



National Association of REALTORS®

2013 MEMBER PROFILE

Introduction

In 2012, many areas of the country started to see both home sales and prices rebounding. Unlike in past years, however, those markets still struggling saw not a shortage of buyers but a shortage of sellers. Inventory dropped from months of supply to just a few weeks in many markets. Survey data from the *Investment and Vacation Home Buyers Survey* show that investment buyers remained high, but many primary home buyers were also coming back into the market. Data from the *Profile of Home Buyers and Sellers* survey showed that both home buyers and home sellers wanted to and did work with a professional real estate agent or broker at higher rates than seen in past years. Clients continue to want the expert professional advice that members of the National Association of REALTORS® have provided in the past and continue to provide, as this year's report illustrates.

For the second year in a row, the median gross income of REALTORS® rose from the previous year. The typical income among members was \$43,500 in 2012, rising from \$34,900 in 2011. The rise in member income is reflective in the increase in business activity, as well. The typical brokerage specialist had 12 transaction sides in 2012 compared to 10 transaction sides in 2011. Members reported that they typically had one transaction side involving a foreclosure and one transaction side involving a short sale. The brokerage sales volume rose to \$1.5 million in 2012 from \$1.3 million in 2011. Property managers managed the most properties on record from this survey, a median of 49 properties each, which is a reflection of the strong rental market in 2012.

The typical REALTOR® is an independent contractor affiliated with an independent company catering to local markets. Members typically have been with their firm for seven years—a rise from six years in the prior year's survey.

While there are new members entering the profession, there is a decline in members leaving the profession, which has increased both the age and the median years of experience of members. The typical member has 13 years of experience compared to 11 years in the last report.

The median age of REALTORS® has steadily increased in recent years from 51 years of age in 2007 to 57 in 2013. The majority of members are women with a college education. REALTORS® frequently have had careers in other fields prior to real estate, the most common being in management, business, and financial professions, followed by sales and retail. Only 6 percent indicated that real estate is their first career.

REALTORS® are embracing new technologies and marketing strategies that buyers are finding useful in their home search process, including websites, blogs, and social media. In addition to membership in the National Association of REALTORS®, real estate professionals have other ways of distinguishing themselves, including affiliate memberships, professional designations, and certifications. Many REALTORS® took advantage of each of these opportunities. Short Sales and Foreclosures (SFR) remains the most popular certification, following a three year trend.

Looking forward, 80 percent of REALTORS® are very certain they will remain in the market for two more years. The share is higher than last year, indicating the optimism that is seen in today's market. Newer members in the business are less certain they will remain in real estate, while more seasoned members are more certain.



Jessica Lautz
Thomas Doyle
May 2013

Highlights

Business Characteristics of REALTORS®

- Fifty-six percent of REALTORS® were licensed as sales agents, and eight in ten members specialize in residential brokerage.
- The typical REALTOR® has 13 years of experience.
- Seventeen percent of members have at least one personal assistant.
- Seventy percent of REALTORS® reported having a website for at least five years, 12 percent reported having a real estate blog, and 56 percent of members are using social media.
- The most commonly found information on websites, among both commercial and residential REALTORS®, is the member's own listings.
- Eight in ten REALTORS® are certain they will remain in the business for two more years—a rise from 76 percent in last year's report.



Business Activity of REALTORS®

- In 2012, the typical agent had 12 transactions—higher than the previous year when the typical agent had 10 transactions.
- Twenty-four percent of residential brokerage specialists had at least one commercial transaction side in the last year.
- The typical agent had one transaction side involving a foreclosure and one transaction side involving a short sale.
- The typical agent had a sales volume of \$1.5 million in 2012, up from \$1.3 million in 2011.
- For the third year in a row, the difficulty in obtaining mortgage financing was the most cited reason for potential clients being limited.
- The typical property management specialist managed 49 properties in 2012—the highest number on record in this survey, which is reflective of the strong rental conditions.
- Most REALTORS® worked 40 hours per week in 2012, a trend that has continued for several years.
- The typical REALTOR® earned 21 percent of their business from repeat clients and customers and 21 percent through referrals from past clients and customers.
- REALTORS® spent a median of \$220 to maintain a website in 2012.
- Members typically brought in four inquiries and 4 percent of their business from their website.



