

NATIONAL ASSOCIATION OF REALTORS®
RESEARCH DIVISION

Survey of REALTOR® Sentiment Region 7 October 2011



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REGION 7 SURVEY RESULTS

October 2011

Region 7 (Illinois, Indiana, and Wisconsin)

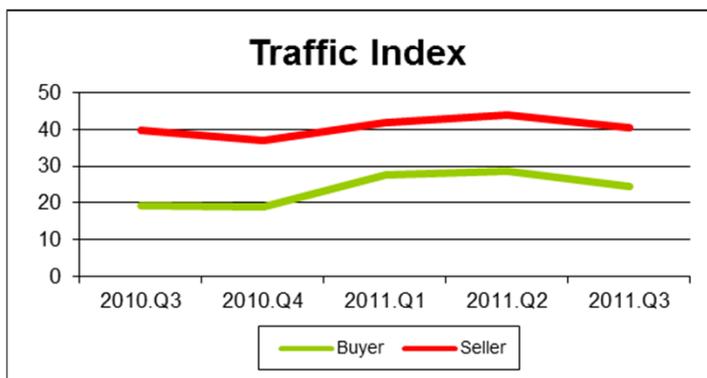
Kay Wirth, CRS, GRI, PMN
Regional Vice President

The market in Region 7 is still facing several challenges. While unit numbers may have inched up, prices are still stagnate or falling. The sense is the bottom is near, but not certain about when that may occur. A big challenge is still financing. Appraisers are slow in getting them done and lenders are slow in getting final approvals for closing. There is definitely a sense of frustration in the market. We are being told by banks that there may be another wave of foreclosures that will hit the market and short sales are still prevalent. With all of that said, I've spoken with more agents who are busier than they have been in several years, but they have had to adjust to more challenges in getting to the closing table.



What REALTORS® are Saying:

"Buyer preference is definitely "less is more"...buyers do not want to get in over their heads and are



making good financial decisions relative to the economy. If the price does not make sense, they will walk." – IL

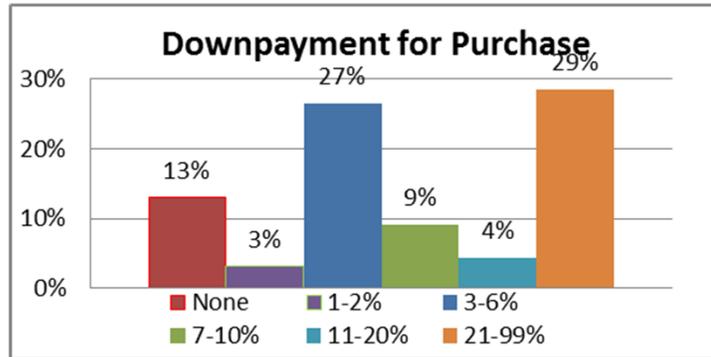
"Properties will sit on the market for a while with no offers, and then suddenly get multiple offers. Seems that people are waiting for price drops because they know another deal will come along if they miss this one." – IL

"The government is ignoring the housing crisis. There must be tax incentives put in place to stimulate housing sales. Also, there must be legislation put in place to eliminate short sales and foreclosures being put in appraisals of normal sales." – IL

REGION 7 SURVEY RESULTS

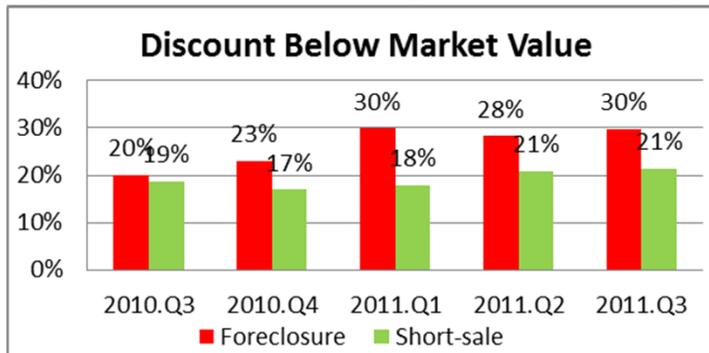
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"I had an appraisal issue but the buyers decided to purchase it anyway at the agreed upon price. The home under appraised by \$15,000. Overall, it seems to be harder for many people to get approved for a mortgage thus the rental market is increasing." – IL



