



October 2017

REALTORS® CONFIDENCE INDEX SURVEY

NATIONAL ASSOCIATION OF REALTORS®
RESEARCH GROUP

The Voice for Real Estate®



NATIONAL
ASSOCIATION *of*
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

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.¹ 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.

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Market Conditions and Expectations

REALTORS® CONFIDENCE INDEX

Current Conditions



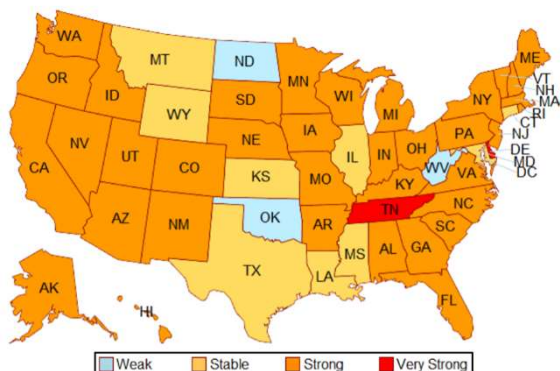
REALTORS® BUYER AND SELLER TRAFFIC INDICES

Current Conditions



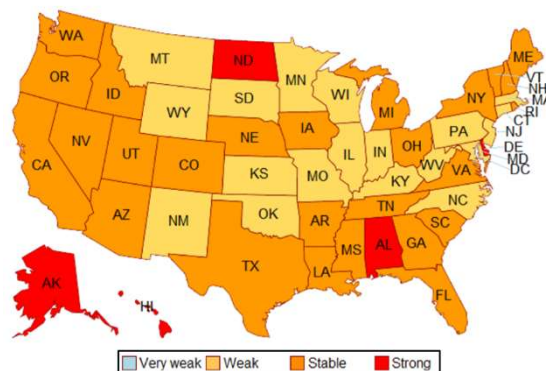
REALTORS® BUYER TRAFFIC INDEX¹

By State



REALTORS® SELLER TRAFFIC INDEX²

By State

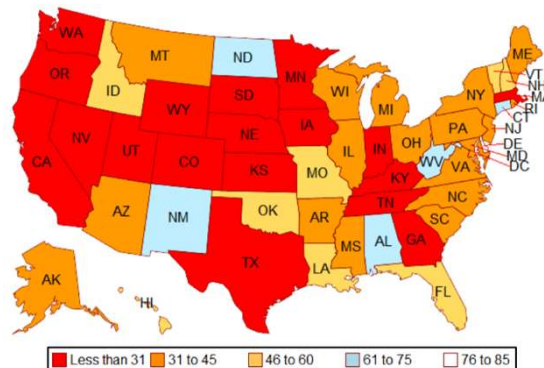


MEDIAN DAYS ON THE MARKET



MEDIAN DAYS ON THE MARKET

By State



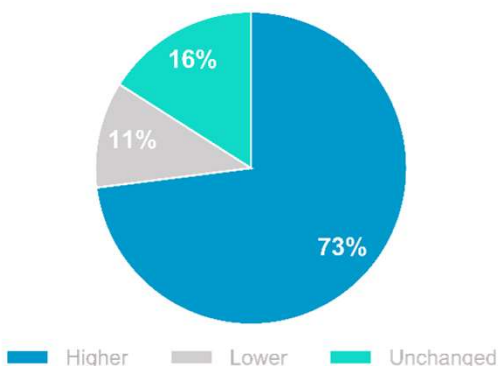
¹ 25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."

² 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."

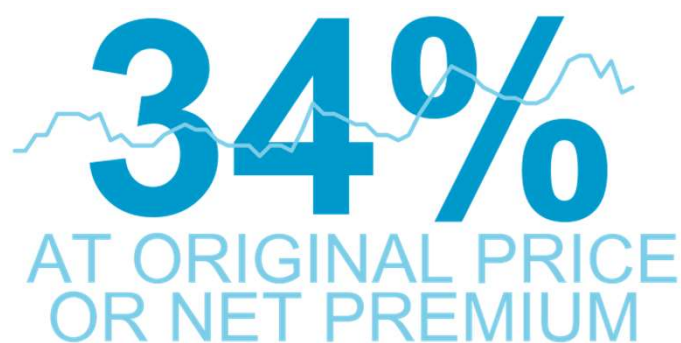
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Market Conditions and Expectations

