
2012 Member Profile Charlotte Report

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Charlotte Association of REALTORS®

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NATIONAL ASSOCIATION OF REALTORS®

The Voice for Real Estate

2012 Member Profile Charlotte Report

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Introduction

Member Profile

In 2011, the housing market continued to cautiously steady and in some areas of the country saw improvement in sales. Survey data from the *Investment and Vacation Home Buyers Survey* shows while primary residence buyers dipped, the share of investment buyers entering the market rose to 27 percent from 17 percent. Investment buyers entered the market buying distressed properties and often working with a real estate professional to assist in their purchase.

Resonating with a strengthening economy, commercial real estate markets turned the corner. Demand stabilized in 2011 and is expected to grow in 2012 for all property types. In turn, vacancy rates are declining and rents are poised to advance. With rising household formation and tight supply, the apartment sector is especially well positioned for 2012.

For the first time in several years, the median gross income of REALTORS® rose from the previous year. The typical income among members was \$34,900 in 2011 compared to \$34,100 in 2010. The rise in member income is reflective in the increase in business activity, as well. The typical brokerage specialist had 10 transaction sides in 2011 compared to eight transaction sides in 2010. The brokerage sales volume also rose to \$1.3 million in 2011 from \$1.1 million in 2010.

The typical REALTOR® is an independent contractor affiliated with an independent company catering to local markets. Members typically have been with their firm for six years and 72 percent of members do not receive benefits at their firm.

The median age of REALTORS® has steadily increased in recent years from 51 years of age in 2007 to 56 in 2012. The majority of members are women with a college education. 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 5 percent indicated that real estate is their first career.

REALTORS® are embracing new technologies and marketing strategies that buyers are finding useful in their home search process, including websites, blogs, and social media. In addition to membership in the NATIONAL ASSOCIATION of REALTORS®, real estate professionals have other ways of distinguishing themselves, including affiliate memberships, professional designations, and certifications. Many REALTORS® took advantage of each of these opportunities. Short Sales and Foreclosures remains the most popular certification, following a two year trend.

Looking forward, 76 percent of REALTORS® are very certain they will remain in the market for two more years. The share is higher than last year, indicating the optimism that is seen in today's market. Newer members in the business are less certain they will remain in real estate, while more seasoned members are more certain.

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Highlights

Business Characteristics of REALTORS®

Business Characteristics of REALTORS®

- Nationally, fifty-seven percent of REALTORS® were licensed as sales agents, and about eight in ten members specialize in residential brokerage. In Charlotte, 86 percent of members were licensed as brokers with only 9 percent listed as sales agents, and 81 percent specialize in residential brokerage.
- The typical REALTOR® has 11 years of experience nationwide, compared with 10 years in Charlotte .
- Nationally, nearly two-thirds of REALTORS® reported having a website for at least five years, one in ten members reported having a real estate blog, and half of members are using social media. In Charlotte, 70 percent of REALTORS® reported having a website for at least five years, four in 10 members have a real estate blog and a little over half of members in Charlotte report using social media.
- The most commonly found information on websites, among commercial and residential REALTORS®, is the member's own listings. This is true both nationally and in Charlotte.
- Nationally, three-quarters of REALTORS® are certain they will remain in the business for two more years. This is the same for Charlotte, where 75 percent of members report they are very certain they will remain in the business for 2 more years.

Business Activity of REALTORS®

- In 2010, the typical agent nationwide had 10 transactions —higher than the previous year. In Charlotte agents had 8 transactions typically.
- The typical agent had one transaction side involving a foreclosure and one transaction side involving a short sale nationwide. In Charlotte the typical agent had one transaction side involving a foreclosure and none involving a short sale.
- For the third year in a row, the difficulty in obtaining mortgage financing was the most cited reason for potential clients being limited nationally. This also held true in Charlotte , with 32 percent of members citing this as a factor.
- On a national basis, most REALTORS® worked 40 hours per week in 2011, a trend that has continued for several years. This was also the case in Charlotte, as most REALTORS® worked 40 hours per week.
- REALTORS® spent a median of \$250 to maintain a website in 2011 nationwide. REALTORS® in Charlotte spent a median of \$140.
- Nationally, members typically brought in four inquiries and 3 percent of their business from their website. Members in Charlotte typically brought in 4 inquiries and 3 percent of their business from their website.

Income and Expenses of REALTORS®

- On a national basis, percentage split-commission is the prevailing method for REALTOR® compensation, with roughly seven in ten respondents indicating this method of compensation, similar to 2010. In Charlotte, 59 percent of respondents were compensated via this method.

- Nationally the median gross income of REALTORS® was \$34,900 up from \$34,100 in 2010. The median gross income for REALTORS® in Charlotte was \$33,000.
- The median business expenses rose to \$4,520 from \$4,270 in 2010 nationwide. In the state, the typical business expense paid was \$5,870.
- Nationally, the largest single expense category for most REALTORS® was vehicle expenses, which increased to \$1,770 in 2011 from \$1,680 in 2010. In Charlotte the largest single expense category was also vehicle expenses, which was reported as \$1,770 in 2011.

Office and Firm Affiliation of REALTORS®

- Fifty-nine percent of REALTORS® are affiliated with an independent company nationwide. This number was 77 percent in Charlotte.
- On a national level, the typical REALTOR® works at a firm that employs 23 agents and brokers. In Charlotte, the typical REALTOR® works at a firm that employs 21 agents and brokers.
- Nationally, the median tenure for REALTORS® with their current firm is unchanged at six years. Charlotte's median tenure for REALTORS® was five years.
- Seventy-two percent of REALTORS® reported receiving no benefits through their firm nationally. In Charlotte this number was similar at 67 percent.
- Nationally, eleven percent of REALTORS® worked for a firm that was bought or merged in the past two years. Seven percent worked for a firm that was bought or merged in the past two years in Charlotte.

Demographic Characteristics of REALTORS®

- Nationwide, the typical REALTOR® is a 56 year old white female who attended college and is a homeowner. Similarly the typical REALTOR® is 53 in Charlotte.
- On a national level, sixty-one percent of all REALTORS® are female. In Charlotte, 60 percent are female.
- Seventy-six percent of REALTORS® said that real estate was their only occupation, and that number jumps to 84 percent among members with 16 or more years of experience, nationwide. In Charlotte the number of REALTORS® reporting real estate as their only occupation is at 75 percent and at 90 percent for those with 16 or more years of experience.
- Nationally, the median gross income of REALTOR® households was \$94,100 in 2011 up from \$91,700 in 2010. For Charlotte, the median gross income of REALTOR® households is \$97,900 in 2011.
- A substantial majority of REALTORS® - 89 percent - own their primary residence nationwide. Ninety-four percent of REALTORS® own their primary residence in Charlotte.

Methodology

In January 2012, NAR mailed out a question survey to a random sample of 58,823 REALTORS®. An identical questionnaire was also distributed via e-mail to the same members to fill out a Web-based online version if preferred. The Tailored Survey Design Method was used to survey the sample, which includes a mailing of the survey, and a re-mailing of the survey. Members also received an e-mail letting them know they would be receiving a survey, the survey link via e-mail, and two follow-up reminders. Using this method, a total of 6,245 responses were received, including 3,531 via hard copy mail survey and 2,714 via the Web-based survey. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 10.8 percent. Charlotte had 223 responses for a response rate of 11.1 percent.

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 2011, while all other data are representative of member characteristics in early 2012.

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.