Real’s December Agent Survey: Growing Optimism for Market Recovery

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Survey Highlights Expectations for Continued Commission Rate Stability in 2025

TORONTO & NEW YORK--(BUSINESS WIRE)--Jan. 22, 2025-- The Real Brokerage Inc. (NASDAQ: REAX, “Real”), a technology platform reshaping real estate for agents, home buyers, and sellers, today released results from its December 2024 Agent Survey. The survey highlights growing agent confidence as 2025 begins, with the Agent Optimism Index reaching a new high. Despite continued affordability challenges and constrained inventory, agents are signaling expectations for a market recovery in 2025.

"Our agents’ outlook for 2025 signals a turning point for the industry," said Tamir Poleg, Chairman and CEO of Real. "Even in an elevated rate environment, agents are preparing for recovery as the housing market emerges from two years of historically low transaction activity."

“As we enter 2025, agents’ insights point to a market regaining balance and positioning itself for sustained recovery,” said Sharran Srivatsaa, President of Real. “At the same time, our data continues to show stability in commission rates, underscoring the critical role agents play in navigating buyers and sellers through today’s dynamic market.”

Key Survey Findings: Commission Rate Trends

- **Buy-Side Commission Rates Showed Stability Despite Market Challenges in 2024:** Over half (55%) of U.S. agents reported no significant changes in buy-side commission rates compared to 2023, reflecting relative stability despite a challenging market. However, 16% of agents reported slight decreases (less than 0.25% of the total transaction value), while 8% reported more significant declines. Meanwhile, 9% of respondents noted increases in buy-side commission rates. In Canada, stability was even more pronounced, with 82% of agents reporting no meaningful change.
- **2025 Buy-Side Commission Rates Expected to Stay Largely Steady:** Looking ahead, 52% of U.S. agents expect no meaningful change in buy-side commission rates in 2025. While 20% anticipate slight decreases and 5% foresee more significant reductions, 13% predict increases, indicating that the net impact may be limited overall.
- **Listing-Side Commission Rates Reflected Even Greater Stability in 2024:** Sixty-four percent (64%) of U.S. agents reported no meaningful changes in listing-side commission rates in 2024, while 13% observed declines and 15% noted increases. In Canada, stability was even stronger, with 78% of agents indicating no changes in listing-side commission rates.
- **Agents Expect Minimal Change to Listing-Side Commissions in 2025:** For 2025, 60% of U.S. agents expect listing-side commission rates to remain unchanged. Among the remainder, 18% foresee increases, while 13% anticipate decreases. Compared to the buy-side, agents expressed somewhat greater confidence in the relative stability of listing-side commission rates, indicating less expectation for change across most markets.

Key Survey Findings: Market Trends and Insights

- **Agent Optimism Index Closes Out 2024 at a New High:** The Agent Optimism Index, which measures agents’ sentiment about their local market outlook over the next 12 months, rose to 76.4 in December, up from 73.1 in November. This marks the highest reading of the year, with a score above 50 signaling a net positive outlook. In December, 52% of agents reported feeling more optimistic compared to the previous month, and an additional 29% felt significantly more optimistic. Only 4% of agents felt more pessimistic, while 15% were neutral.
- **Market Conditions Reflect Balance as Year Ends:** Thirty percent (30%) of agents described their market as a buyer’s market in December, down slightly from 32% in November. Seller-dominated markets also held relatively steady at 30%, up from 29% in November. Forty percent (40%) of agents cited balanced market conditions, showing a slight increase from 38% the prior month.
- **Affordability Remains a Key Concern:** Affordability was identified as the biggest hurdle for prospective homebuyers by 59% of agents in December, down slightly from 62% in November. Inventory constraints rose to 23% from 19% the prior month, while economic uncertainty eased to 10% of respondents from 13%. Buyer competition remained low, with 4% of agents citing it as a key challenge.
- **Transaction Growth Index Shows Modest Contraction:** The Transaction Growth Index, which tracks year-over-year changes in home sales activity, dipped slightly to 47.7 in December from 48.3 in November. A score below 50 indicates a year-over-year contraction in transaction activity. Canada continued to show modest expansion, with an index score of 56.7, despite a slight dip from November’s 61.0. The U.S. index edged down to 46.8 from 46.9, signaling a narrow decline as agents prepare for recovery.

A summary presentation of these results can be found on Real's investor relations website at the link here.

About the Survey
The Real Brokerage December 2024 Agent Survey included responses from over 500 real estate agents across the United States and Canada and was conducted between December 31, 2024 and January 7, 2025. Responses to questions regarding transaction growth and agent optimism were calibrated on a 0-100 point index scale, with readings above 50 indicating an improving trend, whereas readings below 50 indicate a declining trend. Responses are meant to capture industry-level information and are not meant to serve as an indication of Real's company-specific growth trends. Additionally, given the smaller sample size, there can be greater variability in Canada index results on a month-to-month basis.

About Real
Real (NASDAQ: REAX) is a real estate experience company working to make life's most complex transaction simple. The fast-growing company combines essential real estate, mortgage and closing services with powerful technology to deliver a single seamless end-to-end consumer experience, guided by trusted agents. With a presence in all 50 states throughout the U.S. and Canada, Real supports over 24,000 agents who use its digital brokerage platform and tight-knit professional community to power their own forward-thinking businesses.

Forward-Looking Information
This press release contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These statements reflect management's current beliefs and are based on information currently available to management as of the date hereof. Forward-looking information in this press release includes, without limiting the foregoing, expectations regarding the residential real estate market in the U.S. and Canada.

Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to expectations regarding 2025 market conditions. Real considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking information. Important factors that could cause such differences include, but are not limited to, slowdowns in real estate markets and economic and industry downturns. These factors should be carefully considered and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Real cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and Real assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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