

VISION

2015

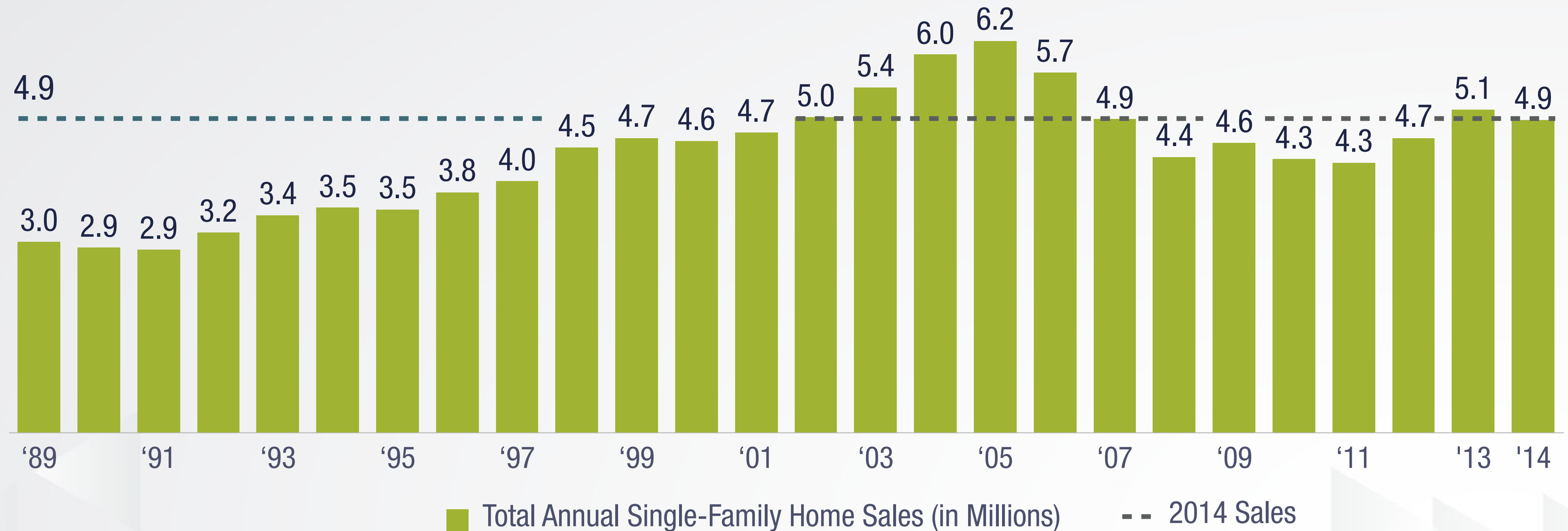


The Numbers That Drive U.S. Real Estate

1. Home Sales
2. Home Price
3. Months Supply of Inventory
4. Mortgage Rates
5. Affordability

1. Home Sales - Annual

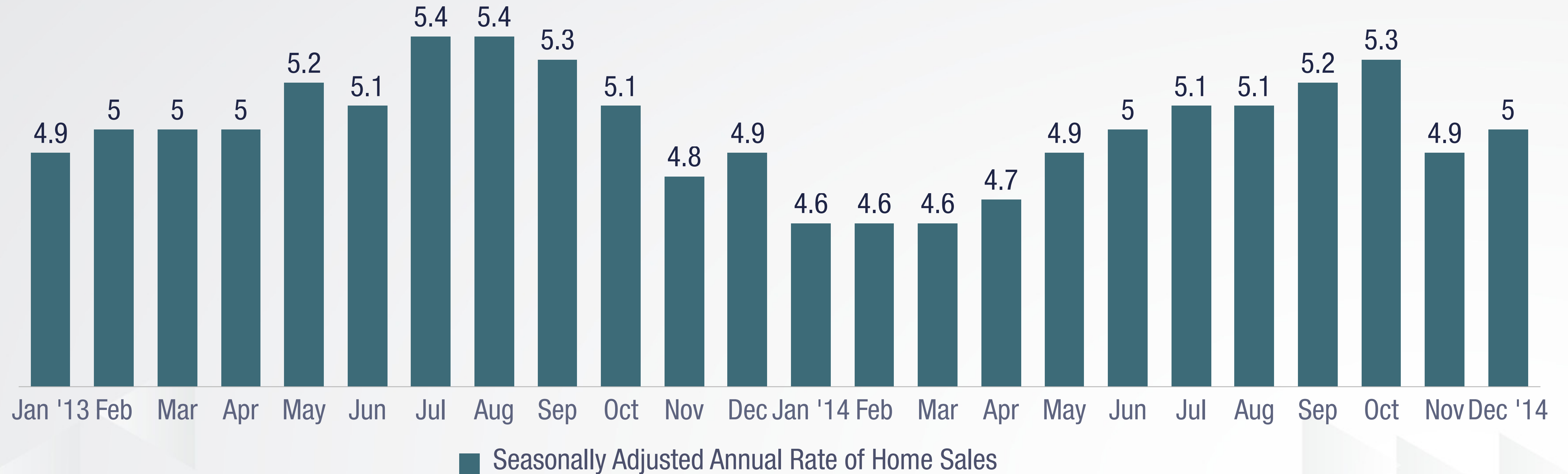
4.93M homes sold in 2014—a slight drop from last year. This can be attributed to the slow start in the first quarter, as well as the drop in distressed sales and investor activity.



Source: NAR

1. Home Sales - Monthly

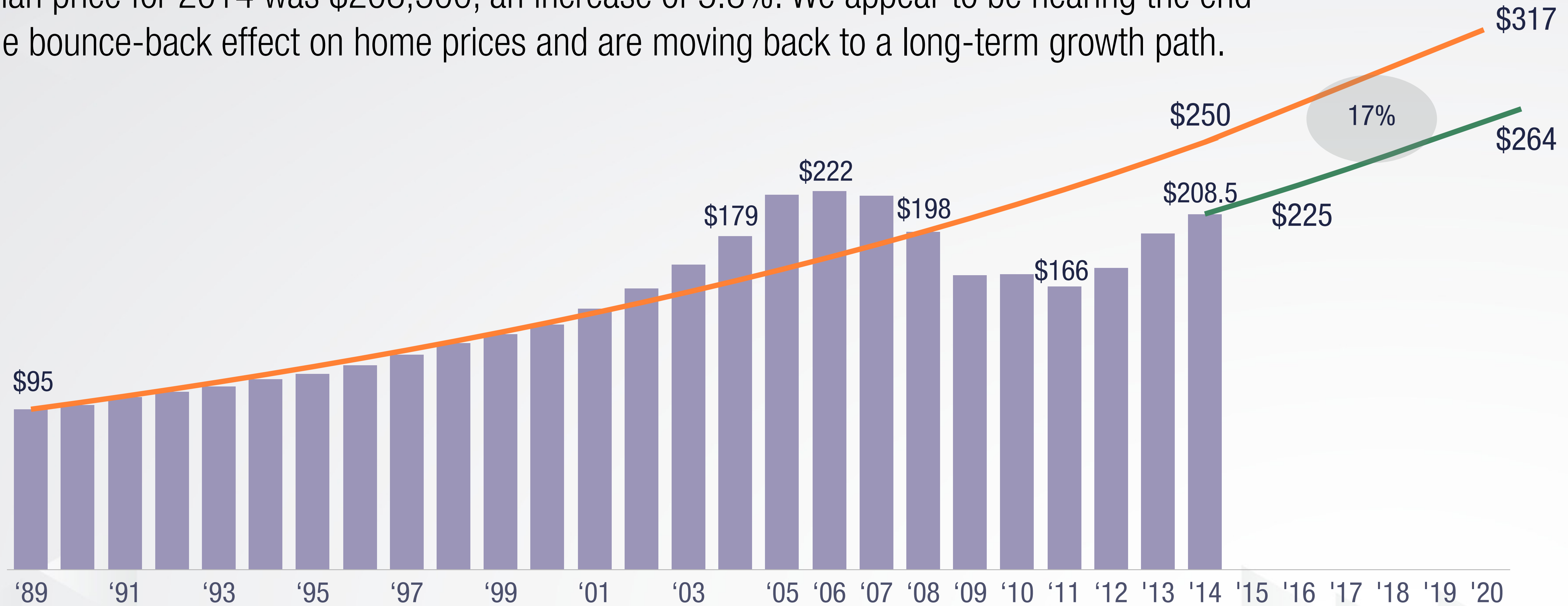
The year started slow but returned to a healthy trend once we moved out of the first quarter and into the summer.



Source: NAR

2. Home Price - Annual

Median price for 2014 was \$208,500, an increase of 5.8%. We appear to be nearing the end of the bounce-back effect on home prices and are moving back to a long-term growth path.



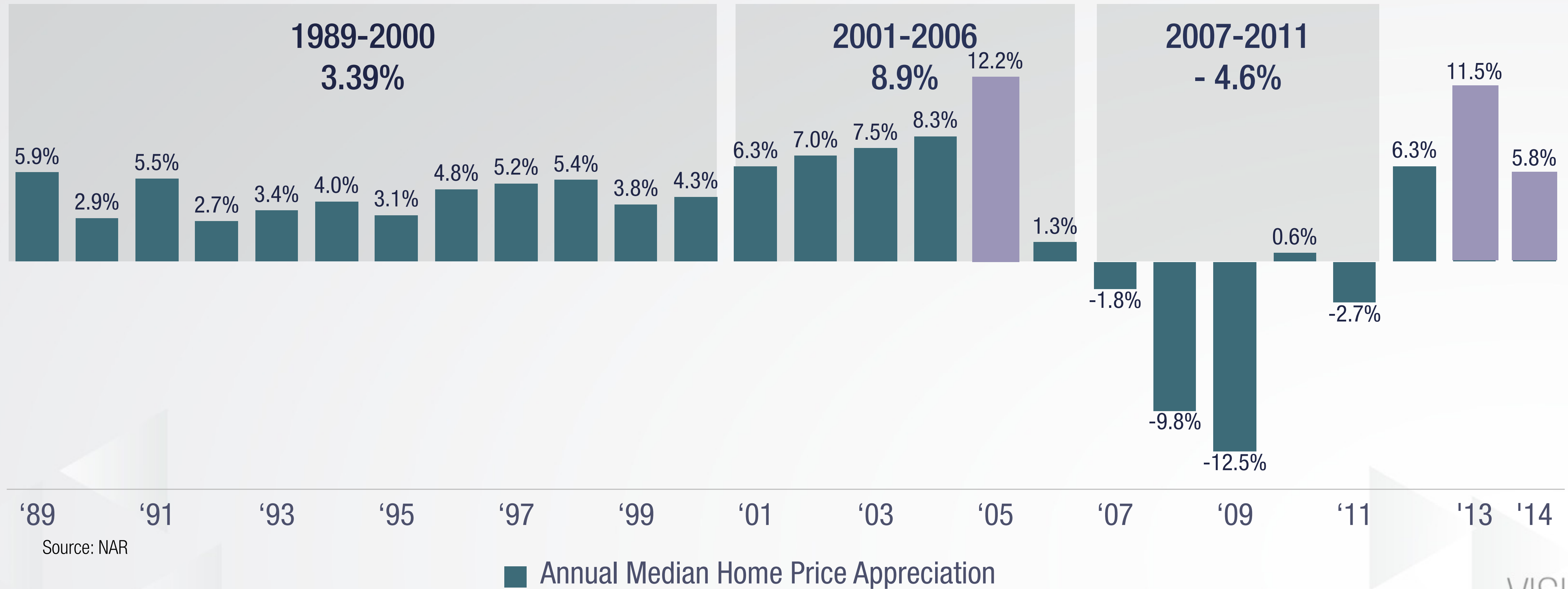
Source: NAR

— Long-term Average = 4% — Trend Reset Line ■ Annual Median Home Price (in Thousands)

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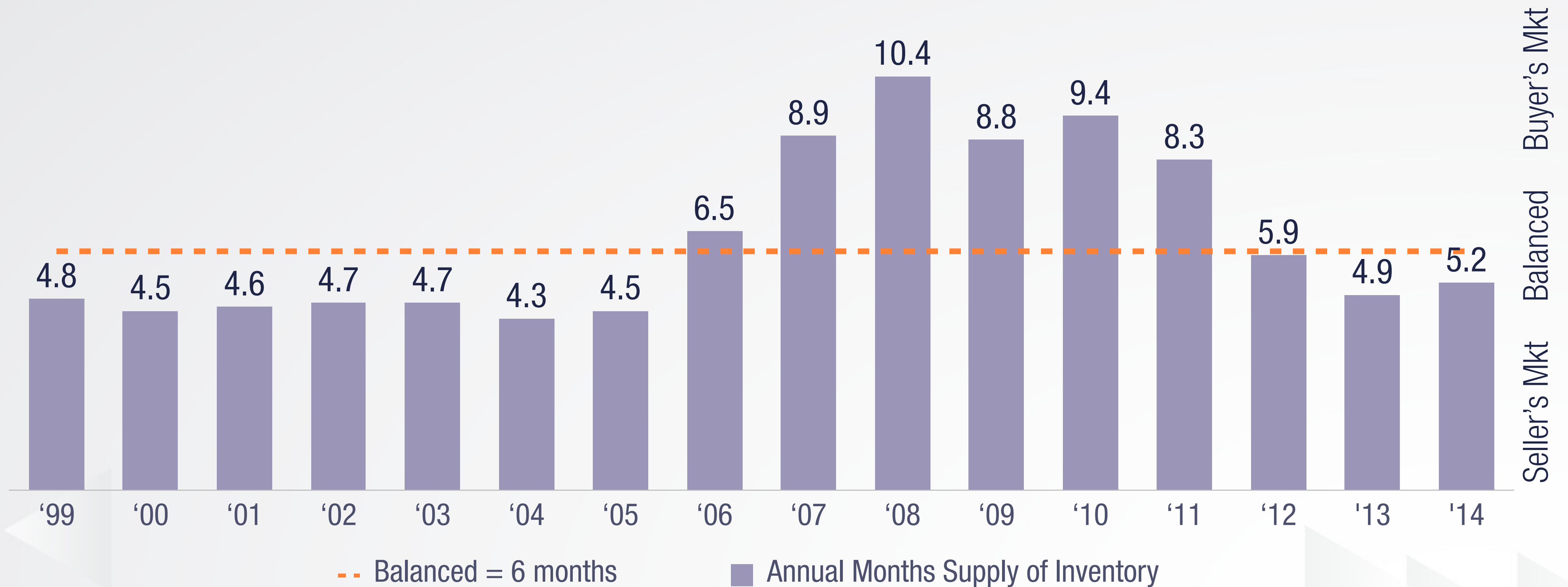
2. Home Price - Annual Appreciation

On an annual basis home prices appreciated 5.8% for 2014, returning close to the long-term average as we predicted last year.



3. Months Supply of Inventory - Annual

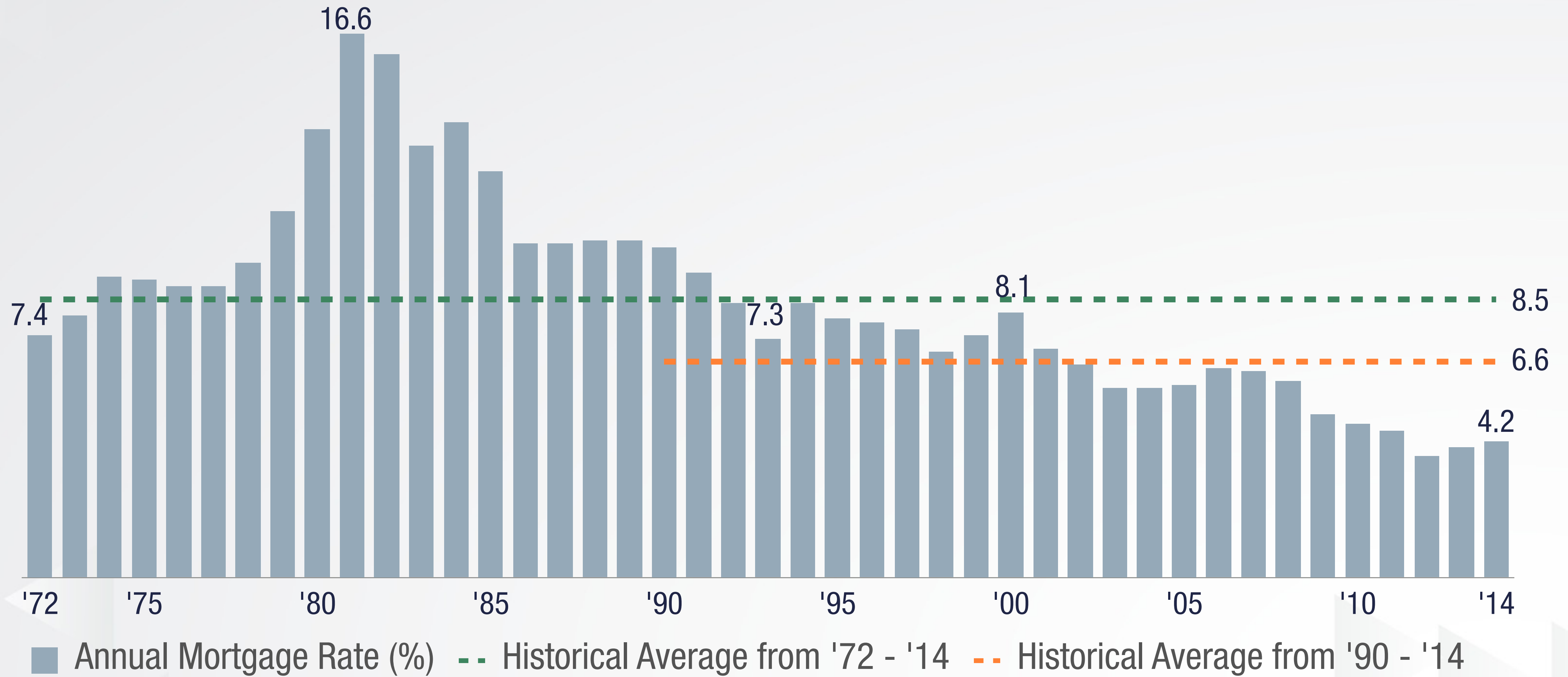
Inventory loosened in 2014, helping ease price growth back to sustainable levels.



Source: NAR

4. Mortgage Rates - Annual

Mortgage rates averaged 4.17% in 2014, up 19 basis points from last year's average.



Source: Freddie Mac

4. Mortgage Rates - Monthly

Rates balked most economist predictions and trended downward for most of 2014.

