

Service bulletin

Real Estate Agents, Brokers, Appraisers and Other Real Estate Activities



2009

Highlights

- Despite the economic downturn, the Canadian real estate industry recorded modest growth over 2008, buoyed by historically low interest rates and the continued availability of mortgage financing. In 2009, real estate agents, brokers, appraisers and other real estate industries generated total operating revenues of \$10.7 billion, up 0.6% from the previous year.
- The industry reported operating expenses of \$8.4 billion, up 5.8% from the previous year. The overall profit margin declined to 21.8% from 25.6% in 2008.
- The province of Ontario accounted for 47% of total revenues earned by the real estate agents, brokers, appraisers and other real estate industries. British Columbia accounted for 20%, Quebec's share was 13% and Alberta's share stood at 12%.
- Most of the industry (87%) is made up of businesses that act as real estate agents or brokers. The remaining establishments are engaged in providing real estate appraisals or other types of real estate services.
- Commissions earned from the sales and rental of real estate accounted for 94% of total sales for the real estate broker industry. Most of these commissions came from selling and renting residential real estate (86%), while 14% were generated from commercial real estate transactions.

Statistical tables

Table 1

Summary statistics for real estate agents, brokers, appraisers and other real estate activities industries, Canada, 2007 to 2009

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	100.6	10.1	78.2	22.2
Prince Edward Island	22.8	2.8	19.3	15.2
Nova Scotia	164.5	28.9	131.5	20.0
New Brunswick	132.6	19.2	114.1	14.0
Quebec	1,374.1	149.1	1,017.6	25.9
Ontario	5,030.1	572.2	3,984.5	20.8
Manitoba	236.3	22.6	165.4	30.0
Saskatchewan	202.9	20.8	142.7	29.7
Alberta	1,300.5	159.3	1,069.4	17.8
British Columbia	2,121.8	238.3	1,635.3	22.9
Territories ¹	x	x	x	x
Canada	10,699.9	1,228.7	8,370.7	21.8
2008 ^r				
Newfoundland and Labrador	99.5	10.8	67.6	32.1
Prince Edward Island	21.9	2.4	17.8	18.6
Nova Scotia	167.4	27.0	127.5	23.8
New Brunswick	126.0	16.6	95.4	24.3
Quebec	1,377.1	184.5	1,011.2	26.6
Ontario	5,029.0	714.3	3,957.7	21.3
Manitoba	242.6	31.7	151.5	37.6
Saskatchewan	182.4	21.4	123.0	32.6
Alberta	1,306.0	170.2	911.2	30.2
British Columbia	2,069.6	283.9	1,434.1	30.7
Territories ¹	x	x	x	x
Canada	10,635.2	1,466.1	7,910.2	25.6
2007				
Newfoundland and Labrador	76.8	11.5	52.9	31.1
Prince Edward Island	26.6	3.2	19.1	28.2
Nova Scotia	171.7	26.7	113.2	34.1
New Brunswick	128.2	16.1	91.8	28.4
Quebec	1,390.5	189.3	938.6	32.5
Ontario	5,484.2	746.4	3,947.3	28.0
Manitoba	196.2	28.9	132.0	32.7
Saskatchewan	172.7	22.2	114.8	33.5
Alberta	1,445.8	221.4	952.5	34.1
British Columbia	2,335.6	343.2	1,502.0	35.7
Territories ¹	x	x	x	x
Canada	11,448.2	1,614.5	7,880.0	31.2

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 531211, 531212, 531320, 531390). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Summary statistics for real estate agents and brokers, Canada, 2007 to 2009

	Total operating revenue	Salaries, wages and benefits	Total operating expenses	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	89.2	6.3	69.6	22.0
Prince Edward Island	18.5	2.2	15.6	15.7
Nova Scotia	143.9	22.6	115.1	20.0
New Brunswick	109.4	12.7	93.6	14.5
Quebec	1,182.9	88.1	862.9	27.1
Ontario	4,383.4	404.6	3,456.9	21.1
Manitoba	199.3	16.2	135.7	31.9
Saskatchewan	165.0	17.8	111.0	32.7
Alberta	1,129.9	118.5	920.9	18.5
British Columbia	1,843.5	184.2	1,399.0	24.1
Territories ²	x	x	x	x
Canada	9,272.0	877.7	7,186.7	22.5
2008 ^r				
Newfoundland and Labrador	89.1	7.0	59.2	33.5
Prince Edward Island	18.0	1.6	14.3	20.7
Nova Scotia	139.9	19.6	104.6	25.2
New Brunswick	108.2	11.2	80.0	26.0
Quebec	1,193.2	124.0	855.8	28.3
Ontario	4,330.9	526.7	3,367.4	22.2
Manitoba	207.9	25.1	122.5	41.1
Saskatchewan	152.9	17.7	101.7	33.5
Alberta	1,084.8	118.0	723.5	33.3
British Columbia	1,764.4	227.6	1,187.8	32.7
Territories ¹	x	x	x	x
Canada	9,098.0	1,081.2	6,625.0	27.2
2007				
Newfoundland and Labrador	67.1	7.8	44.3	34.0
Prince Edward Island	22.9	2.5	15.6	31.7
Nova Scotia	145.9	20.2	92.3	36.7
New Brunswick	109.4	10.9	76.2	30.4
Quebec	1,205.1	126.2	775.9	35.6
Ontario	4,760.3	606.1	3,310.5	30.5
Manitoba	163.5	22.7	105.5	35.5
Saskatchewan	149.3	19.4	96.5	35.3
Alberta	1,232.9	163.0	770.2	37.5
British Columbia	2,045.4	288.9	1,259.8	38.4
Territories ¹	x	x	x	x
Canada	9,916.2	1,271.7	6,556.7	33.9

