



**NATIONAL  
ASSOCIATION OF  
REALTORS®**

# **REALTORS® CONFIDENCE INDEX SURVEY**

**March 2020**



**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 March 2020 survey. Several data points show the impact of the coronavirus social distancing measures on the housing market.

### Market Conditions and Expectations

- The *REALTORS® Buyer Traffic Index* registered at 38 (63 in March 2019).<sup>2</sup>
- The *REALTORS® Seller Traffic Index* registered at 30 (46 in March 2019).
- The *REALTORS® Confidence Index—Six-Month Outlook Current Conditions* registered at 35 for detached single-family, 29 for townhome, and 27 for condominium properties. An index above 50 indicates market conditions are expected to improve.
- Properties were typically on the market for 29 days (36 days in March 2019).
- Fifty-one percent of respondents reported higher home prices in March 2020 compared to levels one year ago (83 percent in March 2019); 27 percent reported stable prices (22 percent in March 2019), and 22 percent reported lower prices (17 percent in March 2019).
- Sixty percent of respondents expect stable or higher home prices in the next 12 months (92 percent in February 2020 survey) and forty percent expect lower prices (8 percent in February 2020 survey). On average, respondents expect prices to decline by one percent in the next 12 months (increase by 3 percent in the February 2020 survey).
- Fifteen percent of properties sold at a premium (11 percent in March 2019), and sixty percent sold at a net discount (63 percent in March 2019).

### Characteristics of Buyers and Sellers

- Sales of distressed properties (foreclosed or sold as a short sale) accounted for 3 percent of sales (3 percent in March 2019).
- First-time buyers accounted for 34 percent of sales (33 percent in March 2019).
- Vacation and investment buyers comprised 16 percent of sales (18 percent in March 2019).
- Cash sales made up 19 percent of sales (21 percent in March 2019).
- Fifty-five percent of buyers who obtained a mortgage put in less than 20 percent down payment. A higher fraction of first-time buyers put in less than 20 percent down payment, at 74 percent. Sixty percent of first-time buyers put in zero to six percent down payment.
- Twenty percent of sellers offered incentives such as paying for closing costs (10 percent), providing warranty (9 percent), and undertaking remodeling (2 percent).
- Twenty-five percent of sellers had used the property for investment rental (18 percent) and as a vacation home (7 percent).

<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.”

# REALTORS® CONFIDENCE INDEX SURVEY

## Summary

- Among sales that closed in March 2020, 75 percent had contract contingencies. The most common contingencies pertained to home inspection (57 percent), getting an acceptable appraisal (44 percent), and obtaining financing (47 percent).
- Respondents reported that 65 percent of buyers obtained a conventional conforming mortgage; three percent, non-conforming conventional; 20 percent, FHA-insured mortgage; 9 percent, VA loan; and two percent, USDA loan.
- Fifty-one percent of buyers purchased in a suburban area, 18 percent in a central city, 15 percent in a small town, 11 percent in a rural areas, and 5 percent in a resort area.

## Issues Affecting Buyers and Sellers

- Contract settlement typically took 30 days in March 2020 (30 days in February 2020).
- Of the contracts that either went into settlement (on time or delayed) or were terminated during January–March 2020, 77 percent of these contracts went into settlement on time (76 percent in December 2018 – February 2019), 21 percent had a delayed settlement (19 percent in the prior 3-month period), and eight percent were terminated (four percent in the prior 3-month period).
- Among contracts that were terminated, 22 percent were due to ‘buyer lost job’ (one percent in February 2020), 23 percent were due to “issues related to financing” (16 percent in February 2020), and 47 percent were due to “Other” reasons (24 percent in February 2020). “Other” reasons were mostly related to the coronavirus effect. Only five percent of terminated contracts were due to appraisal issues.
- Among contracts that had a delayed settlement, 34 percent were due to “issues related to obtaining financing” (32 percent in the prior 3-month period); 16 percent, appraisal issues (18 percent in the prior 3-month period); 14 percent, home inspection issues (20 percent in the prior 3-month period); and 25 percent, “Other” reasons (24 percent in the prior 3-month period).
- REALTORS® reported “coronavirus” or “COVID-19” as the major issue affecting transactions in March 2020.

