

2009 Survey of California Home Sellers

Draft Results

July 2009

California Association of REALTORS®



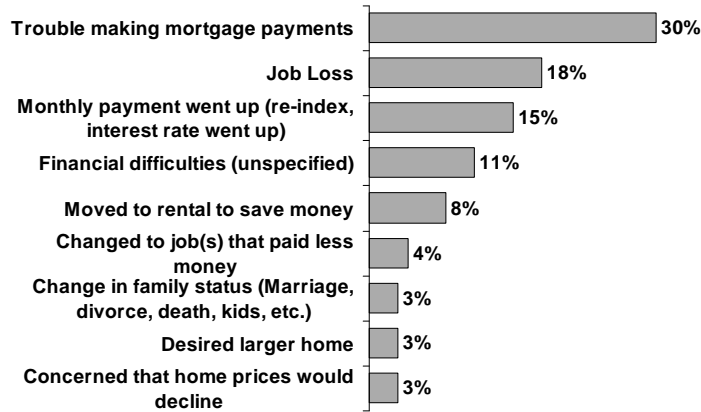
Methodology

- 300 telephone surveys in 2003 and 2004. The 2005, 2006, 2007, 2008, and 2009 data have 600 surveys.
- Results for all three measurements are statistically projectable at two standard deviations (a 95% confidence level)
 - Overall data for 2005 - 2009 are subject to a maximum sampling error of +/- 4.1% at two standard deviations, a 95% confidence level. Subsets of the total sample will have a higher sampling error.
 - Overall data for 2003 and 2004 are subject to a maximum sampling error of +/- 5.8% at two standard deviations, a 95% confidence level. Subsets of the total sample will have a higher sampling error.
- C.A.R. was not disclosed as survey sponsor.
- Survey respondents had to have sold a home in California in the last six months.
- Survey tabulations and the questionnaire are enclosed separately.

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Primary Reason for Selling Home (Unaided)



Selected listing of highest frequency responses.
Percentages will not total 100%.

Q: What was the primary reason for selling your home?

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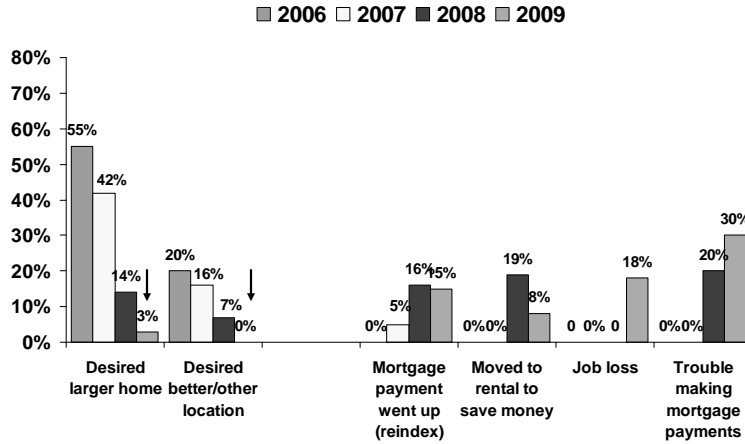
Primary Reason for Selling Your Home -Historical Comparison-

	2003	2004	2005	2006	2007	2008	2009
Trouble making mortgage payments	0%	0%	0%	0%	0%	20%	30%
Job Loss	0%	0%	0%	0%	0%	0%	18%
Mortgage payment went up (reindex)	0%	0%	0%	0%	5%	16%	15%
Financial difficulties (unspecified)	0%	0%	0%	0%	0%	11%	11%
Moved to rental to save money	0%	0%	0%	0%	0%	19%	8%
Changed jobs	11%	13%	14%	13%	12%	2%	4%
Desired larger home	56%	54%	56%	55%	42%	14%	3%
Change in family status	10%	10%	10%	9%	8%	4%	3%
Concerned that home prices would decline	0%	0%	0%	0%	8%	3%	3%
Desired better/other location	24%	23%	20%	20%	16%	7%	0%
1099 exchange	0%	0%	0%	0%	5%	2%	0%
Sibling, other relative no longer needed it	0%	0%	0%	0%	3%	2%	0%
Investment/Tax advantages	0%	0%	0%	1%	1%	1%	0%
Obtained favorable price/financing	0%	0%	0%	1%	1%	0%	0%

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Primary Reason for Selling Home -Signs of Distress in 2009-

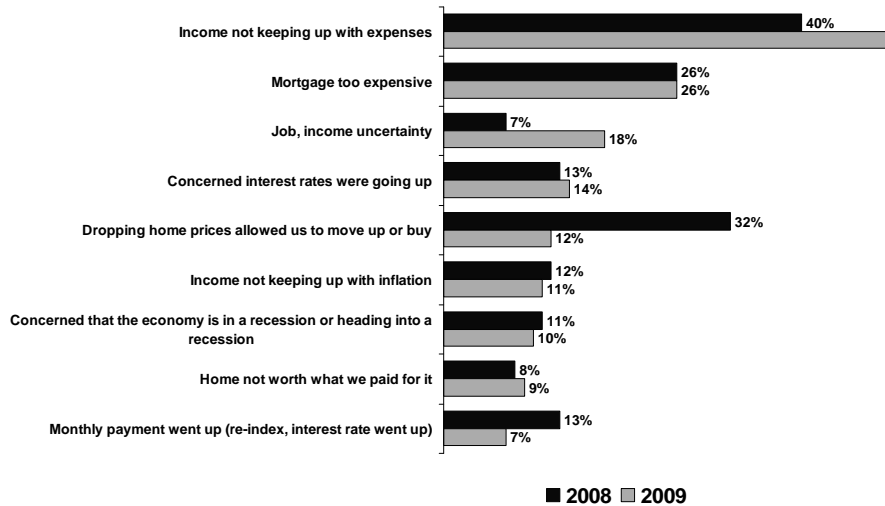


Signs of Distress in 2009

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A1 Market Conditions & The Decision to Sell



Q: What role did market conditions play in your decision to sell your home?

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A3

Market Conditions & The Decision to Sell

-Historical Comparison-

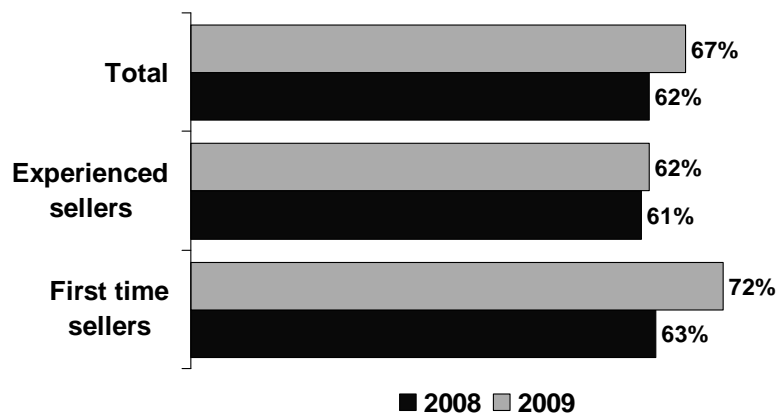
	2004	2005	2006	2007	2008	2009
Income not keeping up with expenses	0%	0%	0%	0%	40%	58%
Mortgage is just too expensive	0%	0%	0%	0%	26%	26%
Job, income uncertainty	0%	0%	0%	0%	7%	18%
Concern interest rates were going up	0%	0%	22%	21%	13%	14%
Dropping home prices allowed us to move up or buy	0%	0%	0%	0%	32%	12%
Income not keeping up with inflation	0%	0%	0%	0%	12%	11%
Concerned that the economy is in a recession or heading into a recession	0%	0%	0%	0%	11%	10%
Home not worth what we paid for it	0%	0%	0%	0%	8%	9%
Monthly payment went up (re-index, interest rate went up)	0%	0%	0%	0%	13%	7%
Low interest rates helped us move to a better location, neighborhood, prompted move	40%	38%	37%	35%	10%	0%
Appreciation, increasing home prices let us move up	15%	15%	43%	41%	0%	0%
Low interest rates helped us buy a larger home	38%	39%	39%	41%	0%	0%
Likelihood that interest rates will move up motivated us	27%	30%	36%	36%	0%	0%
Moved to an area where it was more affordable	14%	13%	13%	14%	0%	0%
Improving economy gave us more confidence to move up	14%	14%	13%	13%	0%	0%

