

Adopt to Adapt

January 2023

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®



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Overview

REALTORS® and REALTOR® associations are known for being agile and adapting to changes in market conditions and consumer preferences. However, the COVID-19 pandemic kicked adaptations into overdrive. This report provides insight into changes that were made during the pandemic across the real estate industry that are here to stay. What did we adopt to adapt?

The beginning of the pandemic brought the industry seemingly to a standstill, with social distancing and many other health guidelines. However, with changing consumer home preferences, lower interest rates, and increased savings, homebuying activity hit an all-time high in late 2020 into 2021. To keep up with market activity along with health guidelines, REALTORS® and REALTOR® Associations utilized new technology, adjusted their workspaces, and finetuned their marketing strategies.

Agents & Brokers

- Members identified e-documents as the most impactful tool during the pandemic that they continue to use at 44 percent.
- **Thirty-nine percent of agents and brokers adjusted their marketing strategy during the pandemic, primarily incorporating new tech tools.**
- With the adoption of hybrid meetings, 22 percent say that more agents are attending.
- Twenty percent say that the adoption of hybrid meetings has expanded the diversity and involvement of those who attend.

- **Sixty-seven percent of agents and brokers' brokerages made adjustments to their office space;** primarily adding virtual meeting technology and reducing in-person meetings and trainings.
- Members identified low interest rates as having had the most positive influence on buyers during the pandemic at 61 percent.
- **Eighty-nine percent of agents and brokers had worked with at least one buyer who had been outbid on a property; the typical outbid buyer had been outbid three times.**

Association & MLS Staff

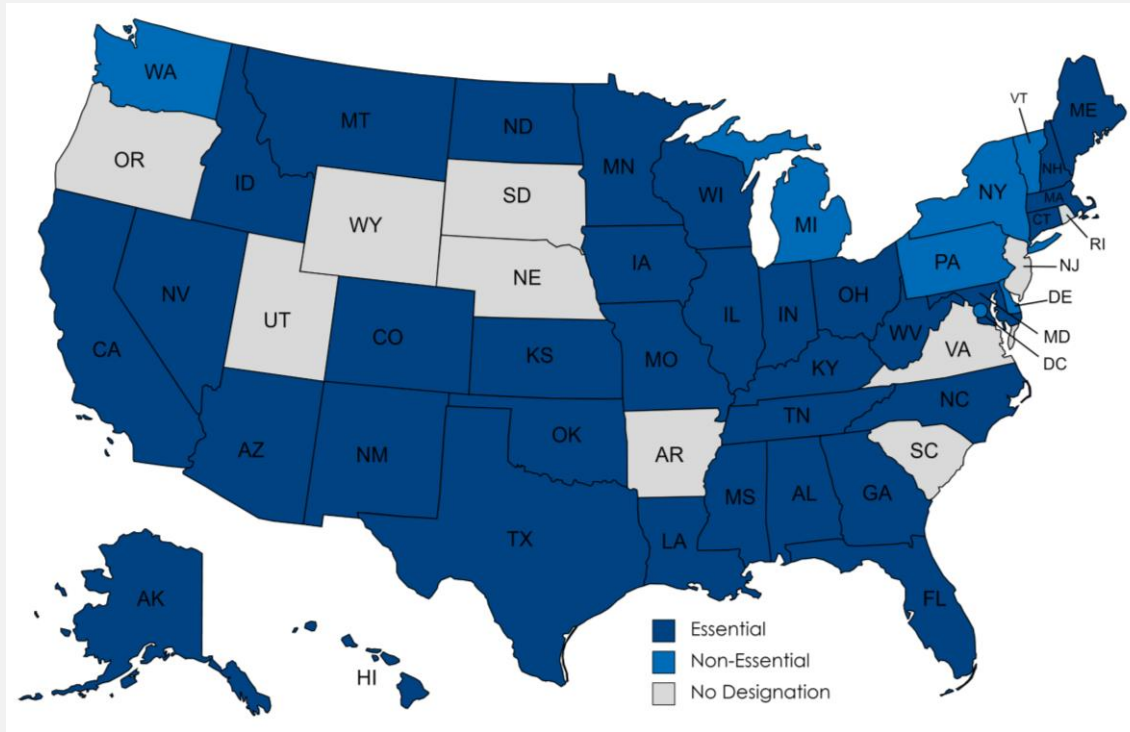
- With the reintroduction of in-person meetings, 47 percent of Association staff see increased participation in virtual meetings/events only.
- For hybrid meetings, 37 percent of Association staff see most attendees in person, while 54 percent see a mix of in-person and virtual.
- Thirty-three percent say that the adoption of hybrid meetings has expanded the diversity and involvement of those who attend.
- **Fifty-four percent of Association staff say that their association has adopted virtual voting at governance meetings.**
- Seventy-two percent of Association staff made adjustments to their office space; primarily by adding virtual meeting technology.



Background Research

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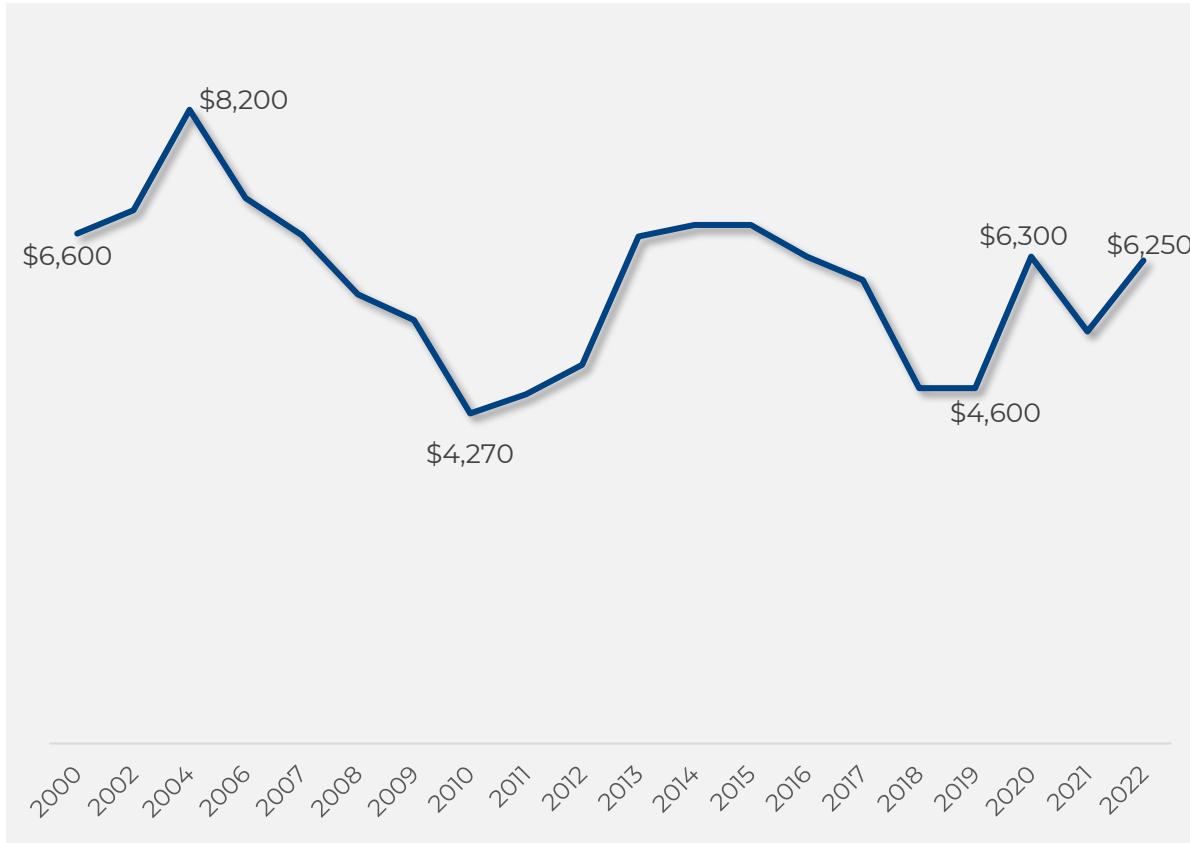
Real Estate Essential Service: Early April 2020



In early April 2020, when the pandemic was in full swing, the majority of states instituted measures to deem real estate as an essential service.

