

REALTORS® CONFIDENCE INDEX SURVEY

November 2021

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

November 2021: Uptick in Buyer Demand But First-time Buyer Share Declines

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 November 2021 market transactions.

REALTORS® reported an uptick in buying activity in November, a month when sales tend to seasonally decline somewhat. The REALTORS® Buyer Traffic Index increased to 60 in November (56 in the prior month, 71 one year ago). The uptick in buying activity could be due to buyers seeking to lock in their mortgage at the current low rates before rates rise further in 2022 as the Federal Reserve Board eases and even tightens money supply to control inflation. However, housing supply remains low, with the REALTORS® Seller Traffic Index decreasing to 40 (43 in the prior month; 41 one year ago). An index below 50 means 'weaker' conditions during the month compared to one year ago.

Demand continues to outpace supply. On average, respondents reported taking four clients (4.1 clients in the prior month, 4 clients one year ago). On average, respondents listed just nearly two properties during the month (1.6), about half of the average number of clients taken on a home tour.

Properties typically stayed on the market for shorter days compared to one year ago at 18 days (18 days in the prior month, 21 days one year ago), with 83% of properties that closed in October sold in less than one month (82% in the prior month, 73% one year ago). On average, there were nearly four offers (3.8) on a home sold in November (3.7 in the prior month; 3.3 one year ago). Based on transactions reported by REALTORS®, a higher fraction of buyers purchased property in a suburban, small town, rural area, resort area, at 88% (87% in the prior month, 85% one year ago).

However, interested first-time homebuyers are struggling to move into homeownership. Based on transactions reported by REALTORS®, the share of first-time buyers fell to 26% in November (29% in the prior month, 32% one year ago). The share of FHA loans to mortgage financing also fell to 11% (14% in the prior month, 15% one year ago). Meanwhile, the share of cash sales stayed at 24% (24% in the prior month, 20% one year ago).

While buyer demand picked up, fewer buyers are unwilling to put in a higher offer: the fraction of respondents who made an offer above the list price declined to 40% compared to 55% in June 2021. Buyers also appear less willing to waive their appraisal and inspection contingencies: the fraction of buyers who also waived the appraisal contingency decreased to 21% (23% in the prior month) and the share of buyers who waived the inspection contingency decreased to 19% (21% in the prior month).

Among contracts in the past three months, 24% had a delayed settlement (24% in the prior month, 30% one year ago). Of contracts that had a delayed settlement, 23% were delayed due to appraisal issues (21% in the prior month, 21% one year ago).

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November 2021 REALTORS® Confidence Index Survey Highlights

