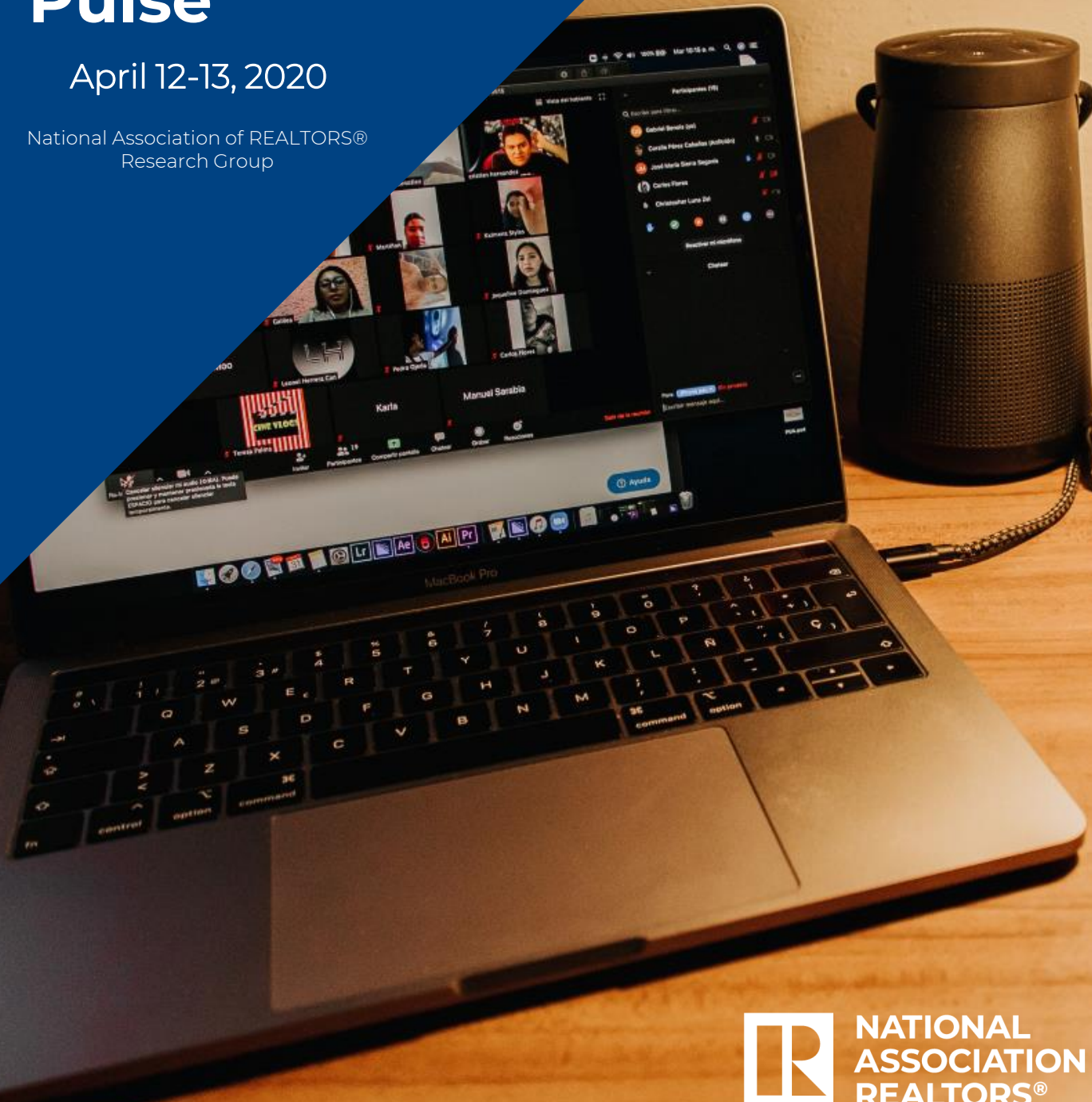


2020

NAR Flash Survey: Economic Pulse

April 12-13, 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 86,699 members. The survey had 2,291 useable responses. The response rate was 2.64 percent.

For 92 percent of respondents, the majority of their business is residential. For six percent of respondents, the majority of their business is commercial.

Eighty-eight percent of respondents are in a state that has declared a state of emergency. Eighty-one percent of members work in a local market where there are presumed or confirmed cases of COVID-19.

Dates



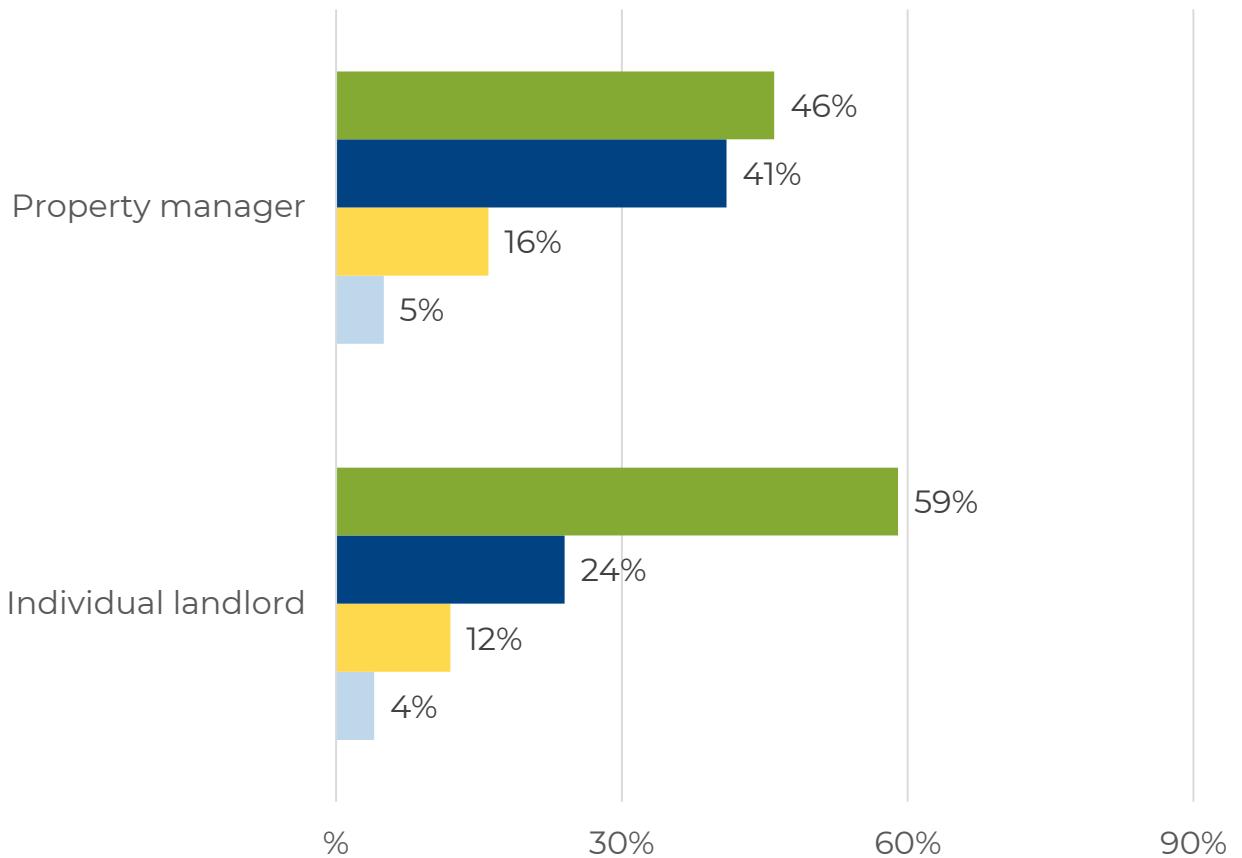
The survey was deployed on Sunday, April 12th, and was closed on Monday April 13th.

