

# REALTORS® CONFIDENCE INDEX SURVEY September 2020

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 September 2020 market transactions.

Several metrics indicate continued rebound of the housing market in September with demand outpacing supply. The REALTORS® Buyer Traffic Index was essentially unchanged at 75 (very strong conditions) while the REALTORS® Seller Traffic Index remained at below 50. Properties typically sold in 21 days. REALTORS® reported conducting more home tours, with an average of nearly five in-person home tours compared to only two new listings per agent. Every home sold had three offers. On average, REALTORS® expect sales in the next three months to slightly increase from last year's sales level.

Rising prices are cutting into affordability. The share of first-time buyers decreased to 31% of existing home sales (33% one year ago).

The pandemic is changing how people live and work. Sixty-percent of respondents reported they had a client who was looking for work-from-home features. Thirty-one percent of respondents reported a higher share of clients who live in the city who want to purchase a home in the suburb or rural area compared to the share in January 2020.

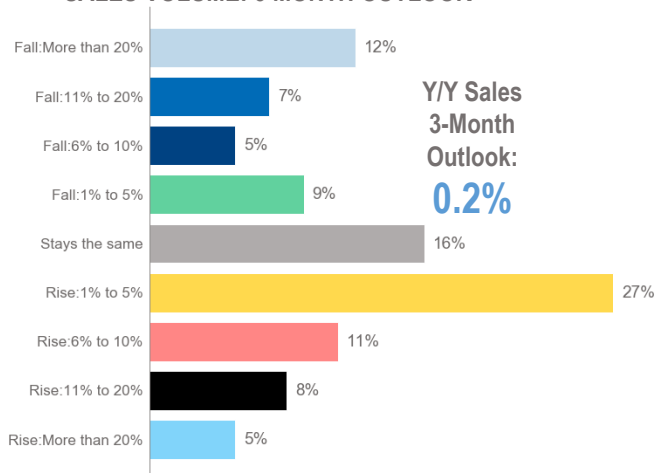
September 2020 REALTORS® Confidence Index Survey Highlights			
Key Market Indicators	Sep-20	Aug-20	Sep-19
RCI Buyer Traffic Index /1	75	76	55
RCI Seller Traffic Index /1	44	45	46
RCI Buyer Traffic Index: 3-Month Outlook /1	66	69	-
RCI Seller Traffic Index: 3-Month Outlook /1	44	48	-
Median days on market	21	22	32
Percent of properties sold in less than 1 month	71	69	49
First-time homebuyers, as percent of sales	31	33	33
Sales for non-primary residence use, as a percent of sales	12	14	14
Cash sales, as percent of sales	18	18	17
Distressed sales, as percent of sales	1	1	2
Market Outlook	Sep-20	Aug-20	Sep-19
Expected change in home sales in the next 3 months vs. same period one year ago	0.2	0.5	-
Expected change in home prices in the next 3 months vs. same period one year ago	1.9	1.9	-
Expected change in home prices in the next 12 months from current month	1.7	1.4	1.5
Percent of respondents who expect an increase in buyer traffic in next 3 months	44	48	-
Percent of respondents who expect an increase in seller traffic in next 3 months	22	25	-
Percent of respondents who had a potential buyer looking for work-from-home features (den, nook, etc.)	62%	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	31%	29%	-
Other Market Indicators	Sep-20	Aug-20	Sep-19
Median days to close	32	30	30
Average number of offers received on the most recent sale	3.4	3.2	2.1
Percent of buyers who purchased property based on virtual tour/showing/open house only	7	6	-
Percent of sellers who sold property based on virtual tour/showing/open house only	6	6	-
Average number of new listings in the month per agent	1.7	1.8	1.5
Average number of clients taken on a home tour by agent	4.7	4.7	5.3
Average number of clients taken on a virtual tour/showing/open house	1.5	1.5	-
Percent of buyers who purchased in a suburban area	45	51	49
Percent of first-time buyers who put down less than 20% down payment	75	74	76
Percent of contracts in the past 3 months that were terminated	6	6	4
Percent of contracts in the past 3 months that had delayed settlement	30	27	24
Percent of buyers who were renting before purchasing a home	41	44	40

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."

