

REALTORS® CONFIDENCE INDEX SURVEY

May 2020

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® 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

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

Market Outlook	May-20	Apr-20	May-19
Expected change in dollar sales volume in next 3 months vs. same period one year ago	11.7	-7.8	-
Expected change in dollar sales volume in next 12 months vs. same period one year ago	8.1	-4.0	-
Median expected change in home sales price in next 3 months vs. same period one year ago	0.9	0.0	-
Median expected percent change in prices in next 12 months	1.4	1.3	2.3
Percent of respondents who expect an increase in buyer traffic in next 3 months	43	25	-
Percent of respondents who expect an increase in seller traffic in next 3 months	29	20	-

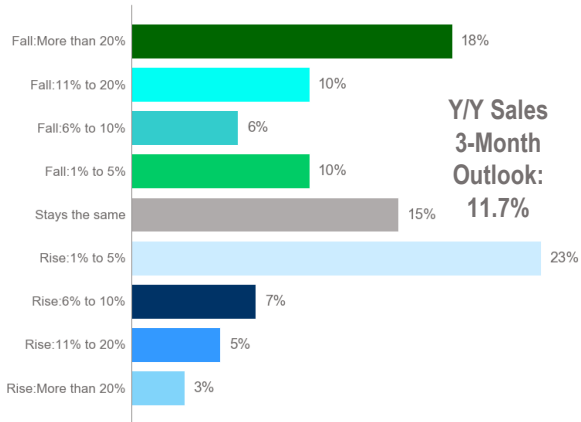
Other Market Indicators	May-20	Apr-20	May-19
Average Number of Offers Received on the Most Sales	2.7	2.5	2.3
Percent of buyers who purchased property based on virtual tour/showing/open house only	9	4	-
Percent of sellers who purchased property based on virtual tour/showing/open house only	7	5	-
Average Number of Clients Taken on a Home Tour by Agent (in-person tour only in April)	3.5	2.4	4.9
Average Number of Clients Taken on a Virtual Tour/Showing/Open House	1.9	1.8	-
Average Number of New Listings by Agent	1.3	1.1	1.5
Percent of buyers who purchased in a suburban area	48	53	53
Percent of Sellers Offering Incentives	22	22	19
Percent of Buyers Contracts With Contingencies	76	75	74
Percent of contracts over the past 3 months that were terminated	9	12	5
Percent of Buyers Who Were Renting Before Purchase	50	50	45
Percent of first-time buyers who put down less than 20% down payment	74	70	73

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."

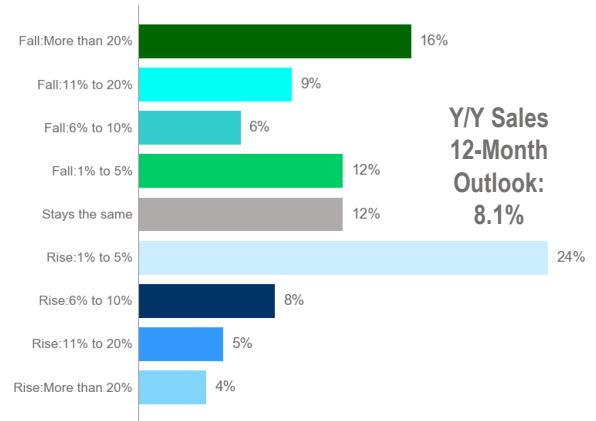
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Realtors® Market Expectations

