



Responding to Coronavirus: For Real Estate



The novel coronavirus outbreak, also known as COVID-19, has severely affected retail and e-commerce businesses. Managing expectations of current and future customers has become even more important during this period of uncertainty. Digilant is committed to closely monitoring the impact of coronavirus on consumer behavior in order to provide the best digital advertising recommendations to advertisers during this time of uncertainty.

In this guide, you'll find four things you should consider to stay connected to customers and to prepare for economic recovery during this challenging time.



01. WHAT IS GOING ON IN THE REAL ESTATE MARKET?

With many states under shelter in place orders, the real estate market has taken a hit during these trying times. In many cities, most people haven't left their houses in nearly a month in an effort to flatten the curve. In doing so, many homes that were pending sales have fallen through based on the lack of workforce to help move a family, fear of catching the virus, and the lack of uncertainty in the economy.

However, many real estate agencies have gotten creative with how to show their homes using video tours. Across the board, many real estate agencies have seen a general uptick in those viewing online videos of homes they are showing. Due to the extra amount of time individuals have these days, many have found themselves now pursuing homes on the internet.

For people that must buy right now, they are more likely to get a good deal since there are fewer people out there. Rates are down to around 3.8%, which may lead more people to buy now rather than wait. That number has held steady throughout the pandemic, so it's an open question whether mortgage lenders are willing to go lower, regardless of whether the Federal Reserve cuts its target rate again.

QUICK TIP

Real Estate Brokers have gotten creative with their tours when possible by keeping all lights on and closet doors open to limit the need to touch.

QUICK TIP

Many realtors have opted toward virtual tours during this time.

02. LUXURY HOMES/CONDOS COULD SEE A BOOST LONG-TERM

According to the National Association of Realtors, wealthy buyers from overseas seem to be more interested in U.S. properties after negative stories emerge from their own country. For example, there was a spike in Chinese purchases of property in the U.S. after the 2019 anti-government protests in Hong Kong.

COVID-19 could bring the same rush from China to the U.S. market as these Chinese buyers see the U.S. as a safer option than at home because of the civil unrest.

"[Chinese] people who are wealthy may feel tired of the perception of China as being a third-world country," Yun said. "They want to park their money in a first-class world economy, which is Australia, Canada, and the U.S. Hence, we may see greater demand from Chinese, wealthy households."

QUICK STAT

Despite a 15.7% decline in overall home sales YoY, the national median listing price has grown 3.8%, to **\$320,000**.

02. REGIONAL REAL ESTATE INSIGHTS

Geographically speaking, the effect will be different in each city depending on local conditions. A report from ATTOM Data Solutions concluded that the Northeast and Florida housing markets are most vulnerable.

In New York City, the housing market has come to a near standstill as stay-at-home orders enter their second month. But in Boston, the market has fared relatively better, with single-family home sales holding steady into the pandemic. In Los Angeles, in-person home showings have been totally banned, while much of the real estate industry is flocking to digital solutions to keep the market moving.

According to the National Association of Realtors, the metros that have seen the largest declines in real estate inventory are Phoenix-Mesa-Scottsdale, Ariz. (42.2%); Milwaukee-Waukesha-West Allis, Wis. (-36.2%); and San Diego-Carlsbad, Calif. (-33.4%).

The metros with the steepest price declines are Dallas-Fort Worth-Arlington, Texas (-2.7%); Minneapolis-St. Paul-Bloomington, Minn.-Wis. (-1.4%); and Houston-The Woodlands-Sugarland, Texas (-1.4%).

04. WHO IS STREAMING ONLINE VIDEO?

With additional free time in the United States, you can imagine that video streaming usage has skyrocketed over the last month. Across the board, many households have even increased their WIFI connections with their providers to try to keep up with the amount of streamers they have in their house at a time. Streaming services have seen dramatic increases with 24.3% of their consumers streaming 2-3 hours a day (source: eMarketer).

QUICK STAT

Video streaming within the United States has increase 12% since the COVID outbreak.

source: Forbes

QUICK STAT

Internet usage has seen spikes of 50-70% increases since the COVID outbreak began.

source: Forbes

QUICK STAT

YouTube viewership has increased 40% over the last two months.

source: Fortune

05. SHIFT TO STREAMING AND CTV

With streaming services such as Hulu, Netflix and Youtube TV offering an enormous quantity of binge-able content, households all over the nation will be tuning more than ever. Additionally, with many live events being cancelled, people everywhere are expected to fill the void with content from their preferred streaming service.

According to Nielsen, the social distancing caused by COVID-19 could lead to upwards of a **60% increase** in the amount of TV we consume. Nielsen looked to past major crises, like Hurricane Harvey, which drove a **56%** increase in TV consumption, while the severe Northeast snowstorms of 2016 drove a **45% increase**.

Understandably, desires to consume and keep up with the current events has risen in tandem with the increased need for entertainment.

Now is the time to allocate budget towards CTV. Doing so will enable you to reach the growing cord-cutting and cord-never audiences, achieve high completion and viewability rates, and access premium networks at a far more cost effective price than with linear T.V.. Digilant has access to a wide range of CTV/OTT inventory, alongside a partnership with Hulu.

QUICK STAT

29% of users indicated they have been using streaming services/Smart TVs more since coronavirus began.

QUICK STAT

9% of users indicated coronavirus outbreak as a major reason they subscribed to a streaming video service, while **12%** indicated the outbreak as a minor reason.

QUICK STAT

32 million Americans watched the news mid March, up 42% from the same week last year.

