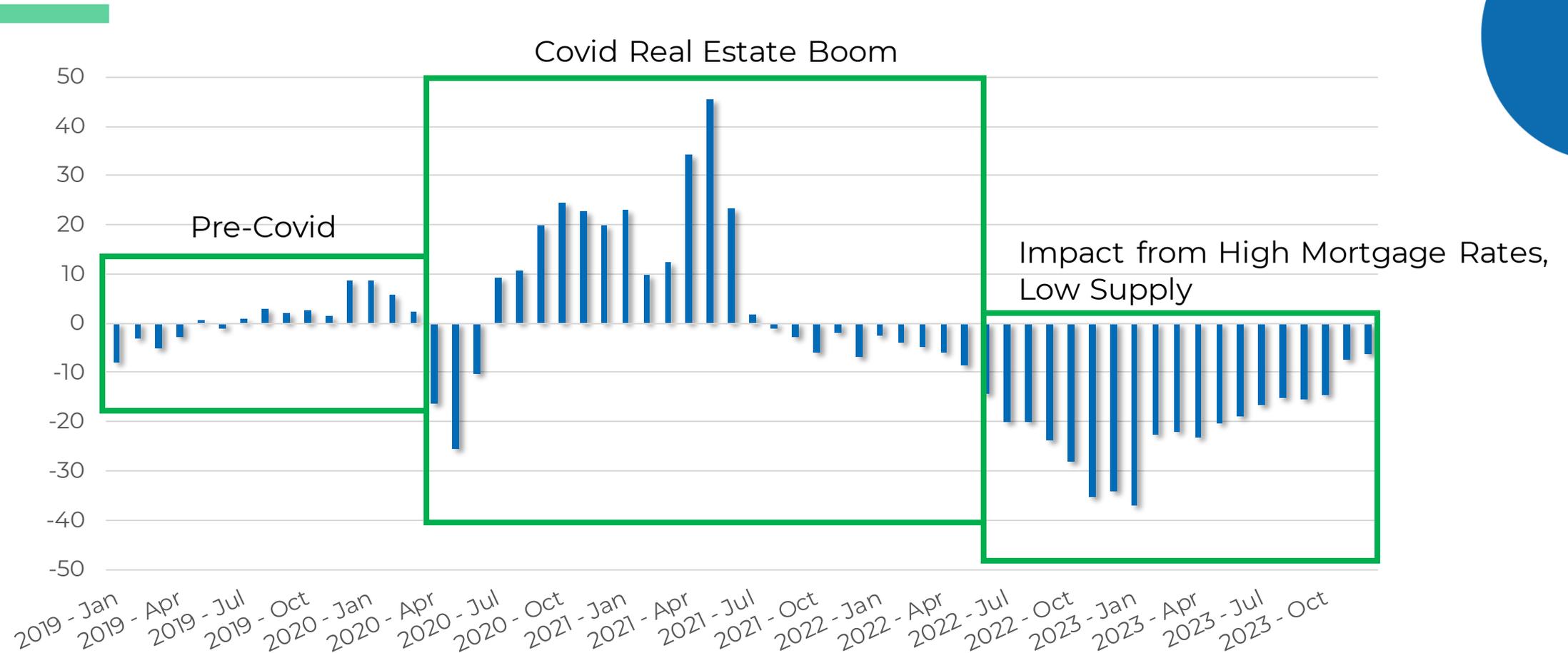


Today's Real Estate Firms

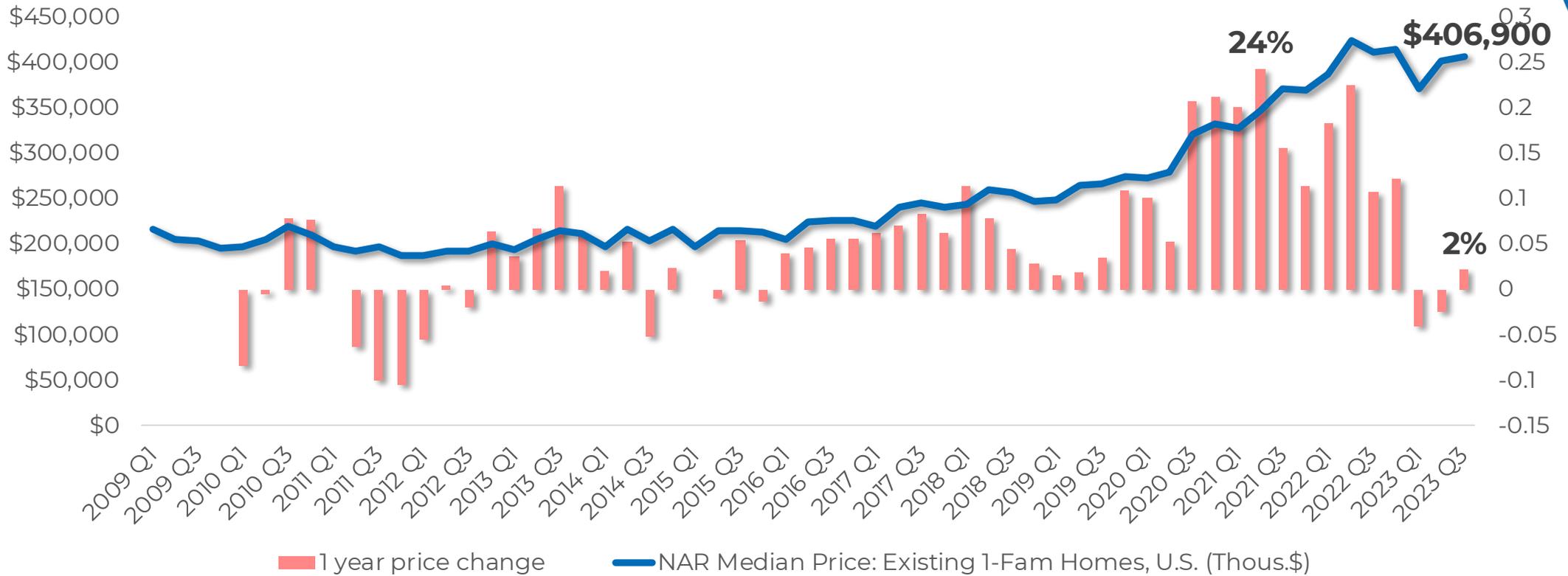
Matt Christopherson
January 31, 2024

Current Market

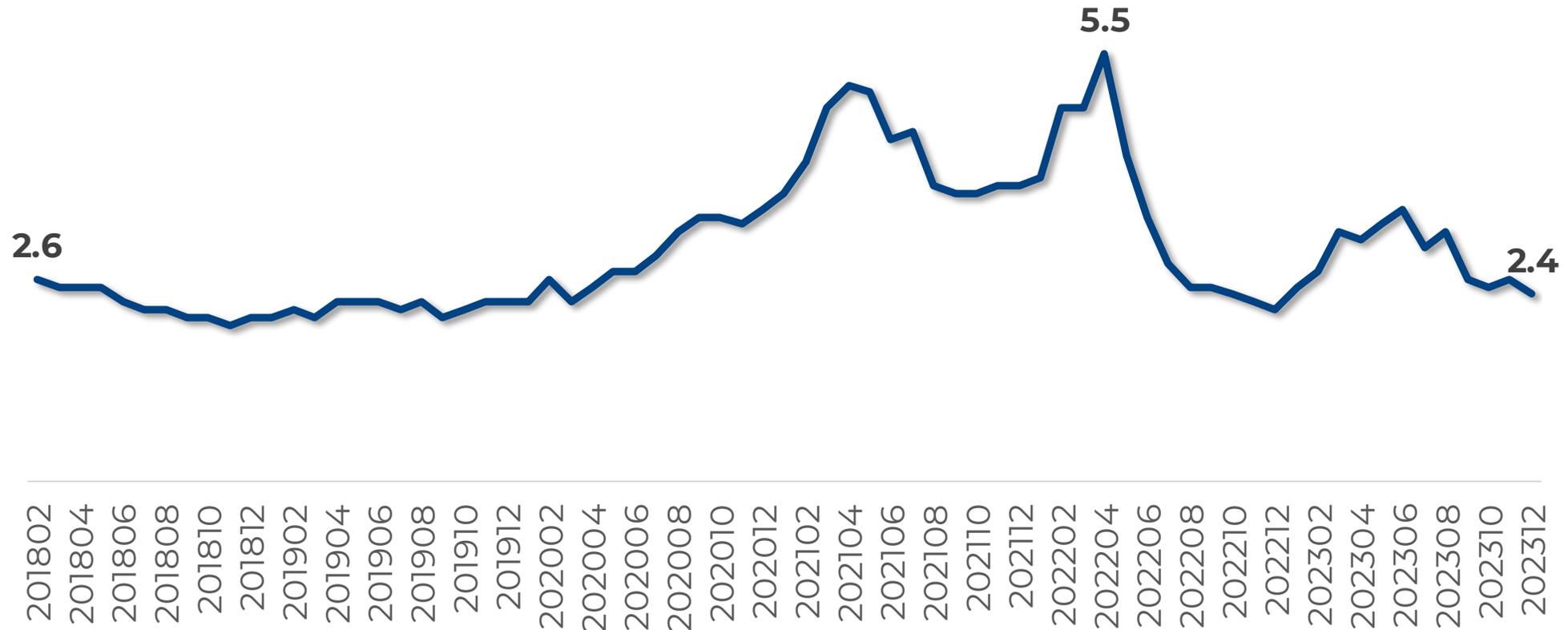
Existing Home Sales YoY Percent Change



Median Existing-Home Sales Price



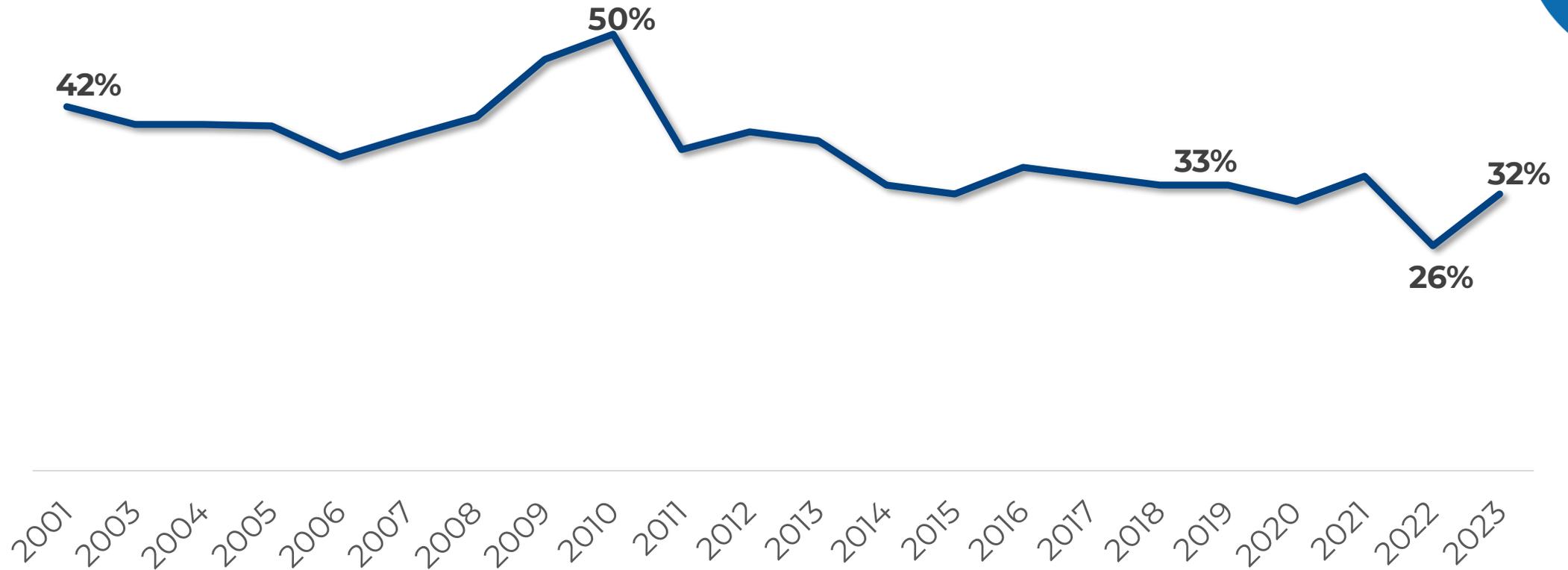
Average Number of Offers Received on Most Recent Sale