"Still a glut of would-be sellers staying put because of negative equity and no financial hardship. Inappropriate buyer price expectations continue to push actual market prices lower because buyers see distressed prices and fail to distinguish from market price." – IL

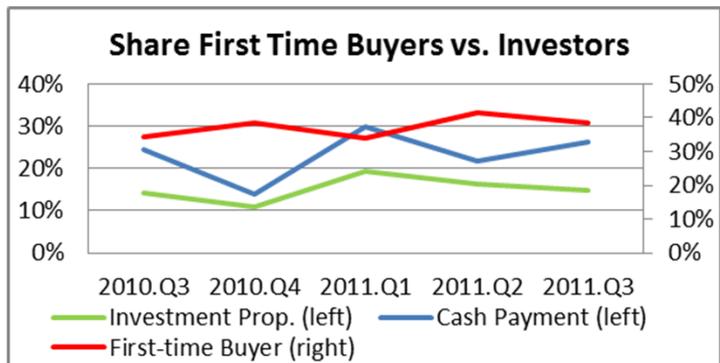
"Freddie, Fannie and HUD all need to rethink the owner occupied only during the first 15 days of marketing. Many of the owners do not have the knowledge or the cash to rehab some of these properties. The investors are being left in cold when they don't even have a shot to purchase the property and in many cases at a higher price." – IL



"I know two clients who have properties purchased through BOA and have been in default for over 3 years. BOA has not filed for a foreclosure judgment yet. What can be done to help homeowners who want to put this debt behind them? No efforts are being taken by the lender at all. Short-sales are still difficult. The

situation seems to be getting worse." – IL

"The market in southwest Indiana is really active right now. This third quarter, the number of sales, and median price of sales, will be up 10-20% over last year at this time." – IN

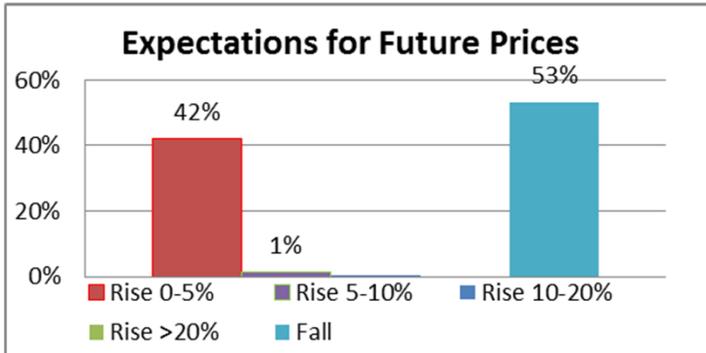


"What I have found useful is that I had to have my personal home appraised recently and the knowledge of value really helped me in showing my clients what they can expect in selling their home" – IN

REGION 7 SURVEY RESULTS

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"Underwriters are sending back appraisals to get them lowered, appraisers are doing what banks want, banks only loaning money to those who don't really need it, and consumer confidence is all time low in last 50 years" – IN



"The qualification standards are too difficult now. Obviously they were too loose in the past, but they have now gone to the other extreme! New flood plain rules and premiums will make it almost impossible for someone affected

by that to sell their homes." – IN

"Why do HUD and bank owned properties get to take an offer and 'sit on it' until other offers come in? If a buyer is not willing to wait or play by their rules' they are told to move on. That is illegal for a Realtor to do and seems very unfair unless the property is being auctioned." – IN

"Deals are taking longer to close. Both buyers and sellers are anxious and cautious. Sellers are not happy about the depreciation of their homes and buyers come in really low to get a bargain." – WI



"HUD has greatly improved the way they are handling the foreclosed properties they acquire. Fannie Mae and other government REO's need to catch up and streamline their handling of the property sales." - WI

"New flood zone issues, Minnesota has new Short sale rules for REALTORS not allowing us to contact lenders (to be known as "no sales" in the future) Investors have quieted down a bit as the real cheap, good homes have dried up." – WI

"Real Estate Search Web sites (Google, Zillow, etc.) are getting VERY bad with their miss-information, & it is getting harder to convince buyers that they're getting a lot of wrong information. Can anything be done to correct this???" – WI

