



Will Things Ever Be the Same?

@GlennKelman



should?

~~Will~~ Things Ever
Be the Same?

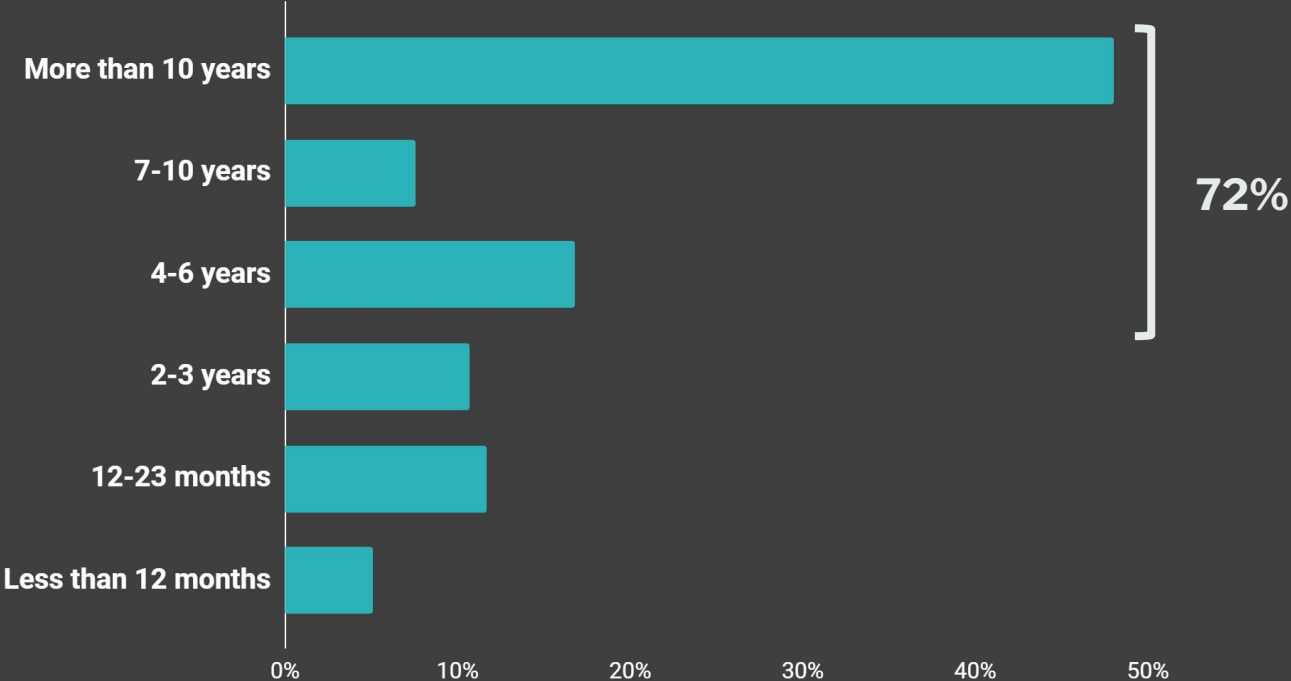
@GlennKelman

How We Found Agents to Survey

- Fielded October 2021 via Qualtrics
- 400+ respondents, 60+ metro areas
- Email addresses sourced from MLS
- \$50 gift card for participation
- Anonymous and unbranded

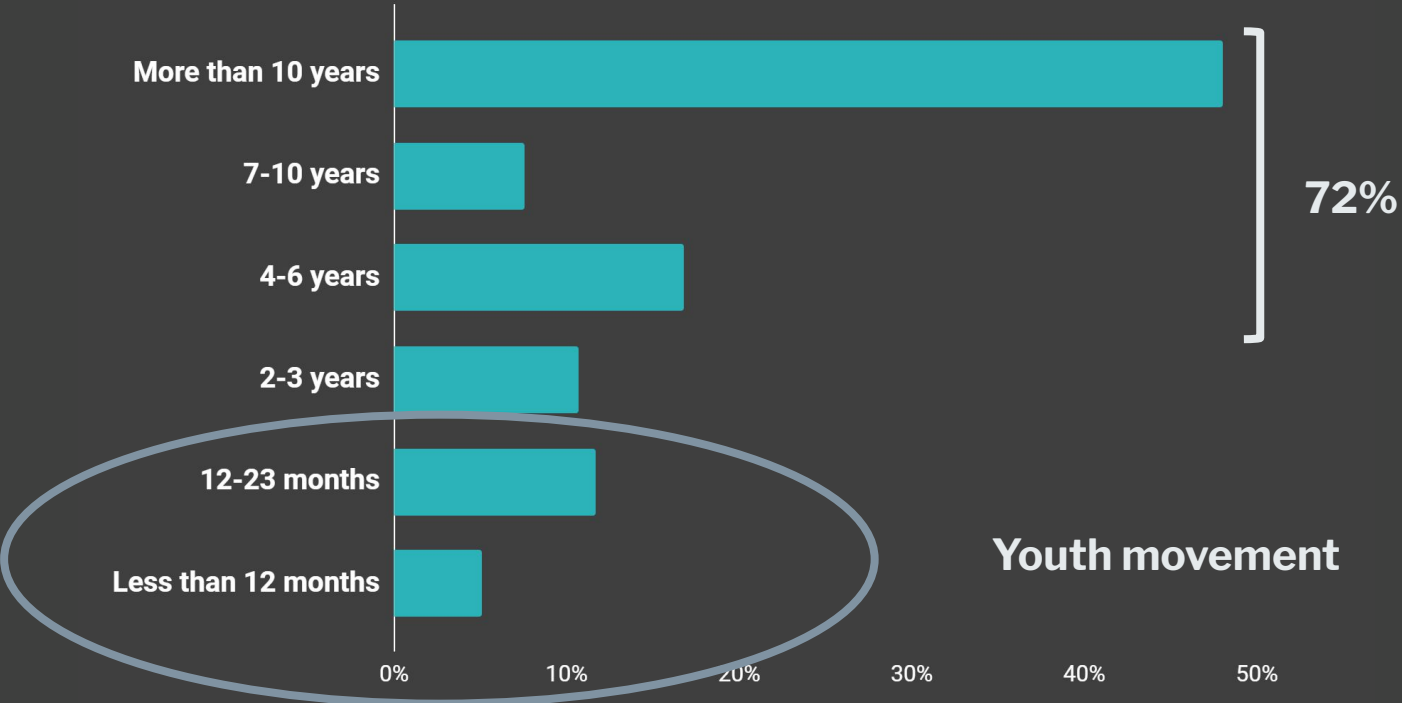
72% of Respondents: 4+ Year of Experience

How long have you been a real estate agent?



72% of Respondents: 4+ Year of Experience

How long have you been a real estate agent?



