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DENVER METRO
ASSOCIATION OF REALTORS®

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LESSONS LEARNED



RECOVERY FROM THE HOUSING RECESSION

We all hear that the recovery from this one we are now in will be a “V” shaped recovery—a fast downward move followed by a quick, upward movement. We all pray that’s what will happen.

*By Steve Murray,
president*

I love this industry. It’s been my home for 44 years now. In my time, there have been three significant recessions and one minor one.

While today’s market is unprecedented, the history of housing recessions tells us something different. For instance, the housing market peaked at nearly four million-unit sales in 1979 before crashing to 1.9 million in 1982, a 50% drop in two years. The next peak was in 1988 when the industry had 3.6 million closed unit sales. Notice we still didn’t get back to 4 million units even though the number of households climbed from around 80.8 million households to 91.1 million households in 1988.

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FIRST PERSON

The trough came in 1991 at 3.1 million units sold and then climbed to 5.2 million in 1999—the next peak. After a small decline in 2000, the market for housing unit sales shot to 7 million in 2005. It then crashed to a trough of 4.1 million in 2008.

Think about that: In 2008, the country experienced a nearly 50% increase in the number of households (116.7 million in 2008 vs. 80.8 million in 1980), yet, at the trough, we sold just above 100,000 more homes.

We climbed out of the 2008 trough to achieve a peak of 5.5 million-unit sales in 2017 and have been slightly less than that in the last two years. As of 2019, we had 5.3 million housing unit sales—33% above the totals of 1979. Total households climbed over 55% in that same time frame.

One other interesting fact: The industry hit four million-unit sales in 1979 and did not hit that number again until 1996—nearly 17 years later. The peak of 1999 at 5.2 million is only slightly exceeded by the peak of 2017 of 5.5 million-unit sales—that's in 18 years. One must excuse the burst of housing sales from 2003–2006 for the excess of mortgage laxness, which we are all too aware of today.

I would love to think that this will be the first “V” housing recovery in the last 40 years.

I would love to think that this will be the first “V” housing recovery in the last 40 years (which didn't have funny money mortgages involved). History indicates otherwise. Recessionary shocks to the entire economy typically unnerve consumers, especially when it comes to housing. The history of the last 40 years instructs us that recoveries are often drawn out over years, not months.

AN ANOMALY?

I share this with some reluctance because it has far-reaching implications for every brokerage and agent in the country. I'm also reluctant because, of course, this could be the exception to the last 40 years of brokerage sales history. Why?

- First, I recall the experience of living through 9/11 when housing sales in NYC and elsewhere shuddered for three to four months, then took off on a tear.
- Second, it occurs to me that once the shock of the medical and employment waves have been incorporated into our thinking and our lives, a majority of Americans will want to get back to living. They'll want to do all the things that we enjoy doing, whether that means going out for dinner, taking a trip to the beach, going to the movies, church, and sporting events—the things that give our lives meaning and enjoyment.

In short, once this shock wave has passed, will Americans yearn to get back to a life that many enjoyed fully?

We think this is true. And despite what the long-term track record of housing recoveries shows, this time will likely be different. After all, there are incredibly low-interest rates, and those with stable jobs may see this as an opportunity to grab a great house when others are on the sidelines. 🏡



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BROKERAGE FIRM RECOVERY

VIEW OF THE LONGER TERM

How brokerage firms changed after each recession.

By Steve Murray, president

Each time the brokerage business went through a recession, some significant changes occurred in the structure of brokerage firms. Here are some examples:

After the 1980-82 recession, brokerage firms began to increase the size of their offices in terms of the number of agents; stopped offering programs to buy homes from sellers when it wouldn't sell (yes, leading brokerage

firms in the late 1970s and early 1980s were iBuyers). The trend towards franchising in our industry experienced a significant growth.

After the 1988-1991 housing recession, brokerage firms started the process of cross-marketing mortgage, title insurance, escrow, and other services in earnest. The move towards national brands became more pronounced. 1989-1995 were some of the most

significant growth years for Coldwell Banker, Prudential, and RE/MAX.

After the 2006-2010 recession, brokerage firms finally stopped using classified advertising. One has to remember that even as late as 2006-2007, classified advertising in newspapers was still the largest line item in many firm's advertising budgets. It took the recession to kill that idea for most brokerage firms once and for all.

WHAT MIGHT HAPPEN TO INCUMBENT BROKERAGE FIRMS NOW?

Fewer, smaller offices would seem to be at the top of the list. Occupancy costs range from 22% to 32% of Gross Margin for many incumbent brokerage firms. That is only behind employment costs as the most expensive segment of overhead. With Gross Margins coming down from 22% to 14% over the past six years (the national average among all brokerage firms), this was already becoming evident. Now that brokerage firms and their agents are doing most of their work from home offices, it would seem that some brokerage firms will use the next one to two years to reduce the size and number of offices.

Short term, there is a movement to the rural and ex-suburban markets—will it continue? REAL Trends has spoken to the leaders of two major rural, farm and ranch property brokerages who report that their website traffic has grown in the past month, and they see measurable increases in purchases of rural property. Tied with the reported flow of families from major metro areas to suburban and rural markets, this seems to indicate that, at least for the short term, families are seeking shelter outside of major metropolitan areas. Is there an opportunity for metro brokerage firms to expand their offerings into the countryside to follow this shift?

Brokerage firms and their agents will, at last, start building their business practices around the available technology platforms rather than trying to make technology fit their existing business practices.

We (and others) have observed for years that incumbent brokerage firms and many agents sought technology to support their existing business processes and practices. The recession in the housing market, no matter how long or deep, is likely to drive the brokerage community to rethink that approach.

Evidence that we've seen from Adwerx and a few leading CRM providers seems to be showing a direct correlation between the full use of these platforms (and others) and increased productivity and retention factors. As brokerage firms rethink their approach to technology, they will also take advantage of the information that systems can provide to deliver more useful insights for their firms.

