



HomeLight

Top Agent Insights Q4 2019 Report

Survey of 500 leading agents dives into tips for selling homes in the winter, 2019 real estate reflections, and housing market predictions for 2020



Seller's Tips and Market Insights From America's Top Agents

Every day, across the country, HomeLight matches homeowners and prospective buyers with thousands of America's top real estate agents.

Our technology compares agents on their historical performance to find the real estate agents that consistently outperform all of the other agents in their local real estate market.

We used our algorithm to find hundreds of the best agents in some of the hottest housing markets in the United States. Then, we asked them for advice homeowners can use as they think about selling their house this quarter and beyond.

Our Top Agent Insights survey for Q4 2019 spans a wide range of subject matter about the housing market and getting the most value out of your home.

HomeLight plans to release a version of the Top Agent Insights survey on a quarterly basis to cover seasonal and recurring trends in the market.

- ❑ **500 Participating Top Agents**
- ❑ **More than 35 Multiple-Choice Questions**
- ❑ **Housing Market Trends for Q4**
- ❑ **2019 Reflections and 2020 Predictions**
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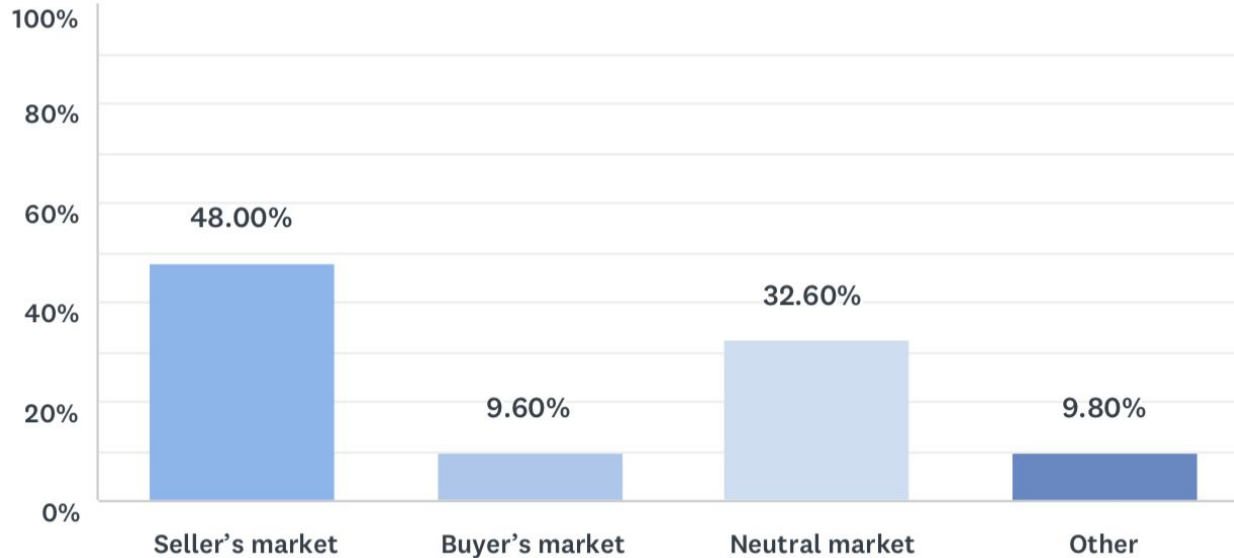
State of the Housing Market for Q4 2019

Top agents from across the nation report on Q4 market conditions including current inventory levels, price growth, and buyer demand.



It's still a seller's market across much of the country, but agents report a noticeable shift toward more balanced conditions.

“How would you characterize your local housing market conditions?”



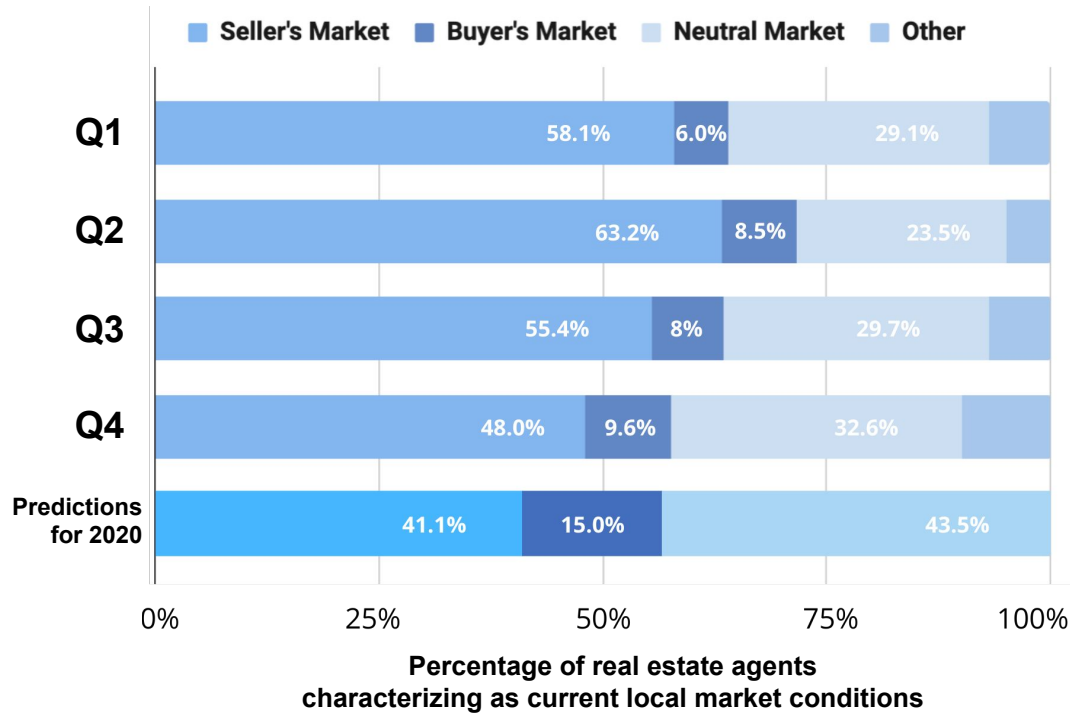
A number of key economic fundamentals continue to give sellers the advantage in many real estate markets across the U.S. Low mortgage rates ([3.68% for the 30-year fixed as of Dec. 2019](#)) and historically low unemployment ([3.6%](#)) support consistent demand for housing.

Moreover, in September, home prices rose [3.2% on a national level](#), marking an increase over August and bucking a long period of price gain deceleration.

However, for the first time this year, the percent of agents characterizing their market as favoring sellers dipped below 50%. Many agents who fell into the “other” category reported a tale of two markets: a balanced or buyer's market in the high-end price points, and a seller's market for more affordable homes which remain a hot commodity.



The percent of agents characterizing their market as favoring sellers trended smaller as the year went on.



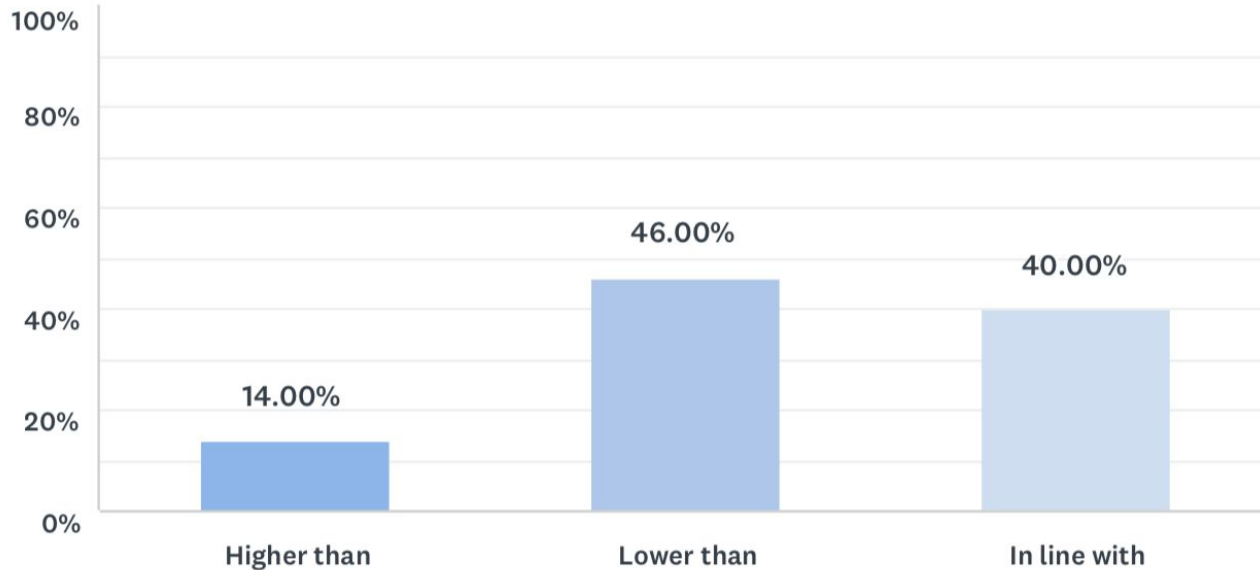
The seller's market peaked in Q2 2019 and gradually shifted toward more balanced conditions in Q3 and Q4, according to trend data from HomeLight's quarterly 2019 Top Agent Insights Surveys.

Predictions for 2020 suggest that the market will continue to soften as the calendar year turns. **Nearly 44% of agents anticipate balanced conditions for their local market in 2020** while 15% say they'll see a buyer's market.



Low inventory continues to be the wild card no one expected this year.

“Inventory is _____ what I expected.”



Toward the end of 2018, it appeared that the inventory crisis was starting to ease as [465,000 new listings](#) came on the market.

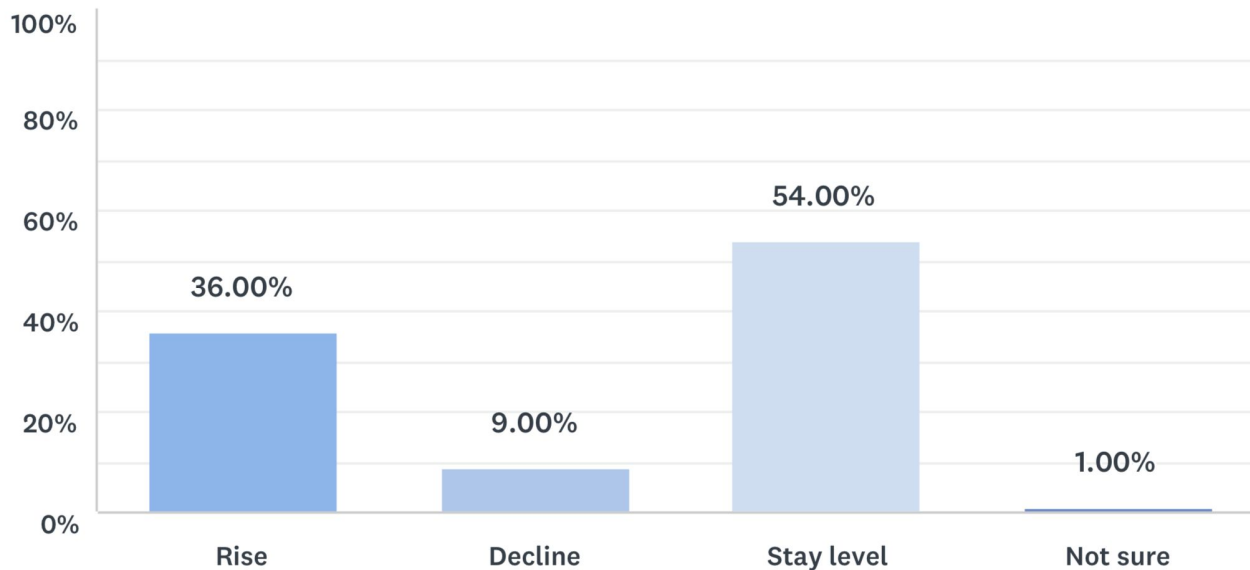
But that trend [reversed](#) throughout 2019 as home builders faced labor and material barriers. Meanwhile, existing homes didn't free up to meet demand: a combination of boomers aging in place, and fewer people downsizing.

