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PEW INTERNET & AMERICAN LIFE PROJECT DATA MEMO

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RE: The Growth in Online House Hunting: 40 million wired Americans have used the Internet to search for houses or apartments

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For Americans on the move, the Internet is becoming an increasingly important resource for researching housing options. Fully 40 million Americans, one third of all Internet users, have looked online for information about a place to live. On average, more than three million Internet users are online on any given day searching for a new place to live.

The number of online house hunters has increased by two thirds since March 2000, when we first inquired about the subject. At that time, 24 million Americans had looked on the Internet for information about a place to live. Since then, daily traffic related to housing research has roughly doubled – about 1.7 million Internet users sought housing information on an average day in March 2000.

The current figures come from a Pew Internet & American Life Project survey of 2,259 Internet users that was conducted from March 1 through May 19, 2002. The margin of error is plus or minus two percentage points. In that recent survey we found that 36% of the nation's 111 million Internet users had done housing searches online. That compares to a survey we did in March 2000, when we found that 27% of the nation's 89 million online adults had done such searches.

Internet house hunters are diverse and are distributed relatively equally along racial, gender, and income lines. In the entire U.S. population, about 40 million Americans have moved each year in the last decade, according to the U.S. Census Bureau.

Who is looking online for housing information? Many Internet house hunters are:

- **Young Internet users between the ages of 18 and 29.** Some 47% of those between ages 18 and 29 with Internet access have looked for houses or apartments online, compared with 37% of those ages 30-49 and 25% of those ages 50-64.
- **Those with higher education levels, but in all income groups.** While those with college and graduate degrees are more likely to have ventured into the online real estate world, Internet house hunters are relatively evenly spread throughout all income groups.
- **Experienced users.** 62% of Internet house hunters have been online for over three years.
- **Unattached but well connected.** Some 58% of those who look for housing information online are unmarried. Some 46% of broadband users have house-hunted online, compared with 35% of those with slower connections. And 58% of Internet house hunters are daily Internet users.
- **Suburban professionals and executives.** Over 55% of online house hunters live in suburban areas, and 36% work in professional or managerial occupations.

We found in a survey in January 2002 that 8 million Americans who found new places to live in the past two years said that the Internet played a crucial or important role in helping them through that transition. Over one fifth of Internet users who found a new place to live in the past two years said the Internet played a vital role in their housing search. Almost a third of veteran Internet users who searched for new housing relied extensively on the Internet.

A recent study by the National Association of Realtors found that 41% of all homebuyers used the Internet as a search and research tool. In 2001, there were 6.2 million single-family home sales. Our findings suggest that online house hunting is a more widespread activity that extends beyond active buyers, sellers, and renters. Many of those looking up housing information are obviously checking out prices in their own neighborhoods or those in distant cities just to make sure they stay on top of the housing market.

In related findings, Prof. Waleed Muhanna, associate professor of Information Systems at Fisher College at Ohio State, and doctoral student James Wolf, released a report earlier this summer that illustrated, contrary to earlier predictions, the Internet did not replace intermediaries in the real estate industry. Instead, use the Internet by those in the housing market served to augment the relationship between buyers and brokers. Rather than being a tool for online housing transactions, the Internet functioned more as an informational resource, the Ohio State study found.

Indeed, the most successful sites in the online real estate world, such as Realtor.com, provide extensive listings of both homes for sale and local agents and brokers. According to the Web tracking firm comScore/Media Metrix, Realtor.com attracted over 4 million unique users in May.

The Pew Internet & American Life Project is a nonpartisan, independent research organization funded by the Pew Charitable Trusts to study the impact of the Internet on families, communities, health care, education, civic and political life, and the work place.