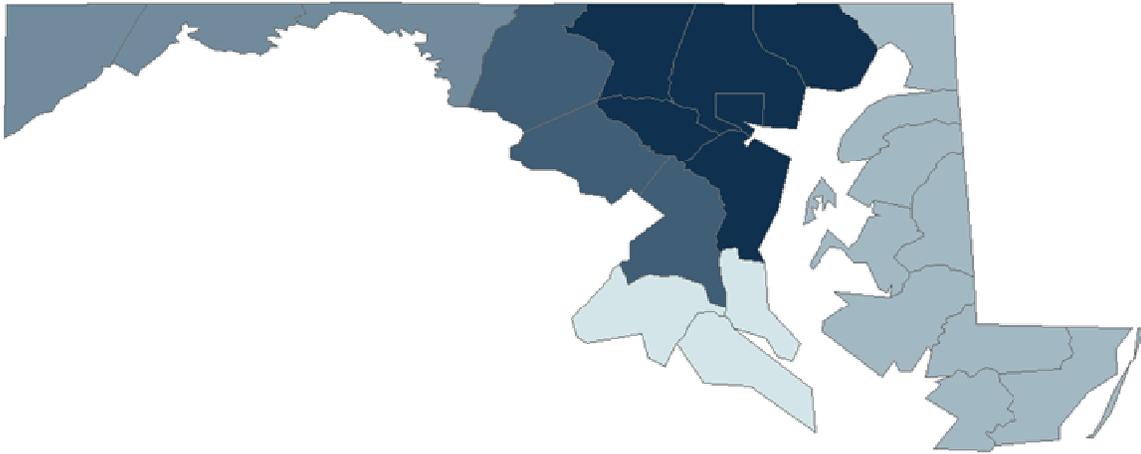


SURVEY OF MARYLAND REALTORS



September 28, 2012

Regional Research
Federal Reserve Bank of Richmond

The survey was conducted jointly by the Federal Reserve Bank of Richmond and the Maryland Association of Realtors. The survey period was July 11 to July 24, 2012. We would like to thank Fern Davis at the Maryland Association of Realtors for promoting the survey and garnering such a strong response by Association members. The contents of this report do not necessarily reflect the views of the Federal Reserve Bank of Richmond or the Federal Reserve System. For any questions or inquiries regarding the survey contact Andy Bauer at andy.bauer@rich.frb.org.

Survey Results

An online survey of the members of the Maryland Association of Realtors was conducted from July 11 to July 24, 2012. Members were asked 13 questions regarding the state of the residential housing market and how those conditions changed during the first half of 2012¹. The results of the survey are documented here. We present results for Maryland by region and county. The results are not seasonally adjusted.²

The results of the survey indicate that during the first half of 2012³:

- Housing market conditions improved with close to 60 percent of respondents indicating that conditions were slightly or significantly better.
- Customer traffic picked up with close to 60 percent of respondents indicating that traffic was slightly or significantly greater.
- First-time homebuyers represented more than half of homebuyers in the market.
- Activity was mostly in homes priced in the \$100,000 to \$399,999 range.
- Roughly three-fourths of respondents indicated that the typical home purchase was a detached home while 22 percent indicated that the typical purchase was a townhome.
- There was little change in customer traffic translating to sales.
- Inventory conditions varied considerably with a significant number of respondents indicating that inventory levels were too high and a significant number indicating that they were too low.
- Distressed homes remained a considerable factor weighing on the market with 96 percent of respondents indicating that distressed homes were somewhat or greatly impacting housing prices.
- Appraisals were another factor weighing on the market with 62 percent of Realtors reporting appraisals that, in their estimate, were too low.
- Underwriting and financing issues also negatively impacted activity with 28 percent of respondents indicating that underwriting frequently prevented sales and 30 percent reporting that borrowers frequently had difficulty getting mortgage financing.
- Market conditions in June were characterized as weak or somewhat weak by 46 percent of respondents while just 28 percent characterized conditions as strong or somewhat strong.
- Overall, 46 percent of the survey respondents had an improved outlook for the housing market in the first half of 2012.

¹ See the Appendix for the survey questions.

² See data note in the Appendix regarding interpreting not-seasonally adjusted survey data.

³ See Table 1 for more detail.

Table 1: Maryland Realtor Survey Results
(percent of total responses)

<u>Market Conditions</u>	Significantly or Slightly Worse	20	<u>Distressed Homes</u>	Not at All	4
	About the Same	22		Somewhat of a Factor	46
	Significantly or Slightly Better	58		Big Factor	50
<u>Customer Traffic</u>	Significantly or Slightly Lower	20	<u>Appraisals</u>	Much Too or Somewhat Low	62
	About the Same	24		About Right	35
	Significantly or Slightly Greater	56		Much Too or Somewhat High	4
<u>Customer Traffic (Type)</u>	First-time buyers	58	<u>Underwriting</u>	Rarely	21
	Homeowners moving up	19		Occasionally	51
	Homeowners downsizing	10		Frequently	28
	Second-home buyers	14			
<u>Foot Traffic to Sales</u>	Significantly or Slightly Worse	26	<u>Financing</u>	Rarely	21
	About the Same	40		Occasionally	49
	Significantly or Slightly Better	34		Frequently	30
<u>Typical Purchase</u>	Detached Home	73	<u>Market Activity: June 2012</u>	Weak or Somewhat Weak	46
	Townhouse	22		Average	26
	Condominium	6		Strong or Somewhat Strong	28
<u>Inventory</u>	Very or Somewhat Low	43	<u>Outlook</u>	Significantly or Slightly Worse	23
	About Right	20		About the Same	31
	Very or Somewhat High	37		Significantly or Slightly Better	46

Survey Results by Region

The survey asked each participant to list the counties where their business “primarily operates”. We grouped the responses into five geographic regions. The composition of the five regions is outlined in Chart 1. The regional results are presented in Tables 2A and 2B and the county-level results are detailed in Tables 3-6.

