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 2016, 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 2016, buyers worked with an agent 88 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

Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 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 2016 before purchasing a home.

The typical home buyers is 44 years old, married without children living at home, and has a median income of $88,500.

Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 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>
</tr>
</tbody>
</table>

**Median Age (years)**

- 36 and younger = 34%
- 37 to 51 years = 28%
- 52 to 61 years = 16%
- 62 to 70 years = 14%
- 71 to 91 years = 8%

**Millennials** make up the largest group of first-time home buyers at 66%, followed by **Generation X** at 26%

Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 Profile of Home Buyers and Sellers
## First Step Taken During the Home Buying Process

*(Percentage Distribution)*

### All Buyers:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Step Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>Looked online for properties for sale</td>
</tr>
<tr>
<td>17%</td>
<td>Contacted a real estate agent</td>
</tr>
<tr>
<td>13%</td>
<td>Looked online for information about home buying process</td>
</tr>
<tr>
<td>7%</td>
<td>Contacted a bank or mortgage lender</td>
</tr>
<tr>
<td>6%</td>
<td>Talked with a friend or relative about home buying process</td>
</tr>
<tr>
<td>6%</td>
<td>Drove-by homes and neighborhoods</td>
</tr>
</tbody>
</table>

### Generational Data:

<table>
<thead>
<tr>
<th>Generation</th>
<th>Step Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silent Generation</td>
<td>30% of the Silent Generation contacted a real estate agent</td>
</tr>
<tr>
<td>Millennials</td>
<td>18% of Millennials looked online for information</td>
</tr>
<tr>
<td>Millennials</td>
<td>11% of Millennials talked with a friend or relative</td>
</tr>
<tr>
<td>Younger Boomers</td>
<td>53% of Younger Boomers looked online for properties for sale</td>
</tr>
</tbody>
</table>

*Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 Profile of Home Buyers and Sellers*
Information Sources Used in Home Search

(Percentage Distribution)

99% of **Millennials** search on online websites compared to 89% of **Older Boomers** and 77% of the **Silent Generation**

Only 63% 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 2017 & 2016 Profile of Home Buyers and Sellers
Frequency of Use of Different Information Sources
(Percentage Distribution)

99% of Millennials cited using the internet whereas only 77% did from the Silent Generation

Source: NAR 2016 Profile of Home Buyers and Sellers
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.

58% of all buyers found home on mobile device
14% of all buyers found agent with mobile device

10% of Older Boomers and 7% of the Silent Generation found their agent with a mobile device compared to 13% of Millennials.

Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 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**

- **89% Found photos very useful**
- **85% Found detailed information about properties**
- **50% Found virtual tours very useful**
- **44% Found neighborhood information very useful**
- **41% Found interactive maps very useful**

Virtual tours was very useful by close to half off all generations.

*Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 Profile of Home Buyers and Sellers*
Length of Search (Median)

All generations except Generation X spent 8 weeks searching for a home, who spent 12 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 2017 & 2016 Profile of Home Buyers and Sellers
Most Difficult Steps of Home Buying Process
(Percent of Respondents)

- Finding the right property: 52%
- Paperwork: 24%
- Understanding the process: 17%
- Getting a mortgage: 11%
- Saving for the down payment: 13%
- No difficult steps: 16%

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

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

27% of Older Boomers noted there were no difficult steps compared to only 9% of Millennials.

Sources: NAR Home Buyer and Seller Generational Trends Report 2017 & 2016 Profile of Home Buyers and Sellers
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

Sources: 2015 Profile of Real Estate Firms and 2015 Member Profile
REALTORS® Everyday Use of Technology

- REALTORS® most often prefer to communicate with their clients through email, at 94 percent. As well, 90 percent prefer to communicate through text messaging, and 34 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: 2016 Profile of Real Estate Firms and 2016 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 93% 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: 2016 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 **95 percent**.

**Commercial firms** typically showed property listings (**88 percent**), agent and staff photos (**77 percent**), and customer reviews and testimonials (**36 percent**).

**Residential firms** typically showed property listings (**97 percent**), agent and staff photos (**80 percent**), and mortgage/financial calculators (**62 percent**).

Source: 2016 Profile of Real Estate Firms
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, both at 92 percent.

