REALTORS® CONFIDENCE INDEX

Report on the January 2017 Survey

National Association of REALTORS®
Research Department

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The Voice for Real Estate®

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REALTORS® CONFIDENCE INDEX SURVEY
Report on the January 2017 Survey

The *REALTORS® Confidence Index* (*RCI*) report provides monthly information about real estate market conditions and expectations, buyer/seller traffic, price trends, buyers' characteristics, and issues affecting real estate transactions based on a monthly survey of REALTORS®.

The January 2017 report is based on the responses of 3,808 REALTORS®, 1,955 of which closed a sale.[1] Respondents reported on local market conditions experienced in January and the characteristics of their most recent sale for the month. The data is collected from a random sample of REALTORS® and is viewed to be representative of the sales for the month. NAR Research conducted the online survey from February 2–9, 2017. To correct for over- or under- response at the state level, the responses are weighted by a factor that aligns the sample distribution of responses to the distribution of NAR membership. All real estate is local: conditions in specific markets vary from the overall national trends presented in this report. REALTORS® may be interested in comparing their markets against the national summary.

The RCI report is an output of the Research Division of the NATIONAL ASSOCIATION *of* REALTORS®.[2] For questions or information about this report, please email dhale@realtors.org.

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[1] The survey is sent to 50,000 REALTORS® who are selected through simple random sampling. To increase the response rate, the survey is also sent to respondents in the previous three surveys who provided their email addresses. The number of responses to a specific question varies because the question may not be applicable to the respondent or because of non-response. To encourage survey participation, eight REALTORS® are randomly selected to receive a gift card.

[2] The team acknowledges Jessica Lautz, Managing Director, Survey Research and Communications, Meredith Dunn, Research Communications Manager, Amanda Riggs, Research Survey Analyst, and Brandi Snowden, Research Survey Analyst, for their inputs in improving the survey and in editing and disseminating the report. Acknowledgement also goes to Lisa Herceg, Director, Marketing Research, who sends out the survey to members.

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Summary

While local conditions vary, the *REALTORS® Buyer Traffic Index* and the *REALTORS® Confidence Index—Current Conditions* for single-family homes remained above 50 in January 2017, indicating that more respondents reported "strong" than "weak" conditions. Both indices were higher than their levels one year ago and in the previous month.[3] The *REALTORS® Seller Traffic Index* also increased slightly from its levels one year ago and in the previous month, but it has remained below 50 since December 2008, indicating that seller activity is still "weak."

In January 2017, first-time homebuyers accounted for 33 percent of sales.[4] Amid solid job creation, the share of first-time homebuyers has been on a modest rise, up from 29 percent in 2014. With fewer new foreclosures, distressed properties accounted for seven percent of sales, purchases for investment purposes made up 15 percent of sales, and cash sales accounted for 23 percent of sales. Amid tight supply, half of properties that sold in January 2017 were on the market for 50 days or less compared to 64 days in January 2016.

Lack of supply and appraisal-related problems were the main issues reported by REALTORS®. Respondents also expressed concern about the impact of rising mortgage rates and economic policy changes under the Trump administration on the recovery of the housing market. Overall, respondents remained confident about the outlook over the next six months for the single-family homes, townhomes, and condominiums markets, with the six-month outlook confidence indices for each of these markets registering above 50.

January 2017 REALTORS® Confidence Index Survey Highlights

	Jan-17	Dec-16	Jan-16
RCI Buyer Traffic Index	63	57	59
RCI Seller Traffic Index	41	39	40
RCI Current Conditions: Single-Family Sales	63	62	59
RCI Six-Month Outlook: Single-Family Sales	79	76	75
First-Time Home Buyers, as Percent of Sales	33	32	32
Sales to Investors, as Percent of Sales	15	15	17
Cash Sales, as Percent of Sales	23	21	26
Distressed Sales, as Percent of Sales	7	7	9
Median Days on Market	50	52	64
Sold at Original List Price or Premium, as Percent of Sales	38	34	33
Median Expected Price Growth in Next 12 Months (%)	3.5	3.2	3.4

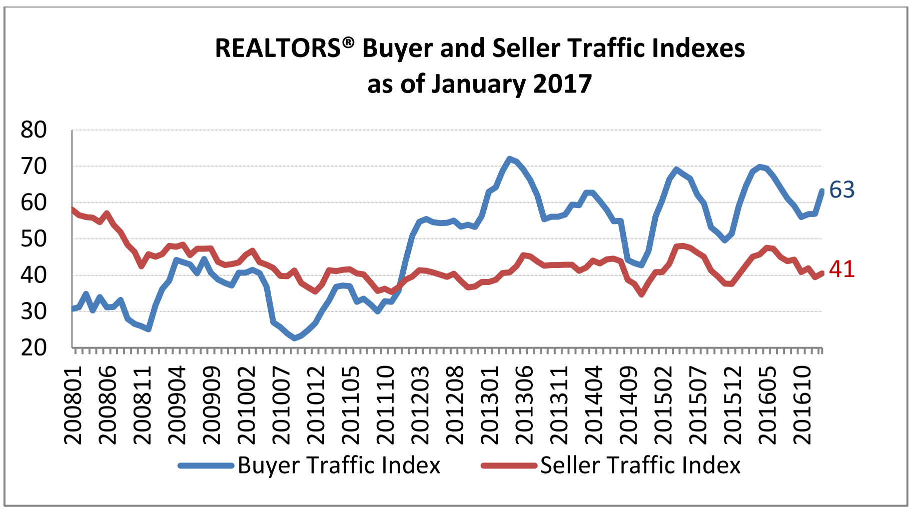
[3] An index greater than 50 indicates the number of respondents who reported "strong" (index=100) outnumbered those who reported "weak" (index=0). An index equal to 50 indicates an equal number of respondents reporting "strong" and "weak" market conditions. The index is not adjusted for seasonality effects.
[4] NAR's *2016 Profile of Home Buyer and Sellers (HBS)* reports that among primary residence home buyers, 35 percent were first-time home buyers, up from 32 percent in 2015. The HBS surveys primary residence home buyers, while the monthly *RCI Survey* surveys REALTORS® and also captures purchases for investment purposes and vacation/second homes.

I. Market Conditions

REALTORS® Reported Strong Buyer Traffic and Tight Supply

The *REALTORS® Buyer Traffic Index* registered at 63 in January 2017 (57 in December 2016; 59 in January 2016), indicating that more respondents viewed buyer traffic conditions as "strong" rather than "weak." [5] Homebuying demand is likely being bolstered by sustained job growth, with 2.3 million jobs added in the last 12 months and 15.8 million jobs generated since February 2010.[6] Future interest rate increases may also be prompting first-time homebuyers to take advantage of the current mortgage rates. In the week of January 26, the 30-year fixed mortgage rate averaged 4.17 percent. Mortgage rates are likely to continue to rise modestly to an average of 4.4 percent in 2017 and 5.0 percent in 2018.[7]

The *REALTORS® Seller Traffic Index* registered at 41 in January 2017 (39 in December 2016; 40 in January 2016), indicating that more respondents viewed seller traffic conditions as "weak" rather than "strong." Supply conditions have remained largely tight in many areas, with the index registering below 50 since December 2008.



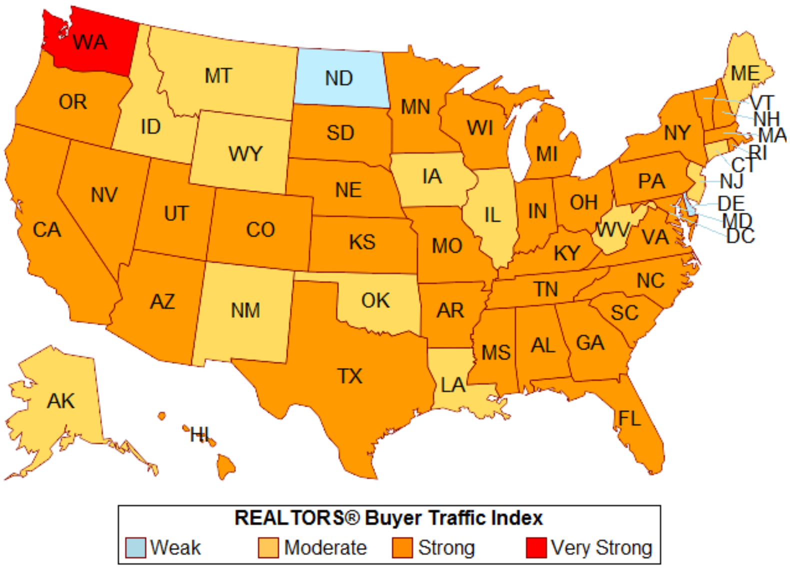
Local conditions vary in each state, but the *REALTORS® Buyer Traffic Index* indicates that buyer traffic conditions can be characterized as "moderate" to "very strong" in many states except in North Dakota and Delaware where buyer traffic conditions were "weak."[8] Buyer traffic conditions were "very strong" only in the state of Washington.

[5]The *REALTORS® Buyer Traffic Index* provides information on the level of homebuying demand or interest, which may materialize as a contract to purchase or closed sale after two or three months.

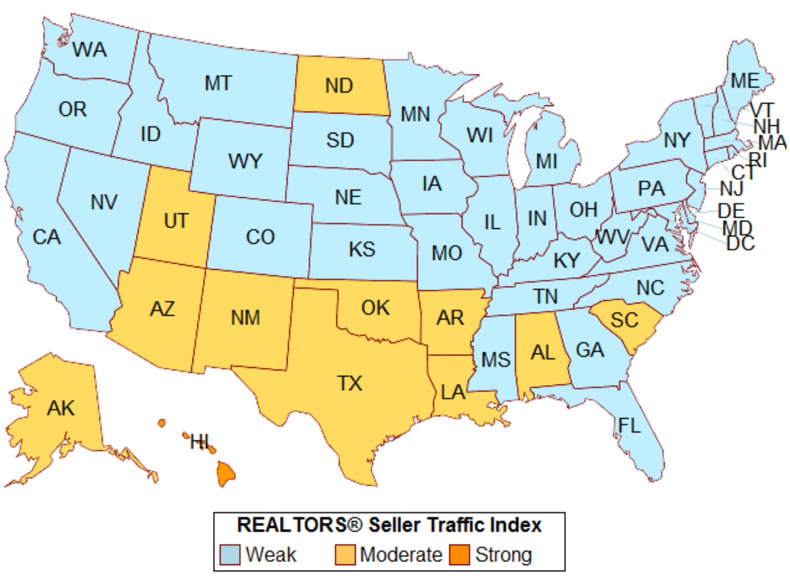
[6] The last 12 months refers to February 2016 to January 2017. Nearly 8.7 million jobs were lost from January 2008–February 2010, so the gain above previous peak employment is about seven million jobs.

