

# Q1 2010 Homeowner Confidence Survey Results

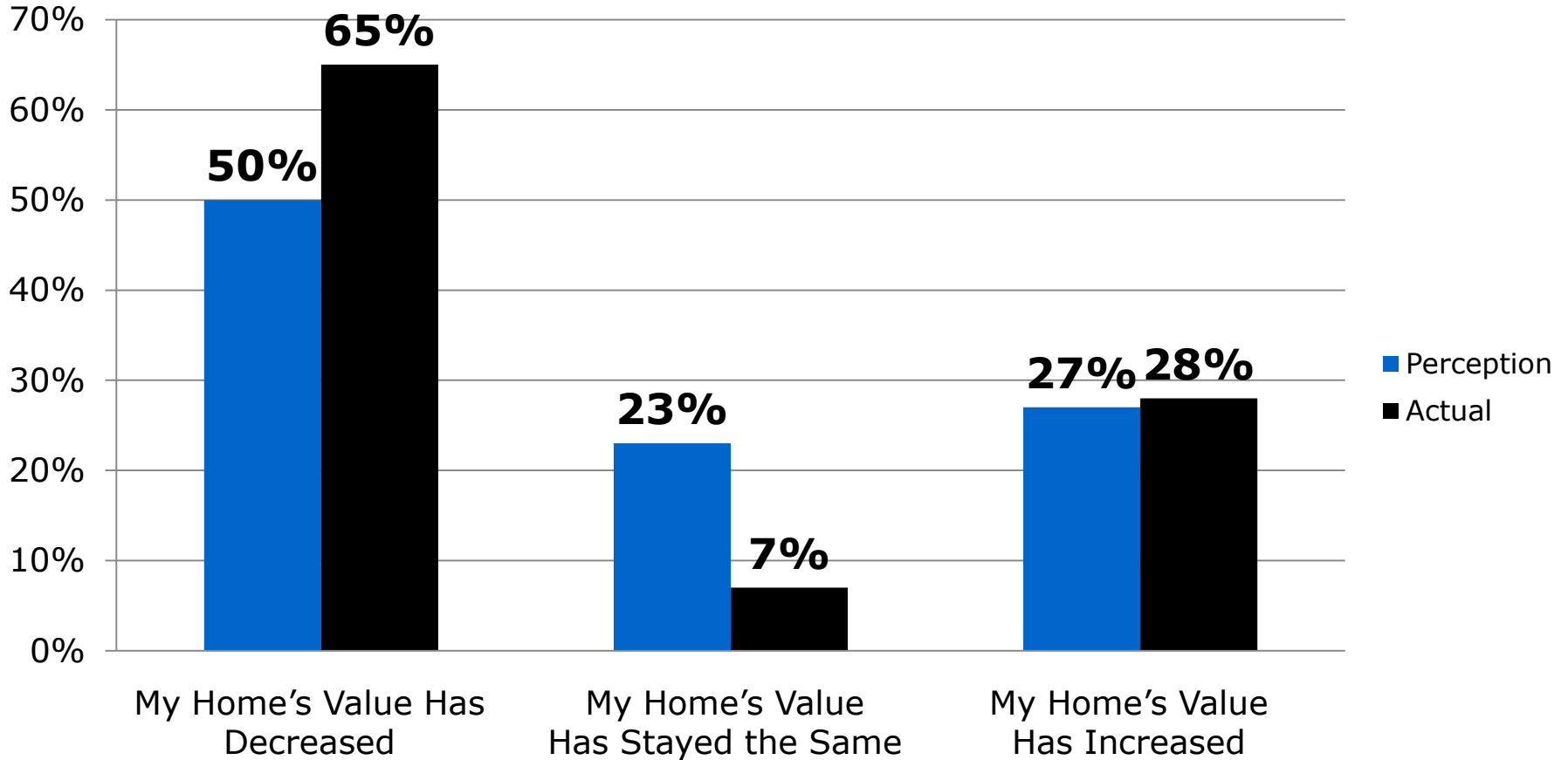
May 20, 2010

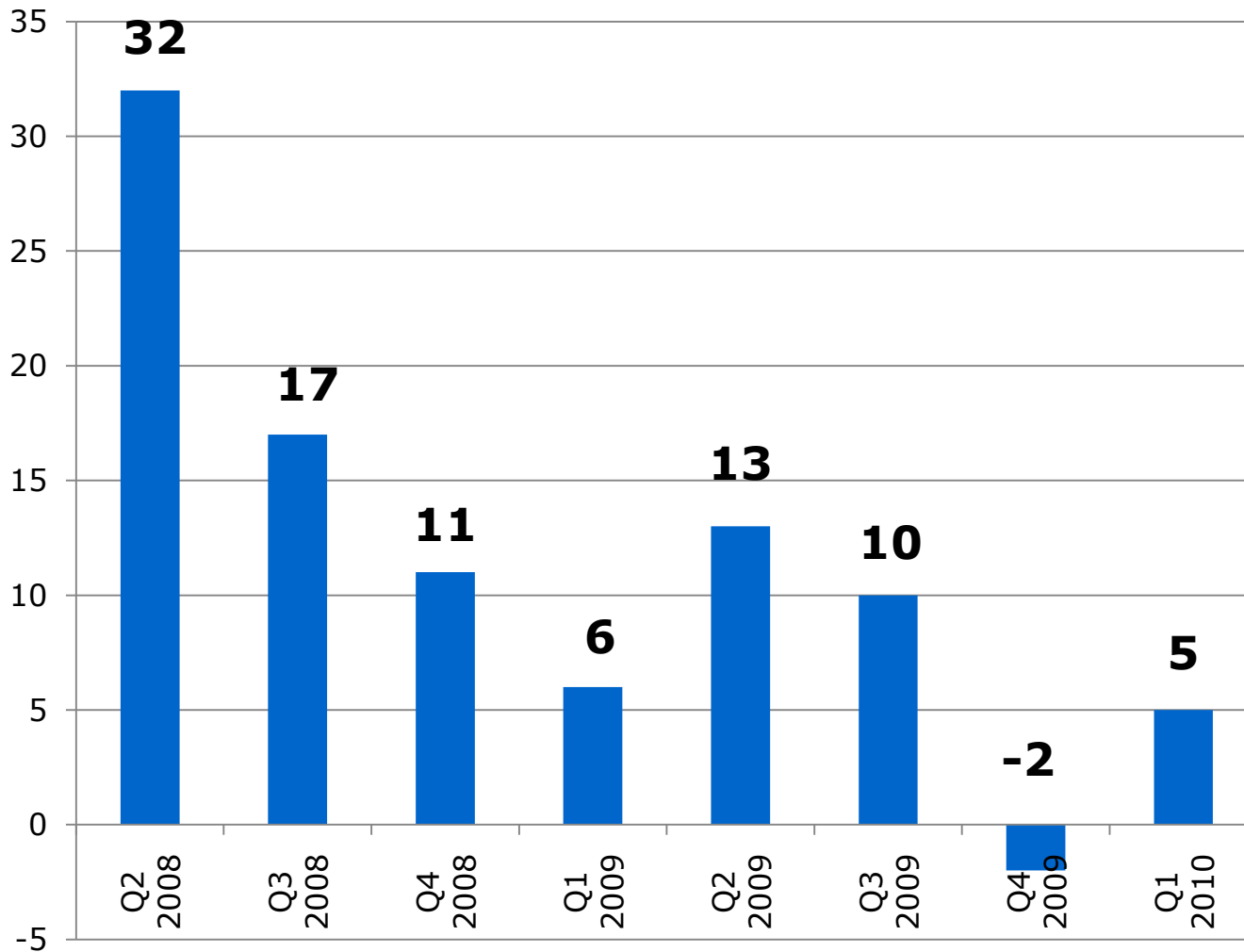


- The **Zillow Homeowner Confidence Survey** is fielded quarterly to determine the confidence level of American homeowners when it comes to the value of their own homes and their local real estate markets.
- The Zillow Home Value Misperception Index measures the gap between homeowner perceptions of changes in their home's value and actual home value changes. An index of zero would mean homeowner perceptions are in line with actual values.
- Total in tables and graphics may not add up to 100% because of rounding.
- Details of methodology are available on the last page of this document.

