



Talk Smart!

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

All data is according to Canopy MLS.

Underlying messages:

- April's sales activity is quite encouraging and clearly illustrates what happens when the normal flow of activity is interrupted, especially during the critical spring market. Home sales were up 25 percent over April 2020.
- Now that reopening and vaccinations are more mainstreamed, we are encouraged by gains in new listing activity in the Charlotte market. The percentage of change between April 2020 and this past April's new listings appears dramatic, but this is because new listing activity and overall sales activity was hampered by pandemic-induced lockdowns, aimed at slowing the spread of the virus.
- However, new listing activity during April 2021 is closer to the level of activity we had in April 2019 and is actually up compared to March 2021, by 3.4 percent. This is good news for buyers as it could help with more choice in this already critically low-inventory environment.
- Buyers in our market are quickly purchasing almost every new listing coming to market. Remote learning and work-from-home situations kept sellers sidelined in February and March of this year, however we believe we will see more seller activity in the coming months as more of the population is vaccinated and moves toward reopening and summer activities.
- Buyers continue to face headwinds with higher home prices and falling affordability, as supply challenges continue. Without an increase in supply, the wealth division continues to widen as a number of workforce buyers and first-time homebuyers become locked out of the market.
- Anyone interested in buying or selling should start preparing now to determine their lending options and financial position, and they need to be flexible in terms of location and amenities. They should also connect with a Realtor® in order to navigate the complexities of the market.

Key Indicators

- April home sales were up nearly 25 percent year-over-year as buyers and sellers return to a more normalized spring market. Sales are down slightly compared to March 2021.
- Buyer demand continues to be strong across the 16 counties. Inventory is challenged, down 66 percent year-over-year. With supply hovering at 18 days, buyers will continue to see many homes sold nearly as soon as they are listed, with many buyers experiencing multiple offer situations and price increases.
- Still, there are pockets of inventory emerging, particularly in the condo/townhome market, where areas like Uptown Charlotte saw a 43 percent year-over-year increase to about three months of supply in February. And March inventory for Uptown Charlotte shows an 11.1 percent increase year-over-year and still holding steady at 3 months of supply. April reports

show inventory is still higher than in a number of places around the region at 2.8 months of supply.

- Trends toward work-from-home have been forecasted to continue in 2021 and beyond. As the vaccine becomes more mainstream and reopening on a large scale starts to occur, work-from-home hybrid schedules are predicted as employers give workers more flexibility.
- Sellers, particularly those with children in remote learning and in work-from-home situations, could be waiting until the summer months to list, as showing homes when occupied is difficult.
- 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 trends lower. Properties averaged 20 days on market in April 2021. Last April DOM averaged 39 days, but this was also just ahead of the pandemic lockdowns. Sellers received well over asking price at 101 percent of asking prices this past month as indicated by the original list price to sales price ratio.
- 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.

The Charlotte region's extremely tight inventory situation will continue to impact prices. We believe price growth overall will continue, with some areas seeing increased volatility due to rapidly dwindling supply. We continued to see double-digit year-over-year price increases in both the median (\$315,000) and average (\$377,643) sales prices. This will continue to challenge buyers, particularly first-time buyers, single buyers and workforce housing buyers.