

2010

KW

MARKET NAVIGATOR

Vision and Opportunities



KELLER WILLIAMS REALTY

INTRODUCTION

Welcome to the inaugural issue of the *KW Market Navigator: Vision and Opportunities 2010*—your go-to resource for traversing the shifting tides of the real estate industry. Inside these pages, you will find an unparalleled array of economic and market data, along with key facts and trends concerning first-time home buyers, sellers, and distressed properties from proprietary KW research. You'll find the pictographic style to be straightforward, informative, and often fun.

This first-of-its-kind publication is your map and compass for navigating through the current real estate climate and will position you to master the market of the moment. You will gain a powerful perspective on where the housing market is heading while understanding the critical interactions at play.

This product is divided into seven sections. The first four draw upon the annual “Vision Speech” delivered by Gary Keller, cofounder and chairman of the board, Keller Williams Realty Inc. This vision provides an economic snapshot and statistics for both the United States and Canada and includes a focus on commercial real estate opportunities.

The final three segments draw upon Keller Williams Realty's proprietary and groundbreaking research and provide an invaluable benefit to all agents who choose to be a local market expert. You'll find new and informative data on first-time home buyers, sellers, and the distressed properties market.

KW Market Navigator: Vision and Opportunities 2010 is a vital resource for informed, forward-thinking real estate professionals. Study the data, incorporate the insights into your own presentations, and draw upon the information to sharpen your perspective on the real estate industry today.

For other resources and to purchase additional copies of KW Market Navigator: Vision and Opportunities 2010, please go to kwu.kw.com/marketnavigator.

Inspire excitement with

The **5** U.S. Statistics

Every Agent Should Know

The real estate market is ripe with possibilities for buyers, sellers, and agents. Armed with this data, you act as a compass for clients in your market.

2 DROP IN MEDIAN HOME PRICE

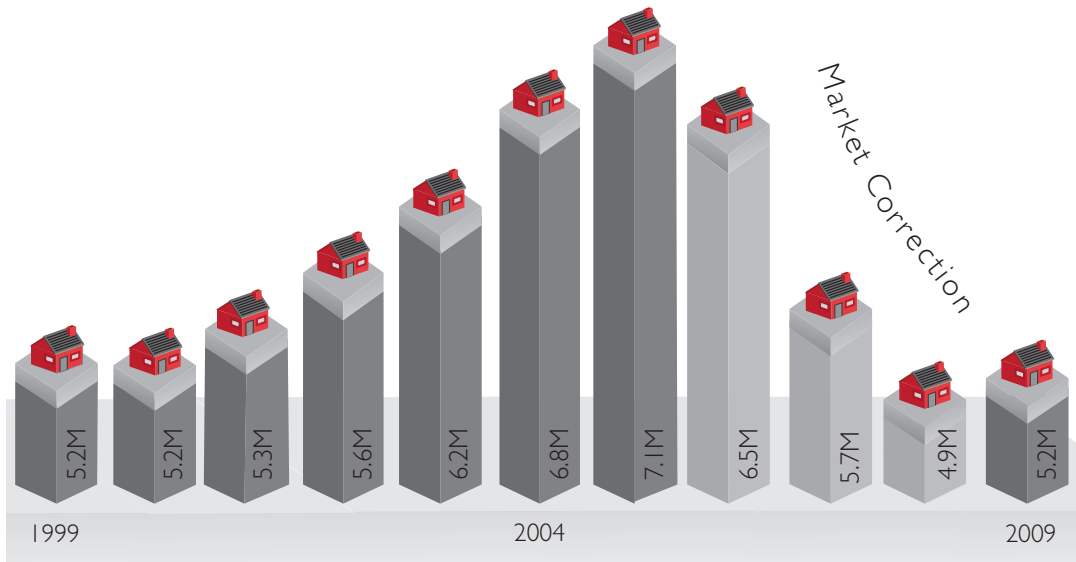
Three Reasons Why:

1. Surge in sales of **distressed properties** that sell for 15%-20% less
2. Influx of **first-time home buyers** purchasing lower-priced homes
3. Slowdown of **high-end market** and jumbo loans to finance them



1

HOME SALES ON THE RISE AGAIN



SIGNS OF MARKET STABILIZATION

More states had increased annual home sales in 2009

States with Increases Q4 – 2008



6

States with Increases Q4 – 2009*



49

The largest increases in 2009:

- Vermont (68.2%)
- Florida (59.3%)
- Idaho (59.2%)
- District of Columbia (56.3%)
- Nevada (53.1%)

