

August 6, 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

- NAR's [Weekly Housing Market Monitor](#) shows that the housing market recovery continues steadily, based on contract signings, mortgage rates and applications, and credit card spending data.
- NAR's [2020 Profile of International Transactions in U.S. Residential Real Estate](#) finds that foreign buyers purchased \$74 billion worth of U.S. existing homes from April 2019 through March 2020. This was a 5% decrease from the previous 12 months and the second consecutive annual decline in foreign investment.
- In commercial real estate, NAR data finds that while construction spending declined 0.7% in June from May, multi-family construction picked up. Read NAR's July 2020 Commercial Real Estate Market Trends and Outlook report [here](#).
- NAR recently joined 12 commercial entities and nonprofit industry trade groups in [urging](#) Congress to take meaningful action in stimulus deliberations to protect the housing stability of millions of American families impacted by the COVID-19 pandemic. The same coalition also placed a print ad in *POLITICO* conveying this message.
- NAR this week sent a [letter](#) to Senators Cory Gardner (R-CO) and Doug Jones (D-AL), thanking them for their efforts to develop and introduce the American Dream Down Payment Act. This comes just weeks after NAR came out in public support of Congressman Sean Maloney's (D-NY) First Time Homebuyer Pandemic Savings Act.
- When designing a strategy to address the issues of vacancy, abandonment, and deterioration, it's critical that communities identify and analyze a neighborhood's distinct market challenges and opportunities. Attend our "Transforming Neighborhoods Webinar: Market Fundamentals to Address Property Vacancy and Abandonment" to learn more. August 11 at 2 PM EDT; register [here](#).

- At its annual Appraisal Summit, NAR continued to examine ways in which its 1.4 million members can help identify and eliminate racial discrimination from U.S. real estate markets. This year's [summit](#) was precipitated by recent research suggesting home valuation processes could be influencing the wealth gap between White and Black households in America.
- The Center for REALTOR® Financial Wellness will offer a webinar called “The Ultimate Guide to Real Estate Investing” on Wednesday, August 26 at 2 PM EDT. Register [here](#).
- A new [Commitment to Excellence](#) (C2EX) Association Staff Webinar is designed to help you better understand the C2EX platform and its administrative capabilities. August 7 at 12:30 PM EDT. Please register [here](#).
- A new [Commitment to Excellence](#) (C2EX) Broker Webinar is designed to help you better understand the C2EX platform and its administrative capabilities. Thursday, August 27, 3:30 PM EDT. Please register [here](#).
- NAR Director of Fair Housing Policy Bryan Greene released a special video message titled “The Reaffirmation of Fair Housing Principles.” In this video, Bryan explains why NAR’s fair housing principles are so important in this current climate. Please watch his 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 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

Housing Market's Steady Recovery Continues

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 the housing market recovery is continuing steadily, based on contract signings, mortgage rates and applications, and credit card spending data. Other findings include:

Contract Signings Rose 16% in the Past Four Weeks Ended August 2 from One Year Ago

- Preliminary information from multiple listing services shows a sustained increase in housing transactions as of August 2. The opening up of most businesses in all states, low 30-year fixed mortgage rates that averaged 2.99% the week of July 31, 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 August 2 were up 16% from one year ago, a strong pace but a tad lower from the prior week's pace of growth (18%).
- However, listings are still below last year's level. New listings during the 4-week period ended August 2 were 2.5% below last year's level, even lower than the prior week's decline (-1%). Nevertheless, the pace of new listings is an improvement compared to the 41% decline in listings during the 4-week periods of April 26 and May 3.

The Typical Mortgage Payment Is Lower than Median Rent as Mortgage Rates Decline to Below 3% in Week of July 31

- The 30-year mortgage rate fell below 3% again in the week ended July 31, to 2.99%.
- With a 2.99%, 30-year fixed rate plus 0.8% points and fees, 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 at 20% down payment was \$1,014, which is compared to the median rent of \$1,034.
- As of the week of July 24, mortgage purchase applications were up 21% from one year ago. Mortgage purchase applications have been trending above last year's levels since mid-May.

Mobility, Consumer Spending, and Businesses Openings Are Slowly Picking Up

- Credit/debit card purchases are trending up compared to the 30% decline in April. However, spending is still 6.4% below the level in January 2020.
- Twenty percent of small businesses are still not open as of July 14 relative to January 4-31.
- Mobility and engagement decreased slightly to -42.6% (-41.8% in the prior week) as states such as California ordered bars and restaurants to close again to control the rising cases of coronavirus infections.

NAR Survey Finds Annual Foreign Investment in U.S. Home Sales Declines 5%

According to a new survey by NAR, foreign buyers purchased \$74 billion worth of U.S. existing homes from April 2019 through March 2020. This was a 5% decrease from the previous 12-month period and the second consecutive annual decline in foreign investment in U.S. residential real estate. Foreign buyers purchased 154,000 properties, down 16% from the prior year.