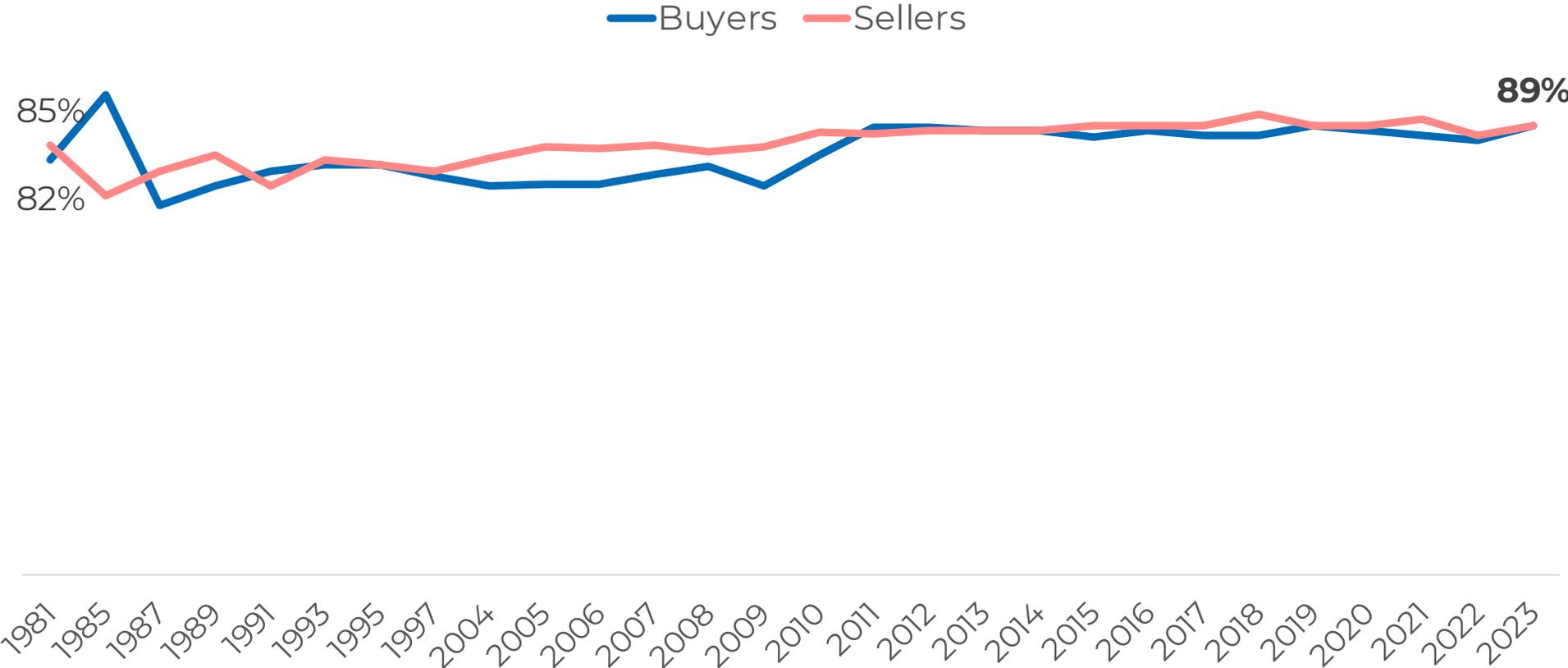
All-Cash Buyers Remain Prominent



First-Time Buyers are Historically Low



Agents' Role Remains Essential



Research Priority



**1.56M
Members**

(December 2023)



**2023 Member
Profile**

60-year-old, college-educated Female
with 11 years of RE experience.



**100k+ Real
Estate Firms**

Varying markets, sizes, specialties,
priorities, and more.



**2023 Profile of
Real Estate
Firms**

2023 Profile of Real Estate Firms

National Association of REALTORS®
Research Group



2023 Profile of Real Estate Firms

- Online survey, July 2023
- Sent to Brokers of Record to provide Firm-wide responses
- 5,889 respondents
 - Margin of error ± 1.27 percent
- Characteristics, business activity, tools & benefits, and future outlook



Brokers of Record in Real Estate



1

Brokers of Record

A licensed real estate broker responsible for one or more licensed real estate agents involved in representing a buyer or seller in real estate transactions.

2

1.57M Members

As of August 2023.

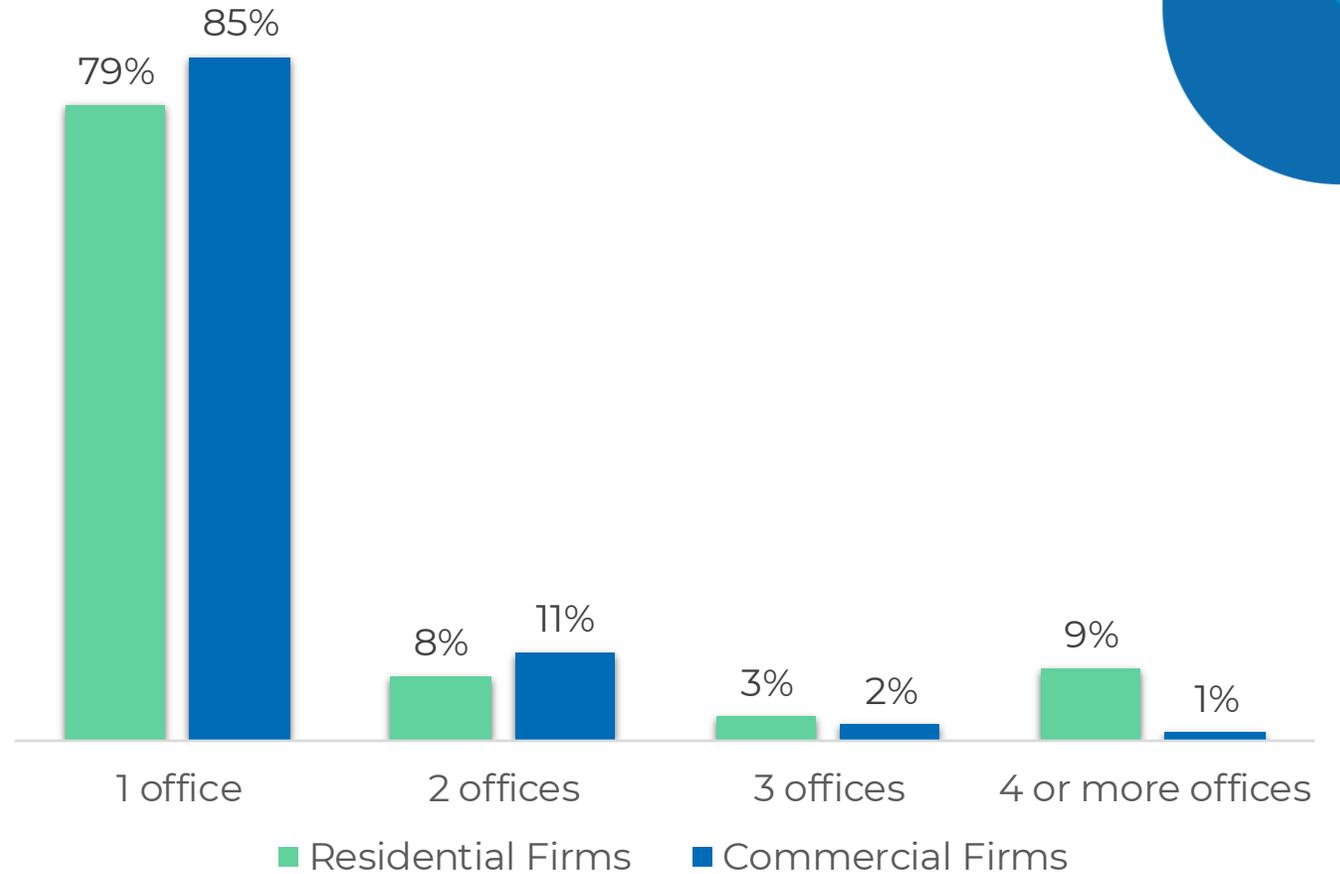
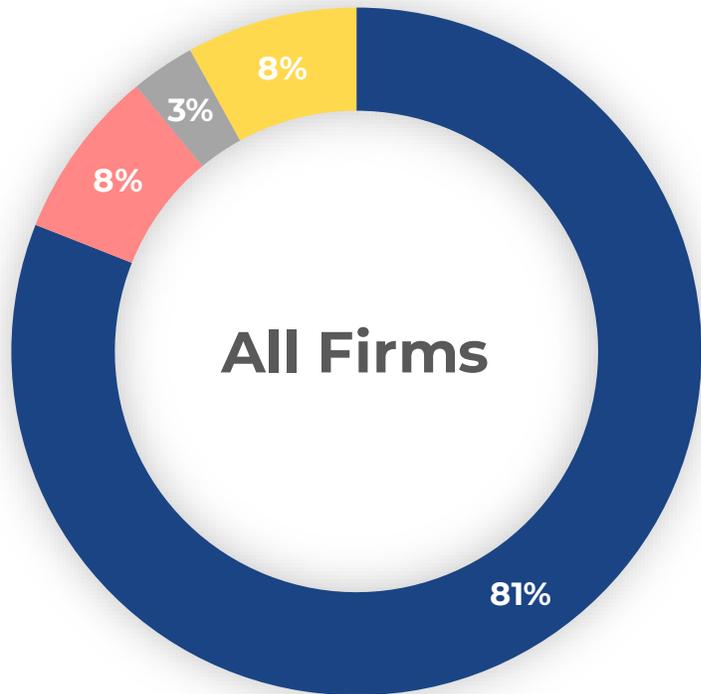
3

12.9%

201,555 self-designated Brokers of Record, equating to 12.9% of total NAR membership.

Firm Characteristics

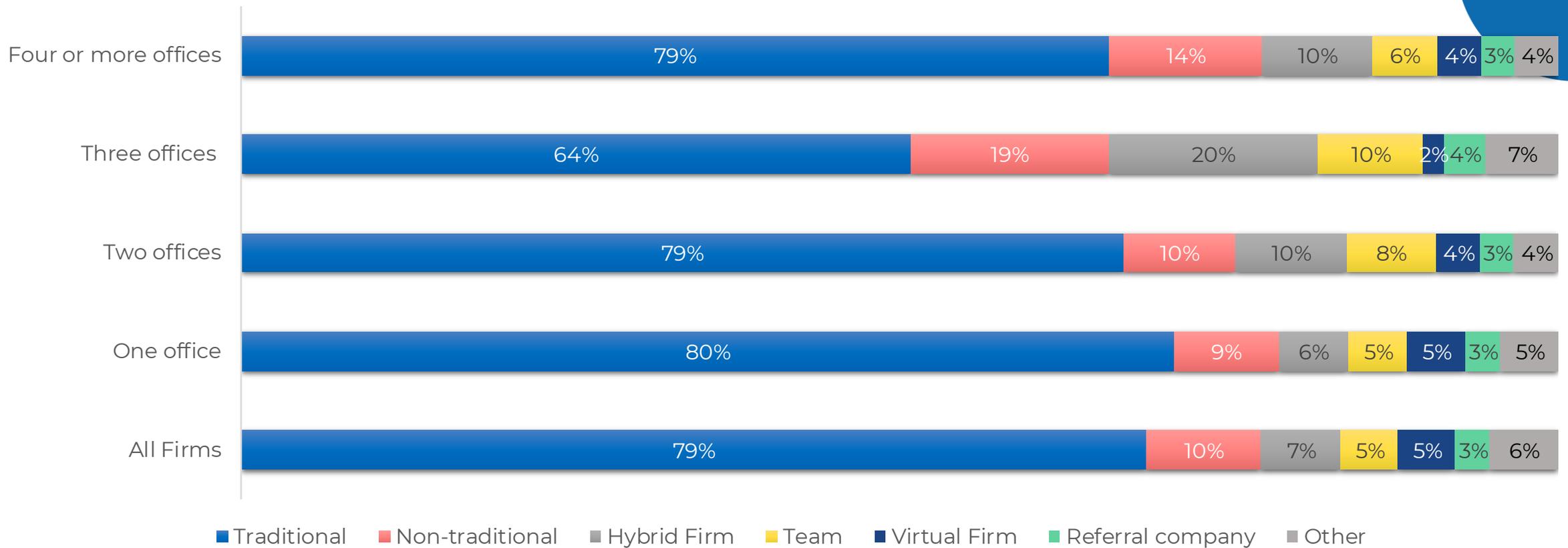
Number of Offices



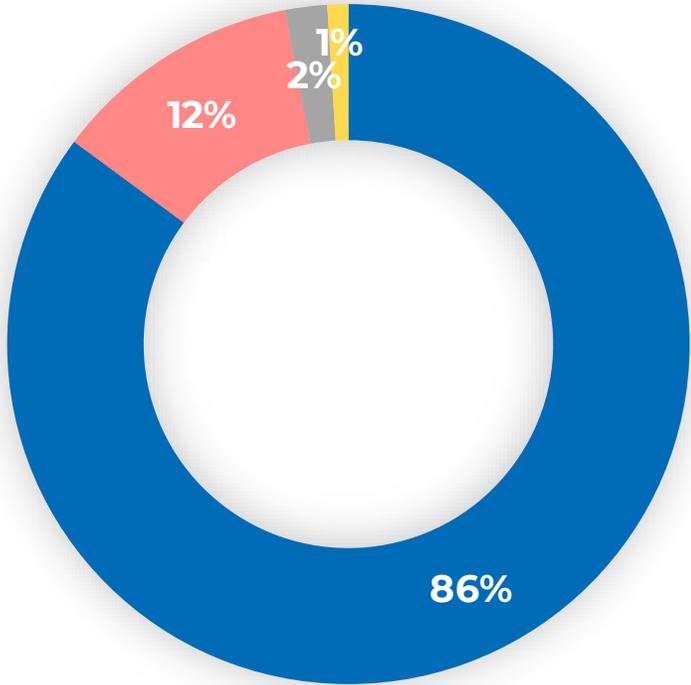
■ 1 office ■ 2 offices ■ 3 offices ■ 4 or more offices

