

A photograph of a modern workspace. In the center is a silver laptop on a light-colored wooden desk, displaying a mountain landscape on its screen. To the left of the laptop is a white ceramic mug with a circular logo and the word 'VISION' below it. In the foreground, a white smartphone lies flat on the desk. To the right, there's a black coffee cup and a pen holder with orange pens. In the background, a whiteboard is visible with some hand-drawn diagrams and a play button icon. A green plant is partially visible on the left side.

Real Estate in a Digital Age 2018 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 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.
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How Buyers Use Technology in the Home Search Process

Section 1

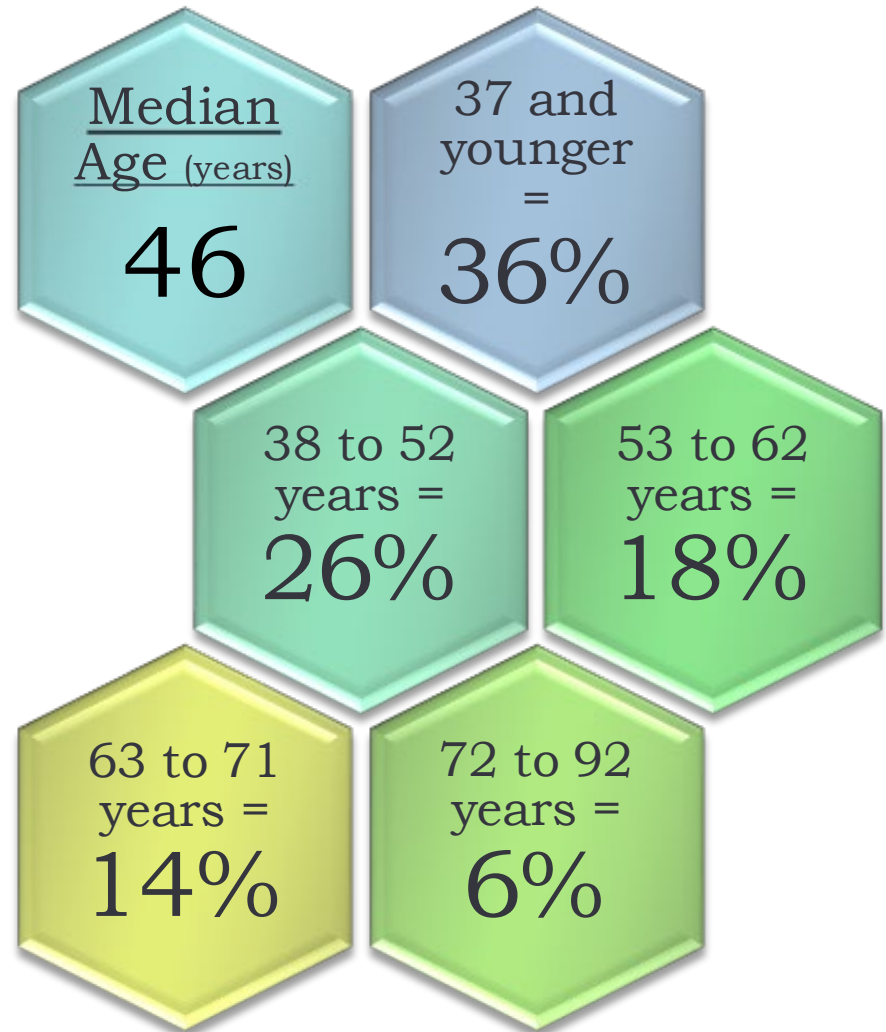
A Day in the Life of a Home Buyer

- ❖ 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 2018 before purchasing a home.
 - ❖ The typical home buyers was 46 years old, married without children living at home, and has a median income of \$91,600.

Age of Home Buyers *(Percentage Distribution)*

Definitions:

Generation Categories:	Year Born:
Millennials/Gen Y:	1980-1998
Gen X:	1965-1979
Younger Boomers:	1955-1964
Older Boomers:	1946-1954
Silent Generation:	1925-1945



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

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

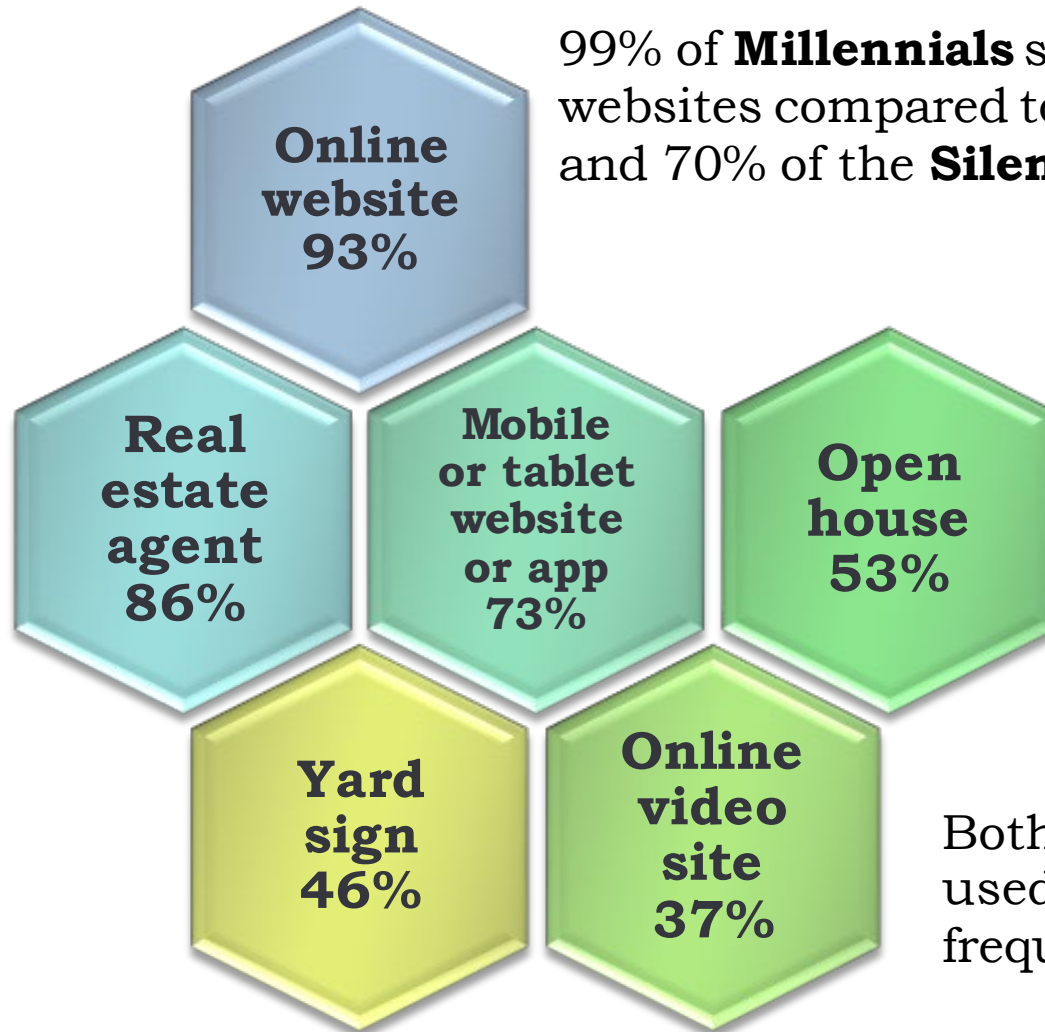
40% of Millennials looked online for information

10% of Millennials talked with a friend or relative

48% of Younger Boomers looked online for properties for sale

Information Sources Used in Home Search

(Percentage Distribution)