THE IMPACT ON "TECHNOLOGY" BROKERAGE FIRMS

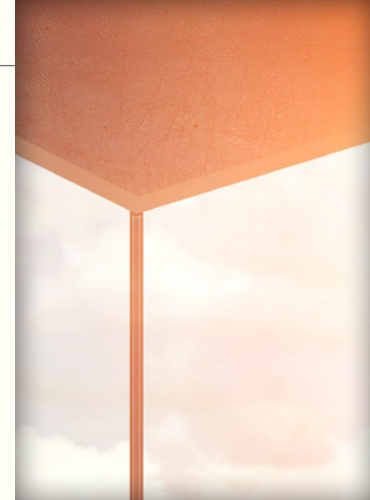
Zillow, Redfin, eXp, and Compass (and their investors) will get to discover that they are in the residential brokerage business and are thus affected like everyone else.

We think the above firms will make the adjustments necessary to survive—different than they may have guessed, but each should survive and become stronger and more focused than before this downturn started. This also goes for firms like Open Door and OfferPad.

While the iBuyer activity seems to have stopped or cooled off measurably, for the time being, these programs will be reinstated once a new floor of housing sales has been determined and what, if any damage, has been done to housing values.

For firms like Zillow and Realtor.com, the decline in housing sales will affect how much agents and brokerage firms spend on online advertising. For firms like Redfin and Compass, the decline in sales will negatively affect their revenues and profit and loss statements. In the case of Zillow and Redfin, the loss of growth from iBuyer activity will have a very significant impact on their growth factors.

It's funny that, at exactly the time that iBuyer activity would seem to be a real winning strategy (no need for showings, etc.), many of the leaders in the segment pulled back. ▲



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WINTER SOLDIERS

HOW DO YOU INSPIRE YOUR AGENTS TO KEEP THEM ENGAGED?

Use these tips to keep your agents active and selling.

In December 1776, George Washington and his army were facing perhaps the pivotal battle of the Revolutionary War. His troops were cold, hungry, and wanted to go home for Christmas. Washington knew if he lost his army, he would lose the battle and the war. He asked Thomas Paine to write him a speech to rally his troops. The famous Winter Soldier speech inspired his troops to stay, fight, win the battle, and the war.

As leaders today, we face the coronavirus war—a battle for both our health and wealth. How do we inspire our troops to fight this battle as Winter Soldiers instead of victims? Here is a battle plan to survive during the war and to thrive afterward.

1. Character. You should appeal to an agent's character as a player, a Winter Soldier, not a victim. Remind them that it's not what happens but

*By Larry Kendall, author of *Ninja Selling**

how they respond that determines the quality of their life.

2. Clarity. Leaders clarify the future. Clarity is the antidote to fear. "If you can manage my fear of the future, I will follow you," says Marcus Buckingham in his book *The One Thing You Need to Know*. Lay out your plan to survive in the short run and thrive in the longer term. Give your people hope for the future. Point out that we

**"These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country."
— Thomas Paine,
December 19, 1776**



are in one of the three basics of life: food, clothing, and shelter. When one of these basics is disrupted, as it is now, the demand doesn't go away. It merely creates pent-up demand. There will be a bigger demand later. Winter Soldiers won't lose income. Their income will be postponed.

3. Can Do! Focus your people on what they can do versus what they can't. Action is the antidote to fear. Don't let them be a hermit in hibernation. There is still a market in most parts of the country. People still need our services. We will have to do it differently (in many cases, virtually) than in the past, but we can do it. It's a great time to reach out and take care of friends and clients.

4. Connect. Connect your office and your people electronically. Encourage your associates to connect with their

clients and friends daily. Set call goals, personal note goals, and real estate review goals. Now, you have an excellent opportunity to build relationships and a foundation for future business. Redefine *social distancing* as *physical distancing*. Now is a time for *social connection*.

5. Certainty. Create pockets of certainty. Schedule electronic sales meetings, training sessions, and social events. Create protocols for buyers, sellers, showings, contracts, and closings in the new environment.

6. Culture. Let them know they are part of a tribe. They are not alone. Just because we are remotely working doesn't mean we are working alone. In a strong culture, members of the tribe will reach out to help each other. "Nothing sustains motivation better than belonging to the right

tribe," observes James Clear, in his book *Atomic Habits*.