It's no surprise then that in [Q2](#), [Q3](#), and now Q4 2019, nearly 50% of agents reported that inventory was lower than they expected.



90% of top agents expect home prices will stay level or rise for the first stretch of 2020.

“Over the next 6 months, I believe home values in my market will:”



Agent expectations align with trends of steady (but not skyrocketing) home price appreciation across the country. With the exception of September, [home price gains have generally cooled throughout the year](#) in the face of buyer affordability challenges, settling into a respectable pace of ~3% annual growth.

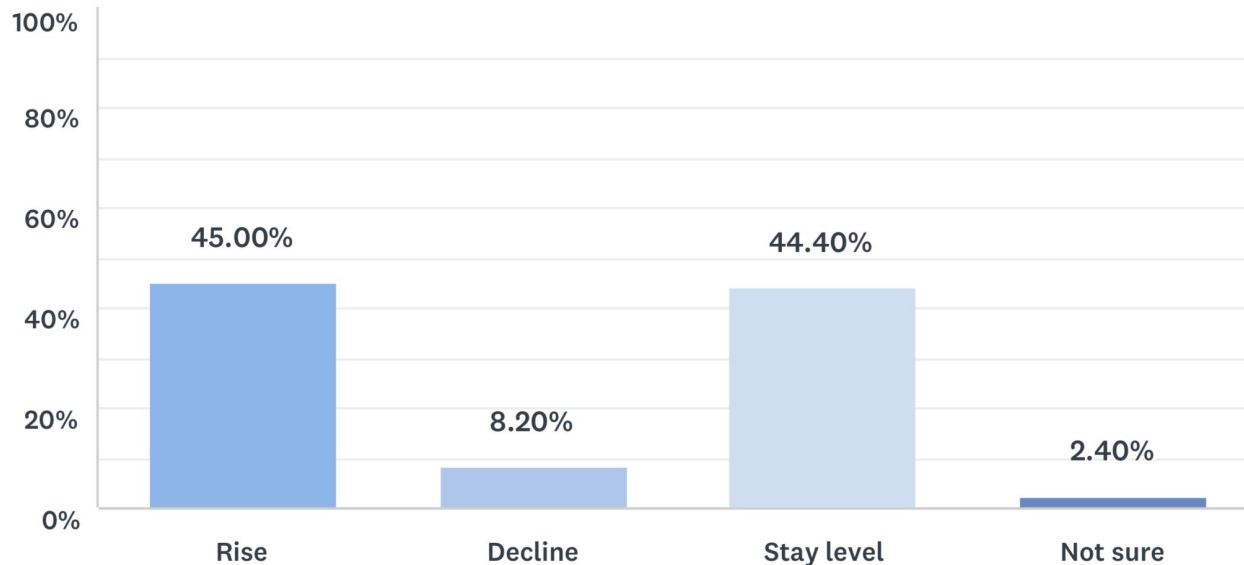
However, factors like the jobs market and housing costs impact home prices on a local level.

According to data from CoreLogic, [high-cost urban areas on the coast are seeing the biggest price declines](#). Meanwhile, the Case-Shiller Index shows that the more affordable Sun Belt metros like [Phoenix \(6.0%\)](#), [Charlotte \(4.6%\)](#), and [Tampa \(4.5%\)](#) are posting the largest gains.



Agents are split on whether inventory will rise or stay level in their market — only a small minority think the shortage will worsen.

“Over the next 6 months, I believe inventory levels in my market will:”



According to the National Association of Realtors (NAR) existing home sales report, total housing inventory stood at 1.77 million units, down 2.7% from September and down 4.3% from a year ago.

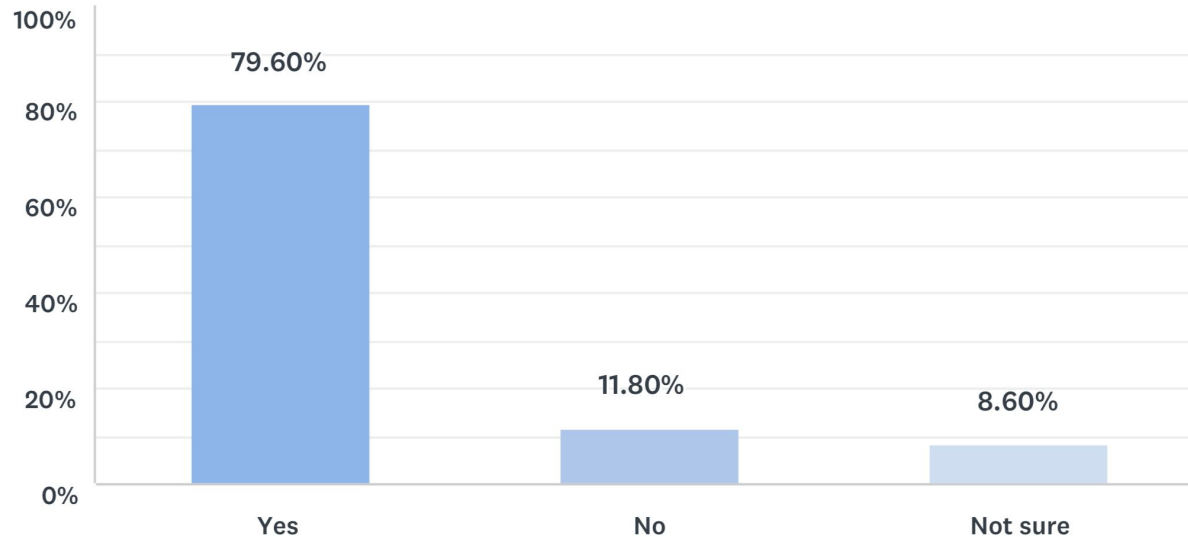
HousingWire notes that “These supply declines, coupled with a growing affordability crisis, could price out even the nation’s wealthiest homebuyers.”

Some experts say the 2020 housing shortage could be the worst in history, however, in contrast: **89% of top agents expect that inventory will either stay level or rise in their area next year.**



Since mortgage rates started dropping in the spring, 80% of top agents are seeing the extra purchasing power fuel buyer demand.

“Low interest rates continue to boost buyer demand in my market:”



Between Q2 and Q4, the percentage of top agents who reported that low interest rates were boosting buyer demand increased by 43% (from 56% of agents surveyed to 80% of agents surveyed).

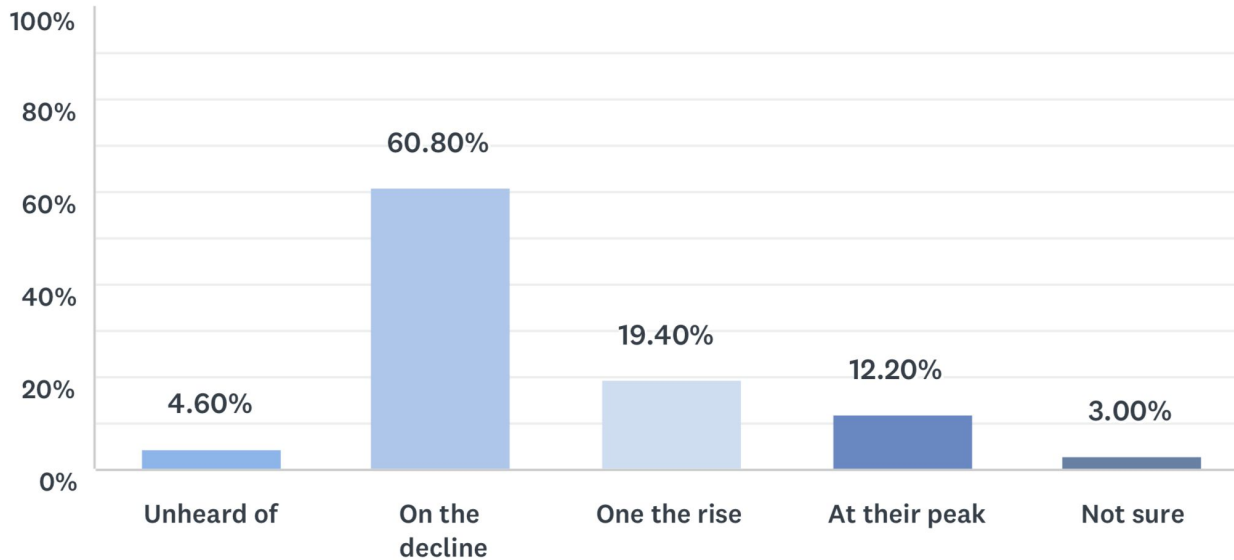
This implies that more and more buyers are taking advantage of the mortgage savings that a lower interest rate offers.

On a \$200,000 loan, a 1% drop in interest rates (say, from 4.5% to 3.5%) can translate to \$167 in monthly savings, according to NAR Chief Economist Lawrence Yun.



Even as interest rates boost buyer demand, competition isn't as fierce as it was: over 60% of top agents report a decline in bidding wars in their area.

“Bidding wars in my market this quarter are:”



Bidding wars have been cooling since the second half of 2019, according to HomeLight's recurring surveys.

In Q3, 58% of agents said that bidding wars were on the decline, and that number increased to 61% in Q4.

The dispatch from top agents aligns with market data at large: Redfin noted that bidding wars on its site reached a 10-year low in October with only 10% of listings on its site facing a bidding war (compared to a whopping 39% the year prior).



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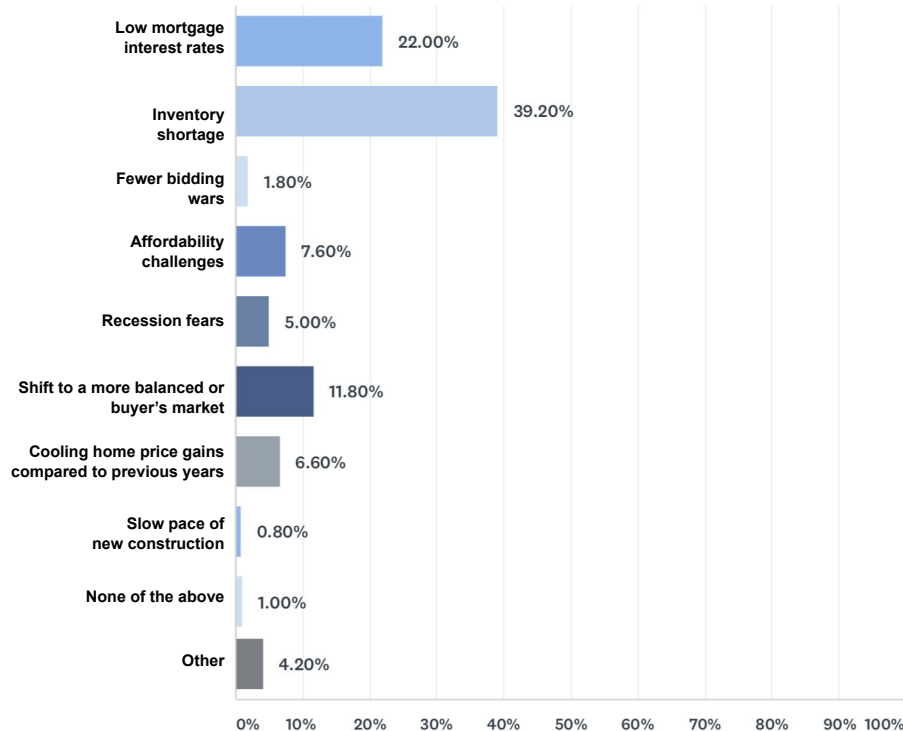
Real Estate Reflections and 2020 Forecasts

As the end of the year approaches, agents reflect on the latest tech trends shaping real estate, the biggest challenges facing sellers, and how optimistic they feel about the future.



The inventory shortage was the no. 1 factor impacting real estate markets across the country this year.

“Which of the following real estate trends impacted your local market the most this year?”

