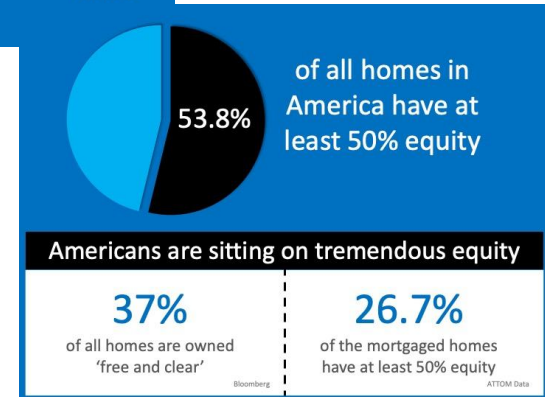
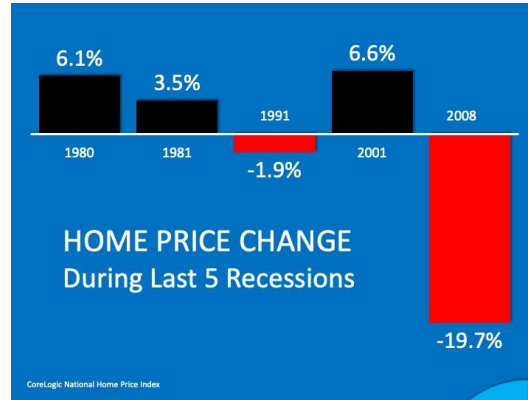


Effect on sellers? Early days...

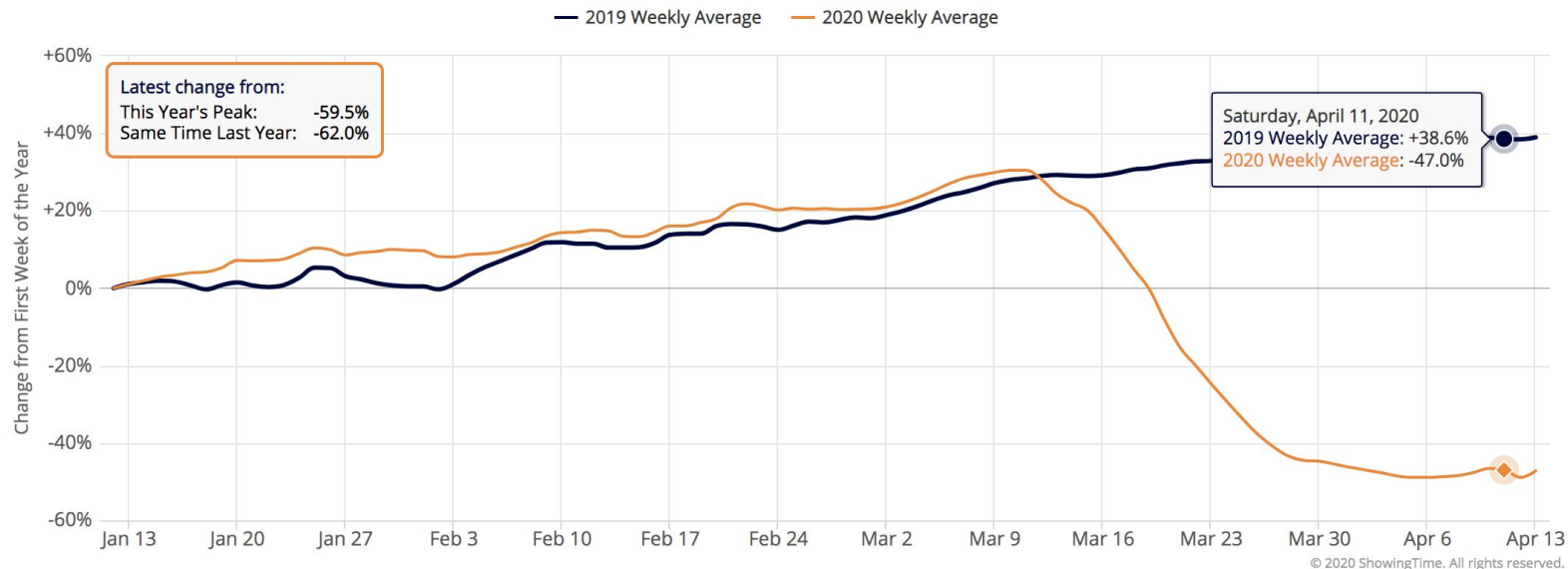
- ❖ In March and early April it was a dramatic constriction of showings/sales with health concerns and “Stay Home, Save Lives” order
 - We spent 45 days reassuring our clients that it was not 2008 all over again
 - Housing affected by pandemic/recession, not the cause of the recession as in 2008
 - Housing shortage will lead the economy out of the recession through construction and sales
 - Sales were very limited, all parties trying to understand a pandemic’s influence on housing. All about managing expectations....
 - Sellers learned to utilize strict health protocol for showings including booties, gloves, and masks