## Client Transactions

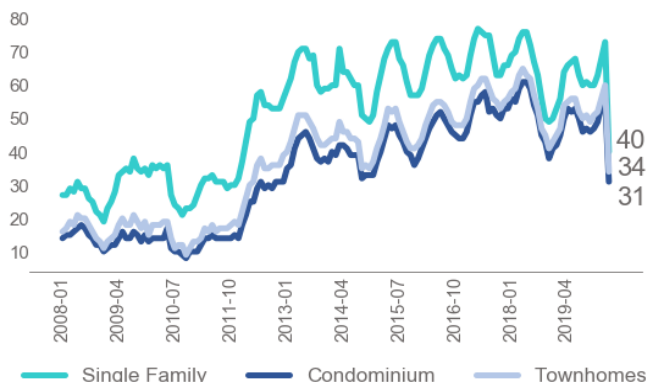
- On average, there were two buyer offers on properties sold in March 2020 (two offers in March 2019).
- On average, respondents took about four clients on a home tour in March 2020 (five clients in March 2019).
- On average, respondents listed about two properties in March 2020 (three properties in March 2019).
- Among respondents who listed a property, the median list price in March 2020 was \$299,600 (\$293,000 in March 2019).

# REALTORS® CONFIDENCE INDEX SURVEY

## Market Conditions and Expectations

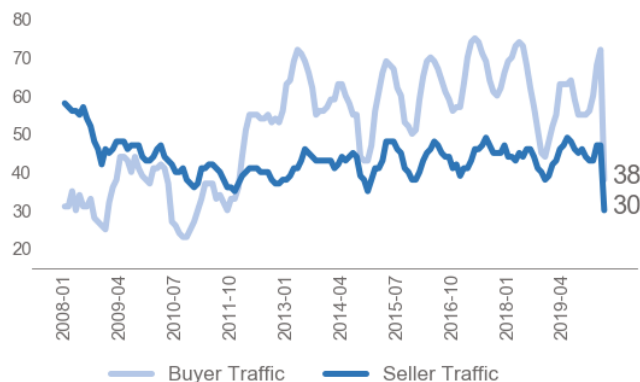
### REALTORS® CONFIDENCE INDEX

Current Conditions



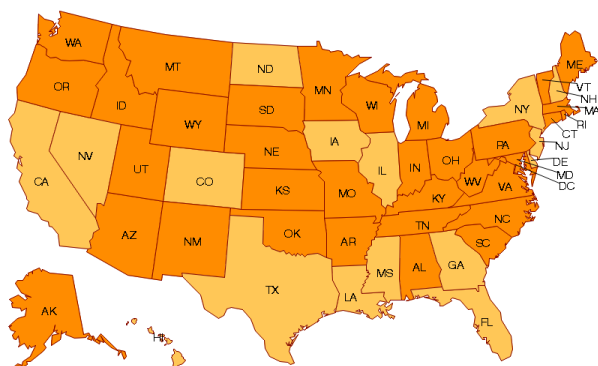
### REALTORS® BUYER AND SELLER TRAFFIC INDICES

Current Conditions



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

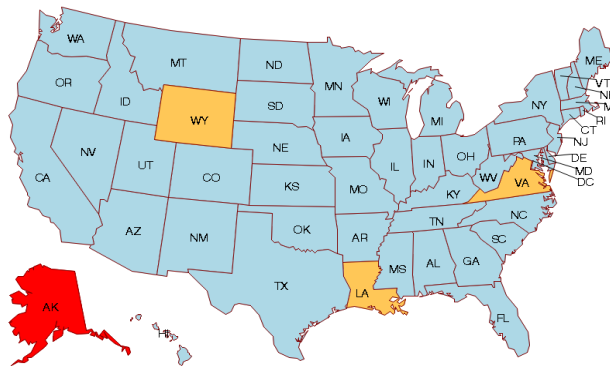
By State



REALTORS® Buyer Traffic Index  
Weak (25+ to 45) Stable (45+ to 55) Strong (55+ to 75)

