

# C.A.R. RESEARCH HIGHLIGHTS

## June 5, 2008

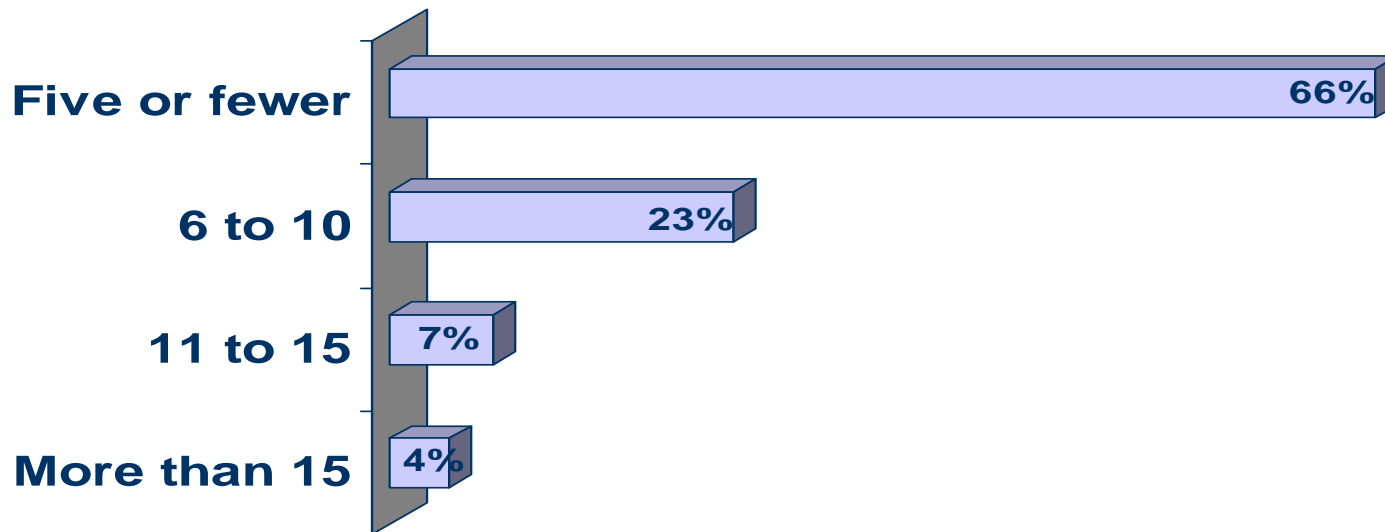
**Joel Singer**  
Executive Vice President  
California Association of REALTORS®

# 2008 Membership Survey

# Number of Closed Escrows

-2007-

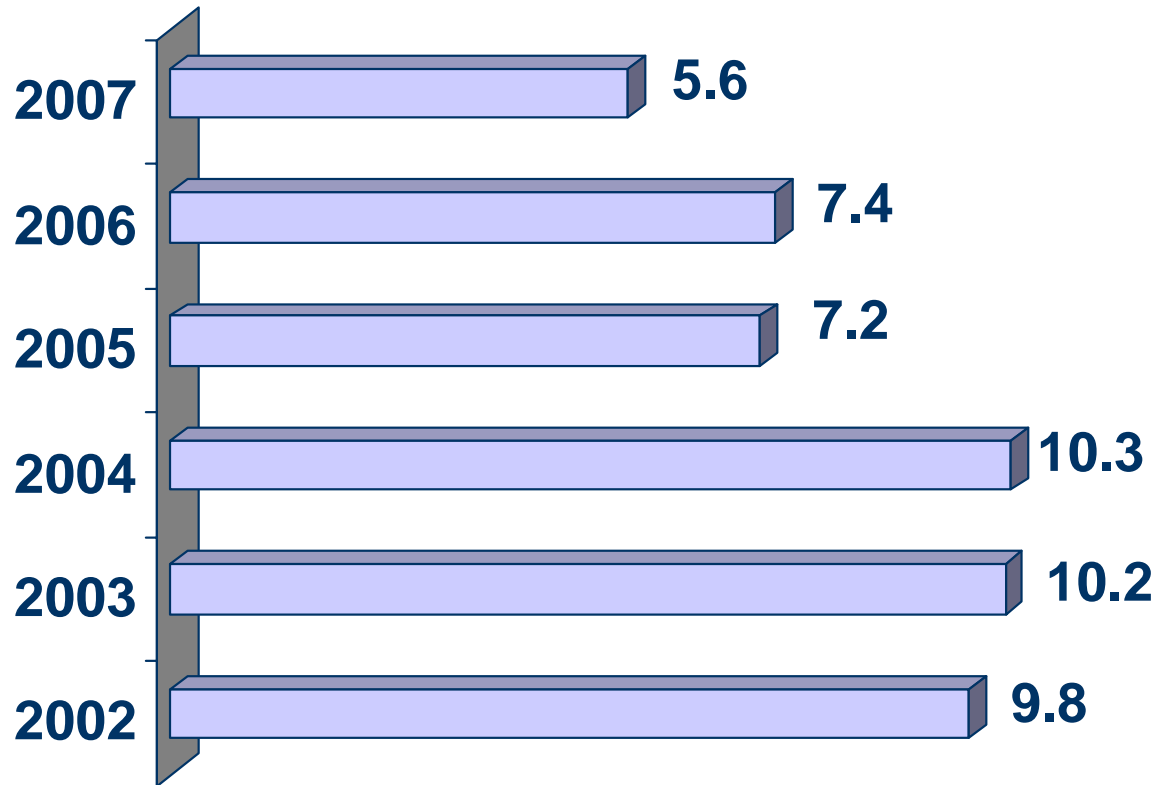
REALTORS® closed 5.6 escrows in 2007 on average (median = 4)



*Q: How many escrows did you close in 2007?*

# Number of Closed Escrows

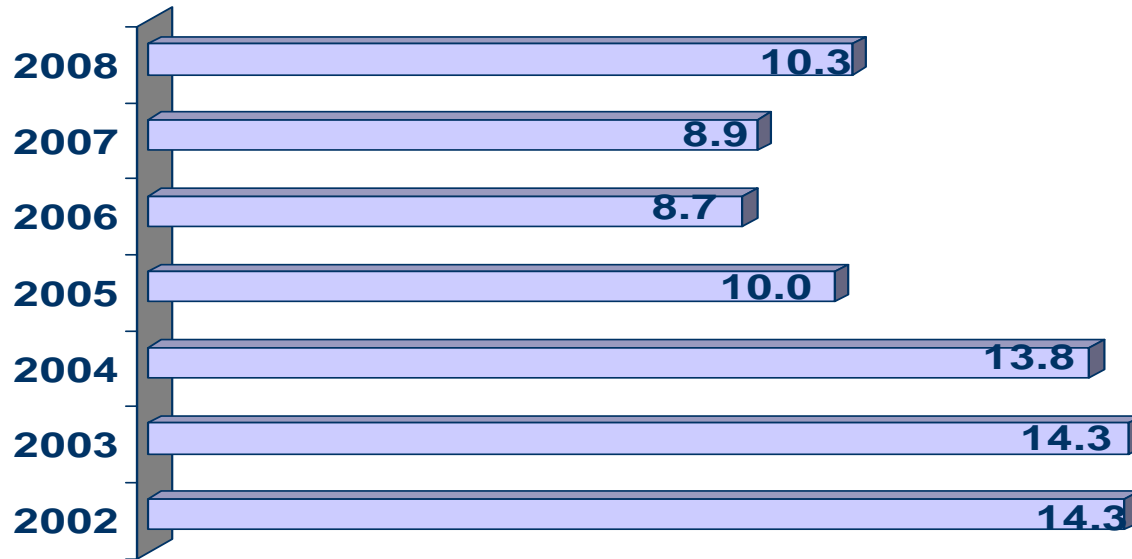
-Historical Trend-



*Q: How many escrows did you close in 2006?*

# Years in Real Estate

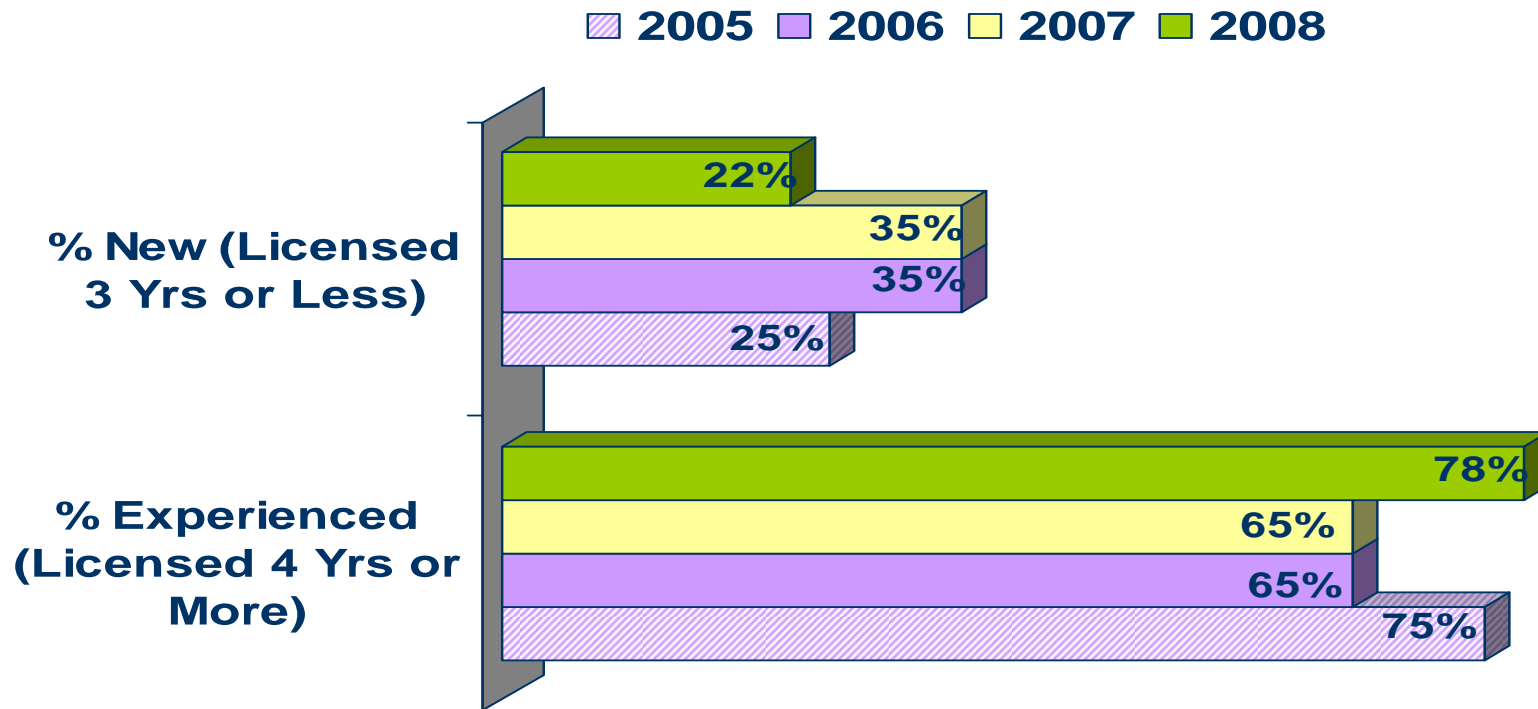
-Historical Average-



*Q: About how many years have you been licensed to sell residential real estate?*

# Proportion of New Members

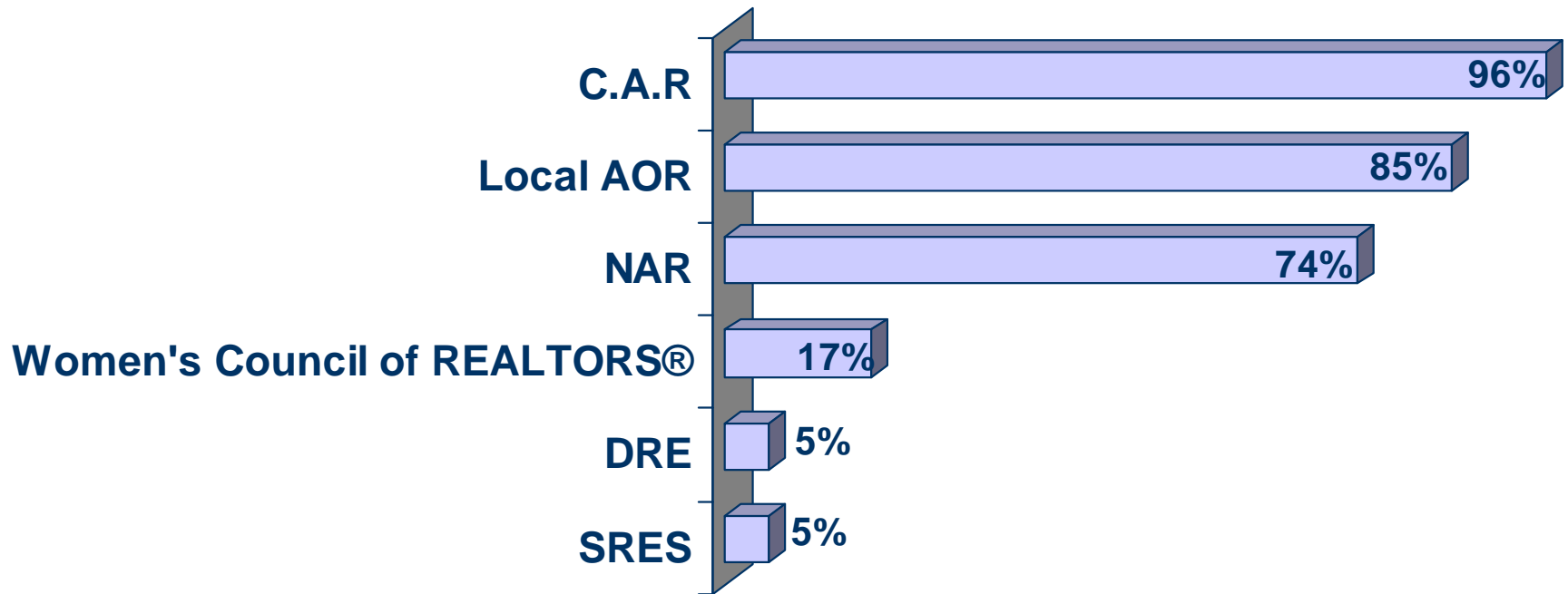
-2008 Membership Survey-



SOURCE: 2008 Membership Survey

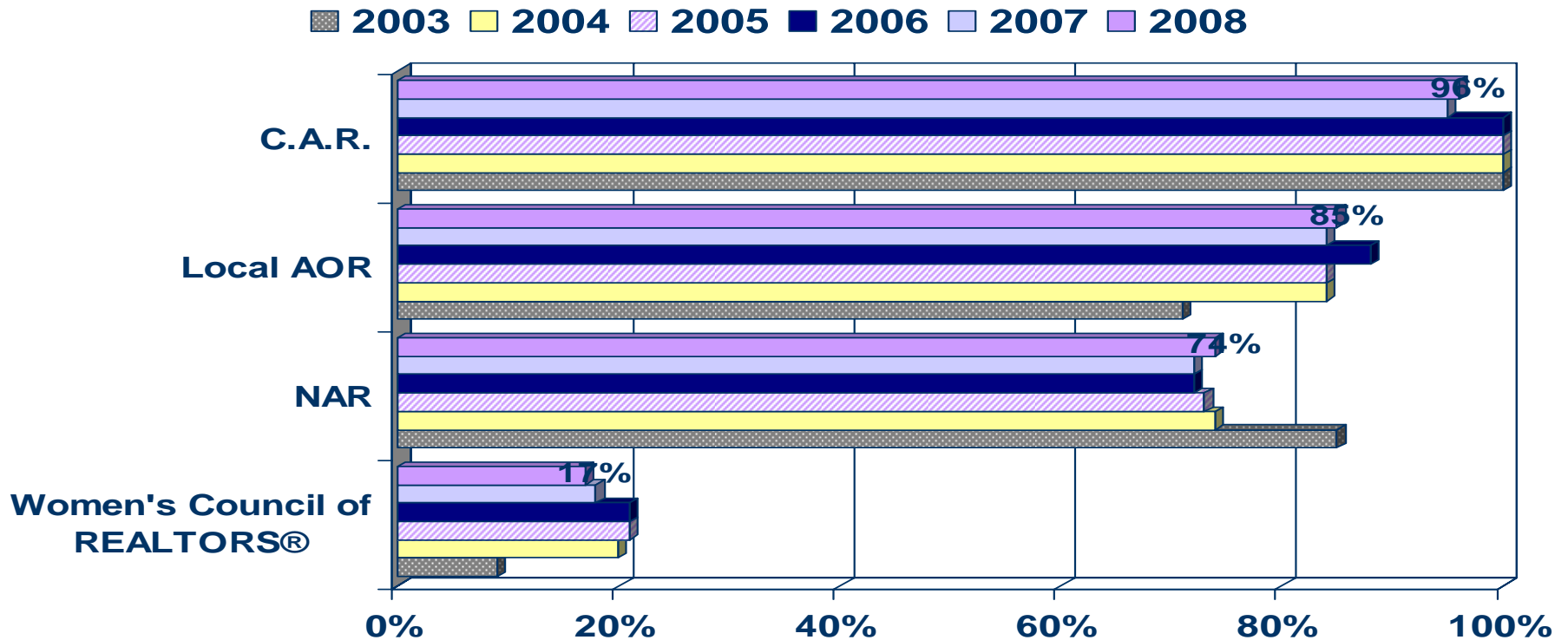
*Q: About how many years have you been licensed to sell residential real estate?*

# Membership in Industry Associations



*Q: What industry (real estate) associations or other organizations do you belong to?*

# Membership in Industry Associations



*Q: What industry (real estate) associations or other organizations do you belong to?*

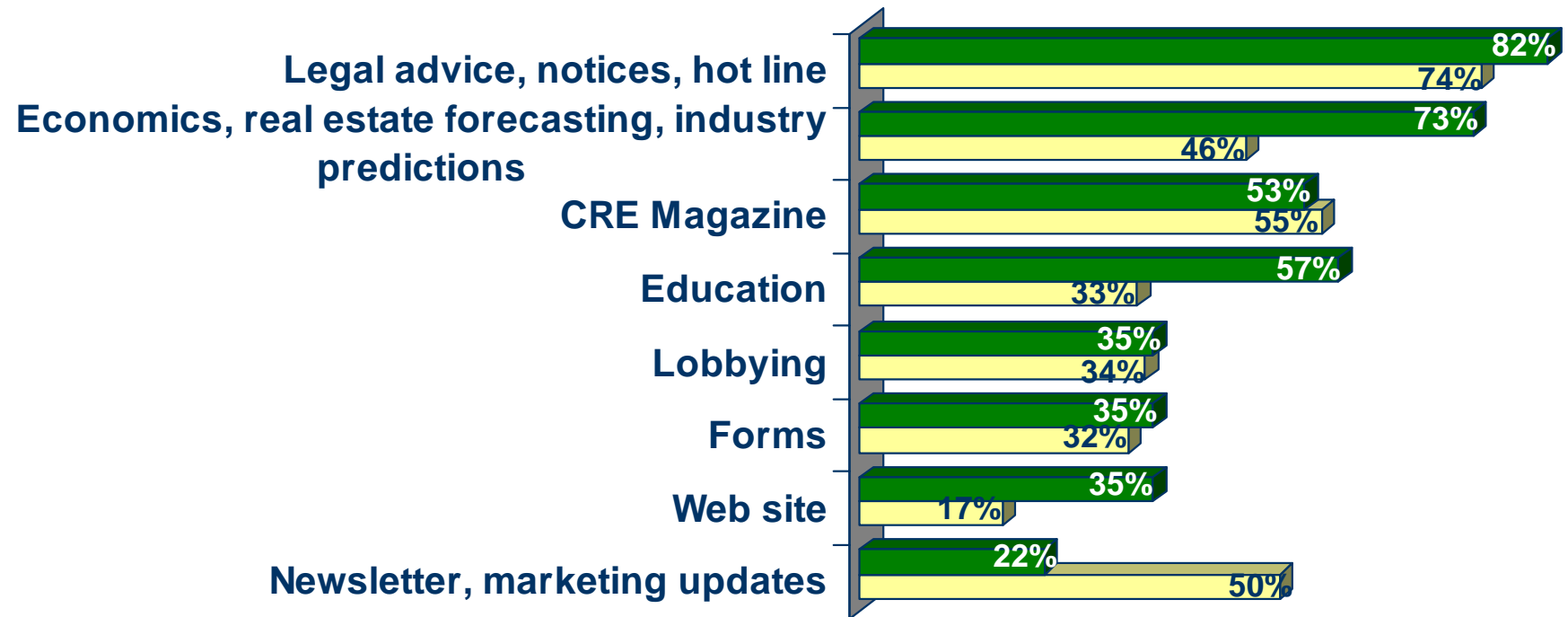
# Unaided Awareness: C.A.R. Membership Benefits -Historical Trend -- All Members -