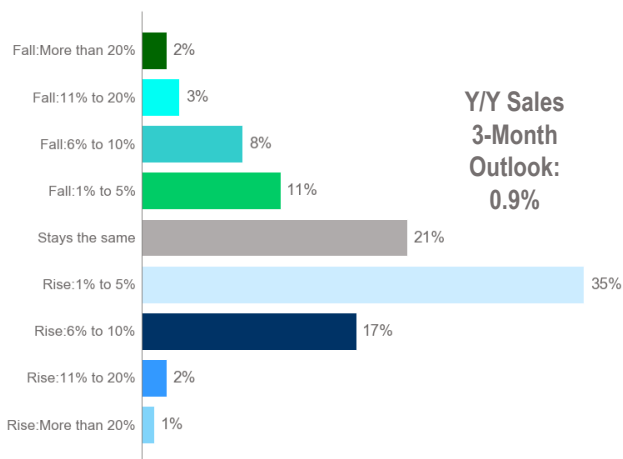
SALES VOLUME: 3 MONTH OUTLOOK



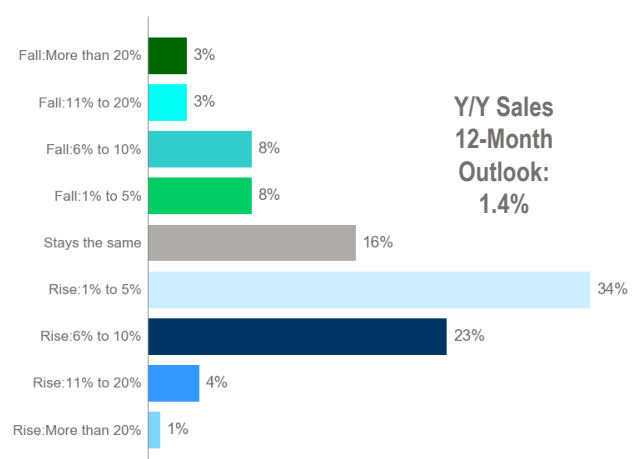
SALES VOLUME: 12 MONTH OUTLOOK



PRICE EXPECTATIONS: 3 MONTH OUTLOOK

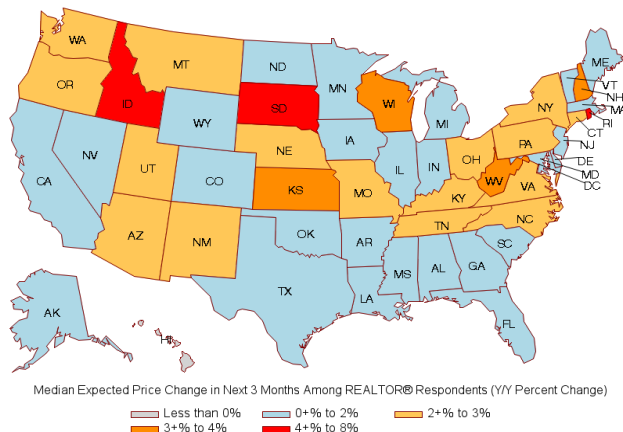


PRICE EXPECTATIONS: 12 MONTH OUTLOOK

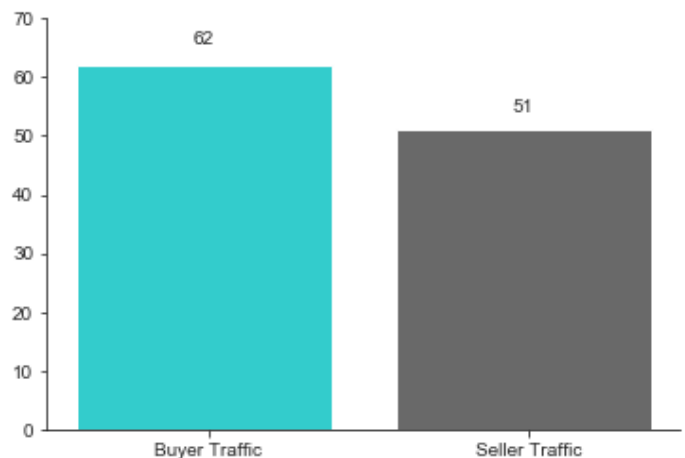


REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS

Y/Y Percent Change By State



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

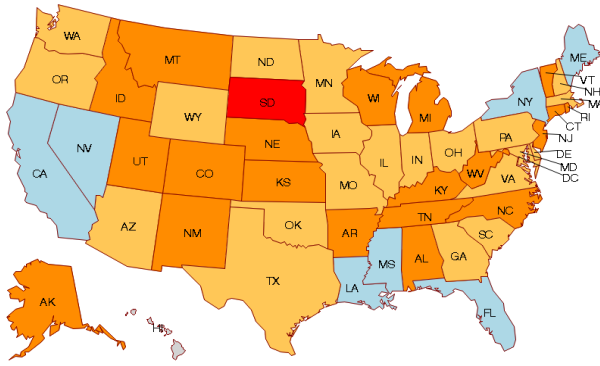


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Market Conditions

REALTORS® BUYER TRAFFIC INDEX¹

By State

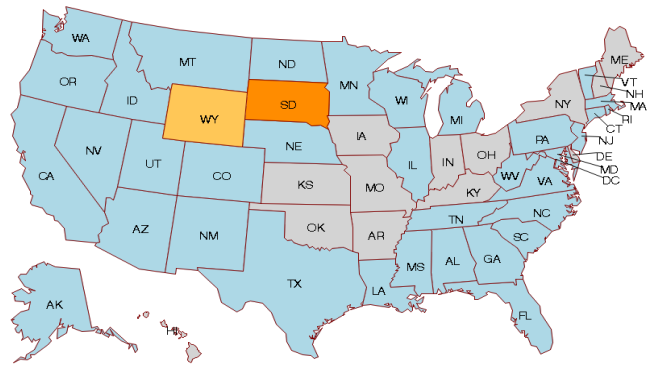


REALTORS® Buyer Traffic Index

