



## iBuyer Marketshare Surges in 2021



By Theodore Sprink, Managing Director, iTitleTransfer, LLC

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One of the industry's leading real estate analysts and experts in the concept of real estate *iBuying*, published a report on February 1, 2022; backed by considerable market research, detailed data; and accompanied by well-crafted graphs and charts; that *iBuyer's* market share soared in 2021.

According to respected market analyst Mike DelPrete, 2021 was a transformative and record-breaking year for *iBuyers*. More houses were bought and sold by *iBuyers* than ever before.

This is significant because *iBuyers*, during a double whammy of the pandemic and an overheated market, were known to be generally “keeping their powder dry”. In other words, waiting for the market to cool, which would provide an opportunity to purchase and re-sell single family residential homes in a market and timeframe that would provide for reasonable margins and ROI.

Many real estate industry observers believe the significant 2021 surge to 110,000 transactions in *iBuyer* purchases and sales is based on numerous factors:

1. Market acceptance of the advantages of the “instant sale” and “instant buy”
2. *iBuyer* “convenience fees” being accepted as reasonable and fair

3. Consumer choice as a benefit between an instant buy versus the traditionally drawn out MLS sales process, being perceived by consumers as important
4. The avoidance of aggravating inspections, bogus appraisals and costly home repairs
5. Alternatives benefitting both consumers and *iBuyers* to the status quo of risky, drawn-out and looky-loo shopper behavior, and the invasive mortgage qualification process
6. The emergence of safe, reliable and low cost real estate ownership-transfers by new PropTech and FinTech firms, embraced by *iBuyers*, eliminating costly and unnecessary title insurance, which reduces the cost of consumer sales, *iBuyer* purchases and *iBuyer* re-sales.
7. A concern regarding Federal Reserve strategies and the pending rise in interest rates, presumably to address inflation, thereby eroding buyer purchasing power
8. The expectation that rising mortgage rates will become a trend, making many home purchases unaffordable.

DelPrete stated that “*iBuyers* are one of the leading disruptive models in real estate. Their ability to grow, in all types of markets, is an important signal as to what degree the traditional real estate transaction can be disrupted”

As a 25 Fortune 500 senior executive in the real estate market, my view is that the *iBuyer* market is likely to exceed 10% of single family residential home market purchase and sales within 2 years. Considering the current residential real estate market is approximately 6,000,000,000 transactions per year; expect the *iBuyer* market share to approach 600,000 transactions per year.

*iBuyers* will continue to adjust their convenience fees, partner with leading Realtors, buy carefully, sell at fair prices, and pursue the elimination of outdated, over-priced and unnecessary closing costs.

Consumer choice, *iBuyer* alternatives, and Realtor advantages, developed by PropTech and FinTech start-ups will provide safe, reliable low-cost home ownership transfers, contributing to a national increase in instant buying and selling.

*As Managing Director of PropTech firm iTitleTransfer, LLC Sprink serves iBuyers, iSellers and iLenders with Ownership Transfer Platforms, Business Plans, Marketing Strategies and Sales Initiatives.*

*iTitleTransfer's* proprietary ownership transfer process is safe, reliable and includes search, examination, scoring, escrow, legal opinion, document preparation, eNotary, eSigning, eRecording and a land registry deed monitoring services.

*Sprink can be contacted at [tsprink@iTitleTransfer.com](mailto:tsprink@iTitleTransfer.com) and 866-494-3727*



Theodore Sprink, Managing Director 866-494-3727 [tsprink@iTitleTransfer.com](mailto:tsprink@iTitleTransfer.com)  
[www.iTitleTransfer.com](http://www.iTitleTransfer.com)