

For more information, contact:

Walt Molony 702/981-8592 wmolony@realtors.org

NAR Survey Shows Consumers Very Satisfied With Agent Performance

LAS VEGAS, November 13, 2007

A new consumer survey shows that buyers and sellers are very satisfied with their real estate professionals. Home buyers use many tools in the transaction process, and both buyers and sellers highly value the personal touch and services real estate professionals offer. The survey was released here today at the 2007 REALTORS® Conference & Expo.

The 2007 National Association of Realtors® Profile of Home Buyers and Sellers, based on nearly 10,000 responses to a questionnaire mailed to a large national sample of consumers, is the latest in a series of NAR surveys evaluating demographics, marketing, preferences and experiences of home buyers and sellers.

Lawrence Yun, NAR chief economist, said real estate is a very competitive industry, and the survey findings support that assertion. "The real estate industry is unique in that participants share vital information with their competitors," he said. "The industry is also very entrepreneurial. Real estate professionals constantly experiment with business models and cater to a wide array of consumer interests and preferences. NAR embraces this competition, and to succeed in this marketplace, Realtors® must place a high priority on client satisfaction."

The survey shows that 79 percent of home buyers and sellers used a real estate professional, up from 77 percent over the past three years, and nearly nine out of 10 buyers were very satisfied with their agent's knowledge of the process. More than eight out of 10 sellers and nearly nine out of 10 buyers would definitely or probably use the same agent again or recommend him or her to others.

NAR 2007 President [Pat V. Combs](#), from Grand Rapids, Mich., and vice president of Coldwell Banker-AJS-Schmidt, said people most commonly choose an agent based on word-of-mouth recommendations. "While some consumers shop for the lowest fee, most people are looking for a real estate agent they can trust and who is knowledgeable about local market conditions," she said. "That knowledge and experience helps Realtors® add value to the real estate transaction."

Forty-one percent of sellers found their agent as a result of a referral, while 23 percent used the agent in a previous home purchase. Similarly, 43 percent of buyers relied on referrals to find an agent, while 17 percent of repeat buyers used an agent from a previous transaction. "Real estate is very much a face-to-face people business," Combs

NAR at a Glance

[Economic & Housing Indicators](#)

[NAR Fact Sheet](#)

[NAR Officer Bios](#)

[NAR Annual Report](#)

[REALTOR® Logo & Usage](#)

[REALTORS® in the Community](#)

[NAR Meetings](#)

[Federal Policy Priorities](#)

Register for News!

Sign up for the NAR listserv.

[Register Now](#)

the most important factor in choosing an agent is reputation, followed by honesty and trustworthiness.

Most sellers continue to favor full-service brokerage, where real estate agents provide a range of services that generally entail managing the entire process of selling a home. Limited services, which may include discount brokerage, and minimal services also are important business models for sellers who want to take an active role in the process such as holding open houses, contacting potential buyers, negotiating terms or preparing the contract. All of these types of services are provided by Realtors® as well as non-member agents and brokers.

The study finds 81 percent of sellers use full-service brokerage, 9 percent choose limited services and 9 percent use minimal service, such as simply listing a property on a multiple listing service. These are comparable to the findings in 2006.

Home buyers are clear in their expectations of real estate agents. The most important are helping them to find the right house, and negotiating sales terms and price. Because agents often are chosen based on a referral, or were used in a previous transaction, 80 percent of buyers use only one real estate agent in the search process.

When asked about the benefits provided by agents, 57 percent of buyers said they helped them understand the process, 47 percent said their agent pointed out unnoticed features or faults with the property, 40 percent reported the agent improved their knowledge of search areas, 38 percent negotiated better contract terms, 37 percent offered a better list of service providers, 35 percent shortened the search process, and 32 percent negotiated a better price.

At 39 years old, the typical home buyer is two years younger than in 2006, earned \$74,000 and purchased a home costing \$215,000. Buyers searched eight weeks and visited 10 homes before making a decision.

Buyers cast a wide net in searching for a home and use a variety of resources: 84 percent use the Internet (up from 80 percent in 2006), 84 percent use a real estate agent, 59 percent yard signs, 50 percent print or newspaper ads and 48 percent attend open houses. Smaller categories include a home book or magazine, home builders, television, billboards and relocation companies. Buyers most commonly start their search online, and then contact a real estate agent.

When asked where they first learned about the home purchased, 34 percent of buyers identified a real estate agent; 29 percent the Internet; 14 percent from yard signs; 8 percent from a friend, neighbor or relative; 8 percent home builders; 3 percent a print or newspaper ad; 3 percent directly from the seller; and 1 percent a home book or magazine.

Eighty-two percent of home buyers who used the Internet to search for a home purchased through a real estate agent, in contrast with 65 percent of non-Internet users, who were nearly twice as likely to purchase directly from a builder, or more than three times as likely to buy from an owner they knew before the transaction.

Local metropolitan MLS Web sites were the most popular Internet resource. used by 54 percent of buyers: followed by Realtor.com. 49

percent; real estate company sites, 44 percent; real estate agent Web sites, 40 percent; for-sale-by-owner sites, 20 percent; and local newspaper sites, 12 percent; other categories were smaller.

Sixty-two percent of buyers are married couples, 20 percent are single women, 9 percent single men, 7 percent unmarried couples and 2 percent other. Nine percent were born outside of the United States, and 5 percent primarily speak a language other than English.