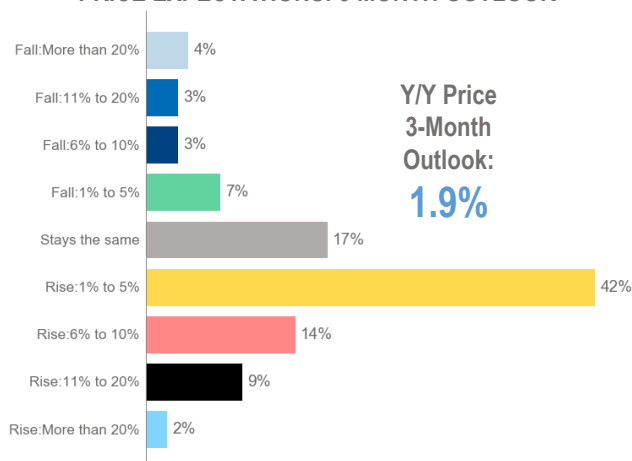
# REALTORS® CONFIDENCE INDEX SURVEY

## Realtors ® Market Expectations

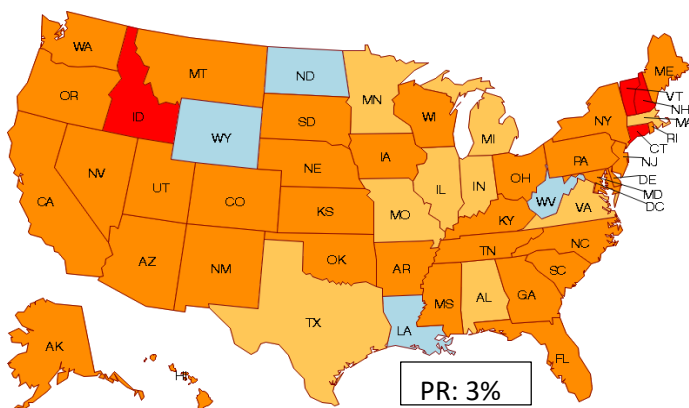
### SALES VOLUME: 3 MONTH OUTLOOK



### PRICE EXPECTATIONS: 3 MONTH OUTLOOK



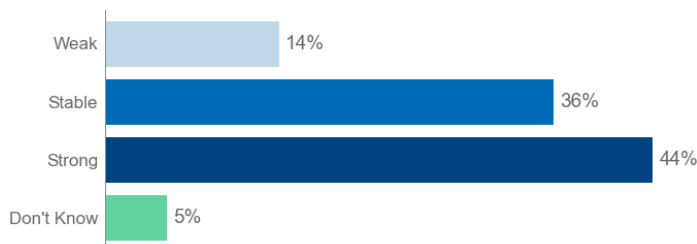
### REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



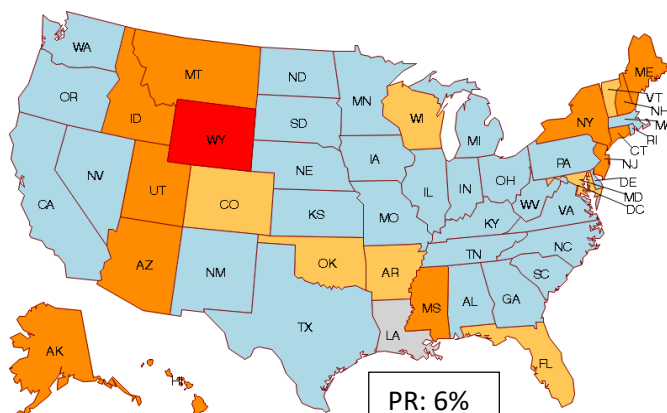
Median Expected Price Change in Next 3 Months from One Year Ago Among REALTOR® Respondents

