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## ***DEFINING SERVICE EXCELLENCE IN REAL ESTATE***

### ***Summary Report***



Simplified **Understanding**

February 2017



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## OBJECTIVES & METHODOLOGY



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# Objectives & Methodology



## Background & Objectives

- The Alberta Real Estate Association (AREA) was interested in conducting market research to better define what it means to achieve professional excellence in real estate.
- The key objectives of the research were to:
  - Better understand what real estate consumers want and value from real estate professionals when purchasing or selling a home;
  - Define what excellence means to Alberta real estate consumers and the real estate industry; and
  - Determine if there are any differences in attitudes and perceptions by demographic variables, such as age, gender, income, and region.



## Research Phases

- **Phase I:** In-depth interviews with 17 key stakeholders
- **Phase II:** Three online bulletin board focus groups with 33 Alberta real estate consumers
- **Phase III:** Online survey with 1,010 Alberta real estate consumers and 583 members.



## Methodology: Online Survey



- Insights West conducted an online survey with 1,010 Alberta residents from January 10 to 19, 2017. Respondents were screened to include those who:
  - Have purchased or sold a home/property in the past five years; OR
  - Plan to purchase or sell a home/property in the next five years.
- A sample of 1,010 respondents is considered accurate within +/-3.1%, 19 times out of 20.
- The data was weighted by age, gender, region and incidence of home/property purchasers/sellers according to Census Canada data.
- The breakdown of respondents by region is provided below:

	# of Respondents
Calgary CMA	335
Edmonton CMA	331
Northern AB	89
Central AB	120
Southern AB	135
	<b>1,010</b>

- Significant differences between sample subgroups are marked as follows:
  - ▲ Statistically significantly higher than comparison group(s)
  - ▼ Statistically significantly lower than comparison group(s)





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## KEY INSIGHTS



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## Key Insights

**When consumers were asked to indicate the words that they would use to describe REALTORS®, all but one of the top 8 descriptions were positive.**

- The key REALTOR® descriptions are professional, salesperson, and negotiator, followed by organized, good communicator, and hardworking. One-third would also use the words expensive and expert.

**AB real estate consumers have positive perceptions of their overall experience with AB REALTORS®, and the vast majority are likely to use the same REALTOR® if the need arises in the future. Given the more stressful nature of selling real estate, it is not surprising that sellers generally have less favourable opinions than purchasers.**

- When purchasers were asked to evaluate the overall REALTOR® experience for their most recent home purchase, 6-in-10 award high 8 to 10 ratings on the 10-point scale. The average score stands at 7.7.
- This compares to a lower average rating of 7.2 out of 10 among home sellers, with half reporting a high 8 to 10 score.
  - Among both purchasers and sellers, older real estate consumers award higher ratings than their younger counterparts.
- The majority of real estate consumers are likely to use the same REALTOR® in the future. However, likelihood is higher among home purchasers than home sellers.



## Key Insights (continued)

**AB consumers are generally satisfied with the various aspects of dealing with their REALTOR®. Real estate purchasers award the highest scores for most REALTOR® attributes.**

- AB home purchasers award the highest scores for ensuring correct completion of the contract/paperwork, knowledge about the local real estate market, helping navigate through all steps in the process, and ensuring the entire process goes smoothly.
  - The lowest ratings are recorded for following up after the purchase and developing strong personal relationships.
- Real estate sellers also award high scores for ensuring correct completion of the contract/associated paperwork, knowledge about the local real estate market, and helping navigate all steps in the process.
  - Going above and beyond expectations and following up after the sale receive the lowest scores among real estate sellers.
- Compared to purchasers, sellers are less satisfied with ensuring the process goes smoothly, being attentive to clients' unique needs, working hard to get the best price, going above and beyond, and following up after the purchase/sale to ensure clients are happy.
- According to recent home buyers/sellers, the most important REALTOR® characteristics are associated with REALTOR® knowledge and keeping clients' best interests in mind at all times:
  - Is knowledgeable about the local real estate market
  - Has the knowledge to protect clients from potential risks
  - Has clients' best interests in mind at all times
  - Negotiates a fair price on clients' behalf





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## ***DETAILED FINDINGS***



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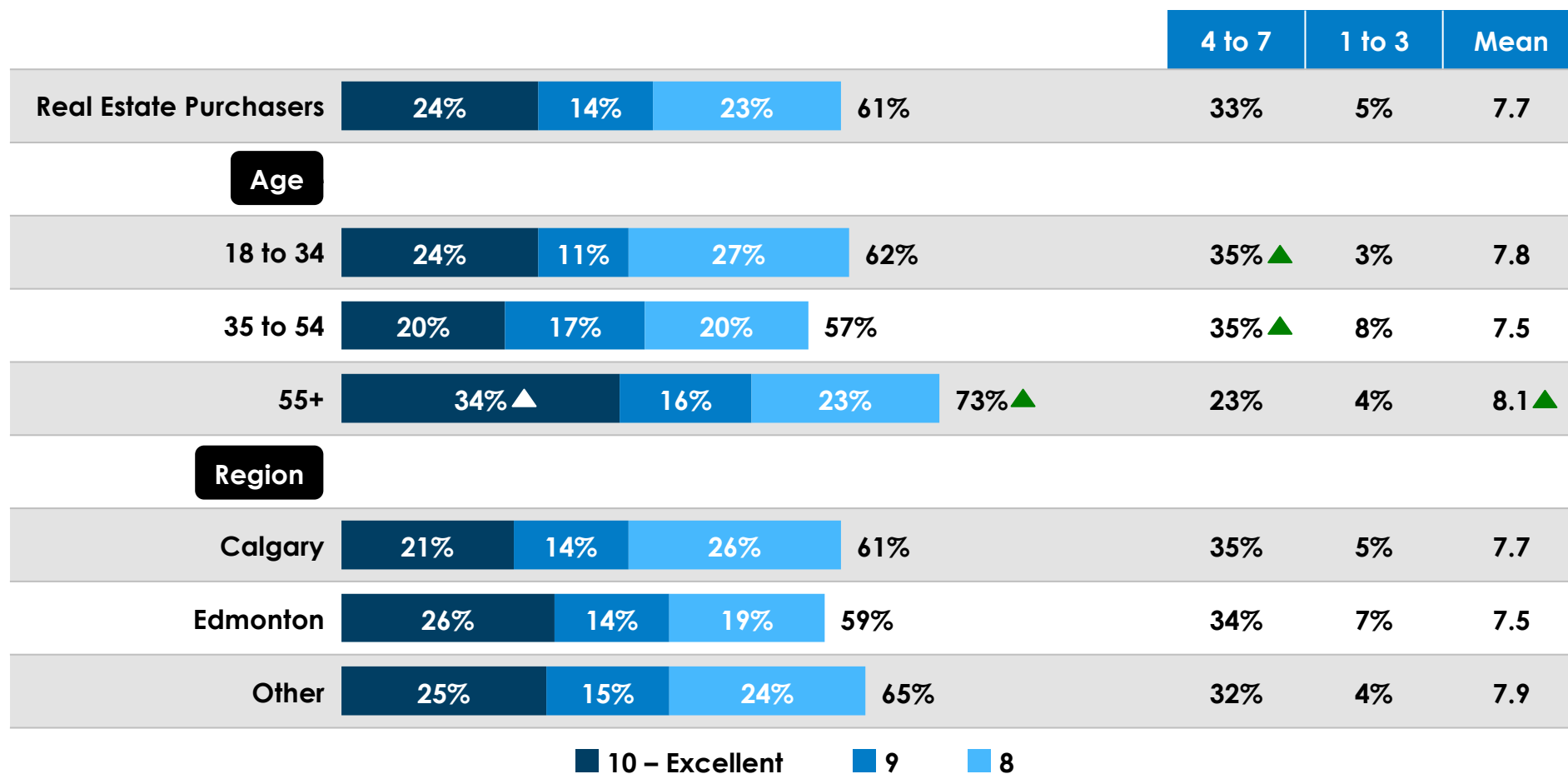
## **Overall REALTOR® Experience**

