

# 2009 Profile of Home Buyers and Sellers Illinois Report

Prepared for:

**Illinois Association of REALTORS®**



**ILLINOIS  
ASSOCIATION OF  
REALTORS**

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# **2009 Profile of Home Buyers and Sellers Illinois Report**

## **Introduction**

Buying or selling a home is a complex and, at times, daunting process. There are many options as well as constraints that households face when searching for the right home that will meet their needs today as well as in the future. For home sellers, the transition from one home to another often is driven by significant life events such as a job relocation or retirement. Recently, the unsettled economy has added another layer of uncertainty as both would-be buyers and sellers consider when, and even if, they should complete a real estate transaction.

A majority of home buyers and sellers rely on the services and expertise of real estate professionals to assist them with their transaction. In turbulent times, buyers and sellers appreciate the knowledge and expertise of real estate professionals who can guide them through each step of the transaction. One indicator of client satisfaction is that a majority of both buyers and sellers report that they would use the same real estate agent again or recommend that agent to others.

The NATIONAL ASSOCIATION OF REALTORS® surveys home buyers and sellers annually to gather detailed information about the home buying and selling process. These surveys provide information on demographics, housing characteristics and the experience of consumers in the housing market. Buyers and sellers also share information on the role that real estate professionals play in home sales transactions.

This report provides real estate professionals with insights into the needs and expectations of their clients. What do consumers want when choosing a real estate professional? How do home buyers begin the process of searching for a home? Why do some sellers choose to forego the assistance of an agent? The answers to these questions, along with other findings in this report, will help real estate professionals better understand the housing market and also provide the information necessary to address the needs of America's real estate consumers.

## **THE NATIONAL HOUSING ENVIRONMENT**

Although evidence is accumulating that the economy is emerging from the Great Recession, there are a number of headwinds that may make the nascent recovery slower and more tentative than previous business cycle expansions. Significant job loss is one of the most tangible effects of the recession. Most sectors, with the possible exception of healthcare, have recorded significant decreases in employment. Even under the most optimistic expectations, it will take several years to reabsorb the unemployed and reduce the unemployment rate toward a level consistent with full employment.

The second long-lasting characteristic of the recession is the loss of trillions of dollars of household wealth since 2005. Households experienced falling home equity and sharply reduced financial asset values as stock markets worldwide posted some of the steepest declines in memory. For many households, the equity held in their home is the largest component of their wealth. Recently released data from the Federal Reserve shows that homeowners' equity holding relative to the value of their homes is near all-time lows. Downward pressure on home prices as

well as extraction of equity through second mortgages and lines of credit has reduced the equity stake that households in the aggregate have in their homes. Unlike job loss, which directly affects a fraction of all households, the loss of wealth is broadly felt.

Evidence is emerging that households are working to strengthen their balance sheets by paying down debt and saving a greater portion of their paycheck. The national savings rate has increased from virtually zero to the high single-digits. Some experts speculate that the long-term impact will be slower growth as cautious consumers spend more carefully and rely less on credit.

It is within this environment that tentative signs of stabilization are emerging in the housing market. In most areas of the country, home prices remain well below peak levels recorded in late 2005 and early 2006. However, unit sales have risen in some of the areas that have experienced the steepest decline in prices. Inventories of homes for sale have been pared to manageable levels. Housing affordability is at record levels, which has drawn cautious home buyers and investors into the market. Also contributing to the increase in home sales has been a tax credit available to first-time buyers. In fact, as detailed in this Profile, the share of first-time home buyers, typically around 40 percent of sales, rose to 47 percent during the period from mid-2008 through mid-2009.

Challenges remain, however. Consumers remain understandably cautious about the economy and their personal financial situation. While mortgage rates remain at very favorable levels, some home buyers find that securing a mortgage is both more time consuming and more difficult. In fact, one in ten recent home buyers reported that obtaining a mortgage was more difficult than expected.

Perhaps as important for the long-term resilience of the housing market, home ownership is still a goal that many aspire to achieve. For example, 62 percent of first-time buyers reported that the primary reason that they purchased a home was the desire to be a homeowner. Other benefits of ownership, while important, ranked lower for most first-time buyers. The dream of homeownership remains alive and well.

## **NOTES**

*In July 2009, the NATIONAL ASSOCIATION OF REALTORS® mailed an eight-page questionnaire to 120,038 consumers who purchased a home between July 2008 and June 2009. The survey yielded 9,138 usable responses with a response rate, after adjusting for undeliverable addresses, of 7.9 percent. There were 926 unweighted responses from Illinois, yielding a response rate of 8.4 percent, which form the basis for this report. Consumer names and addresses were obtained from Experian, a firm that maintains an extensive database of recent home buyers derived from county records. Information about sellers comes from those buyers who also sold a home.*

*All information in this Profile is characteristic of the 12-month period ending June 2009, with the exception of income data, which are reported for 2008. In some sections comparisons are also given for results obtained in previous surveys. Not all results are directly comparable due to changes in questionnaire design and sample size. Some results are presented for the four U.S. Census regions: Northeast, Midwest, South and West. The median is the primary statistical measure used throughout this report. Due to rounding and omissions for space, percentage distributions may not add to 100 percent.*

# 2009 Profile of Home Buyers and Sellers

## Illinois Report

### Highlights

The real estate market offers a variety of choices, opportunities and challenges for home buyers, sellers, and real estate professionals helping them with their transactions. For home buyers, there are numerous ways to search for and find a home, a variety of mortgage products to finance their home and a growing list of services that their agent can provide to assist them in the process.

Home sellers can choose to sell their home themselves or enlist the professional assistance of an agent who can provide various levels of service to best suit each home seller's needs. Because the real estate market is always evolving, it is important for real estate professionals to have a clear picture of today's home buyers and sellers. The 2009 Profile of Home Buyers and Sellers describes the characteristics and motivations of recent home buyers and sellers in Illinois and in so doing helps real estate professionals track the changing demands of consumers in a dynamic market.

