

CAMP + KING

RE/MAX[®]—

Revisiting the *Future of Real
Estate in 2022*

03.04.22

A year after the Future of Real Estate report, Camp + King sought to learn, what, if anything, has shifted for buyers and sellers in 2022?

Questions we sought to answer:

- With offices + schools opening, how are people defining their home? Is it still a hub or has it evolved?
- Is migration still an active trend? To where are people migrating?
- How can agents add value in helping a buyer create their dream home?
- What is the role of virtual buying and selling?
- What do buyers and sellers need most from their agents? How are people defining 'trust' today in their relationships with agents?

Quantitative

- Created + fielded a proprietary study with ~400 consumers
- All respondents had bought and/or sold a home in last 18 months, or intend to buy or sell in next 24 months
- Questionnaire was developed from 2021's Future of Real Estate study to allow directional comparison of trending
- Surveys completed February 2021

Qualitative

- Conducted four real estate industry expert interviews; three of the experts were interviewed in 2021's Future of Real Estate research
- All experts have agreed to an annual interview with Camp + King and RE/MAX to identify future shifts
- Titles included NAR's Sr. Economist + Director of Forecasting, former Director of Urban Design for the City of Toronto, lecturer of Real Estate at Kellogg Northwestern University, and Professor at NYU's Schack Institute of Real Estate
- Interviews completed February 2021

Secondary data

- Audited competitive advertising from last several years
- Deep dive + analysis on national + regional real estate trends
- Analysis of current home buyer/seller reviews + stories

—
Methodology—a closer look
at the expert interviews



Barry Hersch

*Clinical Associate
Professor at NYU Schack
Institute of Real Estate*



Denise Akason

*Lecturer of Real Estate at
Kellogg Northwestern
University*



Ken Greenberg

*Former Director of Urban
Design for the city of
Toronto*



Nadia Evangelou

*Senior Economist and
Director of Forecasting at
the National Association
of REALTORS®*

Takeaways

Definition of Home

Though a lot has changed since our report last year — people see their home in the same way: as a place of security, connection, and comfort.

Priorities uncovered by Covid (outdoors, home entertainment, WFH luxuries) and will continue to be prioritized.

Rural Migration

The migration out of urban areas continues at a slower rate. Almost 40% of people who moved to a less densely populated area during the pandemic intend to move back within 5 years — which means the real estate lifecycle could be getting shorter.

Creating Dream Home

3/4 of people do not expect to buy their 'dream home' upfront. An agent can most add value by helping them envision improvements they can make vs. helping them actually execute design and renovation

Digital Future

A combo of tech fatigue and desire for human connection is resulting in a more selective use of tech. Clients want a balance of virtual and in-person communication with their agent, and see great value in tech efficiencies like virtual showings.

Expansion of Trust

Homes occupy a more emotional space than before the pandemic, meaning establishing trust is also more emotionally-driven than in the past. To establish trust with their client, agents should make them feel comfortable, prioritized, and heard.

Agent Value

Where agents provide the most value in the process shifts with the market. In a cooling market, sellers are need less help choosing offers. After the pandemic's 'Hammer & Drill' boom, buyers are don't need their agent's help as much with home design.

—
How are people defining their home?