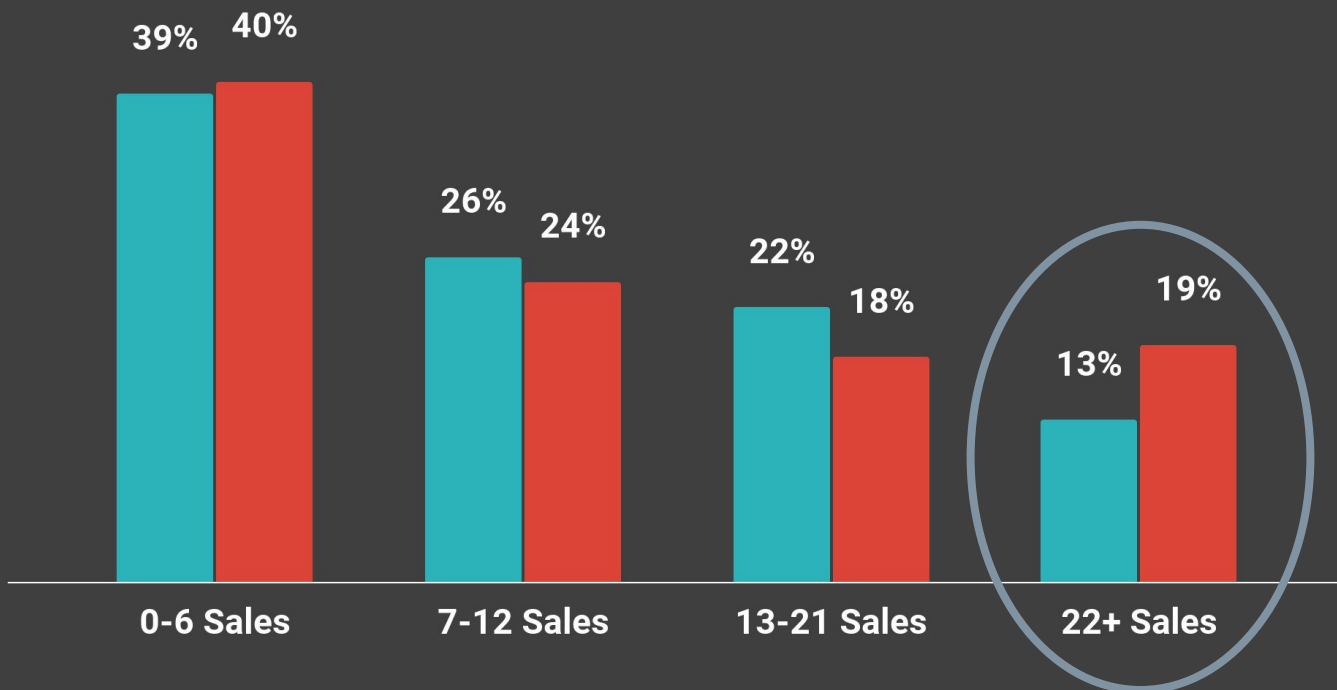


The Life of An Agent

The Rich Get Richer

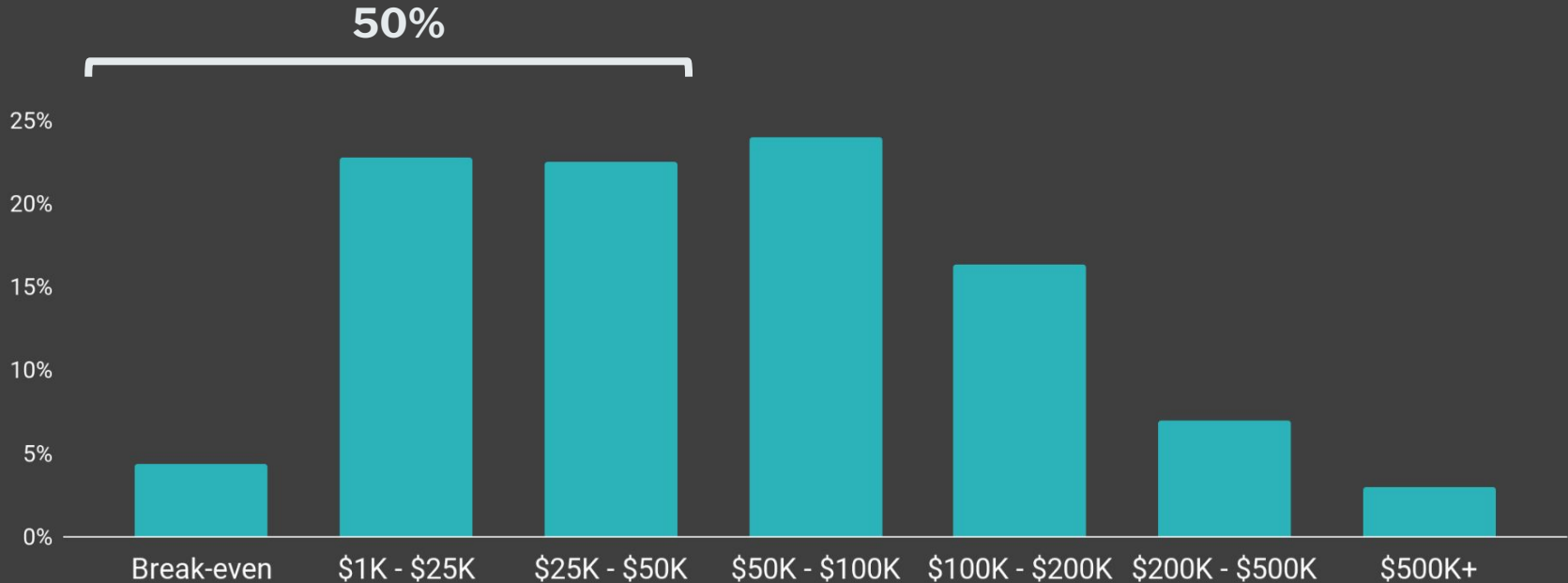
How many sales did you close between August 2020 and August 2021?

■ 2019 ■ 2021



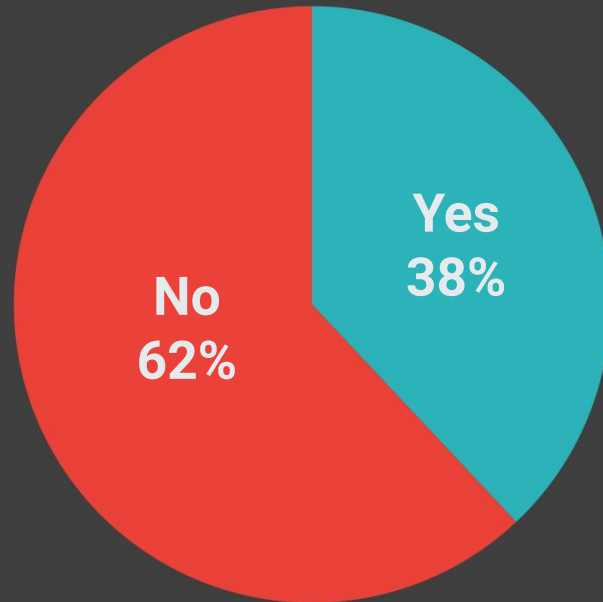
50% Earn Less than \$50K

What was your approximate real-estate income between August 2020 and August 2021, after work-related expenses, including any health-insurance costs?



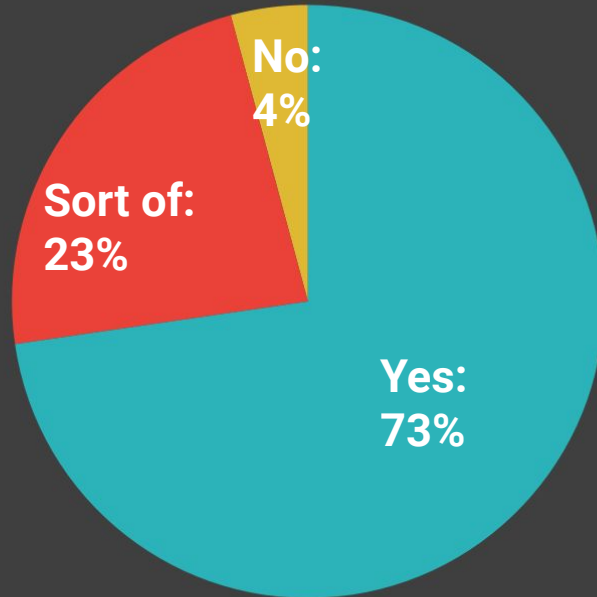
~2 in 5 Agents Have a Second Job

Did you work other jobs in the past 12 months to supplement your income as an agent?



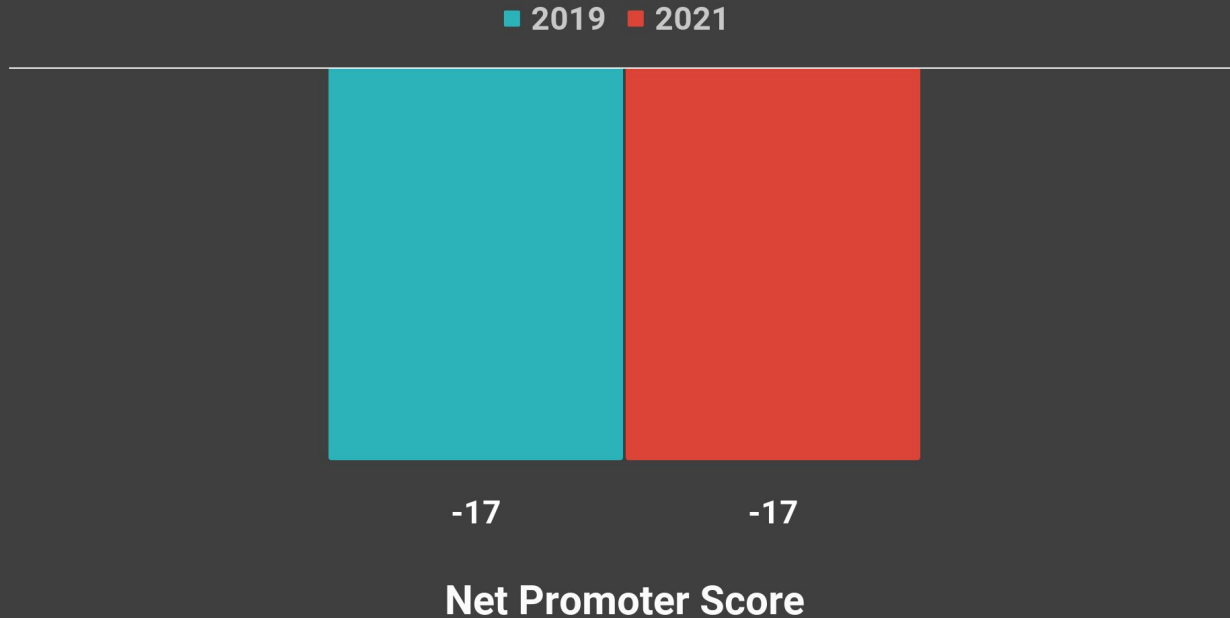
Good Work-Life Balance

Was the balance between your work and personal life sustainable over the past 12 months?