	2001	2002	2003	2004	2005	2006	2007	2008
Legal advice, notices, Hotline	79%	79%	80%	78%	77%	77%	77%	<b>80%</b>
Economics, real estate forecasting, industry predictions	n/a	64%	76%	78%	76%	72%	64%	<b>67%</b>
CRE Magazine	57%	59%	58%	52%	61%	66%	52%	<b>54%</b>
Education	62%	61%	62%	61%	57%	58%	50%	<b>52%</b>
Forms	52%	49%	52%	49%	50%	66%	36%	<b>35%</b>
Lobbying	28%	27%	25%	24%	25%	32%	32%	<b>35%</b>
Web site	33%	34%	33%	33%	32%	34%	33%	<b>31%</b>
Newsletter, marketing updates	20%	22%	21%	21%	23%	27%	27%	<b>28%</b>
Protects, supports insurance availability	n/a	n/a	n/a	26%	25%	23%	23%	<b>22%</b>
Protects industry	10%	n/a	34%	25%	29%	31%	20%	<b>22%</b>
Protects REALTORS® from lawyers and/or special interests	n/a	n/a	n/a	24%	32%	34%	19%	<b>20%</b>
Professional standards and ethics	21%	20%	20%	18%	18%	18%	19%	<b>20%</b>
Advertising	76%	73%	75%	63%	65%	18%	18%	<b>17%</b>

*Q: What benefits do you get from membership in the California Association of REALTORS®?*

# Unaided Awareness: C.A.R. Membership Benefits

■ Newer Agents (4.8 benefits) ■ Experienced Agents (5.4 benefits)



Select list of highest frequency mentions

*Q: What benefits do you get from membership in the California Association of REALTORS®?*

# Unaided Awareness: C.A.R. Products & Services -Historical Trend-

	2001	2002	2003	2004	2005	2006	2007	2008
Helping you stay current on trends in real estate	49%	51%	67%	69%	70%	70%	70%	74%
Legal Services	69%	75%	70%	71%	75%	78%	70%	72%
Ca.realtor.com (HomeStore.com)	85%	88%	73%	69%	71%	70%	65%	66%
California Real Estate Magazine (CRE)	40%	37%	59%	49%	48%	52%	49%	60%
Standard forms	78%	79%	70%	62%	64%	63%	47%	49%
One-on-one legal hot line	50%	50%	47%	48%	51%	49%	47%	47%
Government Affairs	4%	6%	4%	9%	15%	10%	36%	38%
DRE courses	55%	56%	57%	43%	41%	35%	36%	37%
Publications	23%	24%	23%	25%	25%	25%	35%	34%
Develop, introduce, and advocate CAR-sponsored legislation	8%	7%	6%	6%	7%	7%	21%	31%
Oppose legislation and regulatory efforts adverse to real estate business interests	2%	5%	3%	17%	16%	16%	24%	30%
Protects/Supports insurance availability	n/a	n/a	n/a	48%	56%	61%	44%	26%
C.A.R. Online (www.car.org)	n/a	n/a	n/a	33%	40%	46%	23%	23%
Protects REALTORS® from trial lawyers	n/a	n/a	3%	22%	31%	29%	21%	21%
Educational Services	45%	46%	43%	28%	29%	26%	22%	20%
Fight special interests working against REALTORS®	n/a	n/a	10%	22%	21%	19%	14%	16%

*Q: What information, events, services or products does the California Association of REALTORS offer REALTORS like yourself?*

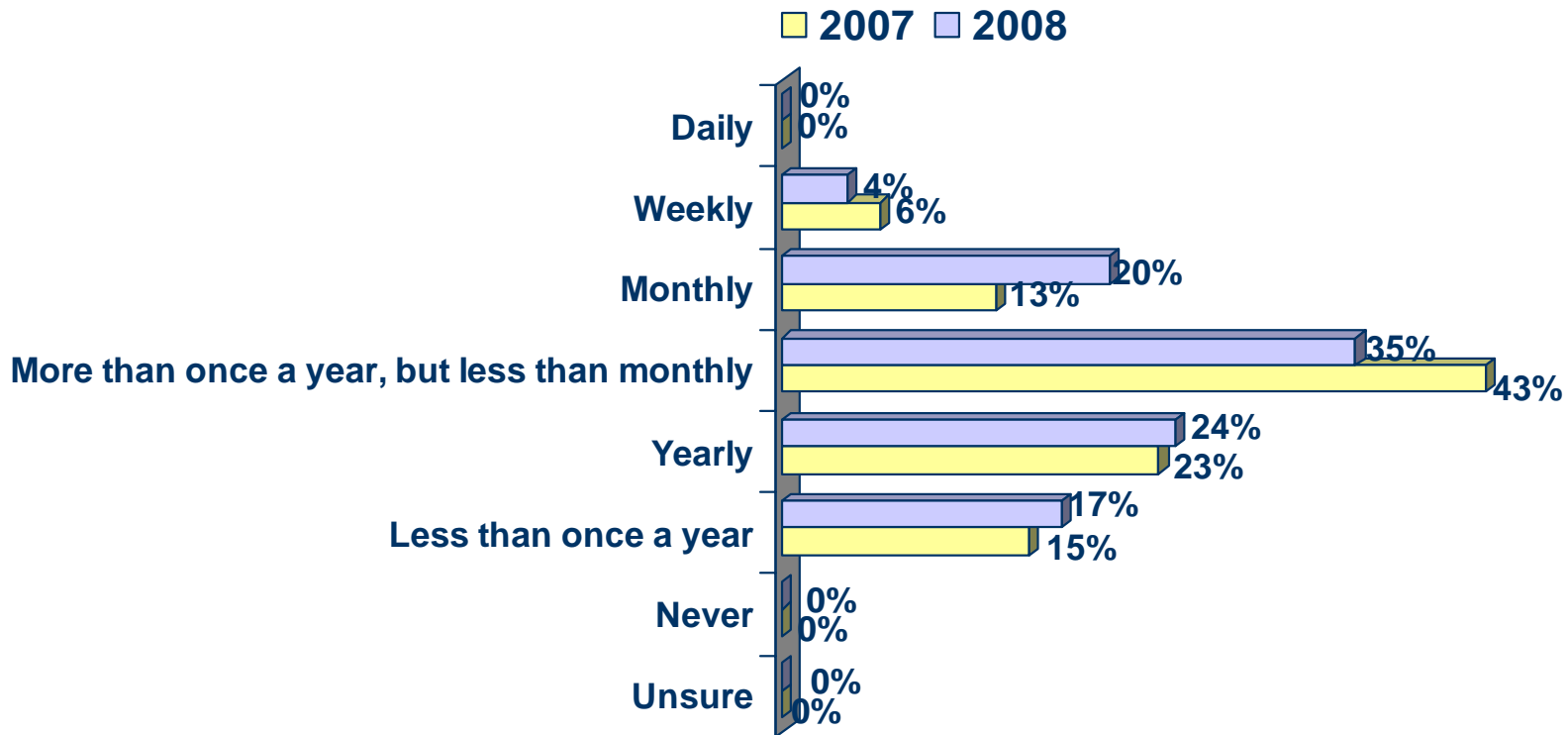
# Product And Services You Would Like C.A.R. To Offer

## -Historical Trend-

	2006	2007	2008
Forecasts on residential real estate sales	24%	49%	50%
Insight on where mortgage interest rates are going	40%	36%	35%
Strategies for dealing with a slowing market	18%	31%	34%
Promote, support minimum services standards/legislation	0%	28%	31%
Strategies on how to handle unrealistic seller expectations	30%	25%	27%
More projections on where and why the market is going	36%	29%	26%
Tips for handling seller expectations	33%	22%	20%
Discounted (unspecified) services	11%	13%	13%
Help with Internet marketing	0%	11%	13%
Medical insurance	0%	11%	9%
Help with wireless Internet, wireless e-mail services	0%	3%	3%

*Q: What types of product/services would you like the California Association of REALTORS® to offer to help you in your real estate business?*

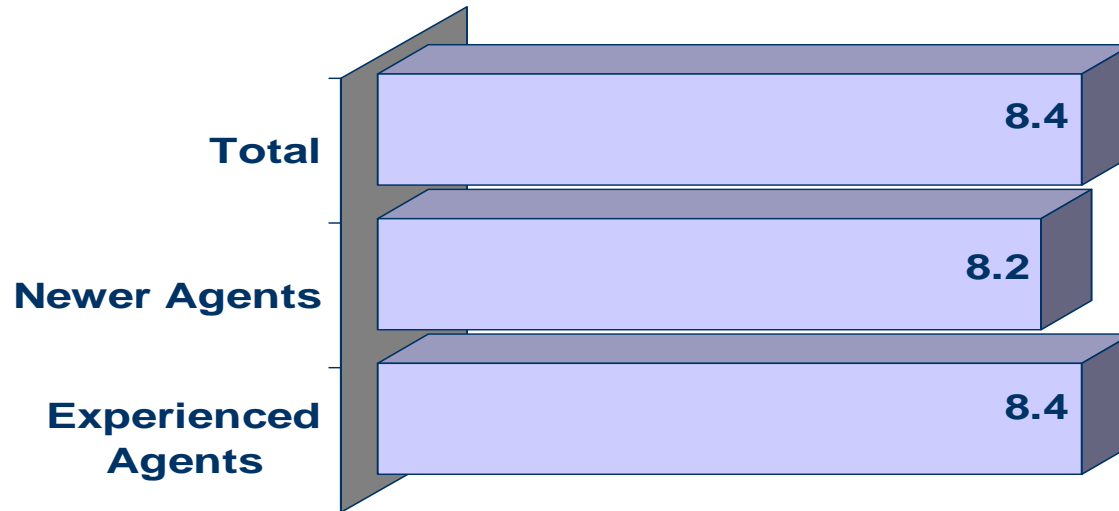
# Frequency Of Contact With C.A.R.



*Q: How often do you contact (via email, telephone, or other) the California Association of REALTORS®?*

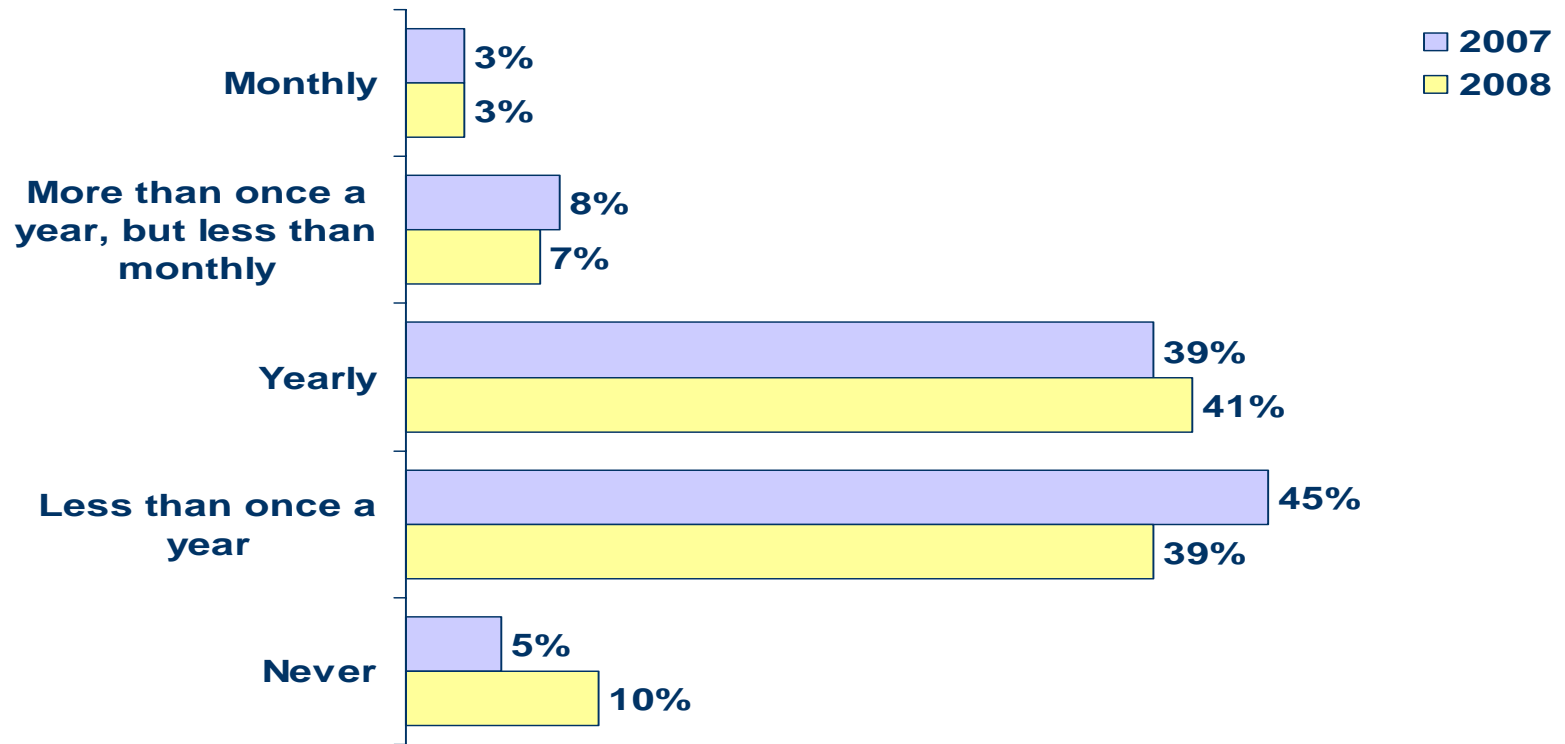
# Email Communication From C.A.R.

10-point scale. “10” is you received way too much e-mail communication from C.A.R., a “5” if you received just enough, and a “1” if you think you receive way too little email communication.



*Q: Do you feel you receive too much, too little, or just enough e-mail communication from the California Association of REALTORS®?*

# Frequency Of Using C.A.R. Online To Obtain Information



*Q: How often do you use C.A.R. online?*

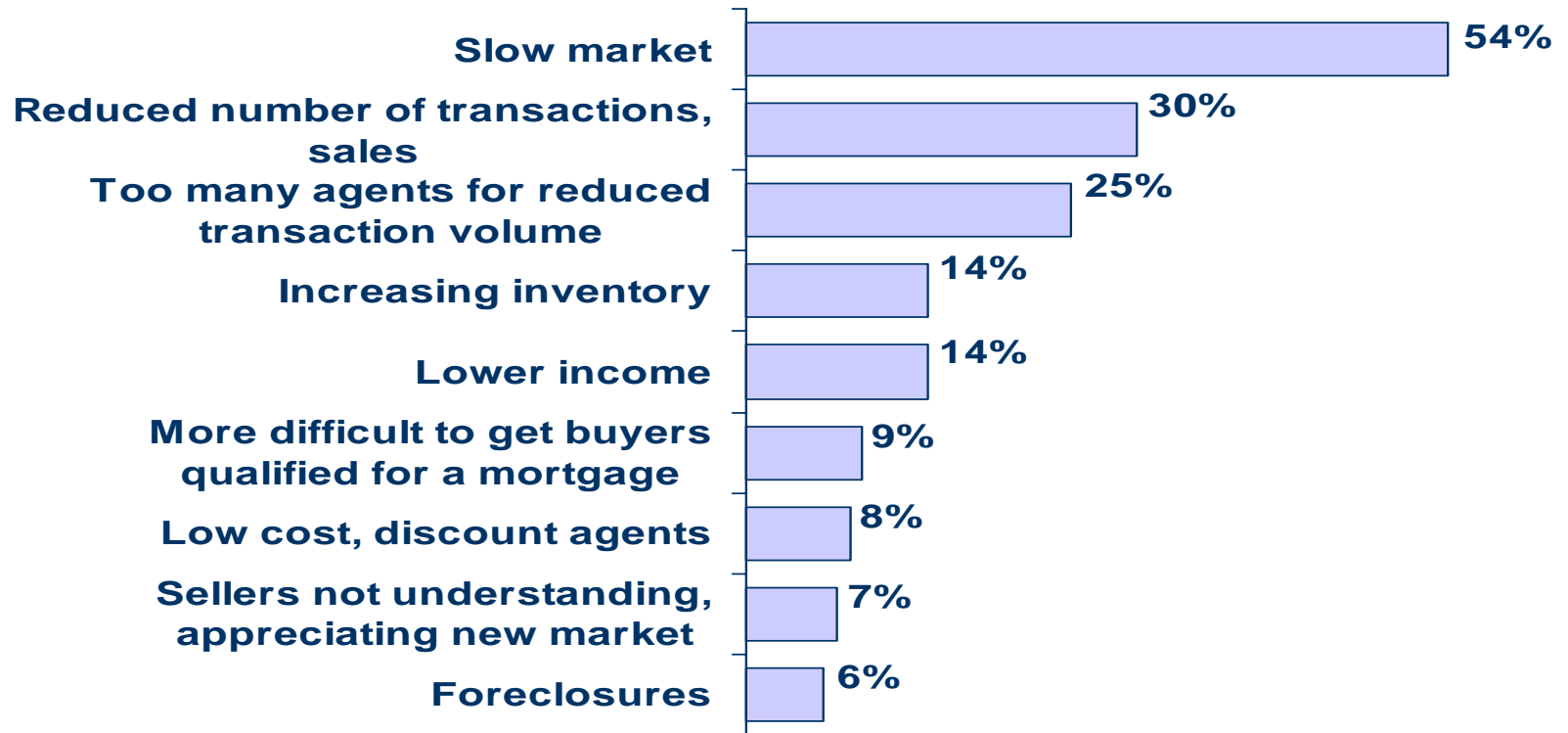
# Attendance at C.A.R. Events

## -Historical Trend-

	2004	2005	2006	2007	2008
Presentation by a C.A.R. Representative	77%	79%	71%	77%	80%
C.A.R. Booth at Local Association trade show or other event	26%	26%	23%	18%	17%
C.A.R. EXPO	15%	16%	16%	15%	16%
Web Seminar by a C.A.R. Representative	n.a.	n.a.	10%	9%	8%

*Q: Which of the following have you attended or visited in the last year?*

# Greatest Challenges Facing REALTORS® IN 2008



*Q: What do you consider to be your biggest challenge or opportunity in real estate over the next one year?*

# Greatest Challenges Facing REALTORS®

## -Historical Trend-

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Softening market/Slow market	0%	0%	0%	0%	0%	0%	54%	37%	54%
Reduced number of transactions, sales	0%	0%	0%	0%	0%	0%	0%	0%	30%
Too many agents for reduced transaction Volume	0%	0%	0%	0%	0%	0%	0%	0%	25%
Increasing inventory	0%	0%	0%	0%	0%	0%	17%	12%	14%
Lower income	0%	0%	0%	0%	0%	0%	0%	0%	14%
Difficulty in qualifying a buyer for a mortgage	0%	0%	0%	0%	0%	0%	0%	0%	9%
Low cost, discount agents	0%	0%	0%	4%	29%	47%	24%	19%	8%
Sellers not understanding or appreciating new market conditions	0%	0%	0%	0%	0%	0%	35%	27%	7%
Foreclosures	0%	0%	0%	0%	0%	0%	0%	0%	6%
Maintaining commission levels	68%	82%	80%	80%	74%	76%	28%	18%	0%
Rising mortgage interest rates	0%	0%	0%	0%	0%	0%	11%	8%	0%
Marketing costs	16%	39%	42%	26%	21%	18%	6%	7%	0%
New, inexperienced agents	0%	0%	0%	0%	0%	15%	8%	6%	0%
Negotiated commissions/Split	8%	6%	5%	47%	28%	28%	7%	6%	0%
Insurance availability issues	0%	0%	0%	5%	40%	42%	0%	0%	0%
Risk management	40%	47%	45%	49%	22%	18%	0%	0%	0%
Tight inventory	28%	6%	8%	10%	41%	11%	0%	0%	0%
Protecting income	14%	22%	24%	28%	29%	30%	10%	6%	0%

*Q: What do you consider to be your biggest challenge or opportunity in real estate over the next one year?*

