



Talk Smart!

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

All data is according to Canopy MLS.

Underlying messages:

- Sales in June are a continuation of similar trends playing out nationally and locally over the past six months. So current sales illustrate what happens when the normal flow of activity is interrupted, during the critical spring market, which is what happened last year with the pandemic and lockdowns. Pent-up demand continues to fuel sales. June 2021 home sales across the 16-county region were up about 5 percent year-over-year and are up 17 percent year-to-date.
- Now that reopening and vaccinations are more mainstreamed, we are encouraged by gains in new listing activity in the Charlotte market. YTD figures show new listing activity is up 6 percent when compared to activity from January thru June 2020. These continued gains show that seller confidence is rising in our area, and this is good for buyers.
- Pending sales activity which gauges buyer demand is up 11 percent over year-to-date figures last June. The increases we are seeing are due to the market being held up last year, which created pent-up demand. However, we need to continue to monitor pending contract activity, which shows buyer demand, slipped a bit in June – down 2 percent year-over-year but year-to-date figures show we are ahead of the same period last year by 11 percent.
- Buyers are quickly purchasing almost every new listing coming to market. Sales easily could have been much higher had there been more inventory. Remote learning and work-from-home situations kept sellers sidelined earlier 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. We are down to 21 days of supply left. 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

- June home sales were up nearly 5 percent year-over-year as buyers and sellers return to a more normalized summer market. Sales are up 15 percent compared to May 2021.
- Though buyer demand slipped a bit in June, down 2 percent compared to last year, year-to-date figures show we are pacing well and really not endanger of buyer fatigue and losing

buyers – at the moment, contract activity is on par with May 2021, up 0.8 percent.

- 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.
- Buyers, particularly work from home buyers, are 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 continues to support this trend. According to recent census data reported by NAR, the majority of out-of-state buyers moving to Charlotte are coming from South Carolina, Texas, Georgia, Virginia and New York.
- Inventory is critically low for the Charlotte region and was down more than 52 percent year-over-year to 0.7 months of supply or 21 days of supply at the current sales pace. That's actually an improvement, albeit a small one. In May we had 0.6 months of supply and 18 days of supply left. The market has held steady at 18 days of supply for the past four months. Inventory and supply 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 in the coming year.
- 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 16 days on market in May 2021. And this past June we've dropped to 13 days on market. Sellers received well over asking price at 102 percent of asking prices this past month as indicated by the original list price to sales price ratio. This stat has been increasing since February for sellers in the Charlotte market.
- 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 (\$312,000-June 2021 YTD) and average (\$375,000-June 2021 YTD) sales prices. This will continue to challenge buyers, particularly first-time buyers, single buyers and workforce housing buyers.