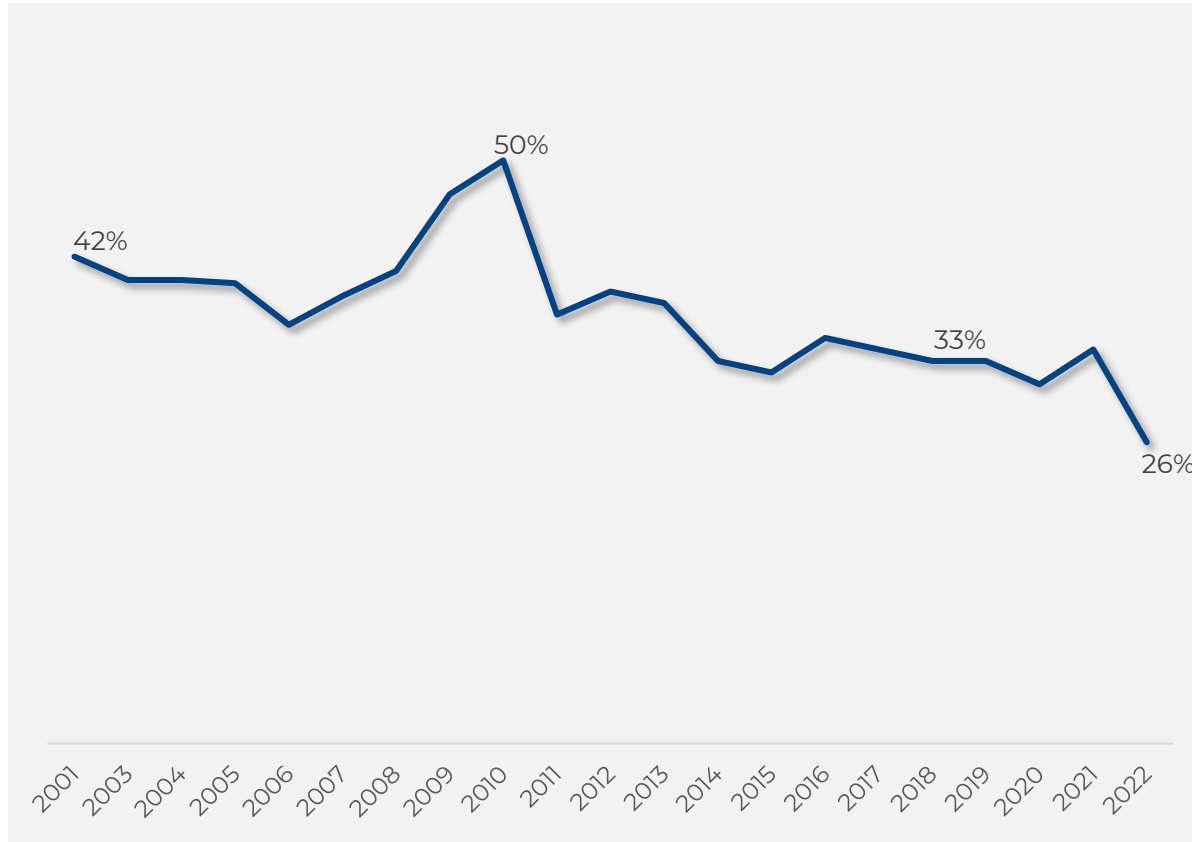
However, a handful either deemed it non-essential or had no formal guidance.

Member Expenses Remain Elevated



Member expenses remain elevated from pre-pandemic levels (\$4,600 in 2019) but are in line with the historical average.

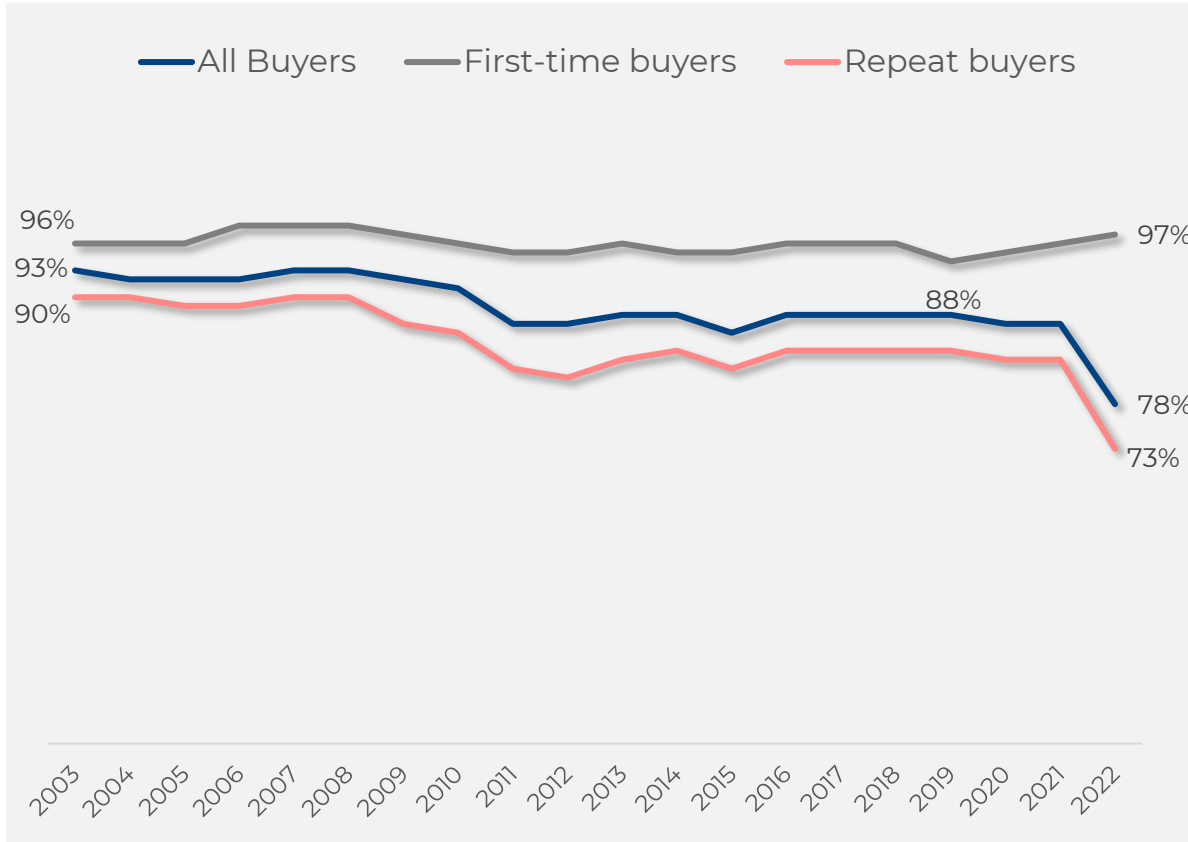
First-Time Buyers at All-Time Low



First-time buyers are at an all-time low of 26 percent in 2022, compared to 33 percent in 2019.

This historical average among primary residence buyers is 40 percent.

