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The Honorable Jared Polis
Governor of Colorado
State Capitol Building
Denver, CO 80203

November 18, 2020

Governor Polis,

After adhering to the critical health restrictions implemented across our state in the earliest weeks of the Covid-19 pandemic, REALTORS® across Colorado rose to the challenge to follow, create and implement the safe business practices necessary to fulfill the strong demand and needs of our state's housing industry and the critical role it plays in our overall economic vitality.

REALTORS® Continue to Transact Safely.

Working under an umbrella of approved safety measures and operating under a self-created [REALTOR® Safe Showing Pledge](#), our association's 27,600-plus members have stepped up to the challenge and found safe and responsible ways to successfully work with Coloradans and new residents across our state. REALTORS® have adopted Covid-19 protocols, adapted to masks and gloves, socially distanced and virtual showings, parking lot closings, and virtual inspections.

Real estate services can be conducted safely and without large gatherings. The real estate industry has implemented aggressive CDC and CDPHE official guidelines on social distancing other practices, including:

- a. Adhering to [safe practices](#) when interacting with consumers, including wearing masks, social distancing, and conducting in-person showings only with small groups.
- b. Conducting [virtual showings](#) whenever possible.
- c. Real estate offices have implemented [remote work policies](#), where all real estate agents are working remotely from home. Minimal staff remain in offices to process transactions under strict social distancing requirements.
- d. Policies and procedures in place to address [instances of COVID-19](#).
- e. All real estate contracts between buyers and sellers are executed with electronic signatures minimizing unnecessary physical contact. In Colorado, we've been employing remote notarization, further reducing contact during a transaction.

Housing remains an essential need for Coloradans.

The past 8 months have delivered [record-setting real estate results](#) that have played a critical role in helping Coloradans find their housing solutions while driving our economy. In September, Colorado's housing market continued a 5-month long hot streak, setting new records for pending/under contract properties and median sales price while the inventory of active listings and months supply of inventory fell to record lows statewide.

If there's one thing that REALTORS® are certain of in 2020, it is the Colorado consumer's need and desire to buy and sell real estate. Colorado REALTORS® will attest that the pandemic itself has been the greatest driver in the housing market overall, with people looking to move to more rural areas, to relocate to take care of aging and ailing parents, or to purchase homes that are more functional for our changing personal and professional lifestyles. Families are adapting to the environment created by the pandemic and safer-at-home and stay-at-home orders, but they need their homes to work for them.



The Voice for Real Estate in Colorado



Real estate is an essential service.

People require shelter and the ability to engage in real estate transactions. These transactions become necessary when consumers are confronted with housing uncertainty due to job loss, furlough, or other sudden change in consumer circumstances. Shelter-in-place is meaningless without the shelter. The Pandemic has provided for an increased need to facilitate these transactions for a variety of reasons:

- Consumers are leveraging the real estate they already own by taking advantage of historically low interest rates and reducing their monthly payments or reducing consumer debt via refinancing their existing higher interest mortgages.
- Consumers are leveraging both the equity they've built up in their existing homes along with low interest rates to purchase homes that give them the space they need to adjust to working from home, home-schooling, or consolidate family living apart, to family living together.
- Consumers are making moves from densely populated areas to rural or suburban areas to lessen the impact of communal spread of the virus.
- Household formation is on the rise creating a need for more housing.
- Homeowners at the entry-level price points who are on the verge of foreclosure because of eliminated jobs in the food, hospitality, and energy sectors can take advantage of rising prices and sell their homes, using their equity and downsize into something smaller or rent something more affordable. If transacting real estate is shut down – those people face compounding financial hardships.
- In a time of increased uncertainty for Colorado families, homeowners continue to enjoy increased wealth in the form of equity that is additional economic security during a time they need it most.

Homeownership continues to be an important source of wealth for many households.

While falling real estate prices and derivatives causes recessions, a robust real estate market greatly contributes not only to a family's wealth but has also helped stabilize Colorado's economy during a time where other sectors of the economy are not able to function normally due to public health concerns. Real estate is the greatest source of wealth and savings for many Americans – according to Federal Reserve data, owner-occupied real estate accounted for about a quarter of households' net worth in 2018. And according to a study conducted by the National Association of REALTORS®, Boulder, Denver, Aurora, and Lakewood are within the top 10 cities in the nation that have seen largest housing wealth gains.

The real estate industry is driving a significant element of Colorado's economy in the most uncertain, unpredictable circumstances.

The challenges and demands of our pre-Covid-19 housing market have only been magnified by the pandemic and yet, we have worked together to safely deliver the professional services Coloradans need in order to adjust to their changing lifestyles.

With the designation of financial services as essential services, including mortgage, title and insurance services - the driver of all of these businesses is real estate services. Real estate services directly support and facilitate the essential work of the mortgage, title and insurance sectors. For every home that is sold, there are dozens of people who are employed to complete that transaction. If buying and selling homes cannot continue, the affect will be much greater than just for the buyer, seller, or REALTOR® involved in the transaction.

Real estate is essential to the future stability of any city, state, or federal economy. According to a [Congressional Research Service report](#), spending within the housing market accounted for nearly 15% of national GDP in 2018. In Colorado, the real estate industry accounted for **\$75.5 billion or 20.4% of the gross state product in 2018**. The total [economic impact of a typical home sale in Colorado is \\$129,045](#), taking into account income generated from real estate industries, expenditures related to the home purchase, multipliers of housing-related expenditures, and new home



construction.

According to the [June 2020 Economic & Review Forecast](#) compiled by Colorado Legislative Council Staff, Colorado's real estate industry was one of few that has remained solid during the pandemic and suggested continuing ongoing strength. The report remarked that residential housing market is expected to improve and remain stable in spite of widespread economic uncertainty. This same report went into great detail about the loss of jobs, revenue and the economic losses incurred by other industries such as hospitality, tourism, energy, agriculture, food service, education, transportation, recreation, and manufacturing. As real estate transactions can be conducted safely, housing industry continues to play a critical role in the states our overall economic endurance.

Housing is the backbone of the economy and letting it lapse now will make it much harder for Colorado to rebound in the near future.

Colorado REALTORS® stand by their pledge to conduct real estate transactions safely, and to provide housing-related services to thousands of Coloradans who need to buy and sell homes for a myriad of reasons, many of which are driven by circumstances brought on by the pandemic.

Thank you for your consideration.

Sincerely,



Janene Johnson
2020 CAR Chair



Robert Walkowicz
2020 CAR Chair-Elect



Tyrone Adams
CAR CEO/President

