

February 2018

# REALTORS® CONFIDENCE INDEX SURVEY

NATIONAL ASSOCIATION OF REALTORS®  
RESEARCH GROUP

# 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.<sup>1</sup> This report presents key results about market transactions from February 2018.

### Market Conditions and Expectations

- The *REALTORS® Buyer Traffic Index* registered at 70 (70 in February 2017).<sup>2</sup>
- The *REALTORS® Seller Traffic Index* registered at 44 (41 in February 2017).
- The *REALTORS® Confidence Index—Six-Month Outlook Current Conditions* registered at 74 for detached single-family, 62 for townhome, and 58 for condominium properties. An index above 50 indicates market conditions are expected to improve.
- Properties were typically on the market for 37 days (45 days in February 2017).
- Eighty-eight percent of respondents reported that home prices remained constant or rose in February 2018 compared to levels one year ago (90 percent in February 2017).

### Characteristics of Buyers and Sellers

- First-time buyers accounted for 29 percent of sales (32 percent in February 2017).
- Vacation and investment buyers comprised 15 percent of sales (15 percent in February 2017).
- Sales of distressed properties (foreclosed or sold as a short sale) accounted for four percent of sales (seven percent in February 2017).
- Cash sales made up 24 percent of sales (27 percent in February 2017).
- Twenty-one percent of sellers offered incentives such as paying for closing costs (nine percent), providing a warranty (nine percent), undertaking remodeling (three percent), and providing appliances (one percent).<sup>3</sup>

### Issues Affecting Buyers and Sellers

- From December 2017–February 2018, 76 percent of contracts settled on time (70 percent in February 2017).
- Among sales that closed in February 2018, 76 percent had contract contingencies. The most common contingencies pertained to home inspection (58 percent), getting an acceptable appraisal (44 percent), and obtaining financing (44 percent).
- REALTORS® report “low inventory” and “interest rate” as the major issues affecting transactions in February 2018.

<sup>1</sup> Respondents report on the characteristics of their most recent sale for the month.

<sup>2</sup> 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.”

<sup>3</sup> The difference in the sum of percentages to the total percentage of sellers who offered incentives is due to rounding.

