

September 2023

REALTORS® CONFIDENCE INDEX SURVEY

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

Month-over-month, first-time home buyers fell to 27% from 29%, as all cash buyers rose to 29% from 27%.

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

- 8% of respondents expect a year-over-year increase in buyer traffic in the next three months, down from 11% one month ago and up slightly from one year ago.
- 10% of respondents expect a year-over-year increase in seller traffic in the next three months, the same as last month and up slightly from 8% in September 2022.

With supply still limited relative to demand, 26% of homes sold above list price, down from 31% last month and down slightly from 28% a year ago:

- 69% of respondents reported that properties sold in less than one month. Down slightly from 72% a month ago and nearly flat from 70% in September 2022.
- Homes listed received an average of 2.6 offers, down from 3.2 offers last month and up slightly from 2.5 offers in September 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. Up slightly from one month ago and virtually unchanged 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.
- 13% of contracts had delayed settlements in the past three months, down slightly from last month and down slightly from 15% a year ago.
- 7% of contracts had delayed settlement due to appraisal issues, virtually unchanged from last month and one year ago.

First-time buyers represented 27% of buyers, down from 29% in August 2023 and September 2022. Among all buyers:

- 18% purchased for non-primary residence use, up from 16% last month and 15% a year ago.
- 6% were purchased for vacation use, up slightly from 5% one month ago and down slightly from 7% one year ago.
- 2% of sellers sold to an iBuyer, similar to one month and one year ago.
- 1% of sales were distressed, flat from one month and down slightly from 2% one year ago.

Contract activity remains competitive:

- 29% of buyers had all-cash sales, up slightly from 27% last month and up from 22% last year.
- 27% of buyers waived the inspection contingency, up from 23% one month ago and virtually up from 19% one year ago.
- 24% of buyers waived the appraisal contingency, up from 22% one month and up from 19% one year ago.

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

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September 2023 REALTORS® Confidence Index Survey Highlights

Market Outlook	Sep-23	Aug-23	Sep-22
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	8%	11%	7%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	10%	10%	8%
Key Market Indicators	Sep-23	Aug-23	Sep-22
Median days on market/3	21	20	19
Percent of properties sold in less than 1 month	69%	72%	70%
First-time homebuyers, as percent of sales	27%	29%	29%
Sales for non-primary residence use, as a percent of sales /1	18%	16%	15%
Sales intended for vacation use, as a percent of sales /1	6%	5%	7%
Cash sales, as percent of sales	29%	27%	22%
Distressed sales, as percent of sales	1%	1%	2%
Average number of offers received on the most recent sale	2.6	3.2	2.5
Percent of properties sold above the list price	26%	31%	28%
Other Market Indicators	Sep-23	Aug-23	Sep-22
Percent of buyers who waived inspection contingency	27%	23%	19%
Percent of buyers who waived appraisal contingency	24%	22%	19%
Percent of buyers who purchased property based on virtual tour/showing/open house only	9%	7%	8%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	85%	86%	90%
Percent of respondents who had a potential buyer looking for work-from-home features /2	31%	32%	36%
Percent of sellers represented by Realtors® who sold the property to an iBuyer	2%	1%	1%
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	13%	14%	15%
Percent of contracts with a delayed settlement that had appraisal issues	7%	7%	8%

/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 FCI 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 September 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 4,550 respondents in the previous three surveys who provided their email addresses.
- There were 1,676 respondents to the online survey, which ran from October 1-17, 2023, of which 848 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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