# Importance Of Federal And State Issues

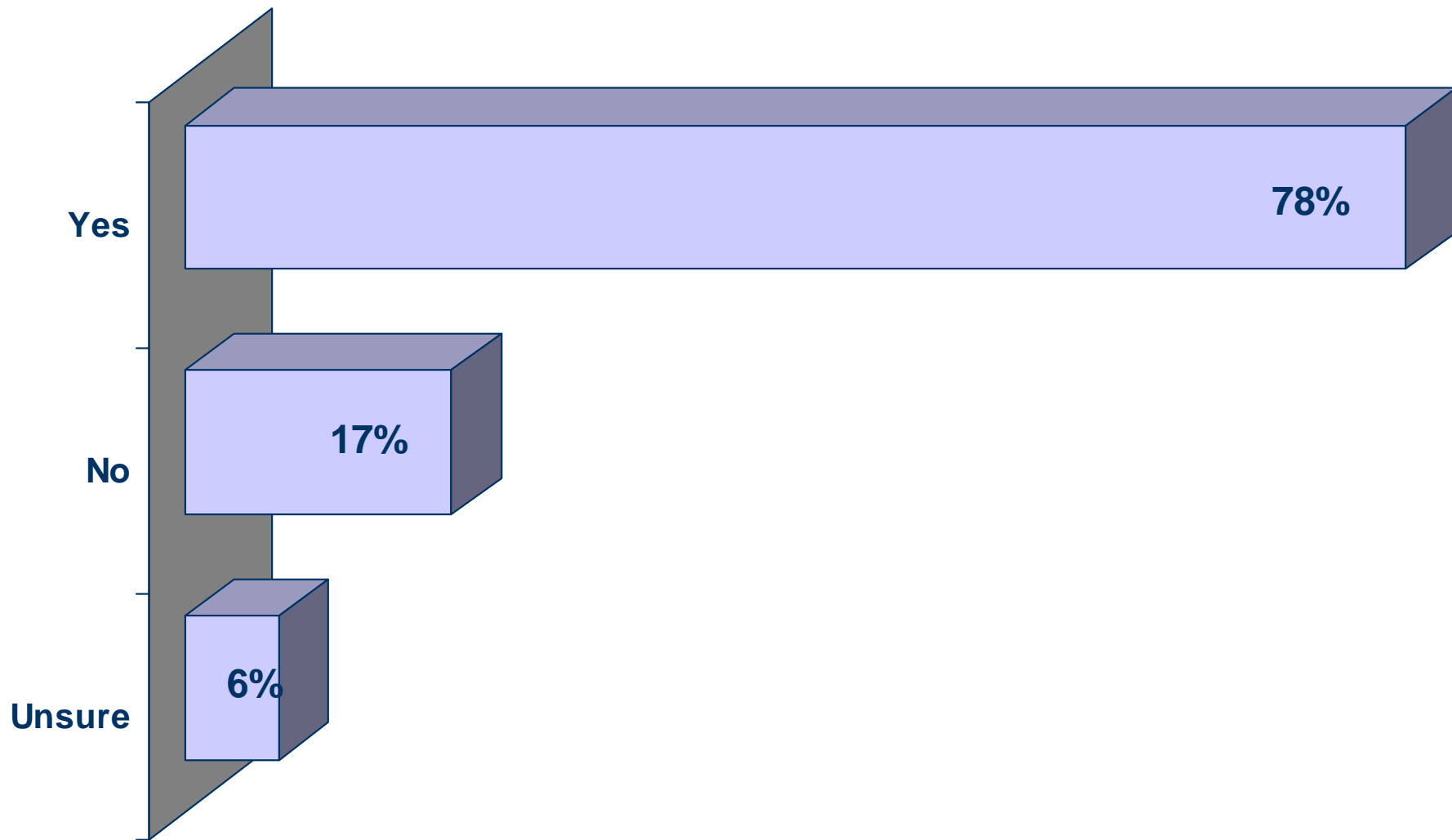
-Historical Trend-

	2003	2004	2005	2006	2007	2008
Minimum service standard (new for 2006)	NA	NA	NA	8.1	8.2	8.1
Raising Fannie Mae/Freddie Mac Loan Limits, Designating CA as a "High Cost State"	8.5	8.4	8.4	7.8	7.7	8.0
Foreclosure Issues (new for 2007)	NA	NA	NA	NA	7.5	8.0
Predatory lending (new for 2007)	NA	NA	NA	NA	7.4	7.8
Mortgage fraud*	NA	NA	NA	NA	NA	7.7
E&O insurance	NA	NA	6.6	6.9	7.3	7.6
Natural disaster insurance (new for 2007)	NA	NA	NA	NA	6.9	7.4
Private transfer taxes (new for 2007)	NA	NA	NA	NA	6.3	6.6
Efforts to address Housing Affordability	6.3	5.8	5.0	4.7	6.3	6.0
FHA Reform (new for 2007)	NA	NA	NA	NA	5.6	6.0
Business license taxes (new for 2007)	NA	NA	NA	NA	5.5	5.4
Growth Control/Urban Growth Boundaries	6.8	6.3	5.2	5.0	5.5	5.4
Banks in Real Estate	5.9	5.0	4.3	3.9	5.3	5.2

\*New in 2008

*Q: Please rate the following Federal and State issues on a 10 pt. Scale in order of their importance.*

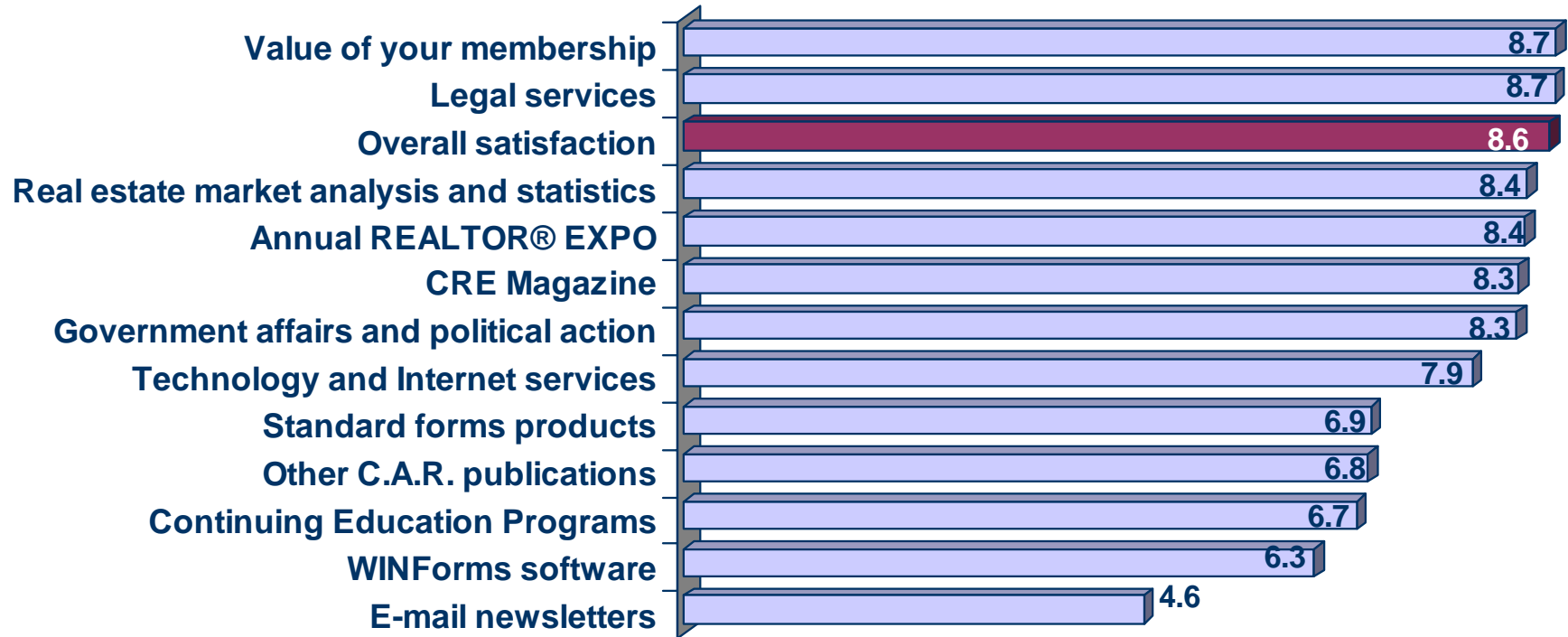
# Agreement With MLS Issue



*Q: .Are you in favor of having your local association or MLS join with the California Association Of REALTORS®. MLS, in which access to statewide data is available through your local association?*

# Satisfaction With C.A.R.

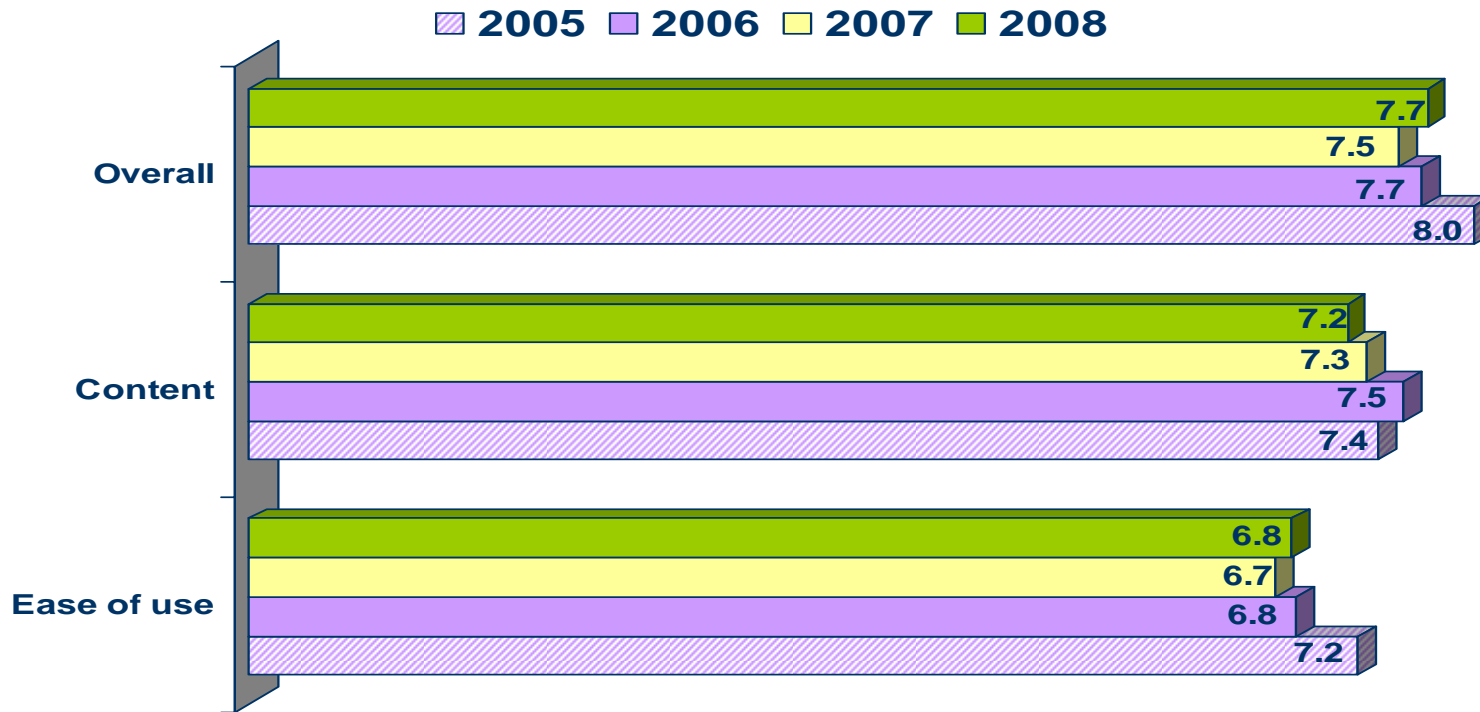
10-point scale. 10 is excellent. 5 is average. 1 is very poor.



*Q: Now, I would like you to rate the California Association of REALTORS® on a series of attributes on a scale of 1 to 10.*

# Satisfaction with C.A.R. Web Site

10-point scale. 10 is excellent. 5 is average. 1 is very poor.



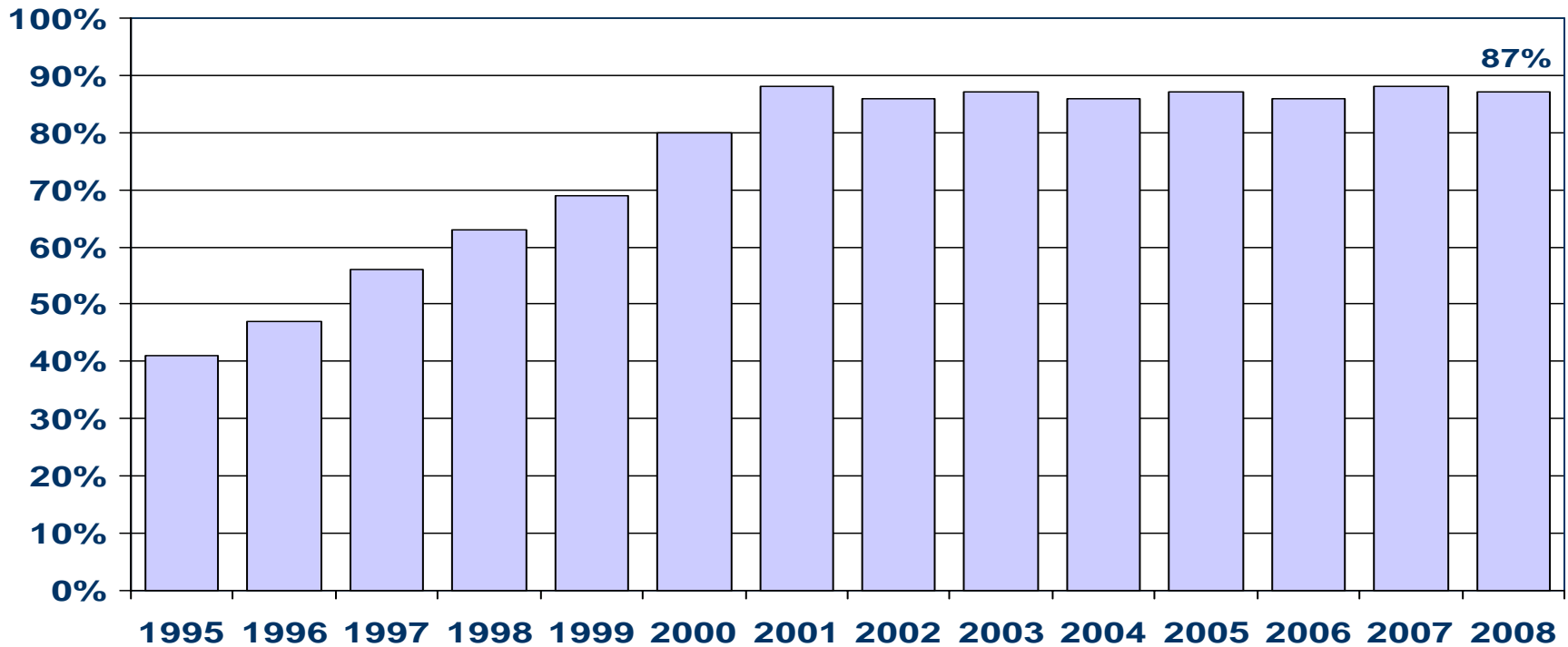
*Q: Now, I would like you to rate the California Association of REALTORS® on a series of attributes on a scale of 1 to 10.*

# Satisfaction With C.A.R. -Historical Trend– All Members

	2001	2002	2003	2004	2005	2006	2007	2008
Value of your membership compared to what you pay	7.80	8.80	8.83	8.87	8.89	8.74	8.68	<b>8.70</b>
Legal services	8.50	8.60	8.52	8.56	8.62	8.50	8.65	<b>8.69</b>
Real estate market analysis and statistics	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<b>8.41</b>
Annual REALTOR® EXPO	7.10	7.10	8.09	8.13	8.52	8.19	8.32	<b>8.39</b>
CRE Magazine	n/a	n/a	n/a	n/a	n/a	n/a	8.30	<b>8.33</b>
Political action and government affairs	6.80	6.60	7.19	8.06	8.26	8.20	8.27	<b>8.31</b>
Technology and Internet services	n/a	8.40	8.25	7.85	7.91	7.38	7.78	<b>7.86</b>
Standard forms products	n/a	8.10	7.95	7.73	7.70	7.00	6.82	<b>6.85</b>
Other C.A.R. Publications	n/a	n/a	n/a	n/a	n/a	n/a	6.65	<b>6.82</b>
Continuing Education Programs	n/a	8.10	8.01	7.66	7.70	6.94	6.65	<b>6.71</b>
WINForms software	n/a	6.40	6.53	6.34	6.21	6.40	6.22	<b>6.29</b>
E-mail newsletters	n/a	8.20	8.77	6.89	5.90	5.18	4.95	<b>4.59</b>
<b>Overall satisfaction</b>	<b>8.60</b>	<b>8.80</b>	<b>8.75</b>	<b>8.72</b>	<b>8.74</b>	<b>8.55</b>	<b>8.55</b>	<b>8.63</b>

*Q: Now, I would like you to rate the California Association of REALTORS® on a series of attributes on a scale of 1 to 10.*

# Members Who Believe C.A.R. Helps Them Sell Real Estate



*Q: Do you feel that organized real estate, such as the California Association of REALTORS, helps sell real estate?*

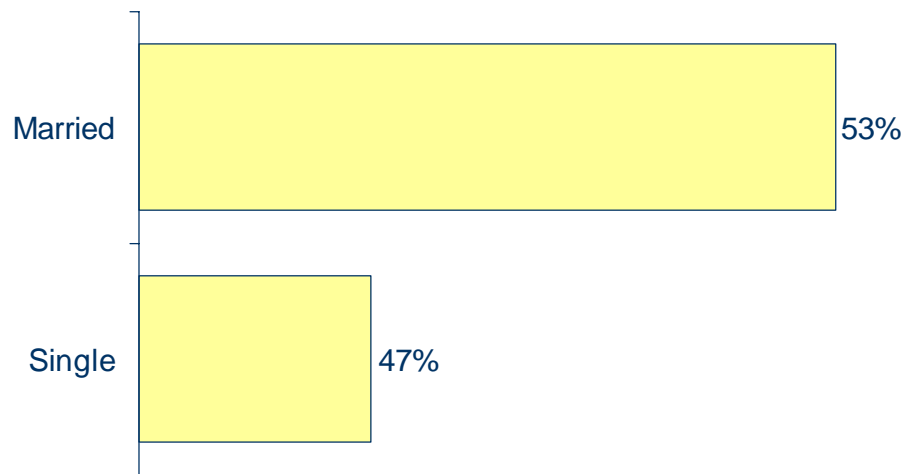
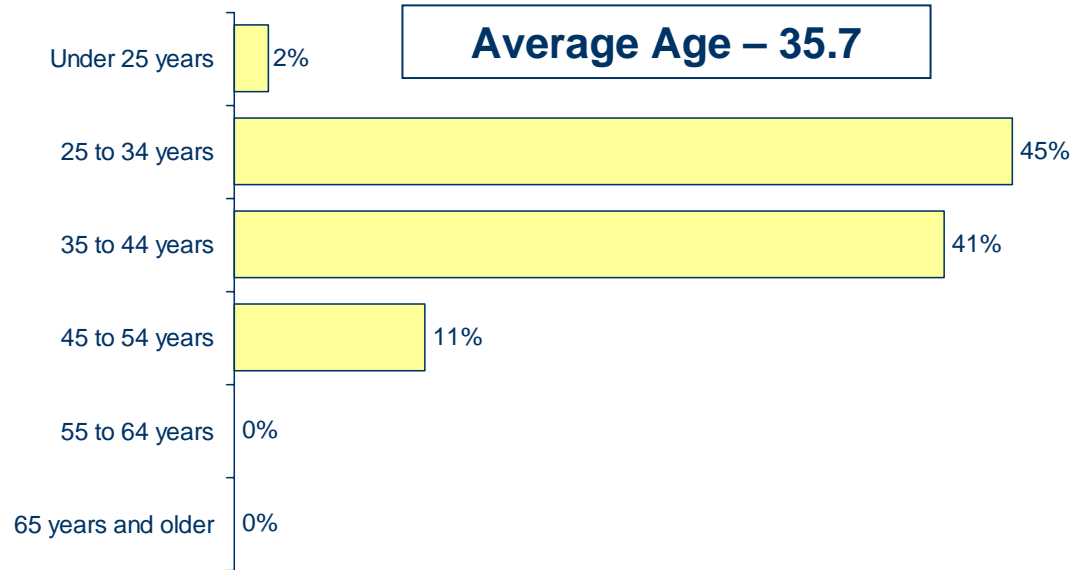
# Survey of California First-Time Home Buyers

