

2020

# NAR Flash Survey: Economic Pulse

April 5-6, 2020

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*

Meredith Dunn

*Manager*

Lisa Herceg

*Director, Business Insights*

Brian Horowitz

*Research Analyst, Business Insights*

Anna Schnerre

*Research Associate, Business Insights*

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# Methodology

## Sample



The survey was delivered to a random sample of 92,630 members. The survey had 5,855 useable responses. The response rate was 6.3 percent.

For 93 percent of respondents, the majority of their business is residential. For five percent of respondents, the majority of their business is commercial.


Eighty-nine percent of respondents are in a state that has declared a state of emergency. Eighty-three 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 5th, and was closed on Monday April 6th.

The margin of error for overall results is +/-1.28 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.

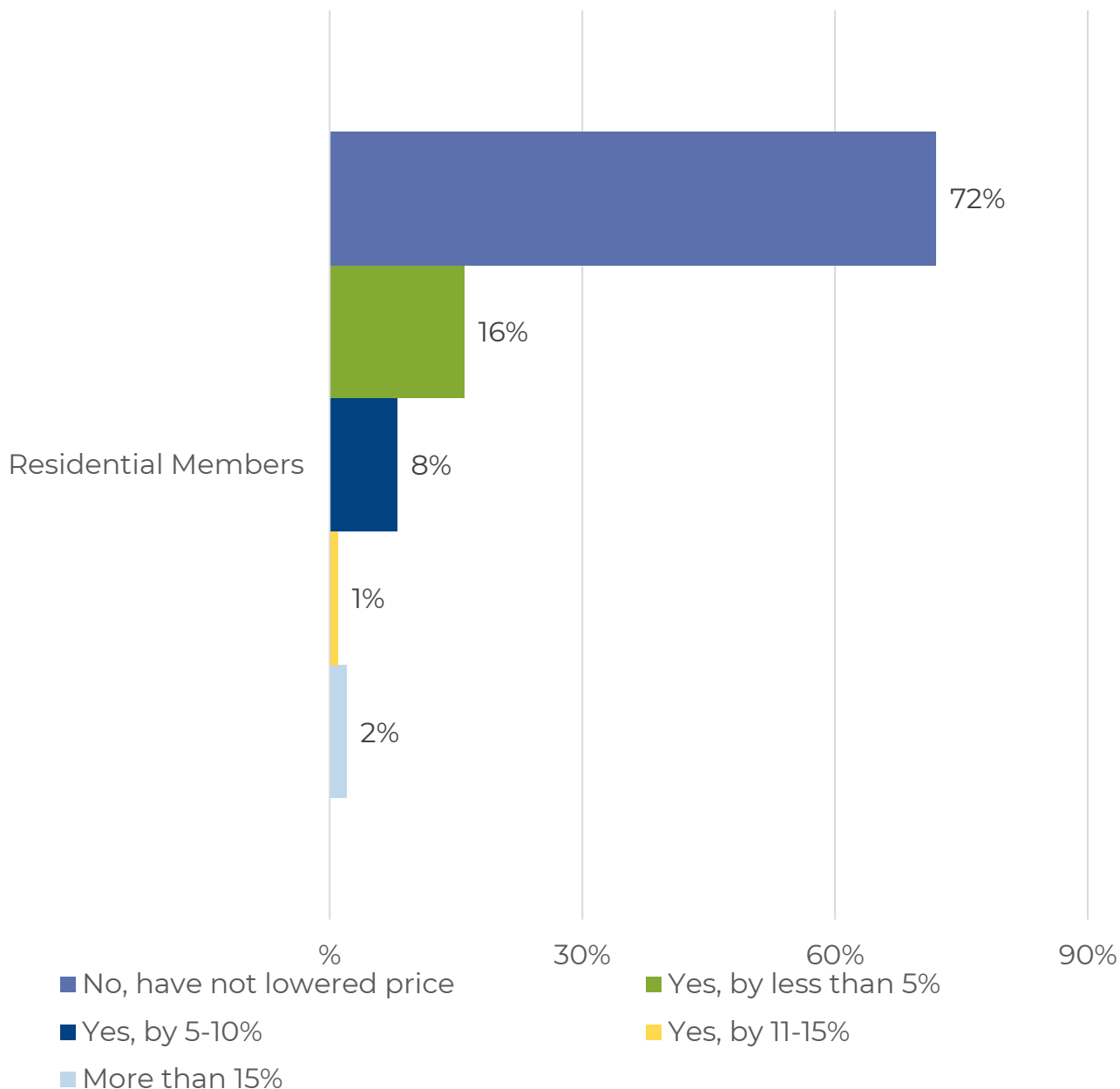


# Residential Survey Questions

# Sellers Reduced Listing Price

Of those who are currently working with sellers, 72 percent said that no sellers have reduced the price to attract buyers. Sixteen percent reported sale prices reduced by five percent or less. Only two percent reported 15 percent or more.

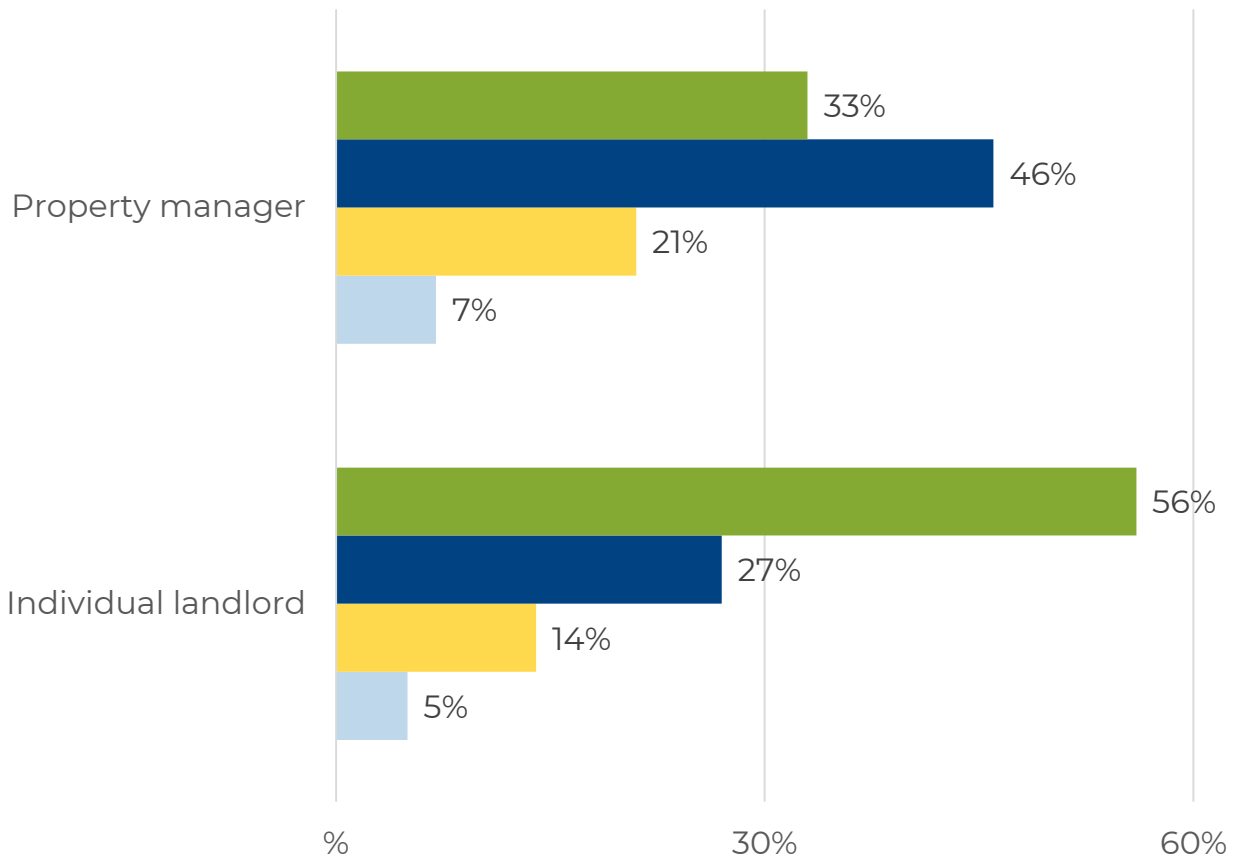
## IN GENERAL, HAVE ANY OF YOUR HOME SELLERS RECENTLY REDUCED PRICE TO ATTRACT BUYERS?



