

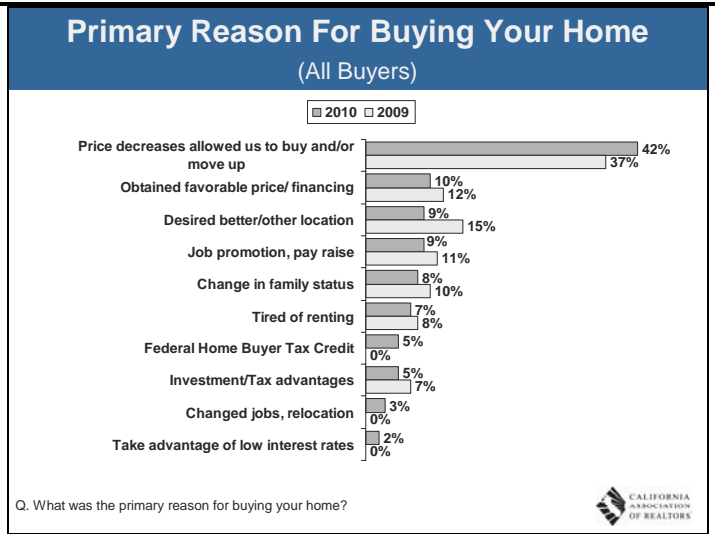


What Can We Learn from Home Buyers

Understanding home buyers and their behavior prior to working with them can give insight into how agents could more efficiently structure their marketing efforts and deliver better customer service. The Survey of California Home Buyers is the 11th annual CALIFORNIA ASSOCIATION of REALTORS® (C.A.R.) buyer survey that details how home buyers have changed their behaviors in recent years to adapt to the new housing market environment and to the increased use of the Internet in the real estate business. Some of the key findings are listed below.

Improvement in housing affordability motivated home buyers to purchase

With historically low mortgage rates and home prices well below their peak levels, affordability has increased dramatically and has motivated buyers to purchase. In fact, buyers in this year's survey cited price decreases and low mortgage rates as the two most important reasons for buying. The federal home buyer tax credit was an influencing factor in buyers' decisions to purchase as well. The influence was especially pronounced for first-time buyers, as three quarters admitted that the tax credit had an impact on their decision to buy. Home buyers in 2010 were also more optimistic about future home prices than buyers in 2009. Nearly a quarter (23 percent) of them believed that home prices in their neighborhood will go up in one year, as compared to eight percent in 2009.



The Internet has become more important to buyers in their home buying process

Top Internet Sites Visited

	2006	2007	2008	2009	2010
Realtor.com	82%	80%	87%	89%	90%
Real estate brokerage, company Web sites	74%	40%	62%	81%	79%
Individual real estate agent's Web site	56%	80%	82%	66%	64%
Zillow	0%	54%	36%	55%	60%
Yahoo! Real Estate	15%	22%	32%	53%	51%
Craigslist	0%	24%	34%	49%	47%

The share of home buyers who used the Internet as a significant part of the home buying and selection process has increased from 28 percent in 2000 to 87 percent in 2010. The top three websites visited by buyers were realtor.com, real estate brokerage websites and individual agent websites, with Zillow a close fourth. Consumer-centric market places such as Zillow and Craigslist have grown significantly in popularity in the last five years, allowing buyers to become more educated about the current housing market conditions. Print advertising, meanwhile, has dropped in popularity in the last few years, with only eight percent of buyers using it to search for a home, compared to 20 percent in 2006.

Q. What Internet Sites did you visit as part of your home buying process?

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