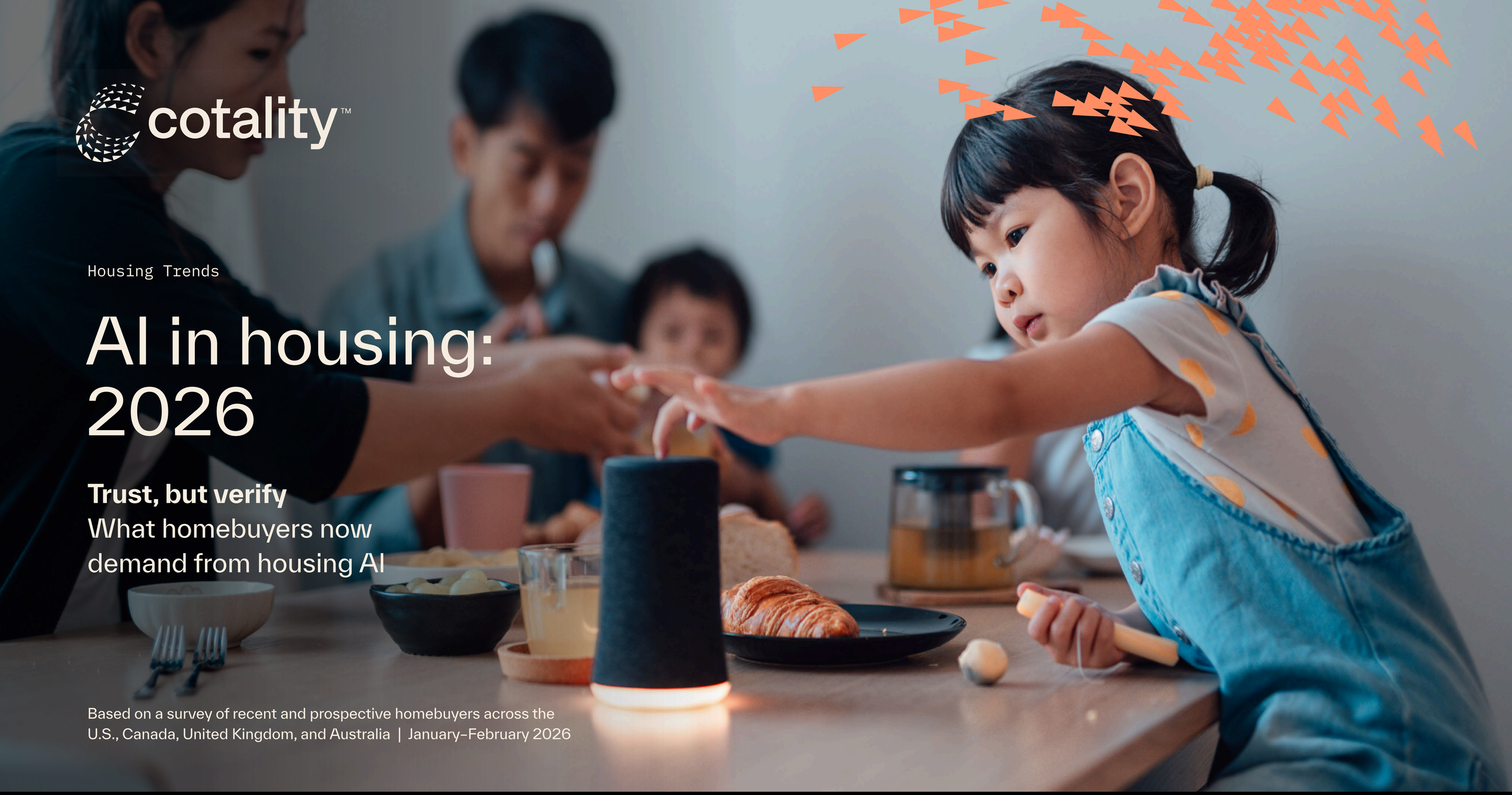


cotality™

Housing Trends

AI in housing: 2026

Trust, but verify
What homebuyers now demand from housing AI

Based on a survey of recent and prospective homebuyers across the U.S., Canada, United Kingdom, and Australia | January–February 2026

Proof, not promises.

Purchasing property is often the largest financial decision people ever make. And that significance creates a deep hunger for information every step of the way. Artificial intelligence— generative, agentic, and machine learning — at scale now feeds that hunger. Tens of millions of buyers welcomed it in, fast and without much resistance. What they want from it next is the harder, more interesting question

Fifty-five percent of homebuyers now use generative AI tools at least once a month. Three-quarters already assume AI is running somewhere inside the homebuying process — in property search, in valuations, in the rate quotes that appear on their screens. By those measures, the industry's AI moment has arrived in a big way.

But peel back the curtain to look beyond the surface-level acceptance, the numbers tell a different story.

Among prospective buyers in the United States, trust in AI tools to help find a home dropped nearly in half, from 30% in 2025 to 16% today. Preference for working with human professionals has risen across every major task: finding a mortgage, securing homeowners insurance, and navigating legal paperwork. Sixty-eight percent of buyers say they would manually verify every detail, or a significant amount, of anything an AI tool provides them in a housing context.

Buyers who once approached AI as a novelty now assess it the way they assess any other infrastructure: by whether its answers are accurate, transparent, and recoverable when it goes wrong. Familiarity, it turns out, creates standards rather than complacency.

16%

U.S. prospective buyers who trust AI tools to help find a home — down from 30% in 2025

The pattern holds across the four geographies in which we conducted our survey, though with meaningful variation. U.S. and Canadian buyers are more open to AI involvement in automated valuations and rate decisions than their United Kingdom and Australian counterparts. Millennials lead AI tool adoption and also lead willingness to pay for human verification of AI outputs. Gen Z is the most likely generation to gain confidence from AI's involvement in a transaction, and also among the most likely to invest in verifying what it produces. This finding comes on the heels of a Cotality™ survey last year that showed Gen Z losing confidence as the progressed into the buying journey. It appears AI can help ease that anxiety.