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

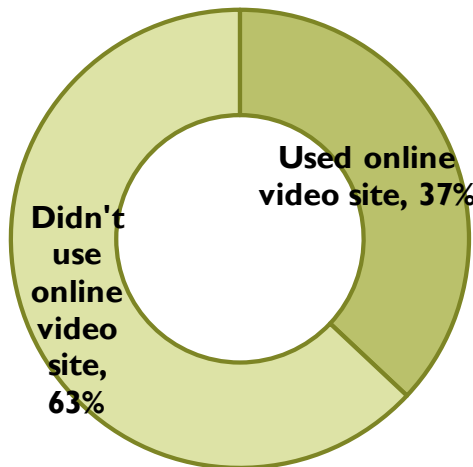
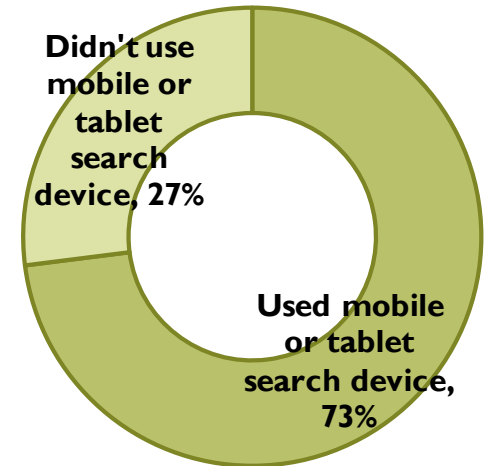
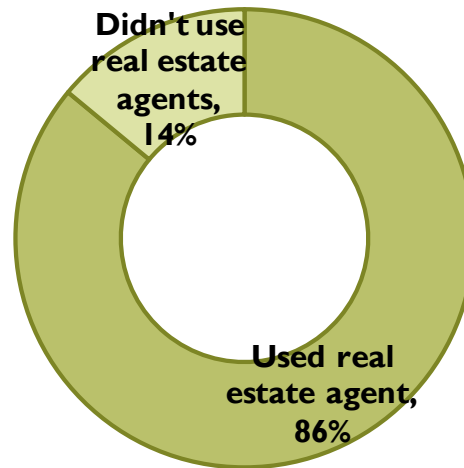
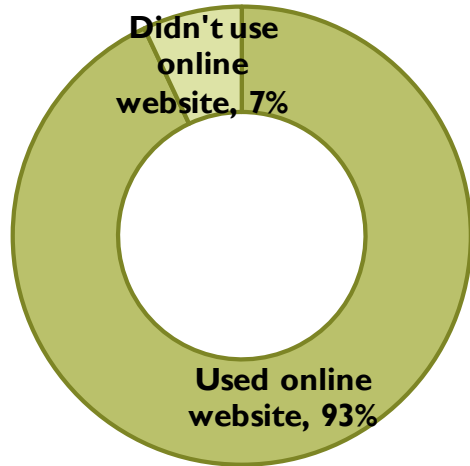
Only 56% of **Gen X** visited an open house

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

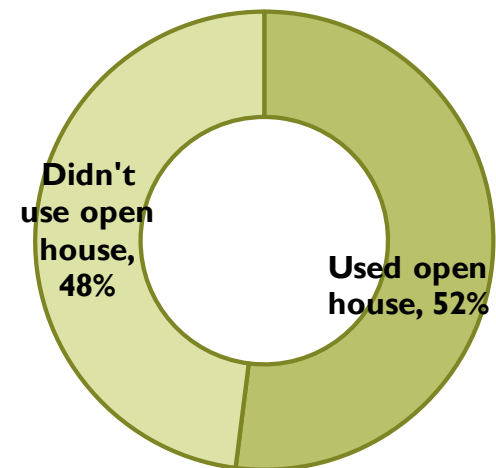
Both **Younger and Older Boomers** used online video sites more frequently than other age groups

Frequency of Use of Different Information Sources

(Percentage Distribution)

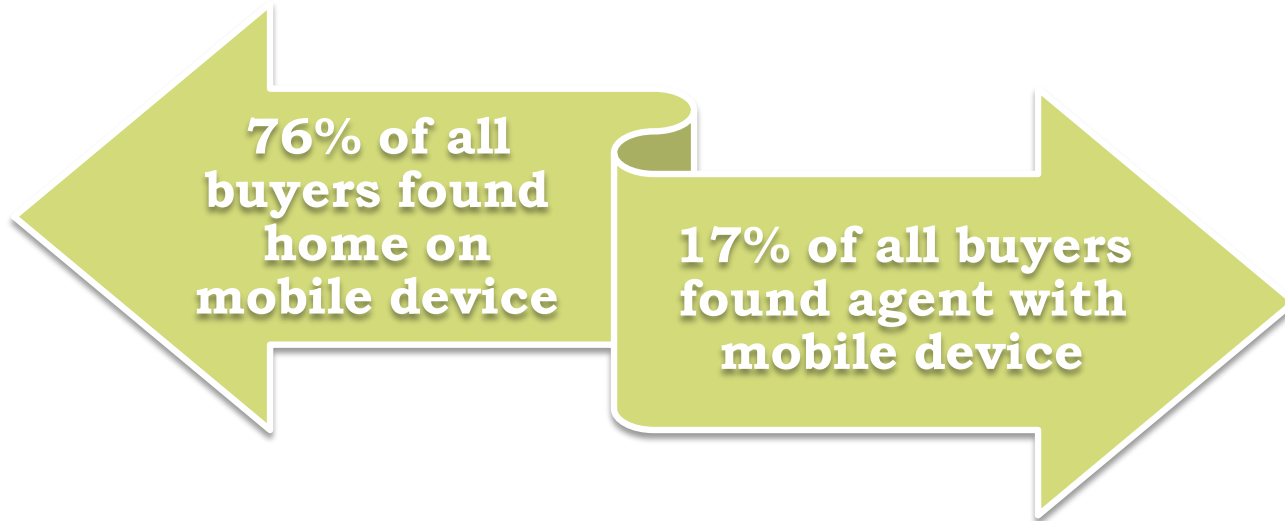


99% of **Millennials** cited using the internet whereas only 70% did from the **Silent Generation**



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**



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

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

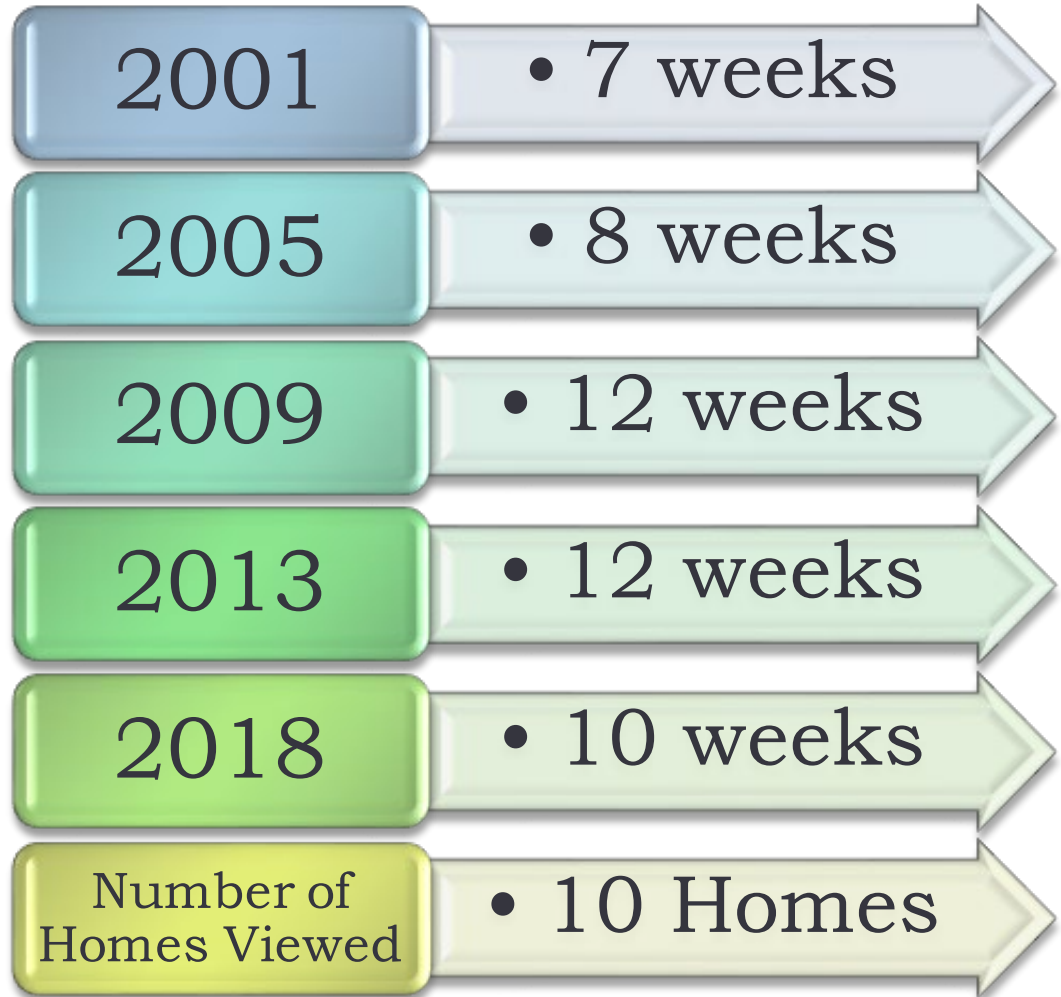
42% Found real estate agent contact information very useful