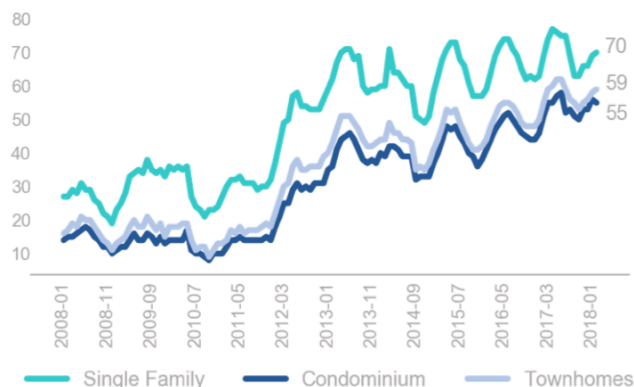


# REALTORS® CONFIDENCE INDEX SURVEY

## Market Conditions and Expectations

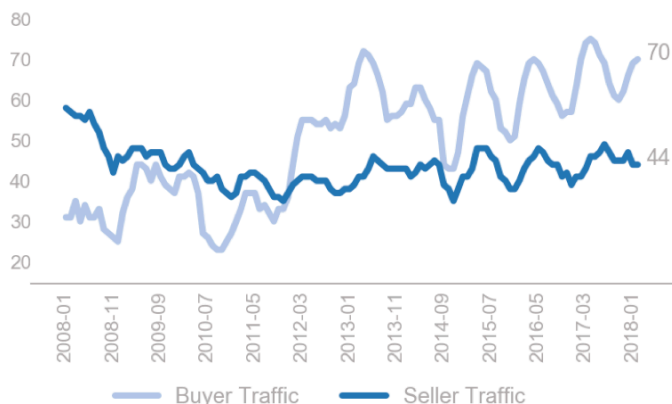
### REALTORS® CONFIDENCE INDEX

Current Conditions



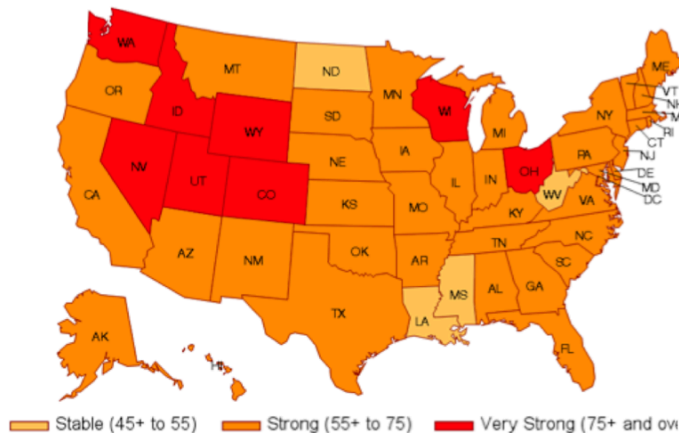
### REALTORS® BUYER AND SELLER TRAFFIC INDICES

Current Conditions



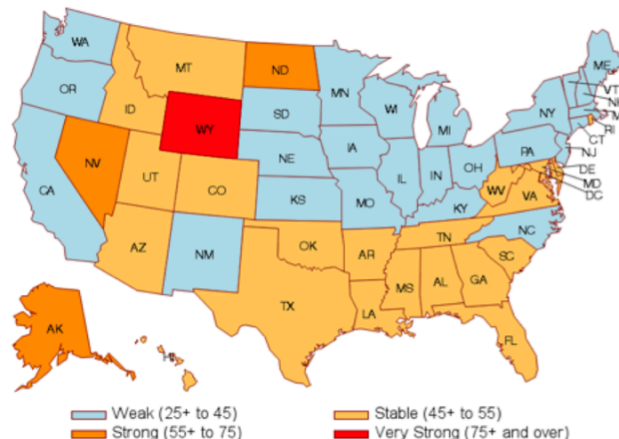
### REALTORS® BUYER TRAFFIC INDEX<sup>1</sup>

By State



### REALTORS® SELLER TRAFFIC INDEX<sup>2</sup>

By State

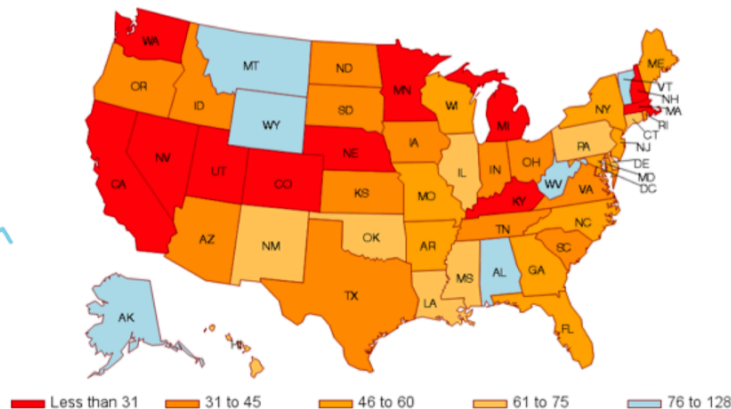


### MEDIAN DAYS ON THE MARKET



### MEDIAN DAYS ON THE MARKET

By State

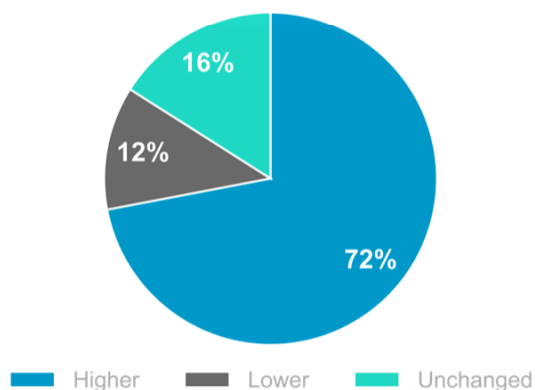


<sup>1</sup> 25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."  
<sup>2</sup> 25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."


