

# Real Estate in a Digital Age

September 2021

National Association of REALTORS® Research Group





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*Real Estate in a Digital Age*

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Lawrence Yun, Ph.D.  
Chief Economist and Senior Vice President

Jessica Lautz, Dr. of Real Estate  
Vice President, Demographics and Behavioral  
Insights

Brandi Snowden  
Director, Member and Consumer Survey Research

Meredith Dunn  
Research Manager

**Lead Author:**  
Matt Christopherson  
Research Survey Analyst



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# Introduction

Technology touches our lives daily and in endless ways. Whether it makes our lives easier, improves our productivity, or opens new opportunities and communication, technology has become a staple in our daily lives, and it is no different in the world of real estate. When the National Homebuying Survey was conducted in 1981, the most important rated information source in the home search, after agents, was newspaper ads. In 2020, 97 percent of homebuyers used the internet in their home search. With social distancing and health guidelines coming from the COVID-19 pandemic, technology has played an even larger role in the buying and selling of homes. In this report, we take a look at how technology is used in the home search, by real estate firms, by REALTOR® members; and how social media and other trends are shaping real estate moving forward.

## Tech Use During Home Search

- While the expertise of REALTORS® remains vital to the home buying and selling process, the internet serves as a tool for all generations of home buyers; **97 percent of all homebuyers used the internet in their home search**
- 76 percent of homebuyers used a mobile or tablet search device in their home search; Millennials used mobile devices nearly twice as often as the Silent Generation
- Younger Millennials conducted 65 percent of their mobile search on mobile devices, while Older Boomers conducted 75 percent on a desktop/laptop
- **Buyers typically searched for eight weeks, viewing nine homes, five of which were viewed solely online**
- All generations except the Silent Generation were most likely to have first found the home they ultimately purchased online; the Silent Generation were most likely to find their home first from their real estate agent

## Real Estate Firm Technology Use

- The most common feature on firm websites is property listings, followed by agent/staff profiles, and customer reviews

# Introduction

- The software tools most often provided or encouraged by firms are e-signature (83%), comparative market analysis (82%), electronic contracts/forms (80%), and multiple listing (79%)
- While inventory and affordability have come front stage this past year, keeping up with technology is seen as a challenge to 41 percent of firms

## REALTOR® Technology Use

- 96 percent of REALTORS® use a smartphone with wireless email and internet capabilities on a daily basis
- 95 percent of REALTORS® use e-mail daily, and 57 percent use social media apps daily
- 69 percent of members have a website, and their sites are typically five years old
- When communicating with clients, REALTORS® most often prefer text messaging (93%), followed by telephone (90%), and e-mail (89%)

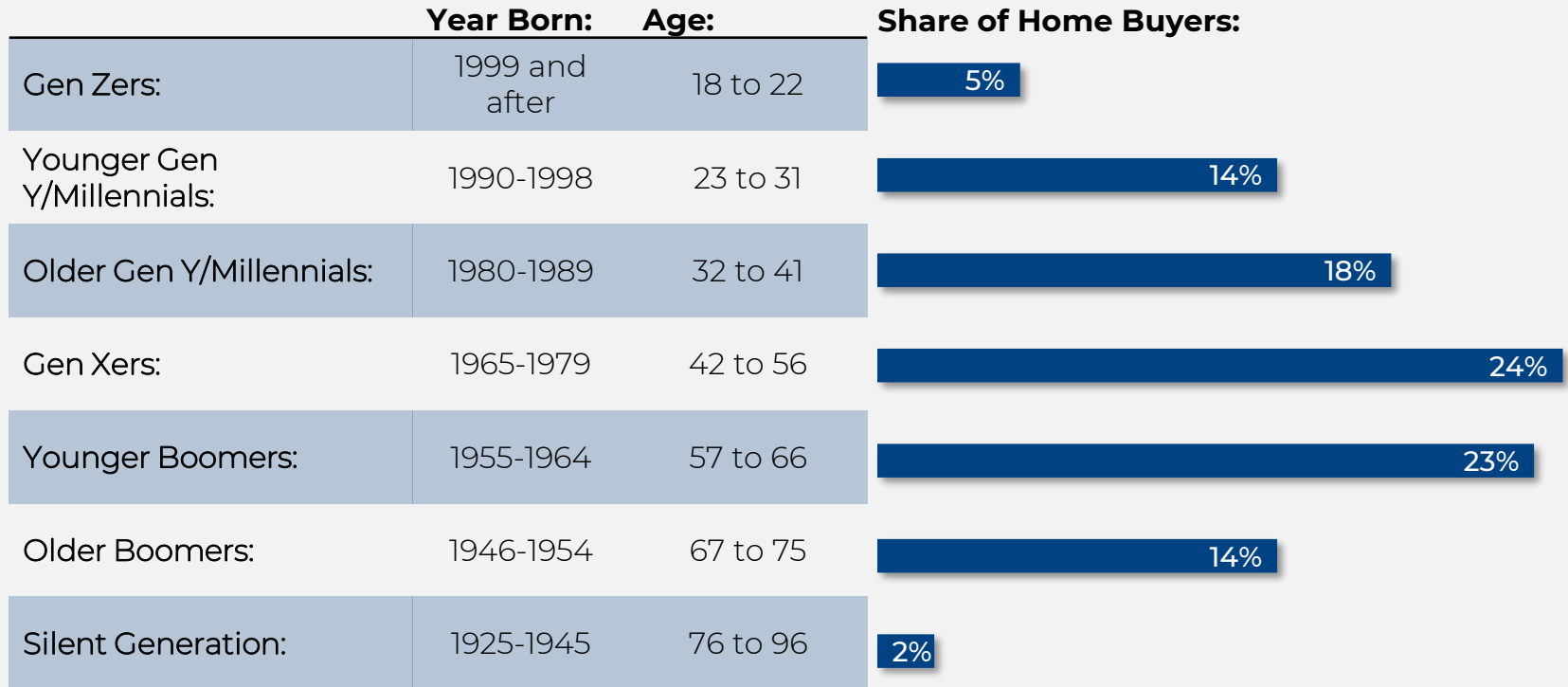
## Social Media & Tech Trends

- The top three tech tools that provide REALTORS® with quality leads are social media (52%), Customer Relationship Management (31%), and MLS sites (28%)
- Looking ahead, REALTORS® believe they will use eSignature the most in the next 12 months (73%), followed by social media (53%), and local MLS apps & technology (47%)
- 90 percent of REALTORS® use Facebook, followed by 52 percent on Instagram, and 48 percent on LinkedIn
- The most desired tech tool not currently offered by members' brokerages is cyber security, followed by lead generation, and eNotary

# Tech Use During Home Search

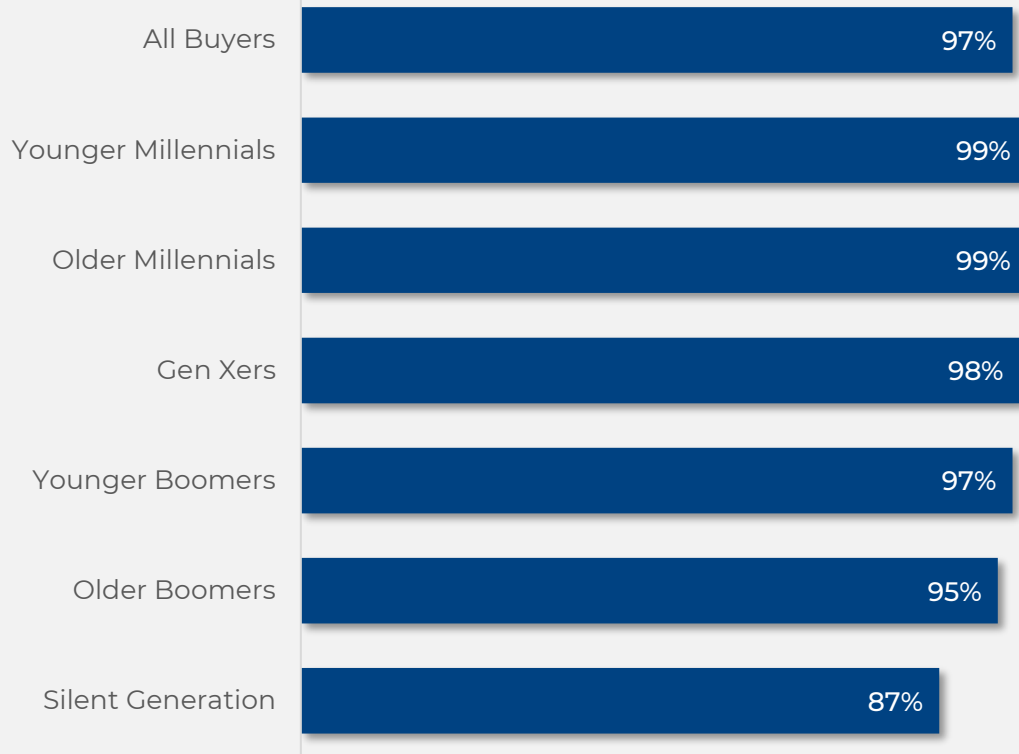


# Age of Home Buyers





# Use of Internet in Home Search



**While the expertise of REALTORS® remains vital to the home buying and selling process, the internet serves as a tool for all generations of home buyers.**



