

2020 Market Recovery Survey

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

NAR Research Staff:

Lawrence Yun, Ph.D.

Chief Economist and Senior Vice President

Jessica Lautz, Dr.RealEst.

Vice President, Demographics and Behavioral Insights

Lisa Herceg

Director, Business Insights

Brian Horowitz

Research Analyst, Business Insights

Anna Schnerre

Research Associate, Business Insights

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data@realtors.org.

Methodology

Sample



The survey was delivered to a random sample of 95,238 members. The survey had 2,302 useable responses. The response rate was 2.4 percent and the margin of error was +/- 2.04 percent.

Percent share of location of business:

Small town/Rural: 25%

Urban area/Central city: 29%

Suburb/ Subdivision: 46%

Dates

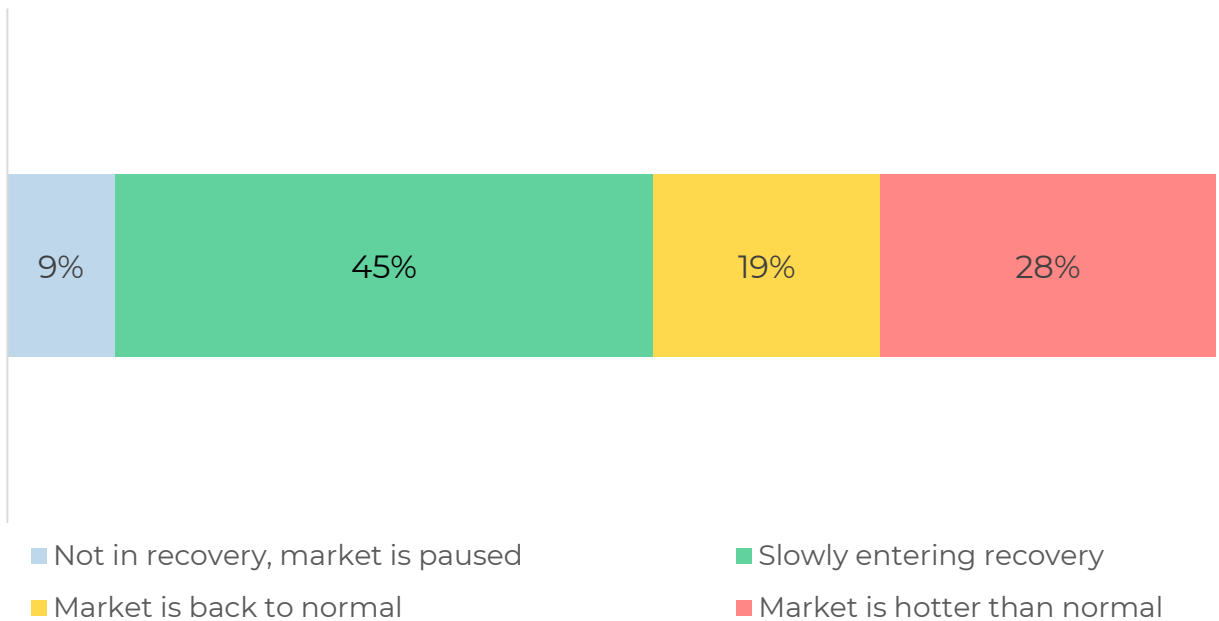


The survey was deployed on Wednesday, June 24th, and was closed on Friday, June 26th.

Recovery Phase

Forty-five percent of members reported that their market is slowly entering recovery and 28 percent stated that their market is hotter than normal. Nineteen percent have stated their market is back to normal and nine percent do not feel they have entered recovery. Close to half (49 percent) of those in urban areas reported that their market is slowly entering recovery, compared to 40 percent of those who live within a small town/rural area. One-third of those who live within small town/rural areas cited that their market is hotter than normal.

WHAT PHASE OF THE RECOVERY IS YOUR MARKET IN?

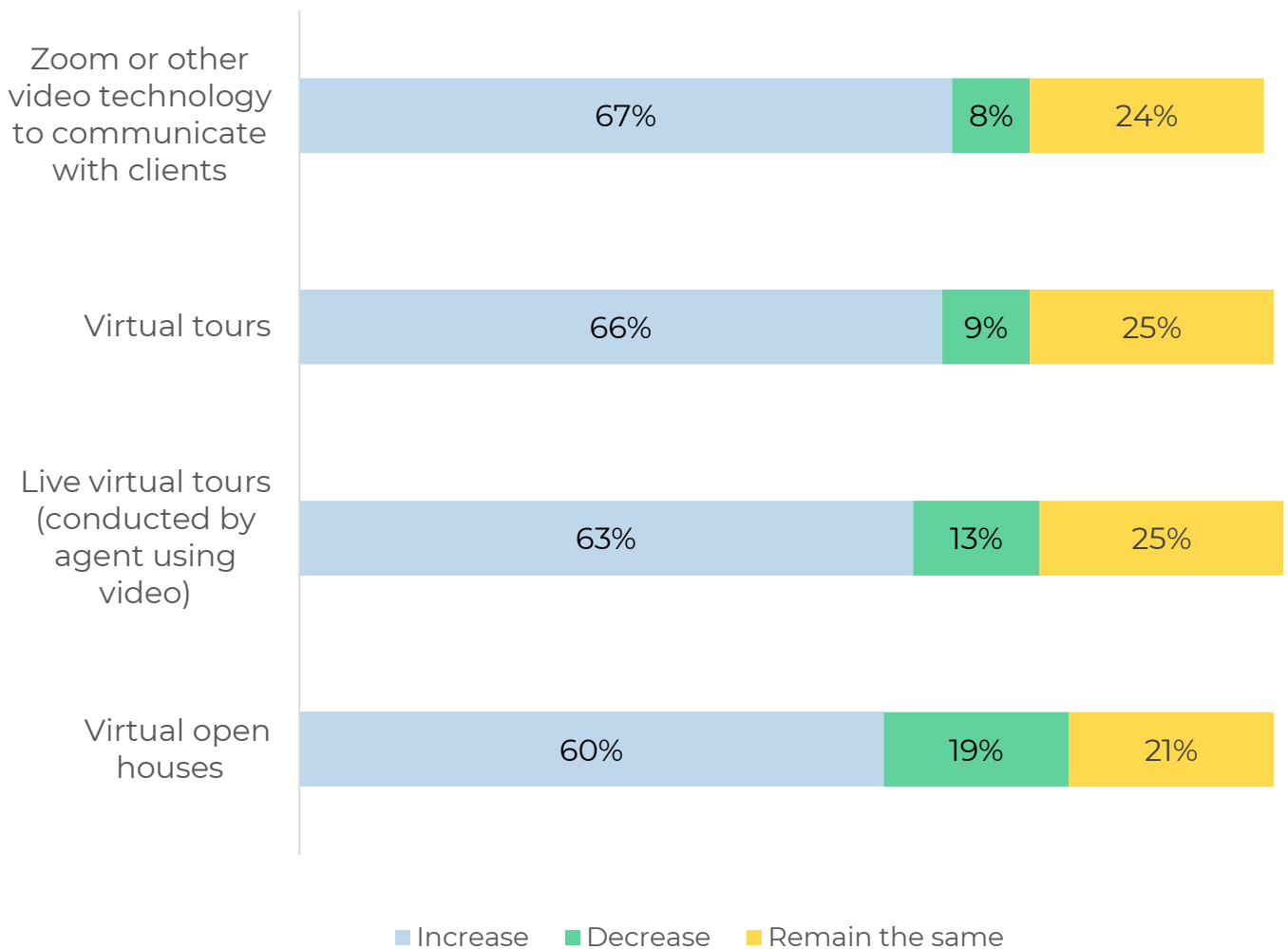


	Small town/Rural	Urban area	Suburban area
Not in recovery, market is paused	8%	11%	7%
Slowly entering recovery	40%	49%	44%
Market is back to normal	19%	17%	20%
Market is hotter than normal	33%	23%	29%

Demand of Technologies

The majority of respondents expected that within the next year the demand for the following technologies will increase: zoom or other video technology, virtual tours, live virtual tours, virtual open houses. The largest share of respondents expected increases for zoom or video communication technologies and virtual tours. Nineteen percent expected virtual open houses to decrease.

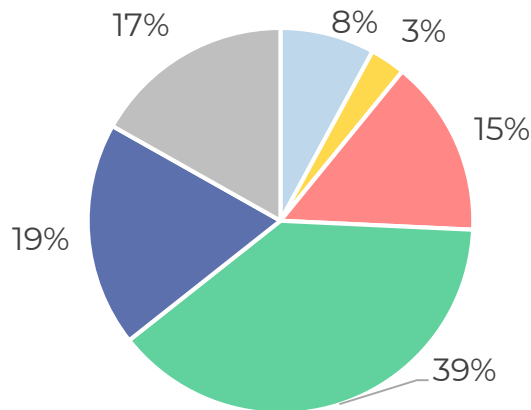
DO YOU EXPECT THE DEMAND FOR THE FOLLOWING TECHNOLOGIES TO: INCREASE, DECREASE, REMAIN THE SAME:



Preparedness for Future Outbreak

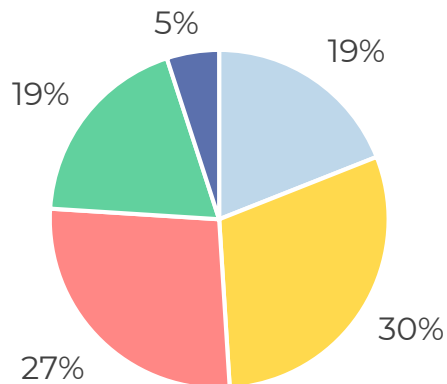
Thirty-nine percent of members reported being somewhat prepared for a second wave of coronavirus and 19 percent are expecting to be very prepared. Of those who believe there might be a second wave, 30 percent feel more prepared, as they know what to expect and 27 percent are concerned enough that they have shifted their business practices to prepared. Nineteen percent are very concerned about a second wave and 19 percent are concerned only if buyers don't enter the market.