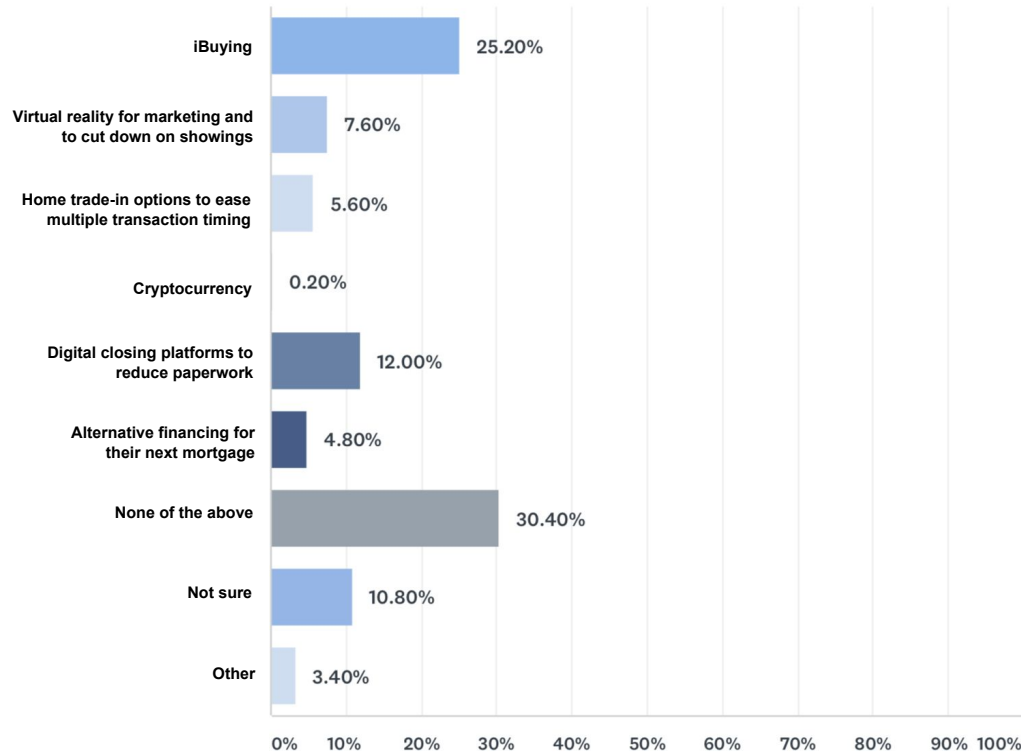


Nearly **40%** of top agents said that the sheer lack of available homes for sale was the no. 1 factor impacting their local market this year.

Meanwhile, **22%** of agents said that low mortgage interest rates impacted their market most significantly, followed by a shift to a more balance or buyer's market (12%).

Over a quarter of top agents say that iBuying will be the tech trend that resonates with home sellers the most next year.

“Which, if any, of the following real estate tech trends do you believe will be most impactful among home sellers in 2020?”



Headed into 2020, HomeLight polled top agents on which emerging real estate tech trend they believed would be most impactful with home sellers in the coming year.

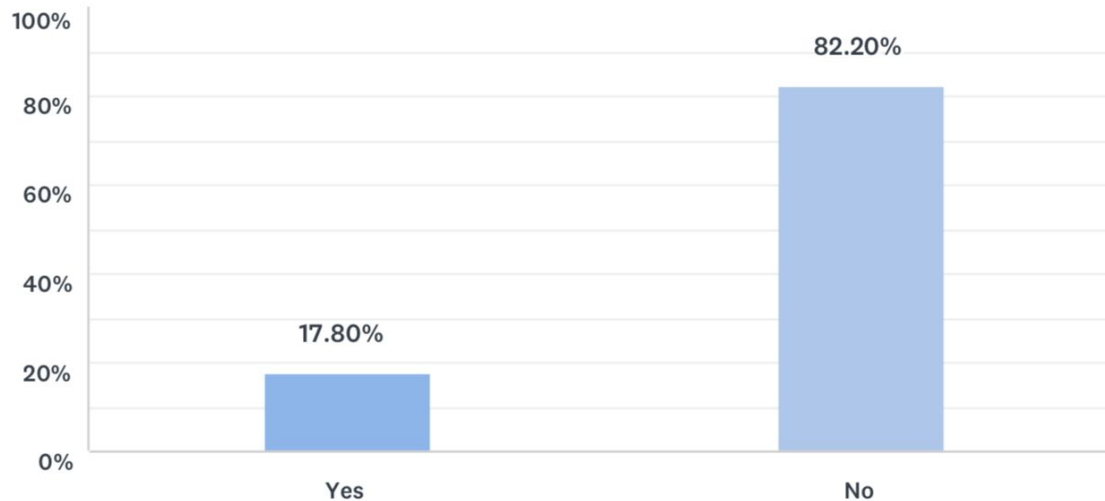
While 30% of agents said that “none of the above” would be most impactful, **iBuying — a service which allows homeowners to sell their homes for cash online** — was the most popular choice among those who selected a trend garnering 25% of agent votes.

As leading iBuyers Opendoor, Redfin, and Zillow Offers expand their reach, a total of 9.6% of the homes sold in 2018 were sold to iBuyers.



Nearly 18% of top agents surveyed are presenting iBuyer offers during listing appointments.

“Are you using iBuyer offers in your listing representations?”



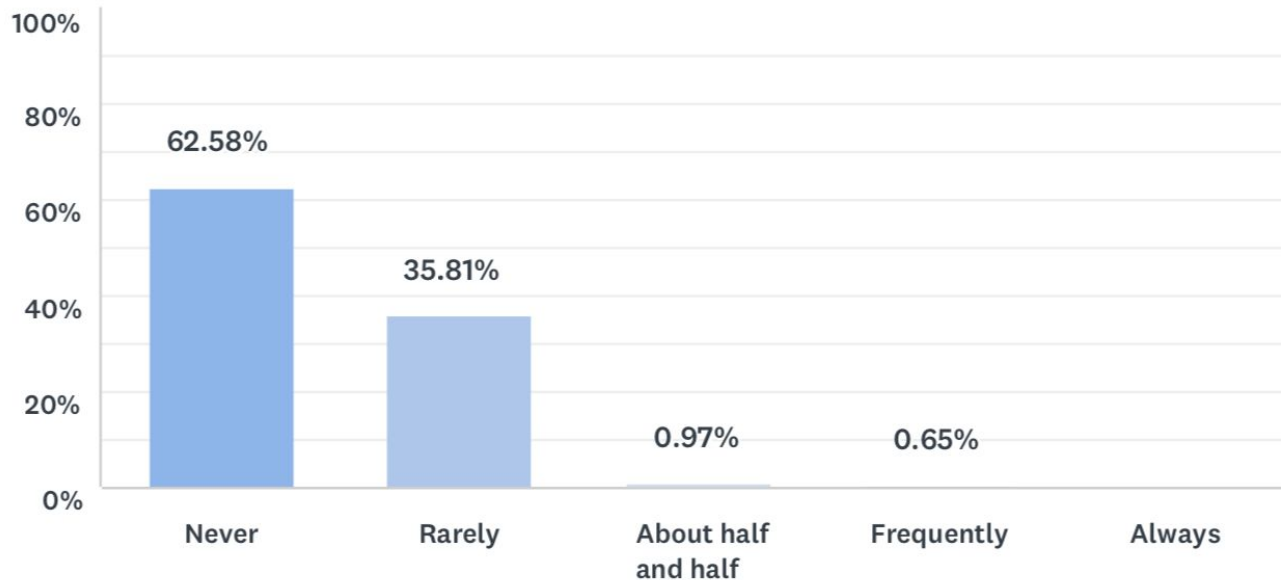
As the iBuyer trend grows, **17.8% of top agents surveyed are harnessing the power of a cash offer during their listing appointments.**

Using HomeLight's [Simple Sale platform](#), agents have the ability to show you as a seller what one of our over 200 approved investors would pay for your house in cash alongside an estimation of what you could fetch on the open market. From there, the choice is yours.



However, 98% of top agents who do present iBuyer offers during their listing presentations say that clients “never” or “rarely” actually accept the iBuyer offer.

“If so, how often do your seller clients go with an iBuyer offer versus a traditional listing?”



This aligns with NAR’s data showing that sellers’ use of a real estate agent remains at historic highs: **89% of recent sellers chose to work with an agent** to sell their home.

A report from [Inman](#) noted that sellers who receive an iBuyer offer from Redfin, for example, usually reject it because after accounting for transaction costs and fees, you’re looking at around a **10% discount on price**. But it’s still nice to have the option.

NAR’s research also shows that sellers choose to work with agents who can help:

- Price their home competitively

- Market the home to potential buyers

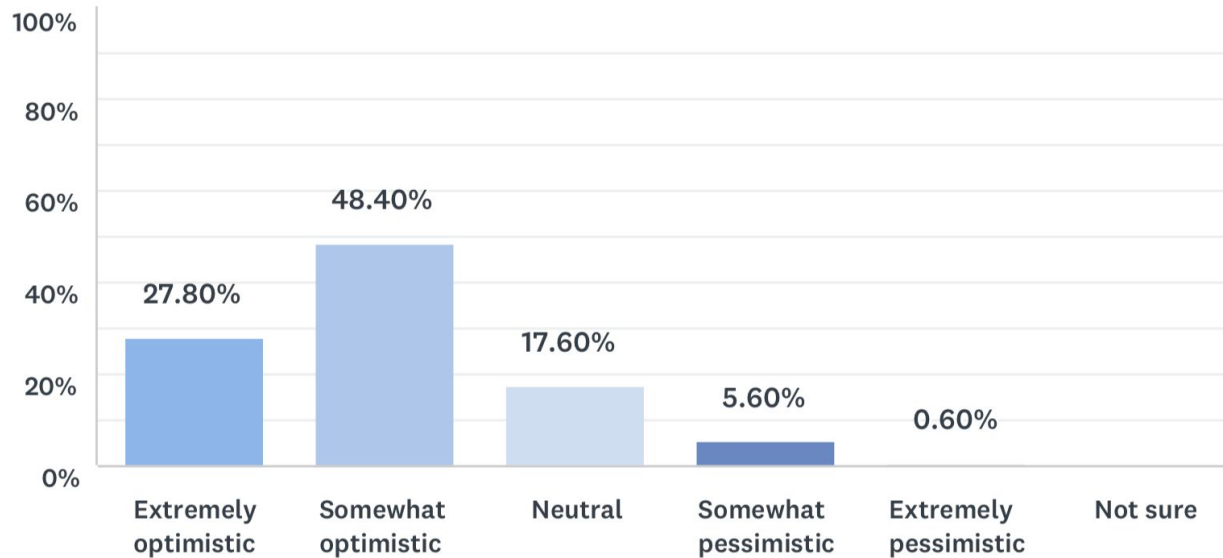
- Sell the home within a specific time frame

Connect with a **[top agent in your market](#)** if you’d like to get the ball rolling.



Over three-quarters of top agents surveyed are optimistic about the housing market next year.

“Which of the following best describes your sentiment toward the 2020 housing market?”



It's encouraging to see that the 2020 housing market outlook among top agents is overall fairly rosy.