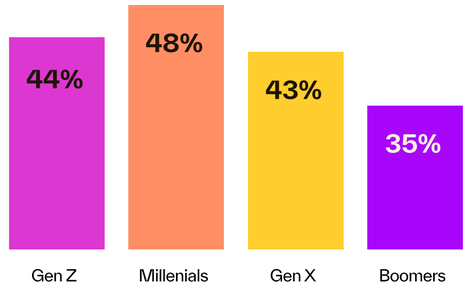
Although Baby Boomers report the most distrust of AI details, younger generations — especially Millennials — are more likely to invest in AI verification from expert professionals.

Technology has moved faster than trust in it has followed. AI adoption happened in the open; the trust deficit accumulated in missed moments. This Cotality report measures those gaps and opportunities precisely, by sector, by geography, and by generation.

The starting point is clear: AI is now being held to a higher standard, and closing the trust gap is now the defining market imperative entering 2026.

A 21-year-old recent buyer in the U.S. captured the sentiment plainly: she didn't want to take a risk when she had “in-person real individuals that have years of experience” to lean on. She was not so much dismissing AI as pricing the cost of being wrong.

Generational reliance on human verification of AI outputs
Homebuyers investing in AI verification



The market has passed the adoption phase. Buyers are not asking whether AI is involved — they assume it is. The question they are now asking is whether the industry has earned the right to use it in decisions that change lives and finances.

John Rogers
Chief Data & Analytics Officer — Cotality

What this report covers

Cotality's Q1 2026 housing trends research surveyed homebuyers in the U.S., Canada, the UK, and Australia between January 29 and February 9, 2026. The sample split between recent buyers (purchased within 5 years) and prospective buyers (planning to purchase within 2 to 5 years), with generational coverage across Gen Z, Millennials, Gen X, and Baby Boomers.

The report is organized around six findings that have direct operational implications for lenders, brokers, insurers, regulators, and the wider property industry.

How is AI changing the housing market?

Lenders and brokers: Trust in AI tools is softening in a key segment — many ask about bias in automated valuation models. Your response affects customer retention measurably, and in a consistent direction.

Insurers: You are already perceived as the heaviest users of invisible, background AI. That perception carries the largest share of the trust burden.

Real estate professionals: Buyers are arriving better informed but less confident. The value of professional guidance has shifted in what it needs to deliver.

Legal and compliance: Consumer expectation is pushing toward norms on disclosure and contestability. The data supports that direction with unusual clarity.

Chapter 1

Disclosure starts here

Like most disruptive innovations, AI has shifted quickly from novelty to expectation.

Now, 3 in 4 buyers say they think it is playing a role in the homebuying process, both through visible interactive tools and the invisible backend algorithms working underneath. And it is easy to see why. Property search sites now serve up precise recommendations in seconds, and 86% of buyers assume that is AI at work. Prequalification mortgage rates appear on the fly. Insurance quotes arrive at a speed once impossible through human underwriting alone.

It is little surprise, then, that more than 80% of buyers attribute this pace to artificial intelligence. Even government housing bodies are assumed to use AI by 74% of buyers. The assumption that AI is already powering much of today's real estate industry is broad.

75%

of homebuyers already assume AI plays some role in the homebuying journey

But the mental model buyers carry on AI involvement is more nuanced than a simple yes or no. They distinguish between two roles: foreground AI — tools they interact with directly for search, comparison, and valuation — and background AI that makes decisions about them, including insurance underwriting and lender risk scoring. Property websites score highest for visible, foreground use. Insurers take the top position for invisible, data-driven use, where algorithms act for consumers without their direct engagement.

That distinction carries real commercial weight. Being perceived as an AI-driven process but without clear insight into how it works places insurers at the sharpest end of disclosure scrutiny — and likely first in line should regulatory norms around transparency tighten.

86%

assume property websites use AI — the highest of any sector

A 32-year-old Millennial future buyer in the UK clearly described the overarching preference of survey respondents for visible AI involvement: she wanted to actively engage in research and decision-making, with the ability to explore different options, ask questions, and receive personalized insights — specifically because having that “sense of control” mattered when the stakes were this high.

It is no longer enough to simply say AI is powering insights. Buyers assume AI is present, and 68% say clear notification whenever AI generates a listing, price, or mortgage recommendation is either very important or even a legal requirement. That figure rises sharply with age: 61% of Baby Boomers say it should be legally mandated. Among Gen Z — the cohort most comfortable with AI in every other context — that figure is 25%. But even younger generations are emphatic that notification matters; they simply express it through expectation rather than legislation.

Buyers know AI is in the system. They want to be told precisely when and how it is shaping the specific decision in front of them. Assumed presence and demanded transparency sit comfortably in the same mind — they are not contradictory impulses, they are sequential ones.

> “I prefer foreground AI for the homebuying process because it allows me to actively engage in research and decision-making. I'd feel more confident knowing I'm fully informed and have the ability to explore different options, ask questions, and get personalized insights. It's important for me to have that sense of control, especially for something as big as buying a home.”

Future Buyer,

UK Millennial, Age 32

Chapter 1

Disclosure starts here (cont'd)

Some in the industry have been treating disclosure as a branding question — whether to mention AI as a feature.

This misses the point. Buyers have moved on to a governance question: whether they can see, understand, and contest what AI is doing to their options. A 33-year-old Millennial future buyer in the UK put it succinctly: "I trust AI to an extent but would like to make the decisions myself. I think AI is still at the stage where its output needs to be checked manually."

68%

demand clear notification whenever AI generates a property listing, price, or mortgage recommendation — with 61% of Baby Boomers saying notifications should be legally mandated

The geographic picture adds texture. U.S. and Canadian buyers show higher overall acceptance of AI involvement than their UK and Australian counterparts. UK buyers score higher on demanding human involvement across legal assistance and insurance tasks — a market where professional trust hierarchies remain strong. For companies operating across multiple markets, disclosure strategy needs to flex by geography, as well as by product.

> "Disclosure is no longer optional differentiation. It is the floor. The companies that treat it as a trust-building mechanism rather than a compliance checkbox will separate themselves in a market where buyers are already reading the small print."