The regional results of the survey indicate that during the first half of 2012⁴:

- Market conditions improved relatively broadly across the state. There were modest differences across regions. The strongest results were in Central Maryland—with 64 percent of respondents indicating that market conditions were slightly or significantly better. The weakest results were in Southern Maryland and the Eastern Shore where 50 and 47 percent of respondents, respectively, indicated that market conditions improved.
- Not surprisingly, the regions that had the strongest responses for market conditions also had the strongest responses for customer traffic. Increases in customer traffic were greatest in Central Maryland, the Capitol Region and Western Maryland.
- The conversion from foot traffic to closed sales varied slightly across regions. The greatest improvement was in Central Maryland, Capital Region and Western Maryland. The percentage of respondents indicating that conditions improved was 11 to 16 percentage points greater than the share of respondents that indicated deterioration. There was little change in Southern Maryland and a slight decline in the Eastern Shore.
- The type of home purchase varied considerably across regions, although first-time home purchases were the most prevalent. In Southern Maryland and the Capitol Region, 77 and 71 percent of respondents, respectively, indicated that the typical client was a first-time homebuyer. In contrast, in Western Maryland and the Eastern Shore 56 and 52 percent, respectively, were first-time homebuyers. Given the tourist areas in the Eastern Shore and Western Maryland, it is not surprising that 25 and 17 percent of purchasers were second-home buyers.
- There were relatively few high-end home purchases. Respondents across most regions indicated that low to mid-range home purchases were most common. Most respondents indicated that the typical client was looking at homes in the \$100,000 to \$399,999 range. In Central Maryland and the Capitol Region where home values are higher, 19 percent of respondents indicated that the sales price range of their typical client was \$400,000 or more.

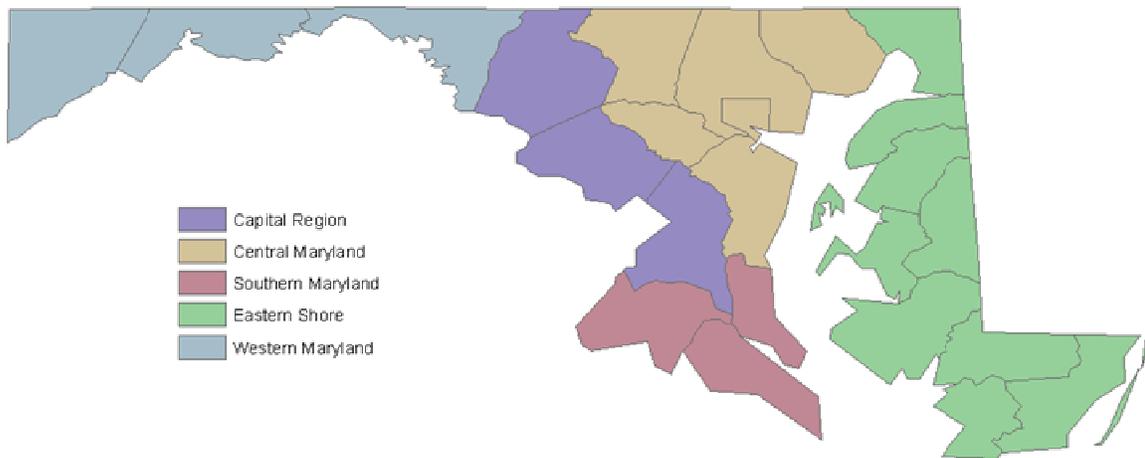
⁴ See Tables 2A and 2B for more detail.

- Home sales varied considerably by type across regions. While sales of detached homes were most prevalent, in Central Maryland and the Capitol Region between one-quarter and one-third of all sales were townhomes. In contrast, less than 10 percent of purchases were townhomes in Southern Maryland, the Eastern Shore and Western Maryland.
- Inventory conditions also varied across regions. In the Capitol Region, 20 percent of respondents indicated that inventories were very or somewhat high while 66 percent indicated that inventories were very or somewhat low. Similarly, in Central Maryland 29 percent indicated that inventories were very or somewhat high although a smaller percentage respondents, 46 percent, indicated that inventories were very or somewhat low while a smaller number. In the Eastern Shore, however, 64 percent of respondents indicated that inventories were very or somewhat high while only 17 percent indicated that they very or somewhat low.
- Distressed homes weighed on housing prices across all regions. In the Central Region, 45 percent of respondents indicated that distressed sales negatively impacted housing prices greatly while 52 percent indicated that they somewhat negatively impacted housing prices. In the other regions more than 50 percent of respondents indicated that distressed homes greatly impacted housing prices.
- Across all regions a majority of respondents indicated that appraisals were somewhat or much too low. Roughly one-third of respondents indicated that they were about right in each region. A very small minority in each region felt that appraisals were somewhat or much too high.
- Tighter underwriting standards were a factor weighing on the market. Roughly fifty percent of respondents in each region indicated that tighter underwriting standards occasionally prevented a sale while between 24 and 38 percent indicated that tighter underwriting standards frequently prevented a sale. Over 75 percent of respondents in the Capitol Region and Central Maryland indicated that underwriting occasionally or frequently prevented a sale while in the Eastern Shore and Western Maryland over 85 percent indicated that underwriting occasionally or frequently prevented a sale.
- Obtaining mortgage financing was another factor impacting the market. Across regions, between 28 and 41 percent of respondents reported that clients frequently had difficulty getting mortgage financing. Mortgage financing was reported tightest in Western and Southern Maryland and the Eastern Shore.
- Market conditions in June varied notably across regions. In Central Maryland, 38 percent of respondents characterized market activity as weak or somewhat weak while 35 percent characterized activity as strong or somewhat strong. In contrast, in the Eastern Shore and Western Maryland over fifty percent of respondents felt

that market activity was weak or somewhat weak while only about one-fifth felt it strong or somewhat strong.