[7] NAR forecast. See https://www.nar.realtor/sites/default/files/reports/2016/embargoes/forecast-01-2017-us-economic-outlook-01-30-2017.pdf

[8] To increase the number of observations for each state, the index is based on data for the last three months. Small states such as AK, ND, SD, MT, VT, WY, WV, DE, and D.C., may have fewer than 30 observations. Respondents are asked, "How do you rate the past month's buyer/seller traffic in the neighborhood(s) or area(s) where you make most of your sales?" Respondents rated conditions or expectations as "Strong (100)," "Moderate (50)," and "Weak (0)." The responses are compiled into a diffusion index. For graphical purposes, index values 25 and lower are labeled "Very Weak," values greater than 25 to 45 are labeled "Weak," values greater than 45 to 55 are labeled



The *REALTORS® Seller Traffic Index* indicates seller traffic conditions were "weak" in most states, although 12 states and the District of Columbia had "moderate" to "strong" seller traffic conditions. Respondents reported that demand is strong, but there is a severe lack of supply, especially of homes that are affordable to buyers. This is consistent with available data on the affordability of active housing inventory.[9]

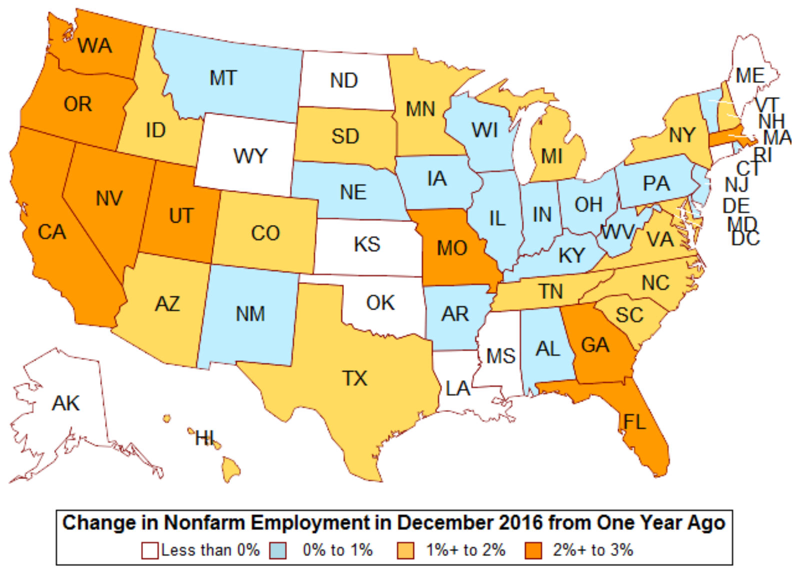


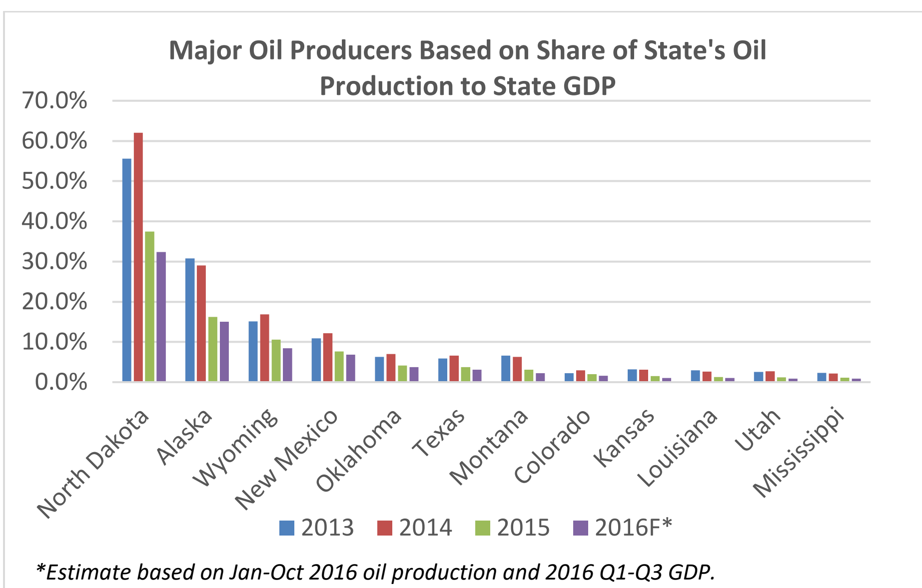
Employment conditions affect the supply and demand for housing. The chart that follows shows the change in non-farm employment from December 2015 to December 2016 by state. Nationally,

"Moderate," values greater than 55 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong." The range of +/-5 around 50 approximates the historical margins of error at the 95 percent confidence level for small states.

[9] See for example: https://www.nar.realtor/news-releases/2017/02/nar-realtorcom-identify-growing-rift-between-housing-availability-and-affordability and https://www.nar.realtor/topics/realtors-affordability-distribution-curve-and-score

employment rose 1.4 percent in December 2016. Employment growth was strongest in Washington, Oregon, California, Nevada, Utah, Missouri, Georgia, Florida, Massachusetts, and the District of Columbia. In these states, buyer traffic was "moderate" to "very strong". Non-farm employment contracted in the oil-producing states of Alaska, North Dakota, Wyoming, Kansas, Oklahoma, Louisiana, and Mississippi, as well as in Connecticut and Maine.[10] In some of these states, the job cutbacks have led to "moderate" seller traffic conditions, based on the *REALTORS® Seller Traffic Index*. Texas, which has a more diversified economy, has been more resilient than other oil-producing states, with employment growing slightly above the national average.[11]





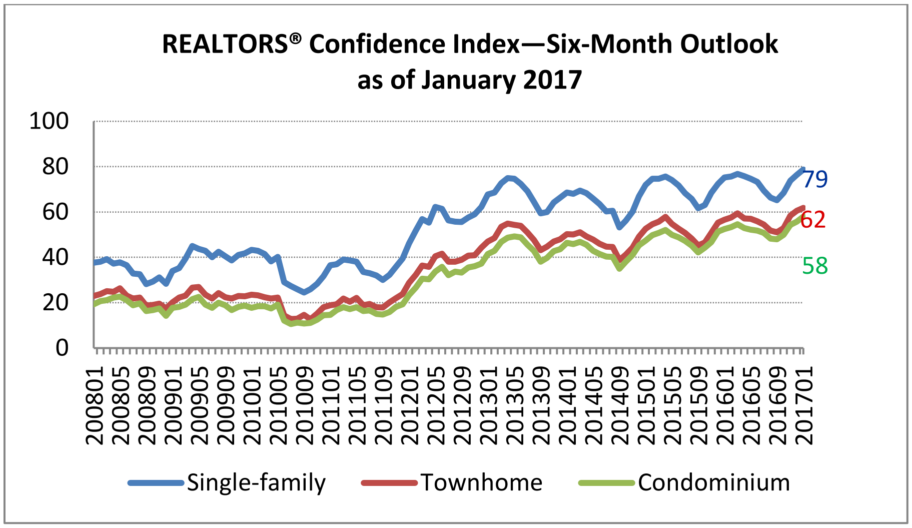
[10] Source: U.S. Department of Energy. See https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbblpd_a.htm.

[11] For a review of states in which oil has an outsized economic impact, see this blog: http://economistsoutlook.blogs.realtor.org/2016/03/21/is-california-an-oil-producing-state/

REALTORS® Are Generally Optimistic Over the Next Six Months

The *REALTORS® Confidence Index—Six-Month Outlook* for single-family homes, townhomes, and condominiums each registered above 50, indicating that more REALTOR® respondents expected market conditions to be "strong" than "weak" over the next six months.[12]

The index for condominiums was at 58 in January 2017 (56 in December 2016; 52 in January 2016), the highest level since this index was generated in 2008. The approval of H.R. 3700, the "Housing Opportunity Through Modernization Act of 2016," appears to be bolstering homebuying in the condominium market.[13] Among other measures, the law eases access to FHA condominium financing by reducing the FHA condominium owner occupancy ratio from 50 percent to 35 percent, directing the FHA to streamline the condominium re-certification process, and providing more flexibility for mixed-use buildings.



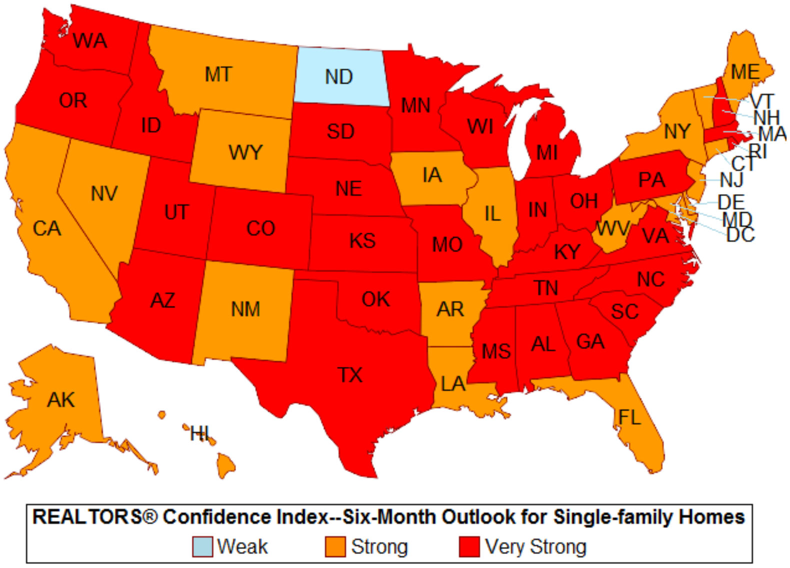
In the single-family homes market, the outlook in the next six months is "strong" to "very strong" in nearly all states and in the District of Columbia.[14] Only North Dakota registered with a "weak" outlook. In the townhomes and condominiums markets, the outlook is more evenly mixed, from "weak" to "very

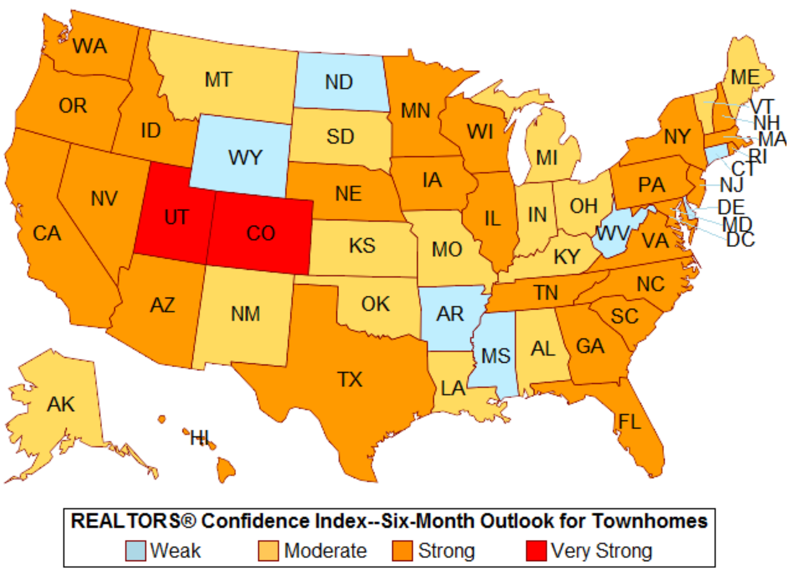
[12] Respondents are asked, "What are your expectations for the housing market over the next six months compared to the current state of the market in the neighborhood(s) or area(s) where you make most of your sales?" The responses for each type of property are compiled into an index. An index of 50 indicates a balance of respondents having "weak" (index=0) and "strong" (index=100) expectations or all respondents having moderate (=50) expectations. The index is not adjusted for seasonality.

