

Submit survey no later than **March 31, 2010**

REAL Trends Survey INSTRUCTIONS:

****Please read these instructions very carefully before submitting your survey****

A section for companies with franchised or licensed offices is included (more details are at the end of this instruction sheet).

The deadline for submission of the survey is **March 31, 2010**. Please be sure to submit your survey by that date. Completed surveys must be submitted by mail, e-mail or fax. Once your survey has been received and entered into the REAL *Trends* database, you will receive confirmation via e-mail of its receipt. Please read this confirmation carefully. It will tell you if you need to submit anything else, and the numbers you submitted will be reported back to you so you may determine if they were entered correctly into our database.

Survey requirements:

There are **two** requirements for responding to the survey.

- 1) Be sure that your transaction sides and sales volume reflect *closed* residential business during year 2009.
- 2) Submit verification of your business volume. We began requiring verification several years ago to ensure that the reporting is done in an accurate manner. There are three ways of supplying verification.
 - I. You can supply an auditor's statement as to the accuracy of the information.
 - II. You can have your outside accounting firm supply us with the **residential gross commission income** which your firm reported for 2009 tax purposes. This information will be used for analytic purposes only, and **will not be shared with anyone outside REAL Trends**. It will not be published in any manner.

If you choose to submit verification using this option, the following general wording may be used by your outside accounting firm:

"The residential gross commission income reported to us by (your firm name) for federal tax purposes for calendar year 2009 was \$(amount). This number was not audited by us nor derived except as reported to us by (your firm name)."

- III. **If your firm is affiliated with one of the national real estate franchises**, you may instruct them to release your **residential gross commission income** or **closed sides and volume** to us as reported to them for calendar 2009. Please have them provide this information to us by mail, e-mail or fax.

Your firm must submit verification in one of these three forms via e-mail, mail or fax to be included in the REAL *Trends* Survey.

Important definition:

A unit or transaction is defined as one home sold. When counting transaction sides, one counts both the listing and the selling side of a transaction. Thus, if a broker is involved in both listing and selling a home, he has participated in two sides, gets income from both sides, and counts both sides. If involved in just the listing or just the selling, then he participates in, gets income from, and counts just one side. This transaction side method of measuring counts the actual number of "commissionable events" in which a firm participates. This approach to measuring sides also eliminates the problem of difference in market area price ranges that can skew size comparisons using total Canadian dollar sales volume.

*Please note that leases, lots and land are NOT to be included.

Franchised, licensed or other affiliated firms:

If you have offices that operate as your franchisees or licensees, you may include those firms in your firm's totals if you have at least 50 percent equity ownership. If your franchised or licensed offices do not meet these requirements, please enter those "unqualified" offices in the box marked "unqualified offices" on the survey form. It is not necessary to verify volume for these unqualified offices.

****IMPORTANT - ADDITIONAL SURVEY ENTRIES****

Ancillary Services:

Note that there is a section on the survey that deals with mortgage and title services. Indicate the number of transactions and sales volume for any mortgage and title services that your firm provides along with the number of home warranty, homeowners insurance and escrow policies sold. Also, estimate the percent capture rate for your mortgage and title insurance services, where applicable.

Changes:

Please send an e-mail to abroset@realtrends.com with changes regarding your survey.

Questions?

Should you or your accountant have any questions, please don't hesitate to call co-editor Steve Murray or Amy Broset at 303-741-1000.

Returning Survey:

REAL *Trends*, Inc.
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Castle Rock, CO 80108
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FAX: 303-741-1070

Results:

We appreciate your interest in REAL *Trends* and the REAL *Trends* 500 for calendar year 2009. We will be releasing the results of this survey in May.

REMEMBER: THE DEADLINE FOR SUBMISSION IS March 31, 2010!