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## Overall REALTOR® Experience: Purchase

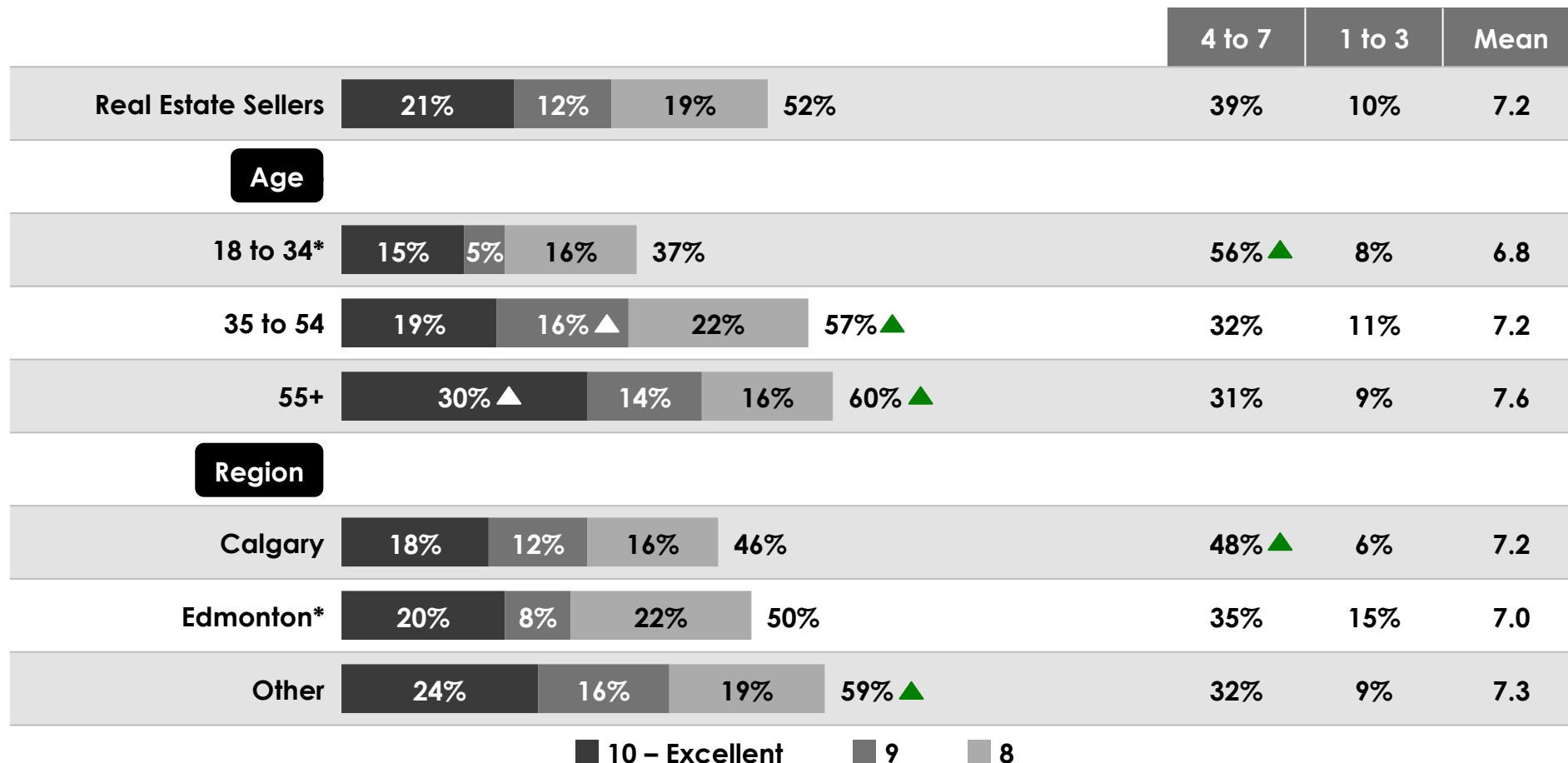


Base: Past home purchasers (n=618)

A3. Thinking about your most recent home/property purchase, how would you rate your overall experience with the REALTOR®?



## Overall REALTOR® Experience: Sale



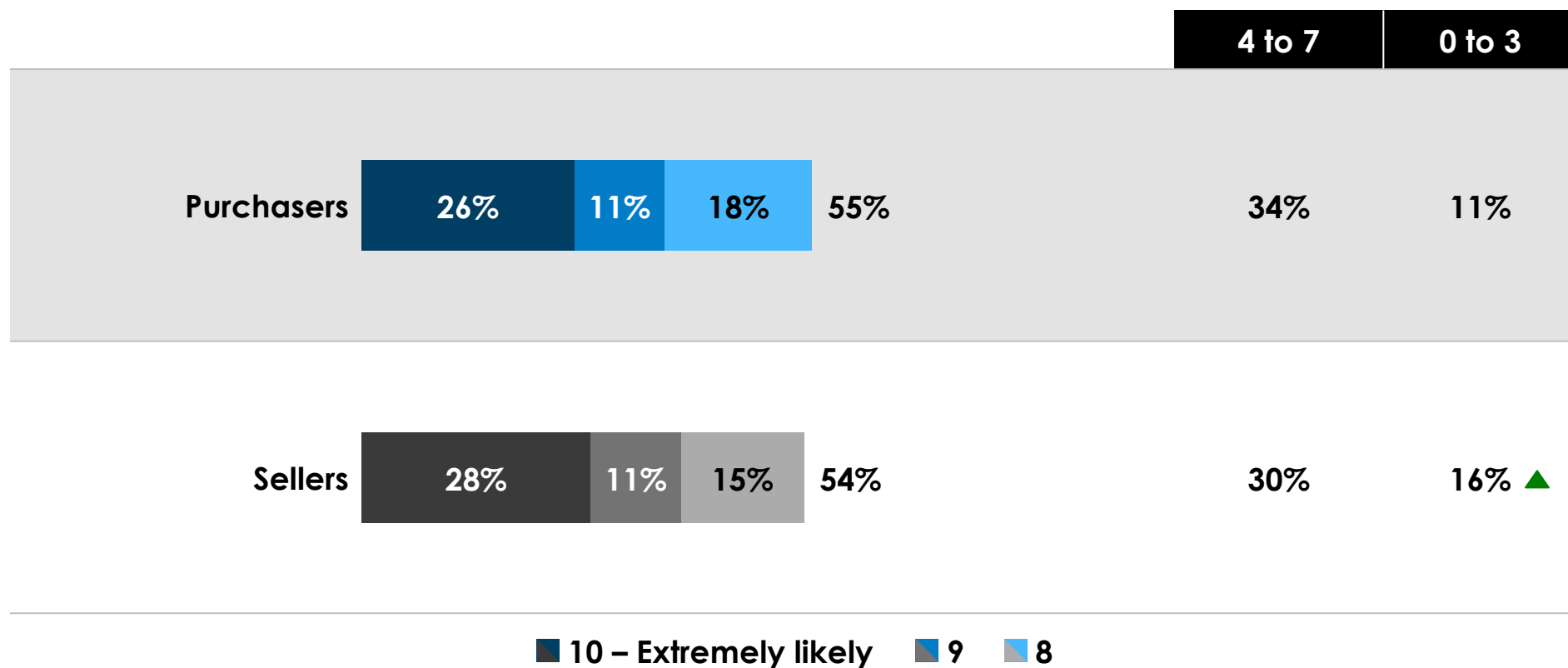
\* Small base size, interpret with caution.

