



HomeLight

Top Agent Insights Q2 2019 Report

As we hit the year's halfway point, America's top real estate agents weigh in on current market conditions and reveal how to set yourself up for a successful summer home sale.



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 in 2019 and beyond.

Our Top Agent Insights survey for Q2 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.

- **Over 430 Participating Top Agents**
- **More than 35 Open-Ended and Multiple-Choice Questions**
- **Q2 2019 Housing Market Trends**
- **Curb Appeal and Outdoor Home Feature ROI Data**
- **Insider Tips for a Successful Summer Home Sale**



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Housing Market Pulse Check

What's happening with inventory levels, home values, and interest rates? And how can you account for current conditions as you set out to sell your house?



Overview: What's happening in today's housing market

Imagine a pendulum representing the state of housing. Swing it all the way to the left side and you have an extreme buyer's market where there are more homes for sale than interested buyers, putting downward pressure on prices and sellers in a position of weakness.

Push it all the way to the right, and you have an extreme seller's market—prices skyrocket, bidding wars become the norm, and sellers hold all the cards.

While a year ago you'd have placed the pendulum about as far right as it can go, the current housing market as of Q2 2019 lands somewhere between extreme seller's and what would be a balanced market (smack dab in the middle). In other words, sellers still have a leg up in most markets, but there's a few caveats.

Here's what's happening as we hit the halfway point of this year: 63% of agents who participated in our survey believe they're in a seller's market, an 8% increase over those who reported being in a seller's market in Q1. As of this quarter, only 9% of agents said they were in a buyer's market, while 23% characterized conditions as balanced or "neutral."

There are a few factors preventing a more drastic swing in buyers' favor. For one, inventory is rising, but at a more tempered pace than expected. 50% of surveyed agents said that inventory levels right now are actually lower than they anticipated they would be headed into 2019.

Data from the National Association of Realtors (NAR) shows that in May, [total existing housing inventory was at 1.92 million](#) homes, marking a modest 2.7% yearly increase. However, unsold inventory sits at a 4.3-month supply, which is still below the 6-month balanced market threshold.

Moreover, 56% of agents in HomeLight's survey also say they've seen [lower-than-expected interest rates](#) boost buyer demand in their area. Yet roadblocks like [affordability and hefty student loan debt](#) are still holding the biggest group of homebuyers (millennials) back when it comes to down payments.

Therefore, due to mostly unsustainable price gains, there is somewhat of a cooling effect at play. In fact, home price growth chilled to [2.7% in May](#), the smallest annual gain we've seen since 2012. Naturally the most expensive cities are seeing the fastest declines. However, there's still tough competition over entry-level housing.

Nevertheless, existing-home sales picked up 2.5% in May. NAR expects job creation and the potential for improved wages could [boost the number of sales](#) as the year goes on. 64% of agents say they expect to make more money in 2019 than they did last year, which means business is good.

Sellers should bear in mind though that there is extra competition coming on the market, and home values aren't rising as they once were. They'd be wise to put their best foot forward, rather than bank on having automatic advantage.



What did agents have to say about market conditions?

Now that we've set the stage for current housing trends from a broader perspective, let's drill down into what agents had to say about key market indicators, and how they differ from their expectations heading into the year.

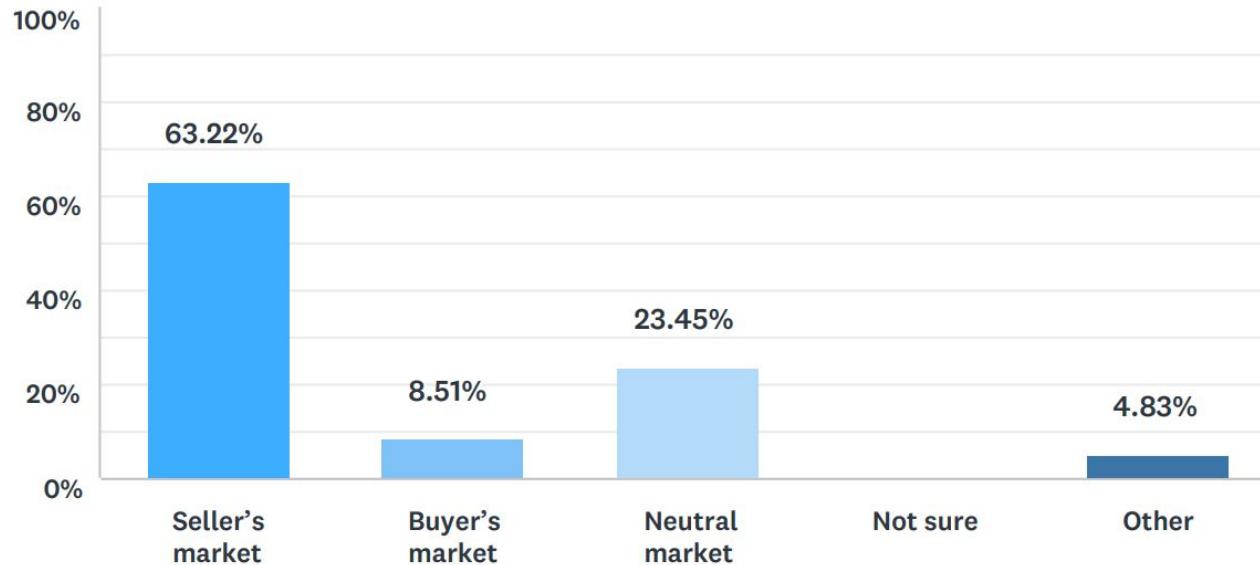
In our Q2 2019 survey, we asked agents to give us their take on:

- Inventory Levels
- Home Prices
- Buyer Demand
- Their current state of business





How would you characterize your local housing market conditions?



“ Rates are low, which makes it a great time for purchasing a home, and sellers should strive to list earlier in the summer to capture the higher buying demand.

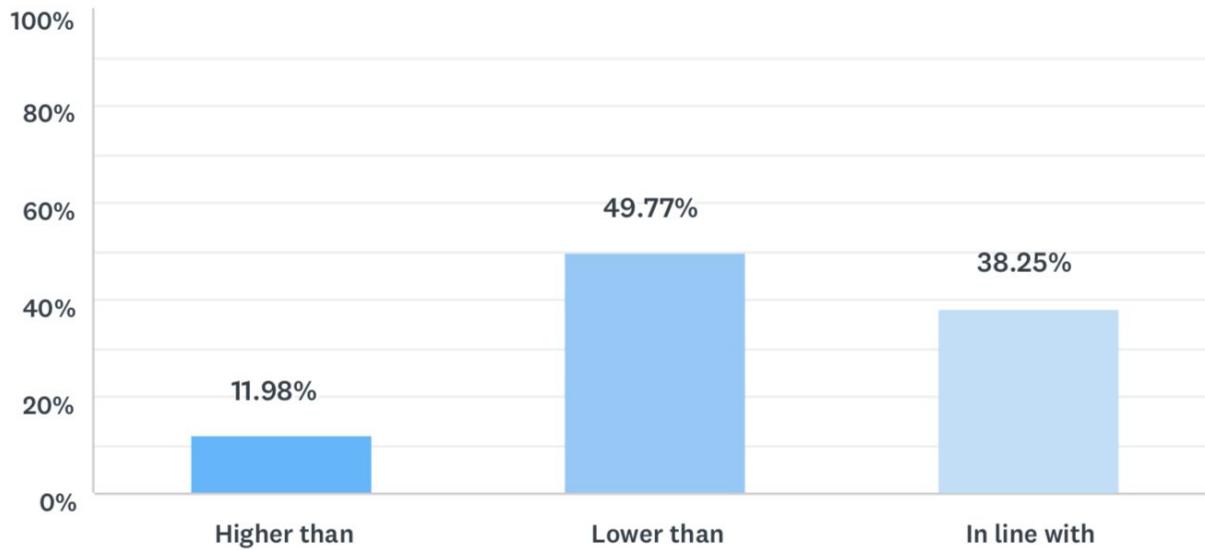
-Survey Respondent and top Florida-area agent

In the second quarter, 63% of agents characterized local real estate conditions as a “seller’s” market, representing a modest uptick from the 58% of agents who said the same in Q1.

Inventory is still relatively tight, the economy’s faring well, and the Fed’s signal that there will be no further rate hikes for the rest of the year has fueled a little extra buyer demand in some markets than expected. Bottom line: it’s still a good time to sell your house.



“Inventory is _____ what I expected.”

