

Real Estate Payday

Texans' Compensation Competitive

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Compensation of the state's real estate professionals is competitive with the nation's, and there is plenty of room for the number of Texas brokers and managers to grow. And, people who use real estate professional services are willing to pay more for experienced real estate professionals.

Real Estate Professionals

According to the Bureau of Labor Statistics (BLS), real estate professionals fall into four groups: real estate brokers; property, real estate and community association managers; appraisers and assessors of real estate; and real estate sales agents (see sidebar on next page).

BLS occupational employment data are collected from reporting firms excluding self-employed. The statistics are samples and actual numbers are higher than the number responding to the BLS survey.

Brokers

Texas was one of the states with the highest brokerage employment in 2015 (Table 1). The number of brokers per 1,000 Texas jobs was 0.21, lowest among states

The Takeaway

Recent Center research focusing on real estate professionals compared Texas' compensation with other states and the United States as a whole. Results indicate that compensation in Texas is competitive with other states and the nation.

with the highest employment level in this occupation. A location quotient of 0.75 for brokers in Texas in 2015 indicates less than the national average concentration in the broker occupation.

While employment per 1,000 jobs and location quotient were lower than the national average, the average annual compensation of \$106,120 for Texas brokers was higher than the national average as well as other states with higher employment. Dallas-Plano-Irving and Houston-The Woodlands-Sugar Land are among the nation's metropolitan areas with the highest employment and highest compensations for brokers (Table 2).

Bureau of Labor Statistics Definitions

This research uses the U.S. Bureau of Labor Statistics' Occupational Employment Statistics for 2015 and compares several important metrics for the nation and Texas real estate professionals, such as average compensations, location quotients, and employment per 1,000 jobs.

Employment per 1,000 jobs is the number of jobs (employment) in the *given occupation* per 1,000 jobs in the *given area* and is a measure of job concentration.

Another measure of job concentration is *location quotient*, defined as the ratio of an occupation's share of employment in a given area to that occupation's share of employment in the U.S. as a whole. For example, an occupation that makes up 8 percent of jobs in a specific area compared with 10 percent of U.S. employment would have a location quotient of 0.8 for the area in question. A location quotient of more (less) than one for an occupation in a region shows more (less) concentration of the occupation in the region.

Real Estate Brokers

Brokers operate real estate offices, or work for commercial real estate firms, overseeing real estate transactions. Other duties usually include selling real estate or renting properties and arranging loans.

Property, Real Estate, and Community Association Managers

Managers plan, direct, or coordinate the selling, buying, leasing, or governance activities of commercial, industrial, or residential real estate properties. This group includes managers of homeowner and condominium associations, rented or leased housing units, buildings, or land (including rights-of-way).

Appraisers and Assessors of Real Estate

These professionals appraise real property and estimate its fair value. They may assess taxes in accordance with prescribed schedules.

Real Estate Sales Agents

Sales agents rent, buy, or sell property for clients. They perform duties such as studying property listings, interviewing prospective clients, accompanying clients to property sites, discussing conditions of sale, and drawing up real estate contracts. Includes agents who represent buyers.

Property, Real Estate, and Community Association Managers

Texas ranked third in the number of real estate professionals in the property, real estate, and community association managers class in 2015 after California and Florida (Table 3). Employment per 1,000 jobs and location quotient for Texas for this occupation in 2015 were lower than the national average (Table 3). Average annual compensation for the state's property, real estate, and community association managers was \$89,250, higher than the \$68,240 national average and topped only by New York.

Dallas and Houston were among the U.S. metro areas with the highest employment in this category (Table 4). Dallas ranked first in annual average compensation for property, real estate, and community association managers, followed by New York and Houston (Table 4).

Appraisers and Assessors

Texas had the largest number of appraisers of all U.S. states in 2015 (Table 5). Employment per 1,000 jobs and the location quotient for this class of real estate professionals both were higher than the national average (Table 5). The average annual compensation of \$65,340 for Texas appraisers and assessors of real estate was higher than the national average of \$58,400 and second only to California. Dallas ranked second after Los Angeles in average annual compensation for appraisers and assessors among the nation's metro areas with the highest number of jobs in this category (Table 6). Dallas had more appraisers than Houston as well as a higher location quotient and more appraisers per 1,000 jobs (Table 6).

