

Real Estate in a Digital Age

2019 Report



National Association of REALTORS® Research Group

Introduction

- ❖ In 1981, 22 percent of home buyers read newspaper ads to find a home and eight percent used friends as an information source. In 2018, 44 percent looked for properties online first.
 - ❖ The world we live in today is a digital one and searching for a home is no different. Buyers now have apps that let them search by location and neighborhoods. Online listings have virtual tours so viewers can look at many potential homes while narrowing down their search to a select few in the effort to save time. Online searching maximizes the ability to compare and contrast homes on the market by selected features. Most of this is done before a potential home buyer connects with a real estate agent.
 - ❖ Also in 1981, the top way to find an agent was through friends, relatives or neighbors. In 2018, buyers worked with an agent 87 percent of the time to find their home, so trust in a REALTOR® is still king. While the initial process may start online, home buyers turn to the advice from a trusted real estate agent. The difference is that home buyers are entering the process more educated about the market before they speak to a home seller or an agent.
 - ❖ In addition to the home buying process, REALTORS® also utilize technology in their everyday business practices. Staying up to date with new technology is important, but is also cited as one of the biggest challenges for firms in the next two years.
 - ❖ Over 90 percent of real estate firms have websites, and the most common feature on their websites were property listings. Along with web use, REALTORS® are also using their mobile devices for a multitude of different activities, with the primary being to communicate with their clients. In the *Real Estate in a Digital Age* report, we examine the process home buyers go through in the initial online search and how REALTORS® are connecting with customers in the digital space.
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How Buyers Use Technology in the Home Search Process

Section 1

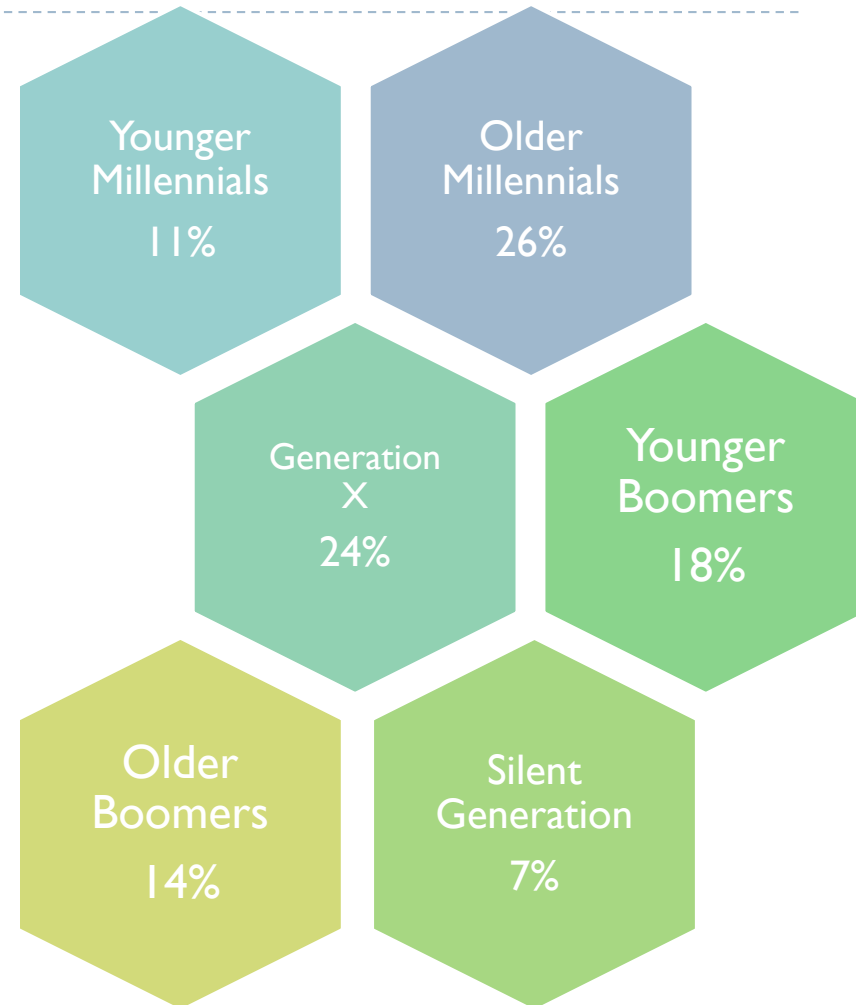
A Day in the Life of a Home Buyer

- ❖ How home buyers find a home ...
 - ❖ The typical buyer used a mobile device to search for properties online. S/he looked at websites with photos, home listings, and information about the home buying process. S/he then contacted an agent and visited a median of 10 homes over 10 weeks again in 2019 before purchasing a home.
 - ❖ The typical home buyer was 46 years old, married without children living at home, and has a median income of \$91,600.

Age of Home Buyers



Generation Definitions	Year Born	Age
Younger Millennials/Gen Y	1990-1998	21 to 28
Older Millennials/Gen Y	1980-1989	29 to 38
Generation X	1965-1979	39 to 53
Younger Boomers	1955-1964	54 to 63
Older Boomers	1946-1954	64 to 72
Silent Generation	1925-1945	73 to 93



First Step Taken During the Home Buying Process

(Percentage Distribution)



All Buyers:

44% - Looked online for properties for sale

17% - Contacted a real estate agent

11% - Looked online for information about home buying process

7% - Contacted a bank or mortgage lender

6% - Talked with a friend or relative about home buying process

6% - Drove-by homes and neighborhoods

Generational Data:

29% of the Silent Generation contacted a real estate agent

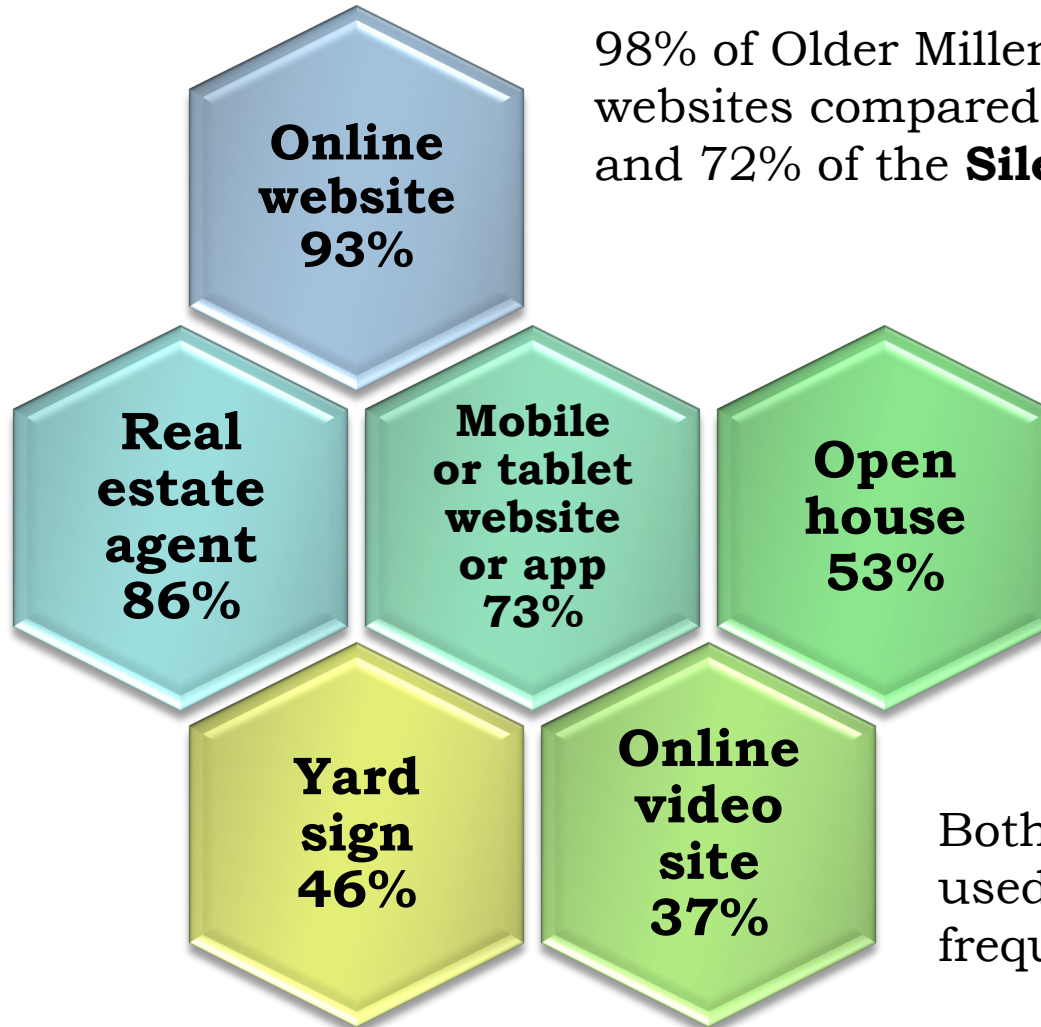
14% of Older Millennials looked online for information

12% of Younger Millennials talked with a friend or relative

47% of Gen Xers looked online for properties for sale

Information Sources Used in Home Search

(Percentage Distribution)



98% of Older Millennials search on online websites compared to 89% of **Older Boomers** and 72% of the **Silent Generation**.