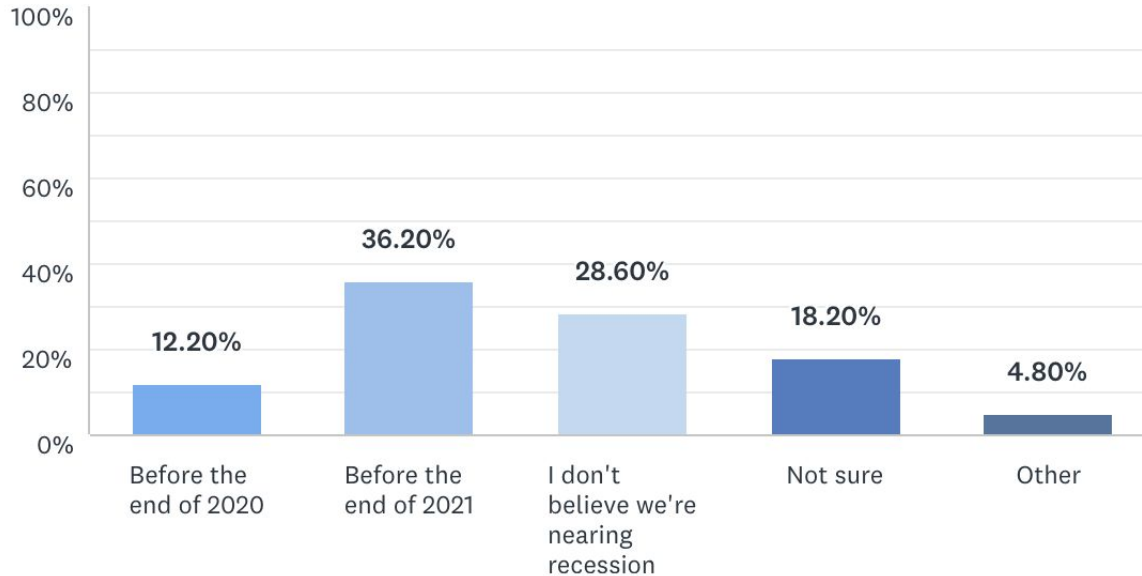
While 28% of agents are “extremely optimistic” about the market as the new year arrives, **48% are at least “somewhat optimistic.”**

The tempered optimism seems fitting for the greater 2020 economic forecasts trickling out this quarter, which predict “slow but steady” growth next year, according to an analysis from the Wall Street Journal.



Only 12% of top agents are worried about a recession in 2020, though over one-third believe we'll hit one by the end of 2021.

“When do you think the U.S. will hit its next recession?”



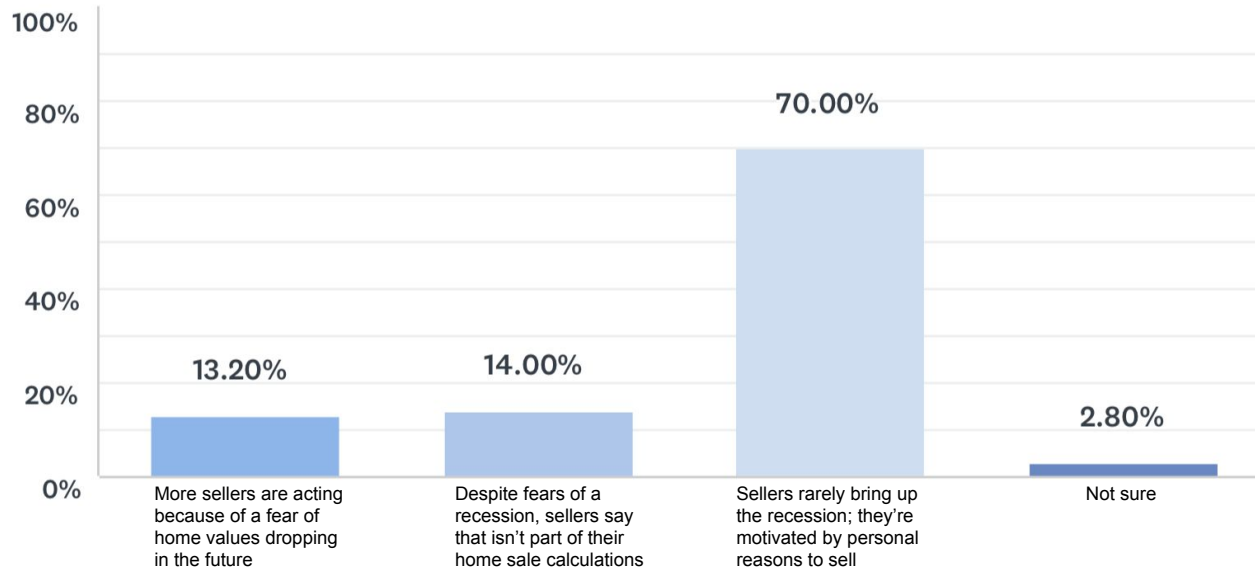
An [inverted yield curve](#) and concerns over [global trade conflicts](#) stirred up a lot of impending recession talk earlier in the year.

But the yield curve reversed, and experts say that [economic expansion](#) is likely continue next year. Most top agents aren't worried about a downturn... at least for the duration of 2020.



The majority of top agents aren't hearing sellers express concerns over a possible recession, either.

“How are talks of a recession impacting your seller clients?”

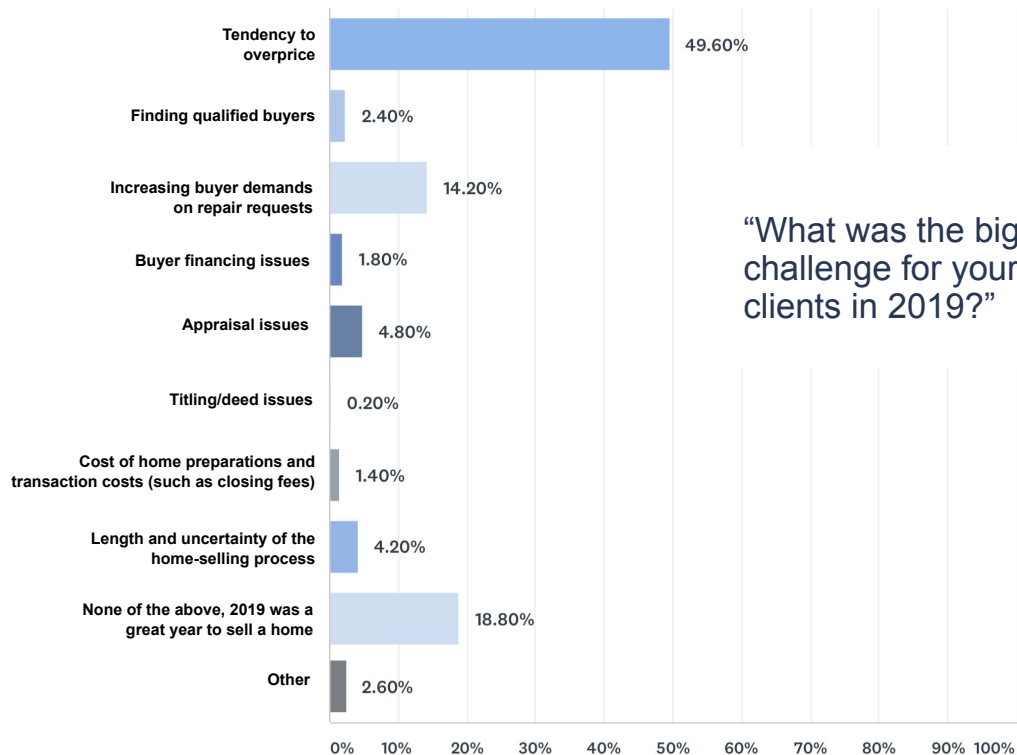


While nearly a third of agents say that sellers are bringing up the possibility of a recession in some form (either to say that it won't affect their decision to sell, or they're choosing to sell to strike while the market's still hot), **70% report that it's not on sellers' minds at all.**

Essentially most sellers are motivated by personal reasons to put their house up for sale rather than their gauge of the market — whether they seek to trade up, downsize, or relocate for a job.



The biggest challenges home sellers faced in 2019? A tendency to overprice and a higher volume of repair requests from buyers.



“What was the biggest challenge for your seller clients in 2019?”

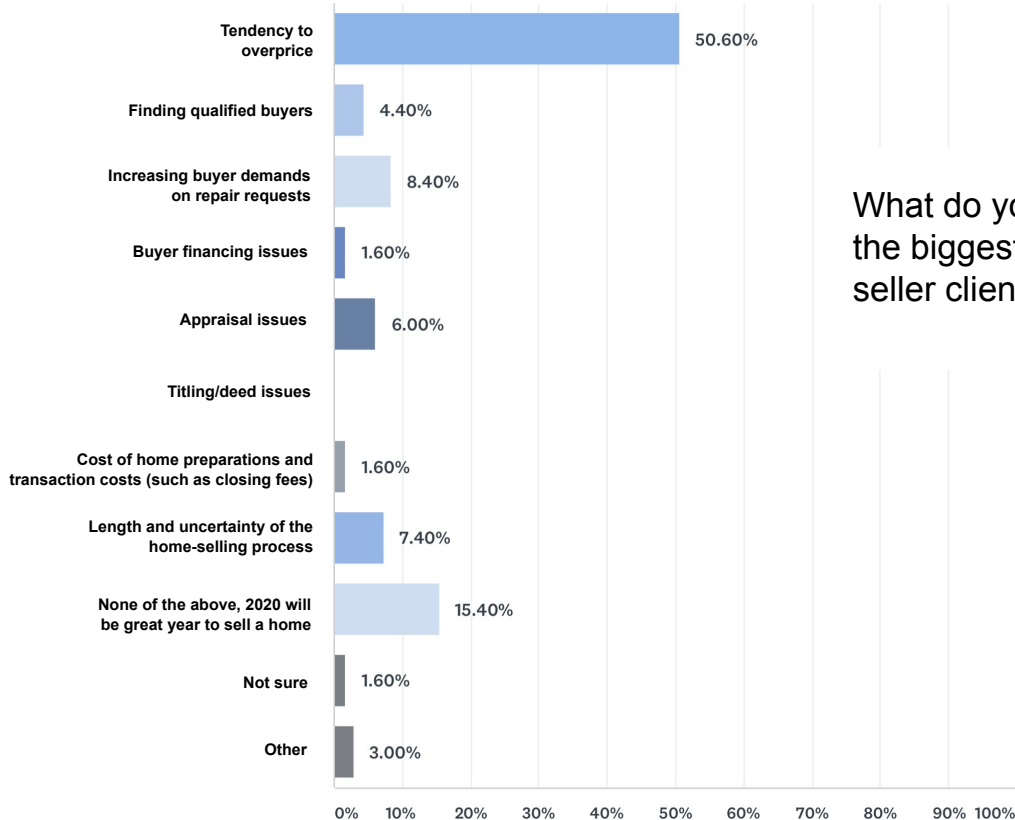
Nearly **50%** of top agents say the biggest challenge people faced selling homes in 2019 was the temptation to overprice, even as buyer demand remained strong.

A smaller percentage (14%) reported that **more requests for repairs** — for issues like structural defects, code violations, or safety concerns — presented the biggest hurdle.

However, nearly 20% of top agents said that they didn't encounter much friction selling homes in 2019 — which all in all they say was a great year to sell a home.



Overpricing will also be the biggest risk for people selling homes in 2020.



What do you believe will be the biggest challenge for your seller clients in 2020?

As prices flatten or even decline in some areas, sellers will need to be aware of market conditions in their area and how that impacts their pricing strategy.

Price the house wrong, and you look at price reduction after price reduction (which could attract lowball offers down the line) and months of extra costs. It's not a fun road to go down.



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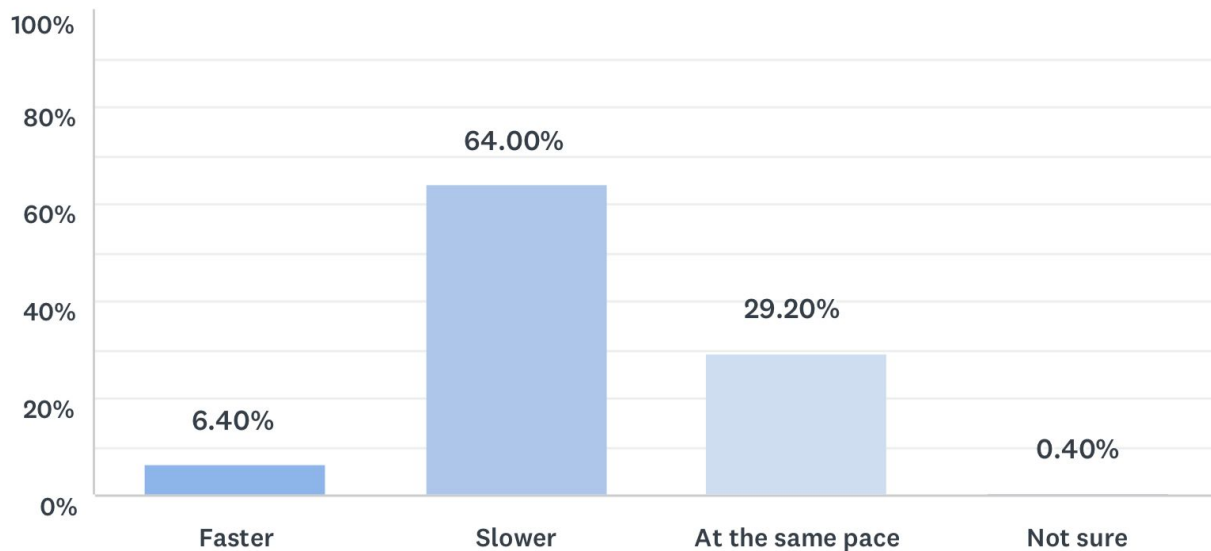
Selling a Home in the Winter

Find out how to prepare your house for successful winter sale with tips on cooler weather maintenance, appropriate holiday decor, and seasonal house showing tips.