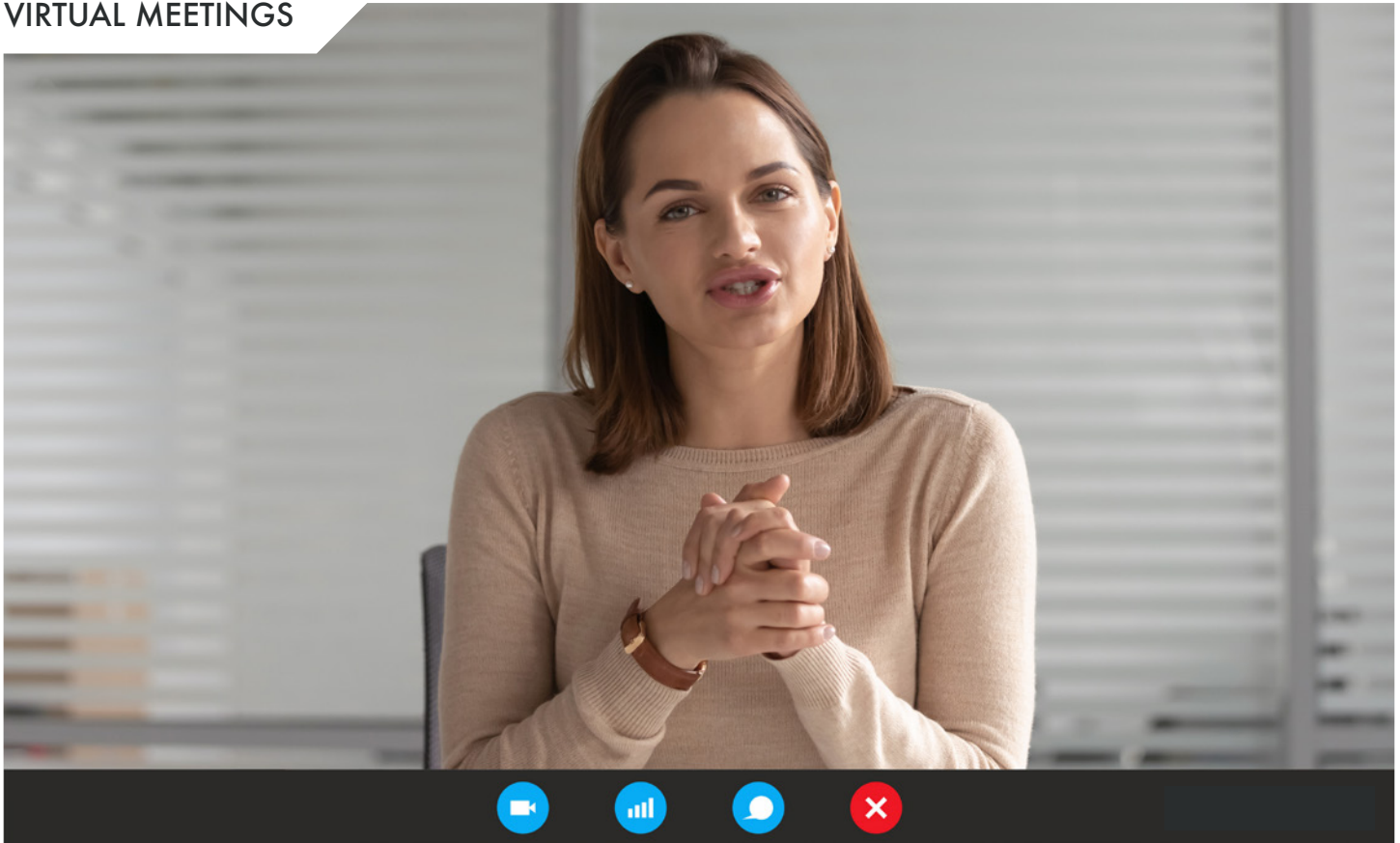
7. Create. Look at this time as an opportunity to encourage your people to sharpen their saws, to work *on* their business, to learn, and install new systems that will take them and their business to a better place. Now is a wake-up call for many people on their health and their wealth. Help them set some health and wealth goals, so they are better prepared for the next war. Use this time as an opportunity to start installing those systems and habits now. Build a Winter Soldier office/company.

Winter Soldiers can navigate the tough times and help their clients in all kinds of markets. They are not Summer Soldiers or Sunshine Patriots, eager when the market is easy and absent when times are tougher. They are prepared to weather any real estate season. ♠



Let them know they are part of a tribe. They are not alone. Just because we are remotely working doesn't mean we are working alone.

VIRTUAL MEETINGS



HOW TO BE A PERSUASIVE COMMUNICATOR WHILE WORKING REMOTELY

Be a top negotiator even when you can't speak to someone in person.

By Juliet Huck

As social distancing becomes the new normal throughout the US and the world, professionals across industries are making drastic and immediate changes to their work and presentation styles. With the quick shift to working from home, business leaders, lawyers and sales and marketing teams are navigating new terrain—figuring out how to effectively communicate in a way that will achieve a desired outcome while working remotely.

There's nothing quite like the energy and connection that a face-to-face interaction can create, but we have to try to work with what we've got. With that being said, just because we're in a period of social distancing doesn't mean that work and persuasion come to a halt.

Remote work was a rising trend before the COVID-19 pandemic, with regular work-at-home growing 173 percent

since 2005. With so many additional businesses moving to a work-at-home structure, it's safe to assume that broader long-term adoption will become even more prevalent over the coming years. It's a good idea for professionals to start learning now how to connect remotely to stay ahead of the curve. Here are a few tools and tactics that will help you become a successful and persuasive communicator via a remote connection.

There's nothing quite like the energy and connection that a face-to-face interaction can create, but we have to try to work with what we've got.

STICK TO THE BASICS

Even through a remote connection, the basics of persuasion apply. It's vital that you do your homework and learn about the decision maker. Just because you aren't meeting face-to-face doesn't mean that you can skip the groundwork you would regularly complete. What are your target's demographics? Do they have any special interests? You'll need to establish an even stronger bond to persuade via remote means, so flex your research talents and learn about your target.

You should also continue to find their needs and pain points. Learning this information will help you demonstrate to your decision maker that you understand their goals, even if you can't see them in person. Establishing a strong sense of understanding will help you build trust and allow you to position yourself as an advisor. This trust will be critical for remote persuasion.

LEVERAGE TECHNOLOGY

Although working from home can create another level of separation from your target, technology has progressed leaps and bounds when it comes to interpersonal communication. Tools such as Zoom, and Skype for Business allow your audience to see your face. You should leverage your entire technology suite to help you persuade remotely.

Visuals must lead your decision maker to your desired conclusion. Create polished presentations to either show via conference call or email ahead of your meeting. When you might not regularly do this when meeting face-to-face, you may consider incorporating a video presentation as well. Video can be a terrific way to establish an emotional connection with your decision maker,

providing for a unique story telling opportunity complete with visual and musical cues. Nearly 90 percent of professionals indicated that a strong narrative was critical in maintaining their attention. Engagement with your story is more important than ever, as you'll be competing with additional distractions including family and pets.

