
2018 Member Profile New Jersey Association of REALTORS® Report

Prepared for:
New Jersey Association of REALTORS®

Prepared by:
NATIONAL ASSOCIATION OF REALTORS®
Research Division

August 2018



NATIONAL ASSOCIATION OF REALTORS®

The Voice for Real Estate®

2018 Member Profile New Jersey Report

Table of Contents

Introduction 2
Highlights 3
Methodology.....7

Report Prepared by:	Jessica Lautz 202-383-1155	Brandi Snowden 202-383-1048	Amanda Riggs 202-383-1285	Brian Horowitz 202-383-1104
------------------------	-------------------------------	--------------------------------	------------------------------	--------------------------------

2018 Member Profile

New Jersey Report

Introduction

In 2018, there was a continued rise in new members of the National Association of REALTORS®, increasing from 1.22 million in March 2017 to 1.30 million in April 2018. This is apparent in the data; those who have less than two years of experience was 29 percent in 2018, an increase from 17 percent 2015. The median years of experience in real estate was 10 years. Additionally, tenure at firm was a median of four years again this year.

The median age of REALTORS® was 54 in the 2018 survey, slightly up from the last two years at 53. The median age held steady between 56 and 57 from 2011 to 2015. The drop in age may be attributed both to members retiring and to new younger entrants to the business. This year, 33 percent are over 60 years old and five percent are less than 30, slightly up from last year. Thirteen percent of members (up from 12 percent) who have two years or less experience are under 30 years of age.

Limited inventory continues to plague many housing markets in the U.S. For the fifth year in a row, the difficulty finding the right property has surpassed the difficulty in obtaining mortgage financing as the most cited reason limiting potential clients. Impacted by limited inventory, the typical number of transactions decreased slightly from 12 transactions in 2016 to 11 transactions in 2017. Despite rising home prices again in 2017, the median brokerage sales volume decreased to \$1.8 million in 2017 from \$1.9 million in 2016.

The median gross income of REALTORS® was \$39,800 in 2017, an increase from \$42,500 in 2016. New members entering the field can be seen with the differences in income by experience, function, and hours worked per week. Sixty percent of members (up from 56 percent of members) who have two years or less experience made less than \$10,000 in 2017 compared to 40 percent of members with more than 16 years of experience who made more than \$100,000 in the same time period.

REALTORS® with 16 years or more experience had a median gross income of \$78,850—up from \$73,400 in 2015—compared to REALTORS® with 2 years or less experience that had a median gross income of \$8,330—a slight decrease from \$8,930.

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 homeowners with a college education.

Looking ahead, 80 percent of REALTORS® are very certain they will remain in the market for two more years.

2018 Member Profile

New Jersey Report

Highlights

Business Characteristics of REALTORS®

- Sixty-five percent of REALTORS® are licensed sales agents, 21 percent hold broker licenses, and 15 percent hold broker associate licenses. In New Jersey, 80 percent of members were licensed sales agents and 71 percent specialize in residential brokerage.
- The typical REALTOR® has 10 years of experience. The same is true in New Jersey.
- Twelve percent of members have at least one personal assistant. In New Jersey, 9 percent operate with at least one assistant.
- Fifty-one percent of REALTORS® reported having a website for at least five years, nine percent reported having a real estate blog, and 71 percent of members are on Facebook and 59 percent on LinkedIn for professional use. In New Jersey, 52 percent of REALTORS® reported having a website for at least five years, 4 percent of members have a real estate blog, and 67 percent of members are on Facebook and 61 percent on LinkedIn for professional use.
- The most common information found on REALTOR® websites, among all REALTORS®, is the member's own listings, home buying, and selling information. The same is true in New Jersey.
- Eighty percent of REALTORS® are very certain they will remain active as a real estate professional for two more years. In New Jersey, 74 percent of members report they are certain they will remain active for two more years.

