

January 2020

REALTORS® CONFIDENCE INDEX SURVEY

**NATIONAL ASSOCIATION OF REALTORS®
RESEARCH GROUP**



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 the January 2020 survey.

Market Conditions and Expectations

- The *REALTORS® Buyer Traffic Index* registered at 68 (52 in January 2019).²
- 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).³

Issues Affecting Buyers and Sellers

- From November 2019–January 2020, 74 percent of contracts settled on time (73 percent in November 2019–January 2019).
- 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.

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

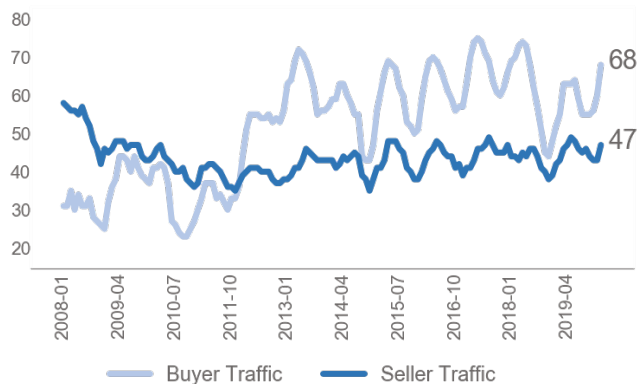
REALTORS® CONFIDENCE INDEX

Current Conditions



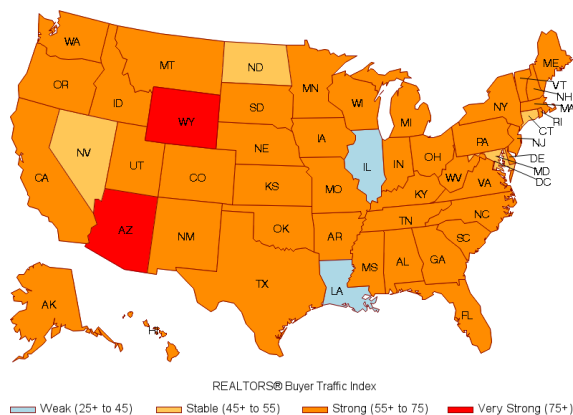
REALTORS® BUYER AND SELLER TRAFFIC INDICES

