Summary

The REALTORS® Confidence Index (RCI) survey gathers monthly information from REALTORS® real estate transactions to provide on-the-ground market information. This report presents key results about May 2020 market transactions.

Several indicators point to the turnaround of the housing market in May. The REALTORS® Buyer Traffic Index improved in May to 50 (stable conditions) after dipping to 30 in April. REALTORS® also expect higher sales and price appreciation in the next three months compared to their 3-month expectation in April. REALTOR® reported conducting more home tours, with an average of nearly four home tours, and listing more homes, with an average of slightly more than one home.

A higher fraction of sales also closed just based on virtual tours/showings, with 9% of sales closed based on virtual tours/showings only, based on buyer agent feedback.

### May 2020 REALTORS® Confidence Index Survey Highlights

<table>
<thead>
<tr>
<th>Key Market Indicators</th>
<th>May-20</th>
<th>Apr-20</th>
<th>May-19</th>
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<tbody>
<tr>
<td>RCI Buyer Traffic Index /1</td>
<td>50</td>
<td>30</td>
<td>63</td>
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<tr>
<td>RCI Seller Traffic Index /1</td>
<td>30</td>
<td>20</td>
<td>49</td>
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<tr>
<td>Median Days on Market</td>
<td>26</td>
<td>27</td>
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<tr>
<td>Percent of properties sold in less than 1 month</td>
<td>58</td>
<td>56</td>
<td>53</td>
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<td>Median days to close</td>
<td>32</td>
<td>35</td>
<td>30</td>
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<tr>
<td>First-Time Home Buyers, as Percent of Sales</td>
<td>34</td>
<td>36</td>
<td>32</td>
</tr>
<tr>
<td>Sales for Non-primary residence use, as Percent of Sales</td>
<td>14</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Cash Sales, as Percent of Sales</td>
<td>17</td>
<td>15</td>
<td>19</td>
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<tr>
<td>Distressed Sales, as Percent of Sales</td>
<td>3</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Percent of Respondents Reporting Constant or Rising Prices</td>
<td>81</td>
<td>77</td>
<td>82</td>
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<tr>
<td>Percent Sold at Original List Price or Premium over List Price</td>
<td>48</td>
<td>46</td>
<td>40</td>
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<tr>
<td>Sold at a Net Premium over Listing Price, as Percent of Sales</td>
<td>17</td>
<td>17</td>
<td>14</td>
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### Market Outlook

<table>
<thead>
<tr>
<th>Expected change in dollar sales volume in next 3 months vs. same period one year ago</th>
<th>May-20</th>
<th>Apr-20</th>
<th>May-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected change in dollar sales volume in next 12 months vs. same period one year ago</td>
<td>8.1</td>
<td>-4.0</td>
<td>-</td>
</tr>
<tr>
<td>Median expected change in home sales price in next 3 months vs. same period one year ago</td>
<td>0.9</td>
<td>0.0</td>
<td>-</td>
</tr>
<tr>
<td>Median expected percent change in prices in next 12 months</td>
<td>1.4</td>
<td>1.3</td>
<td>2.3</td>
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<tr>
<td>Percent of respondents who expect an increase in buyer traffic in next 3 months</td>
<td>43</td>
<td>25</td>
<td>-</td>
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<tr>
<td>Percent of respondents who expect an increase in seller traffic in next 3 months</td>
<td>29</td>
<td>20</td>
<td>-</td>
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</table>

### Other Market Indicators

<table>
<thead>
<tr>
<th>Average Number of Offers Received on the Most Sales</th>
<th>May-20</th>
<th>Apr-20</th>
<th>May-19</th>
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</thead>
<tbody>
<tr>
<td>Percent of buyers who purchased property based on virtual tour/showing/open house only</td>
<td>9</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Percent of sellers who purchased property based on virtual tour/showing/open house only</td>
<td>7</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Average Number of Clients Taken on a Home Tour by Agent (in-person tour only in April)</td>
<td>3.5</td>
<td>2.4</td>
<td>4.9</td>
</tr>
<tr>
<td>Average Number of Clients Taken on a Virtual Tour/Showing/Open House</td>
<td>1.9</td>
<td>1.8</td>
<td>-</td>
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<tr>
<td>Average Number of New Listings by Agent</td>
<td>1.3</td>
<td>1.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Percent of buyers who purchased in a suburban area</td>
<td>48</td>
<td>53</td>
<td>63</td>
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<tr>
<td>Percent of Sellers Offering Incentives</td>
<td>22</td>
<td>22</td>
<td>19</td>
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<tr>
<td>Percent of Buyers Contracts With Contingencies</td>
<td>76</td>
<td>75</td>
<td>74</td>
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<td>Percent of contracts over the past 3 months that were terminated</td>
<td>9</td>
<td>12</td>
<td>5</td>
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<tr>
<td>Percent of Buyers Who Were Renting Before Purchase</td>
<td>50</td>
<td>50</td>
<td>45</td>
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<tr>
<td>Percent of first-time buyers who put down less than 20% down payment</td>
<td>74</td>
<td>70</td>
<td>73</td>
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</table>

