

2008 Survey of California Home Sellers

July 2008

California Association of REALTORS®

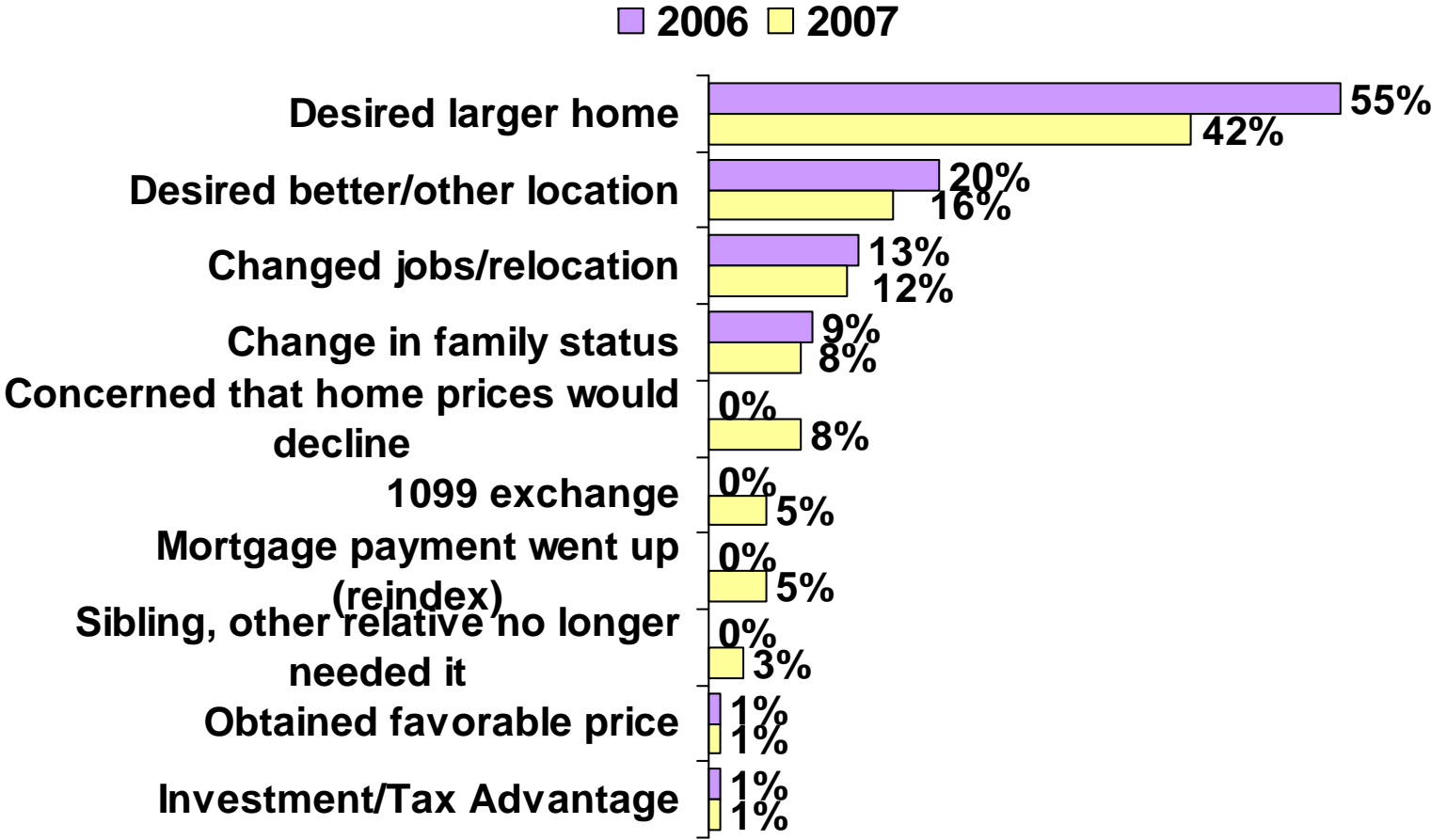


Methodology

- 300 telephone surveys in 2003 and 2004. The 2005, 2006, 2007, and 2008 data have 600 surveys.
- Results for all three measurements are statistically projectable at two standard deviations (a 95% confidence level)
 - Overall data for 2005 - 2008 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.



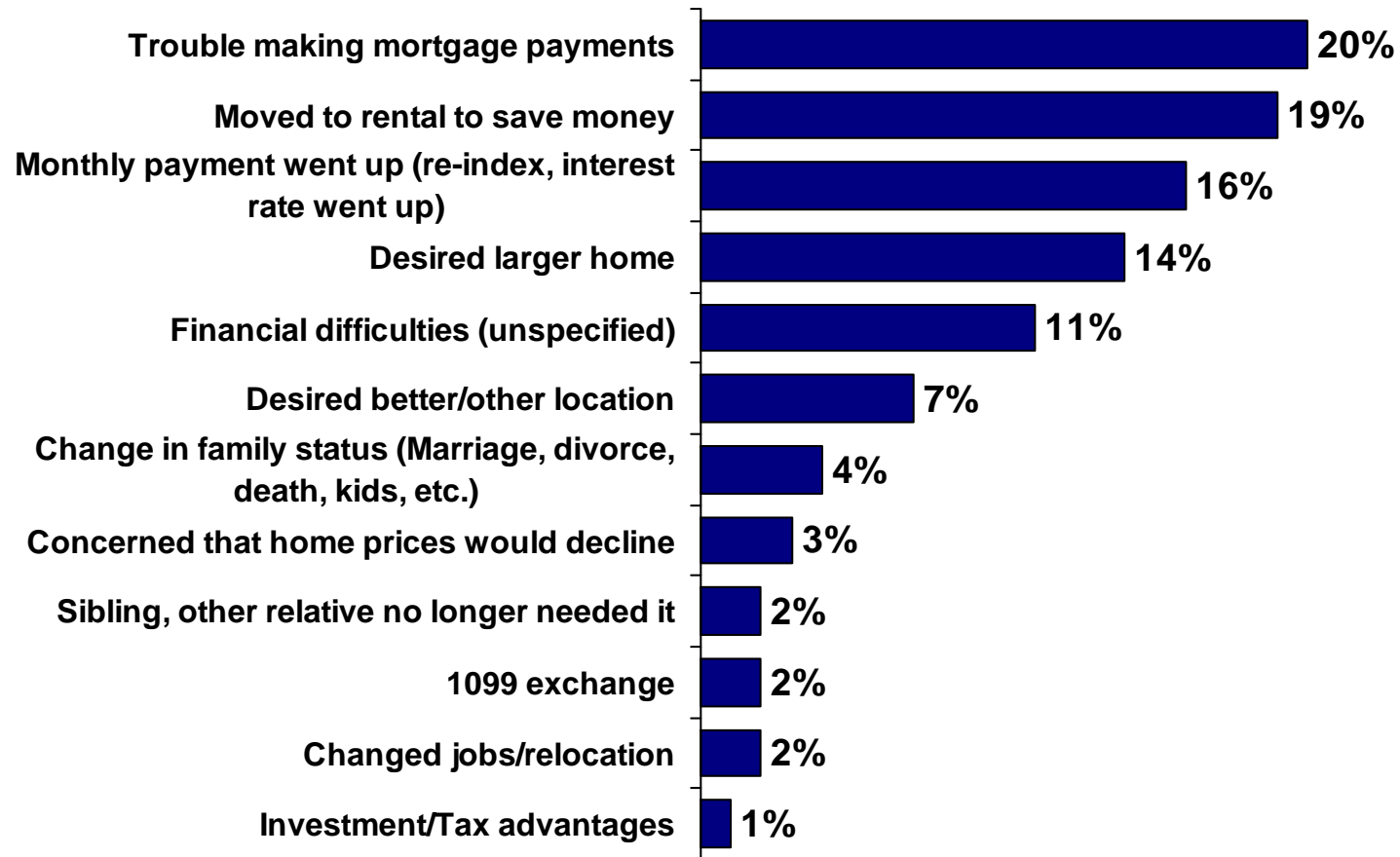
Primary Reason for Selling Home -Previous Years-



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



Primary Reason for Selling Home -2008-

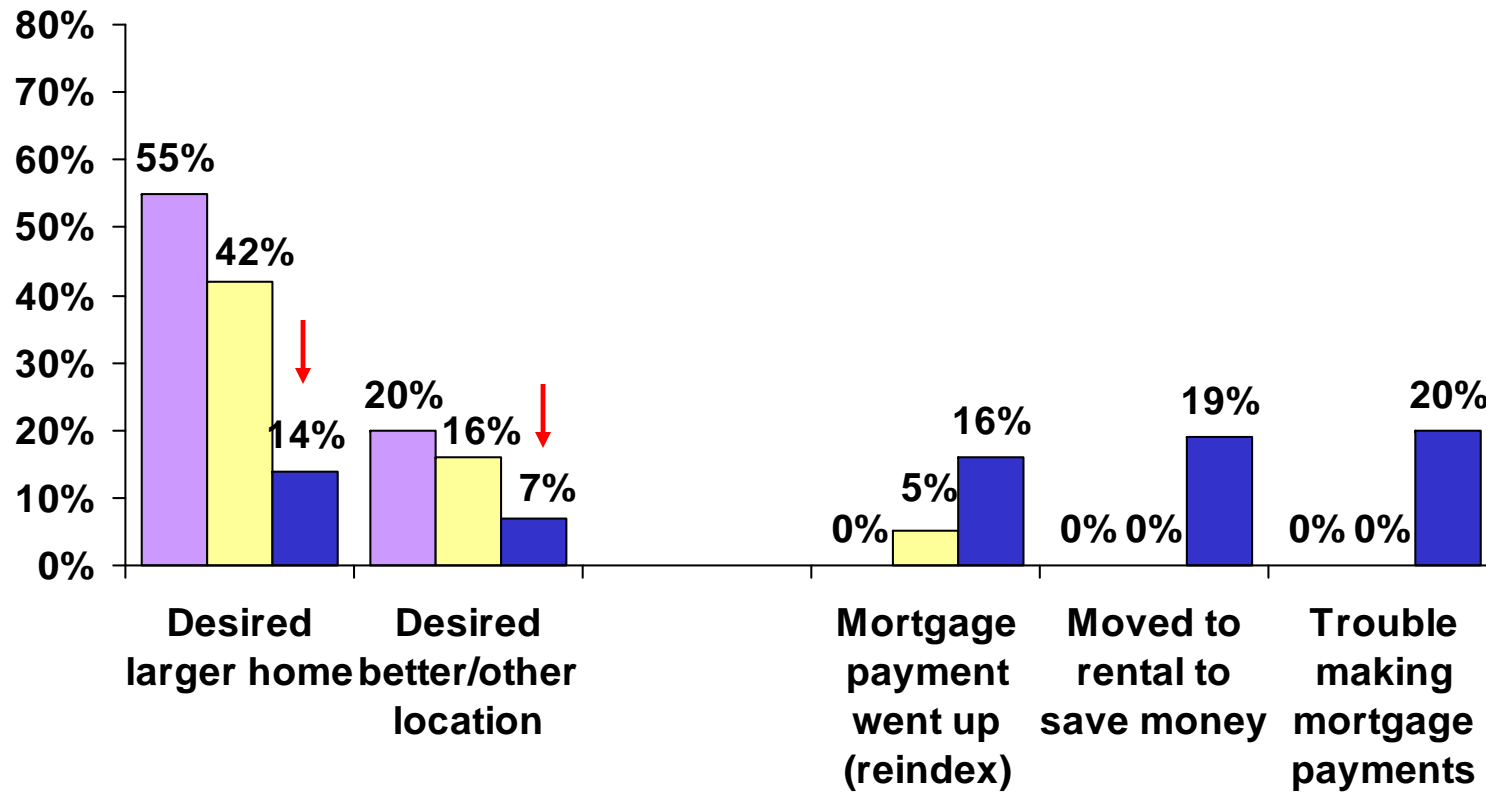


Selected listing of highest frequency responses.
Percentages will not total 100%.



Primary Reason for Selling Home -Signs of Distress in 2008-

2006 2007 2008



Signs of Distress in 2008



Primary Reason for Selling Your Home

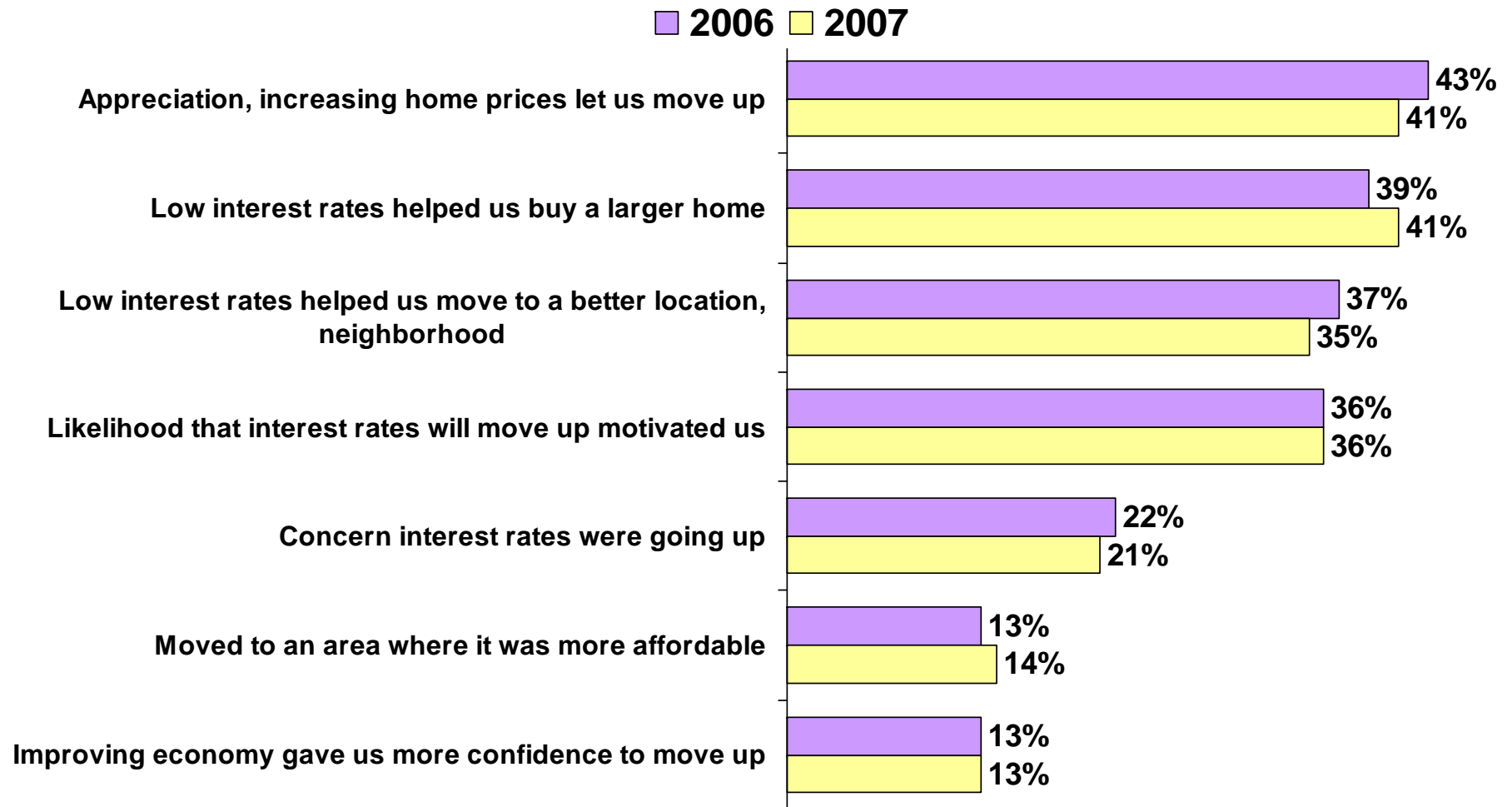
-Historical Comparison-

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------|------|------|------|------|------|
| Trouble making mortgage payments | 0% | 0% | 0% | 0% | 0% | 20% |
| Moved to rental to save money | 0% | 0% | 0% | 0% | 0% | 19% |
| Mortgage payment went up (reindex) | 0% | 0% | 0% | 0% | 5% | 16% |
| Desired larger home | 56% | 54% | 56% | 55% | 42% | 14% |
| Financial difficulties (unspecified) | 0% | 0% | 0% | 0% | 0% | 11% |
| Desired better/other location | 24% | 23% | 20% | 20% | 16% | 7% |
| Change in family status | 10% | 10% | 10% | 9% | 8% | 4% |
| Concerned that home prices would decline | 0% | 0% | 0% | 0% | 8% | 3% |
| Concerned that home prices would decline | 0% | 0% | 0% | 0% | 0% | 3% |
| Changed jobs | 11% | 13% | 14% | 13% | 12% | 2% |
| 1099 exchange | 0% | 0% | 0% | 0% | 5% | 2% |

