



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.

How Buyers Use Technology in the Home Search Process Section 1

Sources: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

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.

Sources: 2019 NAR Home Buyer and Seller Generational Trends Report & 2018 Profile of Home Buyers and Sellers

Age of Home Buyers

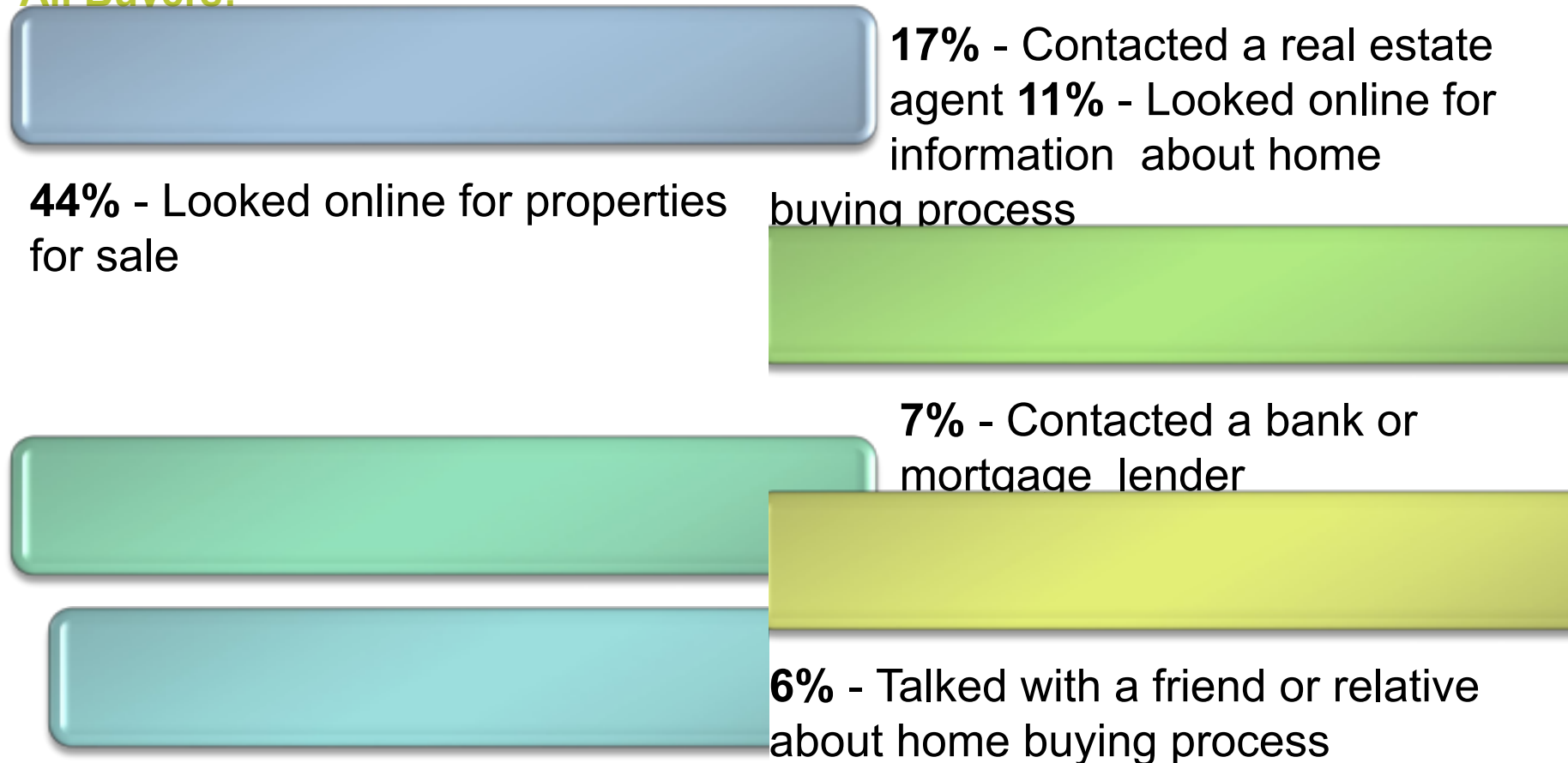
Younger Millennials/Gen Y	1990-1999	Older Millennials/Gen Y	1980-1989	Older Boomers	1946-1954
		Generation X	1965-1979	Silent Generation	1925-1945
		Younger Boomers	1955-1964		