# Tenants Paying Rent

Of those who work with residential tenants, one-third of property managers cited having no issues with their tenants paying the rent, compared to more than half of individual landlords. Forty-six percent of property managers reported being able to accommodate their tenants who cannot pay rent and 21 percent cited it being difficult. In contrast 27 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and 21 percent cited it being difficult. Small portions (less than 10 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?:

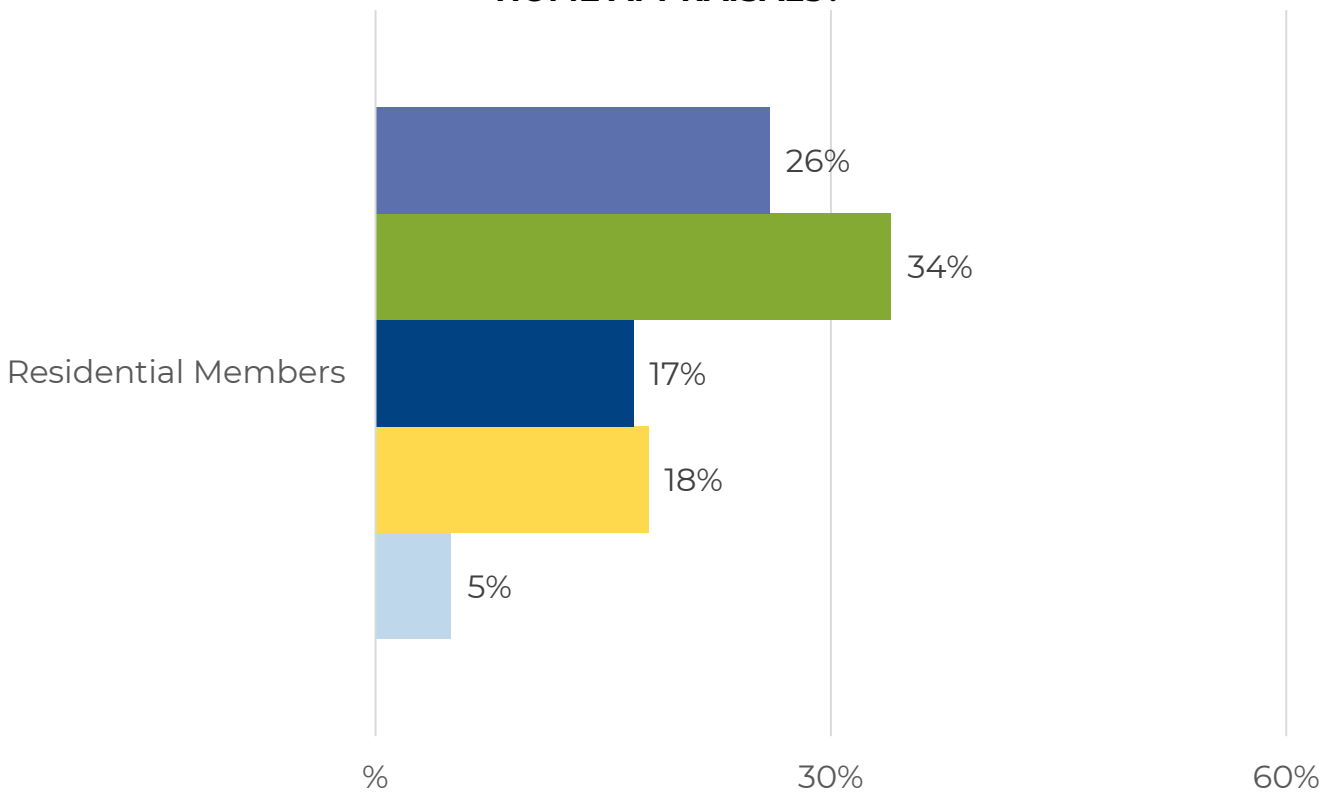


- No issues, rents are being paid on time
- Yes, asking to delay paying their rent, and will be accommodating knowing the circumstances
- Yes, asking to delay paying their rent, and will be difficult to allow
- Yes, leases are being terminated

# Social Distancing and Transactions

Twenty-six 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, 34 percent cited felt person-to-person interactions where still required. Seventeen percent postponed home searching and 18 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?



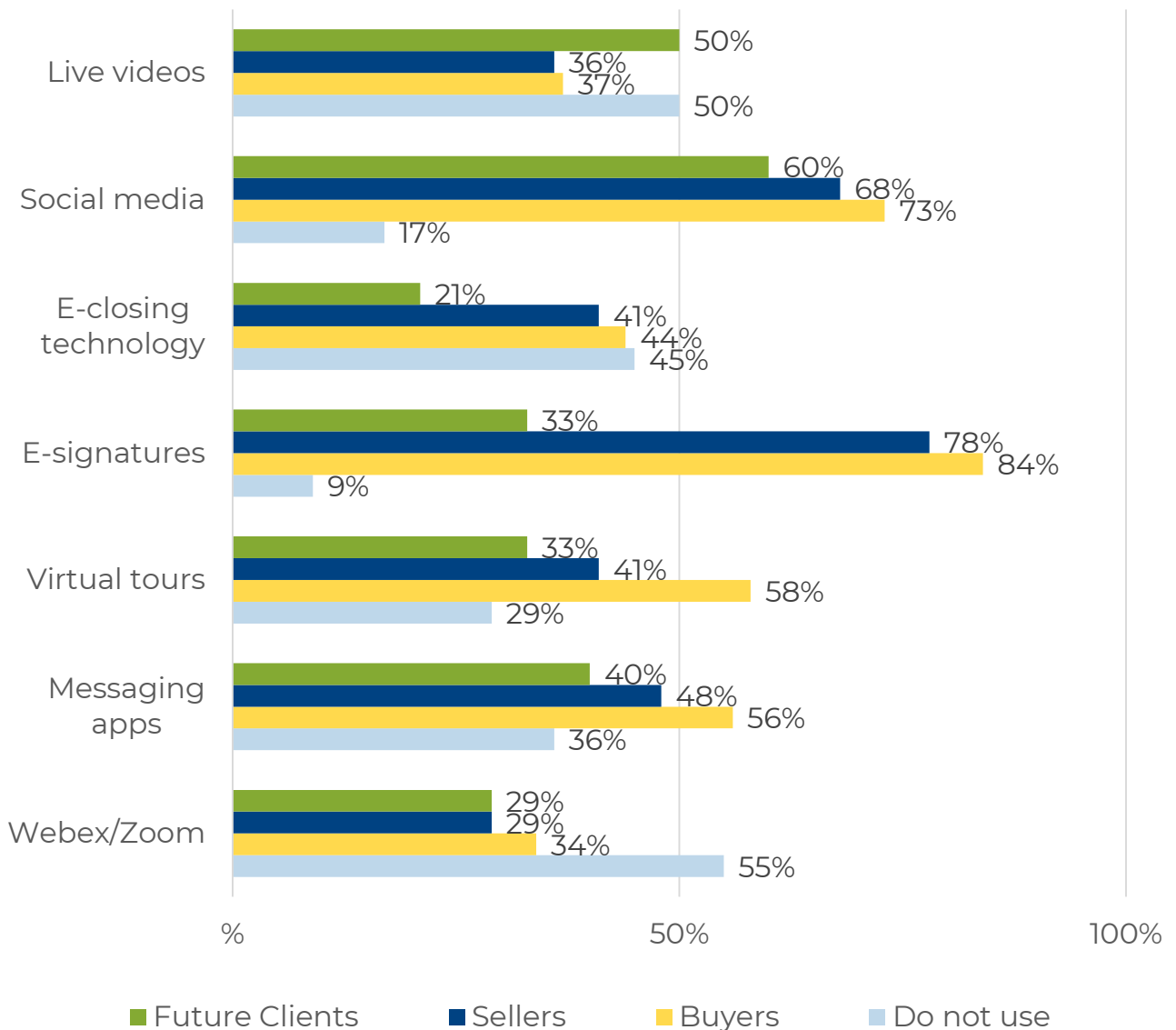
- Nearly all aspect of the transaction can be done while respecting social distancing
- Some aspects still require person-to-person interactions, though masks and gloves could lessen the risk of spreading the virus
- Home searching has to be postponed because of the need for close person-to-person interactions 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?