Length of Search (Median)

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

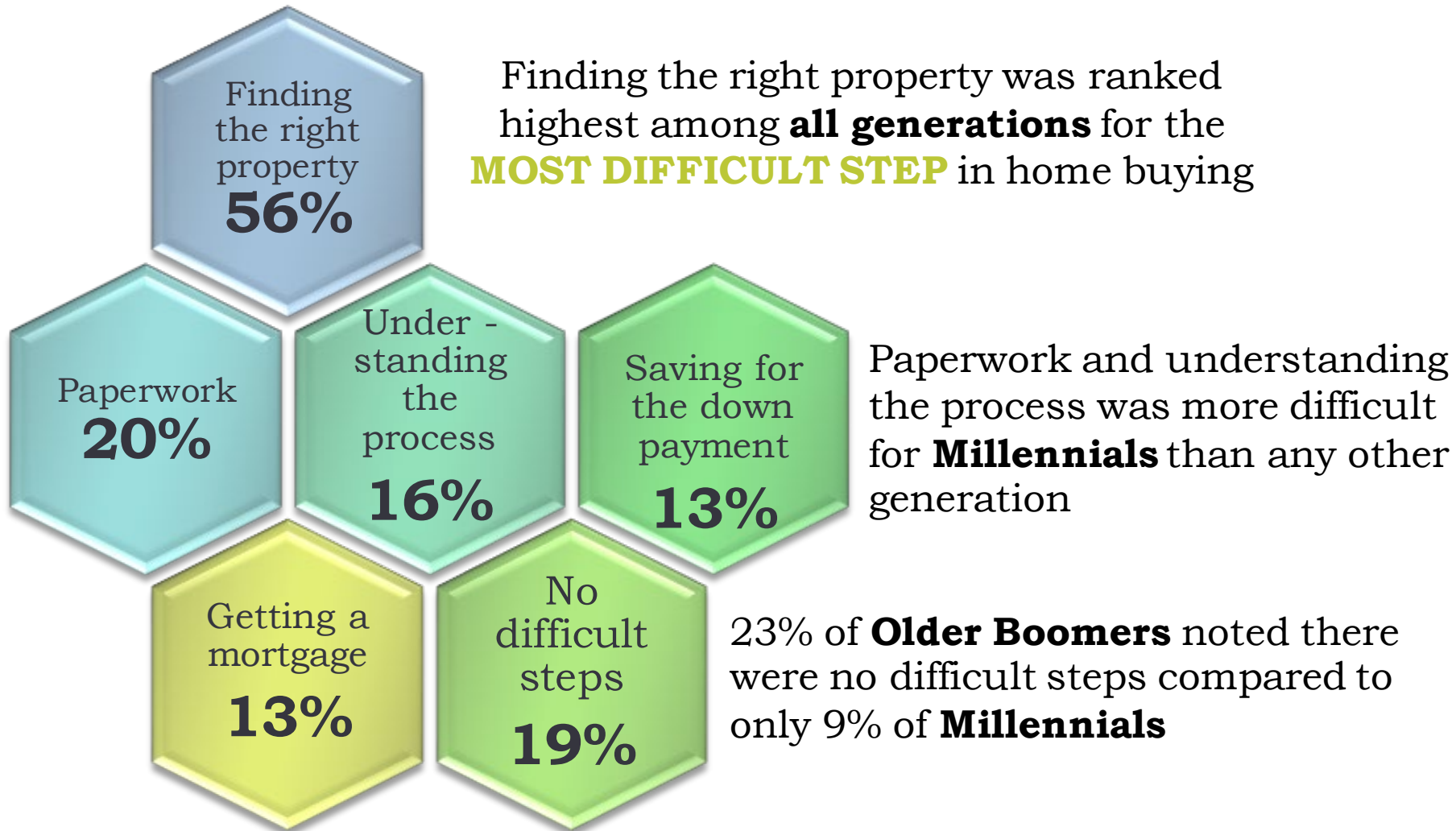
56% of **Millennials** found their home on the internet versus the **Silent Generation** found it more frequently through a real estate agent

All Buyers:



Most Difficult Steps of Home Buying Process

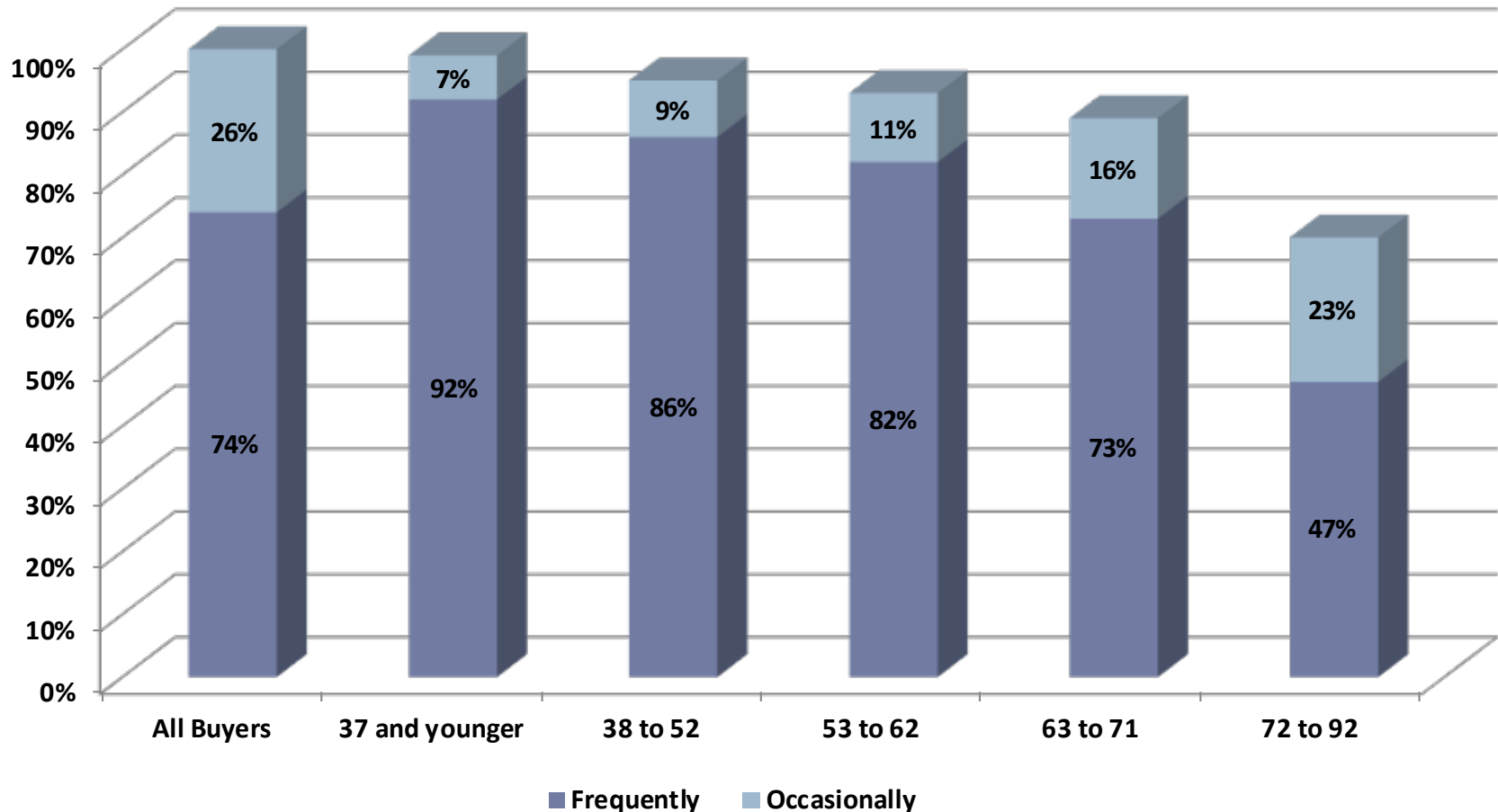
(Percent of Respondents)



Use of Internet to Search for Homes

(Percentage Distribution)

A person's internet usage decreases with age!



