Characteristics and Performance of Real Estate Brokers and Salesmen in the Hawaiian Islands

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Characteristics and Performance of Real Estate Brokers and Salesmen in the Hawaiian Islands

Abstract
[Excerpt] Since 1968, there has been a rapid growth rate in the number of real estate licensees. The total active licensees (brokers and salesmen) has increased 187% from June 309 1968 (3,267 licensees) to January 21, 1977 (9,392 licensees) for an annual growth rate of 22% while the civilian labor force increased by 3% a year. The greater portion of this growth has come from the number of new salesmen entering the business rather than from existing salesmen obtaining a broker’s license (27% annual salesmen growth compared to 14% for brokers). In 1968, for every active broker, there were 2 active salesmen. By 1977, this discrepancy has widened to 3 active salesmen.

However, for all this dynamic development, very little is known about the Hawaiian real estate industry and its licensees, particularly the nature of licensees activities and the degree to which they are qualified to engage in real estate practice.

Yet legislation concerning licensee qualifications has been continually expanding. In part, it has tried to protect the consumer while providing a direction where the real estate industry should be going. For all this increasing legislation, very few have pondered the question Quo vadis. Where is it going now… what is the current nature of the industry and the licensees?

The following report attempts to provide a portion of this information that has isolated Hawaii's real estate practice from systematic description. However, the report should be looked upon as only a starting point. Further research is needed to validate subsequent decision making for the consumer - the ultimate basis for legislative power - has not been surveyed to measure the effectiveness of current legislation.

The present report has been divided into two sections. The first section, which is based on a questionnaire survey, (see Appendix A, D) presents a statistical picture of licensees in the industry. Information is provided concerning such factors as the proportion of licensees who are actually active in the business, the type of work they do, and their backgrounds and experience in the real estate field. Summary tables and graphs have been included in this section to augment the presentation. The second part of the report contains policy suggestions for government agencies responsible for regulation. To facilitate easier readability, a large portion of the report is presented in a topical outline format.

Keywords
real estate, Hawaii, brokers, salesmen, licensees

Disciplines
Real Estate

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CHARACTERISTICS AND PERFORMANCE
OF REAL ESTATE BROKERS AND SALESMEN IN THE HAWAIIAN ISLANDS

BY

CROCKER H. LIU

Real Estate Center
College of Business Administration
University of Hawaii, Honolulu, Hawaii
In response to House Resolution No. 474, a special committee was formed to conduct a study into the necessity and/or feasibility of legislation to mandate specified hours of study for real estate license renewal. The committee consisted of Mary Savio from the Real Estate Commission; John Reilly, Educational Consultant to the Real Estate Commission; Rhoda Feinberg, Educational Director for the Hawaii Association of Realtors; David Peters the Director of Small Business Management Program at the University of Hawaii; and David Bess, Associate Dean of the College of Business Administration, University of Hawaii.

This committee reached the conclusion that there was insufficient data available concerning the educational and experience background of licensees and that such data was needed to give direction to sound decisionmaking on the controversial subject of continuing education for licensees.

As a result, the committee developed a two page questionnaire to be sent to each licensee. Rather than using a random sample, the committee wanted to give everyone a chance to express their main concerns on education. Besides this, accurate data on the number and qualifications of full time and part time licensees who actually existed was also needed.

The Real Estate Commission approved the survey project and provided funds from the real estate education fund. The questionnaire was enclosed in the license renewal packet. This had the two-fold effect of minimizing mailing costs and adding an element of "implicit coercion" to recipients who may otherwise have been unresponsive to the questionnaire.

The questionnaires which were returned were processed and analyzed with the cooperative and efficient help of the College of Business Administration at the University of Hawaii at a minimum cost to the Commission. Assembly, data entry, computer programming and operations were handled by staff members and student assistants from the College of Business computer group. Review and analysis were carried out through the Real Estate Center with Mr. Crocker Liu commissioned to carry out the study. Crocker is a recent graduate of the University of Hawaii with a major in real estate (maintaining a 4.0 average) and a minor in finance. He was on the Dean's list throughout his four years and has been employed as assistant to the coordinator of the Real Estate Center. He is also familiar with the industry, holding a Hawaii real estate broker's license. Presently, he is considering continuing into graduate study in real estate and urban land economics.

My many thanks to Crocker, the Real Estate Commission, the University of Hawaii and the Committee for making this study possible.
Dedication

This report is dedicated to Professor Donald W. Bell, real estate coordinator at the University of Hawaii, who has been instrumental in establishing its real estate curriculum and major. It was through his tutelage that the author became interested in furthering real estate professionalism.

Acknowledgements

Sincere appreciation is extended to Mr. John W. Reilly, educational consultant to the real estate commission, who was instrumental in enlisting the author's interest in undertaking an analysis of Hawaii's real estate licensees. In addition to this, he was responsible for preparing the questionnaire.

My special thanks to Professor Donald W. Bell and Professor Edward E. Laitila of the Real Estate Center, Professor Reginald G. Worthley of the Business Economics and Quantitative Management Department, Dean David A. Heenan and Associate Dean David Bess, all from the College of Business Administration, University of Hawaii, who gave generously of their time, insight and facilities.

Many other individuals provided invaluable assistance: Steve Bern who helped program the computer; Gary Won, Diane Furukawa and Wendy Lee of the Real Estate Center who were always nearby with words of encouragement and helping hands; Minnie W. Liu who edited this manuscript; and Nadine Murakami who typed this report.

Finally, a special debt of gratitude is extended to the Hawaiian Association of Realtors who encouraged its members to respond to the questionnaire, and to all nonmembers who conscientiously answered questions and thereby provided all the basic data for this analysis.
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V. Summary and Conclusions

In this brief overview of survey findings only the most salient results are presented. For a more detailed perspective of licensee characteristics, the reader should refer to the Detailed Analysis of Survey Findings. The results of this survey indicate:

Age and Years in the Business

- The average (median) salesman is relatively younger and less experienced than the average broker. Of the brokers, principal brokers have the most experience.

- No age group is relatively harder-working.

Status of Men and Women in Real Estate

- There are more males working parttime than fulltime while for women the reverse holds true. This is significant considering men outnumber women by approximately 2 to 1.

Type of Work and Time Involved

- A majority of licensees concentrated their energies in selling single family residences, condominiums, cooperatives and project sales.

- There is relatively little involvement in the more specialized aspects of the industry such as commercial leasing. Of the specialized fields examined (excluding selling functions), a relatively greater proportion of people are involved in property management.

- Once a licensee obtains his broker's license, he is more apt to make it his principal occupation, devote more time to the business (31 hours or more) and take even more real estate courses.

Education and Experience

- The majority of people taking any real estate course tend to work 31 hours or more. Courses popular with all licensees irrespective of time devoted included Real Estate Principles, Law and Salesmanship.

- Noncredit real estate courses appeal to all academic levels whereas credit courses tend to be pursued by college graduates.

- Brokers were more likely to take a real estate course than salesmen.
Education and Experience (continued)

- A broad real estate educational program covering all phases from the beginner through consumer level is favored by most licensees.

- The majority of real estate firms have infrequent (less often than monthly) or no training program.

- Differences in formal education between brokers and salesmen are slight with the proportion of college and high school training being roughly equivalent for both groups.

Licensing

- The majority of licensees do not favor any educational program as a license renewal prerequisite.

- Categorically speaking: women, licensees 35 years old or younger, inactives, and salesmen favor a special license requirement for employing/managing brokers.

- Most licensees do not utilize any waiver for the two (2) years experience requirement necessary to take the broker's exam.

- A majority of licensees feel that two (2) years of experience as an active salesman should be required prior to the exam.

Number of Transactions

- The number of hours worked per week accounts for a greater portion of the difference in the number of transactions made than education or any other influential factor examined.

- Licensees making zero transactions or in excess of fifteen (15) transactions are relatively consistent for the two (2) years studied. (1975 - 1976)

Interesting Miscellaneous Comments from Licensees

- A need exists to develop more practical real estate courses.

- Greater educational exposure is needed on the outer islands.

- It is felt that parttimers (secondary occupation) do not properly service consumers. Thus, either greater control should be exercised upon them, refresher courses should be required or they should be eliminated from the business.

- License fees should be designated to support a Real Estate Division and not be put into the general fund.
Interesting Miscellaneous Comments from Licensees (continued)

- Clarification is needed in regards to the independent contractor status and the residential leasehold problem.

VI. Introduction

Background Information

Since 1968, there has been a rapid growth rate in the number of real estate licensees. The total active licensees (brokers and salesmen) has increased 187% from June 30, 1968 (3,267 licensees) to January 21, 1977 (9,392 licensees) for an annual growth rate of 22% while the civilian labor force increased by 3% a year. The greater portion of this growth has come from the number of new salesmen entering the business rather than from existing salesmen obtaining a broker's license (27% annual salesmen growth compared to 14% for brokers). In 1968, for every active broker, there were 2 active salesmen. By 1977, this discrepancy has widened to 3 active salesmen.

However, for all this dynamic development, very little is known about the Hawaiian real estate industry and its licensees, particularly the nature of licensees activities and the degree to which they are qualified to engage in real estate practice.

Yet legislation concerning licensee qualifications has been continually expanding. In part, it has tried to protect the consumer while providing a direction where the real estate industry should be going. For all this increasing legislation, very few have pondered the question Quo vadis. Where is it going now...what is the current nature of the industry and the licensees?

The following report attempts to provide a portion of this information that has isolated Hawaii's real estate practice from systematic description. However, the report should be looked upon as only a starting point. Further research is needed to validate subsequent decision making for the consumer - the ultimate basis for legislative power - has not been surveyed to measure the effectiveness of current legislation.

The present report has been divided into two sections. The first section, which is based on a questionnaire survey, (see Appendix A,D) presents a statistical picture of licensees in the industry. Information is provided concerning such factors as the proportion of licensees who are actually active in the business, the type of work they do, and their backgrounds and experience in the real estate field. Summary tables and graphs have been included in this section to augment the presentation. The second part of the report contains policy suggestions for government agencies responsible for regulation. To facilitate easier readability, a large portion of the report is presented in a topical outline format.
It is hoped that the findings submitted herewith will be of assistance in guiding Hawaii's real estate industry towards professionalization.

**Purpose and Objectives of the Study**

It should be noted that this report is an exploratory study focusing on current real estate activities. This focus has been translated into several specific objectives which guides the conduct of this project. These are:

1. To provide an overview of the Real Estate industry primarily through analyzing licensee performance and educational background.
2. To provide direction for sound public and private decision-making towards the professional development of the real estate industry.
3. To give each licensee the opportunity to make his needs and desires concerning his role in the industry known to the real estate commission.

**Terminology**

1. **Correlation** - The statistical linear relationship between two variables. A relationship exists if one variable tends to move with or away from the other variable. This relationship is **NOT NECESSARILY ONE OF CAUSE AND EFFECT.**

2. **GRI** - The professional designation of the Graduate, Realtor's Institute which may be earned by any member of a state affiliated Board of Realtors who successfully completes prescribed courses approved by the State Board of Realtors.

