



Real Brokerage Agent Survey Reflects Continued Optimism Ahead of Anticipated Industry Changes

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Agents Foresee Improved Transparency as Real's Agent Base Grows to Over 17,000

TORONTO & NEW YORK--(BUSINESS WIRE)--Apr. 16, 2024-- The Real Brokerage Inc. (NASDAQ: REAX, "Real"), the fastest-growing, publicly traded real estate brokerage, today announced results from its March 2024 Agent Survey, offering insights into housing market trends and real estate agent expectations across the United States and Canada. The survey reveals continued optimism among agents about future market conditions in both the United States and Canada, despite expectations of a continued year-over-year decline in industry transactions in March. The survey also highlights agent expectations for improved transparency and readiness as the industry prepares to implement practice changes associated with the National Association of Realtors (NAR) recently announced settlement agreement.

"We are grateful for the perspectives of our growing agent base, which has now surpassed the 17,000 milestone," said Tamir Poleg, Chairman and CEO of Real. "Their opinions and insights are essential in guiding our approach, ensuring we remain thoughtful and agile as we navigate industry shifts together."

"Embracing change and fostering transparency are cornerstones of our culture," remarked Sharran Srivatsaa, President of Real. "Our agents' continued resilience and adaptability are critical as we position the Company to capitalize on evolving industry dynamics and emerge even stronger."

Key Findings:

- **Agents Remain Positive About Forward Outlook, Although Optimism Index Ticks Down Sequentially from February Level:** Real asked agents at the end of March 2024, "Compared to one month ago, are you more optimistic or pessimistic about the outlook for your primary market over the next 12 months?" Among the agents surveyed, 45% felt more optimistic and an additional 15% felt significantly more optimistic about the next 12 months, outweighing the 13% who felt more pessimistic and 7% who felt significantly more so.

The average response among survey participants resulted in a weighted index reading of 63.3 on a 0-100 scale, with scores above 50 reflecting a positive outlook and those below 50, a negative one, thus signaling an expectation for improving year-over-year growth trends in the year ahead. March's index level showed a slight decline from February's 69.2, indicating lower optimism compared to the end of February, primarily due to a decline among U.S. agents, which offset improved optimism among agents surveyed in Canada.

- **Balance of Power Shifts Further Towards Sellers:** When asked "Would you consider your primary market to be a Buyer's market, Seller's market, or Balanced market?" 61% percent of agents noted sellers have the upper hand, an increase of 4 percentage points from February, while only 13% of agents believe buyers have the upper hand in their markets.
- **Total North American Home Sale Industry Transactions Expected to Decline Year over Year in March:** Real asked agents, "In your primary market, how would you describe the number of transactions closed in March 2024 compared to March 2023?" The average response among survey participants resulted in a weighted index reading of 48.6 on a 0-100 scale, with scores above 50 indicating growth and below 50, a decline. The results suggest a modest decline in total industry transactions across the U.S. and Canada during March 2024 compared to March 2023, with a decline in the U.S. home sales market, while the Canadian market is expected to grow. March's index reading of 48.6 was slightly below February's 48.7 level.
 - **More Pronounced Decline Expected in the U.S. in March:** The total number of U.S. home sale transactions is expected to decline in March 2024 compared to March 2023. Agent responses indicate a more pronounced pace of decline in March relative to February, with the average response among survey participants resulting in a March weighted index reading of 47.3, below the 48.5 level reached in February.
 - **Canada Market Growth Accelerates:** Agents surveyed in Canada signaled accelerating year-over-year growth compared to February, with the average response among survey participants resulting in the overall Canadian weighted index rising to 62.9 in March from 51.8 in February.
- **Affordability and Low Inventory Remain the Biggest Challenges:** Challenges for prospective home buyers include affordability/interest rates (47%) and inventory shortages (40%), with economic uncertainty and buyer competition tying for a distant third (each at 5%).

- **Over One Third of Agents Expect Practice Changes to Improve Commission Rate Transparency:** Agents were asked whether they believe (i) a new rule prohibiting offers of buyer broker co-op compensation on the MLS and (ii) a requirement that MLS participants working with buyers enter into written agreements with their buyers, would improve transparency regarding commission rates in real estate transactions. 37% of agents surveyed believe these industry practice changes would improve transparency, compared to 29% who believed the changes would be neutral, and an additional 29% who believed the changes would not improve transparency.
- **Agents See Buyer Agency Agreements as an Opportunity to Communicate the Value Agents Bring to a Transaction:** 45% of agents surveyed believe securing written buyer agent agreements will be relatively easy, contrasting with 27% who foresee potential difficulties. Meanwhile, 23% of agents are neutral on the issue, believing the ease of securing a written agreement will depend on each client's understanding of industry practices.
- **Approximately Half of Agents Anticipate a Decline in Buy-Side Commission Rates Due to the Proposed Practice Changes:** 39% of agents surveyed expect buy-side commission rates to decline slightly as a result of the proposed practice changes, while an additional 12% expect buy-side commission rates to decrease significantly. This compares to 35% of agents who expect buy-side commission rates to remain about the same, and 9% who see an opportunity for buy-side commission rates to increase as a result of the proposed changes.

An infographic including key survey takeaways can be found on Real's investor relations website or by following the link [here](#).

About the Survey

The Real Brokerage March 2024 Agent Survey included responses from over 400 real estate agents across the United States and Canada and was launched in the last week of March 2024. Responses to questions regarding transaction growth and agent optimism were calibrated on a 0-100 point index scale, with readings above 50 indicating an improving trend, whereas readings below 50 indicate a declining trend. Responses are meant to capture industry-level information and are not meant to serve as an indication of Real's company-specific growth trends.

About Real

Real (NASDAQ: REAX) is a real estate experience company working to make life's most complex transaction simple. The fast-growing company combines essential real estate, mortgage and closing services with powerful technology to deliver a single seamless end-to-end consumer experience, guided by trusted agents. With a presence in all 50 states throughout the U.S. and Canada, Real supports over 17,000 agents who use its digital brokerage platform and tight-knit professional community to power their own forward-thinking businesses.

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These statements reflect management's current beliefs and are based on information currently available to management as of the date hereof. Forward-looking information in this press release includes, without limiting the foregoing, expectations regarding the residential real estate market in the U.S. and Canada.

Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to Real's business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Real considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking information. Important factors that could cause such differences include, but are not limited to, slowdowns in real estate markets and economic and industry downturns. These factors should be carefully considered and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Real cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and Real assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.



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