■ Residential Firms ■ Commercial Firms

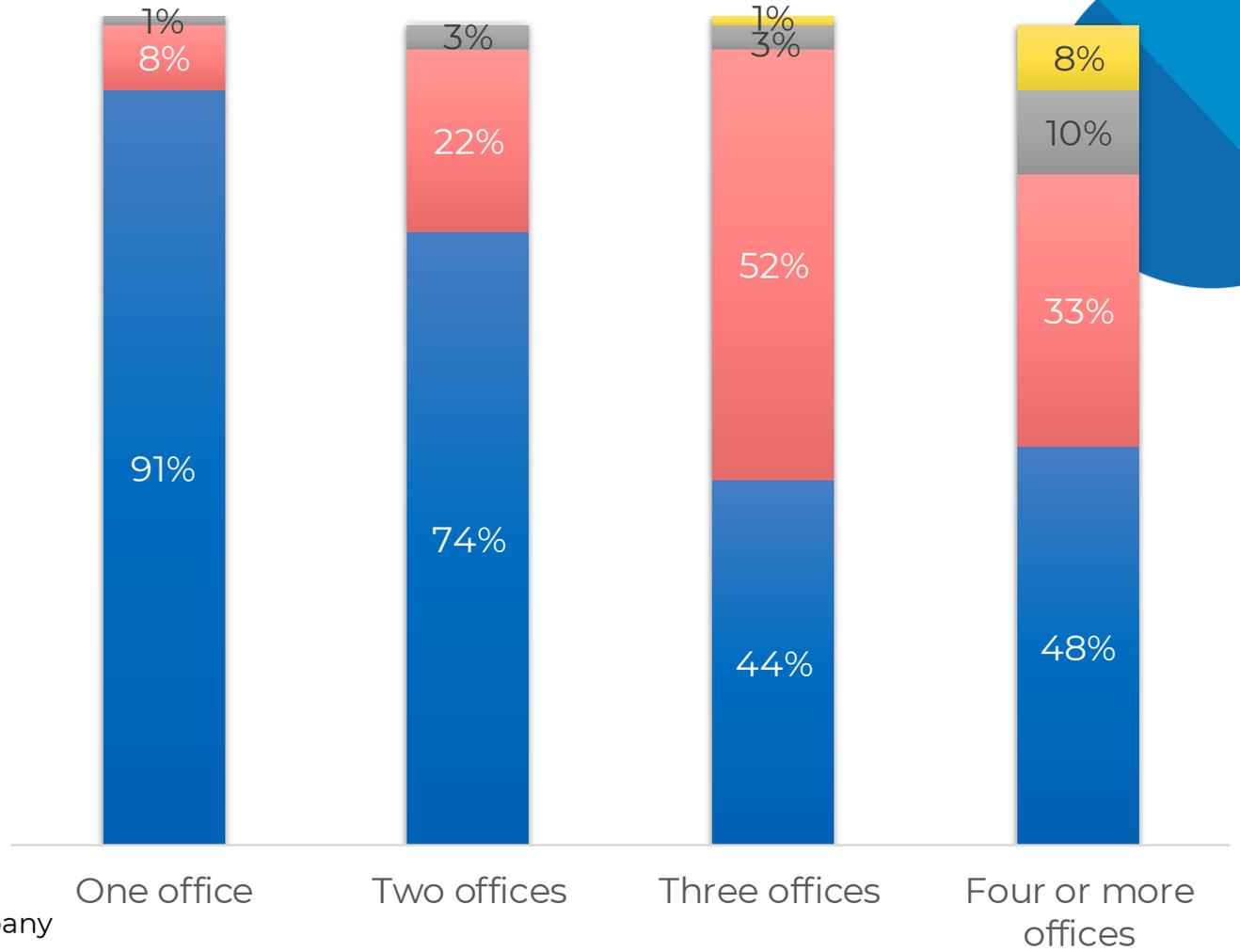
Brokerage Type



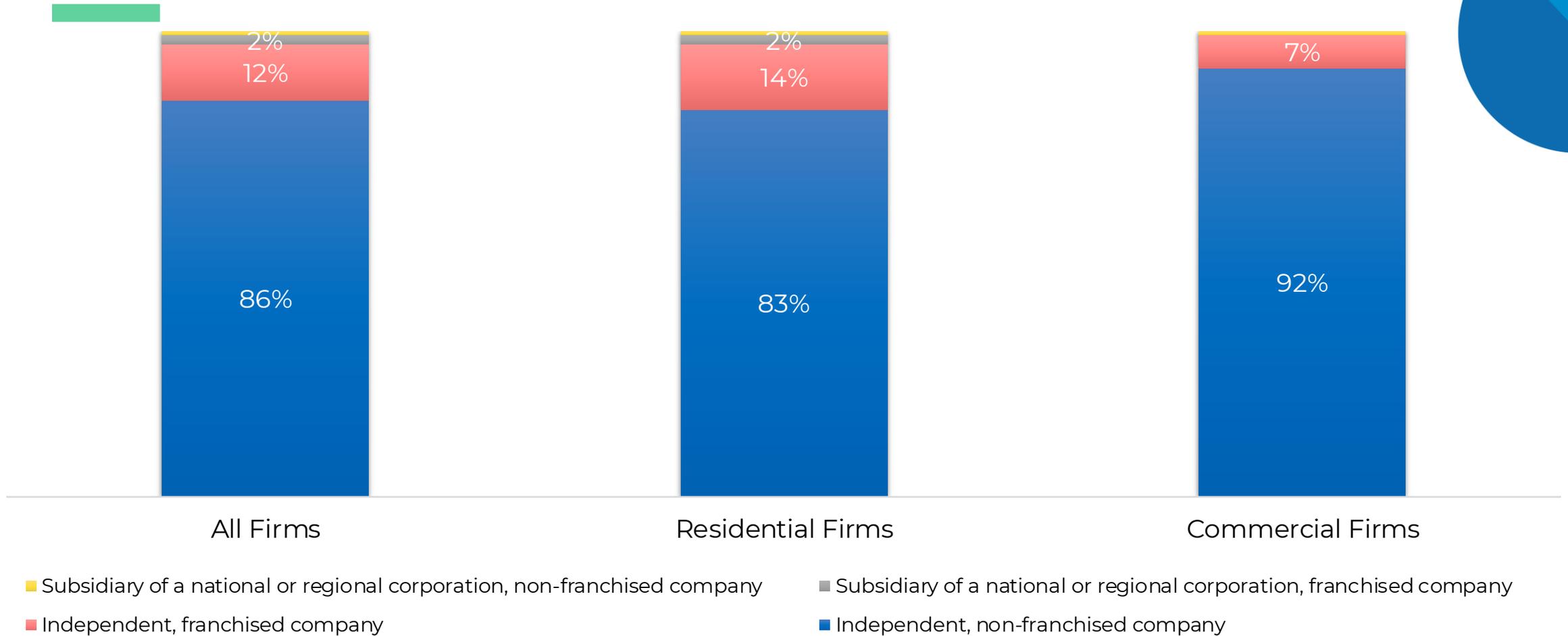
Firm Type



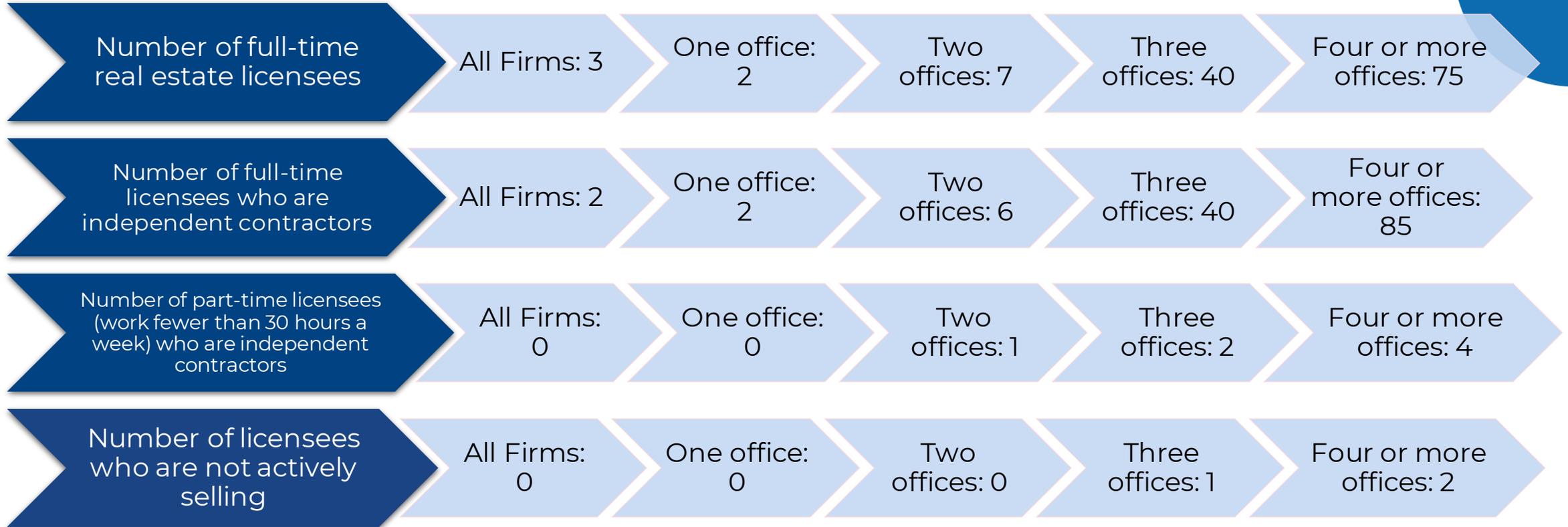
- Independent, non-franchised company
- Independent, franchised company
- Subsidiary of a national or regional corporation, franchised company
- Subsidiary of a national or regional corporation, non-franchised company