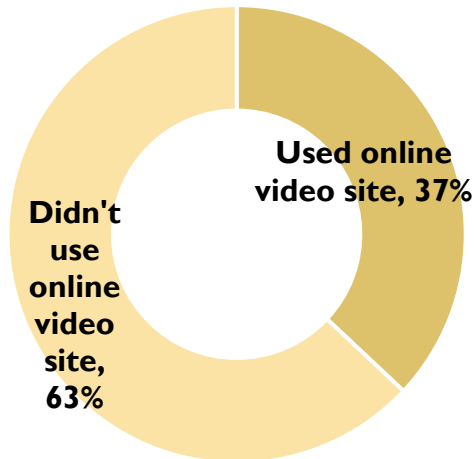
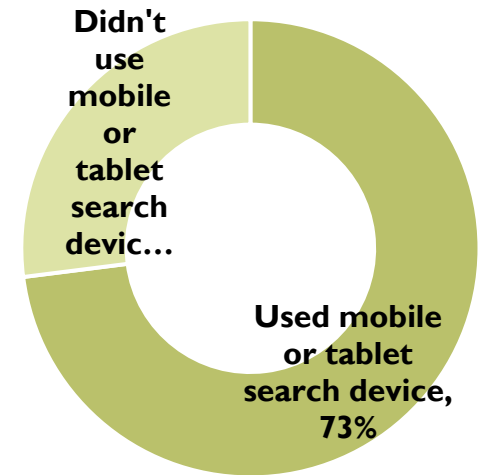
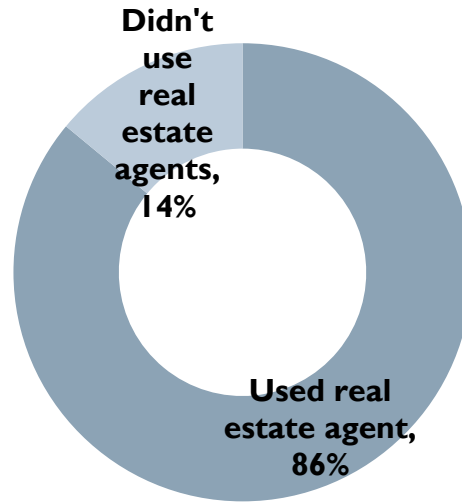
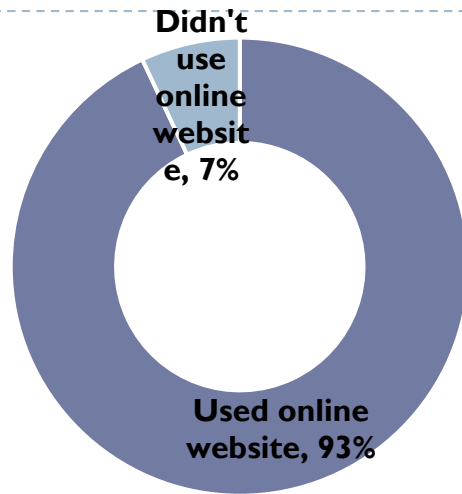
57% of **Gen X and Older Millennials** visited an open house.

Older Boomers used a mobile device at roughly half the rate of **Younger & Older Millennials**.

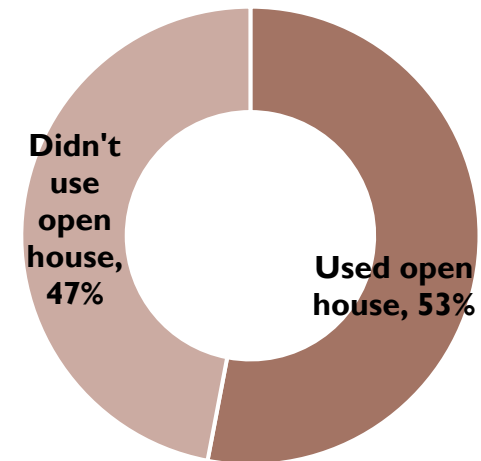
Both **Younger and Older Boomers** used online video sites less frequently than other age groups.

Frequency of Use of Different Information Sources

(Percentage Distribution)

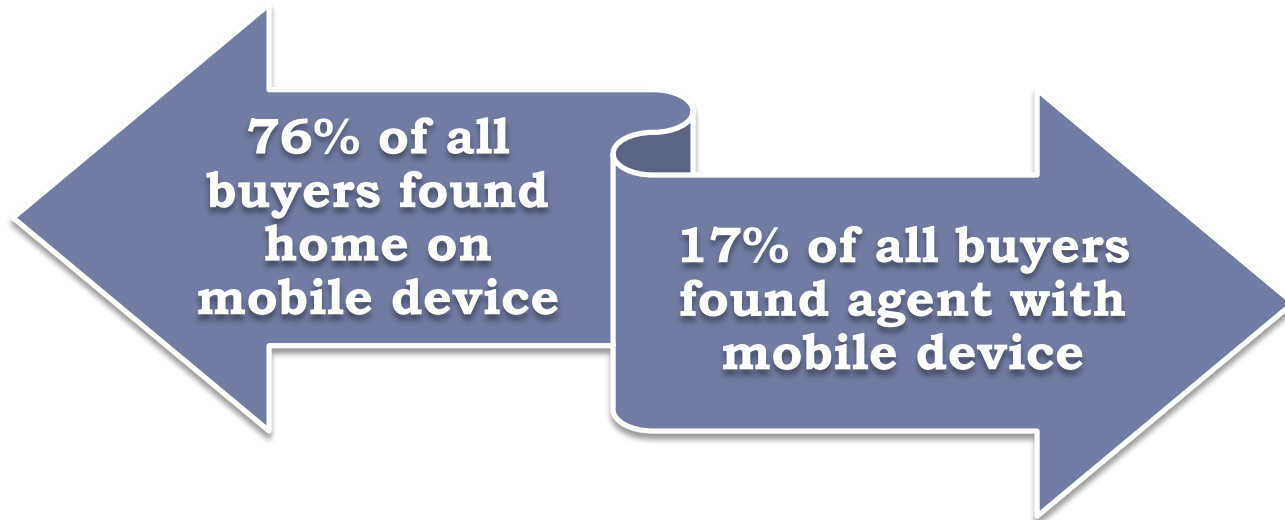


98% of **Older Millennials** cited using the internet, whereas only 72% did from the **Silent Generation**.



Mobile Search (Percentage of Respondents Among those Who Used Mobile Search)

81% of **Older Millennials**, 80% of **Younger Millennials** and 78% of **Generation X** found their home on a mobile device compared to 68% of **Younger Boomers**.



23% of **Younger Millennials** and 20% of the **Silent Generation** found their agent with a mobile device compared to 15% of **Younger Boomers and Gen Xers**.

Value of Website Features

(Percentage Distribution Among Buyers Who Used the Internet)

For **All Generations**, photos of the property as well as detailed information about properties for sale were cited as the most valuable aspects of a website.

