

REALTORS® CONFIDENCE INDEX SURVEY December 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 December 2020 market transactions.

Several metrics indicate a moderately strong buyer market despite increases in COVID-19 cases. The *REALTORS® Buyer Traffic Index* remains unchanged from the prior month at 71 (moderately strong conditions) while the *REALTORS® Seller Traffic Index* remains below 50 which is “weak” traffic vs one year ago. Properties typically sold in 21 days. REALTORS® reported home tours were stable from the prior month, with an average of four in-person home tours. Every home sold had nearly four offers. On average, REALTORS® expect sales in the next three months to increase from last year’s sales level.

The share of first-time buyers, 31% of existing home sales (31% one year ago), marginally decreased from the 32% recorded the prior month.

The pandemic continues to impact how people live and work. Fifty-six percent of respondents reported they had a client who was looking for work-from-home features. Thirty-seven 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.

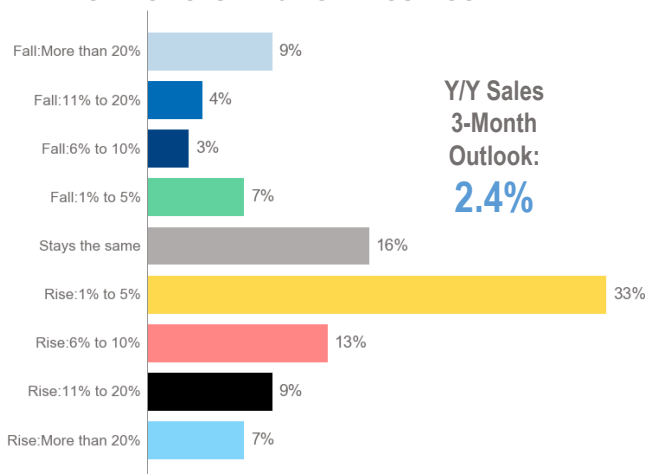
December 2020 REALTORS® Confidence Index Survey Highlights			
Key Market Indicators	Dec-20	Nov-20	Dec-19
RCI Buyer Traffic Index /1	71	71	60
RCI Seller Traffic Index /1	39	41	43
RCI Buyer Traffic Index: 3-Month Outlook /1	74	66	-
RCI Seller Traffic Index: 3-Month Outlook /1	53	46	-
Median days on market	21	21	41
Percent of properties sold in less than 1 month	70	73	43
First-time homebuyers, as percent of sales	31	32	31
Sales for non-primary residence use, as a percent of sales	14	14	17
Cash sales, as percent of sales	19	20	20
Distressed sales, as percent of sales	1	1	2
Market Outlook	Dec-20	Nov-20	Dec-19
Expected percent change in home sales in the next 3 months vs. same period one year ago	2.4	0.2	-
Expected percent change in home prices in the next 3 months vs. same period one year ago	2.3	1.8	-
Expected percent change in home prices in the next 12 months from current month	2.3	1.8	2.6
Percent of respondents who expect an increase in buyer traffic in next 3 months	55	45	-
Percent of respondents who expect an increase in seller traffic in next 3 months	31	25	-
Percent of respondents who had a potential buyer looking for work-from-home features (den, nook, etc.)	56	64	-
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	Dec-20	Nov-20	Dec-19
Median days to close	30	32	30
Average number of offers received on the most recent sale	3.5	3.3	2.3
Percent of buyers who purchased property based on virtual tour/showing/open house only	6	6	-
Percent of sellers who sold property based on virtual tour/showing/open house only	4	5	-
Average number of new listings in the month per agent	1.3	1.6	1.3
Average number of clients taken on a home tour by agent	4.0	4.0	4.3
Average number of clients taken on a virtual tour/showing/open house	0.9	1.3	-
Percent of buyers who purchased in a suburban area	50	47	48
Percent of first-time buyers who put down less than 20% down payment	68	73	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	30	25
Percent of buyers who were renting before purchasing a home	41	44	44

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.”

