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**DEPARTMENT OF REAL ESTATE**

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Thank you to all who voluntarily participated in the ADRE Broker Audit Survey. The results will enhance the Department's mission of protecting the Arizona public and real estate industry that we are proud to serve. The survey was distributed either electronically or by mail to 7,255 Designated Brokers ("DB") and Self Employed Brokers ("SE") in Arizona. Nearly 73% of the 7,255 real estate brokers in Arizona participated. The results below do not reflect the entire real estate industry in Arizona and are only meant for the purpose of being informative. All figures below reflect responses received on the survey.

**Section 2. Real Estate Services**

- ***Indicate type of real estate services provided by brokerage***

	<b>Respondents</b>	<b>Percentage</b>
Residential Sales	3,852	73.02%
Commercial Sales and Leasing	1,722	32.64%
Other subdivided/unsubdivided land	1,295	24.55%
Residential Property Management	1,167	22.12%
New Home Subdivision	647	12.27%
Commercial Property Management	620	11.75%
Farm and Ranch	583	11.05%
Business Brokerage	291	5.52%
Timeshare	49	0.93%

**Section 3. Brokerage Sales Transactions in 2012**

- ***Total Residential Sales transactions closed in 2012***  
Responses were not reliable and cannot yield accurate data.
- ***Total Commercial Sales transactions closed in 2012***  
Responses were not reliable and cannot yield accurate data.

**Section 4. Information about Associate Brokers and Salespersons licensed to brokerage**

- ***Associate Brokers (\*The figure below is the sum total as reported by the survey respondents.)***  
4,303
- ***Salespersons (\*The figure below is the sum total as reported by the survey respondents.)***  
28,259

**Section 5. Unlicensed individuals employed by brokerage**

- ***Number of Full-Time (more than 20 hours per week) unlicensed individuals (\*The figure below is the sum total as reported by the survey respondents.)***  
7,224

- **Number of Part-Time (20 hours or less per week) unlicensed individuals (\*The figure below is the sum total as reported by the survey respondents.)**  
1,942

**Section 6. Associate Brokers with Designated Broker duties**

- **Number of Associate Brokers with authority to perform Designated Broker duties (\*The figure below is the sum total as reported by the survey respondents.)**  
595 (One response is unreliable and was not included)
- **Number of Associate Brokers with authority to perform Designated Broker duties that have completed the 9 hour Broker Management Clinic (“BMC”)**  
Responses were not reliable and cannot yield accurate data.

**Section 7. Branch Manager Appointees**

- **Number of Associate Brokers appointed as Branch Manager (\*The figure below is the sum total as reported by the survey respondents.)**  
272 (One response is unreliable and was not included)
- **Number of Salespersons appointed as Branch Manager (\*The figure below is the sum total as reported by the survey respondents.)**  
360 (One response is unreliable and was not included)

**Section 8. Licensees with Delegated Contract Review/Initial Authority**

- **Number of licensees with Delegated Contract Review/Initial Authority (\*The figure below is the sum total as reported by the survey respondents.)**  
1,036
- **Number of licensees with Delegated Contract Review/Initial Authority that have completed the 9 hour BMC**  
Responses were not reliable and cannot yield accurate data.
- **List license numbers of all licensees with Delegated Contract Review/Initial Authority**  
Confidential information is being withheld from the survey results.

**Section 9. Property Management – units managed**

- **Number of residential units managed** - NOTE: Restricted to “Yes” responses in Section 2  
Total – 268,228
  - Single Family Homes – 91,763
  - Multi Family Homes – 170,906  
\*Multi Family was not defined in the survey.
  - Other – 5,559
- **Number of commercial units managed** - NOTE: Restricted to “Yes” responses in Section 2  
Total – 6,527
  - Commercial Industrial Buildings – 3,412
  - Shopping Centers – 1,031
  - Other – 2,084

**Section 10. Licensees performing property management activities**

- ***Number of licensees performing Property Management activities other than DB or SE (\*The figure below is the sum total of licensees that indicated involvement with property management in Section 2)***

2,536 (One response is unreliable and was not included)

**Section 11. Property Management Trust Accounts**

- ***Total number of property management trust accounts (\*The figure below is the sum total as reported by the respondents.)***

6,822 (1 response is unreliable, was not used)

- ***Average monthly cash flow through ALL Property Management Trust Accounts for 2012 (\*The figure below was calculated by averaging the total dollars of cash flows with the total number of property management trust accounts as indicated by survey respondents.)***

\$87,711

**Section 12. Property Management – Errors & Omissions Insurance (“E&O”)**

- ***Brokers Holding E&O Insurance for Property Management***

Residential Property Management: NOTE: Restricted to “Yes” responses in Section 2

56.56%

Commercial Property Management: NOTE: Restricted to “Yes” responses in Section 2

44.35%

- ***Coverage limits of Brokers Holding E&O for Property Management***

Residential Property Management: NOTE: Restricted to “Yes” responses in Section 2

**\*The percentages below are based on the 640 respondents that carry E&O coverage for residential property management.**

\$1 - \$250,000	48	7.50%
\$250,001 - \$500,000	69	10.78%
\$500,001 - \$1,000,000	441	68.91%
\$1,000,001 - \$5,000,000	67	10.47%
\$5,000,000 +	15	2.34%

Commercial Property Management: NOTE: Restricted to “Yes” responses in Section 2

**\*The percentages below are based on the 263 respondents that carry E&O coverage for commercial property management.**

\$1 - \$250,000	17	6.46%
\$250,001 - \$500,000	17	6.46%
\$500,001 - \$1,000,000	166	63.12%
\$1,000,001 - \$5,000,000	54	20.53%
\$5,000,000 +	9	3.42%

**Section 13. Property Management - Surety Bond**

- ***Brokers Holding Surety Bond Coverage for Property Management***

Residential Property Management: NOTE: Restricted to “Yes” responses in Section 2  
10.28%

Commercial Property Management: NOTE: Restricted to “Yes” responses in Section 2  
12.58%

- ***Coverage limits for Brokers Holding Surety Bond Coverage for Property Management***

Residential Property Management: NOTE: Restricted to “Yes” responses in Section 2

**\*The percentages below are based on the 112 respondents that carry surety bond coverage for residential property management.**

\$1 - \$250,000	56	50.00%
\$250,001 - \$500,000	15	13.39%
\$500,001 - \$1,000,000	29	25.89%
\$1,000,001 - \$5,000,000	8	7.14%
\$5,000,000 +	4	3.57%

Commercial Property Management: NOTE: Restricted to “Yes” responses in Section 2

**\*The percentages below are based on the 73 respondents that carry surety bond coverage for commercial property management.**

\$1 - \$250,000	34	46.58%
\$250,001 - \$500,000	11	15.07%
\$500,001 - \$1,000,000	19	26.03%
\$1,000,001 - \$5,000,000	6	8.22%
\$5,000,000 +	3	4.11%

**Section 14. General/Sales/Earnest Money Accounts**

- ***Total number of General/Sales/Earnest Money Accounts***

Responses were not reliable and cannot yield accurate data.

**Section 15. Document Storage**

- ***Offsite Storage***

9.67%

- ***Electronic Records Storage***

18.01%

**\*\*Confidential information is being withheld from survey results.**