HousingIQ / Kentucky REALTORS®

CONFIDENCE INDEX

49.0 +2.1

February 2022

The HousingIQ/Kentucky REALTORS® Confidence Index is a composite measure that captures Kentucky REALTOR® expectations about the housing market over the next twelve months. It is derived from three sub-indices – Price Expectation Index, Buyer Power Index, and Homeowner Stress Index. A value of 50 corresponds to respondents anticipating no change in market conditions over the next twelve months. A value of 100 corresponds to all respondents agreeing that market conditions will improve.

47% *of respondents expect higher sales volume in the next twelve months.* **-5**

KENTUCKY REALTORS®
MARKET PULSE
FEBRUARY UPDATE

44% *said buyers are rushing to beat mortgage rate increases.*

47% *said buyers are holding back because of concerns about the economy.*

42% *said investors had outbid their individual buyers in the last three months.*

34% *anticipate an increase in the number of renters preferring to buy in the next six months.*

34% *expect an improvement in homebuilder sentiment in the next six months.*

PRICE EXPECTATION INDEX 64.9 +0.7

The Price Expectation Index reflects respondents' perception of future home price trends. A value of 50 corresponds to respondents anticipating current trends to sustain over the next twelve months and a value of 100 corresponds to all respondents anticipating an improvement in price appreciation.

31% *of respondents expect greater foot traffic in the next twelve months.*

+1

BUYER POWER INDEX 51.4 -5.4

The Buyer Power Index gauges the balance of bargaining power between buyers and sellers. A value of 50 corresponds to the current trend sustaining whereas a value of 100 corresponds to all respondents agreeing that the power would shift to the buyer within the next twelve months.

34% *of respondents expect more houses to sell above the asking price in the next twelve months.*

+9

HOMEOWNER STRESS INDEX 66.5 -0.3

The Homeowner Stress index measures the unfavorable financial situation of homeowners. It is derived from questions that measure the anticipated change in distressed sales, delinquencies, etc. A value of 50 corresponds to respondents anticipating no change from the current situation and a value of 0 corresponds to all respondents agreeing that homeowner situation will improve within the next twelve months.

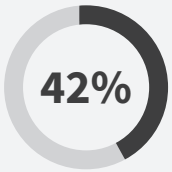
31% *of respondents expect short sales to increase in the next twelve months.*

-5

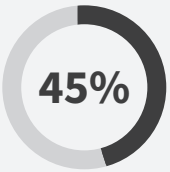
All change values are month-over-month.

KENTUCKY REALTORS® BY THE NUMBERS

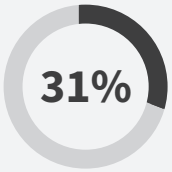
DURING THE NEXT TWELVE MONTHS:



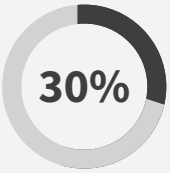
anticipate an increase in the pace of new construction.



expect increased sales to investors.



anticipate an increase in the pace of new listings.



expect increased sales to first-time buyers.

SURVEY RESPONDENTS

323 *responses*
27% *brokers*



of respondents reported trailing twelve-month sales volume of $500K or higher.

46% *of respondents served the Louisville/Jefferson County, KY-IN and Lexington-Fayette, KY metropolitan markets.*

The survey was administered to the Kentucky REALTORS® membership between February 28, 2022, and March 8, 2022. The survey margin of error at the 95% confidence level is +/- 5%.

ABOUT THE HOUSINGIQ SURVEY OF KENTUCKY REALTORS®

Developed and administered by HousingIQ, the Survey of REALTORS® is designed to systematically harness the ears-to-the-ground local market knowledge of REALTORS® and create new insights about the housing market. The survey consists of semantic differential questions concerning realtor expectations of house prices, sales, homeowner stress, and buyer demographics. The responses provide three distinct forward-looking measures–Price Expectation Index, Buyer Power Index, and the Homeowner Stress Index. A headline Confidence Index is obtained by summarizing the three measures to reflect the prevailing expertise and wisdom of REALTORS®.

HousingIQ™ KENTUCKY REALTORS®

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