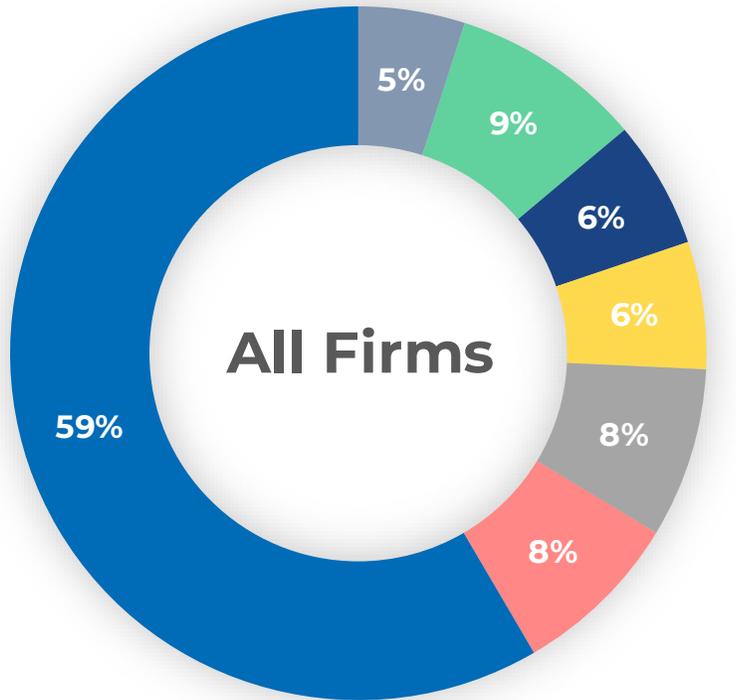
Firm Type, Residential vs. Commercial



Staff at Firms

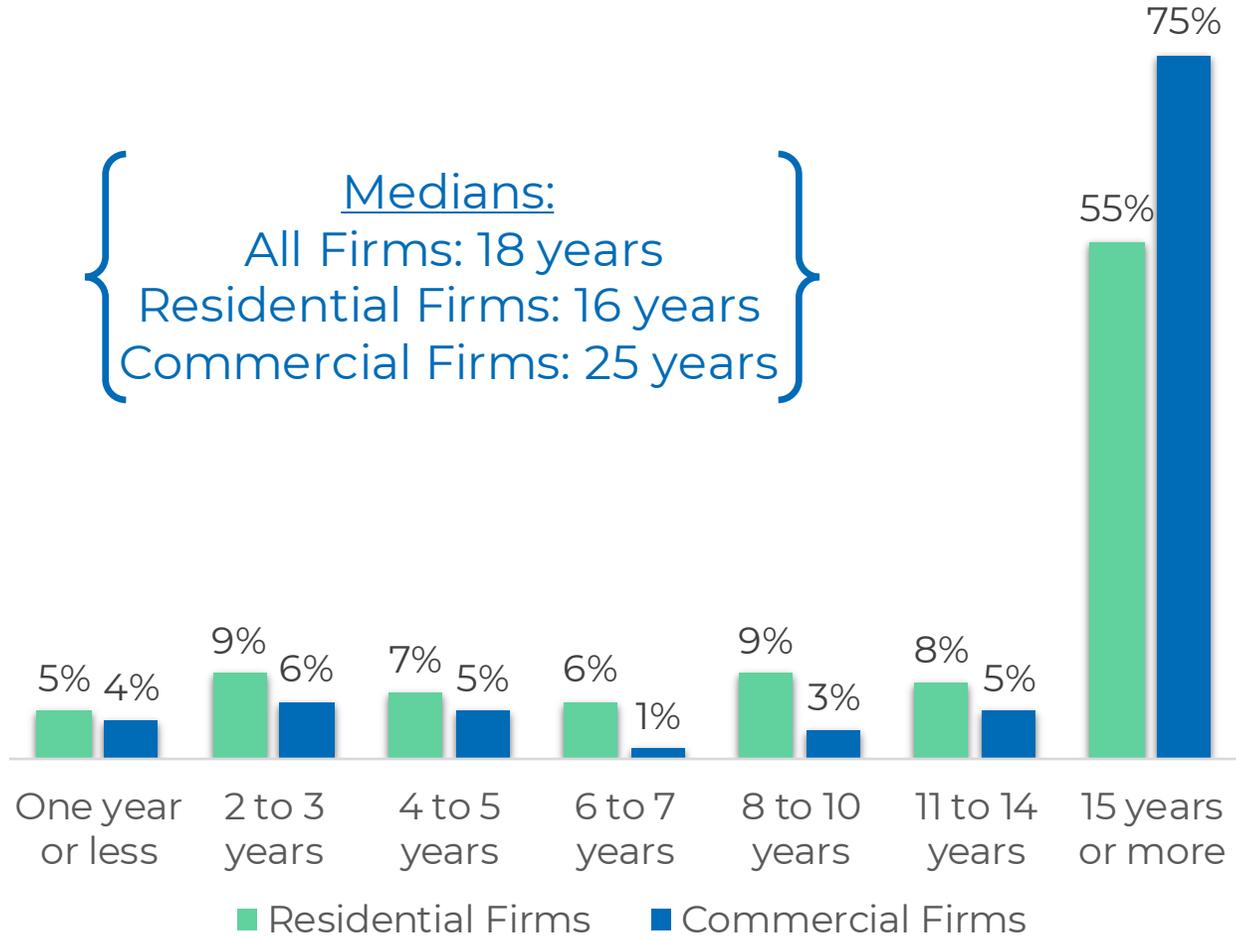


Years in Real Estate



- One year or less ■ 2 to 3 years ■ 4 to 5 years
- 6 to 7 years ■ 8 to 10 years ■ 11 to 14 years
- 15 years or more

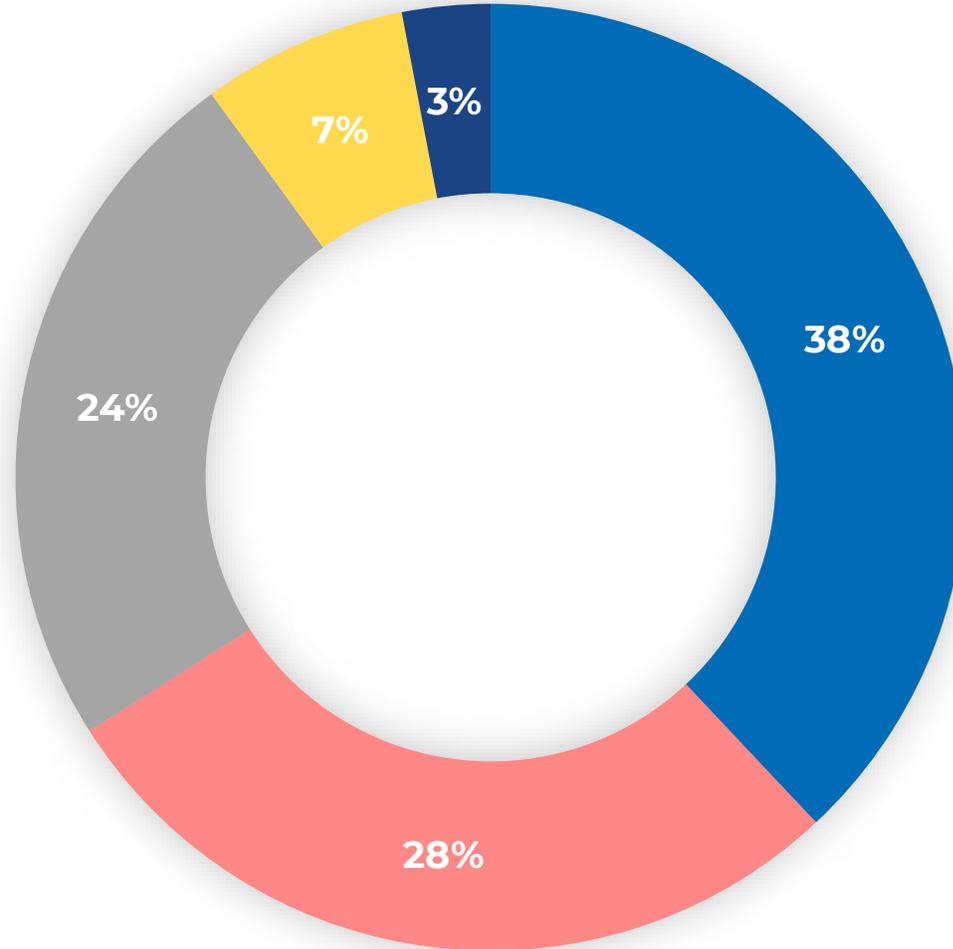
Medians:
 All Firms: 18 years
 Residential Firms: 16 years
 Commercial Firms: 25 years



Legal Organization

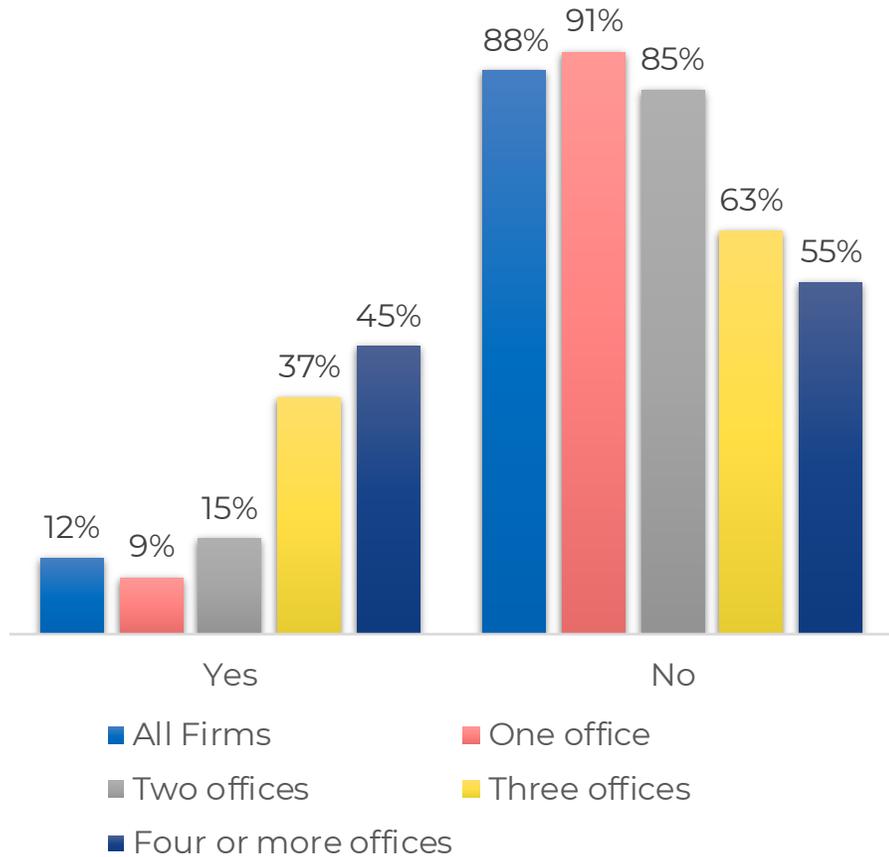
All Firms

- LLC
- S-Corp
- Sole proprietorship
- C-Corp
- Partnership

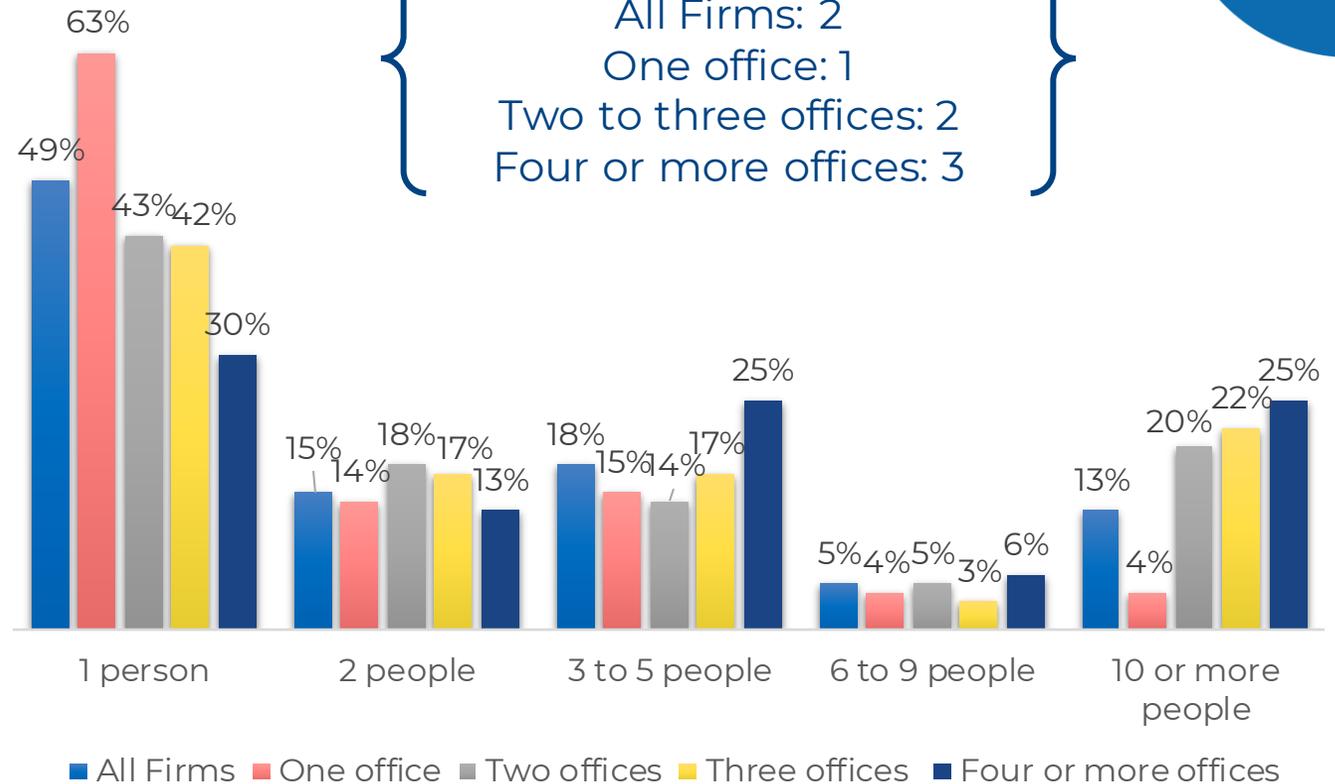


[2023 Profile of Real Estate Firms](#)

