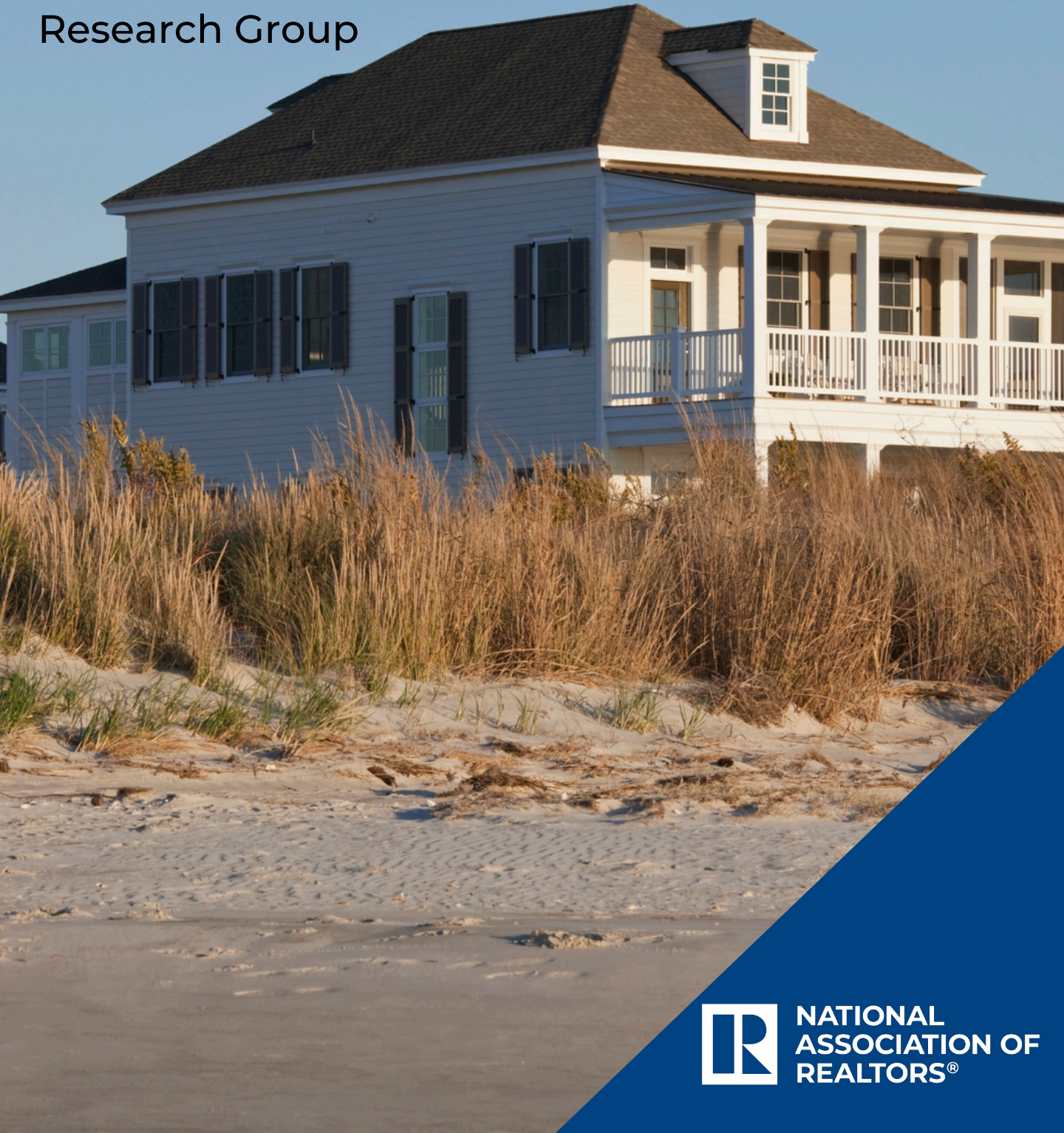


REALTORS® CONFIDENCE INDEX SURVEY

September 2021

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

September 2021: Fall Market Starts on Calmer Note

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 2021 market transactions.