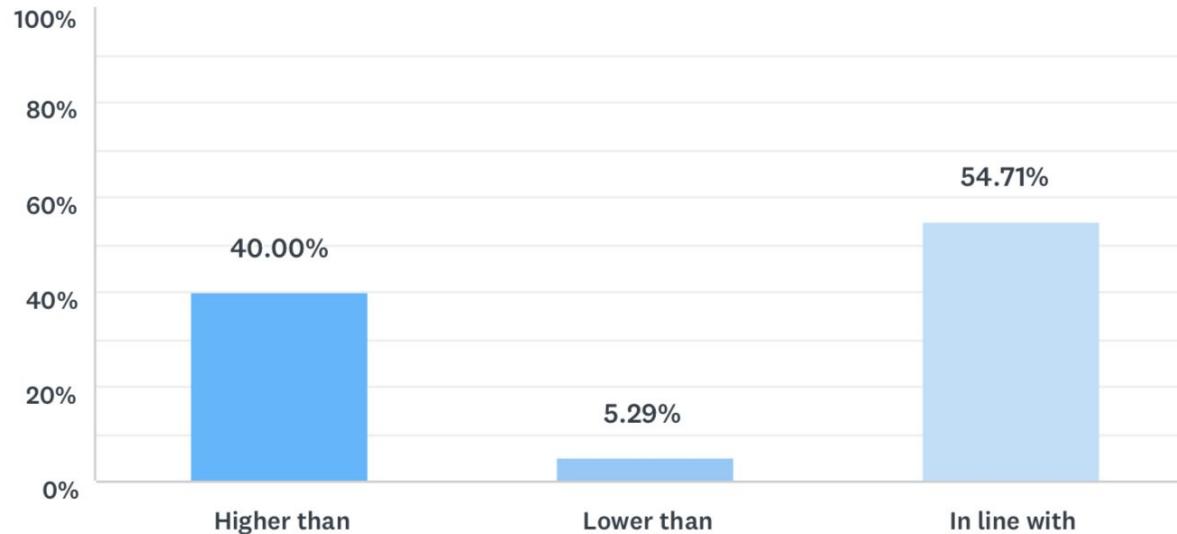


In Q1, 56% of surveyed agents predicted that inventory was on the rise. However, our second quarter data shows that nearly **50% of top agents are surprised** that there aren’t currently more homes for sale.

Economists are attributing the lack of inventory to the slow pace of new construction, as home builders continue to face labor and cost challenges.



“Home prices are _____ what I expected.”



“ Prices are still increasing, but have definitely stabilized and we are seeing more price drops than I can remember.
-Survey Respondent and top Tennessee-area agent

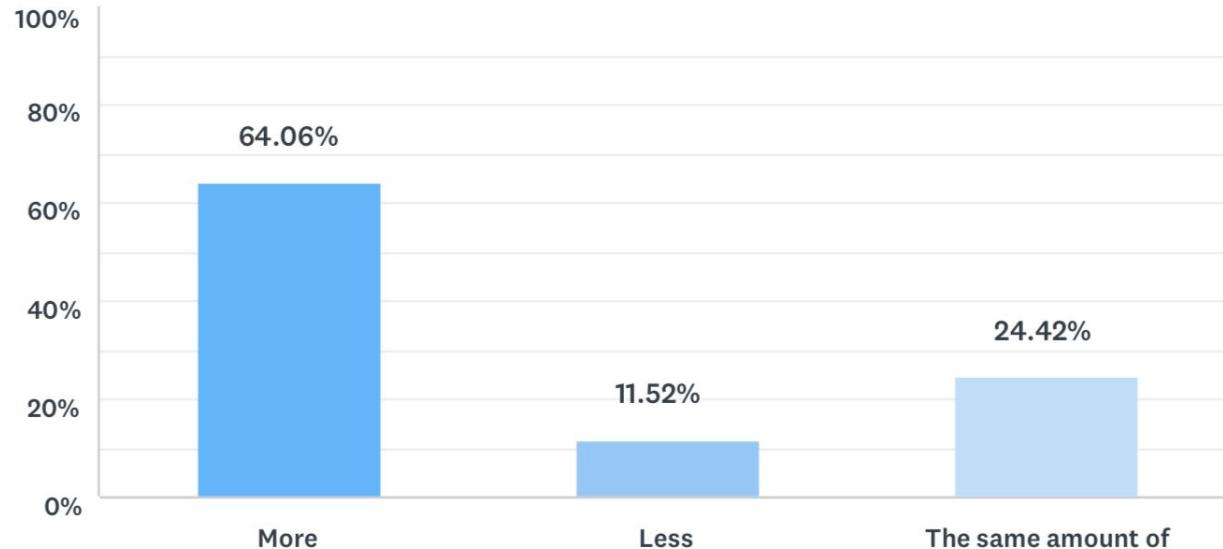
About 55% of agents say that home prices are in line with what they expected, while 40% of agents say that prices are actually higher.

The CoreLogic Home Price Index report found that home prices increased 3.6% year-over-year in April 2019 and projects prices to rise by 4.3% in 2020.

However, overall price gains are chilling compared to recent years as home values settle into a more sustainable pace of appreciation. Sellers need to recognize this shift and take care not to overprice their homes from the outset.



“I expect to make ___ money helping clients sell and buy real estate in 2019 than I did in 2018.”

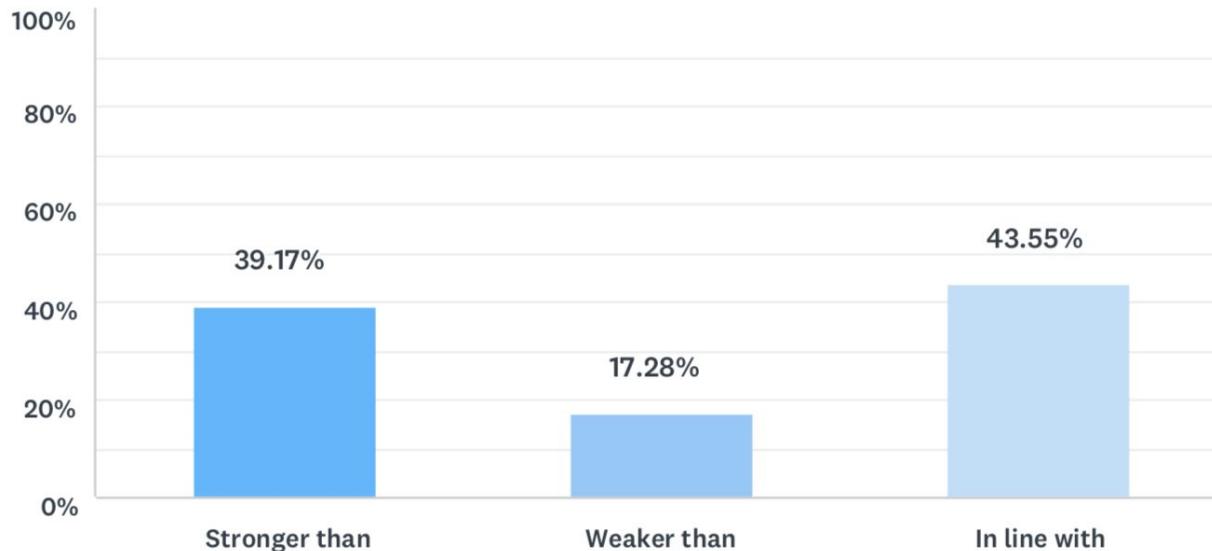


Despite forecasts of a cooling real estate market headed into 2019, 64% of real estate agents anticipate that this year will be an even better one for business than 2018.

Agent expectations can be harbinger for the state of housing in general—the hotter the market, the more clients who need their services as activity picks up (whereas during the crash, many agents left the industry). NAR stats show that in 2018, 91% of sellers listed their home with an agent.



Buyer demand for the 2019 market is _____ what I expected.



“ Be ready for showings immediately upon your listing going active. There are many buyers in the market ready to write offers.

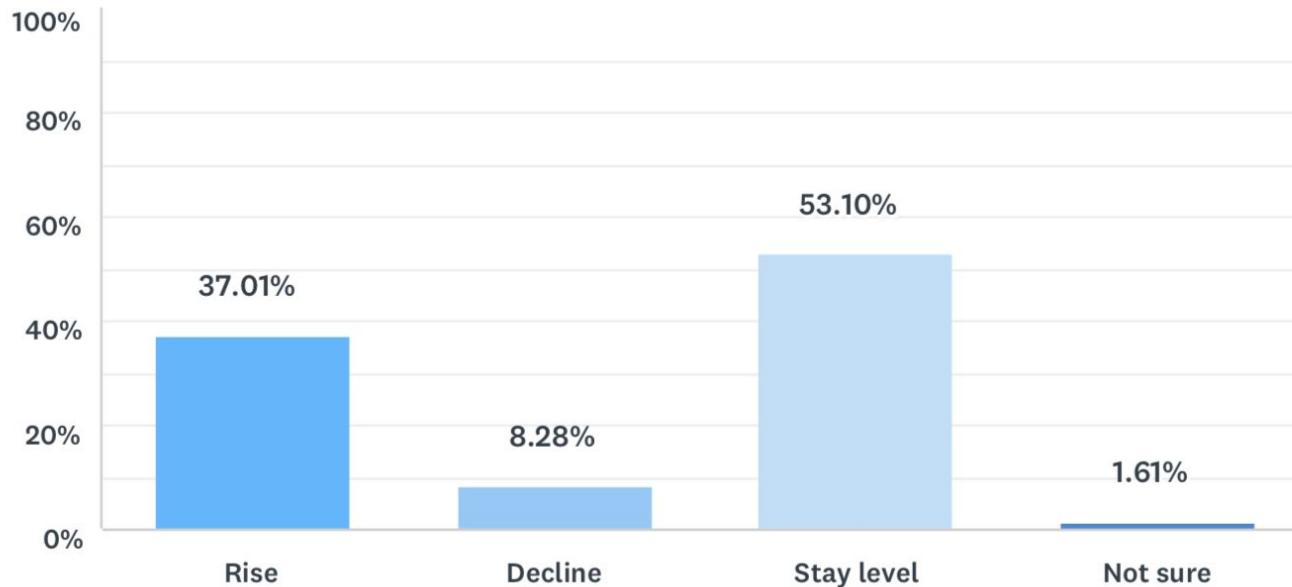
-Survey Respondent and top Washington-area agent

Almost 83% of top agents say that buyer demand has been either in line with or stronger than what they had predicted for the 2019 market.

