



By Mark G. Dotzour, Colt Kokel and Joshua Parulian

It wasn't all that long ago that real estate professionals wondered whether the Internet would render their profession unnecessary. As it turned out, this worry was unfounded.

While homebuyers and sellers alike flock to the web for information, a 2013 survey conducted by the National Association of Realtors (NAR) reveals that 83 percent of Texas respondents purchased their homes through a real estate agent or broker (Table 1). The Texas Association of Realtors, Houston Association of Realtors and the Real Estate Center collaborated with NAR on the "2013 Profile of Home Buyers and Sellers" survey.

Another 13 percent of Texas buyers purchased their homes directly from a builder or builder's agent. Only 3 percent purchased their homes directly from the previous owner. This data confirms that real estate agents still play a major role in the homebuying marketplace.

NAR historical data show an interesting trend in the "for sale by owner" (FSBO) market (Table 2). The data show that the percentage of houses purchased directly from the previous owner has been declining for years. Thirteen years ago, 15 percent of American buyers purchased a

Table 1: How Texans Purchased a Home in 2013

	Percent
Through a real estate agent or broker	83
Directly from a builder or builder's agent	13
Directly from the previous owner	3

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

Table 2: How Americans Purchase a Home

	2001	2013
	Percent	
Through a real estate agent or broker	69	88
Directly from a builder or builder's agent	15	7
Directly from the previous owner	15	5

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

FSBO. Just 5 percent of buyers purchased a house directly from an owner in 2013. This means the FSBO market share has declined by 66 percent in the 21st century. Notice that the FSBO market in Texas is even smaller, with just 3 percent market share in 2013 (Table 1).

While real estate professionals have historically been the main information source for the home search, these days the Internet plays a key role. When Texans were asked about the first steps they take in looking for a home, 39 percent said they looked at houses online and 18 percent said they contacted a real estate agent (Table 3). Just 3 percent began their search by viewing open houses. Only 1 percent reported looking in newspapers and other print media.

Texans find several sources useful in their efforts to find the right home. Seventy-nine percent of Texans think the Internet provides "very useful" information, and 77 percent say the same about agents (Table 4). Thirty-three percent find open houses very useful. Those buying a new home find the home builder to be a very useful source of information.



A SURVEY REVEALS that homebuyers spend lots of time on the Internet searching for homes, but when they're ready to view homes, they turn to real estate professionals. They want a broker or agent who is honest and trustworthy and communicates well, keeping them updated on new listings or price changes.

Table 3: First Steps Taken by Texans in the Homebuying Process

	Percent
Looked online for properties for sale	39
Contacted a real estate agent	18
Looked online for information about the homebuying process	15
Drove by homes/neighborhoods	8
Contacted a bank or mortgage lender	6
Talked with a friend or relative about the process	5
Visited open houses	3
Looked in newspapers, magazines or homebuying guides	1
Contacted a home seller directly	1

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

The survey provided insight into what services buyers want from real estate agents. Helping to find the right house, negotiating the terms of sale and helping with price negotiations were the most-sought-after services (Table 5).

The survey also identified benefits provided by real estate agents during the homebuying process. Some differences were apparent between first-time homebuyers and repeat buyers. Many first-time buyers cited help with the homebuying process to be a key benefit, while repeat buyers felt that having agents point out unnoticed features or faults with the property to be a key benefit (Table 6).

Table 4: Buyers Find These Sources to be "Very Useful"

	Percent
Website	79
Real estate agent	77
Mobile website or app	68
Home builder	54
Yard sign	36
Open house	33
Print newspaper ads	20
Home book or magazine	15

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

Texas homebuyers typically don't interview many agents before choosing one. In the survey, 68 percent reported interviewing only one agent. Another 20 percent said they interviewed two, and just 12 percent interviewed more than two agents. This suggests that if an agent is able to get the client in the door, they will likely represent that client.

