HomeLight

Top Agent Insights Q3 2020 Report

Find out why it’s the best time sell a house in years, even as the coronavirus pandemic drags on.

Big offers, waived contingencies, and handwritten letters: Will homebuyers stop at nothing to get the house of their dreams?

As the presidential election fast approaches, top agents weigh in on what’s best for housing and which industry issues deserve the political spotlight.

About this survey

HomeLight's Top Agent Insights report for Q3 2020 was fielded between August 10-31, 2020, through an online poll of 1,157 real estate agents across the country. Agents were selected to participate in the survey based on the same performance data HomeLight uses to identify top real estate agents for hundreds of thousands of homebuyers and sellers nationwide.

Survey data for previous quarters can be accessed at the links below:

- Q2 2020: Real Estate's Coronavirus Comeback
- Q1 2020: Coronavirus Chills Spring Housing Market
- Q4 2019: Don't Sludge Through Your Winter Sale
- Q3 2019: Tackle Fall Maintenance and Sell in the Off Season
- Q2 2019: Amp Up Your Curb Appeal
- Q1 2019: Spring Selling Tips and Staging Secrets

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Intense Seller's Market Drives Up Home Values Across the Nation

As the U.S. economy trudges along the slow and bumpy road to recovery, the housing sector leads the charge by a mile with a truly blockbuster performance. It appears nothing can suppress the insatiable appetite for new and available homes, which are flying off the shelf at a premium. Booming sales and steep price gains — backdropped by a recession and unrelenting pandemic — will surely go down as a historical real estate moment for the books.

A Great Time to Sell and (For Some), A Great Time to Buy

In a typical year, the third quarter marks a cooldown period for many real estate markets across the country as the summer wraps, school begins, and peak moving season comes to a close. You can see the pattern in HomeLight's data from the previous year: in Q1 2019, 58% of agents reported seller's market conditions — that number rose to 63% in Q2, then fell to 55% and 48% in Q3 and Q4, respectively. That's what you'd expect to see from a 12-month housing cycle.

But in an anything-but-normal 2020, coronavirus lockdown robbed many potential buyers of their original house-hunting plans and sellers of their proper spring open house. What's more, new motivations to move — like the appeal of that roomy suburban home across town, and the lowest mortgage rates on record — are throwing the usual market cadence for a loop.

The result? A summer real estate season that felt a lot like spring, followed by a fall housing market defying all expectations and outperforming every other economic sector across the globe.

Indeed, if data from this report is any indication, 2020 will be remembered as the year everything in the world went downhill, except for the American housing market. And a few statistics jump out as particularly remarkable for the third quarter drawn from our polling of over 1,000 agents across the country.

As of this writing, 92% of agents say that it's a seller's market, marking a 67% increase year over year and a 16% increase from as recently as the previous quarter. Supply remains scarce; 87% of agents say inventory is lower than they expected it to be this quarter, and 96% report that low interest rates are simultaneously causing buyers to flood the market.

In our last report for Q2 2020, we dug deep into real estate's coronavirus comeback driven by new safety adaptations in the industry, tight supply as some would-be sellers avoid contact with others, and pent-up early spring demand.

Well, the comeback continues. In Q3, virtually all agents (99%) say that prices are on the rise or holding steady in their market, while 46% of agents believe prices will continue to rise over the next 6 months (compared to 24% who said the same in Q3 2019). When you have more buyers than sellers, it inevitably forces prices up without the underlying concern of a bubble.

Industry data reports further substantiate the strength of the housing market headed into the final stretch of the year. The National Association of Realtors' existing home sales report shows completed transactions jumped a seismic 24.7% in July, exceeding June's 20.7% record increase. If buyers can't find an existing home to purchase (a challenge for many!) they're scoping out the new builds. Sales of new construction rose 36% year over year in July.

These double-digit growth metrics stand in stark contrast to a U.S. economy still clawing back from the severe and sudden recession brought on by the pandemic, including a 31.7% GDP contraction in the second quarter. Without clear answers as to when a successful vaccine will become available for widespread distribution, it's hard to say how fast other industries will fully recover and when consumer confidence will be restored from "dumpster" levels.

However, the housing market appears to be circling well outside the danger zone. It helps that forbearance plans continue to prevent foreclosures from creating a supply glut, while the labor market shows cautious signs of promise. Since April, the U.S. has regained 42% of the 22 million jobs lost at the onset of the pandemic. And improvements in hiring could help allay some of the risk that more mortgages will go delinquent in the future.

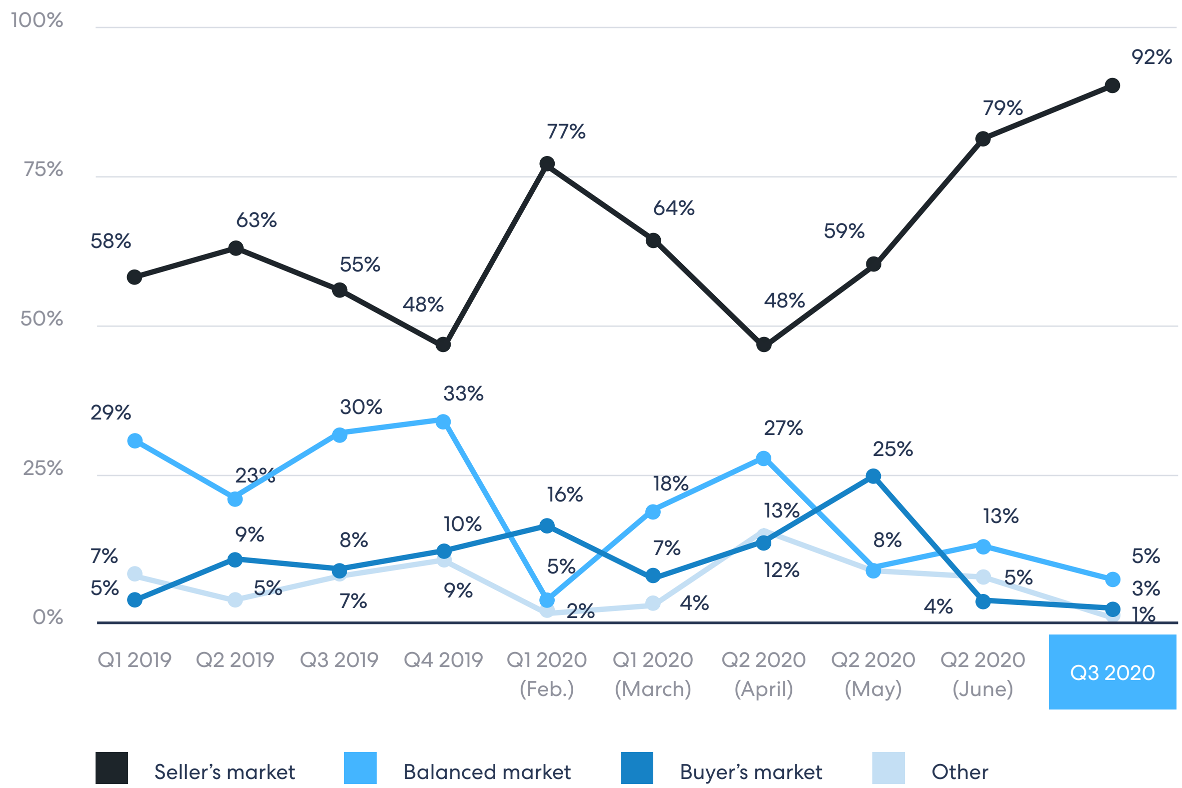
While many real estate experts in our survey spoke to the distinct challenges of buying a home during this "frenzy," others point to the unique climate that offers a shiny little incentive on both sides. For buyers who've got sufficient savings and solid credit, the chance to snag the lowest mortgage rate of a lifetime. For sellers, the chance to negotiate a fantastic offer with few strings attached.

As one top agent in the Manitowoc, Wisconsin area put it:

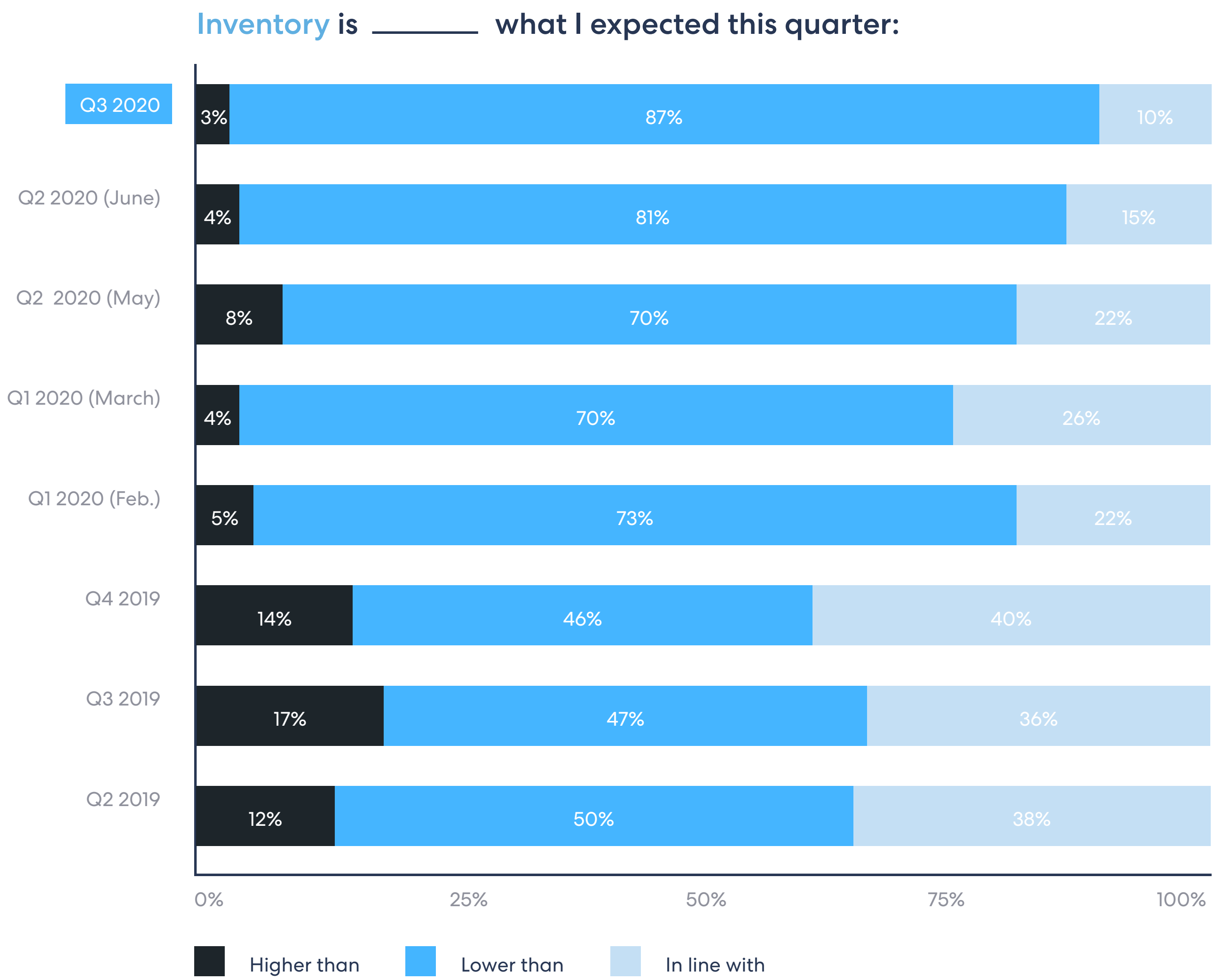
"A low inventory environment that's unable to satisfy buyer demand makes it a great time to sell, and low interest rates make it a great time to buy. Buyers must enter the market prepared to act quickly and present their very best offer. Sellers must enter this market prepared to move."

All signs point to market temperatures rising: Coming in at 92%, reports of a seller's market climbed 37 percentage points from the previous year and blew Feb. 2020's pre-pandemic high of 77% out of the water.

How are agents describing local housing market conditions?

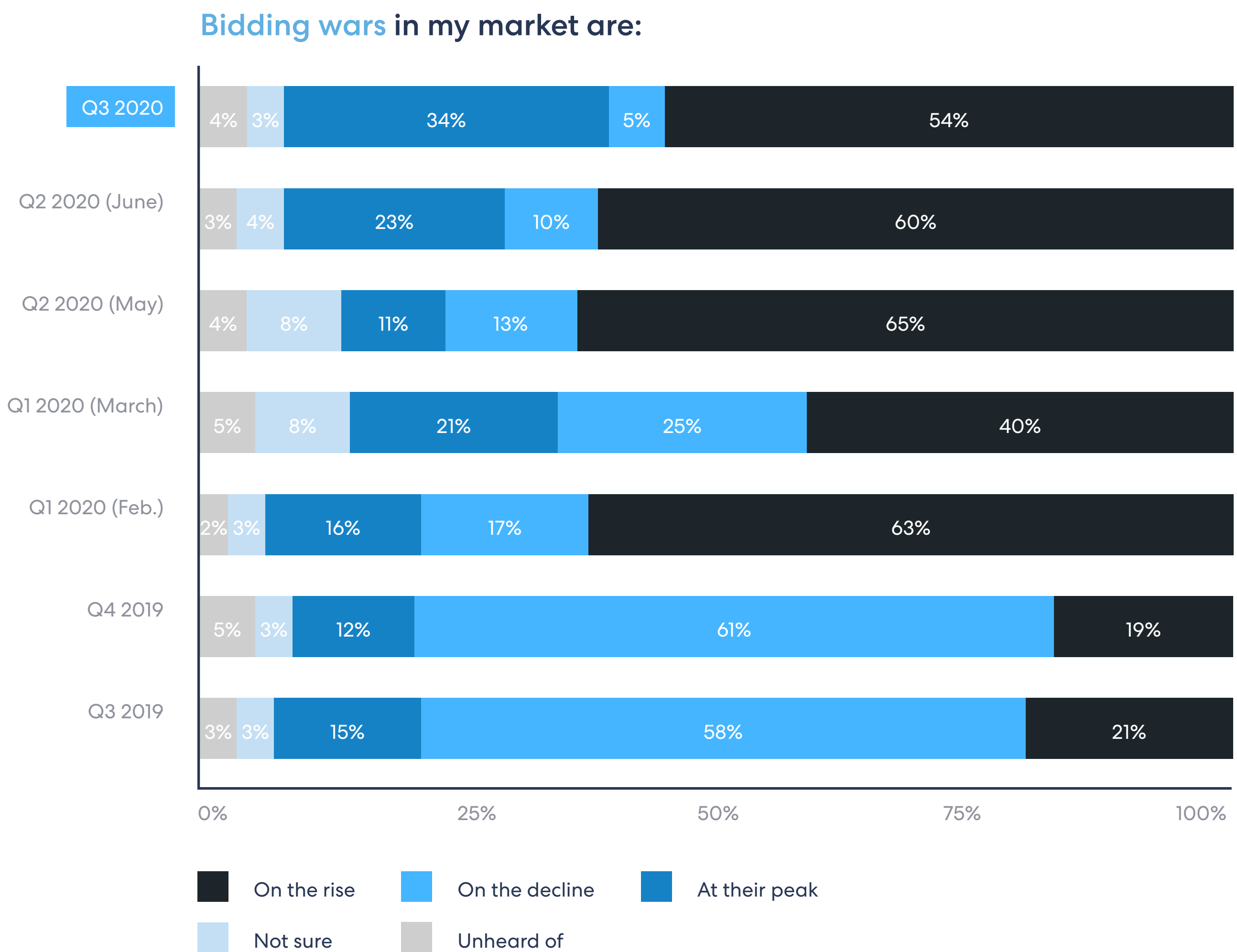


One major factor driving the seller's market is an ongoing lack of supply — 87% of real estate agents say that inventory is lower than they expected it to be this quarter, compared to 47% who said the same in Q3 of 2019.