The Utilization of Technology by Real Estate Firms

Section 2

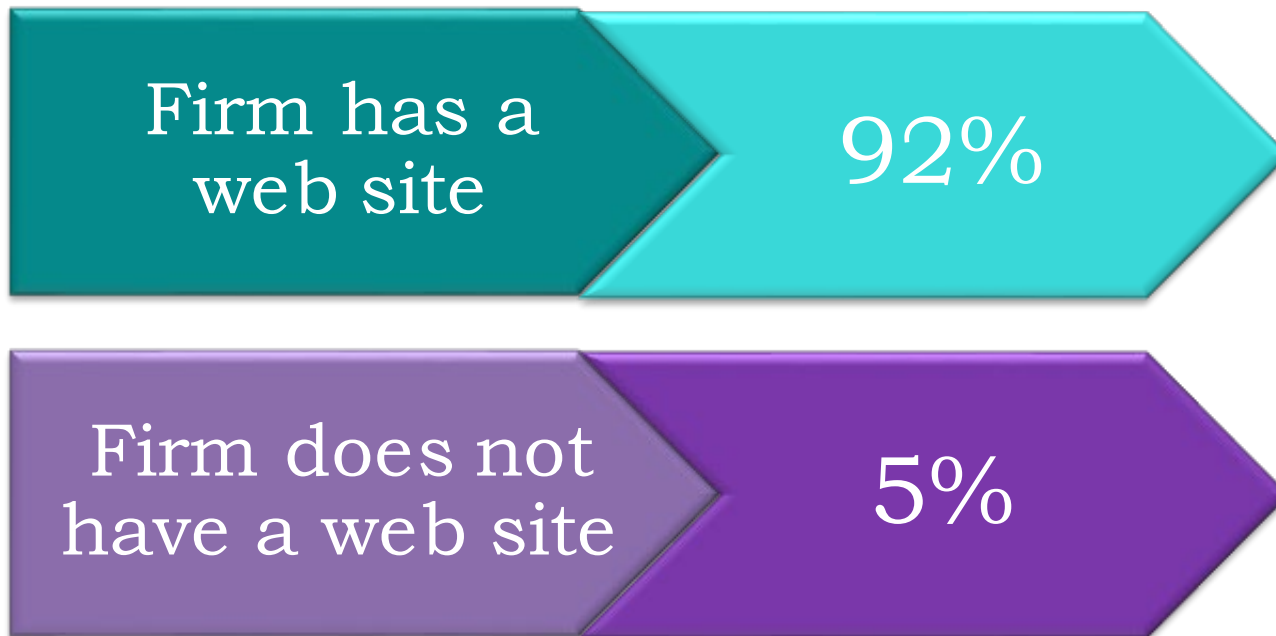
REALTORS® Everyday Use of Technology

- ❖ 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.

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.

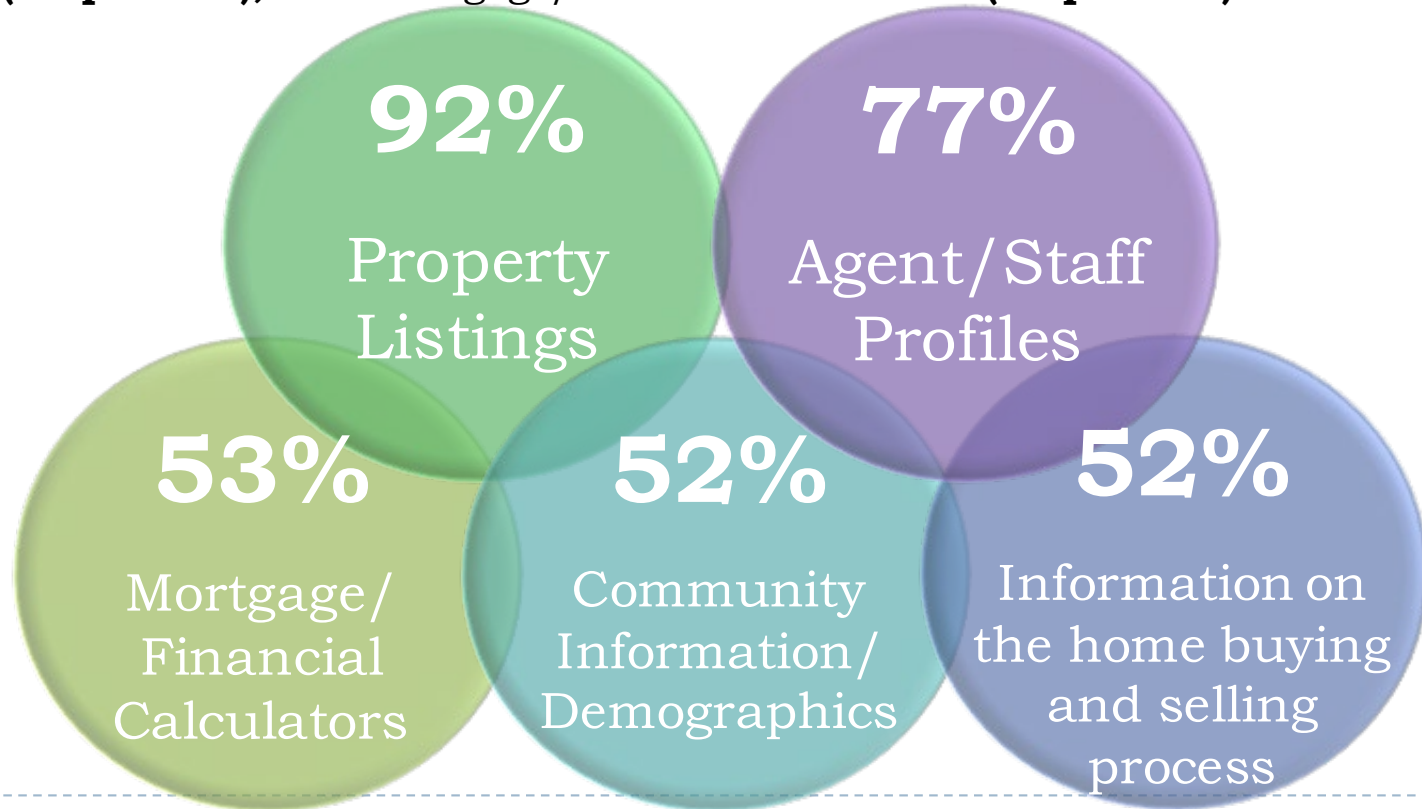


What are the most common features on firms' websites? (Percent of Respondents)

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

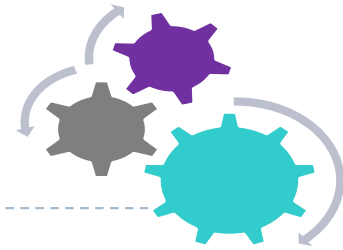
Commercial firms typically showed property listings (**85 percent**), agent and staff photos (**73 percent**), and customer reviews and testimonials (**32 percent**).