Foot traffic for showings increased by 5.5 points in April, according to NAR. Higher foot traffic correlates with more contracts and sales. Aligned with agents' expectations, buyers are out and about, ready to purchase homes.



Over the next 6 months, agents think home values in their markets will...



“ Summer real estate prices are able to capture the appreciation from the spring market.
-Survey Respondent and top California-area agent

45% of agents surveyed in Q1 said projected home values to rise, whereas 47% expect it to stay level.

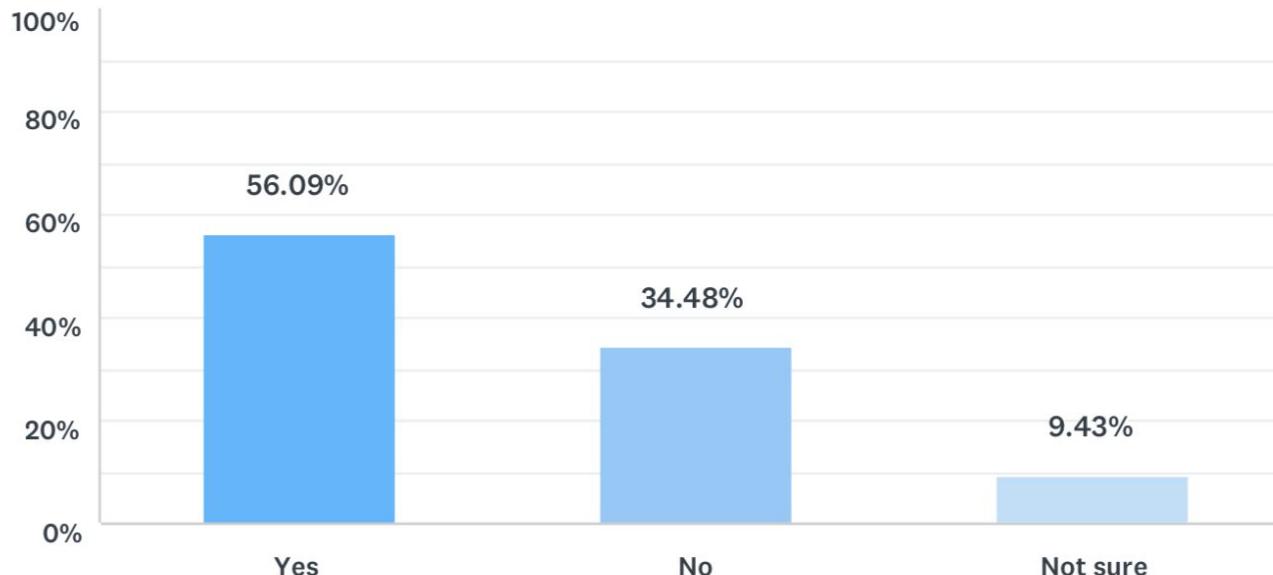
Now, more agents expect values to stay level and fewer believe it will rise.

Chief Economist of the NAR, Lawrence Yun, says that a majority of homeowners enjoyed price gains in Q1 and accumulated \$9,500 in wealth over the past year.

We can expect home values to continue to go up, though at a slower pace.



Have you seen lower-than-expected interest rates boost buyer demand in your market?



“ *This year, buyer demand is high, inventory is low, and interest rates are low.*
-Survey Respondent and top Maryland-area agent

More than 56% of agents said lower-than-expected interest rates have increased buyer demand in their market.

In May, the 30-year fixed mortgage rate dropped to 3.99%. Sam Khater, Chief Economist of Freddie Mac, says that the lower rates should “give a boost to the housing market, which has been on the upswing with both existing- and new-home sales picking up recently.”



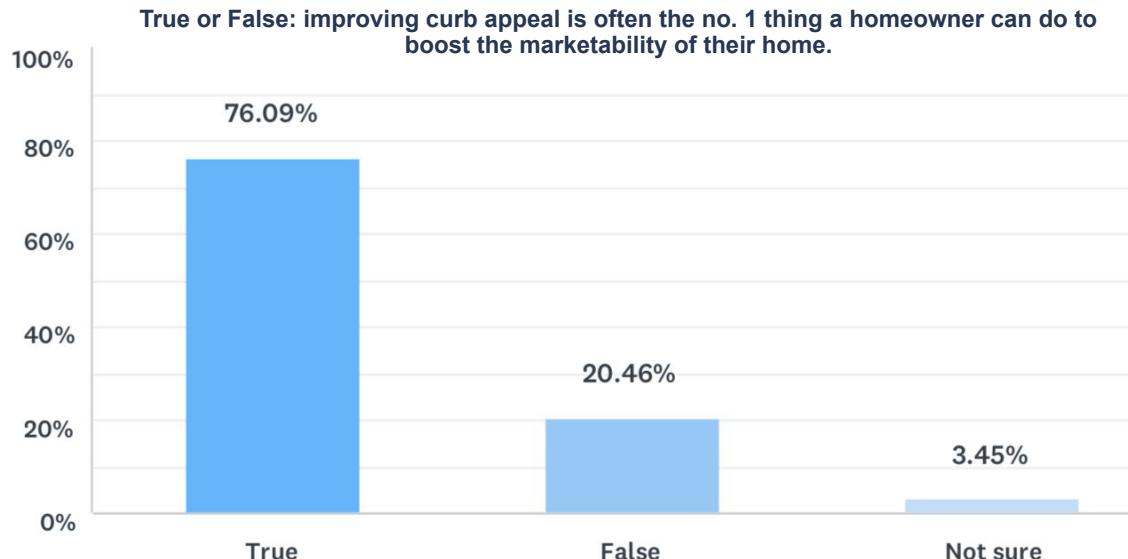
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The Power of Great Curb Appeal

Get advice on which curb appeal updates add the most value and marketability before you hit the market. Bottom line: you want to 'wow' potential buyers from the street...on a budget.



If you do nothing else to prepare your home for sale, at least focus on curb appeal.



Just how important is curb appeal—that is, how your home presents from the outside?

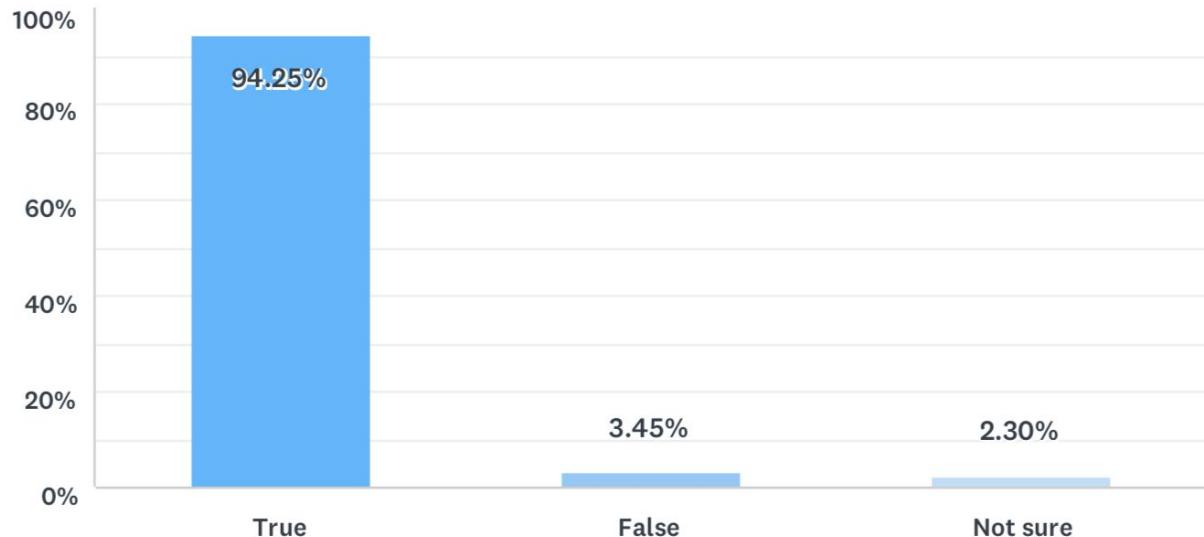
Apparently, it is *everything* when it comes to selling your house. In fact **76% of agents believe it is the no. 1 thing you can do to boost your home's appeal.**

Make sure you don't get so caught up worrying about the inside of your house that you forget about the exterior, which will make or break buyers' first impression of your home.



