



Real April Agent Survey Shows Uptick in Agent Optimism, Potential Inflection in U.S. Home Sales Market

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Survey reveals economics and culture the most influential factors driving agent growth

TORONTO & NEW YORK--(BUSINESS WIRE)--May 21, 2024-- The Real Brokerage Inc. (NASDAQ: REAX, "Real"), the fastest-growing, publicly traded real estate brokerage, today announced results from its April 2024 Agent Survey. The survey indicates a modest uptick in optimism among agents about future market conditions as the spring selling season ramps up. Notably, Real's U.S. Transaction Growth Index reached 50.2, signifying a slight year-over-year improvement in U.S. home sale transactions for April.

"The positive shift in our U.S. Transaction Growth Index is a promising sign, reflecting a potential turning point for home sales," said Tamir Poleg, Chairman and CEO of Real. "As the market continues to recover, Real is committed to empowering our agents with innovative tools and resources to navigate and succeed in this evolving landscape."

"This month, we asked our agents why they chose to join Real, and we were delighted that over 90% cited our culture as an influential factor in their decision," remarked Sharran Srivatsaa, President of Real. "Our focus on fostering a culture centered on collaboration over competition not only attracts top talent, but also provides our agents with the support they need to thrive. This feedback underscores the importance of our One Real approach and our commitment to continuously enhancing the agent experience."

Key Findings:

- **Agent Optimism Index Improves Sequentially From March:** At the end of April 2024, agents were asked, "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 respondents, 45% felt more optimistic and an additional 14% felt significantly more optimistic, outweighing the 13% who felt more pessimistic and 3% who felt significantly more so.

The average response resulted in a weighted index reading of 63.6 on a 0-100 scale, with scores above 50 reflecting a positive outlook. This compares to 63.3 in March, indicating a slight month-over-month improvement in optimism, with similar improvements witnessed in both the U.S. and Canada.

- **Sellers Continue to Have the Upper Hand in Negotiations:** When asked "Would you consider your primary market to be a buyer's market, seller's market or balanced market?", nearly two-thirds (61%) of agents noted sellers have the upper hand, unchanged from the March survey. However, 16% of agents believed buyers hold the upper hand in their markets, up from 13% in March.
- **Total North American Home Sale Industry Transactions Expected to be Roughly Flat Year-over-Year in April:** Agents were asked, "In your primary market, how would you describe the number of transactions closed in April 2024 compared to April 2023?" The average response resulted in a weighted index reading of 49.9 on a 0-100 scale, suggesting total industry transactions across the U.S. and Canada were approximately even in April 2024 compared to April 2023, with a slight increase in the U.S. home sales market, offset by a modest decline in Canada. April's index reading of 49.9 was above March's 48.6 level.
 - **Agents Expect U.S. Transactions to Improve in April:** Agents signaled the total number of U.S. home sale transactions is expected to improve modestly in April 2024 compared to April 2023. April's index reading of 50.2 marks the first time this year the index has been in positive territory, a notable improvement from 47.3 in March and February's level of 48.5.
 - **Canada Market Slows in April:** Agents in Canada signaled a modest decline in year-over-year growth in their respective regions, with the overall Canadian weighted index falling to 46.4 from 62.9 in March.
- **Affordability Remains the Biggest Challenge for Home Buyers:** The majority of agents surveyed (56%) cited affordability/interest rates as the biggest challenge for prospective home buyers, followed by a lack of inventory (32%) and economic uncertainty and buyer competition (each at 5%).
- **Agent Economics and Unique Culture Primary Reasons Agents Join Real:** Given Real's rapid agent growth over the past year, Real asked agents for key drivers behind their decision to join. Key factors include:
 - **Economic model:** 95% of respondents said Real's favorable agent economic model was influential, with 76% noting it was very influential. Real's 85/15 split, \$12,000 annual cap, and revenue-sharing opportunities are major attractions.
 - **Company culture:** 92% reported Real's culture and leadership were influential, with 71% stating it was very

influential.

- o **Stock opportunities:** 89% found the opportunity to earn Real stock influential, with 62% rating it as very influential.
- o **Technology platform:** 82% valued access to Real's technology, including its proprietary software platform, reZEN, Leo AI assistant and access to the Real Academy education resources, with 46% finding it very influential.
- o **Work flexibility and referrals:** Both were ranked as influential by 73% of survey respondents.
- **Agents Who Use Home Search Portals for Lead Generation Are in the Minority:** Approximately one-third (32%) of agents reported using home search portals for marketing and lead generation, compared to 68% who do not. Among those who use search portals, 68% spend less than \$5,000 per year (with 43% spending less than \$1,000 annually). Meanwhile, 16% spend between \$5,000 and \$20,000, and the remaining 16% spend more than \$20,000. Over the next 12 months, 28% plan to increase spending on home search portals, 57% plan to maintain current levels and 15% plan to reduce spending.
- **All Home Search Portals Expected to See Increased Spending:** Zillow Flex is anticipated to lead in spending increases over the next 12 months, with 42% of agents who use the platform expecting to allocate more funds to it, compared to only 5% planning to reduce spending. Twenty five percent of agents who market on Homes.com plan to increase spending, while 15% plan to reduce spending. Just over a quarter (26%) of agents utilizing [Realtor.com](#) are planning to boost their budget for the site, compared to 22% who are planning to reduce spending. Finally, for Zillow Premier Agent, 22% of agents plan to increase spending, balanced by 22% who plan to reduce spending on the product. In aggregate, all home search portals are expected to see increased investment over the next year, reflecting agents' growing confidence in these tools for lead generation and marketing.

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 April 2024 Agent Survey included responses from over 225 real estate agents across the United States and Canada and was launched in the last week of April 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. Additionally, given the smaller sample size, there can be greater variability in Canada index results on a month-to-month basis.

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 18,000 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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