Residential firms typically showed property listings (**95 percent**), agent and staff photos (**80 percent**), and mortgage/financial calculators (**58 percent**).



Encouragement of Software Use

(Percent of Respondents)



	All Firms	Residential Firms	Commercial Firms
Multiple Listing	82%	85%	63%
Comparative Market Analysis	81	84	73
Electronic Contracts/Forms	81	85	70
E-signature	79	82	54
Document Preparation/Management	55	58	39
Contact Management	54	58	38

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**.

Challenges for Real Estate Firms

(Percent of Respondents)



48%

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

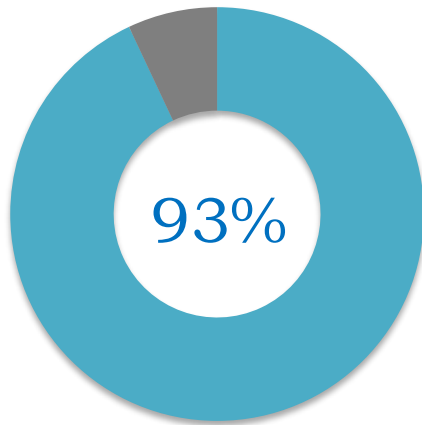
For **commercial** firms this increases to **46 percent**, and **51 percent** of firms with **three or more offices** cite keeping up with technology as a challenge.

Trends and Demographics in REALTOR® Technology Use

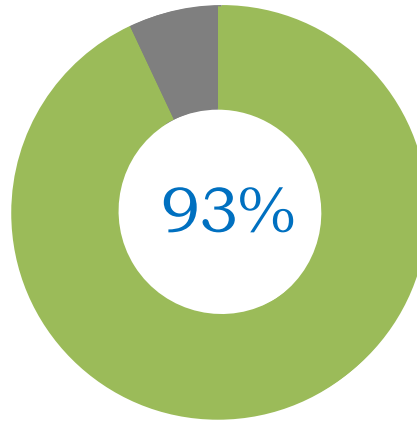
Section 3

Preferred Method of Communication with Clients *(Percent of Respondents)*

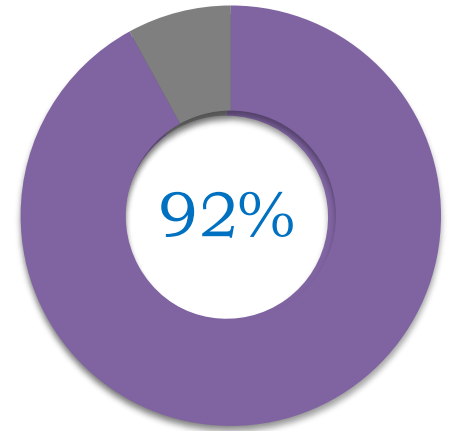
93 percent of members preferred to communicate with their clients through e-mail, while only **28 percent** prefer to use postal mail.



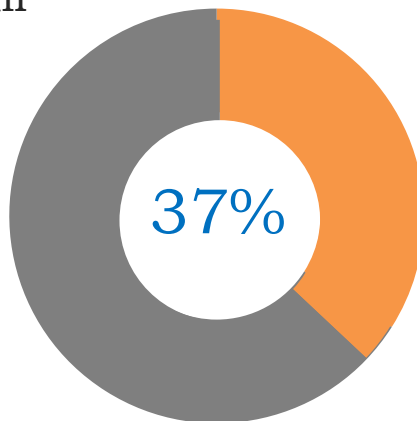
E-mail



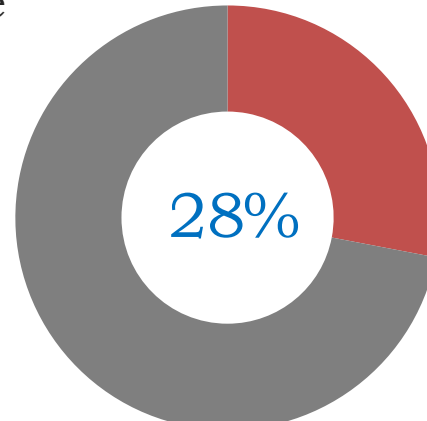
Telephone



Text Messaging



Instant Messaging (IM)



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.

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

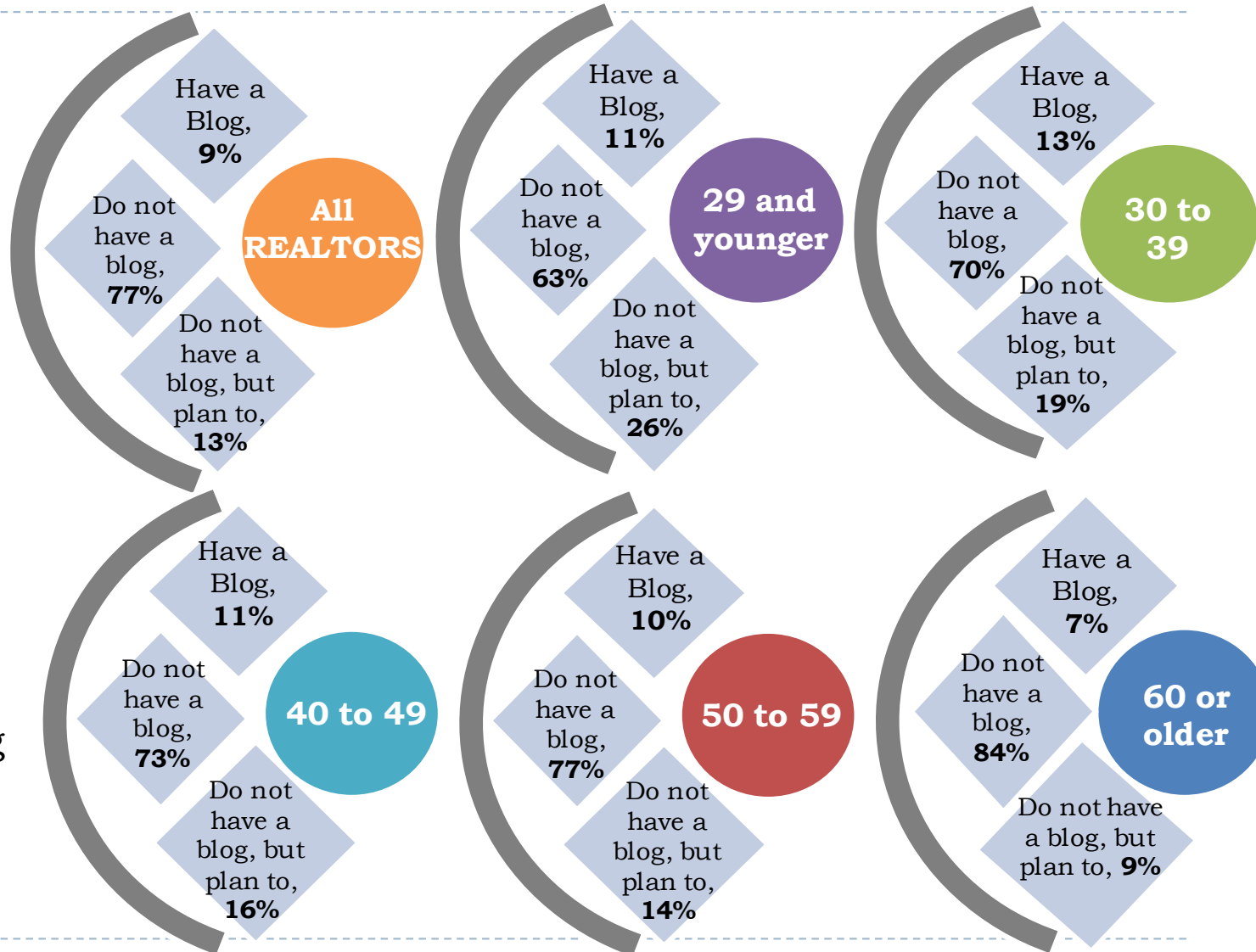
* Less than 1 percent

Which Age Group Utilizes Real Estate Blogs?

