



## Real July Agent Survey Shows Dip in Agent Optimism as Industry Prepares for Change

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*July Transaction Growth Index Falls as Sellers Concede Negotiating Power*

TORONTO & NEW YORK--(BUSINESS WIRE)--Aug. 20, 2024-- The Real Brokerage Inc. (NASDAQ: REAX, "Real"), a technology platform reshaping real estate for agents, home buyers and sellers, today released results from its July 2024 Agent Survey. The survey revealed a modest decline in agent optimism about the outlook over the next 12 months, along with a year-over-year drop in industry transaction volumes.

"July's survey showed a slight dip in agent optimism as we navigate current market conditions and practice changes required by the recent NAR settlement," said Tamir Poleg, Chairman and CEO of Real. "While the industry remains near cyclical lows with muted transaction volumes, we continue to demonstrate resilience and adaptability by focusing on what we can control — providing unmatched technology and resources that empower our agents to thrive in any market environment."

"Our recently launched [Real Buyer Playbook website](#) was designed to equip agents with the tools and resources needed to comply with the new rules and prepare for success," remarked Sharran Srivatsaa, President of Real. "By offering these resources, we're enabling agents across the country to shape their future with confidence."

### Key Findings:

- **Agent Optimism Index Ticks Down, Remains in Positive Territory:** At the end of July 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?" Of the respondents, 45% felt more optimistic, with an additional 5% significantly more optimistic, outweighing the 16% who felt more pessimistic and 5% significantly more so.

The average response resulted in a weighted index reading of 57.2 on a 0-100 scale, where scores above 50 reflect a net positive outlook. This marks a decrease from 59.1 in June, driven by a 2.7 point drop in the U.S. to 57.1, partially offset by a 5.6 point rise in Canada to 58.3.

- **Sellers Lose Negotiating Power as Market Moves Toward Balance:** When asked "Would you consider your primary market to be a buyer's market, seller's market or balanced market?", only 33% of agents identified a seller's market, down meaningfully from 51% in June. Meanwhile, the percentage of agents viewing their markets as balanced increased to 42%, up from 30% in June. Additionally, 25% of agents believed buyers have the upper hand, up from 20% in the previous month.
- **Total North American Industry Transactions Continue Downward Trend in July:** Agents were asked, "In your primary market, how would you describe the number of transactions closed in July 2024 compared to July 2023?" The average response resulted in a weighted index reading of 40.1, down notably from 47.4 in June on a 0-100 scale. This survey low suggests a more pronounced decline in industry transactions across North America compared to the previous year.
  - **U.S. Agents Report Steeper Decline in July:** The U.S. index reading fell to 39.5 in July, reflecting a sharper year-over-year drop in transactions, down from 46.8 in June.
  - **Canadian Agents See Decline After Two Months of Growth:** After experiencing growth in the previous two months, agents in Canada signaled a year-over-year decline in transactions, with the overall Canadian weighted index dropping to 45.8 in July, down from 52.8 in June.
- **Affordability Still the Biggest Concern, Though Slightly Less Dominant:** More than half (56%) of agents identified affordability/mortgage rates as the top challenge facing prospective home buyers, down from 60% in June, potentially reflecting the overall easing of mortgage rates during the month. Lack of inventory, while still a major concern, dropped to 18% from 26%. Meanwhile, economic uncertainty rose to 12% from 7%, and buyer competition rose to 8% from 4%, indicating shifting market pressures.
- **Life Changes Drive Two-Thirds of Home Sales:** Agents were asked "In your experience, what is the most common reason clients cite for wanting to sell their homes?" Respondents could select more than one option. The leading reasons

were downsizing due to changes in individual or family circumstances (e.g., empty nest, retirement), cited by 35% of agents, and upsizing for similar reasons, cited by 32%. Relocation for work was the next most common reason at 27%. Additionally, 18% of agents indicated that financial downsizing (e.g., high costs and taxes) was a primary motivator, while only 9% cited upsizing for financial reasons, such as leveraging home equity, as common.

- **CRM and Transaction Management Tools Top Agents' Tech Choices:** Nearly a third (29%) of agents highlighted customer relationship management software as the most valuable technology tool in their real estate practice, while 24% prioritized transaction management platforms. Social media tools were cited by 17% of agents, with 11% relying on online portals and listing platforms, and 7% finding A.I. most valuable.

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 July 2024 Agent Survey included responses from over 100 real estate agents across the United States and Canada and was conducted in the last week of July 2024 and first weeks of August. 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 21,000 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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