

Austin Board of REALTORS®

REALTOR® & Real Estate Market Perceptions Post-Advertising Tracking Research

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EXECUTIVE SUMMARY

BACKGROUND

This is the fifth wave of an annual post-advertising tracking study that the Austin Board of REALTORS® (ABoR) has conducted on perceptions toward REALTORS® and toward the real estate market among members of Austin homebuyers and sellers. The primary objectives of this research were to determine the following:

Assess current perceptions and attitudes toward REALTORS® and buying a home, identifying perceived strengths as well as areas that may need enhanced education through marketing communications.

Compare current findings to those from the fall 2008 and 2007 surveys and, where appropriate, to the benchmark survey that was conducted in March, 2007.

MAJOR FINDINGS

While awareness of AustinHomeSearch.com and unaided awareness of ABoR advertising have slipped this year, possibly due to shorter TV commercials, overall awareness of ABoR advertising (unaided plus aided awareness) remains at the same heightened level as in 2009.

The Austin Board of REALTORS® advertising campaign continued to have a very strong impact on the attitudes and beliefs of the target audience. Over two-thirds of Austin homebuyers/sellers strongly agree with key messages of the campaign regarding the current real estate market:

- 91% The real estate market is different in each location. – up from 86% in 2009
- 80% Mortgage interest rates are at historic lows. – up from 68% in 2009
- 71% Owning a home is an investment in your future.
- 70% Owning a home in the Austin area is a good decision.

In addition, a majority of Austin homebuyers/sellers strongly agrees with key messages of the advertising campaign regarding REALTORS®.

- 70% A REALTOR® can help you find a house that is right for you. – up from 61% in 2009
- 60% REALTORS® take care of the details associated with buying a selling a home.
- 56% A REALTOR® is well informed about housing conditions in your area. – up from 46% in 2009.

These findings reflect the success of the advertising message in resonating with the interests and needs of the target audience. They also show that ABoR advertising continued to have a strong impact on the target audience by communicating a complementary message to the one being issued nationwide by the NAR.

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BACKGROUND

Project Objectives

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Assess current perceptions and attitudes toward REALTORS® and buying a home, identifying perceived strengths as well as areas that may need enhanced education through marketing communications.

Compare current findings to those from the fall 2009, 2008 and 2007 surveys and, where appropriate, to the benchmark survey that was conducted in March, 2007.

Research Design

A phone survey was used for this project that primarily targeted households who have either 1) purchased or sold a residence in the past 12 months or 2) plan on purchasing or selling a residence in the next 12 months. In addition, a separate sample of the general Austin market (adults age 25-60) was also surveyed for comparative and reliability purposes.

The all-adults sample also allows the option, if needed, of conducting future waves among this population at less cost. The data in the current survey may be used in future waves to approximate the differential on specific questions between the Austin adult population and those who are “in the market” for a new residence.

Data collection took place October 7 – 17, 2010.

Sample region: Based on input from the Austin Board of REALTORS®, only households in the following Austin zip codes were eligible for this survey:

78652 78747 78719 78739 78737 78736 78738 78744 78719 78617 78725 78742
78741 78704 78745 78735 78738 78733 78746 78703 78705 78702 78722 78721
78742 78724 78723 78751 78746 78733 78734 78732 78730 78731 78757 78752
78754 78753 78758 78759 78750 89826 78750 78727 78726 78729 78613 78717
78728 78664

Target sample: The targeted respondents within each household were decision makers for buying / selling a home (men and women, age 25-60).

Sample size: The sample size for this study is 250, resulting in a maximum sampling error of +/- 6.2% at a 95% confidence level.

MAJOR FINDINGS

The major findings from this study are presented below. The term “Housing Market” refers to Austin adults, age 25-60, who have bought or sold a home in the past 12 months or plan to do so in the next 12 months. The term “General Market” refers to all adults in the Austin market, age 25-60. Statistically significant differences are noted by the phrase, “significantly different.”

MARKETING EFFORTS

Awareness of the Austin Board of REALTORS®

Approximately three-fourths of Austin homebuyers/sellers are aware of the Austin Board of REALTORS® (ABoR). This is unchanged from the last three years, and is comparable to awareness of the National Association of REALTORS® (NAR) on a nationwide basis.

