

October 2023

REALTORS[®] CONFIDENCE INDEX SURVEY

National Association of REALTORS[®]
Research Group



NATIONAL
ASSOCIATION OF
REALTORS[®]

REALTORS® CONFIDENCE INDEX SURVEY

With limited inventory, 28% of homes sold above the list price, up from 26% the month prior.

The Market Outlook from the REALTORS® Confidence Index for buyers and sellers remained low in October 2023:

- 7% of respondents expect a year-over-year increase in buyer traffic in the next three months, down slightly from 8% one month ago and up slightly from 6% one year ago.
- 7% of respondents expect a year-over-year increase in seller traffic in the next three months, down from 10% last month and flat from October 2022.

With supply still limited relative to demand, 28% of homes sold above list price, up from 26% last month and up from 24% a year ago:

- 66% of respondents reported that properties sold in less than one month. This is down slightly from 69% a month ago and up slightly from 64% in October 2022.
- Homes listed received an average of 2.5 offers, down slightly from 2.6 last month and up slightly from 2.4 in October 2022.
- Due to the lack of housing inventory, the pace of the market, and the use of technology, 5% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. Down from 9% one month ago and down from 7% 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, the same as one month and down slightly from one year ago.
- 16% of contracts had delayed settlements in the past three months, up slightly from 13% last month and from 14% a year ago.
- 7% of contracts had delayed settlement due to appraisal issues, unchanged from last month and one year ago.

First-time buyers represented 28% of buyers, up slightly from 27% in September 2023 and unchanged from October 2022. Among all buyers:

- 15% purchased for non-primary residence use, down from 18% last month and 16% last year.
- 5% were purchased for vacation use, down slightly from 6% one month ago and unchanged from one year ago.
- 2% of sellers sold to an iBuyer, similar to one month and one year ago.
- 2% of sales were distressed, up slightly from one month and one year ago.

Contract activity remains competitive:

- 29% of buyers had all-cash sales, unchanged from 29% last month and up from 26% last year.
- 24% of buyers waived the inspection contingency, down from 27% one month ago and up from 20% one year ago.
- 21% of buyers waived the appraisal contingency, down from 24% one month and up from 18% one year ago.

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

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October 2023 REALTORS® Confidence Index Survey Highlights

Market Outlook	Oct-23	Sep-23	Oct-22
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	7%	8%	6%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	7%	10%	7%
Key Market Indicators	Oct-23	Sep-23	Oct-22
Median days on market/ ³	23	21	21
Percent of properties sold in less than 1 month	66%	69%	64%
First-time homebuyers, as percent of sales	28%	27%	28%
Sales for non-primary residence use, as a percent of sales /1	15%	18%	16%
Sales intended for vacation use, as a percent of sales /1	5%	6%	5%
Cash sales, as percent of sales	29%	29%	26%
Distressed sales, as percent of sales	2%	1%	1%
Average number of offers received on the most recent sale	2.5	2.6	2.4
Percent of properties sold above the list price	28%	26%	24%
Other Market Indicators	Oct-23	Sep-23	Oct-22
Percent of buyers who waived inspection contingency	24%	27%	20%
Percent of buyers who waived appraisal contingency	21%	24%	18%
Percent of buyers who purchased property based on virtual tour/showing/open house only	5%	9%	7%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	85%	85%	85%
Percent of respondents who had a potential buyer looking for work-from-home features /2	33%	31%	34%
Percent of sellers represented by Realtors® who sold the property to an iBuyer	2%	2%	2%
Median days to close	30	30	30
Percent of contracts in the past 3 months that were terminated	6%	6%	7%
Percent of contracts in the past 3 months that had delayed settlement	16%	13%	14%
Percent of contracts with a delayed settlement that had appraisal issues	7%	7%	7%

/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 RCI 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 October 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 4,414 respondents in the previous three surveys who provided their email addresses.
- There were 1,925 respondents to the online survey, which ran from November 1-17, 2023, of which 985 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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NATIONAL ASSOCIATION OF REALTORS®

Research Group
500 New Jersey Avenue, NW
Washington, DC 20001
202-383-1000
data@nar.realtor

NAR Research Staff:

Lawrence Yun, Ph.D., *Chief Economist and Senior Vice President*
Jessica Lautz, Dr.RealEst., *Deputy Chief Economist and Vice President*
Brandi Snowden, *Director Member and Consumer Survey Research*
Meredith Dunn, *Research Manager*

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