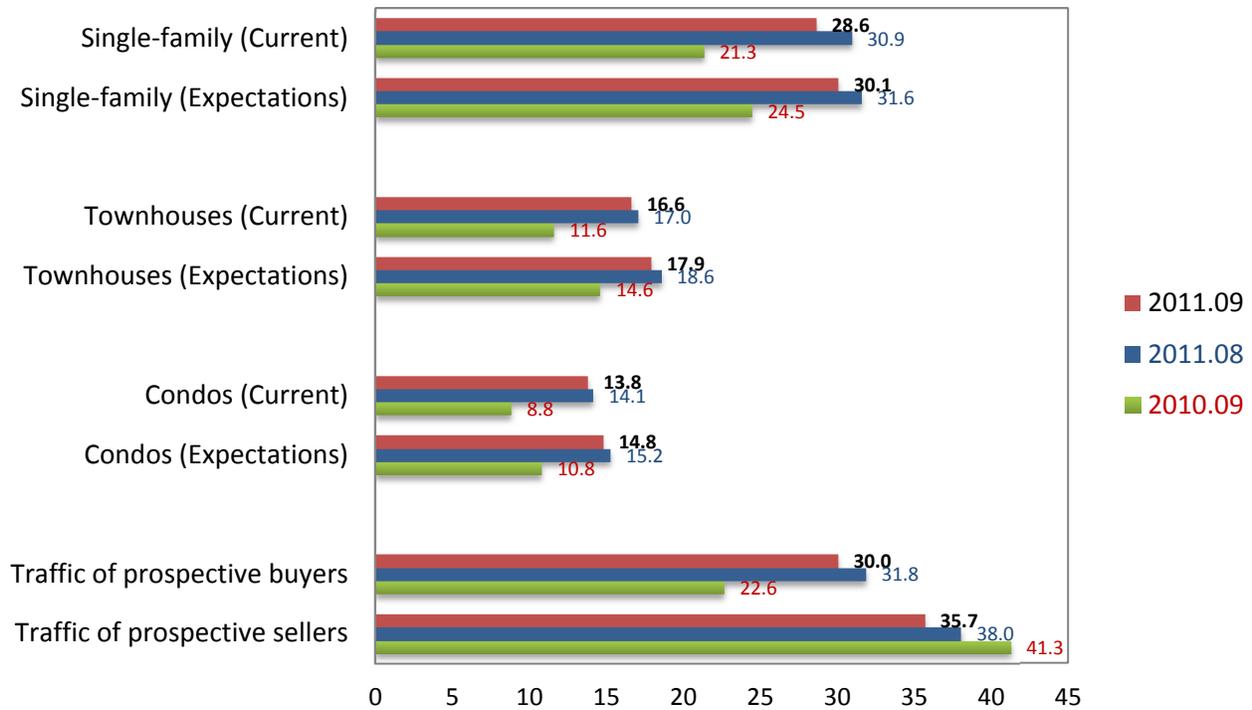
"We have seen an increase in homes selling within a couple of weeks if they are priced correctly & staged well. We have seen buyers jumping now who were going to wait until spring. We see buyers putting down 3.5% & we see buyers putting 10%-20% down. We are busier than we were this time last year!" - WI

REALTORS® CONFIDENCE INDEX

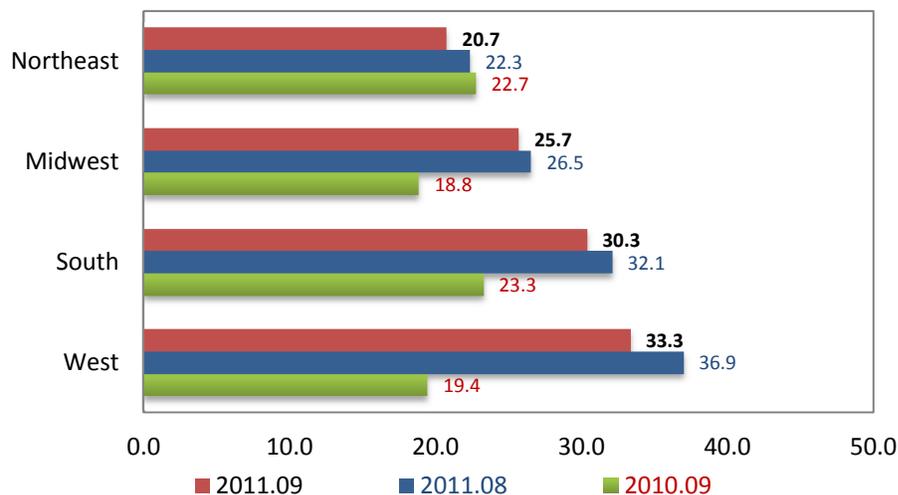
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National Survey Results