Base: Past home sellers (n=377)

A4. Thinking about your most recent home/property sale, how would you rate your overall experience with the REALTOR®?



## Likelihood to Recommend REALTOR®

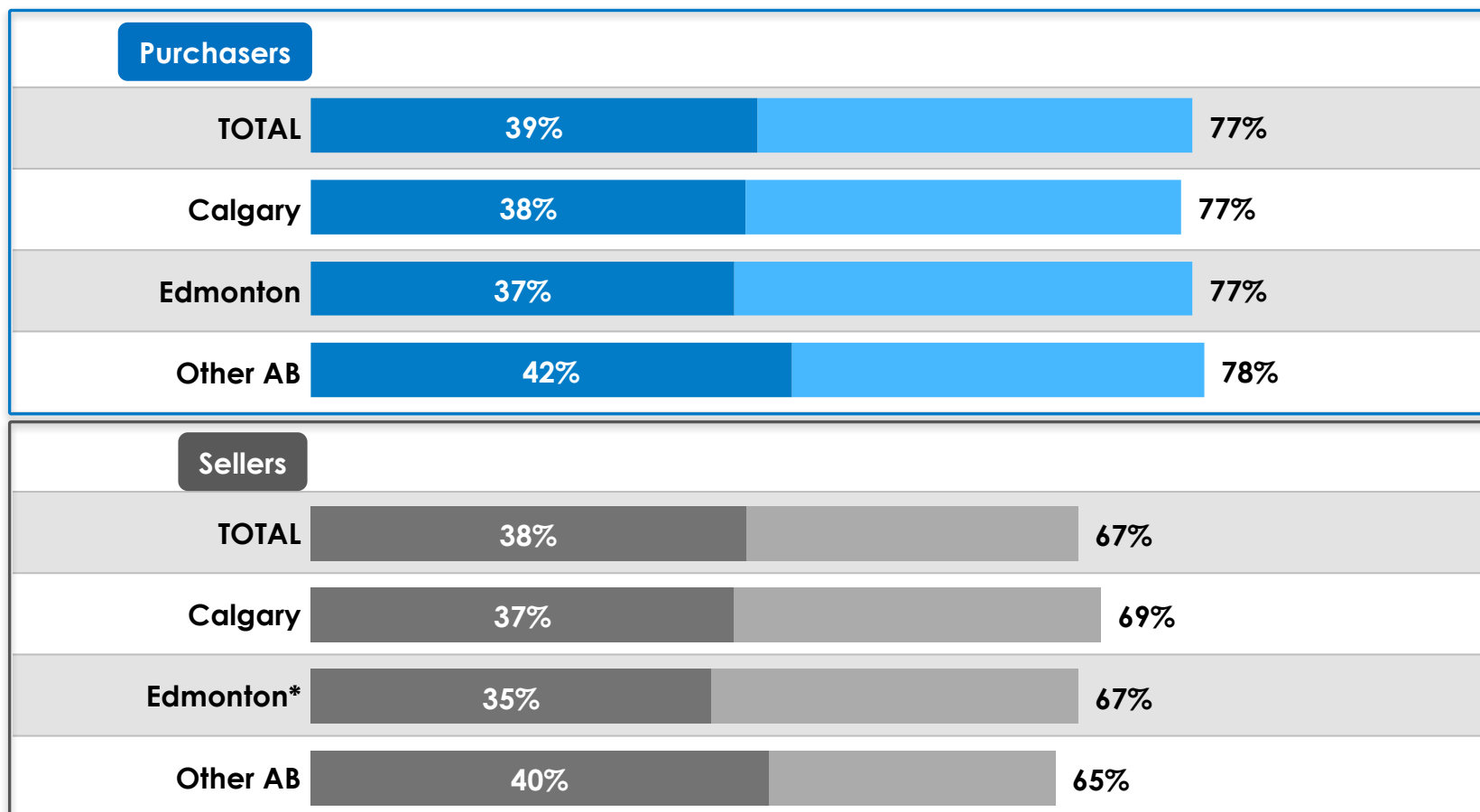


Base: Past home purchasers (n=422) / Past home purchasers sellers (n=321)

A6. Thinking about the REALTOR® you used for your most recent [home/property purchase / sale], how likely are you to recommend this REALTOR® to friends or family?



## Likelihood of Using Same REALTOR® for Future Property Purchase/Sale



\*Small base size, interpret with caution.

Base: Past home purchasers/sellers

A8. Thinking about the REALTOR® you used for your most recent home/property [purchase /sale]

if you were planning to purchase or sell a property in the future, how likely would you be to use the same REALTOR®?





## ***Most Important REALTOR® Characteristics***

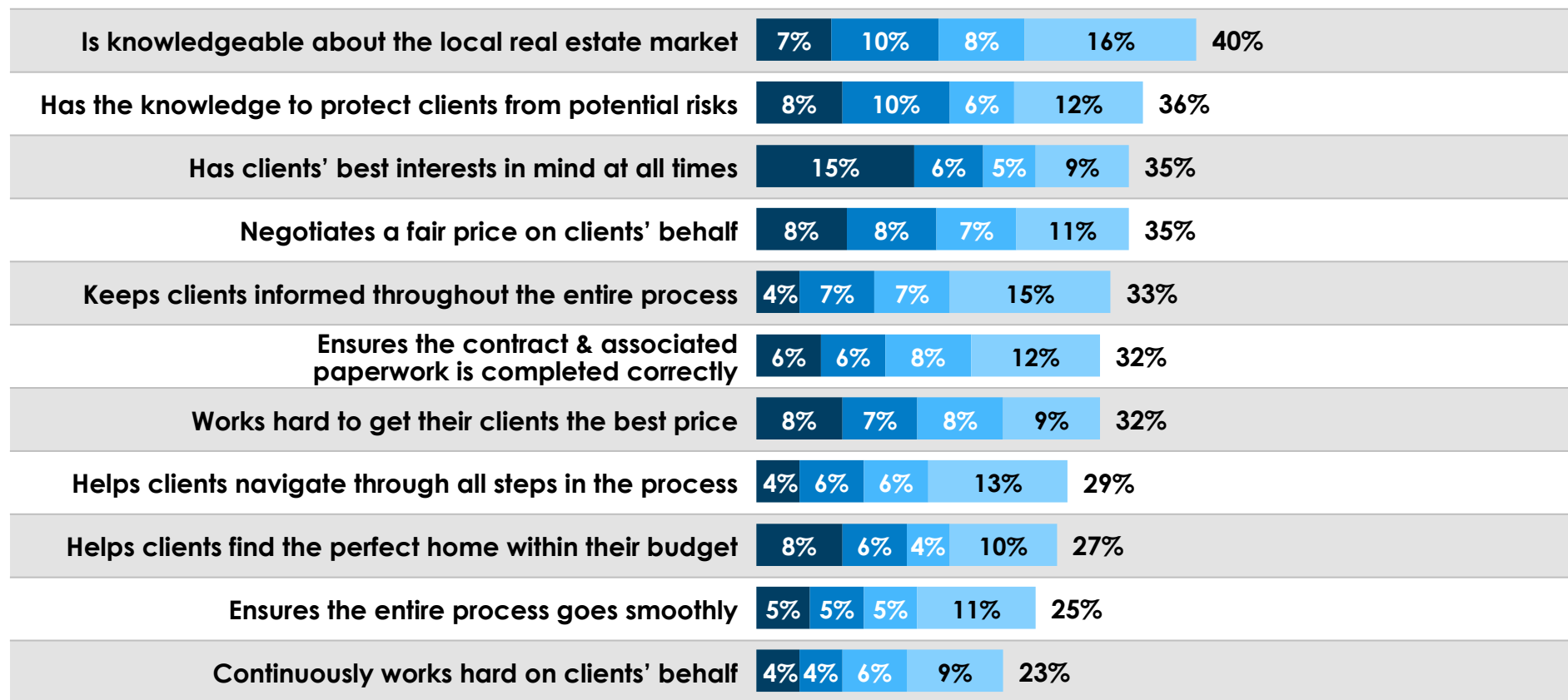
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## Most Important Characteristics When Choosing a REALTOR®