### Characteristics of Home Buyers

- Fifty-one percent of recent home buyers were first-time buyers, compared to 47 percent nationwide.
- The typical first-time home buyer was 29 years old, while the typical repeat buyer was 45 years old, nationwide first-time buyers were typically 30 and repeat buyers were typically 48 years old.
- The 2008 median household income of buyers was \$78,200 this is slightly higher than the median income of buyers nationwide which was \$73,100.
- The median income was \$64,400 among first-time buyers and \$92,800 among repeat buyers.
- Twenty-one percent of recent home buyers were single females, and 11 percent were single males. Nationwide, twenty-one percent of recent home buyers were single females, and 10 percent were single males.
- For 35 percent of recent home buyers, the primary reason for the recent home purchase was a desire to own a home.

### Characteristics of Homes Purchased

- New home purchases were at the lowest level in eight years nationwide—down to 18 percent of all recent home purchases. This is reflective in Illinois—14 percent of homes were new.
- Sixty-seven percent of home buyers purchased a detached single-family home. The median price of home purchased was \$198,000 compared to \$185,000 nationwide. When considering the purchase of a home, commuting costs were considered very or somewhat important by 79 percent of buyers.

### The Home Search Process

- For more than one-third of home buyers, the first step in the home-buying process was looking online for properties.
- Nine in ten home buyers used the Internet to search for homes.

- Real estate agents were viewed as a very useful information source by 81 percent of buyers who used an agent while searching for a home. The typical home buyer searched for 12 weeks and viewed 12 homes. This compares to 12 weeks and 12 homes viewed by the typical buyer nationwide.

### **Home Buying and Real Estate Professionals**

- Eighty-two percent of buyers purchased their home through a real estate agent or broker.
- Six percent of buyers purchased a home in foreclosure. Nationally, 10 percent of buyers purchased a home in foreclosure.
- Forty-five percent of buyers found their agent through a referral from a friend or family member.

### **Financing the Home Purchase**

- Ninety-six percent of home buyers financed their recent home purchase. This is similar to all buyers nationwide—92 percent financed their recent home purchase.
- The typical buyer financed 89 percent of their home purchase.
- Nearly half (49 percent) of home buyers reported they have made some sacrifices such as reducing spending on luxury items, entertainment or clothing.
- One-third of first-time buyers reported their mortgage application and approval process was somewhat more difficult than they expected, and one-in-ten reported it was much more difficult than expected.

### **Home Sellers and Their Selling Experience**

- Eighty-four percent of sellers were assisted by a real estate agent when selling their home. Nationwide, 85 percent of sellers used a real estate agent when selling their home.
- Recent sellers typically sold their homes for 95 percent of the listing price, and 58 percent reported they reduced the asking price at least once. Among all sellers nationally, sellers typically sold their homes for 95 percent of the listing price, and 60 percent reported they reduced the asking price at least once.
- Forty-five percent of sellers offered incentives to attract buyers, most often assistance with home warranty policies and closing costs.

### **Home Selling and Real Estate Professionals**

- Forty percent of sellers who used a real estate agent found their agents through a referral by friends or family, and 31 percent used the agent they worked with previously to buy or sell a home. Ninety-two percent of sellers reported that their home was listed or advertised on the Internet.
- Among recent sellers who used an agent, 86 percent reported they would definitely (62 percent) or probably (24 percent) use that real estate agent again or recommend to others.

### **Conclusion**

Home buying and selling remains an important segment of the national and local economies, especially due to the housing sector's unique power to revitalize the economy during challenging times. With historically low mortgage rates, buyers and sellers continue to have opportunities to trade up, trade down, relocate or purchase a second home. First-time buyers are now 47 percent of the market, are discovering and capturing the benefits of homeownership, which contributes to significant wealth accumulation, among other financial, social, and personal rewards.

Consumers rely on the experience and expertise of real estate professionals to assist when buying and selling a home. Working in an extremely competitive environment, agents and brokers provide high levels of service to meet the varied needs of home buyers and sellers. The value that consumers place on the services offered by real estate professionals is reflected in the large majority of both buyers and sellers who would use their agents again or recommend them to others.

The 2009 Profile of Home Buyers and Sellers allows real estate professionals to better understand their clients and how their needs are changing over time. For example, survey results show that typical Baltimore City, MD buyers had a higher income and a slightly larger share of first-time home buyers. Information in this report will assist REALTORS® as they strive to meet the varied needs of their clients while offering superior service to America's home buyers and sellers.

# Highlights – Characteristics of Home Buyers

## ADULT COMPOSITION OF HOME BUYER HOUSEHOLDS

*(Percentage Distribution)*

### Illinois

	2009
Married couple	59%
Single female	21
Single male	11
Unmarried couple	9
Other	2

### U.S.

	2001	2003	2004	2005	2006	2007	2008	2009
Married couple	68%	59%	62%	61%	61%	62%	61%	60%
Single female	15	21	18	21	22	20	20	21
Single male	7	11	8	9	9	9	10	10
Unmarried couple	7	8	9	7	7	7	7	8
Other	3	1	2	2	1	2	2	1

