

December 2022

REALTORS® CONFIDENCE INDEX SURVEY

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

REALTORS® CONFIDENCE INDEX SURVEY

First-time buyers see seasonal gain as competition wanes to 2.2 offers for every home listed

The Market Outlook from the REALTORS® Confidence Index for buyers had a slight improvement in December 2022:

- 12% of respondents expect a year-over-year increase in buyer traffic in the next three months, up from 9% in November 2022 but down from 41% in December 2021.
- 9% of respondents expect a year-over-year increase in seller traffic in the next three months, virtually unchanged from November 2022 and down from 30% in December 2021.

With supply still limited relative to demand, 16% of homes sold above list price, down from 23% a month ago and 44% a year ago:

- 57% of respondents reported properties sold in less than one month. This is down from 61% a month ago and 79% in December 2021.
- Homes listed received an average of 2.2 offers, nearly flat from November 2022 when it was 2.3 and down from 3.8 in December 2021.
- Due to the lack of housing inventory, the pace of the market, and the use of technology, 6% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. This is nearly unchanged from one month and one year ago.

Contracts typically closed in 30 days, the same as in November 2022 and one year ago. But some faced delays or termination:

- 5% of contracts were terminated in the last three months, about the same as one month and one year ago.
- 17% of contracts had delayed settlements in the past three months, slightly up from last month when it was 14% and down from 24% a year ago.
- 6% of contracts had delayed settlement due to appraisal issues, the same as last month and down from 11% one year ago.

First-time buyers represented 31% of buyers, up from 28% one month ago and about the same as one year ago. Among buyers:

- 16% are purchased for non-primary residence use, up from 14% last month and about the same as one year ago.
- 5% were for vacation use, essentially flat from one month and one year ago.
- 2% of sellers sold to an iBuyer, unchanged from one month and one year ago.
- One percent of sales were distressed, similar to one month and one year ago.

Contract activity remains competitive:

- 28% of buyers were all-cash sales, nearly unchanged from 26% last month and up from 23% in December 2021.
- 24% of buyers waived the inspection contingency, up slightly from 16% one month and 19% one year ago.
- 18% of buyers waived the appraisal contingency, up slightly from 16% a month ago and down slightly from 21% a year ago.

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

- 86% of buyers purchased in a suburb, small town, rural, or resort area.

REALTORS® CONFIDENCE INDEX SURVEY

December 2022 REALTORS® Confidence Index Survey Highlights

Market Outlook	Dec-22	Nov-22	Dec-21
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	12%	9%	41%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	9%	8%	30%
Key Market Indicators	Dec-22	Nov-22	Dec-21
Median days on market/3	26	24	19
Percent of properties sold in less than 1 month	57%	61%	79%
First-time homebuyers, as percent of sales	31%	28%	30%
Sales for non-primary residence use, as a percent of sales /1	16%	14%	17%
Sales intended for vacation use, as a percent of sales /1	5%	4%	5%
Cash sales, as percent of sales	28%	26%	23%
Distressed sales, as percent of sales	1%	2%	1%
Average number of offers received on the most recent sale	2.2	2.3	3.8
Percent of properties sold above the list price	16%	23%	44%
Other Market Indicators	Dec-22	Nov-22	Dec-21
Percent of buyers who waived inspection contingency	24%	22%	19%
Percent of buyers who waived appraisal contingency	18%	16%	21%
Percent of buyers who purchased property based on virtual tour/showing/open house only	6%	9%	9%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	86%	88%	86%
Percent of respondents who had a potential buyer looking for work-from-home features /2	28%	35%	56%
Percent of sellers represented by Realtors® who sold the property to an iBuyer	2%	2%	2%
Median days to close	30	30	30
Percent of contracts in the past 3 months that were terminated	5%	6%	6%
Percent of contracts in the past 3 months that had delayed settlement	17%	14%	24%
Percent of contracts with a delayed settlement that had appraisal issues	6%	6%	11%

/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 FIC monthly survey and MLS data.

Copyright © 2023 NATIONAL ASSOCIATION OF REALTORS®. Reproduction, reprinting or retransmission in any form is prohibited without written permission. For questions regarding this matter please e-mail Data@nar.realtor.

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 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 5,936 respondents in the previous three surveys who provided their email addresses.
- There were 2,182 respondents to the online survey, which ran from January 1-13, 2022, of which 1,083 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.

REALTORS® CONFIDENCE INDEX SURVEY



The National Association of REALTORS® is America's largest trade association, representing more than 1.5 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 produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

To find out about other products from NAR's Research Group, visit nar.realtor/research-and-statistics

NATIONAL ASSOCIATION OF REALTORS®

Research Group
500 New Jersey Avenue, NW
Washington, DC 20001
202-383-1000
data@nar.realtor

NAR Research Staff:

Lawrence Yun, Ph.D., *Chief Economist and Senior Vice President*
Jessica Lautz, Dr.RealEst., *Deputy Chief Economist and Vice President*
Meredith Dunn, *Research Manager*
Anna Schnerre, *Research Associate, Business Insights*

©2023 National Association of REALTORS®

All Rights Reserved.

May not be reprinted in whole or in part without permission of the National Association of REALTORS®.

For reprint information, contact data@nar.realtor.