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A2

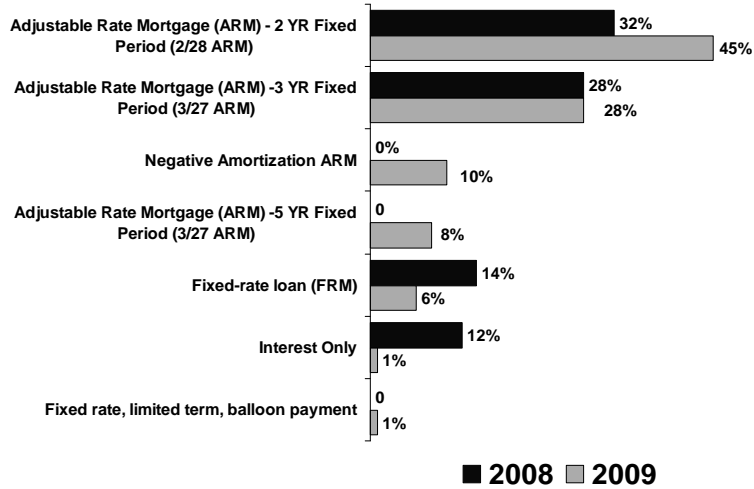
Sold Home Due to Trouble Making Mortgage Payment



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Type of Mortgage

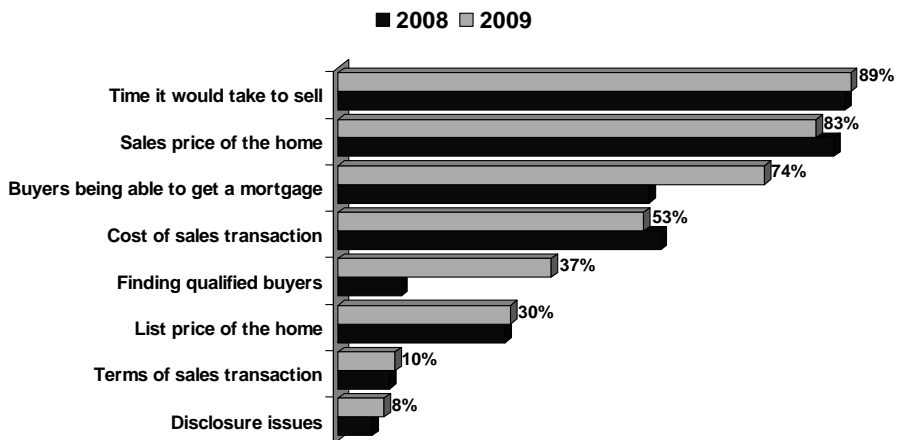


Q: What type of mortgage did you have?

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Seller Concerns With Home Selling Process (Unaided)



Q: What component(s) of the home selling process were you most concerned about during your recent home sale transaction?

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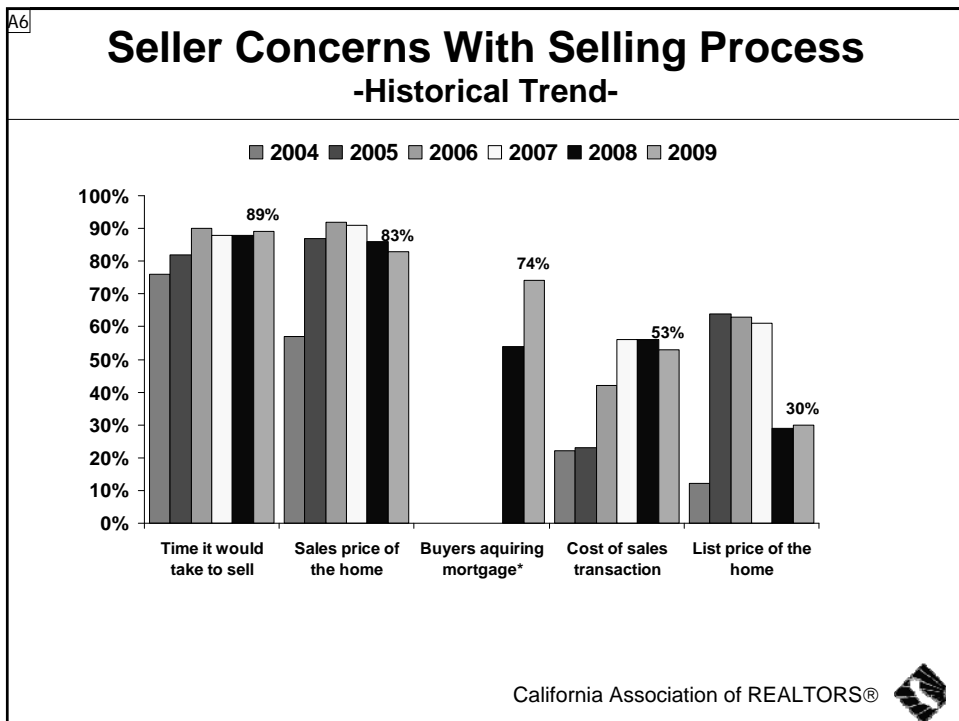
A7

Seller Concerns with Home Selling Process

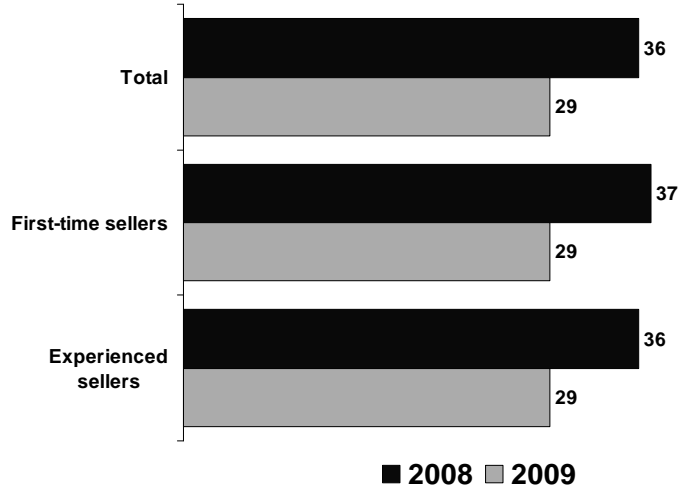
-Historical Comparison-

	2008	2009
Time it would take to sell	88%	89%
Sales price of the home	86%	83%
Buyers aquiring mortgage	54%	74%
Cost of sales transaction	56%	53%
Finding qualified buyers	11%	37%
List price of the home	29%	30%
Terms of sales transaction	9%	10%
Disclosure issues	6%	8%

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How Long Sellers Owned Home (Average Months)

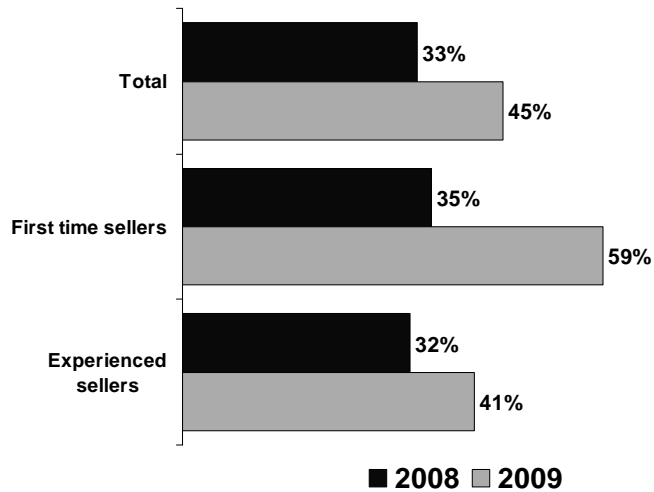


Q: How long did you own your home?

