



The Real Estate Handbook for Reaching the Next Generation, Now

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Introduction

Remember flipping through page after page of local home listings? Large books and binders packed with black and white photos occupying realty office tables, newspapers sprawled across the kitchen table; these practices were commonplace among those seeking the best possible view into the available home market. While in reality not all that long ago, it may still now seem like a distant memory.

Today tells a much different story. Books have morphed into devices, newspapers to news feeds and photos to, well, more photos. But granted, they're now of a much higher quality and have expanded to a whole host of other new forms of media. Technology (and in particular the internet) has, for better or worse, impacted essentially every industry while simultaneously spurring entirely new ones into existence. Truth is, what ultimately transpires is some take advantage of the opportunity presented by these developments and others do not. What does this mean for real estate and where does it leave its agents? As it turns out, real estate agents are considered just as valuable (if not more so) as they have been in the past by home buyer and sellers. According to a study by the National Association of Realtors, agents remain a "vital part of the home search process" and are the second most frequently used information source; more on that to come. What's important to note is that all this is taking place in conjunction with and not in spite of technology.

"We have more people today under 40 influencing real estate. That affect has not been fully felt yet. It's going to take some time. It's going to happen faster, because everything in this era happens faster."

– Counselors of Real Estate Chair, Joseph Nahas

This ebook aims to focus on the details that have brought about and come to define success within real estate during the digital and information age. What follows are not only insights into the nature of today's home listing but also strategies for how to best reach the market that seeks them, including millennials who now claim the largest portion of that share.

The Suddenly Real, Real Estate Tech Boom

Pervading nearly every imaginable industry it seems that tech has yet to fully immerse itself into real estate. Sure, there is plenty of digital content and websites dedicated to the space, but the amount of investment has been markedly slower than other, comparable verticals. Why is that? The pains of the real estate industry in recent history have been far reaching and are still being felt. Now, years removed from the housing crisis, what's taking place is a correction in the market.



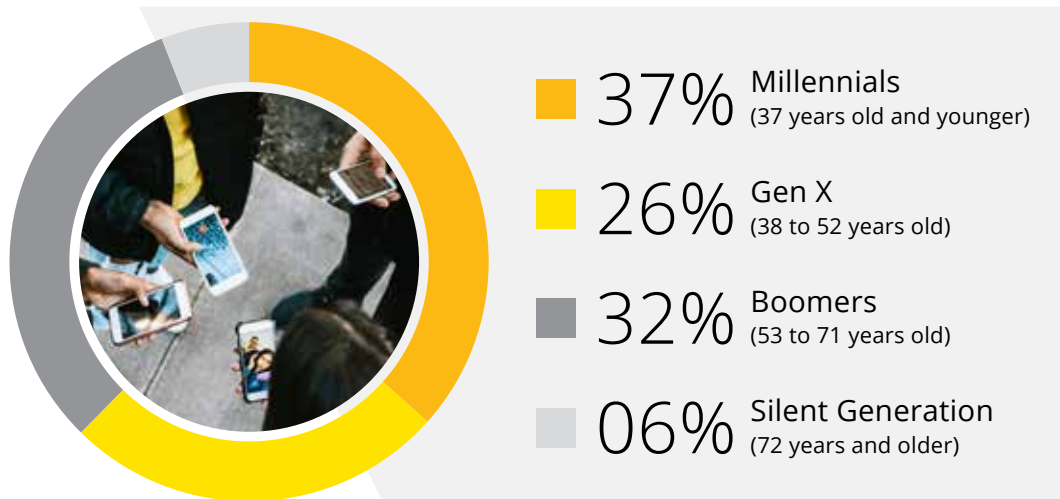
The void left by the crash left what many have found to be great opportunity. This shift in emphasis is perhaps no better evidenced than by the increased entrepreneurial focus. Investment in real estate by venture capital firms has risen sharply from the approximately \$30 million spent in 2010 to the \$5.7 billion in 2017.