Curb appeal isn't just for show: it actually translates to dollars in your bank account.

True or False: Great curb appeal adds value to a seller's bottom line.



“ Make the best impression possible, you will only be new on the market once. Sellers who have the most improved property will get the most attention and best price.

-Survey Respondent and top California-area agent

Any homeowner knows that keeping up with curb appeal requires hard work. The lawn needs constant tending, pesky weeds crop up everywhere, flowers die, and piles on piles of leaves just keep accumulating.

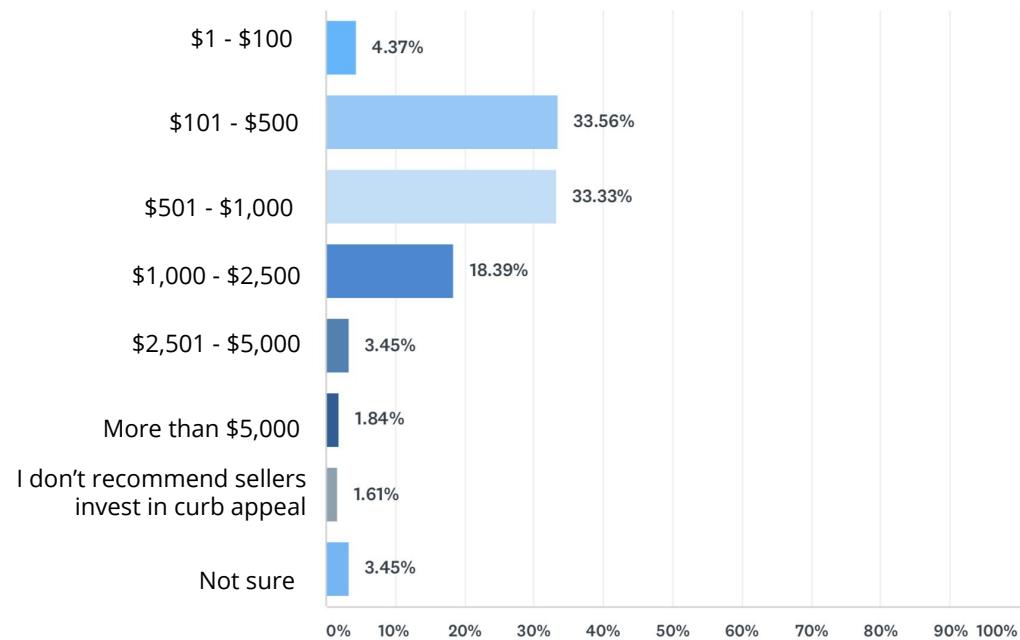
It'd be a lot more motivating to know that the work you put into making your home exterior attractive was worth something more than a "good impression."

According to our survey results, over 94% of agents say that yes, **amazing curb appeal equals money in your bank account at closing.** It adds value.



Put the credit card away. You don't have to spend a fortune to spruce up your curb appeal.

How much on average do agents recommend sellers invest in curb appeal improvements before listing?



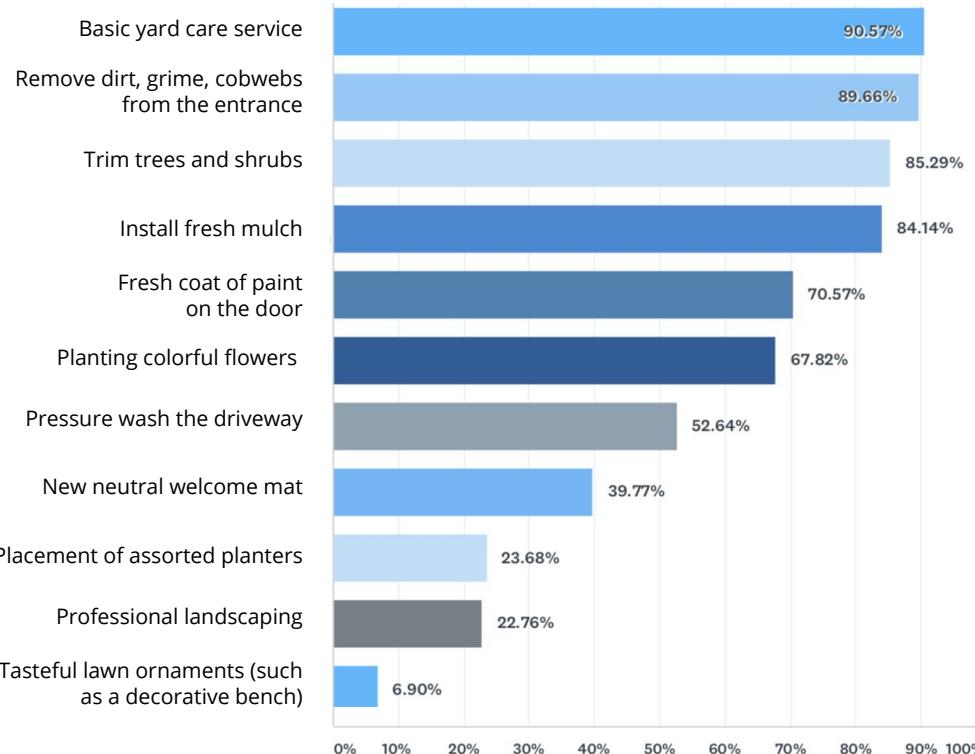
If you've taken good care of your yard and house exterior throughout the course of ownership, improving curb appeal doesn't have to be outrageously expensive

In fact, **70% of agents recommend spending \$1,000 or less** on curb appeal improvements, while over a third say you don't need shell out more than \$500.



Before you sell, spruce up the front lawn and clean up the front steps.

What curb appeal projects do agents recommend homeowners tackle before selling the house?



Almost 91% of top agents recommend basic yard care service as the top curb appeal project to tackle before selling.

You should also clean up the entryway, give your trees and shrubs a haircut, and install fresh mulch for a polished look.

Use the summer weather and blooming flowers to your advantage for natural curb appeal, and skip the tacky lawn ornaments.



For the highest return on investment, focus on low-cost outdoor home improvements.

- ❑ Lawn Care Service (\$268 cost / \$1,211 increase / **352% ROI**)
- ❑ Fresh Mulch (\$340 cost / \$769 increase / **126% ROI**)
- ❑ New Patio (\$3,269 cost / \$3,563 increase / **9% ROI**)
- ❑ Low-end Landscape (\$1,411 cost / \$1,525 increase / **8% ROI**)
- ❑ Professional Tree Care (\$1,387 cost / \$1,353 increase / **-2.45% ROI**)
- ❑ High-end Landscape (\$5,297 cost / \$4,818 increase / **-9% ROI**)

For each of the following landscape projects, we provided respondents with an estimated average cost for completing that project based on data collected from HomeAdvisor.com.

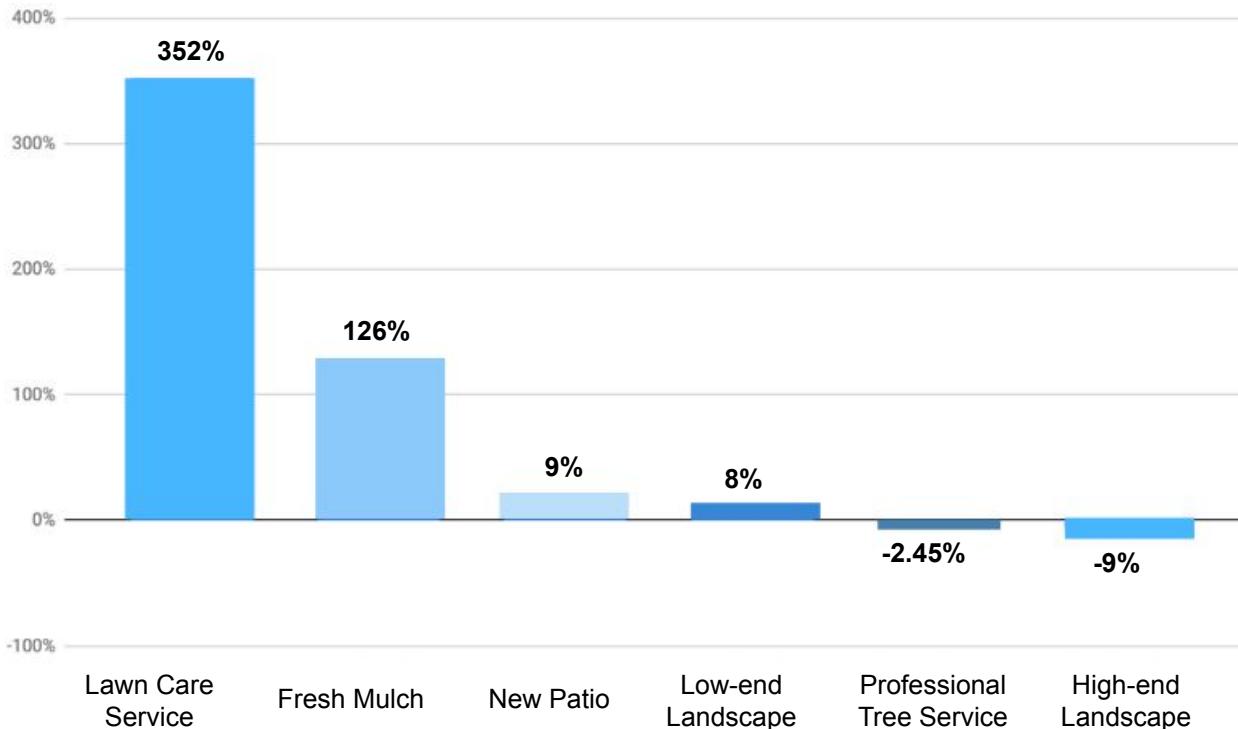
We then asked respondents to provide an estimate of the likely dollar value they believed the project would add to a house at resale.