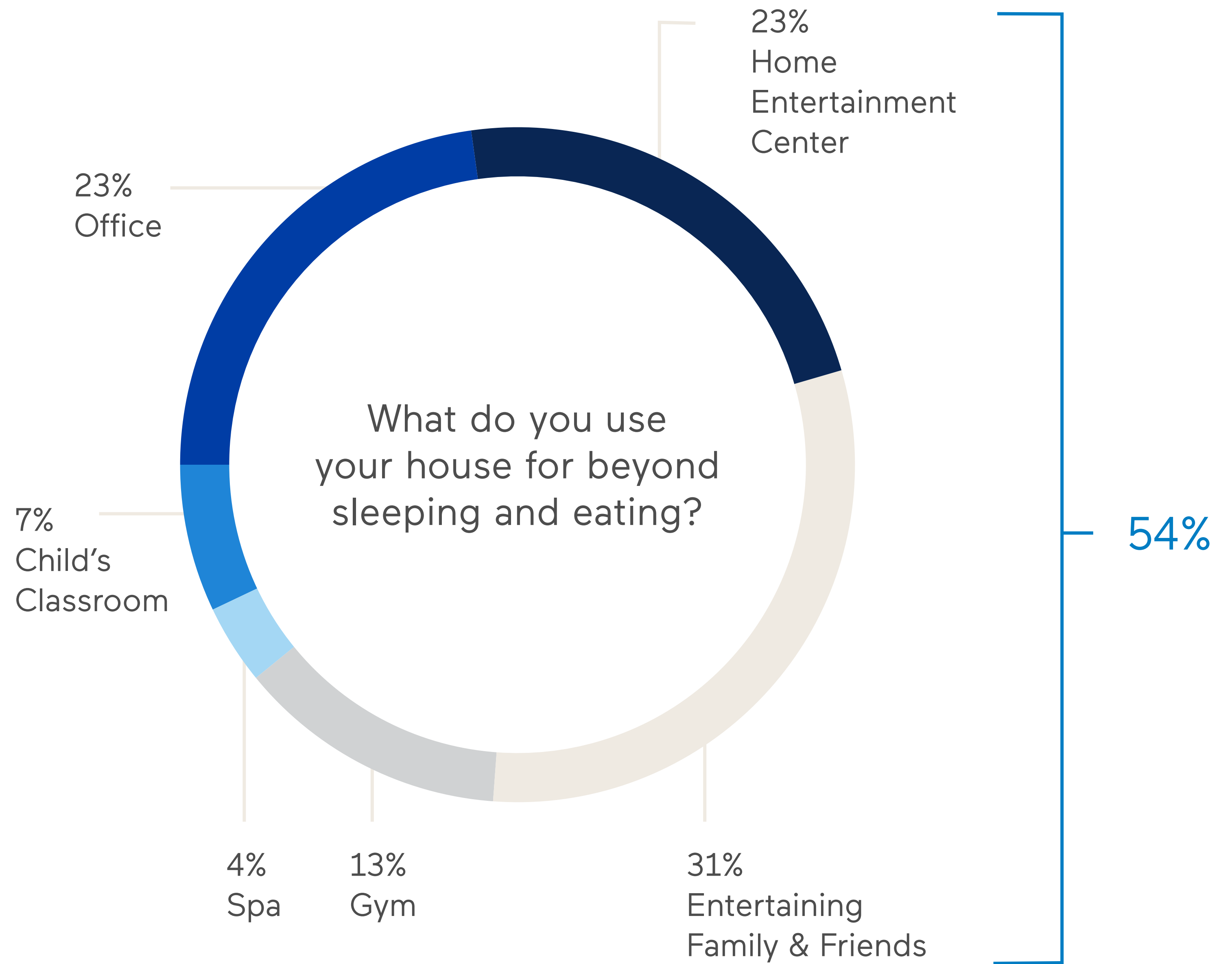
—
Emotional attachment to
home continues in 2022

Home has a similar role as it did
in the height of the pandemic—
a place of security, connection,
and comfort.

How would you describe your relationship with your home?

May 2021	February 2022
A safe space	A safe space
A place to make loved ones feel comfortable	A place to make loved ones feel comfortable
My home is my castle	I like to do DIY in my home to make my own mark
My home is a fun place	My home is my castle
I like my home to be simple and straight-forward in design	Having a great home gives me confidence

Respondents are *more likely* to say they entertain in their home than use it as a home office—suggesting priorities.



“More entertaining in the home is happening. I’m going to make dinner for my friends because I’ve been practicing my cooking for the past two years. Instead of going to a busy restaurant, I’ll host two couples in my home.”

