



UNIT 9

CAREERS IN REAL ESTATE

The real estate industry is one of the largest and most diverse industries in the United States economy. Careers include appraisal, brokerage, consulting, corporate real estate, development, governmental functions, property management, and mortgage banking among others. Real estate is also a great field for **entrepreneurs**, risk takers who go into business in hopes of earning a profit.

In order to be successful in a real estate career, one must be educated, aggressive, analytical, self-motivated, people-oriented, and independent. The careers require the ability to constantly adapt to changes/trends in the field as well as technology; a great deal of time management skills; and the ability to take risks. For these abilities, real estate offers potential for personal satisfaction, autonomy, and high earnings.

Student Learning Objectives:

- Students will research information about the National Association of Realtors, the regulatory role of their state's Real Estate Commission, and other organizations related to the housing industry.
- Students will conduct surveys of local real estate personnel to determine the relationship between their local community and the National Association of Realtors.
- Students will analyze current and future trends in various occupations in the housing industry. Also, students will derive information about the characteristics of people who are employed in the real estate industry from information collected by the National Association of Realtors.
- Students will use the Occupational Outlook Handbook to compare and contrast different careers in the housing industry.

Key Concepts:

entrepreneur
demand

opportunity cost
services

supply

LESSON 9-1: THE NATIONAL ASSOCIATION OF REALTORS

The National Association of Realtors (NAR) was founded in 1908 and according to the official NAR website (<http://nar.realtor.com>), the association is composed of Realtors who are involved in residential and commercial real estate as brokers, salespeople, property managers, appraisers, counselors and others engaged in all aspects of the real estate industry. The NAR provides professional development for its members and a forum for the exchange of information among its members and to the public and government.

Materials Needed:

- Duplicate *Activity Sheet 9-1: What is the National Association of Realtors* for each member of the class.
- Internet access to the National Association of Realtors web site (<http://nar.realtor.com/>) or have hardcopies of the information available for each group of students.

Teaching the Lesson:

1. Introduce the lesson to the students by asking them to brainstorm who they think the National Association of Realtors might be and what role the association plays in the real estate industry.
2. Distribute copies of *Activity Sheet 9-1: What is the National Association of Realtors* to everyone in class and review the directions. You may wish to divide the students into pairs or small groups to complete the activity sheet.
3. Have students complete the activity sheet based on the information on the web site. After students have completed the activity sheets, discuss the student findings. Ask, what are their impressions of the National Realtors Association? What types of occupations in real estate might they be most interested in learning more about? If they were in real estate, would they want to join the NAR? Why or why not?
4. Have students conduct surveys of local real estate brokerages and agencies to determine how the percentage of people in the local industry who are members of the NAR. What are the reasons these people joined the association? How long have they been members? What is the purpose of the association as they view it? Have students present their findings to the class.
5. Discuss the results of the student surveys. What are some of the trends they found? What are similarities and differences in the student surveys? How did the people surveyed view the purpose of the National Association of Realtors? How does this compare to the message provided on the web site?

Debriefing the Lesson

Explain to the students that many industries have formed professional groups and associations. The National Association of Realtors is one such association. The association helps to provide professional development opportunities for its members, provides a forum for the exchange of information among its members, the public, and the government; and promotes the right of consumers to own real estate property.

LESSON 9-2: WHO ARE REALTORS AND BROKERS?

In this lesson, students will analyze information about realtors and brokers collected by the National Association of Realtors. The NAR annually conducts surveys of its members to determine who its members are, what kinds of business relationships they have with their real estate firms, how old they are, and how long they have been in the real estate business. This information provides the association with information they can use to plan for future needs of their members and to develop services to meet those needs. Students will use this information to determine typical characteristics about the industry.

Materials Needed:

- Duplicate *Activity Sheet 9-2: Realtors and Brokers, Who Are They?* or each student or group of students.
- Internet access to the National Association of Realtors web site (<http://nar.realtor.com>) or print hard copies of the information for the students. The most recent version of the Member Survey is found by using the “Site Search” option on the page to search for “Member Profile.”

