

PURPLE REPORT

April 20th, 2022

Memorandum

To: Interested Parties

Fr: Ryan Frazier, founder, Purple Report, CEO of Frazier Global

Re: Purple Report: Colorado Association Realtors® ESG April 2022 Survey

An Introduction to the Purple Report

Purple Report is a market and public opinion research project and service that measures the awareness, attitudes, and impressions of environmental, social responsibility, corporate governance, “ESG” practices, standards, and policies among different populations. Our mission is to provide timely and actionable ESG stakeholder opinion research data and information to a spectrum of business, government, NGOs, and public policy stakeholders.

This Purple Report presents the results of an online survey of 703 respondents who have indicated they either own a home or plan to own a home in Colorado. The interviews were conducted from April 3rd-9th, 2022. The overall responses have a margin of error of +/- 4% at the 95% confidence interval. Data includes Post-Stratification which weights survey results using local census data.

Purple Report used PollFish’s online survey platform and access to U.S. respondents for this research. The survey questions were developed by Purple Report analyst using, in part, material factors developed by the Sustainability Accounting Standards Board (SASB) for the Real Estate sector as well as other sources of ESG in Real Estate. These opinions further shape the industry-specific sustainability risks and growth opportunities within Colorado’s Real Estate market.

This Purple Report on ESG and Real Estate had 703 respondents. 51% live in Colorado and own a home or want to own a home in Colorado and 49% live outside the state but expressed an interest in buying a home in the state. 54% identify as female and 46% as male. Other demographics including age, race/ethnicity and income. Additional demographics of the participants such as education, city, and more of can be provided as needed.

Key Findings (using Post-Stratification weighting results):

- On the question of importance to Colorado’s housing market on a scale of 5 being VERY important to 1 being NOT important at all, protection of personally identifiable information from cyber theft (67.6%), ethical and transparent Real Estate

professionals (67.3%), more affordable housing options (66.6%) scored the highest overall importance.

- A substantial majority of respondents, 78%, think Realtors® should be familiar with and able to effectively communicate sustainability housing practices and their long-term value to them as a homeowner or potential homeowner.
 - The number rising to over 85% among those earning \$125K or more. But, drops to 65% among those respondents from outside Colorado looking to buy a home in the state.
- 71% strongly support (36.7%) or somewhat support (34.9%) a policy or law that would provide tax incentives to homebuilders and homeowners who build or renovate their homes with eco-friendly materials, use smart technological heating or ventilation, or use more renewable energy.
- Nearly 63% say they are much more likely (30.2%) or somewhat more likely (32.6%) to choose a Realtor® over an online platform (Zillow, Redfin, Open Door) when the Realtor® provides trusted expertise on things like community insights, price negotiation, and water & energy features.
 - 72% of those with an undergraduate or post-graduate degree agree with this sentiment.
 - However, nearly 45% of respondents who identify as Hispanic or Latino say they are somewhat less likely (15.7%) or much less likely (29.2%) to choose a Realtor, a finding that may merit deeper analysis.
- When asked to rank factors in order of priority on what respondents believe will determine the long-term value of their home or future home, with 10 being highest priority and 1 being lowest priority, local crime rate ranked 1st with a mean of 6.17, Building quality of home 2nd with a mean of 6.08, with water and & energy sustainability features coming in 3rd with a mean of 5.8. Local schools came in 4th with a mean of 5.66.
 - Among those respondents from outside Colorado who plan to buy a home in Colorado, Local Schools had the highest mean at 5.68, followed by water & energy sustainability rates 5.63, followed by local crime rates at 5.61.
- 69% of all respondents say they strongly agree (40.1%) or somewhat agree (28.9%) with the viewpoint that Colorado Realtors® should have policies and practices publicly available that disclose their approach to ethical behavior and transparency of potential conflicts or business practices.
- Nearly 67% strongly agree (34.1%) or somewhat agree (32.8%) with the viewpoint that as the number of severe weather conditions, droughts, wildfires increase due in

part to climate change, and with the potential risk to homes and commercial properties, Realtors® need to be helping provide solutions that address climate change risks.