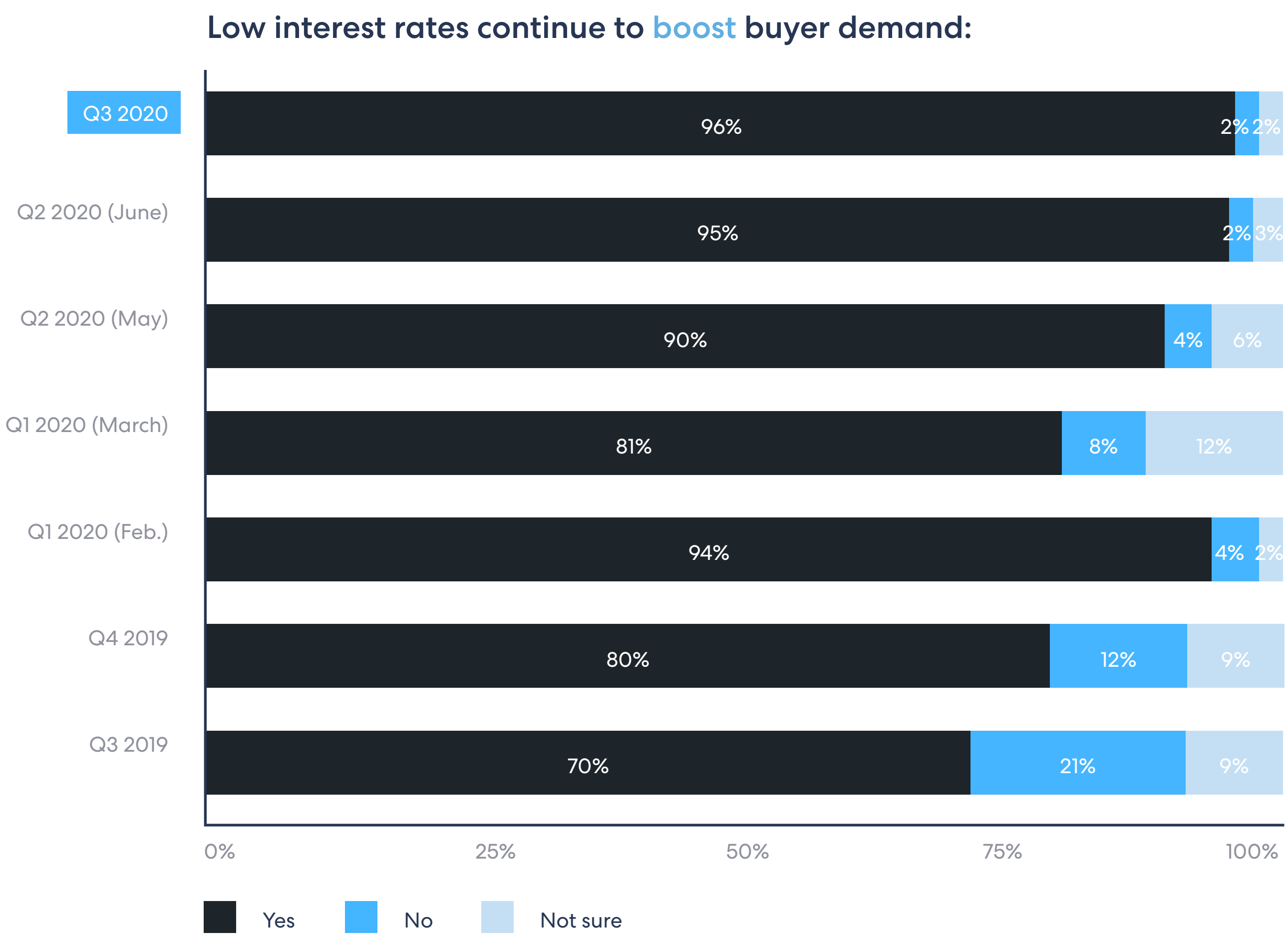


Most agents don't see inventory loosening up in the near future: 56% believe supply will stay level or decline in the upcoming months.

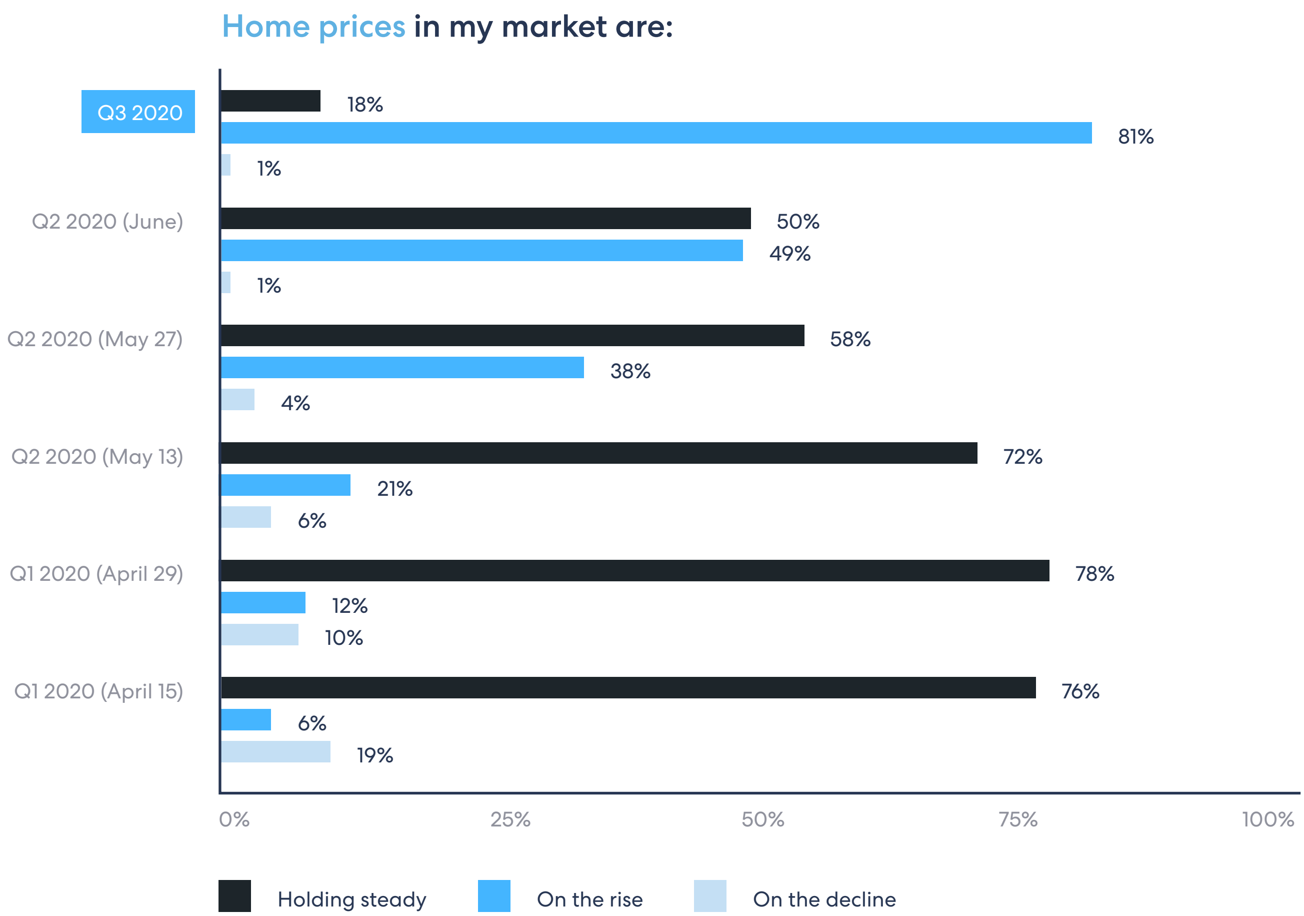
Multiple offer situations are almost a guarantee at this point — more agents than ever (88%) say that bidding wars are on the rise or at their peak. Several respondents in our survey described the situation as "insanely competitive."



Despite competitive market conditions, mortgage rates simultaneously make it a great time to buy. A year ago, 70% of agents reported that low rates were bringing out more buyers. Now, that number has increased to 96% of agents. During this time, the average 30-year fixed dropped from around 3.5%-3.75% (not too shabby!) to historic lows of sub-3% (according to data from Freddie Mac).

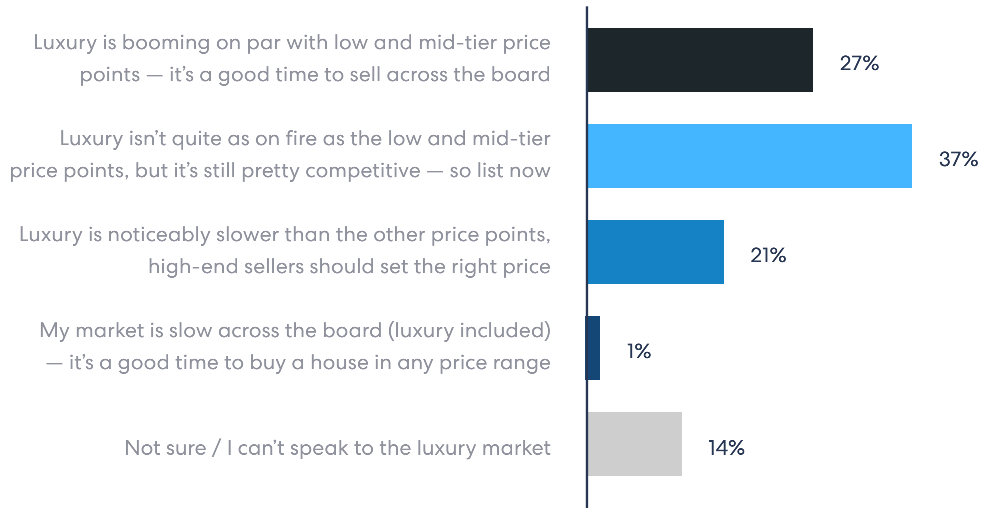


Combine a low supply of houses with robust buyer demand, and you get rising property values across the nation. The percent of real estate agents seeing home prices escalate in their area skyrocketed from a mere 6% at the start of Q2, to a firm 81% majority in Q3.

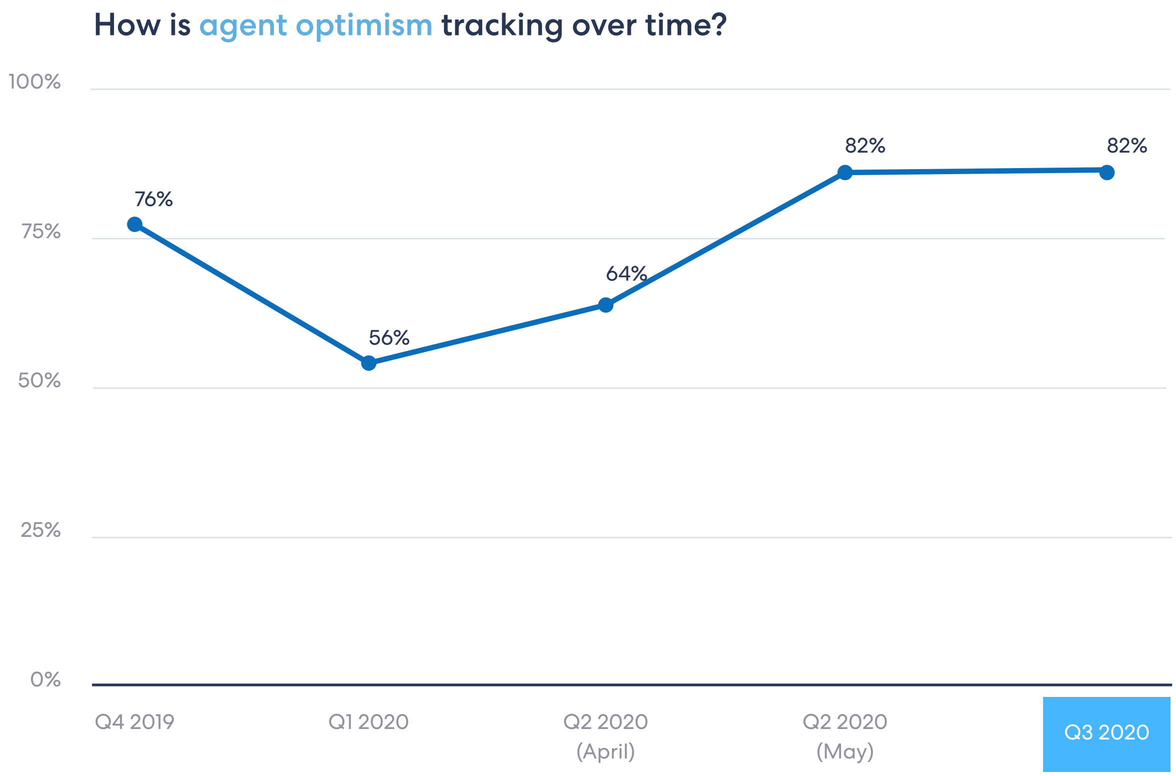


Nearly one-third of agents report that the luxury real estate market, which is typically slower paced due to a more limited buyer pool, is equally competitive to the lower and mid-tier price points where they are. An additional 37% say that if you have a luxury home to sell, now's a good time to list even if the lower price points are a bit hotter.

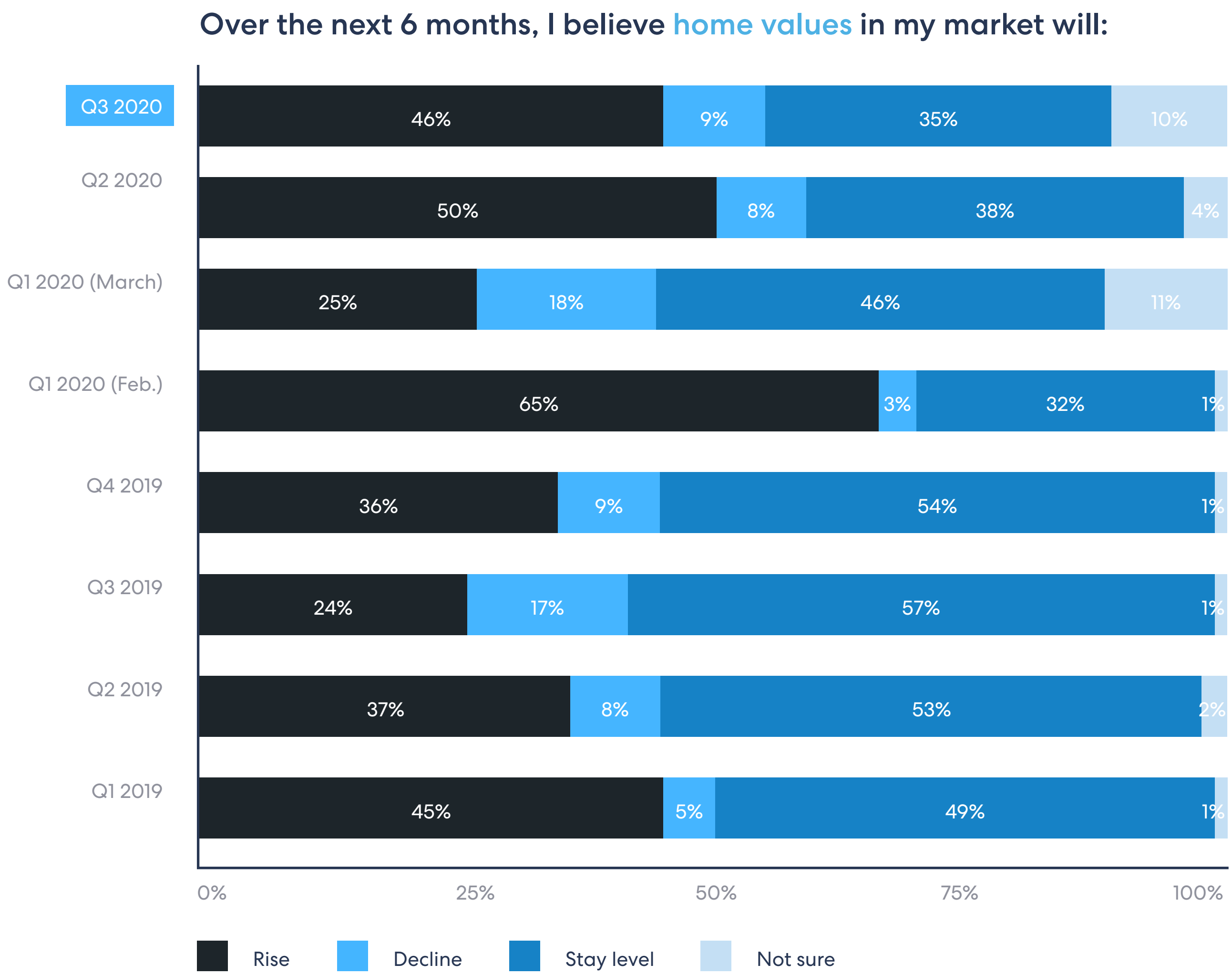
How would you characterize your area's luxury housing market (whatever is considered the upper echelon price point where you do business)?