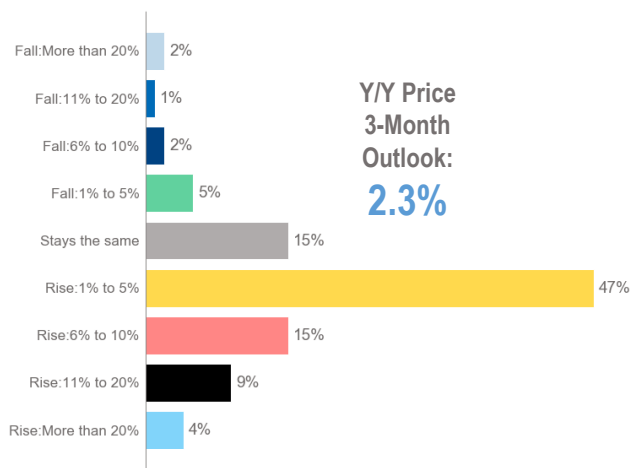
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Realtors ® Market Expectations

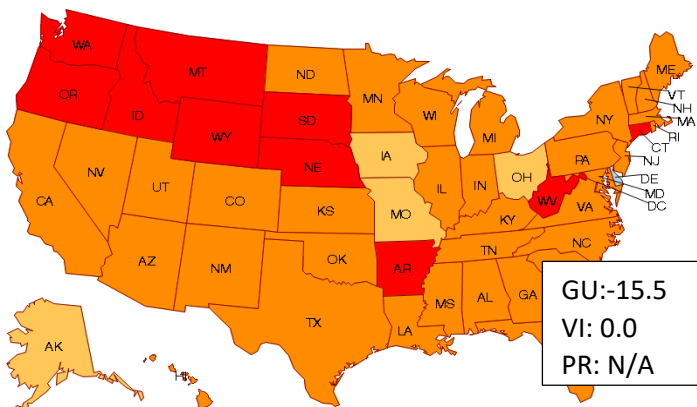
SALES VOLUME: 3 MONTH OUTLOOK



PRICE EXPECTATIONS: 3 MONTH OUTLOOK



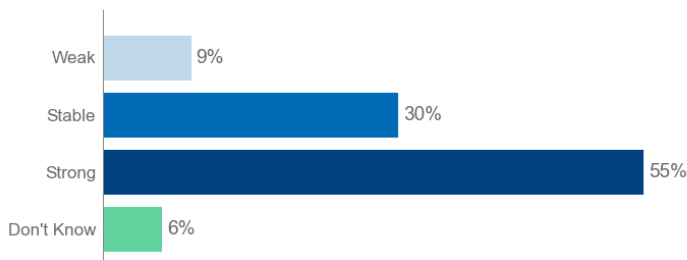
REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



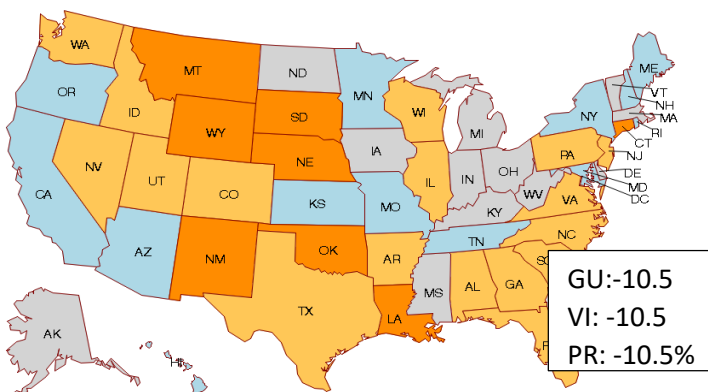
Median Expected Price Change in Next 3 Months from One Year Ago Among REALTOR® Respondents

0+% to 1% 1+% to 2% 2+% to 4% 4+% to 8%

REALTORS® EXPECTATION ON BUYER TRAFFIC WITHIN THE NEXT 3 MONTHS



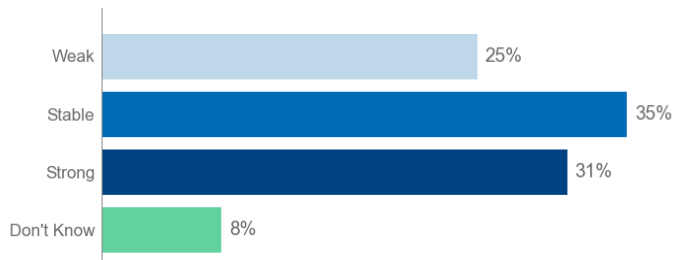
REALTORS® MEDIAN EXPECTED SALES CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



