larger share were more concerned about the **monthly burden**, with **35% citing mortgage payments** as their biggest financial fear. Another **33% said rising interest rates** were their top concern, reflecting how rate volatility continues to shape homebuyer anxiety even as some rate relief appears on the horizon.

How buyers funded their down payment?



Top financial concerns about buying a home



Trend: The majority of first-time buyers are saving independently. Very few reported using down payment assistance—suggesting either low awareness or eligibility challenges.

Buyers' Trade-offs and Strategy Shifts

Trends in Trade-offs: Buyers Are Adapting But Not Everyone Is Compromising

Among buyers who made sacrifices, the most common were **buying a fixer-upper (24%)** or **relocating to a more affordable area (22%)**. Others accepted a **longer commute (16%)** or even **delayed personal milestones** like marriage or having children (6%), underscoring how rising home costs reshape more than just finances.

At the same time, many buyers made strategic shifts to stay in the game. **Over 40% expanded their search to smaller or older homes**, and a similar share became more flexible on must-have features like bedroom count or outdoor space. A **43% share looked in new neighborhoods**, and **nearly 30% increased their budget**, possibly taking on more financial risk to secure a home.

Top personal trade-offs to afford a home



Trend: Taken together, these responses show a market where buyers are trying to strike a balance of staying adaptable without completely upending their lives.

Buyers' Mortgage Knowledge and Behavior

Mortgage Process Trends: Confident, But Cautious

Most buyers approached the mortgage process with at least some confidence but not without gaps. **Only 10% felt *extremely confident***, while the majority fell into the *somewhat* or *very confident* categories. A small but notable **16% felt not very or not at all confident**, showing there's still room for better education and support.

When seeking mortgage information, buyers leaned heavily on professionals: **61% turned to a lender or mortgage advisor**, while **one-third consulted online content**. Social media and advice from friends and family played a smaller, though still present, role.

Half of buyers only compared 1–2 loan quotes, even though 53% of respondents who shopped around said it helped them get a better rate. **Just 10% compared more than five quotes**, suggesting many may have left savings on the table.

As for rates, the majority locked in somewhere between **6% and 6.99%**, with only **8% securing rates under 5%**. This reflects the still-elevated interest rate environment buyers navigate this summer.

Many buyers looked for ways to improve affordability beyond rate shopping. **73% negotiated seller concessions, and 43% used a rate buydown** to reduce monthly payments. Still, a third didn't explore different loan types at all, despite widespread availability of options like FHA loans which over 58% of buyers did investigate.



48%

of buyers were extremely confident/very confident about understanding the mortgage process