# Homeowner Perception of Home Values in Past 12 Months

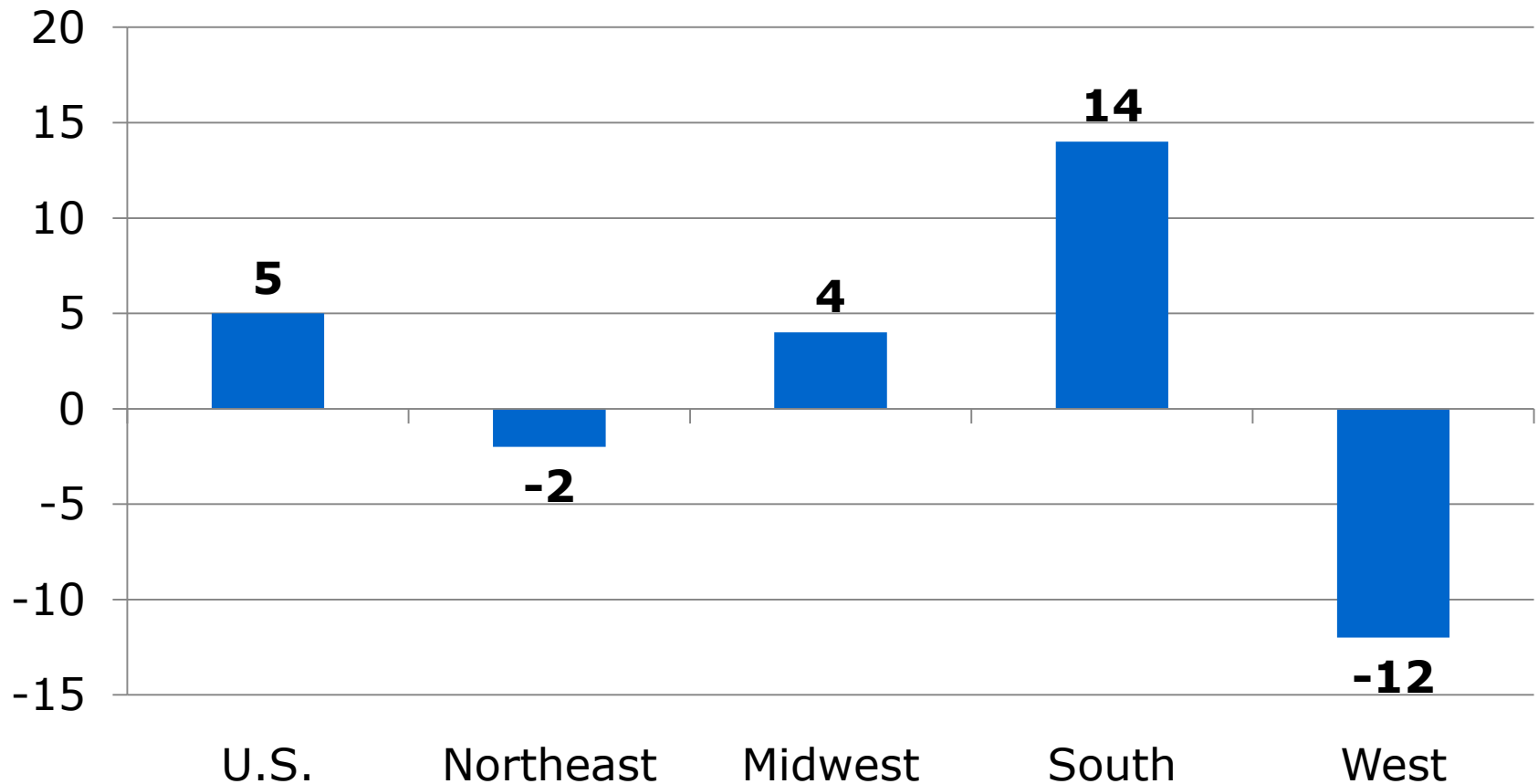
## Homeowner Perception vs. Percent of U.S. Homes That Decreased, Stayed the Same, or Increased in Value, According to Zillow Q1 Real Estate Market Reports





