

July 2022

REALTORS® CONFIDENCE INDEX SURVEY

National Association of REALTORS® | Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

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Market show growing signs towards buyer-seller equilibrium

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

- 10% of respondents expect a year-over-year increase in buyer traffic in the next three months, down from 11% in June 2022 and 30% in July 2021
- 14% of respondents expect a year-over-year increase in seller traffic in the next three months, down from 15% in June 2022 and 27% in July 2021

With supply still limited relative to demand, the market is still moving at a fast pace, and 39% of homes sold above list price, down from 51% a month ago and 50% a year ago:

- 82% of respondents reported properties sold in less than one month. Down from 88% a month ago and down from 89% in July 2021.
- Homes listed received an average of 2.8 offers, down from 3.4 offers in June 2022 and 4.5 in July 2021.
- Due to the lack of house inventory, the pace of the market, and the use of technology, 9% of buyers purchased a home based only on a virtual tour, showing, or open house without physically seeing the home. This is down from 12% a month ago and 10% a year ago.

Contracts typically closed in 30 days, the same as June 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.
- 17% of contracts had delayed settlements in the past three months, compared to 18% in June 2022 and 26% a year ago.
- 9% of contracts had deleted settlement due to appraisal issues, slightly down from 11% last month and 14% one year ago.

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

- 14% are purchased for non-primary residence use, down slightly from 16% last month and 15% one year ago.
- 5% were for vacation use, flat from one month ago and down slightly from 6% one year ago.
- 2% of sellers sold to an iBuyer, 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:

- 24% of buyers were all-cash sales, similar to last month at 25% and up from 23% in July 2021.
- 27% of buyers waived the inspection contingency, down from 30% a month ago but matching the share from one year ago.
- 27% of buyers waived the appraisal contingency, down from 32% a month ago but unchanged from 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, about the same as last month and one year ago.

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July 2022 REALTORS® Confidence Index Survey Highlights

Market Outlook			
	Jul-22	Jun-22	Jul-21
Percent of respondents who expect a year-over-year increase in buyer traffic in next 3	10%	11%	30%
Percent of respondents who expect a year-over-year increase in seller traffic in next 3 months	14%	15%	27%
Key Market Indicators			
	Jul-22	Jun-22	Jul-21
Median days on market/3	14	14	17
Percent of properties sold in less than 1 month	82%	88%	89%
First-time homebuyers, as percent of sales	29%	30%	30%
Sales for non-primary residence use, as a percent of sales /1	14%	16%	15%
Sales intended for vacation use, as a percent of sales /1	5%	5%	6%
Cash sales, as percent of sales	24%	25%	23%
Distressed sales, as percent of sales	1%	1%	1%
Average number of offers received on the most recent sale	2.8	3.4	4.5
Percent of properties sold above the list price	39%	51%	50%
Other Market Indicators			
	Jul-22	Jun-22	Jul-21
Percent of buyers who waived inspection contingency	27%	30%	27%
Percent of buyers who waived appraisal contingency	27%	32%	27%
Percent of buyers who purchased property based on virtual tour/showing/open house only	9%	12%	10%
Percent of buyers who purchased in a suburban, small town, rural, or resort area	86%	85%	86%
Percent of respondents who had a potential buyer looking for work-from-home features /2	33%	34%	58%
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	6%	6%	5%
Percent of contracts in the past 3 months that had delayed settlement	17%	18%	26%
Percent of contracts with a delayed settlement that had appraisal issues	9%	11%	14%

/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 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 5,600 respondents in the previous three surveys who provided their email addresses.
- There were 2,914 respondents to the online survey which ran from August 1-15, 2022, of which 1,756 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.

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