

February 2020

# 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 the February 2020 survey.

### Market Conditions and Expectations

- The *REALTORS® Buyer Traffic Index* registered at 72 (55 in February 2019).<sup>2</sup>
- The *REALTORS® Seller Traffic Index* registered at 47 (43 in February 2019).
- The *REALTORS® Confidence Index—Six-Month Outlook Current Conditions* registered at 75 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 36 days (44 days in February 2019).
- Eighty-six percent of respondents reported that home prices remained constant or rose in February 2020 compared to levels one year ago (78 percent in February 2019).

### Characteristics of Buyers and Sellers

- First-time buyers accounted for 32 percent of sales (32 percent in February 2019).
- Vacation and investment buyers comprised 24 percent of sales (16 percent in February 2019).
- Sales of distressed properties (foreclosed or sold as a short sale) accounted for 2 percent of sales (4 percent in February 2019).
- Cash sales made up 20 percent of sales (23 percent in February 2019).
- Twenty-one percent of sellers offered incentives such as paying for closing costs (10 percent), providing warranty (9 percent), and undertaking remodeling (3 percent).<sup>3</sup>

### Issues Affecting Buyers and Sellers

- From December 2019 – February 2020, 77 percent of contracts settled on time (76 percent in December 2018 – February 2019).
- Among sales that closed in February 2020, 71 percent had contract contingencies. The most common contingencies pertained to home inspection (53 percent), getting an acceptable appraisal (44 percent), and obtaining financing (43 percent).
- REALTORS® report “low inventory” as the major issue affecting transactions in February 2020.

<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

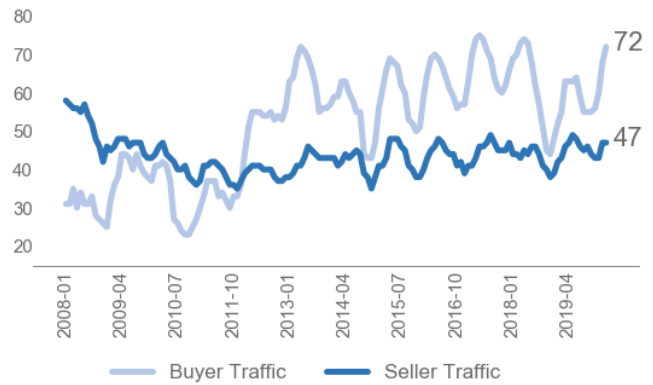
### REALTORS® CONFIDENCE INDEX

Current Conditions



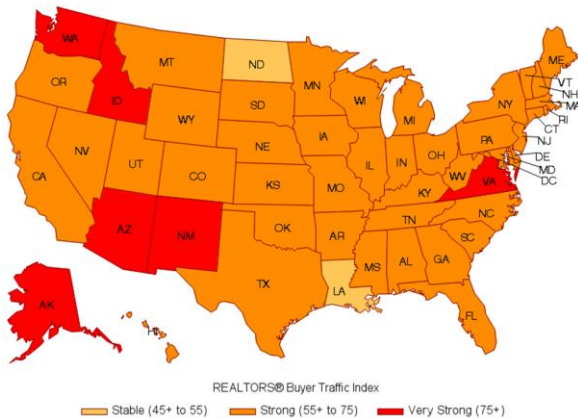
### REALTORS® BUYER AND SELLER TRAFFIC INDICES

Current Conditions



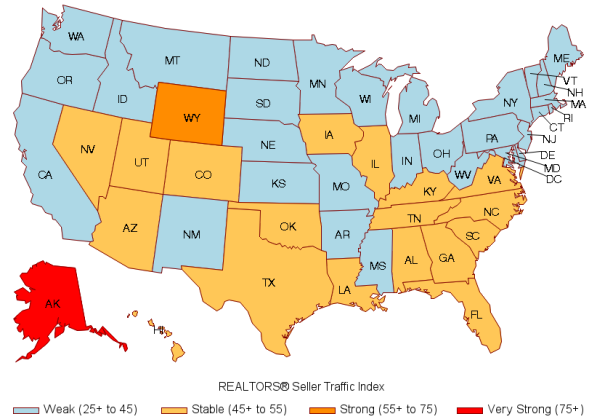
### REALTORS® BUYER TRAFFIC INDEX<sup>1</sup>