— Denise Akason, lecturer of Real Estate at Kellogg Northwestern University

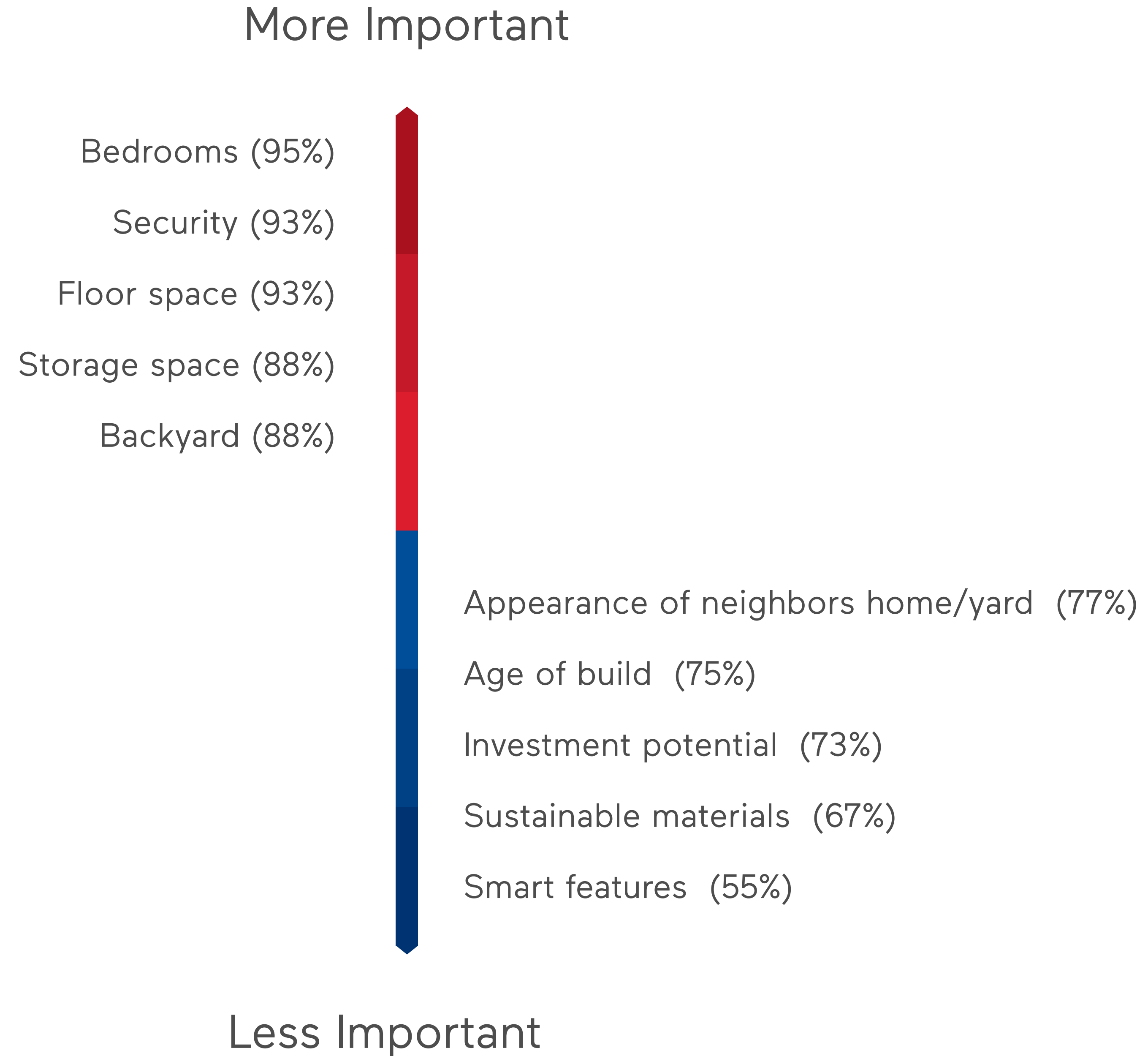
Reflection of status to a reflection of values

Only 7% of people want their home to be a symbol of their success (last) and 9% love hosting parties at their homes (second to last). Homes are no longer about showing off to as many people as possible—they are about creating a safe space for close family and friends.

“People used to be seduced by home features. Now the attention has shifted to: What is my life like? What will I be able to do with my time? How will I use my space with my family? People are seeing the space with practical lifestyle considerations.”

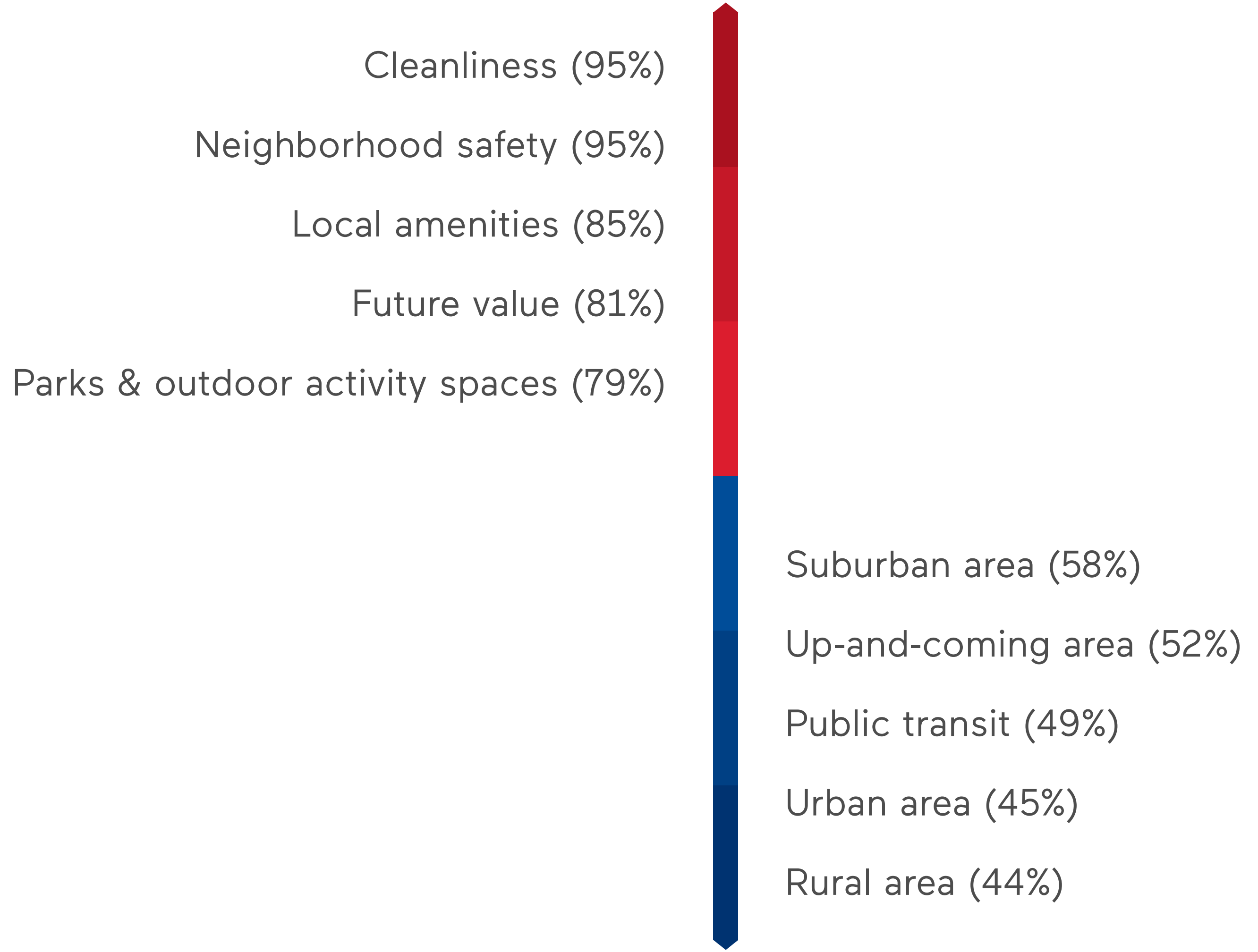
— Ken Greenberg, former Director of Urban Design for the city of Toronto

