

# CONFIDENCE INDEX

# 40.3

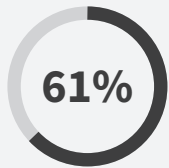
+11.1

May 2020

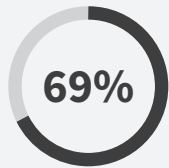
The HousingIQ/Kentucky REALTORS® Confidence Index is a composite measure that captures Kentucky REALTOR® expectations about the housing market over the next twelve months. It is derived from three sub-indices – Price Expectation Index, Buyer Power Index, and Homeowner Stress Index. A value of 50 corresponds 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.

**30%** ↓<sub>-10</sub> of respondents expect lower sales volume in the next twelve months.

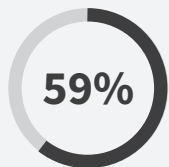
## KENTUCKY REALTORS® CORONAVIRUS IMPACT APRIL UPDATE



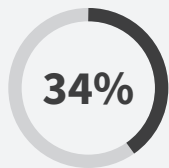
said their sellers were holding back listings due to current economic uncertainty.



said their sellers had not reduced listing prices to attract buyers.



said their buyers had started to return to the market.



said a greater number of their buyers were facing bidding wars.



reported improvement in their ability to conduct business while respecting social distancing.

## PRICE EXPECTATION INDEX **55.0** ↑ +13.7

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.

**10%** of respondents expect home prices to fall by more than 2% in the next twelve months.



## BUYER POWER INDEX **53.2** ↓ -16.0

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.

**39%** of respondents expect more houses to sell below asking price in the next twelve months.



## HOMEOWNER STRESS INDEX **80.8** ↓ -3.7

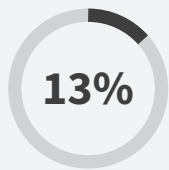
The Homeowner Stress index measures the unfavorable financial situation of homeowners. It is derived from questions that measure the anticipated change in distressed sales, delinquencies, etc. A value of 50 corresponds to respondents anticipating no change from the current situation and a value of 0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

**67%** of respondents expect more distressed sales in the next twelve months.

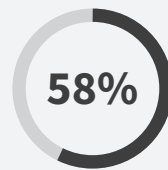


## KENTUCKY REALTORS® BY THE NUMBERS

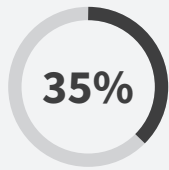
### IN THE NEXT TWELVE MONTHS:



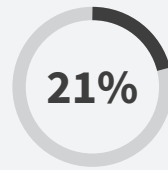
*rank buyers looking to downsize as one of their top three customer segments.*



*expect increased sales to investors.*



*expect increased sales to first-time buyers.*



*anticipate buyers spending a smaller share of income on housing.*

## SURVEY RESPONDENTS



**374** responses  
**34%** brokers



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



**61%** of respondents served the Louisville/Jefferson County, KY-IN, Lexington-Fayette, KY, and Cincinnati, OH-KY-IN metropolitan markets.

The survey was administered to the Kentucky REALTORS® membership between May 22 and May 29, 2020. 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®.

