

March 2023

REALTORS[®] CONFIDENCE INDEX SURVEY

National Association of REALTORS[®]
Research Group



NATIONAL
ASSOCIATION OF
REALTORS[®]

REALTORS® CONFIDENCE INDEX SURVEY

Time on market declines and multiple offers increase.

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

- 21% of respondents expect a year-over-year increase in buyer traffic in the next three months, a slight increase from last month of 19%, but down from 36% in March 2022.
- 12% of respondents expect a year-over-year increase in seller traffic in the next three months, virtually unchanged from last month and down from 26% in March 2022.

With supply still limited relative to demand, 28% of homes sold above list price, up from 24% last month but down from 57% a year ago:

- 65% of respondents reported that properties sold in less than one month. This is up from 57% a month ago and down from 87% in March 2022.
- Homes listed received an average of 3.2 offers, slightly from 2.7 last month and down from 4.8 offers in March 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. Unchanged from one month ago 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:

- 5% 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, unchanged from last month and down from 19% a year ago.
- 5% of contracts had delayed settlement due to appraisal issues, the same as last month and down from 12% one year ago.

First-time buyers represented 28% of buyers, virtually flat from February 2023 and down from 30% in March 2022. Among buyers:

- 17% purchased for non-primary residence use, virtually unchanged from last month and one year ago.
- 5% were purchased for vacation use, virtually unchanged from one month ago but down from 7% one year ago.
- 2% of sellers sold to an iBuyer, similar to one month and one year ago.
- 1% of sales were distressed, similar to one month and one year ago.

Contract activity remains competitive:

- 27% of buyers had all-cash sales, nearly unchanged from 28% last month and 28% in March 2022.
- 22% of buyers waived the inspection contingency, unchanged from one month ago and 23% from one year ago.
- 19% of buyers waived the appraisal contingency, down from 24% a month ago and 28% a year ago.

Buyers continue to look outside of city centers for the majority of their activity at 87%.

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March 2023 REALTORS® Confidence Index Survey Highlights

Market Outlook	Mar-23	Feb-23	Mar-22
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	21%	19%	36%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	12%	13%	26%
Key Market Indicators	Mar-23	Feb-23	Mar-22
Median days on market/3	29	34	17
Percent of properties sold in less than 1 month	65%	57%	87%
First-time homebuyers, as percent of sales	28%	27%	30%
Sales for non-primary residence use, as a percent of sales /1	17%	18%	18%
Sales intended for vacation use, as a percent of sales /1	5%	5%	7%
Cash sales, as percent of sales	27%	28%	28%
Distressed sales, as percent of sales	1%	2%	1%
Average number of offers received on the most recent sale	3.2	2.7	4.8
Percent of properties sold above the list price	28%	24%	57%
Other Market Indicators	Mar-23	Feb-23	Mar-22
Percent of buyers who waived inspection contingency	22%	22%	23%
Percent of buyers who waived appraisal contingency	19%	24%	28%
Percent of buyers who purchased property based on virtual tour/showing/open house only	7%	7%	10%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	87%	86%	83%
Percent of respondents who had a potential buyer looking for work-from-home features /2	38%	33%	56%
Percent of sellers represented by Realtors® who sold the property to an iBuyer	2%	1%	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	12%	12%	19%
Percent of contracts with a delayed settlement that had appraisal issues	5%	5%	12%

/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.

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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 March 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 5,532 respondents in the previous three surveys who provided their email addresses.
- There were 1,767 respondents to the online survey, which ran from April 1-12, 2023, of which 839 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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