In comparing the average cost to top agent estimations, we then calculated the estimated ROI for each landscape project.



Top 2 most cost effective curb appeal projects? Lawn care service and adding fresh mulch.

What is the estimated added resale value of these common landscape renovation projects?



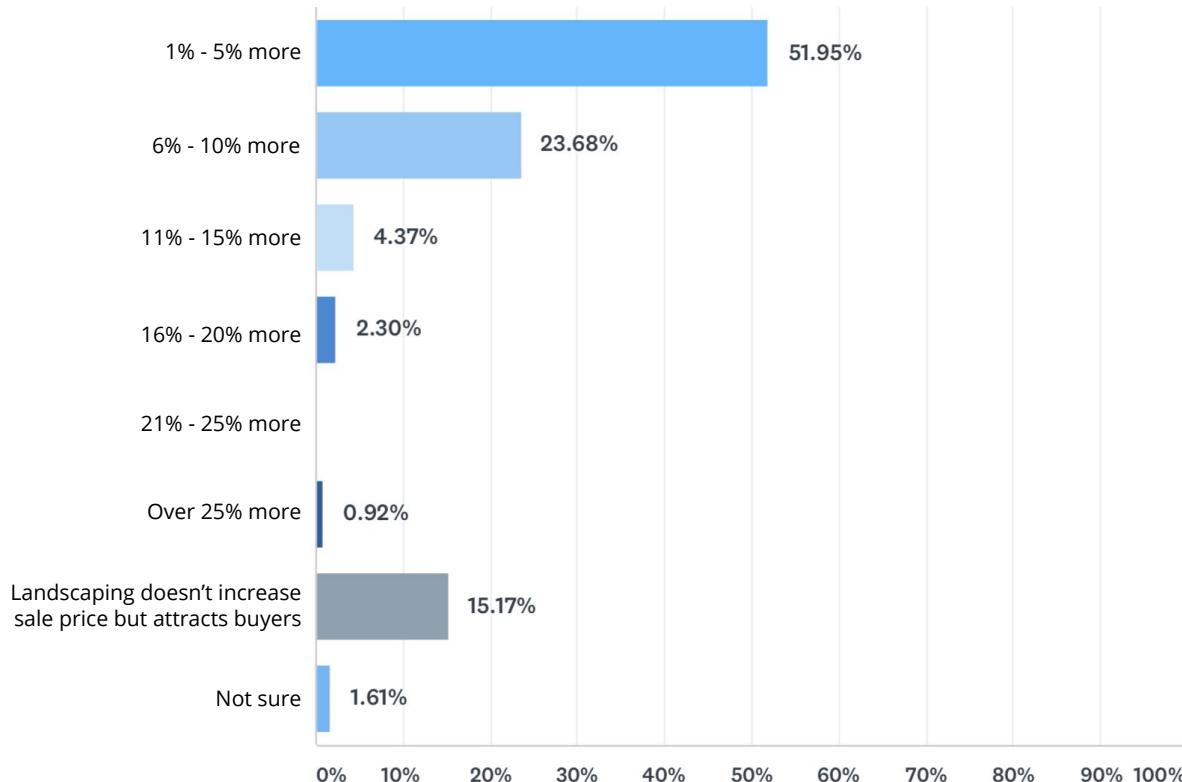
If you don't take care of the lawn before you list, you're actually leaving money on the table (on average, \$1,200). So mow the grass, pull up any weeds, and fertilize the lawn if you've got any spotty patches.

Spreading mulch is another cost effective project and you might see some return with constructing a new patio or taking on a low-end landscape project.



Landscaping can add to your home's bottom line and attract more buyers.

How much more are well-landscaped homes worth compared to homes with no landscaping?



75% of top agents agree that **well-landscaped homes are worth anywhere from 1% to 10% more** than homes without landscaping.

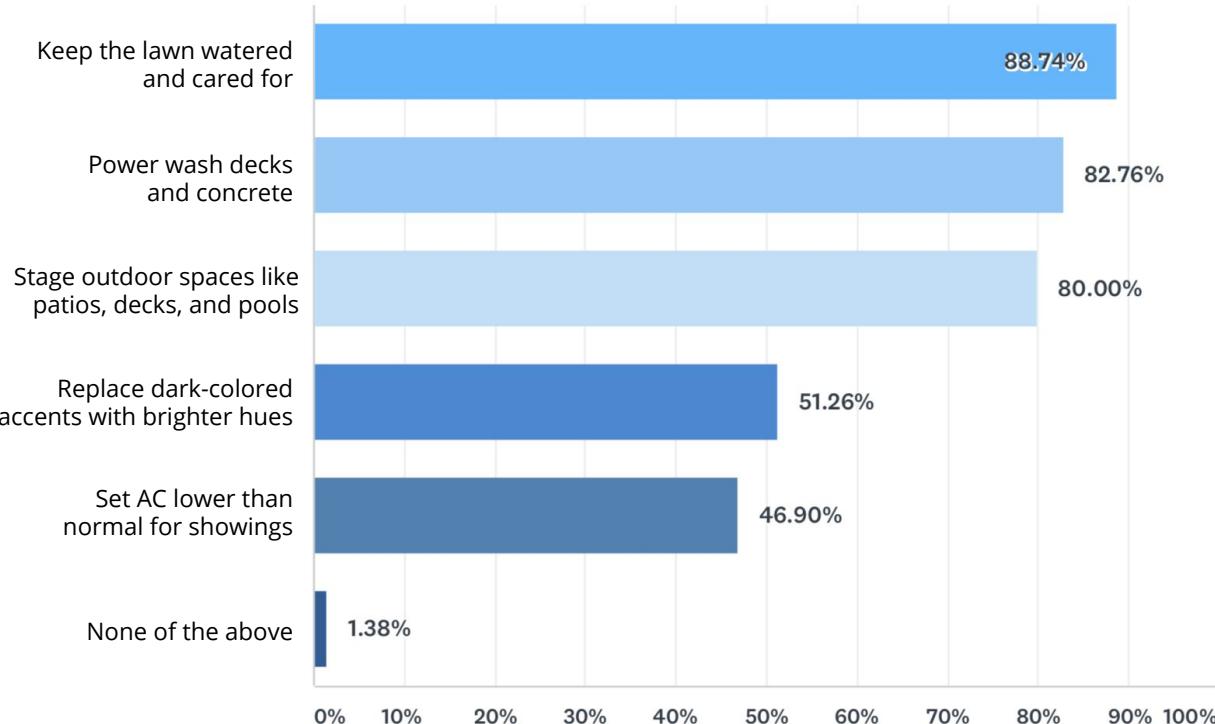
That means for a home worth the median U.S. value of \$342,200, landscaping could add anywhere from \$3,500 to \$34,000.

About 15% of agents say that landscaping doesn't increase sales price but does help attract buyers. So talk to a local agent about your individual market and create a game plan from there.



Get your home summer-ready for eager buyers who book a showing appointment.

Which summer house showing tips do agents recommend?



HomeLight also asked top agents about which summer house showing tips they most recommend.

Among a list of indoor and outdoor preparations, the home exterior once again reigns supreme.

Keep up with the lawn (even if it means mowing multiple times a week), clean up porches and driveways with a power washer, and stage outdoor spaces with attractive furnishings.