(Percentage Distribution)

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

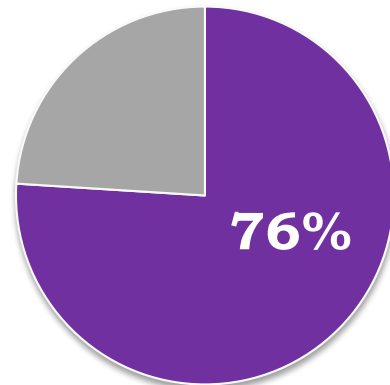
The 29 and younger age group was the most likely to plan on creating a blog in the future.



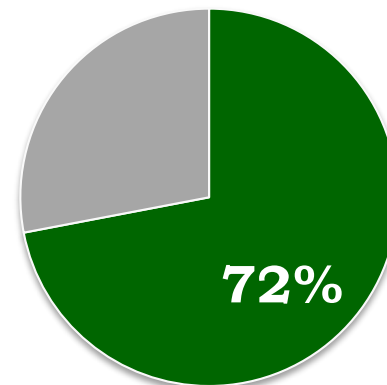
Social Media for Professional Use

(Percentage Distribution)

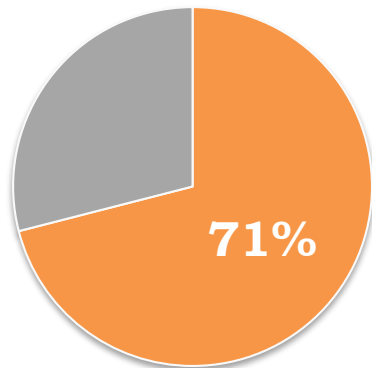
Women REALTORS® and **sales agents** use social media the most for professional use.



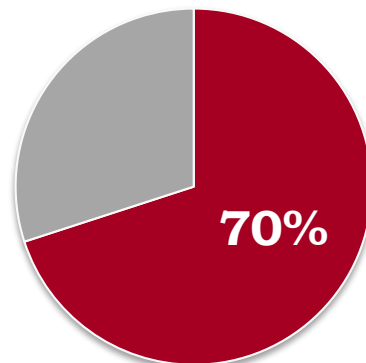
Female REALTORS®



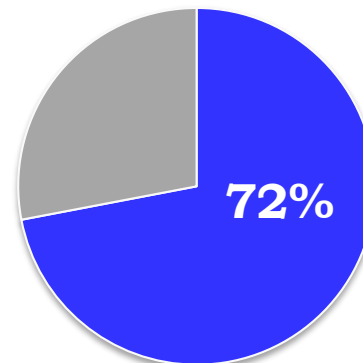
Male REALTORS®



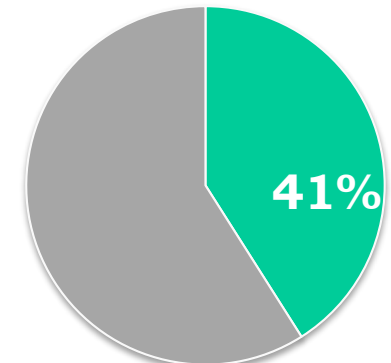
Brokers



Broker Associates



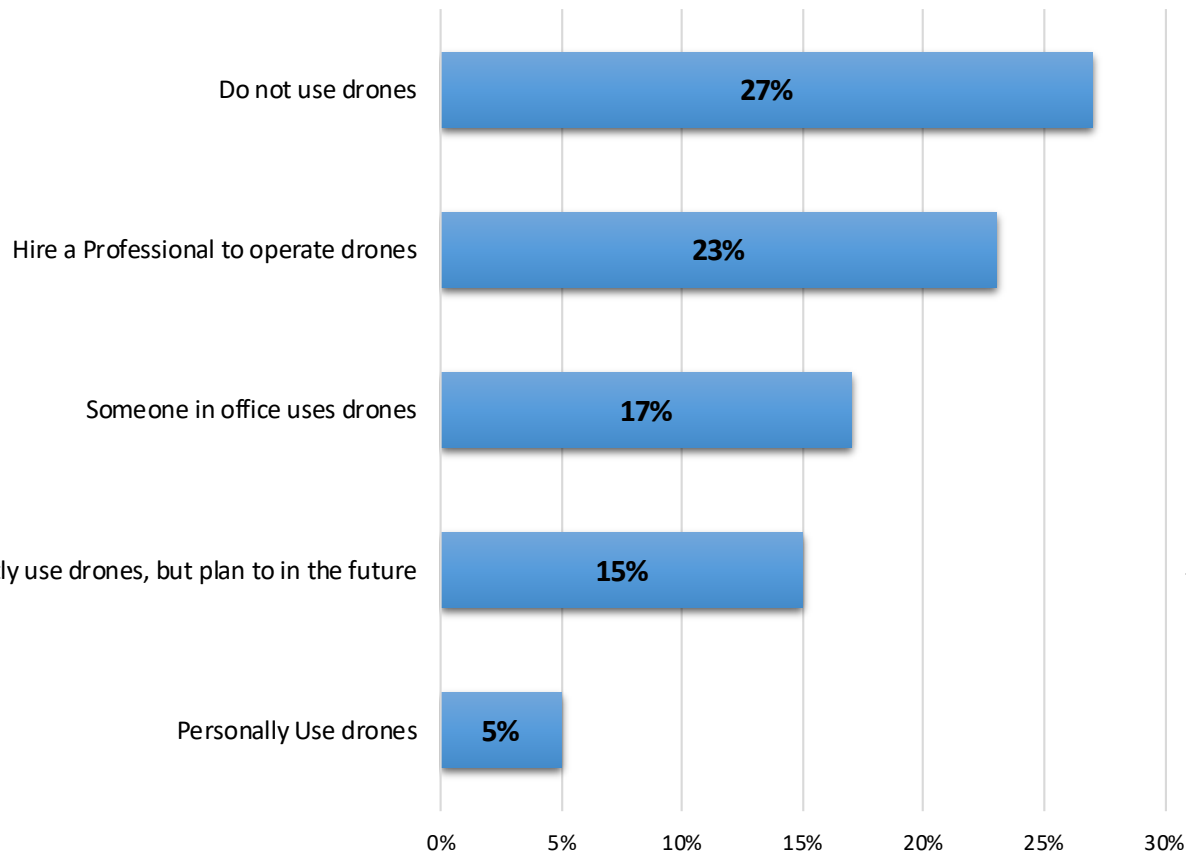
Sales Agents



Appraisers

Use of Drones in Real Estate Business or Office

Drone Use



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.

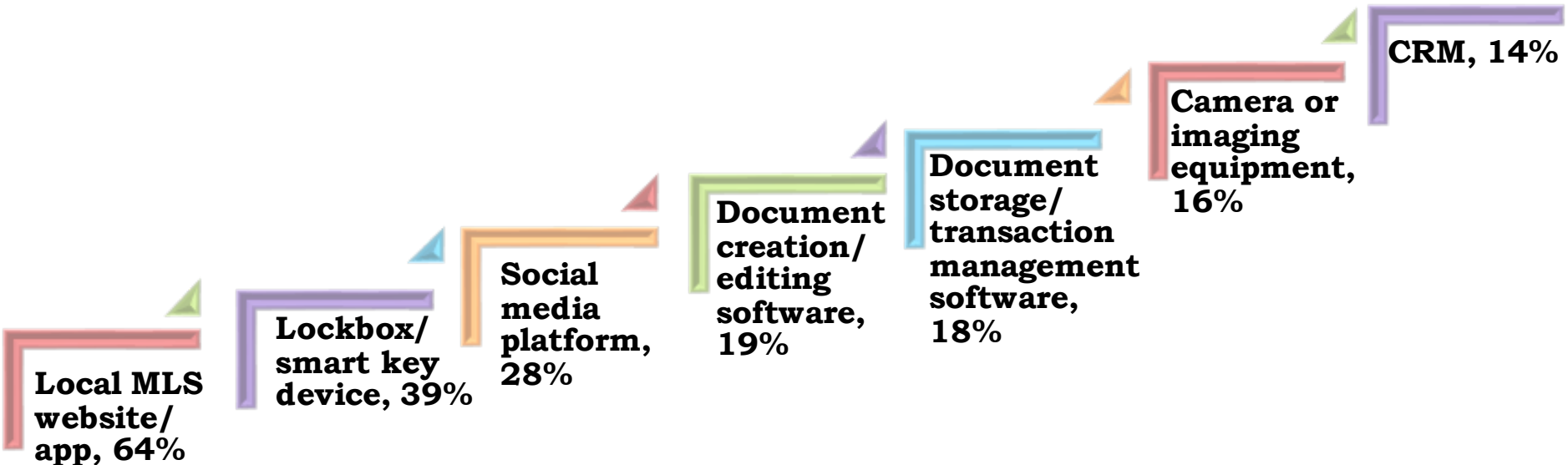
Keeping Up with Changing Trends

Section 4

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:

