



**Association  
Executives Institute**

**February 17-21, 2007  
San Diego, California**

# Don't Bury Your Head in the Sand: Tap Into NAR Research

Presented by:

Zan Monroe

ABR, ABRM, CRB, CRS, GRI, ITI, MIRM

Fayetteville Association of REALTORS®

Fayetteville, NC

February 20, 2007

# Tapping into NAR's Research

Presented by

## Zan Monroe

ABR, ABRM, CRB, CRS, GRI, ITI, MIRM

The Monroe Company, Inc.

PO Box 58241

Fayetteville NC 28305

1-910-624-7100

email: [Zan@ZanMonroe.com](mailto:Zan@ZanMonroe.com)

Web Site: [ZanMonroe.com](http://ZanMonroe.com)

2007 Association Executives Institute  
San Diego Marriott Hotel & Marina  
San Diego, CA

Tuesday, February 20, 2007

Time: 1:30-2:30pm

Download a free copy of this presentation at.....



As an Association Executive you should ask yourself some questions about your organization and your members.

- Where do my members' buyers and sellers come from?
- What form of marketing do most buyers and sellers respond to?
- How much should members spend on technology?
- How do our members and member companies structure themselves?

Does your association have the time to do the research necessary to answer these questions?

If you had a research department would you or your members make changes in their businesses based on that research?

The National Association of REALTORS® provides you with your very own research department. In addition to producing all the information you need to answer all the questions about your business on a national scale, NAR Research allows your associations the opportunity to oversample the national surveys. Piggybacking on NAR's national surveys by oversampling your service area allows you and your association to be the quintessential local experts. Over the years many state and local associations have taken advantage of this opportunity. It offers a terrific mechanism to ascertain the local information your members want and deserve at an affordable price.

Let's look at some of the research available to your organization and your members and see how to boost business with research from the National Association of REALTORS®.

Download a free copy of this presentation at.....



# 2006 NAR Profile of Home Buyers and Sellers

## Home Buyers

- Average age = 41 years old, Median age 32
- 25% of buyers income \$100,000 +
- 61% Married, 22% Single Females, 14% Non US born

## Characteristics of Homes Purchased

- 20% New Construction, 75% Single Family Detached
- #1 Purchasing factor was Neighborhood Quality!
- 1,800 Sq Ft - \$214,000

## Home Search Process

- 85% Used a REALTOR, 75% Internet was useful
- Drove by houses they saw on Internet
- Searched 8 weeks before finding the home they purchased

## Home Buyers and REALTORS®

- 75%+ used a REALTOR, 50% found agent through a referral from a FRIEND OR RELATIVE!
- # 1 HELP consumer wanted from REALTOR...understanding the home buying process
- Agents reputation and trustworthiness were the two most important factors buyers considered when choosing an agent

## Financing the home purchase

- 92% borrowed money
- First time buyers relied on savings for down payment
- Repeat buyers relied on equity
- Majority of buyers view their home as a better financial investment than stocks

## Home Sellers and their experience

Download a free copy of this presentation at.....



- 75% sold a detached single family home
- 50% traded up to a larger house
- Lived in this house 6 years
- 65+ years sold to move closer to friends and family

### **Home Sellers and REALTORS®**

- 84% used a REALTOR, 44% found their REALTOR from referral from friend or relative
- #1 Factor in choosing a = Reputation of REALTOR®
- 50% used the same REALTOR® for home sale and purchase

### **For Sale By Owner**

- Relied on word of mouth and yard signs
- #1 Problem = Fixing up house for sale
- 12% of all sales FSBO
- 50% of FSBO were between family and friends

Download a free copy of this presentation at.....



# 2006 NAR Profile of Real Estate Firms

## Business Activity of Real Estate Firms

- 80% Residential Brokerage
- 36% Commercial brokerage as a secondary activity
- 50% offer home warranty services
- 55% of large residential firms (51) have a relocation department
- 66% indicate their profits increased in 2005

## Training and Education

- 50% provide training for staff and agents
- 35% offer formal training
- New Sales agents get 20 hours a year
- 46% of training comes from fellow real estate professionals
- 81% of firms report that training contributed to their ability to acquire listings

## Role of Technology

- 41% of Large firms (51+) and 16% of small firms use email to communicate internally 75% of the time
- 78% have a web site for 5 years
- Web sites generate 10% of leads
- 91% have listings on their web site
- 71% have agent and staff profiles
  - 58% include mortgage calculators

Download a free copy of this presentation at.....



# 2006 NAR Baby Boomers and Real Estate: Today and Tomorrow

## Who Are Baby Boomers?

- 78 Million born between 1946-1964
- Median age is 50, 46% in their 40's
- 78% own their own home
- 25% live alone, 61% live in two person households
- 27% have children under 18 living in home
- 10% are self employed

## Real Estate Ownership Experience

- Nearly all view homeownership as a good financial investment
- 37% in Suburbs
- 24% live in Urban Areas
- 40% live in Small Towns or Rural areas
- Owned a home for 15 years
- Plan to live in current home 5 more years
- 5% own a vacation home

## Buying and Selling Homes

- Typical Baby Boomer has not purchased in 11 years
- Most important thing wanted from REALTOR
  - Representation of their interests and Coordination with other parties
- 80% Sellers 60% buyers used REALTOR
- Most important thing was establishing the right price!