Sources: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

First Step Taken During the Home Buying Process

(Percentage Distribution)

All Buyers:



of Older Millennials looked online for information

6% - Drove-by homes and neighborhoods

Generational Data:

29% of the Silent

Generation contacted a real estate agent

14%

Younger Millennials talked with a friend

12% of

47% of Gen

Xers looked online for properties for sale

Sources: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

Information Sources Used in Home Search

(Percentage Distribution)

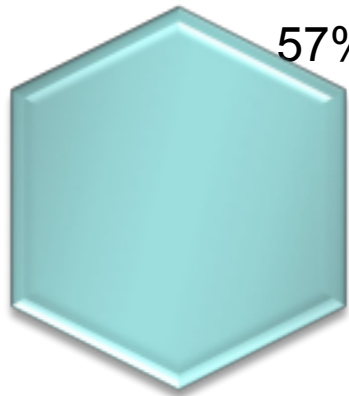
98% of Older Millennials search on online

93%

Online website

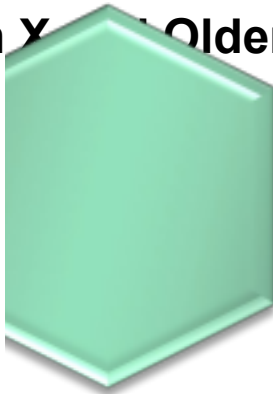
websites compared to 89% of **Older Boomers** and 72% of the **Silent Generation**.

Millennials visited an open



57% of Gen X & Older

Real estate agent
86%



Mobile or tablet website or app

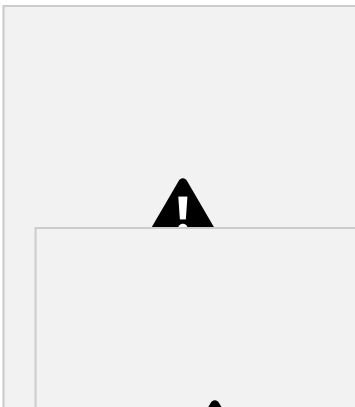
3%



Open

used a mobile device at roughly half the rate of **Younger &**

house 53%
house.



Yard

sign 46%
Online

Older Boomers
video site 37%

Older Millennials.

Both Younger and

Older Boomers used online video sites less frequently than other age groups.

Sources: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

Frequency of Use of Different Information Sources

(Percentage Distribution)

Didn't use
online website, 7%

Didn't use
mobile or
tablet search device...

Didn't
use
real
estate
agents,
14%

Used mobile

63%

Generation.

