Checking in on First-Time Home Buyers

Jessica Dill, Economic Policy Analysis Specialist
February 10, 2016

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First-Time Buyers Make Headlines

**The Washington Post**
Student debt may hurt housing recovery by hampering first-time buyers
By DinaElBoghdady February 17, 2014

**The Boston Globe**
Where have the first-time buyers gone?
By Michele Lerner | WASHINGTON POST OCTOBER 05, 2014

**The Wall Street Journal**
Number of First-Time Home Buyers Falls to Lowest Levels in Three Decades
Figure represents third straight annual decline and lowest percentage since 1987
By LAURA KUSISTO
Updated Nov. 5, 2015 11:18 a.m. ET

**The Wall Street Journal**
First-time homebuyers abandoning the housing market
November 3, 2014

**The Wall Street Journal**
Student Debt Takes a Toll on Some Home Buyers
Economists Debate Whether School Loans Are Undermining the Housing Recovery
By JOSH MITCHELL
June 20, 2014 7:07 p.m. ET

**The Wall Street Journal**
Student Debt Burden Holding First-Time Buyers Back
DAILY REAL ESTATE NEWS | WEDNESDAY, SEPTEMBER 03, 2014
Measures of First-Time Buyer Market Share

First-Time Home Buyer Market Share

Snapshot of the Student Debt Landscape

Distribution of Student Debt for Undergraduates

2004

2012

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study
Are student loans sidelining young home buyers?

Source: Federal Reserve Bank of New York Consumer Credit Panel (CCP)
See http://libertystreeteconomics.newyorkfed.org/2014/05/just-released-young-student-loan-borrowers-remained-on-the-sidelines-of-the-housing-market-in-2013.html#.VGzDW8m9Z8E.
Are student loans sidelining young home buyers?

Homeownership Rates, by Educational Attainment and Age

*Includes individuals with and without post-secondary education

Source: TransUnion, LLC and National Student Clearinghouse; calculated by Mezza, Sommer, and Sherland at the Federal Reserve Board

Student Loan Payment-to-Income Ratio Holds Steady

Notes: Based on households age 20-40 with education debt, wage income of at least $1,000, and that were making monthly payments. Source: Brookings Institute, calculations by Akers and Chingos using Board of Governor of the Federal Reserve System: Survey of Consumer Finance (SCF). See http://www.brookings.edu/research/reports/2014/06/24-student-loan-crisis-akers-chingos.
Fewer but Younger First-Time Buyers

First-Time Home Purchases, by Birth Year

Share of Birth Year, First-Time Home Buyers

Source: Federal Reserve Bank of New York Consumer Credit Panel (CCP), authors’ calculations
Fewer but Younger First-Time Buyers

Number of First-Time Home Buyers, by Age Bracket

Source: Federal Reserve Bank of New York Consumer Credit Panel (CCP), authors’ calculations
Influence of Location/Local Economic Conditions

Change in First-Time Home Buyers, by State

Source: Federal Reserve Bank of New York Consumer Credit Panel (CCP), authors' calculations
Credit Availability Is Also An Important Factor

Median Credit Score for First-Time Home Buyers, by Age Bracket

Source: Federal Reserve Bank of New York Consumer Credit Panel (CCP), authors' calculations
Credit Availability Is Also An Important Factor

Number of First-Time Home Purchases, by Credit Bracket

25-34 year olds

35-48 year olds

Source: Federal Reserve Bank of New York Consumer Credit Panel (CCP), authors' calculations
“Credit Box” Tightened for All Buyers

Source: LPS (Lender Processing Services) Applied Analytics through October 2014
“Credit Box” Tightened for All Buyers

Scatter Plots of FICO and DTI at Origination

Source: LPS (Lender Processing Services) Applied Analytics
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