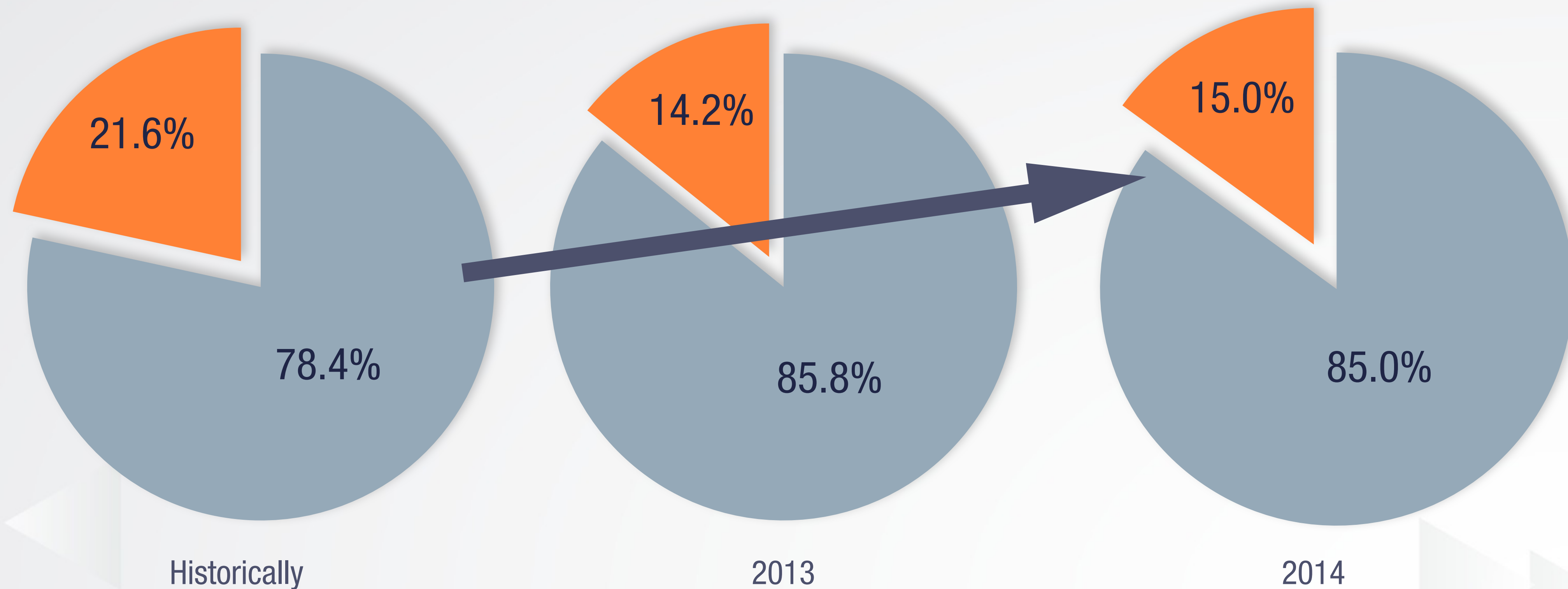


Source: Freddie Mac

— Monthly Mortgage Rate

5. Affordability - Percentage of Income

The percentage of a typical family's income increased only slightly in 2014, helped by the fall in interest rates and the slower growth in home prices.



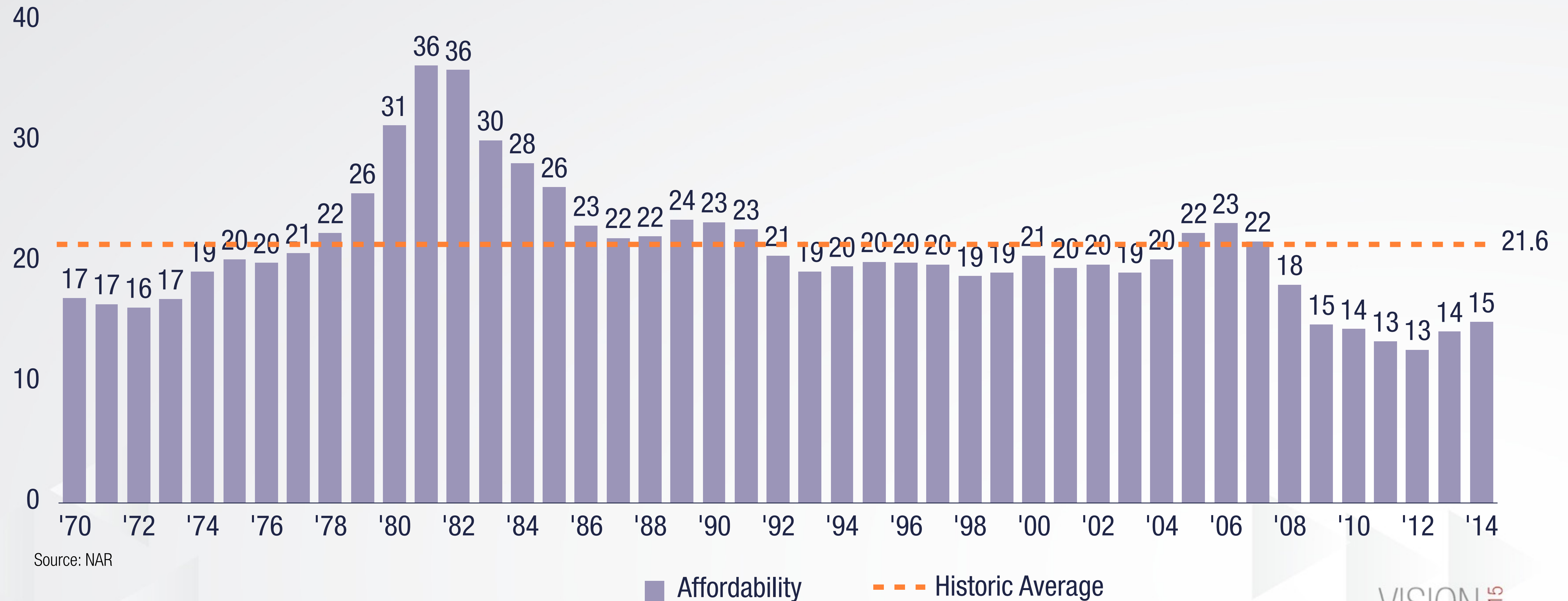
Source: NAR

● Everything Else ● Principal and Interest Payment

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5. Affordability - Annual

Despite the small increase in 2014, affordability remains well below the historical average due to low interest rates.



Source: NAR

5. Affordability in Perspective - House Payment

1989



Median Home Price: \$94,000 (Adj. \$179,461)
Mortgage Rate: 10%
Monthly P&I Payment: \$825 (Adj. \$1,572)
Median Income: \$28,906 (Adj. \$54,305)

2014



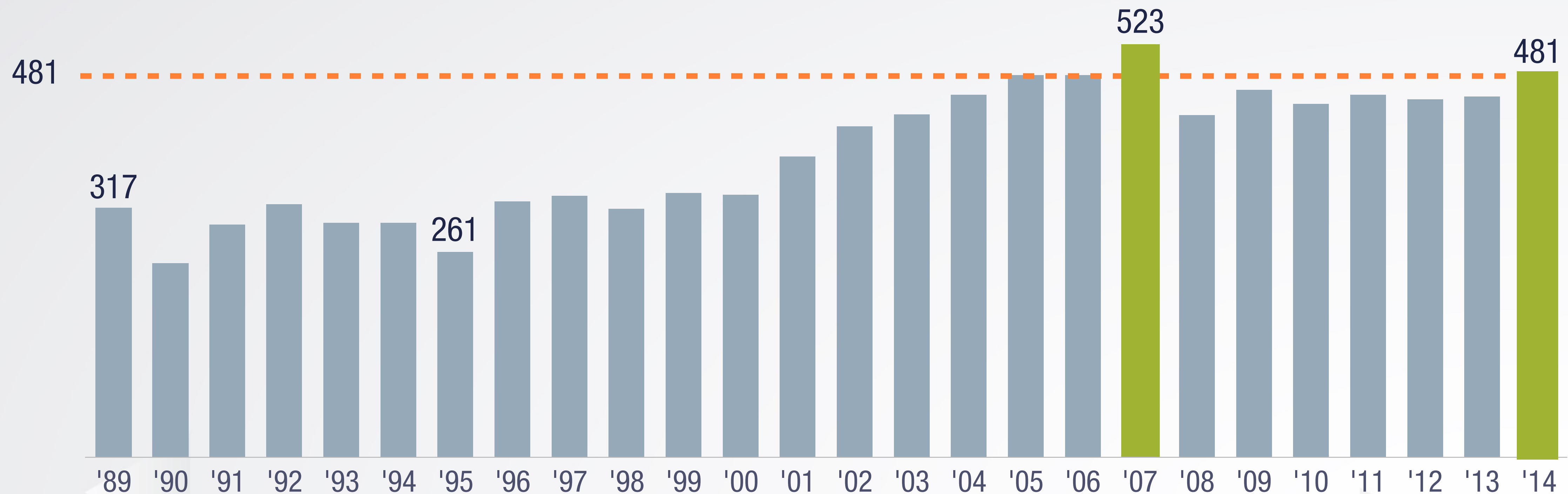
Median Home Price: \$208,500
Mortgage Rate: 4%
Monthly P&I Payment: \$995
Median Income: \$52,250

The Numbers That Drive Canadian Real Estate

1. Home Sales
2. Home Price
3. Inventory
4. Mortgage Rates
5. Affordability

1. Home Sales - Annual

Canadian home sales grew by 5% in 2014, reaching 481,000 homes.



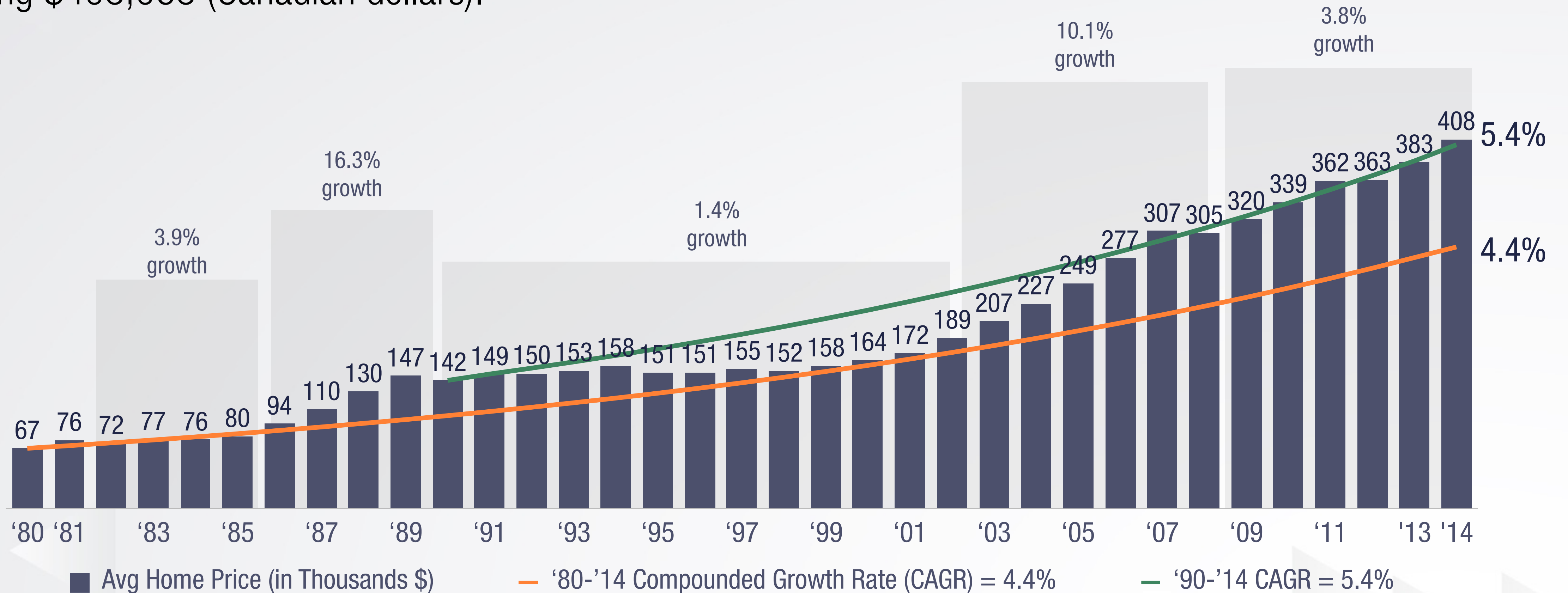
Source: CREA

■ Total Annual Single-Family Home Sales (in Thousands)

- - - 2014 Sales

2. Home Price - Annual

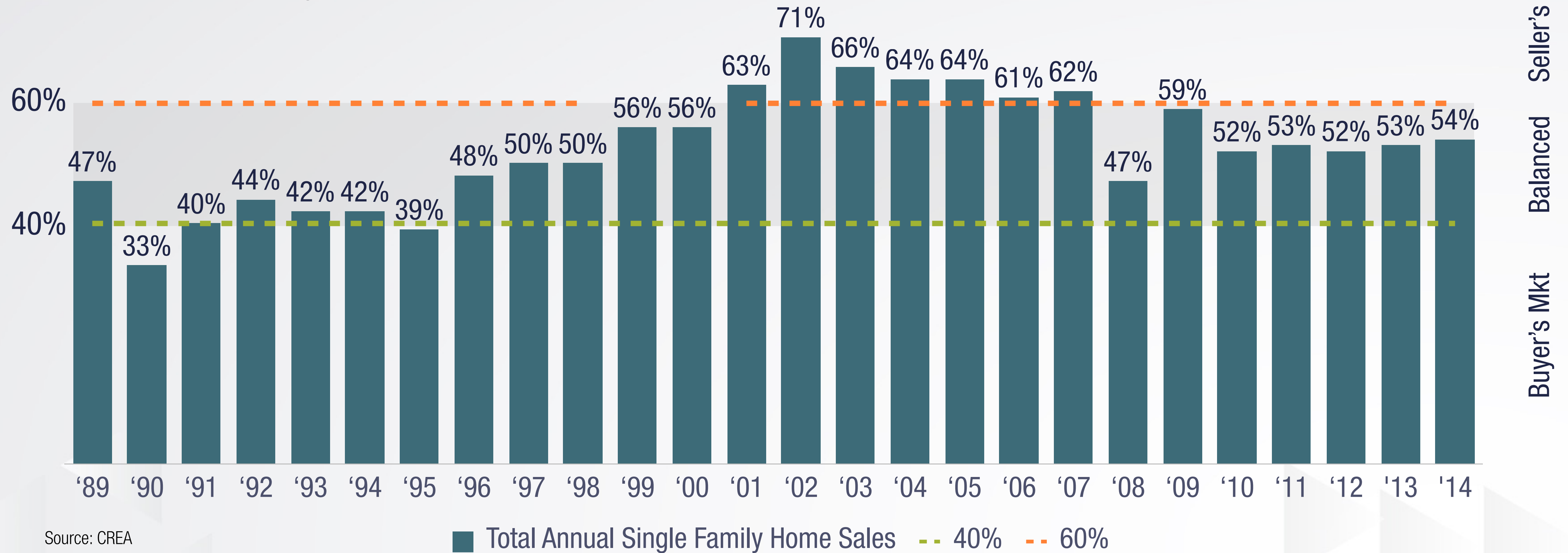
Canadian home prices once again posted significant growth in 2014 with average prices reaching \$408,068 (Canadian dollars).



Source: CREA

3. Inventory - Nationwide/Annual

Canadian inventory has remained in balanced territory throughout the year, but saw some slight tightening in the summer months coinciding with the pickup in sales and prices. This has since eased slightly at the end of the year.

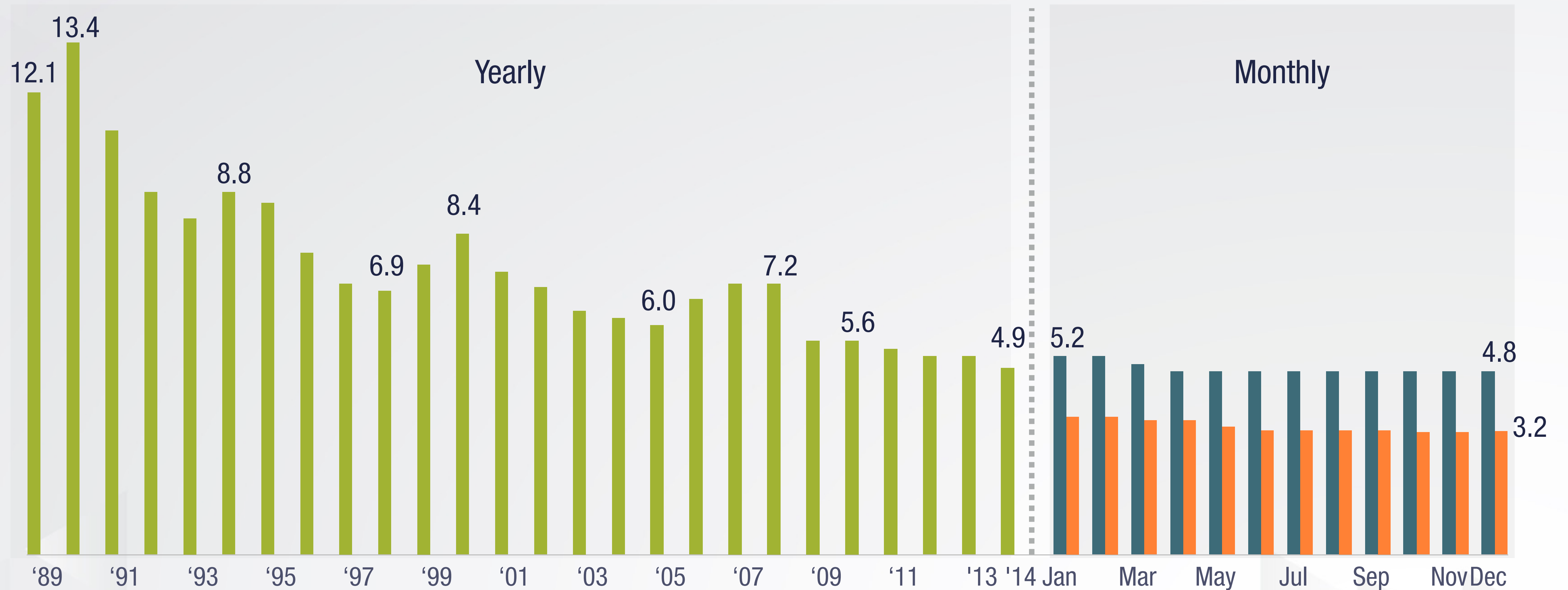


Source: CREA

■ Total Annual Single Family Home Sales - - 40% - - 60%

4. Mortgage Rates - Annual/Monthly

Mortgage rates in Canada declined as well in 2014, due to similar reasons as those in the United States.



Source: Bank of Canada

- Average Annual Mortgage Rate (Percentage)
- 2014 Actual Monthly Mortgage Rate (Percentage)
- 2014 Special Offer Mortgage Rate (Percentage)

5. Affordability - Annual

Affordability increased for all property types in 2014 due to the decline in interest rates.