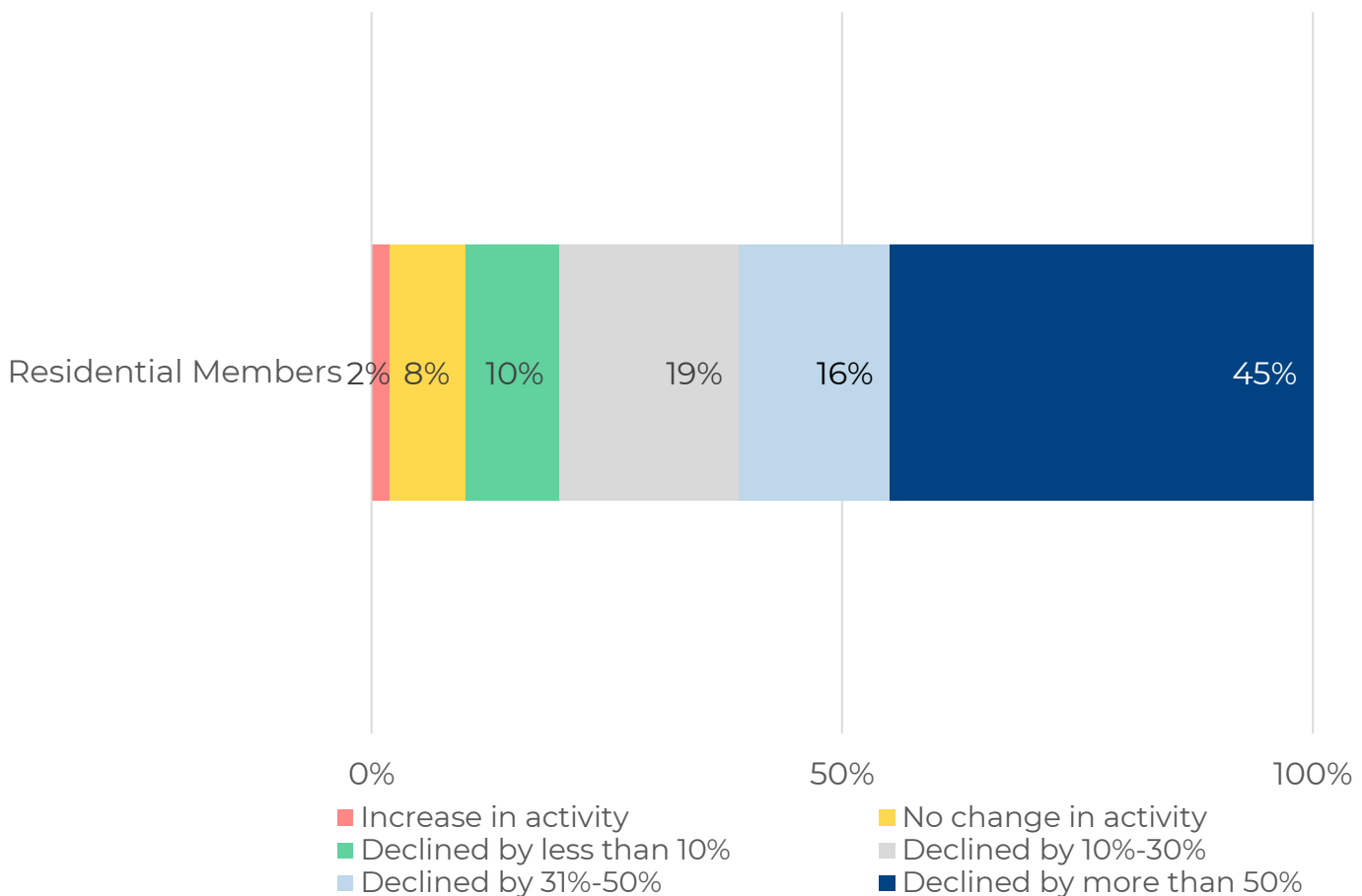


# Buyer Interest

Ninety percent of members cited a decline in buyer interest. Forty-five percent of members 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-seven percent of those who worked with buyers had at least one buyer who put in a contract without physically seeing the home in the last week. The median amount of homes toured, either virtually or in person, was three before putting a contract on a home.

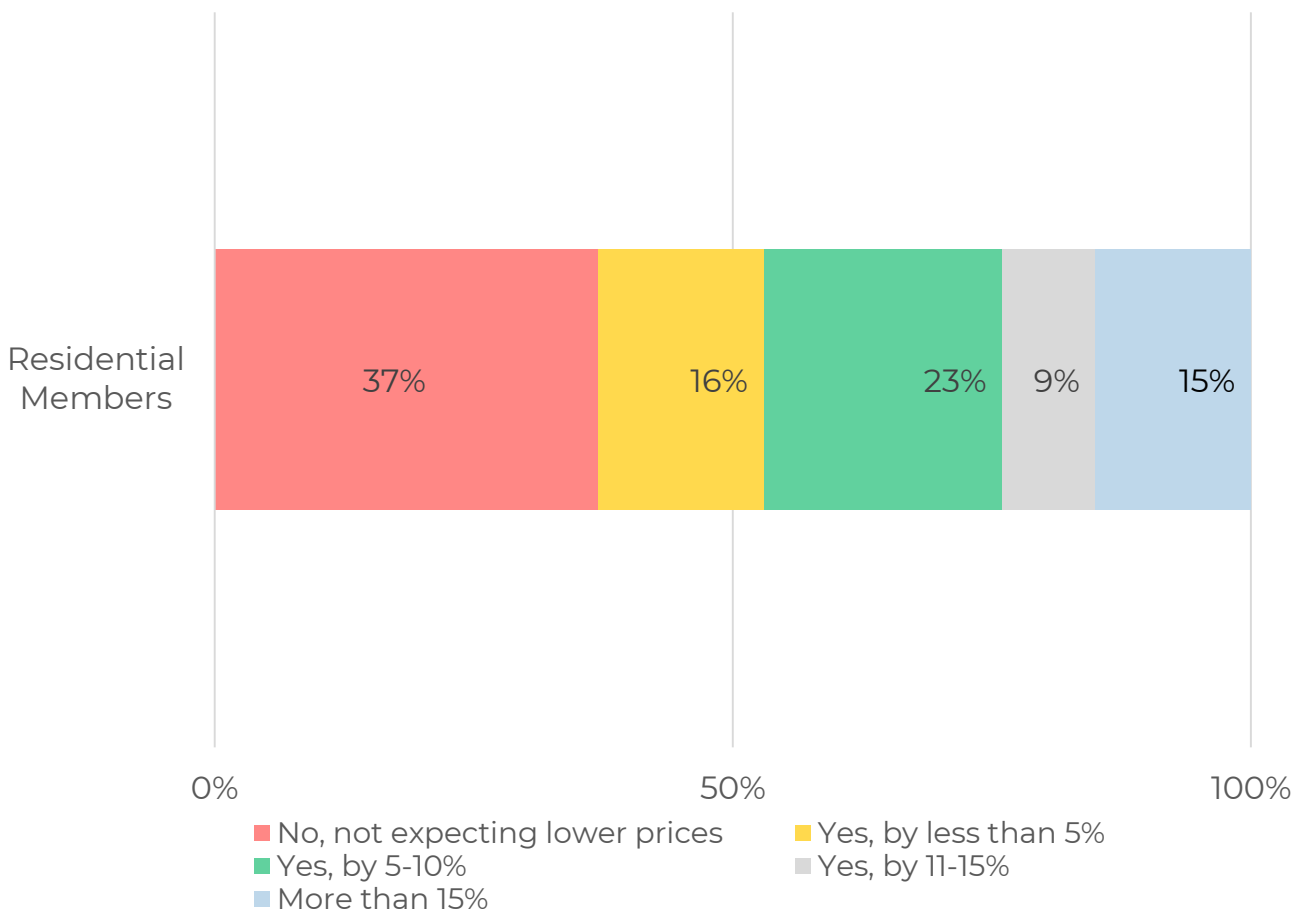
## HOW HAS CORONAVIRUS (COVID-19) AFFECTED HOME BUYER INTEREST IN YOUR MARKET?



# Buyer Expectations of Home Prices

Sixty-three percent of members said buyers are expecting a decline in home prices. Of this share, 16 percent expect a less than five percent decrease and the largest portion (23 percent) expect a decrease by five to 10 percent.

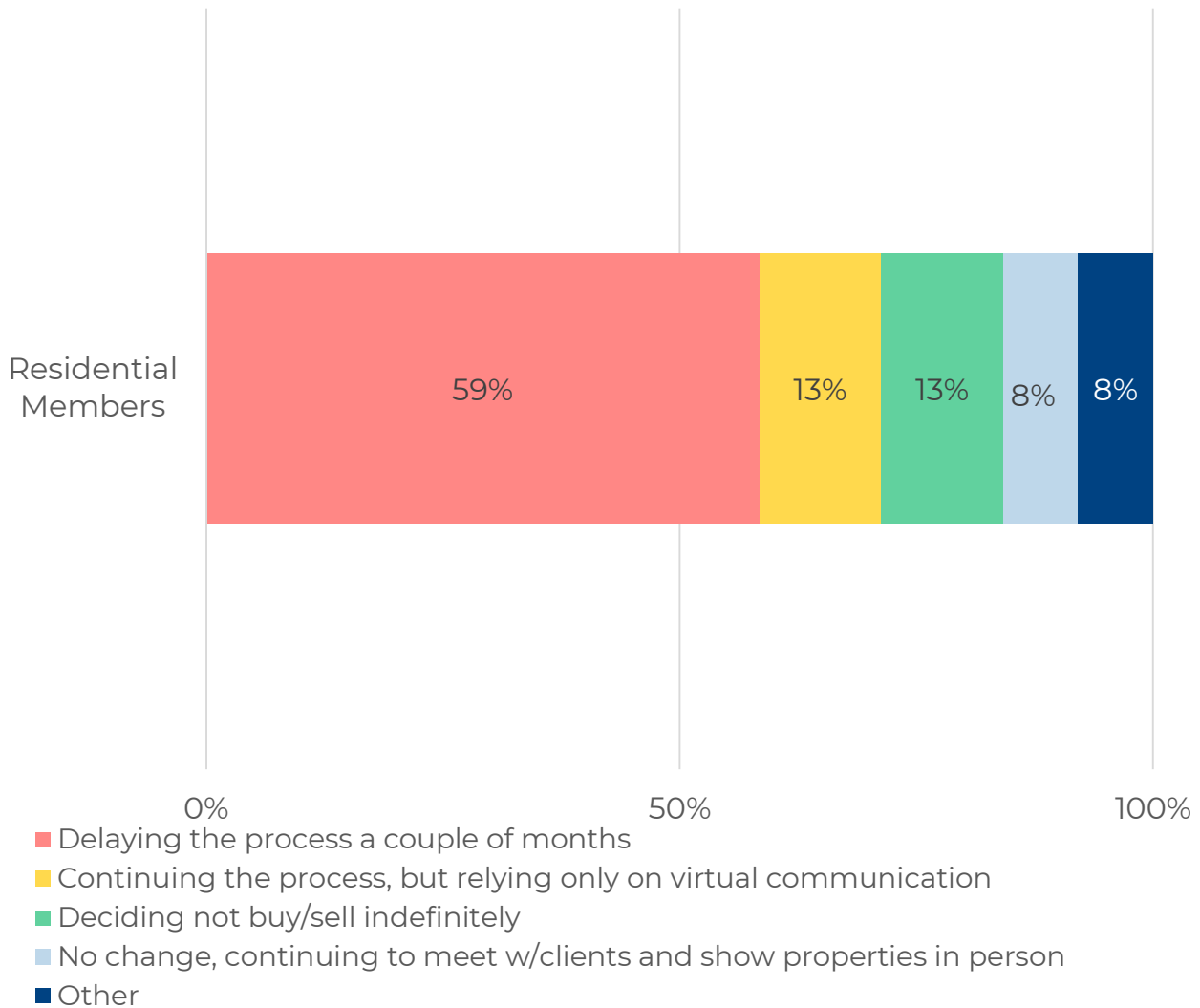
## IN GENERAL, ARE HOME BUYERS EXPECTING LOWER PRICES NOW?