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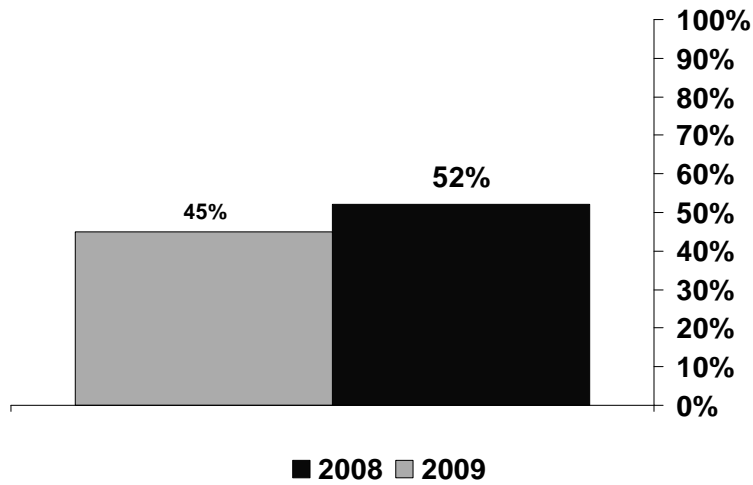
Owned the Home for Two Years Or Less



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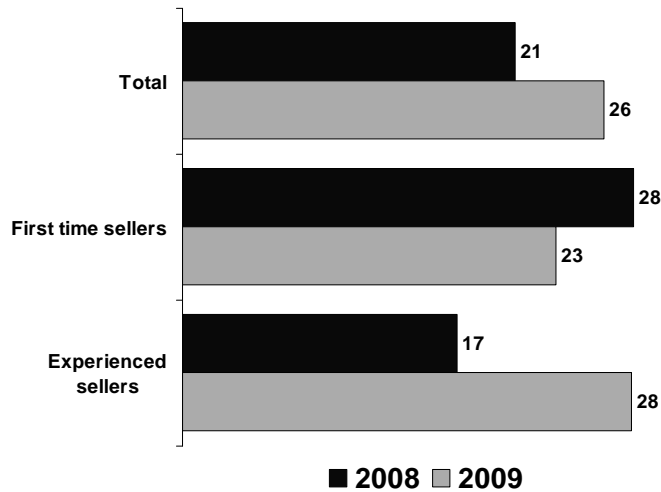
Owned the Home for Two Years Or Less & Had Trouble Making Mortgage Payments



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Weeks It Took To Sell Their Home (Average)

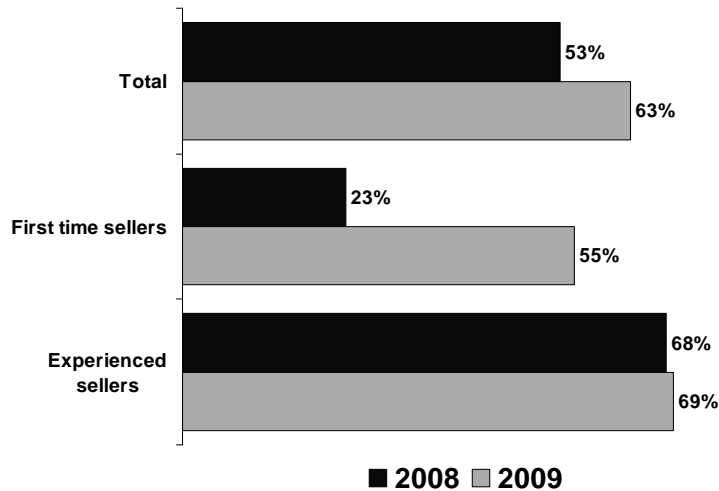


Q: How many weeks was your home listed on the market prior to the opening of escrow?

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Had A Home Fall Out Of Escrow Before This Sale



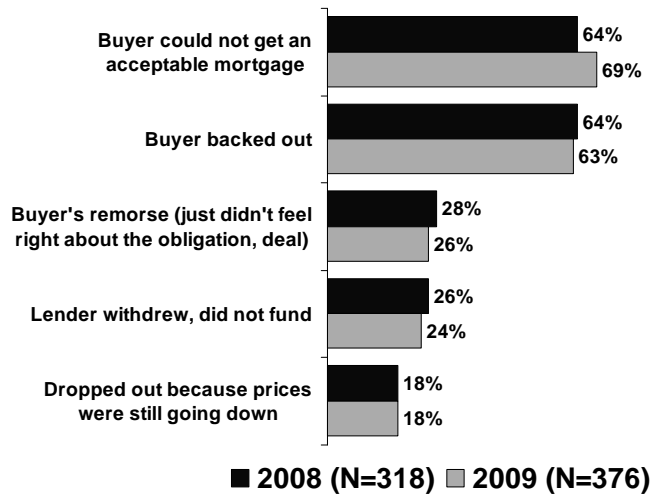
Q: Did your home fall out of escrow prior to this sale?

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A11

Reasons Home Fell Out Of Escrow Before This Sale

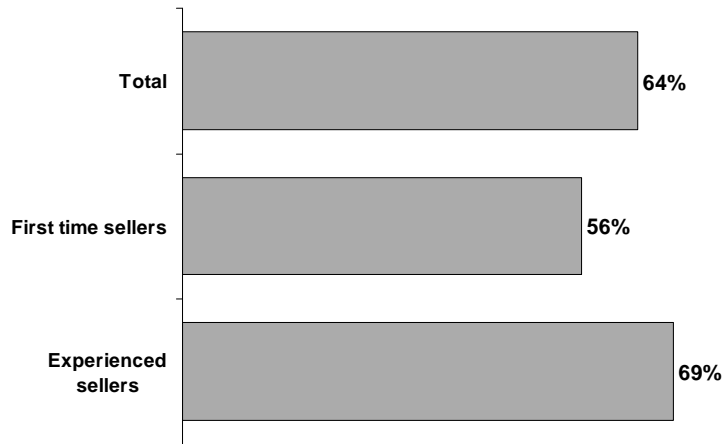


Q: Why did the previous sales attempt fall out of escrow?

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Initially Listed Your Home With An Agent Other Than The One You Sold It With

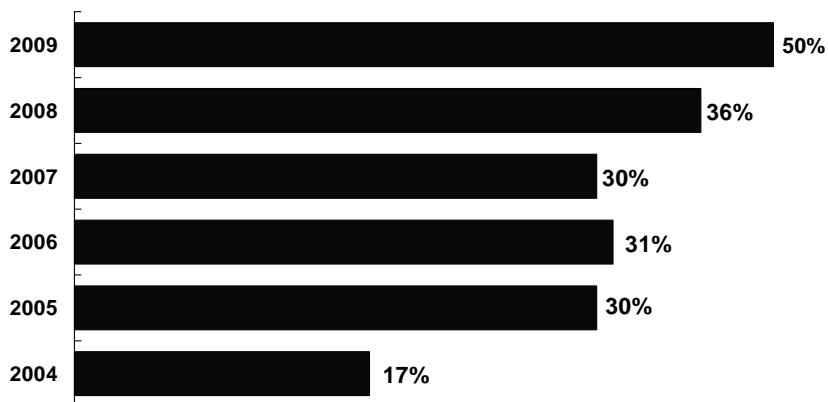


Q: Did you initially list your home with an agent other than the one you sold it with?

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Escrow Did Not Close On Time



Q: Did your escrow close on time?

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Reasons Escrow Did Not Close On Time

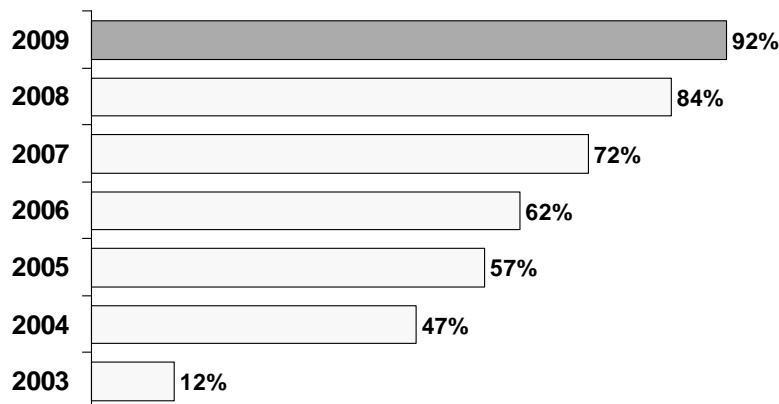
	2009	2008
Paperwork not completed	35%	35%
Loan did not fund	32%	31%
Problems, mistakes on loan documents	25%	11%
Trouble with buyer's loan approval	21%	24%
Title company late with recording	17%	20%
Mistakes by other agent	13%	21%
Walk through changes not completed	12%	15%
Escrow company made a mistake	5%	n/a
Insurance problems	4%	n/a

Q: Why did your escrow not close on time?