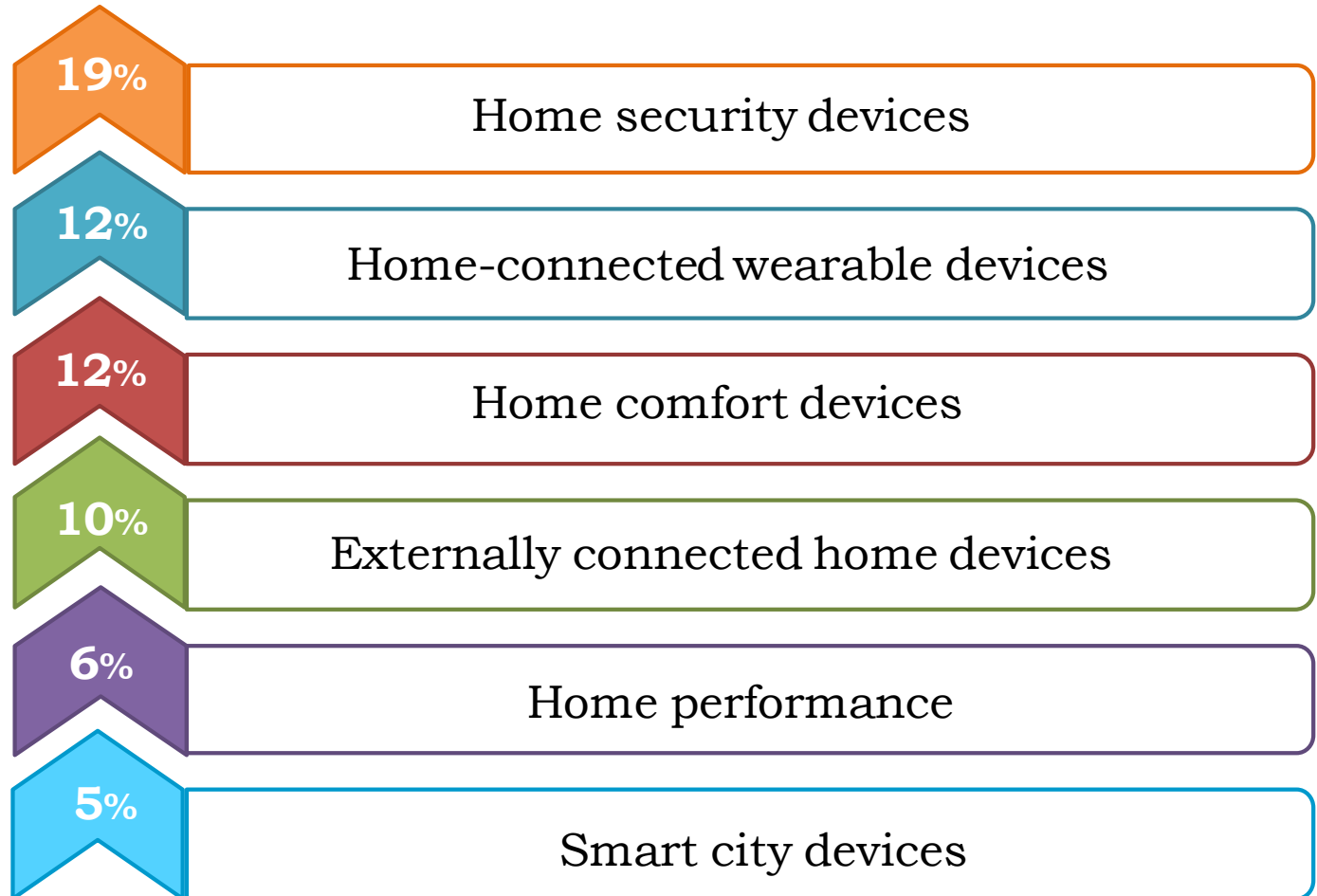


Familiarity with Smart Home Connected Devices

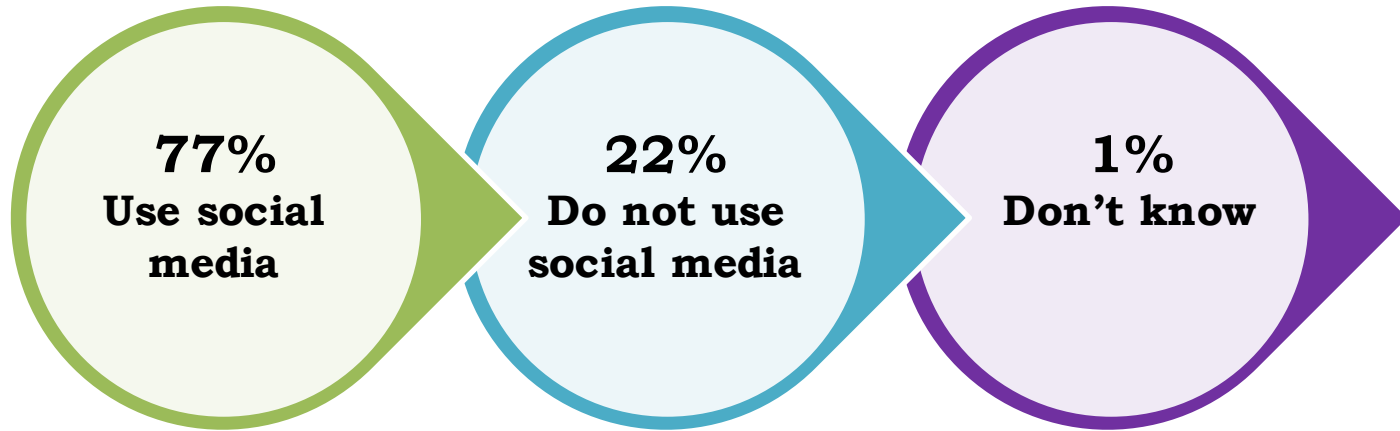
(Very Familiar)

Only **14 percent** of REALTORS® said that they were unfamiliar with home security devices.

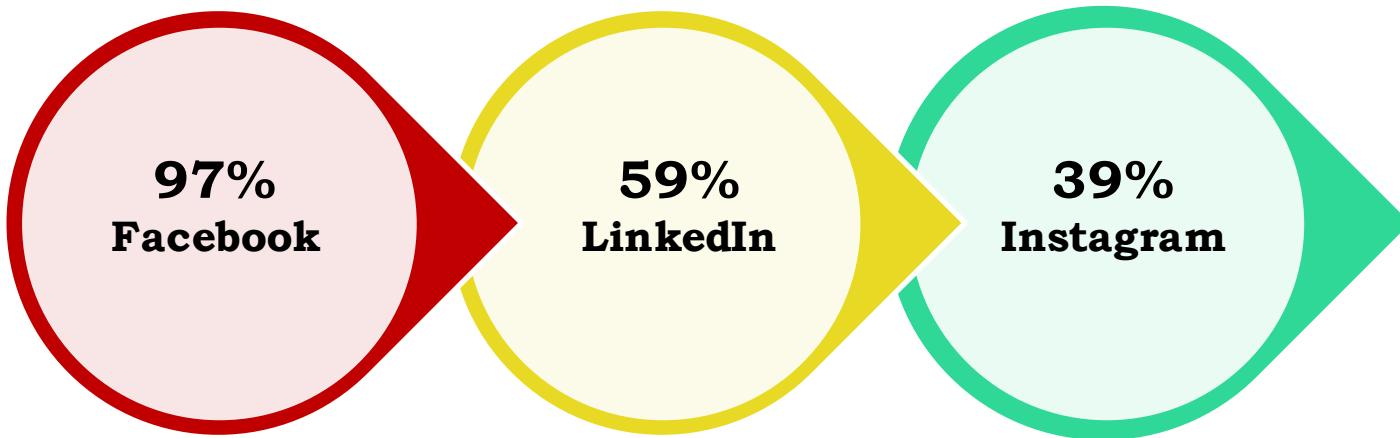
38 percent reported being unfamiliar with smart city devices



