

## Service bulletin

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



2008

### Highlights

- Real estate agents, brokers, appraisers and other real estate industries reported total operating revenues of \$10.6 billion in 2008, a decline of 7% from the previous year.
- Operating expenses stood at \$7.9 billion, unchanged from the previous year. The overall operating profit margin declined to 25.2% from 31.2% in 2007.
- 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%.
- The decline in operating revenue was widespread across Canada. Only the provinces of Newfoundland, Manitoba and Saskatchewan reported a growth in revenue.

## Statistical tables

Table 1

Summary statistics for real estate agents, brokers, appraisers and other real estate activities industries, Canada, 2006 to 2008

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
<b>2008 p</b>				
Newfoundland and Labrador	90.8	10.4	59.1	34.9
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	206.8	31.1	151.5	26.8
Saskatchewan	182.4	21.4	123.0	32.6
Alberta	1,306.0	171.9	931.4	28.7
British Columbia	2,085.2	284.4	1,450.1	30.5
Territories <sup>1</sup>	x	x	x	x
<b>Canada</b>	<b>10,606.3</b>	<b>1,467.3</b>	<b>7,937.8</b>	<b>25.2</b>
<b>2007</b>				
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 <sup>1</sup>	x	x	x	x
<b>Canada</b>	<b>11,448.2</b>	<b>1,614.5</b>	<b>7,880.0</b>	<b>31.2</b>
<b>2006</b>				
Newfoundland and Labrador	64.6	9.6	45.8	29.1
Prince Edward Island	23.9	3.3	17.6	26.5
Nova Scotia	149.3	25.6	99.5	33.3
New Brunswick	102.8	14.3	72.7	29.3
Quebec	1,294.7	172.9	845.8	34.7
Ontario	5,201.4	781.6	3,666.5	29.5
Manitoba	167.3	29.2	116.6	30.3
Saskatchewan	132.0	16.5	84.9	35.7
Alberta	1,403.5	221.5	902.0	35.7
British Columbia	2,003.2	258.7	1,257.6	37.2
Territories <sup>1</sup>	x	x	x	x
<b>Canada</b>	<b>10,560.5</b>	<b>1,538.9</b>	<b>7,124.0</b>	<b>32.5</b>

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, 2006 to 2008**

	Total operating revenue	Salaries, wages and benefits	Total operating expenses	Operating profit margin
	millions of dollars			percent
<b>2008 P</b>				
Newfoundland and Labrador	80.3	6.6	50.8	36.8
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	172.2	24.5	122.5	28.9
Saskatchewan	152.9	17.7	101.7	33.5
Alberta	1,084.8	119.7	743.7	31.4
British Columbia	1,780.0	228.1	1,203.7	32.4
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>9,069.1</b>	<b>1,082.4</b>	<b>6,652.6</b>	<b>26.6</b>
<b>2007</b>				
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 <sup>1</sup>	x	x	x	x
<b>Canada</b>	<b>9,916.2</b>	<b>1,271.7</b>	<b>6,556.7</b>	<b>33.9</b>
<b>2006</b>				
Newfoundland and Labrador	55.8	6.3	38.3	31.4
Prince Edward Island	20.2	2.2	14.3	29.3
Nova Scotia	129.0	19.1	83.7	35.1
New Brunswick	86.7	9.0	59.1	31.9
Quebec	1,120.5	114.0	696.9	37.8
Ontario	4,540.8	565.3	3,080.8	32.2
Manitoba	139.1	22.2	88.6	36.3
Saskatchewan	114.2	13.9	70.7	38.1
Alberta	1,220.7	173.3	753.7	38.3
British Columbia	1,759.4	195.6	1,047.9	40.4
Territories <sup>1</sup>	x	x	x	x
<b>Canada</b>	<b>9,199.5</b>	<b>1,124.9</b>	<b>5,943.5</b>	<b>35.4</b>

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, 2006 to 2008<sup>1</sup>**

	Operating revenue	Operating expenses	Operating profit margin
	millions of dollars		percent
<b>2008 p</b>			
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 <sup>2</sup>	x	x	x
<b>Canada</b>	<b>716.4</b>	<b>573.0</b>	<b>20.0</b>
<b>2007</b>			
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 <sup>2</sup>	x	x	x
<b>Canada</b>	<b>777.6</b>	<b>664.6</b>	<b>14.5</b>
<b>2006</b>			
Newfoundland and Labrador	5.1	4.6	10.1
Prince Edward Island	x	x	x
Nova Scotia	9.7	7.8	20.0
New Brunswick	8.9	7.5	15.6
Quebec	118.3	100.3	15.2
Ontario	380.5	333.6	12.3
Manitoba	10.3	8.8	14.8
Saskatchewan	8.1	6.0	26.1
Alberta	77.9	63.6	18.3
British Columbia	99.5	81.6	18.0
Territories <sup>2</sup>	x	x	x
<b>Canada</b>	<b>721.0</b>	<b>615.8</b>	<b>14.6</b>

1. Data for salaries, wages and benefits are not available for this industry.

2. 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, 2008**

	percent
Salaries, wages and benefits	19
Commissions paid to non-employees	25
Professional and business services fees	5
Subcontract expenses	2
Charges for services provided by your head office	0
Cost of goods sold	6
Office supplies	5
Rental and leasing	6
Repair and maintenance	2
Insurance	1
Advertising, marketing and promotions	5
Travel, meals and entertainment	3
Utilities and telecommunications	2
Property and business taxes, licenses and permits	2
Royalties, rights, licensing and franchise fees	2
Delivery, warehousing, postage and courier	0
Financial service fees	2
Amortization and depreciation of tangible and intangible assets	3
Bad debts	0
All other expenses	10
<b>Total operating expenses</b>	<b>100</b>

**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 the financial and operating data needed to produce statistics on the Real estate agents, brokers, appraisers and other real estate activities industries in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Real estate agents, brokers, appraisers and other real estate activities industries industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

### 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 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 2008 was 1,249 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**

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**Data accuracy**

Of the units contributing to the estimate, the (weighted) response rate was 74%. 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)

**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: April 2010

### 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
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0 <sup>s</sup>	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

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