

IMPROVING THE BUYER AND SELLER EXPERIENCE DURING THE PANDEMIC

September 2020 polling & focus group findings

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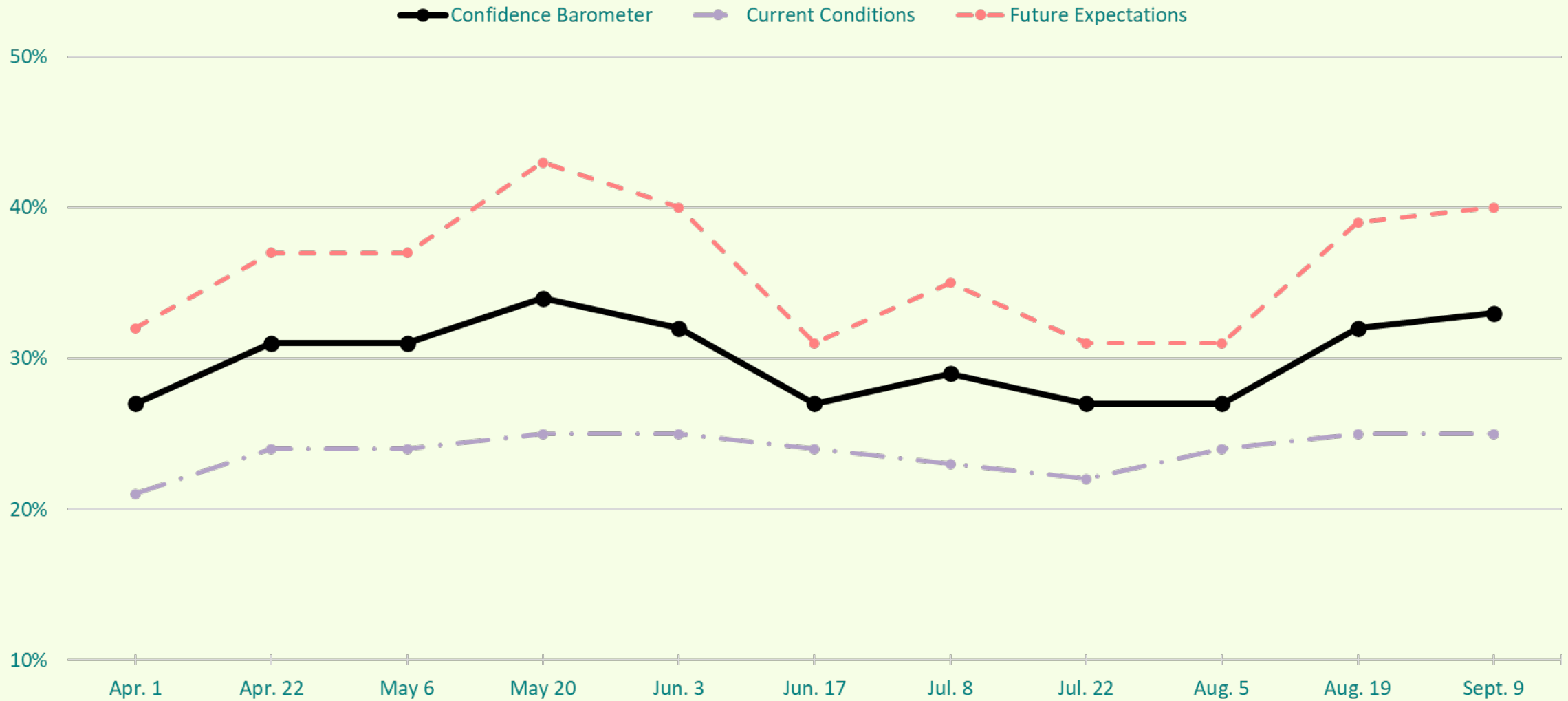


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CONFIDENCE BAROMETER SHOWS SLIGHT UPTICK

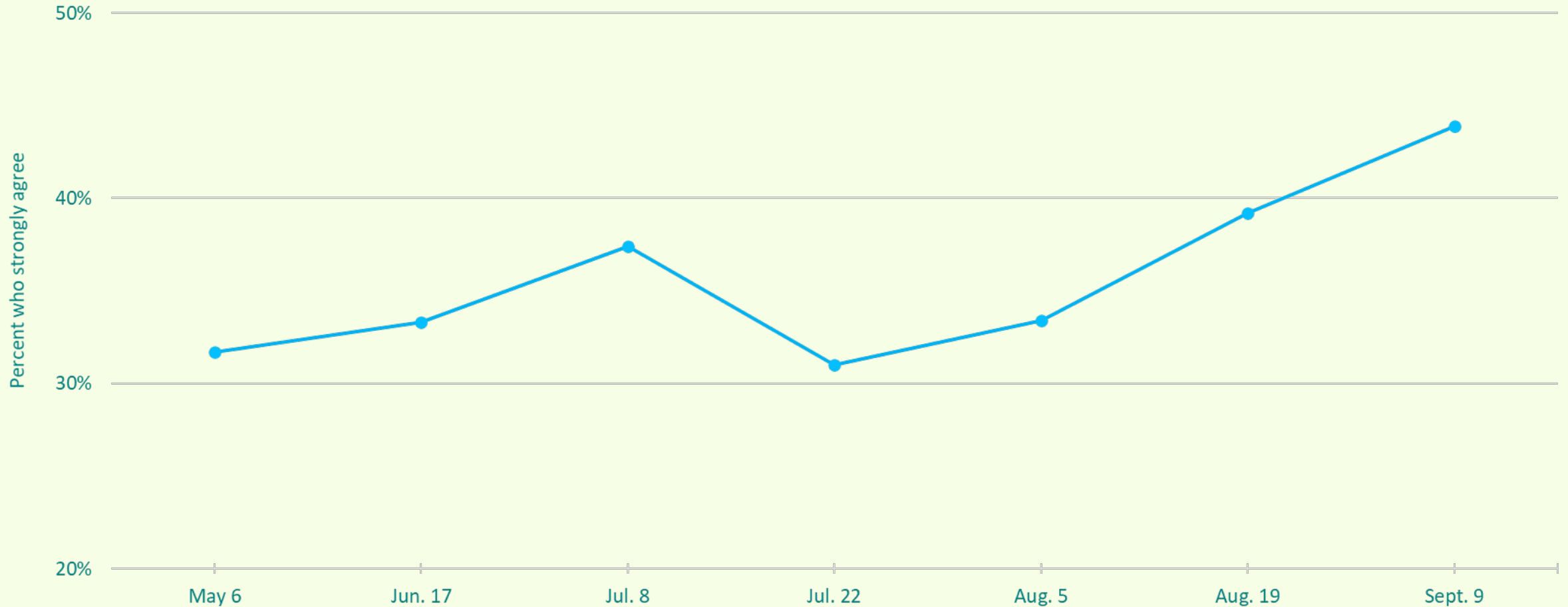


Back to Normal Barometer, Sept. 9, 2020; n=500



MORE ARE READIER THAN EVER TO RE-OPEN BUSINESSES

It's time for the country to open for business again.

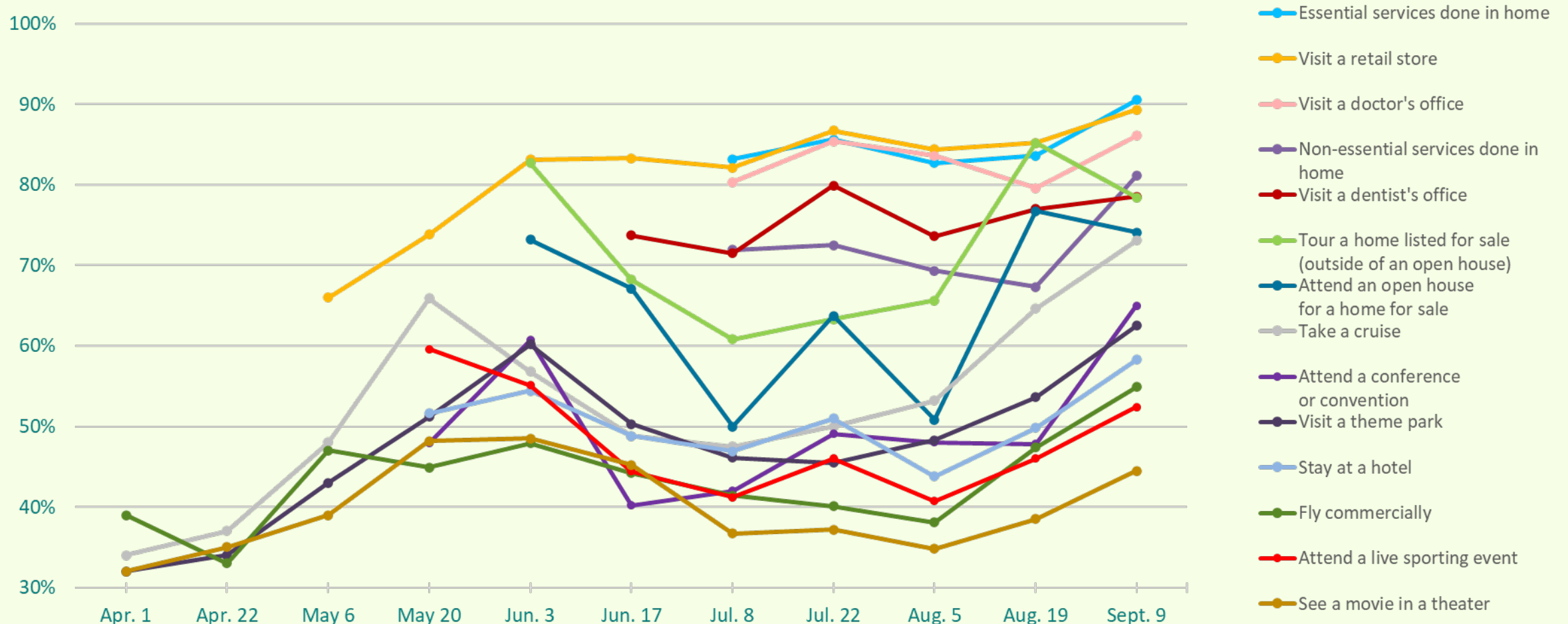


Back to Normal Barometer, Sept. 9, 2020; n=500



INCREASING NUMBERS ARE READY TO GO / RECENTLY ACTIVE

[Among those who have done this activity in the past 12 months:] For each of the following activities, please indicate which of the following conditions is closest to your current point of view: Recently active + Ready to go





