



Talk Smart!

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

All data is according to Canopy MLS.

Underlying messages:

- Sales around the Charlotte region slipped for a second consecutive month in October, down 5 percent year-over-year.
- However, even though sales are down compared to last October, we have to remember that last year's phenomenal sales activity was as a result of several things:
 - The low mortgage rate environment that carried over from 2019,
 - The pandemic and lockdowns over the first half of 2020, that caused pent-up buyer and seller activity to be pushed into 2021
 - Consumers making significant lifestyle changes, i.e., remote work creating the ability to work anywhere, increased demand for larger homes and second homes.
- October 2021 homes sales were still 14.5 percent high than the region's homes sales in October 2019, which at that time reflected a healthy, hot sellers' market with 4,300 homes sold during the month.
- At this time of year, it's not unusual for buyer and sellers with families to generally settle into the usual routines of back-to-school and fall activities.
- The demand for homes around the region will be steady throughout fourth quarter as Charlotte continues to receive high marks for quality of life, job growth and cost of doing business, which has made it an easy target for buyers.
- Remote work situations brought about by the pandemic will continue to bring buyers with more flexibility into our region.
- New listing activity cooled a bit as well - but throughout the market sellers continue to respond favorably. YTD figures show new listing activity is up almost 4 percent, when compared to activity from January thru October 2020. These continued gains show that seller confidence is steady and favorable, and this is good for buyers. ***(New listing activity has been strong in the following areas this summer: Union, Stanly, Rowan, Iredell, Gaston, Cleveland and Cabarrus Counties – Rock Hill, SC & Chester County, SC to the south, along w/Lake Norman, Mooresville, Matthews and Kannapolis)***
- Surprisingly there were three counties within the region that saw inventory increase. Anson County's inventory increased 31 percent; Cleveland County's inventory increased 6.3 (for a second month) and Chester County, in South Carolina had a 10 percent increase in inventory.
- Pending sales activity which gauges buyer demand is up 6 percent over year-to-date figures last year and increased 5 percent over sales last October, which means that sales over the next few months should be steady.

- 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, but we are now seeing seller confidence rising over most of the summer and here in early fall. This is good for buyers.
- Buyers continue to face headwinds with higher home prices and falling affordability, as supply challenges continue. We've heard some local reports of "buyer fatigue" but what's really happening is that buyers are still out and looking but are much more measured about their financial limits and are in essence, waiting for more inventory. Our showing numbers in October 2021, displayed that showings per listing are 14.9% higher than October 2020, with listings averaging 11.6 shows or buyers, per listing.)
- The region is down to 24 days of supply left in October. Without an increase in supply, the wealth division continues to widen as a number of workforce buyers, millennials 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

- 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 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 17 days on market in October 2021. Sales are brisk, leaving little room for negotiation.
- Sellers received asking price 100.4 percent of asking prices in October 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.