87% Found photos very useful

85% Found detailed information about properties

52% Found floor plans very useful

46% Found virtual tours very useful

42% Found real estate agent contact information very useful

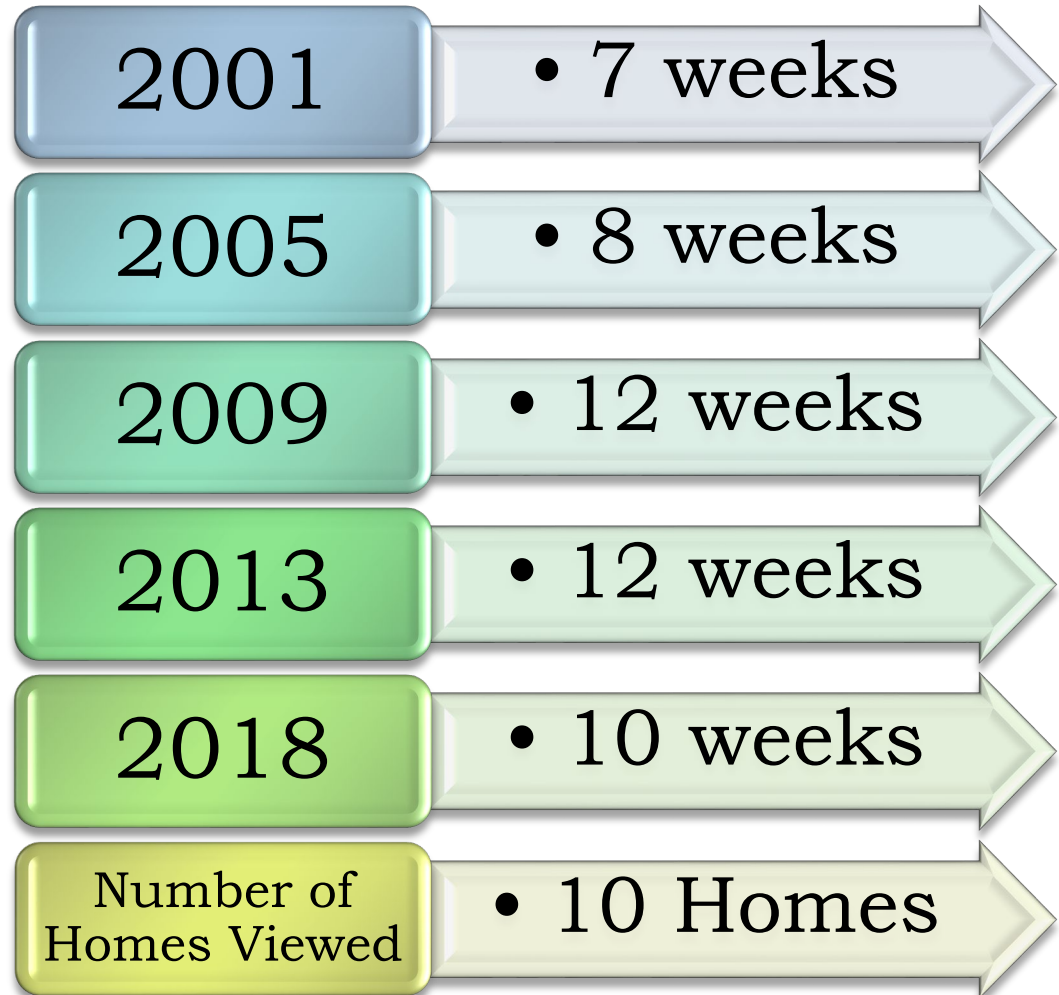


Length of Search (Median)

All **generations** except the **Silent Generation** and **Younger Boomers** spent 10 weeks searching for a home, who spent 8 weeks and 12 weeks respectively.

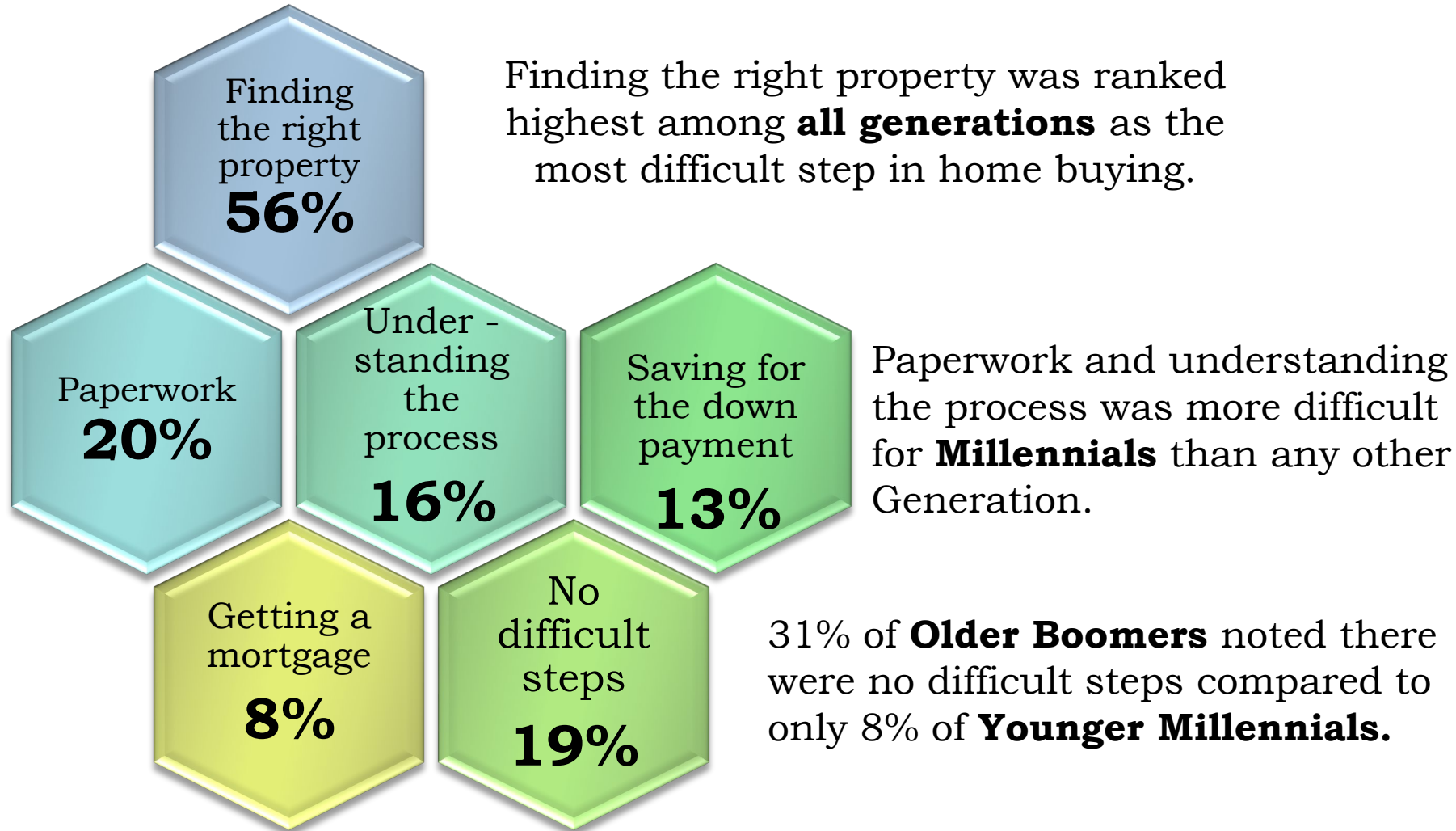
62% of those 28 and younger found their home on the internet versus **Older Boomers** and the **Silent Generation**, who found it more frequently through a real estate agent.

All Buyers:



