

REAL ESTATE BUSINESS IS RULED BY WOMEN - MYTH OR TRUTH

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Abstract The 21st century represents a century in which the world has flourished through technological progress, transforming many businesses in line with digitalization, social networks, and the tendencies brought by the internet generations. In sociological terms, many problems have remained the same despite progress. In this sense, women continue to fight for one of the fundamental human rights - gender equality and non - discrimination against male - female in the social, business and political environment. However, there are many positive examples of women leaders today, presidents of governments and large companies, successful women entrepreneurs, and they dominate in certain branches of the economy. Although care, pharmacy, education, and the like have so far been considered "typically female" professions, the business of intermediation in the sale and lease of real estate is attracting more and more attention of female gender. Whether women dominate such a significant branch of the economy, and why, the author will try to answer by looking at the results and statistics of one of the most developed real estate markets in the world - the real estate market in the United States. Whether women are naturally gifted in the field of mediation in buying or selling real estate or have managed to dominate the market with their professionalism and motivation, are questions that occupy the scientific public, but it is gratifying to see examples of so many successful women in the real estate with amazing careers and results. It can be concluded that it would be commendable if this trend spread over to other branches of the economy, as well as to other countries in the world.

Keywords:

real estate, real estate industry, real estate agents, women real estate agents, gender equality.

1 Introduction

In addition to being one of the basic human rights, gender equality in terms of providing equal opportunities for men and women and eliminating discrimination in the social, business, and political environment is also the basis for continuous growth and development of entire nations. (European Commission, 2015) Complete development and progress of society in the socio-economic sense can be achieved only if the potentials of all individuals - men or women - are used. (United Nations, 2010) Although, as an author and a woman, the subject of gender equality touches me on the subjective level, the focus of this paper will not be the sociological aspects of gender equality. Guided by the statement made by Michelle Obama, the wife of the former US President and a leader in the proclamation of women's rights, stating that there are no limits to what women can achieve, we testify that women are represented in leading positions, confirming themselves as professionals in many business areas, from education, art, fashion, care and beauty, medicine, pharmacy, sports and more, all the way to the real estate industry, which is the focus of this paper. (Models group, 2019) Looking at the real estate market in the United States as one of the most developed, most profitable, but also as one of the most regulated real estate markets in the world, women entered the real estate business "in the back door" back in 1794. Fifty years later in the 1840 they are recognised as capable dealing with this business, although mainly in an administrative sense. In the 1880s, women were realized in the real estate market in a professional sense as agents and brokers, and today they can say to be the dominating gender in the real estate market. (*Ibid*) Women are more numerous in the real estate profession and record great results. What are the reasons why women are conditionally better agents than men, whether they are better than their male counterparts, what qualities help them to achieve such success and skill in the real estate market, we will consider in the further course of paper.

The paper is designed to start from the analysis of published statistics and certain conclusions of the professional public, and then consider the characteristics that help female agents to be successful in a highly competitive industry such as real estate, and what are the motives for women to enter the real estate profession, but also the obstacles they encounter in practice.

2 Analysis of available data regarding gender equality in the real estate

The real estate industry is a very dynamic branch of the economy that generates enormous incomes in almost every country, especially in the United States. In the highly competitive world of real estate business, changes are happening constantly, from market values, typology and customer behavior, sales techniques, marketing, and regulations, to changes in agent behavior, training, and professionalization, changes in demographic characteristics, and more. (Linsell, 2020)

The real estate market in the USA is one of the most developed, most profitable, but also the one of the most regulated real estate markets in the world. The inclusion of women in the real estate profession has experienced its full splendor in the United States, which is also the reason why this site was chosen to analyze the subject of this paper - the representation of female agents in the real estate industry. Due to the limited scope of work, the subject analysis is focused on the publicly available data of the reference institution that brings together professionals from the real estate business - NAR (National Association of Realtors).⁸⁷

The association in question was founded back in 1908 in Chicago under the name Real Estate Exchanges. Five years later, a code of ethics was adopted that established rules of conduct and a proclamation of ethical business in the real estate sphere. From 1972 until today, the name of the association, which today represents the largest American trade association, has remained unchanged, and consists of members called Realtors who deal with various professions in real estate, from residential and commercial brokers, sellers, and real estate managers, assessors, advisors, and consultants, and brings together many other professionals in the field. (NAR, n.d.) The influence of the real estate market in the USA enables the association in question to have an exceptional number of members, reaching as much as 1.4 million. (*Ibid*) According to published data, in October 2020, the NAR had 1,451,031 members. The number of NAR members but also the number of agents is constantly increasing. As many as 64% of the members are women. The typical profile of a member of this association is a

