

## As Foreclosure Inventory Soars, New Trulia Survey Data Reveals Consumer Sentiment about Purchasing Foreclosed Homes

*Survey Finds Both Willingness and Reservations in Purchasing Foreclosures in Wake of Mortgage Crisis, with Hidden Costs The Top Concern Among Consumers*

*Trulia Experts Provide Tips for Successful Foreclosure Purchases*

**San Francisco CA, May 7, 2008**—Trulia.com, the best place to start a [real estate search](http://www.trulia.com) (www.trulia.com), today released the results of a study conducted on their behalf by Harris Interactive ® showing that while more than half of all U.S. adults would consider purchasing a foreclosed home, over two-thirds also feel that there are several negative aspects of such purchases. The findings, part of a comprehensive survey of consumer attitudes about foreclosure, have been released in tandem with guidance from foreclosure experts from Trulia's online community, who offer tips for avoiding potential pitfalls and successfully completing such purchases.

Trulia's internal market intelligence further confirms that interest in purchasing a foreclosed home is rising rapidly among U.S. consumers. Searches for foreclosures on Trulia.com, more than tripled in the first quarter of 2008, rising by 214 percent. Trulia offers market data as well as [listings of foreclosed properties](http://www.trulia.com) (www.trulia.com), to help prospective buyers with their research.

Conducted over a three-day period in late April, the survey found that, while **69** percent of U.S. adults feel that there are negative aspects to purchasing a [foreclosed home](http://www.trulia.com) (www.trulia.com), more than half would be at least somewhat likely to consider purchasing a foreclosed home. Of survey respondents mentioning negative aspects of purchasing a foreclosed home, **69** percent cited hidden costs; **35** percent considered the prospect risky; and **33** percent mentioned the possibility of the home losing value.

“What's striking about these findings is that while U.S. consumers recognize the purchasing opportunity presented by foreclosed homes, there are definitely some reservations about the process,” said Pete Flint, co-founder and CEO of Trulia. “By providing guidance from foreclosure experts combined with comprehensive information on foreclosed homes across the country, Trulia can help potential homeowners take full advantage of this market while avoiding the kind of risks that might otherwise make them hesitate.”

To put foreclosure fears at rest, Trulia's team of foreclosure experts has provided tips for anyone considering purchasing a foreclosed home. These include:

- **Prioritize your needs:** Make a list of “must-haves” for your new home. The foreclosed house you choose should have some overall appeal as well as most of the items on your list.
- **Talk to experts:** Make an appointment with an experienced foreclosure agent. Don't be afraid to ask a lot of questions.
- **Be current:** Look at neighborhood data with emphasis on real time sales. Compare current and last year's home values to determine which way the market is moving.
- **Aim high:** Find out the overall value of the neighborhood in which you are buying. A foreclosure may allow you entry into a better neighborhood.
- **Make inspection mandatory:** Minimize hidden costs by planning a professional inspection. Don't be afraid to get a second opinion..

- **Avoid pre-stage:** The pre-foreclosure/short sales stage is typically not the most profitable. You could wait weeks or even months for an answer from the lender.
- **Buy at the right time:** The foreclosure stage can be profitable when it goes to public auction. The best REO deals are often situations where the home has been on the market for 60 days or more.

### **Some Groups More Inclined to Consider Purchase**

The results of the Harris Interactive ® survey provide nuanced insight into the types of consumers more likely to consider the purchase of a foreclosed home. In particular:

- Single/never married adults (60 percent) are more likely to be at least somewhat likely to consider purchasing a foreclosure versus married (50 percent) or divorced/separated/widowed adults (50 percent).
- Male respondents are more likely to be at least somewhat likely to consider purchasing a foreclosed home compared with female respondents (57 percent versus 51 percent).
- Younger adults (18-34) are more than twice as likely to be at least somewhat likely to consider purchasing a foreclosed home than U.S. adults ages 55+ (69 percent versus 32 percent).
- Respondents with children in the household are more likely to be at least somewhat likely to consider purchasing a foreclosed home versus those who have no children in their household (66 percent versus 50 percent).
- About three out of every four U.S. adults aged 18-34 feel that there are negative aspects of purchasing a foreclosed home (74 percent) versus two-thirds (66 percent) of U.S. adults aged 35 and older.
- 20 percent of U.S. adults said that having a personal connection with someone who lost their home to foreclosure is a negative aspect of purchasing a foreclosed home.

Trulia is one of the most popular sites on the web for real estate and has approximately 3 million real estate listings across the country. Foreclosure tips provided by experts from the Trulia Voices online community: Bill Boone, Fabiola Fleuranvil, John Goad Jr., Tom J. Hall, Travis Houston, Patrick Mahoney, Melissa Morgan and Elizabeth Weintraub. For more information about Trulia or to experience the power of a Trulia search, please visit <http://www.trulia.com/>. Foreclosure listings on Trulia powered by RealtyTrac®.

### **Methodology**

This survey was conducted online within the United States by Harris Interactive via its QuickQuery<sup>SM</sup> online omnibus service on behalf of Trulia between April 23 and 25, 2008 among 2,033 U.S. adults aged 18 years and older. Results were weighted as needed for region, age within gender, education, household income and race/ethnicity. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

### **About Trulia, Inc.**

Trulia, Inc. (<http://www.trulia.com/>), a residential real estate search engine and the fastest-growing U.S. real estate Web site (comScore), has revolutionized online home search by offering a rich, intuitive user experience that points consumers directly to listings on agent and broker Web sites. By partnering with the real estate industry, including 93 of the top 100 largest U.S. brokers, Trulia helps approximately 4.5 million unique visitors per month find

information on homes for sale using custom search criteria. The site also provides market trends and neighborhood data at the hyper-local level, as well as Trulia Voices, a real estate Q&A community, that enables consumers and professionals to exchange information about their local markets. For more information, visit <http://www.trulia.com/>.

### **About Harris Interactive**

Harris Interactive is a global leader in custom market research. With a long and rich history in multimodal research, powered by our science and technology, we assist clients in achieving business results. Harris Interactive serves clients globally through our North American, European and Asian offices and a network of independent market research firms. For more information, please visit [www.harrisinteractive.com](http://www.harrisinteractive.com).

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