

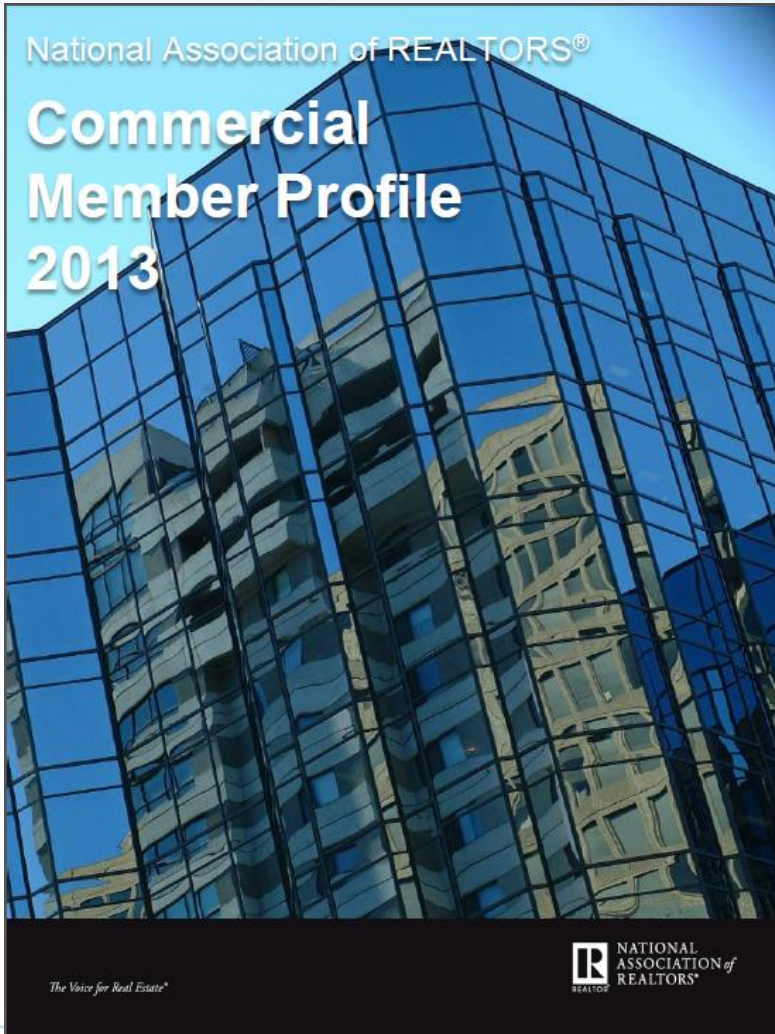
Summer Webinar Series:
2013 Commercial Member Profile
&
2013 Member Profile

Jessica Lautz

July 30, 2013

National Association of REALTORS®

Commercial Member Profile 2013



2013 Commercial Member Profile

The Voice for Real Estate®



Methodology

- Emailed to 42,169 members
- Received 1,796 surveys
- Response rate of 4.3 percent



Business Characteristics

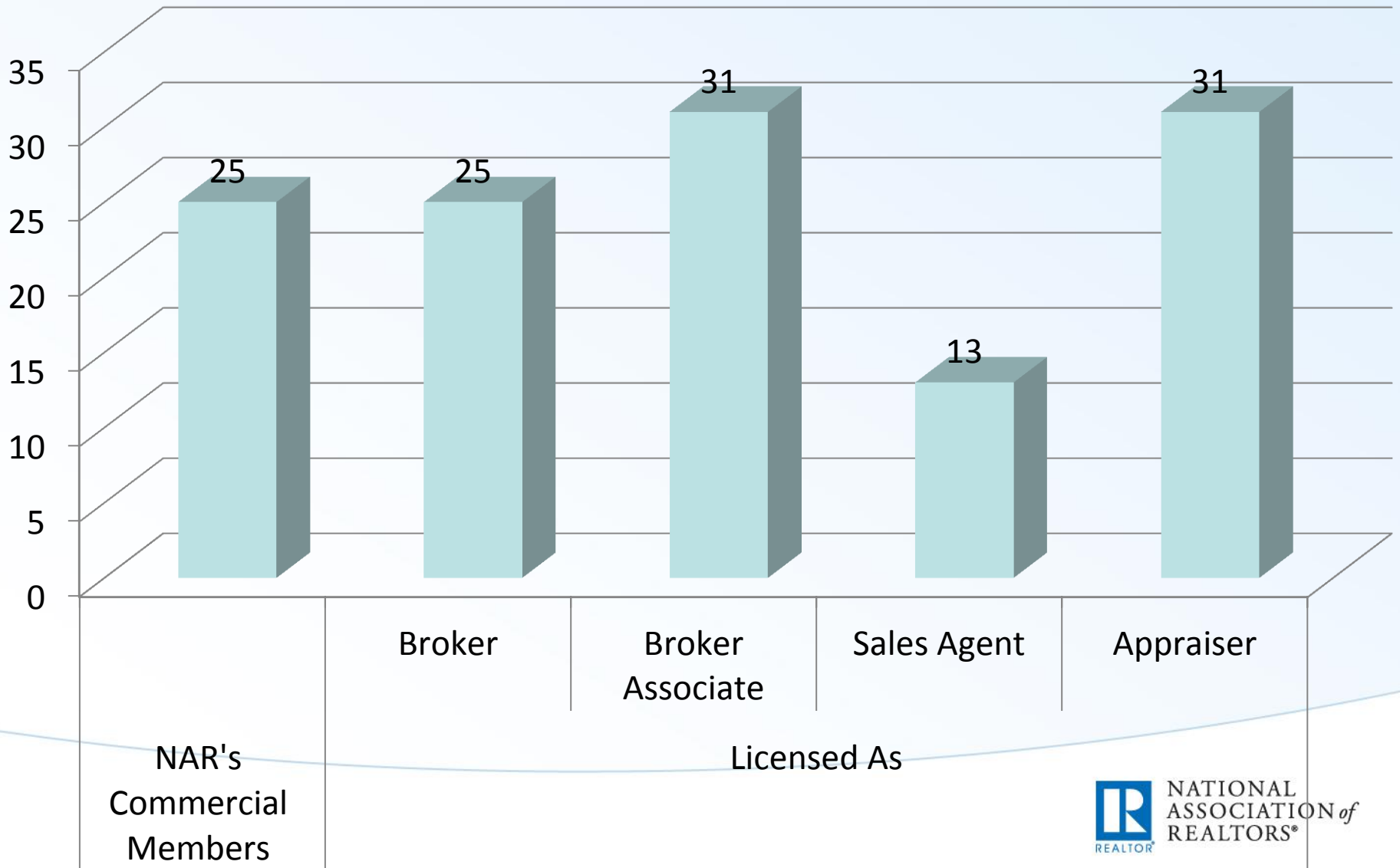


What do commercial members do?



