



Real's January Agent Survey: First Signs of Market Expansion in 2025

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Survey Finds Nearly Half of Agents Planning to Increase Marketing Spend in 2025

TORONTO & NEW YORK--(BUSINESS WIRE)--Feb. 20, 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 January 2025 Agent Survey. The findings indicate growing market momentum as 2025 begins, building off a survey high Agent Optimism Index reading in December 2024.

"For the first time in nearly three years, the housing market is showing more consistent signs of life," said Tamir Poleg, Chairman and CEO of Real. "These early indications of recovery are a positive development for agents, buyers and sellers alike."

"This month's survey reinforces what we hear from agents every day—relationships drive real estate," said Sharran Srivatsaa, President of Real. "Networking, referrals and community engagement remain the most effective lead generation sources, while social media and digital tools complement those efforts."

Key Survey Findings: Market Trends and Insights

- **Transaction Growth Index Moves into Positive Territory for the First Time:** Real's Transaction Growth Index, which measures year-over-year changes in home sales activity as reported by agents, rose to 51.3 in January, up from 47.7 in December. A score above 50 indicates year-over-year growth in transaction activity.
 - The U.S. sub-index reached 50.2—the second time it has been in expansionary territory since a brief uptick in April 2024.
 - Canada's sub-index increased to 60.5 in January, up from 56.7 in December, continuing its expansionary streak since September 2024.
- **Agent Optimism Index Holds Near Survey High:** Real's Agent Optimism Index, which tracks agent sentiment on their local market outlook over the next 12 months, came in at 74.0 in January, slightly lower than 76.4 in December, but still the second-highest reading to-date. In January, 49% of agents reported feeling more optimistic compared to the previous month, and an additional 27% felt significantly more optimistic. Only 6% of agents felt more pessimistic, while 18% were neutral.
- **Markets Begin 2025 in Balance, With Slight Seller Advantage:** Thirty-six percent (36%) of agents described their market as balanced in January, down from 40% in December. Meanwhile, 34% of agents reported a seller's market, up from 30% the prior month, while 30% identified a buyer's market, unchanged from December.
- **Affordability Remains a Key Challenge for Buyers:** With average mortgage rates briefly surpassing 7% again in January, 60% of agents cited affordability as the biggest hurdle for homebuyers, up slightly from 59% in December. Inventory constraints and economic uncertainty remained steady at 23% and 10%, respectively, while buyer competition remained low, with 3% of agents citing it as a key challenge.

Key Survey Findings: Lead Generation Trends

- **Two-Thirds of Agents Cite Relationship-Based Lead Generation as Most Effective:** When asked about their most effective lead sources, 66% of agents identified relationship-driven strategies as their primary source of business, with 42% relying on direct referrals and agent networking and 24% leveraging their sphere of influence and community engagement. Social media was cited as the most effective lead source by 13% of agents, while open houses (6%), residential search portals and traditional marketing strategies played a smaller role (each under 5%).
- **Most Agents Spent Less Than \$5,000 on Marketing in 2024:** Given the dominance of networking and referrals, 41% of agents spent under \$2,500 on marketing and lead generation in 2024, with another 20% spending between \$2,500 and \$5,000. Meanwhile, 15% of agents spent between \$5,000 and \$10,000 and 9% spent between \$10,000 and \$15,000. Fifteen (15%) of agents spent more, although the range varied widely. Only 3% of agents spent more than \$50,000 on marketing and lead generation in 2024.
- **Nearly Half of Agents Plan to Increase Marketing Budgets in 2025:** Forty-seven percent (47%) of agents anticipate increasing their marketing and lead generation spend in 2025, with 35% planning a moderate increase and 12% expecting a significant boost—likely reflecting improved optimism for the year ahead. Meanwhile, 40% of agents expect to maintain their current spending levels, while only 8% foresee reducing their marketing budgets compared to 2024.
- **Limited Use of Residential Search Portals, but Some Agents Invest Heavily:** Only 31% of agents plan to use residential search portals (Zillow, Homes.com, [Realtor.com](https://www.realtor.com), etc.) for lead generation in 2025, while 69% do not intend to

allocate any marketing budget to these platforms. Among those who do utilize portals, 34% expect to spend less than \$1,000, 14% plan to invest between \$1,000 and \$2,000, and 21% anticipate spending between \$2,000 and \$5,000. However, a subset of power users exists—31% of agents using portals (equivalent to 9% of total respondents) expect to spend over \$5,000, including 7% (or 2% of total respondents) who plan to invest more than \$20,000.

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 January 2025 Agent Survey included responses from approximately 900 real estate agents across the United States and Canada and was conducted between January 31, 2025 and February 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 25,000 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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