Teaching the Lesson:

1. Ask students to describe a typical realtor. How old do they think this person might be? What gender? How much money might this person make annually? Where would this person live? How many hours per week does this person work? Tell students that they are going to research this and other information about realtors.
2. Review the concept of **opportunity cost**, the value of the next best alternative given up when one activity or course of action is selected rather than another. Tell the students to look for many examples of opportunity cost as they can when they read the material. (*For example, many realtors have to show properties on weekends and evenings, when their clients are away from their jobs. This loss of free time involves a considerable opportunity cost to realtors.*)

3. Distribute copies of *Activity Sheet 9-2: Realtors and Brokers, Who Are They?* to each student and review the directions.
4. Direct students to the NAR web site or have printouts of the information available for the students. Have them complete the activity sheet based on the information provided in the most recent Member Profile.
5. Discuss the student responses to the activity sheet. What trends did they find? How did the information provided in the survey compare to their initial perceptions? What are some other questions that they would include in the survey?

Debriefing the Lesson

The Member Profile of the National Association of Realtors is conducted annually throughout the United States. The report focuses on demographic, economic, and professional characteristics of realtors. In 1999, the typical realtor was a 52 year old female, married, lived in a household with two to four people, had a personal gross income of \$43,500, worked 45 hours a week, had been in the real estate business for 13 years, and has been with her firm for six years. This typical person also, owns or leases a computer as part of her business. The entire association had 727,139 members in 1999. Because the real estate industry is one of the largest industries in the United States, it is important to determine the membership of the types of people who are involved in the industry. This survey is one way in which that goal can be accomplished.

LESSON 9-3: REAL ESTATE OCCUPATIONS

In this lesson, the students will research information about different occupations in the housing industry. Specifically, they will research the requirements of the occupations and make predictions for the outlook of the occupation.

People in real estate, like any other occupation, receive an income for the **services**, or work that is provided for others, they provide. This income is a function of **demand**, or the ability and willingness of buyers to pay for a product, and supply. **Supply** is the amount of product or service rendered at all available prices. As students proceed with the lesson, tell them to look for the factors that increase the demand for real estate professionals (knowledge of local laws and housing regulations, information about available properties in a given market, population and industry growth, willingness to help, etc.). Also, ask them to look for those things that affect supply (such as educational and certification requirements that might tend to limit the number of people in a profession). The incomes real estate professionals receive are affected by the interaction of these two forces.

Materials Needed:

- Duplicate *Activity Sheet 9-3: There's More to Real Estate than Just Realtors* for each member of the class.
- Internet access to the Bureau of Labor Statistic's Occupational Outlook Handbook which can be found in the Government Publications section of the <http://EconSources.com> site. The Handbook is also available at most school and public libraries.

Teaching the Lesson:

1. Using an overhead transparency or the chalkboard, have students brainstorm a list of different occupations that are available related to housing. (*Student responses could include: residential real estate brokers, commercial real estate brokers, appraisers, real estate developers, mortgage bankers, property managers, real estate consultants, builders, carpenters, bricklayers, and corporate real estate.*)
2. Explain to students that in this lesson they are going to learn more about each of these occupations as well as others related to housing. They will be using the Bureau of Labor Statistics' Occupational Outlook Handbook to research specific information about the occupations. This is a source of career information published every two years by the BLS.

The Handbook describes what workers do on the job, working conditions, the training and education needed, earnings, and expected job prospects in a wide range of occupations. Employment in the approximately 250 occupations covered in the Handbook accounts for about six out of every seven jobs in the economy. Students can go directly to the Handbook by using the link provided.
3. Divide students into pairs. Allow each pair of students to select a particular occupation related to housing, such as those from their brainstorming, or students could select an occupation found in the Handbook. Each pair of students should represent a different occupation. Tell students that they are to research information about this selected occupation.
4. Distribute copies of *Activity Sheet 9-3: Real Estate Occupations* to everyone in class and review the directions. Direct students to the BLS web site or have bound copies of the Handbook available. Have them complete the activity sheet based on the assigned occupations.
5. Have students present their findings to the rest of the class. What are similar trends among the careers? Which occupations have the most potential for growth in the next 10 years? The least? How will technology affect the occupation?

Debriefing the Lesson

The real estate industry is one of the largest industries in the US economy, as well as being a very diverse industry. In order to be successful in a real estate career, one must be educated, aggressive, analytical, self-motivated, people-oriented, and independent. The careers require the ability to constantly adapt to changes/trends in the field as well as technology; a great deal of time management skills; and the ability to take risks. For these abilities, real estate offers potential for personal satisfaction, autonomy, and high earnings.

