



CALIFORNIA
ASSOCIATION
OF REALTORS®

C.A.R. Broker Confidence Survey January 2010 Results

CALIFORNIA ASSOCIATION OF REALTORS®

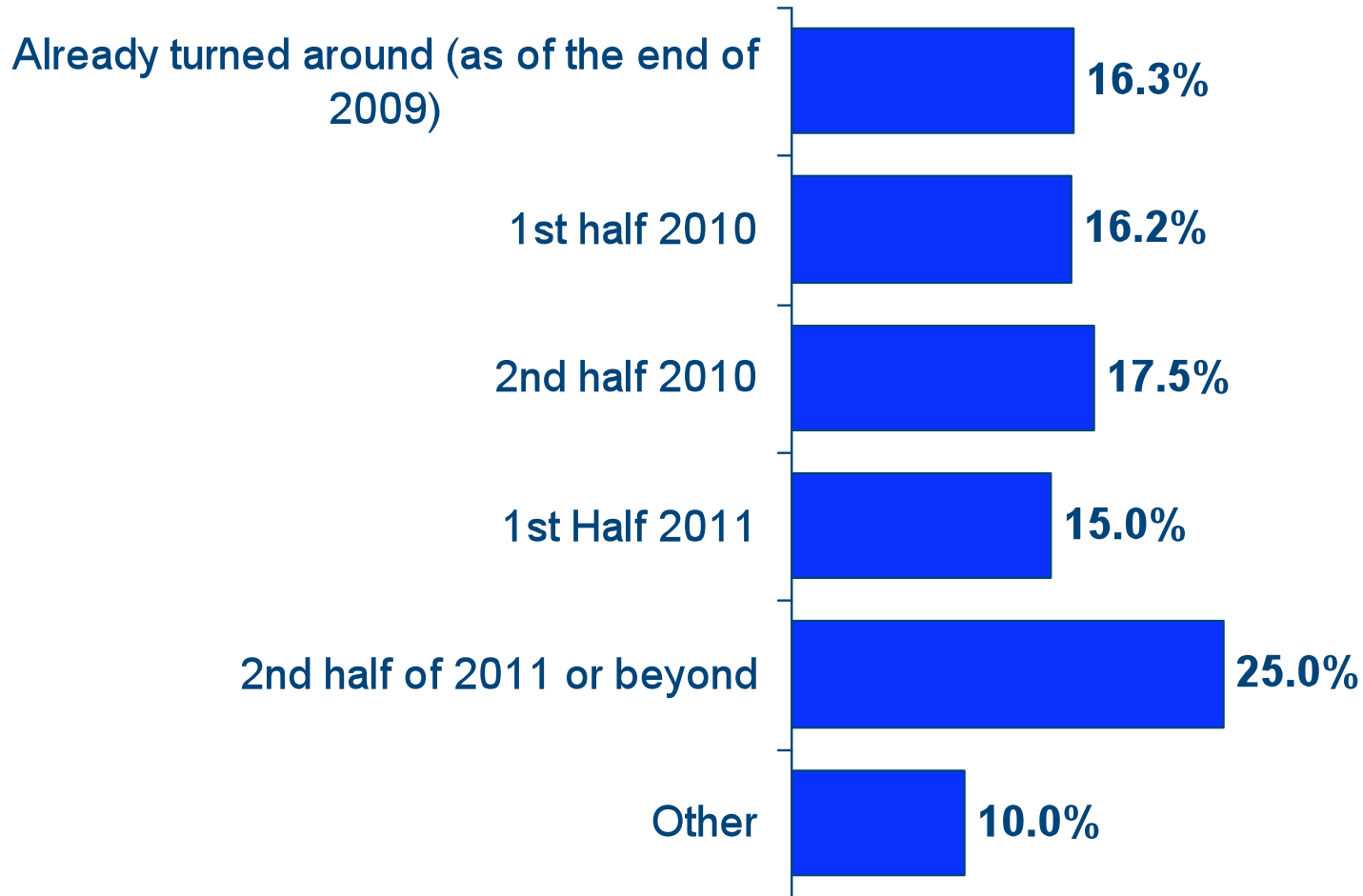
Survey Methodology

- **The purpose of the Broker Confidence Survey (BCS) is to gather current and expected real estate market conditions from broker members across the state.**
- **The survey asks brokers questions ranging from pending and closed escrow sales to real estate finance conditions in their market area.**
- **The survey is conducted on a bi-monthly basis beginning in July 2009 (Prior to July 2009 the survey was conducted in Nov-08, Dec-08, & Mar-09).**
- **Surveys are sent to over 2900 California Broker members with 5 or more agents in their offices**
- **Survey invitations are sent via Email Invitation**
- **Online Survey mechanism utilized**
- **The January 2010 response rate was 6.2%.**

Has Your Market Turned Around?

-January 2010-

When do you expect to see your market area turn around?



Source: CALIFORNIA ASSOCIATION OF REALTORS®



Has Your Market Turned Around?

When do you expect to see your market area turn around?

| Answer Categories | Nov-09 | Jan-10 |
|--------------------------|---------------|---------------|
| Already Turned Around | 17.2% | 16.3% |
| 4th Qtr 2009 | 0.7% | N/A |
| 1st Qtr 2010 | 4.5% | 3.1% |
| 2nd Qtr 2010 | 21.6% | 13.1% |
| 3rd Qtr 2010 | 12.7% | 12.5% |
| 4th Qtr 2010 | 3.7% | 5.0% |
| 2011 or beyond | 29.9% | 40.0% |
| Other (please specify) | 9.7% | 10.0% |

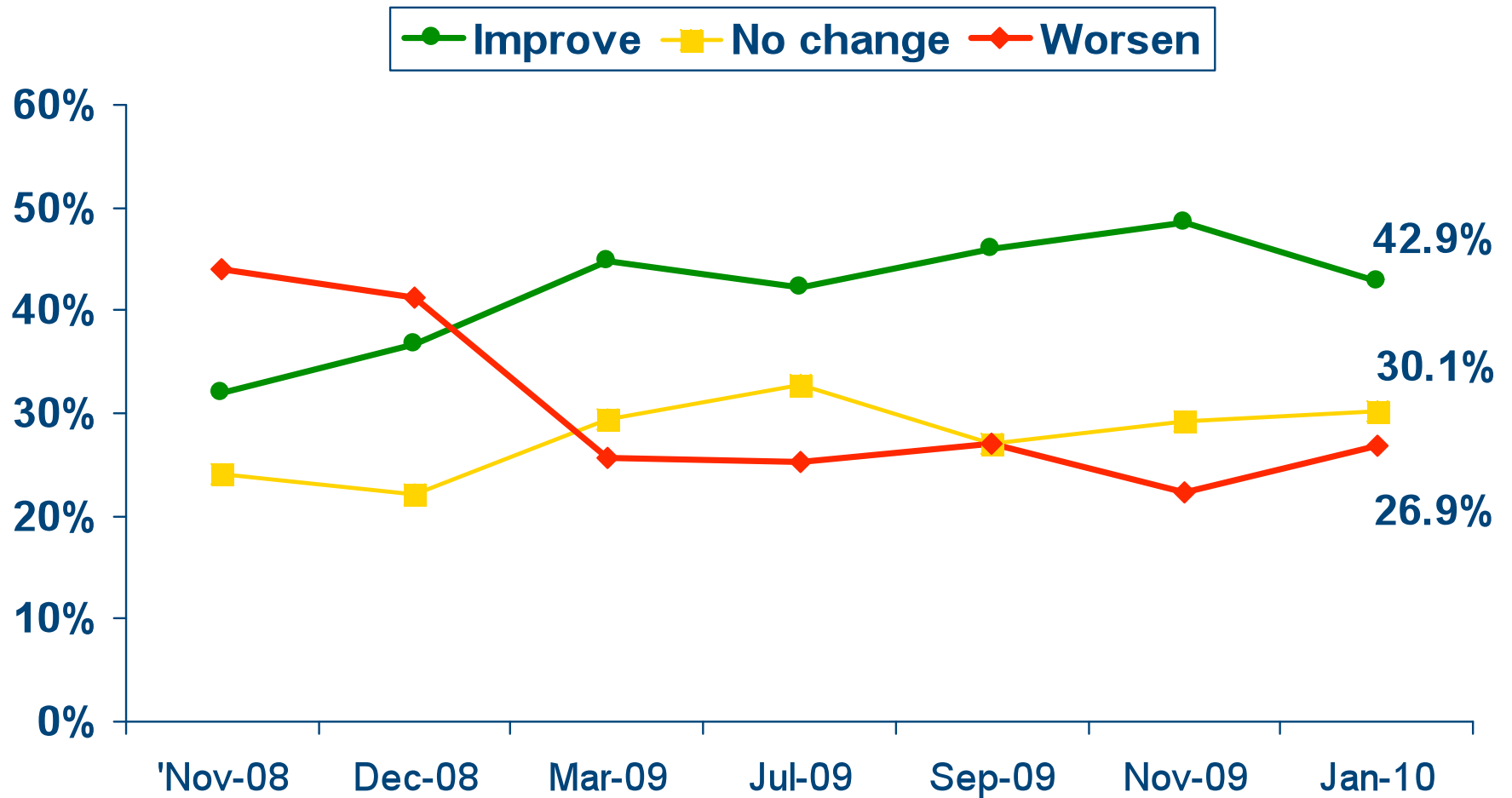
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Market Condition Expectations

-January 2010-

How do you expect market conditions to change over the next 3-6 months?