Of course, many factors come into play to initiate a rise in any market and perhaps the most important is the development of demand from the consumer. In this case, some clear inefficiencies coupled with a shift the market's key demographics has led to the real estate's current leap into the future.

Say Hello to the Millennial Majority

Perhaps the only thing more important to a real estate agent other than the properties themselves are the people looking to close them. Knowing clients not only as individuals but understanding how they fit into the market overall is key in finding their right fit for a home. The home-buying demographics breakdown as follows:

Generation and demand



Rest assured, already holding the top position, millennials' share of the market will only continue to grow. This is true even while the notorious notion that millennials have been slow to enter the housing market has been widely documented.

Mitigating factors such as high rent, the great recession and student loan debt are all known to have made their mark on this front and it's important to keep these items top of mind when positioning listings.

As it stands, 65% of first-time buyers last year were millennials and over 33% plan to purchase a home in the next 3 to 5 years.

Putting generational trends like these into context offers the chance for agents to both better understand their client's needs and also seize on the opportunity to tailor their approach to best fit.

As it stands, 65% of first-time buyers last year were millennials and over 33% plan to purchase a home in the next 3 to 5 years. Along with Generation Z and the subsequent generations, the continuation of many of these trends, specifically with an affinity for technology, will present a larger and larger opportunity for agents to best position themselves accordingly.

Be an Agent of Change and Take Advantage

No matter which generation your clients belong to, it's important to note that, overall, the process for selling or buying a house new begins online 95% of the time. It goes without saying, this is statistically significant.

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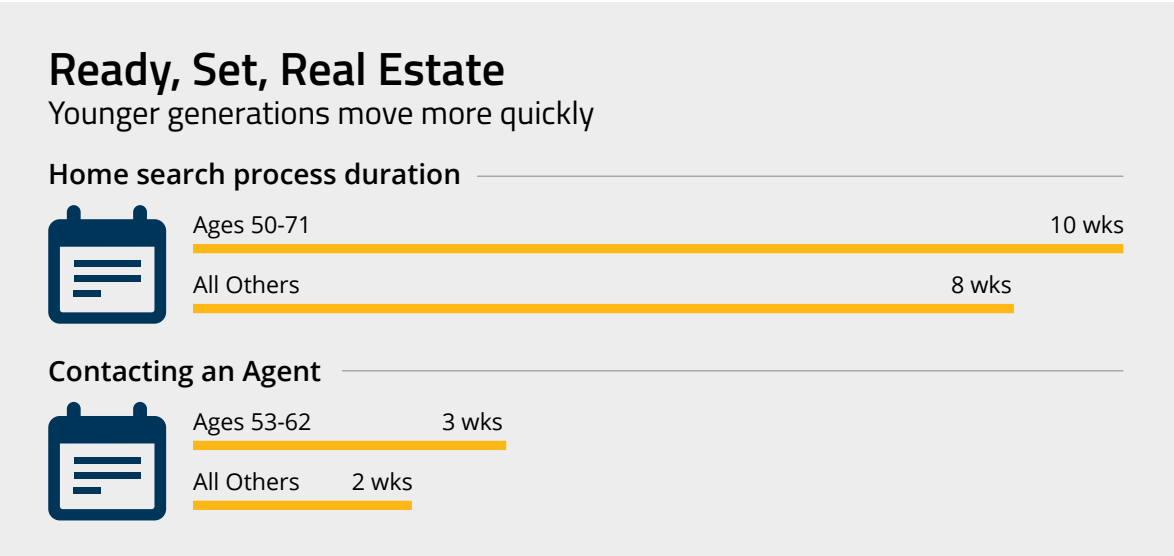
On top of that, those 37 and younger use the internet "frequently" during their search. This likely doesn't come as much of a surprise to many, an online presence is already essential to most real estate professionals today and has been for some time. At the same time, because of this widespread understanding, it's all the more important to identify specific details about your clients, in order to differentiate yourself and your listings.