PRACTICE AND DEVELOP A STYLE

Personal energy exchange is very difficult via a computer screen. You must determine who you are as a presenter in this new medium. How can you be more dynamic through remote connection? Before jumping on a conference call, practice on your computer by recording yourself and playing it back to see how you present on camera. Think this is taking it too far? Consider the first time you had to leave a professional voicemail and were put on the spot to communicate your needs in a brief message. It took time to sharpen those skills and you're probably a pro now! The same is true for online presentations. It might take a few rounds to get comfortable, but at this point in your career there's no time to fumble. "Practice makes perfect!"

BE MEMORABLE

Would you do a face-to-face meeting and not follow up? Absolutely not! You would always follow up with your decision maker and you need to continue that with a remote connection. Think about ways you can stand out in the crowd. How about an old school, handwritten thank you note sent to their home? During a time when personal connection is minimized, it might be an opportunity to brighten your customer's day and build trust. Just make sure you send to the correct address. If they're

also working from home, a note to the office will get lost in the shuffle.

PERSUADE FROM A DISTANCE

While many professionals are used to persuading through face-to-face interactions, the current climate calls for a new tactic. Just because you can't meet in person with your decision makers doesn't mean that you can't still do your job. Learning to effectively persuade via remote connection is possible, and by following the basic principles of persuasion, leveraging your technology suite, setting time to practice and developing ways to be memorable, you still have a strong chance at leading your decision maker to the desired outcome. While remote persuasion may take a bit more effort and preparation, you can get the results you seek if you take the time and keep these guidelines in mind.

About Juliet Huck: Author of "The Equation of Persuasion" and founder of the Academy of Persuasion e-learning series, Huck has blazed a trail in the uncharted territory of Persuasive Communications for 25 years. She has been retained by some of the nation's most prestigious organizations, corporations and law firms and has assisted in moving billion-dollar projects forward, securing billions of dollars in decisions through her proven process. ▲



While remote persuasion may take a bit more effort and preparation, you can get the results you seek if you take the time and keep these guidelines in mind.

PATRICK LENCIONI: 5 DYSFUNCTIONS OF A VIRTUAL TEAM

Most leaders are familiar with Lencioni's book, but how does it apply to virtual meetings? | By Tracey C. Velt

How do you keep a team engaged and running when your meetings are all online? In a recent webinar, The Table Group Founder, Organizational Expert and Author Patrick Lencioni addressed that subject by applying his five dysfunctions of a team to a virtual team. “We’re going to emerge from this better than we were before as organizations or worse off than we were before. We’re going to either come out of this healthier or unhealthier.” It comes down to the behavior of the leader of the organization.

Here are his suggestions for creating a cohesive leadership team in a virtual world:

BE VULNERABLE

“In a virtual setting, we’re all sitting in our homes, and building trust will have a slightly different look,” says Lencioni. “Zoom calls are not meeting tools. Zoom calls are discussion and conversation and social interaction. The key to making this work right now is taking the time to do it well. Ignore efficiency for the sake of effectiveness. And, ignore professionalism for the sake of personalism,” says Lencioni.

Avoid just getting down to business in your Zoom call. Instead, says Jeff Gibson, a consultant at The Table Group, “Amp up the vulnerability because driving trust is vulnerability.”

Gibson says to spend time talking about family and how everyone is doing right now. Rather than a happy hour or a quick check-in, find the happy medium between professional and personal.

TAKE CARE OF YOUR PEOPLE

“If you’re not taking care of the people who work for you, all of that external communication is not important. It’s not going to yield the results you need,” says Lencioni. “A big Zoom call with 1,000 employees is fine, but if you’re doing that and not sitting down for a few hours with each person on your team, and doing that regularly, it doesn’t make sense.”

GET TO KNOW YOUR PEOPLE BETTER

This pandemic has slowed us all down. “The more you know about the people you work with, the more empathic you’re going to be, and the less likely you are to assign intentions to them that aren’t there,” says Gibson.

ENCOURAGE CONFLICT

“The fear of conflict destroys teams, and that’s true now as much as ever. It’s a crisis in our business and the world. People are pretty upset, but we need to make good decisions. And the only way to do that is first by trusting each other so that we will have good conflict.

If people are holding back and they’re not debating with one another, and they’re not arguing a little bit, then they’re not going to make good decisions,” says Lencioni.

And, this means healthy conflict during virtual meetings too.

“As a leader, if you imagine nine faces on the screen, you have to be so intentional about watching those faces and looking for people that might be disagreeing, because you have to disagree and commit. We talk about that all the time concerning the team, but as a leader, you have to actively mine for conflict, because again, it’s just not going to happen naturally the same way as when you might be in a room,” says Gibson.

KEEP THEM ENGAGED

Gibson says you should not let people mute or shut off the video. This is a time for increased personalism—not increased professionalism. And part of that personalism is us just being with one another. We know distractions (kids, dogs, etc.) are going to happen, but your ability to understand somebody’s leaning into a conversation is vital,” he says.

To listen to the entire webinar,

[CLICK HERE](#) 