How buyers get informed about securing a mortgage

Mortgage Professionals 60%

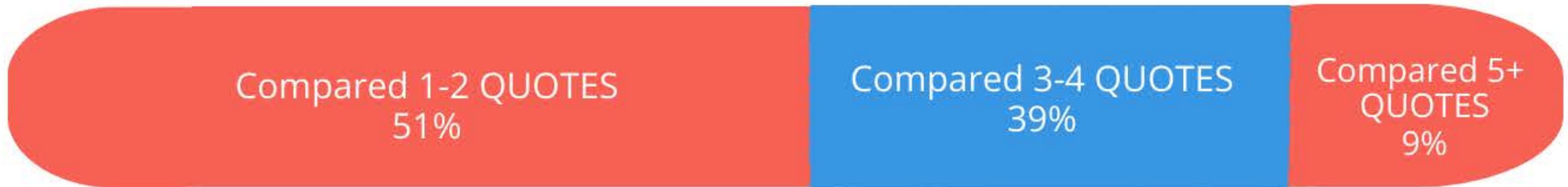
Online Content 33%

Family/Friend 14%

Social Media 16%

Others 8%

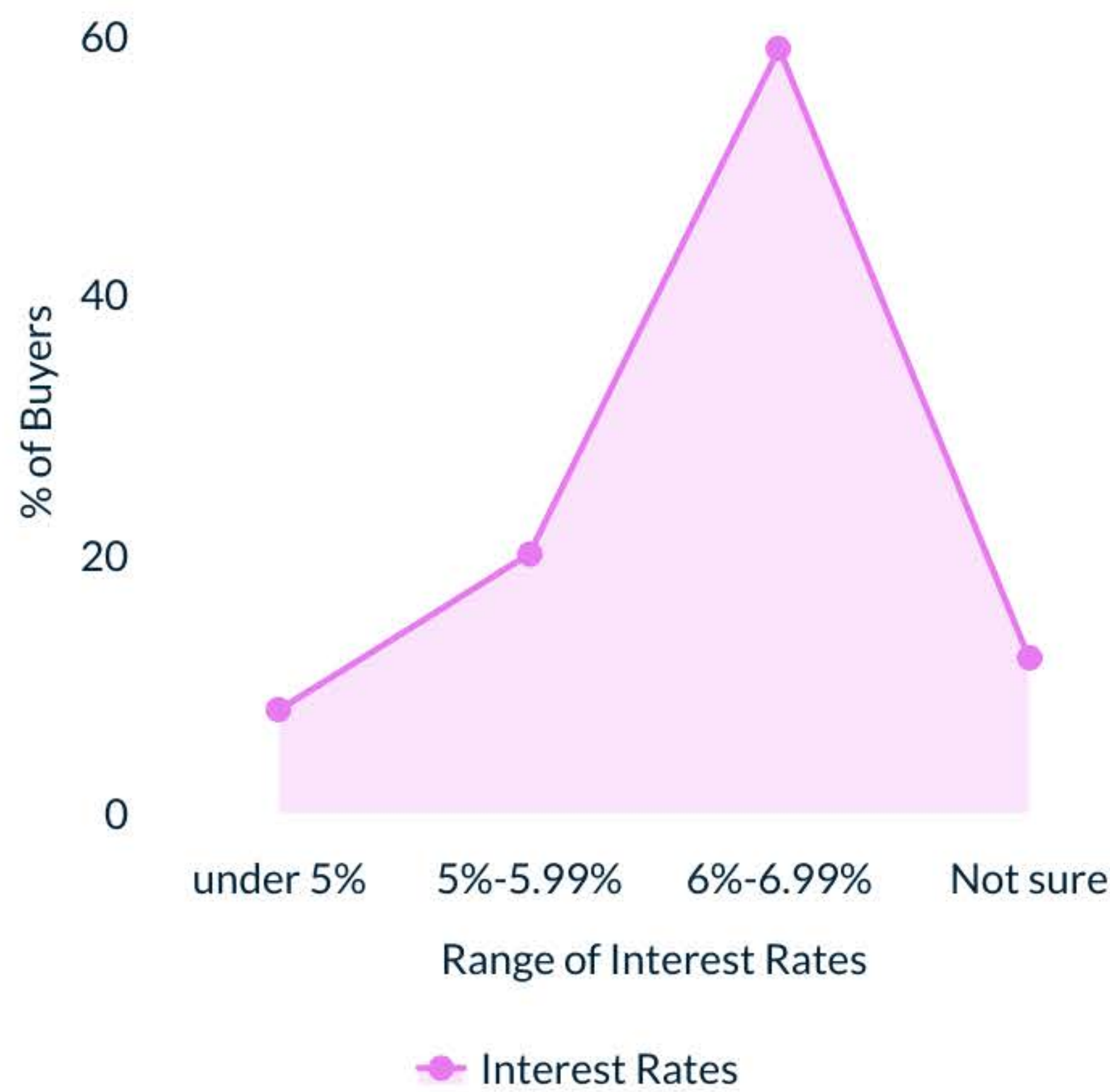
Buyers loan shopping behavior



Did exploring multiple quotes help you get a better rate?



What interest rate did buyers secure?