Current Conditions



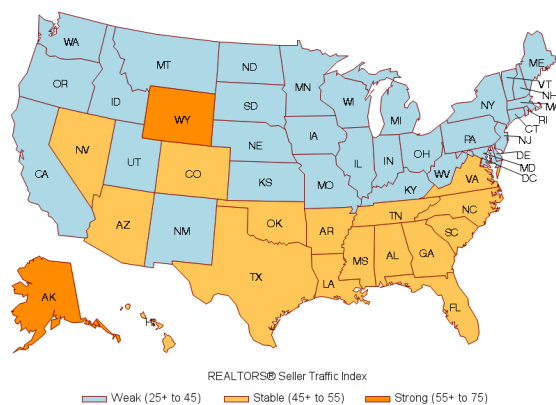
REALTORS® BUYER TRAFFIC INDEX¹

By State



REALTORS® SELLER TRAFFIC INDEX²

By State

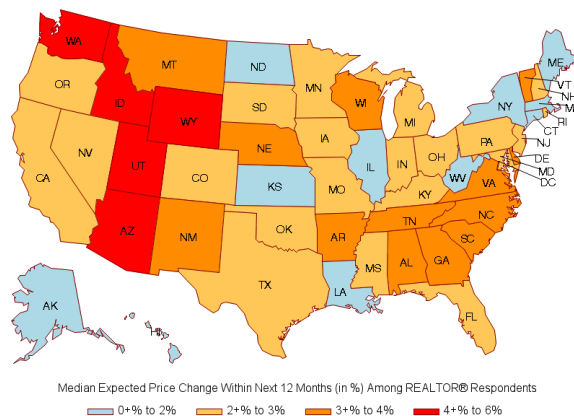


MEDIAN DAYS ON THE MARKET



MEDIAN DAYS ON THE MARKET

By State



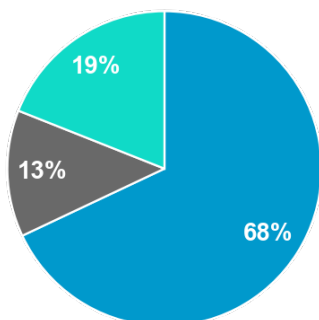
¹ 25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."

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

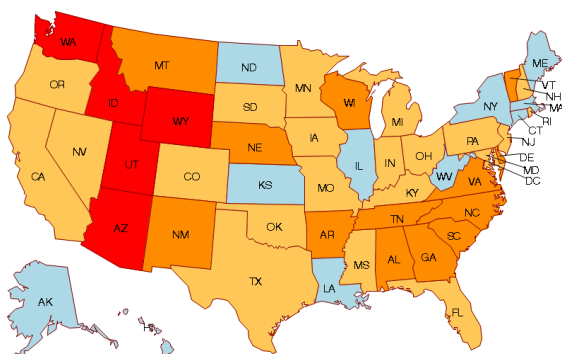
DISTRIBUTION OF PRICE CHANGE
FROM A YEAR AGO



Higher Lower Unchanged

MEDIAN EXPECTED PRICE CHANGE WITHIN
THE NEXT 12 MONTHS

By State, in the Past Three Months



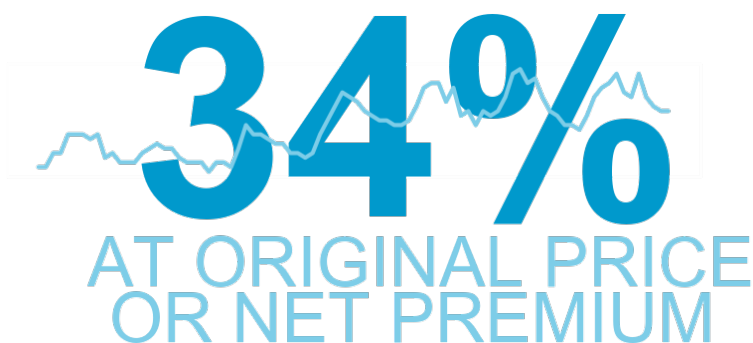
Median Expected Price Change Within Next 12 Months (in %) Among REALTOR® Respondents