## CHARACTERISTICS OF HOME BUYERS

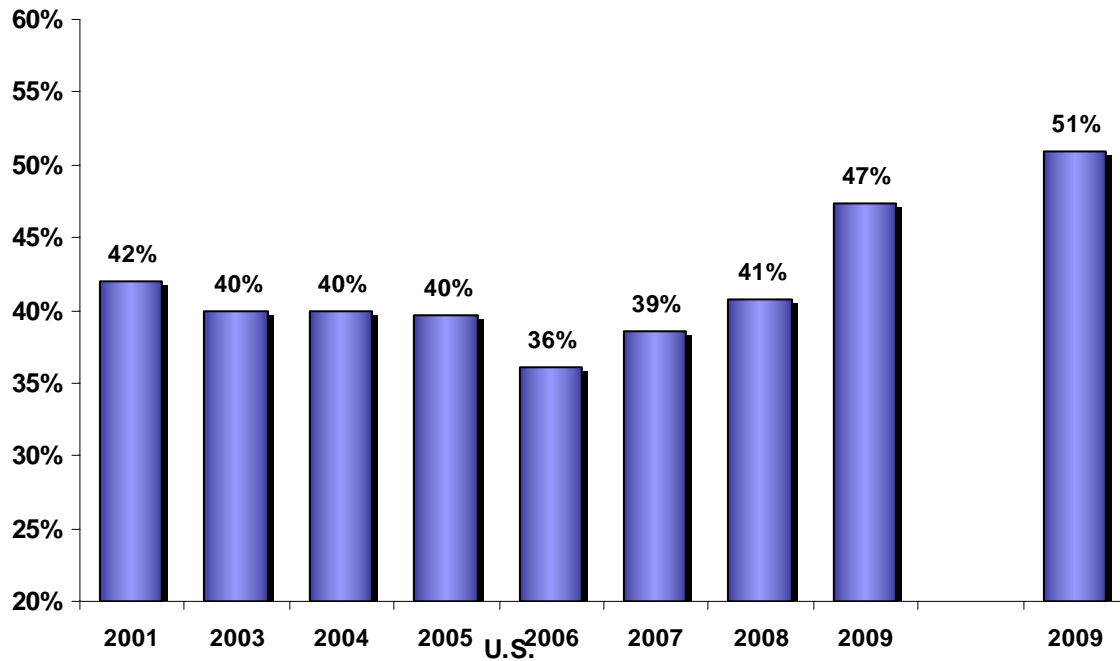
### FIRST-TIME HOME BUYERS

(Percent of all Home Buyers)

Year		Percentage
2001		42%
2003		40%
2004		40%
2005		40%
2006		36%
2007		39%
2008		41%
2009	US	47%
2009	Illinois	51%

### FIRST-TIME HOME BUYERS

(Percent of all Home Buyers)



## CHARACTERISTICS OF HOME BUYERS

### FIRST-TIME AND REPEAT HOME BUYERS BY HOUSEHOLD TYPE

*(Percentage Distribution of Households)*

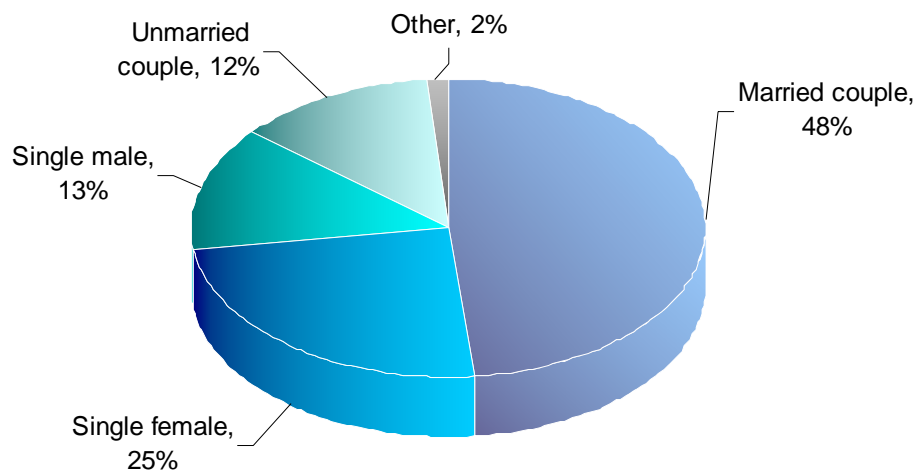
#### Illinois

Married couple	48%
Single female	25%
Single male	13%
Unmarried couple	12%
Other	2%

### FIRST-TIME HOME BUYERS

*(Percentage Distribution)*

#### Illinois



## CHARACTERISTICS OF HOME BUYERS

### AGE OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
18 to 24 years	6%	11%	0%
25 to 34 years	41	61	20
35 to 44 years	23	17	29
45 to 54 years	16	7	24
55 to 64 years	10	2	18
65 to 74 years	3	1	5
75 years or older	1	*	3
<b>Median age (years)</b>	<b>36</b>	<b>29</b>	<b>45</b>
Married couple	36	30	42
Single female	39	30	50
Single male	37	29	50
Unmarried couple	28	27	47
Other	41	34	54

\* Less than 1 percent

## CHARACTERISTICS OF HOME BUYERS

### HOUSEHOLD INCOME OF FIRST-TIME AND REPEAT BUYERS, 2008

(Percentage Distribution)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Less than \$25,000	3%	3%	3%
\$25,000 to \$34,999	7	11	3
\$35,000 to \$44,999	9	11	6
\$45,000 to \$54,999	8	10	6
\$55,000 to \$64,999	12	15	8
\$65,000 to \$74,999	8	8	8
\$75,000 to \$84,999	10	10	10
\$85,000 to \$99,999	11	11	12
\$100,000 to \$124,999	13	9	17
\$125,000 to \$149,999	7	5	10
\$150,000 to \$174,999	5	4	6
\$175,000 to \$199,999	2	1	3
\$200,000 or more	5	1	9
<b>Median income (2008)</b>	<b>\$78,200</b>	<b>\$64,400</b>	<b>\$92,800</b>
Married couple	\$92,500	\$80,200	\$104,000
Single female	\$54,400	\$50,300	\$62,200
Single male	\$59,600	\$52,500	\$72,500
Unmarried couple	\$79,100	\$76,000	\$97,500
Other	\$60,000	\$92,500	\$57,500

\* Less than 1 percent

## PRIOR LIVING ARRANGEMENT OF FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Rented an apartment or house	47%	75%	18%
Owned previous residence	39	2	78
Lived with parents, relatives or friends	13	22	3
Rented the home buyer ultimately purchased	1	1	*

\* Less than 1 percent

*Note: After selling their previous home, buyers may have rented a home or apartment before purchasing their next home. A first-time buyer could have acquired ownership of their previous home (as an inheritance or gift, for example) without having been the buyer of the home. Thus, a first-time buyer could have owned a home prior to their first home purchase.*

## CHARACTERISTICS OF HOME BUYERS

### PRIMARY REASON FOR THE TIMING OF HOME PURCHASE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
It was just the right time, the buyer was ready to buy a home	39%	46%	32%
Did not have much choice, had to purchase	15	5	25
It was the best time because of improved affordability of homes	23	28	19
It was the best time because of availability of homes for sale	9	6	12
It was the best time because of mortgage financing options available	9	11	7
Other	3	2	4
The buyer wished they had waited	2	2	2