Very weak (0 to 25) Weak (25+ to 45) Stable (45+ to 55) Strong (55+ to 75) Very Strong (75+)

REALTORS® SELLER TRAFFIC INDEX²

By State



REALTORS® Seller Traffic Index

Very weak (0 to 25) Weak (25+ to 45) Stable (45+ to 55) Strong (55+ to 75)

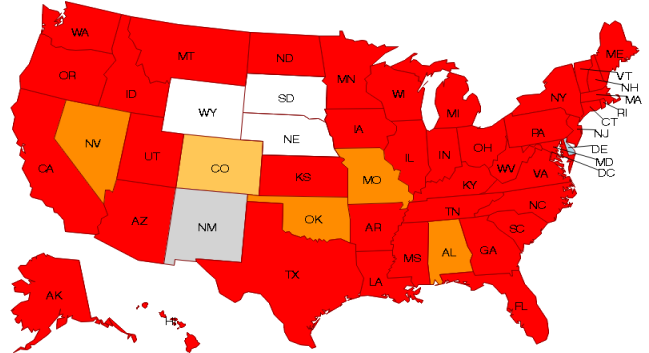
REALTORS® BUYER AND SELLER TRAFFIC INDICES

Current Conditions



MEDIAN DAYS ON THE MARKET

By State



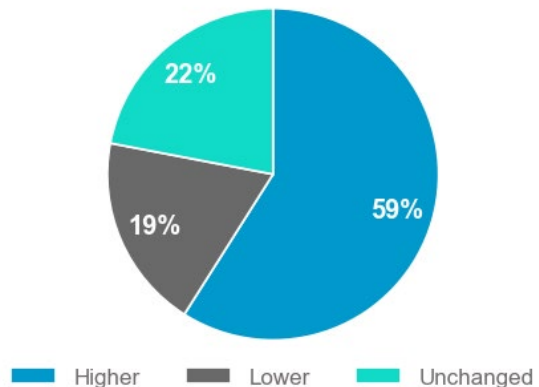
Median Days on Market Reported by REALTORS®

Less than 31 31 to 45 46 to 60 61 to 70 71 to 90 days

MEDIAN DAYS ON THE MARKET



DISTRIBUTION OF PRICE CHANGE FROM A YEAR AGO



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."