Expect selling a home in the winter to take a bit longer.

“Homes in my area generally sell _____ in the winter compared to other seasons.”



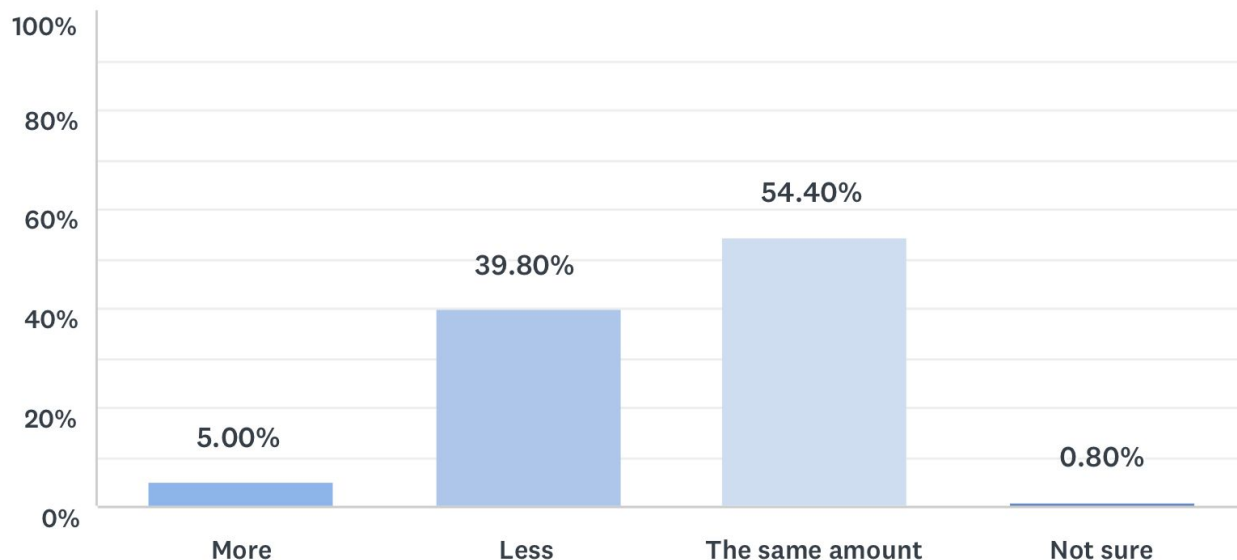
A combination of holiday distractions and (in some markets) cold weather can cast a chill on the real estate market. As you'd expect, **the majority of agents (64%)** say homes during these months generally sell at a slower pace compared to other seasons.

But a (not insignificant) **35% report that homes sell at the same pace — or faster — in the winter**, so it really depends on your market's seasonal patterns.



But you don't necessarily need to sacrifice price in the offseason, if you're willing to wait.

"Homes in my area generally sell for _____ in the winter compared to other seasons."

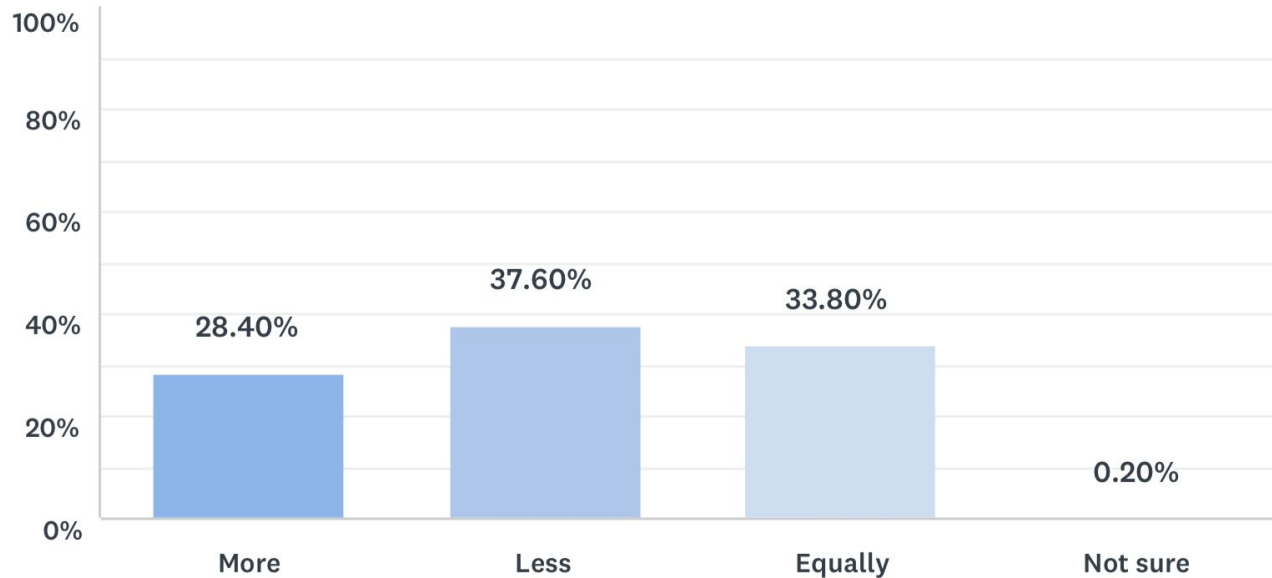


Some more good news about selling in the winter: nearly **60% of top agents said that homes sell for the same amount or more** during this time of year. So don't settle for that lowball offer right away.



At the same time, don't expect winter buyers to be desperate.

“Homebuyers in my area are generally _____ motivated in the winter compared to other seasons.”



You may have heard that whoever is out shopping for homes in the winter must be a serious buyer — why else would someone willingly shuttle from house to house when it's so dark out and there's snow on the ground?

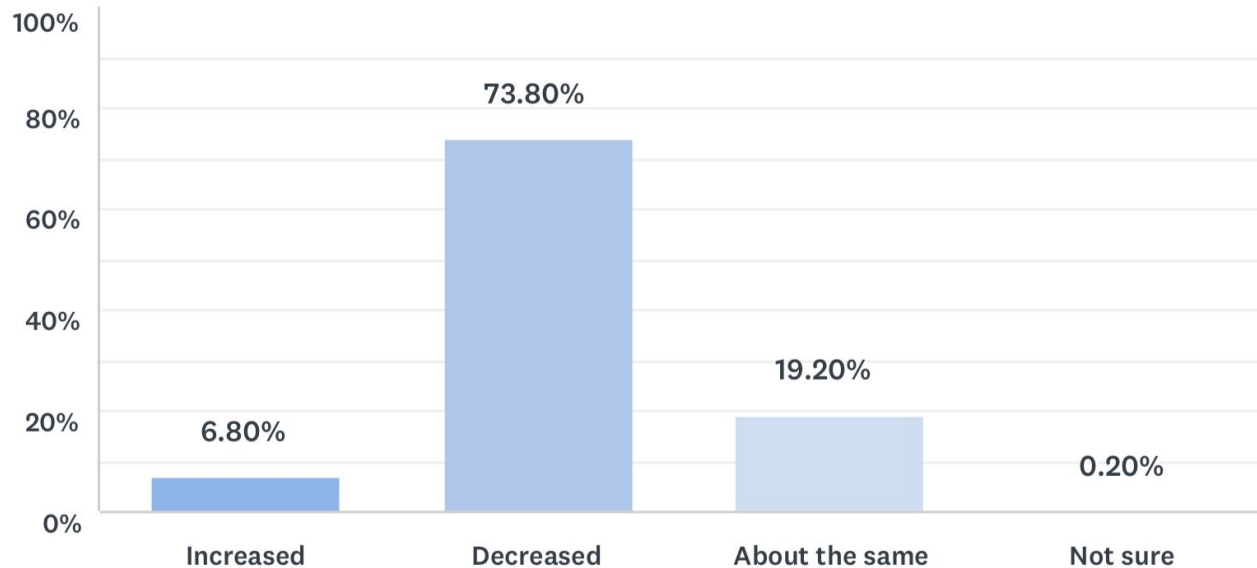
However, **38% of top agents say that homebuyers are actually less motivated in the winter** compared to other seasons, while 34% and 28% say buyers are equally or more motivated, respectively.

This could be because buyers in the spring and summer are often driven by some kind of school or work deadline and hope to get settled before fall — when schedules start to get busy. Either way, don't assume the first buyer to come through will automatically make an offer, and make sure the house presents well.



Winter home-selling perks: You might be the only home with a for-sale sign for miles.

“Winter home sellers will face _____ listing competition compared to other seasons.”

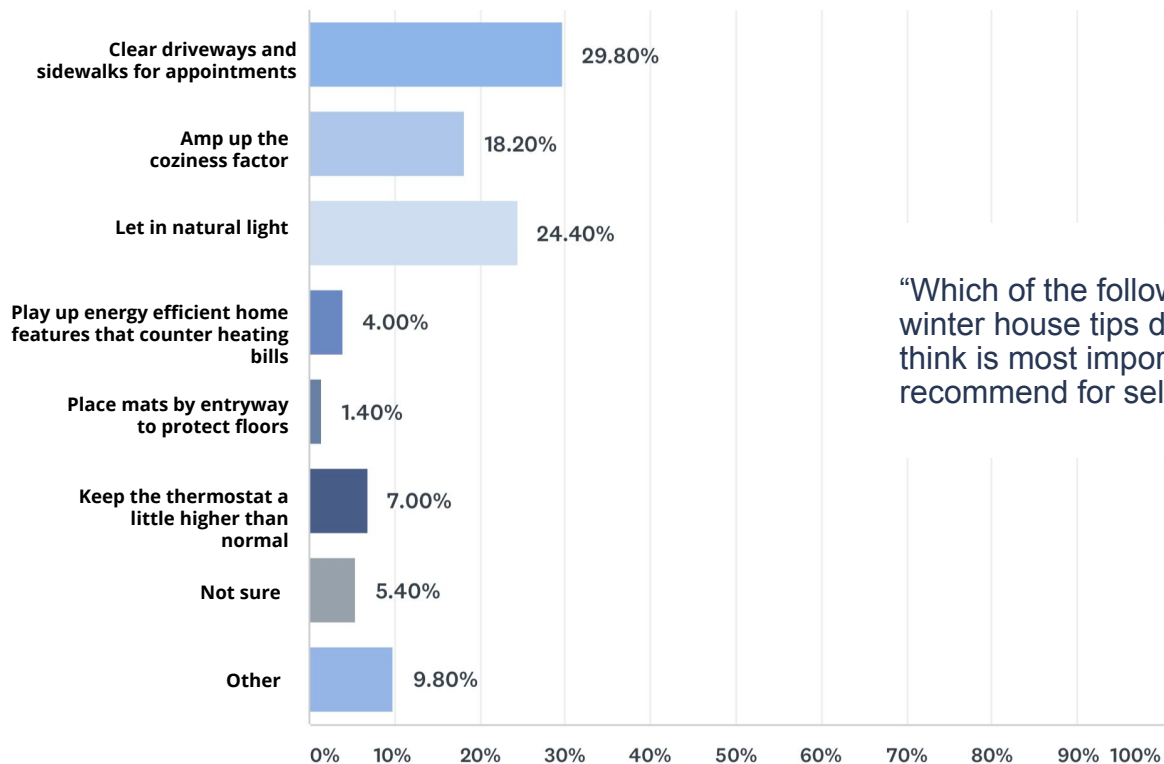


It appears conventional wisdom about listing competition in the winter is true, though. Nearly **75% of top agents say that winter sellers will have less competition** during the offseason stretch.