- 60 percent brokers
- 19 percent broker associates
- 25 percent sales agents
- 37 percent are members of a NAR affiliate
- Wide varieties of specialty areas
 - Investment sales
 - Land sales
 - Office leasing
 - Retail building sales

Years of Experience in Real Estate



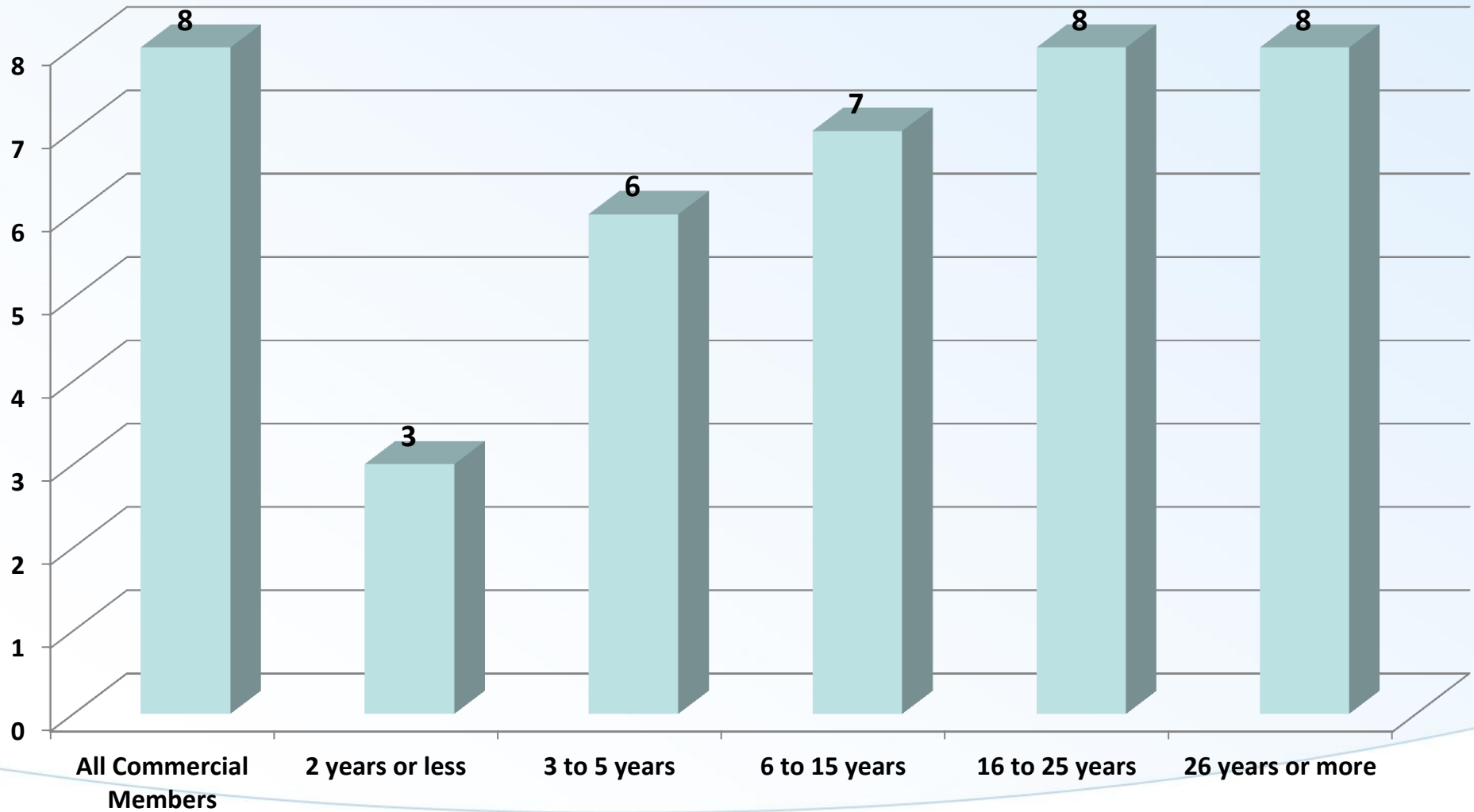


Business Activity

Sales and Leasing Volume

	2006	2008	2009	2010	2011	2012
Sales transaction volume	\$2,248,700	\$2,024,900	\$1,067,000/ \$1,767,900	\$1,282,100/ \$1,722,200	\$1,058,300/ \$2,010,500	\$1,857,100/ \$2,507,700
Median dollar value of sales transactions	\$553,000	\$544,100	\$407,200	\$397,600	\$414,300	\$433,600
Typical sq ft of sales transactions	15,770	14,000	9,026	8,900	9,600	10,400
Leasing transaction volume	\$183,300	\$244,300	\$45,000/ \$330,200	\$118,400/ \$145,000	\$93,100 \$402,100	\$230,500/ \$476,400
Leasing dollar value	\$97,700	\$128,900	\$140,600	\$145,000	\$144,800	\$169,100
Typical sq ft of leasing transactions	4,230	4,300	4,359	4,100	4,100	4,200