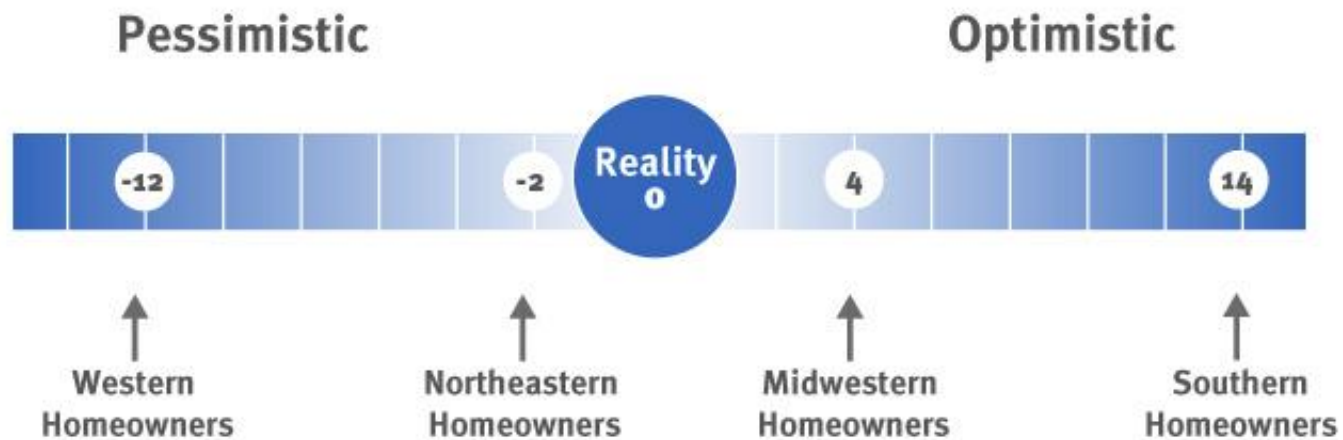
Positive numbers show an optimistic view, zero means homeowners' perceptions are in line with reality & negative numbers show a cynical view of home values.

## Zillow Misperception Index by Region; Zero Means Homeowners' Perceptions are in Line with Reality



## Regional Homeowner Misperception Index

Measuring the gap between perception of changes in their own home's value, and actual home value changes. A misperception index of zero would indicate, that homeowner perception was in line with reality.



*National Misperception Index: 5*

\*Homeowner perception was obtained through a survey conducted online by Harris Interactive within the United States on behalf of Zillow.com between Apr. 5, 2010, and Apr. 7, 2010, among 2,024 adults ages 18+ who own a home. Actual percent of homes is as of the first quarter 2010 and represents the actual number of homes that increased, decreased or stayed the same.