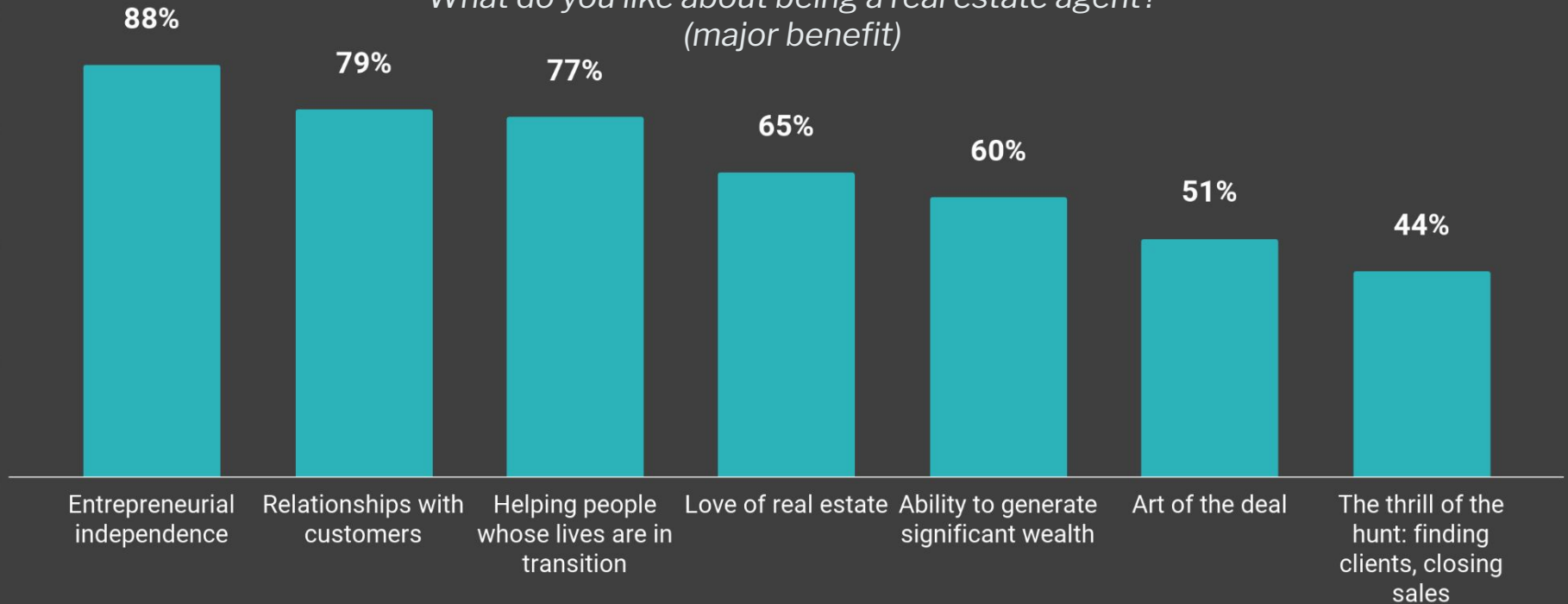
Low Career Satisfaction

How likely would you be to recommend your current career as a real estate agent to others?



The Good: Independence, Customer Relationships

*What do you like about being a real estate agent?
(major benefit)*



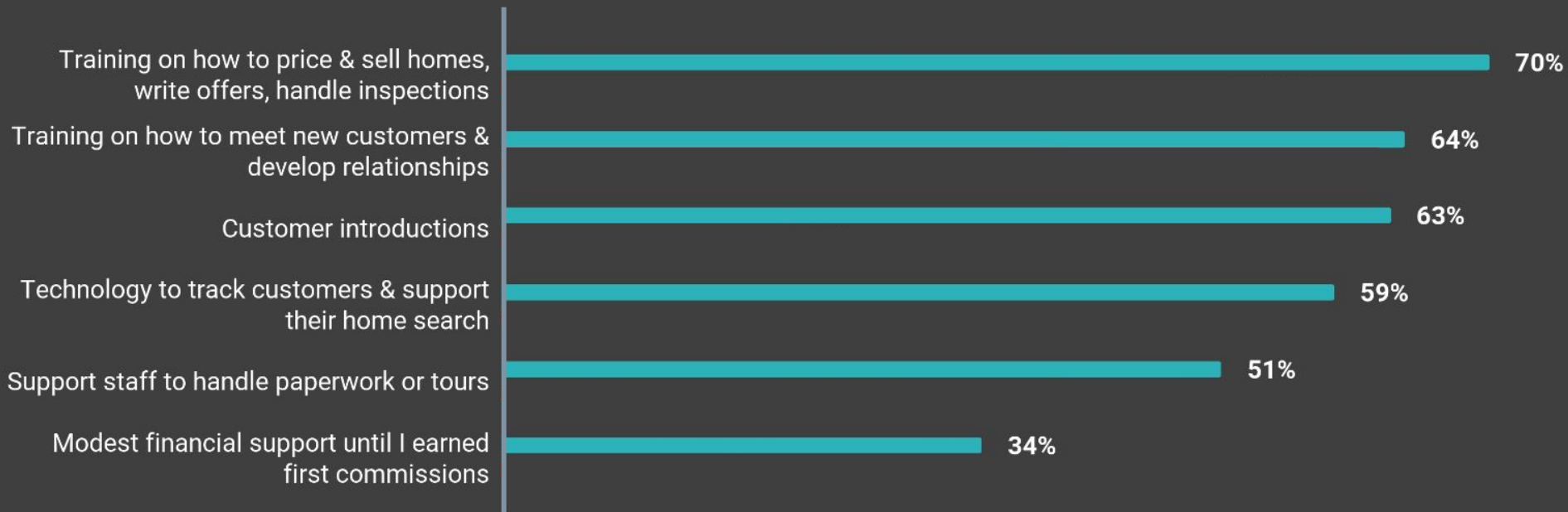
The Bad: Unpredictable Income

*What do you dislike about being a real estate agent?
(major issue)*



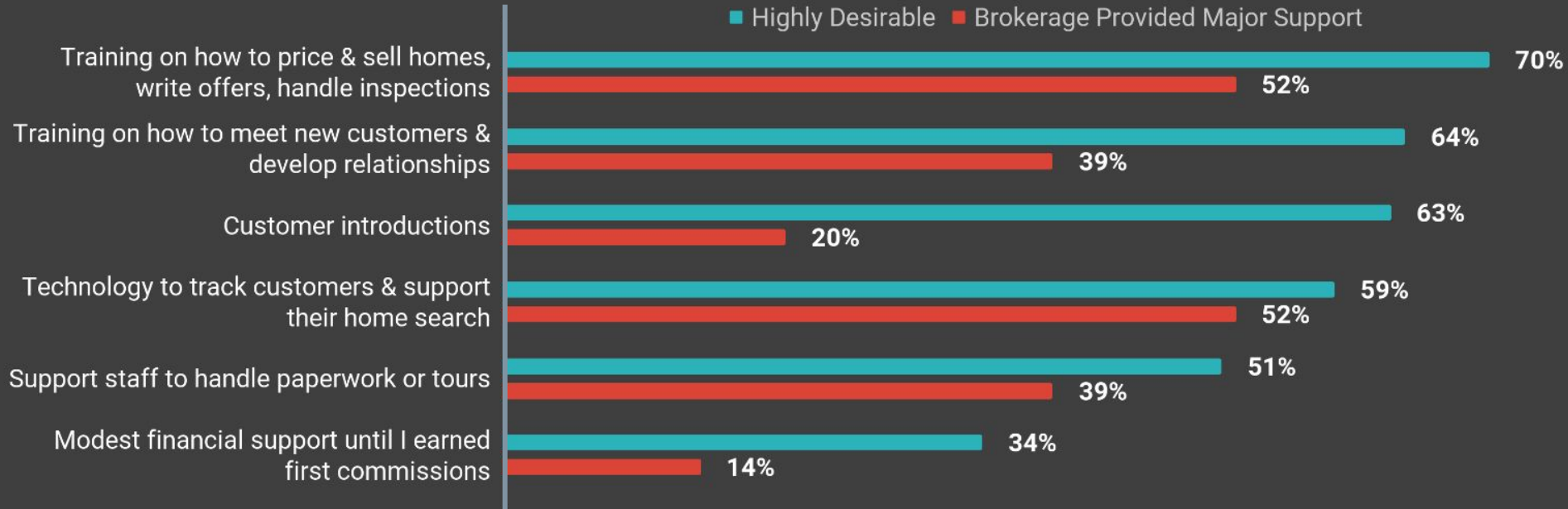
What New Agents Want

*What support did your brokerage give you to launch your real estate career?
(agents with 3 years experience or less)*