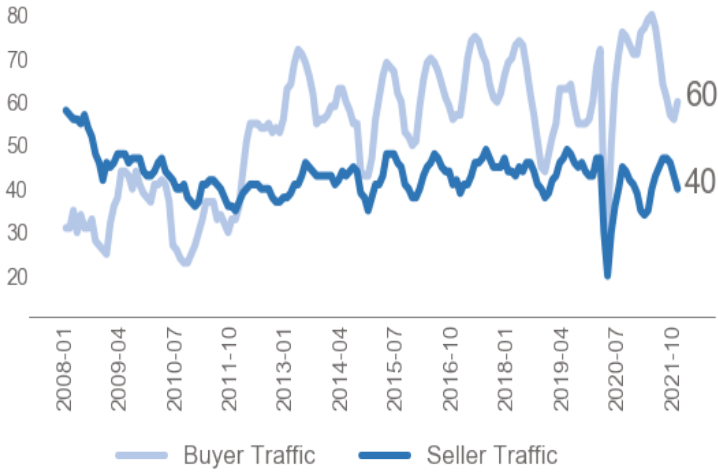
Key Market Indicators	Nov-21	Oct-21	Nov-20
RCI Buyer Traffic Index /1	60	56	71
RCI Seller Traffic Index /1	40	43	41
RCI Buyer Traffic Index: 3-Month Outlook /1	61	51	66
RCI Seller Traffic Index: 3-Month Outlook /1	49	42	46
Median days on market	18	18	21
Percent of properties sold in less than 1 month	83	82	73
First-time homebuyers, as percent of sales	26	29	32
Sales for non-primary residence use, as a percent of sales /2	15	17	14
Sales intended for vacation use, as a percent of sales /2	5	6	6
Cash sales, as percent of sales	24	24	20
Distressed sales, as percent of sales	1	1	1
Relocation/job change buyers, as a percent of sales	14	11	14
Market Outlook	Nov-21	Oct-21	Nov-20
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	35	27	45
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	23	20	25
Expected year-over-year percent change in home prices in the next 12 months	1.9	1.0	1.8
Percent of respondents who had a potential buyer looking for work-from-home features	56	56	64
Percent of respondents who reported observing a higher share of clients who live in the city who want to purchase a property in the suburb or rural area compared to January 2020	29	32	40
Other Market Indicators	Nov-21	Oct-21	Nov-20
Average number of offers received on the most recent sale	3.8	3.7	3.3
Percent of bid offers above the list price	40	42	-
Average number of prior buyer offers before closing on current home purchase	2	2	-
Average number of clients taken on a home tour by agent /3	4.0	4.1	4.0
Average number of new listings in the month per agent	1.6	1.6	1.6
Percent of buyers who purchased in a suburban, small town, rural, or resort area	88	87	85
Percent of first-time buyers who put down less than 20% down payment	72	72	73
FHA loans as a percent of buyers who obtained mortgage financing	11	14	15
Percent of buyers who waived inspection contingency	19	21	-
Percent of buyers who waived appraisal contingency	21	23	-
Percent of buyers who purchased property based on virtual tour/showing/open house only	8	8	6
Percent of sellers who sold property based on virtual tour/showing/open house only	4	6	5
Percent of buyers who were renting before purchasing a home	36	42	44
Percent of sellers represented by Realtors® who sold the property to an iBuyer	2	1	-
Percent of sellers who had been renting out the property	18	19	17
Median tenure in the primary residence among sellers	10	10	10
Median days to close	30	30	32
Percent of contracts in the past 3 months that were terminated	6	5	6
Percent of contracts in the past 3 months that had delayed settlement	24	24	30
Percent of contracts with a delayed settlement that had appraisal issues	23	21	21

/1 An index greater than 50 means a higher fraction of respondents reported "stronger" than "weaker" conditions compared to one year ago.

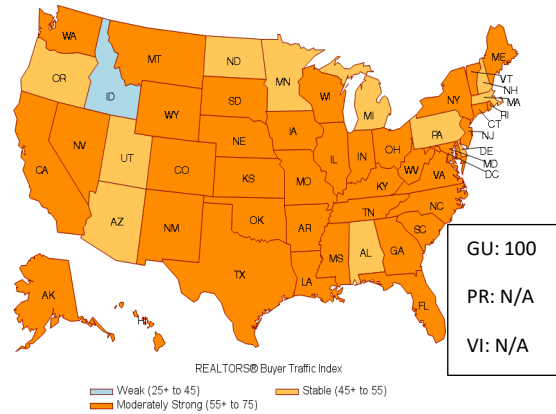
/2 Non-primary residence use refers to vacation use or residential rental.

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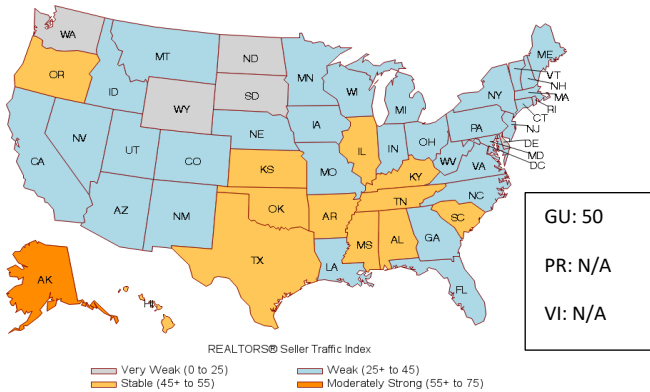
REALTORS® BUYER AND SELLER TRAFFIC INDICES