As property values rise and the housing market staves off the impacts of a recession, optimism among real estate agents held strong in Q3 at 82%.



Will home values continue their upward trajectory through the rest of the year and into 2021? Nearly half of agents say yes, while 35% believe values will hold where they are. Only 9% predict price declines in their area.



Bidding Wars Reach Fever Pitch as Buyers Sweeten Their Deals to Win the Home

What's it like to be a homebuyer in 2020? As one Minneapolis agent in our survey puts it: "Think *Hunger Games*." To take advantage of low mortgage rates, buyers should plan to get in the competitive spirit. For homes that are priced well and in turnkey condition, agents say lofty bids, contingency-free terms, and sight-unseen deals are not unusual tactics for winning the (bidding) war. Sellers will likely enjoy multiple offers and strong leverage, so long as they avoid letting the price run up too high and beyond what the house could reasonably appraise for.

‘Dear Seller, I’d Love To Buy Your Home…’

In a world where 77% of real estate agents across the nation say that most of their listings are receiving multiple offers, they’re not sugarcoating their talks with buyers. The message is: “Go in strong, keep your expectations realistic, and don’t sweat the small stuff if you hope to win the home.”

We found that 76% of agents say they’ve never seen inventory so low, and nearly one-third have had anywhere from six to 10 offers on a listing within the past three months. The moral of the story? Most buyers won’t have the luxury of negotiating for a carpet credit or a little help from the seller to cover all those fees at closing — it’s just not in the cards.

According to our survey, 87% of agents say that to get an offer accepted, buyers are bidding over asking (87%), making clean offers with no requests for concessions or closing costs (79%), and even going so far as to write a heartfelt letter to the seller (61%).

A quick aside: Keep in mind, so-called “love” letters to the seller should be stripped of any demographic details to avoid running afoul of fair housing rules. Even statements such as “we’re a family of three searching for our next home” or “I love that you’re also a Christian household” — no matter how well-intentioned — could be problematic if a buyer is accepted or rejected based on membership of a protected class under fair housing.

For these purposes, buyers should be sure to work with an agent on crafting their letter appropriately (focusing exclusively on the characteristics of the home and area), and sellers should consider the risks of opening these letters in the first place.

Besides putting pen to paper, homebuyers are also willing to hop online and make offers sight-unseen as a way to compete, according to 39% of agents. In fact, 59% of agents say that sight-unseen offers are on the rise in their market. These buyers may be moving long-distance to escape the city (making it difficult to arrange for a physical tour) or rushing to make the first bid when a listing hits the market.

Finally, agents say that some buyers are stripping their offers of the appraisal contingency (36%), waiving the inspection (35%), or even removing the financing contingency (18%). Note that waiving a contingency means that a buyer forfeits their earnest money deposit if they walk away for any reason not explicitly covered in the contract.

However, it doesn’t mean that the lender won’t require an appraisal (they will, if the home is being financed) and it also doesn't mean that a buyer can't get the home inspected to see if it passes muster.

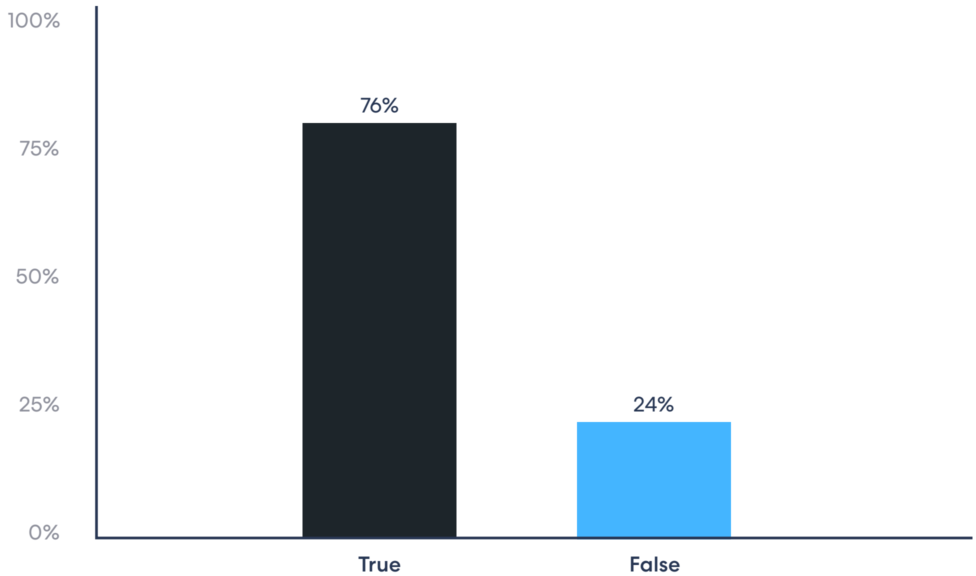
One top agent in the Memphis area advises: "Being pre-qualified, submitting a clean offer is key. Not asking for any repairs — but still getting an inspection — is a good strategy."

As for sellers? Don't let this market go to your head. Our Memphis agent adds:

"Sellers still need to present a nice, clean home and not get too greedy when pricing. Remember, the home has to appraise unless it sells for cash. And the norm isn't cash."

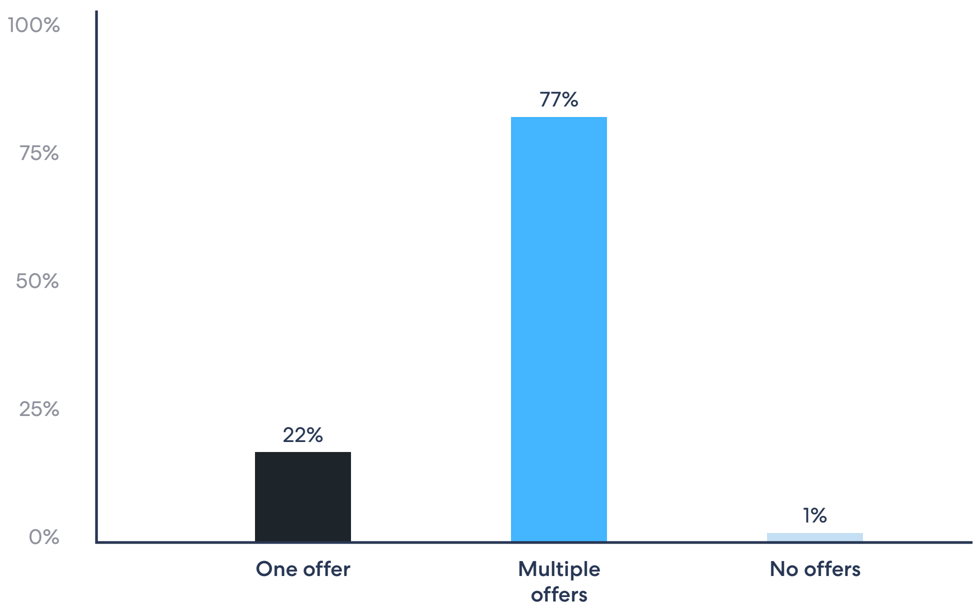
The “unprecedented times” 2020 cliché comes to mind when describing the severe inventory shortage: Over three-quarters of agents, some of whom have been in the business for decades, say supply has hit rock bottom for their market.

Since I’ve been in the real estate business, I’ve never seen inventory this low:



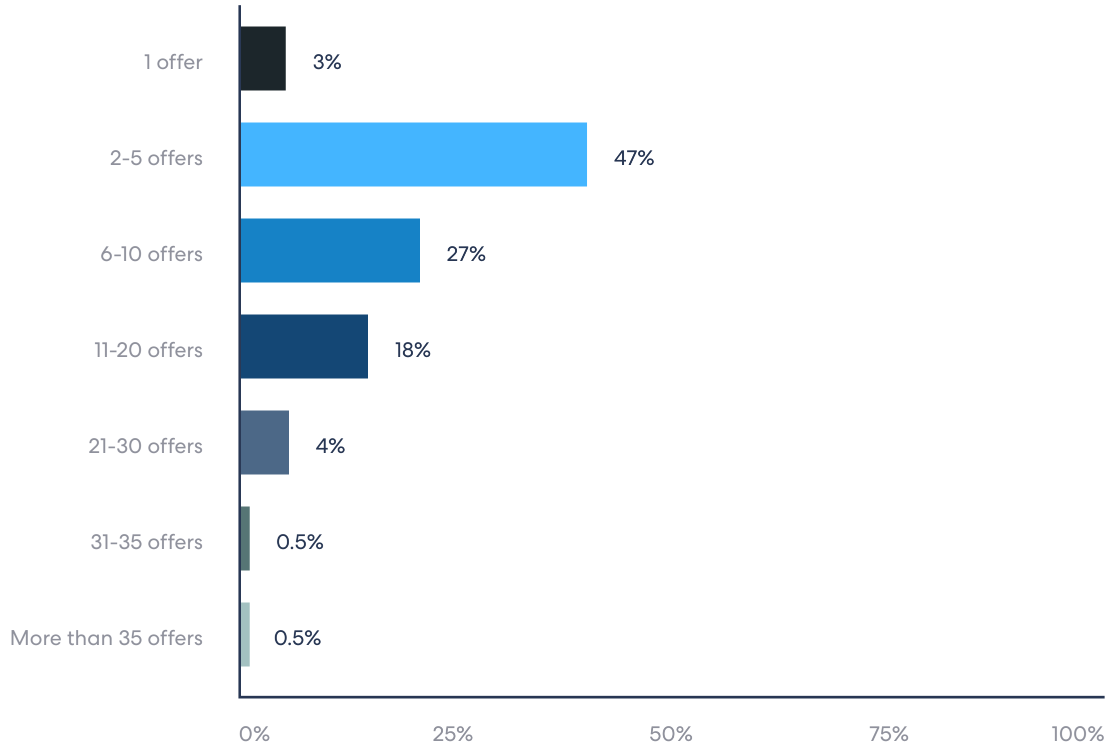
What goes hand in hand with low inventory? Bidding wars. As one Seattle-based agent describes: "Homes normally will come to market on Thursday, receive multiple offers, and be under contract by Monday."

"Most of my listings are receiving:"



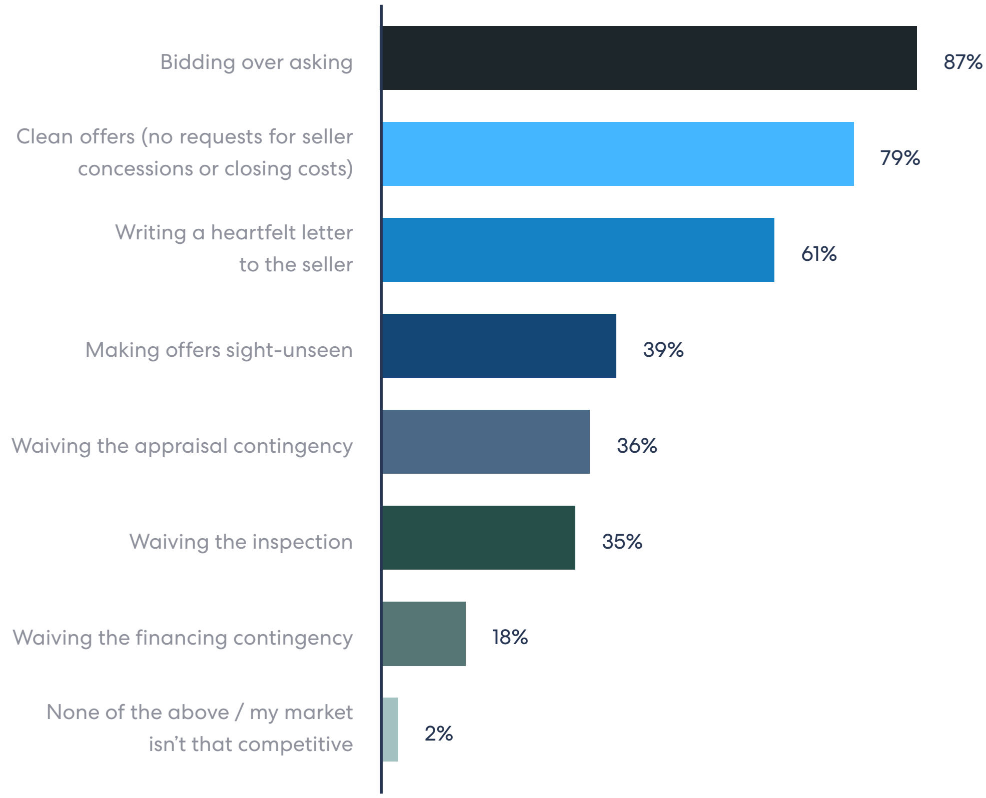
Nearly a third of agents say that in the past three months, at least one of their listings has generated 6-10 offers, while 18% have seen 11-20 offer situations.

In the past three months, the highest number of offers one of my listings received was:



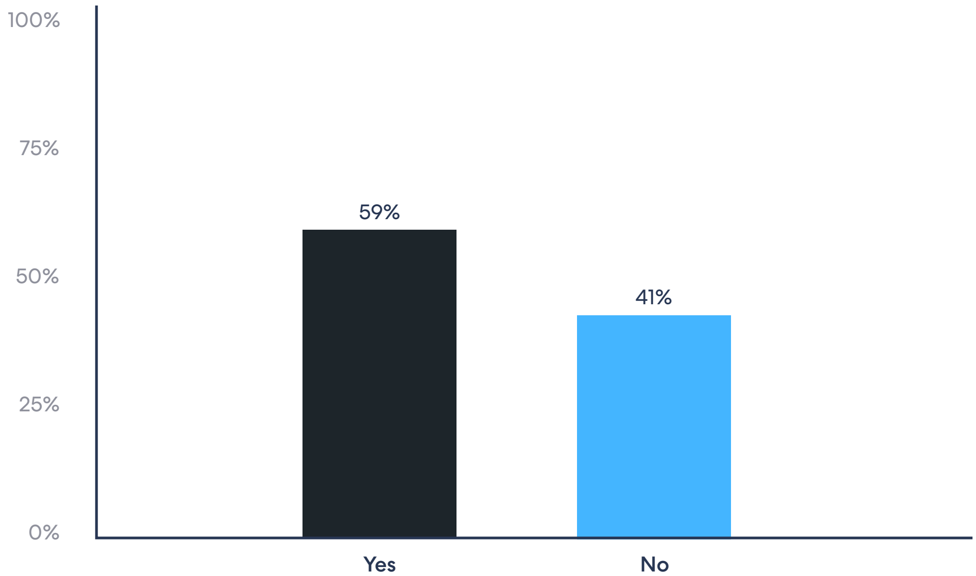
Homebuyers should expect to offer above asking and make no requests for concessions or closing costs in this market environment. Many are going so far as to write letters, bid sight-unseen, and waive contingencies.