0+% to 1% 1+% to 2% 2+% to 4% 4+% to 6%

### REALTORS® EXPECTATION ON BUYER TRAFFIC WITHIN THE NEXT 3 MONTHS



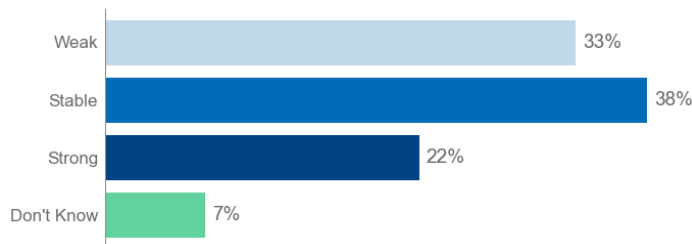
### REALTORS® MEDIAN EXPECTED SALES CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



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

Less than 0% 0+% to 1% 1+% to 2% 2+% to 4% 4+% to 6%

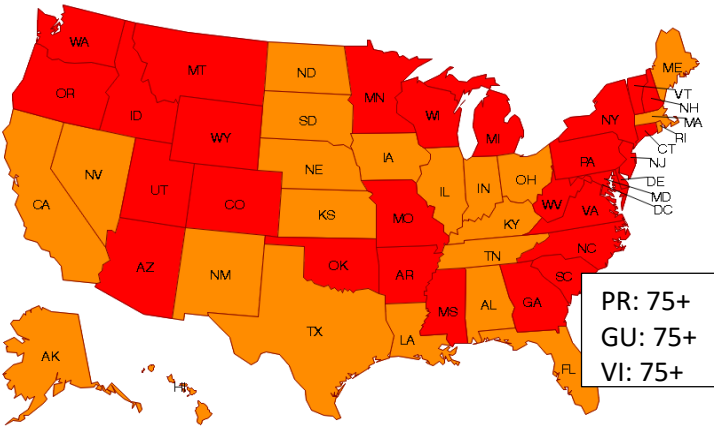
### REALTORS® EXPECTATION ON SELLER TRAFFIC WITHIN THE NEXT 3 MONTHS



# REALTORS® CONFIDENCE INDEX SURVEY

## Market Conditions

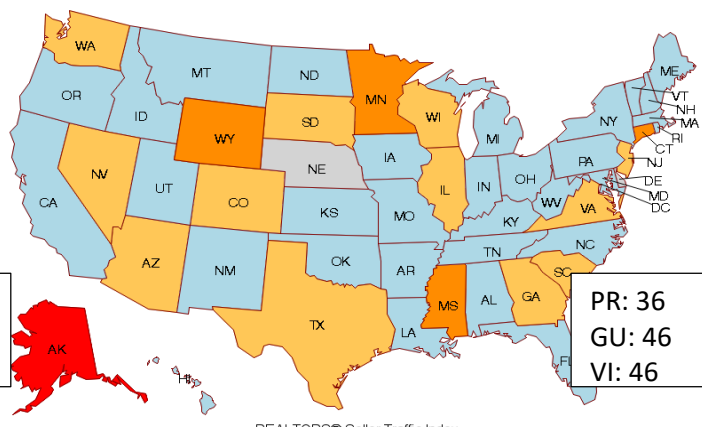
REALTORS® BUYER TRAFFIC INDEX



REALTORS® Buyer Traffic Index

Stable (45+ to 55) Moderately Strong (55+ to 75)  
Very Strong (75+)