Firm Has Referral Department



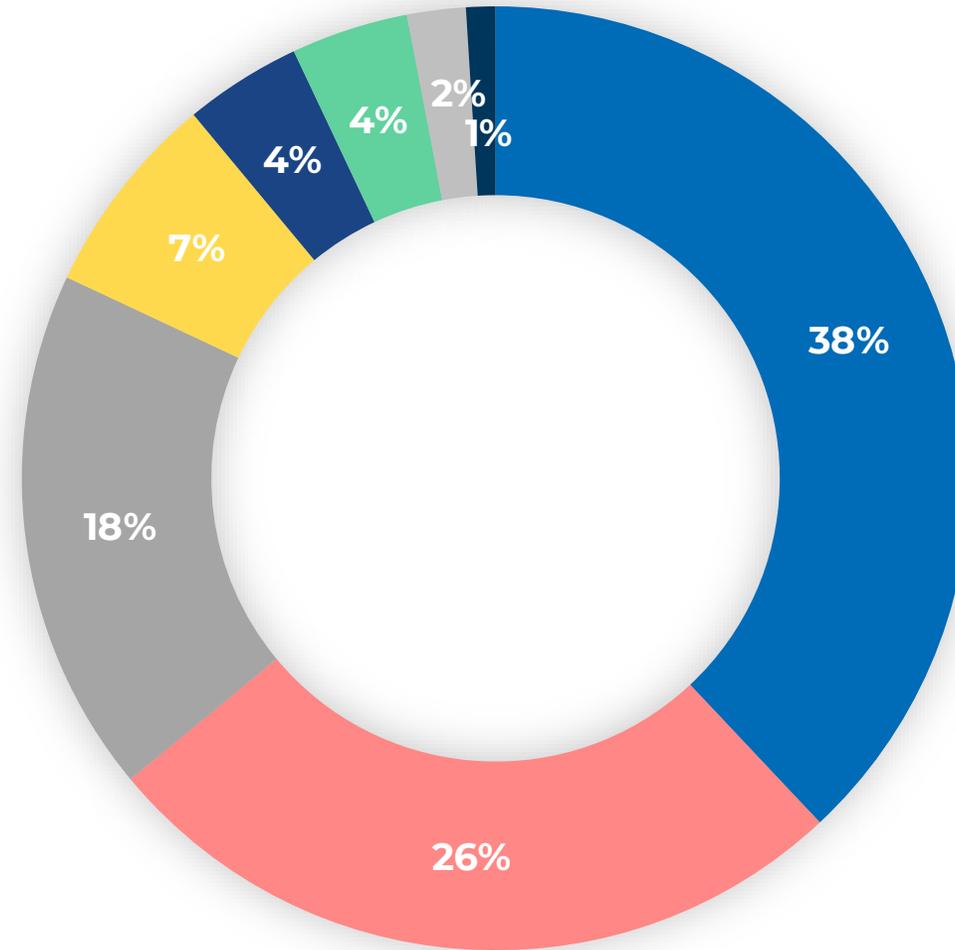
Median (staff in referral department):
 All Firms: 2
 One office: 1
 Two to three offices: 2
 Four or more offices: 3



Geographic Market Area of Firms

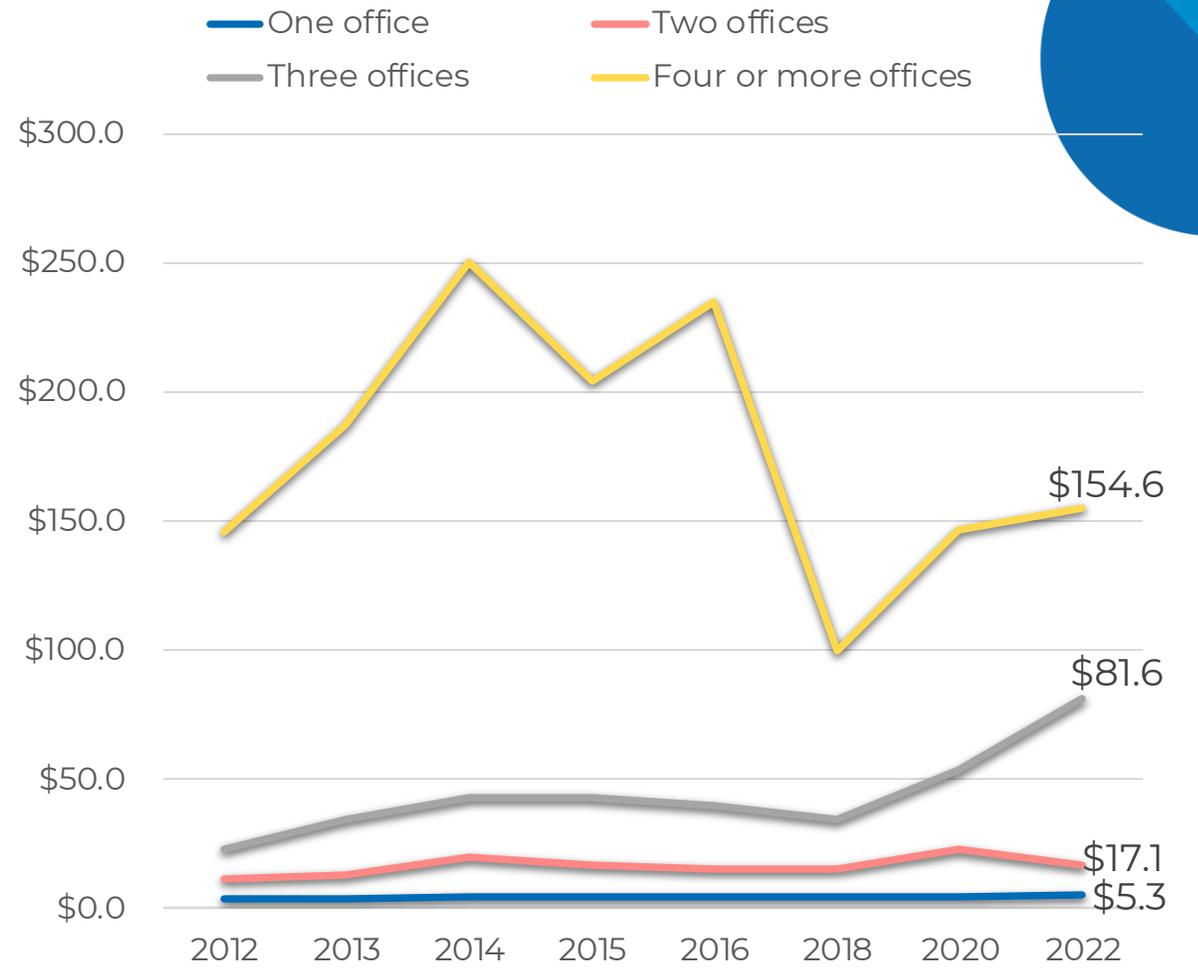
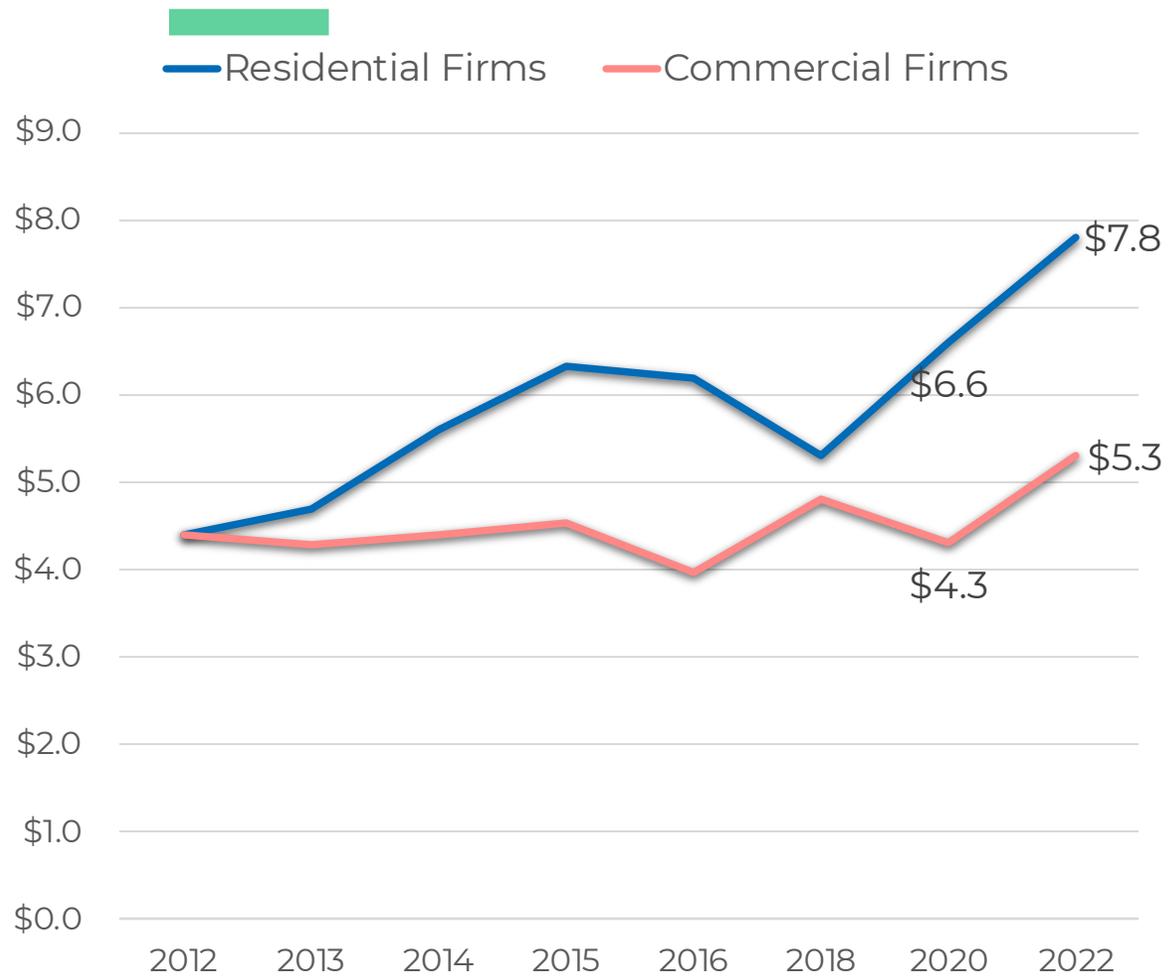
All Firms

- Metropolitan area or region
- Rural area/Small town
- Multiple metro areas or regions
- Entire state
- Resort/Recreation area
- Multi-state area
- Other
- Nationwide

