

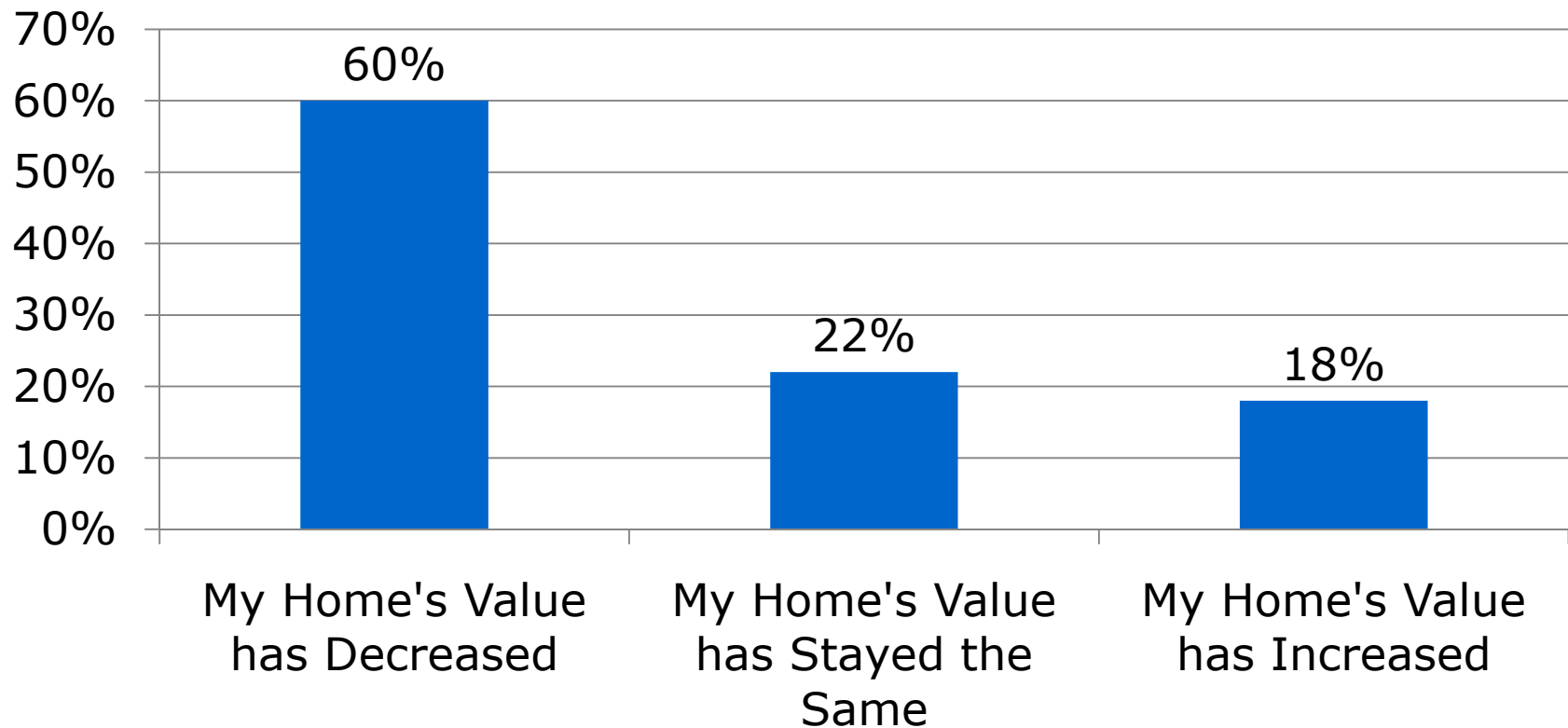
Q1 2009 Homeowner Confidence Survey Results