Highlights

Income and Expenses of REALTORS®

- Percentage split-commission is the prevailing method for REALTOR® compensation, with roughly seven in ten respondents indicating this method of compensation, similar to past years.
- The median gross income of REALTORS® was \$43,500 in 2012, up from \$34,900 in 2011.
- REALTORS® with 16 years or more experience had a median gross income of \$57,300 compared to REALTORS® with 2 years or less experience who had a median gross income of \$9,700.
- The median business expenses rose to \$4,900 in 2012 from \$4,520 in 2011.
- The largest single expense category for most REALTORS® was vehicle expenses, which increased to \$1,790 in 2012 from \$1,770 in 2011.

Office and Firm Affiliation of REALTORS®

- Fifty-six percent of REALTORS® are affiliated with an independent company.
- Eight in ten members are independent contractors with their firms.
- The typical REALTOR® works at a firm that employs 23 agents and brokers.
- The median tenure for REALTORS® with their current firm increased to seven years.
- Ten percent of REALTORS® worked for a firm that was bought or merged in the past two years.



Demographic Characteristics of REALTORS®

- The typical REALTOR® is a 57 year old white female who attended college and is a homeowner.
- Fifty-seven percent of all REALTORS® are female.
- Nineteen percent of members had a previous career in management, business or the financial sector and 15 percent had a previous career in sales or retail. Only 6 percent of members reported real estate was their first career.
- Seventy-seven percent of REALTORS® said that real estate was their only occupation, and that number jumps to 83 percent among members with 16 or more years of experience.
- The median gross income of REALTOR® households was \$99,400 in 2012, which is an increase from \$94,100 in 2011. This is a two year increase in household income among members.
- A substantial majority of REALTORS® - 87 percent - own their primary residence.



Methodology

In January 2013, NAR mailed out a 72 question survey to a random sample of 58,068 REALTORS®. An identical questionnaire was also distributed via e-mail to the same members to fill out a Web-based online version if preferred. The Tailored Survey Design Method was used to survey the sample, which includes a mailing of the questionnaire and a re-mailing to the same sample. Using this method, a total of 4,883 responses were received, including 3,171 via hard copy mail survey and 1,712 via the Web-based survey. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 8.4 percent.

Survey responses were weighted to be representative of state level NAR membership. Information about compensation, earnings, sales volume and number of transactions is characteristics of calendar year 2012, while all other data are representative of member characteristics in early 2013.

The National Association of REALTORS® is committed to equal opportunity in the real estate industry. In accordance with this commitment, racial and ethnic information was collected and is included in this report.

Where relevant, REALTOR® information is broken into subgroups based on the license held by members of NAR: a broker, broker-associate or sales agent license. The term “broker” refers to REALTORS® holding a broker or broker associate license unless otherwise noted. In some cases, information is presented by REALTORS® main function within their firm or their real estate specialty regardless of the type of license held.

The primary measure of central tendency used throughout this report is the median, the middle point in the distribution of responses to a particular question or, equivalently, the point at which half of the responses are above and below a particular value. Data may not be comparable to previous Member Profile publications due to changes in questionnaire design.



