

July 30, 2020

REALTOR® RESILIENCY REPORT

This communication from NAR to all members describes the many ways NAR is working to guide and support REALTORS® and the real estate industry during the coronavirus (COVID-19) pandemic. Every week, you'll find up-to-date, relevant information on how to ensure your health and safety, the virus' impact on the economy and your business, its impact on NAR activities, and what NAR is doing to help.

Executive Summary

- Pending home sales continued to ascend in June, sustaining two consecutive months of increases in contract activity. The [Pending Home Sales Index](#) (PHSI) rose 16.6 percent in June, with each of the four major regions experiencing growth in month-over-month pending home sales transactions.
- NAR's [Weekly Housing Market Monitor](#) shows that while the residential market appears to be bouncing back, commercial real estate has been impacted considerably by the pandemic, as evidenced by commercial market trends and consumer activity.
- The [Commercial Real Estate Trends & Outlook Report](#) for 2020 Q2 shows a decline in sales, leasing transactions, and prices, and an increase in vacancy rates.
- Although Democratic and Republican lawmakers appear far apart in negotiations on the latest round of COVID-19 relief legislation, NAR SVP of Government Affairs Shannon McGahn expects a deal later in August. She predicts the final bill will likely be halfway between the Democrats' HEROES Act and the GOP's HEALS Act, released this week. Both bills reflect several NAR priorities, and the Association recently sent Hill leadership a comprehensive letter outlining the provisions needed to stabilize the real estate market and grow the economy.
- In other Washington news, deadlines for PPP and PUA are quickly approaching; lenders will start processing loan forgiveness applications on August 10; NAR-championed provisions on fair housing and housing counseling are included in the THUD funding bill; presumptive Democratic presidential nominee Joe Biden promised to undo President Trump's Affirmatively Furthering Fair Housing rule change that NAR opposed; and more.
- [Stabilizing and Revitalizing Neighborhoods in the COVID-19 Era](#), a new webinar series beginning August 11, will explore the roles of REALTORS® as partners

with local government to prevent property vacancy and abandonment as communities develop strategies to navigate the aftermath of COVID-19.

- Join 2021 NAR President Charlie Oppler and his Leadership Team at this year's Leadership Summit, to be held August 17-19, as he presents his priorities for the upcoming year. This event will be open to elected leadership teams at the state and local levels, along with national leaders. Registration opens August 3.
- The Center for REALTOR® Financial Wellness will offer a webinar called "Building a Better Banking Relationship" on Wednesday, August 5 at 2 PM EDT. [Register here](#) to join this discussion on building a strong relationship with your financial institution or private banker.
- The summer issue of [REALTOR® AE Magazine](#), mailing on August 3, highlights how AEs are stepping up in a variety of ways—from advocating for real estate as an essential service, to running virtual education and professional standards hearings, to keeping their members motivated and hopeful.
- NAR's new video message, "[Window to the Law: Create a Disaster Preparedness Plan](#)," gives you what you need to know to create or update your disaster plan to address team safety, data security, financial obligations and client communications.
- The next Commitment to Excellence (C2EX) Association Staff Webinar, designed to help members better understand the C2EX platform, will focus on pulling progress reports and uploading to the library. [Register here](#) to attend on August 7 at 12:30 PM EDT.
- NAR Vice President of Demographics and Behavioral Insights Dr. Jessica Lautz released a special video message titled "A 2020 Member Profile & Market Recovery Survey." Please watch her latest video [here](#).
- NAR is recognizing Mark Solomon—a REALTOR®, combat veteran, and 2019 Good Neighbor Award winner—with a pop-up art installation in Kansas City's Union Station for his work as co-founder of Veterans Community Project, which works to eliminate veteran homelessness. Since 2018, VCP has built 49 tiny homes in Kansas City, Mo., and provides comprehensive services to battle veteran homelessness. For pictures and more information, [click here](#).
- As many communities and businesses are re-opening, the Centers for Disease Control and Prevention (CDC) issued [guidance](#) for people to resume some daily activities as safely as possible; please share it with your members and

colleagues. The new CDC guidance also includes tips for [running essential errands](#) and participating in [personal and social activities](#).

