

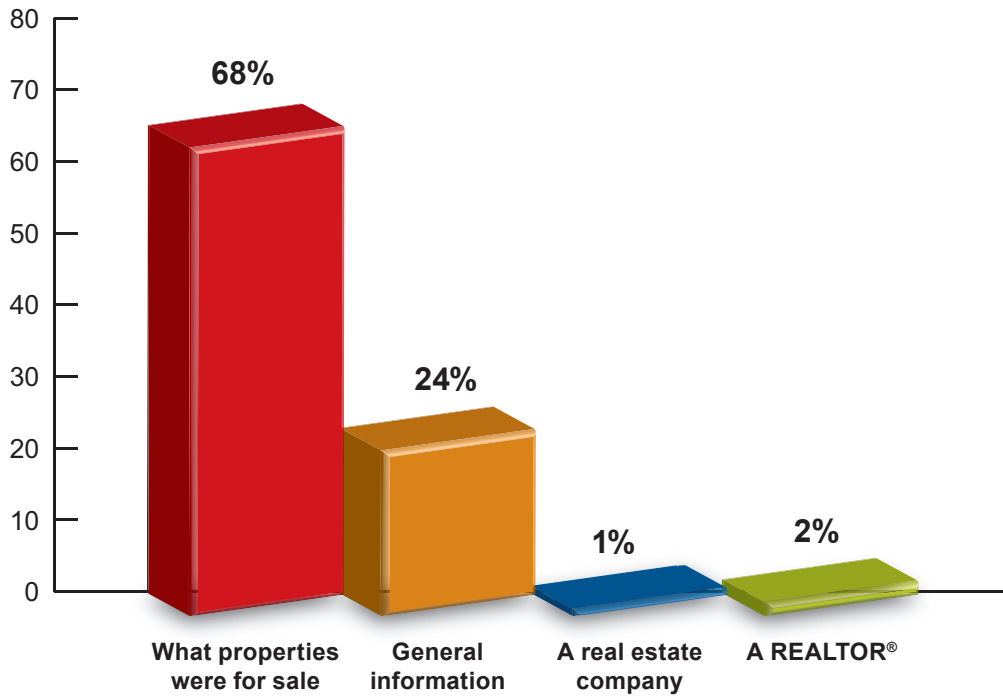
Chapter 8

Home Buyers & The Internet

The Internet played an important role in the home buying process, with many Houston-area home buyers utilizing the Web to find what properties were for sale, and nearly 70 percent saying they were likely to use it in a future purchase.

INTERNET USAGE BY BUYERS

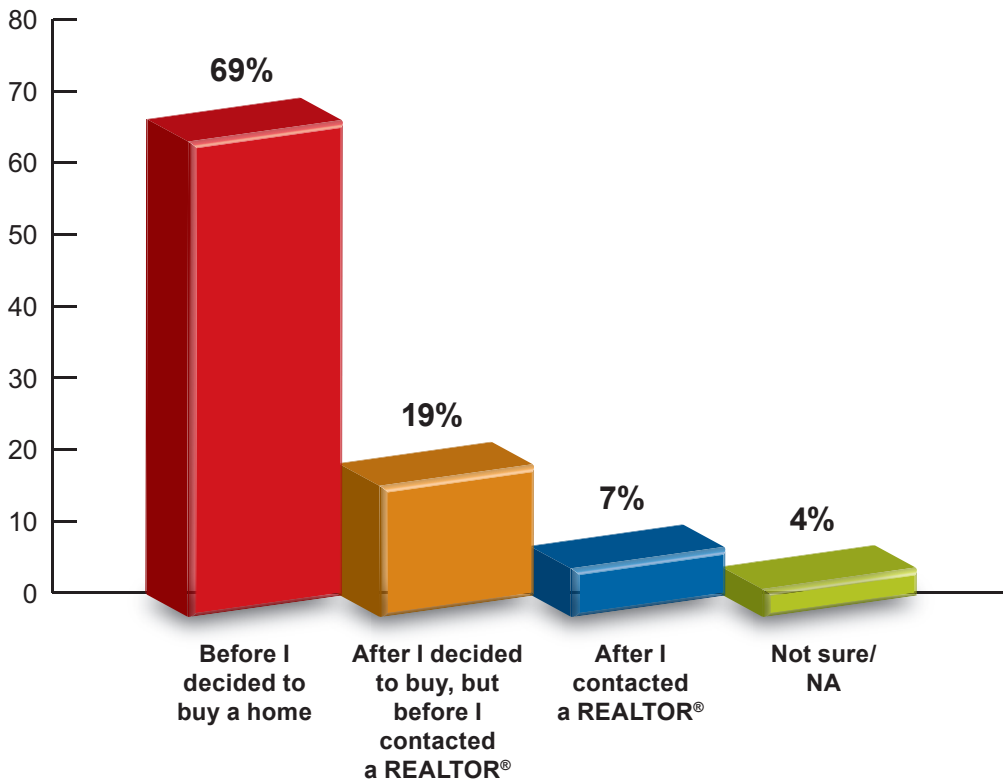
EXHIBIT 8.1 - WHAT BUYERS LOOKED FOR WHEN SEARCHING ONLINE