May 14, 2009

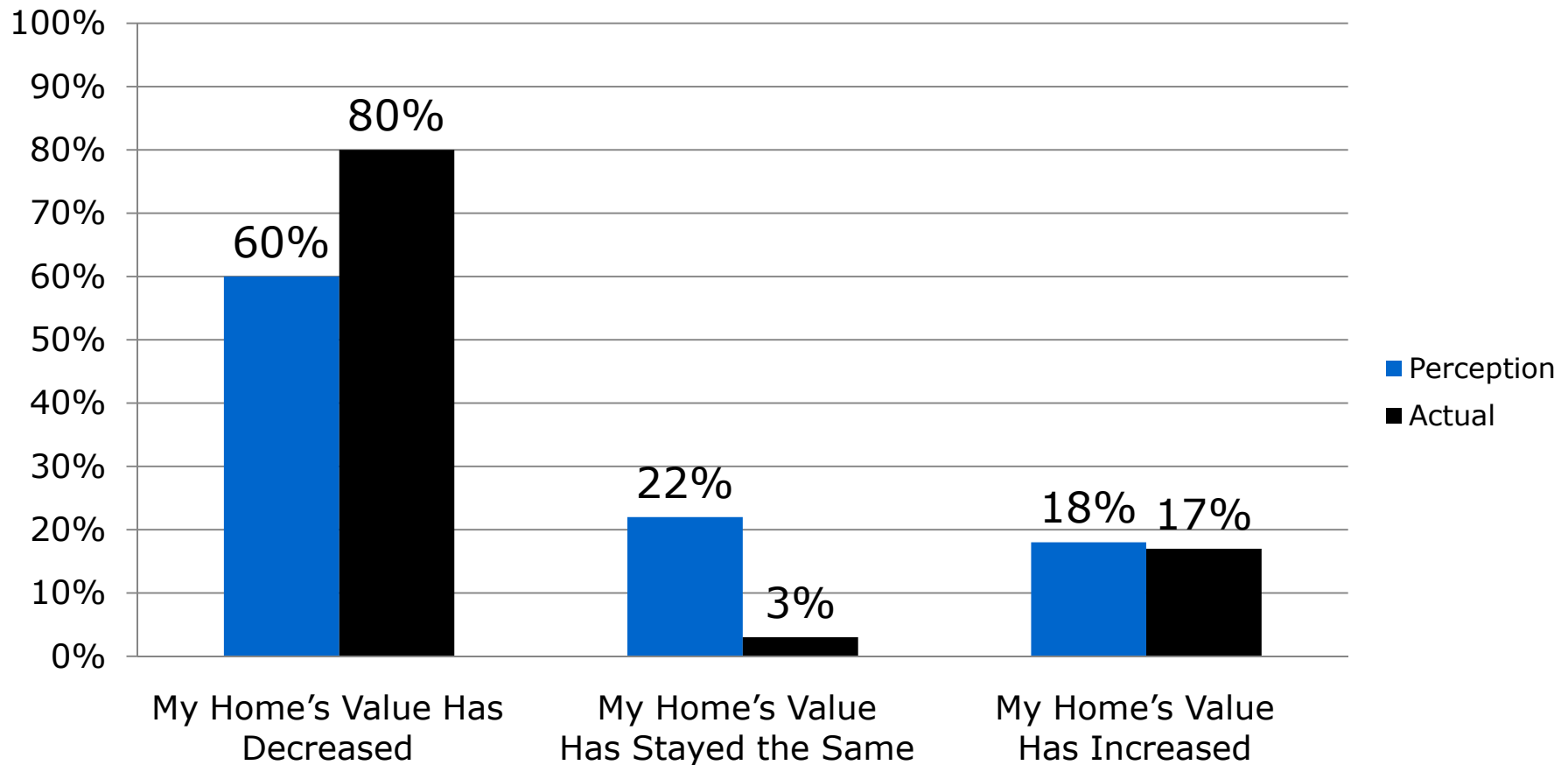


- The **Zillow Homeowner Confidence Survey** is fielded quarterly to determine the confidence level of American homeowners when it comes to the value of their own homes and their local real estate markets.
- The Zillow Home Value Misperception Index measures the gap between homeowner perceptions of changes in their home's value and actual home value changes. An index of zero would mean homeowner perceptions are in line with actual values.
- Details of methodology are available on the last page of this document.

