



Talk Smart!

A closer look at January 2021 sales throughout the Charlotte region.

All data is according to Canopy MLS.

Underlying messages:

- 2020 outperformed 2019 sales in the 16-county region, rising nearly six percent over 2019. This momentum, which built up through much of fourth quarter, carried over into January as more than 3,300 homes were sold. While 2021 is off to a solid start, January sales are down about 25 percent compared to the flurry of sales we saw in December 2020.
- The build-up in pending sales activity in fourth quarter 2020 and the 15.1 percent year-over-year increase in January 2021 indicates steady sales over the next few months. Pending contracts, which tend to predict future sales, have been strong in our region for a number of years and continue to fuel Charlotte's growth.
- Even though sellers listed 4,301 properties for sale in January 2021, new listing activity still fell short of January 2020's and was down 7.8 percent. However, month-over-month activity shows new listings rose 27.1 percent compared to December 2020, which is a positive show of confidence at the start of the year. New listing activity was challenged throughout most of 2020 due to concerns surrounding the pandemic.
- Increased demand, coupled with tight inventory that is now at less than a month of supply, will mean price increases and some multiple-offer situations in highly sought-after areas, especially areas closer to Charlotte/Mecklenburg County. Buyers will continue to see inventory sold nearly as soon as it is listed.
- Trends toward work-from-home have been forecasted to continue in 2021 and beyond. NAR, realtor.com® and other national economists suggested at the recent 2021 NAR Forecast that even when the vaccine is mainstreamed and the economy opens, productivity from office workers was high enough in 2020 to create scenarios where employers will offer flexibility and increased work-from-home situations for employees.
- This bodes well for recent pandemic-fueled buyer demand that has buyers seeking larger homes with dedicated offices and outdoor living spaces in suburban and rural settings, which means buyer interest should continue in the region's surrounding counties. Strong contract and closed sales activity throughout a number of outlying counties and areas continue to bear this trend.
- Inventory is critically low and was down 59.8 percent year-over-year to less than one month of supply. This will continue to impact prices, especially given the increased competition among buyers. Inadequate housing stock is going to be the main issue that holds the market back.
- Sellers who are ready to list have the opportunity to receive high visibility for their listings and spend less time on market. Days on market (DOM) continues to break records as it trend lower. Properties averaged 26 days on market in January. Last January DOM averaged 46 days.
- Buyers need to understand that mortgage pre-approval should be in place. There could be little room for negotiation on price in highly desirable areas where increased competition could lead to multiple-offer situations as supply continues to fall.