

REALTORS® CONFIDENCE INDEX SURVEY April 2021

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

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 April 2021 market transactions.

Several metrics indicates a very strong buyer market with short supply. The REALTORS® Buyer Traffic Index increased from 79 in March 2021 to 80 (very strong conditions) in April 2021 while the REALTORS® Seller Traffic Index remains below 50 which is “weak” traffic compared to the level one year ago. On average, a home sold had five offers. On average, REALTORS® expect home prices in the next three months to increase nearly 6% from one year ago and sales in the next three months to increase nearly 3% from last year’s sales level.

With little supply in the market, homes typically sold within 17 days (27 days one year ago), as buyer competition heats up.

The share of first-time buyers decreased to 31% (32% in the prior month, 36% one year ago).

The pandemic continues to impact how people live and work. The same share of buyers, at 85%, purchased a property in a suburban, small town, rural, or resort area (85% one year ago). Sixty percent of REALTORS® reported they had potential buyers looking for work-from-home features such as an extra room, a finished basement, or a bigger home.

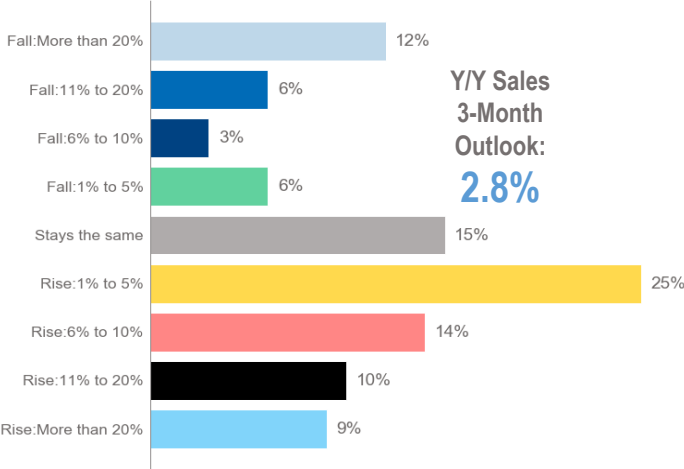
| April 2021 REALTORS® Confidence Index Survey Highlights | | | |
|--|--------|--------|--------|
| Key Market Indicators | Apr-21 | Mar-21 | Apr-20 |
| RCI Buyer Traffic Index f1 | 80 | 79 | 30 |
| RCI Seller Traffic Index f1 | 40 | 35 | 20 |
| RCI Buyer Traffic Index: 3-Month Outlook f1 | 74 | 76 | 42 |
| RCI Seller Traffic Index: 3-Month Outlook f1 | 51 | 49 | 38 |
| Median days on market | 17 | 18 | 27 |
| Percent of properties sold in less than 1 month | 88 | 83 | 56 |
| First-time homebuyers, as percent of sales | 31 | 32 | 36 |
| Sales for non-primary residence use, as a percent of sales f2 | 17 | 15 | 10 |
| Cash sales, as percent of sales | 25 | 23 | 15 |
| Distressed sales, as percent of sales | 1 | 1 | 3 |
| Market Outlook | Apr-21 | Mar-21 | Apr-20 |
| Expected percent change in home sales in the next 3 months vs. same period one year ago | 2.8 | 2.3 | - |
| Expected percent change in home prices in the next 3 months vs. same period one year ago | 6.0 | 4.7 | - |
| Expected percent change in home prices in the next 12 months from current month | 2.4 | 2.2 | 1.3 |
| Percent of respondents who expect an increase in buyer traffic in next 3 months | 56 | 58 | - |
| Percent of respondents who expect an increase in seller traffic in next 3 months | 32 | 31 | - |
| Percent of respondents who had a potential buyer looking for work-from-home features (den, nook, etc.) | 60 | 61 | - |
| 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 | 37 | 37 | - |
| Other Market Indicators | Apr-21 | Mar-21 | Apr-20 |
| Average number of offers received on the most recent sale | 5.1 | 4.8 | 2.5 |
| Percent of bid offers above the list price | 53 | | |
| Average number of clients taken on a home tour by agent | 5.1 | 4.8 | 2.4 |
| Average number of new listings in the month per agent | 1.7 | 1.6 | 1.1 |
| Percent of buyers who purchased in a suburban, small town, rural, or resort area | 85 | 87 | 85 |
| Percent of first-time buyers who put down less than 20% down payment | 71 | 71 | 70 |
| FHA loans as a percent of mortgage financing | 12 | 13 | 17 |
| Percent of buyers who purchased property based on virtual tour/showing/open house only | 10 | 9 | - |
| Percent of sellers who sold property based on virtual tour/showing/open house only | 5 | 7 | - |
| Percent of buyers who were renting before purchasing a home | 45 | 46 | 50 |
| Median days to close | 30 | 30 | 35 |
| Percent of contracts in the past 3 months that were terminated | 5 | 6 | 12 |
| Percent of contracts in the past 3 months that had delayed settlement | 22 | 24 | 25 |

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.”