The Fall market is starting on a calmer note compared to the frenzied summer market. The *REALTORS® Buyer Traffic Index* decreased further to 57 in September (61 in the prior month, 75 one year ago). On average, respondents reported taking four clients on a home tour in September (4 clients in the prior month, 5 clients one year ago). Housing supply remains low, with the *REALTORS® Seller Traffic Index* registering at below 50 ("weak" seller traffic compared to one year ago). On average, respondents took out about four clients on a home tour compared to an average of two listings during the month.

The share of first-time buyers decreased to 28% (29% in the prior month, 31% one year ago). The last time the share went down this low was in January 2015. First-time buyers continue to struggle competing with cash buyers. The share of cash sales rose to 23% (22% in the prior month, 18% one year ago).

Properties typically stayed on the market for 17 days (17 days in the prior month, 21 days one year ago), with 86% of properties that closed in September sold in less than one month (87% in the prior month, 71% one year ago). On average, sellers received slightly more than four offers on their home sale. Respondents reported that on average, their buyer had made two prior unsuccessful offers on a home. However, buyers' desire to offer more than the list price appears to be waning. Respondents reported that 44% of offers were above the list price, a lower fraction compared to 55% in June this year.

Amid a competitive market, 23% of buyers waived their appraisal contingency clause (buyers who waived appraisal are likely cash buyers). Among contracts in the past three months, 25% had a delayed settlement. Of contracts that had a delayed settlement, 25% of contracts had appraisal issues (23% in the prior month, 21% one year ago).

The share of non-primary residence buyers (vacation, investors) decreased to 13% (15% in the prior month, 12% one year ago), with the decline due to the lower fraction of buyers who purchased property for investment rental (7%), while vacation home buyers held steady at 6% of the market.

According to respondents, 85% of buyers purchased a property in a suburban, small town, rural, or resort area (88% in the prior month and 83% one year ago). However, it appears that the desire of city buyers to purchase a property in the suburb has waned compared to last year, with only 31% of respondents reporting this condition compared to 39% one year ago.

REALTORS® CONFIDENCE INDEX SURVEY

September 2021 REALTORS® Confidence Index Survey Highlights

Key Market Indicators	Sep-21	Aug-21	Sep-20
RCI Buyer Traffic Index / 1	57	61	75
RCI Seller Traffic Index / 1	46	47	44
RCI Buyer Traffic Index: 3-Month Outlook / 1	50	57	66
RCI Seller Traffic Index: 3-Month Outlook / 1	45	50	44
Median days on market	17	17	21
Percent of properties sold in less than 1 month	86	87	71
First-time homebuyers, as percent of sales	28	29	31
Sales for non-primary residence use, as a percent of sales / 2	13	15	12
Sales intended for vacation use, as a percent of sales / 2	6	6	6
Cash sales, as percent of sales	23	22	18
Distressed sales, as percent of sales	1	1	1
Market Outlook	Sep-21	Aug-21	Sep-20
Expected year-over-year percent change in home sales in the next 3 months	-1.8	-0.5	0.2
Expected year-over-year percent change in home prices in the next 3 months	0.6	1.1	1.9
Expected year-over-year percent change in home prices in the next 12 months	1.2	1.1	1.7
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	24	31	44
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	21	25	22
Percent of respondents who had a potential buyer looking for work-from-home features	57	59	62
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 compared to January 2020	31	33	39
Other Market Indicators	Sep-21	Aug-21	Sep-20
Average number of offers received on the most recent sale	3.7	3.8	3.4
Percent of bid offers above the list price	41	45	-
Average number of prior buyer offers before closing on current home purchase	2	2	-
Average number of clients taken on a home tour by agent / 3	4.3	4.3	4.7
Average number of new listings in the month per agent	1.7	1.7	1.7
Percent of buyers who purchased in a suburban, small town, rural, or resort area	85	88	83
Percent of first-time buyers who put down less than 20% down payment	75	74	75
FHA loans as a percent of buyers who obtained mortgage financing	15	13	15
Percent of buyers who waived inspection contingency	21	23	-
Percent of buyers who waived appraisal contingency	23	25	-
Percent of buyers who purchased property based on virtual tour/showing/open house only	8	8	7
Percent of sellers who sold property based on virtual tour/showing/open house only	5	5	6
Percent of buyers who were renting before purchasing a home	37	38	41
Percent of sellers represented by Realtors® who sold the property to an iBuyer	1	2	-
Percent of sellers who had been renting out the property	17	18	15
Median tenure in the primary residence among sellers	10	11	10
Median days to close	30	30	32
Percent of contracts in the past 3 months that were terminated	5	5	6
Percent of contracts in the past 3 months that had delayed settlement	25	23	30
Percent of contracts with a delayed settlement that had appraisal issues	25	23	21