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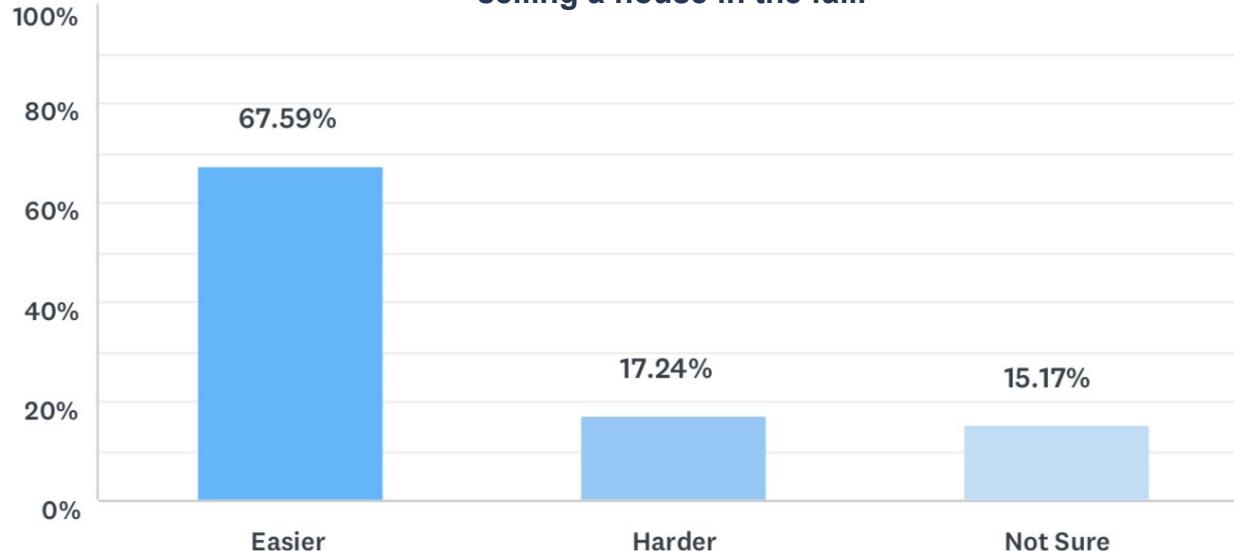
Attracting Summer House Hunters

Learn about home buyer behavior during the summer to maximize your foot traffic and increase the likelihood of generating more offers on your home.



Take advantage of the summer season to sell your house.

In top agents' experiences, selling a house in the summer is ____ than selling a house in the fall.



“ Families want to move before the new school year starts, companies relocate employees, and we have a much larger showing window as the days are light and buyers can see after they are home from work.

-Survey Respondent and top Washington-area agent

Most agents (68%) agree that **selling your house in the summer is easier than it is in the fall.**

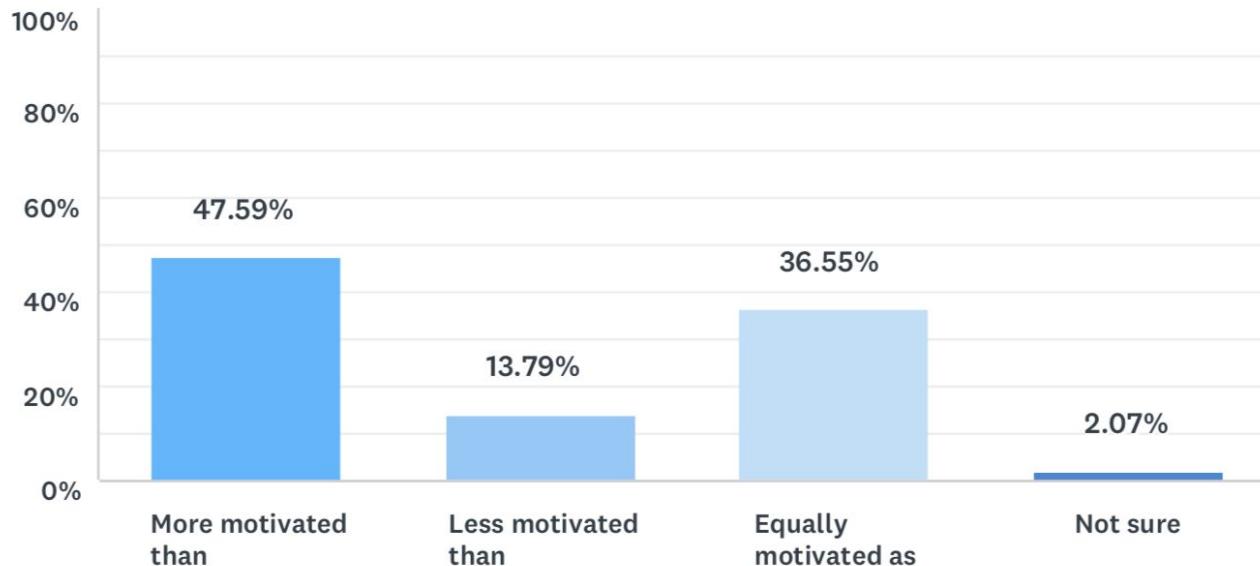
The reason?

Buyers want to settle down before the fall when school starts, and homes also benefit from the summer when trees and flowers are in full bloom, helping properties look fresh and visually appealing.



According to agents, buyers in the summer are slightly more motivated than buyers in the fall.

Summer home buyers are _____ fall home buyers.

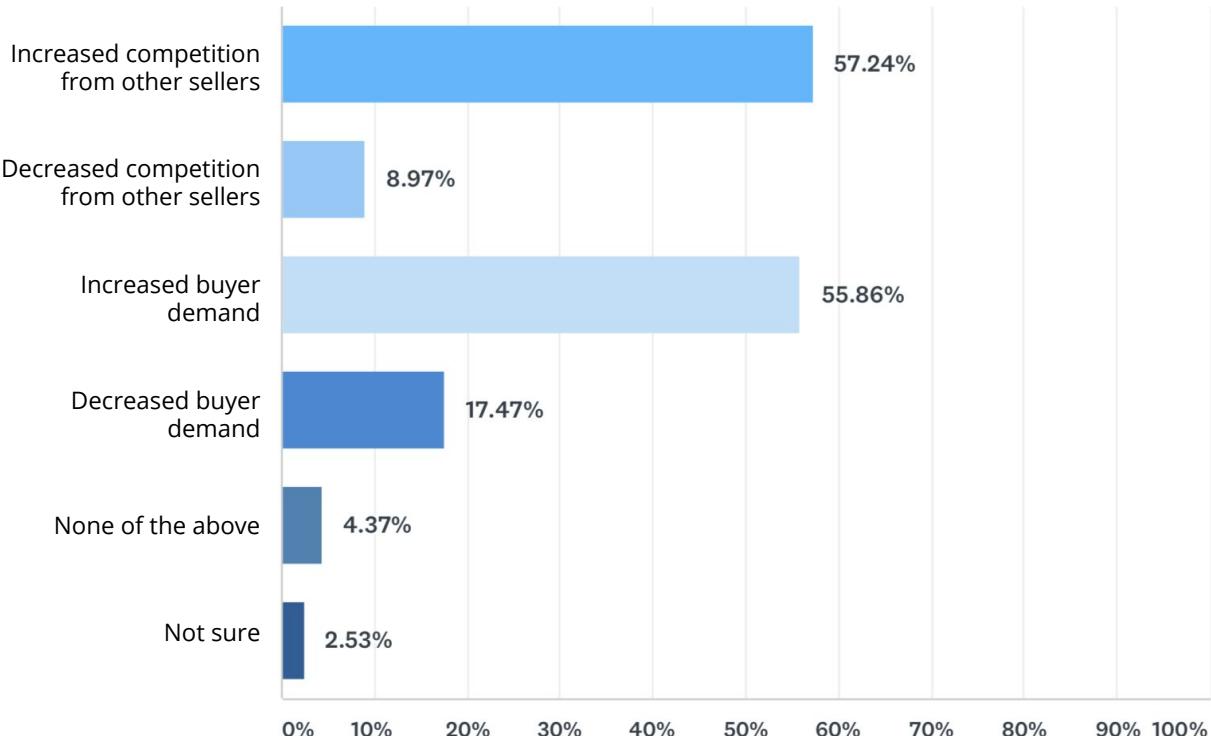


Close to 48% of agents say that summer home buyers in their area are **more motivated** than fall home buyers, which is why it's key to get your home on the market before the season starts to slip by.



If you're selling in the summer, make sure your house can compete with the rest of the listings in the market.

Which of the following trends are true of a summer real estate market?



