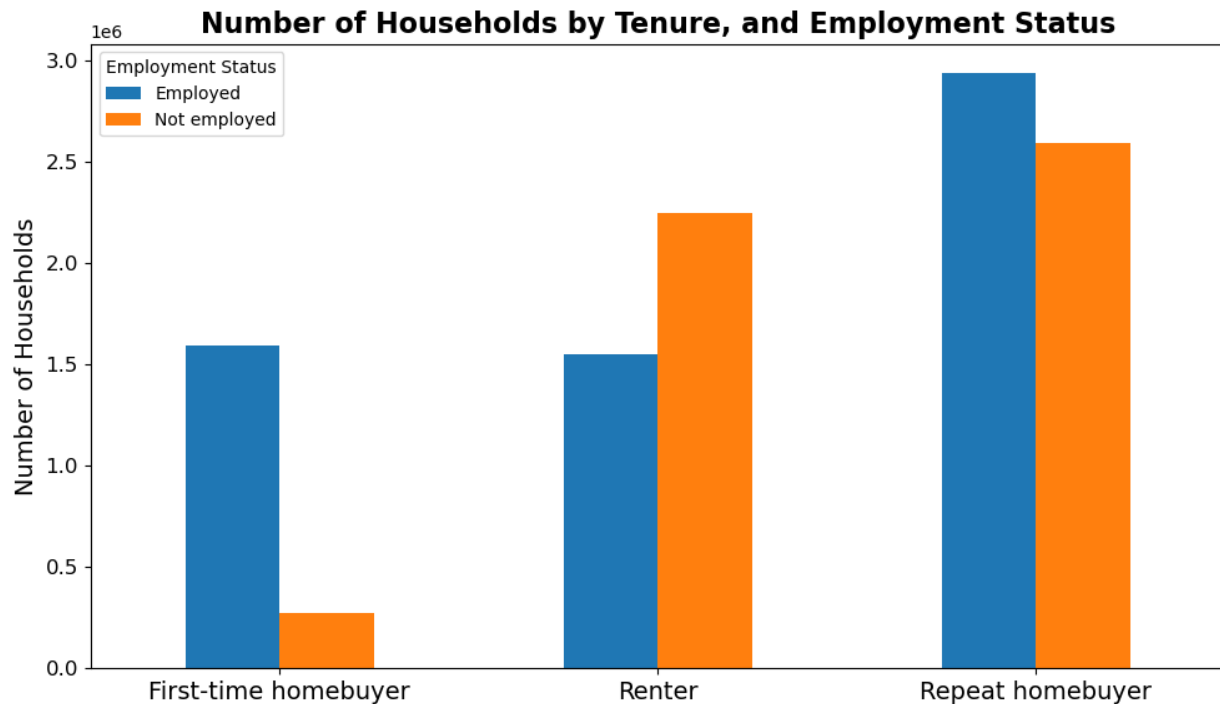


## What is the Difference in Affordability for Renters vs. First-Time Homebuyers vs. Repeat Homebuyers?



### **Key insights related to affordability:**

#### **1. First-time homebuyers:**

- The majority of households in this category are employed, with a very small portion being unemployed. This suggests that **employment stability is likely crucial for first-time homeownership**, which may imply that owning a home for the first time is generally less affordable without a stable income.
- The relatively small number of not employed first-time buyers indicates that this group may face higher barriers to homeownership due to financial pressures or the inability to secure a mortgage without employment.
- **Affordability challenge:** First-time homebuyers likely face high upfront costs (down payments, closing fees) and must have sufficient income to qualify for home loans, making it less affordable for those without stable employment.

#### **2. Renters:**

- Renters show a much more balanced distribution between employed and not employed households. In fact, the number of **not employed renters is significantly**

**higher than in the other two groups**, suggesting that renting might be a more affordable option for those without employment, compared to owning a home.

- This balance suggests that renting offers more **flexibility and lower entry costs** (no down payment or long-term mortgage), which makes it more accessible for individuals who may not have a stable income or are between jobs.
- **Affordability challenge:** Renters may still face rising rent costs, but the lack of upfront homeownership costs makes renting a more viable short-term option for individuals with less financial stability.

