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 a bunch of 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 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
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 2018 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: NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers
Age of Home Buyers  
(Percentage Distribution)

### Definitions:

<table>
<thead>
<tr>
<th>Generation Categories:</th>
<th>Year Born:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen X:</td>
<td>1965-1979</td>
</tr>
<tr>
<td>Younger Boomers:</td>
<td>1955-1964</td>
</tr>
<tr>
<td>Older Boomers:</td>
<td>1946-1954</td>
</tr>
<tr>
<td>Silent Generation:</td>
<td>1925-1945</td>
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</tbody>
</table>

**Median Age (years):** 46

- **37 and younger:** 36%
- **38 to 52 years:** 26%
- **53 to 62 years:** 18%
- **63 to 71 years:** 14%
- **72 to 92 years:** 6%

**Millennials** make up the largest group of first-time home buyers at 65%, followed by **Generation X** at 24%

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

- **32%** of the Silent Generation contacted a real estate agent
- **40%** of Millennials looked online for information
- **10%** of Millennials talked with a friend or relative
- **48%** of Younger Boomers looked online for properties for sale

Sources: NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers
Information Sources Used in Home Search
(Percentage Distribution)

- **Online website**: 93%
- **Real estate agent**: 86%
- **Mobile or tablet website or app**: 73%
- **Open house**: 53%
- **Yard sign**: 46%
- **Online video site**: 37%

99% of **Millennials** search on online websites compared to 90% of **Older Boomers** and 70% of the **Silent Generation**

Only 56% of **Gen X** visited an open house

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

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

Sources: NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers
Frequency of Use of Different Information Sources
(Percentage Distribution)

99% of Millennials cited using the internet whereas only 70% did from the Silent Generation

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

58% of **Millennials** and 46% **Generation X** found their home on a mobile device compared to 33% of **Younger Boomers**

76% of all buyers found home on mobile device

17% of all buyers found agent with mobile device

21% of **Older Boomers** and 17% of the **Silent Generation** found their agent with a mobile device compared to 15% of **Millennials**

*Sources: NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers*
Value of Website Features
(Percentage Distribution Among Buyers Who Used the Internet)

Photos and online information about properties were more important to **Millennials** whereas real estate agent contact information, virtual tours and photos were most important to **Silent Generation**

- 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

**Sources:** NAR Home Buyer and Seller Generational Trends Report 2018 & 2018 Profile of Home Buyers and Sellers
Length of Search (Median)

All **generations** except **Young and Old Boomers** spent 8 weeks searching for a home, who spent 10 weeks.

56% of **Millennials** found their home on the internet versus the **Silent Generation** 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 Respondents)

Finding the right property was ranked highest among **all generations** for the **MOST DIFFICULT STEP** in home buying.

- **Finding the right property**: 56%
- **Paperwork**: 20%
- **Understanding the process**: 16%
- **Saving for the down payment**: 13%
- **Getting a mortgage**: 13%
- **No difficult steps**: 19%
- **23% of Older Boomers** noted there were no difficult steps compared to only 9% of **Millennials**

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 person’s internet usage decreases with age!

Source: NAR Home Buyer and Seller Generational Trends Report 2018
The Utilization of Technology by Real Estate Firms

Section 2

Sources: 2017 Profile of Real Estate Firms and 2018 Member Profile
REALTORS® Everyday Use of Technology

- REALTORS® most often prefer to communicate with their clients through email, at 93 percent. As well, 92 percent prefer to communicate through text messaging, and 37 percent through instant messaging.

- Over 90 percent of REALTORS® are also using e-mail, laptops/desk tops computers, and smartphones daily.

- While members are taking advantage of the technology that is available to them, one of the biggest challenges firms are facing in the next two years is keeping up with technology.

Sources: 2017 Profile of Real Estate Firms and 2018 Member Profile
How much of a presence do REALTORS® firms have on the web? (Percentage Distribution)

Only 5% of firms do not have a web site, compared to 92% who do have a web site.

The percentage of firms with websites increases with office size. Ninety-nine percent of firms with five or more offices have websites.

Source: 2018 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 (**85 percent**), agent and staff photos (**73 percent**), and customer reviews and testimonials (**32 percent**).

**Residential firms** typically showed property listings (**95 percent**), agent and staff photos (**80 percent**), and mortgage/financial calculators (**58 percent**).
Real estate firms provide their agents and brokers with specific software.

Overall the most encouraged software was **multiple listing**.