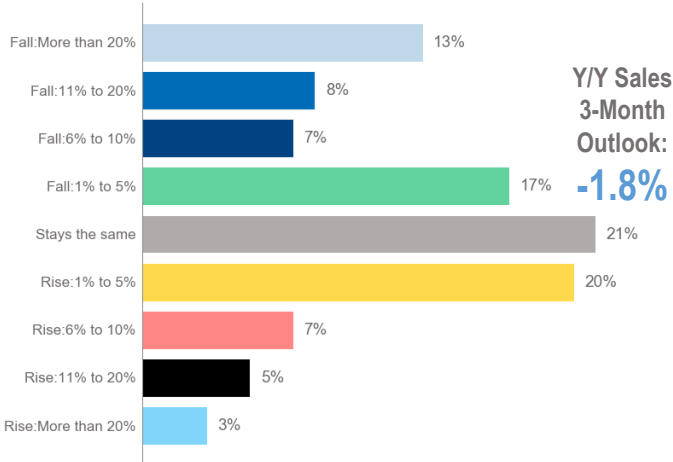
/ 1 An index greater than 50 means a higher fraction of respondents reported "stronger" than "weaker" conditions compared to one year ago.

/ 2 Non-primary residence use refers to vacation use or residential rental.

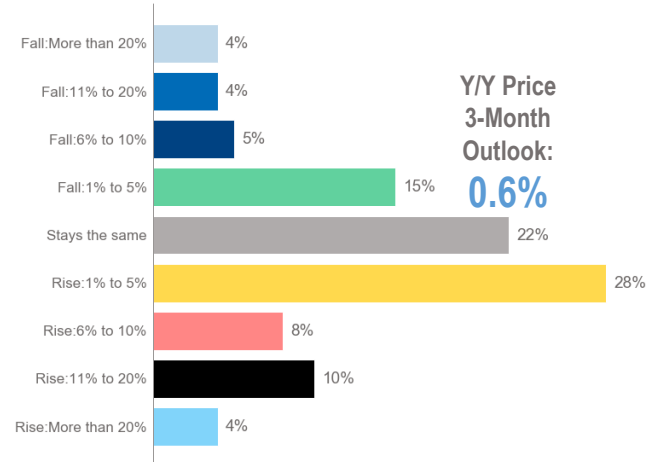
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Realtors® Market Expectations