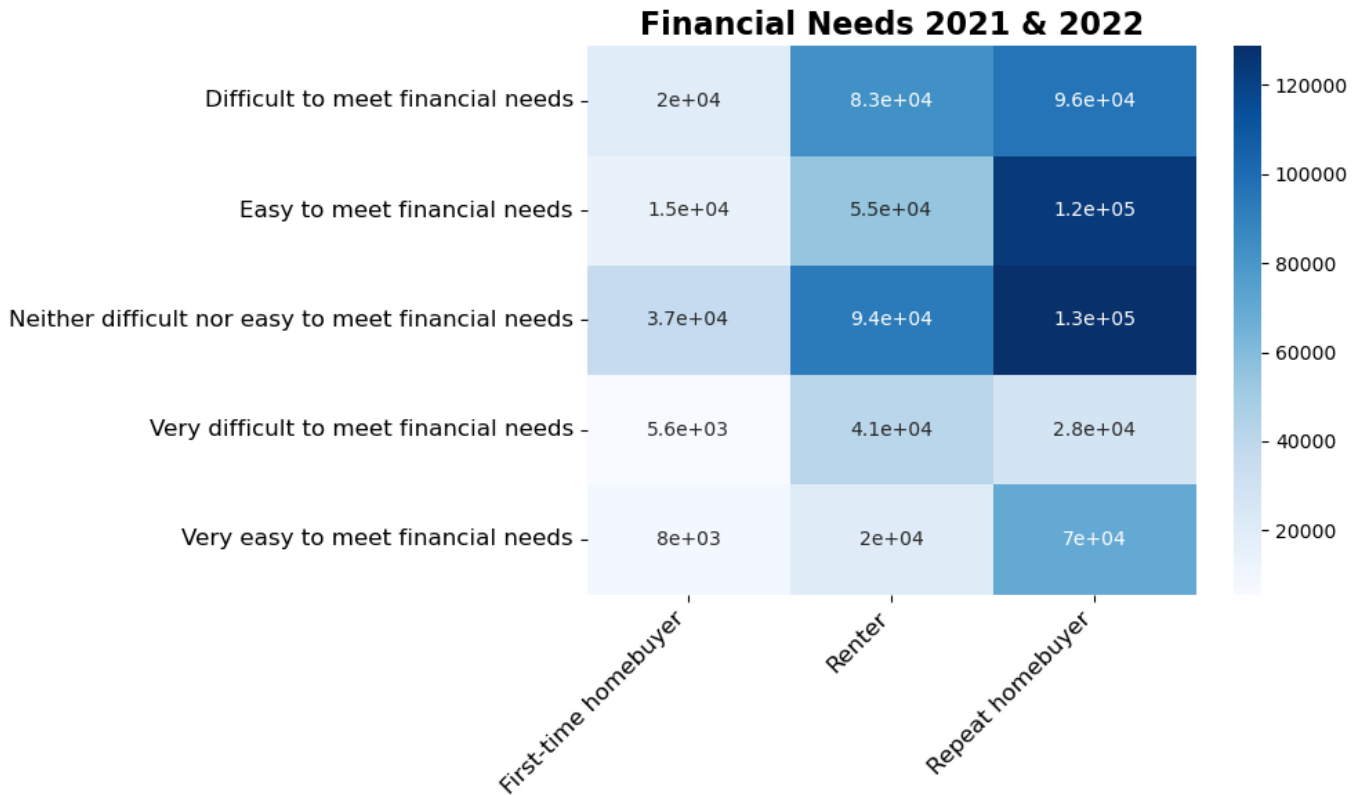
### 3. Repeat homebuyers:

- This group has the highest number of households overall, and the majority are employed. However, **there is also a substantial number of not employed repeat homebuyers**, which suggests that **repeat homeownership may be more affordable** even for households with lower or inconsistent income.
- This may be due to factors such as accumulated home equity, access to better loan terms, or financial flexibility gained from previous homeownership.
- **Affordability advantage:** Repeat homebuyers are likely more secure financially, allowing them to handle the ongoing costs of homeownership more easily compared to first-time buyers, even if they are not currently employed.

### Affordability Comparison:

- **Renters** may experience greater affordability in the short term, especially for those not employed, due to lower upfront costs and flexibility. However, the long-term financial benefits of homeownership (e.g., building equity) are not available to them.
- **First-time homebuyers** face the greatest affordability challenges, especially if not employed, due to the need for stable income and high upfront costs.
- **Repeat homebuyers** appear to have greater affordability, even for those not employed, due to potential financial advantages like equity or better loan terms. Their experience and financial stability make homeownership more accessible to them compared to first-time buyers.

This comparison highlights how employment status and tenure play a significant role in determining affordability across different housing situations.



#### Key insights with cost-of-living affordability in mind:

##### 1. First-time homebuyers:

- The financial needs of first-time homebuyers are generally moderate across most categories, with values ranging from **5,600 to 37,000**.
- While this group has significant financial demands (especially in the third category, reaching 37,000), the lower values in other categories suggest that first-time homeownership requires **targeted but substantial financial resources**, such as saving for down payments or covering initial homeownership costs.
- **Affordability Challenge:** First-time buyers likely face more intense financial challenges in specific areas like upfront costs, but other expenses may be relatively lower than for repeat buyers.

##### 2. Renters:

- Renters show consistently high financial needs across categories, particularly in the first and third categories where the needs rise above **83,000 and 94,000**, respectively. This suggests that renters face a wide range of financial demands, which might relate to the cost of rent, utilities, or other living expenses.

- The substantial financial needs imply that renting, while more accessible than homeownership, may still place a considerable financial burden on households, especially those with high ongoing costs.
- **Affordability Insight:** Renting remains accessible in terms of lower upfront costs, but the consistently high financial demands might indicate challenges in long-term affordability due to recurring rent and other expenses.

### 3. Repeat homebuyers:

- Repeat homebuyers show the **highest financial needs across all categories**, particularly in the second and third categories, where the financial needs exceed **120,000 and 130,000**.
- These high financial needs suggest that repeat homeownership involves significant ongoing costs, which may include mortgage payments, property taxes, and maintenance, even though these homeowners often have higher financial security or equity.
- **Affordability Insight:** While repeat homebuyers might have more financial stability and access to equity, the high financial demands in various categories suggest that the ongoing costs of homeownership can be substantial.

### Affordability Comparison:

- **Renters** face **consistently high financial needs**, indicating that while renting may be more affordable in the short term, the ongoing costs can accumulate, especially for households with lower income.
- **First-time homebuyers** show **more targeted but significant financial needs**, primarily related to upfront costs. This group must have a stable income or financial resources to cover these initial barriers to homeownership, but their ongoing costs may be slightly lower.
- **Repeat homebuyers** experience the **highest financial needs overall**, likely due to ongoing costs of maintaining and managing owned properties. However, they may have financial advantages from equity or previous homeownership experience that can help mitigate these needs.

This comparison suggests that while renting may appear more affordable due to lower entry costs, it carries substantial recurring financial burdens. First-time homebuyers face high initial costs but may have lower ongoing financial demands than repeat homebuyers, who face the most significant financial needs overall, despite their potential financial stability.

\*\*\* Refer to 'data\_dictionary' for more data information \*\*\*