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Use of Internet as a Significant Part of Home Selling Process



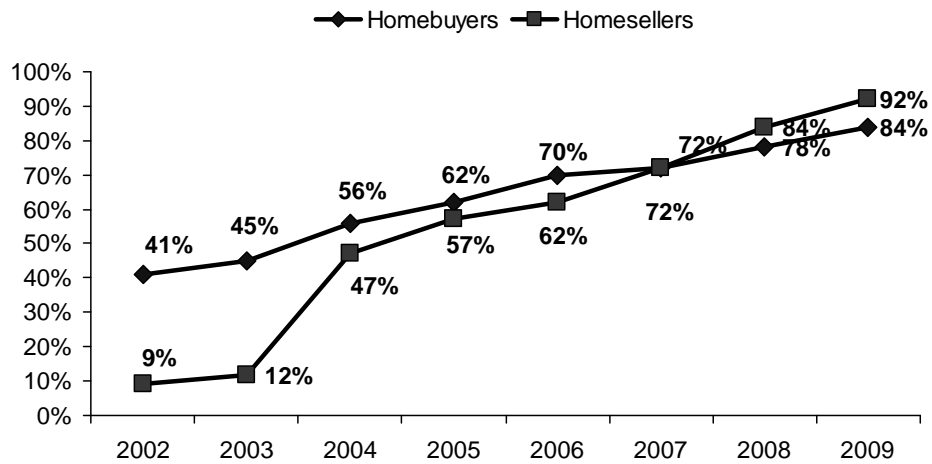
Q: Did you use the internet as a significant part of your home selling process?

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Percent of Internet Buyers & Sellers

Share of All Home Buyers & Sellers Surveyed



Source: C.A.R. 2005 Internet Versus Traditional Buyer Survey and C.A.R. 2006 California Home Seller Survey

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Use of The Internet:

Seller Online Activities

	2004	2005	2006	2007	2008	2009
Research comparable prices	91%	92%	92%	81%	70%	85%
Get up-to-date information on sales in the neighborhood	86%	81%	82%	71%	62%	56%
Find a specific real estate agent	60%	74%	66%	56%	48%	46%
Track interest rates	0%	53%	49%	44%	38%	36%
Track the current housing market	71%	52%	46%	37%	32%	30%
Research commission rates	0%	23%	30%	29%	25%	21%
Use an online appraisal	25%	0%	19%	14%	12%	10%

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What Websites are Sellers Visiting?

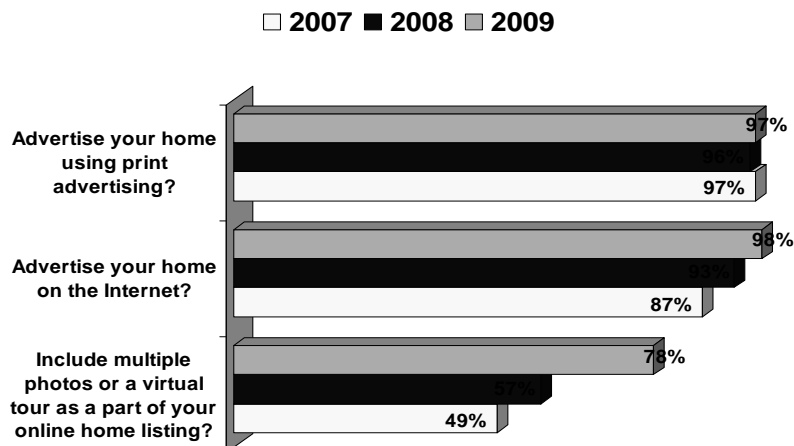
	2008	2009
Realtor.com	89%	90%
Zillow	73%	76%
Craigslist	56%	70%
Internet listing for a similar home to mine	58%	54%
Individual real estate agent's web site	28%	25%
Real estate company web sites	26%	24%
Yahoo! Real Estate	23%	20%
California Living Network, ca.realtor.com	3%	3%

Q: Why did your escrow not close on time?

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Tools and Practices Agent Used



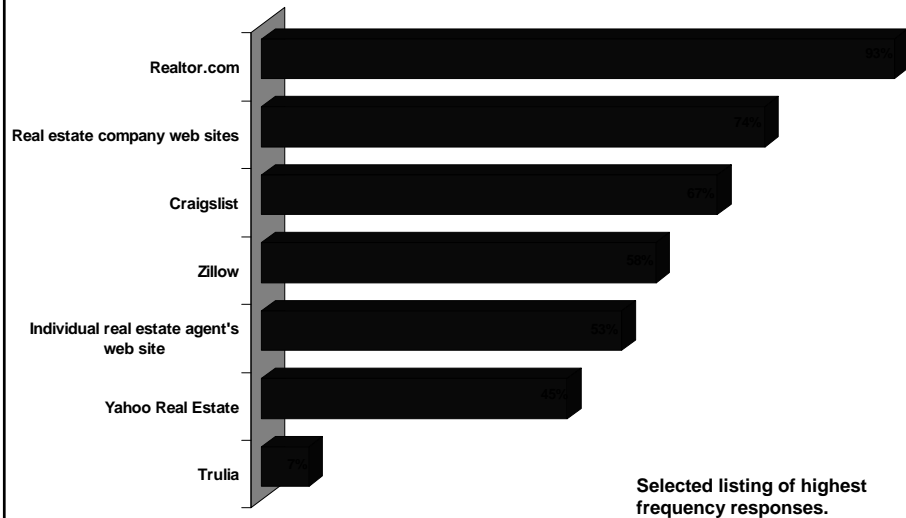
Q: Did your agent use ... ?

Aided responses.

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Websites Agents Use to Advertise Listings



Q: On what Web sites did your real estate agent advertise your home?

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Information from Internet vs. Information from Agent

	2008	2009
Different information than that provided by the real estate agent	47%	39%
Less useful than information provided by the real estate agent	31%	25%
As useful as the information provided by the real estate agent	13%	12%
More useful	10%	7%

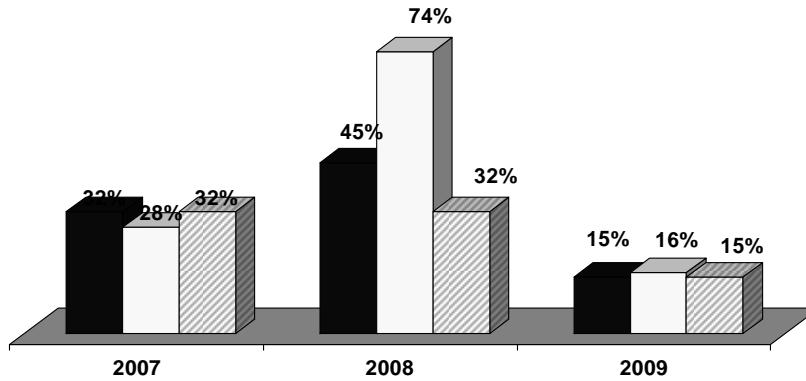
Q: How would you compare the information you gathered on the Internet to the information provided by your real estate agent?

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Considered Not Using an Agent

■ All Sellers □ 1st Time Sellers ▨ Experienced Seller



Sellers who used an agent in home sale transaction.