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, 46 percent of property managers cited having no issues with their tenants paying the rent, compared to 59 percent of individual landlords. Forty-one percent of property managers reported being able to accommodate their tenants who cannot pay rent and 16 percent cited it being difficult. In contrast 24 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and 12 percent cited it being difficult. Small portions (less than ten 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?:

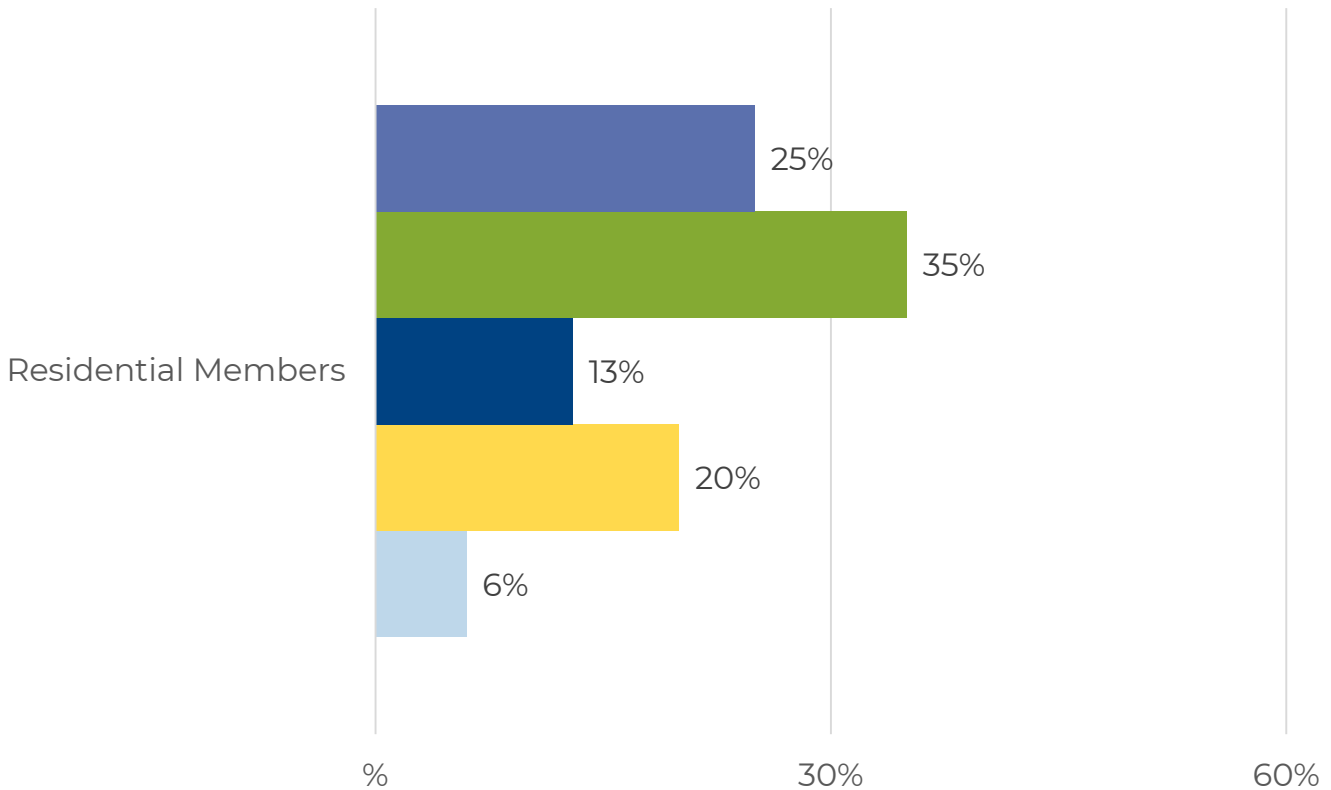


- No issues, rents are being paid on time
- Yes, asking to delay paying their rent, and will be accommodating knowing the circumstances
- Yes, asking to delay paying their rent, and will be difficult to allow
- Yes, leases are being terminated

Social Distancing and Transactions

Twenty-five percent of members cited being able to complete nearly all aspects of transactions while respecting social distance. With minor modifications such as using masks and gloves, 35 percent cited felt person-to-person interactions were still required. Thirteen percent postponed home searching and 20 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?