Now's your chance to beat your neighbors to the punch: spruce up the house, [hire a top local agent](#) to create a great marketing plan, and attract a buyer while everyone else plans for a spring sale.



Keep the house safe, well-lit, and inviting for the best winter house showing experience.



“Which of the following winter house tips do you think is most important to recommend for sellers?”

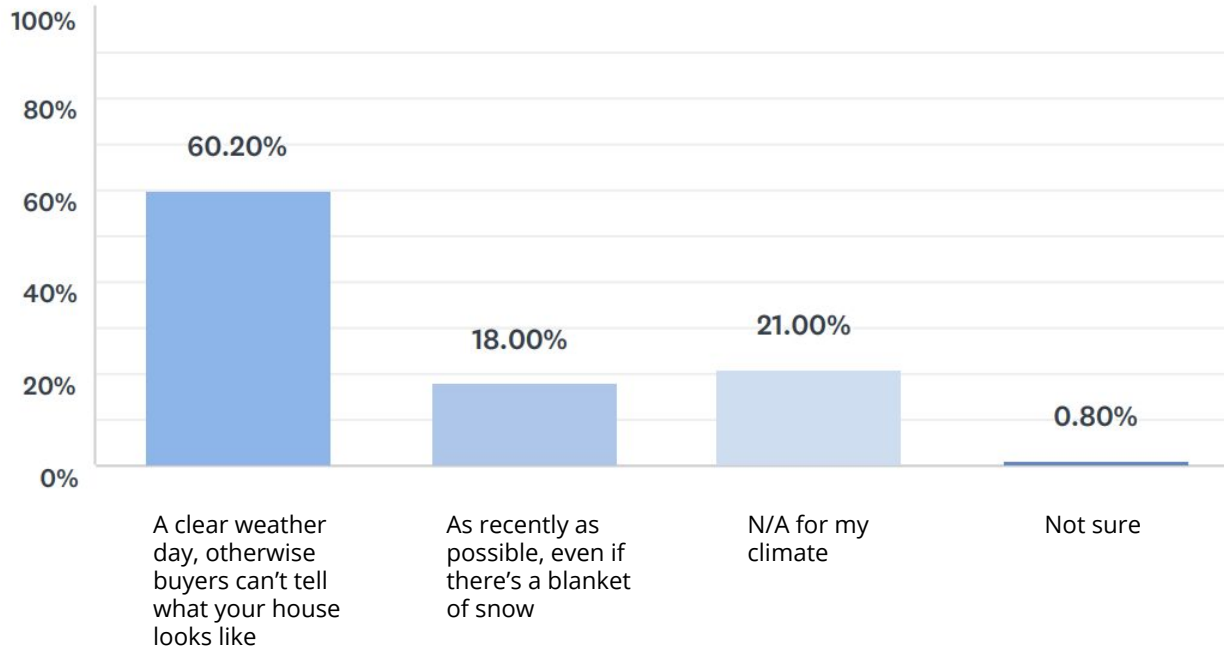
If you do nothing else to prepare your house for home showings in the winter, be sure to make your house easy to access (clear driveways and sidewalks if you've had bad weather) and let in plenty of natural light before the sun starts to set at 5 p.m. (after that, flip on all your lights and lamps).

Help buyers feel right at home with some cozy touches like a fuzzy throw on the couch or a fire in the fireplace.



Wait for the weather to pass and take your winter listing photos on a nice clear day.

“A winter listing should feature photos taken on:”

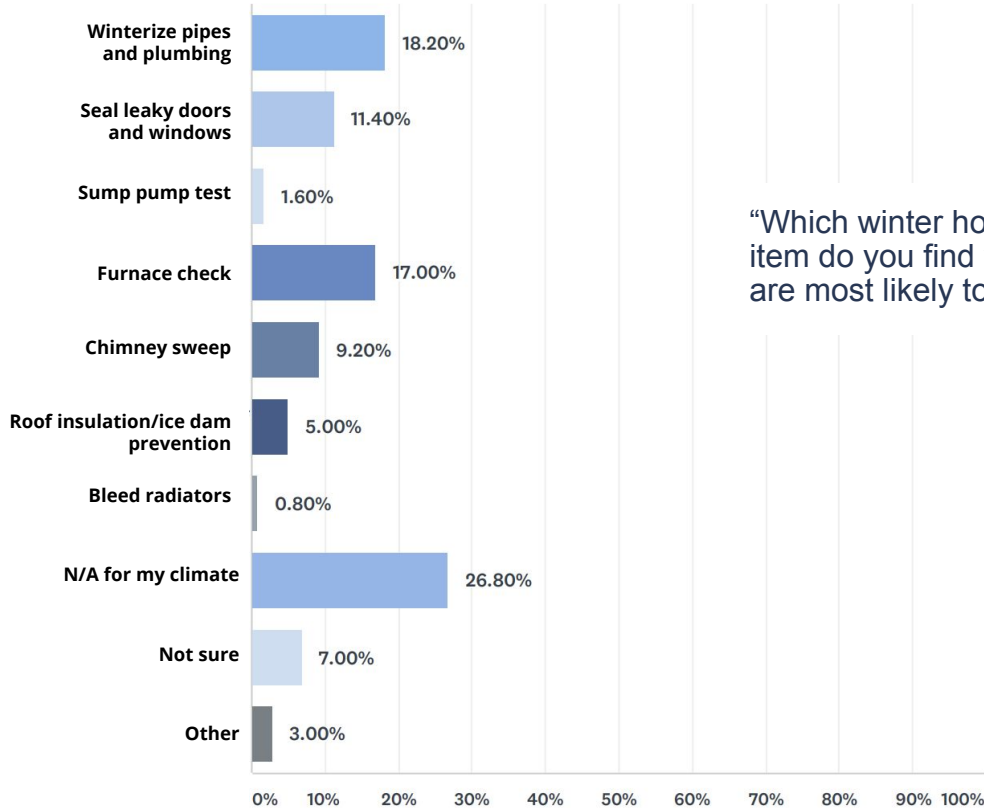


60% of top agents suggest that you shouldn't take winter listing photos during inclement weather or when you have a blanket of snow covering the house.

Wait for a clear weather day so buyers can notice your amazing curb appeal and that your roof's in great shape — little details like that just might entice someone to book a tour.



Take care of critical winter home maintenance.



“Which winter home maintenance item do you find your seller clients are most likely to forget?”

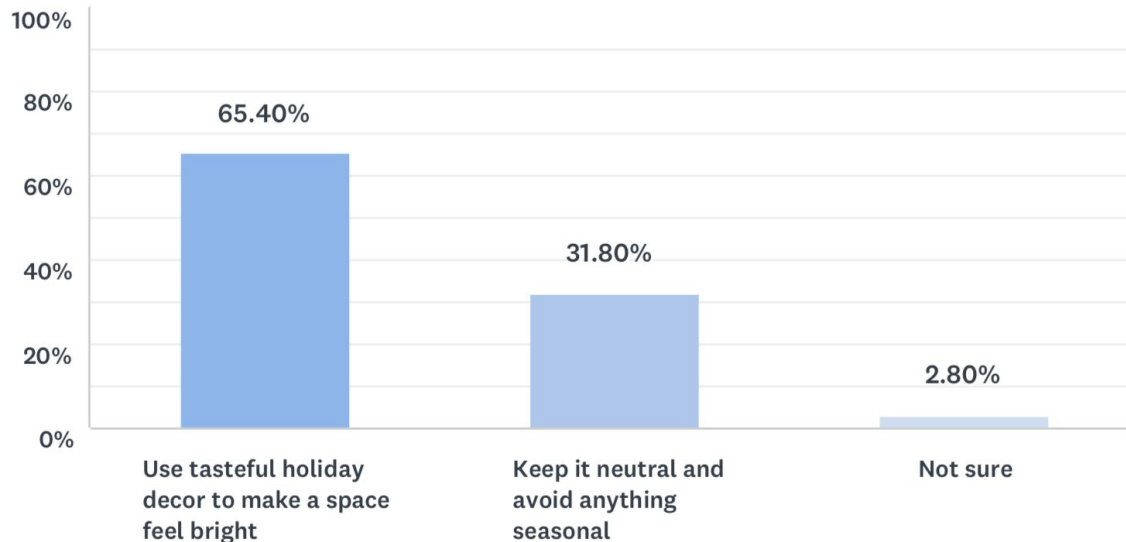
Make sure to winterize your plumbing to prevent damage, and do a furnace check to get the house in peak condition for when the inspector comes through.

These are the top two items homeowners are most likely to forget!



You can still decorate for the holidays if you're selling your home. Just keep it tasteful.

“Sellers staging their home around the holidays for showings or open houses should generally:”



Ignore the conventional advice to keep your home completely neutral when you sell it (unless your agent lays down the law — remember, they know the customs for your area).

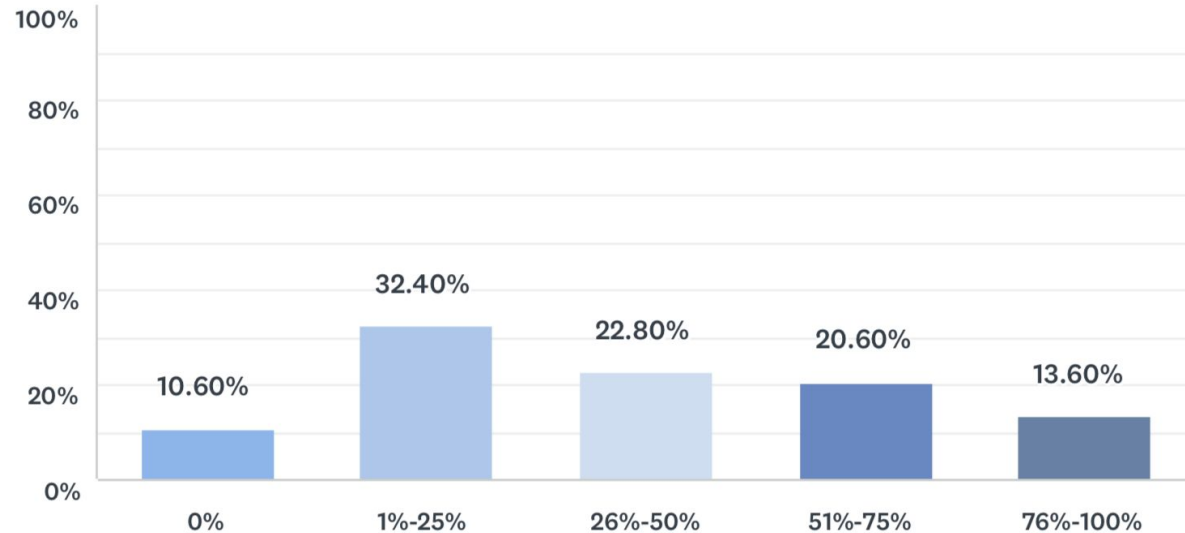
But, 65% of top agents say: A little holiday cheer never harmed anyone.

In fact, they recommend using “tasteful holiday decor” to make a space feel bright. So go ahead and dust off that box of decorations in storage...



In fact, 89% of agents sold homes that were decorated for the holidays last year.