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LESSONS LEARNED: A ROUNDUP OF ADVICE FOR BROKERAGE LEADERS

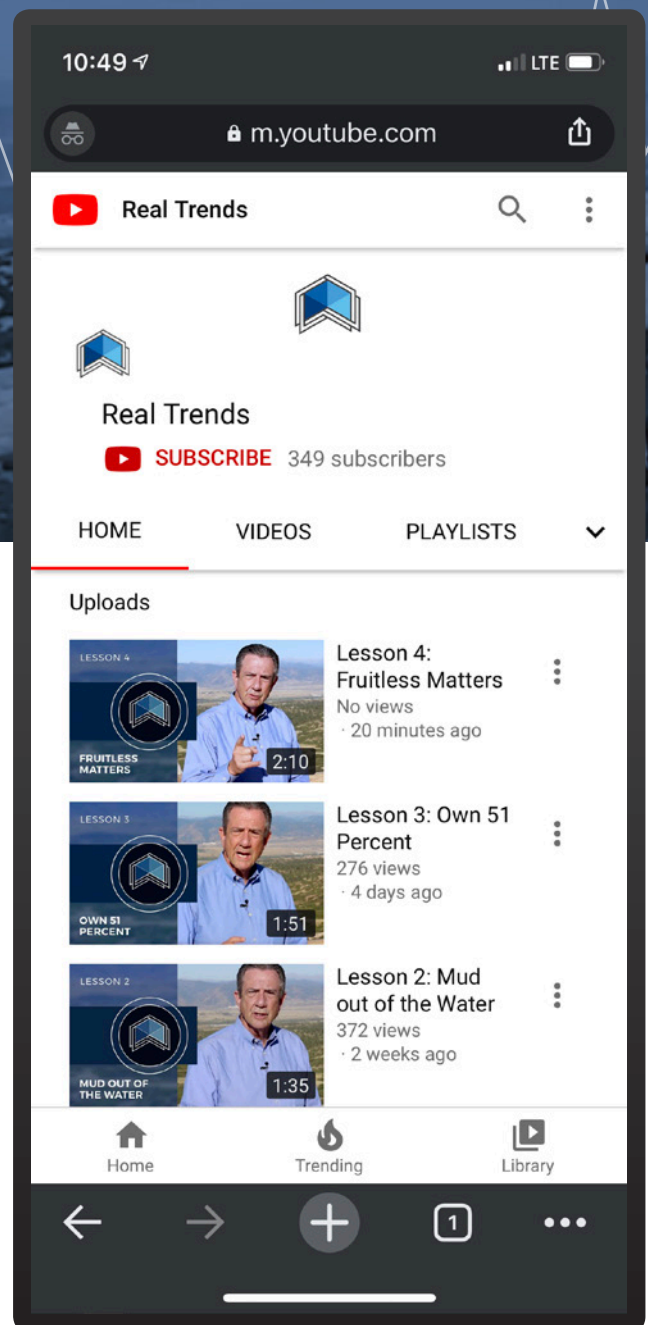
Steve Murray, president of REAL Trends, shares his top lessons learned from coaches, brokerage leaders and more in this series. You'll find great nuggets of information and takeaways to implement in your own business.

WATCH NOW

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BIG REBOUND IN SHOWING ACTIVITY UNDERWAY IN MOST STATES

Real Estate Agents Also Turning to Technology to Facilitate Showings in the Face of Stay-at-Home Orders

KEY POINTS:

- Recent data shows a 39 percent increase in week-over-week showing activity from two weeks ago, inspired in part by the adoption and expansion of virtual showings
- Daily updates charting homebuyer demand across the U.S. and parts of Canada reveal steady improvements: [CLICK HERE](#)
- Persistent upward momentum affirms an underlying demand from prospective buyers
- The decline in showing traffic due to COVID-19 started on March 14 and continued through the first week of April, ending a seven-month streak of year-over-year growth in national showing traffic, according to the ShowingTime Showing Index® report

Whether conducted virtually or in person, real estate showings have rebounded, confirming an underlying demand in the economy according to data from ShowingTime.

“The decline has stopped,” said ShowingTime Chief Analytics Officer Daniil Cherkasskiy. “Showings are rebounding. Our data indicates they continue to increase across the board, jumping 39 percent from two weeks ago, which represents the largest increase since the onset of COVID-19,” he added.

The introduction of a dedicated virtual showing appointment type in early April within ShowingTime’s scheduling systems has been well received by agents, accounting for a growing percentage of showings. The company also released a “no overlapping appointments” option in March for markets where real estate is deemed an essential business, offering more ways for agents, buyers and sellers to adhere to local social distancing guidelines where in-person showings are still permitted.

“The persistent upward momentum we’re seeing affirms that there is an underlying demand from prospective buyers, even if at a level below what

we’d typically be seeing during this time of year,” Cherkasskiy said, noting that the rebound has been more pronounced for homes in the \$300K-\$500K range, as well as higher-priced homes at \$800K or more.

“We’re seeing innovation coming out of pain, as agents have quickly embraced virtual showings to keep their businesses going,” said ShowingTime President Michael Lane. “More and more virtual showings are scheduled every day through our systems, signaling that many markets are responding to this innovation positively.”

ShowingTime has developed and released charts on its website that track showing activity across North America, in addition to providing hyper-local charts for more than 100 markets. The data points in the charts represent a rolling weekly average in markets that record tens of thousands of appointments every month.

As expected, the ShowingTime Showing Index recorded declines for March, brought on by state- and province-wide shelter-in-place restrictions enforced throughout much of the U.S. and Canada. The index

represents traffic only through the end of March, so it is skewed by the high showing volumes that occurred in the first three weeks of the month before the stream of new listings dried up.