# Highlights – Characteristics of Homes Purchased

## CHARACTERISTICS OF HOMES PURCHASED

### PURCHASE PRICE COMPARED WITH ASKING PRICE, BY REGION

(Percentage Distribution)

Percent of asking price:	BUYERS WHO PURCHASED A HOME IN THE:					
	Illinois	U.S.	Northeast	Midwest	South	West
Less than 90%	25%	21%	25%	24%	20%	17%
90% to 94%	23	20	22	22	20	18
95% to 99%	36	32	32	34	34	27
100%	11	17	16	14	18	18
101% to 110%	3	8	4	6	7	17
More than 110%	1	2	1	1	2	2
Median (purchase price as a percent of asking price)	95%	96%	95%	95%	96%	97%

## CHARACTERISTICS OF HOMES PURCHASED

### FACTORS INFLUENCING NEIGHBORHOOD CHOICE, BY LOCATION

(Percent of Respondents)

#### Illinois

	BUYERS WHO PURCHASED A HOME IN A:					
	All Buyers	Suburb/ Subdivision	Small town	Urban/ Central city	Rural area	Resort/ Recreation area
Quality of the neighborhood	67%	74%	55%	69%	46%	83%
Convenient to job	55	58	44	58	40	50
Overall affordability of homes	40	42	43	36	32	50
Convenient to friends/family	39	37	45	41	31	33
Convenient to shopping	24	25	21	27	11	17
Quality of the school district	25	39	23	8	26	17
Design of neighborhood	22	23	19	26	6	33
Convenient to schools	18	23	22	10	12	17
Convenient to entertainment/leisure activities	22	16	9	40	3	17
Convenient to parks/recreational facilities	18	13	15	27	6	33
Availability of larger lots or acreage	12	10	15	4	52	17
Convenient to health facilities	6	5	7	8	3	17
Home in a planned community	2	3	1	*	2	*
Convenient to public transportation	21	12	7	47	2	*
Green (environmentally friendly) community features	3	2	2	5	*	17
Convenient to airport	4	3	1	8	2	17
Other	6	4	9	4	11	17

\* Less than 1 percent

# Highlights – The Home Search Process

## FIRST STEP TAKEN DURING THE HOME BUYING PROCESS, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution)

### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Looked online for properties for sale	38%	35%	42%
Contacted a real estate agent	18	12	23
Looked online for information about the home buying process	13	19	6
Drove-by homes/neighborhoods	6	5	8
Talked with a friend or relative about home buying process	7	10	4
Contacted a bank or mortgage lender	8	9	7
Visited open houses	4	3	5
Looked in newspapers, magazines, or home buying guides	2	1	2
Contacted builder/visited builder models	1	1	1
Contacted a home seller directly	1	*	1
Attended a home buying seminar	1	2	*
Read books or guides about the home buying process	1	2	*
Other	*	*	1

## INFORMATION SOURCES USED IN HOME SEARCH, BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percent of Respondents)

### Illinois

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF:	
				New Homes	Previously Owned Homes
Internet	90%	92%	88%	89%	91%
Real estate agent	89	90	88	88	90
Yard sign	55	52	58	53	55
Open house	52	51	53	64	50
Print newspaper advertisement	45	41	49	47	44
Home book or magazine	23	21	26	27	23
Home builder	14	9	19	50	8
Television	6	6	5	6	6
Billboard	5	6	4	12	4
Relocation company	3	2	5	2	4

**FREQUENCY OF USE OF DIFFERENT INFORMATION SOURCES**

*(Percentage Distribution)*

**Illinois**

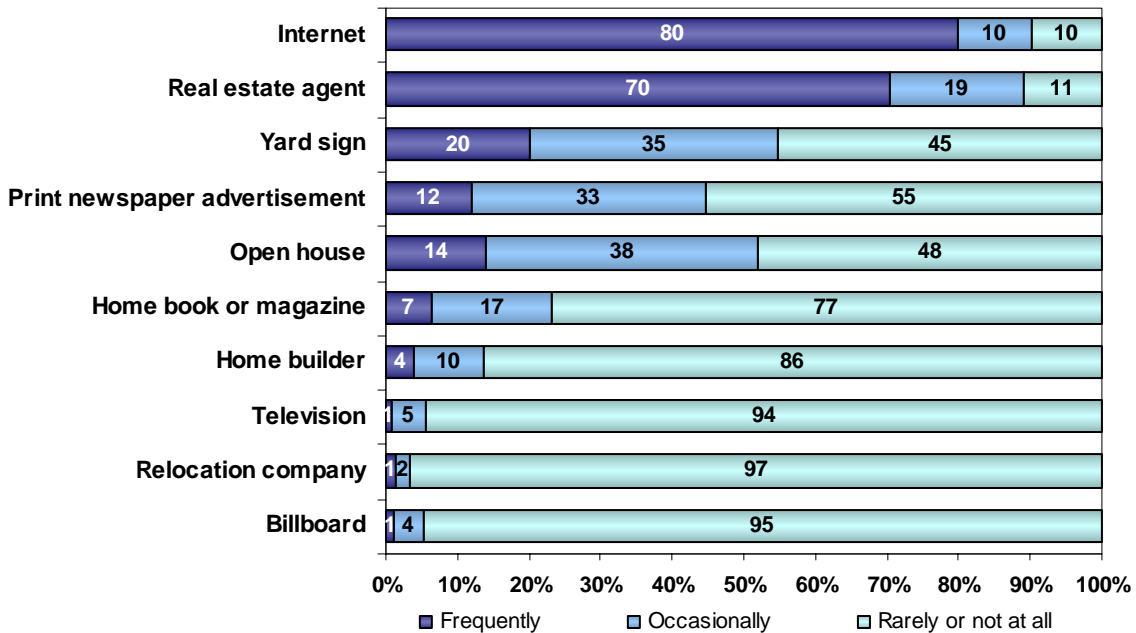
	Frequently	Occasionally	Rarely or not at all
Internet	80%	10%	10%
Real estate agent	70	19	11
Yard sign	20	35	45
Print newspaper advertisement	12	33	55
Open house	14	38	48
Home book or magazine	7	17	77
Home builder	4	10	86
Television	1	5	94
Relocation company	1	2	97
Billboard	1	4	95

