REALTORS® CONFIDENCE INDEX SURVEY

NATIONAL ASSOCIATION OF REALTORS®
RESEARCH GROUP

NATIONAL ASSOCIATION of REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

Summary

The *REALTORS® Confidence Index* (*RCI*) survey gathers monthly information from REALTORS® about local real estate market conditions, characteristics of buyers and sellers, and issues affecting homeownership and real estate transactions.[1] This report presents key results about market transactions from November 2019.

Market Conditions and Expectations
- The *REALTORS® Buyer Traffic Index* registered at 56 (44 in November 2018).[2]
- The *REALTORS® Seller Traffic Index* registered at 43 (38 in November 2018).
- The *REALTORS® Confidence Index*—Six-Month Outlook Current Conditions registered at 65 for detached single-family, 53 for townhome, and 50 for condominium properties. An index above 50 indicates market conditions are expected to improve.
- Properties were typically on the market for 38 days (42 days in November 2018).
- Eighty-one percent of respondents reported that home prices remained constant or rose in November 2019 compared to levels one year ago (75 percent in November 2018).

Characteristics of Buyers and Sellers
- First-time buyers accounted for 32 percent of sales (33 percent in November 2018).
- Vacation and investment buyers comprised 16 percent of sales (13 percent in November 2018).
- Sales of distressed properties (foreclosed or sold as a short sale) accounted for 2 percent of sales (2 percent in November 2018).
- Cash sales made up 20 percent of sales (21 percent in November 2018).
- Twenty-one percent of sellers offered incentives such as paying for closing costs (9 percent), providing warranty (8 percent), undertaking remodeling (4 percent), and providing appliances (1 percent).[3]

Issues Affecting Buyers and Sellers
- From September 2019–November 2019, 72 percent of contracts settled on time (76 percent in September 2018–November 2018).
- Among sales that closed in November 2019, 73 percent had contract contingencies. The most common contingencies pertained to home inspection (53 percent), obtaining financing (43 percent), and getting an acceptable appraisal (43 percent).
- REALTORS® report "low inventory" and "interest rate" as the major issues affecting transactions in November 2019.

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1   Respondents report on the characteristics of their most recent sale for the month.
2   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."
3   The difference in the sum of percentages to the total percentage of sellers who offered incentives is due to rounding.

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Market Conditions and Expectations

REALTORS® CONFIDENCE INDEX
Current Conditions

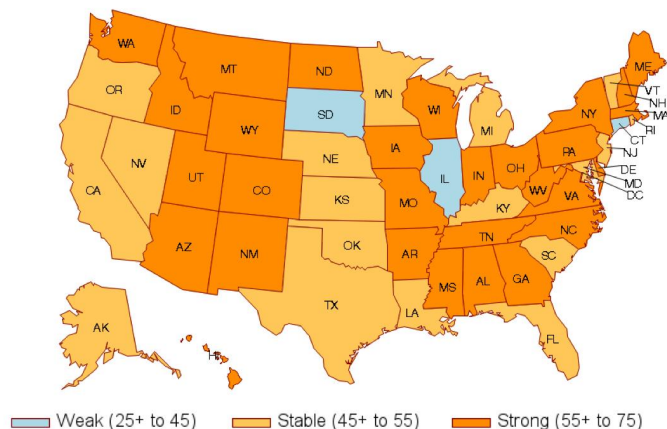Single Family — Condominium — Townhomes

REALTORS® BUYER AND SELLER TRAFFIC INDICES
Current Conditions

Buyer Traffic — Seller Traffic
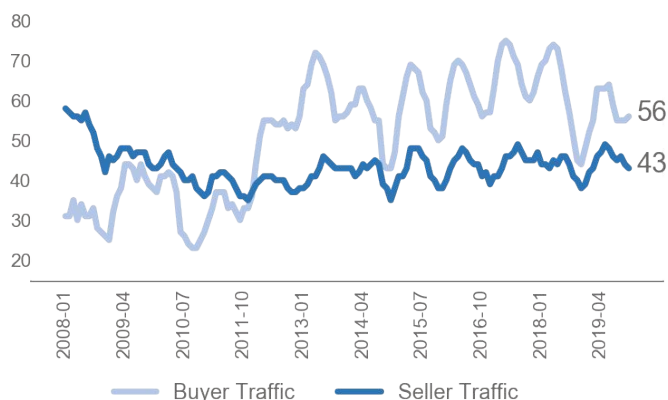
REALTORS® BUYER TRAFFIC INDEX[1]
By State

