

National Association of REALTORS®



2018 Member Profile



2018 LEADERSHIP TEAM

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Introduction

In 2018, there was a continued rise in new members of the National Association of REALTORS®, increasing from 1.22 million in March 2017 to 1.30 million in April 2018. This is apparent in the data; those who had less than two years of experience was 29 percent in 2017. The median years of experience in real estate was 10 years. Additionally, tenure at firm was a median of four years again this year.

The median age of REALTORS® was 54 in the 2018 survey, slightly up from the last two years at 53. 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, 33 percent were over 60 years old and five percent were less than 30, slightly up from last year. Thirteen percent of members (up from 12 percent) who have two years or less experience were under 30 years of age.

Limited inventory continues to plague many housing markets in the United States. For the fifth 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. Impacted by limited inventory, the typical number of transactions decreased slightly from 12 transactions in 2016 to 11 transactions in 2017. Despite rising home prices again in 2017, the median brokerage sales volume decreased to \$1.8 million in 2017 from \$1.9 million in 2016.

The median gross income of REALTORS® was \$39,800 in 2017, a decrease from \$42,500 in 2016. New members entering the field can be seen with differences in income by experience, function, and hours worked per week. Sixty percent of members (up from 56 percent of members) who have two years or less experience made less than \$10,000 in

2017 compared to 40 percent of members with more than 16 years of experience who made more than \$100,000 in the same time period.

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 2 years or less experience that had a median gross income of \$8,330—a slight decrease from \$8,930.

The typical member was 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 five percent indicated that real estate was their first career. The majority of members were women homeowners with a college education.

Looking ahead, 80 percent of REALTORS® were very certain they would remain in the market for two more years.

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Highlights

Business Characteristics of REALTORS®

- Sixty-five percent of REALTORS® were licensed sales agents, 21 percent held broker licenses, and 15 percent held broker associate licenses.
- The typical REALTOR® had 10 years of experience.
- Fifteen percent of members had at least one personal assistant.
- Fifty-one percent of REALTORS® reported having a website for at least five years, nine percent reported having a real estate blog, and 71 percent of members were on Facebook and 59 percent on LinkedIn for professional use.
- The most common information found on REALTOR® websites, among all REALTORS®, was the member's own listings and home buying and selling information.
- Eighty percent of REALTORS® were very certain they would remain active as a real estate professional for two more years.

Business Activity of REALTORS®

- In 2017, the typical agent had 11 transactions, which is down from 12 transactions in 2016.
- The median sales volume for brokerage specialists decreased to \$1.8 million in 2017 from \$1.9 million in 2016.
- For the fifth year in a row, the difficulty finding the right property surpassed the difficulty in obtaining mortgage financing as the most cited reason limiting potential clients.
- The typical property manager managed 35 properties in 2017, down from 42 properties in 2016.
- Most REALTORS® worked 40 hours per week in 2017, a trend that has continued for several years.
- The typical REALTOR® earned 12 percent of their business from repeat clients and customers and 17 percent through referrals from past clients and customers.
- REALTORS® spent a median of \$70 to maintain a website again in 2017.

Income and Expenses of REALTORS®

- In 2017, 35 percent of REALTORS® were compensated under a fixed commission split (under 100%), followed by 25 percent with a graduated commission split (increases with productivity).
- The median gross income of REALTORS® was \$39,800 in 2017, a decrease from \$42,500 in 2016.
- REALTORS® with 16 years or more experience had a median gross income of \$78,850 compared to REALTORS® with 2 years or less experience that had a median gross income of \$8,330.
- The median business expenses were \$4,580 in 2017, a decrease from \$6,000 in 2016.
- The largest expense category for most REALTORS® was vehicle expenses, similar to last year, which was \$1,310.



Highlights

Office and Firm Affiliation of REALTORS®

- Fifty-three percent of REALTORS® were affiliated with an independent company.
- Nearly nine in 10 members were independent contractors at their firms.
- The median tenure for REALTORS® with their current firm was four years again in 2017.
- 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® was a 54-year-old white female who attended college and was a homeowner.
- Sixty-three percent of all REALTORS® were female.
- Sixteen percent of REALTORS® had a previous career in management, business, or finance and 16 percent in sales or retail. Only five percent of REALTORS® reported real estate was their first career.
- Seventy-two percent of REALTORS® said that real estate was their only occupation, and that number jumps to 82 percent among members with 16 or more years of experience.
- The majority of REALTORS®—83 percent—owned their primary residence and 39 percent owned a secondary property.