- To view a CDC fact sheet on what you should know about COVID-19, please click [here](#). For more details from the CDC on the use of cloth face coverings to help slow the spread of COVID-19, please go [here](#). For the latest information on all matters COVID-19, please go to the CDC's website, cdc.gov/coronavirus.
- REALTORS® have a special responsibility to take all necessary health and safety precautions, including those ordered by your state or locality, whichever are more strict. Even if real estate is deemed essential in your area, we strongly encourage you to use virtual showings and limit in-person activity in all other aspects of the real estate transaction to get us through this crisis. For a list of states that have implemented stay-at-home orders, visit [here](#).
- In keeping with our Core Value of “Members First,” NAR has released “Coronavirus: A Guide for REALTORS®” online to provide guidance to members on some common transactional issues due to COVID-19, including open house guidance. The guide is updated frequently; please find it [here](#).
- The Member Hotline is available. Please call our hotline at **1-800-874-6500** to be connected to a Member Support Representative who can assist with your questions and concerns related to COVID-19. See below for more information.
- In addition to our hotline, stay in touch with the latest on our advocacy efforts on the pandemic with our REALTOR® Party Mobile Alerts by texting **COVID19** to **30644**. You'll get information on how we're fighting for members, and how recently passed legislation affects you. The response you'll receive will send you to visit [NAR.Realtor/coronavirus](#) for the latest information.

1. Ensuring your health and safety

As many communities and businesses are re-opening, the Centers for Disease Control and Prevention (CDC) issued [guidance](#) for people to resume some daily activities as safely as possible; please share it with your members and colleagues. In general, the more closely you interact with others and the longer that interaction, the higher the risk of COVID-19 spread.

If you venture into public spaces, continue to protect yourself with everyday preventative actions such as frequent hand washing, avoiding close contact with others, and regularly cleaning and disinfecting frequently touched surfaces. Keep these items on hand when venturing out: a cloth face covering, tissues, and hand sanitizer.

The new CDC guidance also includes tips for [running essential errands](#) and participating in [personal and social activities](#). Tips you need to know include:

- Stay home if sick.
- Use online services when available.
- Wear a cloth face covering when running errands or indoors.
- Practice social distancing (stay at least 6 feet away from others).
- Before you go, call and ask what extra prevention strategies they are using, like requiring staff to wear cloth face coverings.
- Use hand sanitizer after leaving stores.
- Wash your hands with soap and water for at least 20 seconds when you get home.

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2. Impact on the economy and members' businesses

Pending Home Sales Mount 16.6% Increase in June

Pending home sales continued to ascend in June, sustaining two consecutive months of increases in contract activity. Each of the four major regions experienced growth in month-over-month pending home sales transactions, while the Northeast was the only region to not record increases in year-over-year pending transactions.

The [Pending Home Sales Index](#) (PHSI), a forward-looking indicator of home sales based on contract signings, rose 16.6% to 116.1 in June, sustaining two consecutive months of increases in contract activity. Year-over-year, contract signings rose 6.3%. An index of 100 is equal to the level of contract activity in 2001.

“It is quite surprising and remarkable that, in the midst of a global pandemic, contract activity for home purchases is higher compared to one year ago,” said Lawrence Yun, NAR’s chief economist. “Consumers are taking advantage of record-low mortgage rates resulting from the Federal Reserve’s maximum liquidity monetary policy.”

In light of the apparent housing market turnaround, NAR has raised its forecast for the market. For all of 2020, existing-home sales are expected to decline by only 3%, with sales ramping up to 5.6 million by the fourth quarter. New home sales are projected to rise by 3%.

Yun expects that the positive GDP growth of 4% in 2021 will boost both existing and new home sales, which he forecasts to grow by 7% and 16%, respectively. Mortgage rates are anticipated to stay at near 3% over the next 18 months. Home prices will likely appreciate 4% in 2020, before moderating to 3% in 2021 as more new supply reaches the market, according to Yun.

June Pending Home Sales Regional Breakdown

The month of June saw each of the four regional indices rise on a month-over-month basis, marking two consecutive months of such gains.

The Northeast PHSI grew 54.4% to 95.4 in June, but was still down 0.9% from a year ago. In the Midwest, the index rose 12.2% to 110.9 last month, up 5.1% from June 2019.

Pending home sales in the South increased 11.9% to an index of 140.3 in June, up 10.3% from June 2019. The index in the West jumped 11.7% in June to 99.6, up 4.7% from a year ago.

“The Northeast’s strong bounce back comes after a lengthier lockdown, while the South has consistently outperformed the rest of the country,” Yun said. “These remarkable rebounds speak to exceptionally high buyer demand.”

Yun says that as house hunters seek homes away from bigger cities—likely in an effort to avoid the coronavirus—properties that were once an afterthought for potential buyers are now growing in popularity.