Social Media for Real Estate Business

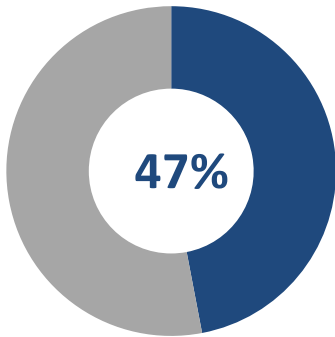


Social Media Networks Used

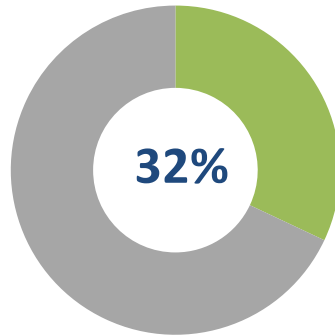


Top Tech Tools That Have Given The Highest Quality of Leads

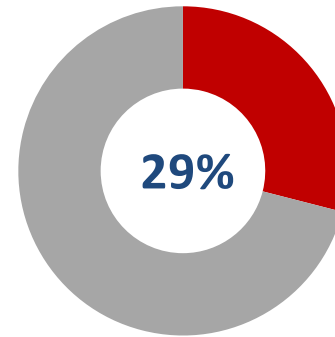
Social Media



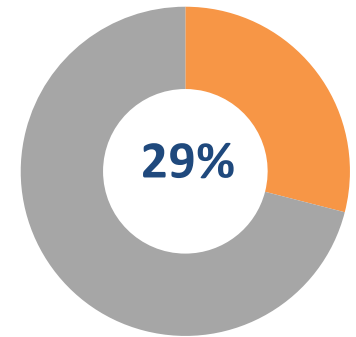
MLS Site



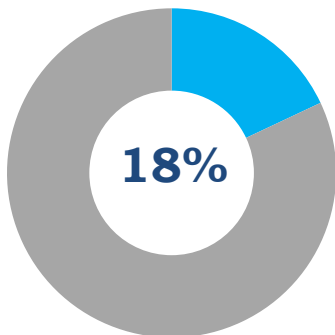
Brokerage's Website



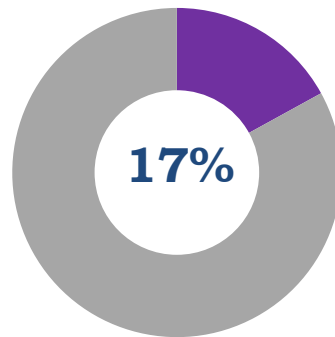
Listing Aggregator Site



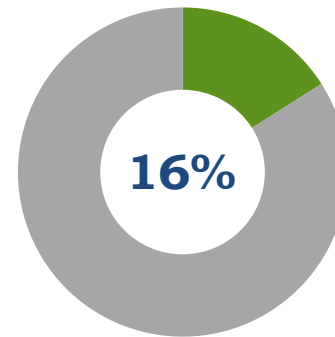
CRM



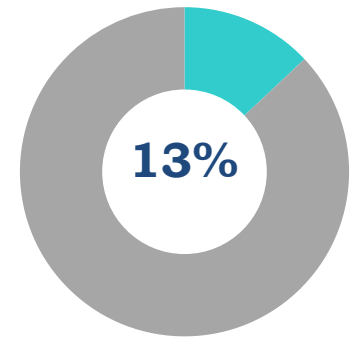
Email Marketing Tool



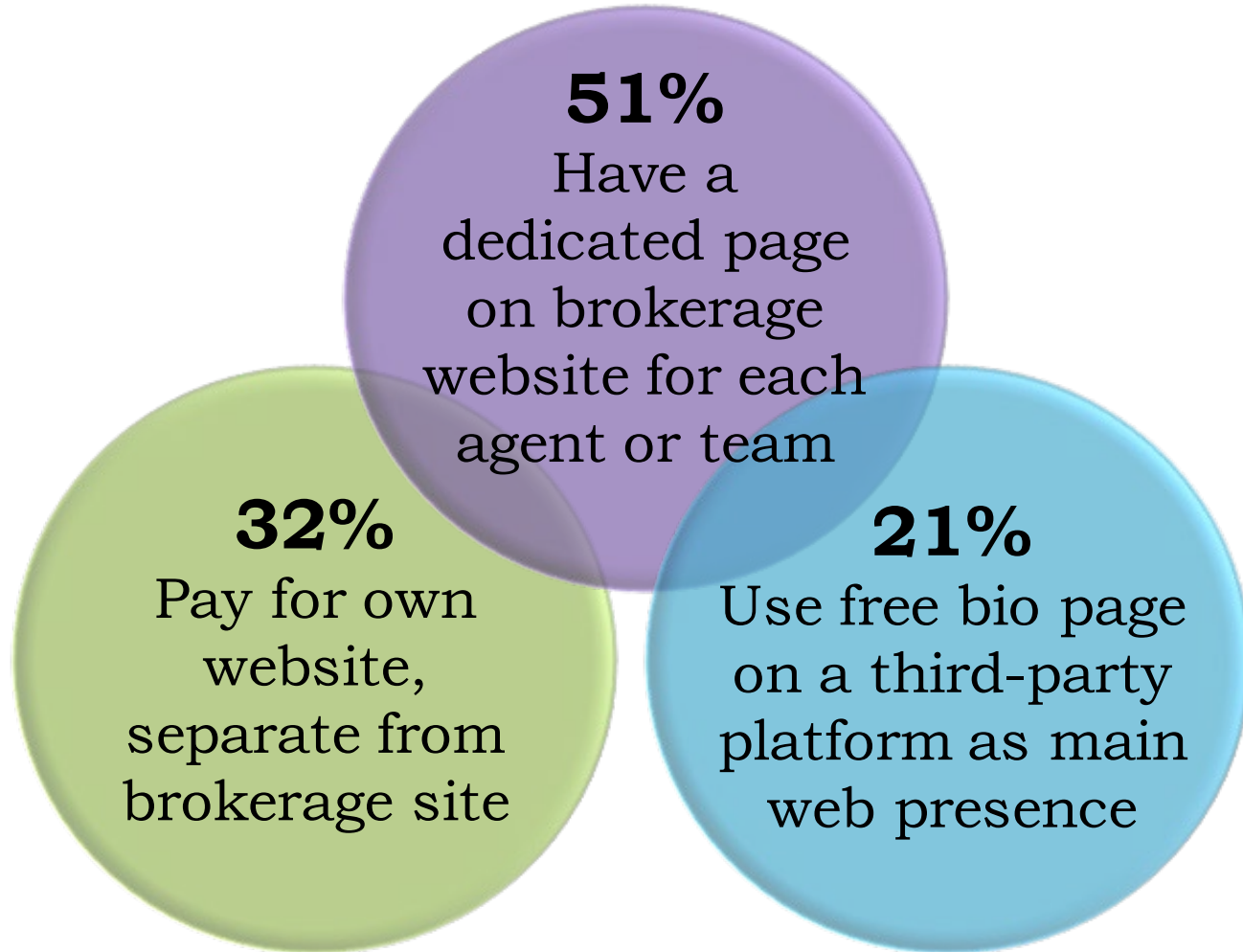
Digital Ad Campaign



Blog or Business Website



Web Presence





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NATIONAL
ASSOCIATION *of*
REALTORS®

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

The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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