Amy Gromowski,
Head of Data Science, Cotality

Industry implications

Lenders and brokers:
Standardize disclosure language across sites, broker portals, and customer communications. Inconsistency between channels reads as concealment.

Insurers:
Place disclosure at the precise moments when AI affects eligibility, coverage, or price. General statements about using data are not sufficient — buyers want to know when and how AI shaped the specific number in front of them.

Legal and compliance:
Draft disclosure language that works simultaneously as a consumer communication and as a defensible audit document — the two functions reinforce each other.

Regulators:
The data supports baseline rules and common definitions across the industry. One-off labeling approaches will produce a patchwork that satisfies no one, and older buyers are pushing for legal requirements — that pressure is measurable and growing.

Real estate professionals:
Flag AI influence in the claims and disclosures of sales materials to match buyer expectations. — particularly where AI-generated valuations or neighborhood assessments appear in listing materials..

Chapter 2

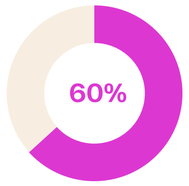
The trust cliff

Consider two versions of the same scenario: a significant factual error in a home listing.

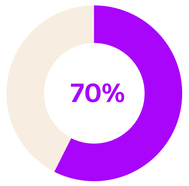
In one version, it appears on an AI-assisted property website. In the other, the same error is made by a human real estate agent. The outcomes, however, are very different since buyers apply different standards to each scenario.

Seventy percent say a significant AI listing error would reduce their trust in the platform. Sixty percent say the same about a human agent. That ten-point gap — the trust cliff — widens with every generation removed from early digital fluency or familiarity. Baby Boomers show a 14-point gap. Even among Gen Z, where tolerance for technology runs highest in every other context, the gap persists at eight points. The asymmetry is not a function of age; it runs through the entire sample.

Errors in property listings affect trust differently depending on the source

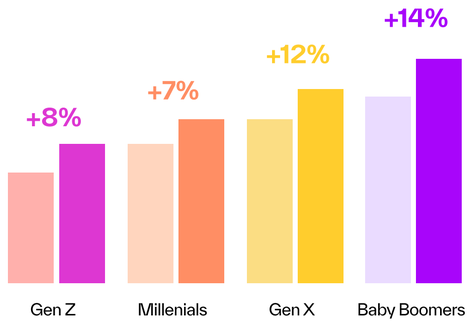


A realtor / real estate agent
(Human error)



An AI-assisted property website
(Machine error)

Human vs. AI trust Gap



The logic buyers apply is consistent. Humans make mistakes because they are human — tired, overloaded, working with incomplete information, and most importantly, capable of relationships. Despite attempts at humanizing AI services, bots are still seen as efficiency tools that deserve no such sympathy. When these tools fall short, the disappointment carries an extra charge of betrayal. As one recent buyer in the UK, a Millennial aged 33, put it: “I expect AI to be pretty much perfect but understand that humans can make mistakes.”

A recent buyer in the U.S. who identified as Gen Z, aged 28, framed the human side of that equation with equal clarity.

> “I can give grace to a human, not a machine. I do not trust AI and if it caused a huge error, it would only further solidify my positioning.”
>
> **Recent Buyer — U.S.**
> Gen Z, Age 28

Chapter 2

The trust cliff (cont'd)

What makes the trust cliff operationally significant are the buyers with a zero-trust policy for mistakes. One in three buyers says errors in listing data are unacceptable regardless of source — human or AI. This group is not applying a higher standard to machines; it is applying maximum standards to everything. They are the buyers to worry about after a single significant mistake, and they concentrate in the UK and Australia, and among Baby Boomers and Gen X — the demographics with the highest transaction values and the longest memories.

Among Baby Boomers specifically, the position is blunt. "You can't have error when you are talking about money being spent on a house," said one 77-year-old future buyer in the U.S. "I have a low tolerance for stupid mistakes." A 71-year-old recent buyer offered a shorter version: "I would not accept any errors in an important decision."

1 in 3

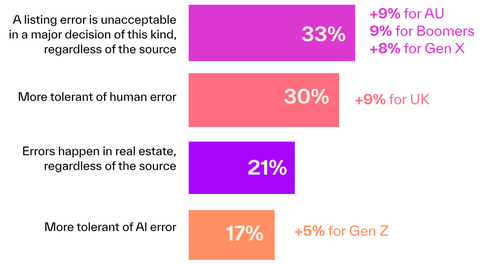
homebuyers hold a zero-tolerance policy for errors in listing data — regardless of source. Among UK and Australian buyers, that share is nine points higher.

The trust cliff is readily apparent in the year-on-year data. U.S. prospective buyers trusting AI tools to help find a home fell 14 points from 2025 to 2026. That decline is not evenly distributed across generations, but the downward trend is apparent across all age groups and rose year-over-year.

AI error in a borrower-facing context is not a training issue or a maturity curve question. Buyers are not interested in calibrating their expectations to where the technology currently sits; they have raised the bar and are asking for technology to follow. A recent Gen X buyer in the U.S., aged 49, described the problem this way:

> "Trust. AI hallucinates and is not yet reliable
>
> **Recent Buyer — U.S.**
> Gen X, Age 49

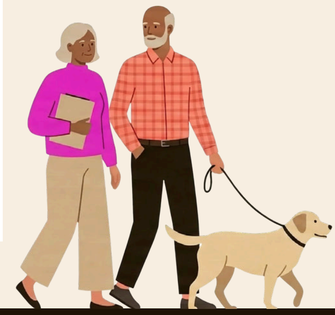
Tolerance of factual errors in home listings



Trust in AI is declining

	Trust 2025	Trust 2026	Convenience 2025	Convenience 2026
Finding a home	30%	16% ↓	34%	24% ↓
Finding a mortgage	34%	18% ↓	37%	25% ↓
Homeowners insurance	36%	21% ↓	40%	19% ↓
Legal assistance	29%	13% ↓	33%	22% ↓

% trust a person somewhat/much more for the following tasks	Gen Z	Millennials	Gen X	Boomers
Finding a home	58%	52%	53%	65% ↑
Finding a mortgage	51%	53%	51%	67% ↑
Homeowners insurance	38%	50%	45%	61% ↑
Legal assistance	59%	59%	70%	81% ↑



Chapter 2

The trust cliff (cont'd)

Accuracy is a trust metric with measurable value. As the gaps in answer quality begin to show and positive sentiment toward AI erodes, data quality will become the foundational framework for companies working to build confidence in their platforms. That's why Cotality models — which draw from billions of verified records across thousands of sources — are refined through years of applied science to withstand scrutiny and deliver clarity to those who rely on it. Only quality intelligence will translate into technology adoption and customer retention.

