

WEB LEADS REAL ESTATE SEARCH AND MARKETING

Sitting just last month listening to a panel discussion at the Inman Connect Conference in San Francisco I was not surprised. Nor were any of my fellow participants. One after another real estate agents shared their approach to marketing—about both marketing of themselves and of their clients' properties. Not one of them mentioned newspapers.

Closer to home, at a recent national conference of one of the major realty groups in New Zealand, one of their leading agents shared their 'secrets to success'. Again the role of newspaper advertising for their business has been relegated to a small brand advertisement driving traffic to their website.

The tide is turning, with the web leading real estate search and marketing, and as a consequence the newspapers are feeling the heat. This trend is very clearly backed up by the latest research report from Nielsen which as ever provides a rich insight into both the attitude and behaviour of property seekers as they go about their task of finding someone to sell their property as well as the process of finding their next dream home.

The Nielsen Real Estate Market Report is an annual online survey of over 1,200 people. The survey, now in its fourth year, is sponsored by realestate.co.nz and was undertaken in May and June of this year.

The key metric keenly awaited in each year's results is the question of what is the most popular media consulted by those searching for property in the past week.

For the fourth consecutive year specialist real estate websites trump all



other media. This year, a dominant 78 percent stated their usage of this form of media for searching for property, up from 69 percent last year. This is the key headline number and each year it edges towards 100 percent. In the United States the latest data shows 87 percent of all respondents using websites with the target group of 25 to 44 year olds as high as 94 percent.

The second placed choice of media at 63 percent (up from 55 percent last year) was company websites.

The research clearly shows the polarisation of media choice. While online options all rose year on year—print media fell significantly. Local

newspapers fell from 49 percent to 40 percent, national newspapers from 43 percent to 31 percent and specialist magazines from 55 percent to 46 percent. This is a major fall for print media; part of an on-going trend that now sees less than half of respondents seeing value in searching through newspapers and magazines for real estate.

When asked to rate the different types of media in terms of usefulness, again specialist real estate websites won hands down. Ninety five percent of respondents stated they felt that these websites, with their comprehensive content, were judged useful or very

useful. This compares with 83 percent for specialist magazines and a long way back at just 49 percent—less than half of all surveyed—stating that newspapers were useful or very useful in searching for real estate. In fact less than one in 10 of those surveyed judged newspapers as very useful in searching for property for sale—a striking contrast to the figure of 68 percent of all those surveyed stating that specialist real estate websites were very useful.

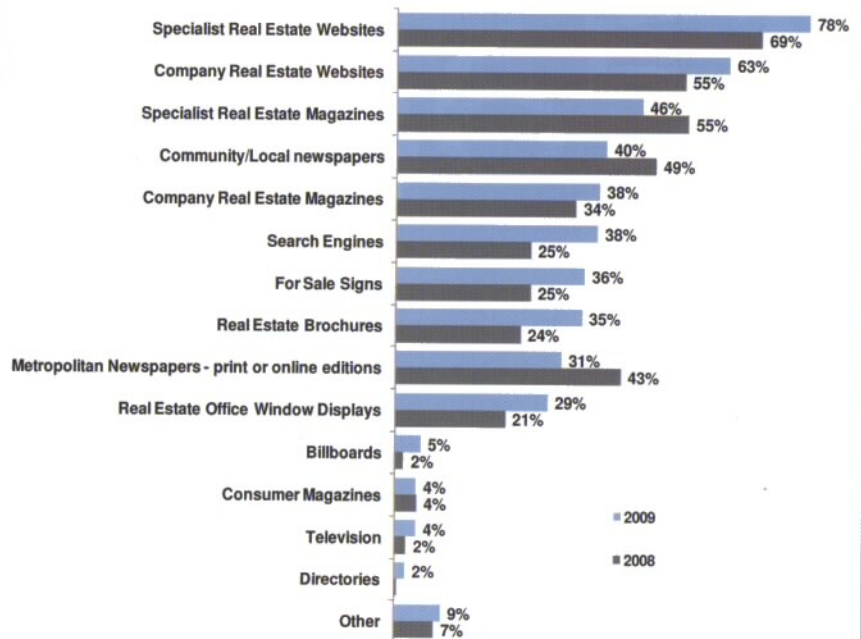
The survey went beyond the primary question of what medium was used to search for property and covered a broad range of questions related to the attitude and behaviour of property seekers.

When it comes to recommending individual real estate websites, for example, realestate.co.nz achieves a very strong 81 percent recommendation score, falling short of Trademe's property score of 91 percent. Third place went to Open2view with 81 percent. A very encouraging rating was achieved by Zoodle coming in at sixth place with a 73 percent recommendation score. Real estate company websites scored between 35 percent and 67 percent.

When it comes to the content sought by property searchers on property websites the same consistent message comes through year after year. The public want an extensive collection of large, high quality photos. They want the address of the property and they want an accurate price range. All of these items scored over 90 percent by respondents.

Beyond the specifics of searching for real estate the survey provides some valuable insight into the awareness and attitudes about using a real estate agent.