Used real
estate agent,
86%

Used online
website, 93%

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

Used online
video site, 37%
Didn't use
online
video
site,

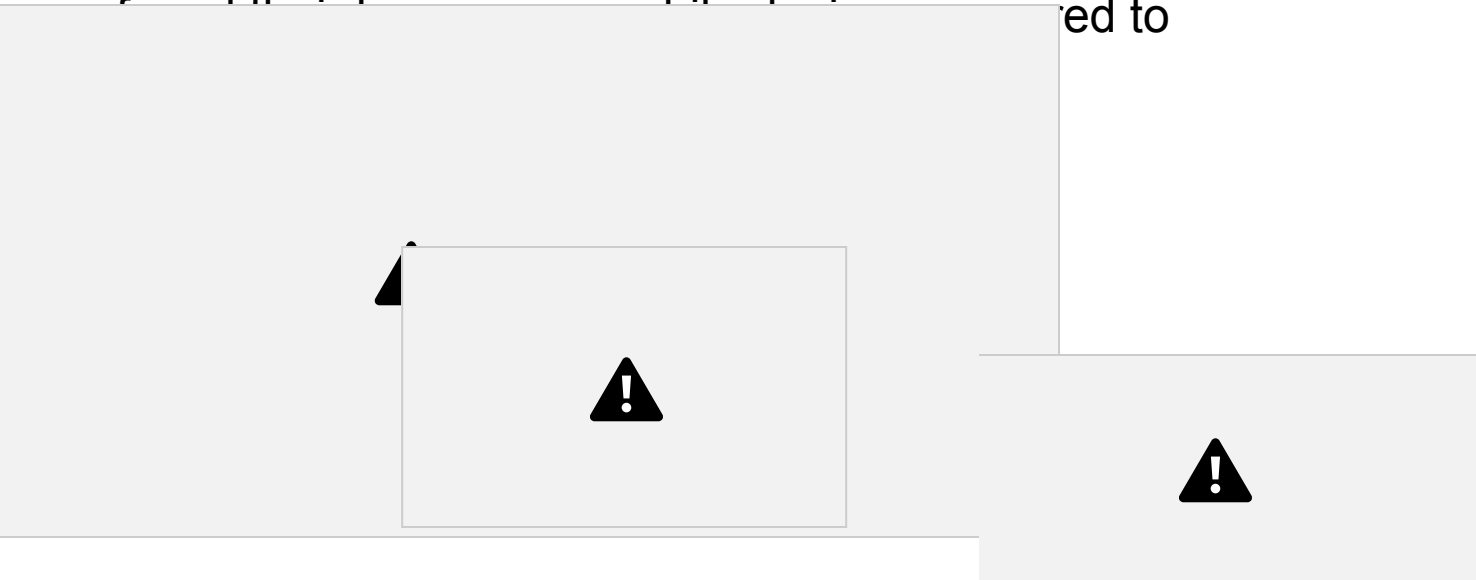
Didn't use
open house, 47%
or tablet
search device, 73%

Used open
house, 53%

Source: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

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

81% of **Older Millennials**, 80% of
Younger Millennials and 78% of **Generation X**
connected to