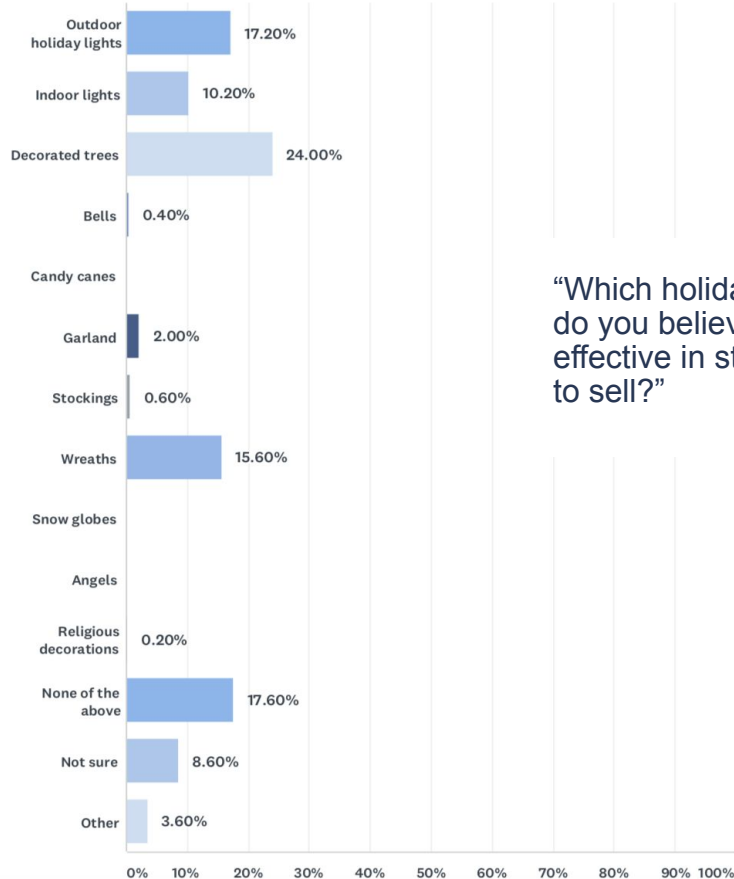
“In Q4 2018 and Q1 2019, about what percentage of homes that you sold were decorated for the holidays?”



During the appropriate season, the vast majority of agents sell at least some homes that are decorated for the holidays — it's a common occurrence.



But not all holiday decorations have the same impact.

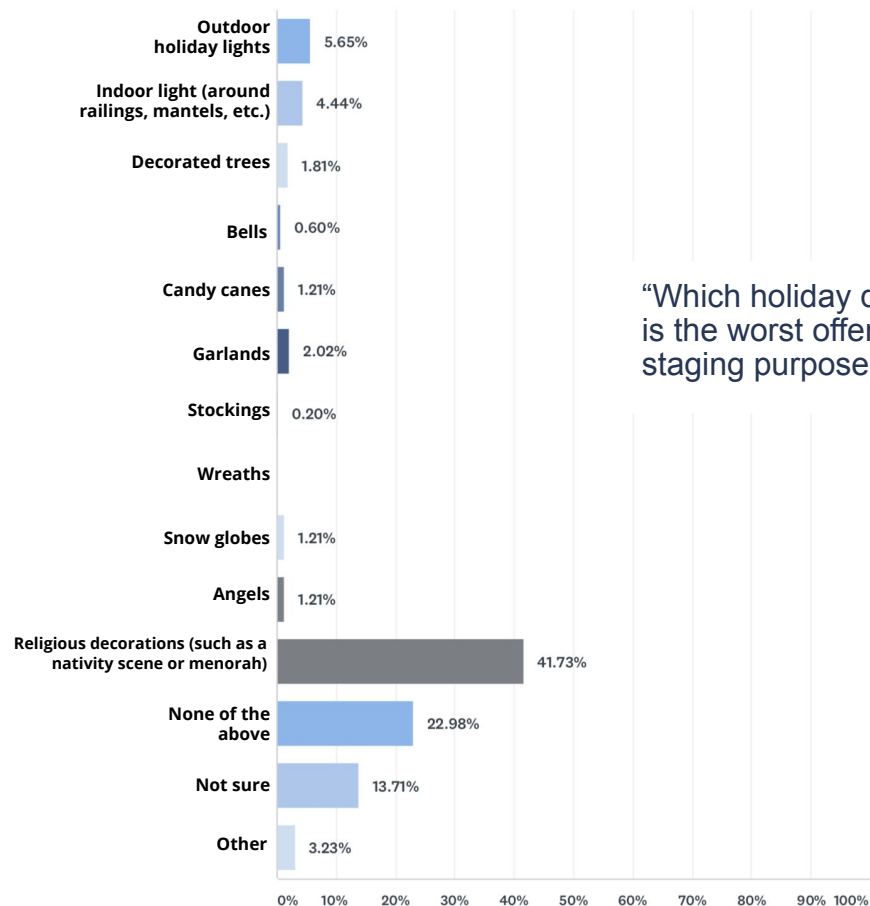


“Which holiday decoration do you believe is most effective in staging a home to sell?”

Among the different types of holiday decorations many homeowners use during the season, top agents said that **decorated trees (24%)**, **outdoor holiday lights (17%)** and **wreaths (16%)** are the most effective at selling homes.



Put away anything overtly religious.



When you sell your home, the goal is to appeal to the widest array of buyers possible — so **42% of agents say that religious decorations are the worst offender for staging purposes.** Skip the nativity scenes, menorahs, etc.



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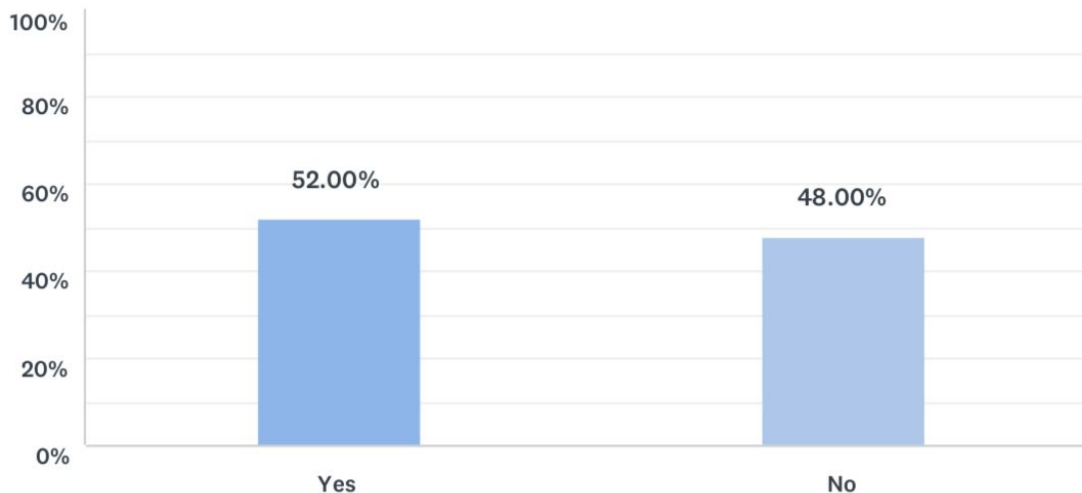
Are Open Houses Worth It?

Get the inside track on whether open houses actually help to sell homes and how agents make the most of these marketing events.



Agents are split, but the slight majority (52%) *always* recommend an open house to their seller clients.

“Do you always recommend an open house to your seller clients?”



Open houses are a classic real estate tradition [dating back to the early 1900s](#).

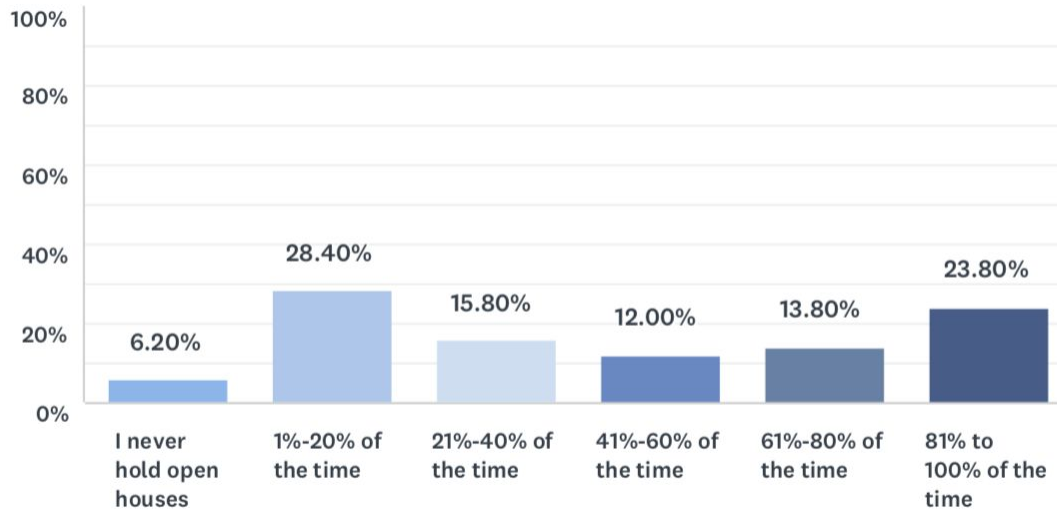
But [whether they're still relevant](#) or in the best interests of the seller has been a rising point of controversy in real estate.

Our survey shows that a **little over half of top agents still always recommend an open house** as part of their home selling strategy, while the **other 48% do not**.



Some agents only hold the occasional open house, while others are open house diehards. It truly runs the gamut.

“How often do you end up holding an open house for your listings?”



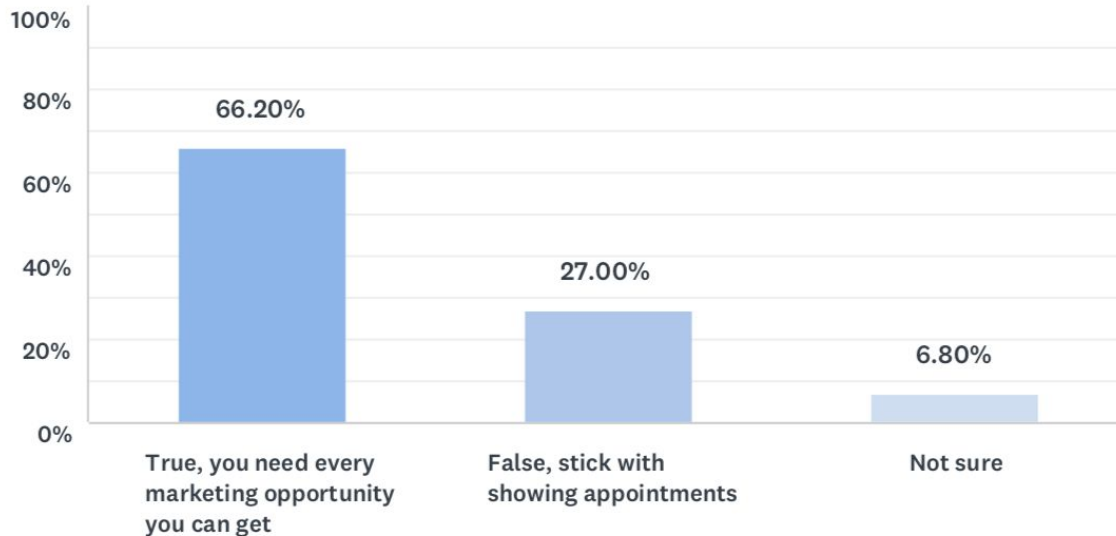
Top agents offered mixed responses on how often they end up holding open houses. A good chunk (nearly 30%) only hold an open house 1%-20% of the time.

But nearly a quarter hold an open house for 8 out of 10 listings or more.



Winter also warrants an open house, so go ahead and plan for one in the offseason.