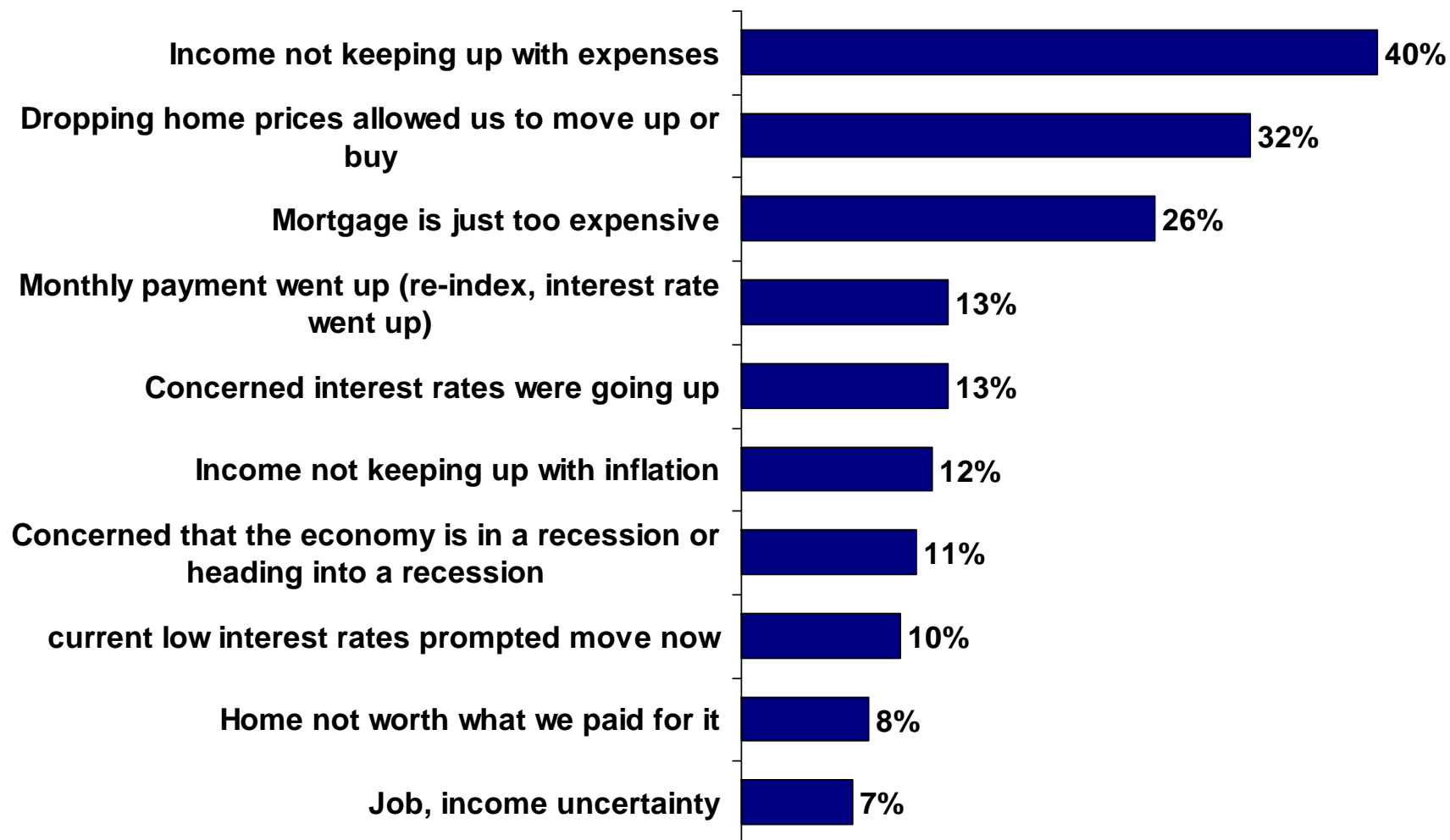


Market Conditions & The Decision to Sell

-Previous Years-



Market Conditions & The Decision to Sell -2008-

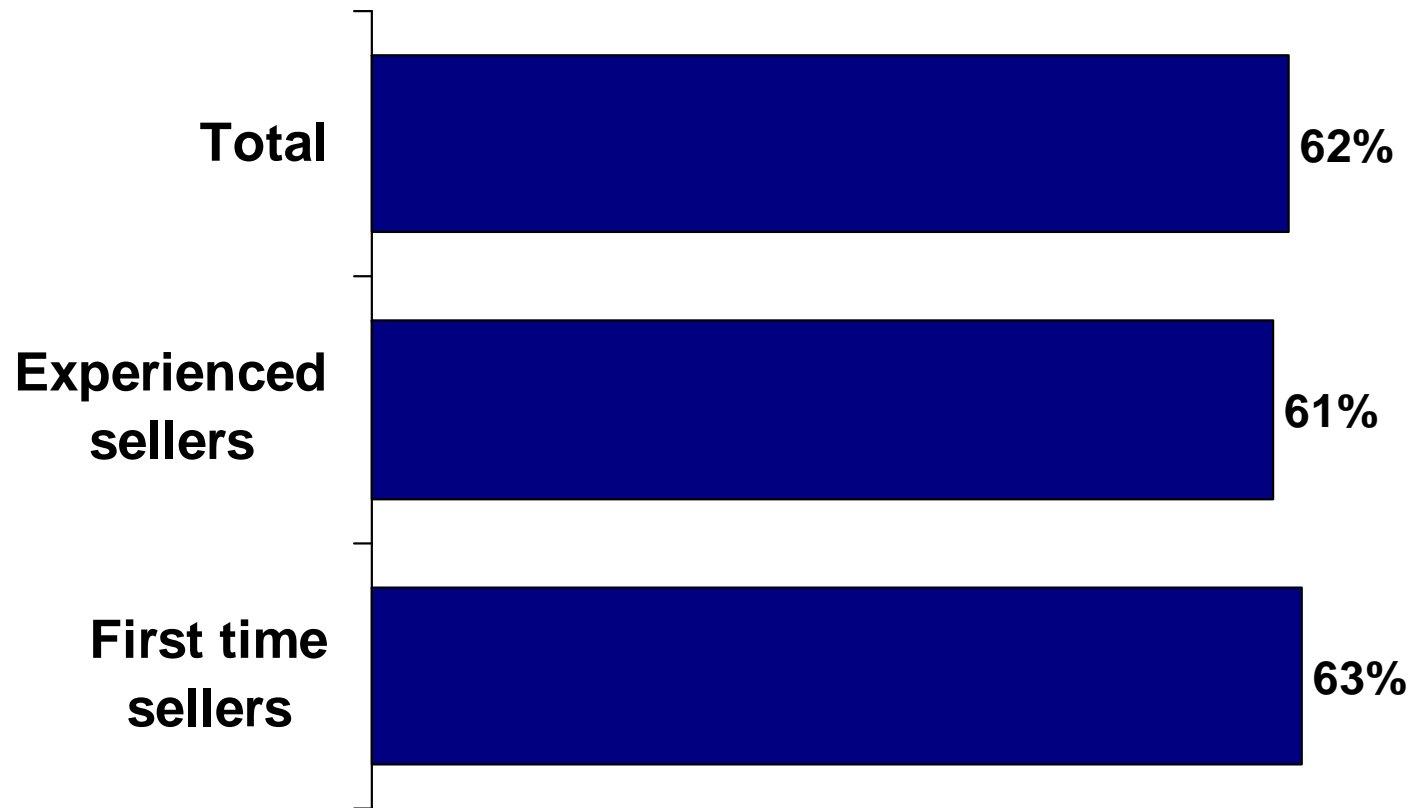


Market Conditions & The Decision to Sell

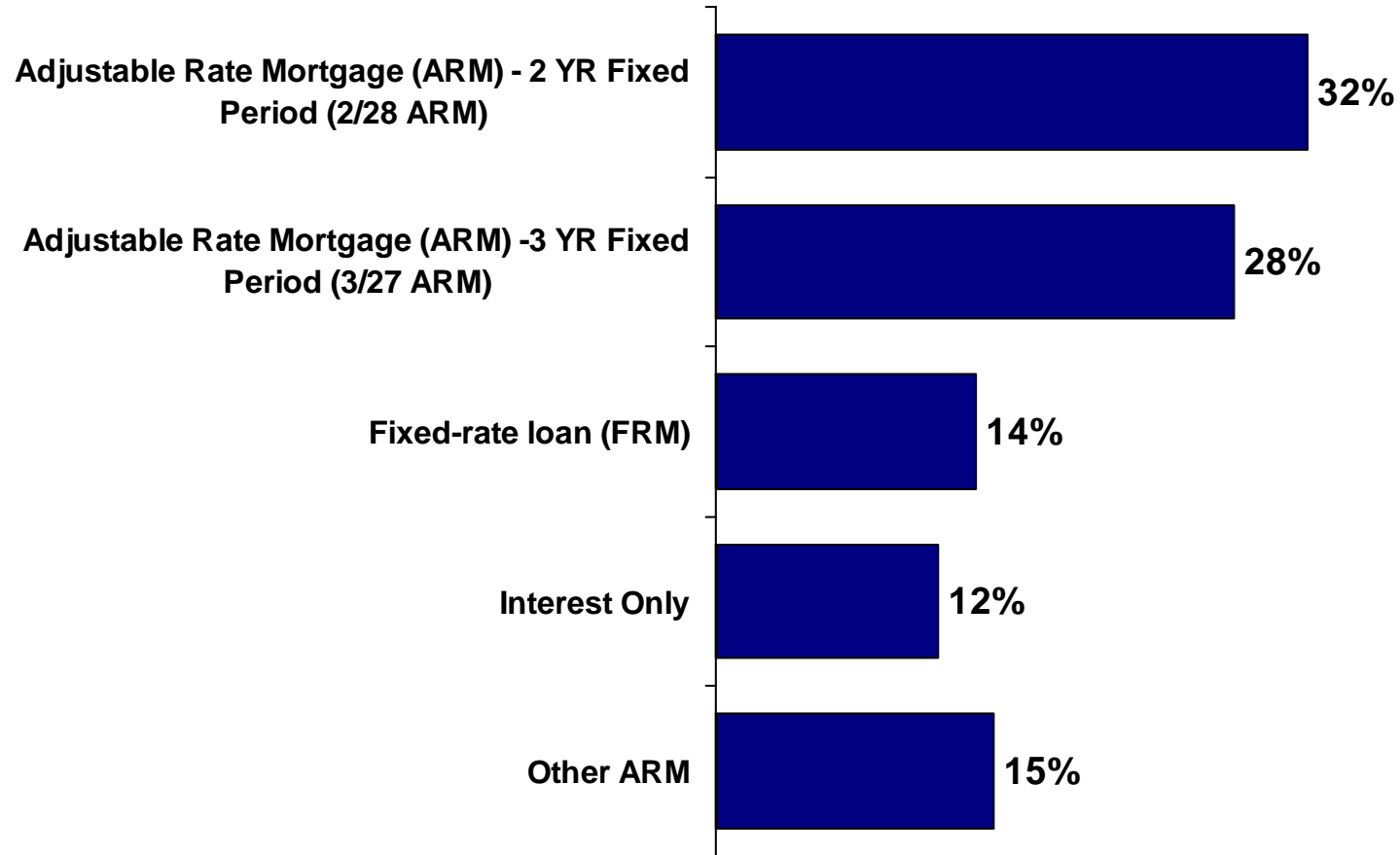
-Historical Comparison-

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

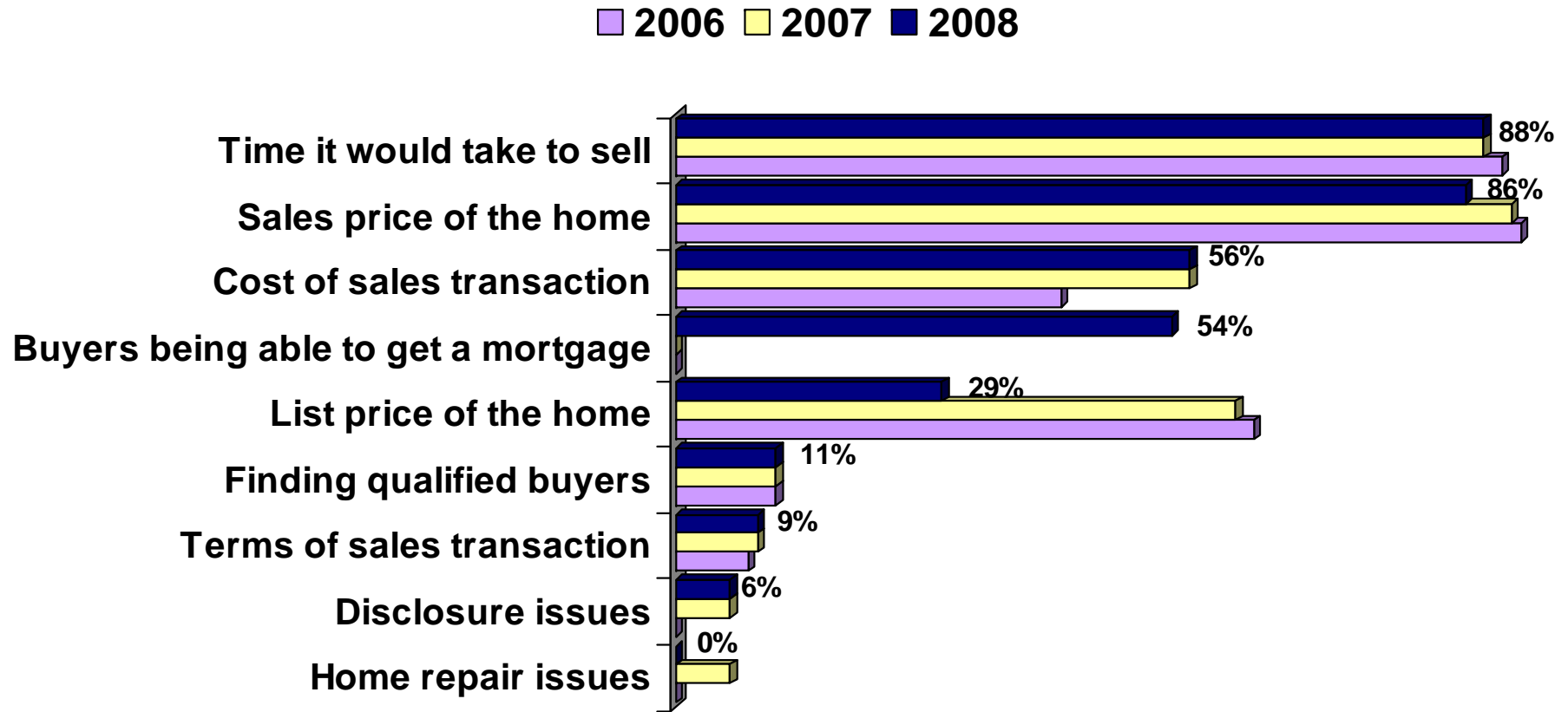
Sold Home Due to Trouble Making Mortgage Payment



Type of Mortgage



Seller Concerns With Home Selling Process



Seller Concerns with Home Selling Process

-Historical Comparison-

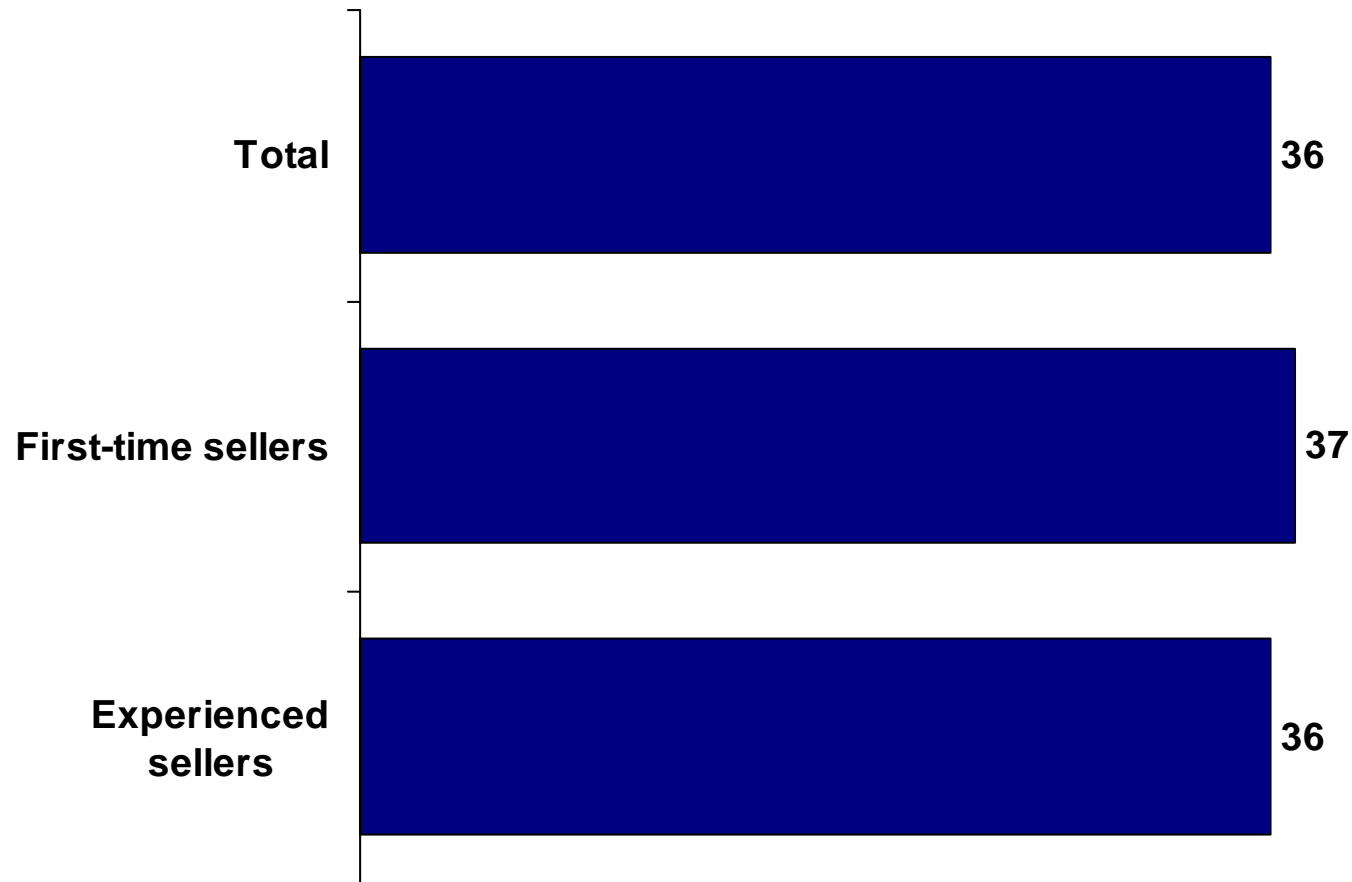
| | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------|------|------|------|------|
| Time it would take to sell | 76% | 82% | 90% | 88% | 88% |
| Sales price of the home | 57% | 87% | 92% | 91% | 86% |
| Cost of sales transaction | 22% | 23% | 42% | 56% | 56% |
| Buyers acquiring mortgage* | n.a. | n.a. | n.a. | n.a. | 54% |
| List price of the home | 12% | 64% | 63% | 61% | 29% |
| Finding qualified buyers | 9% | 17% | 11% | 11% | 11% |
| Terms of sales transaction | 19% | 25% | 8% | 9% | 9% |
| Disclosure issues | 8% | 7% | 0% | 6% | 6% |
| Home repair issues | 0% | 0% | 0% | 6% | 0% |

*New response in 2008

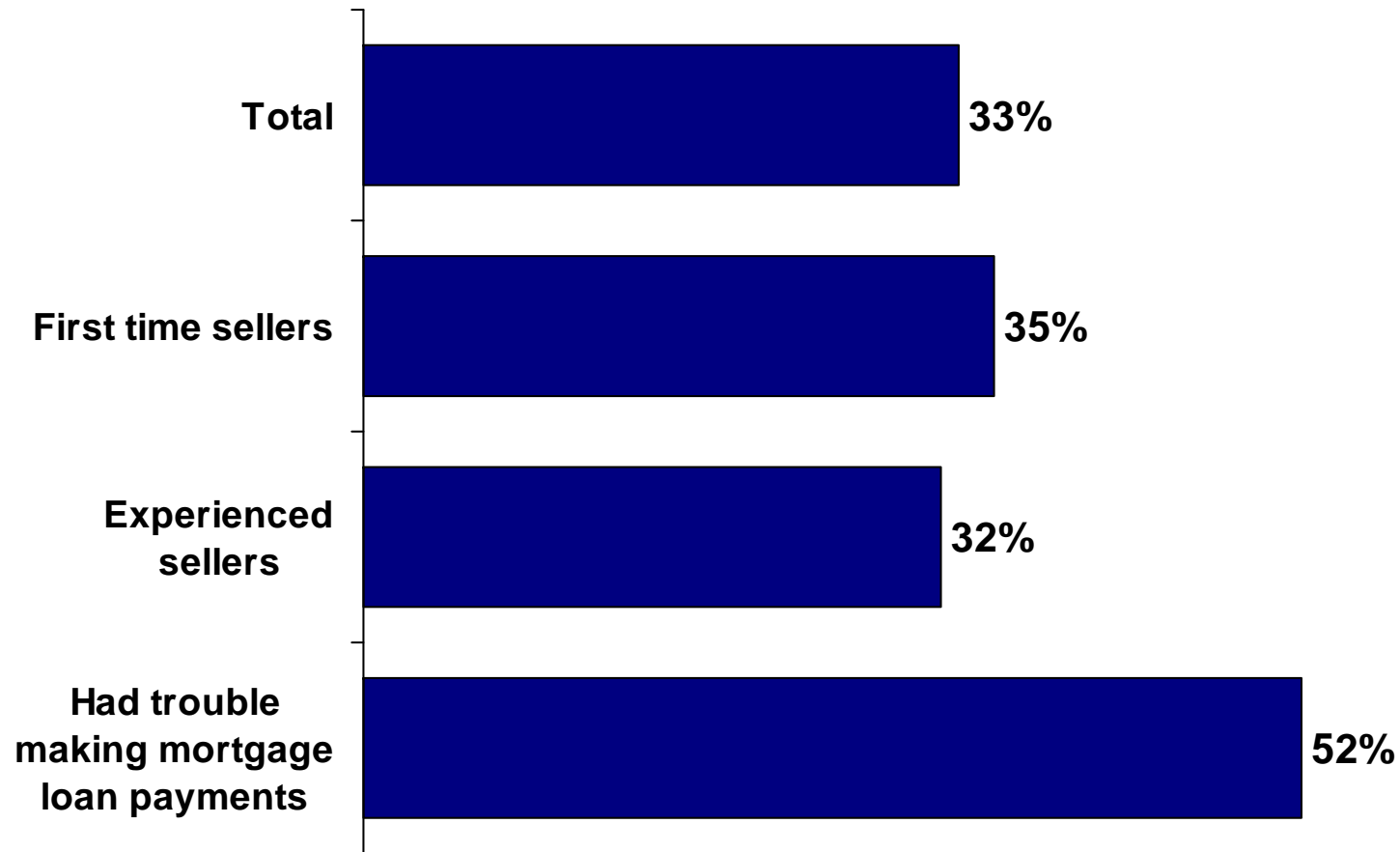
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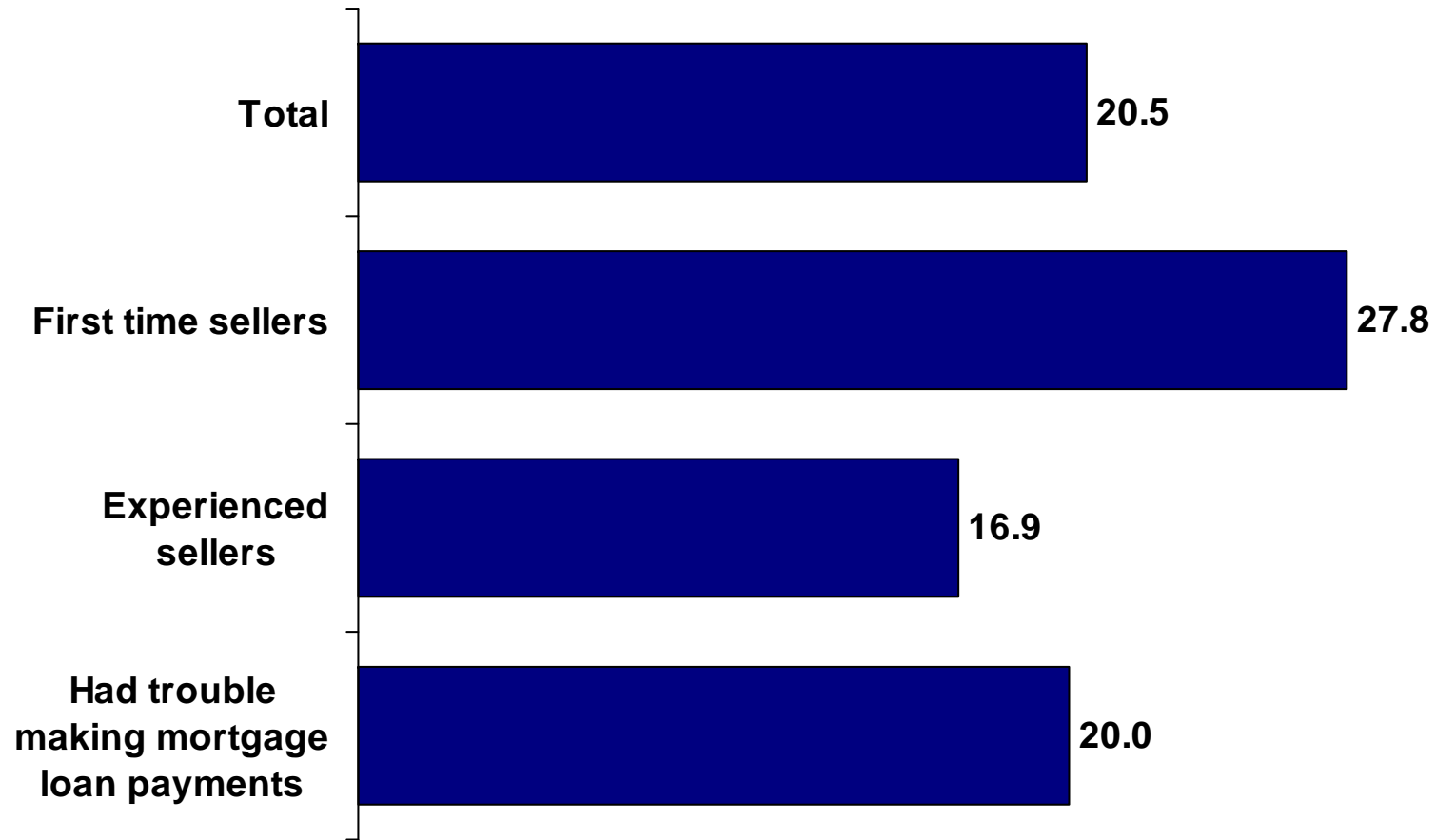
How Long They Lived In The Home They Just Sold (Average Months)



