



National Association of REALTORS®

2016 MEMBER PROFILE

2016 LEADERSHIP TEAM

President

Tom Salomone

President-Elect

Bill Brown

First Vice President

Elizabeth Mendenhall, ABR, ABRM, CIPS, CRB,
GRI, PMN, EPRO

Treasurer

Michael McGrew, CRB, CRS

Immediate Past President

Chris Polychron, ABR, CIPS, CRS, GRI

Vice President

Michael Labout, GRI, EPRO

Vice President

Sherri Meadows, CIPS, CRB, GRI, PMN

Chief Executive Officer

Dale Stinton, CAE, CPA, CMA, RCE

NAR RESEARCH STAFF

Lawrence Yun, Ph.D.

Chief Economist and Senior Vice President

Caroline Van Hollen

Manager, Budget Administration and Strategic Planning

Paul C. Bishop, Ph.D.

Vice President

Stephanie Davis

Administrative Coordinator

Ken Fears

Director, Regional Economics and Housing Finance

George Ratiu

Director, Quantitative and Commercial Research

Danielle Hale

Managing Director of Housing Statistics

Scholastica Cororaton

Research Economist

Michael Hyman

Research Data Specialist

Hua Zhong

Data Analyst

Nadia Evangelou

Research Economist

Jessica Lautz

Managing Director, Survey Research and Communications

Meredith Dunn

Research Communications Manager

Brandi Snowden

Research Survey Analyst

Amanda Riggs

Research Survey Analyst

Brian Horowitz

Research Survey Analyst



National Association of REALTORS®

2016 MEMBER PROFILE

Contents

Introduction	5
Highlights	6
Chapter 1: Business Characteristics of REALTORS®	8
Chapter 2: Business Activity of REALTORS®	21
Chapter 3: Income and Expenses of REALTORS®	39
Chapter 4: Office and Firm Affiliation of REALTORS®	53
Chapter 5: Demographic Characteristics of REALTORS®	59
Methodology	73
List of Exhibits	74

Introduction

In 2015, there was a continued rise 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 17 percent to 28 percent. The median years of experience in real estate dropped to 10 years from 12 years in the last report. Additionally, tenure at firm has dropped from a median of five years to three years. The drop in tenure is a continued decline, after decreasing from seven years in 2013.

Age has also been reflected in the changes in membership. Thirteen percent of those with two years or less experience are under 30 years of age. The median age of new members is 43 years old. Members are also starting to retire from the real estate business. Those 65 years and over dropped to 16 percent from 25 percent in 2015. These trends have decreased the median age of members to 53 years from 57 years old.

Limited inventory continues to plague many housing markets in the U.S. For the fourth year, difficulty finding the right property was the most cited concern for potential clients as a lack of inventory is restricting buyers in many markets. Impacted by limited inventory, the typical number of transactions stayed the same at 11 transactions as in the 2015 survey. However, with rising home prices in 2015, the median brokerage sales volume rose to \$1.8 million from \$1.7 million in 2014.

While there was the same number of transactions, there was an increase in membership. As a result, gross member income declined to \$39,200 from \$45,800. New members entering the field can be seen with the differences in income by experience, function, and hours worked per week. Twenty-six percent of members earned a gross income of less than \$10,000, rising from 19 percent in 2014. Twenty-six percent of members also make more than \$100,000 gross income rising from 24 percent in 2014. Fifty-nine percent of members who have two years or less experience made less than \$10,000 in 2015 compared to 36 percent of members with more than 16 years of experience who made more than \$100,000 in the same time period.

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 women homeowners with a college education.

Looking ahead, 83 percent of REALTORS® are very certain they will remain in the market for two more years.

There was a rise in the share of new members in the field. In 2016 20 percent of members had one year or less experience rising from 11 percent in the 2015 survey.

