

August 13, 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

- A new [report](#) from NAR shows that metro home prices grew in 96% of metro areas in the second quarter of 2020.
- NAR's [Weekly Housing Market Monitor](#) continues to show a housing market recovery. This week, the data shows an increase in contract signings and continued low mortgage rates. And the number of unemployed construction jobs is falling, meaning more are getting work.
- Over the weekend, President Trump signed a series of executive orders related to the COVID-19 pandemic following the breakdown of talks in Congress on a new relief package. NAR sent a letter to congressional leadership urging both sides of the aisle to come to a legislative compromise that bolsters our economy and helps families.
- This week, NAR joined a broad range of U.S. businesses to support extending 2020 Census deadlines. And NAR President Vince Malta weighed in on an announcement by Fannie Mae and Freddie Mac of plans to impose a new fee on mortgage refinances starting September 1, calling it “the absolute wrong policy at the wrong time.”
- This year's Leadership Summit is August 17-19. Join 2021 NAR President Charlie Oppler and his Leadership Team as he presents his priorities for the upcoming year. For more information, visit [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](#).
- 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](#).

- The Center for REALTOR® Financial Wellness will offer an all-day virtual event, “Financial Wellness LIVE—Virtual Edition 2020” on October 7. Registration opens Monday, August 17. For details, [click here](#).
- NAR Vice President of Association Affairs Mabel Guzmán released a special video message titled “The New Flood Factor Feature.” In this video, Mabel explains how REALTORS® can be a source of flood risk information. Please watch her 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://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](https://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

### **Metro Home Prices Grow in 96% of Metro Areas in Second Quarter of 2020**

The overwhelming majority of the nation's metro areas witnessed home prices rise in the second quarter of 2020, according to the [latest quarterly report](#) of Metropolitan Median Area Prices and Affordability conducted by NAR.

Median single-family home prices rose year-over-year in 96% of measured markets in the second quarter, with 174 of 181 metropolitan statistical areas showing sales price gains. That is identical to the percentage of metro areas in the first quarter that had price gains. The national median existing single-family home price in the second quarter of 2020 was \$291,300. On a year-over-year basis, this is a 4.2% climb; however, it is still a slower pace of appreciation compared to the pre-pandemic rate of 7.7% in the first quarter.

"Home prices have held up well, largely due to the combination of very strong demand for housing and a limited supply of homes for sale," said Lawrence Yun, NAR chief economist. "Historically low inventory continues to reinforce and even increase prices in some areas."

Yun says that the record-low mortgage rates will undoubtedly continue to attract new buyers, but that more homes are needed. "Unless an increasing number of new homes are constructed, some buyers could miss out on the opportunity to purchase a home or have the opportunity delayed," he said. "In the meantime, prices show no sign of decreasing."

### **Weekly Housing Market Monitor Continues to Show Recovery**

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 an increase in contract signings and continued low mortgage rates. Other findings include:

#### *Contract Signings Rose Nearly 18% in the Past Four Weeks Ended August 9 from One Year Ago*

- Preliminary information from multiple listing services shows a sustained increase in housing transactions as of August 9. The opening up of most businesses in all states, low 30-year fixed mortgage rates that averaged 2.88% in the week of the week of August 7, and 10.1 million more employed payroll and self-employed workers in July, compared to the level in April when employment reached its trough, are all helping sustain housing demand.
- Contract signings (pending sales) during the past four weeks ended August 9 were up 18% from one year ago, a strong pace but a tad lower from the prior week's pace of growth (18%).

- For the first time, new listings in the past four weeks reached a level at par to last year's level (0% year-over-year change). The pace of new listings had fallen by 41% year-over-year during the 4-week periods of April 26 and May 3.
- With an increase in the pace of new listings, there were 9.4 new pending contracts for every 10 new listings in the past four weeks ended August 9, a little less than the 9.9 ratio in the past four weeks through July 5. This indicates that supply conditions improved somewhat in August, which should temper the rise in prices.

#### *Mortgage Rates Decline to Historic Low of 2.88% in the Week of August 7*

- The 30-year fixed mortgage rate fell to a historic low of 2.88% in the week of August 7.
- As of the week of July 31, mortgage purchase applications were up 21% from one year ago. Mortgage purchase applications have been trending above last year's levels since mid-May.
- As of June, the 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 \$1,036, which is just slightly higher than the median rent of \$1,035 in July.

#### *Midwest Is Most Affordable Region, West Region is Least Affordable*

- With mortgage rates at historic lows, a home mortgage payment remains affordable. As of June, the mortgage payment as a percentage of income fell to 15.3% this June from 16.5% from a year ago. Using the share of a typical mortgage payment to median family income, the West region was the least affordable (20.9%), followed by the Northeast (15.0%) and South (14.7%), with the Midwest as the most affordable (12.4%).
- At the national level, housing affordability improved in June 2020 compared to a year ago, based on [NAR's Housing Affordability Index](#) that compares the median family income of \$81,424 estimated by NAR to the level of income needed to pay for a mortgage affordably, estimated by NAR at \$49,728 ( so a ratio of 1.637 that is them multiplied by 100 arrives at HAI of 163.7). Home prices were up 3.5%, about the same pace as the 3.4% increase in median family income.
- However, affordability slightly fell in June compared to May, as the median family income declined from \$81,931 in May to \$81,424 in June, while the median single-family home price rose by 4% from \$286,600 to \$298,600.