# Buyer Behavior

Fifty-nine percent of members reported buyers are delaying their home purchase for a couple of months. Thirteen percent reported members are continuing the process, but only relying on virtual communication. Thirteen 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.

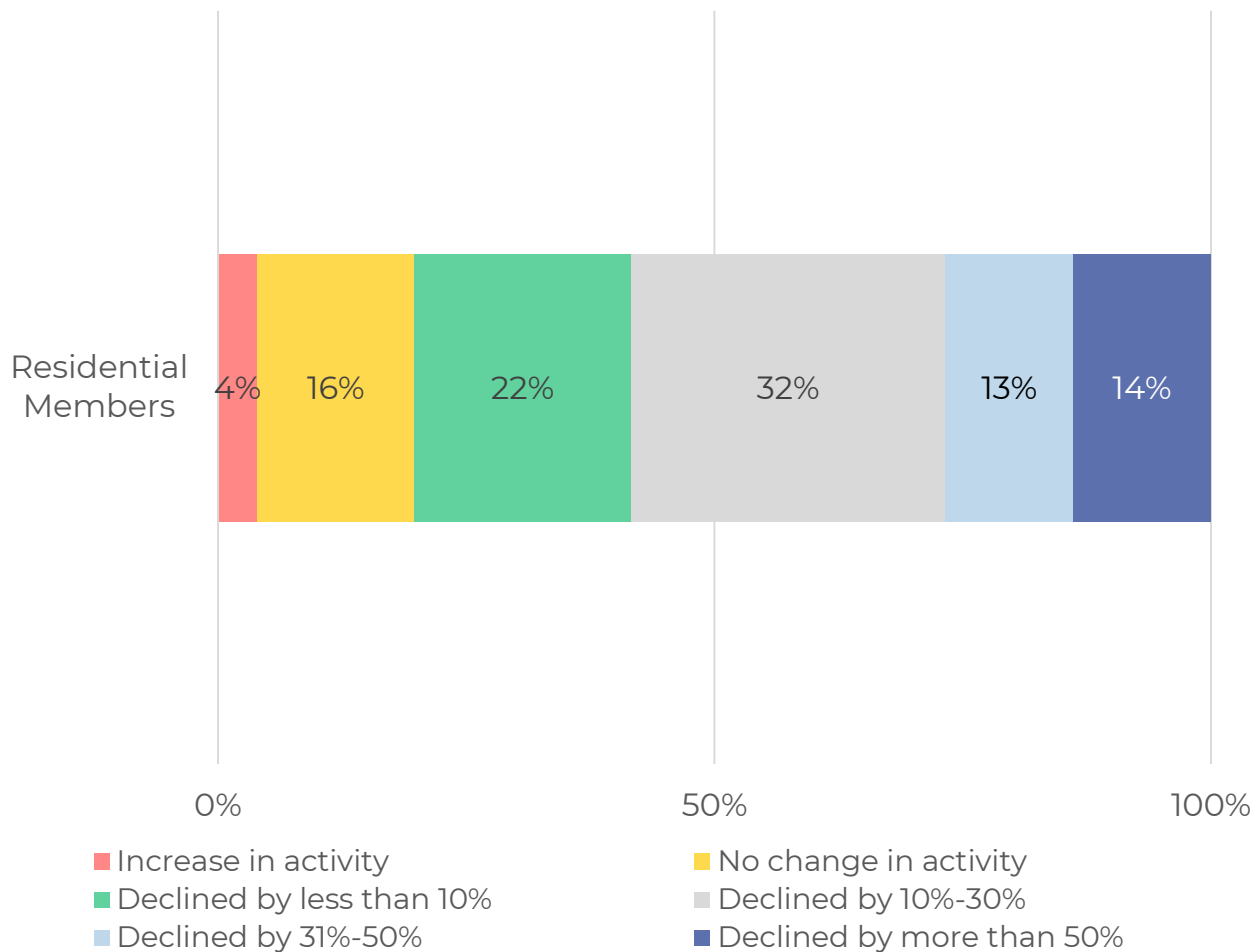
## IN GENERAL, HOW HAS THE CORONAVIRUS (COVID-19) CHANGED CLIENTS' ATTITUDES WITH REGARDS TO BUYING A HOME?



# Seller Behavior

Eighty percent of members cited a decline in the number of homes on the market. Of this share, 32 percent reported a decline between 10 percent to 30 percent. Sixteen percent of members cited no change and four percent cited an increase the number of homes on the market.

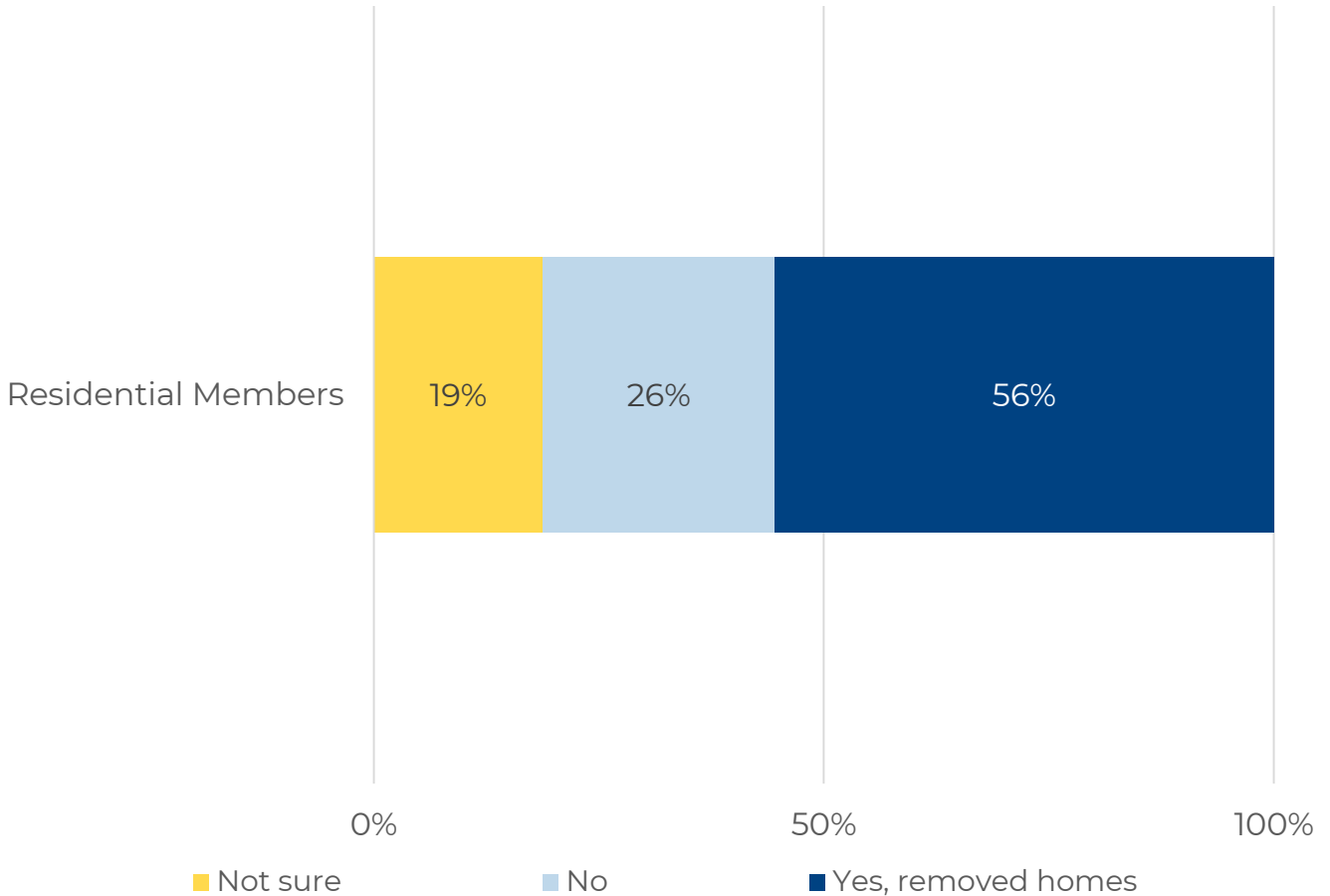
## HOW HAS CORONAVIRUS (COVID-19) AFFECTED THE NUMBER OF HOMES ON THE MARKET?



