

July 16, 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 released the 2020 Member Profile this week, an annual report that outlines members' behaviors and characteristics over the preceding year. The report revealed that even before the real estate industry was confronted with the coronavirus pandemic, REALTORS® had already begun to make sizable increases in their use of technology and online tools to accommodate clients and advance their businesses. For more insights from the NAR Member Profile, [click here](#).
- NAR's [Weekly Housing Market Monitor](#) shows a sustained increase in housing transactions as of July 12. The opening up of most businesses in all states, low 30-year fixed mortgage rates, and new payroll job gains are all sustaining the housing market recovery.
- Congressional leaders are discussing a way forward for the next coronavirus relief bill, while the U.S. House of Representatives continues its work on annual appropriations bills. NAR has already seen wins in this process, including new fair housing and housing counseling investments.
- NAR sent a letter to HUD this week asking the agency to reverse its effort to weaken a rule meant to combat housing discrimination. Opposition to HUD's disparate impact rule is growing from the financial industry, Congress, and fair housing advocates like NAR.
- NAR received a letter this week from the National Fair Housing Alliance (NFHA) applauding the Association's leadership on fair housing. The letter addressed topics such as systemic racism, the terminology "master bedroom/bath," NAR's role in promoting fair housing, and efforts to ask HUD to reverse course on its disparate impact rule.

- NAR’s new fair housing consumer ad campaign ran in the *New York Times*, the *Wall Street Journal*, and *Politico* this week as new campaign assets for members were released on [ThatsWhoWeR.realtor](https://www.thatswhoweR.com) and within the Photofy app.
- The Economic Injury Disaster Loan (EIDL) advance grant program has exhausted its \$20 billion fund, but money still remains for the loan portion of the program—and REALTORS® are eligible.
- The U.S. Supreme Court announced last week that it will hear a case on whether the structure of the Federal Housing Finance Agency (FHFA) is constitutional. This follows the Court’s recent ruling that the structure of the Consumer Financial Protection Bureau was unconstitutional.
- NAR is offering a Protect Your Credit guide that explains provisions implemented by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to protect consumers’ credit scores. Like its companion piece, Protect Your Investment, this brochure can be customized with Association or REALTOR® logos and is available in English and Spanish. Download them [here](#).
- The Government Affairs Directors (GAD) Virtual Institute is free; the first week was this July 14-16 and it continues for its second week July 21-23. Find an event schedule and registration information [here](#). GADs will also be raising money for the United Way Worldwide’s COVID-19 Fund; donate [here](#).
- A new Commitment to Excellence (C2EX) webinar for Association staff is designed to help members better understand the C2EX platform and its administrative capabilities. July 22 at 12:30 PM EDT. Please register [here](#).
- NAR Director of Emerging Technology Dan Weisman released a special video message titled “Emerging Technology for Today and Into Tomorrow.” In this video, Dan recommends tech tools to help your business during these challenging times. Please watch Dan’s latest video [here](#).
- NAR’s second event in the Virtual Tech Edge Series, “The Social Media Agent,” arrives on Thursday, July 23 at noon EDT. REALTORS® will learn best practices and obtain tips to create more substantial social media content and presence from our team of all-star national voices. Visit the official Tech Edge [site](#) today to register or learn more.
- 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. The new 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.
- 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).

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2. Impact on the economy and members' businesses

NAR Releases Member Profile: REALTORS® Used More Technology, Cited Inventory Constraints

Even before the real estate industry was confronted with the coronavirus pandemic, REALTORS® had already begun to make sizable increases in their use of technology and online tools in an effort to accommodate clients and advance their businesses.

That is according to NARs' [2020 Member Profile](#), an annual report that outlines members' behaviors and characteristics over the preceding year. Research gathered for this particular report was obtained prior to the coronavirus outbreak and before subsequent nationwide stay-at-home orders were instituted.

NAR's report revealed that more than nine in 10 members use a smartphone and a computer on a daily basis, while just about all members regularly email clients and the majority of members use social media apps to communicate with clients. Text messaging is the preferred means of communication for REALTORS® (94%), closely followed by email (91%) and telephone calls (89%).

“As members have become more reliant on their smartphones and the internet to stay in touch with their clients, they've also found that some of these social media sites are another avenue to reach potential homebuyers and sellers,” said Jessica Lautz, NAR's vice president of demographics and behavioral insights.