Table 1. U.S. and States with Highest Broker Employment, 2015

State	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
U.S.	38,810	0.28	1.00	80,210
North Carolina	6,020	1.46	5.19	60,010
California	5,040	0.33	1.16	87,470
Florida	2,840	0.36	1.27	87,460
Illinois	2,460	0.42	1.49	78,950
Texas	2,430	0.21	0.75	106,120

Source: Bureau of Labor Statistics

Table 2. Metropolitan Areas with Highest Broker Employment, 2015

Metropolitan Area	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
Dallas-Plano-Irving, TX	840	0.36	1.28	133,840
Houston-The Woodlands-Sugar Land, TX	800	0.27	0.98	106,890
New York-Jersey City-White Plains, NY-NJ	1,430	0.22	0.78	104,240
Washington-Arlington-Alexandria, DC-VA-MD-WV	910	0.37	1.33	94,340
Los Angeles-Long Beach-Glendale, CA	1,400	0.34	1.21	82,670
Chicago-Naperville-Arlington Heights, IL	1,890	0.53	1.88	79,950
Charlotte-Concord-Gastonia, NC-SC	1,920	1.73	6.13	69,870
Denver-Aurora-Lakewood, CO	880	0.64	2.28	68,650
Phoenix-Mesa-Scottsdale, AZ	1,430	0.76	2.71	68,030
Raleigh, NC	960	1.71	6.06	60,830

Source: Bureau of Labor Statistics

Sales Agents

Texas had the second largest number of sales agents after Florida among the states with the highest employment in this class of real estate professionals (Table 7). The number of real estate sales agents per 1,000 jobs and the location quotient for Texas for this category in 2015 were higher than the corresponding national averages. The average annual compensation of \$68,410 for the state's sales agents was higher than the national average as well as averages of other states with high employment level in this group (Table 7). The Houston metro area had the highest number of sales agents after New York and Atlanta. Houston ranked third in annual compensation for real estate sales agents after New York and Chicago (Table 8).

Value of Experience

Oscar Wilde said, "Experience is simply the name we give our mistakes." In real estate, professionals' experience can help minimize costly mistakes in terms of money and time. Prospective buyers, sellers, and renters search for properties to be purchased, sold, or rented. These searches are costly and time consuming, but real estate

professionals can minimize costs and time by collecting, compiling, and organizing property information. People who use them value the knowledge and experience of real estate professionals and are willing to pay more for them.

Research shows the value of experience can be measured by the ratio of experienced professional compensation to that of entry level. Users of real estate professionals pay as much as two to three times more for experienced professionals (Table 9). 📌

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Table 3. States with Highest Property, Real Estate, and Community Association Managers Employment Levels, 2015

State	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
U.S.	174,410	1.26	1.00	68,240
California	27,280	1.76	1.39	74,450
Florida	19,820	2.50	1.98	56,020
Texas	11,420	0.99	0.78	89,250
Illinois	7,200	1.23	0.97	66,670
New York	6,670	0.74	0.59	107,920

Source: Bureau of Labor Statistics

Table 4. Metropolitan Areas with Highest Property, Real Estate, and Community Association Managers Employment, 2015

Metropolitan Area	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
Dallas-Plano-Irving, TX	3,010	1.29	1.02	108,430
New York-Jersey City-White Plains, NY-NJ	6,770	1.04	0.83	101,430
Houston-The Woodlands-Sugar Land, TX	3,390	1.16	0.92	95,450
Washington-Arlington-Alexandria, DC-VA-MD-WV	3,240	1.34	1.06	83,390
Atlanta-Sandy Springs-Roswell, GA	4,280	1.72	1.36	77,280
Anaheim-Santa Ana-Irvine, CA	3,620	2.37	1.88	76,480
Los Angeles-Long Beach-Glendale, CA	7,700	1.88	1.48	71,580
Chicago-Naperville-Arlington Heights, IL	5,370	1.5	1.19	70,640
Minneapolis-St. Paul-Bloomington, MN-WI	3,220	1.71	1.35	64,870
Phoenix-Mesa-Scottsdale, AZ	3,460	1.84	1.46	63,350
Miami-Miami Beach-Kendall, FL	3,380	3.1	2.45	52,730

