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 December 2019.

Market Conditions and Expectations

- The REALTORS® Buyer Traffic Index registered at 60 (48 in December 2018).²
- The REALTORS® Seller Traffic Index registered at 43 (39 in December 2018).
- The REALTORS® Confidence Index—Six-Month Outlook Current Conditions registered at 71 for detached single-family, 58 for townhome, and 55 for condominium properties. An index above 50 indicates market conditions are expected to improve.
- Properties were typically on the market for 41 days (46 days in December 2018).
- Eighty-four percent of respondents reported that home prices remained constant or rose in November 2019 compared to levels one year ago (75 percent in December 2018).

Characteristics of Buyers and Sellers

- First-time buyers accounted for 31 percent of sales (32 percent in December 2018).
- Vacation and investment buyers comprised 17 percent of sales (13 percent in December 2018).
- Sales of distressed properties (foreclosed or sold as a short sale) accounted for 2 percent of sales (2 percent in December 2018).
- Cash sales made up 20 percent of sales (22 percent in December 2018).
- Twenty-two percent of sellers offered incentives such as paying for closing costs (11 percent), providing warranty (9 percent), and undertaking remodeling (3 percent).³

Issues Affecting Buyers and Sellers

- From October 2019–December 2019, 71 percent of contracts settled on time (75 percent in October 2018–December 2018).
- Among sales that closed in December 2019, 72 percent had contract contingencies. The most common contingencies pertained to home inspection (55 percent), obtaining financing (45 percent), and getting an acceptable appraisal (42 percent).
- REALTORS® report “low inventory” and “interest rate” as the major issues affecting transactions in December 2019.

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 TRAFFIC INDEX
By State

REALTORS® SELLER TRAFFIC INDEX
By State

MEDIAN DAYS ON THE MARKET
By State

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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**

- Higher: 22%
- Lower: 16%
- Unchanged: 62%

**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

**REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK**

**AVERAGE NUMBER LISTINGS PER AGENT**

2.5

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

4.3

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1 Regardless of acceptance.

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Characteristics of Buyers

AGE DISTRIBUTION OF BUYERS

- 34 and Under: 26%
- 35 to 55: 45%
- 56 and Over: 29%

LIVING STATUS OF HOMEBUYERS
At the Time of Purchase

- Lived with Parents, Relatives, or Friends: 38%
- Rented an Apartment or House: 11%
- Lived in a Property They Owned: 44%
- Other: 7%

FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES: 31%

CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES: 20%

DISTRESSED PROPERTY SALES BY PROPERTY TYPE

- Foreclosed
- Short Sale

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

- First-time Buyers: 53%
- All Buyers: 76%
REALTORS® CONFIDENCE INDEX SURVEY

Characteristics of Sellers

AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE

2.2 OFFERS

WHEN SELLER VACATED PROPERTY

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Percentage</th>
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<tbody>
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<td>After Closing (Leaseback)</td>
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<td>5%</td>
</tr>
<tr>
<td>3-6 Months Before Listing</td>
<td>4%</td>
</tr>
<tr>
<td>More than 6 Months Before Listing</td>
<td>6%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>1%</td>
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SELLER’S USE OF PROPERTY

- Primary: 68%
- Investment: 20%
- Vacation: 6%
- Other: 5%
- Don’t Know: 5%

PERCENTAGE OF SELLERS WHO REPORTED OFFERING INCENTIVES

22%

INCENTIVES

SELLER INCENTIVES OFFERED

- Condo Fees: 0%
- Appliances: 0%
- Remodelling: 3%
- Warranty: 9%
- Closing Costs: 11%
- No Incentive: 78%

Multiple responses are allowed.

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December 2019

REALTORS® CONFIDENCE INDEX SURVEY

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December 2019
CONTRACT SETTLEMENT

Issues Affecting Buyers and Sellers

PROBLEMS ENCOUNTERED FOR CONTRACTS WITH DELAYED SETTLEMENTS

- Issues Related to Obtaining Financing: 37%
- Appraisal Issues: 19%
- Home Inspection/Environmental Issues: 17%
- Titling/Deed Issues: 12%
- No Problems Encountered: 5%
- Issues in Buy/Sell Distressed Property: 3%
- Contingencies Stated in the Contract: 10%
- Home/Hazard/Flood Insurance Issues: 2%
- Buyers Lost Job: 1%
- Other: 28%

Multiple responses are allowed.

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Issues Affecting Buyers and Sellers

REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES

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<th>Reason</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Home Inspection</td>
<td>55%</td>
</tr>
<tr>
<td>Appraisal</td>
<td>42%</td>
</tr>
<tr>
<td>Obtaining Financing</td>
<td>45%</td>
</tr>
<tr>
<td>Having Clear Title</td>
<td>12%</td>
</tr>
<tr>
<td>Selling Current Home</td>
<td>7%</td>
</tr>
<tr>
<td>Other Contingencies</td>
<td>7%</td>
</tr>
<tr>
<td>Waived</td>
<td>4%</td>
</tr>
<tr>
<td>Not Needed</td>
<td>24%</td>
</tr>
</tbody>
</table>

PERCENTAGE OF CONTRACTS WITH SETTLEMENT CONTINGENCIES: 72%

REALTOR® CONCERNS
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 December 2019 survey was sent to 50,000 REALTORS® who were selected from NAR’s more than 1.4 million members through simple random sampling and to 8,097 respondents in the previous three surveys who provided their email addresses.

- There were 4,425 respondents to the online survey which ran from January 1-11, 2020. The survey’s overall margin of error at the 95 percent confidence level is one 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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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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Anna Schnerre, Research Associate, Business Insights
Meredith Dunn, Research Communications Manager

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