# First Step Taken During Buying Process

## All Buyers:

43% - Looked online for properties for sale

18% - Contacted a real estate agent

9% - Looked online for info about the home buying process

7% - Contacted a bank or mortgage lender

7% - Talked with a friend or relative about home buying process

6% - Drove by homes/neighborhoods

## Generational Data:

17% of Younger Millennials first looked online for info about the process

24% of Silent Generation first contacted a real estate agent

48% of Gen Xers and Younger Boomers first looked online for properties for sale

9% of Older Millennials first contacted a bank or mortgage lender

# Information Sources Used in Home Search

## All Buyers:

87% - Real estate agent

76% - Mobile or tablet search device

53% - Open house

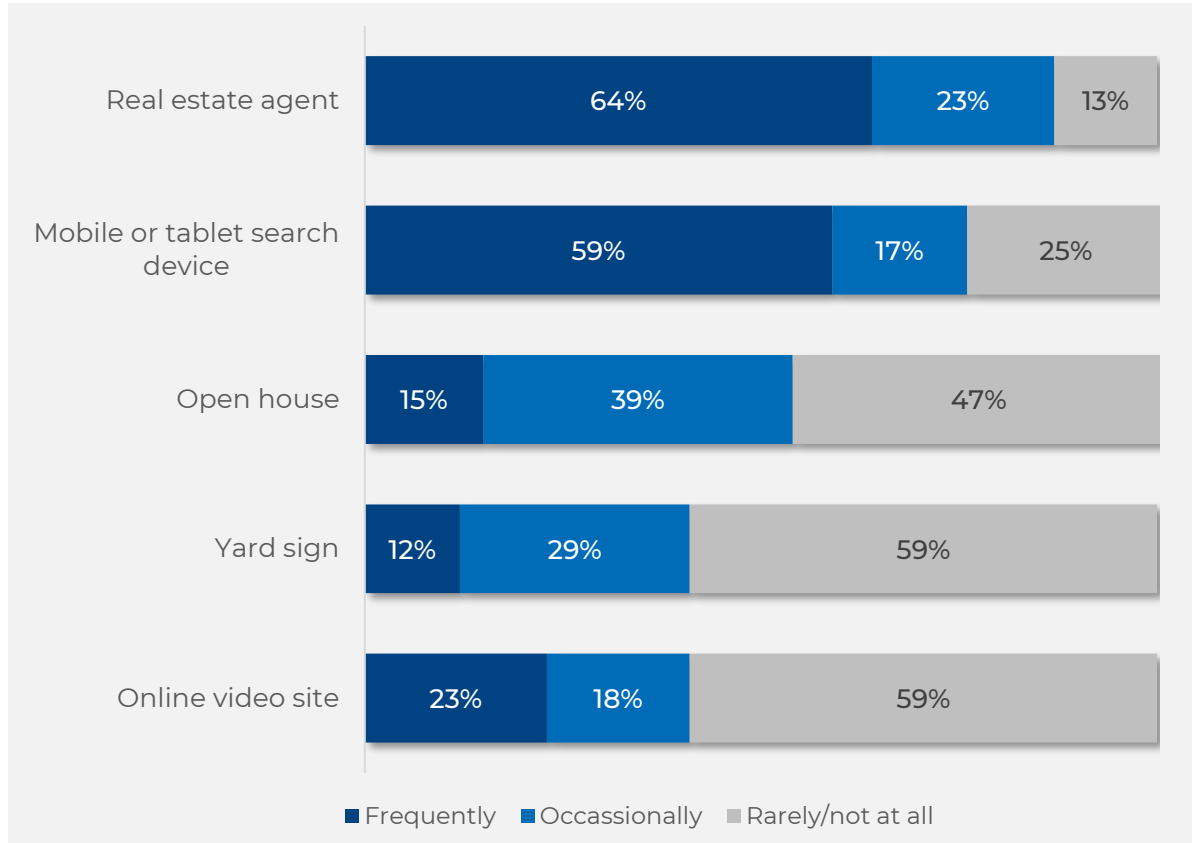
41% - Yard sign

41% - Online video site

## Generational Data:

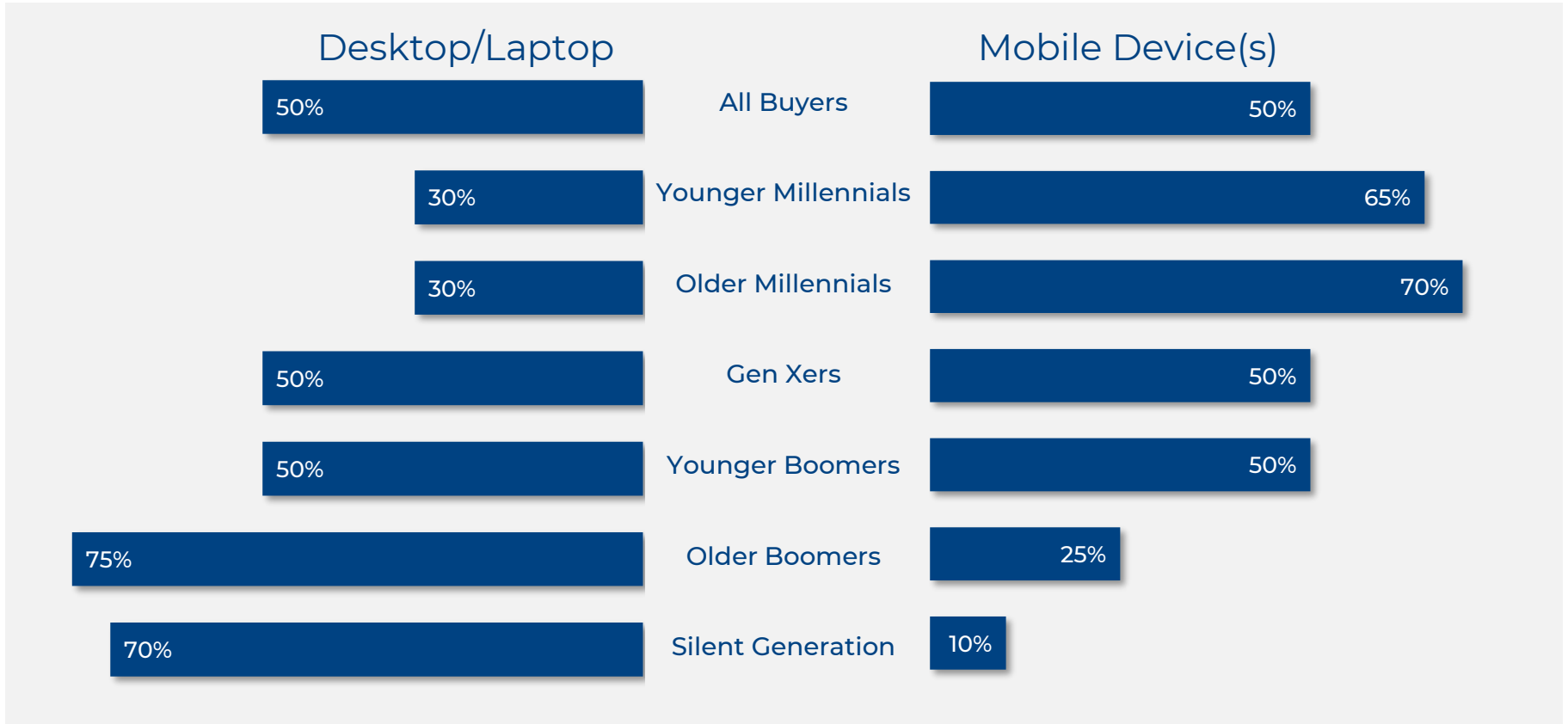
- **Millennials used mobile devices nearly twice as often as the Silent Generation**
- **Open houses were used most by Gen X, followed by Older Millennials**
- **Forty-four percent of Gen Xers used yard signs for their search**
- **The Silent Generation used online video sites nearly twice as often as Millennials**

