

CONFIDENCE INDEX

44.8

+0.5

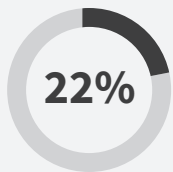
December 2021

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.

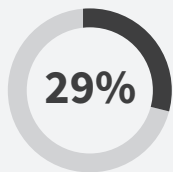
55% of respondents expect higher sales volume in the next twelve months.

↓ -2

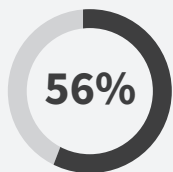
KENTUCKY REALTORS® MARKET PULSE DECEMBER UPDATE



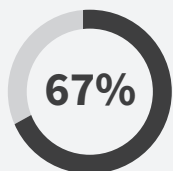
said the use of buyer's agents would increase.



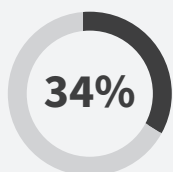
anticipate an increase in the number of homeowners selling to relocate out of state.



expect an increase in the number of homeowners selling to downsize.



said the trend towards buying homes away from urban centers would increase.



reported that their clients were unable to relocate because of the quality of the local school district.

PRICE EXPECTATION INDEX 66.6 ↓ -0.3

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.

27% of respondents expect greater foot traffic in the next twelve months.

↓ -5

BUYER POWER INDEX 63.0 ↑ +0.5

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.

31% of respondents expect more houses to sell below the asking price in the next twelve months.

↑ +7

HOMEOWNER STRESS INDEX 69.2 ↓ -2.3

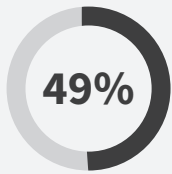
The Homeowner Stress index measures the unfavorable financial situation of homeowners. It is derived from questions that measure the anticipated change in distressed sales, delinquencies, etc. A value of 50 corresponds to respondents anticipating no change from the current situation and a value of 0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

51% of respondents expect distressed sales to increase in the next twelve months.

↓ -3

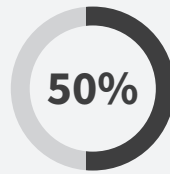
KENTUCKY REALTORS® BY THE NUMBERS

DURING THE NEXT TWELVE MONTHS:



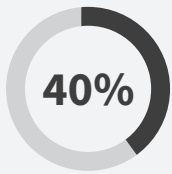
49%

anticipate an increase in the pace of new construction.



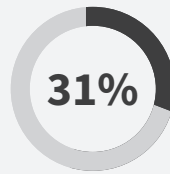
50%

expect increased sales to investors.



40%

anticipate an increase in the pace of new listings.



31%

expect increased sales to first-time buyers.

SURVEY RESPONDENTS



205 responses
32% brokers



73%

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



42% 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 December 30, 2021, and January 13, 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®.