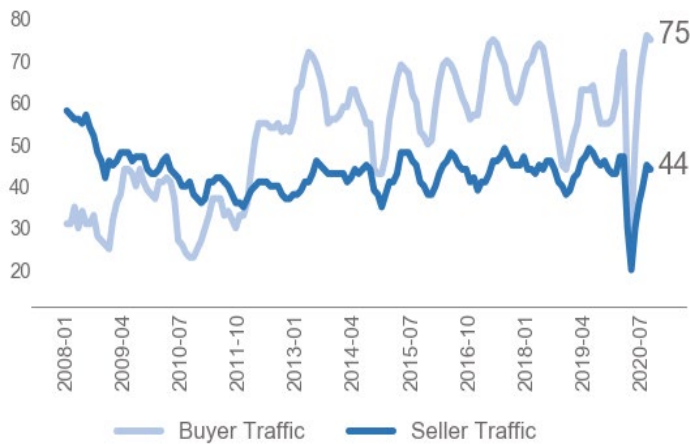
REALTORS® SELLER TRAFFIC INDEX



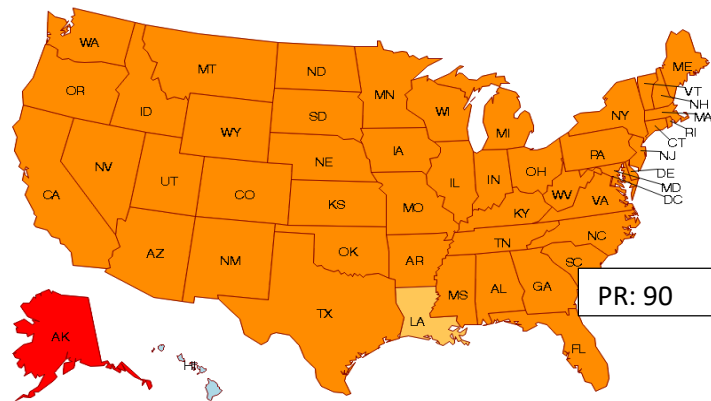
REALTORS® Seller Traffic Index

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 61 to 75

MEDIAN DAYS ON THE MARKET



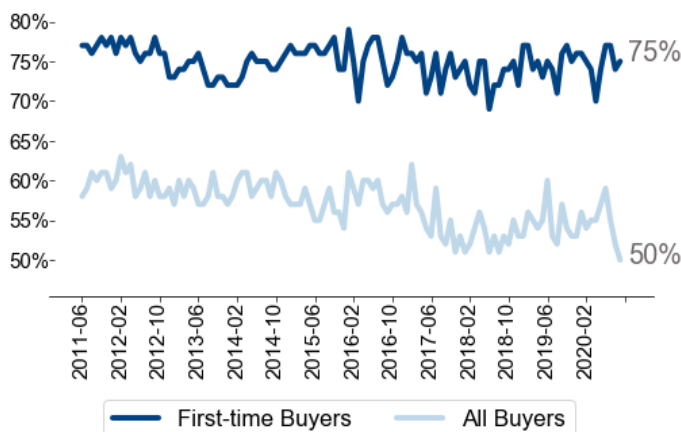
FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



# REALTORS® CONFIDENCE INDEX SURVEY

## Market Conditions

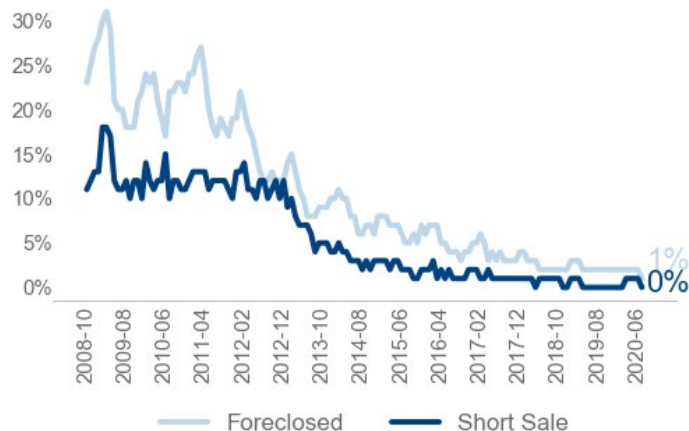
NON-CASH BUYERS WHO PUT DOWN  
LESS THAN 20 PERCENT FOR DOWN PAYMENT