### Real Estate Consumers



■ #1 – Most important ■ #2 ■ #3 ■ #4 & #5

Base: Total real estate consumers (n=1,010);

A2a. From the list below, what are the five most important characteristics when choosing a REALTOR®?

A2b. Provided below are the characteristics you selected as most important when choosing a REALTOR®. Please rank each characteristic from most important to least important.



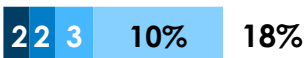
## Most Important Characteristics When Choosing a REALTOR® (continued)

### Real Estate Consumers

Provides good value for the commission paid



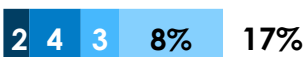
Provides recommendations for other services



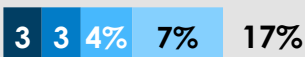
Goes above & beyond what is expected



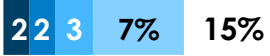
Takes the time to understand clients' real estate goals



Is attentive to each client's unique needs



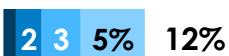
Willing to work all hours of the day to help  
clients sell/buy a property



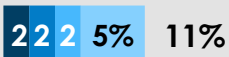
Follows up after the sale/purchase to  
ensure their clients are happy



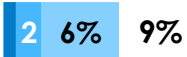
Uses marketing tools efficiently to market properties



Develops strong personal relationships with clients



Gives clients early access to listings  
before they are released publicly



■ #1 – Most important ■ #2 ■ #3 ■ #4 & #5

Base: Total real estate consumers (n=1,010);

A2a. From the list below, what are the five most important characteristics when choosing a REALTOR®?

A2b. Provided below are the characteristics you selected as most important when choosing a REALTOR®. Please rank each characteristic from most important to least important.



## Most Important Characteristics When Choosing a REALTOR®: By Region

TOP 3	Real Estate Consumers (n=1,010)	REGION		
		Calgary (n=335)	Edmonton (n=331)	Other (n=344)
Has clients' best interests in mind at all times	27%	28%	26%	25%
Is knowledgeable about the local real estate market	25%	27%	24%	23%
Has the knowledge to protect clients from potential risks	25%	27%	24%	22%
Negotiates a fair price on clients' behalf	24%	27%	22%	24%
Worked hard to get their clients the best price	23%	24%	18%	25%
Ensures the contract & associated paperwork is completed correctly	21%	23%	22%	18%
Keeps clients informed throughout the entire process	18%	15%	20%	19%
Helps clients find the perfect home within their budget	18%	17%	20%	16%
Helps clients navigate through all steps in the process	15%	15%	16%	16%
Continuously works hard on clients' behalf	15%	15%	12%	16%
Ensures the entire process goes smoothly	14%	10%	21% ▲	13%

Base: Total real estate consumers (n=1,010)

A2a. From the list below, what are the five most important characteristics when choosing a REALTOR®?

A2b. Provided below are the characteristics you selected as most important when choosing a REALTOR®.

Please rank each characteristic from most important to least important.



## Most Important Characteristics When Choosing a REALTOR®: By Region (continued)

TOP 3	Real Estate Consumers (n=1,010)	REGION		
		Calgary (n=335)	Edmonton (n=331)	Other (n=344)
Provides good value for the commission paid	12%	13%	14%	11%
Is attentive to each client's unique needs	10%	7%	9%	13%▲
Takes the time to understand clients' real estate goals	9%	10%	8%	10%
Willing to work all hours of the day to help clients sell/buy a property	8%	8%	6%	9%
Provides recommendations for other services	8%	6%	8%	9%
Goes above & beyond what is expected	7%	5%	8%	9%
Uses marketing tools efficiently to market properties	7%	7%	9%	5%
Follows up after the sale to ensure their clients are happy	6%	7%	4%	8%
Develops strong personal relationships with clients	6%	6%	5%	7%
Gives clients early access to listings before they are released publicly	3%	4%	2%	3%

Base: Total real estate consumers (n=1,010)

A2a. From the list below, what are the five most important characteristics when choosing a REALTOR®?

A2b. Provided below are the characteristics you selected as most important when choosing a REALTOR®.

Please rank each characteristic from most important to least important.



## **REALTOR®** ***Perceptions***

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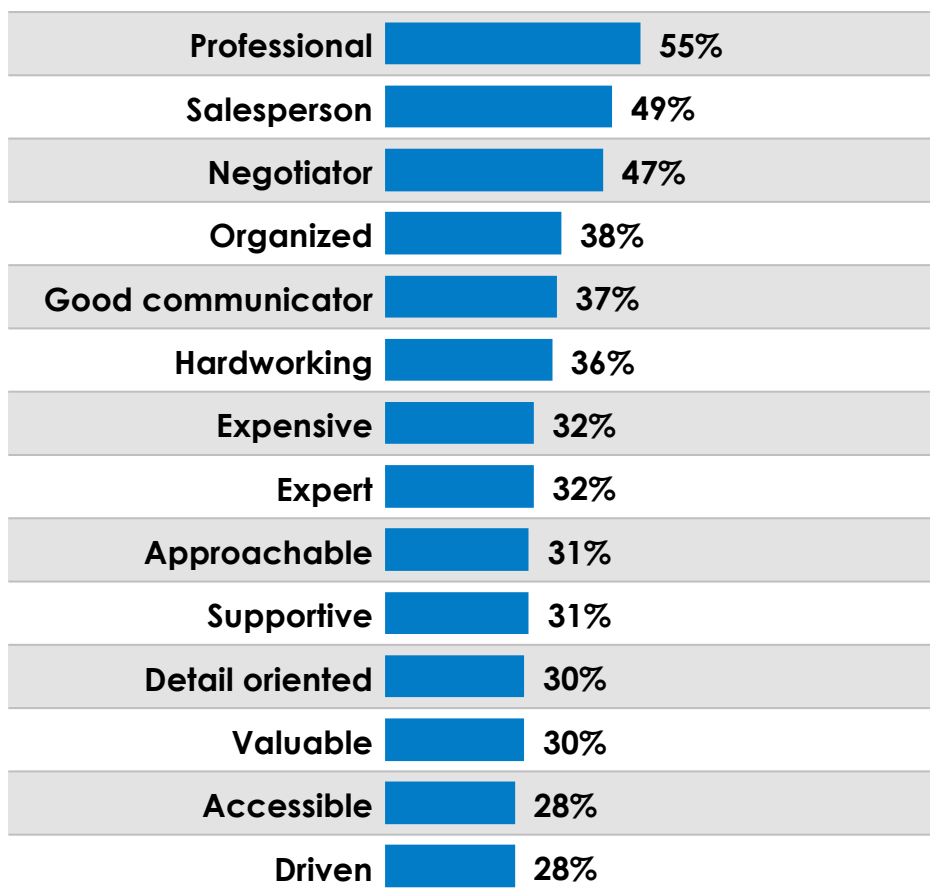