# Methodology

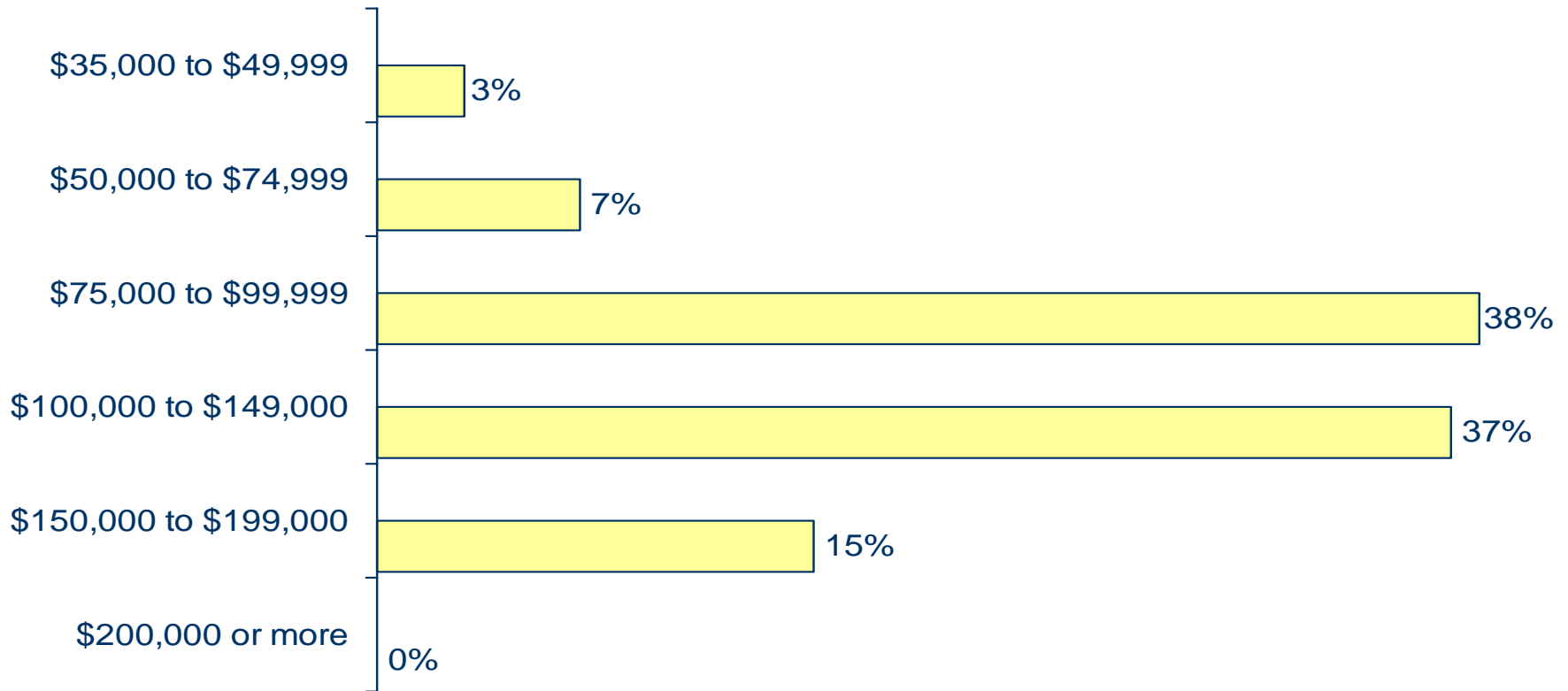
500 telephone surveys with California consumers who had purchased a home within the past six months.

Surveys results are projectable at two standard deviations (a 95%) confidence level which yields a maximum sampling error of +/-4.5%.