HOW PREPARED DO YOU FEEL FOR A SECOND WAVE OR A CONTINUING THREAT FROM COVID-19?



- There will not be a second wave and threats are minimal, so have no concern
- Not at all prepared
- Not prepared enough
- Somewhat prepared
- Very prepared
- Not sure

HOW CONCERNED ARE YOU ABOUT A SECOND WAVE OR A CONTINUED THREAT FROM COVID-19?



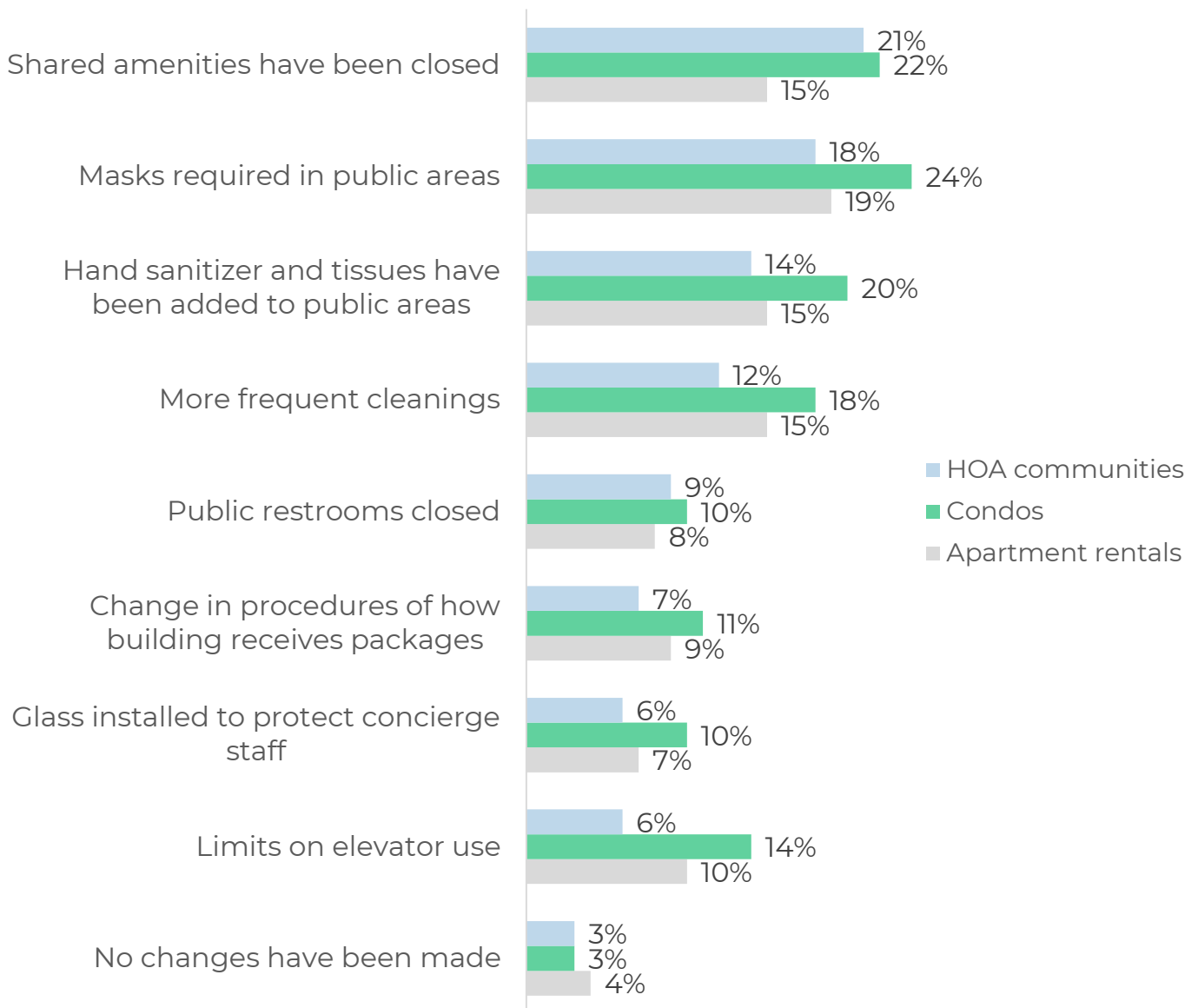
- Would be concerned only if clients do not enter market once economy begins to recover
- Feel more prepared, as I know what to expect
- Concerned enough that I've shifted my business practices to prepare
- Very concerned; not sure how I will continue doing business
- Other

Safety Precautions

Closing shared amenities, requiring masks in public areas, and adding hand sanitizer and tissues are the most common safety precautions taken in HOA communities, condos, and apartment rentals. Less than five percent of respondents stated that no changes have been made to these property types. Condo communities are the most likely to cite making changes.

DUE TO COVID-19, WHAT CHANGES HAVE BEEN IMPLEMENTED TO CONDO BUILDINGS WITH SHARED ENTRANCES?

(CHECK ALL THAT APPLY)

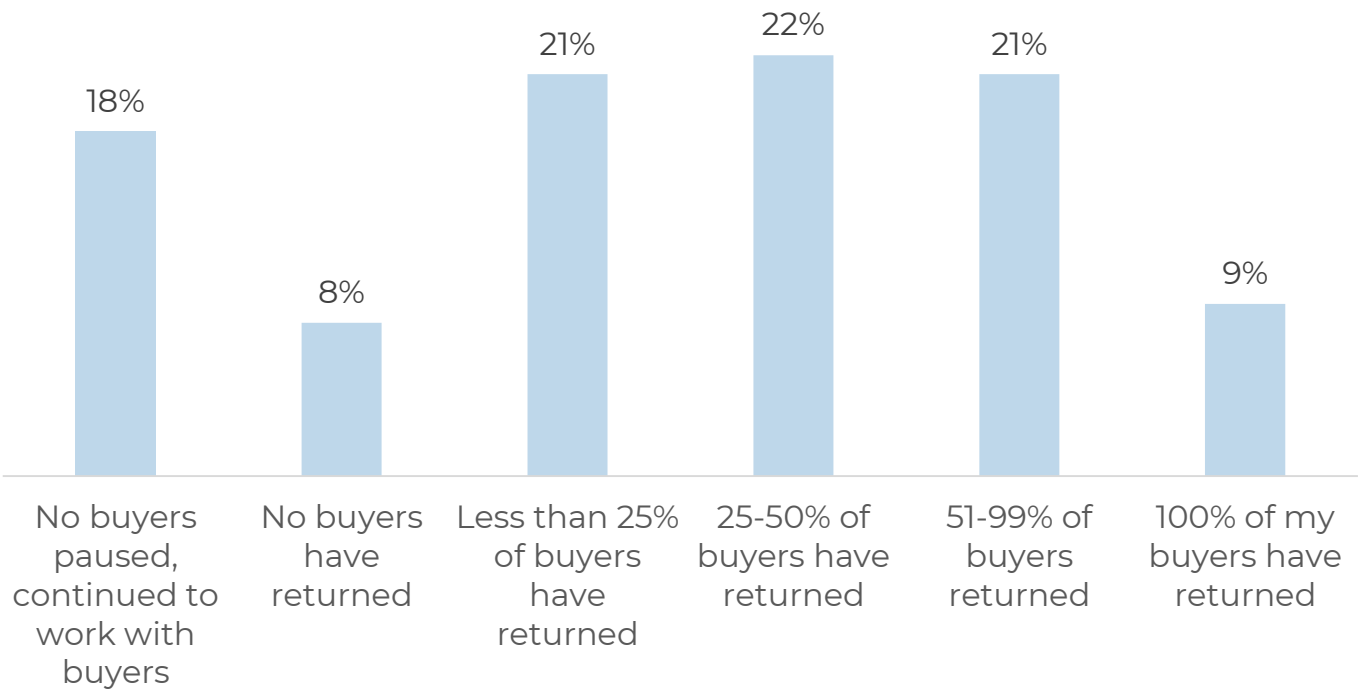


Section 1: Residential Real Estate

Buyers Returning to the Market

Ninety-two percent of respondents indicated that some of their buyers returned to the market or never left the market. Of these members, 18 percent reported that their buyers never left the market and nine percent reported that all of their buyers have returned to the market. Eight percent cited that no buyers have returned to the market. Small town/rural markets are more likely to report no buyers paused and are more likely to report a stronger return of buyers.

