

Q4 2019 Zillow Home Price Expectations Survey - Supplemental Questions

Topic: Risk Assessment of Home Price Forecast

Which choice best applies to your long-term outlook for home values?

| Answer choice: | # | Percent | % w/opinion | Expected Home Value Change* | | | |
|-------------------------------|------------|-------------|-------------|-----------------------------|----------------|----------|--|
| | | | | Through 2024 (Cumulative) | Annual Average | | |
| There is risk to the upside | 20 | 18% | 18% | 25.5% | 3.9% | UPSIDE | |
| There is risk to the downside | 47 | 43% | 43% | 15.9% | 2.5% | DOWNSIDE | |
| The risk is balanced | 43 | 39% | 39% | 19.5% | 3.0% | BALANCED | |
| No Response | 0 | 0% | n/a | n/a | | | |
| Total | 110 | 100% | 100% | 19.0% | 2.9% | | |

*Mean expectations of respondents by answer choice. A total of 110 panelists participated in the Q3 survey.

Topic: Homeownership Rate Trends

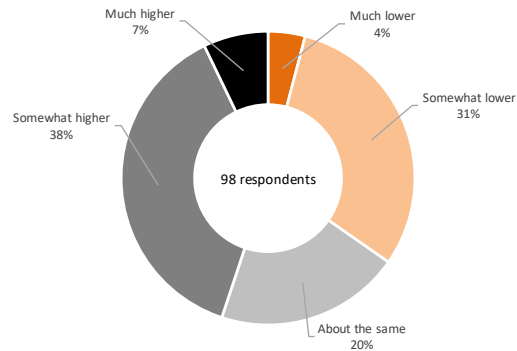
In 2020, as the oldest Millennials hit age 40, the oldest Gen Z members will turn 25. In the year 2035, the oldest Gen Z members will reach the age of 40. Consider for a moment homeownership data pertinent to members of those generations:

| Homeownership Rates | | |
|---------------------|------|---------|
| Age | 2009 | Q2 2019 |
| Under 35 | 40% | 36% |
| 35 - 44 | 66% | 59% |

Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, July 25, 2019.

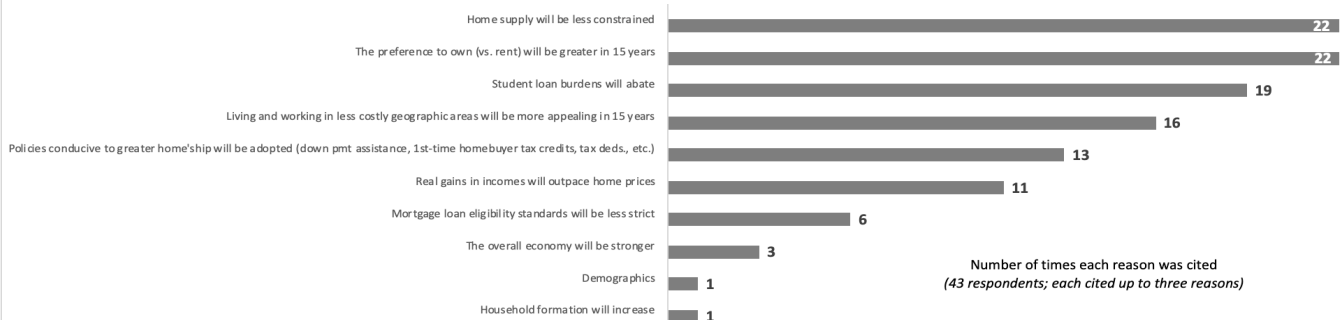
Compared to now, do you expect the homeownership rate of 35-44 year olds in 2035 will be... ?

| Answer choice: | # | Percent | % w/opinion |
|-----------------|------------|-------------|-------------|
| Much lower | 4 | 4% | 4% |
| Somewhat lower | 30 | 27% | 31% |
| About the same | 20 | 18% | 20% |
| Somewhat higher | 37 | 34% | 38% |
| Much higher | 7 | 6% | 7% |
| Not sure | 1 | 1% | n/a |
| No Response | 11 | 10% | n/a |
| Total | 110 | 100% | 100% |



Follow-up probe for the 44 panelists who responded "somewhat higher" or "much higher" to the previous question (43 of those 44 panelists answered the probe, and provided up to three reasons each):
What are the most important reasons why you believe 2035 homeownership rates among 35-44 year-olds will be HIGHER than today?