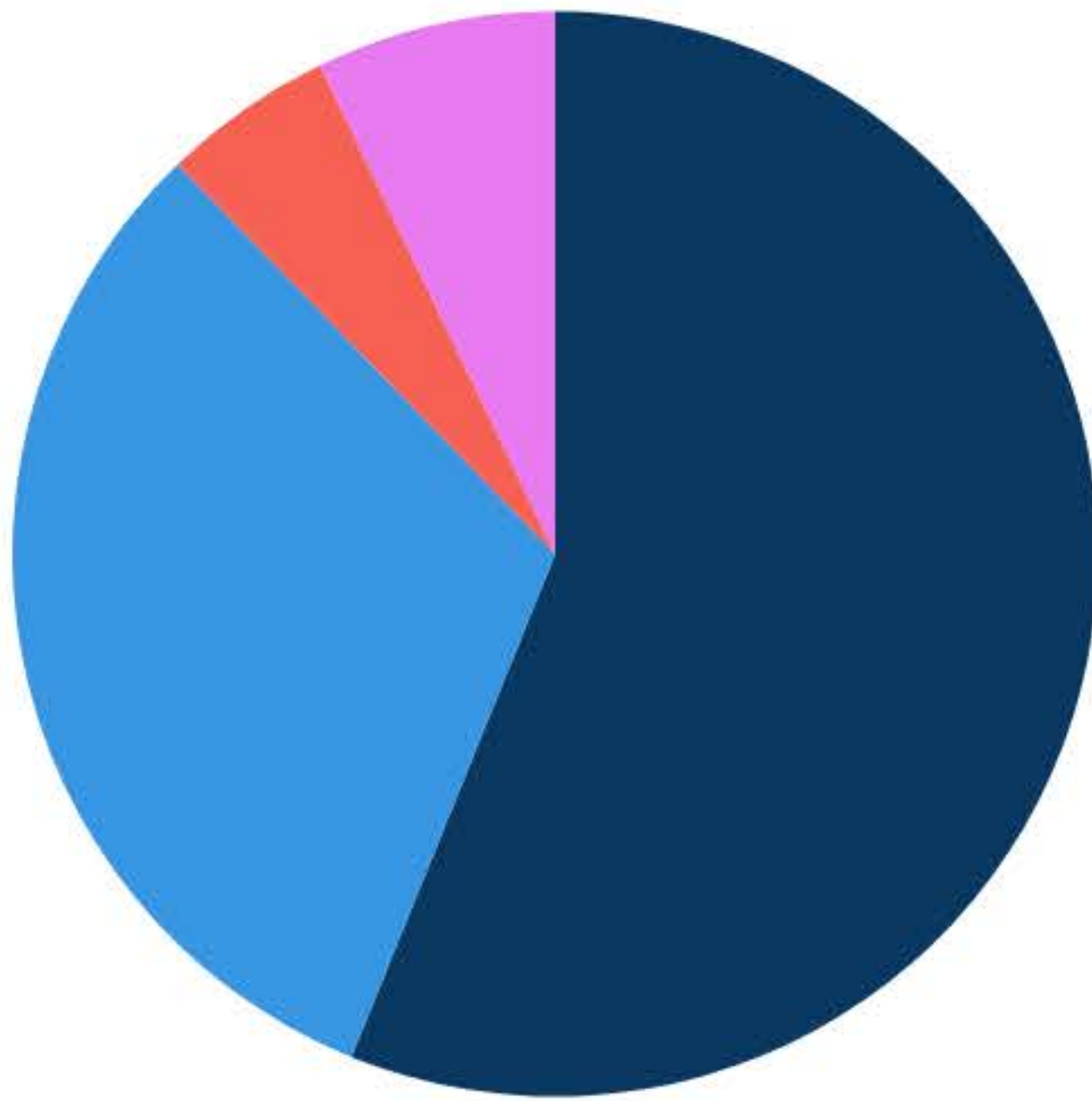


73%
 negotiated seller
 concessions

53%
 used a rate
 buydown

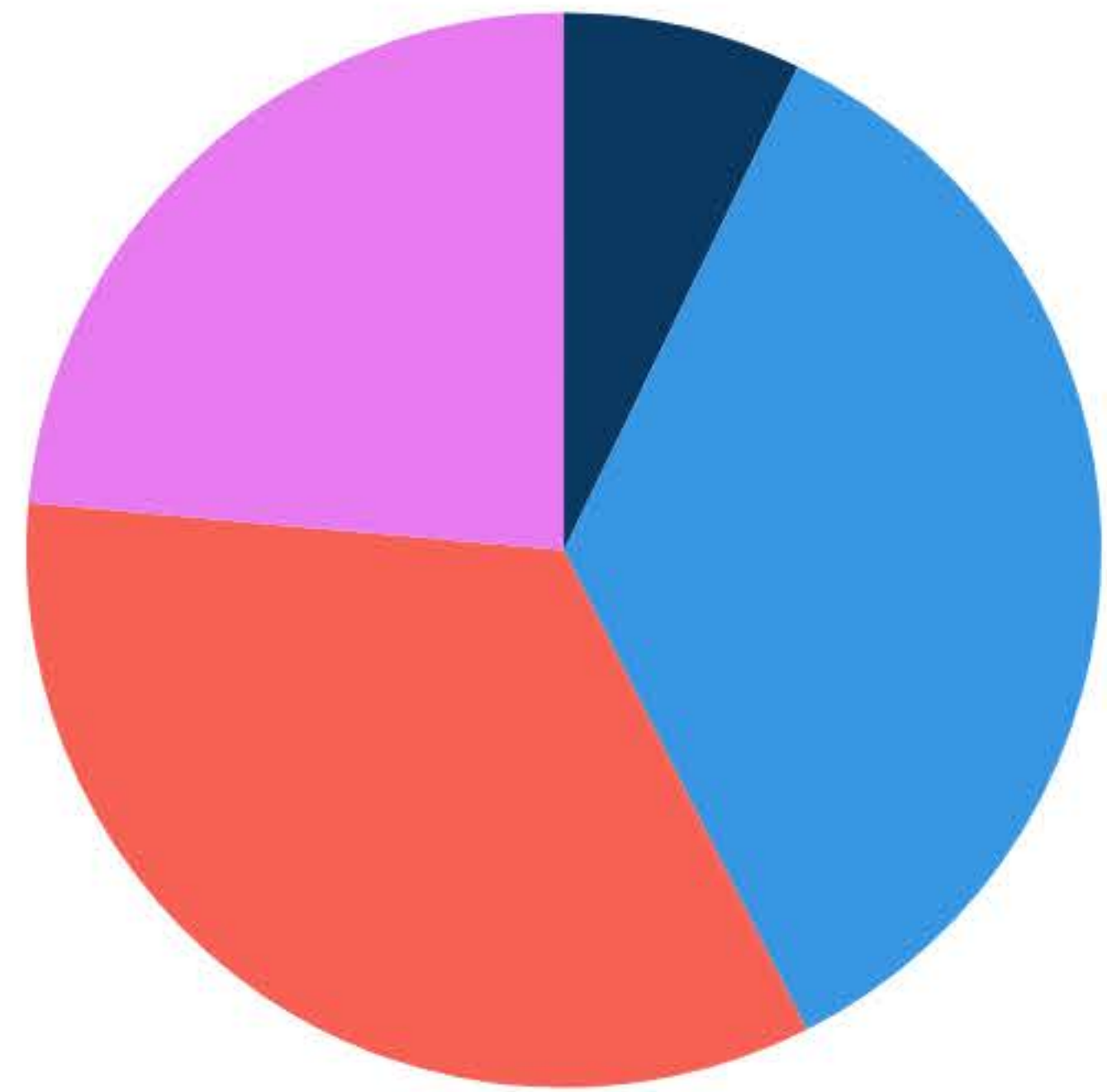
Renters' Demographic Snapshot

Annual household income



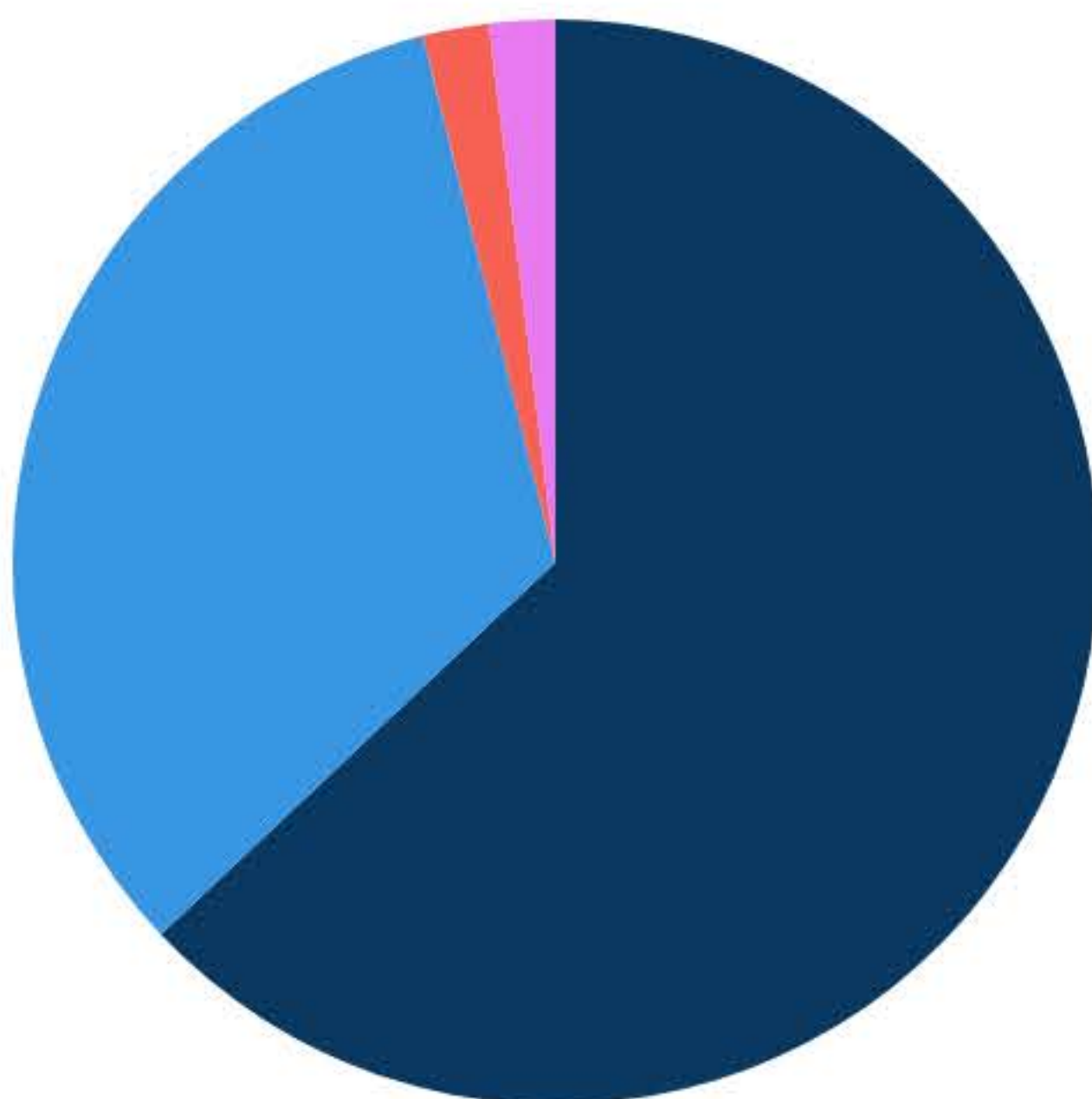
■ Under \$75K (56.13%) ■ \$75K-\$149K (31.63%)
■ \$150K+ (5.1%) ■ Not Disclosed (7.14%)