Most Difficult Steps of Home Buying Process

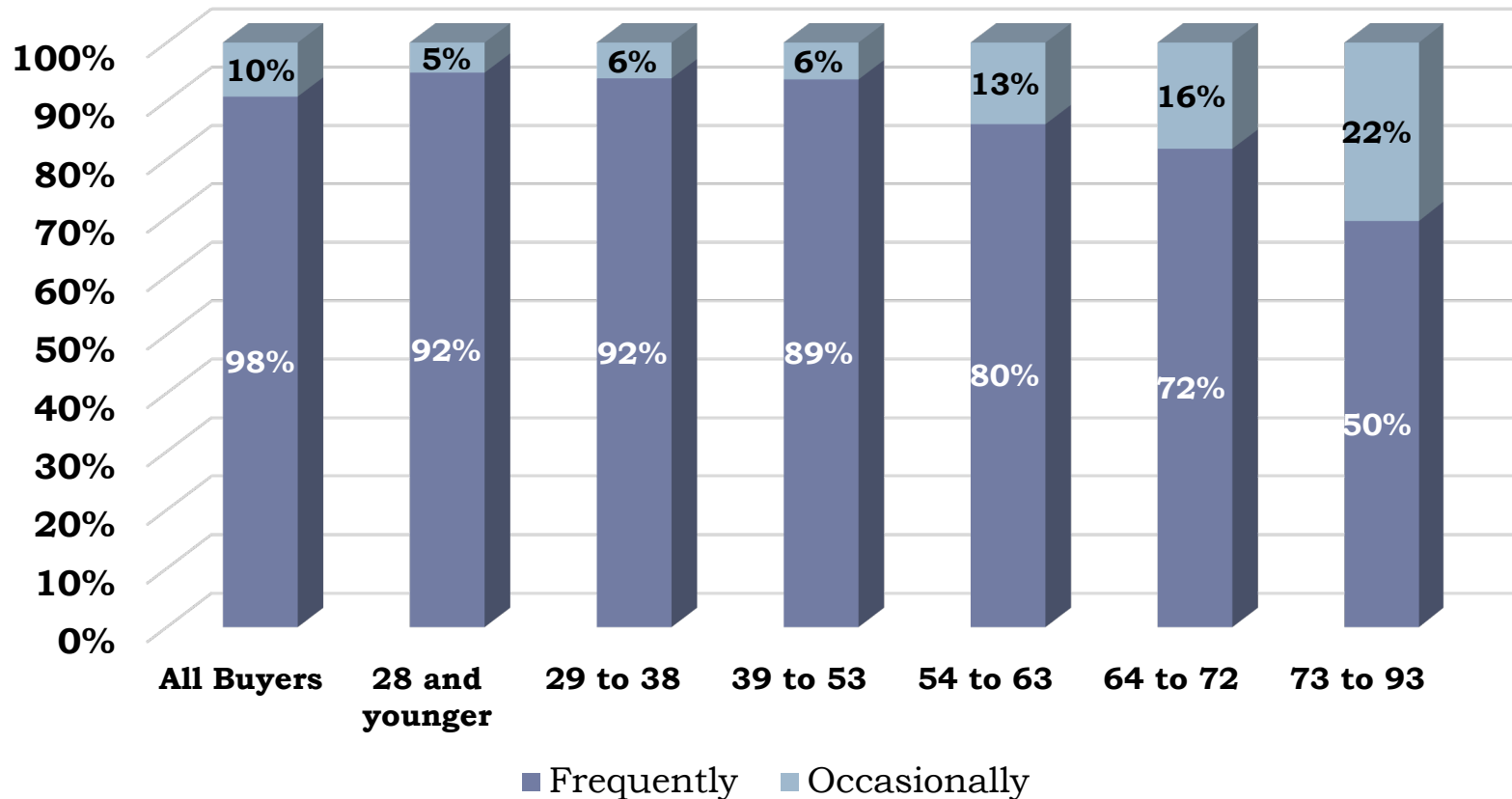
(Percent of Respondents)



Use of Internet to Search for Homes

(Percentage Distribution)

A buyer's internet usage decreases with age:



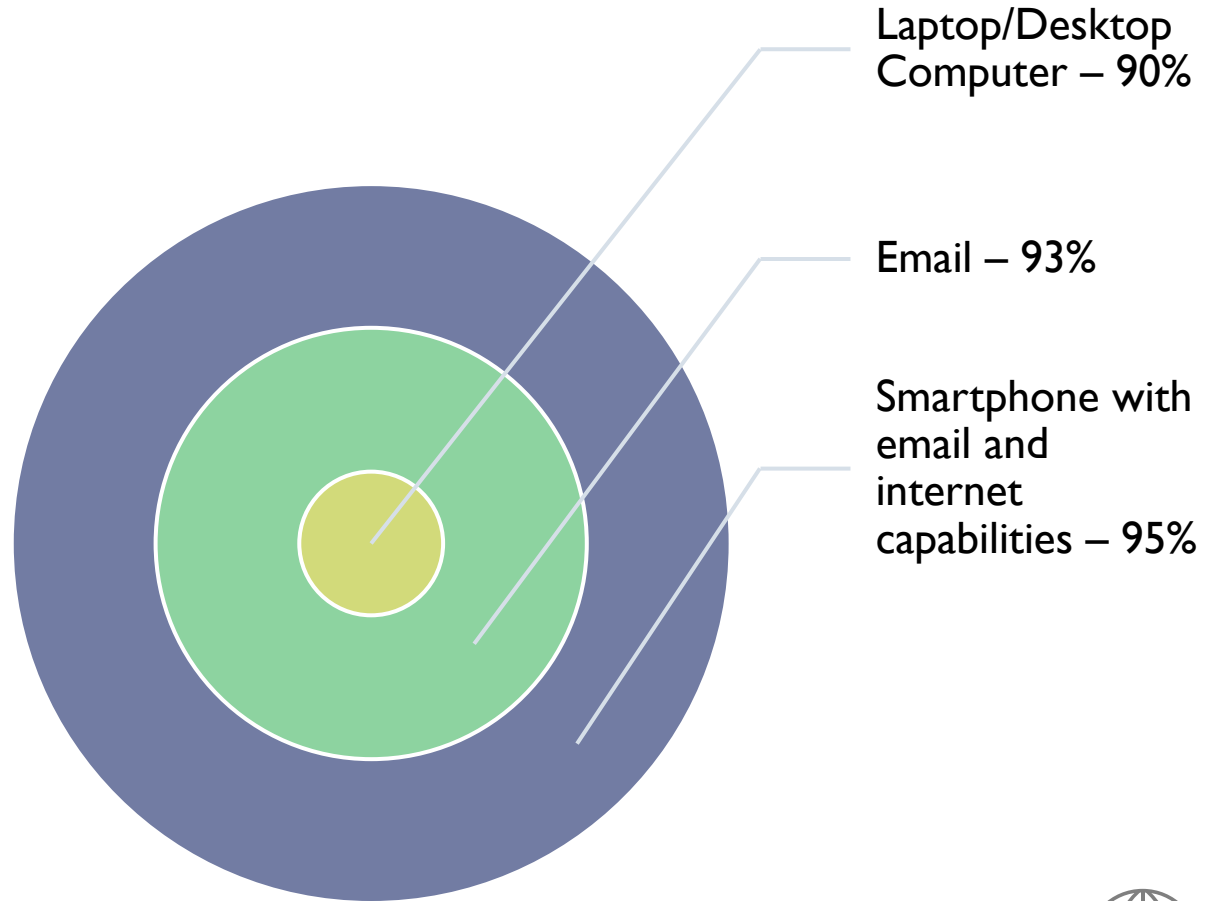
The Utilization of Technology by Real Estate Firms

Section 2

Frequency of Use of Communications and Technology Products *(Percentage Distribution)*

**Daily or Nearly
Everyday*

The top 3 technologies in day-to-day use are the **smartphone, email, and laptops and desktop computers.**