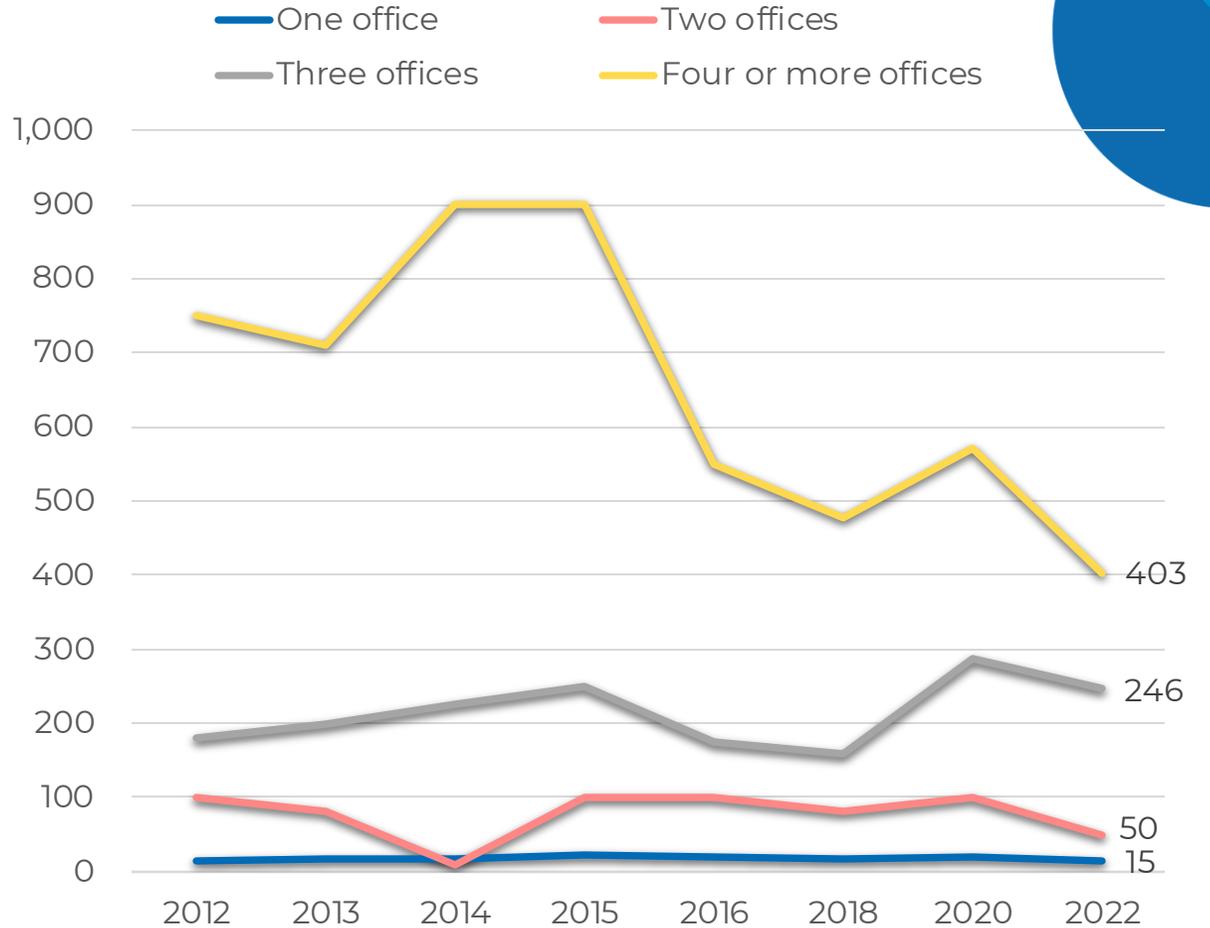
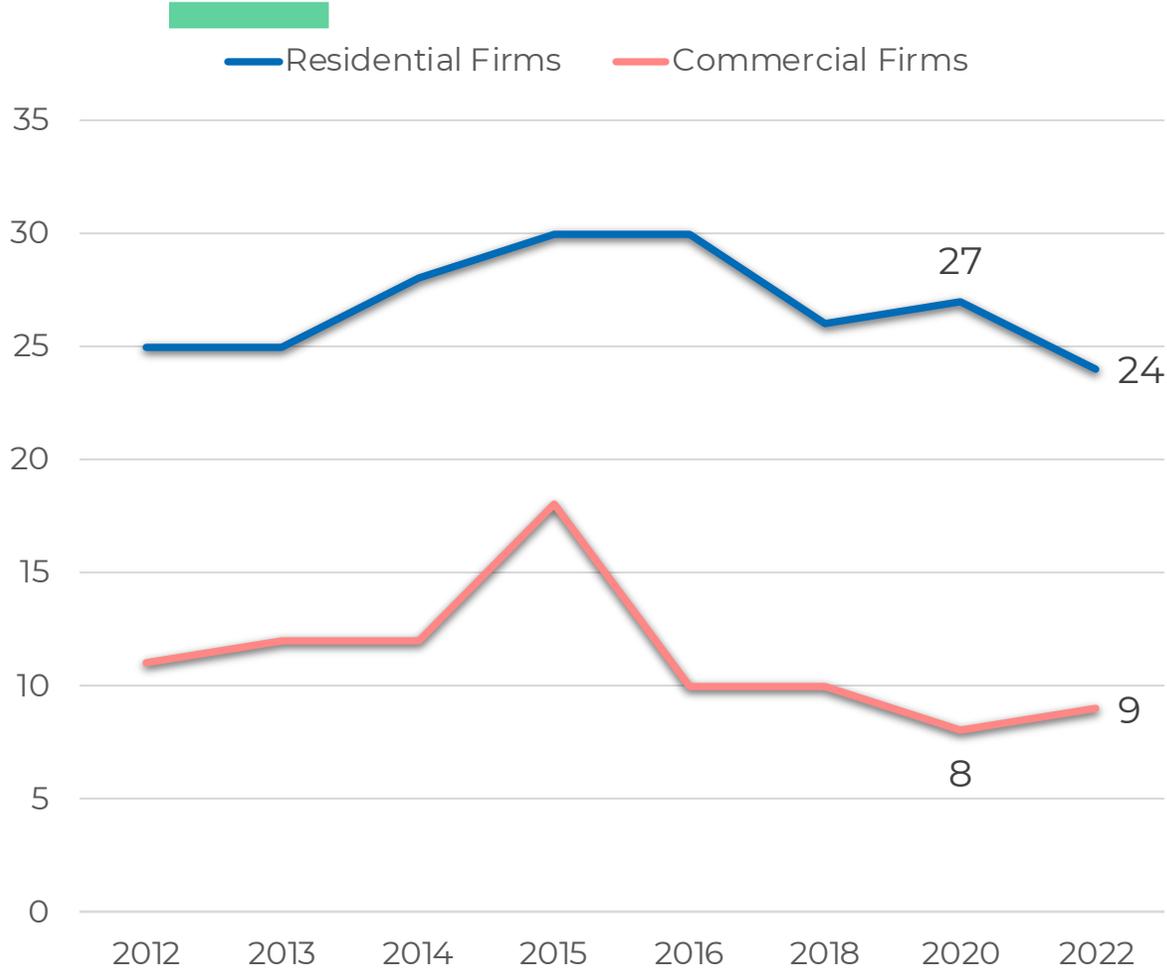


Business Activity

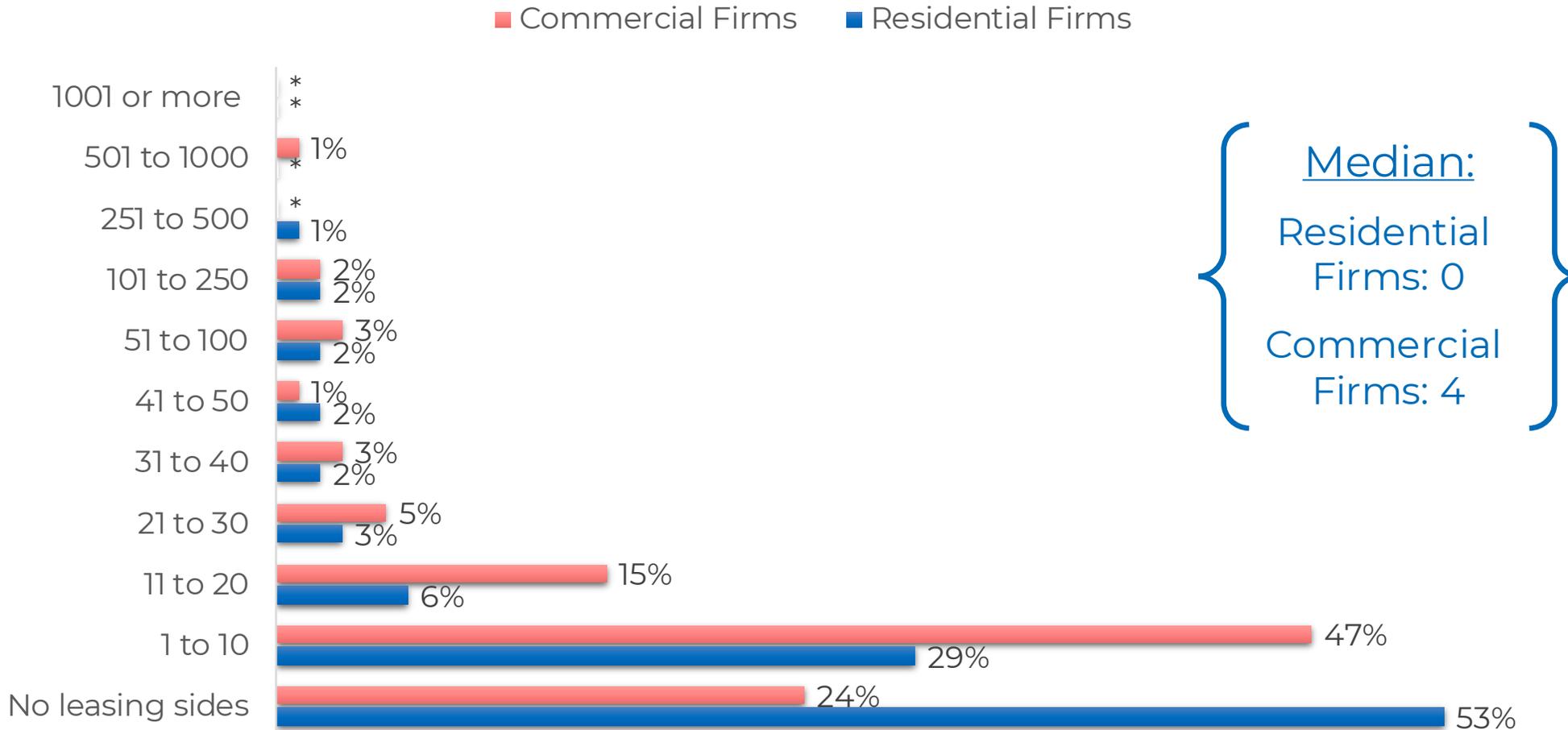
Brokerage Sales Volume



Firm's Total Real Estate Transaction Sides



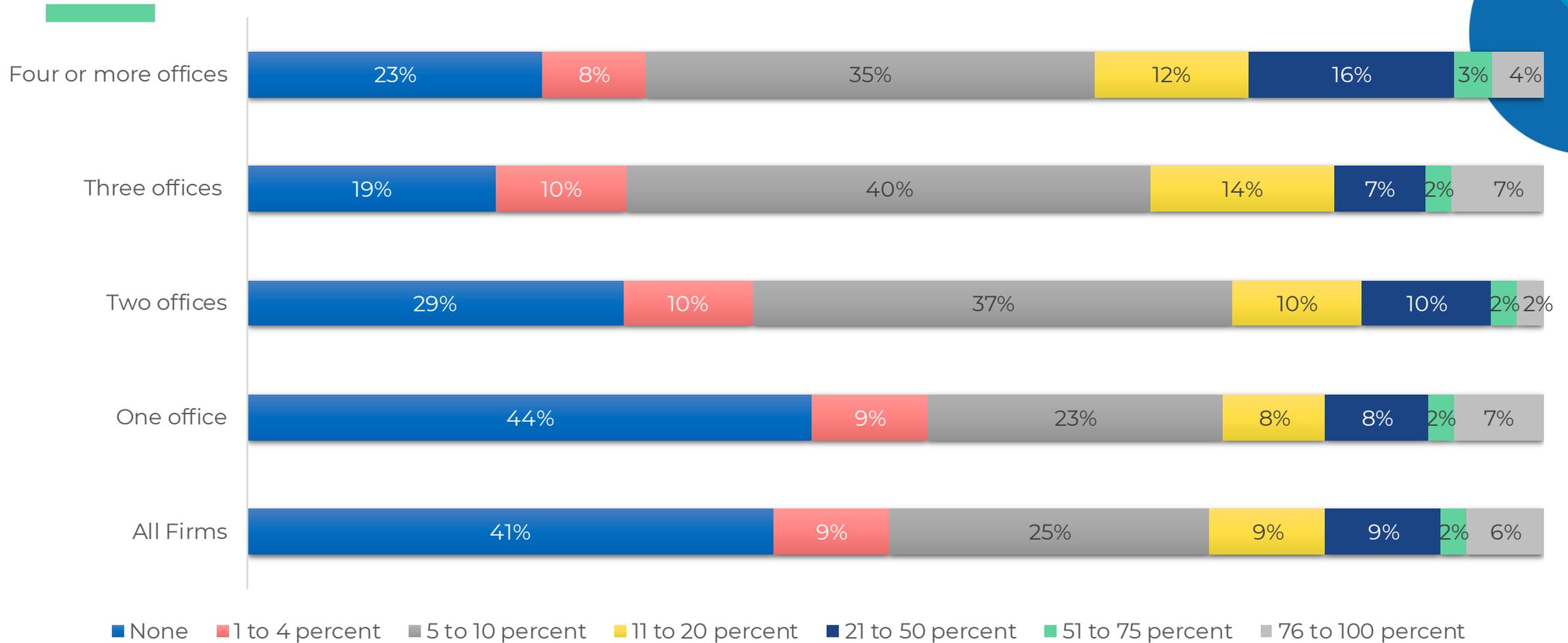
Firm's Total Leasing Sides



Ancillary Services Offered by Firms

	Offer this service in-house					Offer this service outsourced or with a business relationship				
	All Firms	One office	Two offices	Three offices	Four+ offices	All Firms	One office	Two offices	Three offices	Four+ offices
Business brokerage	28%	25%	33%	38%	41%	7%	7%	8%	10%	9%
Commercial consulting services	16	14	19	22	33	11	11	7	12	13
Relocation services	13	10	14	23	37	15	14	16	26	23
Staging services	10	9	13	9	9	22	21	21	28	35
Home improvement	7	7	7	12	6	23	23	24	23	30
Mortgage lending	7	4	11	16	26	35	35	35	36	44
1031 Tax Deferred Exchange Services	6	5	7	13	6	28	28	26	32	35
Remodeling services while fronting costs	5	5	7	9	8	14	14	10	24	24
Title or escrow services	5	2	6	15	25	34	33	34	32	38
Home warranty	4	3	4	4	9	37	36	35	43	56
Settlement services	3	2	2	7	16	21	20	22	24	30
Homeowners insurance	3	2	3	7	14	27	26	27	34	39
Home inspection	2	2	3	1	3	34	34	31	35	38
Other insurance	2	1	3	4	11	19	18	19	31	31
Moving services	2	1	2	3	6	23	22	22	26	36
Termite inspection services	1	1	2	2	3	31	32	30	26	31
Securities brokerage	1	1	1	2	2	5	5	2	9	7