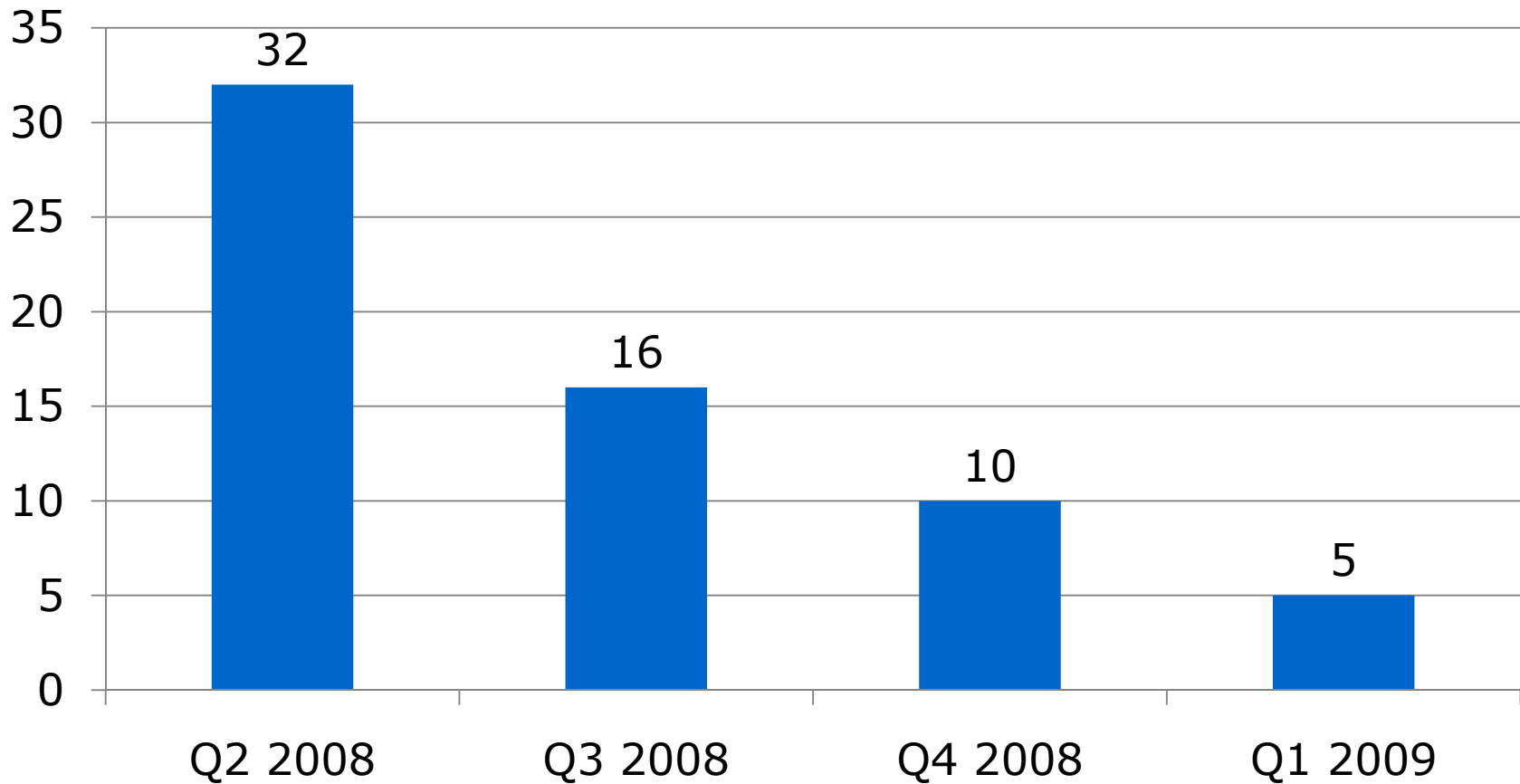
Q: Has the value of your primary residence increased or decreased since approximately this time last year?



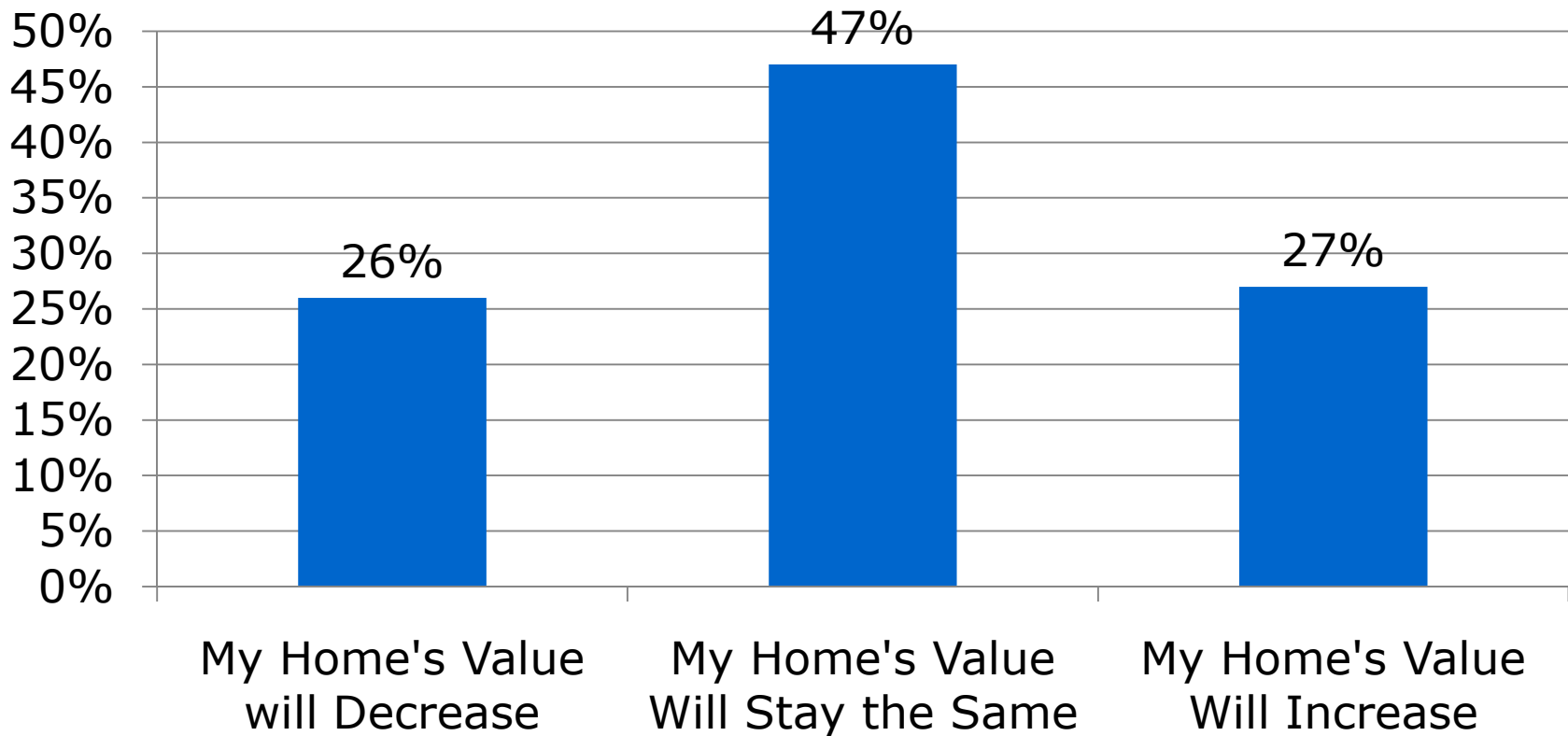
Homeowner Perception vs. Percent of U.S. Homes That Decreased, Stayed the Same, or Increased in Value, According to Zillow Q1 Real Estate Market Reports