Media consulted for real estate research in the past week



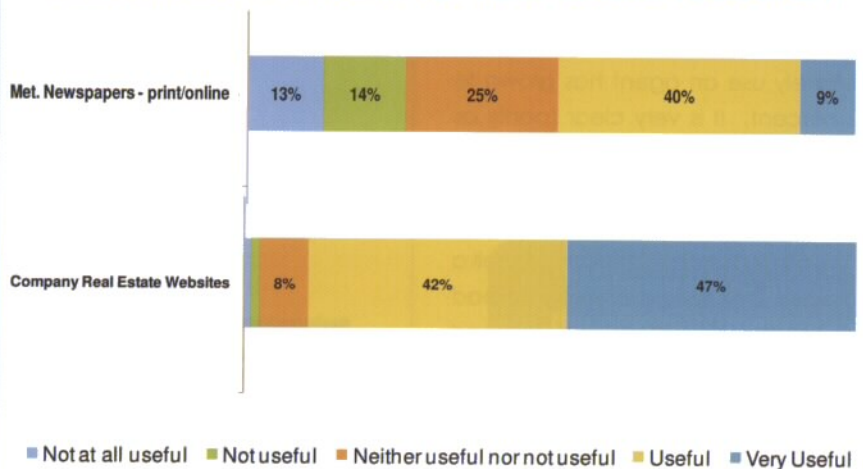
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Q4. Thinking back over the past week, which of the following different types of media have you consulted for researching real estate?

29

Base n=1206 total

Usefulness of media for real estate research



nielsen

Q5. Thinking about the different media and other things that you can consult for purpose of researching real estate, how useful do you perceive the following?

Base n=1206 total

43

realestate.co.nz

When it comes to the reason why sellers choose a particular real estate agent experience and reputation count highly. Forty six percent of sellers judge that past experience is critical, whereas just 10 percent cited the effect of any advertising done by the companies. A strong reputation (38 percent) and recommendation of a specific agent (28 percent) counted highly in reasons for choosing an office or agent.

A key question asked as part of the survey over the years has been the intention to use a real estate agent in the sale of a property. This question asks for responses to three distinct statements: (i) would you definitely list your property with an agent? (ii) would you definitely try and sell your property privately? (iii) would you probably list with an agent but you might try to sell privately first?

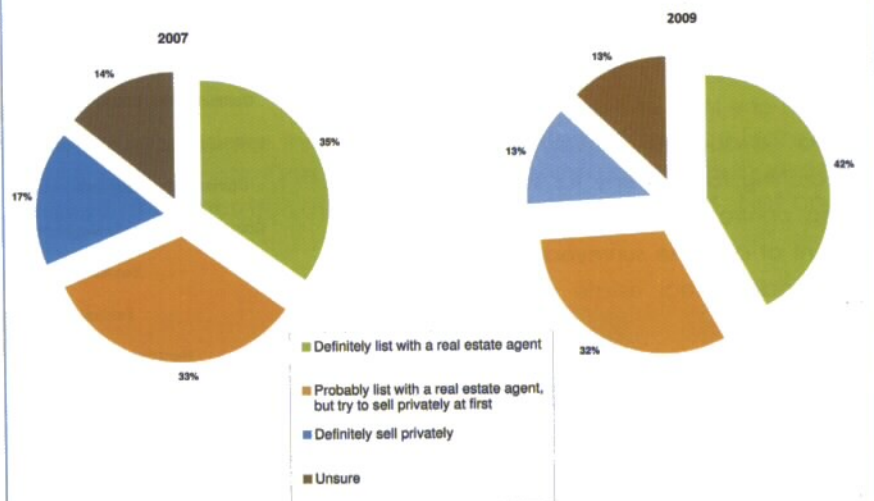
The results over the past four surveys have been very interesting. And, for the real estate profession, very gratifying for each year the proportion of those surveyed who said that they would definitely try and sell privately has fallen. This year the number was down to just 13 percent. At the same time those who state they will definitely use an agent has grown to 42 percent. It is very clear (partly as a function of the state of the property market) that home owners more fully appreciate the complexity and time commitment involved in trying to sell a property privately, preferring instead to seek the assistance of a licensed real estate agent.

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How do they intend to sell property?



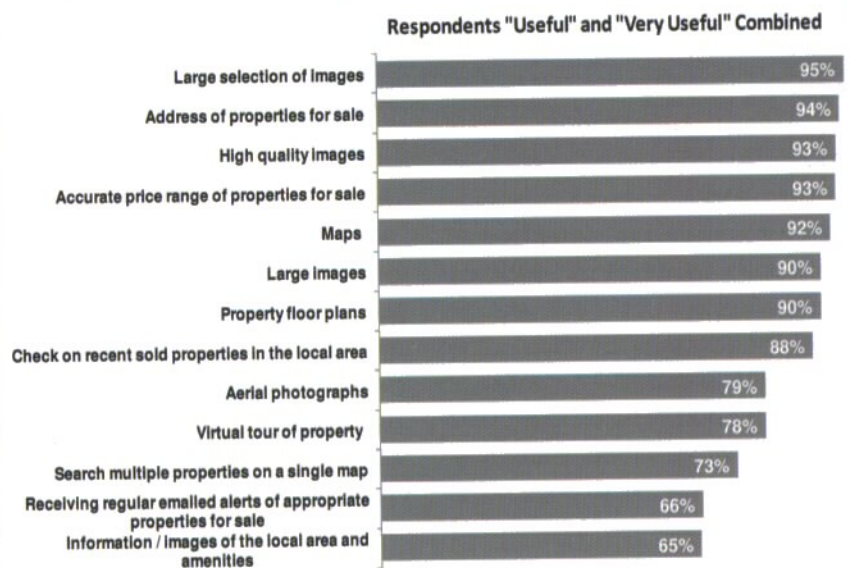
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Q21c How do you intend on selling your property?

24

Base n=494 Sellers

What users want to see on websites – The top 13 wish list!



nielsen

Q16. How useful do you feel the following online resources are/would be in helping you to research properties and find relevant properties for sale?

Base n=1206 total

88