- Despite the challenges presented by high inventories, low appraisals, distressed homes, and tighter financing conditions, Realtors were generally more optimistic about the outlook for 2012. However, that optimism varied across regions. In Central Maryland and the Capital region, roughly 50 percent of respondents indicated that the outlook was significantly or slightly better than in the beginning of the year. In the Eastern Shore and Southern Maryland 36 and 33 percent felt that the outlook improved, respectively. In the Eastern Shore one-third of respondents indicated that the outlook was significantly or slightly worse while in all other regions between 22 and 27 percent of respondents felt that the outlook worsened. Between 27 and 39 percent of respondents characterized the outlook as about the same as in the beginning of the year.

Chart 1: Maryland Regions



Capital Region

Frederick, Montgomery,
Prince George's

Central Maryland

Anne Arundel, Baltimore,
Baltimore City, Carroll,
Harford, Howard

Southern Maryland

Calvert, Charles,
Saint Mary's

Eastern Shore

Caroline, Cecil, Dorchester,
Kent, Queen Anne's,
Somerset, Talbot,
Wicomico, Worcester

Western Maryland

Allegany, Garrett,
Washington



Table 2A: Responses by Region⁵
(percent of total responses)

Region	Number of Responses	Market Conditions			Foot Traffic to Sales			Customer Traffic			Customer Traffic - Type			
		Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Lower	About the Same	Significantly or Slightly Greater	First-time buyers	Homeowners moving up	Homeowners downsizing	Second-home buyers
ALL	1153	20	22	58	26	40	34	20	24	56	58	19	10	14
Capital Region	564	20	22	58	24	39	37	18	23	59	71	16	8	5
Central Maryland	902	18	17	64	24	37	40	19	19	62	64	22	10	5
Southern Maryland	213	27	26	47	26	45	29	26	32	42	77	16	2	4
Eastern Shore	496	27	23	50	34	36	30	23	25	53	52	11	11	25
Western Maryland	97	18	28	54	26	38	37	21	21	57	56	15	12	17

Region	Number of Responses	Typical Purchase			Inventory			Distressed Homes			Appraisals		
		Detached Home	Townhouse	Condominiums	Very or Somewhat Low	About Right	Very or Somewhat High	Not at All	Somewhat	Greatly	Much Too or Somewhat Low	About Right	Much Too or Somewhat High
ALL	1153	73	22	6	43	20	37	4	46	50	62	35	4
Capital Region	564	68	25	7	66	14	20	4	46	50	66	29	5
Central Maryland	902	66	29	5	46	25	29	4	52	45	61	34	5
Southern Maryland	213	89	9	2	42	14	44	0	35	65	62	34	4
Eastern Shore	496	83	7	10	17	19	64	3	39	58	58	37	5
Western Maryland	97	88	9	3	32	21	46	4	41	55	67	32	1

Region	Number of Responses	Underwriting			Financing			Market Activity			Outlook		
		Rarely	Occasionally	Frequently	Rarely	Occasionally	Frequently	Weak or Somewhat Weak	Average	Strong or Somewhat Strong	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better
ALL	1153	21	51	28	21	49	30	46	26	28	23	31	46
Capital Region	564	24	46	30	23	43	34	44	26	29	24	28	49
Central Maryland	902	23	53	24	23	49	28	38	27	35	22	27	51
Southern Maryland	213	19	49	32	16	52	32	55	25	20	27	39	33
Eastern Shore	496	13	49	38	14	49	37	59	21	21	33	31	36
Western Maryland	97	14	57	29	10	49	41	49	20	30	25	32	42

⁵ Individual regions do not sum to total as respondents reported operating in multiple regions.

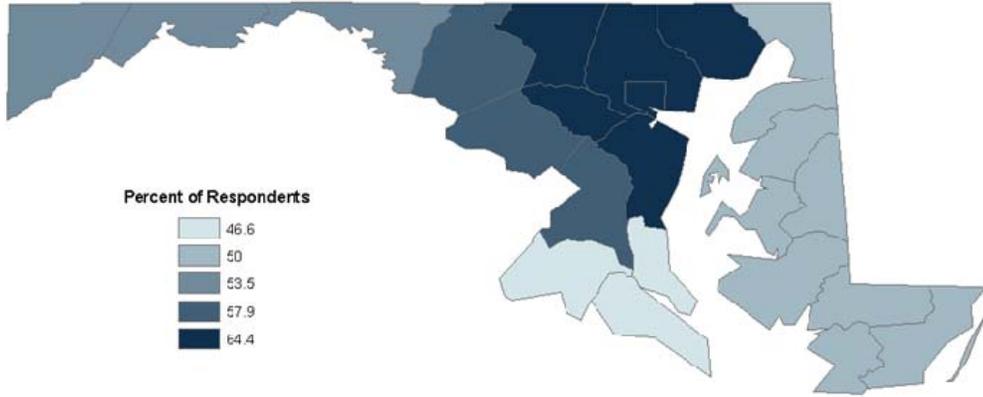
Table 2B: Responses by Region⁶
(percent of total responses)