WHAT BUYERS LOOKED FOR

Nearly 70 percent of buyers who used the Internet said that when they searched online, they were looking specifically for what properties were for sale.

EXHIBIT 8.2 - WHEN BUYERS WHO USED A REALTOR® BEGAN USING INTERNET IN HOME BUYING PROCESS



INTERNET TIMELINE

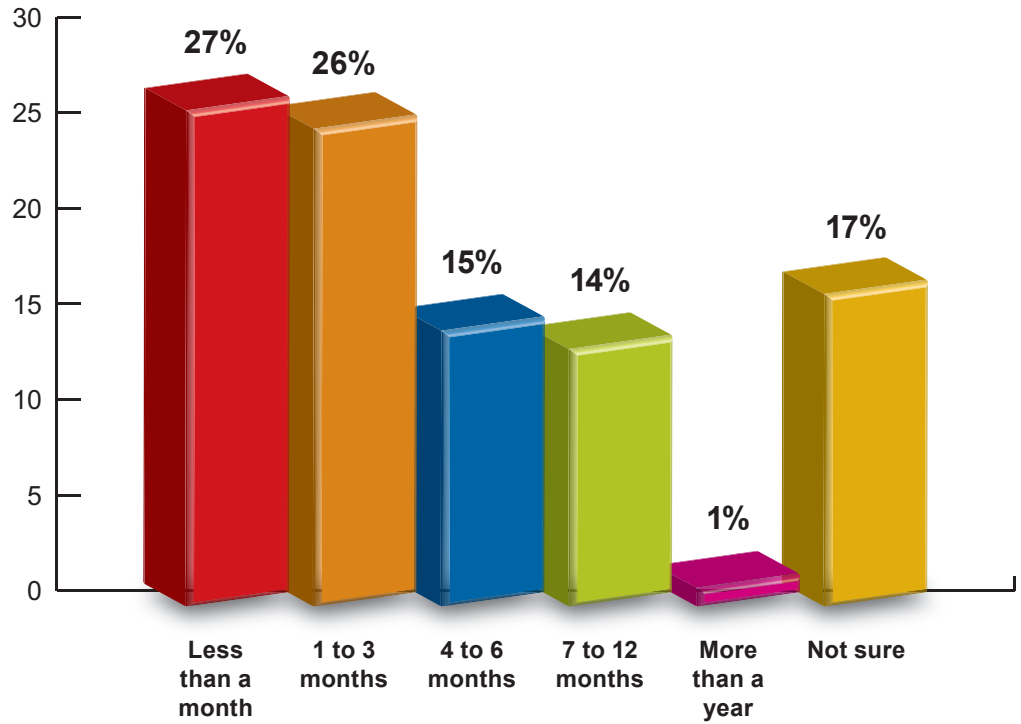
Sixty-nine percent of buyers who used a REALTOR® accessed the Internet before they decided to buy a home, while another 19 percent utilized the Internet after they decided to buy, but before they contact a REALTOR®.

INTERNET USAGE BY BUYERS

INTERNET TIMELINE

Among buyers who began utilizing the Internet before they decided to purchase a home, more than half began using the Internet three months or less before deciding to buy, while only one percent began using the Internet more than a year in advance.

EXHIBIT 8.3 - HOW LONG BEFORE DECIDING TO BUY DID BUYERS BEGIN USING INTERNET



USE OF WEB SITES BY BUYERS

EXHIBIT 8.4- WEB SITES USED BY BUYERS AS PART OF HOME BUYING PROCESS

<i>HAR.com</i>	66%
<i>Not sure/No answer</i>	13%
<i>MLS</i>	4%
<i>HCAD</i>	3%
<i>Google</i>	2%
<i>Homesforsale.com</i>	2%
<i>Specific real estate company sites</i>	2%
<i>Houston Chronicle</i>	2%
<i>Other</i>	4%

EXHIBIT 8.5 - MOST VALUABLE WEB SITE USED BY BUYERS

<i>HAR.com</i>	56%
<i>Not sure/NA</i>	27%
<i>Specific real estate company sites</i>	5%
<i>MLS</i>	2%
<i>Other</i>	9%

WEB SITES

Houston-area buyers reported using HAR.com more than any other Web site as part of their home buying process, followed by specific REALTOR® sites, builder sites, and Realtor.com.