List of Exhibits

CHAPTER 1: BUSINESS CHARACTERISTICS OF REALTORS®

EXHIBIT 1-1	REALTORS® BY TYPE OF LICENSE
EXHIBIT 1-2	SPECIALTY AND MAIN FUNCTION OF REALTORS®
EXHIBIT 1-3	PRIMARY BUSINESS SPECIALTY OF BROKER/BROKER ASSOCIATE LICENSEES, 1999-2013
EXHIBIT 1-4	PRIMARY BUSINESS SPECIALTY OF SALES AGENT LICENSEES, 1999-2013
EXHIBIT 1-5	SECONDARY BUSINESS SPECIALTY OF REALTORS®
EXHIBIT 1-6	REAL ESTATE EXPERIENCE OF REALTORS®, BY MAIN FUNCTION
EXHIBIT 1-7	INCOME FROM PRIMARY REAL ESTATE SPECIALTY, BY YEARS OF EXPERIENCE
EXHIBIT 1-8	INCOME FROM PRIMARY REAL ESTATE SPECIALTY, BY NUMBER OF HOURS WORKED
EXHIBIT 1-9	NUMBER OF PERSONAL ASSISTANTS
EXHIBIT 1-10	NUMBER OF PERSONAL ASSISTANTS, BY YEARS OF REAL ESTATE EXPERIENCE
EXHIBIT 1-11	TASKS PERFORMED BY PERSONAL ASSISTANTS
EXHIBIT 1-12	CHARACTERISTICS OF PERSONAL ASSISTANTS
EXHIBIT 1-13	FREQUENCY OF USE OF COMMUNICATIONS AND TECHNOLOGY PRODUCTS
EXHIBIT 1-14	FREQUENCY OF USE OF BUSINESS SOFTWARE
EXHIBIT 1-15	PREFERRED METHOD OF COMMUNICATION WITH CLIENTS
EXHIBIT 1-16	REALTOR'S® FIRM WEB PRESENCE
EXHIBIT 1-17	REALTORS® WITH WEBSITES, BY LICENSE AND FUNCTION
EXHIBIT 1-18	REALTORS® WITH WEBSITES, BY EXPERIENCE
EXHIBIT 1-19	LENGTH OF TIME REALTORS® HAVE HAD A WEBSITE FOR BUSINESS USE
EXHIBIT 1-20	INFORMATION ON REALTOR® WEBSITES
EXHIBIT 1-21	REAL ESTATE BLOGS
EXHIBIT 1-22	ACTIVE USE OF SOCIAL OR PROFESSIONAL NETWORKING WEBSITES
EXHIBIT 1-23	AFFILIATE MEMBERSHIP OF REALTORS®
EXHIBIT 1-24	PROFESSIONAL DESIGNATIONS AND CERTIFICATIONS OF REALTORS®
EXHIBIT 1-25	RELOCATION ACTIVITY OF REALTORS®
EXHIBIT 1-26	WILL REMAIN ACTIVE AS A REAL ESTATE PROFESSIONAL DURING THE NEXT TWO YEARS