Weak (25+ to 45)   Stable (45+ to 55)   Strong (55+ to 75)

REALTORS® SELLER TRAFFIC INDEX[2]
By State

Weak (25+ to 45)   Stable (45+ to 55)   Strong (55+ to 75)

MEDIAN DAYS ON THE MARKET

38 DAYS
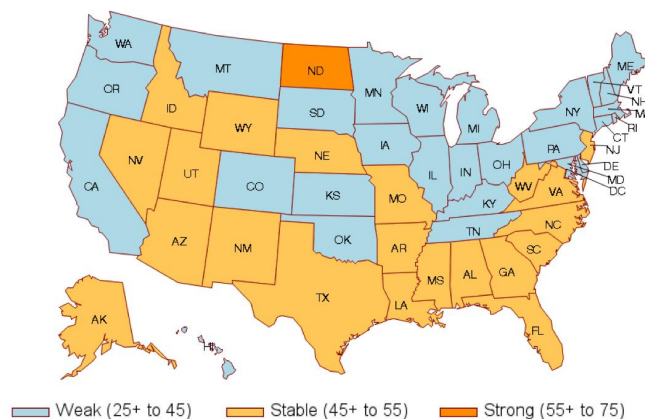
MEDIAN DAYS ON THE MARKET
By State

Less than 31   31 to 45   46 to 60   61 to 75   76 to 90
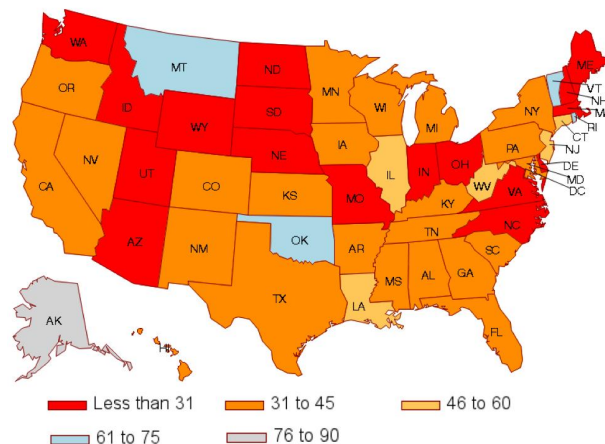
1   25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."
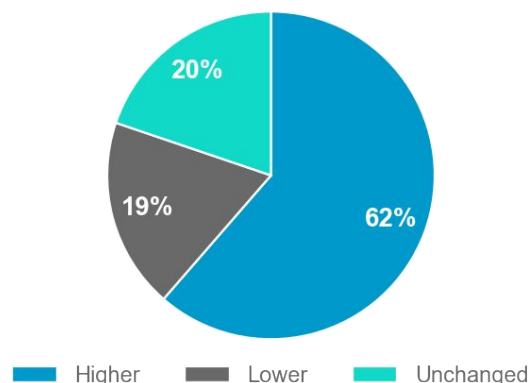2   25.01 to 45 are labeled "Weak," values of 45.01 to 55 are labeled "Stable," values of 55.01 to 75 are labeled "Strong," and values greater than 75 are labeled "Very Strong."

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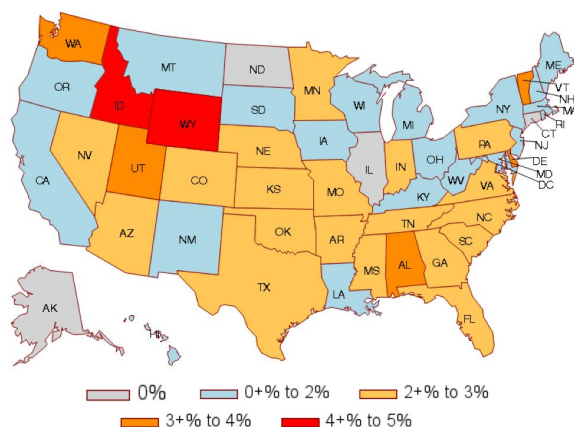
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Market Conditions and Expectations