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

0+% to 1% 1+% to 2% 2+% to 4% 4+% to 9%

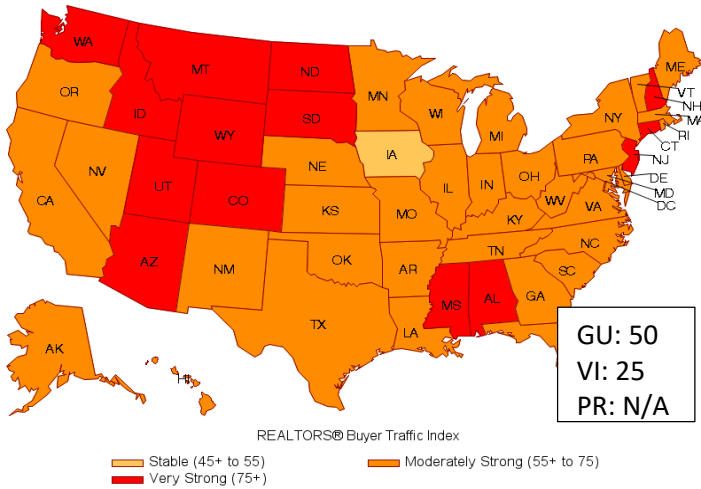
REALTORS® EXPECTATION ON SELLER TRAFFIC WITHIN THE NEXT 3 MONTHS