Property Type	Q3 2013	Q3 2014	Q3/Q3 Change	
Detached bungalow	43.3%	42.6%	-0.8%	↑
Standard two-storey	48.9%	47.8%	-1.2%	↑
Standard condo	28.0%	27.1%	-1%	↑

Avg. Since 1985	Q3 2014 Vs. Avg	
39.2%	+3.4%	↓
43.7%	+4.1%	↓
27.0%	+0.1%	↓

An increase (+) in cost (%) represents **deteriorated** affordability (↓)
 A decrease (-) in cost (%) represents **improved** affordability (↑)

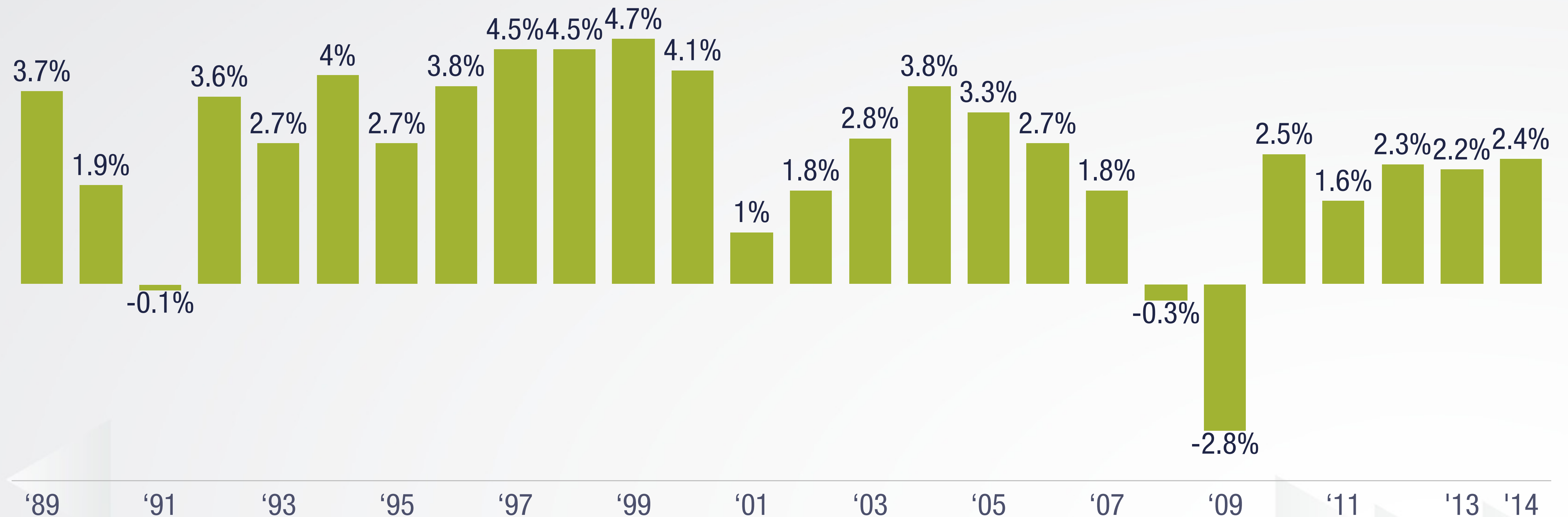
Source: RBC

The U.S. Economy

1. Gross Domestic Product
2. Unemployment
3. Inflation

1. Gross Domestic Product - Annual

GDP grew 2.4% in 2014. Growth was hampered by weather and a generally slow first quarter; however, things picked up in the final three quarters and 2014 overall was a strong year.

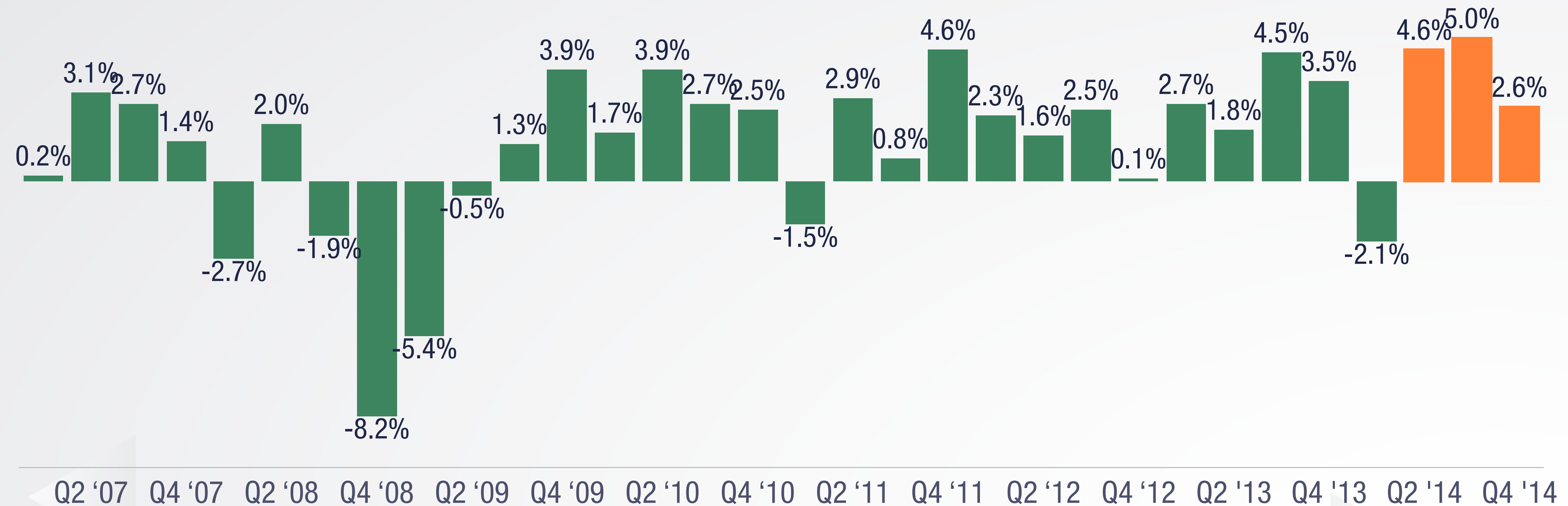


Source: BEA

■ Real GDP Year-over-Year Change (Percentage)

1. Gross Domestic Product - Quarterly

Growth has seen a strong pace so far this year and should continue into 2015 with the help of lower energy prices.

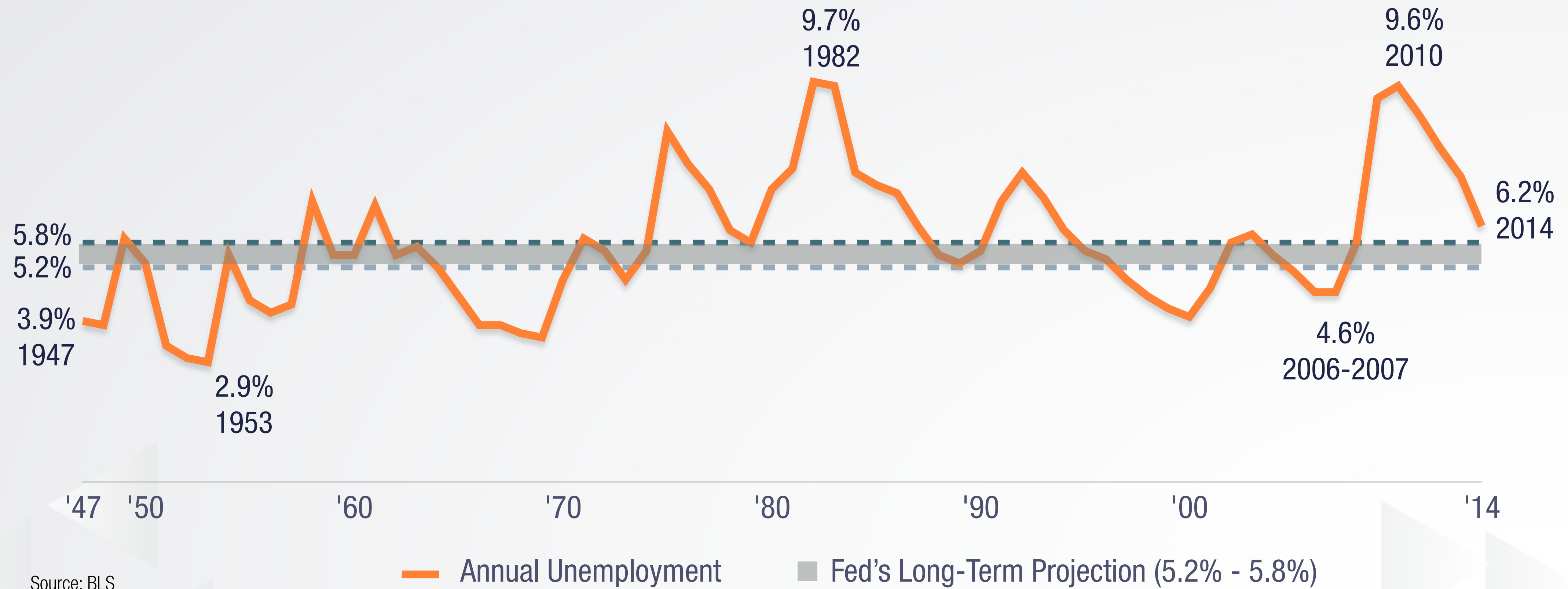


■ Real GDP Growth Rate, Quarterly, Seasonally Adjusted (Percentage)

Source: BEA

2. Unemployment - Annual

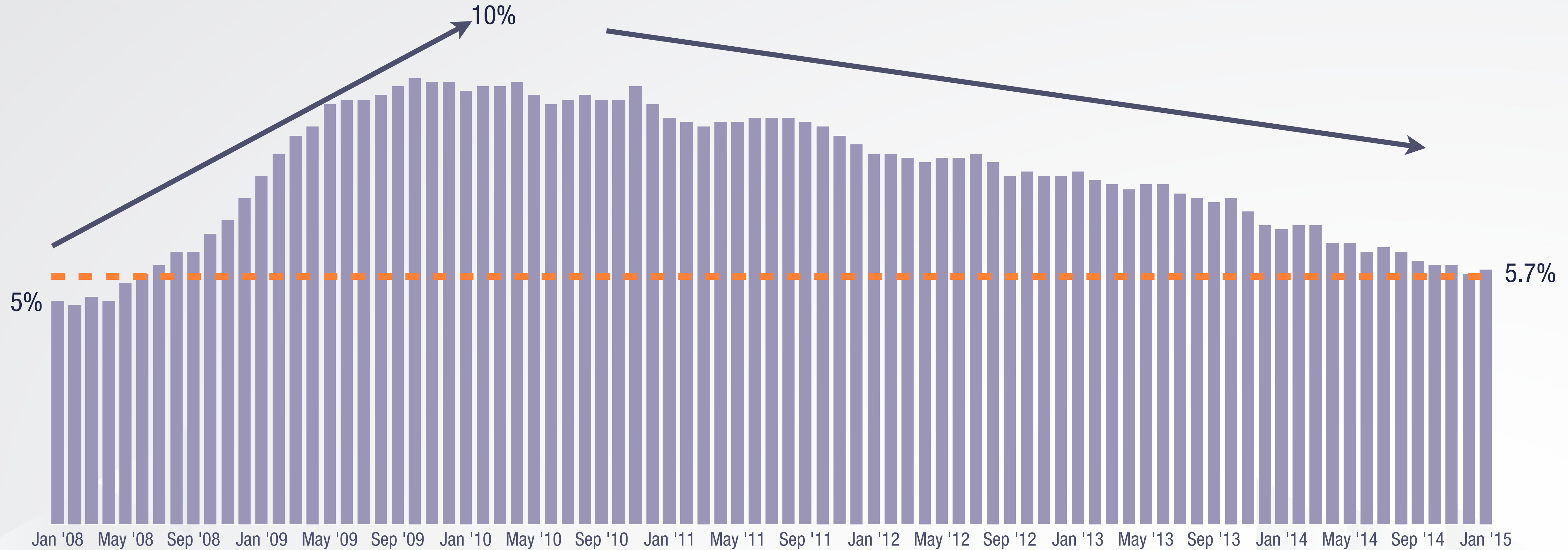
2014 was the strongest year since the recession for improvement in the unemployment rate.



Source: BLS

2. Unemployment - Monthly

Now that the unemployment rate has dropped much closer to a normal level, 2015 will likely see the conversation begin to shift from unemployment to wages. Unemployment dropped 1% in 2014.

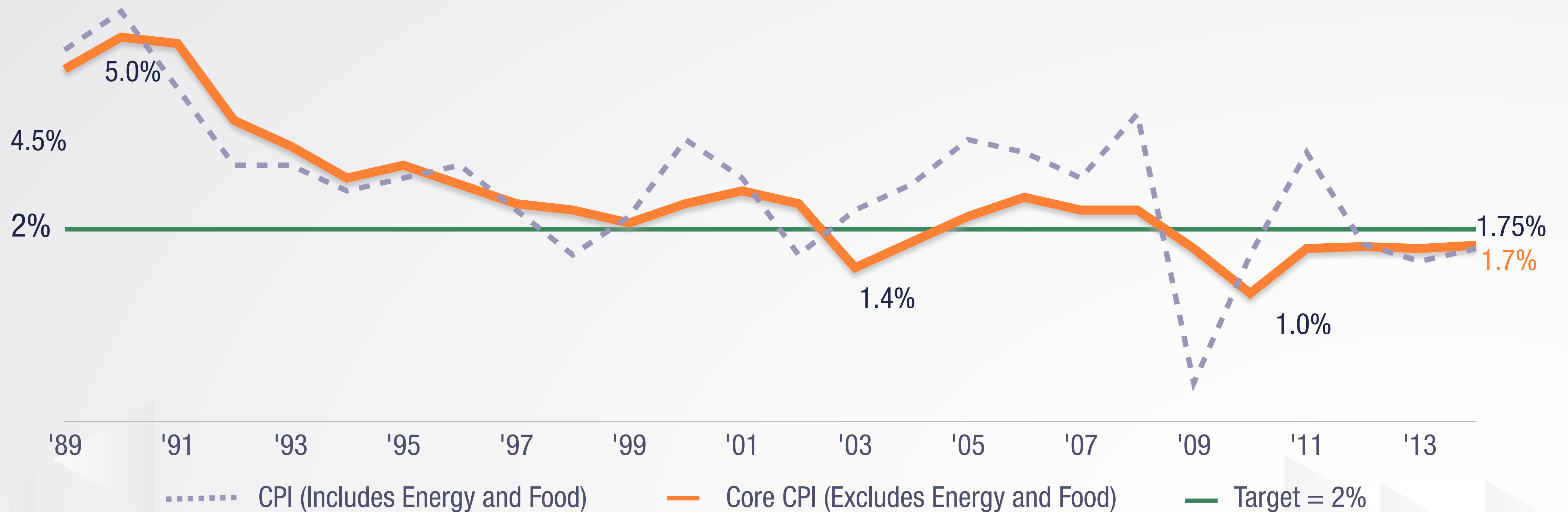


Source: BLS

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3. Inflation - Annual

Inflation will be important to watch. As Europe faces deflation, the Fed will need to make sure it does not spill into the U.S. economy.



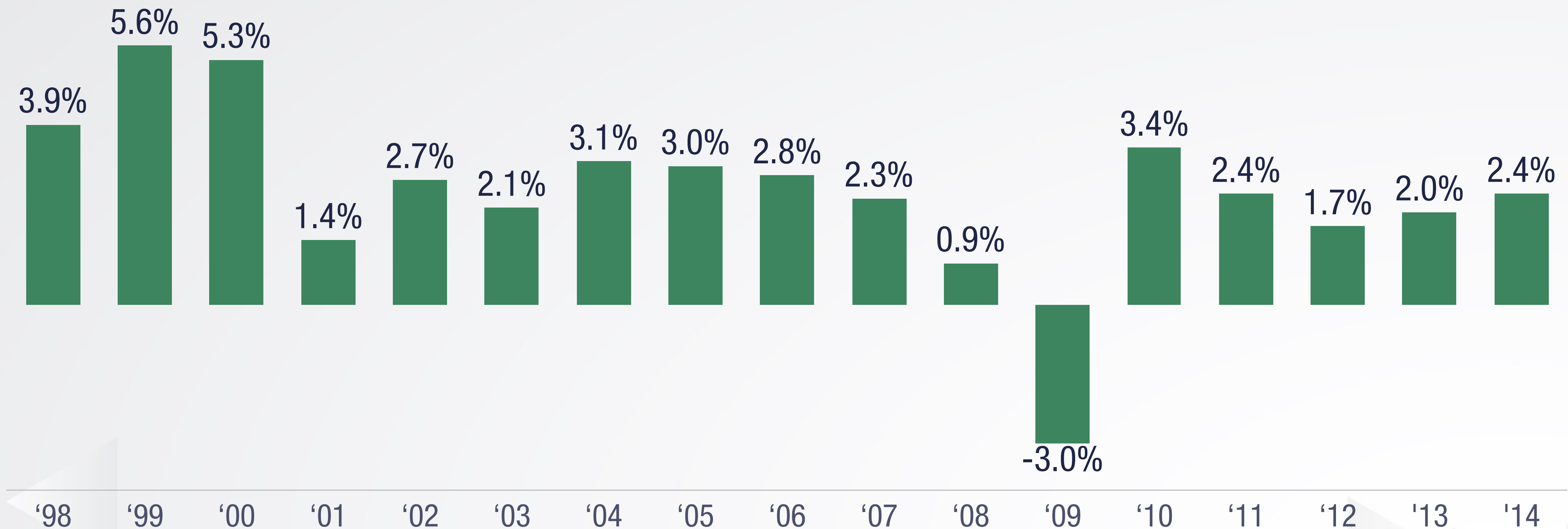
Source: BEA

The Canadian Economy

1. Gross Domestic Product
2. Unemployment
3. Inflation

1. Gross Domestic Product

GDP is expected to have grown by 2.4% in 2014. This is up slightly from last year with the Canadian housing market driving growth.