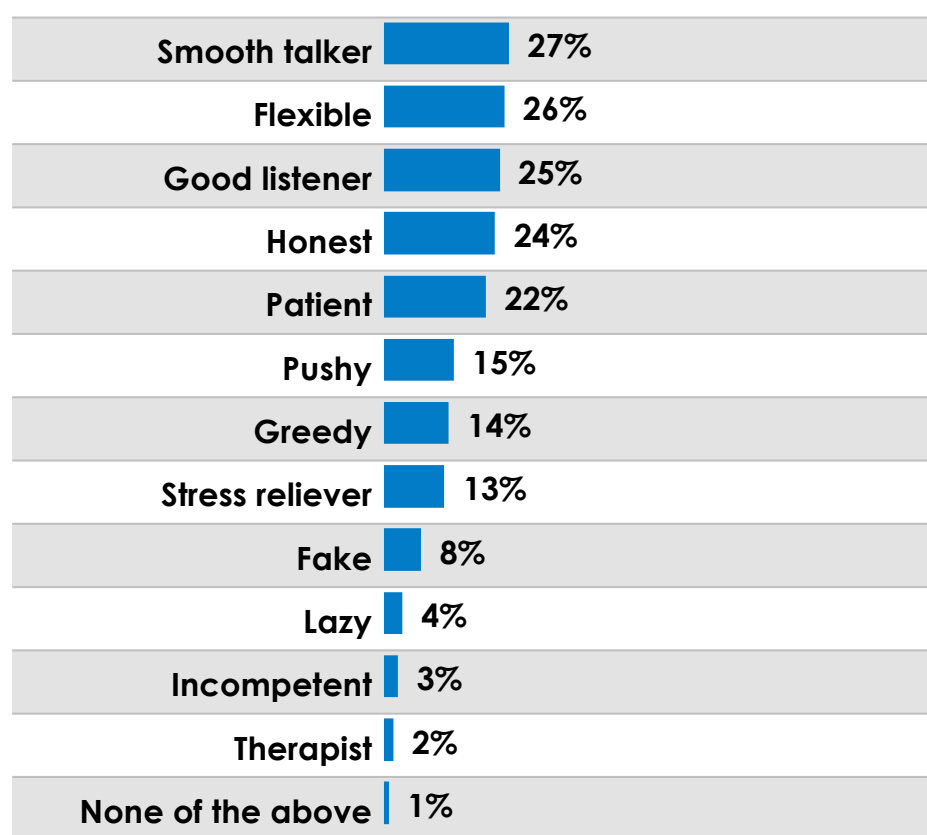


## Words to Describe REALTORS®

### Real Estate Consumers



### Real Estate Consumers

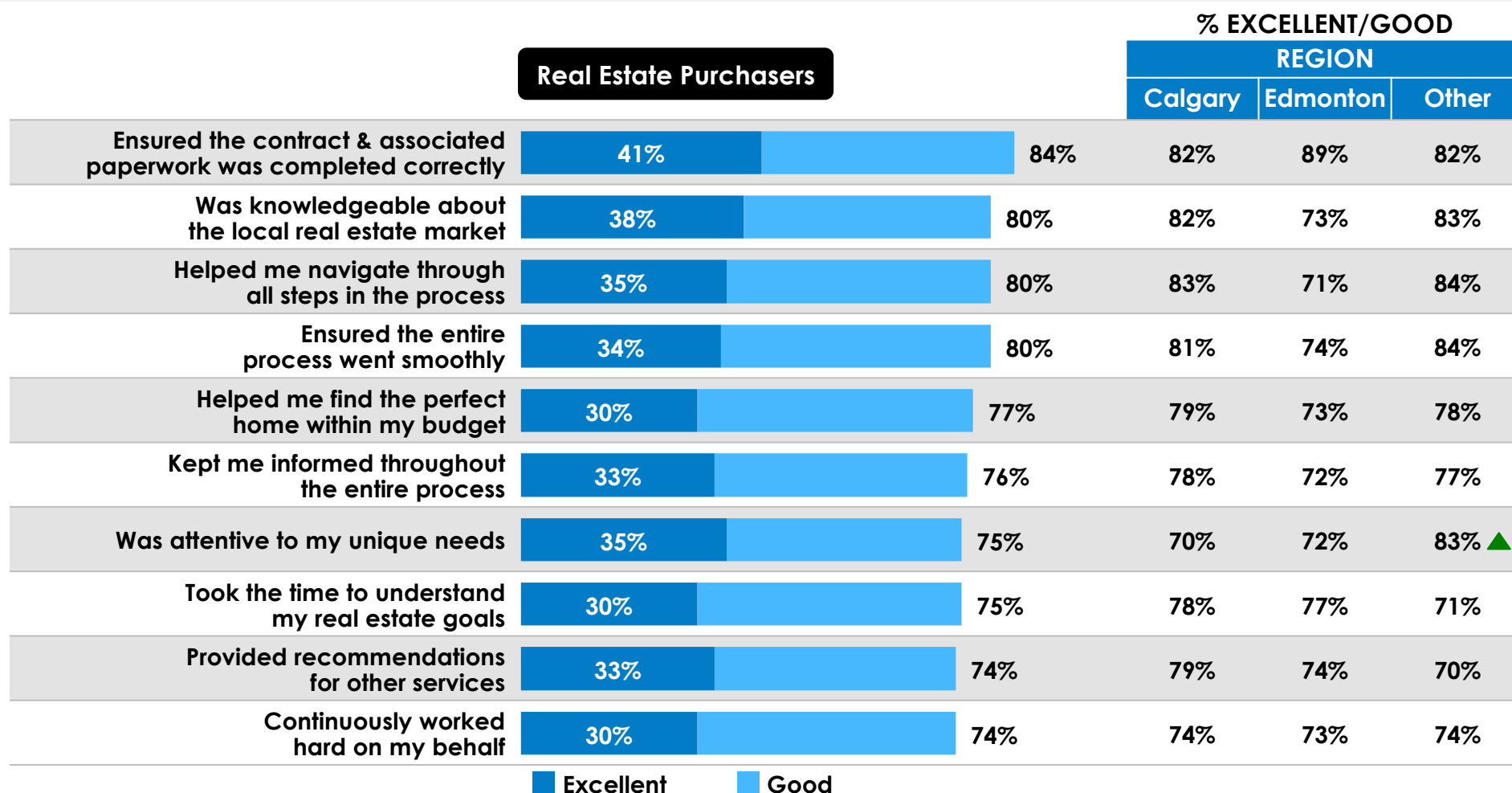


Base: Total real estate consumers (n=1,010)

A1. Thinking about REALTORS® in general, which of the following would you use to describe a REALTOR®?