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**.

Sources: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

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



87% Found photos very useful



85% Found detailed information about



52% Found floor plans very useful



**estate agent
contact
information very
useful**

**46% Found
virtual tours very
useful**



42% Found real

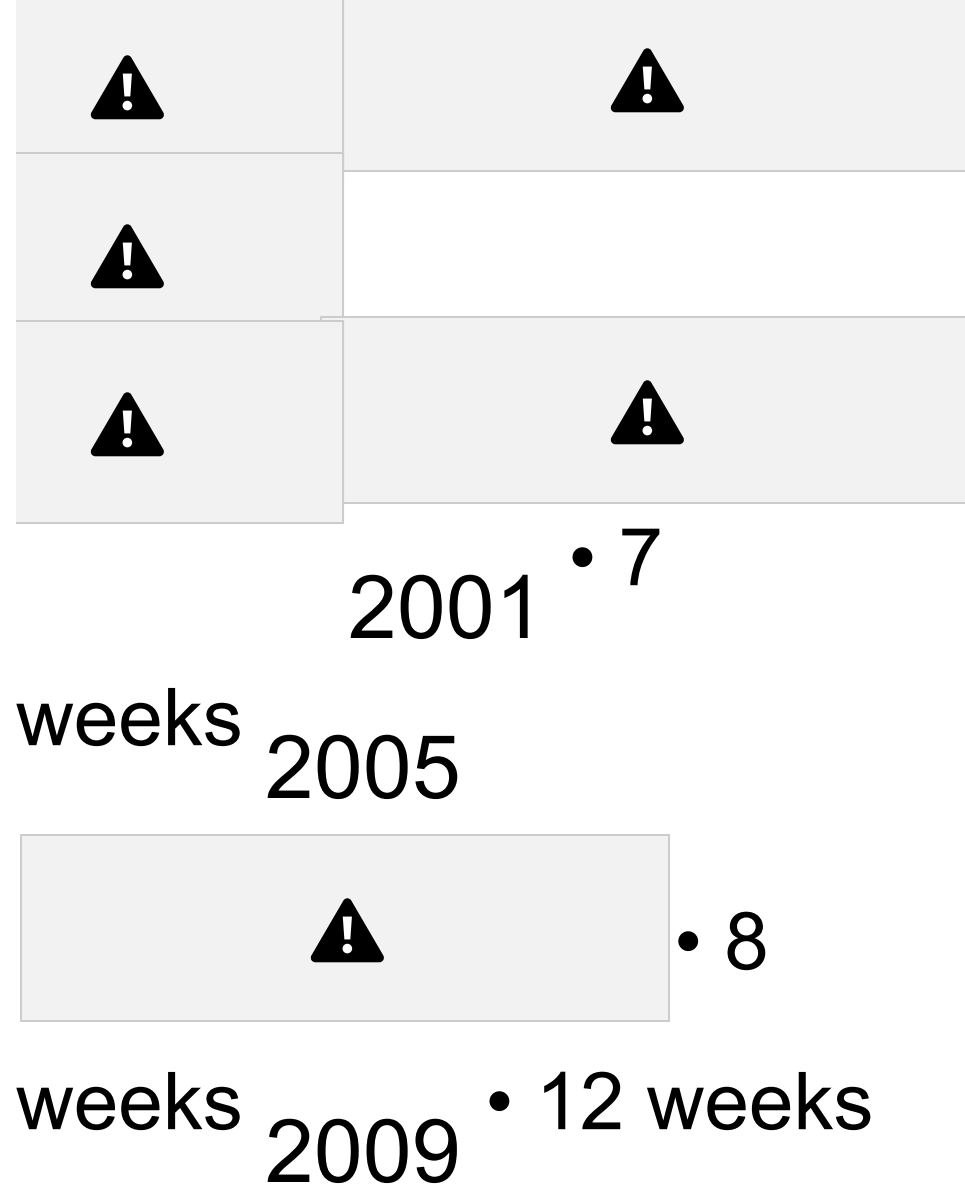
Sources: NAR Home Buyer and Seller Generational Trends Report 2019 & 2018 Profile of Home Buyers and Sellers