Industry implications

Lenders and brokers:
Raise quality assurance (QA) standards for all AI-touched borrower-facing outputs, especially anything presented as factual — valuations, rate comparisons, eligibility assessments. The error penalty is asymmetric and the trend is accelerating.

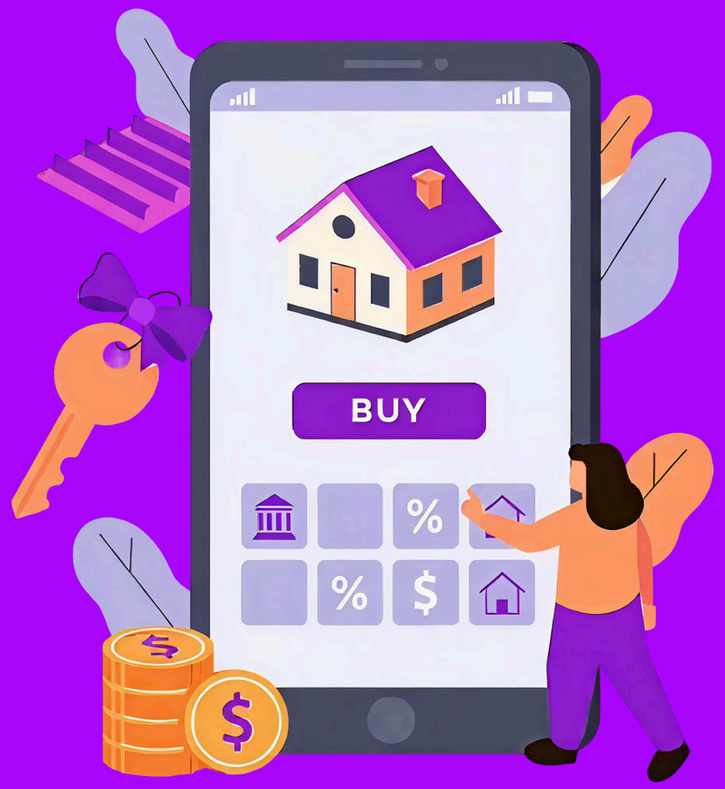
Insurers:
People have a lower threshold for errors in AI-powered tools like hazard assessments, mitigation descriptions, or coverage details than their human-powered equivalents. Accuracy in communicating insurance property risk scoring is a trust asset with a measurable value.

Legal and compliance:
Strengthen correction processes and record-keeping around automated real estate systems. A 'learning phase' defense will not satisfy buyers who applied zero-tolerance standards long before AI applications in real estate were introduced into the process.

Regulators:
Faster trust erosion amplifies the value of remediation standards and accessible complaint pathways. The public is not waiting for regulatory frameworks around AI loan documents accuracy, AI mortgage fraud detection tools, or commercial real estate stress testing models — They are already acting on their expectations.

Real estate professionals:
Sales claims about generative AI in real estate need tight sourcing and channel consistency. Discrepancies between online AI real estate market prediction models and in-person information will be noticed, and the forgiveness extended to humans does not transfer to the platforms behind them.

A single AI error in a high-stakes property decision can do more damage than months of smooth performance can repair. That's why it's vital to have both systematic surveillance and human-in-the-loop checks to ensure strong quality assurance, compliance, and security.”



John Rogers
Chief Data & Analytics Officer, Cotality

Chapter 3

Truth has a price

AI makes information abundant, but the confirmed veracity of that information is a separate, more difficult issue. The distinction has arguably created a new economy, where the value of accuracy has risen in direct proportion to the volume of data available to buyers.

The concern that drives verification behavior is specific, and more sophisticated than a general distrust of machines. Sixty-four percent of buyers are worried that AI tools are recycling unverified information from other websites, as opposed to generating original, verified data, and laundering the same errors across multiple sources until they look like consensus. A buyer who checks three property valuation tools and gets the same figure from each has no way of knowing whether those figures are independently derived or all downstream of the same flawed source.

A 62-year-old Baby Boomer future buyer in the U.S. expressed the concern precisely: she didn't trust AI to provide accurate and reliable information, and worried specifically that a mistake not caught by a person could end up costing her. It is the uncaught error travelling undetected through the system that concentrates the anxiety.

A Gen X future buyer in the U.S., aged 55, framed things more philosophically: “AI is not perfect. It only does what it is programmed to think or do. AI does not have feelings. It makes mistakes just like the humans that created it.” But such comparison to human fallibility should not necessarily be read as reassurance. Rather, it should be seen as grounds for why verification is imperative.

> “I do not trust AIs to provide accurate and reliable information and worry that a mistake by an AI that is not caught by a person could end up costing me.”
>
> **Future Buyer — U.S.**
> Baby Boomer, Age 62

Concerns about source data produces a predictable and measurable behavior. Sixty-eight percent say they would manually verify every detail or a significant amount of what any AI tool provides them when buying or valuing a home. The verification is not occasional or selective. For most buyers, it is systematic — and it falls hardest on Gen X and Baby Boomers, of whom 74% and 82% respectively say they would verify comprehensively.

Gen Z and Millennials verify at lower rates — 60% and 63% — but those are still majority positions among the very cohorts most comfortable with AI tools

Consumers’ desire for verification presents a commercial opportunity across the property industry. Forty-four percent of buyers would pay an additional fee to have a human expert personally verify AI's housing decisions. Millennials lead that willingness at 48%. Gen Z, despite being the generation most comfortable with AI involvement, still sits at 44%. UK and U.S. buyers are significantly more likely to pay than their Australian and Canadian counterparts — 48% and 47% respectively, compared to 35% and 30%.