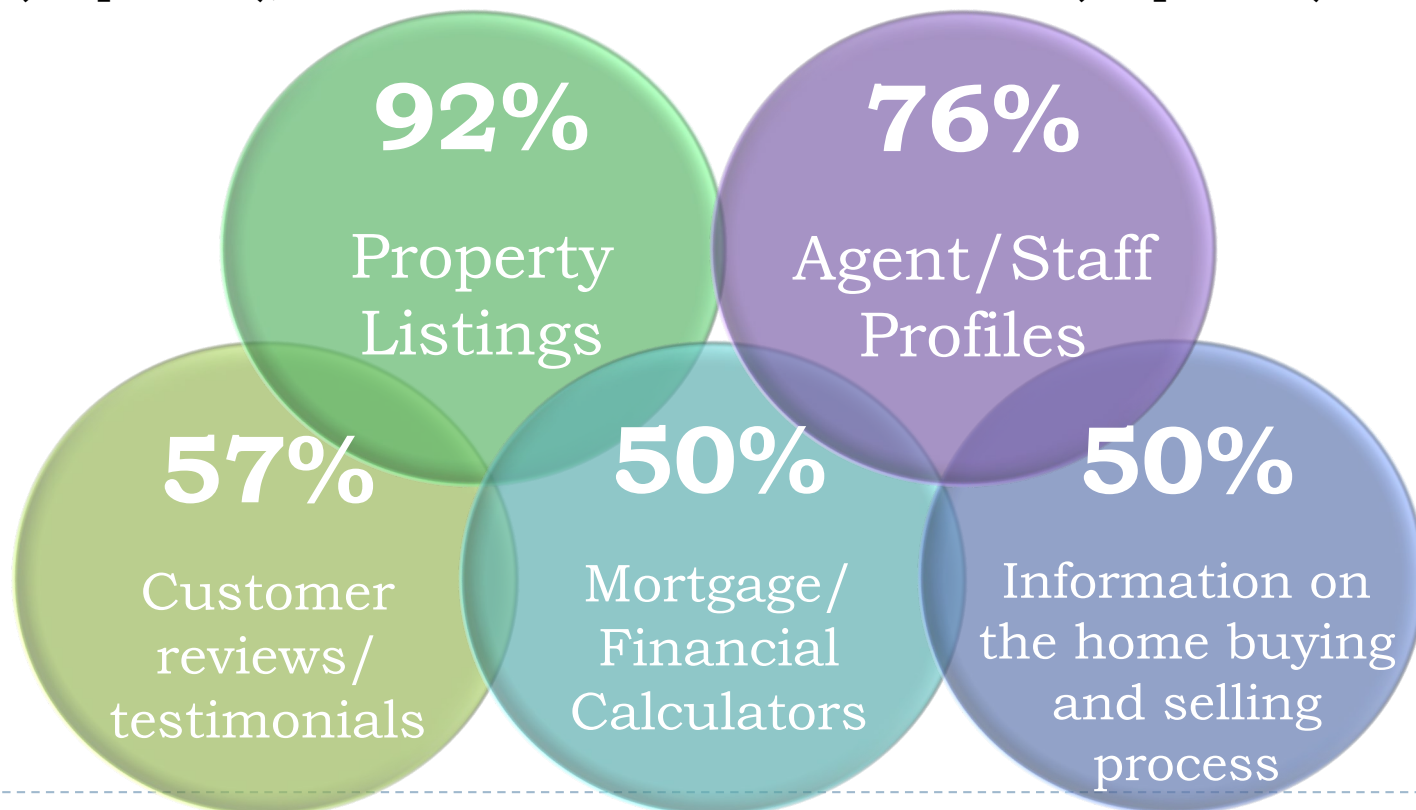


What are the most common features on firms' websites? (Percent of Respondents)

The most common feature on firms' websites were property listings at **92 percent**.

Commercial firms typically showed property listings (**90 percent**), agent and staff profiles (**83 percent**), and customer reviews and testimonials (**44 percent**).

Residential firms typically showed property listings (**94 percent**), agent and staff profiles (**78 percent**), and customer reviews and testimonials (**59 percent**).



Encouragement of Software Use

(Percent of Respondents)



Real estate firms provide their agents and brokers with specific software.

Overall the most encouraged software was **Comparative Market Analysis**.

At firms with **four or more offices**, the two most used were **multiple listing and electronic contracts/forms**, at **90 percent**.

	All Firms	Residential Firms	Commercial Firms
Comparative Market Analysis	81%	84%	72%
Multiple Listing	81	83	70
E-signature	80	84	60
Electronic contracts/form	79	82	71
Document Preparation/Management	54	55	54
Contact Management	53	57	46

Challenges for Real Estate Firms

(Percent of Respondents)



46%

46 percent of all firms cited **keeping up with technology** as one of the biggest challenges facing their firm in the next two years.

For **commercial** firms this decreases to **44 percent**, and **40 percent** of firms with **three offices** cite keeping up with technology as a challenge.

Trends and Demographics in REALTOR® Technology Use

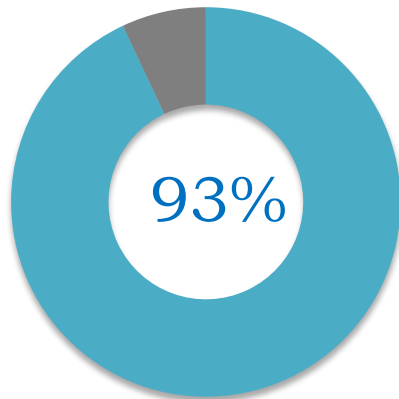
Section 3

Preferred Method of Communication with Clients

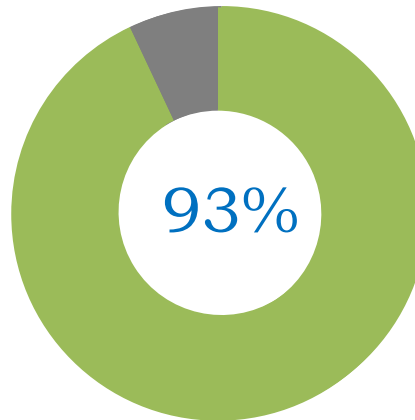
(Percent of Respondents)



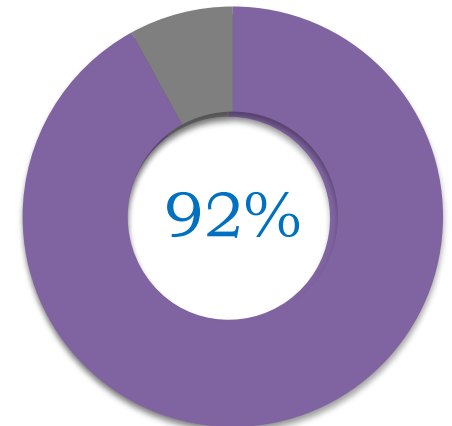
93 percent of members preferred to communicate with their clients through text messaging or telephone, while only **27 percent** prefer to use postal mail.



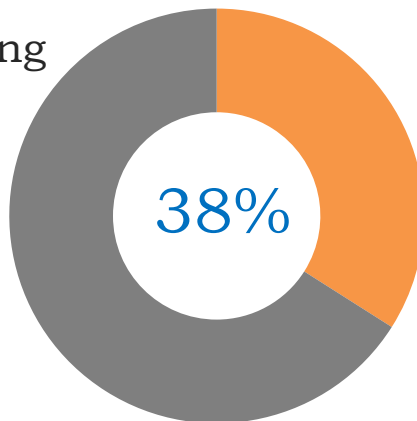
Text-messaging



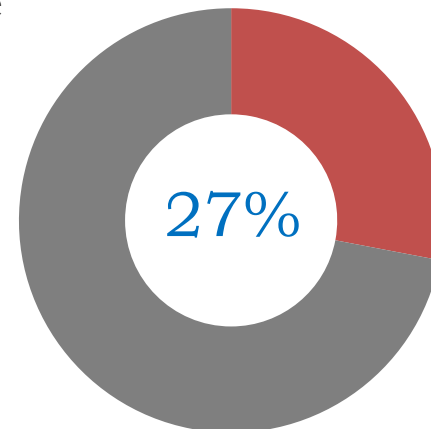
Telephone



E-mail



Instant Messaging (IM)



Postal Mail

How Frequently are REALTORS® Using Technology? *(Percent of Respondents)*

The most common communication technology used by REALTORS® was smartphones, which is used daily or nearly every day by 95 percent of members.

Over 50 percent of REALTORS® use their e-mail, smartphone, laptop or desktop computer, cell phone, or GPS daily or nearly every day.

	Daily or nearly every day	A few times a week	A few times a month	A few times a year	Rarely or Never
Smartphone with wireless email and Internet capabilities	95%	3%	1%	*	1%
E-mail	93	5	1	*	1%
Laptop/Desktop computer	90	7	1	1	1
Cell phone (no email and Internet)	62	4	1	*	33
Global positioning system (GPS)	52	26	6	4	12