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

By State



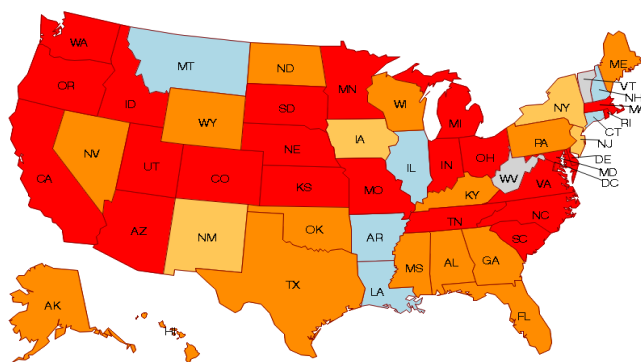
REALTORS® Seller Traffic Index  
Weak (25+ to 45) Stable (45+ to 55) Very Strong (75+)

### MEDIAN DAYS ON THE MARKET



### MEDIAN DAYS ON THE MARKET

By State



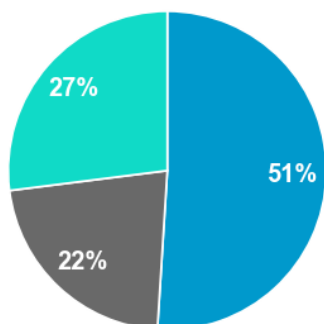
Median Days on Market Reported by REALTORS®  
Less than 31 31 to 45 46 to 60 61 to 70 76 to 90

<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

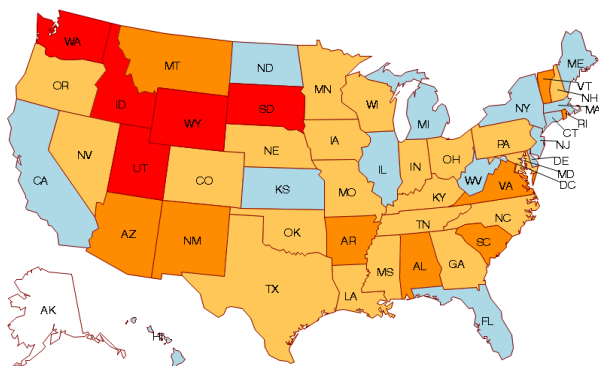
DISTRIBUTION OF PRICE CHANGE  
FROM A YEAR AGO



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%

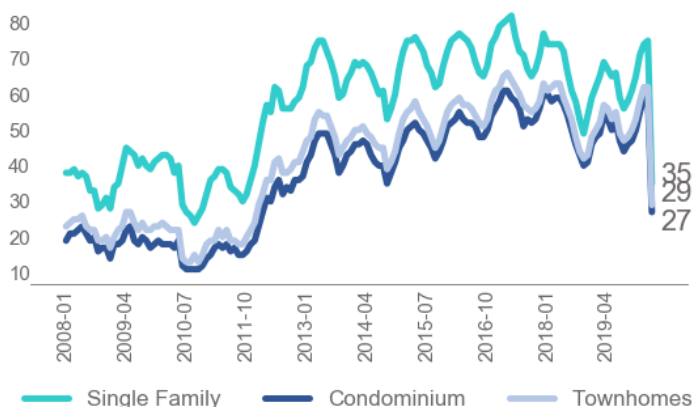
AVERAGE NUMBER LISTINGS PER AGENT

**2.2**  
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



AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR  
BY AGENT

**4.2**  
CLIENTS

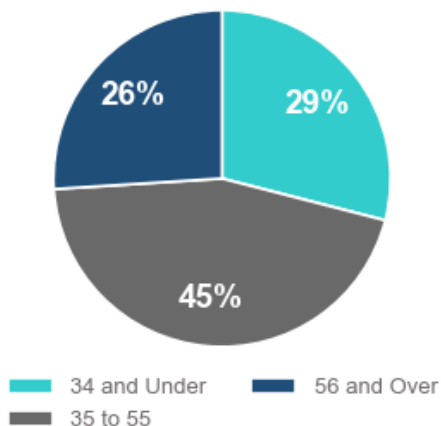
1 Regardless of acceptance.