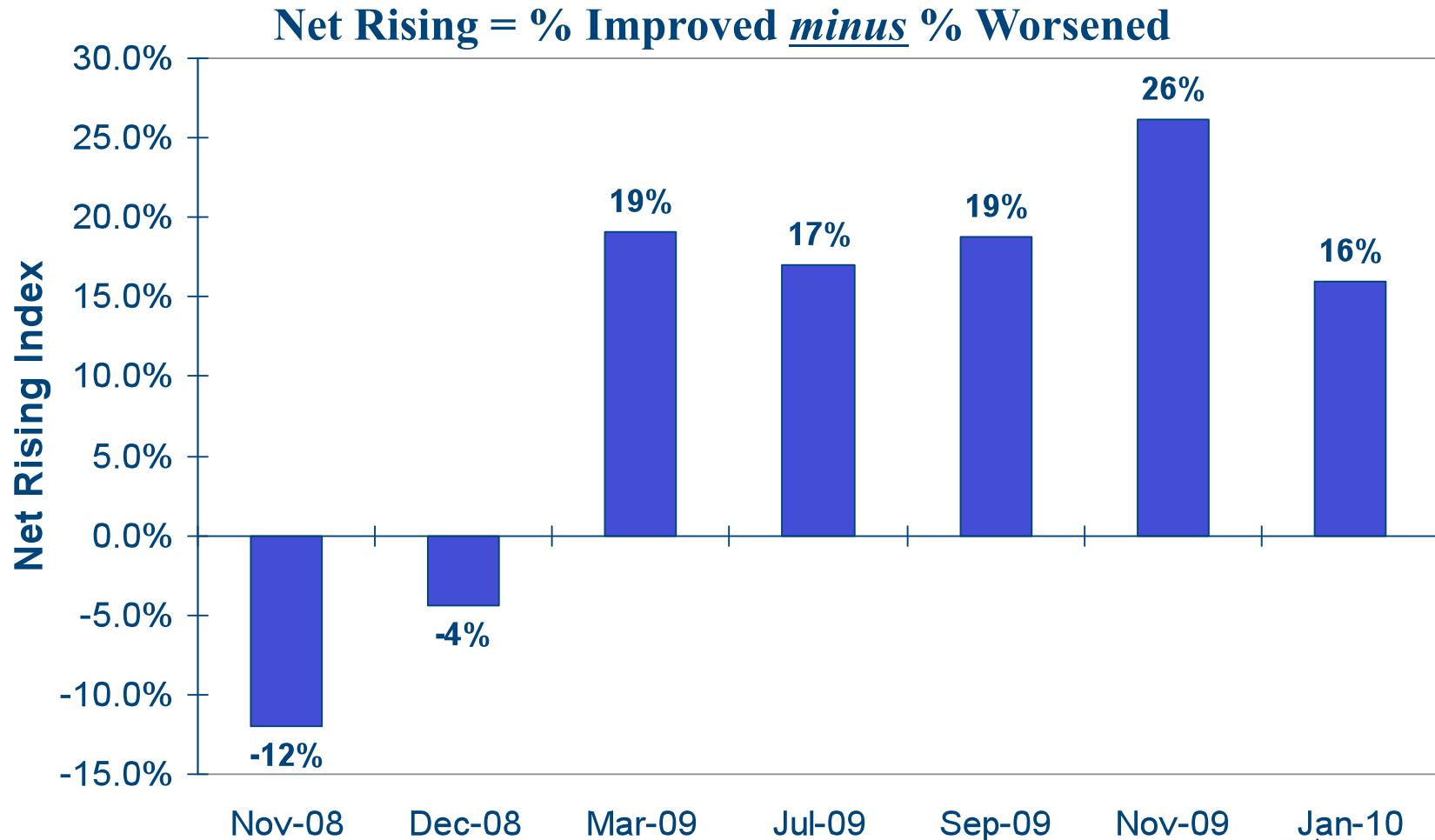
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Market Condition Expectations

Net Rising Index

How do you expect market conditions to change over the next 3-6 months?



Source: CALIFORNIA ASSOCIATION OF REALTORS®

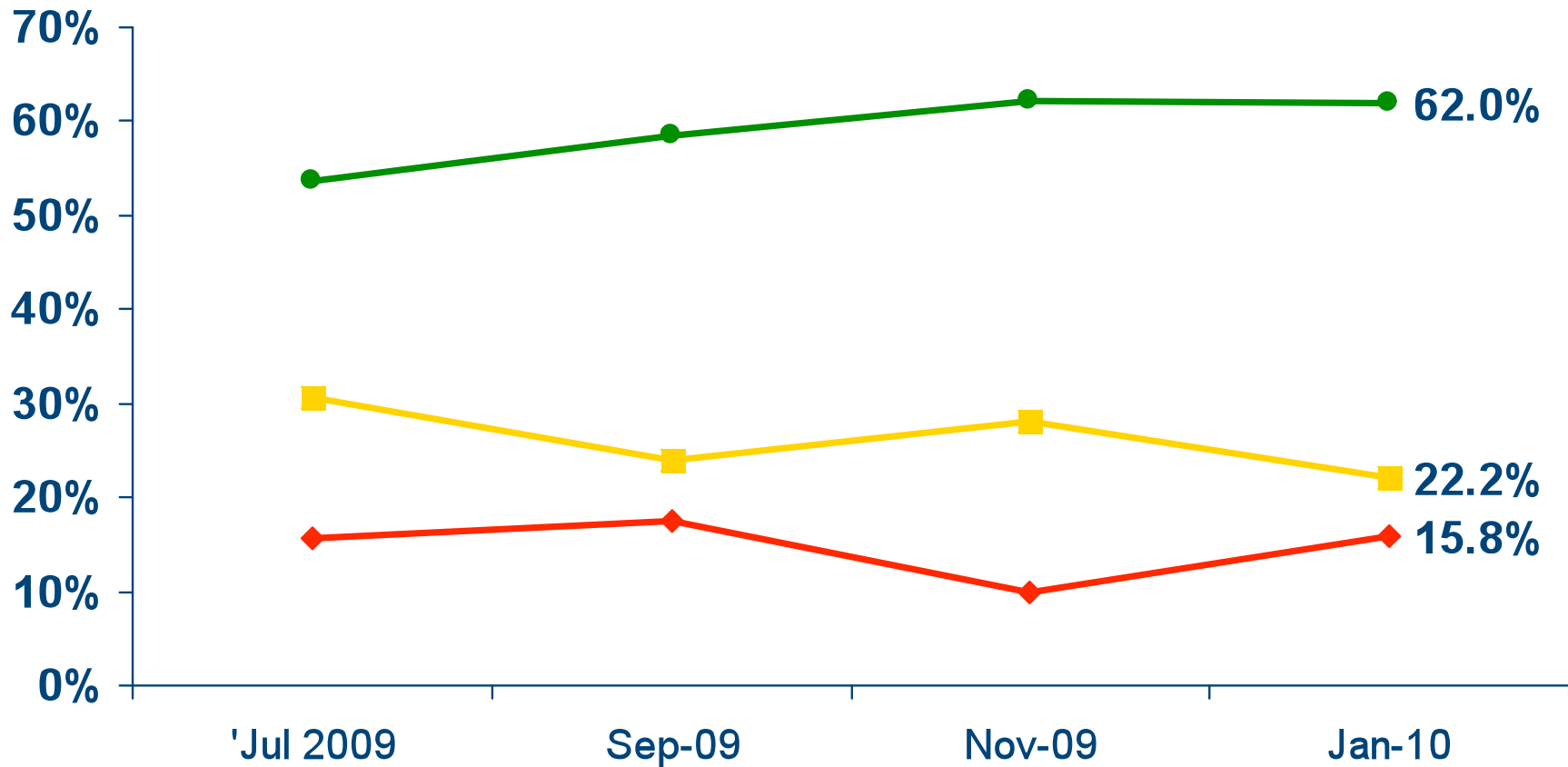


Sales Volume Expectations

-January 2010-

How do you expect the dollar volume of sales in your office to change over the next 3-6 months?