DRILLING DOWN INTO THE RESIDENTIAL REAL ESTATE SECTOR

Custom research comparing September 2020 attitudes to May 2020



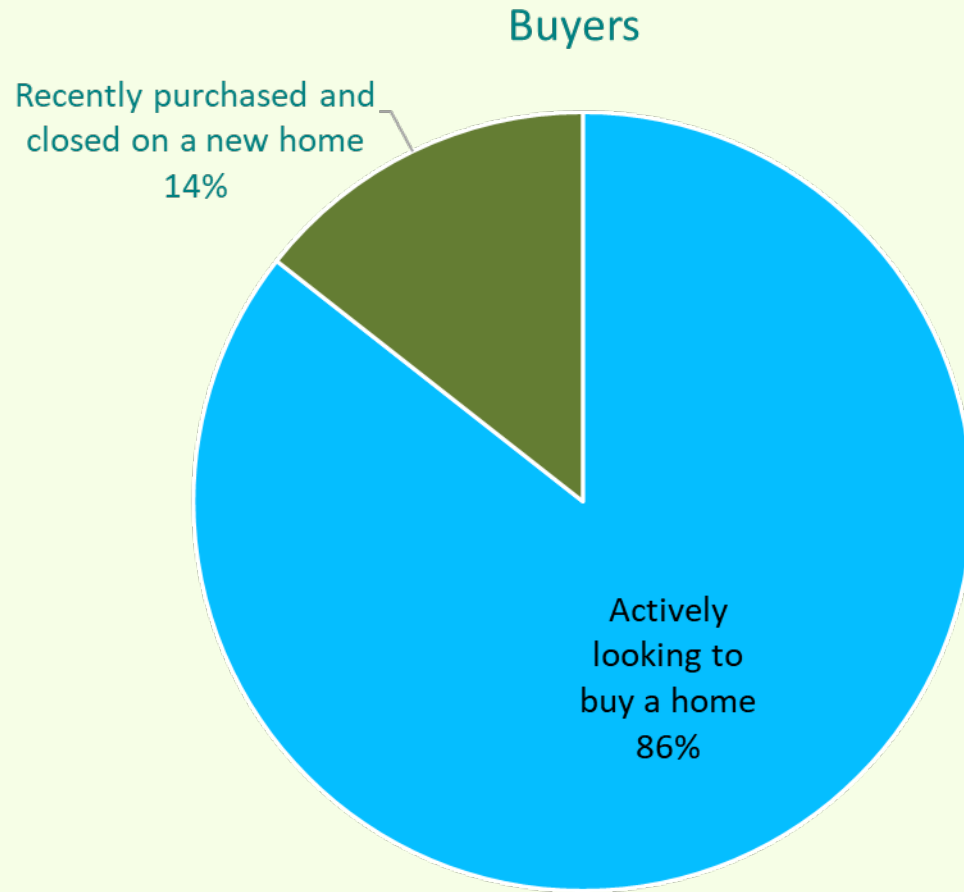
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CURRENTLY-ACTIVE & RECENTLY-COMPLETED BUYERS/SELLERS

What is your buying/selling status?





WHAT BUYERS ARE LOOKING FOR



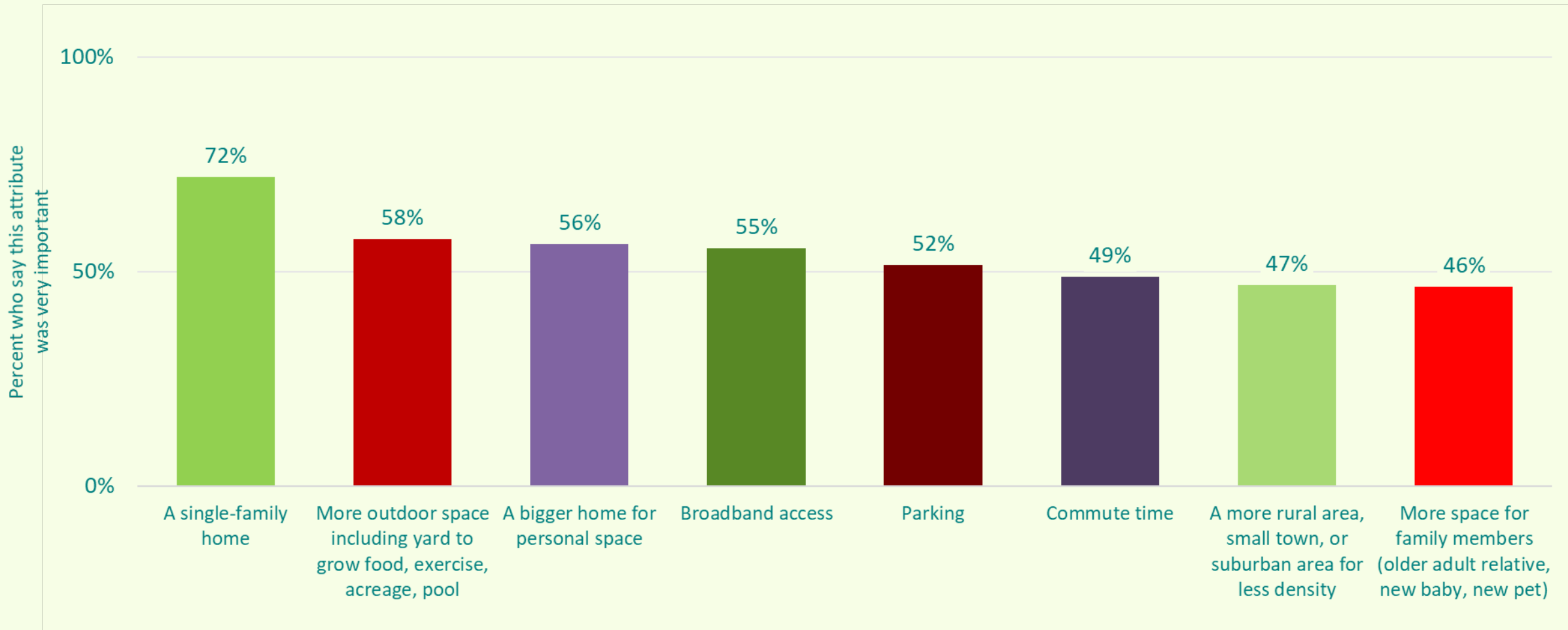
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BUYERS WANT SINGLE FAMILY HOMES WITH MORE SPACE

In your home search during the COVID-19 pandemic, how important was each of the following during your search?



n=457 buyers, NAR Survey, Sept. 2, 2020



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BUYERS & SELLERS OPTIMISTIC ABOUT THE RESIDENTIAL REAL ESTATE MARKET



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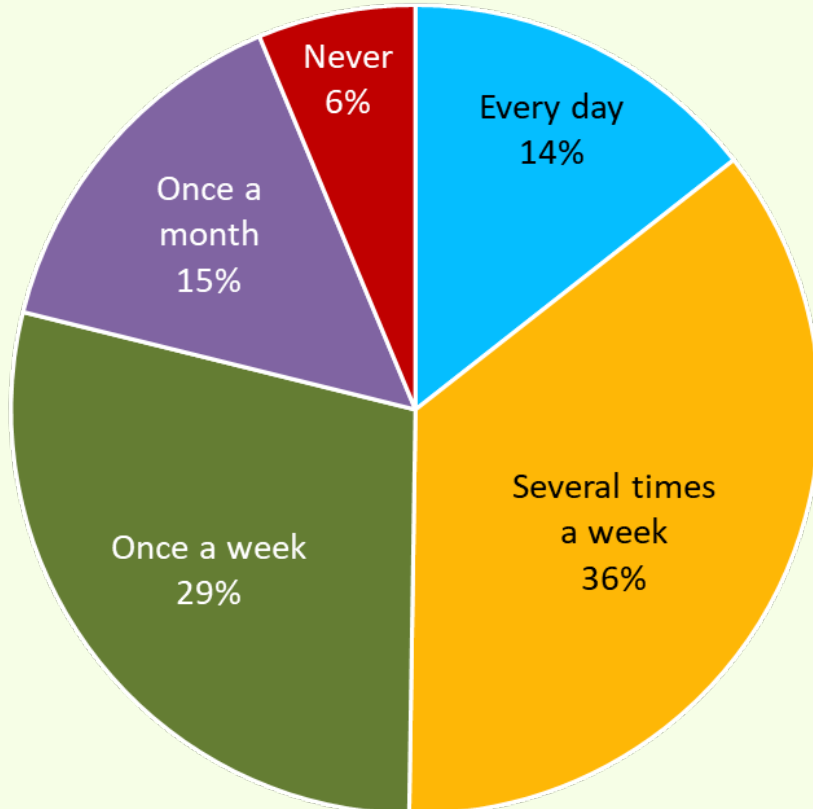
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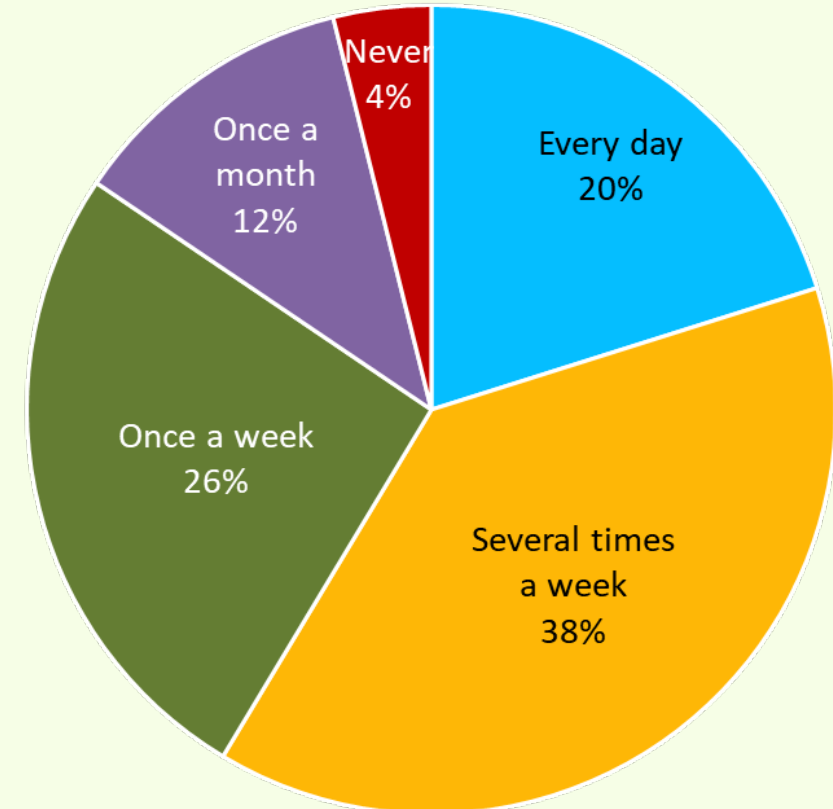
HIGHER % OF BUYERS ARE LOOKING MORE FREQUENTLY ONLINE

