

July 2023 REALTORS® CONFIDENCE INDEX SURVEY

National Association of REALTORS®
Research Group



NATIONAL
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REALTORS® CONFIDENCE INDEX SURVEY

Days on market lengthened to 20 days from 18 days, while the share of homes selling above the asking price rises to 35% from 33%.

The Market Outlook from the REALTORS® Confidence Index for buyers and sellers remained declined slightly in July 2023:

- 13% of respondents expect a year-over-year increase in buyer traffic in the next three months, down from 15% one month ago and up from 10% one year ago.
- 11% of respondents expect a year-over-year increase in seller traffic in the next three months, a slight decrease from last month at 12% and down from 14% in July 2022.

With supply still limited relative to demand, 35% of homes sold above list price, up slightly from 33% last month but down from 39% a year ago:

- 74% of respondents reported that properties sold in less than one month. Down slightly from 76% a month ago and down from 82% in July 2022.
- Homes listed received an average of 3.0 offers, down from 3.5 last month and up from 2.8 offers in July 2022.
- Due to the lack of housing inventory, the pace of the market, and the use of technology, 9% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. Down slightly from one month ago and flat from one year ago.

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

- 6% of contracts were terminated in the last three months, about the same as one month and down from one year ago.
- 14% of contracts had delayed settlements in the past three months, nearly unchanged from last month and down from 17% a year ago.
- 6% of contracts had delayed settlement due to appraisal issues, virtually unchanged from last month and down from 9% one year ago.

First-time buyers represented 30% of buyers, up from 27% in June 2023 and up slightly from 29% in July 2022. Among all buyers:

- 16% purchased for non-primary residence use, down from 18% last month and up slightly from 14% one year ago.
- 5% were purchased for vacation use, down from 7% one month ago and unchanged from one year ago.
- 1% of sellers sold to an iBuyer, similar to one month and one year ago.
- 1% of sales were distressed, down slightly from one month ago and flat from and one year ago.

Contract activity remains competitive:

- 26% of buyers had all-cash sales, unchanged from last month and up slightly from 24% in July 2022.
- 26% of buyers waived the inspection contingency, up slightly from 25% one month ago and down slightly from 27% one year ago.
- 22% of buyers waived the appraisal contingency, down from 25% a month ago and 27% one year ago.

Buyers continue to look outside of city centers for the majority of their activity at 85%.

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July 2023 REALTORS® Confidence Index Survey Highlights

Market Outlook	Jul-23	Jun-23	Jul-22
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	13%	15%	10%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	11%	12%	14%
Key Market Indicators	Jul-23	Jun-23	Jul-22
Median days on market/3	20	18	14
Percent of properties sold in less than 1 month	74%	76%	82%
First-time homebuyers, as percent of sales	30%	27%	29%
Sales for non-primary residence use, as a percent of sales /1	16%	18%	14%
Sales intended for vacation use, as a percent of sales /1	5%	7%	5%
Cash sales, as percent of sales	26%	26%	24%
Distressed sales, as percent of sales	1%	2%	1%
Average number of offers received on the most recent sale	3.0	3.5	2.8
Percent of properties sold above the list price	35%	33%	39%
Other Market Indicators	Jul-23	Jun-23	Jul-22
Percent of buyers who waived inspection contingency	26%	25%	27%
Percent of buyers who waived appraisal contingency	22%	25%	27%
Percent of buyers who purchased property based on virtual tour/showing/open house only	9%	10%	9%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	85%	87%	86%
Percent of respondents who had a potential buyer looking for work-from-home features /2	34%	33%	33%
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	6%	5%	6%
Percent of contracts in the past 3 months that had delayed settlement	14%	13%	17%
Percent of contracts with a delayed settlement that had appraisal issues	6%	8%	9%

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

/2 In the past iterations of the survey, this was asked of both buyers' and sellers' agents. As of June 2022, the survey only asks the question of buyers' agents.

/3 Data estimated based on FIC monthly survey and MLS data.

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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 July 2023 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 4,850 respondents in the previous three surveys who provided their email addresses.
- There were 1,648 respondents to the online survey, which ran from August 1-17, 2023, of which 890 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.

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