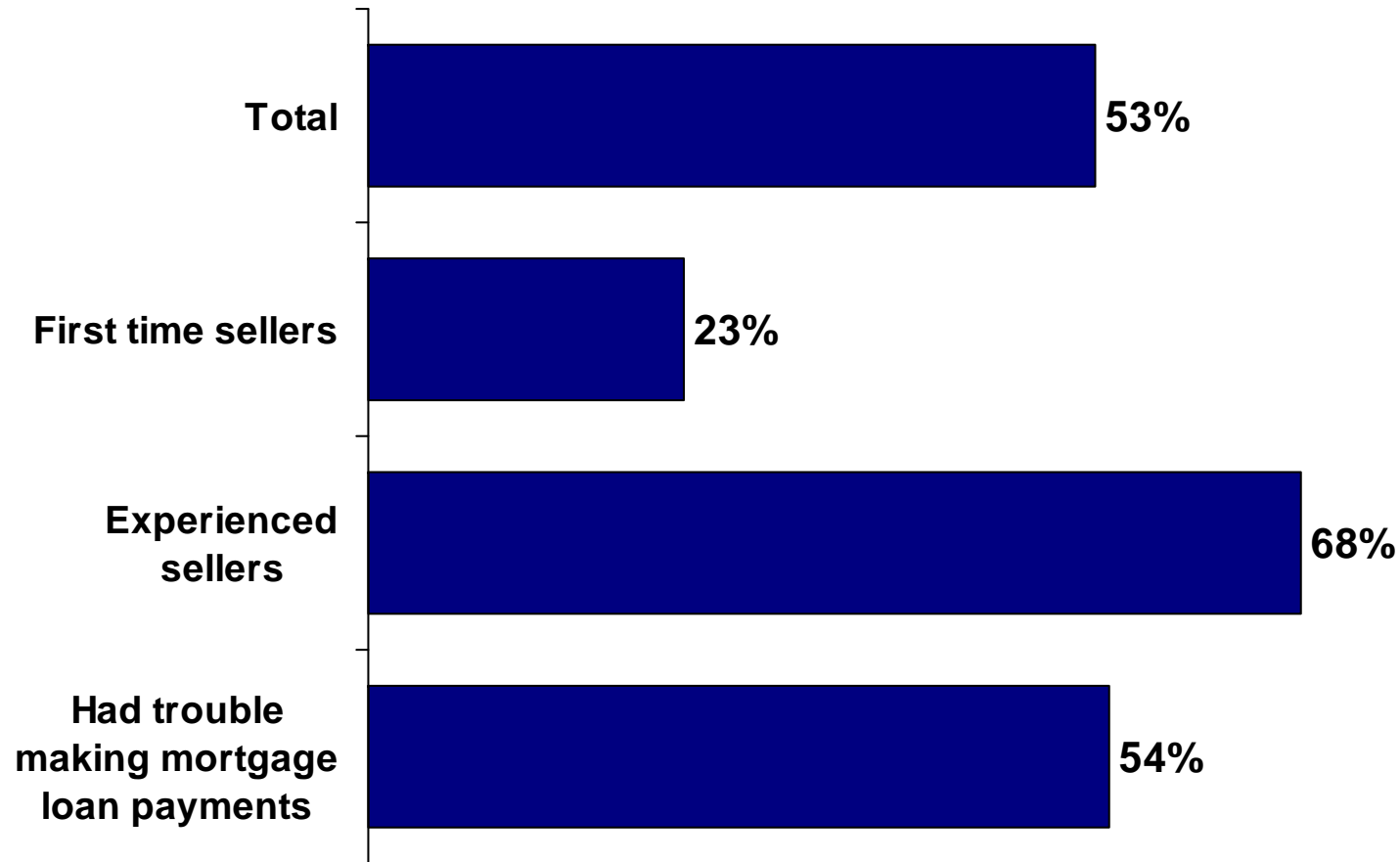
Lived In The Home They Just Sold Two Years Or Less



Weeks It Took To Sell Their Home

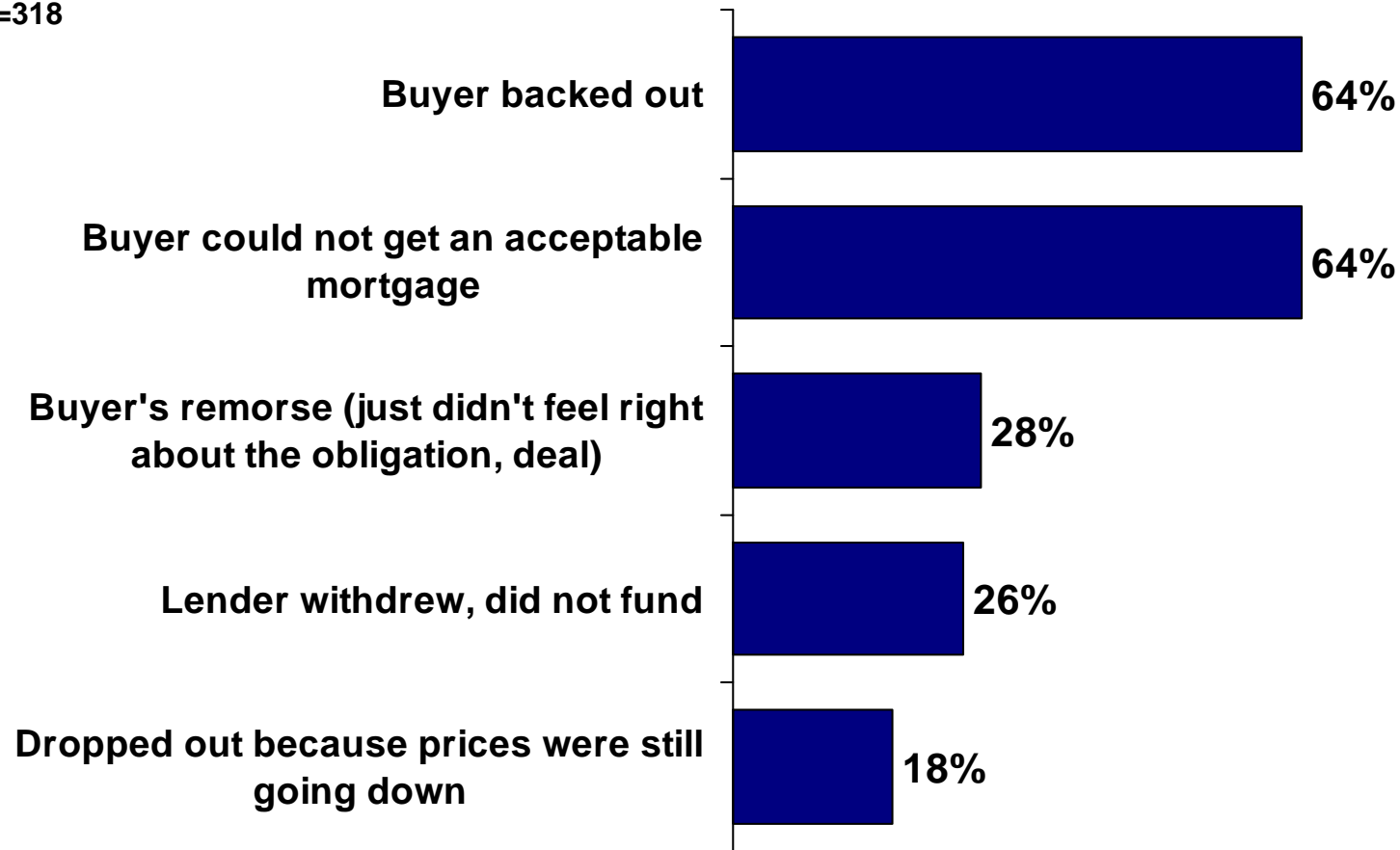


Had A Home Fall Out Of Escrow Before This Sale

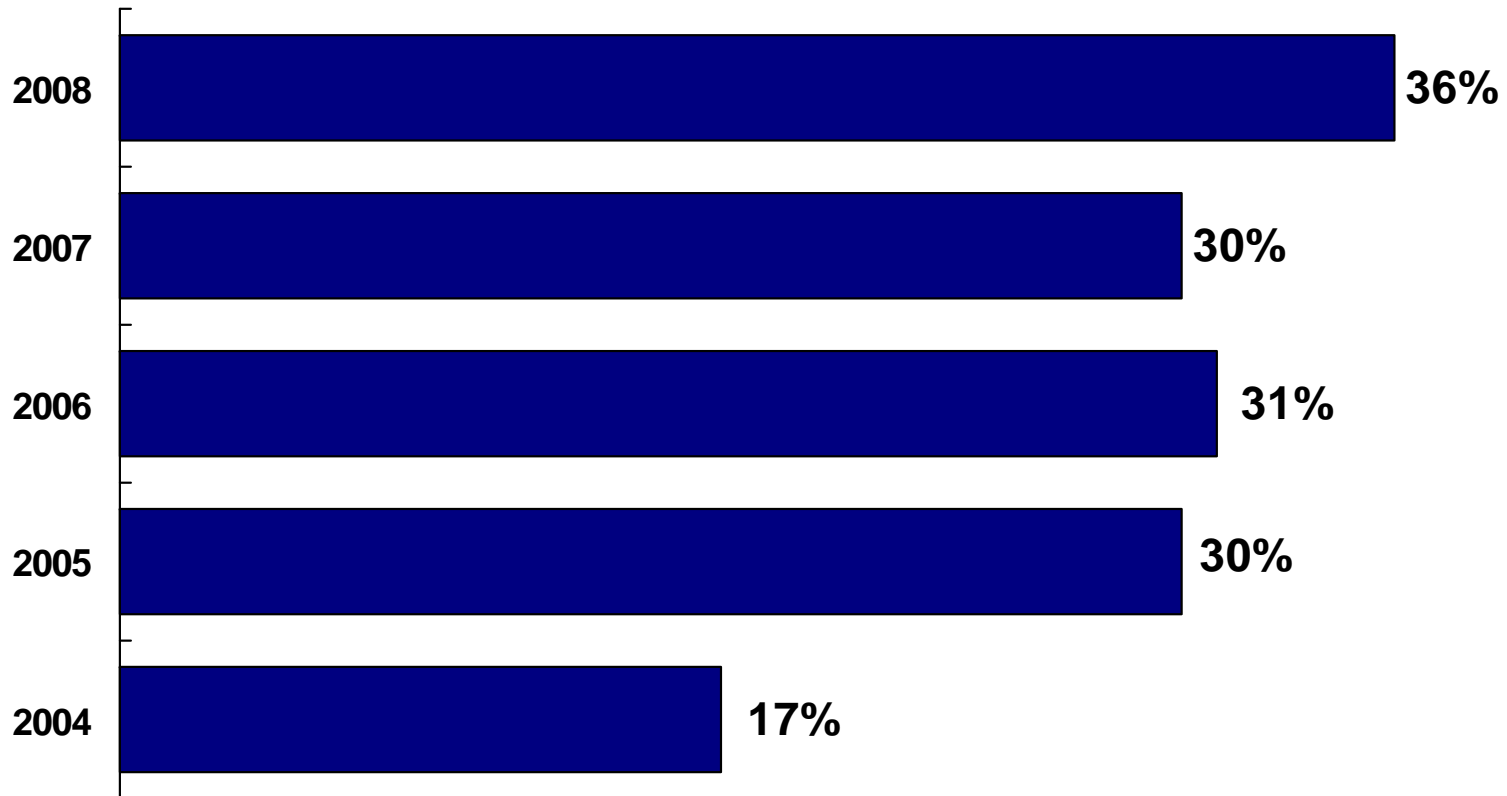


Reasons Home Fell Out Of Escrow Before This Sale

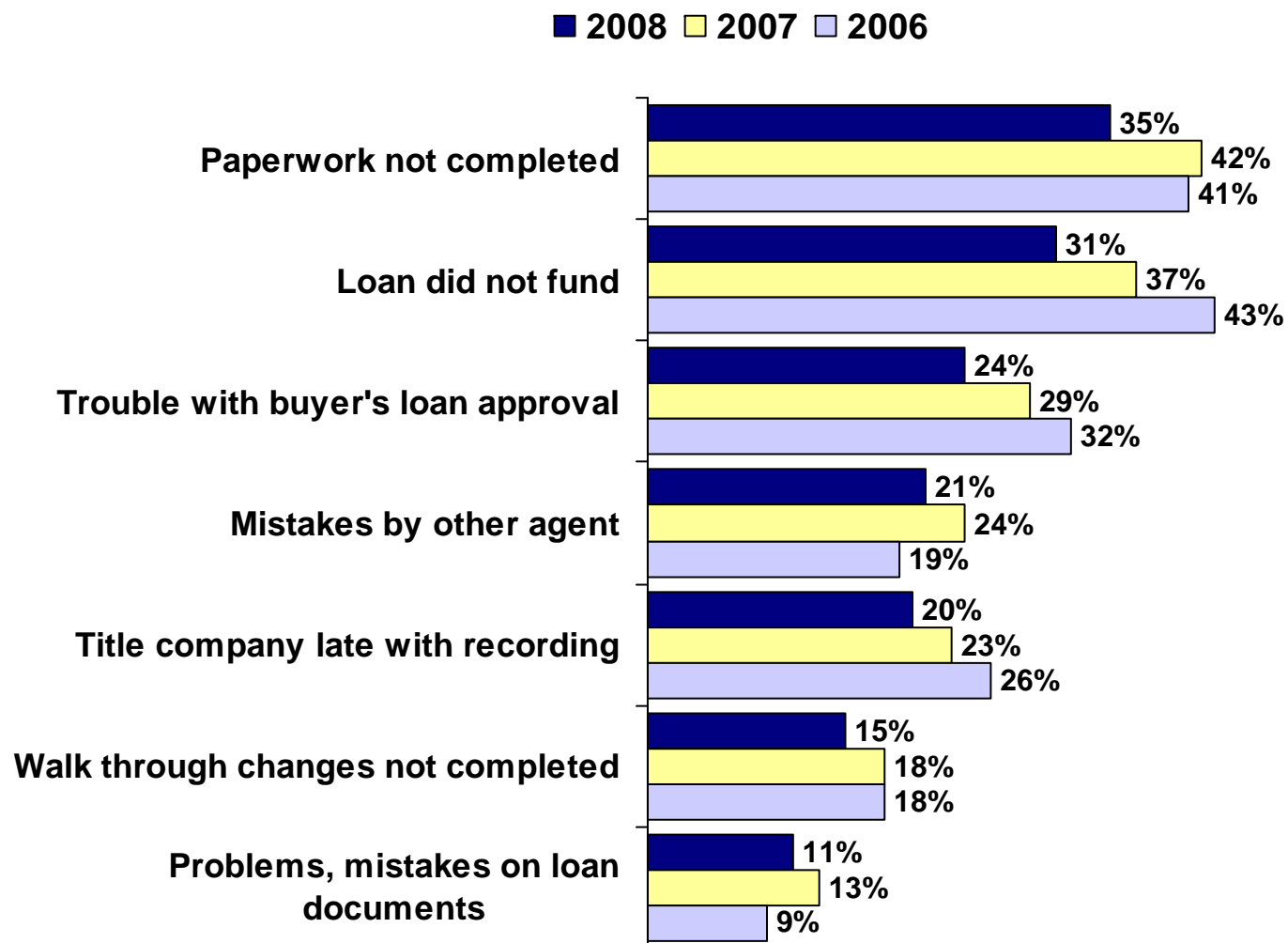
N=318



Escrow Did Not Close On Time



Reasons Escrow Did Not Close On Time

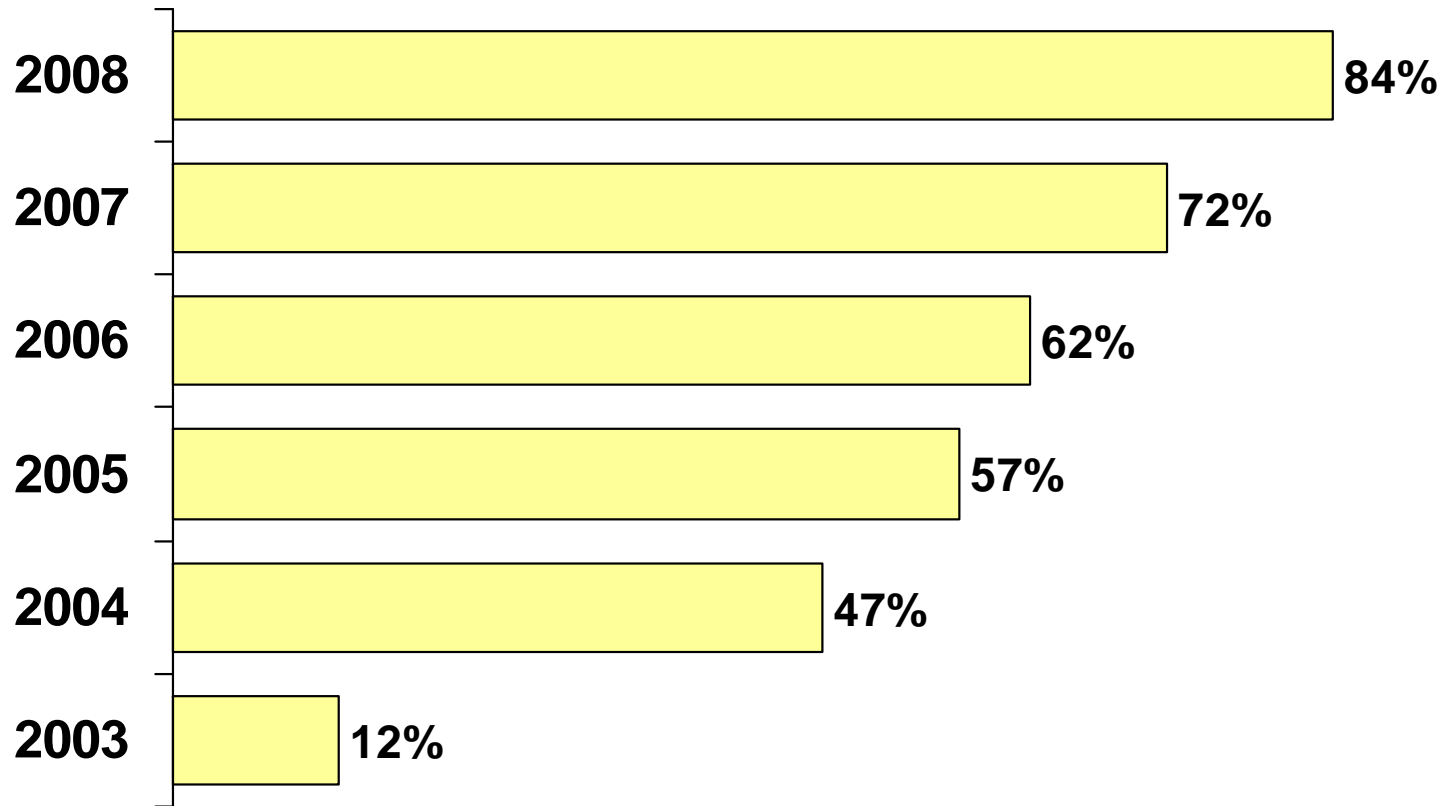


Selected listing of highest frequency responses.