According to [data from Realtor.com®](#), metros with suburbs that most recently saw the highest gains in hotness rankings include Columbia, S.C.; Little Rock, Ark.; Greensboro, N.C.; Tulsa, Okla.; and Cape Coral, Fla.

“While the outlook is promising, sharply rising lumber prices are concerning,” Yun said. “A reduction in tariffs—even if temporary—would help increase home building and thereby spur faster economic growth.”

For more information, click [here](#).

Weekly Housing Market Monitor: Residential Market Bouncing Back

NAR's [Weekly Housing Market Monitor](#) tracks weekly activity in the housing market, including pending contracts, new listings, and home price. This week, the data shows that while the residential market appears to be bouncing back, commercial real estate has been impacted considerably by the pandemic, as evidenced by commercial market trends and consumer activity.

Other highlights include:

Latest Economic and Housing Market Outlook

- In light of the apparent housing market turnaround, NAR has raised its forecast for the housing market. Existing home sales are expected to ramp up to 5.6 million by the fourth quarter. For all of 2020, existing-home sales are expected to decline by only 3% compared to the 2019 level.
- Positive GDP growth of 4% in 2021 will boost both existing and new home sales, which are forecasted to grow by 7% and 16%, respectively.
- Mortgage rates are anticipated to stay at near 3% over the next 18 months. Home prices will likely appreciate 4% in 2020, before moderating to 3% in 2021 as more new supply reaches the market.

Contract Signings Rose 18% in the Past Four Weeks Ended July 26 from One Year Ago

- Preliminary information from multiple listing services shows a sustained increase in housing transactions as of July 26. The opening up of most businesses in all states, low 30-year fixed mortgage rates that averaged 3.01% of the week of July 24, and 8.8 million more employed workers in May and June are all sustaining the housing market recovery.
- Contract signings (pending sales) during the past four weeks ended July 26 were up 18% from one year ago, sustaining the prior week's pace of growth.

Mortgage Applications Up 19% as Typical Mortgage Payment Falls Below the Median Rent

- As of July 23, the estimated monthly mortgage payment on a single-family home with a median sales price of \$298,600 financed with a 30-year fixed rate mortgage of 3.01% plus 0.8% points and fees was \$1,016.
- The typical mortgage payment is lower than the estimated median rent of \$1,034.

Mobility, Consumer Spending, and Businesses Openings Trends

- Businesses are continuing to open up and consumers are increasing their spending compared to April, but the level of activity and transactions is still below the pre-coronavirus period:
 - Mobility and engagement is down by 41%
 - Twenty percent of small businesses are still not open
 - Credit card spending is down by 6%

Commercial Real Estate Market Contracts in 2020 Q2

Across the multifamily, industrial, office, retail, and hotel sectors, REALTORS® reported a decline in sales, leasing transactions, and prices, and an increase in vacancy rates. Retail and hotels are suffering the heaviest blow from the coronavirus pandemic, with a milder impact on the office sector. Industrial and multifamily remain as the strongest legs of the commercial real estate market, in both transactions for structures and land. [Read the full report here.](#)

Washington Update

U.S. Senate Majority Leader Mitch McConnell rolled out the GOP's long-awaited fourth coronavirus relief bill Monday. The roughly \$1-trillion Health, Economic Assistance, Liability, and Schools (HEALS) plan is one-third the size of the Democrats' HEROES Act that passed the U.S. House in May.

Included in the Republican plan are more direct payments to Americans, liability protection for businesses that reopen (including independent contractors), another round of Paycheck Protection Program funding (with the ability to apply for a second loan for some), money for schools, and a continuation of Pandemic Unemployment Assistance (PUA), albeit with a reduction in payments from an extra \$600 a week to \$200.

Missing from the plan is new money for state and local governments, a payroll tax cut desired by President Trump, new funding for Economic Injury Disaster Loans (EIDL), and rental assistance.

"This bill was the GOP's opening bid," said Shannon McGahn, senior vice president of government affairs for NAR. "The two sides appear far apart for now, but expect a lot of negotiations behind the scenes that may go well into mid-August. This is a must-pass bill before Congress can head home. What ultimately is signed into law will likely be a deal somewhere between the HEROES Act and HEALS plan as far as size and scope."

Last week, NAR sent a letter to congressional leadership with proposals to help support the housing and real estate industry, which makes up nearly one-fifth of the entire economy.