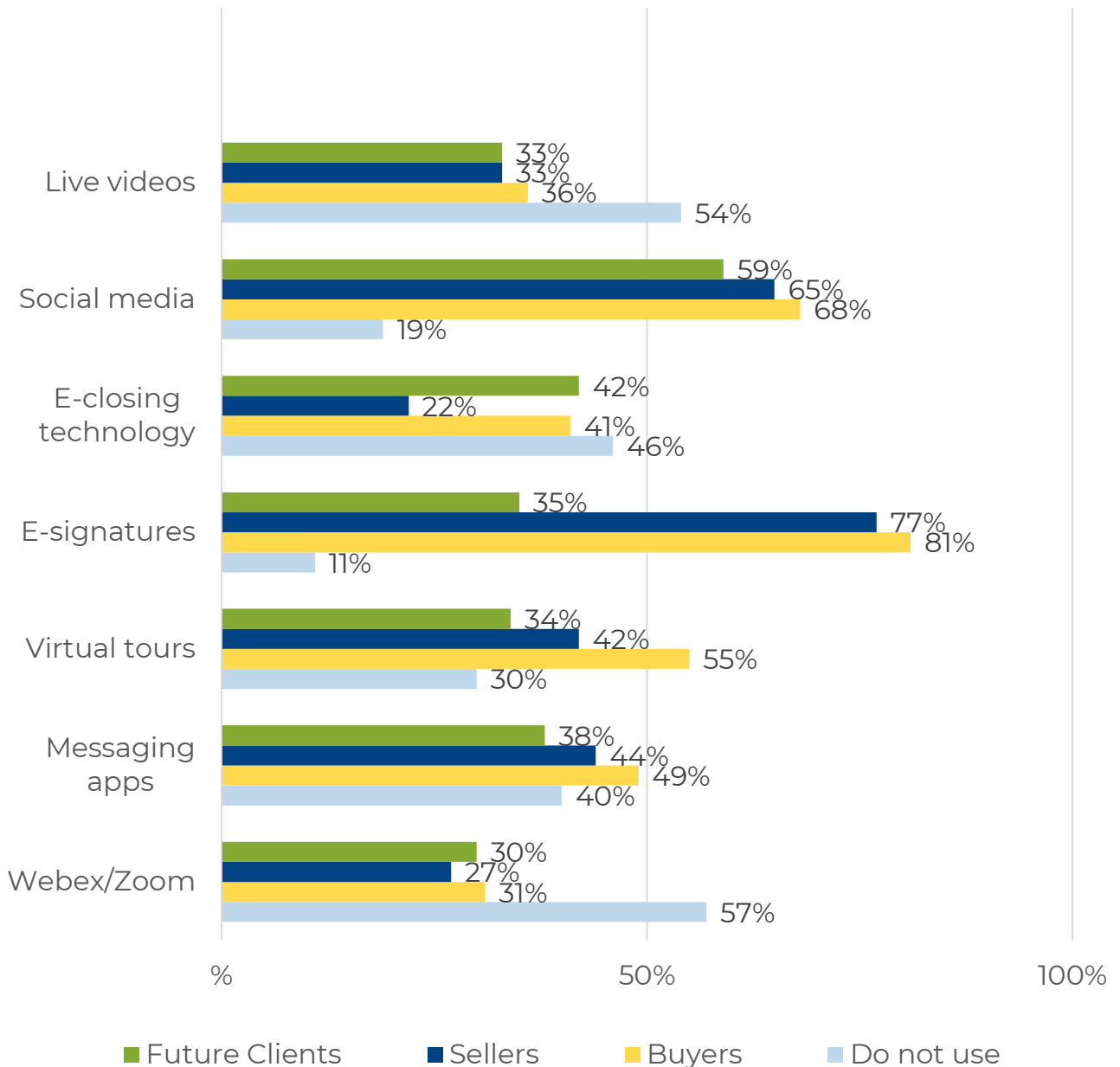


- Nearly all aspect of the transaction can be done while respecting social distancing
- Some aspects still require person-to-person interactions, though masks and gloves could lessen the risk of spreading the virus
- Home searching has to be postponed because of the need for close person-to-person interactions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

Technology Tools

Members are using a number of technology tools to communicate with clients. Most often technology tools are used to communicate with buyers. The most common tech tools used are e-signatures, social media, messaging apps, and virtual tours.

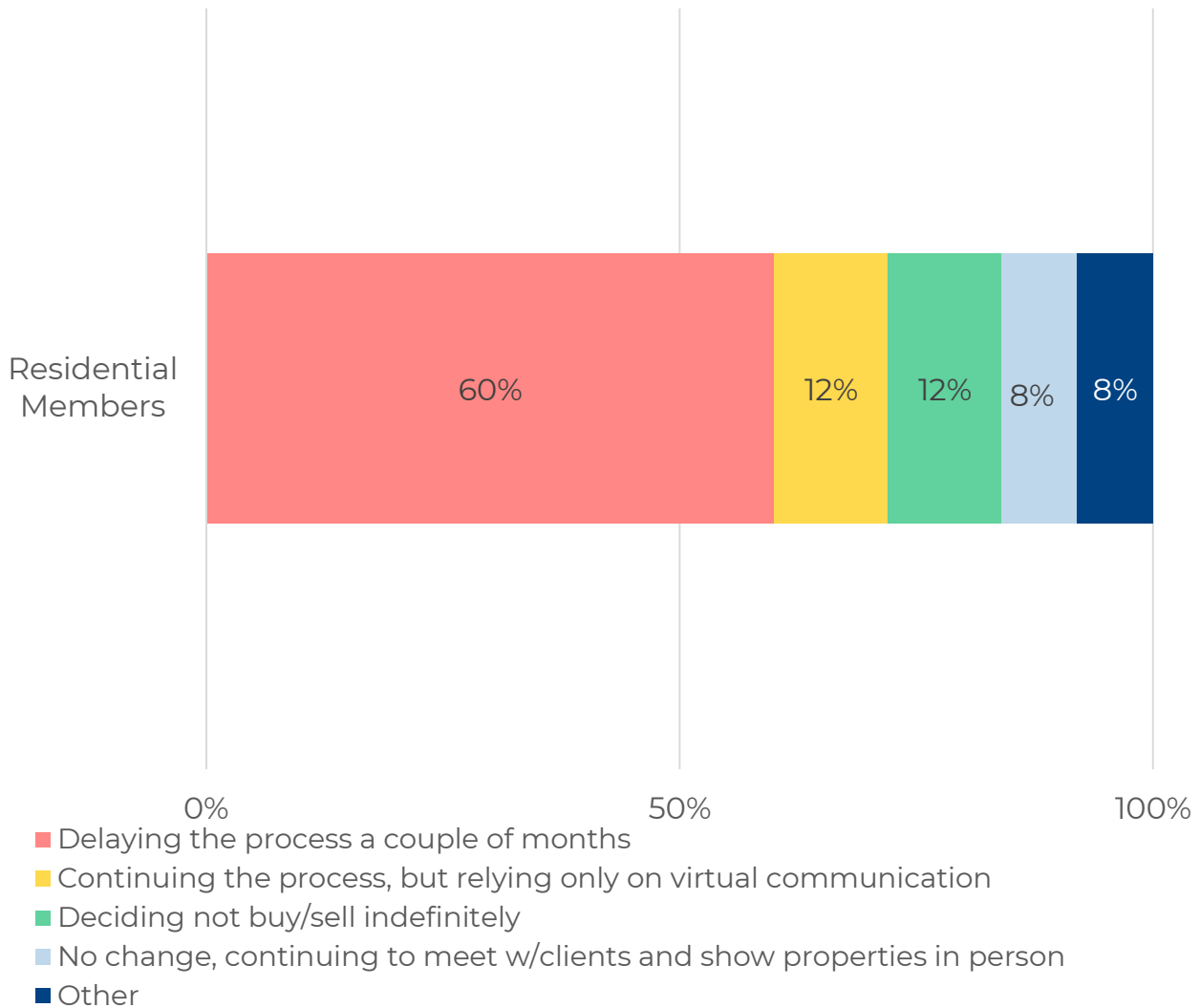
WHAT TECHNOLOGY TOOLS ARE YOU USING TO CULTIVATE NEW RELATIONSHIPS AND COMMUNICATE WITH CLIENTS?