● Improve ■ No change ◆ Worsen



Source: CALIFORNIA ASSOCIATION OF REALTORS®

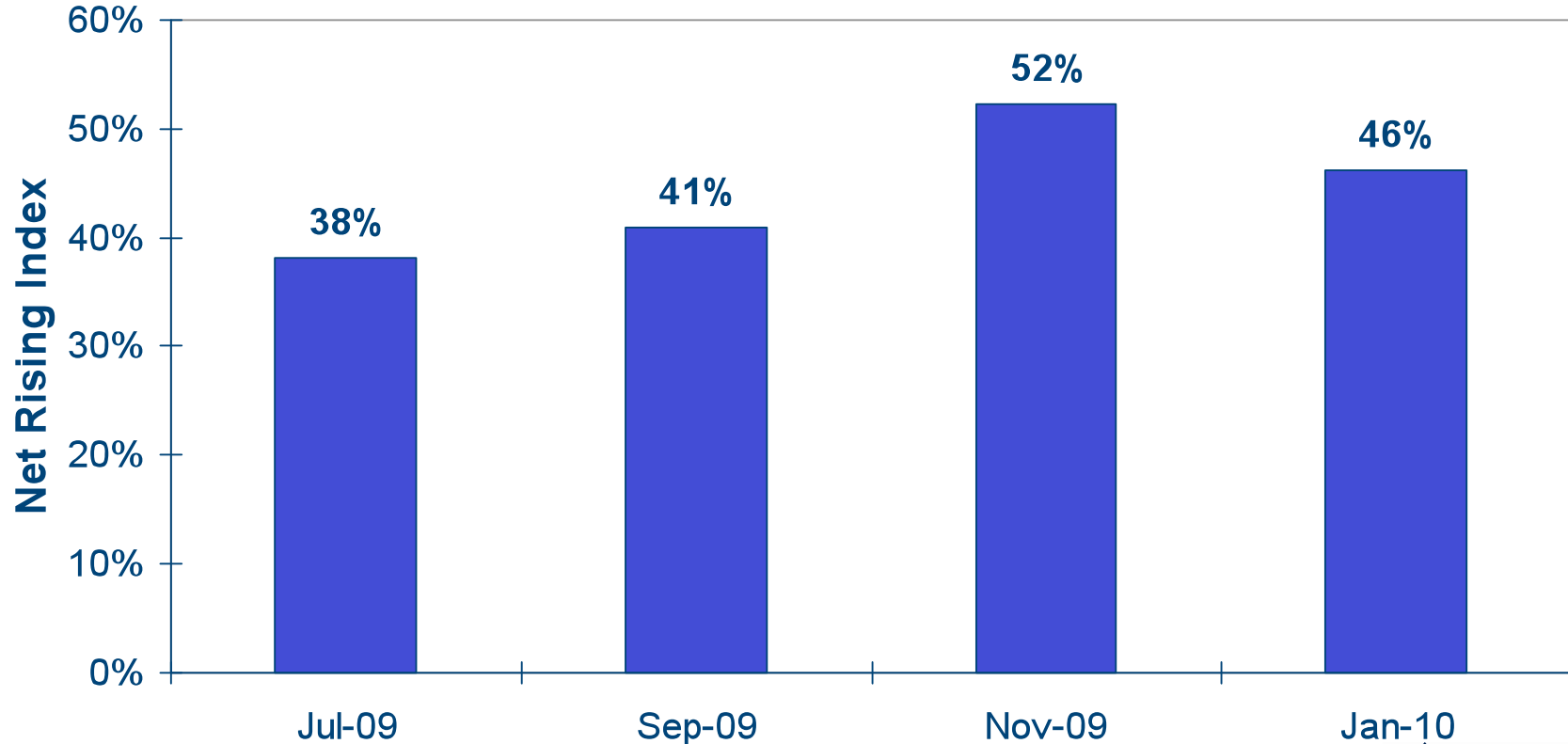


Sales Volume Expectations

-Net Rising Index-

How do you expect the dollar volume of sales in your office to change over the next 3-6 months?

Net Rising = % Improved *minus* % Worsened



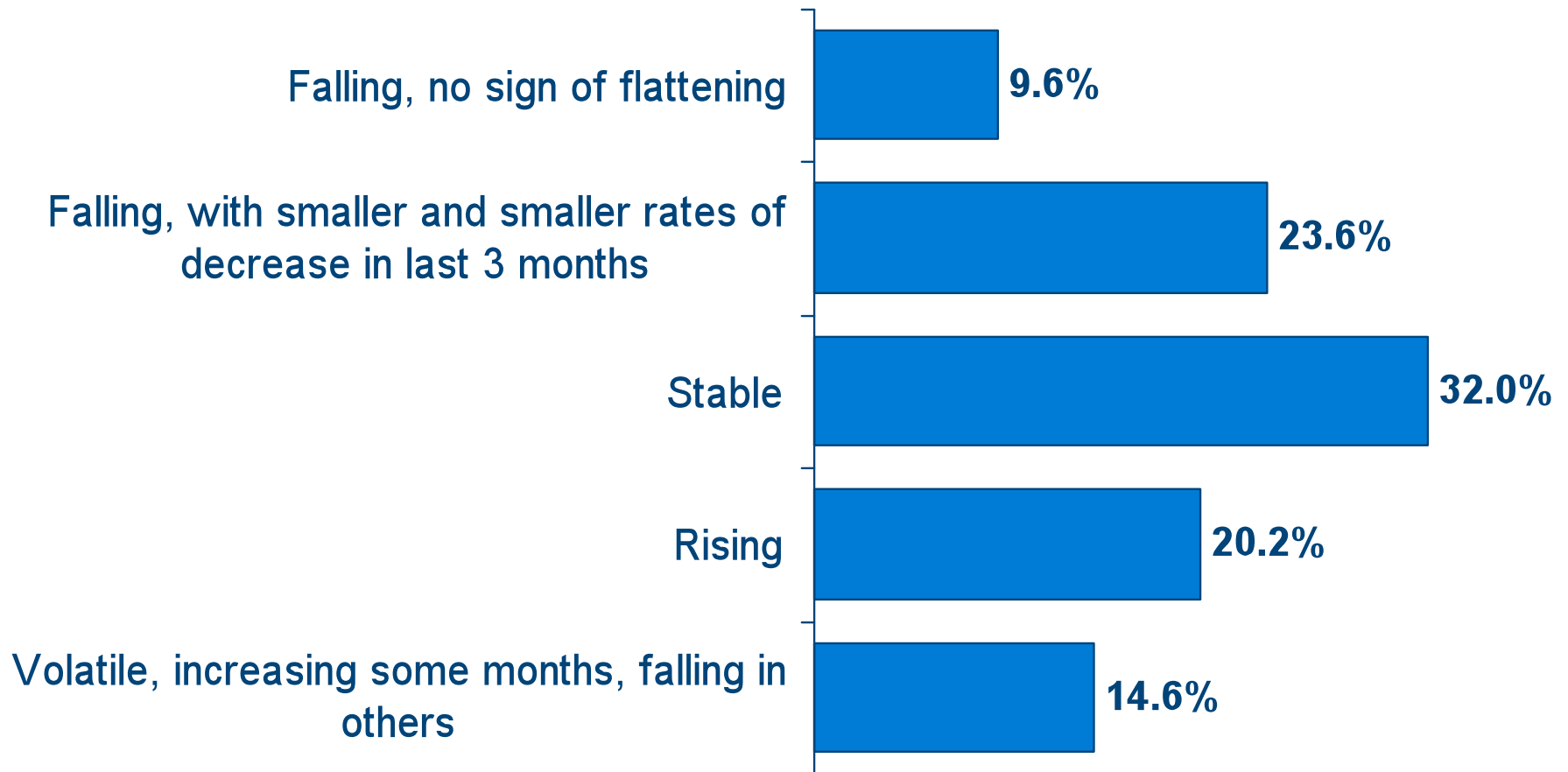
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Prices in Market Area

-January 2010-

Which of the following best characterizes prices in your market area?



Source: CALIFORNIA ASSOCIATION OF REALTORS®



Prices in Market Area

-Historical Trend-

Which of the following best characterizes prices in your market area?

| | Mar-09 | Jul-09 | Sep-09 | Nov-09 | Jan-10 |
|--|--------|--------|--------|--------|--------|
| Falling, no sign of flattening | 29.9% | 9.0% | 4.2% | 5.4% | 9.6% |
| Falling, with smaller and smaller rates of decrease in last 3 months | 53.0% | 44.9% | 27.8% | 35.4% | 23.6% |
| Stable | 8.0% | 24.0% | 29.2% | 26.5% | 32.0% |
| Rising | 3.2% | 12.0% | 22.2% | 23.8% | 20.2% |
| Volatile, increasing some months, falling in others | 6.0% | 10.2% | 16.7% | 8.8% | 14.6% |

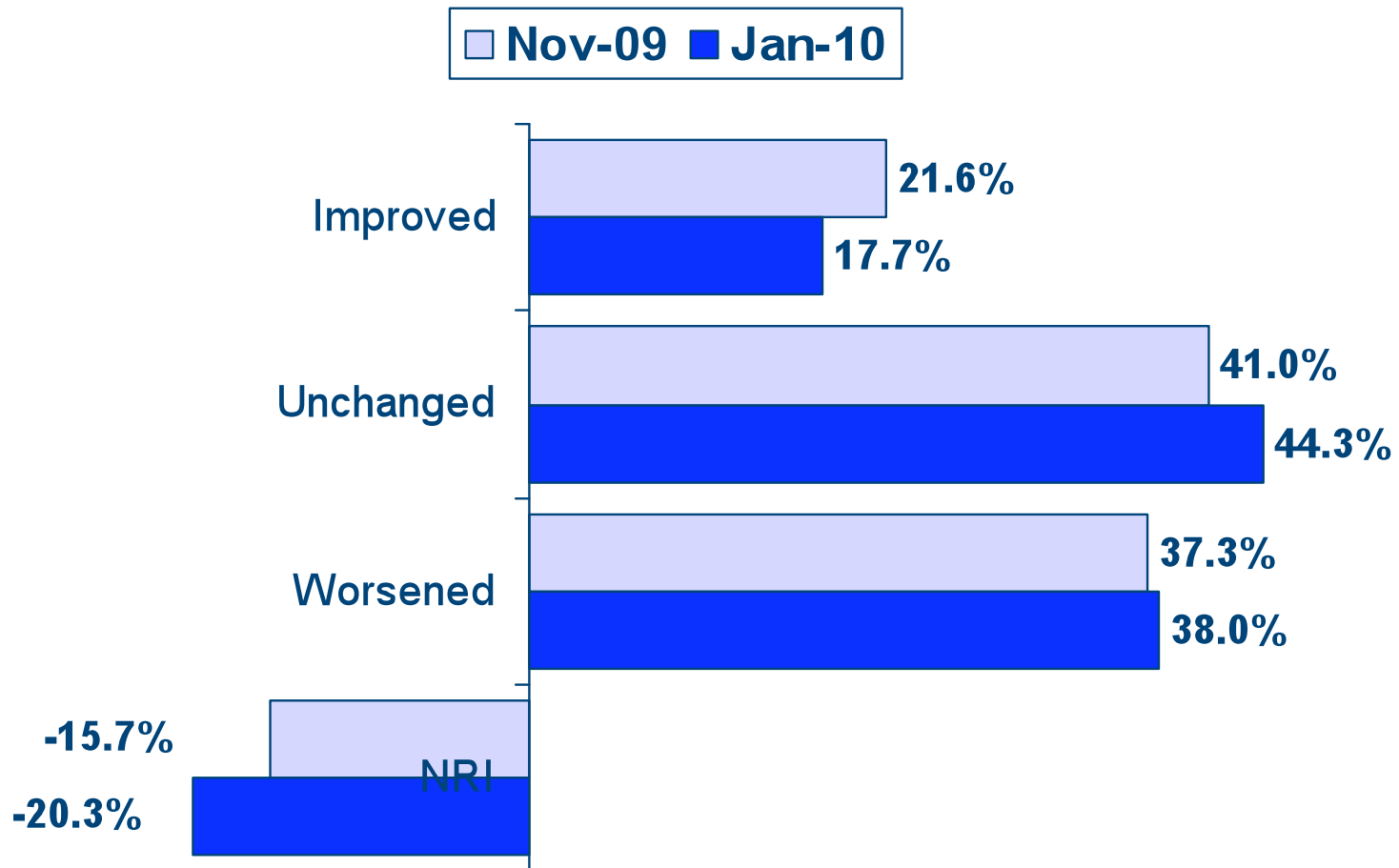
Source: CALIFORNIA ASSOCIATION OF REALTORS®