DISTRIBUTION OF PRICE CHANGE
FROM A YEAR AGO

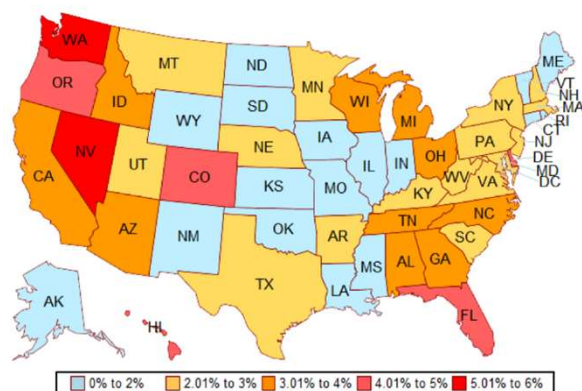


PERCENTAGE OF PROPERTIES SOLD AT ORIGINAL PRICE
OR AT NET PREMIUM FROM LISTING PRICE



MEDIAN EXPECTED PRICE CHANGE WITHIN
THE NEXT 12 MONTHS

By State, in the Past Three Months



REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK



AVERAGE NUMBER OF OFFERS WRITTEN
PER CLIENT¹



AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR
BY AGENT

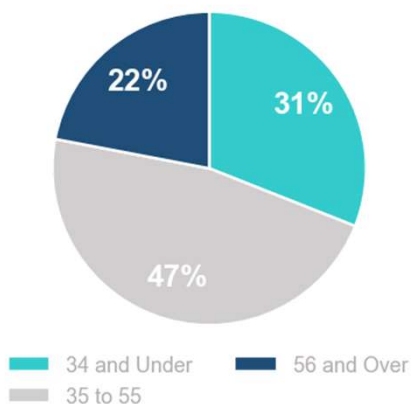


¹ Regardless of acceptance.

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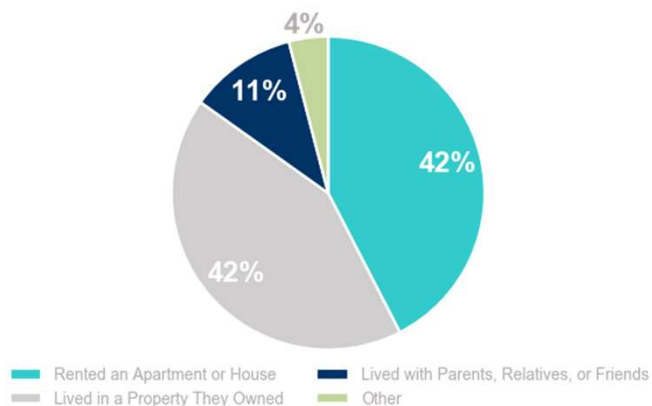
Characteristics of Buyers

AGE DISTRIBUTION OF BUYERS



LIVING STATUS OF HOMEBUYERS

At the Time of Purchase



FIRST-TIME BUYERS
AS PERCENTAGE OF RESIDENTIAL SALES



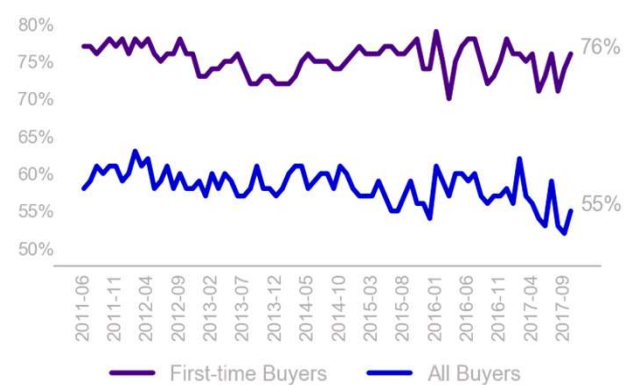
CASH SALES
AS PERCENTAGE OF RESIDENTIAL SALES