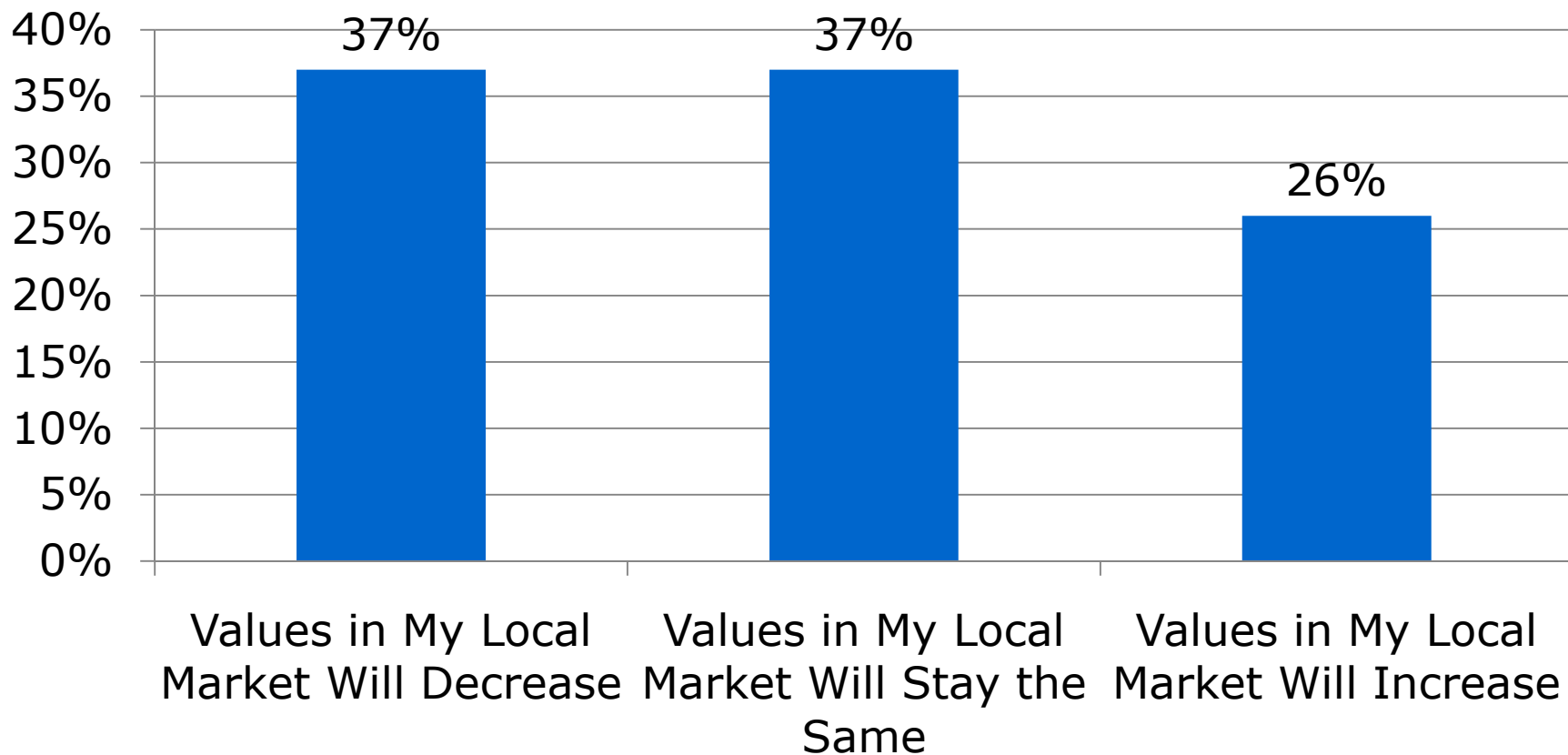
Zillow Misperception Index Over Time; Zero Means Homeowners' Perceptions are in Line with Reality