Realtor® Confidence Index



REALTORS® Confidence Index by Region

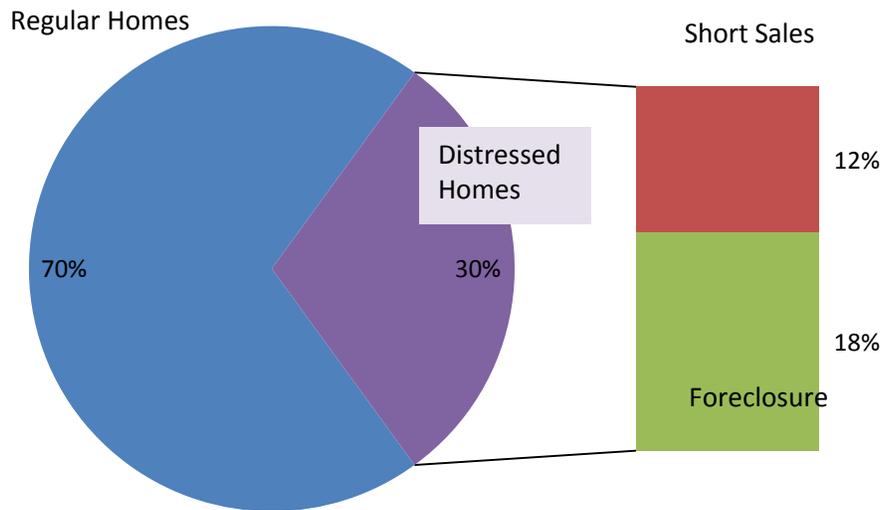


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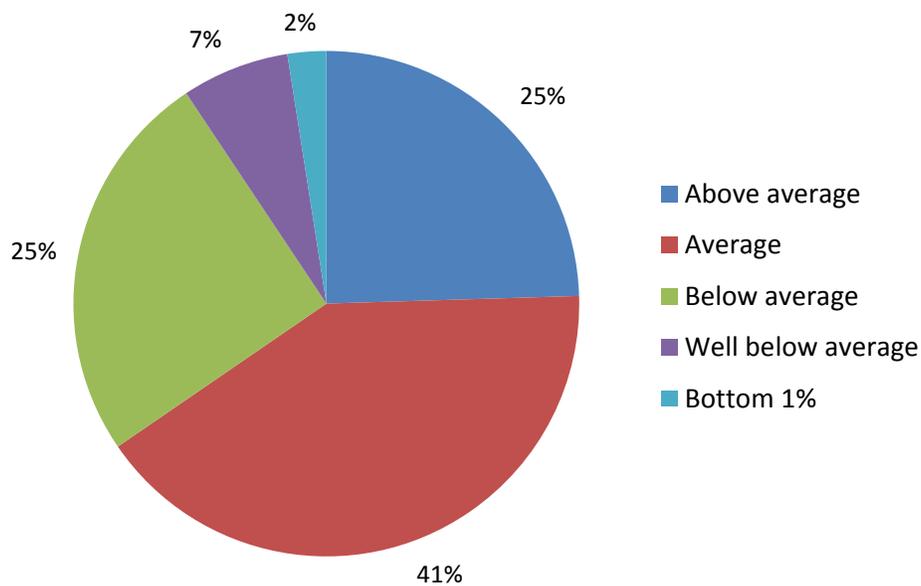
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National Survey Results

