

Monthly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from [firsttuesday](http://firsttuesday.com)

September 2018 • Vol. 7 • Issue 9 • *Jobs, home sales, agents – peaked or not quite*



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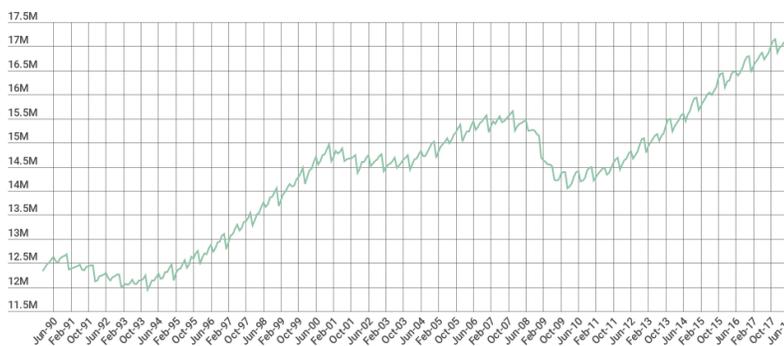
Jobs move real estate

This chart shows the number of **individuals employed** in California.

California employment increased in June 2018, generating a year-over-year increase of 300,300 jobs, reaching over **17 million total jobs**. For comparison, job numbers peaked at 15.7 million as the **2008 recession** set in, and annual job increases peaked in 2015 at 544,500.

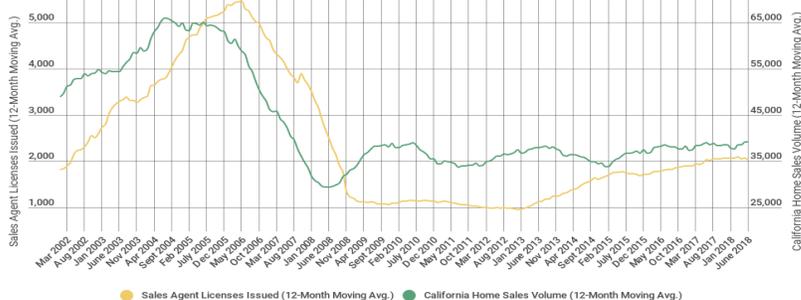
While total jobs are currently higher than before the Great Recession, when counting the interim working-age **population increase** of 1.6 million, California has not yet fully recovered to pre-recession percentages. At its present course, employment is expected to return to its peak pre-recession percent-of-population level in 2019.

California Payroll Employment



Data courtesy of California EDD

Sales Agent Licenses Issued and Home Sales Volume in California



Data courtesy of the Department of Real Estate and DataQuick

Sales agent licensing and home sales volume move in tandem

This chart shows the number of California **sales agent licenses** issued (the gold line), alongside the number of **homes sold** each month (the green line).

Historically, the licensing of sales agents follows home sales volume and pricing trends, which greatly impact **agent incomes**. When volume and prices rise, new licensees flood the market. But in 2018, home sales volume has departed from its multi-year flat trend to a downward trend.

When year-over-year sales volume slows, inventory builds up and **home prices** tend to fall within 12 months. Thus, when prices slip around mid-2019, potential new real estate agents will be discouraged and the number of new licenses issued will slow, as will renewals. Good news for today's active agents who will face a dwindling number of home sales for income in the coming years.

Sales agent licensing and renewals to slip

This chart shows the number of **California sales agent licenses** issued each month (the gold line), alongside the percent of expiring licensees who choose to renew (the blue line).

On average, just over 2,000 sales agent licenses are issued each month as of June 2018. This number has remained roughly level over the past year. However, **license renewals** have fallen off gradually to 80% in June 2018 after peaking at 83% in 2016. This is due primarily to lackluster home sales volume, which has stalled and is now slowing the flow of agent fees.

In 2019, expect a slip in renewals and a drop in new licenses as home sales volume continues to soften. These numbers won't rise again until the next housing boom arrives, in the years following a recession, anticipated by economists to arrive in 2020-2021.

Sales Agent Licenses Issued and Renewed in California



Data courtesy of the Department of Real Estate

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