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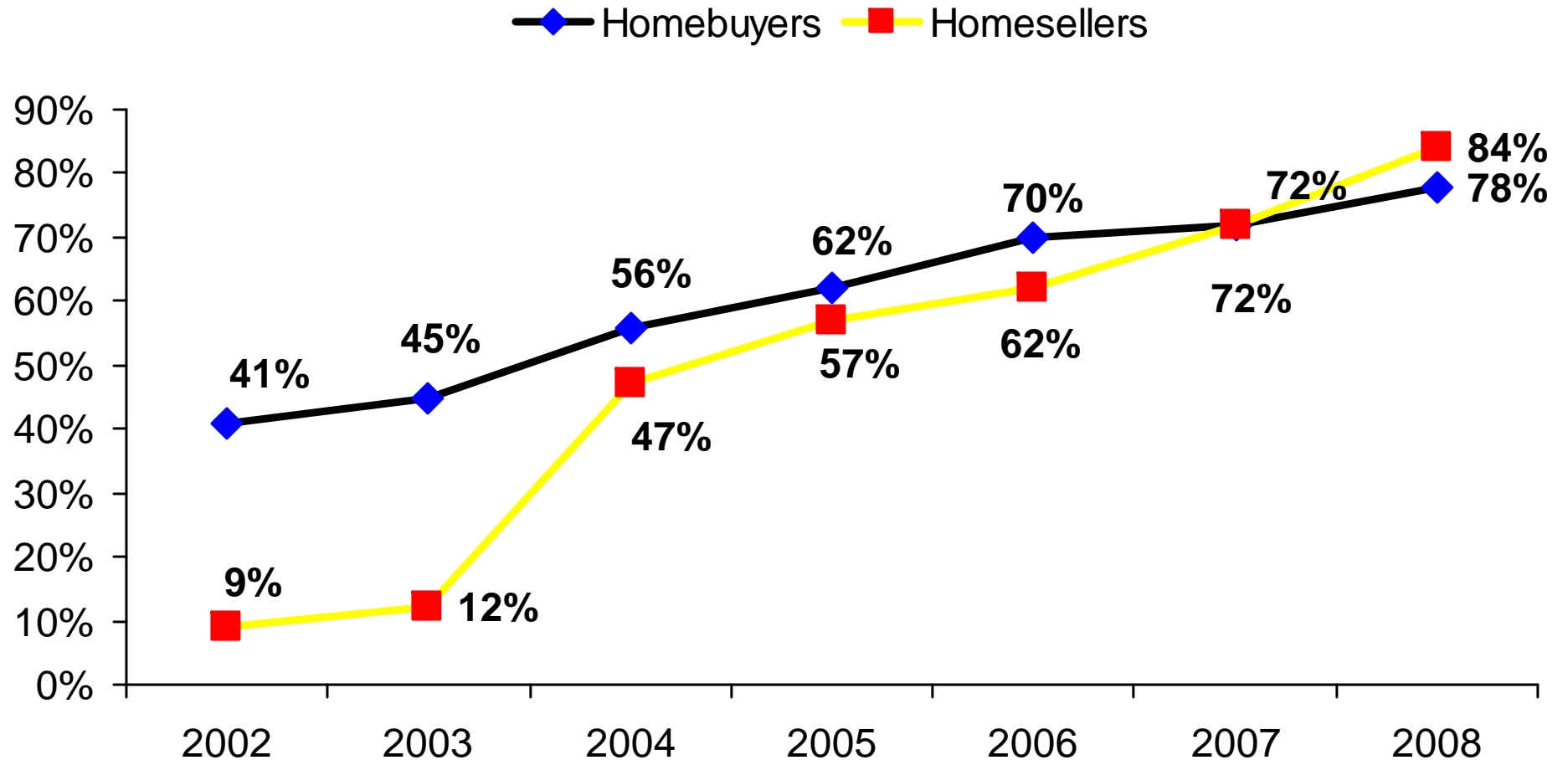


Use Of The Internet As A Significant Part Of The Home Selling Process



Percent of Internet Buyers/Sellers

Share of All Homebuyers/Home Sellers Surveyed



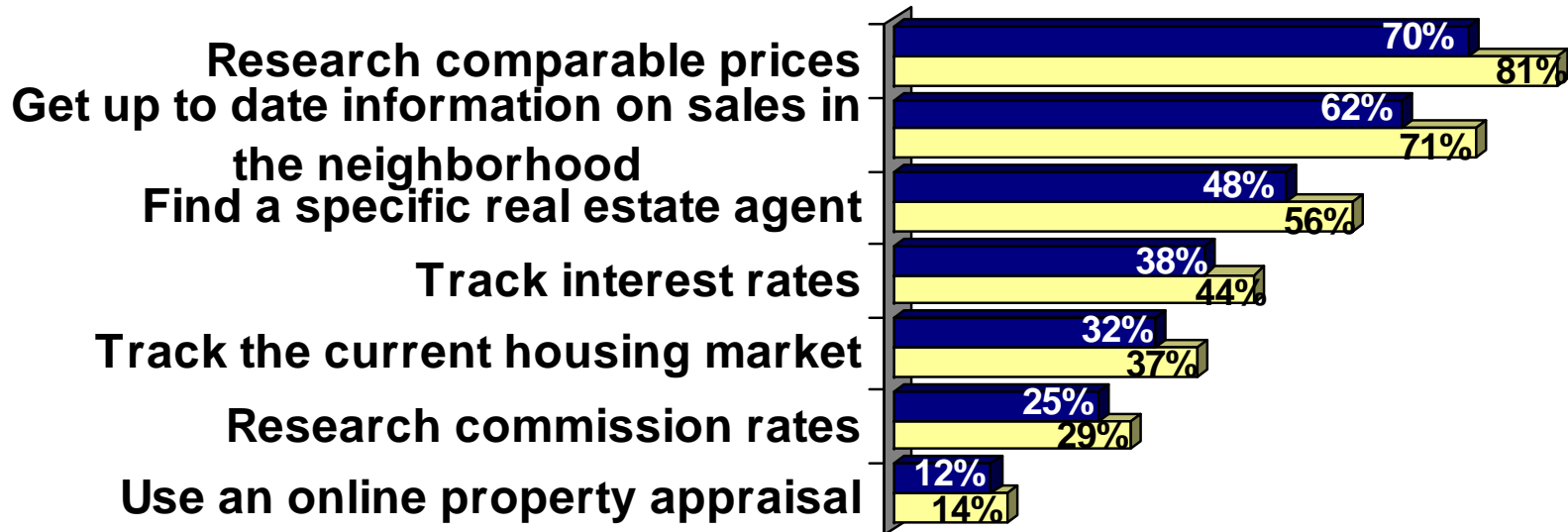
Use of The Internet: Seller Online Activities

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



Use of The Internet: Seller Online Activities

■ 2007 ■ 2008

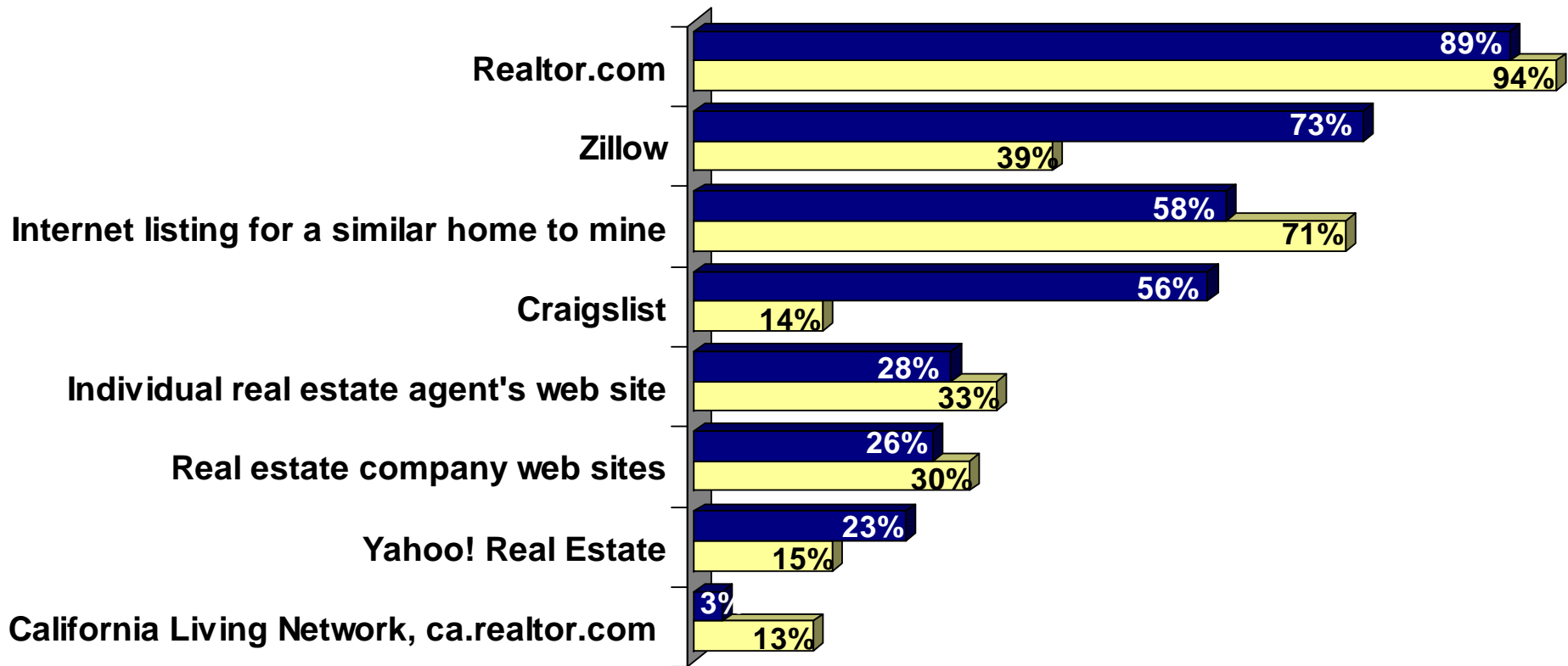


Selected listing of highest frequency responses.



What Websites are Sellers Visiting?

2007 2008

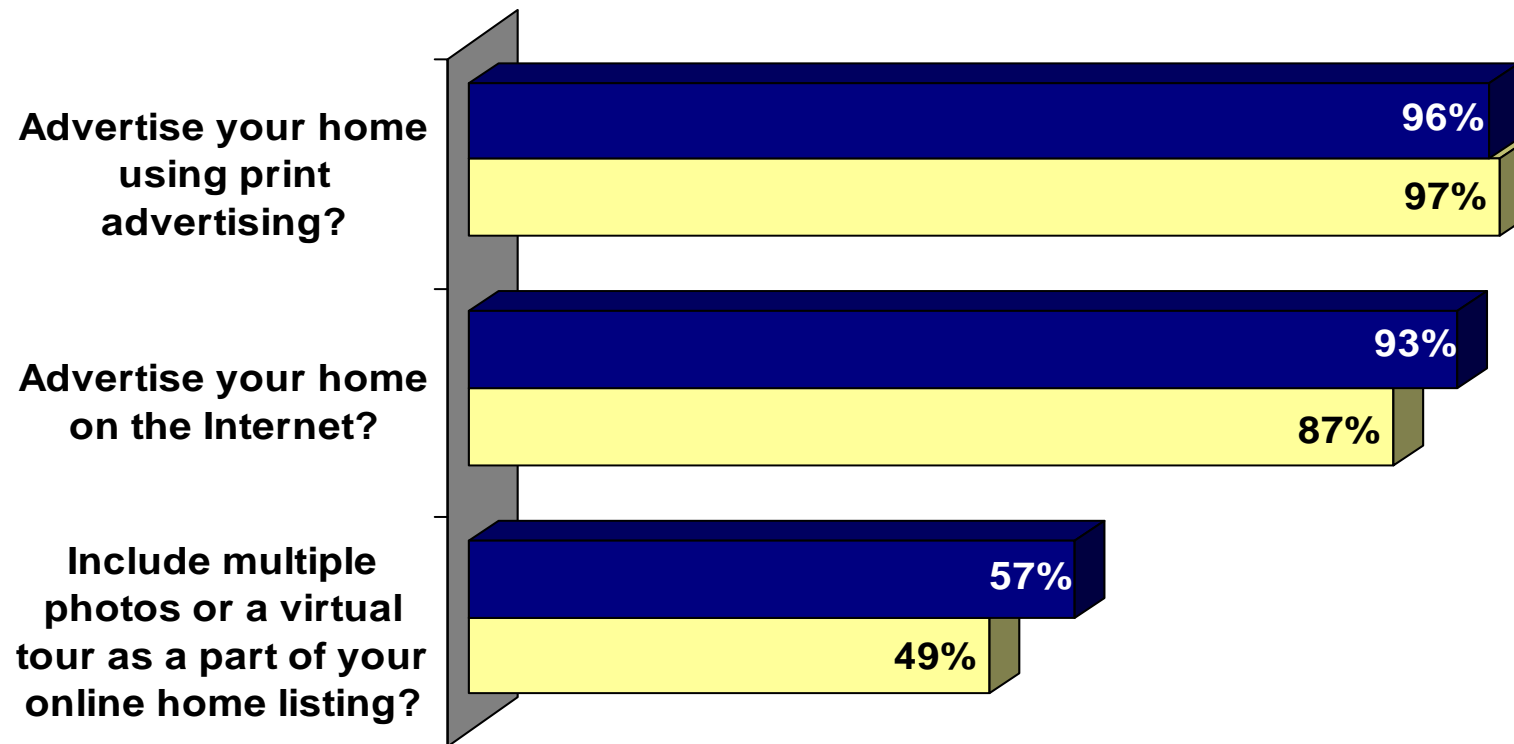


Selected listing of highest frequency responses.



Tools and Practices Agent Used

2007 2008

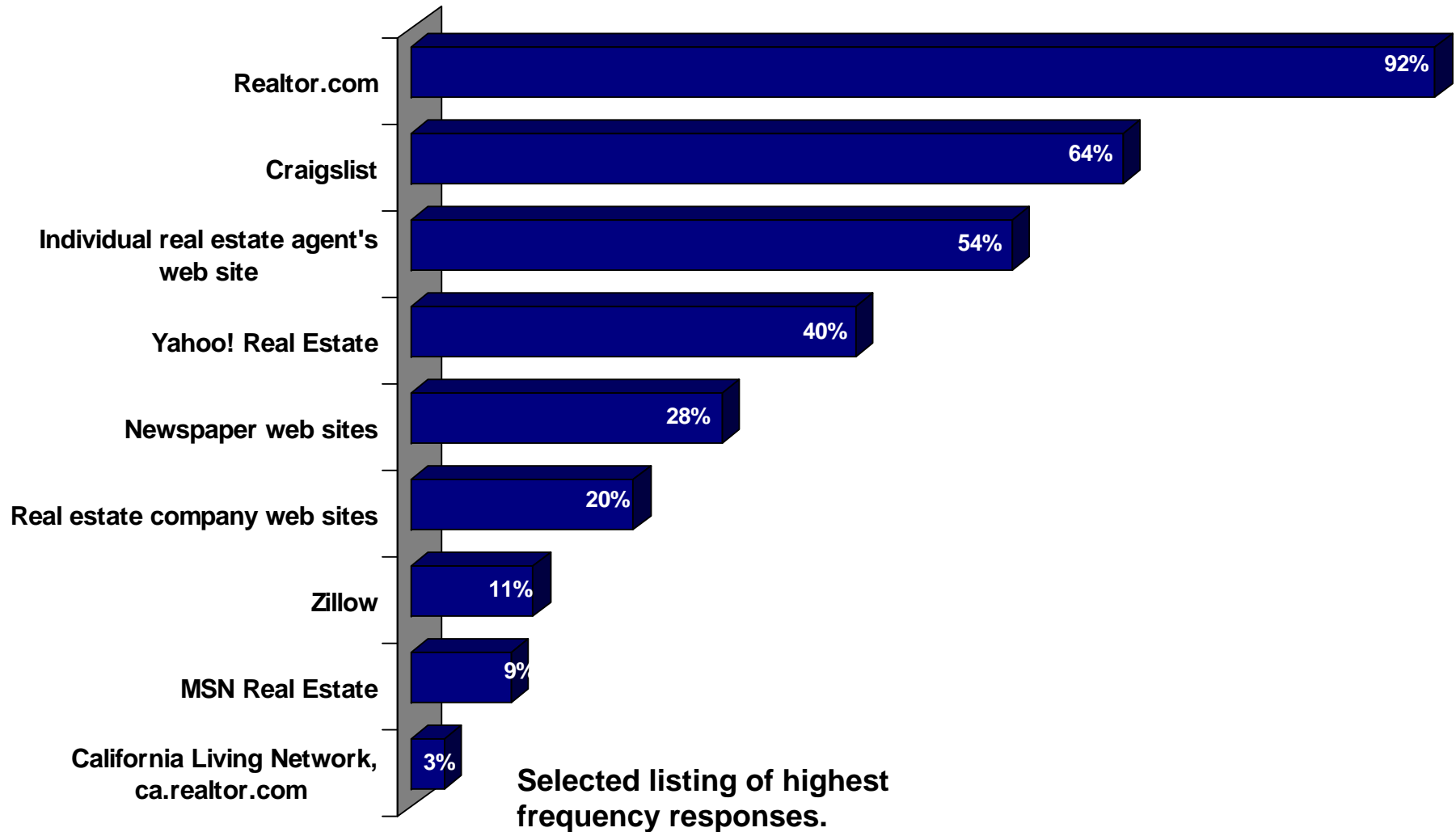


Aided responses.

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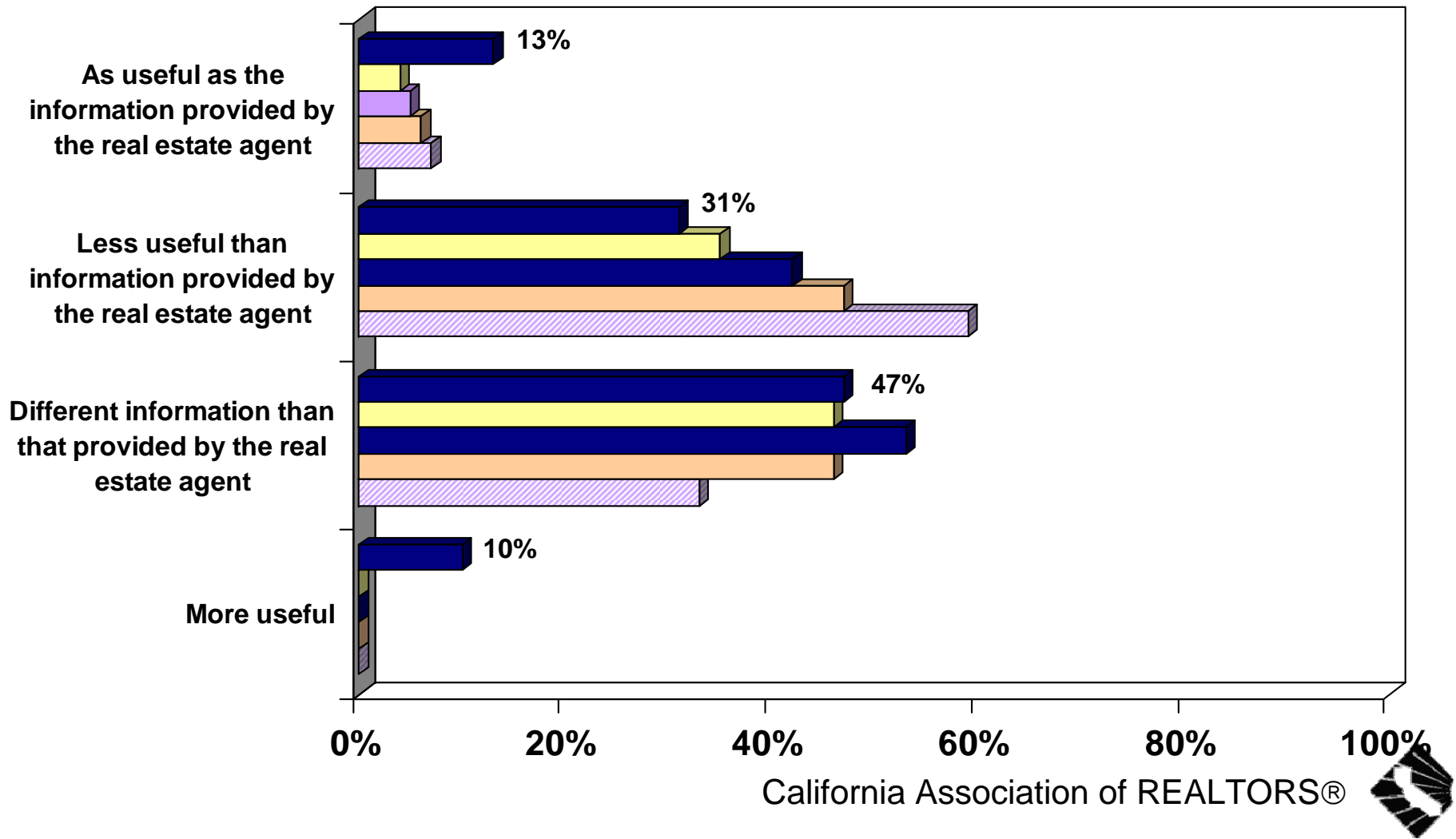