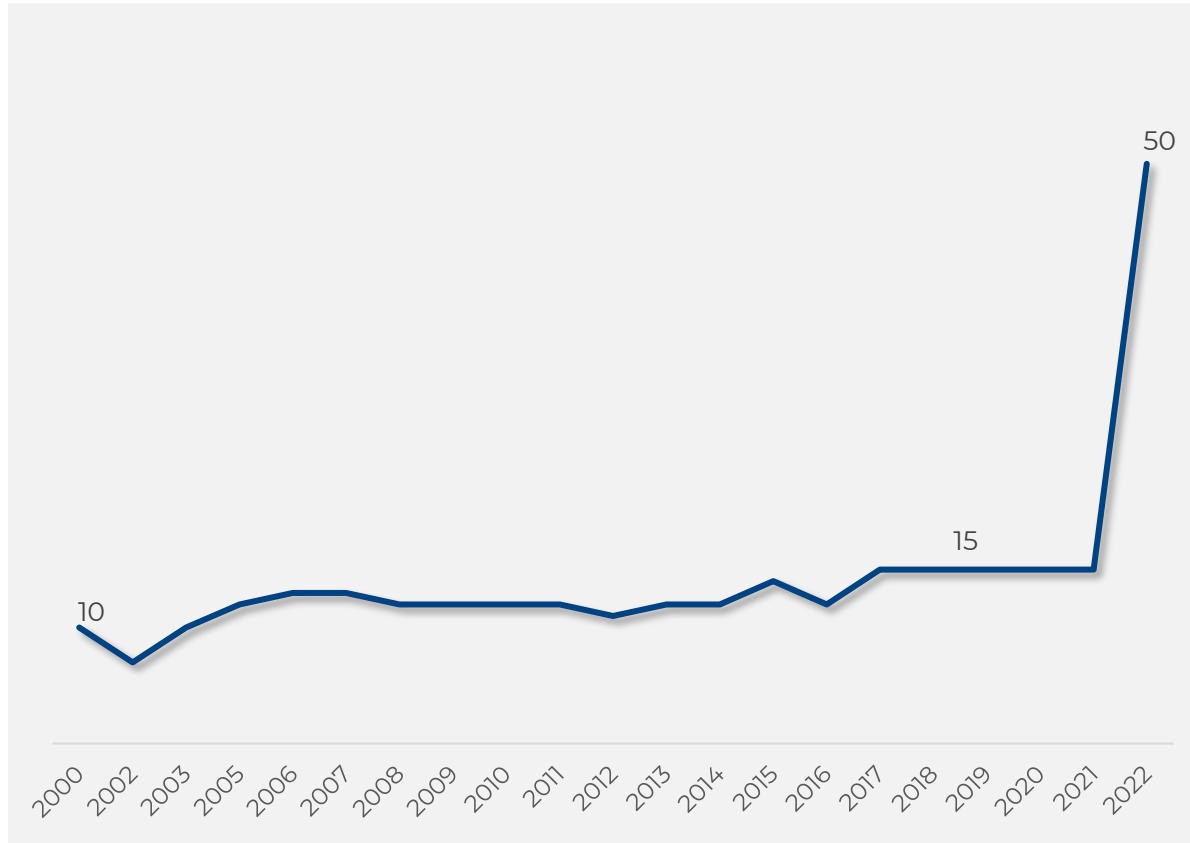
Fewer Financing the Home Purchase



At 78 percent, fewer buyers are financing their home purchase.

With increased competition, more buyers are paying all-cash at 22 percent in 2022 compared to 12 percent in 2019.

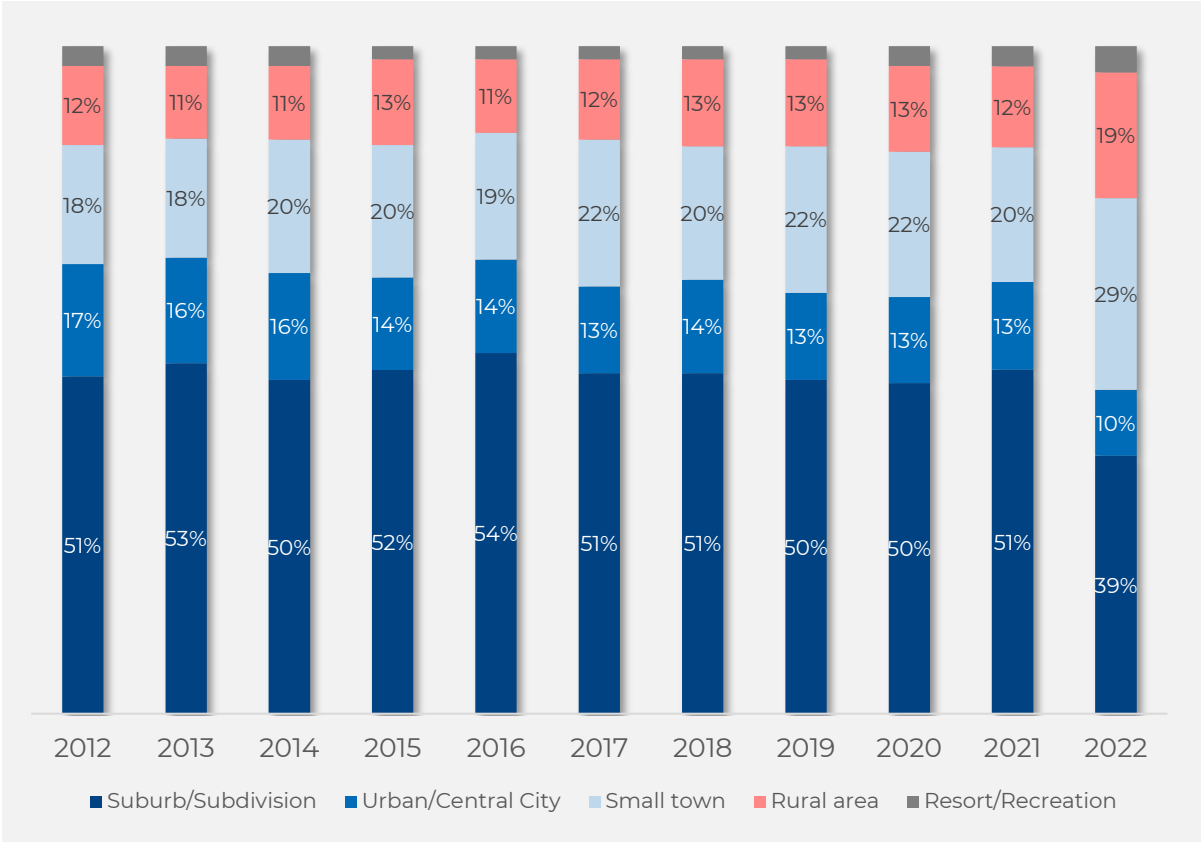
Buyers are Moving Farther



Buyers moved a median of 50 miles from their previous residence in 2022.

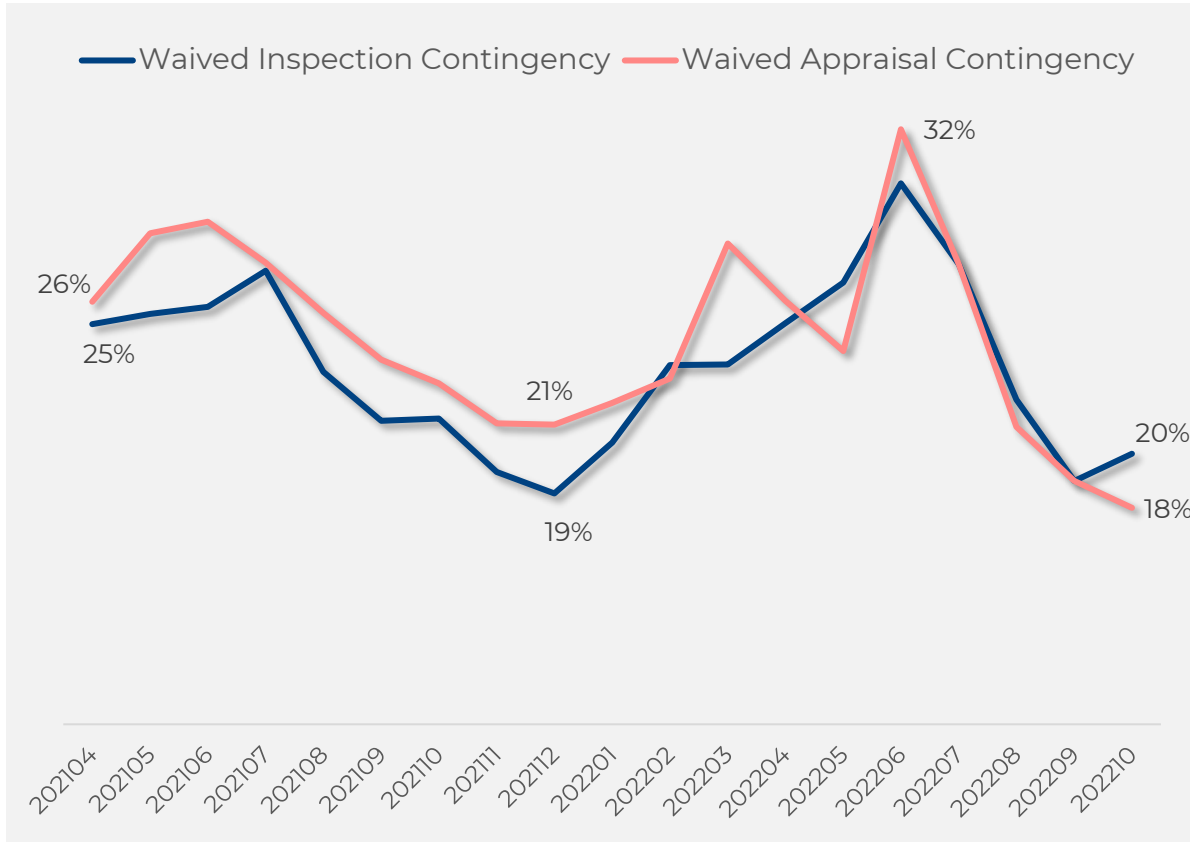
This is up significantly from the historical average and a median of 15 miles in 2019.

