

**Joint Center for Housing Studies  
Harvard University**

**Buying For Themselves:  
An Analysis of Unmarried Female Home Buyers  
Rachel Bogardus Drew  
June 2006  
N06-3**



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## **Introduction**

For decades, real estate and housing professionals have thought of the typical home buyer as a married couple, with or without children, either purchasing their first home or trading up as their families and needs grow. While married couples continue to make up a majority of home buyers today, a growing group of unmarried buyers has made the industry take notice. In particular, the rise in the fraction of unmarried female home buyers to one-fifth of the market has sparked interest in uncovering more about their characteristics, preferences and buying behavior, and how the industry can be responsive to this segment of the market.

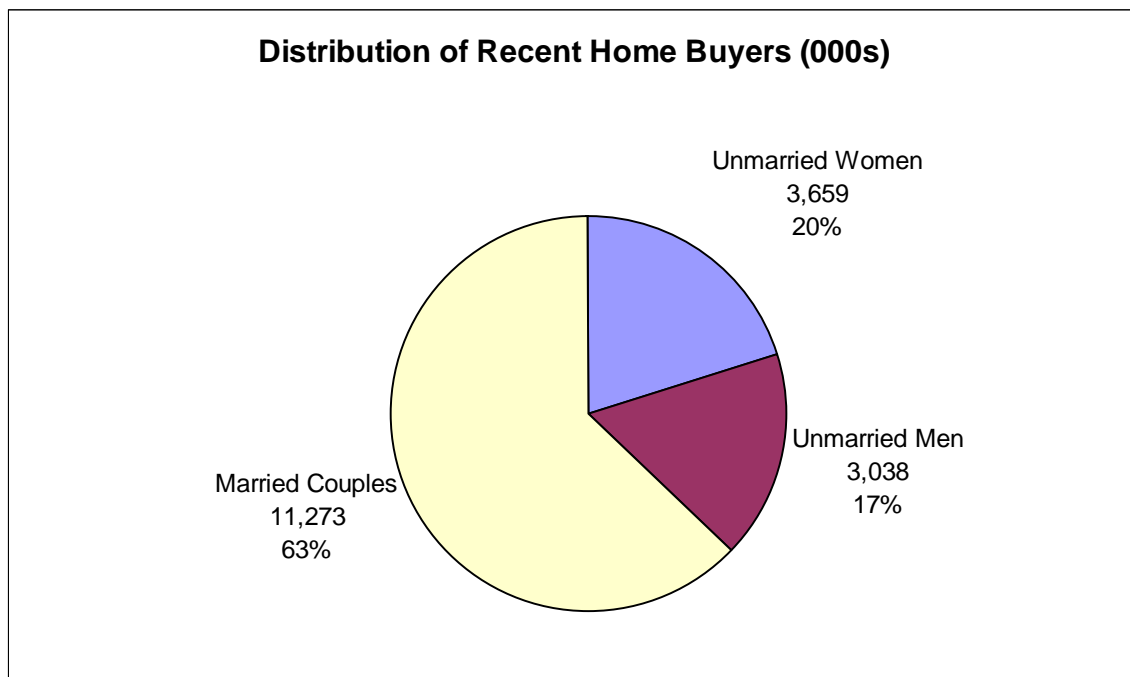
Yet, little is known about unmarried female homebuyers. Only a few surveys and studies have focused on the marital status and gender of home buyers, and even fewer have sought to identify theirs as a distinct market and consider the differences in their characteristics and motivations for buying homes. This paper seeks to take what information is available and describe unmarried female home buyers in more detail than has been previously done. This analysis will look at their characteristics relative to other buyers, their home purchasing behavior, their identified preferences, and finally, subsets of unmarried female buyers with distinct buying behaviors of their own.

The findings are striking: Not only are unmarried women a large segment of the home buying population, but they are fast-growing, too, increasing their share of home buyers by 50 percent in eight years. The value of their home purchases over a 3-plus year period totaled more than \$550 billion, though they were less likely to buy a newly built or a high priced home than married couples. The characteristics of these buyers are also noteworthy, with a larger share of minorities especially among younger buyers. Two out of three female buyers were previously married, though that share drops significantly for younger buyers. They also have lower incomes than unmarried men and married home buyers, but are less apt to finance their home purchase.

These traits generalize the make-up of unmarried female buyers; in reality they are a diverse and highly segmented group comprised of single mothers, young singles, middle-aged divorcees and seniors. Single mothers, for example, have the highest share of minorities while young singles are the least likely to be previously married. Middle aged women and seniors are more likely to have purchased a home in the past, which offsets their generally lower incomes relative to other female buyers by providing equity with which to finance their new home.

For the purposes of this analysis, home buyers are defined as those households identified in the 2003 American Housing Survey (AHS) as living in a home they purchased in 2000 or later. Under this definition, the AHS identified 18 million home buyers. This figure is smaller than the sum of buyers counted annually from 2000 to 2003 by the National Association of Realtors® (22.3 million), in part because it excludes second home buyers, counts buyers who moved multiple times between 2000 and 2003 as having moved only once (in their most recent residence), and covers only part of 2003 (surveys were conducted between May and September, and thus did not capture home purchases made in the later part of the year). Nonetheless this group of recent home buyers is substantial enough to allow for in-depth analysis of their characteristics.

**Chart 1.**



Source: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

Homebuyers are a relevant group for study because of their specific importance to home building and real estate industries. Of the 18 million home buyers, 3.7 million are identified as being headed by an unmarried female. An additional 3 million are headed by unmarried men, and the rest by married couples (Chart 1). At 20 percent, unmarried female home buyers

constitute a significant minority share of the home buying market. In general, unmarried female buyers are older than married and unmarried male buyers, have higher shares of minority buyers, have lower incomes and, consequently, much greater incidence of housing affordability problems. Relative to unmarried male buyers, they are more likely to have been previously married and to be living with children or other family members than alone or with non-relatives.

Unmarried female buyers also differ from other buyers in the types of homes they choose, the locations of those homes, their financing and purchasing preferences, and their reasons for moving and making a home purchase. Unmarried female buyers are slightly more likely than unmarried male buyers and significantly more likely than married couple buyers to purchase condos and less likely to live in single-family detached homes. More than half are trade-up buyers, which is a smaller share than among married couples but higher than for unmarried men. Both unmarried women and men are more likely to live in central cities relative to married couples, though no other significant regional or geographical differences are evident. Finally, unmarried women overwhelmingly prefer 2 bedroom homes more than other buyers, and are less likely to choose newer construction than married couples.

The group of unmarried female buyers is far from homogeneous – it includes women of all ages and races, single mothers, widows, divorcees, women living alone and those living with other adults. Nearly half live alone and another 30 percent are single mothers. Two-thirds were previously married – mostly divorced or separated – though younger buyers are more likely than older and middle aged ones to have never been married. One quarter of buyers live with other adults, which include women living with partners, unrelated roommates and other family members.