⁸⁷ For more about NAR (National Association of Realtors) see at <https://www.nar.realtor/>.

fifty-five-year-old white woman, university educated and wealthy, in the sense that she owns her house. Around 66% of licensed sales agents are women, and 56% of licensed brokers. According to a study conducted by the Urban Land Institute in 2015, women dominate the residential real estate market, while the commercial real estate market is dominated by male agents. (Roni Robbins, 2017) The trend of female entrepreneurship increased by 68% from 1997-2014, and this was reflected in the dominance and number of women in the real estate market. Also, women buyers currently control 70-80% of purchasing activities, so the term "she-economy" is often found in the literature, which indicates the importance of women in the real estate business world, but also indicates the growth of women's purchasing power and the importance of women as real estate buyers. (Nidhi Sancheti, 2018).

There are different opinions of authors and views in terms of differences in professional behavior between male and female authors. Some of the interesting observations follow in the further course of work. The first difference can be seen in the system of selecting real estate for sale. Male agents take more real estate for sale, which they include in their sales listings but female agents choose more expensive real estate. (Trulia Trends Team, 2011) The subject selection enables female agents to acquire higher commissions and ensures the correct allocation of time and focus of sales on less properties. This is supported by a study conducted by Abelson, Kacmar, and Jackofsky (Abelson, Kacmar & Jackofsky, 1990) that women generally earn higher commissions than their male counterparts. In terms of advertising, women are somewhat more willing to adapt to changes in the digital environment. About 76% of female Realtors use social media for advertising and only 3% less male counterparts. (NAR, 2020) Some studies show that houses advertised by female agents are more expensive than those sold by male counterparts. In West Virginia, that percentage exceeds 60%, while in Louisiana, real estate sold by women is over 50% more expensive (Trulia Trends team, 2011). Hsieh and Moretti find a positive relationship between real estate prices and women's market share (2003). On the other hand, Turnbull and Dombrow did not find a correlation between the achieved price and the gender of the agent but argued that the achieved price was the result of the specialization of sales agents. (Turnbull & Dombrow, 2007) According to Krainer, the real estate market is a market that requires search and commitment, and price and liquidity are determined based on the ability to search for the best opportunity in

the market. (Krainer, 2001) Thus, Follain, Lutes, and Meier did not find the influence of the gender of agents on the realization and the amount of the commission. (Follain, Lutes & Meier, 1987). It can be concluded that opinions differ on the gender of the agent, but what is certain is that the factors that affect the success of real estate sales are primarily market performance, selection and purchasing power of the client, and then the negotiating and sales skills of the agent.

The ratio of agent's gender and agent's skill in the art of negotiating various authors see it differently. Female agents have the upper hand in negotiation when they compete in market competition with female colleagues where their negotiation skill comes to the fore. Nevertheless, authors Pharm, Turnbull, and Waller have found that male agents have greater bargaining power in emerging markets, whereas, in declining markets, gender agents do not play a crucial role. (Pharm, Turnbull & Waller, 2015) Liz Dominguez points out that the market conditions for real estate are not equal for women and men, which is partly attributed to women that are more willing to share the "cake" and find themselves halfway in negotiations. (Dominguez, 2020) Although women are more numerous and dominate residential real estate market, they are still underrepresented in the profitable commercial real estate market. According to a study conducted by CREW (Network of Women Commercial Real Estate Agents), only 23% of intermediaries in renting and selling are women. Also, it is stated that in this area, women face various problems, from unequal treatment and opportunities compared to men. Women in this industry earn about 10% less than their male counterparts, and when commissions are considered the pay gap increases to 34% in favor of male agents. Women from this organization complain about the lack of women in leading positions and boards and point to the under-representation in senior positions in the world of commercial real estate. (Madans, 2020). However, the message from Figuro is encouraging, that despite all the above, it is a great time to work in the real estate business and that women are increasingly empowered, but also emphasizes the need for cooperation and support among women, referring to "Women's Real Estate Council" and "Women Up!" Conference. (Stetson, 2019)