	<u>Housing Market</u>	<u>General Market</u>
Fall 2010:	72%	76%
Fall 2009:	72%	76%
Fall 2008:	73%	
Fall 2007:	71%	
Spring 2007:	69%	

Website Evaluations

Awareness: Awareness of AustinHomeSearch.com website is statistically unchanged from 2009 among all Austin adults and among those who recall ABoR advertising.

However, the percentage of homebuyers/sellers who are aware of the website appears to have declined (55% vs. 66% for the previous four years). This decline may be a result of reducing the TV spot from a length of 30 seconds to 10 seconds.

	<u>Housing Market</u>	<u>General Market</u>	<u>Aware Advertising</u>	<u>Lived in Austin 12 Months</u>
Fall 2010:	55%*	48%	56%	60%
Fall 2009:	66%	54%	62%	66%
Fall 2008:	66%			
Fall 2007:	66%			
Spring 2007:	66%	*Difference is significant from previous year		

Visitation: Among homebuyers/sellers who have heard of AustinHomeSearch.com, 86% have visited the site – up significantly from the 77% in 2009, and a new all-time high.

Two-thirds of all Austin adults age (64%) and three-fourths of those who are aware of ABoR advertising (75%) have visited the site – both directional improvements over last year.

	<u>Housing Market</u>	<u>General Market</u>	<u>Aware Advertising</u>
Fall 2010:	86%*	64%	75%
Fall 2009:	77%	58%	68%
Fall 2008:	80%		
Fall 2007:	78%		
Spring 2007:	74%	*Difference is significant from previous year	

Website Uses: Among those who have visited AustinHomeSearch.com, the most often cited activity is “finding homes for sale” (87%).

A fifth (19%) searched for “lots or property for sale,” and an equal percentage (20%) “looked at other tools and information.”

New this year, 14% said they used the site to “find homes for rent or lease.”

It should be noted that this information is based on respondent recollection, not data generated by the website.

Advertising Awareness

Unaided Awareness: Survey participants were asked if they recall hearing or seeing any advertising this year about Central Texas real estate that promoted the value of REALTORS®, their professional association or AustinHomeSearch.com.

Half of the Austin market recall hearing or seeing such advertising on an unaided basis. While this is a decline among homebuyers/sellers (returning to the 2008 level), it is not a significant change among all Austin adults.

	<u>Housing Market</u>	<u>General Market</u>	
Fall 2010:	49%*	50%	
Fall 2009:	60%*	58%	
Fall 2008:	49%	44%	
Fall 2007:	50%		*Difference is significant from previous year

Aided Awareness – Broadcast Executions: Survey participants were then read descriptions of the broadcast advertising executions and asked if they recall hearing or seeing any of them.

Just under half of Austin homebuyers/sellers recall hearing or seeing the broadcast advertising (43%) – somewhat lower but statistically comparable to 2009, and significantly higher than 2008 (32%).

Aided awareness of broadcast advertising among all Austin adults is directionally up from 2009 (46% vs. 41% in 2009).

	<u>Housing Market</u>	<u>General Market</u>
Fall 2010:	43%	46%
Fall 2009:	49%*	41%
Fall 2008:	32%	
Fall 2007:	31%	

*Difference is significant from previous year

Aided Awareness – All Advertising: Survey participants were also asked if they recall hearing or seeing any other advertising that communicated the key points in the Austin Board of REALTORS® ad campaign (including broadcast, print and outdoor).

Total aided awareness of any ABoR advertising is 86% among homebuyers/sellers and 82% among all Austin adults. Both levels are comparable to 2009.

	<u>Housing Market</u>	<u>General Market</u>
Fall 2010:	86%	82%
Fall 2009:	87%	80%

Total Advertising Awareness: Total advertising awareness, that is, the percentage who recall any ABoR advertising on an unaided or aided basis, is virtually all of the target audience: 87% of all homebuyers/sellers and 88% of homebuyers/sellers who have lived in Austin for the past 12 months. This is an extremely good level, maintaining the all-time high set in 2009.