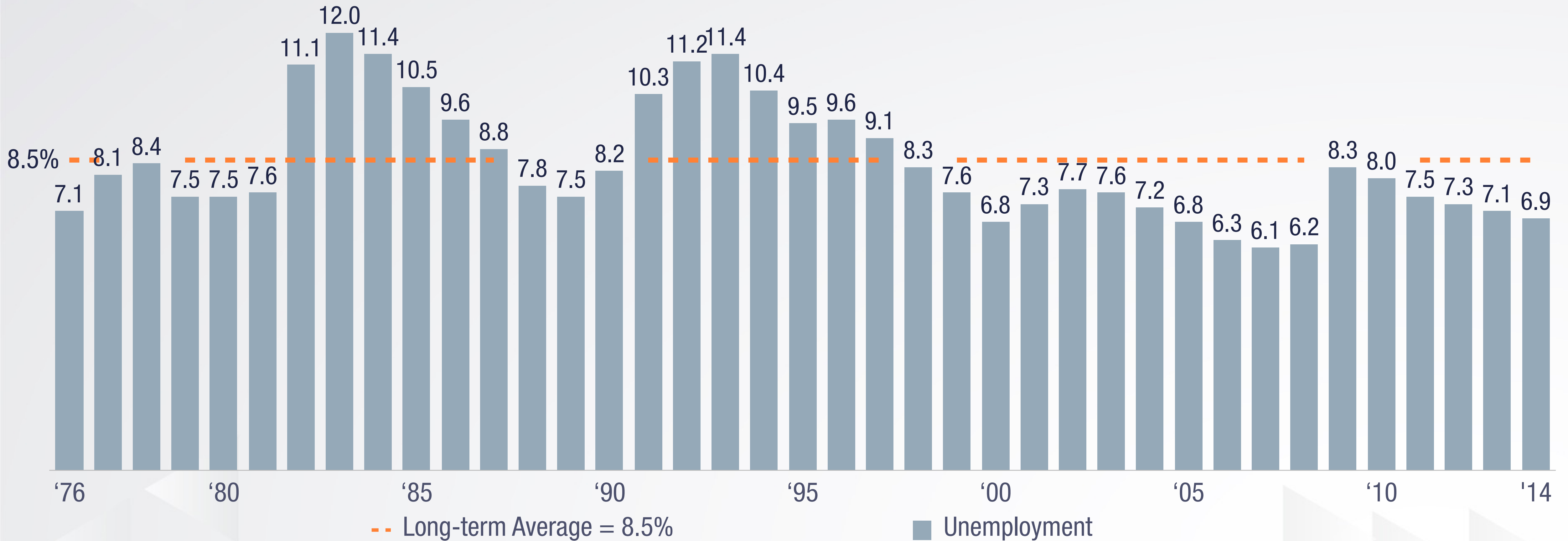
Source: Statistics Canada

■ Real GDP Year-over-Year Change

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2. Unemployment

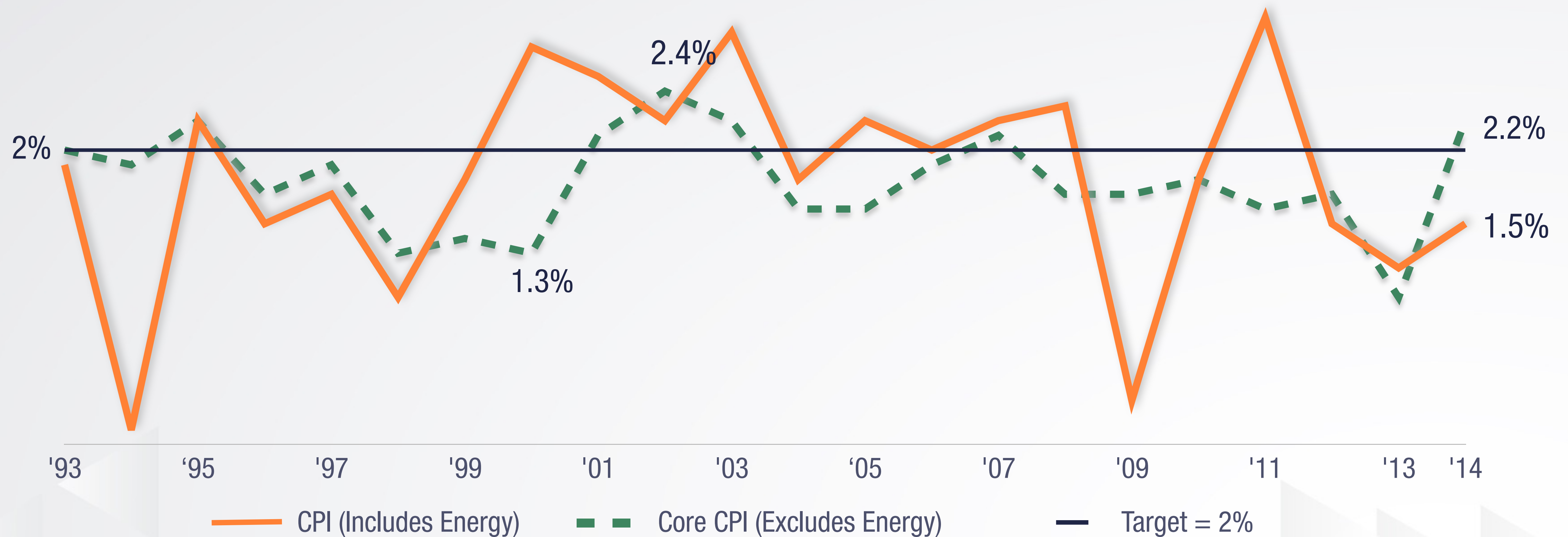
Unemployment averaged 6.9% in 2014 in Canada. This is down slightly from last year.



Source: Statistics Canada

3. Inflation

Inflation was moderately low in Canada in 2014. The more recent concern is the coming effects of dropping oil prices on inflation and how lowered interest rates affect prices on other goods.



Source: Statistics Canada

Events That Drive the Numbers in the U.S.

1. Industry

2. Credit Conditions

3. Distressed Sales

4. Underwater Homes

5. Federal Reserve Policy

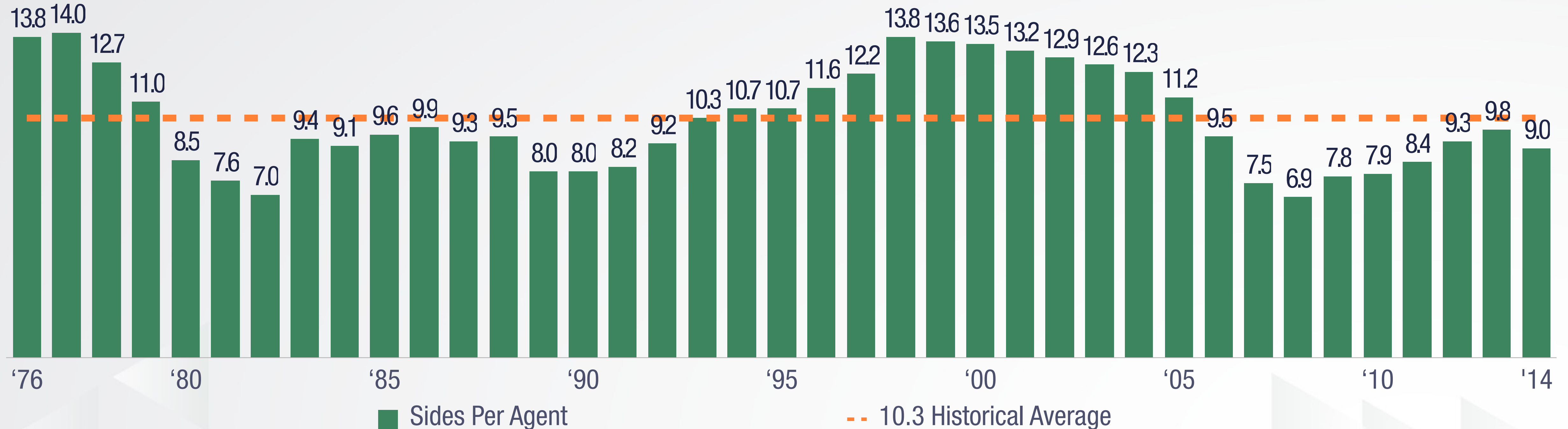
6. New Home Construction

7. Oil Prices

8. Student Loan Debt

1. Sides Per Agent

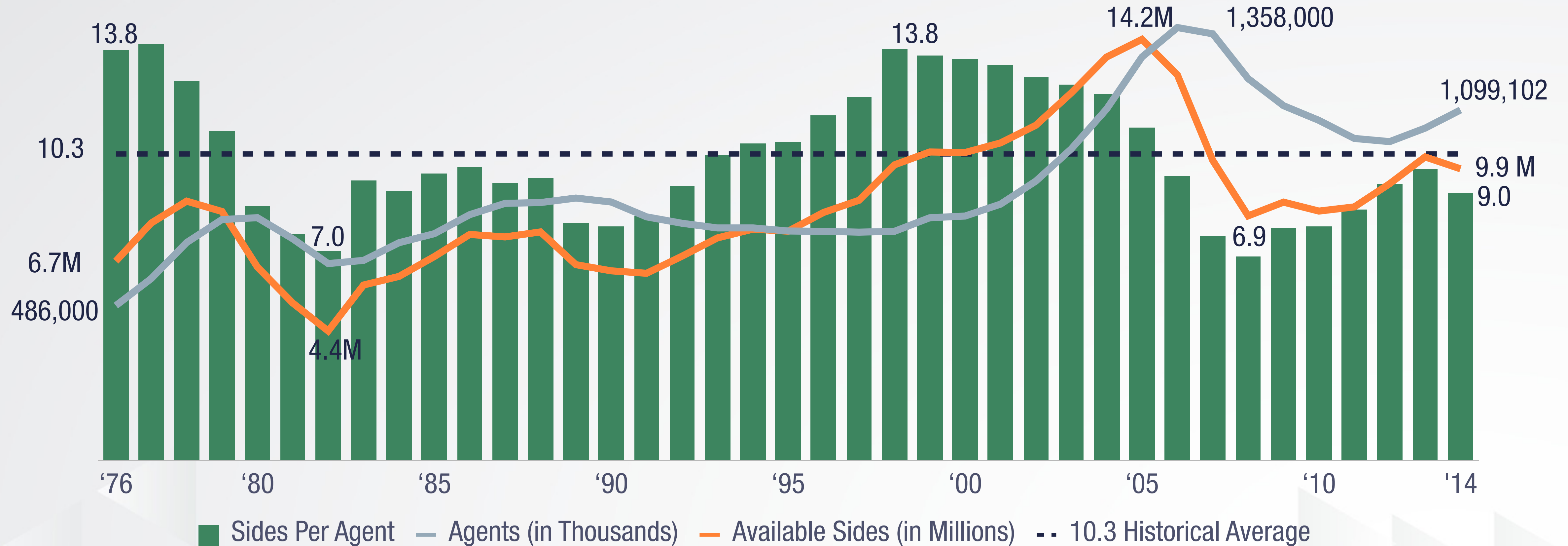
Sides per agent decreased slightly in 2014 as the agent population remained close to 1 million and home sales decreased from 5.1 million to 4.9 million.



Source: NAR

1. Sides Per Agent

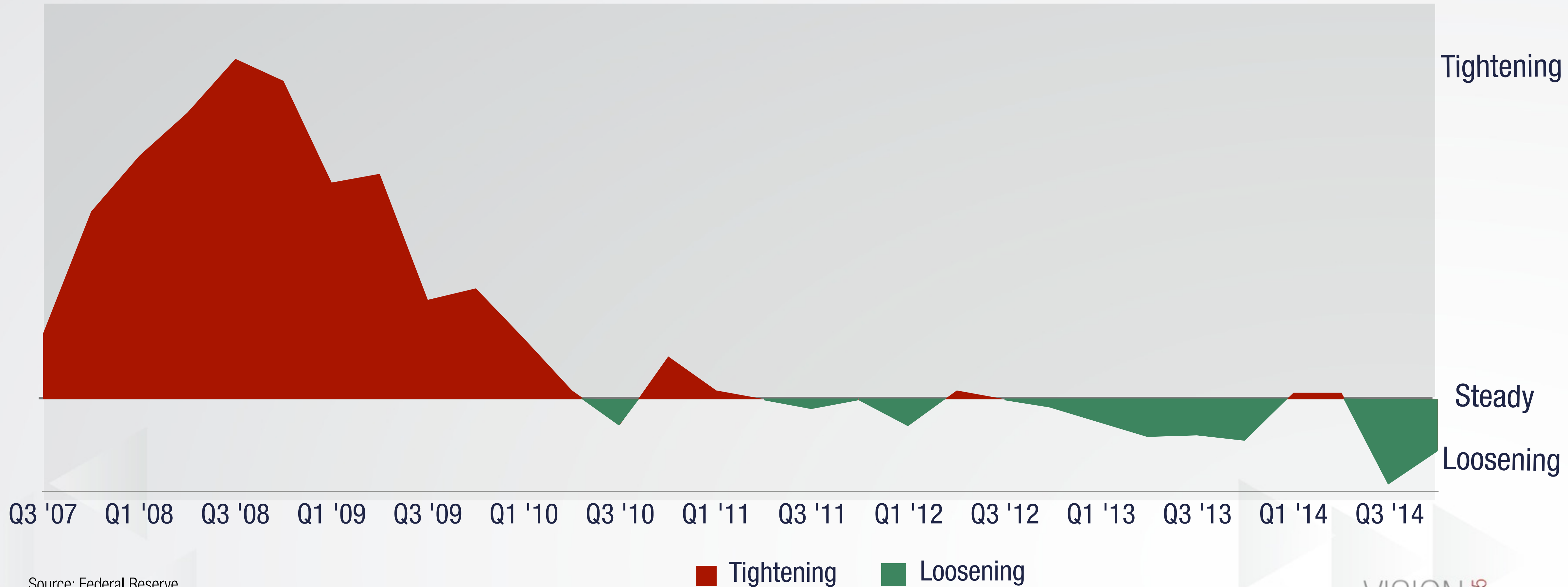
Sides per agent decreased slightly in 2014 as the agent population remained close to 1 million and home sales decreased from 5.1 million to 4.9 million.



Source: NAR

2. Credit Conditions

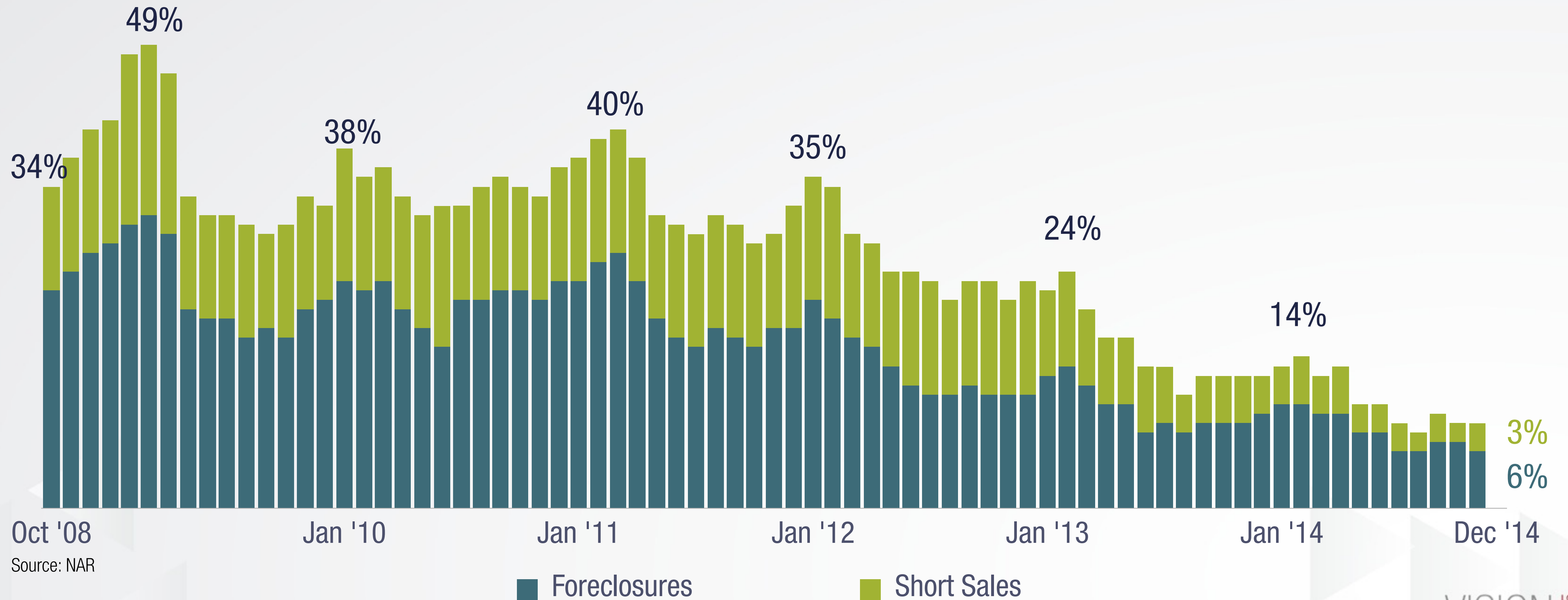
In the last few years, banks began to loosen standards back toward normalcy. The third and fourth quarters of 2014 saw the largest number of banks loosening credit standards since the recession.



Source: Federal Reserve

3. Distressed Sales

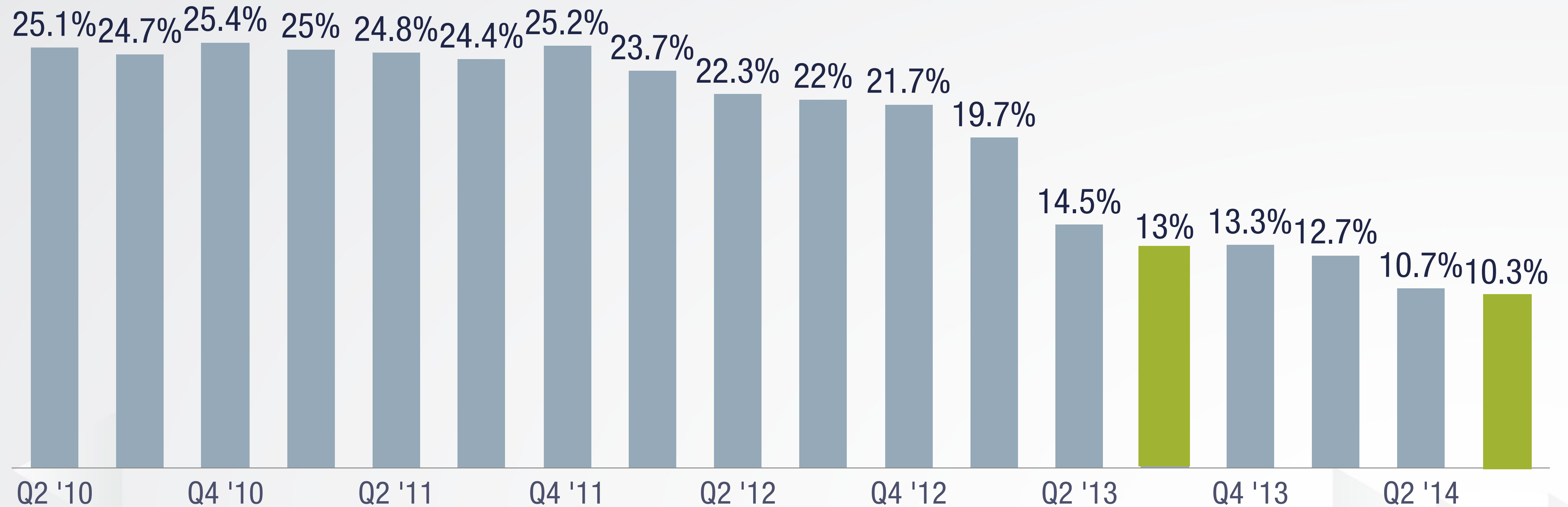
In 2014 the percentage of sales made up of distressed properties declined more slowly as we moved into a more normal market.