WHAT SHARE OF YOUR BUYERS WHO INITIALLY PAUSED FROM COVID-19 LOCKDOWN HAVE NOW RETURNED TO THE MARKET?

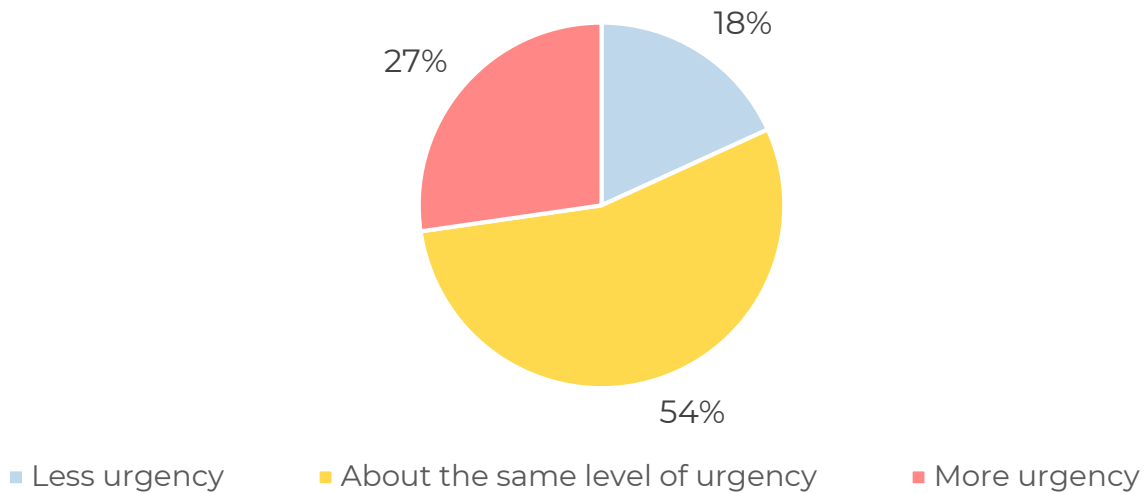


	Small town/Rural	Urban area	Suburban area
No buyers paused, continued to work with buyers	23%	17%	17%
No buyers have returned	5%	11%	9%
Less than 25%	19%	21%	20%
25%-50%	22%	25%	21%
51%-99%	21%	17%	24%
100% of buyers returned	9%	9%	10%

Buyers' Timeline

Of those who are currently working with buyers, more than half (54 percent) reported that their buyers' timeline has remained the same. Twenty-seven percent cited more urgency to buy a home and 18 percent reported less urgency. A larger share of respondents reported less urgency to purchase a home in urban areas than in suburban or small town/rural areas.

AS BUYERS RETURN TO THE MARKET, HAS THEIR TIMELINE OF BUYING A HOME CHANGED?

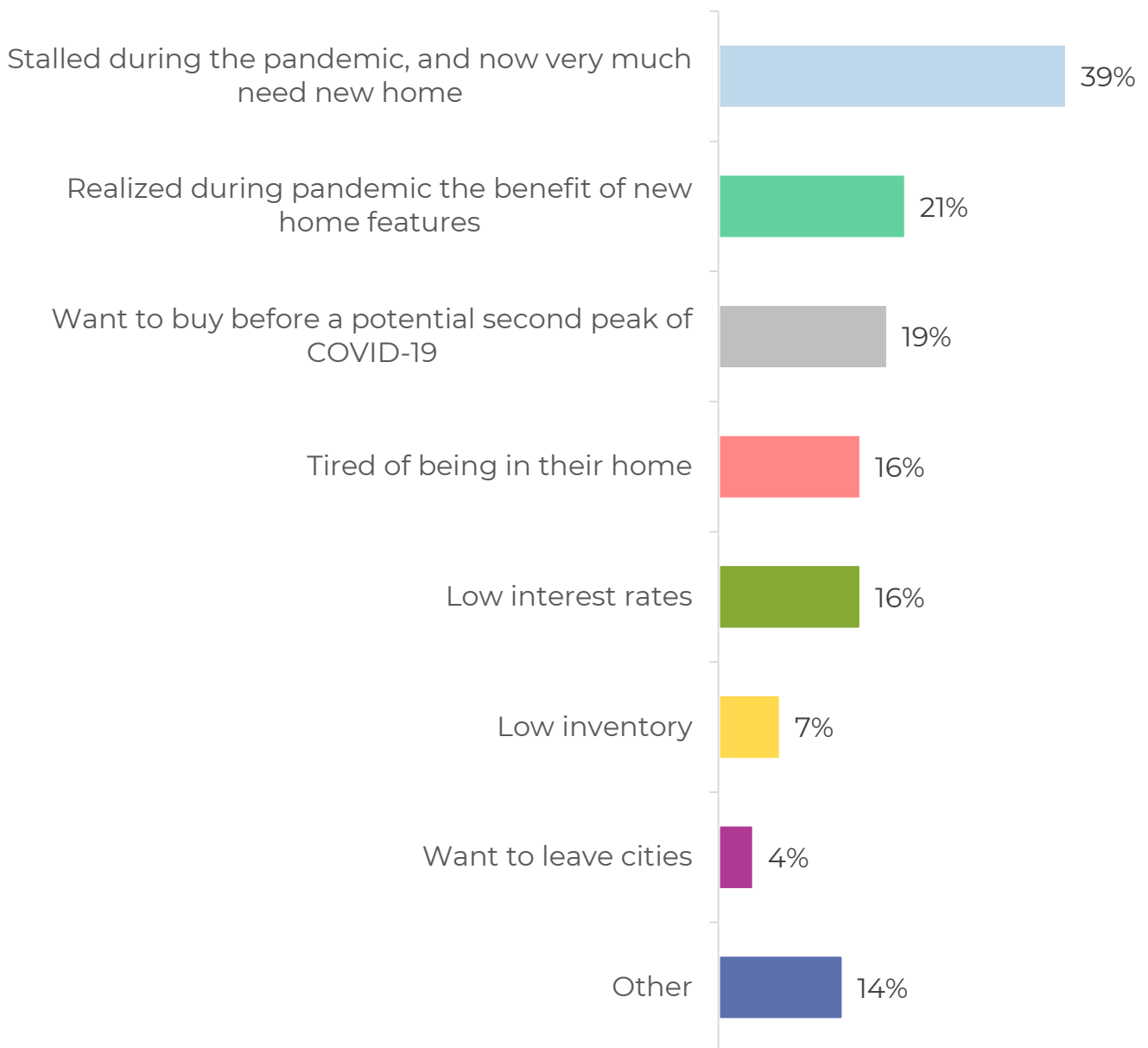


	Small town/Rural	Urban area	Suburban area
Less urgency	16%	21%	16%
About the same level of urgency	57%	55%	56%
More urgency	27%	24%	29%

Buyers' Timeline

Thirty-nine percent of those who represented buyers who sped up their timeline cited that their buyers stalled and now very much need a new home. Twenty-one percent of respondents cited that their buyers realized the benefit of a new home, and 19 percent cited that their clients expressed interest in a new home before another peak. Other reasons reported were buyers are looking to settle down, rent prices are too high, and wanting to live in a different area.

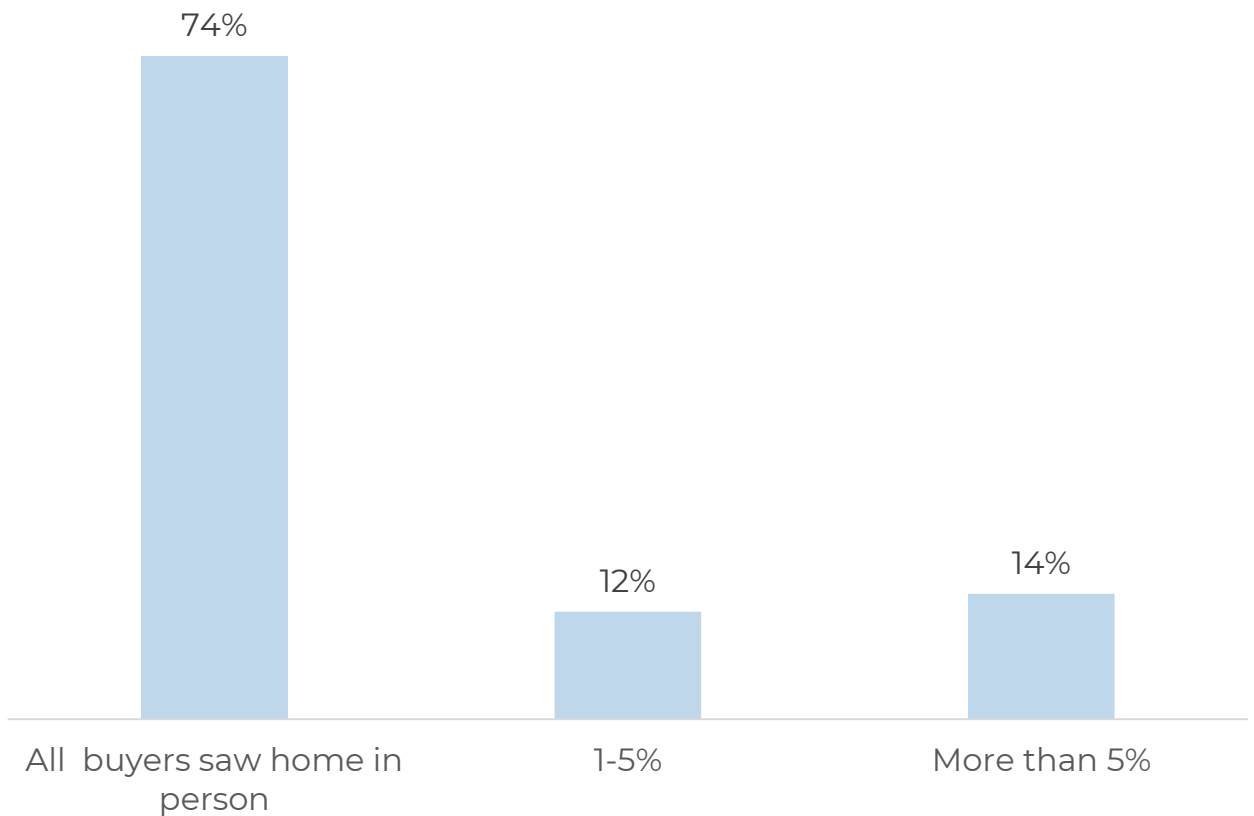
WHAT HAS PROMPTED AN INCREASED URGENCY TO BUY A HOME? (CHECK ALL THAT APPLY)



