Introduction

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• Research Team
• Research Methodology
• Findings
• Conclusions
Purpose

- Gain an **In-Depth Understanding** of our Customers
- **Compare Performance Metrics** between REALTOR® and Licensee Agents
- **Analyze Member Data using** an objective, third party, statistical approach
- Understand the **REALTOR® Value Proposition**
Research Team

Donald J. McCubbrey, PhD
Clinical Professor, Department of Business Information and Analytics
Interim Director, Burns School of Real Estate & Construction Management

Philip Beaver, PhD
Clinical Professor, Department of Business Information and Analytics
Research Methodology

• **No assumptions** made about differences between REALTORS and Licensees

• **Statistical analysis techniques** used to support any conclusions

• The study used Metrolist data from **2009 through June 2014**
Metrolist Membership

- Metrolist Licensees membership is growing
  - 9% in 2011
  - 12% in 2012
  - 18% in 2013
  - 22% in 2014
REALTORS: 98% of Top Producers

**REALTOR® Top-Producer Price Points**

- **Total**
- **1M-5M**
- **5M-10M**
- **10M-15M**
- **15M-20M**
- **>20M**

Percent

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>1M-5M</th>
<th>5M-10M</th>
<th>10M-15M</th>
<th>15M-20M</th>
<th>&gt;20M</th>
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<tr>
<td>2009</td>
<td>88%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2010</td>
<td>88%</td>
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<tr>
<td>2011</td>
<td>90%</td>
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<tr>
<td>2012</td>
<td>92%</td>
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<td>2014</td>
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REALTORS: Average Twice the Sides

- REALTORS have 92% of list sides
- 94% of sell sides by REALTORS
REALTORS: Twice the Transactions

Percent Total Transactions by REALTOR

Percent Total Transactions by Licensee

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REALTORS: Higher Dollar Volume

• Average dollar volume for REALTORS was three times higher
Almost 60% of active Colorado communities had no Licensees, with most higher-priced communities served exclusively by REALTORS.
REALTOR: Higher Closing Prices

Average Closing Price

Average Closing Price

- $322,767
- $279,032

2009 2010 2011 2012 2013 2014

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• REALTORS’ average closing prices increase as listing volume increases
• Higher volume Licensees tend towards the lower-end markets
Licensees: Listing and Selling Agent

- Licensees were twice as likely to act as both the listing and the selling agent for their transactions.
Licensees are more likely to sell their own homes or tenant-occupied homes.
Licensees: More Likely to List a Short Sale

Percent Short Sale

- REALTOR®
- Licensee

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Licensees: Offer More Concessions

**Percent Cash Concessions**

- **Real Estate Board**
- **Licensee**

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<th>2011</th>
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<td>0.20%</td>
<td>0.40%</td>
<td>0.60%</td>
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<tr>
<td>Licensee</td>
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<td>0.20%</td>
<td>0.40%</td>
<td>0.60%</td>
<td>0.60%</td>
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**Percent Personal Property**

- **Real Estate Board**
- **Licensee**

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<th>2011</th>
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<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Licensee</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
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List Agent Performance

- Same average Days On Market
- No difference in closing price as a percent of list price
- Similar price reductions
Conclusion: Similarities

Metrolist Licensee members have grown from 13% in 2009 to 22% in 2014

• REALTOR and Licensees are similar in terms of:
  • Days on market
  • Sale price as a percent of list price
  • Contract characteristics
Conclusion: Differences

- 98% of top producers are REALTORS
- REALTORS list and sell twice as many properties
- REALTORS operate in a higher-priced market
- REALTORS are more reactive to market conditions, with Licensees showing similar behavior from year to year
- Licensees tend to pursue a lower-cost model
Contact

Deborah Shipley
Marketing Communications Manager
dshipley@REcolorado.com
303.796.2574