

# Monthly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from [first tuesday](#)

January 2015 • Vol. 4 • Issue 1 • *California real estate licensee and MLO populations growing, for now*

Presented by

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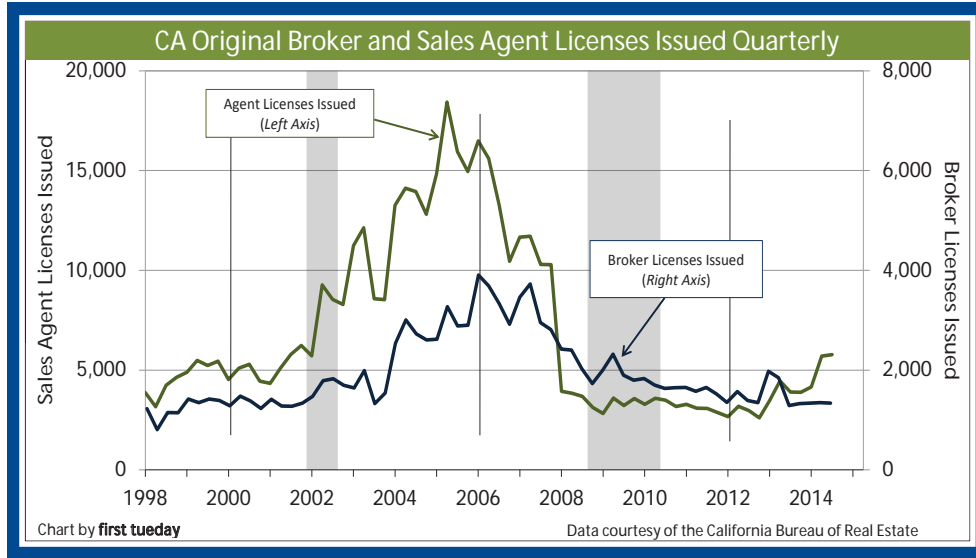
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## New sales agent and broker licenses temporarily buoyed

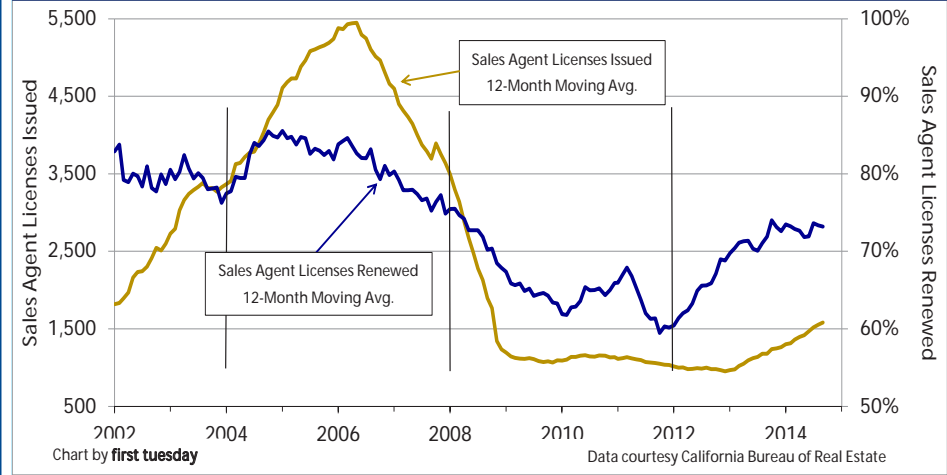
This chart presents the number of **new sales agent and broker licenses** issued by the California Bureau of Real Estate (CalBRE) each quarter.

**Newly licensed agents** increased a startling 34.2% in the first three quarters of 2014 over the same period in 2013, a sharp uptick from the 10% annual increase in the same period in 2012. Newly issued **broker licenses** have stabilized over the past year after dropping around 19% from their post-Recession peak of 6,500 in 2012.

Rapid **home price increases** over the past year and a half have driven this spike in new agent licensing. Broker licensing is slower and steadier due to the difficulty in obtaining a license. Agents, looking to remain in the business and upgrade their licenses, know the decline in fee-generating sales volume paints a much different picture than media reports of annual price rises.



## Sales Agent Licenses Issued and Renewed in California



## Sales agent license renewals falter

This chart compares the monthly California sales agent license **renewal rate** to the number of new sales agent licenses issued each month, expressed as a twelve-month moving average.

The renewal rate for expiring real estate licenses has demonstrated a weak flat-to-falling trend since its last peak in late 2013. The annualized sales agent renewal rate was 74% in the first three quarters of 2014. The high sales agent **turnover rate** is directly related to mismatched fee perceptions and realities in the real estate market. Rising prices entice new agents; weakening sales volume, with fewer fees, drives expiring licensees away.

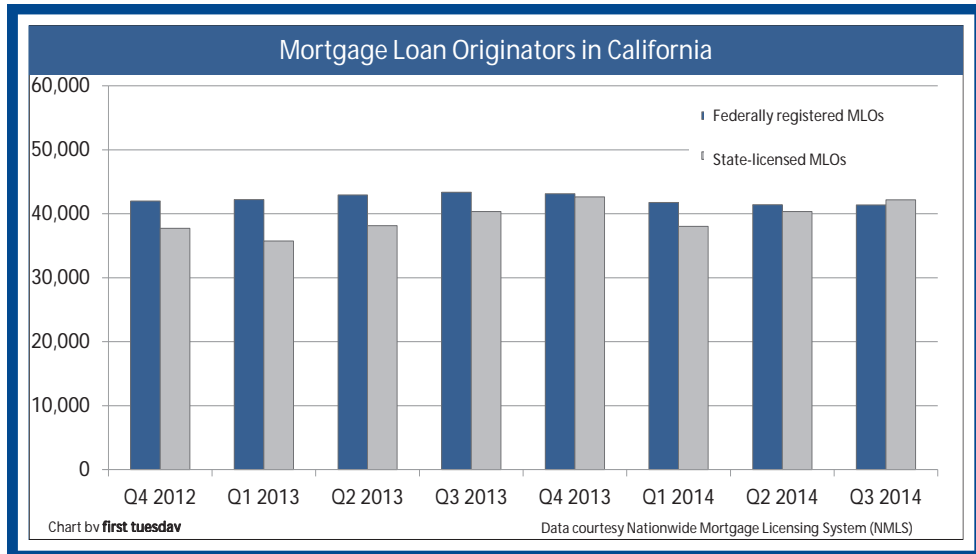
Expect agent licensing to bottom around 2017, followed by a substantial increase in sales agents with the onset of the forecasted boom in real estate sales volume and prices. This next boom, most likely to occur around 2019-2020, will see the **Great Confluence** of first-time homebuyers and cash-flush retiring Baby Boomers as monetary policy produces a business cycle peak.

## California mortgage loan originators (MLOs) hold steady

This chart displays the population of federally registered and state-licensed **mortgage loan originators (MLOs)** in California by quarter.

41,400 MLOs were registered at the **federal level**—employees of large national banks—in the third quarter (Q3) of 2014 in California. This was down 5% from a year earlier. MLOs **licensed by California** through California Bureau of Real Estate (CalBRE) or the Department of Business Oversight (DBO) totaled 42,200 in Q3 2014, up 5% from a year earlier.

California accounts for a whopping 33% of the nation's state-licensed MLO population (we are 13% of the nation's population). This indicates mortgage bankers are relying on **broker-packaged originations** for business. Mortgage interest rate increases on the horizon in 2015 and a continued decline in sales volume and thus mortgage originations will dampen the growth in state-licensed MLOs in the coming years.



Click on any chart  
for more information!