DISTRIBUTION OF PRICE CHANGE FROM A YEAR AGO

- Higher 62%
- Lower 19%
- Unchanged 20%

PERCENTAGE OF PROPERTIES SOLD AT ORIGINAL PRICE OR AT NET PREMIUM FROM LISTING PRICE

35%
AT ORIGINAL PRICE OR NET PREMIUM

MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 12 MONTHS
By State, in the Past Three Months

- 0%
- 0+% to 2%
- 2+% to 3%
- 3+% to 4%
- 4+% to 5%

REALTORS® CONFIDENCE INDEX—SIX-MONTH OUTLOOK

65 / 53 / 50

- Single Family
- Condominium
- Townhomes

AVERAGE NUMBER LISTINGS PER AGENT

2.7 LISTINGS

AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR BY AGENT

4.4 CLIENTS

1   Regardless of acceptance.

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Characteristics of Buyers

AGE DISTRIBUTION OF BUYERS

- 34 and Under — 26%
- 35 to 55 — 48%
- 56 and Over — 26%
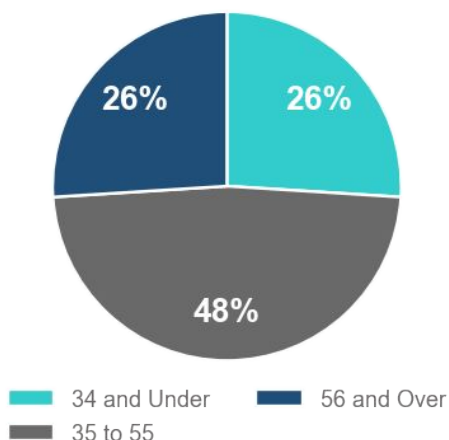
LIVING STATUS OF HOMEBUYERS
At the Time of Purchase

- 6%
- 10%
- 41%
- 43%

- Rented an Apartment or House
- Lived in a Property They Owned
- Lived with Parents, Relatives, or Friends
- Other
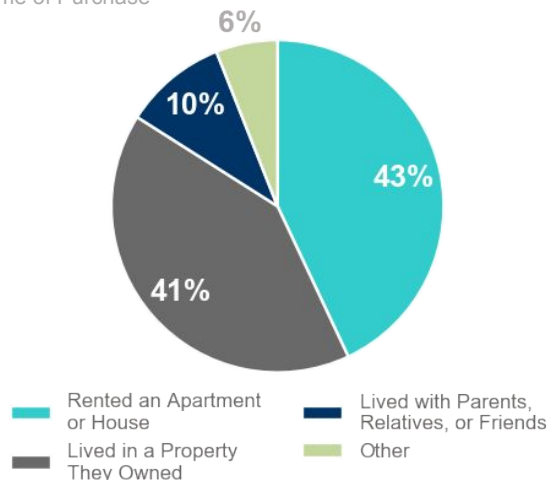
FIRST-TIME BUYERS
AS PERCENTAGE OF RESIDENTIAL SALES

32%
FIRST-TIME BUYERS

CASH SALES
AS PERCENTAGE OF RESIDENTIAL SALES

20%
CASH SALES

DISTRESSED PROPERTY SALES
BY PROPERTY TYPE

- Foreclosed
- Short Sale

2%
0%

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

75%
53%

- First-time Buyers
- All Buyers

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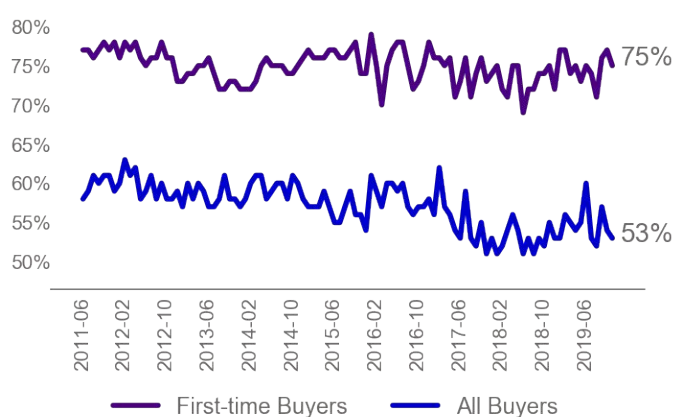
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Characteristics of Sellers