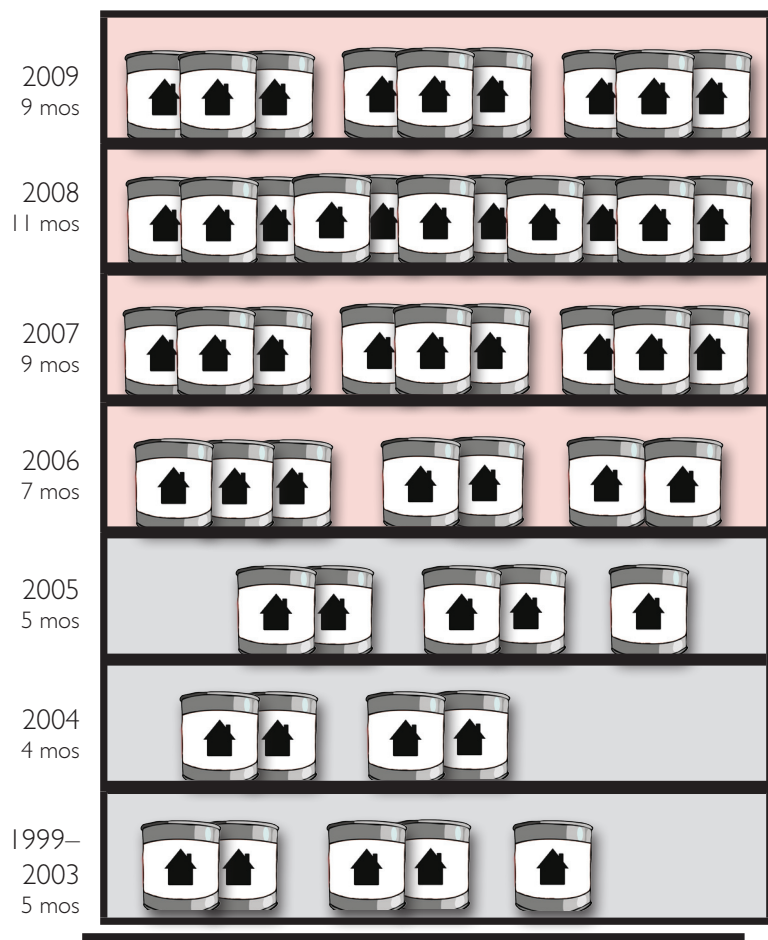
*California was the only state with decreased sales in 2009.

All data courtesy of the National Association of REALTORS®

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HOMES ON THE SHELF

Market Inventory in Months



Bargain Prices!

All items on the upper shelves are "buyers' market."

All reasonable offers will be considered!

*"Take these five categories and combine them with your local numbers to show and compare the national market with your local market. After all, this is what you and I **get paid** to do."*

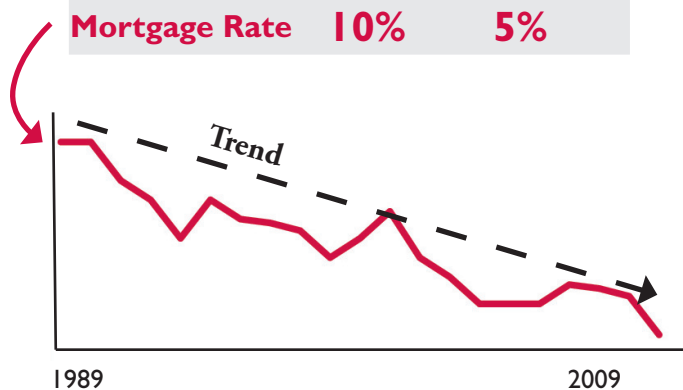
—Gary Keller
Cofounder and COB,
Keller Williams Realty

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MORTGAGE RATES AT HISTORICAL LOWS

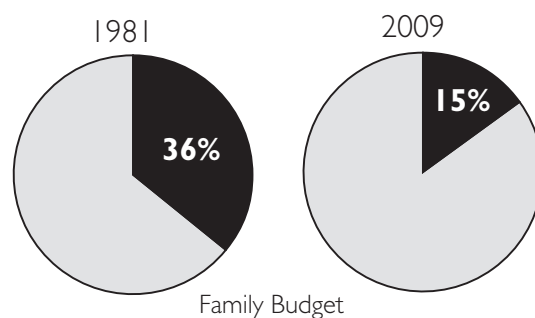
A Perspective

	1989	2009
Bread	\$0.67	\$2.79
Gas (gal.)	\$0.97	\$2.35
New Car	\$15,350	\$28,715
House	\$120,000	\$174,000
Monthly Payment	\$1,053	\$934
Mortgage Rate	10%	5%



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HOMES MORE AFFORDABLE NOW THAN EVER BEFORE



Affordability in the U.S. measures ability to buy—that is, the amount of a median family's income consumed by the median mortgage. In 1981 it took 36% of the family income to pay a mortgage. Today it takes 15%—a historic low!