## Net Worth and Financial Situation

- 40% are financially comfortable
- Median net worth \$149,500 including home equity
- 25% believe they are completely, very or well prepared for retirement
- 75% are somewhat or not prepared for retirement
- 2/3rds think it costs too much to never work again

## Plans and Expectations

Download a free copy of this presentation at.....



- 11% likely to purchase home in next 12 months
- Vacation homes: 39% plan to convert it into their primary residence
- 40% concerned about future housing affordability
- 26% plan to stop working at retirement
- 33% plan to work some
- Small towns and rural areas are favorite locations for retirement
- 5 top rated location characteristics
  - Lower cost of living
  - Being near family
  - Access to health care
  - Better climate
  - Being near river or lake

Download a free copy of this presentation at.....



# 2006 NAR Profile of Second-Home Owners

## **Vacation Homes vs. Investment Homes**

- Vacation Homes most important motivations
  - Lifestyle considerations and Proximity to recreation areas
- Favorite vacation spot
- Investment Homes most important motivations
  - Mortgage rates, Strength of the local economy and Access to rental markets
  - Downtown or near major employers

## **Characteristics of Second Home Owners**

- Vacation home owner:
  - 59 years old, Median Income \$120,000
- Investment Property owner:
  - 55 years old, Median Income \$98,000
- 75% are married
- Live in the Suburbs

## **Vacation Home Owners**

- 75% want to use it for Vacations
- 33% said it was a good investment
- 50% Water Sports, 220 miles from Primary Residence
- 50% in Resort or recreation areas
- Spent 39 nights a year in Vacation Home

## **Investment Property Owners**

- 66% Rental Income
- 10 Miles from Primary Residence
- 35% located in Suburb
- 25% in Downtown
- 50% detached single family
- 1520 sq ft in size

Download a free copy of this presentation at.....



## **Acquiring a Second Home**

- 66% use a REALTOR
- 13 – 16 % found it on the internet
- Vacation Homes financed 73%
- Investment Properties financed 77%

## **Buying and Selling a Second Home**

- 35% of investment property owners plan to buy one or more in the next 2 years!
- 10% vacation home owners plan to sell in 2 Years
- Need a REALTOR to compare prices when selling

Download a free copy of this presentation at.....



# 2005 NAR Member Profile

## Business Characteristics

- 33% Sales license
- 40% Broker Associate
- 20% Brokers
- 74% Residential Sales
- 60% have 5+ years experience
- 24% have less than one year experience
- 20% have personal assistant
- 44% communicate with clients by email
- Has had a website for 2+ years

## Business Activity

- \$2.2 Million in Sales Volume
- 24% sold \$5+ million
- 46 hours per week
- 20% work 60 hours per week
- 10 Customer inquires from Website
- \$8,200 in Business Expenses in 2004
- Median income \$49,300 in 2004

## Office and Firm Affiliation

- 50% Independent, Non-Franchised Firm
- 90% Independent contractors
- 4 years with current firm

## Demographic Characteristics

- 54% are female
- 52 years old
- 25% are under 40 years old
- 46% hold Bachelors degree or higher
- 81% Real Estate is their only occupation
- 94% registered to vote
- 91% voted in last election

Download a free copy of this presentation at.....



# 2004 NAR Profile of Buyer's Home Feature Preferences

## Characteristics of Home Purchased

- 1,727 sq ft Median size
- 1,451 sq ft first time buyers
- 1,920 sq ft repeat buyers
- 2,186 custom built new homes

## Most Desired Features

- 73% Central Air Conditioning
- 51% Walk in Closet in Master Bedroom
- 42% Bedroom on main level
- 41% Patio
- 41% Oversize garage
- 40% Cable – Satellite - TV Ready

Download a free copy of this presentation at.....



# 2004 NAR Technology Impact Survey Report

## Technology Products

- 97% own a personal computer
- 95% own a mobile phone
- 77% use digital cameras
- 40% use PDA
- 7% use GPS (Global Positioning Systems)

## Expenditures on Technology Products

- Personal computer     \$1,431
- Mobile Phone             \$143
- Digital Camera           \$368
- PDA                         \$345
- GPS                         \$577

## REALTOR® web sites

- 50% of REALTORS® have their own web page
  - 21% plan to have one in the future
- \$375 annual cost to maintain web site
  - \$512 for agents who close more than 20 sides

83% of REALTORS® own their own domain name

Download a free copy of this presentation at.....



# NAR Relocation Report

## Relocation Report

- Counties Relocating to...
  - Counties Relocating from...
  - Wealthiest Counties Relocating to...
  - Number of households moved to...
  - Number of households that left...
  - The income of households relocating to...
  - The income of households leaving from...
- 
- Relocation Reports are available for all counties in the U.S.
  - Pinpoint which counties potential clients are coming from and moving to
  - Relative income of those households
  - Advertise in other counties to win clients moving to your area
  - Increase business from referrals

Download a free copy of this presentation at.....



Research Available  
HERE at the  
2007 Association  
Executives Institute  
or order online at  
[www.realtor.org/new](http://www.realtor.org/new)  
research

Download a free copy of this presentation at.....