DISTRESSED PROPERTY SALES
BY PROPERTY TYPE



NON-CASH BUYERS WHO PUT DOWN
LESS THAN 20 PERCENT FOR DOWN PAYMENT



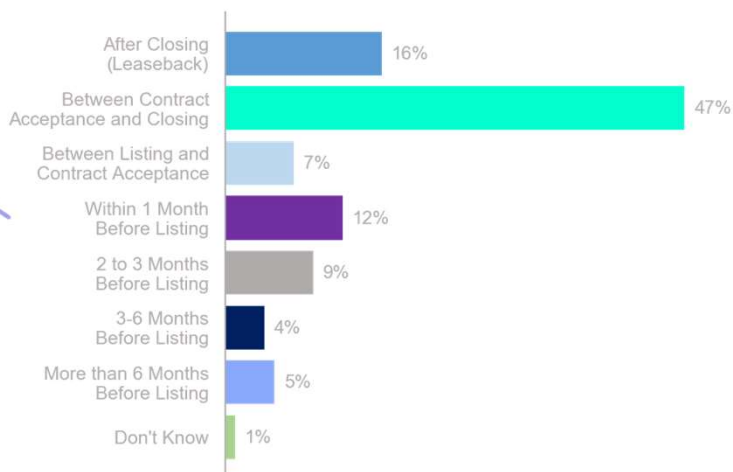
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Characteristics of Sellers

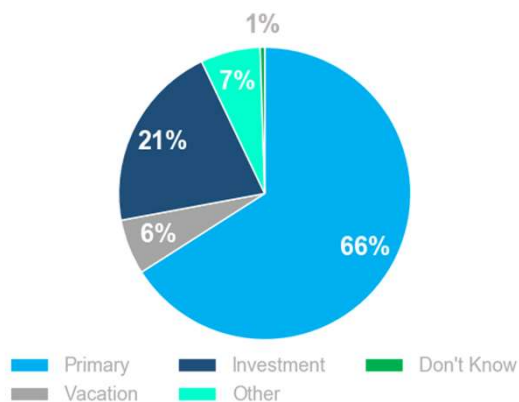
AVERAGE NUMBER OF OFFERS RECEIVED
ON THE MOST RECENT CLOSED SALE



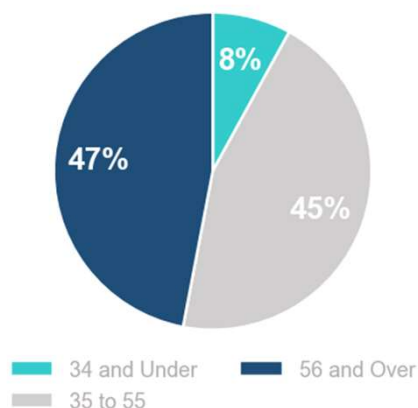
WHEN SELLER VACATED PROPERTY



SELLER'S USE OF PROPERTY



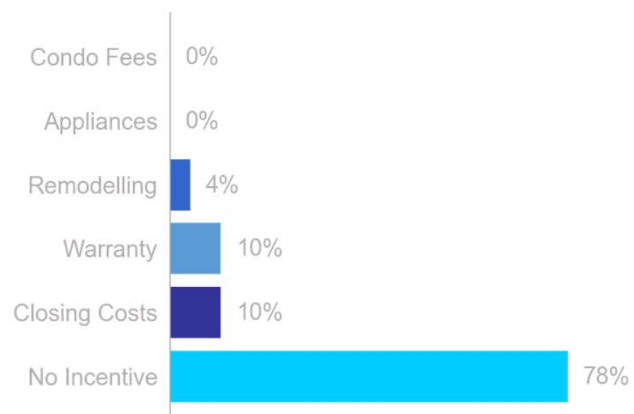
AGE DISTRIBUTION OF SELLERS



PERCENTAGE OF SELLERS
WHO REPORTED OFFERING INCENTIVES



SELLER INCENTIVES OFFERED¹

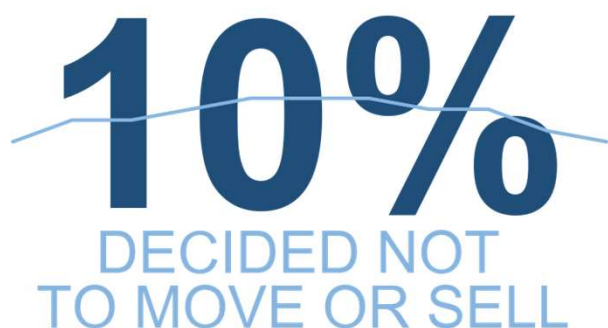


¹ Multiple responses are allowed.