# REALTORS® CONFIDENCE INDEX SURVEY

## 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

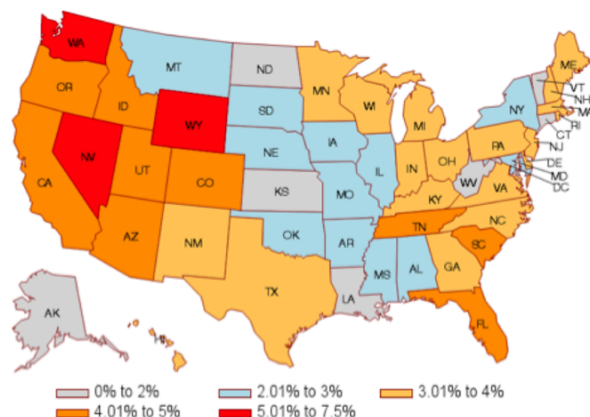


34%

AT ORIGINAL PRICE  
OR NET PREMIUM

### MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 12 MONTHS

### By State, in the Past Three Months



**AVERAGE NUMBER OF OFFERS WRITTEN  
PER CLIENT<sup>1</sup>**



## REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK



### AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT



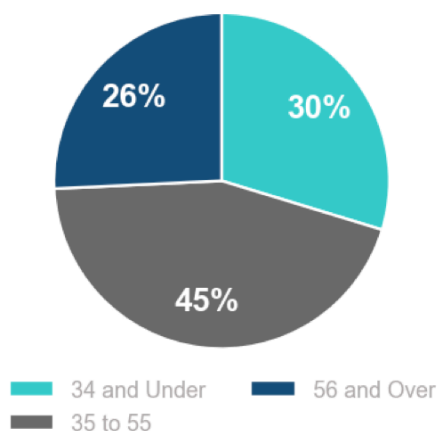
4.8  
CLIENTS



# REALTORS® CONFIDENCE INDEX SURVEY

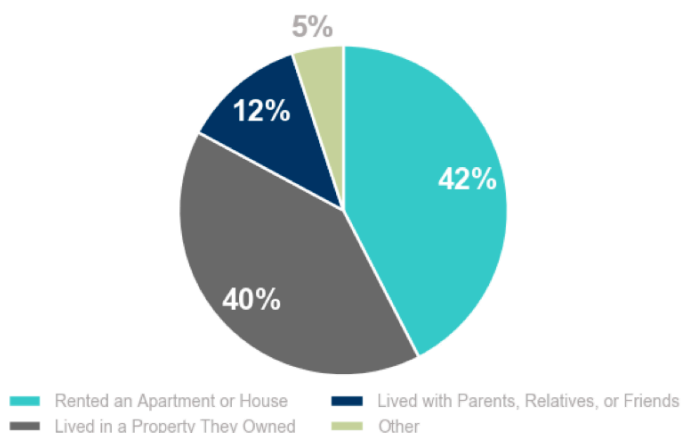
## Characteristics of Buyers

AGE DISTRIBUTION OF BUYERS



LIVING STATUS OF HOMEBUYERS

At the Time of Purchase



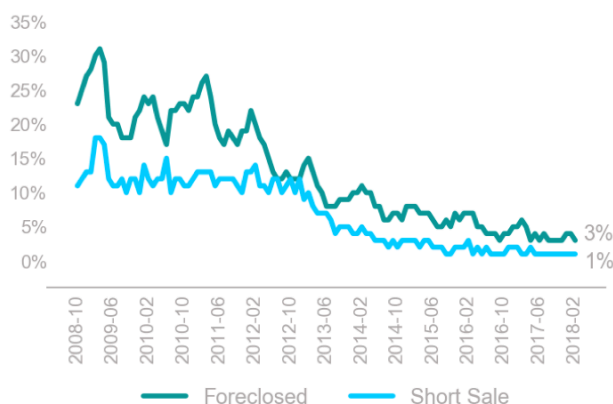
FIRST-TIME BUYERS  
AS PERCENTAGE OF RESIDENTIAL SALES