\* Less than 1 percent

**FREQUENCY OF USE OF DIFFERENT INFORMATION SOURCES**

*(Percentage Distribution)*

**Illinois**

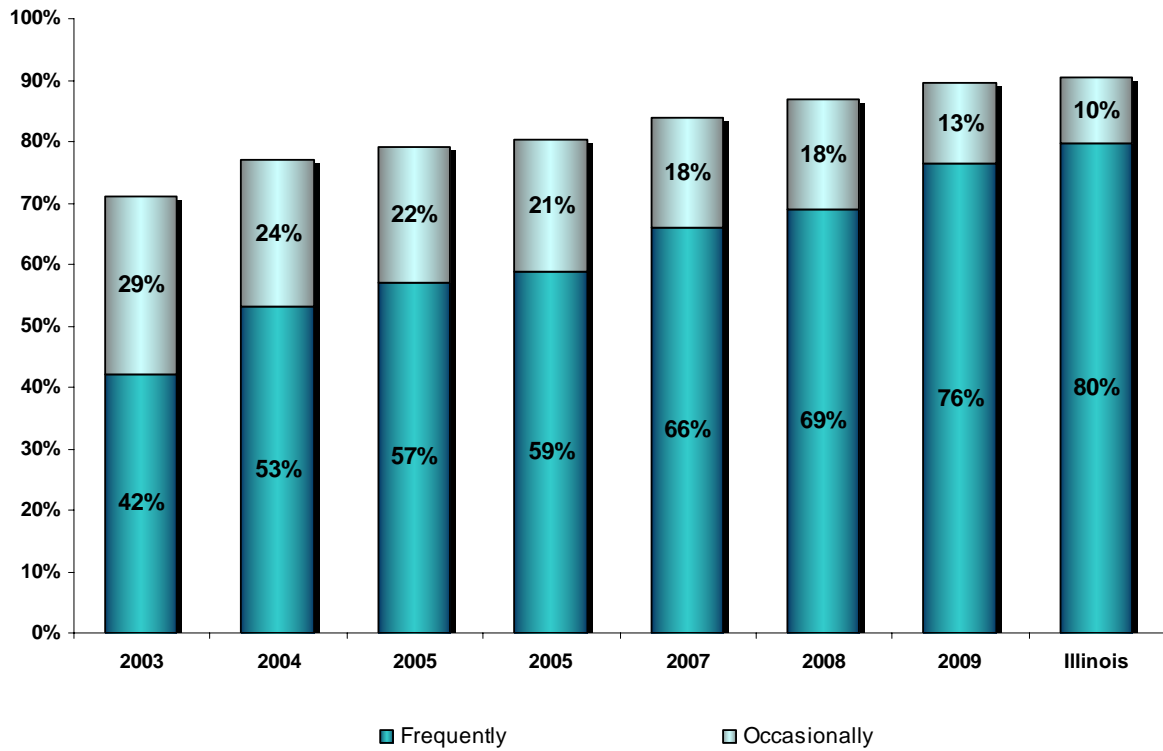


**USE OF INTERNET TO SEARCH FOR HOMES, 2003-2009**

**U.S.**

	Frequently	Occasionally
2003	42%	29%
2004	53%	24%
2005	57%	22%
2005	59%	21%
2007	66%	18%
2008	69%	18%
2009	76%	13%
Illinois	80%	10%

**USE OF INTERNET TO SEARCH FOR HOMES**



## THE HOME SEARCH PROCESS

### ACTIONS TAKEN AS A RESULT OF INTERNET HOME SEARCH, FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents Among Buyers Who Used the Internet)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Drove by or viewed a home	75%	74%	76%
Walked through a home viewed online	70	70	70
Found the agent used to search for or buy a home	29	33	25
Requested more information	22	27	16
Pre-qualified for a mortgage online	8	10	6
Contacted builder or developer	6	5	7
Applied for a mortgage online	4	5	3
Found a mortgage lender online	4	5	2

#### Illinois

	Used Internet to Search	Did Not Use Internet to Search
Through a real estate agent/broker	84%	69%
Directly from builder or builder's agent	5	9
Directly from previous owner whom buyer didn't know	3	4
Directly from previous owner whom buyer knew	2	13
Foreclosure or trustee sale	6	4
Other	*	*

\* Less than 1 percent

# Highlights – Home Buying and Real Estate Professionals

## HOME BUYING AND REAL ESTATE PROFESSIONALS

### METHOD OF HOME PURCHASE, 2001-2009

(Percentage Distribution)

#### Illinois

	2009
Through a real estate agent or broker	82%
Directly from builder or builder's agent	5
Directly from the previous owner	6
Through a foreclosure or trustee sale	6

#### U.S.

	2001	2003	2004	2005	2006	2007	2008	2009
Through a real estate agent or broker	69%	75%	77%	77%	77%	79%	81%	77%
Directly from builder or builder's agent	15	14	12	12	13	12	10	8
Directly from the previous owner	15	9	9	9	9	7	6	5
Through a foreclosure or trustee sale	1	1	1	*	1	1	3	10

