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.

# Age of Home Buyers

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

- **Younger Millennials**: 11%
- **Older Millennials**: 26%
- **Generation X**: 24%
- **Younger Boomers**: 18%
- **Older Boomers**: 14%
- **Silent Generation**: 7%

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:**
- **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

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 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.

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

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 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

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

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 **56%**

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

**Paperwork 20%**

**Understanding the process 16%**

**Saving for the down payment 13%**

**Getting a mortgage 8%**

**No difficult steps 19%**

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

31% of Older Boomers noted there were no difficult steps compared to only 8% of Younger 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 buyer’s internet usage decreases with age:

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)

*Daily or Nearly Everyday

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

- Laptop/Desktop Computer – 90%
- 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 (**59 percent**).

*Source: 2019 Profile of Real Estate Firms*
Encouragement of Software Use  
(Percent of Respondents)

<table>
<thead>
<tr>
<th>Software Feature</th>
<th>All Firms</th>
<th>Residential Firms</th>
<th>Commercial Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative Market Analysis</td>
<td>81%</td>
<td>84%</td>
<td>72%</td>
</tr>
<tr>
<td>Multiple Listing</td>
<td>81</td>
<td>83</td>
<td>70</td>
</tr>
<tr>
<td>E-signature</td>
<td>80</td>
<td>84</td>
<td>60</td>
</tr>
<tr>
<td>Electronic contracts/form</td>
<td>79</td>
<td>82</td>
<td>71</td>
</tr>
<tr>
<td>Document Preparation/Management</td>
<td>54</td>
<td>55</td>
<td>54</td>
</tr>
<tr>
<td>Contact Management</td>
<td>53</td>
<td>57</td>
<td>46</td>
</tr>
</tbody>
</table>

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.

Source: 2019 Profile of Real Estate Firms
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
93 percent of members preferred to communicate with their clients through text messaging or telephone, while only 27 percent prefer to use postal mail.
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.

<table>
<thead>
<tr>
<th></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><strong>Smartphone with wireless email and Internet capabilities</strong></td>
<td>95%</td>
<td>3%</td>
<td>1%</td>
<td>*</td>
<td>1%</td>
</tr>
<tr>
<td><strong>E-mail</strong></td>
<td>93</td>
<td>5</td>
<td>1</td>
<td>*</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Laptop/Desktop computer</strong></td>
<td>90</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Cell phone (no email and Internet)</strong></td>
<td>62</td>
<td>4</td>
<td>1</td>
<td>*</td>
<td>33</td>
</tr>
<tr>
<td><strong>Global positioning system (GPS)</strong></td>
<td>52</td>
<td>26</td>
<td>6</td>
<td>4</td>
<td>12</td>
</tr>
</tbody>
</table>

*Less than 1 percent

Source: 2019 Member Profile
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.

Source: 2019 Member Profile
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
Social media was the tool cited as the best source for generating high-quality leads among REALTORS®, followed by Multiple listing service (MLS) websites.

Source: 2018 Technology Survey
Main Reason for Using Social Media for Business

- **26%**: To promote listings
- **25%**: Helps build/maintain relationships with existing clients
- **21%**: It’s expected to have a presence on social media
- **13%**: Use it to find new prospects
- **5%**: Enjoy it
- **3%**: Helps network with other real estate professionals

*Source: 2018 Technology Survey*
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.

Source: 2018 Technology Survey
Additional Technology Tools
That Respondents most wanted to see provided by their broker

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

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.

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