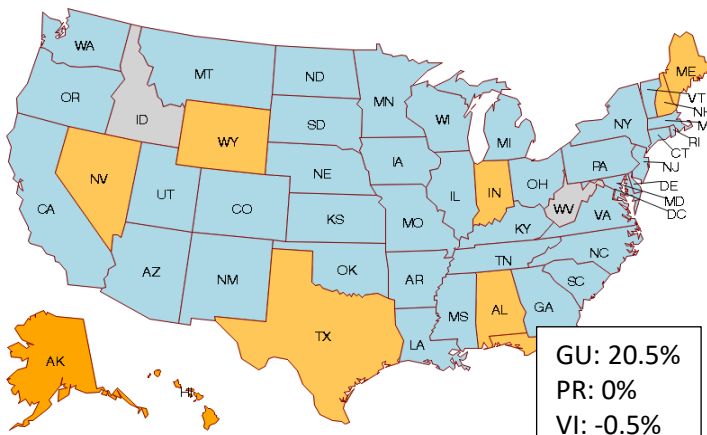
SALES VOLUME: 3 MONTH OUTLOOK



PRICE EXPECTATIONS: 3 MONTH OUTLOOK



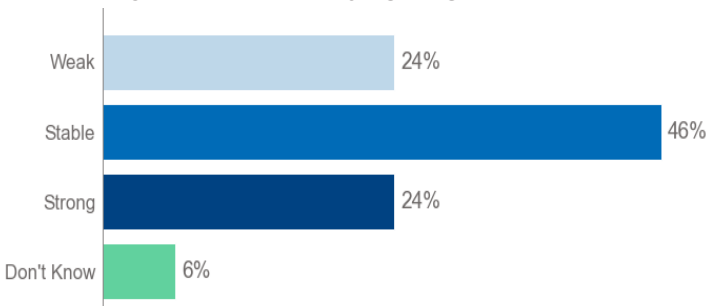
REALTORS® MEDIAN EXPECTED PRICE CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



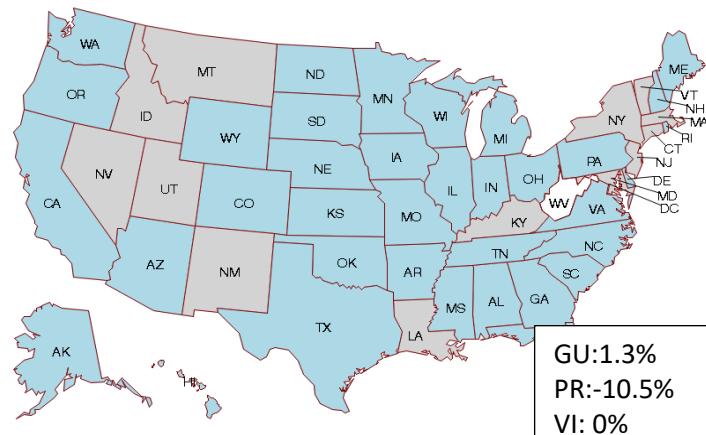
Median Expected Price Change in Next 3 Months from One Year Ago Among REALTOR® Respondents

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

REALTORS® EXPECTATION ON BUYER TRAFFIC WITHIN THE NEXT 3 MONTHS



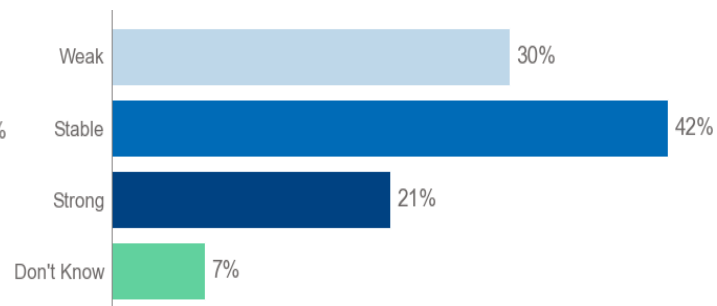
REALTORS® MEDIAN EXPECTED SALES CHANGE WITHIN THE NEXT 3 MONTHS, Y/Y PERCENT CHANGE