\*Less than 1 percent

# HOME BUYING AND REAL ESTATE PROFESSIONALS

## WHAT BUYERS WANT MOST FROM REAL ESTATE AGENTS

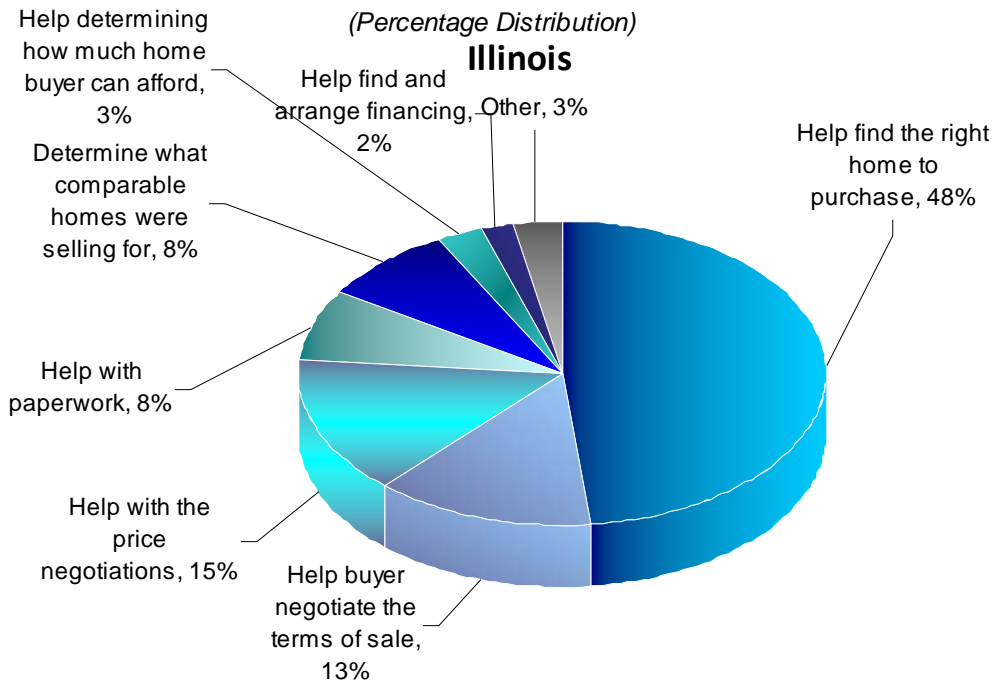
(Percentage Distribution)

	Illinois	U.S.
Help find the right home to purchase	48%	46%
Help buyer negotiate the terms of sale	13%	16%
Help with the price negotiations	15%	13%
Help with paperwork	8%	9%
Determine what comparable homes were selling for	8%	8%
Help determining how much home buyer can afford	3%	4%
Help find and arrange financing	2%	2%
Other	3%	2%

## WHAT BUYERS WANT MOST FROM REAL ESTATE PROFESSIONALS

(Percentage Distribution)

### Illinois



## HOME BUYING AND REAL ESTATE PROFESSIONALS

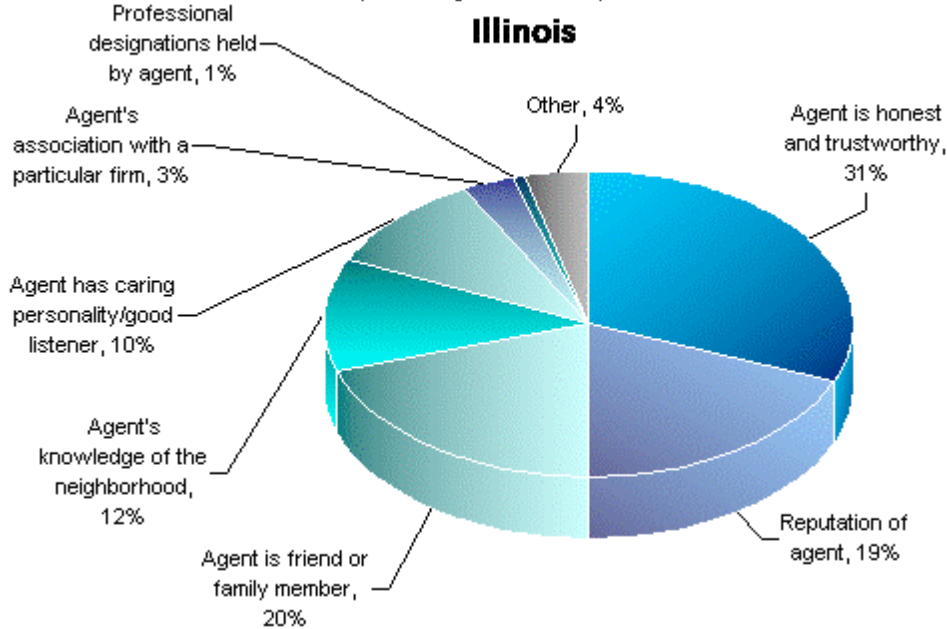
### MOST IMPORTANT FACTORS WHEN CHOOSING AN AGENT

(Percentage Distribution)

	Illinois	U.S.
Agent is honest and trustworthy	31%	31%
Reputation of agent	19%	23%
Agent is friend or family member	20%	16%
Agent's knowledge of the neighborhood	12%	11%
Agent has caring personality/good listener	10%	10%
Agent's association with a particular firm	3%	3%
Professional designations held by agent	1%	1%
Other	4%	4%

### MOST IMPORTANT FACTORS IN CHOOSING AN AGENT

(Percentage Distribution)



## HOME BUYING AND REAL ESTATE PROFESSIONALS

### AGENT SKILLS AND QUALITIES CONSIDERED 'VERY IMPORTANT' BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF:	
				New Homes	Previously Owned Homes
Honesty and integrity	98%	98%	98%	98%	98%
Knowledge of purchase process	95	97	93	95	95
Responsiveness	94	93	95	95	94
Knowledge of real estate market	91	90	92	93	91
Communication skills	84	82	85	83	84
Negotiation skills	84	83	84	82	84
People skills	81	81	81	84	81
Knowledge of local area	76	73	80	84	75
Skills with technology	36	35	36	29	37

# Highlights – Financing the Home Purchase

## FINANCING THE HOME PURCHASE

### SOURCES OF DOWNPAYMENT, FIRST-TIME AND REPEAT BUYERS

*(Percent of Respondents Among those who Made a Down payment)*

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Savings	60%	68%	51%
Proceeds from sale of primary residence	24	1	46
Gift from relative or friend	16	25	6
Sale of stocks or bonds	6	6	6
401k/pension fund including a loan	6	7	4
Loan from relative or friend	5	7	2
Equity from primary residence buyer continue to own	2	*	5
Inheritance	3	4	2
Individual Retirement Account (IRA)	2	1	2
Loan or financial assistance from source other than employer	2	3	1
Proceeds from sale of real estate other than primary residence	1	*	2
Loan from financial institution other than a mortgage	1	1	1
Loan or financial assistance through employer	1	1	1
Other	3	4	3

## FINANCING THE HOME PURCHASE

### SACRIFICES MADE TO PURCHASE HOME, BY FIRST-TIME AND REPEAT BUYERS

*(Percent of Respondents)*

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Cut spending on luxury items	32%	40%	24%
Cut spending on entertainment	30	38	21
Cut spending on clothes	25	33	18
Cancelled vacation plans	13	11	16
Earned extra income through a second job	6	9	4
Sold a vehicle or decided not to purchase a vehicle	4	4	5
Other	3	3	4
Did not need to make any sacrifices	51	42	61

