



HomeLight

Top Agent Insights Q3 2019 Report

Navigate a more balanced market, tackle seasonal home improvements, and sell your home for more in the fall





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 Q3 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.

- 435 Participating Top Agents**
- More than 30 Open-Ended and Multiple-Choice Questions**
- Housing Market Trends for Q3**
- Seasonal Home Improvements**
- Tips for Selling Your Home in the Fall**



Table of Contents

- **What's Happening With the Housing Market?**
Get a read on the state of housing before you sell: Top agents from across the nation report on Q3 market conditions including current inventory levels, price growth, and buyer competition.
- **Don't Wait to Renovate: Your Guide to Seasonal Home Improvements**
Take care of projects around the house while contractors are available and materials go on sale. Now's a great time to replace your dated appliances or fix an aging roof if need be—no need to hold off until spring.
- **Selling a Home in the Fall: Tips to Impress Buyers as the 'Off' Season Nears**
You can sell your home any time of year with the right strategy. Find out how to prepare your house for successful fall sale.





HomeLight

What's Happening With the Housing Market?

Get a read on the state of housing before you sell: Top agents from across the nation report on Q3 market conditions including current inventory levels, price growth, and buyer competition.



What did agents have to say about market conditions?

In our Q3 2019 survey, we asked agents to give us their take on:

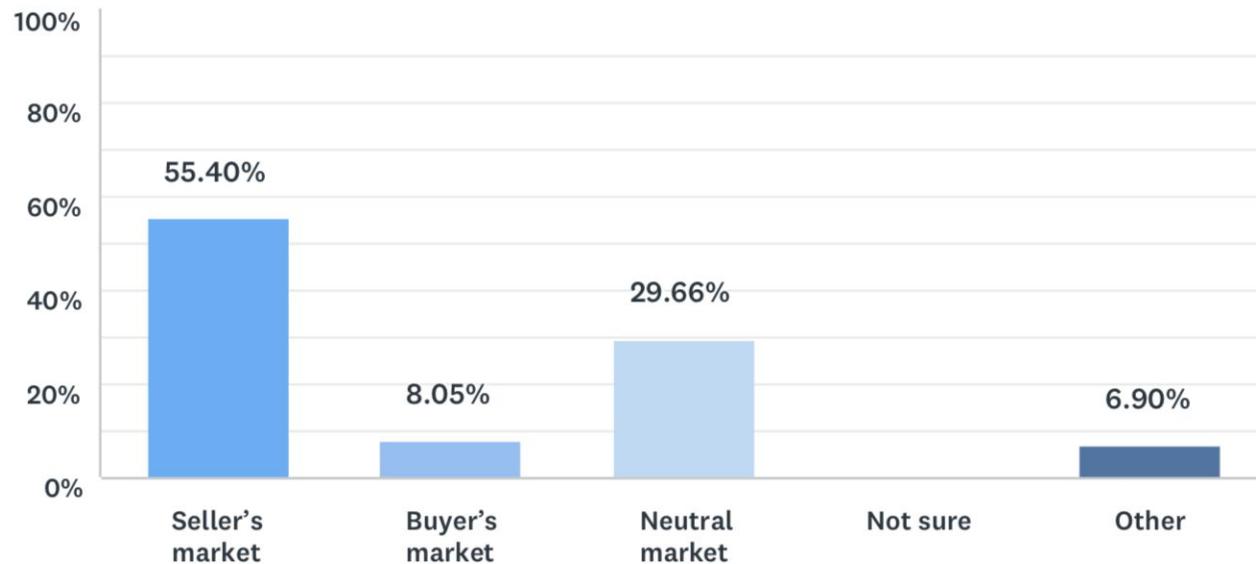
- State of the market (buyer's, seller's, or neutral)
- Inventory levels
- Home values
- Interest rates and buyer demand
- Consumer sentiment about the housing market





In most markets, sellers still hold the advantage, but agents are seeing a shift toward more balanced conditions.

How would you characterize your local housing market conditions?



In the third quarter of 2019, 55% of top agents characterized local real estate conditions as a “seller’s” market. This marks a slight decline from the 63% of agents who said the same in Q2, and the 58% of agents who reported seller’s market conditions in Q1.

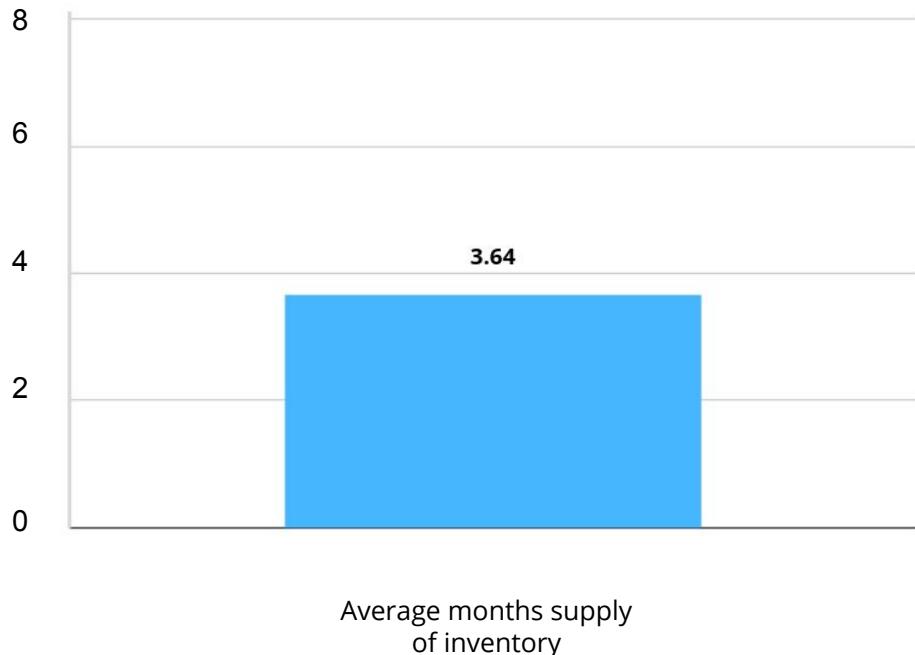
Only 8% of agents believe they are in a “buyer’s market,” in line with the 8.5% of agents who reported buyer’s market conditions in Q2.

Note that Q3 saw 7 percentage point uptick in the number of agents who described their market as balanced (nearly 30% in Q3 versus 23% in Q2).



Low inventory is one factor still helping sellers (it means less competition). Just look at the average months of supply.

"I'd estimate inventory in my market is at a ____ months supply."



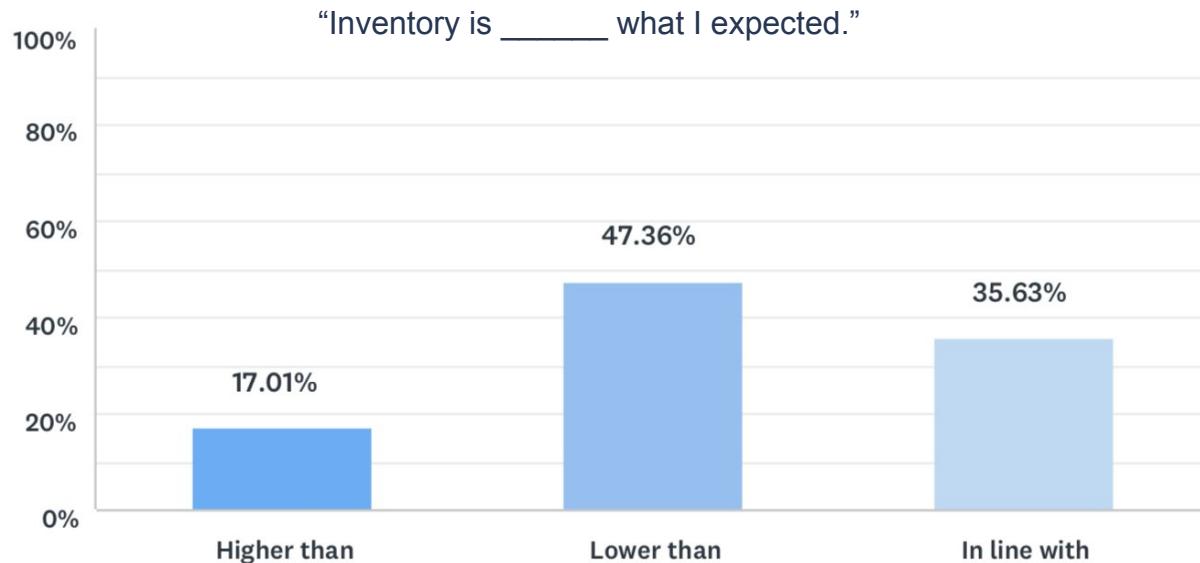
One way economists measure housing inventory is in terms of "months of supply"—i.e., how many months it would take to sell all the homes currently on the market in your area.

A 6-months supply of inventory indicates balanced market conditions. Anything above 6 months signals a buyer's market, while anything below 6 months gives sellers the advantage.