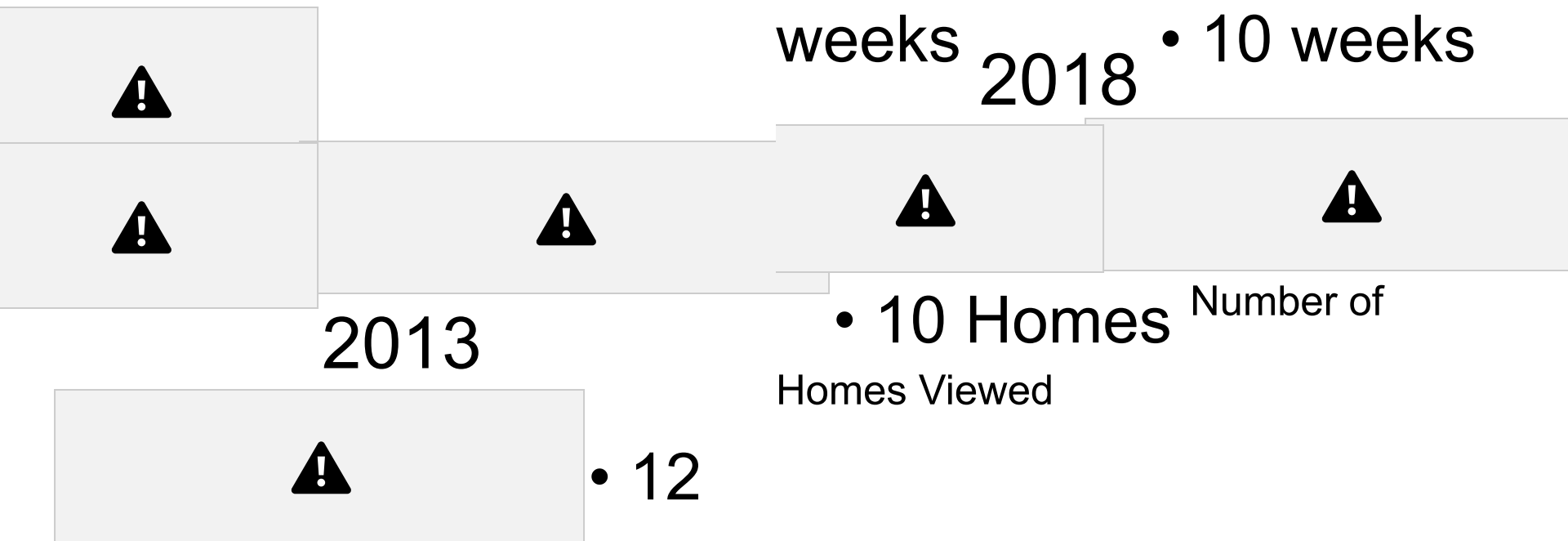
Length of Search *(Median)* **All**

Buyers:

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

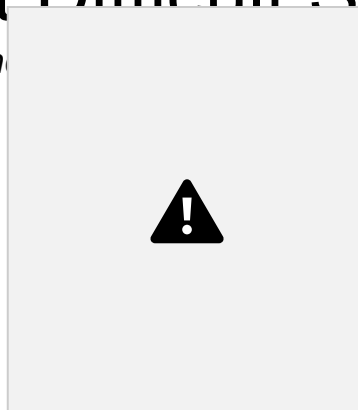
62% of those 28 and younger found their home on the internet versus **Older Boomers** and the **Silent Generation**, who found it more frequently through a real estate agent.





Sources: NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers

Most Difficult Steps of Home Buying Process (Percent of Responses)



Finding the right property
56%

Under -
Finding the right property was ranked highest among **all generations** as the most difficult step in home buying.



Paperwork **20%**



standing the
process **16%**



Saving for the down
payment **13%**

understanding the
process was more
difficult for
Millennials than
any other
Generation.



Getting a
mortgage **19%**

Paperwork and
difficult steps

difficult steps compared
to only 8% of **Younger
Millennials**.

8%
No

31% of **Older Boomers**
noted there were no



Sources: NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers

Use of Internet to Search for Homes *(Percentage Distribution)*

A buyer's internet usage decreases with age:

100% 90% 80% 70% 60% 50% 40% 30%

20% 10% 0%

10% 5% 6% 6% 13% 16% 22%

All Buyers 28 and younger

29 to 38 39 to 53 54 to 63 64 to 72 73 to 93

Frequently Occasionally

Source: NAR Home Buyer and Seller Generational Trends Report 2019

The Utilization of Technology by Real Estate Firms

Section 2

Sources: 2017 Profile of Real Estate Firms and 2018 Member Profile

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

computers.

**Daily or Nearly
Everyday*

Laptop/Desktop
Computer –
90%

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

Email – 93%

Smartphone
with email and
internet
capabilities – 95%

Source: 2019 Member Profile

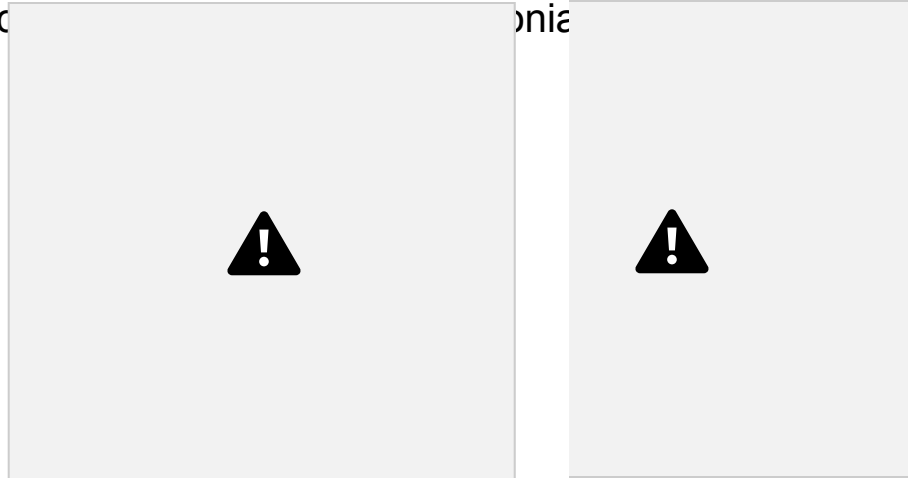
What are the most common features on

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 (**44 percent**).