Showings down by 47%...

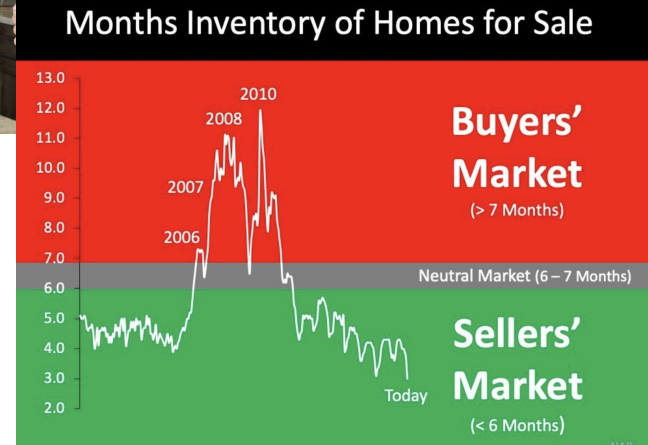
Impact of COVID-19 to Real Estate Showings in North America

Weekly showings normalized to the first calendar week of January, 7-day moving average. Data through April 13, 2020



Effect on sellers? Now...

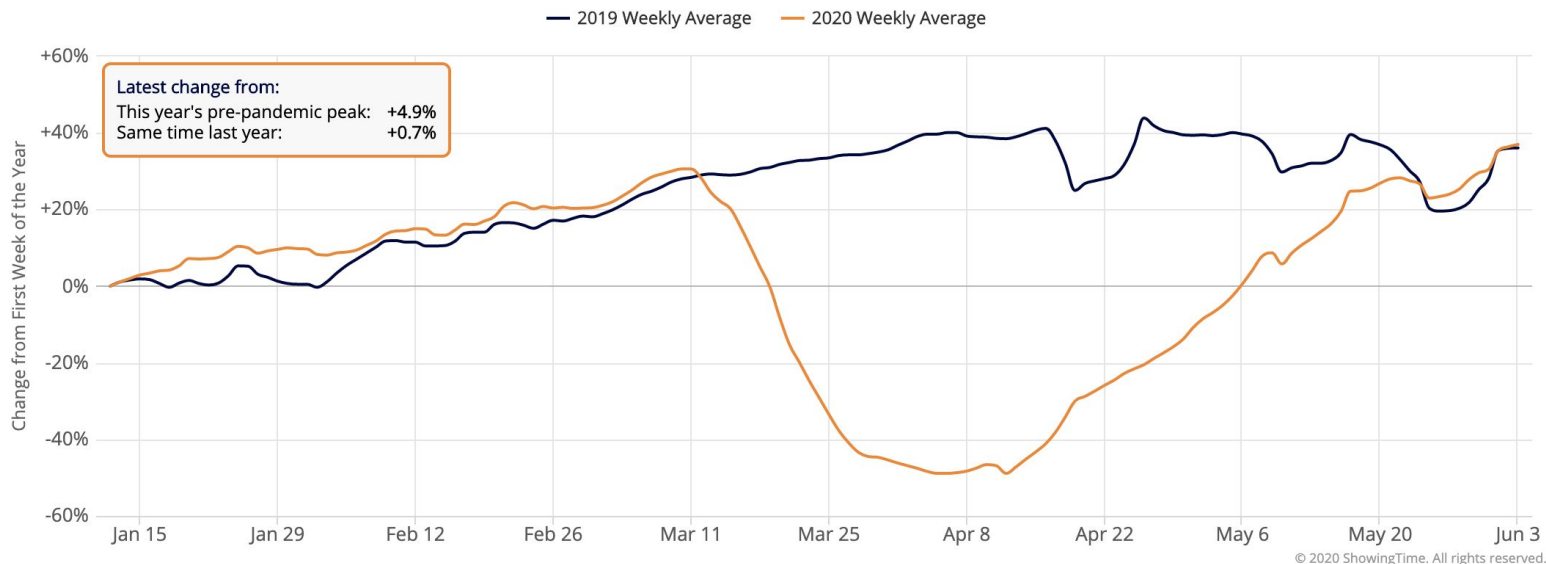
- ❖ Sales have recovered, industry has creatively responded to the new normal with virtual showings, offers, and contracts
- ❖ Extreme lack of inventory creating high demand for the homes on the market
 - Lack of inventory due to pandemic and historical trend
 - Buyers are still price-sensitive, but if priced correctly, there are competing parties interested in the home
 - We are cautioning sellers on how to respond as panicked buyers are bidding high to win the bidding process and then cancelling
 - Several cases where a home had multiple backup offers and all eventually terminated
 - Sellers need to screen the buyers and determine which party is truly the most engaged and qualified



Showings have recovered...

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 June 3, 2020



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How is this affecting buyers?

- ❖ Buyers have an opportunity to buy at stable prices right now in what otherwise would have been a year with above-normal appreciation.
- ❖ Lack of inventory is creating a struggle in finding the right home.
- ❖ Buyers need to do their homework before going house shopping. They should set their expectations and understand the market, valuations, and inventory.
- ❖ Buyer should be pre-qualified, or better yet, pre-approved.
- ❖ Interest rates are helping offset price and helping reduce cost of overall ownership, regardless of housing price.