As of Q3 2019, top agents reported an average 3.64 months of supply, well within "seller's market" territory.



In fact, most agents are surprised there aren't more homes for sale right now.



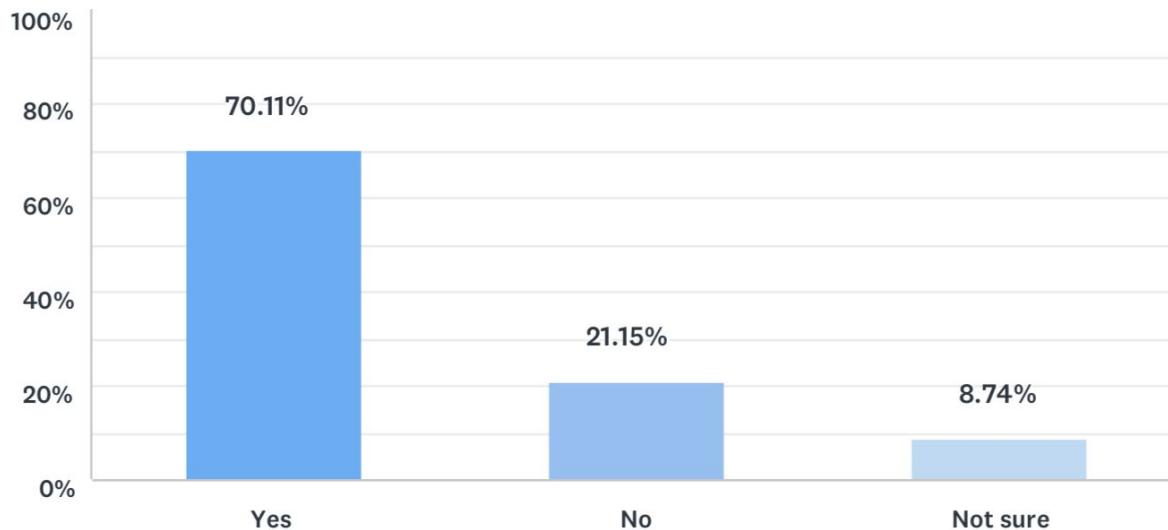
In line with Q2 2019 when 49% of agents said that inventory levels were lower than they expected, **47% of agents in Q3 said they were still surprised that there weren't more homes on the market** in their area.

Real estate economists say that a historically low rate of new construction (less than 1 million units a month) will result in a continued inventory shortage for the foreseeable future. A low supply of homes will keep the demand for existing single family housing high and put enough pressure on home prices to prevent them from falling.



As inventory hovers low, buyer demand remains strong thanks to low interest rates: this may help you attract an offer.

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



Another factor at play is lower-than-expected interest rates this year. The latest Freddie Mac Primary Mortgage Survey, which compiles weekly data on mortgage interest rates, puts the popular 30-year fixed at a historically low 3.56%.

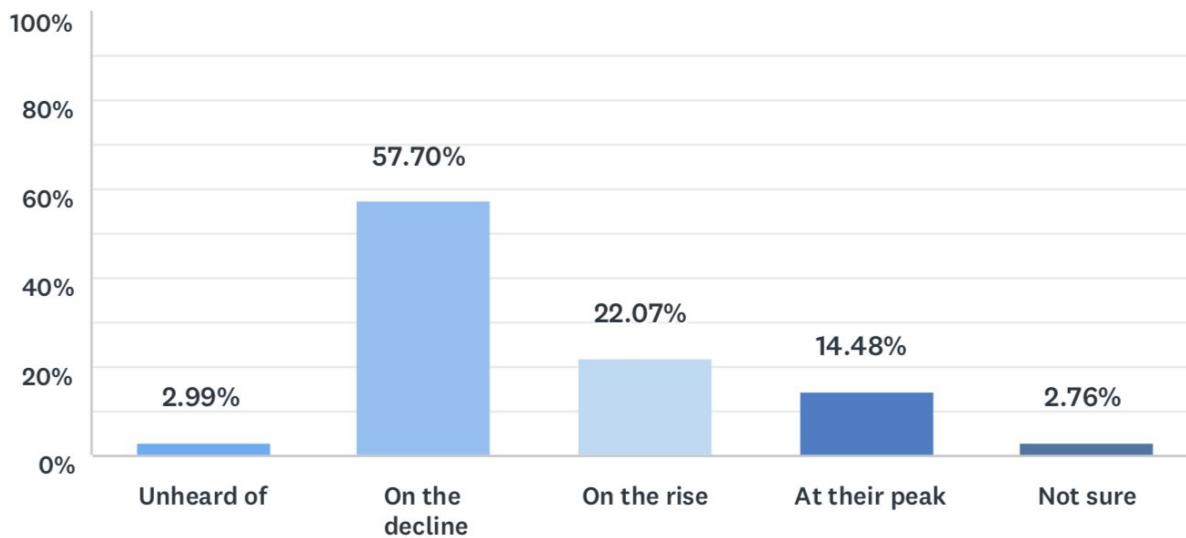
Freddie Mac reports in its latest survey: “

“Pipeline purchase demand continues to improve heading into the late fall with purchase mortgage applications up 9% from a year ago. The improved demand reflects the still healthy underlying consumer economic fundamentals such as a low unemployment rate, solid wage growth and low mortgage rates.”



But don't expect buyers to necessarily fight over your home this quarter. Bidding wars are cooling fast.

"Bidding wars in my market this quarter are:"



Even as low interest rates fuel buyer demand **58% of agents believe that bidding wars in their market are on the decline.**

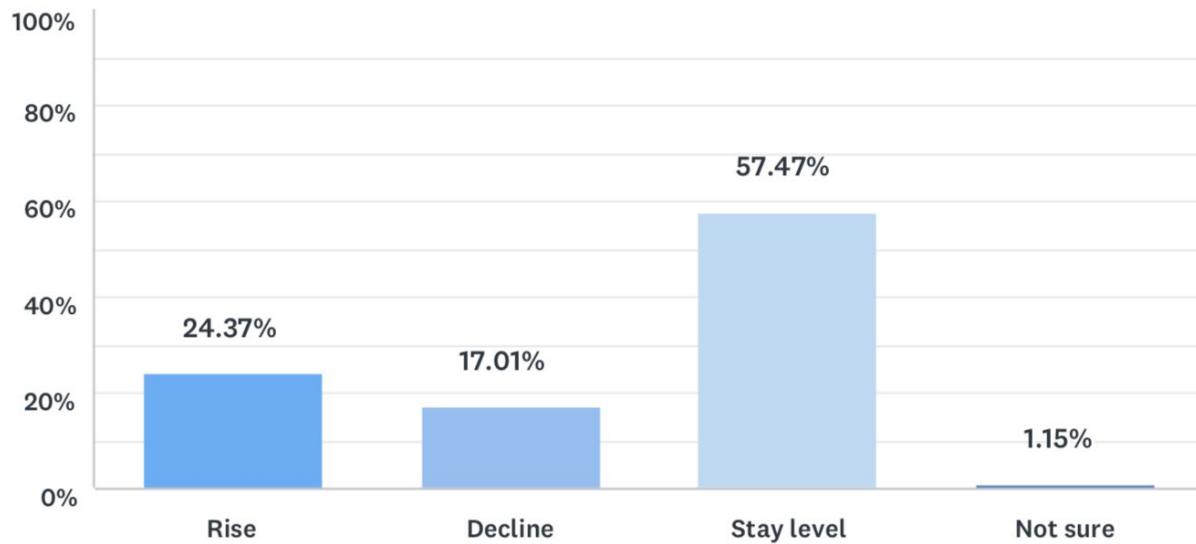
The reality is that interest rates are lower for a reason: there's economic uncertainty right now on the global stage surrounding the trade conflicts between the U.S. and China and concerns over a potential recession around the corner.

That's putting a little doubt in the minds of some buyers who are exercising caution with big purchases.



The caution coming from buyers is causing price growth to slow a bit.