# REALTORS® CONFIDENCE INDEX SURVEY

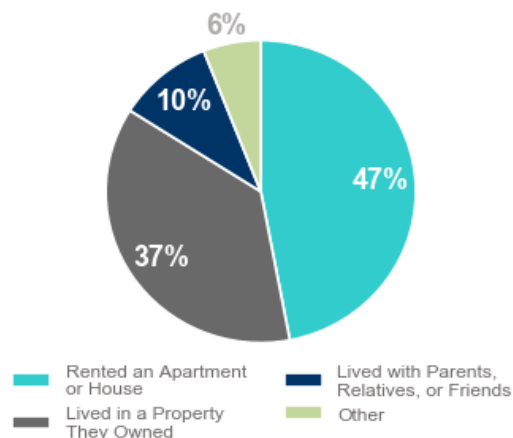
## Characteristics of Buyers

AGE DISTRIBUTION OF BUYERS



LIVING STATUS OF HOMEBUYERS

At the Time of Purchase



FIRST-TIME BUYERS  
AS PERCENTAGE OF RESIDENTIAL SALES



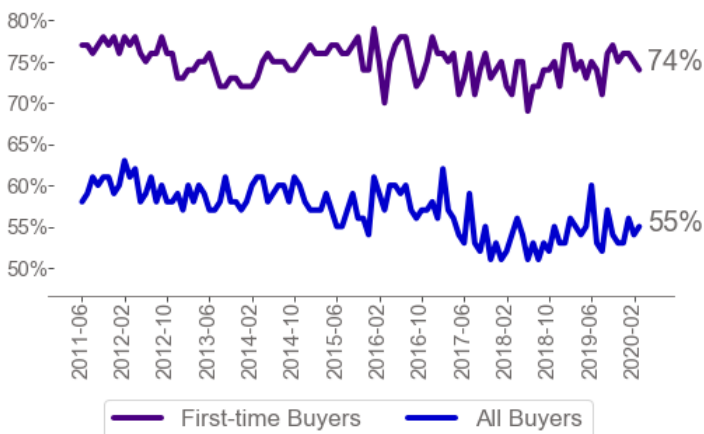
CASH SALES  
AS PERCENTAGE OF RESIDENTIAL SALES



DISTRESSED PROPERTY SALES  
BY PROPERTY TYPE



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



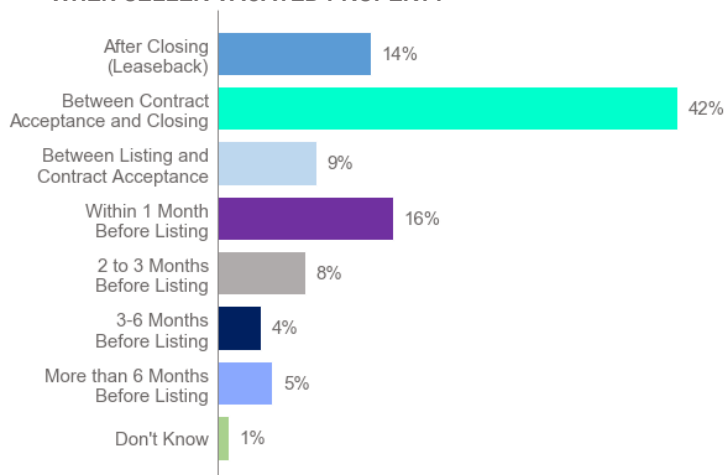
# REALTORS® CONFIDENCE INDEX SURVEY

## Characteristics of Sellers

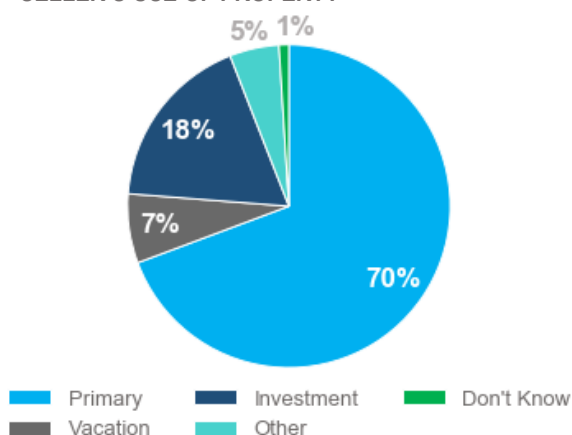
AVERAGE NUMBER OF OFFERS RECEIVED  
ON THE MOST RECENT CLOSED SALE