Human assurance commands a premium. Buyers want certainty backed by an accountable person, and they will pay for it. When trusted source data is combined with human validation, businesses will deliver a winning combination.

64%

are concerned AI is recycling unverified data — feeding the same errors across multiple sources buyers are checking

68%

would manually verify every detail, or a significant amount, of AI-provided housing information

Chapter 3

Truth has a price (cont'd)

The sequence — source data concerning 64% of survey respondents, verification behavior present in 68% of house hunters, willingness to pay motivating 44% of buyers — is a product roadmap. Buyers are already absorbing the time cost of verification themselves, without being asked and without compensation. A Canada-based Gen X recent buyer, aged 50, described what AI was actually useful for: acceleration.

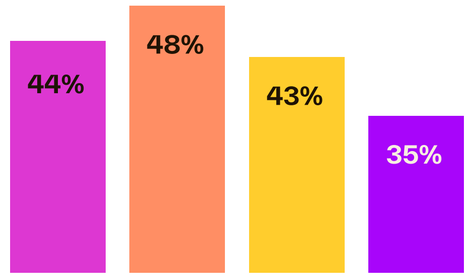
> "AI has the capacity to make a lot of research and compare the rate, calculating mortgage quickly and allow me to save time and money."

Recent Buyer — Canada
Gen X, Age 50

44%
would pay an additional fee for a human expert to verify AI housing decisions

The efficiency gains are real. But so is the desire for accuracy. Verification demand sits at this intersection.

Generational reliance on human verification of AI outputs
Homebuyers investing in AI verification



Businesses that build in human verification, signal it clearly, and price it transparently are meeting a stated need with an existing market. The verification economy is already operating with or without their participation.

Industry implications

Lenders and brokers:
Build verification in as a product feature in AI tools for mortgage processing automation. Make human review easy to request at the points where decisions change cost, eligibility, or timing. Price it explicitly — the willingness to pay is documented.

Insurers:
Offer structured mechanisms for customers to challenge or correct the risk inputs that define regional housing risk analyses that affect their coverage or premium. Showing where risk data originates directly addresses the recycling concern.

Legal and compliance:
Build defensible records of data sources, model outputs, and human review decisions. The buyer expectation for contestability is already present; the regulatory expectation will follow.

Regulators:
Consumer demand for contestability and provenance is a market signal toward consumer protection requirements. The source data (64%) - verification requirement (68%) - willingness to pay (44%) sequence gives the evidential base unusual clarity.

Real estate professionals:
Sourced documentation on property specs, valuations, and risk features is a selling tool. Proof of provenance differentiates human expertise from AI-generated content at the point of commitment.

The verification economy is already operating. Buyers are spending time and attention fact-checking AI outputs without being asked and without being paid for it. The opportunity for the industry is to take that cost off the buyer and convert it into a service with clear guarantee. That is where the trust deficit becomes a revenue line.”

John Rogers
Chief Data & Analytics Officer, Cotality

Chapter 4

Transparency and stability are lending speed bumps

Thus far, this report has examined what AI produces: listings, valuations, recommendations. Today, we will deal with what AI is programmed to do behind the scenes.

The distinction matters, because it is here that buyers' begin considering the future of this technology and expressing reservations toward AI. Almost half of homebuyers (49%) say they would feel less secure about their financial situation if AI were used to update mortgage and insurance rates more frequently than today.

The concern is not that rates change during the buying journey. Qualified buyers have always played the timing game to some extent. The new concern is that AI could enable lenders to react to market conditions and credit qualification in real time, paving a path to hyper-personalized rates. Even a partial basis point rate adjustment is a very real cost over a 30-year term. Prospective buyers are wary that one of the few parts of the homebuying process that currently has a controlled pace will accelerate to the point that locking in a favorable rate will start to require additional anticipation, planning, and guidance. Lenders and insurers offering assurance that AI will help secure a rate may be overlooking the stressor it adds to the overall process.

There are also widespread data validity concerns surrounding automated systems. Sixty-four percent of buyers are concerned that AI is recycling unverified information from other websites rather than using original data to determine home details and loan eligibility. It's clear that people want reassurance that decisions are being made with accuracy and nuance.

A 62-year-old Baby Boomer future buyer in the U.S. described the underlying fear: AI only uses available data. It does not ask follow-up questions nor probe for additional context. People are concerned that their individuality will be distilled down to a point in time that may not account for current circumstances.

> "AI will be far more driven purely by numbers and not look at the person involved or any recent changes in their circumstances."
>
> **Future Buyer — U.S.**
> Baby Boomer, Age 62

The fear of being reduced to a data point crosses generations.

A 32-year-old Millennial future buyer in the UK — younger, more digitally fluent, and clearly open to AI's efficiency benefits elsewhere — articulated a parallel concern: AI might "over-rely on data-driven algorithms that don't account for personal nuances" by strictly evaluating credit scores, income, or debt-to-income ratios while overlooking job stability, community ties, or future potential.

49%

would feel financially insecure if AI-driven data caused frequent fluctuations in mortgage or insurance rates

7%

of global Gen Z homebuyers that would accept AI-generated information on property risk and its subsequent effects on premiums

Chapter 4

Transparency and stability are lending speed bumps (cont'd)

> “I think AI could make it more difficult to qualify for a mortgage or maintain a home in my community if it leads to over-reliance on data-driven algorithms that don't account for personal nuances.”

Future Buyer — UK

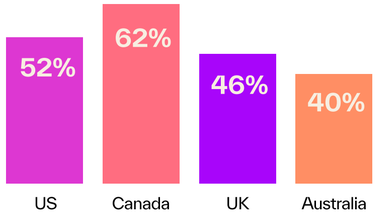
Millennial, Age 32

These are majority or near-majority positions among a sample that already uses AI tools regularly. The discomfort concentrates around AI's future influence on homebuying and its effect on financial stability. Buying a home begins long before someone speaks to a lender. It's now common to do some quick math using online calculators to determine qualification thresholds, pinpoint interest rates, identify insurance costs, and estimate monthly payments. That runs in contrast to AI's valuable ability to add speed and personalization. People want to understand the mix of personal circumstance and financial data being attributed to them throughout the process.