Source: NAR

4. Underwater Homes

More homes continued to reach positive equity in 2014; however, this effect was substantially less than last year as home price growth slowed and we moved away from a recovery and back toward a fundamentally driven market.



Sources: Core Logic, Harvard Joint Center for Housing Studies

■ Underwater Homes (% of Mortgaged Homes)

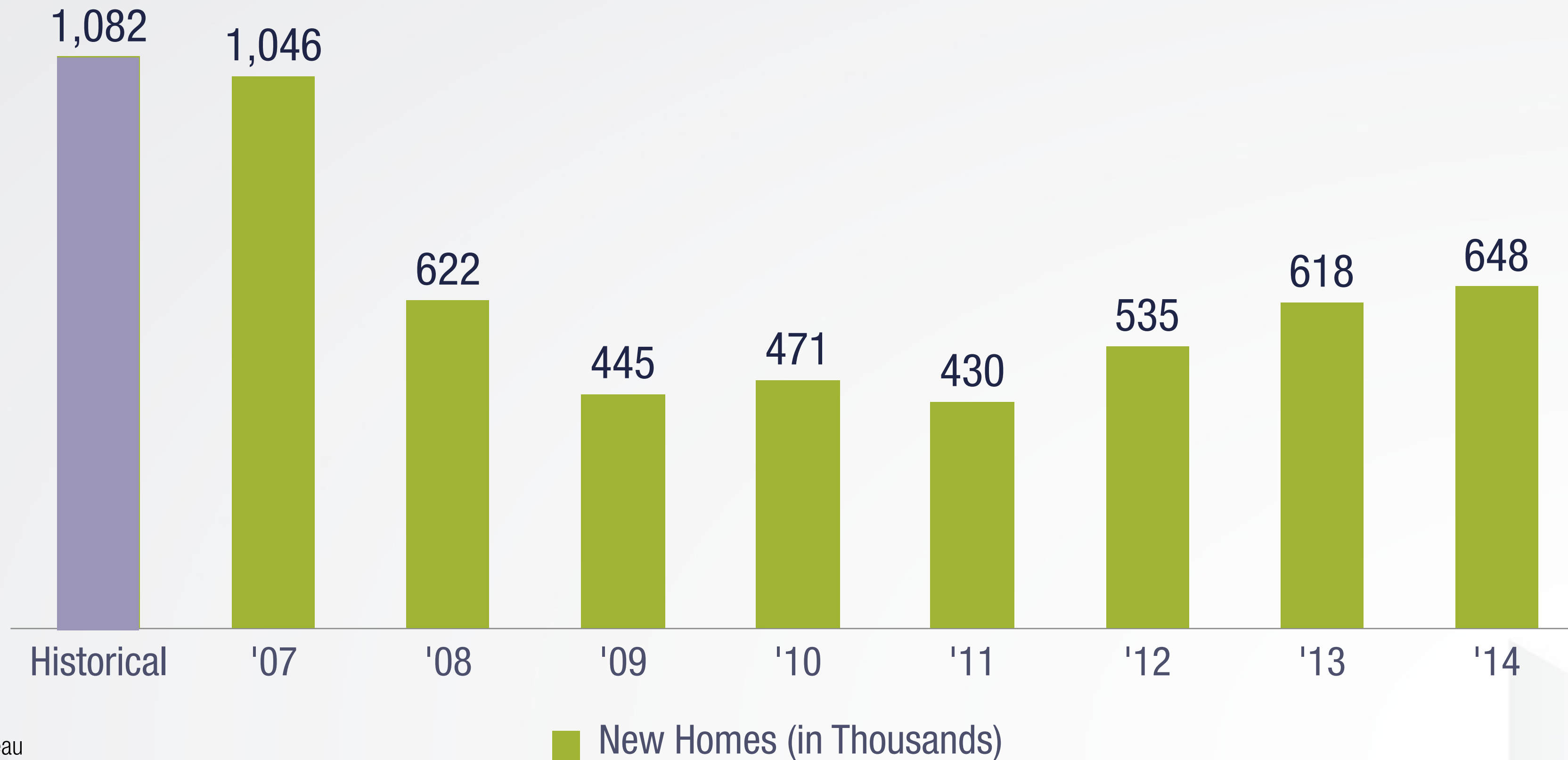
5. Federal Reserve Policy

In 2014 the Federal Reserve ended its quantitative easing program, due to general improvement in both the economy and the labor market. This year they will have their first opportunity to consider raising interest rates.

1. In 2015 the Federal Reserve will closely watch for continued improvement in the economy and labor market as they weigh raising the Federal Funds rate.
2. The Fed will likely pay special attention to wage growth in 2015.
3. They will also be on alert for inflation moving too far below target levels of 2%.
4. The first round of rate increases most likely won't happen until the second half of 2015.

6. New Home Construction

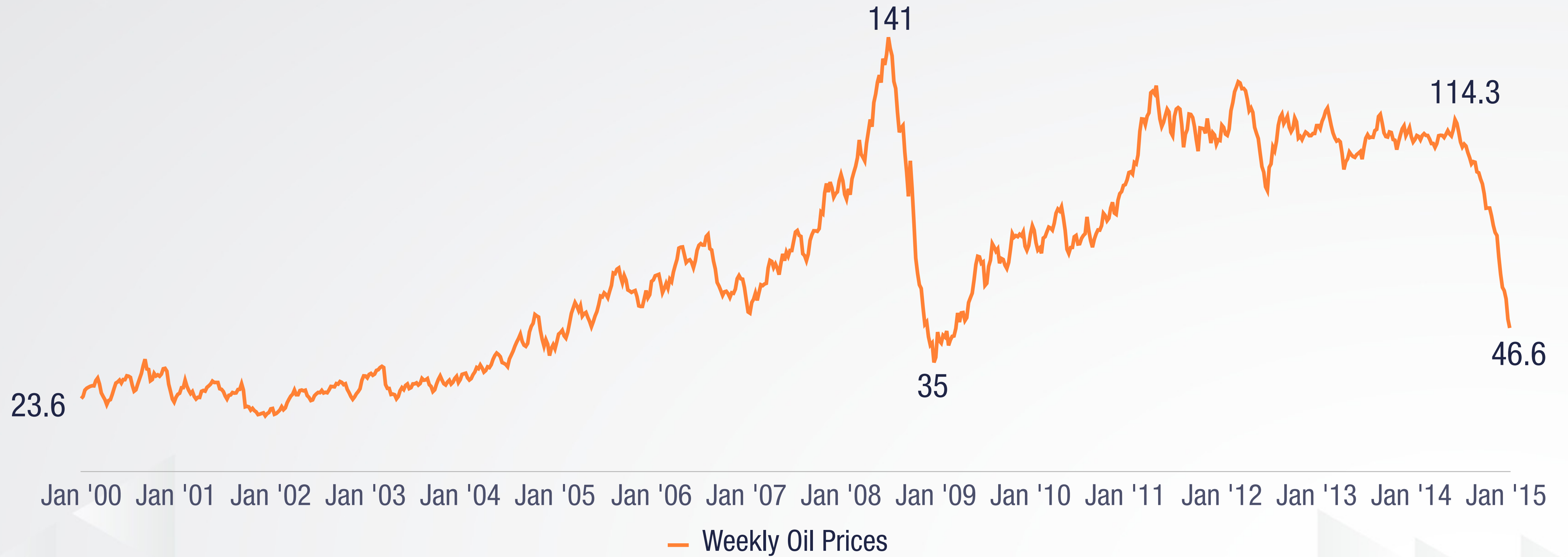
Single-family home construction increased 5% in 2014. While this makes 2014 the best year for construction since 2007, it still keeps us well below the historic average.



Source: U.S. Census Bureau

7. Oil Prices

Oil prices have declined close to 60% since June 2014. Cheaper energy prices showed a boon to U.S. consumers and a tailwind to the U.S. economy in 2015.

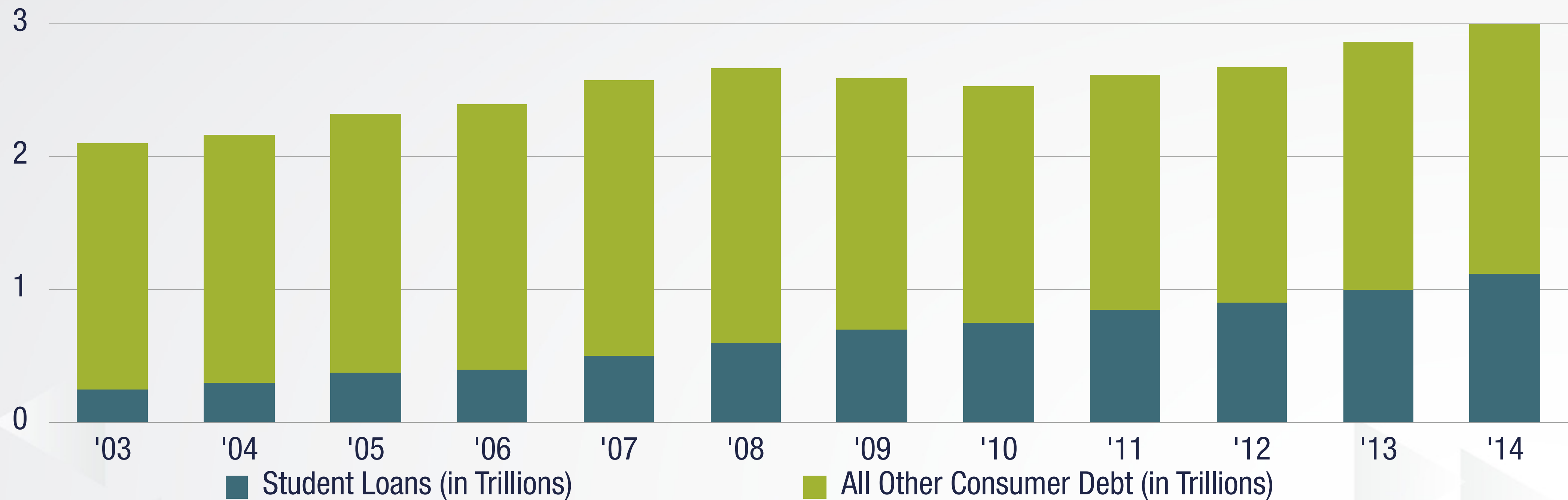


Source: Federal Reserve Bank of St. Louis

8. Student Loan Debt

Between 2003 and 2014, the total amount of student loan debt more than quadrupled, going from \$241 billion to \$1.1 trillion—a 356% increase.

- ▶ 71% of recent graduates had student loans, with balances averaging \$29,400. At 6.5%, that is a payment of \$333 per month.



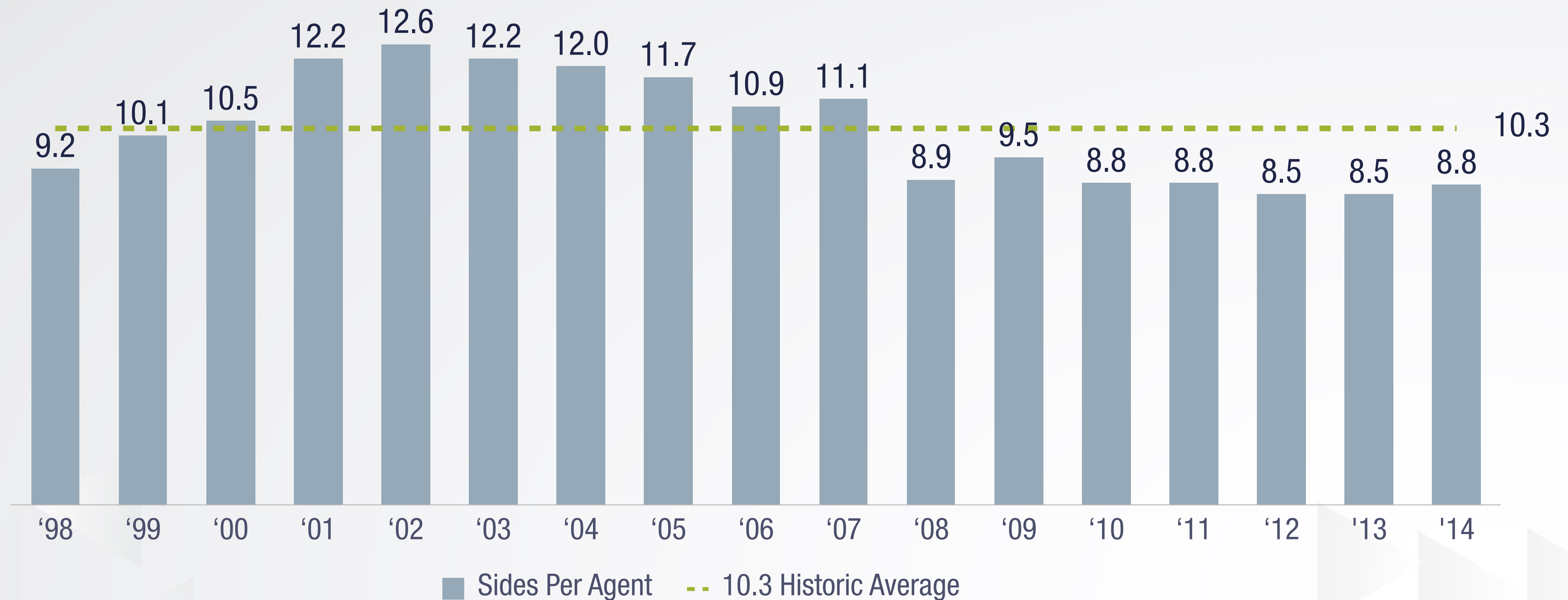
Source: Federal Reserve Bank of New York

Events That Drive the Numbers in Canada

1. Sides Per Agent
2. Monetary Policy

1. Sides Per Agent

Sides per agent increased slightly from 2013 to 2014 in Canada as agent count kept up with the slight increase in home sales.



2. Monetary Policy

The Bank of Canada held the target overnight rate steady throughout 2014; however, in January of this year, they lowered rates in anticipation of the negative economic effects of falling oil prices.

1. This will likely place downward pressure on mortgage rates.
2. The BOC may have to lower rates again early this year depending on how oil prices impact the economy.
3. At the beginning of this year, the Bank of Canada will be looking to weigh inflation risks created by a weakening Canadian dollar against the potential economic downturn created by low oil prices.
4. This is in part an effort to cushion the housing market against the impact of reduced employment and incomes that may result from the oil price shock.

Global Concerns

Global Concerns

There are currently several issues in the world that could impact the U.S. market.

1. Continued slow growth and low inflation in Europe.

1.1. This could increase the U.S. trade deficit and put downward pressure on interest rates. A new stimulus package announced by the European Central Bank should help alleviate some of this risk.

2. Rising geopolitical tension in eastern Europe and Asia.

2.1. Political instability in the world caused people to move into the most stable markets. The most notable outcome will likely be continued downward pressure on interest rates as money moves into U.S. treasuries as a safe-haven asset.

3. Global ramifications of low oil prices.

3.1. A lot of countries depend on oil exports as a major part of their economies. While oil prices are good for the United States overall, the effect that prices have on other countries could have a less predictable impact.

Luxury

1. The World's Wealthy
2. Allocation of Financial Investments
3. Months Supply of Inventory
4. Days on Market

1. The World's Wealthy

Year	HNWI* in US (in Thousands)	HNWI in Canada (in Thousands)	Global HNWI (in Millions)	Wealth of Global HNWIs (in US\$ Trillions)
2005	2,669	232	8.8	\$33.4
2006	2,920	248	9.5	\$37.2
2007	3,019	281	10.1	\$40.7
2008	2,460	231	8.6	\$32.8
2009	2,866	251	10	\$39
2010	3,104	282	10.9	\$42.7
2011	3,068	280	11	\$42
2012	3,436	298	12	\$46.2
2013	4,006	320	12.4	\$52.6
2005 - 2013	50% increase	38% increase	41% increase	57% increase

*HNWI = high net worth individuals

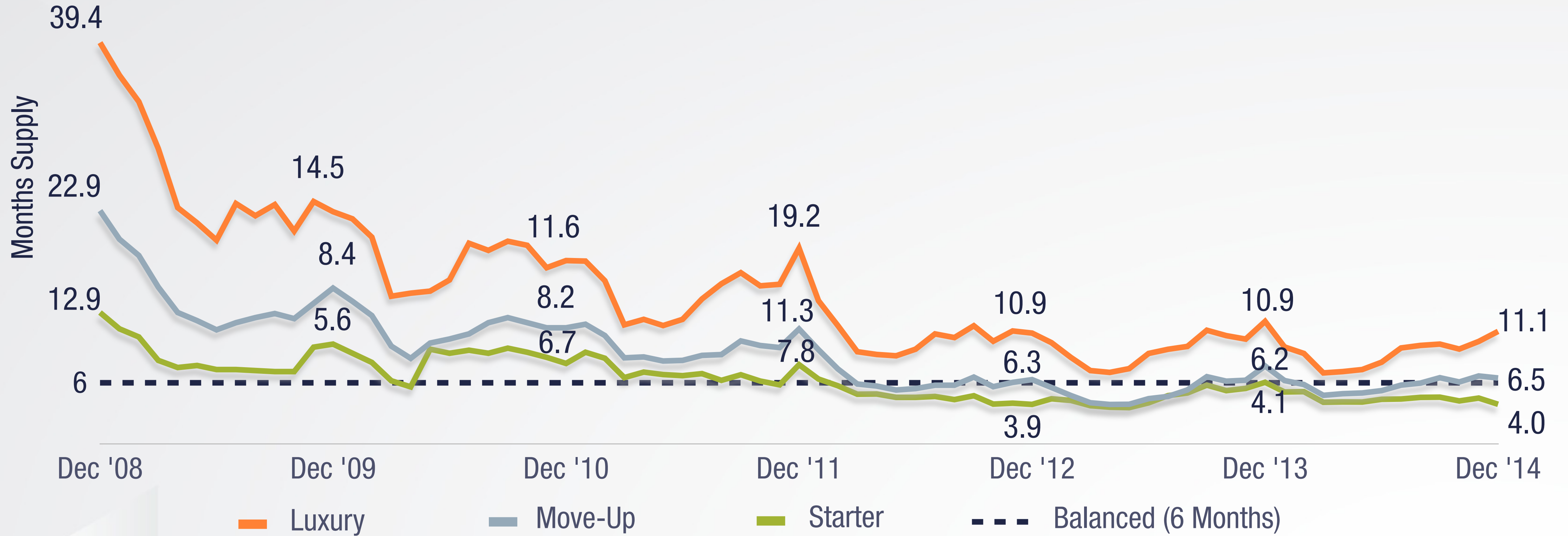
Sources: Merrill Lynch Global Wealth Management and Capgemini