Buyers Moving to Small Towns, Rural Areas



With changing housing preferences and increasing remote-work capabilities, an increased share of buyers moved out of central cities and suburbs for more space in small towns and rural areas.

Buyers Waived Contingencies



With increased competition and competing offers, buyers began waiving inspection and appraisal contingencies.

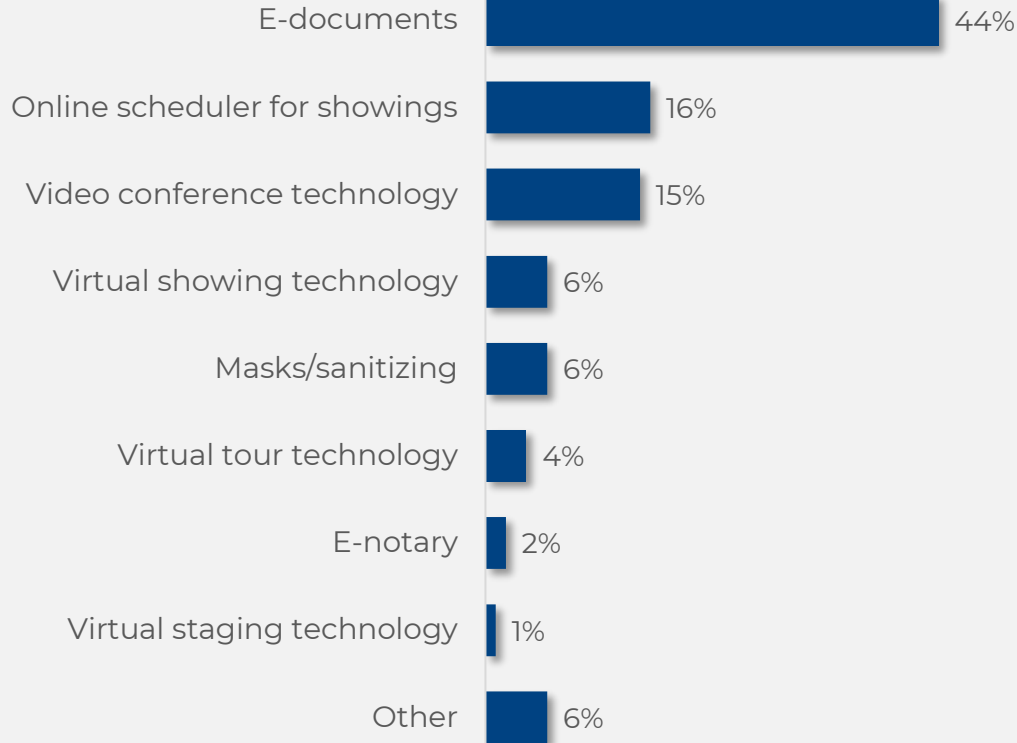
Of note, pre-pandemic data is not available for comparison.

Agents & Brokers



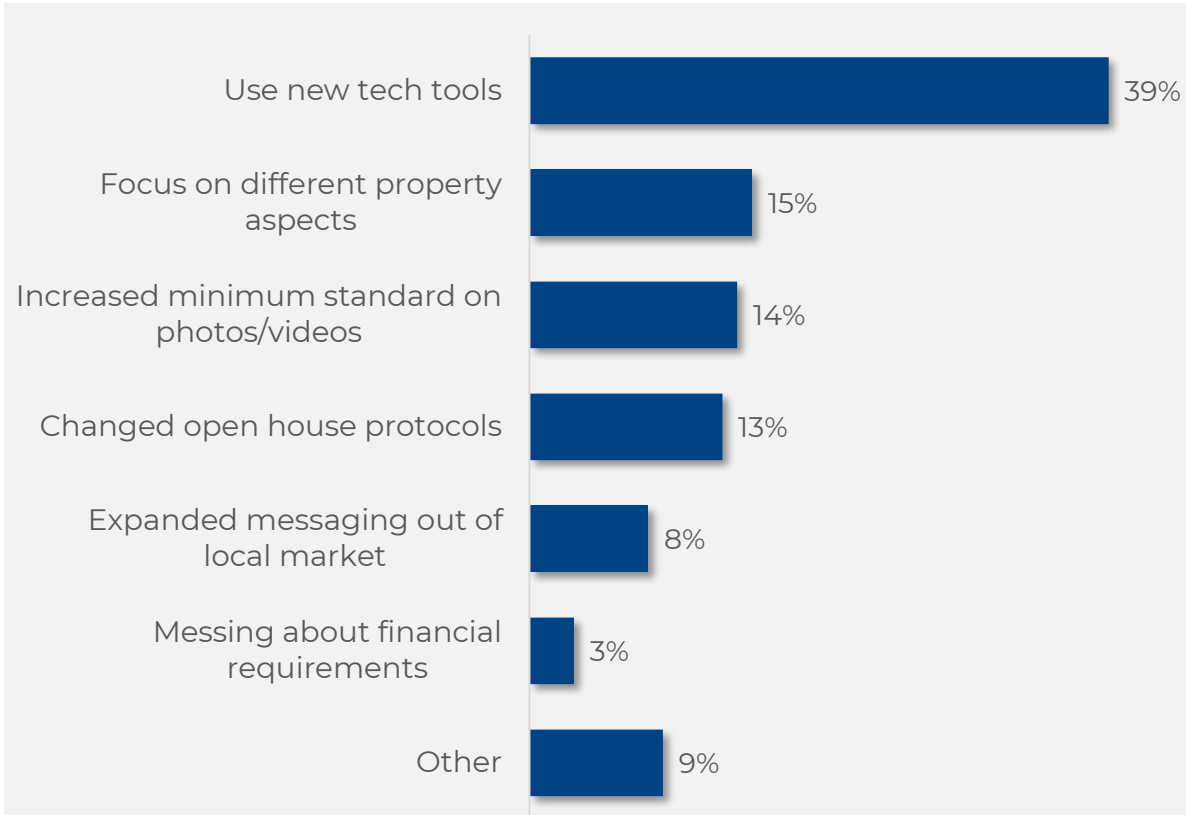
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Most Impactful Tool