When looking for a new home, three attributes rise to the top in importance of the property and surrounding area: **safety, space and outdoors.**



—
Surrounding Area

More Important



Less Important

—
What is the role of migration right now?

While the media portrayed a flight from cities — almost half of people who moved in the pandemic stayed put geographically.

I moved to a less densely populated area (ex: from a city to a suburb)	39%
I moved within the same city or town	43%
I moved to a more densely populated area (ex: from a suburb to a city)	18%

—
More are returning to the office—but most
are still working from home at least partially

2020

71%

*Are currently
working from home*

2021

68%

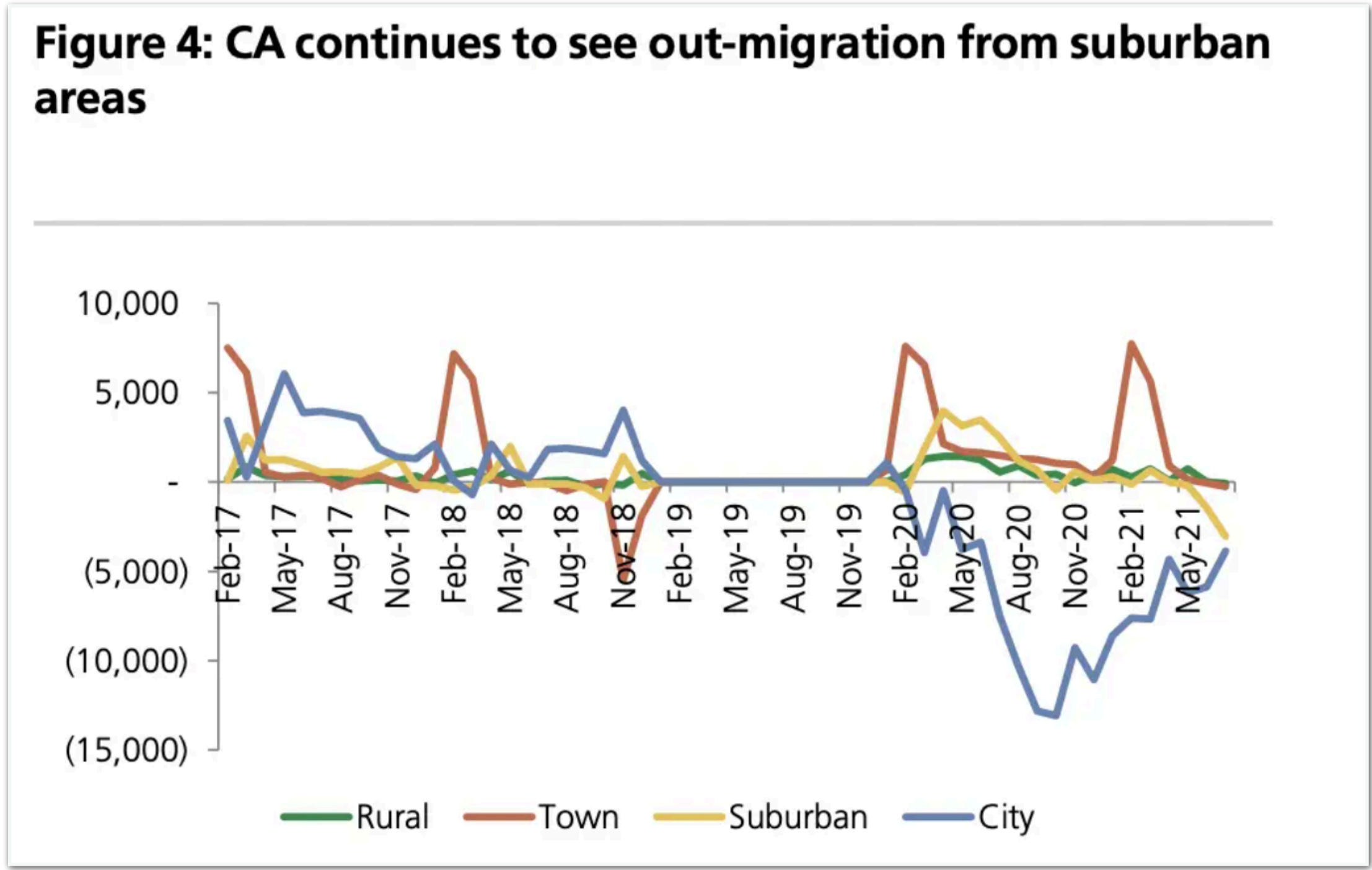
*Of white collar workers are
working partially or fully remote*