Since the pandemic began, how often are you searching for homes online?

May 2020

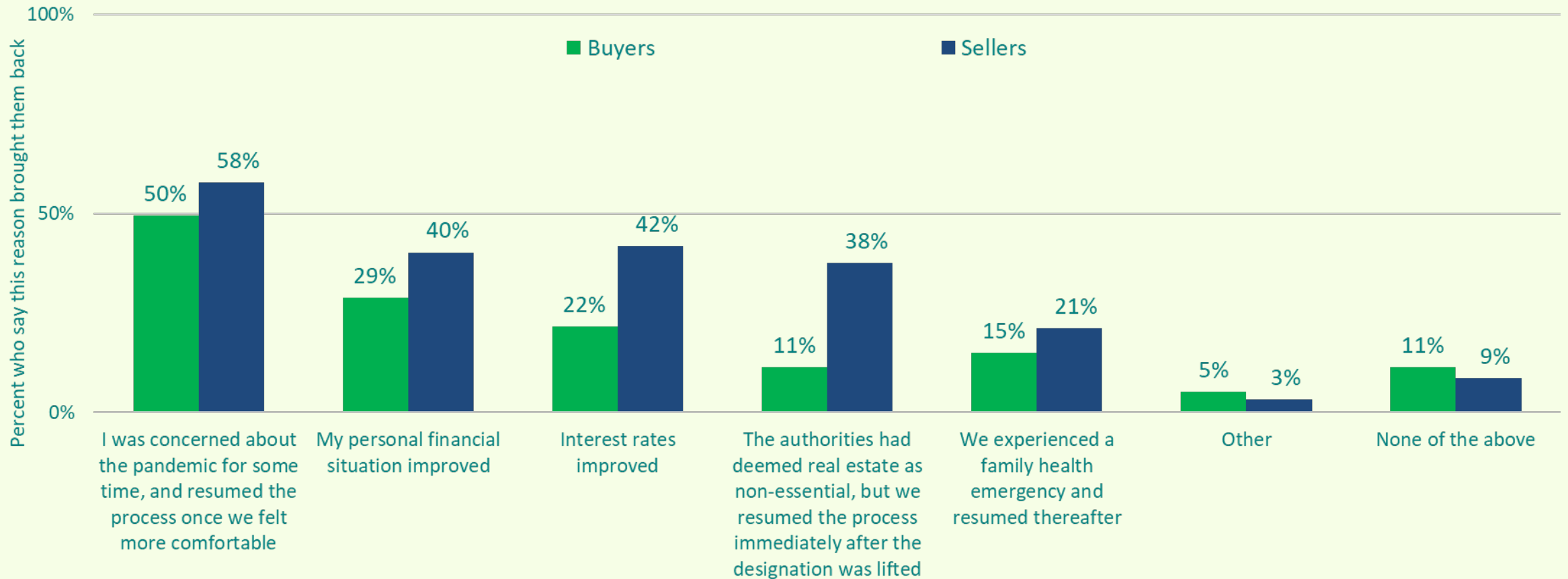


September 2020



THOSE WHO HALTED SEARCH/SALE MORE COMFORTABLE NOW

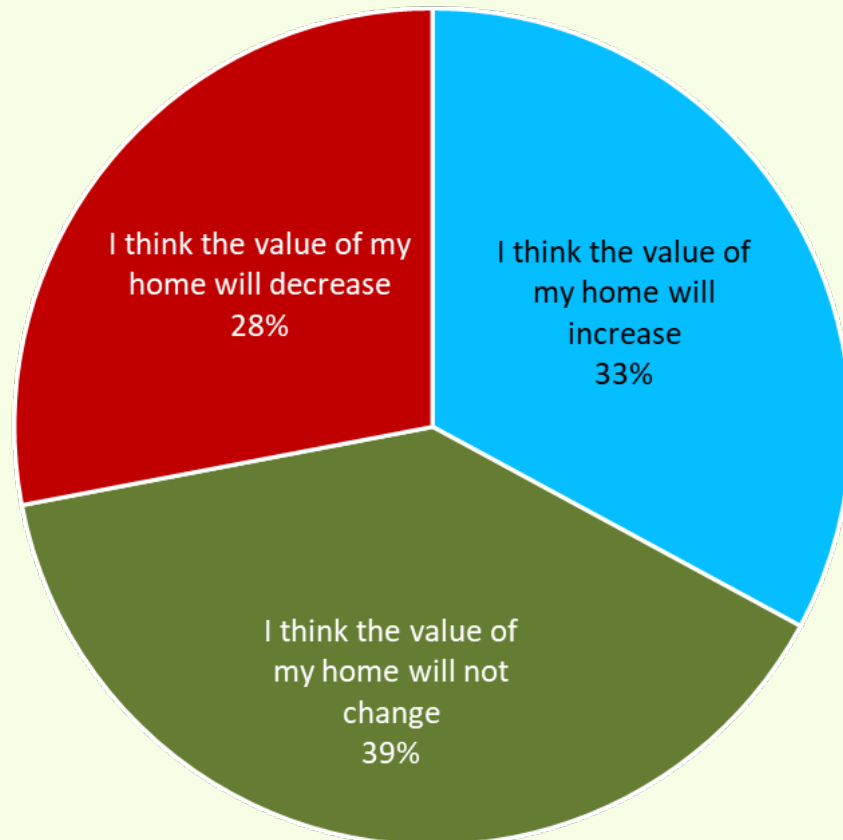
Which if any of the following brought you back into the market? (Check all that apply)



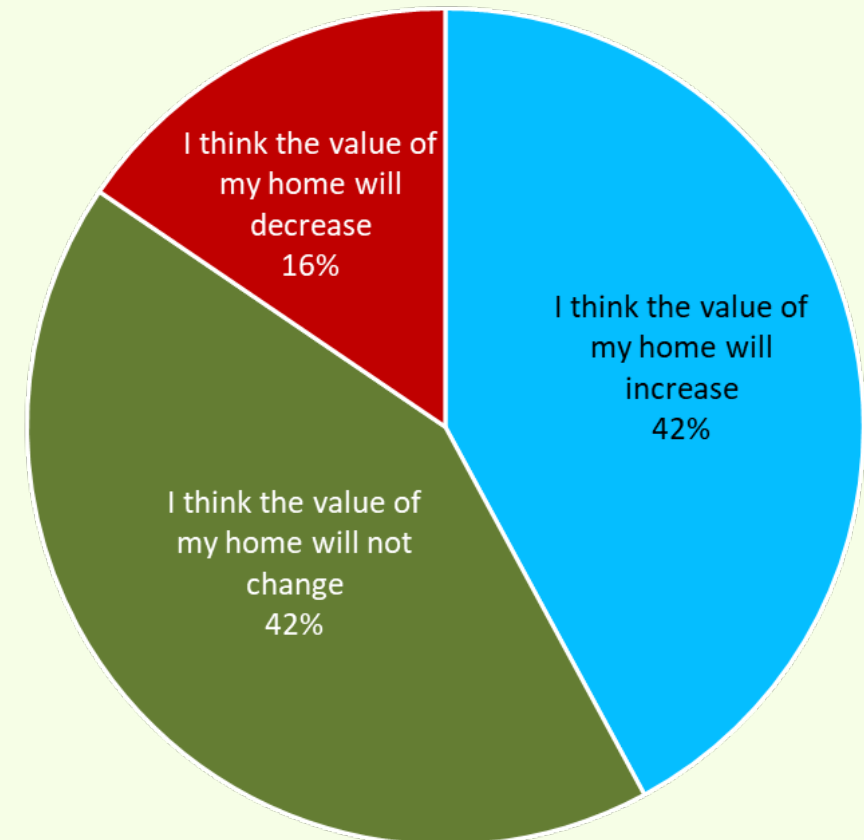
SPIKE IN % OF SELLERS THINKING HOME VALUES WILL INCREASE

[Among those actively looking to sell:] How do you think the current pandemic will impact the value of your home?