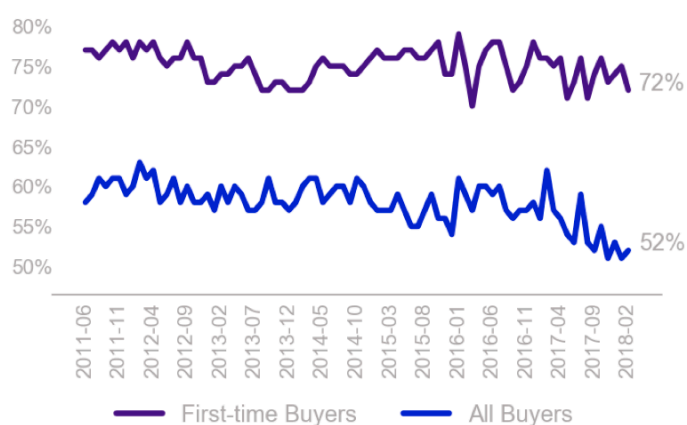
CASH SALES  
AS PERCENTAGE OF RESIDENTIAL SALES



DISTRESSED PROPERTY SALES  
BY PROPERTY TYPE



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



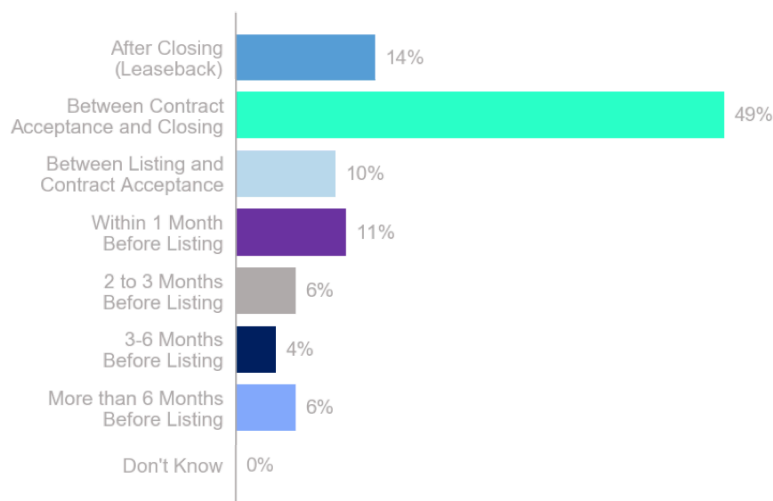
# REALTORS® CONFIDENCE INDEX SURVEY

## Characteristics of Sellers

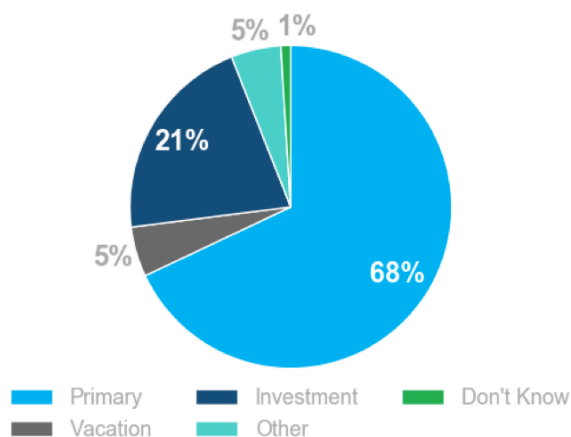
### AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE



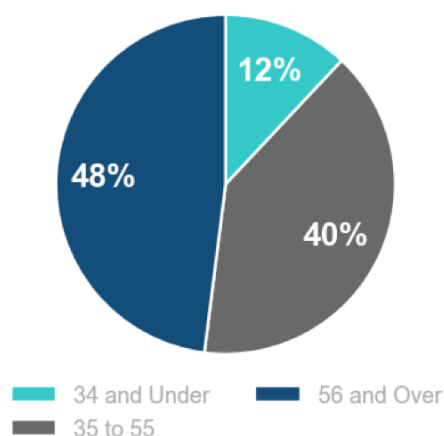
### WHEN SELLER VACATED PROPERTY



### SELLER'S USE OF PROPERTY



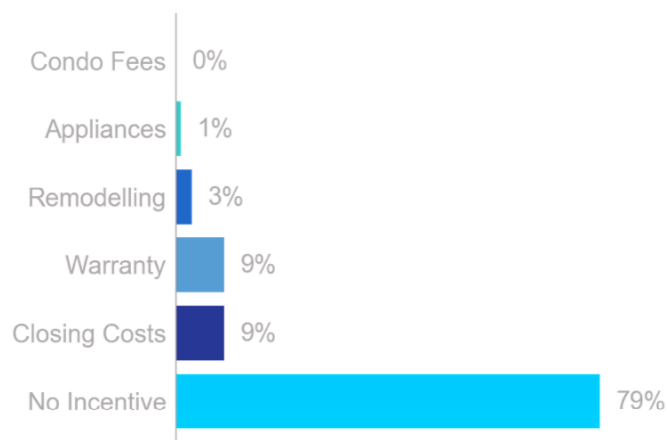
### AGE DISTRIBUTION OF SELLERS



### PERCENTAGE OF SELLERS WHO REPORTED OFFERING INCENTIVES

21% INCENTIVES

### SELLER INCENTIVES OFFERED<sup>1</sup>



<sup>1</sup> Multiple responses are allowed.

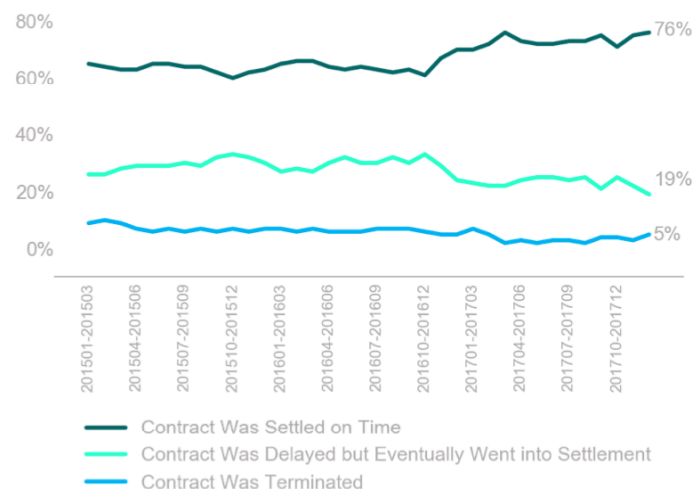
# REALTORS® CONFIDENCE INDEX SURVEY

## Issues Affecting Buyers and Sellers

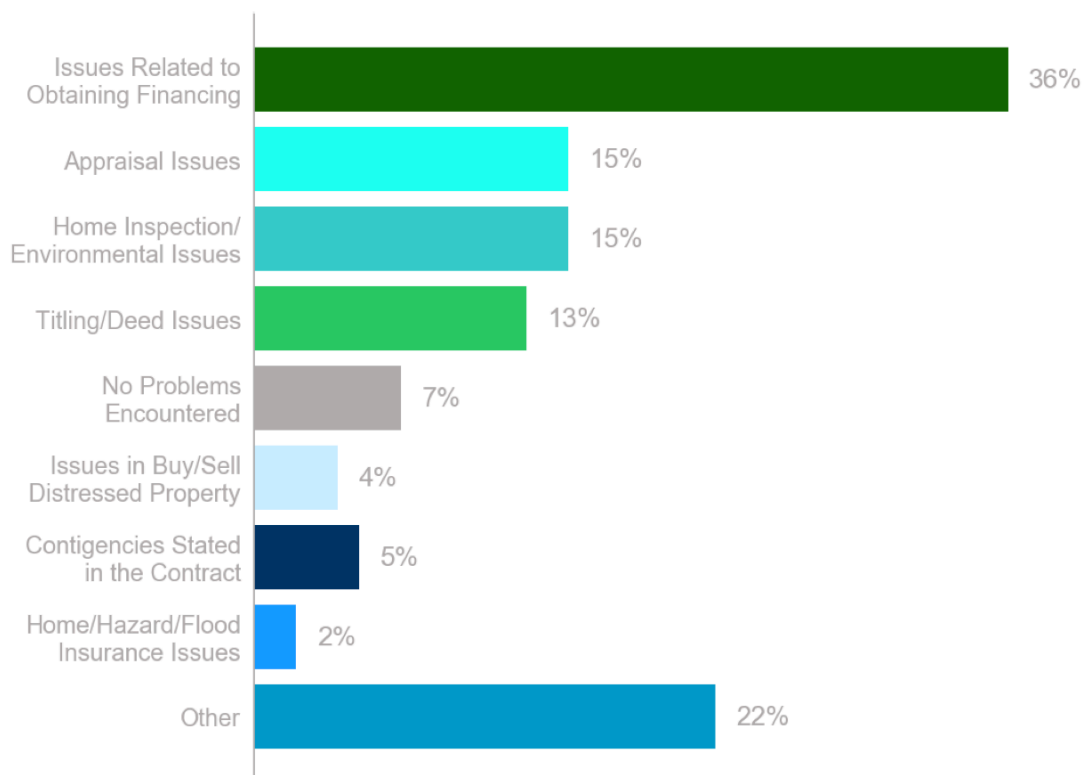
PERCENTAGE OF CLIENTS  
WHO DECIDED NOT TO MOVE OR SELL  
TO KEEP CURRENT MORTGAGE RATE