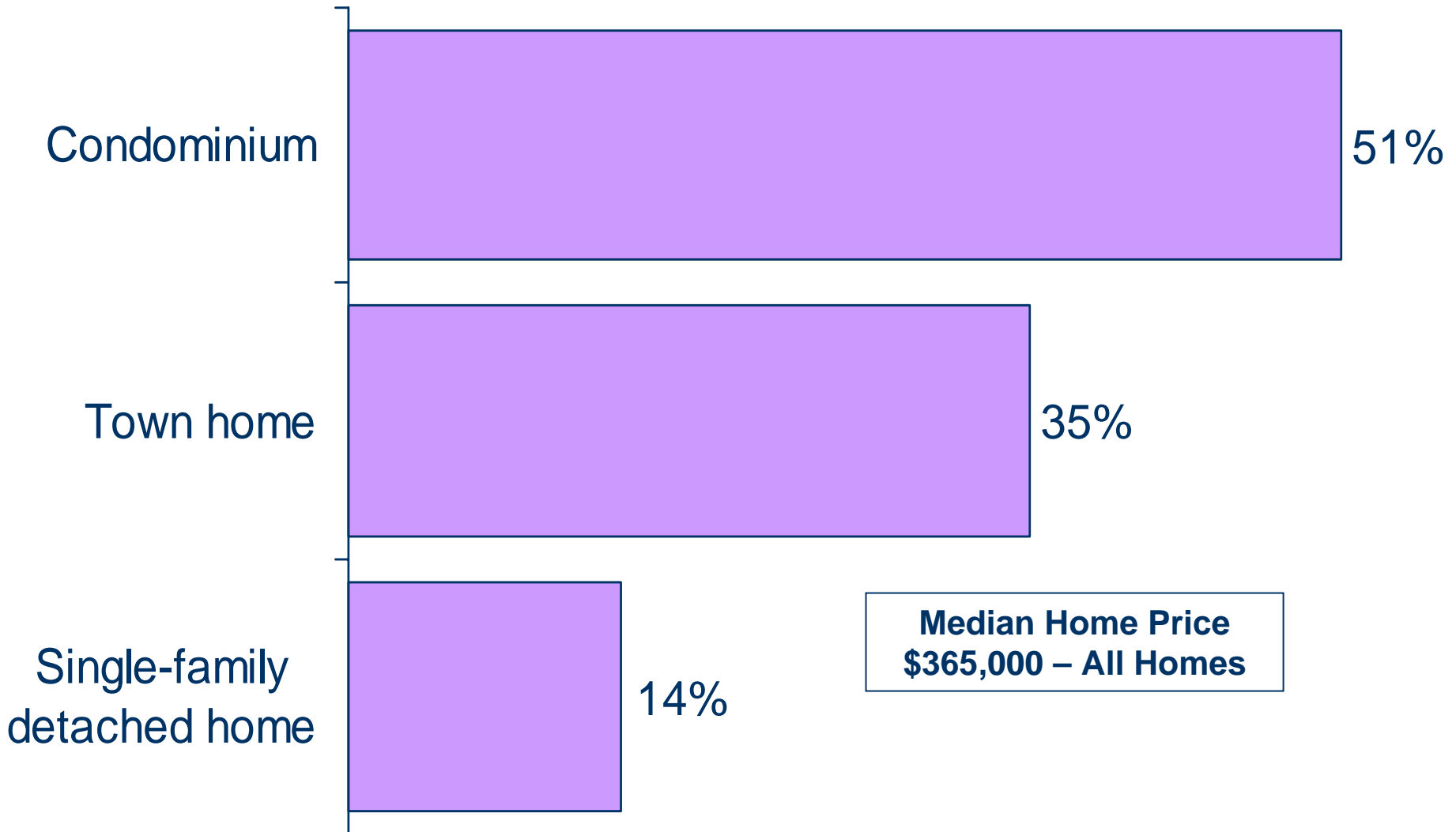
# Demographics of First-Time Buyers



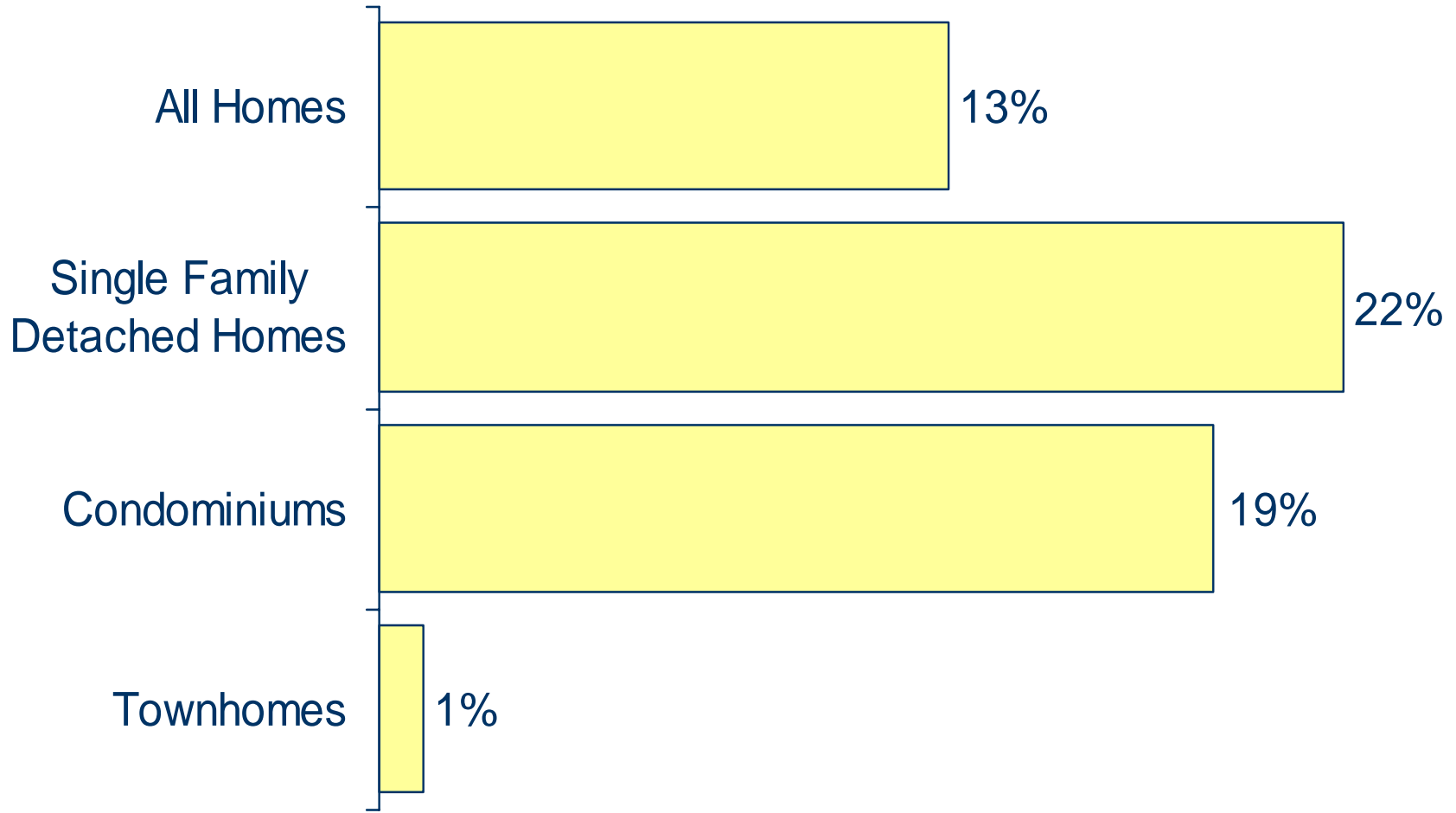
# Income Category



# Type Of Home Purchased

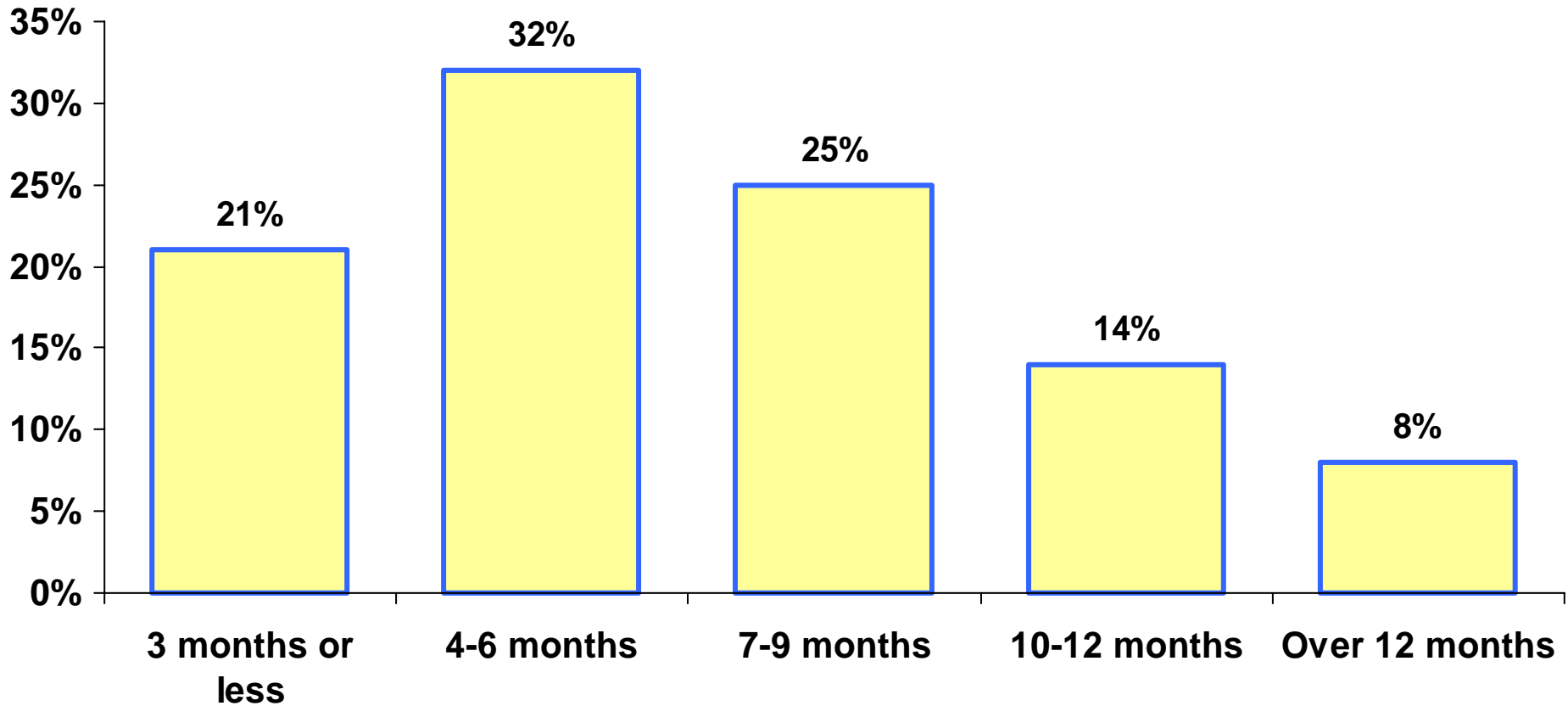


# Share of Distressed Sales

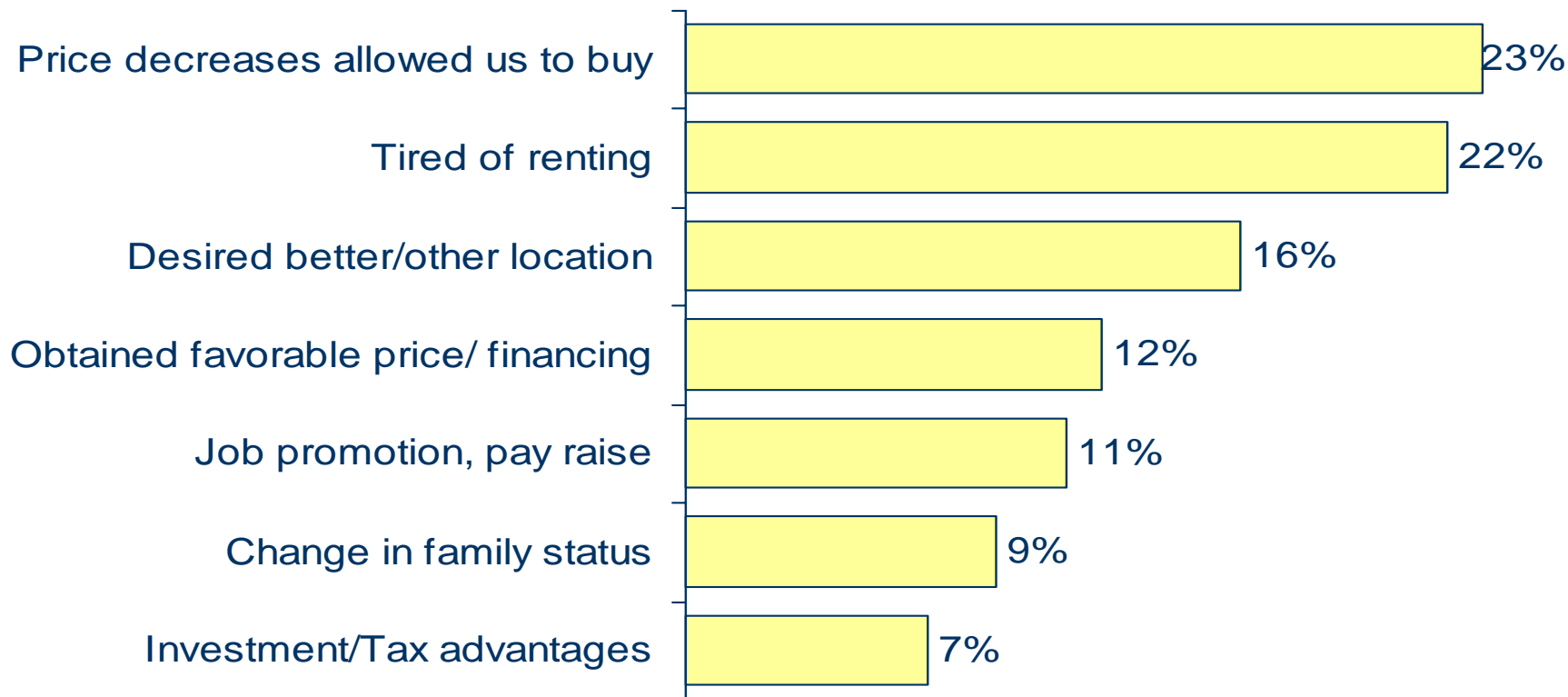


# Months Spent Looking for a Home Prior to Finding The Home You Bought

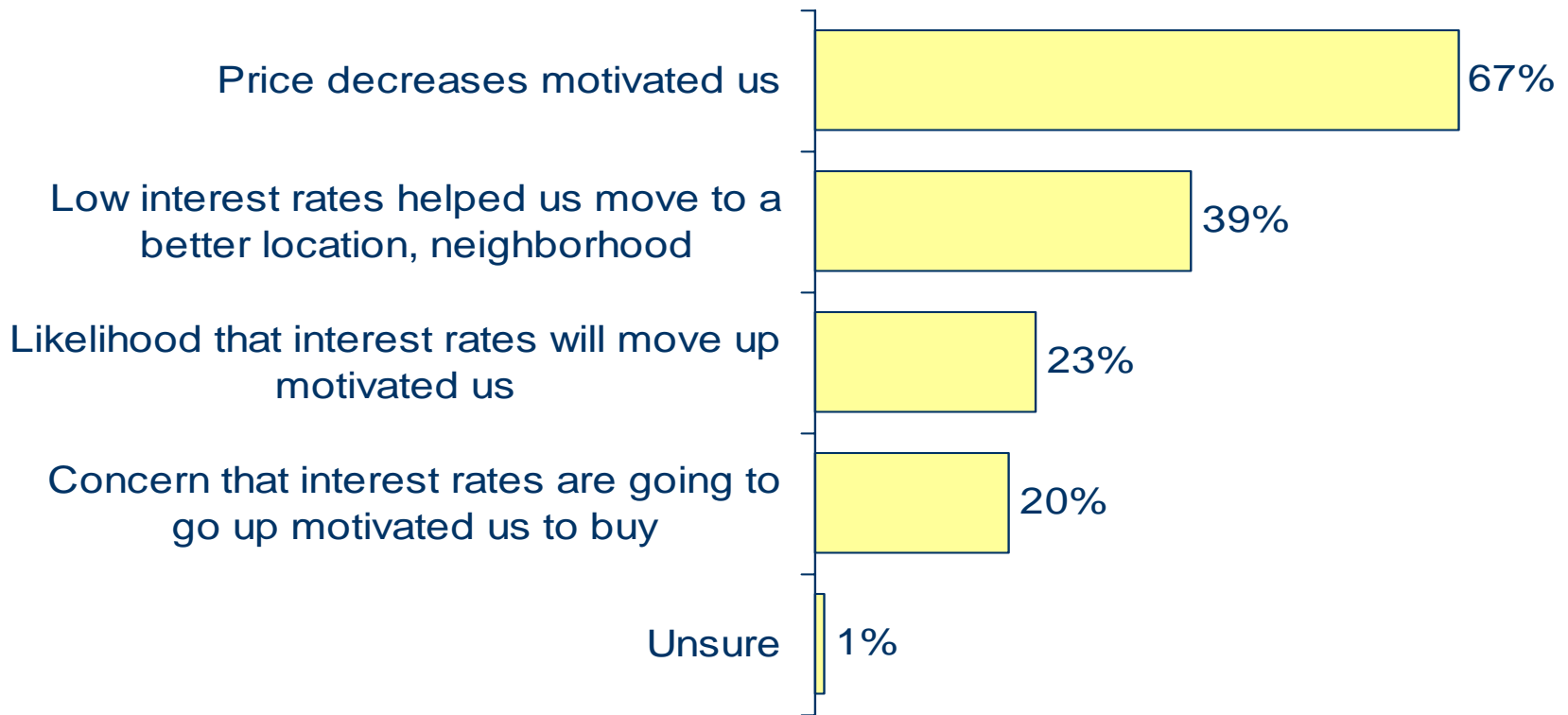
Mean = 6.9; Median = 6.0



# “The” Primary Reason For Buying Your Home

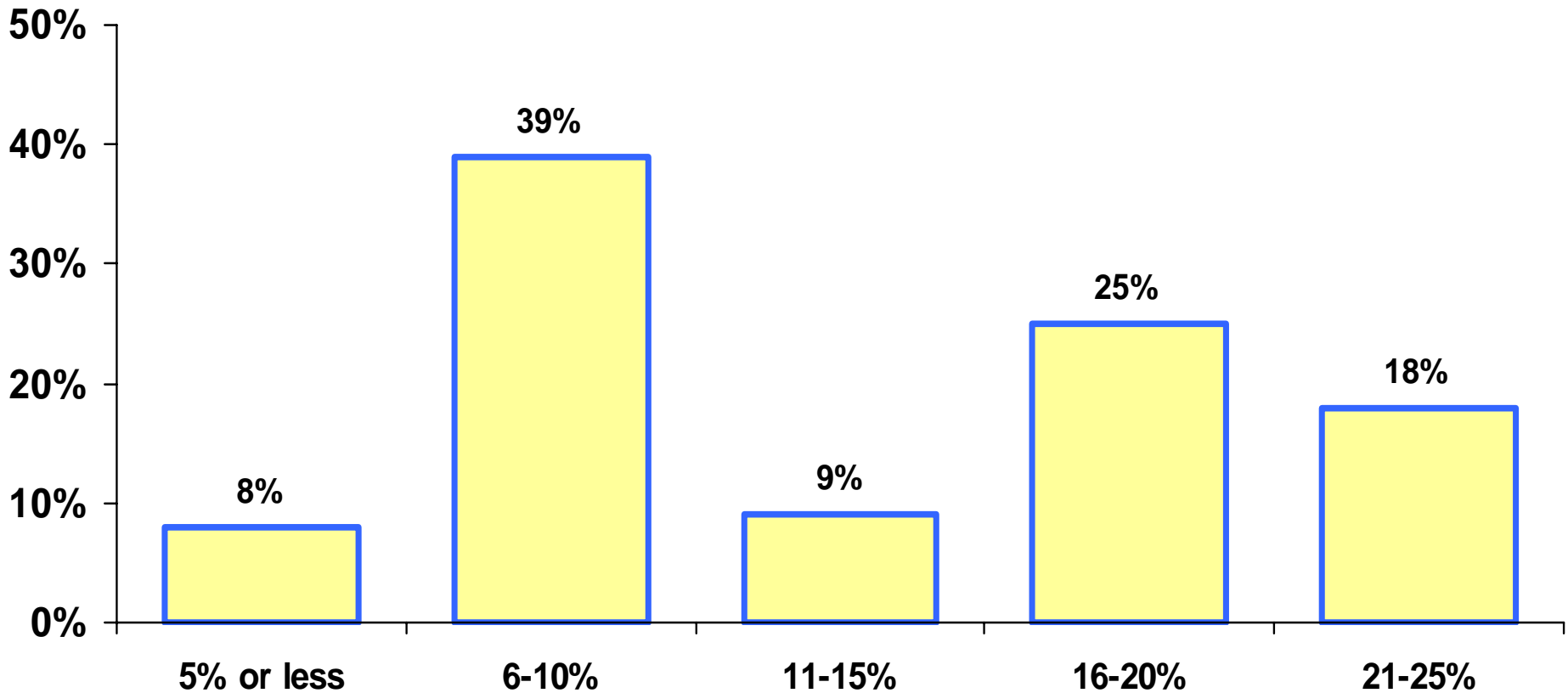


# Role Market Conditions Played In Your Decision To Buy Your Home



# Down Payment As a Percent of Home Price

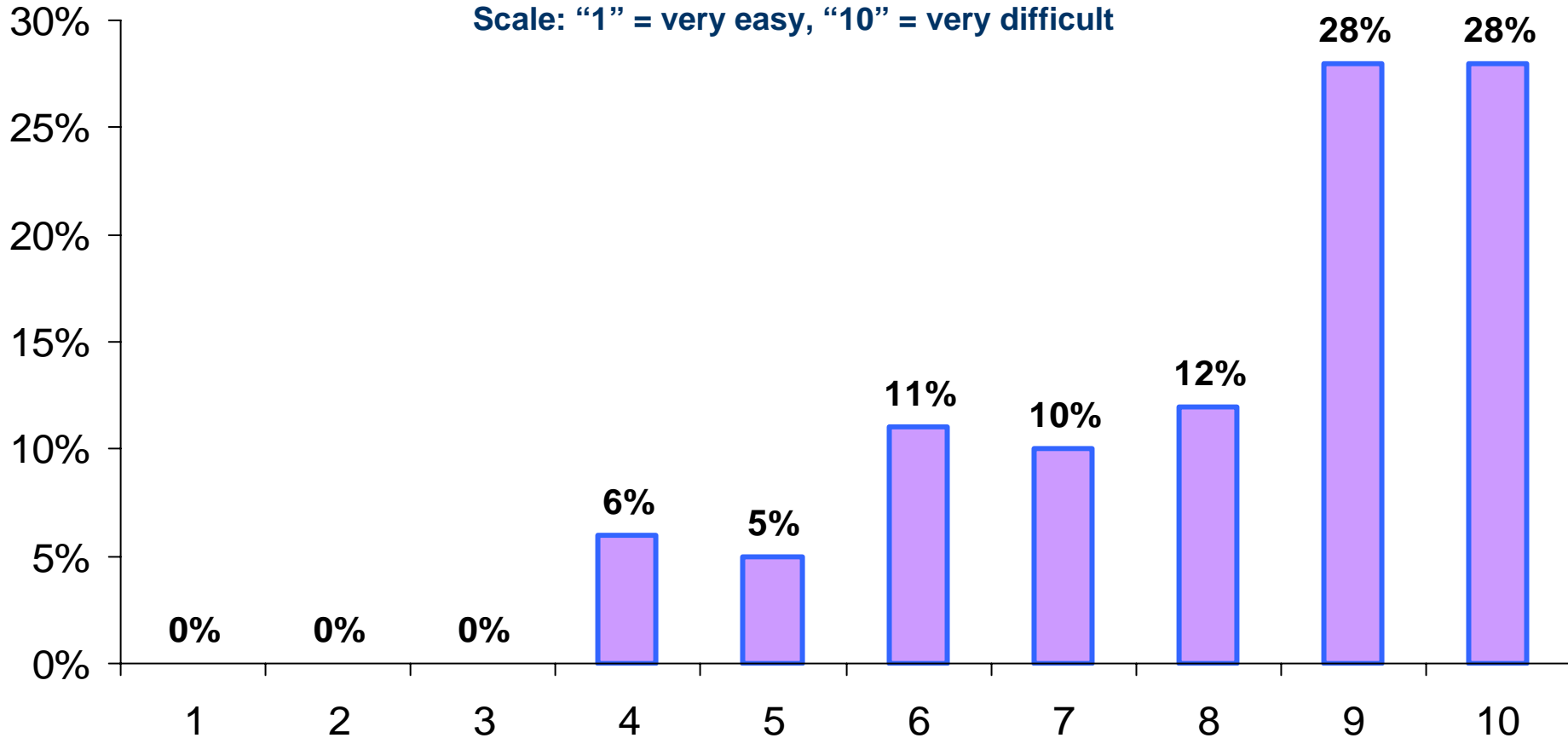
Mean = 15%, Median = 15%



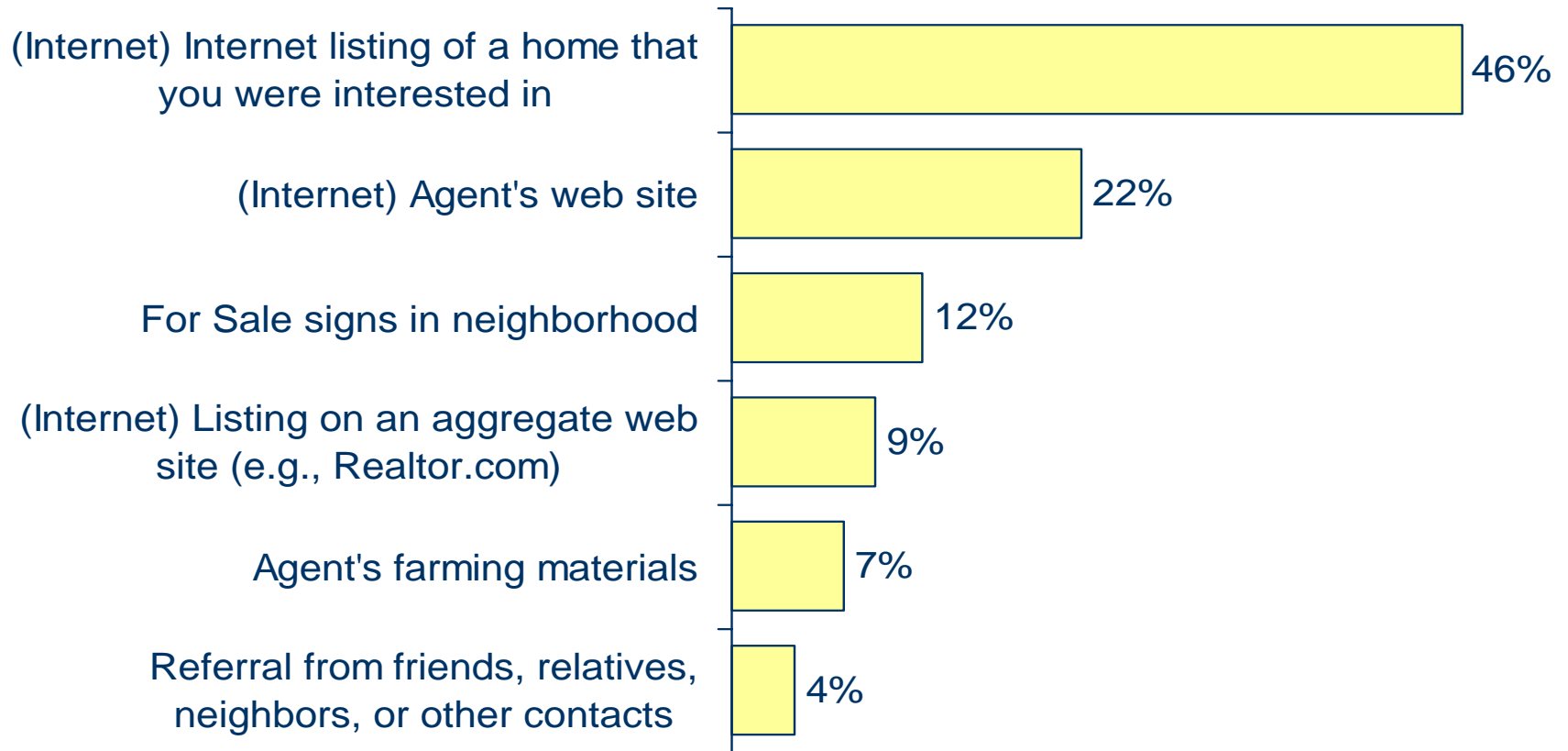
# Level of Difficulty to Obtain Financing