- Fully 70% indicated they are much more likely (39.9%) or somewhat more likely (30.5%) to work with a Realtor® who has a proficient level of knowledge and training on sustainability and sustainable housing practices when it comes to buying, selling, or investing in a home.
 - The number jumps to 83% of those who are divorced, widowed, or separated.
 - 16% of all respondents said it makes no difference in their decision.
- Just 41.3% of respondents think Realtors® and their companies do enough to demonstrate their policies, practices, and performance around addressing environmental concerns and making positive social impacts. Compared with 42.2% who indicated Realtors® do not do enough.
 - The number of those who think Realtors® do not do enough ticks up to nearly 49% of those who've completed vocational training and those who've completed an undergraduate education.
 - On this question women and men clearly diverge in their opinion, with 50% of men saying Realtors® do enough and 48% of women saying Realtors® don't do enough.
- 58% of respondents felt they were more likely to own or purchase a home in a mixed-income neighborhood when knowing that inclusive communities can have characteristics like mixed-income housing. These are viewed by some as a positive approach for bringing people from different backgrounds, races, incomes and ages together for stronger communities.
 - Among respondents 54 years of age and older, nearly 37% indicated they were somewhat less likely (20.8%) or much less likely (15.8%) to do so.
- 70% of respondents say it is important when owning or purchasing a home, that they know the home's energy rating and water efficiency.
 - Among those with a post-graduate education, 90% say this is important. And, 82% of those ages 35-44 say it's important, both high-water marks.

Conclusion

Sustainability and environmental, social, governance (ESG) factors are of increasing importance to a range of stakeholders including homeowners and those interested in owning a home in Colorado. Realtors® have an opportunity to both mitigate risks and

capitalize on market opportunities through the creation of value for their clients, the planet, and the overall economy.

The support for sustainability/ESG by both those who live in Colorado and those seeking to buy a home in Colorado is broad and spans every demographic researched in this Purple Report survey of 703 respondents.

Realtors® would be well served by dramatically stepping up efforts to become better educated and thus community experts as it relates to sustainability factors in Colorado's housing market. On the question of working with a Realtor® vs an Online Platform, in the view of the analysts of this research, it's not a question of either-or, but more so how Realtors® integrate both the use of technology with their expertise and the local knowledge needed by today's (and the future) home buyer and seller.

Matters like housing affordability and inclusive communities continue to be an issue that requires solutions. While there is not a one-size-fit-all approach, the data from this report would indicate there is majority support for more progress on both fronts.

Interestingly, the transparency and ethics of Realtors® stood out as characteristics home buyers and sellers want from those they do business with, both are governance related matters. Transparency of the industry and communications by the industry continues to be of interest which may indicate there is more that could be done to secure Realtors® status as trusted advisors who protect the interests of their clients.

Critically, in our analysis with over 3/4th of respondents believing that Realtors® should be familiar with and able to effectively communicate sustainability housing practices and their long-term value, this report urges greater adoption by the Realtor® community and its state and local associations. Integration into strategy and a practical and actionable toolkit may prove useful for those committed to further their capabilities and making measurable positive impacts for their communities.

Any questions regarding the Purple Report or survey methodology can be directed to Ryan Frazier, CEO of Frazier Global, or associates of Purple Report at team@purplereport.org. Following are the full survey topline results. If you wish to download or view the survey crosstabs (when available to the public) please visit <https://purplereport.org/categories/reports-and-analysis>.

SQ1. Are you a Colorado resident and either own a home or plan to own a home one day in Colorado?

#	Answers	Stratified Answers (%)	Stratified Count
A1	Yes	100.00%	703
A2	No	0.00%	0



■ POST STRATIFIED RESULTS COMPLETES 703 [Details >](#)

Q3. On a scale of 1 to 5, with 5 being VERY important and 1 being NOT important at all, please rate the importance of the following business practices for Colorado's housing market to YOU.