Buyer Behavior

Unsurprisingly, 60 percent of members reported buyers are delaying their home purchase for a couple of months. Twelve percent reported members are continuing the process, but only relying on virtual communication. Twelve percent reported clients are deciding not to buy or sell indefinitely. Eight percent reported there is no change in client behavior, and they continue to meet in person. Eight 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 BUYING A HOME?

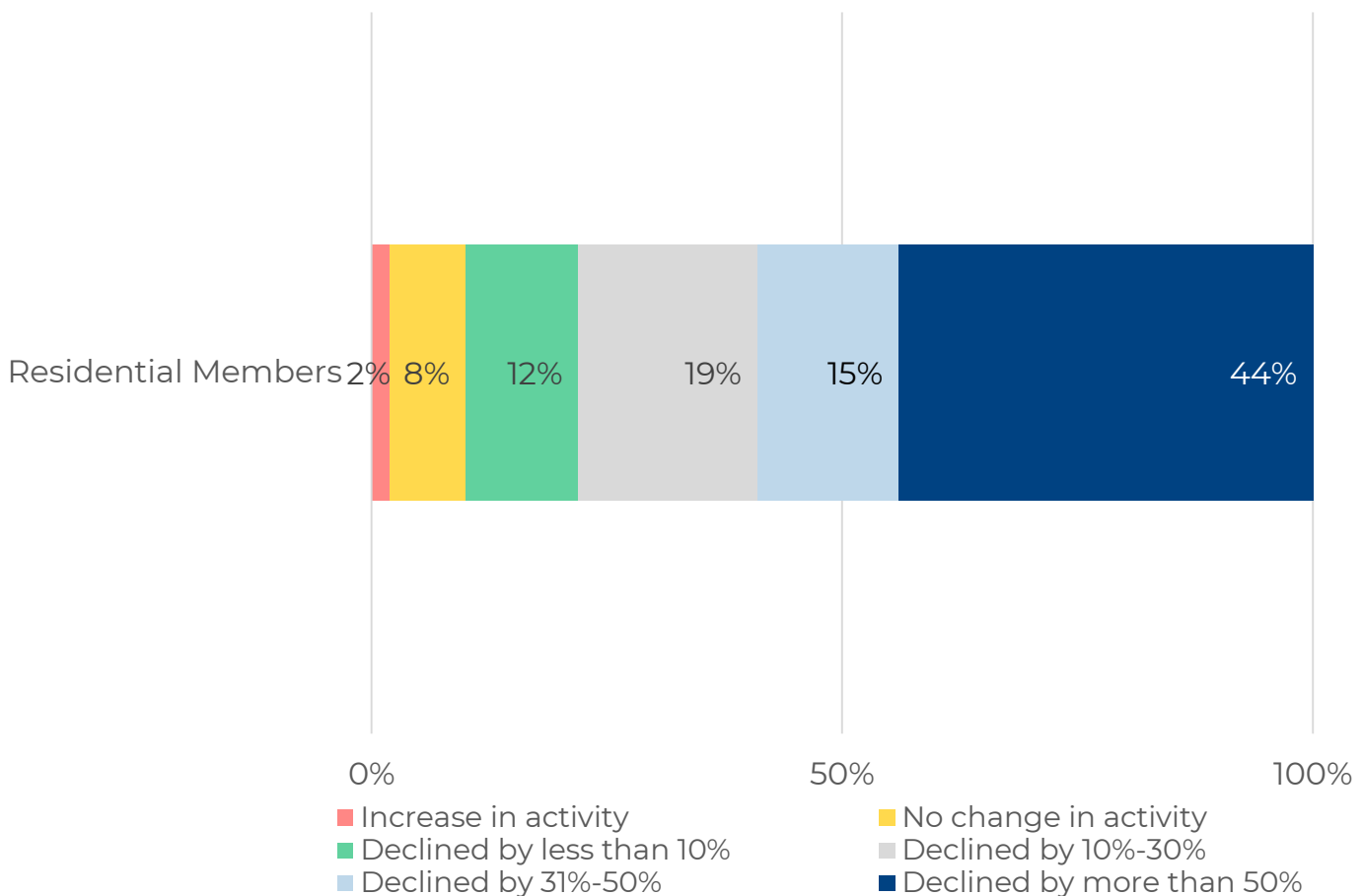


Buyer Interest

Ninety percent of members cited a decline in buyer interest. Of this share, 44 percent reported a decline by more than 50 percent. Eight percent of members cited no change in activity and two percent cited an increase in activity.

Twenty-five percent of those who worked with buyers who put contracts on homes this week, had at least one buyer who put in a contract without physically seeing the home. Among members who worked with a buyer who put a contract on a home this week—the median amount of homes toured, either virtually or in person, before putting a contract on a home was three.

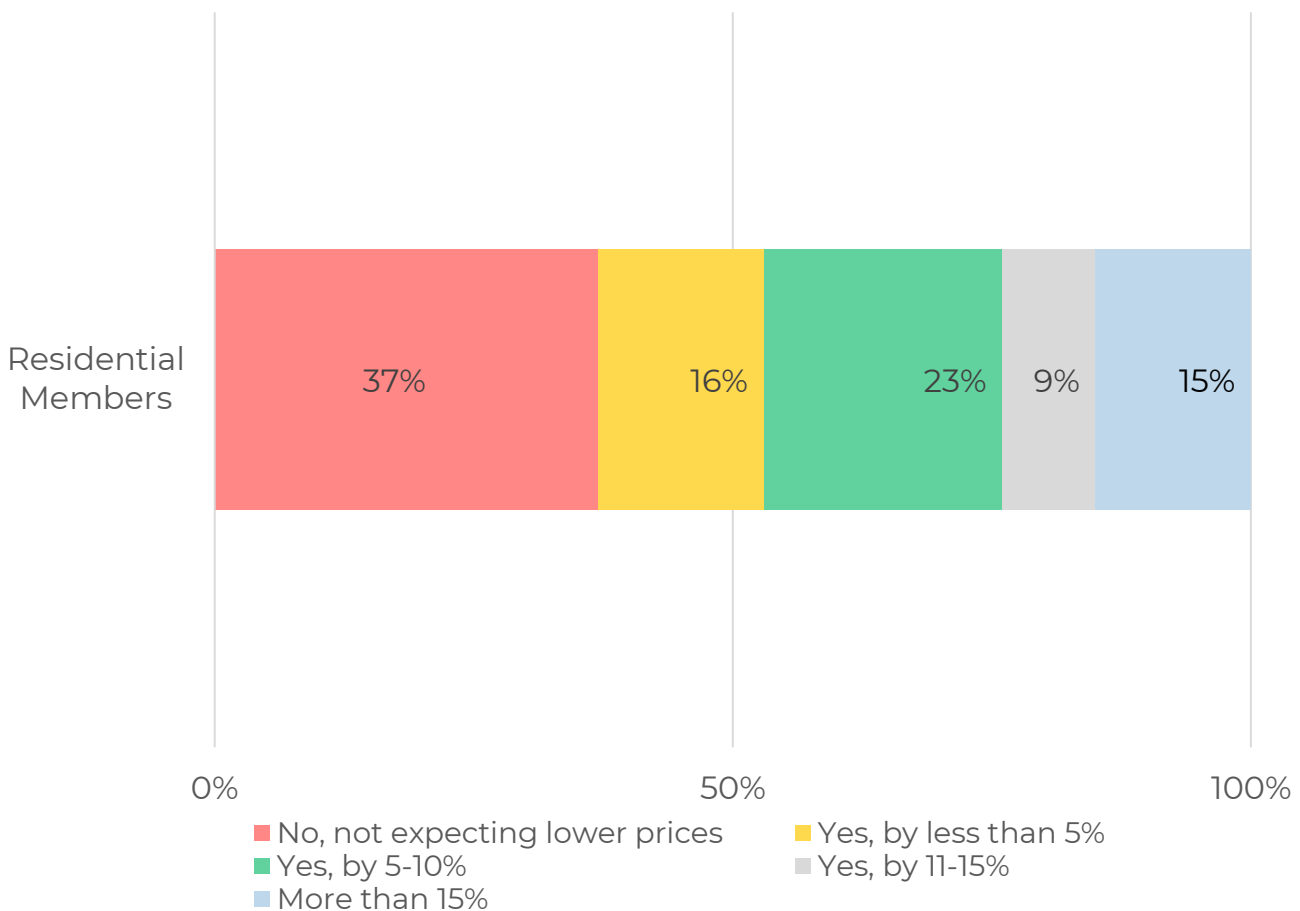
HOW HAS CORONAVIRUS (COVID-19) AFFECTED HOME BUYER INTEREST IN YOUR MARKET?