Mean = 8.15 Median = 9

Scale: "1" = very easy, "10" = very difficult

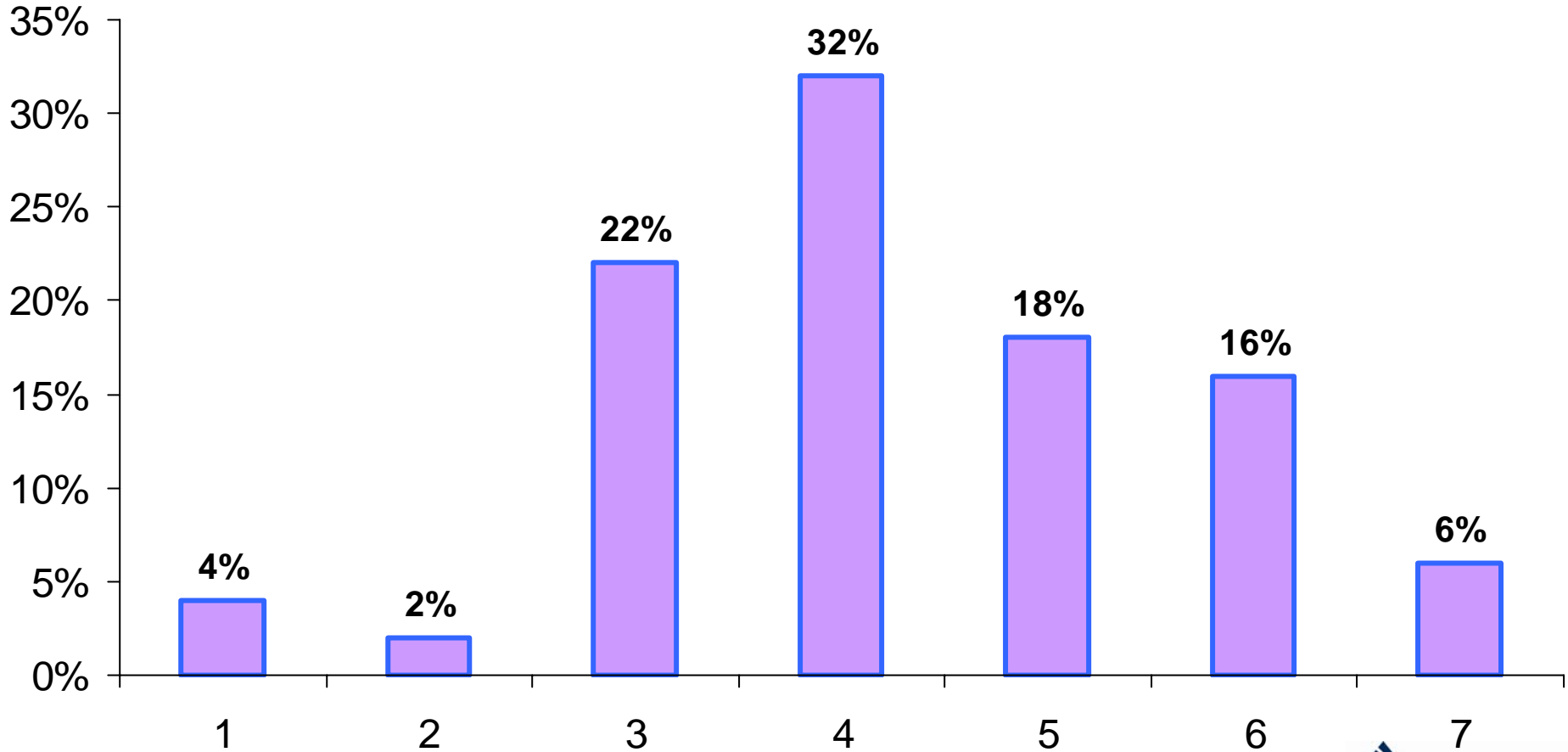


# How You Found Your Real Estate Agent



# Number of Agents Interviewed Before Selecting One

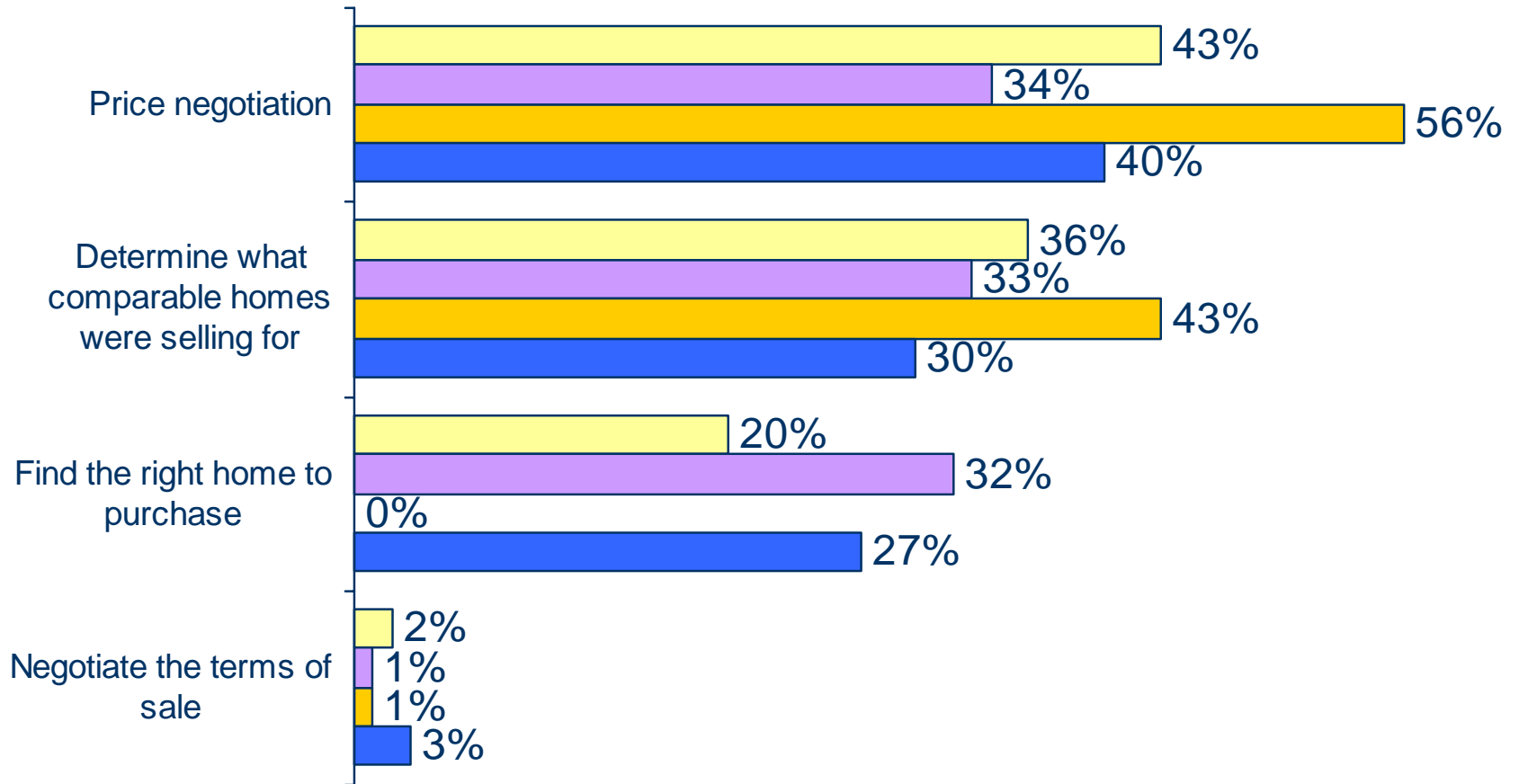
Mean = 4.3 Median = 4



# Single Most Important Reason For Selecting Agent

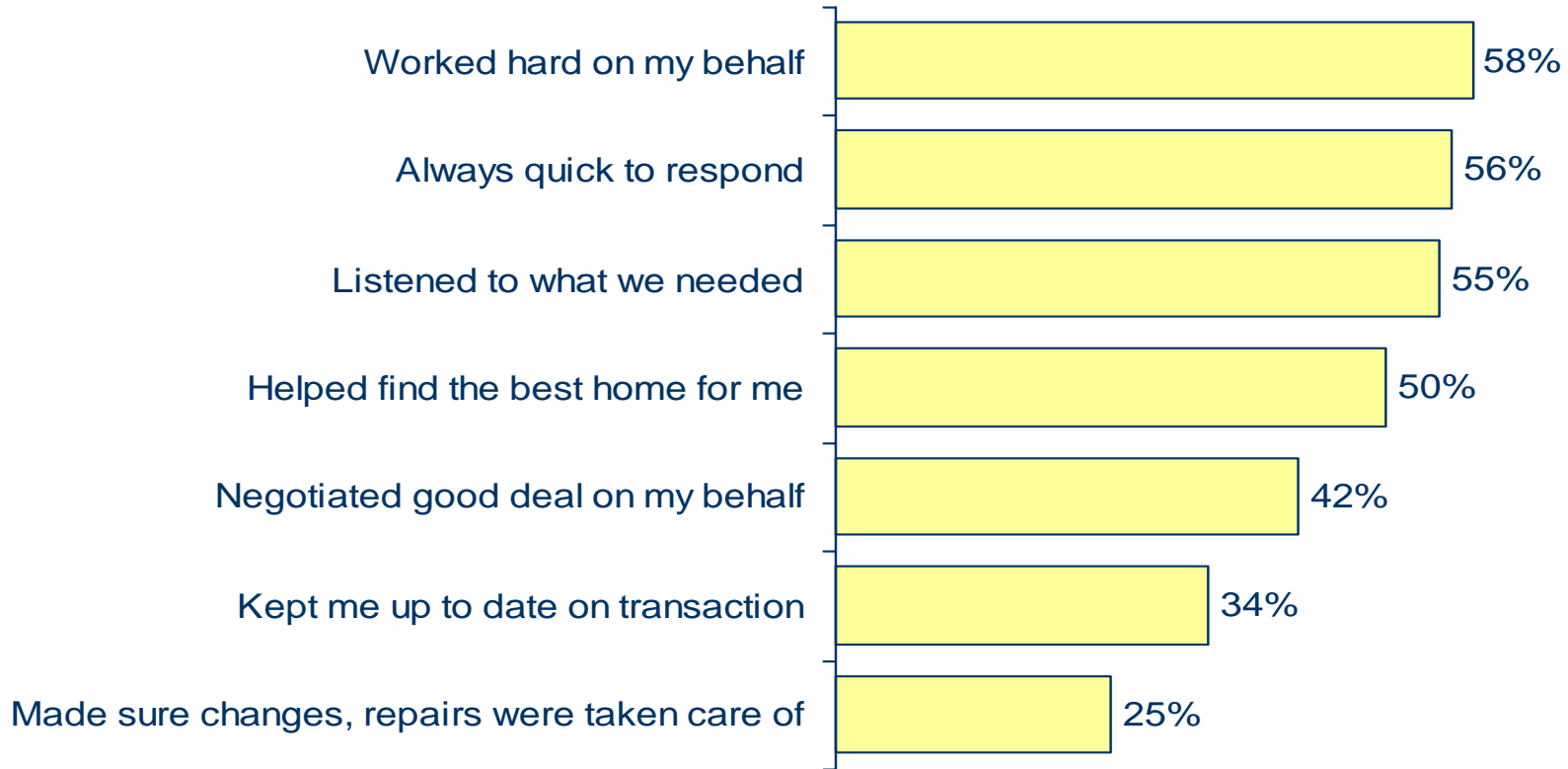


# Areas Needed The Most Help From Agent

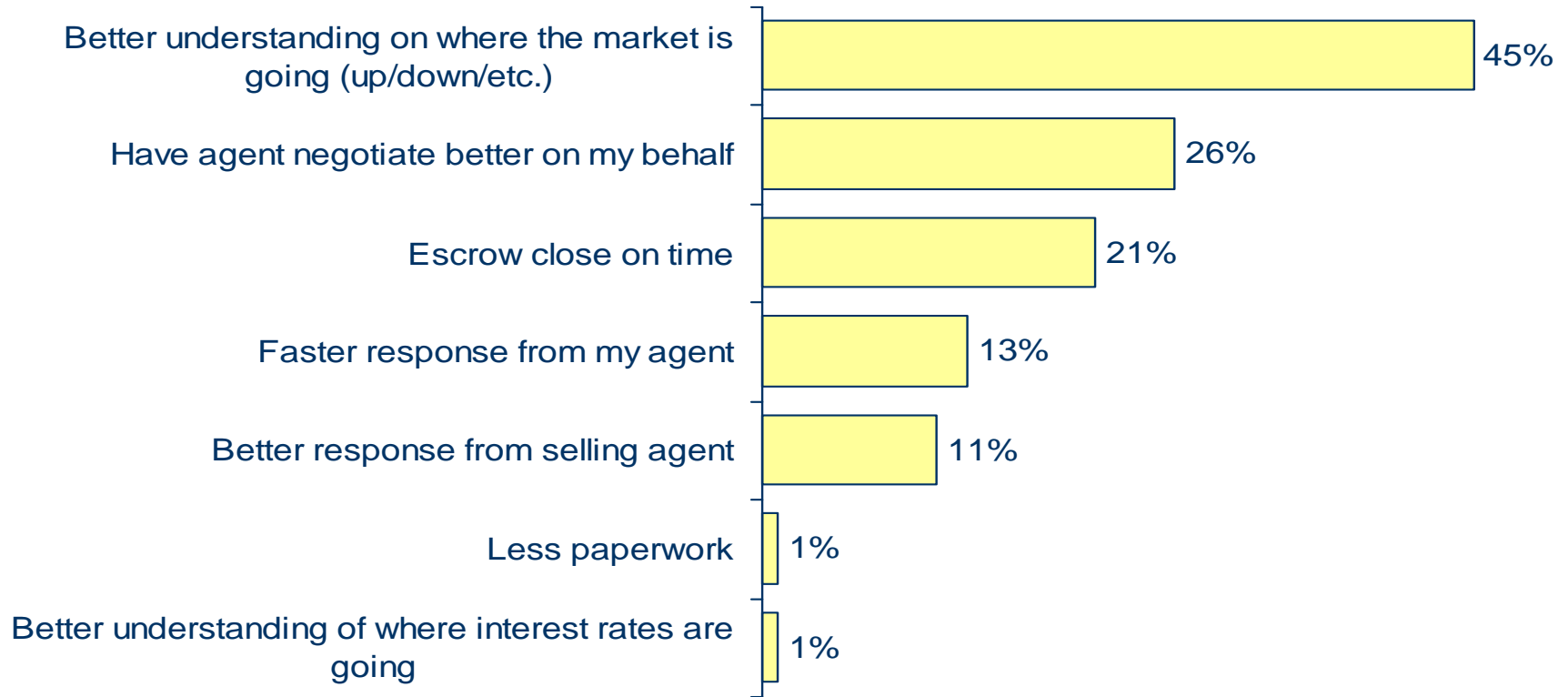


■ All Homes ■ Existing Resale Home ■ Brand New Home ■ Condo Conversion

# Reasons for Overall Satisfaction with Your Agent



# One Thing You Would Like To Change About Your Home Buying Experience



# Advice to Give to Other First-Time Home Buyers

	All Homes	Resale Homes	New Homes
Do your own homework on the Internet	50%	49%	50%
Get a good understanding of the type of mortgage you are getting	44%	44%	44%
Check the agent's references	40%	33%	47%
Make sure the agent pre-qualifies homes before showing them to you	39%	32%	48%
Get pre-qualified for a mortgage by more than one lender	34%	25%	52%
Find out how frequently the agent is going to be in contact with you	19%	19%	14%
Don't use the seller's agent	18%	20%	14%
Make any agent you use prove they will negotiate hard for you	16%	20%	13%
Get your financing locked in as soon as possible	12%	18%	0%
Find out how fast the agent is going to get back to you	9%	9%	11%
Get the most experienced agent possible	3%	4%	0%

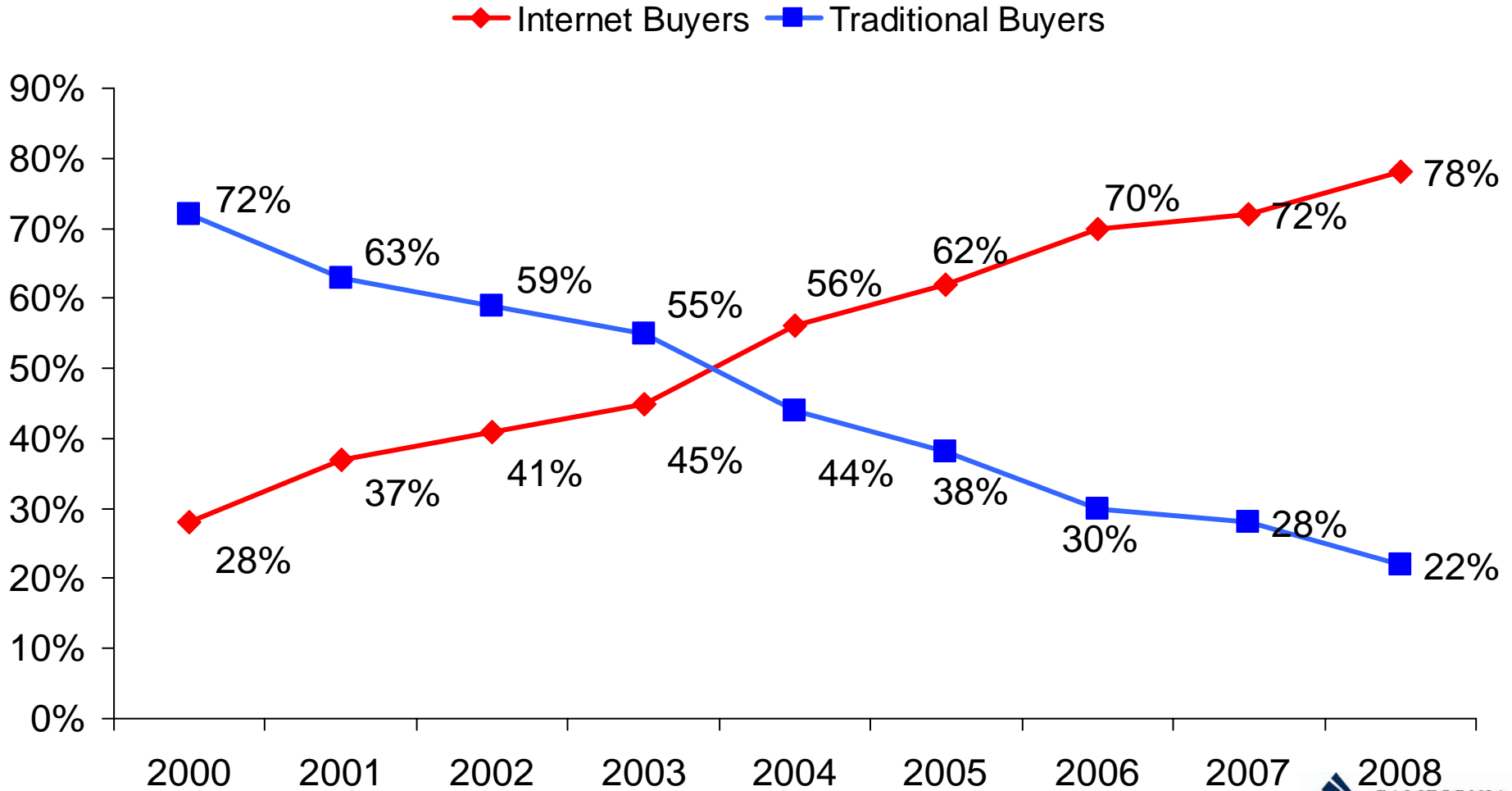
# Advice to Give to Real Estate Agents to Improve Their Service

	All Homes	Resale Home	New Home
Improve the quality of <b>communications</b>	52%	51%	53%
Provide references for lenders who will perform	33%	33%	31%
Provide “buyer” references	32%	35%	27%
Show how you can negotiate aggressively for the buyer	29%	18%	49%
Provide references for lenders who will recommend the best product for me	29%	40%	8%
Improve the speed of <b>communications</b>	26%	27%	23%
Listen to my needs better	24%	24%	27%
Provide quality information on where the market is going and why	19%	19%	19%
Find out about listings before I do	15%	15%	14%
Pre-qualify homes before showing them	9%	8%	11%
Provide information on where interest rates are going	7%	4%	11%

# 2008 Home Buyer Survey

# Internet Buyers Vs. Traditional Buyers

Percentage of All Homebuyers Surveyed

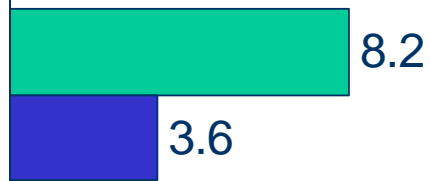


# Time Spent on Various Activities

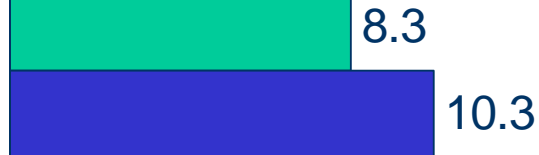
■ Internet Buyers ■ Traditional Buyers

0 5 10 15 20 25 30

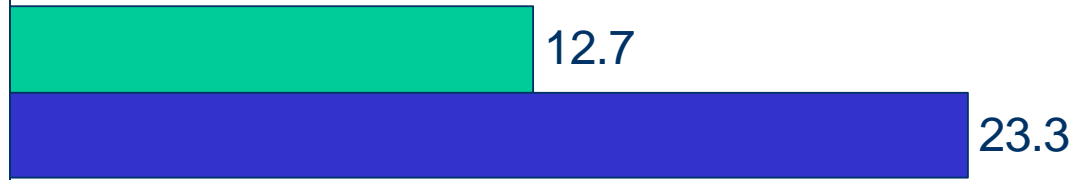
Wks Considered  
Buying a Home  
Before Contacting  
Agent



Wks Spent Looking  
for Home w/Agent



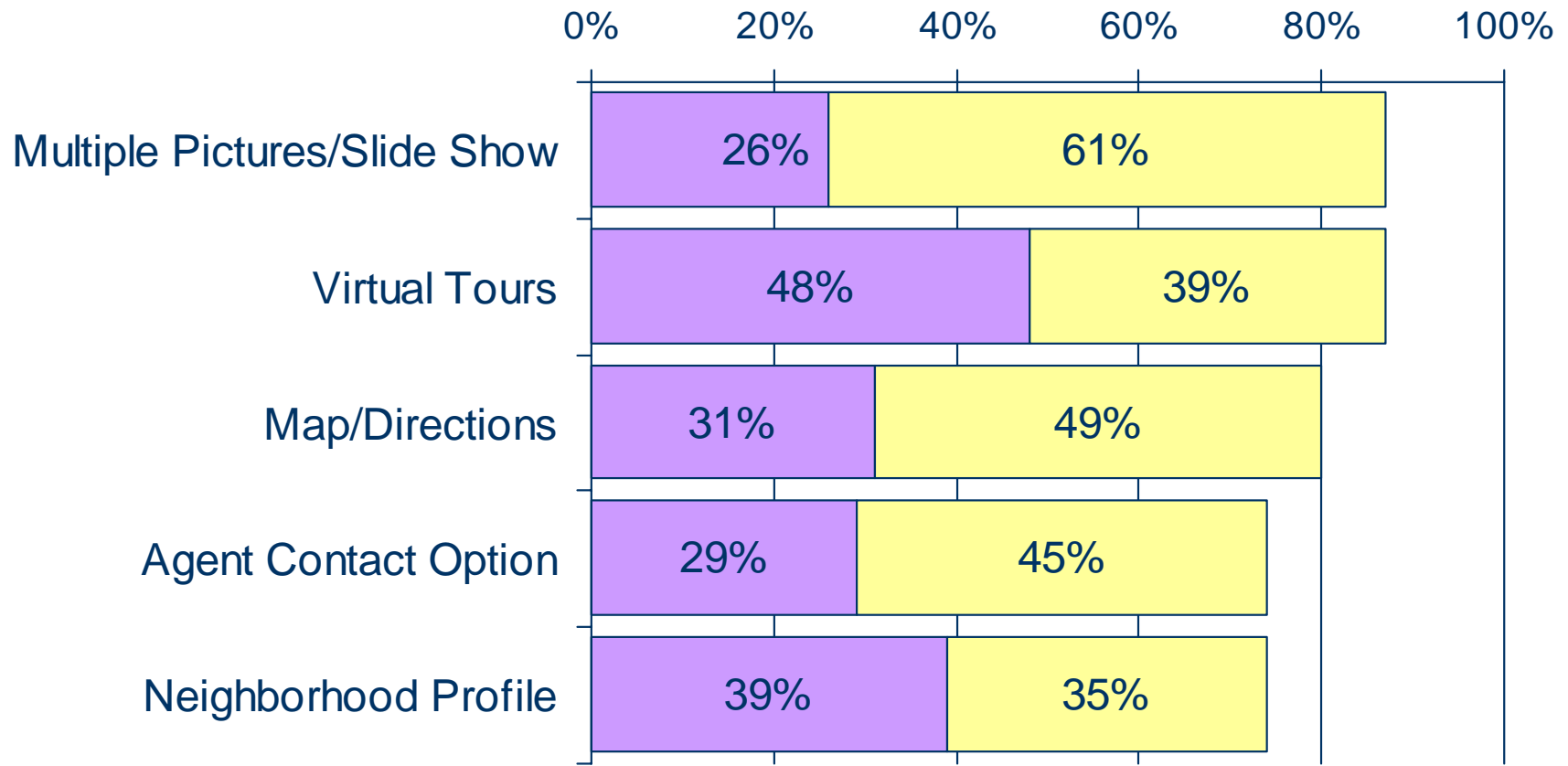
# of Homes  
Previewed w/Agent



# Importance Of Online Features For Homebuyers In The Home Viewing Process

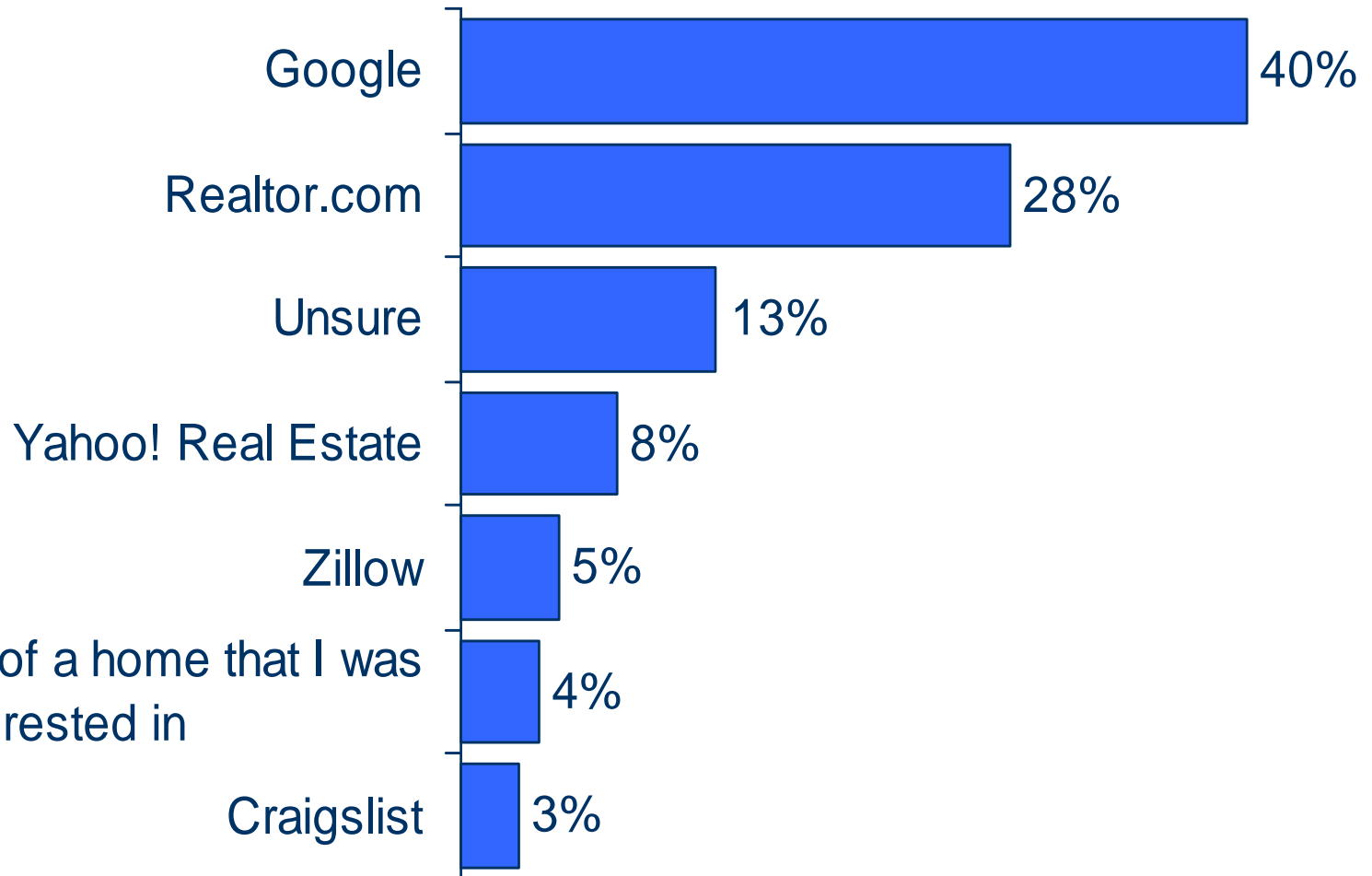
(Percent 'Very Important' or 'Extremely Important')

