

27 July 2017

## **Rise of the robot realtor? Canadians amongst the most ‘digitally-active’ homebuyers in the world**

*\*\* New global study examines the future of home-buying across nine countries and territories; Canada report available at [www.hsbc.ca/BeyondtheBricks](http://www.hsbc.ca/BeyondtheBricks) \*\**

New technologies are transforming the way people in Canada and across the globe are buying a home, with significant implications for consumers and the property industry as a whole. This, according to HSBC’s latest global report, *Beyond the Bricks: The future of home buying*, based on a survey of more than 9,000 people in nine countries with insights from leading property technology (PropTech) experts.

The research suggests that we will see radical changes across the globe over the coming years, with funding of disruptive property technology firms increasing globally from USD\$221 million in 2012 to over USD\$2 billion in 2016<sup>1</sup>.

“From online mortgage specialists to paperless mortgage renewals, technology is rapidly changing how we engage with and serve our customers in Canada and across the globe,” said **Larry Tomei, Executive Vice President and Head of Retail Banking and Wealth Management, HSBC Bank Canada**. “This latest research suggests that the property industry is poised for technological disruption, significantly changing how home buyers approach each of the three key phases of home buying: researching, financing and purchasing.”

### **Key highlights: Canada vs. the world**

- 1) A drone’s eye view of the property market.** Canadians are amongst the most digitally-active home hunters, with 90% using online channels to research their recent property purchase (first is the UK: 93%, global average: 83%). Indeed, experts suggest there may no longer be a need for traditional open house viewings, with new virtual reality tools allowing home buyers to view more homes, narrow down their choice and then ‘live’ in a virtual version for several days to truly “try before they buy”.
- 2) “We’re not the droids you’re looking for...at least not yet.”** While 11% of Canadians surveyed have embraced the idea of using robo-advisers such as chatbots and humanoids for mortgage advice, banks and mortgage brokers are still the most trusted sources of mortgage advice (41% and 35% respectively).<sup>2</sup> When it comes to how they research home-buying finances, almost three-quarters (74%) of recent home buyers in Canada researched finance options online, on par with the global average.

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- 3) Realtor 2.0: From key gatekeeper to expert advisor.** Traditionally, the estate agent has played a key role in the purchasing phase of the process. Today, even this most human part of the process is shifting online: more than a quarter (29%) of recent home buyers in Canada started talking to a real estate agent online (global average: 31%).
- 4) Not a people person? You’re not alone.** Just over one in four (27%) of those surveyed in Canada say that dealing with the many people involved (real estate agents, lawyers, sellers and developers) was the biggest ‘pain point’ in the home-buying process, followed by fees (23%), negotiating the price (22%) and understanding the legal paperwork (20%). (Global averages: 37%, 28%, 29%, and 24%, respectively).

**Added Tomei,** “The research supports what we already know: while more and more Canadians are embracing disruptive technology in new and exciting ways, the need for the human touch hasn’t diminished. For us, it’s about giving customers the choice and flexibility to bank how they want, when they want – be it in-branch, via phone, on their smartphones, or any combination of those options.”

### **Practical steps for buying a home in a digitally-enhanced marketplace**

- 1) Make informed decisions.** Make the most of online tools and services to help you to find out more about the properties and areas you are interested in and the financial options available to you. For example, check out [HSBC’s helpful suite of online mortgage calculators](#).
- 2) Be clear on your priorities.** New tools are on the way to allow you to view properties in much more detail from the comfort of your own home. With such visibility, being clear on your priorities for a property will help you narrow the search quickly and efficiently without getting distracted by “bells and whistles” not intrinsic to your search.
- 3) Understand how technology can help you.** Digitization of property and personal information should help streamline the purchase process in future. Keep yourself up-to-date with new technology to ensure you feel comfortable using it to help you.
- 4) Consider the experts.** As buying a home becomes a more digital/online process, think about which tasks you feel comfortable doing yourself and where you may benefit from expert advice to help you navigate the home purchase process more successfully.

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#### **Notes to Editors:**

1. [www.cbinsights.com/blog/real-estate-tech-startup-funding](http://www.cbinsights.com/blog/real-estate-tech-startup-funding)
2. HSBC Trust in Technology survey 2017
3. Beyond the Bricks is an independent consumer research study into global home ownership, commissioned by HSBC. It provides authoritative insights into peoples’ attitudes and behaviour towards home buying, renting and funding around the world.

This report, *The future of home buying*, represents the views of 9,009 people in nine countries: Australia, Canada (1,003), China, France, Malaysia, Mexico, UAE, UK, and USA. The findings are based on a survey of home owners and non-owners aged 18 or older from a nationally representative online sample in eight countries and a nationally representative face-to-face sample in the UAE. The research was conducted by Kantar TNS in October and November 2016.

4. HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 4,000 offices in 70 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,416bn at 31 March 2017, HSBC is one of the world’s largest banking and financial services organizations.

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