Region	Number of Responses	Sales Price Range of Typical Client								
		Less than \$99,999	\$100,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$399,999	\$400,000 to \$499,999	\$500,000 to \$599,999	\$600,000 to \$699,999	\$700,000 to \$999,999	\$1,000,000 or more
ALL	1153	8	29	29	16	8	4	2	2	1
Capital Region	564	8	27	29	16	9	5	2	2	1
Frederick	104	8	34	29	14	9	3	1	1	0
Montgomery	214	7	19	26	18	12	8	5	3	3
Prince George's	246	10	30	33	16	7	2	1	1	0
Central Maryland	902	6	27	30	17	10	4	2	2	1
Anne Arundel	241	4	20	33	21	10	5	2	2	2
Baltimore	266	7	30	30	15	9	4	2	2	1
Baltimore City	166	10	28	27	15	9	4	2	2	2
Carroll	102	4	31	30	17	10	4	2	1	0
Harford	133	6	37	28	15	7	3	2	2	1
Howard	160	5	22	30	20	12	6	2	2	0
Southern Maryland	213	8	29	38	15	6	1	1	1	0
Calvert	71	6	22	39	19	9	1	1	1	1
Charles	83	13	36	32	13	5	0	0	0	0
Saint Mary's	59	4	27	47	14	6	1	1	1	0
Eastern Shore	496	12	36	24	12	5	3	2	2	3
Caroline	48	16	42	20	9	3	2	4	2	3
Cecil	53	8	38	23	16	8	3	1	2	1
Dorchester	34	20	41	16	8	4	1	4	1	4
Kent	34	9	39	20	15	7	5	1	3	0
Queen Anne's	83	7	24	33	15	7	4	3	2	5
Somerset	29	27	47	16	3	1	1	1	1	1
Talbot	57	9	36	16	13	8	2	4	5	6
Wicomico	51	18	46	22	3	2	2	3	3	3
Worcester	106	10	32	29	16	6	2	1	1	1
Western Maryland	97	13	38	23	13	5	3	3	2	0
Allegany	15	23	43	20	11	3	0	0	0	0
Garrett	21	5	10	24	24	11	8	10	8	2
Washington	60	14	50	23	9	3	1	0	0	0

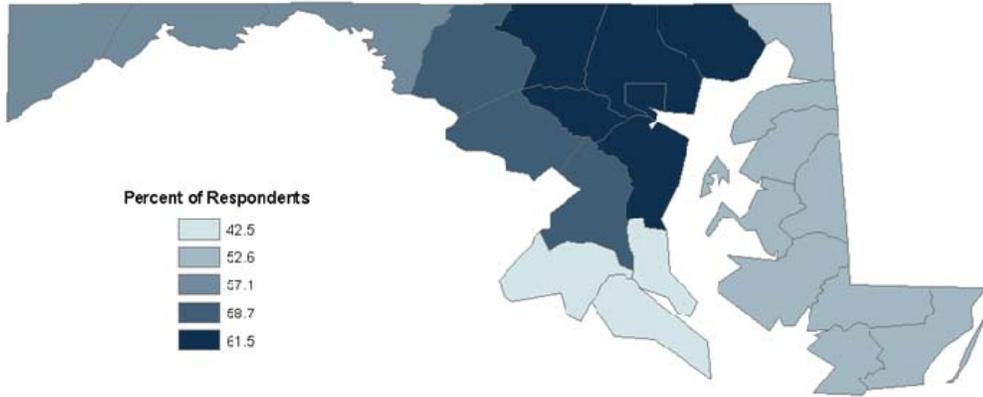
⁶ Individual regions do not sum to total as respondents reported operating in multiple regions.

Maryland Realtor Survey Results by Region

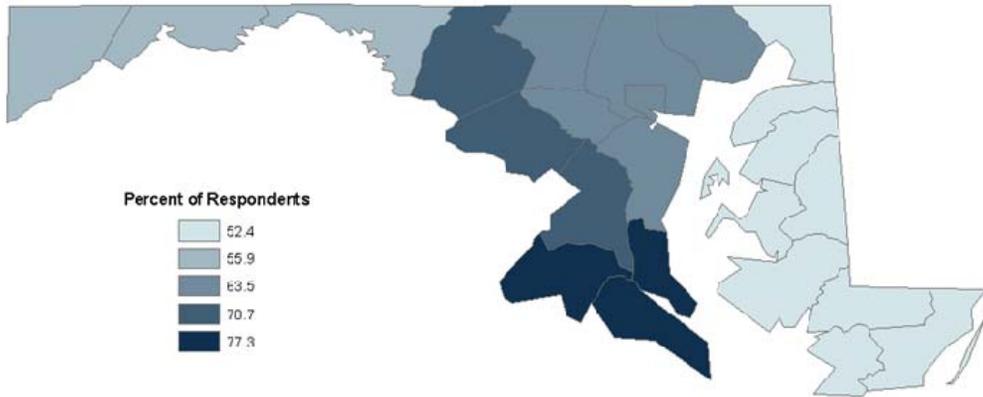
Maryland Realtors Reporting that Market Conditions are Better (Slightly or Significantly)



Maryland Realtors Reporting that Customer Traffic is Better (Slightly or Significantly)



Maryland Realtors Reporting that Most Customer Traffic is First-Time Homebuyers



Maryland Realtor Survey Results by Region

Maryland Realtors Reporting that Inventories are Somewhat High or Very High



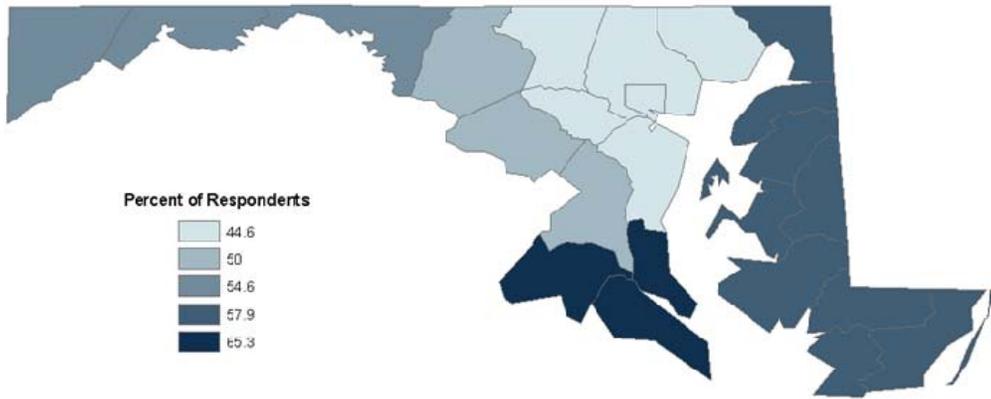
Federal Reserve Bank of Richmond Maryland Realtor Survey