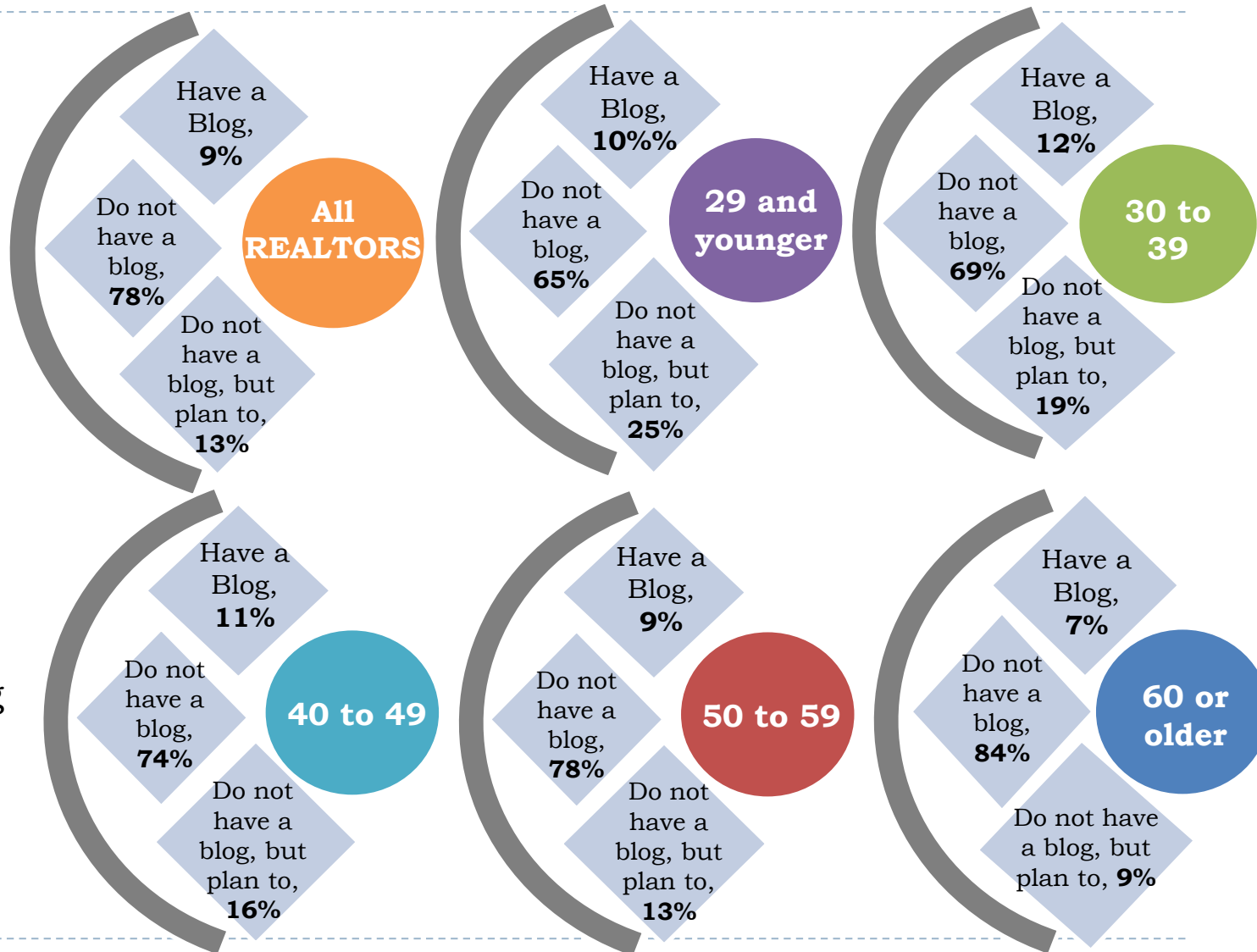
* Less than 1 percent

Which Age Group Utilizes Real Estate Blogs?

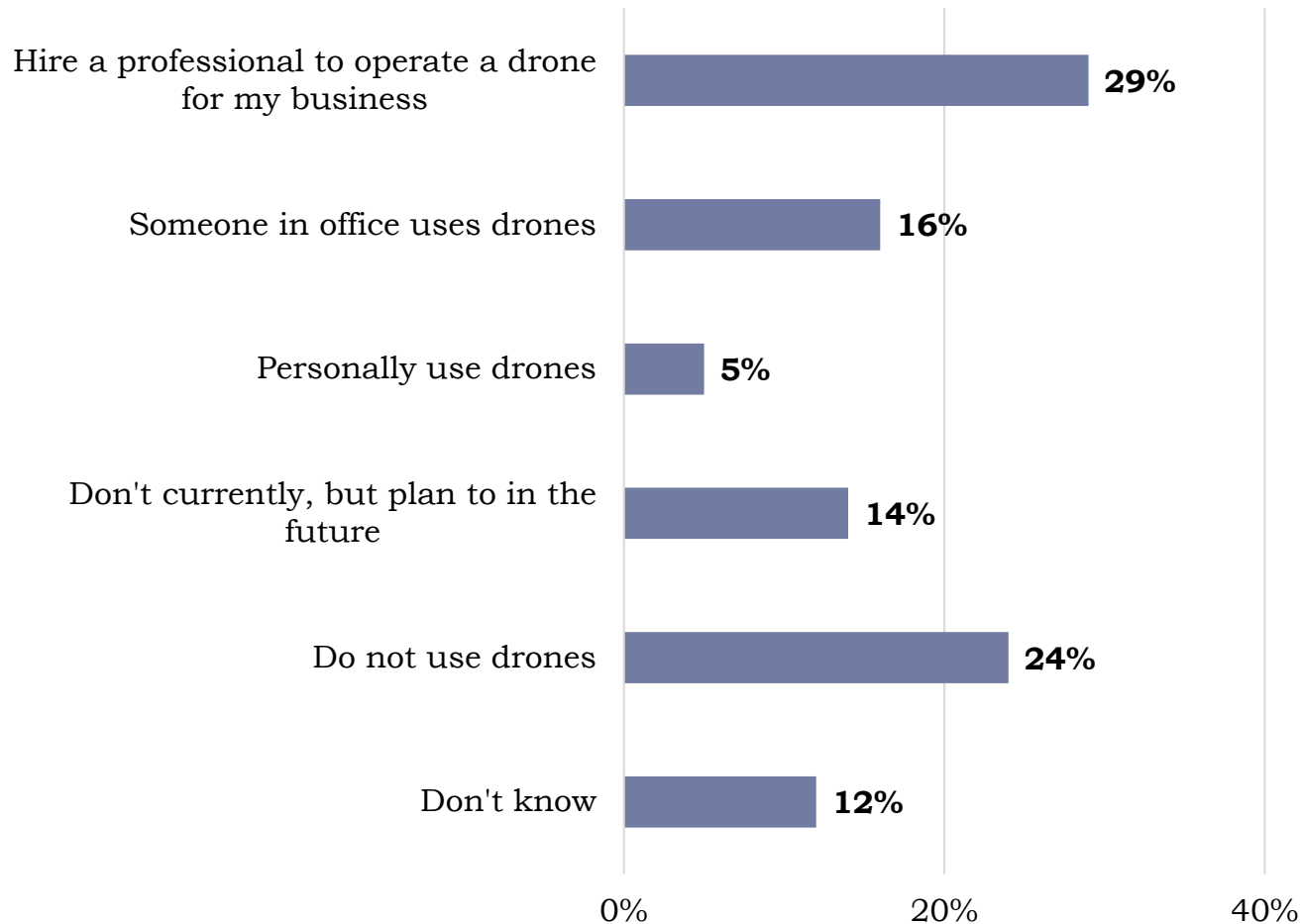
(Percentage Distribution)

REALTORS® who were 30 to 39 years were the most likely to have a real estate blog, at 12%.

The 29 and younger age group was the most likely to plan on creating a blog in the future.



Use of Drones in Real Estate Business or Office



29% of REALTORS® hire a professional to operate a drone for their business. But, **14 percent** of REALTORS® plan to **use drones in the future**.

Five percent of REALTORS® personally use drones, while **24 percent do not use drones**, and **16 percent** said that **someone in their office** uses drones.