NAR's [2020 Profile of International Transactions in U.S. Residential Real Estate](#)

surveyed members about transactions with international clients who purchased and sold U.S. residential property from April 2019 through March 2020. Foreign buyers who resided in the U.S. as recent immigrants or who were holding visas that allowed them to live in the U.S. purchased \$41 billion worth of U.S. existing homes, an 8% decrease from the prior year and 61% of the dollar volume of purchases. Foreign buyers who lived abroad purchased \$33 billion worth of existing homes, down 1% from the previous 12 months and accounting for 39% of the dollar volume. International buyers accounted for 4% of the \$1.7 trillion in existing-home sales during that time period.

“Foreign buyers and recent immigrants have become less of a force in the U.S. housing market over the last couple of years,” said NAR Chief Economist Lawrence Yun. “A lack

of housing inventory—the primary factor hindering domestic buyers—is also holding back some foreign buyers. Additionally, less cross-border travel, falling international trade, and fewer foreign students attending American universities are impacting foreign homebuyers.”

China and Canada remained first and second in U.S. residential sales dollar volume at \$11.5 billion and \$9.5 billion, respectively, continuing a trend going back to 2013. Mexico at \$5.8 billion, India at \$5.4 billion, and Colombia at \$1.3 billion rounded out the top five. China was the only country among the top five to see a decline in dollar volume from the previous year (\$11.5 billion from \$13.4 billion). Colombia replaced the United Kingdom as the fifth-largest country of origin by dollar volume of foreign buyers.

The median existing-home sales price among international buyers was \$314,600, 15% more than the median price of \$274,600 for all existing-homes sold in the U.S. The price difference reflects the location and type of properties desired by foreign buyers. At \$449,500, Chinese buyers had the highest median purchase price, with nearly half of them purchasing property in California and New York.

“In the upcoming year, better opportunities may become available for foreign buyers in large U.S. cities like New York and San Francisco,” said Yun. “New patterns of domestic migration are trending away from expensive cities to more affordable suburbs and small communities because of the pandemic and greater work-from-home possibilities.”

For more information, visit [here](#) and read the [report](#).

The Commercial Market: Construction Spending Declines, But Multi-Family Construction Picks Up

In commercial real estate, NAR data finds that while construction spending declined 0.7% in June from May, multi-family construction picked up. Read NAR’s July 2020 Commercial Real Estate Market Trends and Outlook report [here](#). Other findings include:

- The value of construction put in place for single-family homes measured at a seasonally adjusted annual rate declined by 3.6% in June compared to May, and also declined by 7.6% compared to one year ago.
- The value of new construction put in place for multi-family units rose 3% from May, but the value of construction is still 2.1% below last year’s level.
- The value of construction put in place for office commercial buildings in June rose slightly by 0.3% in June from May, but it is still down by 3.5% from one year ago. Commercial building construction fell 1.3% June from May.

Washington Update

NAR recently joined 12 commercial entities and nonprofit industry trade groups in [urging](#) Congress to take meaningful action during the ongoing stimulus deliberations to protect the housing stability of millions of American families impacted by the COVID-19 pandemic.

With relief provided by the CARES Act successful in helping Americans meet their housing needs, the groups are strongly urging Congress to support additional policies in the next COVID-19 bill to ensure people can remain in their home while preventing fundamental damage to the rental housing industry. The letter to Congress requests a rental assistance program to ensure tenants can stay in their homes, and housing providers can meet their obligations.

To this same end, the coalition secured placement of a print ad in the Wednesday edition of *POLITICO*, strongly urging Congress to “Protect the housing stability of millions of Americans.” The ad highlights the key points the coalition contends will accomplish this goal, including providing direct rental and housing assistance to those who need it, extending federal unemployment benefits, and stopping a protracted eviction moratorium. “By taking meaningful action now, Congress can keep families in their homes, save small businesses and pull the country back from an emerging housing crisis,” the ad concludes.

NAR this week also sent a [letter](#) to Senators Cory Gardner (R-CO) and Doug Jones (D-AL), thanking them for their efforts to develop and introduce the American Dream Down Payment Act. This legislation, which builds on years of NAR-supported policy, would establish Qualified Down Payment Savings Programs. NAR argues these accounts could provide a significant vehicle to assist aspiring homeowners who have been unable to save enough for a down payment.

This comes just weeks after NAR came out in public support of Congressman Sean Maloney’s (D-NY) First Time Homebuyer Pandemic Savings Act. Just introduced in the U.S. House of Representatives, this bill would make COVID-19 relief funds tax exempt if used toward a home’s down payment, allowing first-time buyers to withdraw funds from their retirement accounts under the umbrella of coronavirus-related distributions to assist with home purchases.