Jessica Lautz
Meredith Dunn
Brandi Snowden
Amanda Riggs
Brian Horowitz

May 2016

Highlights

Business Characteristics of REALTORS®

- Sixty-five percent of REALTORS® are licensed sales agents (up from 58 percent in 2014), 21 percent hold broker licenses, and 16 percent hold broker associate licenses.
- The typical REALTOR® has 10 years of experience, down from 12 years in 2014.
- Sixteen percent of members have at least one personal assistant.
- Fifty-four percent of REALTORS® reported having a website for at least five years, 11 percent reported having a real estate blog, and 70 percent of members are using social media, up from 65 percent in 2014.
- The most common information found on REALTOR® websites is the member's own listings and home buying and selling information.
- Eighty-three percent of REALTORS® are very certain they will remain active as a real estate professional for two more years.



Business Activity of REALTORS®

- In 2015, the typical agent had 11 transactions, unchanged from 2014.
- Thirty-four percent of all REALTORS® had a transaction involving a foreclosure and 24 percent had a transaction involving a short sale.
- The median sales volume for brokerage specialists increased to \$1.8 million in 2015 from \$1.7 million in 2014.
- Difficulty in obtaining mortgage financing was the top reason limiting potential clients for the previous four years.
- The typical property manager managed 40 properties in 2015, down from 45 properties in 2014.
- Most REALTORS® worked 40 hours per week in 2015, a trend that has continued for several years.
- The typical REALTOR® earned 14 percent of their business from repeat clients and customers and 18 percent through referrals from past clients and customers.
- REALTORS® spent a median of \$80 to maintain a website in 2015, down from \$130 in 2014.
- Members typically brought in one inquiry and one percent of their business from their website.

Income and Expenses of REALTORS®

- Percentage split-commission continues to be the prevailing method for REALTOR® compensation, at 70 percent, up slightly from 69 percent in 2014.
- The median gross income of REALTORS® was \$39,200, down from \$45,800 in 2015.
- REALTORS® with 16 years or more experience had a median gross income of \$73,400 compared to REALTORS® with 2 years or less experience that had a median gross income of \$8,500.
- The median business expenses fell to \$6,300 in 2015 from \$6,710 in 2014.
- The largest expense category for most REALTORS® was vehicle expenses, similar to last year, which increased to \$1,790 in 2015 from \$1,770 in 2014.

Highlights

Office and Firm Affiliation of REALTORS®

- Fifty-five percent of REALTORS® are affiliated with an independent company.
- Eighty-six percent of members are independent contractors with their firms, up from 83 percent in 2014.
- The median tenure for REALTORS® with their current firm decreased from five years in 2014 to three years in 2015.
- 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 53 years old, white, female, has attended college, and is a homeowner.
- Sixty-two percent of all REALTORS® are female, up from 58 in 2014.
- Sixteen percent of REALTORS® had a previous career in management, business, finance, 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 86 percent among members with 16 or more years of experience.
- The median gross income of REALTOR® households was \$98,300 in 2015, a decrease from \$106,800 in 2014.
- The majority of REALTORS®—81 percent—own their primary residence.



Methodology

In March 2016, NAR e-mailed an 96-question survey to a random sample of 150,024 REALTORS®. Using this method, a total of 10,194 responses were received. The survey had an adjusted response rate of 6.8 percent. The confidence interval at a 99% level of confidence is +/-1.27% based on a population of 1.1 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 2015, while all other data are representative of member characteristics in early 2016.

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.