Maryland Realtors Reporting that Inventories are Somewhat Low or Very Low



Federal Reserve Bank of Richmond Maryland Realtor Survey

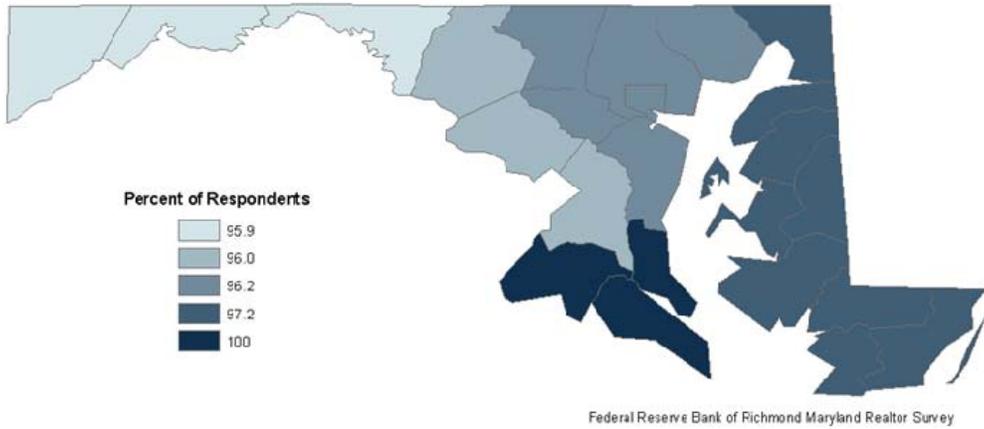
Maryland Realtors Reporting that Distressed Homes Matter Greatly in Pricing and Valuation



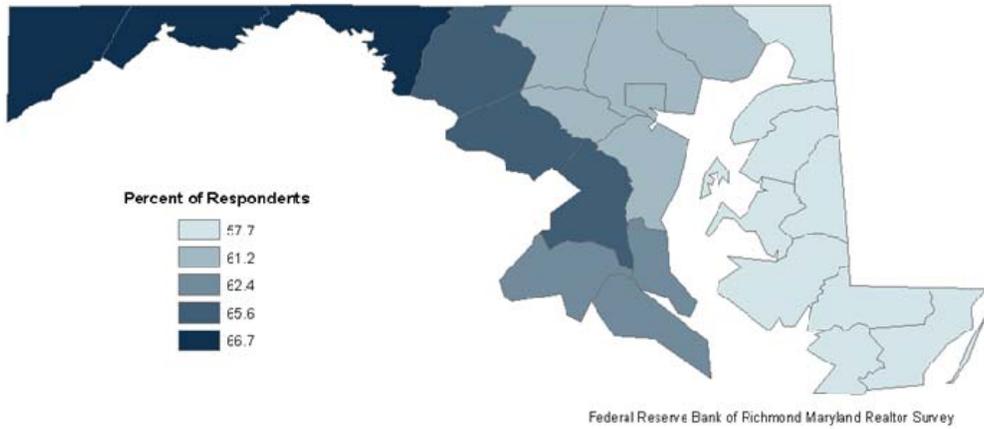
Federal Reserve Bank of Richmond Maryland Realtor Survey

Maryland Realtor Survey Results by Region

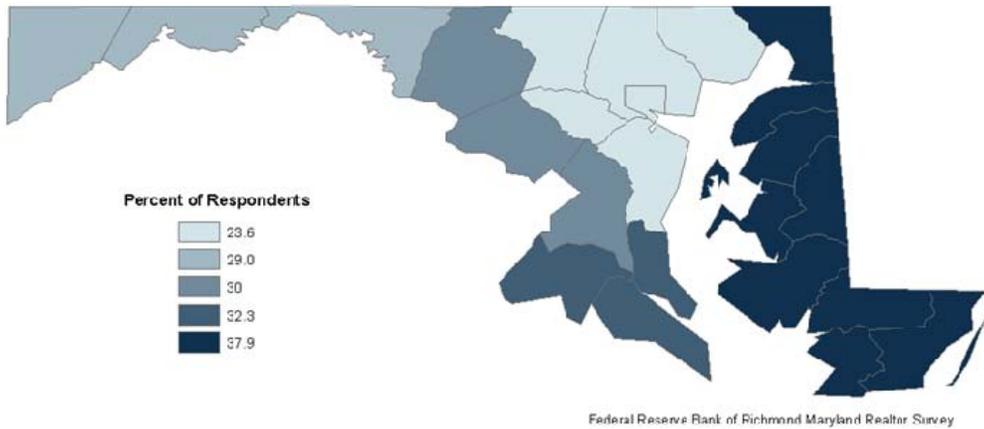
Maryland Realtors Reporting that Distressed Homes Matter in Pricing and Valuation (Somewhat or Greatly)