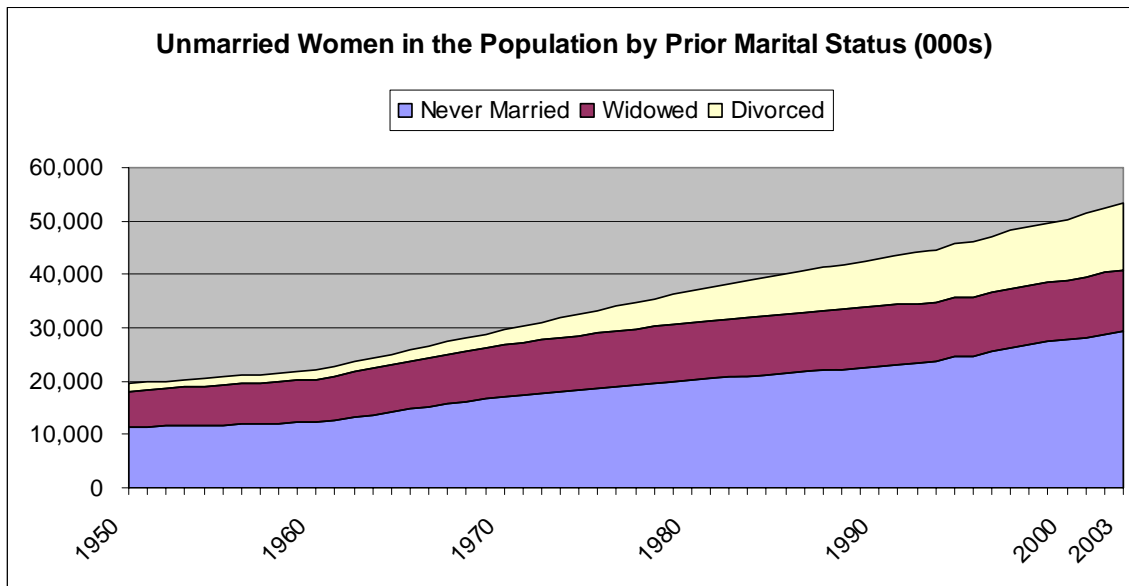
## **The Rise in Female Home Buyers**

The increasing interest in unmarried female home buyers comes as the housing industry acknowledges the significant and growing role that women play in housing decisions. From initiatives to inform and educate single women on the home buying process, to opportunities for women to learn more about home maintenance and repair, and even advertising targeted at women for everything from real estate services to mortgage companies to power tools, the emphasis on appealing to women as homeowners is evident. Even within married couples, women are increasingly identifying themselves as the householder, up from 11 percent in 1993 to 26 percent of all married couples in 2003. Married women who are not the identified householder are also becoming more responsible for making most of the major housing-related decisions. Additionally, women make greater financial contributions to the household than in the past, as higher educational attainment and entry into the labor force have raised women's share of household earnings.

Though married couples still account for the majority of home buyers, their share has been shrinking over the past 50 years. Meanwhile, the share of single female homebuyers increased from 14 percent in 1995 to 21 percent in 2003, according to the National Association of Realtors® 2004 Survey of Home Buyers and Sellers. The reasons for this change are manifold. First, there are more unmarried women in the population than in the past (Chart 2). Indeed, the number of unmarried women increased 20 percent in the last decade alone. The average age of a woman's first marriage increased from 20.8 in 1970 to 25.3 in 2003, as more women sought an education and career before committing to marriage. And since fewer young-adult women than men choose to live with their parents, more of these women are forming their own households.



**Chart 2.**



Source: U.S. Census Bureau, Annual Social and Economic Supplement: 2003 Current Population Survey, Current Population Reports, Series P20-553, "America's Families and Living Arrangements: 2003" and earlier reports. Interdecadal estimates calculated to create continuous series.

Second, with the increase in unmarried women heading up households and expectations among many of them that they will remain unmarried longer, there is a greater inclination on their part to own rather than rent. The economic upside of owning has been heavily trumpeted in the media, while low interest rates and the proliferation of more flexible mortgage products has encouraged many women to take the homeownership plunge. The economic upside of owning only enhances the view that marriage is no longer a pre-requisite to buying a home, and further erodes the social stigma attached to women taking control of their financial and housing conditions. Ultimately this trend has a ripple effect, leading some women who otherwise might not have considered home buying to take a second look, as they see their friends and contemporaries doing so. Third, the growing proportion of divorced women means that more have previously owned homes and participated in equity accumulation at a time when they were still married.

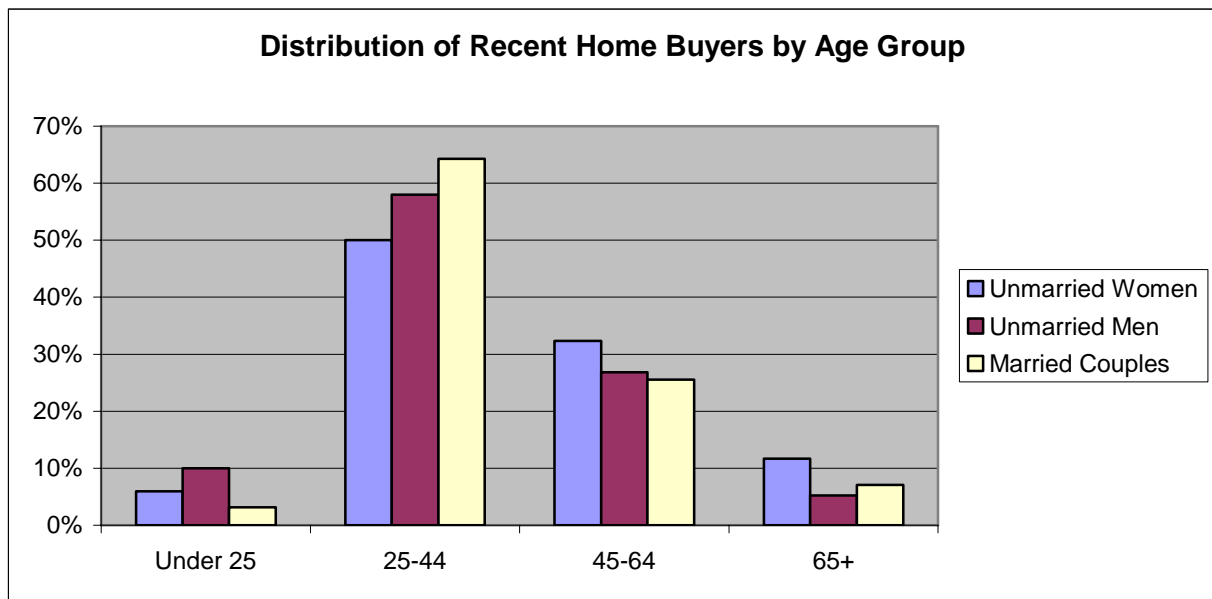
## **Characteristics of Female Home Buyers**

Unmarried female buyers are an important segment of homebuyers, purchasing over \$550 billion of real estate between 2000 and 2003. Examination of their demographic, economic and behavioral differences relative to other home buyers will help industry professionals better understand this segment of the market and address their growing needs and demands.

### **Demographic Differences**

Though they are diverse in terms of age, unmarried female home buyers are more likely to be older and to be minorities than married couples or unmarried male buyers. The median age of home buyers is 42 for unmarried women, but 37 and 38 for unmarried men and married couple householders, respectively. Furthermore, 44 percent of unmarried female buyers are at least 45 years old, and 12 percent are seniors. Unmarried men and married couples both skew dramatically more towards younger home buyers (Chart 3).

**Chart 3.**



Source: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

Minority presence often correlates with age, with younger groups generally more diverse than older ones, in part because of strong immigration among Hispanics and Asians since the 1980s. One would therefore expect that unmarried female home buyers would have lower shares

of minorities relative to other buyers, due to their generally older age distribution. But on the contrary, the minority share of unmarried female buyers is actually larger than for other groups of recent home buyers. One quarter of unmarried female buyers are minorities, while 21 and 22 percent of unmarried male and married couple buyers are minorities. Indeed, the difference is even more pronounced when segmented by age, with minorities accounting for nearly 30 percent of female buyers under 45, relative to only 22 and 24 percent of unmarried men and married couples, respectively. Large numbers of minority single mothers likely influence this trend.

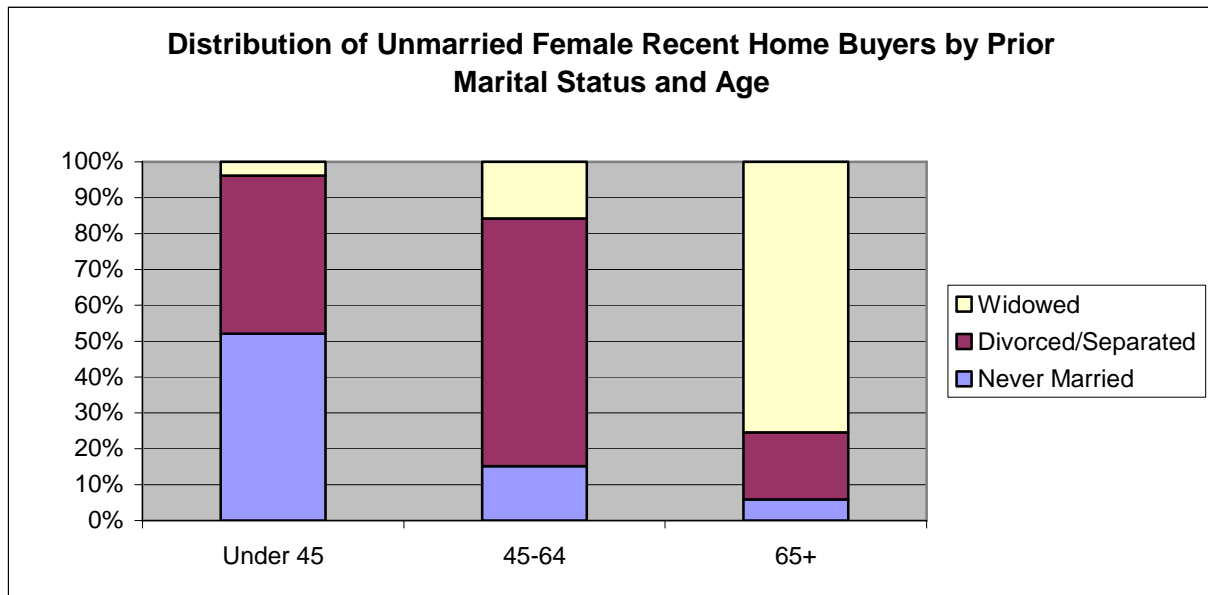
Even within minority groups there are distinct trends – blacks are the only racial/ethnic group for whom married couples are less than half of all home buyers, while unmarried women account for over a third. By comparison, over 70 percent of Hispanic and Asian buyers are married couples (see Table 1).

