

July 23, 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

- Existing-home sales climbed a record 20.7% in June, showing strong signs of a market turnaround after three straight months of sales declines caused by the ongoing pandemic. Each of the four major regions (Northeast, Midwest, South, and West) achieved month-over-month growth. For more information, visit [this page](#).
- NAR's [Weekly Housing Market Monitor](#) shows strong signs of market recovery, if mortgage rates remain low and job gains continue. Preliminary information from multiple listing services shows a sustained increase in housing transactions as of July 19. The opening up of most businesses in all states, low 30-year fixed mortgage rates, and 7.5 million net new payroll job gains in May and June are all sustaining the housing market recovery.
- Negotiations are officially underway between Senate Republicans, House Democrats, and the White House on the next round of coronavirus relief. NAR sent congressional leaders a [comprehensive letter](#) with proposals to further stabilize the real estate market and grow the economy.
- Presumptive Democratic presidential nominee Joe Biden released a tax plan this week that would curb the 1031 like-kind exchange tax benefit. Also, the White House issued a fair housing rule effectively eliminating any requirement that HUD-funded communities meaningfully address segregation, as required by the 1968 federal Fair Housing Act; NAR President Vince Malta called the move "disappointing."
- NAR encouraged lawmakers to sign onto the First Time Homebuyer Pandemic Savings Act that would allow first-time buyers to use special coronavirus rules to access retirement account funds for down payments. NAR also sent a [letter](#) this week to the House Financial Services Committee asking that all Americans benefit equally from COVID-19 recovery provisions.

- Save the date for NAR’s Leadership Summit August 17-19, where NAR President Charlie Oppler and his Leadership Team will present his priorities for the upcoming year. Registration for all programs will open the first week of August. For more information, visit [here](#).
- Join the Center for REALTOR® Financial Wellness on Wednesday, August 5 at 2 PM EDT for the “Building a Better Banking Relationship” webinar focusing on your relationship with your financial institution or private banker. Register today [here](#).
- View the livestream of NAR’s Sustainability Summit on Wednesday, July 29 from noon to 3 PM EDT. Don’t miss great presenters and conversation about sustainable real estate, the benefits of sustainable communities, and the relationship among real estate agents, clients, and the communities we serve. View more info and access the livestream [here](#).
- A new 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](#).
- NAR Senior Representative of Commercial Legislative Policy Erin Stackley released a special video message titled “The PPP Extension and New Loan Forgiveness Rules.” In this video, Erin shares recent updates to the terms of the federal government’s Paycheck Protection Program. Please watch Erin’s latest video [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](https://www.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.

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](https://www.cdc.gov/coronavirus).

REALTORS® also 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, please visit [here](#).

NAR has also 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](#).

2. Impact on the economy and members' businesses

Existing-Home Sales Climb Record 20.7% in June

Existing-home sales rebounded at a record pace in June, showing strong signs of a market turnaround after three straight months of sales declines caused by the ongoing pandemic. Each of the four major regions achieved month-over-month growth, with the West experiencing the greatest sales recovery.

Total [existing-home sales](#), completed transactions that include single-family homes, townhomes, condominiums, and co-ops, jumped 20.7% from May to a seasonally adjusted annual rate of 4.72 million in June. Sales overall, however, dipped year-over-year, down 11.3% from a year ago (5.32 million in June 2019).

“The sales recovery is strong, as buyers were eager to purchase homes and properties that they had been eyeing during the shutdown,” said Lawrence Yun, NAR’s chief economist. “This revitalization looks to be sustainable for many months ahead as long as mortgage rates remain low and job gains continue.”

The median existing-home price for all housing types in June was \$295,300, up 3.5% from June 2019 (\$285,400), as prices rose in every region. June’s national price increase marks 100 straight months of year-over-year gains.

Total housing inventory at the end of June totaled 1.57 million units, up 1.3% from May, but still down 18.2% from one year ago (1.92 million). Unsold inventory sits at a

4.0-month supply at the current sales pace, down from both 4.8 months in May and from the 4.3-month figure recorded in June 2019.