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

Less than 0% 0+ to 2%

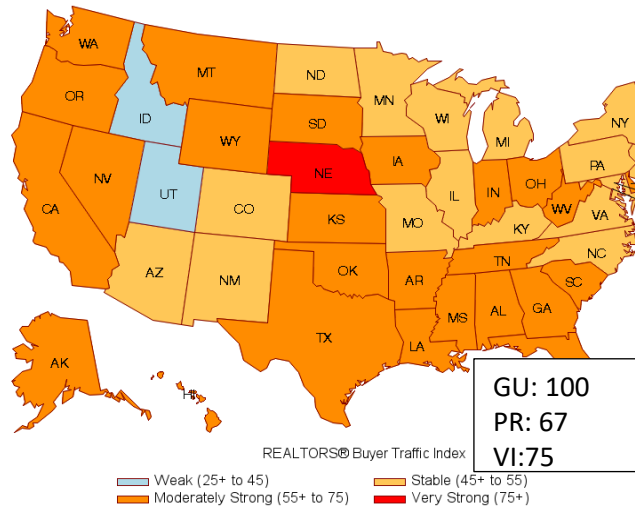
REALTORS® EXPECTATION ON SELLER TRAFFIC WITHIN THE NEXT 3 MONTHS



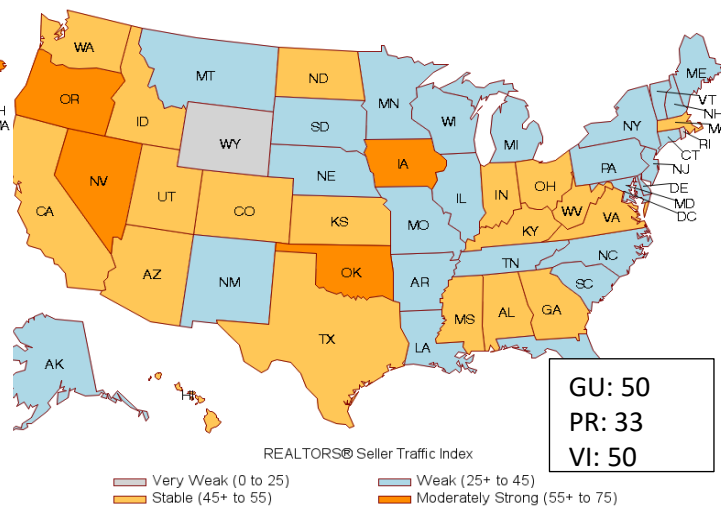
REALTORS® CONFIDENCE INDEX SURVEY

Market Conditions

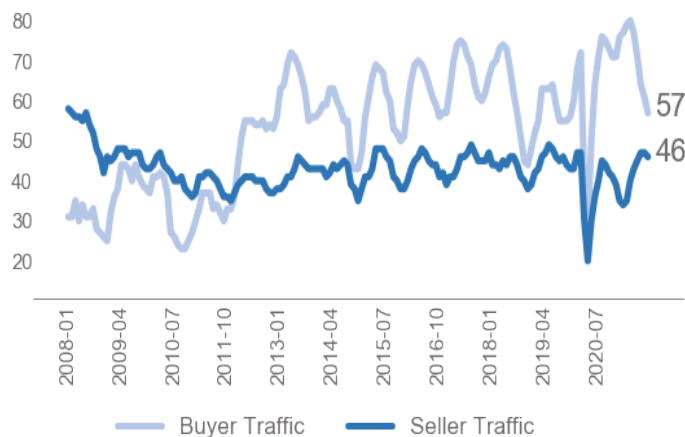
REALTORS® BUYER TRAFFIC INDEX



REALTORS® SELLER TRAFFIC INDEX



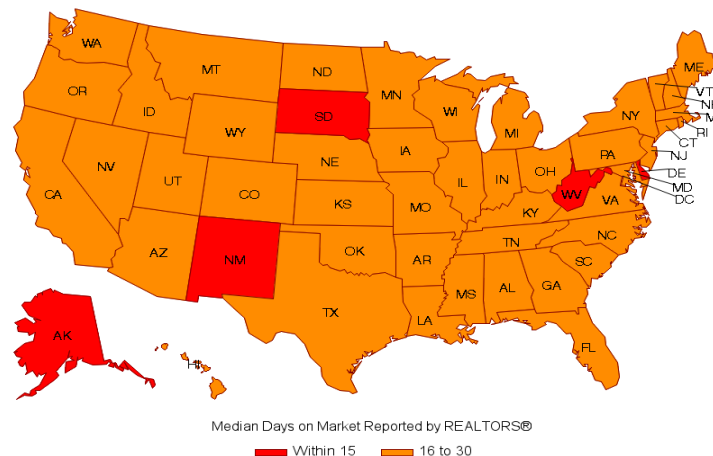
REALTORS® BUYER AND SELLER TRAFFIC INDICES



MEDIAN DAYS ON THE MARKET