[13] The bill, which was championed by NAR, passed the House of Representatives 427-0 and the Senate under unanimous consent on July 14, 2016 and was signed by President Obama on July 29, 2016. See http://www.realtor.org/articles/president-obama-signs-hr-3700

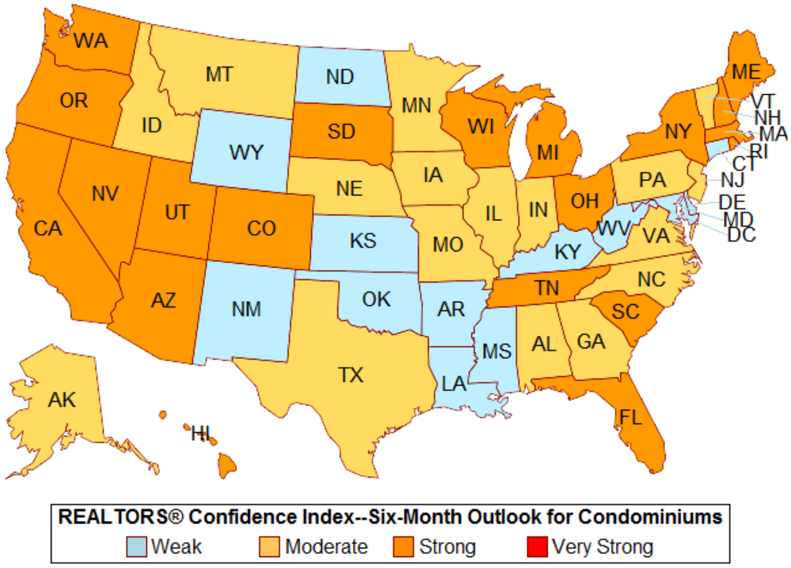
[14] To increase the number of observations for each state, the index is based on data for the last three months. Small states such as AK, ND, SD, MT, VT, WY, WV, DE, and D.C., may have fewer than 30 observations. Respondents rated conditions or expectations as "Strong (100)," "Moderate (50)," and "Weak (0)." The responses are compiled into a diffusion index. A diffusion index greater than 50 means that more respondents rated conditions as "Strong" than "Weak." For graphical purposes, index values 25 and lower are labeled "Very Weak," values greater than 25 to 45 are labeled "Weak," values greater than 45 to 55 are labeled "Moderate," values greater than 55 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong." The range of +/-5 around 50 approximates the historical margins of error at the 95 percent confidence level for small states.

strong" in most states and in the District of Columbia. Post-election factors may boost the outlook in the District of Columbia.[15]



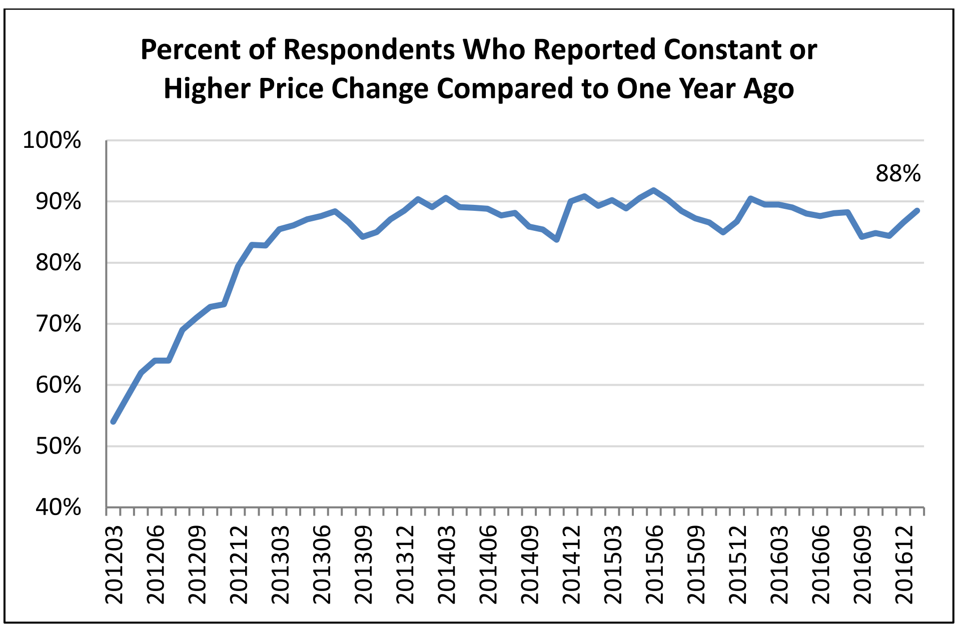


[15] See for example this review: http://economistsoutlook.blogs.realtor.org/2016/10/05/do-elections-affect-the-housing-market-in-washington-dc/



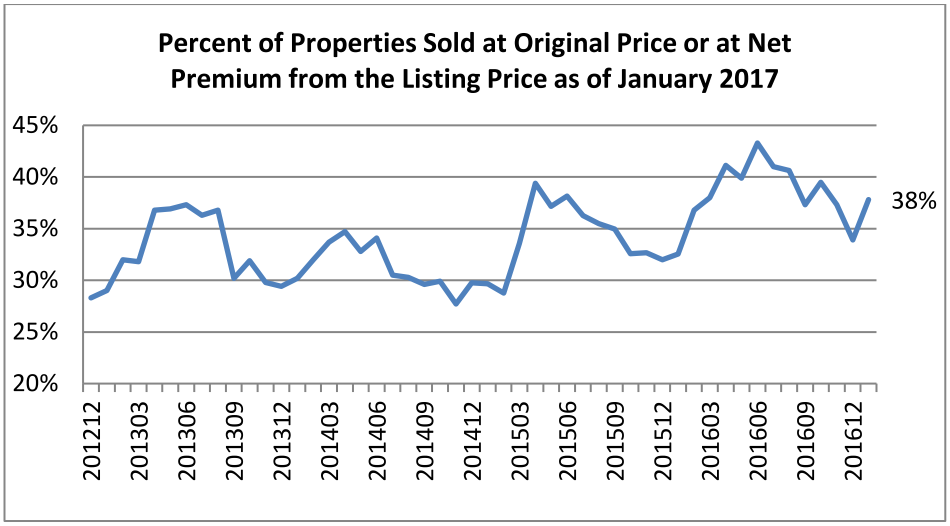
Most Respondents Reported Constant or Higher Prices Compared to One Year Ago

Given the low level of inventory of homes for sale in many areas coupled with strong buyer traffic in most areas, 88 percent of respondents reported that home prices either remained constant or rose in January 2017 compared to one year ago (87 percent in December 2016; 90 percent in January 2016).[16]

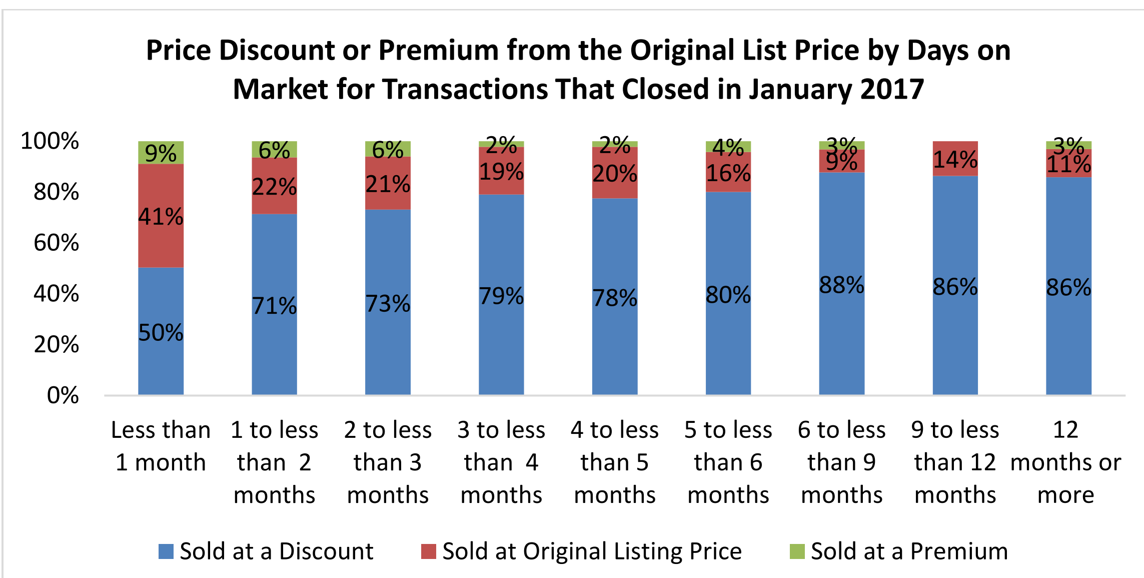


[16] Respondents are asked, "Considering your average home transaction from the past year, at what average price would the very same home be sold today?"

Because conditions are competitive for buyers, offers continue to be high relative to asking price; 38 percent of properties sold at or above the original listing price (34 percent in December 2016; 33 percent in January 2016). When this survey first gathered this information in January 2012, only 28 percent of properties sold at or above the original list price. Because this measure tends to rise in the spring and summer, we expect the share of properties sold at or above listing price to increase in the months ahead.



Properties that are on the market for a shorter time tend to sell at the original list price or at a premium. Among transactions that closed in January 2017, 50 percent of properties that were on the market for less than one month sold at the original list price or at premium, while only 14 percent of properties that were on the market for 12 months or longer sold at the original list price or at a premium.

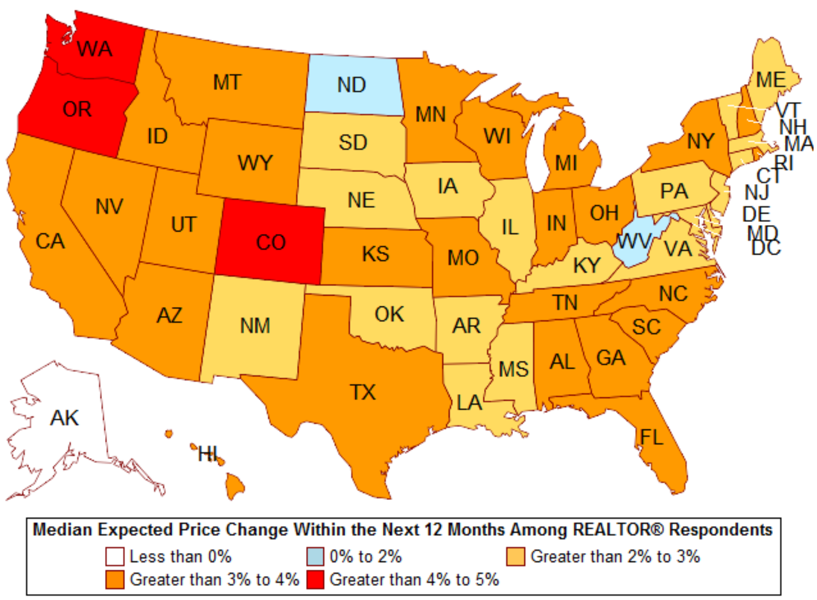


REALTORS® Expect Modest Price Change in Next 12 Months

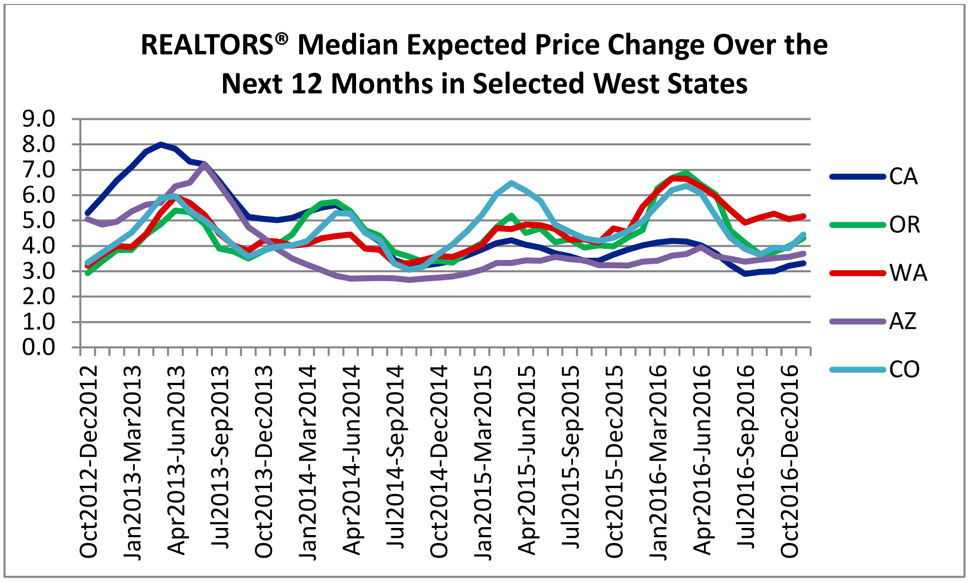
Among REALTORS® who responded to the January 2017 survey, the median expected home price change in the next 12 months was 3.5 percent, which means that half of respondents expect home prices to increase by less than 3.5 percent over the next 12 months while half of respondents expect home prices to increase by more than 3.5 percent in that time.