CHAPTER 2: BUSINESS ACTIVITY OF REALTORS®

Exhibit 2-1	APPRAISAL: TYPES OF PROPERTIES APPRAISED
Exhibit 2-2	APPRAISAL: NUMBER OF PROPERTIES APPRAISED, 2012
Exhibit 2-3	APPRAISAL: OTHER REAL ESTATE ACTIVITIES OF APPRAISAL SPECIALISTS
Exhibit 2-4	BROKERAGE: AGENCY RELATIONSHIPS
Exhibit 2-5	BROKERAGE: LISTINGS SOLD, 2012
Exhibit 2-6	BROKERAGE: NUMBER OF TRANSACTION SIDES OR COMMERCIAL DEALS, 2012
Exhibit 2-7	BROKERAGE: NUMBER OF TRANSACTION SIDES OR COMMERCIAL DEALS, BY EXPERIENCE, 2012
Exhibit 2-8	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING PROPERTIES IN FORECLOSURE, 2012
Exhibit 2-9	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING PROPERTIES IN FORECLOSURE, BY EXPERIENCE, 2012
Exhibit 2-10	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING SHORT SALES, 2012
Exhibit 2-11	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING SHORT SALES, BY EXPERIENCE, 2012
Exhibit 2-12	BROKERAGE: SALES VOLUME, 2012
Exhibit 2-13	BROKERAGE: SALES VOLUME, BY EXPERIENCE, 2012
Exhibit 2-14	THE MOST IMPORTANT FACTOR LIMITING POTENTIAL CLIENTS IN COMPLETING A TRANSACTION
Exhibit 2-15	THE MOST IMPORTANT FACTOR LIMITING POTENTIAL CLIENTS IN COMPLETING A TRANSACTION, BY EXPERIENCE, 2012
Exhibit 2-16	BROKERAGE: WEBSITES WHERE REALTORS® PLACE THEIR LISTINGS
Exhibit 2-17	PROPERTY MANAGEMENT: TYPES OF PROPERTIES MANAGED
Exhibit 2-18	PROPERTY MANAGEMENT: NUMBER OF PROPERTIES MANAGED
Exhibit 2-19	PROPERTY MANAGEMENT: MANAGEMENT FUNCTIONS PERFORMED
Exhibit 2-20	HOURS WORKED PER WEEK
Exhibit 2-21	REPEAT BUSINESS FROM PAST CONSUMERS AND CLIENTS, BY SPECIALTY, 2012
Exhibit 2-22	REPEAT BUSINESS FROM PAST CONSUMERS AND CLIENTS, BY EXPERIENCE, 2012
Exhibit 2-23	BUSINESS THROUGH REFERRALS FROM PAST CONSUMERS AND CLIENTS, BY SPECIALTY, 2012
Exhibit 2-24	BUSINESS THROUGH REFERRALS FROM PAST CONSUMERS AND CLIENTS, BY EXPERIENCE, 2012
Exhibit 2-25	BUSINESS ORIGINATED FROM AN OPEN HOUSE, BY SPECIALTY, 2012
Exhibit 2-26	BUSINESS ORIGINATED FROM AN OPEN HOUSE, BY EXPERIENCE, 2012
Exhibit 2-27	CUSTOMERS AND CLIENTS WHOSE PRIMARY LANGUAGE IS NOT ENGLISH, 2012
Exhibit 2-28	CUSTOMERS AND CLIENTS WHO WERE FOREIGN NATIONALS, 2012
Exhibit 2-29	EXPENDITURES TO MAINTAIN REALTOR® WEBSITE, 2012
Exhibit 2-30	CUSTOMER INQUIRIES GENERATED FROM WEBSITE, 2012
Exhibit 2-31	CUSTOMER INQUIRIES GENERATED FROM WEBSITE BY AMOUNT SPENT TO MAINTAIN, 2012
Exhibit 2-32	BUSINESS GENERATED FROM REALTOR® WEBSITE, 2012
Exhibit 2-33	BUSINESS GENERATED FROM REALTOR® WEBSITE, BY AMOUNT SPENT TO MAINTAIN, 2012

CHAPTER 3: INCOME AND EXPENSES OF REALTORS®

- Exhibit 3-1 COMPENSATION STRUCTURES FOR REALTORS®
- Exhibit 3-2 COMPENSATION STRUCTURES FOR REALTORS®, BY EXPERIENCE
- Exhibit 3-3 COMPENSATION STRUCTURES FOR REALTORS®, BY GROSS PERSONAL INCOME
- Exhibit 3-4 TOTAL REAL ESTATE BUSINESS EXPENSES, 2012
- Exhibit 3-5 TOTAL REAL ESTATE EXPENSES, BY GROSS PERSONAL INCOME, 2012
- Exhibit 3-6 ADMINISTRATIVE EXPENSES, 2012
- Exhibit 3-7 AFFINITY/REFERRAL RELATIONSHIP EXPENSES, 2012
- Exhibit 3-8 MARKETING OF SERVICES EXPENSES, 2012
- Exhibit 3-9 OFFICE LEASE/BUILDING EXPENSES, 2012
- Exhibit 3-10 PROFESSIONAL DEVELOPMENT EXPENSES, 2012
- Exhibit 3-11 BUSINESS PROMOTION EXPENSES, 2012
- Exhibit 3-12 TECHNOLOGY PRODUCTS AND SERVICES EXPENSES, 2012
- Exhibit 3-13 BUSINESS USE OF VEHICLE EXPENSES, 2012
- Exhibit 3-14 ANNUAL INCOME OF REALTORS®, 2012
- Exhibit 3-15 ANNUAL INCOME OF REALTORS®, BY MAIN FUNCTION, 2012
- Exhibit 3-16 ANNUAL INCOME OF REALTORS®, BY EXPERIENCE, 2012
- Exhibit 3-17 ANNUAL INCOME OF REALTORS®, BY HOURS WORKED, 2012
- Exhibit 3-18 BUSINESS CHARACTERISTICS AND ACTIVITY OF REALTORS®, BY GROSS PERSONAL INCOME