Transaction Volume



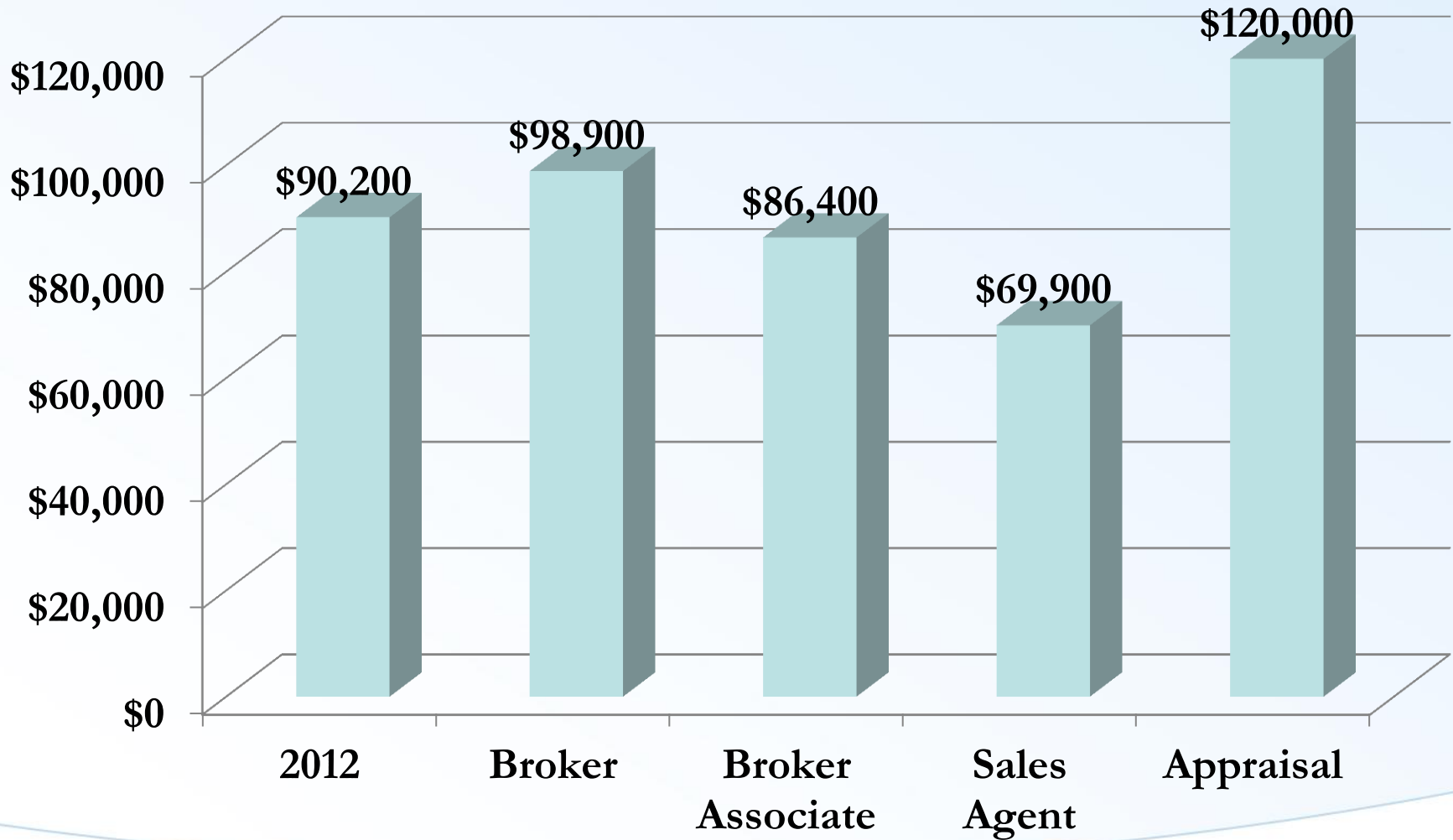
Business Revenue and Firm Affiliation



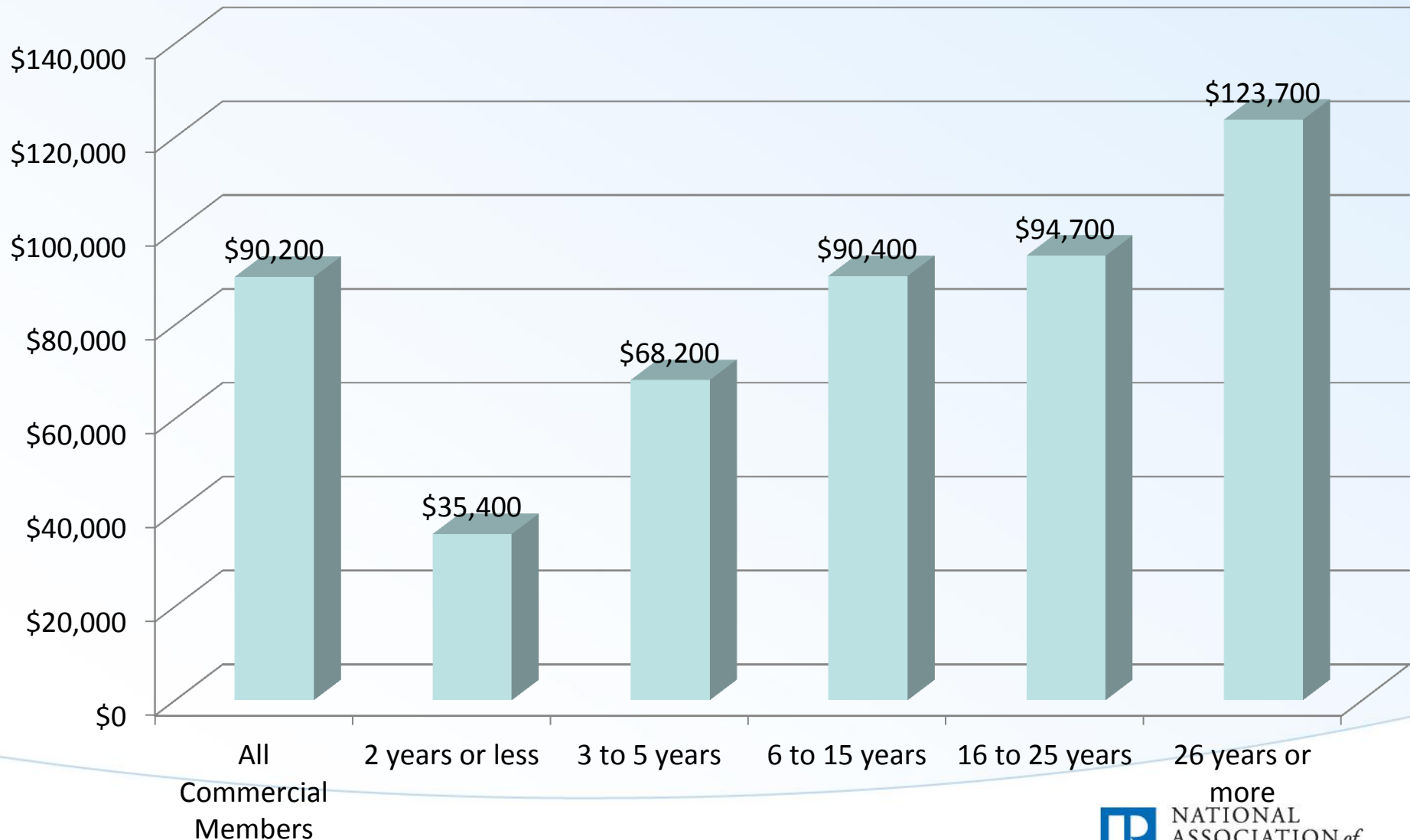
Median Gross Annual Income, 2006-2012



Median Gross Annual Income, 2012



Median Gross Annual Income by Experience



Business Practices

- 83 percent work 40+ hours/week
- 52 percent spend 75 to 100 percent of time on commercial real estate
- 45 percent work on commission split basis and 34 percent work 100% for commission
- 56 percent of firms are local
- 31% are independent and not affiliated with a firm



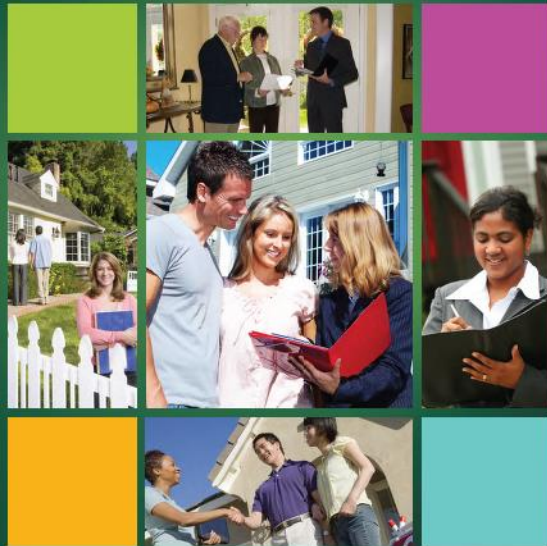
Demographics



Who are commercial members?