3. **Transactions** - The number of transactions (i.e. securing a listing; negotiating a lease; effecting a sale) is not necessarily equated with income. For example, a person who negotiates a $400,000 commercial lease versus one negotiating a $50,000 one bedroom condominium unit would both be considered to have made 1 transaction.

4. **Average** - There are 3 different types of averages or measures which somehow describe the center or middle of a set of data. The mean of a set of values is the sum of the values divided by their number. Another measure of location is the median which is the value of the middle item (or the mean of the two middle items) when the data are arrayed or ordered.
4. **Average** - Still another measure which is sometimes used to describe the center of a set of data is the mode which is defined simply as the value which occurs with the highest frequency.3

5. **Multiple Regression Analysis** - Is a general statistical technique through which one can analyze the relationship between a dependent or criterion variable and a set of independent or predictor variables. Multiple regression in this study is viewed as a descriptive tool which controls other contributing factors in order to evaluate the contribution of a specific variable or set of variables.4

### VII. Detailed Analysis of Survey Findings

**A. Age and Years in the Business**

**Type of license held**

1. The average (median) salesman is 42 years old and has been licensed approximately 3 years whereas the average broker-salesman is slightly older (50 years old) with more experience (8.5 years) in the business. While principal brokers are the same average age as broker-salesmen, they appear to have the most experience, working in excess of 10 years in real estate.

**Present Real Estate Activity**

1. Fulltimers are relatively older and more experienced than either parttimers or inactives. The average (median) full-timer is 47 years old with 5.8 years experience while part-timers were 42.8 years old and has been licensed 3.62 years. Inactives are slightly older than parttimers (44.6 years old) and has held a license for a longer time period (4.8 years).

2. Approximately 10% of all active licensees are newcomers to the business having been licensed less than one year.

**Hours spent per week**

1. While no age group proves to be relatively harder working, all age groups 18 - 65 years old follow a pattern of working either 1-10 hours or in excess of 40 hours per week.
A. Age and Years in the Business (continued)

Presently resides outside of Hawaii

1. Of those licensees (7%) currently residing outside of the State of Hawaii, the majority are males between the ages of 26-55 years old who hold an inactive salesman's license.

B. Status of Men/Women in Real Estate

Present Real Estate Activity

1. There are more males working parttime than fulltime while for women, the reverse hold true. In other words, proportionately more women (than men) have chosen real estate as their principal occupation.

Age

1. The proportion in each age group that are male licensees increased with age while there are proportionally more female licensees in the younger age group. One can infer from this that women have entered the real estate field earlier than males.

(see graph on the following page)
Graph 1  Age vs. Sex

Proportion of Licensees by Sex in each Age Group

Less than 26  26  35  45  55  65  66+

MALES  FEMALES
A. Age and Years in the Business (continued)

Presently resides outside of Hawaii

1. Of those licensees (7%) currently residing outside of the State of Hawaii, the majority are males between the ages of 26-55 years old who hold an inactive salesman's license.

B. Status of Men/Women in Real Estate

Present Real Estate Activity

1. There are more males working parttime than fulltime while for women, the reverse hold true. In other words, proportionately more women (than men) have chosen real estate as their principal occupation.

Age

1. The proportion in each age group that are male licensees increased with age while there are proportionally more female licensees in the younger age group. One can infer from this that women have entered the real estate field earlier than males.

( see graph on the following page )
Type of Licensee

1. Males outnumber women 2:1 in salesmen and broker-salesmen categories while a more pronounced ratio of 3.6:1 occurs in the principal broker category.

Recent Real Estate Engagements

1. The majority of males and females have engaged in Real Estate within the past year.

C. Type of Work and Time Involved

1. Only 16% of all licensees devote 100% of their time to only one phase of real estate. The large majority of licensees concentrated their energies in selling single family residences, condominium, cooperatives and project sales.

2. Approximately 24% of the respondents have said they attend Real Estate related seminars, classes and training. It is interesting to note that four (4) people have said that they spend all their time in real estate attending seminars and other educational activities.

3. There is relatively little involvement in the more specialized aspects of the industry such as appraising and commercial leasing. Of the specialized real estate fields examined (excluding selling functions), a relatively greater proportion of people are involved in Property Management.

4. A fifth of the licensees said they invested, bought and sold for their own account.

(see Table 1 Activity in Real Estate on page 9)
### Table 1  Activity in Real Estate

<table>
<thead>
<tr>
<th>Activity</th>
<th>1/</th>
<th>2/</th>
<th>3/</th>
<th>4/</th>
<th>5/</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling single family residences</td>
<td>29.563%</td>
<td>29.4%</td>
<td>70.6%</td>
<td>151</td>
<td>3.9%</td>
</tr>
<tr>
<td>Selling condos, co-ops and project sales</td>
<td>22.608%</td>
<td>38.3%</td>
<td>61.7%</td>
<td>86</td>
<td>2.2%</td>
</tr>
<tr>
<td>Selling other types of improved property</td>
<td>6.038%</td>
<td>73.6%</td>
<td>26.4%</td>
<td>23</td>
<td>6.6%</td>
</tr>
<tr>
<td>Selling subdivision lots and vacant land</td>
<td>8.899%</td>
<td>70.9%</td>
<td>29.1%</td>
<td>60</td>
<td>1.5%</td>
</tr>
<tr>
<td>Nonselling managing broker</td>
<td>3.281%</td>
<td>92.6%</td>
<td>7.4%</td>
<td>28</td>
<td>.7%</td>
</tr>
<tr>
<td>Appraising</td>
<td>2.030%</td>
<td>92.8%</td>
<td>7.2%</td>
<td>21</td>
<td>.5%</td>
</tr>
<tr>
<td>Commercial Leasing</td>
<td>2.077%</td>
<td>91.8%</td>
<td>8.2%</td>
<td>11</td>
<td>.3%</td>
</tr>
<tr>
<td>Property Management</td>
<td>6.702%</td>
<td>81.0%</td>
<td>19.0%</td>
<td>63</td>
<td>1.6%</td>
</tr>
<tr>
<td>Condo Resident Management</td>
<td>.836%</td>
<td>98.5%</td>
<td>1.5%</td>
<td>8</td>
<td>.2%</td>
</tr>
<tr>
<td>Lending</td>
<td>1.611%</td>
<td>95.6%</td>
<td>4.4%</td>
<td>19</td>
<td>.5%</td>
</tr>
<tr>
<td>Land Development</td>
<td>3.542%</td>
<td>89.8%</td>
<td>10.2%</td>
<td>33</td>
<td>.8%</td>
</tr>
<tr>
<td>Investing for Own Account</td>
<td>4.527%</td>
<td>79.2%</td>
<td>20.8%</td>
<td>36</td>
<td>.9%</td>
</tr>
<tr>
<td>Attending Seminars</td>
<td>1.962%</td>
<td>76.5%</td>
<td>23.5%</td>
<td>4</td>
<td>.1%</td>
</tr>
<tr>
<td>Other Real Estate Activities</td>
<td>6.325%</td>
<td>83.5%</td>
<td>16.5%</td>
<td>86</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

1/ Mean (Average)  
2/ Percentage of licensees that aren't involved in the particular real estate activity  
3/ Percentage of licensees that are involved in particular real estate activity to some degree  
4/ Of respondents to question, number of people working 100% of time in particular activity  
5/ Column 4 as a percentage (%) of all licensees responding to question

---

### Real Estate Business Participation

1. The majority of salesmen (60%) spend 10 hours or less each week in real estate whereas broker-salesmen (50%) spend 31 or more hours in the trade. As for principal brokers, most (55%) work over 40 hours per week.

(see graph on page 10 )
C. Type of Work and Time Involved (continued)

Present Real Estate Activity

1. The majority of parttimers and inactives are salesmen while the majority of fulltimers are brokers.

Table 2 Present Real Estate Activity

<table>
<thead>
<tr>
<th>Type of License Held</th>
<th>Salesmen</th>
<th>Brokers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulltime</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Parttime</td>
<td>83%</td>
<td>17%</td>
</tr>
<tr>
<td>Inactive</td>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>

2. From the preceding results, one can infer that once a person obtains his broker's license, the licensee tends to make real estate his principal occupation as well as devote more time to the business.

3. Of the hours spent working in a typical week, most fulltimers (52.6%) put in more than 40 hours while parttimers (57.8%) spend between 1 - 10 hours per week in real estate. Only 3% of the fulltimers spend 10 hours or less per week in the trade.

   a. 81% of the fulltimers work in excess of 30 hours per week while 79% of the parttimers work 1-20 hours per week.

Passive Income

1. Approximately one quarter (28%) of all licensees have an outside passive source of income such as Retirement or Disability. The same result occurs on a proportional basis when licensees are examined by the type of license they hold.

Table 3 Type of License

<table>
<thead>
<tr>
<th>Type of License</th>
<th>% With Passive Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesmen</td>
<td>29%</td>
</tr>
<tr>
<td>Broker-salesmen</td>
<td>31%</td>
</tr>
<tr>
<td>Principal Brokers</td>
<td>28%</td>
</tr>
</tbody>
</table>
D. Education and Experience

Real Estate Courses Taken (credit and noncredit)

1. Overall Perspective - The majority of licensees do not take advantage of either credit or noncredit real estate courses. On the other extreme, only a miniscule minority (1-2%) of licensees take four (4) or more of both credit and noncredit courses. Of those taking courses, there is a greater tendency for people to enroll in a noncredit course as opposed to a credit course.

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Took no real estate course of either the credit variety before or noncredit type after sales license</td>
<td>57%</td>
</tr>
<tr>
<td>Took four (4) or more real estate credit courses before AND four or more noncredit courses after sales license</td>
<td>1%</td>
</tr>
<tr>
<td>Took only noncredit courses after the exam</td>
<td>26%</td>
</tr>
<tr>
<td>Took only real estate credit courses before obtaining a sales license</td>
<td>10%</td>
</tr>
<tr>
<td>Took an equal amount of credit and noncredit courses</td>
<td>2%</td>
</tr>
<tr>
<td>Took more noncredit than credit courses</td>
<td>2%</td>
</tr>
<tr>
<td>Took more credit than noncredit courses</td>
<td>2%</td>
</tr>
</tbody>
</table>
D. Education and Experience (continued)

Real Estate Courses Taken (credit and noncredit-continued)

1. Overall Perspective (continued)

Table 5  Real Estate Credit vs. Noncredit Courses
Both Types of Courses Taken AFTER Sales License

<table>
<thead>
<tr>
<th>Course Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Took no real estate credit or noncredit course after licensing</td>
<td>62.7%</td>
</tr>
<tr>
<td>Took both four (4) or more credit and noncredit real estate courses after obtaining a salesman's license</td>
<td>1.7%</td>
</tr>
<tr>
<td>Took only noncredit courses after sales license received</td>
<td>23.8%</td>
</tr>
<tr>
<td>Took only credit real estate courses after obtaining a sales license</td>
<td>4.5%</td>
</tr>
<tr>
<td>Took a combination of credit and noncredit real estate courses</td>
<td>7.3%</td>
</tr>
<tr>
<td>Took an equal amount of credit and noncredit courses</td>
<td>3.8%</td>
</tr>
<tr>
<td>Took more noncredit than credit courses</td>
<td>1.9%</td>
</tr>
<tr>
<td>Took more credit than noncredit courses</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

2. Hours worked - The majority of people taking any course tend to work 31 hours or more. Courses which appear popular with licensees regardless of time devoted to the business include Real Estate Principles, Law and Salesmanship.
D. Education and Experience (continued)

Real Estate Courses Taken (credit and noncredit-continued)

Table 6 Hours Worked vs. Course Taken

<table>
<thead>
<tr>
<th>Hrs. Worked per week</th>
<th>Principles</th>
<th>Appraisal Salesmanship</th>
<th>Investment Management</th>
<th>Office Management</th>
<th>Finance</th>
<th>Prop. Land Management</th>
<th>Dev.</th>
<th>Land Econ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>00 - 10 Hrs</td>
<td>42%</td>
<td>36%</td>
<td>29%</td>
<td>33%</td>
<td>24%</td>
<td>21%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>11 - 30 Hrs</td>
<td>19%</td>
<td>19%</td>
<td>18%</td>
<td>21%</td>
<td>18%</td>
<td>16%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>31 Hrs or more</td>
<td>39%</td>
<td>46%</td>
<td>52%</td>
<td>46%</td>
<td>58%</td>
<td>64%</td>
<td>55%</td>
<td>58%</td>
</tr>
</tbody>
</table>

When real estate courses are broken down into credit versus noncredit courses, there is a greater likelihood this education involved enrolling in noncredit courses, such as the GRI as opposed to University credit courses.