“Over the next six months, home values in my market will:”



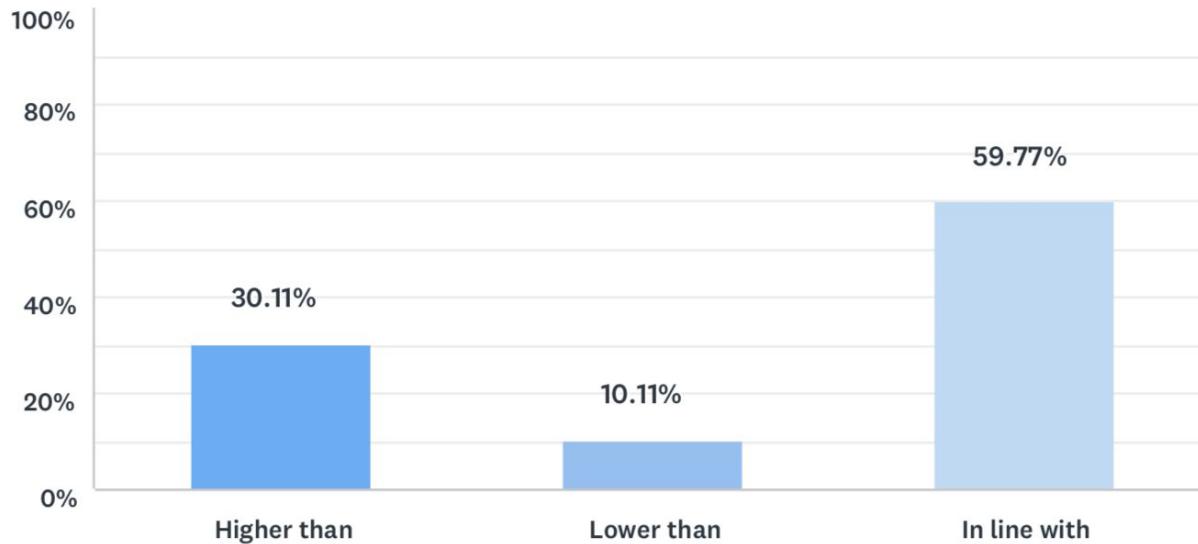
As a result of these circumstances, home prices aren't rising at the same pace they were over the past few years, and **57% of agents believe that home prices in their market will stay relatively level over the next six months.**

“



Knowing this, be sure to set a price for your listing in line with this year's moderate value gains.

"Home prices are _____ what I expected this quarter."



These shifting tides will require sellers to take care with their pricing strategy and be aware that most markets aren't seeing the same massive value gains that drove up pricing in recent years.

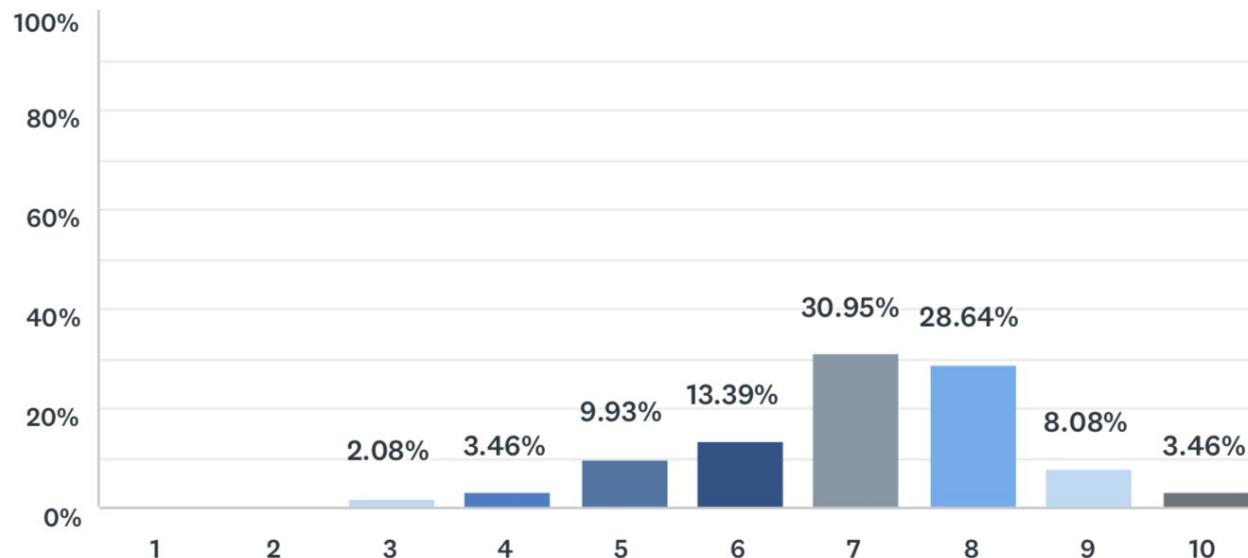
As CNBC reports:

...Buyers are suddenly much more cautious about purchasing a home. Competition is cooling, and consequently sellers can no longer command any price."



If you're feeling pretty good about the housing market, join the club. Buyers and sellers right now seem to be at a 7 or 8 out of 10, in terms of optimism.

"On a scale of 1 (extremely weak) to 10 (stronger than ever), how would you describe consumer sentiment about the housing market right now?"



Still, the outlook is overall strong among consumers.

Over 70% of top agents across the country describe consumer sentiment about the housing market as at least a 7 out of 10, with 10 being "stronger than ever."

Despite worries over a future recession and ongoing trade tensions, consumers are relatively optimistic about housing in particular.



HomeLight

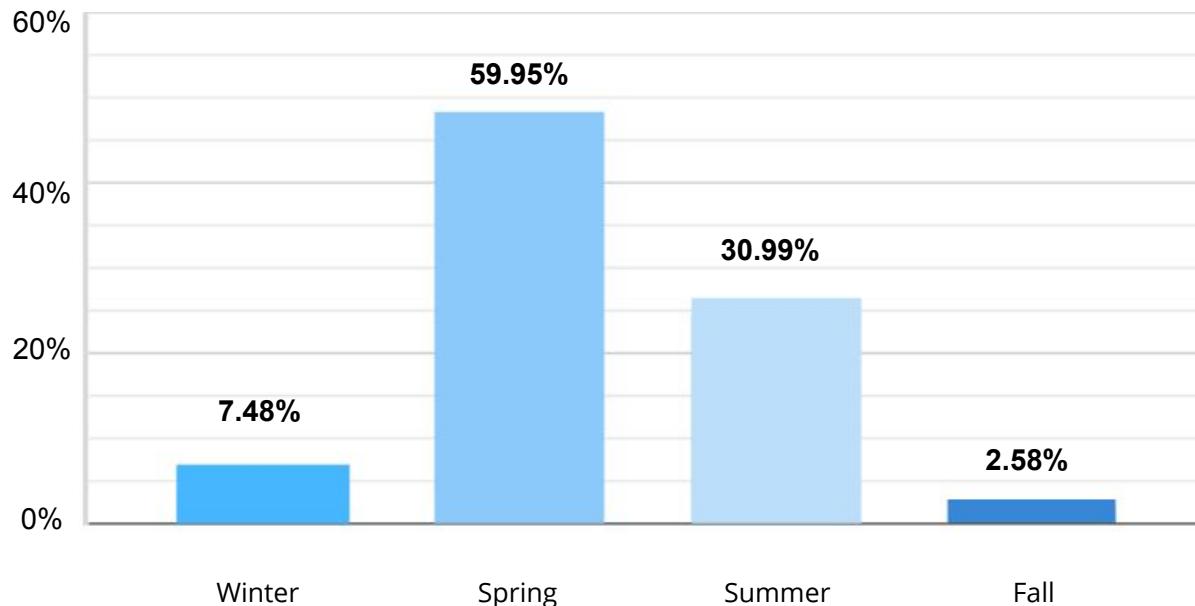
Don't Wait to Renovate: Jump on These Seasonal Home Improvements

Take care of projects around the house while contractors are available and materials go on sale. Now's also a great time to replace your dated appliances or fix an aging roof if need be—no need to hold off until spring.



Not selling right away? Then this fall is a great time to get the house ready for your listing next year.

Which season do you believe builders and contractors are the busiest?



91% of agents believe builders and contractors are busiest in spring and summer, while less than 3% say these professionals are busiest in the fall.

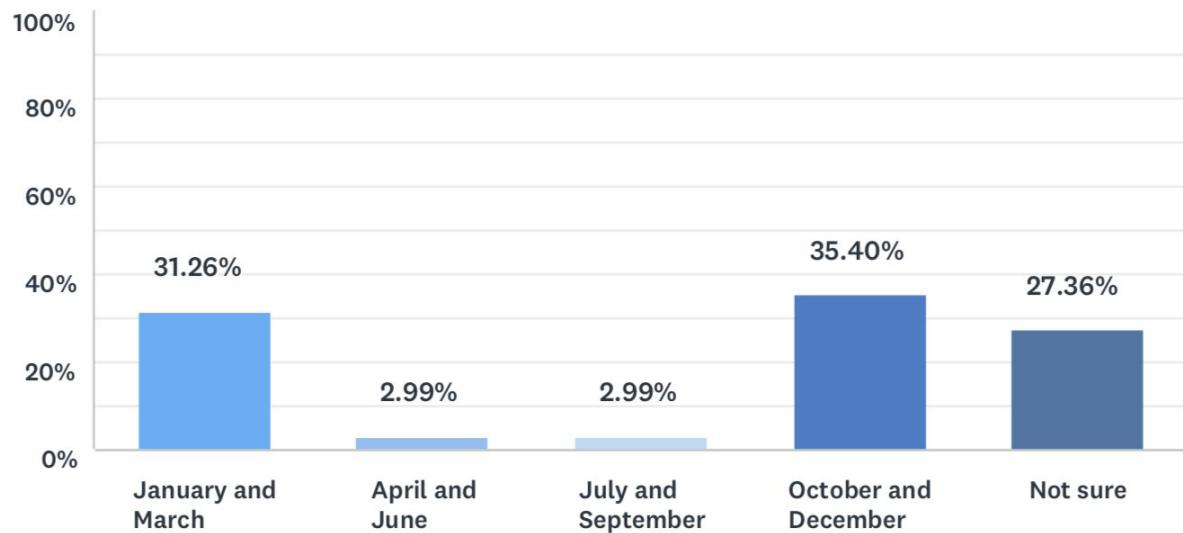
Contractors in your area could be wide open now and in the coming months to help you with your next home improvement project.