**11%**  
DECIDED NOT  
TO MOVE OR SELL

### CONTRACT SETTLEMENT



### PROBLEMS ENCOUNTERED FOR CONTRACTS WITH DELAYED SETTLEMENTS<sup>1</sup>



<sup>1</sup> Multiple responses are allowed.

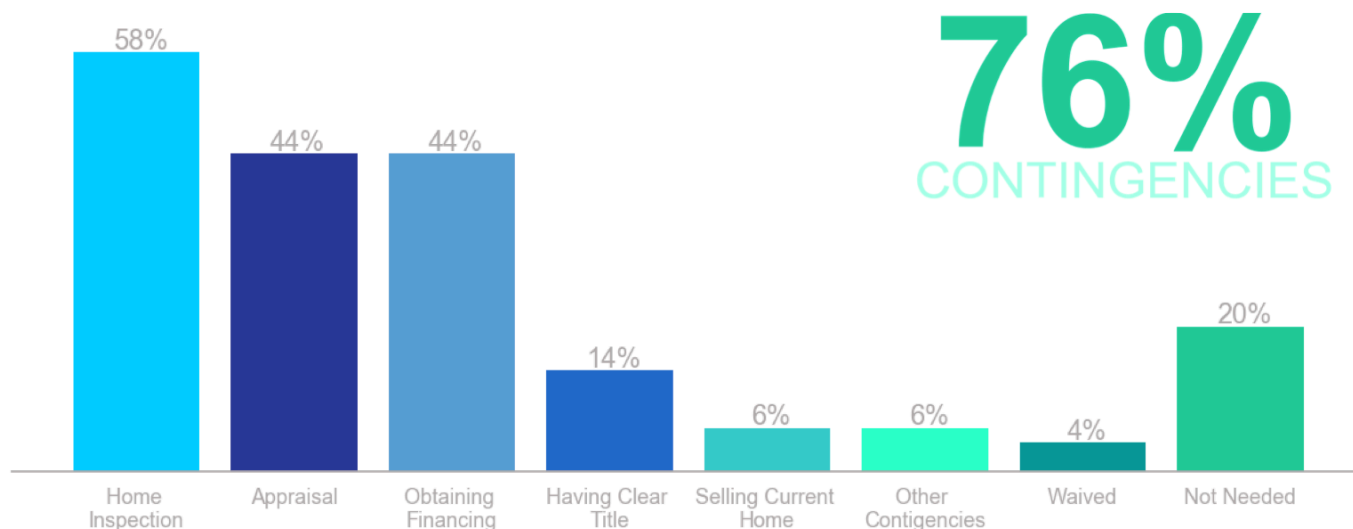


# REALTORS® CONFIDENCE INDEX SURVEY

## Issues Affecting Buyers and Sellers

### REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES<sup>1</sup>

Percentage of Contracts with Settlement Contingencies



### REALTOR® CONCERNS



<sup>1</sup> Respondents refer to buyers' agents. Multiple responses are allowed.

# REALTORS® CONFIDENCE INDEX SURVEY

## About the *RCI Survey*

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- 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 February 2018 survey was sent to 50,000 REALTORS® who were selected from NAR's 1.3 million members through simple random sampling and to 7,295 respondents in the previous three surveys who provided their email addresses.
- There were 3,560 respondents to the online survey which ran from March 1–9, 2018. 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](mailto:Data@realtors.org)

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NATIONAL  
ASSOCIATION *of*  
REALTORS®

The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.3 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.

### RCI Lead Team

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Meredith Dunn, Research Communications Manager

## NATIONAL ASSOCIATION OF REALTORS®

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