Encouragement of Software Use

(Percent of Respondents)

	Comparative			provide their agents and brokers with
Market Analysis	81%	84%	72%	Real estate firms specific software.
Listing	81	83	70	Overall the most encouraged software was Comparative Market Analysis .
E-signature	80	84	60	At firms with four or more offices , the two
Electronic				
contracts/form	79	82	71	Document
Preparation/ Management		54	55	multiple listing and
Contact			54	electronic
Management	53	57	46	

Source: 2019 Profile of Real Estate Firms

contracts/forms, at **90 percent**.

Challenges for Real Estate Firms

(Percent of Respondents)

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.

Source: 2019 Profile of Real Estate Firms

Trends and Demographics in REALTOR® Technology Use

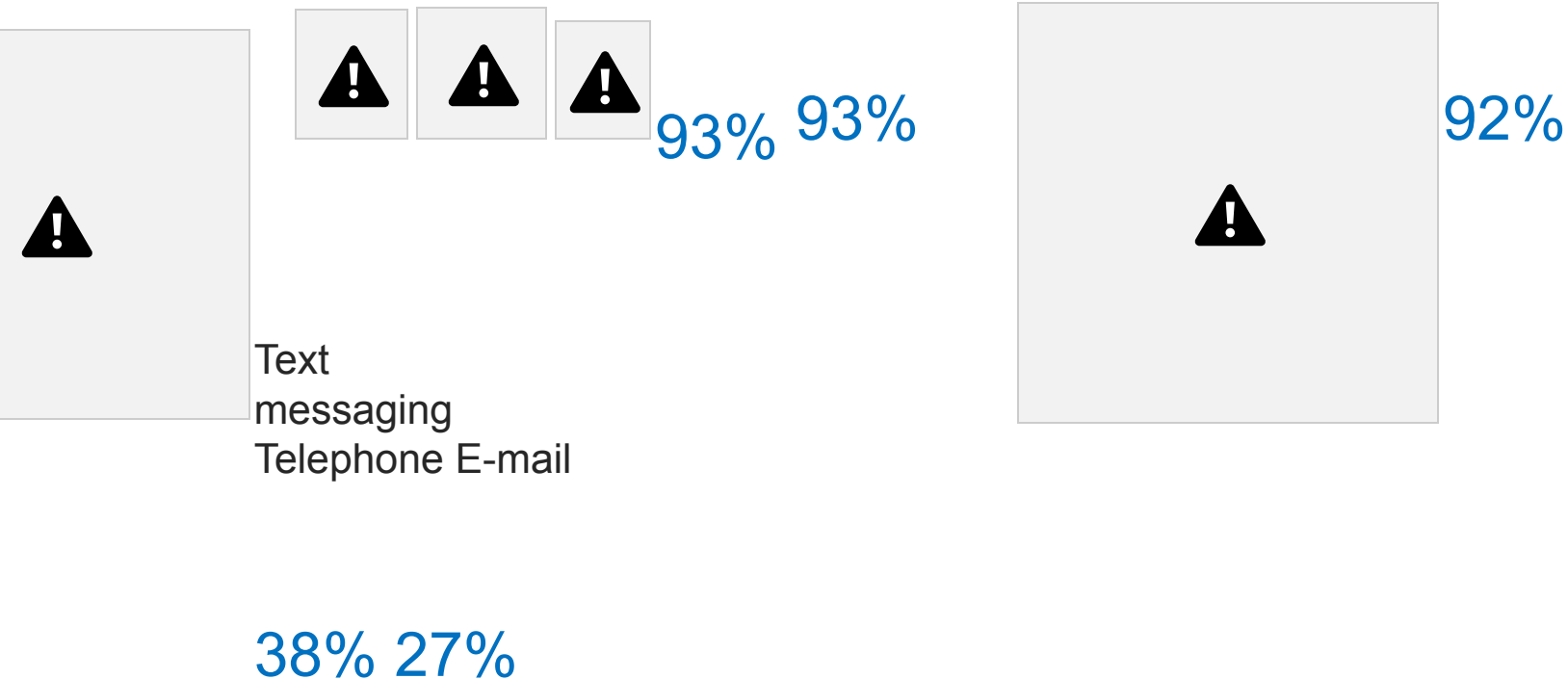
Section 3

Source: 2018 Member Profile

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.



