

June 2022

REALTORS[®] CONFIDENCE INDEX SURVEY

National Association of REALTORS[®] | Research Group



NATIONAL
ASSOCIATION OF
REALTORS[®]

REALTORS® CONFIDENCE INDEX SURVEY

First-time Buyers Continue to Fall Amid Competition

The Market Outlook from the REALTORS® Confidence Index slowed in June 2022:

- 11% of respondents expect a year-over-year increase in buyer traffic in the next three months, down from 16% in May 2022 and 39% in June 2021
- 15% of respondents expect a year-over-year increase in seller traffic in the next three months, down from 21% in May 2022 and 32% in June 2021

With supply still limited relative to demand, the market is still moving at a fast pace, and 51% of homes sold above list price, down from 55% a month ago and 55% a year ago:

- The median days on market was 14, down from 16 days in May 2022 and 17 in June 2021
- 88% of respondents reported properties sold in less than one month. The same share as of May 2022 and down from 89% in June 2021.
- Homes listed received an average of 3.4 offers, down from 4.2 offers in May 2022 and 4.4 in June 2021.
- Due to the lack of house inventory, the pace of the market, and the use of technology, 12% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. This is the same as one month ago, and up from 10% a year ago.

Contracts typically closed in 30 days, the same as May 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.
- 18% of contracts had delayed settlements in the past three months, compared to 17% in May 2022 and 23% a year ago.
- 11% of contracts had deleted settlement due to appraisal issues, the same as 11% last month and down slightly from 13% one year ago.

First-time buyers represented 30% of buyers, up from 27% last month and down slightly from 31% a year ago. Among buyers:

- 16% are purchased for non-primary residence use, flat from last month and up slightly from one year ago, which was 14%.
- 5% were for vacation use, flat from one month ago and up slightly from 4% one year ago.
- 2% of sellers sold to an iBuyer, nearly unchanged from one month and one year ago.
- Less than one percent of sales were distressed, similar to one month and one year ago.

Contract activity remains competitive:

- 25% of buyers were all-cash sales, the same as last month and up from 23% in June 2021.
- 30% of buyers waived the inspection contingency, up from 26% a month ago and 25% a year ago.
- 32% of buyers waived the appraisal contingency, up from 24% a month ago and 29% a year ago.

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

- 85% of buyers purchased in a suburb, small town, rural, or resort area, the same as last month. Down from 87% one year ago.

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June 2022 REALTORS® Confidence Index Survey Highlights

Market Outlook			
	Jun-22	May-22	Jun-21
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3 months	11%	16%	39%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	15%	21%	32%
Key Market Indicators			
	Jun-22	May-22	Jun-21
Median days on market	14	16	17
Percent of properties sold in less than 1 month	88%	88%	89%
First-time homebuyers, as percent of sales	30%	27%	31%
Sales for non-primary residence use, as a percent of sales /1	16%	16%	14%
Sales intended for vacation use, as a percent of sales /1	5%	5%	4%
Cash sales, as percent of sales	25%	25%	23%
Distressed sales, as percent of sales	1%	0%	1%
Average number of offers received on the most recent sale	3.4	4.2	4.4
Percent of properties sold above the list price	51%	55%	55%
Other Market Indicators			
	Jun-22	May-22	Jun-21
Percent of buyers who waived inspection contingency	30%	26%	25%
Percent of buyers who waived appraisal contingency	32%	24%	29%
Percent of buyers who purchased property based on virtual tour/showing/open house only	12%	12%	10%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	85%	85%	87%
Percent of respondents who had a potential buyer looking for work-from-home features /2	34%	59%	58%
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	6%	7%	6%
Percent of contracts in the past 3 months that had delayed settlement	18%	17%	23%
Percent of contracts with a delayed settlement that had appraisal issues	11%	11%	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.

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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 June 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 3,111 respondents in the previous three surveys who provided their email addresses.
- There were 3,013 respondents to the online survey which ran from July 1-11, 2022, of which 1,826 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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