2022

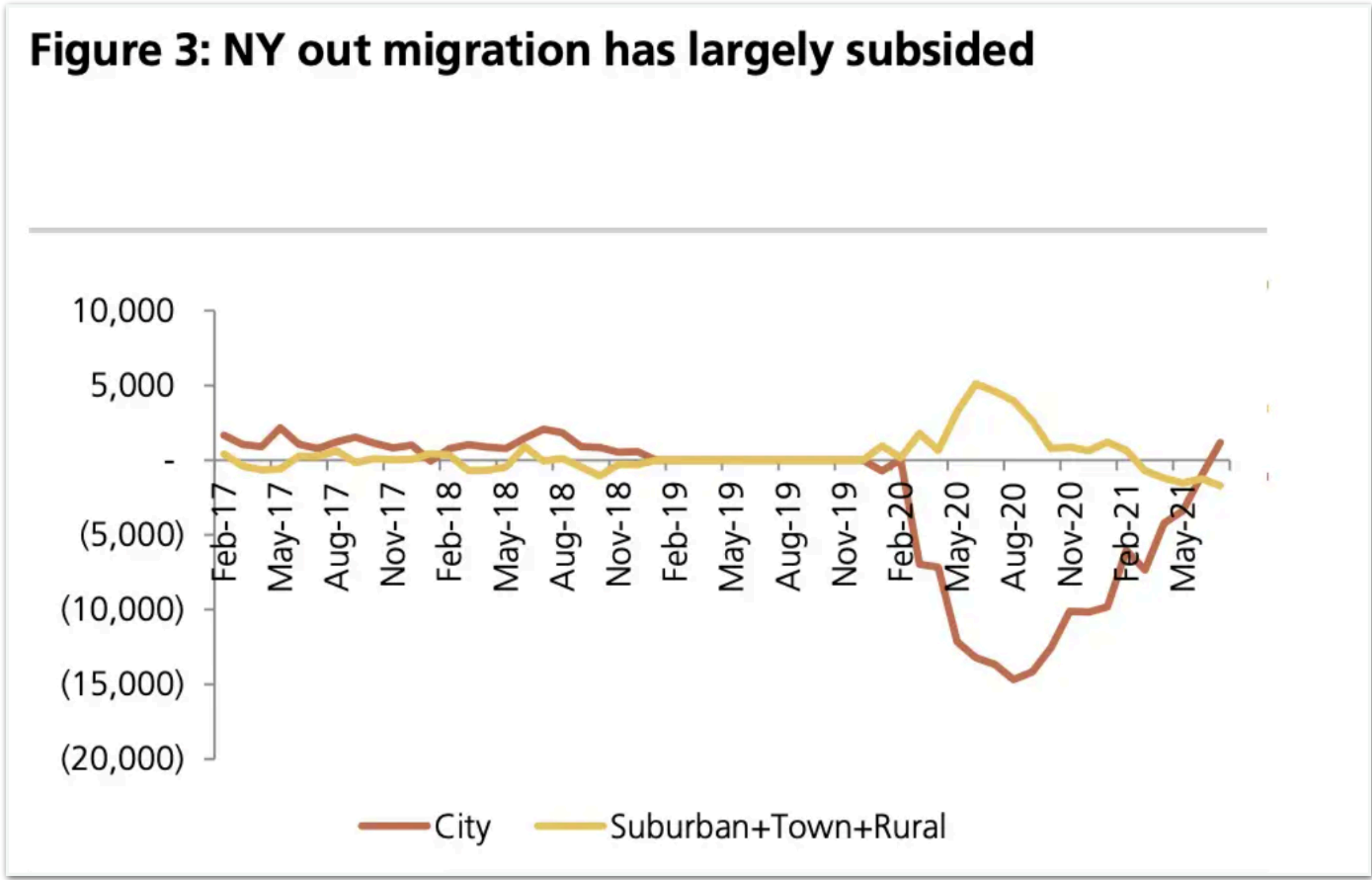
55%

*Are working partially
or fully remote*

City out-migration is still happening, but at a slower rate

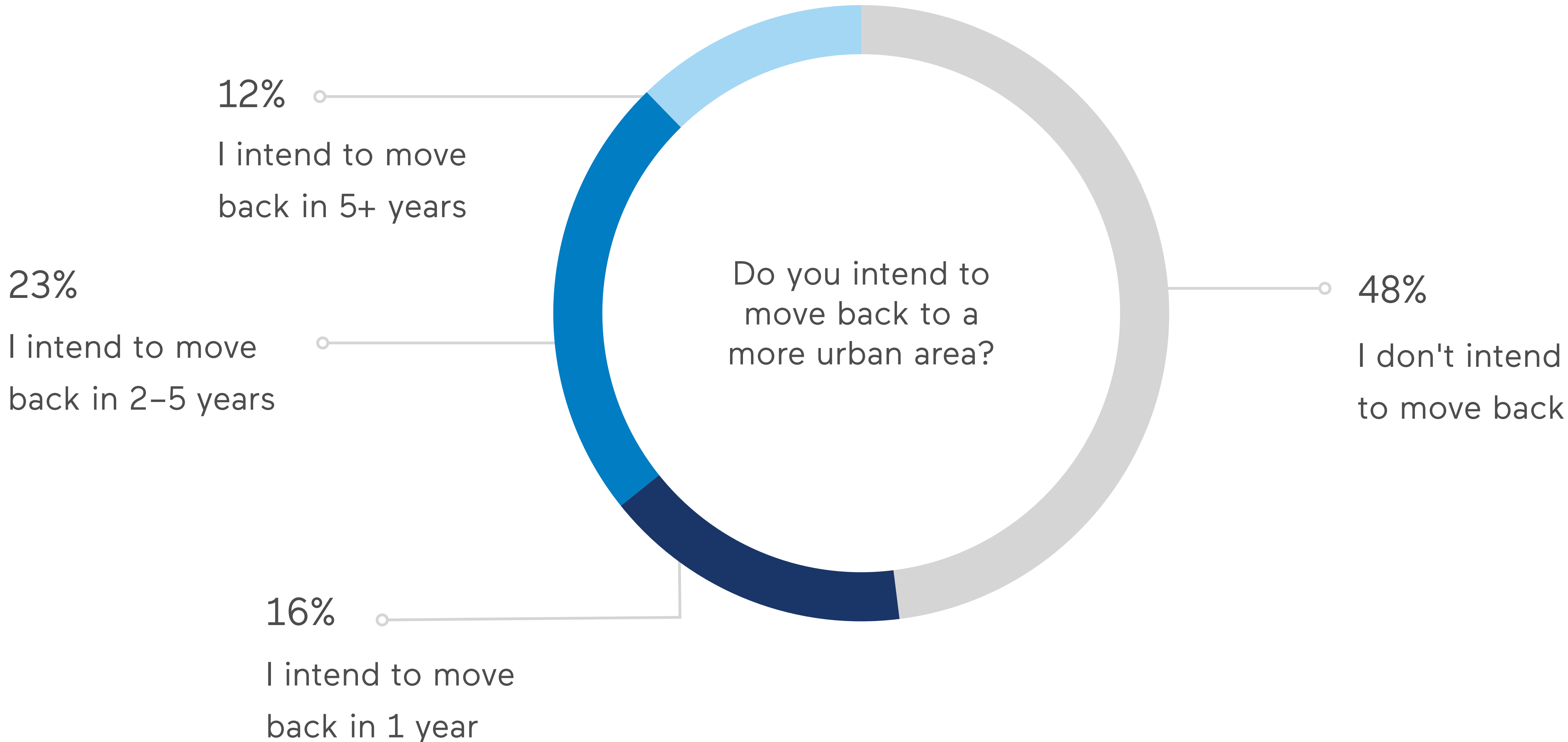


Cities high rates of out-migration has slowed



New York's out-migration rates have plummeted

—
Of those that moved to less urban areas, over half plan to return



We asked respondents why or why not they would move back to a more urban area.

Intend to Move Back

*I want access to **more services and features.***

*Because **I thrive better** in those type of areas.*

*I'm living in this house right now to **take care of my mom** she lives next door.*

*All my **friends and my personal interests** are held or in the urban area currently.*

*Better **employment and entertainment opportunities***

*I love city life. It's a lot **more diverse.***

*My job looks like it **going back fulltime** in the office.*

Don't Intend to Move Back

*I have **less of a commute now** after COVID and can get more home for my money further away from the city. Since I'm not tied to a physical location by my job the move made sense.*

*I never had to move because of the pandemic. We **leveraged the booming economy to upgrade our square footage and neighborhood.***

*Because I really like the location in where we live- everything is within **reasonable distance but still has a country feel.***

*I love to reside quiet suburban area to avoid **people and noise and traffic and crimes.***

*I have a bigger house, more property, and almost **half the price of my old house.***

In actuality, the suburbs became the darling of the pandemic for those that moved out of cities—not rural.