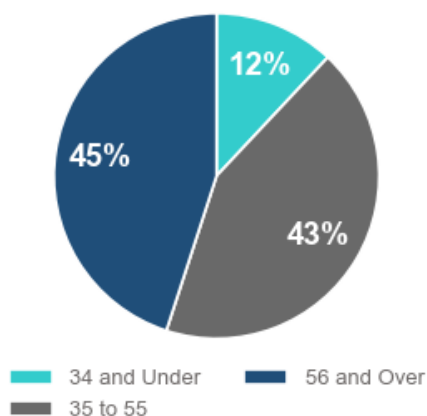
WHEN SELLER VACATED PROPERTY



SELLER'S USE OF PROPERTY



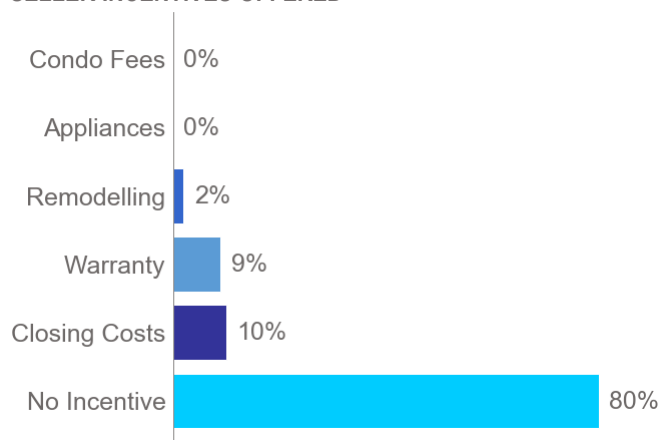
AGE DISTRIBUTION OF SELLERS



PERCENTAGE OF SELLERS  
WHO REPORTED OFFERING INCENTIVES



SELLER INCENTIVES OFFERED<sup>1</sup>

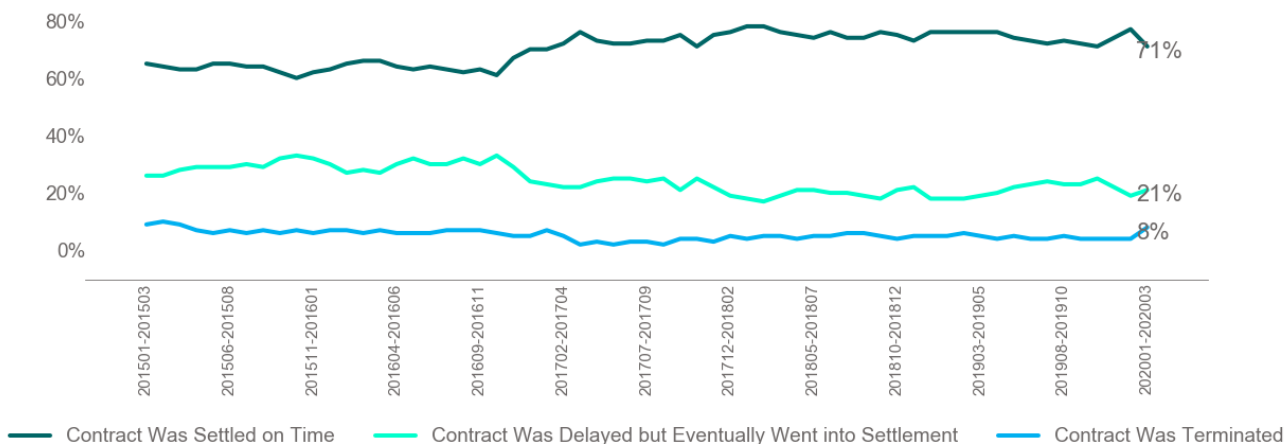


<sup>1</sup> Multiple responses are allowed.