Yun explains that significantly low inventory was a problem even before the pandemic and says such circumstances can lead to inflated costs: “Home prices rose during the lockdown and could rise even further due to heavy buyer competition and a significant shortage of supply.”

Yun’s concerns are underscored in NAR’s recently released [2020 Member Profile](#), in which REALTORS® point to low inventory as being one of the top hindrances for potential buyers.

Properties typically remained on the market for 24 days in June, seasonally down from 26 days in May, and down from 27 days in June 2019. Sixty-two percent of homes sold in June 2020 were on the market for less than a month.

First-time buyers were responsible for 35% of sales in June, up from 34% in May 2020 and about equal to 35% in June 2019. NAR’s 2019 *Profile of Home Buyers and Sellers*, [released](#) in late 2019, revealed that the annual share of first-time buyers was 33%.

Individual investors or second-home buyers, who account for many cash sales, purchased 9% of homes in June, down from 14% in May 2020 and 10% in June 2019. All-cash sales accounted for 16% of transactions in June, down from 17% in May 2020 and about equal to 16% in June 2019.

Distressed sales—foreclosures and short sales—represented 3% of sales in June, about even with May but up from 2% in June 2019.

“It’s inspiring to see REALTORS® absorb the shock and unprecedented challenges of the virus-induced shutdowns and bounce back in this manner,” said NAR President Vince Malta, broker at Malta & Co., Inc., in San Francisco, Calif. “NAR and our 1.4 million members will continue to tirelessly work to facilitate our nation’s economic recovery as we all adjust to this new normal.”

According to Freddie Mac, the [average commitment rate](#) for a 30-year, conventional, fixed-rate mortgage decreased to 3.16% in June, down from 3.23% in May. The average commitment rate across all of 2019 was 3.94%.

Single-Family and Condo/Co-op Sales

Single-family home sales sat at a seasonally adjusted annual rate of 4.28 million in June, up 19.9% from 3.57 million in May, and down 9.9% from one year ago. The median existing single-family home price was \$298,600 in June, up 3.5% from June 2019.

Existing condominium and co-op sales were recorded at a seasonally adjusted annual rate of 440,000 units in June, up 29.4% from May and down 22.8% from a year ago. The median existing condo price was \$262,700 in June, an increase of 1.4% from a year ago.

“Home buyers considering a move to the suburbs is a growing possibility after a decade of urban downtown revival,” Yun said. “Greater work-from-home options and flexibility will likely remain beyond the virus and any forthcoming vaccine.”

Regional Breakdown

In a complete reversal of the month prior, sales for June increased in every region. Median home prices grew in each of the four major regions from one year ago.

June 2020 existing-home sales in the Northeast rose 4.3%, recording an annual rate of 490,000, a 27.9% decrease from a year ago. The median price in the Northeast was \$332,900, up 3.6% from June 2019.

Existing-home sales increased 11.1% in the Midwest to an annual rate of 1,100,000 in June, down 13.4% from a year ago. The median price in the Midwest was \$236,900, a 3.2% increase from June 2019.

Existing-home sales in the South jumped 26.0% to an annual rate of 2.18 million in June, down 4.0% from the same time one year ago. The median price in the South was \$258,500, a 4.4% increase from a year ago.

Existing-home sales in the West ascended 31.9% to an annual rate of 950,000 in June, a 13.6% decline from a year ago. The median price in the West was \$432,600, up 5.4% from June 2019.

For more information, visit [this page](#).

Weekly Housing Market Monitor Shows Strong Signs of Market Recovery If Mortgage Rates Remain Low and Job Gains Continue

NAR’s [Weekly Housing Market Monitor](#) tracks weekly activity in the housing market, including pending contracts, new listings, and home price. This week, preliminary information from multiple listing services shows a sustained increase in housing transactions as of July 19. The opening up of most businesses in all states, low 30-year fixed mortgage rates that reached a historic low of 2.98% as of the week of July 16, and 7.5 million net new payroll job gains in May and June are all sustaining the housing market recovery.