Age range



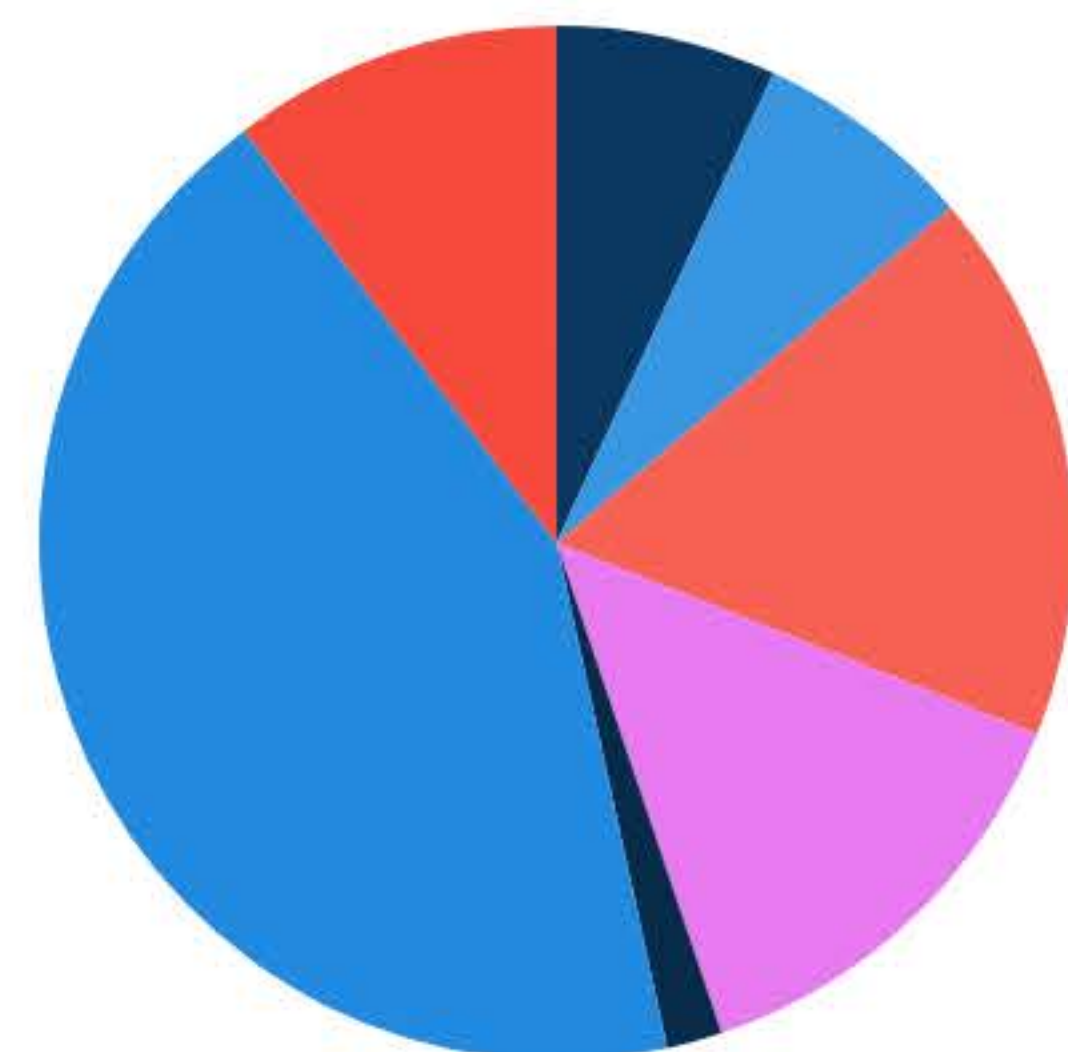
■ 18-25 (Gen Z) (7.18%) ■ 29-44 (Millennial) (35.36%)
■ 45-60 (Gen X) (33.86%) ■ 60+ (23.6%)

Gender



■ Female (62.96%) ■ Male (33.11%)
■ Non-Binary (1.97%) ■ Not Disclosed (1.97%)