Ever called a remodeler only to find out they're booked for the next 6 weeks? Book the pro you need while they're available and you can get on their schedule faster. No one loves to wait in line.



You can also save money on your projects if you beat the spring rush. Materials and labor tend to be cheapest between October and December.

Building materials and labor for home renovations are most affordable between:



Sometimes it literally pays to swim against the tide. Two-thirds of top agents say that **building materials and labor for home renovations are the cheapest between October and March**.

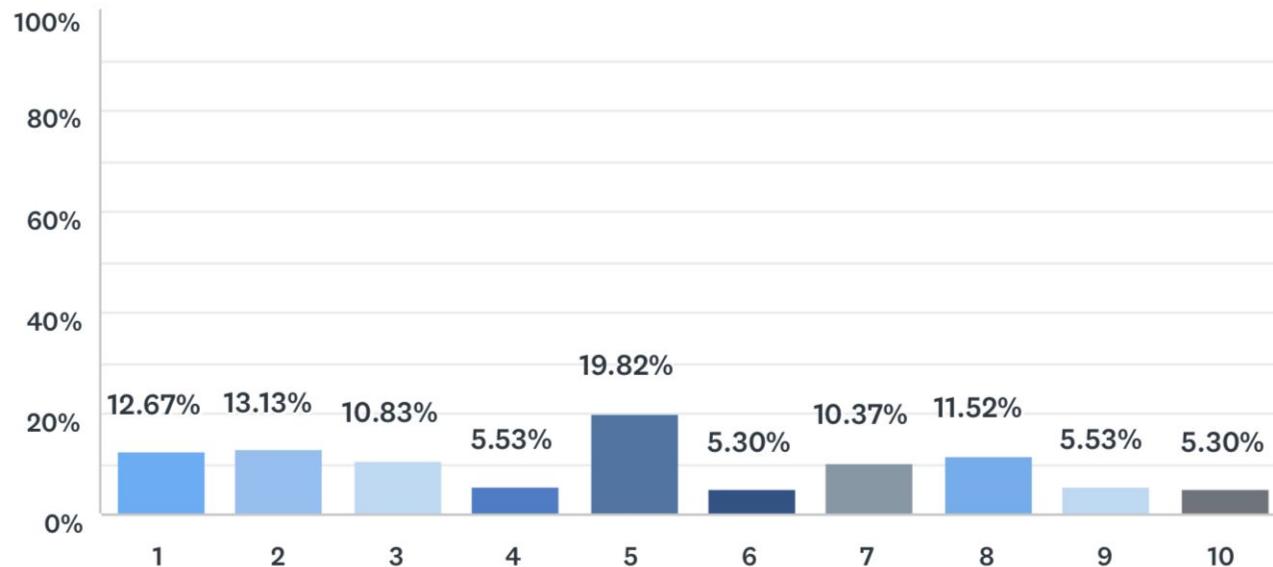
Whether your house needs fresh flooring or new countertops in order to be marketable to future buyers, tackling necessary projects now rather than waiting until the spring or summer could save you money.

Before you take on any major work around the house, though, check out [HomeLight's list of projects with the best and worst ROI](#) to make sure it's worth doing.



While you schedule your projects around the house, now may also be the ideal time to update your old appliances.

“When a seller wants to list a house with old appliances, _____ times out of 10, I’ll recommend they update them first.”



According to MoneyCrashers, September and October are some of the best months to buy large appliances.

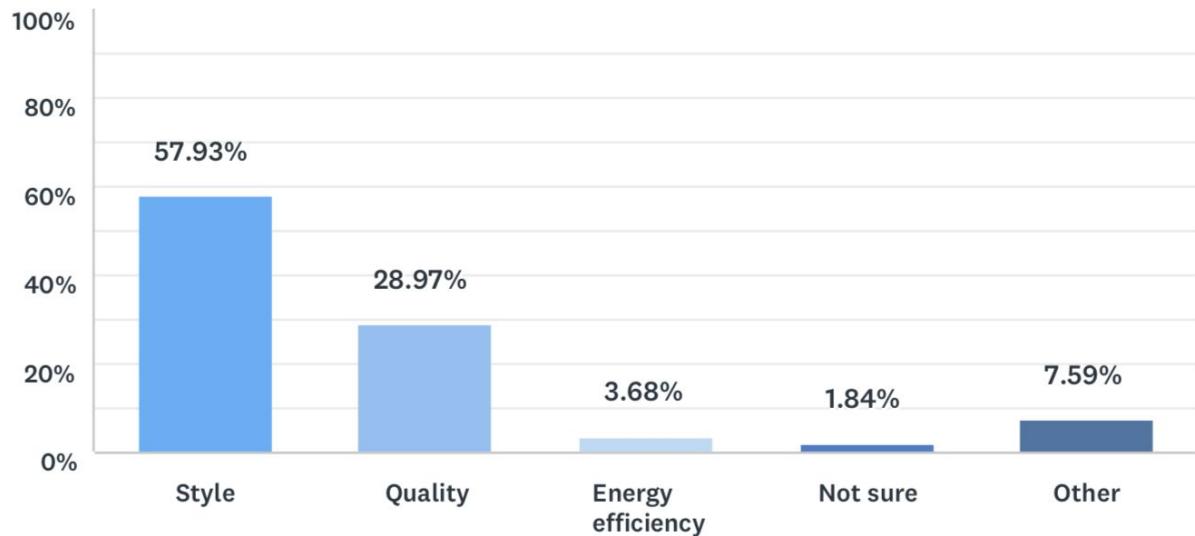
Manufacturers tend to release their latest appliance models in the fall, discounting their older models to make room for the newer versions. That makes it a good time to shop for new appliances (with the exception of refrigerators).

58% of top agents say that if a house has old large appliances they'll recommend that the owner update them before selling in at least 5 out of 10 cases (if not more).



Buyers put a premium on style above anything else when it comes to kitchen appliances. Shop for what looks great first and foremost for this room.

Which factors are most important to buyers when they evaluate kitchen appliances?



You'd be surprised to learn that when it comes to their kitchen appliances, cosmetics (or "style") come above all else, according to **58% of top agents**.

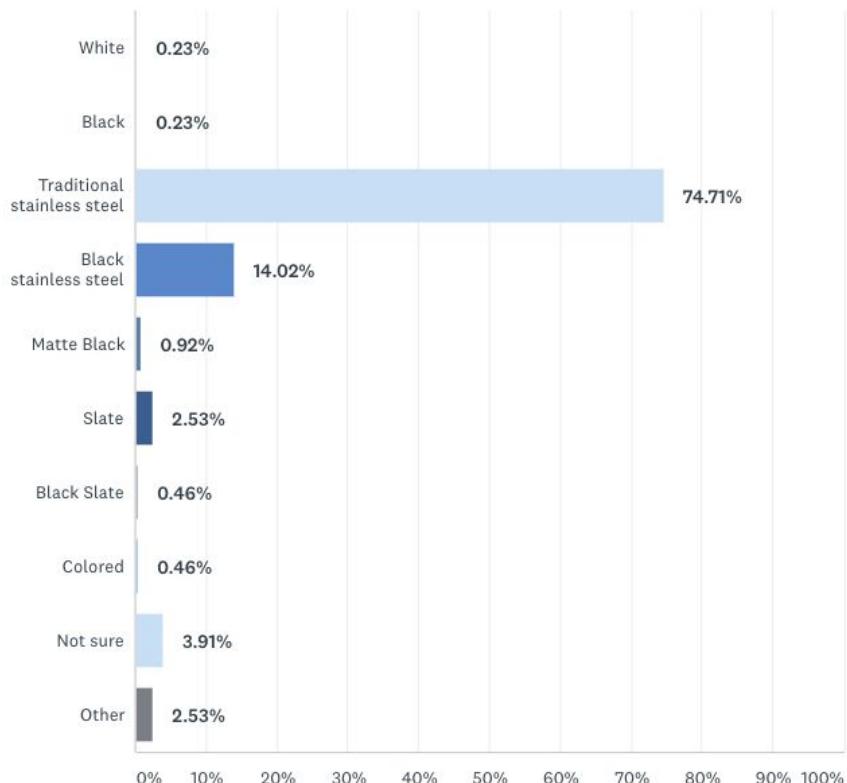
If you're trying to decide between the elegant version or the sturdy model of a particular kitchen appliance, you know which one to go with if you care about marketability to potential buyers.

Quality comes in second at **28.97% of top agents saying it's what buyers care about most**, with energy-efficiency garnering only 3.68% of votes.