Table 5: What Texas Buyers Want Most From Real Estate Agents

	Percent
Help finding the right home to purchase	50
Help negotiating the terms of sale	13
Help with price negotiations	10
Determining comparable homes selling prices	9
Help with paperwork	7
Help determining how much home they can afford	4
Help finding and arranging financing	3

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

How buyers have found the home they purchased has shifted dramatically over the past decade. Even though most buyers are working with a real estate agent in Texas, 37 percent found the home they wanted to buy from Internet searching. Real

Table 6: Benefits Provided by Real Estate Agents During the Purchase Process

	First Time Buyer	Repeat Buyer
	Percent	
Helped buyer understand the process	79	46
Pointed out unnoticed features/faults with property	56	56
Negotiated better sales contract terms	51	47
Improved buyer's knowledge of search areas	46	49
Provided a better list of service providers	46	42
Negotiated a better price	40	40
Shortened buyer's home search	25	33
Provided better list of mortgage lenders	25	19
Narrowed buyer's search area	15	17
Expanded buyer's search area	22	21

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

estate agents helped 32 percent of buyers find their homes and 10 percent found their homes from a yard sign or open house. A sizable 13 percent of buyers found their homes with the assistance of a home builder or a home builder's agent (Table 7).

Table 7: Where Texas Buyers Found Their Purchased Home

	Percent
Internet	37
Real estate agent	32
Home builder or their agent	13
Yard sign/open house	10
Newspaper advertisement	1

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

The 2013 survey also provided valuable information about the most important factors homebuyers consider when choosing a real estate agent to serve them (Table 8). The most important trait to Texans is honesty and integrity, closely followed by agent reputation.

Table 8: Most Important Factors When Choosing an Agent (Texans)

	Percent
Honest and trustworthy	24
Reputation	22
Friend or family member	15
Knowledge of neighborhoods	14
Caring and a good listener	8
Timely with responses	6
Highly accessible	4

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

Homebuyers have always valued communication with their real estate agent. This still holds true. Seventy-nine percent of respondents to the survey said that personal calls from the agent to inform them of activities is important (Table 9). Getting posts about new listings or price changes to existing listings is also key, along with market reports. Having a mobile

Table 9: Importance of Agent Communications to Texans

	Percent
Calls personally to inform of activities	79
Sends postings of new listings or price changes	72
Sends email about specific needs	69
Sends market reports on recent listings and sales	57
Has a web page	36
Sends an email newsletter	13
Advertises in newspapers	5
Is active on Facebook	5
Has a blog	2

Source: National Association of Realtors, 2013 Profile of Home Buyers and Sellers

site, email newsletter, Facebook page or a blog are rated lower in terms of important communication.

The 2013 survey of homebuyers and sellers revealed that real estate is still a "people business." While the Internet has made it easier for Americans to find information about homes for sale and the prices of those homes, real estate agents continue to play a huge role in facilitating home sales in Texas and throughout America.

The residential brokerage business is not being automated out of existence. Real estate professionals who are honest, know the market and communicate well with their clients are likely to be successful. ➔

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THE TAKEAWAY

Homebuyers and sellers rely on the Internet for information, but a large majority of Texans still sign with a real estate agent or broker, according to a 2013 survey conducted by the National Association of Realtors. Help in finding the right home to buy, and negotiating both price and terms of sale top the list of what buyers and sellers want from real estate professionals.



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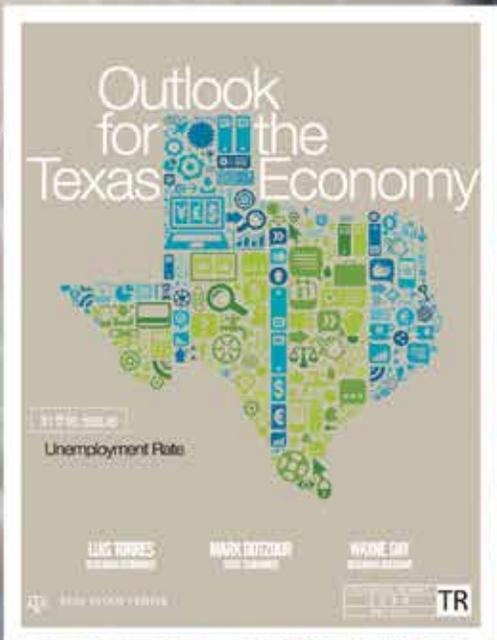
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