# Frequency of Use of Information Sources

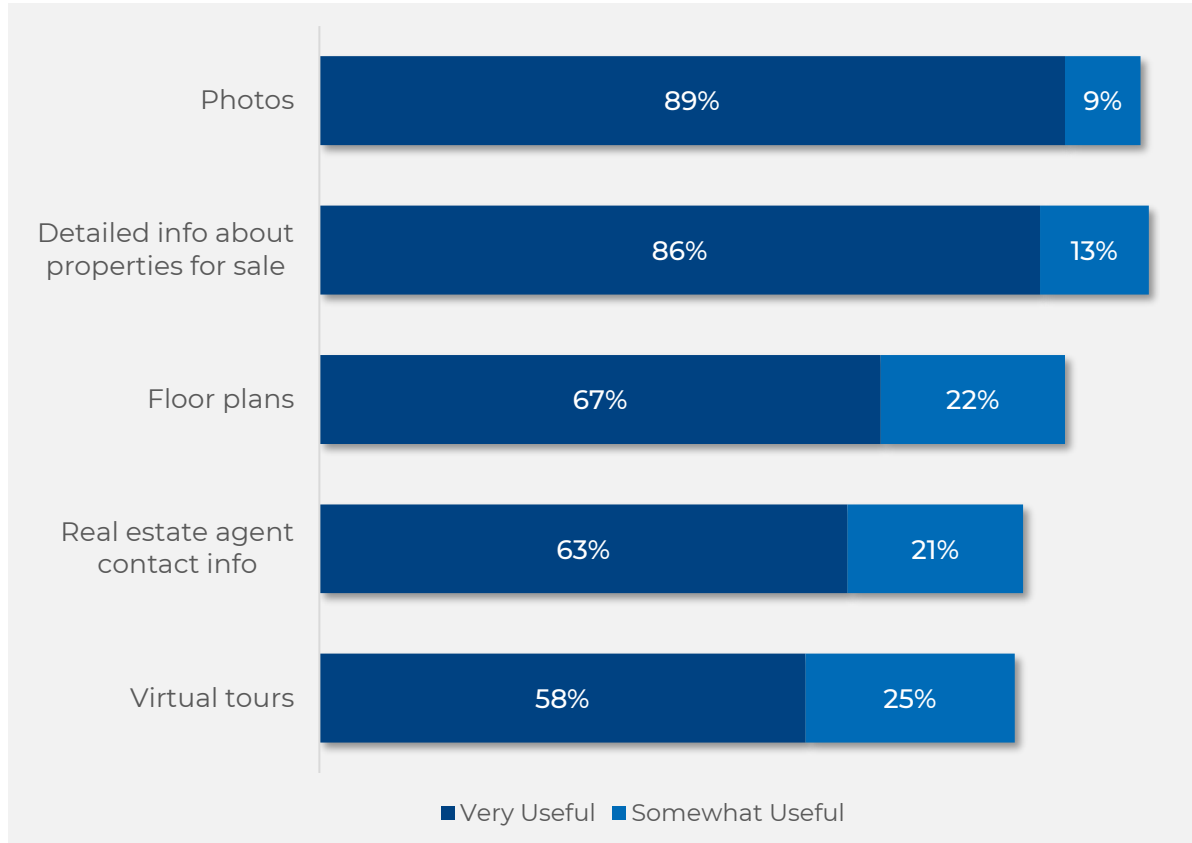


**Across generations, real estate agents remain the most frequently used source of information in the home search, followed by mobile search devices.**

# Mobile Search: Device Split



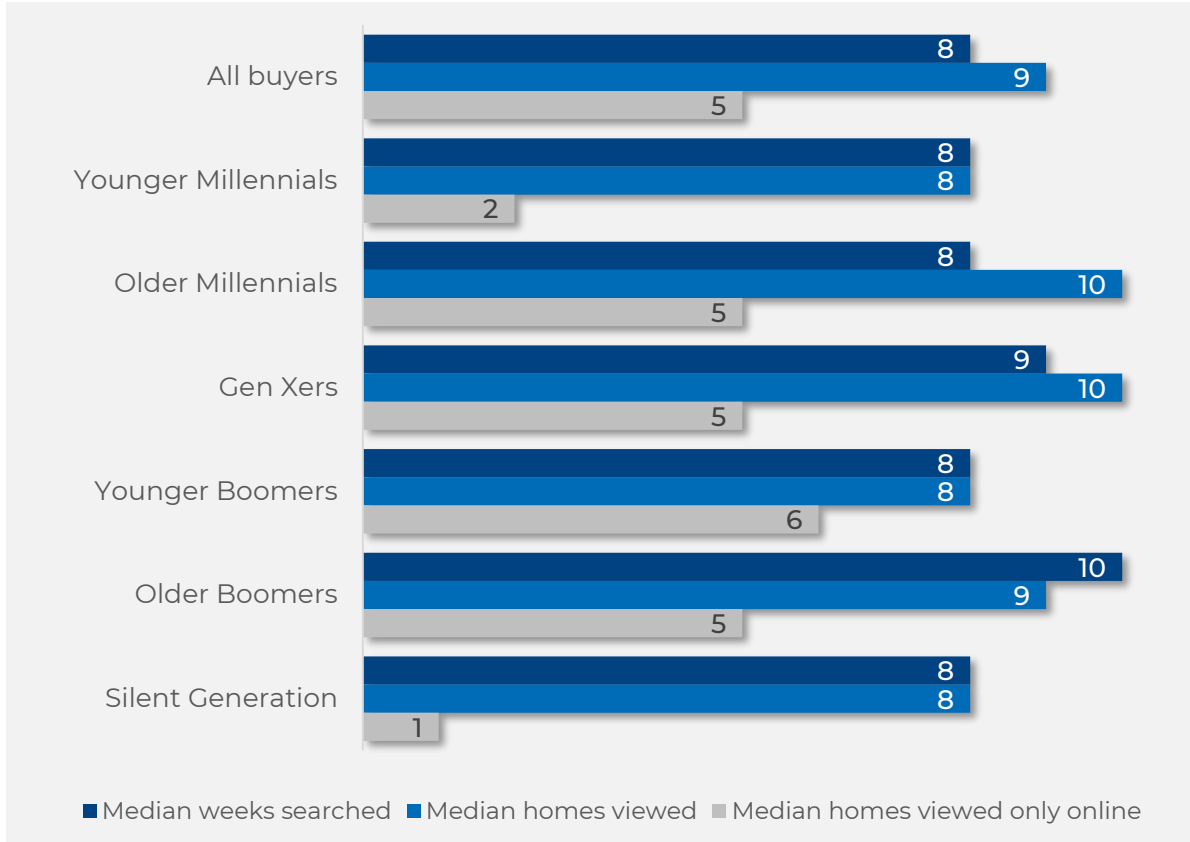
# Value of Website Features



**Younger Boomers and all of those younger place the highest value on Photos, while Older Boomers and the Silent Generation valued detailed info about properties for sale the most.**



