



National Association of REALTORS®

2015 MEMBER PROFILE

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Introduction

In 2014, many areas of the country continued to see low housing inventory that has continued from 2012 and 2013. Low inventory has slowed home sales, but has resulted in an increase in home sale prices. Survey data from the *Investment and Vacation Home Buyers Survey* show that investment buyers dipped some, but vacation home buyers saw a two year rise. Data from the *Profile of Home Buyers and Sellers* survey showed that both primary residence home buyers and home sellers wanted to and did work with a professional real estate agent or a 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 further illustrates.

The typical number of transactions eased to 11 transactions from 12 transactions in the 2014 survey. As a result, gross member income declined slightly to \$45,800 from \$47,700. Income ranged, depending on experience, function, and hours worked per week. Nineteen percent of members earned a gross income of less than \$10,000 in 2014, while 24 percent earned more than \$100,000 in the same time period. As most members work on a commission based salary structure the rise in income is reflective of fewer home sales. As such, the brokerage sales volume also declined to \$1.7 million in 2014 from \$1.8 million in 2013. For the second year, difficulty finding the right property was the most cited reason for potential clients being limited. Difficulty obtaining mortgage financing continues to be the second most cited reason.



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In 2014, there was an increase in new members of the National Association of REALTORS®. This is apparent in the data, with those who have less than two years of experience increasing from 13 percent to 17 percent. The median years of experience in real estate stayed the same at 12 years from the past report. However, those entering the business may be recent retirees from other industries, as the typical age of members rose from 56 years to 57 years. The tenure at firm continued a two year decrease—starting at seven years in the 2013 survey and dropping to five years in the 2015 survey.

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 five percent indicated that real estate is their first career. The majority of members are women with a college education.

Looking ahead, 84 percent of REALTORS® are very certain they will remain in the market for two more years. This share is higher than the last three years, indicating the optimism that is seen in today's market.



Highlights

Business Characteristics of REALTORS®

- Fifty-eight percent of REALTORS® were licensed as sales agents, and 80 percent of members specialize in residential brokerage.
- The typical REALTOR® has 12 years of experience.
- Eighteen percent of members have at least one personal assistant.
- Sixty-five percent of REALTORS® reported having a website for at least five years, 12 percent reported having a real estate blog, and 65 percent of members are using social media.
- The most commonly found information on websites, among commercial and residential REALTORS®, is the member's own listings and home buying and selling information.
- Eighty-four percent of REALTORS® are certain they will remain in the business for two more years.



Business Activity of REALTORS®

- In 2014, the typical agent had 11 transactions—down from 12 as in 2013.
- Forty-six percent of residential brokerage specialists had a transaction involving a foreclosure and 29 percent had a transaction involving a short sale. Short sale transactions decreased from 2013.
- The typical agent had a sales volume of \$1.7 million in 2014, down from \$1.8 million in 2013.
- For the second year, the difficulty finding the right property has surpassed the difficulty in obtaining mortgage financing as the most cited reason for potential clients being limited.
- The typical property management specialist managed 45 properties in 2014, up from 30 properties in 2013.
- Most REALTORS® worked 40 hours per week in 2014, a trend that has continued for several years.
- The typical REALTOR® earned 20 percent of their business from repeat clients and customers and 20 percent through referrals from past clients and customers.
- REALTORS® spent a median of \$130 to maintain a website in 2014.
- Members typically brought in three inquiries and two percent of their business from their website.



Highlights

Income and Expenses of REALTORS®

- Percentage split-commission is the prevailing method for REALTOR® compensation, with 69 percent of respondents indicating this method of compensation, similar to past years.
- The median gross income of REALTORS® was \$45,800 in 2014, down from \$47,700 in 2013.
- REALTORS® with 16 years or more experience had a median gross income of \$68,800 compared to REALTORS® with 2 years or less experience that had a median gross income of \$9,100.
- The median business expenses rose to \$6,710 in 2014 from \$6,560 in 2013.
- The largest single expense category for most REALTORS® was vehicle expenses, which decreased to \$1,770 in 2014 from \$1,860 in 2013.



Office and Firm Affiliation of REALTORS®

- Fifty-nine percent of REALTORS® are affiliated with an independent company.
- Eighty-three percent of members are independent contractors with their firms.
- The median tenure for REALTORS® with their current firm decreased from six years to five years in 2014.
- Eleven 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 has attended some college and is a homeowner.
- Fifty-eight percent of all REALTORS® are female.
- Nineteen percent of members had a previous career in management, business or the financial sector and 16 percent had a previous career in sales or retail. Only 5 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 85 percent among members with 16 or more years of experience.
- The median gross income of REALTOR® households was \$106,800 in 2014, which is an increase from \$105,500 in 2013. This is a four year increase in household income among members.
- A substantial majority of REALTORS®—85 percent—own their primary residence.



Methodolgy

In March 2015, NAR mailed and e-mailed an 87-question survey to a random sample of 50,075 REALTORS®. An identical questionnaire was also distributed, via e-mail only, to an additional 130,628 members. Using this method, a total of 6,750 responses were received, including 2,216 via hard copy mail survey and 4,534 via the Web-based survey. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.7 percent. The confidence interval at a 95% level of confidence is +/-1.19% based on a population of 1 million members.

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 2014, while all other data are representative of member characteristics in early 2015.

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.



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

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