As for the kitchen, traditional stainless steel is still king. (Don't believe anyone who tells you otherwise).

What's the most in-demand appliance finish among buyers today?



If you read the latest design blogs and keep tabs on what the trend watchers say, you might be tempted to hop on the black matte or colored kitchen appliance bandwagon.

But while these newer finishes can look beautiful and create contrast, **75% of top agents say that traditional stainless steel is still your safest bet**, and the most in-demand variety among today's homebuyers.

Black stainless steel did earn 14% of votes, though, so talk to your agent about what's hot in your market. As for white, black, or bright red appliances? Steer clear.



According to top agents, you'll recoup your entire spend (and then some) by updating to stainless steel appliances in the kitchen.

***Stainless steel
kitchen
appliance ROI:***

\$4,229 estimated
cost / \$5,982
return /
41.5% ROI



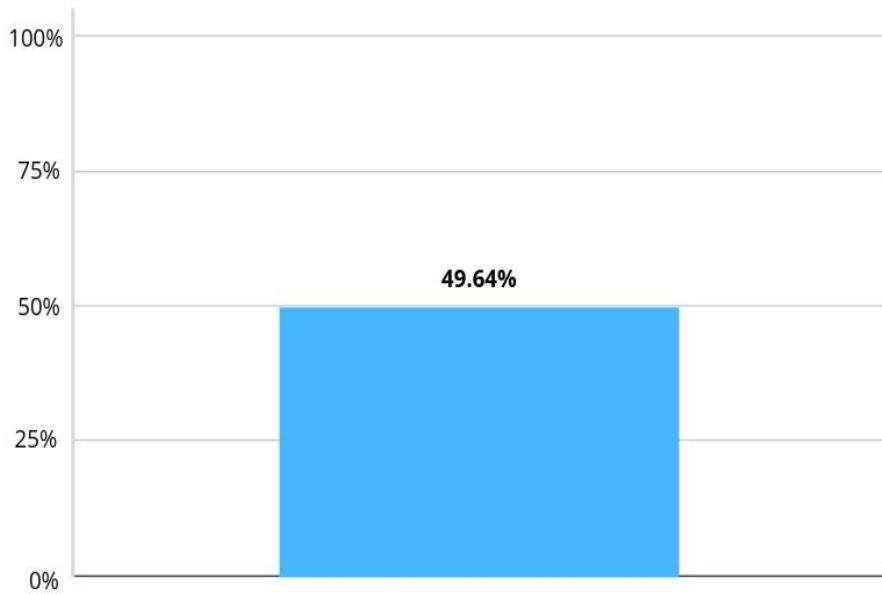
Appliances, like many home updates, can take a large chunk out of your bank account. Top agents estimate that updating to all new stainless steel appliances in the kitchen, for example, (including refrigerator, dishwasher, stove and range, range hood, and microwave) would run you an average \$4,229.

Great news though: you can actually make money on new kitchen appliances: These same agents say you'll get an average \$5,982 back for a 41.5% ROI on this purchase. Worth it? If you are dealing with dated appliances that could be a turnoff, then the answer is yes, most definitely.



Having stainless steel also may increase your chances of attracting an offer by nearly 50%, top agents say.

Buyers will be _____ % more likely to put an offer on a house with stainless steel appliances than a house without them.



In case you weren't yet sold on stainless steel, top agents say that having stainless steel appliances actually makes it more likely that a buyer will make an offer on your house.

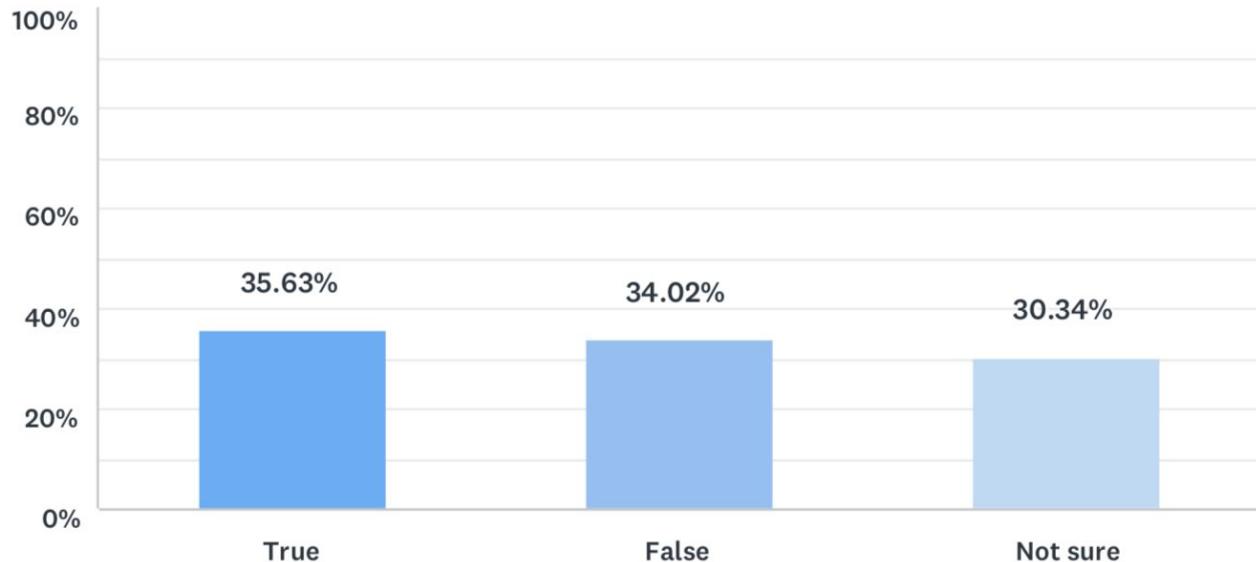
According to our survey results, "Buyers will be 49.64% more likely to put an offer on a house with stainless steel appliances than a house without them."

There you have it.



When you shop for your stainless steel appliances, don't worry too much about whether they're "fingerprint resistant."

True or False? Buyers will pay more for low maintenance or fingerprint resistant stainless steel.



Fingerprint-resistant stainless steel is achieved with thick brushing of the appliance which creates a darker appearance. The technique also makes the metal less prone to smudging. You'd think it'd be a homeowner's dream.

However, agents were torn on whether this upgrade to stainless steel makes a difference in the minds of buyers.

36% of agents said buyers would pay more for fingerprint resistant or low maintenance stainless steel, 34% said the opposite, and 30% weren't sure. Toss up.



Fall is also an ideal time to replace or repair your roof if it's on its last legs. The good news is you will recoup a good amount of your spend.



***Roof replacement
ROI:***

**\$11,992 estimated
cost / \$10,842 return**

**94% cost recouped
-9.6% ROI**

Roof work isn't cheap. According to the top agents who took our survey, **the average roof replacement costs nearly \$12,000**. But the bottom line is you'll need a roof in good working condition to sell your home.

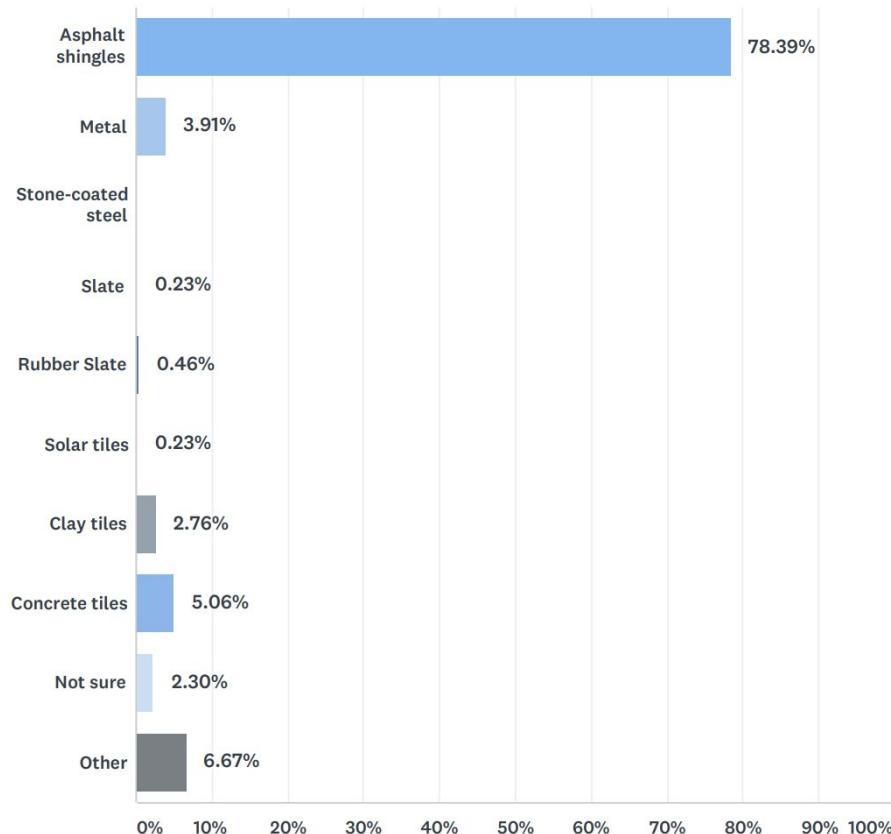
Roofters say that fall is an ideal time for a roof replacement with temperatures between 45 and 85 degrees (warm enough for the shingles to adhere, but not too hot that the roofers get easily overheated).