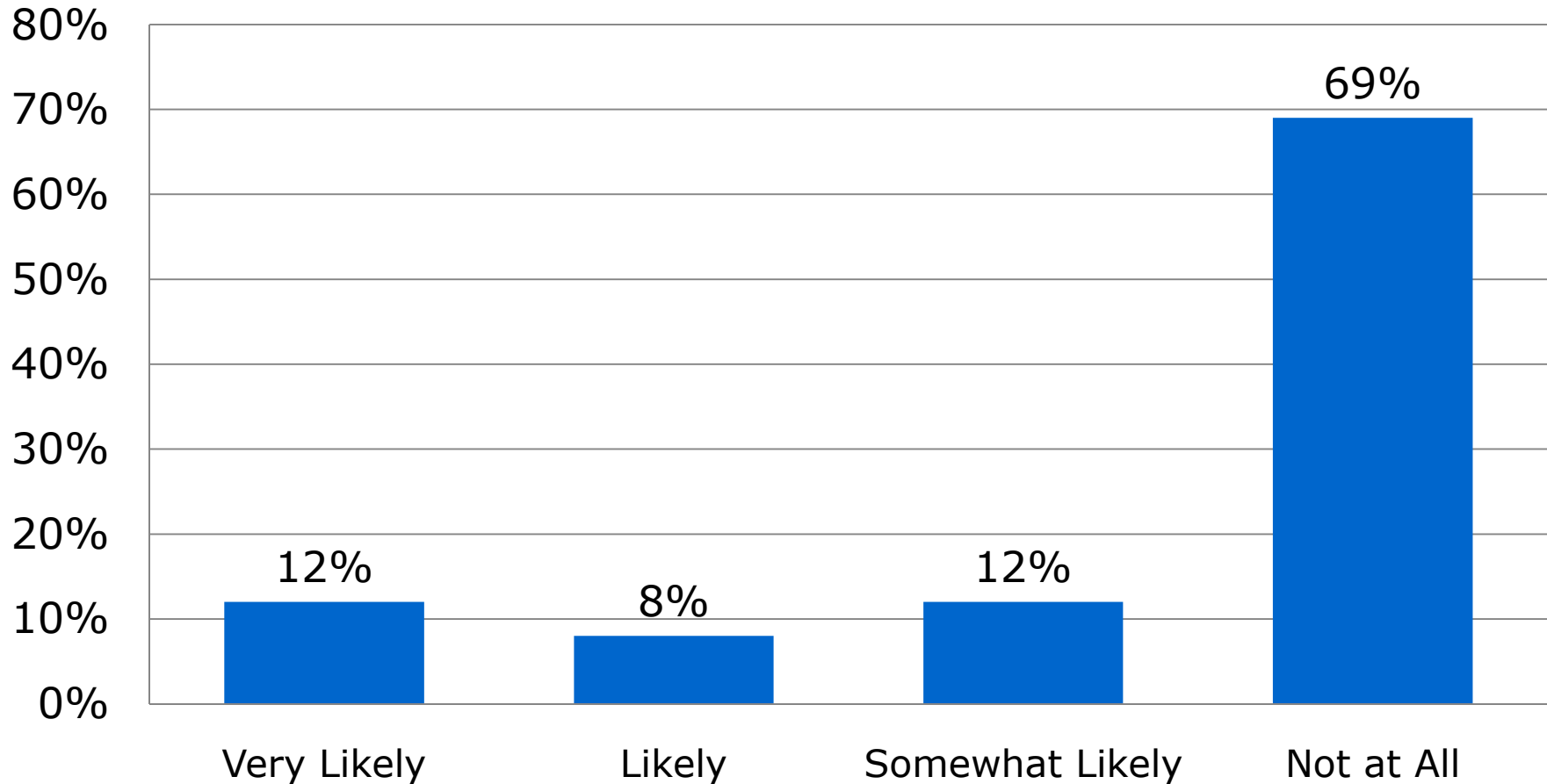
Q: Do you expect your home's value to increase or decrease during the next six months?