Methodology

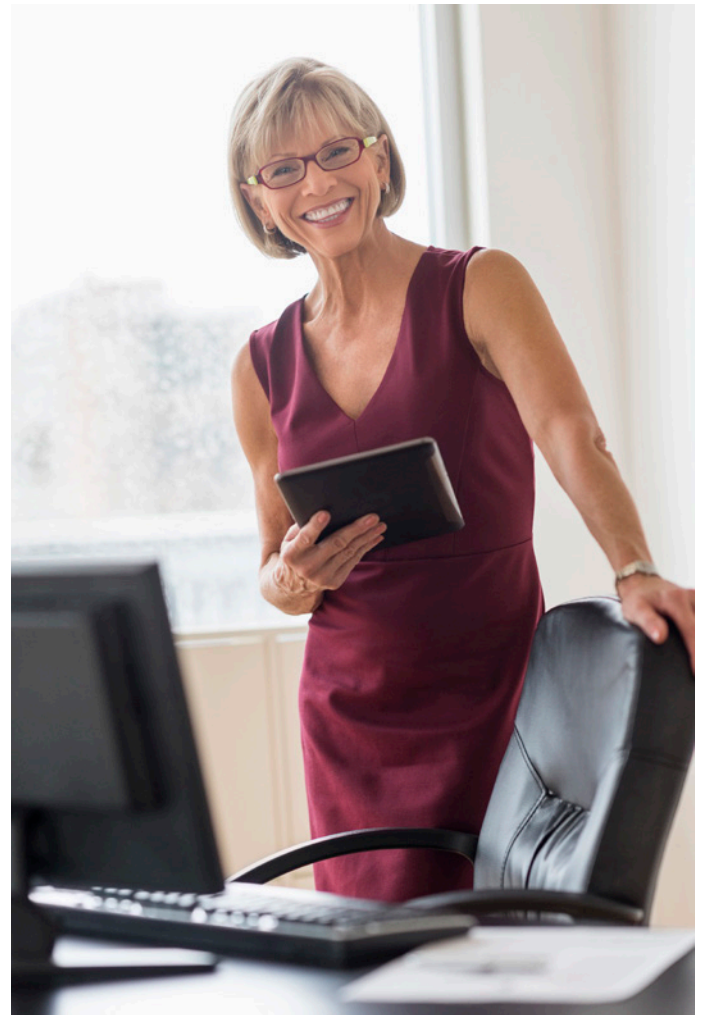
In March 2018, NAR e-mailed a 96-question survey to a random sample of 200,964 REALTORS®. Using this method, a total of 12,495 responses were received. The survey had an adjusted response rate of 6.2 percent. The confidence interval at a 95 percent level of confidence is +/- 0.87 percent based on a population of 1.3 million members.

Survey responses were weighted to be representative of state level NAR membership. Information about compensation, earnings, sales volume, and number of transactions was characteristics of calendar year 2017, while all other data was representative of member characteristics in early 2018.

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 in 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.





The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing over 1.3 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.

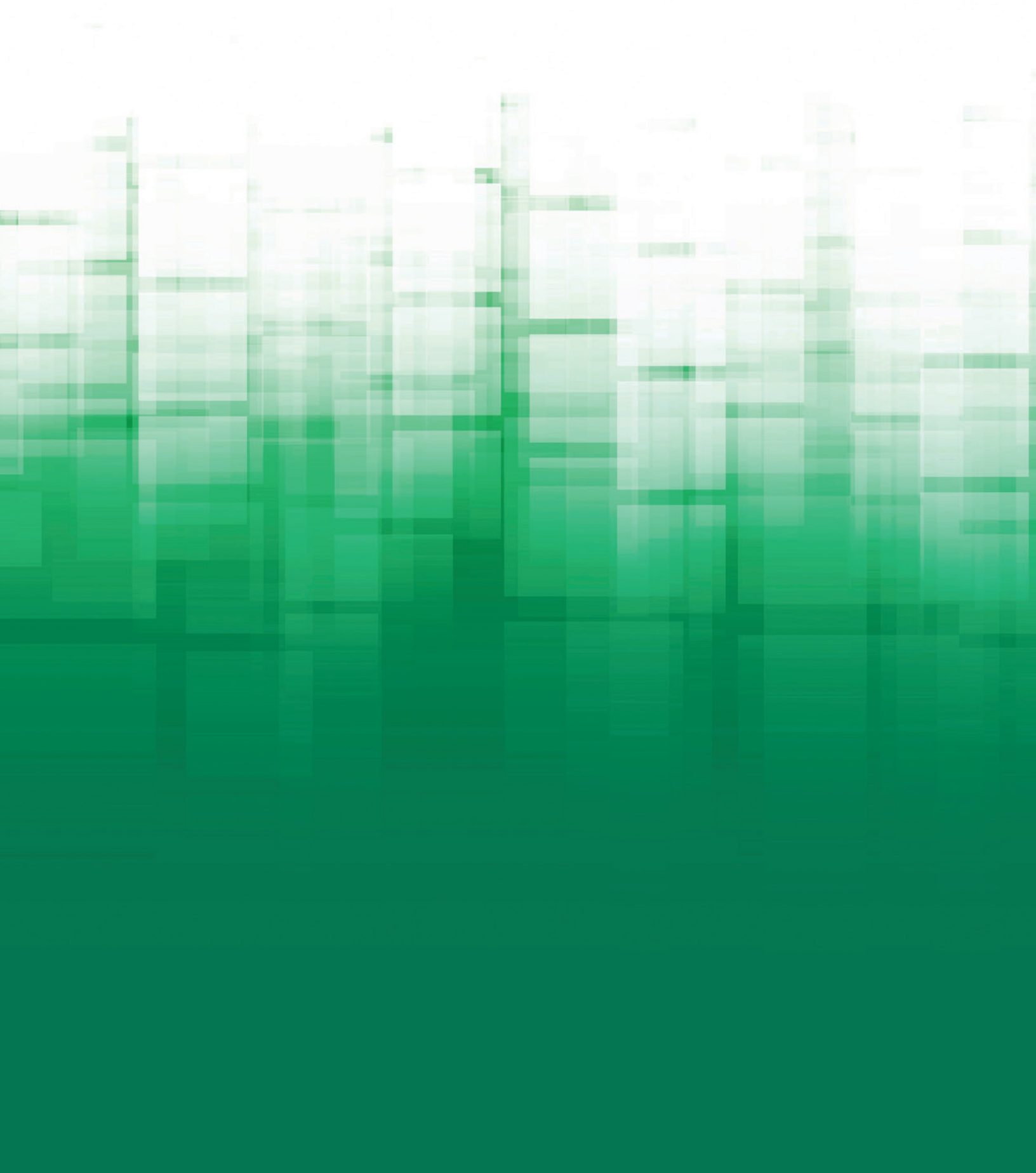
NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP

The Mission of the National Association of REALTORS® Research Group 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.

To find out about other products from NAR’s Research Group, visit www.nar.realtor/research-and-statistics.

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