MOST VALUABLE WEB SITE

A solid majority of buyers surveyed said HAR.com was the most valuable Web site they used in purchasing their home.

HOW BUYERS USED THE INTERNET

USE OF INTERNET

Buyers who used the Internet as part of the purchasing process found it most useful for obtaining specific information about homes – prices, detailed property information, and photos, rather than for finding a real estate firm or specific REALTOR®.

EXHIBIT 8.6 - HOW USEFUL INTERNET WAS TO BUYERS IN SPECIFIC ASPECTS OF HOME PURCHASE

	Very useful	Somewhat useful	Not very useful	Not at all useful	Did not use
<i>To learn about home prices</i>	79%	14%	4%	0%	1%
<i>For photos of homes</i>	72%	21%	1%	2%	4%
<i>For detailed property information</i>	71%	21%	3%	3%	2%
<i>For virtual tours of homes</i>	57%	19%	6%	3%	15%
<i>For neighborhood information</i>	53%	19%	10%	4%	14%
<i>For interactive maps</i>	52%	21%	6%	7%	14%
<i>To find a real estate firm</i>	23%	17%	13%	13%	34%
<i>To find a specific REALTOR®</i>	21%	16%	14%	13%	36%

INTERNET PRICING

Buyers who used the Internet to help learn about home prices were fairly evenly split as to whether the online pricing information was more or less useful than that provided by their REALTOR®.

EXHIBIT 8.7 - BUYERS' COMPARISON OF ONLINE PRICING VS. REALTOR® PRICING

<i>The online pricing information was more useful than that provided by my REALTOR®</i>	10%
<i>The online pricing information was as useful as that provided by my REALTOR®</i>	63%
<i>The online pricing information was less useful than that provided by my REALTOR®</i>	16%
<i>Not sure/No answer</i>	8%

HOW BUYERS USED THE INTERNET

EXHIBIT 8.8 - BUYERS' COMPARISON OF INTERNET INFORMATION VS. REALTOR® INFORMATION

<i>Information gathered on the Internet was more useful than that provided by my REALTOR®</i>	21%
<i>Information was as useful as that provided by my REALTOR®</i>	44%
<i>Information was less useful than that provided by my REALTOR®</i>	23%
<i>Information was different than that provided by my REALTOR®</i>	4%
<i>Not sure/No answer</i>	8%

INTERNET & REALTOR®

The largest number of buyers surveyed said that the overall information gathered on the Internet in the their home buying process was as useful as that provided by their REALTOR®, while smaller, equal numbers said the Internet was more or less useful than the REALTOR®.

INTERNET USE AND BUYERS' SATISFACTION

DID THE INTERNET HELP

While large majorities of buyers who used the Internet agreed that it helped them buy a home and put them more in control of the buying process, slimmer majorities agreed the Internet helped them understand the home buying process and determine what price they could afford to pay.

EXHIBIT 8.9 - BUYERS' SATISFACTION WITH ASPECTS OF INTERNET USE

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
<i>Using the Internet helped me buy my home</i>	38%	36%	13%	10%
<i>Using the Internet put me more in control of the buying process</i>	36%	35%	13%	11%
<i>Using the Internet helped me determine what price I could afford to pay for my home</i>	30%	23%	21%	24%
<i>Using the Internet helped me better understand the home buying process</i>	29%	23%	27%	17%

USE REALTOR® AGAIN

Buyers who used the Internet were equally likely to say they would use a REALTOR® in a future home purchase as those who did not use the Internet.

EXHIBIT 8.10 - USE OF INTERNET AND WHETHER OR NOT BUYER WOULD USE REALTOR® AGAIN

	Would use REALTOR® again	Would not use again	Not sure
<i>Used Internet to Buy</i>	86%	14%	0%
<i>Did Not Use Internet</i>	86%	9%	5%

FUTURE USE OF INTERNET

EXHIBIT 8.11 - BUYERS' LIKELIHOOD OF USING INTERNET FOR FUTURE HOME PURCHASE

FUTURE USE

More than two-thirds of Houston-area buyers surveyed described themselves as likely or very likely to use the Internet next time they purchase a home.