2. Allocation of Financial Investments - Globally

Year	Real Estate	Cash/Deposits	Fixed Income	Stock Market	Alternative Investments
2004	16%	13%	24%	28%	19%
2005	16%	13%	21%	30%	20%
2006	24%	14%	21%	31%	10%
2007	14%	17%	27%	33%	9%
2008	18%	21%	29%	25%	7%
2009	18%	17%	31%	29%	6%
2010	19%	14%	29%	33%	5%
2012	20%	28%	16%	26%	10%
2013	18.7%	26.6%	15.7%	24.8%	13.5%

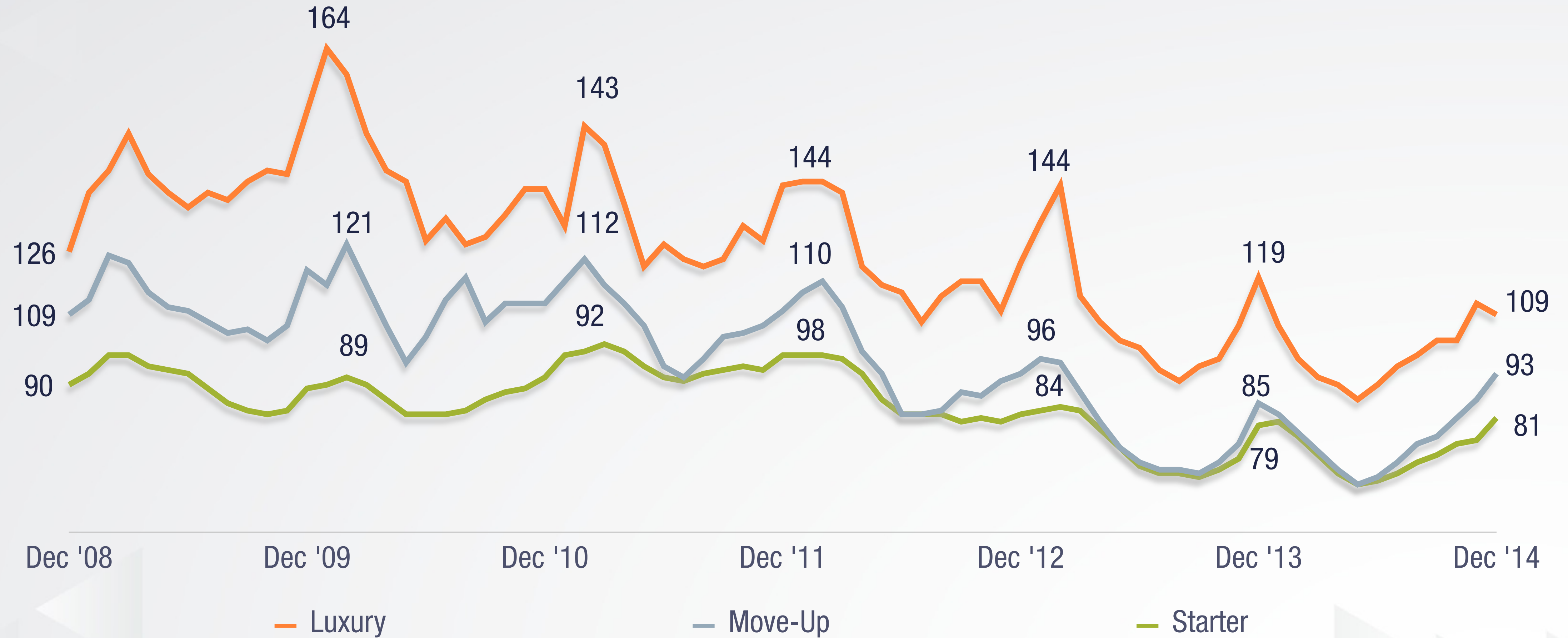
Sources: Merrill Lynch Global Wealth Management and Capgemini * No data for 2011.

3. Months Supply of Inventory



Source: BrokerMetrics

4. Days on Market



Source: BrokerMetrics

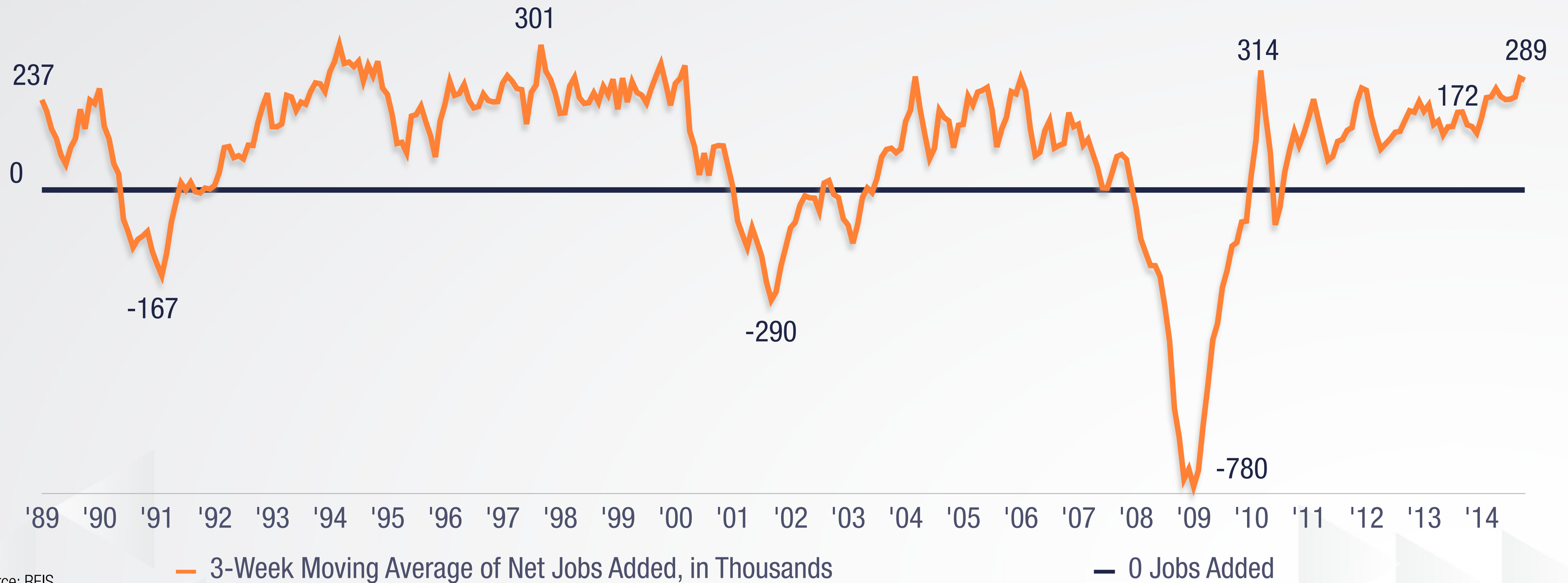
VISION 2015

Commercial

1. Job Growth
2. Vacancy Rates
3. Loan Delinquency Rates
4. Commercial Property Price Index

1. Job Growth

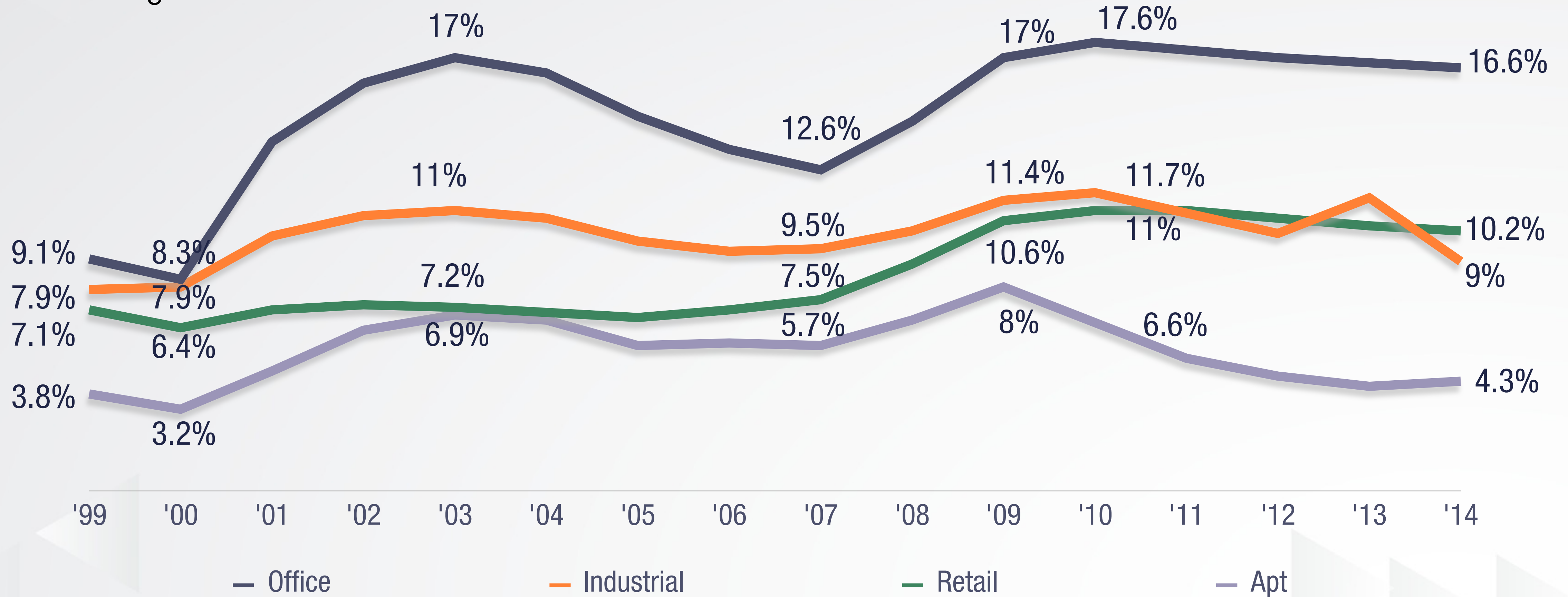
Businesses in the United States added a net 2.95 million jobs this year, the best year since 1999.



Source: REIS

2. Vacancy Rates

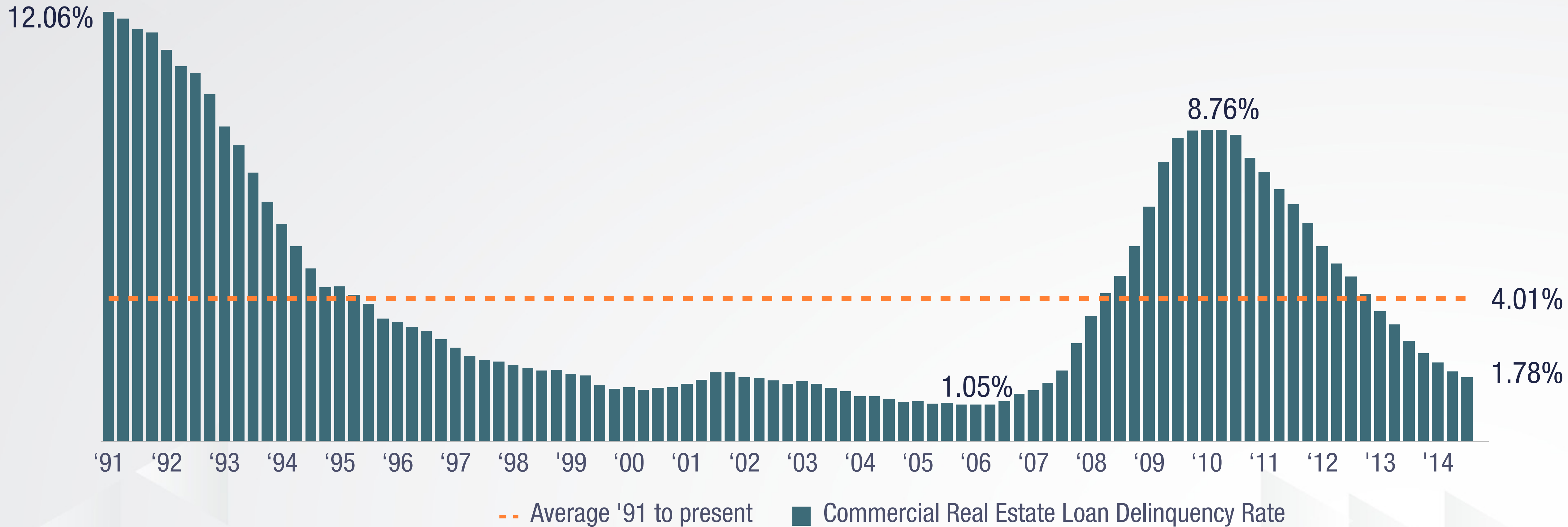
Overall, vacancy rates declined for all property types, with apartments continuing to be the strongest market.



Source: REIS

3. Loan Delinquency Rates

The most recent loan delinquency rate is 1.78%, the lowest it has been since 2007.



Source: Board of Governors of the Federal Reserve System

4. Commercial Property Price Index

The price index increased 12.5% in 2014. Industrial and offices located in central business districts posted the largest gains while retail and suburban offices had the smallest gains.



Source: Moody's/RCA

— Commercial Property Price Index (% change from 2000)

VISION 2015

Industry

1. New Loan Disclosure Forms
2. Mortgage Regulations
3. Lending Requirements Loosened
4. Search Portals
5. New Industry Initiatives
6. Search Engine Optimization
7. Four Tech Trends of 2015
8. Future Home-Buying Process
9. Competitor Update

1. New Loan Disclosure Forms

1. **Problem:** Current federal law requires consumers be provided two sets of mortgage loan disclosure forms:
 - 1.1. Provides overlapping information
 - 1.2. Uses inconsistent language
 - 1.3. Confuses consumers
2. **Solution:** The Dodd-Frank Act requires that these forms be integrated into one by August 2015.
3. **Impact:**
 - 3.1. The new rules do have the potential to delay closings because the new closing disclosure document must be provided to the consumer at least three business days before the loan closes, which is longer than the previous requirement of one day.
 - 3.2. The new forms should facilitate the home-buying process by making it easier for consumers to understand their mortgage and closing details.

2. Mortgage Regulations - Qualified Mortgages

1. In October, the Qualified Residential Mortgage Exemption was finalized in the new rules governing risk retention for banks. The rule means that banks will no longer have to retain any risk for qualified mortgages they sell in the secondary market.
2. This should loosen mortgage lending.

3. Lending Requirements Loosened

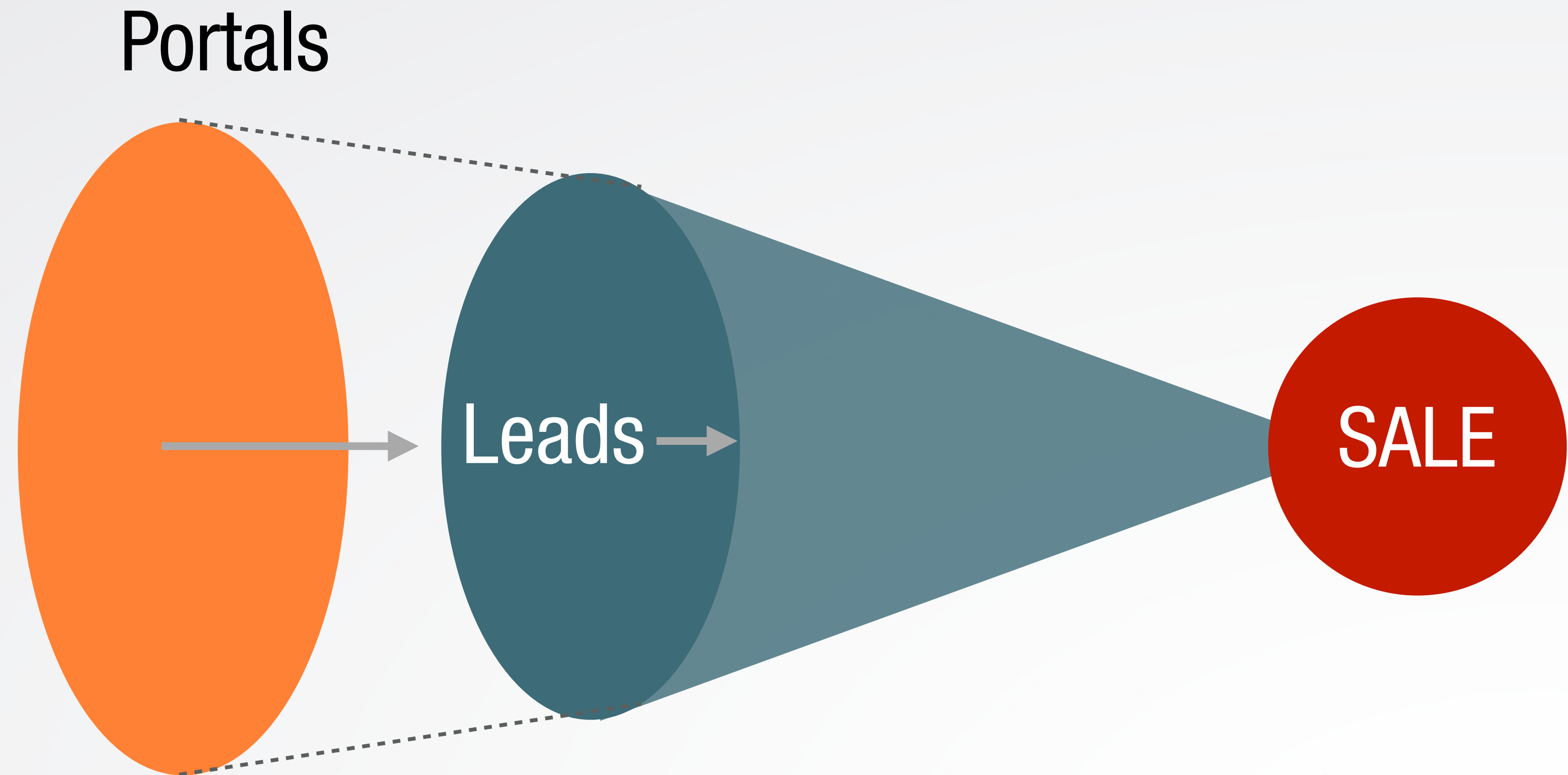
1. FHFA* is lowering the minimum down payment requirement from 5% to 3% for certain buyers:
 - 1.1. First-time home buyers
 - 1.2. Families in underserved areas
 - 1.3. Low to moderate income borrowers
2. FHA lowers MIP from 1.35% to 0.85%.
3. By increasing access to credit, these measures will increase demand in the housing market, especially from first-time home buyers.