#### *Four Construction Job Seekers for Every Open Job*

- The number of unemployed construction workers is falling, which means they are getting hired. The number of unemployed construction workers rose to 1.53 million in January 2020, but that has fallen to 870,000 as of June, which indicates they are finding work.
- Meanwhile, there are 245,000 job openings available as of the end of June. With four job seekers for every job opening, new housing construction won't be hampered by a labor shortage.
- Construction wages could fall, which will dampen home price appreciation.
- The average weekly wage in the construction industry rose to \$1,234 in July, but the higher average captures workers with jobs, not the construction workers at the lower rung of the pay scale who became unemployed.

#### **Washington Update**

President Trump over the weekend signed a series of executive orders related to the coronavirus pandemic following the breakdown of talks in Congress on a new relief package.

The four directives ordered a suspension of payroll taxes for incomes less than \$100,000; federal student loan payment deferrals for the rest of the year; the creation of a new Pandemic Unemployment Insurance program; and a new rental eviction moratorium.

Details so far remain scarce and unclear.

Under the orders, states would be required to cover 25% of the cost of the new unemployment program and create an entirely new system to administer it. It would also be voluntary.

The eviction moratorium order is also vague on how it would be administered and whether it includes rental assistance. In a Saturday statement, NAR President Vince Malta said, "While NAR appreciates and is supportive of White House efforts to ensure struggling Americans can remain in their homes, we are disappointed in the administration's decision to not tie an eviction moratorium with rental assistance—as they must be."

Congressional Republicans and Democrats remain far apart on a new relief package after passing four bills nearly unanimously during the first half of the year that poured trillions of dollars of aid into the economy. Democrats have proposed a further \$3.5 trillion in spending, while Republican leadership wants to keep the cost of the next bill at \$1 trillion.

NAR recently sent a [letter](#) to congressional leadership urging action on business liability protections, unemployment extensions, rental and mortgage assistance, forbearance extensions, and PPP loan forgiveness, among other issues.

“We are hopeful that talks are continuing on some level. Members can be back within 24 hours’ notice to pass something if there is a breakthrough,” said Shannon McGahn, senior vice president of government affairs for NAR. “We strongly urge the two sides to regroup and come to a compromise that bolsters our economy and helps American families in need during this trying time.”

Also this week, NAR joined a broad range of U.S. businesses to support extending 2020 Census deadlines. In a letter to Congress, NAR said, “While we recognize the urgency of meeting the statutory deadline, a rushed census in the midst of the current public health crisis will harm every state, every business, and every industry in the country relying upon the resulting data.”

Finally, on Thursday NAR President Vince Malta [weighed in](#) on an announcement by Fannie Mae and Freddie Mac of plans to impose a new fee on mortgage refinances starting September 1.

Malta called it “the absolute wrong policy at the wrong time,” and said, “It is especially troubling since the GSEs use their profits from refinances to support homebuyers in underserved markets, meaning those communities already suffering the most will be harmed the most by this action.”

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

#### **Leadership Summit Kicks Off August 17**

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 is open to elected leadership teams at the state and local levels, along with national leaders. For more information, visit [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 Center for REALTOR® Financial Wellness Webinar 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](#).

### **Save the Date: New REALTOR® Financial Wellness Webinar October 7**

The Center for REALTOR® Financial Wellness will be offering an all-day virtual event, “Financial Wellness LIVE—Virtual Edition 2020.” Learn financial strategies for yourself, your business, and your future. Planning for unforeseen changes has never been more evident. Gain insight on how to stay above the market trends and hear from financial experts who will touch on various topics centered on financial investment strategies for your personal and business goals. Registration opens Monday, August 17. For details, [click here](#).

### **New Video Message by Vice President of Association Affairs Mabel Guzmán**

Mabel Guzmán, NAR vice president of association affairs, released a special video message this week titled “The New Flood Factor Feature.” In this video, Mabel explains the benefits the new flood factor feature brings to both members and clients, and how REALTORS® can be a source of flood risk information. Please watch her 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](https://nar.realtor/coronavirus) for the latest information.



### **Final Thoughts from Vince and Bob**

Google really does know everything! As the recovery in the housing market continues, and historically low interest rates bring more consumers into the real estate market, Google Trends [reports](#) that more and more consumers are using the search engine to research the homebuying process. Some of the more popular search terms include:

- “Refinance home loan calculator” (up nearly 4,000% last week)
- “Can you use your 401(k) to buy a house?” (up 2,800% in the past three months)
- “How low will mortgage rates go?” (searches have quadrupled in the past week)

Of course, REALTORS® bring a level of knowledge and expertise to the table that no computer algorithm can match. That’s why we are continuing our “That’s Who We R” national ad campaign to educate the public about the REALTOR® difference. The campaign has notched an impressive 1.8 billion total impressions (the number of times our content is displayed). Maybe you’ve seen one of our “Look for the R” TV ads? If not—you can always Google it.

Be well and stay safe,



Vince Malta  
PRESIDENT



Bob Goldberg  
CHIEF EXECUTIVE OFFICER