#	Statements	5	4	3	2	1
A1	More affordable housing options	316.9 (45.08%)	151.27 (21.52%)	118.49 (16.85%)	47.28 (6.73%)	69.06 (9.82%)
A2	Homes with more water efficient toilets, appliances, and landscaping	244.66 (34.80%)	197.68 (28.12%)	142.32 (20.24%)	65.28 (9.29%)	53.07 (7.55%)
A3	Houses that use less energy	278.57 (39.63%)	155.24 (22.08%)	139.37 (19.83%)	67.29 (9.57%)	62.52 (8.89%)
A4	Public-Private partnerships that support rehabilitation of abandon homes and deteriorated public spaces	178.92 (25.45%)	195.26 (27.77%)	186.65 (26.55%)	72.02 (10.24%)	70.16 (9.98%)
A5	Housing that uses more renewable energy	260.13 (37.00%)	184.84 (26.29%)	127.18 (18.09%)	64.99 (9.24%)	65.86 (9.37%)
A6	Protection of your personally identifiable information used for Real Estate transactions from Cyber theft	298.12 (42.41%)	176.96 (25.17%)	108.69 (15.46%)	55.66 (7.92%)	63.58 (9.04%)
A7	Ethical and transparent Real Estate professionals	306.69 (43.63%)	166.57 (23.69%)	113.86 (16.20%)	54.55 (7.76%)	61.33 (8.72%)
A8	The health and safety of those that work in the Real Estate industry	230.7 (32.82%)	188.22 (26.77%)	132.37 (18.83%)	80.51 (11.45%)	71.2 (10.13%)

Q4. Would you support or oppose a policy or law that would provide tax incentives to homebuilders and homeowners who build or renovate their homes with eco-friendly materials, use smart technological heating or ventilation, or use more renewable energy?

#	Answers	Stratified Answers (%)	Stratified Count
A1	Strongly support	36.66%	257.69
A2	Somewhat support	34.87%	245.12
A3	Somewhat oppose	9.19%	64.57
A4	Strongly oppose	8.30%	58.32
A5	Unsure/No opinion	10.99%	77.29

Q5. Do you think Realtors® should be familiar with and able to effectively communicate sustainability housing practices and their long-term value to you as a homeowner or potential homeowner?

#	Answers	Stratified Answers (%)	Stratified Count
A1	Yes	78.05%	548.68
A2	No	21.95%	154.32

Q6. How important is it to you that the community where you own a home or seek to own a home has easy access to walking paths, bike lanes, and transit options?

#	Answers	Stratified Answers (%)	Stratified Count
A1	Very important	39.01%	274.24
A2	Somewhat important	32.19%	226.33
A3	Not too important	16.58%	116.53
A4	Not important at all	5.20%	36.58
A5	Unsure/No Opinion	7.02%	49.33

Q7. Do you agree or disagree with the viewpoint that Colorado Realtors® should have policies and practices publicly available that disclose their approach to ethical behavior and transparency of potential conflicts or business practices?

#	Answers	Stratified Answers (%)	Stratified Count
A1	Yes, strongly agree	40.16%	282.35
A2	Yes, somewhat agree	28.97%	203.63
A3	No, somewhat disagree	8.95%	62.92
A4	No, strongly disagree	7.20%	50.59
A5	Unsure/No opinion	14.72%	103.51

Q8. Do you agree or disagree with the viewpoint that as the number of severe weather conditions, droughts, wildfires increases due in part to climate change, and with the potential risk to homes and commercial properties, Realtors® need to be helping provide solutions that address climate change risks?

#	Answers	Stratified Answers (%)	Stratified Count
A1	Yes, strongly agree	34.17%	240.23
A2	Yes, somewhat agree	32.82%	230.74
A3	No, somewhat disagree	12.38%	87.03
A4	No, strongly disagree	9.29%	65.34
A5	Unsure/No opinion	11.33%	79.66

Q9. Are you more likely or less likely to work with a Realtor® who has a proficient level of knowledge and training on sustainability and sustainable housing practices when it comes to buying, selling, or investing in a home?