### **Prior Marital Status**

The 3.7 million unmarried female home buyers between 2000 and 2003 include a significant fraction of divorced, separated and widowed women in addition to those who have never been married. Indeed, previously married women accounted for nearly 2 out of 3 unmarried female buyers, with divorced and separated women alone making up half. Unmarried male buyers exhibit the opposite trend, however, with more than half of them having never been married and only 6 percent widowed. This partially explains the younger average age of male buyers relative to unmarried female buyers.

Significant differences among unmarried female buyers exist by age, however, with younger women far less likely to be previously married than middle aged and senior women. More than half of unmarried female homebuyers under 45 years old have never been married, versus only 15 percent of those aged 45-64 and 6 percent of those 65 and older. Unsurprisingly, widows are heavily concentrated among the older unmarried buyers, representing 75 percent of buyers who are at least 65 years old (Chart 4). Still the share of younger female buyers who are previously married is much higher than among unmarried male buyers.

**Chart 4.**



Source: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

### **Living Situation**

Perhaps the greatest distinctions among unmarried female buyers are made by their living situations, since the size and make-up of their household, preferences about locations and the importance of school choices, and the household income and financial resources available are determined in large part by who lives in the household. About 45 percent of unmarried female buyers live alone, and single mothers living without other adults in their household account for an additional 30 percent. The remaining quarter is a hodge-podge of women living with other relatives, unmarried partners or unrelated roommates who may or may not have been co-buyers in the home.

Unmarried female buyers are much more likely than men to live with children or other relatives than alone or with unrelated roommates or partners. Fully 55 percent of unmarried male buyers live alone and an additional 20 percent with unrelated adults. Only 15 percent are single parents.

### **Income**

Relative to married couples and unmarried male buyers, unmarried female buyers have considerably lower incomes. Though these female-headed households cover the spectrum of

incomes, their \$37,000 median income is fully \$11,000 less than for unmarried men and almost half as much as for married couples (who are more likely to have two or more earners in the household). Indeed, over 62 percent of female buyers earn under 80 percent of their local area median income (AMI), compared to 49 percent of men and only 26 percent of married couples. Only 17 percent have incomes over 120 percent of AMI, relative to 28 percent of men and 51 percent of married couples. Hence, unless they benefited from equity appreciation in a previous home, most face the housing market with less purchasing power than other types of buyers.

Nonetheless, a subset of unmarried women do have significant incomes and purchase more expensive homes. Nearly 40 percent are middle aged and thus more established in their careers and earnings than lower income buyers (fewer than 30 percent of whom are 45-64 years old). More than half of all higher income female home buyers are divorced and thus may have supplemental income from alimony or child support. Many live with other adults who add to earnings, but also consequently require larger homes to house the additional people in their households.

Still, lower incomes in general correlate with higher housing affordability burdens for unmarried female buyers. More than 40 percent have moderate cost burdens (housing expenses in excess of 30 percent of their income) and one in six has a severe cost burden (housing expenses in excess of 50 percent of their income). Unmarried men and married couples each have less than 31 percent of households with any cost burdens, and less than 11 percent with severe burdens.

### **Characteristics of Home Purchases**

As with their personal characteristics, the choice and process of home buying varies between unmarried women and other buyers. Their different living situations, financial resources, and preferences prescribe different housing needs.

Understanding the differences in the types of homes purchased and the process for doing so among distinct groups of home buyers is important so that industry professionals can better respond to the diverse segments of the market and maximize their sales potential. With an average of about a million home buyers a year, unmarried women can represent a significant market base for those developers and real estate agents that choose to target this segment. Yet few publicly-available studies have been done on their specific needs and preferences, and

national survey data has not been extended to attempt to answer these questions. The following descriptive statistics seek to provide a better understanding of the distinct submarket for unmarried female home buyers using available survey data (see Table 2).

### **First-time Versus Repeat Buyers**

Just over 1.5 million unmarried female home buyers between 2000 and 2003 were purchasing their first home – accounting for 41 percent of all unmarried female buyers. This is lower than the 48 percent of all unmarried male buyers that were first-time buyers, but more than the 36 percent of married couples. The remaining buyers were mostly repeat home buyers (5 percent did not report their previous homeownership status), including those that owned as part of a married couple before divorcing, are either “trading-up” from their previous home and using their accumulated equity to purchase a larger or more desirable property, or “downsizing” to a smaller and/or more manageable property, especially following a change in their marital or living situation.

### **Types of Homes Purchased**

The selection of homes purchased by recent buyers covers the spectrum of housing options and varies not just in the type of buyer but also in their location, income, first-time buyer status and living situation. Nonetheless, conclusions may be drawn as to what differences are a function of the gender and marital status of the buyer. For instance, 15 percent of unmarried female buyers purchased a condo, which is only slightly higher than the 12 percent of unmarried men but three times more than the 5 percent of married couples purchasing condos. Unmarried women likely prefer the convenience and security that comes with condominium living, especially if they are the lone adult in the household. Disproportionately, younger buyers, those without children and those with higher incomes overwhelmingly prefer condos; yet even within these groups unmarried female buyers were more likely to be living in a condo than other recent buyers.

As a consequence of the preference by unmarried women and men for condo living, fewer of them purchase single family homes as compared to married couples. Only 83 percent of unmarried female buyers chose a non-condo single family unit, compared with 94 percent of married couples.

### Recent Home Buyers by Condo Status and Units in Structure

	Unmarried women	Unmarried men	Married couples	Total
<b>Condos</b>				
SF	6%	4%	2%	3%
2-4 unit	2%	2%	1%	1%
5+ unit	7%	7%	2%	4%
Total	15%	12%	5%	8%
<b>Not condos</b>				
SF	83%	85%	94%	90%
2-4 unit	1%	2%	1%	1%
5+ unit	0%	1%	0%	0%
Total	85%	88%	95%	92%

Source: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

Lower shares of single family homes purchased also coincide with the slightly smaller homes the unmarried buyers choose relative to married buyers and with the smaller shares of households with children (30 percent for unmarried women and 15 percent for unmarried men, but 56 percent for married couples). Still, unmarried women have the highest share of 2 bedroom homes, at 34 percent, and they tie with unmarried men for lowest share of 3+ bedroom homes at 62 percent. Unmarried men have the highest share of efficiencies and one-bedroom homes purchased, with 7 percent choosing such a unit.

### Age and Condition of Homes

The share of recently constructed homes purchased by unmarried women is greater than that of unmarried men but less than that of married couples, despite the striking income disparity that might indicate unmarried women as less able to afford a more expensive newer unit. Fully one in five unmarried female buyers purchased a home built since 2000, and 15 percent were the first occupants in their unit. In contrast, only 10 percent of unmarried men and one quarter of married couples were the first occupants in a newly built unit.

Despite their higher share of newly built units, however, unmarried women are more likely than other buyers to live in a structurally inadequate unit. The overall incidence is low, but still 5 percent of female recent buyers live in a moderately or severely inadequate unit (i.e. lacking complete kitchen or bathroom facilities, experiencing repeated heating equipment failures, faulty or exposed electrical wiring, persistent leaks and/or cracks, evidence of rodents,

broken fixtures/stairs/elevators, etc.), compared with 4 percent of unmarried male buyers and under 3 percent of married couples.