By State

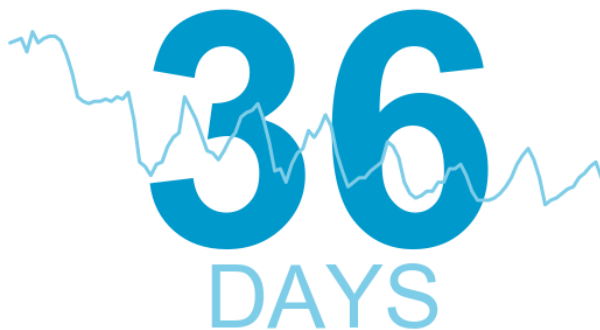


### REALTORS® SELLER TRAFFIC INDEX<sup>2</sup>

By State

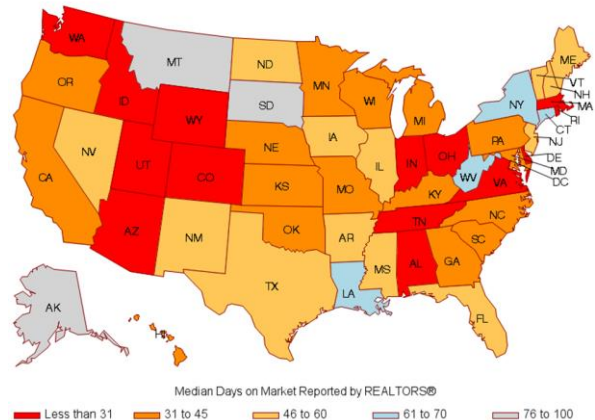


### MEDIAN DAYS ON THE MARKET



### MEDIAN DAYS ON THE MARKET

By State



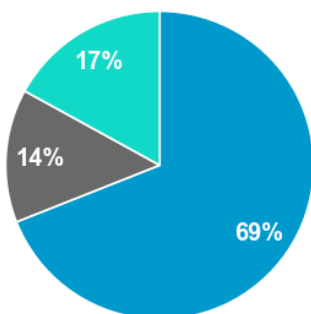
<sup>1</sup> 25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."

<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

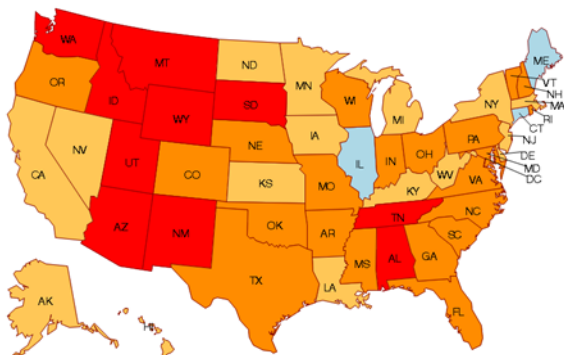
DISTRIBUTION OF PRICE CHANGE  
FROM A YEAR AGO