CASH SALES AS PERCENTAGE OF  
RESIDENTIAL SALES

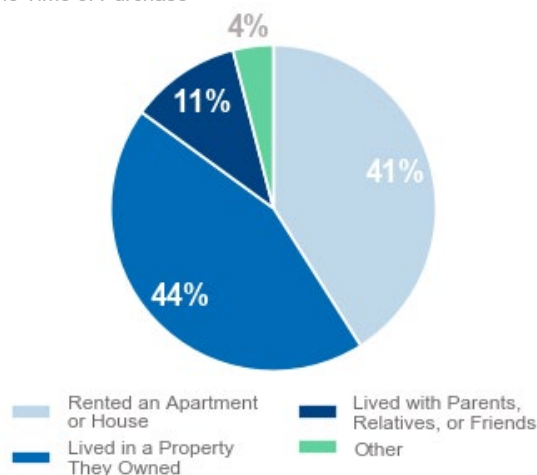


DISTRESSED PROPERTY SALES  
BY PROPERTY TYPE



LIVING STATUS OF HOMEBUYERS

At the Time of Purchase



AVERAGE NUMBER OF OFFERS RECEIVED  
ON THE MOST RECENT CLOSED SALE



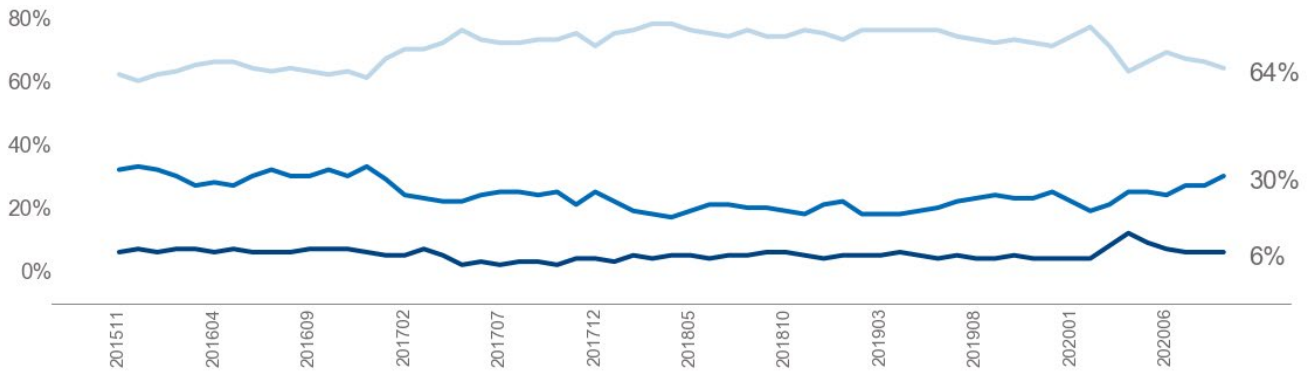
AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR  
BY AGENT