### **Location**

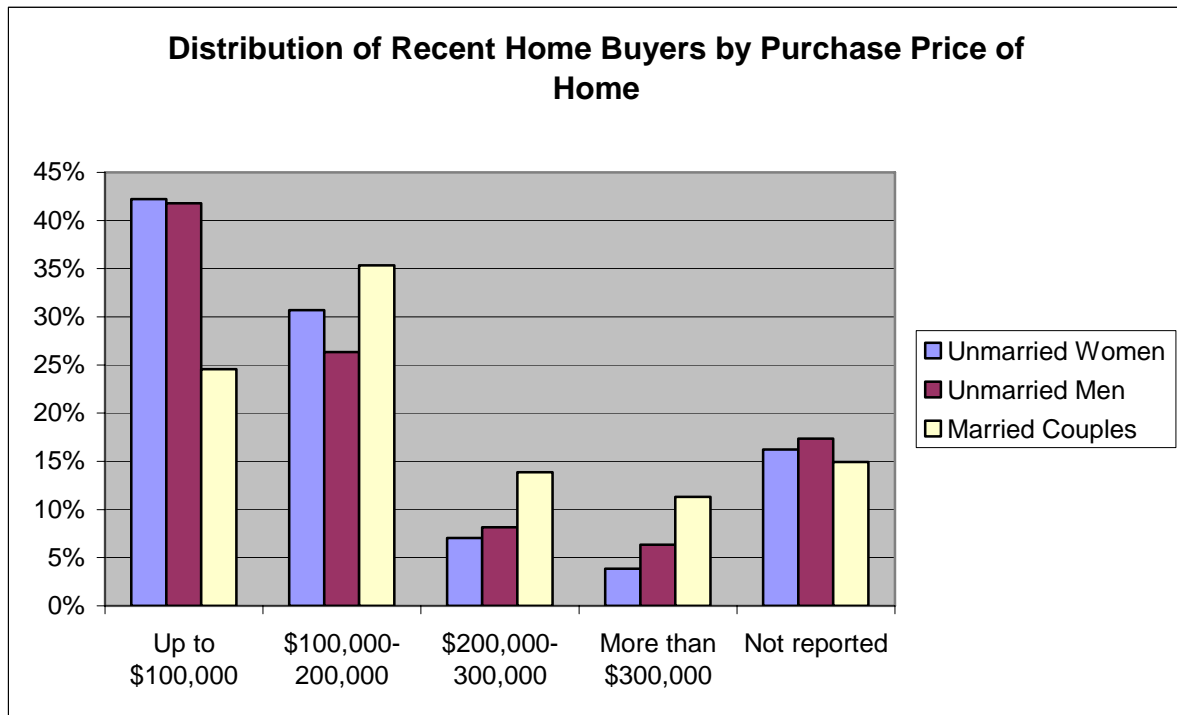
Relative to married couples, unmarried male and female home buyers are more likely to purchase in central cities than in suburban areas – although over half of each segment still purchases a suburban home. Unmarried women are the least likely segment to buy in non-metropolitan areas. They also show a slightly higher propensity for living in the Northeast and South relative to other buyers, and lower propensity for the West. However, unmarried women buying in the Northeast and West are somewhat more likely to live in non-metro locations than other buyers in those states. These trends in part reflect the geographic distribution of unmarried woman-headed households generally, who have higher shares in cities than married couples regardless of tenure or how recent their purchase. The distinctions between unmarried men and women however are less precise across all households, with nearly identical shares of each by metro type and region.

### **Price and Financing**

As a consequence of their generally lower incomes, unmarried women were less likely to purchase a higher priced home than unmarried men and married couples. Of course, the individual characteristics of unmarried female buyers determine exactly how much each spends on their home. Factors such as location, income and type of home purchased influence the price each pays. Nonetheless, three-quarters of the homes purchased by unmarried women cost no more than \$200,000, and only 4 percent cost more than \$300,000 (16 percent did not report a purchase price). Unmarried men purchased only slightly more expensive homes, with 68 percent spending no more than \$200,000 and 6 percent spending over \$300,000; married couples, however, purchased significantly more expensive homes, with more than a quarter paying over \$200,000 (Chart 5).



Chart 5.



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ce: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

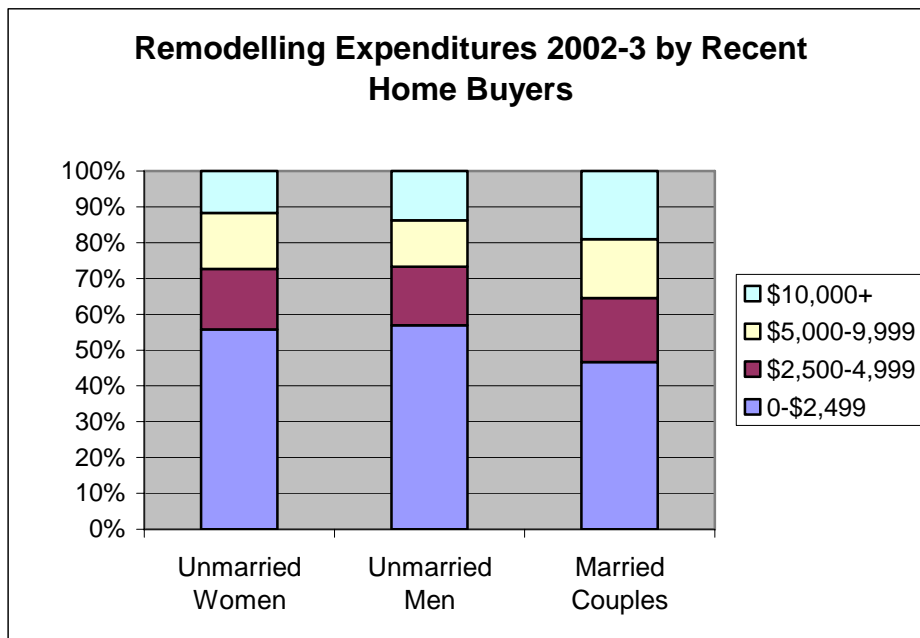
In the process of purchasing their homes, more unmarried females than other buyers opt not to finance their purchase with a mortgage. Over 28 percent of unmarried women purchased their home outright, compared with 27 percent of unmarried men and only 20 percent of married couples. The high numbers of widows and divorcees among unmarried female buyers possibly contributes to this trend, since these buyers would be more likely to have substantial assets to put towards their home and not need additional financing.

### Remodeling after Purchase

Remodeling activity and expenditures are reported in the AHS by households with activity in the year previous to the survey, so calculation of the share of recent buyers (by the 3-year definition used in this paper) that remodel after purchase is not feasible. However, among those that did remodel in 2002-3, some information is gleaned about the cost and extent of their remodeling activity. Married couples, who were 63 percent of all recent buyers, accounted for 75 percent of the remodeling spending by this group in 2002-3, with over \$58.2 million spent. Unmarried men were second with \$10 million, while unmarried women spent a total of \$9.3

million, or an average of just under \$5,000 per household with a remodeling project during this period. Women who do remodel, consequently favor less expensive projects than other recent home buyers making improvements, with 56 percent of projects costing less than \$25,000 and only 11 percent costing more than \$10,000, relative to 47 percent and 16 percent, respectively, for married couples (Chart 6).

**Chart 6.**



Source: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

## Search Process and Preferences

Some details about the process by which unmarried women go about finding and purchasing their home are revealed using the National Association of Realtors® (NAR) 2004 Survey of Home Buyers and Sellers. The NAR survey asks whether a home buyer is part of a married couple, an unmarried woman alone, an unmarried man alone, an unmarried couple, or other. Due to incomplete variables and small sample sizes, the last two categories are not delineated in the AHS data used primarily in this paper, even though they likely include some female-headed households, either as part of a same- or opposite-sex couple or in a group of unrelated individuals buying a home together. Thus, the results from the NAR survey are tabulated somewhat differently than those from the AHS. Nonetheless, cross-tabs of these categories with specific home buying activities do uncover additional details about the distinctive market created by unmarried female home buyers.<sup>1</sup>

Among home buyers surveyed by NAR in 2004 that reported a reason for making their purchase, half of unmarried women did so out of a desire to own a home of their own. An additional 24 percent cited a need for more (15 percent) or less (9 percent) space, and 13 percent bought to change their location (either to be closer to jobs/school/family or from a job relocation). Unmarried men reported similar reasons, though married couples were much more likely to want more space or another location.

