Summary

The REALTORS® Confidence Index (RCI) survey gathers monthly information from REALTORS® about local real estate market conditions, characteristics of buyers and sellers, and issues affecting homeownership and real estate transactions. This report presents key results about market transactions from October 2017.

Market Conditions and Expectations
- The REALTORS® Buyer Traffic Index registered at 60 (56 in October 2016).²
- The REALTORS® Seller Traffic Index registered at 45 (41 in October 2016).
- The REALTORS® Confidence Index—Six-Month Outlook Current Conditions registered at 67 for detached single-family, 56 for townhome, and 53 for condominium properties. An index above 50 indicates market conditions are expected to improve.
- Properties were typically on the market for 34 days (41 days in October 2016).
- Eighty-nine percent of respondents reported that home prices remained constant or rose in October 2017 compared to levels one year ago (85 percent in October 2016).

Characteristics of Buyers and Sellers
- First-time buyers accounted for 32 percent of sales (33 percent in October 2016).
- Vacation and investment buyers comprised 13 percent of sales (13 percent in October 2016).
- Sales of distressed properties (foreclosed or sold as a short sale) accounted for four percent of sales (five percent in October 2016).
- Cash sales made up 20 percent of sales (22 percent in October 2016).
- Twenty-two percent of sellers offered incentives such as paying for closing costs (10 percent), providing a warranty (10 percent), and undertaking remodeling (four percent).³

Issues Affecting Buyers and Sellers
- From August–October 2017, 73 percent of contracts settled on time (62 percent in October 2016).
- Among sales that closed in October 2017, 74 percent had contract contingencies. The most common contingencies pertained to home inspection (54 percent), obtaining financing (45 percent), and getting an acceptable appraisal (43 percent).
- REALTORS® continue to report “low inventory” as the major issue affecting transactions in October 2017.

1 Respondents report on the characteristics of their most recent sale for the month.
2 An index greater than 50 means more respondents reported conditions as “strong” compared to one year ago than “weak.” An index of 50 indicates a balance of respondents who viewed conditions as “strong” or “weak.”
3 The difference in the sum of percentages to the total percentage of sellers who offered incentives is due to rounding.
Market Conditions and Expectations

**REALTORS® CONFIDENCE INDEX**

By State

**REALTORS® BUYER TRAFFIC INDEX**

By State

**REALTORS® SELLER TRAFFIC INDEX**

By State

**MEDIAN DAYS ON THE MARKET**

34 DAYS

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1. Values of 25.01 to 45 are labeled “Weak,” values of 45.01 to 55 are labeled “Stable,” values of 55.01 to 75 are labeled “Strong,” and values greater than 75 are labeled “Very Strong.”

2. Values of 25.01 to 45 are labeled “Weak,” values of 45.01 to 55 are labeled “Stable,” values of 55.01 to 75 are labeled “Strong,” and values greater than 75 are labeled “Very Strong.”

www.nar.realtor/research-and-statistics
Market Conditions and Expectations

DISTRIBUTION OF PRICE CHANGE FROM A YEAR AGO

- Higher: 16%
- Lower: 11%
- Unchanged: 73%

PERCENTAGE OF PROPERTIES SOLD AT ORIGINAL PRICE OR AT NET PREMIUM FROM LISTING PRICE

34%

MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 12 MONTHS

By State, in the Past Three Months

AVERAGE NUMBER OF OFFERS WRITTEN PER CLIENT

2.1 OFFERS

AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT

4.5 CLIENTS

1 Regardless of acceptance.

www.nar.realtor/research-and-statistics
Characteristics of Buyers

**AGE DISTRIBUTION OF BUYERS**

- 34 and Under: 31%
- 35 to 55: 47%
- 56 and Over: 22%

**LIVING STATUS OF HOMEBUYERS**

- Rented an Apartment or House: 4%
- Lived with Parents, Relatives, or Friends: 11%
- Lived in a Property They Owned: 42%
- Other: 42%

**FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES**

32%

**CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES**

20%

**DISTRESSED PROPERTY SALES BY PROPERTY TYPE**

- Foreclosed: 76%
- Short Sale: 55%

**NON-CASH BUYERS WHO PUT DOWN LESS THAN 20 PERCENT FOR DOWN PAYMENT**
Characteristics of Sellers

AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE

2.2 OFFERS

WHEN SELLER VACATED PROPERTY

- After Closing (Leaseback): 16%
- Between Contract Acceptance and Closing: 47%
- Between Listing and Contract Acceptance: 7%
- Within 1 Month Before Listing: 12%
- 2 to 3 Months Before Listing: 9%
- 3 to 6 Months Before Listing: 4%
- More than 6 Months Before Listing: 5%
- Don't Know: 1%

SELLER'S USE OF PROPERTY

- Primary: 66%
- Investment: 21%
- Vacation: 6%
- Other: 7%
- Don't Know: 1%

PERCENTAGE OF SELLERS WHO REPORTED OFFERING INCENTIVES

22% INCENTIVES

SELLER INCENTIVES OFFERED

- Condo Fees: 0%
- Appliances: 0%
- Remodelling: 4%
- Warranty: 10%
- Closing Costs: 10%
- No Incentive: 78%

Multiple responses are allowed.

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Issues Affecting Buyers and Sellers

PERCENTAGE OF CLIENTS WHO DECIDED NOT TO MOVE OR SELL TO KEEP CURRENT MORTGAGE RATE

10% DECIDED NOT TO MOVE OR SELL

PROBLEMS ENCOUNTERED FOR CONTRACTS WITH DELAYED SETTLEMENTS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issues Related to Obtaining Financing</td>
<td>32%</td>
</tr>
<tr>
<td>Appraisal Issues</td>
<td>20%</td>
</tr>
<tr>
<td>Home Inspection/Environmental Issues</td>
<td>16%</td>
</tr>
<tr>
<td>Titling/Deed Issues</td>
<td>11%</td>
</tr>
<tr>
<td>No Problems Encountered</td>
<td>7%</td>
</tr>
<tr>
<td>Issues in Buy/Sell Distressed Property</td>
<td>2%</td>
</tr>
<tr>
<td>Contingencies Stated in the Contract</td>
<td>6%</td>
</tr>
<tr>
<td>Home/Hazard/Flood Insurance Issues</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>23%</td>
</tr>
</tbody>
</table>

1 Multiple responses are allowed.

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Issues Affecting Buyers and Sellers

REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Inspection</td>
<td>54%</td>
</tr>
<tr>
<td>Appraisal</td>
<td>43%</td>
</tr>
<tr>
<td>Obtaining Financing</td>
<td>45%</td>
</tr>
<tr>
<td>Having Clear Title</td>
<td>14%</td>
</tr>
<tr>
<td>Selling Current Home</td>
<td>6%</td>
</tr>
<tr>
<td>Other Contingencies</td>
<td>5%</td>
</tr>
<tr>
<td>Waived</td>
<td>4%</td>
</tr>
<tr>
<td>Not Needed</td>
<td>22%</td>
</tr>
</tbody>
</table>

74% CONTINGENCIES

REALTOR® CONCERNS

Respondents refer to buyers’ agents. Multiple responses are allowed.

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About the \textit{RCI Survey}

- The \textit{RCI Survey} gathers information from REALTORS\textsuperscript{®} about local market conditions based on their client interactions and the characteristics of their most recent sales for the month.

- The October 2017 survey was sent to 50,000 REALTORS\textsuperscript{®} who were selected from NAR's nearly 1.2 million members through simple random sampling and to 5,520 respondents in the previous three surveys who provided their email addresses.

- There were 3,617 respondents to the online survey which ran from November 1‒9, 2017. The survey's overall margin of error at the 95 percent confidence level is two percent. The margins of error for subgroups and sample proportions of below or above 50 percent are larger.

- NAR weighs the responses by a factor that aligns the sample distribution of responses to the distribution of NAR membership.

The \textit{REALTORS\textsuperscript{®} Confidence Index} is provided by NAR solely for use as a reference. Resale of any part of this data is prohibited without NAR's prior written consent. For questions on this report or to purchase the RCI series, please email: Data@realtors.org

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The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.2 million members, including NAR’s institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America’s property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS®

RESEARCH GROUP

The Mission of the National Association of REALTORS® Research Group is to collect and disseminate timely, accurate and comprehensive real estate data and to conduct economic analysis in order to inform and engage members, consumers, and policymakers and the media in a professional and accessible manner.

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