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

### Encouragement of Software Use

<table>
<thead>
<tr>
<th></th>
<th>All Firms</th>
<th>Residential Firms</th>
<th>Commercial Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multiple Listing</strong></td>
<td>82%</td>
<td>85%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Comparative Market Analysis</strong></td>
<td>81</td>
<td>84</td>
<td>73</td>
</tr>
<tr>
<td><strong>Electronic Contracts/Forms</strong></td>
<td>81</td>
<td>85</td>
<td>70</td>
</tr>
<tr>
<td><strong>E-signature</strong></td>
<td>79</td>
<td>82</td>
<td>54</td>
</tr>
<tr>
<td><strong>Document Preparation/Management</strong></td>
<td>55</td>
<td>58</td>
<td>39</td>
</tr>
<tr>
<td><strong>Contact Management</strong></td>
<td>54</td>
<td>58</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: 2017 Profile of Real Estate Firms
Challenges for Real Estate Firms
(Percent of Respondents)

48 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 increases to 46 percent, and 51 percent of firms with three or more offices cite keeping up with technology as a challenge.

Source: 2017 Profile of Real Estate Firms
Trends and Demographics in REALTOR® Technology Use

Section 3

Source: 2018 Member Profile
93 percent of members preferred to communicate with their clients through e-mail, while only 28 percent prefer to use postal mail.
How Frequently are REALTORS® Using Technology? *(Percent of Respondents)*

The most common communication technology used by REALTORS® was e-mail, which is used daily or nearly every day by 94 percent of members.

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

<table>
<thead>
<tr>
<th>Technology</th>
<th>Daily or nearly every day</th>
<th>A few times a week</th>
<th>A few times a month</th>
<th>A few times a year</th>
<th>Rarely or Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail</td>
<td>94%</td>
<td>5%</td>
<td>*</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Smartphone with wireless email and Internet capabilities</td>
<td>94</td>
<td>3</td>
<td>*</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Laptop/Desktop computer</td>
<td>91</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cell phone (no email and Internet)</td>
<td>62</td>
<td>4</td>
<td>*</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td>Global positioning system (GPS)</td>
<td>51</td>
<td>26</td>
<td>4</td>
<td>7</td>
<td>12</td>
</tr>
</tbody>
</table>

*Less than 1 percent*

Source: 2018 Member Profile
REALTORS® who were 49 years and younger were the most likely to have a real estate blog, at 11%.

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

Source: 2018 Member Profile
Women REALTORS® and sales agents use social media the most for professional use.

Source: 2018 Member Profile
Use of Drones in Real Estate Business or Office

Typically, REALTORS® do not use drones in their business or office, at 27%. But, 15 percent of REALTORS® plan to use drones in the future.

5 percent of REALTORS® personally use drones, while 23 percent hire a professional, and 17 percent said that someone in their office uses drones.

Source: 2018 Member Profile
Keeping Up with Changing Trends

Section 4

Source: Center for REALTOR® Technology Survey and 2018 Smart Homes Survey
Most Valuable Technology Tools
Used in Business

Thinking back on the last 12 months, members found that the three most valuable technology tools used in their business, excluding email and cell phones were local MLS websites/apps (64 percent), lockbox/smart key devices (39 percent), and social media platforms (28 percent).

Some of the most valuable technology tools that REALTORS® used in their business include:

Source: 2018 Technology Survey
Only **14 percent** of REALTORS® said that they were unfamiliar with home security devices.

**38 percent** reported being unfamiliar with smart city devices.

- **19%**: Home security devices
- **12%**: Home-connected wearable devices
- **12%**: Home comfort devices
- **10%**: Externally connected home devices
- **6%**: Home performance
- **5%**: Smart city devices

*Source: 2018 Technology Survey*
Social Media for Real Estate Business

Use social media: 77%
Do not use social media: 22%
Don’t know: 1%

Social Media Networks Used

Facebook: 97%
LinkedIn: 59%
Instagram: 39%

Source: 2018 Technology Survey
Top Tech Tools That Have Given The Highest Quality of Leads

- Social Media: 47%
- MLS Site: 32%
- Brokerage’s Website: 29%
- Listing Aggregator Site: 29%
- CRM: 18%
- Email Marketing Tool: 17%
- Digital Ad Campaign: 16%
- Blog or Business Website: 13%

Source: 2018 Technology Survey
Web Presence

51% 
Have a dedicated page on brokerage website for each agent or team

32% 
Pay for own website, separate from brokerage site

21% 
Use free bio page on a third-party platform as main web presence

Source: 2018 Technology Survey
The National Association of REALTORS® is America’s largest trade association, representing 1.3 million members, including NAR’s institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

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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