May 2020



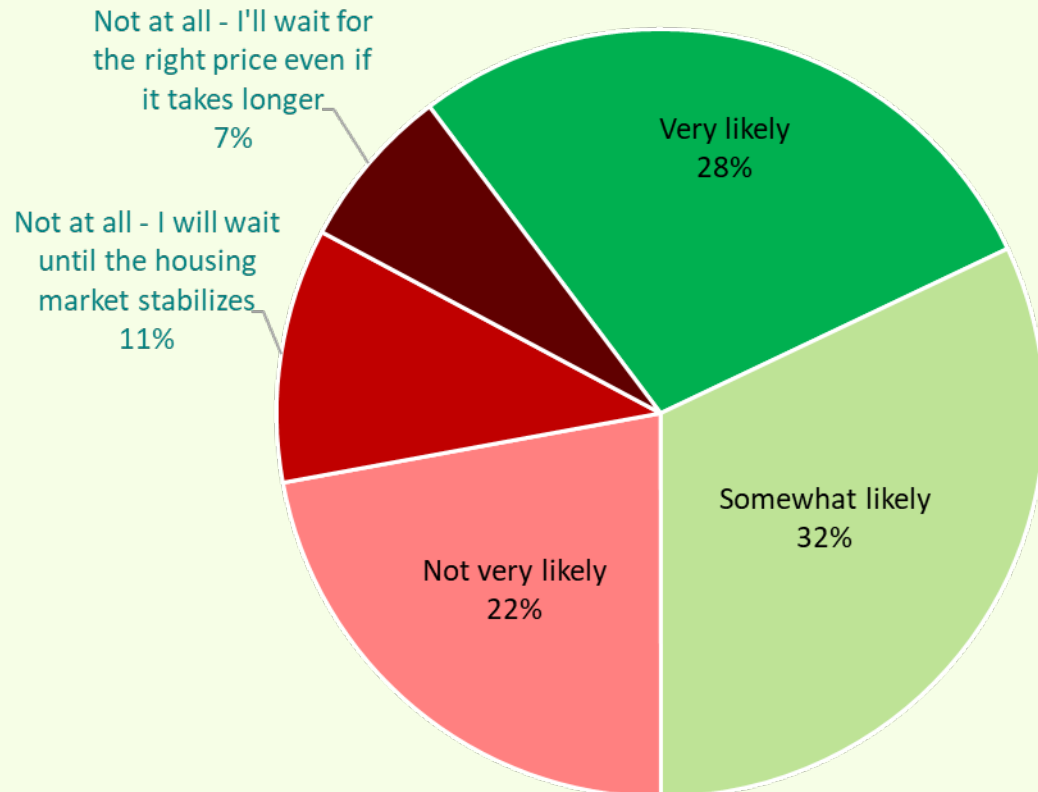
September 2020



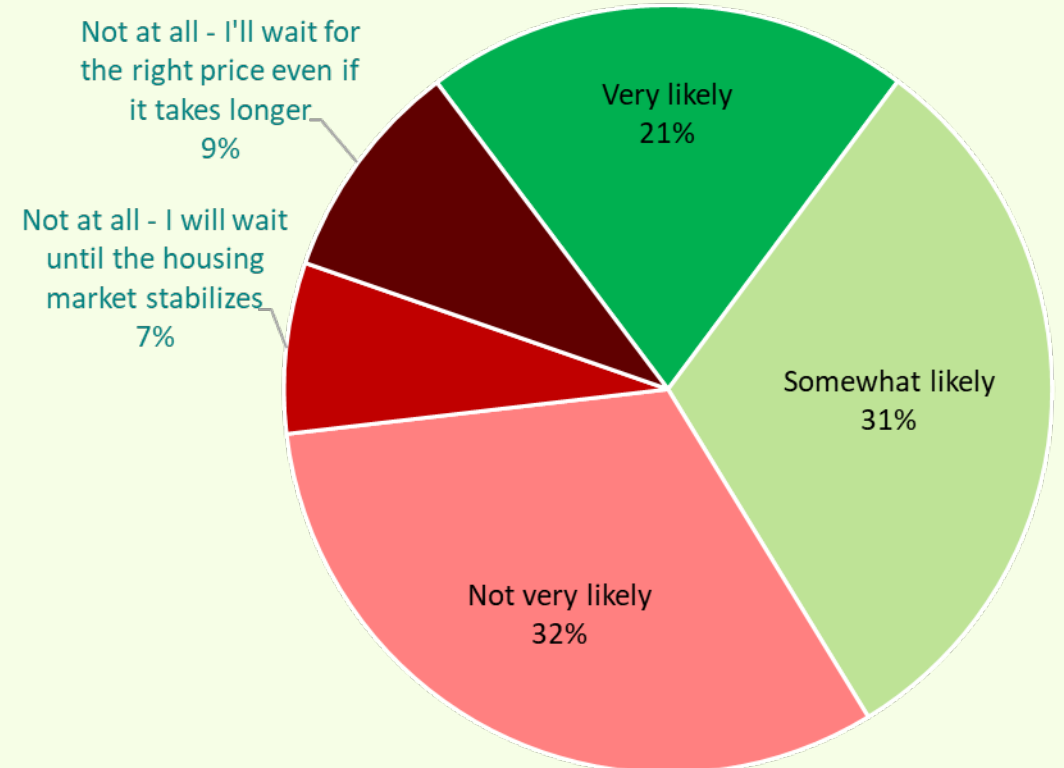
DROP IN % OF SELLERS WHO PLAN TO LOWER THEIR PRICE

[Among those actively looking to sell:] Given the current situation, how likely are you to lower the asking price of your home?

May 2020

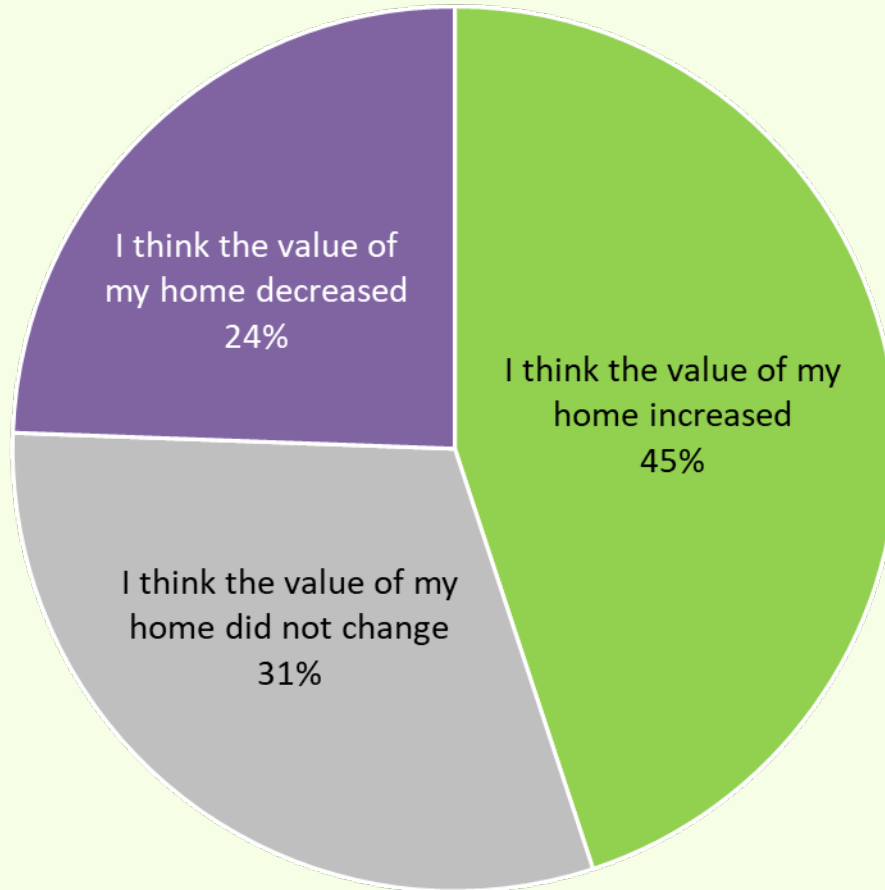


September 2020



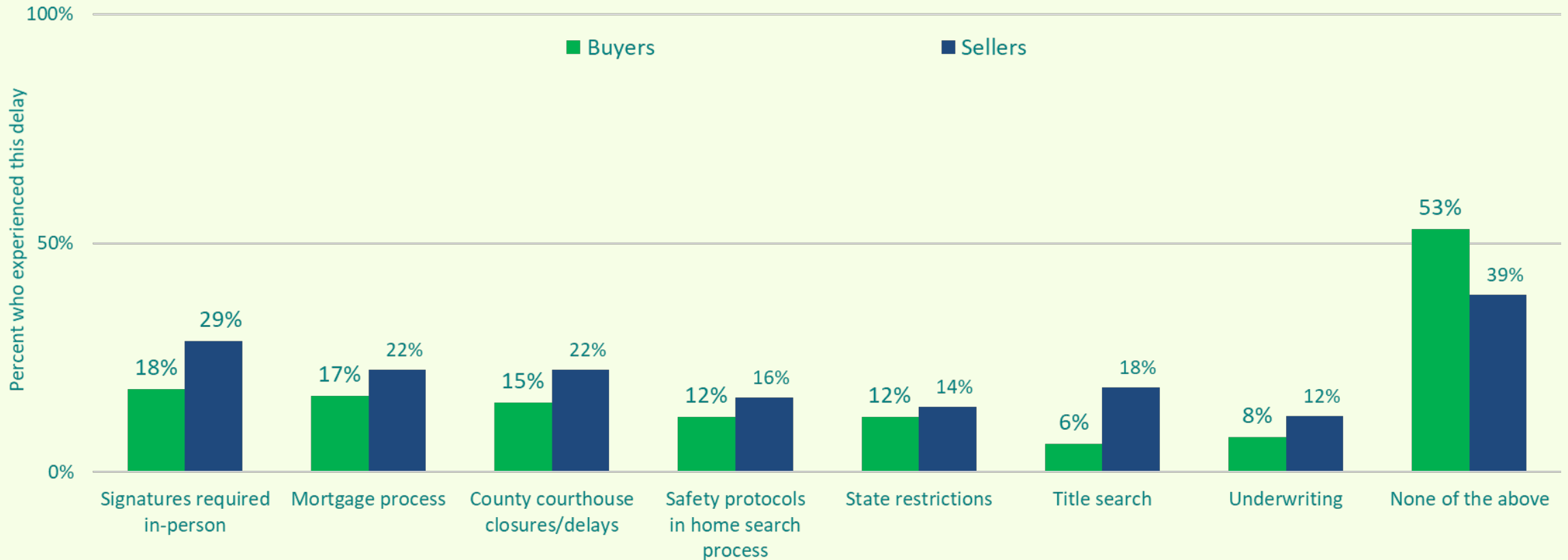
BY NEARLY 2:1, SELLERS THINK PANDEMIC BOOSTED HOME VALUES

[Among those who recently sold:] How do you think the current pandemic impacted the value of your home?