#	Answers		Stratified Answers (%)	Stratified Count
A1	Yes, much more likely		39.85%	280.14
A2	Yes, somewhat more likely		30.48%	214.29
A3	No, it makes no difference in my decision		16.45%	115.64
A4	Unsure/No Opinion		13.22%	92.93

Q10. Do you think Realtors® and their companies do enough to demonstrate their policies, practices, and performance around addressing environmental concerns and making positive social impacts?

#	Answers		Stratified Answers (%)	Stratified Count
A1	Yes, definitely do enough		16.40%	115.31
A2	Yes, probably do enough		24.93%	175.24
A3	No, probably do not do enough		30.47%	214.22
A4	No, definitely do not do enough		11.75%	82.61
A5	Unsure/No opinion		16.45%	115.62



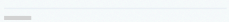

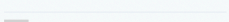
Q11. Environmental, Social, Governance also known as “ESG” are three risk and opportunity factors that some businesses, governments, and investors use to measure organizational performance and impact on important issues to their stakeholders. (ex. GHG emissions, energy use, diversity, data privacy, business ethics, etc.) Knowing this, do you have a favorable or unfavorable opinion of “ESG”?

#	Answers		Stratified Answers (%)	Stratified Count
A1	Very favorable		20.36%	143.15
A2	Somewhat favorable		35.05%	246.37
A3	Somewhat unfavorable		14.41%	101.33
A4	Very unfavorable		8.46%	59.48
A5	No Opinion		21.72%	152.67

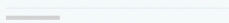
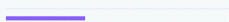
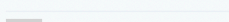
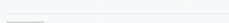
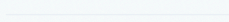
Q12. Inclusive communities that have characteristics like mixed-income housing are viewed by some as best practice for bringing people from different backgrounds, races, incomes, and ages together for stronger communities. Knowing this, are you more likely or less likely to own or purchase a home in a mixed-income neighborhood?

#	Answers		Stratified Answers (%)	Stratified Count
A1	Yes, Much More Likely		23.28%	163.69
A2	Yes, Somewhat More Likely		34.93%	245.54
A3	No, Somewhat Less Likely		16.12%	113.35
A4	No, Much Less Likely		10.73%	75.45
A5	Unsure/No Opinion		14.93%	104.96

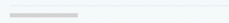
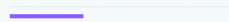
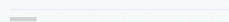
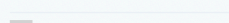
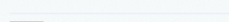
Q13. How important is it to you, when owning or purchasing a home, that you know the home's energy rating and water efficiency?

#	Answers		Stratified Answers (%)	Stratified Count
A1	Very Important		41.51%	291.78
A2	Somewhat Important		29.33%	206.18
A3	Not Too Important		12.28%	86.32
A4	Not Important at All		6.04%	42.48
A5	Unsure or No Opinion		10.84%	76.24

Q14. How would you describe the area where you currently live?

#	Answers		Stratified Answers (%)	Stratified Count
A1	City or urban area		24.18%	169.95
A2	Suburban area		35.22%	247.58
A3	Small town		16.31%	114.65
A4	Rural area		16.98%	119.39
A5	I prefer not to say		7.32%	51.43

Q15. Online platforms like Redfin, Zillow, and OpenDoor are becoming more popular as a way to buy or sell your home while avoiding Realtors® fees. Realtors® are adapting to provide greater value. Are you more or less likely to choose a Realtor® over an online platform when the Realtor® provides you trusted expertise on things like community insights, price negotiation, and water & energy features?

#	Answers		Stratified Answers (%)	Stratified Count
A1	Yes, much more likely		30.24%	212.56
A2	Yes, somewhat more likely		32.64%	229.47
A3	No, Somewhat Less Likely		12.02%	84.51
A4	No, Much Less Likely		10.04%	70.55
A5	Unsure/No Opinion		15.06%	105.91