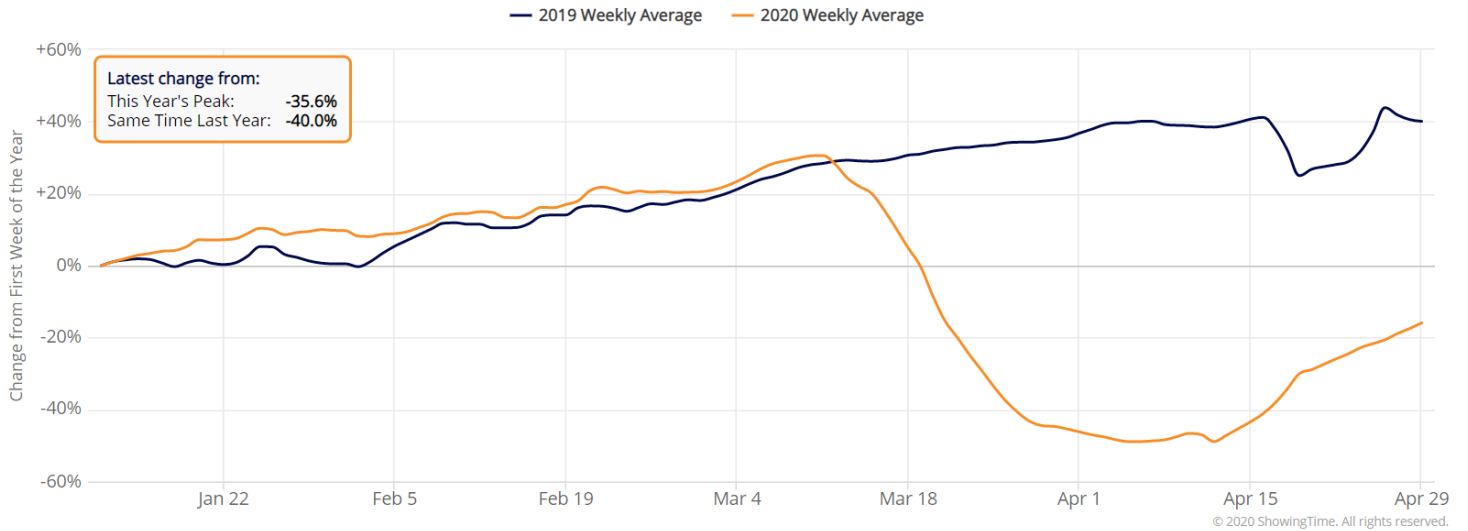
All regions reported year-over-year declines, with the West Region seeing the smallest drop of 4.9 percent compared to 2019. The South Region followed, with a dip of 16.6 percent, while the Midwest and Northeast, hardest hit by COVID-19, followed closely with drops in buyer traffic of 19.3 percent and 20.1 percent, respectively.

The ShowingTime Showing Index, the first of its kind in the residential real estate industry, is compiled using data from property showings scheduled across the country on listings using ShowingTime products and services, providing a benchmark to track buyer demand. ShowingTime facilitates more than five million showings each month.

Released monthly, the Showing Index tracks the average number of appointments received on active listings during the month. Local MLS indices are also available for select markets and are distributed to MLS and association leadership.

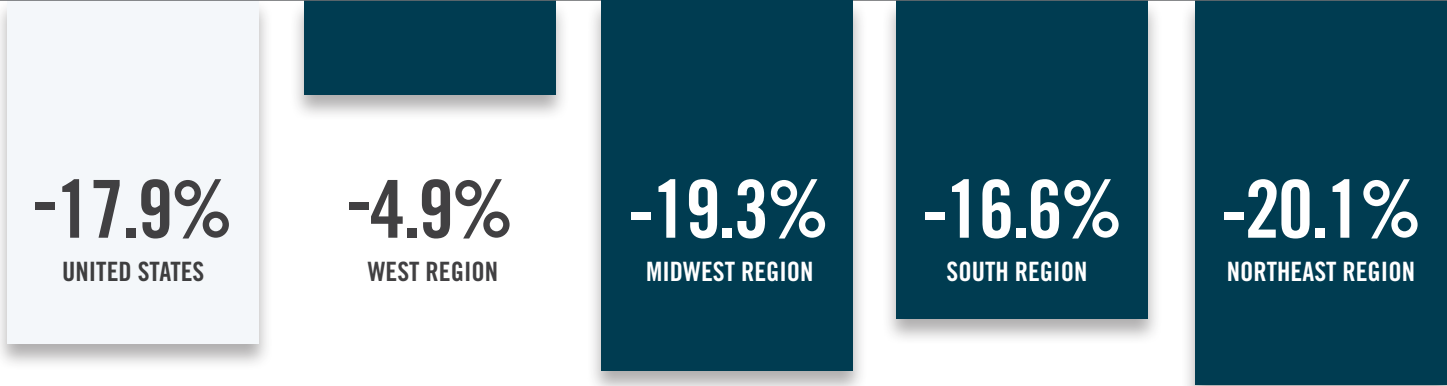
Impact of COVID-19 to Real Estate Showings in North America

Weekly showings normalized to the first calendar week of January, 7-day moving average. Data through April 29, 2020



ShowingTime® Showing Index – March 2020

The ShowingTime Showing Index tracks the average number of buyer showings on active residential properties on a monthly basis, a highly reliable indicator of current and future demand trends.



Methodology: The ShowingTime Showing Index® measures showing traffic per residential property for sale by agents and brokers utilizing ShowingTime solutions for property-access management. A higher number means that an average home receives more buyer visits in a given month. All index values are scaled relative to initial index value set to 100 for January 2014.

ABOUT SHOWINGTIME

ShowingTime is the residential real estate industry’s leading showing management and market stats technology provider, with more than 1.2 million active listings subscribed to its services. Its showing products and services simplify the appointment

scheduling process for real estate professionals, buyers and sellers, resulting in more showings, more feedback and more efficient sales. Its MarketStats division provides interactive tools and easy-to-read market reports for MLSs, associations, brokers and other real estate

companies, as well as a recruiting tool for brokers. ShowingTime products are used in 370 MLSs representing nearly one million real estate professionals across the U.S. and Canada. For more information, contact us at research@showingtime.com

COVID-19

A SUMMARY OF RECENT FEDERAL LAWS, RULES AND ORDERS

It's essential to know how recent laws and stimulus impact your brokerage and homeowners.