Source: 2016 Profile of Real Estate Firms

<table>
<thead>
<tr>
<th>Software Type</th>
<th>All Firms</th>
<th>Residential Firms</th>
<th>Commercial Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Listing</td>
<td>86%</td>
<td>88%</td>
<td>77%</td>
</tr>
<tr>
<td>Comparative Market Analysis</td>
<td>83</td>
<td>86</td>
<td>72</td>
</tr>
<tr>
<td>Electronic Contracts/Forms</td>
<td>82</td>
<td>85</td>
<td>68</td>
</tr>
<tr>
<td>E-signature</td>
<td>78</td>
<td>82</td>
<td>57</td>
</tr>
<tr>
<td>Document Preparation/Management</td>
<td>60</td>
<td>63</td>
<td>52</td>
</tr>
<tr>
<td>Contact Management</td>
<td>58</td>
<td>61</td>
<td>54</td>
</tr>
</tbody>
</table>
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 decreases to 43 percent, whereas 51 percent of firms with three or more offices cite keeping up with technology as a challenge.

Source: 2016 Profile of Real Estate Firms
Trends and Demographics in REALTOR® Technology Use

Section 3

Source: 2015 Member Profile
Preferred Method of Communication with Clients (Percent of Respondents)

94 percent of members preferred to communicate with their clients through e-mail, while only 26 percent prefer to use postal mail.

Source: 2016 Member Profile
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 96 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></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>E-mail</strong></td>
<td>96%</td>
<td>3%</td>
<td>*</td>
<td>1%</td>
<td>*</td>
</tr>
<tr>
<td><strong>Smartphone with wireless email and Internet capabilities</strong></td>
<td>94</td>
<td>3</td>
<td>*</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Laptop/Desktop computer</strong></td>
<td>92</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Cell phone (no email and Internet)</strong></td>
<td>58</td>
<td>4</td>
<td>1</td>
<td>*</td>
<td>36</td>
</tr>
<tr>
<td><strong>Global positioning system (GPS)</strong></td>
<td>53</td>
<td>25</td>
<td>5</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

*Less than 1 percent

Source: 2016 Member Profile
REALTORS® who were 29 years and younger were the most likely to have a real estate blog, at 17%.

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

Source: 2016 Member Profile
Active Use of Social Media  
(Percentage Distribution)

Women REALTORS® and sales agents are most active on social media.

Source: 2016 Member Profile
Use of Drones in Real Estate Business or Office

Typically, REALTORS® do not use drones in their business or office, at 56%. 18 percent of REALTORS® plan to use drones in the future.

3 percent of REALTORS® personally use drones, while 11 percent hire a professional, and 12 percent said that someone in their office uses drones.

Source: 2016 Member Profile
Keeping Up with Changing Trends

Section 4

Source: Center for REALTOR® Technology Survey and Smart Homes Survey
The top five smart home devices that members feel are important to clients:

**62 percent** of REALTORS® said that Smart Locks were the most important smart home device to clients.

Lights (61 percent) and Thermostats (60 percent) were the next two smart home devices of importance to clients.

- **62%** - Locks
- **61%** - Lights
- **60%** - Thermostats
- **51%** - Cameras
- **35%** - Doorbells

Source: Center for REALTOR® Technology 2016 Smart Homes Survey
Expanding Technology *(Percent of Respondents)*

When asked about the amount of technology that their broker currently offers, **45 percent** of REALTORS® said that they would like to see the **amount of technology offered expanded**.

Some of the top offerings that REALTORS® would like to see include:

- More tech support/training
- A more professional website
- Cutting-edge technology
- Keeping agents up to date on tech trends
- A better CRM database
- Reliable faster internet
- Easy to use technology

*Source: Center for REALTOR® Technology Survey*
Most members feel **comfortable using social media**, but **7 percent** of REALTORS® do not use social media.

*Source: Center for REALTOR® Technology Survey*
Participation in Social Media  (Percent of Respondents)

For real estate purposes these were the eight platforms that showed the most participation.

Facebook: 80%
LinkedIn: 71%
Google+: 32%
YouTube: 30%
Twitter: 28%
Pinterest: 21%
Real Estate Blogs: 16%
Instagram: 14%

Source: Center for REALTOR® Technology Survey
Smart Home Technology Clients are Interested In

(Percent of Respondents)

- **42%** Smart home devices
- **22%** Whole home technology
- **13%** Smart home technology for specific rooms

Source: Center for REALTOR® Technology 2016 Smart Homes Survey
The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.2 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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