Convenience + Space

“People moved to the suburbs where they can still be near their work and/or because they figure they're going to eventually go back to the city. Their kids are in school and they can still be close to their friends. They are just a little more separate because they moved to the suburbs.”

— Denise Akason, Lecturer of Real Estate at Kellogg Northwestern University

Not Your Mother's Suburb

“The suburbs have changed to become more city-like. Nothing used to be open after 8:30, there were two restaurants and you had to go to the city to go out for fun. But now, the suburban downtowns have been rejuvenated and now create more of a city-like atmosphere in terms of restaurants and shops.”

— Denise Akason, Lecturer of Real Estate at Kellogg Northwestern University

New Style of Living

“I think people may gravitate from single family home environments to more authentic walkable neighborhoods, either in their own suburbs or to other ones. I can see this desire for this different way of living being a motivator for people.”

— Ken Greenberg, Principal of Greenberg Consultants

—
How can agents add value in helping create a buyer's dream home?

73%

Of buyers are looking for a home that requires updates, renovations or a full remodel.

—
But we're not all
Chip & Joanna Gaines

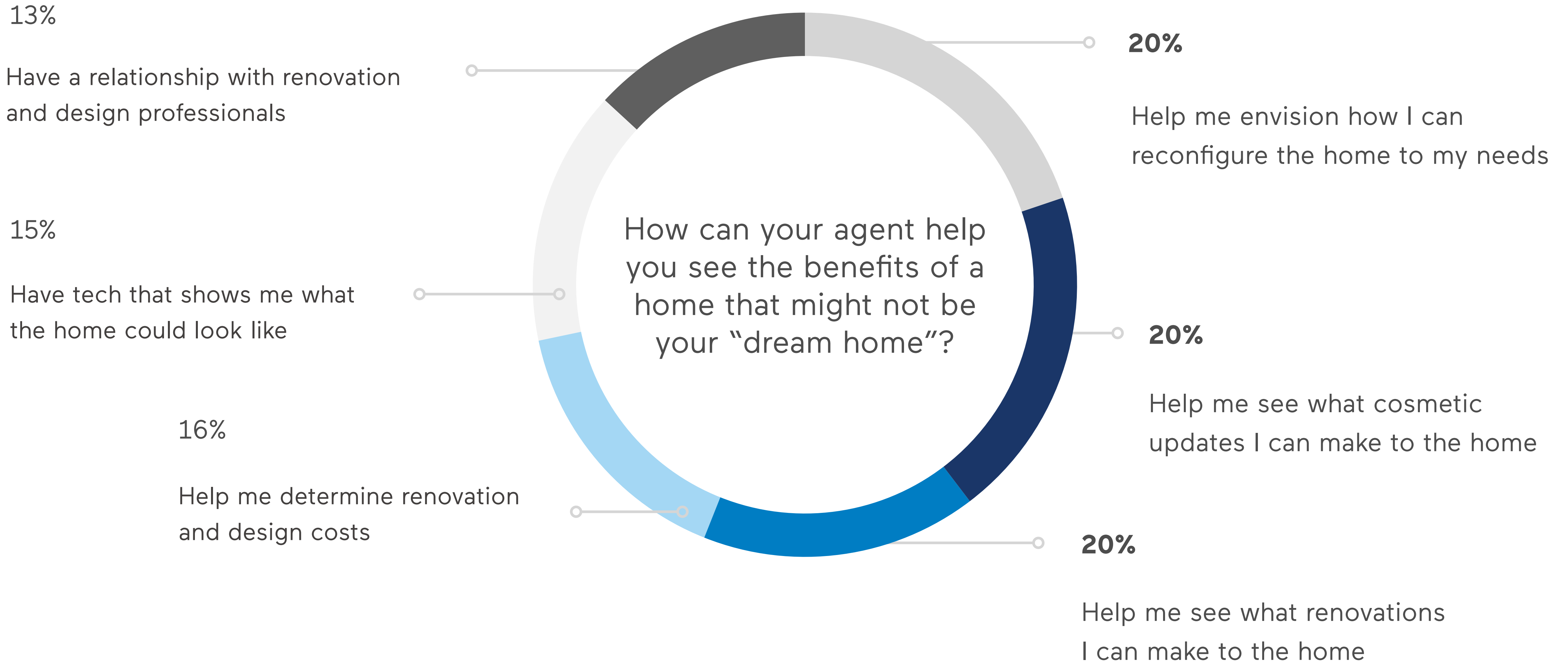
Affordability and time constraints
hinder renovation — people
would rather do less work.