The Relatable Realtor

Embracing technology and taking advantage of the same tools that are at the disposal of clients will allow agents to relate and be an even greater, more relatable asset. This approach towards a broader understanding of client concerns and interests is instrumental to bridging the gap between their needs and agent capability.

Discovering Trends and Preferences

Understanding one’s audience is key to adapting in really any profession and real estate is no exception. “The customer is always right,” is a phrase everyone has heard before. In this case, the customers (or clients) in the coming generations have defining characteristics to their home buying and selling habits, just like any other.



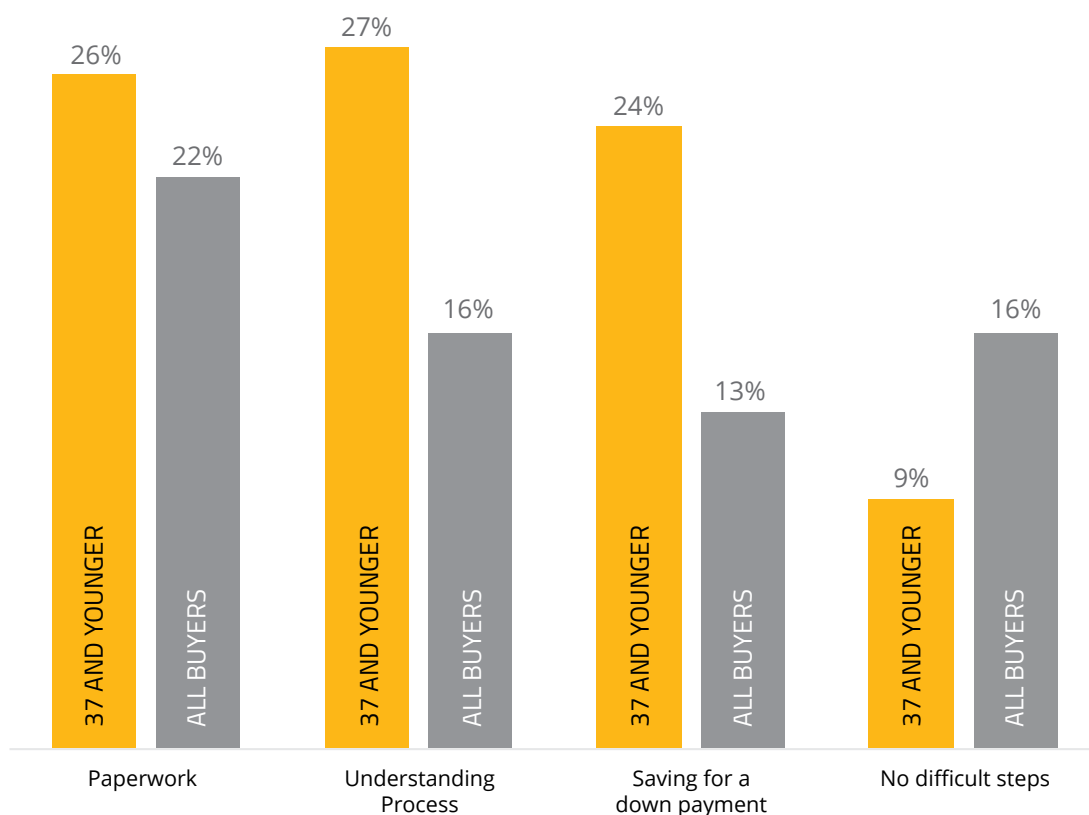
In addition to moving more quickly on their move, younger generations are also seeking the “perfect” home fit. The ability to take in and experience the entirety of a listing cannot be understated when so many details are given such a high degree of importance.

An idealistic approach coupled with the phenomenon of FOMO (fear of missing out) likely contributes toward the increasingly competitive and quick nature of the process. While more informed than ever, younger generations also value a reliable source of that information more than ever in making very specific home decisions become a reality.