N=588 for 2007, N=578 for 2008, N=594 for 2009

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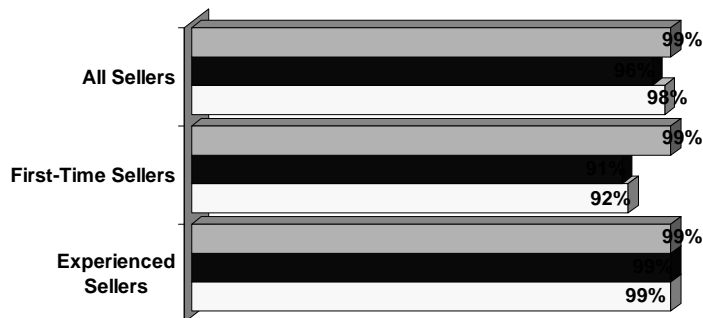
Q: Did you consider not using a real estate agent in your recent home sale?



1

Use of A Real Estate Agent

□ 2007 ■ 2008 ▨ 2009



Q: What Internet sites did you visit as a part of your home selling process ?

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Reasons For Use Of An Agent

-For those who considered not using an agent-

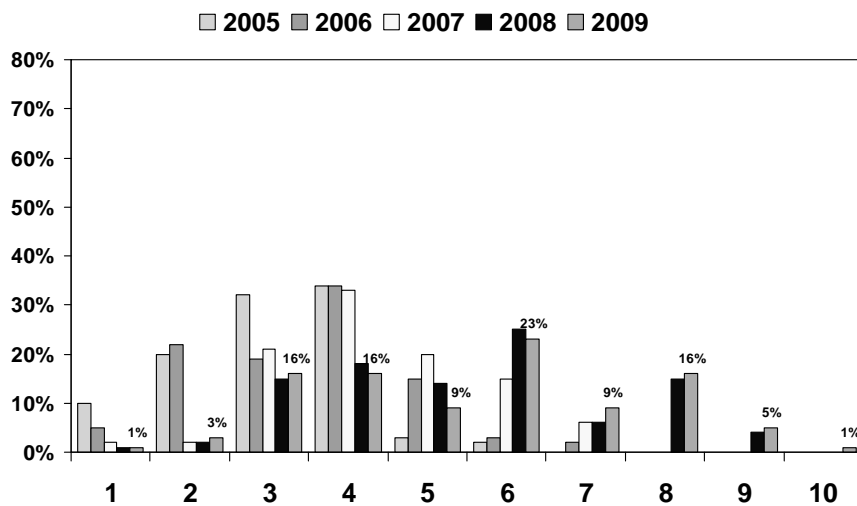


Q: Why did you choose to work with an agent?

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Number of Real Estate Agents Interviewed (2009 Median = 6)

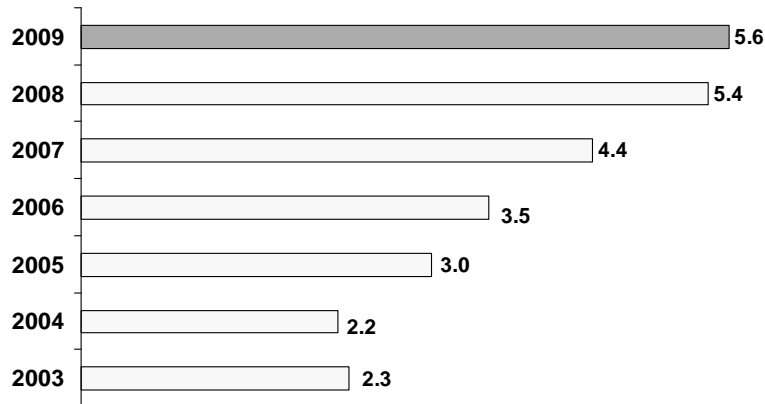


Q: How many agents did you interview prior to selecting the agent you used in your recent home selling process?

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Number of Real Estate Agents Interviewed (Average)

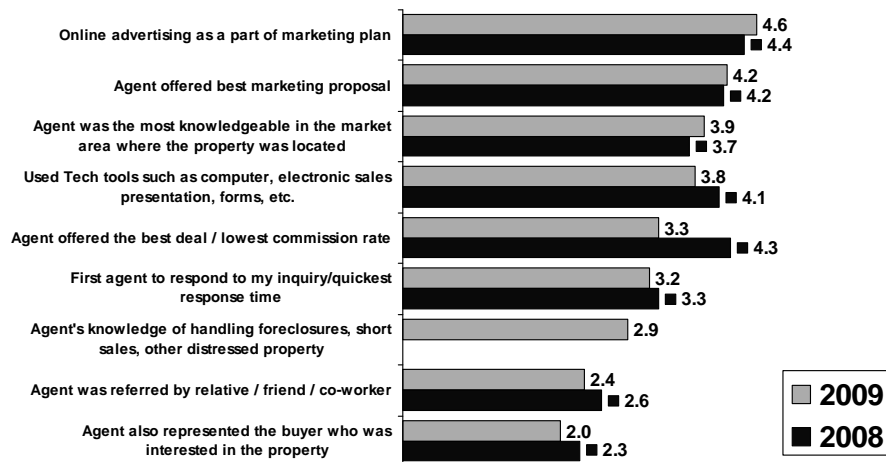


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Importance of Various Factors in Selecting Agent

Mean score on 5-point scale. 5 is extremely important. 1 is not at all important.



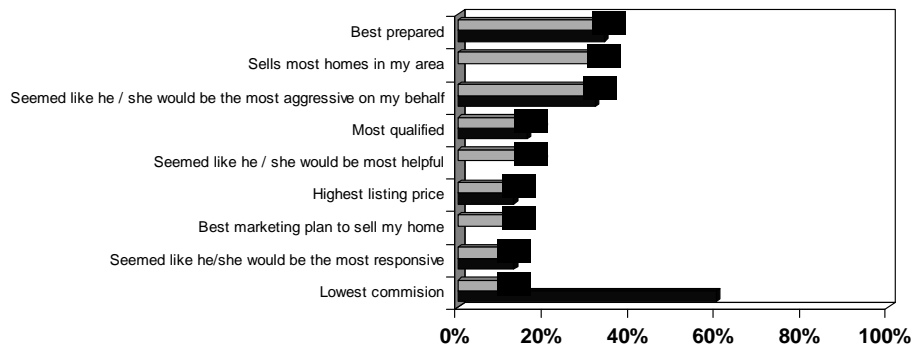
Q: Rate these factors by their importance in your decision of selecting the agent you used for your home selling process.

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Most Important Reason for Selecting Real Estate Agent

■ 2008 ■ 2009



Q: What was the single most important reason for selecting the agent you used in your recent home sale?

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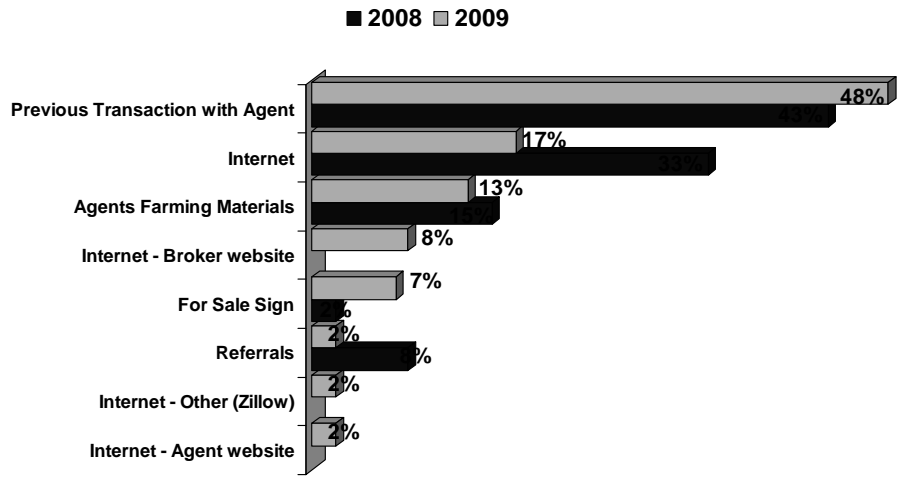
Most Important Reason for Selecting Agent -Historical Trend-

	2005	2006	2007	2008	2009
Best prepared	31%	33%	34%	34%	34%
Sells most homes in my area	n/a	n/a	n/a	n/a	33%
Seemed like he/she would be the most aggressive on my behalf	21%	24%	33%	32%	32%
Seemed like he / she would be most helpful	n/a	n/a	n/a	n/a	16%
Most qualified	30%	16%	17%	16%	16%
Highest listing price	15%	26%	13%	13%	13%
Best marketing plan to sell my home	n/a	n/a	n/a	n/a	13%
Seemed like he/she would be the most responsive	20%	12%	13%	13%	12%
Lowest commission	27%	50%	60%	60%	12%
Most knowledgeable	10%	10%	10%	10%	9%
First agent to respond to my inquiry/quickest response time	13%	19%	22%	22%	9%

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How Sellers Found Their Agents (Unaided)



Q: How did you find your real estate agent?