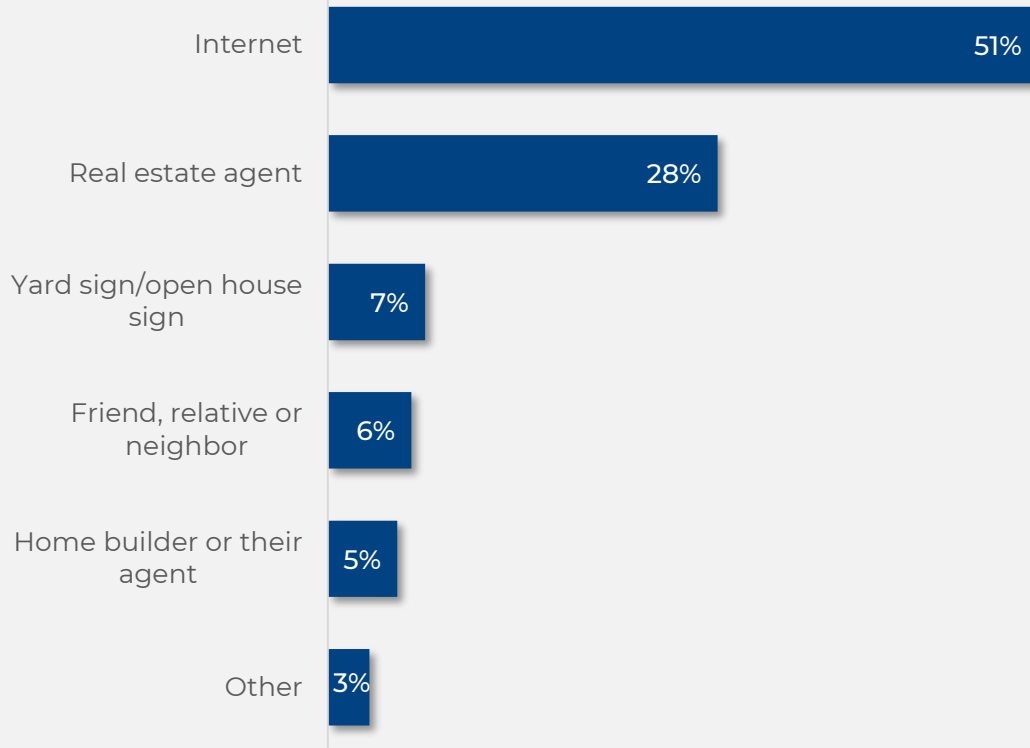
# Length of Search



With changing social and health standards coming out of the COVID-19 pandemic, online search tools are used even more widely. More than half of the homes that buyers view were viewed solely online.



# Where Buyer Found Home They Purchased



**All generations except the Silent Generation were most likely to have found the home they ultimately purchased online. The Silent Generation were most likely to find their home first from their real estate agent.**



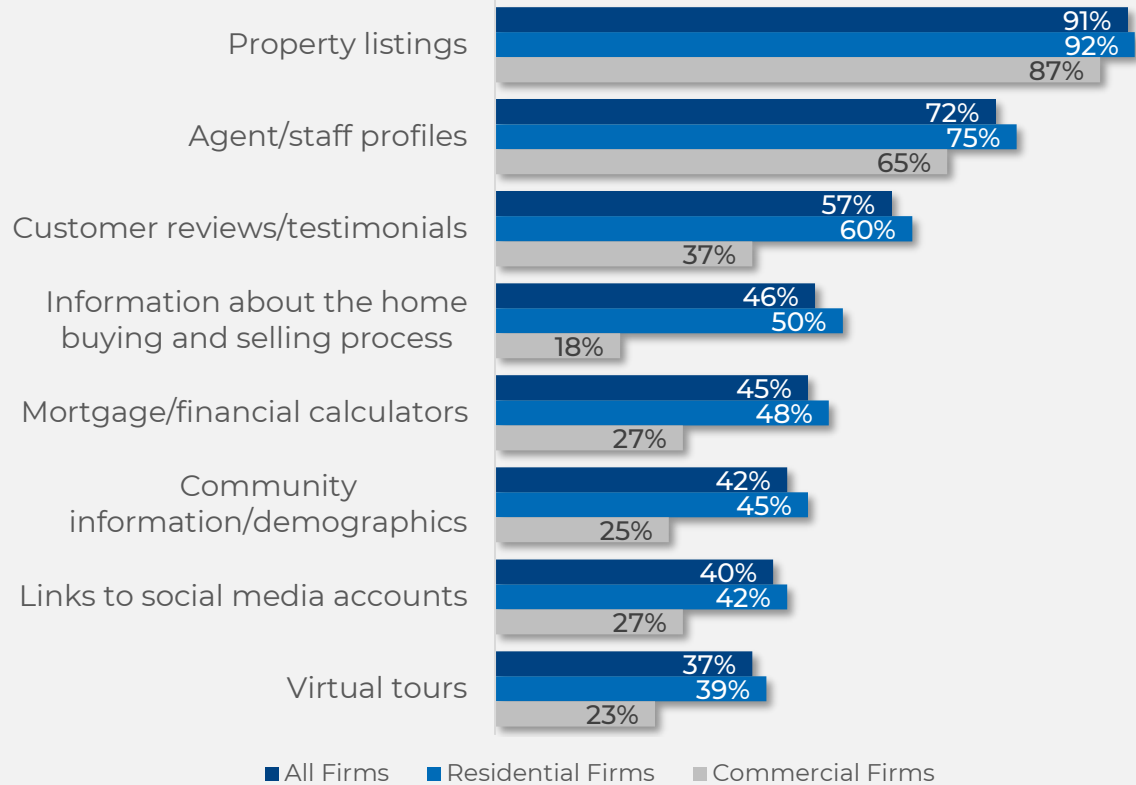




# Real Estate Firm Technology Use

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# Most Common Features on Firm Sites



The most common feature on firm websites is property listings, followed by agent/staff profiles, and customer reviews.



# Firms Encourage Use of Software

	All Firms	Residential Firms	Commercial Firms
E-signature	83%	86%	65%
Comparative market analysis	82	86	71
Electronic contracts/form	80	83	74
Multiple listing	79	81	72
Document preparation/Management	55	57	50
Contact management	50	53	44
Transaction management	39	42	29
Market statistics	38	40	41
Social media management tools	35	38	20
Customer relationship management	32	35	24
Video	31	34	17
Graphics/Presentation	29	31	26
Home visualization	27	30	13
Property management	23	17	25
Marketing automation	14	16	8
QR Code	14	15	10
Agent rating	13	15	4
Loan analysis	12	12	21

**The software tools that firms most often provide or encourage are e-signature, comparative market analysis, electronic contracts/forms, and multiple listing.**



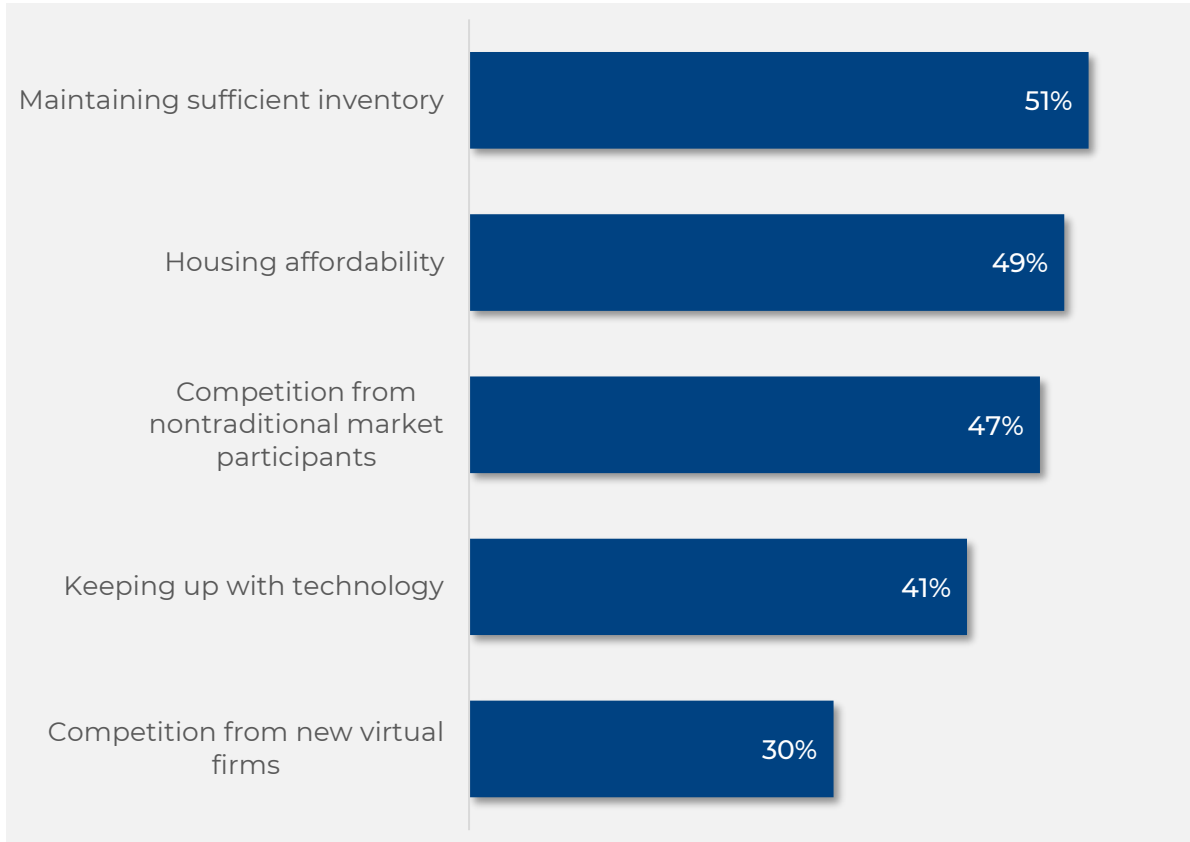
# Firm Social Media Guidelines



**Nearly three-fifths of firms have some social media guidelines for their agents, one-third of which apply to both personal and professional accounts.**