Instant Messaging
(IM)

Postal Mail

Source: 2019 Member Profile

How Frequently are REALTORS® Using Technology?

(Percent of Respondents)

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

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

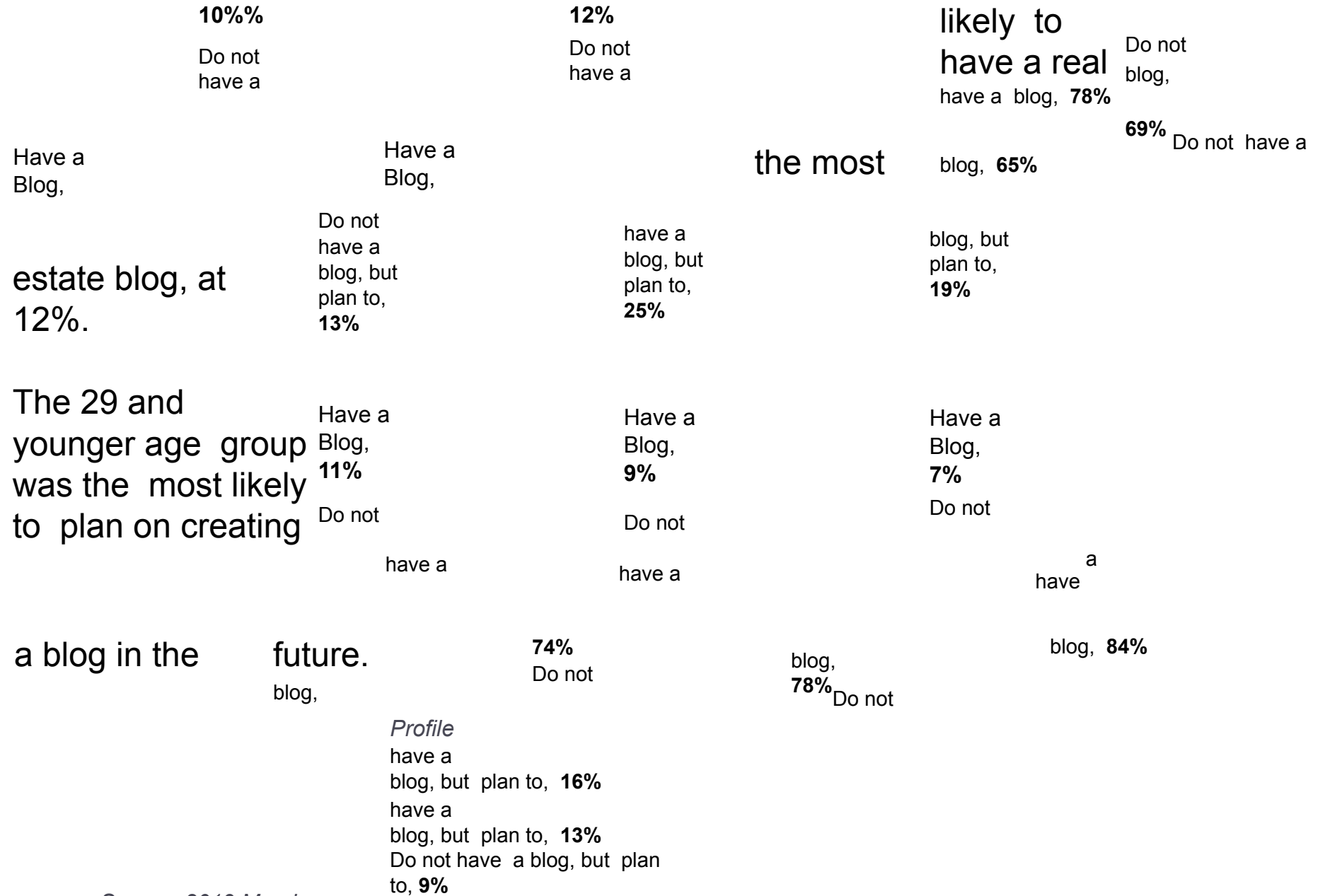
* Less than 1 percent

Source: 2019 Member Profile

Which Age Group Utilizes Real Estate Blogs?

