

The Media Audit

NEWS RELEASE

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For the First Time - - - Minorities Make Up More Than Half Of Prospective Home Buyers

Houston – (8/21/03) – In the 85 metro markets surveyed regularly by The Media Audit there are 19,196,000 adults who plan to buy a home in the next two years and 50.8 percent of them are members of minority groups.

“It’s the first time that minorities have made up more than half of this group,” says Bob Jordan, co-chairman of International Demographics, Inc., a 32-year-old research firm that produces The Media Audit. The adult population of the 85 markets surveyed is 131,417,000 and ethnic minorities comprise 34.5 percent of that total.

More Plan to Buy a Home

“In 1999, 55.3 percent of those who said they plan to buy a home during the next two years were white,” says Jordan, “and that percentage has declined steadily till it hit 49.2 in 2002.” The decline was occurring while the total number of those who “plan to buy” was increasing from 18,072,000 in 1999 to 18,262,000 in 2000, 18,603,000 in 2001 and 19,196,000 in 2002. Although not a national survey, The Media Audit’s aggregated total for the 85 markets traditionally track national trends.

The Media Audit survey divides it’s market audience into five groups: white (not Hispanic); black (not Hispanic); Hispanic; Asian; and other (not white/black/Hispanic or Asian). Of the five groups, only Hispanics showed steady and significant growth 1999-2002 among respondents who said they planned to buy a home during the next two years.

In 1999 Hispanics made up only 17.2 percent of those planning to buy a home in the next two years. In 2000 the percent was 18.0, in 2001 it was 20.1 and in 2002 it was 21.9. By comparison, blacks in 2002 made up 21 percent of the total “plan to buy” group, Asians were 6.8 percent and the remaining was 1.1 percent.

The steadily increasing percent of those who “plan to buy” does not mean that homeownership as a percent of the population at large is increasing, Jordan points out. “Home ownership in our 85 markets remains relatively stable. It reached 67.3 percent in 1999,” he says, “and then dropped to 65.6 in 2000. It increased to 66 percent in 2001 and 66.5 percent in 2002.”

Some Priced Out of Market

“Home ownership by households with annual incomes of less than \$35,000 declined between 1999 and 2002,” says Jordan “while low interest rates may have created home buying opportunities the ever increasing costs of homes continued to price some out of the market.” Home ownership among all groups with annual incomes of more than \$35,000 increased between 1999 and 2002.

The percent of those who “plan to buy a home in the next two years” varies greatly from market to market. In Las Vegas 20.2 percent “plan to buy” compared to just 7.8 percent in Allentown-Bethlehem. “These are, of course, percentages,” says Jordan who points out that “7.8 percent in the Allentown-Bethlehem area is actually 45,000 prospective buyers while 12.8 percent in Ann Arbor is just 33,000 prospective buyers.

The markets with the highest percentage of those “who plan to buy” are, for a variety of economic reasons, experiencing periods of exceptional growth. “But, even in a rapidly growing market,” says Jordan, “*everyone* doesn’t plan to buy a home.” Those who want to access the prospective home buying market must be aware, says Jordan, of the demographics involved. As an example, approximately 26.1 percent of those in the 25-34 age group plan to buy a home in the next two years. In the 35-44 age group, the percent is 18.7. In the 18-24 group, the percent is 17.4 and among 45-54 year olds, the percent is 11.1 and, just 7.5 percent of those between 55 and 64 plan to buy a home during the next two years.

Twenty Five Top Markets

The 25 markets with the highest *percentage* of those who plan to buy a home during the next two years and the *actual number* (in parenthesis) that percentage represents are: Las Vegas, 20.2 percent (224,000); Miami-Ft Lauderdale, 19.3 percent (598,000); Reno, 18.7 percent (59,000); Phoenix, 18.6 (443,000); Atlanta, 18.4 percent (582,000); Sacramento, 18.3 percent (263,000); Austin, 17.9 (173,000); Los Angeles, 17.9 percent (1,661,000); West Palm Beach, 17.8 percent (168,000); Washington, D.C., 17.6 percent (621,000); Dallas-Ft Worth, 17.5 percent (673,000); Orlando, 17.4 percent (195,000); Houston-Galveston, 17.1 percent (596,000); New Orleans, 16.9 percent (157,000); Birmingham, 16.7 percent (125,000); Columbia (SC) 16.3 percent (67,000); Chicago, 15.9 percent (1,069,000); Charleston, 15.8 percent (63,000); Memphis, 15.6 percent (139,000); Fort Myers-Naples, 15.5 percent (90,000); Denver, 15.5 percent (284,000); Jackson (MS), 15.5 percent (50,000); Oklahoma City, 15.5 percent (125,000); Colorado Springs, 15.3 percent (59,000); Baltimore, 15.3 percent (301,000).

The Media Audit is a syndicated media ratings service currently covering 85 metro markets. The surveys provide both quantitative and qualitative data for media web sites as well as for traditional media.

Traditional media – print, broadcast and outdoor – have used The Media Audit data in sales, marketing and management for more than 30 years. In 1998 the surveys started providing data on local media web sites. The surveys now contain more than 400 fields of qualitative information in addition to quantitative measurements of local web audiences.

Note: If you would like to periodically receive market survey data from The Media Audit please contact Bob Jordan by email (bjordan@TheMediaAudit.com) and leave your name, title, company, mailing and/or email address. Additional marketing data is available at TheMediaAudit.com.