# Biggest Challenges Firms Face in Next Two Years



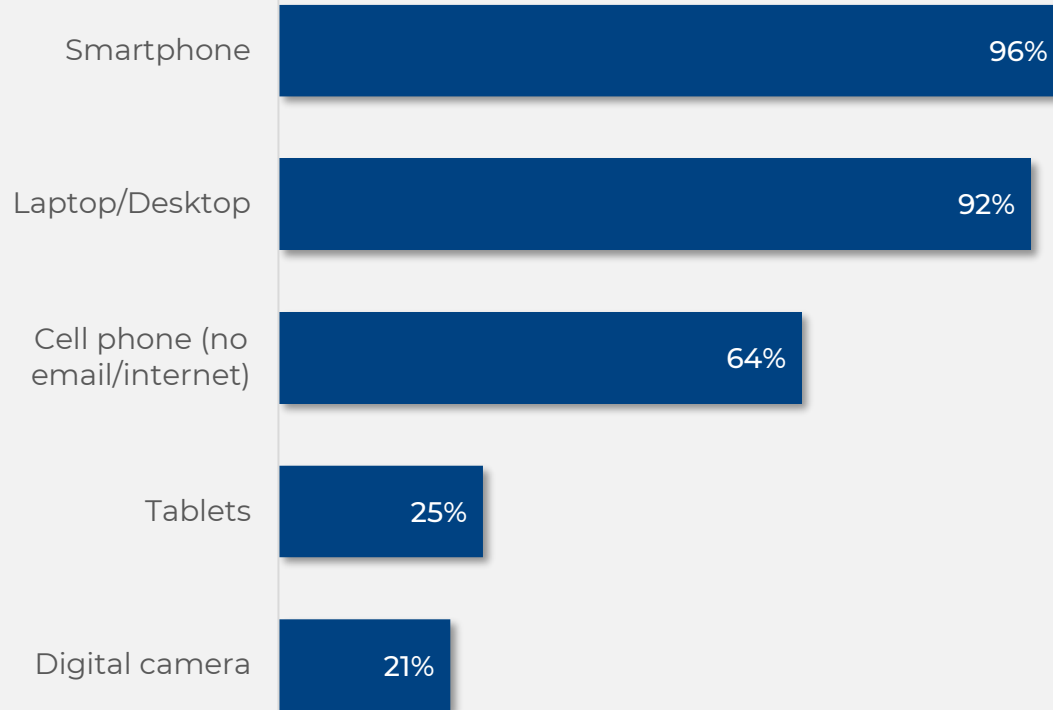
**While inventory and affordability have come front stage this past year, keeping up with technology is seen as a challenge to 41 percent of firms.**



# REALTOR® Technology Use

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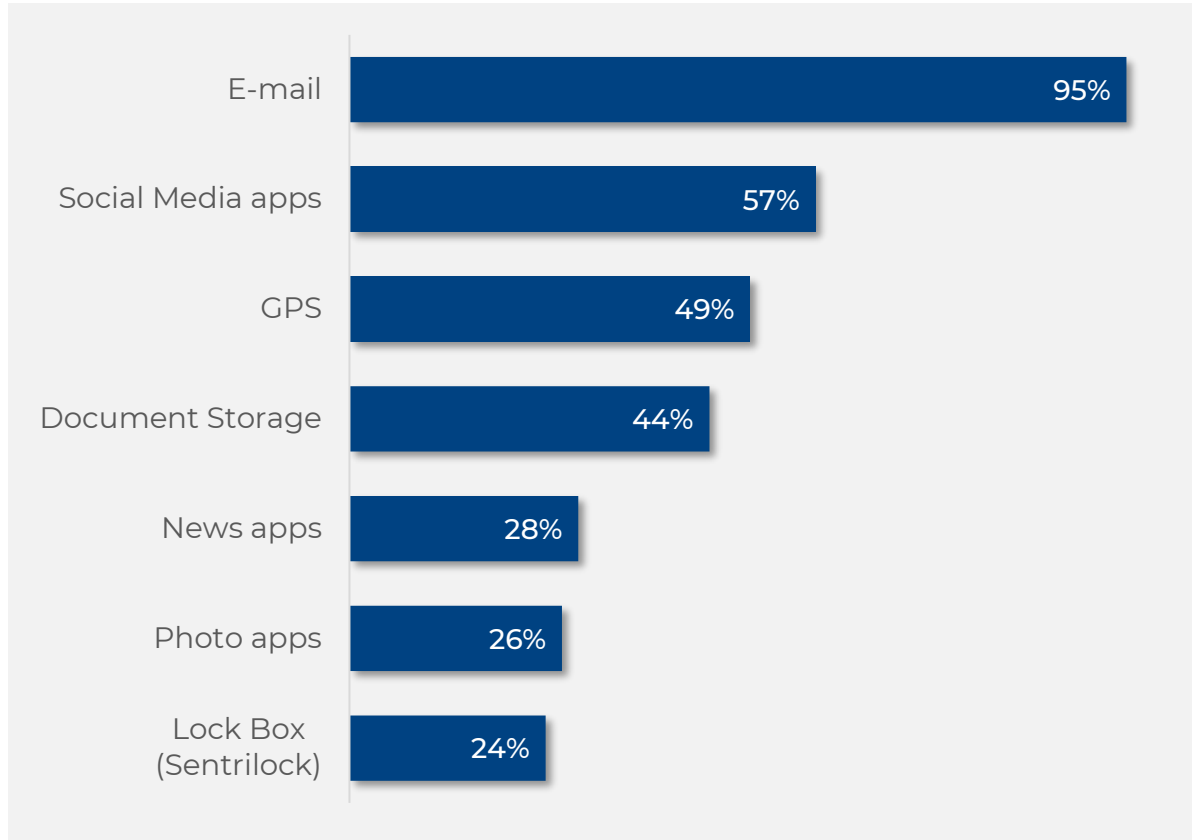
# Tech Products Used Daily by REALTORS®