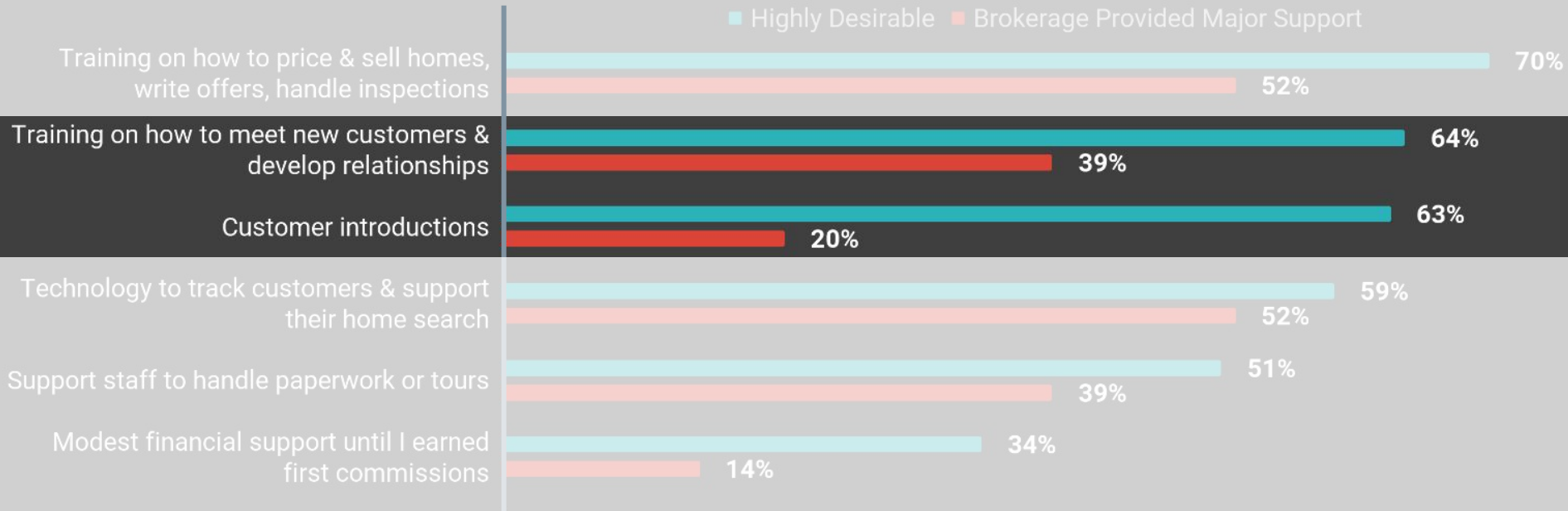
What New Agents Want vs. What They Get

What support did your brokerage give you to launch your real estate career?
(agents with 3 years experience or less)



What New Agents Want vs. What They Get

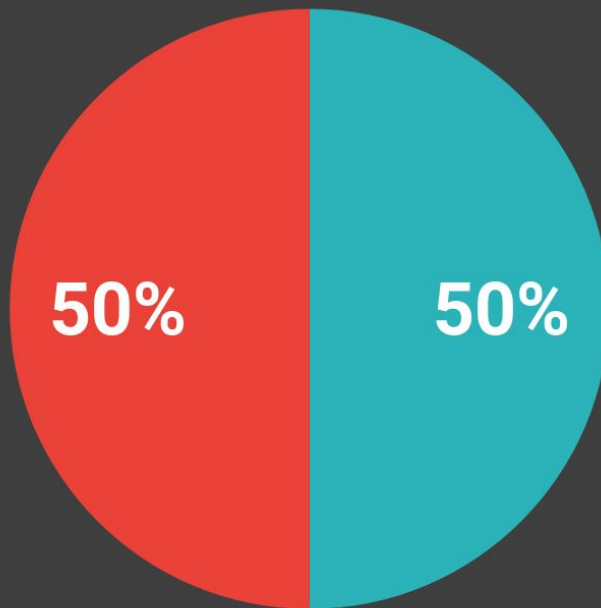
What support did your brokerage give you to launch your real estate career?
(agents with 3 years experience or less)



What All Agents Want: The Schism

*In general, what would you prefer that your brokerage do:
(agents with 4+ years of experience)*

- Invest more in tech, training & marketing, even if that makes my commission split or desk fee slightly worse
- Invest less in tech, training & marketing, in order to make my commission split or desk fee better





Brokers



Brokers

exp
REALTY

United
Real Estate

Favorable splits, so
agents can pay
portals



Brokers

exp
REALTY

United
Real Estate

REDFIN
COMPASS

Favorable splits, so
agents can pay
portals

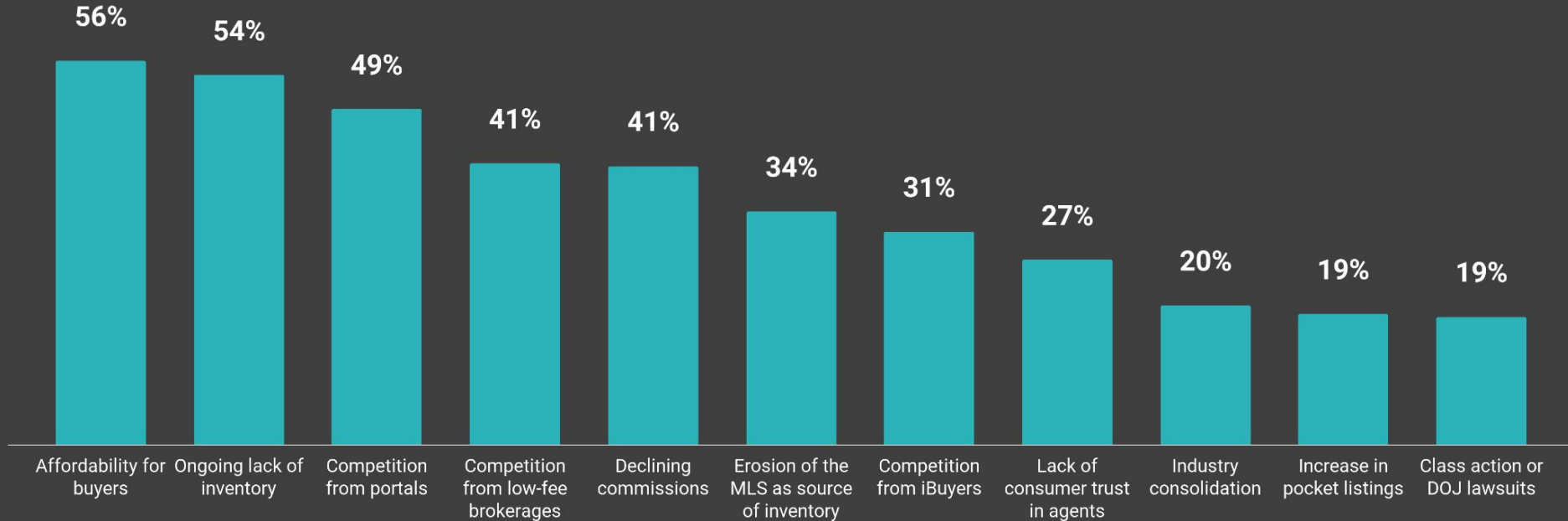
Tech, brand
investments; \$ to
compete with portals



The Housing Market

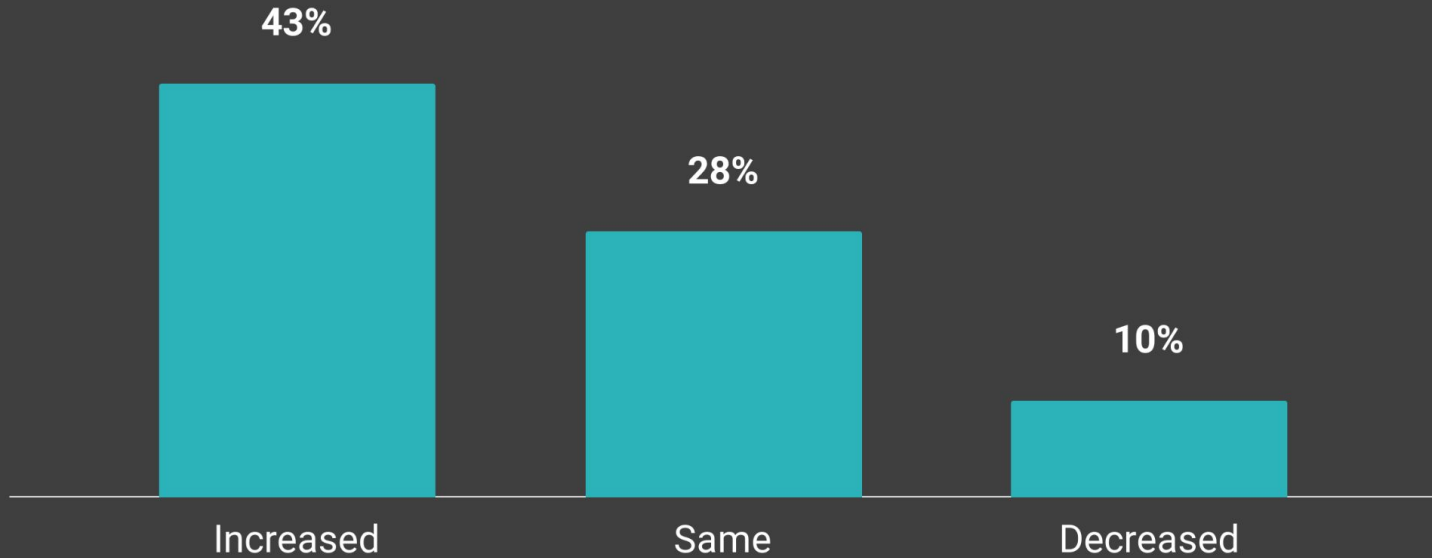
Top Agent Concern: Affordability & Inventory