Seventy percent of members said they have a website for business use, reporting they have typically had their site for five years. Agents were typically the most active on Facebook, LinkedIn and Instagram. For more info, see the chart on the next page. A few notable findings from the Member Survey:

Income of REALTORS®: In 2019, 37% of REALTORS® were paid under a fixed commission split. Median gross income for REALTORS® was \$49,700 in 2019, up from \$41,800 in 2018.

Business Characteristics of REALTORS®: The overwhelming majority of members are sales agents, who for the most part specialize in residential brokerage. On average, members have nine years of experience in the real estate industry. Seventeen percent of REALTORS® have less than one year of experience, continuing a downward trend (22% in 2018) and suggesting members are remaining with real estate as a career choice for a longer duration. The number of members with more than 25 years of experience was 17%, up marginally from 15% the previous year. Broker-owners, managers and appraisers had the most experience, while sales agents were generally the newest to the industry with a median of six years of experience.

Business Activity of REALTORS®: Insufficient inventory has hindered the real estate market in recent years, leading residential specialists to reference “difficulty in finding the right property” as the top reason why potential clients may not complete a given transaction. Still, the typical member recorded a higher sales volume in 2019, with a median of one additional transaction than in 2018.

“Low inventory continues to be a problem,” said Lautz. “Pre-pandemic, housing supply was the number-one hurdle holding back potential buyers, but we continue to be faced with a great deal of pent-up demand but not enough homes.” For the seventh consecutive year, difficulty finding the right home exceeded housing affordability as the greatest factor limiting potential clients from buying. Housing affordability continues to be the second-most important factor limiting potential clients.

2020 MEMBER PROFILE

Business Characteristics and Activity of REALTORS®, by Real Estate Experience

	REAL ESTATE EXPERIENCE				
	ALL REALTORS®	2 YEARS OR LESS	3 TO 5 YEARS	6 TO 15 YEARS	16 YEARS OR MORE
PERCENT OF REALTORS® IN THE CATEGORY					
GROSS PERSONAL INCOME					
Less than \$10,000	22%	56%	15%	10%	8%
\$10,000 to \$24,999	12%	17%	16%	10%	8%
\$25,000 to \$49,999	17%	14%	23%	19%	15%
\$50,000 to \$99,999	23%	10%	27%	27%	28%
\$100,000 to \$149,999	11%	2%	10%	15%	15%
\$150,000 or more	16%	1%	9%	20%	26%
WILL REMAIN ACTIVE AS A REAL ESTATE PROFESSIONAL DURING THE NEXT TWO YEARS					
Very certain	80%	77%	79%	83%	80%
Somewhat certain	15%	17%	17%	13%	14%
Not certain	5%	5%	4%	4%	6%
BUSINESS ACTIVITY					
Have a website	70%	69%	69%	72%	70%
Brokerage: Median number of transactions**	12	3	11	14	14
Brokerage: Median sales volume (millions)	\$2.3	\$0.5	\$2.2	\$3.0	\$3.3
Median hours worked per week	36	30	35	40	40
Percent of repeat business from past consumers and clients (median)	15%	*	8%	20%	39%
Percent of business through referrals from past consumers and clients (median)	20%	*	18%	24%	29%
AFFILIATION WITH FIRM					
Independent Contractor	87%	93%	91%	87%	79%
Employee	5%	4%	4%	5%	6%
Other	8%	2%	5%	8%	15%
Tenure at firm (median years)	4	1	3	6	11
DEMOGRAPHICS					
AGE					
39 or younger	17%	36%	27%	12%	1%
40 to 59	49%	53%	57%	58%	37%
60 or older	34%	11%	16%	30%	62%
Median age	55	45	48	53	62
Education: bachelor's degree or higher	51%	49%	55%	55%	48%
Real estate is only occupation	73%	55%	69%	77%	84%
Gross personal income (median)	\$49,700	\$8,900	\$45,400	\$68,300	\$86,500
Real estate is primary source of income for household	47%	27%	42%	51%	59%
Homeownership rate	83%	72%	81%	87%	89%
Voted in the last national election	91%	82%	89%	94%	96%

* Less than 1 percent ** Both residential and commercial

Office and Firm Affiliation of REALTORS®: REALTORS®' office and firm affiliations changed little from the previous year. Fifty-two percent of members indicated they are affiliated with an independent company, while 87% said they are independent contractors at their respective firms. Forty-two percent of members worked at a one-office firm, and 24% worked at a firm with two to four offices. The typical agent had been with their current firm for four years. Mergers and consolidations affected about one in 10 REALTORS® in 2019. Most members reported that they were independent contractors, with firm-provided benefits proving uncommon. Of agents receiving benefits from their firm, errors and omissions (liability insurance) was most commonly cited.