*Federal Housing Finance Agency

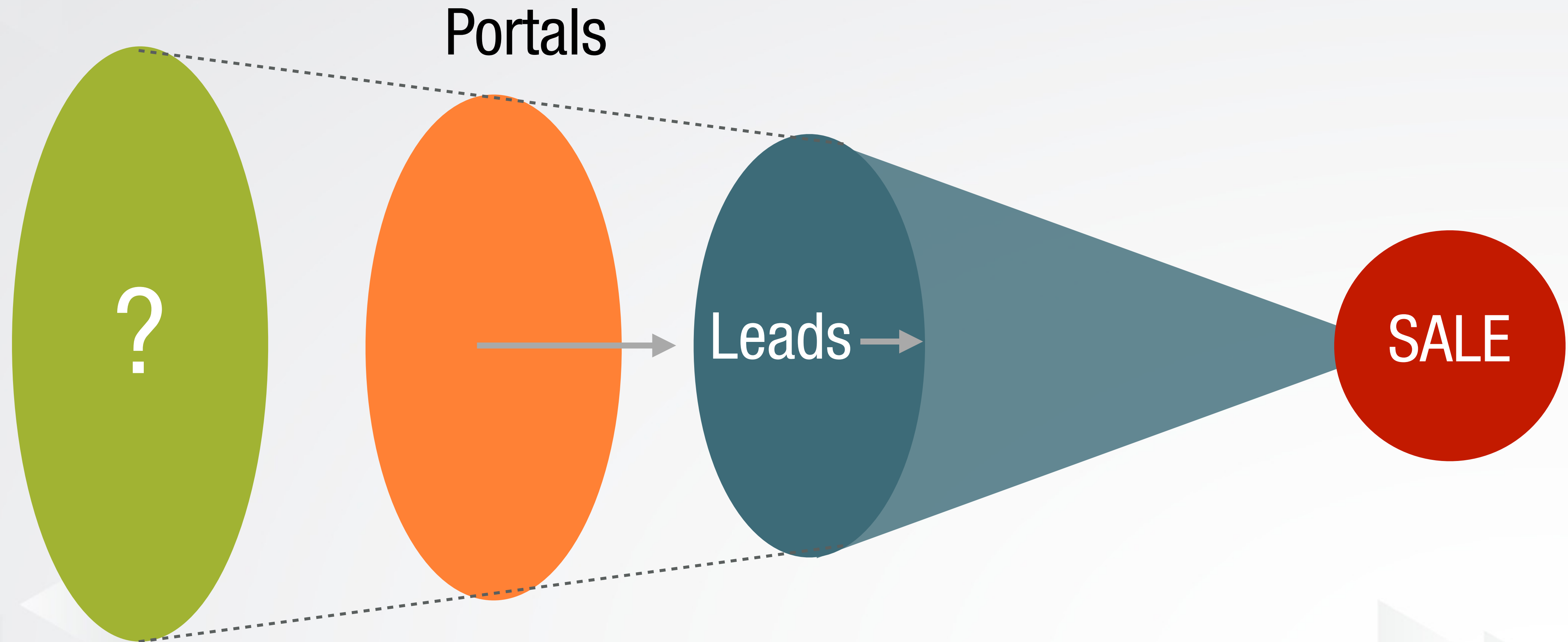
4. Search Portals

1. Zillow acquired Trulia for \$3.5 billion in stock.
 - 1.1. Want a larger market share—estimate the agent advertising market to be worth \$12 billion.
 - 1.2. Zillow-ListHub agreement set to expire in April, meaning they are dependent on direct partnerships with MLSs and brokers for data.
 - 1.3. Anticipate price increase.
2. News Corp acquired Move Inc. for \$950 million.
 - 2.1. NAR operating still intact, minor changes to come.
 - 2.2. News Corp's real estate company, REA Group, will hold a 20% stake in Realtor.com. REA Group has a monopoly-level market share in Australia and has been criticized for substantial price increases. Despite a large market share of internet traffic in Australia (75%), clearance rates at auctions have remained the same.

4. Challenge With Search Portals



4. Opportunity With Search Portals



5. New Industry Initiatives

- ▶ Two separate movements attempting to accomplish what should have happened 10 years ago.
 1. **Project Upstream:** KW is actively working with industry leaders toward a common goal to create an industry-centric portal that represents “My Listings, My Leads.” This will create a single point of entry for listings so agents can control what happens with their leads.
 2. **Broker Portal:** National broker portal initiative is attempting to build the first national MLS consumer-facing search portal. Their goal is to create a portal funded by MLS dues and data, governed by brokers and MLSs, to present listings to consumers with a display that adheres to fair display guidelines devised by a group of MLSs and brokers. Scheduled to launch in 2016.

6. Search Engine Optimization - KW Austin Case Study

1. **Problem** – KW Market Centers in Austin, which have a 20% listing market share were being challenged by competitive firms who were offering SEO-driven buyer leads.
2. **Solution** – Our Austin KW Market Centers put together a \$10K-per-month budget to pay for outside SEO help. The cost was evenly distributed by the number of agents per Market Center and had a single firm manage their PPC, AdWords, content, social media, and website development.
3. **Results**
 - 3.1. 185% increase in traffic from December 2013 to December 2014
 - 3.2. Organic SEO traffic up 49.4%
 - 3.3. This removed the competitive challenge

7. Four Tech Trends of 2015

1. **Mobile** – Native app usage on smartphones is continuing to grow at the expense of the mobile web. Users are spending 86% of the three hours per day they spend on mobile devices interacting with apps.
2. **Virtual Tours** – 3D and virtual tour streaming technology are on pace to experience a big year in terms of growth and technological advancements.
3. **Smart Home** – The connected-home trend will impact the real estate industry by providing a more granular level of data on homes and requiring agents to be educated on smart home products.
4. **Predictive Analytics** – Algorithms used to predict consumer behavior are becoming increasingly accurate.

8. Future Home-Buying Process

- ▶ Video – Sarah Buys a House in 2020
- ▶ Four major takeaways from this exercise:
 1. Everything could happen on one platform—home search, agent search, financing, and closing.
 2. Technology doesn't have to empower just the consumer—it can empower the agent as well.
 3. Real estate fundamentals are just that—fundamentals.
 4. The value of data shifting from value of scarcity to value of expertise!

9. Competitor Update

1. Berkshire Hathaway Home Services

1.1. Incorporating Prudential offices and using Berkshire Hathaway brand as a tool when recruiting agents, but no new value proposition.

2. RE/MAX

2.1. Launched agent-branded consumer app and continues to expand internationally.

2.2. Stock price is stagnant.

3. Realty

3.1. Acquired ZipRealty for its Internet-based marketing platform, which will be used to support Realty's firms.

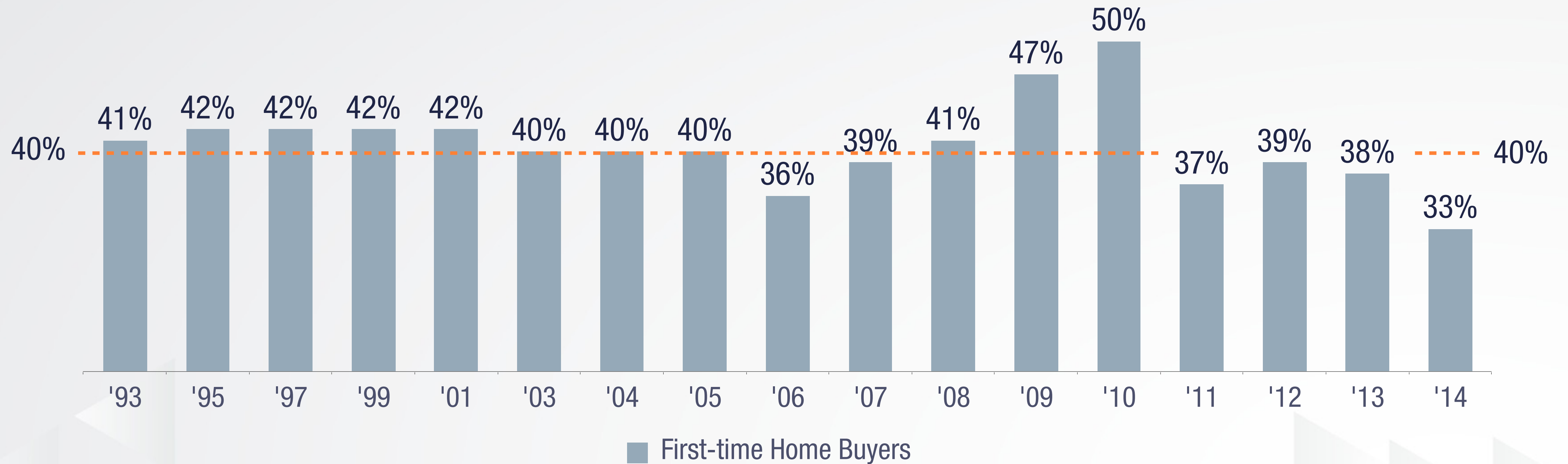
3.2. Refinanced their \$1.9-billion loan to lower the interest rates, but Realty's large debt continues to limit the company's flexibility.

4. Redfin

4.1. In anticipation of going public, technology-based company raised another \$70.9 million in venture capital, increased its presence to more than 50 markets, and launched its first TV commercial.

National Association of Realtors

First-time Home Buyers



Primary Reason for Purchasing a Home

	2006	2008	2013	2014
Desire to own a home	32%	34%	30%	24%
Desire for a larger home	14	10	12	12
Job-related relocation or move	12	11	8	9
Change in family situation	9	9	7	8
Desire to be closer to family/friends	*	6	6	3
Desire for a home in a better area	8	5	6	8
Affordability	*	3	6	5
Desire for a smaller home	5	3	5	3
Retirement	4	3	5	3
Desire to be closer to job/school/transit	7	4	4	2
Establish household	*	1	3	3
Financial security	*	1	2	3

Tenure in Previous Home

	2007	2013	2014
1 year or less	6%	3%	4%
2 to 3 years	23	9	9
4 to 5 years	17	13	12
6 to 7 years	13	15	11
8 to 10 years	13	18	20
11 to 15 years	12	19	20
16 to 20 years	7	9	9
21 years or more	10	14	16
Median	3	9	10

13% buy again in less than 4 years.

Buyer's Expected Tenure

Buyers expect to stay almost twice as long as they actually do. Stay in touch so that even if your client's move is unexpected, you are top of mind.

	2013	2014
1 year or less	1%	2%
2 to 3 years	2	3
4 to 5 years	9	9
6 to 7 years	3	3
8 to 10 years	15	14
11 to 15 years	6	5
16 to 20 years	27	25
Don't know	37	39
Median	15	12

Weeks in Home Search



*There is no data for 2002.

■ Number of Weeks

First Step in Buying Process

	2013	2014
Looked online for properties for sale	42%	43%
Contacted a real estate agent	17	15
Looked online for information about the buying process	14	12
Talked with a friend or relative about the buying process	5	7
Contacted a bank or mortgage lender	6	6
Drove by homes/neighborhoods	7	6
Visited open houses	3	3
Contacted a builder/visited builder models	2	2
Contacted a home seller directly	1	1
Looked in newspapers, magazines, or home-buying guides	1	1
Attended a Home Buying Seminar	*	1

Information Sources Buyers Use

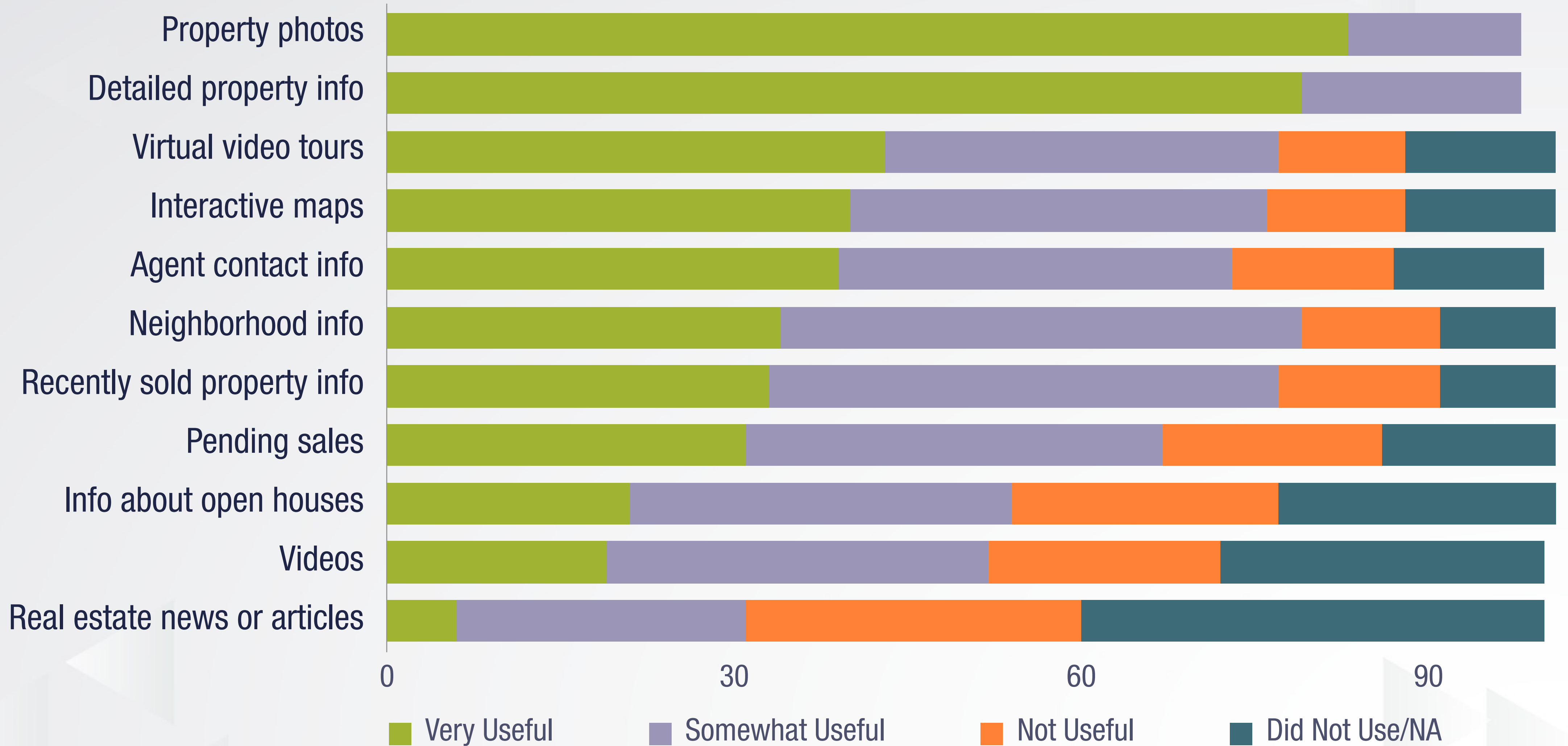
	2004	2013	2014
Internet	74%	89%	88%
Real estate agent	90	89	87
Mobile or tablet website or application	*	45	50
Mobile or tablet search engine	*	42	48
Yard sign	74	51	48
Open house	51	45	44
Online video site	*	27	26
Print newspaper advertisement	53	23	21
Home builder	37	17	18
Home book or magazine	40	15	14
Billboard	21	5	4
Television	26	4	4
Relocation company	16	3	3

Where Buyers Found The Home They Purchased

	'01	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14
Internet	8%	11%	15%	24%	24%	29%	32%	36%	37%	40%	42%	43%	43%
Real estate agent	48	41	38	36	36	34	34	36	38	35	33	33	33
Yard sign/Open house sign	15	16	16	15	15	14	15	12	11	11	9	9	9
Friend, relative, or neighbor	8	7	7	7	8	8	7	6	6	6	5	6	6
Home builder or their agent	3	7	7	7	8	8	7	5	4	5	4	5	5
Directly from sellers/knew the sellers	4	4	5	3	3	3	2	2	2	2	1	2	3
Print newspaper advertisement	7	7	5	5	5	3	3	2	2	2	1	1	1
Home book or magazine	2	1	2	1	1	1	1	*	*	*	*	1	*
Other	3	6	4	--	--	--	--	--	--	--	--	--	*

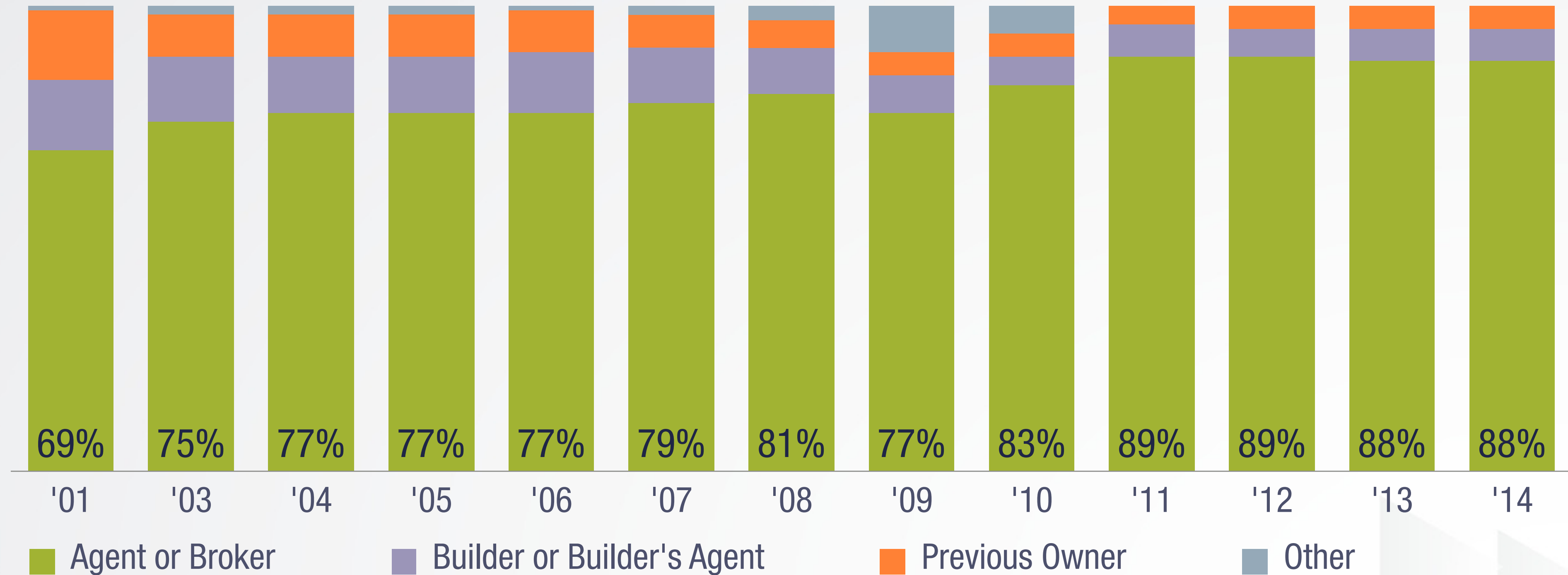
*There is no data for 2002.