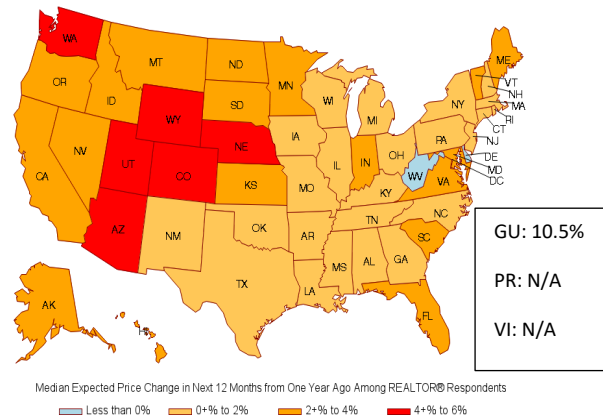
REALTORS® BUYER TRAFFIC INDEX



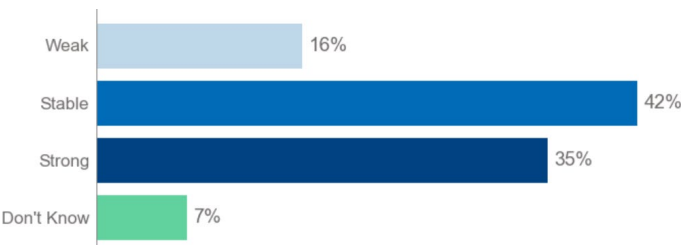
REALTORS® SELLER TRAFFIC INDEX



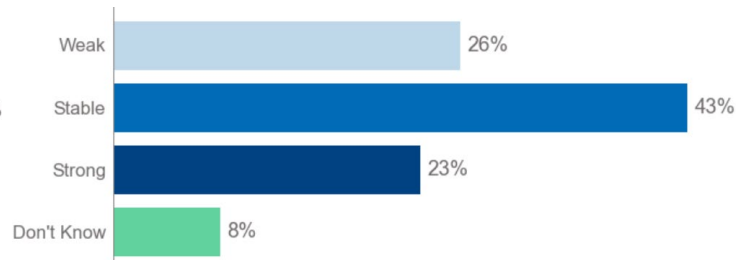
REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 12 MONTHS, Y/Y PERCENT CHANGE



REALTORS® EXPECTATION ON BUYER TRAFFIC WITHIN THE NEXT 3 MONTHS



REALTORS® EXPECTATION ON SELLER TRAFFIC WITHIN THE NEXT 3 MONTHS

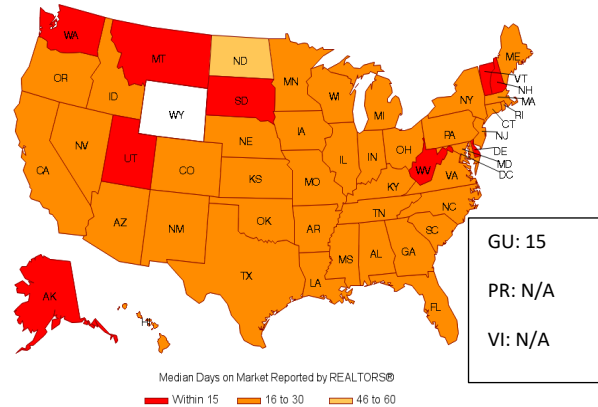


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MEDIAN DAYS ON THE MARKET



MEDIAN DAYS ON THE MARKET BY STATE



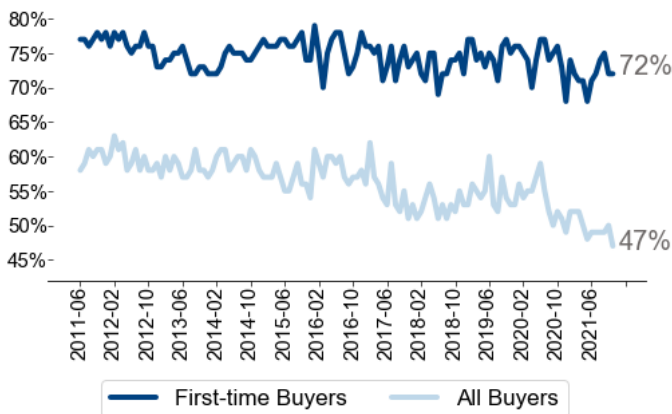
FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



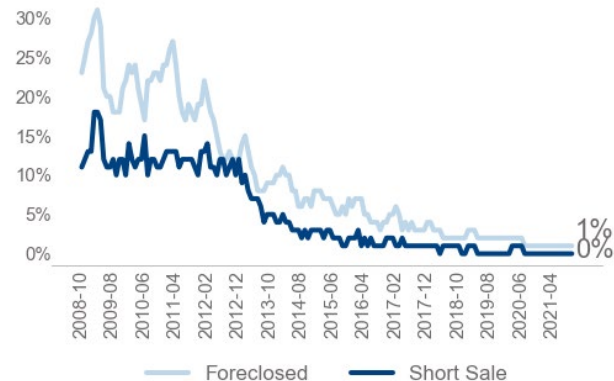
CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES



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



DISTRESSED PROPERTY SALES BY PROPERTY TYPE

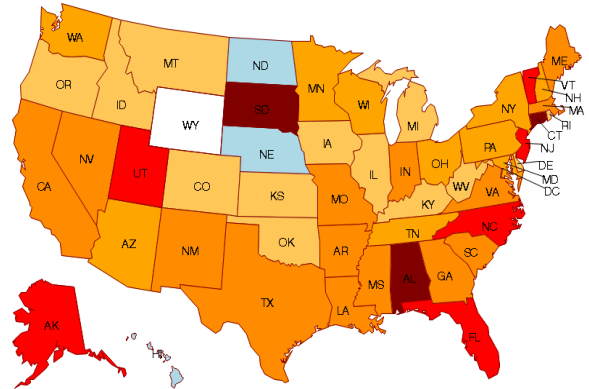


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AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE



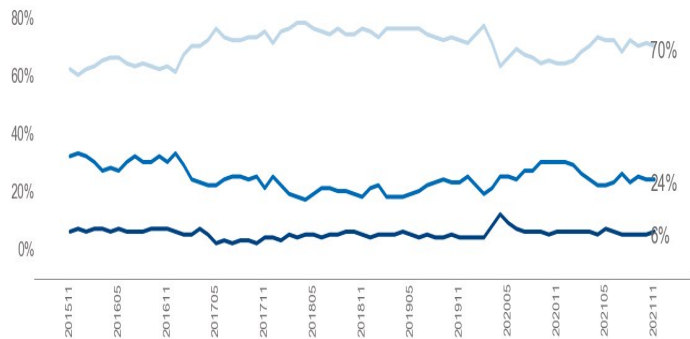
AVERAGE NUMBER OF OFFERS RECEIVED ON MOST RECENT SALE REPORTED BY REALTORS®



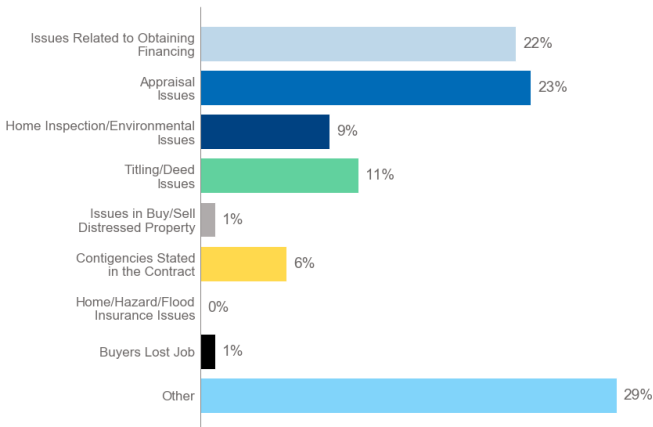
AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT



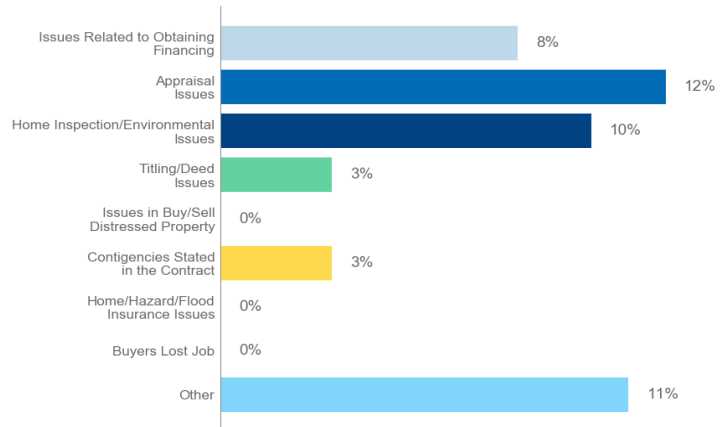
CONTRACT SETTLEMENT



PROBLEMS ENCOUNTERED FOR DELAYED CONTRACT



PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS



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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 November 2021 survey was sent to 50,000 REALTORS® who were selected from NAR's more than 1.5 million members through simple random sampling and to 4,184 respondents in the previous three surveys who provided their email addresses.
- There were 2,454 respondents to the online survey which ran from December 1-7, 2021, of which 1,348 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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NATIONAL ASSOCIATION OF REALTORS®

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