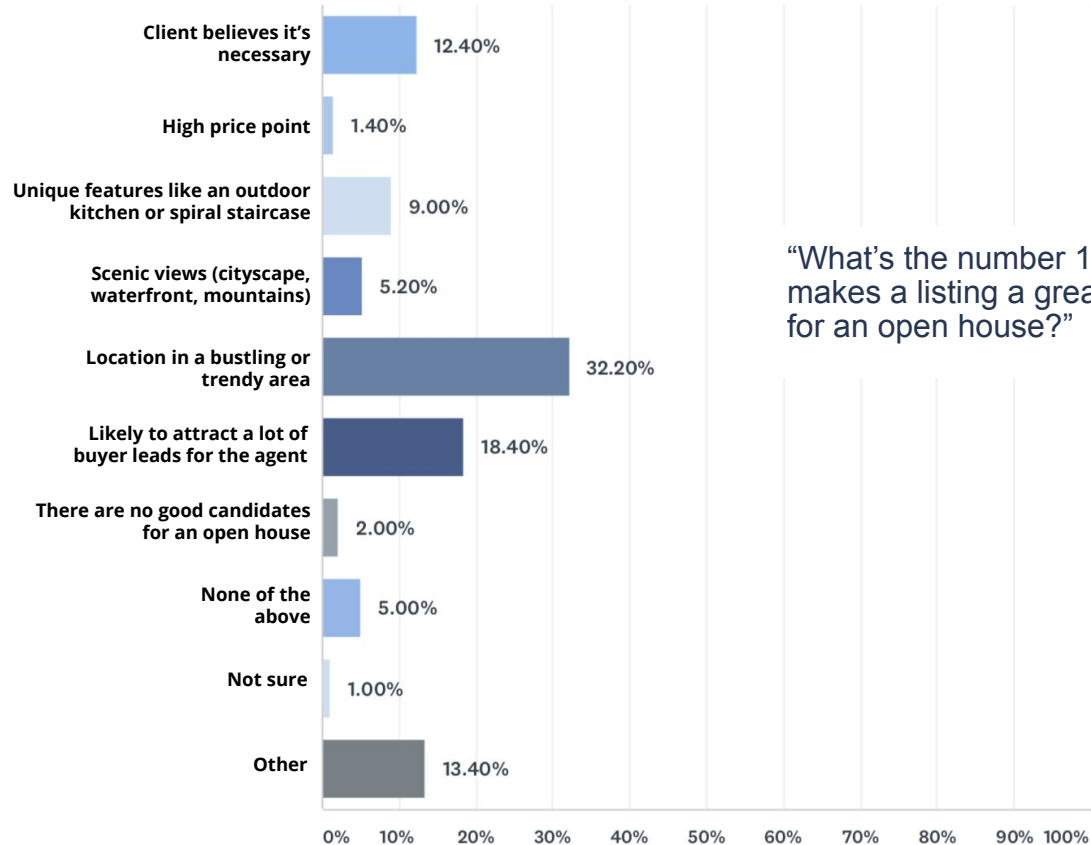
“True or False: Open houses in the winter can be a good way to boost foot traffic when home buying season slows down.”



Remember how it takes a little longer to sell your home in the winter? Now's the time to **pull out all the marketing stops**: open house included, according to 66% of top agents.



Some listings will benefit from an open house more than others — and there's one big differentiating factor.



“What’s the number 1 factor that makes a listing a great candidate for an open house?”

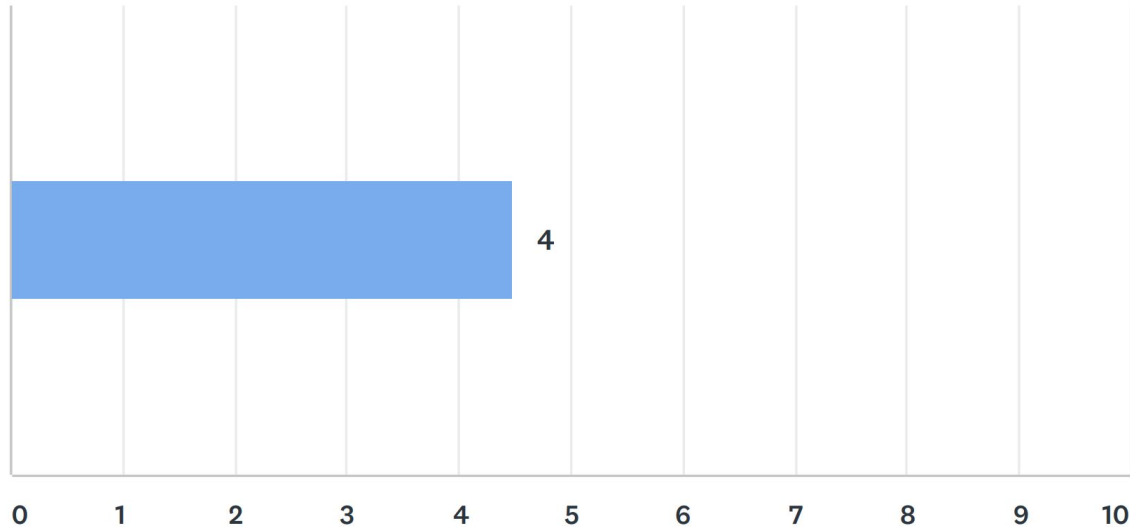
If you live in an interesting neighborhood with a ton of foot traffic or where people come to shop or see local attractions, then an open house could be just what you need to find a buyer for your home.

32% of top agents say the that a location in a bustling or trendy area is the no. 1 factor that makes a listing a great candidate for an open house.



Remember, though, open houses aren't guaranteed to generate an offer.

“One a scale of 1-10 (1 = not effective at all, 10 = extremely effective), how effective do you feel open houses are at getting a house sold?”



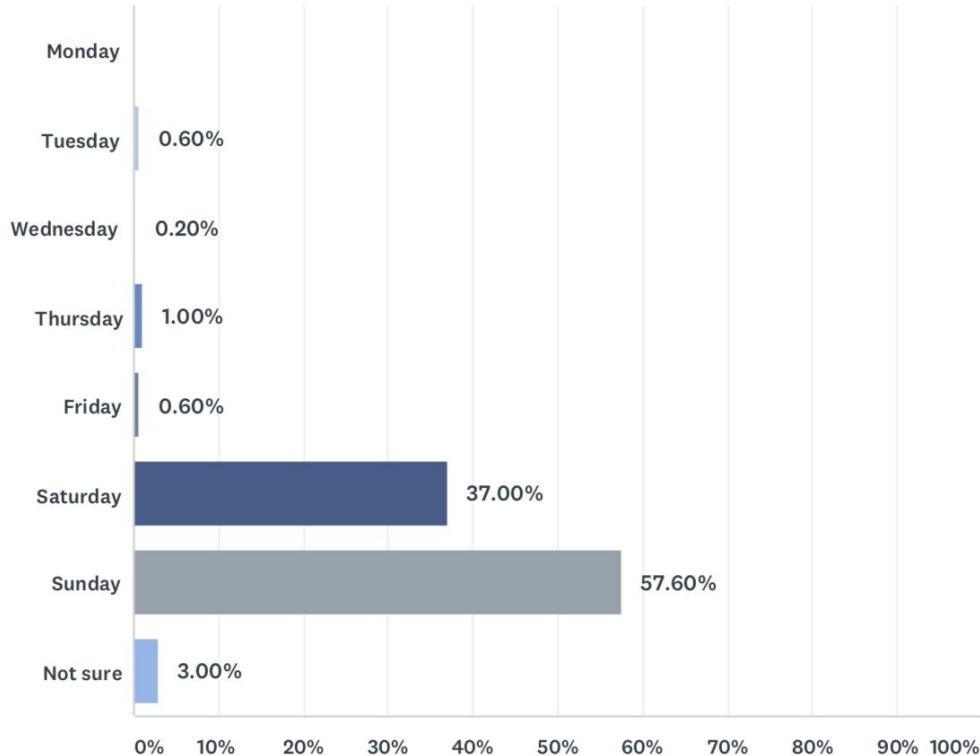
On average, agents rank the effectiveness of open houses at a mediocre 4.4 on a scale of 1 to 10, with 1 being “not effective at all” and 10 being “extremely effective.”

So unless it's the offseason or you live in a coveted part of town, you can probably stick to showing appointments.



No surprise here — weekends are the best slots for open houses. Don't hold one while people are at work.

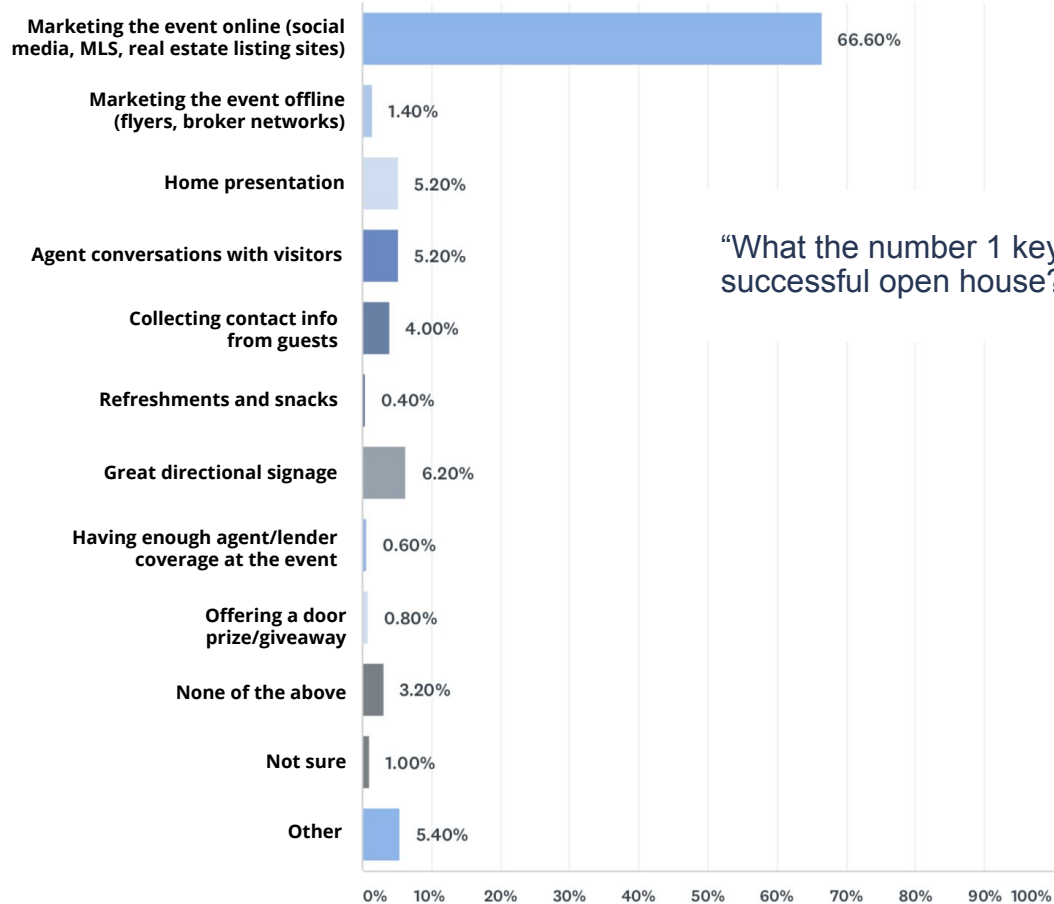
“If you are hosting an open house, what's the best day of the week for it?”



For optimal visibility and foot traffic, go for a Sunday afternoon open house. In support of these survey results, HomeLight's analysis of Google Trends Data shows that [online searches for open houses on Google peak on Sundays between 8 a.m. and 11 a.m.](#), indicating you're likely to capture the most foot traffic on a Sunday afternoon.



And the no. 1 key to making your open house successful is.... (drum roll please):



Around two-thirds of top agents (66.6%) said that the most important factor in the success of an open house is marketing the event online.

So shout it from the virtual rooftops: Facebook, real estate websites, Instagram, the MLS, you name it — no longer will a few signs out on the lawn do your open house justice.



Methodology

Agents were selected to participate in HomeLight's Top Agent Insights Survey for Q4 2019 based on the same performance data HomeLight uses to identify top real estate agents across the country for hundreds of thousands of buyers and sellers.

Top performing agents were identified by comparing a number of metrics including average days on market, total number of sales, average sale to list price ratio, and other proprietary data points.

Agents identified by HomeLight as ranking in the top percentiles of their market were invited via email to take the survey.

500 agents responded to complete the entire survey of 37 open ended and multiple choice questions. The questions spanned an array of topics relevant to people selling houses and the industry at large—including the state of the real estate market, fall home-selling tips, and seasonal home improvement projects.



About HomeLight

HomeLight's vision is a world where every real estate transaction is simple, certain, and satisfying.

We provide software and services to home buyers, sellers, and real estate agents including HomeLight Agent Matching, the investor matching platform Simple Sale, HomeLight Home Loans, and HomeLight Closing Services.

Each year, HomeLight helps hundreds of thousands of clients connect with top real estate agents, and it facilitates billions of dollars of real estate on its platform.

