

2020

NAR Flash Survey:

Economic Pulse

May 03-04, 2020

National Association of REALTORS®
Research Group



**NATIONAL
ASSOCIATION OF
REALTORS®**

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Methodology

Sample



The survey was delivered to a random sample of 90,964 members. The survey had 2,283 useable responses. The response rate was 2.51 percent.

For 96 percent of respondents, the majority of their business is residential.

Dates



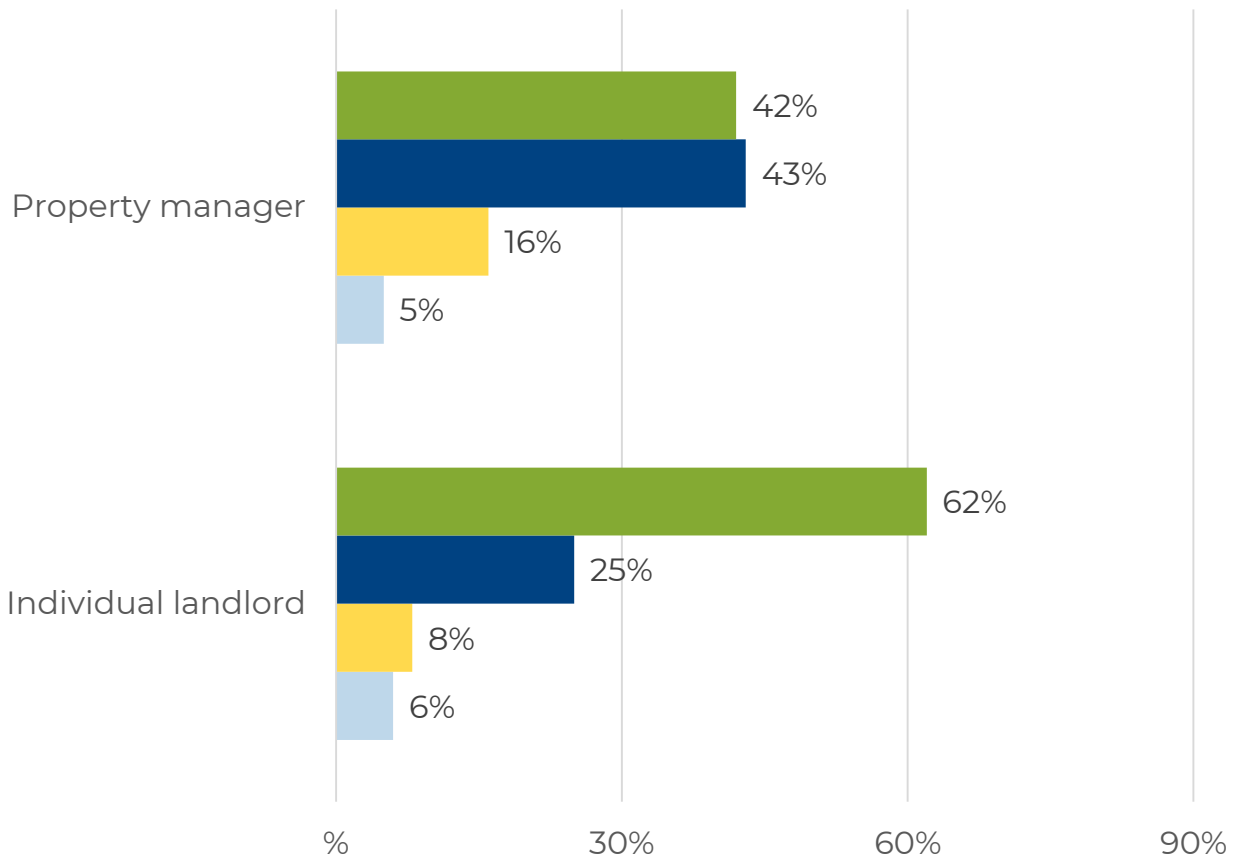
The survey was deployed on Sunday, May 3rd, and was closed on Monday May 4th.

The margin of error for overall results is +/-2.05 percent. This response rate is high enough and the margin of error is low enough that the results can be considered quantitative and reflective of all members within this margin of error.

Tenants Paying Rent

Of those who work with residential tenants, 42 percent of property managers cited having no issues with their tenants paying the rent, compared to 62 percent of individual landlords. Forty-three percent of property managers reported being able to accommodate their tenants who cannot pay rent and 16 percent cited it being difficult. Among individual landlords, 25 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and eight percent cited it being difficult. Small portions (less than 10 percent) of property managers and individual landlords reported tenants terminating their leases.

IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY TENANTS WHO ARE UNABLE TO PAY THEIR RENT?:

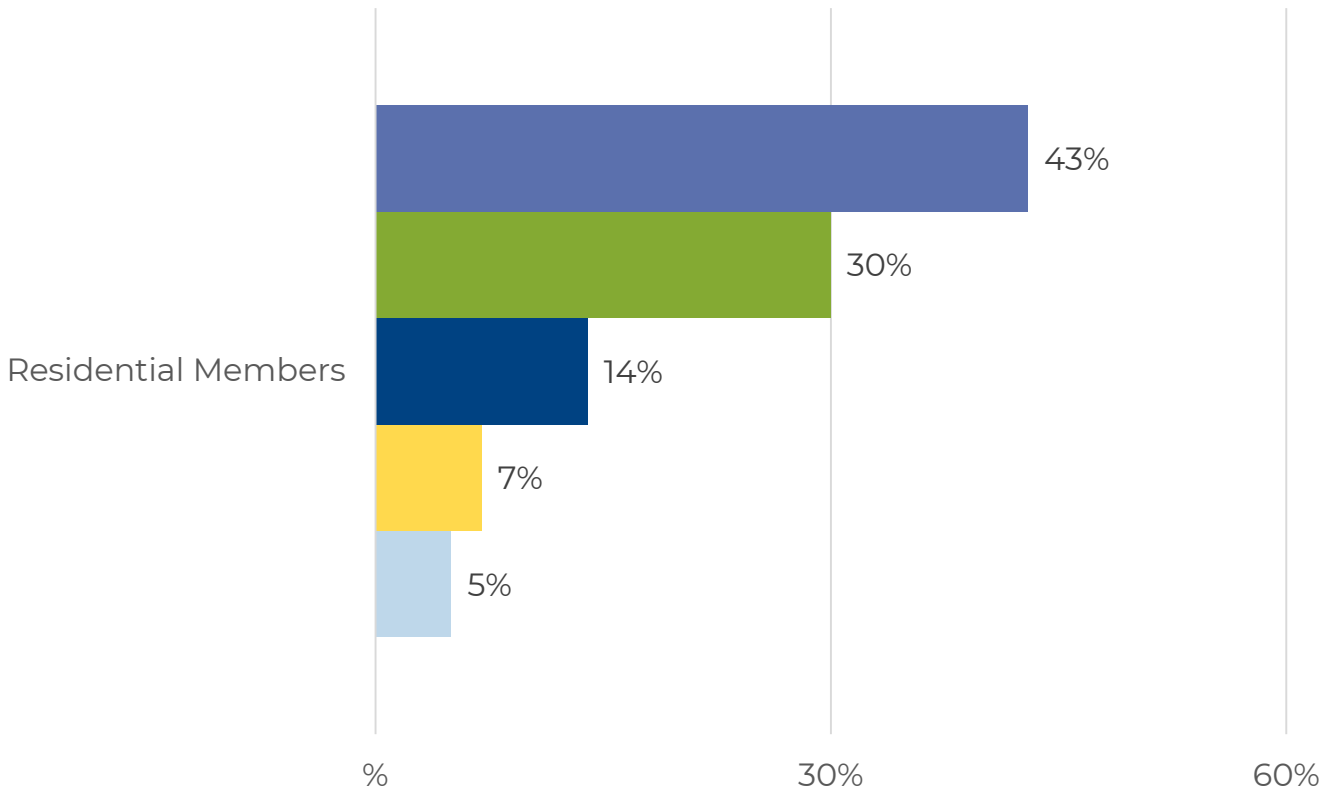


- No issues, rents are being paid on time
- Yes, asking to delay paying their rent, and will be accommodating knowing the circumstances
- Yes, asking to delay paying their rent, and will be difficult to allow
- Yes, leases are being terminated

Social Distancing and Transactions

Forty-three percent of members were able to complete nearly all aspects of transactions while respecting social distance. With minor modifications such as using masks and gloves, 30 percent felt person-to-person interactions were still required. Seven percent postponed home searching and 14 percent stated that the mandate of stay-at-home prevents them from completing transactions.

HOW WOULD YOU ASSESS SOCIAL DISTANCING GUIDANCE AND REAL ESTATE TRANSACTION, ESPECIALLY WITH MORE USE OF VIRTUAL TOURS, ELECTRONIC SIGNATURES, AND EXTERIOR-ONLY HOME APPRAISALS?

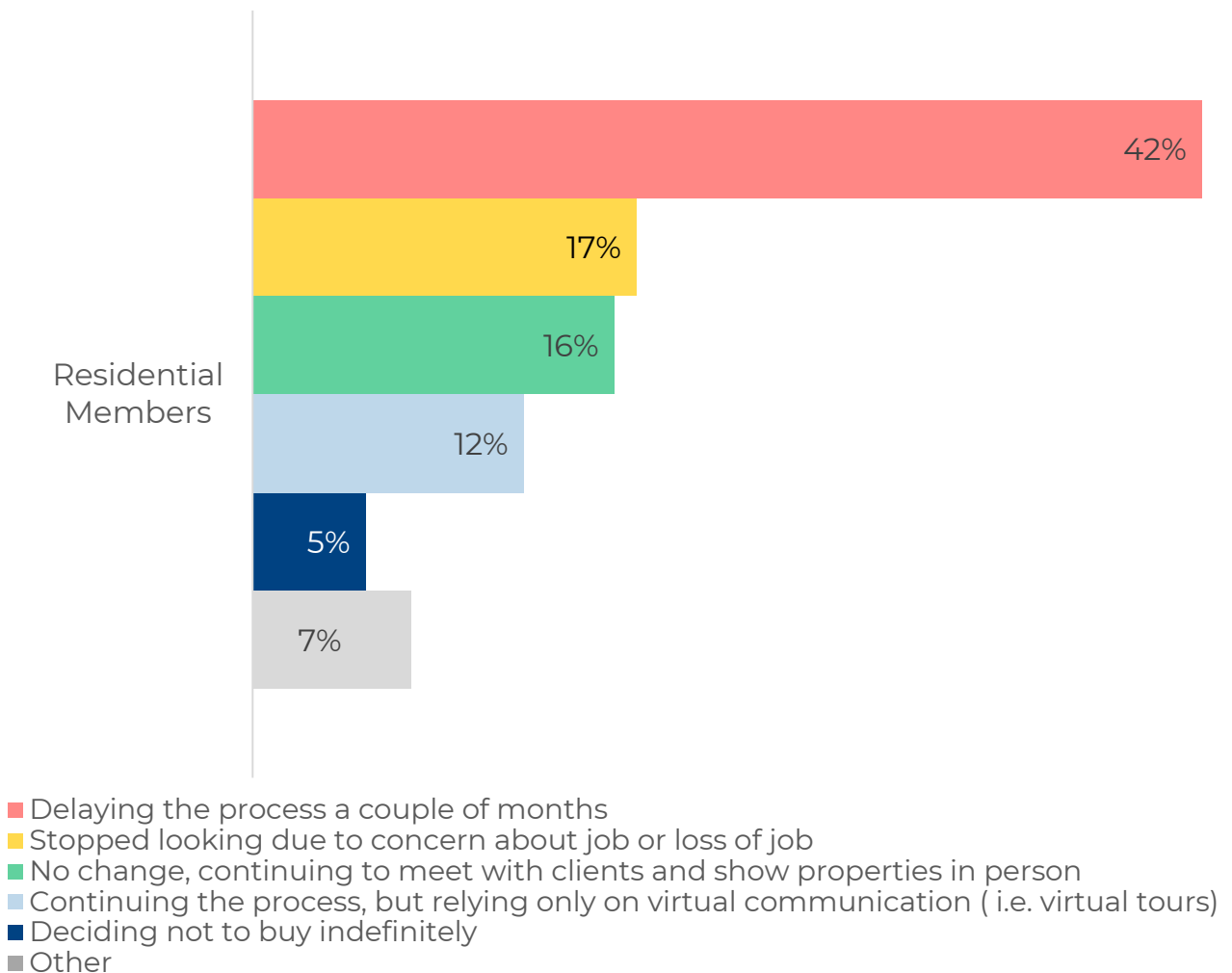


- Some aspects still require person-to-person interactions, though masks and gloves could lessen the risk of spreading the virus
- Nearly all aspect of the transaction can be done while respecting social distancing
- Government mandate of stay-at-home, including not permitting private showings is leading to near impossibility of getting deals done
- Home searching has to be postponed because of the need for close person-to-person interactions and with strangers
- Other

Buyer Behavior

Forty-two percent of members reported buyers are delaying their home purchase for a couple of months. Seventeen percent stopped looking due to concern about losing their job. Sixteen percent reported there is no change in client behavior, and they continue to meet in person. Twelve percent reported members are continuing the process, but only relying on virtual communication. Five percent reported members are continuing the process, but only relying on virtual communication. Five percent reported clients are deciding not to buy or sell indefinitely. Five percent reported clients are deciding not to buy or sell indefinitely.