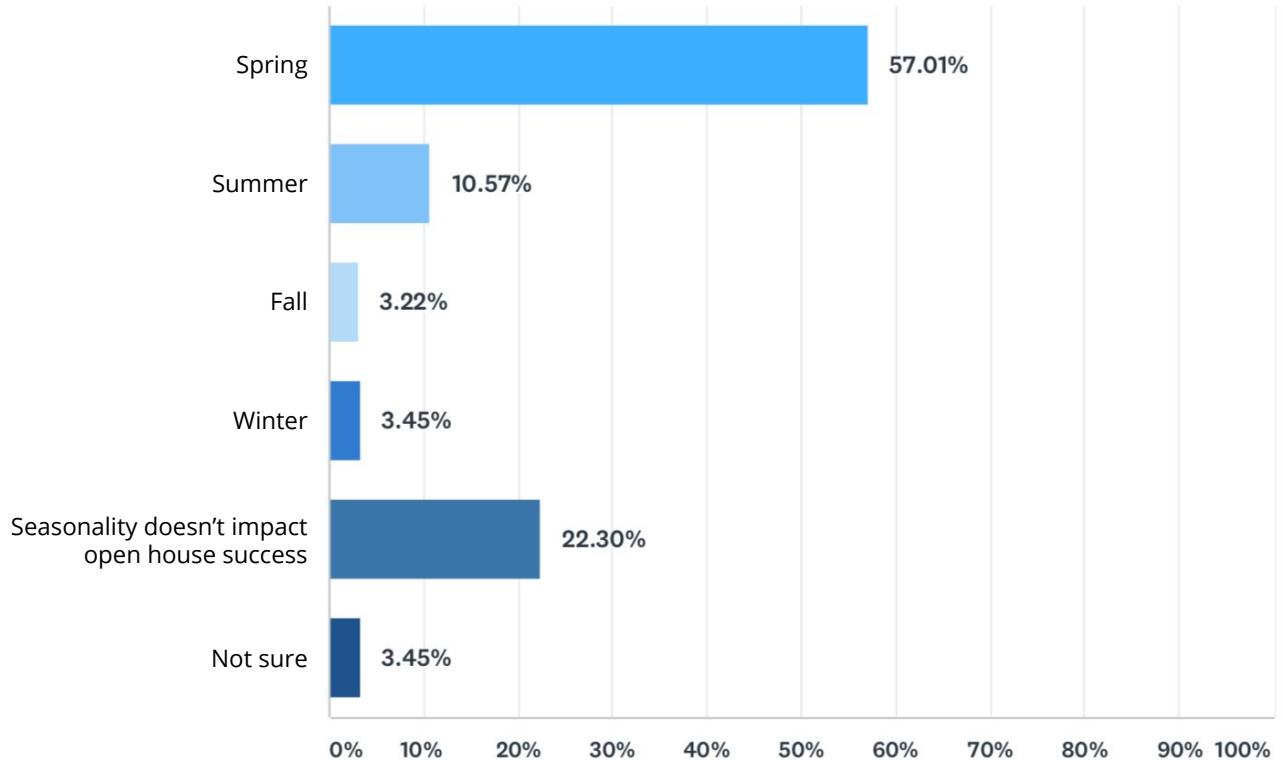
Selling your house in the summer is somewhat of a paradox. The increase in house hunters makes it easier to secure an offer, but you also have to compete with more homes for sale in your market during this seasonal window.

The moral? To take advantage of the surge in demand, you'll need to have your house looking its best and priced well. Great presentation and a competitive list price will help you stand out against your neighbors who also have a for-sale sign out in the yard.



Skip the summer open house.

During which season are open houses most effective for selling homes?



You might assume that summer buyers have more time on their hands and would be more likely to attend an open house. That's not necessarily the case.

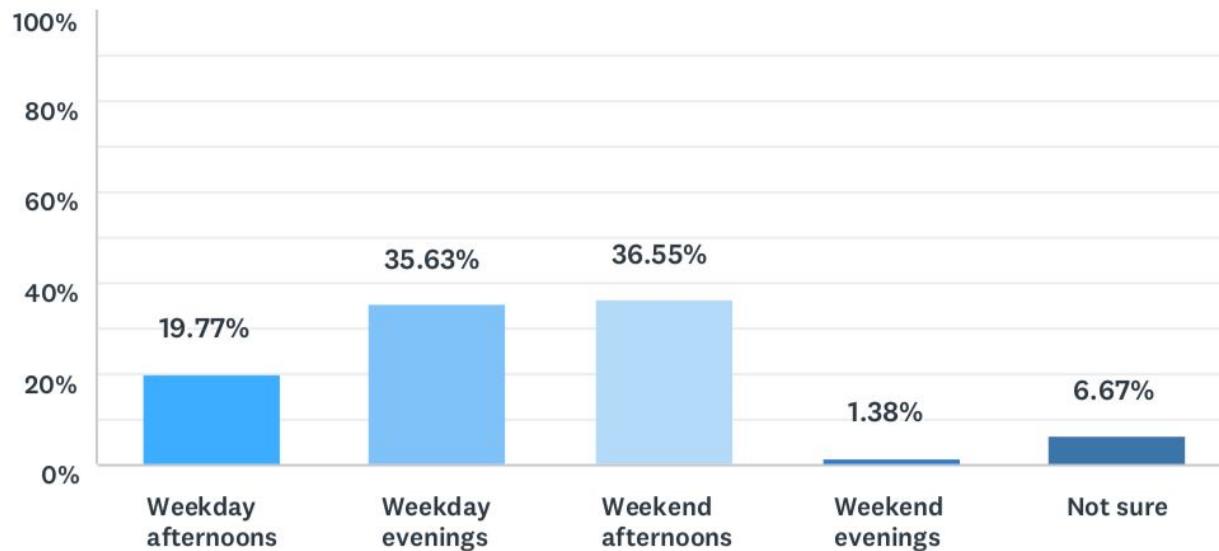
Only **10%** of agents say that open houses are more effective in the **summer** compared to other seasons, while 22% say the weather doesn't impact open house success.

The majority (57%) say that spring is the best time to do an open house. But according to a past survey HomeLight conducted, [63% of agents](#) don't always recommend an open house—just stick to showings.



Clear your schedule for summer house showings: most buyers are free weekend afternoons and weekday evenings.

In the summer, buyers tend to book showings during _____.



The most popular times for summer house showings include two main windows:

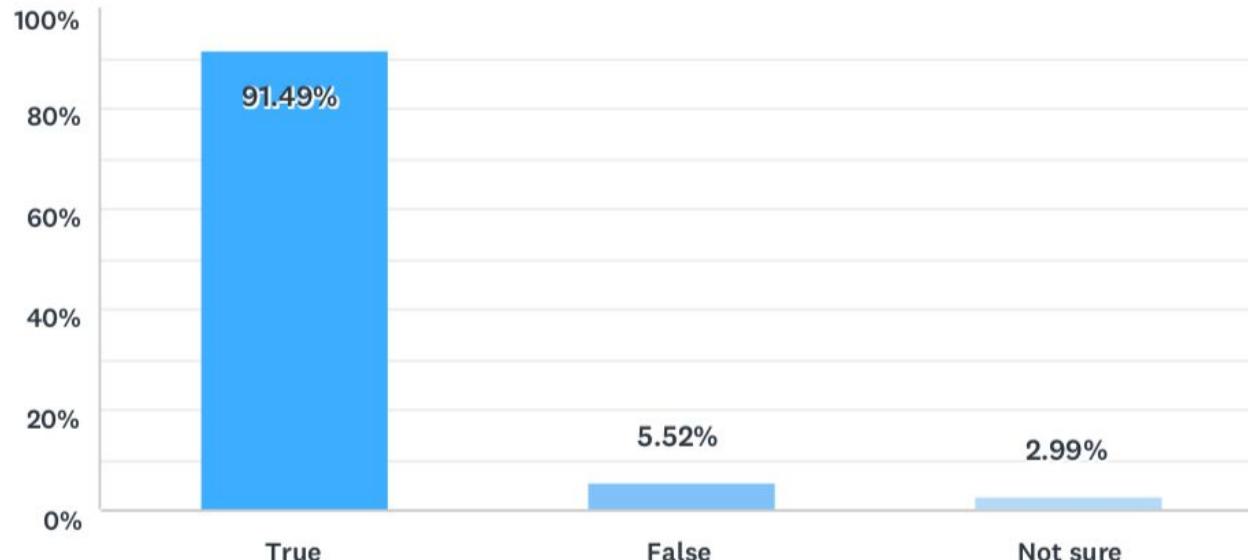
- Weekday evenings
- Weekend afternoons

Summer means extended daylight hours, so more buyers may be out and about during the week. But weekend afternoons are still when working professionals have lots of flexibility, so don't count them out.



The start of school marks a big deadline for house hunters. Sellers should take advantage.

True or False: Summer buyers are particularly motivated to get settled before the next school year starts.



“ There are typically more buyers in the market during the summer months. Once school is back in session, buyer activity drops off.

-Survey Respondent and top Pennsylvania-area agent

NAR's Home Buyers and Sellers Generational Report found that more than 37% of all home buyers had children under the age of 18.

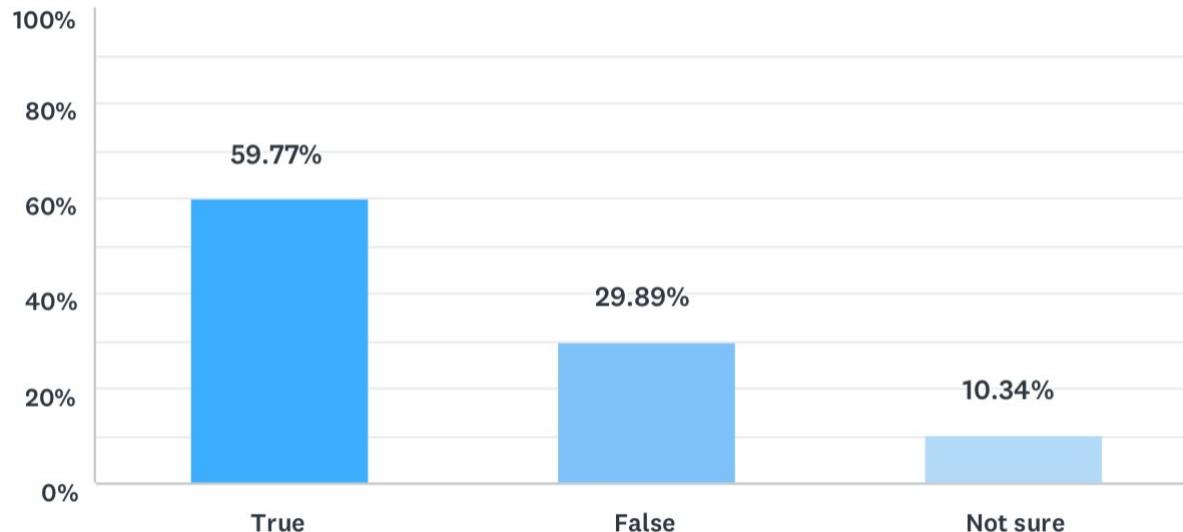
Packing up and moving when their kids are still in school aren't ideal for most families and become disruptive for their kids' studies.