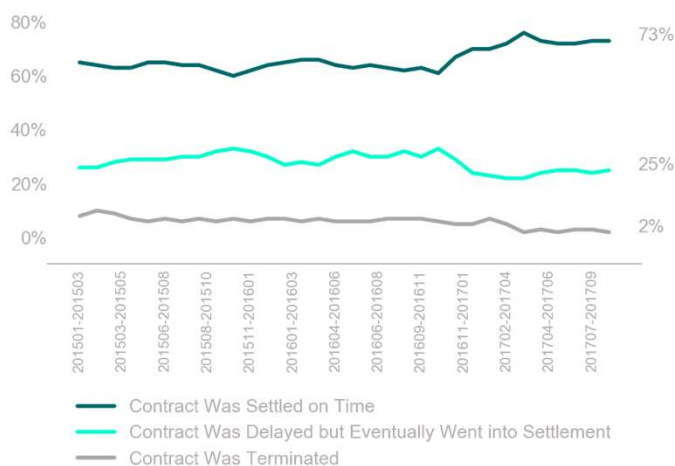
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Issues Affecting Buyers and Sellers

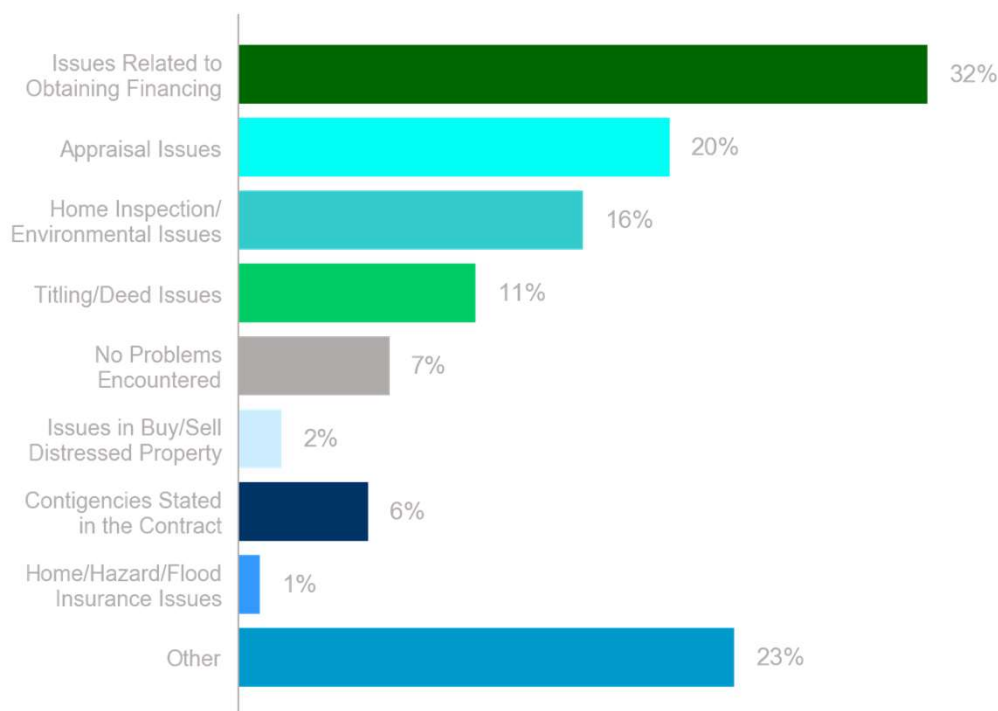
PERCENTAGE OF CLIENTS
WHO DECIDED NOT TO MOVE OR SELL
TO KEEP CURRENT MORTGAGE RATE



CONTRACT SETTLEMENT



PROBLEMS ENCOUNTERED FOR CONTRACTS WITH DELAYED SETTLEMENTS¹



¹ Multiple responses are allowed.

REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES¹

74%
CONTINGENCIES



www.nar.realtor/research-and-statistics

REALTORS® CONFIDENCE INDEX SURVEY

About the *RCI Survey*

- The *RCI Survey* gathers information from REALTORS® 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® 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 *REALTORS® 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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REALTORS® CONFIDENCE INDEX SURVEY



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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