The map below shows the median expected price change of the respondents in the next 12 months at the state level.[17] The states of Washington, Oregon, and Colorado have the highest median expected price growth at above four to five percent. The oil-producing states of Alaska, North Dakota, and West Virginia have the lowest median expected price change; respondents expect a slight decline in Alaska home prices and growth of less than two percent in North Dakota and West Virginia home prices in the next 12 months.

Looking at the values over time in selected states, the median expected price change appears to be increasing again from what was expected in the middle of 2016, indicating that respondents expect demand to remain strong. In more than half of states, expected price change exceeds the price growth that was expected at the end of January 2016, even as home prices continue to rise.[18]



[17] The median expected price change is a measure that represents the middle value of the distribution of responses.
[18] To increase the number of observations for each state, the analysis is based on a 3-month rolling period. The states shown in these charts are those with approximately 150 observations.


REALTORS® Median Expected Price Change Over the Next 12 Months in Selected West States
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Oct2012-Dec2012
Jan2013-Mar2013
Apr2013-Jun2013
Jul2013-Sep2013
Oct2013-Dec2013
Jan2014-Mar2014
Apr2014-Jun2014
Jul2014-Sep2014
Oct2014-Dec2014
Jan2015-Mar2015
Apr2015-Jun2015
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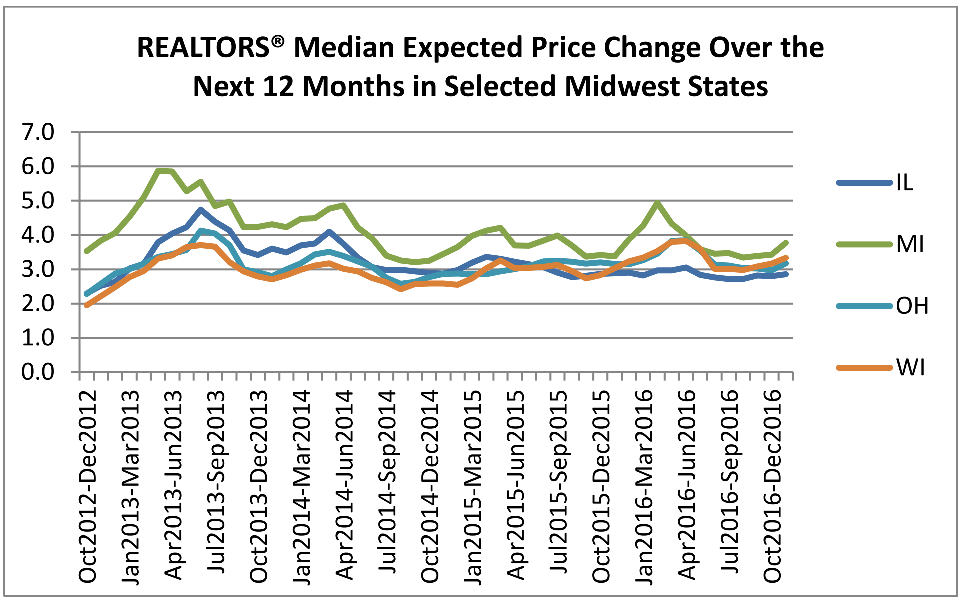
CA
OR
WA
AZ
CO


REALTORS® Median Expected Price Change Over the Next 12 Months in Selected Midwest States
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Oct2012-Dec2012
Jan2013-Mar2013
Apr2013-Jun2013
Jul2013-Sep2013
Oct2013-Dec2013
Jan2014-Mar2014
Apr2014-Jun2014
Jul2014-Sep2014
Oct2014-Dec2014
Jan2015-Mar2015
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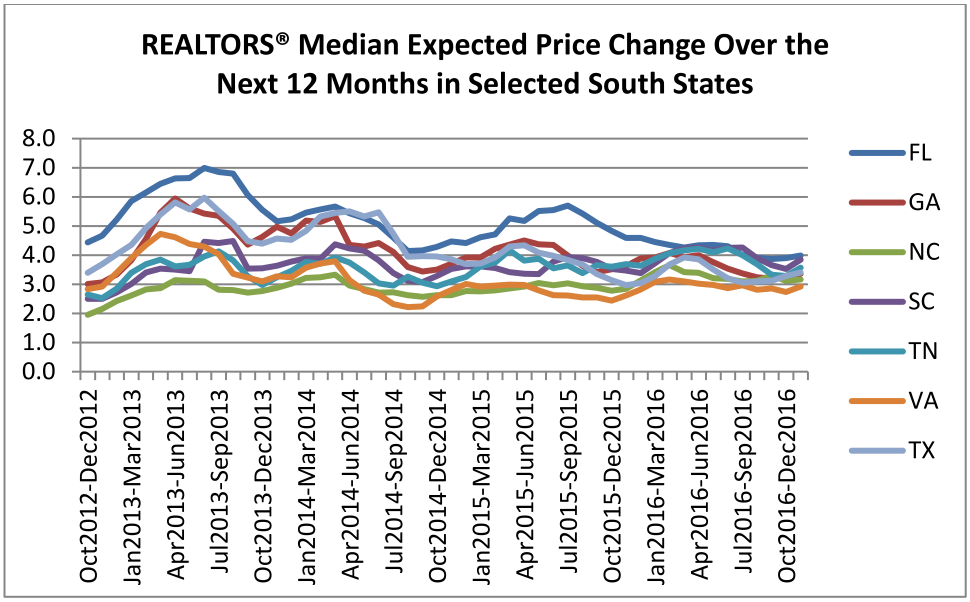
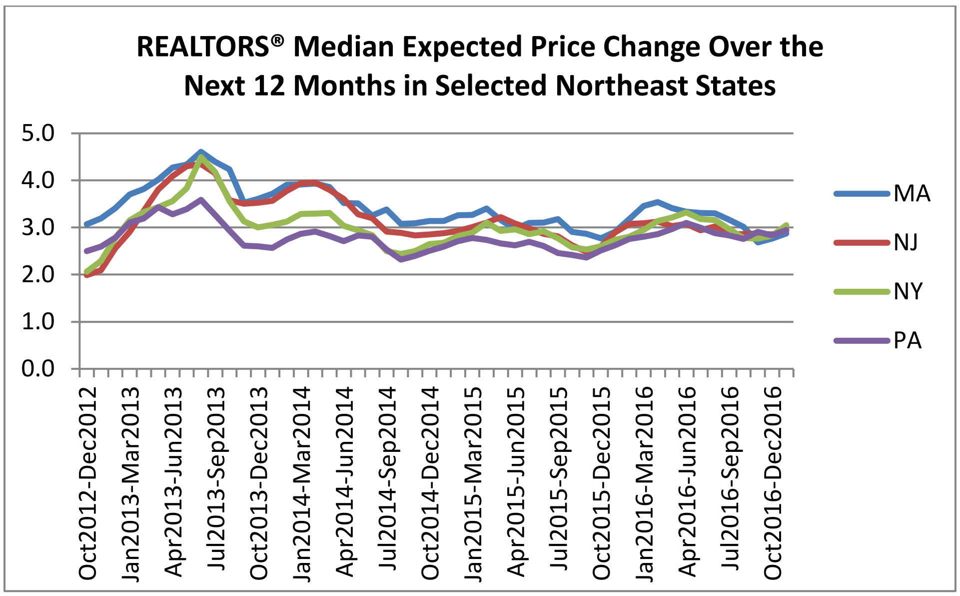
OH
WI

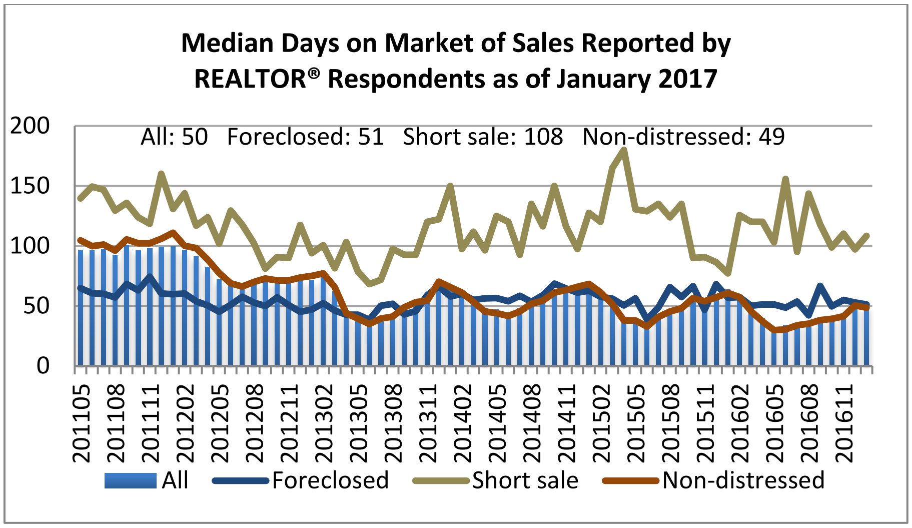




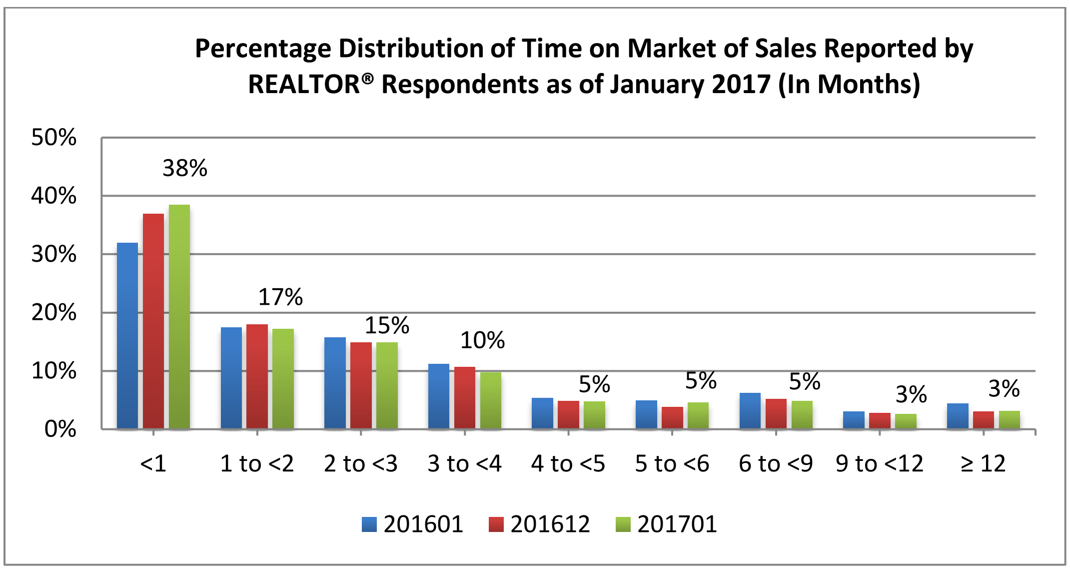
Properties Typically on the Market for 50 Days

Properties stayed on the market for fewer days in January 2017 compared to one year ago, amid strong demand and tight supply. Nationally, properties sold in January 2017 were typically on the market for 50 days (52 days in December 2016; 64 days in January 2016).[19] The length of time properties are on the market has fallen as demand has outpaced the inventory of homes for sale. In 2011, properties were typically on the market for 97 days.

[19] Respondents are asked, "For the last house that you closed in the past month, how long was it on the market from listing time to the time the seller accepted the buyer's offer?" The median is the number of days at which half of the properties stayed on the market. In generating the median days on market at the state level, we use data for the last three surveys to have close to 30 observations. Small states such as AK, ND, SD, MT, VT, WY, WV, DE, and D.C., may have fewer than 30 observations.