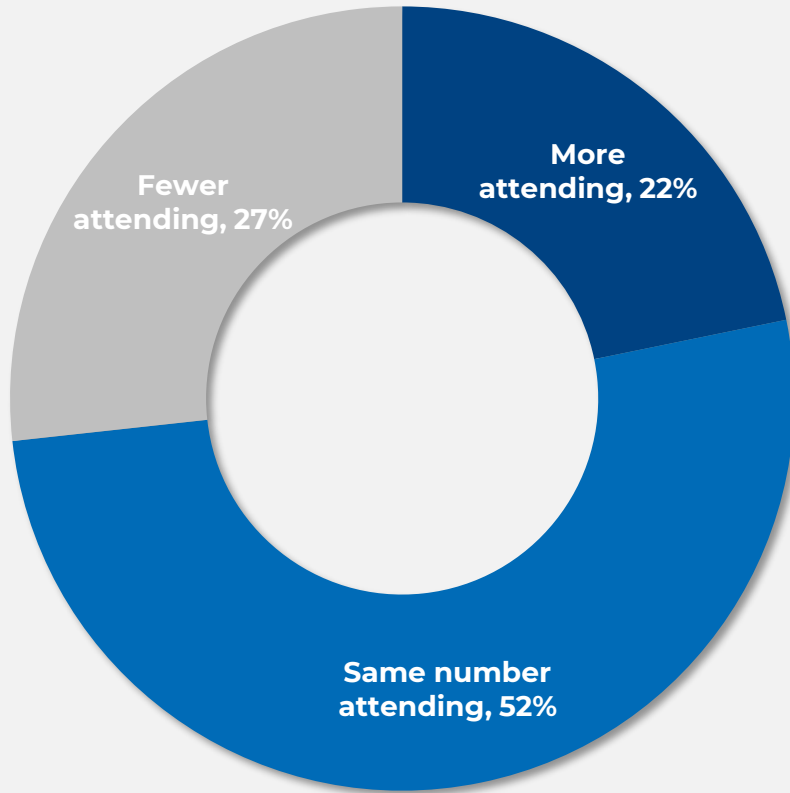
Members identified e-documents as the most impactful tool during the pandemic that they continue to use at 44 percent.

Marketing Strategy Adjustments



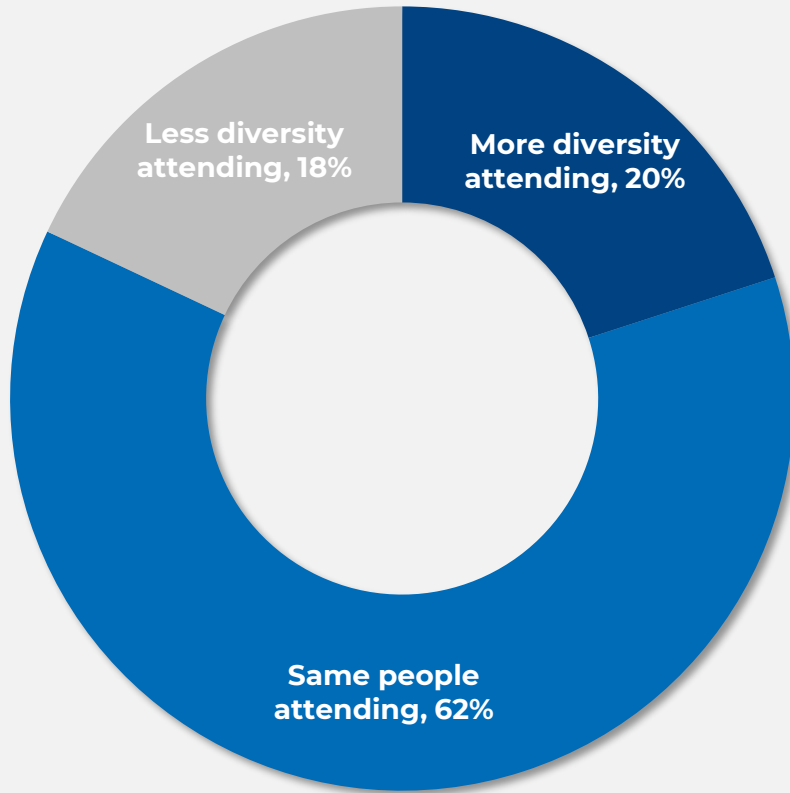
Thirty-nine percent of agents and brokers adjusted their marketing strategy during the pandemic, primarily by using new technology tools.

Number Attending Meetings



With the adoption of hybrid meetings, 22 percent say that more agents are attending.

Variety Attending Meetings



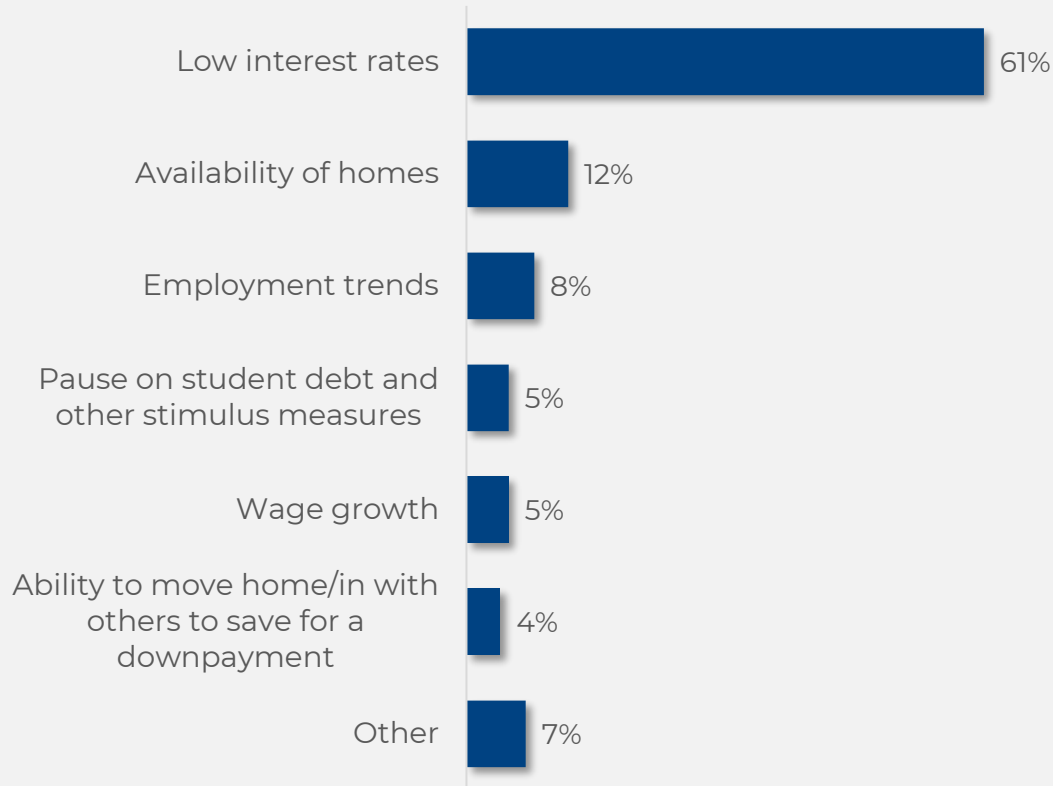
Twenty percent say that the adoption of hybrid meetings has expanded the diversity and involvement of those who attend.

Office Space Adjustments



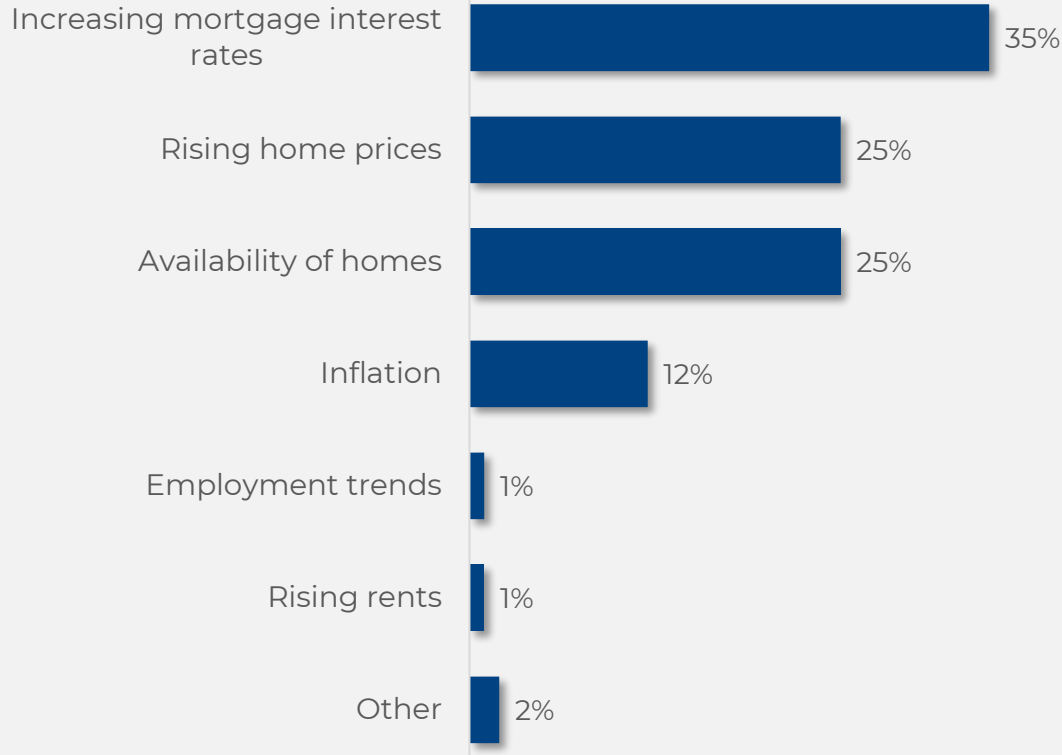
Sixty-seven percent of agents and brokers' brokerages made adjustments to their office space, primarily by adding virtual meeting technology or reducing the number of in-person trainings and meetings.