Table 7 Hours worked vs. Courses Taken (At least one)

<table>
<thead>
<tr>
<th>Credit courses before</th>
<th>0</th>
<th>1-10</th>
<th>11-20</th>
<th>21-30</th>
<th>31-40</th>
<th>40+</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>16%</td>
<td>15%</td>
<td>13%</td>
<td>18%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Credit courses after</td>
<td>8%</td>
<td>9%</td>
<td>12%</td>
<td>13%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>Noncredit courses after</td>
<td>18%</td>
<td>22%</td>
<td>33%</td>
<td>39%</td>
<td>48%</td>
<td>54%</td>
</tr>
</tbody>
</table>

3. Type of license held - Of licensees having a broker's license the majority have taken at least one noncredit course whereas only a minority of salesman licensees enrolled for any noncredit course. On the whole, brokers tend to take four (4) or more courses compared to one (1) course for salesmen. As for credit courses, relatively more principal brokers enrolled in real estate credit courses than either broker-salesmen or salesmen.

Table 8 Type of license vs. RE cr. and noncr. courses taken

<table>
<thead>
<tr>
<th>At Least One Course Taken</th>
<th>Before Exam (CR.)</th>
<th>After Exam (CR.)</th>
<th>After Exam (NONCR.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesperson</td>
<td>16%</td>
<td>10%</td>
<td>24%</td>
</tr>
<tr>
<td>Broker-salesmen</td>
<td>15%</td>
<td>16%</td>
<td>57%</td>
</tr>
<tr>
<td>Principal Broker</td>
<td>21%</td>
<td>18%</td>
<td>57%</td>
</tr>
</tbody>
</table>
D. Education and Experience (continued)

Real Estate Courses Taken (credit and noncredit-continued)

4. Age - Looking at real estate education from an age perspective, in all age groups the majority of licensees do not take any courses before or after obtaining a salesmen's license. Of those that do, the typical licensee regardless of age take either one or in excess of 3 courses. It is interesting to note that as the age bracket advances, the percentage in that age group that has taken any or all of the credit courses decrease while the number who take noncredit courses increase.

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Credit Courses Taken</th>
<th>Noncredit Courses Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 - 35</td>
<td>31%</td>
<td>21%</td>
</tr>
<tr>
<td>36 - 45</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>46 - 55</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>56 - 65</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>66+</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Credit Courses Taken</th>
<th>Noncredit Courses Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 - 35</td>
<td>21%</td>
<td>12%</td>
</tr>
<tr>
<td>36 - 45</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>46 - 55</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>56 - 65</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>66+</td>
<td>34%</td>
<td>35%</td>
</tr>
</tbody>
</table>

5. Formal education - There appears to be a wide discrepancy between those taking noncredit versus credit courses for non (4 years) college graduates. This discrepancy lessens to some degree for people with at least a bachelor's degree while people with a graduate degree appear to have taken advantage of both types of programs.

<table>
<thead>
<tr>
<th>Highest Level of Formal Education</th>
<th>Credit Courses Taken Before</th>
<th>Credit Courses Taken After</th>
<th>Noncredit Course Taken After Salesman's Exam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade School</td>
<td>6%</td>
<td>8%</td>
<td>40%</td>
</tr>
<tr>
<td>Some High School</td>
<td>2%</td>
<td>8%</td>
<td>35%</td>
</tr>
<tr>
<td>High School Grad</td>
<td>4%</td>
<td>5%</td>
<td>27%</td>
</tr>
<tr>
<td>Less than 2 yr.</td>
<td>12%</td>
<td>11%</td>
<td>35%</td>
</tr>
<tr>
<td>2 yr. College Grad</td>
<td>12%</td>
<td>13%</td>
<td>33%</td>
</tr>
<tr>
<td>2 - 4 yr. College</td>
<td>17%</td>
<td>17%</td>
<td>40%</td>
</tr>
<tr>
<td>College Grad</td>
<td>23%</td>
<td>11%</td>
<td>31%</td>
</tr>
<tr>
<td>Grad Studies</td>
<td>23%</td>
<td>16%</td>
<td>39%</td>
</tr>
<tr>
<td>Graduate Degree</td>
<td>30%</td>
<td>16%</td>
<td>30%</td>
</tr>
</tbody>
</table>

There tends to be a statistically significant correlation between the level of formal education and the number of real estate credit courses taken. However, this does not appear to be the case with noncredit courses.
D. Education and Experience (continued)

Real Estate Courses Taken (credit and noncredit-continued)

6. Present Real Estate Activity - On an occupational basis, licensees whose principal vocation is real estate have the greatest theoretical real estate exposure. On the other hand, people whose licenses are held by the Real Estate Commission had the poorest educational background.

Table 11 Present RE Activity vs. Re cr. and noncr. courses taken (At least one course taken)

<table>
<thead>
<tr>
<th></th>
<th>Fulltime</th>
<th>Parttime</th>
<th>Inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr. Course Before S. Exam</td>
<td>17%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Cr. Course After S. Exam</td>
<td>15%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Noncr. Course After S. Exam</td>
<td>49%</td>
<td>26%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Number of Professional Designations Held

At least 93% of all licensees hold no professional designation(s). Of those who do, the GRI (Graduate, Realtors Institute) certification is held by the greatest number of licensees accounting for approximately 7% of all licensees surveyed. Of those holding GRI designations, 66% are fulltime, 24% parttime and 10% inactive.

Table 12 Number of Professional Designations Held

<table>
<thead>
<tr>
<th>Professional Designation</th>
<th>% of All Licensees</th>
<th>Absolute Number of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. GRI</td>
<td>6.7%</td>
<td>456</td>
</tr>
<tr>
<td>2. CPM</td>
<td>.7%</td>
<td>48</td>
</tr>
<tr>
<td>3. SREA</td>
<td>.7%</td>
<td>45</td>
</tr>
<tr>
<td>4. CCIM</td>
<td>.4%</td>
<td>26</td>
</tr>
<tr>
<td>5. MAI</td>
<td>.3%</td>
<td>23</td>
</tr>
<tr>
<td>6. RM</td>
<td>.3%</td>
<td>18</td>
</tr>
<tr>
<td>7. CRE</td>
<td>.2%</td>
<td>12</td>
</tr>
<tr>
<td>8. CPE</td>
<td>.1%</td>
<td>9</td>
</tr>
<tr>
<td>9. SIR</td>
<td>.1%</td>
<td>9</td>
</tr>
<tr>
<td>10. CRB</td>
<td>.1%</td>
<td>7</td>
</tr>
</tbody>
</table>
D. Education and Experience (continued)

The Training Programs of Real Estate Firms

1. Approximately 57% of all licensees say that the company which employ them has infrequent (less often than monthly) or no training program. However, this does not necessarily imply that 33% receive adequate training due to several factors:

   a. Even though firms do provide training, they cannot compel people to attend seminars due to the independent contractor/employee status dilemma.

   b. Only a relatively small number of firms with a large number of employees may be giving training.

2. Although there was no consistent training program, 64% say their firm encourages outside training. The results imply that real estate firms give greatest encouragement to those licensees working in excess of 40 hours a week. Moreover, this group is more likely to have their tuition subsidized partially or fully for educational activities attended than people working 10 or less hours.

   Table 13 Hrs. Worked
   vs
   RE Firm Encourages Outside Training

<table>
<thead>
<tr>
<th>Hours Worked</th>
<th>Encourages Outside Training</th>
<th>Firm subsidizes Partial/all expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>34%</td>
<td>9%</td>
</tr>
<tr>
<td>01 - 10 Hrs</td>
<td>63%</td>
<td>17%</td>
</tr>
<tr>
<td>11 - 20 Hrs</td>
<td>69%</td>
<td>20%</td>
</tr>
<tr>
<td>21 - 30 Hrs</td>
<td>67%</td>
<td>22%</td>
</tr>
<tr>
<td>31 - 40 Hrs</td>
<td>69%</td>
<td>24%</td>
</tr>
<tr>
<td>40+</td>
<td>75%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Program Emphasis

1. A broad program emphasis covering all phases from beginner through the consumer level is favored no matter how licensees are categorized (by sex, age, etc.). On the other hand, not establishing any program is the least favored alternative.
D. Education and Experience (continued)

Program Emphasis (continued)

Table 14 Frequency Distribution-Program Emphasis

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Program Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>41.4%</td>
<td>All levels</td>
</tr>
<tr>
<td>19.0%</td>
<td>Beginner</td>
</tr>
<tr>
<td>16.8%</td>
<td>Intermediate</td>
</tr>
<tr>
<td>10.4%</td>
<td>Advanced</td>
</tr>
<tr>
<td>9.3%</td>
<td>Consumer</td>
</tr>
<tr>
<td>3.0%</td>
<td>None</td>
</tr>
</tbody>
</table>

Of those licensees in favor of a specific program type (Examined categorically):

a. Beginner program emphasis

1) The proportion of fulltimers, parttimers and inactives favoring this program are approximately equal.

2) Licensees making less than 4 or greater than 10 transactions favor this program.

3) Beginning emphasis is equally favored by salesmen and principal brokers. One rationale for the latter in favor of it could be because they are concerned about their salesmen getting the basic fundamentals.

b. Intermediate emphasis

1) Proportionately more parttimers favor intermediate programs than either fulltimers or inactives.

2) Percentagewise, salesmen are more inclined towards this program than brokers.

3) People making between 4-10 transactions feel this should be the main specific program emphasis.

c. Advanced emphasis

1) A greater proportion of fulltimers surveyed are inclined towards this program as compared to parttimers and inactives.

2) Broker-salesmen are more favorable to this emphasis than salesmen or principal brokers on a proportionate basis.

3) The greater the number of transactions, proportionately more people tend to want advanced programs.
D. Education and Experience (continued)

Program emphasis (continued)

d. Consumer emphasis

1) Proportionately more inactives favor consumer programs than either fulltimers or parttimers.