High-End Market Expectations

-For Homes Priced in the Top 25%-

How do you expect the high-end (homes priced in the top 25%) of your market area to change over the next 3-6 months?



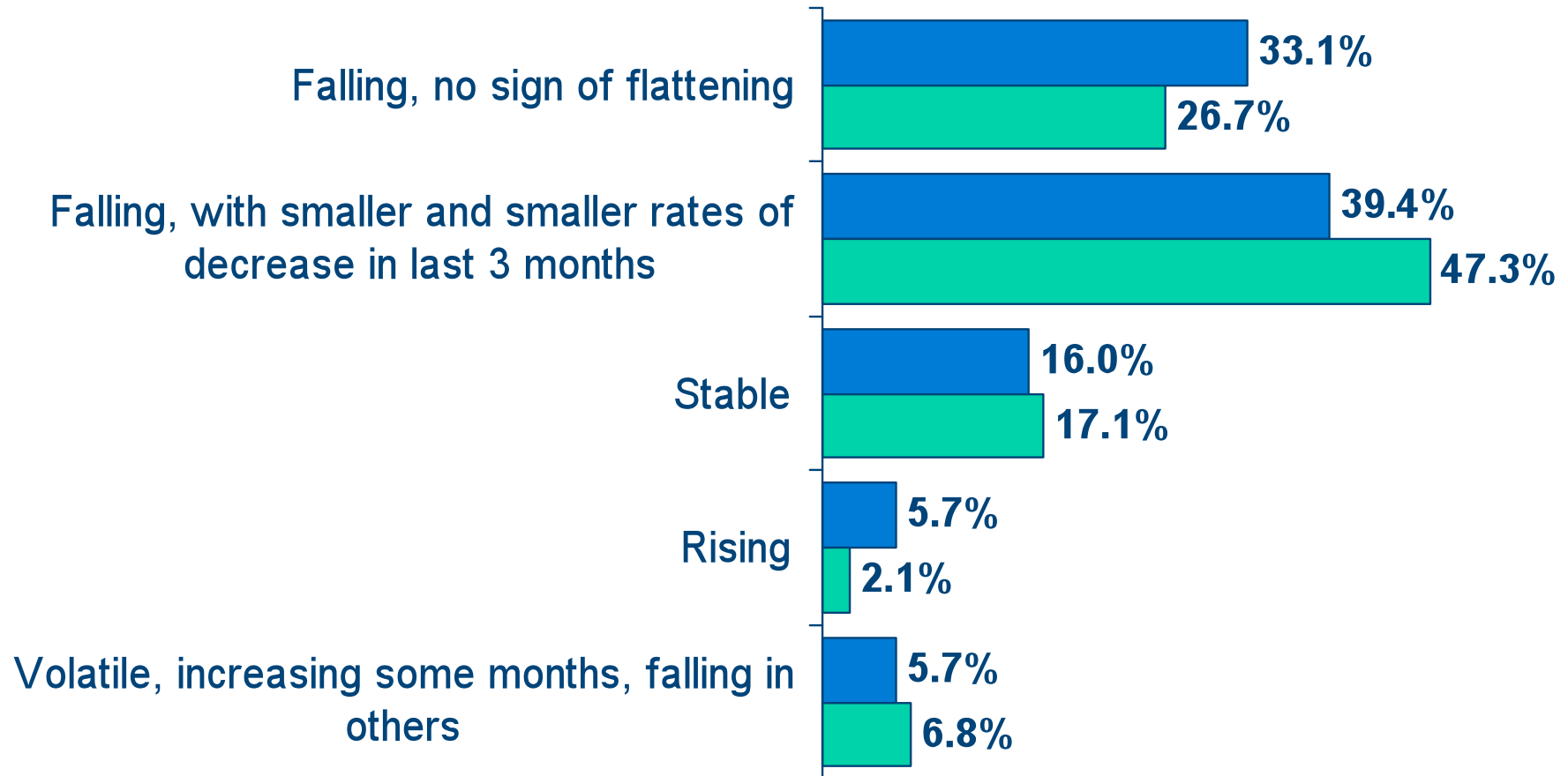
Source: CALIFORNIA ASSOCIATION OF REALTORS®



High-End Prices in Market Area

-For Homes Priced in the Top 25%-

Which of the following best characterizes high-end home prices (homes priced in the top 25%) in your market area?



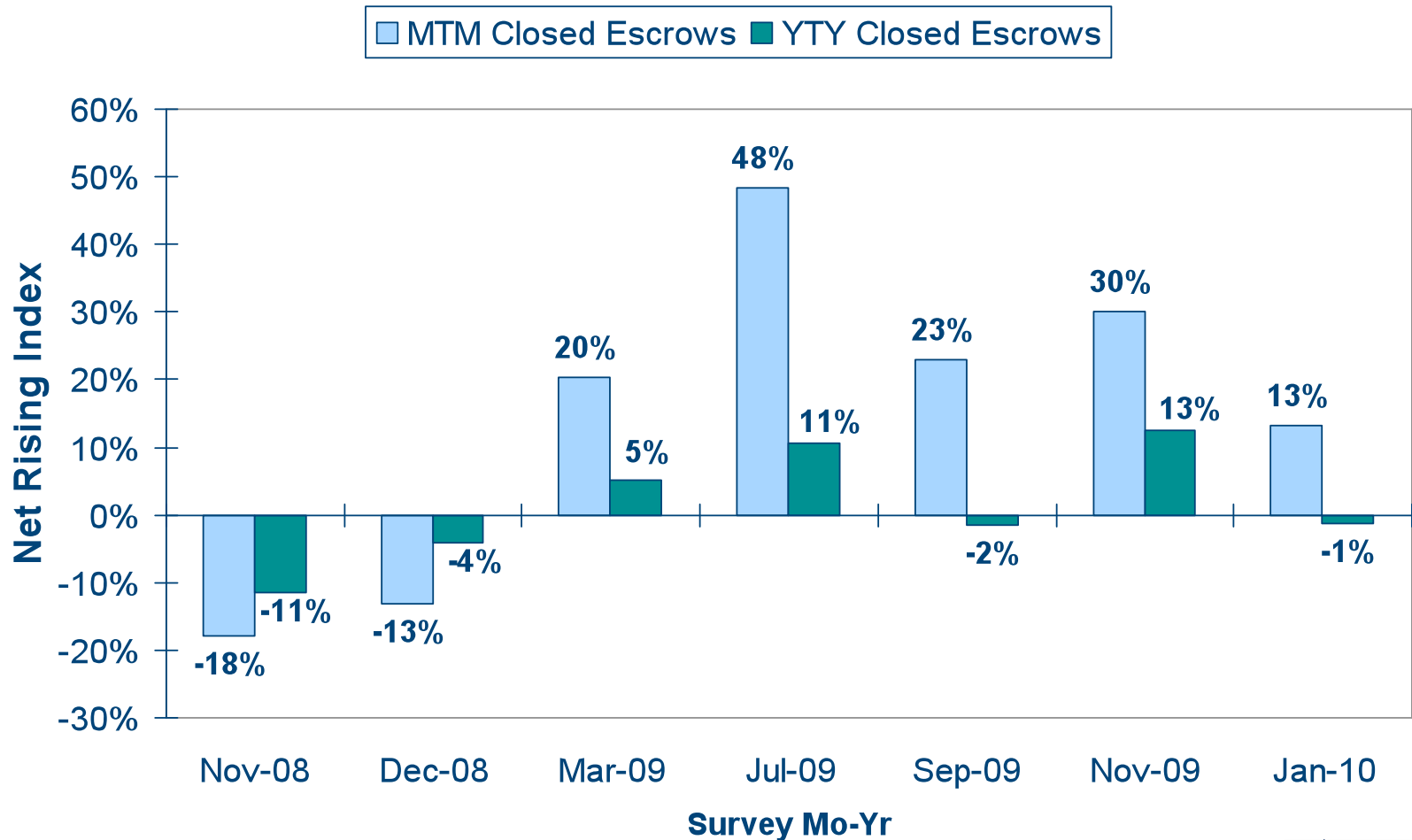
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Closed Escrows – Net Rising Index