# Seller Behavior

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

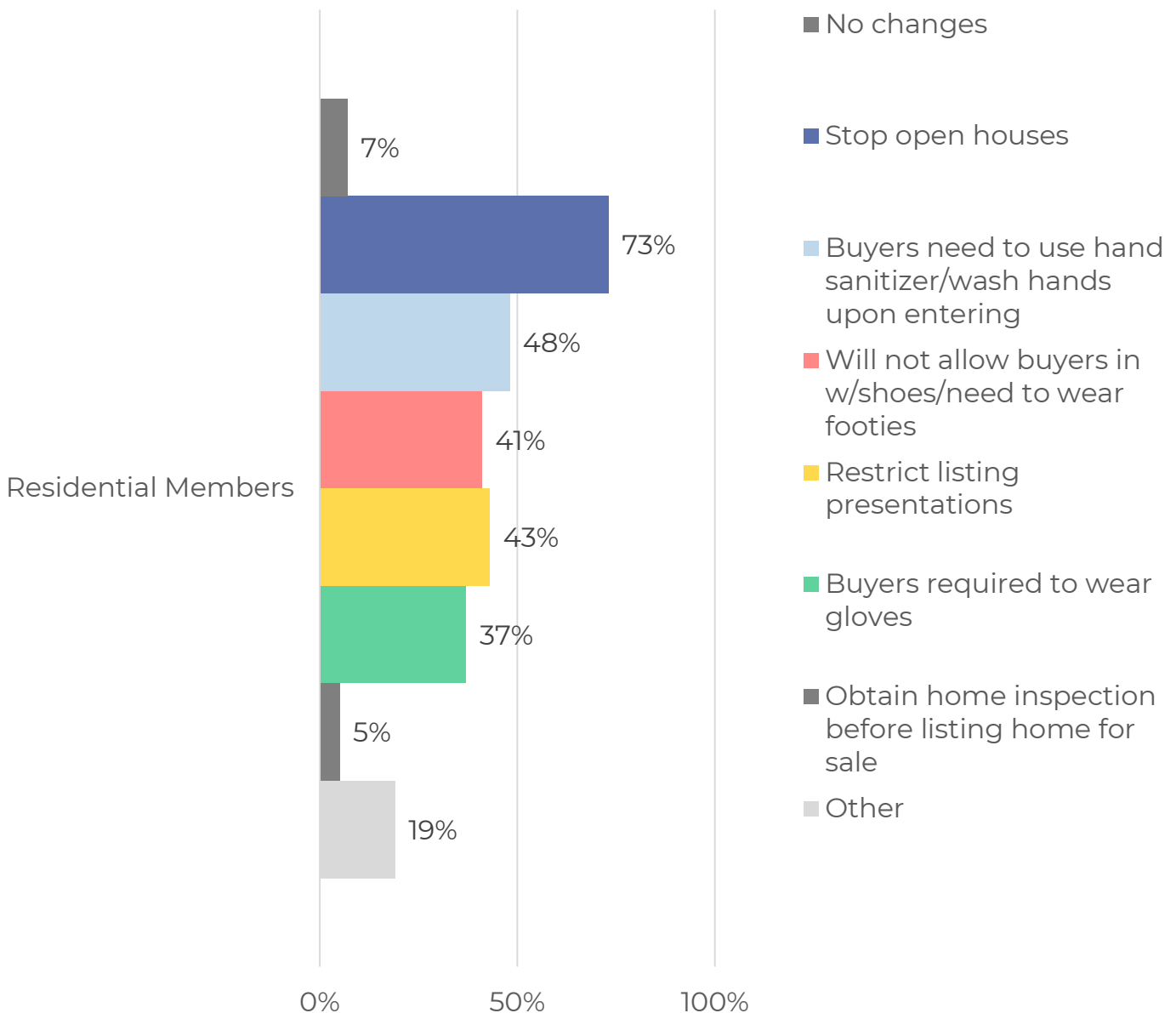
## HAVE YOU SEEN ANY SELLERS REMOVE THEIR HOME FROM THE MARKET COMPLETELY DUE TO CORONAVIRUS (COVID-19)?



# 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.

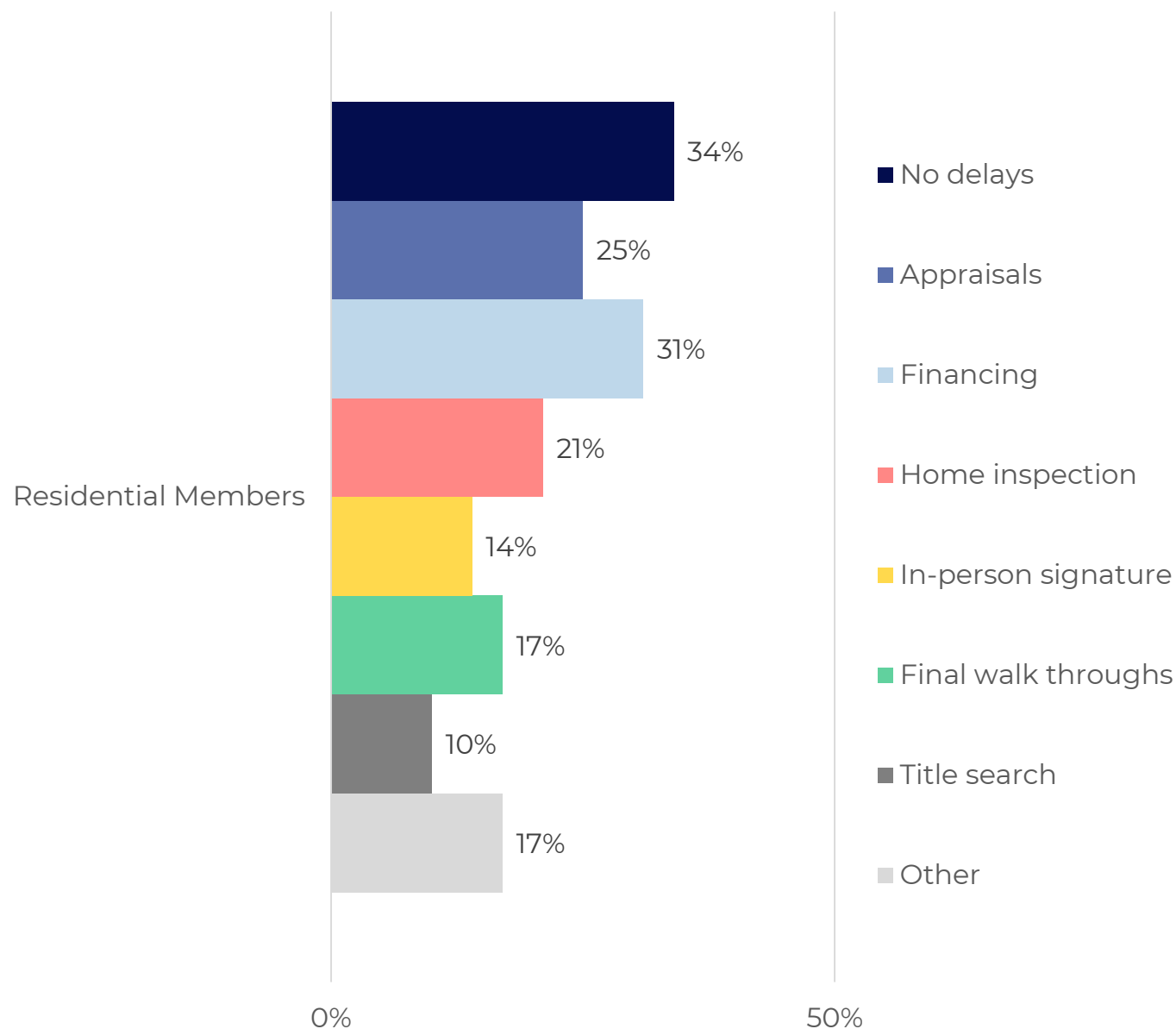
## IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY OF THE FOLLOWING CHANGES IN HOME SELLER LISTING BEHAVIOR?



# Residential Closing Delays

Thirty-four 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)?

