
2020 Member Profile New York State Association of REALTORS® Report

Prepared for:
New York State Association of REALTORS®

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2020 Member Profile New York Report

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2020 Member Profile New York Report

Introduction

The *2020 Member Profile* is being released during an unprecedented time globally. While currently the world is undergoing transformation from the coronavirus, real estate is changing and evolving. REALTORS® quickly pivoted adapting their business practices and interactions with clients. However, the survey research that was conducted for this report was conducted before the virus was impacting real estate. Regardless of the timeframe, the real estate industry remains a dynamic industry full of entrepreneurs.

Real estate has a constant churn as many seek to enter the industry annually, but many jump out realizing this was not the career path for them. In 2019, the rise in new members the National Association of REALTORS® witnessed in the last several years has largely leveled out. While membership grew from 1.23 million in 2016 to 1.36 in 2018, as of June 2020 membership has remained steady at 1.40 million.

However, there is a constant churn of about 15 percent of members annually. The median years of experience in real estate increased to nine years from eight in last year's report. Those with two years or less experience decreased to 24 percent from 27 percent. While those with 25 years or more experience increased to 17 percent from 15 percent. Despite the churn, looking forward, 80 percent of REALTORS® are very certain they will remain in the market for two more years.

Limited inventory continues to plague many housing markets in the U.S. For the seventh year in a row, the difficulty finding the right property has been the most cited reason limiting potential clients. Impacted by limited inventory, the typical number of transactions was 12 in 2019, an increase from the previous year. With rising home prices in 2019, sales volume increased from \$1.9 million to \$2.3 million in 2019. Data from the *Profile of Home Buyers and Sellers* shows that recent buyers rely on agents not only to purchase an existing home, but 62 percent of buyers of newly built home use agents to represent them—new homes typically come at a higher price point, which has further risen the sales volume of members.

The median gross income of REALTORS® was \$49,700 in 2019 up from \$41,800 in 2018. New members entering the field can be seen with the differences in income by experience, function, and hours worked per week. Fifty-six percent of members who have two years or less experience made less than \$10,000 in 2019 compared to 41 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 \$86,500— compared to REALTORS® with 2 years or less experience that had a median gross income of \$8,900.

The typical member was 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 were women homeowners with a college education. The share of women in the industry continues to rise and is now at 64 percent—up from 57 percent in 2010. The median age of REALTORS® was 55 in the 2019 survey, the same as last year.

As the industry continues to evolve, this year's report contains a new chapter that is devoted to technology. While there are older technologies that are embraced on a daily basis such as e-mail, social media, and GPS there are also new emerging technologies such as Photofy and the use of drones. The majority of members have their own website where they promote their own property listings, but many also post information about the buying and selling process to help consumers who may just be in the research part of the process.

2020 Member Profile

New York Report

Highlights

Business Characteristics of REALTORS®

- Sixty-five percent of REALTORS® were licensed sales agents, 22 percent held broker licenses, and 15 percent held broker associate licenses. In New York, 61 percent of REALTORS® were licensed sales agents, 24 percent held broker associate licenses, and 16 percent held broker licenses.
- The typical REALTOR® had nine years of experience, up from eight last year. In New York, the typical REALTOR® also had nine years of experience.
- Sixteen percent of members had at least one personal assistant. In New York, 17 percent operate with at least one assistant.
- Eighty percent of REALTORS® were very certain they would remain active as a real estate professional for two more years. In New York, 83 percent of members report they are certain they will remain active for two more years.

Business Activity of REALTORS®

- In 2019, the typical agent had 12 transactions, up from 11 transactions in the 2018 report. In New York, agents also had 12 transactions typically.
- The median sales volume for brokerage specialists increased to \$2.3 million in 2019 from \$1.9 million in 2018. In New York, the typical sales volume was \$1.9 million in 2019.
- For the seventh year in a row, difficulty finding the right property surpassed difficulty in obtaining mortgage financing as the most cited reason limiting potential clients. In New York, difficulty finding the right property was also the most cited reason.
- The typical property manager managed 35 properties in 2019, down from 47 properties in 2018. In New York, the typical property manager managed only three properties.
- Most REALTORS® worked 36 hours per week in 2018, up slightly from 35 hours last year. In New York, most REALTORS® worked 35 hours per week.
- The typical REALTOR® earned 15 percent of their business from repeat clients and customers and 20 percent through referrals from past clients and customers. In New York, 14 percent of business came from repeat business and 19 percent through referrals from past clients.

