



Real May Agent Survey Reveals Shifting Market Dynamics Amid Continued Affordability Challenges

June 20, 2024

Survey Also Finds Increasing Adoption of Generative AI Among Real Estate Agents

TORONTO & NEW YORK--(BUSINESS WIRE)--Jun. 20, 2024-- The Real Brokerage Inc. (NASDAQ: REAX, "Real"), the fastest-growing, publicly traded real estate brokerage, today released results from its May 2024 Agent Survey. The survey indicates agents' continued optimism despite a predicted decline in North American home sale transactions during the month of May.

"While affordability challenges persist, it is promising to see our Agent Optimism Index remain in positive territory, reflecting agents' confidence in the future," said Tamir Poleg, Chairman and CEO of Real. "Real is committed to equipping our agents with advanced technology, comprehensive resources and a collaborative culture to thrive in any market condition."

"As one of the first real estate technology companies to deploy a proprietary artificial intelligence (AI) layer for agents, we are excited that over 80% of agents are actively using AI to power their businesses or planning to learn," remarked Sharran Srivatsaa, President of Real. "We will continue to lead the industry with cutting-edge technology solutions to make our agents' lives easier and to deliver differentiated value to their clients."

Key Findings:

- **Agent Optimism Index Declines but Remains Positive:** At the end of May 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, 39% felt more optimistic and an additional 9% felt significantly more optimistic, outweighing the 16% who felt more pessimistic and 3% who felt significantly more so.

The average response resulted in a weighted index reading of 59.0 on a 0-100 scale, with scores above 50 reflecting a positive outlook. This compares to 63.6 in April, indicating a month-over-month decline in optimism. The decline was more pronounced in the U.S. (down 4.9 points to 57.9) than in Canada (down 2.5 points to 68.9).

- **Sellers Losing Negotiating Power as More Agents View Market Dynamics in Balance:** When asked "Would you consider your primary market to be a buyer's market, seller's market or balanced market?", approximately half (49%) of agents noted sellers have the upper hand, a 12 point month-over-month decline from the April survey. One third (33%) of agents viewed their markets as balanced, with neither buyers nor sellers having an advantage, up from 23% of agents in April. Approximately 18% of agents believed buyers hold the upper hand in their markets, up from 16% in April.
- **Total North American Home Sale Industry Transactions Expected to Decline Year-over-Year in May:** Agents were asked, "In your primary market, how would you describe the number of transactions closed in May 2024 compared to May 2023?" The average response resulted in a weighted index reading of 45.7 on a 0-100 scale, suggesting an aggregate decline in industry transactions across the U.S. and Canada in May 2024 compared to May 2023. The U.S. home sales market saw a decrease, offset by an increase in Canada. May's index reading of 45.7 compares to April's 49.9 level, and marked the lowest monthly index reading so far in 2024.
 - **U.S. Agents Notice a Pullback in Transactions During May:** Agents observed a decline in the total number of U.S. home sale transactions in May 2024 compared to May 2023, as May's U.S. index reading of 44.8 declined from 50.2 in April.
 - **Canada Activity Rebounded in May:** Agents in Canada signaled modest year-over-year growth in their respective regions, with the overall Canadian weighted index rebounding to 54.4 in May from 46.4 in April.
- **Affordability Challenges More Impactful than Inventory Constraints:** The majority of agents surveyed (59%) cited affordability/mortgage rates as the biggest challenge for prospective home buyers, followed by a lack of inventory (25%), economic uncertainty (8%) and buyer competition (6%). Notably, May marked the lowest month for "Inventory" as a percent of responses so far this year, and the highest month for "Affordability".
- **Majority of Agents Expect Home Prices to Continue to Rise Over the Next 12 Months:** Over half (58%) of agents expect home prices to rise over the next 12 months, compared to 28% who expect home prices to remain stable, and 14% who expect home prices to decline.

- **Half of Agents Using Generative Artificial Intelligence (AI) With Advertising the Most Common Use Case:**

Approximately 50% of agents reported using generative AI in their daily business activities, compared to 18% who do not use AI, and 31% who do not utilize AI but would like to learn. Among those who currently use generative AI tools, the most common use case is writing text copy for listings and advertisements (86%), followed by the creation of marketing assets (70%), technical support (34%), responding to client inquiries (31%), managing client relationships via customer relationship management systems (30%), and analyzing real estate market trends (22%). Notably, only 9% of agents currently use AI to aid in pricing strategies and predictive analytics, suggesting an opportunity to develop more AI-powered real estate pricing tools.

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 May 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 May 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 19,000 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, as well as expectations regarding the use and deployment of artificial intelligence technology products.

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.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20240620379251/en/): <https://www.businesswire.com/news/home/20240620379251/en/>

Investor inquiries, please contact:

Ravi Jani

Vice President, Investor Relations and Financial Planning & Analysis

investors@therealbrokerage.com

908.280.2515

For media inquiries, please contact:

Elisabeth Warrick

Senior Director, Marketing, Communications & Brand

press@therealbrokerage.com

201.564.4221

Source: The Real Brokerage Inc.