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# 2013 Member Profile New Jersey Report

Prepared for:  
New Jersey Association of REALTORS®

Prepared by:  
NATIONAL ASSOCIATION OF REALTORS®  
Research Division

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NATIONAL ASSOCIATION OF REALTORS®

*The Voice for Real Estate®*



# 2013 Member Profile

## New Jersey Report

### Introduction

In 2012, many areas of the country started to see both home sales and prices rebounding. Unlike in past years, however, those markets that still were struggling saw not a shortage of buyers but a shortage of sellers. Inventory dropped from months of supply to just a few weeks in many markets. Survey data from the *Investment and Vacation Home Buyers Survey* show that investment buyers remained high, but many primary home buyers were also coming back into the market. Data from the *Profile of Home Buyers and Sellers* survey showed that both home buyers and home sellers wanted to and did work with a professional real estate agent or 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 illustrates.

For the second year in a row, the median gross income of REALTORS® rose from the previous year. The typical income among members was \$43,500 in 2012, rising from \$34,900 in 2011. The rise in member income is reflective in the increase in business activity, as well. The typical brokerage specialist had 12 transaction sides in 2012 compared to 10 transaction sides in 2011. Members also reported that they typically had one transaction side involving a foreclosure and one transaction side involving a short sale. The brokerage sales volume also rose to \$1.5 million in 2012 from \$1.3 million in 2011. Property managers also managed the most properties on record from this survey, a median of 49 properties each, a reflection of the strong rental market in 2012.

The typical REALTOR® is an independent contractor affiliated with an independent company catering to local markets. Members typically have been with their firm for seven years—a rise from six years in the prior year's survey. While there are new members entering the profession, there is a decline in members leaving the profession, which has increased both the age and the median years of experience of members.

The median age of REALTORS® has steadily increased in recent years from 51 years of age in 2007 to 57 in 2013. 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 6 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 three year trend.

Looking forward, 80 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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## New Jersey Report

### Highlights

#### Business Characteristics of REALTORS®

- Nationally, fifty-six percent of REALTORS® were licensed as sales agents, and eight in ten members specialize in residential brokerage. In New Jersey, 73 percent of members were licensed as sales agents and 81 percent specialize in residential brokerage.
- The typical REALTOR® has 13 years of experience nationwide, compared with 14 years in New Jersey.
- Nationally, 70 percent of REALTORS® reported having a website for at least five years, 12 percent reported having a real estate blog, and 56 percent of members are using social media. In New Jersey, 66 percent of REALTORS® reported having a website for at least five years, 1 in 10 members have a real estate blog and over half of members in New Jersey 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 New Jersey.
- Nationally, eight in ten of REALTORS® are certain they will remain in the business for two more years. This is similar to New Jersey, where 72 percent of members report they are very certain they will remain in the business for 2 more years.

#### Business Activity of REALTORS®

- In 2012, the typical agent nationwide had 12 transactions —higher than the previous year. In New Jersey agents had 7 transactions typically.
- Nationally, 24 percent of residential brokerage specialists had at least one commercial transaction side in the last year.
- The typical agent had one transaction side involving a foreclosure and one transaction side involving a short sale nationwide. Locally this was also true.
- 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 New Jersey, with 23 percent of members citing this as a factor.
- Nationwide, the typical property management specialist managed 49 properties in 2012—the highest number on record in this survey, which is reflective of the strong rental conditions.
- On a national basis, most REALTORS® worked 40 hours per week in 2012, a trend that has continued for several years. This was roughly the case in New Jersey, as most REALTORS® worked 35 hours per week.
- REALTORS® spent a median of \$220 to maintain a website in 2012 nationwide. REALTORS® in New Jersey spent a median of \$190.
- Nationally, members typically brought in four inquiries and 4 percent of their business from their website. Members in New Jersey typically brought in seven inquiries and 4 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. In New Jersey 82 percent of respondents were compensated via this method.
- Nationally the median gross income of REALTORS® was \$43,500 up from \$34,900 in 2011. The median gross income for REALTORS® in New Jersey was \$25,900.
- The median business expenses rose to \$4,900 in 2012 from \$4,520 in 2011 nationwide. In the state, the typical business expense paid was \$3,290.
- Nationally, the largest single expense category for most REALTORS® was vehicle expenses, which increased to \$1,790 in 2012 from \$1,770 in 2011. In New Jersey the largest single expense category was also vehicle expenses, which was reported as \$1,220 in 2012.

### **Office and Firm Affiliation of REALTORS®**

- Fifty-six percent of REALTORS® are affiliated with an independent company nationwide. This number was 52 percent in New Jersey.
- On a national level, the typical REALTOR® works at a firm that employs 23 agents and brokers. In New Jersey, the typical REALTOR® works at a firm that employs 38 agents and brokers.
- Nationally, the median tenure for REALTORS® with their current firm is seven years. New Jersey's median tenure for REALTORS® was nine years.
- Nationally, ten percent of REALTORS® worked for a firm that was bought or merged in the past two years. Sixteen percent worked for a firm that was bought or merged in the past two years in New Jersey.

### **Demographic Characteristics of REALTORS®**

- Nationwide, the typical REALTOR® is a 57 year old white female who attended college and is a homeowner. Similarly the typical REALTOR® is 60 in New Jersey.
- On a national level, 57 percent of all REALTORS® are female nationwide. In New Jersey, 68 percent are female.
- Seventy-seven percent of REALTORS® said that real estate was their only occupation, and that number jumps to 83 percent among members with 16 or more years of experience, nationwide. In New Jersey the number of REALTORS® reporting real estate as their only occupation is at 76 percent and at 83 percent for those with 16 or more years of experience.
- Nationally, the median gross income of REALTOR® households was \$99,400 in 2012 up from \$94,100 in 2011. For New Jersey, the median gross income of REALTOR® households is \$99,600 in 2012.
- A substantial majority of REALTORS® - 87 percent - own their primary residence nationwide. Ninety percent of REALTORS® own their primary residence in New Jersey.

## Methodology

In January 2013, NAR mailed out a question survey to a random sample of 58,068 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. Using this method, a total of 4,883 responses were received, including 3,171 via hard copy mail survey and 1,712 via the Web-based survey. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 8.4 percent. New Jersey had 284 responses for a response rate of 6.9 percent.

Survey responses were weighted to be representative of state-level NAR membership. Information about compensation, earnings, sales volume and number of transactions is characteristic 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 is placed 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.