■ Very Important ■ Extremely Important

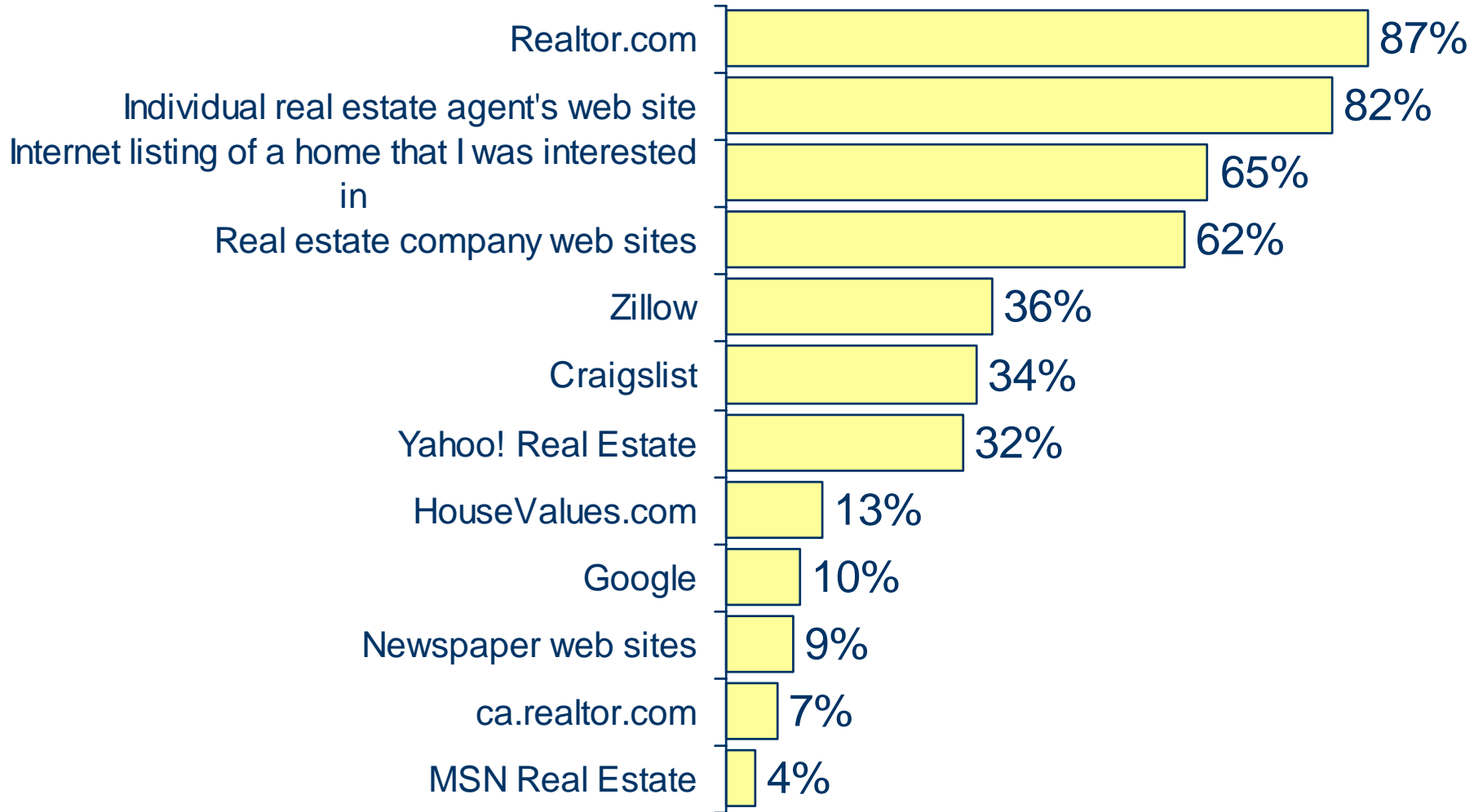


# First Web Site Visited During the Home Buying Process

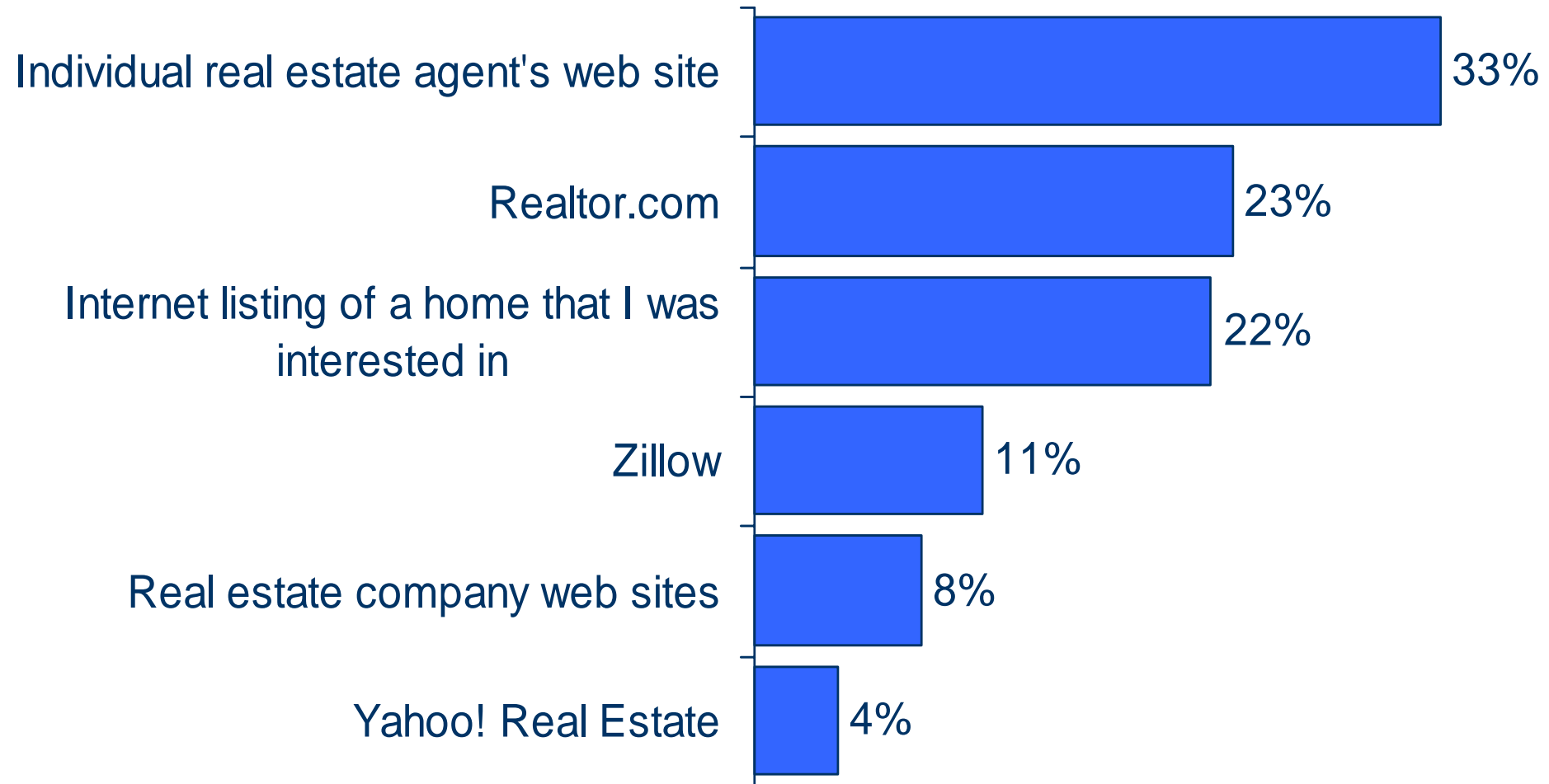
■ Internet Buyers



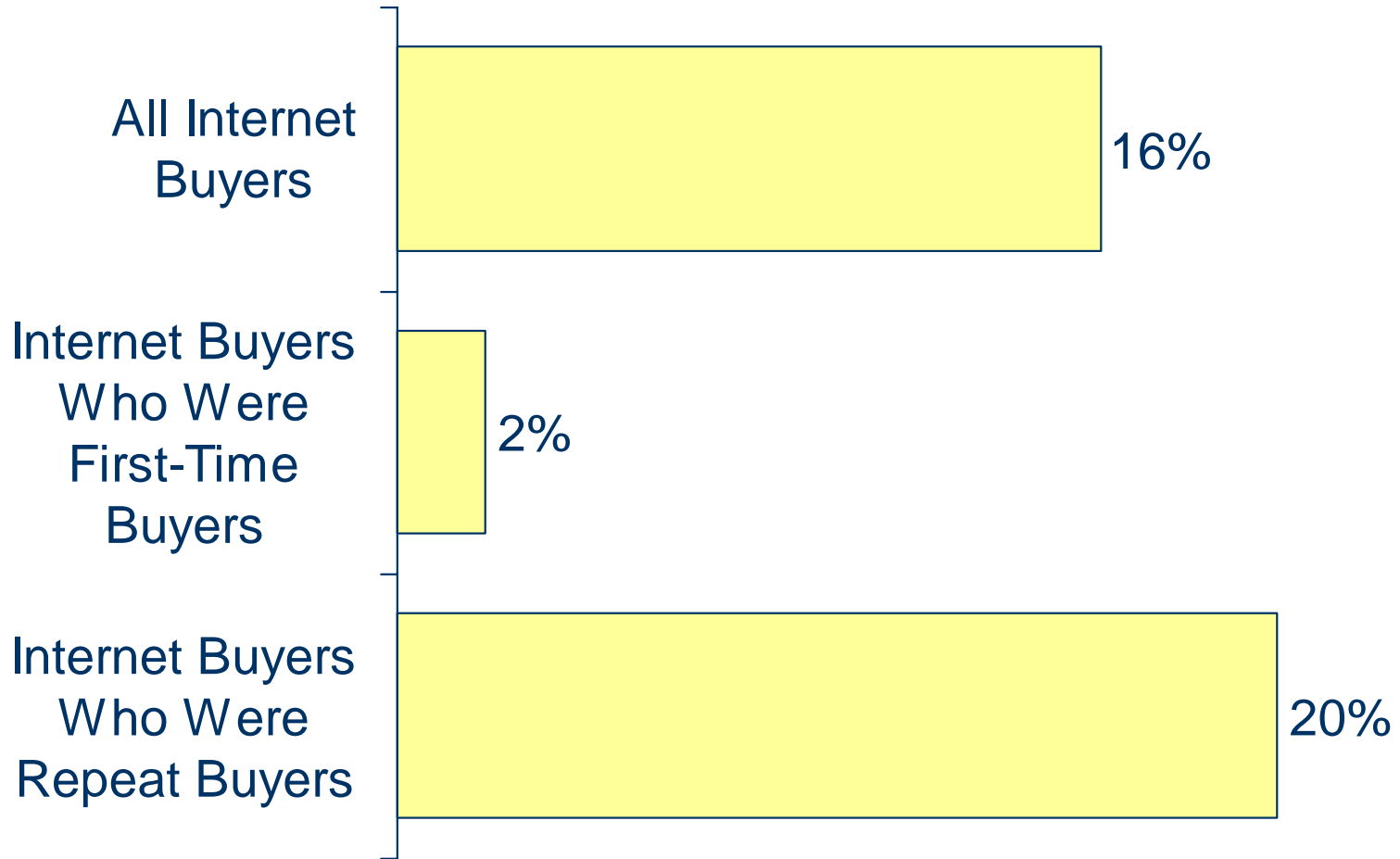
# All Web Sites Visited As Part Of Home Buying Process



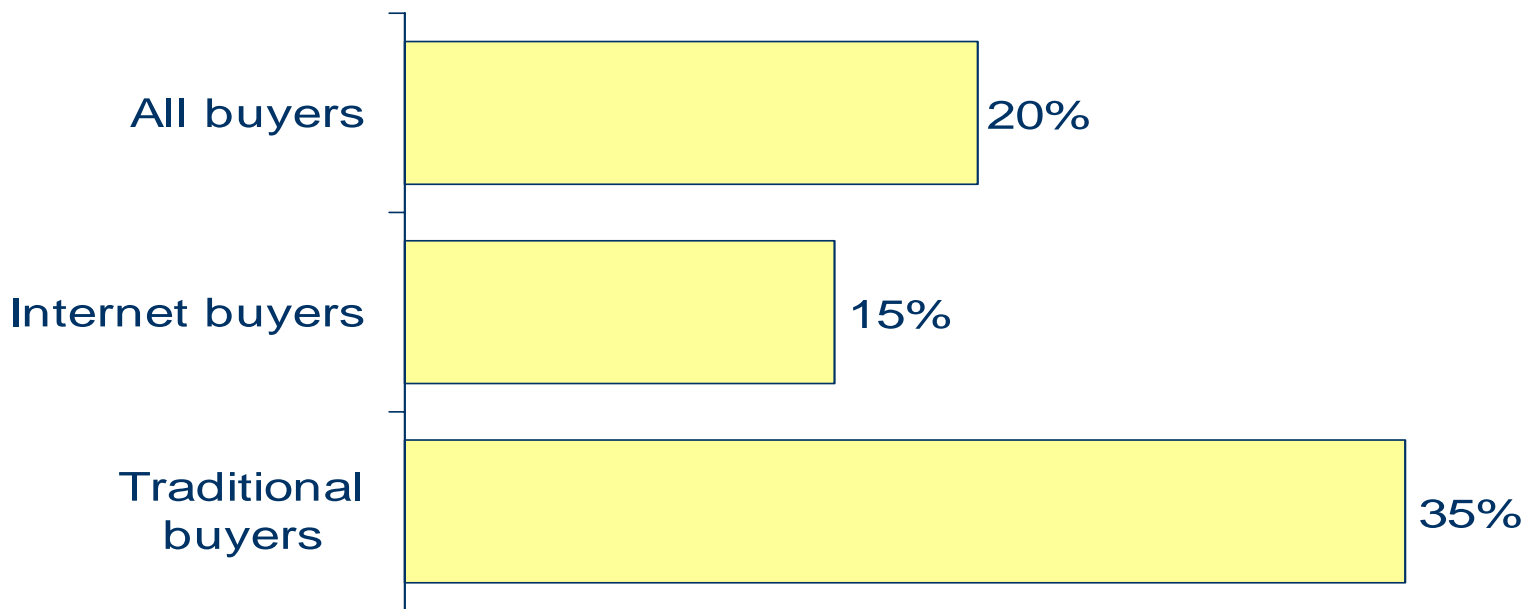
# Most Useful Web Site Visited During the Home Buying Process



# Percent of Homebuyers Who “Google” Agent Before Final Selection



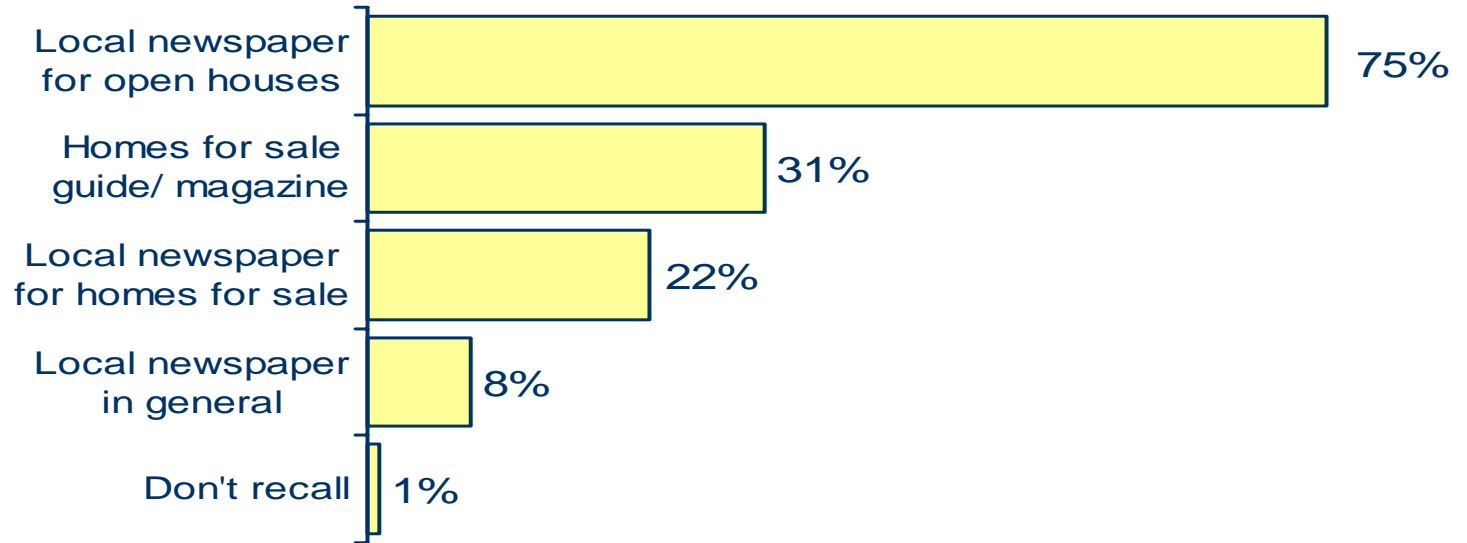
# Homebuyers Who Looked at Newspaper/Magazine Ads to Search for a Home



# Publication Used to Search for a Home

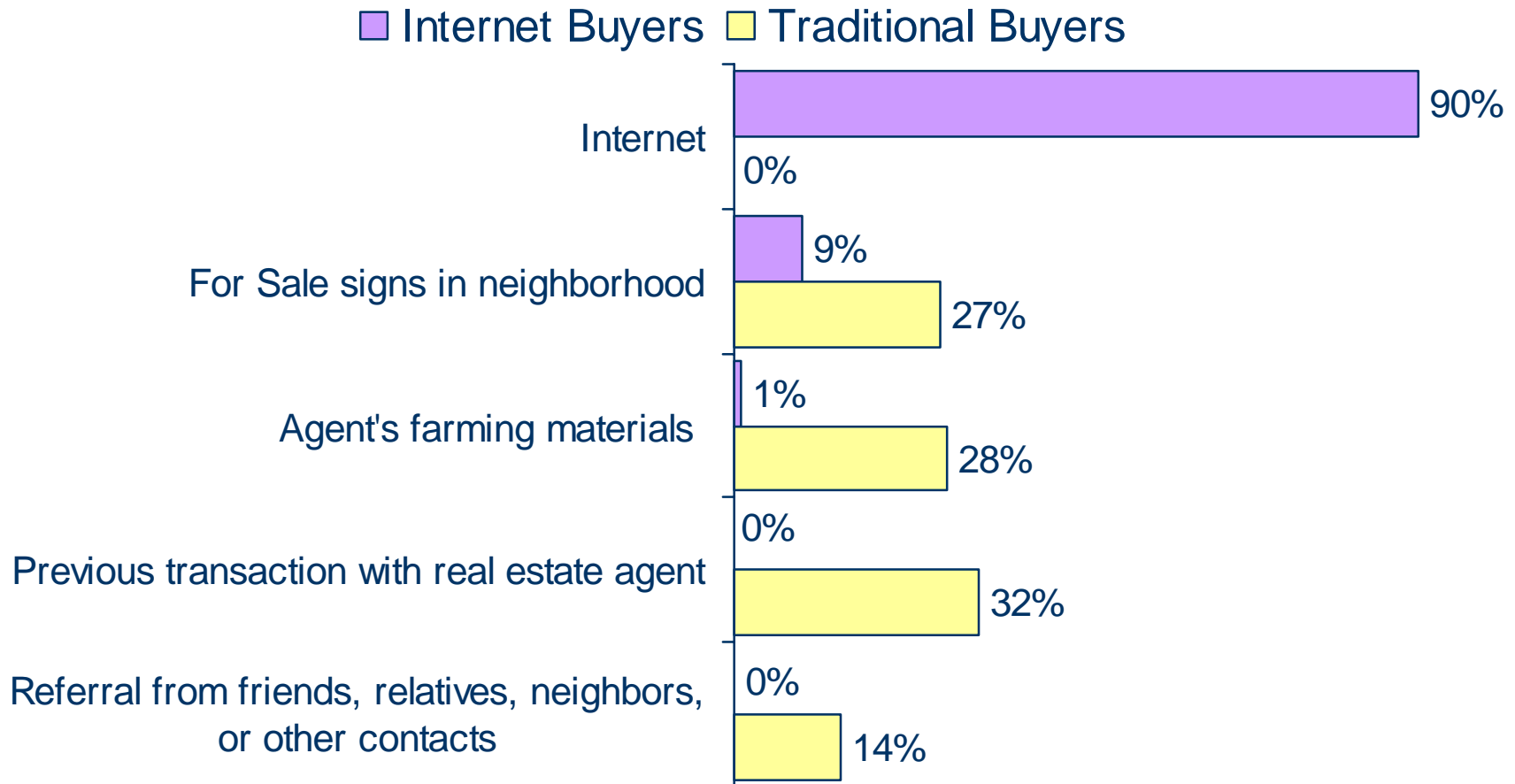
Respondents Who Looked at Newspaper/Magazine Ads to Search for a Home