Maryland Realtors Reporting that Appraisals are Somewhat or Much Too Low

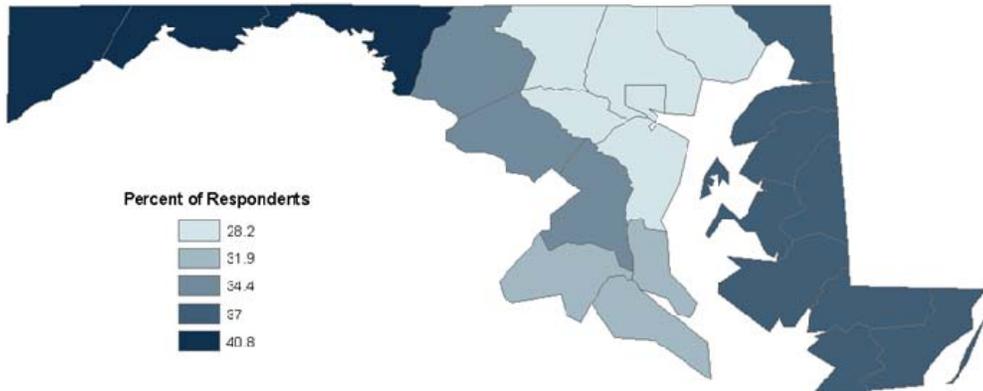


Maryland Realtors Reporting that Tighter Underwriting Frequently Prevents a Sale



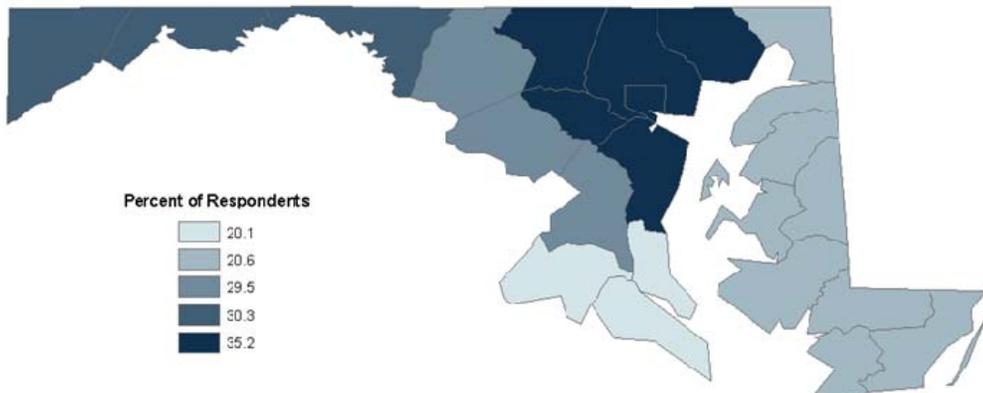
Maryland Realtor Survey Results by Region

Maryland Realtors Reporting that Clients Frequently Have Problems Getting Mortgage Financing



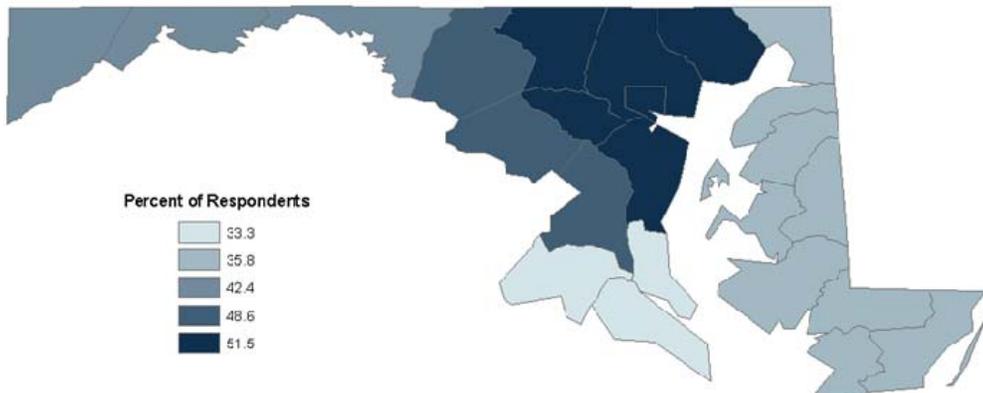
Federal Reserve Bank of Richmond Maryland Realtor Survey

Maryland Realtors Reporting that June Market Activity Improved (Somewhat or Strongly)



Federal Reserve Bank of Richmond Maryland Realtor Survey

Maryland Realtors Reporting an Improved Outlook (Slightly or Significantly)



Federal Reserve Bank of Richmond Maryland Realtor Survey

Table 3: Capital Region & Southern Maryland Responses (percent of total responses)

Region	Number of Responses	Market Conditions			Foot Traffic to Sales			Customer Traffic			Customer Traffic - Type			
		Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Lower	About the Same	Significantly or Slightly Greater	First-time buyers	Homeowners moving up	Homeowners downsizing	Second-home buyers
ALL	1153	20	22	58	26	40	34	20	24	56	58	19	10	14
Capital Region	564	20	22	58	24	39	37	18	23	59	71	16	8	5
Frederick	104	17	25	58	25	41	34	18	25	57	65	18	13	4
Montgomery	214	19	21	60	23	38	39	18	21	61	63	21	10	6
Prince George's	246	22	22	56	25	39	36	18	25	57	79	11	4	5
Southern Maryland	213	27	26	47	26	45	29	26	32	42	77	16	2	4
Calvert	71	27	26	47	26	41	33	27	34	38	75	15	2	8
Charles	83	29	27	44	25	48	27	22	29	49	80	14	3	3
Saint Mary's	59	23	27	50	28	47	25	28	33	38	76	20	2	2

Region	Number of Responses	Typical Purchase			Inventory			Distressed Homes			Appraisals		
		Detached Home	Townhouse	Condominiums	Very or Somewhat Low	About Right	Very or Somewhat High	Not at All	Somewhat	Greatly	Much Too or Somewhat Low	About Right	Much Too or Somewhat High
ALL	1153	73	22	6	43	20	37	4	46	50	62	35	4
Capital Region	564	68	25	7	66	14	20	4	46	50	66	29	5
Frederick	104	73	23	4	62	21	17	2	47	51	69	27	4
Montgomery	214	63	27	10	71	12	16	7	53	40	67	29	4
Prince George's	246	71	24	5	63	12	25	2	39	58	63	30	7
Southern Maryland	213	89	9	2	42	14	44	0	35	65	62	34	4
Calvert	71	88	10	2	39	17	44	0	34	66	66	33	1
Charles	83	89	10	1	45	12	43	0	29	71	60	33	7
Saint Mary's	59	92	6	2	41	15	44	0	43	57	62	37	2

Region	Number of Responses	Underwriting			Financing			Market Activity			Outlook		
		Rarely	Occasionally	Frequently	Rarely	Occasionally	Frequently	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better
ALL	1153	21	51	28	21	49	30	46	26	28	23	31	46
Capital Region	564	24	46	30	23	43	34	44	26	29	24	28	49
Frederick	104	24	46	30	21	44	36	49	23	28	24	33	43
Montgomery	214	25	48	27	26	44	29	41	29	31	22	24	53
Prince George's	246	24	44	32	20	42	38	46	25	29	25	28	47
Southern Maryland	213	19	49	32	16	52	32	55	25	20	27	39	33
Calvert	71	22	49	29	19	56	25	54	24	22	25	39	36
Charles	83	15	44	40	14	42	43	55	27	18	31	39	30
Saint Mary's	59	20	55	25	15	60	25	54	25	20	25	40	35