*In your opinion, what are the challenges facing agents in the next five years?
(major concern)*



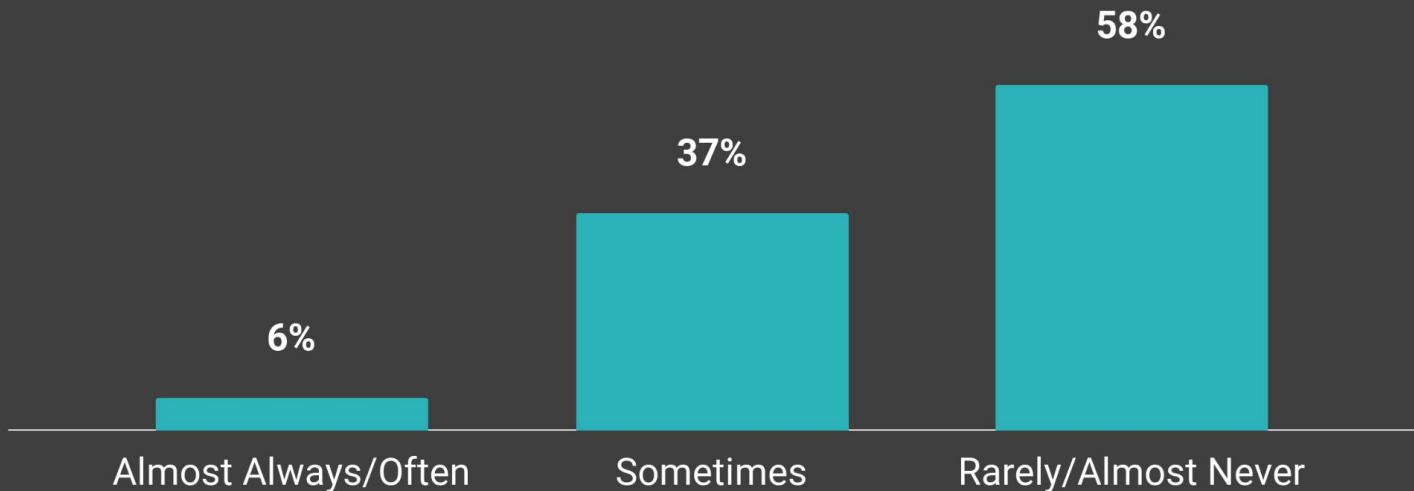
Pocket Listings Rising

How has the frequency of pocket listings changed in your market compared to two years ago?



Pocket Listings Usually Bad for Customers

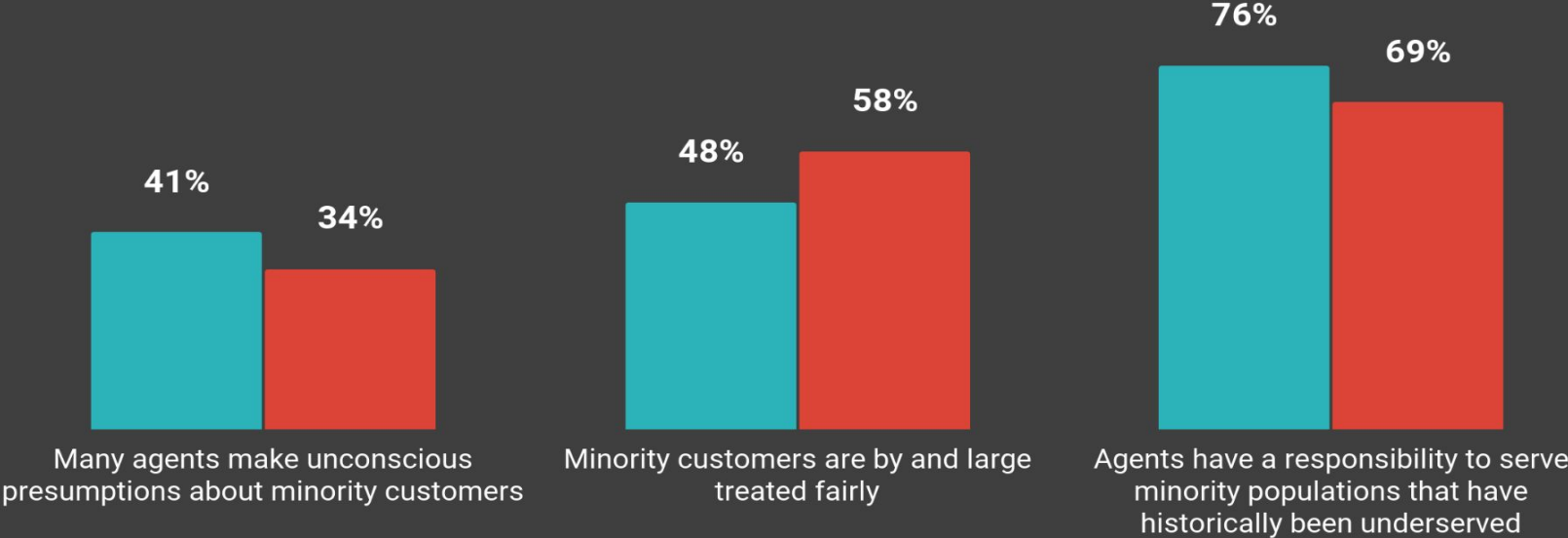
In your opinion, are pocket listings in the best interest of the seller?



Fair Housing: White vs. Minority Views

To what extent do you agree with the following statements?
(strongly agree or agree)

