



Research Findings Report

Industry: Real Estate

2009

Geographic Region: Western United States

Goldline Research recently completed its annual evaluation of real estate professionals in the Western United States. The Goldline Research study was conducted from July 2009 through mid-August 2009. The Western United States encompasses a 19 state region that stretches from Texas to North Dakota and west to the Pacific Ocean, including Hawaii and Alaska. According to the NATIONAL ASSOCIATION OF REALTORS® (NAR), at the end of 2008 there were approximately 450,000 licensed REALTORS® in the region.

The results of the study uncovered that the total number of licensed REALTORS® fell throughout the U.S. from an all-time high of more than 1.35 million in 2006 to just under 1.2 million in 2008. Given the current real estate market challenges in the U.S., it is surprising that the number of professionals has fallen so little. In comparison, exiting the last U.S. recession in 2002, the NAR counted nearly 900,000 REALTORS® in its membership ranks. While the number of members has likely continued to decline in 2009, the industry undoubtedly remains well above its historical level of 700,000-800,000 licensed professionals, which it maintained from the late 1970's through the early 2000's. Furthermore, these figures do not take into account the more than 1.0 million licensed agents that are not members of the NAR. This suggests that the real estate industry has yet to return to sustainable levels.

While the industry appears to remain above long-term historical employment levels, professionals that intend to remain in the industry beyond the ongoing market correction are rapidly adapting to the current environment. The relative dearth of financing above conventional mortgage levels, which differs by geography, has forced numerous professionals that we spoke with to quickly shift their focus from "high-end" properties to both REO properties, despite all of the difficulties associated with navigating through bank real estate departments, and properties that can be financed under conventional Fannie Mae and Freddie Mac mortgage guidelines. As REO inventories decrease and real estate markets return to some level of normalcy, we expect successful professionals to once again return to a focused market niche, whether it be defined broadly as "high-end" properties or even more specifically narrow as something such as "urban lofts".

Today, leading real estate professionals in the Western United States are completing approximately 25 transactions per year with a median transaction value of around \$280,000. These professionals have approximately 10 years of real estate experience and have completed nearly 90 lifetime transactions valued at almost \$30,000,000. Leading professionals work with around 50 clients and have approximately 20 active listings, many of which are REO listings.

For more information about Goldline Research or this research findings report, please visit our website at www.goldlineresearch.com.

Key Research Findings¹

Median Years of Experience: **10.0 years**

Median Lifetime Transactions: **87.5**

Median LTM Months Transactions: **35**

Median Transactions per Year: **25**

Median Lifetime Sales Volume: **\$28,000,000**

Median LTM Months Sales Volume: **\$13,000,000**

Median Number of Active Clients: **50.0**

Median Number of Active Listings: **21.0**

Median Transaction Value: **\$0.28 million**

¹ Source: Goldline Research