By Sue Johnson, strategic alliance consultant

Congress, the GSEs, and federal agencies have been changing some of the consumer finance laws, regulations, and practices in response to the coronavirus (COVID-19) pandemic. Below are excerpts from a summary of changes, developed by the law firm of K&L Gates LLP. To view its more complete list of federal (and state) developments [CLICK HERE.](#)

THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CAES ACT)

- **Forbearance for federally-backed mortgage loans:** Borrowers of certain federally-backed mortgage loans may request up to a 180-day payment forbearance without additional fees, penalties, or interest beyond the usual amounts scheduled or calculated for regular payments. Borrowers may request up to an additional 180 days of forbearance (up to 360 days of total forbearance).
- **Foreclosure moratorium:** Federally-backed mortgage loan servicers shall not initiate foreclosures (judicial and non-judicial) or conduct foreclosure sales or foreclosure-related evictions until after May 17, 2020. The Act provides an exception for vacant and abandoned properties.
- **Eviction moratorium:** Starting March 27, 2020, and extending for 120 days, landlords are prohibited from initiating legal action to recover possession of a rental unit or to charge fees, penalties, or other charges to the tenant related to nonpayment of rent where the landlord's mortgage on that property is insured, guaranteed, supplemented, protected, or assisted in any way by HUD, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994.
- **Credit reporting:** Beginning January 31, 2020, and extending to the later of 120 days after March 27, 2020, or 120 days after the date the national emergency declaration is terminated, furnishers of information to credit reporting agencies who provide account forbearance or agree to modified payments for a consumer account impacted by COVID-19, should report such account as "current" or as the status reported before the accommodation during the period of the accommodation unless the consumer becomes current (so long as the consumer satisfies all requirements of the forbearance or modification agreement).
- **Foreclosure moratorium:** Suspension of foreclosure sales for 60 days (through May 17, 2020)
- **Credit reporting suspension:** There will be no credit reporting for homeowners on an active forbearance plan, repayment plan, or trial period plan as a result of COVID-19-related hardship where the borrower is making the required payments as agreed, even though payments are past due.
- **Forbearance plan eligibility:** COVID-19-related hardships that have impacted the borrower's ability to make monthly mortgage payments are considered eligible for forbearance hardships under existing agency guidance, and hardship may include unemployment, reduction in regular work hours, or illness (of the borrower or dependent family member).
 - No documentation is required to verify the hardship; and
 - Forbearance plans for up to 12 months, suspension of late charges and penalties, available regardless of property type (primary home, second home, investment property).
- **Loan modifications:** Mortgage loan modifications must be considered near the conclusion of the forbearance plan term. Servicers are to evaluate COVID-19 borrowers for modifications under existing Extend Modification and Cap and Extend Modification requirements.

FANNIE MAE AND FREDDIE MAC

- **For mortgages owned by Freddie Mac and Fannie Mae:** Several relief options are now in place for homeowners who are directly or indirectly impacted by COVID-19, provided the homeowner's ability to make timely mortgage payments has been negatively affected as a result of COVID-19.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

For all FHA loans:

- A 60-day foreclosure moratorium – applies to initiation and completion of foreclosures;
- A 60-day eviction suspension; and
- Deadlines of the first legal action and reasonable diligence timelines are extended by 60 days.

CONSUMER FINANCIAL PROTECTION BUREAU (CFPB) EXAMINATIONS AND SUPERVISORY ACTIVITIES

The CFPB will work with financial institutions to schedule examinations and supervisory activities in a manner “to minimize disruption and burden.”

In scheduling examinations and supervisory activity, the CFPB will:

- Cooperate with institutions to determine when supervisory events can be appropriately scheduled;
- Consider staffing and related resource challenges confronting the institutions and their counsel;
- Encourage prudent efforts undertaken in good faith, which are designed to meet the current needs of an institution’s borrowers and other customers;
- Consider the circumstances that entities face as a result of the COVID-19 pandemic; and
- Be sensitive to good-faith efforts designed by institutions to assist consumers.

To provide mortgage lenders with “flexibility” under the Home Mortgage Disclosure Act (HMDA), the CFPB has stated that:

- Until further notice, it will not “cite an examination” or “initiate an enforcement action” based on a failure by any financial institution to submit the Quarterly reporting required by the Home Mortgage Disclosure Act (HMDA).
- Institutions should continue collecting and recording HMDA data for the future, likely annual data submissions.

Sue Johnson is the former executive director of RESPRO, the Real Estate Services Providers Council Inc. She retired in 2015 and is now a strategic alliance consultant. 🏡



MAJOR CONSUMER PROTECTIONS ANNOUNCED IN RESPONSE TO COVID-19 | NCLC DIGITAL LIBRARY

This article, which will be updated as developments warrant, lists actions Congress, governors, federal and state agencies, and businesses are taking to protect consumers in light of the COVID-19 epidemic. These actions include suspensions on foreclosures, evictions, and terminations of telecommunications and utility service, elimination of interest and forbearance on student loan payments, limits on debt collection, and more.

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NEW ZEALAND REAL ESTATE

How will the New Zealand property market react to the current crisis?

By Peter Gilmour, chief foreign correspondent

New Zealand has a population of approximately 4.8 million people spread over the North and South Islands, with 1.62 million homes with a value of roughly \$750 billion. Some 30% of these homes worth more than \$230 billion are in the capital, Auckland.

During the 2008/2009 financial crisis, which resulted in the last recession, residential property prices in New Zealand fell by approximately 8% on average—a number much lower than many other countries, including North America. This was a financial crisis characterized by poor lending practices, but the current COVID-19 crisis is very different. The question is, how will the New Zealand property market react to the current crisis, and how will the recovery look?

CORONAVIRUS RESTRICTIONS

In March 2020, Prime Minister Jacinda Ardern's government introduced a four-tier alert system that was set at the highest level for 30 days ending in the third week of April 2020. This was a stay-at-home alert with all businesses closed, except essential services, and social distancing enforced. Like other countries, this meant real estate was severely impacted with no onsite or in-house auctions, no open houses—only virtual viewings and tours. This lockdown has, at the time of writing in late April, been effective with only approximately 500 active cases and less than ten deaths from the virus recorded in the country.