Source: Bureau of Labor Statistics

Table 5. States with the Highest Appraisers and Assessors of Real Estate Employment, 2015

State	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
U.S.	60,290	0.44	1.00	58,400
Texas	5,650	0.49	1.12	65,340
California	4,380	0.28	0.65	77,740
Florida	3,880	0.49	1.12	49,990
New York	3,420	0.38	0.87	60,550
Georgia	2,650	0.65	1.48	46,770

Source: Bureau of Labor Statistics

Table 6. Metropolitan Areas with Highest Appraisers and Assessors of Real Estate Employment, 2015

Metropolitan Area	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
Los Angeles-Long Beach-Glendale, CA	1,200	0.29	0.67	81,620
Dallas-Plano-Irving, TX	1,210	0.52	1.18	78,890
Minneapolis-St. Paul-Bloomington, MN-WI	1,610	0.85	1.95	71,730
Houston-The Woodlands-Sugar Land, TX	1,090	0.37	0.85	71,550
St. Louis, MO-IL	890	0.67	1.53	71,500
Denver-Aurora-Lakewood, CO	1,000	0.73	1.66	62,050
New York-Jersey City-White Plains, NY-NJ	1,800	0.28	0.65	60,520
Chicago-Naperville-Arlington Heights, IL	1,420	0.4	0.91	58,050
Phoenix-Mesa-Scottsdale, AZ	950	0.51	1.16	57,060
Atlanta-Sandy Springs-Roswell, GA	1,600	0.65	1.48	50,060

Source: Bureau of Labor Statistics

Table 7. U.S. and States with Highest Real Estate Sales Agents Employment 2015

State	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
U.S.	151,700	1.10	1.00	58,410
Florida	20,360	2.57	2.34	54,090
Texas	14,350	1.24	1.13	68,410
California	12,200	0.79	0.72	62,330
Georgia	9,410	2.29	2.08	45,620
Washington	7,540	2.53	2.30	53,640

Source: Bureau of Labor Statistics

Table 8. Metropolitan Areas with Highest Real Estate Sales Agents Employment, 2015

Metropolitan Area	Employment	Employment per 1,000 Jobs	Location Quotient	Annual Wage, \$
New York-Jersey City-White Plains, NY-NJ	5,240	0.81	0.73	104,150
Chicago-Naperville-Arlington Heights, IL	3,910	1.1	1	76,950
Houston-The Woodlands-Sugar Land, TX	4,840	1.65	1.5	67,200
Washington-Arlington-Alexandria, DC-VA-MD-WV	3,470	1.44	1.31	66,150
Dallas-Plano-Irving, TX	3,300	1.42	1.29	64,560
Los Angeles-Long Beach-Glendale, CA	3,410	0.83	0.75	60,180
Seattle-Bellevue-Everett, WA	4,630	3.02	2.74	55,130
Orlando-Kissimmee-Sanford, FL	3,820	3.42	3.11	54,560
Miami-Miami Beach-Kendall, FL	2,980	2.73	2.48	53,930
Atlanta-Sandy Springs-Roswell, GA	6,570	2.65	2.41	46,730

Source: Bureau of Labor Statistics

Table 9. Annual Compensation for Texas Real Estate Occupations, 2014

Occupational Title	Entry	Experienced	Ratio
Real Estate Brokers	38,369	144,573	3.8
Property, Real Estate and Community Association Managers	36,777	99,111	2.7
Appraisers and Assessors of Real Estate	35,132	76,831	2.2
Real Estate Sales Agents	23,866	78,268	3.3

Source: Texas Workforce Commission

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