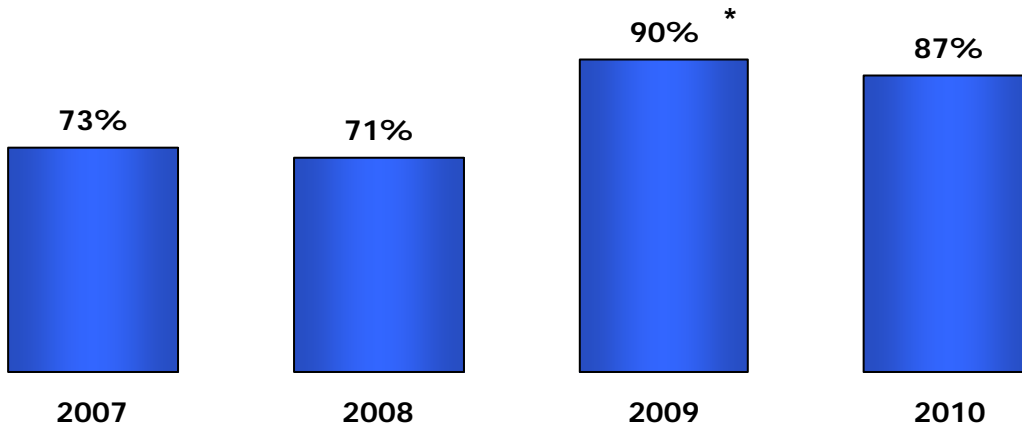
Advertising awareness is equally strong among all Austin adults (85%), demonstrating broad awareness of ABoR messaging.

These findings reflect the success of the advertising message in resonating with the interests and needs of the target audience. They also show that the ABoR advertising continued to have a strong impact on the target audience by communicating a complementary message to the one being issued nationwide by the NAR.

	<u>Housing Market</u>	<u>General Market</u>	<u>Lived in Austin 12 Months</u>	<u>Nationwide</u>
Fall 2010:	87%	85%	88%	95%
Fall 2009:	90%*	84%	NA	95%
Fall 2008:	71%			
Fall 2007:	73%			

*Difference is significant from previous year

Target Audience Advertising Awareness



*Difference is significant from previous year

Sponsor Awareness

Of the target audience that recalls hearing or seeing ABoR advertising, a fourth (25%) positively identify the sponsor on either an unaided or aided basis – slipping back to the 2007 level.

Among all Austin adults who recall ABoR advertising, just under a third (29%) correctly identify the sponsor. This is statistically unchanged from 2009, and is a good level given that the Austin Board of REALTORS® sponsorship is a very minor element in the advertising.

	<u>Housing Market</u>	<u>General Market</u>
Fall 2010:	25%*	29%
Fall 2009:	35%	35%
Fall 2008:	35%	
Fall 2007:	28%	

*Difference is significant from previous year

PERCEPTIONS & ATTITUDES

Perceptions of Austin Real Estate

Respondents expressed their agreement or disagreement with eight statements regarding Austin real estate that reflect ABoR messaging. A '0 to 10' scale was used where '0' represents 'disagree very strongly' and '10' represents 'agree very strongly.' The table below shows the percentage of the target audience that strongly agrees with each statement (rating it as either an 8, 9, or 10).

Over two-thirds of Austin homebuyers/sellers strongly agree with key messages of the Austin Board of REALTORS® advertising campaign regarding the current real estate market:

- 91% The real estate market is different in each location. – up from 86% in 2009
- 80% Mortgage interest rates are at historic lows. – up from 68% in 2009
- 71% Owning a home is an investment in your future.
- 70% Owning a home in the Austin area is a good decision.

In addition, a majority of Austin homebuyers/sellers strongly agrees with the following key messages of the campaign:

- 63% Now is a good time to buy a home. – up from 56% in 2009
- 54% The number of homes available for sale represents a good buying opportunity.

The apparent decline in the percentage of homebuyers/sellers that strongly agree that home prices will go up in the years ahead (45% vs. 55% in 2009) was seen nationwide and reflects the abundance of negative news stores this year on the value of home ownership and whether housing prices will move up.

