

February 2023

REALTORS[®] CONFIDENCE INDEX SURVEY

National Association of REALTORS[®]
Research Group



NATIONAL
ASSOCIATION OF
REALTORS[®]

REALTORS® CONFIDENCE INDEX SURVEY

Share of homes selling above list price edges back up to 24% from 16% month prior.

The Market Outlook from the REALTORS® Confidence Index for buyers and sellers remained virtually unchanged in February 2023:

- 19% of respondents expect a year-over-year increase in buyer traffic in the next three months, steady from last month but down from 42% in February 2022.
- 13% of respondents expect a year-over-year increase in seller traffic in the next three months, unchanged from last month and down from 26% in February 2022.

With supply still limited relative to demand, 24% of homes sold above list price, up from 16% last month but down from 48% a year ago:

- 57% of respondents reported that properties sold in less than one month. This is up from 54% a month ago and down from 84% in February 2022.
- Homes listed received an average of 2.7 offers, up slightly from 2.5 last month and down from 4.8 offers in February 2022.
- Due to the lack of housing inventory, the pace of the market, and the use of technology, 7% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. This is up from one month and down from one year ago.

Contracts typically closed in 30 days, the same as last month 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 down from one year ago.
- 12% of contracts had delayed settlements in the past three months, down from 15% last month and 22% a year ago.
- 5% of contracts had delayed settlement due to appraisal issues, about the same as last month and down from 11% one year ago.

First-time buyers represented 27% of buyers, down from 31% in January 2023 and 29% in February 2022. Among buyers:

- 18% purchased for non-primary residence use, up slightly from 16% last month and down slightly from 19% one year ago.
- 5% were purchased for vacation use, virtually unchanged from one month and one year ago.
- 1% of sellers sold to an iBuyer, similar to one month and one year ago.
- 2% of sales were distressed, similar to one month and one year ago.

Contract activity remains competitive:

- 28% of buyers had all-cash sales, nearly unchanged from 29% last month and up from 25% in February 2022.
- 22% of buyers waived the inspection contingency, virtually unchanged from 21% one month and 23% from one year ago.
- 24% of buyers waived the appraisal contingency, up from 16% a month ago and similar to 23% 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.

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February 2023 REALTORS® Confidence Index Survey Highlights

Market Outlook	Feb-23	Jan-23	Feb-22
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3	19%	20%	42%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	13%	13%	26%
Key Market Indicators	Feb-23	Jan-23	Feb-22
Median days on market ^{/3}	34	33	18
Percent of properties sold in less than 1 month	57%	54%	84%
First-time homebuyers, as percent of sales	27%	31%	29%
Sales for non-primary residence use, as a percent of sales ^{/1}	18%	16%	19%
Sales intended for vacation use, as a percent of sales ^{/1}	5%	4%	5%
Cash sales, as percent of sales	28%	29%	25%
Distressed sales, as percent of sales	2%	1%	1%
Average number of offers received on the most recent sale	2.7	2.5	4.8
Percent of properties sold above the list price	24%	16%	48%
Other Market Indicators	Feb-23	Jan-23	Feb-22
Percent of buyers who waived inspection contingency	22%	21%	23%
Percent of buyers who waived appraisal contingency	24%	16%	23%
Percent of buyers who purchased property based on virtual tour/showing/open house only	7%	4%	11%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	86%	85%	84%
Percent of respondents who had a potential buyer looking for work-from-home features ^{/2}	33%	33%	57%
Percent of sellers represented by Realtors® who sold the property to an iBuyer	1%	1%	2%
Median days to close	30	30	30
Percent of contracts in the past 3 months that were terminated	6%	5%	8%
Percent of contracts in the past 3 months that had delayed settlement	12%	15%	22%
Percent of contracts with a delayed settlement that had appraisal issues	5%	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 RCI 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 February 2023 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 6,121 respondents in the previous three surveys who provided their email addresses.
- There were 1,904 respondents to the online survey, which ran from February 1-10, 2023, of which 832 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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