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%

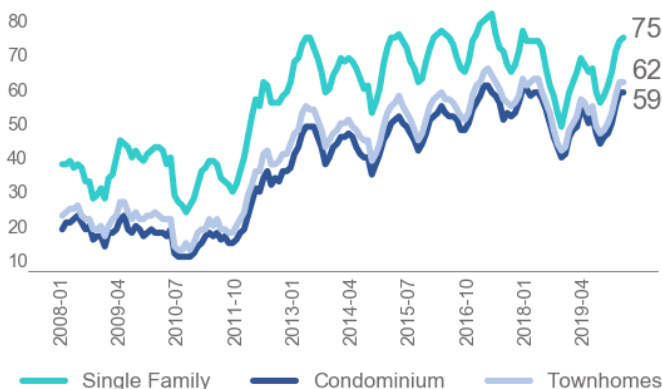
AVERAGE NUMBER LISTINGS PER AGENT

**2.3**  
LISTINGS

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

**40%**  
AT ORIGINAL PRICE  
OR NET PREMIUM

REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK



Single Family Condominium Townhomes

AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR  
BY AGENT

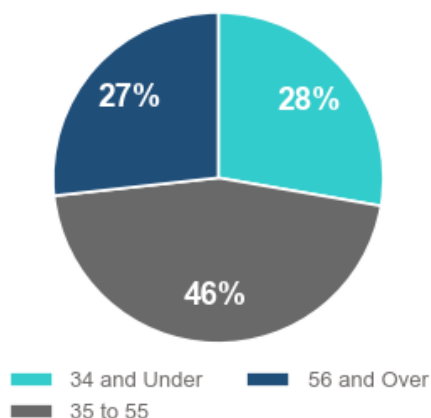
**5.0**  
CLIENTS

1 Regardless of acceptance.

# REALTORS® CONFIDENCE INDEX SURVEY

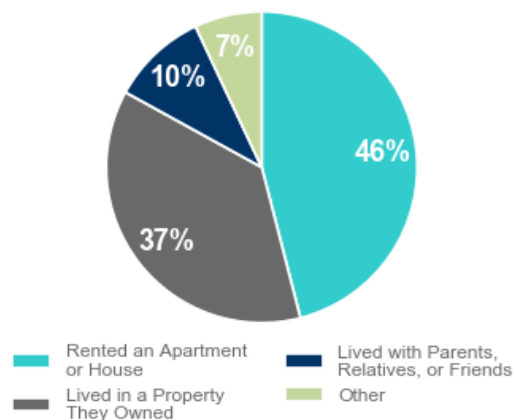
## Characteristics of Buyers

### AGE DISTRIBUTION OF BUYERS



### LIVING STATUS OF HOMEBUYERS

At the Time of Purchase



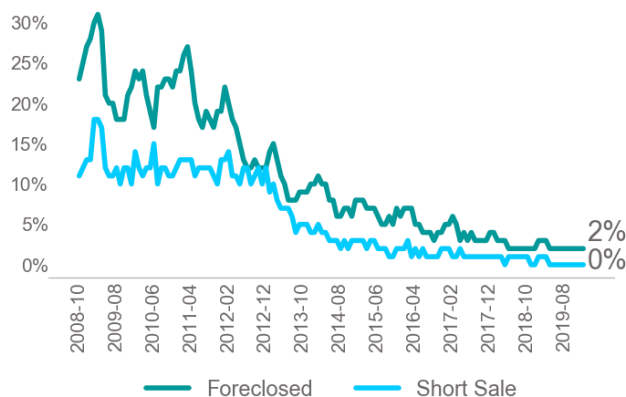
### FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



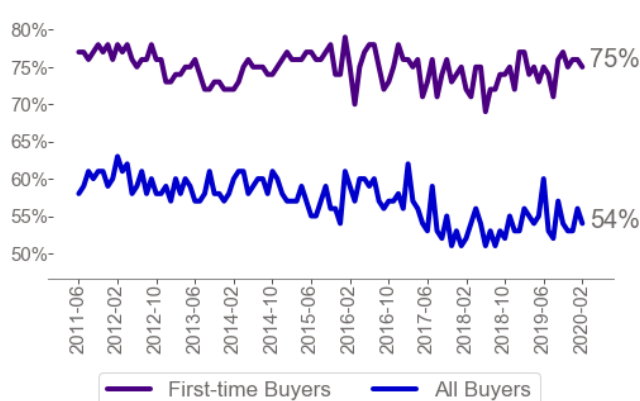
### CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES



### DISTRESSED PROPERTY SALES BY PROPERTY TYPE



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



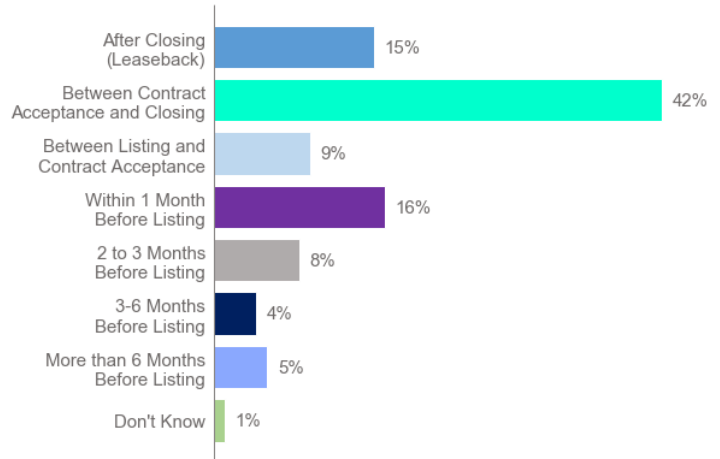
# REALTORS® CONFIDENCE INDEX SURVEY

## Characteristics of Sellers

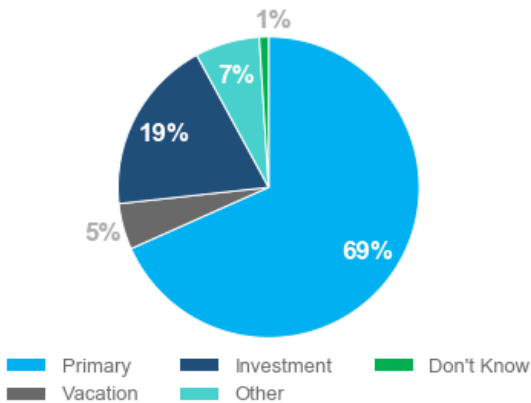
### AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE



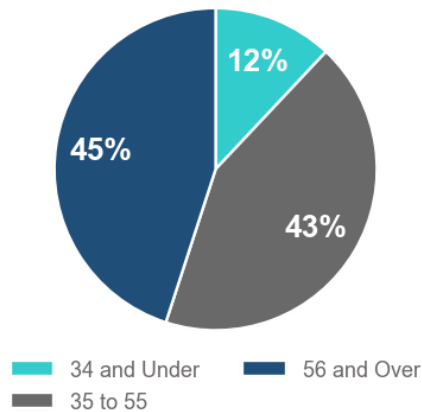
### WHEN SELLER VACATED PROPERTY



### SELLER'S USE OF PROPERTY



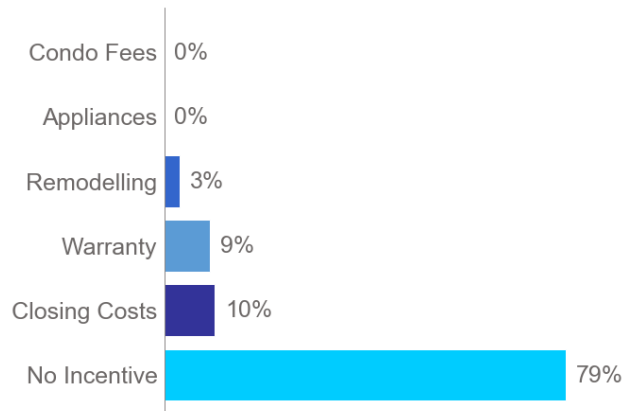
### AGE DISTRIBUTION OF SELLERS



### PERCENTAGE OF SELLERS WHO REPORTED OFFERING INCENTIVES



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

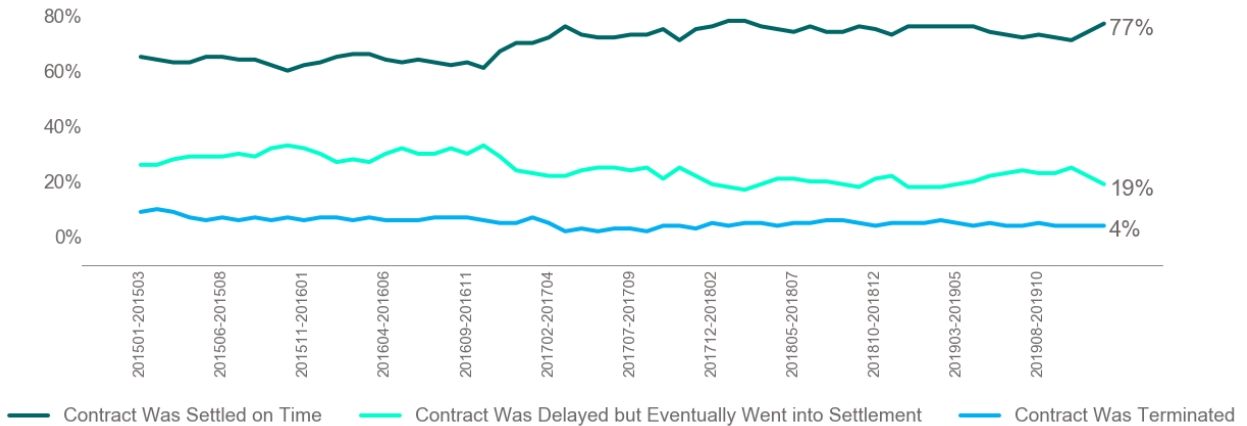


<sup>1</sup> Multiple responses are allowed.

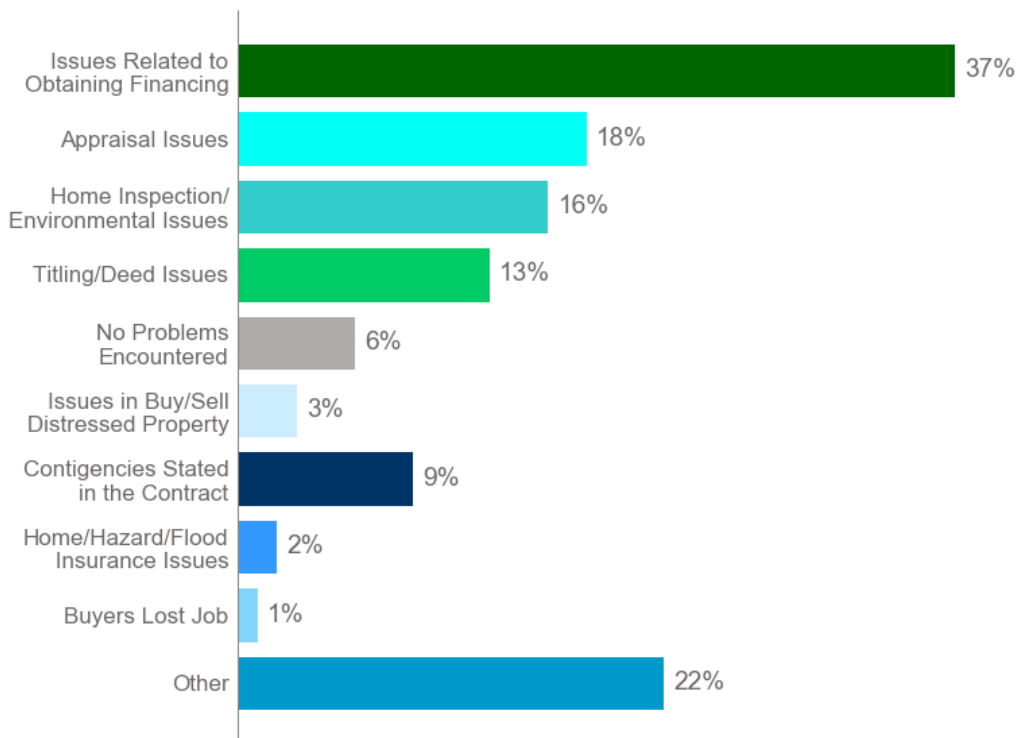
# REALTORS® CONFIDENCE INDEX SURVEY

## Issues Affecting Buyers and Sellers

### CONTRACT SETTLEMENT



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



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



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

[illegible]

[www.nar.realtor/research-and-statistics](http://www.nar.realtor/research-and-statistics)



# 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 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 10,000 respondents in the previous three surveys who provided their email addresses.
- There were 4,228 respondents to the online survey which ran from March 1-12, 2020, of which 2,033 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](mailto:Data@realtors.org)

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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.

### RCI Lead Team

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 Brandon Hardin, Research Economist  
 Anna Schnerre, Research Associate, Business Insights  
 Meredith Dunn, Research Communications Manager

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