- ❖ Panic is not a reason to buy. Buyers should not buy if they are not totally comfortable with the price and home.
 - Expectation/hope is that the annual inventory peak will come later this year.



Market resilience and trends...



- ❖ Early recovery was centered around luxury properties (\$1,000,000+) as this buyer demographic was less affected by layoffs and economy.
- ❖ Market recovery now includes all price ranges as employment starts to recover and buyers are more assured that the worst is behind us and that housing is not crashing.
- ❖ Trend towards larger homes.
 - “Sheltering in place” exposed demand for home offices, extra bedrooms and larger yards.
- ❖ Sentiment of wishing to “move on with life” prevalent.

Trends...Large city flight and increased demand

San Francisco Chronicle

SF, Silicon Valley rents plunge amid downturn: 'Never seen anything like it'

The Bulletin

Serving Central Oregon since 1903

Bend is U.S. capital of telecommuting

People working from home diversify local economy

By Kathleen McLaughlin
The Bulletin

Jan 17, 2019 0

The New York Times

...And with vast numbers of *professionals now working remotely, some may reconsider whether they need to live in the middle of a big city* after all.”

America's Biggest Cities Were Already Losing Their Allure. What Happens Next?

The urge among some residents to leave because of the coronavirus may be temporary. But it follows a deeper, more powerful demographic trend.

Looking forward...



Unless inventory grows dramatically through increased building (not possible) or resale activity with citizens leaving Bend (unlikely) or the economy and unemployment getting worse (not projected but possible) we will witness continued **upward pressure on pricing and housing stock.**