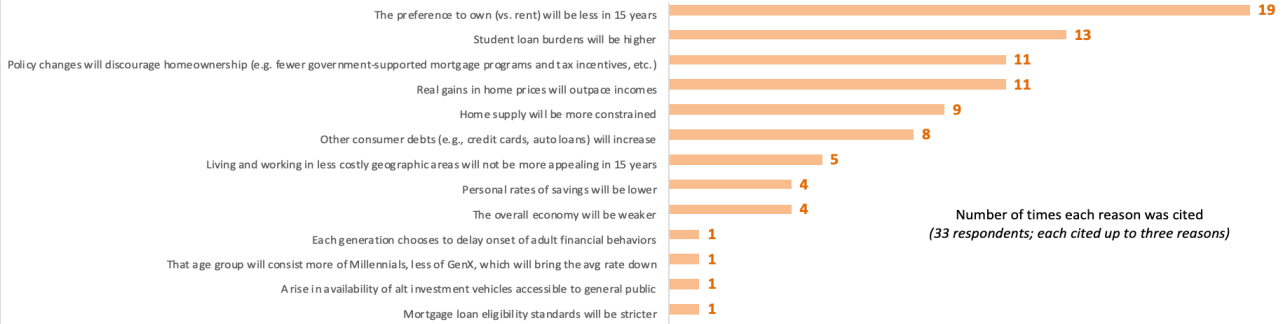
Most important reasons why 2035 homeownership rates among 35-44 year-olds will be HIGHER than today



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Follow-up probe for the 34 panelists who responded "somewhat lower" or "much lower" to the previous question (33 of those 34 panelists answered the probe, and provided up to three reasons each):
What are the most important reasons why you believe 2035 homeownership rates among 35-44 year-olds will be LOWER than today?

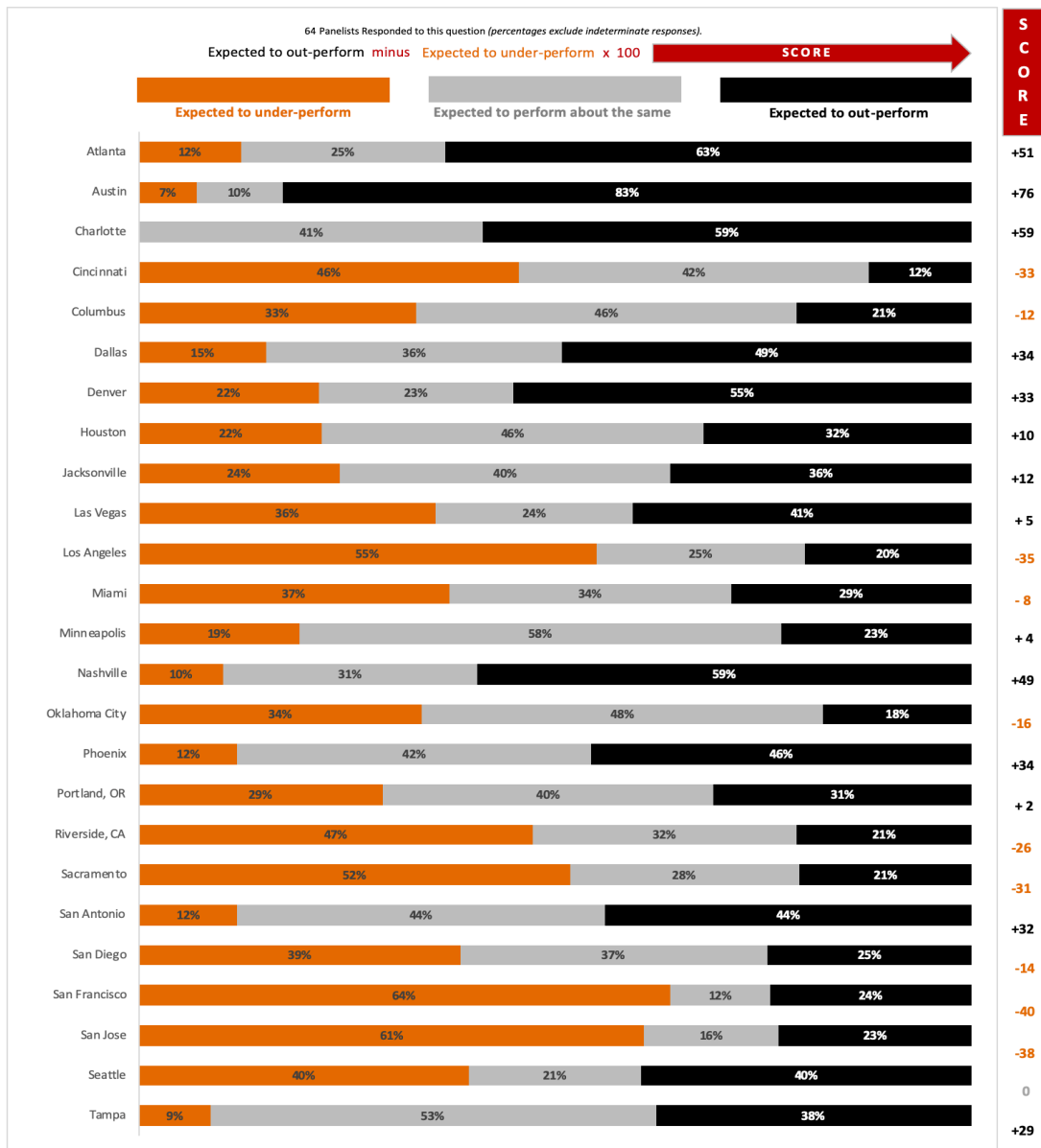
Most important reasons why 2035 homeownership rates among 35-44 year-olds will be LOWER than today