December 2009 Closings (NSA)

Net Rising = % Improved minus % Worsened



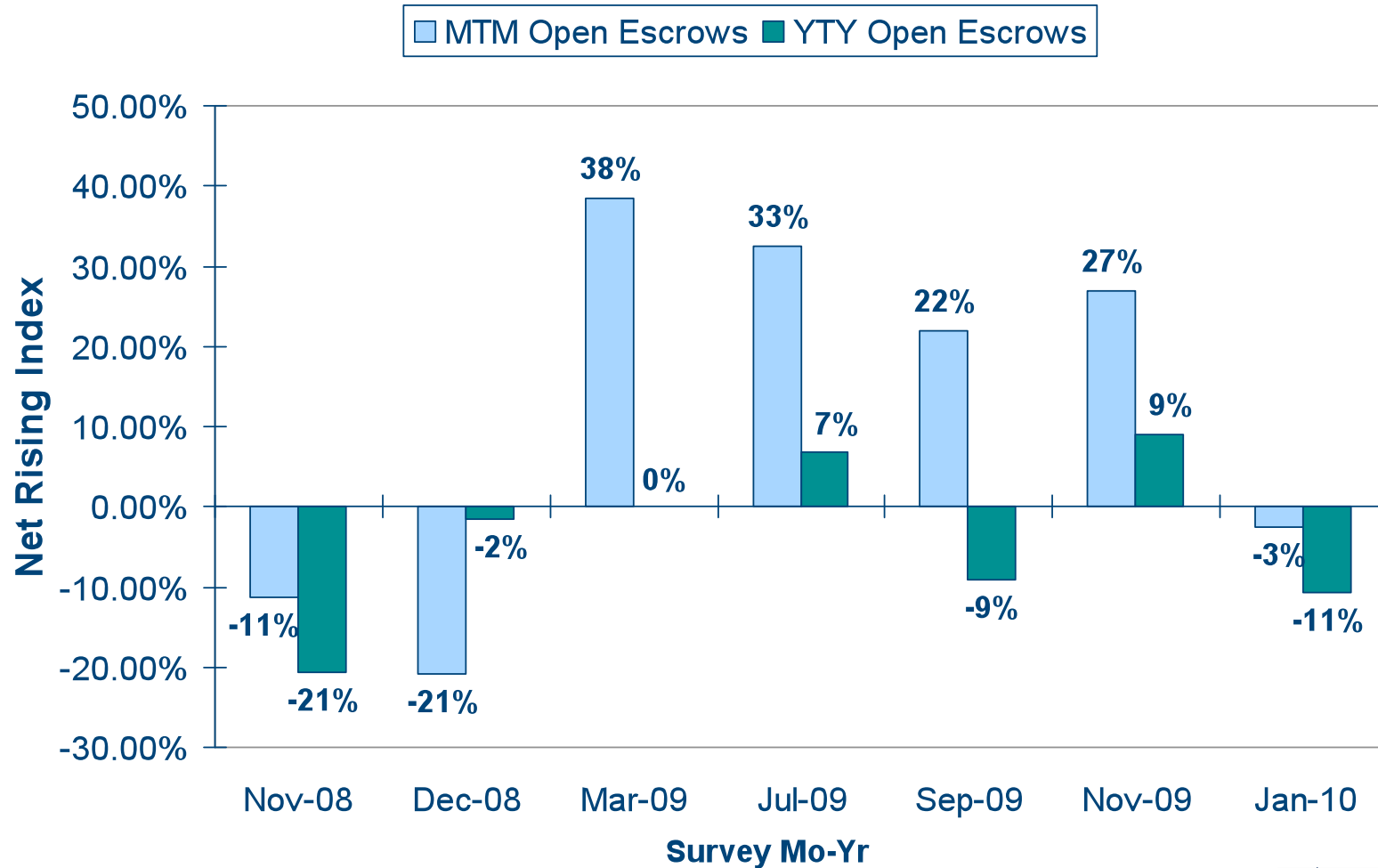
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Open Escrows – Net Rising Index

December 2009 Opens (NSA)