“Families prefer to move when kids are out of school,” says a survey respondent and top agent in South Carolina.



Buyers and their families have lives, too. Catch their attention before they leave for vacation.

True or False: Summer buyers are more likely to be distracted by busy social calendars and vacation schedules than buyers in the spring and fall.



“ Things slow down substantially during the summer here as soon as school is out. This affects all generations. Everyone is at the lake, taking vacations, just generally distracted by living their lives.

-Survey Respondent and top Washington-area agent

While it is true that many families will be looking for a home during the summer, sellers should also be aware of summer schedules.

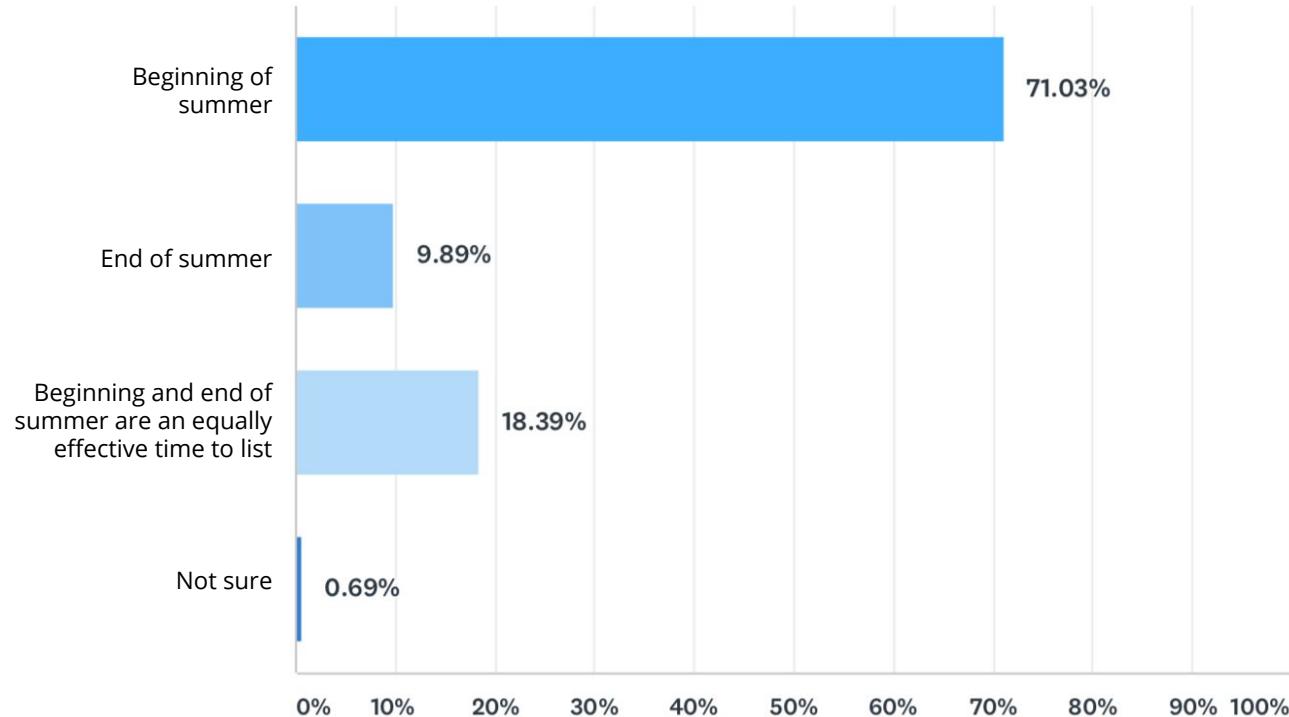
About 60% of agents say that summer buyers are likely to be distracted by summer calendars, while 30% disagreed.

Ask your real estate agent when you should list in your neighborhood to catch buyers before they jump on a family cruise.



Don't wait to list! Get your home in front of buyers' eyes before other listings beat you to them.

Which is a more effective time to list a home?



On the fence about whether to list now or in a couple of months?

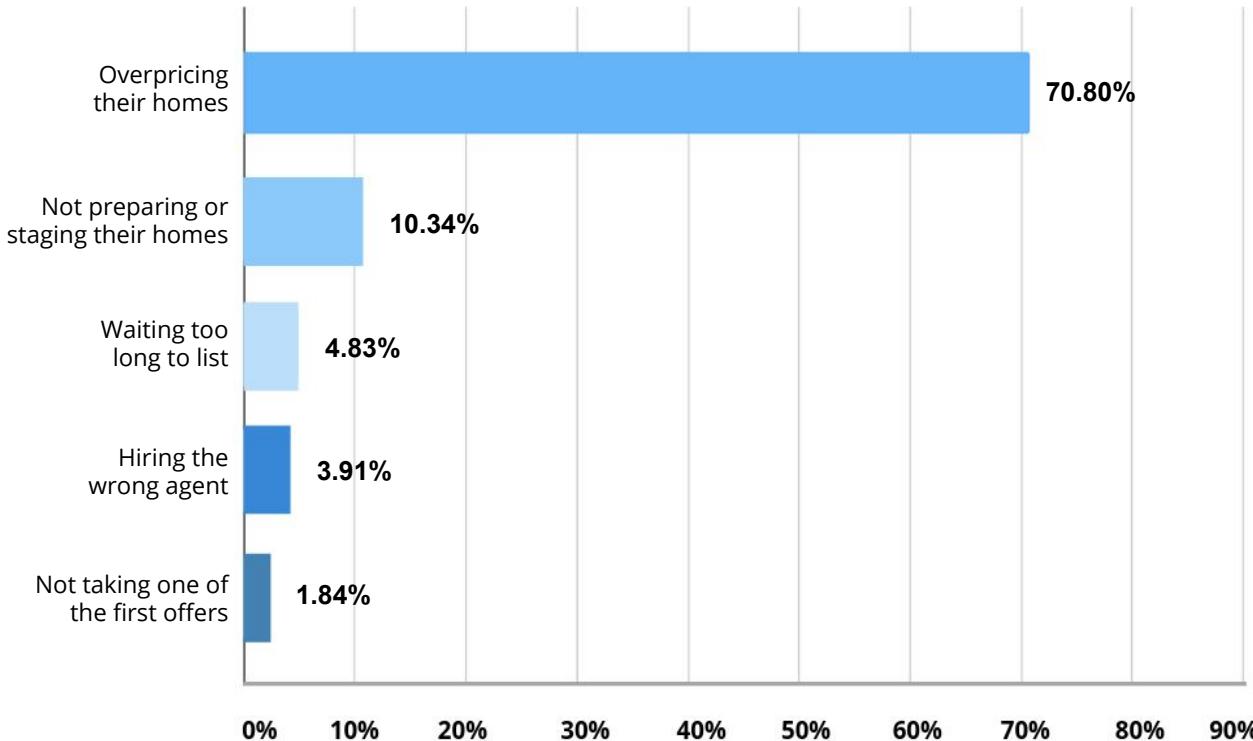
71% of real estate agents say the beginning of summer, as opposed to the end, is a **more effective time to list your home**.

18% say it doesn't make a difference either way. Since real estate is local, get familiar with your area's seasonal trends and fluctuations.



Final takeaway? Listen to your real estate agent and don't overprice your home.

What's the most common mistake sellers have made in your market this year?



Over 70% of top agents agree that the most common mistake that sellers have made this year is overpricing their homes.

A lack of home preparation is another common mistake that sellers have made, as well as listing too late into the summer season.



Methodology

Agents were selected to participate in HomeLight's Top Agent Insights Survey for Q2 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.

435 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, summer home-selling tips, the impact of curb appeal, and landscape projects' ROI at resale.



About HomeLight

HomeLight empowers people to make smarter decisions when buying or selling a home. Through analyzing public and proprietary data on millions of transactions, HomeLight connects home buyers and sellers with the top local real estate agents who are likely to get them the best offer on their properties.

HomeLight's complementary Simple Sale™ marketplace, with over 100 pre-vetted iBuyers, lets home sellers and agents compare and request instant offers for homes. Simple Sale also gives agents a tool to refer clients to instant buyers, skipping the traditional listing process while earning the industry-leading commission on the sale.

Since launching in 2010, HomeLight has connected thousands of clients with top local real estate agents, investors and online resources. With offices in San Francisco, Seattle and Phoenix, HomeLight conducts business nationwide. HomeLight is backed by Zeev Ventures, Menlo Ventures, SGVC, Citi Ventures, Bullpen Capital, Crosslink Capital, Montage Ventures, GV, Innovation Endeavors and more. For more information, visit www.homelight.com.