THERE WEREN'T MANY COMPLAINTS ABOUT PANDEMIC DELAYS

[Among those who recently bought/sold:] Did you experience delays to any of the following closing processes due to COVID-19?





**BUT THERE'S AN UNDERCURRENT OF
STRESS FOR BUYERS AND SELLERS**



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SELLERS TALK ABOUT THEIR STRESS

“The pandemic. The current state of the world. Everything that's going on in the world. I mean, there's hurricanes, wildfires, a pandemic. People are scared right now to buy a home. The majority of America is still not working, so it's difficult right now selling a home because of the state of the world. People are fearful of purchasing a home.”

– Nichole, Fl, Prospective Seller



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SELLERS TALK ABOUT THEIR STRESS

“I live right in the heart of the city and everyone's moving out of downtown. As everyone knows, Chicago has a lot of crime. I just had a shooting on my corner about half an hour ago, before I started at 6:15. Seven people got shot less than a block from where I live. So that's one reason. There's also the fact that people are moving out of the city because they want a yard. People are working from home more. They don't want to be in small condos and large buildings. They want to have a house with the yard, and that's not what I have to offer. I'm not at the right place the right time, unfortunately.”

– Michael, IL, Prospective Seller



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AND THE PANDEMIC JUST MAKES THINGS HARDER

Here's what is stressing out the buyers & sellers:



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THESE ARE THE WAYS BUYERS HAVE BEEN STRESSED

“Initially in March, April, we were in full lockdown so that was not even an option other than online stuff. That's probably going to be the same situation in a couple months. I mean, we're going to be in full lockdown. If we're not on lockdown, then I need full confidence that every party in the process is taking it seriously – that I'm meeting with face to face. If people are wearing a mask on their neck or their nose is exposed, then bye-bye.”

– Brad, NY, Prospective Buyer

“The availability to look at places... open houses were almost non-existent.”

– Christina O., NY, Recent Buyer

“I think schedule-wise it's been hard. It seems like making our schedule work with the agent's schedule has been hard. Open houses are more limited.”

– Katie, CO, Prospective Buyer



THESE ARE THE WAYS BUYERS HAVE BEEN STRESSED

“I was really worried about the cost differences, or if things are going to change qualification-wise because my mortgage company just kept saying, ‘Well, we're in a new time and everybody's things are changing...’”

– Amanda, IL, Recent Buyer

“Some of the homes that we're looking at need work. [We] need to hire contractors to do work that we envision after we move in, and that's stressful to think about. Now we're dealing with more people and more germs and more exposure. That whole phase of home improvement as part of our home buying process is totally another stressor.”

– Farah, GA, Prospective Buyer



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THESE ARE THE WAYS SELLERS HAVE BEEN STRESSED

“Our house wouldn't sell for max value and mortgage rates would go up at the same time.”

– Jake, TX, Recent Seller

“My fear was that something was going to happen, financially, either on the bank side or the buyer side and would cause the sale to fall through.”

– Bobbie, FL, Recent Seller

“Really just struggling with the pricing, and COVID is really such a challenge. Not a lot of people here in Georgia, even though Georgia is open – not a lot of people still want to come inside. They don't want to leave the house. A lot of people are scared, so even trying to get people to look at the house [is hard].”

– Jaden, GA, Prospective Seller



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THESE ARE THE WAYS SELLERS HAVE BEEN STRESSED

“With the freaking out thinking, we'd have to try to cover two mortgages, knowing that all of this is happening, and knowing that my husband could possibly be furloughed. That was really stressful.”

– Mary, PA, Recent Seller

“My biggest fear is not selling it in the timeframe that I want to sell it in, which is this year in 2020, which is almost over. With three months left, I'm just trying to figure out how we can get things going before the year ends so we can start the year a certain way.”

– Taylor, GA, Prospective Seller



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REAL ESTATE AGENTS ARE VALUED DURING THE PANDEMIC

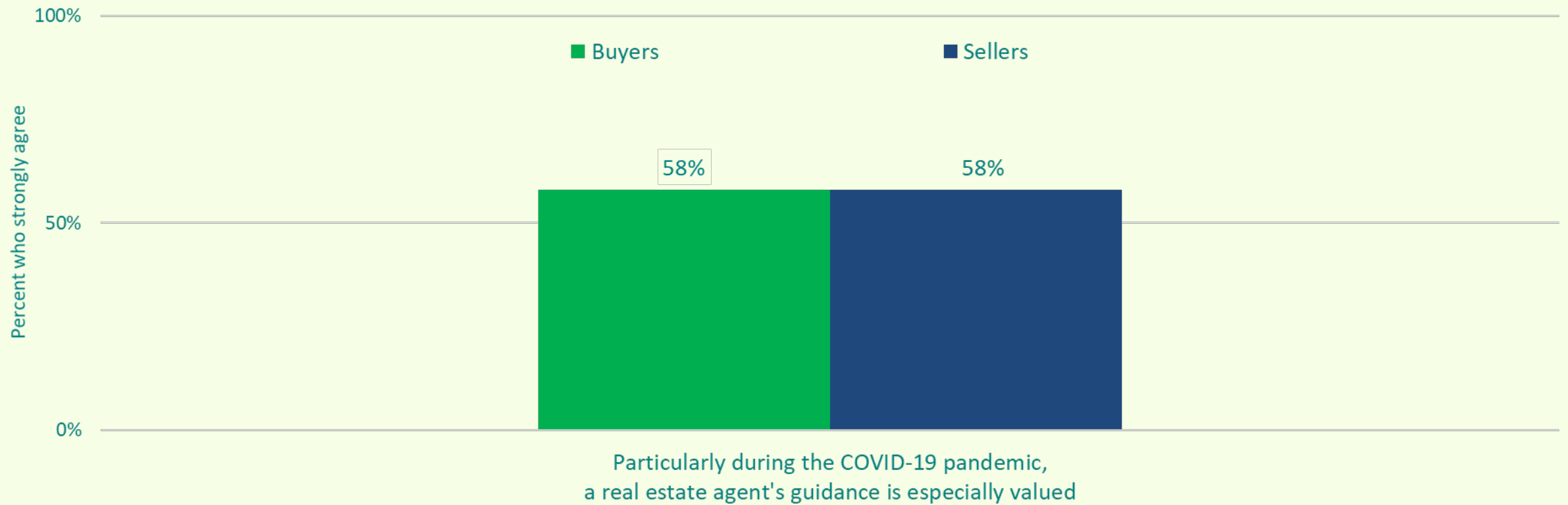


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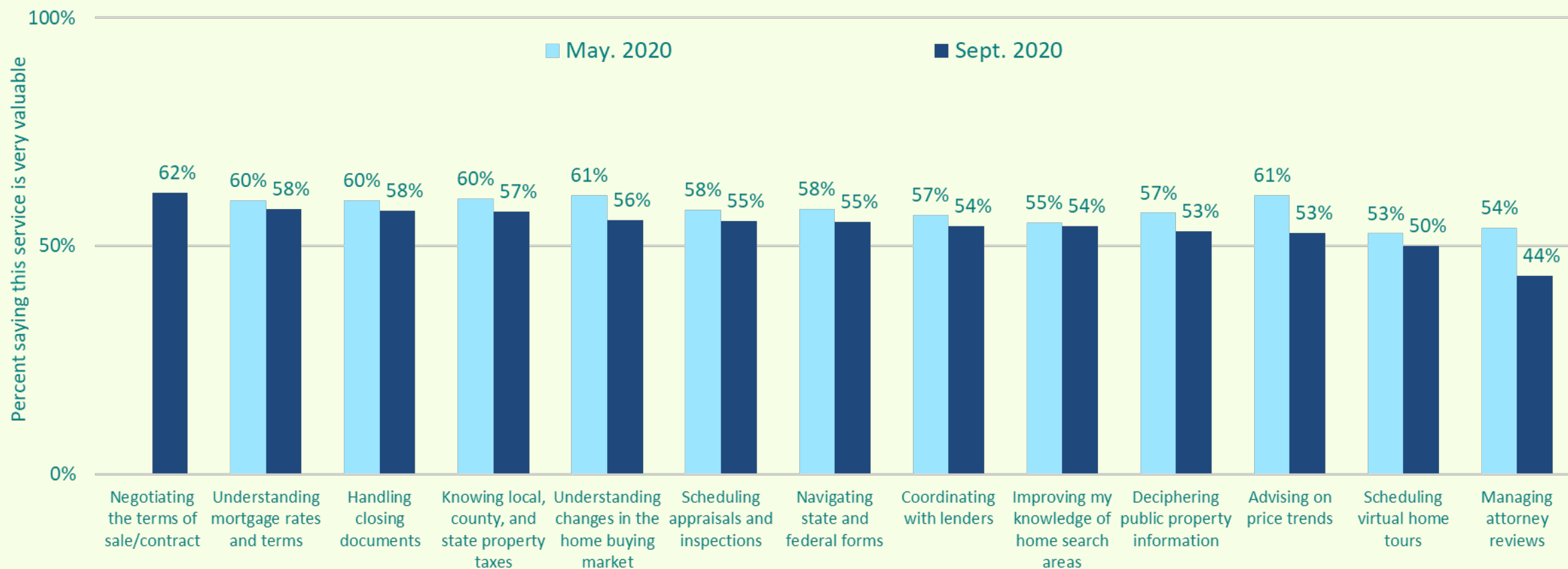
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AGENTS ARE HIGHLY VALUED DURING PANDEMIC



MAJORITY OF BUYERS VALUE MANY AGENT SERVICES

How valuable have the following services and guidance been from your real estate agent?



AGENTS VALUED IN MANY DIFFERENT WAYS

“I feel like it puts a little more pressure on them, as it does the seller, to get them to do what's necessary to still keep the stuff flowing during the pandemic with everything going on. I feel like they have a little more responsibility.”