I purchased or I'm looking to purchase...

My dream home – no updates needed	27%
A home that needs light cosmetic updates (ex: fresh paint, stucco, lighting fixtures)	38%
A home that needs some renovations (ex: cabinets, countertops, bathroom tile)	30%
A home that will need a complete remodel	5%

“I like to do DIY in my home to make my own mark” was the third most popular way people described their relationship with their home.

—
An agent's role is a visualizer
more than a facilitator



“You need someone who has enough of a design capability to sort of address the question you're asking. For example, I can tell you that 10 other houses in the neighborhood have added dormers so adding an extra bedroom upstairs is possible.”

— Barry Hersh, Clinical Associate Professor at NYU Schack Institute of Real Estate

—
What is the role of virtual
buying and selling today?

“We really desire being together with other people. But on the other hand, we’ve realized how powerful technology can be, how convenient it can be. It will lead us to a more selective use of tech.”

— Ken Greenberg, former Director of Urban Design for the city of Toronto

—
Virtual showings were the
darling of pandemic tech

60%

*Of people say seeing a virtual
showing before an in-person
showing is important*

—
3 out of 4 people want a mix of in-person and virtual interaction with their Agent

How much communication with your real estate agent do you want to be virtual vs. in-person?

100% Virtual	7%
In-person only for the most important moments	21%
An equal balance of virtual and in person	37%
Some virtual communication but mostly in-person	13%
100% in-person	22%

—
What does trust mean for buyers and sellers?

In the Future of Real Estate Report, 'Trust and familiarity with an agent' was the top attribute that buyers and sellers said would become more important to them over the next two years. We wanted to expand on trust. What does it mean for buyers and sellers?

—
Agent's soft skills have never been more important

The pandemic and its impact on buying and selling has affected how we define trust.

In 2022, more emotional attributes bubble to the top, while rational elements were generally less important.

Attribute	Rank
Always gives me an honest point-of-view	1
Makes me feel comfortable	2
Is transparent	3
Puts my needs over their sale	4
Fights to get me my dream home	5
Doesn't just hear me, listens to me	6
Holds my hand through the hardest parts of the process	7
Gives me a rational POV when I am caught up in emotions	8
Has data to back up their opinions	9
Makes me feel like I'm their only client	10

Then we asked respondents to provide examples of what their agent did to establish trust with them.

Honesty

*She gave her opinions, **whether they were positive or negative**, whenever I asked.*

*Helped me notice the problems with the property and was **honest with me about the property's features**.*

*Got me an honest overview of the neighborhood and when a **certain property was overpriced**.*

*They would have to be welcoming to begin with, but also be very honest, like brutally honest, **so I don't make a mistake and later regret it**. I would need them to listen to my needs from the beginning.*

Comfort

*I'm a fast reactor so **she slowed me down** and helped me see not everything is what it seems at a glance.*

*Never getting upset at all the houses we looked at and the time in it. Always by our side giving us ideas and **answering even the craziest questions**.*

*Helped me clarify what to prioritize what to do with an offer. She **was very calm** always knew what to do.*

*She explained an issue she had when purchasing her home. It was a quick fix and she **didn't get stressed about it because her realtor was great at seeing the big picture**.*

Transparency

*My agent steered us away from buying multiple houses that we liked because **she noticed structural problems or other problems that were covered up pretty well.** This gave us the utmost trust in her.*

*Shared what they felt was **real value as opposed to perceived,** also did lot of research regarding what was important to me, things I wanted to have in the house I wanted.*

*My Agent always **explains me the issues with the property which I could not see.***

***Pointed out flaws in my thinking** on what can be renovated and how easy/difficult it will be.*

My Needs Over Theirs

***Encouraged me to purchase a less expensive home because it better suited my needs** when she could have earned more commission by recommending a more expensive home I was considering.*

*My agent **didn't try to push what she wanted on me,** she did what was best for me.*

Willing to lose out on money to help our offer stand out.

*Shared what they felt was real value as opposed to perceived, also **did lot of research regarding what was important to me.***

—
Where do buyers and sellers
need their agent most?

For buyers, a decrease in importance in home design help is the most notable shift. Buyers want agent help to visualize their dream home, but can handle execution on their own.

2021

Most important:

Negotiate offer

Showings

Home design

Least important:

Securing funds

Home repairs/renovations

Identifying wants & needs

2022:

Most important:

Negotiate offer

Closing

Understanding process

Least important

Home repairs/renovations

Home design

Securing funds

For sellers, showings was the most notable rise in importance (#5 to #2).

Choosing offers decreased in importance, which reflects a cooler market.

2021

Most important:

Pricing home

Marketing home

Choosing offer

Least important:

Repairs/renos

Identify wants & needs

Closing

2022:

Most important:

Pricing home

Showings/open houses

Marketing home

Least important:

Staging

Identify wants & needs

Repairs/renos

—
Thank You