How are homebuyers competing in your market? (Check all that apply.)



In fact, over half of agents say that sight-unseen offers — whereby a buyer puts in their bid without seeing the house in person first — are on the rise where they do business.

Sight-unseen home purchases are on the rise in my market:



Which 2021 Presidential Candidate Would Be Best for Real Estate? Top Agents Weigh In

Our survey finds that over half of real estate agents across the country believe the housing market will benefit from continued leadership under President Trump, with support for Biden concentrated in the Pacific and Northeast regions. Nearly a quarter of agents are confident that no matter the outcome of the election, the housing market will continue its hot streak. Agents also cite affordable housing and homeownership tax breaks as issues they'd like to see addressed for the real estate industry.

Agents Say Trump, The Real Estate Mogul, Is Good for Housing

Leading up to the 2016 Presidential Election, HomeLight asked over 100 real estate agents how they felt a Donald Trump presidency vs. a Hillary Clinton presidency would impact the housing market. We found at the time that 47% of top agents believed Trump's effect on the housing market would be positive, while only 25% said the same about a Clinton presidency.

Four years later, as the 2020 Presidential Election fast approaches, we had the opportunity to revisit those opinions and see where real estate agents stand after the most recent term of Republican leadership.

This round, we asked respondents whether they thought the housing market would benefit from continued leadership under President Trump, a change of pace under the Democratic leadership of Joe Biden, or if they didn't believe it mattered — i.e., the housing market wouldn't be influenced heavily by the presidential office.

Our results show that nationally, agent leanings on what's best for housing continue to trend toward the right: In our survey, 52% of agents said they believe a second term for Trump is the best choice for housing, while only 8% believe the market would benefit from a Biden presidency.

A significant 23% say that it doesn't matter who gets elected in November — the housing market will remain strong, while a small 3% are pessimistic that the market is going downhill regardless. Meanwhile, 14% said they were undecided as to which candidate would be the best for housing.

Support for Biden's influence on housing is most concentrated in the Northeast (14% Biden) and Pacific (12% Biden) regions of the country, a breakdown of our national dataset shows. The Mountain and South Central regions trend higher than average for Trump among agents, at 58% and 63% Trump-favored, respectively.

As for Trump's housing focus during his first term, the administration says it is working to remove regulatory barriers that "artificially raise the cost of housing development" in order to improve access to affordable housing.

The White House Budget plan for fiscal year 2021 built in $2.8 billion for homeless assistance grants, a slight decrease from the current year, and called for cutting the Community Development Block Grant

(CDBG) program which helps to fund affordable housing in low-income communities.

In July 2020, Trump repealed the Obama Administration's 2015 Affirmatively Furthering Fair Housing (AFFH) rule which he claimed was having a "devastating impact on these once-thriving suburban areas," in a tweet thread. According to an Inman report featuring the expertise of several fair housing experts, in contradiction to Trump's tweet, AFFH in practice largely applies to the cities, or communities that receive CDBG funds. Citing an undue burden on jurisdictions, the appeal effectively stripped the rule of certain reporting and assessment requirements meant to ensure that government funds aren't misallocated toward perpetuating segregated communities.

According to Joe Biden's campaign website, the Democratic candidate has pledged to invest $13 billion to fight homelessness with plans to establish a $100 billion Affordable Housing Fund. He also wants to expand the Low-Income Housing Tax Credit with a $10 billion investment to incentivize builders to construct or rehab low-income housing. Currently, Trump's campaign doesn't mention any second-term plans to address the housing market or housing-related issues.

Open-ended commentary from our survey suggests agents' view of Trump is rooted less in any housing-specific policy and more in the belief that Republican-led efforts such as the 2017 corporate tax cuts are a boon to the economy and jobs creation — which they see as translating to a robust housing market.

In our Top Agent Insights report released for Q1 2020, the majority of agents (68%) said they do not believe the increased standard deduction has lessened the desire to purchase a home by weakening the incentive to itemize.

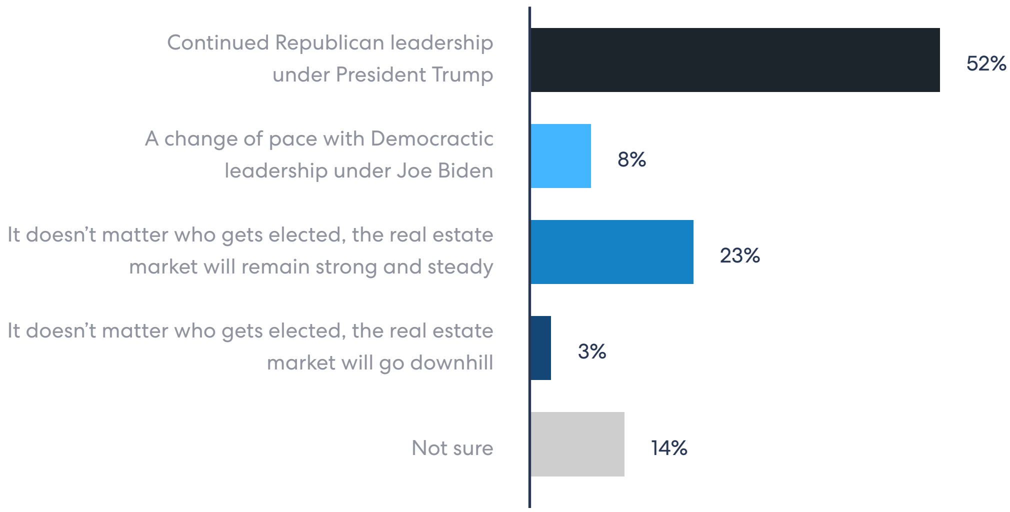
As a licensed broker and real estate tycoon, Trump also earns points with Realtors for being "one of them," — a "real estate guy" who understands what they do.

2020 NAR Contributions Span Political Spectrum

While individual agent political leanings swing strongly toward the right, their representation through the National Association of Realtors historically splits its contributions to a roughly even mix of Republican and Democratic candidates. According to data from OpenSecrets.org, NAR has contributed $2,455,847 to Democrats (51.06%) and $2,353,661 (48.94%) to Republicans thus far in 2020. As the largest trade organization in the country, NAR exerts a powerful lobbying force.

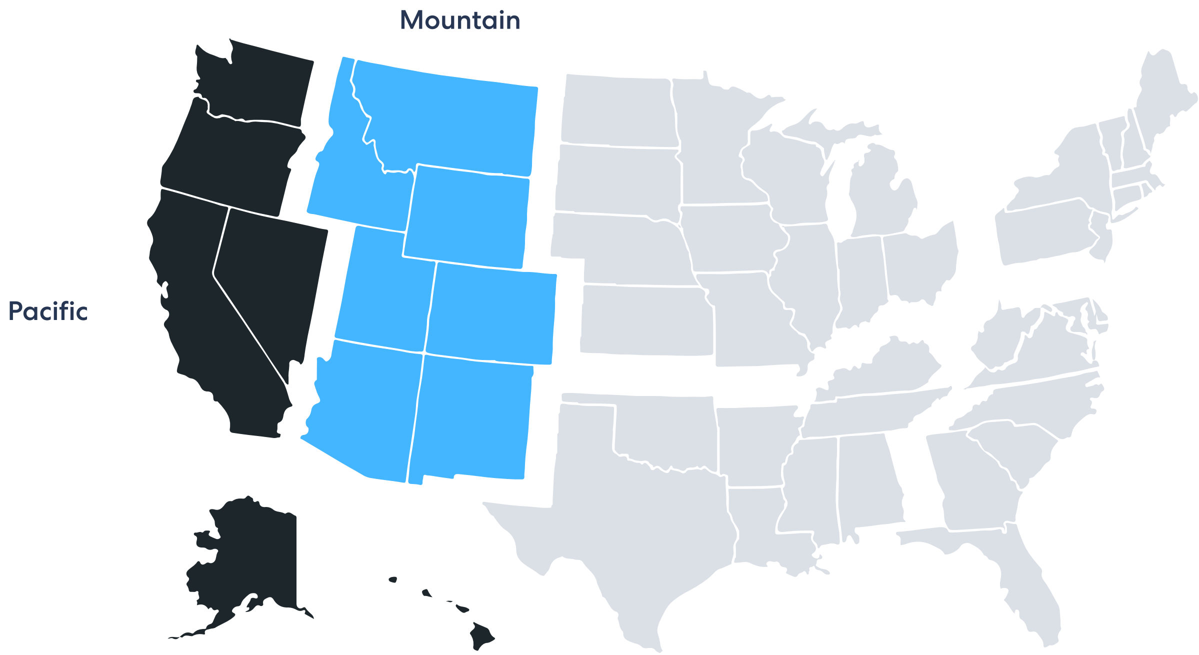
Nationally, over half of top real estate agents believe that continued Republican leadership would be good for real estate, while nearly a quarter say it doesn't matter who is president: The housing market will continue to perform.

I believe the real estate market would benefit from:

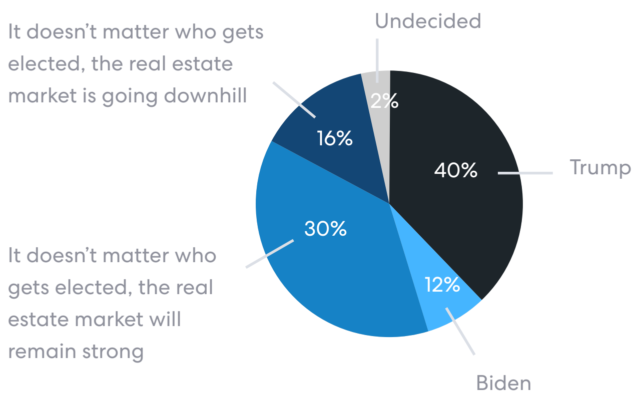


Agents in the Pacific region lean further left on what's best for real estate — 12% of agents say Biden would be good for housing (compared to 8% nationally), while a smaller 40% (compared to 52% nationally) say the same about a Trump presidency.

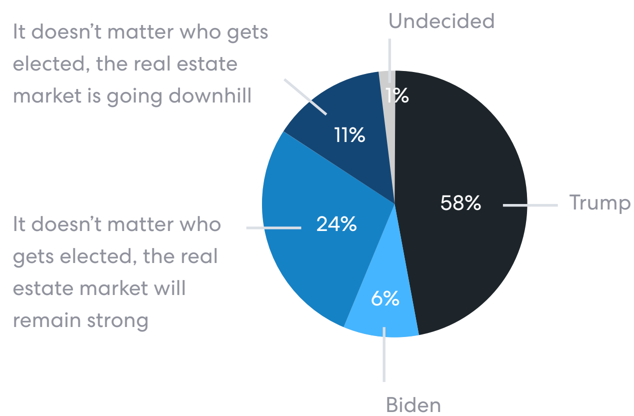
I believe the real estate market would benefit from:



Pacific (Alaska, California, Hawaii, Oregon, and Washington)

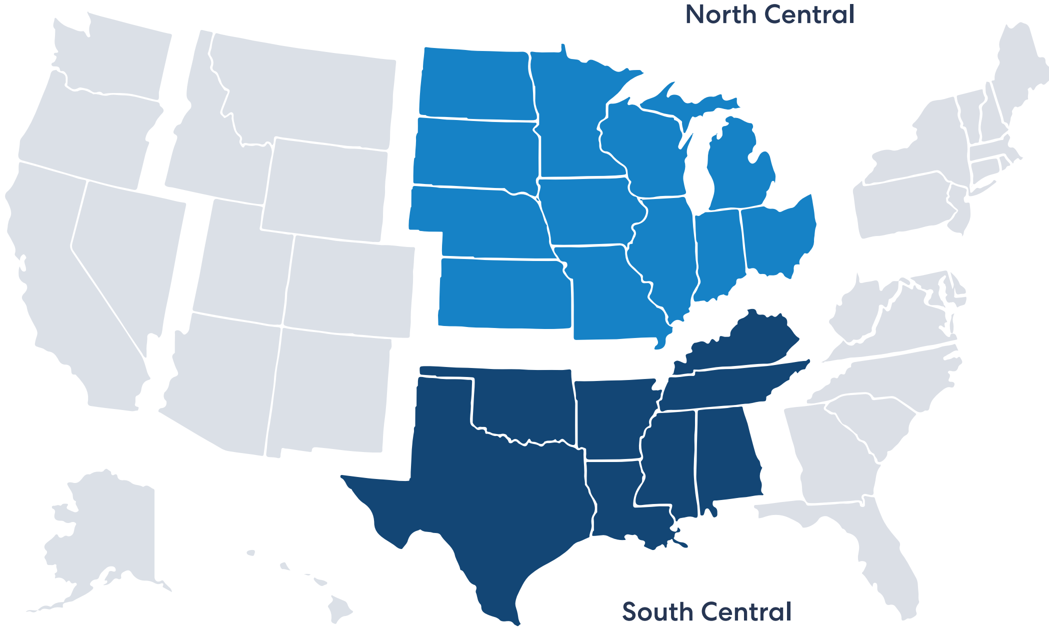


Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming)

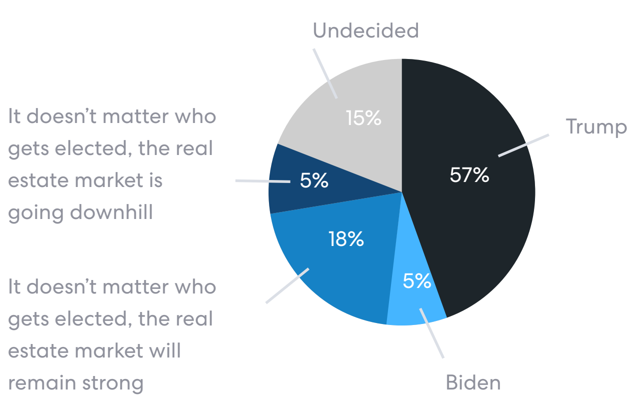


Belief among agents that the housing market benefits from Trump's leadership is most concentrated in the South Central (63%) and North Central (57%) regions.

