

The Value of a Pro

By ANNA CHANG-YEN | Green Shoot Media

Technology and the Internet have changed how we buy everything, so it's no wonder that most people use the web to find and research homes and real estate agents. When it comes to a transaction as important as buying a home, however, while apps and websites have become a big part of the process, it's still critical to have an agent's human touch.

We don't buy most things the way we did 50 years ago — or even 20. No more writing a check at the front of the grocery line. We swipe our debit cards or order our groceries online and pick them up in the store, or even have them delivered to our door. Similarly, websites such as Zillow, Trulia and Realtor.com have changed how Americans buy their homes, but more than any other market, the real estate market still depends heavily on the experience and expertise of professionals.

ENTER THE WEB

An informal poll on the Washington Post website asks readers about the first steps they take when looking for a home. Most readers said they look on home-buying websites, followed by figuring out a budget, followed by using an app to search for homes and mortgages. At the bottom of the list was calling a real estate



agent.

But another Washington Post article, titled "The real estate industry has something the Internet can't offer: The human element," paints a picture of how vital real estate agents are to the process.

Apps and websites provide information to buyers that they never had access to before without doing a great deal of research themselves or tapping a real estate professional's resources: home sale prices, tax information, school reviews

and neighborhood profiles.

Yet agents earned a higher average commission in 2016 than they did in 2005, according to industry tracker Real Trends, still raking in \$60 billion per year. At the same time, there are 60 percent more agents today than 20 years ago.

A FRIEND IN THE BUSINESS

With buyers doing so much of the legwork in a real estate transaction on their own, one might wonder how real estate agents have remained so vital.

When it comes to the complicated legal and financial components of home-buying, buyers might feel more secure working closely with an agent. In the Washington Post survey, 45 percent of respondents said honesty and trustworthiness were the most important trait they look for in an agent, and 24 percent chose negotiating skills. And two-thirds of consumers found their agent through a personal connection or recommendation, according to the Post.

REAL ESTATE 101

Promising Sales Spike

The National Association of Realtors' Pending Home Sales Index showed a 5.5 percent spike in pending home sales in February, reaching the highest level in nearly a year and the second highest level in over a decade. According to NAR, all major regions saw a notable hike in contract activity. The Index sat at 112.3 in February, up from 106.4 in January, a 2.6 percent increase over February 2016.

Agents have adapted to technology with their own apps and online tools. For now, commissions seem to track more closely with the health of the market than the influx of technology, according to Real Trends.

The Post predicts that although commission could eventually decrease in response to Internet competition, but buyers and sellers seem to be continuing to place value on the human factor.

As Century 21 points out in its current advertising campaign, "There's no robot for insight or hustle or a handshake."



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HOMESWISE GLOSSARY

Yield rate: The yield expressed as a percentage of the total investment. Also, called rate of return.

REIT: A real estate investment trust, a business trust which deals principally with interest in land — generally organized to conform to the Internal Revenue Code.

SOURCE: California Bureau of Real Estate

AD SPACE