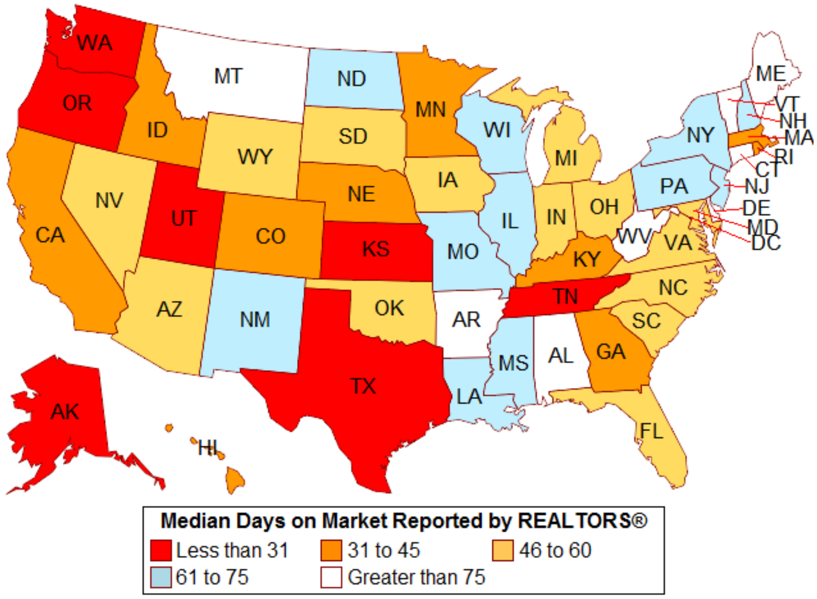
Nationally, 38 percent of properties that sold in January 2017 were on the market for less than a month (37 percent in December 2016; 32 percent in January 2016).[20] Only 11 percent of properties were on the market for six months or longer (11 percent in December 2016; 14 percent in January 2016).



Properties that sold in November 2016, December 2016, and January 2017 were typically on the market for less than 31 days in Washington, Oregon, Utah, Alaska, Kansas, Texas, Tennessee, and the District of Columbia. Looking at the values over the last few years, in most states the median length of time that properties stay on the market has trended downwards, though the graphs also show that days on market in some states fluctuate seasonally.[21] Local conditions vary, and the data is provided for REALTORS® who want to compare local markets against other states and the national summary.

[20] Days on market usually refers to the time from listing date to contract date.

[21] To increase the number of observations for each state, the analysis is based on a 3-month rolling period. The states shown in these charts are those with approximately 150 observations.


WA
OR
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SD
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KS
OK
TX
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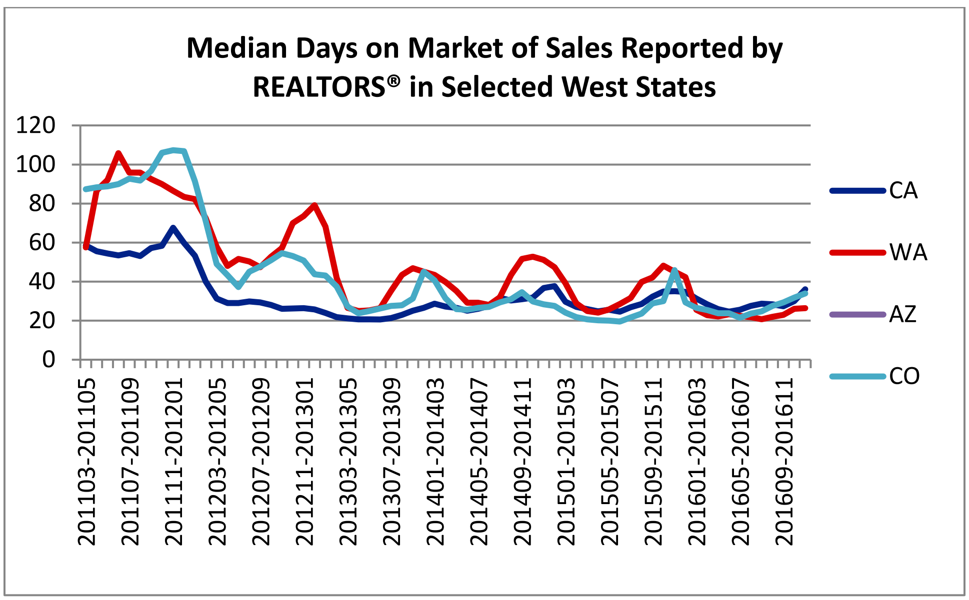
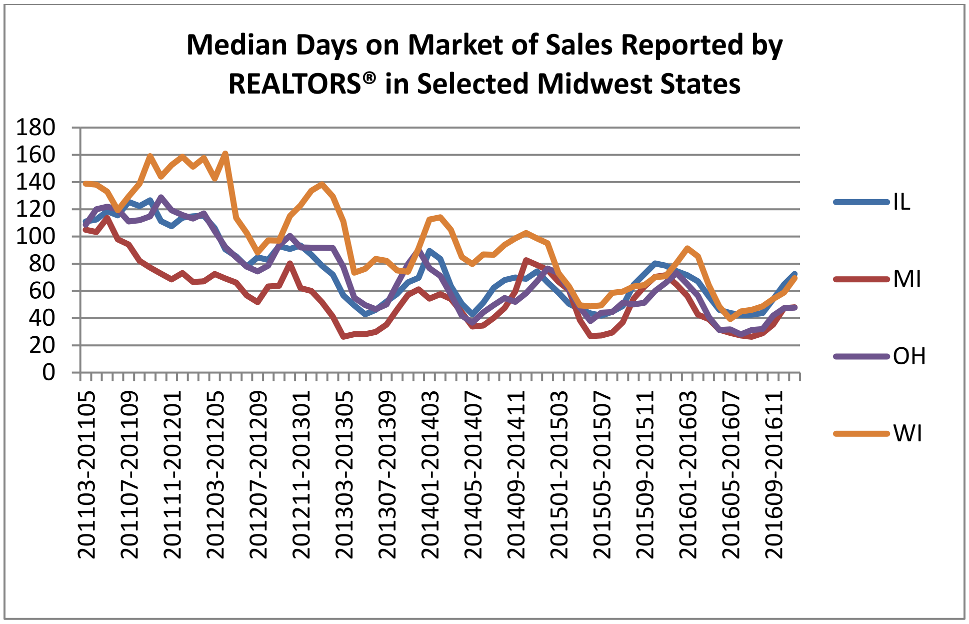
AR
LA
WI
IL
MS
AL
MI
IN
OH
KY
TN
GA
FL
SC
NC
VA
WV
PA
NY
ME
VT
NH
MA
RI
CT
NJ
DE
MD
DC
AK
HI
Median Days on Market Reported by REALTORS®
Less than 31
31 to 45
46 to 60
61 to 75
Greater than 75


Median Days on Market of Sales Reported by REALTORS® in Selected West States
120
100
80
60
40
20
0
201103-201105
201107-201109
201111-201201
201203-201205
201207-201209
201211-201301
201303-201305
201307-201309
201401-201403
201405-201407
201409-201411
201501-201503
201505-201507
201509-201511
201601-201603
201605-201607
201609-201611
CA
WA
AZ
CO



Median Days on Market of Sales Reported by REALTORS® in Selected Midwest States
180
160
140
120
100
80
60
40
20
0
201103-201105
201107-201109
201111-201201
201203-201205
201207-201209
201211-201301
201303-201305
201307-201309
201401-201403
201405-201407
201409-201411
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201505-201507
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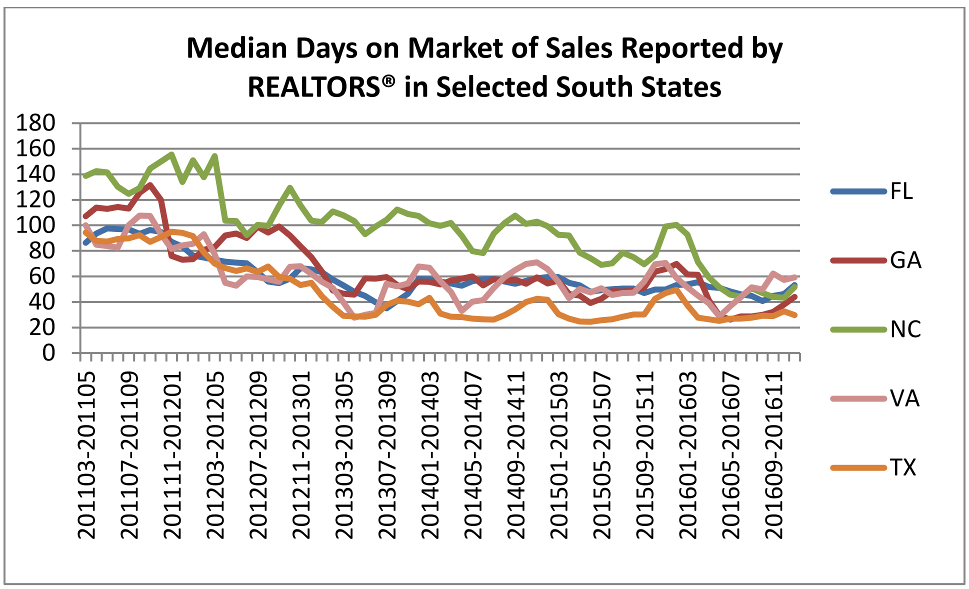
201601-201603
201605-201607
201609-201611
IL
MI
OH
WI



Median Days on Market of Sales Reported by REALTORS® in Selected South States
180
160
140
120
100
80
60
40
20
0
201103-201105
201107-201109
201111-201201
201203-201205
201207-201209
201211-201301
201303-201305
201307-201309
201401-201403
201405-201407
201409-201411
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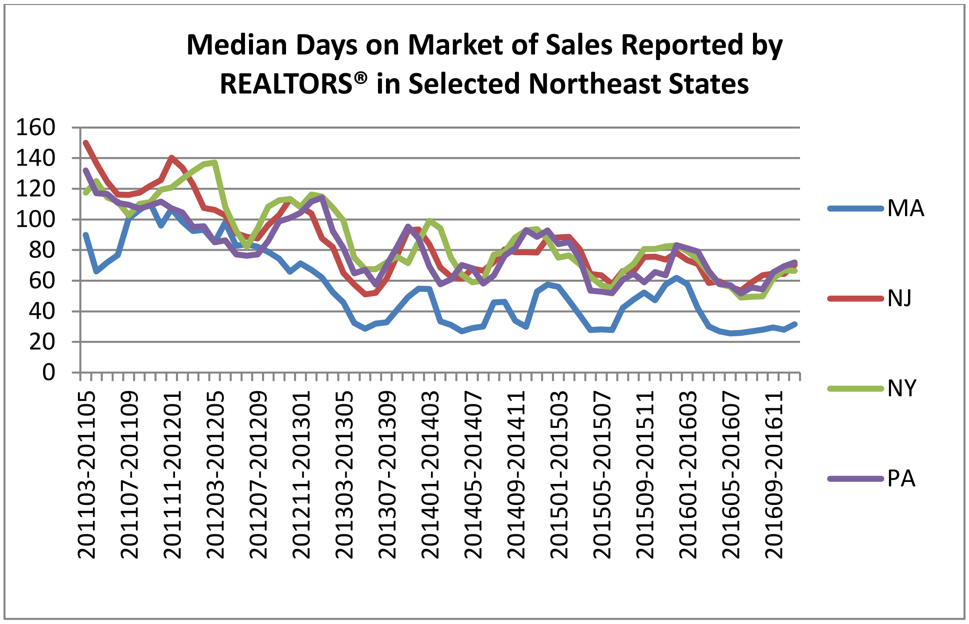
FL
GA
NC
VA
TX