Virtual Tours

Twenty-six percent of respondents reported working with buyers this week who put offers on homes without physically seeing the home in person.

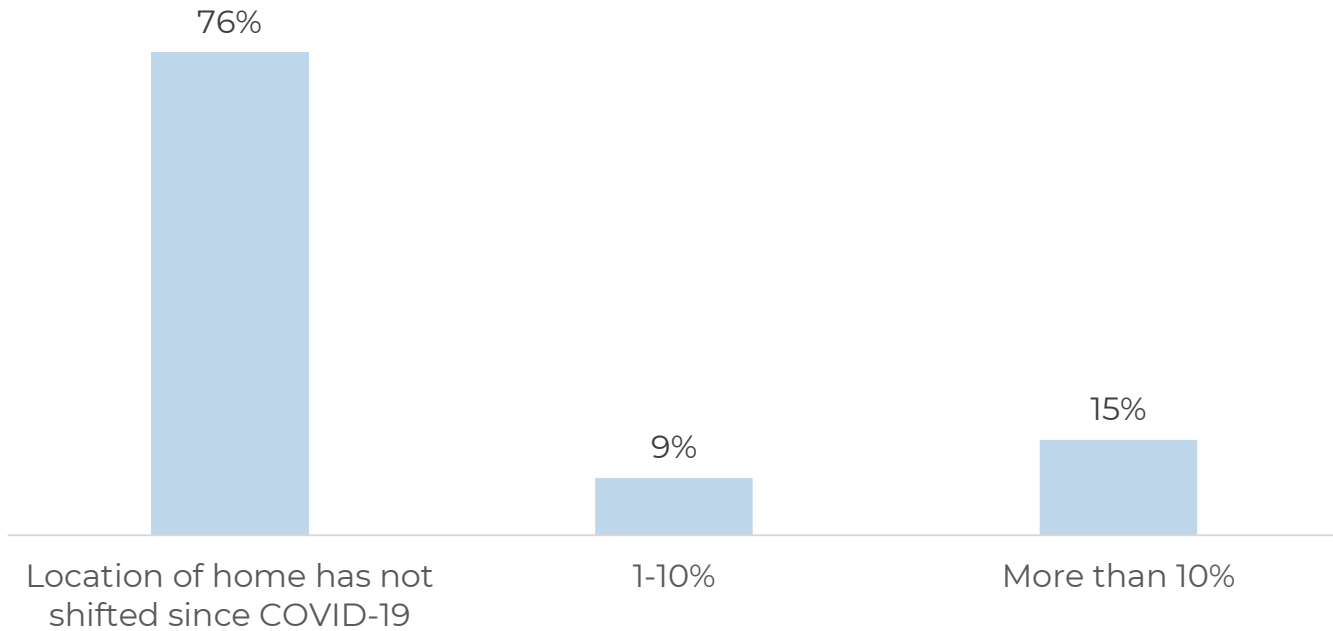
THIS WEEK, WHAT SHARE OF BUYERS THAT YOU HAVE WORKED WITH PUT A CONTRACT ON A HOME WITHOUT PHYSICALLY SEEING THE HOME (ONLY USED TECHNOLOGY TO SEE HOME, SUCH AS VIRTUAL TOURS)...



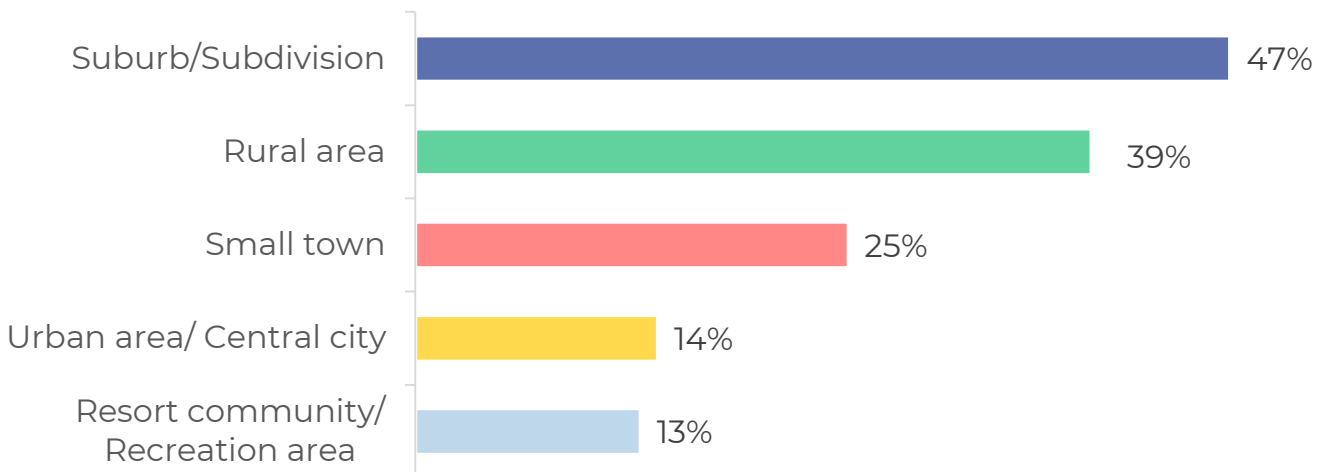
Shifted Home Search Location

Twenty-four percent of respondents reported having buyers who shifted the location of where they intend to buy a home due to COVID. Of those who reported having buyers shift their intended location, 47 percent cited that their buyers want to purchase in suburbs, 39 percent cited rural area, and 25 percent cited small town.

WHAT SHARE OF BUYERS HAVE SHIFTED THE LOCATION OF WHERE THEY WANT TO PURCHASE THEIR HOME DUE TO COVID-19?



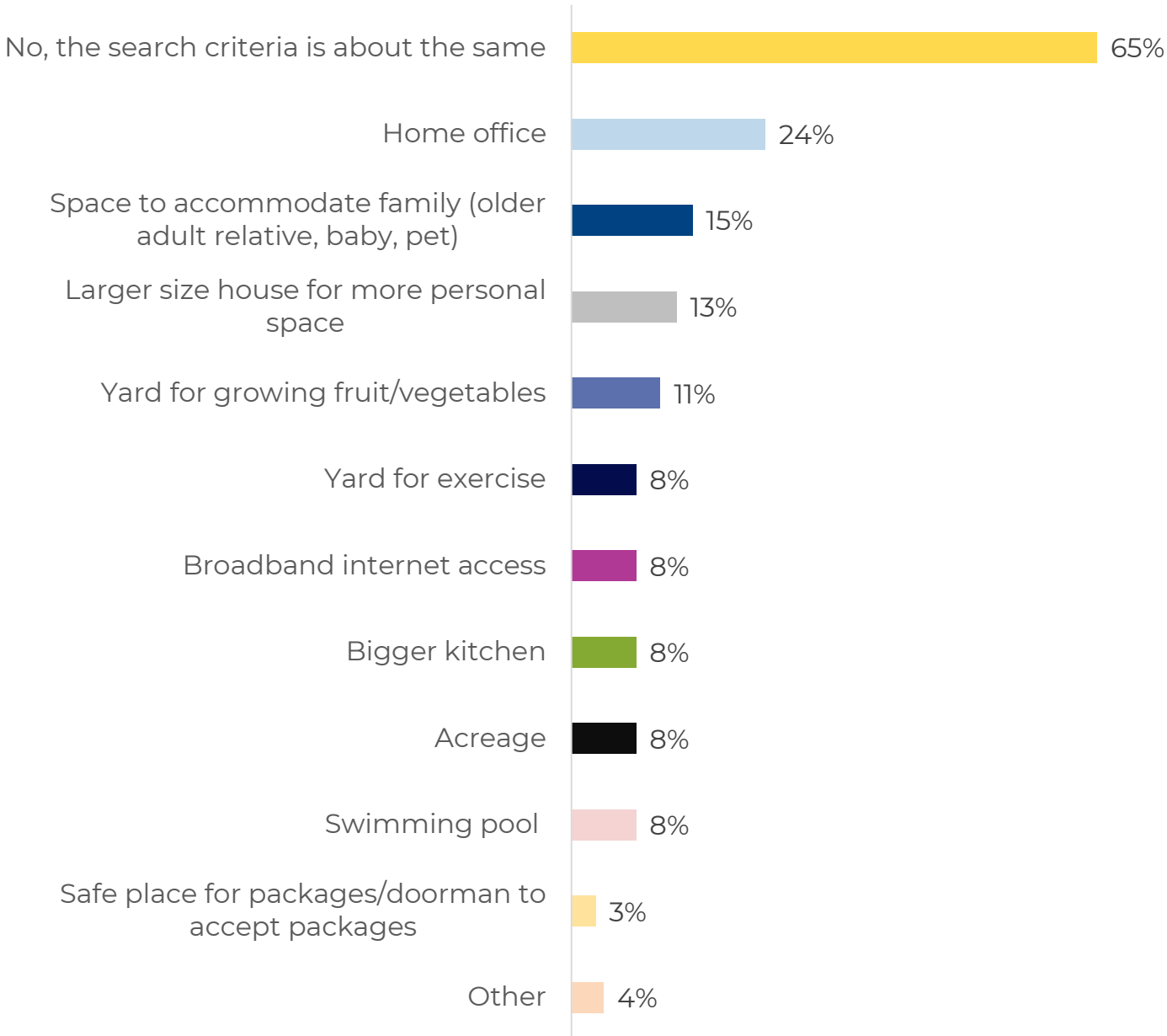
WHICH BEST DESCRIBES THE LOCATIONS OF THE HOMES IN WHICH THESE CLIENTS ARE NOW INTERESTED IN PURCHASING? (CHECK ALL THAT APPLY)



