

Young homebuyers stimulate economy

Recently, the Greater Nashville Association of Realtors (GNAR) utilized the services of the National Association of Realtors (NAR) to provide data through a thorough study of current information concerning the real estate market in the Greater Nashville area. The results are mind-boggling, depending, of course, on the mind that's being boggled.

Once again, the performance of the youth of the area was critical as first-time homebuyers accounted for 31 percent of homes purchased in 2007, and the median age of these buyers was 29 years of age. And 61 percent of them were between 25 and 34. According to many economists, the strength of the economy is tied to the real estate market.

Advertisement

Therefore, to stimulate and sustain economic growth, all humans should procreate whenever possible. That decision is personal and should be entered into responsibly; however, 25 years will pass in the flicker of a flame, so keep it in mind, because the city needs youths buying homes. Consider it patriotic. While 64 percent were married couples, 63 percent of those had no children at home less than 18 years of age. This demographic could spell trouble in the

Real estate

Richard Courtney



years to come.

Since 34 percent of homebuyers reported using social networking Web sites, such as My Space, Facebook, LinkedIn, and the old standby, Friendster, these buyers are a social group. Furthermore, among homebuyers 18 to 24, 79 percent used social networking sites. So, there is hope.

Seventy nine percent of the homes purchased were detached single-family homes. There are terms such as "sprawl" and "smart growth" that have become part of the vernacular, but not part of the landscape, it seems. Or, in the "half full" perspective, 21 percent were attached — seemingly, more intelligent than before. Although the wholesale downsizing over the past few years could cause that number to rise. Then again, the proliferation of condominium sales may bring higher density.

As for prices, the median price was \$184,700, as compared to \$215,000 in the United States. That statistic is good news on two fronts inasmuch as the prices in the region have continued to increase and the area has retained its affordability as it compares to the nation.

In a statistic that did not even exist 15 years ago, 84 percent of buyers viewed the Internet as a useful tool in their search, while real estate agents were viewed as a useful information source among 72 percent of all buyers. No Realtor ever claimed to be more useful than the Internet, so that stat is credible.

The chief source of down payments was from savings among 75% of first-time homebuyers. The other 25 percent did not use savings. Does the term "sub prime loan" ring a bell? How about foreclosure? And it was revealed to the world, savings is a good source of a down payment. The seller or the lender is not.

Richard Courtney is the principal broker of Fridrich and Clark realty's Music Row office and can be reached at www.RichardCourtney.com. He has nieces and nephews, and a dog or two.