Most Positive Influence on Buyers



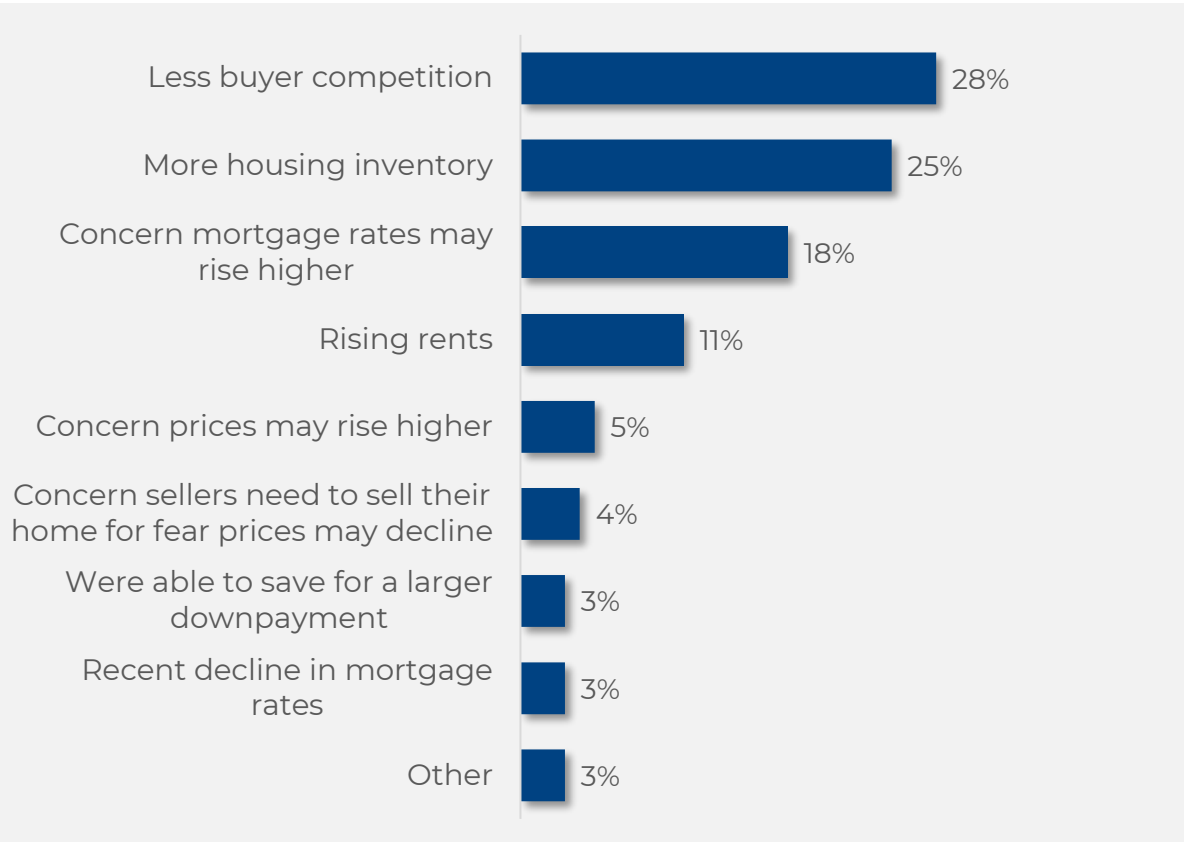
Members identified low interest rates as having had the most positive influence on buyers at 61 percent.

Most Negative Influence on Buyers



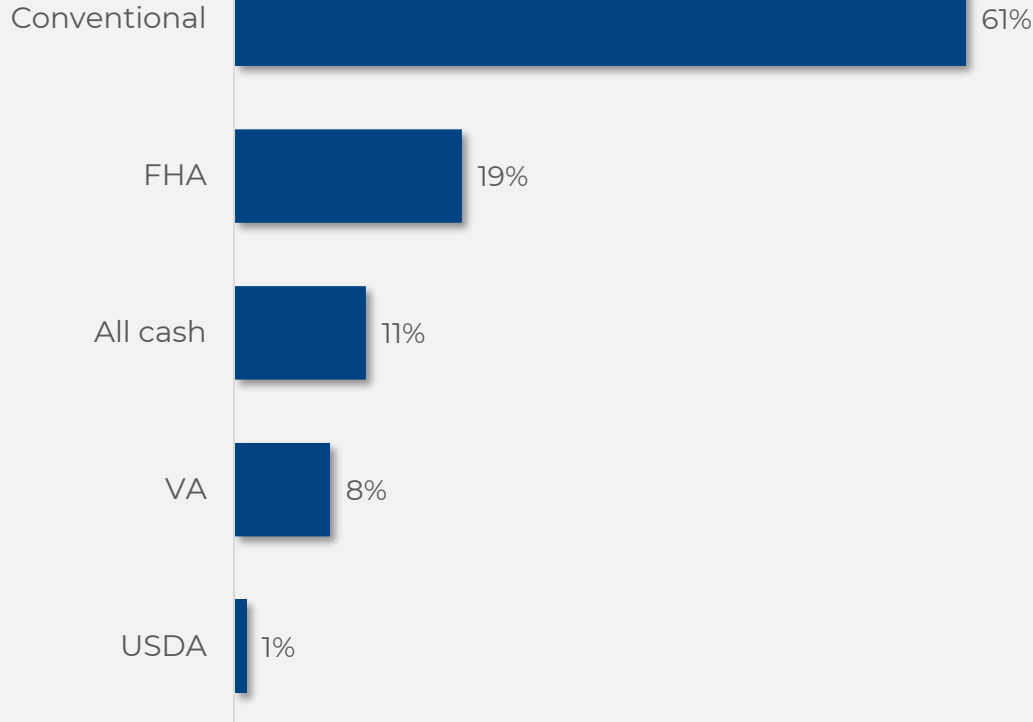
Members identified increasing mortgage rates as having had the most negative influence on buyers more recently at 35 percent, followed by rising home prices and availability of homes (both 25 percent).

Buyers Returning to Market



Thirty-nine percent of agents and brokers had encountered buyers re-entering the market after stepping out in recent months.

Outbid Buyer Financing



Eighty-nine percent of agents and brokers had worked with at least one buyer who had been outbid on a property.