## FINANCING THE HOME PURCHASE

### TYPE OF MORTGAGE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among those who Financed their Home Purchase)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Fixed-rate mortgage	95%	96%	93%
Fixed- then adjustable-rate mortgage	3	1	4
Adjustable-rate mortgage	2	1	2
Don't know	*	1	*
Other	1	1	*

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

### TYPE OF LOAN, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among those who Financed their Home Purchase)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers
Conventional	55%	38%	72%
VA	4	4	4
FHA	33	47	17
Don't know	6	8	5
Other	3	3	3

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

### BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

#### Illinois

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF:	
				New Homes	Previously Owned Homes
Good financial investment	87%	90%	85%	88%	87%
Better than stocks	52	57	47	47	53
About as good as stocks	27	24	30	32	26
Not as good as stocks	9	9	8	9	9
Not a good financial investment	3	2	4	5	3
Don't know	10	9	11	8	10

\* Less than 1 percent

# Highlights – Home Sellers and Their Selling Experience

## HOME SELLERS AND THEIR SELLING EXPERIENCE

### HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

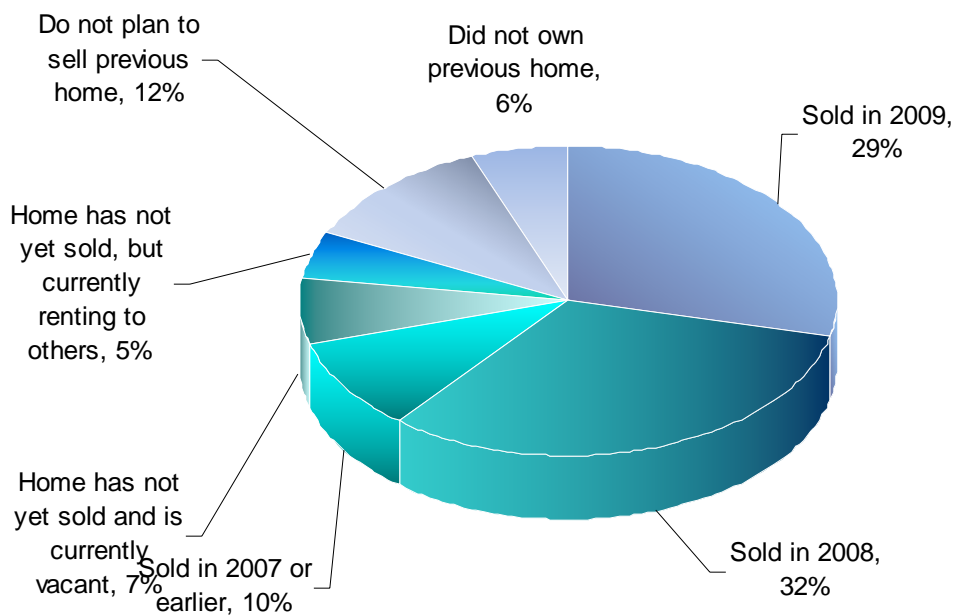
#### Illinois

Sold in 2009	29%
Sold in 2008	32%
Sold in 2007 or earlier	10%
Home has not yet sold and is currently vacant	7%
Home has not yet sold, but currently renting to others	5%
Do not plan to sell previous home	12%
Did not own previous home	6%

### HOME SELLING SITUATION AMONG REPEAT BUYERS

(Percentage Distribution)

#### Illinois



## HOME SELLERS AND THEIR SELLING EXPERIENCE

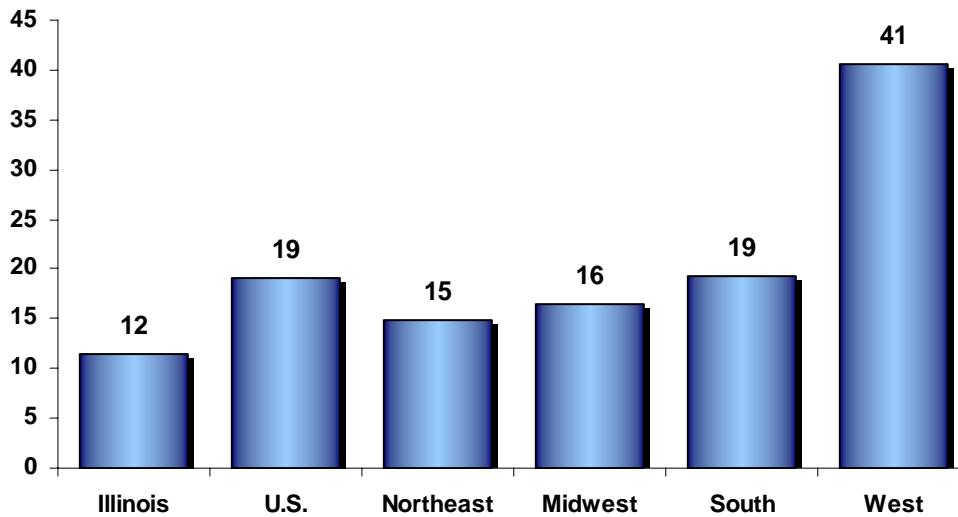
### DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY REGION

*(Median Miles)*

	Illinois	U.S.	SELLERS WHO SOLD A HOME IN THE:			
			Northeast	Midwest	South	West
2008	12	19	15	16	19	41

### DISTANCE BETWEEN HOME PURCHASED AND HOME RECENTLY SOLD, BY REGION

*(Median Miles)*



# Highlights – Home Selling and Real Estate Professionals

## LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT

(Percentage Distribution)