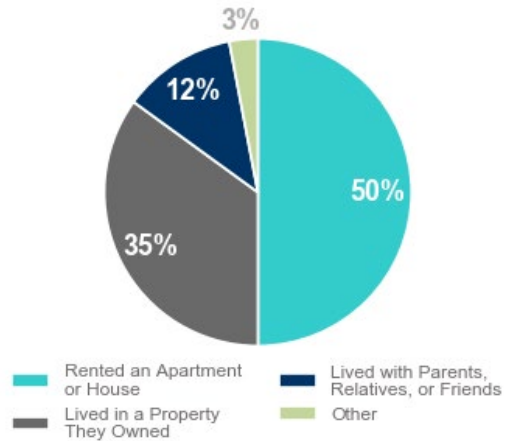
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Market Conditions

FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



LIVING STATUS OF HOMEBUYERS At the Time of Purchase



DISTRESSED PROPERTY SALES BY PROPERTY TYPE



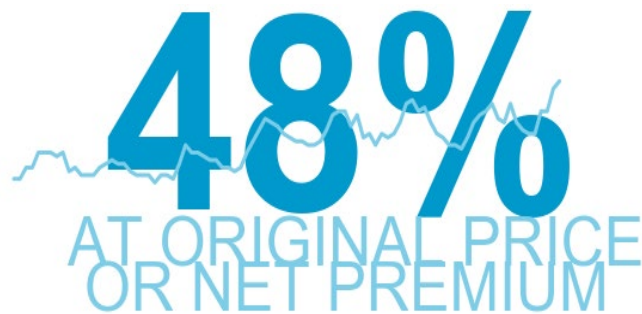
CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES



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



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



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Market Conditions

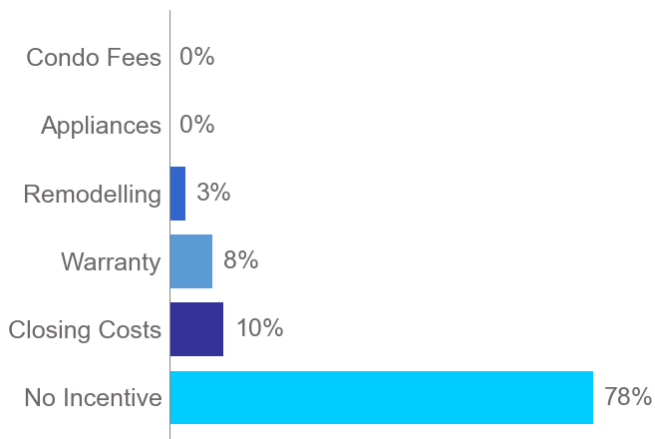
AVERAGE NUMBER OF OFFERS RECEIVED
ON THE MOST RECENT CLOSED SALE



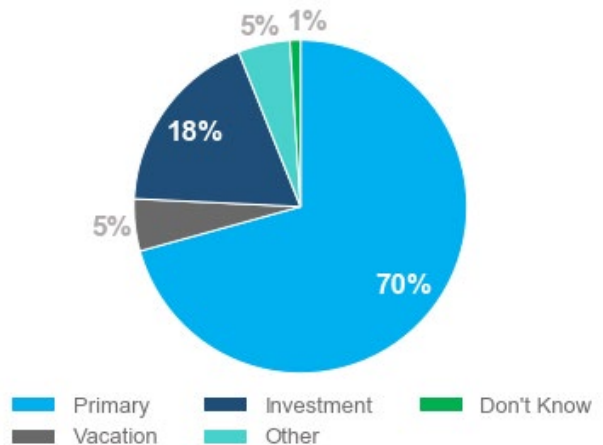
PERCENTAGE OF SELLERS WHO REPORTED OFFERING
INCENTIVES