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How Sellers Found Their Agent -Historical Comparison-

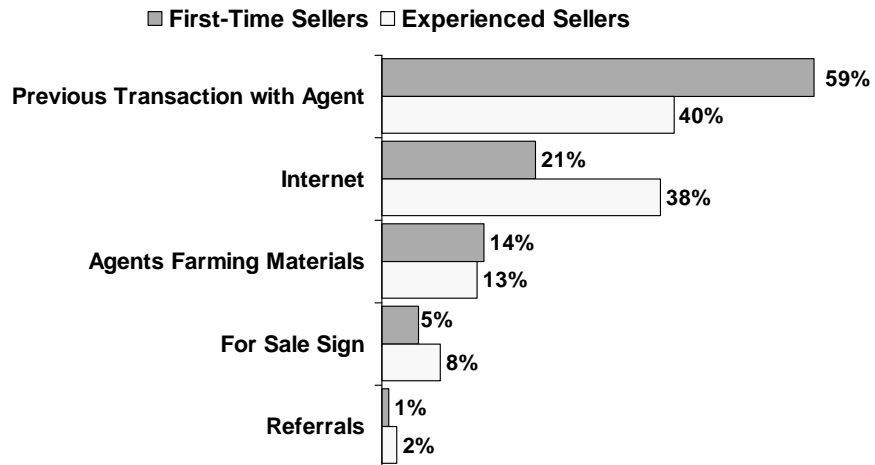
	2003	2004	2005	2006	2007	2008	2009
Previous Transaction with Agent	38%	48%	48%	50%	53%	43%	48%
Internet	12%	10%	13%	7%	6%	33%	17%
Agents Farming Materials	25%	24%	22%	28%	27%	15%	13%
Internet – Broker Web site	n/a	n/a	n/a	n/a	n/a	n/a	8%
"For Sale" Sign	15%	8%	8%	7%	6%	2%	7%
Referrals	10%	11%	8%	8%	8%	8%	2%

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How Sellers Found Their Agents

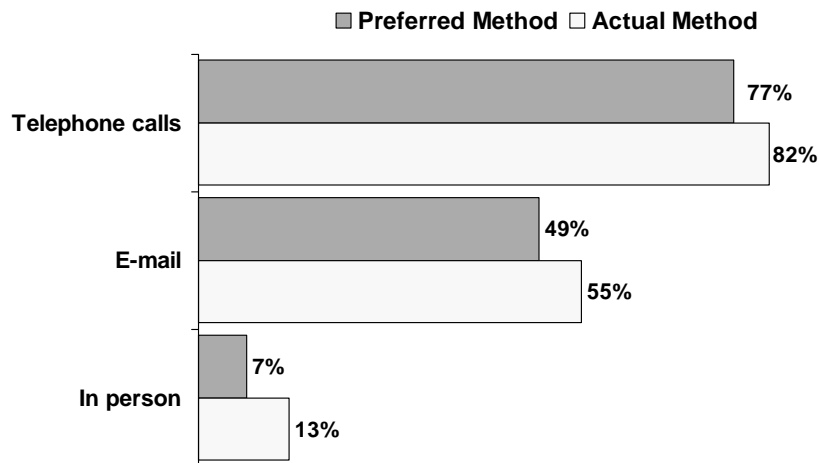
-First-Time vs. Experienced Sellers-



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Primary Means of Communication With Real Estate Agent



Q: What was your preferred method of communication with your agent?

Q: What was the actual method of communication used most frequently with your agent?

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Seller's Expected Response Time From Agent

	2004	2005	2006	2007	2008	2009
Instantly	15%	16%	17%	35%	20%	35%
Within 2 Hours	9%	8%	10%	16%	7%	16%
Within 30 Minutes	7%	10%	15%	15%	12%	15%
Within 1 Hour	7%	11%	16%	13%	20%	13%
Same day	33%	29%	23%	10%	22%	10%
Within 4 Hours	15%	18%	14%	7%	18%	7%
1 business day	14%	9%	5%	4%	0%	4%
More than 1 business day	0%	0%	0%	0%	0%	3%

Q: What was the typical response time you EXPECTED from your agent to return any form of communication to you?

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Seller's Actual Response Time From Agent

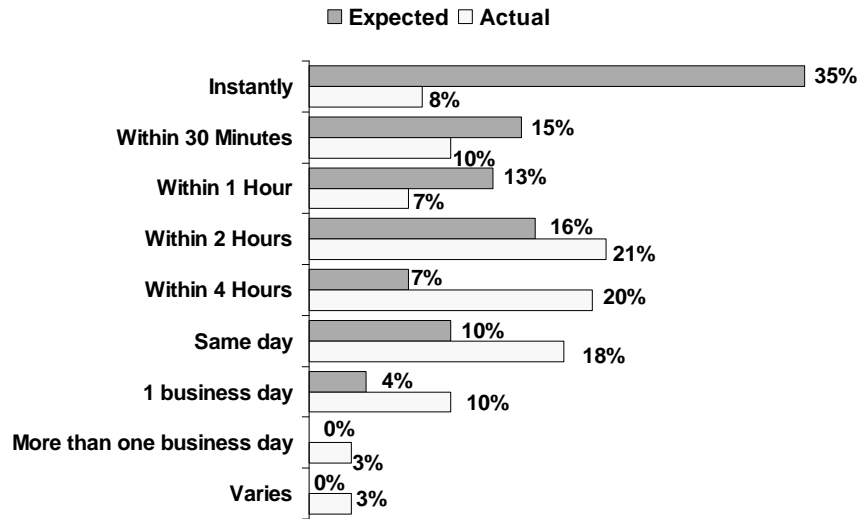
	2004	2005	2006	2007	2008	2009
Within 2 Hours	6%	10%	14%	16%	21%	23%
Within 4 Hours	4%	10%	20%	21%	18%	17%
Within 30 Minutes	27%	17%	9%	10%	10%	13%
Same day	19%	24%	23%	13%	16%	12%
1 business day	6%	7%	13%	22%	17%	10%
Instantly	2%	1%	0%	0%	0%	9%
Within 1 Hour	30%	26%	16%	13%	9%	8%
More than one business day	6%	5%	5%	6%	10%	3%

Q: On average, what was the ACTUAL time required for your agent to return any form of communication to you?

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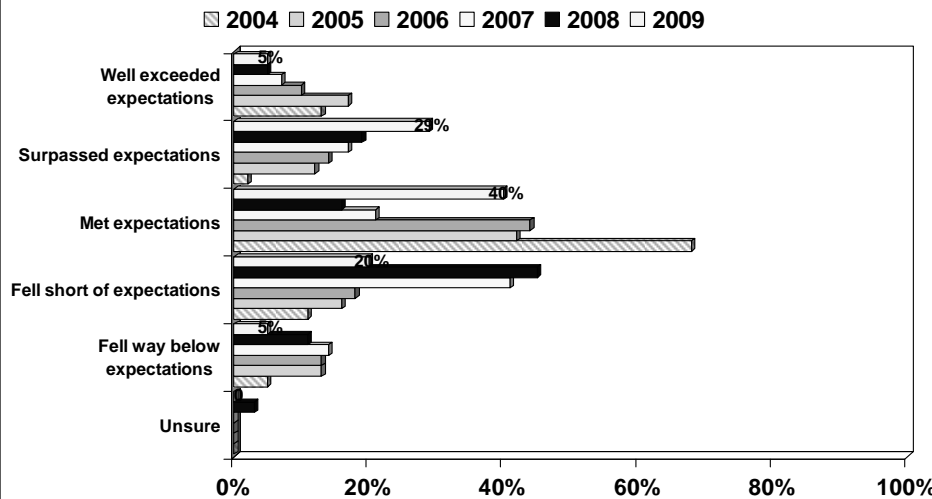
Expected vs. Actual Response Time



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Did Agent Meet Expectations in Response Time?