The number of first-time buyers rose to 39 percent from 36 percent of transactions in 2006. The median age of first-time buyers was 31, and the median income was \$58,600. The typical first-time buyer purchased a home costing \$165,000 and plans to stay in that home for seven years. The median downpayment by first-time buyers was 2 percent, but 45 percent purchased with no money down – the same as in 2006. “Most of the transactions in this survey took place before the credit crunch impacted the market, so the percentage purchasing with no money down is likely to be much smaller today,” Yun said.

Of first-time buyers who made a downpayment, 73 percent used savings and 22 percent received a gift from a friend or relative, normally from their parents.

The typical repeat buyer is 46 years old, earned \$85,700, purchased a home costing \$250,000 and plans to stay in that home for 10 years. Repeat buyers made a median downpayment of 16 percent, the same as in 2006, but 10 percent paid cash for their property. Of those making downpayments, 60 percent used equity from their previous home.

Of buyers who used an agent, 62 percent chose a buyer’s representative. Two-thirds said their agent was compensated by the seller, 15 percent of agents were paid by the buyer and 9 percent were paid by both.

Nearly three-quarters of all buyers purchased a detached single-family home, 11 percent a condo, 9 percent a townhouse or rowhouse, and 5 percent some other kind of housing; 77 percent of respondents bought an existing home and 23 percent purchased a new home. When viewed as an investment, more than three-quarters believe their home will perform at least as well as stocks.

The median distance from the previous residence was 13 miles. Fifty-six percent of all homes purchased were in a suburb or subdivision while 16 percent were in an urban area, 16 percent in a small town, 10 percent in a rural area and 2 percent in a resort or recreation area.

The biggest factors influencing neighborhood choice varied by household type, but overall they were quality of the neighborhood, cited by 65 percent of respondents; convenience to jobs, 50 percent; overall affordability of homes, 42 percent; and convenience to family and friends, 37 percent. Other factors with higher responses include quality of the school district, 28 percent; convenience to shopping, 27 percent; and neighborhood design, 26 percent.

The median age of a home seller is 45, with an income of \$89,400. Seventy-five percent are married couples, had been in their home for six years and moved a median distance of 18 miles. Their home was on the market for seven weeks, up from six weeks in the 2006 survey; 89 percent were satisfied with the selling process.

The typical seller sold their home for 97 percent of the listing price, and 55 percent reported they had remodeled or made improvements within three months before placing it on the market, spending nearly \$3,000 on the project.

Most sellers expect an agent to market the home, with 90 percent of sellers reporting their home was placed on a MLS and 88 percent saying their home was listed on the Internet; eight in 10 had yard signs.

Eight in 10 sellers, using all kinds of brokerage services, said their agent reviewed sales contracts and purchase offers, managed paperwork and contracts, negotiated with buyers and scheduled showings. Three-quarters worked with their agent in determining the asking price, and said their agents coordinated home inspections and appraisals.

The level of for-sale-by-owner transactions remains at a record-low market share of 12 percent, the same as in 2006. The level of FSBOs has declined since reaching a cyclical peak of 18 percent in 1997.

Four out of 10 FSBO properties were not placed on the open market – 39 percent were “closely held” between parties who knew each other in advance, such as family or acquaintances.

Factoring out properties that were not placed on the open market, the actual number of FSBOs is 7 percent – the rest are unrepresented sellers in private transactions. This is down from 10 percent sold on the open market in 2004.

The median home price for sellers who used an agent was \$240,000 vs. \$180,000 for a home sold directly by an owner, but there were significant differences between the two. Unassisted sellers were more likely to be in a small town or rural area, the home was more likely to be a mobile or manufactured home, and the owner's income was lower than that of sellers using agents – suggesting homes sold without professional assistance may be worth less than homes in agent-assisted transactions, or that sellers of more expensive homes choose to seek professional assistance.

The median price for transactions between parties that knew each other in advance was noticeably lower than those sold on the open market. The median price of an open-market FSBO was \$208,000 vs. \$142,400 for closely held transactions.

The most difficult tasks reported by unrepresented sellers are understanding and performing the paperwork, preparing the home for sale and getting the right price.

NAR mailed an eight-page questionnaire in August 2007 to a national sample of 150,000 home buyers and sellers who purchased their homes between July 2006 and June 2007, according to county records. It generated 9,966 usable responses; the adjusted response rate was 6.9 percent. All information is characteristic of the 12-month period ending in June 2007 with the exception of income data, which are for 2006. Due to rounding and omissions for space, percentage distributions for some findings may not add up to 100 percent.

The 2007 National Association of Realtors® Profile of Home Buyers and Sellers can be ordered by calling 800/874-6500, or online at www.realtor.org/newresearch. The cost is \$50 for NAR members

and \$125 for non-members.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing more than 1.3 million members involved in all aspects of the residential and commercial real estate industries.

#

Information about NAR is available at www.realtor.org. This and other news releases are posted in the News Media section. Statistical data, charts and surveys also may be found by clicking on Research.

© Copyright NATIONAL ASSOCIATION of REALTORS® | Headquarters: 430 North Michigan Avenue, Chicago, IL 60611
DC Office: 500 New Jersey Avenue, NW, Washington, DC 20001-2020 | 1-800-874-6500
[License Agreement](#) | [Privacy Policy](#) | [REALTOR.com](#) | [Contact NAR](#) | [Site Map](#) | [Report Unsolicited Emails](#)