2) The lesser the number of transactions made, the greater the percentage wanting a consumer program emphasis.

Formal Education

Differences in formal education between brokers and salesmen are slight with the proportion of college and high school training being roughly equivalent for both groups. This finding is generally reached no matter how one classifies/categorizes licensees – whether by sex, present real estate activity, etc. One exception to this trend is AGE. The average (modal) licensee, 45 years old or younger, tends to be a college graduate while for those older than 45, formal education ends with a high school diploma.

When all licensees are examined without any categorization a different result is obtained.....

- 44% Had at least graduated from a 4-year college
- 32% Had some post high education
- 20% Were high school graduates
- 4% Had less than a high school education

E. Licensing

Require an Educational Program Prior to License Renewal

1. Overall perspective - The majority of all licensees responding (64%) do not favor any educational program as a prerequisite for license renewal. Of the people favoring a program, opinion is approximately evenly divided between prior to 1st (10.1%), prior to each (10.7%) and prior to several (10.1%) license renewals. Only 4.7% favor prior to more than one renewal period.

2. Present Real Estate Activity - While the majority (64%) said no to an educational requirement, on a proportional basis, inactives voiced the strongest opposition (71.5%) while fulltimers voiced the least opposition (54.6%) to such a requirement.

3. Hours worked per week - The expressed need for some educational program increases with the number of hours worked per week.
Table 15 Hrs Worked

<table>
<thead>
<tr>
<th>Hrs. worked</th>
<th>No Need Program</th>
<th>Need an Educational Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>72.7%</td>
<td>27.3%</td>
</tr>
<tr>
<td>01 - 10</td>
<td>70.0%</td>
<td>30.0%</td>
</tr>
<tr>
<td>11 - 20</td>
<td>61.8%</td>
<td>38.2%</td>
</tr>
<tr>
<td>21 - 30</td>
<td>64.5%</td>
<td>35.5%</td>
</tr>
<tr>
<td>31 - 40</td>
<td>57.3%</td>
<td>42.7%</td>
</tr>
<tr>
<td>40+</td>
<td>51.2%</td>
<td>48.8%</td>
</tr>
</tbody>
</table>

Of those who favor an educational requirement, the greatest proportion of people (35%) working in excess of 30 hours prefer an educational program prior to each renewal whereas those working less than 21 hours prefer a program prior to first renewal only (33%).

4. Age - Although all age groups agree that education is unnecessary as a license renewal prerequisite, as the age group gets older, there is a relatively greater percentage of people that hold this opinion. Of those that favor an educational requirement, licensees over 45 years old want programs prior to first renewal only while those 45 years old or younger are inclined towards a program prior to each renewal period.

Should a Special License be Required for Employing/Managing Brokers

1. Overall Perspective - NO, although the results indicate there is no overwhelming opposition to the requirement. Fifty two percent (52%) of all licensees are opposed to the requirement while forty eight (48%) favor a special license.

2. Type of License - The majority of salesmen think a special license should be required while brokers are opposed to the idea. Of the brokers, principal brokers voice the strongest opposition. (67% Principal brokers vs. 57% Broker-salesmen)

3. Present Real Estate Activity - Both fulltimers and parttimers are opposed to an administrative license while inactives favor a licensing requirement. Because inactives are not directly involved in real estate, they could be voicing public opinion.
E. Licensing (continued)

Should a Special License be Required for Employing/Managing Brokers (continued)

4. Hours worked - People who did not spend any time (zero hours) in real estate favor a license while licensees in the business do not feel a license is required. This opposition is most pronounced from people spending more than 40 hours a week in real estate.

5. Age - Those licensees 35 years old or younger said that a special license should be required while those older than 35 held a contrary view. It could well be that as a person ages, probably a greater percentage tend to be thrust into some administrative capacity.

6. Sex - While men licensees are against the idea (55.2% to 44.8%) women believe that a need existed (by a vote of 57% to 43%)

Utilization of Education and/or Experience Waiver

1. Overall perspective - The majority of licensees (80%) did not utilize any type of waiver for the 2 year experience requirement necessary to take the broker's exam. Of those utilizing any waiver, 11% used only the education waiver, 6% use a combination of education and experience while 4% exercise the experience waiver only.

   a. Of those licensees who utilized the education waiver approximately 25% took the credit course route and 75% took the noncredit course route.

The greatest percentage taking advantage of either the educational or experience waiver was licensed 1-12 months.

For people having 2 years or less of experience before taking the broker's exam, more licensees utilized the education waiver. On the other hand, for those licensees working in excess of 2 years before taking the exam, the number of licensees utilizing the educational or experience waiver was approximately equal.

(see graph on page 22.)
Graph 3  Utilized Either Education or Experience Waiver vs. Length As a Salesman Before Taking Broker's Exam

Percentage of Licensees

<table>
<thead>
<tr>
<th>Percentage</th>
<th>90%</th>
<th>80%</th>
<th>70%</th>
<th>60%</th>
<th>50%</th>
<th>40%</th>
<th>30%</th>
<th>20%</th>
<th>10%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Length As a Salesman Before Taking Broker's Exam</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 12 Months</td>
<td></td>
</tr>
<tr>
<td>13 - 24 Months</td>
<td></td>
</tr>
<tr>
<td>25 - 36 Months</td>
<td></td>
</tr>
<tr>
<td>Over 36 Months</td>
<td></td>
</tr>
</tbody>
</table>

- Utilized Education Waiver
- Utilized Experience Waiver
E. Licensing (continued)

Utilization of Education and/or Experience Waiver (continued)

2. Age - Nearly all age groups using the experience waiver tend to be equal on a proportional basis with the exception of licensees under 26 years old. Contrary to this, most of the licensees utilizing the educational waiver were under 36 years old.

3. Hours worked - Of licensees substituting either waiver for part of the two (2) year's experience, the majority spent 31 or more hours per week.

Table 16 Hrs. per Week vs. Licensees Utilizing waivers

<table>
<thead>
<tr>
<th>Hours worked per week</th>
<th>Used Education Waiver</th>
<th>Used Experience Waiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 or more hours</td>
<td>61%</td>
<td>57%</td>
</tr>
<tr>
<td>11 - 30 hours</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>10 or less hours</td>
<td>21%</td>
<td>23%</td>
</tr>
</tbody>
</table>

4. Present Real Estate Activity - A greater proportion of fulltimers utilize both waivers than either parttimers or inactives.

( See graph on the following page )
Graph 4  Utilized Either Education or Experience Waiver
                   VS.
           Present Real Estate Activity

Percentage
Of
Licensees
Utilizing
Waiver

Fulltime   Parttime   Inactive
Present Real Estate Activity

Utilized Education Waiver

Utilized Experience Waiver
E. Licensing (continued)

Utilization of Education and/or Experience Waiver (continued)

5. Sex - Proportionally more males take advantage of either educational or experience waiver than females. As to the type of waiver preferred, more males and females use education as opposed to experience.

Years of Actual Experience As An Active Hawaii Salesperson That Is Recommended Before a Broker Applicant Takes the Broker's Exam

1. No matter how one categorized licensees (by sex, age, type of license, etc.) the majority feel that 2 years of experience as an active salesman should be required prior to the exam. On an overall basis (licensees uncategorized):

Table 17

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No experience</td>
<td>6.0%</td>
</tr>
<tr>
<td>One year</td>
<td>13.5%</td>
</tr>
<tr>
<td>Two years</td>
<td>51.0%</td>
</tr>
<tr>
<td>Three years</td>
<td>14.4%</td>
</tr>
<tr>
<td>Four years or more</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

Actual Time in Sales Before Taking Broker's Exam

1. The average (median) length of time before taking the broker's exam is 22.82 months...roughly 2 years. This indicates that many people take advantage of the 2 year minimal time requirement.

Held Out Of State License

1. Only 8% of the licensees hold an out-of-state real estate license. The majority of these licensees are males, fulltimers, between 46 - 55 years old, and spend in excess of 31 hours per week in real estate. Although the absolute majority are salesmen (in terms of number of licensees), on a proportionate basis more brokers hold out-of-state licenses.

F. Number of Transactions Made

Multiple Regression Analysis (Independent Variables Examined As a Group)

1. While this questionnaire's structure doesn't readily lend itself to multiple regression analysis (see definition section), utilizing this statistical tool provides a "ball park" glance at what variables
F. Number of Transactions Made (continued)

The independent variables examined in the analysis include: Hours spent working in a typical week, Noncredit courses taken after license, Present Real Estate Activity, Sex, Length licensed to sell Real Estate, Age, Highest level of Formal Education and real estate credit courses taken after the salesmen's exam (See Appendix B)

2. 43% of the reason why a licensee makes a certain number of transactions is accounted for by the variables examined. Out of this 43%, 41% was explained by the hours spent working in a typical work week, 1% could be attributed to real estate courses taken and the rest of the variables accounted for the remaining 1%. In other words, outside of the number of hours worked and education, all other variables examined were of little help in predicting the number of transactions a licensee could realize. This means that although a strong correlation might exist between an independent variable say SEX and the dependent variable—number of transactions, the relationship may not appear to be that strong when analyzed in context with other influential factors affecting the number of transactions.

It appears that other factors not considered in the present analysis accounted for the majority (57%) of the variation in the number of transactions a licensee could make. The author suspects many of these variables are neither quantifiable nor under the direct control of a licensee. An example of this is being at the right place at the right time with the right product and utilizing the right contacts.

Independent variables examined separately

If each factor's influence on the number of transactions which could occur as a result of that particular factor were examined separately, the following analysis would result:

1. Hours worked - There is a direct relationship between the number of hours worked and the number of transactions made. As a person devotes more time to the business, there is a tendency for the number of transactions made to increase.

2. Education - There is a stronger tendency for transactions to increase as noncredit education increase than credit education. The fact that noncredit as compared to credit real estate courses has a greater statistical correlation come as no surprise since more people take noncredit courses.
F. Number of Transactions Made (continued)

Independent Variables Examined Separately (continued)

3. Present Real Estate Activity - Most parttimers make 3 or fewer transactions while fulltimers tend to make 7 or more transactions. However, it appears that whether real estate is one's primary or secondary occupation, there is an equal likelihood of making between 4-6 transactions.

(See graphs on next 2 pages)
Graph 5  Present Real Estate Activity
           vs.
Number of 1976 Real Estate Transactions

Percentage Of Licensees

0  1-3  4-6  7-10  11-15  16+
Number of 1976 Real Estate Transactions
Graph 6  Present Real Estate Activity

vs.

Number of 1975 Real Estate Transactions

Percentage of Licensees

Number of 1975 Real Estate Transactions
F. Number of Transactions Made (continued)

Independent Variables Examined Separately (continued)

4. Type of License - Most salesmen tend to make 3 or fewer transactions while broker-salesmen average (median) approximately 7 transactions a year. Principal brokers are the most successful, averaging (median) about 8 transactions a year.

It is interesting to note that as the number of transactions increases, the proportion of licensees who have not obtained a broker's license tend to decrease.