Websites Agents Use to Advertise Listings



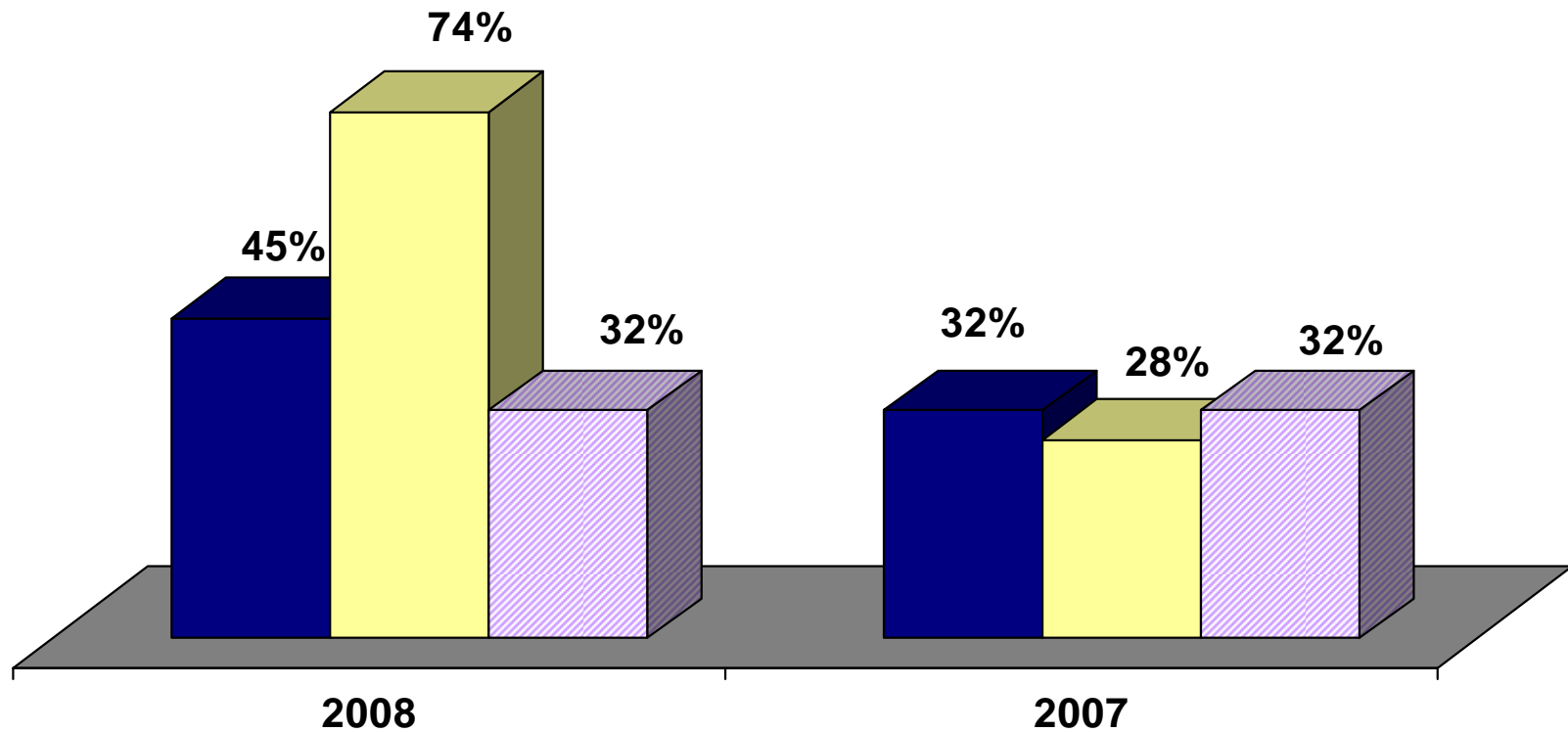
Information From The Internet vs. Information From Agent

2004 2005 2006 2007 2008



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

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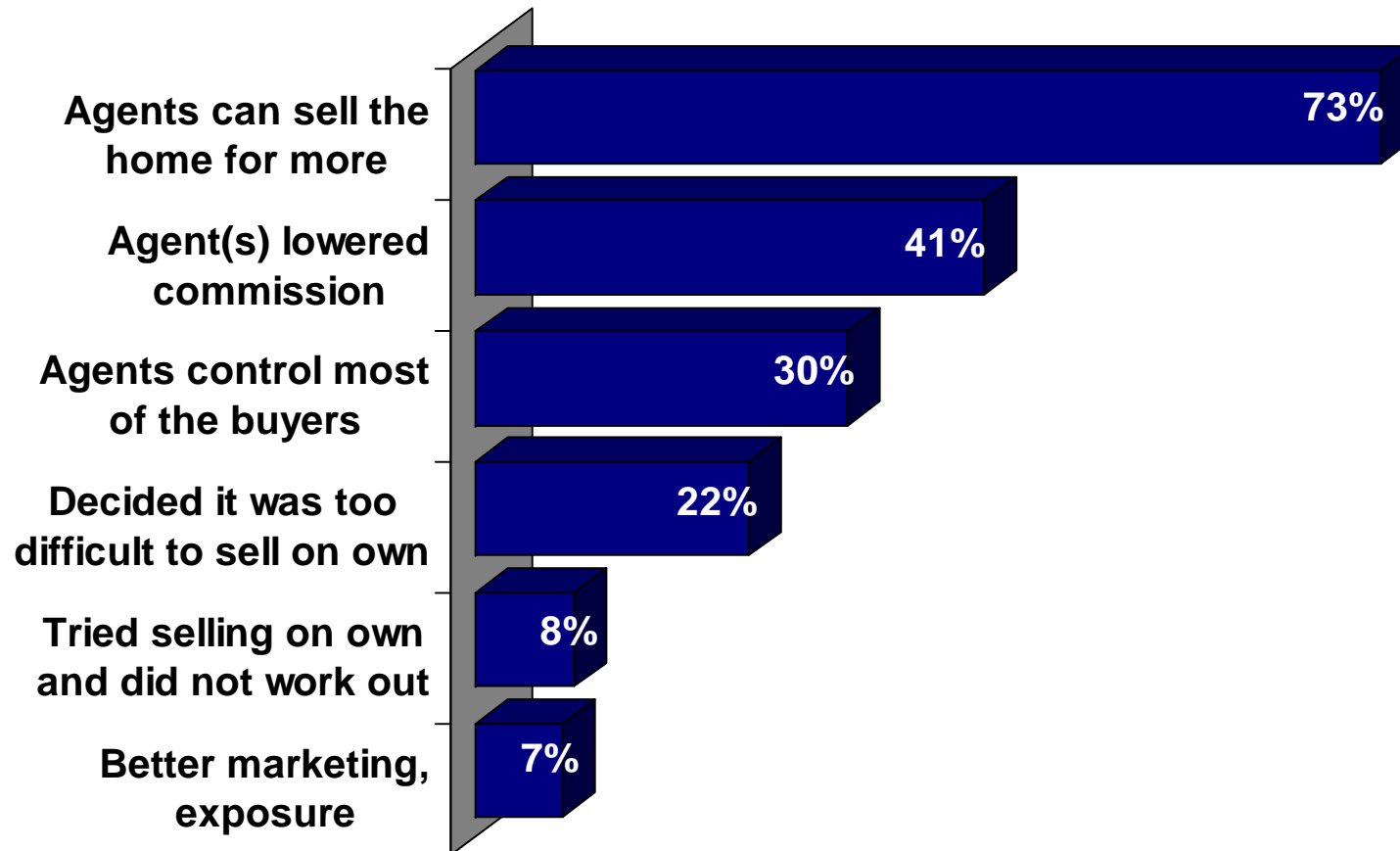
Use of A Real Estate Agent



Reasons For Use Of An Agent

-For those who considered not using an agent-

N=260

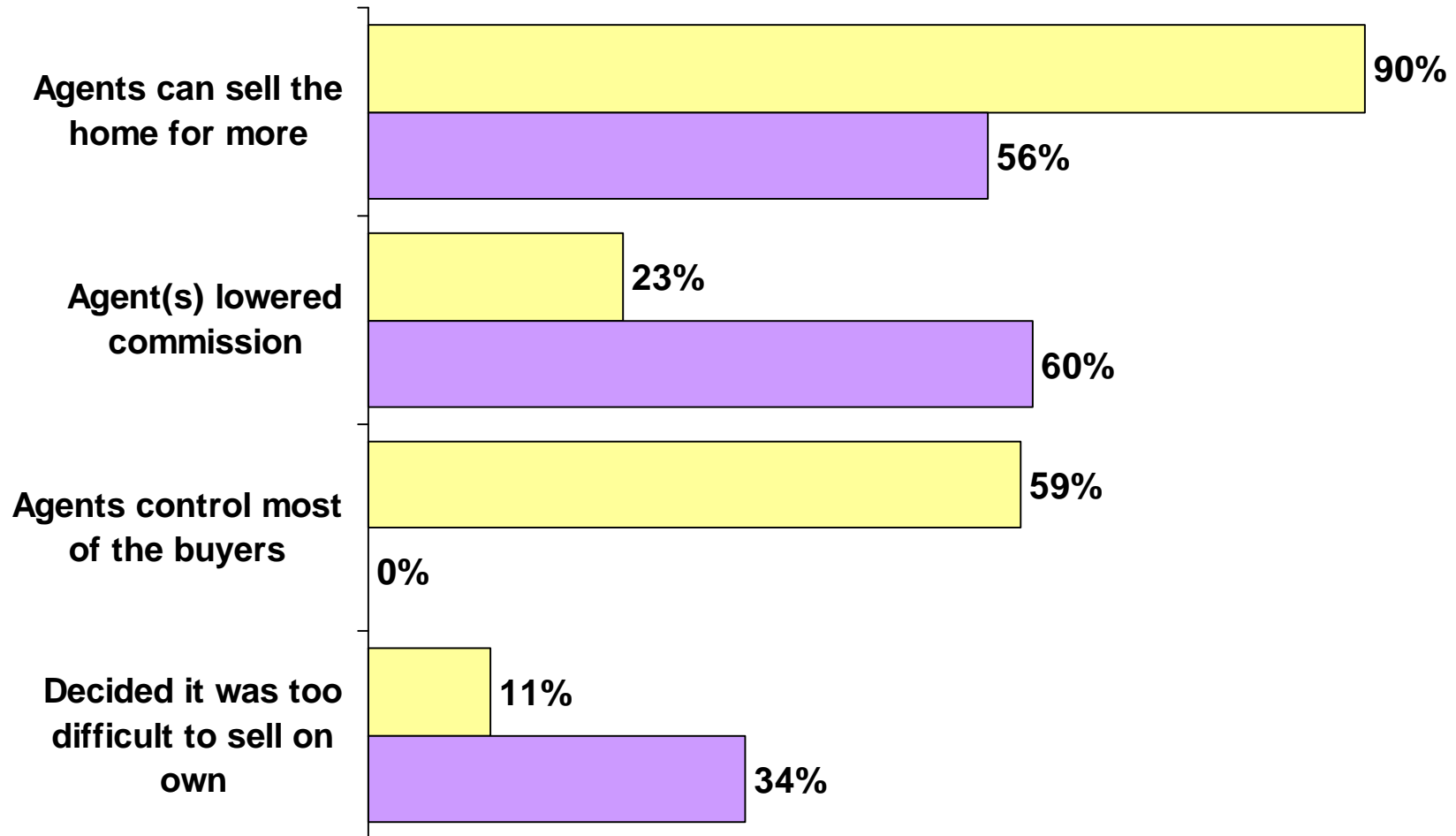


Reasons For Use Of An Agent

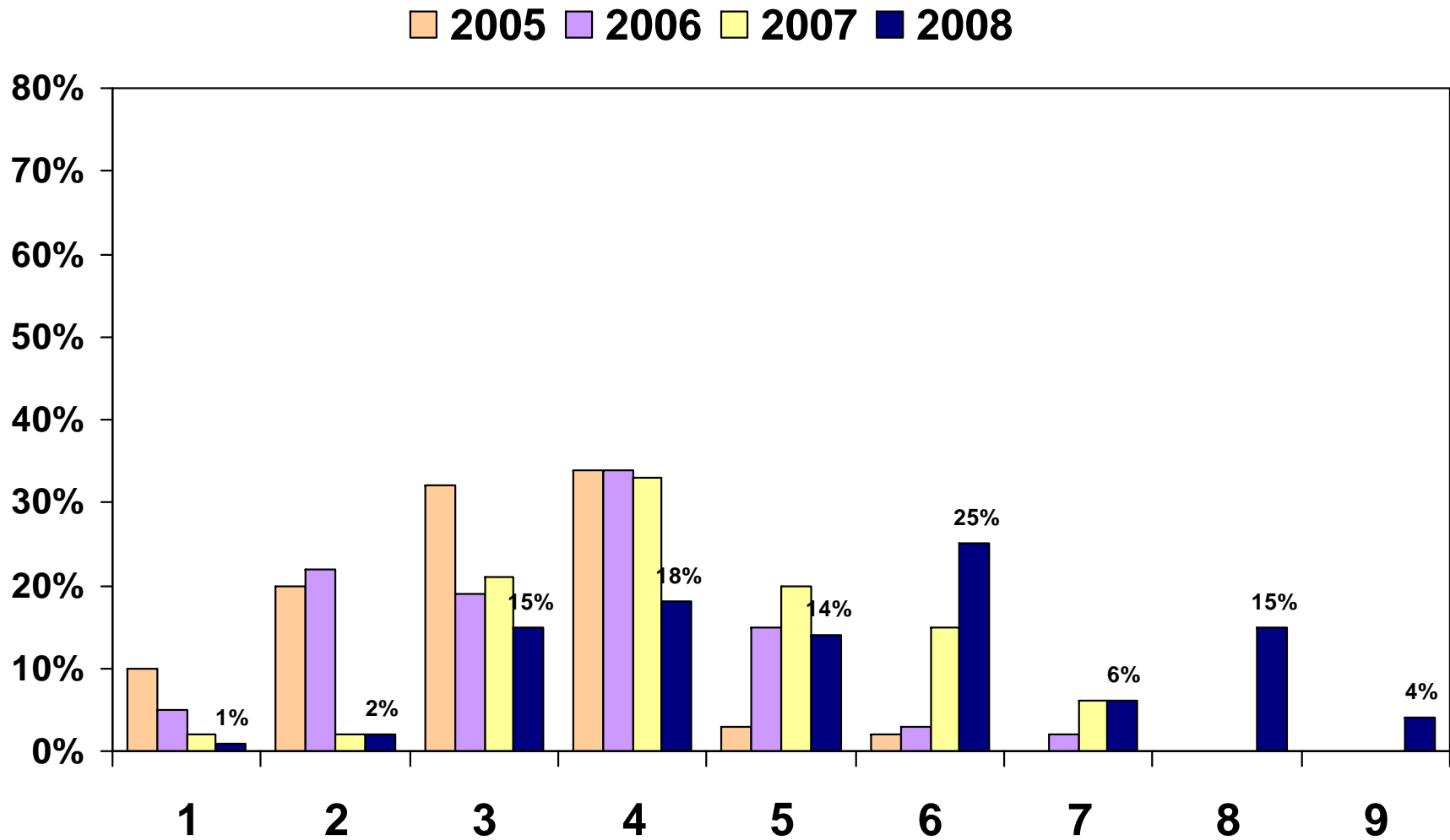
-For those who considered not using an agent-

N=260

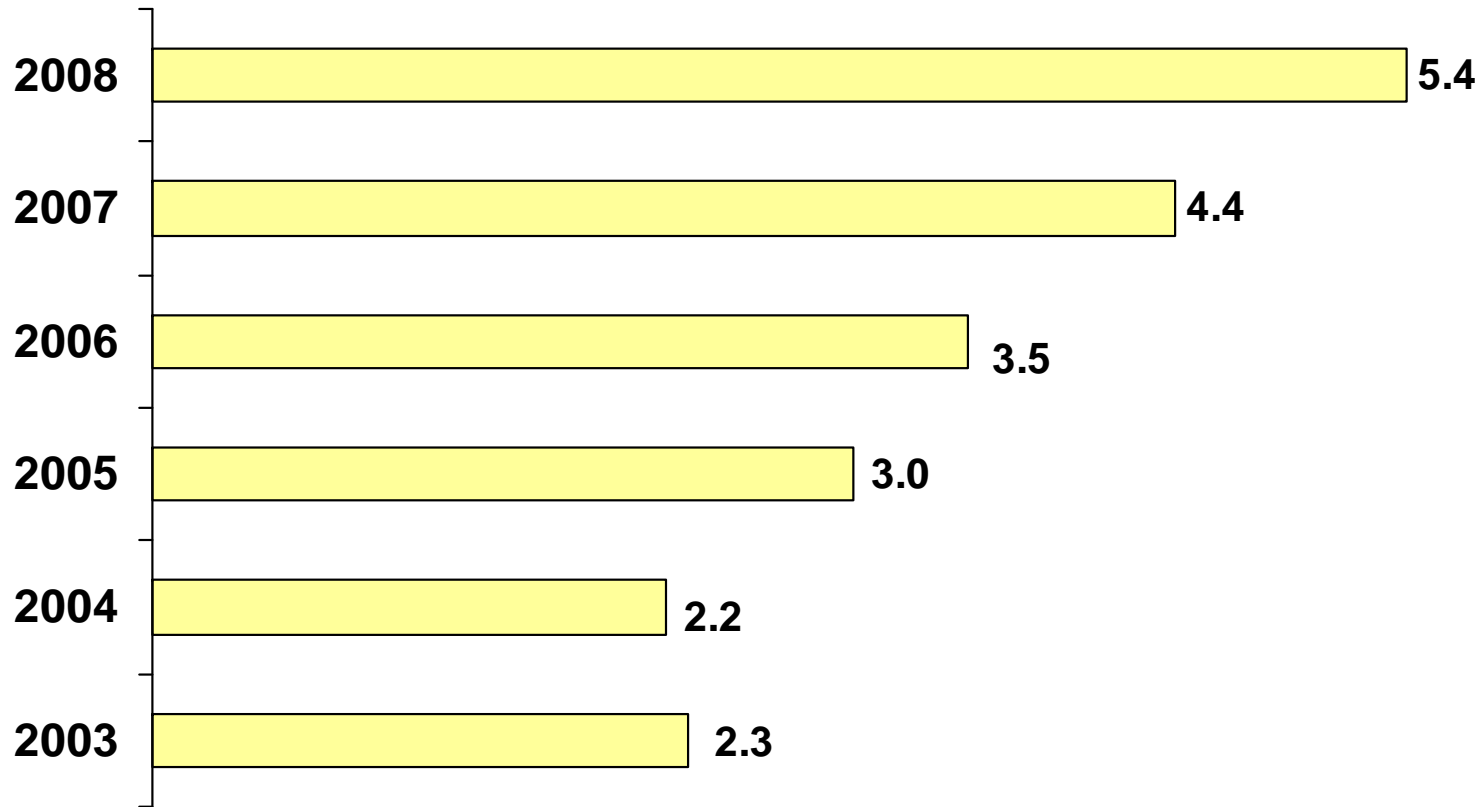
■ First-Time Sellers ■ Experienced Sellers