Buyer Expectations of Home Prices

Sixty-three percent of members said buyers are expecting a decline in home prices. Of this share, 15 percent expect a less than five percent decrease and the largest portion (23 percent) expect a decrease by five to 10 percent.

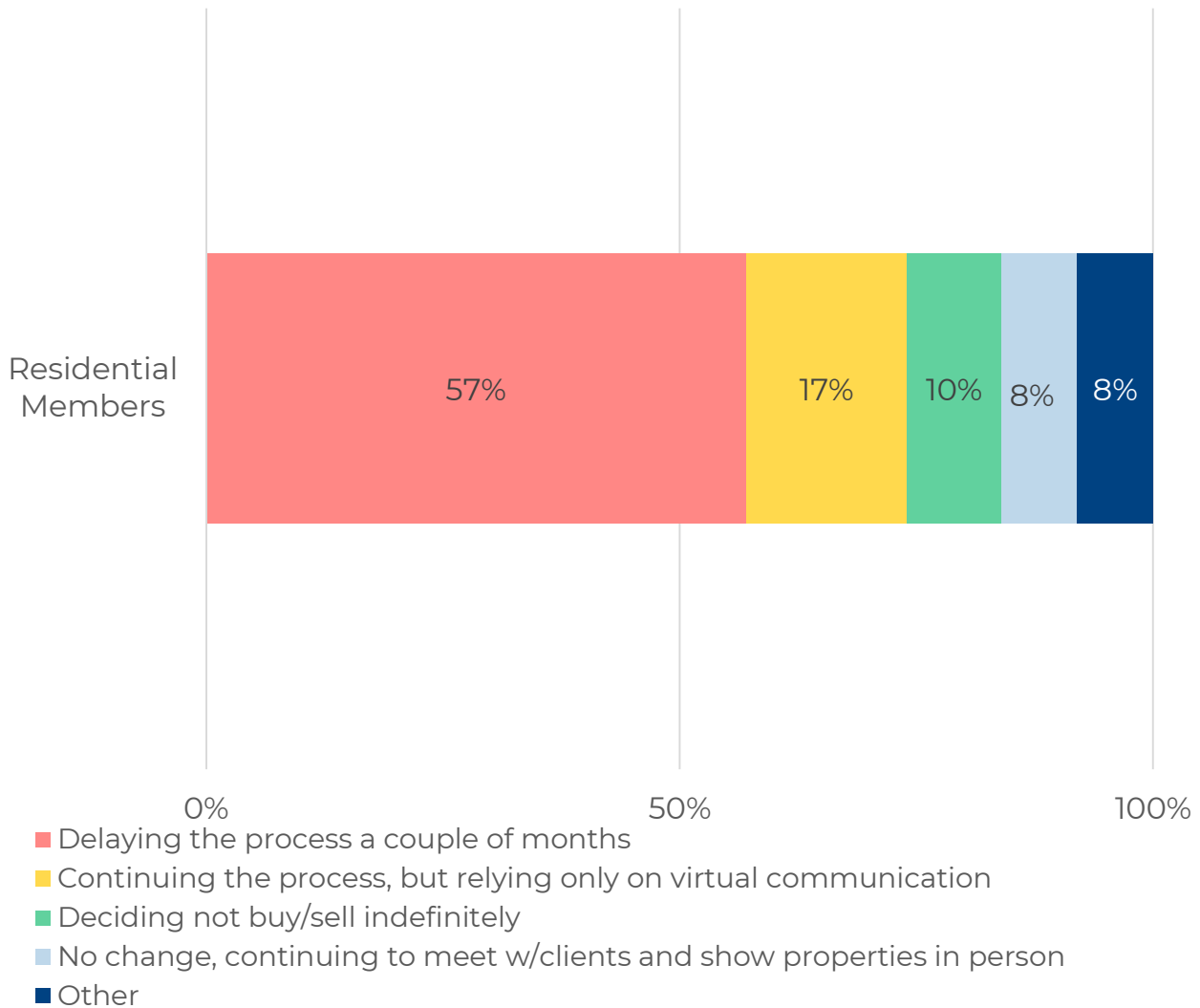
IN GENERAL, ARE HOME BUYERS EXPECTING LOWER PRICES NOW?



Seller Behavior

Similar to home buyer behavior, 57 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. Ten percent reported clients are deciding not to buy or sell indefinitely. Eight percent reported there is no change in client behavior, and they continue to meet in person.