Keeping Up with Changing Trends

Social Media and Technology

Section 4

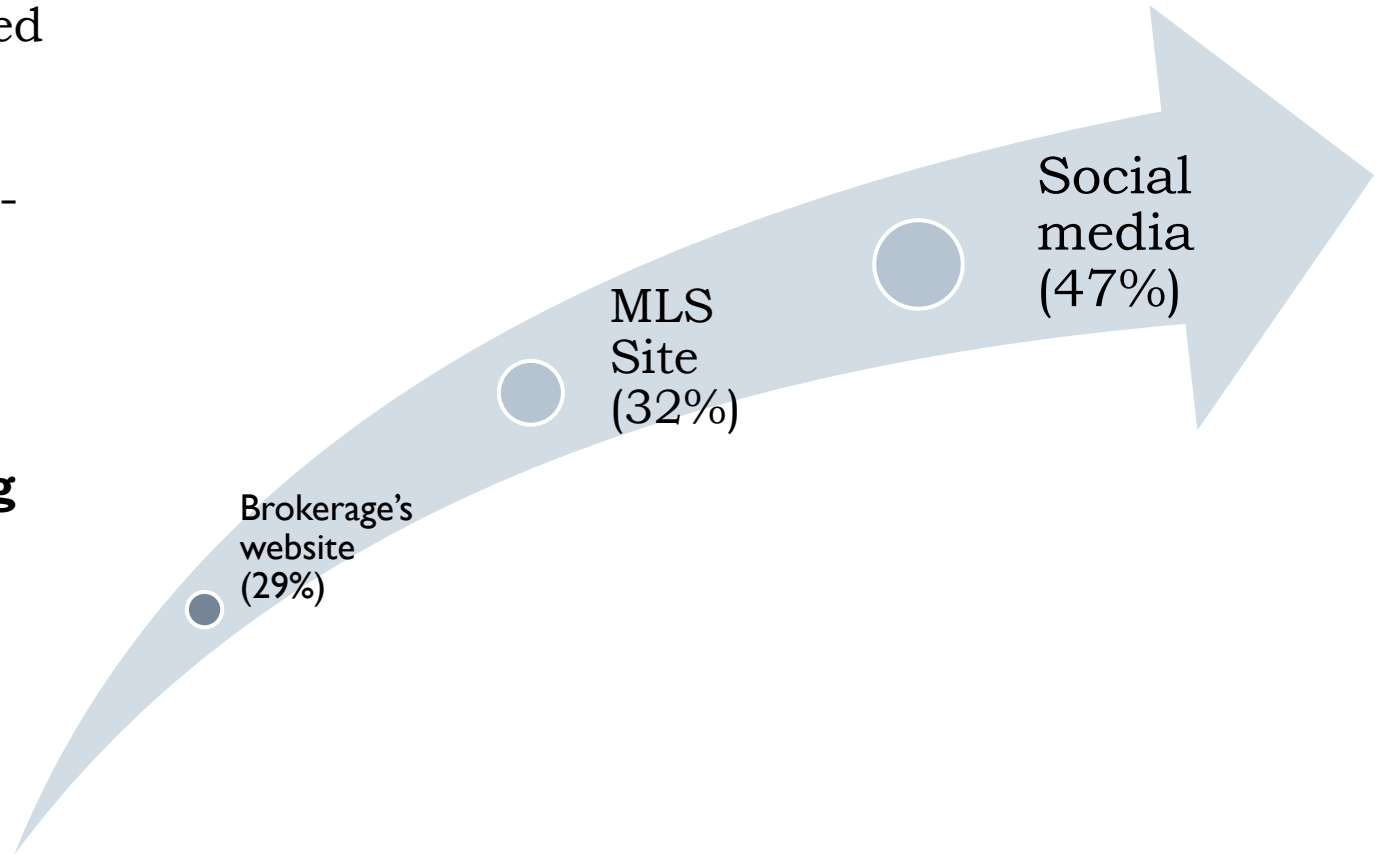


Top Technology Tools

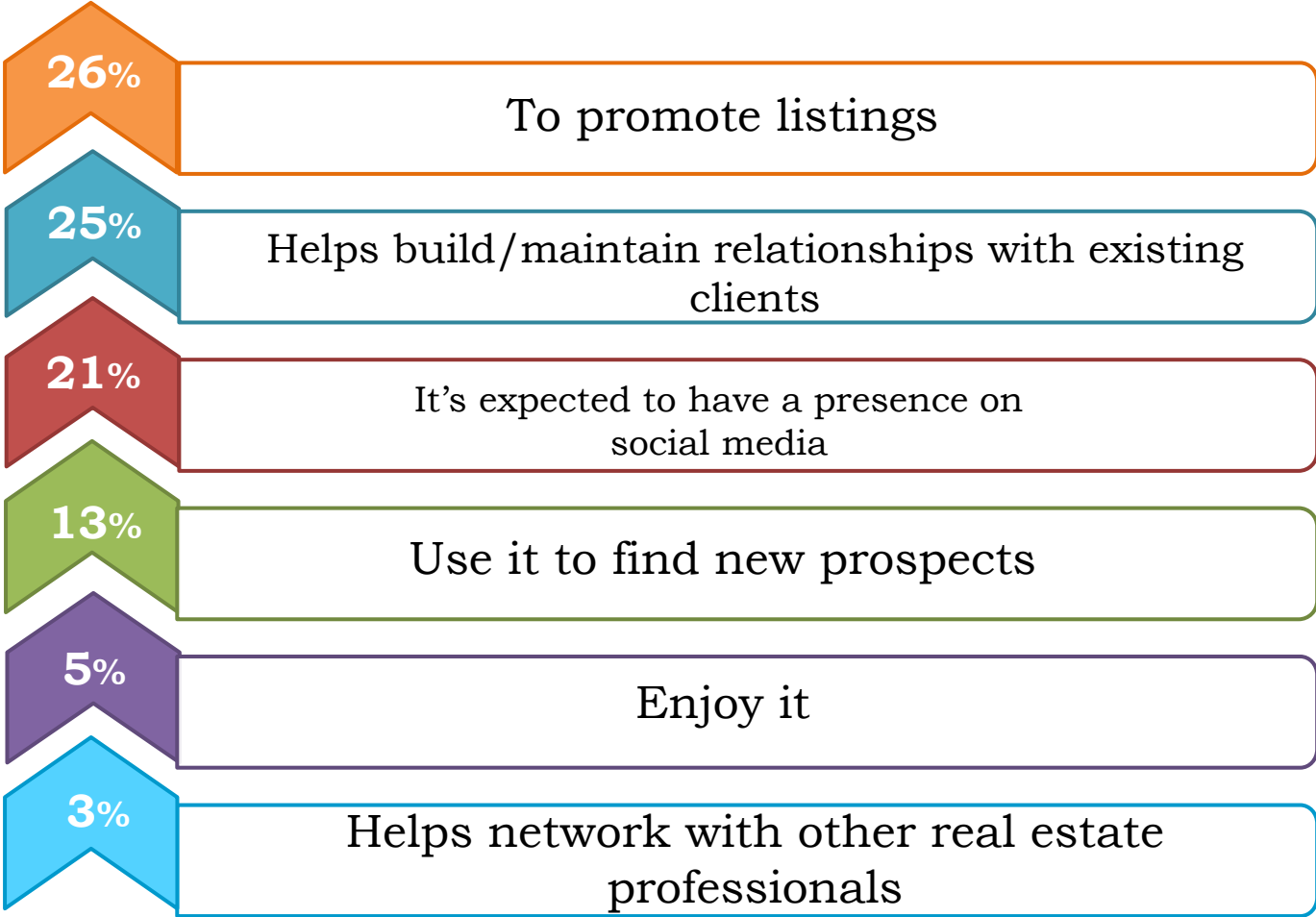
That yield the best leads

Social media

was the tool cited as the best source for generating high-quality leads among REALTORS®, followed by **Multiple listing service (MLS) websites.**