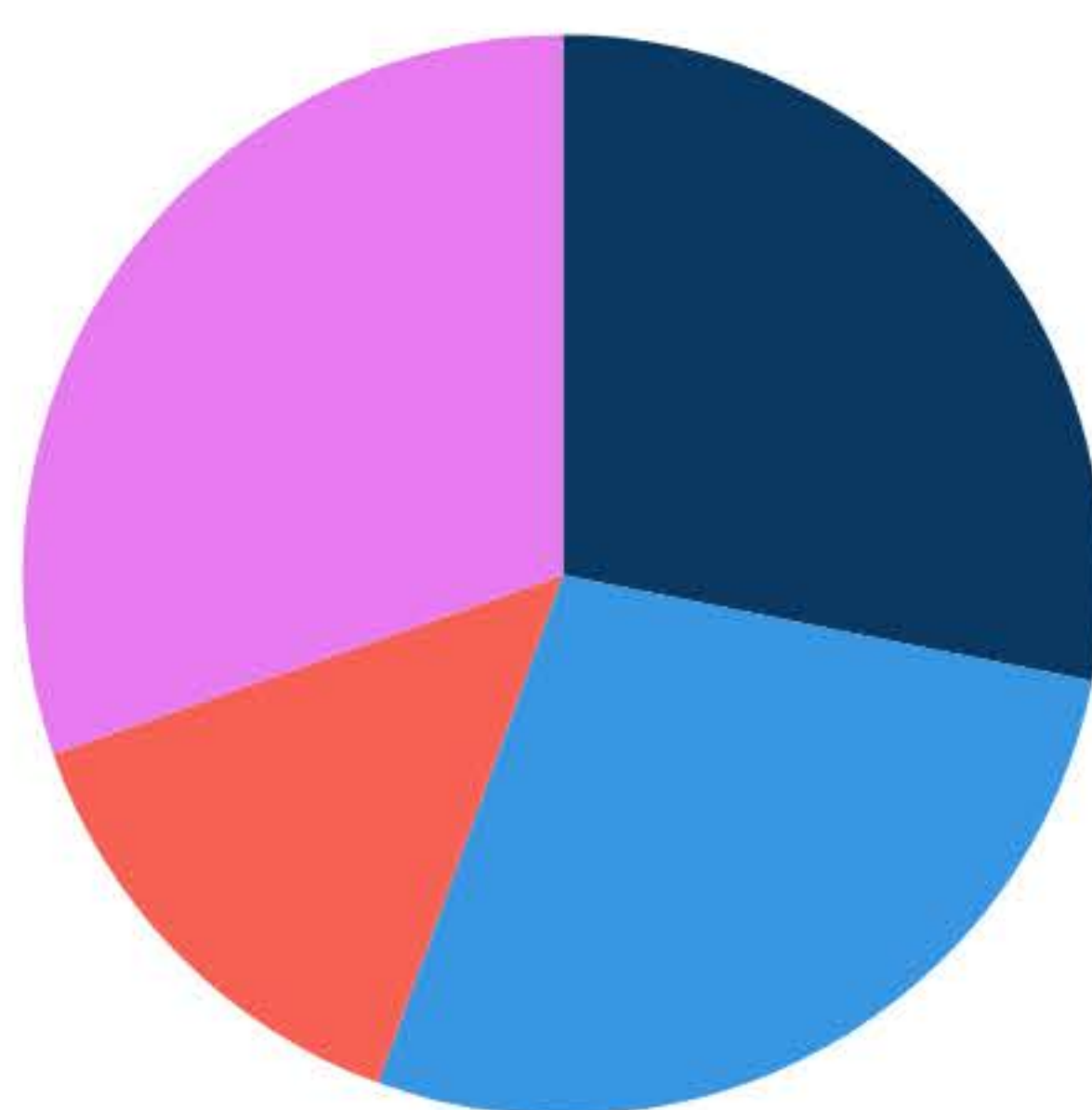
Race



■ American Indian (6.9%) ■ Asian (6.9%)
■ Black or African American (17.25%)
■ Hispanic or Latino (13.8%)
■ Native Hawaiian or other Pacific Island (1.72%)
■ White (43.1%) ■ Not Disclosed (10.34%)

Renters' Home Search Experience

How long has your home search been going on?



■ 1-3 months (28.15%) ■ 4-6 months (27.41%)
■ 6 months or longer (14.07%)
■ More than a year (30.37%)

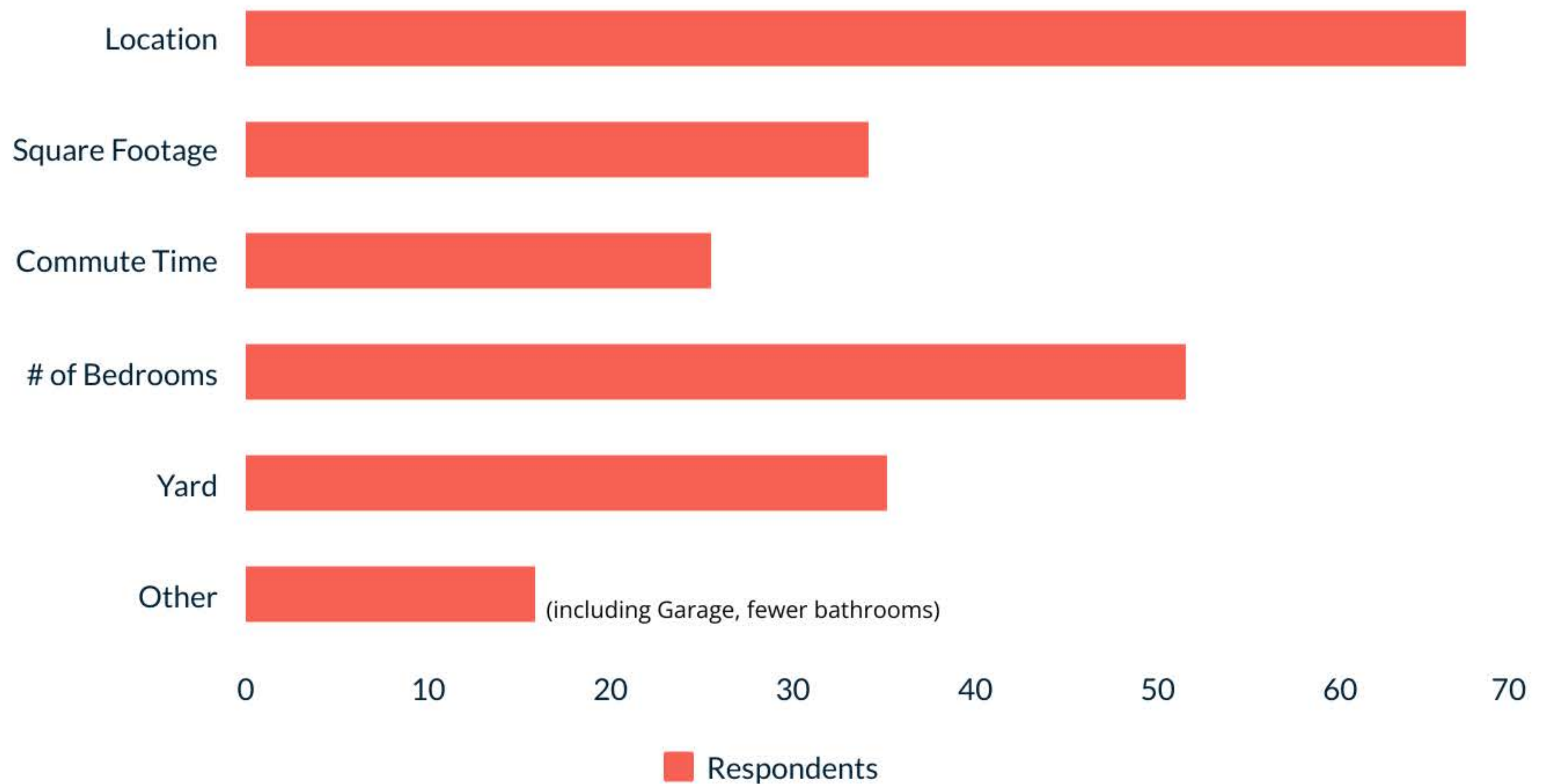
Renters Search Trends:

For many renters, the path to buying a home is anything but short. While about **28% have been searching for 1 to 3 months**, nearly the same share, **30%, have been house hunting for over a year**. Another **27% fall in the 3 to 6 month range**, and **14% have been searching for 6 to 12 months**.