IN GENERAL, HOW HAS THE CORONAVIRUS (COVID-19) CHANGED CLIENTS' ATTITUDES WITH REGARDS TO BUYING A HOME?

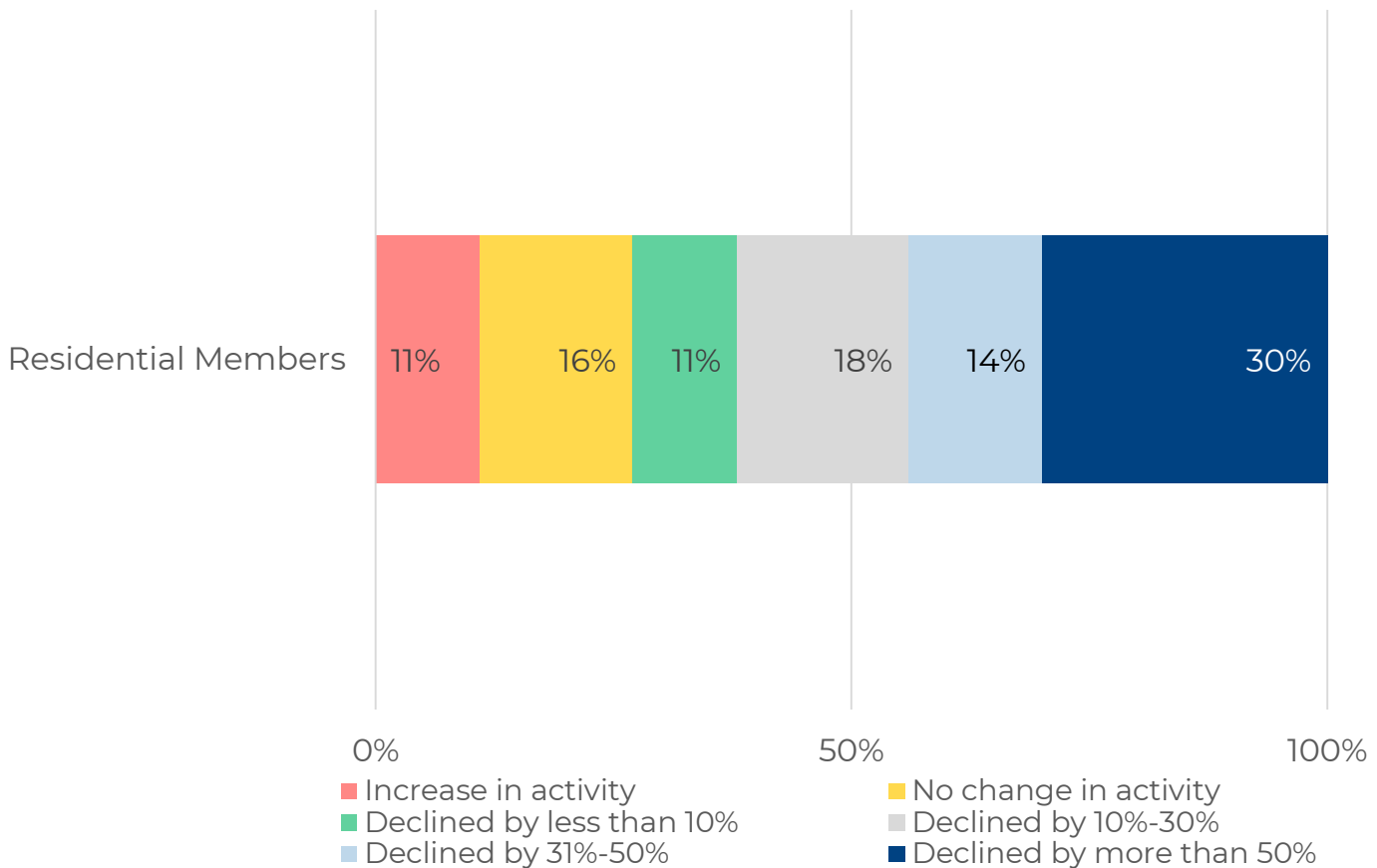


Buyer Interest

Seventy-three percent of members cited a decline in buyer interest. Thirty percent reported a decline by more than 50 percent. Twelve percent of members cited no change in activity and three percent cited an increase in activity.

Twenty-two percent of members who worked with a buyer who put a contract on a home this week reported that they worked with a buyer who only saw the home virtually.