CHAPTER 4: OFFICE AND FIRM AFFILIATION OF REALTORS®

- Exhibit 4-1 FIRM AFFILIATION, BY LICENSE TYPE AND FUNCTION
- Exhibit 4-2 FIRM AFFILIATION, BY SPECIALTY
- Exhibit 4-3 FIRM AFFILIATION, BY FIRM SIZE
- Exhibit 4-4 REALTOR® AFFILIATION WITH FIRMS
- Exhibit 4-5 SIZE OF FIRM, BY NUMBER OF COMMERCIAL AND RESIDENTIAL BROKERS AND AGENTS
- Exhibit 4-6 NUMBER OF OFFICES
- Exhibit 4-7 SIZE OF OFFICES, BY NUMBER OF COMMERCIAL AND RESIDENTIAL BROKERS AND AGENTS
- Exhibit 4-8 TENURE OF REALTORS® AT THEIR PRESENT FIRM
- Exhibit 4-9 BROKER OWNERSHIP INTEREST, 2012
- Exhibit 4-10 BENEFITS RECEIVED THROUGH FIRM, FAMILY, OR, PAYS OUT OF POCKET
- Exhibit 4-11 WORKED FOR A FIRM THAT WAS BOUGHT OR MERGED
- Exhibit 4-12 REALTORS® CHANGING FIRMS DUE TO CONSOLIDATION
- Exhibit 4-13 CHANGE IN COMPENSATION RESULTING FROM MERGER

CHAPTER 5: DEMOGRAPHIC CHARACTERISTICS OF REALTORS®

Exhibit 5-1	GENDER OF REALTORS®, BY AGE
Exhibit 5-2	GENDER OF REALTORS®, BY EXPERIENCE
Exhibit 5-3	GENDER OF REALTORS®, BY FUNCTION
Exhibit 5-4	AGE OF REALTORS®, 1999-2013
Exhibit 5-5	AGE OF REALTORS®, BY FUNCTION
Exhibit 5-6	AGE OF REALTORS®, BY REAL ESTATE EXPERIENCE
Exhibit 5-7	FORMAL EDUCATION OF REALTORS®
Exhibit 5-8	PRIOR FULL-TIME CAREERS OF REALTORS®
Exhibit 5-9	PRIOR FULL-TIME CAREER OF REALTORS®, BY REAL ESTATE EXPERIENCE
Exhibit 5-10	REAL ESTATE IS ONLY OCCUPATION
Exhibit 5-11	MARITAL STATUS OF REALTORS®
Exhibit 5-12	SIZE OF REALTOR® HOUSEHOLDS
Exhibit 5-13	RACIAL AND ETHNIC DISTRIBUTION OF REALTORS®, BY REAL ESTATE EXPERIENCE
Exhibit 5-14	RACIAL AND ETHNIC DISTRIBUTION OF REALTORS®, BY AGE
Exhibit 5-15	GROSS HOUSEHOLD INCOME OF REALTORS®, BY REAL ESTATE EXPERIENCE, 2012
Exhibit 5-16	REAL ESTATE IS PRIMARY SOURCE OF INCOME FOR HOUSEHOLD
Exhibit 5-17	HOMEOWNERSHIP OF REALTORS®, BY AGE
Exhibit 5-18	REAL ESTATE INVESTMENTS OF REALTORS®
Exhibit 5-19	VOTING PATTERN OF REALTORS®
Exhibit 5-20	LANGUAGE FLUENCY OF REALTORS®
Exhibit 5-21	COUNTRY OF BIRTH OF REALTORS®



The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.1 million members, including NAR’s institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH DIVISION

The Mission of the National Association of REALTORS® Research Division is to collect and disseminate timely, accurate and comprehensive real estate data and to conduct economic analysis in order to inform and engage members, consumers, and policy-makers and the media in a professional and accessible manner.

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