Home Features

Thirty-five percent of members reported buyers have changed at least one home feature important to them due to COVID-19. The most common home features that are now important are home offices, space to accommodate family member new to their home (older adult relative, new baby, or new pet), larger house with more personal space, and yard for growing fruits or vegetables.

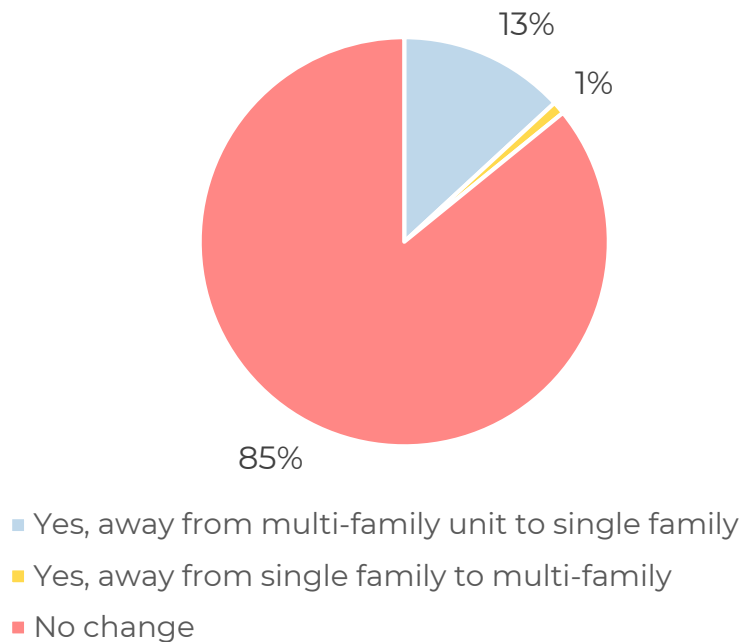
IN GENERAL, HAVE YOUR CLIENTS CHANGED WHAT HOME FEATURES ARE IMPORTANT IN A NEW HOME DUE TO COVID-19? (CHECK ALL THAT APPLY)



Shift of Home Type

Due to COVID-19, 13 percent reported that home buyers changed their home type of choice from multi-family to single family. This shift is highest in urban areas at 16 percent.

IN GENERAL, HAS THE HOME TYPE CHANGED FOR BUYERS DUE TO COVID-19?

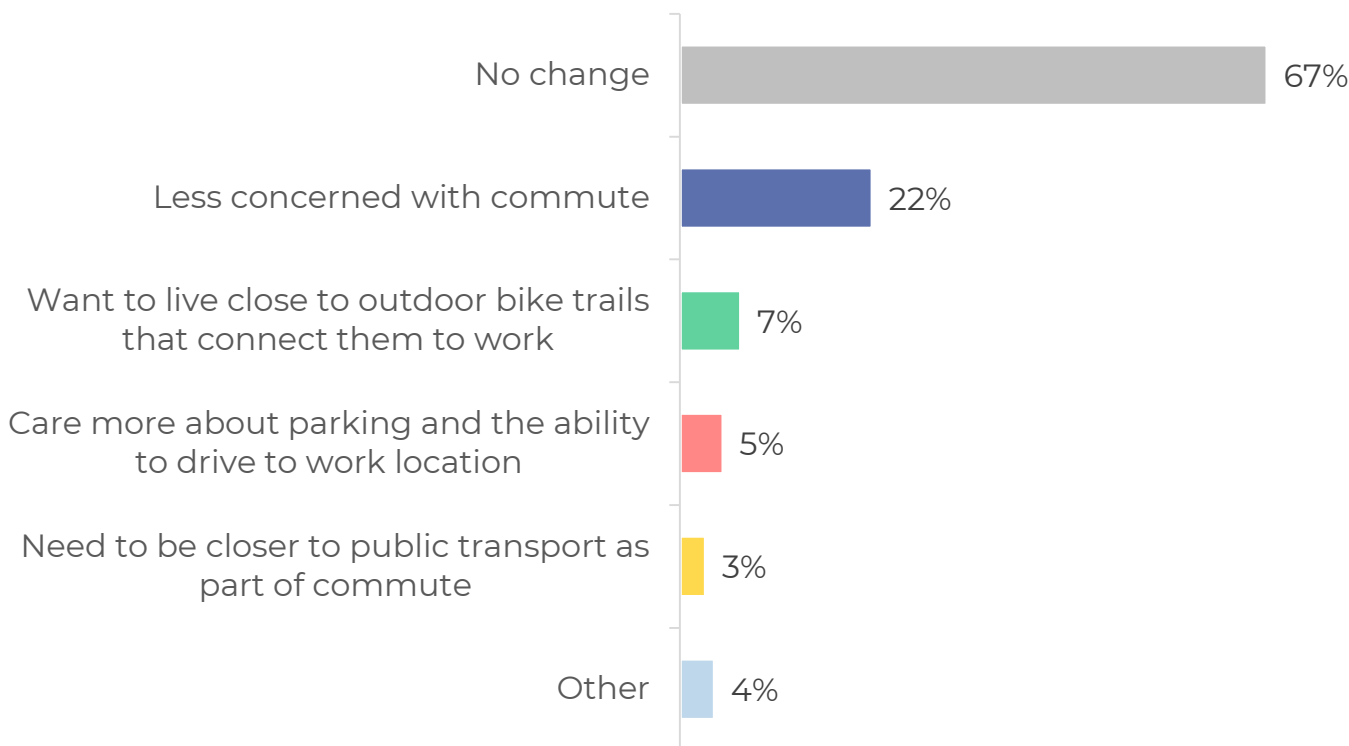


	Small town/Rural	Urban area	Suburban area
Yes, away from multi-family unit to single family	10%	16%	13%
Yes, away from single family to multi-family	2%	2%	1%
No change	89%	82%	86%

Commuting Needs

Thirty-three percent of respondents reported that their buyers have changed their commuting needs since the pandemic began. More than one-fifth (22 percent) are less concerned with their commute and seven percent want to live close to outdoor bike trails that connect them to work. Suburban and urban areas have a higher share of buyers who are now less concerned about their commute than those buyers in small town/rural areas. In urban areas, there is now a stronger desire for a home with parking.

HOW HAVE YOUR CLIENTS' COMMUTING NEEDS CHANGED SINCE THE PANDEMIC HAS STARTED? (CHECK ALL THAT APPLY)



	Small town/Rural	Urban area	Suburban area
No change	70%	65%	70%
Less concerned with commute	18%	24%	25%
Want to live close to outdoor bike trails that connect them to work	4%	7%	3%
Care more about parking and the ability to drive to work location	6%	10%	5%
Need to be closer to public transport as part of commute	2%	4%	2%
Other	6%	1%	4%

Sellers Returning to Market

Ninety-one percent of respondents indicated that some of their sellers returned to the market or never left the market. Of these sellers, 24 percent reported that their sellers never left the market and 10 percent reported that all of their sellers have returned to the market. Eleven percent cited that no sellers have returned. Suburban and urban markets are more likely to have reported less sellers returning to the market compared to small town/rural markets.

WHAT SHARE OF YOUR SELLERS WHO INITIALLY PAUSED FROM COVID-19 LOCKDOWN HAVE NOW RETURNED TO THE MARKET?