SOURCE: Zillow® and Harris Interactive®

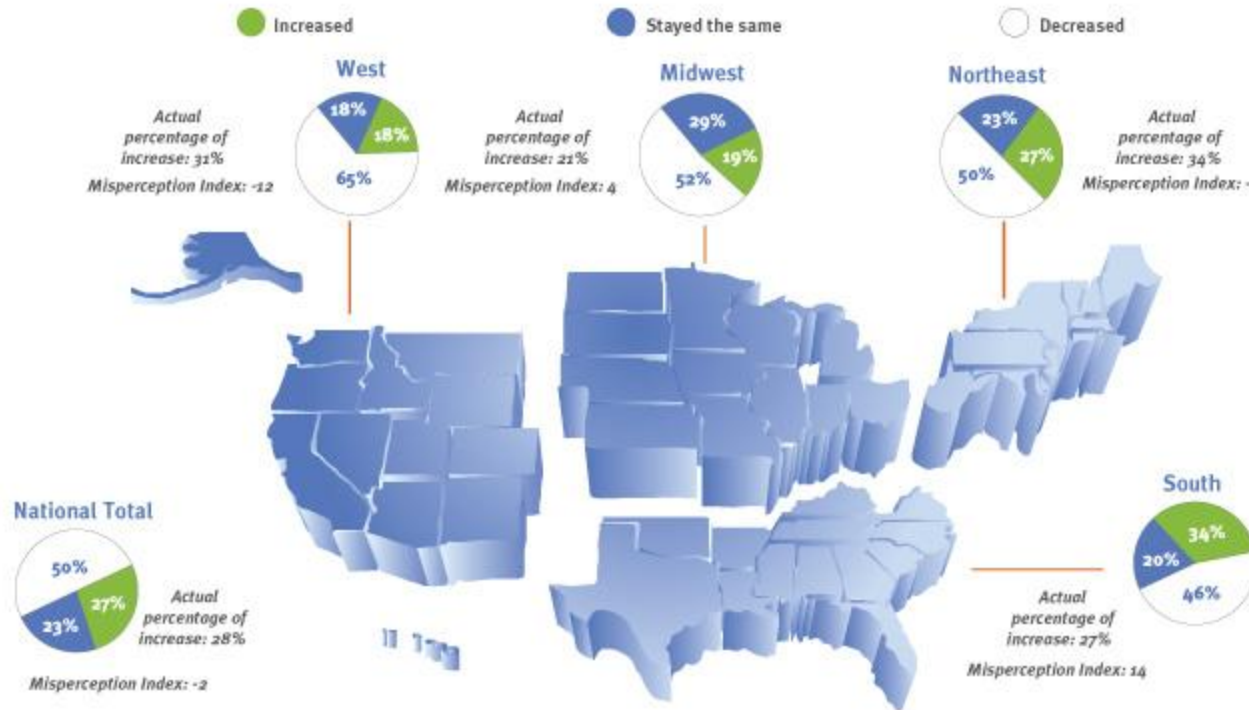
Q: Has the value of your primary residence increased or decreased since approximately this time last year?

	<b>National</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Decreased (Perception)	50%	38%	52%	46%	65%
<b>Decreased (Actual)</b>	<b>65%</b>	<b>56%</b>	<b>72%</b>	<b>69%</b>	<b>63%</b>
Stayed the Same (Perception)	23%	25%	29%	20%	18%
<b>Stayed the Same (Actual)</b>	<b>7%</b>	<b>9%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
Increased (Perception)	27%	37%	19%	34%	18%
<b>Increased (Actual)</b>	<b>28%</b>	<b>34%</b>	<b>21%</b>	<b>27%</b>	<b>31%</b>



## Homeowner Perception vs. Reality

Percentage of homeowners who thought the value of their home had increased, decreased or not changed\*



\*Homeowner perception was obtained through a survey conducted online by Harris Interactive within the United States on behalf of Zillow.com between Apr. 5, 2010, and Apr. 7, 2010, among 2,024 adults ages 18+ who own a home. Actual percent of homes is as of the first quarter 2010 and represents the actual number of homes that increased, decreased or stayed the same.