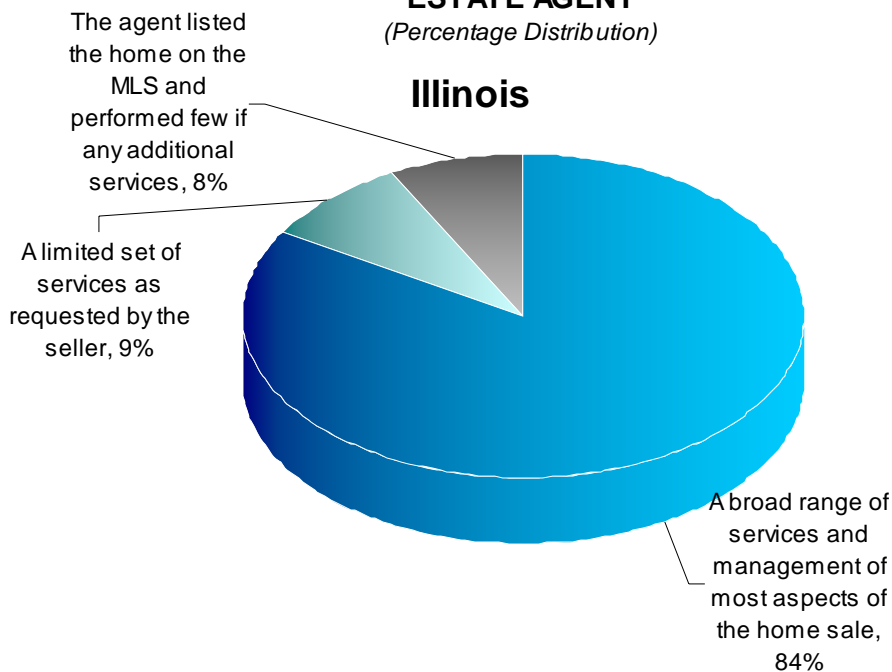
### Illinois

A broad range of services and management of most aspects of the home sale	84%
A limited set of services as requested by the seller	9%
The agent listed the home on the MLS and performed few if any additional services	8%

## LEVEL OF SERVICE PROVIDED BY THE REAL ESTATE AGENT

(Percentage Distribution)

### Illinois



HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-7

**MOST IMPORTANT FACTOR IN CHOOSING A REAL ESTATE AGENT TO SELL HOME, BY LEVEL OF SERVICE PROVIDED BY THE AGENT**  
(Percentage Distribution)

**Illinois**

	All sellers	LEVEL OF SERVICE SOUGHT FROM THE AGENT BY THE SELLER		
		A broad range of services and management of most aspects of the home sale	A limited set of services as requested by the seller	The agent listed the home on the MLS and performed few if any additional services
Reputation of real estate agent	41%	42%	37%	29%
Agent is honest and trustworthy	22	22	16	29
Agent's knowledge of the neighborhood	10	9	16	18
Agent is friend or family member	17	17	21	12
Agent's association with a particular firm	5	5	11	6
Agent has caring personality/good listener	2	2	*	6
Agent's commission	0	1	*	*
Professional designation(s) held by real estate agent	1	1	*	*
Other	2	3	*	*

HOME SELLING AND REAL ESTATE PROFESSIONALS

Exhibit 7-8

**METHODS REAL ESTATE AGENT USED TO MARKET HOME, BY TYPE OF HOME SOLD**  
(Percent of Respondents Among Sellers Who Used an Agent)

**Illinois**

	All Homes	TYPE OF HOME SOLD						
		Cabin/cottage	Duplex/apartment/condo in 2-4 unit structure	Apartment/condo in building with 5 or more units	Town-house/row house	Detached single-family home	Mobile/manufactured home	Other
Listing on the Internet	92%	67%	67%	100%	93%	92%	100%	100%
Yard sign	80	100	50	50	79	86	100	50
Open house	61	100	33	58	86	60	*	50
Print newspaper advertisement	42	67	17	38	36	44	*	*
Real estate magazine	33	33	*	12	29	38	*	50
Direct mail (flyers, postcards, etc.)	18	*	17	27	21	17	*	*
Video	13	33	*	19	7	13	*	*
Social networking Web sites (e.g. Facebook)	3	*	*	8	*	2	*	*
Video hosting Web sites (e.g. YouTube)	2	*	*	4	7	2	*	*
Other Web sites with real estate listings	24	33	33	35	36	22	*	*
Television	3	33	*	*	*	3	*	*
Other	3	*	*	4	*	4	*	*

\* Less than 1 percent

**NUMBER OF WEEKS RECENTLY SOLD HOME WAS ON THE MARKET, BY REGION**

*(Percentage Distribution)*

**SELLERS WHO SOLD A HOME IN THE**

	Illinois	U.S.	Northeast	Midwest	South	West
Less than 1 week	5%	6%	4%	6%	7%	4%
1 to 2 weeks	16	18	16	18	19	20
3 to 4 weeks	12	10	10	13	11	7
5 to 6 weeks	8	7	7	6	6	8
7 to 8 weeks	10	6	7	7	7	5
9 to 10 weeks	5	4	5	4	4	4
11 to 12 weeks	5	8	8	7	9	9
13 to 16 weeks	4	7	6	8	6	6
17 to 24 weeks	8	9	10	8	10	7
25 to 36 weeks	12	10	13	9	9	13
37 to 52 weeks	8	7	8	8	6	9
53 or more weeks	7	7	7	7	5	10
Median weeks	8	10	12	9	9	12

**NUMBER OF TIMES ASKING PRICE WAS REDUCED, BY NUMBER OF WEEKS HOME WAS ON THE MARKET**

*(Percentage Distribution)*

**Illinois**

**SELLERS WHOSE HOME WAS ON THE MARKET FOR:**

	All Sellers	Less than 1 week	1 to 2 weeks	3 to 4 weeks	5 to 8 weeks	9 to 16 weeks	17 or more weeks
None, did not reduce the asking price	42%	93%	81%	66%	50%	22%	10%
One	24	7	14	28	33	33	21
Two	14	*	5	6	15	25	18
Three	8	*	*	*	2	14	15
Four or more	13	*	100	100	*	6	36

# HOME SELLERS AND THEIR SELLING EXPERIENCE

## SHORT SALES, BY REGION

(Percentages)

2008	SELLERS WHO SOLD A HOME IN THE:					
	Illinois	U.S.	Northeast	Midwest	South	West
	3%	3%	3%	3%	4%	2%

## SHORT SALES, BY REGION

(Percentage of Recent Home Sales)