List of Exhibits

CHAPTER 1: BUSINESS CHARACTERISTICS OF REALTORS®

EXHIBIT 1-1	REALTORS® BY TYPE OF LICENSE
EXHIBIT 1-2	SPECIALTY AND MAIN FUNCTION OF REALTORS®
EXHIBIT 1-3	PRIMARY BUSINESS SPECIALTY OF BROKER/BROKER ASSOCIATE LICENSEES, 1999-2016
EXHIBIT 1-4	PRIMARY BUSINESS SPECIALTY OF SALES AGENT LICENSEES, 1999-2016
EXHIBIT 1-5	SECONDARY BUSINESS SPECIALTY OF REALTORS®
EXHIBIT 1-6	REAL ESTATE EXPERIENCE OF REALTORS®, BY MAIN FUNCTION
EXHIBIT 1-7	INCOME FROM PRIMARY REAL ESTATE SPECIALTY, BY YEARS OF EXPERIENCE
EXHIBIT 1-8	INCOME FROM PRIMARY REAL ESTATE SPECIALTY, BY NUMBER OF HOURS WORKED
EXHIBIT 1-9	NUMBER OF PERSONAL ASSISTANTS
EXHIBIT 1-10	NUMBER OF PERSONAL ASSISTANTS, BY YEARS OF REAL ESTATE EXPERIENCE
EXHIBIT 1-11	TASKS PERFORMED BY PERSONAL ASSISTANTS
EXHIBIT 1-12	CHARACTERISTICS OF PERSONAL ASSISTANTS
EXHIBIT 1-13	FREQUENCY OF USE OF COMMUNICATIONS AND TECHNOLOGY PRODUCTS
EXHIBIT 1-14	FREQUENCY OF USE OF BUSINESS SOFTWARE
EXHIBIT 1-15	PREFERRED METHOD OF COMMUNICATION WITH CLIENTS
EXHIBIT 1-16	REALTOR'S® FIRM WEB PRESENCE
EXHIBIT 1-17	REALTORS® WITH WEBSITES, BY LICENSE AND FUNCTION
EXHIBIT 1-18	REALTORS® WITH WEBSITES, BY EXPERIENCE
EXHIBIT 1-19	LENGTH OF TIME REALTORS® HAVE HAD A WEBSITE FOR BUSINESS USE
EXHIBIT 1-20	INFORMATION ON REALTOR® WEBSITES
EXHIBIT 1-21	REAL ESTATE BLOGS
EXHIBIT 1-22	ACTIVE USE OF SOCIAL OR PROFESSIONAL NETWORKING WEBSITES
EXHIBIT 1-23	USE OF DRONES IN REAL ESTATE BUSINESS OR OFFICE
EXHIBIT 1-24	RELOCATION ACTIVITY OF REALTORS®
EXHIBIT 1-25	WILL REMAIN ACTIVE AS A REAL ESTATE PROFESSIONAL DURING THE NEXT TWO YEARS