Table 18 Number of Transactions

<table>
<thead>
<tr>
<th>Number of Transactions</th>
<th>NOT Broker</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>84.9%</td>
</tr>
<tr>
<td>1 - 3</td>
<td>74.5%</td>
</tr>
<tr>
<td>4 - 6</td>
<td>60.4%</td>
</tr>
<tr>
<td>7 - 10</td>
<td>51.5%</td>
</tr>
<tr>
<td>11 - 15</td>
<td>48.4%</td>
</tr>
<tr>
<td>16+</td>
<td>34.3%</td>
</tr>
</tbody>
</table>

5. Age, Sex, and Length licensed to Sell Real Estate - No statistically significant relationship exists between the independent variables - age, a person's sex, the length licensed to sell real estate - and the dependent variable - number of transactions made.

Comparison & Contrast of 1975 versus 1976 Transactions

1. There appears to be a high degree of consistency between people who made zero transactions and those who made in excess of 15 transactions for the 2 years studied (1975-1976). Of the people that were inconsistent, a greater number fared better in 1976 as compared to 1975.

(see Table 19 on page 31)
F. Number of Transactions Made (continued)

Table 19  No. of 1976 Transactions vs. 1975 Transactions

<table>
<thead>
<tr>
<th>No. of Transactions Made</th>
<th>% of People Who Were Consistent for the 2 Years in Question</th>
<th>% Who Did Better in 1975</th>
<th>% Who Did Better in 1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>82%</td>
<td>16%</td>
<td>0%</td>
</tr>
<tr>
<td>01 - 03</td>
<td>50%</td>
<td>19%</td>
<td>31%</td>
</tr>
<tr>
<td>04 - 06</td>
<td>40%</td>
<td>22%</td>
<td>38%</td>
</tr>
<tr>
<td>07 - 10</td>
<td>38%</td>
<td>23%</td>
<td>39%</td>
</tr>
<tr>
<td>11 - 15</td>
<td>33%</td>
<td>16%</td>
<td>51%</td>
</tr>
<tr>
<td>16+</td>
<td>72%</td>
<td>0%</td>
<td>28%</td>
</tr>
</tbody>
</table>

G. Interesting Miscellaneous Comments from Licensees

Of the 6,784 licensees who completed questionnaires almost 10% (663 licensees) took the time and effort to make additional comments. To facilitate readability, the following comments have been divided into topical categories.

Education

1. Need to develop more practical real estate courses; also develop refresher courses (especially for inactive licensees)  
2. Need for higher quality real estate courses; especially for new licensees  
3. More emphasis on ethics in courses and laws  
4. Seminars too expensive  
5. Need Real Estate Commission-sponsored seminars on:
   a. Ethics and Cooperating Brokerage  
   b. Property Management  
   c. Salesmanship and Securing Listings  
   d. Recent Rules and Regulations of the Real Estate Commission Plus New Legislation  
   e. Commercial Leasing and Business Opportunities  
   f. Landlord-Tenant Code  
   g. Exchanging and Creative Financing  
   h. Resident Manager  
   i. Tax Shelters
G. Interesting Miscellaneous Comments from Licensees (continued)

Education

<table>
<thead>
<tr>
<th>Number of Comments</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Outer Island respondents said: Need greater educational exposure on Outer Islands - more one day seminars needed; Outer Islands should have access to same calibre prelicense broker courses as Oahu; Use of audio-visual courses</td>
</tr>
<tr>
<td>7</td>
<td>Look into Real Estate Certificate Program</td>
</tr>
<tr>
<td>8</td>
<td>Urgent need to expand Real Estate Commission Bulletin to include more detailed information—perhaps quarterly</td>
</tr>
<tr>
<td>9</td>
<td>Should have college level courses as prerequisite for broker's license and continuing education</td>
</tr>
<tr>
<td>10</td>
<td>Prelicense study bears little relationship to knowledge needed to practice</td>
</tr>
</tbody>
</table>

Licensing

<table>
<thead>
<tr>
<th>Number of Comments</th>
<th>Licensing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Parttimers</td>
</tr>
<tr>
<td></td>
<td>a. Require refresher courses for them; exercise greater control to insure good consumer service</td>
</tr>
<tr>
<td></td>
<td>b. Fees too low; should be $500 to discourage parttimers (excess rebated if earn over $10,000 in commissions); will result in fewer but more professional people</td>
</tr>
<tr>
<td></td>
<td>c. Parttime brokers should be better regulated. &quot;Today a parttime salesperson in our complex business is as out-of-date as a parttime doctor&quot;</td>
</tr>
<tr>
<td>2</td>
<td>Require minimum number of transactions (not for own account) to obtain broker license and to maintain active license</td>
</tr>
<tr>
<td>3</td>
<td>Licensing Examination</td>
</tr>
<tr>
<td></td>
<td>a. Upgrade state licensing requirements and examination difficulty</td>
</tr>
<tr>
<td></td>
<td>b. Present exam is too easy</td>
</tr>
</tbody>
</table>
### Licensing

<table>
<thead>
<tr>
<th>Comment</th>
<th>Number of Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Special licenses</td>
<td></td>
</tr>
<tr>
<td>a. Property managers should be licensed</td>
<td>11</td>
</tr>
<tr>
<td>b. Separate licenses for commercial/industrial</td>
<td>5</td>
</tr>
<tr>
<td>5. Inactives</td>
<td></td>
</tr>
<tr>
<td>a. Real estate licensing fees too high for inactive licensees</td>
<td>8</td>
</tr>
<tr>
<td>b. No need for inactive category</td>
<td>4</td>
</tr>
<tr>
<td>6. License fees</td>
<td></td>
</tr>
<tr>
<td>a. License fees should be used to support a Real Estate Division and not put into the general fund</td>
<td>6</td>
</tr>
<tr>
<td>b. Increase principal broker's fees relative to number of licenses hung</td>
<td>1</td>
</tr>
<tr>
<td>c. Broker-salesmen should pay the same fee as salesmen</td>
<td>1</td>
</tr>
<tr>
<td>7. Object to biennial renewal</td>
<td>6</td>
</tr>
</tbody>
</table>

### Real Estate Commission

<table>
<thead>
<tr>
<th>Comment</th>
<th>Number of Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investigations</td>
<td></td>
</tr>
<tr>
<td>a. Real Estate Commission takes too long to investigate complaints</td>
<td>7</td>
</tr>
<tr>
<td>b. Real Estate Commission needs stronger investigative staff to weed out incompetents and enforce law</td>
<td>4</td>
</tr>
<tr>
<td>c. Increase funding to assist staffing of Real Estate Commission which does great job considering present limitations</td>
<td>1</td>
</tr>
<tr>
<td>2. Commission should occasionally meet on outer islands</td>
<td>1</td>
</tr>
<tr>
<td>3. Commission should be elected positions within the real estate community and not a political appointment</td>
<td>1</td>
</tr>
</tbody>
</table>
G. Interesting Miscellaneous Comments from Licensees (continued)

Legislation and Problems to Clarify

1. Clarification of
   a. Law as to independent contractor status 49
   b. Residential leasehold problem 13

2. Present Regulations
   a. Too much governmental regulation 29
   b. More enforcement of existing rules and regulations 22

3. Need better laws regulating use of signs ("open house" and "for sale") 12

4. Equalize landlord-tenant rights and responsibilities 4

Advertising

1. Better rules on advertising plus stricter enforcement 29

2. Require price disclosure of property be in advertising 1

VIII. Recommendations

Guidelines and Suggestions Regarding Policymaking

As in most exploratory studies, more questions are raised than answered to any degree of certainty. However, one contribution which this report can provide is some guidelines and suggestions regarding policymaking. These suggestions are divided into two sections. The first section is derived from the study per se while the second portion is partially influenced by what other states have accomplished as well as the author's own views.

Suggestions Derived From Study

1. It is proposed that a survey of buyer and seller attitudes on licensees and real estate be initiated to complement this study. Only then can the type of education, if any, that is needed
Suggestions Derived From Study (continued)

as well as the required duration of educational programs prior to license renewal be determined. Consequently, legislation to mandate specified hours of study prior to license renewal should not be undertaken at this time.

The present questionnaire survey has examined only a licensee's real estate education without viewing what effect this education has on buyers and sellers. Education should be partially structured on protecting the client-consumer, fulfilling their wishes rather than on protecting the licensee per se. The present survey revealed the lack of enthusiasm by active licensees for a major emphasis on consumer oriented programs. One could infer that this is due to the licensee feeling an obligation to his client and the community only to the extent that his income is affected. The present license exam also adds credence to this suggestion. There are those who feel that the exam bears little relationship to knowledge actually needed to practice.

Therefore, it is essential that a survey of buyer and seller attitudes be initiated immediately. This survey could be undertaken by the University of Hawaii's College of Business Administration as an extension of the work contributed on this introductory study and be funded by the commission's educational fund.

2. A continual research program is necessary to ascertain the changing needs of the real estate licensees and industry compared with the general public's desires so that legislation can be structured accordingly.

At present, legislation is influenced by people experienced in real estate. However, their conception of the real estate industry is limited to their experiences. Research complements this judgement by giving them a clearer perspective of the industry thus making possible sound policy decisions. Besides this, research provides a way to measure any legislation's effectiveness.

3. Coupled with a research program, filling out a simple questionnaire (less detailed than the present one) should be a required part of the renewal process. By doing so, one can do a breakdown by years to show comparative shifts in characteristics in different years among licensees. A study based on only one point in time does not afford such comparisons to be undertaken.

In addition to this, a more thorough profile study involving the use of detailed questionnaires and in depth interviews should be initiated at periodic time intervals to gain a broader perspective. (SEE DIRECTIONS FOR FURTHER RESEARCH)
Guidelines and Suggestions Regarding Policymaking (continued)

4. If the commission desires to raise the entry level for a salesman's license, a mandatory program of educational training would be required.

Real estate brokerage is a service vocation. The "licensee has nothing but his personal services to sell. Knowledge, talent and time constitute his stock in trade." Yet, the statistics reveal that for the large number of persons holding a salesman's license, the only type of real estate education taken was the minimum permitted to obtain a license. Only after a broker's license is obtained are licensees motivated to pursue real estate educational activities. This is significant considering there has been a relatively higher growth in sales licensees (27% annual growth) compared to broker licensees (14% annual growth).

5. It is recommended that inactive licensees before being allowed to regain their active status be required to take a minimal number of educational courses - both practical and theoretical.

This suggestion in part is predicated on the finding that inactives have the poorest real estate education (both credit and noncredit) of all licensees examined. In addition to this, in this period of rapid change in the real estate industry and housing markets, a licensee may become incompetent after a very short absence from active industry participation.

6. Although more people have noncredit courses as opposed to credit courses, one should not readily conclude noncredit courses are the type of program or format for reaching licensees.

The study has shown that the self motivated licensee, particularly those with college education have taken advantage of both types of courses - credit and noncredit. Besides this, other factors which should be considered before any decision is reached include a comparison between credit and noncredit courses on the basis of the quality, scope and breadth of instruction; the purpose; the audience trying to reach; trade association influence; and pressure for grades.

What Other States Have Accomplished and Author's Viewpoint

1. In conjunction with the recommendation for further research, a Center for Real Estate Research and Urban Resources should be established at the University of Hawaii.

