

8 THINGS TO KNOW ABOUT TODAY'S FIRST-TIME HOME BUYER

First-time home buyers are entering the market later, facing higher barriers, and navigating more complexity than ever before.

Rising home prices, student loan debt, and widespread misconceptions about down payments have reshaped when — and how — buyers make their first purchase. In California especially, many renters who want to own feel locked out of the market before they ever speak with a REALTOR®.

By understanding who today's first-time buyers are and what's holding them back, REALTORS® can help turn uncertainty into opportunity.

Here are eight things to know about today's first-time home buyer — and how REALTORS® can help bridge the gap to ownership.



Key insights
REALTORS® can share with renters and aspiring buyers

1 First-Time Buyers Are a Smaller Share of the Market Than Ever



First-time buyers now make up just **21%** of all home buyers, a historic low. Before 2008, first-time buyers typically represented about **40%** of the market.

WHY IT MATTERS: Fewer first-time buyers doesn't mean less demand; it means higher barriers to entry.

Source: National Association of REALTORS® (2025 Profile of Home Buyers and Sellers)

2 Today's First-Time Buyers Are Buying Later in Life

The median age of a first-time buyer is now **40**, the highest on record. In the 1980s, the typical first-time buyer was in their **late 20s**.



WHY IT MATTERS: Buyers are delaying homeownership due to rising costs, student loans, and longer periods of saving for down payments.

Source: NAR (2025 Profile of Home Buyers and Sellers)

3 Single, Unmarried First-Time Buyers Play a Bigger Role Than You Might Expect



WHY IT MATTERS: First-time buyers are increasingly single and independent decision-makers, reflecting a wider range of household structures and life paths among today's buyers.

Sources: NAR (2025 Profile of Home Buyers and Sellers)

4 California's First-Time Buyers Reflect a More Diverse Population



WHY IT MATTERS: A majority of California's first-time buyers are non-White, reflecting the state's broader demographic makeup and reinforcing the importance of clear, inclusive information for buyers with varied backgrounds.

Source: CALIFORNIA ASSOCIATION OF REALTORS® 2025 Housing Market Survey

5 Renters Want to Own — But Don't Know Where To Start



WHY IT MATTERS: The desire for homeownership is strong — confidence and clarity are the missing pieces.

Source: 2025 C.A.R. Consumer Survey: Renters

6 Misconceptions About Down Payments Are a Major Barrier

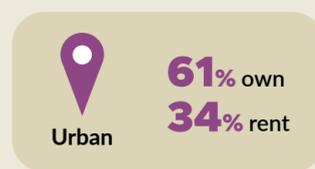


Renters overestimate down payments:
25% Median guess
35% Gen Z estimate
30% Millennial estimate

REALITY CHECK: The typical first-time buyer down payment is **10%**, the highest level since 1989 — but far lower than renters assume.

Sources: 2025 C.A.R. Consumer Survey; NAR

7 Where Buyers Live Shapes Their Path to Ownership



WHY IT MATTERS: Many first-time buyers may start as urban renters but find ownership opportunities in suburbs, smaller cities, or nearby rural communities.

Source: Kantar U.S. MONITOR, Spotlight on the Modern American Household (2024)

8 Programs Can Make the Difference — If Buyers Know About Them

- **CalHFA Programs**— Such as the Dream For All, with up to 20% or \$150,000 for down payment and closing costs for qualifying first-time home buyers.
- **VA Home Loans** — Often no down payment for eligible veterans, active-duty service members, and some surviving spouses.
- **USDA Rural Housing Loans** — No-down-payment options for eligible buyers purchasing homes in qualified rural and some suburban areas.
- **FHA Loans** — Low down-payment options for buyers with limited savings or lower credit scores.
- **C.A.R. Pathway to Home** — Closing cost assistance for first-time buyers from underserved communities.
- **Local city and county programs** — Additional grants, forgivable loans, or deferred-payment assistance.



First-time buyers often need structured guidance. REALTORS® can help clarify eligibility, identify programs that may reduce upfront costs, and break down the process into manageable steps that build confidence.

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