(Percentage Distribution)

REALTORS® who were 30 to 39 years old have a blog, 9% Do not have a blog, 91% Less than 1 percent



Use of Drones in Real Estate Business or

Office

Hire a professional to
operate a drone for my
business

Someone in office uses
drones

Personally use drones

Don't currently, but plan to
in the future

Do not use drones

Don't know
5%

16%

14%

12%

29%

0% 20% 40%

29% of REALTORS® hire
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.

24%
a professional to
operate a drone for
their
business. But, 14
percent of
REALTORS® plan
to use drones in

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.

MLS Site
(32%)

Brokerage's

website
(29%)

Social media (47%)

Source: 2018 Technology Survey

Main Reason for Using Social Media for Business

It's expected to have a presence on

To promote listings

Helps build/maintain
relationships with existing clients social media

Use it to find new prospects

Enjoy it

Helps network with other real estate professionals

Source: 2018 Technology Survey

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.



Source: 2018 Technology Survey

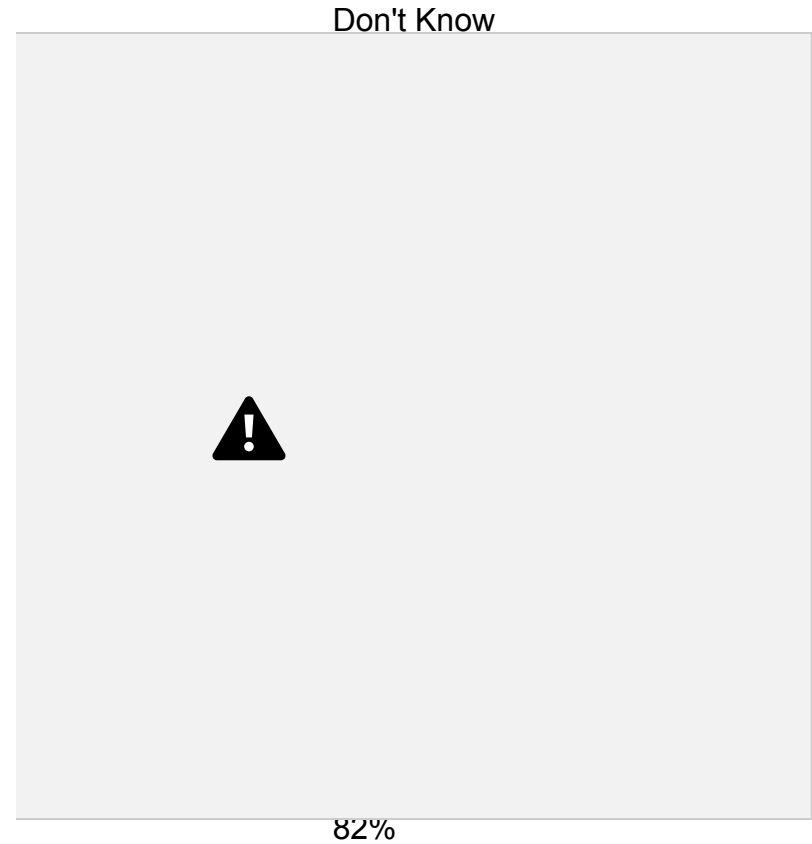
Social Media Management Software

Among those who use social media for business

82% of REALTORS® did not posts or post to
use social media multiple
software to schedule platforms at

once, while **13%** of REALTORS® did use software.

Yes 13%



No Yes Don't Know

Source: 2018 Technology Survey

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



Transaction
Management
Software



CRM



Predictive
analytics

Source: 2018 Technology Survey

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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®

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