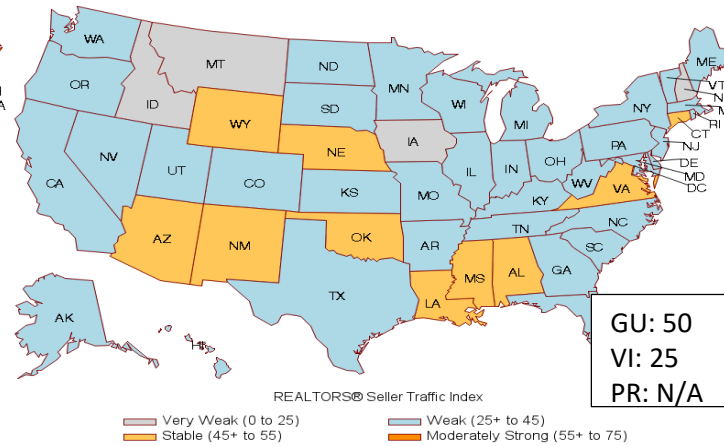
REALTORS® CONFIDENCE INDEX SURVEY

Market Conditions

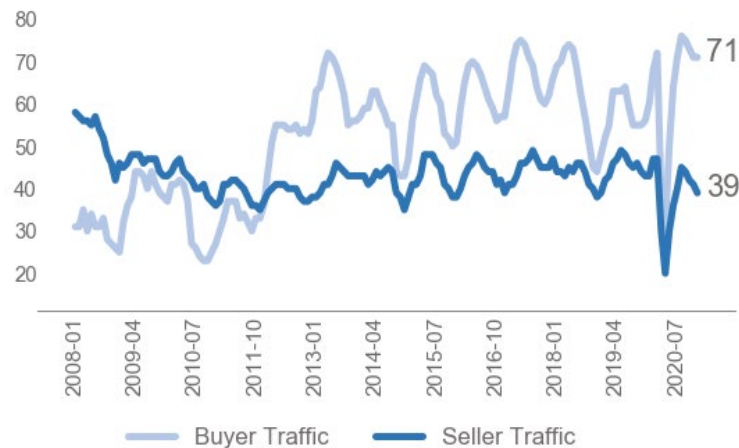
REALTORS® BUYER TRAFFIC INDEX



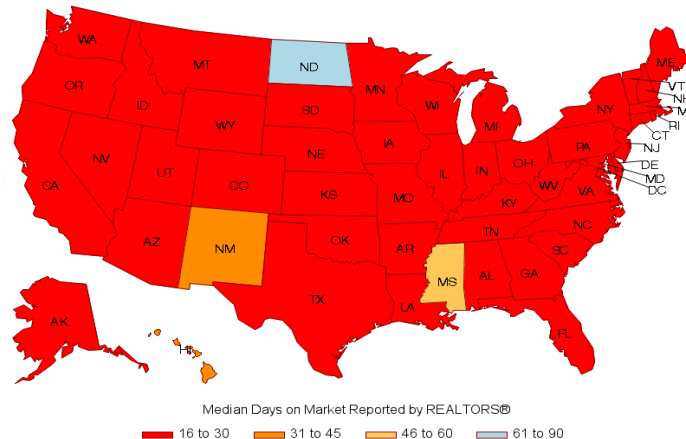
REALTORS® SELLER TRAFFIC INDEX



REALTORS® BUYER AND SELLER TRAFFIC INDICES



MEDIAN DAYS ON THE MARKET



MEDIAN DAYS ON THE MARKET



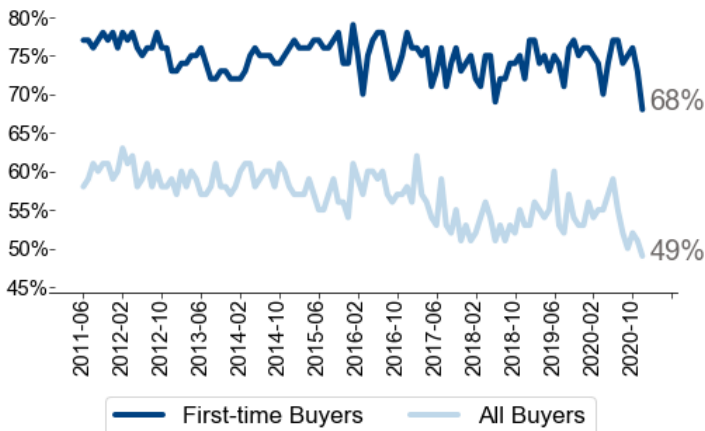
FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



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Market Conditions

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



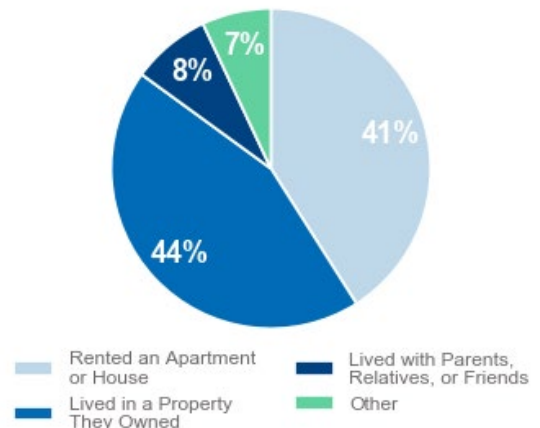
CASH SALES AS PERCENTAGE OF
RESIDENTIAL SALES



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



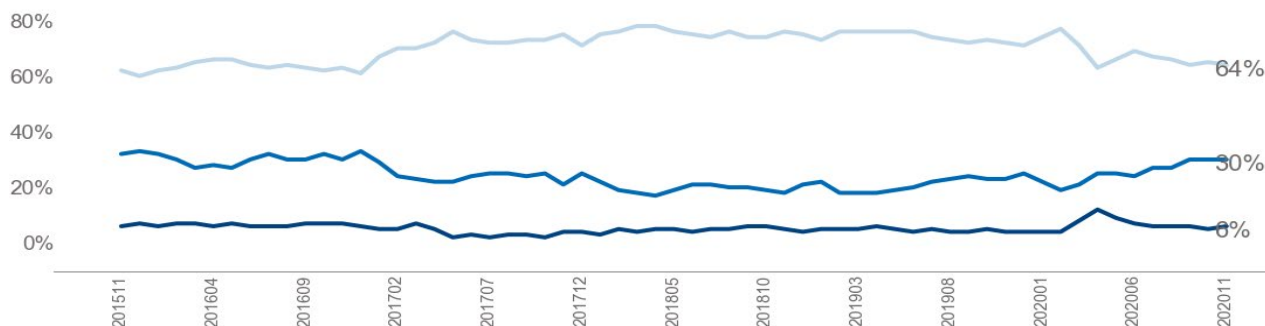
AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR
BY AGENT



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Issues Affecting Buyers and Sellers