Net Rising = % Improved *minus* % Worsened

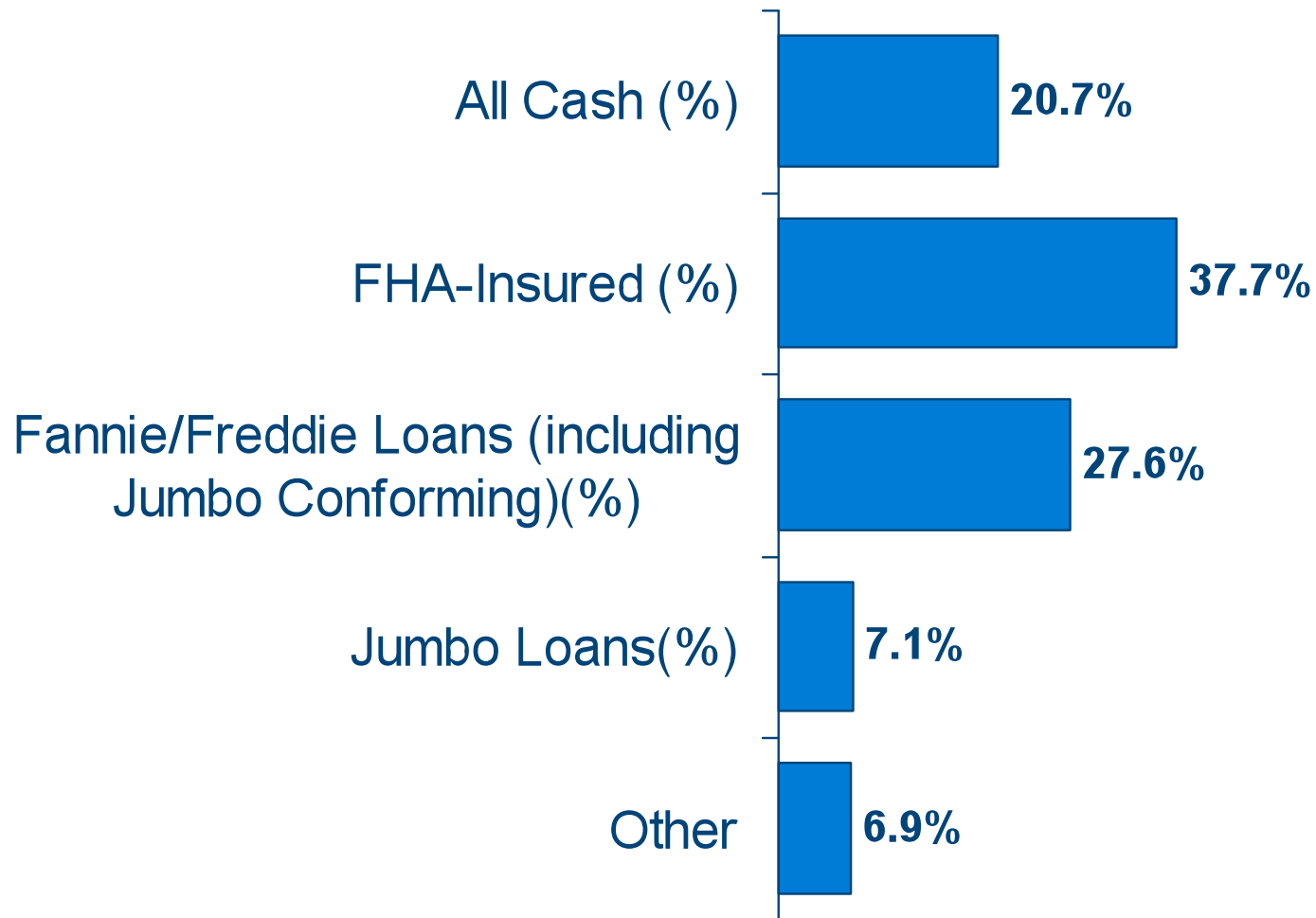


Source: CALIFORNIA ASSOCIATION OF REALTORS®



Transaction Type

-Average Overall Share of December 2009 Closed Escrows-



Source: CALIFORNIA ASSOCIATION OF REALTORS®



Transaction Type

-Average Overall Share of Closed Escrows, Historical Trend-

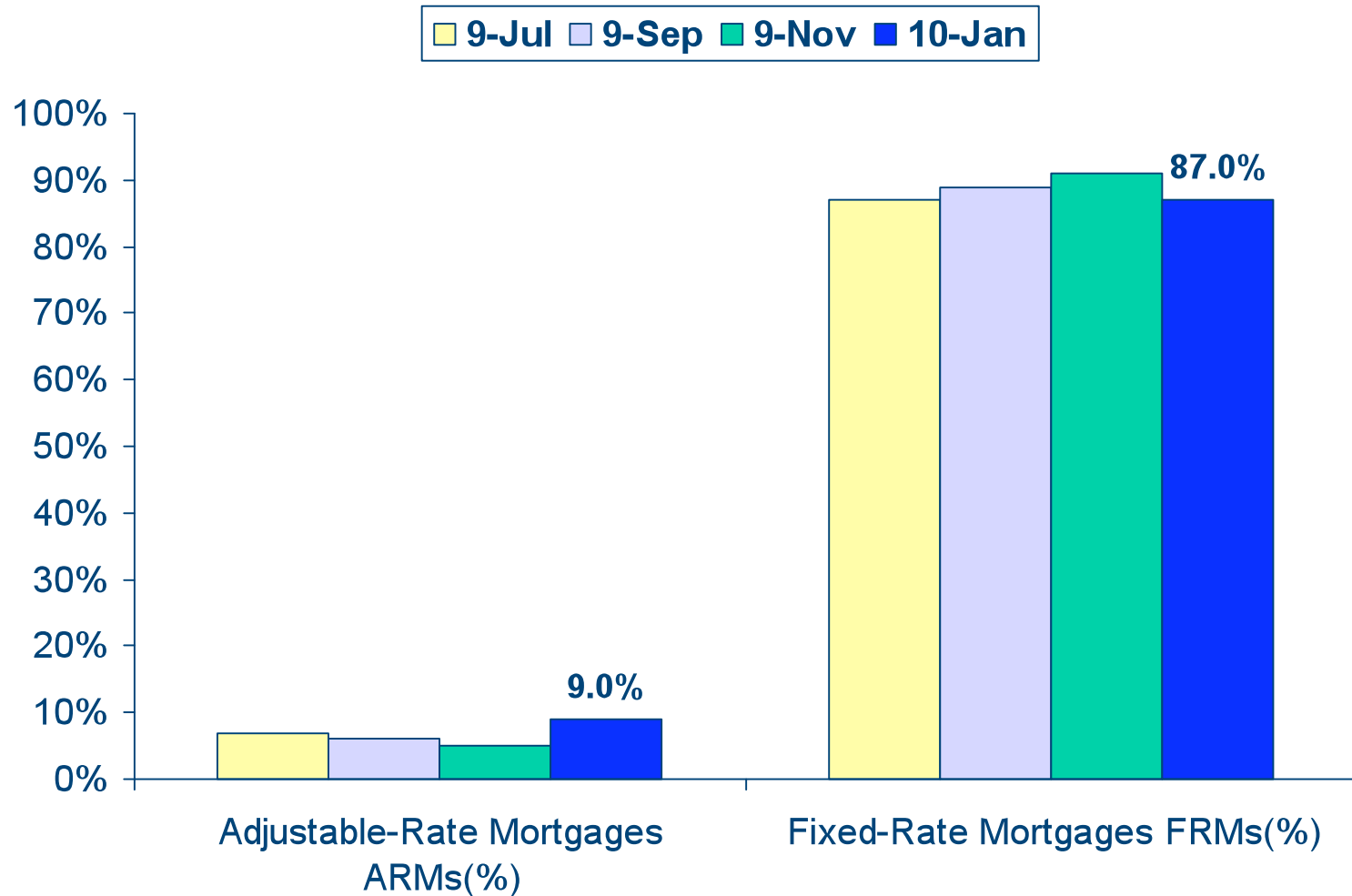
| | Jul-09 | Sep-09 | Nov-09 | Jan-10 |
|--|---------------|---------------|---------------|---------------|
| All Cash (%) | 16.2% | 18.2% | 16.7% | 20.7% |
| FHA-Insured (%) | 44.4% | 47.1% | 47.5% | 37.7% |
| Fannie/Freddie Loans (including Jumbo Conforming)(%) | 28.9% | 25.9% | 25.2% | 27.6% |
| Jumbo Loans(%) | 7.4% | 5.0% | 5.9% | 7.1% |
| Other | 3.3% | 3.7% | 4.8% | 6.9% |