Choice of location also reveals distinctions by type of buyer. Unmarried women are more likely than other buyers to choose their location based on proximity to friends and family (43 percent versus 33-37 percent for other groups), and less likely to do so because of proximity to work or school (37 percent versus 40-45 percent). They are also more likely to compromise on the size and cost of their home in order to get the attributes most important to them, and less likely to compromise on location or neighborhood quality.

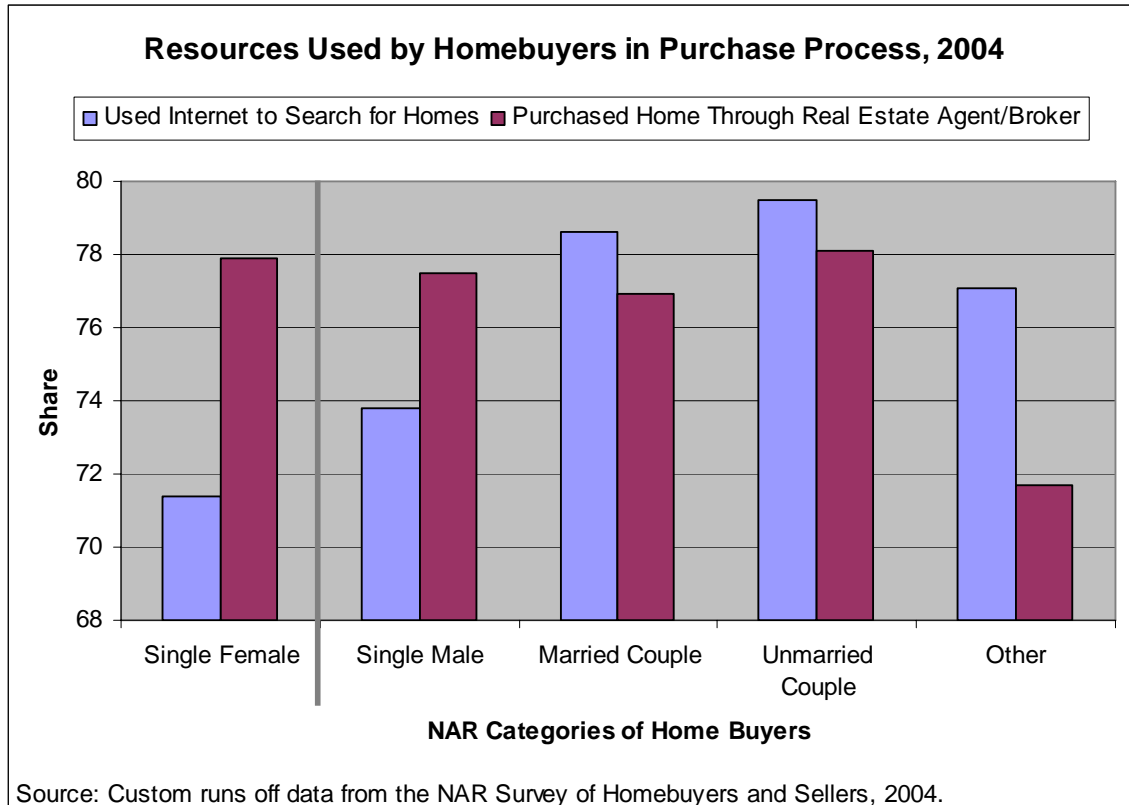
In searching for their home, unmarried women were slightly more likely than unmarried men and married couples to seek out the services of a real estate agent or broker, and less likely to use the internet in their search process (Chart 7). Women also valued the knowledge and communication skills of their real estate agents slightly more than other buyers, with 96.9

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<sup>1</sup> The AHS does include some variables about the characteristics and preferences of recent movers, defined as those moving in the 12 months prior to the survey date, and thus captures only a subset of the group of home buyers defined for the purposes of this paper.

percent of single females rating it very important, versus only 91.7 percent of single males and 93.8 percent of married couples.

**Chart 7.**



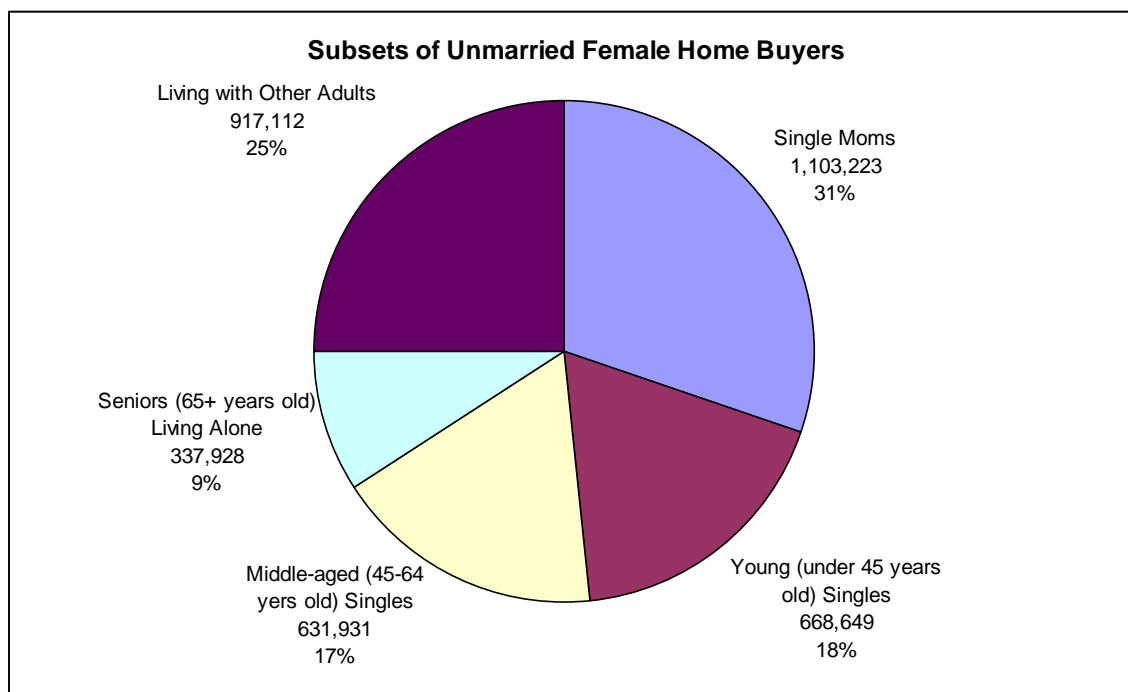
### **Subsets of Female Home Buyers**

As remarkable as the characteristics of unmarried female home buyers and their purchases are, they nonetheless mask significant distinctions within this group in both demographics and buying behavior. The 3.7 million unmarried female householders who purchased a home between 2000 and 2003 are far from a homogeneous group and represent within them a wide range of factors that translate to substantially different approaches to home buying.

Segmenting the population of unmarried female home buyers by specific characteristics – including age, prior marital status, and living situation – helps to illuminate some of these distinctions and illustrate how they correlate with different home buying behaviors (see Table 3). Though they are far from complete in isolating all of the different types of female home buyers,

the four subsets described below help to identify at least some broad classes of women recently engaged in home purchasing. The single mothers, young women on their own, middle aged singles, and seniors living alone defined for this purpose are mutually exclusive groups that alone cover three-quarters of all unmarried female buyers. The remainder falls into categories that are too small for separate analysis and are instead grouped together under the umbrella of women living with other adults, which includes unmarried partners, other relatives and unrelated roommates (Chart 8).

**Chart 8.**



Source: JCHS tabulations of the 2003 American Housing Survey, using Joint Center adjusted weights. Recent homebuyers defined as purchasing their home in 2000-3.

### Single Mothers

Defined as all unmarried female home buyers living with their own children under 18 and no other adults in their household, single mothers account for the largest subset at just over 1.1 million, or 30 percent of all unmarried female home buyers. These buyers are overwhelmingly under 45 years old (85 percent) and previously married (71 percent). Only 28 percent are younger single mothers that have never been married. This group has the highest share of minorities, at 36 percent, including 20 percent Black and 11 percent Hispanic; they have higher

incomes, however, than all but the women living with other adults, with a median of \$36,800 and 15 percent earning at least 120 percent of their area median income. Never-married single mothers have even higher incomes than divorced single mothers.