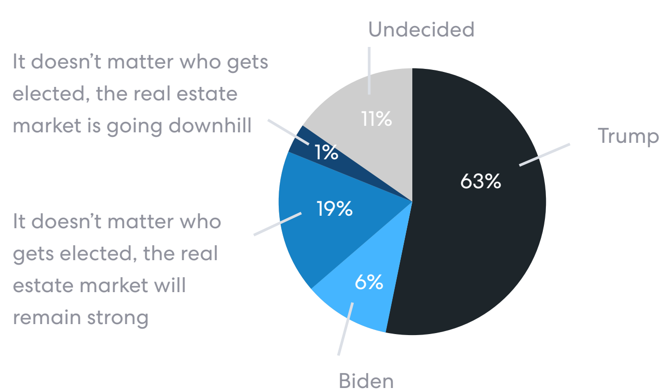
I believe the real estate market would benefit from:



North Central (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Illinois, Indiana, Michigan, Ohio, and Wisconsin)

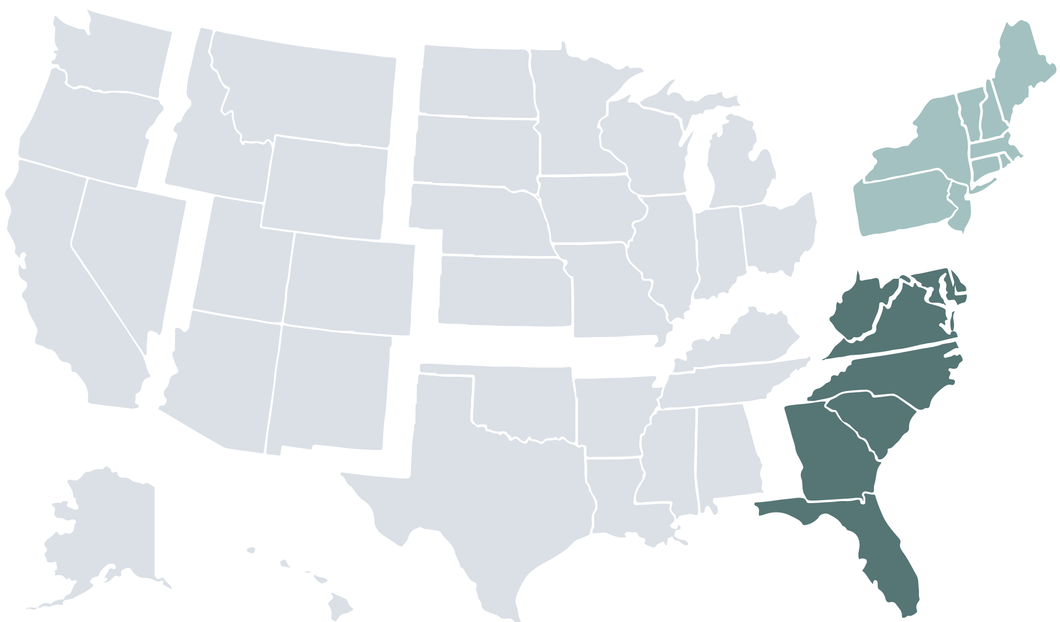


South Central (Alabama, Kentucky, Mississippi, Tennessee, Arkansas, Louisiana, Oklahoma, and Texas)

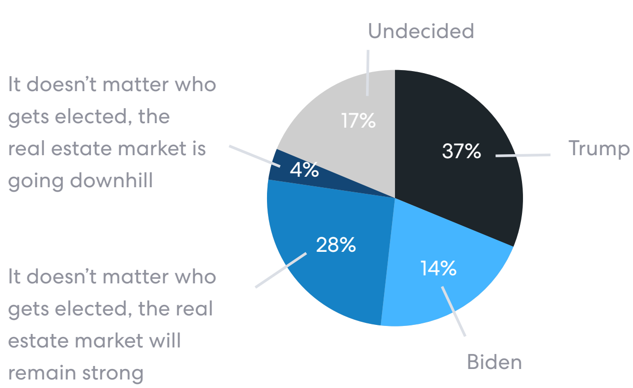


The Northeast diverges the most sharply from our national dataset. In this region, 14% of agents believe a Biden presidency would benefit housing (compared to 8% nationally), while 37% say the same for a Trump presidency (compared to 52% nationally).

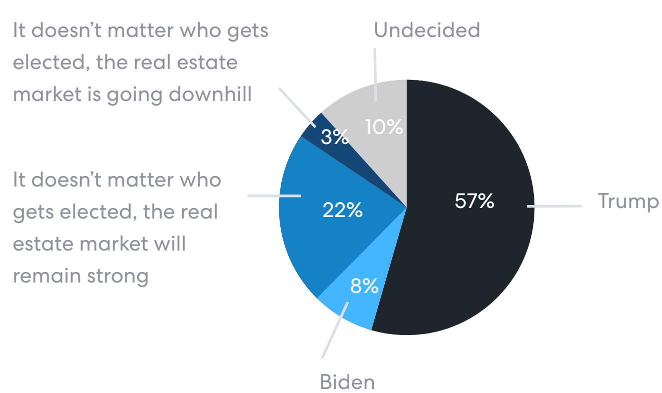
I believe the real estate market would benefit from:



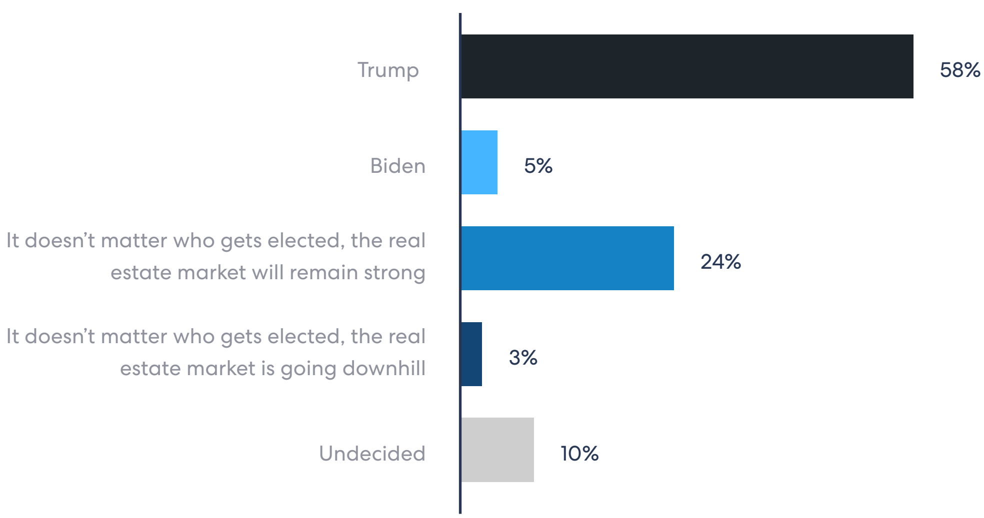
Northeast (New Jersey, New York, Pennsylvania, Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont)



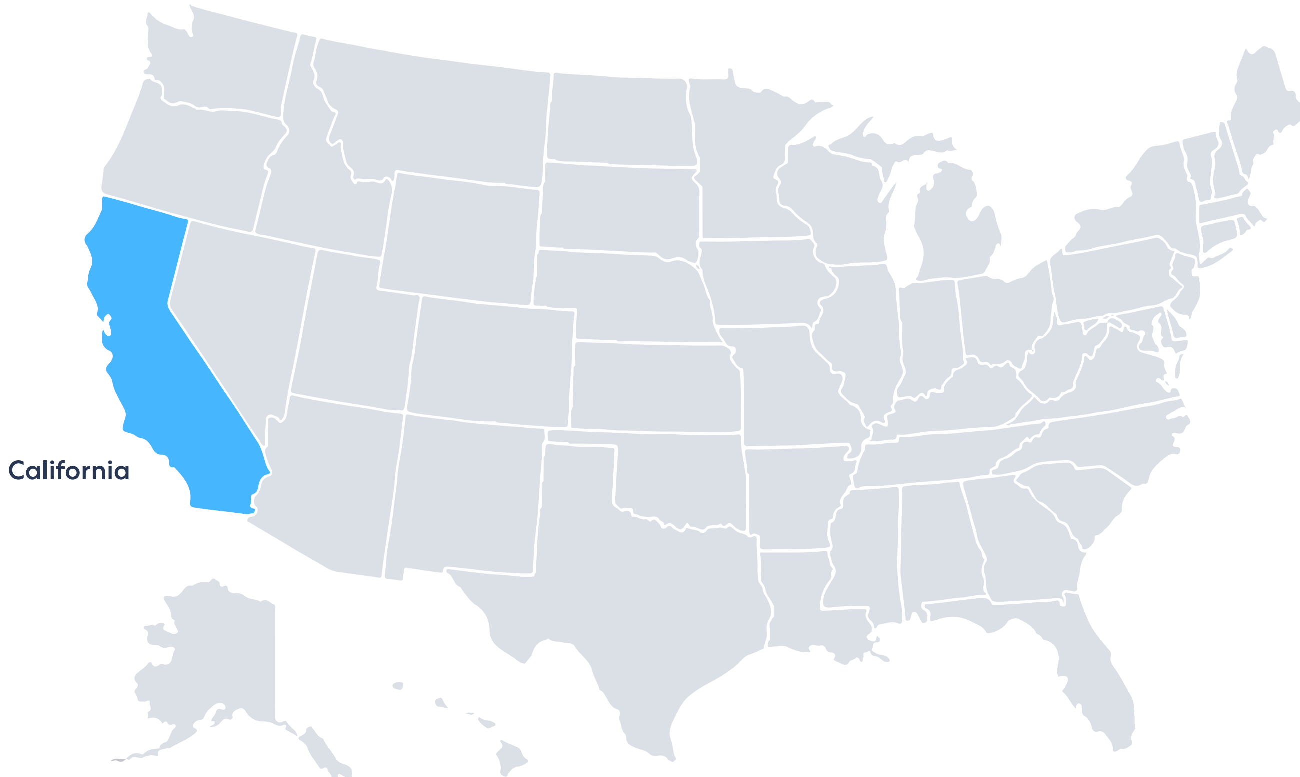
South Atlantic (Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginias, and Washington DC)

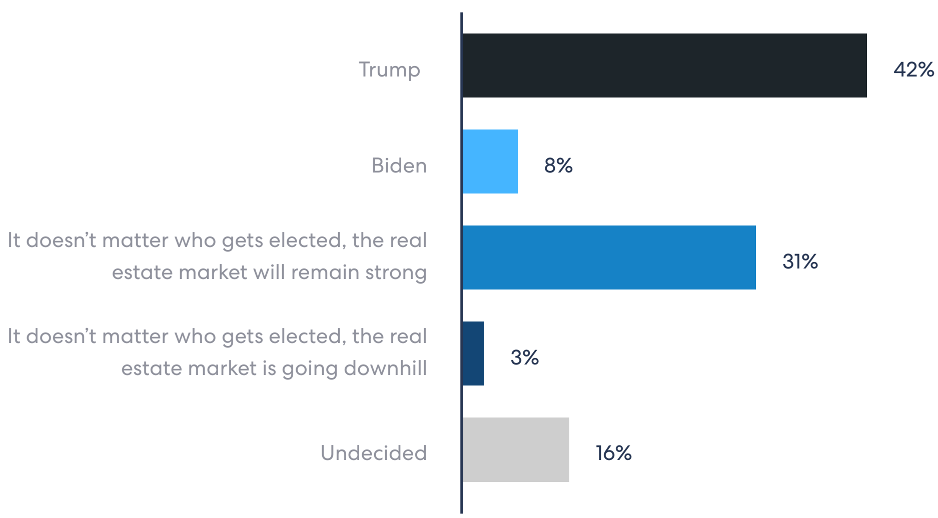


In the battleground state of Florida, the number of agents who say Trump is good for housing runs 6 percentage points higher than the national dataset.

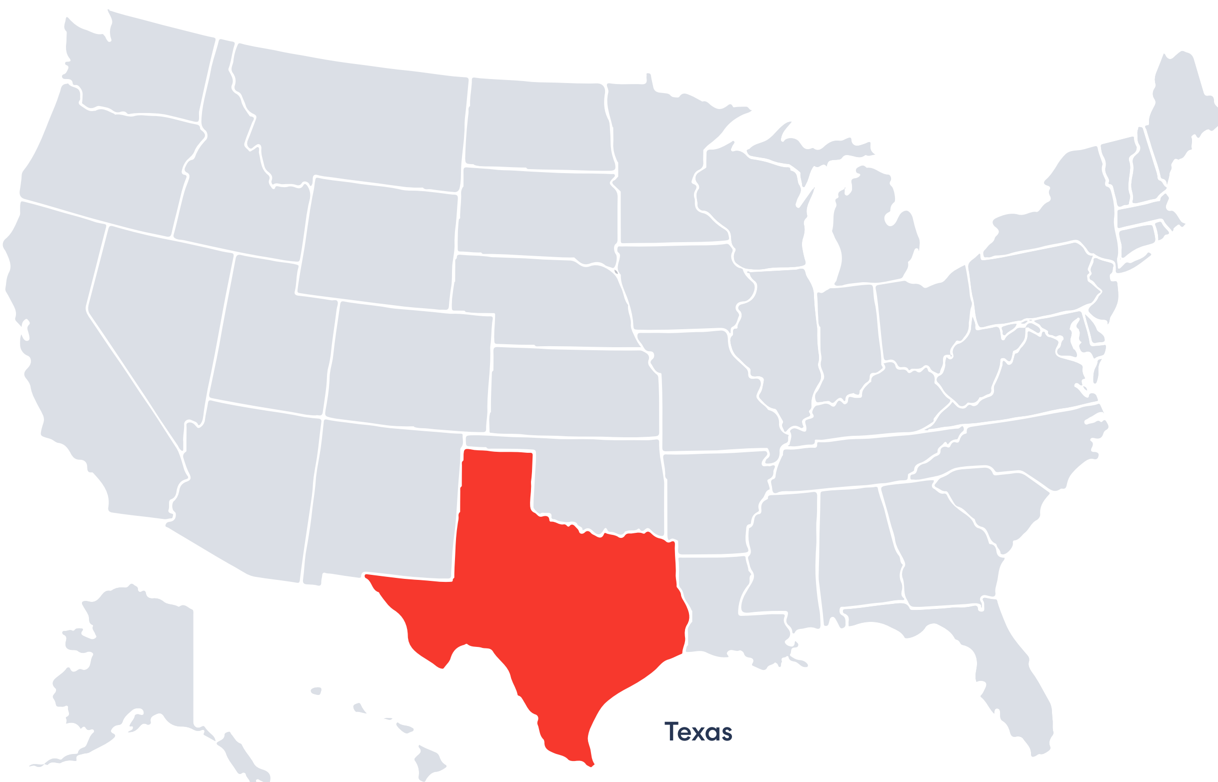


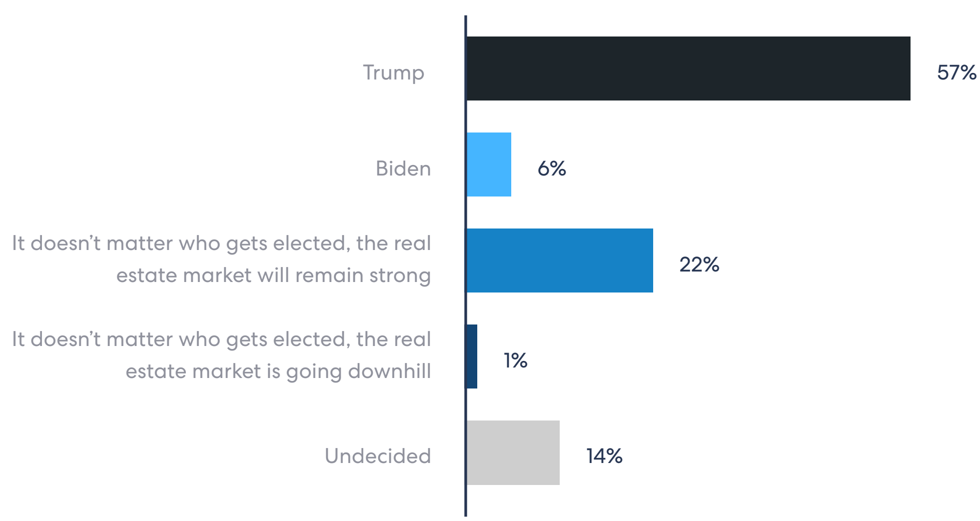
In the Golden State, 42% of agents say the housing market benefits from Trump's leadership, which is 12 percentage points lower than our national dataset. Over a third of agents in California are confident that real estate will remain strong regardless of the election outcome.