■ Minority Agents ■ White Agents

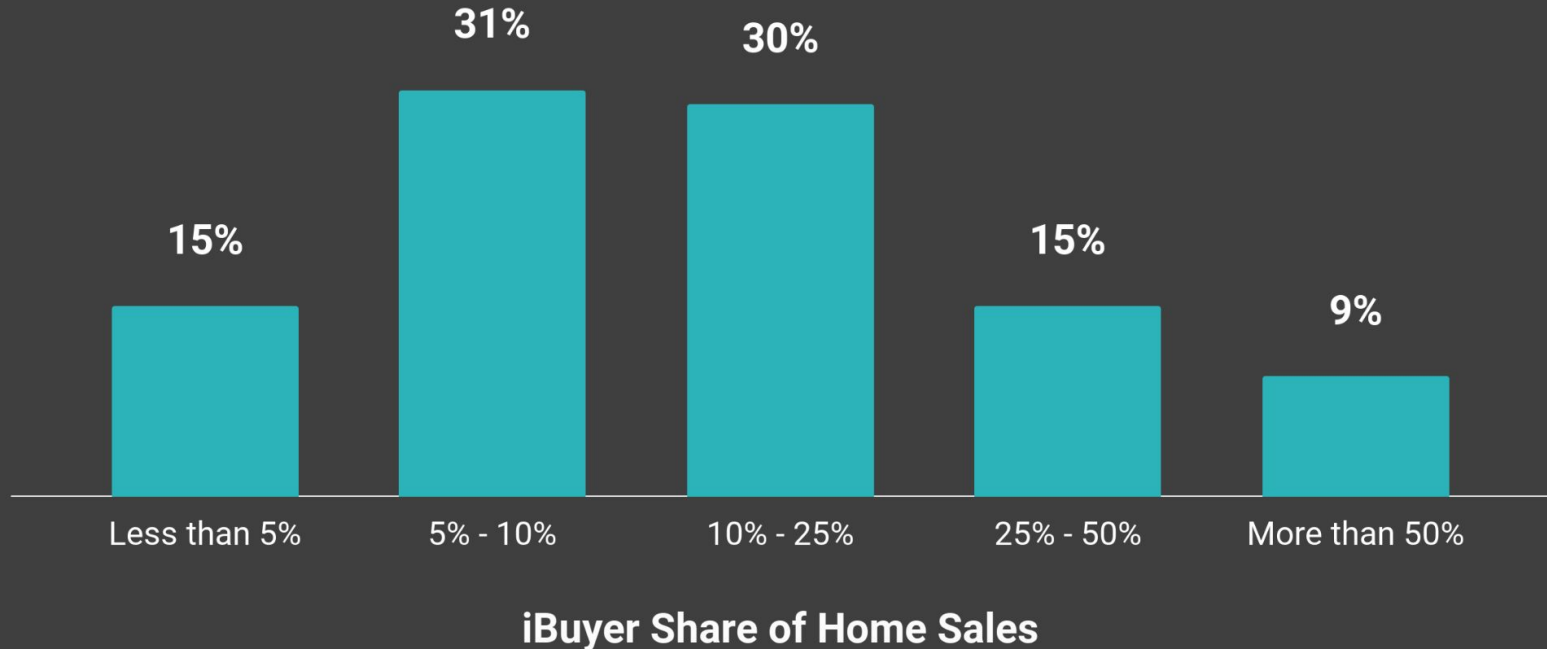




Competitive Dynamics

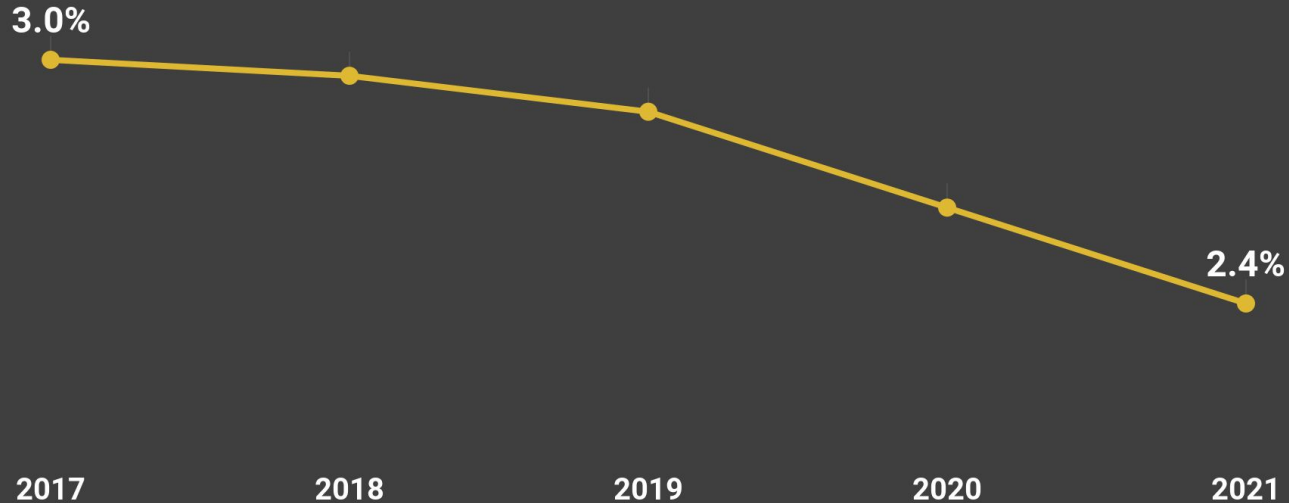
Agents Foresee Significant iBuyer Share

Buyers like Opendoor, Offerpad, RedfinNow and Zillow Offers now make instant offers on homes. Thinking about 5 years from now, how many homes do you think will be sold this way?



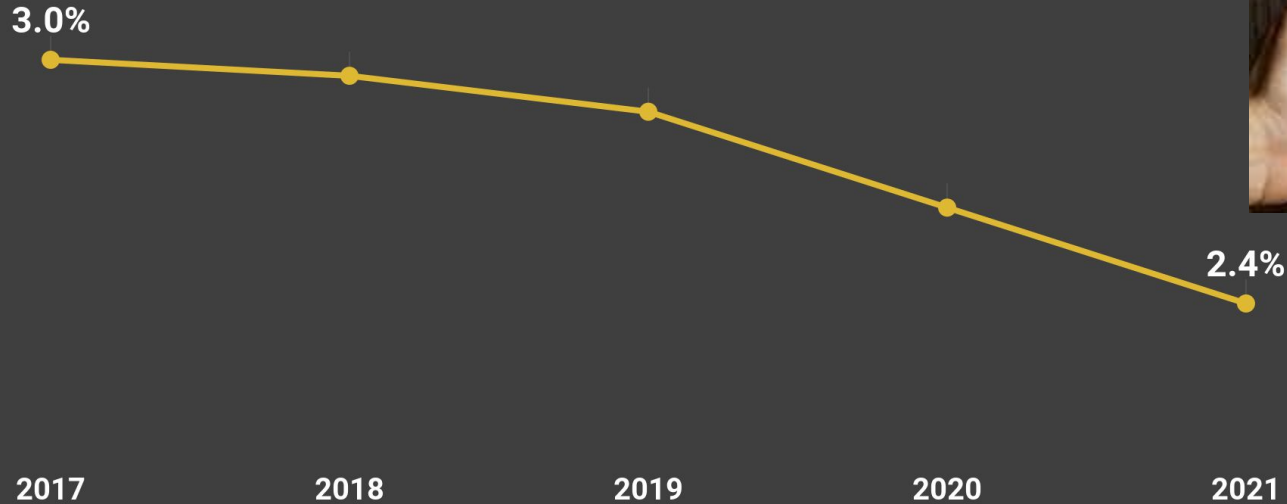
Disintermediation

Buyers Agent Commission Offered by iBuyers



Disintermediation

Buyers Agent Commission Offered by iBuyers



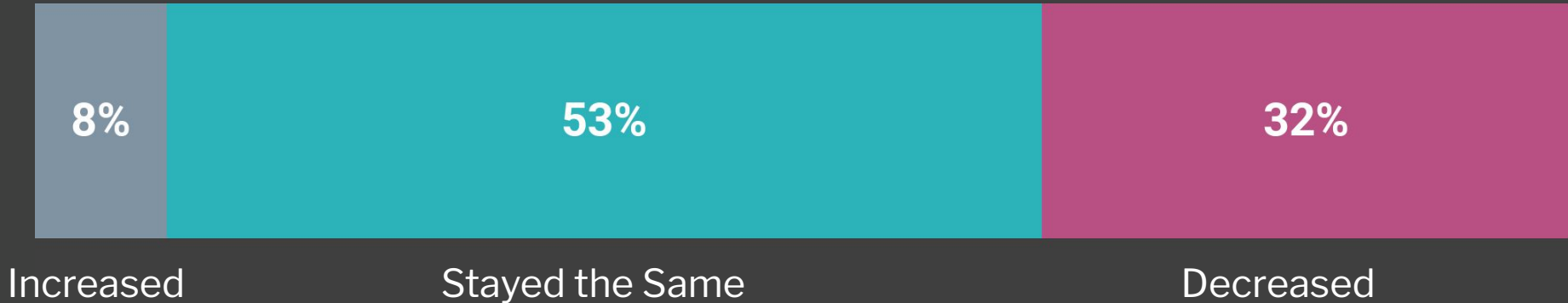
Consumers More Likely to Ask for Discounts

*Are consumers more or less likely to negotiate commissions or request refunds now compared to 5 years ago?
(agents with 4+ years of experience)*



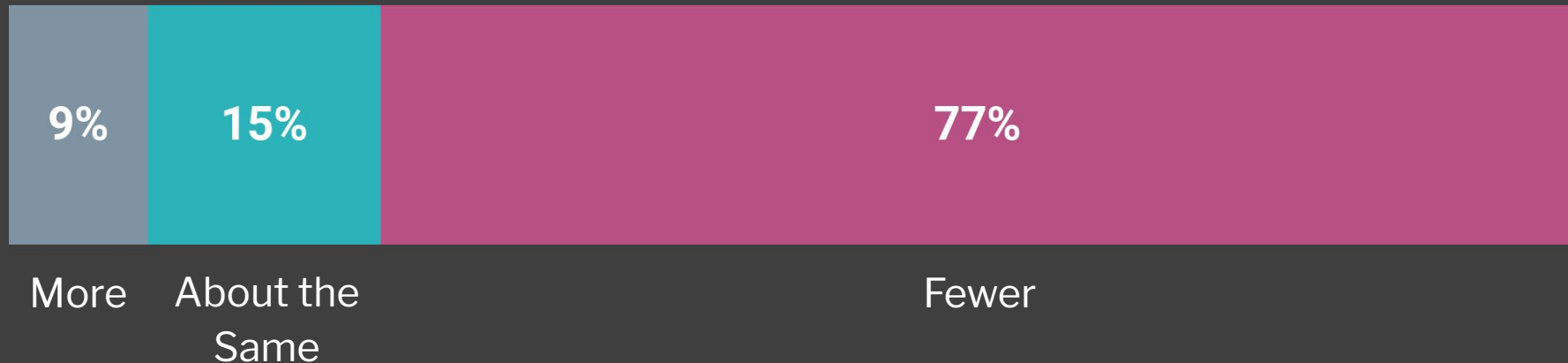
Commission Rates Flat to Down

*From 2016 to now, how do you perceive that commission rates have changed?
(agents with 4+ years of experience)*



If Buyers Pay Their Own Agent, 77% Expect Fewer Buyers Will Hire Agents

If buyers instead of sellers paid the buyers' agent commission, in your opinion, would more or fewer people hire a buyer's agent?