**Nearly all REALTORS® use a smartphone with wireless email and internet capabilities on a daily basis.**



# Smartphone Features Used Daily by REALTORS®

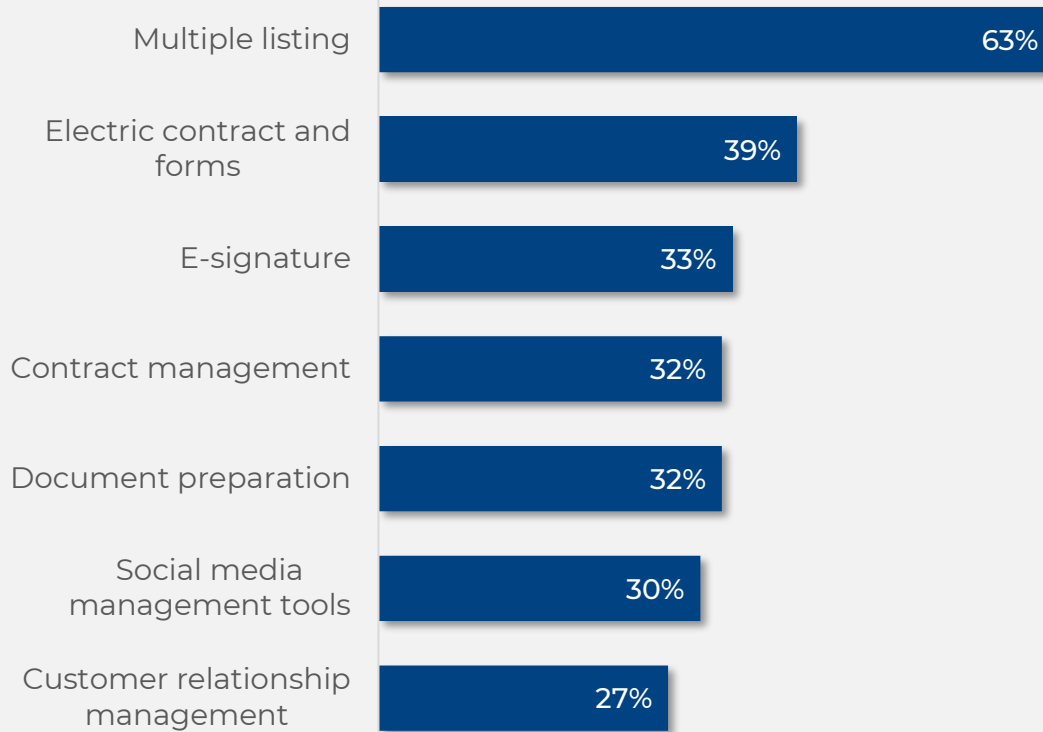


**Nearly all REALTORS® use e-mail on their phones on a daily basis, and more than half use social media apps daily.**





# Business Software Used Daily by REALTORS®

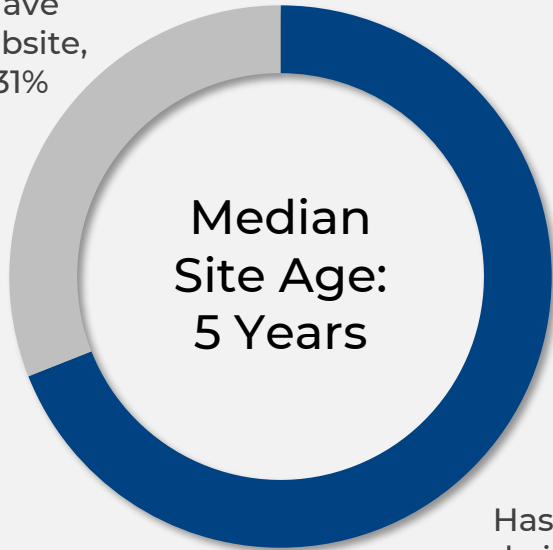


**More than three-fifths of REALTORS® use multiple listing software daily, and two-fifths use electric contract and forms software daily.**