- Typical commercial member:
 - 59-years-old
 - 78 percent are male
 - 91 percent are white/Caucasian
 - 65 percent have at least a Bachelor's degree





National Association of REALTORS®

2013
MEMBER PROFILE

2013 Member Profile

Jessica Lautz

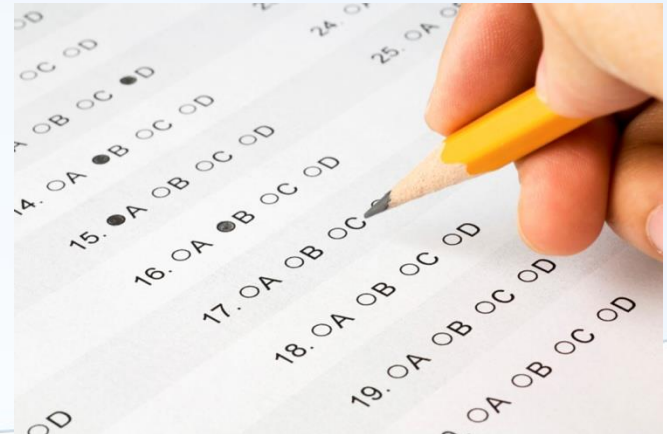
May 13, 2013

The Voice for Real Estate®



Methodology

- Tailored Design Method
- Mailed hard copy and emailed to 58,068 members
- Re-mail reminder
- Received 4,883 surveys
- Response rate of 8.4 percent
- Incentive drawing for gift cards



Business Characteristics

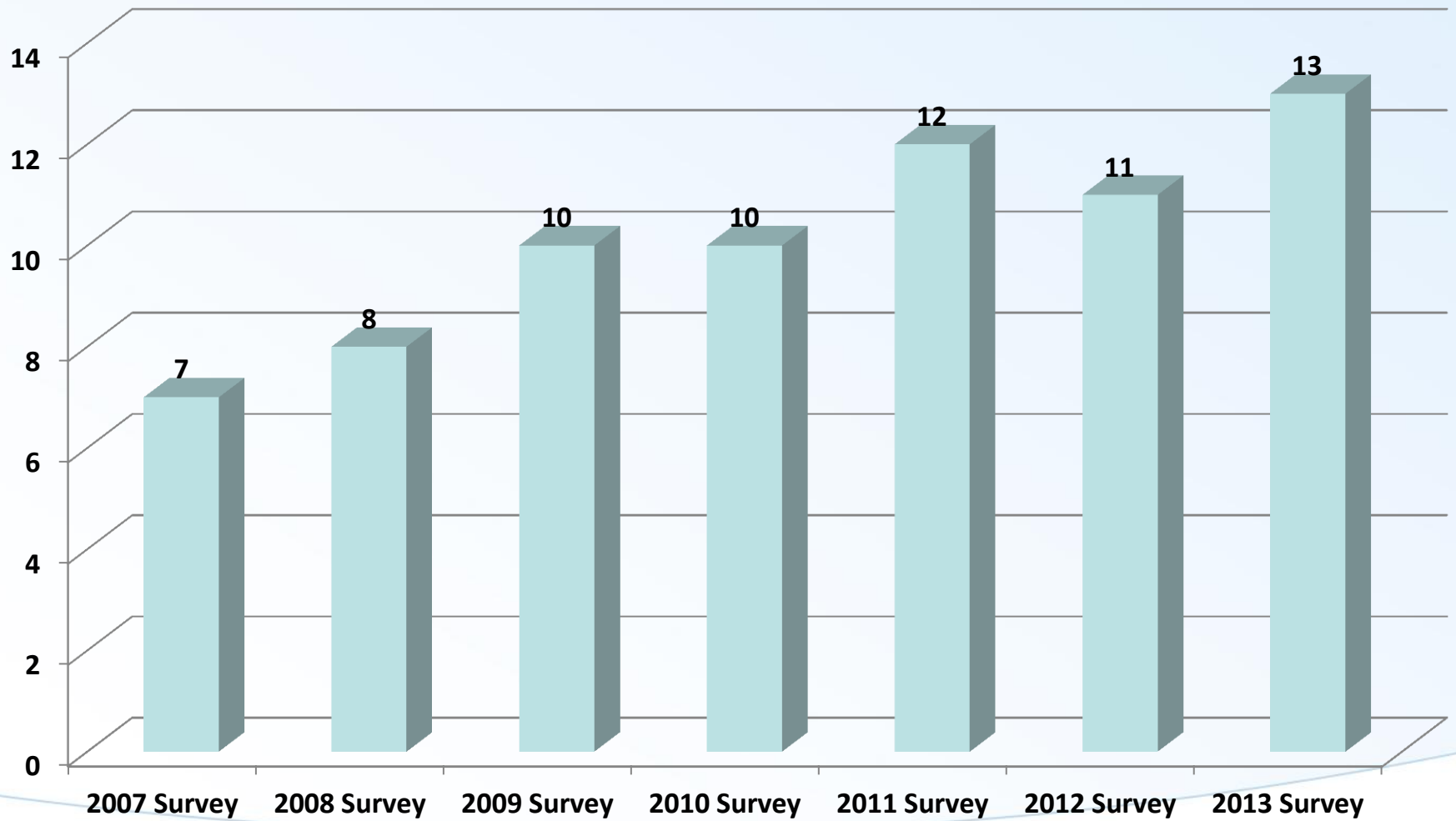


What do our members do?



- 27 percent brokers
- 18 percent broker associates
- 56 percent sales agents
- 4 percent appraisers

Years of Experience in Real Estate



Will Remain Active in Real Estate for Two More Years by Experience

	All Members	2 years or less	3 to 5 years	6 to 15 years	16 years or more
Very certain	80%	77%	81%	82%	78%
Somewhat certain	14	19	15	13	14
Not certain	6	5	5	5	8