This research facility could be similarly structured to the University of California, Berkeley; and the University of Kentucky. The primary purposes of the center could be to:6
Guidelines and Suggestions Regarding Policymaking (continued)

a. Analyze and evaluate factors affecting real estate markets

b. Disseminate the Center's research to educational institutions, governmental agencies, Board of Realtors and Real Estate firms

c. Provide education and research efforts for the purpose of enhancing the professionalization of licensees and real estate firms.

Funding could be subsidized by the commission's education fund as well as contributions from the University, Board of Realtors and other interested organizations.

Coupled with a research center, an Advisory Board comprised of the Commission, University's Real Estate Department and the Board of Realtors should be created to set guidelines regarding research priorities, approve specific research projects and provide guidance and recommendations. Hopefully, this will deter the University from moving into graduate programs and theoretical fields far removed from the immediate needs of the real estate industry.

2. Salesmen and broker licensees should be offered diversified levels of theoretical as well as practical real estate courses.

Various levels of diversity are needed because the real estate business encompasses a wide spectrum of tasks and customers with different levels of sophistication which requires different educational needs. Some require primarily sales and market knowledge while others demand very specialized knowledge of specific types of operations or skills.

3. One way to accomplish this end is through offering different types of competence certificates. These certificates could be broken down into two main categories:

a. Fundamental concepts - Knowledge of real estate's legal, physical and economic elements

b. Practical - Practical everyday knowledge needed by a licensee (Applied to perform effectively. Emphasis should be consumer Principles) oriented.

Under each category, 3 levels could be established with a certificate given for each completion level. The 3 levels are:
Guidelines and Suggestions Regarding Policymaking (continued)

a. Level 1 - Beginner
b. Level 2 - Intermediate
c. Level 3 - Advanced

Partial or full waiver for fundamental concepts course(s) could be given for those who have graduated with a real estate degree from an accredited institution, etc.

For the practical side, courses could deal with actual case problems (applied theory). Licensees could be required to turn in demonstration reports of actual transactions to show competency (such as the demonstration reports now being done to obtain an appraising designation). In addition to this, a panel of experts should be set up to see if the transaction was properly executed.

Different combinations of practical and theoretical courses could produce different designations. For example, licensees completing both Level 1 theory and practical could be awarded a certified residential (RC) designation. A licensee would then be allowed to use his designation in all advertising.

However, certification alone will not suffice. The commission would need to start a public awareness campaign through different advertising media. This is due to the fact that recognition of competence in a final sense depends on the general attitudes and standards of the public rather than on published rules, codes or distinctive names. The public must recognize that a distinction exists between holders and nonholders of a certificate.

4. The preparation of a Hawaii Reference Manual similar in scope and depth to California's should be undertaken.

There has been little current quality literature on both the theoretical and practical aspects of Hawaiian real estate which a person can use during the prelicensing and postlicensing stages.

5. The licensing law should require that an applicant has at least a high school education or an equivalence.

While only 4% had less than a high school education, this figure may be misleading since 45% of the licensees did not respond. Through a more formal educational background, licensee applicants will be better equipped to pursue any advanced real estate course offerings which the real estate commission is currently considering.
Directions for Further Research

Another contribution which this report can provide is some directions for further research. One good point of departure is:

Revising the Procedures and Methods of Obtaining Information

1. While usage of the questionnaire format should be continued, certain modifications should be made. A stratified random sample should be used to insure that certain groups/categories are not underrepresented in the survey.

   In structuring this stratification, a determination of the number of sample members to select from each stratum should be decided with the selection of actual members of each stratum undertaken using random numbers. Therefore, each licensee will have to be identified by a number.

   The questionnaire should be pretested to identify any design weaknesses and determine ways of strengthening the questions and layout.

2. In addition to the questionnaire, personal interviews should be utilized. This is:

   a. To obtain information from nonrespondents to questionnaires. Information should be gathered from a random sampling of nonrespondents.

   b. To give greater depth of interpretation to questions that aren't easily codified.

3. The preceding procedures should only be used when undertaking thorough profile studies at periodic time intervals.

Broaden Real Estate Audiences to be Surveyed

The current questionnaire dealt primarily with an insider's view (individual licensees). In addition to this, separate future questionnaires could also survey:

1. Buyers and Sellers Who Are Nonlicensees

   An outsider's insight is desired because the real estate laws ultimate purpose is protecting the general public (police power concept).
Directions for Further Research (continued)

Broaden Real Estate Audiences to be Surveyed (continued)

1. Buyers and Sellers Who Are Nonlicensees (continued)

In this survey, one could primarily investigate whether the public is receiving adequate coverage - what buyers and sellers value in terms of agent services, what they expect compared to what is actually received; why the services of an agent is or isn't utilized; if the same agent is used in subsequent transactions; whether the seller or buyer uses the agent more; do clients feel that individuals who've met the minimum qualifications for a license are able to adequately serve their needs, particularly new licensees.

2. Individual Firms

"Investigate the size and number of firms in the real estate industry, their legal forms of organization, receipts, costs and profits, and historical data." In addition to this, the study could measure the firm's influence on a licensee's: level of performance, outlook towards the industry and services rendered to clients.

Revision of Questionnaire Format for Licensees for Profile Studies

1. The questionnaire constructed by Professor Donald W. Bell on December 11, 1968 (see Appendix C) should be substituted for the existing questionnaire with minor modifications. This is because of the greater depth and scope which is achieved. For example, Bell's survey examines the incidence of economic and educational activity by geographic regions and the age at the time of a licensee obtaining his salesman's and broker's license to ascertain if people with a broker's license entered the field sooner than those with a salesman's license.
IX. Appendices

Appendix A - Research Design and Parameters

In the present study a mail questionnaire constructed by John W. Reilly, educational consultant to the Commission, was circulated to all licensees on December 15th, 1976 to develop the preceding data base.

Although there were some disadvantages to utilizing this technique such as:

1. Only individuals interested in the subject survey may have answered
2. Bias due to nonresponse is often indeterminate

the advantages clearly outweighed these. Among the most salient advantages were obtaining a large sample at a lower unit cost than any other method (since the questionnaire was mailed out with the license renewals) coupled with the fact that respondents could complete the questionnaire at their own convenience and remain completely anonymous.

All of the gathered data was processed at the University of Hawaii's computing Center using a series of computer programs from the book, *A Statistical Package for the Social Sciences (SPSS)* by Nie, et al.

Questionnaires were returned by fifty five (55%) percent of all licensees (that is 6,784 out of 12,437 licensees as of January 21, 1977, completed questionnaires. On a categorical response breakdown, 37% were fulltime, 39% parttime and 24% inactive. From another perspective, 68% of the brokers and 48% of the salesmen responded to the questionnaire.

Because usable responses for each question varied, all analyses were done on a per question basis. The analysis was primarily undertaken using the following tools:

1. Frequency distribution - "A statistical method of condensing large masses of economic data by arranging them into various classes. This simple classification makes analysis of data much easier as the frequency distribution table (below) illustrates." *(Dictionary of Modern Economics 2nd Edition, Greenwald and Associates)*

<table>
<thead>
<tr>
<th>Family Income</th>
<th>Number of Primary Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $1,000</td>
<td>767</td>
</tr>
<tr>
<td>$1,000 - 1,499</td>
<td>664</td>
</tr>
<tr>
<td>$1,500 - 1,999</td>
<td>920</td>
</tr>
<tr>
<td>$2,000 - 2,499</td>
<td>1,227</td>
</tr>
</tbody>
</table>
Appendix A - Research Design and Parameters (continued)

2. Contingency Tables - "Is a joint frequency distribution of cases according to two or more classificatory variables".

<table>
<thead>
<tr>
<th>Hair Color</th>
<th>Blond</th>
<th>Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eye Color</td>
<td>Blue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nonblue</td>
<td></td>
</tr>
</tbody>
</table>

3. Multiple regression analysis (see Introduction - Terminology)

4. Chi Squared Test - "Is a test of statistical significance. It helps us to determine whether a systematic relationship exists between two variables. This is done by computing the cell frequencies in a contingency table which would be expected if no relationship is present between the variables given the existing row and column totals. The expected cell frequencies are then compared to the actual values found in the table. The greater the discrepancies between the expected and actual frequencies, the larger chi-square become...A large chi squared implies that a systematic relationship of some sort exists between variables...When the sample is very large, even miniscule deviations will generate a statistically significant chi square. This is because larger samples are much more likely to approximate the true relationship in the universe...By itself, chi square helps us only to decide whether our variables are independent or related. It does not tell us how strongly they are related".

5. Tau B and C - Are measures of association between two ordinal level variables. Both use information about the ordering of categories of variables by considering every possible pair of cases. Each pair is checked to see if their relative ordering on the first variable is the same (concordant) as the relative ordering on the second variable or if the ordering is reversed (discordant). Tau b is most appropriate with square tables i.e., where the number of rows equals the number of columns. It takes on the value of 1 when all cases fall along the major diagonal. Similarly, a -1 is achieved when all cases fall along the minor diagonal. If any cases fall in the off-diagonal cells, tau b will have some value between these two extremes, being zero (no association) when the number of concordance pairs exactly equals the number of discordant pairs. In a rectangular table tau c is appropriate.

6. Graphs - To double check the measures of association and to see if any curvilinear relationships existed.

7. Row proportions/percentages in contingency tables - Column percentages were rarely used because of an induced bias. (Since there was no stratification of different groups/categories used in the survey).
Appendix A - Research Design and Parameters (continued)

It should be noted that two (2) principal types of errors are present in the computer results obtained.

1. "The first stems from the possibility of incorrect answers to questions asked. Despite preventive precautions taken in preparing the questionnaires and interpreting the answers, it is well to note that some errors of this type undoubtedly remain."8

2. A second error arises from the fact that the results are not based on a stratified random sampling although 55% of all licensees returned questionnaires. Therefore, it is not possible to determine at this juncture whether certain groups were underrepresented in the survey.