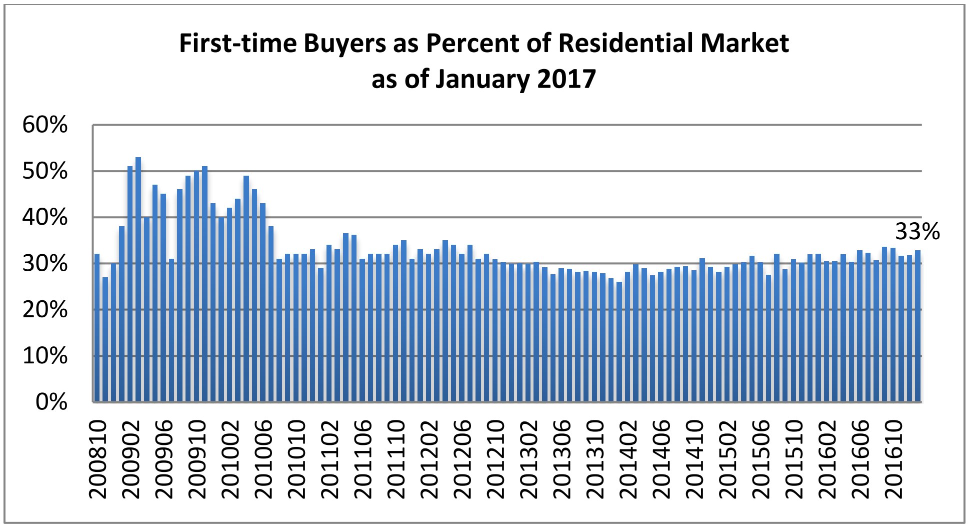


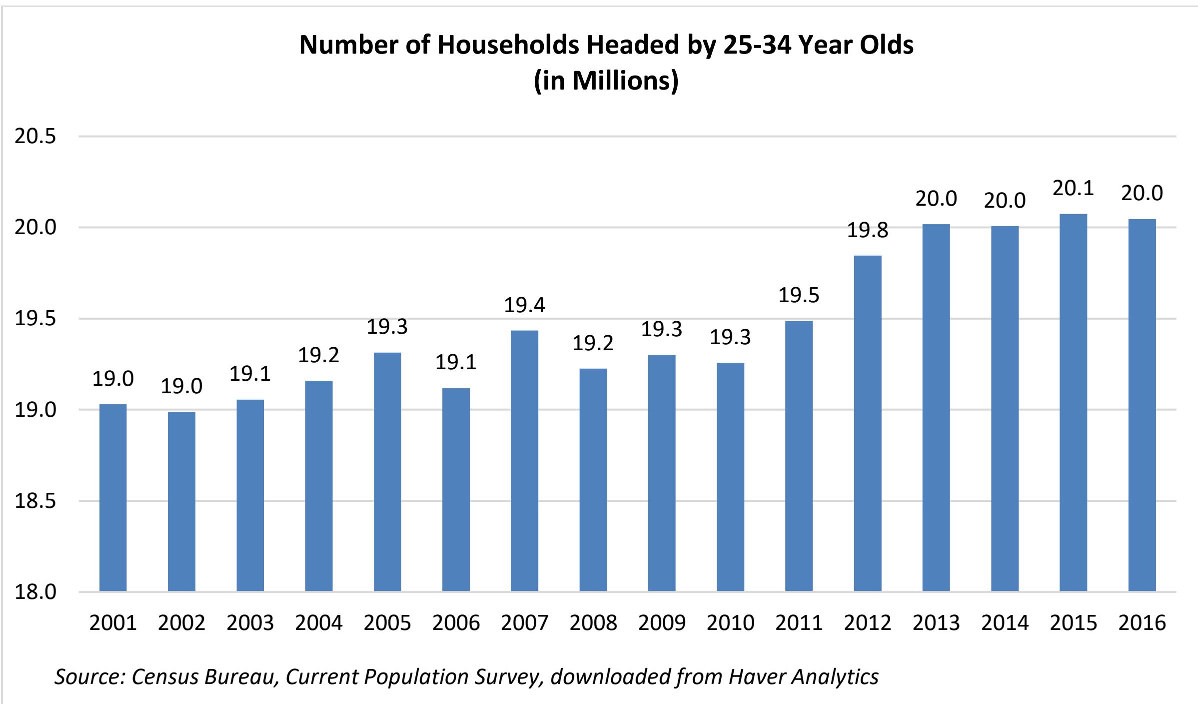
II. Buyer and Seller Characteristics

Sales to First-Time Buyers: 33 Percent of Sales

Sales to first-time homebuyers accounted for 33 percent of residential sales in January 2017 (32 percent in December 2016; 32 percent in January 2016. Sustained job growth and improving incomes along with the aging of the Millennial generation are likely underpinning the continued, albeit modest, increase in homebuying by first-time buyers. The anticipation of further increases in interest rates may also have prompted first-time buyers to enter the market.[22]

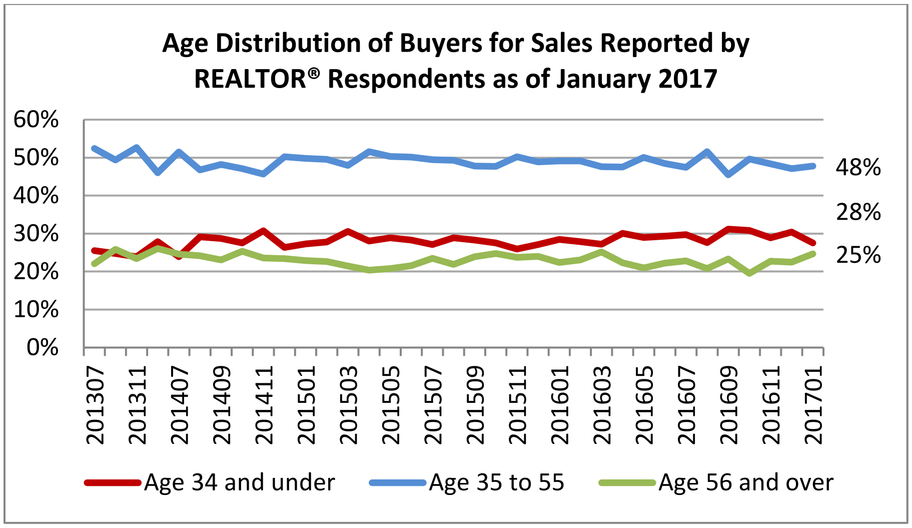
[22] Mortgage rates in this report refer to the average contract rates on 30-year conventional mortgages reported by Freddie Mac. The average 30-year mortgage rate was 3.54 percent in the week of November 3, 2016. It broke above four percent, to 4.03 percent, in the week of November 24, and it climbed to 4.32 percent in the week of December 29. Since that time, rates have eased somewhat. The average rate stood at 4.17 percent in the week of February 9, 2017, with rates likely to remain above four percent during 2017.



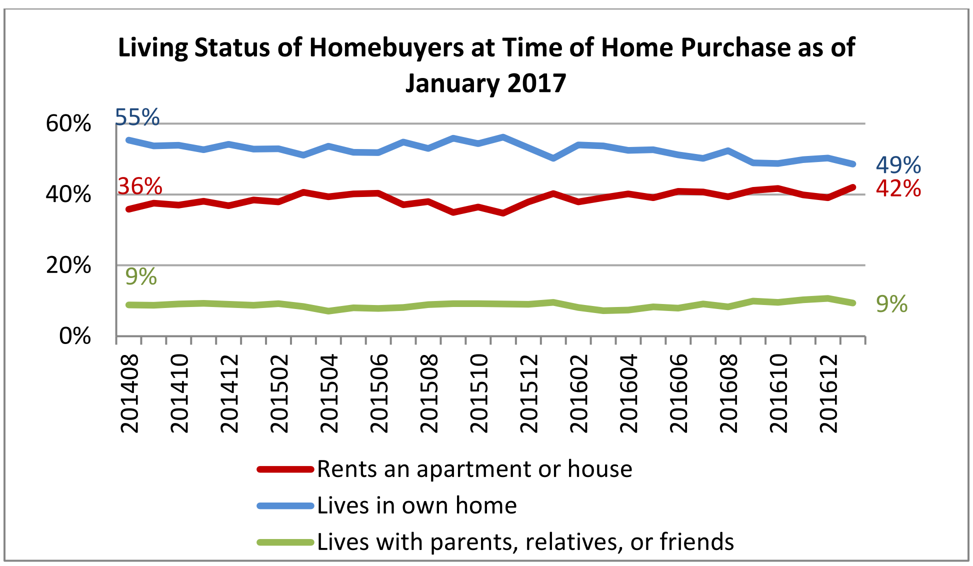


Buyers 34 years old and under, who are likely to be first-time buyers, accounted for 28 percent of residential buyers in January 2017 (30 percent in December 2016; 28 percent in January 2016). The share of buyers 34 and under has been on a gradual uptrend from the 26 percent share in July 2013 when this information was first collected in the survey.[23]

[23] NAR's *2016 Profile of Home Buyer and Sellers (HBS*) reports that among primary residence home buyers, 28 percent were 18-34 years old. The HBS surveys primary residence home buyers, while the monthly *RCI Survey* surveys REALTORS® and also captures purchases for investment purposes and vacation/second homes.



Homebuyers who were renting prior to their recent home purchase accounted for 42 percent of sales in January 2017 (39 percent in December 2016; 40 percent in January 2016). The fraction of buyers who were renting prior to their recent home purchase has increased from the 36 percent share in December 2014 when this information was first collected.[24] At the same time, the share of buyers who were living in their own home at the time of their recent home purchase has decreased.

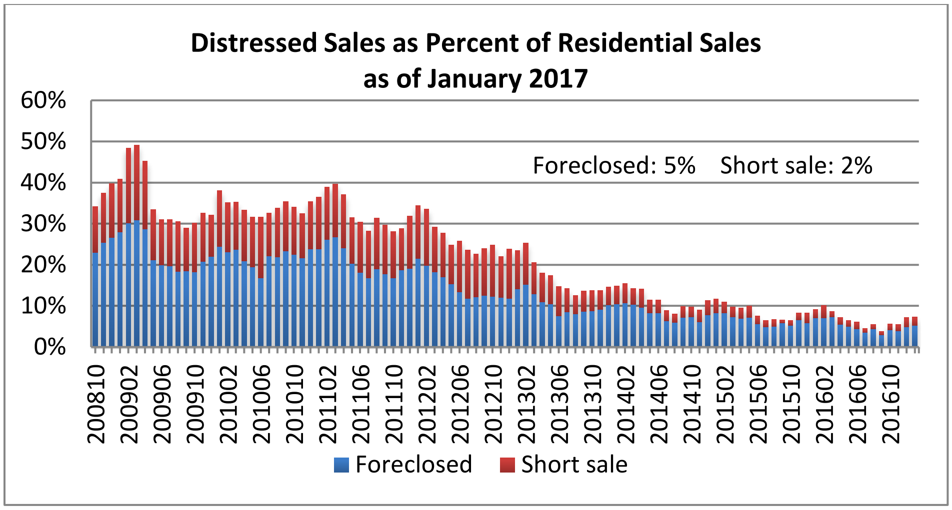


Distressed Sales: Seven Percent of Sales

Distressed sales accounted for seven percent of sales in January 2017 (seven percent in December 2016; nine percent in January 2016). Foreclosed properties were five percent of residential sales, while short

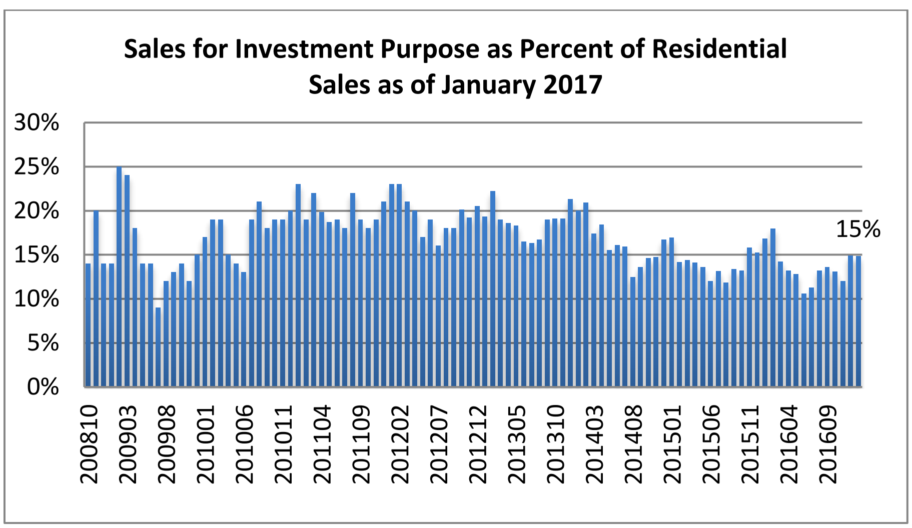
[24] NAR's *2016 Profile of Home Buyer and Sellers (HBS)* reports that among primary residence home buyers, 41 percent rented an apartment or house. The HBS surveys primary residence home buyers, while the monthly *RCI Survey* surveys REALTORS® and also captures purchases for investment purposes and vacation/second homes.

sales were only two percent of residential sales.[25] With rising home values, improved economic conditions, and fewer foreclosures, the share of sales of distressed properties has generally continued to decline. Distressed sales accounted for about a third to half of sales until 2012 when they began to fall below this level.