Demographic Characteristics of REALTORS®: The typical profile of a REALTOR® has not changed since NAR's last market survey, as members continue to come from a wide variety of demographic groups and career backgrounds. In most cases, REALTORS® previously held a career in management, business or finance (17%) or were employed in the sales or retail sector (17%). Members often are made up of the various age, ethnic, language, education, and income characteristics that define their local communities.

"REALTORS® are one of the most diverse collection of professionals in any industry in this country, and this survey shows that real estate continues to be a field that is welcoming of Americans from all backgrounds," said NAR President Vince Malta, broker at Malta & Co., Inc., in San Francisco, Calif. "While the industry and our members were hit tremendously hard by the coronavirus outbreak, hardworking REALTORS® are leading America's economic recovery as our nation slowly reopens and works to adjust to this new normal."

The typical REALTOR® was a 55-year-old White woman who attended college and was a homeowner. Sixty-four percent of all REALTORS® were women, a decline from 67% in 2018. Only 5% of members said real estate was their first career. Seventy-three percent said that real estate was their only occupation.

REALTORS®' marital status was largely unchanged from the previous year, as 69% were married, while 16% were divorced and 10% were single or never married. The average member household had two adults and no children.

Eighty percent of REALTORS® were White. Hispanics/Latinos accounted for 10%, followed by Blacks making up 6% and Asian/Pacific Islanders accounting for 5%. Among those who had two years of experience or less in real estate, 33% were minorities.

Eighty-two percent of members said they were fluent only in English. This share has remained largely flat since 2003 when the question was introduced. Agents under 50 years old were most likely to be fluent in another language. Spanish was the most

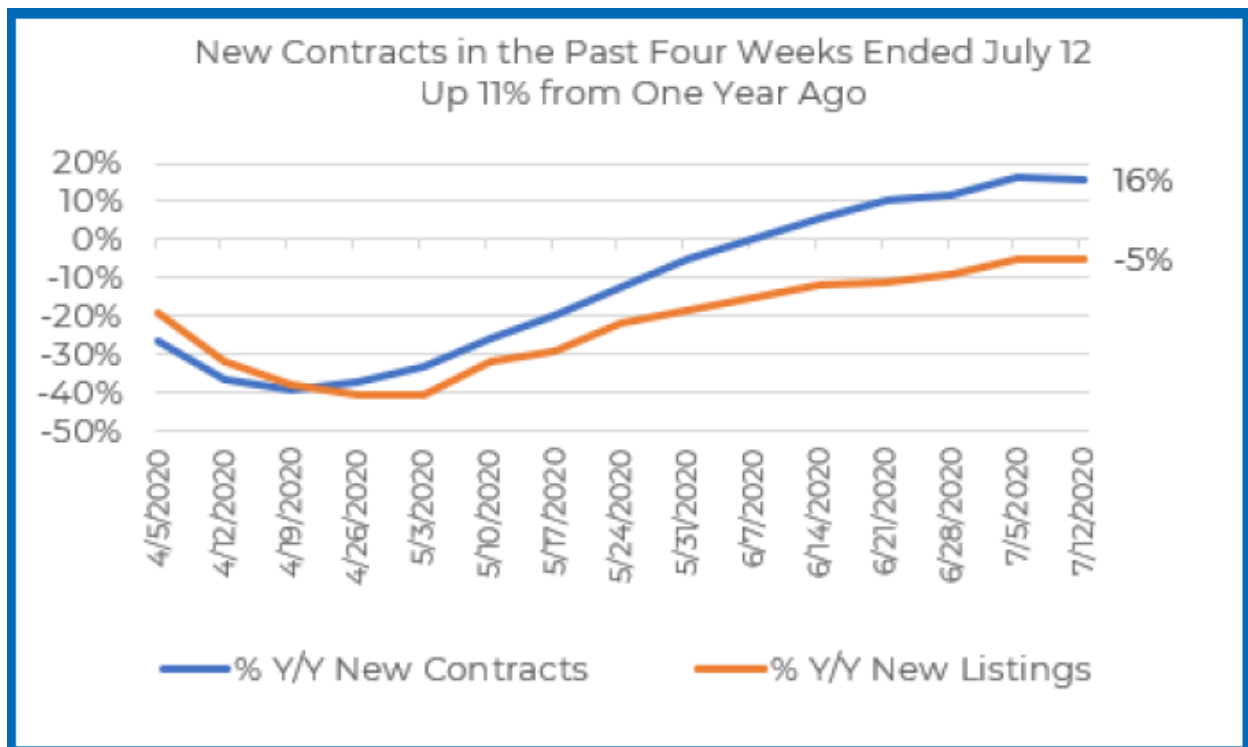
common second language for members. Among all REALTORS®, 13% said they were born outside of the United States.