0% to 2% 2% to 3% 3% to 4% 4% to 6%

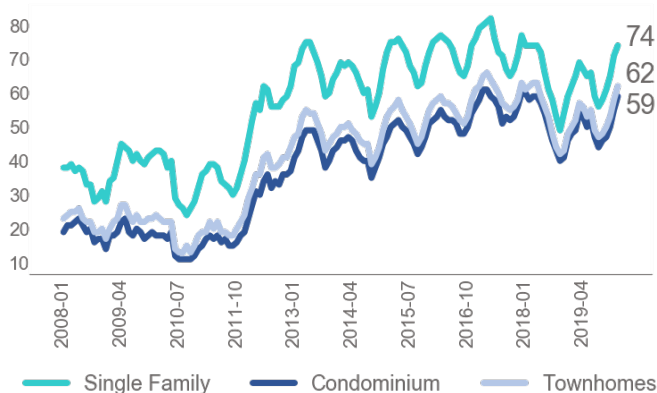
AVERAGE NUMBER LISTINGS PER AGENT

2.2
LISTINGS

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



REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK



AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR
BY AGENT

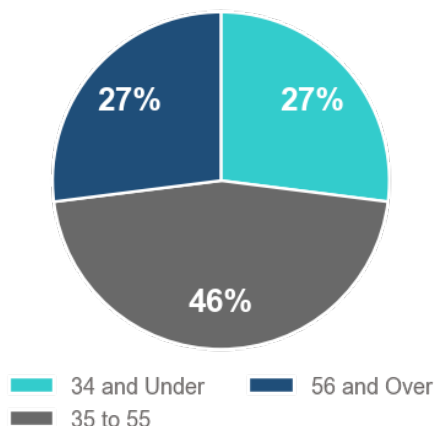


1 Regardless of acceptance.

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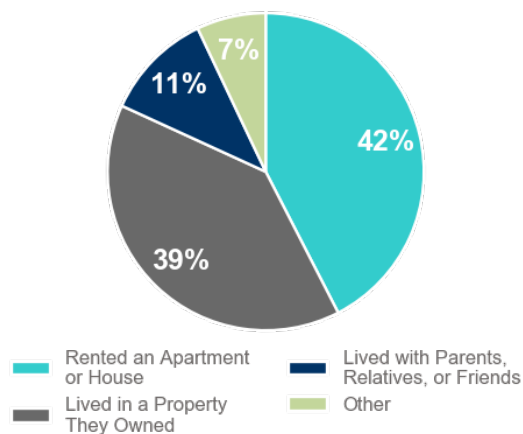
Characteristics of Buyers

AGE DISTRIBUTION OF BUYERS



LIVING STATUS OF HOMEBUYERS

At the Time of Purchase



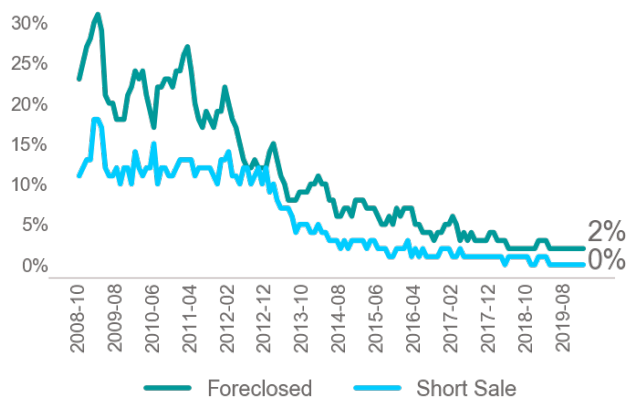
FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



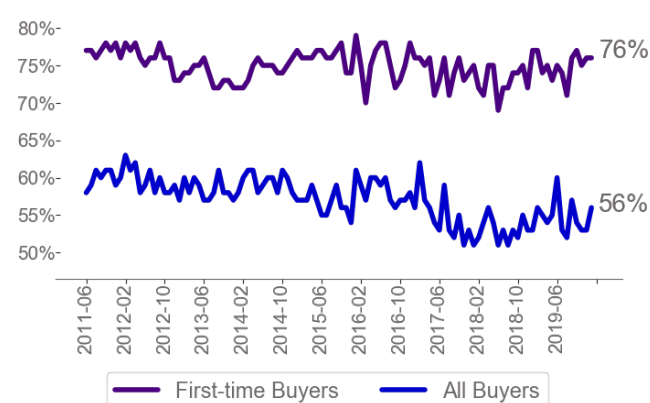
CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES



DISTRESSED PROPERTY SALES BY PROPERTY TYPE



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



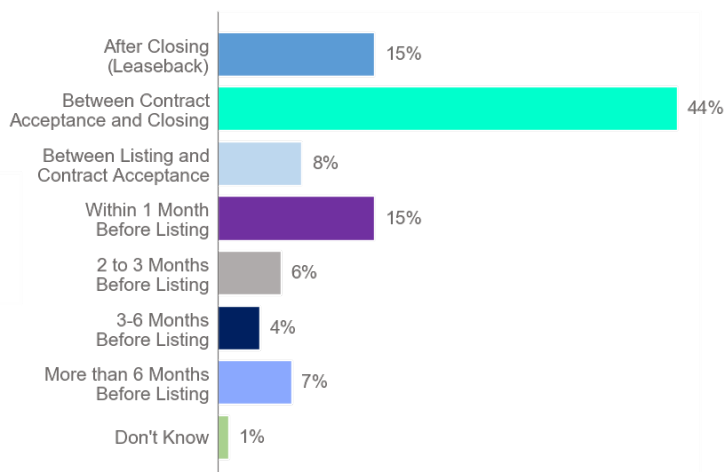
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Characteristics of Sellers