“Several of the priorities we are fighting for are in both the Democratic and Republican plans. That is an encouraging sign our ideas for a strong real estate industry and economy are being well received on the Hill,” McGahn continued.

NAR also sent a letter this week to congressional leadership outlining provisions in the HEALS plan supported by NAR and other items that should be added to a final agreement.

More Washington News & Notes

- Pandemic Assistance Programs Update: REALTORS® have until August 8 to apply for PPP loans. The portal for lenders to start processing forgiveness applications opens on August 10. EIDL is open until the end of the year or until the money runs out. PUA currently expires on July 31, so Congress would need a short-term extension to keep the program from lapsing. On Sunday, White House economic adviser Larry Kudlow said the government is looking to extend a federal moratorium on evictions. The ban expired last Friday.
- On Capitol Hill, the appropriations process continues. The House advanced the Transportation and Housing and Urban Development (THUD) funding bill with provisions strongly championed by NAR to increase funding for fair housing initiatives and housing counseling.
- On the presidential campaign trail, presumptive Democratic presidential nominee Joe Biden released an economic plan this week. Of note to REALTORS® were remarks that the Opportunity Zone program created in the 2017 tax reform law should be reformed, not ended. He said the program should “offer more incentives for investment vehicles to partner with local nonprofits and more robust reporting requirements.” Biden’s plan is centered around fighting racial inequality and addressing affordable housing. It would create a \$15,000 federal tax credit to help lower-income Americans save for a down payment, and sets the goal of building 1.5 million new homes and public housing units.
- The former vice president also said he would undo President Trump’s recent Affirmatively Furthering Fair Housing rule change that NAR opposed. NAR came out strongly in support of homeowner tax credits this year, and has made expanding minority homeownership a top priority.
- NAR continues to convey its opposition to HUD’s move to retreat on its decades-long policy requiring that communities receiving taxpayer money address discrimination and segregation. We previously communicated that disapproval to the industry and to the public, and in a statement provided to the media earlier this week, NAR stressed its “commitment to fair housing, and the property rights of all, is unwavering.” In the statement, President Vince Malta reiterated NAR’s stance that discrimination and bias have absolutely no place in housing, while

emphasizing that NAR would “continue to push all policymakers in Washington to ensure that the federal government promotes equality and eliminates discrimination in the housing market, for the benefit of all.”

New Webinar: Stabilizing and Revitalizing Neighborhoods in the COVID-19 Era

A new webinar series will explore the roles of REALTORS® as partners with local government to prevent property vacancy and abandonment as communities develop strategies to navigate the aftermath of COVID-19. [Stabilizing and Revitalizing Neighborhoods in the COVID-19 Era](#) will cover topics including understanding market fundamentals to address vacancy and abandonment, using code enforcement as a tool to prevent vacancy, transferring vacant and abandoned properties, and returning properties to productive use through land banks. The four-part series begins August 11. For questions, contact [Wendy Penn](#).

3. Impact on NAR activities and what NAR is doing to help

Registration for Leadership Week Opens August 3

During NAR Leadership Week, members and associations come together to share their unique perspectives and work collaboratively to advance the issues and initiatives that push the industry forward and invigorate our communities. At this year’s Leadership Summit, August 17-19, join 2021 NAR President [Charlie Oppler](#) and his Leadership Team as he presents his priorities for the upcoming year. As associations stand and work as One, Together, topics will address common issues facing state and local associations, the challenges affecting the industry, and how NAR’s staff and resources can help associations navigate these challenging times.

This event will be open to elected leadership teams at the state and local levels, along with national leaders. In addition, the following programs will be offered—Leadership 400: Taking the Reins, Commercial Leadership Day, Leadership Camp, and YPN Advance. For more information, including who is invited to each event, visit [here](#).

New Center for REALTOR® Financial Wellness Webinar

Did you know the PPP filing extension deadline ends August 8? Having a direct relationship with a financial institution or private banker/lender can help increase access to funding. Join the Center for REALTOR® Financial Wellness on Wednesday, August 5 at 2 PM EDT. This Financial Source Webinar will focus on “Building a Better Banking Relationship” with your financial institution or private banker. Learn why having a strong relationship can help you with personalized transactions and services related to your business, building a better network of referrals and financial resources, and gaining reliable convenient service that will best suit your business needs. Register today [here](#). Space is limited, don’t delay!