UNIT RESOURCES:



Community Resources:

- Invite a local member of the National Association of Realtors to speak with your class about the association and the role it plays in the local community as well as nationally.
- Invite a panel of community members representing realtors, appraisers, real estate developers, property managers, mortgage bankers, and/or real estate consultants to speak with your class about their occupations. Alternatively, have students interview and collect information about representatives from the variety of fields related to housing.



Teacher Resources:

- 101 Careers: A Guide to the Fastest Growing Opportunities. Resource that lists occupations with the biggest growth potential in the coming century. Each listing includes occupational overview, a description of the job, etc. Available from Social Studies School Service at <http://www.socialstudies.com>.
- Career Opportunities in Real Estate. Booklet published by the University of Kentucky Center for Real Estate Studies; describes career opportunities in real estate such as brokerage, appraisal, development, property/asset management, financing/investment, etc. Available from: <http://ikcres.gws.uky.edu/>
- Evans, Mariwyn, Opportunities in property Management Careers, rev ed. Lincolnwood. IL. VGM Career Horizons 2000.
- Kentucky Real Estate Commission. Video produced by the Kentucky Real Estate Commission that provides an overview of the commission and its regulatory role in the state of Kentucky. <http://www.krec.net/>.
- Peterson's Guide to Two-year Colleges. Princeton, NJ; Peterson's Guides, annual

 **World Wide Web Resources:**

<http://app.ny.frb.org/cfpicnic/main.cfm> The Federal Reserve Bank's on-line catalog of informational materials; site features publications related to housing and home ownership, in addition to banking, consumer finance, economics, the Federal Reserve System, Financial markets and instrument, international economics, money, and payment systems.

<http://www.cob.ohio-state.edu/dept/fin/jobs/realest.htm> Brief summary of information related to jobs in real estate; features skill requirements in real estate, key job areas, print resources, Internet resources, salaries, facts and trends, and a list of the top property managers in the United States

<http://www.EconSources.com> Excellent source for general economic information, sources of data, and teacher resources in economic education

<http://nar.realtor.com> National Association of Realtors' official web site; features information about finding a home, a neighborhood, a realtor, and a lender; also includes an on-line library of informational materials and information about the National Association of Realtors

ACTIVITY SHEET 9-1
WHAT IS THE NATIONAL ASSOCIATION OF REALTORS?

Directions: Use information from the National Association of Realtors (NAR) web site at <http://nar.realtor.com> to answer the following questions.



1. Select the *ABOUT NAR* option on the menu. What types of professions are represented in the National Association of Realtors?

2. Find the *Code of Ethics* link. What are some of the guiding principles of the association that are presented in the Preamble?

3. Review the articles of the NAR's code of ethics. What are some of the philosophies that you find meaningful? Why?

4. Contact local real estate agencies and brokerages in your area. You might want to ask them some of the following questions:

- What percentage of these professionals are members of the National Association of Realtors?
- What are their reasons for joining the association?
- What do they see as the benefits of their membership?
- What are the disadvantages?

Write a short summary of the response that interests you the most on the reverse side of this sheet.

ACTIVITY SHEET 9-2
REALTORS AND BROKERS, WHO ARE THEY?

Directions: Search for “Member Profile” in the “Site Search” section of the National Association of Realtors web site at <http://nar.realtor.com>. Then, complete the following with short sentence responses.



1. Describe the typical realtor:

2. What are some of the demographic, economic, and professional differences between brokers and sales agents?

3. Describe some of the personal and professional characteristics of realtors:

4. How is technology influencing the real estate industry? How are realtors using technology in communication, business management, and marketing?

5. What are some of the opportunity costs of being in the real estate profession? Provide one or two examples.

ACTIVITY SHEET 9-3
REAL ESTATE OCCUPATIONS

Directions: Using the Bureau of Labor Statistics' Occupational Outlook Handbook in the "Government Publications" section of the EconSources.com web site, research information about your selected housing occupation. Then, provide a brief description or summary for each of the following topics:



Occupation: _____

Occupational Characteristics: _____

Working Conditions: _____

Employment: _____

Training, Other Qualifications, and Advancement: _____

Job Outlook: _____

Earnings: _____

Related Occupations: _____

