



National Association of REALTORS®

2017 MEMBER PROFILE

2017 LEADERSHIP TEAM

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Introduction

In 2016, there was a continued rise in new members of the National Association of REALTORS®, increasing from 1.16 million in March 2016 to 1.22 million in March 2017. This is apparent in the data: with those who have less than two years of experience was 28 percent, an increase from 17 percent 2015. The median years of experience in real estate was 10 years. Additionally, tenure at firm was a median of four years.

The median age of REALTORS® remained at 53 in the 2017 survey, the same as last year and the lowest it has been since 2008 when the median age was 52. The median age held steady between 56 and 57 from 2011 to 2015. The drop in age may be attributed both to members retiring and to new younger entrants to the business. This year, only 30 percent are over 60 years old and four percent are less than 30, consistent with last year. Twelve percent of members who have two years or less experience are under 30 years of age.

Limited inventory continues to plague many housing markets in the United States. For the fourth year in a row, the difficulty of finding the right property has surpassed the difficulty in obtaining mortgage financing as the most cited reason limiting potential clients. Impacted by limited inventory, the typical number of transactions rose slightly from 11 transactions in 2015 to 12 transactions in 2016. With rising home prices again in 2016, the median brokerage sales volume rose to \$1.9 million from \$1.8 million in 2015.

The median gross income of REALTORS® was \$42,500 in 2016, an increase from \$39,200 in 2015. New members entering the field have differences in income by experience, function, and hours worked per week. Fifty-six percent of members who have two years or less experience made less than \$10,000 in 2016 compared to 38 percent of members with more than 16 years of experience who made more than \$100,000 in the same time period.

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REALTORS® with 16 years or more experience had a median gross income of \$78,850—up from \$73,400 in 2015—compared to REALTORS® with two years or less experience that had a median gross income of \$8,930—an increase from \$8,500.

The typical member is an independent contractor affiliated with an independent company catering to local markets. 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 four percent indicated that real estate is their first career. The majority of members are female homeowners with a college education.

Looking ahead, 82 percent of REALTORS® are very certain they will remain in the market for two more years.



Highlights

Business Characteristics of REALTORS®

- Sixty-five percent of REALTORS® are licensed sales agents, 22 percent hold broker licenses, and 15 percent hold broker associate licenses.
- The typical REALTOR® has 10 years of experience.
- Sixteen percent of members have at least one personal assistant.
- Fifty-two percent of REALTORS® reported having a website for at least five years, 10 percent reported having a real estate blog, and 69 percent of members are on Facebook and 61 percent on LinkedIn for professional use.
- The most common information found on REALTOR® websites, among all REALTORS®, is the member's own listings and home buying and selling information.
- Eighty-two percent of REALTORS® are very certain they will remain active as a real estate professional for two more years.



Business Activity of REALTORS®

- In 2016, the typical agent had 12 transactions, which is up from 11 transactions in 2015.
- Twenty-eight percent of all REALTORS® had a transaction involving a foreclosure and 18 percent had a transaction involving a short sale.
- The median sales volume for brokerage specialists increased to \$1.9 million in 2016 from \$1.8 million in 2015.
- For the fourth year in a row, the difficulty finding the right property has surpassed the difficulty in obtaining mortgage financing as the most cited reason limiting potential clients.
- The typical property manager managed 42 properties in 2016, up from 40 properties in 2015.
- Most REALTORS® worked 40 hours per week in 2016, a trend that has continued for several years.
- The typical REALTOR® earned 13 percent of their business from repeat clients and customers and 18 percent through referrals from past clients and customers.
- REALTORS® spent a median of \$70 to maintain a website in 2016, down from \$80 in 2015.
- Members typically brought in one inquiry and one percent of their business from their website.

Income and Expenses of REALTORS®

- In 2016, 35 percent of REALTORS® were compensated under a fixed commission split (under 100%), followed by 26 percent with a graduated commission split (increases with productivity).
- The median gross income of REALTORS® was \$42,500 in 2016, an increase from \$39,200 in 2015.
- REALTORS® with 16 years or more experience had a median gross income of \$78,850—up from \$73,400 in 2015—compared to REALTORS® with two years or less experience that had a median gross income of \$8,930—an increase from \$8,500.
- The median business expenses were \$6,000 in 2016, a decrease from \$6,300 in 2015.
- The largest expense category for most REALTORS® was vehicle expenses, similar to last year, which decreased to \$1,380 in 2016 from \$1,790 in 2015.

Highlights

Office and Firm Affiliation of REALTORS®

- Fifty-one percent of REALTORS® are affiliated with an independent company.
- Nearly nine in ten 10 members are independent contractors at their firms.
- The median tenure for REALTORS® with their current firm decreased to four years in 2016.
- Nine 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 53-year-old white female who attended college and is a homeowner.
- Sixty-three percent of all REALTORS® are female.
- Seventeen percent of REALTORS® had a previous career in management, business, or finance, and 16 percent in sales or retail. Only four percent of REALTORS® reported real estate was their first career.
- Seventy-four percent of REALTORS® said that real estate was their only occupation, and that number jumps to 84 percent among members with 16 or more years of experience.
- The median gross income of REALTOR® households was \$111,400 in 2016—an increase from \$98,300 in 2015.
- The majority of REALTORS®—82 percent—own their primary residence.