## Zillow Misperception Index by Region;

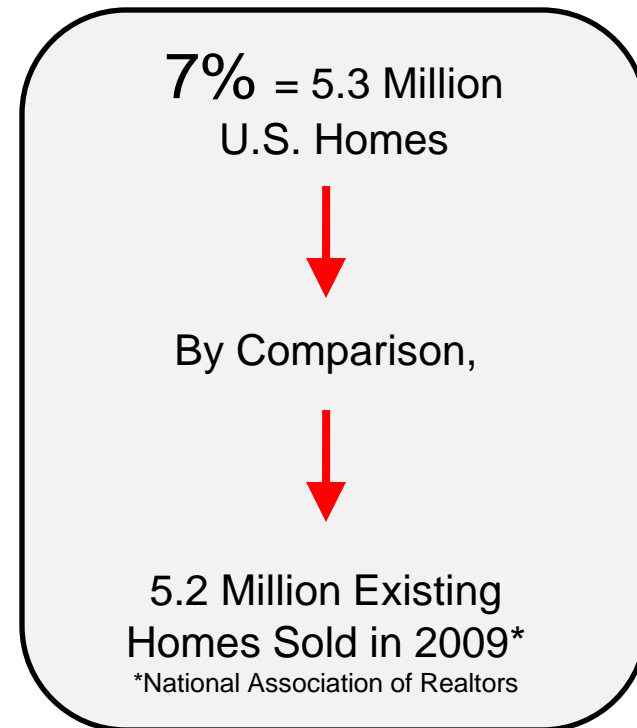
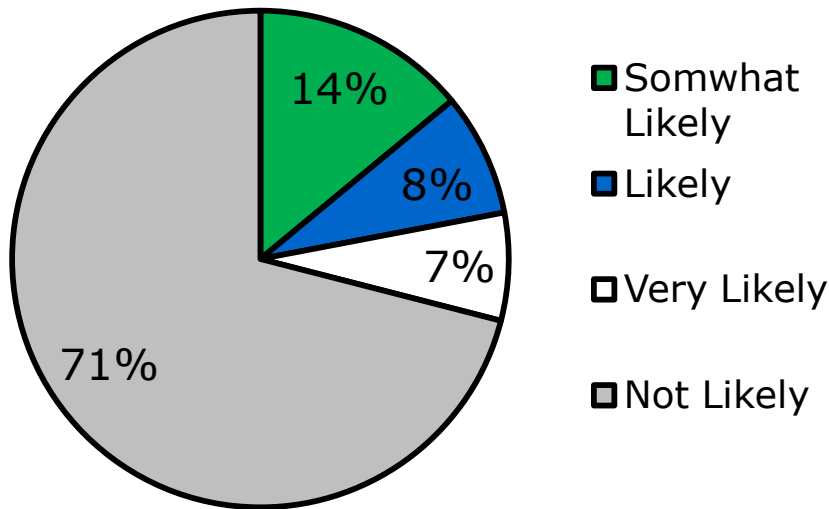
Zero Means Homeowners' Perceptions are in Line with Reality

	<b>National</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Q1 2010	5	-2	4	14	-12
Q4 2009	-2	-14	3	0	-5
Q3 2009	10	-6	8	15	17
Q2 2009	13	10	10	18	7
Q1 2009	6	12	3	8	3

# Shadow Inventory

**'Sideline Sellers' Represent 5.3 Million Homes**

# If you saw signs of a real estate market turnaround in the next 12 months, how likely would you be to put your home up for sale?



## **Homeowner Perception of Own Home Values And Local Market Values in Next Six Months**

**Q: Do you expect your own home's value to increase or decrease during the next six months?**

	<b>National</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Decrease	18%	10%	18%	18%	27%
Stay the Same	43%	39%	53%	41%	41%
Increase	39%	51%	29%	42%	32%

**Q: Overall, do you expect home values in your local real estate market to increase or decrease during the next six months?**

	<b>National</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Decrease	20%	14%	22%	17%	30%
Stay the Same	37%	37%	47%	33%	36%
Increase	42%	49%	32%	50%	34%

The United States are contained in four geographic regions as follows:

- Northeast: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia
- Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
- South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia
- West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming



- The survey was conducted online by Harris Interactive within the United States on behalf of Zillow.com between April 5 and April 7, 2010 among 2,024 adults ages 18+, of whom 1,428 are homeowners. Unless otherwise indicated, all percentages are based out of homeowners who think the value of their home has increased, decreased or remained the same since this time last year. Percentages have been recalculated to exclude “not sure” or “don’t know” and/or not applicable responses, and to exclude homeowners who already had their home for sale. This online survey is not based on a probability sample and therefore no estimates of theoretical sampling error can be calculated. A full methodology, including weighting variables, is available.
- Zillow Home Value Misperception Index measures the gap between homeowner perception of changes in their home’s value, and actual home value changes. The Misperception Index is calculated from an adjusted base of homeowners who think their home value changed – increased or decreased – and excludes “not sure” AND “remained the same” responses. The Index is the difference between those who think their home’s value increased (35% adjusted, from Survey) and the percent of U.S. homes that actually increased (30% adjusted, Zillow Q1 data) in value year-over-year on an adjusted base of home values that changed by more or less than one percent (excludes homes that remained the same within one percent). Zillow Q4 data is based on analysis of Q1 Real Estate Market Reports.