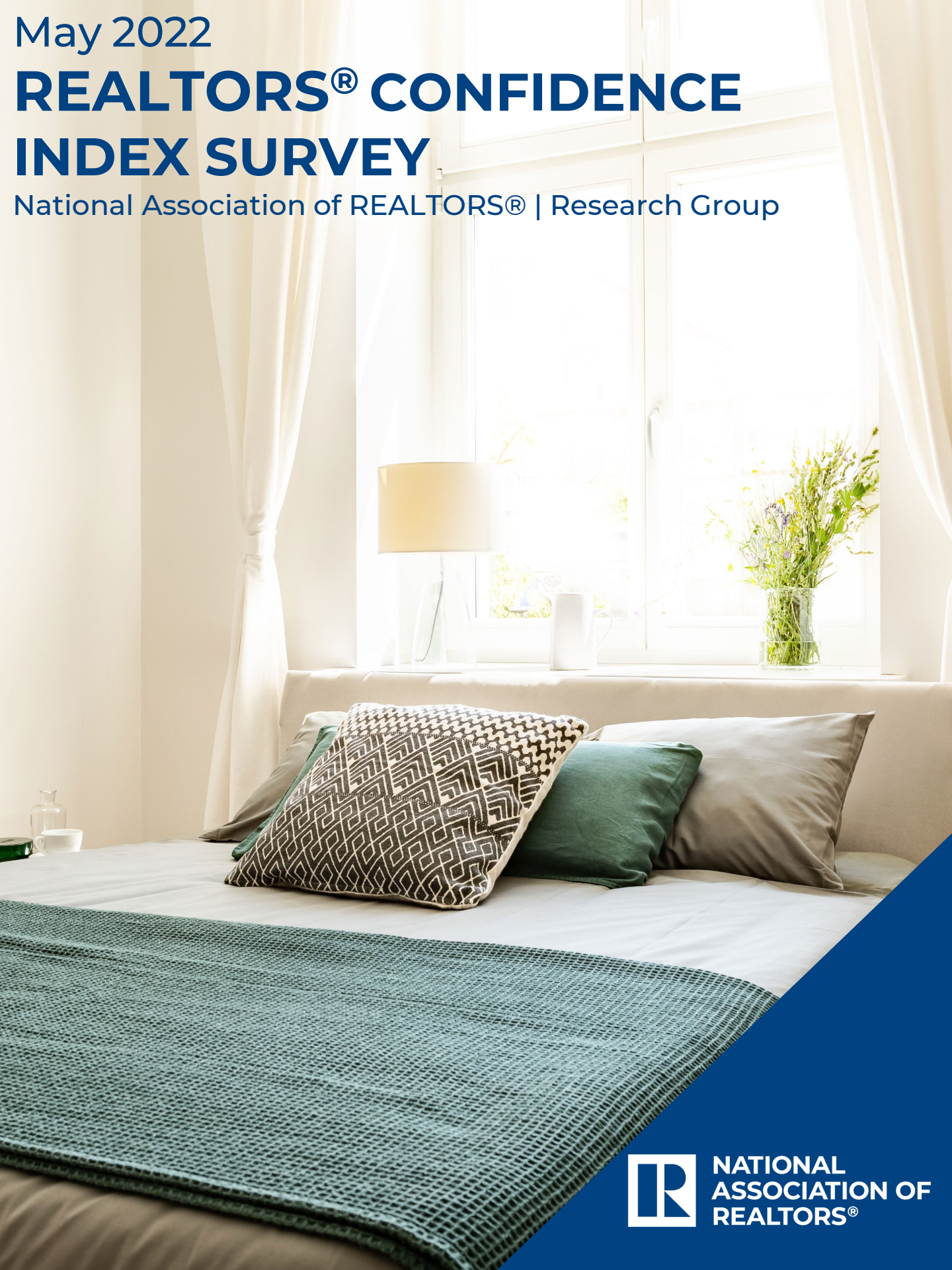


May 2022

REALTORS® CONFIDENCE INDEX SURVEY

National Association of REALTORS® | Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

