The real estate and rental and leasing industry comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case of patents and trademarks. The real estate and rental and leasing industry comprises three subsectors: real estate; rental and leasing services; and lessors of nonfinancial intangible assets. There are 24 detailed industry subsectors classified within the three subsectors listed. (Source: Bureau of Labor Statistics.). The real estate and rental and leasing industry will, for the remainder of this article, be referred to as the real estate industry.

The real estate industry has three subsectors. As can be seen from Exhibit 1, employment in real estate comprises almost two-thirds, or 64.6 percent, of total real estate industry employment, followed by rental and leasing services, where subsector employment makes up roughly one-third of total employment, or 35.2 percent. Lessors of nonfinancial intangible assets make up only 0.2 percent of total employment, contributing very little employment to the real estate industry in New Mexico. The real estate subsector, the largest of the three subsectors, includes establishments that are primarily engaged in renting or leasing real estate to others; managing real estate for others; selling, buying, or renting real estate for others; and providing other real estate related services, such as appraisal services. The real estate subsector is the primary driver of the entire industry, which is vulnerable to the state of the housing market.

The real estate subsector has the largest share of employment in the real estate industry. Exhibit 2 drills down to the most detailed industries within that particular subsector. Lessors of residential buildings, and offices of real estate agents and brokers, have the two largest shares of employment in the real estate subsector, at 21.9 percent and 21.5 percent, respectively. The third largest representation is in residential property managers, at 18.5 percent of total subsector employment. Nonresidential property managers claim the fourth largest share, at 13.8 percent. The remaining five industries have less than a 10 percent share of the real estate subsector’s employment within New Mexico.

Employment in the real estate industry comprised 1.3 percent of total employment within New Mexico, with preliminary data indicating 10,116 jobs in this industry for June 2013. Among its neighboring states, New Mexico has the lowest concentration of employment in the real estate industry. However, not even in the largest states, Arizona and Colorado, does the concentration extend over 2.0 percent. In general, there is little variation in the data within the region, as shown by Exhibit 3. The difference between Arizona and New Mexico is only 0.6 percentage points.
Employment by Region

Exhibit 4 displays the percentage of the workforce employed in the real estate industry by region. The largest concentration of workers is in the Central Region. The Northern Region is the second largest employing region for the real estate industry. The demand for housing, and, by relation, services provided by establishments in the real estate industry, is heavily driven by population. The presence of Albuquerque, which has the largest population of any city in the state, within the Central Region drives that region’s concentration of real estate industry employment.

Employment Trend

Exhibit 5 shows the employment trend in the real estate industry and total employment between 2005 and 2013. Total employment growth between the 4th quarter of 2005 to the 4th quarter of 2007 (includes December 2007, the official start of the recession) was 4.9 percent, and the real estate industry’s employment grew by 5.1 percent during the same period. The real estate industry peaked prior to the recession in the 3rd quarter of 2007 at 12,019 jobs. However, due to the recession, employment fell to 9,895 jobs in the 3rd quarter of 2010, a 17.7 percent drop, or loss of 2,124 jobs. Total employment peaked in the 2nd quarter of 2008 at 831,452 jobs and fell by 5.4 percent to 786,399 jobs by 2nd quarter 2011. From 3rd quarter 2010 to 3rd quarter 2012, the real estate industry’s employment grew by 0.4 percent, an increase of 39 jobs. Employment across all industries increased by 7,697, or 1 percent, between the 2nd quarter of 2011 and the 2nd quarter of 2013. The burst of the housing bubble, and resulting poor performance of the housing market through the recession, led to a sharp decline in the demand for services provided by the real estate industry, and, in return, a sharp decline in industry employment. It is also important to note that the real estate industry is a seasonal industry, and can fluctuate from quarter to quarter based on the time of year.