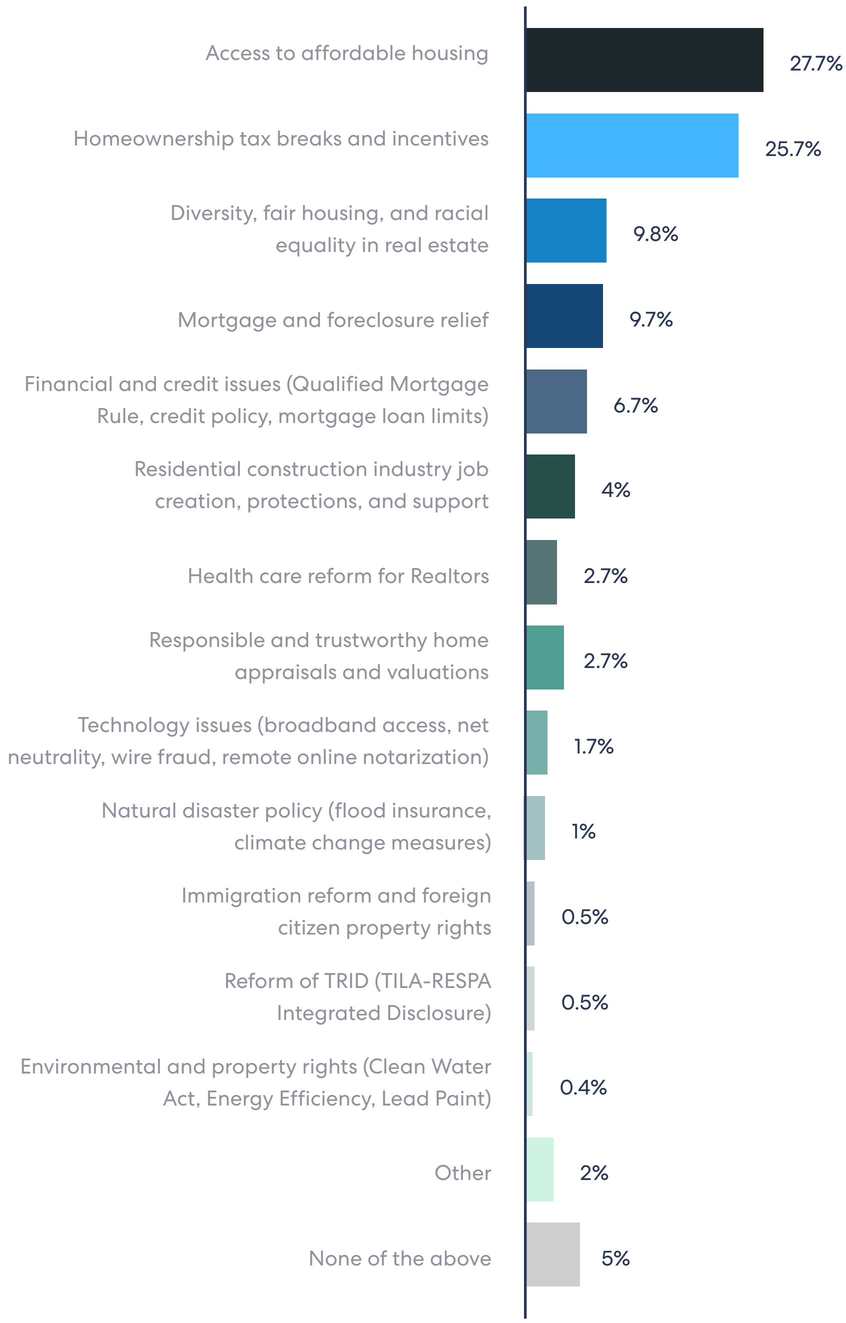
57% of agents in Texas believe that the housing market benefits from Trump's leadership. That's 5 percentage points higher than our national average, but 6 percentage points lower than the South Central region as a whole.





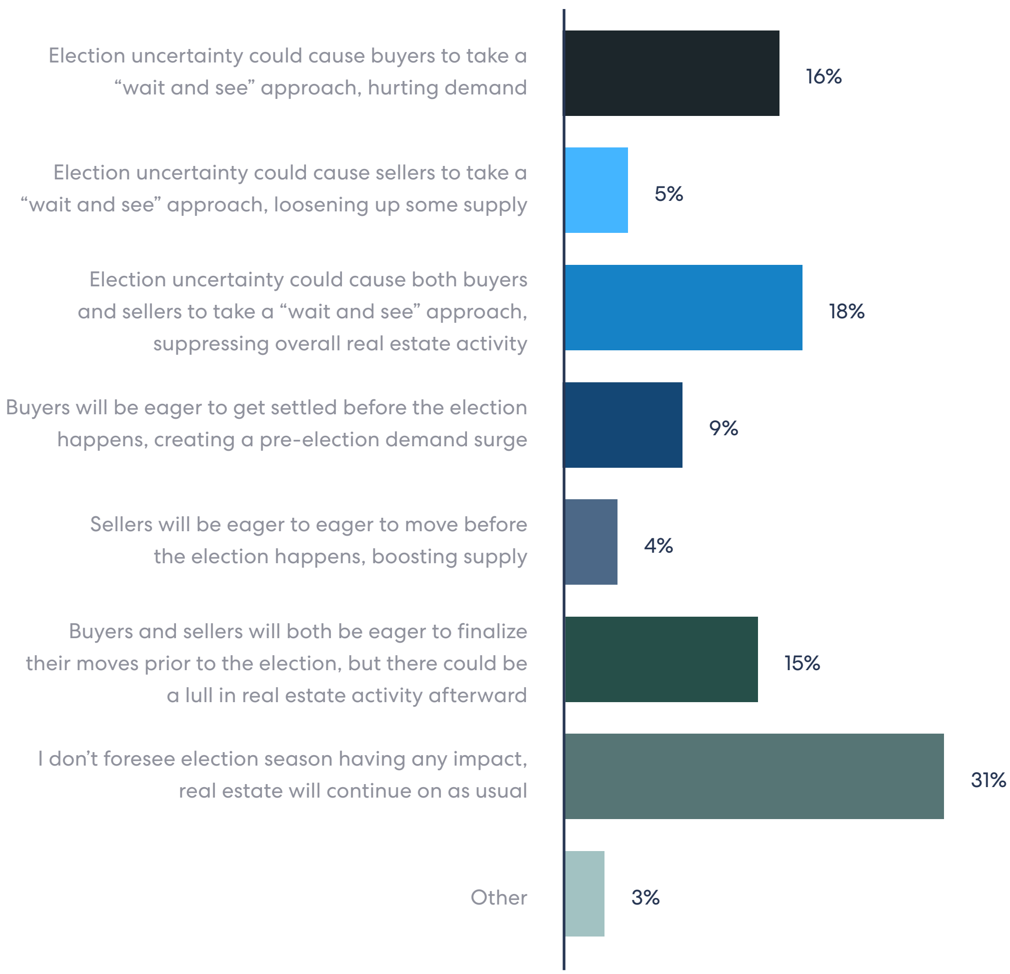
No matter who gets elected, top agents believe that affordable housing, homeownership tax breaks, and racial equality in housing should be top of mind in the legislature.

Which of the following federal legislative issues affecting the residential real estate industry do you believe will be the most pressing matter to address in 2021?



Leading up to the election, nearly 20% of agents say that some real estate activity could be dampered by a "wait and see" approach from buyers and sellers alike. However, 15% say that there could actually be a surge of activity right before the election and a lull afterward. A third believe the election season will have no impact on their real estate market: Buyers and sellers won't change their moving plans on account of politics.

What impact will the 2020 election season (from now through November 3) have on real estate in your area?



Pandemic's Risk to College and University Towns Looms, But Local Housing Markets Hold Strong

Will the pandemic's damage to cities that center around a college or university trickle into housing? So far, that concern remains unfounded. The dispatch from 82% of real estate agents who do business in these areas is that their local real estate markets haven't collapsed. In fact, many of them continue to thrive in line with competitive conditions across the country. While around a quarter of agents expressed worry about what could happen if distance learning and sports cancellations carry on too long, only 6% have seen homebuyer demand and property values suffer.

Pandemic Spares Real Estate, Even in College Towns, So Long As Distance Learning Doesn't Last Forever

When the coronavirus hit the U.S. in March, colleges and universities across the country quickly shifted to remote learning and sent students home. The sudden exodus left those cities anchored by their local universities reeling: in a matter of days, vibrant communities once bursting with activity became ghost towns. Come fall, many universities chose to continue holding classes remotely or — after fighting back clusters of outbreaks early in the semester — have now backpedaled into online instruction.

As a result, many college town ecosystems are suffering, from the bars and restaurants that rely on that steady traffic to the faculty members worried about job cuts. A September 2020 *New York Times* report described the situation for many local businesses as an "existential challenge."

In July, a report from Moody's Analytics REIS projected that the student housing market in particular could soften. It estimated that property vacancies by bed would rise from 5.2% in Fall 2019 to 7.4% in Fall 2020, while vacancies by unit would increase 2.3% to 3.3%. "Because of weakness in demand, property owners will be pressured to lower rates to entice the remaining pool of renters to occupy their properties," the report noted.

In our survey, we asked real estate agents who do business in a college or university town to weigh in. The results show that 38% of agents in these college towns recognize that their housing markets are more at risk than cities supported by different industries.

However, whatever that risk may be, it has yet to substantially materialize: 45% of agents say that although their local economies were hit particularly hard, homebuyer demand and property values remain strong. Another 25% say the pandemic isn't having a greater impact on their economy or housing market than any other (non-university) city, but they do worry about what will happen if distance learning and sports cancellations continue for the long haul. And 13% said nope — our economy and housing market are doing just fine, and the pandemic's impact is not something to worry about moving forward, either.

That adds up to about 82% of agents saying their housing markets are holding up despite it all, leaving only 6% to say they have seen demand and home prices weaken. (12% are not sure what to make of the situation).

As for the investment property market, 30% of real estate agents say that rental vacancies in their market are unchanged or even declining, so it's not of concern. However, it could well depend on the individual market. In the report, 19% of agents said landlords are selling off their rentals, while 15% say rental vacancies are indeed rising where they are.

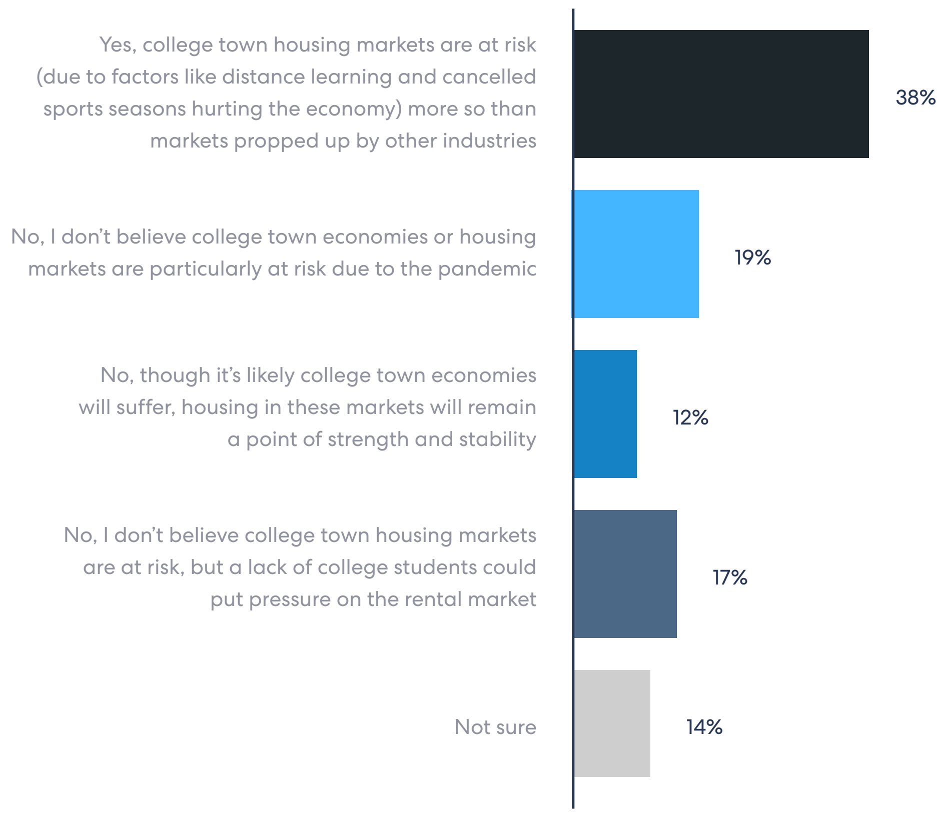
Market conditions as described by agents who identified as living in a college town don't stray far from our broader dataset: 90% report seller's market conditions (just 3% say it's a buyer's market); 81% say they've never seen inventory this low; and 80% report that prices are on the rise.

Looking at the big picture, universities will continue to create jobs and draw both transient and permanent residents, and that's a good thing for housing. One Warrensburg, Kansas agent commented that having the University of Central Missouri in town will always be a boon for the market:

"We have an Air Force Base 15 minutes away and a university in our town. With both of these we seem to have consistent movement. Both with investment properties and owner occupied. This helps with keeping home prices on the rise or steady."

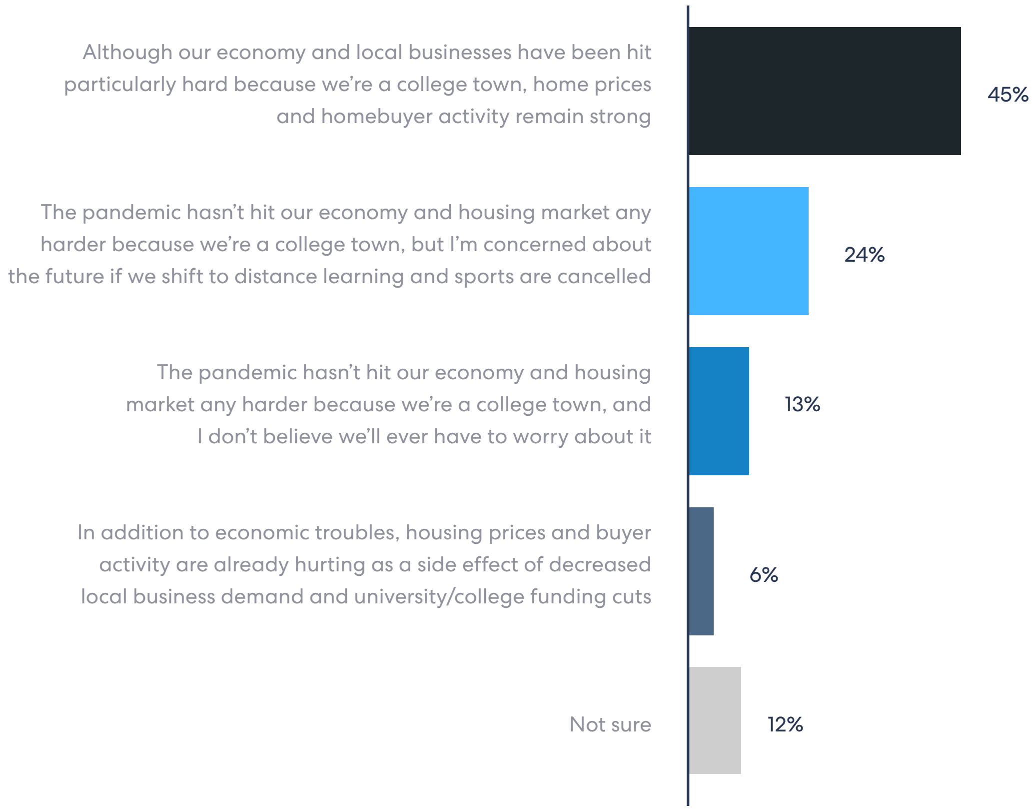
Many real estate agents in college towns acknowledge that they're in a vulnerable place, with 38% saying their housing market is at greater risk of softening compared to real estate in (non-university) towns. At the same time, 31% report that regardless of what's happening with the economy, housing remains a beacon of strength.

Do you believe housing markets in college or university towns will suffer disproportionately to other, non university-centered cities?