Distressed Home Sales



House Condition of Distressed Sales

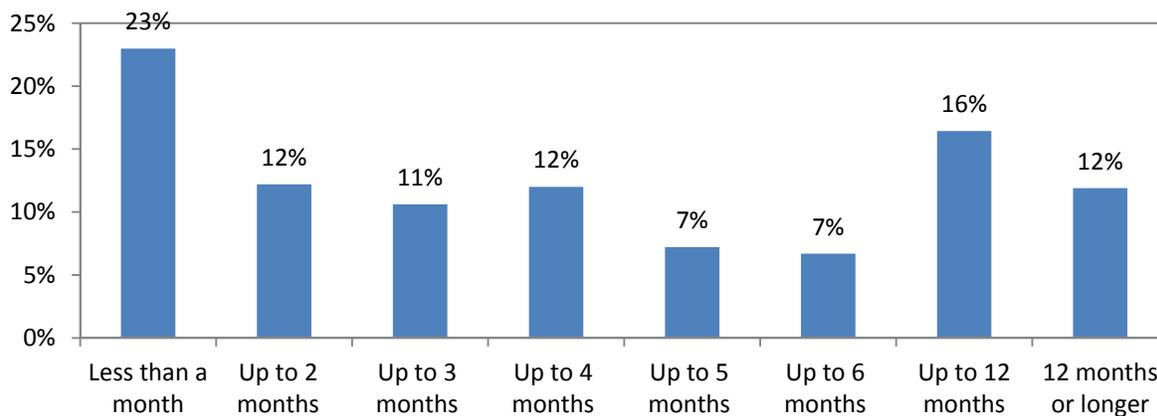


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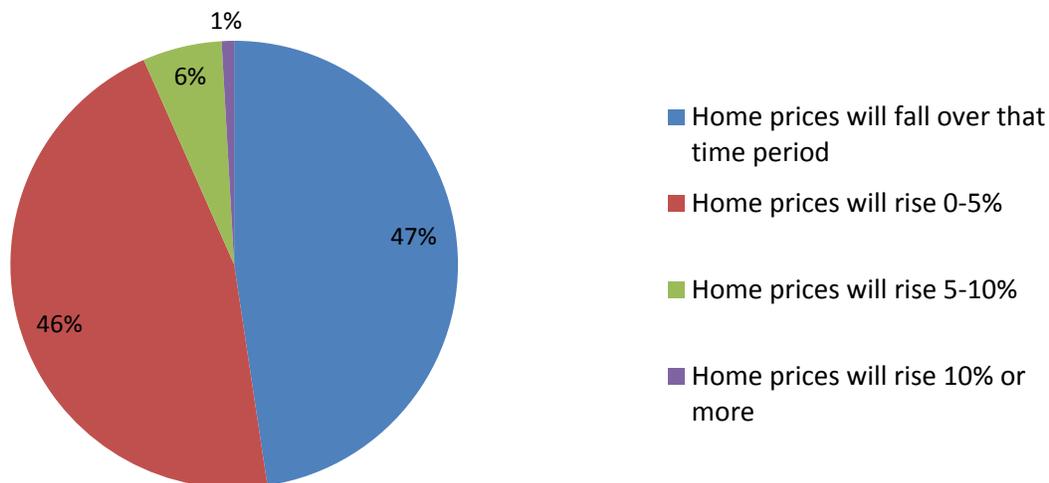
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National Survey Results

Day on the market for the last sold property



Expectations of home prices over the next year





METHODOLOGY

October 2011

Regional survey results are tabulated on a quarterly basis from responses to the monthly surveys for the national Realtor Confidence Index .

The REALTORS® Confidence Index measures the strength of the current housing market and expectations about the future. The index is based on information received from a random survey of Realtors®. The questions are designed to capture the effects of existing economic conditions and trends on the real estate business. This index provides Realtors® a snapshot of the performance, sentiments and expectations of their counterparts.

Each month participants respond to questions regarding the current and expected demand for homes, price trends, and economic conditions. The answers are then quantified and used to create the confidence index. Responses are assigned weights of 0, 50 or 100. A response of “strong” gets 100 points, while “moderate” is given 50 points, and “weak” is assigned 0 points. The index represents the average score for each question.

The results in this report reflect respondents’ confidence level for the current period and their future expectations, compared with both the previous month and the same month last year. The sample size for the monthly reports varies depending upon the number of responses, but the sample is always well in excess of the number of responses needed for a plus or minus 1 percent precision