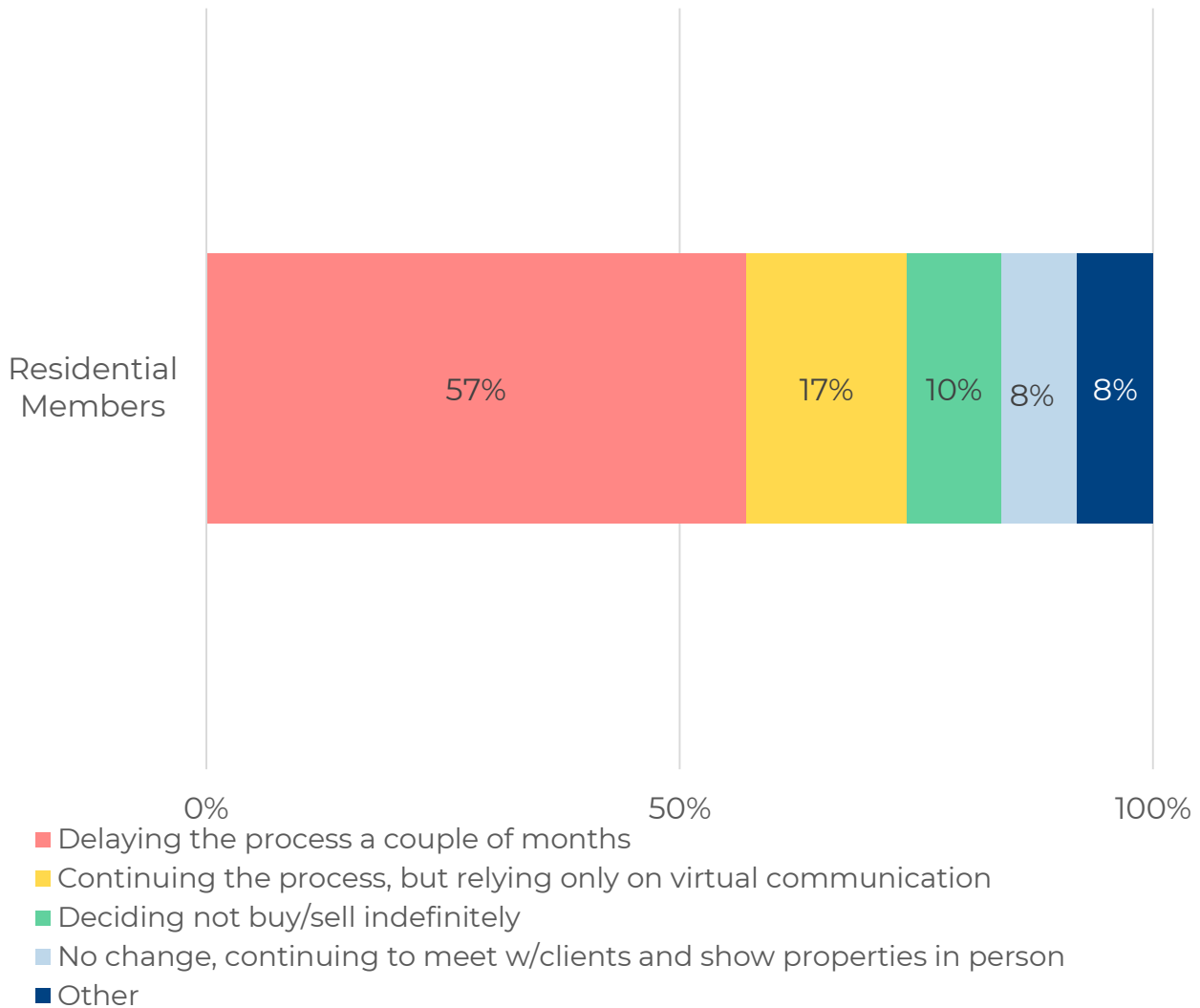




# Seller Behavior

Fifty-seven 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?



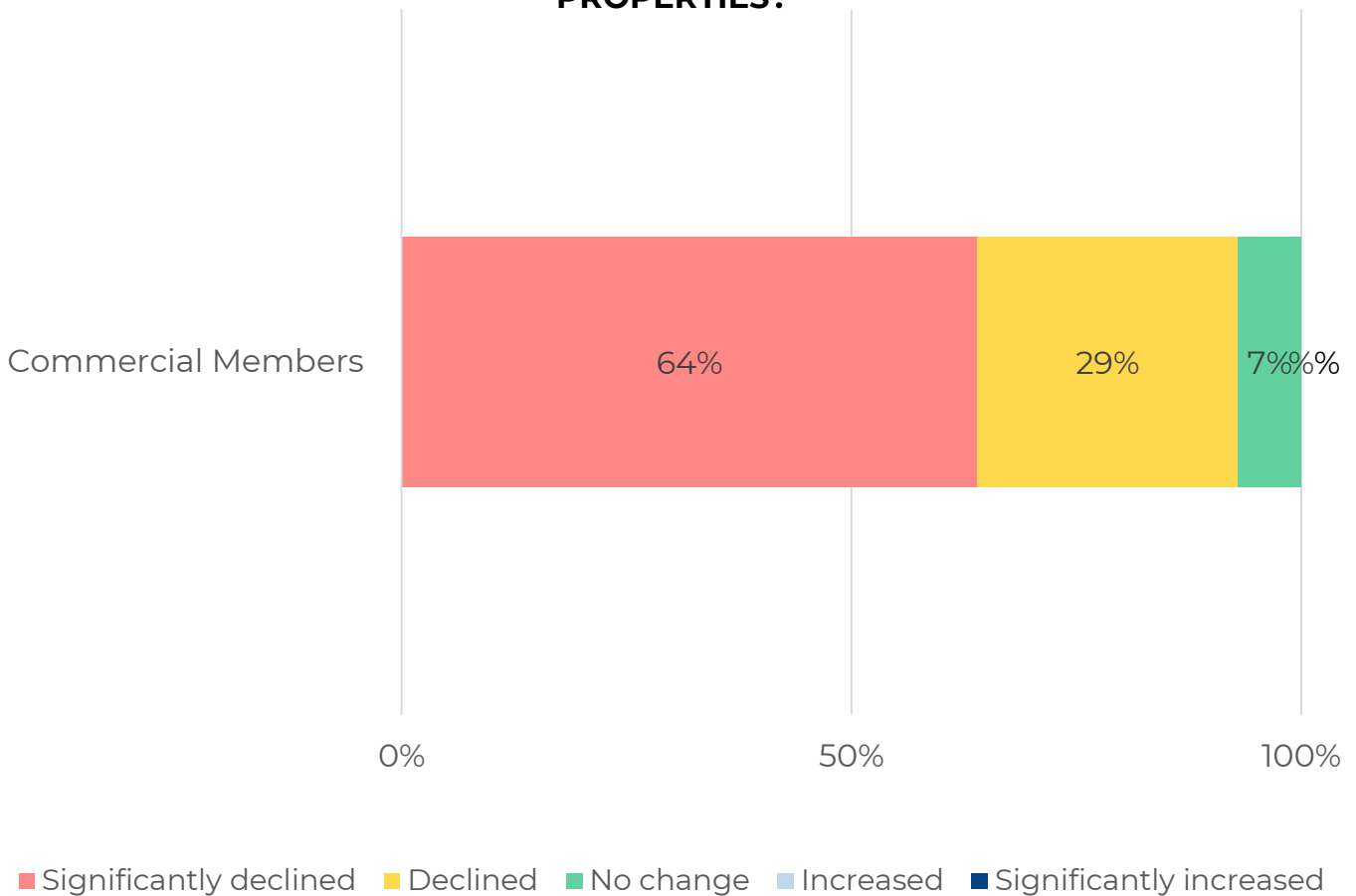


# Commercial Survey Questions

# Coronavirus (COVID-19)

Seven percent of commercial members reported there has been no change in clients who want to lease properties due to the coronavirus (COVID-19). Ninety-three percent have seen a decline in commercial leasing clients due to COVID-19.

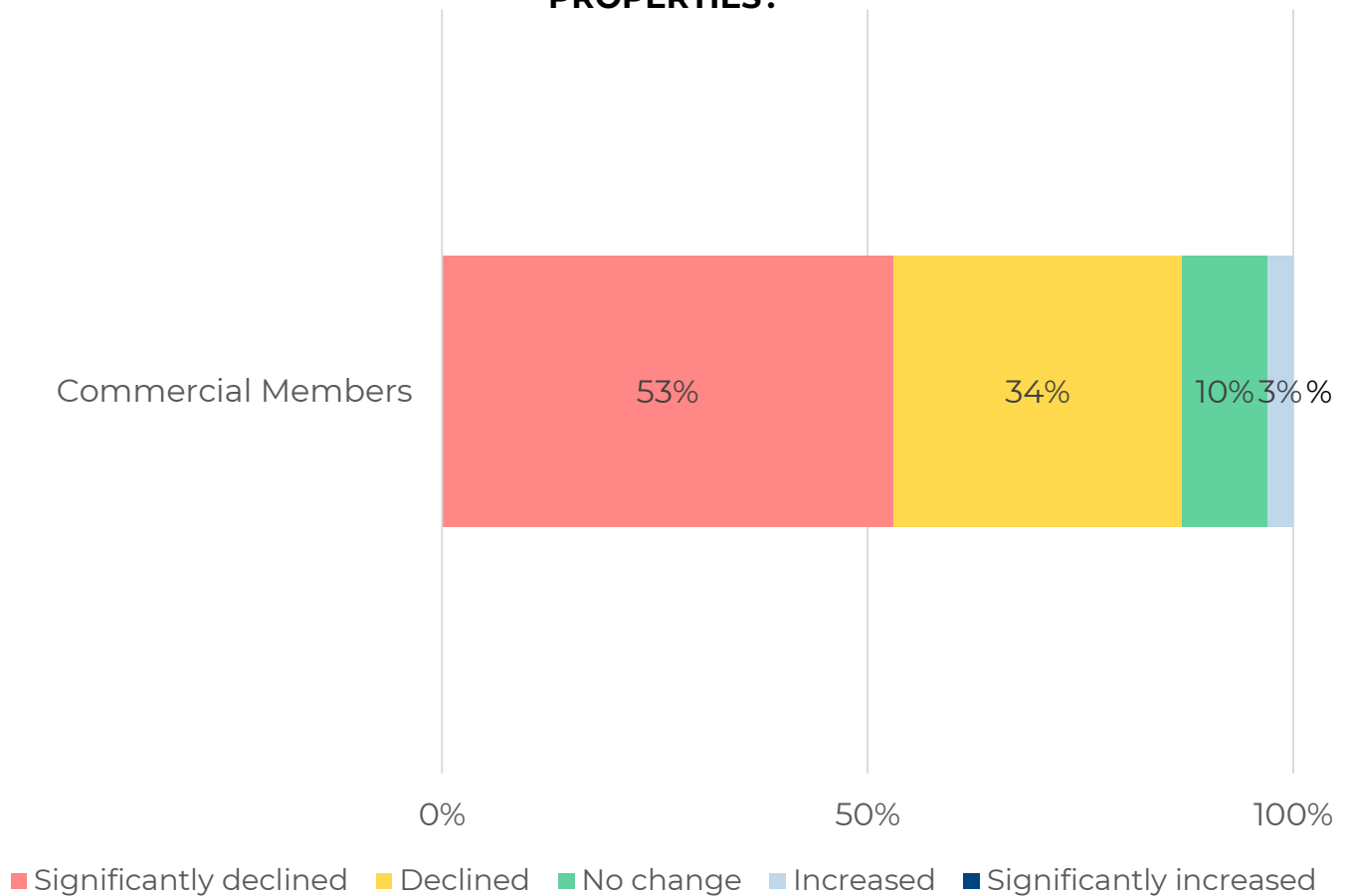
## HOW MUCH OF AN IMPACT IS THE CORONAVIRUS (COVID-19) HAVING ON NEW COMMERCIAL CLIENTS WHO WANT TO LEASE PROPERTIES?