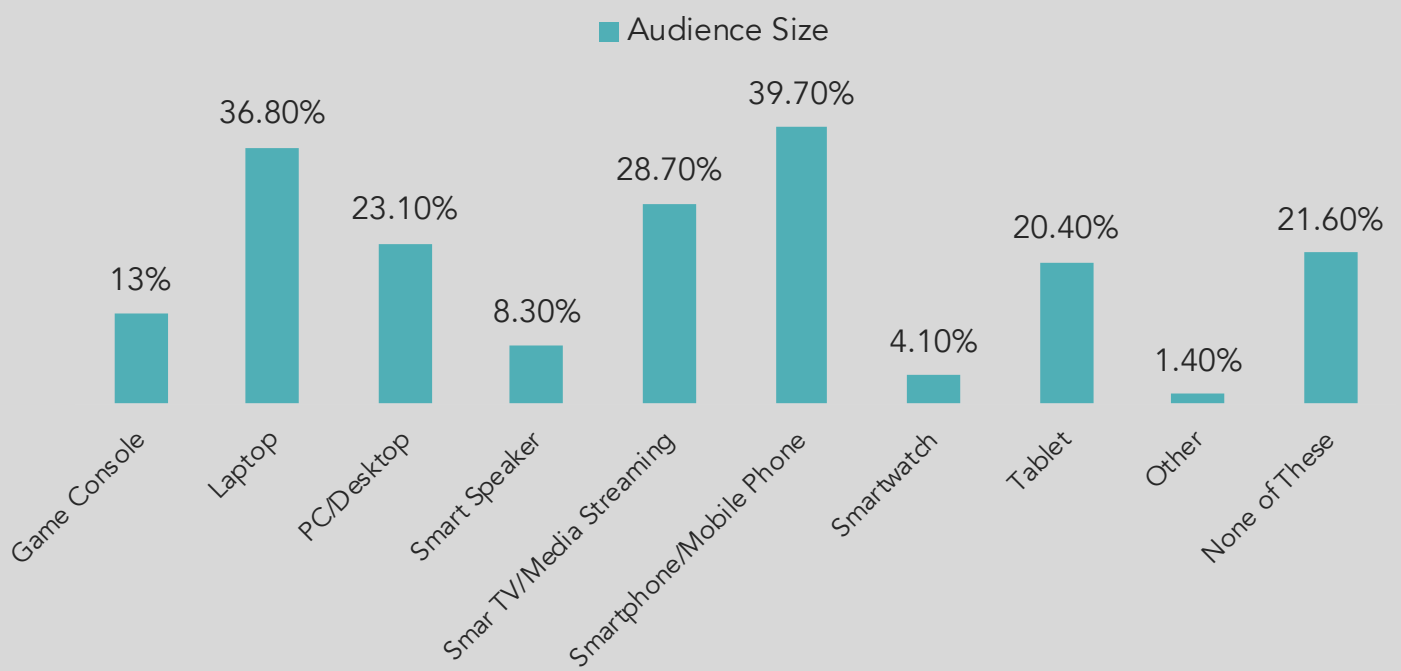
06. TECH USAGE

With the swift adoption of social distancing measures, more consumers are utilizing portable devices to stay connected to their loved ones and to entertain themselves in their down time.

Data usage has seen a huge spike since the start of the coronavirus outbreak, with overall web traffic increasing 20% (CNBC). This has ultimately yielded an increase ad inventory and a larger reach than usual, giving advertisers a prime opportunity to capture the attention of their target audience.

Devices expected to see a significant increase include Smartphones, Smart TVs, Laptops, Game Consoles and Tablets. Now is a time to consider expanding targeting to devices and channels that will continue to see greater than average usage in the coming months.

WHAT DEVICE(S) HAVE YOU BEEN SPENDING MORE TIME USING SINCE THE START OF THE CORONAVIRUS / COVID-19 OUTBREAK?*



07. REASONS NOT TO GO DARK

While economic instability may incline business owners to cut advertising costs, there are several reasons to consider keeping a campaign running or pivot your strategy to better fit the nature of the current environment. Shifting your messaging to include promotional efforts or philanthropic efforts, could be helpful for your brand, as is changing messages that are no longer relevant (dining in, in-person events, store openings, etc). For example, Ford recently pulled ad campaigns promoting vehicle purchases and replaced it with ads promoting a car payment relief program to assist individuals through the economic fallout (AdAge).

Going dark could perpetuate a loss in brand equity, while conversely, properly shifting brand messaging could lead to an increase in both awareness and brand trust. Now is the time to stay engaged with your consumer base. Ad costs are lower than ever, and with many companies pausing their efforts, an opportunity has emerged to gain a larger share of voice.

QUICK TIP

Shift messaging as necessary

QUICK TIP

Reallocate budgets to surging channels

QUICK TIP

Build on CRM & existing relationships

08. DON'T PANIC, ADAPT!

Many real estate companies are still seeing closures. So, it is all about how you approach this current situation. By taking steps to produce virtual tours and having video call meetings with clients, many will appreciate the steps taken to sell, making you stand out in comparison to competitors who might be stagnant during this crisis.

Real estate companies across the United States have also been taking this situation as a learning opportunity on how to phrase new concepts to their clients (for example: many do not have an at-home office in their home, during this time however there has been a large increase of desks, desk chairs, monitors, and other home office supplies that many did not have prior. A new selling point to a house consumers might look for on the market is to see if there is room for an at-home office.)

There will be an end to all of this, there just needs to be solutions to the challenges in the meantime.





Questions?



There's a lot going on right now. Social distancing is impacting how we all do business and we know there is concern over the days ahead. Not only do you have to worry about your health and the health of your family, but you have to find the best path forward for pursuing your company's objectives for the year.

We are (and have always been) optimists and believe that we will get through this together.

We are with you for the long haul and will continue to provide relevant insights and guidance as you navigate this new normal. You can reach us with any questions or concerns at digilant.com/contact or info@digilant.com.