– Bobbie, FL, Recent Seller

“Everybody that I worked with when I did reach out were very honest and upfront about what they knew about the pandemic, what was going on in the background with how their offices are handling it. So if you're going to go to an open house, they can assure you the house has been cleaned and sanitized.”

– Amanda, IL, Recent Buyer

“She carries like this big, huge thing of Lysol with her all time — not the spray but the hand sanitizer.”

– Leslie, NY, Prospective Seller



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AGENTS VALUED IN MANY DIFFERENT WAYS

“I feel like they have more knowledge of the policies of keeping you safe. I think that was the biggest one for me. At that time, it was too much to worry about.

– Sam, CA, Recent Seller

“Just helping you to keep a level head and understand where the market is. Maybe someplace where you would have been able to negotiate before, you can't now, or the luxury of going ahead of time and seeing the house like a whole bunch of times. You might have to narrow that in, and some of it be by video, but just helping you to navigate.”

– LaNa, PA, Prospective Buyer



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WHERE AGENTS MUST DO BETTER: TAKING COVID-19 PRECAUTIONS SERIOUSLY



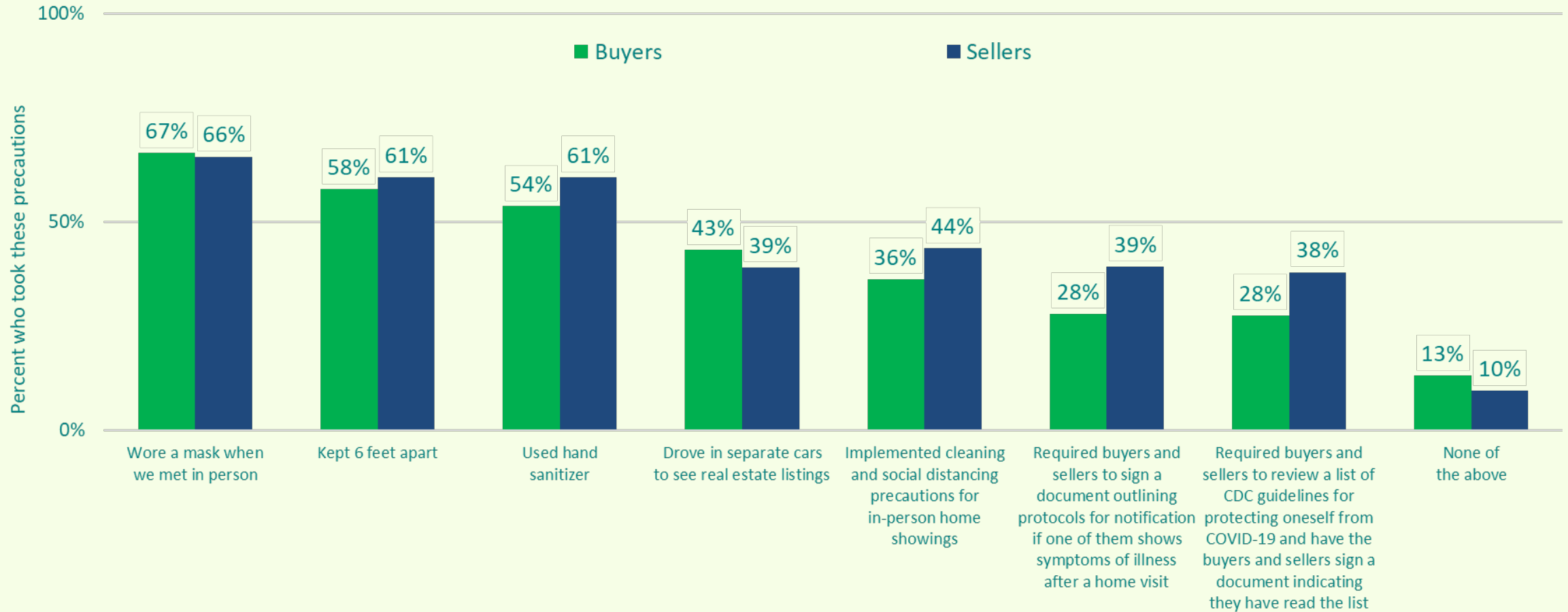
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AGENTS FALL SHORT ON TAKING COVID PRECAUTIONS SERIOUSLY

What precautions, if any, did your real estate agent take to protect against COVID-19?



YOU MUST BRIDGE THE TRUST GAP BETWEEN SELLERS & BUYERS

- There is a profoundly low level of trust in society right now
- It is exacerbated by people feeling that while they are doing the right thing, others are not
- That puts their health at risk
- Agents are essential for bridging that gap by ensuring precautions are followed

ONE ATTENTIVE SELLER'S UNPLEASANT EXPERIENCE WITH BUYERS

“When our real estate agent got a showing request, we asked him to pass along the information to the showing agent that everybody wear masks and gloves when they come in the house. I have cameras in my house, or had cameras in my house, and I noticed that quite a few people didn't comply. We made sure that our real estate agent passed that information back to the showing agent that we were upset about that, and then we just essentially wipe down everything, sanitized everything throughout the house. Especially because the camera that I had best pictures of was in my daughter's room, so you see people in there without masks and gloves, and that was pretty concerning.”

– Jake, TX, Recent Seller



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MIXED ADHERENCE TO PANDEMIC GUIDELINES

- Not taking the pandemic seriously may be more prevalent in rural areas where Covid-19 spread is lower
- However, even in urban areas we see examples of agents not communicating the health precautions they're taking
- Just because there's less attentiveness to the pandemic in certain parts of the country doesn't mean real estate agents should be less diligent in safety protocols
 - Consistency is key

A RURAL BUYER FOUND A LACKADAISICAL COVID ATTITUDE

“I probably have a really different perspective. There are not very many precautions taken in general where we're at. Everybody's opinion of it is, “If I get it, I get it. Whatever.” So the difference I've seen is a real estate agent asked, ‘Do you want to shake hands or not?’ Three of the houses we looked at were exactly like pre-COVID, and one of the houses, there was a sign on the door that said it was not occupied, and it said, ‘Please wear a mask.’”

– Kimberlee, IL, Prospective Buyer



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A SELLER IS UNAWARE WHETHER HIS AGENT IS ATTENTIVE TO COVID-19 HEALTH PRECAUTIONS

“I have no idea what mine’s doing [related to COVID-19 precautions] because I leave the house a half hour before she gets here, before there are any showings, and come back an hour later. I have a feeling she's probably not [cleaning], so I clean very well after I return.”

– Mark, IL, Prospective Seller



SANITIZATION REALLY MATTERS



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SANITIZATION IS TOP OF MIND FOR MANY BUYERS

“I think sanitation is kind of a big deal, as silly as that sounds. I've toured a few houses that weren't necessarily up to a cleanliness bar. So I feel...if you're selling those houses, you can walk in and people are kind of expecting a new level of cleanliness or sanitation, and I think that kind of should be the expectation across the board. You shouldn't want to walk into someone's house and see yesterday's dinner still on the stove.”

– Amanda, IL, Recent Buyer

“So making sure somebody implements using hand sanitizer or temperature checks or shoe covers; that should be something going forward. People can track so much on their shoes and they're coming into your house. Who knows that they're bringing in?”