THE PROPERTY MARKET

The New Zealand property market enjoyed a period of strong demand and price growth over the last five years, with

house prices up on average by 30%. Trade Me, New Zealand's sizeable real estate portal, reports a bottoming out and subsequent rebound in listing views and anticipates that investors and qualified buyers will return to the market post lockdown looking for well-priced properties.

The one sector of the market that they anticipate will be slow to return will be first-time buyers. The latter has been hit by plunging share prices, which has seen their Kiwisaver Funds diminish, thereby reducing the amount available for house deposits.

CoreLogic Property Economist Kelvin Davidson is optimistic that consumers and business will be bolstered by all-time low-interest rates and the fact that major banks and Government have moved quickly to offer mortgage payment deferrals. The Reserve Bank is offering quantitative easing and delayed bank capital requirements. He sees the market transitioning from a sellers' market to a buyers' market as the recovery strengthens.

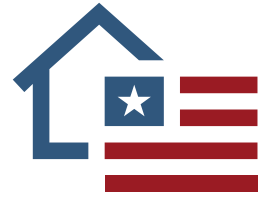
The Prime Minister reduced the Alert status to Level three in the third week of April 2020, allowing real estate offices to open with social distancing, but no customers permitted. Real estate agents can now visit homes while observing social distancing. Other Level four restrictions remain. CoreLogic believes that the bigger cities, like Auckland and Wellington, will be driven by existing housing shortages, which will limit how much prices fall even though transaction numbers may diminish. ▲





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REAL TRENDS 500 OBSERVATIONS

HOW DID YOUR FIRM STACK UP?



We crunched the data to provide insights on the top 500 brokerages in our rankings.

By Scott Wright, vice president

THE
REAL TRENDS
FIVE HUNDRED

2020

RANKING THE TOP

500

BROKERAGES IN THE U.S. BY:

Transaction Sides
Sales Volume
Affiliation
Top Movers
Core Services
The Billionaires' Club
Nation's Best

For 33 years, brokers, agents, analysts, and investors highly anticipate the release of REAL Trends' acclaimed brokerage rankings. Without fail, this report unveils a plethora of valuable information and insights into the residential real estate industry.

The 2020 REAL Trends 500 (the calendar year 2019 production data) saw a new member to the top five, a major national firm exhibiting triple-digit, year-over-year growth. Data also shows the nation's largest firms continuing to capture market share. Below are some observations as we continue to digest the data:

- With 329,680 residential transaction sides, HomeServices of America edged out Realty Brokerage Group (formerly NRT LLC), which had 325,652 sides for the year, for the top spot in the REAL Trends 500.
- With higher-end brands like Coldwell Banker, Sotheby's International Realty, and Corcoran, Realty Brokerage Group maintained the top spot measured by volume, tallying a robust \$170 billion. This easily topped No. 2 HomeServices of America, which came in at \$132 billion.
- Compass held the No. 3 spot in closed volume with \$91 billion, *double* over the previous year. It also moved up a spot to enter the top five by sides, with 84,732, thanks to several savvy acquisitions in its primary markets.
- eXp Realty was the only other firm to hold spots in the top five by both sides and volume. Spurred by another year of strong organic growth, eXp increased its sides count (130,627) and volume (\$36 billion) by an impressive 78% and 85% respectively over the previous year.
- Regional powerhouse Hanna Holdings also had a big year as a result of its acquisition of Allen Tate. It placed No. 4 in sides and No. 7 in volume with 100,589 and \$22 billion, respectively.
- Redfin and HomeSmart were the only other firms to finish in the top 10 in both sides and volume, with both exhibiting growth in 2019 that outpaced the market.
- RE/MAX once again had the most brokerages qualify for the rankings, with 524 affiliates closing at least 500 residential transaction sides.



“For several years running, the REAL Trends 500 has gained market share,” says Steve Murray, president of REAL Trends. “In 2019, the REAL Trends 500 did it again—up 5.3 percent against a national existing home sales factor that was flat. What is most interesting is the growth of relative newcomers to the 500, such as eXp, Compass, Redfin and HomeSmart, which have shown remarkable growth in the past few years.”



- Keller Williams once again dominated the REAL Trends 500, with 166 of its affiliates closing the minimum qualifier of 1,992 residential transactions in 2019. One-third of the top 500 firms in the country were KW.
- The REAL Trends 500 collectively closed nearly 3.5 million residential sales transactions valued at over \$1.3 trillion in 2019. This represents year-over-year sides and volume growth of 5.3% and 9.7%, respectively, against a national existing home sales factor that was flat. The REAL Trends 500 once again gained market share.
- A record 301 firms recorded over \$1 billion in residential sales in 2019.
- The average sales price for REAL Trends 500 firms was up 4.2% to a record \$376,430.
- Realty firms collectively accounted for 21.9% of the sides and 25.5% of the volume of the REAL Trends 500.
- Independent firms collectively accounted for 33% of the sides and 35.7% of the volume of the REAL Trends 500.
- Even though there were consolidation and growth at the top, overall, more brokerages experienced a year-over-year decline in production (893) than those that grew (656) of all the firms that participated in the rankings.
- Agent productivity for the REAL Trends 500 came in at 7.4 transactions per agent, which was flat relative to the prior year.
- Flat/Monthly/Transaction Fee firms, like West USA Realty, Fathom Realty, Equity Real Estate, JP & Associates, Silvercreek Realty Group, and Virtual Properties (all in the top 50), are growing at a pace that continues to outpace the market.
- Firms on the East and West coasts naturally continue to dominate when it comes to the average sales price. Brown Harris Stevens handily led the way with an average sales price of nearly \$2.1 million.

Overall, 2019 was another fascinating year in the residential real estate industry, and these observations are just a glimpse of what you can find in the full report. Visit our website today to view and download the REAL Trends 500! 🏡

To see the REAL Trends 500
CLICK HERE.