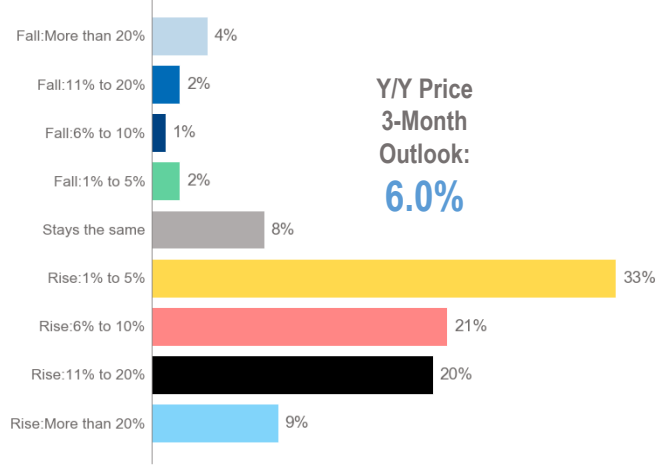
REALTORS® CONFIDENCE INDEX SURVEY

Realtors® Market Expectations

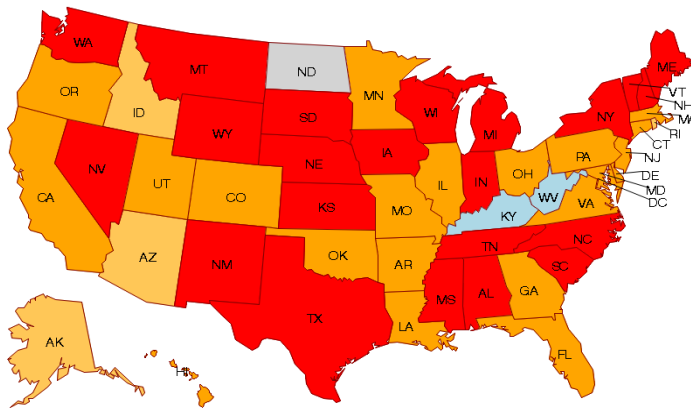
SALES VOLUME: 3 MONTH OUTLOOK



PRICE EXPECTATIONS: 3 MONTH OUTLOOK

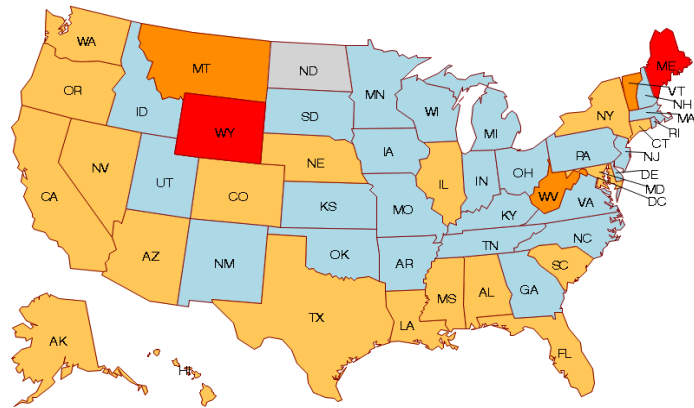


REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



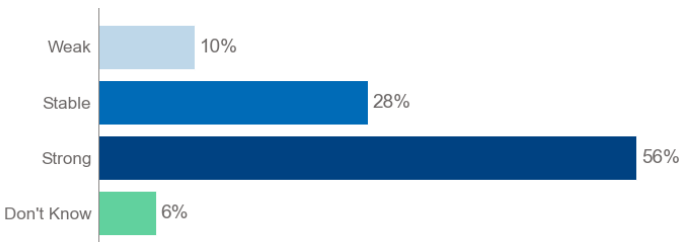
Median Expected Price Change in Next 3 Months from One Year Ago Among REALTOR® Respondents