CHAPTER 2: BUSINESS ACTIVITY OF REALTORS®

Exhibit 2-1	APPRAISAL: TYPES OF PROPERTIES APPRAISED
Exhibit 2-2	APPRAISAL: NUMBER OF PROPERTIES APPRAISED, 2015
Exhibit 2-3	APPRAISAL: OTHER REAL ESTATE ACTIVITIES OF APPRAISAL SPECIALISTS
Exhibit 2-4	BROKERAGE: AGENCY RELATIONSHIPS
Exhibit 2-5	BROKERAGE: LISTINGS SOLD, 2015
Exhibit 2-6	BROKERAGE: NUMBER OF TRANSACTION SIDES OR COMMERCIAL DEALS, 2015
Exhibit 2-7	BROKERAGE: NUMBER OF TRANSACTION SIDES OR COMMERCIAL DEALS, BY EXPERIENCE, 2015
Exhibit 2-8	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING PROPERTIES IN FORECLOSURE, 2015
Exhibit 2-9	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING PROPERTIES IN FORECLOSURE, BY EXPERIENCE, 2015
Exhibit 2-10	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING SHORT SALES, 2015
Exhibit 2-11	BROKERAGE: NUMBER OF TRANSACTION SIDES INVOLVING SHORT SALES, BY EXPERIENCE, 2015
Exhibit 2-12	BROKERAGE: SALES VOLUME, 2015
Exhibit 2-13	BROKERAGE: SALES VOLUME, BY EXPERIENCE, 2015
Exhibit 2-14	THE MOST IMPORTANT FACTOR LIMITING POTENTIAL CLIENTS IN COMPLETING A TRANSACTION
Exhibit 2-15	THE MOST IMPORTANT FACTOR LIMITING POTENTIAL CLIENTS IN COMPLETING A TRANSACTION, BY EXPERIENCE, 2015
Exhibit 2-16	BROKERAGE: WEBSITES WHERE REALTORS® PLACE THEIR LISTINGS
Exhibit 2-17	PROPERTY MANAGEMENT: TYPES OF PROPERTIES MANAGED
Exhibit 2-18	PROPERTY MANAGEMENT: NUMBER OF PROPERTIES MANAGED
Exhibit 2-19	PROPERTY MANAGEMENT: MANAGEMENT FUNCTIONS PERFORMED
Exhibit 2-20	HOURS WORKED PER WEEK
Exhibit 2-21	REPEAT BUSINESS FROM PAST CONSUMERS AND CLIENTS, BY SPECIALTY, 2015
Exhibit 2-22	REPEAT BUSINESS FROM PAST CONSUMERS AND CLIENTS, BY EXPERIENCE, 2015
Exhibit 2-23	BUSINESS THROUGH REFERRALS FROM PAST CONSUMERS AND CLIENTS, BY SPECIALTY, 2015
Exhibit 2-24	BUSINESS THROUGH REFERRALS FROM PAST CONSUMERS AND CLIENTS, BY EXPERIENCE, 2015
Exhibit 2-25	BUSINESS ORIGINATED FROM AN OPEN HOUSE, BY SPECIALTY, 2015
Exhibit 2-26	BUSINESS ORIGINATED FROM AN OPEN HOUSE, BY EXPERIENCE, 2015
Exhibit 2-27	CUSTOMERS AND CLIENTS WHOSE PRIMARY LANGUAGE IS NOT ENGLISH, 2015
Exhibit 2-28	CUSTOMERS AND CLIENTS WHO WERE FOREIGN NATIONALS, 2015
Exhibit 2-29	EXPENDITURES TO MAINTAIN REALTOR® WEBSITE, 2015
Exhibit 2-30	CUSTOMER INQUIRIES GENERATED FROM WEBSITE, 2015
Exhibit 2-31	CUSTOMER INQUIRIES GENERATED FROM WEBSITE BY AMOUNT SPENT TO MAINTAIN, 2015
Exhibit 2-32	BUSINESS GENERATED FROM REALTOR® WEBSITE, 2015
Exhibit 2-33	BUSINESS GENERATED FROM REALTOR® WEBSITE, BY AMOUNT SPENT TO MAINTAIN, 2015

CHAPTER 3: INCOME AND EXPENSES OF REALTORS®

Exhibit 3-1	COMPENSATION STRUCTURES FOR REALTORS®
Exhibit 3-2	COMPENSATION STRUCTURES FOR REALTORS®, BY EXPERIENCE
Exhibit 3-3	COMPENSATION STRUCTURES FOR REALTORS®, BY GROSS PERSONAL INCOME
Exhibit 3-4	TOTAL REAL ESTATE BUSINESS EXPENSES, 2015
Exhibit 3-5	TOTAL REAL ESTATE EXPENSES, BY GROSS PERSONAL INCOME, 2015
Exhibit 3-6	ADMINISTRATIVE EXPENSES, 2015
Exhibit 3-7	AFFINITY/REFERRAL RELATIONSHIP EXPENSES, 2015
Exhibit 3-8	MARKETING OF SERVICES EXPENSES, 2015
Exhibit 3-9	OFFICE LEASE/BUILDING EXPENSES, 2015
Exhibit 3-10	PROFESSIONAL DEVELOPMENT EXPENSES, 2015
Exhibit 3-11	BUSINESS PROMOTION EXPENSES, 2015
Exhibit 3-12	TECHNOLOGY PRODUCTS AND SERVICES EXPENSES, 2015
Exhibit 3-13	BUSINESS USE OF VEHICLE EXPENSES, 2015
Exhibit 3-14	ANNUAL INCOME OF REALTORS®, 2015
Exhibit 3-15	ANNUAL INCOME OF REALTORS®, BY MAIN FUNCTION, 2015
Exhibit 3-16	ANNUAL INCOME OF REALTORS®, BY EXPERIENCE, 2015
Exhibit 3-17	ANNUAL INCOME OF REALTORS®, BY HOURS WORKED, 2015
Exhibit 3-18	BUSINESS CHARACTERISTICS AND ACTIVITY OF REALTORS®, BY GROSS PERSONAL INCOME