MEDIAN DAYS ON THE MARKET



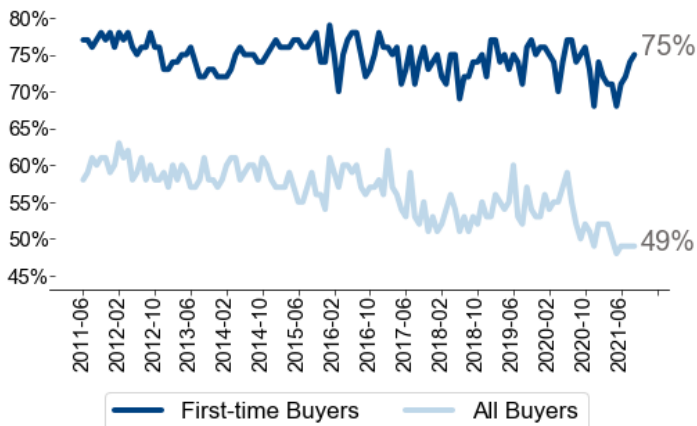
FIRST-TIME BUYERS AS PERCENTAGE OF RESIDENTIAL SALES



REALTORS® CONFIDENCE INDEX SURVEY

Market Conditions

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



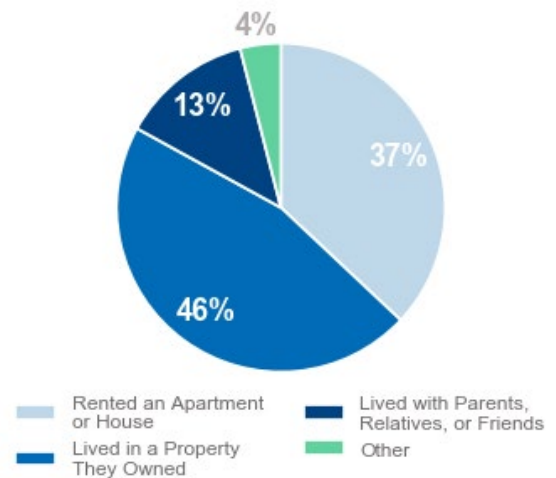
CASH SALES AS PERCENTAGE OF
RESIDENTIAL SALES



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



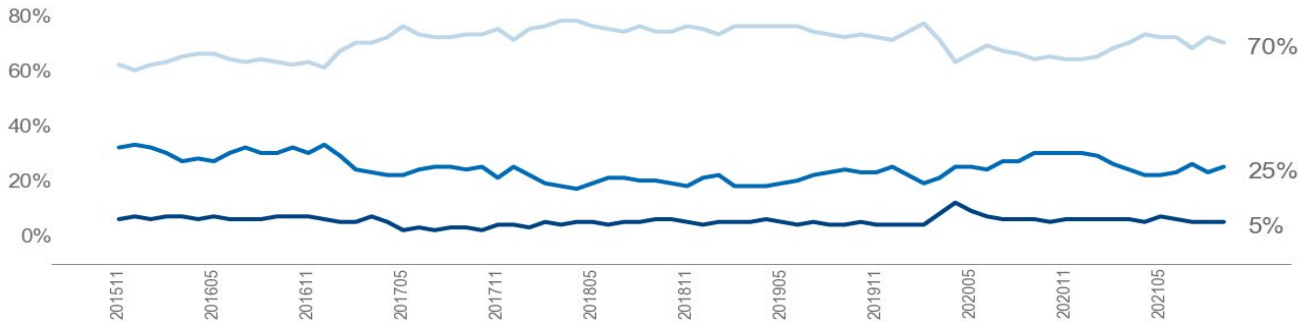
AVERAGE NUMBER OF CLIENTS TAKEN ON A HOME TOUR
BY AGENT