Best of all, top agents estimate that **you'll recoup 94% of your roof investment at resale**.



When in doubt, go with asphalt shingles for your roof.

“Which roofing material do you most recommend homeowners install?”



Asphalt shingles date back to 1901 and are the classic American roofing material.

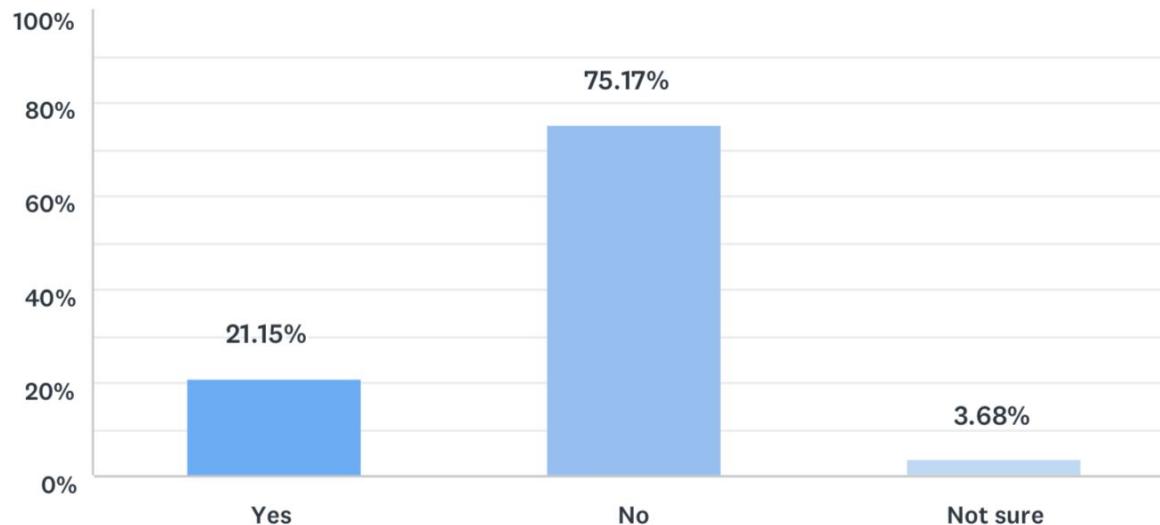
Top agents say that 118 years later, asphalt shingles remain the popular and practical choice as they are wind, hail, and fire-resistant and just all-around durable.

When selecting your roofing material, **78% of agents recommend that homeowners go with asphalt, which you can expect to last about 20 years**. Don't mess with success, we guess.



Despite the hype about metal roofs, most agents haven't seen the material take off in their market.

Have you seen an increase in the number of homeowners in your market who opt to get a metal roof for its durability and long life span?



In recent years, there's been news of metal as a roofing material (once primarily used on commercial real estate) becoming increasingly popular in the residential market. Metal roofs are supposed to last 50 years and are desirable for their energy efficient and heat reflective properties.

Despite the rise in metal roofs, only 21% of top agents in our survey have seen an increase in the number of homeowners who opt for this material for their roof replacement. The large majority (75%) said they haven't noticed an increase regarding this trend, so jury's out on whether it will last.



Fall is also the best time to plant trees if your yard lacks landscaping and vegetation.

Not sure which variety to go with? Top agents from various regions recommended reported that the following types of trees would add the most value and marketability long-term to their area:



According to the U.S. Forest Service, “each large front yard tree adds to a home’s sale price.” The Forest Service notes that **healthy, mature trees add, on average, 10% to a property’s value.** Trees can also reduce summertime electricity bills and a report issued by the Forest Service found that, in Portland, Oregon, street trees growing in front or near a house added an average \$8,870 in value.

One of the best times of year to plant trees is in the fall after leaf drop. But because tree varieties vary so much across the U.S., HomeLight asked top agents which trees add the most value to homes in their neck of the woods. Check out the infographic to see the preferred options for your region.



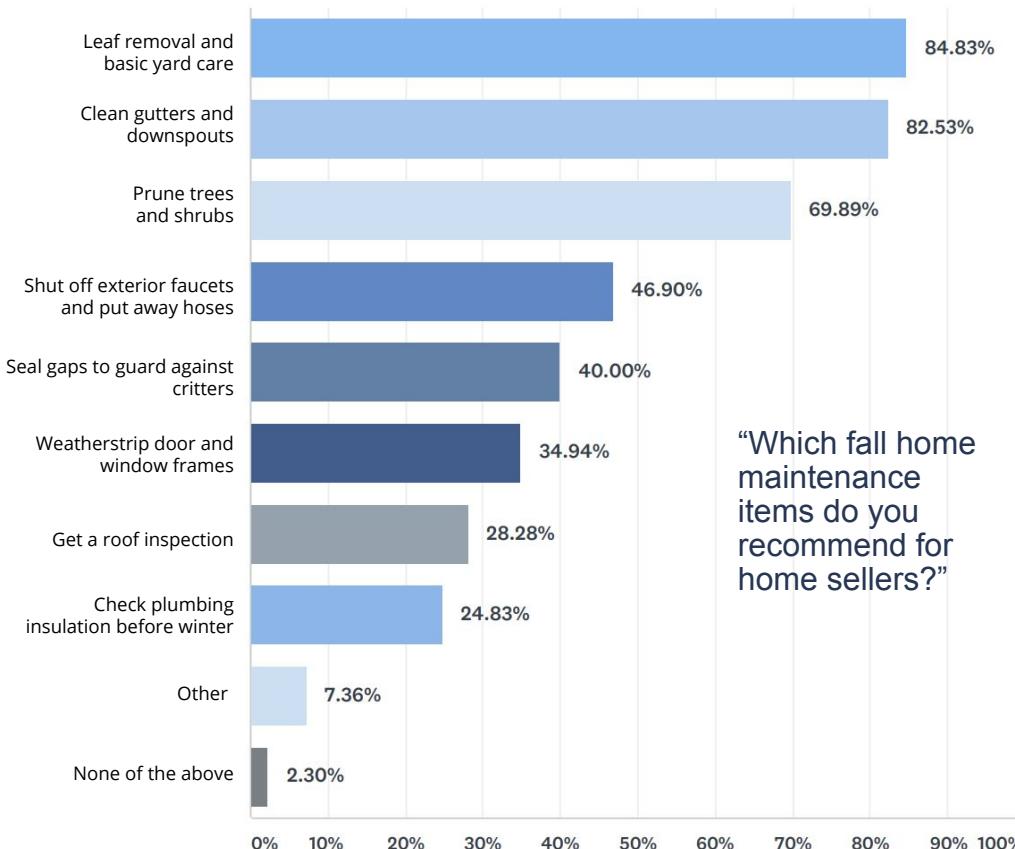
HomeLight

Selling a Home in the Fall: Tips to Impress Buyers as the 'Off' Season Nears

You can sell your home any time of year with the right strategy. Find out how to prepare your house for successful fall sale.



Prepare your house for sale this quarter with basic fall home maintenance.



No matter the time of year, you'll need to take care of any deferred maintenance before you list your home. These items will be specific to your particular home and its current condition.

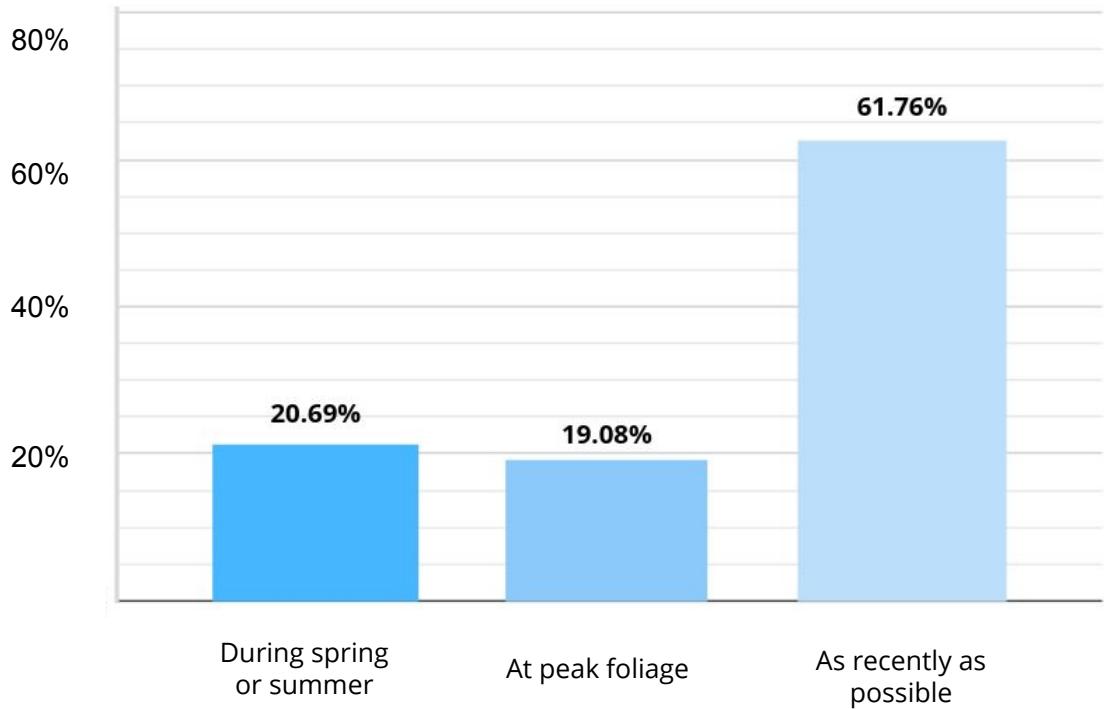
When it comes to the fall season, however, agents say that the top 3 things any homeowner can do maintenance-wise include:

1. Leaf removal and basic yard care
2. Clean gutters and downspouts
3. Prune trees and shrubs



Get recent listing photos, even if your house looks 'better' in the spring.