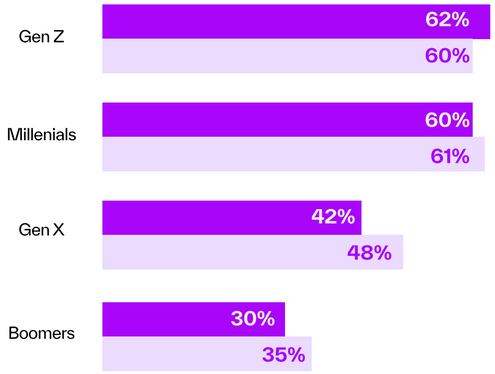
Generational and geographic variances add important texture. Gen Z buyers are the most accepting of AI-driven rate fluctuations, with 62% feeling secure or unaffected, compared to just 30% of Baby Boomers. North American markets show higher acceptance than the UK and Australia on both counts. Among U.S. buyers, 52% are comfortable with automated valuations; in the UK, that figure falls to 46%.

Not everyone accepts AI's presence equally

Feels secure with AI rate fluctuations



Willing to accept AI-automated home valuations



Generational variance does not reduce the significance of the majority concern. It means that product design and communication strategy need to segment more deliberately — an alert signaling market fluctuations and corresponding mortgage rate variability may satisfy younger North American buyers while alienating the older, often higher-net-worth customers.

A transparent approach has commercial advantages. By building in insight into home valuations, rate offerings, and property risk assessment, buyers have predictability and visibility which makes them more likely to respond favorably to these outputs. Silence risks being interpreted as risk.

Chapter 4

Transparency and stability are lending speed bumps (cont'd)

Industry implications

Lenders and brokers:
Build explicit consent points around valuations — especially when it comes to AI AVM accuracy 2026 — and decisioning. Provide predictable explanations and advance notifications when terms may change. Silence reads as opacity, and opacity reads as risk.

Insurers:
Apply the same principle to premium changes and underwriting triggers. Silent automated shifts in AI-powered regional housing risk analysis will generate distrust disproportionate to their financial magnitude — particularly among older policyholders with the most to lose.

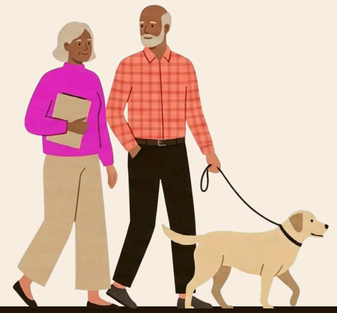
Legal and compliance:
Define, evidence, and retain consent events in digital journeys. Demonstrating that buyers were informed and able to respond is both good practice and a defensible record in dispute resolution.

Regulators:
Consent and stability provide a concrete and well-evidenced basis for guidance on borrower rights and disclosure obligations. The consumer data indicates support for a clear regulatory direction.

Real estate professionals:
When buyers feel financial volatility in the broader market, they place a premium on predictable cost narratives and clear terms. That is an opening for differentiated service, not just market commentary.

> "Real-time data processing is a genuine capability advantage. But when it produces apparent volatility in the numbers attached to someone's home and mortgage, it stops being an efficiency gain and starts being a source of anxiety. The companies that build consent and predictability into their automated processes will convert a liability into a differentiator.

Anand Srinivasan
Head of R&D — Cotality



Chapter 5

The verification generation

Perhaps the most productive tension in Cotality's survey data is this: the heaviest AI users are also the strictest referees.

Millennials lead all generations in regular AI tool use, with 63% using it at least three times a month. Gen Z follows at 58%. These are the cohorts who grew up with algorithmic timelines and treat software as something that learns from them as much as they learn from it. By any reasonable measure, they are AI's natural constituency in the housing market.

They are also the buyers most likely to verify what AI tells them, most willing to pay for human oversight of AI decisions, and — in the case of Millennials — most likely to rate AI as reliable for fair housing decisions. Fifty-nine percent of Millennials say AI is somewhat or very reliable for fair lending, insurance, and housing decisions. That is the highest of any generation. And 48% would pay an extra fee for human verification of those same decisions. Millennials are simultaneously AI's most engaged audience and its most demanding quality inspector.

Gen Z presents its own version of the paradox. They are the generation most likely to feel more confident buying, selling, or insuring a home if AI played a more central role — 50% say AI involvement would boost their confidence in buying. They are also, at 64%, the generation most likely to say they would act first on human information alone when it comes to natural disaster risk. Only 7% would act first on AI-only information in the same context. They want AI's speed, but they want a human safety net underneath it.

A 28-year-old Gen Z recent buyer in the U.S. described the preference for AI efficiency with genuine enthusiasm: "I love the efficiency that comes with AI. With such a big project like buying a home, it has so many intricate details that AI can process and perfect for me while I take care of things I need to." The same generation, in other responses, reached for human professionals at the moment of commitment.

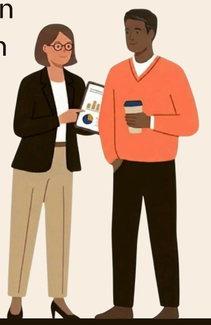
> "I just feel like the homebuying process is such an intimate thing and I don't want my personal data to be leaked or feel that AI may be giving incorrect information or misinforming me in such a serious time in my life even if it could be accurate. I just don't want to take a risk when I have in-person real individuals that have years of experience helping me."
>
> **Recent Buyer — U.S.**
> Gen Z, Age 21

The generational story on transparency labeling runs in the opposite direction. Older buyers — those least likely to be daily AI users — are most insistent on requirements that indicate AI at work. Baby Boomers lead all generations in demanding that AI labeling should be a legal requirement — a position held by nearly two-thirds of that cohort. Among Gen Z, that figure is 25%. Baby Boomers are not opposing AI; they are simply demanding the receipts.

The product design challenge is genuine. One ecosystem, two different default positions. Younger buyers arrive with AI fluency and demand evidence at the point of commitment.