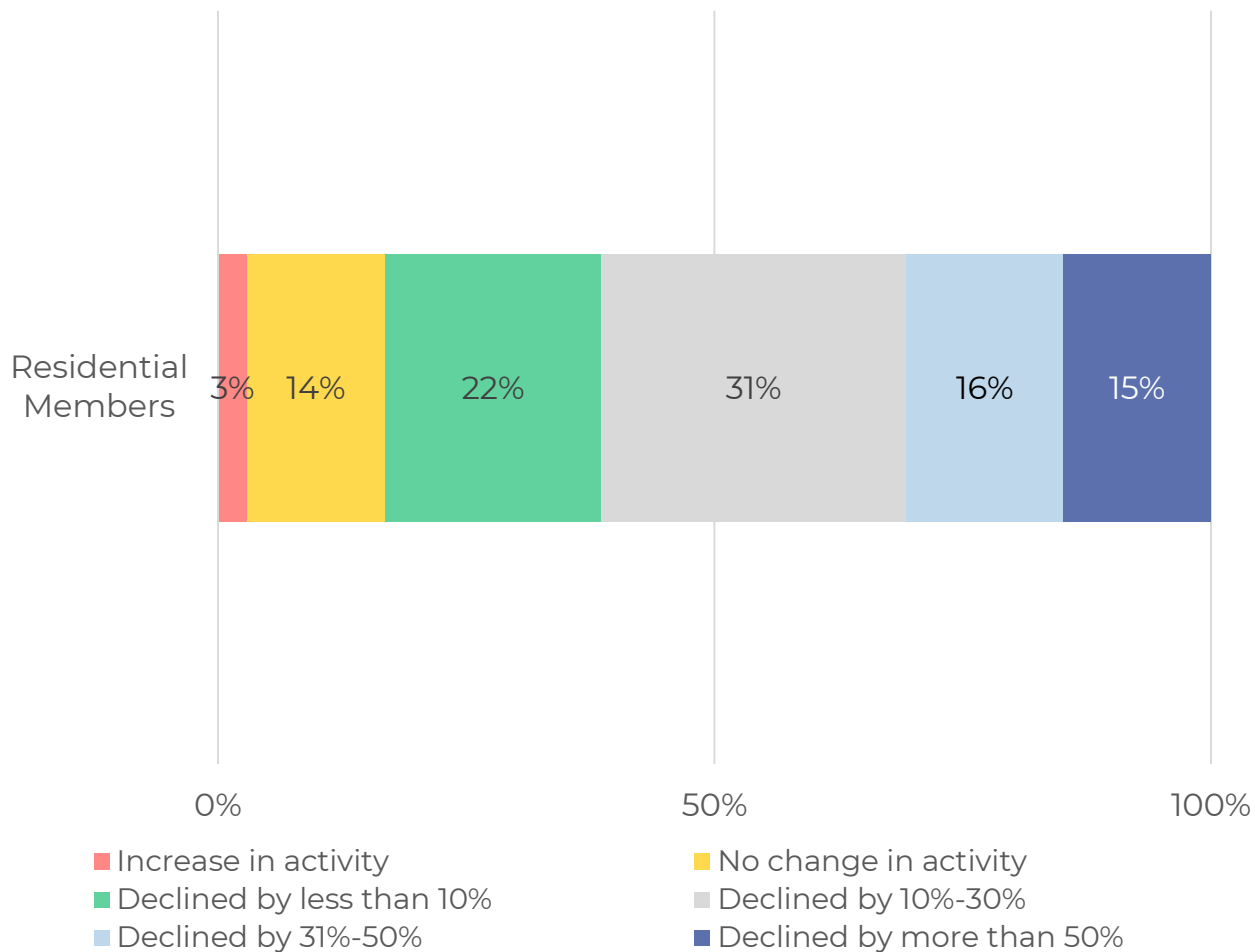
IN GENERAL, HOW HAS THE CORONAVIRUS (COVID-19) CHANGED CLIENTS' ATTITUDES WITH REGARDS TO SELLING A HOME?



Seller Behavior

Eighty-three percent of members cited a decline in the number of homes on the market. Thirty-one percent of members reported a decline between 10 percent to 30 percent. Fourteen percent of members cited no change and three percent cited an increase the number of homes on the market.

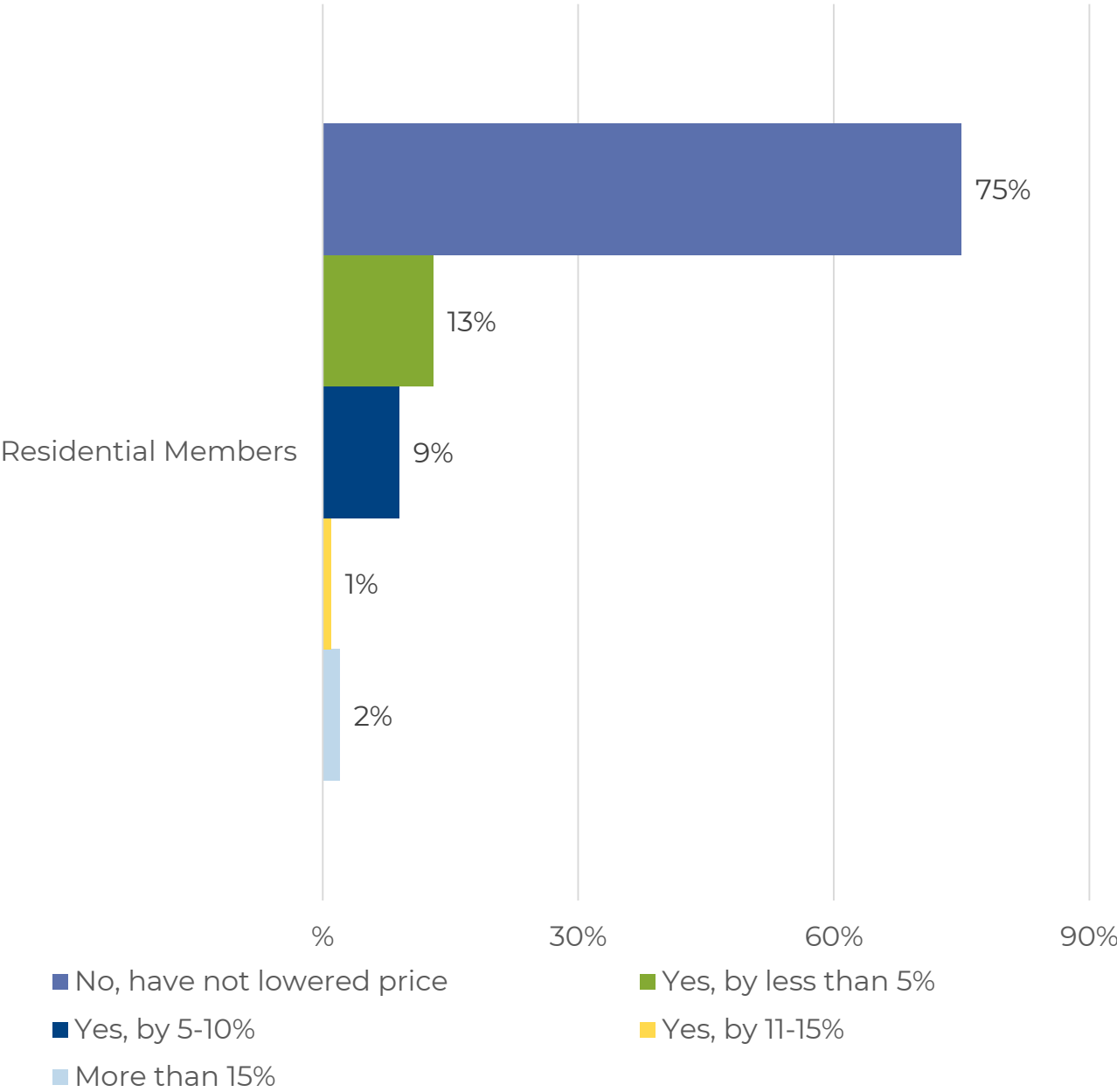
HOW HAS CORONAVIRUS (COVID-19) AFFECTED THE NUMBER OF HOMES ON THE MARKET?