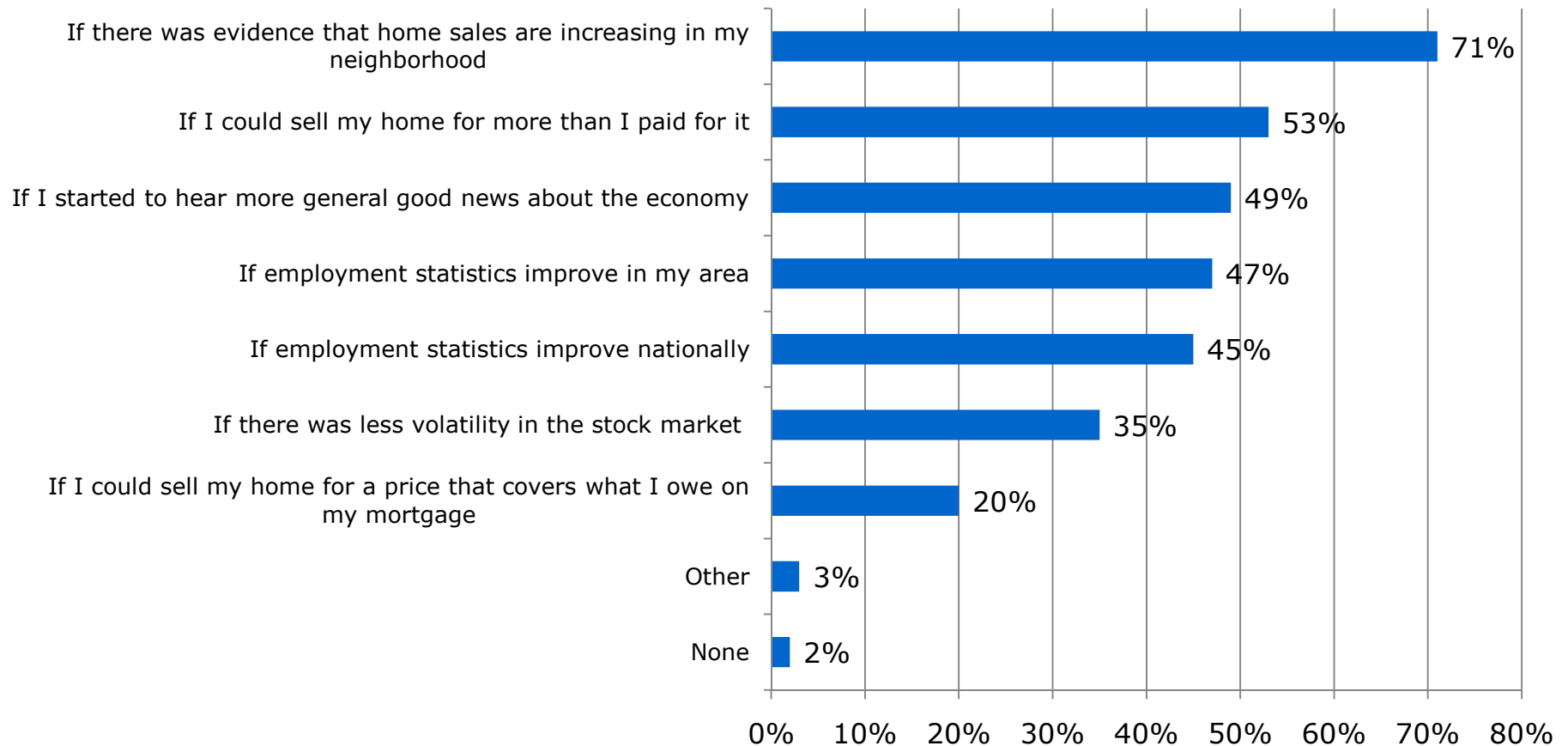
Q: Overall, do you expect home values in your local real estate market to increase or decrease during the next six months?