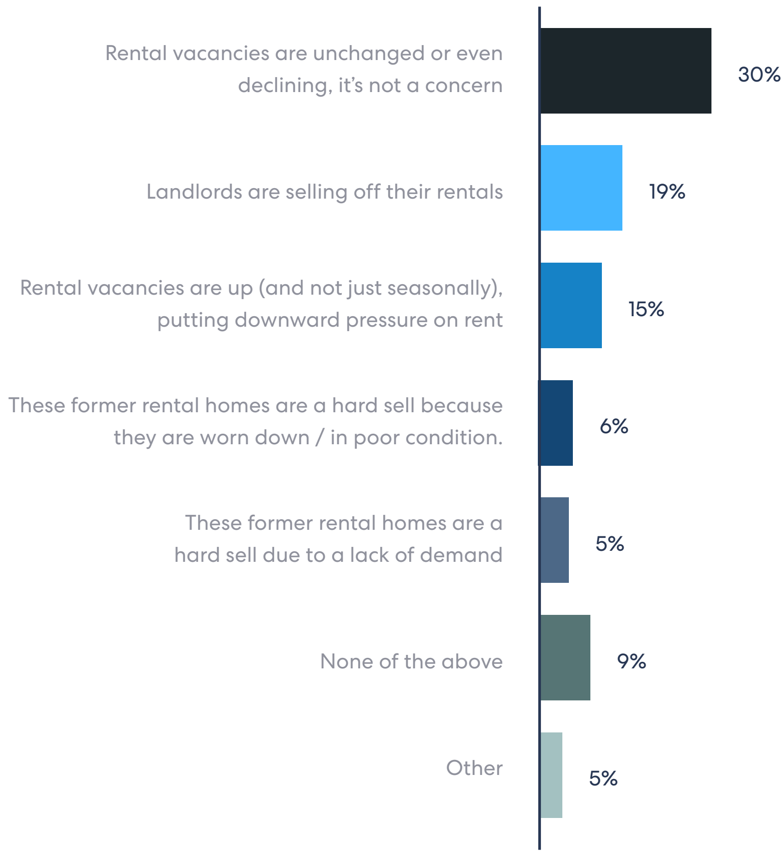
Only 6% of real estate agents in college or university towns have seen housing prices and buyer activity suffer as a side effect of a chilled economy.

Which of the following do you believe to be true in your university or college town?



The investment property market could behave differently in some college-focused cities — 19% of agents have seen landlords selling off their rentals and 15% say rental vacancies are up. However, 30% report that rental vacancies are unchanged. In these markets, it's possible that some in-person classes are drawing students back and creating housing demand.

If you do business in a college town, which of the following trends have you noticed in the rental market? (Check all that apply.)



Remodeling Takes Off as Americans Reconfigure Their Homes for School, Work, and Play

In this final chapter, we explore how remote jobs and virtual learning are shaking up moving trends while home remodeling spikes in the midst of a recession. A desire to make the home a retreat and keep families on track with work and school are top priority. Expect to see a rise in in-law suites, outdoor dining areas, and partitioned spaces. In the luxury sector in particular, buyers are targeting suburban properties that offer private amenities like pools, gyms, and rec space.

COVID-19 Spurs Great Reshuffling — And If You Can't Move, You Renovate

A study from the Pew Research Center released in July 2020 found that around one-fifth of Americans have either relocated due to COVID-19 or know someone in their life who has. Our Q2 2020 survey findings further showed that the top three moving motivators post-pandemic include a need for more space, the desire to buy vs. rent, and the opportunity to get out of the city / closer to the suburbs.

Our Q3 survey digs deeper into the root causes driving Americans to make the drastic decision to move during a crisis, and how the return of school in the fall factors into their mentality. And the data shows people are specifically reorienting their housing preferences around remote work and their kids' virtual instruction at "Zoom" Elementary.

For some, that means trading-up in an area where they can get more square footage for less. Goodbye urban townhome — hello, suburbs. Those who can't move or would rather not uproot are instead opting to reconfigure their existing space for conference calls, study rooms, and the ever-elusive R&R in a pandemic.

"The trends of the past are simply a baseline as we see a new paradigm in the housing market as a result of the COVID-19 crisis," shares one top performing Boston-area real estate agent. "With more corporations trending towards keeping employees working from home virtually, many homeowners are moving towards the suburbs in order to get a bigger space at a more reasonable cost. Those with children would also benefit from better schools outside of the city."

Indeed, 55% of agents have seen remote work encourage people to move away from the office (and city), while 42% say the newfound job flexibility is bringing together families who now have the chance to relocate closer to one another. The need for one or more home offices is also a big draw (39%), and 4% of agents have seen someone move because they aren't satisfied with how their employer is handling COVID-19.

Once-snoozy retirement getaways that aren't traditionally strong job centers, such as Palm Springs, are one type of community absorbing some of the urban flight. Our report shows that some agents who do business in locations typically popular among retirees are seeing extremely low inventory and fierce bidding wars (28%), an influx of buyers from the city (26%), and buyers looking to move closer to parents or grandparents (12%).

About one-third of agents have seen several distinct school-related moving motivations crop up in their markets, whether it's slow or unavailable broadband access to support remote school or work (32%); more space to support remote instruction at home (32%); or a lack of satisfaction with the school's COVID-19 plan (29%). Nearly 10% of agents have seen parents relocate to join learning "pods" whereby several families come together to create a neighborhood microschool as a supplement to online learning.

In addition, agents say parents are turning spare bedrooms or playrooms into homeschool spaces (45%), putting in built-in desks and school supplies storage (14%), or adding fresh paint to dedicated study or homeschool rooms (11%). Meanwhile, 14% of agents are seeing teachers turn spare rooms into their virtual classroom.

At the same time, in spite of a bruised U.S. economy and the official onset of a recession, Americans are pulling out their pocketbooks to invest more heavily into remodeling their homes.

According to our survey, 76% of agents report that since the pandemic began, home remodeling in their market has been on the rise, while nearly 70% expect renovation activity to continue at its current rate or even gain momentum throughout the fall and winter. These numbers starkly contrast remodeling trends during the Great Recession, when home improvement spending dropped 25%, according to the Joint Center for Housing Studies.

Agents say that the desire to make homes a sanctuary and retreat from the world (30%) or to create a comfortable environment to support work-from-home and remote schooling (28%) are the top two reasons currently motivating remodels. Finally having the time (19%) and increased budget due to other events such as trips or weddings being cancelled (10%) are cited as additional motivators.

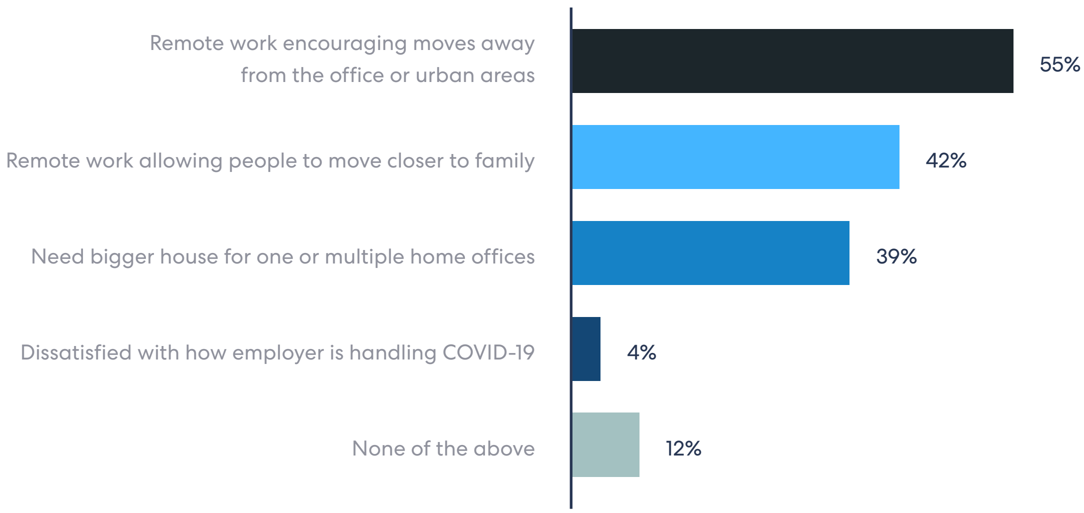
Some of the most prominent post-coronavirus home design trends include in-law suites for multi-generational living (26%), alfresco seating areas (20%), and clearly defined separate rooms, moving away from open floor plans (10%). Respondents in tune with the higher-end price tiers of the market say that luxury homebuyers are prioritizing uncrowded suburban locations (32%); private amenities like a pool, gym, or outdoor rec space (22%); or multiple home offices (7%).

Homeowners putting in spa-like amenities should keep an eye on their ROI, however. Our survey estimates that an in-ground pool costs an average $42,480, resulting in a $21,483 value-add at resale or 51% ROI. Building out a home gym, though less expensive at an average $11,215 in spend, also has a 51% ROI by recouping an average $5,681. A home sauna will run an average $7,126, and bring in $2,969 at resale, our agents project — that's only a 42% ROI.

That said, take the numbers for what you will if these types of renovations are well within your budget. For a stressed homeowner, any one of these additions may be priceless when it comes to their sanity. If there were ever a time to treat yourself at home, it's during a global pandemic.

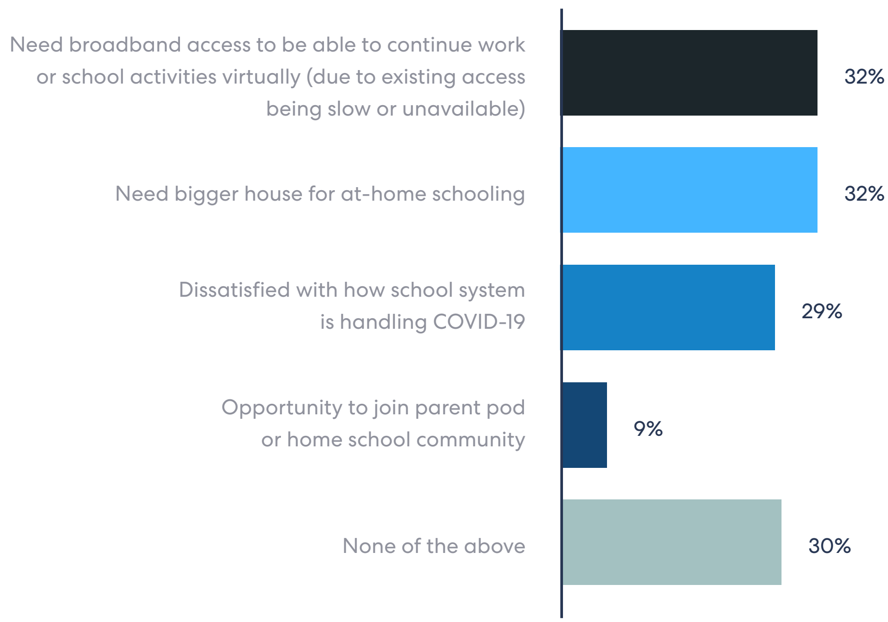
The flexibility of remote work is driving Americans out of the city and into uncrowded areas where they can find a bigger house accommodating one or multiple offices at an affordable price point.

Which of the following work-related moving motivations have you seen in your market? (Check all that apply.)



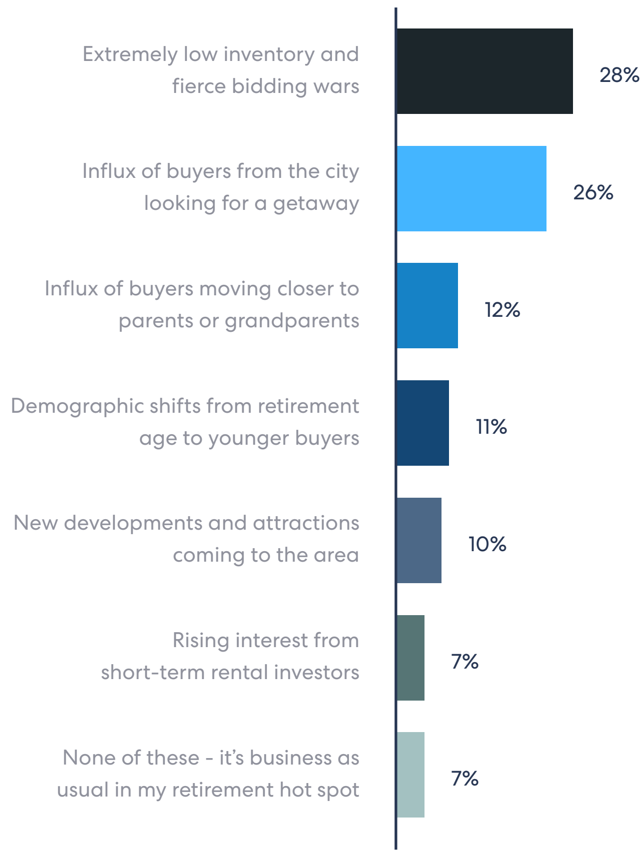
Parents are also relocating in search of better broadband access or more space for at-home learning. Some are changing schools because they disagree with how their district is handling COVID-19. A smaller portion of agents have also seen parents move to sync up with a neighborhood microschool.

Which of the following school-related moving motivations have you seen in your market? (Check all that apply.)



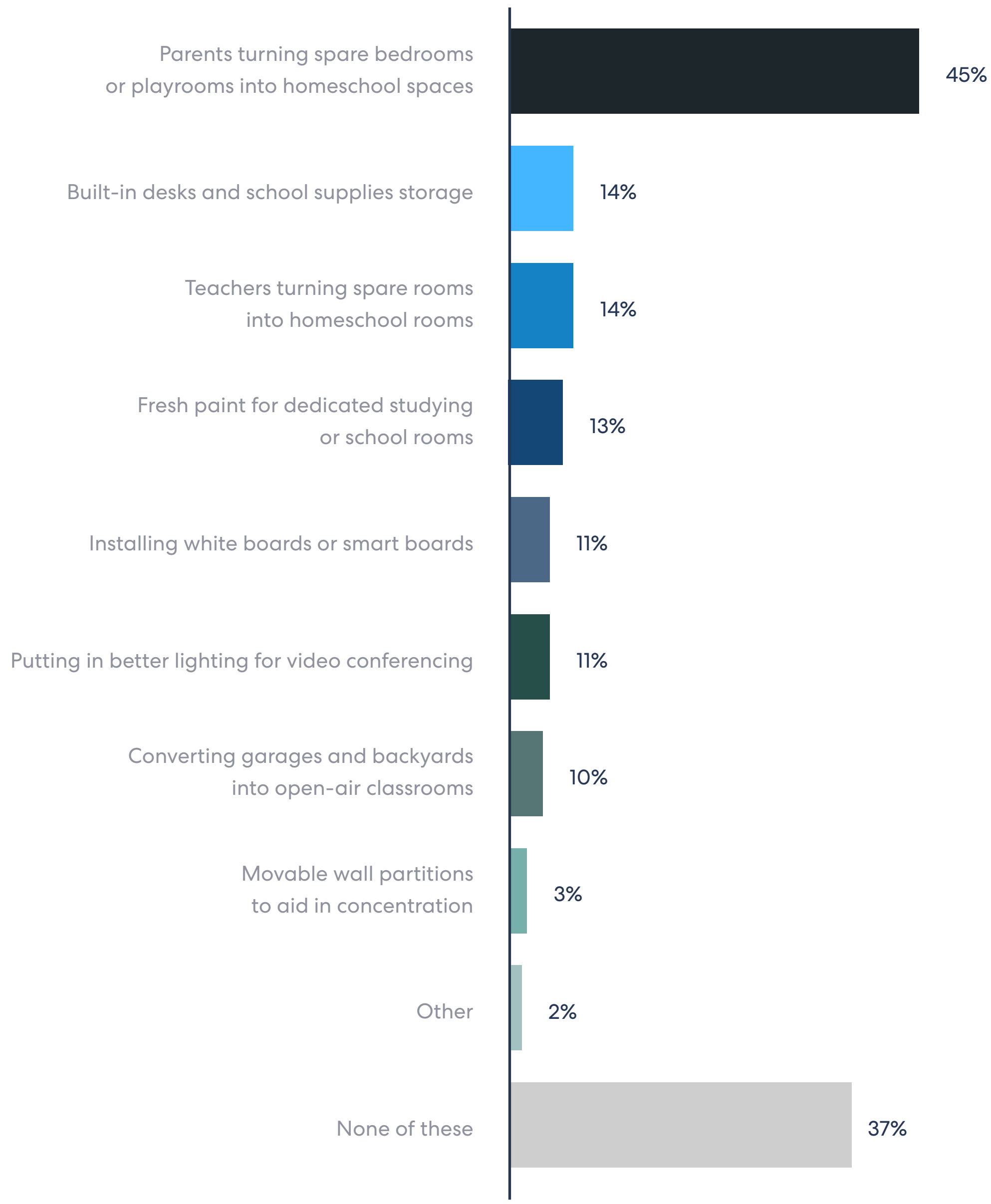
Residents who leave the city have to go somewhere, and about a third of agents who do business in retirement hotspots say their markets are absorbing some of the urban exodus.