Sellers Reduced Listing Price

Of those who are currently working with sellers, 75 percent said that no sellers have reduced the price to attract buyers. Thirteen percent reported sale prices reduced by five percent or less. Only two percent reported 15 percent or more.

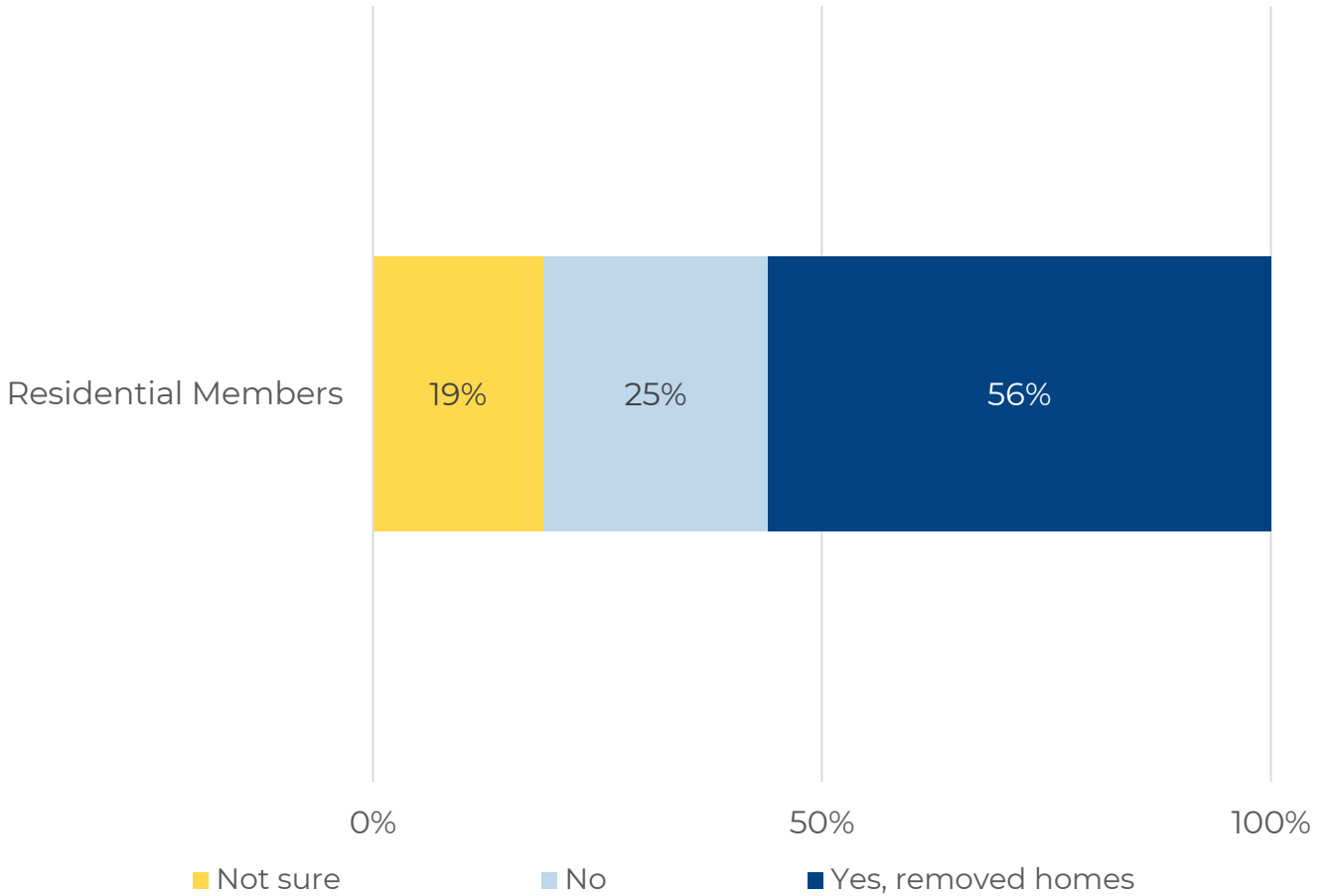
IN GENERAL, HAVE ANY OF YOUR HOME SELLERS RECENTLY REDUCED PRICE TO ATTRACT BUYERS?



Seller Behavior

Fifty-six percent had seen sellers remove their homes from the market completely due to the coronavirus. Twenty-five percent reported no homes have been removed from the market for this reason.