Table 4: Central Maryland Responses
(percent of total responses)

Region	Number of Responses	Market Conditions			Foot Traffic to Sales			Customer Traffic			Customer Traffic - Type			
		Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Lower	About the Same	Significantly or Slightly Greater	First-time buyers	Homeowners moving up	Homeowners downsizing	Second-home buyers
ALL	1153	20	22	58	26	40	34	20	24	56	58	19	10	14
Central Maryland	902	18	17	64	24	37	40	19	19	62	64	22	10	5
Anne Arundel	241	19	17	64	23	33	44	18	17	65	66	17	11	7
Baltimore	266	19	19	61	25	40	35	20	23	57	64	23	9	5
Baltimore City	166	19	18	62	28	39	33	21	19	60	66	20	10	3
Carroll	102	19	15	66	23	35	42	25	15	60	61	20	16	2
Harford	133	19	19	61	26	44	30	20	26	54	62	25	10	3
Howard	160	15	14	71	21	32	47	16	13	72	63	25	6	6

Region	Number of Responses	Typical Purchase			Inventory			Distressed Homes			Appraisals		
		Detached Home	Townhouse	Condominiums	Very or Somewhat Low	About Right	Very or Somewhat High	Not at All	Somewhat	Greatly	Much Too or Somewhat Low	About Right	Much Too or Somewhat High
ALL	1153	73	22	6	43	20	37	4	46	50	62	35	4
Central Maryland	902	66	29	5	46	25	29	4	52	45	61	34	5
Anne Arundel	241	72	24	5	45	28	28	4	50	46	62	34	4
Baltimore	266	65	31	4	46	25	29	5	52	43	59	35	5
Baltimore City	166	58	36	5	49	23	29	5	49	46	62	32	6
Carroll	102	70	24	6	48	21	31	4	52	44	61	38	2
Harford	133	68	29	3	34	26	39	2	50	48	59	36	5
Howard	160	65	30	5	55	22	22	3	54	43	65	30	5

Region	Number of Responses	Underwriting			Financing			Market Activity			Outlook		
		Rarely	Occasionally	Frequently	Rarely	Occasionally	Frequently	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better
ALL	1153	21	51	28	46	26	28	23	31	46	23	31	46
Central Maryland	902	23	53	24	38	27	35	22	27	51	22	27	51
Anne Arundel	241	22	50	27	21	47	32	33	27	40	19.4	26.2	54.4
Baltimore	266	22	53	24	24	47	29	39	28	33	21.4	30.4	48.2
Baltimore City	166	22	55	22	22	48	31	40	27	32	21.5	27.3	51.2
Carroll	102	25	57	18	24	52	24	44	21	35	25.0	25.0	50.0
Harford	133	23	51	25	22	52	26	47	30	23	28.1	30.2	41.7
Howard	160	25	56	18	26	48	26	30	27	43	20.1	18.3	61.6

Table 5: Western Maryland Responses (percent of total responses)

Region	Number of Responses	Market Conditions			Foot Traffic to Sales			Customer Traffic			Customer Traffic - Type			
		Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Lower	About the Same	Significantly or Slightly Greater	First-time buyers	Homeowners moving up	Homeowners downsizing	Second-home buyers
ALL	1153	20	22	58	26	40	34	20	24	56	58	19	10	14
Western Maryland	97	18	28	54	26	38	37	21	21	57	56	15	12	17
Allegany	15	29	18	53	41	29	29	24	24	53	63	19	19	0
Garrett	21	10	24	67	19	33	48	10	19	71	14	10	10	67
Washington	60	18	33	49	23	42	35	25	22	53	70	16	11	4

Region	Number of Responses	Typical Purchase			Inventory			Distressed Homes			Appraisals		
		Detached Home	Townhouse	Condominiums	Very or Somewhat Low	About Right	Very or Somewhat High	Not at All	Somewhat	Greatly	Much Too or Somewhat Low	About Right	Much Too or Somewhat High
ALL	1153	73	22	6	43	20	37	4	46	50	62	35	4
Western Maryland	97	88	9	3	32	21	46	4	41	55	67	32	1
Allegany	15	84	11	5	18	12	71	0	44	56	82	18	0
Garrett	21	91	4	4	0	24	76	14	62	24	67	33	0
Washington	60	88	10	1	48	23	30	2	33	65	62	36	2

Region	Number of Responses	Underwriting			Financing			Market Activity			Outlook		
		Rarely	Occasionally	Frequently	Rarely	Occasionally	Frequently	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better
ALL	1153	21	51	28	21	49	30	46	26	28	23	31	46
Western Maryland	97	14	57	29	10	49	41	49	20	30	25	32	42
Allegany	15	13	38	50	6	35	59	59	18	24	29	35	35
Garrett	21	11	84	5	20	45	35	29	33	38	14	29	57
Washington	60	16	53	31	8	54	38	54	16	30	28	33	39

Table 6: Eastern Shore Responses
(percent of total responses)

Region	Number of Responses	Market Conditions			Foot Traffic to Sales			Customer Traffic			Customer Traffic - Type			
		Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Lower	About the Same	Significantly or Slightly Greater	First-time buyers	Homeowners moving up	Homeowners downsizing	Second-home buyers
ALL	1153	20	22	58	26	40	34	20	24	56	58	19	10	14
Eastern Shore	496	27	23	50	34	36	30	23	25	53	52	11	11	25
Caroline	48	21	29	50	33	42	25	22	18	59	67	14	14	5
Cecil	53	30	24	46	33	37	30	28	24	48	59	15	15	12
Dorchester	34	26	31	43	40	37	23	29	26	46	68	14	7	11
Kent	34	49	14	37	46	26	29	40	17	43	54	4	14	29
Queen Anne's	83	27	18	55	35	29	36	21	18	61	54	20	16	10
Somerset	29	37	23	40	33	40	27	20	40	40	82	9	0	9
Talbot	57	17	24	59	29	36	34	20	20	59	51	16	12	22
Wicomico	51	26	21	53	30	42	28	15	34	51	66	7	7	20
Worcester	106	27	22	51	31	39	29	20	29	51	26	4	8	62