CONTRACT SETTLEMENT

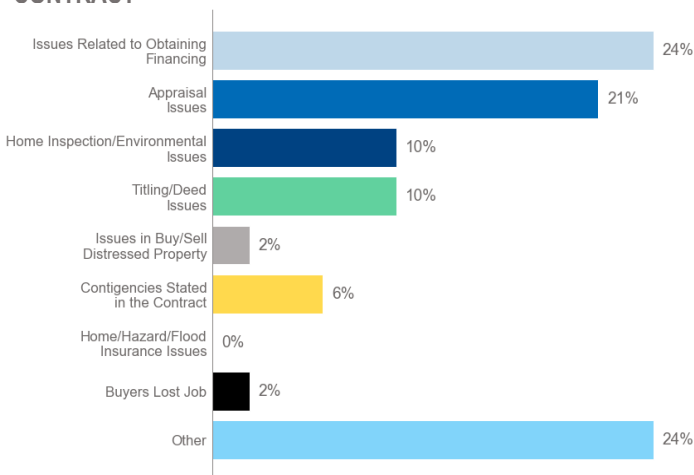


Contract Was Settled on Time

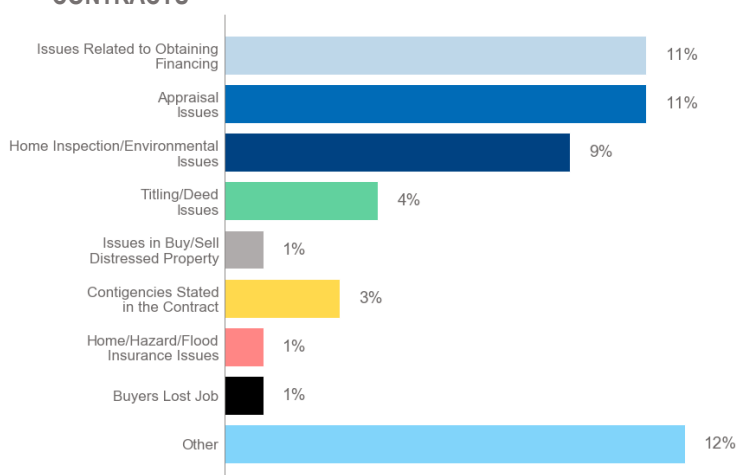
Contract Was Delayed but Eventually Went into Settlement

Contract Was Terminated

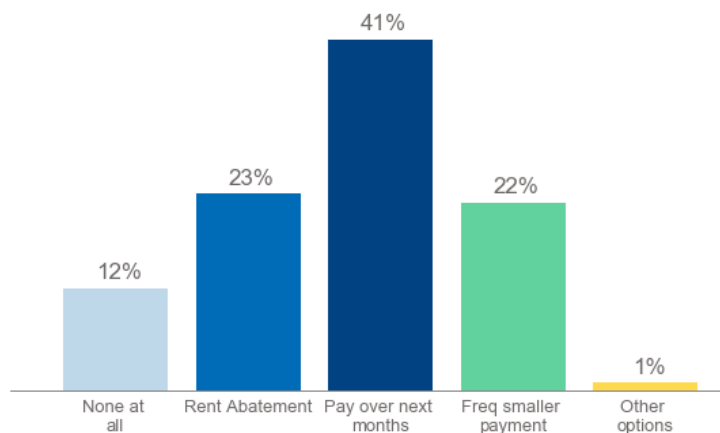
PROBLEMS ENCOUNTERED FOR DELAYED CONTRACT



PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS¹



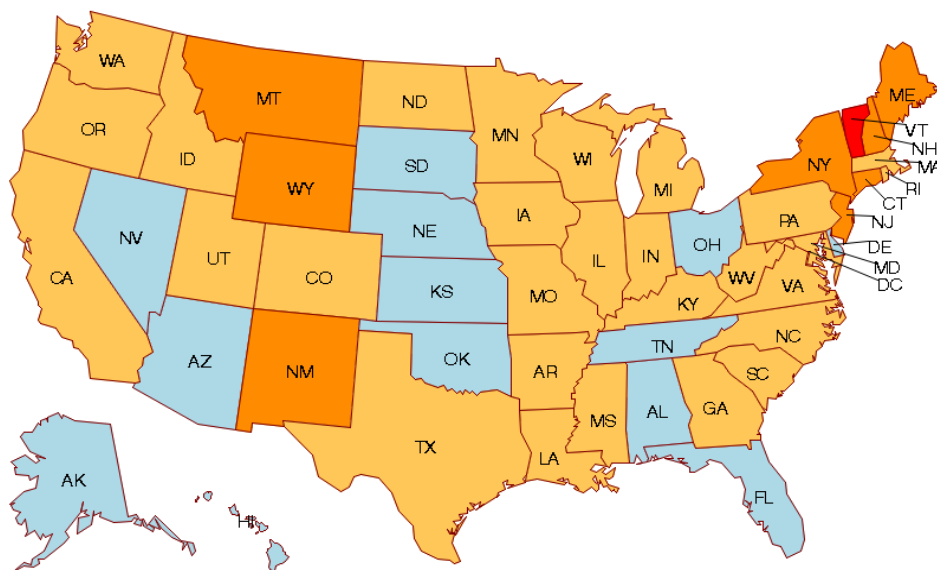
RENT OPTIONS OFFERED TO ASSIST RESIDENTIAL TENANTS



95%
Rent Collected

¹ Multiple responses are allowed.

REALTORS® PERCENT OF CITY BUYERS PURCHASING IN SUBURBS



≤20%
 >20% to 40%
 >40% to 60%
 >60% to 80%

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 December 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 5,949 respondents in the previous three surveys who provided their email addresses.
- There were 4,375 respondents to the online survey which ran from January 4-12, 2020, of which 2,203 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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