In making home buying decisions, these women have different priorities than buyers without children, such as choosing a location near good schools or different financial considerations. Due to the large number of divorced single mothers, some who are receiving child support to supplement their purchasing power may also be constrained by the additional costs of raising children. Indeed, over a quarter are younger never-married women have a lower median income than other single mother home buyers.

These priorities are reflected in the types of homes purchased by single mothers. They overwhelmingly prefer single family units with more bedrooms (relative to other female home buyers), and have the lowest share living in condominiums (7 percent). A fifth live in units built since 1990 and 13 percent in units built since 2000. Just over half are first-time home buyers. The median purchase price for single mothers, at \$84,500, was the lowest of all unmarried female buyers, and only 9 percent of them spent over \$200,000 on their home; single mothers, nonetheless, were the most likely to finance their purchase and more than half of them put down less than 5 percent of the purchase price.

### **Young Singles on Their Own**

Defined as unmarried female home buyers under 45 living alone, there are 670,000 of these buyers, or 18 percent of all unmarried female home buyers. Only 22 percent are minorities, including 14 percent non-Hispanic black. Over 70 percent have never been married, and the remainder are mostly divorced or separated (a statistically insignificant number are widows). Many of these home buyers may choose to marry later on but in the meantime take the opportunity to build wealth from their home's equity.

This subset has the highest share of college-educated home buyers, with over half having at least a college degree. Commensurately, this group also has somewhat higher incomes (median \$35,000) relative to other childless buyers, despite its younger average age. Indeed, one-third earn over 80 percent of their area median income.

Young singles are more likely to buy condos in larger, central city developments than other unmarried female buyers. Two-thirds are first-time home buyers, in part because their

younger age range provides less time for most to have been previous owners. This group also prefers smaller, older units – more than 40 percent live in buildings built before 1970. But at the same time, 15 percent live in units built after 2000, perhaps accounting for their higher median purchase prices (\$112,000) relative to other unmarried female buyers. Like single mothers, four out of five take out a mortgage to finance their purchase, though more than half put at least 10 percent down when they do so.

### **Middle-aged Singles**

Distinct from their younger counterparts, this group is defined as unmarried female home buyers who are between 45 and 64 years old and living alone. At 630,000, they are nearly as large a group as young singles, but are much more likely to have been previously married – 65 percent are divorced or separated, and an additional 18 percent are widows. Only 14 percent are minorities, and only one-third has at least a college degree. Their median income is slightly below that of single mothers and young singles, at \$32,800, with just under a third earning at least 80 percent of the area median income.

These women likely approach home buying with different resources and preferences than young singles – many more are second-time buyers and are less likely to be transitional than younger women. More than three-quarters of middle aged women living alone have purchased a home before, either alone or in conjunction with a former spouse, which presumably provides them with equity in which to invest in their current purchase. Indeed, these women had the highest median house price (\$116,000) of any group of unmarried female buyers, but a lower share taking out a mortgage than among young singles and single mothers. Higher house prices among this group also do not necessarily translate into a larger proportion of newly-built homes bought, with only 12 percent of middle aged singles buying a house built after 2000, the lowest share of any subset of unmarried female home buyers.

Unlike single mothers and young singles, middle-aged singles may be distinguished by their prior marital status. These distinctions may not be great, but they are worth mentioning. Firstly, the age distribution *within* middle-aged singles is different for previously and never married women, with the widowed and divorced skewing much older than those that have not previously been married. As a consequence, middle-aged singles that were previously married are also more likely to have smaller incomes, less education and be less diverse than those that

have never been married. Though the never-married group has a higher share of buyers purchasing more expensive homes – 34 percent spent over \$200,000 versus only 21 percent for divorced and widowed women – those previously married were more likely to buy a newly built unit, perhaps another indication of their old age distribution as they begin the move towards retirement and assisted housing.

### **Seniors Living Alone**

Unmarried female home buyers age 65 and up are the smallest specified sub-group at less than 10 percent of the total – unsurprising, given that seniors in general move less often than other groups. More than three-quarters are widows, perhaps downsizing from homes they owned with their late spouses or moving to retirement communities to be with other seniors. As with other segments of the elderly population, this group has the lowest share of minorities and of high school and college graduates relative to younger home buyers. Their median income, at \$17,000, is nearly half that of other female home buyers, since most are retired and living on fixed incomes.

Both the demographic and economic circumstances of these senior women dictate their distinct home buying behavior. This group is most likely to live in non-metro areas, in larger multifamily structures, and in two-bedroom units when compared to other female buyers. More than nine out of ten are previous home owners, allowing almost 70 percent to purchase their recent home without mortgage financing. And of those that do finance, the majority put down at least half their purchase price, so their mortgage costs remain relatively low. Given that 28 percent purchased units in structures built since 1990, and 20 percent purchased units built after 2000, it would appear that most are in fact buying in newer retirement communities.<sup>2</sup>

### **Women Living with Other Adults**

At one-quarter of all unmarried female home buyers, this group is large but too heterogeneous to characterize with common characteristics. A little more than half live with other family members (grown children, aging parents, siblings, etc.) and the rest live with unrelated adults (same or opposite gender partners, roommates or borders, etc.). Almost half are

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<sup>2</sup> Though the American Housing Survey asks whether households live in an age-restricted or naturally occurring retirement community, the response rate is too low among unmarried female buyers for adequate comparison across groups; however, of those senior women who did respond, about half reported living in such a community



under 45 years old, and about 10 percent are seniors. Half are divorced or separated, and 15 percent are widows. With multiple adults in the household, the median income for this group is higher than for other unmarried female buyers, though personal earnings are more in line with that of single earners.

Because their characteristics are so diverse, it is difficult to pinpoint specifics about their home purchasing characteristics and preferences. A surprisingly high share (94 percent) lives in single-family units, perhaps out of the need for larger units with more bedrooms to accommodate their larger households. Less than half are first-time buyers, and only a quarter purchased their homes without mortgage financing. Unfortunately, data limitations prevent knowing how many of these buyers are co-owners of their homes, further complicating the analysis and comparison with other unmarried female buyers.

### **Market Responses**

With their strong and growing presence in the home buying market, unmarried women are increasingly catching the attention of real estate professionals, developers and financiers. Still, only a few publicly-available sources of information on the gender and characteristics of home buyers exist, and do not emphasize this relationship in any level of detail. The National Association of Realtors® produces an annual survey of home buyers and sellers, which includes gender and marital status, but only reports their share of the market not on the intersection of gender and other home buying behaviors. Sears, Roebuck and Co. produced a fact sheet on women and homeownership to coincide with the results of their own survey on female attitudes towards home maintenance and upkeep, but emphasized existing home owners more than recent buyers, despite the obvious interest of the latter to industry professionals. Chicago Title's annual survey of home buyers provided some metropolitan-specific detail on gender of home buyers, but was unfortunately discontinued in 1999.

According to media reports, a handful of developers, lenders and real estate professionals are targeting unmarried female home buyers, with success. One developer in Southern California sees single women as a market that has been largely overlooked by developers of family-oriented housing, and has sought to tap into that demand with developments that incorporate more of the amenities single women prefer, including smaller units, gated access,

fitness facilities, social interactions with neighbors, and other organizational and convenience features.<sup>3</sup>

Women home buyers, according to anecdotal evidence, are highly loyal to professionals they feel helped them successfully navigate the home buying process, and more likely to recommend those professionals to their friends.<sup>4</sup> A group of female mortgage industry executives is returning that favor, by promoting more homeownership opportunities for single mothers.<sup>5</sup> Through education and outreach to both lenders and potential buyers, the Women's Mortgage Industry Network (WMIN) is trying to close the gap on homeownership rates of single mothers and fathers.

Even the federal government and GSE's have entered into the mix. Freddie Mac supported the WMIN as part of their efforts to increase the information about and ability of single women to become home buyers. Fannie Mae created the Women-Headed Households Initiative within their American Dream Commitment to increase homeownership for 18 million Americans and encourage employer-assisted housing programs in industries that commonly employ women. Additionally, the Federal Housing Administration pushed mortgage lenders to begin allowing child care support payments to be included as income when qualifying for a mortgage.