# REALTOR® Evaluations: Home/Property Purchase

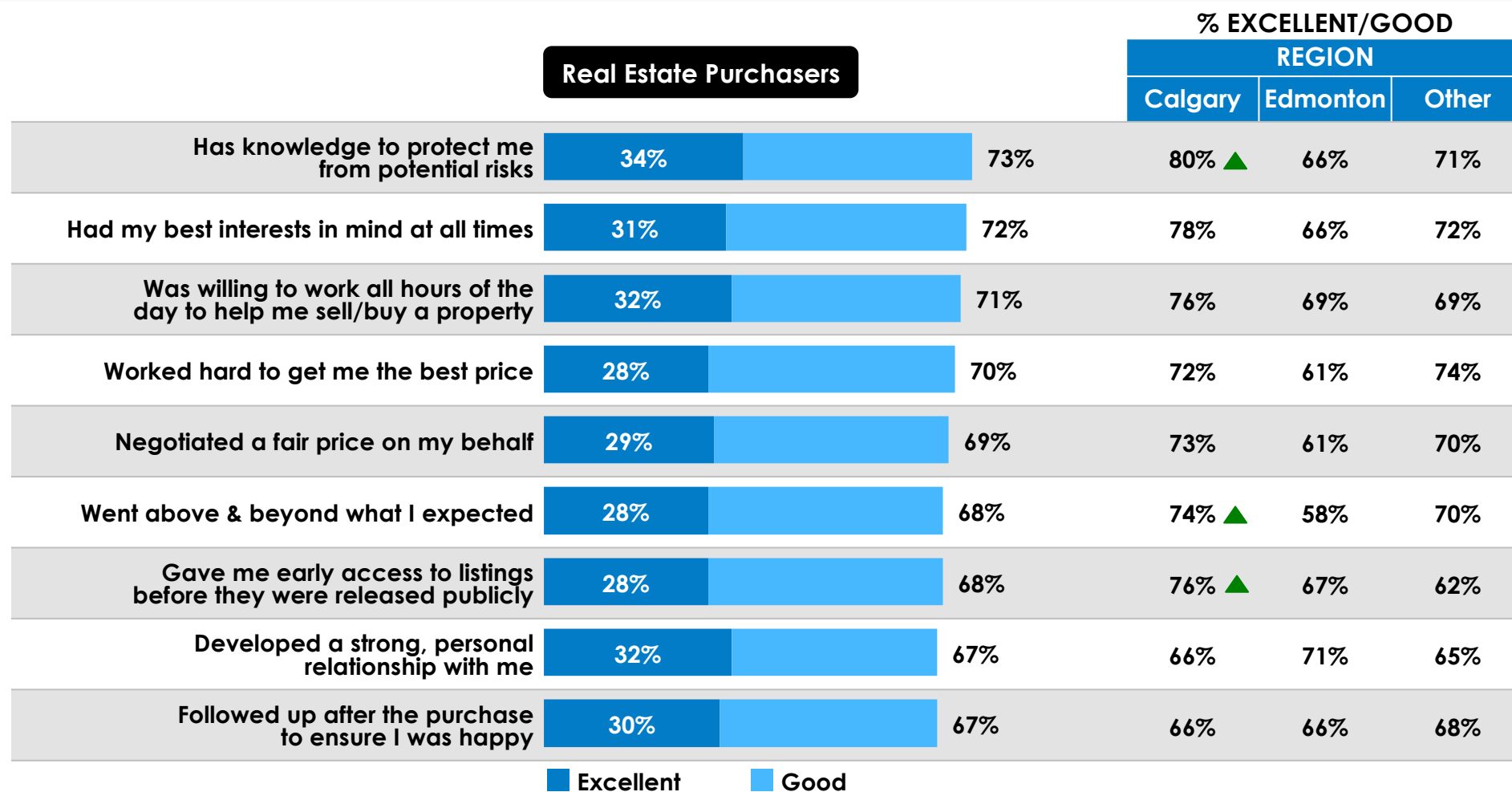


Base: Past home purchasers, excluding don't know/not applicable

A5. How would you rate the REALTOR® that you used for your most recent home/property purchase on each of the following?



## REALTOR® Evaluations: Home/Property Purchase (continued)

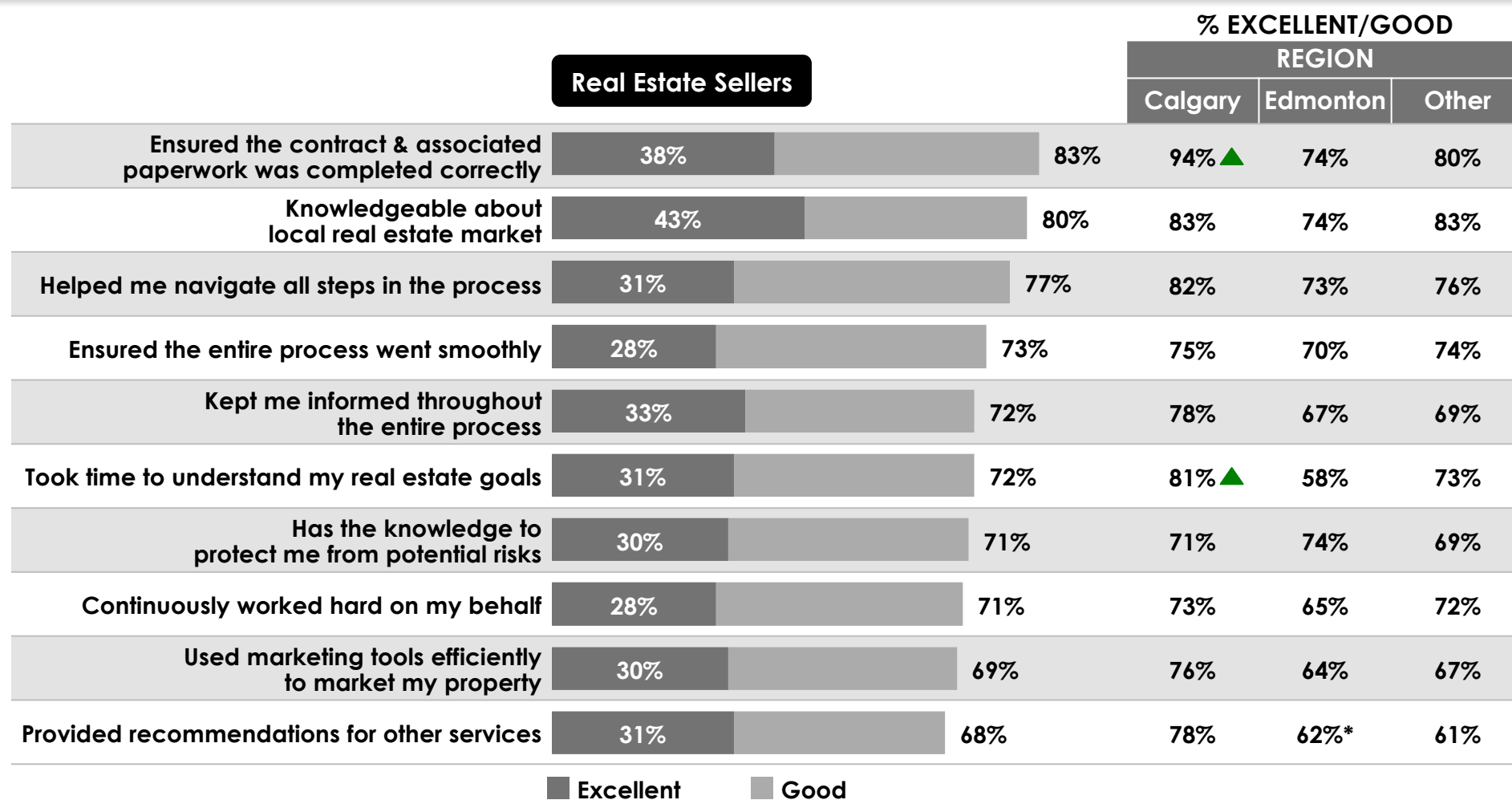


Base: Past home purchasers, excluding don't know/not applicable

A5. How would you rate the REALTOR® that you used for your most recent home/property purchase on each of the following?



