



WSFS Mortgage Regional Study Finds Homebuyers Feel High Levels of Anxiety When Buying a Home, Prefer Personal Touch and Guidance From Someone They Can Trust

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Seven out of 10 want to remain in the region with more than half finding the area affordable.

WILMINGTON, Del., June 17, 2020 (GLOBE NEWSWIRE) -- As the easing of COVID-19 restrictions continue and interest rates remain low, more than half (56%) of people living in Delaware and the Greater Philadelphia region in May are interested in buying a home this summer and fall, despite feeling anxious about the process, a WSFS Mortgage Regional Study of 1,007 area residents reveals.

The study, a regional tracking survey of Generation X (ages 39-55), older Millennials (ages 30-38), young Millennials (25-29) and Generation Z (18-24), examines the behavioral preferences of homeowners and others who plan to buy a home within two years in the region. The study was conducted in two waves beginning in February 2020 with a follow-up in late May.

Confident Yet Wary

Eight out of 10 (83%) respondents believe they know what to do to get a mortgage, with young Millennials (85%) exhibiting the most confidence. However, one third (34%) of those who don't own a home today are extremely anxious, with another 52% somewhat anxious about the home buying process (total 86%).

What do they find stressful? Seventy-four percent of all respondents find the home purchasing process complicated, with locating the right house at the right price (81%), finding the right financing (74%) and putting down payment funds together (73%) driving their anxiety.

Men (84%) and women (86%) feel the anxiety almost equally, and nearly two-thirds of both men and women find buying a home more stressful than getting married.

The search for trusted resources also raises stress levels, as 68% reported that finding someone to guide them through the home purchase process, such as a real estate agent, caused anxiety. Likewise, 68% feel the same way about finding someone they can trust with the mortgage process.

The Impact of COVID-19

Almost two-thirds (64%) of respondents of the May study indicated that COVID-19 affected their homebuying plans in 2020, with four in 10 (39%) planning to purchase a home this summer or fall. Seventy-five percent said low interest rates, easing of pandemic restrictions and using a purposeful approach to buy a home have them looking to buy in the next six months.

COVID-19 has also impacted homebuyers' confidence in finding the right professionals to help them, as 80% of second wave respondents said finding someone to guide them through the mortgage process caused them anxiety, up from 68% in February.

Likewise, finding someone to help them through the home purchasing process, such as a realtor, increased anxiety levels during the pandemic, with 77% anxious in finding the right person compared to 68% in February.

"Although COVID-19 delayed homebuyers getting started on their home searches this spring, they've had time to research and consider their current home needs; now they are ready to restart the process with people they can trust to guide them through the process," says Jeffrey M. Ruben, President of WSFS Mortgage.

Relationships Over Technology

When initially looking for a mortgage lender, only about one in 10 (12%) respondents look for online banks or online mortgage companies. When it's time to choose and work with their lender, a staggering 85% prefer a person to help guide them through the various steps of the entire mortgage process, and 76% want the ability to complete that mortgage process online with a dedicated person helping them.

Surprisingly, tech savvy younger buyers are even more apt to seek one-on-one advice, evidenced by 81% of both Gen Zers and young Millennials preferring in-person help for each step in the homebuying journey.

These younger consumers are also more likely than their older counterparts to choose a regional bank for their lender, with 41% of Gen Zers and 32% of younger Millennials revealing their preference for close geographic proximity over national or online lenders. However, 49% of overall respondents prefer to work with a national or community bank versus any other type of lender, including online tech and financial services companies.

"While many online resources are available to homebuyers, the high-touch, personalized experience is extremely important to people in our area," says Ruben. "We understand that buying a home is an exciting time but getting a mortgage can be stressful. It is something we only do a few times in our lives. It is important to find the right mortgage partner that offers a simple yet transparent experience and the right balance of in-person guidance and convenient technology."

Home Sweet Home

According to a Wall Street Journal analysis of 2019 United States Census figures, cities with more than a half million people collectively lost almost 27,000 residents ages 25 to 39 in 2018, the fourth consecutive year big cities saw a drop in young adults.

As affordability in cities has become increasingly challenging, Delaware and Greater Philadelphia area home prices have remained lower than average for big city markets, and more than half of respondents (56%) agree. Fifty-seven percent also feel that the City of Philadelphia is affordable for buying a home.

The region's housing outlook among younger homebuyers is even more promising. Sixty-nine percent of Gen Zers and 60% of young Millennials agree that the region is an affordable place to own a home, indicating they may remain in the area long term.

Ruben sees these trends potentially increasing post-pandemic. "Homebuyers' work and lifestyle habits have changed due to COVID-19, and many are looking for more space to accommodate working from home more often for the foreseeable future. Whether in the suburbs or in a city, the home continues to be a central place in our lives, maybe now more so than ever."

Overall, 69% of those surveyed agreed that if they were to buy a home or move, they would want to remain in the region, with men favoring the area (73%) more than women (67%).

Survey Methodology

The study was conducted by research company The Melior Group. The sample includes 1,007 respondents who reside in the five-county Philadelphia market (Philadelphia, Bucks, Chester, Delaware, and Montgomery), two New Jersey counties (Burlington and Camden), and all three Delaware counties (Kent, Sussex, and New Castle). All respondents were between the ages of 18 and 55. The first wave of the online survey was conducted from 2/21/20-2/27/20, with a margin of error of +/- 3.5 percent. Wave two was conducted from 5/27/20-6/2/20 with a margin of error of +/- 6 percent.

About The Melior Group

The Melior Group is a strategic consultancy with extensive industry experience and deep roots in marketing research. Melior provides insights that transform questions into answers, by delivering rich and robust results that directly inform strategic decision-making.

Melior was founded in 1982 to bring the disciplines of marketing research to service industries. Today, Melior is one of the region's leading research-based consulting firms, serving organizations in the healthcare, government, leisure, tourism, financial services/ insurance, and education sectors.

About WSFS Financial Corporation

WSFS Financial Corporation is a multi-billion dollar financial services company. Its primary subsidiary, WSFS Bank, is the oldest and largest locally managed bank and trust company headquartered in Delaware and the Delaware Valley. As of December 31, 2019, WSFS Financial Corporation had \$12.3 billion in assets on its balance sheet and \$20.7 billion in assets under management and administration. WSFS operates 118 offices, 93 of which are banking offices, located in Pennsylvania (55), Delaware (45), New Jersey (16), Virginia (1) and Nevada (1) and provides comprehensive financial services including commercial banking, retail banking, cash management and trust and wealth management. Other subsidiaries or divisions include Arrow Land Transfer, Cash Connect®, Cypress Capital Management, LLC, Christina Trust of Delaware, NewLane Finance, Powdermill Financial Solutions, West Capital Management, WSFS Institutional Services, WSFS Mortgage, and WSFS Wealth Investments. Serving the greater Delaware Valley since 1832, WSFS Bank is one of the 10 oldest banks in the United States continuously operating under the same name. For more information, please visit www.wsfsbank.com.

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