As the existing stock and traditional housing arrangements fail to meet the needs of the changing composition of households, women are developing new approaches and even creating new housing arrangements to meet their specific needs. One such option for female home buyers is to purchase in a co-housing community. Co-housing communities, though relatively small in number – about 50 in the US – are an attractive choice for women who want the privacy of their own home with the benefit of a supportive, surrounding community. These communities typically consist of 12 to 42 self-sufficient private dwelling units, but also include a common kitchen/dining space where meals are shared as well as communal outdoor space. Other arrangements help to pair single mothers looking for a shared living situation. By pooling incomes single mothers can often afford to buy a more desirable home, and by living together they can share household task and childcare which can free up valuable time. Living with

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<sup>3</sup> “When Buying a House, Who Needs a Man?”, *Wall Street Journal*, February 9, 1996, p. B10.

<sup>4</sup> “A House of Her Own”, *Mortgage Banking*, June 2005, p. 61.

<sup>5</sup> “Group to Target Single Moms for Homeownership Opportunities”, *National Mortgage News*, Vol. 28 Issue 7, p. 3. October 27, 2003.

someone can also provide critical emotional support and help make single parenting less exhausting and lonely. Whether these alternative housing arrangements evolve and gain prominence in the nation's housing stock remains to be seen. Regardless, they are indicative of the specific challenges some women face in finding housing suitable to their lifestyles, and opportunities for developers and real estate professionals to target these groups.

### **Future Implications**

The role of unmarried women in home buying is clearly strong and shows signs of continued growth and expansion. The aging of the baby boom generation will lead to a dramatic increase in the number of senior households, and with women living on average seven years longer than men, an increase in widowed households will shift the age composition of female households and create larger markets of widows seeking new housing. At the same time, the younger women who have generated much of the recent growth in the single female homebuyers demographic will continue to evolve in their housing careers, as changes in professional and personal lives will lead to trade-up home buying, cohabitating and relocations.

There is still substantial work to be done, however, in furthering the capacity of unmarried female householders to enter the home buying market. Unmarried female-headed households represent 30 percent of all households, but only 23 percent of all home owners and 20 percent of recent home buyers – clearly there is room to grow within this market.

**Table 1: Purchase and Structure Characteristics of Recent Home Buyers**

Thousands of Households

	Unmarried Women	Unmarried Men	Married Couples	Total	Unmarried Women	Unmarried Men	Married Couples	Total
Total	3,659	3,038	11,273	17,970	100%	100%	100%	100%
First-time homebuyer								
Trade-up	1,958	1,457	6,896	10,311	54%	48%	61%	57%
First-time	1,517	1,465	4,071	7,053	41%	48%	36%	39%
Structure type								
Single family	3,278	2,703	10,845	16,827	90%	89%	96%	94%
2-4 unit	108	112	191	411	3%	4%	2%	2%
5+ unit	273	223	237	732	7%	7%	2%	4%
Condo status and Structure type								
Condos:								
Single family	234	122	256	611	6%	4%	2%	3%
2-4 unit	61	55	77	193	2%	2%	1%	1%
5+ unit	259	203	204	666	7%	7%	2%	4%
Total	554	379	537	1,470	15%	12%	5%	8%
Not condos:								
Single family	3,044	2,582	10,589	16,215	83%	85%	94%	90%
2-4 unit	47	57	114	218	1%	2%	1%	1%
5+ unit	14	20	33	66	0%	1%	0%	0%
Total	3,104	2,659	10,736	16,500	85%	88%	95%	92%
Region and Metro Status								
Northeast								
Central City	139	96	272	507	4%	3%	2%	3%
Other MSA	316	249	1,143	1,707	9%	8%	10%	9%
Non Metro	89	61	209	360	2%	2%	2%	2%
Total	543	406	1,624	2,573	15%	13%	14%	14%
Midwest								
Central City	213	227	504	944	6%	7%	4%	5%
Other MSA	420	352	1,295	2,067	11%	12%	11%	12%
Non Metro	208	249	773	1,231	6%	8%	7%	7%
Total	842	828	2,572	4,242	23%	27%	23%	24%
South								
Central City	365	245	785	1,396	10%	8%	7%	8%
Other MSA	802	565	2,521	3,889	22%	19%	22%	22%
Non Metro	320	281	1,035	1,636	9%	9%	9%	9%
Total	1,487	1,092	4,342	6,920	41%	36%	39%	39%
West								
Central City	237	224	780	1,242	6%	7%	7%	7%
Other MSA	385	365	1,529	2,279	11%	12%	14%	13%
Non Metro	164	124	425	713	4%	4%	4%	4%
Total	787	713	2,735	4,235	22%	23%	24%	24%
All								
Central City	954	792	2,342	4,089	26%	26%	21%	23%
Other MSA	1,923	1,530	6,488	9,941	53%	50%	58%	55%
Non Metro	781	716	2,443	3,940	21%	24%	22%	22%
Number of bedrooms								
0-1	158	200	188	547	4%	7%	2%	3%
2	1,244	947	1,610	3,802	34%	31%	14%	21%
3+	2,257	1,891	9,474	13,622	62%	62%	84%	76%
Age of Structure								
Pre-1970	1,371	1,287	3,328	5,986	37%	42%	30%	33%
1970s	586	475	1,661	2,721	16%	16%	15%	15%
1980s	505	382	1,272	2,159	14%	13%	11%	12%
1990s	482	418	1,813	2,712	13%	14%	16%	15%
2000s	715	477	3,199	4,392	20%	16%	28%	24%

**Table 1: Purchase and Structure Characteristics of Recent Home Buyers**

Thousands of Households

	Unmarried Women	Unmarried Men	Married Couples	Total	Unmarried Women	Unmarried Men	Married Couples	Total
<b>Cost Burden</b>								
No Burden	2,099	2,125	8,465	12,688	57.4%	69.9%	75.1%	70.6%
Moderate Burden	965	590	1,829	3,385	26.4%	19.4%	16.2%	18.8%
Severe Burden	595	323	979	1,897	16.3%	10.6%	8.7%	10.6%
<b>Adequacy</b>								
Adequate	3,485	2,913	10,973	17,371	95.2%	95.9%	97.3%	96.7%
Moderately Inadequate	111	84	197	392	3.0%	2.8%	1.7%	2.2%
Severely Inadequate	63	41	103	207	1.7%	1.4%	0.9%	1.2%
<b>First Occupants</b>								
Yes	536	330	2,793	3,659	14.6%	10.9%	24.8%	20.4%
No	645	540	2,171	3,356	17.6%	17.8%	19.3%	18.7%
NA	2,462	2,145	6,269	10,876	67.3%	70.6%	55.6%	60.5%
<b>Purchase Price</b>								
Up to \$100,000	1,544	1,269	2,768	5,581	42%	42%	25%	31%
\$100,000-200,000	1,123	801	3,984	5,907	31%	26%	35%	33%
\$200,000-300,000	258	248	1,563	2,069	7%	8%	14%	12%
More than \$300,000	141	192	1,275	1,608	4%	6%	11%	9%
Not reported	594	528	1,683	2,805	16%	17%	15%	16%
median	\$100,000	\$100,000	\$146,000	\$130,000				
<b>Mortgaged</b>								
Yes	2,625	2,209	9,024	13,857	72%	73%	80%	77%
No	1,034	829	2,249	4,113	28%	27%	20%	23%
<b>Downpayment with mortgage</b>								
0-4.9%	1,042	828	3,270	5,140	28%	27%	29%	29%
5-9.9%	188	206	773	1,166	5%	7%	7%	6%
10-14.9%	164	155	576	894	4%	5%	5%	5%
15-19.9%	136	134	461	731	4%	4%	4%	4%
20-24.9%	229	191	746	1,166	6%	6%	7%	6%
25-29.9%	103	68	253	424	3%	2%	2%	2%
30-39.9%	170	178	727	1,075	5%	6%	6%	6%
40-49.9%	69	85	397	551	2%	3%	4%	3%
50%+	524	365	1,822	2,711	14%	12%	16%	15%
Total	2,625	2,209	9,024	13,857	72%	73%	80%	77%
<b>Buying new homes (built 2001-3)</b>								
	501	292	2,221	3,014	14%	10%	20%	17%