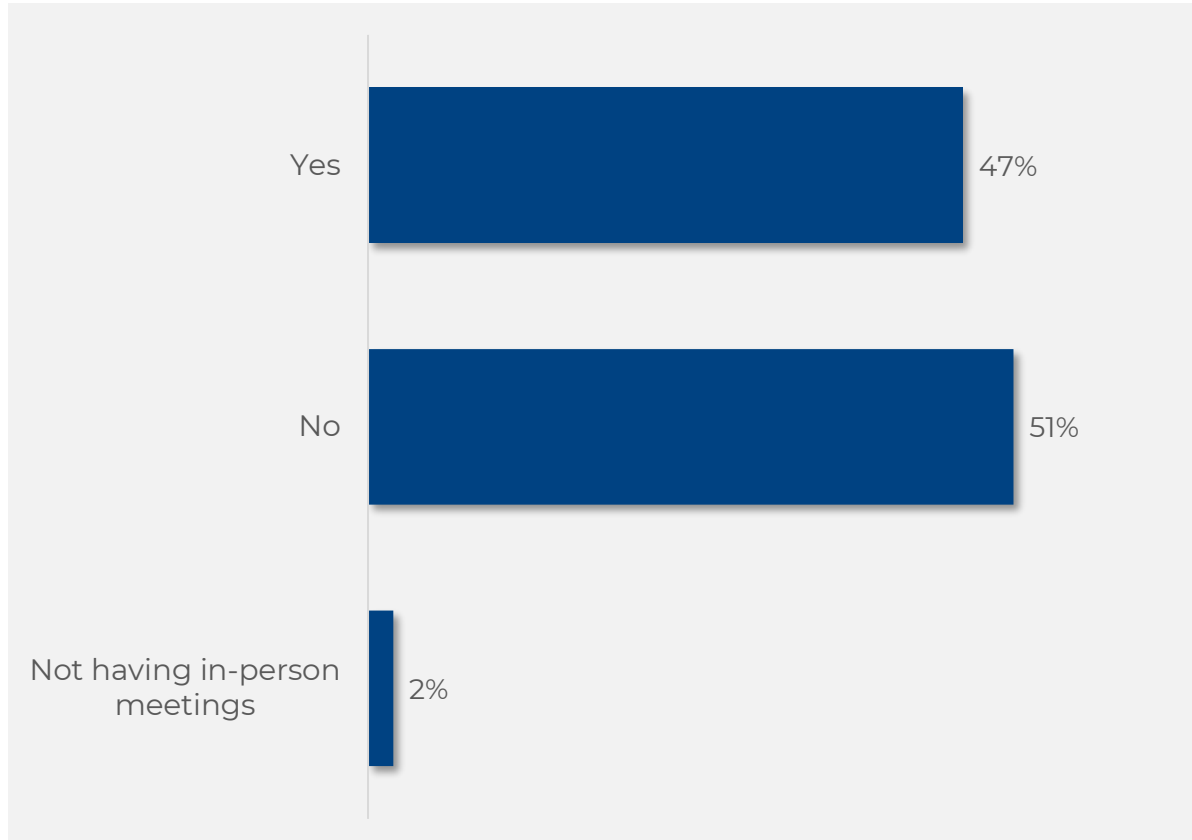
Their most recent outbid client had been outbid three times.



Association Executives (AEs) or MLS Staff

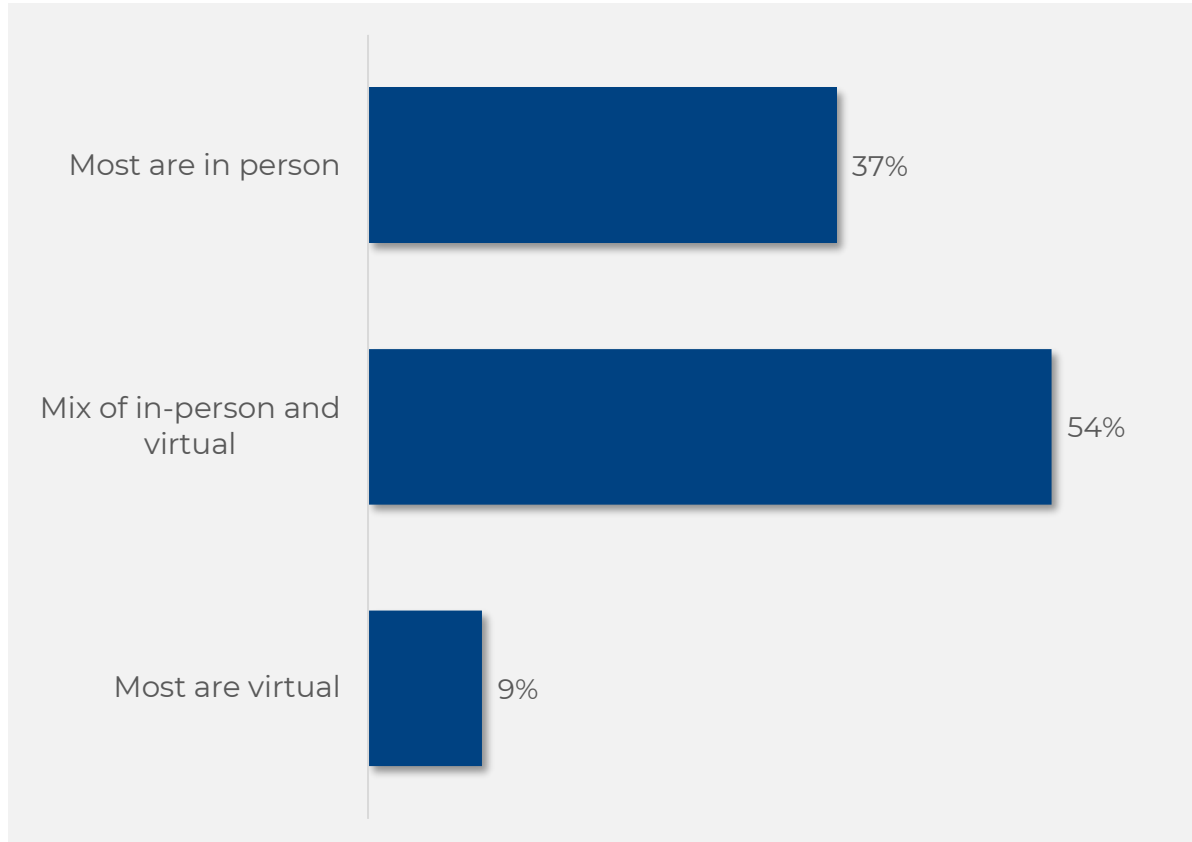
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Increased Virtual Attendance Only



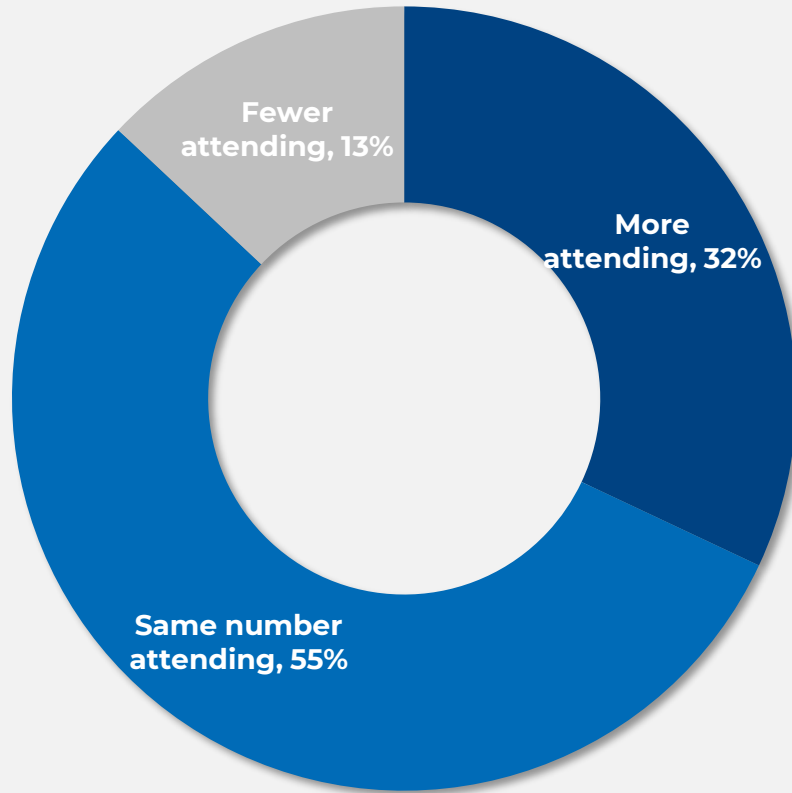
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Virtual Attendees at Hybrid Meetings