Contract signings (pending sales) during the past four weeks ended July 16 were up 16% from one year ago, sustaining the prior week’s pace of growth. Other insights include:

New Listings during July 1-19 Remain Below Year-Ago Levels in All Regions

- New listings are not rising as fast as new contract signings. During July 1-19, new listings were down by 8% from the level one year ago, a larger rate of decline compared to the year-over-year decline July 1-13 (-5%).

30-Year Fixed Mortgage Rates Fell Below 3% in the Week of July 16

- The 30-year mortgage rate fell to a historic low of 2.98% in the week of July 16.
- In the month of June, Freddie Mac reported that the 30-year fixed contract mortgage rate averaged 3.16%.

Washington Update

Negotiations are officially underway this week between Senate Republicans, House Democrats, and President Trump on the next round of coronavirus relief. With virus cases surging again nationwide and pandemic unemployment benefits ending in days for 25 million Americans, new urgency has enveloped Washington. Still, the two sides are far apart on an agreement.

NAR sent a [comprehensive letter](#) Monday to congressional leadership with proposals for the bill that would further stabilize the real estate market and help grow the economy.

“Congress has three weeks to get a lot of work done, and the pressure is mounting by the day,” said Shannon McGahn, NAR’s senior vice president of government affairs. “Not only do they need to pass this relief bill but also the annual spending bills that fund the government. Expect a lot of talks behind the scenes and prepare for last-minute agreements.”

“NAR has been hyper-engaged with Congress on our priorities. Our goals are to keep the residential real estate market strong and get much-needed help for small businesses and commercial real estate. Rising home prices and housing stability bring a lot of security to American families and strength to the American economy,” McGahn continued.

While Congress debates the next bill, some benefits are still available from past measures. REALTORS® may apply for Paycheck Protection Program (PPP) loans through August 8 and Economic Injury Disaster Loans (EIDL) through the end of the year.

Presumptive Democratic presidential nominee Joe Biden released a tax plan this week that would curb the 1031 like-kind exchange tax benefit. NAR’s Senior Vice President of Government Affairs Shannon McGahn laid out why any repeal of this rule would lock up the commercial real estate market in an [op-ed](#) for *Realtor Magazine*.

In the piece, McGahn says, “The idea that repealing 1031 would raise revenue is a pipe dream. Allowing investors a free flow of capital allows them to buy into higher-priced and more productive properties which creates more tax revenue—and job opportunities and growth.”

The Trump Administration issued a fair housing rule on Thursday that effectively eliminates any requirement that HUD-funded communities meaningfully address segregation, as required by the 1968 federal Fair Housing Act.

NAR President Vince Malta in a statement called it “disappointing” and said the new regulation “significantly weakens the federal government’s commitment to the intent of the Fair Housing Act.”

“NAR maintains that a strong, affirmative fair housing rule is vital to advancing our nation’s progress toward thriving and inclusive communities,” Malta said.

On Capitol Hill this week, NAR threw its support behind several critical pieces of legislation.

NAR encouraged lawmakers to sign onto Rep. Sean Maloney’s (D-NY) First Time Homebuyer Pandemic Savings Act that would allow first-time buyers to use special coronavirus rules to access retirement account funds for down payments.

“COVID-19 has pushed the American Dream even further out of reach for countless families and individuals by no fault of their own,” said Malta. This legislation would make a tremendous difference to the Americans struggling to save for the down payment on their all-important first home.”

NAR also sent a [letter](#) this week to the House Financial Services Committee asking that all Americans benefit equally from COVID-19 recovery provisions.

“Following the Great Recession, people of color did not experience the same economic recovery as white Americans, [and] Black homeownership rates fell to levels not seen since the passage of the Fair Housing Act. If action is not taken now, we fear that history will repeat itself, and the racial wealth gap will widen and threaten the overall prosperity of our nation,” Malta said.

