

Good morning. I'm William Festa, president of the Pennsylvania Association of Realtors®. And I'm proud to be here today to represent our 35,000 members and their clients.

The COVID-19 shut down has had a chilling effect on the housing industry in Pennsylvania. Throughout the state, we were experiencing a strong market in January and February, with growing buyer interest, stable home prices and a challenging inventory situation. Homebuyers and sellers were expecting that pace to be even stronger as we entered the spring.

Obviously, the COVID-19 pandemic is unprecedented and we understand the emergency measures that were put into place to protect the citizens in Pennsylvania. We were, however, surprised when Gov. Wolf deemed real estate as a non-life-sustaining business. Pennsylvania is one of only a few states that have restricted real estate services to this extent.

And while we're fortunate that technology allows some aspects of the real estate industry to be able to be conducted virtually, the stay-at-home order has shut down many parts of the transaction. Realtors® are able to continue to call their clients, meet with them virtually and use electronic signatures to keep transactions moving. However, buyers can't get home inspections or do final walk throughs of properties prior to closing. Additionally, several other aspects of the transaction are prohibited because they require in-person meetings.

Throughout all of this, we've heard countless stories from people trapped in the middle of the transaction process. Because the practice of real estate has been severely curtailed, individuals and families are unable to provide shelter or are facing incredible financial difficulties.

- We've heard stories of people who accepted new jobs and need to relocate, but cannot secure housing.
- There are clients who want to move to Pennsylvania from another state that has allowed real estate transactions to continue, only to find they aren't able to purchase a home in the commonwealth.
- There are people who ended their rental lease, only to discover the purchase of a house isn't able to be completed because certain aspects of the transaction can't occur.
- We have clients who have purchased a new property prior to the shutdown, but the sale of their previous home can't happen, so they're facing financial hardships, having to pay two mortgages.
- Other clients have had to move a loved one into extended care, but aren't able to sell the home in order to pay for the new facility.

Life's three major essentials are food, clothing and shelter. The business shut down order is truly preventing Pennsylvanians' ability to gain shelter. Pennsylvania Realtors® work with their clients through many of life's milestones – the arrival of a new baby, a newly married couple, retirees looking to downsize, a couple going through a divorce, moving a family member to a long-term care facility or the loss of a loved one. Many of these circumstances require the buying and or selling of their homes. But across Pennsylvania, first-time homebuyers, single parents, new parents, families and retirees may be unable to “stay at home” if they cannot secure their new home because of these orders.

As the commonwealth's economy begins to recover after these extraordinary measures have been taken, the housing and financial services industries will provide critical economic stimulus for

Pennsylvania. In 2019, the real estate industry attributed \$129.4 billion to the state's economy or 16.4% of the gross state product.

The realty transfer tax is a significant line item in the state's annual budget. Prior to the COVID-19 crisis, the realty transfer tax revenue was \$36.1 million for February, \$9.5 million above estimate, bringing the fiscal-year total to \$366.5 million, which is \$14.5 million, or 4.1 percent, more than anticipated.

The Pennsylvania Association of Realtors® is not recommending a return to "business as usual." The association is developing comprehensive safety guidelines that incorporate the Centers for Disease Control guidance in order to move the industry forward in a responsible manner that protects the community and those involved in receiving and providing real estate services. We're committed to working with the state and other related industries to ensure the homebuyers and sellers are able to move forward with buying and selling their homes in a safe manner.

A real estate transaction is like a puzzle that needs all of its pieces in order to be completed. Realtors® help manage each aspect of the transaction to ensure a client's settlement occurs. We urge that consideration also be given to all aspects of housing industry needs, such as home construction, home sales, renovations and the businesses that support these activities, with new safeguards put in place.

Essential services related to housing include services such as title searches, appraisals, permitting, inspections, housing materials and improvement retailers, moving, as well as the recording, legal, financial and other services necessary to complete the sale or construction of housing.

Realtors® work with their clients as they help them in one of the largest purchases in their lives. They develop close relationships with those

clients as they learn about their needs and help them find the perfect home. These Realtors® are understandably frustrated that their hands are tied and they are powerless to assist their clients during this shut down.