Today's Agent/Asset Combination

As mentioned earlier, clients value an agent's role in the home buying and selling process as much as ever. Younger buyers are more likely to cite there being difficult steps in the home buying process. Ninety-one percent of buyers 37 and younger cite there was at least one difficult step compared to 67 percent of buyers 72 to 92 years old.

This presents a number of areas where the current and coming generations find the expertise of an agent especially useful. Among these steps is the finances behind the process. Topics such as what's needed as a down payment on a home can be misunderstood (and most commonly overstated) among those in younger generations.

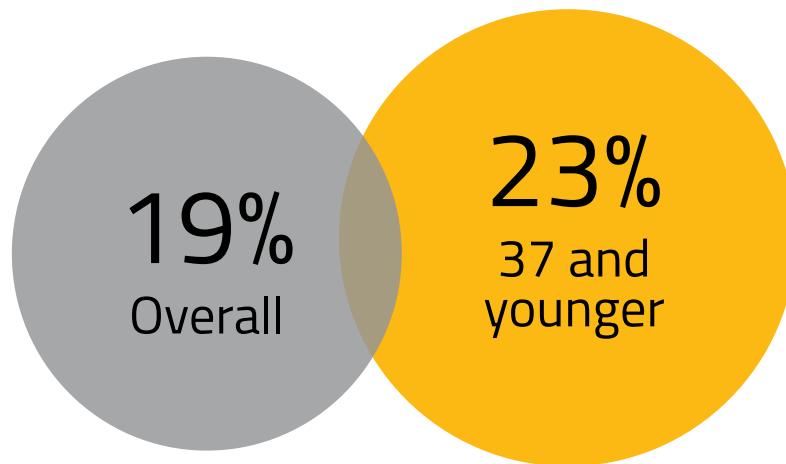


Some combination of being generally less financially savvy and being new to the home search experience (as newer generations tend to be) puts agents in the advantageous position of being a trusted resource in an area where one is truly desired, as well as often needed.

Trusting in Technology

Being trustworthy has always been an important component of winning and maintaining a quality relationship with a client. Having grown up with technology and the access to information that has come with it, the next generation has come to emphasize that point even further.

Most important factor: Trustworthy



Having as much information as possible made as accessible as possible will help cultivate value as a resource as well as the offer of trust. Through an abundance of information has also come the expectation of transparency and through transparency comes the quickest path to trust. This coveted trait can be cultivated through a number of sources, best practices and technologies designed to foster these types of relationships.

Interact and Impress in the Information Age

It isn't enough to simply have the right information, it needs to also be communicated and communicated strategically. This is nothing new. However, there are more ways to communicate now than ever and the way in which you go about it may be more important

than ever. Again, speed combined with information is increasingly becoming the name of the game with younger generations and there are few methods that better satisfy both than texting.

Top Communication Priority

Agent calls personally to inform



Sends new listings or listing changes immediately

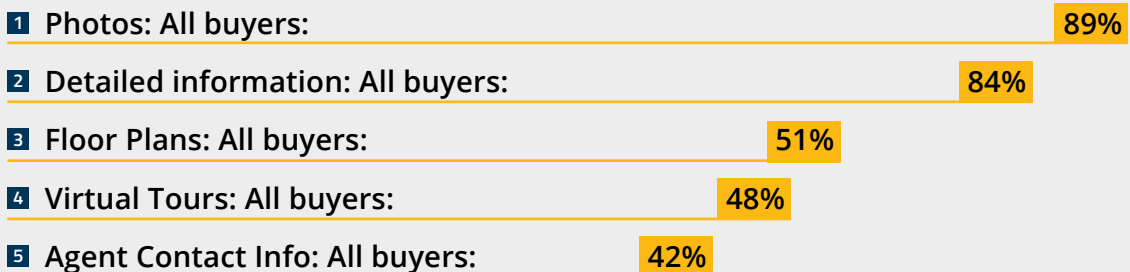


Communicates via Text



As is true with many methods and functions of the way people interact today, texting has really fallen into the broader (and expanding) spectrum of digital messaging. This is important to keep in mind when looking to get every aspect of an agency running in a complete and cohesive manner.