The [Promoting Access to Credit for Homebuyers Act](#) was introduced this week by Sen. Bob Menendez (D-NJ) in an effort to ensure low- and middle-income homebuyers have fair access to mortgage credit during the pandemic, which has caused an unprecedented surge in forbearances.

“We are in the middle of a public health crisis, and no American should needlessly suffer because of this pandemic,” Malta said in a letter of support. “This bill guarantees

that temporary forbearance does not lead to permanent damage to the American economy.”

Last week, NAR applauded the Trump Administration for its ongoing effort to eliminate regulatory impediments to affordable housing and touted the [administration’s move to modernize the National Environmental Protection Act](#). NAR Public Policy Coordinating Committee Chair and Washington, D.C., REALTOR® Brenda Small attended a Thursday press conference as an invited guest at the White House.

“With our nation’s economy absorbing a shock unlike any felt in nearly a century, America’s 1.4 million REALTORS® applaud a comprehensive review of all federal regulations that could further inhibit job creation and prosperity,” Malta said.

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

Save the Date for Virtual Leadership Week

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 difficult 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 (August 12-13), Commercial Leadership Day (August 14), Leadership Camp (date to be determined), and YPN Advance (August 25). Registration for all programs will open the first week of August. For more information, visit [here](#).

New Center for REALTOR® Financial Wellness Webinar

Join the Center for REALTOR® Financial Wellness on Wednesday, August 5 at 2 PM EDT. This “Building a Better Banking Relationship” webinar will focus on your 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!

NAR Sustainability Summit Livestreams July 29

View the livestream of NAR's Sustainability Summit on Wednesday, July 29 from noon to 3 PM EDT. This event has gone virtual! Don't miss great presenters and conversation about sustainable real estate, the benefits of sustainable communities, and the relationship among real estate agents, clients, and the communities we serve. View more info and access the livestream [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 on PPP Extension and New Loan Forgiveness Rules

Erin Stackley, NAR's senior representative of commercial legislative policy, released a special video message this week titled "The PPP Extension and New Loan Forgiveness Rules." In this video, Erin shares recent updates to the terms of the federal government's Paycheck Protection Program. Please watch Erin's 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](#).

Consumer Ad Campaign Update

Two weeks ago, we shared the launch of a consumer ad campaign extension focusing on REALTORS'® commitment to fair housing with ads in the *New York Times*, *Wall Street Journal*, and *POLITICO*. We have received positive comments and support for NAR's reaffirmation in a very public way.

Along with these consumer-facing efforts, NAR released assets members and associations can use to extend the fair housing message through social media, print ads, a poster, billboard and now Zoom backgrounds. These assets are available on ThatsWhoWeR.realtor, and social assets are available through the Photofy app. The new assets are some of our most popular—within the series of social assets, the for-sale sign design, which NAR posted to Instagram on July 15, reached 33,104, and earned the #1 engagement slot with over 2,000 likes in the last year.

In September, the ad campaign will build on this momentum by integrating Phase 2. Through real stories, the work will bring awareness to issues around the disparities and discrimination in housing to build awareness, and the importance of the work NAR and REALTORS® do to fight it.

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

NAR, working in conjunction with the National Association of Home Builders, recently launched a new joint initiative, Home Performance Counts, to help consumers better understand the rapidly growing high-performance home marketplace—homes that prioritize comfort, durability, wellness, and affordability.

Demand for such housing has expanded in recent years, with the number of homes certified to the National Green Building Standard® increasing by more than 57% since 2017.

The Home Performance Counts initiative is sure to receive attention at our upcoming Sustainability Summit this July 29. You can find more information about the summit [here](#). As we've shifted meetings and events to go virtual, participation has reached record levels. We hope to be able to say the same about the Sustainability Summit—please join us then!

Be well and stay safe,



Vince Malta
PRESIDENT



Bob Goldberg
CHIEF EXECUTIVE OFFICER