REALTORS® CONFIDENCE INDEX SURVEY

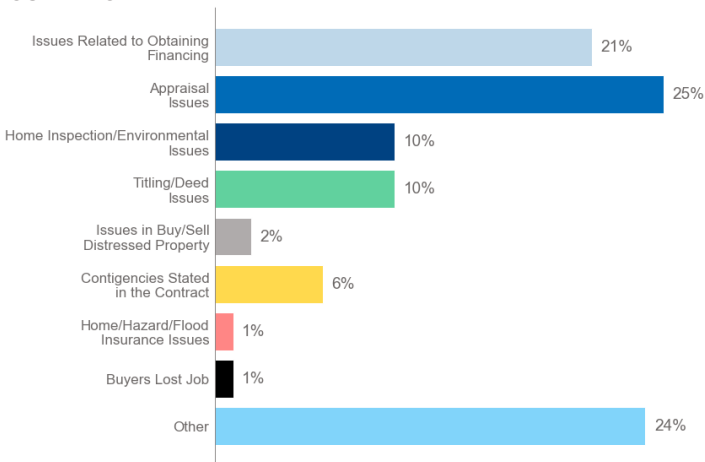
Issues Affecting Buyers and Sellers

CONTRACT SETTLEMENT

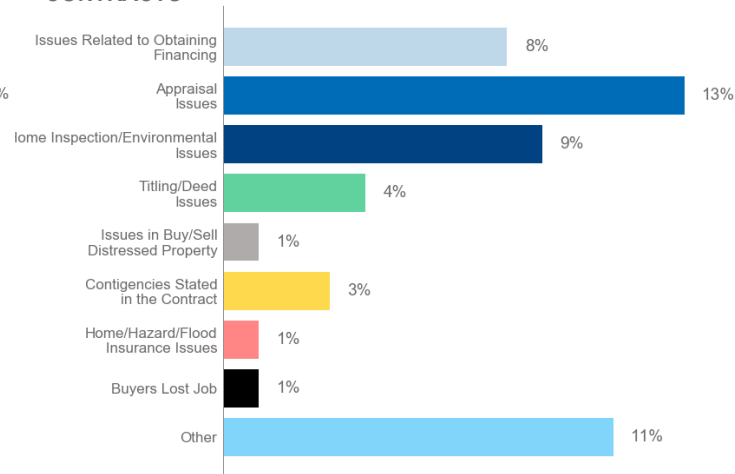


Contract Was Settled on Time Contract Was Delayed but Eventually Went into Settlement Contract Was Terminated