Percent of Net Revenue from Ancillary Services

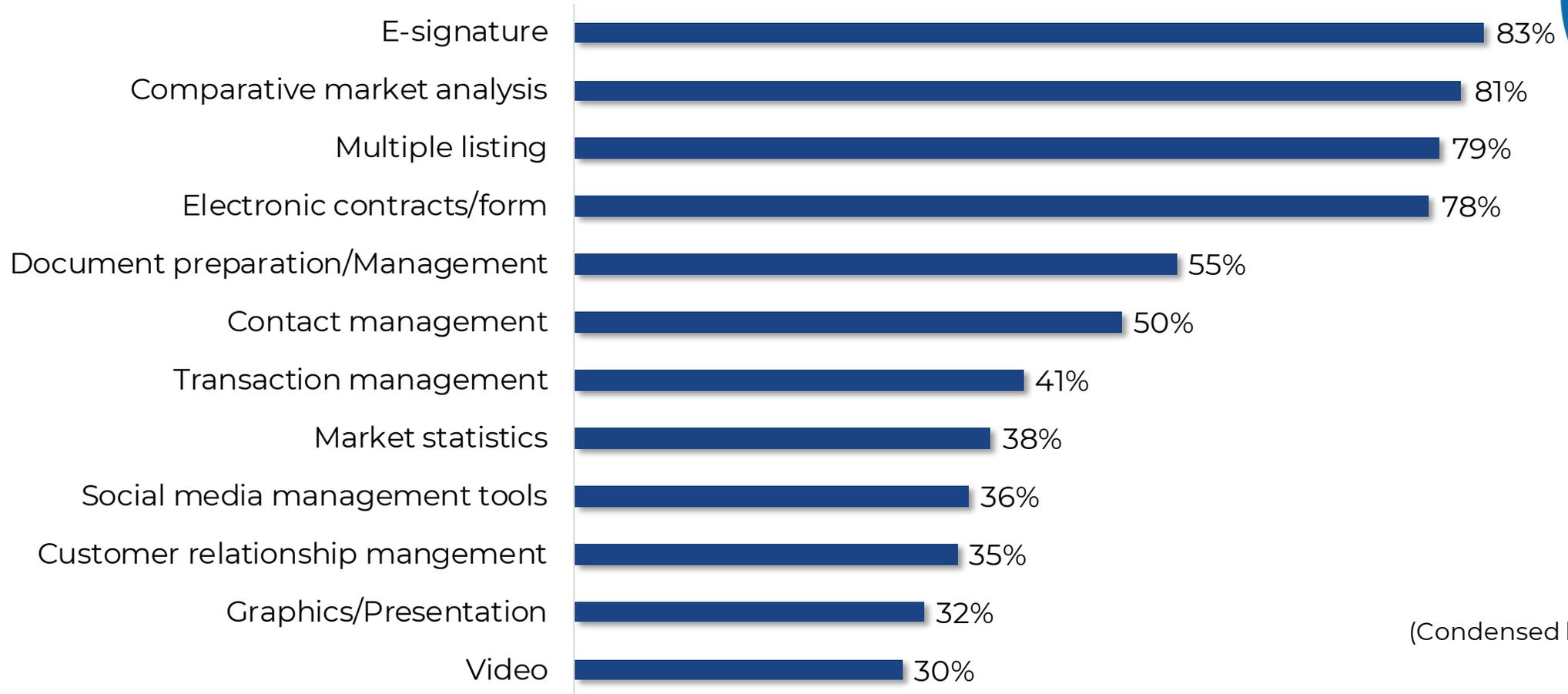


What Firms Provide to Agents & Staff

Benefits Paid for by Firms

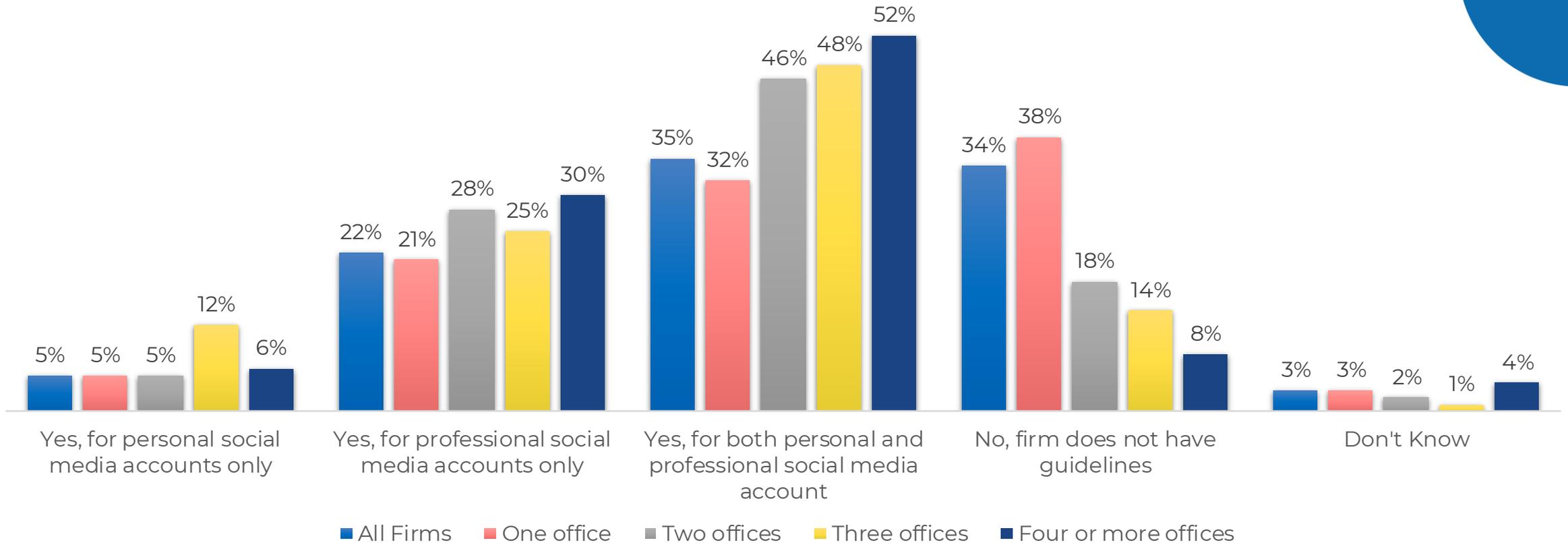
	For Independent Contractors/ Licensees/ Agents	Salaried Licensees/ Agents	Administrative Staff	Senior Management
Errors and Omissions (E&O) Insurance/Liability Insurance	43%	25%	29%	35%
Health insurance	2	5	10	11
Dental care	1	2	4	6
Vision care	1	2	4	5
Long-term care insurance	1	1	3	3
Life insurance	1	2	3	6
Disability insurance	2	3	6	5
Vacation/sick days	3	10	25	16
Pension plan/401(k)/SEP	1	2	4	4

Tools Provided/Encouraged by Firms

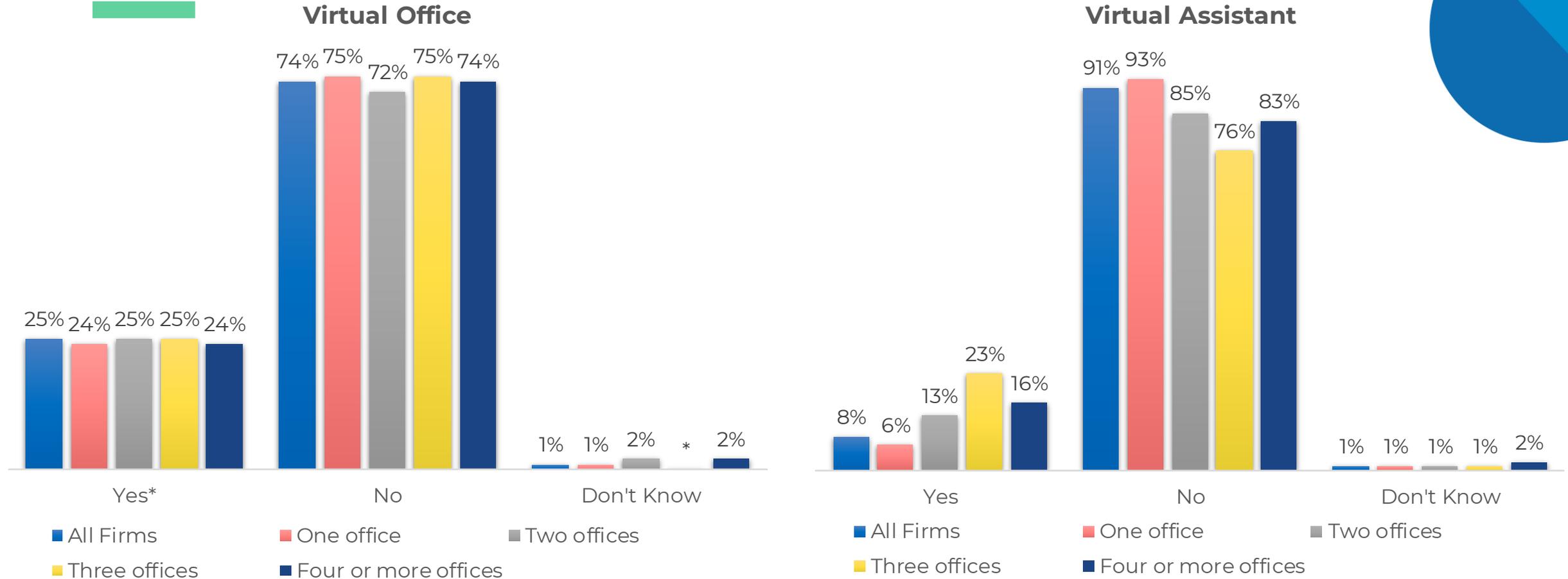


(Condensed list)