First-time Buyers Continue to Fall Amid Competition

The Market Outlook from the REALTORS® Confidence Index slowed in May 2022:

- 16% of respondents expect a year-over-year increase in buyer traffic in the next three months down from 23% in April 2022 and 49% in May 2021
- 21% of respondents expect a year-over-year increase in seller traffic in the next three months down from 22% in April 2022 and 32% in May 2021

With supply still limited relative to demand, the market is still moving at a fast pace and 55% of homes sold above list price, down from 61% a month ago and near the 54% a year ago:

- The median days on market was 16, down from 17 days in April 2022 and May 2021
- 88% of respondents reported properties sold in less than one month. The same share as of April 2022 and down from 89% in May 2021.
- Homes listed received an average of 4.2 offers down from 5.5 offers in April 2022 and 5.0 in May 2021.
- Due to the lack of house inventory, the pace of the market, and the use of technology 12% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. This is the same as one month ago, and up from 10% a year ago.

Contracts typically closed in 30 days, the same as April 2022 and one year ago. But some faced delays or termination:

- 7% of contracts were terminated in the last three months, the same as one month and one year ago.
- 17% of contracts had delayed settlements in the past three months, compared to 18% in April 2022 and 22% a year ago.
- 21% of contracts had deleted settlement due to appraisal issues, the same as last month and down from 26% a year ago.

First-time buyers continue to struggle to enter the market and represent 27% of buyers, down from 28% last month and 31% a year ago. Among buyers:

- 16% are purchased for non-primary residence use, down from 17% a month and one year ago.
- 5% were for vacation use, down from 6% a month and one year ago.
- 1% of sellers sold to an iBuyer, the same as one month ago, and down from 2% a year ago.
- Less than one percent of sales were distressed sales, similar to one month and one year ago.

Contract activity remains competitive:

- 25% of buyers were all-cash sales, down from 26% last month and 23% in May 2021.
- 26% of buyers waived the inspection contingency, down from 25% a month ago.
- 24% of buyers waived the appraisal contingency, down from 26% a month ago and 28% a year ago.

Buyers continue to look outside of city centers for the majority of their activity:

- 85% of buyers purchased in a suburb, small town, rural, or resort area, down from 87% one month and one year ago.
- 59% of buyers wanted work-from-home features, the up from 57% last month and similar to one year ago.

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May 2022 REALTORS® Confidence Index Survey Highlights

Key Market Indicators	May-22	Apr-22	May-21
Median days on market	16	17	17
Percent of properties sold in less than 1 month	88	88	89
First-time homebuyers, as percent of sales	27	28	31
Sales for non-primary residence use, as a percent of sales /1	16	17	17
Sales intended for vacation use, as a percent of sales /1	5	6	6
Cash sales, as percent of sales	25	26	23
Distressed sales, as percent of sales	0	1	1
Average number of offers received on the most recent sale	4.2	5.5	5.0
Percent of properties sold above the list price	55	61	54
Market Outlook	May-22	Apr-22	May-21
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	16	23	49
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	21	22	32
Other Market Indicators	May-22	Apr-22	May-21
Percent of buyers who waived inspection contingency	26	25	-
Percent of buyers who waived appraisal contingency	24	26	28
Percent of buyers who purchased property based on virtual tour/showing/open house only	12	12	10
Percent of buyers who purchased in a suburban, small town, rural, or resort area	85	87	87
Percent of respondents who had a potential buyer looking for work-from-home features	59	57	58
Percent of sellers represented by Realtors® who sold the property to an iBuyer	1	1	2
Median days to close	30	30	30
Percent of contracts in the past 3 months that were terminated	7	7	7
Percent of contracts in the past 3 months that had delayed settlement	17	18	22
Percent of contracts with a delayed settlement that had appraisal issues	21	21	26

/1 Non-primary residence use refers to vacation use or residential rental.

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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 2022 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 1,136 respondents in the previous three surveys who provided their email addresses.
- There were 1,866 respondents to the online survey which ran from June 1-14, 2022, of which 990 had a client in the last month. Among those who had a client, the survey's maximum margin of error for proportion estimates is nearly 3% at the 95 percent confidence level.

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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.

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