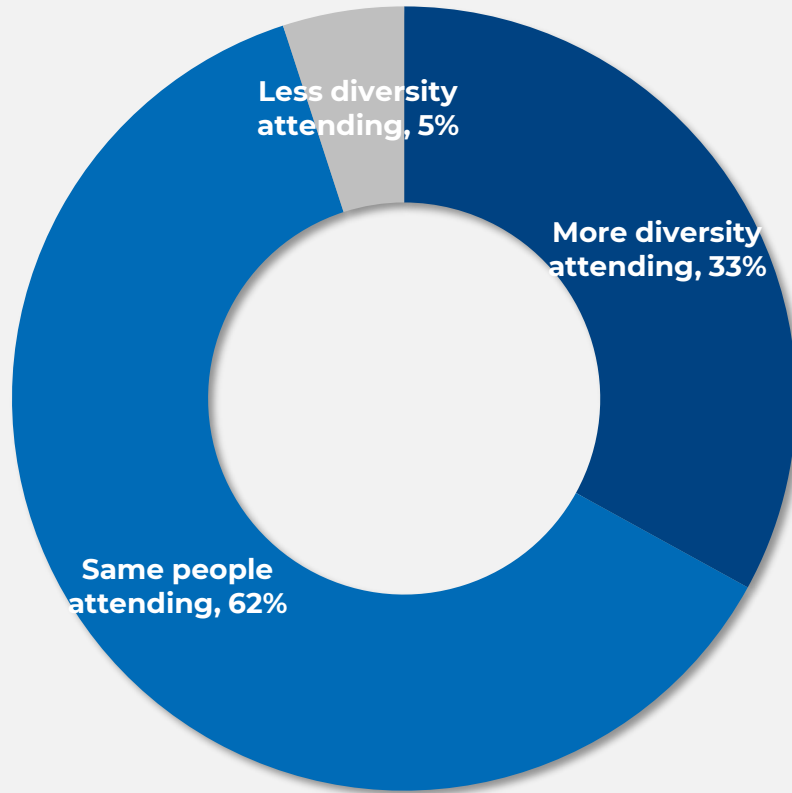
For hybrid meetings, 37 percent of Association staff see most attendees in person, while 54 percent see a mix of in-person and virtual.

Number Attending Meetings



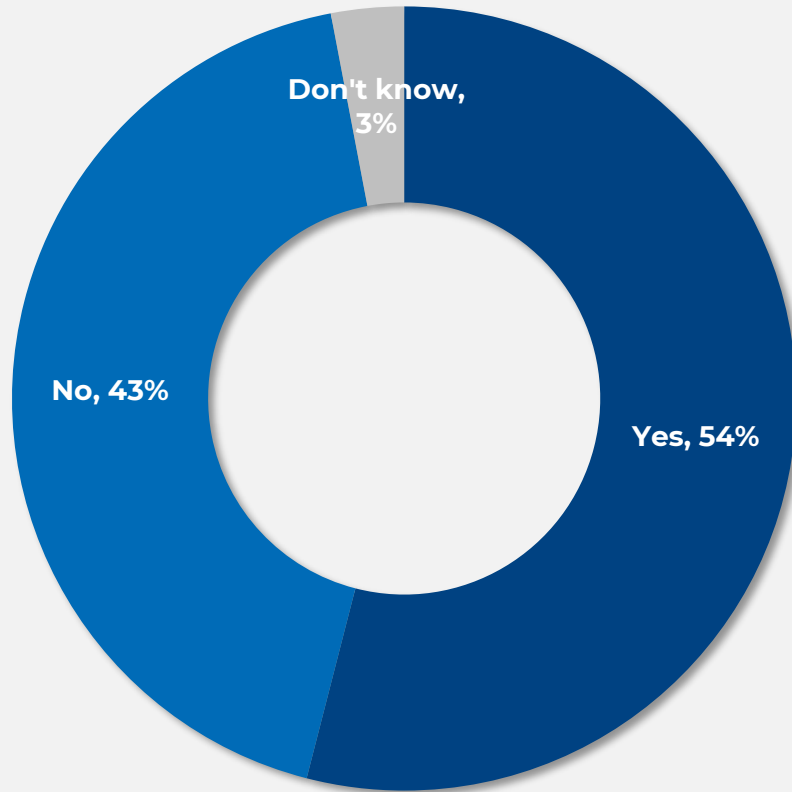
With the adoption of hybrid meetings, 32 percent say that more members are attending.

Variety Attending Meetings



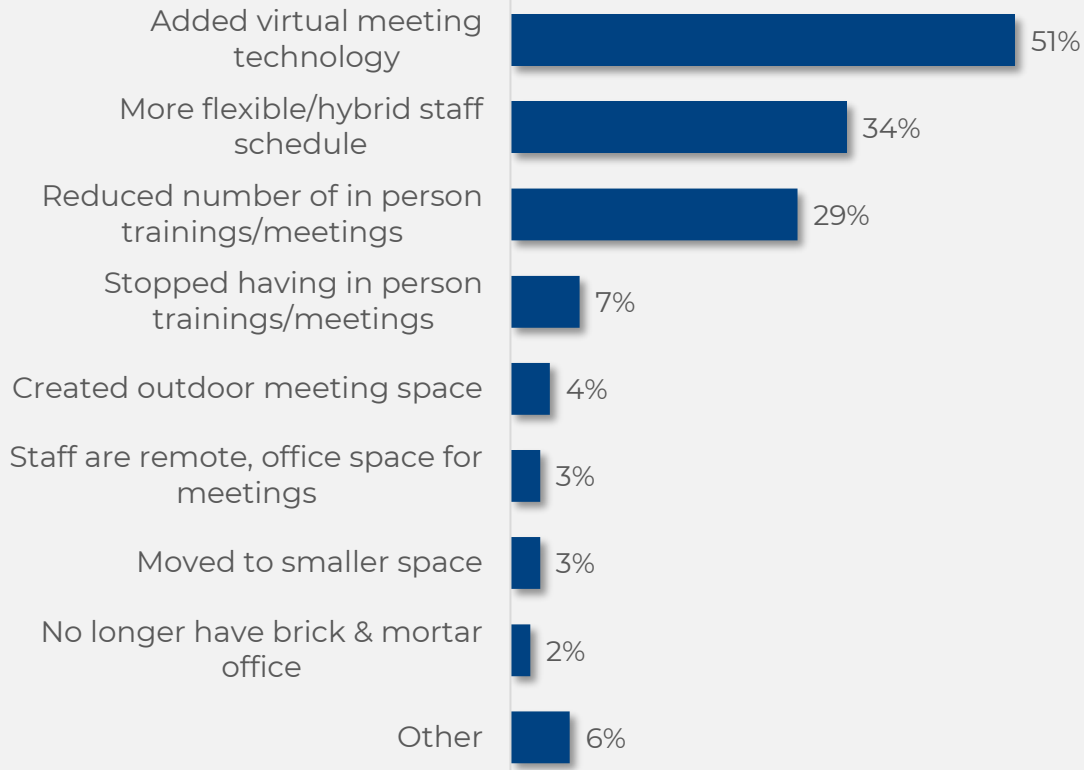
Thirty-three percent say that the adoption of hybrid meetings has expanded the diversity and involvement of those who attend.

Adopted Virtual Governance Voting



Fifty-four percent of Association staff say that their association has adopted virtual voting at governance meetings.

Office Space Adjustments



Seventy-two percent of Association staff made adjustments to their office space.

Pandemic Effects on Member Professionalism



When asked how the pandemic has affected professionalism among members, Association staff most often cited more new agents with less experience (71 percent).

Methodology

Member Survey

In August 2022, a survey was sent to 78,260 general members at large and broker-owners on the topic of changes made during the pandemic period that have remained. The data compiled for this report is based on 3,557 respondents for a response rate of 4.5 percent. The margin of error for the survey is +/-1.6 percentage points at the 95% confidence level.

Association Survey

In September 2022, a survey was sent to 1,369 Association and MLS staff members on the topic of changes made during the pandemic period that have remained. The data compiled for this report is based on 340 respondents for a response rate of 24.8 percent. The margin of error for the survey is +/-4.6 percentage points at the 95% confidence level.

Background Research was compiled with excerpts from the *Profile of Home Buyers & Sellers*, *Member Profile*, and *REALTORS® Confidence Index* reports.

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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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