# REALTOR® Evaluations: Home/Property Sale

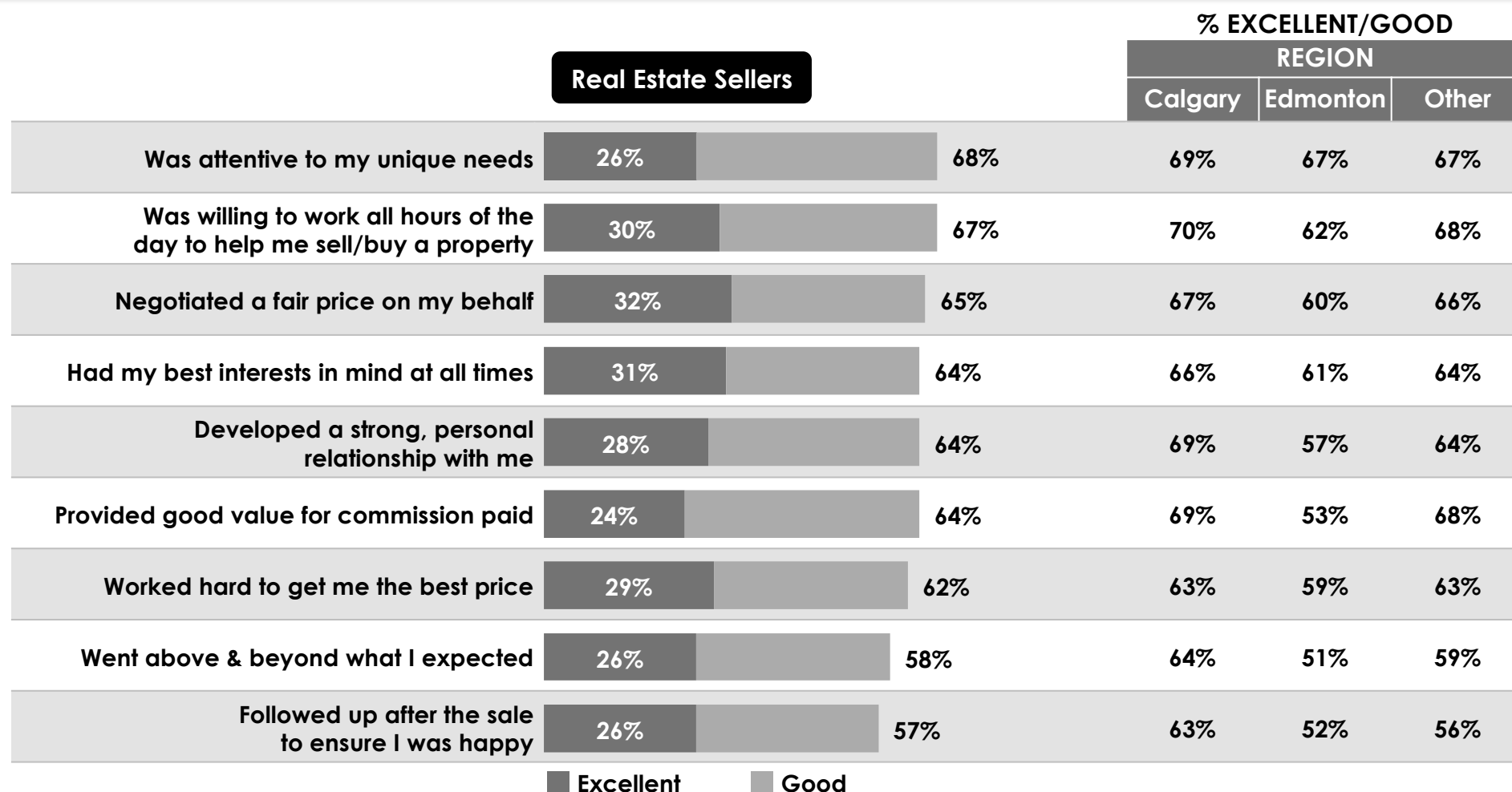


Base: Past home sellers, excluding don't know/not applicable

A5. How would you rate the REALTOR® that you used for your most recent home/property sale on each of the following?



## REALTOR® Evaluations: Home/Property Sale (continued)



Base: Past home sellers, excluding don't know/not applicable

A5. How would you rate the REALTOR® that you used for your most recent home/property sale on each of the following?



## REALTOR® Evaluation Summary

	Purchasers	Sellers
Ensured the contract & associated paperwork was completed correctly	84%	83%
Was knowledgeable about the local real estate market	80%	80%
Helped me navigate through all steps in the process	80%	77%
Ensured the entire process went smoothly	80%	73% ▼
Helped me find the perfect home within my budget	77%	–
Kept me informed throughout the entire process	76%	72%
Was attentive to my unique needs	75%	68% ▼
Took the time to understand my real estate goals	75%	72%
Provided recommendations for other services	74%	68%
Continuously worked hard on my behalf	74%	71%
Has the knowledge to protect me from potential risks	73%	71%

Base: Past home purchasers/sellers, excluding don't know/not applicable

A5. How would you rate the REALTOR® that you used for your most recent home/property sale on each of the following?





## REALTOR® Evaluation Summary (continued)

	Purchasers	Sellers
Had my best interests in mind at all times	72%	64%
Was willing to work all hours of the day to help me sell/buy a property	71%	67%
Worked hard to get me the best price	70%	62% ▼
Negotiated a fair price on my behalf	69%	65%
Went above & beyond what I expected	68%	58% ▼
Gave me early access to listings before they were released publicly	68%	–
Developed a strong, personal relationship with me	67%	64%
Followed up after the purchase/sale to ensure I was happy	67%	57% ▼
Used marketing tools efficiently to market my property	–	69%
Provided good value for the commission paid	–	64%

Base: Past home purchasers/sellers, excluding don't know/not applicable

A5. How would you rate the REALTOR® that you used for your most recent home/property sale on each of the following?



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## ***DEMOGRAPHIC PROFILE***



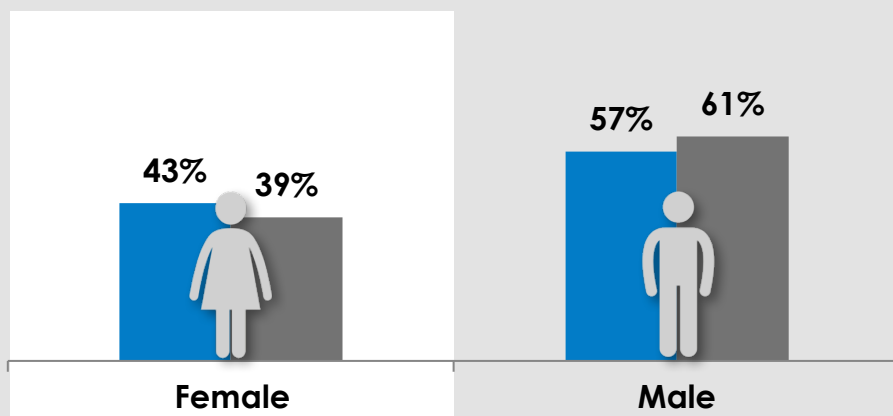
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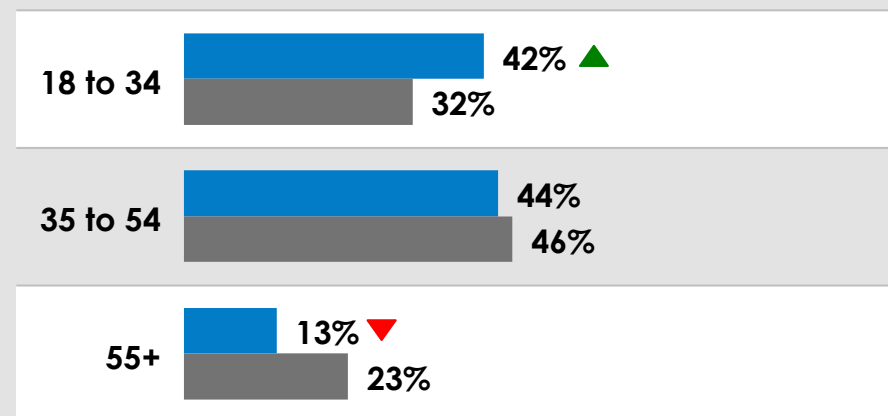
## Past Home Purchasers/Sellers Profile