All Buyers

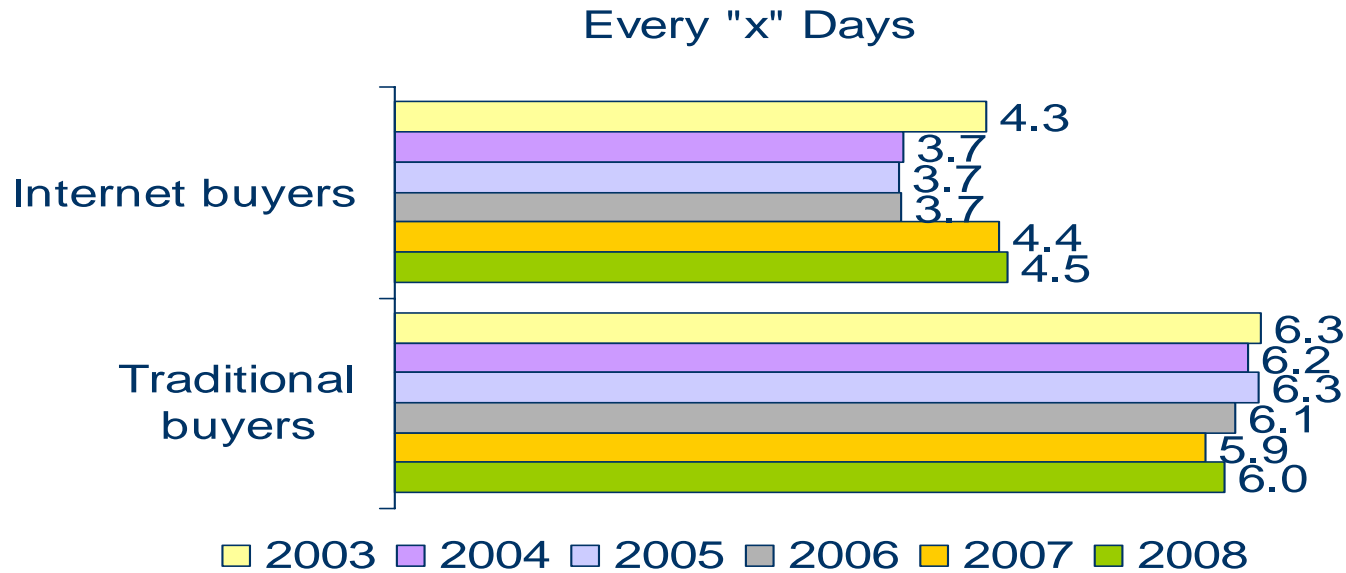


# How Did You Find Your Real Estate Agent?

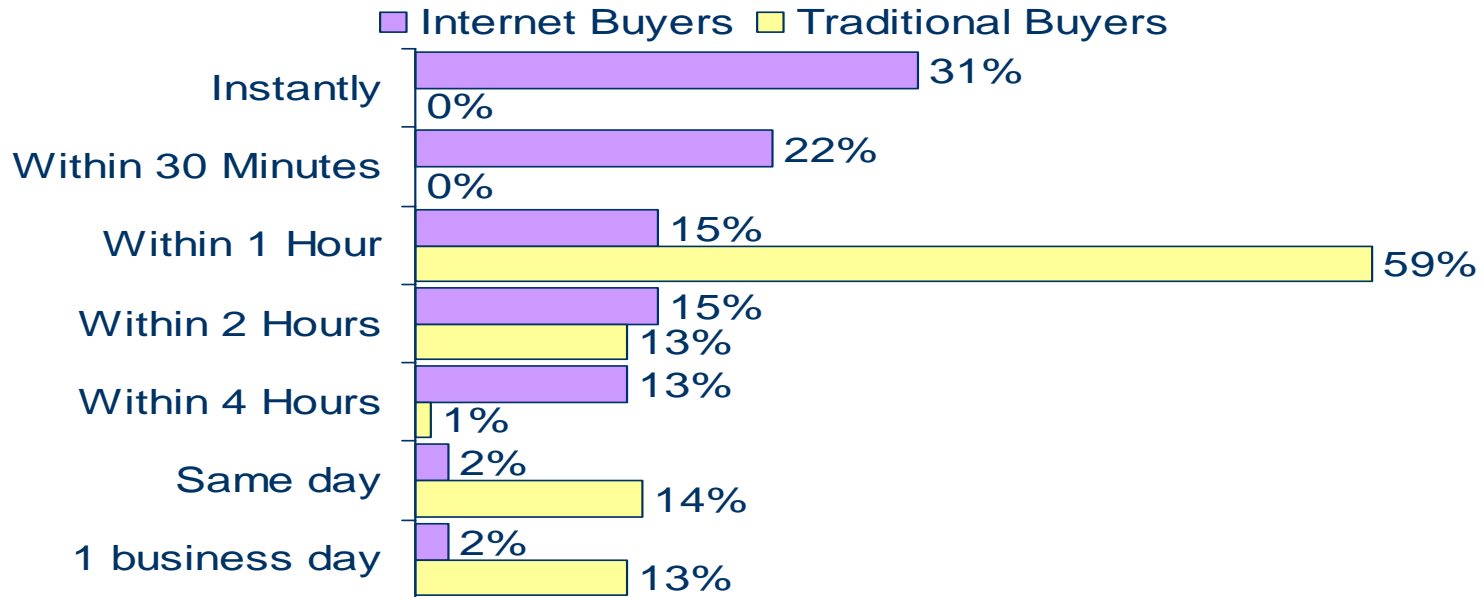
Unaided Multiple Responses



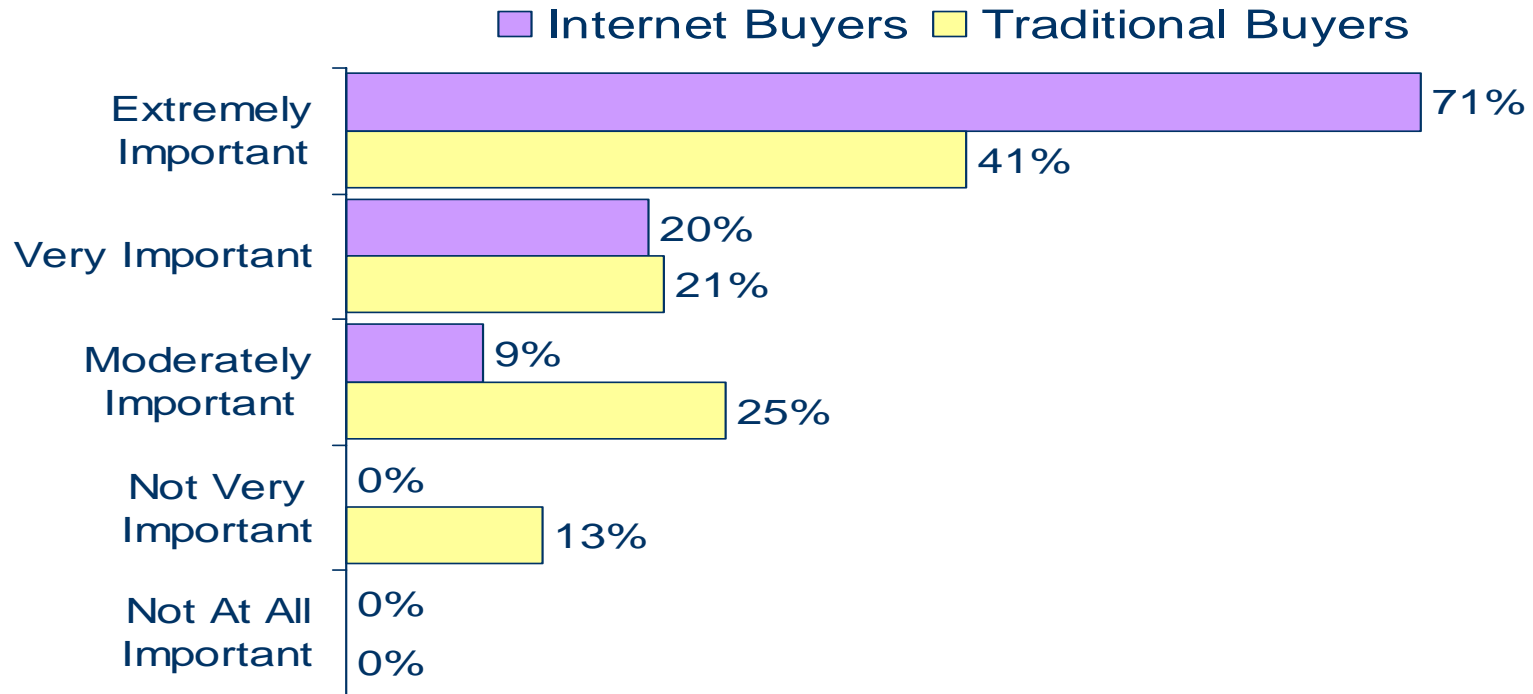
# About How Often Did You Receive Communications From Your Real Estate Agent?



# Typical Response Time Expected from Agent

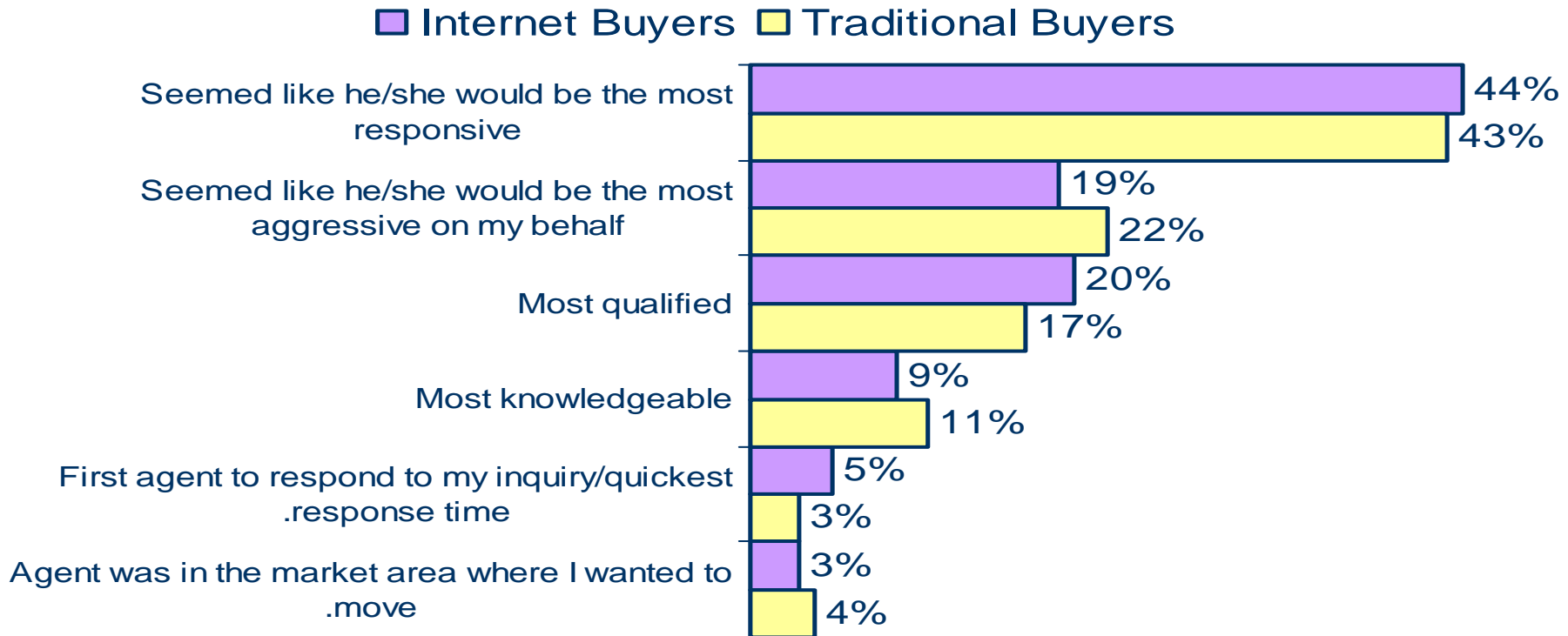


# Importance Of Agent's Response Time In the Selection Process



# Single Most Important Reasons For Selecting An Agent

Unaided Responses



# Satisfaction With Home Buying Process

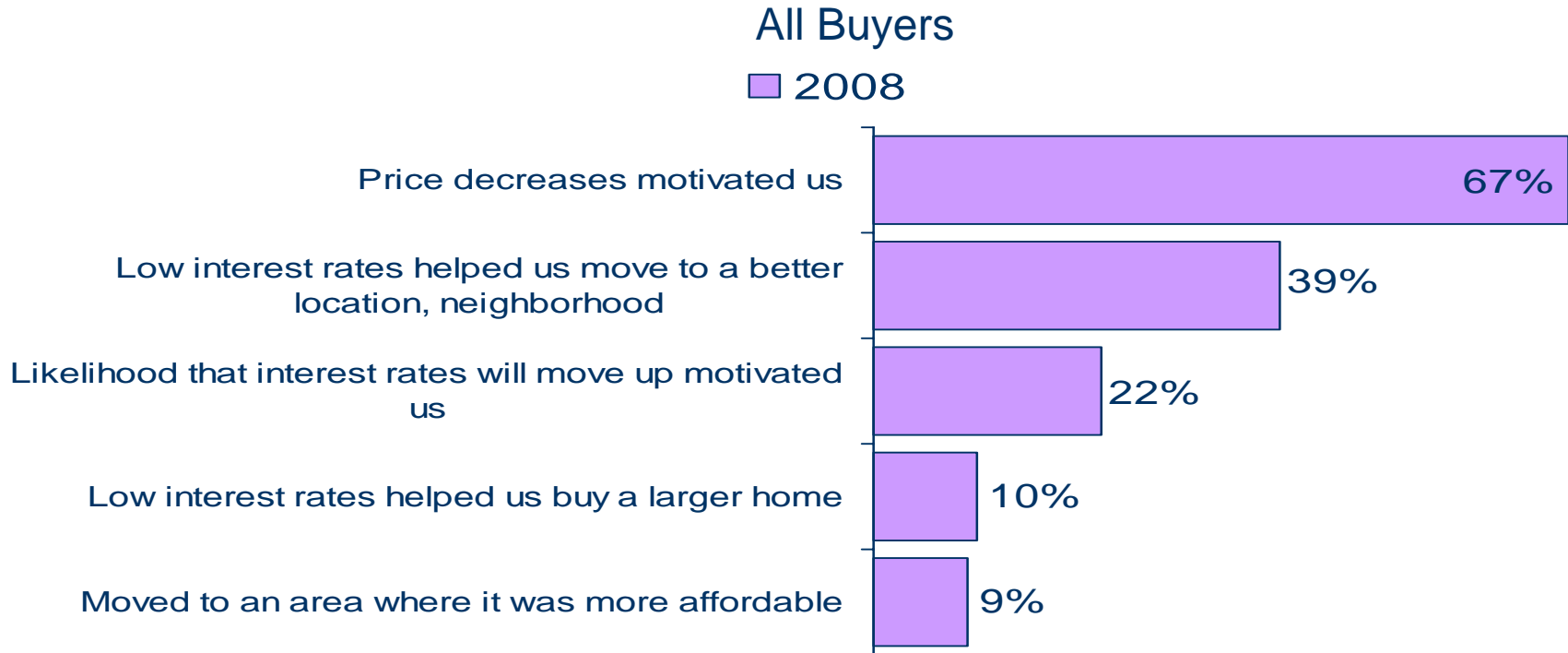
## All Buyers

Mean Score On A 5-point Scale

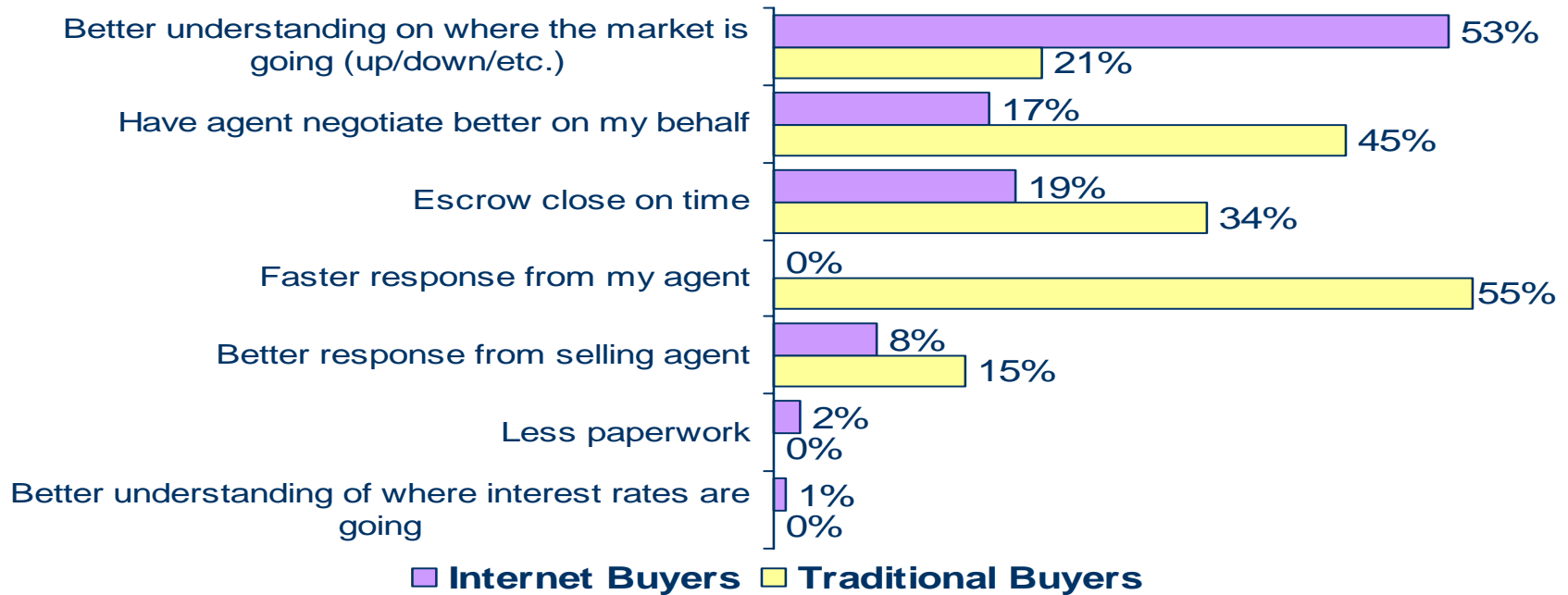
5 Is “Very Satisfied” And 1 Is “Very Dissatisfied”

	2005	2006	2007	2008
Overall process of finding home	4.5	4.3	4.2	3.3
Overall satisfaction with agent	4.6	4.2	4.1	3.3
Value received for amount paid	4.3	4.1	4.0	3.4
Information on neighborhood	4.5	4.5	4.4	3.5
Information on housing market conditions that your agent provided	NA	NA	3.7	3.1
Understanding home buying process	4.4	4.5	4.4	4.2
Agent's negotiating skills	4.4	4.2	4.1	3.3
Agent's aid in finding home	4.4	4.2	4.2	3.3
How well agent kept client informed	4.3	4.1	4.0	3.2

# The Role Of Market Conditions In The Decision To Purchase A Home



# One Thing You Would Change About The Home Buying Experience



**THANK YOU!**