# REALTORS® CONFIDENCE INDEX SURVEY

## Issues Affecting Buyers and Sellers

### CONTRACT SETTLEMENT

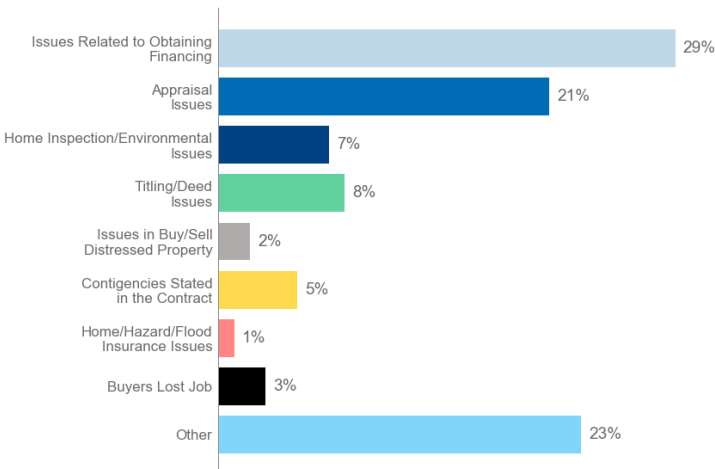


Contract Was Settled on Time

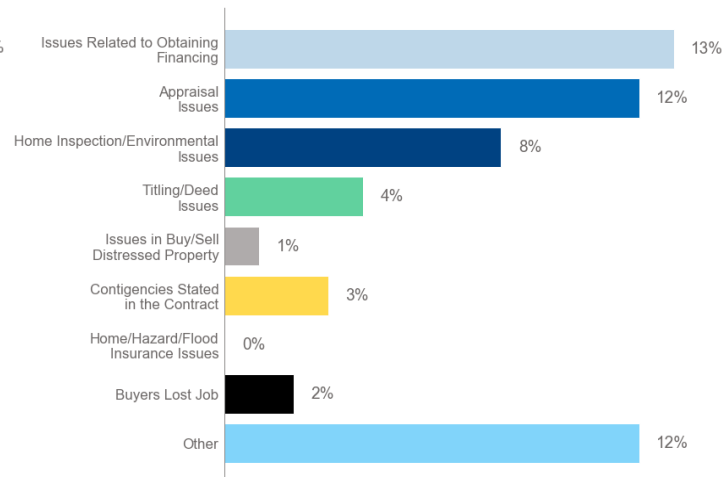
Contract Was Delayed but Eventually Went into Settlement

Contract Was Terminated

### PROBLEMS ENCOUNTERED FOR DELAYED CONTRACT



### PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS<sup>1</sup>



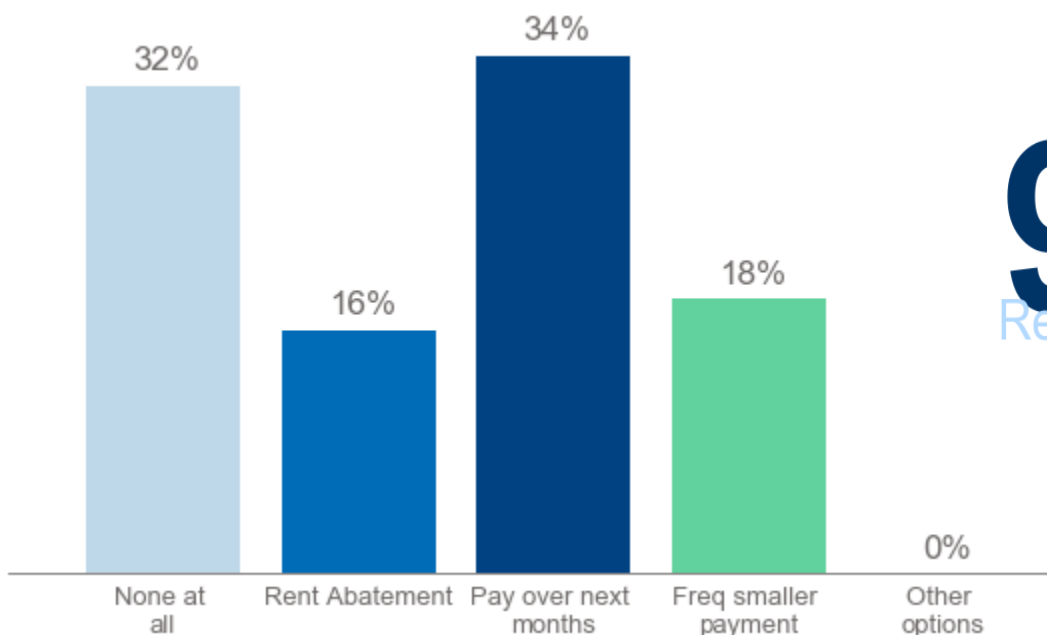
<sup>1</sup> Multiple responses are allowed.



# REALTORS® CONFIDENCE INDEX SURVEY

## Issues Affecting Buyers, Sellers, and Renters

### RENT OPTIONS OFFERED TO ASSIST RESIDENTIAL TENANTS



**95%**  
Rent Collected

### REALTOR® CONCERNS



# REALTORS® CONFIDENCE INDEX SURVEY

## About the *RCI Survey*

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- 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 2020 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 7,722 respondents in the previous three surveys who provided their email addresses.
- There were 3,959 respondents to the online survey which ran from September 1-8, 2020, of which 2,139 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](mailto: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.

### **RCI Lead Team**

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 Brandon Hardin, Research Economist  
 Anna Schnerre, Research Associate, Business Insights  
 Meredith Dunn, Research Communications Manager

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