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Did Agent Meet Expectations in Response Time?

	2004	2005	2006	2007	2008	2009
Well exceeded expectations	13%	17%	10%	7%	5%	5%
Surpassed expectations	2%	12%	14%	17%	19%	29%
Met expectations	68%	42%	44%	21%	16%	40%
Fell short of expectations	11%	16%	18%	41%	45%	20%
Fell way below expectations	5%	13%	13%	14%	11%	5%
Unsure	0%	0%	0%	0%	3%	0%

Q: Did your real estate agent meet your expectations on response time?

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Satisfaction With Various Aspects of Home Selling Process

Mean score on 5-point scale. 5 is most satisfied. 1 is least satisfied.



Q: Rate your degree of satisfaction with various aspects of your home selling experience.

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Satisfaction With Various Aspects of Home Selling Process

Mean Score 5-point Scale 5 = Very Satisfied 1 = Very Dissatisfied

	2004	2005	2006	2007	2008	2009
Online marketing, advertising of home (new for 08)	n/a	n/a	n/a	n/a	3.6	3.7
Assuring the buyer is qualified	4.3	3.8	3.7	3.4	3.3	3.3
Preparing the home for sale	4.0	3.6	3.8	3.4	3.3	3.2
Communications with your agent (new for 08)	n/a	n/a	n/a	n/a	3.1	3.1
Time on market before going into escrow (new for 09)	n/a	n/a	n/a	n/a	n/a	2.9
Escrow closing on time	n/a	3.3	3.1	2.8	3.0	2.7
Marketing/showing the home	4.1	3.8	3.3	3.1	3.0	2.6
Negotiating the transaction	3.7	3.4	3.6	3.3	3.1	2.6
Value received for what you paid your real estate agent	n/a	n/a	n/a	2.6	2.6	2.6
Overall satisfaction with the real estate agent	3.8	3.5	3.1	3.2	2.9	2.6
Overall satisfaction with the home selling process	3.8	3.5	3.0	3.3	2.9	2.5
Setting the price	3.9	3.5	3.1	2.9	2.7	2.4

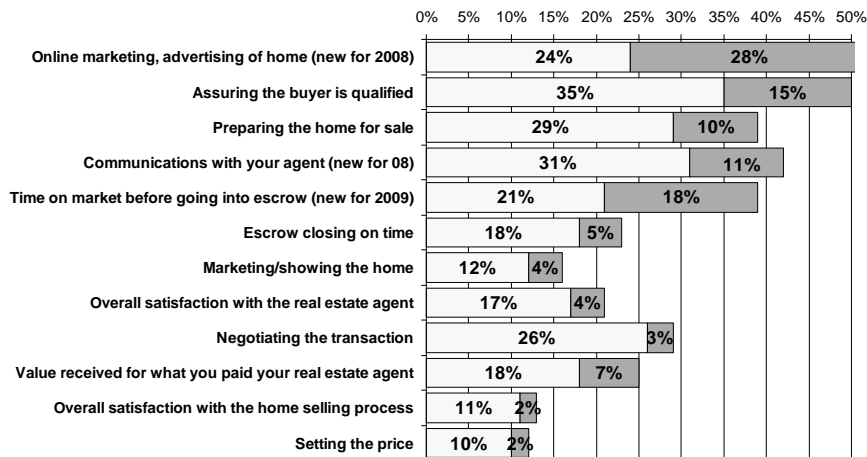
Base is all sellers who used a real estate agent to sell their home.

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Satisfaction With Home Selling Process

□ Satisfied ■ Very Satisfied



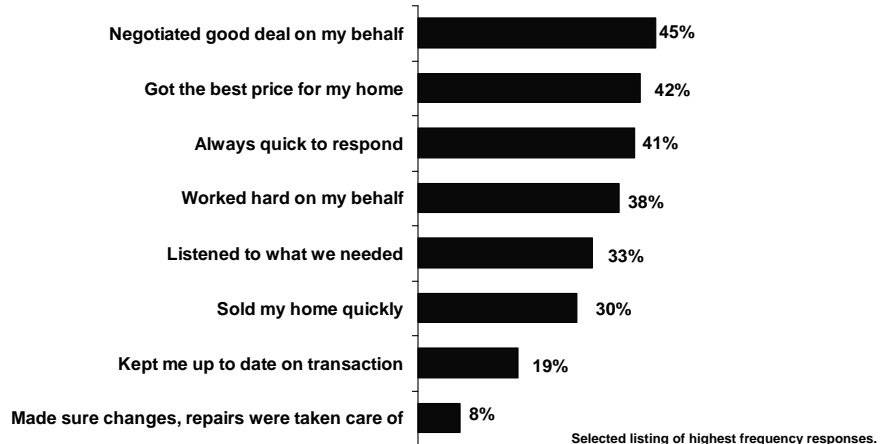
Q: Rate your degree of satisfaction with various aspects of your home selling experience.

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Reasons for Being Satisfied With Agent (Unaided)

N=306



Q: Please explain why you had that (high) level of satisfaction with your agent.

Reasons for Being Satisfied With Agent -Historical Trend-

N=306

	2005	2006	2007	2008	2009
Negotiated good deal on my behalf	42%	45%	40%	40%	45%
Got the best price for my home	70%	42%	43%	43%	42%
Always quick to respond	43%	45%	39%	41%	41%
Worked hard on my behalf	35%	40%	37%	36%	38%
Listened to what we needed	37%	33%	35%	34%	33%
Sold my home quickly	61%	28%	32%	34%	30%
Kept me up to date on transaction	15%	16%	15%	16%	19%
Made sure changes, repairs were taken care of	10%	9%	11%	9%	8%

Selected listing of highest frequency responses. Satisfaction and dissatisfaction N values will not total to 594 because some respondents gave both reasons for satisfaction "and" dissatisfaction.

Reasons for Being Dissatisfied With Agent

N=468



Selected listing of highest frequency responses.

Q: Please explain why you had that (low) level of satisfaction with your agent.

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Reasons for Being Dissatisfied With Agent -Historical Trend-

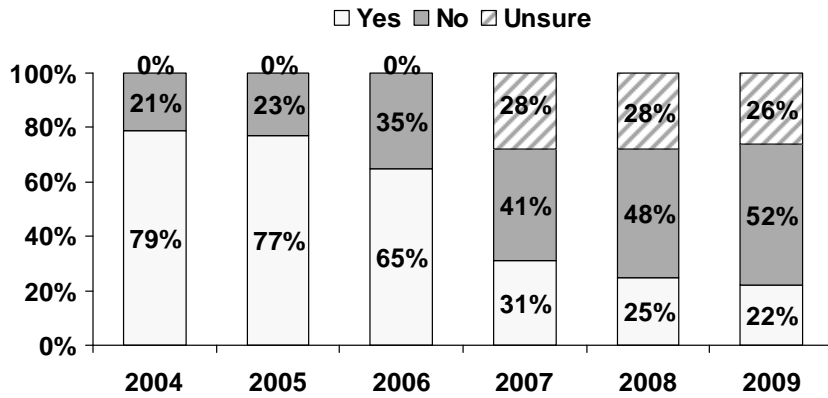
	2005	2006	2007	2008	2009
House took too long to sell	0%	51%	59%	61%	64%
Did not get the price I wanted	0%	50%	62%	57%	51%
Needed to keep me better informed on how the transaction is proceeding	30%	17%	13%	14%	14%
Did not communicate effectively or efficiently during the transaction	41%	11%	11%	11%	9%
Real estate agent did not negotiate aggressively on my behalf	23%	11%	10%	9%	8%
Needed to do a better, more active job of monitoring the transaction/paperwork	21%	10%	8%	7%	5%
Agent was slow to respond	20%	9%	7%	7%	6%
Needed to do a better, more active job of monitoring the transaction / paperwork	21%	10%	8%	7%	5%

Selected listing of highest frequency responses. Satisfaction and dissatisfaction N values will not total to 594 because some respondents gave both reasons for satisfaction "and" dissatisfaction.

