



Applied Measurement Professionals, Inc.

A National Job Analysis of Real Estate Licensees Executive Summary - August 2010

The purpose of this study was to identify the responsibilities of real estate professionals as a first step in the continuing development of job-related licensing examinations. An Advisory Board (AB) of representatives from the states that use real estate examinations provided by Applied Measurement Professionals, Inc. (AMP) conducted a study to provide the support necessary to develop specifications upon which content-valid multi-state licensing examinations could be built.

The study involved developing a web-based job analysis survey, inviting real estate professionals to participate in the survey, analyzing the responses, and developing examination specifications based on the survey responses.

The AB met on September 29, 2009 to initiate the following five tasks:

1. Identifying topics for the survey instrument,
2. Determining the rating scales,
3. Developing a sampling plan,
4. Determining the relevant demographic variables of interest,
5. Integrating demographics, rating scales, and topics into a survey instrument.

The survey developed for this study was based on an analysis of the ARELLO Model Curriculum, content outlines from other real estate examination providers (including the previous AMP outline), and input from focus group meetings of real estate practitioners, educators, and attorneys.

Nearly 45,000 e-mail invitations to participate in the web-based survey were sent to real estate licensees (salespersons and brokers) in 15 states, and 7,950 invitations were sent by postcard to real estate professionals in 36 states. Usable survey responses were received from 1,167 respondents from 38 states. Responses to demographic questions indicated that there were sufficient numbers of respondents in relevant groups for subsequent analysis. Approximately 98% of the respondents felt that the survey at least adequately addressed the responsibilities of the real estate professional.

During a second meeting on May 26, 2010, the AB discussed whether the examination titles should be altered. Although at least two states had initiated the process of changing the name of the entry-level licensing category, the AB decided to continue to identify this first examination as the national salesperson examination. The AB then adopted decision rules that were used to determine which topics were appropriate for assessment on the salesperson multiple-choice examination, and therefore for inclusion

in the final detailed content outline. Application of decision rules resulted in retention of only those topics that were appropriate for entry-level real estate professionals. The new specifications for the 100-item salesperson examination includes six major domains of practice. An overview of the examination specifications to be used to develop the national salesperson licensing examination beginning in 2011 is shown in Table 1. The complete, confidential examination specifications includes an average of ten specific topics within each of the categories. The confidential specifications also specify the number of items required in each minor category.

Table 1. Overview of Salesperson Examination Specifications

AMP Real Estate Examination Program National Salesperson Examination Specifications	# Items
1. Agency Relationships and Contracts	28
A. Agency Relationships	
B. General Legal Principles, Theory, and Concepts about Contracts	
C. Purchase Contracts	
D. Service/Listing Buyer Contracts	
E. Employment Agreements between Broker and other Licensees	
2. Real Property Ownership/Interest	14
A. Freehold Estates (rights of ownership)	
B. Types of Ownership (estates in land)	
C. Leasehold Interest	
D. Forms of Business Ownership	
E. Private Restrictions on Real Property/Land Use and Matters Affecting Ownership	
F. Government Powers and Control of Land Use	
3. Finance	15
A. Basic Concepts and Terminology	
B. Types of Financing	
C. Methods of Financing	
D. Financing Instruments (Mortgages, Trust Deeds, Promissory Notes)	
E. Government Oversight	
F. Lending Process	
4. Real Property	14
A. Methods of Legal Description of Land	
B. Methods of Measurement	
C. Property Valuation	
D. Methods of Valuation (Performed by an Appraiser)	
E. Conveyance of Real Property	
5. Marketing Regulations (purchase and rental)	8
A. Property Advertising (including Fair Housing) Disclosures	
B. Licensee Advertising	
6. Property Management	8
7. Real Estate Calculations	13
Total Number of Items	100

In addition to the content-based specifications, all examination items will be classified according to the cognitive level that is expected to be required for the entry-level candidate to appropriately respond to the item. The cognitive level classifications are defined in Table 2, which also shows the number of items at each level for the salesperson and broker examinations.

Table 2. Salesperson Examination Cognitive Level Specifications

Level	Definition	# Items
(1) Recall	Requires only recognition of isolated information, such as specific facts, generalizations, concepts, principles, or procedures. The information generally does not vary relative to the situation.	30
(2) Application	Requires interpretation, classification, or manipulation of limited concepts or data, in which the response or outcome is situationally dependent, but not overly complex.	60
(3) Analysis	Requires integration or synthesis of a variety of concepts to solve a specific problem situation (for example, evaluating and rendering judgments on complex problems with many situational variables).	10

Examination specifications for the broker simulation examination for advanced level licensure were also developed at the second meeting of the AB, based primarily on brokers' responses to the *category significance* portion of the job analysis survey. The format of simulations is different from other traditional assessment methods (e.g., multiple-choice). Each simulation problem begins with a scenario that introduces the candidate to the situation to be addressed in the problem. The candidate is routed through various sections, each of which is categorized as Information Gathering (IG) or Decision Making (DM) to reflect the primary task of the candidate. Most problems include approximately eight sections, including one to three IG sections and four to seven DM sections. While completing the simulation, candidates are directed to either "choose only one" response in a section or to "select as many" options as are appropriate within the section. Each option is weighted positively or negatively, with point values based on the judgments of the content experts as to the criticality of selecting the option leading toward resolution of the situation. An overview of the examination specifications appears in Table 3. The primary issue assigned to the problem defines the overall measurement intent of the problem, that is, the overall problem focus. Each section within a problem is classified according to the individual section intent. Because of the importance of assessing ethical behavior, the AB determined that the specifications will require that ethical behavior (section topic K) must be incorporated in at least four problems.

Table 3. Broker Simulation Specifications

# of Problems	Broker Simulation Specifications	
	Primary Issues	Section Topics
3	Agency Relationships and Property Representations	A. Agency
2	Fair Housing and Other Governmental Regulations	B. Contracts
2	Handling Money	C. Freehold & Leasehold
1	Training and Supervision of Licensees	D. Property management
	Plus one primary issue varying by examination form.	E. Finance
		F. Government Regulations & Private Restrictions
	Property Types	G. Description & Measurement
4	Residential	H. Valuation
2	Commercial	I. Conveyance
1	Property Management	J. Calculations
	Plus two property types varying by examination form.	K. Ethical behavior
<p><i>Note:</i> Simulation examination forms will include nine scored problems plus unscored pretest problems (one or two pretest problems, generally one if a state specific examination is being administered).</p> <ul style="list-style-type: none"> • Primary Issues will define overall problem focus. • The Section Topics List will define individual section intent. • Ethical behavior must be incorporated in at least four problems. • All sections require a cognitive level of at least application. 		

The new examination specifications have been approved for use in the eleven jurisdictions currently using licensing examinations developed by AMP. The new specifications are being announced to the public in August 2010, so that future candidates and real estate educators have ample notification and can begin preparation in a timely manner. A schedule for implementation of the new specifications will be established, with each jurisdiction beginning the use of examinations corresponding to the new specifications in 2011.

Prepared by:
Lawrence J. Fabrey, PhD
Daniel H. Breidenbach, PhD
Christopher Traynor, MS