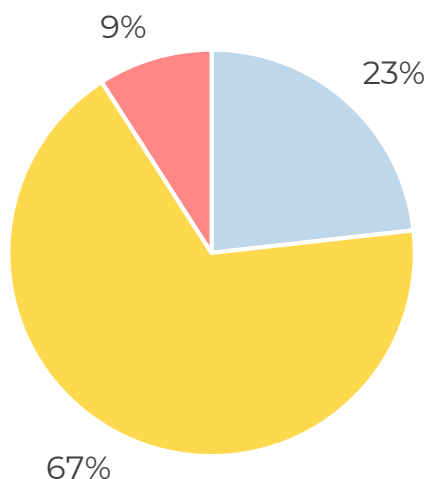


	Small town/Rural	Urban area	Suburban area
No sellers have paused, continued to work with sellers	30%	25%	22%
No sellers have returned	7%	14%	11%
Less than 25%	18%	23%	20%
25%-50%	15%	17%	17%
51%-99%	17%	14%	21%
100% of sellers returned	13%	8%	9%

Sellers' Timeline

Of those who are currently working with sellers, two-thirds reported that their sellers' timeline has remained the same. Twenty-three percent cited less urgency to sell a home and nine percent cited more urgency to sell a home. Less urgency was reported more frequently in urban areas than in suburban or small town/rural areas.

As sellers return to the market, has their timeline of selling their home changed?



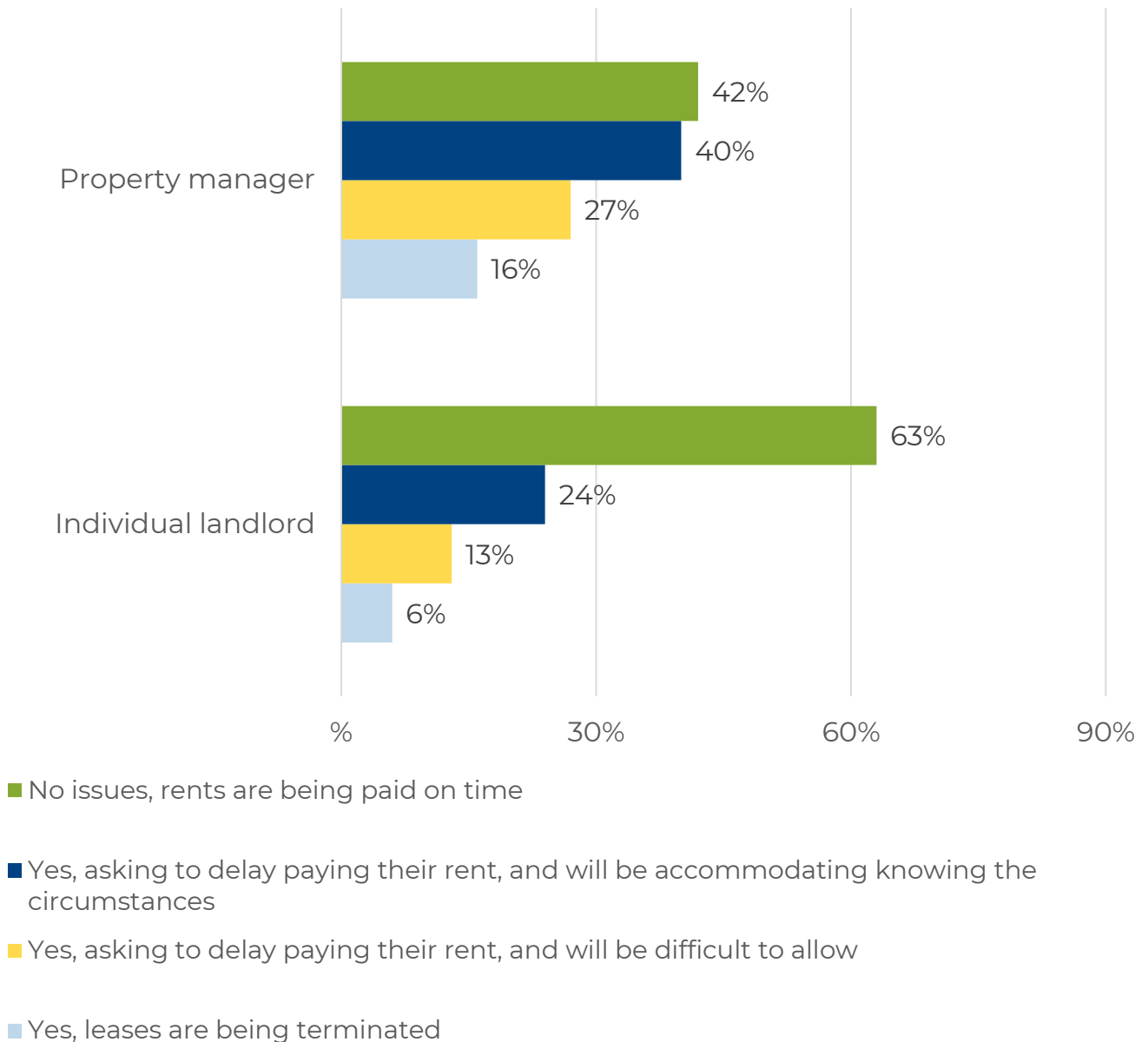
■ More urgent to sell home ■ About the same level of urgency ■ Less urgent to sell home

	Small town/Rural	Urban area	Suburban area
Less urgency	21%	26%	24%
About the same level of urgency	71%	65%	67%
More urgency	8%	9%	9%

Tenants Paying Rent

Of those who work with residential tenants, 42 percent of property managers cited having no issues with their tenants paying the rent, compared to 63 percent of individual landlords. Forty percent of property managers reported being able to accommodate their tenants who cannot pay rent and 27 percent cited it being difficult. Among individual landlords, 24 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and 13 percent cited it being difficult. Sixteen percent of property managers reported tenants terminating their leases compared to six percent among individual landlords.

IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY TENANTS WHO ARE UNABLE TO PAY THEIR RENT?:

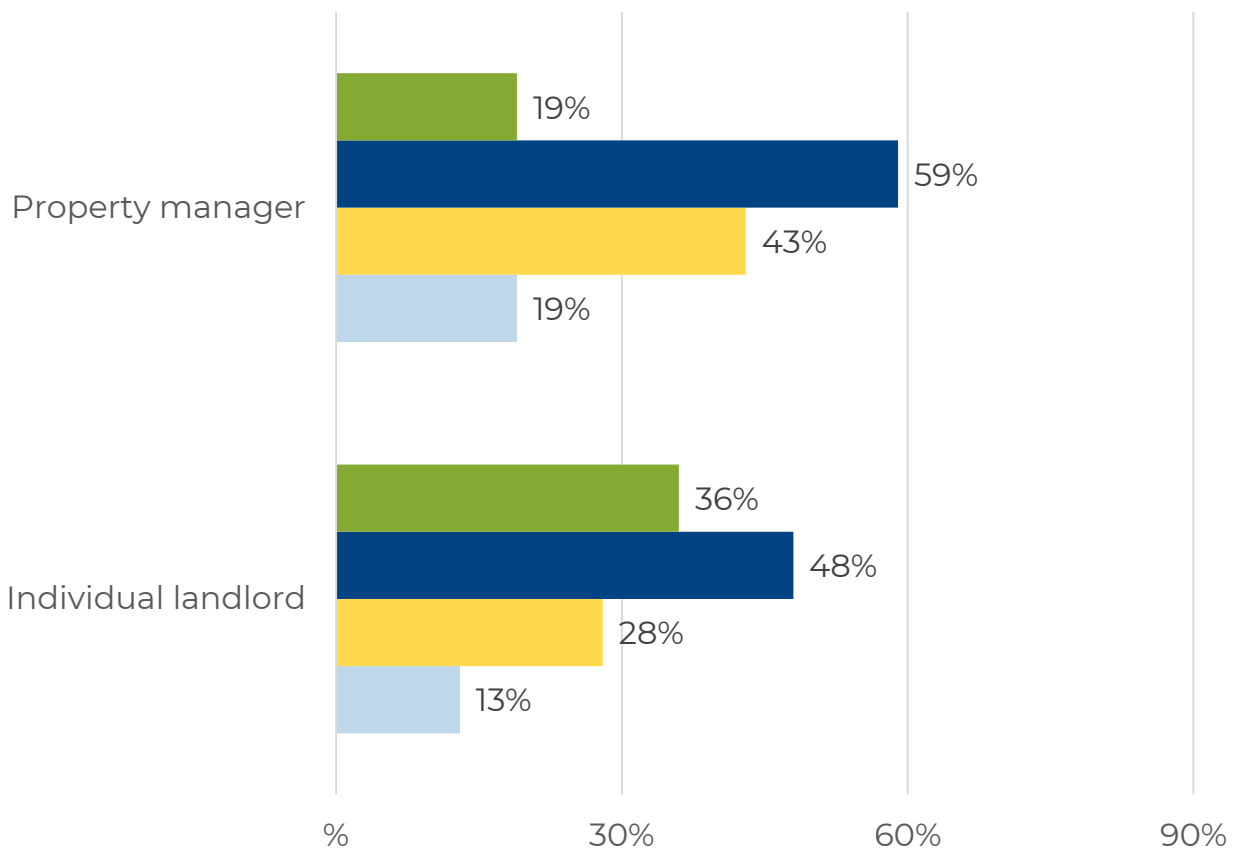


Section 2: Commercial Real Estate

Tenants Paying Rent

Of those who work with commercial tenants, 19 percent of property managers cited having no issues with their tenants paying the rent, compared to 36 percent of individual landlords. Fifty-nine percent of property managers reported being able to accommodate their tenants who cannot pay rent and 43 percent cited it being difficult. Among individual landlords, 48 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and 28 percent cited it being difficult. Nineteen percent of property managers and 13 percent of 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?:

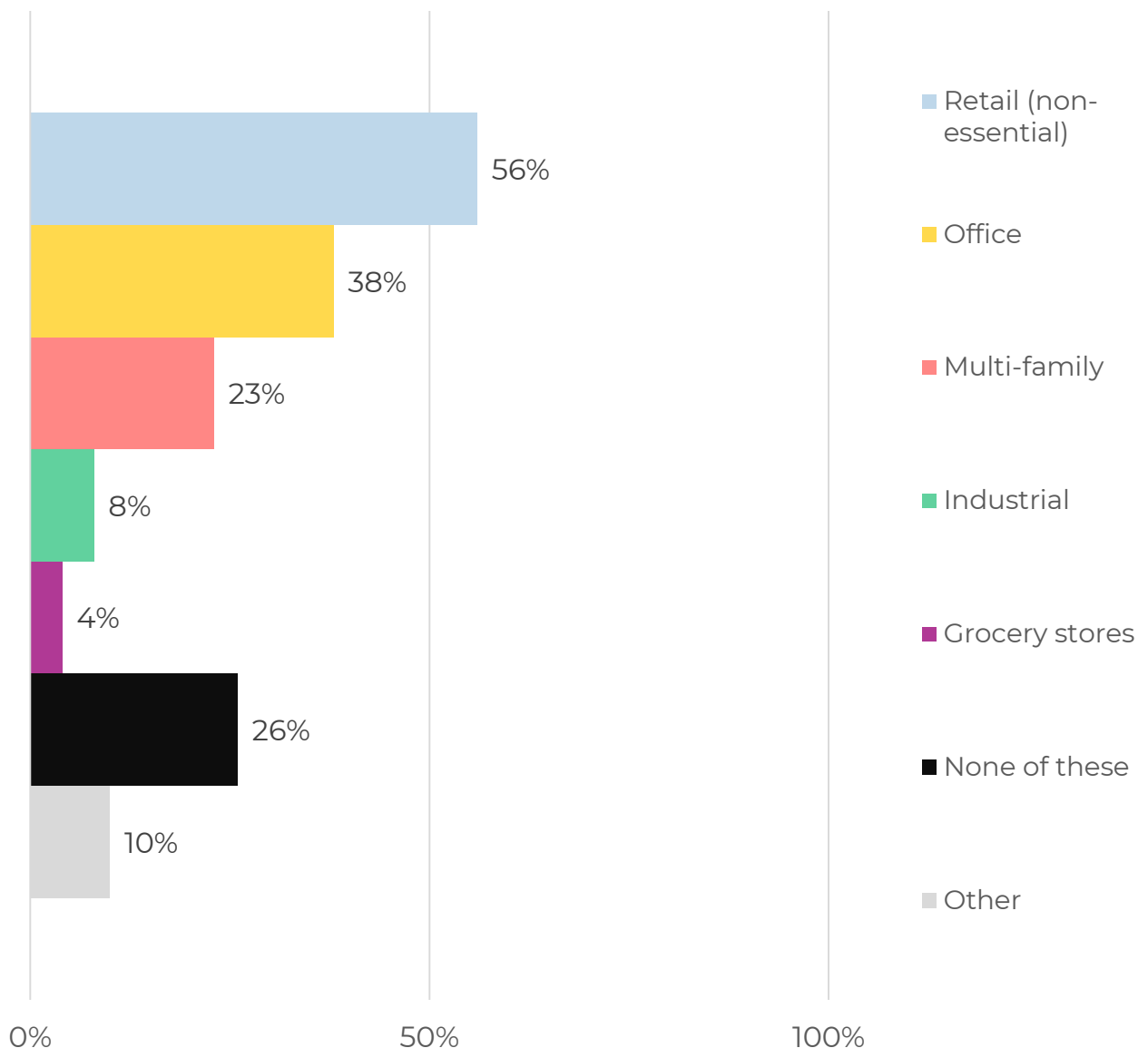


- No issues, rents are being paid on time
- Yes, asking to delay paying their rent, and will be accommodating knowing the circumstances
- Yes, asking to delay paying their rent, and will be difficult to allow
- Yes, leases are being terminated

Terminating Leases

Seventy-four percent have reported that leases have been terminated or tenants are needing to delay their rent payments, with the largest share occurring in retail (non-essential) at 56 percent. Over one-third reported office to be affected (38 percent) and 23 percent cited multi-family. Grocery store was least cited at four percent. Those that selected other cited restaurants, as well as other types of commercial properties.

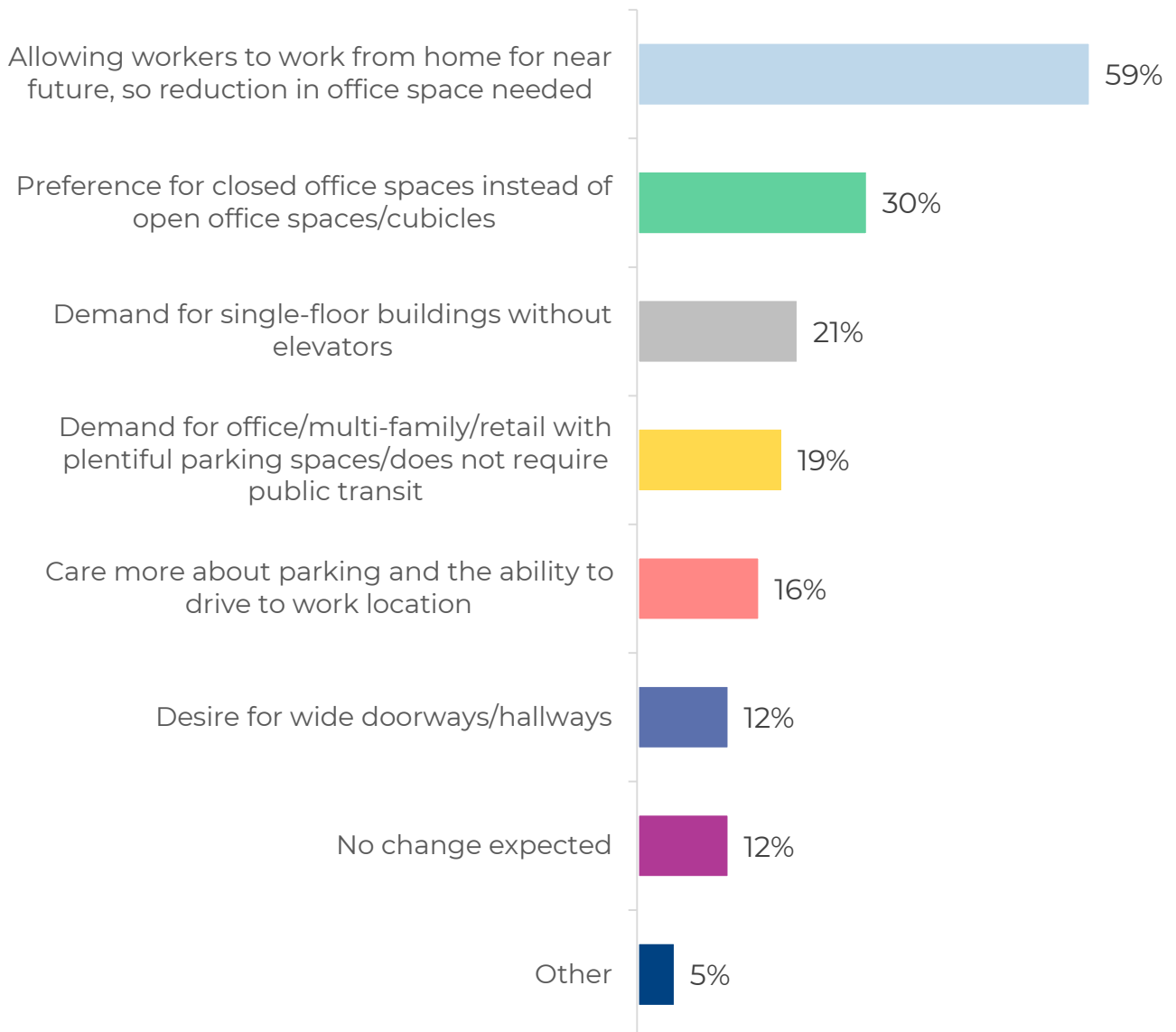
IN WHICH TYPES OF PROPERTIES ARE YOU SEEING THAT LEASES ARE BEING TERMINATED OR TENANTS ARE NEEDING TO DELAY THEIR RENT PAYMENTS?