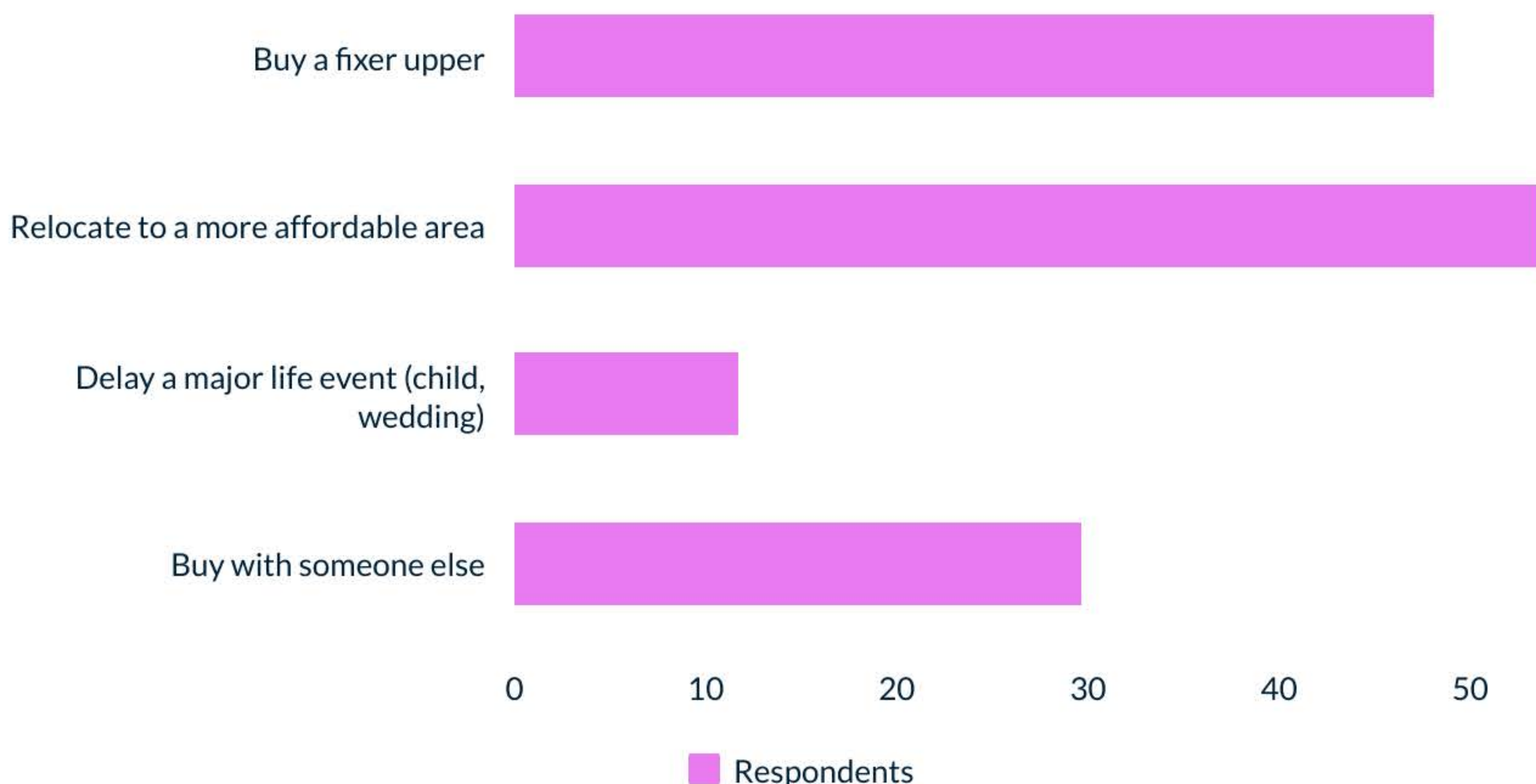
This extended timeline highlights just how challenging the current market is for renters turned buyers. Whether it's due to rising prices, limited inventory, or financing hurdles, a significant portion of renters are finding that **buying a home is not a quick or easy process**, especially for first-time buyers navigating today's affordability constraints.

Renters' Trade-offs and Strategy Shifts

Do you anticipate having to make any compromises in order to buy a home?



Which of the following would you consider to make buying a home more attainable?





Renters' Trade-off Trends: Flexibility Is the Price of Affordability:

For renters aiming to buy, compromise is part of the plan. A full **two-thirds expect to give up their ideal location**, and over **half anticipate sacrificing bedroom count (52%)**. Other common tradeoffs include smaller homes, longer commutes, or giving up outdoor space, with **yard size (35%)** and **square footage (34%)** frequently on the chopping block. Some renters are even bracing for harder-to-quantify sacrifices, like **less safety or fewer bathrooms**.

To make homeownership attainable, renters are considering creative solutions. **Over 53% would relocate to a more affordable area**, and **42% are open to buying a fixer-upper**, clear signs that affordability concerns are prompting big-picture strategy shifts. **Nearly 30% are considering co-buying with a partner or family member**, and **12% are willing to delay major life events** like marriage or starting a family.

Together, these responses paint a picture of renters who are **highly motivated but deeply pragmatic**, ready to adjust expectations if it means finally owning a home.