Older buyers demand consent and notification throughout the journey. A 40-year-old Millennial recent buyer in the U.S. articulated the demand for human assurance that the platform audience tends to underestimate: "I think many buyers are going to want human assurances that the information and decision is sound and fair."

> "I think using AI for mortgage qualification will make the process somewhat more difficult because of redundancy of fact checking. I believe many buyers are going to want human assurances that the information and decision is sound and fair"
>
> **Recent Buyer — U.S**
> Millennial, Age 40



Chapter 5

The verification generation (cont'd)

The underlying need is consistent across generations: transparency, accuracy, and a recoverable path when something goes wrong. Cohorts differ in how they want that transparency delivered — which is a communication problem, not a values problem.

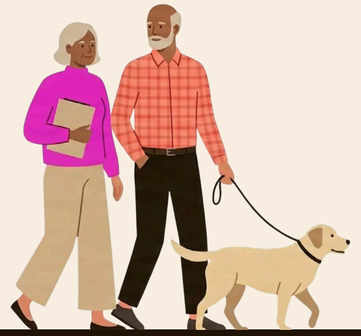
> "You cannot build one AI experience for all buyers and expect it to earn trust across generations. The tech-fluent buyer wants to see the working. The less-digitally-confident buyer wants to be asked before the system acts. Both positions are rational. Building for one while ignoring the other is a choice with consequences."
>
> **Amy Gromowski**
> Head of Data Science— Cotality

63%

of Millennials use AI tools at least monthly — the highest of any generation — yet 48% would still pay extra for human verification of AI housing decisions

59%

of Millennials rate AI as reliable for fair housing and lending decisions — the highest of any generation



Industry implications

Lenders and brokers:
Offer adjustable journeys. Younger borrowers tolerate using AI tools for mortgage processing automation, but they demand evidence at the point of decision. Older borrowers demand consent and clarity throughout. Both need to be served by the same underlying system — the cost of building two separate journeys is the cost of excluding one cohort.

Insurers:
Make explanations responsive so that everyone can understand.A younger policyholder may self-serve through AI; an older one needs a human to achieve the same outcome. The destination is the same — the path just needs to accommodate both.

Legal and compliance:
Disclosure agreements and consent must make sense to everyone, regardless of whether its explainable AI underwriting requirements or demonstrating 2026 AI compliance with mortgage lending regulations.

Regulators:
All ages are seeking a baseline for transparency and and clear remedies for challenges. Providing clarity for all generations ensures that no one is systematically excluded from recourse, regardless of their digital confidence.

Real estate professionals:
Younger buyers may arrive via AI-assisted search and still expect thorough documentation at the point of commitment. Digital fluency does not reduce diligence — with this generation, it tends to increase it.

Chapter 6

Certainty is the product

Buyers tend not to move on market signals alone; they move on life signals.

The baby doesn't wait for a favorable rate environment. The divorce isn't contingent on inventory levels. The new job in a new city has its own timeline, and it doesn't check with the Federal Reserve first.

When recent buyers were asked what drove them to start the buying journey rather than continue waiting, lower rates and better prices ranked well below personal triggers — a new job, a relationship change, a growing family. The market did not pull them in. Life pushed them. For lenders and real estate professionals, that difference matters more than any rate forecast. Marketing anchored in market conditions is, for most buyers, beside the point.

The questions Cotality asked buyers around speed confirm the shift. The share of U.S. prospective buyers who feel the market demands greater speed for mortgage decisions has fallen year over year. Additionally, those feeling overwhelmed by the mortgage process dropped from 50% in 2025 to 42% today — which sounds like progress, but the confidence figures tell a more troubling story. Buyers who feel confident navigating the home-buying process fell from 83% to 72%. The share actively saving for a home is also declining — (75% in 2025 to 69% today).

These three figures describe a buyer carrying fatigue, not optimism, into the homebuying process. Rate-watching is declining because some prospective buyers may be stepping back from a process that feels unworth participating in despite becoming easier to navigate.

39%

of U.S. prospective buyers say the market demands greater speed in mortgage decisions — down from 46% in 2025. The urgency demands are fading

Confidence in homebuying is on the decline

Beliefs about the future of the homebuying process	Total Future Buyers	Country / Generation callouts:
Prior to starting my home search, I will research myself a lot online before talking to a real estate agent	82%	Canada: 69%, Boomers: 90%
I will use online calculators to estimate what I can afford	76%	
I feel confident in my ability to navigate the home buying process	72%	Boomers: 82%
Finding the right neighborhood or area to live in is more important than finding the perfect home	72%	
I am actively saving for a down payment / deposit	69%	Boomers: 50%
I fully expect to find the right home for me/my family and will not have to 'settle' or make many sacrifices	67%	
I am financially ready to buy a home	67%	Boomers: 82%
I will closely follow mortgage rates and that will determine when it is the right time for me to buy	65%	Boomers: 46%

Chapter 6

Certainty is the product (cont'd)

The preference for working with humans is rising in that same environment. The share of U.S. prospective buyers preferring to work with a person for finding a mortgage has risen from 46% to 55%. The pattern is consistent with what earlier sections of this report document: when the stakes feel uncertain, buyers want someone — not something — to be accountable in the room.

72%

of U.S. prospective buyers feel confident navigating the homebuying process — down from 83% in 2025

65%

closely follow mortgage rates — down from 79% in 2025

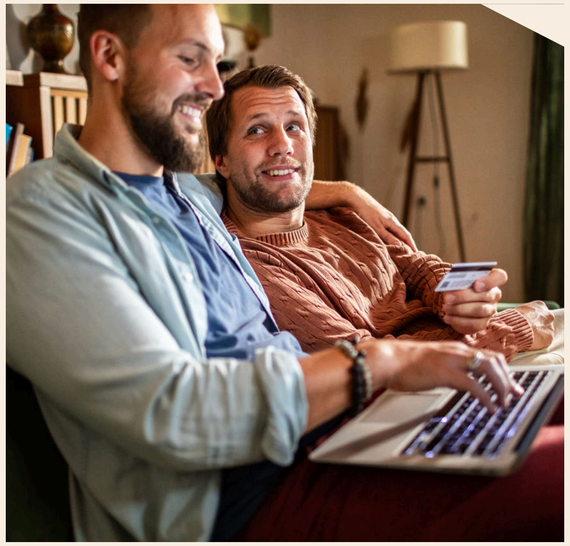
Confidence in data runs deeper than urgency. Among U.S. future buyers, trust in AI tools for finding a home followed the same downward trajectory documented in the introduction — falling alongside convenience scores. That optimism about AI's future role, which Gen Z in particular still holds, sits alongside a measurable present-day retreat from AI in the moments that count most.