For more insights from the NAR Member Profile, please visit [here](#).

Weekly Housing Market Monitor Signs Point to Recovery

NAR's [Weekly Housing Market Monitor](#) tracks weekly activity in the housing market, including pending contracts, new listings, and home price. This week, preliminary information from multiple listing services shows a sustained increase in housing transactions as of July 12. The opening up of most businesses in all states, low 30-year fixed mortgage rates that reached a historic low of 3.03% as of the week of July 10, and 7.5 million net new payroll job gains in May and June are all sustaining the housing market recovery.

Contract signings (pending sales) during the past four weeks ended July 12 were up 16% from one year ago, sustaining the prior week's pace of growth:



For more insights from this survey, please visit [here](#).

Washington Update

Although the U.S. Senate was not in session this week, the U.S. House of Representatives continued its work on the annual appropriations bills that fund the government. "NAR has already seen several wins throughout this process, including

new investments in fair housing and housing counseling,” said Shannon McGahn, senior vice president of government affairs for NAR.

While this process plays out in public sessions, congressional leadership continue to talk in private about a way forward for the next coronavirus relief bill.

“With new cases surging in certain areas and a lot of uncertainty over schools in the fall, as well as the end of unemployment benefits at the end of the month, there is a new urgency to get something passed in the next three weeks,” McGahn continued. “NAR has been working with Congressional leaders and laid out a host of ideas in a recent letter to the Hill that would keep the housing and real estate industry going during this pandemic. Housing has turned into a rock, not just for American families, but also for the American economy.”

So what should we look for in the next bill? Republicans want liability protections, targeted unemployment assistance, revamped small business aid, and a payroll tax holiday or other direct payments to Americans. Democrats have called for broad unemployment extensions, help for cities and states, and more direct payments to Americans.

NAR Calls on Housing & Urban Development to Withdraw Disparate Impact Rule

NAR sent a [letter](#) this week to HUD asking the agency to reverse its effort to weaken a rule meant to combat housing discrimination.

Opposition to the disparate impact rule is growing from the financial industry, Congress, and fair housing advocates like NAR. The new HUD directive raises the burden of proof for filing a housing discrimination claim.

“While there is debate...as to whether additional clarity is needed with respect to disparate impact claims, there is broad consensus across the country that now is not the time to issue a regulation that could hinder further progress toward addressing ongoing systemic racism,” said NAR President Vince Malta.

“As this progress opens up homeownership opportunities for more and more Americans, more and more of our members will emerge from this period stronger, more profitable and more financially secure. As an association representing 1.4 million members, we know the views of our members will vary widely on most issues. What we also know, however, is that each and every one of those 1.4 million people are better off when responsible, creditworthy clients receive every possible opportunity to purchase and own property in America,” Malta continued.

National Fair Housing Alliance Applauds NAR's Leadership in Fighting for Fair Housing

This week, NAR received a very thoughtful [letter](#) from the National Fair Housing Alliance (NFHA) on systemic racism, the terminology “master bedroom/bath,” NAR’s role in promoting fair housing, and our efforts to ask HUD to reverse course on weakening a rule meant to combat housing discrimination.

“We greatly appreciate and applaud NAR’s leadership in not only encouraging HUD to withdraw its proposed Disparate Impact rule, but in making your bold request public so that the housing and lending industries can clearly see the important step NAR is taking to advance justice in America,” the letter states. It goes on to say, “we appreciate the hard work NAR and real estate professionals have done to advance opportunity in America and look forward to continued partnership to ensure that every community is a place of opportunity and every person has true fair housing choice.”

Additionally, while recognizing that the debate and changes concerning the terminology “master bedroom/bath” have been made with good intentions, many fair housing organizations and advocates have urged NAR and real estate professionals to focus their efforts and resources elsewhere. For example, in NFHA’s letter, President & CEO Lisa Rice asks that “instead of expending resources on efforts like this, real estate professionals will focus on substantive actions to redress housing discrimination and residential segregation.”