Sales for Investment Purposes: 15 Percent of Sales

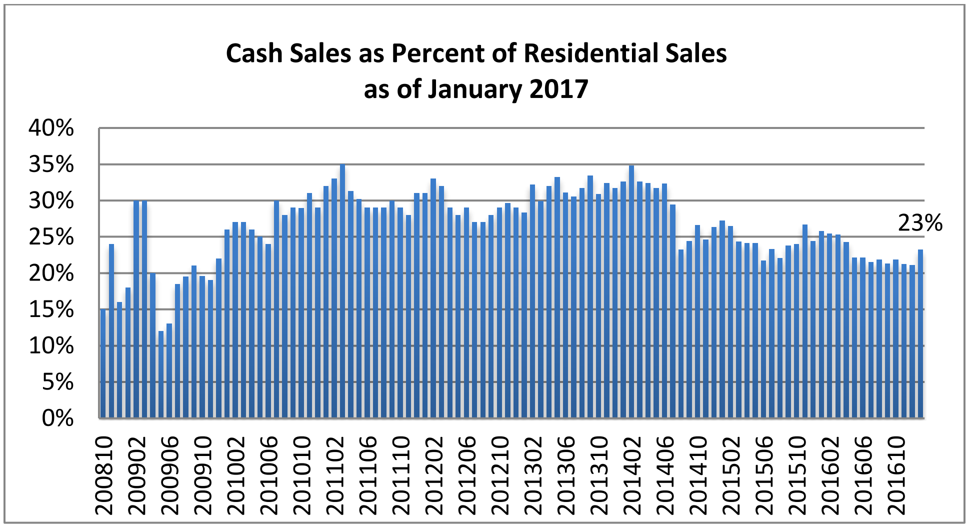
Investment sales made up 15 percent of sales in January 2017 (15 percent in December 2016; 17 percent in January 2016). Purchases for investment purposes have generally been on the decline since 2011–2012 when investment sales accounted for 20 percent of sales. Purchasing for investment has become less attractive with fewer distressed sales on the market and with home prices rising.

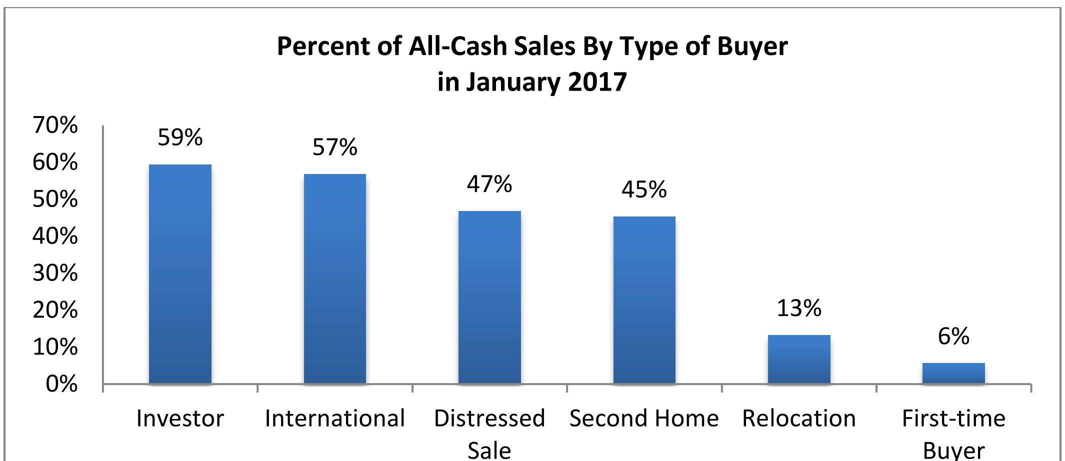


[25] The survey asks respondents who had a sale in the month to report on the characteristics of the most recent sale closed.

Cash Sales: 23 Percent of Sales

In January 2017, 23 percent of sales were cash sales (21 percent in December 2016; 26 percent in January 2016). Buyers of homes for investment purposes, distressed sales, second homes, and foreign clients are more likely to pay cash than first-time home buyers. As the shares of investment and distressed sales have declined, so has the share of cash sales.

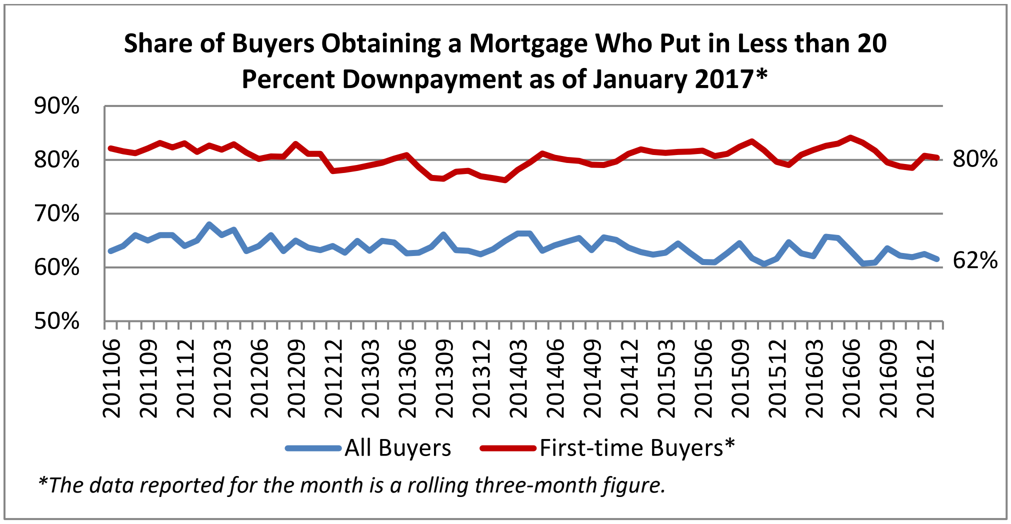




**The RCI survey captures only non-U.S. citizens whose permanent residence is in another country (Type A). NAR has a separate survey on foreign buyers that captures both Type A buyers and non-U.S. citizens who reside in the United States on work, student, or other types of visas (Type B).*

Eighty Percent of First-time Buyers Put Down Less than 20 Percent Downpayment

More first-time homebuyers take advantage of a low downpayment loan compared to all homebuyers. Among all buyers whose transaction closed in January 2017, 62 percent of those who obtained a mortgage made a downpayment of less than 20 percent. Among first-time homebuyers who obtained a mortgage and whose transactions closed in November 2016, December 2016, and January 2017, 80 percent made a downpayment of less than 20 percent.[26]



Among first-time homebuyers, 65 percent put down a zero to six percent downpayment, a decrease from the 74 percent share in June 2009 when NAR started collecting this information in the *RCI Survey*. The Federal Housing Administration (FHA) and the Government Sponsored Enterprises (GSEs) have implemented policies to make credit more widely available, such as FHA's reduction of its annual mortgage insurance premiums and the Government Sponsored Enterprises (GSEs) acceptance of three percent downpayment mortgages. However, the impact of these measures in attracting first-time homebuyers appears to be modest for a variety of reasons. Lack of information about these products may be one reason. In fact, NAR's 2016 Q3 Housing Opportunities and Market Experience (HOME) Survey found that only 13 percent of those aged 34 or under believe they need a downpayment of five percent or less.[27] Additionally, although low downpayment loans are available, some buyers may want to save for a bigger downpayment to meet underwriting standards (e.g., debt-to-income ratios, loan-to-value ratios), save on mortgage insurance, or get a lower interest rate.

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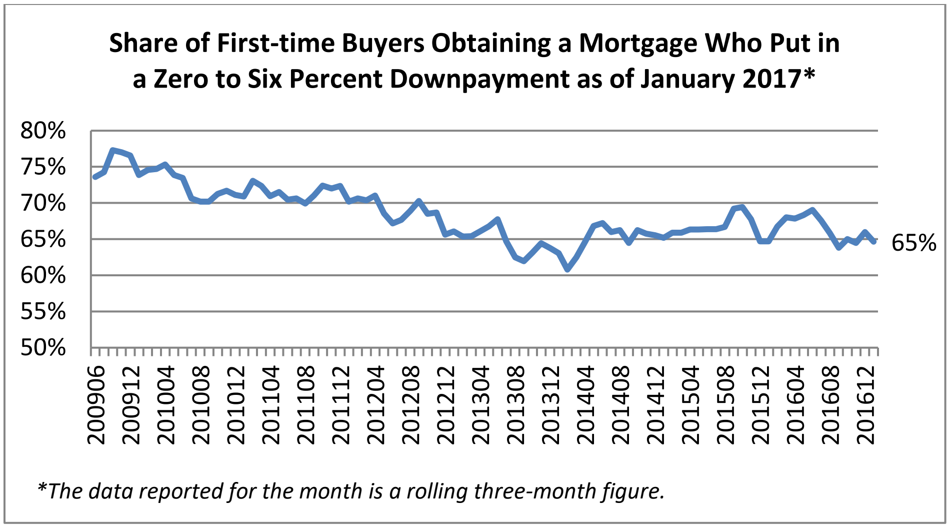
[26] The estimate for first-time homebuyers is based on a 3-month period to increase the sample size.