Buildings Demands

As areas continue to open up, 88 percent expect that building demands will change. Most expected demands are less office spaces as employees work from home, preference for closed office space instead of open office space/cubicles, and demand for single-floor buildings without elevators.

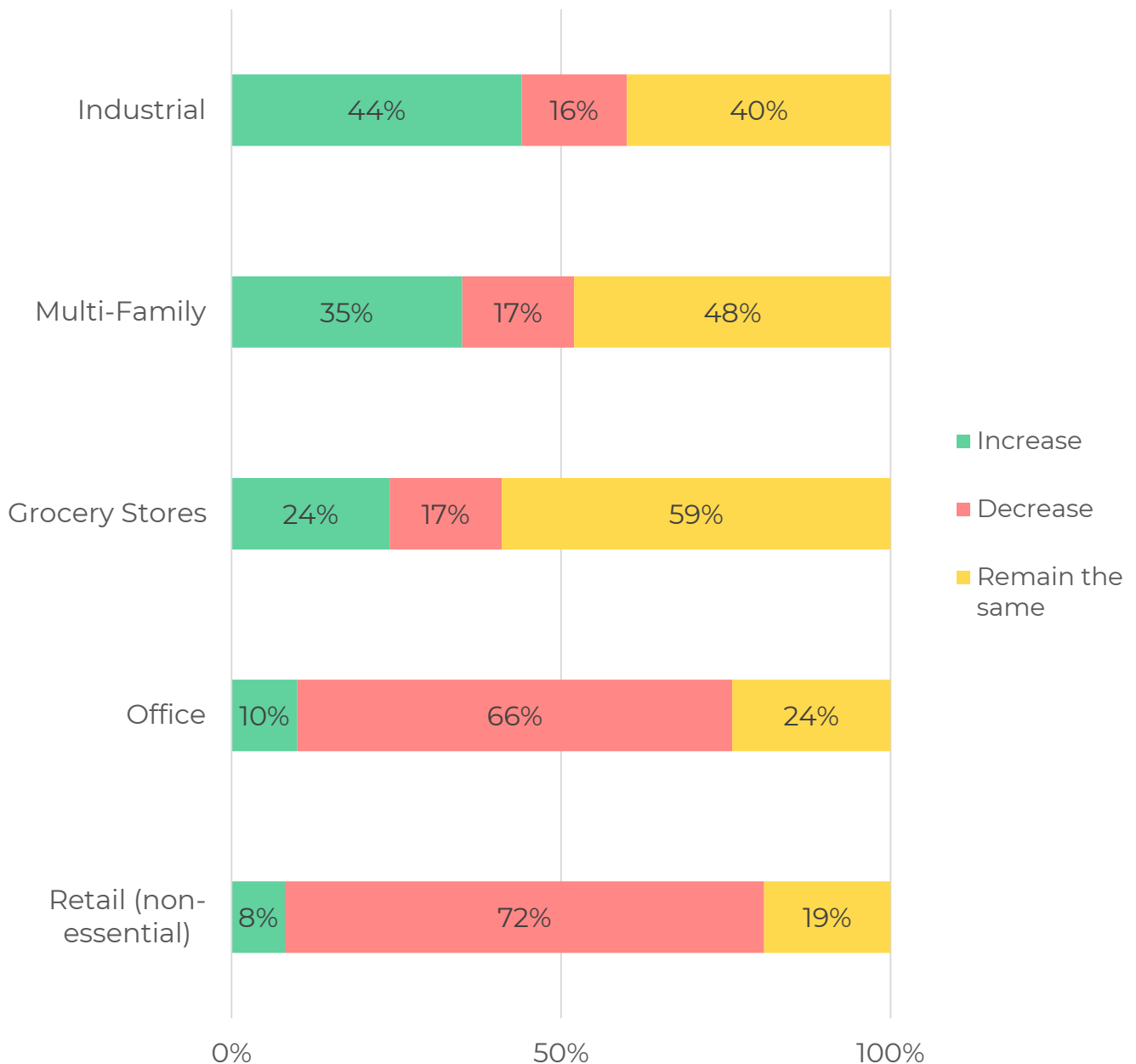
WHEN YOUR STATE OR LOCAL AREA REOPENS THE ECONOMY DO YOU EXPECT DEMAND FOR BUILDINGS WILL CHANGE? (CHECK ALL THAT APPLY)



Demands for Properties

As areas reopen, 44 percent of respondents expect the demand for industrial properties to increase and 35 percent the demand for multi-family to increase. In contrast, 72 percent expect the demand for retail (non-essential) to decrease and 66 percent expect office to decrease.

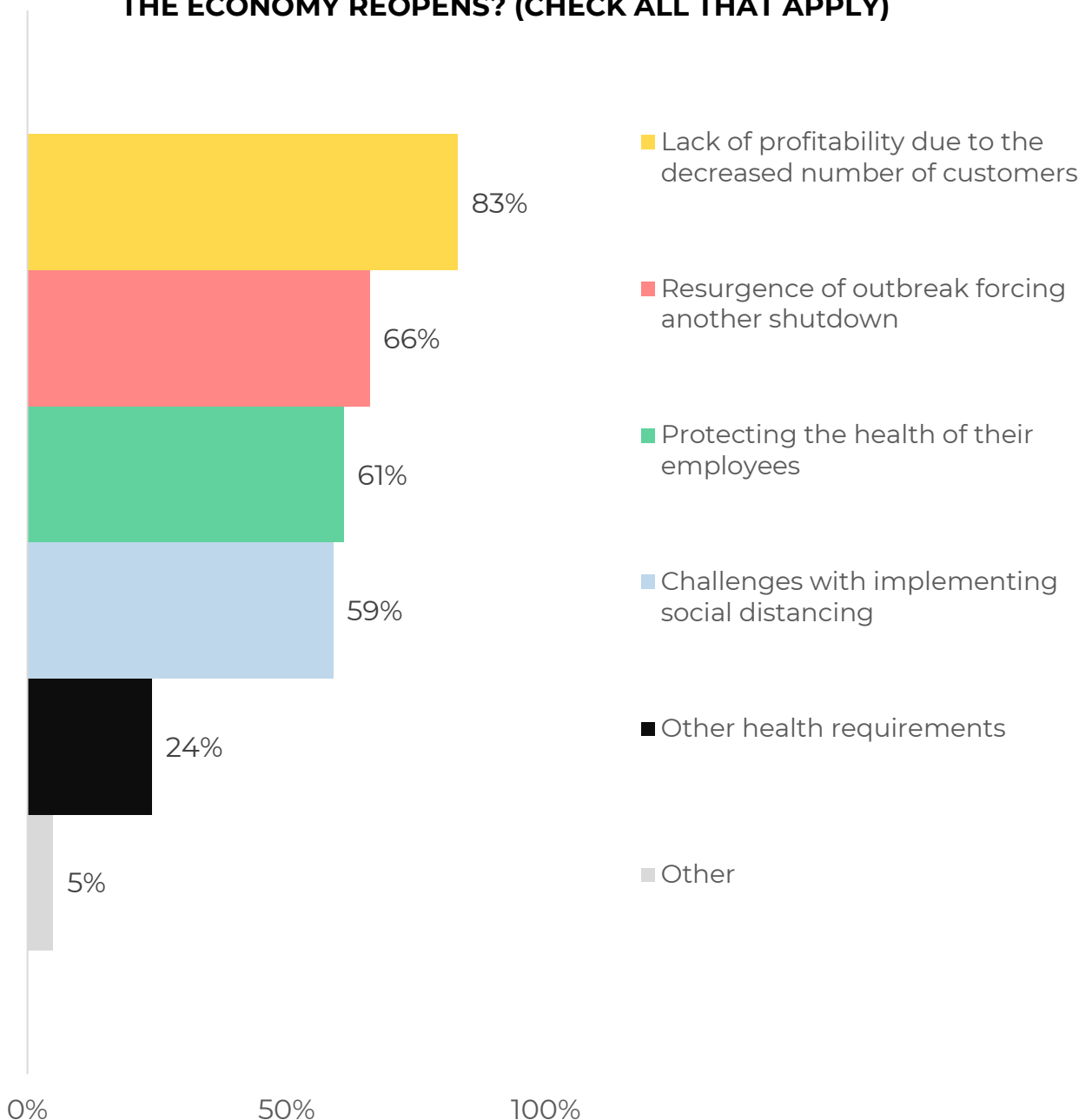
WHEN YOUR STATE OR LOCAL AREA REOPENS THE ECONOMY, DO YOU EXPECT DEMAND FOR THE FOLLOWING PROPERTY TYPES TO INCREASE, DECREASE OR STAY THE SAME?



Small Business Concerns

As the economy reopens, the biggest concern for small businesses is a lack of profitability due to the decreased numbers of customers (83 percent). A majority of respondents were also concerned with a resurgence of the outbreak forcing another shutdown (66 percent), protecting the health of employees (61 percent), and challenges with implementing social distancing (59 percent).

WHAT ARE THE BIGGEST CONCERNS FOR SMALL BUSINESSES AS THE ECONOMY REOPENS? (CHECK ALL THAT APPLY)





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Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP

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NATIONAL ASSOCIATION OF REALTORS®

Research Group

500 New Jersey Avenue, NW

Washington, DC 20001

202-383-1000

data@realtors.org