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TO: Interested Parties

FR: Paul Fallon

RE: Current Public Opinion Data on Growth and Housing

As the national media, economists and political pundits paint mixed pictures about the current state of the economy, there seems to be a lot of consternation among local officials, builders, developers and REALTORS® about whether steps should be taken to boost or, perhaps, regulate the land-use industry. Survey topics from a recent nationwide poll of adults in the United States conducted by Fallon Research & Communications, Inc. explored some current attitudes toward the housing market and the regulatory climate.

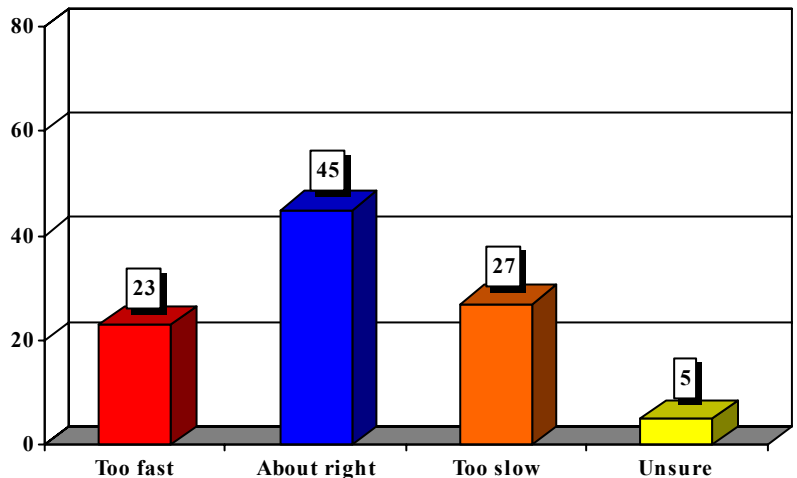
A Little Bit of Good News!

While far from exuberant, slightly more than one-third of the respondents (34%) said that they believe that over the last few months the national economy has improved a lot or somewhat. There is slightly more optimism among younger adults, 18 to 34 years of age (37% say the economy has improved a lot or somewhat), and people that live in the eastern part of the country (39%). The most pessimistic groups appear to be people on the west coast (just 24% feel that the economy has improved a lot or somewhat) and older adults, 55 years of age or older (31%).

Looking at growth from a local perspective, only 23% of the national survey respondents say that the rate of housing growth in their area is too fast, while a plurality (45%) say it is happening at the right pace, and more than a quarter (27%) actually think that the rate of housing growth is too slow (just 5% were unsure).

Interestingly, among those who said that the economy has not improved at all over the last few months, more than a third (34%) felt that the rate of housing growth was too slow, which suggests that they see it as essential to economic recovery! Other sub-groups that appear to be frustrated by the slow rate of housing growth were residents living in mountain states (34% too slow) and the eastern part of the country (31%), while west coast residents appear to be the most ambivalent (42% about right and 21% too slow) or wary of growth (33% too fast).

RATE OF LOCAL HOUSING GROWTH



How Housing and Real Estate Affect the Economy

Perhaps, in part, because of the steady stream of news coverage over the last year, Americans seem to be acutely attuned to the inexorable relationship between the housing industry and

national economy. A near majority (45%) say that the real estate industry and housing market are very important to the national economy, with another 48% agreeing that they are, at least, somewhat important. Those who seem to be most cognizant of the relationship between housing and the economy are older adults (47% very important), residents of the mountain states (57%) and those who believe that the economy has gotten better during the last few months (53%). After a decade marked by boisterous debate about how important growth might be to the economy, what is really remarkable is that when you combine the 45% who say the real estate industry and housing market are very important to the local economy with the 48% that say they are somewhat important, the total (93%) represents a nearly-universal sentiment! It also helps to quantify just how small and isolated the sentiments are on the other end of the political spectrum. Clearly, scoffing at the economic benefits of housing and growth is no longer a viable strategy in the public debate about the virtues of housing and real estate.

Some Caution is Warranted

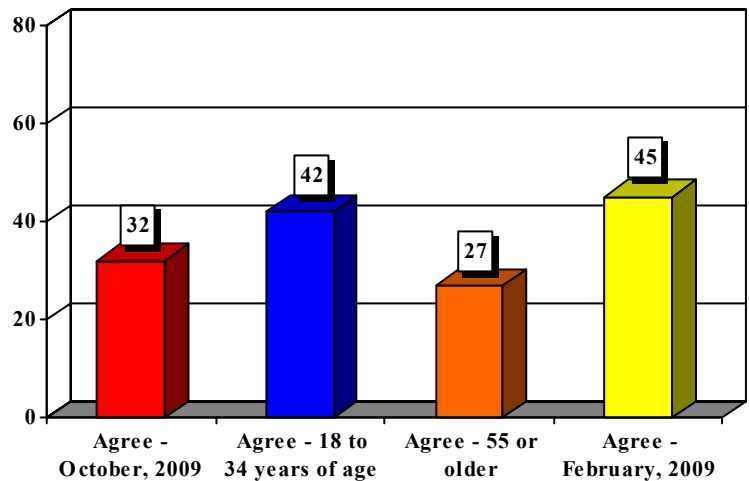
Despite the state of the economy and recognition of growth's integral role in bolstering it, there is reluctance to embrace more permissive regulatory postures toward growth. Only 32% of national survey respondents agreed that now is the time to eliminate some of the most restrictive housing growth and development regulations in order to stimulate the housing market and economy, while 51% disagreed and 17% were unsure.

There was a marked disparity by age, as 42% of 18 to 34 year-olds agreed, but only 27% of respondents 55 or older concurred. Moreover, the percentage that agreed is actually 13% lower than it was when the very same question was asked in February of this year, when the economy had reached its nadir. This presages a possible return to "old habits" and that, as the economy begins to rebound, people may feel more comfortable adopting hostile postures and policy orientations towards housing and real estate.

Please feel free to call me if you want to discuss this information in greater detail. I can be reached at 614-341-7005 and will be glad to answer any questions.

This information is based on survey research that was conducted through telephone interviews of 1,003 randomly-selected adults in the United States. The interviews were performed in both English and Spanish over land-line and cellular telephones during the period of October 2, 2009 to October 5, 2009. The overall estimated margin of sampling error is +/- 3.1%, based on a confidence level of 95%, although it varies for each individual question. This means that if this survey was repeated, 95 times out of 100 the results would be within plus or minus 3.1% of those provided herein.

TIME TO ELIMINATE RESTRICTIVE GROWTH REGULATIONS



About Paul Fallon...



Paul Fallon is a public opinion researcher, political pollster and advisor for interest groups, political candidates and trade associations. He specializes in land-use policy research, referendums and public funding issues. He is the former Director of Public Opinion Research for the National Association of Home Builders.

Paul has worked on issues and campaigns in more than 32 different states throughout the U.S. He has served as the pollster for numerous campaigns to get voter approval for new housing and commercial developments, protect and strengthen property rights, defeat growth proposed moratoriums, change zoning designations, urban growth boundaries, impact fees and transfer taxes. His clients include development companies, apartment associations, REALTOR® associations and homebuilding associations.