# Coronavirus (COVID-19)

Ten percent of commercial members reported there has been no change in client purchase interest due to the coronavirus (COVID-19). Eighty-seven percent of members saw a decline in commercial purchase clients.

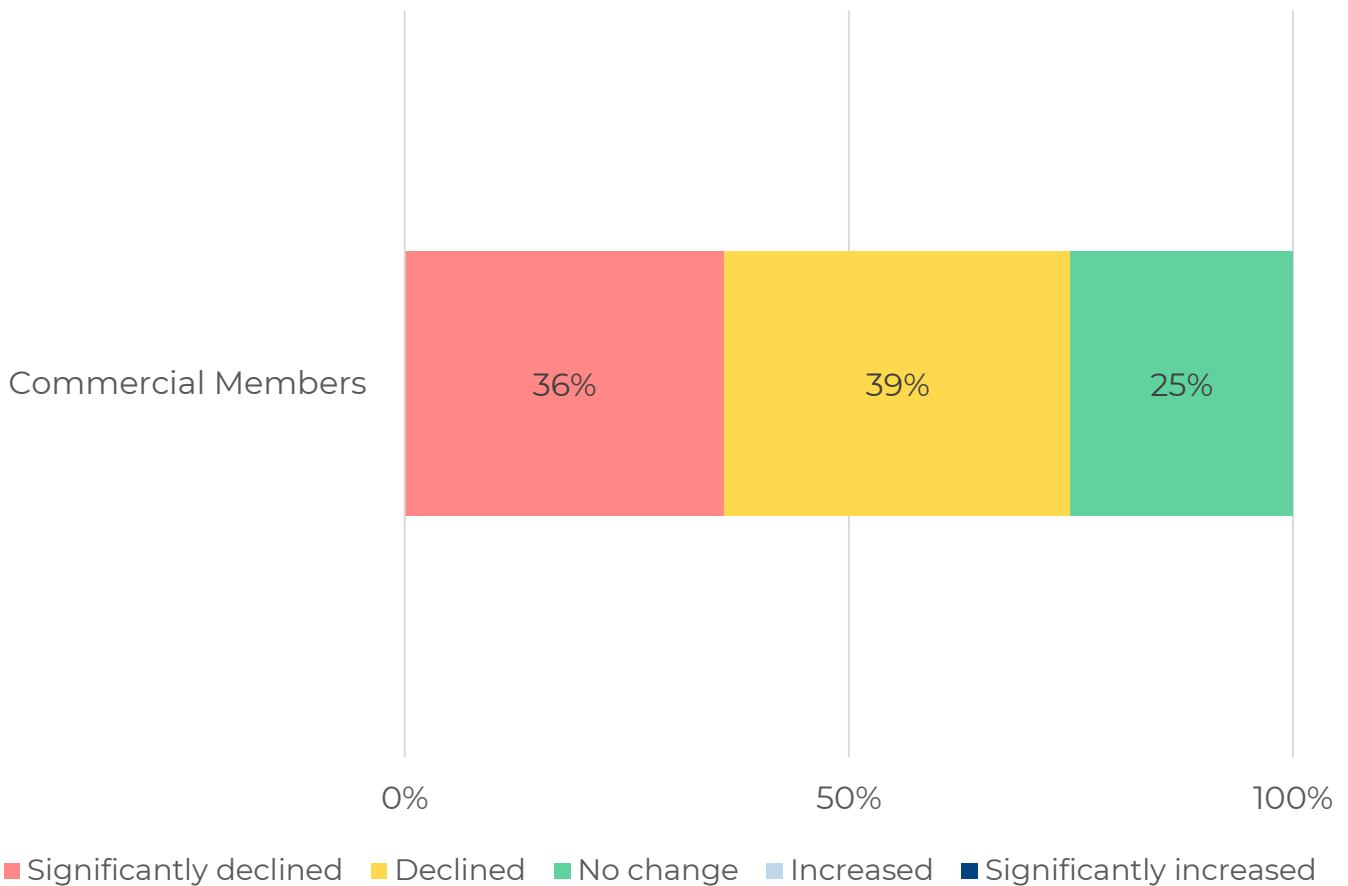
## HOW MUCH OF AN IMPACT IS THE CORONAVIRUS (COVID-19) HAVING ON NEW COMMERCIAL CLIENTS WHO WANT TO PURCHASE PROPERTIES?



# Stock Market

Twenty-five percent of commercial members reported there has been no change in leasing interest due to the stock market correction. However, 75 percent of commercial members reported that interest in leasing properties has decreased due to the stock market correction.

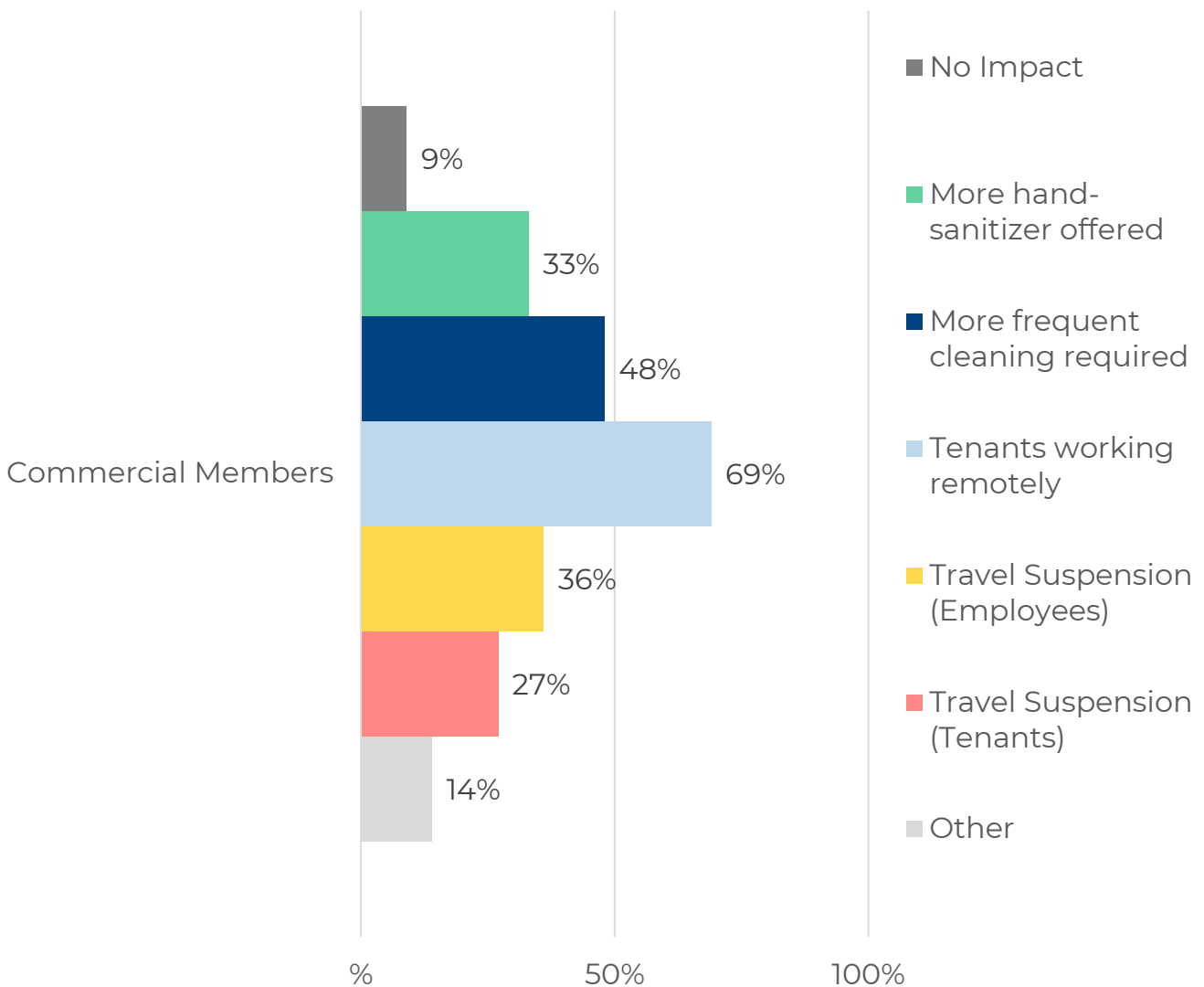
## HOW MUCH OF AN IMPACT IS THE STOCK MARKET CORRECTION HAVING ON NEW COMMERCIAL CLIENTS WHO WANT TO LEASE PROPERTIES?