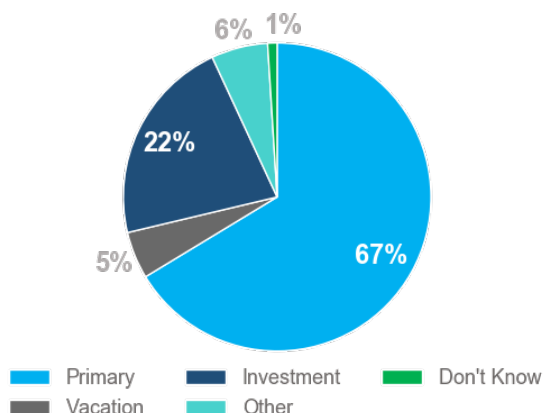
AVERAGE NUMBER OF OFFERS RECEIVED
ON THE MOST RECENT CLOSED SALE



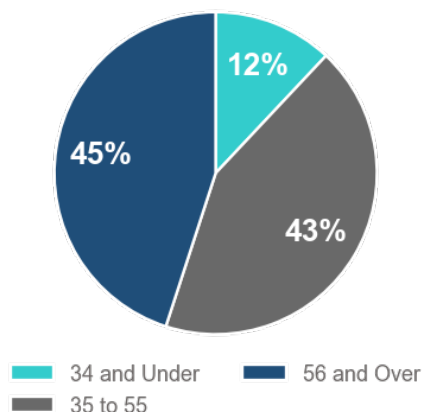
WHEN SELLER VACATED PROPERTY



SELLER'S USE OF PROPERTY



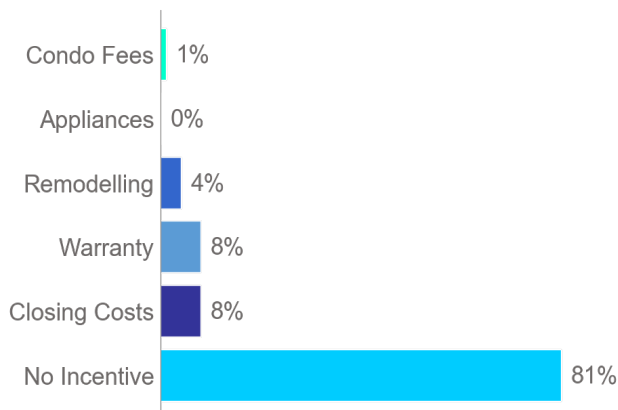
AGE DISTRIBUTION OF SELLERS



PERCENTAGE OF SELLERS
WHO REPORTED OFFERING INCENTIVES



SELLER INCENTIVES OFFERED¹

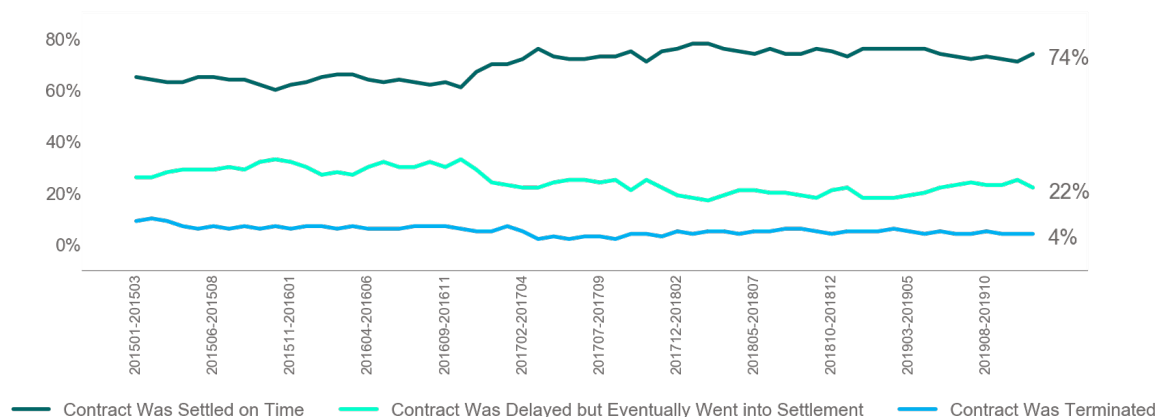


¹ Multiple responses are allowed.

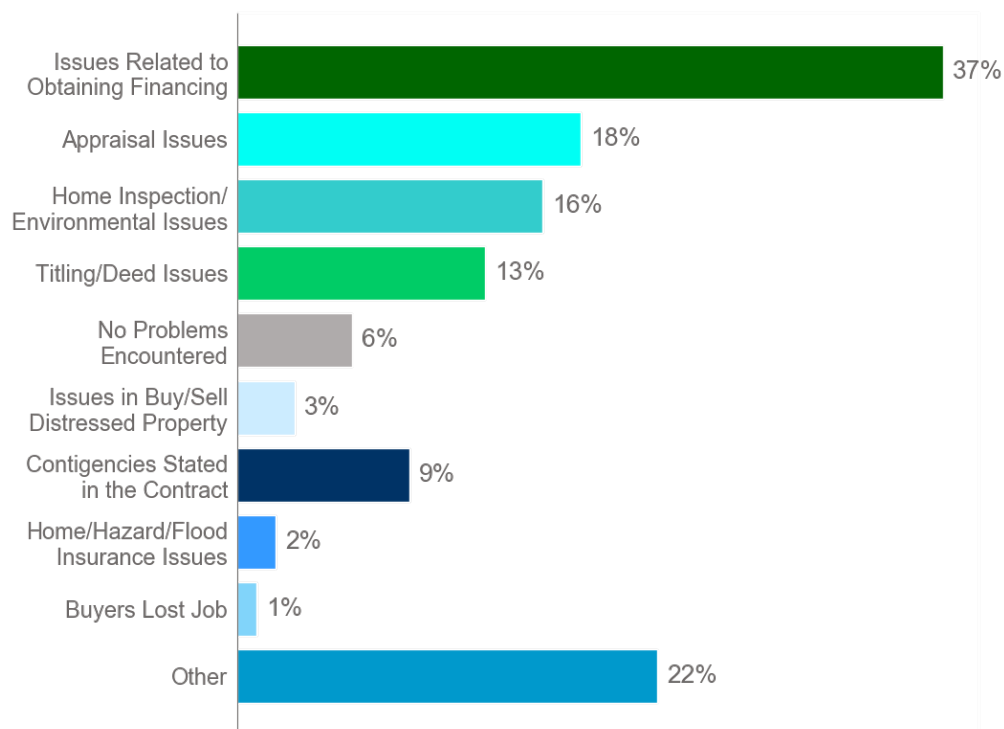
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Issues Affecting Buyers and Sellers

CONTRACT SETTLEMENT



PROBLEMS ENCOUNTERED FOR CONTRACTS WITH DELAYED SETTLEMENTS¹



¹ Multiple responses are allowed.

PERCENTAGE OF CONTRACTS WITH SETTLEMENT CONTINGENCIES



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 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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NATIONAL
ASSOCIATION *of*
REALTORS®

The National Association of REALTORS®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.4 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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