SELLER INCENTIVES OFFERED



SELLER'S USE OF PROPERTY



AVERAGE NUMBER LISTINGS PER AGENT



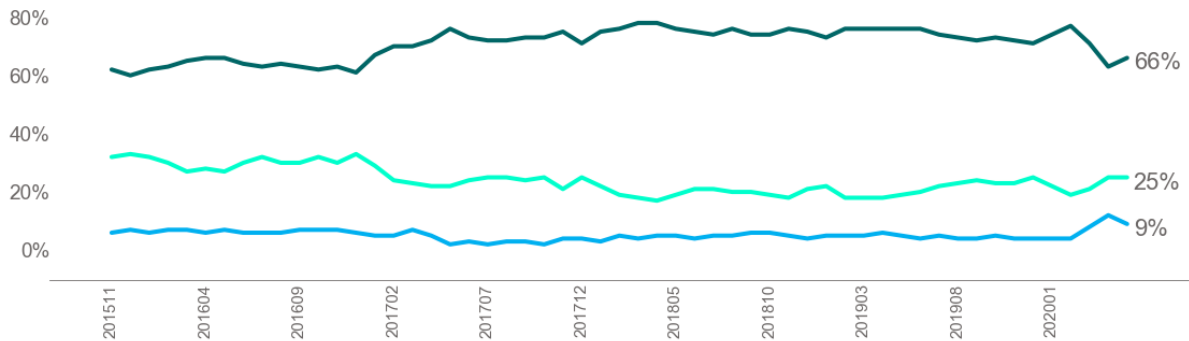
AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR
BY AGENT



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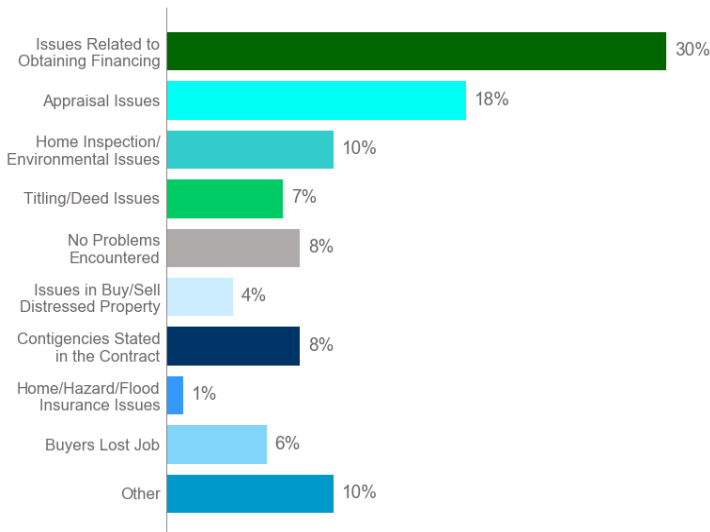
Issues Affecting Buyers and Sellers

CONTRACT SETTLEMENT

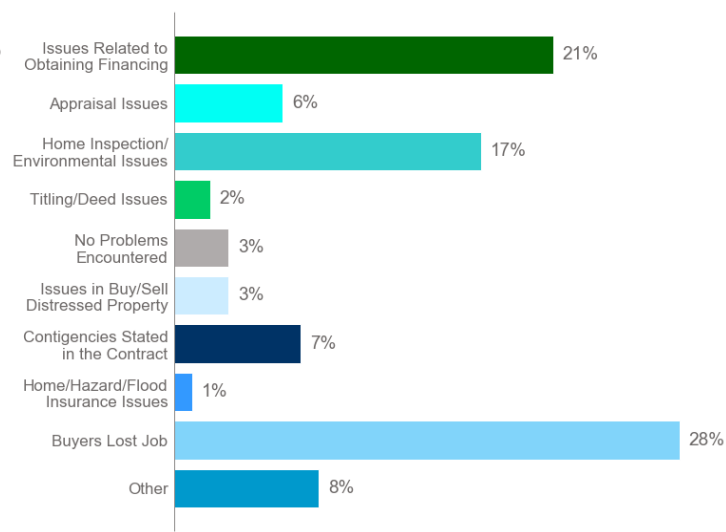


— Contract Was Settled on Time — Contract Was Delayed but Eventually Went into Settlement — Contract Was Terminated

DELAYED SETTLEMENT CONTRACT PROBLEMS



PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS¹



¹ Multiple responses are allowed.

REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES¹

[illegible]

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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.

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