# Building Practices

Ninety-one percent of commercial buildings have adopted changes in practices due to the coronavirus. The most common practices are more hand sanitizer offered, more frequent cleanings of the space, tenants are working remotely, and offering more hand sanitizer.

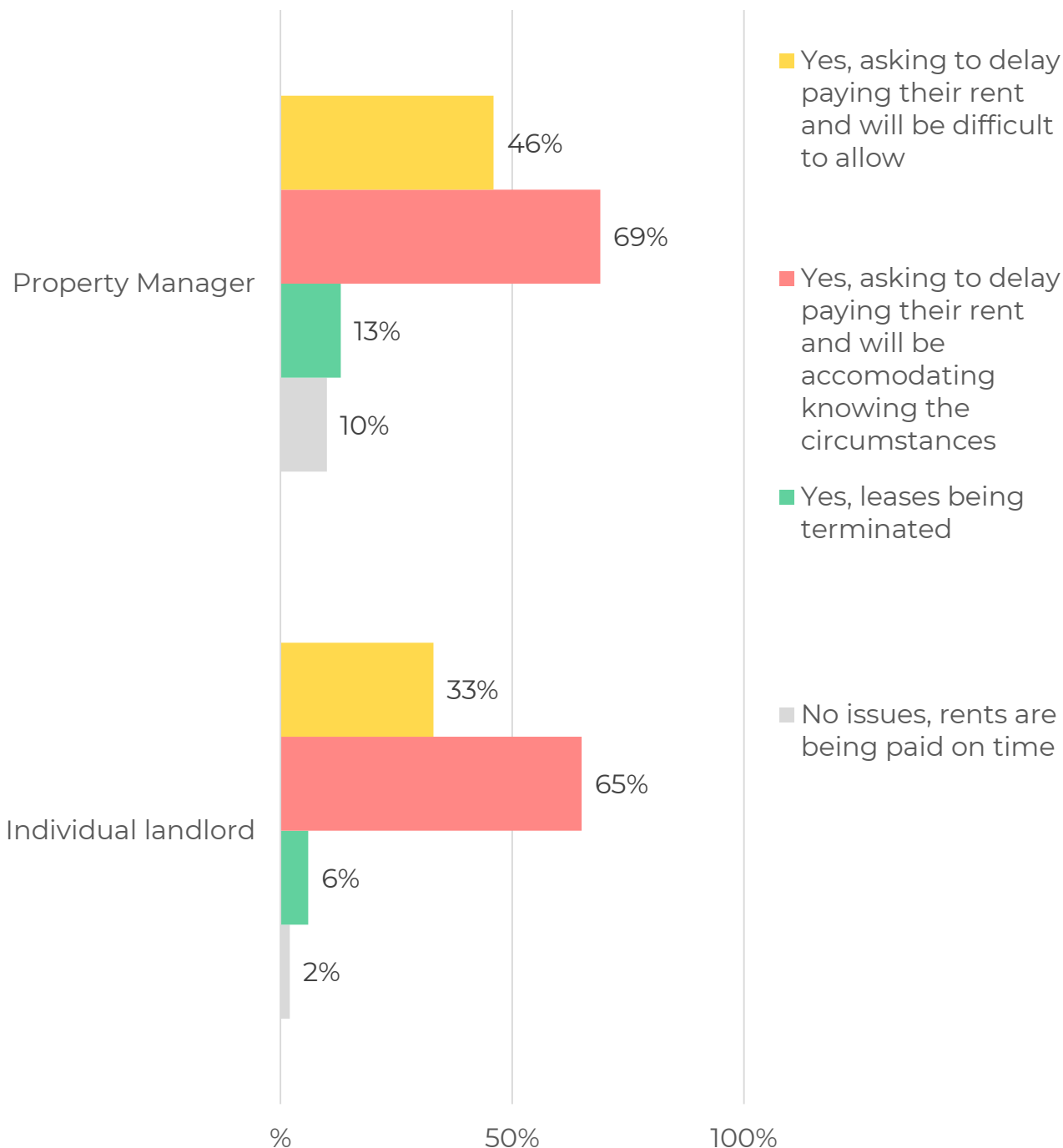
## WHAT IMPACT IS THE CORONAVIRUS HAVING ON YOUR BUILDING PRACTICES?



# Commercial Property Rent

Of those who work with commercial rentals, 46 percent of property managers percent reported that a portion of tenants have asked for delays in paying rent and that it would be difficult to allow, compared to 33 percent of individual landlords. Sixty-nine percent of property managers reported being able to accommodate their tenants, similar to 65 percent of individual landlords.

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

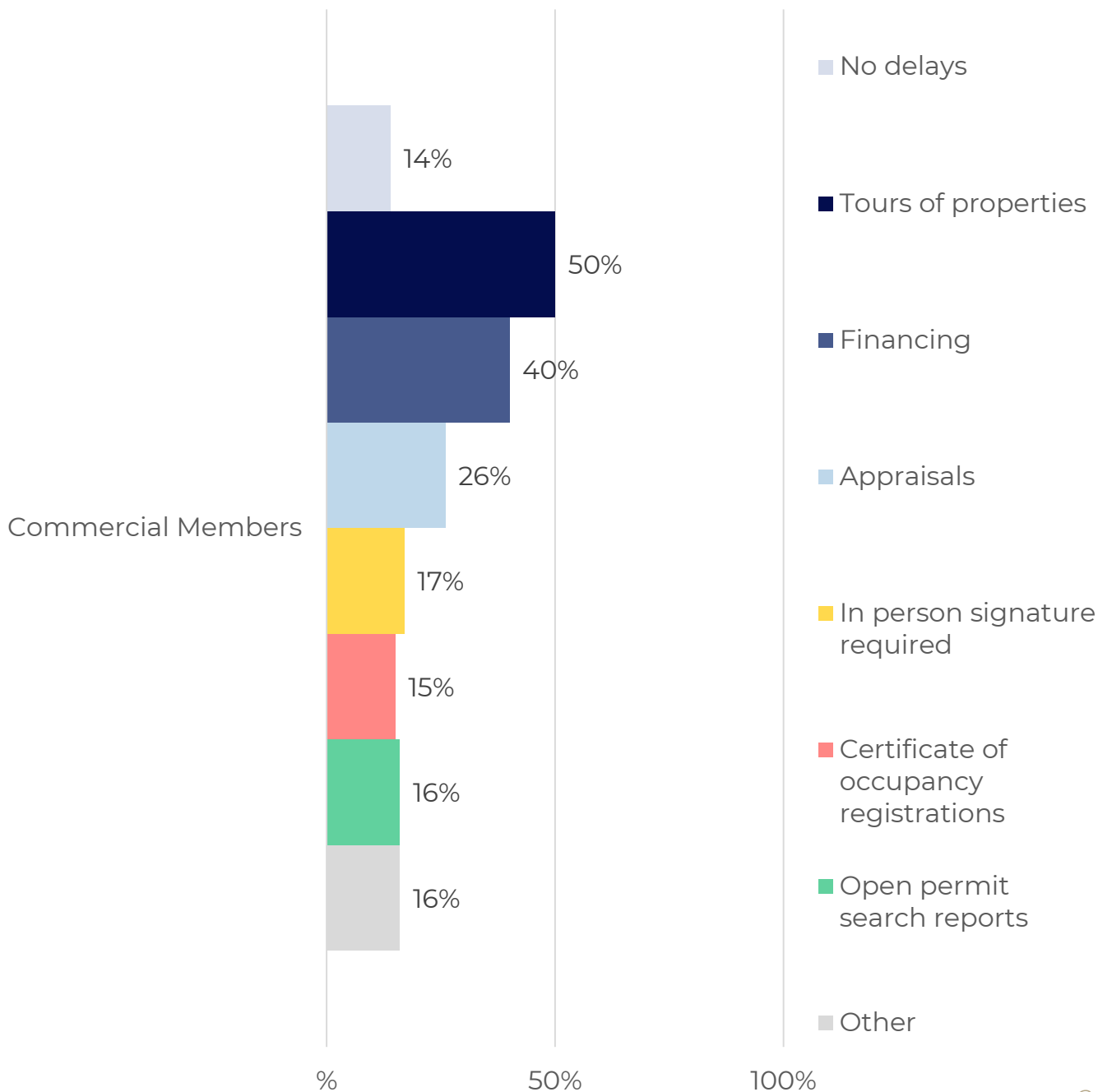




# Commercial Closing Delays

Fourteen percent of commercial members have reported no closing delays. Delays in closing happened for a number of reasons including delays with tours of properties, appraisals, financing, in person signature, certificate of occupancy registrations, and open permit search reports.

## ARE YOUR COMMERCIAL TRANSACTIONS RUNNING INTO ANY DELAYS CLOSING, DUE TO CORONAVIRUS (COVID-19), WITH...





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#### **NATIONAL ASSOCIATION OF REALTORS®**

Research Group  
500 New Jersey Avenue, NW  
Washington, DC 20001  
202-383-1000

[data@realtors.org](mailto:data@realtors.org)