In Other Washington News

- This week, NAR’s new fair housing consumer ad campaign ran in the *New York Times*, the *Wall Street Journal*, and *Politico*. It’s part of an effort to inform policymakers of NAR’s long commitment against all forms of discrimination in housing and our continued support for fair housing. New campaign assets for members were also released Monday on [ThatsWhoWeR.realtor](#) and within the Photofy app.
- The Economic Injury Disaster Loan (EIDL) advance grant program exhausted its \$20 billion fund this week, although money still remains for the loan portion of the program. REALTORS®—including the self-employed, sole proprietors, and independent contractors—are eligible through the end of the year.
- The U.S. Supreme Court announced last week it will hear a case on whether the structure of the Federal Housing Finance Agency (FHFA) is constitutional. This case was widely expected after the court ruled recently that the structure of the Consumer Financial Protection Bureau—which is very similar to the FHFA—was unconstitutional and vested too much power in a single director. The court ruled the CFPB director can now be removed by the president at will.

Share Consumer Guides to Help Homeowners Facing Financial Challenges

A [Protect Your Credit](#) resource explains the provisions implemented by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to protect consumers' credit scores. The guide outlines consumers' rights under the CARES Act, explains how to obtain a free credit report, and offers guidance on how to dispute inaccurate credit information. Protect Your Credit is the perfect companion piece to [Protect Your Investment](#), which helps homeowners struggling to meet their mortgage obligations due to COVID-19. Associations and REALTORS® can add their logo to the front cover. The brochures are available in English and Spanish. Questions? Contact [Wendy Penn](#), (202) 383-7504.

2020 GAD Institute Virtual: GAD Nation

The Government Affairs Directors (GAD) Virtual Institute is coming to you FREE with two weeks of exciting sessions, speakers, and content! Week One ran this Tuesday, Wednesday, and Thursday (July 14-16). Week Two launches July 21 and will also run Tuesday, Wednesday, and Thursday (July 21-23). Each segment will run two to three hours and will alternate between a lecture followed by Q&A or a panel discussion with subject-matter experts. Find an event schedule and registration information [here](#).

GADs will also be raising money for the United Way Worldwide's COVID-19 Fund. This program helps local United Ways respond to their community's needs, ensuring people get accurate information through their local 211 network. Donations made through the GADs Give Back program will be used by United Way local chapters to provide food, shelter, vital information, and additional assistance to those most in need. Donate [here](#).

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

New C2EX Association Staff Webinar Goes Live July 22

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. July 22 at 12:30 PM EDT. Please register [here](#).

New Video Message from Director of Emerging Technology Dan Weisman

NAR's Director of Emerging Technology Dan Weisman released a special video message recently titled "Emerging Technology for Today and Into Tomorrow." In this video, Dan recommends tech tools to help your business during these challenging times. Please watch Dan's latest 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](#).

Tech Edge is Coming to You Virtually Again

NAR is proud to announce the second event in the Virtual Tech Edge Series, “The Social Media Agent,” on Thursday, July 23 at noon EDT. REALTORS® will learn best practices and obtain tips to create more substantial social media content and presence from our team of all-star national voices. Save 25% off with Right Tools, Right Now special pricing, \$14.95 for each event. Visit the official Tech Edge [site](#) today to register or learn more.

Member Benefit: Hotline for Coronavirus (COVID-19) Questions

In keeping with our core value of “Members First,” NAR is dedicated to providing members with the latest information on the coronavirus, its impact on the real estate industry, and what programs and services we’ve developed to help. 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. Team members 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 in touch with all of our ongoing advocacy efforts concerning COVID-19: REALTORS® can now text **COVID19** to **30644** to get information on how we’re fighting for them and how recently passed legislation affects them. The response you receive will send you to visit nar.realtor/coronavirus for the latest information.

Final Thoughts from Vince and Bob

Entire industries have been forced to reconsider their business models because of COVID-19. But some industries are more likely than others to weather the storm and grow after the pandemic passes.

We’ve long believed real estate to be one of those industries—and so were pleased to see real estate [cited](#) as one of the top five industries most likely to rebound by the financial news website *MarketWatch*. Record low interest rates are enticing to home buyers and existing homeowners in refinancing to lower payments. And NAR is expecting a strong turnaround in home sales in its upcoming reports.

We’re as encouraged by this news as we are by the many stories we hear from REALTORS® who are finding new ways to sustain their businesses. Keep watching this space as we share more lessons learned and best practices from members.

Be well and stay safe,



Vince Malta
PRESIDENT



Bob Goldberg
CHIEF EXECUTIVE OFFICER