AVERAGE NUMBER OF OFFERS RECEIVED ON THE MOST RECENT CLOSED SALE

2.3
OFFERS

WHEN SELLER VACATED PROPERTY
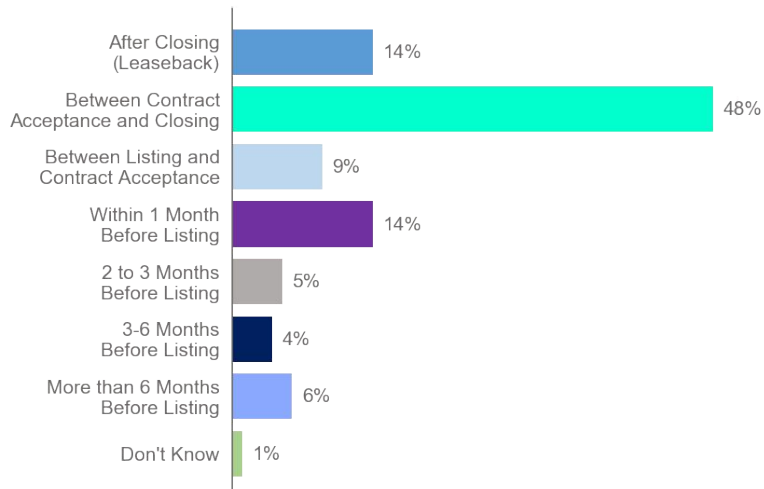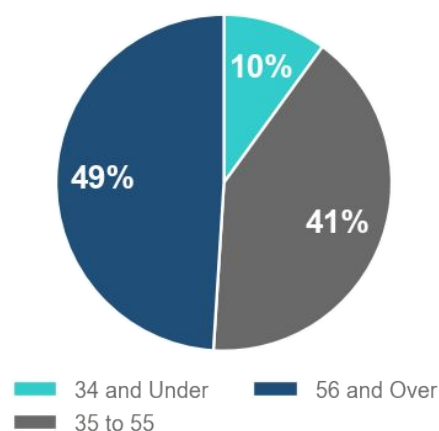
After Closing (Leaseback)	14%
Between Contract Acceptance and Closing	48%
Between Listing and Contract Acceptance	9%
Within 1 Month Before Listing	14%
2 to 3 Months Before Listing	5%
3-6 Months Before Listing	4%
More than 6 Months Before Listing	6%
Don't Know	1%

SELLER'S USE OF PROPERTY

- 68% Primary
- 21% Investment
- 5% Vacation
- 5% Other
- 1% Don't Know
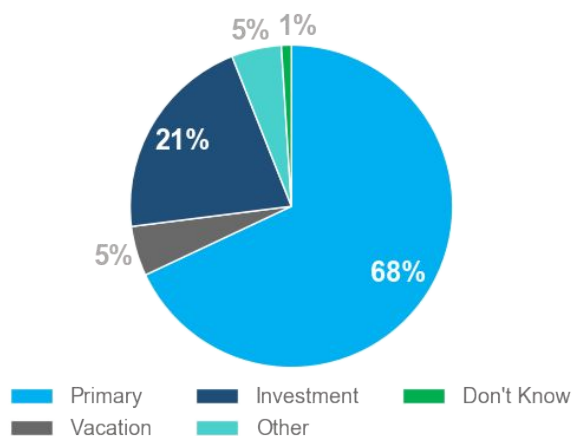
AGE DISTRIBUTION OF SELLERS