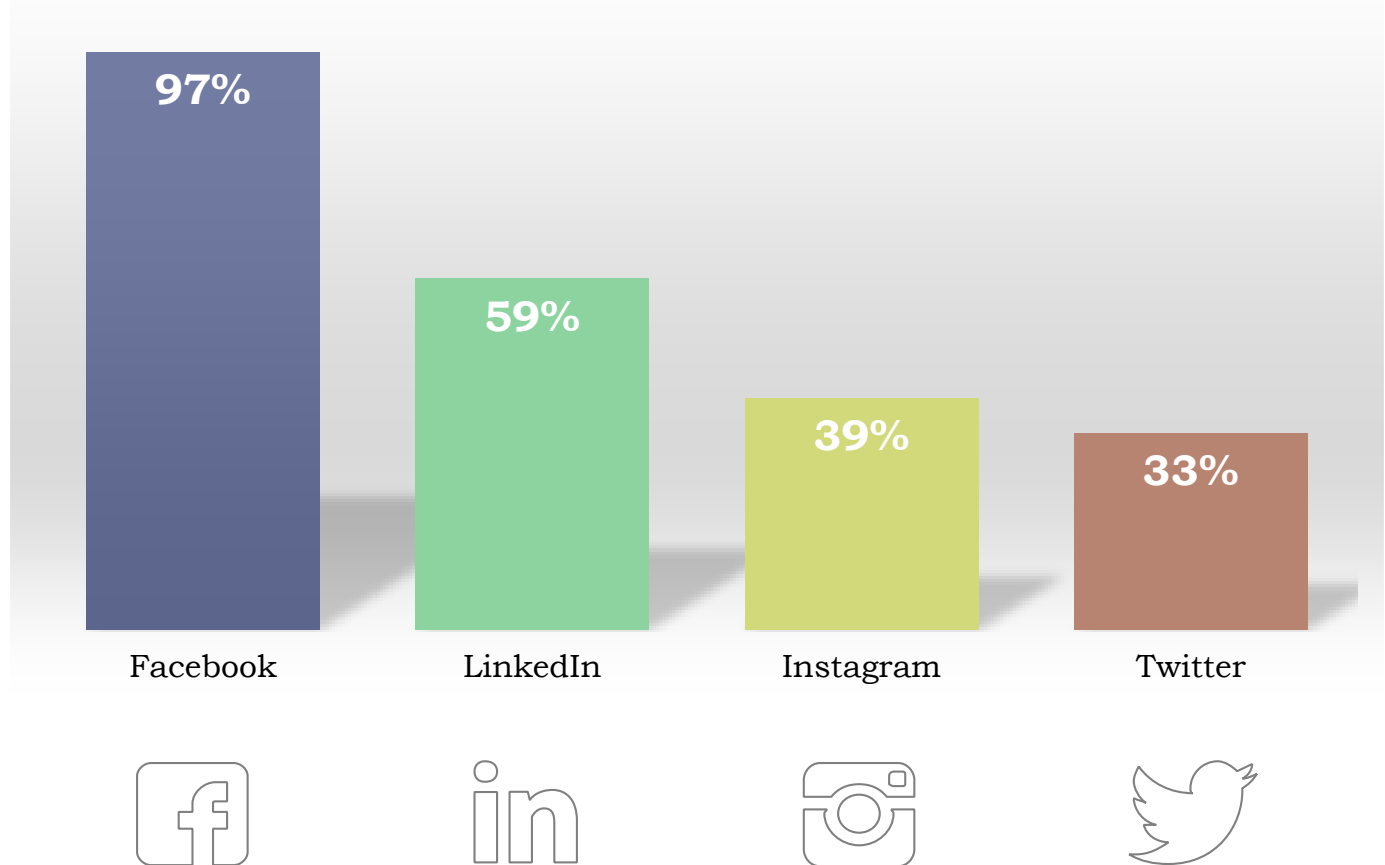


Main Reason for Using Social Media for Business



Top Social Media Networks Used by REALTORS® who use social media for business

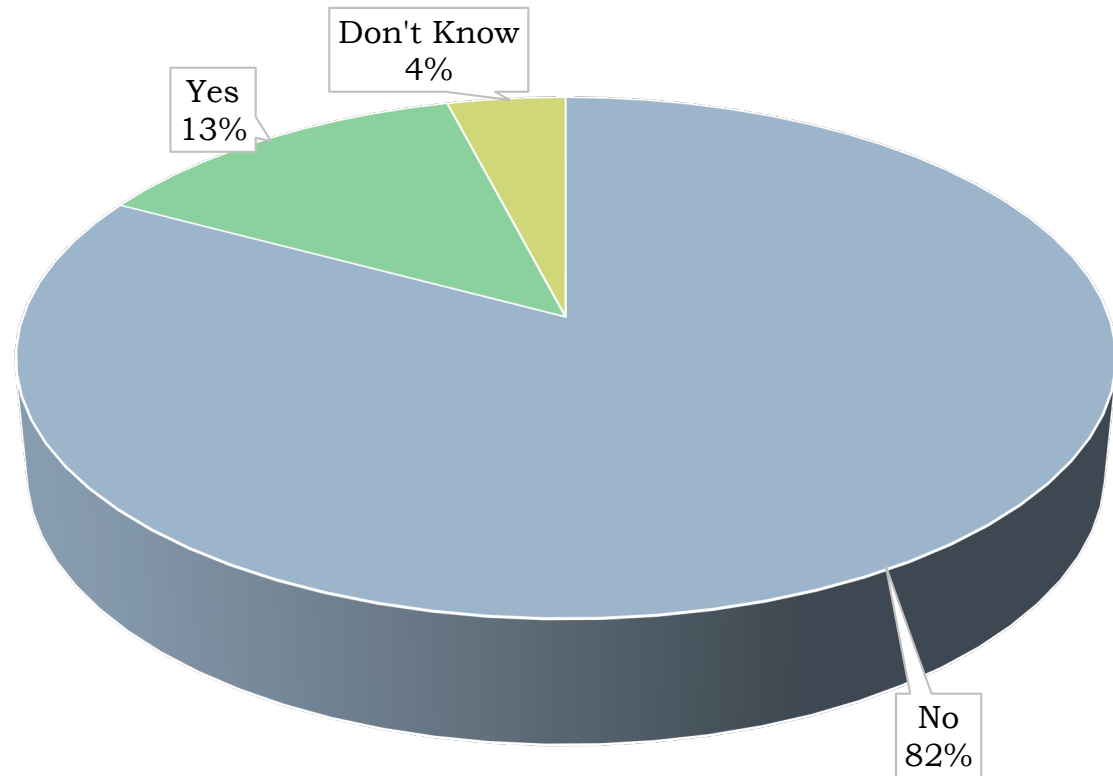
Among REALTORS® who use social media, the most used social network was **Facebook** at 97 percent, followed by **LinkedIn** at 59 percent.



Social Media Management Software

Among those who use social media for business

82% of REALTORS® did not use social media software to schedule posts or post to multiple platforms at once, while **13%** of REALTORS® did use software.

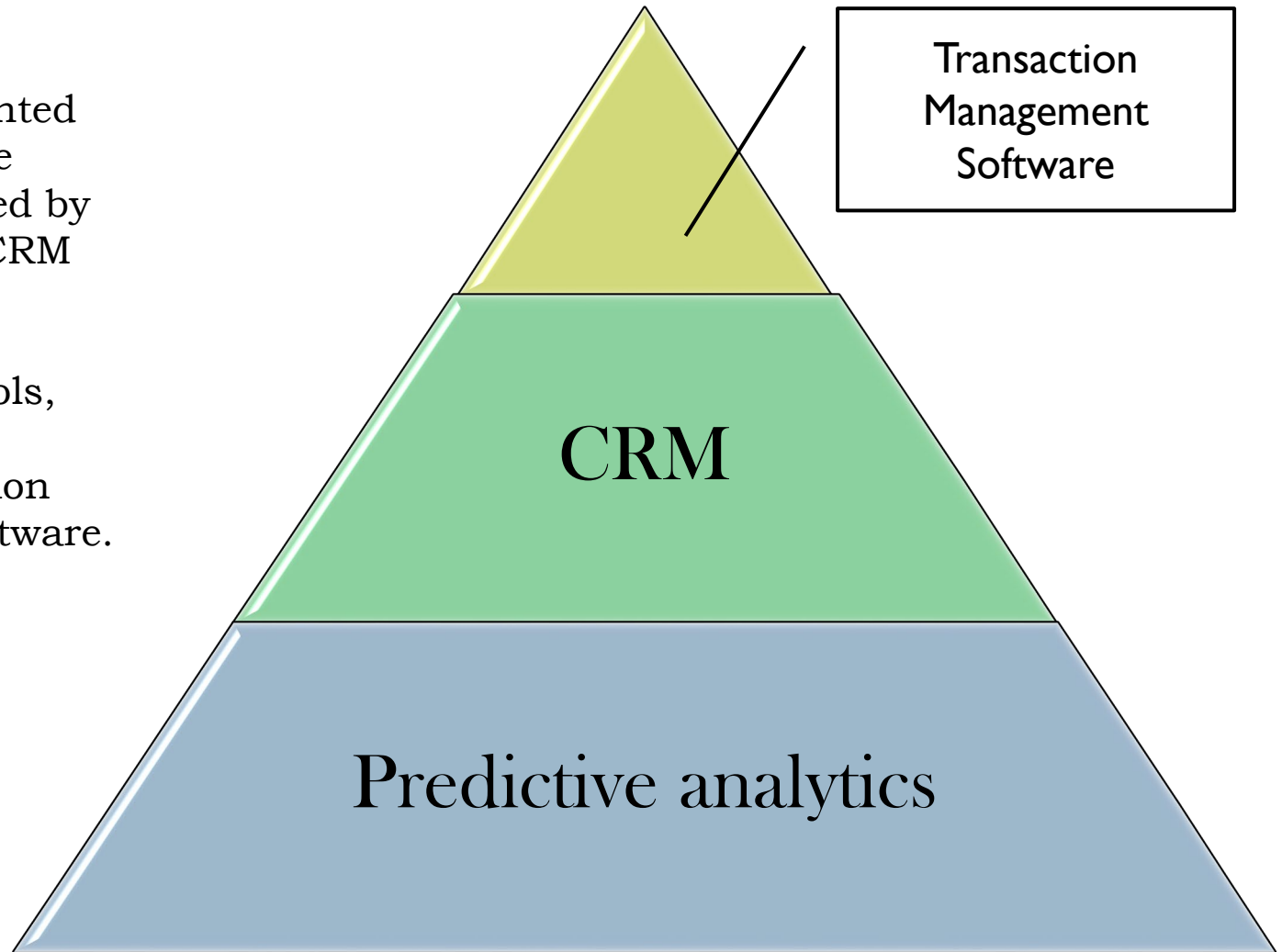


■ No ■ Yes ■ Don't Know

Additional Technology Tools

That Respondents most wanted to see provided by their broker

36 percent of REALTORS® wanted to see predictive analytics, followed by **35 percent** for CRM (customer-relationship management) tools, and **25 percent** wanted transaction management software.





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The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS®

RESEARCH GROUP

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