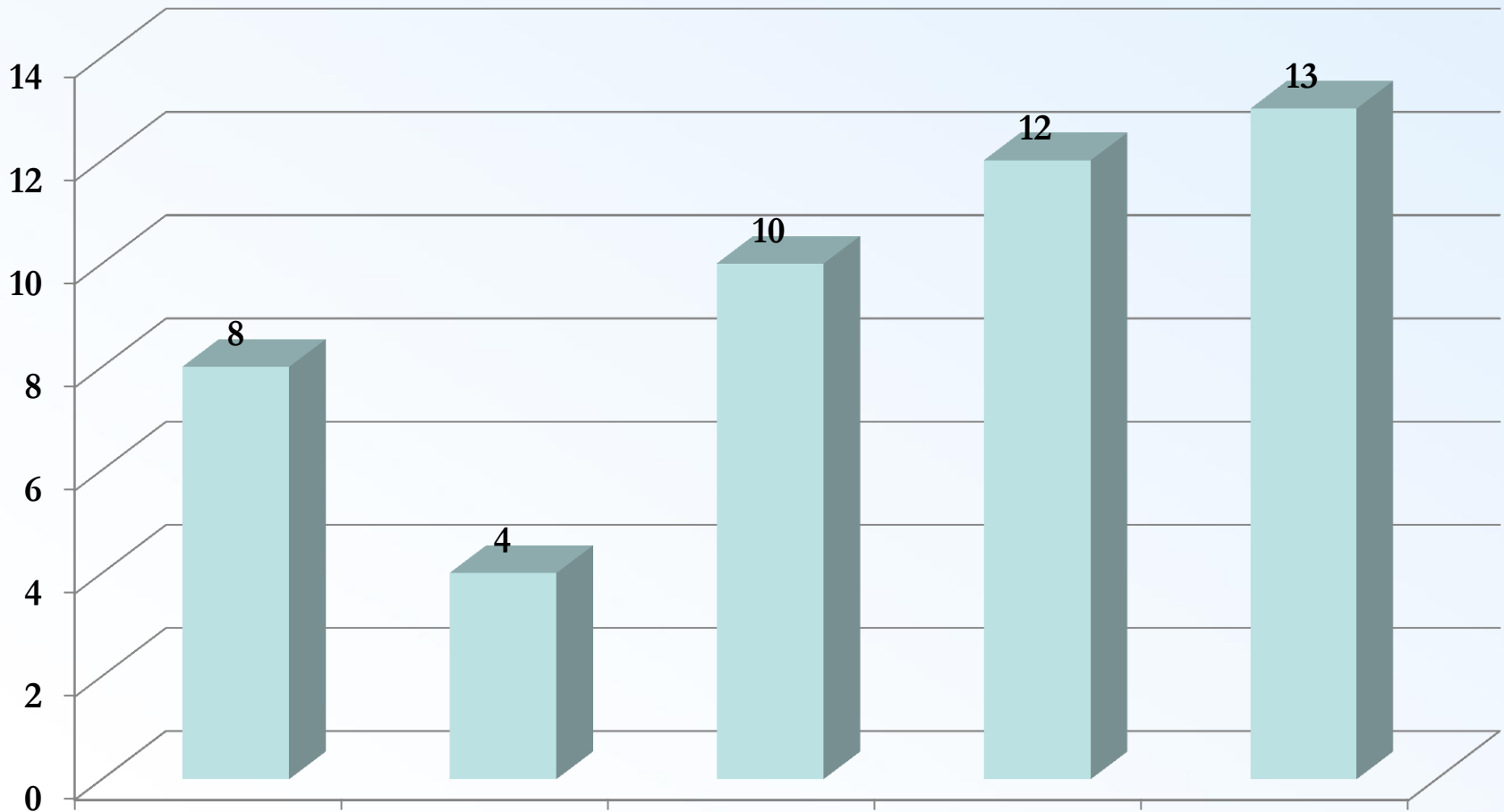


Business Activity

Business Activity

	2009 Survey	2010 Survey	2011 Survey	2012 Survey	2013 Survey
Properties appraised	200	200	200	200	200
Transaction sides	7	7	8	10	12
Percent of members who had a transaction involving a foreclosure	41%	48%	51%	56%	53%
Percent of members who had a transaction involving a short sale	28%	40%	45%	51%	51%
Brokerage sales volume	\$1.2 million	\$1.2 million	\$1.1 million	\$1.3 million	\$1.5 million
Number of properties managed	40	33	25	30	49

Transaction Sides



ALL
REALTORS®

2 years or less

3 to 5 years

6 to 15 years

16 years or
more

Most Important Factor Limiting Clients

	RESIDENTIAL SPECIALISTS		
	Broker/ Broker Associate	Sales Agent	Commercial Specialists
Difficulty in obtaining mortgage finance	30%	28%	21%
Difficulty in finding the right property	22	28	25
No factors are limiting potential clients	13	13	24
Ability to sell existing home	10	8	5
Expectation that prices might fall further	8	8	16
Low consumer confidence	8	5	8
Concern about losing job	2	2	0

Where Clients Come From



- 21 percent repeat business from past clients
- 21 percent referrals from past clients
- 4 percent off member website (of those with a website)
- Only 34 percent of members report any business from an open house

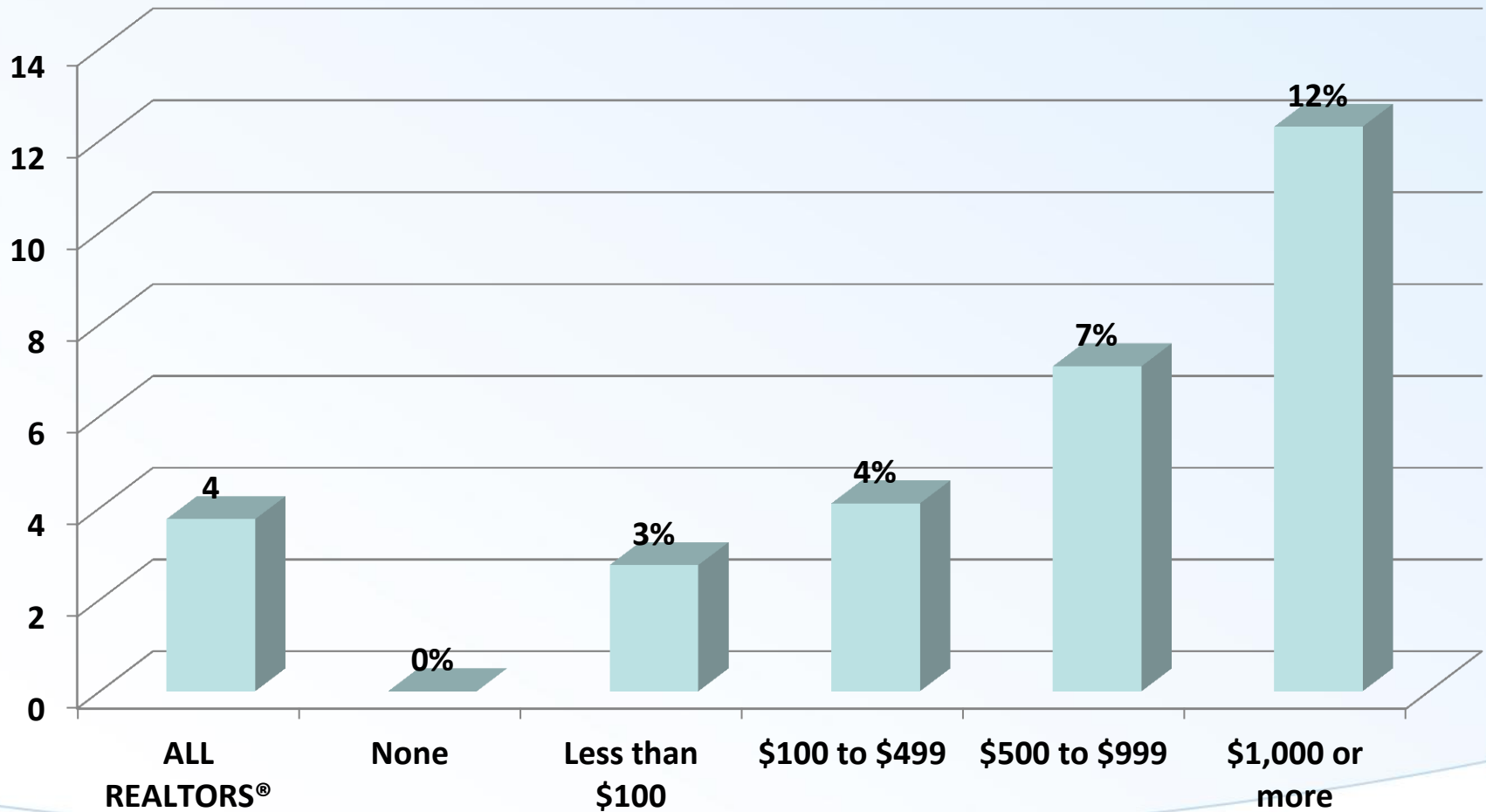
Technology



Changes in Technology

Communication Source	2009 Survey	2010 Survey	2011 Survey	2012 Survey	2013 Survey
Realtor website	60%	63%	62%	62%	64%
Realtor blog	7	10	10	10	12
Use of social media	35	51	49	54	56