Source: CALIFORNIA ASSOCIATION OF REALTORS®



Mortgage Type

-Share of Closed Escrows-

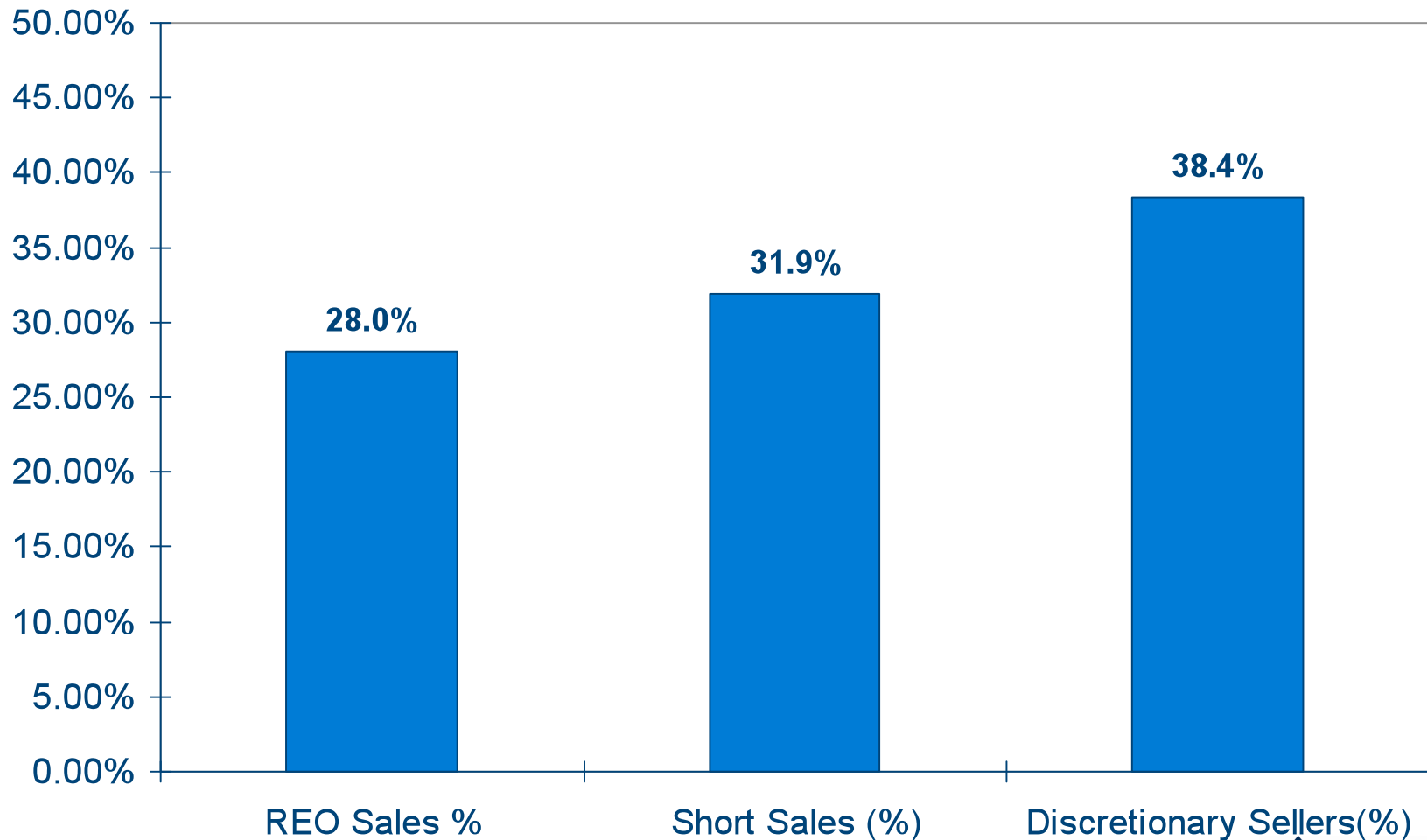


Source: CALIFORNIA ASSOCIATION OF REALTORS®



Type of Listings

-Average Overall Share of Listing Side of Transactions-

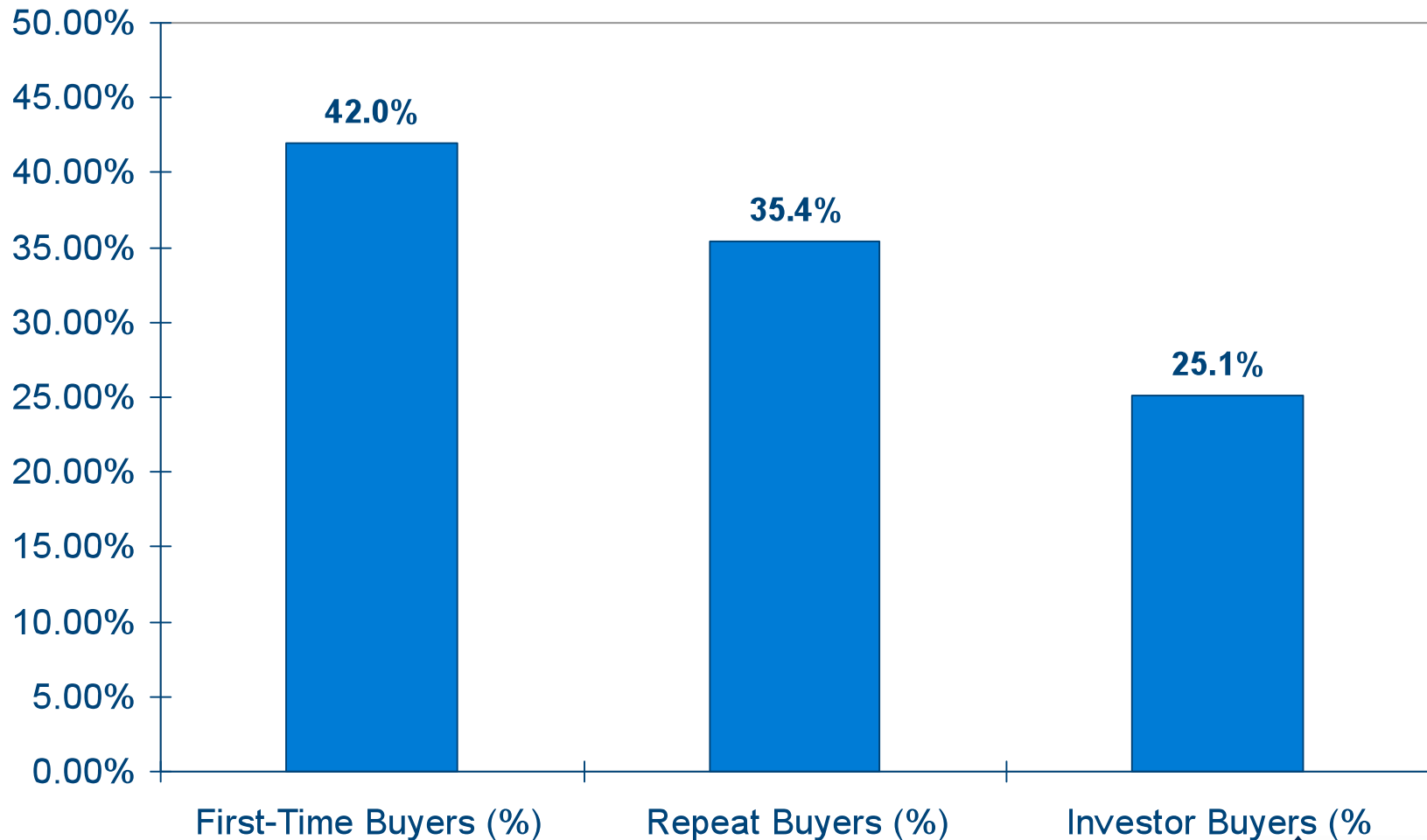


Source: CALIFORNIA ASSOCIATION OF REALTORS®



Type of Buy Side Transactions

-Average Overall Share of Buying Side of Transactions-



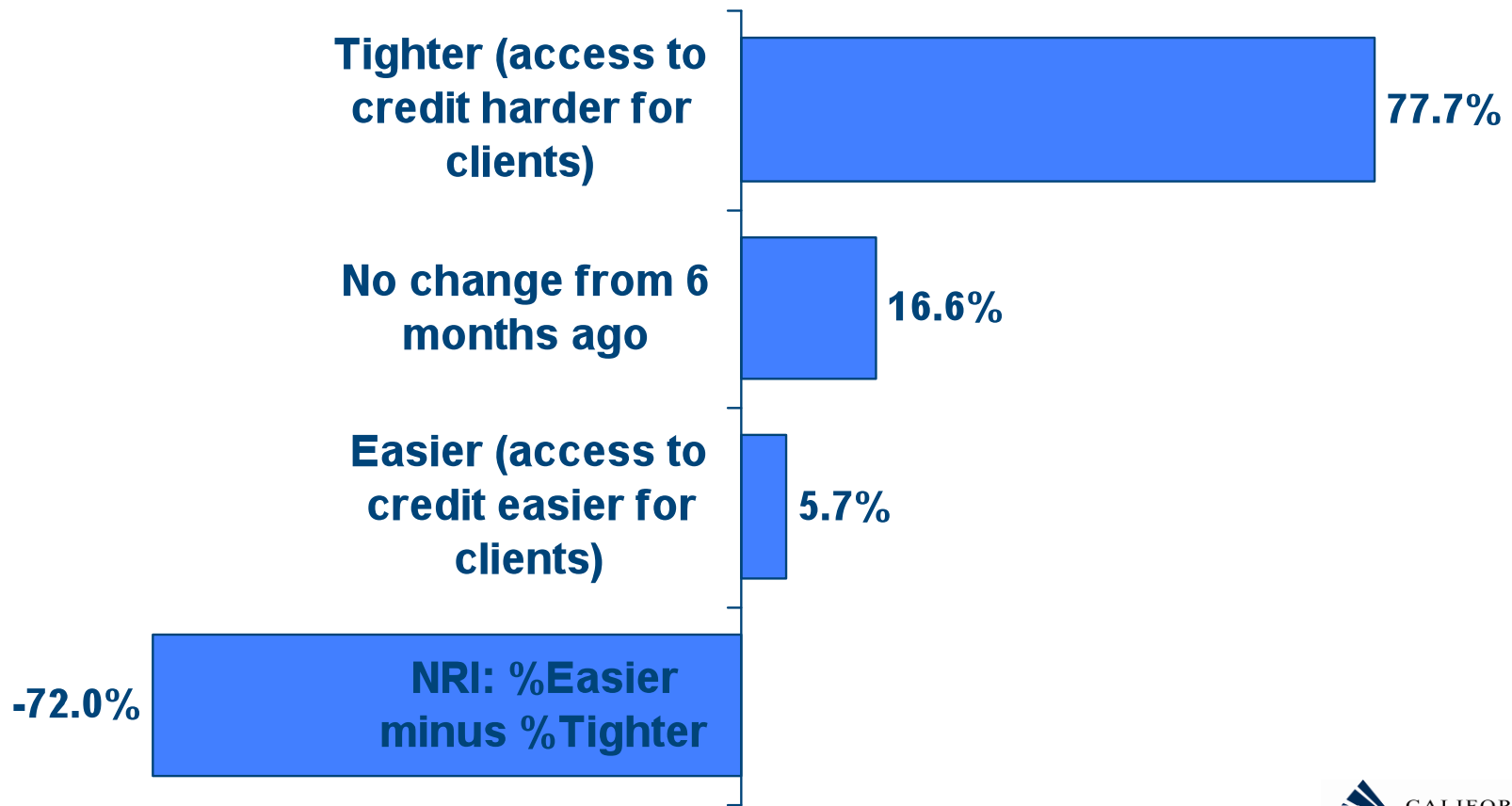
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Underwriting Standards

-January 2010-

How did the underwriting standards your clients faced in December compare to 6 months ago?



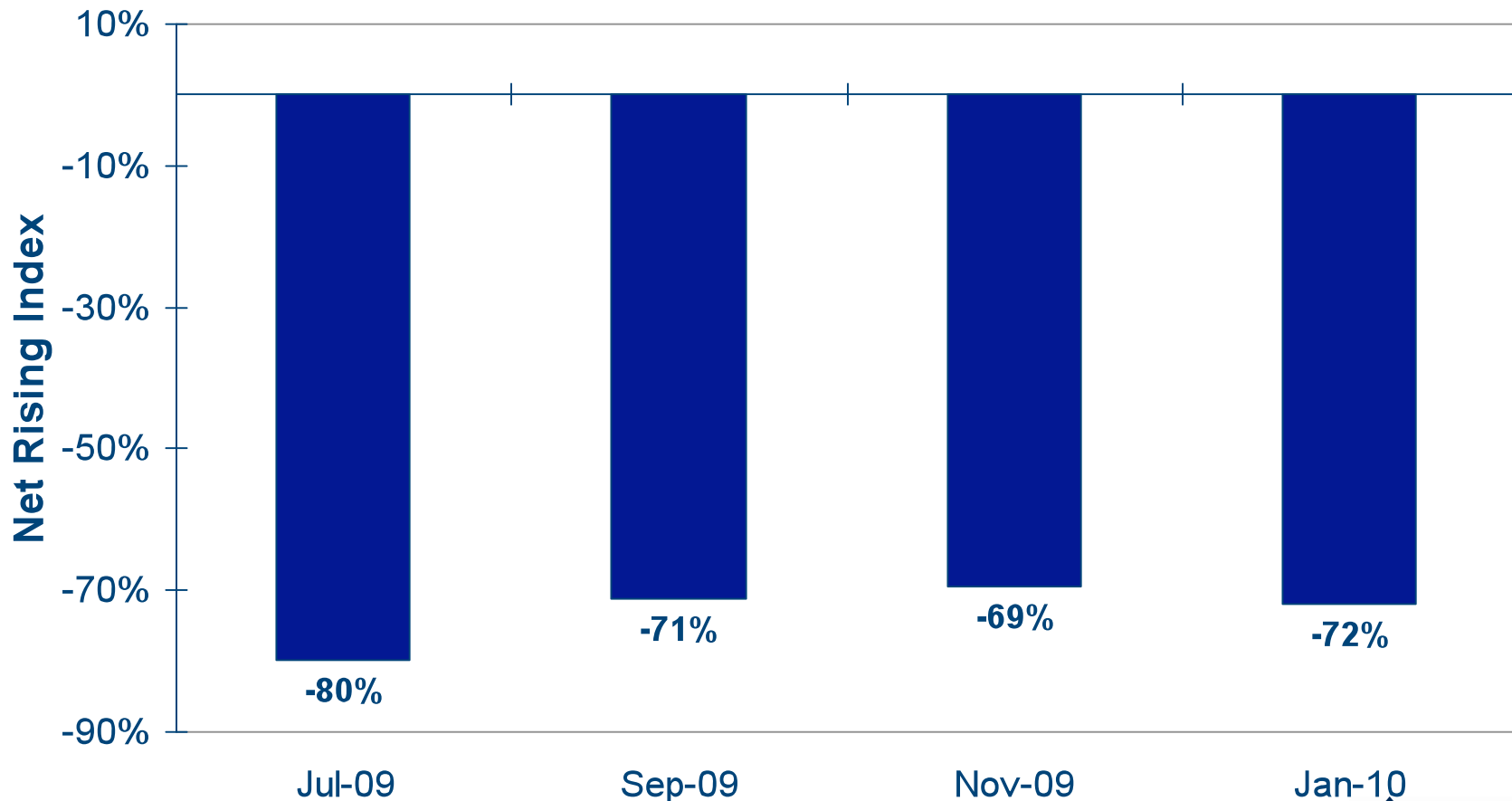
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Underwriting Standards