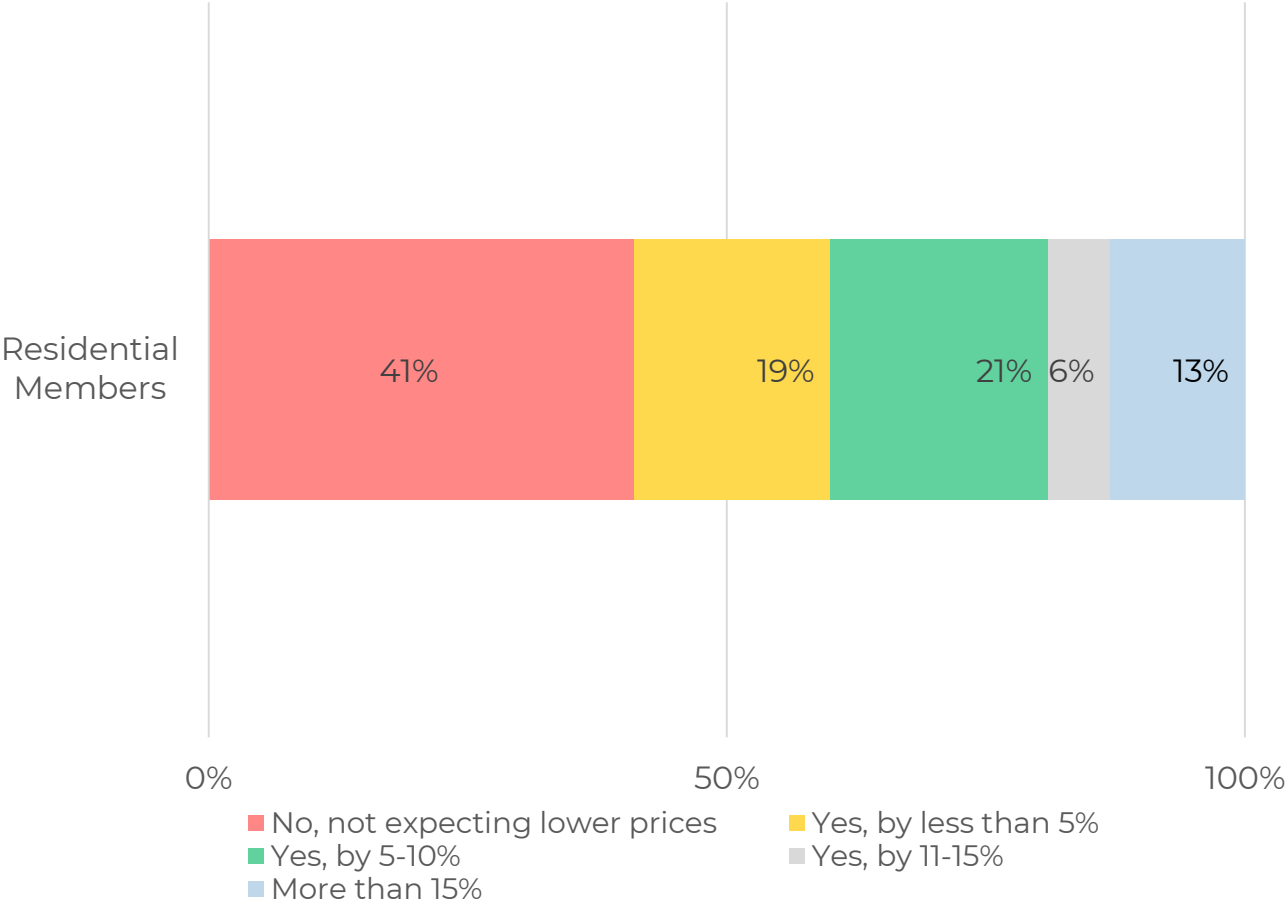
IN REFERENCE TO EARLY WEEKS OF ECONOMIC LOCKDOWN, ABOUT ONE MONTH AGO, HOW HAS CORONAVIRUS (COVID-19) AFFECTED HOME BUYER INTEREST IN YOUR MARKET IN THE PAST WEEK?



Buyer Expectations of Home Prices

Fifty-nine percent of members said buyers are expecting a decline in home prices. Nineteen percent expect a less than five percent decrease, with 21 percent expecting a decrease by five to 10 percent.

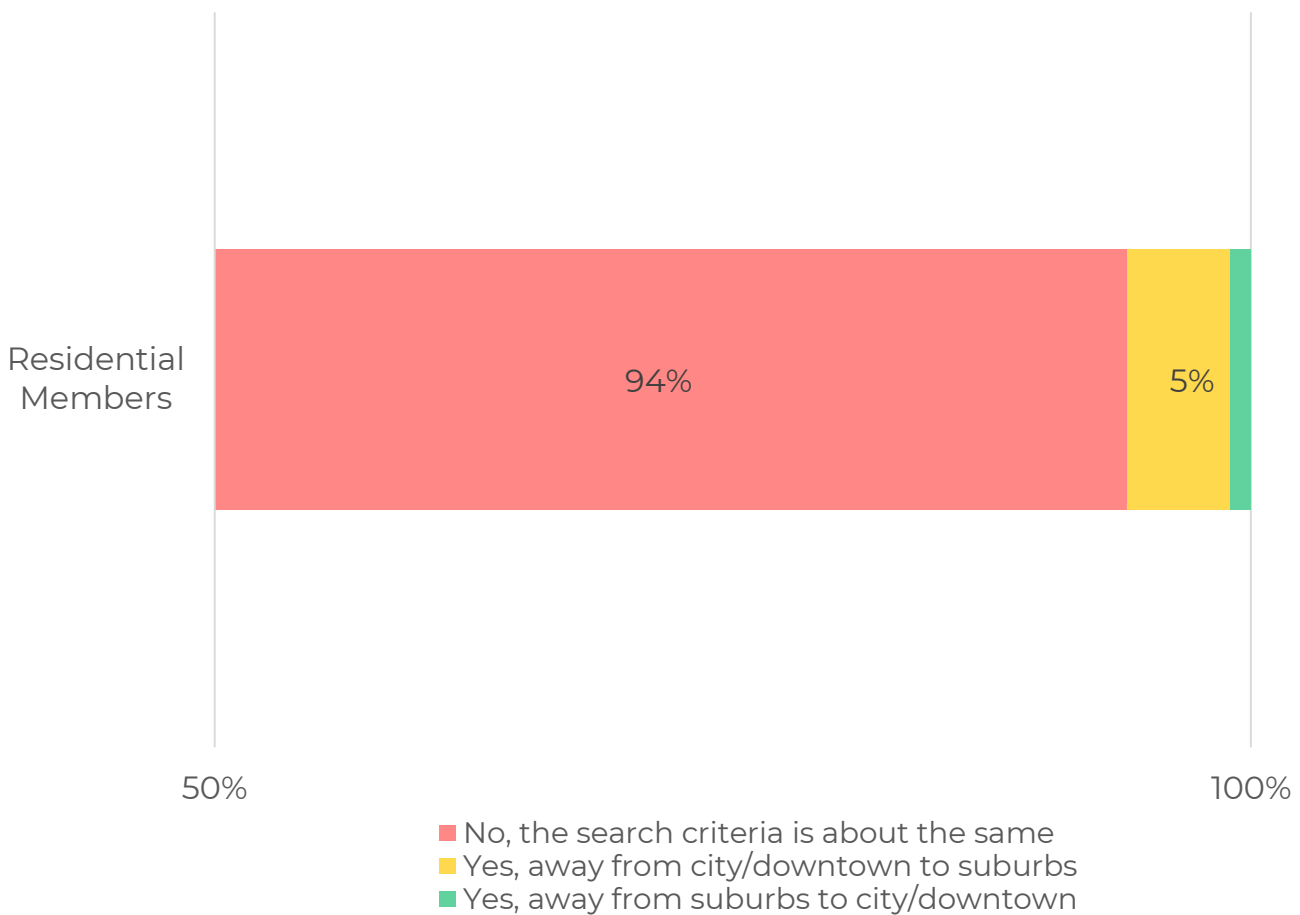
IN GENERAL, ARE HOME BUYERS EXPECTING LOWER PRICES NOW?



Neighborhood Preferences

Five percent of members reported that their clients are shifting their preferences from urban areas to suburbs due to COVID-19.

