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 the January 2020 survey.

**Market Conditions and Expectations**

- The REALTORS® Buyer Traffic Index registered at 68 (52 in January 2019).
- The REALTORS® Seller Traffic Index registered at 47 (42 in January 2019).
- The REALTORS® Confidence Index—Six-Month Outlook Current Conditions registered at 74 for detached single-family, 62 for townhome, and 59 for condominium properties. An index above 50 indicates market conditions are expected to improve.
- Properties were typically on the market for 43 days (49 days in January 2019).
- Eighty-seven percent of respondents reported that home prices remained constant or rose in January 2020 compared to levels one year ago (78 percent in January 2019).

**Characteristics of Buyers and Sellers**

- First-time buyers accounted for 32 percent of sales (29 percent in January 2019).
- Vacation and investment buyers comprised 17 percent of sales (16 percent in January 2019).
- Sales of distressed properties (foreclosed or sold as a short sale) accounted for 2 percent of sales (4 percent in January 2019).
- Cash sales made up 21 percent of sales (23 percent in January 2019).
- Nineteen percent of sellers offered incentives such as paying for closing costs (8 percent), providing warranty (8 percent), and undertaking remodeling (4 percent).

**Issues Affecting Buyers and Sellers**

- Among sales that closed in January 2020, 76 percent had contract contingencies. The most common contingencies pertained to home inspection (57 percent), getting an acceptable appraisal (43 percent), and obtaining financing (41 percent).
- REALTORS® report “low inventory” as the major issue affecting transactions in January 2020.

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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
Current Conditions

REALTORS® BUYER TRAFFIC INDEX
By State

REALTORS® SELLER TRAFFIC INDEX
By State

MEDIAN DAYS ON THE MARKET
By State

43 DAYS

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.”

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Market Conditions and Expectations

DISTRIBUTION OF PRICE CHANGE FROM A YEAR AGO

- Higher: 19%
- Lower: 13%
- Unchanged: 68%

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

REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK

AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT

2.2 LISTINGS

4.4 CLIENTS

1 Regardless of acceptance.

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

AGE DISTRIBUTION OF BUYERS

- 34 and Under: 27%
- 35 to 55: 27%
- 56 and Over: 46%

LIVING STATUS OF HOMEBUYERS
At the Time of Purchase

- Rented an Apartment or House: 11%
- Lived in a Property They Owned: 42%
- Lived with Parents, Relatives, or Friends: 39%
- Other: 7%

FIRST-TIME BUYERS
AS PERCENTAGE OF RESIDENTIAL SALES

32%

CASH SALES
AS PERCENTAGE OF RESIDENTIAL SALES

21%

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: 76%
- All Buyers: 56%

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Characteristics of Sellers

Average Number of Offers Received on the Most Recent Closed Sale: 2.3 offers

When Seller Vacated Property:
- After Closing (Leaseback): 15%
- Between Contract Acceptance and Closing: 44%
- Between Listing and Contract Acceptance: 8%
- Within 1 Month Before Listing: 15%
- 2 to 3 Months Before Listing: 6%
- 3-6 Months Before Listing: 4%
- More than 6 Months Before Listing: 7%
- Don't Know: 1%

Seller's Use of Property:
- Primary: 67%
- Investment: 22%
- Vacation: 5%
- Other: 6%
- Don't Know: 1%

Percentage of Sellers Who Reported Offering Incentives: 19%

Seller Incentives Offered:
- Condo Fees: 1%
- Appliances: 0%
- Remodelling: 4%
- Warranty: 8%
- Closing Costs: 8%
- No Incentive: 81%

1 Multiple responses are allowed.

www.nar.realtor/research-and-statistics
### Issues Affecting Buyers and Sellers

#### CONTRACT SETTLEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Contract Settled on Time</th>
<th>Contract Delayed but Eventually Went into Settlement</th>
<th>Contract Terminated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2013</td>
<td>74%</td>
<td>22%</td>
<td>4%</td>
</tr>
<tr>
<td>2010-2016</td>
<td>60%</td>
<td>30%</td>
<td>10%</td>
</tr>
<tr>
<td>2011-2016</td>
<td>55%</td>
<td>35%</td>
<td>10%</td>
</tr>
<tr>
<td>2012-2016</td>
<td>50%</td>
<td>35%</td>
<td>15%</td>
</tr>
<tr>
<td>2013-2016</td>
<td>45%</td>
<td>40%</td>
<td>15%</td>
</tr>
<tr>
<td>2014-2016</td>
<td>40%</td>
<td>45%</td>
<td>15%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>35%</td>
<td>45%</td>
<td>20%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>30%</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>2017-2018</td>
<td>25%</td>
<td>55%</td>
<td>20%</td>
</tr>
<tr>
<td>2018-2019</td>
<td>20%</td>
<td>60%</td>
<td>20%</td>
</tr>
<tr>
<td>2019-2019</td>
<td>15%</td>
<td>65%</td>
<td>20%</td>
</tr>
</tbody>
</table>

#### 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>37%</td>
</tr>
<tr>
<td>Appraisal Issues</td>
<td>18%</td>
</tr>
<tr>
<td>Home Inspection/Environmental Issues</td>
<td>16%</td>
</tr>
<tr>
<td>Titling/Deed Issues</td>
<td>13%</td>
</tr>
<tr>
<td>No Problems Encountered</td>
<td>6%</td>
</tr>
<tr>
<td>Issues in Buy/Sell Distressed Property</td>
<td>3%</td>
</tr>
<tr>
<td>Contingencies Stated in the Contract</td>
<td>9%</td>
</tr>
<tr>
<td>Home/Hazard/Flood Insurance Issues</td>
<td>2%</td>
</tr>
<tr>
<td>Buyers Lost Job</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>22%</td>
</tr>
</tbody>
</table>

1 Multiple responses are allowed.

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REALTORS® CONFIDENCE INDEX SURVEY

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>57%</td>
</tr>
<tr>
<td>Appraisal</td>
<td>43%</td>
</tr>
<tr>
<td>Obtaining Financing</td>
<td>41%</td>
</tr>
<tr>
<td>Having Clear Title</td>
<td>13%</td>
</tr>
<tr>
<td>Selling Current Home</td>
<td>6%</td>
</tr>
<tr>
<td>Other Contingencies</td>
<td>3%</td>
</tr>
<tr>
<td>Waived</td>
<td>4%</td>
</tr>
<tr>
<td>Not Needed</td>
<td>20%</td>
</tr>
</tbody>
</table>

PERCENTAGE OF CONTRACTS WITH SETTLEMENT CONTINGENCIES: 76%

REALTOR® CONCERNS

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

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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 January 2020 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 7,906 respondents in the previous three surveys who provided their email addresses.

• There were 4,258 respondents to the online survey which ran from February 3-13, 2020, of which 1,901 had a client. Among those who had a client, the survey's maximum margin of error for proportion estimates is two percent at the 95 percent confidence level. The margins of error for subgroups are larger.

• NAR weights 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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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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