Income and Expenses of REALTORS®

- In 2019, 37 percent of REALTORS® were compensated under a fixed commission split (under 100 percent), followed by 22 percent with a graduated commission split (increases with productivity). In New York, 41 percent of respondents were compensated under a fixed commission split (under 100%).

- The median gross income of REALTORS® was \$49,700 in 2019, an increase from \$41,800 in 2018. The median gross income for REALTORS® in New York was \$40,630.
- REALTORS® with 16 years or more experience had a median gross income of \$86,500—up from \$71,000 in 2018— compared to REALTORS® with two years or less experience that had a median gross income of \$8,900—a slight decrease from \$9,300. In New York, members with 16 or more years of experience had a median gross income of \$84,700 and those with less than two years had an income of \$7,100.
- The median business expenses were \$6,290, up from \$4,600 in 2018. In New York, the typical business expenses were \$4,550.
- The largest expense category for most REALTORS® remains vehicle expenses, which was similar to last year at \$1,400. In New York, the largest single expense category was also vehicle expenses, which was \$1,460.
- REALTORS® spent a median of \$70 to maintain a website in 2019, compared to \$65 in 2018. REALTORS® in New York spent a median of \$20 to maintain a website.

Office and Firm Affiliation of REALTORS®

- Fifty-two percent of REALTORS® were affiliated with an independent company. This number was 54 percent of members in New York.
- Eighty-seven percent of members were independent contractors at their firms. In New York, that share is also 87 percent.
- The median tenure for REALTORS® with their current firm was four years again, the same as last year. The median tenure for New York members was five years.
- Ten percent of REALTORS® worked for a firm that was bought or merged in the past two years. In New York, this number was 12 percent.

Technology and REALTORS®

- Fifty-five percent of REALTORS® reported having a website for at least five years, and have had a website for a median of five years. In New York, 52 percent of REALTORS® reported having a website for at least five years, with a median of five years.
- Seventy-six percent of members were on Facebook and 60 percent on LinkedIn for professional use. In New York, 76 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®, was the member's own listings and home buying and selling information. In New York, the most commonly found information was the member's own listings, followed by a link to their firm's website.

Demographic Characteristics of REALTORS®

- The typical REALTOR® was a 55-year-old white female who attended college and was a homeowner. The typical REALTOR® in New York was 54 years old and 68 percent attended college.

- Sixty-four percent of all REALTORS® were female, down from 67 percent last year. In New York, 60 percent of members were female.
- Seventeen percent of REALTORS® had a previous career in management, business, or finance, and 17 percent in sales or retail. Only five percent of REALTORS® reported real estate was their first career. In New York, 21 percent had a previous career in management, business, or the financial sector, and 12 percent in sales or retail. Three percent in New York reported real estate was their first career.
- Seventy-three percent of REALTORS® said that real estate was their only occupation, and that number jumped to 84 percent among members with 16 or more years of experience. Seventy percent in New York reported real estate was their only occupation.
- The majority of REALTORS®—83 percent—own their primary residence. Eighty percent of REALTORS® own their primary residence in New York.

Methodology

In March 2020, NAR e-mailed a 93-question survey to a random sample of 169,038 REALTORS®. Using this method, a total of 12,464 responses were received. The survey had an adjusted response rate of 7.4 percent. The confidence interval at a 95 percent level of confidence is +/- 0.87 percent based on a population of 1.4 million members. In New York a random sample of 10,216 members were sent the survey, 279 members took the survey. New York had a response rate of 2.7 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 2019, while all other data are representative of member characteristics in early 2020.

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.