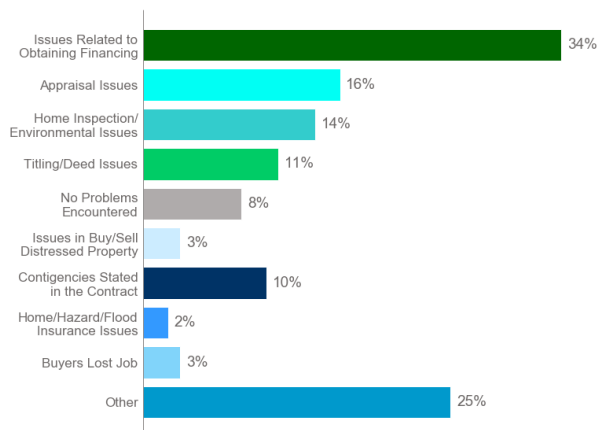
# REALTORS® CONFIDENCE INDEX SURVEY

## Issues Affecting Buyers and Sellers

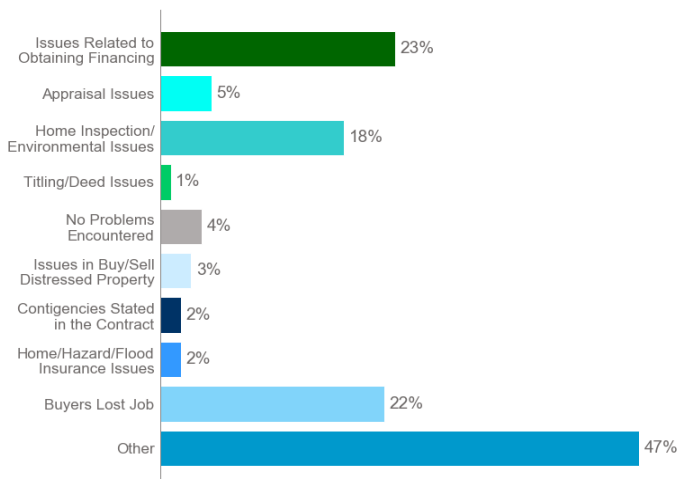
### CONTRACT SETTLEMENT



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



### PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS<sup>1</sup>

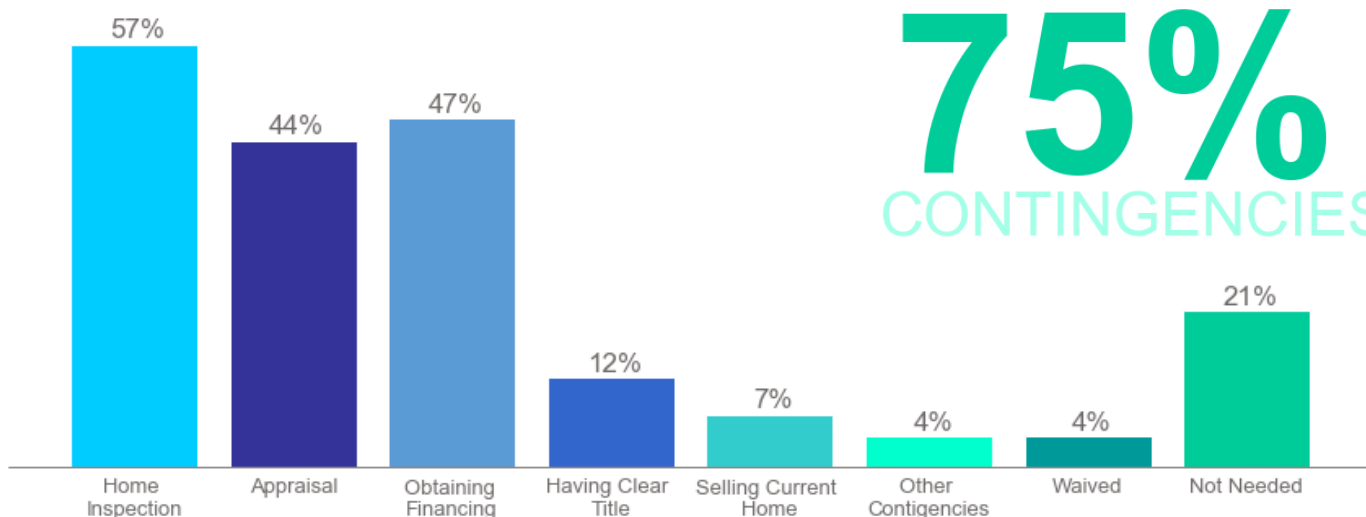


<sup>1</sup> Multiple responses are allowed.



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

75%  
CONTINGENCIES



# 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 March 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 7,709 respondents in the previous three surveys who provided their email addresses.
- There were 6,416 respondents to the online survey which ran from April 1-13, 2020, of which 3,118 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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# REALTORS® CONFIDENCE INDEX SURVEY



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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 Gay Cororaton, Senior Economist and Director of Housing and Commercial Research  
 Brandon Hardin, Research Economist  
 Anna Schnerre, Research Associate, Business Insights  
 Meredith Dunn, Research Communications Manager

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