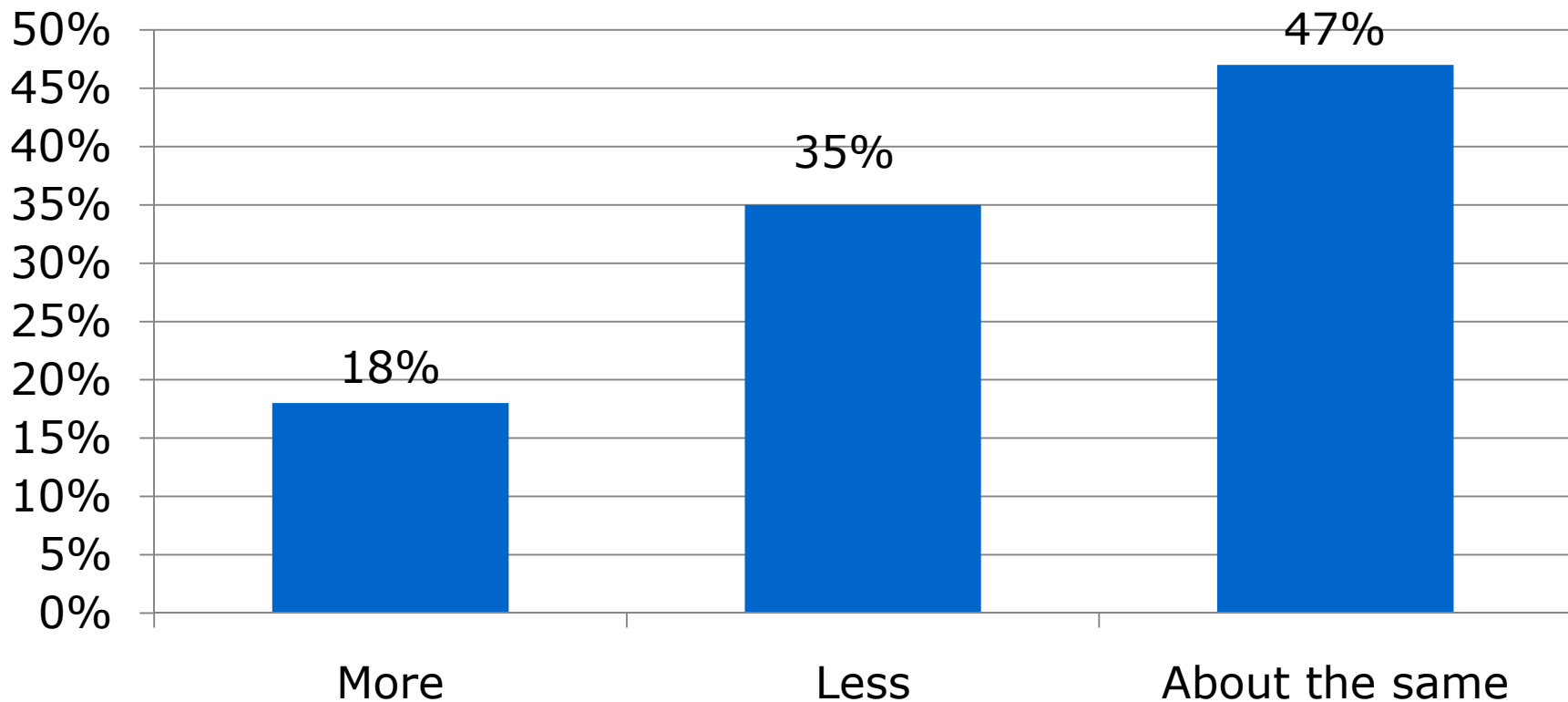
Q: If you saw signs of a real estate market turnaround in the next 12 months, how likely would you be to put your home up for sale?



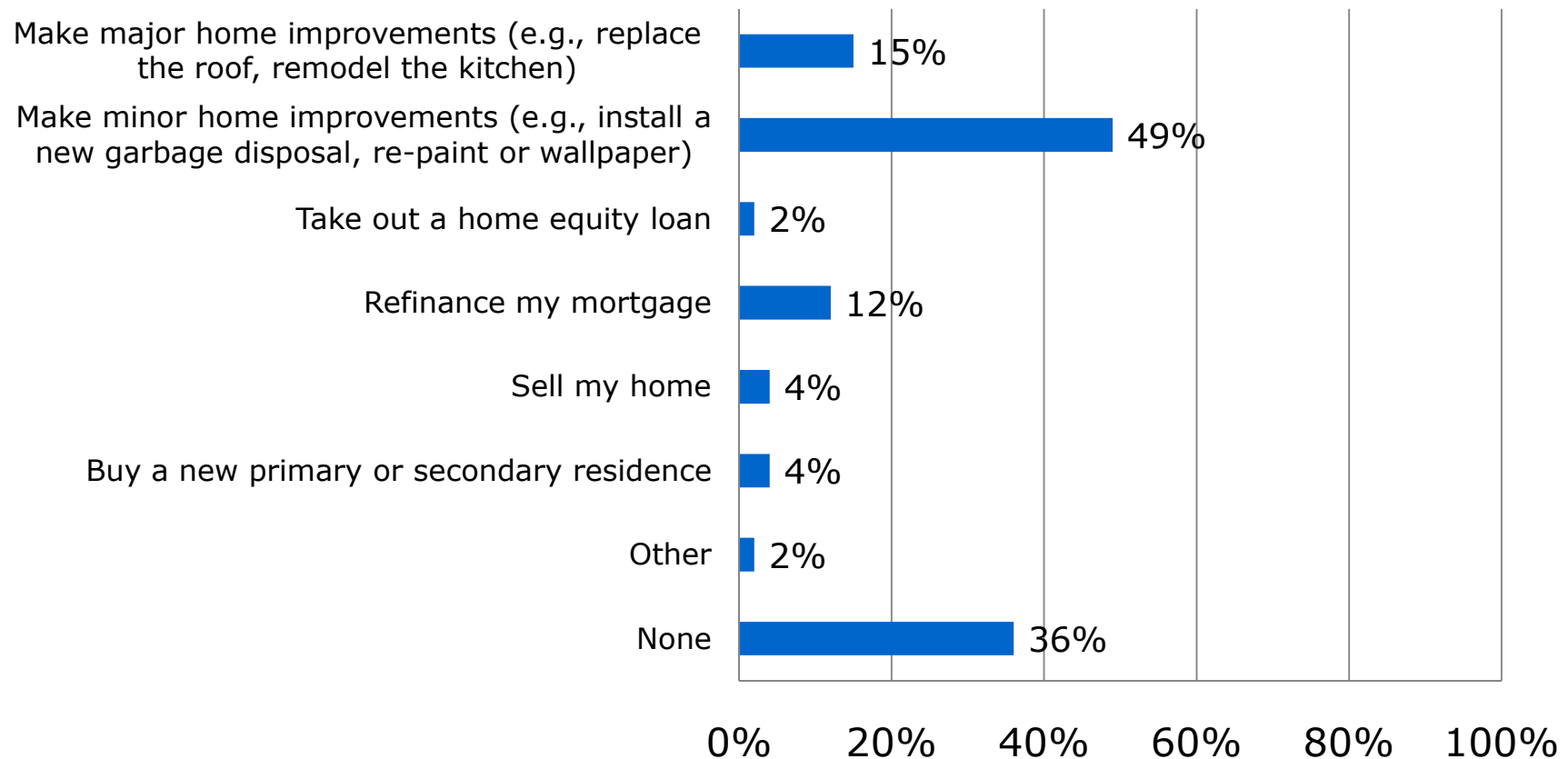
Q: What would you consider to be indicators of a real estate market turnaround?