Topic: Relative performance of Metro Area Markets

Nation-wide, home values increased by an average of 2.6 percent through the first three quarters of 2019. Of course, home value appreciation can vary considerably by market; for example, while home values in San Jose fell nearly 9 percent YTD through September, those in Salt Lake City increased by more than 10 percent.

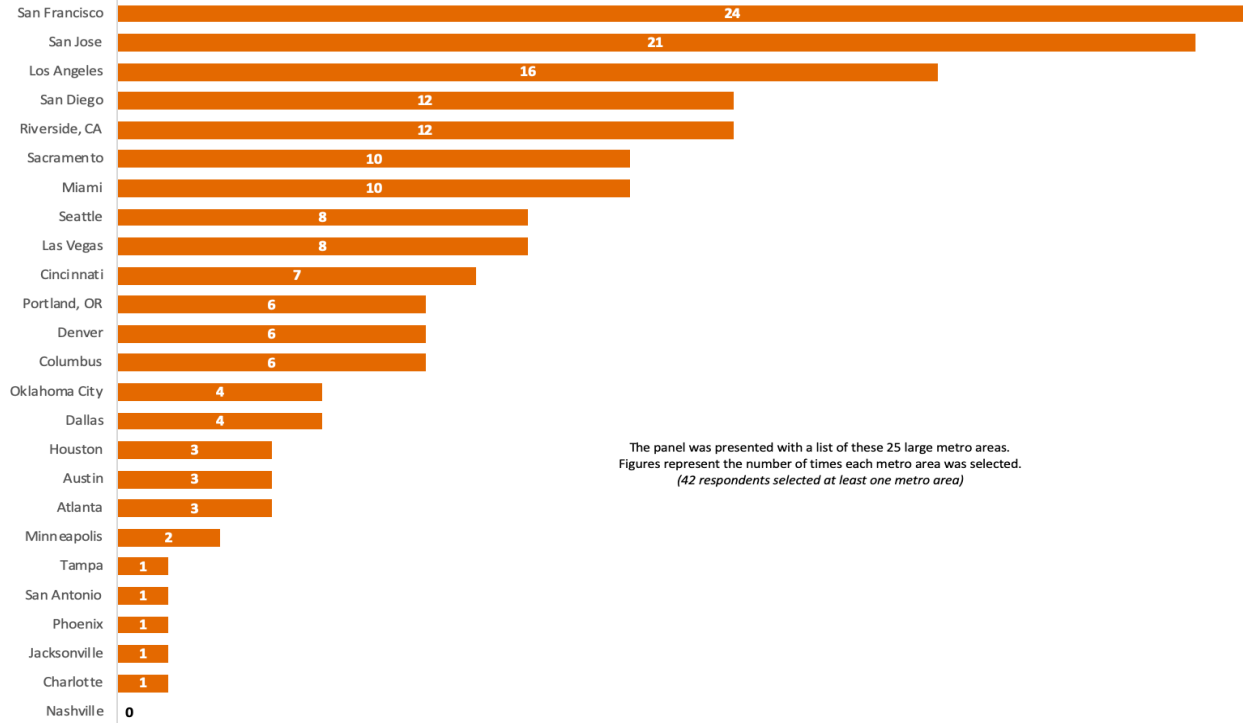
Looking ahead to 2020, how do you expect the metro areas listed below to perform relative to the national average rate in terms of home value appreciation?



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In which of these 25 markets, if any, do you expect home values to fall during 2020 and record negative growth for the (2020) calendar year?

Metro areas in which home values are expected to fall during 2020 (and record negative growth for the 2020 calendar year)



The panel was presented with a list of these 25 large metro areas.
 Figures represent the number of times each metro area was selected.
(42 respondents selected at least one metro area)