If your market has traditionally been a popular spot for retirees, which of the following trends have you seen in your market recently? (Check all that apply.)



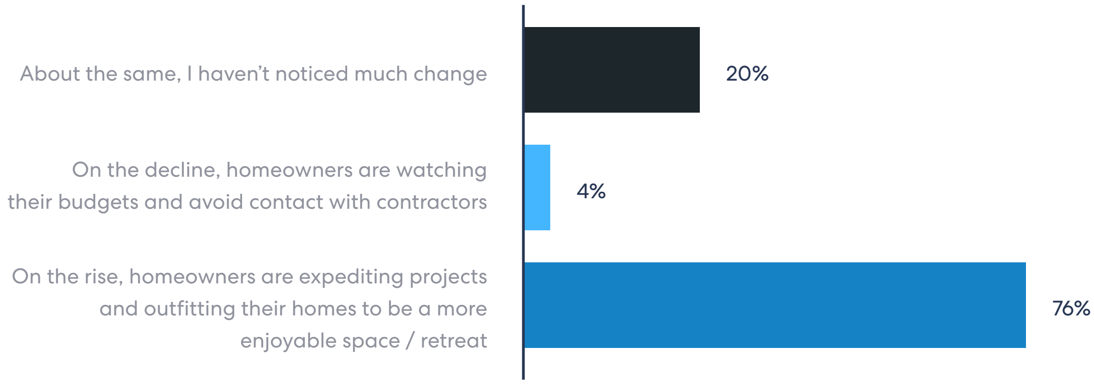
You've likely seen at-home school setups shared across social media — many parents of school-age kids are doing all they can to support virtual learning at home while juggling multiple priorities.

Which of the following back-to-school home design trends (post-coronavirus) are you seeing in your market? (Check all that apply.)



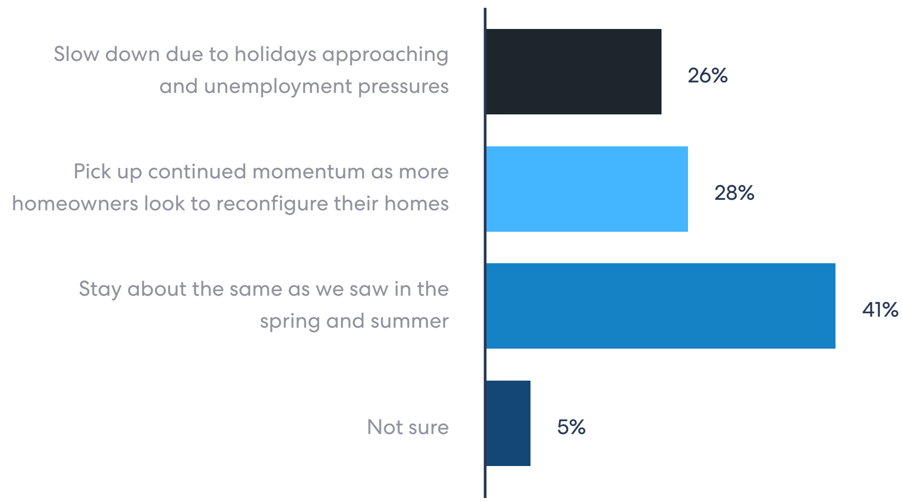
It doesn't appear that the 2020 recession will put a damper on remodeling interest. Three-quarters of agents say that homeowners are expediting projects since we're all spending so much time at home.

Since the pandemic began, home remodeling in my market has been:



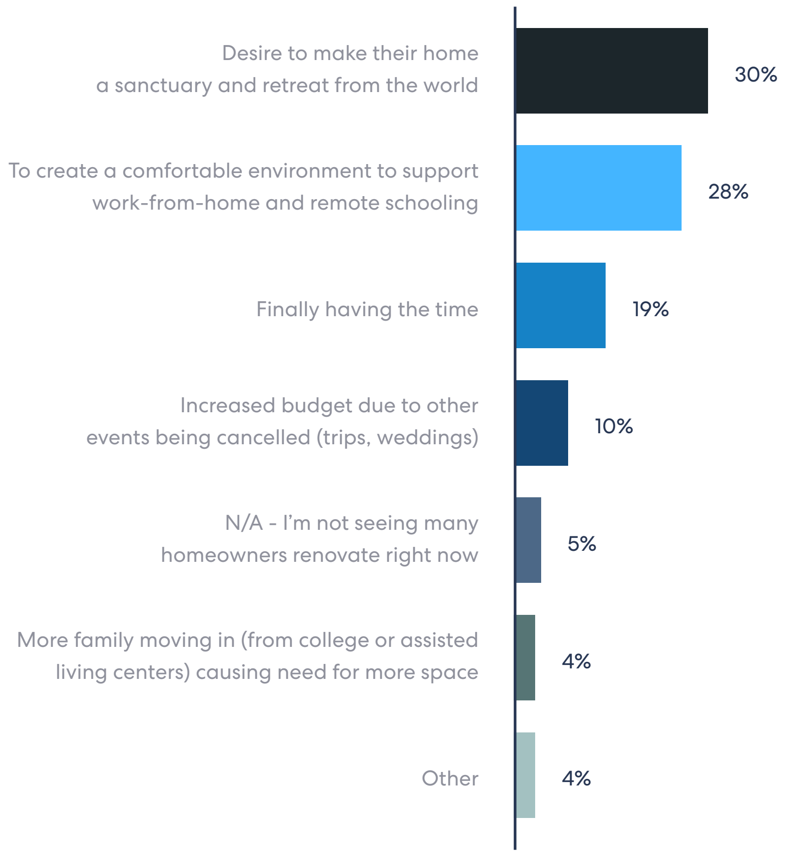
Only a quarter of agents expect remodeling activity to subside headed into the holidays, while 70% believe it will continue at the same pace or even increase.

This fall and winter, I expect that renovation activity will:



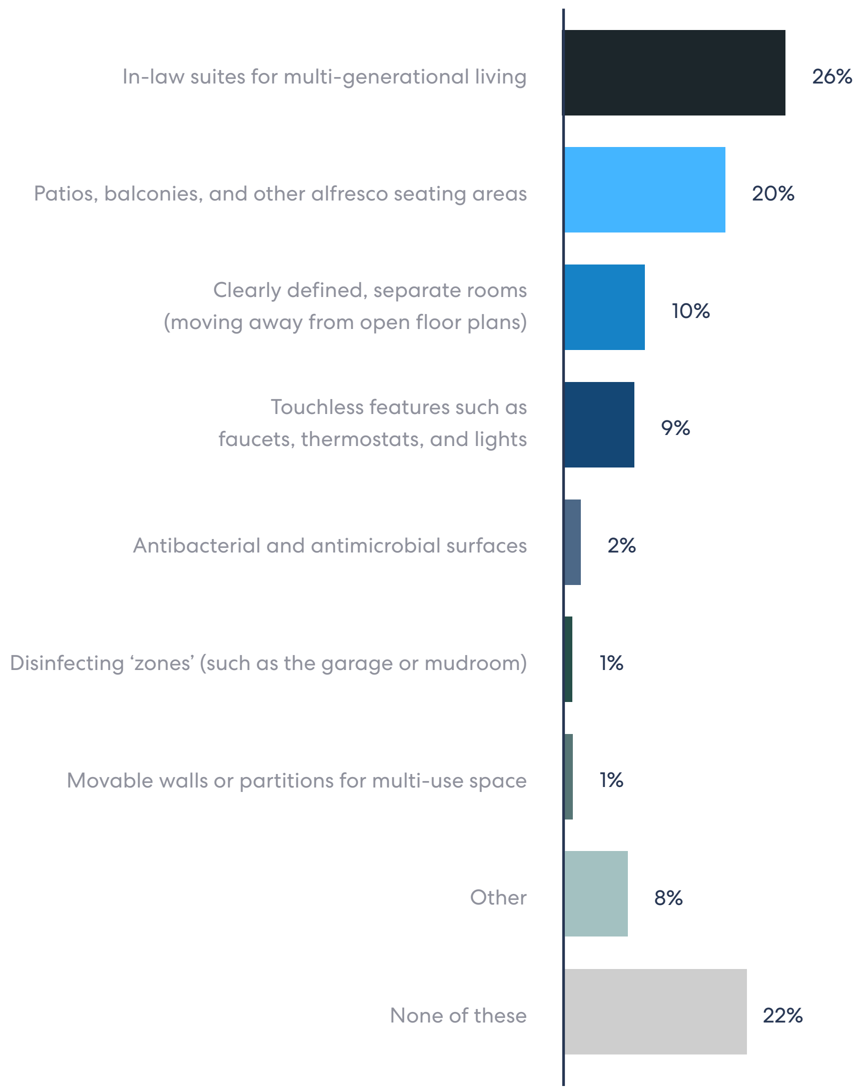
Americans are remodeling their way toward multi-purpose homes that accommodate work and school while also promoting enjoyment and relaxation. And many are finding that with longer stretches of time at home to plan and coordinate bigger projects, they can finally get a contractor on the books or carve out the time to DIY.

What are you seeing as the top motivation causing homeowners to remodel or renovate right now in your market?



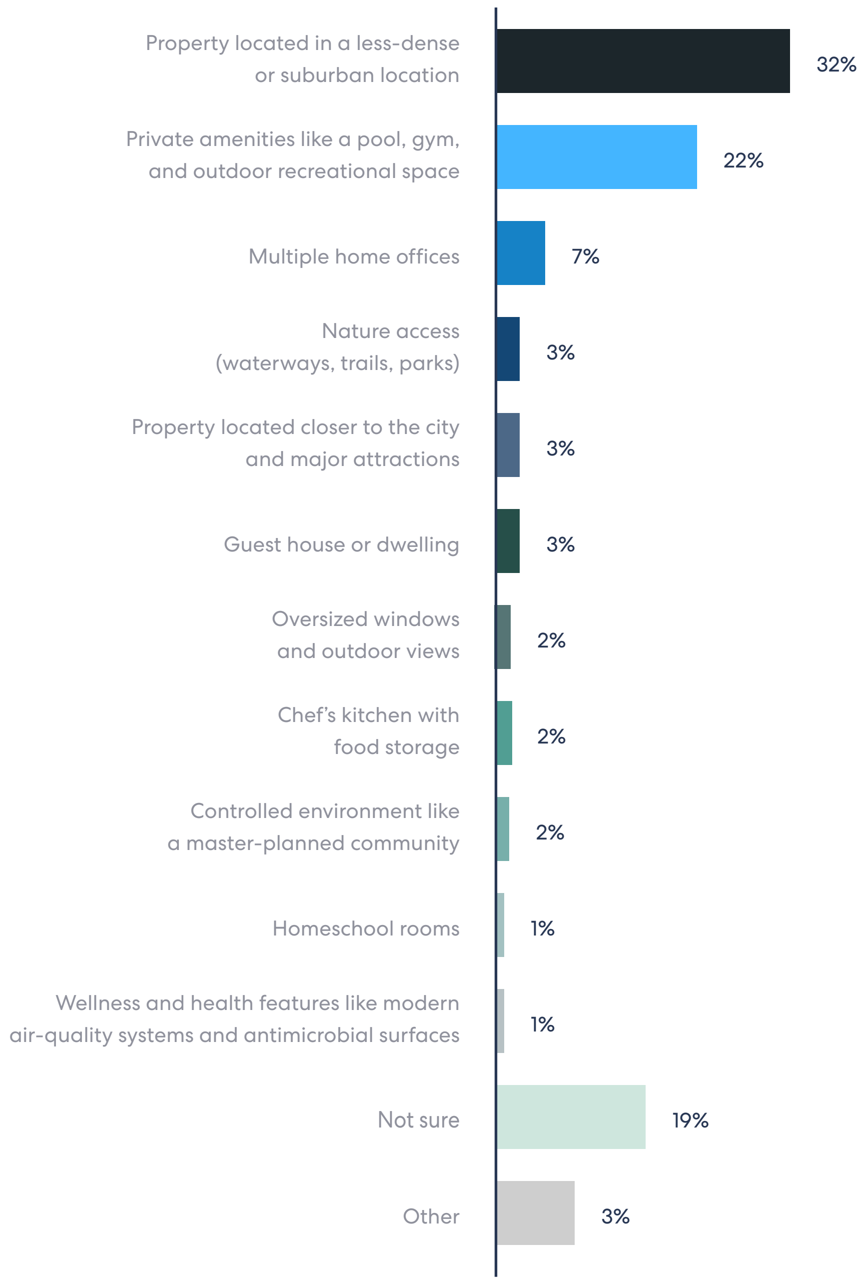
A variety of home design trends are likely to emerge from the pandemic, and a rise in in-law suites that support families living together in separate quarters is one to watch. Others say outdoor dining setups, clearly defined rooms, or touchless home features will be most prominent in their market.

Which of the following post-coronavirus home design trends will be most prominent in your general market?



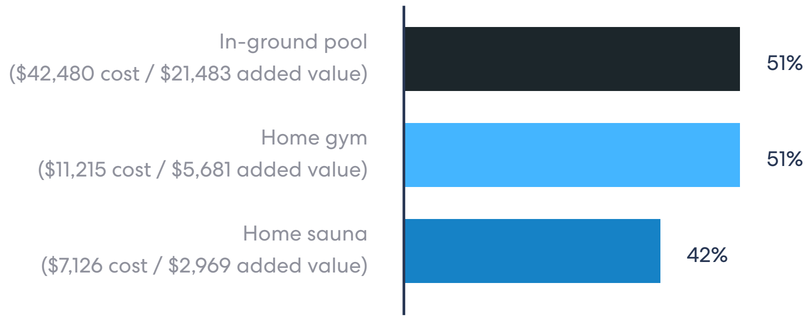
Luxury buyers are part of the urban exodus as they seek out serene properties with upscale amenities.

What is top of mind or most important to luxury real estate buyers post-coronavirus?



Homeowners missing the benefits of being a gym or country club member should watch the ROI on adding any spa-like features to their own residences, but for some — resale value may be less important than immediate enjoyment.

Average ROI on COVID-19 house outfitting projects.



About HomeLight

HomeLight's vision is a world where every real estate transaction is simple, certain, and satisfying.

We provide software and services to home buyers, sellers, and real estate agents including HomeLight Agent Matching, the investor matching platform Simple Sale, HomeLight Home Loans, and HomeLight Closing Services.

Each year, HomeLight helps hundreds of thousands of clients connect with top real estate agents, and it facilitates billions of dollars of real estate on its platform.