Region	Number of Responses	Typical Purchase			Inventory			Distressed Homes			Appraisals		
		Detached Home	Townhouse	Condominiums	Very or Somewhat Low	About Right	Very or Somewhat High	Not at All	Somewhat	Greatly	Much Too or Somewhat Low	About Right	Much Too or Somewhat High
ALL	1153	73	22	6	43	20	37	4	46	50	62	35	4
Eastern Shore	496	83	7	10	17	19	64	3	39	58	58	37	5
Caroline	48	98	2	0	17	21	62	2	20	78	57	37	6
Cecil	53	84	15	2	24	15	61	2	48	50	67	24	9
Dorchester	34	97	3	0	12	9	79	3	24	74	57	43	0
Kent	34	92	5	3	20	9	71	3	51	46	57	37	6
Queen Anne's	83	91	7	2	22	23	55	2	49	48	54	38	8
Somerset	29	97	3	0	14	14	72	0	33	67	57	40	3
Talbot	57	95	5	0	18	16	65	2	32	67	59	36	5
Wicomico	51	87	4	9	12	18	71	2	34	64	62	36	2
Worcester	106	53	9	38	15	26	59	5	45	50	54	42	4

Region	Number of Responses	Underwriting			Financing			Market Activity			Outlook		
		Rarely	Occasionally	Frequently	Rarely	Occasionally	Frequently	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better	Significantly or Slightly Worse	About the Same	Significantly or Slightly Better
ALL	1153	21	51	28	21	49	30	46	26	28	23	31	46
Eastern Shore	496	13	49	38	14	49	37	59	21	21	33	31	36
Caroline	48	10	51	39	8	52	40	71	12	16	45	22	33
Cecil	53	11	55	34	17	50	33	49	32	19	35	30	35
Dorchester	34	20	23	57	9	32	59	71	9	21	46	26	29
Kent	34	17	49	34	12	59	29	59	18	24	49	26	26
Queen Anne's	83	15	55	29	21	49	30	59	16	25	34	21	45
Somerset	29	10	50	40	7	53	40	60	20	20	27	47	27
Talbot	57	16	46	39	18	47	35	69	19	12	36	26	38
Wicomico	51	11	49	40	10	46	44	51	21	28	25	42	34
Worcester	106	12	49	39	14	51	35	47	29	24	22	39	38

Appendix

Survey Questions with Responses

1. How have market conditions for your business changed during the first half of 2012 compared to the first half of 2011?

Significantly Worse	8.3%
Slightly Worse	12.1%
About the Same	21.5%
Slightly Better	43.4%
Significantly Better	14.6%

2. How has customer traffic changed during the first half of 2012 compared to the first half of 2011?

Significantly Lower	8.3%
Slightly Lower	11.6%
About the Same	23.7%
Slightly Greater	43.7%
Significantly Greater	12.7%

3. Is most of your customer traffic:

First time Buyers	59.4%
Homeowners Moving Up	16.8%
Homeowners Downsizing	10.2%
Second-home Buyers	13.5%

4. What type of home purchases is your typical client making?

Detached Home	81.3%
Townhouse	22.8%
Condominium	8.7%

5. What is the sales price range for your typical client?

Less than \$99,999	8.2%	\$500,000 to \$599,999	3.8%
\$100,000 to \$199,999	29.3%	\$600,000 to \$699,999	2.1%
\$200,000 to \$299,999	29.0%	\$700,000 to \$999,999	1.9%
\$300,000 to \$399,999	15.8%	\$1,000,000 or more	1.3%
\$400,000 to \$499,999	8.5%		

6. How has the conversion from foot traffic to closed sales changed in the first half of 2012 compared to the first half of 2011?

Significantly Worse	8.8%
Slightly Worse	17.3%
About the Same	38.9%
Slightly Better	27.7%
Significantly Better	6.3%

7. How would you characterize the inventory of homes on the market in your area?

Very Low	10.2%
Somewhat Low	32.3%
About Right	20.3%
Somewhat High	27.4%
Very High	9.8%

8. To what extent do distressed homes for sale negatively impact housing prices in your area?	
Not at All	4.4%
Somewhat	46.0%
Greatly	49.7%
9. How would you characterize appraisals in the first half of 2012?	
Much Too Low	10.9%
Somewhat Low	50.6%
About Right	34.5%
Somewhat High	3.2%
Much Too High	0.7%
10. In the first half of 2012, how often has tighter underwriting prevent a sale?	
Rarely	21.4%
Occasionally	50.6%
Frequently	28.0%
11. In the first half of 2012, how frequently have clients had difficulty getting mortgage financing?	
Rarely	21.0%
Occasionally	48.9%
Frequently	30.2%
12. How would you characterize market activity in June 2012?	
Weak	14.4%
Somewhat weak	31.3%
Average	25.9%
Somewhat strong	24.8%
Strong	3.6%
13. How has your outlook for the housing market changed since the beginning of the year?	
Significantly Worse	6.6%
Slightly Worse	16.5%
About the Same	31.3%
Slightly Better	37.9%
Significantly Better	7.7%

Data Note

The survey results are not seasonally adjusted, which will affect their interpretation. For example, housing activity tends to be weaker in the winter months because of bad weather. A slowdown in housing activity in winter months, then, could be either due to real economic circumstances or could be due to normal, seasonal fluctuation. Looking at the Realtor survey responses, it is impossible to know the extent to which respondents are implicitly adjusting their responses to account for seasonal factors.