New Transforming Neighborhoods Webinar August 11

When designing a strategy to address the issues of vacancy, abandonment, and deterioration, it’s critical that communities identify and analyze a neighborhood’s distinct market challenges and opportunities. Market dynamics vary neighborhood by neighborhood. REALTORS® can provide this unique market knowledge, and their expertise should be leveraged during the development of strategies, initiatives, and programs aimed at building neighborhood markets. Attend our “Transforming

Neighborhoods Webinar: Market Fundamentals to Address Property Vacancy and Abandonment” to learn more. August 11 at 2 PM EDT. Highlights will include:

- Lessons learned from the 2008 Great Recession and assumptions for the future
- Systems that affect vacancy and abandonment
- Indicators of vacancy and early intervention
- How REALTORS® can help identify and analyze market challenges and opportunities

For more information and to register, visit [here](#).

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

NAR’s Virtual Appraisal Summit Examines Intersection of Fair Housing, Appraisal Industry

At its annual Appraisal Summit, held Wednesday, the National Association of REALTORS® continued to examine ways in which its 1.4 million members can help identify and eliminate racial discrimination from U.S. real estate markets. This year’s summit, *Fair Housing Issues in Real Estate Appraisal*, was precipitated by recent research suggesting home valuation processes could be influencing the wealth gap between White and Black households in America.

“It is well documented that homeownership provides long-term wealth while helping to ensure the financial stability of future generations,” NAR President Vince Malta said in his opening remarks Wednesday afternoon. “However, it has become more apparent over recent months that not everyone in this country encounters the same economic and societal opportunities. I believe REALTORS® have an obligation to actively promote equality, inclusion, and acceptance throughout America’s real estate industry, and it is important to me that NAR act as a leader on the issues of housing equality and affordability.”

NAR and its guests examined recent claims that home valuation processes might play a factor in exacerbating racial inequality in America. Ultimately, panelists agreed that more fair and equitable valuation systems would help increase Black homeownership rates and close the aforementioned wealth gap.

“Today’s event illustrates an important way that structural barriers can persist in homeownership outcomes,” Michael Neal, senior research associate at the Urban Institute’s Housing Finance Policy Center, said Wednesday. “These racial disparities can make Black households more vulnerable in the midst of an economic recession.”

Also joining Neal and Malta were Andre Perry, fellow at the Brookings Institute; Elizabeth Peetz, vice president of government affairs for the Colorado Association of

REALTORS®; and Craig Morley, managing partner at Accurity Valuation/Morley & McConkie.

NAR Chief Economist Lawrence Yun [recently highlighted a number of proposals](#) that could address lingering racial wealth and homeownership gaps, including building more homes to increase supply and make it easier to convert from renting to owning; increasing access to down payment assistance; and expanding alternative credit scoring models to include rent and utility payments, [among others](#).

Along with the Urban Institute and the National Association of Real Estate Brokers, NAR in 2019 also worked to develop a [five-point framework to address the Black homeownership gap](#). Specifically, the plan calls on the nation to (1) advance policy solutions at the local level; (2) tackle housing supply constraints and affordability; (3) promote an equitable and accessible housing finance system; (4) provide further outreach and counseling initiatives for renters and mortgage-ready millennials; and (5) focus on sustainable homeownership and preservation initiatives.

New Free Webinar: Center for REALTOR® Financial Wellness on August 26

Interested in learning how to get started in real estate investing? Register for the Center for REALTOR® Financial Wellness webinar, “The Ultimate Guide to Real Estate Investing,” on August 26 at 2 PM EDT. This webinar will cover how to distinguish if an opportunity is going to be a commission or an investment opportunity, investment planning strategies for agents who plan on building passive income, and ways to prospect for today’s commission and tomorrow’s investments. Register [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 C2EX Broker Webinar goes Live August 27

This webinar is designed to help you better understand the Commitment to Excellence ([C2EX](#)) platform and its administrative capabilities. Aimed at managing brokers to use with their agents, the webinar will provide information on pulling progress reports, uploading to the library, and assigning users in C2EX. Join us Thursday, August 27, 3:30 PM EDT. Please register [here](#).

New Video Message: The Reaffirmation of Fair Housing Principles

Bryan Greene, NAR’s director of fair housing policy, released a special video message this week titled “The Reaffirmation of Fair Housing Principles.” In this video, Bryan explains why NAR’s fair housing principles are so important in this current climate. Please watch his 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](#).

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

Those of you following NAR on Twitter (@nardotrealtor) may have seen our recent [tweet](#) congratulating Florida REALTORS® for organizing the largest cleanup project in Florida history.

Local REALTOR® associations across the Sunshine State organized events at the local level to clean up lakes, beaches, and waterways, helping our planet and enhancing surf-and-sun fun for locals and tourists alike. In one week, they collected many tons of marine and land debris. Florida REALTORS® also distributed more than 1,400 REALTOR®-branded face masks for the event, to ensure members’ health and safety.

We’re proud that when the call goes forth to improve our communities, REALTORS® are the first to step forward. We want to thank the thousands of Florida REALTORS® who participated in this cleanup effort—and the many more across our country who have donated their time and talents to similar projects. Surf’s up!

Be well and stay safe,



Vince Malta
PRESIDENT



Bob Goldberg
CHIEF EXECUTIVE OFFICER