Consequently, the results obtained from the survey should be considered only preliminary indications of the specific characteristics examined.
Appendix B - Multiple Regression Analysis

Dependent Variable: Number of 1976 Transactions

Summary Table

<table>
<thead>
<tr>
<th>Variable</th>
<th>Multiple R</th>
<th>R Square</th>
<th>RSQ Change</th>
<th>Simple R</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>B  Hours spent working in typical week</td>
<td>0.64418</td>
<td>0.41497</td>
<td>0.41497</td>
<td>0.64418</td>
<td>0.55910</td>
</tr>
<tr>
<td>Q  Non-credit courses taken after license</td>
<td>0.65333</td>
<td>0.42684</td>
<td>0.01187</td>
<td>0.29537</td>
<td>0.11418</td>
</tr>
<tr>
<td>A  Present real estate activity</td>
<td>0.65535</td>
<td>0.42948</td>
<td>0.00264</td>
<td>-0.55355</td>
<td>-0.29841</td>
</tr>
<tr>
<td>Y  Sex</td>
<td>0.65634</td>
<td>0.43078</td>
<td>0.00130</td>
<td>0.07428</td>
<td>0.14352</td>
</tr>
<tr>
<td>D  Length licensed to sell real estate</td>
<td>0.65713</td>
<td>0.43181</td>
<td>0.00104</td>
<td>0.10511</td>
<td>0.07758</td>
</tr>
<tr>
<td>X  Age</td>
<td>0.65869</td>
<td>0.43388</td>
<td>0.00206</td>
<td>-0.00125</td>
<td>-0.06911</td>
</tr>
<tr>
<td>M  Highest level of formal education</td>
<td>0.65878</td>
<td>0.43399</td>
<td>0.00012</td>
<td>0.00396</td>
<td>0.00854</td>
</tr>
<tr>
<td>O  Real estate courses after salesman's license</td>
<td>0.65882</td>
<td>0.43405</td>
<td>0.00005</td>
<td>0.10261</td>
<td>0.01521</td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.67524</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Beta</th>
<th>STD Error B</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>B  Hours spent working in typical week</td>
<td>0.53727</td>
<td>0.02041</td>
<td>750.148</td>
</tr>
<tr>
<td>Q  Non-credit courses taken after license</td>
<td>0.10511</td>
<td>0.01313</td>
<td>75.639</td>
</tr>
<tr>
<td>A  Present real estate activity</td>
<td>-0.08467</td>
<td>0.06906</td>
<td>18.673</td>
</tr>
<tr>
<td>Y  Sex</td>
<td>0.03788</td>
<td>0.04369</td>
<td>10.790</td>
</tr>
<tr>
<td>D  Length licensed to sell real estate</td>
<td>0.06018</td>
<td>0.01733</td>
<td>20.039</td>
</tr>
<tr>
<td>X  Age</td>
<td>-0.05138</td>
<td>0.01808</td>
<td>14.618</td>
</tr>
<tr>
<td>M  Highest level of formal education</td>
<td>0.01044</td>
<td>0.00958</td>
<td>0.795</td>
</tr>
<tr>
<td>O  Real estate courses after salesman's license</td>
<td>0.00760</td>
<td>0.02328</td>
<td>0.427</td>
</tr>
</tbody>
</table>

Variable(s) Entered on Step Number 8: O  RE Courses After Salesman's License

Multiple R 0.65882  Analysis of Variance  DF  Sum of Squares  Mean Square  F
R Square 0.43405  Regression  8  6025.64428  753.20554  429.76718
Adjusted R Square 0.43304  Residual  4483  7856.85973  1.75259
Standard Error 1.32385
At the request of the Real Estate Commission and organized real estate industry leaders, the 1967 Legislature passed the Real Estate Recovery Fund Act which empowered the Commission to establish, maintain, invest and manage a Real Estate Recovery Fund. The interest from these investments, which are monies of licensees, are to be used to create a Real Estate Education Fund.

The attached questionnaire represents the first positive step, after many months of deliberation, towards the Commission’s long-range objectives in real estate research and real estate education. The questionnaire is the vehicle prepared by the College of Business Administration, University of Hawaii, to gather information which will advance the study by describing the structure, organization and activities of the real estate industry in Hawaii. From your assembled responses, which will be treated by the University as strictly confidential, the Commission will be in a favorable position to move intelligently ahead in formulating its real estate educational program.

As you know, the Real Estate Recovery Fund is your money, and the results of this study - using your funds - will aid in improving the facilities for real estate education available to those active in the industry. Therefore, it is directly to your advantage to cooperate in this study by filling out the questionnaire and returning it to us in the enclosed stamped envelope.

Your commissioners see this as the first step along the path to professionalization. In this initial effort, the Commission solicits the help of every real estate broker and real estate salesman.

Very truly yours,

Jack K. Palk, Chairman
Real Estate Commission
State of Hawaii
Appendix C - Proposed Questionnaire for Profile Studies (continued)

A PROFILE STUDY OF LICENSED REAL ESTATE SALESMEN AND BROKERS QUESTIONNAIRE

At present, are you actively engaged in the real estate business?

____ Yes (16)

____ No

In what way do you participate in the real estate business?

____ Real estate salesman (16)

____ Real estate broker

____ Other, specify:

In what capacity are you employed?

____ Principal broker for own firm (17)

____ Principal broker for other

____ Selling under principal broker

____ Self-employed, but not principal broker

____ Other, specify:

Write in the approximate percent of your real estate activities that are conducted with relation to the following areas:

____ % Oahu (18-20)

____ % Kauai (21-23)

____ % Maui (24-26)

____ % Molokai (27-29)

____ % Hawaii (30-32)

____ % Mainland (33-35)

____ % Foreign (36-38)

100%

In a typical week how many hours do you spend working in real estate?

____ 0 35-45 (39)

____ 1-19 46-60

____ 20-35

If the answer to the previous question was 0 hours, how recently have you engaged in real estate activities?

____ Within the last year (40)

____ 1-2 years ago

____ 3-4 years ago

____ Over 4 years ago

What level of formal education have you obtained?

____ Grade school (41)

____ Some high school

____ High school graduate

____ Completion of less than 2 years of college

____ 2-year college graduate

____ Completion of more than 2 years but less than 4 years of college

____ College graduate

____ College graduate and graduate studies

If you have a college degree, what was your major field?

____ Real estate (42)

____ Business

____ Economics

____ Law

____ Liberal arts

____ Science

____ Education

____ Engineering

____ Other, specify:

How many college credit courses in real estate did you take before you got your salesman’s license?

____ None (43)

____ Courses

How many college credit courses in real estate did you take after getting your sales license and while preparing for the broker’s license?

____ None (44)

____ Courses

How many college credit courses in real estate have you taken since getting your broker’s license?

____ Do not have broker’s license (45)

____ None

____ Courses

How many of these college credit courses were taken at the University of Hawaii?

____ Courses (46)

At what other colleges or universities have you taken credit courses in real estate?

____

Have you taken college credit courses in any of the following areas? Please check appropriate ones.

____ Real estate principles’ (48)

____ Real estate law (49)

____ Real estate finance (50)

____ Property valuation (51)

____ Property management (52)

____ Land economics (53)

____ Other, specify (54)

How many of the college credit courses in real estate that you have taken were at the graduate level?

____ Courses (55)

How many non-credit courses in real estate offered by colleges or universities did you take before getting your salesman’s license?

____ None (56)

____ Courses

How many non-credit courses in real estate offered by colleges or universities did you take after getting your sales license but before getting your broker’s license?

____ None (57)

____ Courses

How many non-credit courses in real estate offered by colleges or universities have you taken since getting your broker’s license?

____ Do not have broker’s license (58)

____ None

____ Courses

How many of these non-credit courses in real estate were taken at the University of Hawaii?

____ Courses (59)
Appendix C - Proposed Questionnaire for Profile Study (continued)

At what other college or university have you taken non-credit courses in real estate?

List memberships in professional real estate organizations:

- Hawaii Board of Realtors (Hilo)
- Honolulu Board of Realtors
- Real Estate Association of Hawaii
- National Institute of Real Estate Brokers Residential Division
- National Institute of Real Estate Brokers Commercial & Industrial Division
- International Federation of Real Estate Associations
- American Institute of Real Estate Appraisers
- Society of Real Estate Appraisers
- Institute of Real Estate Management
- Institute of Farm & Land Brokers
- Other, specify: ___

What courses have you taken that are offered by these professional real estate organizations?

- AIREA - Course I
- AIREA - Course II
- AIREA - Course IV
- SREA - Principles & Techniques
- SREA - Apartments
- IREM - Course I
- IREM - Course II
- NIRED-CID - 1
- NIRED-CID - II
- Other specify: ___

What professional designations do you hold?

- MAI
- SREA
- SRA
- CPE
- CPM
- SIR
- G/R/I
- CSCM
- Other specify: ___

Did you take a local license preparatory course?

- No
- Before sales examination
- Before brokers' examination

Have you ever taken a correspondence course in real estate?

- Yes
- No

Have you taken any of the non-credit courses in real estate offered by the local high schools?

- Yes
- No

Have you ever taken any other type of real estate course not covered in the previous questions?

- No
- Yes, specify: ___

Does the real estate firm by which you are now employed have a regular education and training program?

- No
- Monthly
- Weekly
- Less frequently

Does the real estate firm by which you are now employed have an organized plan to encourage its people to take training outside of the firm?

- No
- Encourages but does not help pay for it
- Will pay part of expenses of some courses
- Will pay all expenses for some programs

What year did you receive your Hawaii salesman's license?

- 19_

How many years, if any, has your salesman's license been inactive?

- Never since it was issued

If you have a State of Hawaii brokers' license, what year did you receive it?

- 19_

Have you held a real estate salesman's license in any other state?

- No
- Yes

If so, for what state or states?

- For what calendar years?

Have you ever held a real estate broker's license in any other state?

- No
- Yes

If so, for what state(s)?

- For what calendar years?

If you normally work at a job other than real estate, what kind of work do you do?

(Please check occupations to which you devote more than 5 hours per week.)

- Housewife
- Builder
- Lawyer
- Accountant
- Salesman: insurance
- Salesman: stocks, bonds, mutual funds
- Salesman: Durable goods, including autos
- Retail trade
- Military
- Government employee (non-military)
- Industry and skilled trades
- Other, specify: ___
Appendix C - Proposed Questionnaire for Profile Studies (continued)

Please write in the approximate percent of time you spend on the following activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Approximate Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Selling residential properties</td>
<td>(173-5)</td>
</tr>
<tr>
<td>% Selling condominiums and/or cooperative units</td>
<td>(176-8)</td>
</tr>
<tr>
<td>% Selling other types of improved properties such as commercial, industrial</td>
<td>(179-81)</td>
</tr>
<tr>
<td>% Selling lots &amp; vacant land</td>
<td>(182-4)</td>
</tr>
<tr>
<td>% Land development</td>
<td>(185-7)</td>
</tr>
<tr>
<td>% Non-selling activities such as appraising, lending, leasing, and managing</td>
<td>(188-90)</td>
</tr>
<tr>
<td>% Investing, buying, selling for own account</td>
<td>(191-3)</td>
</tr>
<tr>
<td>% Other, specify:</td>
<td>(194-6)</td>
</tr>
</tbody>
</table>

100%

How long have you been with your present firm?

<table>
<thead>
<tr>
<th>Duration</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>7-8 years</td>
</tr>
<tr>
<td>1-3 years</td>
<td>10-12 years</td>
</tr>
<tr>
<td>4-6 years</td>
<td>Over 12 years</td>
</tr>
</tbody>
</table>

(197)

How long were you associated with the real estate firm previous to the one for which you work now?

<table>
<thead>
<tr>
<th>Duration</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have worked for no other real estate firm</td>
<td>7-8 years</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>10-12 years</td>
</tr>
<tr>
<td>4-6 years</td>
<td>Over 12 years</td>
</tr>
</tbody>
</table>

(198)

Check box for each occupation you pursued in each of the 5 years before you entered the real estate business:

- Housewife (199)
- Builder (200)
- Lawyer (201)
- Accountant (202)
- Salesman:
  - Insurance (203)
  - Stocks, bonds, mutual funds (204)
  - Durable goods, incl. autos (205)
- Retail trade (206)
- Military (207)
- Gov't. employee (non-military) (208)
- Business management (209)
- Industry and skilled trades (210)
- Student (211)
- Other, specify: (212)

What do you consider to have been your major occupation before entering the real estate business?

(213)

Referring to the previous question, how many years did you work at this job?

<table>
<thead>
<tr>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>(214-5)</td>
</tr>
</tbody>
</table>

What is your present age?

