

September 2022

REALTORS[®] CONFIDENCE INDEX SURVEY

National Association of REALTORS[®]
Research Group



NATIONAL
ASSOCIATION OF
REALTORS[®]

REALTORS® CONFIDENCE INDEX SURVEY

Majority of sellers still selling under a month, but fewer above asking price

The Market Outlook from the REALTORS® Confidence Index is nearly unchanged in September 2022:

- 7% of respondents expect a year-over-year increase in buyer traffic in the next three months, down from 11% in August 2022 and from 24% in September 2021
- 8% of respondents expect a year-over-year increase in seller traffic in the next three months, down from 12% in August 2022 and 21% in September 2021

With supply still limited relative to demand, the market is still moving at a fast pace, and 28% of homes sold above list price, down from 32% a month ago and 41% a year ago:

- 70% of respondents reported properties sold in less than one month. Down from 81% a month ago and down from 86% in September 2021.
- Homes listed received an average of 2.5 offers, flat from August 2022 and down from 3.7 in September 2021.
- Due to the lack of house inventory, the pace of the market, and the use of technology, 8% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. This is unchanged from one month and one year ago.

Contracts typically closed in 30 days, the same as in August 2022 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 one year ago.
- 15% of contracts had delayed settlements in the past three months, the same as last month and down from 25% a year ago.
- 8% of contracts had delayed settlement due to appraisal issues, the same as last month and down from 13% one year ago.

First-time buyers represented 29% of buyers, virtually unchanged from one year ago and one month ago. Among buyers:

- 15% are purchased for non-primary residence use, nearly flat from 16% last month and up slightly from 13% one year ago.
- 7% were for vacation use, essentially flat from one month and one year ago.
- 1% of sellers sold to an iBuyer, unchanged from one month and one year ago.
- Two percent of sales were distressed, similar to one month and one year ago.

Contract activity remains competitive:

- 22% of buyers were all-cash sales, down slightly from 24% last month and 23% in September 2021.
- 19% of buyers waived the inspection contingency, down from 22% a month ago and 21% a year ago.
- 19% of buyers waived the appraisal contingency, down from 21% a month ago and 23% a year ago.

Buyers continue to look outside of city centers for the majority of their activity:

- 90% of buyers purchased in a suburb, small town, rural, or resort area, up slightly from last month and one year ago.

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September 2022 REALTORS® Confidence Index Survey Highlights

Market Outlook			
	Sep-22	Aug-22	Sep-21
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	7%	11%	24%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	8%	12%	21%
Key Market Indicators			
	Sep-22	Aug-22	Sep-21
Median days on market/ ³	19	16	17
Percent of properties sold in less than 1 month	70%	81%	86%
First-time homebuyers, as percent of sales	29%	29%	28%
Sales for non-primary residence use, as a percent of sales ^{/1}	15%	16%	13%
Sales intended for vacation use, as a percent of sales ^{/1}	7%	7%	6%
Cash sales, as percent of sales	22%	24%	23%
Distressed sales, as percent of sales	2%	1%	1%
Average number of offers received on the most recent sale	2.5	2.5	3.7
Percent of properties sold above the list price	28%	32%	41%
Other Market Indicators			
	Sep-22	Aug-22	Sep-21
Percent of buyers who waived inspection contingency	19%	22%	21%
Percent of buyers who waived appraisal contingency	19%	21%	23%
Percent of buyers who purchased property based on virtual tour/showing/open house only	8%	8%	8%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	90%	87%	85%
Percent of respondents who had a potential buyer looking for work-from-home features ^{/2}	36%	33%	57%
Percent of sellers represented by Realtors® who sold the property to an iBuyer	1%	2%	1%
Median days to close	30	30	30
Percent of contracts in the past 3 months that were terminated	6%	5%	5%
Percent of contracts in the past 3 months that had delayed settlement	15%	15%	25%
Percent of contracts with a delayed settlement that had appraisal issues	8%	8%	13%

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 2022 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 5,487 respondents in the previous three surveys who provided their email addresses.
- There were 2,089 respondents to the online survey, which ran from October 1-13, 2022, of which 1,167 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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