

The jobs new licensees are leaving behind are diverse (see Table 1). Most bring skills or knowledge from their former jobs that should prove useful in real estate. Little more than 3 percent of new licensees are coming directly from school. Only 1.1 percent held a license in another state. Most appear to be switching to real estate to have a more satisfying and lucrative career.


With real estate markets hot for the past few years, one might expect the profession to be drawing people hoping to make a lot of money quickly. However, survey respondents appear more interested in the fundamental attributes of real estate sales, such as the opportunity to work independently and the rewards of helping people find new homes.

One survey question asked respondents the primary reasons they decided to obtain a real estate license. They were allowed to select more than one answer. "Chance to work independently" was cited by 63.8 percent of respondents; 48.1 percent chose "like to work with people." These two reasons are fundamental attractions of real estate sales and were mentioned most frequently by those who planned to concentrate on home sales (69.2 percent and 52.1 percent, respectively) and farm-ranch sales (63.1 percent and 44.6 percent).

"Have friends-contacts in the industry" was cited by 35 percent of respondents. Twenty-three percent cited their "background in real estate." This response was more prevalent among those who plan to sell income property (45.8 percent).

"Currently active market creates opportunities" was a reason motivating 19.4

table 1



FORMER JOB	
Sales	11.6 %
Management-administration	6.3 %
Teaching-education	5.5 %
Accounting-bookkeeping	4.7 %
Property management	4.1 %
Housewife-mom	3.9 %
Real estate investor	3.5 %
Student	3.3 %
Insurance sales	2.5 %
Computer sales-programming	2.4 %

Source: Real Estate Center at Texas A&M University

percent of respondents. "Other reasons" was selected by 25.7 percent of respondents, with written-in responses including "real estate business in the family," "needed a license to do current job" and "interest in real estate investing."

The real estate

profession is still viewed mainly as the business of selling homes, and 72.1 percent of respondents intend to spend most of their time on residential sales. Only 5.3 percent will specialize in income properties and 4.8 percent in farms, ranches and land. However, 16.3 percent of respondents indicated that

most of their time would be spent on a broad range of property types, on business related to real estate sales or on investing.

The average age of new licensees is 42.4 years, and almost 6 percent are over 60 (see Table 3). This compares with an average age of slightly over 50 for renewing licensees. There are almost as many new licensees over 60 as there are under 25.

New licensees are a well educated group, with more than 60 percent having a college degree and almost one-fourth having done some graduate work (see Table 4). This is not surprising considering the age of most respondents and the substantial amount of education required to apply for a license. Educational requirements were increased in January 2002. Most (62.9



table 2

Where New Licensees Completed Education Requirements and Average Hours Spent Studying for Real Estate Exam

PROPRIETARY SCHOOL	68.5% attended Spent 24.9 hours studying for exam
COMMUNITY COLLEGE	11.6% attended Spent 30.8 hours studying for exam
OTHER*	8.6% attended Spent 23.7 hours studying for exam
4-YEAR COLLEGE	8.4% attended Spent 17.1 hours studying for exam
JUNIOR COLLEGE	2.9% attended Spent 20 hours studying for exam

* includes correspondence courses, online courses and those offered through boards of Realtors

Source: Real Estate Center at Texas A&M University



table 3

AGE

DISTRIBUTION OF NEW LICENSEES

≤25	6.5%
26-40	38.8%
41-60	48.8%
≥61	5.9%

Source: Real Estate Center at Texas A&M University

percent) respondents applied before new requirements took effect. However, only 17 percent said they did so to avoid the new requirements. Given the high educational attainment of most applicants, the new standards may not have been an issue.

The majority (66.9 percent) of respondents had a sponsoring broker when they applied for a license. Most completed the required educational hours and prepared for the examination at a proprietary real estate school (see Table 2). While applicants spent an average of 24.2 hours preparing for the exam, individual preparation times ranged from zero to 800 hours. Tables 2 and 4 show how hours spent preparing varied according to where applicants completed the educational requirements and educational background. It appears that going to college may help a person study more efficiently, but too

much college has the opposite effect.

The Internet's impact on the real estate business is

table 4

EDUCATION LEVEL - NEW LICENSEES

AVERAGE HOURS SPENT PREPARING FOR REAL ESTATE EXAM

Doctoral degree	1.6 %	25.8 hours
Master's degree	10.9 %	23.6 hours
Some graduate work	10.7 %	23.9 hours
Bachelor's degree	30.1 %	21.1 hours
Associate's degree	8.9 %	23.5 hours
Some college	28.3 %	26.3 hours
High school diploma	8.5 %	28.8 hours
Some high school	1.1 %	27.2 hours

Source: Real Estate Center at Texas A&M University

clear. Almost all (94.6 percent) respondents have e-mail accounts. Those who do not tend to be a bit older, with an average age of 50.3. However, only 27.9 percent have personal websites.

Only 34.7 percent of respondents used the Texas Real Estate Commission's website to apply for a license. Of those who did not use the site, two out of five said they were unaware of the site and that they could apply online. One-third stated a preference for handling the application in person. Only a few respondents had problems with the site or lacked Internet access.

Few new licensees used the Internet to earn their required education hours. Only 12.9 percent reported taking courses online. Those who did completed 5.4 hours on average.

With housing markets doing so well, it is not surprising that the brokerage

business is attracting people from other fields. However, real estate markets are notoriously cyclical. Will most of the newcomers bail out if markets slow?

Maybe not, based on the reasons they stated for getting into the business. Most are attracted to the nature of the job rather than the vigor of the market. Of course, if they cannot make a living, they may be forced to quit. Short of a wholesale contraction of the market, though, these folks should be around for a while.

The Real Estate Center staff thanks all survey participants for their time and for the information they provided. Such cooperation yields vital information for the industry. Best of luck on your new careers. 📌

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