■ Past Home Purchasers (n=686)  
■ Past Home Sellers (n=420)

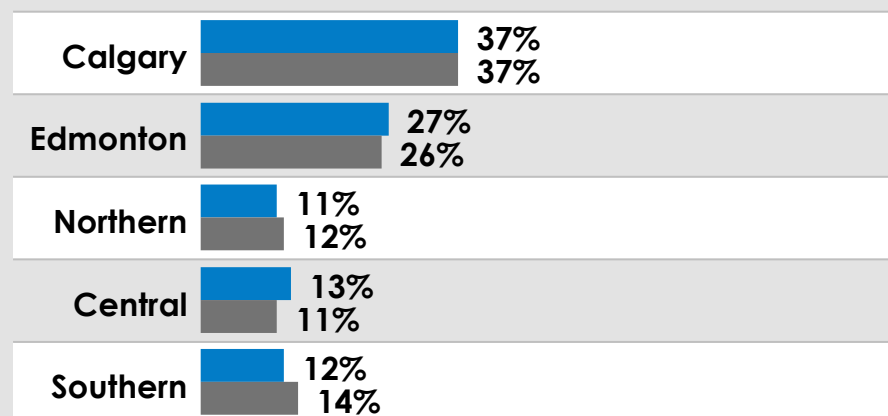
### Gender



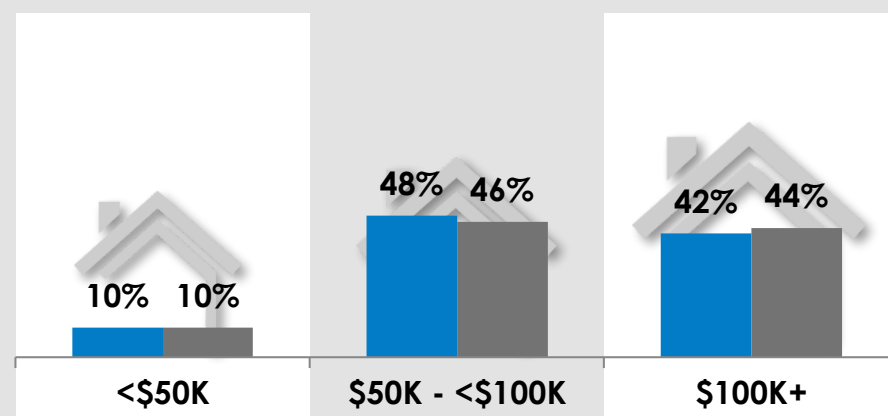
### Age



### Region



### Income

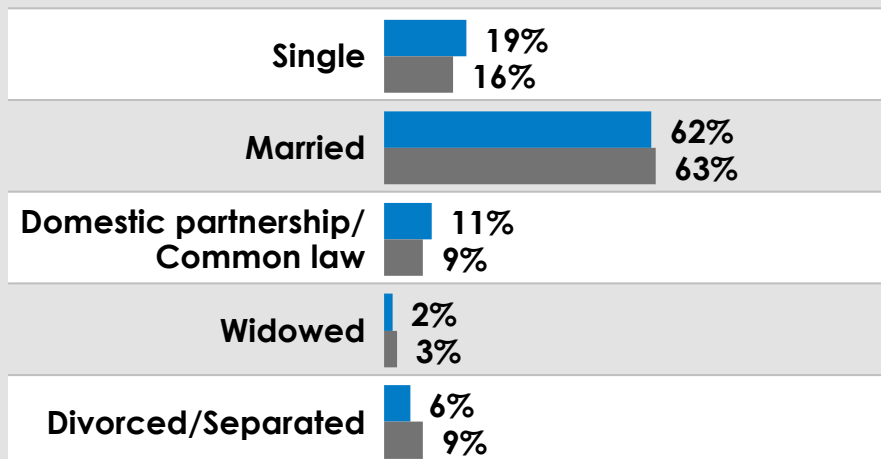




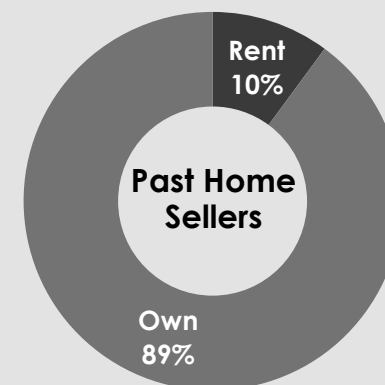
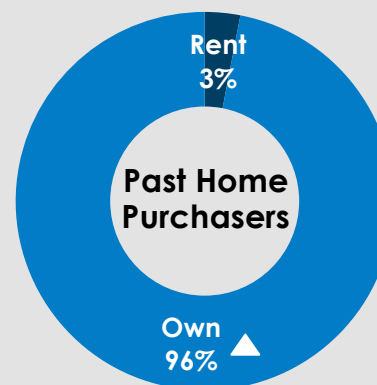
## Past Home Purchasers/Sellers Profile (continued)

■ Past Home Purchasers (n=686)  
■ Past Home Sellers (n=420)

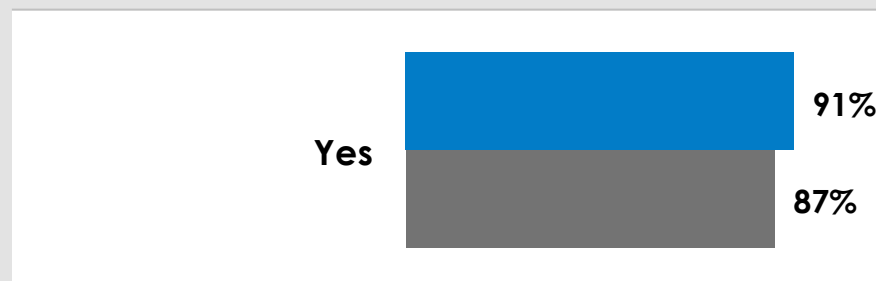
### Marital Status



### Home Ownership



### Used REALTOR® for Last Purchase/Sale





## Property Purchase/Sale Price

**Sale**

**Purchase**

24%



Less than \$275,000

22%



60%



\$275,000 to less than \$500,000

56%



13%



\$500,000 to less than \$750,000

17%



2%



\$750,000 or higher

4%



Base: Past home purchasers (n=420)/Past home sellers (n=686)

Z2a. In which of the following broad categories does your most recent property purchase fall?

Z2b. In which of the following broad categories does your most recent property sale fall?



## Likelihood of Using a REALTOR® for Future Purchase/Sale

**Purchase**

**53%**

**40%**

**93%**

**Sale**

**52%**

**39%**

**91%**

■ **Very likely**    ■ **Somewhat likely**

Base: Somewhat/Very likely to purchase in next 5 years (n=585) / sell in next 5 years (n=528)

A7. How likely are you to use the services of a REALTOR® for your future home or property [purchase/sale]?