# REALTOR® Websites

Doesn't  
have  
website,  
31%



Has  
website,  
69%

Website developed  
and/or maintained by  
REALTOR®

24%

Website provided by  
firm

45%

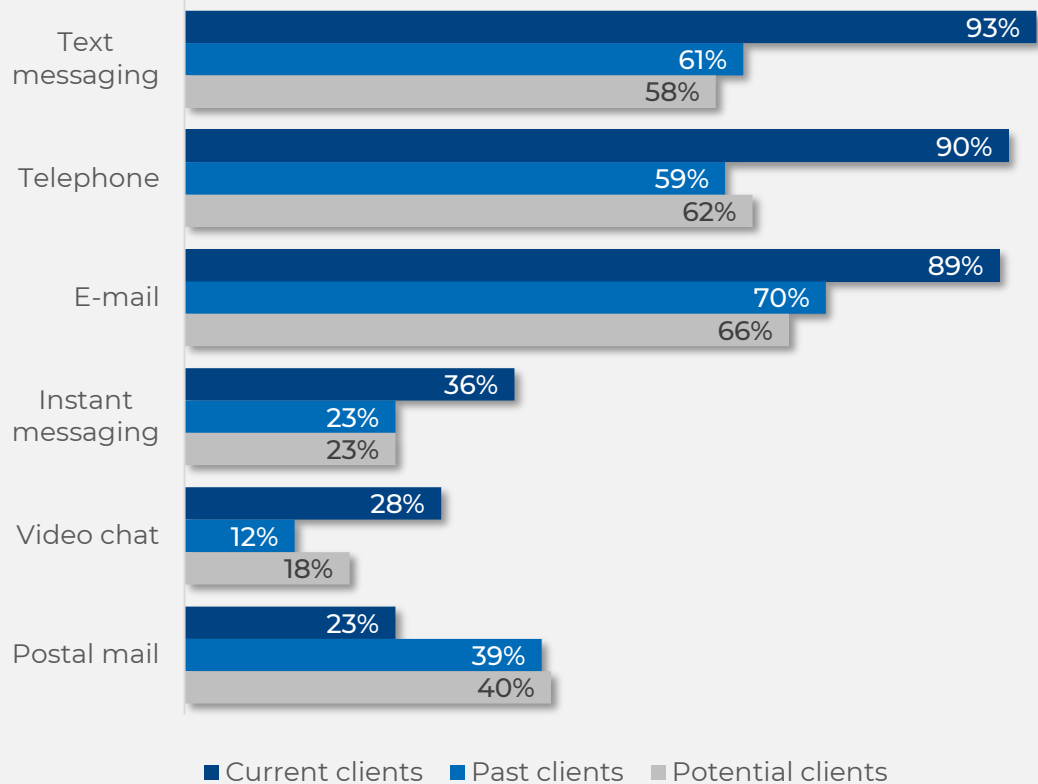
No website

21%

No website, but plan  
to have in the future

10%

# Client Communication Methods

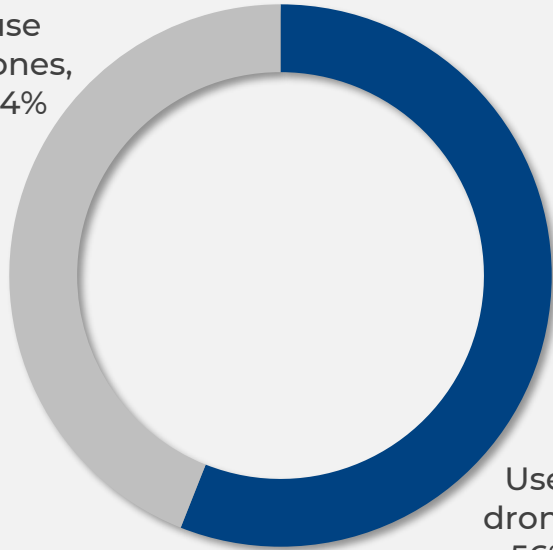


**When communicating with clients, REALTORS® most often prefer text messaging, followed by telephone, and e-mail.**

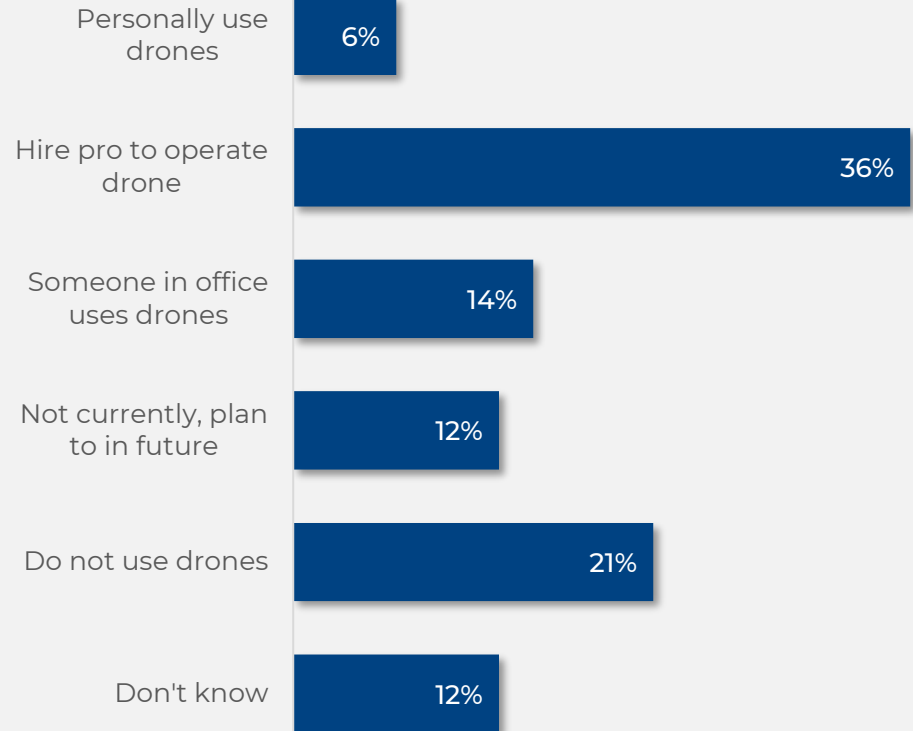


# REALTOR® Use of Drones

Doesn't use drones, 44%



Uses drones, 56%

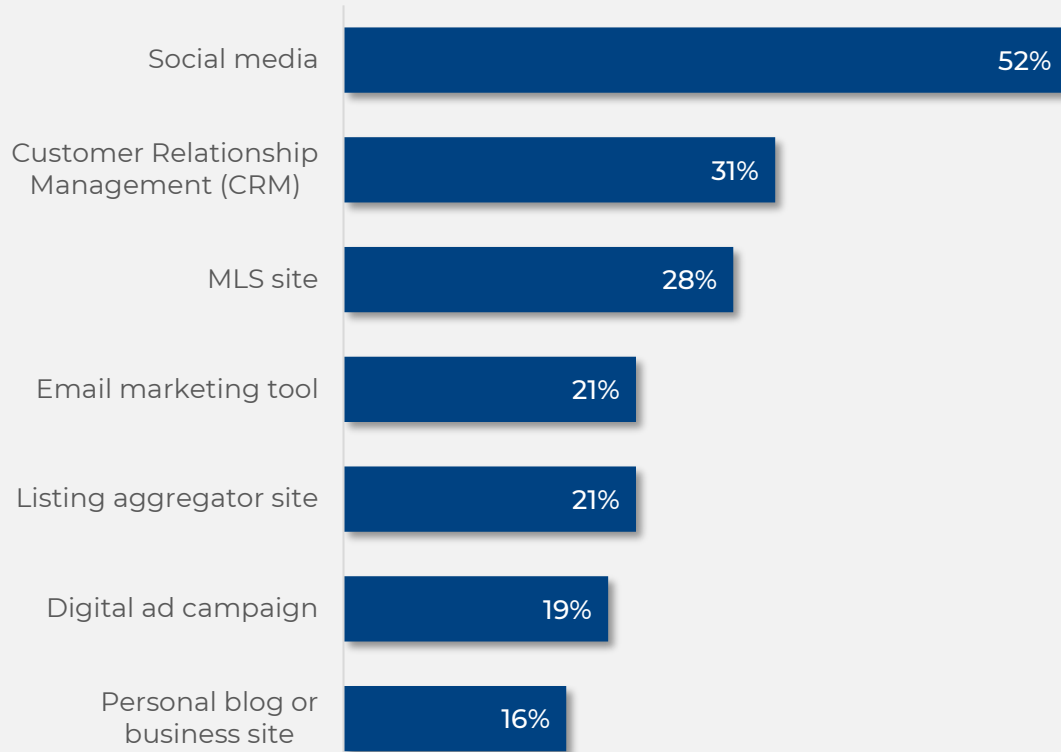




# Social Media & Tech Trends

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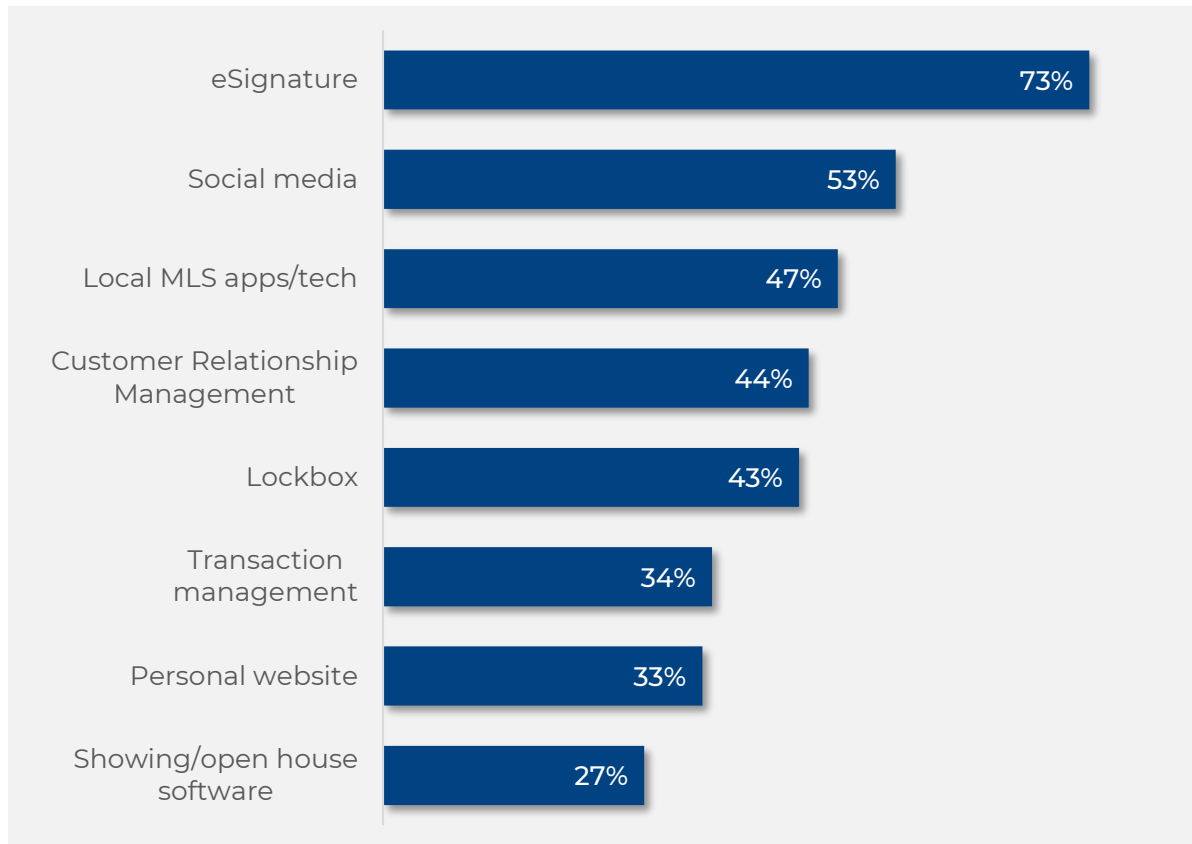
# Top Lead-Generating Tech Tools



The top three tech tools that provide REALTORS® with quality leads are social media, CRM, and MLS sites.



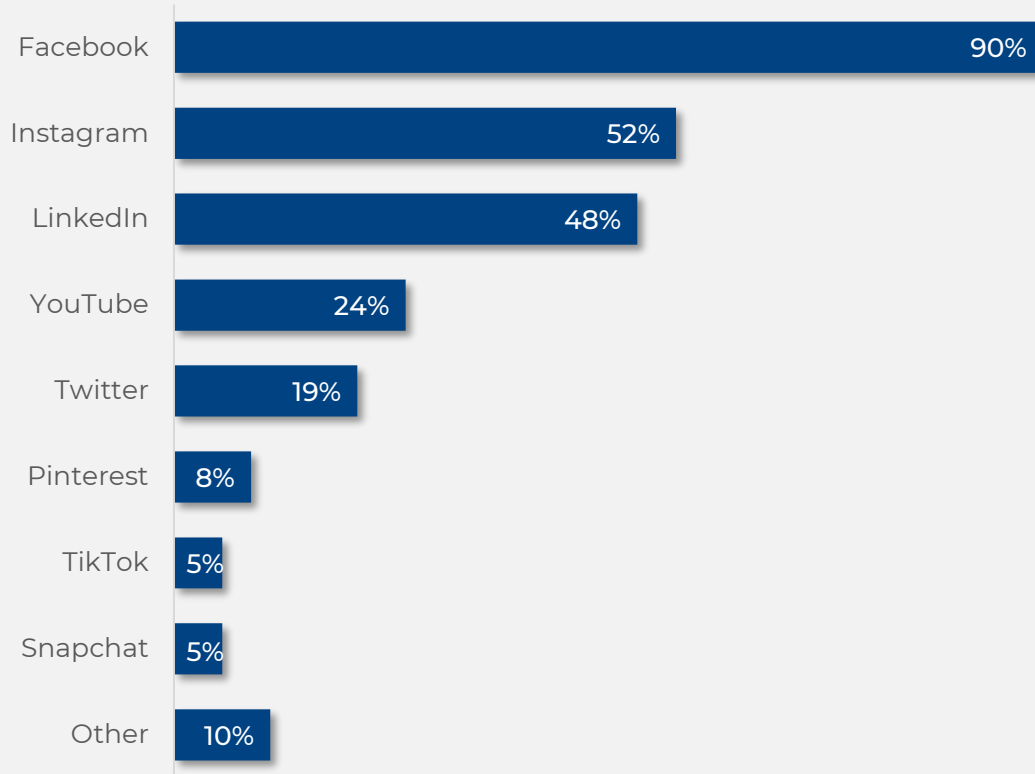
# Predicted Future Use of Tech Tools



**Looking ahead, REALTORS® believe they will use eSignature the most in the next 12 months, followed by social media, and local MLS apps & technology.**