Market fatigue needs to be addressed before buyers simply give up. Rate-watching is declining because some prospective buyers are stepping back. Headlines on interest rates and home availability may have taken their toll.

The implication is direct: the industry must shift back to the primary driver of change —life signals. For lenders and real estate professionals, that means continuing to market with messages anchored to rate environments will miss the actual catalysts that drive homebuying. A 28-year-old Gen Z recent buyer in the U.S. who described the appeal of AI efficiency in the previous chapter also captures something about the human pace of the decision: the technology can process the details while the person takes care of life.

> "I think AI will take away all biases and human error in the process in the future — AI will be able to take people through the process much more efficiently and fairly."
>
> **Future Buyer — U.S.**
> Gen Z, Age 28

That optimism about AI's future role sits alongside a measurable present-day decline in AI trust and convenience scores. Among U.S. future buyers, trust in AI tools for finding a home is following a downward arc. Convenience scores for AI across mortgage, insurance, and legal tasks declined similarly. The Gen Z generation, which is most optimistic about what AI could become, is watching its actual performance and reaching for professionals in the meantime.



Chapter 6

Certainty is the product (cont'd)

A market defined by pace rewards speed: faster approvals, faster comparisons, faster answers. A market defined by uncertainty rewards clarity — verified options, explained decisions, a human reachable when something looks wrong. The companies still optimizing for speed are solving for last year's buyer. The buyers who are actually in the market right now are asking a different question: can I trust this process when I am ready to commit?

Industry implications

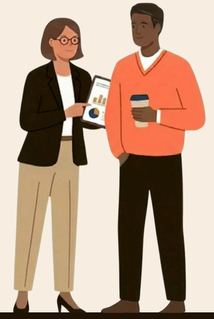
Lenders and brokers:
Shift AI messaging away from promises of speed-first and AI tools for mortgage processing automation. Focus rather on verified options and explainability. The urgency signal is weakening. Life-stage triggers — not rate movements — drive the majority of purchase decisions, and marketing anchored only in rates is missing the actual moment.

Insurers:
When buyer confidence softens, clarity on premium drivers, such as insurance pricing climate change, and coverage trade-offs matters more than frictionless quoting alone. The buyer uncertain about affordability wants to understand products like wildfire risk property modeling, not just receive a fast number.

Legal and compliance:
Avoid speed-led language that implies efficiency at the expense of transparency. Anchor external communications in disclosure, consent, and evidence — particularly as consumer appetite for accountability rises.

Regulators:
Falling confidence signals vulnerability, particularly among buyers disengaging from active rate-watching. Easier access to explanations and recourse protects the cohort most at risk of making uninformed decisions.

Real estate professionals:
A certainty-first buyer will want clearer total-cost narratives and fewer surprises. The professional who can explain how real estate and AI interact, beyond just acceleration, holds the advantage.



"We flagged last year that the 'speed-first' framing of mortgage AI was running ahead of what buyers actually wanted. This year's data confirms the shift. The next competitive advantage in lending technology is not faster approvals, it is clearer ones. Verified comparisons, explained outcomes, and a visible human backstop for decisions that move money."

Anand Srinivasan
Head of R&D, Cotality

Chapter 7

The new rules of engagement

Like most industries, the property industry did not ask buyers whether AI should enter the process.

It just happened. It arrived through valuation tools, listing algorithms, underwriting models, and mortgage comparison engines. Buyers noticed — and then they started “taking notes”.

Buyers have accepted AI in the homebuying process. They just want some guardrails: disclosure, defensibility, and a human name attached when something goes sideways. It’s a modest ask. But the industry is still working out how to answer it consistently.

The chapters of this report lead us to three clear actions:

1. Show you’re working behind the scenes
Sixty-eight percent of buyers want clear notification when AI shapes a recommendation. Disclosure has moved past being a feature decision. Buyers already assume AI is present — they want to know precisely when and how it is influencing the specific decision in front of them.

2. Earn the higher standard
AI error carries a 10-point larger trust penalty than an equivalent human mistake. Seventy percent of buyers lose trust after a significant AI error; 60% after a comparable human one. Quality assurance in AI-assisted processes is not a technical nicety. For this audience, it is the price of operating.

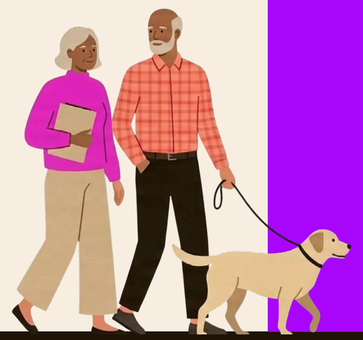
3. Build the warranty
Forty-four percent of buyers would pay for human verification of AI decisions. The verification economy is already running. The companies that wire it in, name it clearly, and price it transparently are capturing a stated need. The rest are leaving it on the table.

Confidence among prospective buyers is declining. Market urgency is softening. Human preference is rising across every major task category. None of those trends are moving in the industry's favour. All of them are responding to the same underlying condition: buyers do not yet trust the system to get it right, and they do not yet believe the system will tell them when it gets it wrong.

Trust is the product now. The companies that deliver it — demonstrably, consistently, and on the record — hold an advantage that faster algorithms cannot replicate.

44%

would pay an additional fee for human verification of AI's housing decisions. The human warranty is not a fallback — it is a product



“The human premium in an algorithmic market shows up in the data as a real and measurable preference — expressed in behavior, in willingness to pay, and in how quickly buyers withdraw when the system lets them down. The industry now has clear evidence of what buyers want: Trust. What it does with that evidence is the question.”

Craig Dargusch
Chief Data Officer, Cotality