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Would Use The Same Agent Again

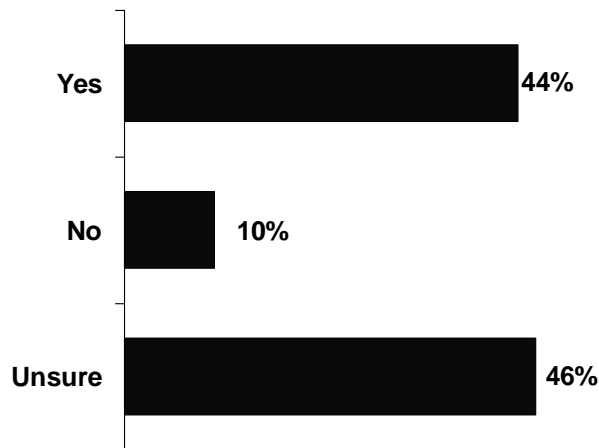


Q: Would you use the same agent again?

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Would Benefit from Access to REALTOR® Performance Ratings



Q: Would you benefit from accessing REALTOR® performance ratings from previous clients?

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Own Current Home



Q: Do you own your current home?

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What Sellers Would Change About Their Recent Home Sale

	2006	2007	2008	2009
Sell home for higher price	53%	57%	64%	63%
Sell home faster	19%	29%	29%	31%
Market home more aggressively	9%	8%	8%	6%
Improve agent communications	6%	7%	0%	0%
Reduce commissions, cost of sale	4%	0%	0%	0%
Close escrow on time	10%	0%	0%	0%

Q: If there was one thing you could change about your recent home sale, what would it be?

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Median Initial Listing Price Of Home Sold (New for 2009)

Total	\$350,000
First-time sellers	\$355,000
Experienced sellers	\$333,000

Q: What was the initial listing price for your home?

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Median Sales Price by Seller Type

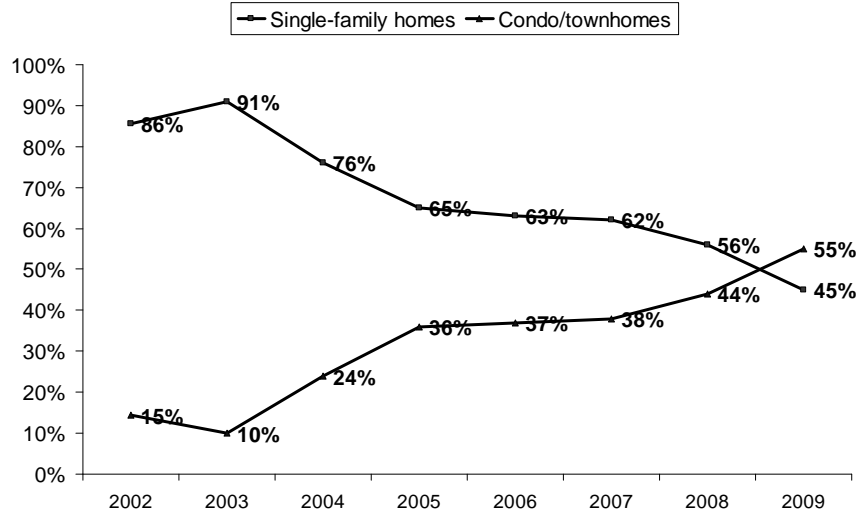
Year	First Time Home Sellers	Experienced Home Sellers	All Home Sellers
2002	\$325,000	\$432,500	\$370,000
2003	\$330,000	\$450,000	\$450,000
2004	\$347,500	\$490,000	\$475,000
2005	\$315,000	\$490,000	\$480,000
2006	\$323,000	\$485,000	\$475,000
2007	\$315,000	\$485,000	\$470,000
2008	\$386,000	\$400,000	\$400,000
2009	\$324,000	\$322,500	\$323,500

Q: What was the selling price you received for your home?

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Type of Home Sold

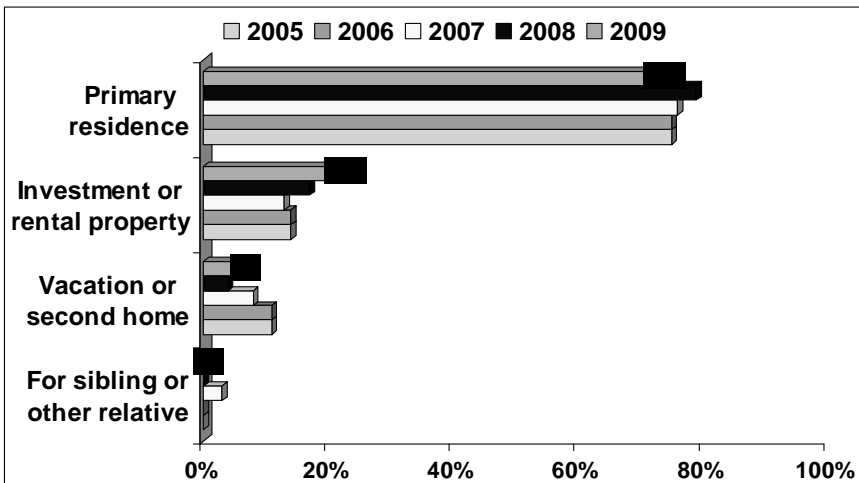


Q: What type of home was it?

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Property Use



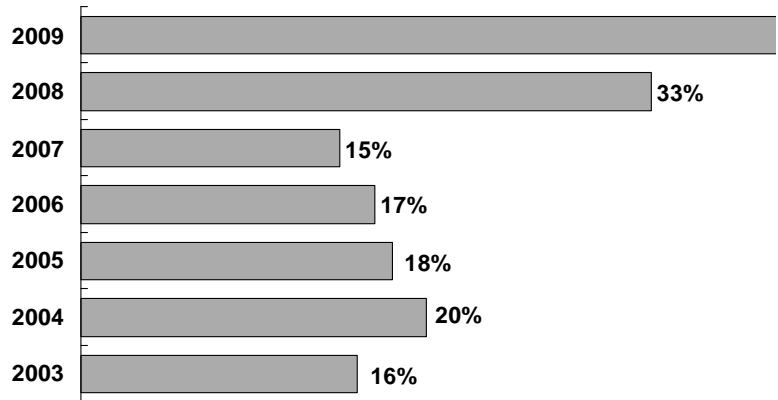
Q: Was the property occupied as a primary residence, vacation/second home or investment property?

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First-Time Home Sellers

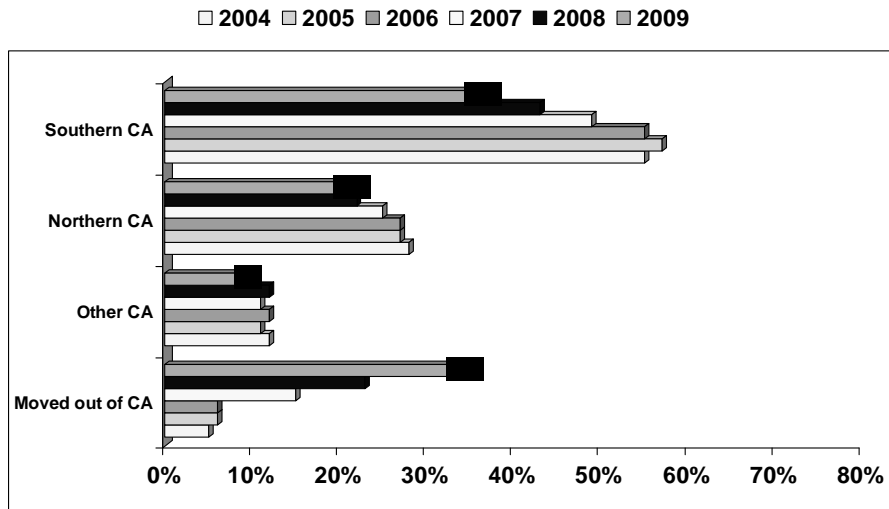


Q: Was this your first experience in selling a house?

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Where Sellers Moved



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