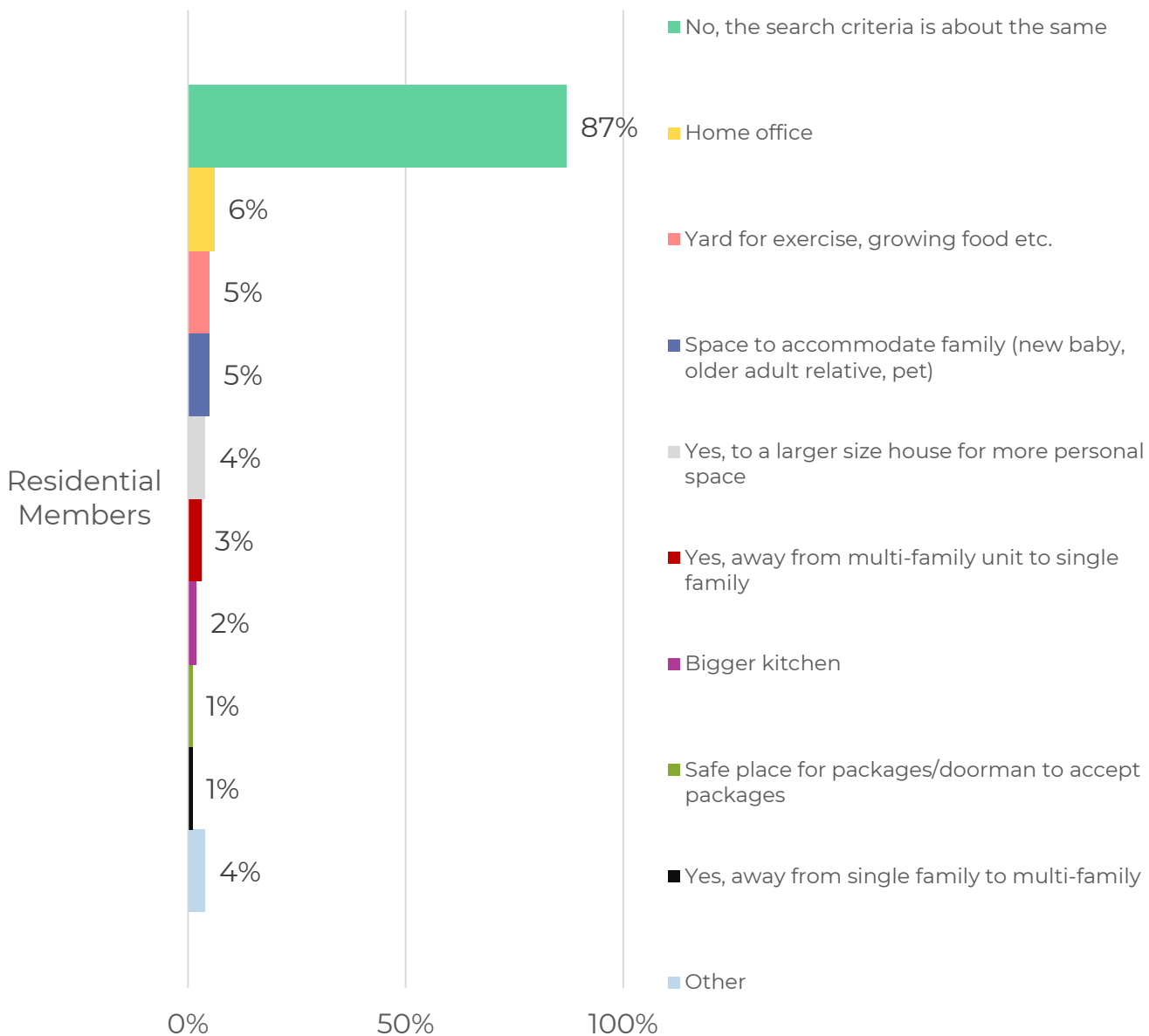
IN GENERAL, HAVE YOUR CLIENTS CHANGED THEIR NEIGHBORHOOD PREFERENCES DUE TO COVID 19?



Important Home Features

Thirteen percent of members reported buyers have changed at least one home feature important to them due to COVID-19. The most common home features now important are home offices, yard for exercise or growing food, and space to accommodate a family member new to their home (older adult relative, new baby, new pet), and for more personal space.

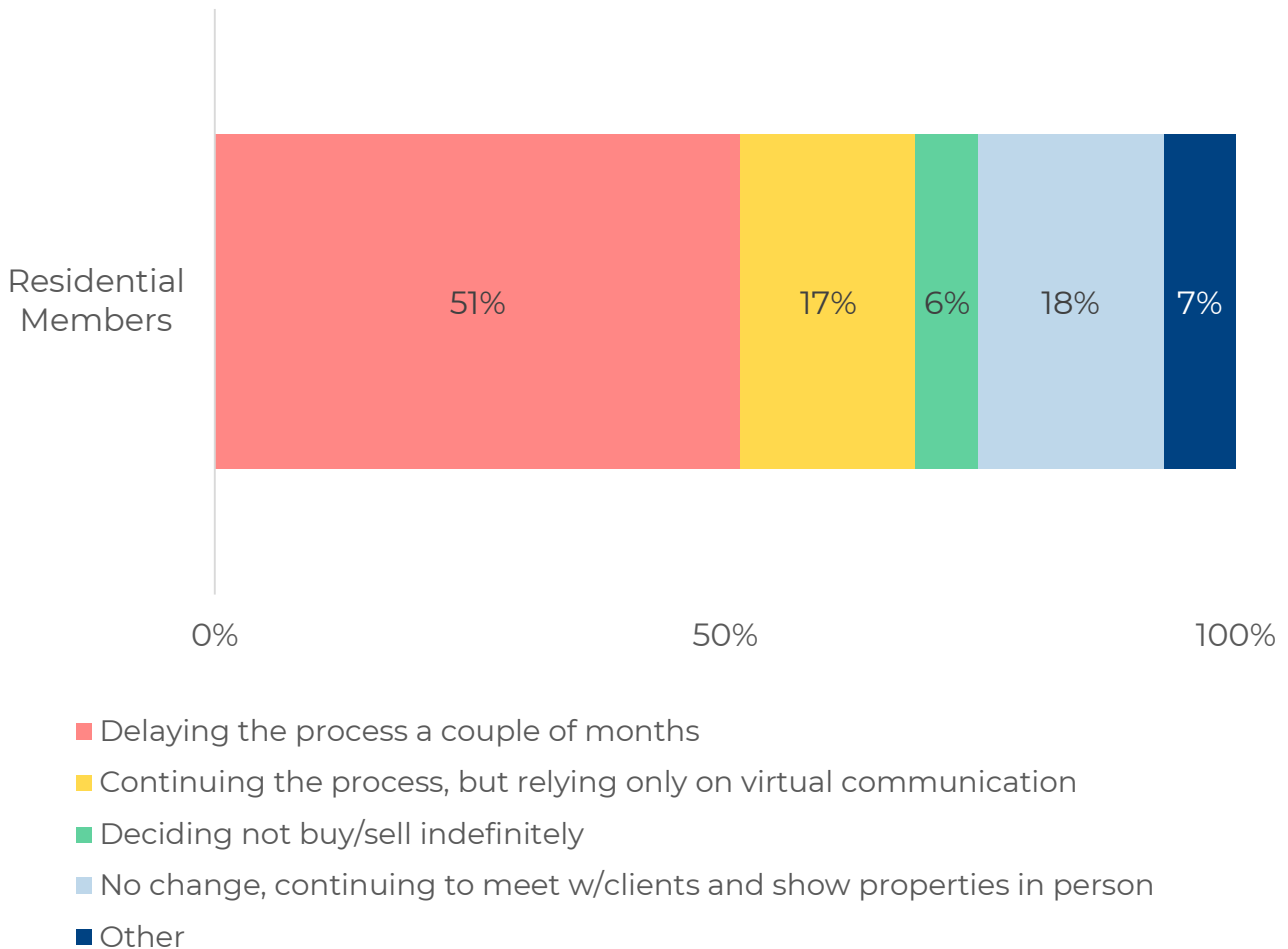
IN GENERAL, HAVE YOUR CLIENTS CHANGED WHAT HOME FEATURES ARE IMPORTANT IN A NEW HOME DUE TO COVID 19? CHECK ALL THAT APPLY