Finding Top Value in what's "Very Useful"



Optimize the Virtual, Mobile Office

Universal use (99% market ubiquity) of the internet during the home search has already been touched on here several times. What hasn't yet been noted is that a quarter of millennials spend an average of 5 hours a day on their mobile phone.

That's significant.

Today, listings often have their foundation in the website (and increasingly so the mobile site) where they're hosted.

However, in an effort to gain that all-important differentiation, overall online presence can and should extend further by utilizing the additional available tools of exposure. Just as valuable insight begins the process of building a quality client relationship, valuable materials begin the process of building broad awareness.



Buyer found home
on the Internet

56%

37 and younger

49%

Overall

Sharing is Caring... and Closing

The question becomes what are the best tools to supplement this quest for awareness? The term “trending” is likely now not unfamiliar to those with an eye on social media. And honestly, this group should include everyone looking to generate greater awareness in their business or individual listings.



An estimated 69 percent of agents already use Facebook while 86 percent of home shoppers say they'd use video to learn more about a property. The ability to populate the information you have to offer, share and most importantly open interest with the avenues of communication present on these platforms make them well worth the investment as part of keeping up to date with the virtual office.



The likes of YouTube, Facebook and Instagram are all a good place to start with an emphasis on visuals and client experience taking top priority.

Continued Application and Added Value

Having these tools and the information they house at the fingertips of potential clients extends past the benefits found during the home search process. Overall, it's about crafting an immersive experience that makes this transition as seamless and exciting as possible.

Younger generations are aware of technologies growing ability to allow one to vision themselves in a given space and, therefore they expect the opportunity to do so.



Visualize and Attack, the Pain Points against “Perfection”

Planning and executing a move can be more difficult and stressful than home purchasing experience itself. Having the ability to give spatial context and, as a result, better plan where belongings will go during a move alleviate a significant portion of this thought process.

The same principle can be applied when attempting to view and sell items the seller doesn't want to move by giving a visual, virtual space to facilitate those deals.

Among the many criteria to be checked in the home search, renovated kitchen and bathrooms among other appliances and amenities commonly atop the list. Because of this, millennials are increasingly willing (if the price is right) to remodel in order to piece together what makes that “perfect” home fit. The more information and the more comprehensive the look into the space, the more easily this vision can be met.



Reaping Continual Rewards from Real Estate Technology

The interconnected environments brought by the technologies discussed here create an opportunity to build more than simply a client relationship, but brand loyalty, as well as the repeat and referral business it influences.

In the age of online reviews younger generations are also more likely to refer a friend or family member to an agent and, in turn, a person is more likely to choose an agent from a referral than any other method.



Referrals are already, across the board, the most common track for finding an agent and this is a trend that is proving to increase as younger generations continue to enter the market and connectivity continues to rise.

What's more is that while millennials will continue to take over as first time buyers, they also view these purchases as an investment and "stepping stone" towards the home they ultimately want. Considering this, the chance to capitalize on both repeat and referred business may present the greatest generational opportunity of them all.

Conclusion

As with any best practices, it requires attention to the continued development of the trends relied upon. With the way technology moves today its all the more important to identify a strategy, implement the tools and remain up-to-date on their use. What can be certain is that the majority of clients are and increasingly will be.



ABOUT MATTERPORT

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Matterport's unique 3D media solution revolutionizes the way businesses in various markets, including real estate, travel and hospitality, architecture, engineering and construction, media and entertainment, and other sectors, share the details of their properties. To date, over 700,000 properties have been captured, generating more than 250 million views across 80 countries.

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