Social Media Guidelines for Agents and Employees

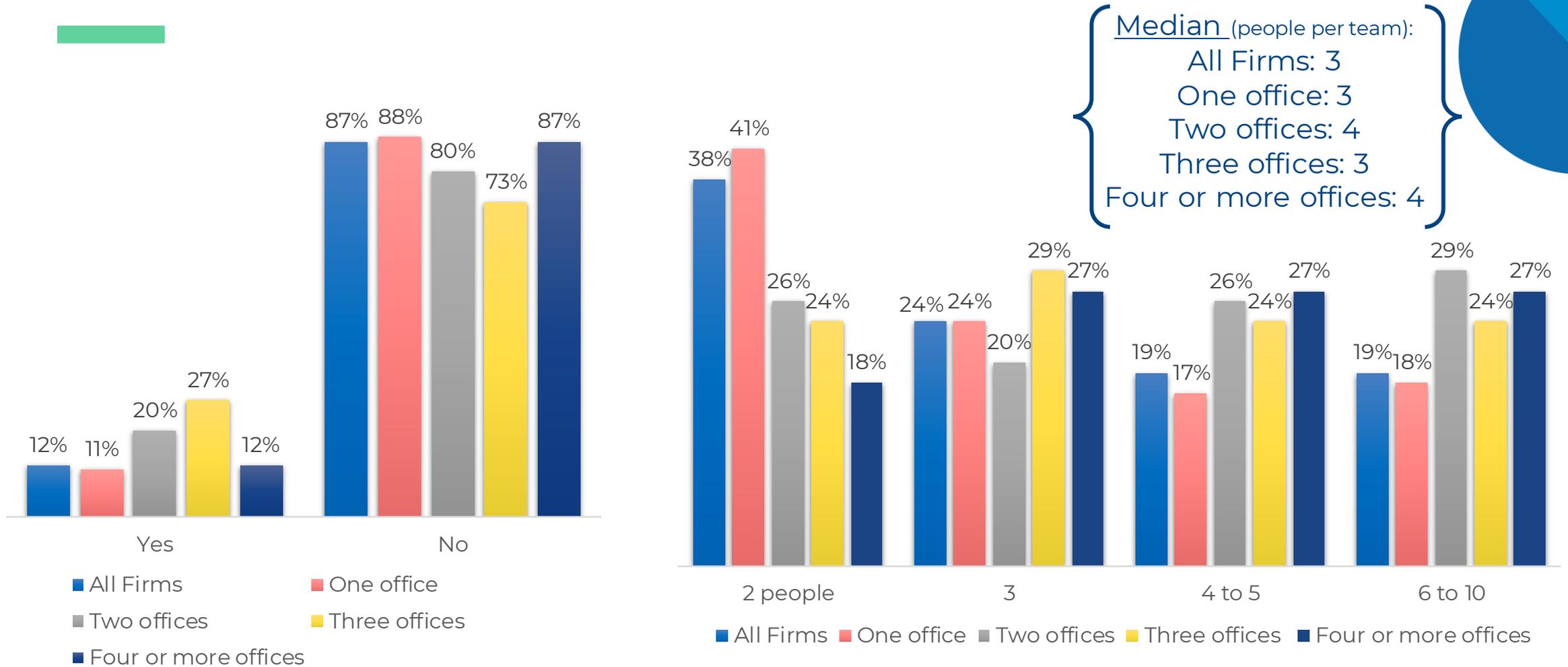


Virtual Offices & Assistants

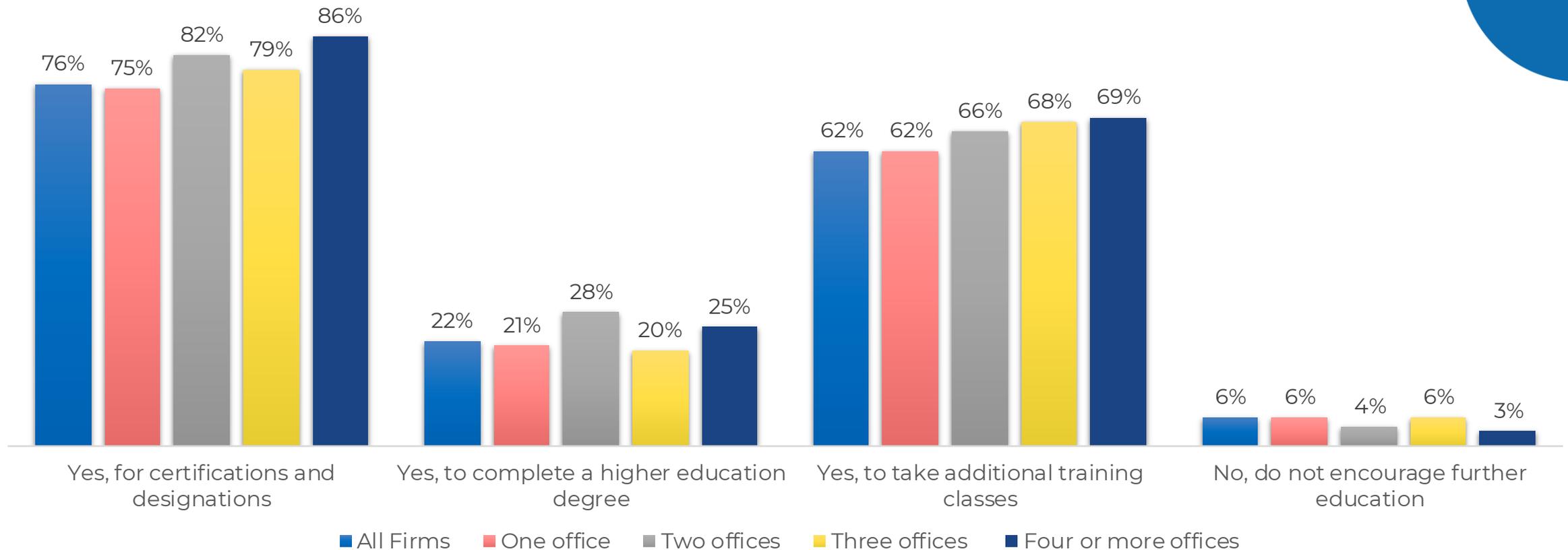


*A firm that does not have a fixed location, and employees may work from home or in different cities or countries.

Firm has Real Estate Teams



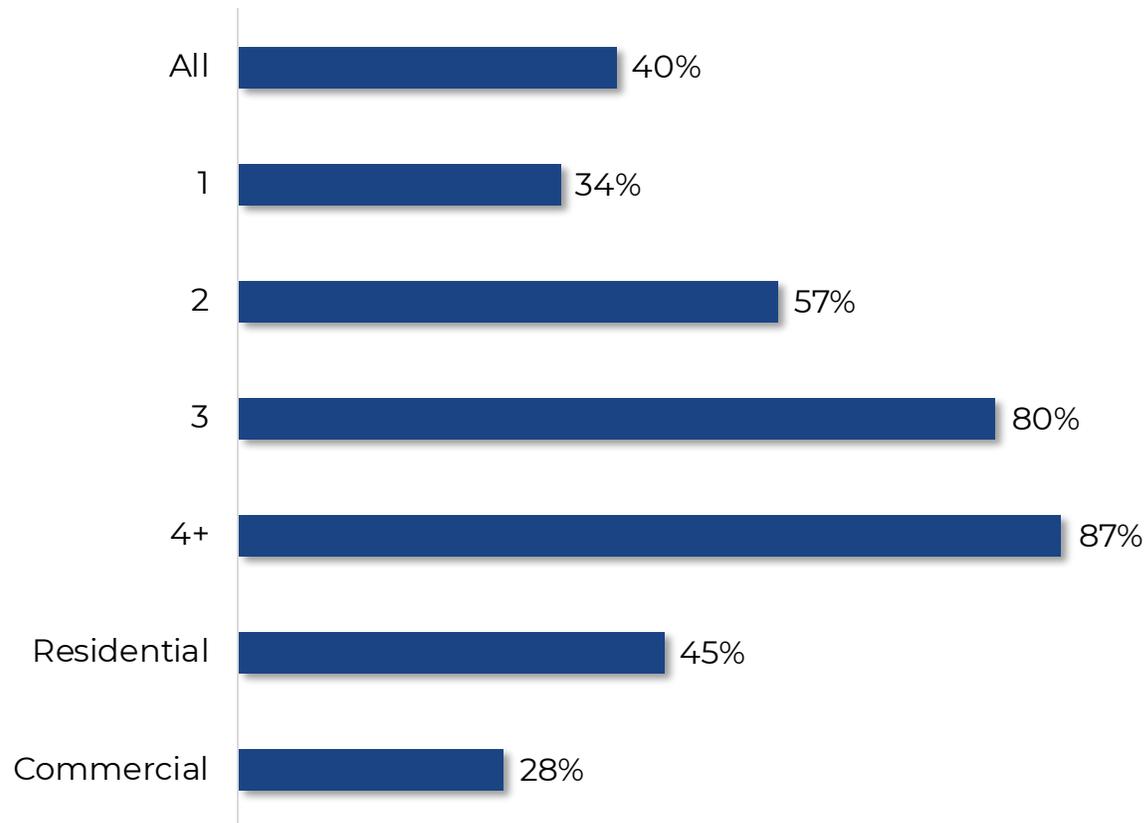
Firm Encouragement to Pursue Educational Opportunities



Future Outlook

2023 Sales Agent Recruitment

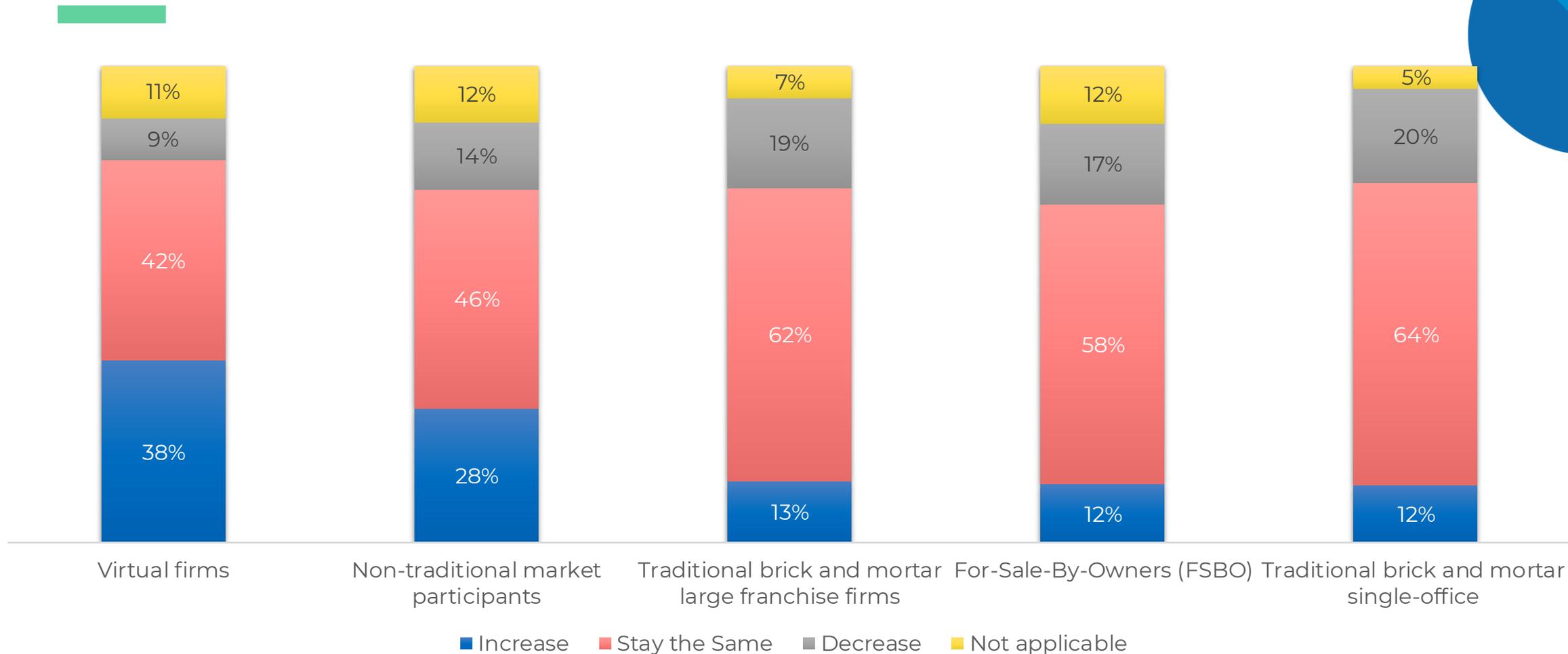
Actively Recruiting in 2023



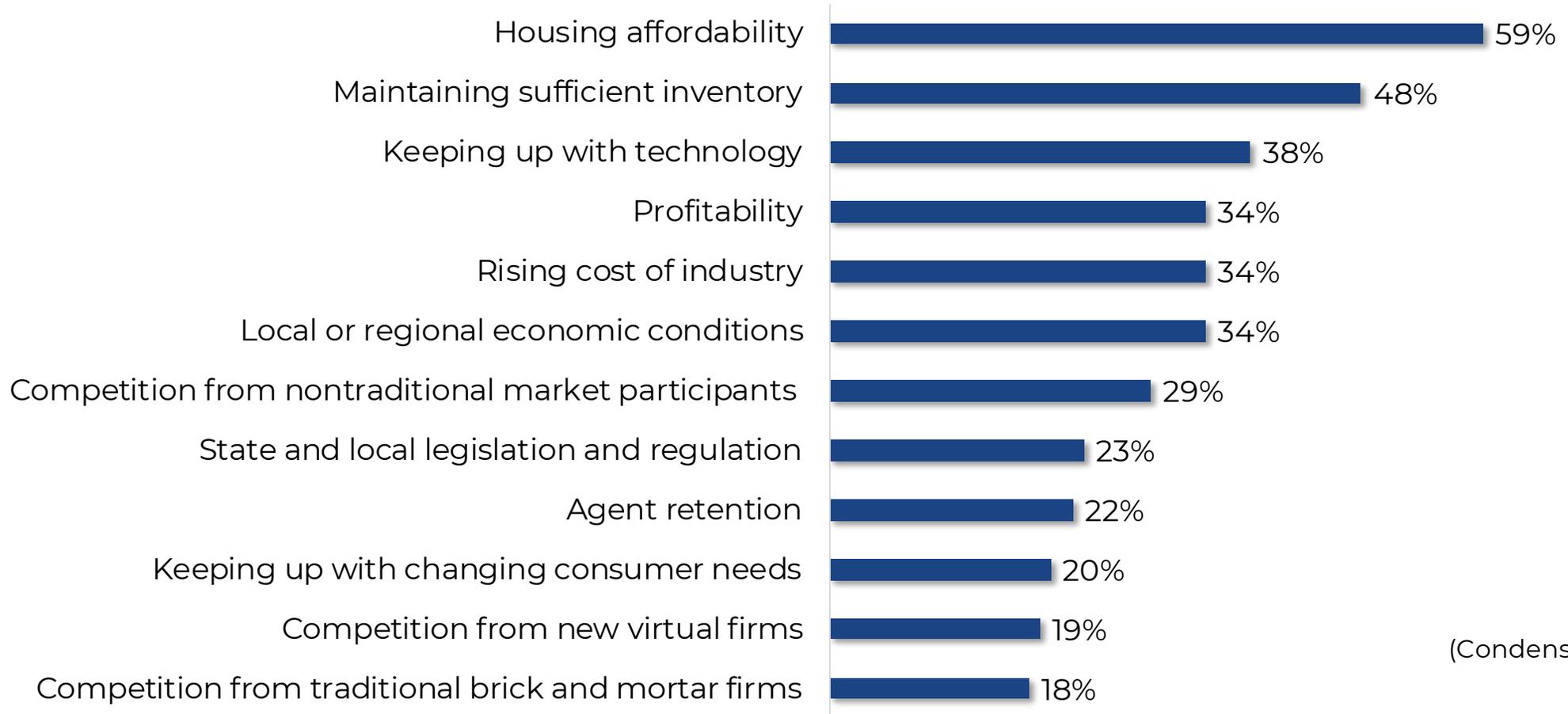
Reasons Recruiting



Expected Level of Competition



Biggest Challenges Facing Firm in Next Two Years



(Condensed list)

Prediction of Generations' Effect on Industry in Next Two Years

	All Firms	Residential Firms	Commercial Firms
Young adults' ability to buy a home (stagnant wages, tough job market, student debt)	63%	65%	42%
Young adults' view of homeownership (idea of renter generation)	38	39	29
Baby boomers (58 to 76 years) retiring from real estate as a profession	27	26	40
Recruitment of Gen Z (23 years and under) and Millennials (24 to 42 years) real estate professionals	20	20	19
Baby boomers relocating to other states in retirement	20	20	16
Too many younger real estate professionals joining	18	18	12
Retention of Gen Z, Millennials, and Gen X real estate professionals	18	19	15
Too many older real estate professionals staying in the profession	14	14	17
Other	10	10	13

Questions?

THANK YOU.

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