"A fall listing should feature photos that were taken_____."



If you believe the rumor mill, you might think that you should pair your fall or winter home listing with photos from the spring because, well, your home just looks better with all that lush greenery around.

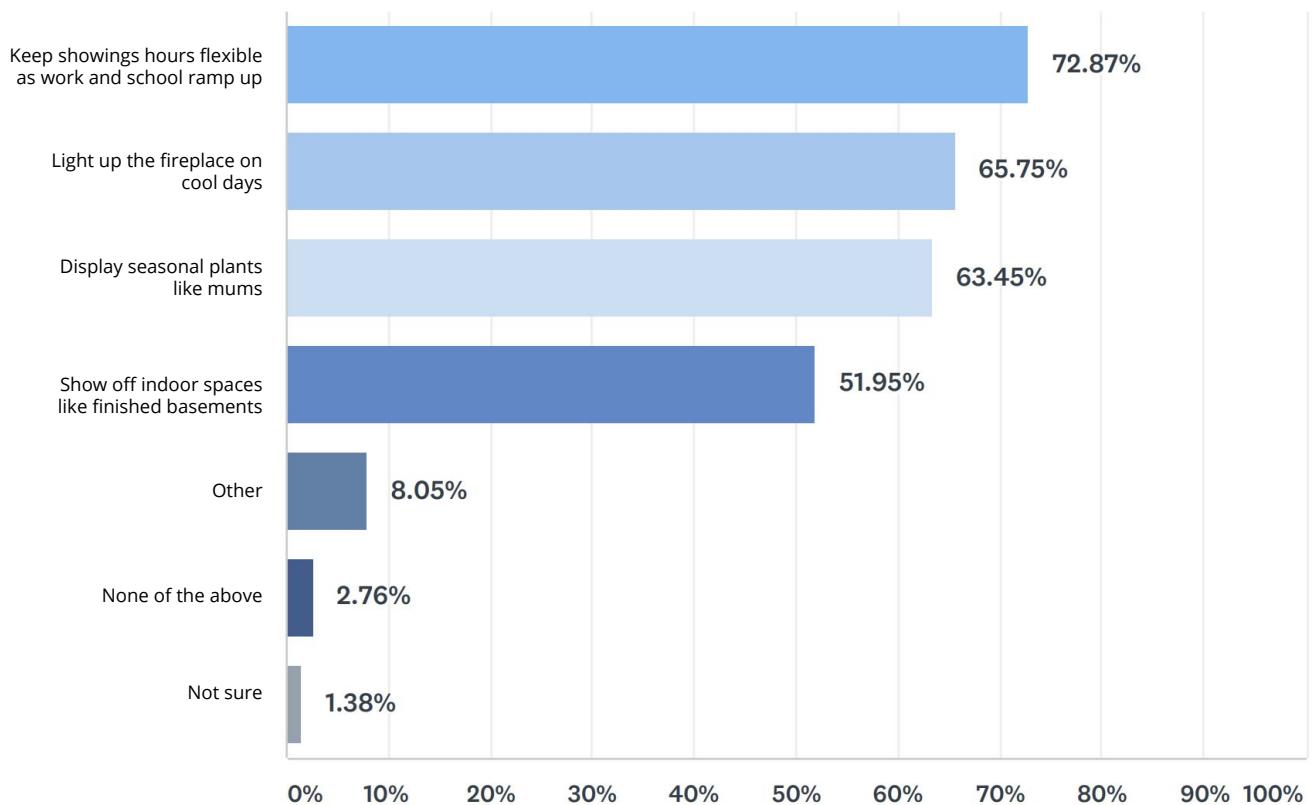
That may be true, but: In reality **the majority of agents (62%) say that it's best to market your home using property photos that were taken as recently as possible.**

The most important thing is that buyers don't think your listing is stale, and photos from a previous season can create confusion around that.



You'll need to stay flexible to sell your house in the fall.

“Which fall house showing tips do you recommend?”



The no. 1 fall house showing tips top agents recommend (73% of respondents) is to keep your showings hours flexible.

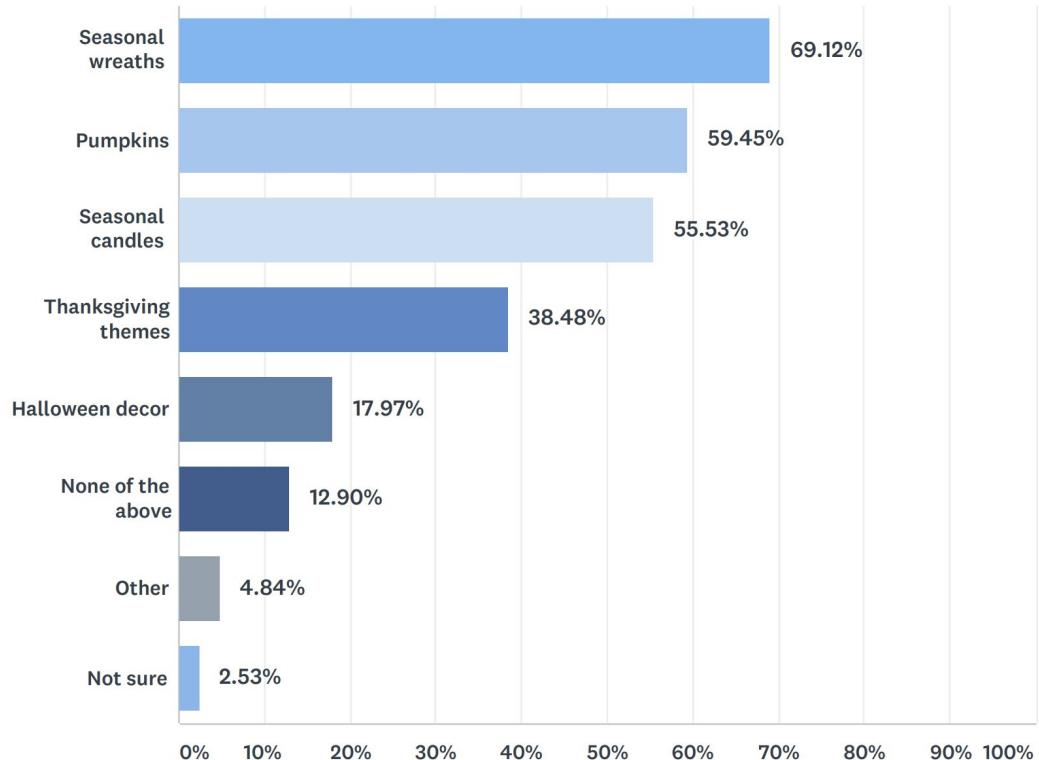
As school and work ramp up for many buyers, they may need to squeeze a home tour between the end of the work day and their kid's evening soccer game.

Other top agent recommended fall house showing tips: light up the fireplace on cool days to create that cozy vibe (66%) and put out seasonal plants like mums (63%) for visual interest. Many agents also suggested that sellers turn on the lights/open up the shades to combat shrinking daylight hours.



Avoid overly seasonal decor when selling your house in the fall.

“Which decorations are appropriate for fall home listings?”



Fall comes with a decor style all its own, plus two holidays with distinct themes. But when you sell your house, generally speaking less is more.