Number Of Real Estate Agents Interviewed

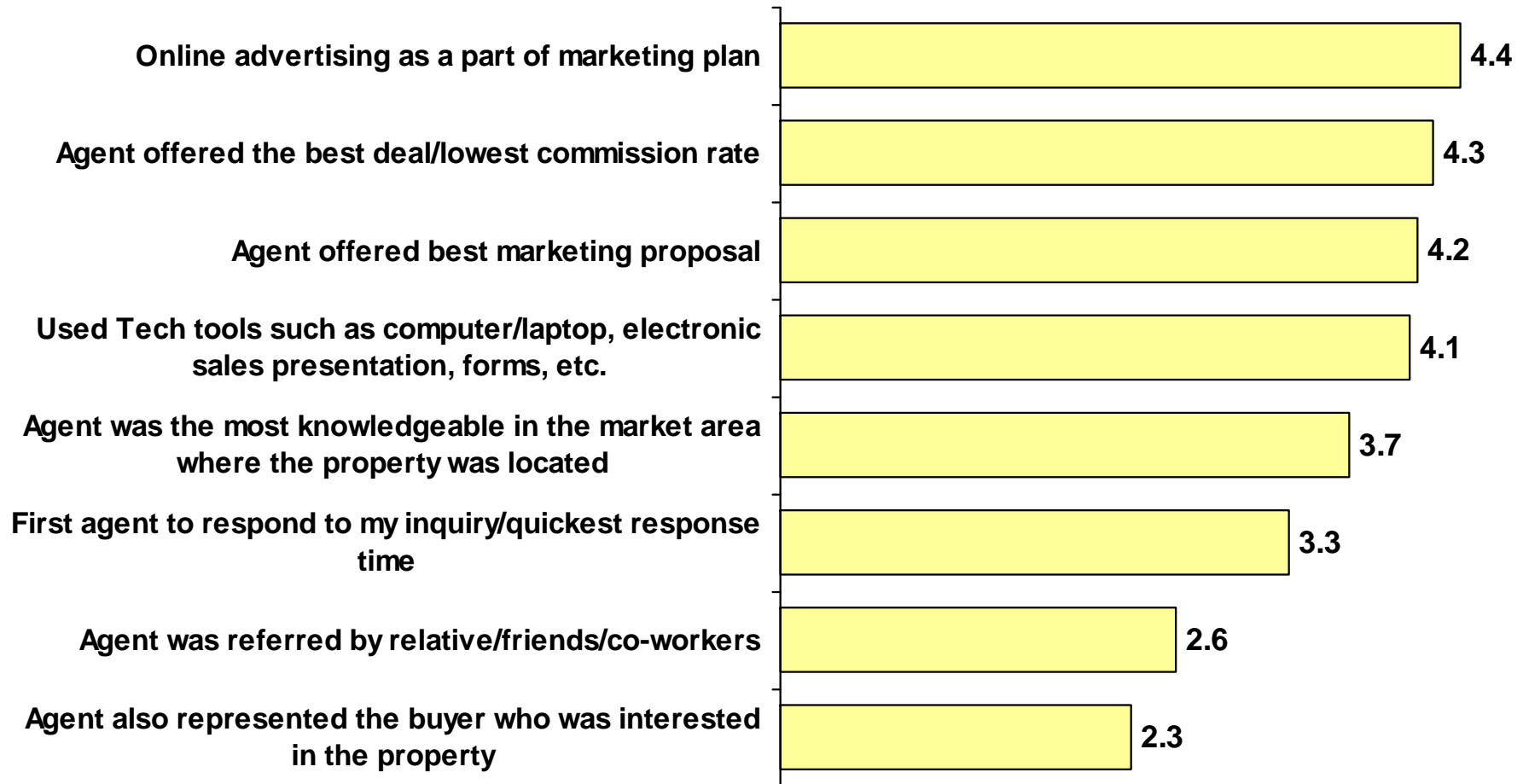


Number Of Real Estate Agents Interviewed



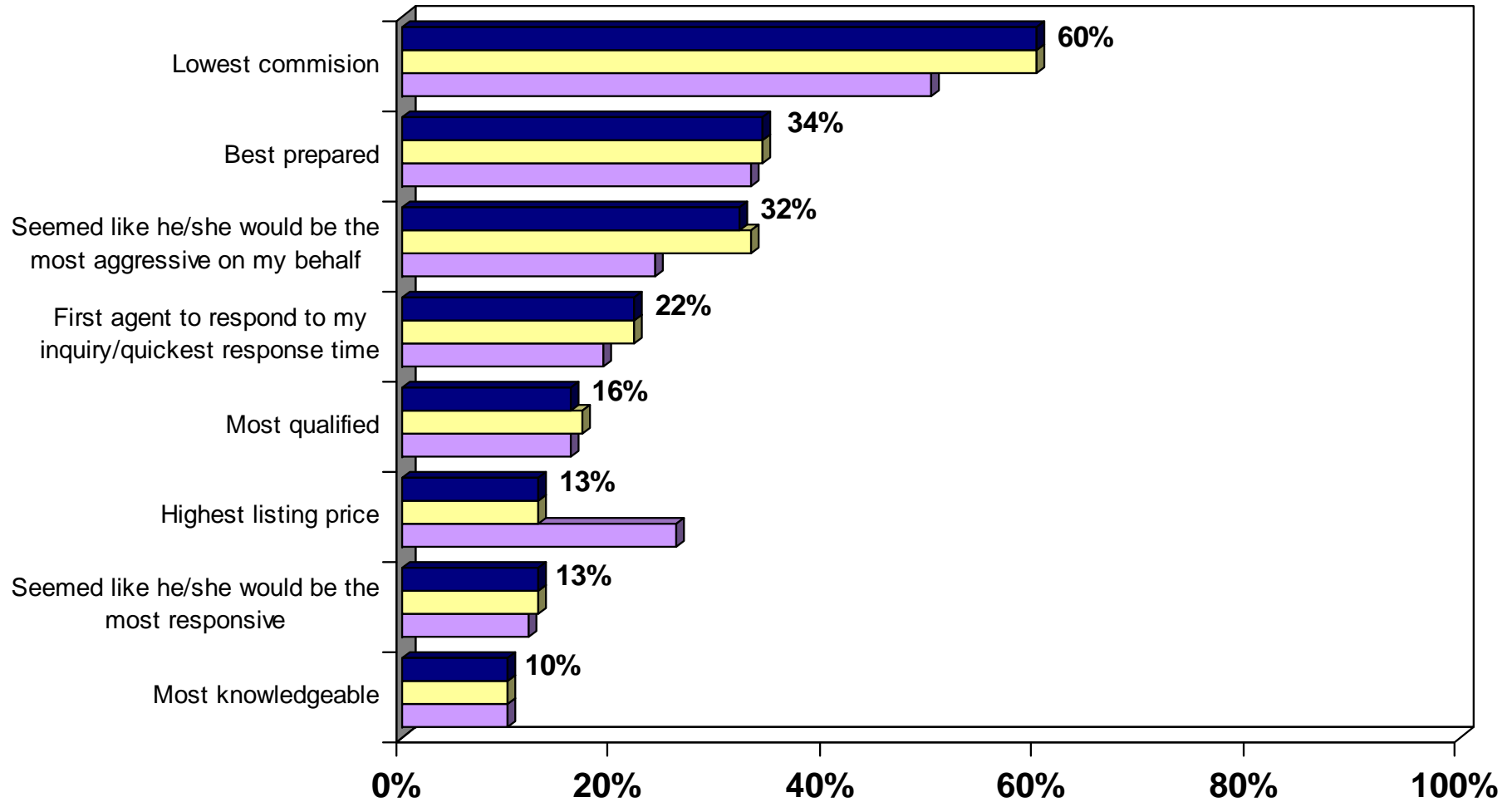
Importance Of Agent Selection

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



Factors in Selecting Real Estate Agent

2006 2007 2008

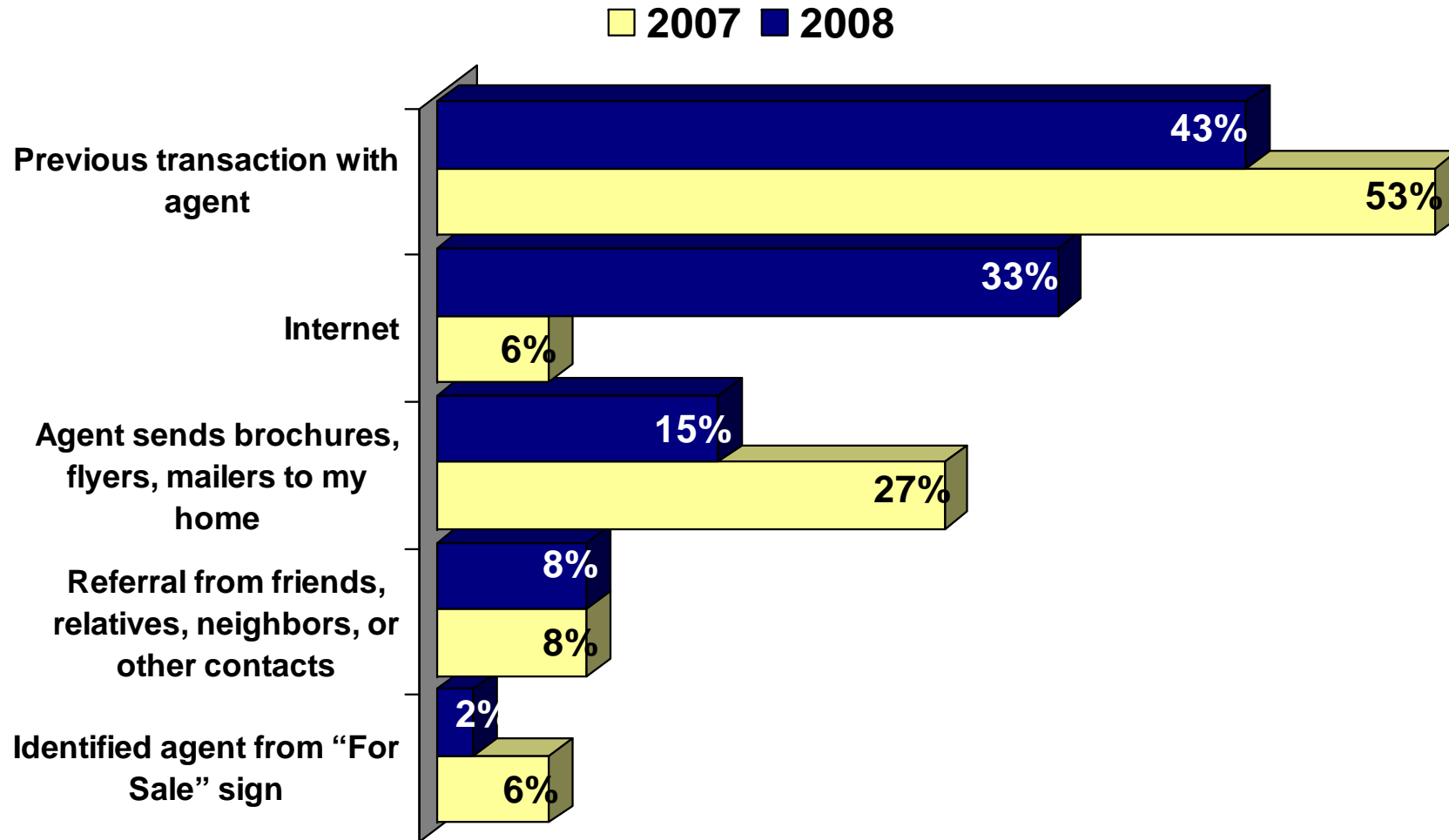


Factors in Selecting Real Estate Agent

| | 2005 | 2006 | 2007 | 2008 |
|---|------|------|------|------|
| Low est commision | 27% | 50% | 60% | 60% |
| Best prepared | 31% | 33% | 34% | 34% |
| Seemed like he/she w ould be the most aggressive on my behalf | 21% | 24% | 33% | 32% |
| First agent to respond to my inquiry/quickest response time | 13% | 19% | 22% | 22% |
| Most qualified | 30% | 16% | 17% | 16% |
| Highest listing price | 15% | 26% | 13% | 13% |
| Seemed like he/she w ould be the most responsive | 20% | 12% | 13% | 13% |
| Most know ledgeable | 10% | 10% | 10% | 10% |



How Sellers Found Their Agents



How Sellers Found Their Agent

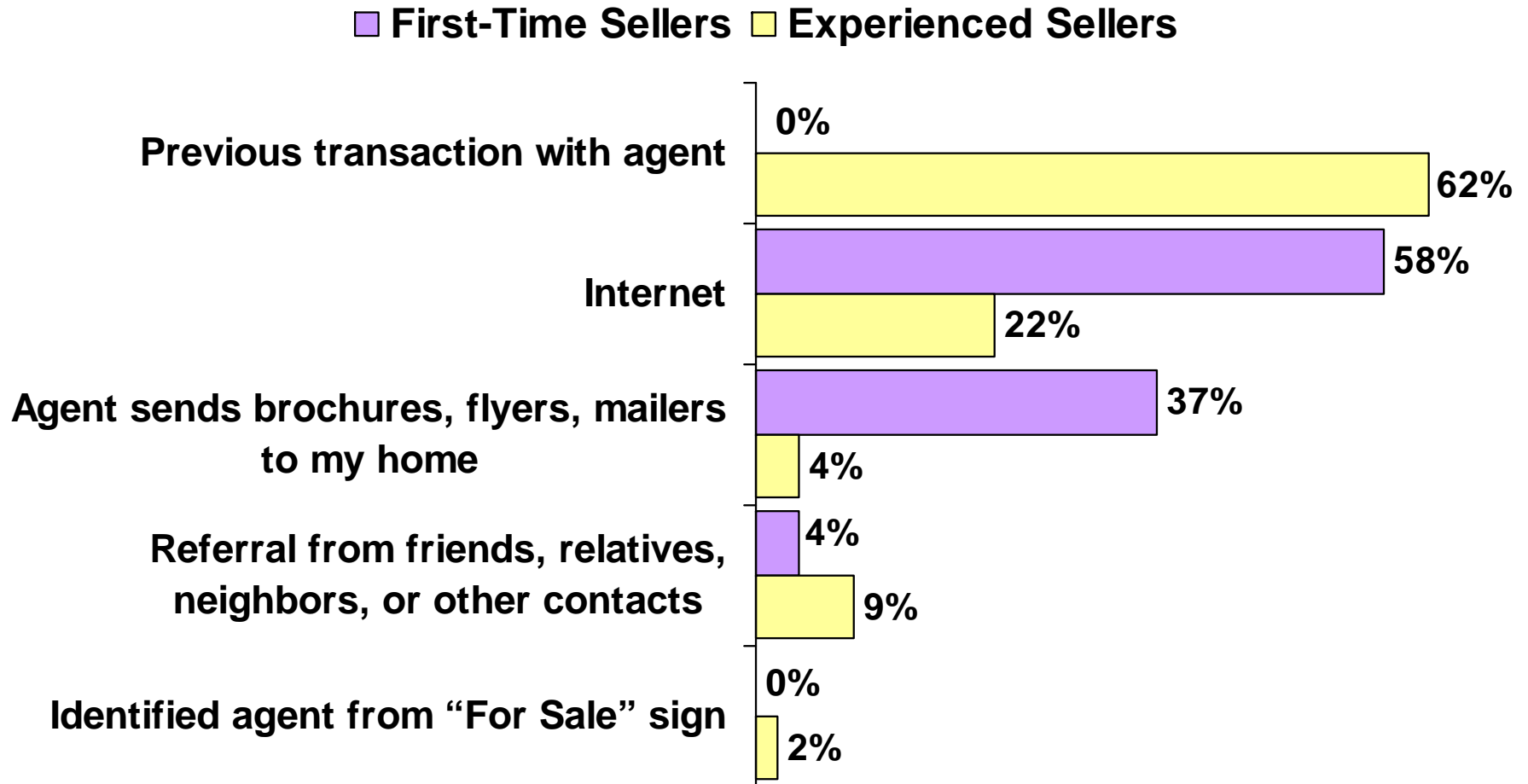
-Historical Comparison-

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------|------|------|------|------|------|------|
| Previous Transaction with Agent | 38% | 48% | 48% | 50% | 53% | 43% |
| Internet | 12% | 10% | 13% | 7% | 6% | 33% |
| Agents Farming Materials | 25% | 24% | 22% | 28% | 27% | 15% |
| Referrals | 10% | 11% | 8% | 8% | 8% | 8% |
| "For Sale" Sign | 15% | 8% | 8% | 7% | 6% | 2% |

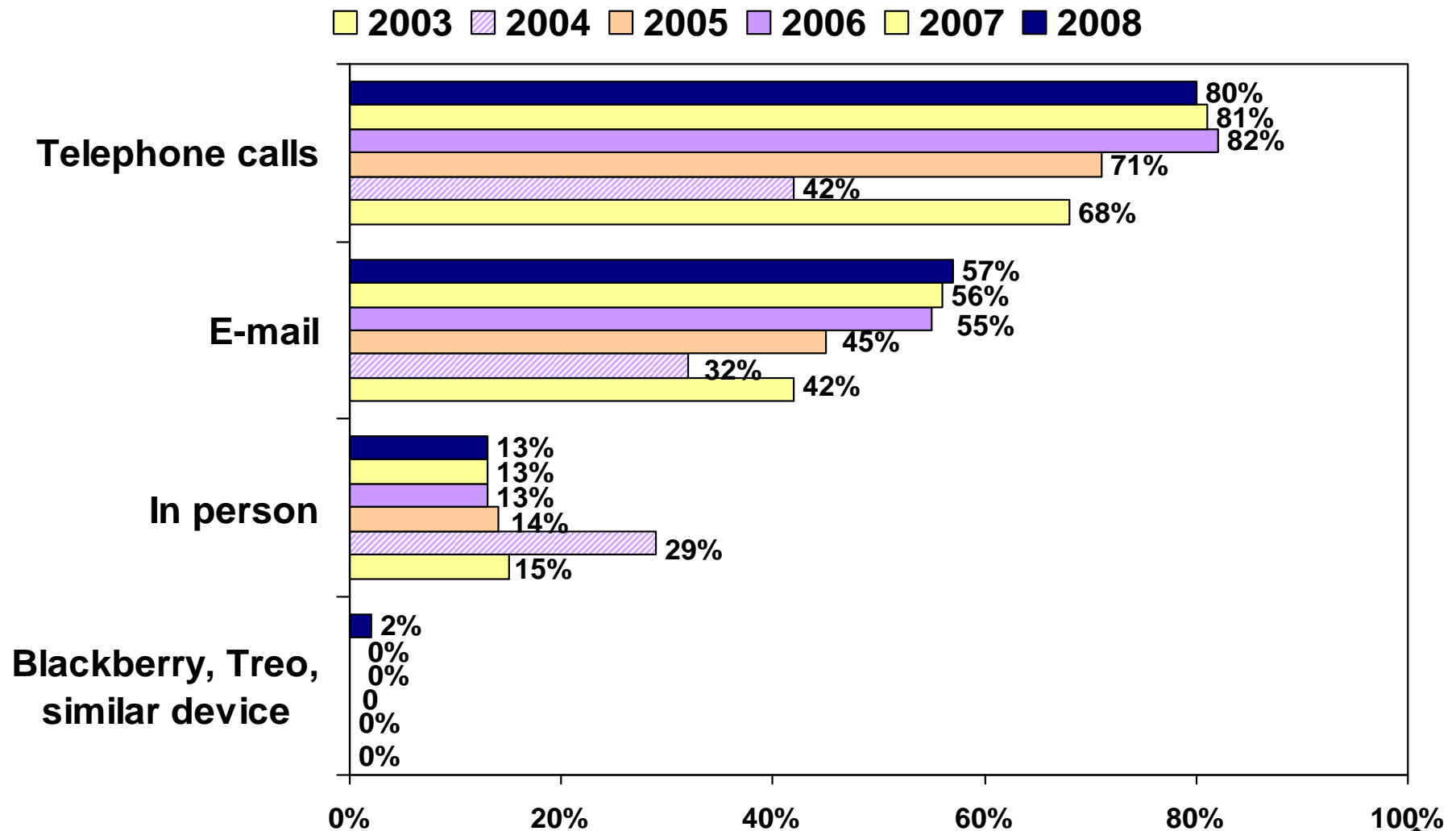


How Sellers Found Their Agents

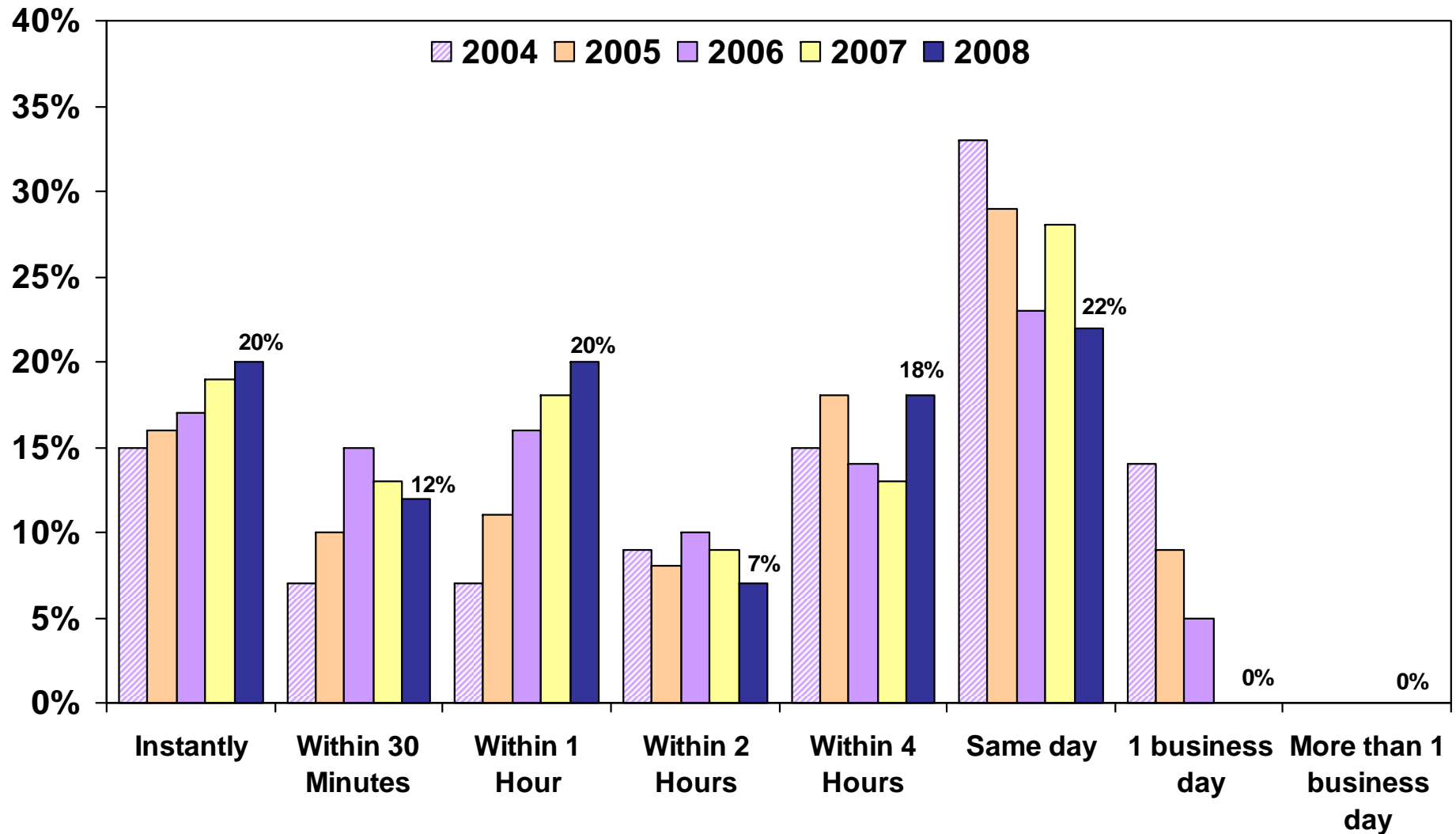
-First-Time vs. Repeat Sellers-



Primary Means Of Communication With Your Real Estate Agent



Seller's Expected Response Time From Agent

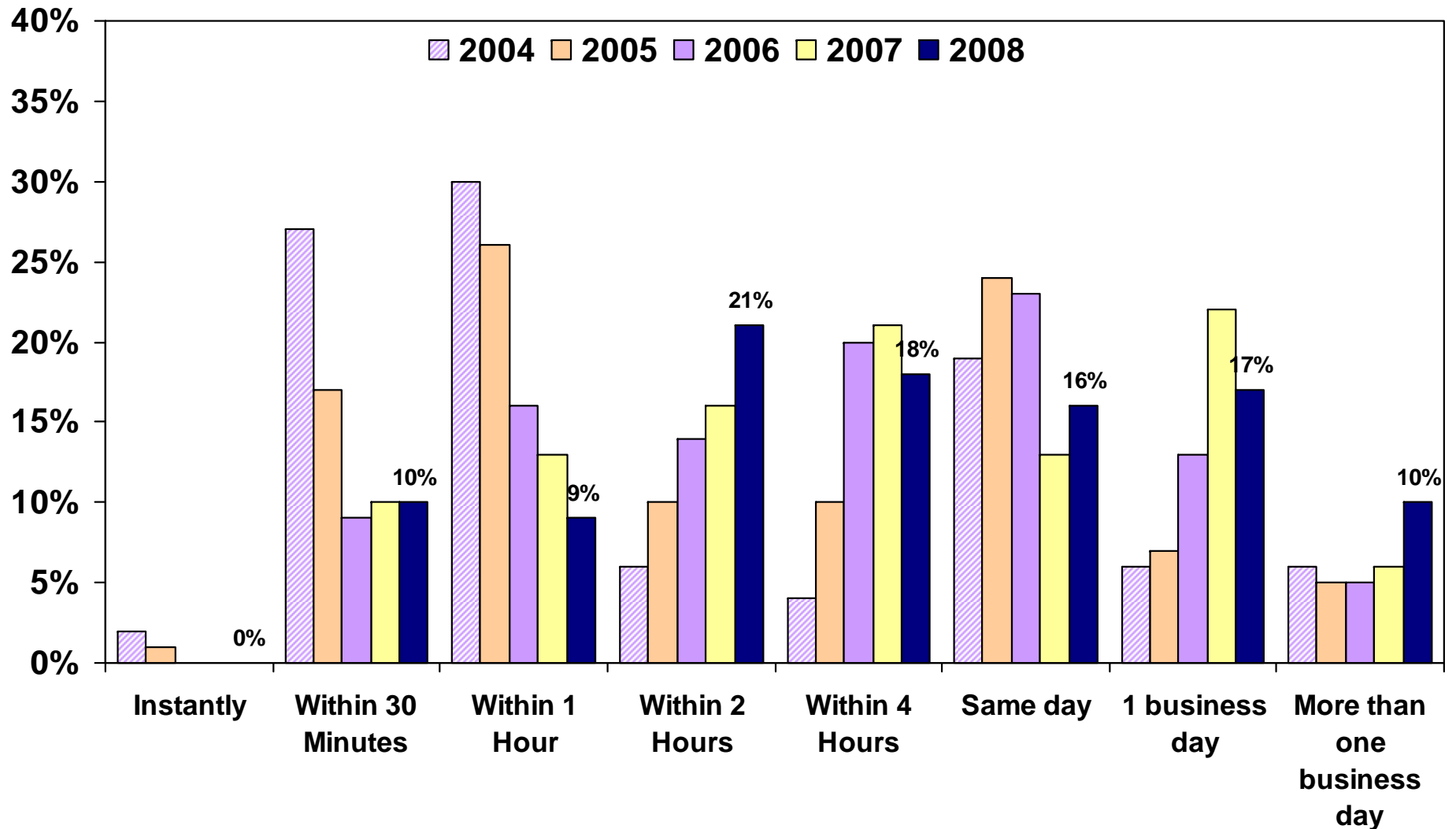


Q: What was the typical response time you EXPECTED from your agent to return any form of communication with you?