3 Characteristics and motivations of female real estate agents

It can often be heard that women are "natural sellers", and whether they are helped by innate qualities or the expertise and professionalism they have acquired in the field of real estate remains to be seen. Certain sets of traits are often found in the literature that is thought to help women to be better real estate agents (Woltal, 2009), and some of these characteristics are:

- Women are often better listeners, which helps them hear their clients' needs and desires more clearly. A study by the Indiana University School of Medicine speaks in favor of this, pointing to the fact that men use only one side of the brain to listen, while women use both (Kevin Turner, 2019). Elizabeth Klingseisen considers women to be natural-born listeners, which is a significant advantage over her male counterparts. Women are considered to be more intuitive beings than men, which helps them recognize the needs of their clients but also anticipate market movements and take necessary actions (Klingseisen, 2018).
- Women are more patient in most cases.
- They are generally more willing to work longer hours for less cash compensation.
- Female agents better understand the needs of family and children because they are easier to identify and create not only business contacts but also connect with clients on an emotional level. In its research, Forbes has recognized emotional intelligence as one of the basic characteristics that women possess, and which helps them achieve great sales skills, recognizing and managing their emotions, which makes them calm players in the market and managing the emotions of their clients. (Rakhi, 2018). Many sales and marketing strategies are based on arousing consumer emotions. (Dlacic, Ribarić, & Barna, 2016), Agents who have been in this business for a long time know that when buying real estate as a life decision for many buyers, which solves the housing and status issue and achieves life security for themselves and their family members, many emotions are involved.
- Women are considered to be more detail-oriented and to have greater preferences for design, interior design, and landscaping.
- They can be more organized, with strong verbal and written skills, they are generally more communicative, which allows them to better express their feelings

towards men agents, and easier to get in touch with key decision-makers for the purchase of the residential real estate, mainly wives and mothers who will reside in that selected property.

- Organization, patience, goal orientation, good selection of clients and good selection of real estate properties, are some of the characteristics that many authors consider women to be better negotiators than their male counterparts. According to a study by Consumer Perceptions of Real Estate Agent, conducted by Core Logic RP Data, it is indicated that most vendors rated women better as those who were more knowledgeable and better prepared for the complete real estate sales process, compared to male counterparts (Kylie Davis , 2016)
- Women are willing to cooperate and are known for their multi-tasking abilities. According to the data from the eleventh NAR Convention in India, women Realtors expressed the opinion that clients are happy to cooperate with them because they trust factor is higher among women Realtors, and that clients have no fear of being deceived by them. (Karthek, 2019) It is a great reputation that women real estate agents have earned, with their business acumen and honest and dedicated work. It can be added that women are generally more likable than their male counterparts and that they know how to be more pleasant to talk to and with their charm and charisma to relax even the most difficult negotiations. Authors Salter, Mixon, and King conducted an interesting study where they found a link between the beauty of a real estate agent and the sales price achieved. (Salter, Mixon & King, 2012)

It is fascinating that the motives for choosing a profession in the real estate sphere by women are largely the same as in the 1920s when women actively set out to pursue this profession. (Stetson, 2019) The flexibility of working hours is a double-edged sword, but it is also the biggest motive for women to enter the market competition in the real estate business. Regardless of the degree of emancipation, feminist disposition, and striving for gender equality, the essence of most women is the desire to reconcile family obligations with business ones. In the 21st century, it is an extremely demanding endeavor, and it is a challenge to be a dedicated mother and wife on the one hand, and a successful businesswoman on the other. Many women in the real estate business do this. They can adjust their schedule, they do not have to have fixed obligations and schedules, but on the other hand, they must be very agile and active when they are needed by their clients so that they do not opt for a more willing or faster

agent. The challenge is to find a balance in the flexibility of working hours, and on the other hand to be at the service of your clients, but it is precisely this balance that separates a successful businesswoman from a less successful one.

Then, profit is the goal of every company, just as earnings are the motive of every worker. Many women enter the world of real estate precisely for that reason because the market is regulated, and high commissions are guaranteed due to the success of real estate sales. In her article on women in the real estate world, Tranett Brooks emphasizes that women choose this field because they can earn unlimited income, in accordance with their abilities and efforts, and that a great supplemental income can be generated from the real estate business. (Brooks, 2018) Also, a significant component is that entering this profession is quite simple, and that it requires a license that allows you to perform the activities of mediation in the sale and lease of real estate, when we talk about agency work, and that the level of education does not have to be extremely high, and the costs of education are not as high as in other professions, such as medicine, law, economics and the like.