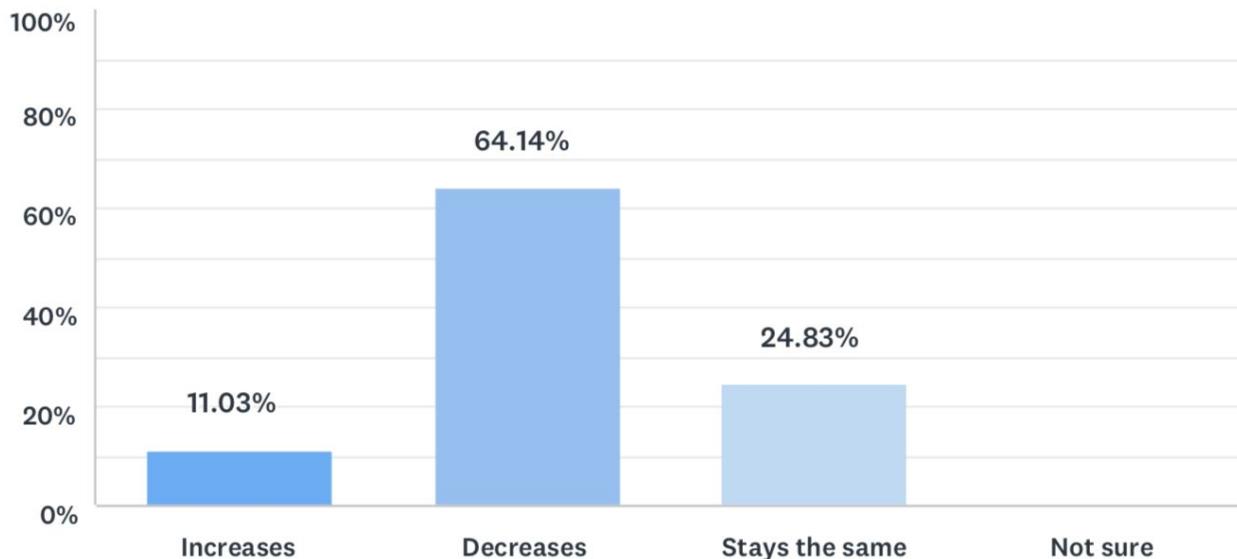
The majority of top agents say that it's inappropriate to stage your home with Halloween decorations (82%) or Thanksgiving decor (62%) when it's on the market.

So cool it on the cobwebs and cornucopias. However, most agents say seasonal wreaths, pumpkins, and seasonal candles are appropriate, just exercise moderation.



Fewer buyers will be out house hunting in the fall. As demand dwindles some, make sure your house presentation and pricing strategy are on point.

"Buyer demand typically _____ in the fall compared to the spring and summer seasons."



It's true: fall is typically not the hottest season for real estate. Some buyers get busy and put their home search on pause. In fact, **64% of top agents say buyer demand decreases in the fall** compared to the spring and summer seasons.

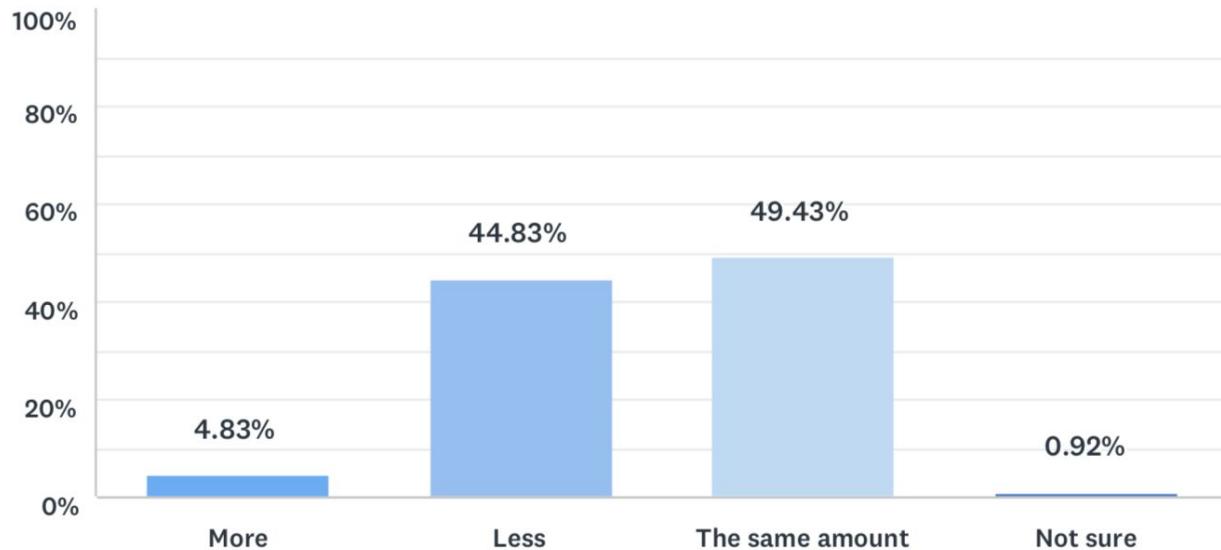
However, that doesn't mean you should shy away from a fall listing. For one, nearly a quarter of top agents say buyer demand stays the same in the fall where they do business.

Just make sure your home looks amazing and that you've set the right price from the get-go, two things top agents say are critical to selling your home in any season but especially as demand slows a bit.



Even in the ‘slow’ months, nearly 50% of agents say that you can fetch just as much money for your home in the fall as you can in high season.

Homes typically sell for _____ in the fall compared to the spring and summer seasons.



You don't necessarily have to sacrifice price with a fall listing. Nearly **50%** of top agents say that homes typically sell for the same amount in the fall as they do in the spring and summer seasons.

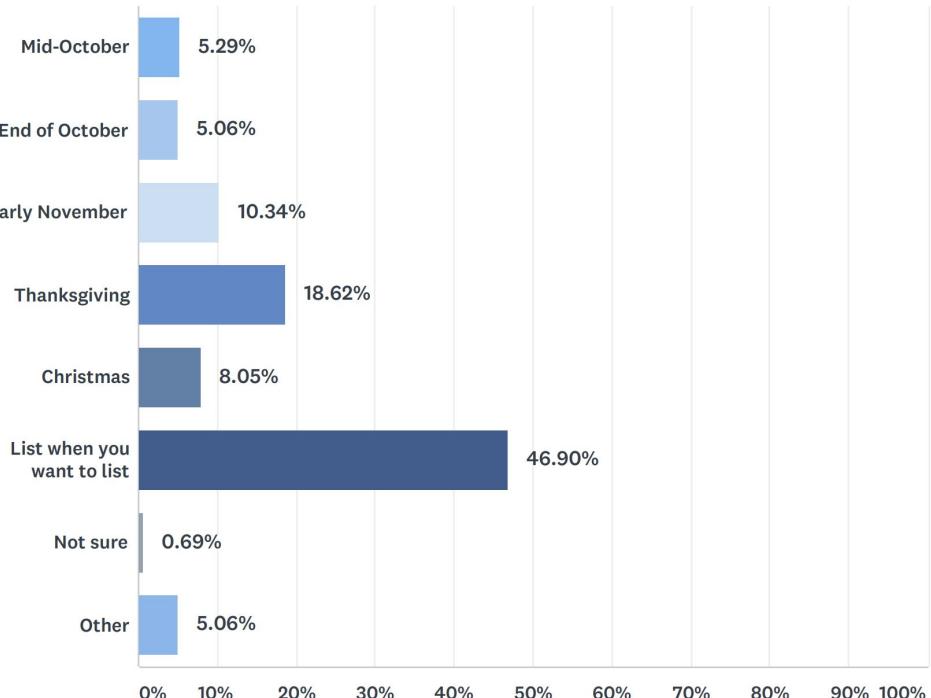
The reality is that buyers who do look for a house now will be on a mission to get settled in before the holidays. You'll see fewer casual buyers out to attend open houses “just for fun” during this time of year.

You'll also face less competition from other sellers on the market if you list now versus in the spring when most markets see a surge in new listings.



Try to put your home on the market before Thanksgiving, but there's no absolute deadline.

"At what point in the year would you say best describes the "listing cutoff"? For example, if a seller wanted to listed their house, would you recommend they hold off until spring?"



Feeling rushed to get your home ready for the market before a certain deadline? Relax a bit. **47% of top agents say there is no "listing cutoff" as the year's end approaches.** List when you want to list. The right agent will be able to help you navigate a sale during any time of the year.

However, if you're the type of person who needs a little pressure to get moving or want to increase your chances at finding a buyer, then aim for listing no later than Thanksgiving. **19% of top agents say that if you haven't put your house on the market by Turkey Day at the latest, then go ahead and hold off until spring.**



Methodology

Agents were selected to participate in HomeLight's Top Agent Insights Survey for Q3 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, fall home-selling tips, and seasonal home improvement projects.



About HomeLight

HomeLight is the only objective, end-to-end platform that empowers people to achieve the best outcome when buying or selling real estate.

The company's proprietary algorithm crunches hard-to-find home sales data and reviews to determine the best agent or cash buyer to help sellers net the highest return on the sale of their home.

To help homebuyers find a local agent, HomeLight analyzes stats on 40+ million transactions using proprietary machine learning algorithms that search through over 1.2M real estate agent profiles.

HomeLight is a startup revolutionizing the \$1 trillion real estate industry. The company has nearly 200 team members across offices in San Francisco, Scottsdale, Brooklyn and Seattle.