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

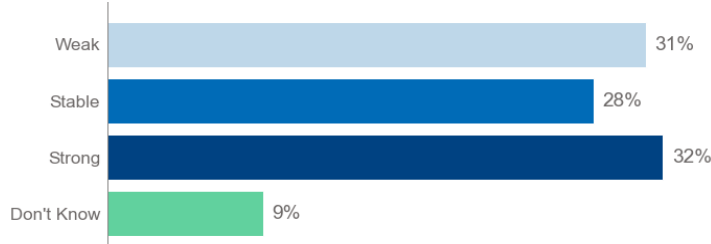


Median Expected Sales Change in Next 3 Months from One Year Ago Among REALTOR® Respondents

REALTORS® EXPECTATION ON BUYER TRAFFIC WITHIN THE NEXT 3 MONTHS



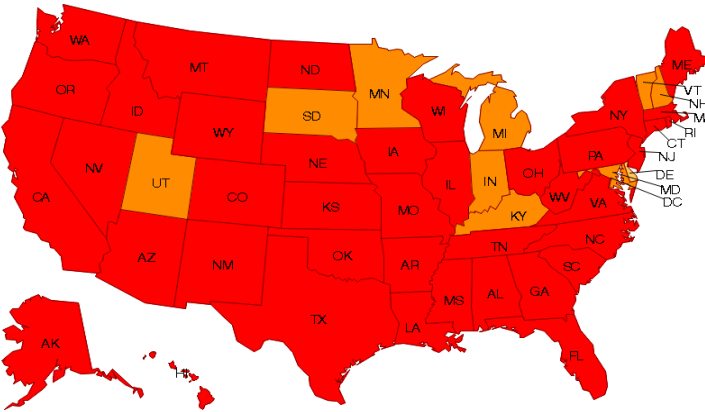
REALTORS® EXPECTATION ON SELLER TRAFFIC WITHIN THE NEXT 3 MONTHS



REALTORS® CONFIDENCE INDEX SURVEY

Market Conditions

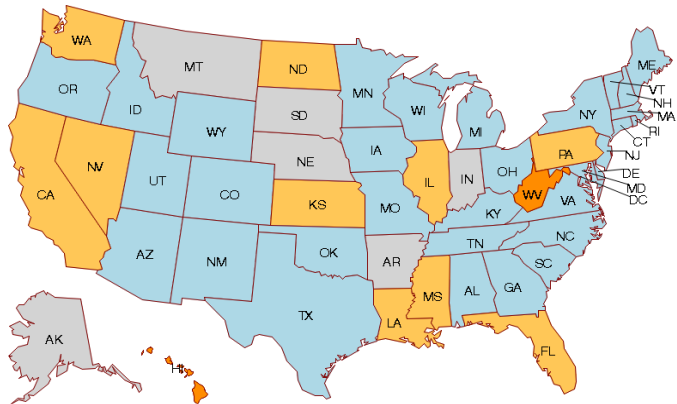
REALTORS® BUYER TRAFFIC INDEX



REALTORS® Buyer Traffic Index

- Weak (25+ to 45)
- Moderately Strong (55+ to 75)
- Very Strong (75+)

REALTORS® SELLER TRAFFIC INDEX



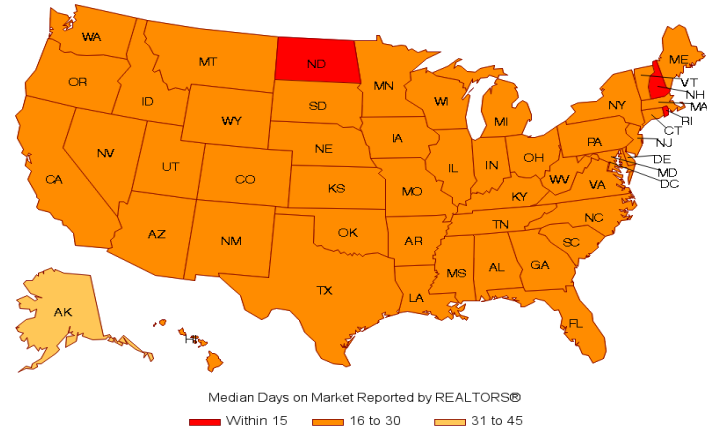
REALTORS® Seller Traffic Index

- Very Weak (0 to 25)
- Weak (25+ to 45)
- Stable (45+ to 55)
- Moderately Strong (55+ to 75)
- Very Strong (75+)