# Top Social Media Networks Used

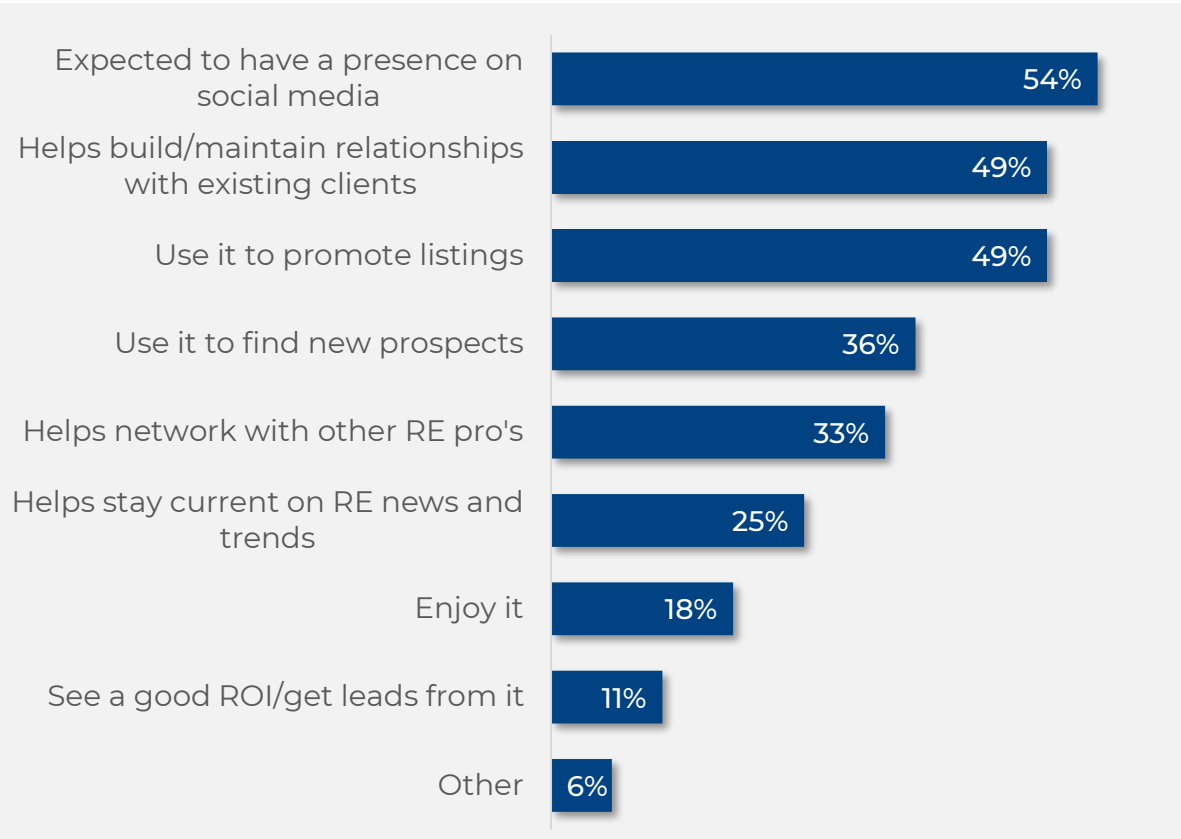


**Facebook takes the top spot with REALTOR® social media use, followed by Instagram, and LinkedIn.**





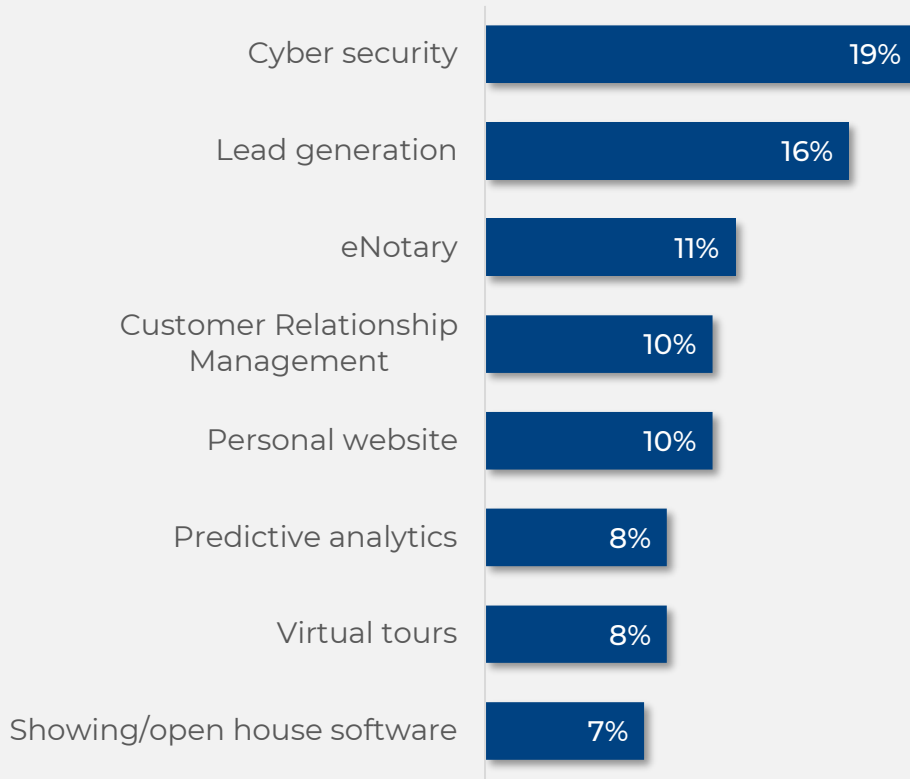
# Main Reason for Using Social Media for Real Estate



**More than half of REALTORS® reported utilizing social media because they feel they are expected to have a presence there; nearly half use social media to build and maintain client relationships and/or to promote listings.**



# Additional Tech Tools Desired



**The most desired tech tool not currently offered by members' brokerages is cyber security, followed by lead generation, and eNotary.**



# Methodology

## *2020 Profile of Home Buyers and Sellers & 2021 Home Buyers and Sellers Generational Trends*

In July 2020, NAR mailed out a 131-question survey using a random sample weighted to be representative of sales on a geographic basis to 132,550 recent home buyers. The recent home buyers had to have purchased a primary residence home between July of 2019 and June of 2020. A total 8,212 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 6.2 percent.

## *2021 Member Profile*

In March 2021, NAR e-mailed a 93-question survey to a random sample of 161,155 REALTORS®. Using this method, a total of 10,643 responses were received. The survey had an adjusted response rate of 6.6 percent. The confidence interval at a 95 percent level of confidence is +/- 0.95 percent based on a population of 1.4 million members.

Survey responses were weighted to be representative of state level NAR membership. Information about compensation, earnings, sales volume and number of transactions is characteristics of calendar year 2020, while all other data are representative of member characteristics in early 2021.

# Methodology

## *2021 Profile of Real Estate Firms*

In July 2021, NAR invited a random sample of 171,217 REALTORS® who were executives and senior management at real estate firms to fill out an online survey. A total of 6,253 useable responses were received for an overall response rate of 3.7 percent. The confidence interval at a 95 percent level of confidence was +/-1.24 percent based on the share of real estate executives at real estate firms. All information in this report was representative of member characteristics, sales and lease transaction values, and other statistics from the calendar year of 2020.

## *2021 Technology Survey*

In June 2021, NAR invited a random sample of 49,081 active REALTORS® to fill out an online survey. A total of 3,104 useable responses were received for an overall response rate of 6.3 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 1.76 percent.

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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.

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#### **NATIONAL ASSOCIATION OF REALTORS®**

Research Group

500 New Jersey Avenue, NW

Washington, DC 20001

202-383-1000

[data@nar.realtor](mailto:data@nar.realtor)