1. 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® Market Expectations

SALES VOLUME: 3 MONTH OUTLOOK

- Fall More than 20%: 18%
- Fall 11% to 20%: 10%
- Fall 6% to 10%: 6%
- Fall 1% to 5%: 10%
- Stays the same: 15%
- Rise 1% to 5%: 23%
- Rise 6% to 10%: 7%
- Rise 11% to 20%: 5%
- Rise More than 20%: 3%

Y/Y Sales 3-Month Outlook: 11.7%

SALES VOLUME: 12 MONTH OUTLOOK

- Fall More than 20%: 16%
- Fall 11% to 20%: 9%
- Fall 6% to 10%: 6%
- Fall 1% to 5%: 12%
- Stays the same: 12%
- Rise 1% to 5%: 24%
- Rise 6% to 10%: 8%
- Rise 11% to 20%: 5%
- Rise More than 20%: 4%

Y/Y Sales 12-Month Outlook: 8.1%

PRICE EXPECTATIONS: 3 MONTH OUTLOOK

- Fall More than 20%: 2%
- Fall 11% to 20%: 3%
- Fall 6% to 10%: 8%
- Fall 1% to 5%: 11%
- Stays the same: 21%
- Rise 1% to 5%: 35%
- Rise 6% to 10%: 17%
- Rise 11% to 20%: 2%
- Rise More than 20%: 1%

Y/Y Sales 3-Month Outlook: 0.9%

PRICE EXPECTATIONS: 12 MONTH OUTLOOK

- Fall More than 20%: 3%
- Fall 11% to 20%: 3%
- Fall 6% to 10%: 8%
- Fall 1% to 5%: 8%
- Stays the same: 16%
- Rise 1% to 5%: 34%
- Rise 6% to 10%: 23%
- Rise 11% to 20%: 4%
- Rise More than 20%: 1%

Y/Y Sales 12-Month Outlook: 1.4%

REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS

Y/Y Percent Change By State

REALTORS® BUYER and SELLER TRAFFIC INDICES—THREE-MONTH OUTLOOK

Buyer Traffic: 62
Seller Traffic: 51
Market Conditions

**REALTORS® BUYER TRAFFIC INDEX**
By State

**REALTORS® SELLER TRAFFIC INDEX**
By State

**REALTORS® BUYER AND SELLER TRAFFIC INDICES**
Current Conditions

**MEDIAN DAYS ON THE MARKET**

**DISTRIBUTION OF PRICE CHANGE FROM A YEAR AGO**

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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

**First-Time Buyers as Percentage of Residential Sales**

34%

**LIVING STATUS OF HOMEBUYERS**

At the Time of Purchase

- Rented an Apartment or House: 3%
- Lived with Parents, Relatives, or Friends: 12%
- Lived in a Property They Owned: 35%
- Other: 50%

**Distressed Property Sales by Property Type**

- Foreclosed
- Short Sale

**Cash Sales as Percentage of Residential Sales**

17%

**Percentage of Properties Sold at Original Price or at Net Premium from Listing Price**

- First-time Buyers: 74%
- All Buyers: 57%

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**REALTORS® CONFIDENCE INDEX SURVEY**

**Market Conditions**

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

2.7 OFFERS

**PERCENTAGE OF SELLERS WHO REPORTED OFFERING INCENTIVES**

22%

**SELLER INCENTIVES OFFERED**

- Condo Fees: 0%
- Appliances: 0%
- Remodelling: 3%
- Warranty: 8%
- Closing Costs: 10%
- No Incentive: 78%

**SELLER’S USE OF PROPERTY**

- Primary: 70%
- Investment: 18%
- Vacation: 5%
- Other: 5%
- Don’t Know: 1%

**AVERAGE NUMBER LISTINGS PER AGENT**

1.2 LISTINGS

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

3.5 CLIENTS

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CONTRACT SETTLEMENT

Issues Affecting Buyers and Sellers

REALTORS® CONFIDENCE INDEX SURVEY

May 2020

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contract was settled on time contract was delayed but eventually went into settlement contract was terminated

DELAYED SETTLEMENT CONTRACT PROBLEMS

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<td>Issues Related to Obtaining Financing</td>
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<td>Appraisal Issues</td>
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<td>Home Inspection/Environmental Issues</td>
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<td>Tilting/Deed Issues</td>
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<td>No Problems Encountered</td>
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<td>Issues in Buy/Sell Distressed Property</td>
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<td>Contingencies Stated in the Contract</td>
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<td>Home/Hazard/Flood Insurance Issues</td>
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<td>Buyers Lost Job</td>
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PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS

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<td>Issues in Buy/Sell Distressed Property</td>
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<td>Buyers Lost Job</td>
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1 Multiple responses are allowed.
Issues Affecting Buyers and Sellers

REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES

- Home Inspection: 59%
- Appraisal: 46%
- Obtaining Financing: 47%
- Having Clear Title: 12%
- Selling Current Home: 6%
- Other Contingencies: 3%
- Waived: 4%
- Not Needed: 19%

REALTOR® CONCERNS

1 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 May 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 9,070 respondents in the previous three surveys who provided their email addresses.

- There were 4,232 respondents to the online survey which ran from May 1-9, 2020, of which 1,749 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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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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