OPINIONS AND BELIEFS				
(% Rating 8, 9, or 10 on a Scale of 0 to 10)				
	Fall 2008	Fall 2009	Fall 2010	Nationwide 2010
The real estate market is different in each location.	--	86%	91%	84%
Mortgage interest rates are at historic lows.	--	68	80*	81
Owning a home is an investment in your future.	--	74	71	76
Owning a home in the Austin area is a good decision	--	--	70	--
Now is a good time to buy a home.	--	56	63	61

The number of homes available for sale represents a good buying opportunity.	--	58	54	--
Home prices will go up in the years ahead.	--	55	45	50
Austin-Home-Search-dot-com is a good place to find information, houses and REALTORS®	44	43	39	--

* Significantly higher than previous year

Perceptions of Austin REALTORS®

Respondents also expressed their agreement or disagreement with three statements regarding Austin REALTORS®. A '0 to 10' scale was used where '0' represents 'disagree very strongly' and '10' represents 'agree very strongly.' The table below shows the percentage of the target audience that strongly agrees with each statement (rating it as either an 8, 9, or 10).

As can be seen, a majority of Austin homebuyers/sellers strongly agrees with key messages of the advertising campaign regarding REALTORS®.

- 70% A REALTOR® can help you find a house that is right for you. – up from 61% in 2009
- 60% REALTORS® take care of the details associated with buying a selling a home.
- 56% A REALTOR® is well informed about housing conditions in your area. – up from 46% in 2009.

OPINIONS AND BELIEFS ABOUT REALTORS®				
(% Rating 8, 9, or 10 on a Scale of 0 to 10)				
	Fall 2008	Fall 2009	Fall 2010	Nationwide 2010
A REALTOR® can help you find a house that is right for you.	54%	61%	70%	60%
REALTORS® take care of the details associated with buying and selling a home	--	--	60	65
A REALTOR® is well informed about housing conditions in your area.	--	46	56	58

Planned Future Behavior

Future Use of Austin REALTOR® vs. Agent: Survey participants were asked about their likelihood of using an Austin REALTOR® if they were considering the use of a real estate agent. A '0 to 10' scale was used where '0' represents 'not at all likely' and '10' represents 'very likely.'

Just under two-thirds of Austin homebuyers/sellers (63%) would likely use a REALTOR® (score of 8, 9, or 10) – comparable to the previous two years. A reassuring finding is that Austin adults who are not currently in the market to buy a home are just as likely to use a REALTOR® when they enter the market (66%).

	<u>Housing Market</u>	<u>General Market</u>	<u>Nationwide</u>
Fall 2010:	63%	66%	71%
Fall 2009:	64%	58%	69%
Fall 2008:	63%		

Future Use of Austin REALTOR® vs. Agent or FSBO: Participants in this study were given three choices regarding their future purchase or sale of a home in Austin and asked which they would most likely do:

Use a REALTOR®, that is, a member of the Austin Board of REALTORS®

Use an agent who is not a REALTOR®, not a member of the Austin Board of REALTORS®

Buy/Sell their home themselves, without the help of a real estate agent or a REALTOR®

Buy a Home: As the table below shows, the percentage of Austin homebuyers/sellers that would use a REALTOR® to buy a home is up somewhat from 2009 – 73% vs. 68% a year ago.

Female homebuyers/sellers are especially likely to use a REALTOR® to buy a home (84%).

Coinciding with these findings, 83% of those who purchased an Austin home in the past 12 months said they used a REALTOR® – up from 76% in 2009 and 77% in 2008.

BEHAVIOR IF BUYING A HOME						
	Spring 2007	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Nationwide 2010**
Use REALTOR® who is a member of the ABoR	75%	72%	76%	68%	73%	76%
Buy yourself; not use help / service of a real estate agent	11	17*	18	13	13	13
Use a real estate agent who is not an ABoR member	5	4	1	4	5	2
Not sure / undecided	9	7	5	15*	9	9

* Difference is significant from previous period

** Asked in terms of buying or selling

Sell a Home: The percentage of Austin homebuyers/sellers that would use a REALTOR® to sell a home is also up somewhat from 2009 – 77% vs. 70% a year ago.