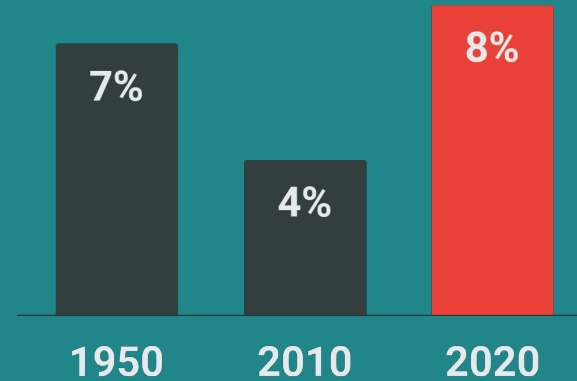


Longer-Term Trends

Online Presence: More Important Than Ever



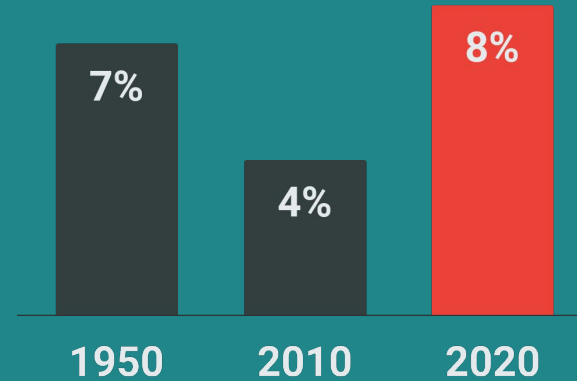
% of Americans
Moving Somewhere
New Each Year



Online Presence: More Important Than Ever



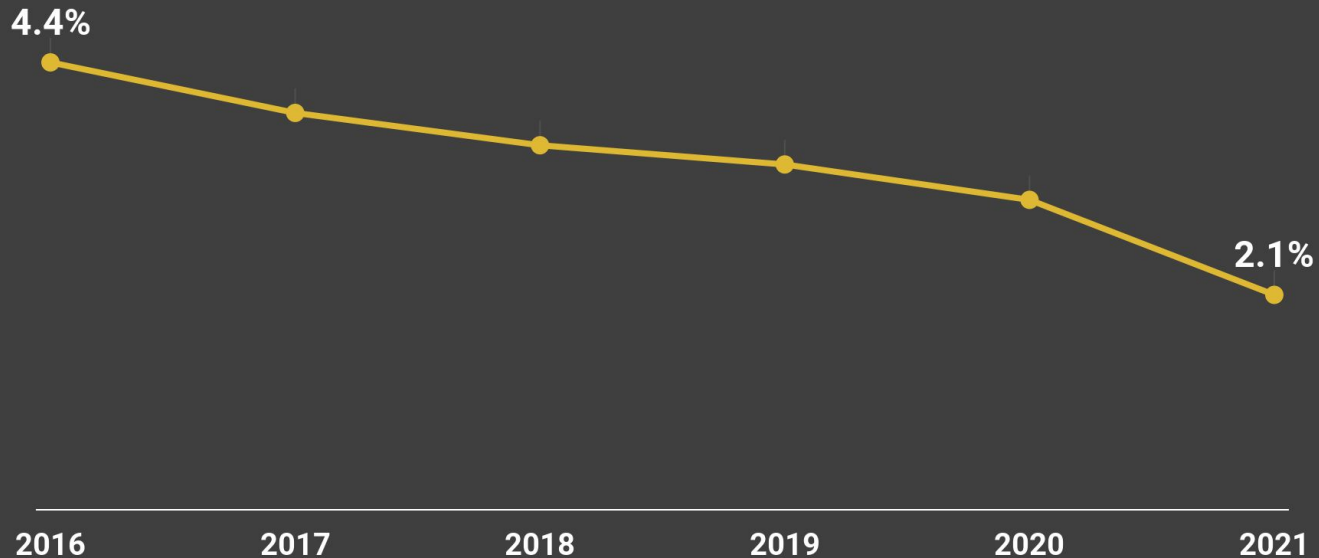
% of Americans
Moving Somewhere
New Each Year



2019 - 2021: Online
Searches for Realtor
Up 24%

Why Brokers Need to Run Portals

% of Online Contacts Who Close in 180 Days



GeekWire

Zillow Group to raise nearly \$1B through stock and debt offerings to help support real estate business

**SAN FRANCISCO
BUSINESS TIMES**

Opendoor raises billions to buy thousands of homes

Bloomberg **SoftBank-Backed Compass IPO Raises \$450 Million at Low End**

THE REAL DEAL
REAL ESTATE NEWS

iBuyer bonds attracting Wall Street capital

Zillow raised \$450M from bond backed by unsold homes

Seeking Alpha α

Redfin prices \$575M of convertible debt offering

inman

Opendoor boosts homebuying power with \$9B borrowing limit

GeekWire

Zillow Group to raise nearly \$1B through stock and debt offerings to help support real estate business

**SAN FRANCISCO
BUSINESS TIMES**

Opendoor raises billions to buy thousands of homes

Bloomberg SoftBank-Backed Compass IPO Raises \$450 Million at Low End

THE REAL DEAL
REAL ESTATE NEWS

iBuyer bonds attracting Wall Street capital

Zillow raised \$450M from bond backed by unsold homes

Seeking Alpha α

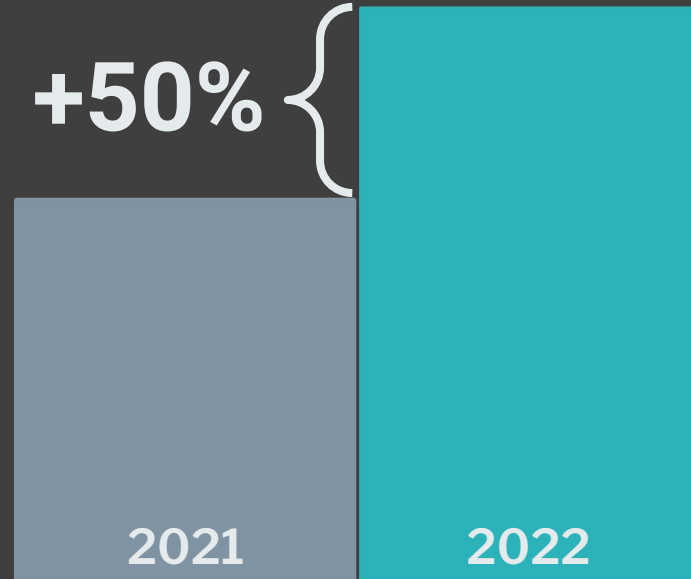
Redfin prices \$575M of convertible debt offering

inman

Opendoor boosts homebuying power with \$9B borrowing limit

**2020: \$24
Billion in
Venture Capital
Invested in
Property
Technology**

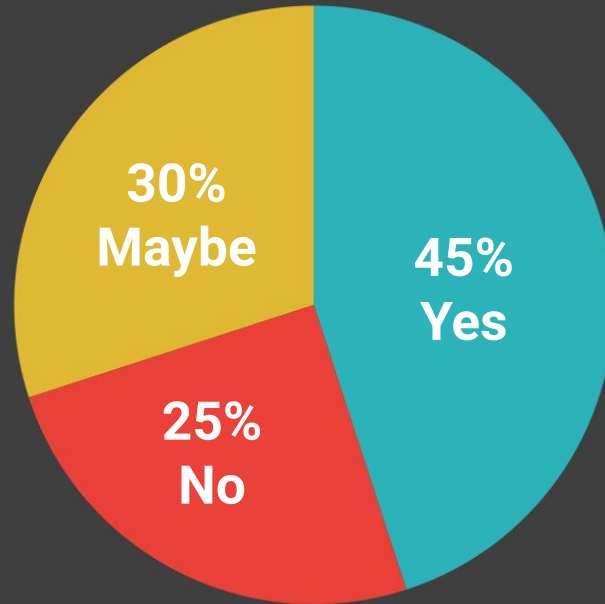
War for Support Talent



Support Pay

Three Quarters of Agents Say There May Be or Is a Housing Bubble

Do you think there is currently a bubble in housing prices in the U.S.?