Percent of Business from Website by Amount to Maintain



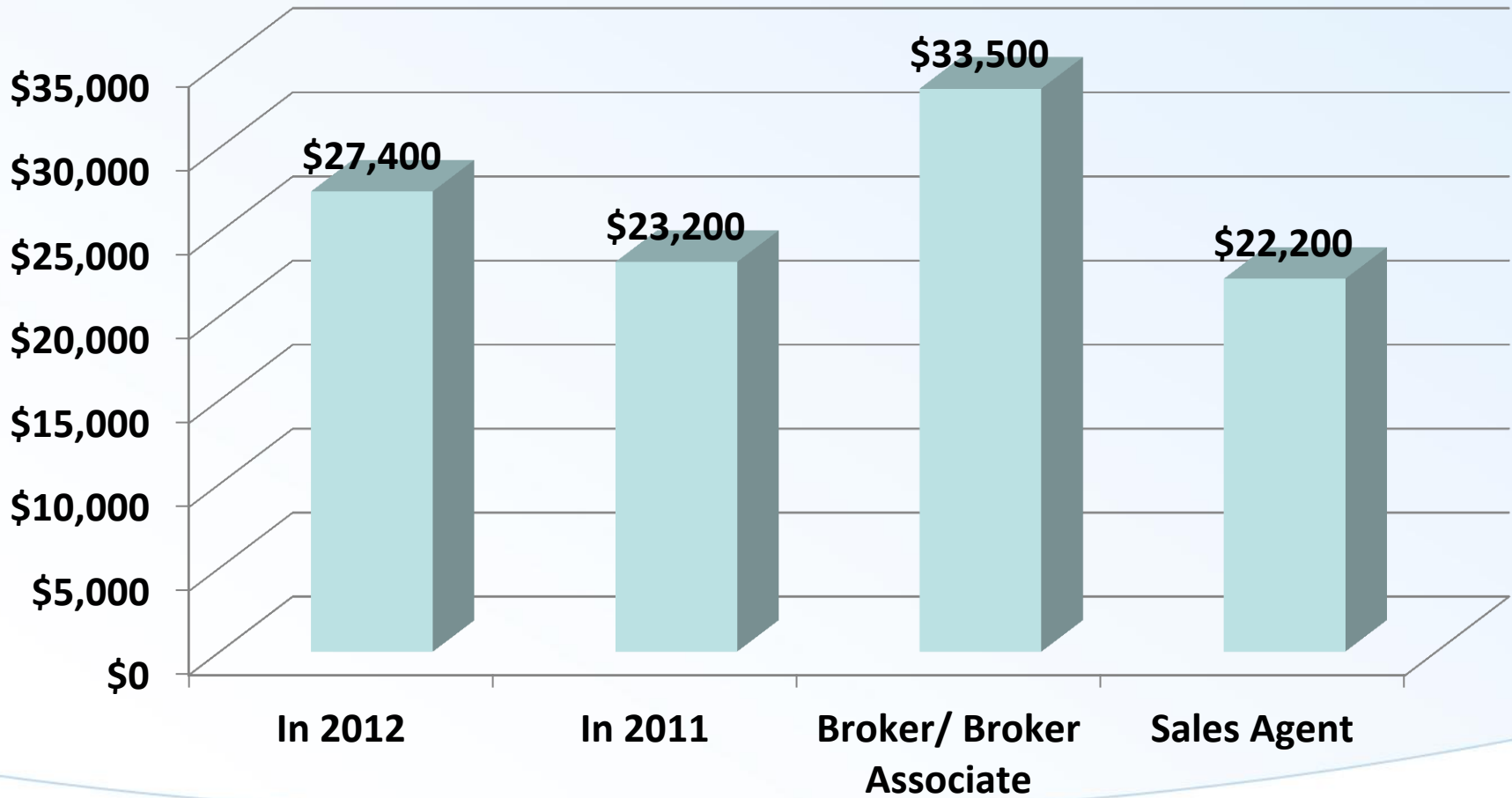


Income and Expenses

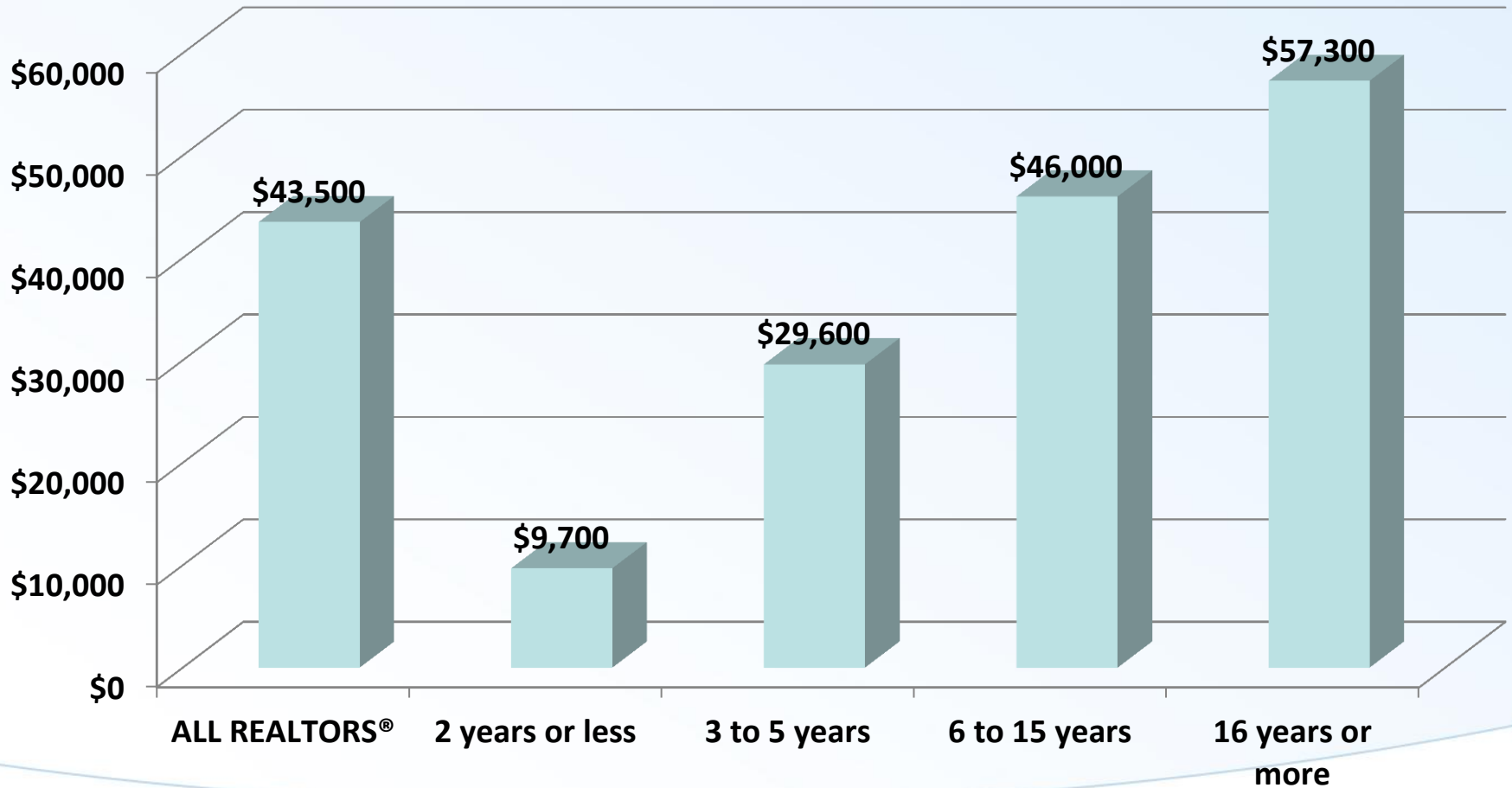
Gross Annual Income, 2001-2012



Net Annual Income, 2012



Gross Annual Income by Experience, 2012



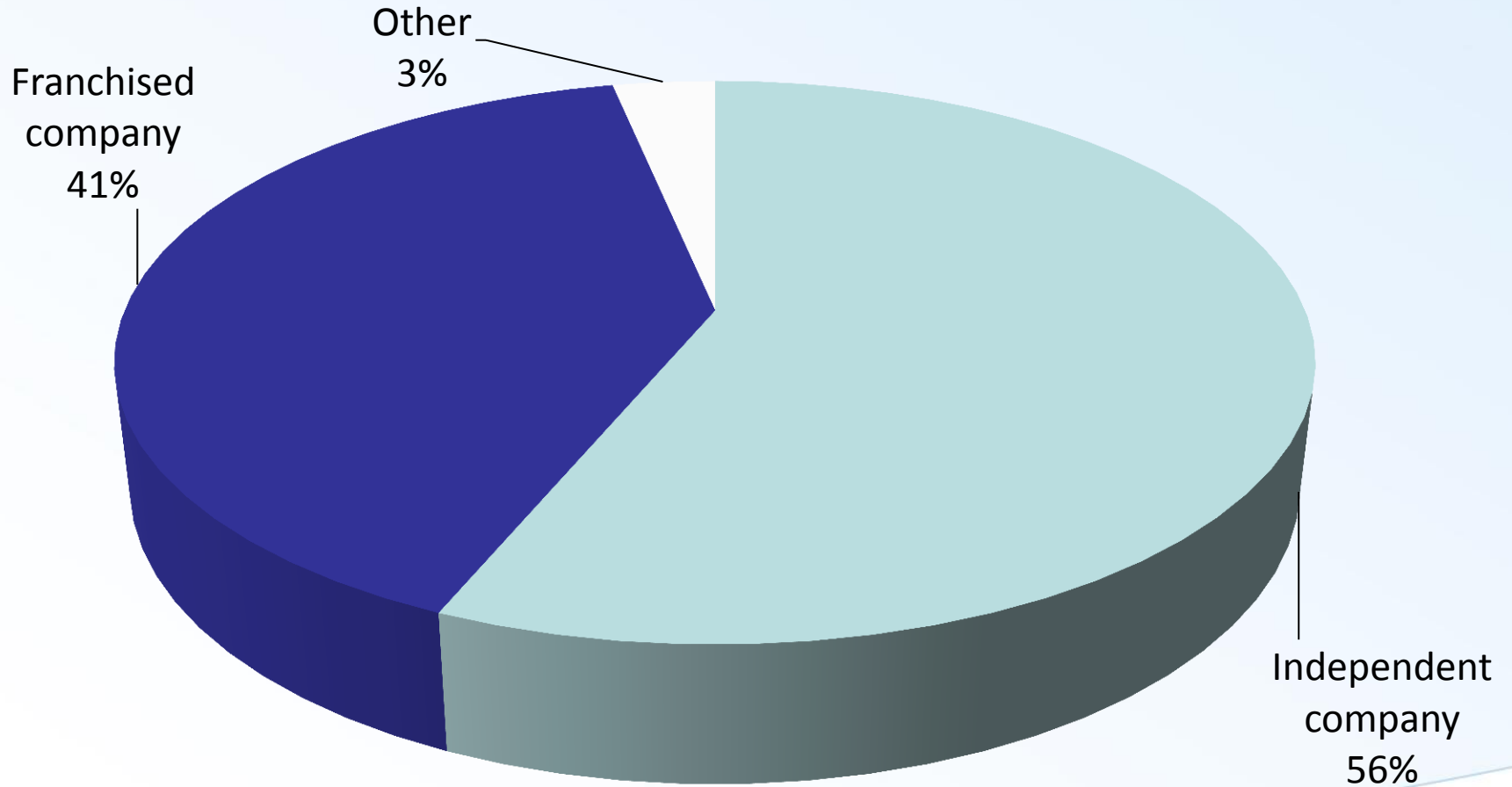
Expenses 2010-2013

	2010	2011	2012	2013
Total Expenses	\$5,480	\$4,270	\$4,520	\$4,900
Business Use of Vehicle	1,580	1,680	1,770	1,790
Technology	720	630	630	690
Professional Development	700	600	600	640
Administrative	690	720	560	830
Marketing of Services	690	550	510	590
<i>Median percent spent on online marketing</i>	<i>10%</i>	<i>10%</i>	<i>10%</i>	<i>10%</i>
Business Promotion	670	580	560	640
Affinity/Referral Relationship	0	0	0	0
Office/Lease Building	0	0	0	0