Exhibit 6 shows that, between 2007 and 2010, the rental and leasing services subsector lost the largest percentage of jobs, 26.0 percent. The remaining two sectors—real estate and lessors of nonfinancial intangible assets—also declined by 12.7 percent, or 946 jobs, and 18.8 percent, or six jobs, respectively. All subsectors lost employment during the recessionary years, and all three subsectors lost over 10 percent of their employment. Since 2010, there has been growth in rental and leasing services,
but the other two subsectors have seen further decline. Rental and leasing services saw some growth, a gain of 155 jobs, or a 4.6 percent increase. Lessors of nonfinancial intangible assets saw the largest percentage drop in employment, at 44.7 percent, but, because of the small size of this subsector, that was only a loss of 17 jobs. The real estate subsector declined by 1.5 percent, a loss of 98 jobs. Based on Quarterly Census of Employment and Wages data for public and private employment, the real estate industry’s employment level grew by 0.4 percent between 2010 and 2012. While this was not a large amount of growth, it is a more positive scenario than the losses incurred during the 2007 to 2010 time period.

**Occupations Profile**

Exhibit 7 shows that a little less than 50 percent of workers in the real estate industry were working in a sales or related occupation, or an office and administrative support occupation in 2010. Workers in sales and related occupations comprised 27.1 percent of the workforce (2,625 workers) in the real estate industry, followed by workers in office and administrative support occupations, at 22.3 percent (2,158) of the workforce. Workers in these two major occupational groups make up nearly 50 percent of total industry employment between themselves. The remaining groups, while making up over 50 percent of total employment, individually have a small representation in the real estate industry. Installation, maintenance, and repair occupations claim the third largest number of real estate workers, while management occupations claim 11.5 percent of total employment. The remaining occupational groups have concentrations below 6 percent, each, and make up less than a quarter of total employment, combined.

The real estate industry features a mixture of different occupations. Detailed occupations within sales and related and management occupations, however, make up five of the 10 most common occupations in the real estate industry (see Exhibit 8). This industry includes home sales, and, therefore, sales-related occupations would be required for much of this industry. Counter and rental clerks comprise the largest share of the real estate industry’s employment. Employment in this occupation represents 1,389 jobs, or 14.3 percent of employment, and the occupation has a mean wage of $26,043 per year. As can be seen from Exhibit 8, general maintenance and repair workers make up the next most common occupation, with 1,177 workers, 12.1 percent of the workforce, and a mean wage of $34,510 per year. These two occupations are the only occupations that represent over 10 percent of the total real estate industry’s workers, and, between the two of them, they comprise 26.4 percent of workers in the industry. Counter and rental clerks require a high school diploma or less, and general maintenance and repair workers can require as high as an associate’s degree, but most require a vocational degree or high school diploma. Counter and rental clerks, on average, earn the third lowest annual mean wages of the top 10 occupations, while general maintenance and repair workers earn the fourth highest annual mean wage. Of the most common occupations, the highest paying is general and operations managers, with an average annual wage of $96,159 a year.
Home Sales

The Central Region, which also represents the Albuquerque Metropolitan Statistical Area (MSA), had the majority of the 2013 home sales. The Albuquerque MSA includes Bernalillo, Sandoval, Torrance, and Valencia counties, the principle city of Albuquerque, and Rio Rancho, Moriarty, Belen, and numerous small communities. The Northern Region and the Eastern Region had nearly an identical number of home sales, and the Southwestern Region had the smallest number of home sales in New Mexico in 2013. Exhibit 9 shows the steady increase of home sales since 2010 and the percentage change from 2010 to 2013. The Central Region has shown the most prominent increases in home sales, especially in 2012 and 2013. Since 2010 home sales have grown by 34.4 percent. The Northern Region has had far greater growth (23.4 percent) in home sales than the Eastern Region, even though it has had a comparable number of home sales. The remaining two regions, Eastern and Southwestern, have had the smallest growth, at 8.6 percent and 9.3 percent, respectively. New Mexico as a whole, which has been experiencing a slow recovery in the housing market, has still been showing positive signs of growth, and that growth could help the real estate industry recover employment lost during the recession.

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