Renters' Affordability

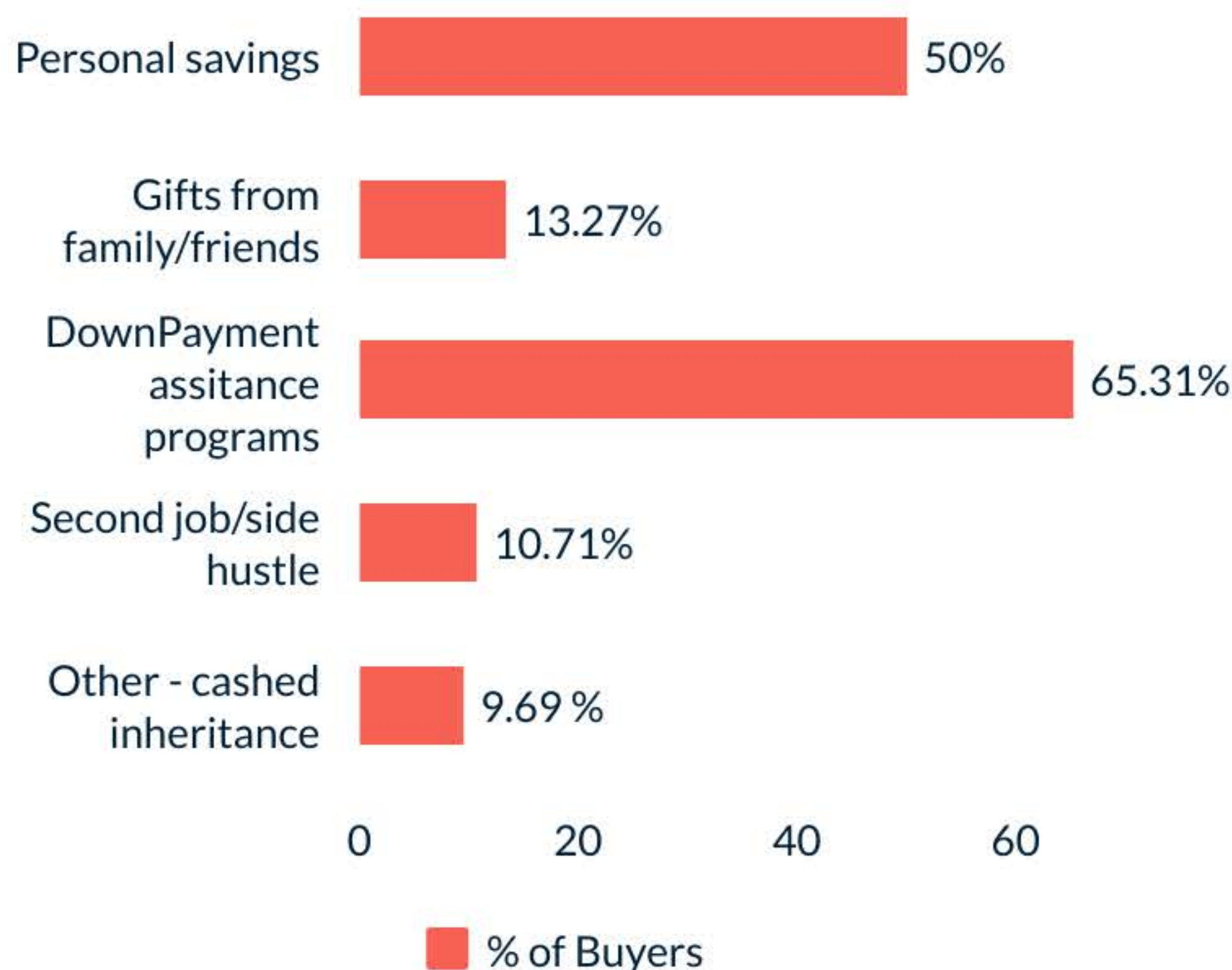
Renters' Affordability Trends: Leaning on Assistance, Facing Qualification Concerns

For many renters eyeing homeownership, affordability is a major hurdle, and **down payment assistance programs are playing a critical role**. More than **65% plan to use DPA resources**, compared to just **50% relying on personal savings**. This reflects both **limited cash reserves** among renters and growing awareness of programs designed to bridge the gap.

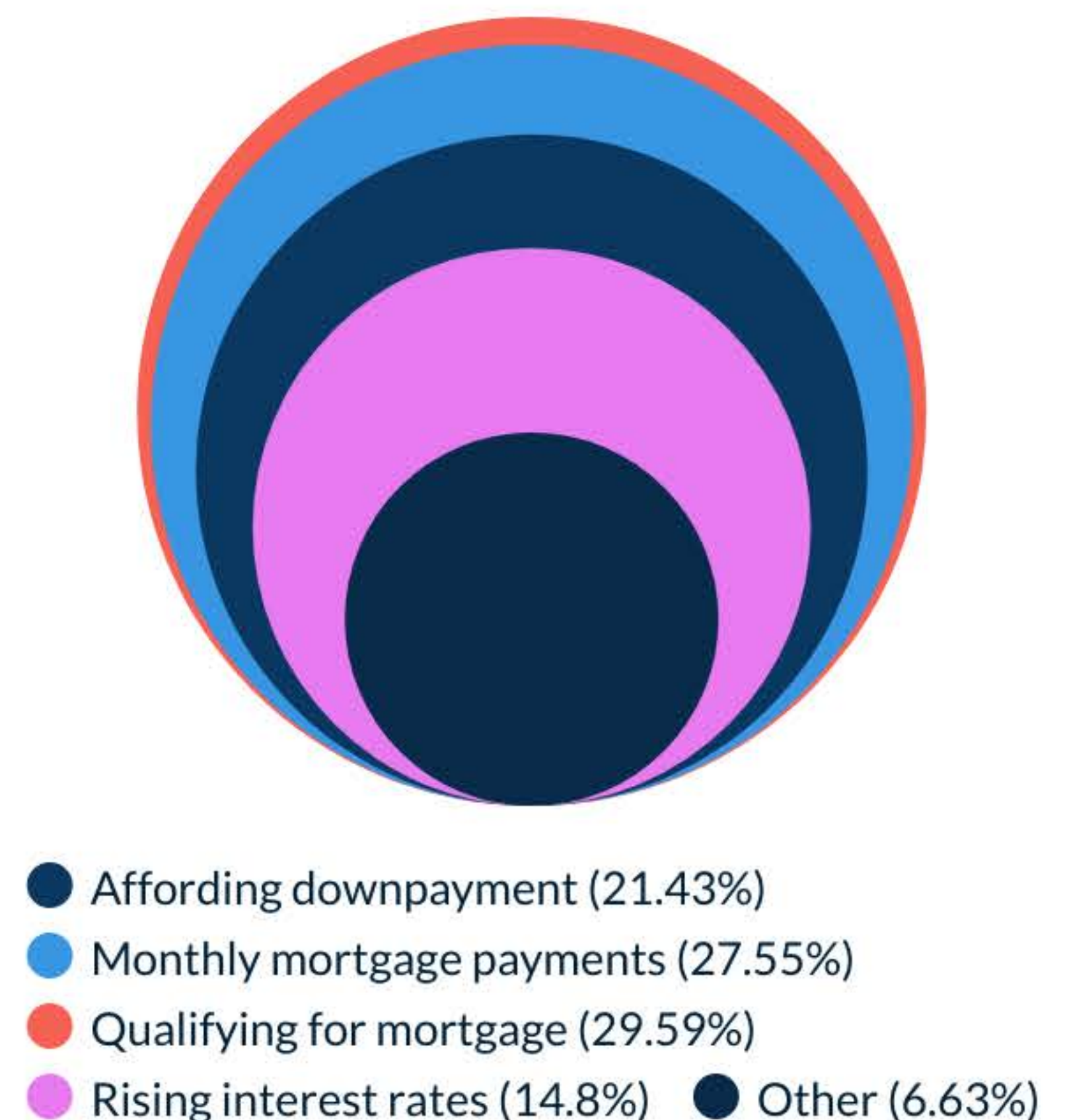
Despite this, **qualifying for a mortgage, not saving for the down payment, is renters' biggest financial concern**, cited by nearly **30% of respondents**. This suggests that income verification, credit scores, or debt-to-income ratios may feel like greater roadblocks than the upfront cash requirement. Another **28% are most concerned about monthly mortgage payments**, indicating that **ongoing affordability** is just as pressing as upfront costs.