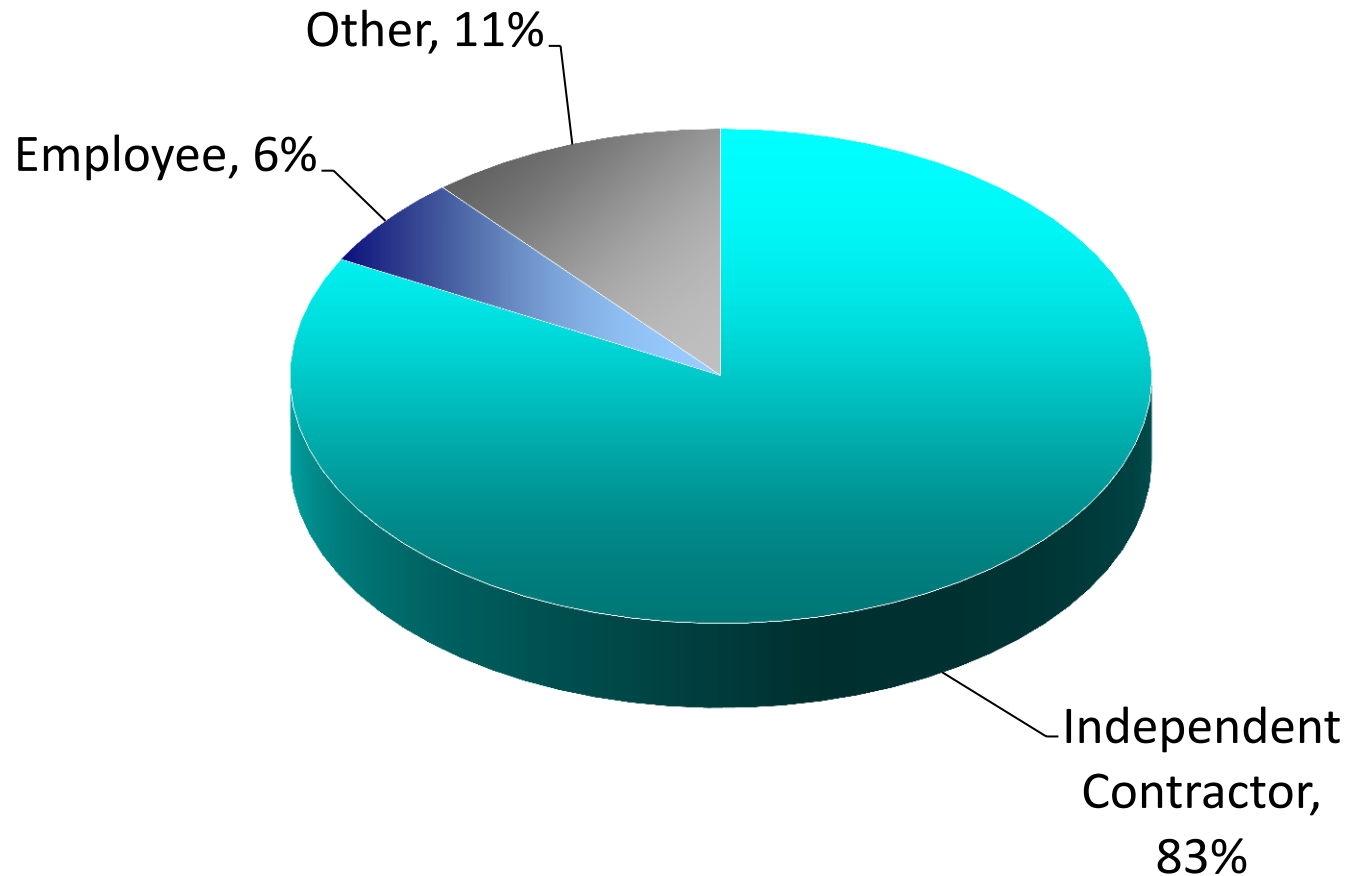
Office and Firm Affiliation



Where do our members work?



Relationship to the Firm



Demographics



NATIONAL
ASSOCIATION *of*
REALTORS®

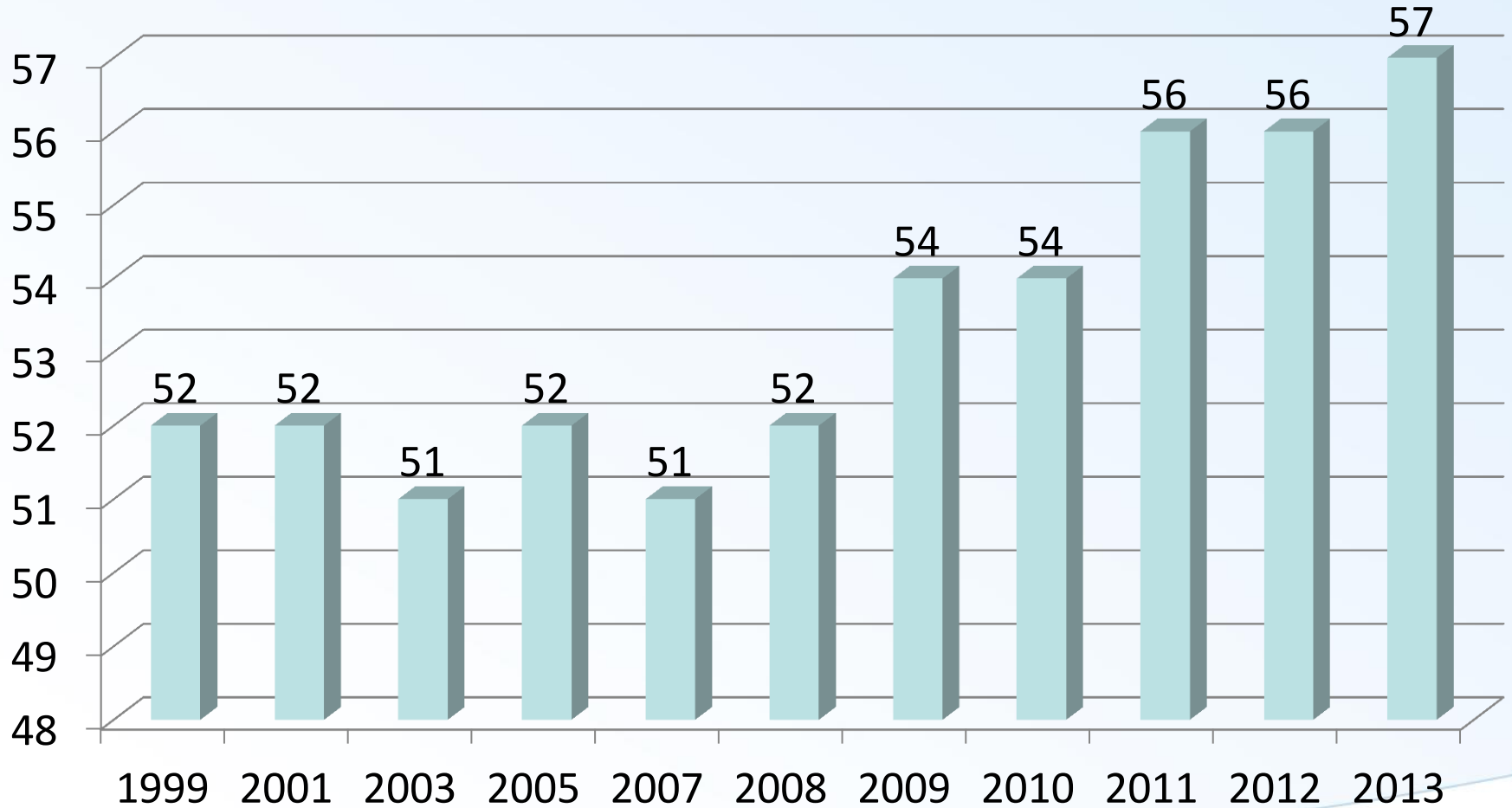
Who Are Our Members?



Typical member:

- 57-years-old
- 57 percent are female
- 50 percent at least a Bachelor's degree
- 34 percent had prior career in management/business/financial or sales/retail
- 77 percent real estate is only occupation
- Household income in 2012--\$99,400
- 47 percent real estate is primary source of income for household

Age Rising



Invest in Their Product



- 87% own their own home
- 13% own a vacation property
- 36% own a residential investment property
- 10% own a commercial property

Next up on the Summer Webinar Series

- August 6th: 2013 Investment and Vacation Home Buyer Survey

Where to find NAR Research

- Jessica Lautz: jlautz@realtors.org, 202-383-1155
- NAR Research www.realtor.org/research-and-statistics
- Economists' Outlook Blog:
economistsoutlook.blogs.realtor.org
- FaceBook: facebook.com/narresearchgroup
- Twitter: twitter.com/NAR_Research