Q: Given the current state of the economy, looking ahead to the next 12 months, do you expect to spend more, less or about the same amount of money on home-related activities (e.g., major/minor home improvements, new appliances, home décor) compared to the amount you spent/plan to spend in the past 12 months?



Q: What, if any, home-related activities do you expect to undertake within the next six months?



Regional Results

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

| | National | Northeast | Midwest | South | West |
|---------------------------------|-----------------|------------------|----------------|--------------|-------------|
| Decreased (Perception) | 60% | 57% | 66% | 49% | 75% |
| Decreased (Actual) | 80% | 79% | 80% | 74% | 89% |
| Stayed the Same (Perception) | 22% | 20% | 19% | 29% | 15% |
| Stayed the Same (Actual) | 3% | 4% | 4% | 3% | 2% |
| Increased (Perception) | 18% | 23% | 15% | 22% | 10% |
| Increased (Actual) | 17% | 17% | 16% | 23% | 9% |

Zillow Misperception Index by Region;

Zero Means Homeowners' Perceptions are in Line with Reality

| | National | Northeast | Midwest | South | West |
|---------|-----------------|------------------|----------------|--------------|-------------|
| Q1 2009 | 5 | 11 | 2 | 7 | 2 |
| Q4 2008 | 10 | 3 | 5 | 14 | 13 |
| Q3 2008 | 16 | 20 | 15 | 13 | 13 |
| Q2 2008 | 32 | 29 | 31 | 36 | 23 |

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

| | National | Northeast | Midwest | South | West |
|---------------|-----------------|------------------|----------------|--------------|-------------|
| Decrease | 26% | 23% | 32% | 26% | 25% |
| Stay the Same | 47% | 45% | 42% | 50% | 48% |
| Increase | 27% | 32% | 26% | 24% | 27% |

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

| | National | Northeast | Midwest | South | West |
|---------------|-----------------|------------------|----------------|--------------|-------------|
| Decrease | 37% | 34% | 40% | 38% | 35% |
| Stay the Same | 37% | 39% | 38% | 32% | 41% |
| Increase | 26% | 26% | 22% | 29% | 24% |

Q: 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?

| | National | Northeast | Midwest | South | West |
|-------------------|-----------------|------------------|----------------|--------------|-------------|
| Very Likely | 12% | 20% | 12% | 10% | 7% |
| Likely | 8% | 6% | 5% | 11% | 7% |
| Somewhat Likely | 12% | 13% | 14% | 10% | 13% |
| Not at All Likely | 69% | 60% | 69% | 69% | 73% |

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 6 and April 8, 2009 among 2,123 adults ages 18+, of whom 1,357 are homeowners. Unless otherwise indicated, all percentages are based on 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. The question “If you saw signs of a real estate market turnaround, how likely would you be to put your home up for sale,” was asked of 1,266 homeowners who said the value of their own home increased, decreased or stayed the same in the past 12 months.
- The 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 (23% adjusted, from Survey) and the percent of U.S. homes that actually increased (17% 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 Q1 data is based on analysis of Q1 Real Estate Market Reports.