– Nichole, FL, Recent Buyer

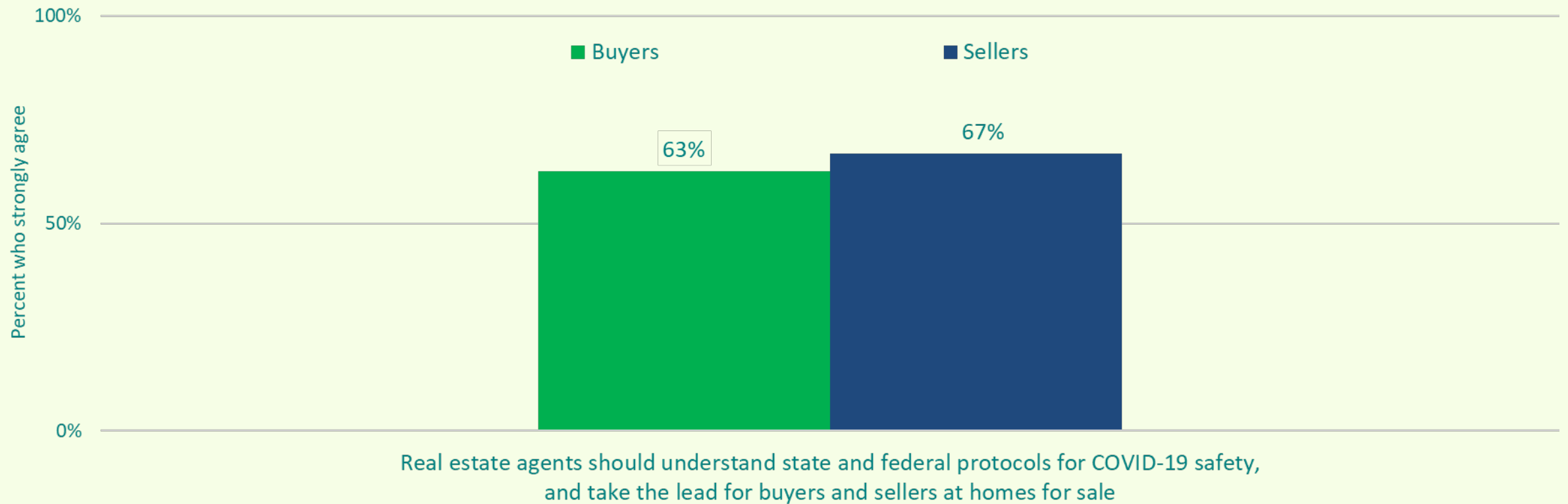


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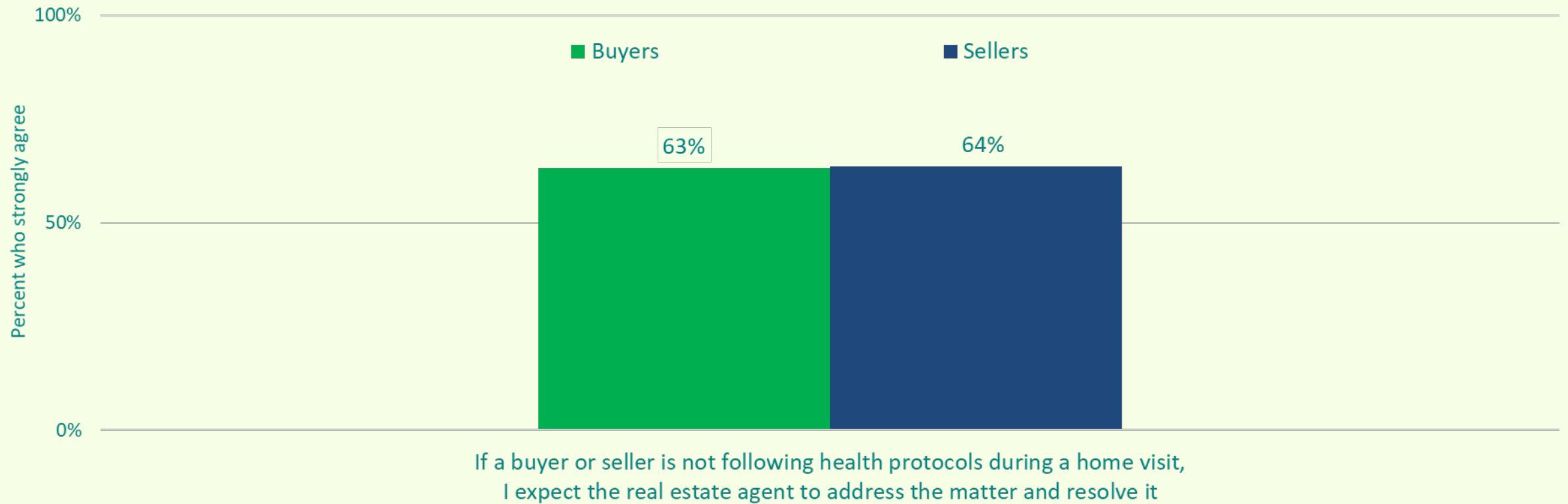
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BUYERS/SELLERS EXPECT AGENTS TO SHOW KNOWLEDGE ABOUT STATE/FEDERAL HEALTH PROTOCOLS



BUYERS/SELLERS EXPECT AGENTS TO SHOW LEADERSHIP IN FOLLOWING HEALTH PROTOCOLS





...AND EXPERIENCE MATTERS



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USING AN INEXPERIENCED AGENT ADDED TO STRESS

“It was rough because he was very green. I felt like I was doing most of work. I was finding the listings, and I was coming up with the tactics to try to negotiate. So it added an extra layer of stress.”

– Christina O., NY, Recent Buyer



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TECHNOLOGY OFFERS GREAT UPSIDES, BUT THERE'S ROOM FOR IMPROVEMENT



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HIGH DESIRE FOR VIRTUAL TOURS, WITH ROOM FOR IMPROVEMENT

- Virtual tours are best for weeding out in-person viewings, although some sellers worry they may weed out their home to potential buyers
- A virtual tour is usually NOT an acceptable substitute for in-person showing
- Virtual tours are limited - not capturing the feel, flow, smells, lighting, and size well



AGENTS ADD VALUE TO THE ONLINE EXPERIENCE



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AN EFFECTIVE AGENT ADDS VALUE TO THE ONLINE SEARCH

“Whenever we've looked, over 100 [houses] online...my real estate agent was really good at weeding them out for us and telling us like, ‘No, the HOA is going to be too expensive...she knows a lot about the area where we ended up moving to.’”

– Christina W., FL, Recent Buyer

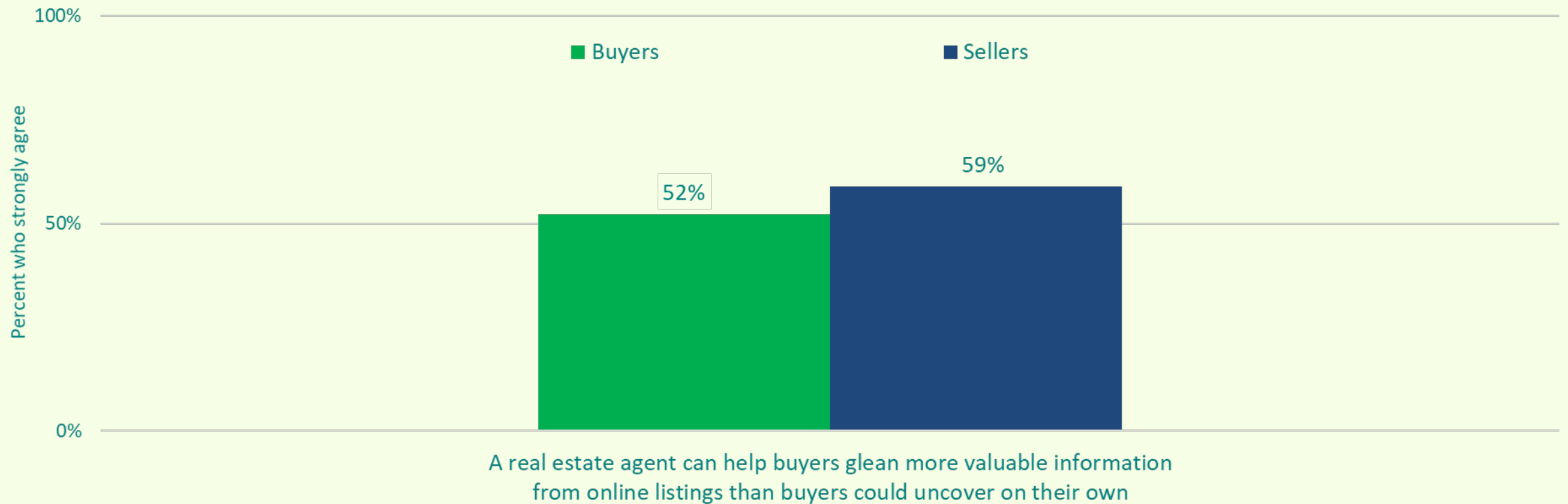


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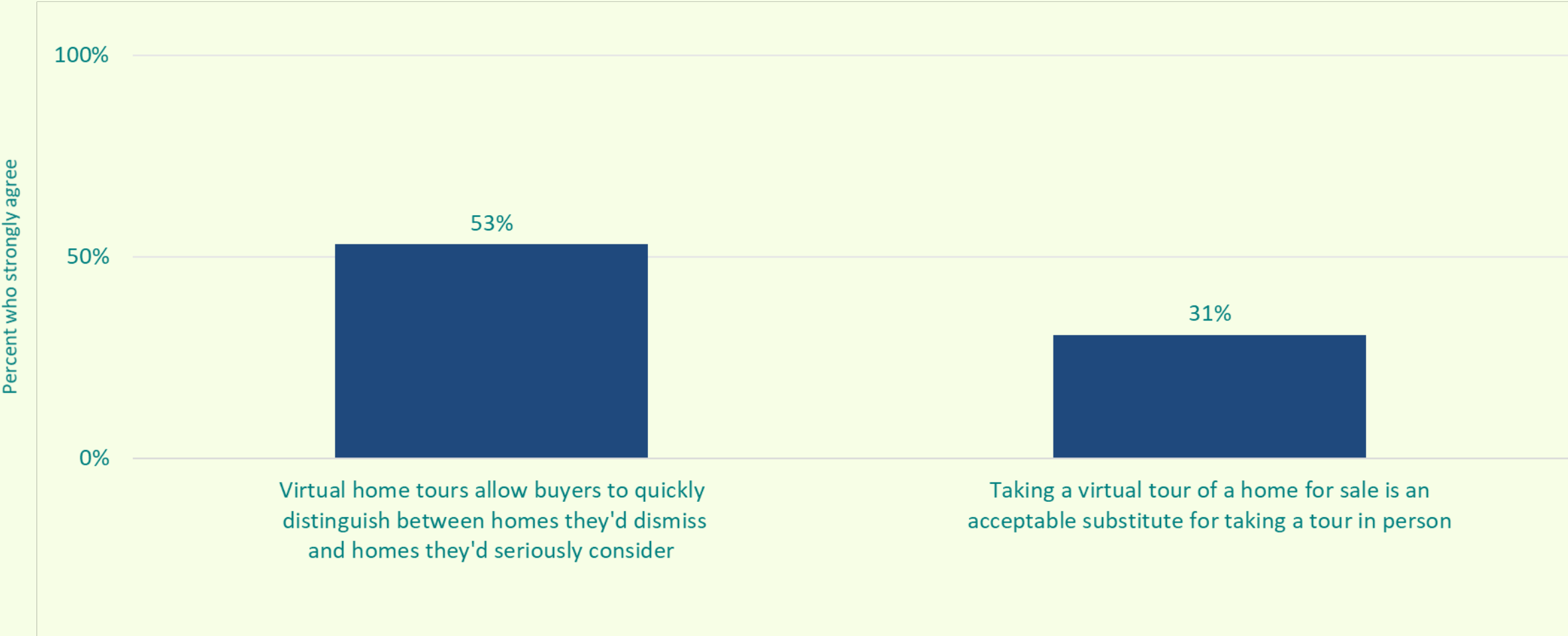
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BUYERS AGREE: AGENTS CAN HELP THEM NAVIGATE ONLINE



BUYERS AGREE: VIRTUAL TOURS ARE A GREAT SORTING TOOL

How strongly do you agree or disagree with these statements related to real estate **buying** through the virtual world?



n=457, NAR Survey, Sept. 2, 2020





AND THE TECHNOLOGY HAS ITS LIMITS FOR BUYERS



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TECHNOLOGY HAS ITS LIMITS FOR BUYERS

“I personally cannot make a decision based off pictures or video alone. I need to see it. I need to make sure it feels right. When you walk in, it feels like a home kind of scenario. They were nice, but at the same time I saw a lot of bugs with them because they're still fairly new. So it would glitch partway through, or it would only focus on one particular area that they wanted to highlight in the house, versus where if you have 40 pictures you kind of see all of the house.”