New Issue of REALTOR® AE Magazine

The summer issue of REALTOR® AE Magazine mails on August 3. This issue highlights how AEs are stepping up in a variety of ways—from advocating for real estate as an essential service, to running virtual education and professional standards hearings, to keeping their members motivated and hopeful. Find it in your mailbox or [online](#) August 7.

New Video Message: Creating a Disaster Preparedness Plan

Disasters, including health pandemics, can strike without warning, affecting your business, property, and transactions. A disaster preparedness plan allows you to act quickly and effectively during such times of uncertainty. Our new video, “Window to the Law: Create a Disaster Preparedness Plan” gives you what you need to know to create or update your disaster plan to address team safety, data security, financial obligations and client communications. To view the video, please click [here](#).

New C2EX Association Staff Webinar Goes Live August 7

This Commitment to Excellence (C2EX) Association Staff Webinar is designed to help you better understand the C2EX platform and its administrative capabilities. Aimed at association staff to use with their members, the webinar will provide information on pulling progress reports and uploading to the library. August 7 at 12:30 PM EDT. Please register [here](#).

New Video Message: NAR Member Profile and Market Recovery Survey

Dr. Jessica Lautz, NAR’s vice president of demographics and behavioral insights, released a special video message this week titled “A 2020 Member Profile & Market Recovery Survey.” In this video, Dr. Lautz shares highlights and analysis of the 2020 Annual Member Profile and the Market Recovery Survey. Please watch her latest video [here](#).

This video is the latest in a series of videos called “Pivot in Place,” which features videos from NAR leadership and industry experts charting a path forward for the real estate industry at this unprecedented time. Each member of the NAR Leadership Team has contributed an important message to share with members. To see more Pivot in Place videos, please visit [here](#).

NAR Launches Exhibit Celebrating Innovative Solution to Veteran Homelessness

In honor of the 20th year of the Good Neighbor Awards, NAR is celebrating the impact of each of the five 2019 winners in their hometowns. Mark Solomon, a REALTOR® and combat veteran, is one of five Good Neighbor Award winners honored in 2019 for making an extraordinary impact as a volunteer. NAR is recognizing Solomon with a pop-up art installation in Kansas City’s Union Station for his work as co-founder of Veterans Community Project, which works to eliminate veteran homelessness. Since 2018, VCP has built 49 tiny homes in Kansas City, Mo., and provides comprehensive services to battle veteran homelessness.

“The Battle Home” is an experiential installation and replica of the tiny homes that VCP builds for veterans. According to the U.S. Department of Housing and Urban Development, on any given night, more than 37,000 veterans are living on the streets across the U.S. The installation brings this sensitive issue to life using “bricks” constructed from a fabric that is often representative of the veteran homeless experience—sleeping bags. Videos tell the true stories of 11 homeless veterans’ journeys from living on the street to living in a tiny home with VCP. The exhibit will run through August 14 in Kansas City, then will go on the road with VCP in the future. For pictures and more information, click [here](#). NAR is also creating a short video highlighting the exhibit so members can experience it virtually. That video will be available by August 15.

Member Benefit: Hotline for Coronavirus (COVID-19) Questions

Please call our hotline at **1-800-874-6500** to be connected to a Member Support Representative who can provide the latest information on the coronavirus, its impact on the real estate industry, and what programs and services we’ve developed to help. We are available to speak with you between 9 AM and 7 PM EDT, Monday through Friday.

Subscribe to REALTOR® Party Mobile Alerts

In addition to our hotline, there’s another easy way to stay on top of all of our ongoing advocacy efforts concerning COVID-19: text **COVID19** to **30644**. The response you receive will send you to visit nar.realtor/coronavirus for the latest information.

Final Thoughts from Vince and Bob

We continue to be grateful for and proud of the compassion, generosity, and kindness of spirit found in America’s 1.4 million REALTORS® who are working to make their communities and our country a better place. Five exceptional real estate professionals were selected this month as recipients of the Volunteering Works grant and mentoring program, which helps them expand their charitable causes. Recipients are matched with mentors and receive a \$1,000 seed grant for their project.

It’s truly remarkable that these five REALTORS® have been able to give so much to their communities, despite the uncertainty and disruption that has defined much of the past year. Their causes range from providing support for foster parents to helping save animals from euthanasia and supporting children’s hospitals across the continent. To learn more about these heroes, click [here](#). We’re honored to represent them and the many REALTORS® across our country who devote themselves to a worthy cause.

Be well and stay safe,



Vince Malta
PRESIDENT



Bob Goldberg
CHIEF EXECUTIVE OFFICER