Seller Behavior

Similar to buyers' behaviors, 51 percent of members reported sellers are delaying their home sale for a couple of months. Seventeen percent reported members are continuing the process, but only relying on virtual communication. Six percent reported clients are deciding not to buy or sell indefinitely. Eighteen percent reported there is no change in client behavior, and they continue to meet in person. Eighteen percent reported there is no change in client behavior, and they continue to meet in person.

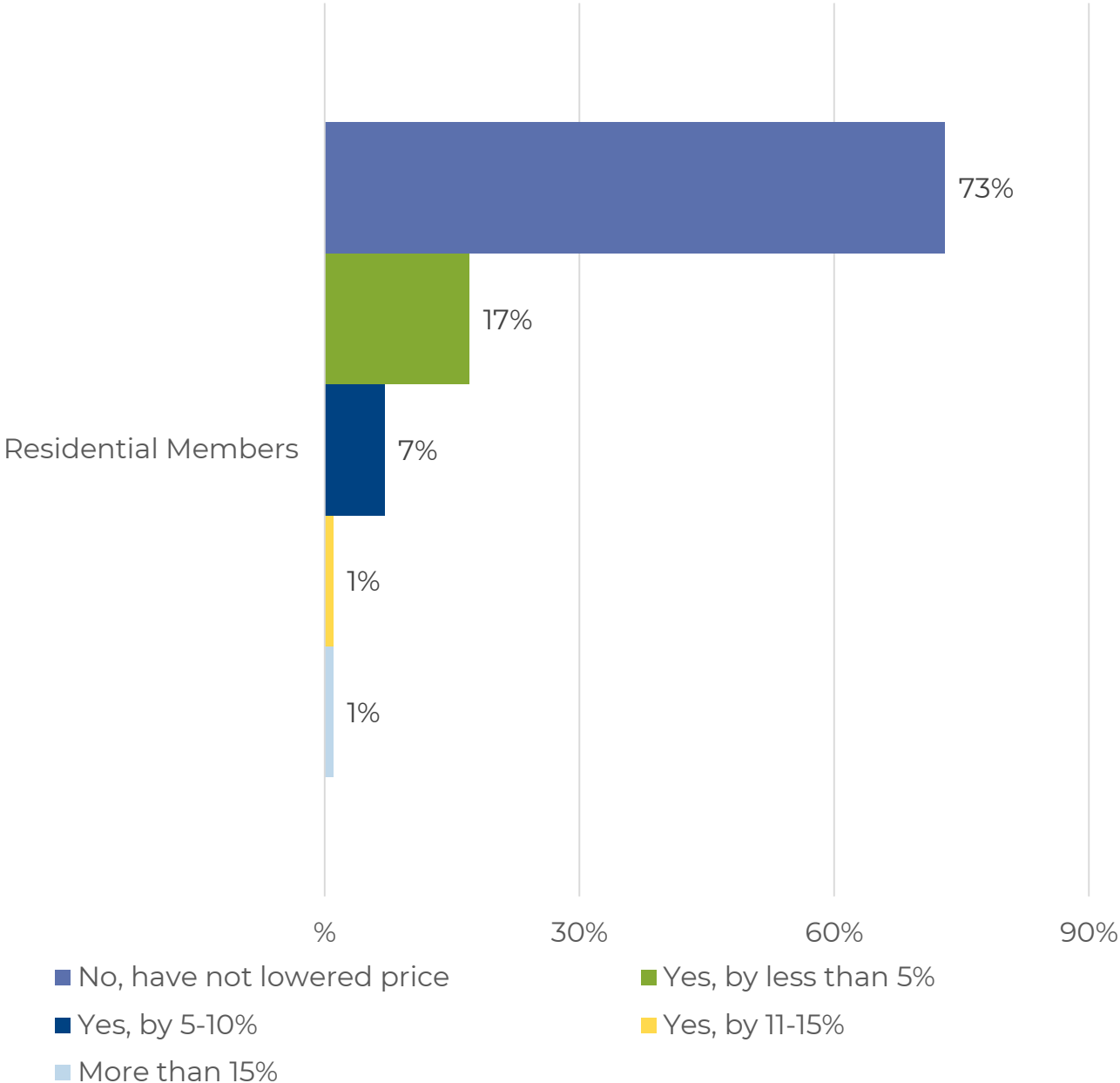
IN GENERAL, HOW HAS THE CORONAVIRUS (COVID-19) CHANGED CLIENTS' ATTITUDES WITH REGARDS TO SELLING A HOME?



Sellers Reduced Listing Price

Sixty-four percent of members reported working with home sellers. Of those who are currently working with sellers, 73 percent said that no sellers have reduced the price to attract buyers. Seventeen percent reported sale prices reduced by five percent or less. Only one percent reported more than 15 percent.