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 or under</td>
<td>65-65</td>
</tr>
<tr>
<td>26-35</td>
<td>56-65</td>
</tr>
<tr>
<td>36-45</td>
<td>Over 65</td>
</tr>
</tbody>
</table>

(216)

Sex:

- Male (217)
- Female (218)

What do you estimate your personal gross income from real estate activities to be this year (1968)?

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $2,000</td>
<td>2,000-7,499</td>
</tr>
<tr>
<td>$7,500-$14,999</td>
<td>15,000-24,999</td>
</tr>
<tr>
<td>$25,000-$39,999</td>
<td>40,000 or over</td>
</tr>
</tbody>
</table>

(218)

ANSWER THE FOLLOWING QUESTIONS ONLY IF YOU ARE HEAD OF A REAL ESTATE FIRM.

Write in the approximate percent of the firm's gross income that is derived from the following areas:

<table>
<thead>
<tr>
<th>Area</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Oahu</td>
<td>(251)</td>
</tr>
<tr>
<td>% Kauai</td>
<td>(252)</td>
</tr>
<tr>
<td>% Maui</td>
<td>(253)</td>
</tr>
<tr>
<td>% Molokai</td>
<td>(254)</td>
</tr>
<tr>
<td>% Hawaii</td>
<td>(255)</td>
</tr>
<tr>
<td>% Mainland</td>
<td>(256)</td>
</tr>
<tr>
<td>% Foreign</td>
<td>(257)</td>
</tr>
</tbody>
</table>

100%

Number of employees working for you:

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>16-30</td>
</tr>
<tr>
<td>3-7</td>
<td>Over 30</td>
</tr>
<tr>
<td>8-15</td>
<td>(258)</td>
</tr>
</tbody>
</table>

Referring to the previous question, how many of these employees have a State of Hawaii salesman's or broker's license?

<table>
<thead>
<tr>
<th>License Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number with sales license</td>
<td>(259)</td>
</tr>
<tr>
<td>Number with broker's license</td>
<td>(260)</td>
</tr>
</tbody>
</table>

How many years has your firm been operating?

<table>
<thead>
<tr>
<th>Years</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 years</td>
<td>10-24 years</td>
</tr>
<tr>
<td>4-9 years</td>
<td>Over 25 years</td>
</tr>
</tbody>
</table>

(261)

Write in the approximate percent of income that the firm derives from the following activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Residential selling</td>
<td>(262-4)</td>
</tr>
<tr>
<td>% Selling non-residential properties</td>
<td>(265-7)</td>
</tr>
<tr>
<td>% Selling lots and vacant land</td>
<td>(268-70)</td>
</tr>
<tr>
<td>% Land development and subdividing</td>
<td>(271-3)</td>
</tr>
<tr>
<td>% Non-selling activities, specify:</td>
<td>(277-6)</td>
</tr>
<tr>
<td>% Other income from non-real estate activities, specify:</td>
<td>(279-9)</td>
</tr>
</tbody>
</table>

100%

Gross income of the firm last year:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000-24,999</td>
<td>$130,000-499,999</td>
</tr>
<tr>
<td>$25,000-49,000</td>
<td>$500,000-999,999</td>
</tr>
<tr>
<td>$50,000-124,999</td>
<td>$1,000,000 and over</td>
</tr>
<tr>
<td>$125,000-298,999</td>
<td>(280)</td>
</tr>
</tbody>
</table>

(280)
Appendix D - Questionnaire Used In Present Profile Study

REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

COMPLETE THIS QUESTIONNAIRE IN ITS ENTIRETY AND RETURN IT WITH YOUR LICENSE RENEWAL. ANSWER ALL QUESTIONS. PLEASE PRINT CLEARLY.

INSTRUCTIONS: For questions A through Z indicate your response by placing the number of the best answer on the line to the left of the question. Insert only one answer for each question. For example, in question B, if you normally work thirty-eight (38) hours per week, then place the number 5 in the line next to B.

A. Describe your present real estate activity.
   1. ACTIVE, FULL-TIME (PRINCIPAL OCCUPATION)
   2. ACTIVE, PART-TIME (SECONDARY OCCUPATION)
   3. INACTIVE

B. In a typical week how many hours do you spend working in real estate?
   1. None (O)
   2. One - Ten (1-10) hours
   3. Eleven - Twenty (11-20) hours
   4. Twenty-one - Thirty (21-30) hours
   5. Thirty-one - Forty (31-40) hours
   6. More than Forty (40) hours

C. How recently have you engaged in real estate activities?
   1. Within the last year
   2. One - Two (1-2) years ago
   3. Three - Four (3-4) years ago
   4. Over Four (4) years ago

D. How long have you been licensed to sell real estate (in any state)?
   1. Less than One (1) year
   2. One - Three (1-3) years
   3. Four - Six (4-6) years
   4. Seven - Nine (7-9) years
   5. Ten (10) years plus

E. Have you ever held a real estate salesman's or broker's license in any other state?
   1. No
   2. Yes

F. Are you presently residing outside of Hawaii?
   1. No
   2. Yes

G. In what way do you participate in the real estate business?
   1. Salesperson
   2. Broker-salesperson
   3. Principal broker/Broker-in-charge/Managing Broker

H. For how long were you a salesperson before you took your broker's examination?
   1. Not a broker
   2. Fewer than Thirteen (13) months
   3. Thirteen - Twenty-four (13-24) months
   4. Twenty-five - Thirty-six (25-36) months
   5. Over three (3) years

I. Did you substitute EDUCATION for partial waiver of the two years full-time experience requirement?
   1. No
   2. Yes
   3. Not a broker

J. Did you substitute related EXPERIENCE for partial waiver of the two years full-time experience requirement?
   1. No
   2. Yes
   3. Not a broker

K. How many "real estate transactions" (i.e. secure a listing; negotiate a lease; effect a sale) did you accomplish DURING 1975? NOTE: Do not include transactions in which you were managing broker.
   1. None (0)
   2. One - Three (1-3)
   3. Four - Six (4-6)
   4. Seven - Ten (7-10)
   5. Eleven - Fifteen (11-15)
   6. More than Fifteen (15)

L. How many "real estate transactions" (i.e. secure a listing; negotiate a lease; effect a sale) did you accomplish DURING 1976? NOTE: Do not include transactions in which you were managing broker.
   1. None (0)
   2. One - Three (1-3)
   3. Four - Six (4-6)
   4. Seven - Ten (7-10)
   5. Eleven - Fifteen (11-15)
   6. More than Fifteen (15)

M. What is the highest level of formal education you have obtained? NOTE: Answer ONE only.
   1. Grade school
   2. Some high school
   3. High school graduate
   4. Completion of less than two (2) years of college
   5. Two (2) year college graduate (Associate Degree)
   6. Completion of more than two (2) years but less than four (4) years
   7. College graduate
   8. College graduate and graduate studies
   9. Graduate degree

N. How many college credit courses in real estate did you take BEFORE you got your salesman's license?
   1. None (0)
   2. One (1)
   3. Two (2)
   4. Three (3)
   5. More than Three (3)
   6. Four - Six (4-6)

O. How many college credit courses in real estate did you take AFTER you got your real estate license?
   1. None (0)
   2. One (1)
   3. Two (2)
   4. Three (3)
   5. More than Three (3)

P. How many of the credit courses stated in questions N & O above were taken at the University of Hawaii?
   1. None (0)
   2. One (1)
   3. Two (2)
   4. Three (3)
   5. More than Three (3)

Q. How many non-credit courses in real estate offered by universities (including GRI) did you take AFTER getting your salesman's license?
   1. None (0)
   2. One (1)
   3. Two (2)
   4. Three (3)
   5. Four - Six (4-6)
   6. More than Six (6)

R. In developing real estate educational programs in Hawaii, more emphasis should be placed on which of the following types of programs:
   1. Beginner
   2. Intermediate
   3. Advanced
   4. Consumer
   5. None
   6. All
Appendix D - Questionnaire Used in Present Profile Study (continued)

50

S. How many years of actual experience as an ACTIVE Hawaii real estate salesperson should a broker applicant complete in order to take the exam?  
1. None  
2. One (1) year  
3. Over Three (3) years  
4. Three (3) years  
5. Two (2) years

T. Should a special license be required for employing/managing brokers (as opposed to a one-person principal broker operation) including special training in trust fund accounting, management, personnel and other subjects?  
1. No  
2. Yes

U. Is there a need to require completion of a minimum number of educational programs prior to the license renewal period (every two years)? If yes, check the required duration.  
1. Prior to first renewal only  
2. Prior to each renewal period  
3. Prior to several renewal periods  
4. Prior to more than one renewal period  
5. No need

V. Does the real estate firm with which you are now associated have a regular on-going education and training program?  
1. No  
2. Weekly  
3. Monthly  
4. Less frequently than monthly.

W. Does the real estate firm with which you are now associated have an organized plan to encourage its people to take training outside of the firm?  
1. No  
2. Encourages but does not help pay for it  
3. Will pay part of expenses of some courses  
4. Will pay all expenses for some programs

X. Is your present age:  
1. Twenty-five (25) or under  
2. Twenty-six - Thirty-five (26-35)  
3. Thirty-six - Forty-five (36-45)  
4. Forty-six - Fifty-five (46-55)  
5. Fifty-six - Sixty-five (56-65)  
6. Over Sixty-five (65)

Y. Are you a:  
1. Corporation/partnership  
2. Male  
3. Female

Z. Do you have an outside passive source of income such as Retirement, Disability?  
1. No  
2. Yes

Comments under V. ____________________________________________________________

I. Please write in the approximate percentage of time you spend in your business week on the following REAL ESTATE activities:  

% Selling single-family residences  
% Selling condominiums, cooperative units and project sales  
% Selling other types of improved properties such as commercial, industrial, investment  
% Selling subdivision lots and vacant land  
% Non-selling managing broker  
% Appraising  
% Commercial leasing  
% Property management  
% Condominium resident manager  
% Lending  
% Land development  
% Investing, buying and selling for own account  
% Attending seminars, classes, training  
% Other real estate activities, specify: ____________________________________________

100% TOTAL

II. __________% of your working week spent in NON-REAL ESTATE BUSINESS activities (i.e. selling insurance, practicing law, teaching school, fireman, etc.)

III. Circle the number next to which of the following professional designation(s) that you hold:  
1. MAI  
2. SREA  
3. RM  
4. CPE  
5. CPM  
6. SIR  
7. CRE  
8. GRI  
9. CCIM  
10. CRB  
11. Other: specify  
12. None

IV. If you have taken any real estate courses, please circle the number next to the appropriate course. Does not include required pre-license course.  
1. Real Estate Principles  
2. Real Estate Law  
3. Real Estate Appraisal  
4. Real Estate Salesmanship  
5. Real Estate Investment  
6. Real Estate Office Management  
7. Real Estate Finance  
8. Property Management  
9. Land Development  
10. Land Economics  
11. Other: specify  
12. None

V. Please comment on any problem areas that may require legislation or Commission rules and regulations (i.e. advertising; cooperating brokerage; independent contractor; representing both buyer and seller; etc.). Also note any topics of interest for future Commission-sponsored seminar or research grant.
X. Sources Consulted