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 531211, 531212). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 3
Summary statistics for real estate appraisers, Canada, 2007 to 2009

	Operating revenue	Operating expenses	Operating profit margin
	millions of dollars		percent
2009^p			
Newfoundland and Labrador	5.9	4.9	16.3
Prince Edward Island	x	x	x
Nova Scotia	11.8	10.2	13.8
New Brunswick	8.3	7.4	10.8
Quebec	123.0	104.8	14.8
Ontario	331.8	247.0	25.5
Manitoba	11.1	9.4	16.0
Saskatchewan	13.9	9.9	28.6
Alberta	71.5	62.5	12.5
British Columbia	97.7	80.9	17.1
Territories ¹	x	x	x
Canada	676.7	538.4	20.4
2008			
Newfoundland and Labrador	5.7	4.9	13.9
Prince Edward Island	x	x	x
Nova Scotia	13.1	10.5	20.2
New Brunswick	8.7	7.5	13.0
Quebec	117.7	98.9	16.0
Ontario	346.1	262.9	24.1
Manitoba	13.0	10.3	20.8
Saskatchewan	14.6	10.2	30.3
Alberta	91.2	77.8	14.7
British Columbia	104.4	88.6	15.1
Territories ¹	x	x	x
Canada	716.4	573.0	20.0
2007			
Newfoundland and Labrador	5.3	4.9	7.9
Prince Edward Island	x	x	x
Nova Scotia	12.2	9.7	20.0
New Brunswick	9.8	8.3	15.6
Quebec	119.9	106.8	10.9
Ontario	404.5	351.4	13.1
Manitoba	11.0	9.4	14.7
Saskatchewan	11.1	7.6	31.8
Alberta	90.2	73.6	18.4
British Columbia	110.7	90.5	18.2
Territories ¹	x	x	x
Canada	777.6	664.6	14.5

1. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 531320). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 4
Distribution of operating expenses for real estate agents, brokers, appraisers and other real estate activities,
Canada, 2009

	percent
Salaries, wages and benefits	15
Commissions paid to non-employees	32
Professional and business services fees	5
Subcontract expenses	2
Charges for services provided by your head office	x
Cost of goods sold	8
Office supplies	4
Rental and leasing	3
Repair and maintenance	3
Insurance	x
Advertising, marketing and promotions	5
Travel, meals and entertainment	2
Utilities and telecommunications	3
Property and business taxes, licenses and permits	3
Royalties, rights, licensing and franchise fees	x
Delivery, warehousing, postage and courier	x
Financial service fees	x
Amortization and depreciation of tangible and intangible assets	3
Bad debts	x
All other expenses	12
Total operating expenses	100

Note(s): According to the North American Industry Classification System (NAICS 531211, 531212, 531320, 531390). See "Data source, definitions and methodology" at the end of tables for definition of terms. The smallest firms, in terms of revenues earned, are not included in these estimates. These firms account for a relatively small portion of total industry revenues.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Real Estate Brokers industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the Real estate agents, brokers, appraisers and other real estate activities industries industry (NAICS 531) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in renting, buying and selling real estate for others, on a fee or commission basis.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2009 was 911 collection entities.

Definitions

- **Operating revenue** excludes investment income, capital gains, extraordinary gains and other non-recurring items.
- **Salaries, wages and benefits** include vacation pay and commissions for all employees for whom T4 slips were completed. This category also includes the employer portion of employee benefits for items such as Canada/Québec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.
- **Operating expenses** exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.
- **Operating profit margin** is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.
- An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogenous a set of goods and/or services as possible; which does not cross provincial boundaries, and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the (weighted) response rate was 87%. The coefficients of variation (CVs) were calculated for each estimate and are available upon request.

Related products

CANSIM

Available on CANSIM: table 352-0005 - Summary statistics for real estate agents, brokers, appraisers and other real estate activities (all establishments), by North American Industry Classification System (NAICS), annual (150 series)

Selected CANSIM tables from Statistics Canada

352-0005	Real estate agents, brokers, appraisers and other real estate activities, summary statistics, by North American Industry Classification System (NAICS), annual (150 series)
352-0018	Real estate agents, brokers, appraisers and other real estate activities, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series)

Survey(s)

Definitions, data sources and methods: survey number 4706 - Annual Survey of Service Industries: Real Estate Agents, Brokers, Appraisers and Other Real Estate Activities

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: February 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

To access this product

This product, Catalogue no. 63-238-X, is available free in electronic format. To obtain a single issue, visit our website at www.statcan.gc.ca and browse by "Key resource" > "Publications."

Frequency: Annual / ISSN 1916-5943

For information on the wide range of data available from Statistics Canada, please call our national inquiries line at 1-800-263-1136.

Cette publication est également disponible en français.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2011. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed *standards of service* that its employees observe.

To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under "About us" > "The agency" > "Providing services to Canadians."

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.