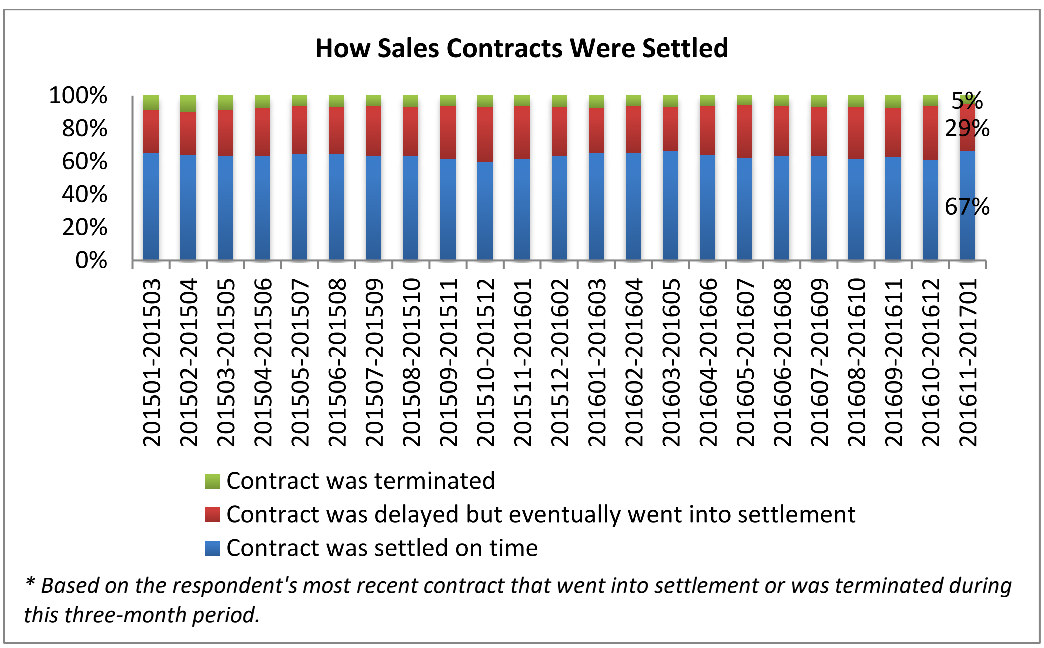
[27] See: http://www.realtor.org/reports/2016-q3-homeownership-opportunities-and-market-experience-home-survey.



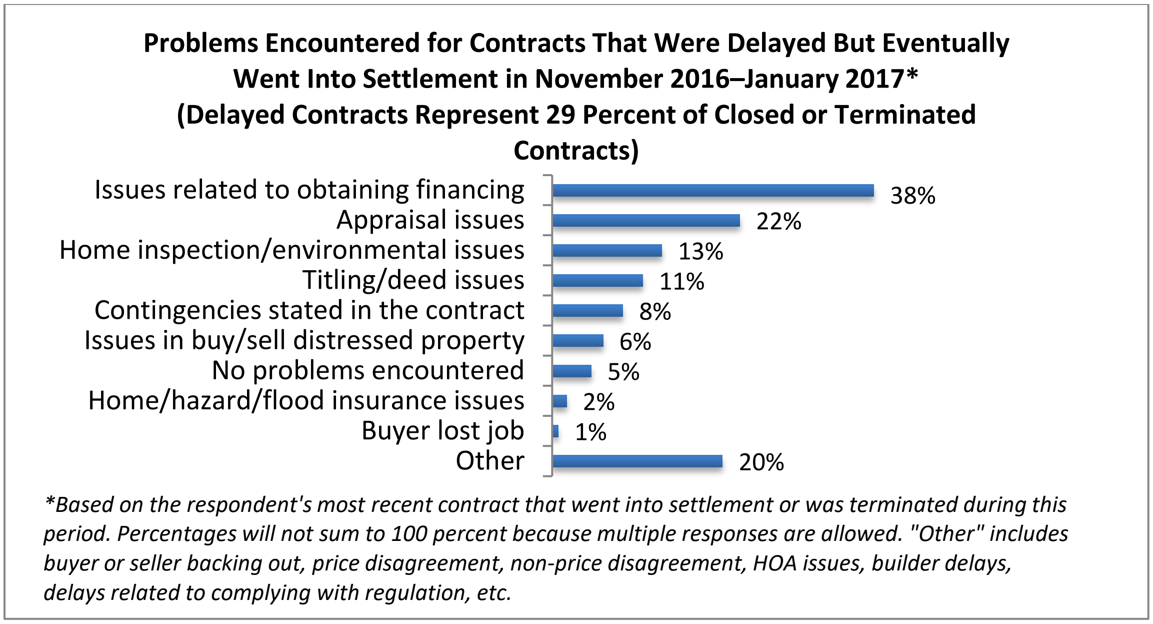
III. Issues Affecting Transactions

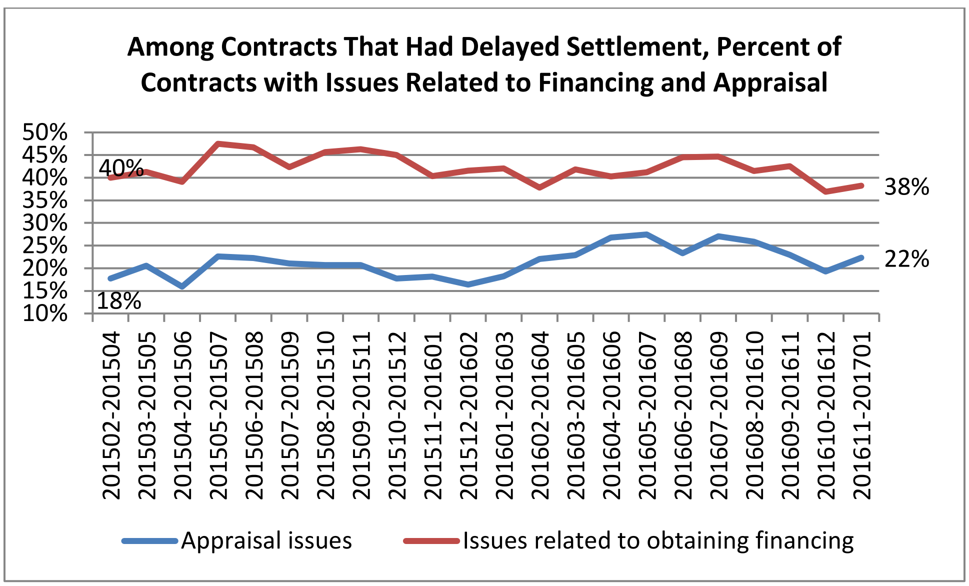
Contract Settlement: Financing, Home Inspection, and Appraisals Are Major Issues

Most contracts are settled on time. Among respondents who reported they had a contract that went into settlement or was terminated over the period November 2016, December 2016, and January 2017, 67 percent reported that the contracts were settled on time, 29 percent had a delayed settlement, and five percent reported that the contract was terminated.



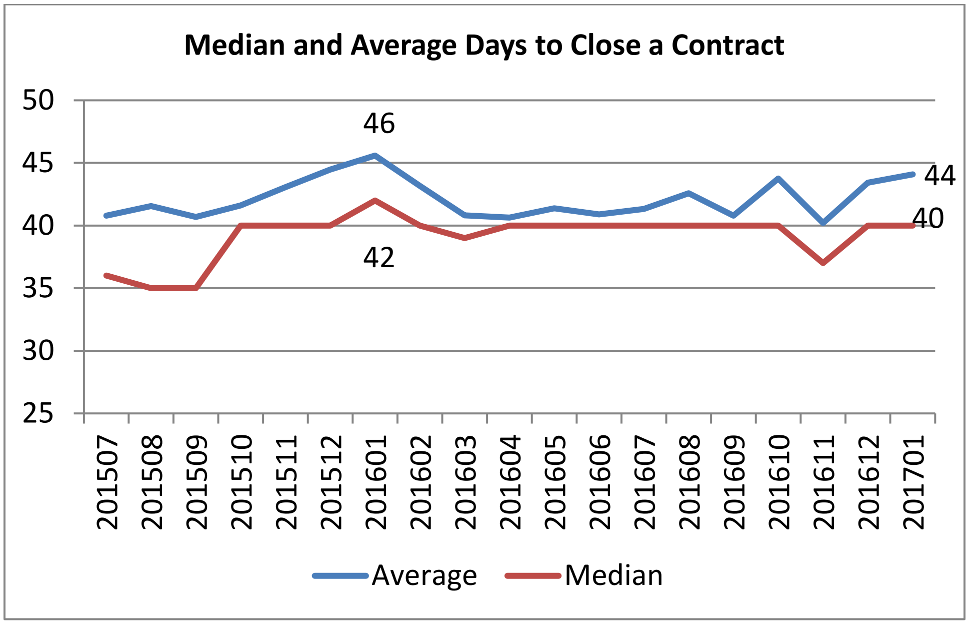
Among contracts that had a delayed settlement (29 percent), 38 percent faced issues related to obtaining financing and 22 percent faced appraisal issues. Regarding appraisal issues, respondents reported facing appraisal delays due to a shortage of appraisers, valuations that are not in line with market conditions, and "out-of-town" appraisers who are not familiar with local conditions. In NAR's Survey of Mortgage Originators, 55 percent who took part in the survey reported some level of issues getting appraisals.[28] Other specific issues that led to delays involved titling, sale contingencies, problems related to distressed sales, home/hazard/flood insurance issues, and the buyer losing a job.



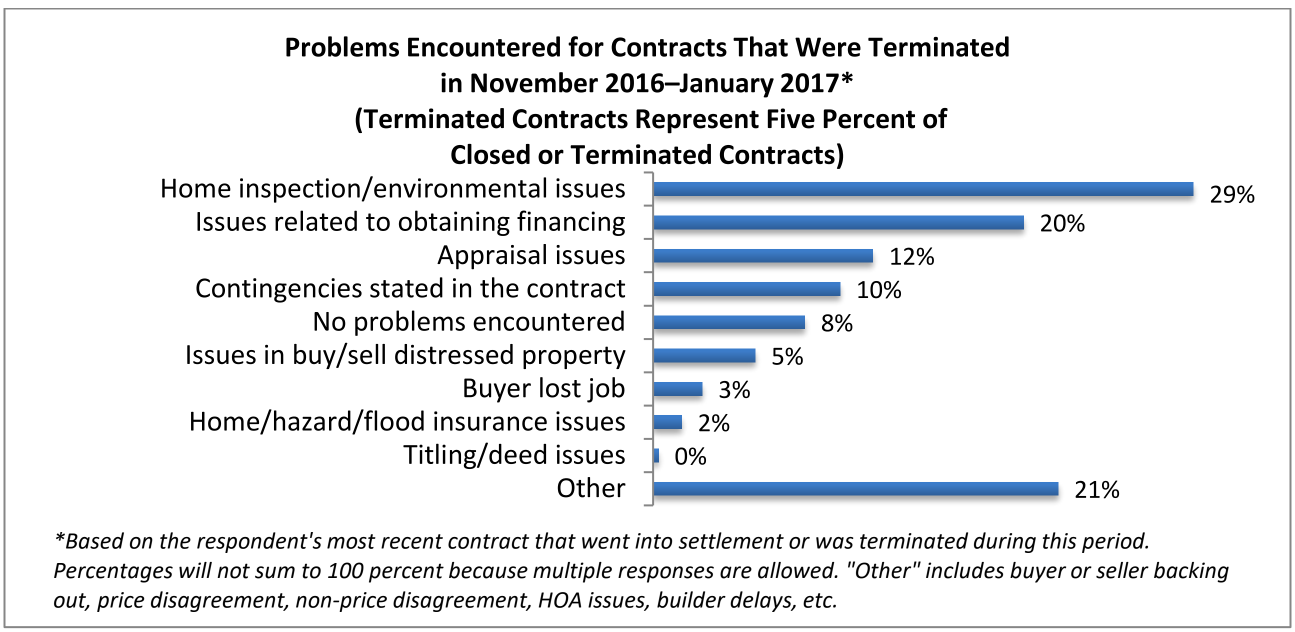


Based on information collected from the most recent sale of REALTOR® respondents ,the median days to close a contract was 40 days in January 2017 (40 days in December 2016; 42 days in January 2016). In July 2015 when NAR collected this information prior to the implementation of TRID/"Know Before You Owe", the median days to close was 36 days.

[28] Ken Fears, 2016 Survey of Mortgage Originators, Fourth Quarter, Economists Outlook Blog. See http://economistsoutlook.blogs.realtor.org/2017/02/07/survey-of-mortgage-originators/



Among contracts that were terminated (five percent), issues related to home inspections, obtaining financing, and appraisal were the major causes of termination.



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