- 49% 56 and Over
- 41% 35 to 55
- 10% 34 and Under

PERCENTAGE OF SELLERS WHO REPORTED OFFERING INCENTIVES

21%
INCENTIVES

SELLER INCENTIVES OFFERED[1]
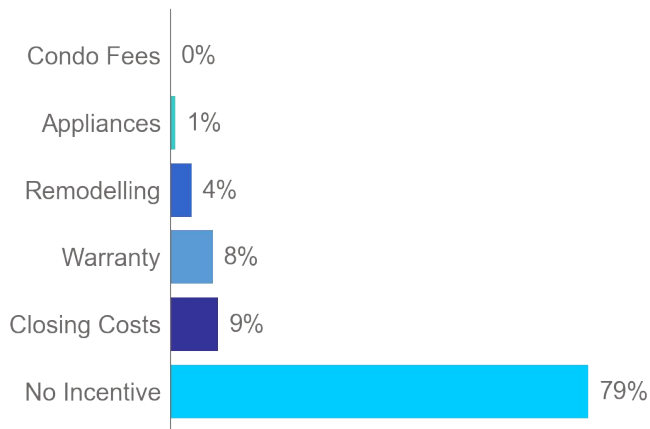
Condo Fees	0%
Appliances	1%
Remodelling	4%
Warranty	8%
Closing Costs	9%
No Incentive	79%

1   Multiple responses are allowed.

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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
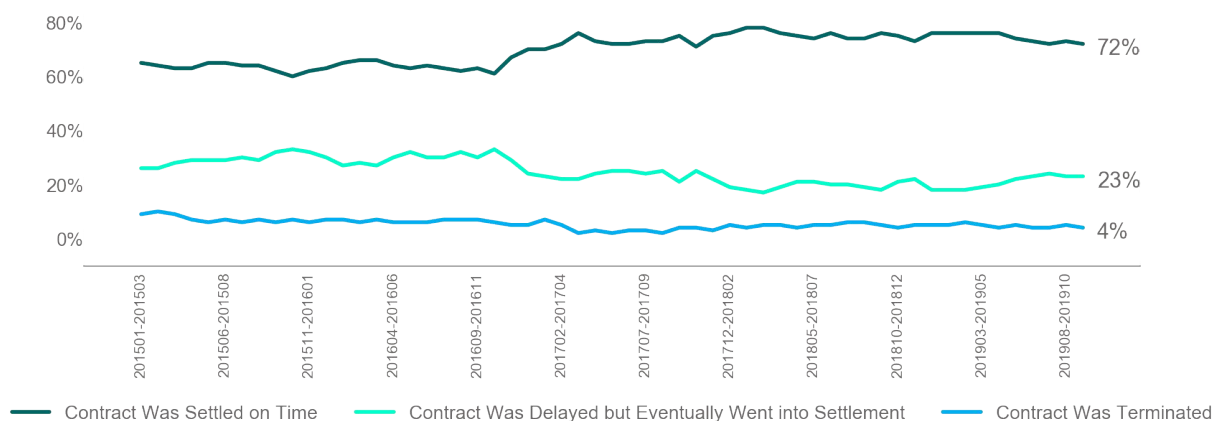
PROBLEMS ENCOUNTERED FOR CONTRACTS WITH DELAYED SETTLEMENTS[1]

Category	Percent
Issues Related to Obtaining Financing	41%
Appraisal Issues	18%
Home Inspection/Environmental Issues	17%
Titling/Deed Issues	11%
No Problems Encountered	8%
Issues in Buy/Sell Distressed Property	4%
Contigencies Stated in the Contract	8%
Home/Hazard/Flood Insurance Issues	2%
Buyers Lost Job	1%
Other	19%

1   *Multiple responses are allowed.*

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Issues Affecting Buyers and Sellers

REASONS FOR CONTRACT SETTLEMENT CONTINGENCIES[1]

Category	Percentage
Home Inspection	53%
Appraisal	43%
Obtaining Financing	43%
Having Clear Title	13%
Selling Current Home	7%
Other Contigencies	5%
Waived	4%
Not Needed	24%

PERCENTAGE OF CONTRACTS WITH SETTLEMENT CONTINGENCIES

73%
CONTINGENCIES

REALTOR® CONCERNS

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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 November 2019 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 8,140 respondents in the previous three surveys who provided their email addresses.

- There were 4,127 respondents to the online survey which ran from December 1-11, 2019. The survey's overall margin of error at the 95 percent confidence level is one percent. The margins of error for subgroups and sample proportions of below or above 50 percent are larger.

- NAR weighs 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 more than 1.3 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.

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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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