REALTORS® BUYER AND SELLER TRAFFIC INDICES



MEDIAN DAYS ON THE MARKET



Median Days on Market Reported by REALTORS®

- Within 15
- 16 to 30
- 31 to 45

MEDIAN DAYS ON THE MARKET



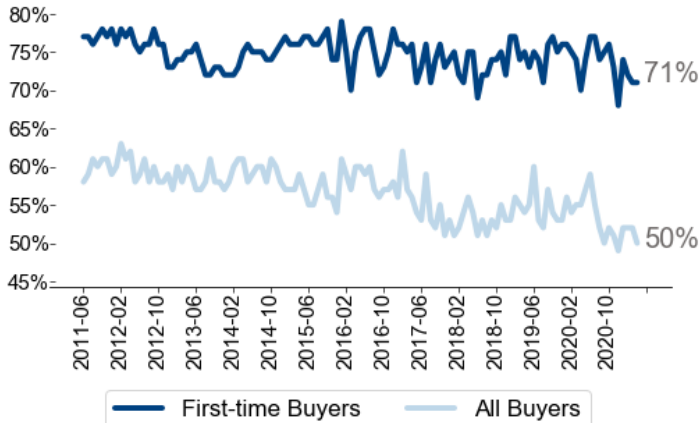
FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



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Market Conditions

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



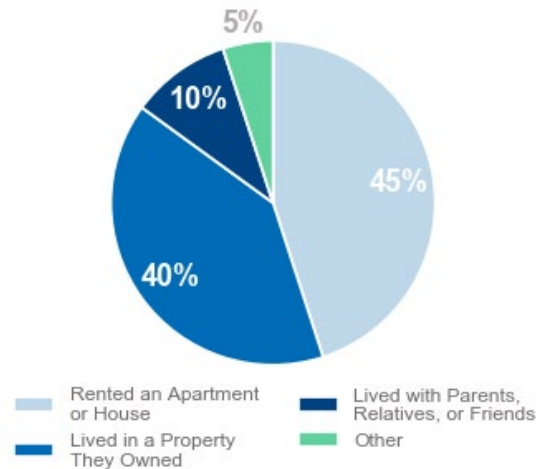
CASH SALES AS PERCENTAGE OF RESIDENTIAL SALES



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



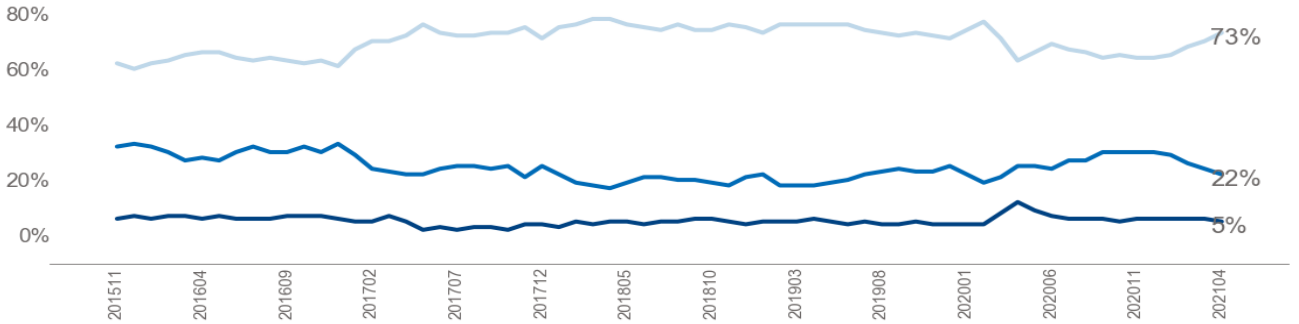
AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT



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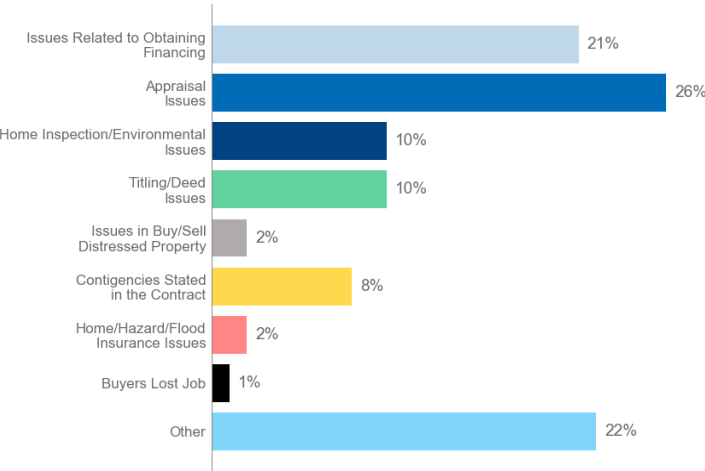
Issues Affecting Buyers and Sellers

CONTRACT SETTLEMENT

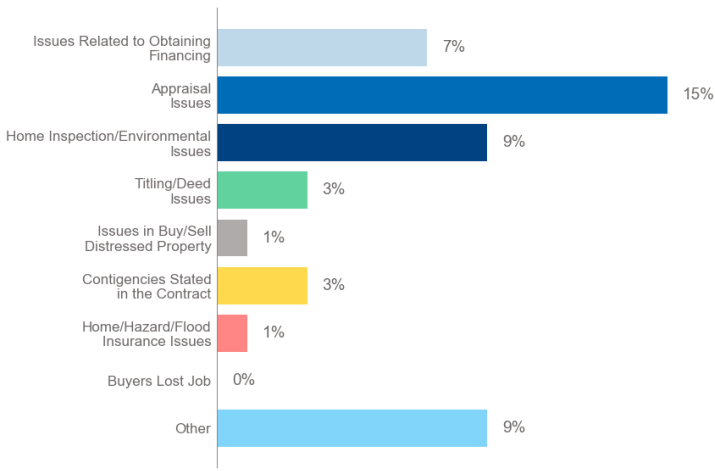


— Contract Was Settled on Time — Contract Was Delayed but Eventually Went into Settlement — Contract Was Terminated

PROBLEMS ENCOUNTERED FOR DELAYED CONTRACT



PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS¹

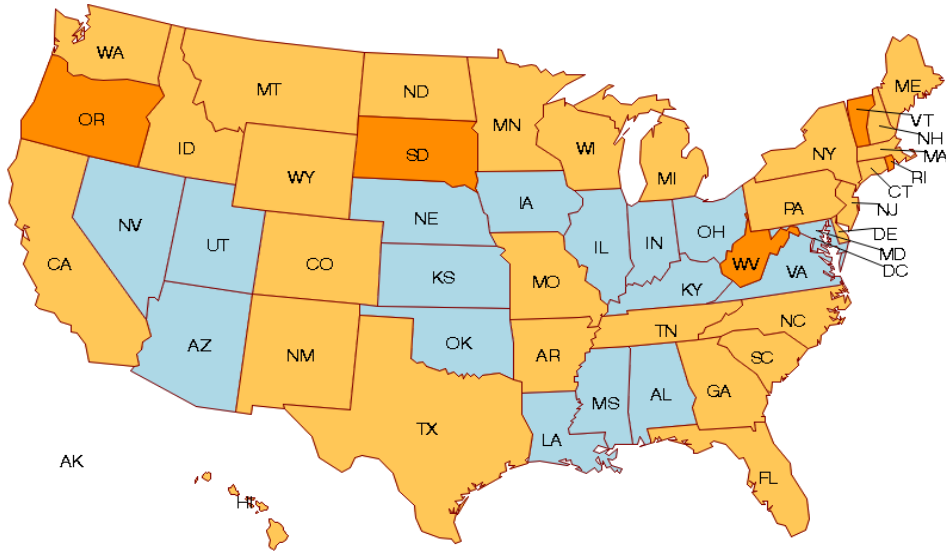


¹ Multiple responses are allowed.

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Issues Affecting Buyers, Sellers, and Renters

REALTORS® PERCENT OF CITY BUYERS PURCHASING IN SUBURBS



Percent of REALTORS® Respondents Who Reported Higher Share of City Buyers Purchasing in Suburbs

■ <=25%
 ■ >25% to 50%
 ■ >50% to 75%

REALTOR® CONCERNS



REALTORS® CONFIDENCE INDEX SURVEY

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 April 2021 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 6,686 respondents in the previous three surveys who provided their email addresses.
- There were 3,541 respondents to the online survey which ran from May 3-10, 2021, of which 1,731 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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