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Seller's Actual Response Time From Agent

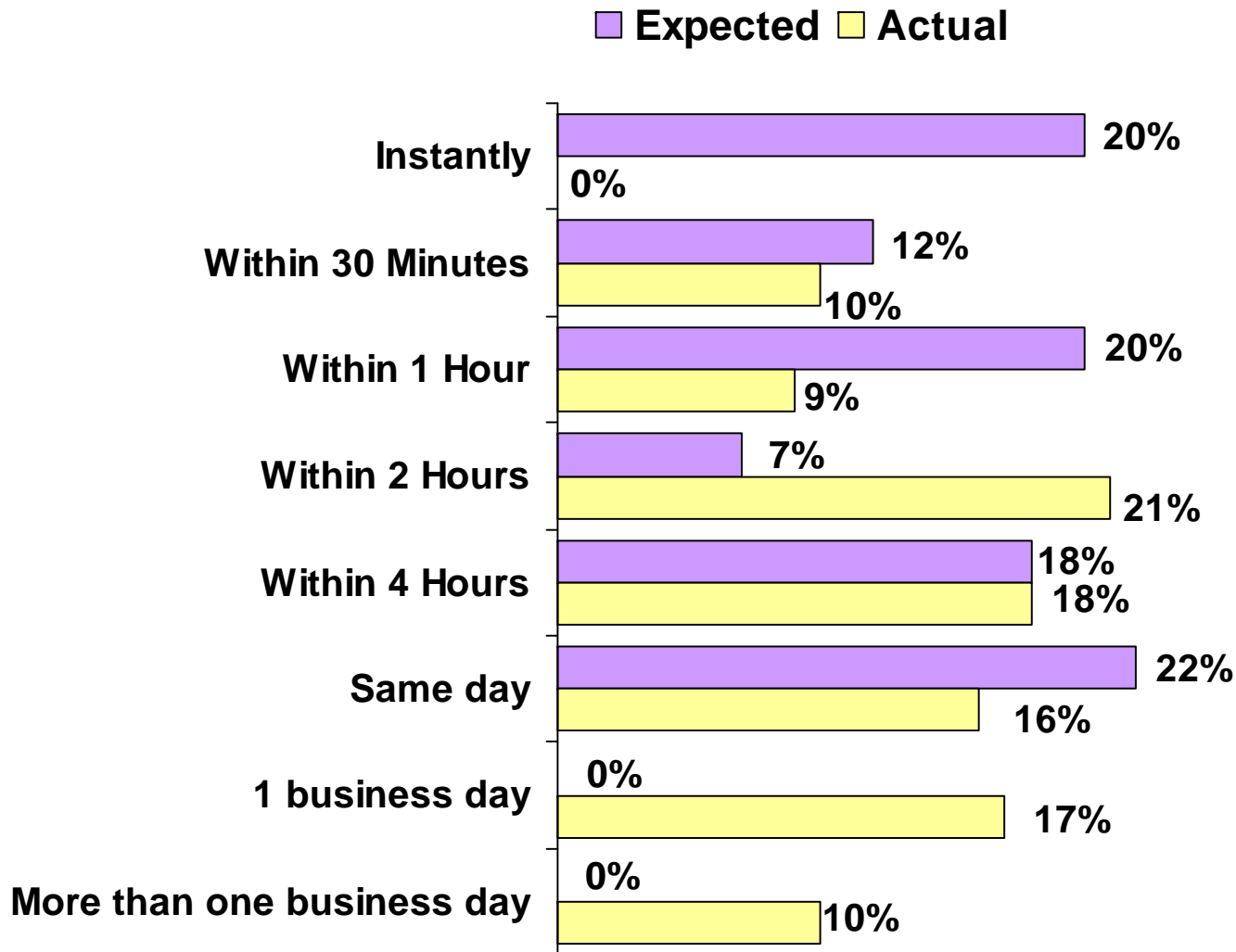


Q: What was the typical response time you ACTUALLY received from your agent to return any form of communication with you?

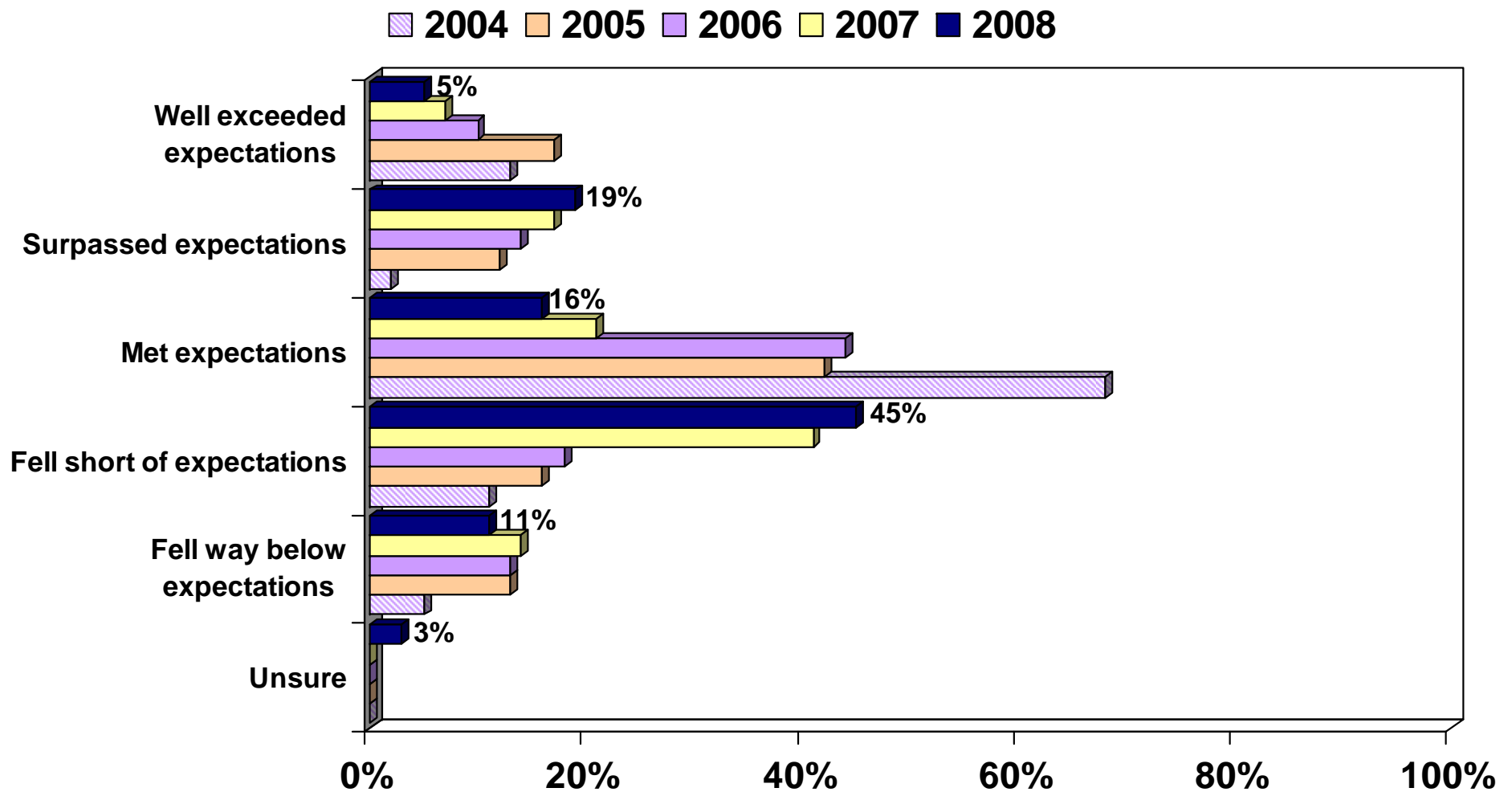
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2008 Expected Versus Actual Response Time

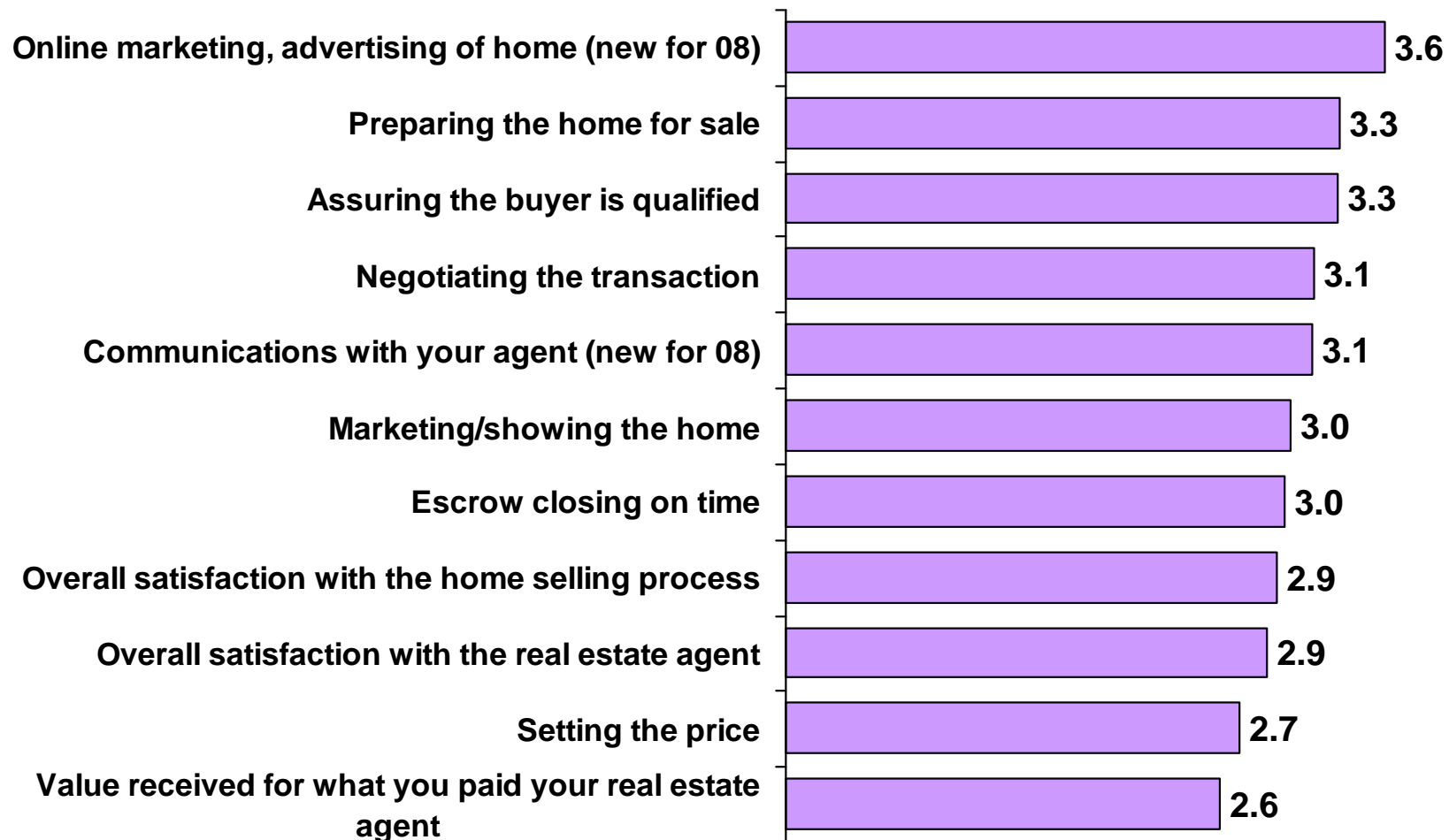


Did Agent Meet Expectations On Response Time?



2008 Satisfaction With Various Aspects Of The Home Selling Process

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



Satisfaction With Various Aspects Of The Home Selling Process

Mean Score On A 5-point Scale

5 Is “Very Satisfied” And 1 Is “Very Dissatisfied”

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

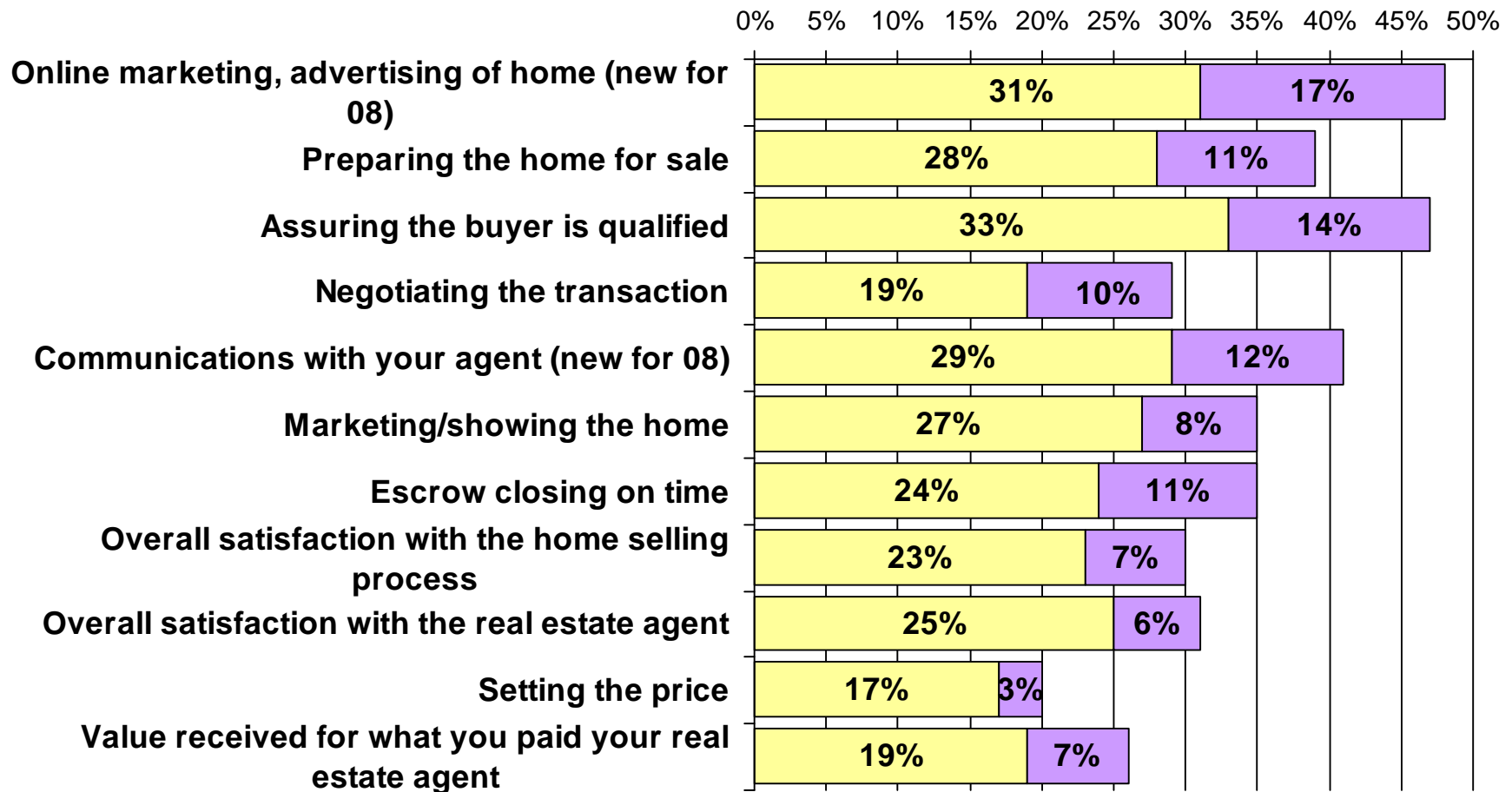
Base is all sellers who used a real estate agent to sell their home.

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Satisfaction With Home Selling Process

■ Satisfied
 ■ Very Satisfied



Reasons Being Satisfied With Agent

N=352



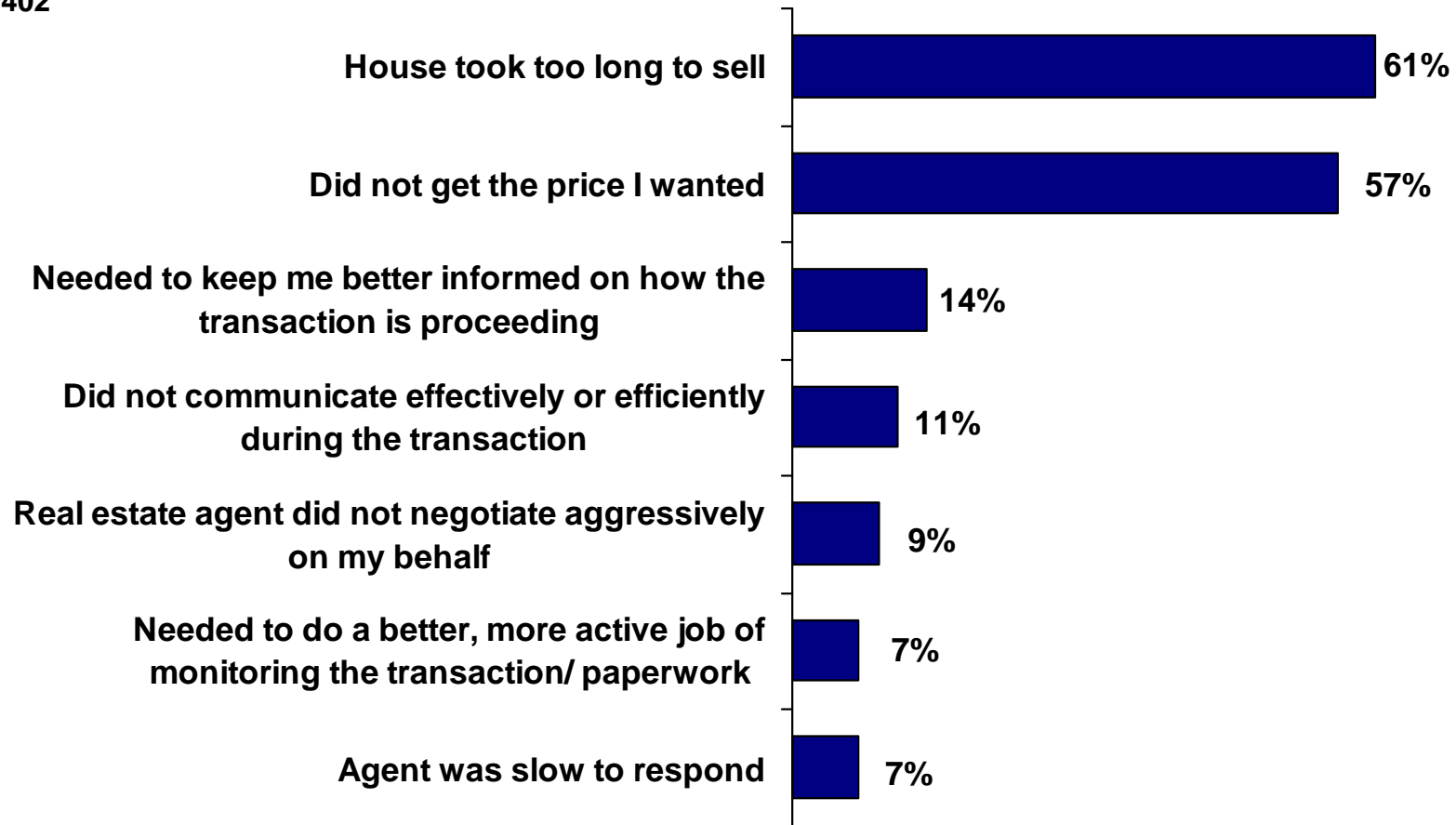
Reasons For Being Satisfied

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



Reasons For Being Dissatisfied

N=402



Selected listing of highest frequency responses.