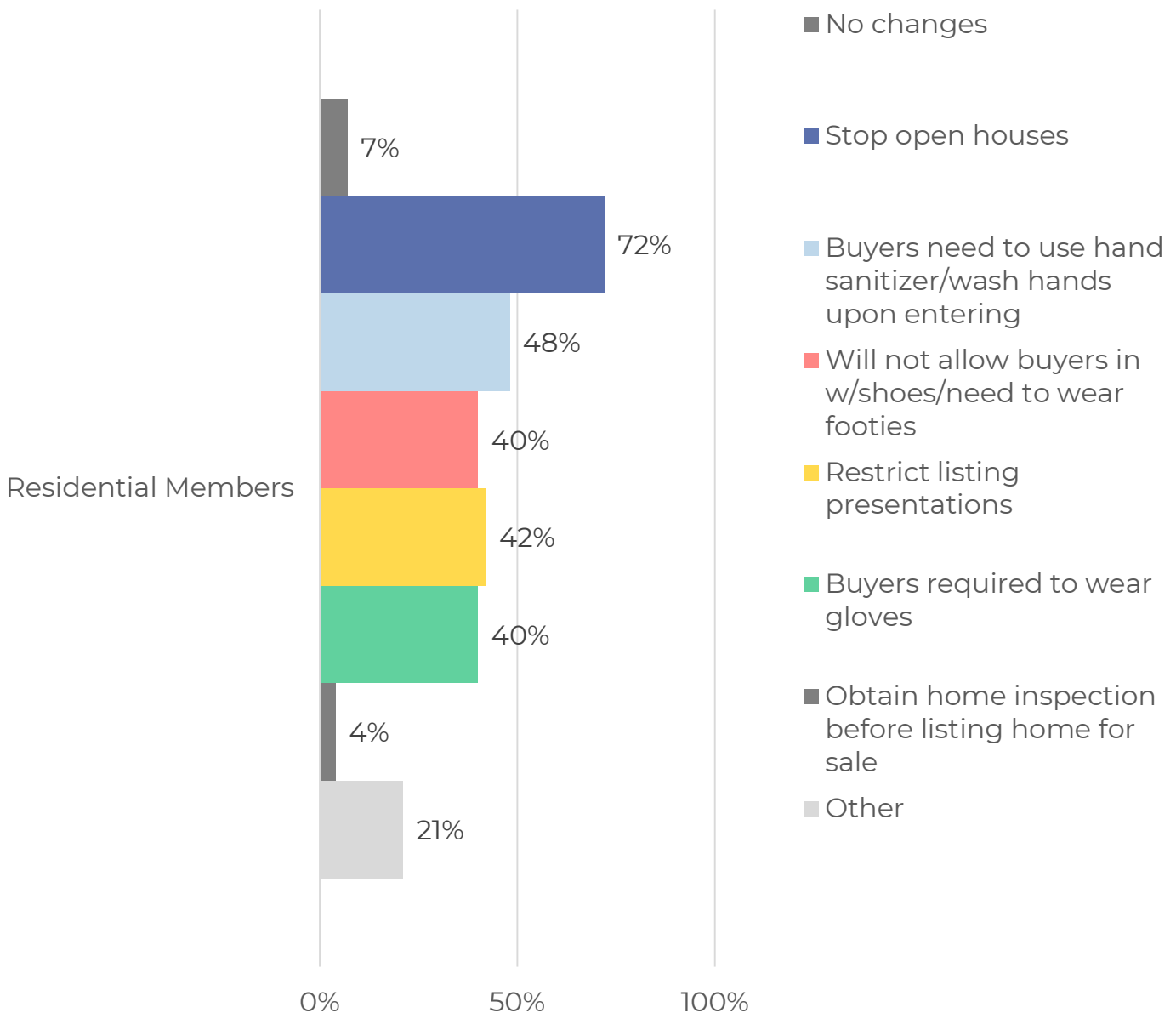
HAVE YOU SEEN ANY SELLERS REMOVE THEIR HOME FROM THE MARKET COMPLETELY DUE TO CORONAVIRUS (COVID-19)?



Seller Behavior

The majority of sellers are changing how their home is viewed while the home remains on the market. Ninety-three percent reported that home sellers have made changes including stopping open houses, requiring buyer handwashing or hand sanitizer to be used, or asking buyers to remove shoes or wear footies.

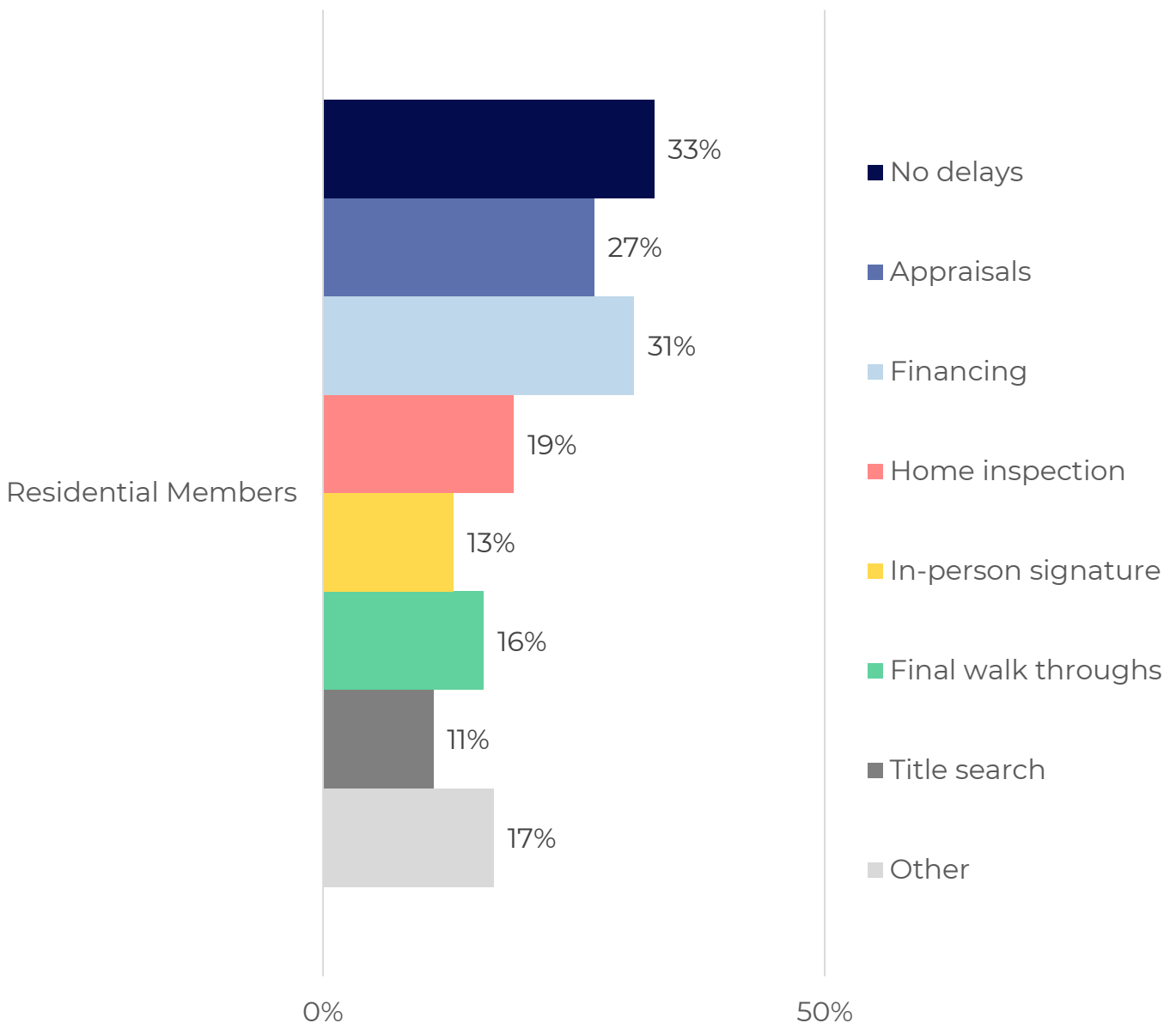
IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY OF THE FOLLOWING CHANGES IN HOME SELLER LISTING BEHAVIOR?



Residential Closing Delays

Thirty-three percent of residential members have reported no closing delays. Delays in closing happened for a number of reasons including delays with appraisals, financing, home inspections, in person signature, final walk-throughs and title searches.

ARE YOUR RESIDENTIAL TRANSACTIONS RUNNING INTO ANY SIGNIFICANT NEW DELAYS CLOSING, DUE TO CORONAVIRUS (COVID-19)?





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