Only **15% said rising interest rates** were their primary worry, reinforcing that for renters, *access* to a loan may matter more than the *cost* of one.

How do you plan to fund your downpayment?



Top financial concern?



Renters' Mortgage Knowledge and Behavior

Renters and Rates: Waiting, Watching and Wishing for 5%

Renters considering homeownership appear to be more cautious than confident. While **16% say they're extremely confident** in their mortgage knowledge, a higher share than current buyers, the majority still fall into the *somewhat* or *not very confident* range. This suggests that while curiosity about homeownership is strong, **many renters still feel underprepared** to navigate the financing process.

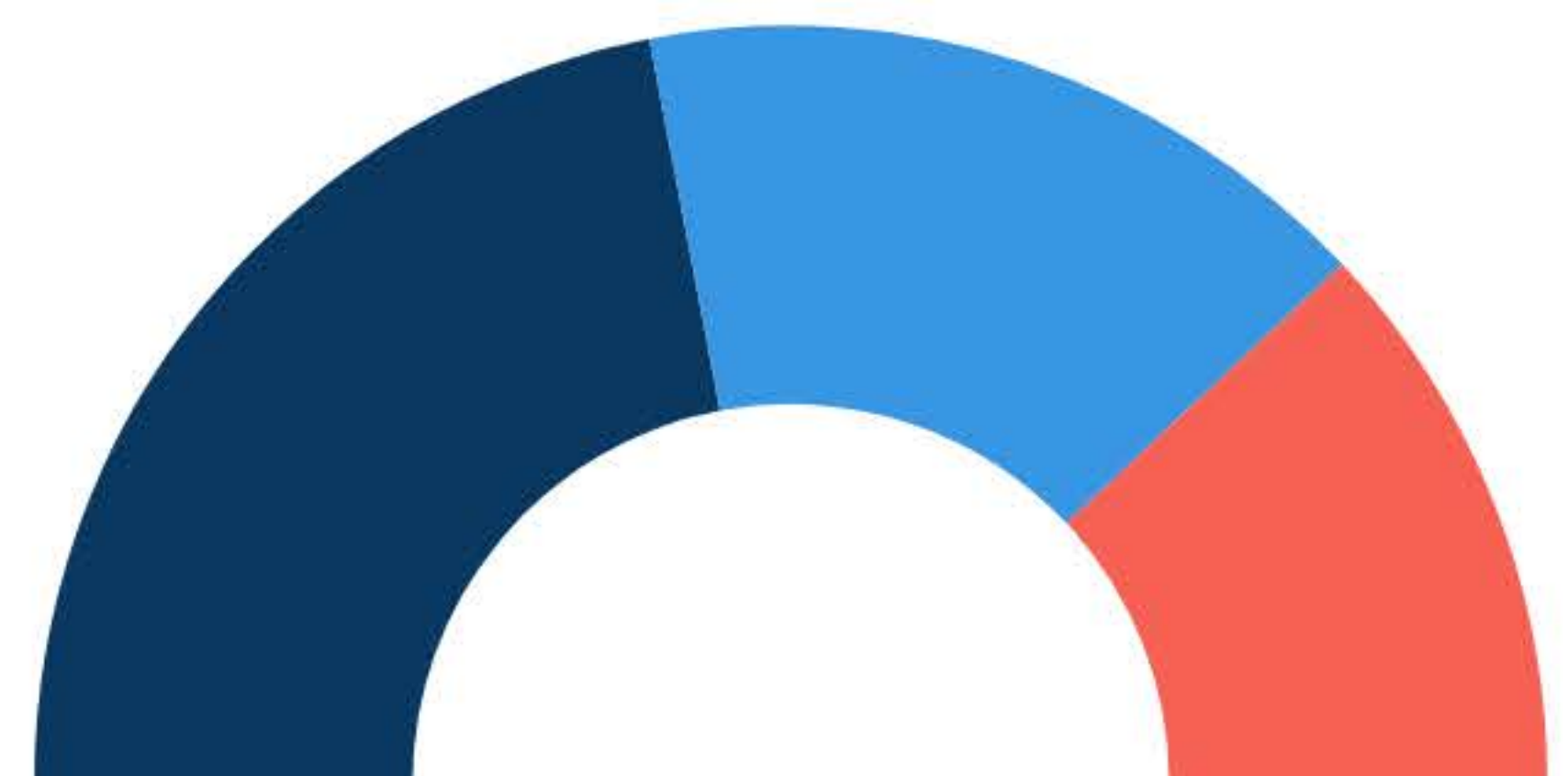
High interest rates are clearly a sticking point. Nearly **44% of renters said they're delaying their purchase** in hopes of lower rates, while only **32% are moving forward despite the market**. When asked what rate would make them feel comfortable buying, nearly **half (46%) said under 5%**, which remains well below current market averages.

This rate sensitivity is also reflected in their perceptions of market timing: only **23% believe now is a good time to buy regardless of rates**, while **41% are explicitly waiting for a drop**, and **24% remain undecided**.

Renters confidence in understanding the mortgage process ?



How have current interest rates impacted your decision to buy?



- Delayed Purchase in hope rates will drop (44%)
- Moving forward with purchase despite rates (32%)
- Not sure of impact (24%)

What interest rate would make you feel comfortable moving forward buying a home?



Given today's rates, do you think it's a good time to buy?