**Table 2: Home buyers since 2000**

Thousands of Households

	Unmarried Women	Unmarried Men	Married Couples	Total	Unmarried Women	Unmarried Men	Married Couples	Total
Total	3,659	3,038	11,273	17,970	100%	100%	100%	100%
<b>Age</b>								
Under 35	1,097	1,281	4,142	6,520	30%	42%	37%	36%
35-64	2,134	1,600	6,333	10,067	58%	53%	56%	56%
65 and over	428	158	798	1,383	12%	5%	7%	8%
Median age	42	37	38					
<b>Race</b>								
White	2,763	2,407	8,796	13,966	76%	79%	78%	78%
Black	487	284	624	1,395	13%	9%	6%	8%
Hispanic	260	221	1,178	1,659	7%	7%	10%	9%
Asian	101	104	591	795	3%	3%	5%	4%
Multirace	48	22	84	154	1%	1%	1%	1%
<b>Income</b>								
0-80% of AMI	2,282	1,482	2,957	6,721	62%	49%	26%	37%
80-120% of AMI	742	699	2,533	3,973	20%	23%	22%	22%
120%+ AMI	627	858	5,772	7,257	17%	28%	51%	40%
Median	\$36,800	\$48,000	\$70,000	\$58,200				
<b>Marital Status</b>								
Married	0	0	11,273	11,273	0%	0%	100%	63%
Widowed	586	177	0	764	16%	6%	0%	4%
Divorced/Separat	1,800	1,257	0	3,058	49%	41%	0%	17%
Never married	1,272	1,604	0	2,876	35%	53%	0%	16%
<b>Family Type</b>								
Married	0	0	11,273	11,273	0%	0%	100%	63%
Single parent	1,103	449	0	1,552	30%	15%	0%	9%
Other family	520	283	0	803	14%	9%	0%	4%
Single person	1,639	1,682	0	3,320	45%	55%	0%	18%
Other non-family	397	625	0	1,022	11%	21%	0%	6%

Source: Author's tabulations of the 2003 American Housing Survey.

**Table 3: Subsets of Unmarried Female Home Buyers**

		Single moms	Young singles	Middle-aged singles	Seniors living alone	Living with other adults	Total	Single moms	Young singles	Middle-aged singles	Seniors living alone	Living with other adults	Total
	Total	1,103,223	668,649	631,930	337,927	917,112	3,658,841	100%	100%	100%	100%	100%	100%
Race	White	707,543	520,367	546,137	309,147	679,854	2,763,048	64%	78%	86%	91%	74%	76%
	Black	221,878	90,494	33,140	12,558	128,931	487,001	20%	14%	5%	4%	14%	13%
	Hispanic	122,247	28,859	24,881	9,531	74,568	260,086	11%	4%	4%	3%	8%	7%
	Asian	39,197	20,988	15,814	1,847	22,700	100,547	4%	3%	3%	1%	2%	3%
	Multirace	12,358	7,939	11,957	4,845	11,059	48,159	1%	1%	2%	1%	1%	1%
Education Level													
	No high-school degree	102,469	34,490	55,926	64,656	118,278	375,820	9%	5%	9%	19%	13%	10%
	High-school degree or	707,279	260,643	360,323	206,533	544,901	2,079,679	64%	39%	57%	61%	59%	57%
	College degree	293,474	373,515	215,681	66,738	253,933	1,203,342	27%	56%	34%	20%	28%	33%
Income													
	0-80% of AMI	705,721	453,118	431,818	284,124	407,347	2,282,127	64%	68%	68%	84%	44%	62%
	80-120% of AMI	234,241	150,740	117,338	19,156	220,466	741,942	21%	23%	19%	6%	24%	20%
	120%+ AMI	163,261	61,685	81,757	31,239	289,299	627,241	15%	9%	13%	9%	32%	17%
	Median	\$36,800	\$35,000	\$32,800	\$17,000	\$50,750							
Metro Status													
	Central City	237,274	234,590	137,636	78,550	266,379	954,429	22%	35%	22%	23%	29%	26%
	Other MSA	610,913	329,598	348,642	165,141	469,059	1,923,353	55%	49%	55%	49%	51%	53%
	Non Metro	255,036	104,461	145,653	94,236	181,674	781,060	23%	16%	23%	28%	20%	21%
Structure Type													
	Single family	1,050,311	552,708	543,128	271,662	860,531	3,278,340	95%	83%	86%	80%	94%	90%
	2-4 unit	23,280	25,455	26,177	17,894	14,941	107,747	2%	4%	4%	5%	2%	3%
	5+ unit	29,632	90,486	62,626	48,371	41,640	272,754	3%	14%	10%	14%	5%	7%
Condo Status													
	Yes	78,210	184,259	117,907	83,223	90,884	554,483	7%	28%	19%	25%	10%	15%
	No	1,025,013	484,389	514,024	254,704	826,228	3,104,358	93%	72%	81%	75%	90%	85%
First-time Homebuyer													
	No	500,525	180,975	482,559	308,465	485,704	1,958,227	45%	27%	76%	91%	53%	54%
	Yes	559,260	446,864	116,903	9,953	384,490	1,517,470	51%	67%	18%	3%	42%	41%
								96%	94%	95%	94%	95%	95%
Bedrooms													
	0-1	8,749	69,812	34,628	20,677	24,231	158,098	1%	10%	5%	6%	3%	4%
	2	205,116	299,662	295,613	185,841	257,826	1,244,058	19%	45%	47%	55%	28%	34%
	3+	889,358	299,174	301,689	131,409	635,055	2,256,685	81%	45%	48%	39%	69%	62%
Year Built													
	pre-1970	433,688	281,740	212,051	86,168	357,544	1,371,192	39%	42%	34%	25%	39%	37%
	1970s	181,836	94,191	109,134	63,119	137,352	585,632	16%	14%	17%	19%	15%	16%
	1980s	121,860	91,030	108,322	54,366	129,573	505,151	11%	14%	17%	16%	14%	14%
	1990s	155,208	72,346	90,550	40,666	122,937	481,708	14%	11%	14%	12%	13%	13%
	2000s	210,631	129,341	111,873	93,608	169,706	715,159	19%	19%	18%	28%	19%	20%
	Buying new homes (built 2001-3)	141,157	98,361	73,467	67,424	120,716	501,126	13%	15%	12%	20%	13%	14%
Purchase Price													
	Under \$100,000	585,136	246,826	228,800	124,487	358,730	1,543,980	53%	37%	36%	37%	39%	42%
	\$100,000-200,000	307,719	236,125	202,681	100,597	275,497	1,122,619	28%	35%	32%	30%	30%	31%
	\$200,000-300,000	69,621	35,595	52,574	15,291	84,787	257,868	6%	5%	8%	5%	9%	7%
	\$300,000 or more	24,960	36,968	26,416	2,564	49,811	140,720	2%	6%	4%	1%	5%	4%
	Not Reported	115,787	113,135	121,460	94,988	148,286	593,655	10%	17%	19%	28%	16%	16%
	Median	\$84,500	\$112,000	\$116,000	\$100,000	\$106,000							
Mortgage Status													
	Yes	885,189	528,099	423,821	105,443	682,269	2,624,821	80%	79%	67%	31%	74%	72%
	No	218,035	140,549	208,109	232,484	234,843	1,034,020	20%	21%	33%	69%	26%	28%
Downpayment if mortgaged													
	0-4.9%	472,630	198,779	90,539	15,680	264,398	1,042,026	53%	38%	21%	15%	39%	40%
	5-9.9%	53,391	51,086	34,723	0	48,859	188,059	6%	10%	8%	0%	7%	7%
	10-14.9%	42,945	49,738	41,887	0	29,083	163,652	5%	9%	10%	0%	4%	6%
	15-19.9%	47,497	20,521	30,453	2,595	34,625	135,691	5%	4%	7%	2%	5%	5%
	20-24.9%	58,558	40,143	39,240	11,185	80,077	229,203	7%	8%	9%	11%	12%	9%
	25-29.9%	38,821	24,294	17,891	1,704	19,995	102,706	4%	5%	4%	2%	3%	4%
	30-39.9%	48,587	20,930	37,959	9,623	53,357	170,456	5%	4%	9%	9%	8%	6%
	40-49.9%	12,807	12,910	28,874	3,991	10,118	68,699	1%	2%	7%	4%	1%	3%
	50%+	109,951	109,699	102,256	60,665	141,758	524,330	12%	21%	24%	58%	21%	20%

Source: Author's tabulations of the 2003 American Housing Survey.