Business Activity of REALTORS®

- In 2017, the typical agent had 11 transactions, which is down from 12 transactions in 2016. In New Jersey, agents had 10 transactions typically.
- Twenty-two percent of all REALTORS® had a transaction involving a foreclosure and 13 percent had a transaction involving a short sale. In New Jersey, 34 percent of all REALTORS® had a transaction involving a foreclosure and 24 percent had a short sale.
- The median sales volume for brokerage specialists decreased to \$1.8 million in 2017 from \$1.9 million in 2016. In New Jersey, the typical sales volume was \$2.3 million in 2017.
- For the fifth year in a row, the difficulty finding the right property has surpassed the difficulty in obtaining mortgage financing as the most cited reason limiting potential clients. In New Jersey, this was also the most cited reason.
- The typical property manager managed 35 properties in 2017, down from 42 properties in 2016. In New Jersey, the typical property manager managed 8 properties.
- Most REALTORS® worked 40 hours per week in 2017, a trend that has continued for several years. This was also the case in New Jersey at 35 hours per week.
- The typical REALTOR® earned 12 percent of their business from repeat clients and customers and 17 percent through referrals from past clients and customers.

In New Jersey, 12 percent of business came from repeat business and 18 percent through referrals from past clients.

- REALTORS® spent a median of \$70 to maintain a website again in 2017. REALTORS® in New Jersey spent a median of \$60.
- Members typically brought in zero inquiries and zero percent of their business from their website. Members in New Jersey typically brought in zero inquiries and zero percent of their business from their website.

Income and Expenses of REALTORS®

- In 2017, 35 percent of REALTORS® were compensated under a fixed commission split (under 100%), follow by 25 percent with a graduated commission split (increases with productivity). In New Jersey, 43 percent of respondents were compensated under a fixed commission split (under 100%).
- The median gross income of REALTORS® was \$39,800 in 2017, a decrease from \$42,500 in 2016. The median gross income for REALTORS® in New Jersey was \$31,670.
- REALTORS® with 16 years or more experience had a median gross income of \$78,800—down from \$78,850 in 2016—compared to REALTORS® with 2 years or less experience that had a median gross income of \$8,330—a decrease from \$8,930. In New Jersey, members with 16 or more years of experience had a median gross income of \$75,000 and those with less than two years had an income of \$8,200.
- The median business expenses were \$4,580 in 2017, a decrease from \$6,000 in 2016. In New Jersey, the typical business expenses were \$3,380.
- The largest expense category for most REALTORS® was vehicle expenses, similar to last year, which decreased to \$1,310 in 2017 from \$1,380 in 2016. In New Jersey, the largest single expense category was business promotion expenses at \$1,130 in 2017.

Office and Firm Affiliation of REALTORS®

- Fifty-three percent of REALTORS® are affiliated with an independent company. This number was 40 percent of members in New Jersey.
- Nearly nine in ten 10 members are independent contractors at their firms. That number is also 90 percent for New Jersey.
- The median tenure for REALTORS® with their current firm was four years again in 2017. The median tenure for New Jersey members was five years.
- Nine percent of REALTORS® worked for a firm that was bought or merged in the past two years. In New Jersey, this number was also nine percent.

Demographic Characteristics of REALTORS®

- The typical REALTOR® is 54 years old and 63 percent of all REALTORS® are female. The typical REALTOR® is 56 in New Jersey and 67 percent are female.
- Sixteen percent of REALTORS® had a previous career in management, business, or finance and 16 percent in sales or retail. Only five percent of REALTORS® reported real estate was their first career. In New Jersey, 19 percent had a previous career management, business, or the financial sector, and 19 percent in sales or retail. Four percent in New Jersey also reported real estate was their first career.

- Seventy-two percent of REALTORS® said that real estate was their only occupation, and that number jumps to 82 percent among members with 16 or more years of experience. Sixty-nine percent in New Jersey reported real estate was their only occupation.
- The median gross income of REALTOR® households was \$110,800 in 2017—a decrease from \$111,400 in 2016. For New Jersey, the median gross income of REALTOR® households was \$113,000 in 2017.
- The majority of REALTORS®—83 percent—own their primary residence. Seventy-nine percent of REALTORS® own their primary residence in New Jersey.

Methodology

In March 2018, NAR e-mailed a 96-question survey to a random sample of 200,964 REALTORS®. Using this method, a total of 12,495 responses were received. The survey had an adjusted response rate of 6.2 percent. The confidence interval at a 95 percent level of confidence is +/- 0.87 percent based on a population of 1.3 million members. In New Jersey, a random sample of 9,145 members were sent the survey, 586 members took the survey. New Jersey had a response rate of 6.4 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 2017, while all other data are representative of member characteristics in early 2018.

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.