The real estate business also leaves women with the choice that it can be their vocation and profession, and that they can engage in this business to the fullest, and that can be also an additional source of family income. According to the statistics of the National Association of Realtors within the Association, 63% of female agents in the real estate profession are realized as full-time agents, and while the percentage of those who consider real estate as an additional source of income is slightly higher, and there is about 69% of part-time female agents. (Robbins, 2017) Tranett Brooks believes that the main reason why women choose to pursue a career in the real estate sector is that they become their own bosses, which allowing them a certain level of freedom and independence. Also, making decisions in terms of choosing real estate properties and clients, constant struggle in the market and acquiring time-management skills for someone are the key advantage of why doing this business, and for someone they are an insurmountable obstacle. On the psychological aspect, the real estate business profession has a driving and positive connotation on the lives of clients, is there anything more beautiful than earning from your job and at the same time helping someone to realize one of the biggest dreams for many people and families, ie.

to provide an adequate roof over his head for himself and his family. (Brooks, 2018).

Being a woman in the real estate world today has remarkable advantages because with the emancipation and increase in financial stability and purchasing power of female real estate buyers, the number of female clients who mainly decide to cooperate with female agents has increased. CREW (Commercial Real Estate Woman) conducted a study on the progress of women in 2015. The study concluded that women who work longer in the field of real estate, feel an increasing level of satisfaction with their professional choices, and that women who have been in this business for more than twenty years are happier than their male counterparts in terms of career success, and now feel more comfortable in the real estate business than a decade earlier. (Robbins, 2017)

4 Conclusion

Based on the reviewed and analyzed data and results, the author can conclude that the issue of gender equality in the real estate sector is of great importance. Looking at the published data of the National Association of Realtors, in the observed market of the United States, it can be concluded that women are more numerous as professionals in the real estate business and make up as much as 63% of the membership in the association. Women dominate the residential real estate market, while men are more dominant in the profitable commercial real estate market. The aspiration of this paper is to notice the qualities that help women to be such successful real estate agents. The location of the USA was chosen for the analysis precisely because of the fact that it is one of the most competitive, most developed, most modern, but also the most regulated real estate markets in the world. The professional public has differing views on whether women or men are better as real estate agents, and in which areas their innate qualities but also gender differences, dominate. However, there is a unified view that the most important is the satisfaction of the end consumer - buyer or seller of real estate, and emphasizes the need for constant improvement of all professions in real estate, mutual cooperation and fair play market conditions that provide equal rights for both genders.

According to the latest Commercial Real Estate Women's Network report for 2020, dedicated to gender and diversity in commercial real estate, almost the same problems that women in the real estate sector have been facing for years are emphasized. This is primarily due to the fact that only 36.7% of women are represented in the commercial real estate market, then that women earn less than men and that there is a small representation of women in leadership positions. (CREW, 2020) Throughout the research, there is a need for mutual cooperation of women, as well as all other market participants, regardless of their gender. The power of women in today's economy is extremely great, and the term "she-economy" has taken root, pointing to the importance of women as customers, buyers and the increasing purchasing power they possess. This is the potential of female agents because as members of the same gender, they can achieve excellent cooperation, and these agents can easily recognize aspirations and needs and identify with the wishes of their female clients.

The innate but also acquired qualities that help women were discussed during the work. Some of the mentioned qualities are that women are natural salespeople, good listeners, patient and dedicated, well organized, easy to connect with people, detail-oriented, well prepared for work and more. Regardless of the degree of innate qualities, women have fought for dominance in the real estate market with their dedication, hard work and constant improvement. It can be concluded that now is a great time for the development of the real estate profession among the female population, because in this branch of the economy they can achieve high incomes and have a flexible schedule, which enables achieving a balance between family life and business obligations.

The 21st century is an age in which it is necessary to provide the encouragement of gender equality that this issue deserves, and to provide equal opportunities for women and men. The real estate market, as an extremely competitive environment, in which changes are constantly taking place and where a quick reaction of all participants is required, is an ideal environment for such a transformation. Equal opportunities for all professions in the real estate sector will lead to the professionalization of services, increasing quality and market performance, which will result in the satisfaction of service users - buyers and sellers of real estate.

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