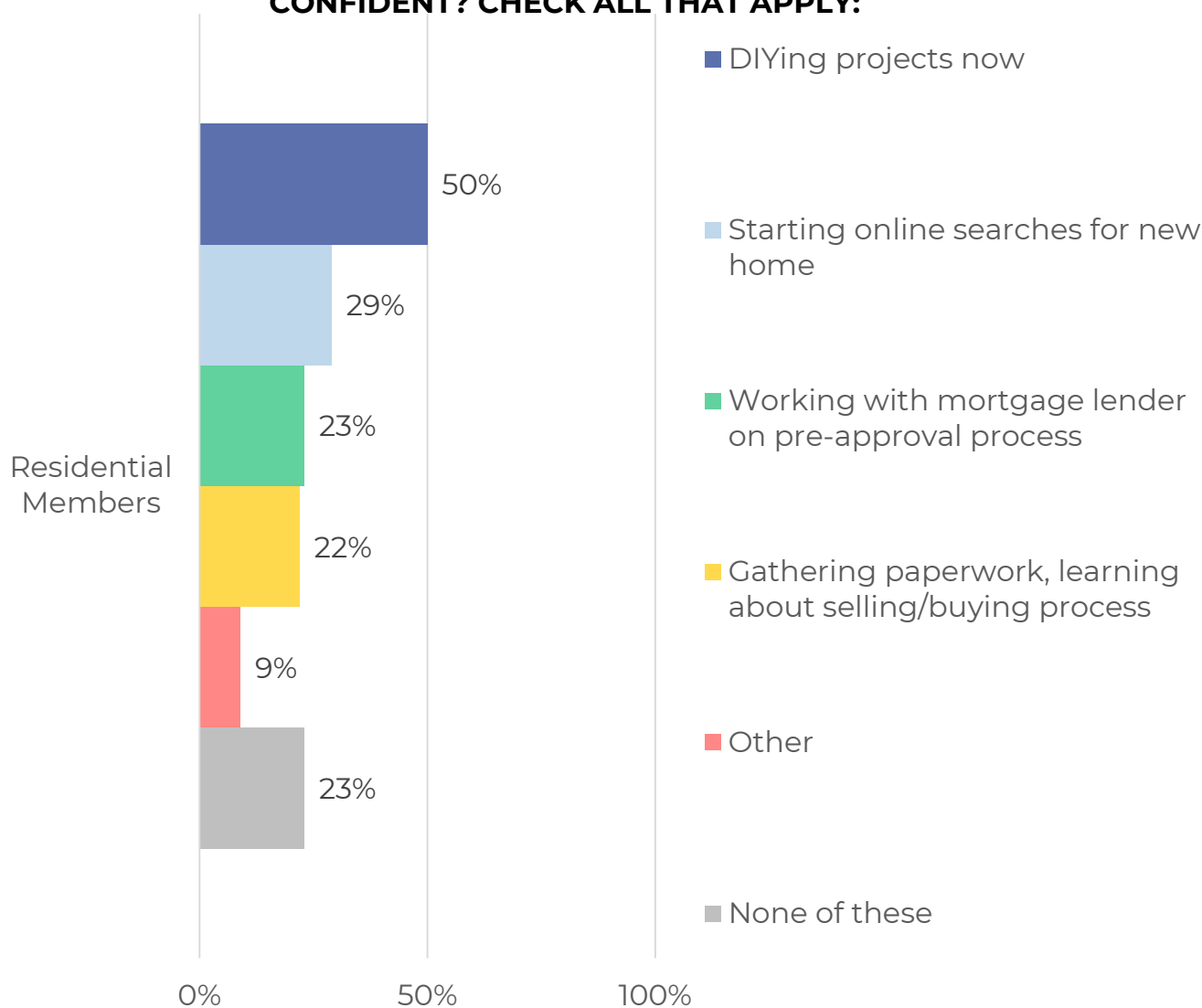
IN GENERAL, HAVE ANY OF YOUR HOME SELLERS RECENTLY REDUCED PRICE TO ATTRACT BUYERS?



Selling Home Preparation

Seventy-seven percent of potential sellers are making preparations to sell their home once stay at home order are lifted/seller feels more confident. Close to half of these potential sellers are preparing by doing DIY projects and 29 percent are starting online searches for new homes. More than one in five are working with a mortgage lender on the pre-approval process or gathering paperwork and learning about the buying and selling process.

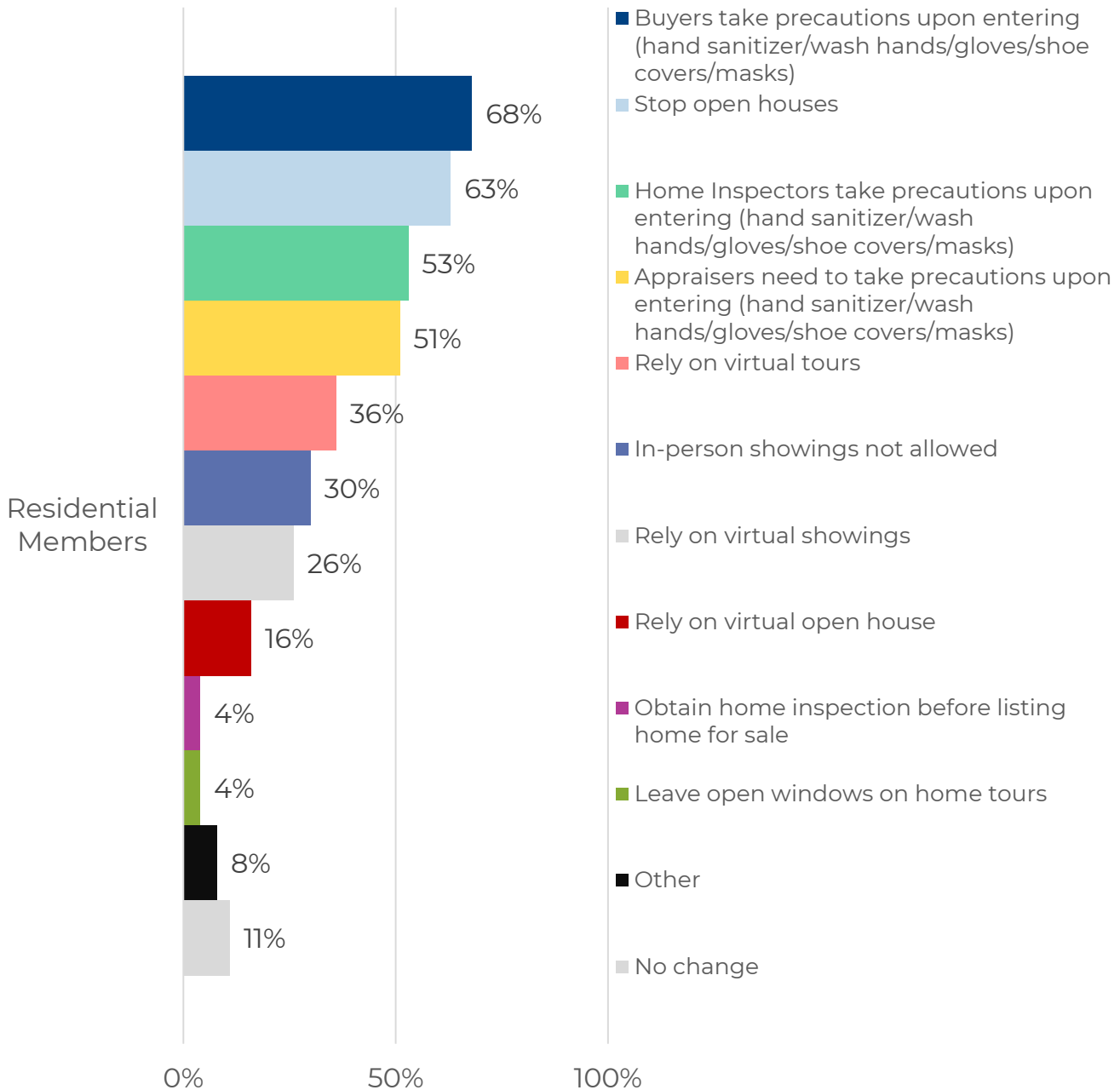
WHICH OF THE FOLLOWING ARE YOUR POTENTIAL SELLERS WORKING ON NOW, IN ORDER TO PLACE HOME ON MARKET WHEN STAY AT HOME ORDERS ARE LIFTED/SELLER FEELS MORE CONFIDENT? CHECK ALL THAT APPLY:



Seller Behavior

Of those who are working with home sellers with active listings, the majority reported changing how their clients' homes are viewed while the home remains on the market. Eighty-nine percent reported that home sellers have made changes, including stopping open houses or requiring all those who enter the home to take appropriate precautions before entering home.

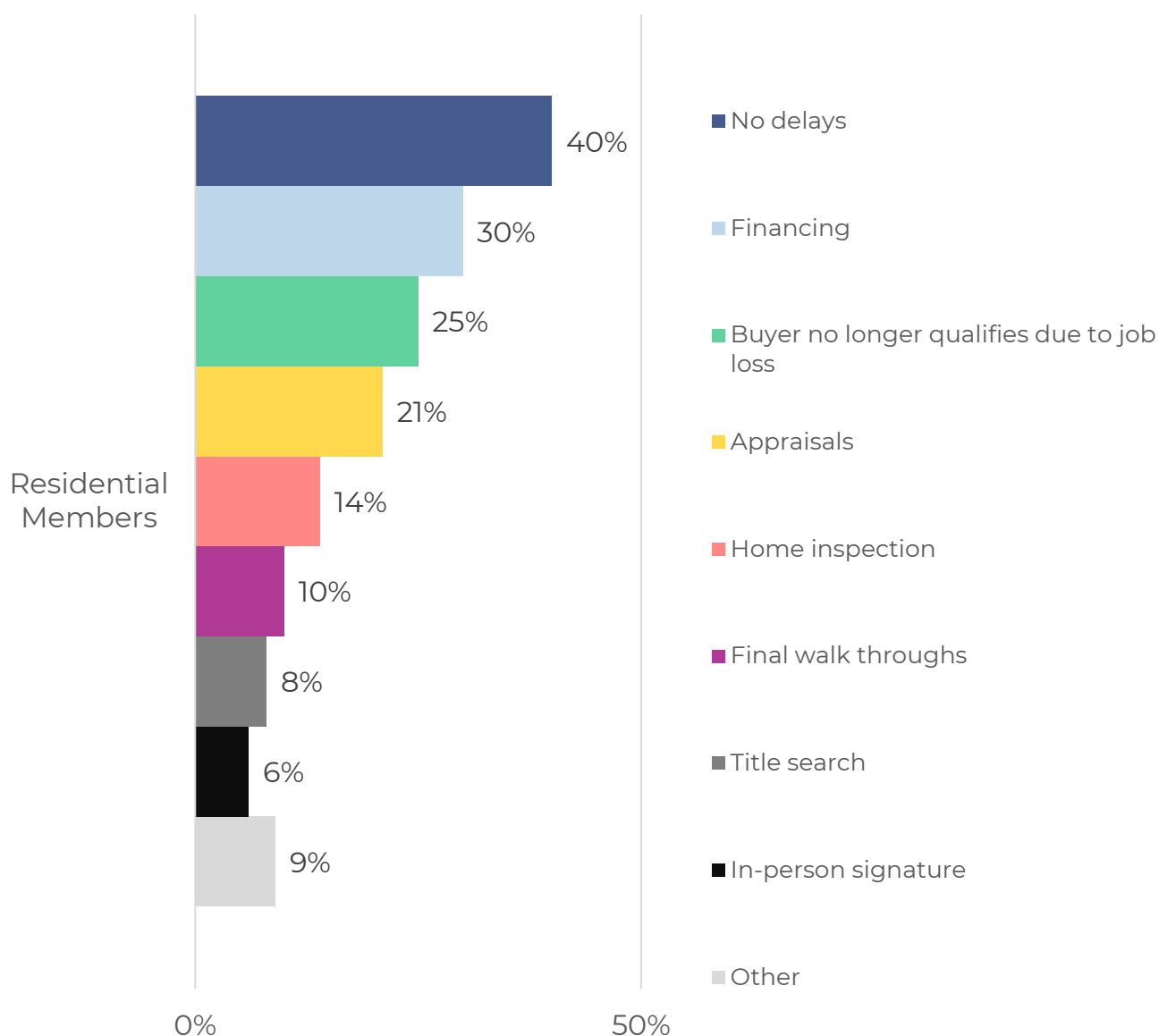
IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY OF THE FOLLOWING CHANGES IN HOME SELLER LISTING BEHAVIOR?



Residential Closing Delays

Of those who are closing transactions, 40 percent of residential members have reported no closing delays. Delays in closing happened for a number of reasons including delays with financing, buyers no longer qualifying due to loss of job, home inspections, final walk-throughs, title searches, and in-person signatures.

IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY OF THE FOLLOWING CHANGES IN HOME SELLER LISTING BEHAVIOR?





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