Female homebuyers/sellers are especially likely to use a REALTOR® to sell a home (87%).

Coinciding with these findings, 85% of those who sold an Austin home in the past 12 months said they used a REALTOR®.

BEHAVIOR IF SELLING A HOME						
	Spring 2007	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Nationwide 2010**
Use REALTOR® who is a member of the ABoR	74%	76%	82%*	70%*	77%	76%
Sell yourself; not use help / service of a real estate agent	13	13	10	14	13	13
Use a real estate agent who is not an ABoR member	6	5	1	6*	5	2
Not sure / undecided	7	6	7	10	5	9

* Difference is significant from previous period

** Asked in terms of buying or selling

Impact of Current Economy

One-third of homebuyers/sellers (34%) and just over one third of all Austin adults (38%) indicate that “the economy or other events” have made them reluctant to buy or sell a home this year. As the comments below reveal, their concerns center on the unstable economy and an uncertain housing market – especially the fear that housing prices will continue to decline.

Concern with the Economy

We want a stable economy. It is difficult to find a job that would give you enough peace of mind to pay off a loan.

The employment picture could go either way.

The economy is uncertain. I am saving what I have.

The economy is the biggest reason.

The economy goes up and down. Jobs are not stable. It is just not stable in housing.

The biggest reason would be uncertainty.

The biggest reason is the economy. With the line of work I am in, it is kind of hard to buy something without knowing if the money will be there in the future. It is either feast or famine with the amount of work I have. We are in a time without a lot of work going on.

The biggest reason is probably job security.

The biggest reason is jobs.

The biggest reason is job loss.

The bad economy makes me reluctant.

Our business is a little slow.

Nobody has any money right now. The economy is bad. Sure, the low interest rates are great, but no one has the money to buy a house right now mainly because of unemployment being so high. It has been very difficult to sell a house in today's market.

Job insecurity would be the biggest reason.

It is the economy. I am not interested in moving.

It is the economy.

It is the coming collapse of the commercial the real estate market and the domino effect it will have.

It is personal finances and the overall financial situation of the country. There is too much instability in our economy. It is down. It is hard to be able to buy or sell in a bad economy.

It is just the general economic uncertainty.

It is job insecurity.

It is because of the instability of my job and the economy.

It is because of the economy.

I have been reluctant because of the stability of the job market.

I am like everyone else. We live in an uncertain economy. It is hard enough for anyone to afford to buy a home. The fact that taxes will be raised on January 1st, it is going to be hard for anyone to afford anything, let alone a house.

Concern with the Housing Market

I was leery to buy a home because I have financial concerns. I am concerned that the real estate market would not be a good investment right now. I do not know if the prices will go up in the future. In the end, I needed a place to live. The interest rates were low, so I was willing to take the risk. (Homebuyer)

I am reluctant because the prices will drop. I don't know why I should buy or sell a house when the prices will drop.

I am not sure whether or not the value of the house will maintain itself.

We cannot get the price we want for selling a home.

The uncertainty of the property holding its value has prevented me from buying or selling. I don't want to move.

The sales prices are down.

The prices will still go lower.

The prices have been dropping for the sellers.

The market has been soft.

Some of the homes in our neighborhood have taken awhile to sell. They have had big price reductions.

It would be the depressed market on the selling the side. The prices are low. It is a great buying opportunity but not a good time to sell.

It is the stability of my home to sell for what it is worth.

It is not the time to sell. The prices of houses are low.

It is impossible to sell or buy a home this year.

It is hard to sell our house and buy a new one at this time. When a house sits on the market for 180 days and gets nothing, the house we are looking at drops off the market. In our situation, it eventually did because it stayed for 360 days.

It is because of the low prices of the houses at the moment.

I was afraid I might lose money on my investment.

I don't believe that I will get a very good price.

I am not sure where the market is going be in a couple of years.

I am not getting the right price. I am looking for prices to go lower.

I am concerned about not making profit off my current home.

I am concerned about losing money on the sale of my house.