Value of Website Features



Method of Home Purchase

Just because buyers are using the Internet more doesn't mean they're not relying on you. In fact, the number of buyers using an agent remains near a ten-year high. To keep it that way, understand your value proposition and be able to communicate it.



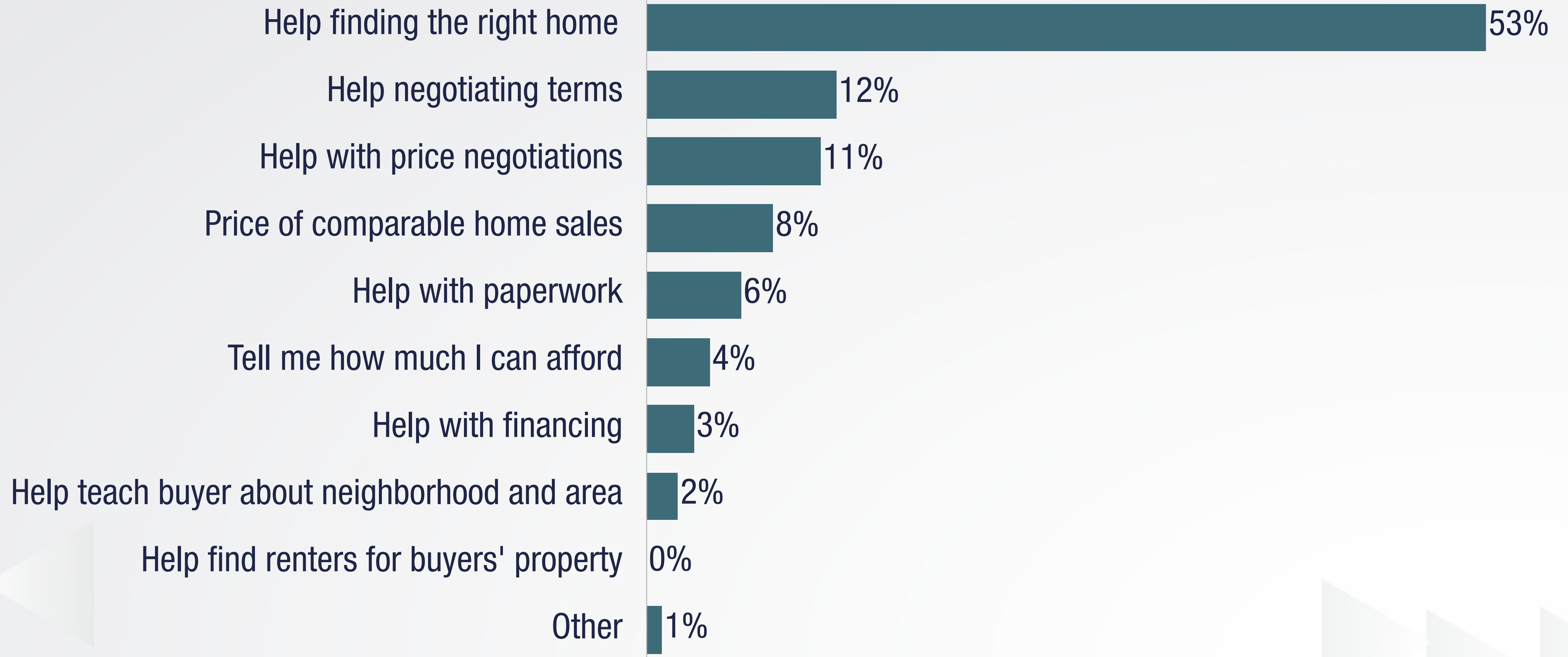
*There is no data for 2002.

Buyer Representation Agreement

This is a no-brainer risk mitigator for agents wanting to protect their time and income.

	2005	2011	2012	2013	2014
Yes, a written arrangement	43%	42%	40%	42%	40%
Yes, an oral arrangement	20	18	19	19	19
No	26	29	28	26	29
Don't know	12	11	13	13	13

What Buyers Want Most from Their Agent



How Buyers Found Their Agent

The data is clear. Staying in relationship with your database is the #1 way to get more business.

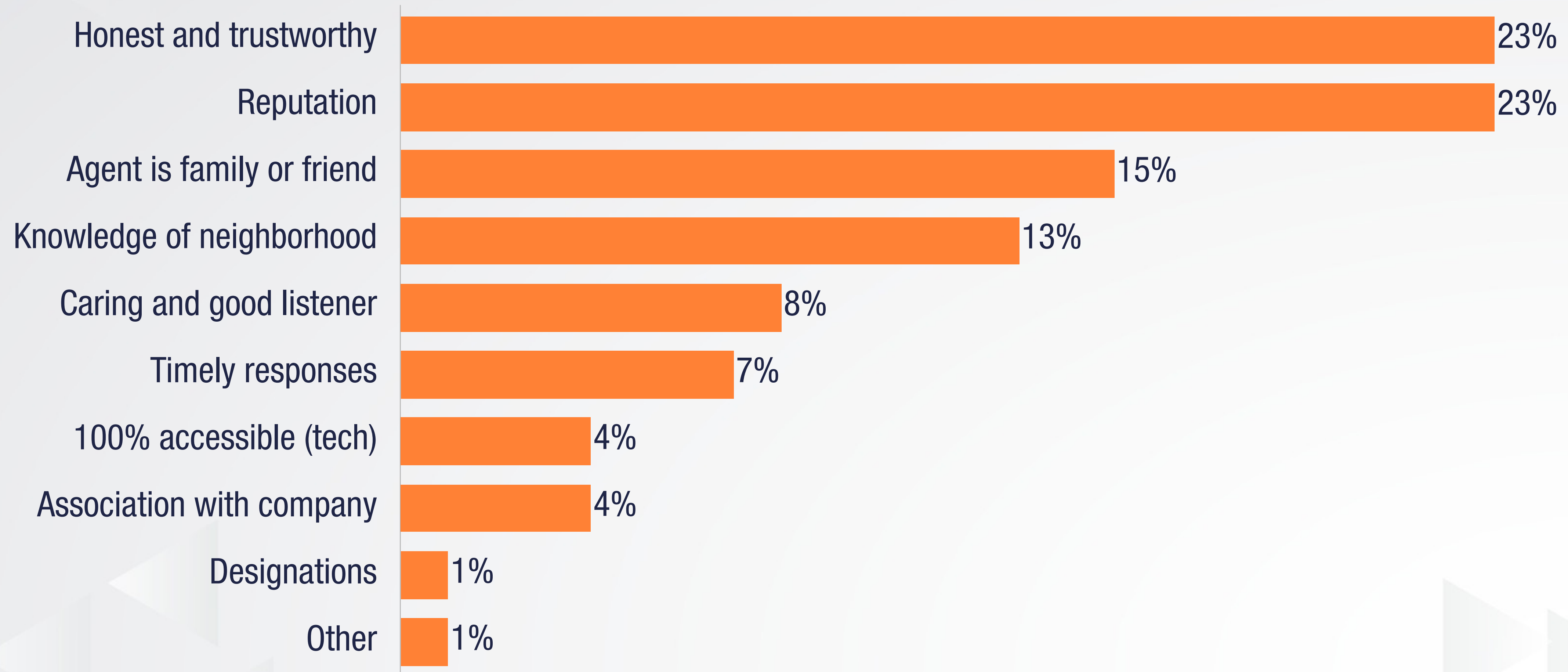
	2005	2011	2012	2013	2014
Referred by (or is) a friend, neighbor, or relative	44%	41%	40%	42%	40%
Used agent previously to buy or sell a home	11	9	10	12	12
Website	7	9	11	9	10
Visited an open house and met agent	7	7	6	6	5
Saw contact information on for sale/open house sign	6	6	6	6	5
Referred by another real estate agent or broker	*	*	*	4	5
Referred through employer or relocation company	4	4	4	4	4
Personal contact by agent (telephone, email, etc.)	3	3	4	3	3
Walked into or called office and agent was on duty	4	4	3	3	2
Search engine	*	*	*	*	1
Newspaper, Yellow Pages, or home book ad	2	1	*	1	1
Direct mail (newsletter, flier, postcard, etc.)	1	--	*	*	*
Other	6	10	10	10	11

Interviews by Buyer

Two out of three times, if you are not the first one they call, there is no possibility to get their business.

	2002	2005	2009	2010	2011	2012	2013	2014
One	59%	64%	66%	64%	65%	66%	66%	67%
Two	22	20	19	21	20	20	20	20
Three	19	10	10	10	10	8	10	8
Four or more	--	5	6	6	6	6	5	4

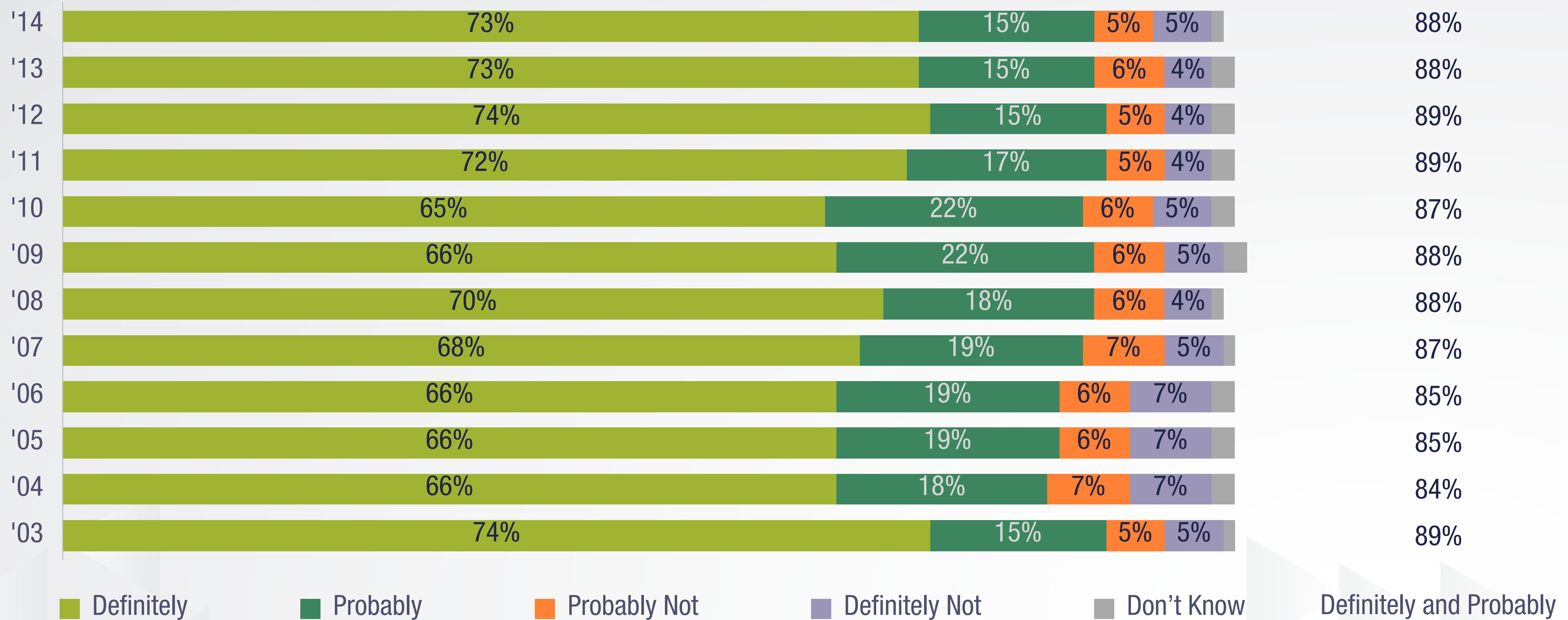
Most Important Factors for Buyers



Home as a Financial Investment

	2005	2010	2011	2012	2013	2014
Good financial investment	94%	85%	78%	78%	81%	79%
- Better than stocks	*	47	45	46	44	40
- About as good as stocks	*	30	24	23	27	27
- Not as good as stocks	*	9	9	9	10	12
Not a good financial investment	1	4	8	6	6	7
Don't know	5	11	14	16	13	14

Buyer: Repeat and Referrals



Method Sellers Used to Find Their Agent

	2005	2011	2012	2013	2014
Referred by (or is) a friend, neighbor, or relative	43%	39%	38%	39%	38%
Used agent previously to buy or sell a home	28	22	23	25	22
Visited an open house and met agent	4	4	4	4	5
Website	2	3	3	4	4
Personal contact by agent (telephone, email, etc.)	5	4	5	4	4
Referred by another real estate agent or broker	3	4	4	4	4
Saw contact information on for sale/open house sign	4	4	4	3	3
Referred through employer or relocation company	3	5	4	3	3
Direct mail (newsletter, flyer, postcard, etc.)	3	2	2	2	2
Walked into or called office and agent was on duty	2	1	2	2	1
Newspaper, Yellow Pages, or home book ad	2	1	1	1	1
Advertising specialty (calendar, magnet, etc.)	*	*	1	1	*
Other	*	11	11	10	14

Seller Interviews

Number of agents sellers contacted before deciding who to list with.

	2002	2010	2011	2012	2013	2014
One	76%	66%	66%	65%	66%	67%
Two	16	19	16	20	19	20
Three	8	10	13	11	11	8
Four or more	--	6	5	5	4	4

What Sellers Want Most from Their Agent

	2005	2010	2011	2012	2013	2014
Help sellers market home to potential buyers	*	20%	24%	21%	25%	23%
Help sell the home within specific time frame	27	19	19	22	20	20
Help price the home competitively	17	23	20	18	19	19
Help find a buyer for the home	28	21	19	19	15	14
Help sellers find ways to fix up the home to sell it for more	12	7	9	10	11	13
Help with negotiations and dealing with buyers	5	5	5	5	4	5
Help with paperwork/inspections/preparing for settlement	7	4	3	3	4	3
Help sellers see homes available for purchase	3	1	2	1	1	2

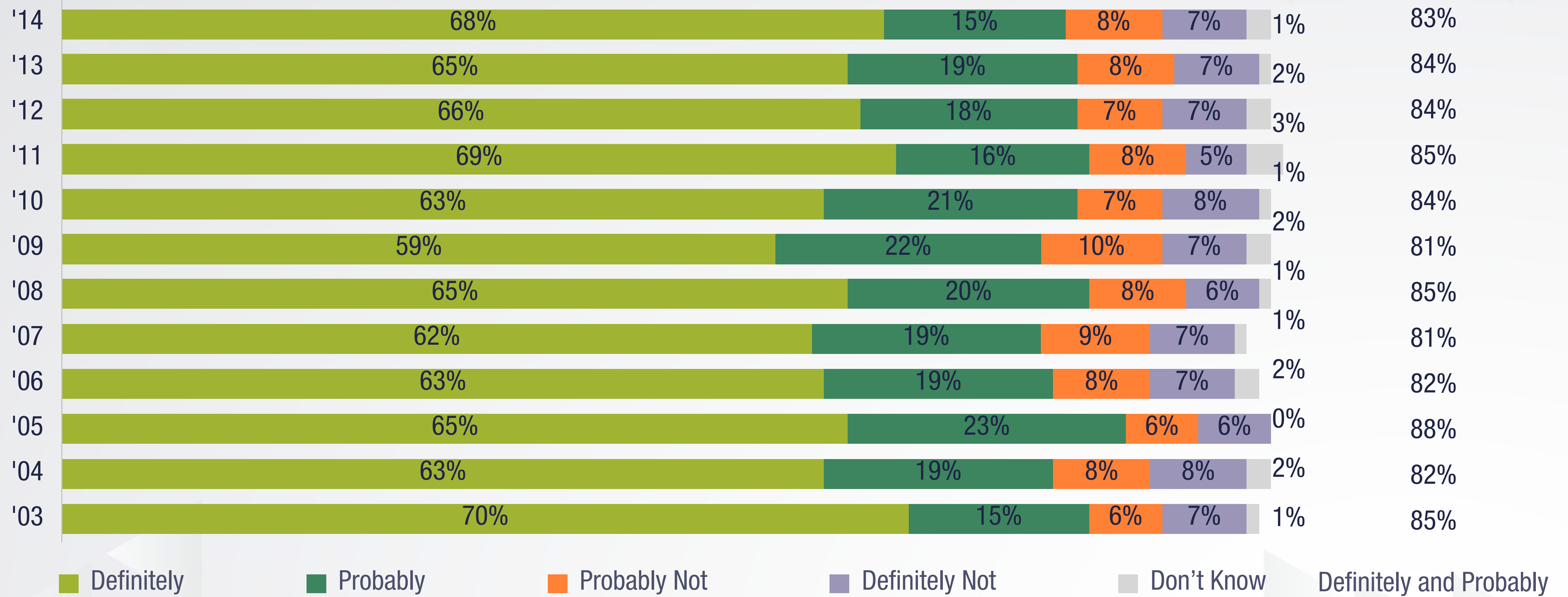
Most Important Factor for Sellers

	2005	2010	2011	2012	2013	2014
Reputation of agent	57%	35%	38%	37%	35%	36%
Agent is honest and trustworthy	*	23	20	19	18	19
Agent's knowledge of the neighborhood	17	12	11	12	14	15
Agent is friend or family member	*	16	18	13	15	13
Agent has caring personality/Good listener	*	4	4	4	5	4
Agent's association with a particular firm	6	4	5	4	5	4
Agent's commission	*	*	*	*	3	4
Agent seems 100% accessible because of use of technology like tablet or smartphone	*	*	*	*	1	3
Professional designations held by agent	3	1	1	1	1	2
Other	17	4	4	5	3	2

Compensation Negotiations

	2011	2012	2013	2014
Real estate agent initiated discussion of compensation	43%	43%	43%	46%
Client brought up the topic and the real estate agent was able and willing to negotiate their commission or fee	26	22	25	21
Client did not know commissions and fees could be negotiated	13	15	14	15
Client did know commissions and fees could be negotiated but did not bring up the topic	8	11	10	11
Client brought up the topic and the real estate agent was not willing or able to negotiate their commission or fee	10	9	8	7

Seller: Repeat and Referrals



Method Used to Sell Home

	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sold home using an agent or broker	79%	83%	82%	85%	84%	85%	84%	85%	88%	87%	88%	88%	88%
For sale by owner (FSBO)	13	14	14	13	12	12	13	11	9	10	9	9	9
Sold to home-buying company	1	1	1	1	1	1	1	1	1	1	1	1	1
Other	7	3	3	2	3	2	2	3	3	2	2	2	2

*There is no data for 2002.

Incentives Offered to Attract Buyers

	2011	2012	2013	2014
None	59%	60%	64%	64%
Home warranty policies	23	22	19	19
Assistance with closing costs	20	17	16	18
Credit toward remodeling or repairs	7	7	7	6
Other incentives, such as a car, flat-screen TV, etc.	3	3	4	4
Assistance with condo association fees	1	*	*	1
Other	4	5	4	3