

Lack of Affordability Drives Prospective Home Buyers to Make Big Compromises

Owners.com 2017 Home Buyer Study Finds Consumers Making Major Financial Sacrifices and Taking on More Transaction Work to Get into a Home

ATLANTA, GA -- (Marketwired) -- 02/02/17 -- Owners.com, an innovative online brokerage, recently commissioned a survey of more than 1,000 consumers considering a home purchase in 2017. As real estate prices continue to increase and inventory remains low in some markets, the study found that consumers are making significant compromises to purchase a home.

According to the study, consumers see home ownership as a priority, yet most are concerned about the affordability of getting into a home, including 69 percent who cite their top financial fear is not having enough cash for the down payment. To reach their goal, respondents were prepared to forgo other financial goals and investments. When asked about their willingness to sacrifice several savings goals, most consumers indicated that saving for a home takes priority over saving for an emergency (61 percent) or contributing to their retirement (60 percent). An even larger group (72 percent) would limit their contributions to other investment funds to save for a home.

In addition to compromising their financial safety nets, the study showed that consumers are open to purchasing a house that may not meet all their requirements if it means they will get into a home this year. With rising home prices, consumers were asked to choose the areas where they would look to save to stay on budget. More than half (51 percent) would consider buying a fixer-upper, while more than one-third (36 percent) would purchase a smaller home than what they desire. Additionally, consumers also indicated they would undertake some of the transaction work themselves to save on traditionally high agent commissions, with more than one-quarter (28 percent) seeking opportunities to save in this fashion. These buyers may want to consider brokerage models that offer a rebate on agent commission costs.

"Buying a house is a worthwhile investment for many people, and consumers are demonstrating a willingness to make sacrifices to achieve their goal of homeownership," said Steve Udelson, president of the Owners.com business. "Market pressures are forcing consumers to take necessary action to stretch their purchasing power, and innovative brokerages like Owners.com offer consumers the opportunity to save on transaction fees that can make the difference between getting the house they want versus settling for their second choice."

Survey Methodology

The Owners.com[®] home buyer study was completed online among a random sample of the general U.S. population and an oversample of consumers in the Atlanta and Miami region. A total of 1,289 potential (defined as very or somewhat likely to purchase a home in 2017) home buyers participated. Interviewing was conducted by Ebiquity from October 21-26, 2016. The overall margin of error for this sample size is +/- 2.7% at the 95 percent confidence level.

About Owners.com[®]

Owners.com is an online brokerage that gives consumers a choice in the services they use to buy or sell their homes. Owners.com offers a broad inventory of homes from local MLS boards to for-sale-by-owner listings as well as technology-enabled tools that help consumers save money and time. Buyers and sellers can access a team of expert advisors to support their home buying and selling experience and save on the standard commissions. For more information, check out Owners.com, facebook.com/ownerscom and twitter.com/ownersdotcom.

About Altisource[®]

Altisource Portfolio Solutions S.A. (NASDAQ: ASPS) is a premier marketplace and transaction solutions provider for the real estate, mortgage and consumer debt industries. Altisource's proprietary business processes, vendor and electronic payment management software and behavioral science-based analytics improve outcomes for marketplace participants. Additional information is available at altisource.com.

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