-Net Rising Index-

Net Rising = % Improved minus % Worsened



Source: CALIFORNIA ASSOCIATION OF REALTORS®



Underwriting Standards

-Historical Trend-

| | Jul-09 | Sep-09 | Nov-09 | Jan-10 |
|---|---------------|---------------|---------------|---------------|
| Tighter (access to credit harder for clients) | 81.9% | 79.1% | 76.9% | 77.7% |
| No change from 6 months ago | 16.1% | 13.0% | 15.7% | 16.6% |
| Easier (access to credit easier for clients) | 2.0% | 7.9% | 7.5% | 5.7% |

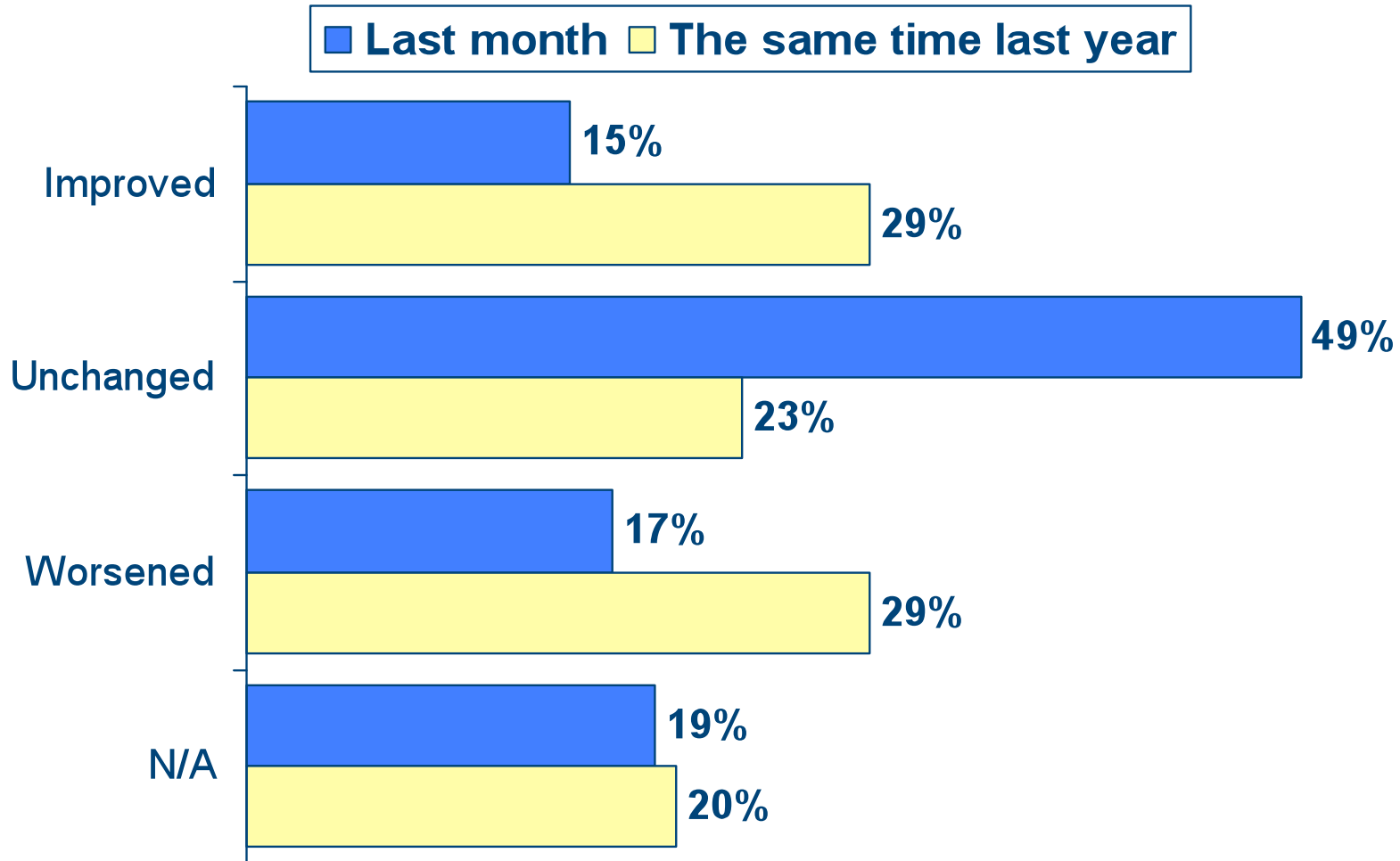
Source: CALIFORNIA ASSOCIATION OF REALTORS®



Availability of Jumbo Mortgages

-January 2010-

How has the availability of Jumbo Mortgages changed compared to...



Source: CALIFORNIA ASSOCIATION OF REALTORS®

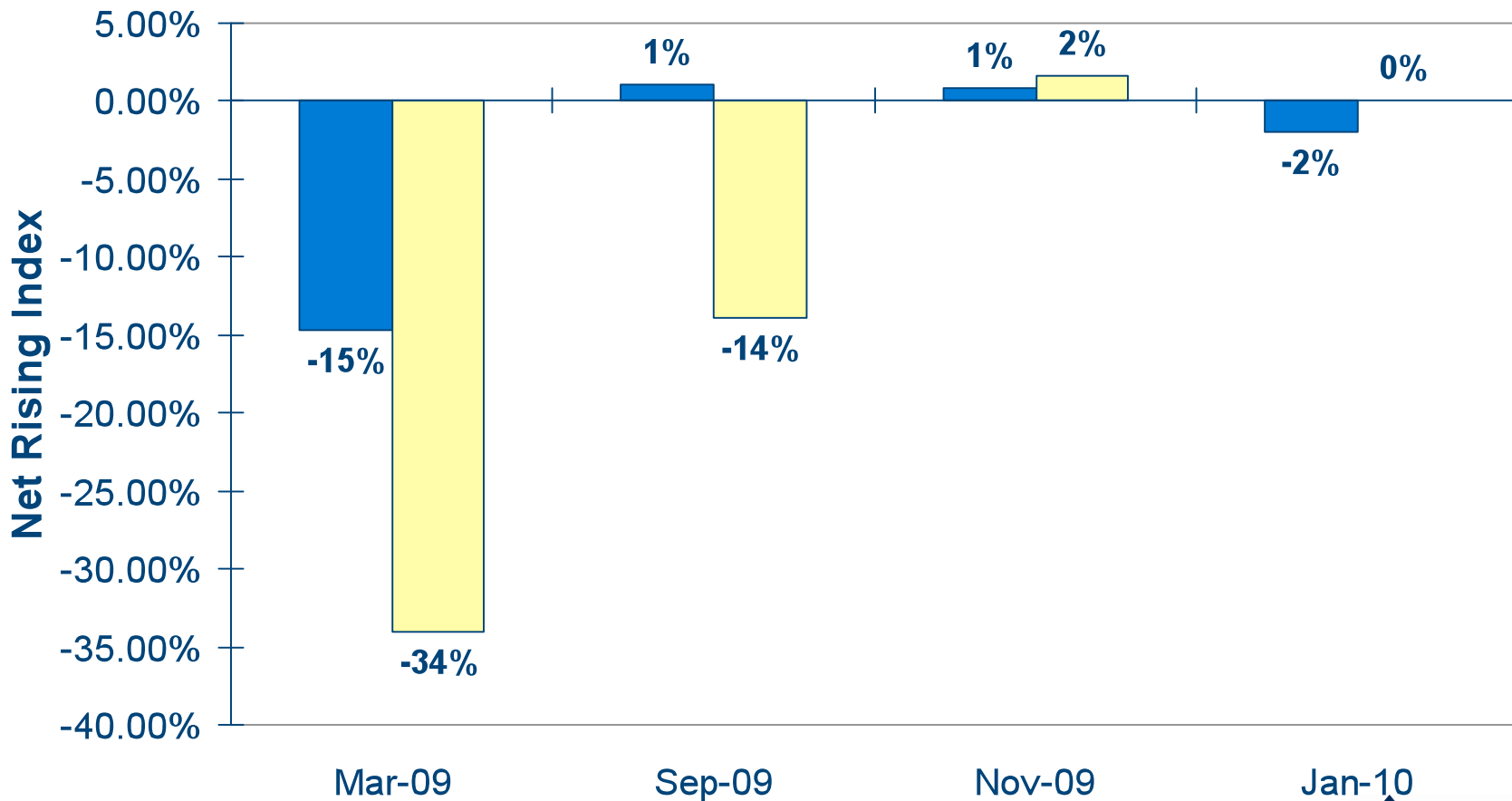


Availability of Jumbo Mortgages

-Net Rising Index-

Net Rising = % Improved *minus* % Worsened

■ Compared to Last Month ■ Compared to Last Year



Source: CALIFORNIA ASSOCIATION OF REALTORS®