CHAPTER 4: OFFICE AND FIRM AFFILIATION OF REALTORS®

Exhibit 4-1	FIRM AFFILIATION, BY LICENSE TYPE AND FUNCTION
Exhibit 4-2	FIRM AFFILIATION, BY SPECIALTY
Exhibit 4-3	REALTOR® AFFILIATION WITH FIRMS
Exhibit 4-4	NUMBER OF OFFICES
Exhibit 4-5	TENURE OF REALTORS® AT THEIR PRESENT FIRM
Exhibit 4-6	BROKER OWNERSHIP INTEREST, 2015
Exhibit 4-7	BENEFITS RECEIVED THROUGH FIRM, FAMILY, OR, PAYS OUT OF POCKET
Exhibit 4-8	WORKED FOR A FIRM THAT WAS BOUGHT OR MERGED
Exhibit 4-9	REALTORS® CHANGING FIRMS DUE TO CONSOLIDATION
Exhibit 4-10	CHANGE IN COMPENSATION RESULTING FROM MERGER

CHAPTER 5: DEMOGRAPHIC CHARACTERISTICS OF REALTORS®

Exhibit 5-1	GENDER OF REALTORS®, BY AGE
Exhibit 5-2	GENDER OF REALTORS®, BY EXPERIENCE
Exhibit 5-3	GENDER OF REALTORS®, BY FUNCTION
Exhibit 5-4	AGE OF REALTORS®, 1999-2016
Exhibit 5-5	AGE OF REALTORS®, BY FUNCTION
Exhibit 5-6	AGE OF REALTORS®, BY REAL ESTATE EXPERIENCE
Exhibit 5-7	FORMAL EDUCATION OF REALTORS®
Exhibit 5-8	PRIOR FULL-TIME CAREERS OF REALTORS®
Exhibit 5-9	PRIOR FULL-TIME CAREER OF REALTORS®, BY REAL ESTATE EXPERIENCE
Exhibit 5-10	REAL ESTATE IS ONLY OCCUPATION
Exhibit 5-11	MARITAL STATUS OF REALTORS®
Exhibit 5-12	SIZE OF REALTOR® HOUSEHOLDS
Exhibit 5-13	RACIAL AND ETHNIC DISTRIBUTION OF REALTORS®, BY REAL ESTATE EXPERIENCE
Exhibit 5-14	RACIAL AND ETHNIC DISTRIBUTION OF REALTORS®, BY AGE
Exhibit 5-15	GROSS HOUSEHOLD INCOME OF REALTORS®, BY REAL ESTATE EXPERIENCE, 2015
Exhibit 5-16	REAL ESTATE IS PRIMARY SOURCE OF INCOME FOR HOUSEHOLD
Exhibit 5-17	HOMEOWNERSHIP OF REALTORS®, BY AGE
Exhibit 5-18	REAL ESTATE INVESTMENTS OF REALTORS®
Exhibit 5-19	VOTING PATTERN OF REALTORS®
Exhibit 5-20	VOLUNTEERS IN COMMUNITY
Exhibit 5-21	LANGUAGE FLUENCY OF REALTORS®
Exhibit 5-22	COUNTRY OF BIRTH OF REALTORS®
Exhibit 5-23	SELF OR SPOUSE/PARTNER IS ACTIVE MILITARY OR VETERAN



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

The Mission of the National Association of REALTORS® Research Division 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 Division, visit www.REALTOR.org/research-and-statistics.

NATIONAL ASSOCIATION OF REALTORS®

Research Division
500 New Jersey Avenue, NW
Washington, DC 20001
202-383-7518
data@realtors.org