– Amanda, IL, Recent Buyer



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TECHNOLOGY HAS ITS LIMITS FOR BUYERS

“I've been to a few [in-person tours of] homes, where I catch certain things. I catch more blemishes. I see things that they're not advertising that's going to need some work. I can't catch that on virtual tours. There's just certain things that they can do, little tricks they can do.”

– Bernie, CA, Prospective Buyer



VIRTUAL CAN FEEL INTRUSIVE FOR SELLERS



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TECHNOLOGY HAS ITS DOWNSIDES FOR SELLERS

“They did pictures and it was like a 3D-like rendering that you could walk through. But, I don't know, it feels creepy to me. I don't know why it does but, I feel like everybody in the world... I know the pictures are out there, but for some reason, I feel like people I don't know are walking through my house.”

– Mary, PA, Recent Seller



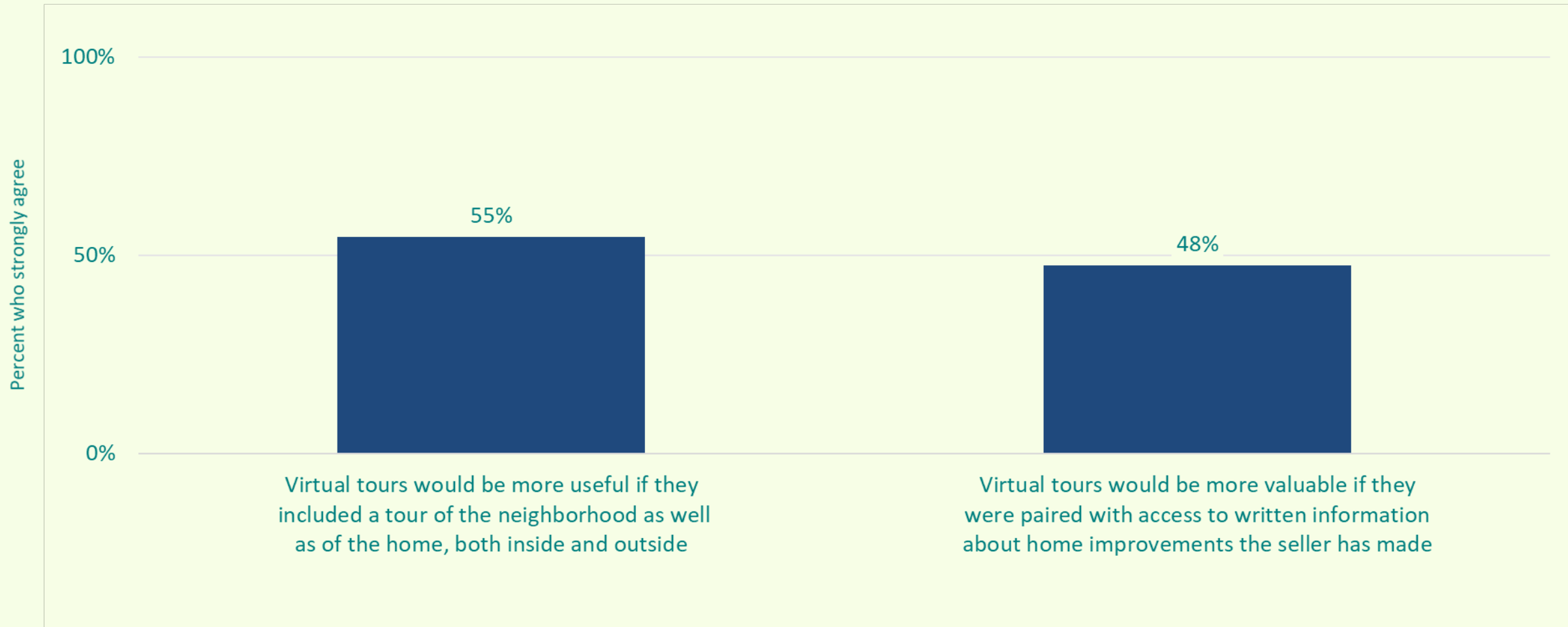
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BUYERS SUGGEST WAYS THESE TOURS COULD BE BETTER

How strongly do you agree or disagree with these statements related to real estate **buying** through the virtual world?



OTHER SUGGESTED VIRTUAL IMPROVEMENTS

- Suggested opportunities to improve virtual tours include:
 - Drone footage to show yard and neighborhood
 - Live tour with agent to answer viewers' questions
 - Full-scale virtual reality for immersive imagery



**IF CLOSING CAN BE DONE REMOTELY
OR IN PERSON, DO IT REMOTELY**



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DOCUSIGN AND OTHER TECHNOLOGY INCREASE EXPECTATIONS

- Signatures required in-person were #1 factor to cause a closing delay
- E-signatures are gaining popularity
- Several people are comfortable with a remote closing

THEY ARE MORE THAN WILLING TO DO IT ELECTRONICALLY

■ May 2020 Buyers ■ Sept. 2020 Buyers ■ May 2020 Sellers ■ Sept. 2020 Sellers



Percent who strongly agree

n=1,037 (460 buyers/577 sellers) NAR Survey, May 13, 2020
n=879 (457 buyers/422 sellers) NAR Survey, Sept. 2, 2020



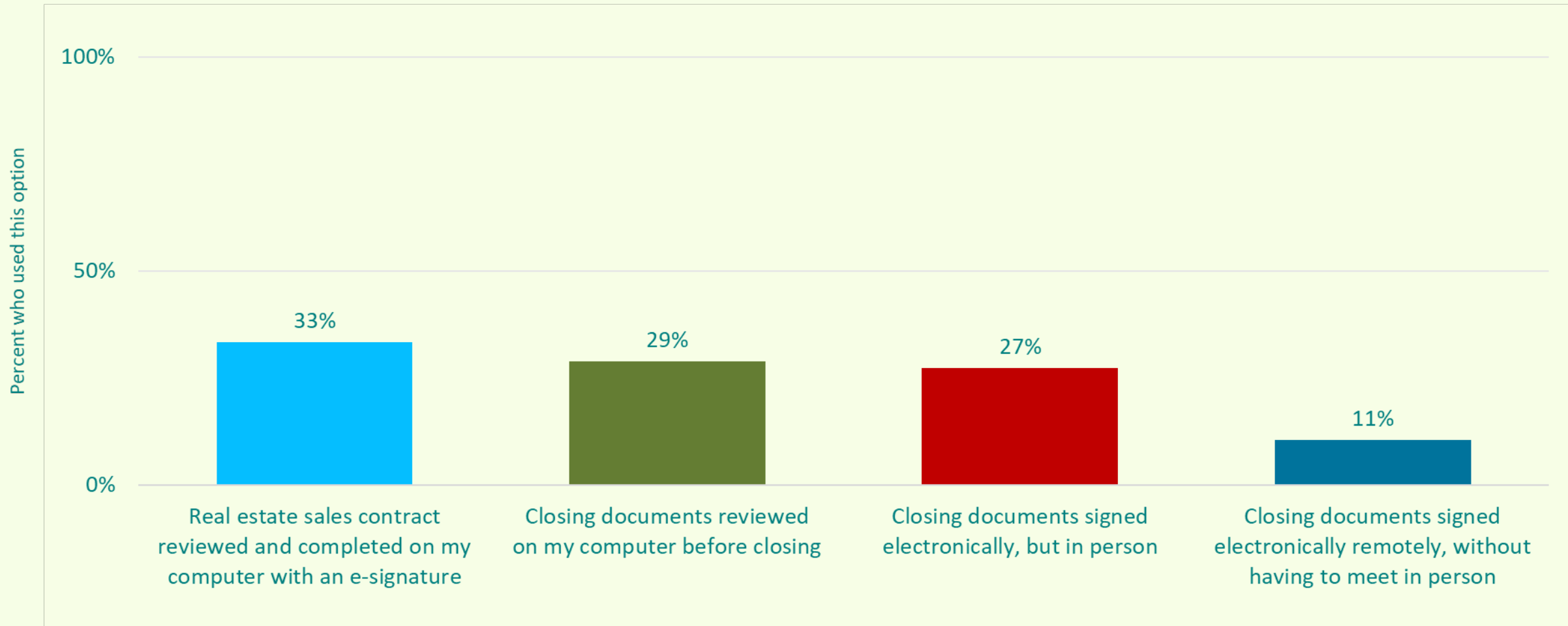
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YET FEW ACTUALLY DID IT IN REALITY

Which if any of the following options did you use during the real estate transaction?



n=66, NAR Survey, Sept. 2, 2020



PANDEMIC PROMPTS QUESTIONING OF IN-PERSON PAPERWORK

“It was a massive, massive relief to have our house sold because we'd already set a closing date on the home that we had purchased. The closing date on the home we purchase was two weeks before my wife was due, so we were really under the gun. We ended up closing on the house we sold while we were in the hospital a day after my son was born. And we had to do power of attorney and everything like that. I think that the transition to DocuSign or something like that for everything, I think closing needs to go to that. I don't know why it hasn't. We had to do an in-person closing. I think that that sort of thing should all be done digitally now. We have the technology to do it. It just needs to go that way. It was asinine to me that you had to go into a building, go up elevator, and then sit with several people in a room to sign a bunch of documents. It just made no sense.”

– Jake, TX, Recent Seller



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THE LAST WORD: AGENT ADVICE



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RECOMMENDATIONS TO IMPROVE AGENT SUCCESS IN 2020 AND BEYOND

- Manage increased buyer and seller anxiety by demonstrating empathy
- Lead by example. Bridge the trust gap between buyers and sellers by following appropriate Covid-19 safety precautions and clearly communicating your efforts to your clients
- Nurture young agents to fill their experience void
- Improve the quality of virtual tours and promote the use of virtual closings with e-technology

Questions?

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