Summary

The REALTORS® Confidence Index (RCI) survey gathers on-the-ground information from REALTORS® based on their real estate transactions in the month. This report presents key results about June 2020 market transactions.

Several metrics indicate the continued rebound of the housing market in June. The REALTORS® Buyer Traffic Index improved in June to 64 (moderately strong conditions) after reaching 50 (stable conditions) in May. First-time buyers accounted for 35% of existing home sales. Properties typically sold in 24 days. REALTORS® reported conducting more home tours, with an average of four in-person home tours, almost twice the average number of two listings. Every home sold had nearly three offers. On average, REALTORS® expect sales in the next three months to be just about 1% below last year’s sales level.

June 2020 REALTORS® Confidence Index Survey Highlights

<table>
<thead>
<tr>
<th>Key Market Indicators</th>
<th>Jun-20</th>
<th>May-20</th>
<th>Jun-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCI Buyer Traffic Index /1</td>
<td>64</td>
<td>50</td>
<td>64</td>
</tr>
<tr>
<td>RCI Seller Traffic Index /1</td>
<td>36</td>
<td>30</td>
<td>48</td>
</tr>
<tr>
<td>Median days on market</td>
<td>24</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Percent of properties sold in less than 1 month</td>
<td>62</td>
<td>58</td>
<td>56</td>
</tr>
<tr>
<td>Median days to close</td>
<td>30</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>First-time homebuyers, as percent of sales</td>
<td>35</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Sales for non-primary residence use, as percent of Sales</td>
<td>9</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Cash sales, as percent of sales</td>
<td>16</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Distressed sales, as percent of sales</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Outlook</th>
<th>Jun-20</th>
<th>May-20</th>
<th>Jun-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected change in home sales in the next 3 months vs. same period one year ago</td>
<td>-1.4</td>
<td>-3.3</td>
<td>-</td>
</tr>
<tr>
<td>Expected change in home sales in the next 12 months vs. same period one year ago</td>
<td>-2.8</td>
<td>-4.3</td>
<td>-</td>
</tr>
<tr>
<td>Expected change in home prices in the next 3 months vs. same period one year ago</td>
<td>1.5</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>Expected change in home prices in the next 12 months from current month</td>
<td>1.4</td>
<td>1.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Percent of respondents who expect an increase in buyer traffic in next 3 months</td>
<td>44</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Percent of respondents who expect an increase in seller traffic in next 3 months</td>
<td>24</td>
<td>29</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Market Indicators</th>
<th>Jun-20</th>
<th>May-20</th>
<th>Jun-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of offers received on the most recent sale</td>
<td>2.7</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Average number of new listings in the month per agent</td>
<td>1.8</td>
<td>1.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Average number of new purchase contracts in the month per agent</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of buyers who purchased property based on virtual tour/ showing/ open house only</td>
<td>7</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Percent of sellers who sold property based on virtual tour/ showing/ open house only</td>
<td>6</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Average number of clients taken on a home tour by agent</td>
<td>4.0</td>
<td>3.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Average number of clients taken on a virtual tour/ showing/ open house</td>
<td>1.5</td>
<td>1.9</td>
<td>-</td>
</tr>
<tr>
<td>Percent of buyers who purchased in a suburban area</td>
<td>48</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td>Percent of contracts in the past 3 months that were terminated</td>
<td>7</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Percent of contracts in the past 3 months that had delayed settlement</td>
<td>24</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Percent of buyers who were renting before purchasing a home</td>
<td>49</td>
<td>50</td>
<td>43</td>
</tr>
<tr>
<td>Median days to close</td>
<td>30</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Percent of first-time buyers who put down less than 20% down payment</td>
<td>77</td>
<td>74</td>
<td>75</td>
</tr>
<tr>
<td>Median percent of rent due in the past month that was collected</td>
<td>95</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of tenants who offered rent payment options to assist renters</td>
<td>68</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</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%: 17%
- Fall 11% to 20%: 8%
- Fall 6% to 10%: 6%
- Fall 1% to 5%: 9%
- Stays the Same: 14%
- Rise 1% to 5%: 24%
- Rise 6% to 10%: 8%
- Rise 11% to 20%: 7%
- Rise More than 20%: 5%

PRICE EXPECTATIONS: 3 MONTH OUTLOOK

- Y/Y Price 3-Month Outlook: 1.5%

SALES VOLUME: 12 MONTH OUTLOOK

- Fall More than 20%: 15%
- Fall 11% to 20%: 8%
- Fall 6% to 10%: 6%
- Fall 1% to 5%: 11%
- Stays the Same: 13%
- Rise 1% to 5%: 25%
- Rise 6% to 10%: 9%
- Rise 11% to 20%: 8%
- Rise More than 20%: 5%

PRICE EXPECTATIONS: 12 MONTH OUTLOOK

- Y/Y Price 12-Month Outlook: 1.4%

REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE

REALTORS® MEDIAN EXPECTED SALES CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE

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Market Conditions

REALTORS® BUYER TRAFFIC INDEX

REALTORS® SELLER TRAFFIC INDEX

REALTORS® BUYER AND SELLER TRAFFIC INDICES

MEDIAN DAYS ON THE MARKET

FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES

24 DAYS

35%

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Market Conditions

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

CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES

16% CASH SALES

DISTRESSED PROPERTY SALES BY PROPERTY TYPE

LIVING STATUS OF HOMEBUYERS
At the Time of Purchase

AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE

AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT

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REALTORS® CONFIDENCE INDEX SURVEY

Issues Affecting Buyers and Sellers

PROBLEMS ENCOUNTERED FOR DELAYED CONTRACT

- Issues Related to Obtaining Financing: 33%
- Appraisal Issues: 18%
- Home Inspection/Environmental Issues: 12%
- Titling/Deed Issues: 10%
- No Problems Encountered: 6%
- Issues in Buy/Sell Distressed Property: 2%
- Contingencies Stated in the Contract: 9%
- Home/Hazard/Flood Insurance Issues: 12%
- Buyers Lost Job: 4%
- Other: 33%

PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS¹

- Issues Related to Obtaining Financing: 27%
- Appraisal Issues: 9%
- Home Inspection/Environmental Issues: 20%
- Titling/Deed Issues: 0%
- No Problems Encountered: 4%
- Issues in Buy/Sell Distressed Property: 2%
- Contingencies Stated in the Contract: 9%
- Home/Hazard/Flood Insurance Issues: 0%
- Buyers Lost Job: 21%
- Other: 36%

¹ Multiple responses are allowed.
RENT OPTIONS OFFERED TO ASSIST RESIDENTIAL TENANTS

95% Rent Collected

- None at all: 32%
- Rent Abatement: 16%
- Pay over next months: 29%
- Freq smaller payment: 12%
- Other options: 11%

REALTOR® CONCERNS

- Covid-19
- Sales
- High rates
- Multiple Buyers
- Low prices
- Pandemic
- People
- Strong
- Long
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 June 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 8,960 respondents in the previous three surveys who provided their email addresses.

- There were 4,112 respondents to the online survey which ran from June 1-8, 2020, of which 1,922 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.

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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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