The Choice: Hunt

Hunting



The Choice: Hunt

I'm hungry!

Hunting



The Choice: Hunt or Farm?

Hunting



Farming



The Choice: Hunt or Farm?

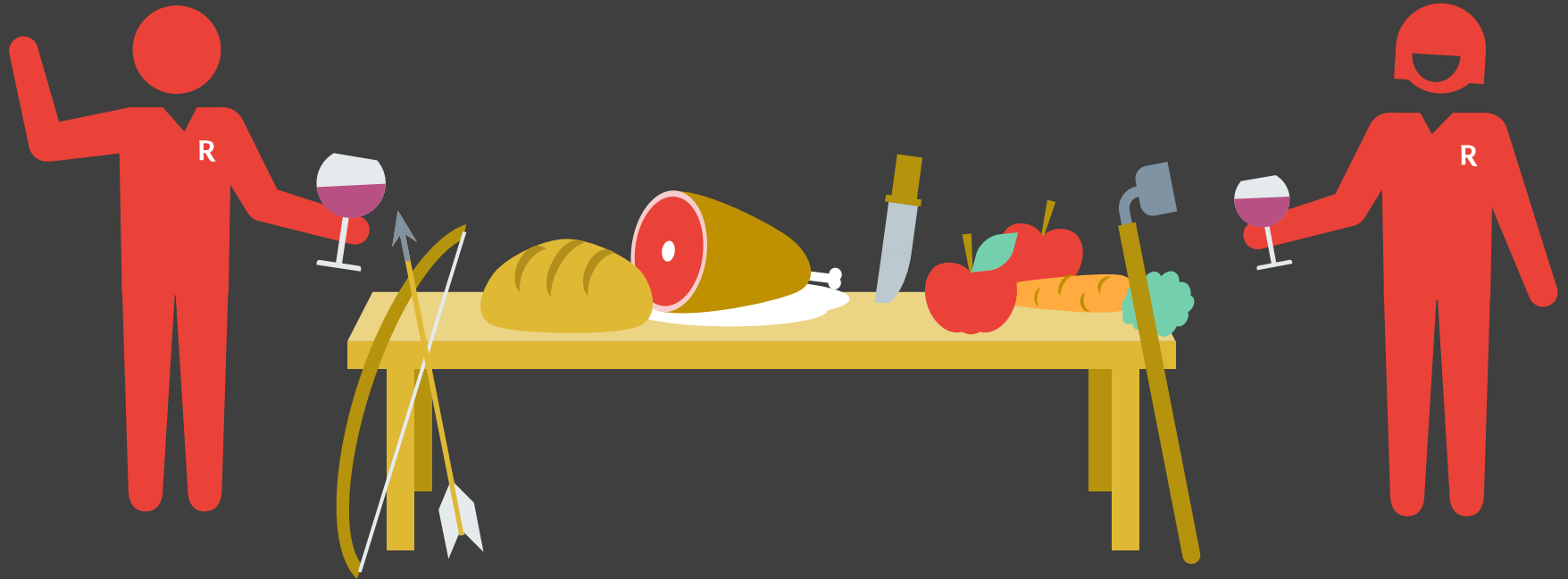
Hunting



Farming

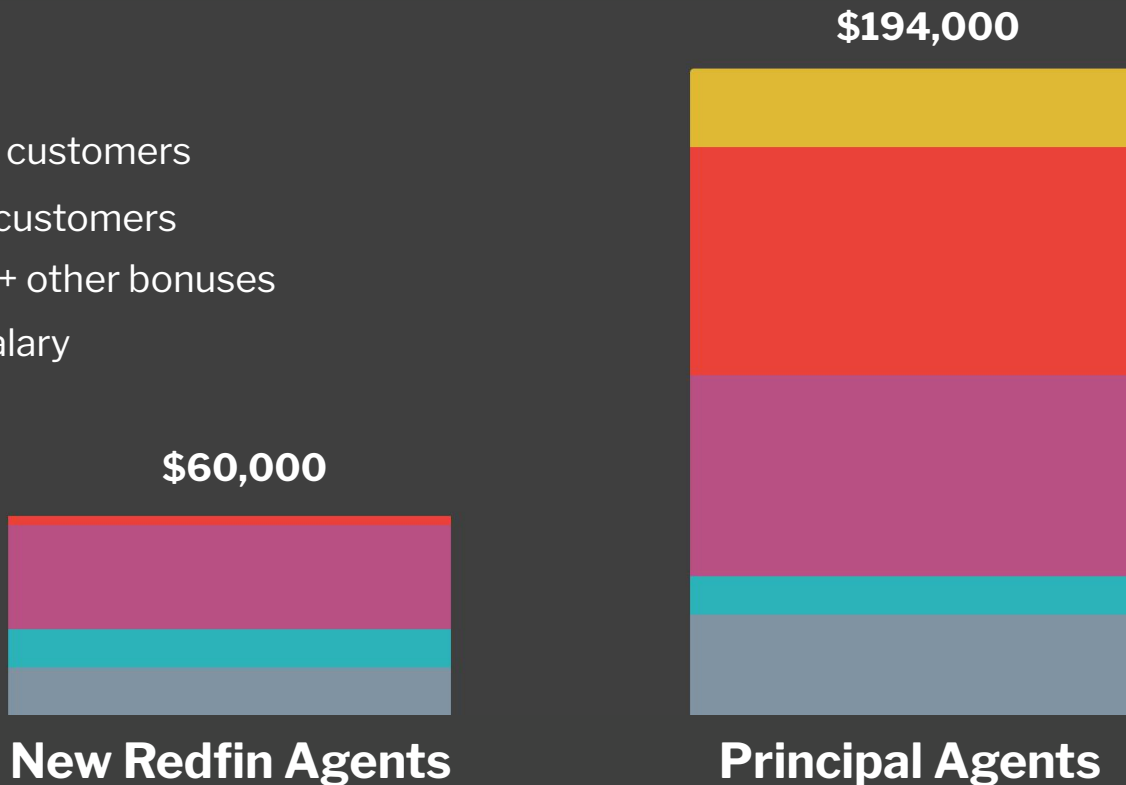


The Hybrid Agent



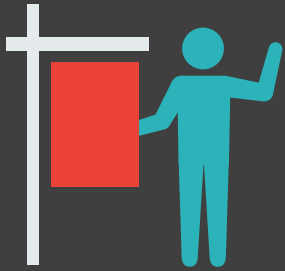
Redfin Farmers Become Hunters

- Equity
- Loyalty customers
- Online customers
- Events + other bonuses
- Base salary



More Customer Value, More Money for All

1% vs. 3%

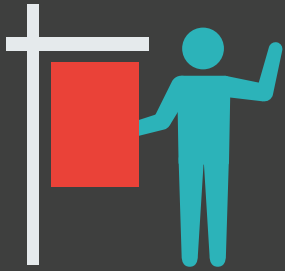


Brokerage

e

More Customer Value, More Money for All

1% vs. 3%



Brokerage
e

2022: Refinancings ↓ 70%



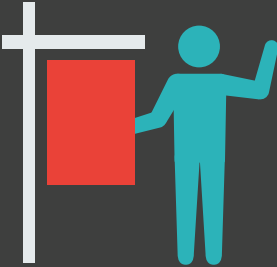
Lender



Title
Company

More Customer Value, More Money for All

1% vs. 3%



Brokerage

2022: Refinancings ↓ 70%



Lender



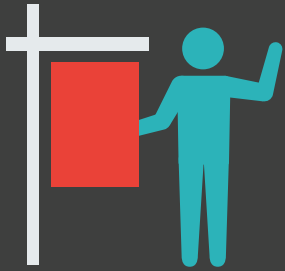
Title Company



iBuyer

More Customer Value, More Money for All

1% vs. 3%

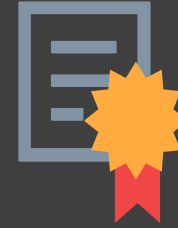


Brokerage

2022: Refinancings ↓ 70%



Lender



Title Company

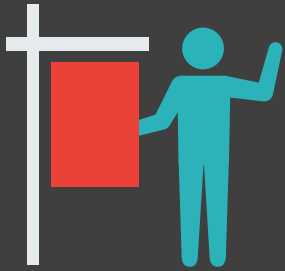


iBuyer

Employees of One Company

More Customer Value, More Money for All

1% vs. 3%

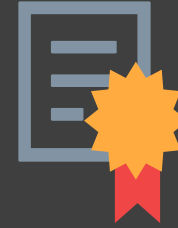


Brokerage

2022: Refinancings ↓ 70%



Lender



Title
Company



iBuyer

A Customer's
Worth More
Than Ever

Employees of One Company

Thank You!

@glennkelman