PROBLEMS ENCOUNTERED FOR DELAYED CONTRACT



PROBLEMS ENCOUNTERED FOR TERMINATED CONTRACTS¹



PERCENT OF RENT COLLECTED FROM RESIDENTIAL TENANTS IN THE PAST MONTH

97%

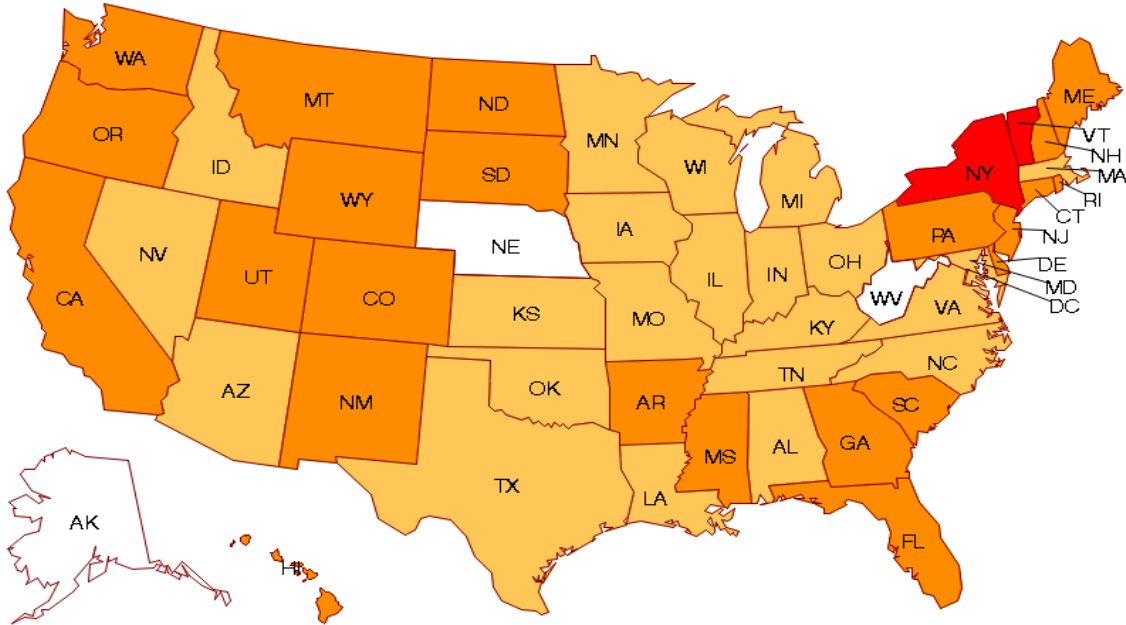
Rent Collected

¹ Multiple responses are allowed.

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Issues Affecting Buyers, Sellers, and Renters

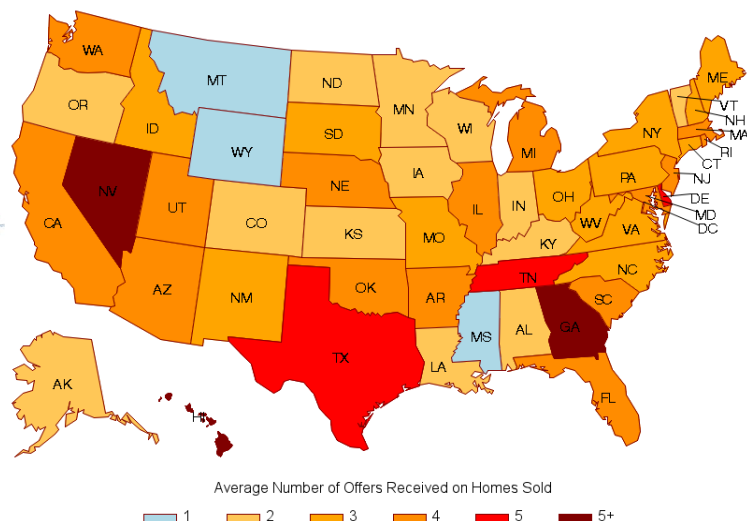
REALTORS® PERCENT OF CITY BUYERS PURCHASING IN SUBURBS



REALTOR® CONCERNS



AVERAGE NUMBER OF OFFERS RECEIVED ON SOLD HOMES



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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 2021 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 4,199 respondents in the previous three surveys who provided their email addresses.
- There were 2,933 respondents to the online survey which ran from October 1-7, 2021, of which 1,577 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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REALTORS® CONFIDENCE INDEX SURVEY



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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