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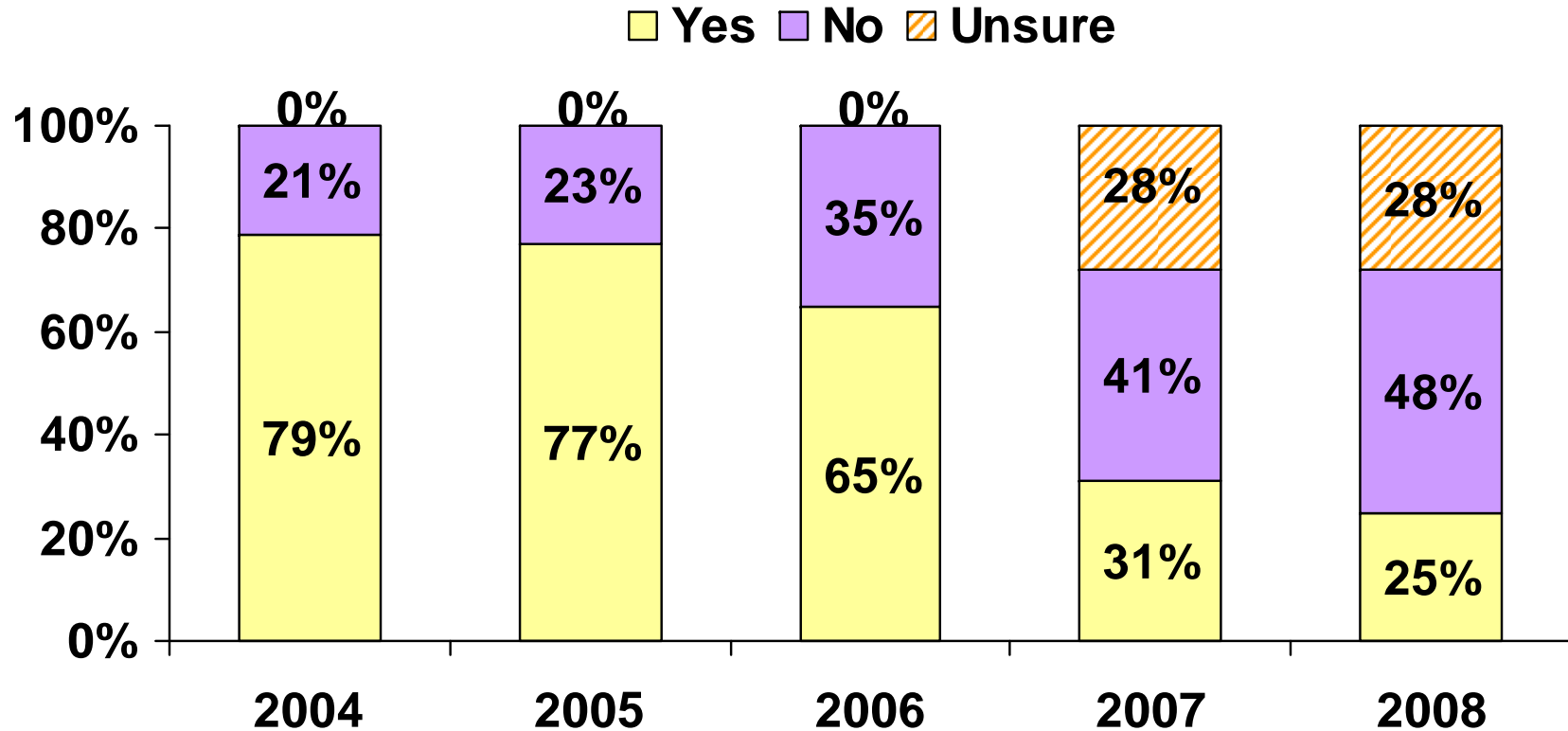


Reasons For Being Dissatisfied

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

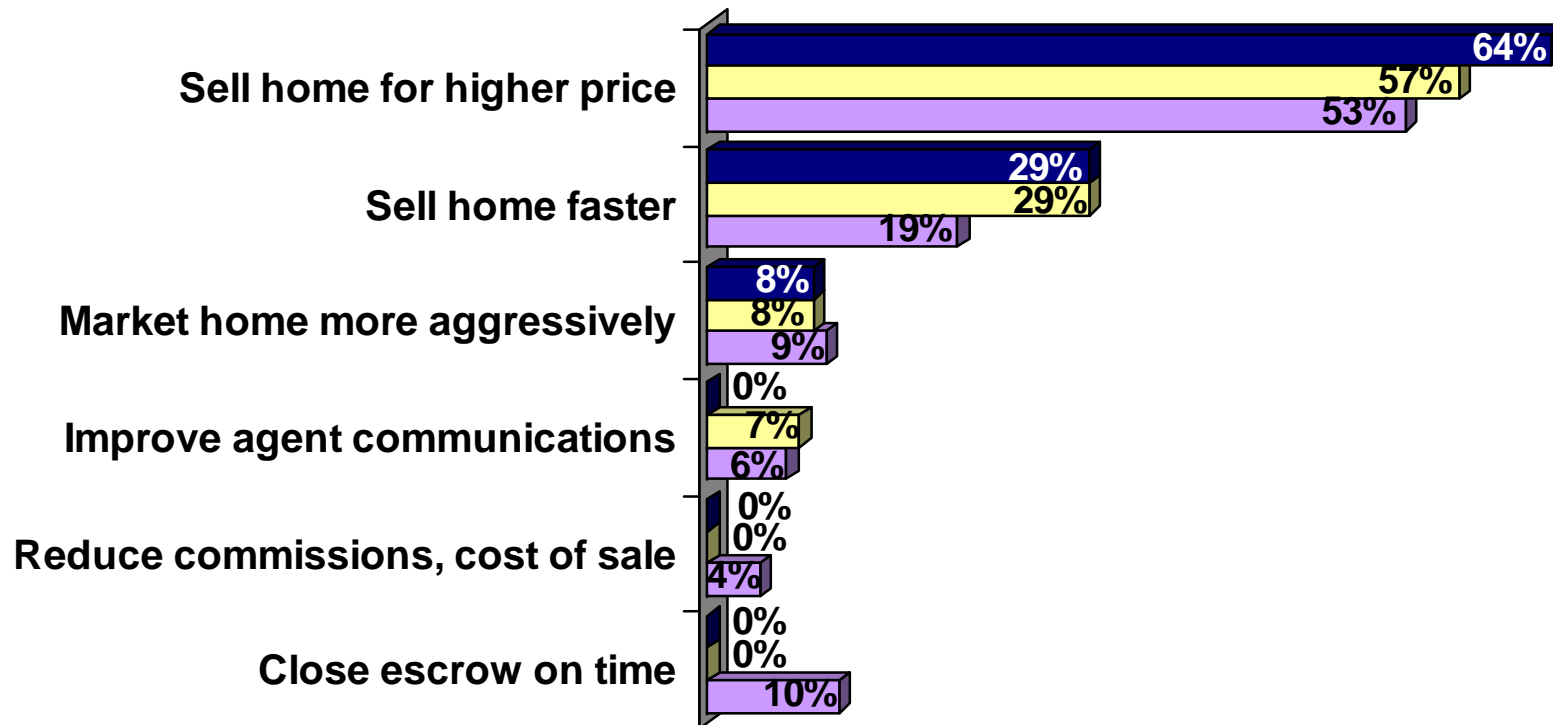


Would Use The Same Agent Again



If Sellers Could Change One Thing About Their Recent Sale...

2006 2007 2008



Age Distribution of Home Sellers

| Age Range | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------|------|------|------|------|------|------|------|
| Under 25 years | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| 25 to 34 years | 17% | 10% | 6% | 5% | 5% | 8% | 18% |
| 35 to 44 years | 37% | 37% | 34% | 36% | 36% | 37% | 45% |
| 45 to 54 years | 35% | 43% | 51% | 50% | 49% | 47% | 28% |
| 55 to 64 | 8% | 7% | 8% | 9% | 9% | 8% | 8% |
| 65 or older | 4% | 4% | 0% | 0% | 0% | 0% | 0% |
| Total* | 101% | 101% | 99% | 100% | 99% | 100% | 99% |

*Totals may not add to 100% due to rounding.



Income Distribution of Home Sellers

| Income Range | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------|------|------|------|------|------|------|
| \$35,000 to \$49,999 | 4% | 2% | 2% | 0% | 0% | 3% |
| \$50,000 to \$74,999 | 7% | 1% | 1% | 1% | 1% | 6% |
| \$75,000 to \$99,999 | 17% | 15% | 15% | 16% | 20% | 20% |
| \$100,000 to \$149,000 | 44% | 46% | 47% | 49% | 45% | 36% |
| \$150,000 to \$199,000 | 21% | 23% | 24% | 23% | 23% | 25% |
| \$200,000 or more | 10% | 13% | 12% | 12% | 12% | 12% |
| Total* | 103% | 100% | 101% | 101% | 101% | 102% |

*Totals may not add to 100% due to rounding.

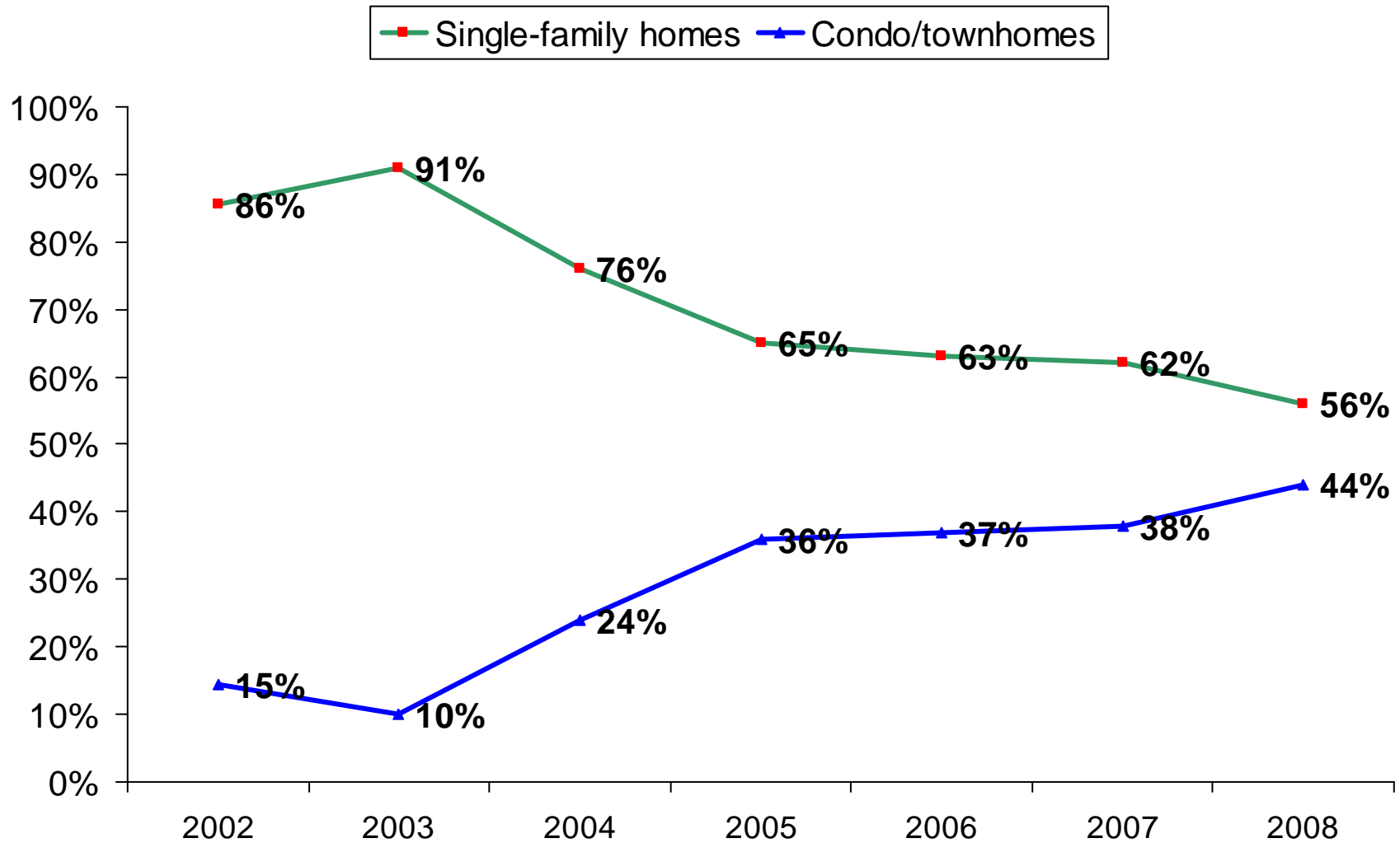


Median Home Price by Type of Seller

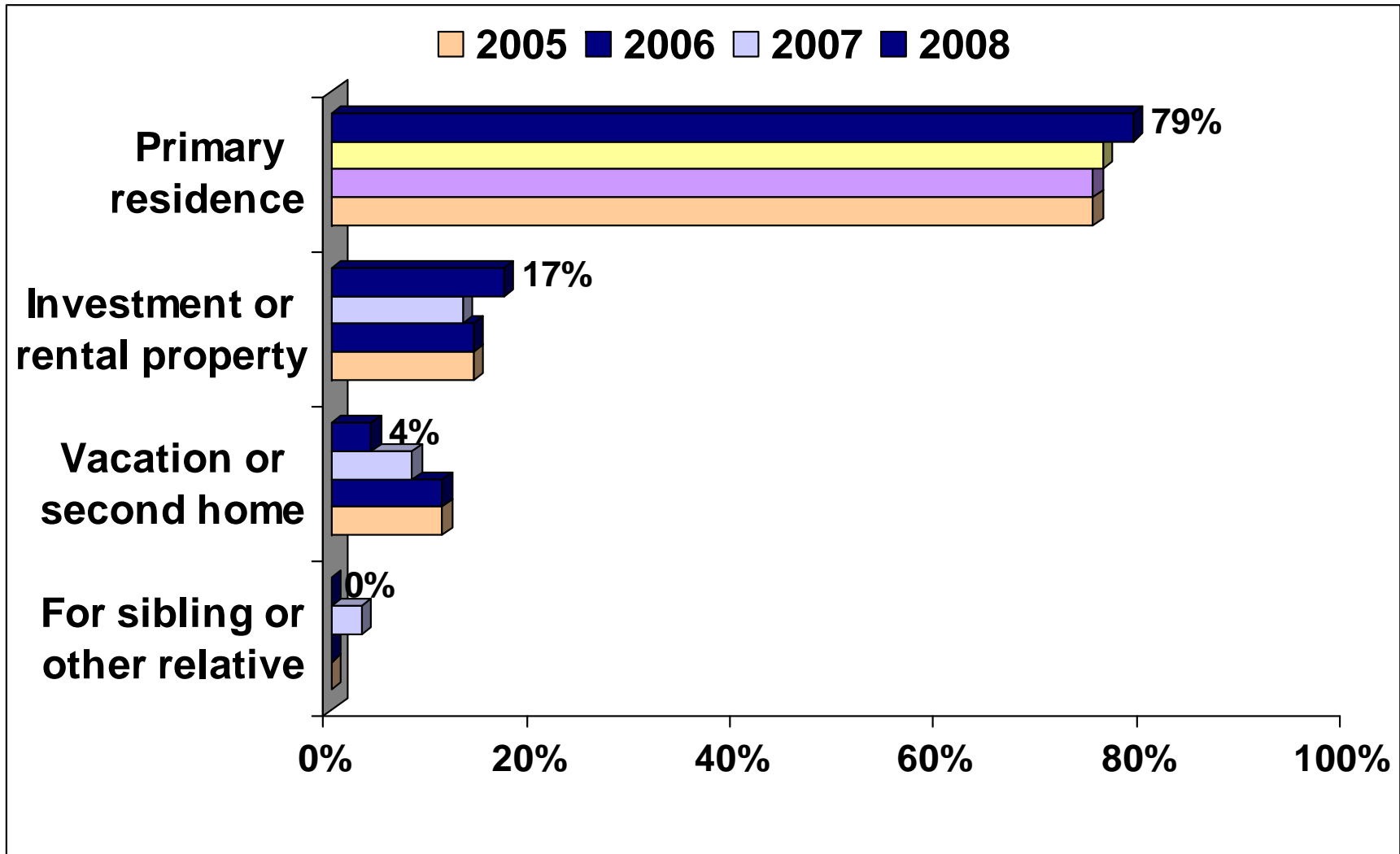
| Year | First Time Home Sellers | Experienced Home Sellers | All Home Sellers |
|------|-------------------------|--------------------------|------------------|
| 2002 | \$325,000 | \$432,500 | \$370,000 |
| 2003 | \$330,000 | \$450,000 | \$450,000 |
| 2004 | \$347,500 | \$490,000 | \$475,000 |
| 2005 | \$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 |



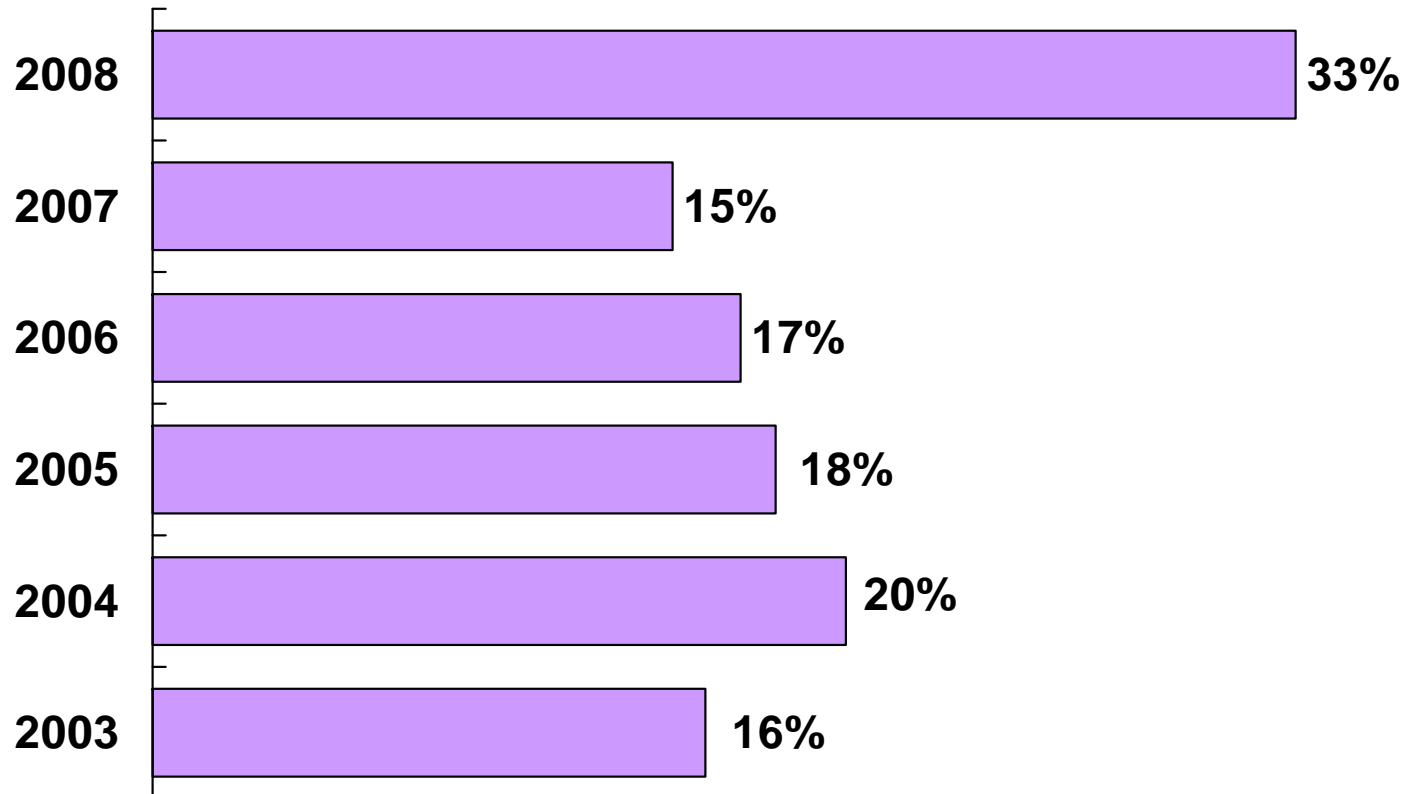
Type of Home Sold



Property Use



First-Time Home Sellers



Sellers Moved To...

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