



Talk Smart!

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

All data is according to Canopy MLS.

Underlying messages:

- Sales around the Charlotte region slipped slightly in September down 2 percent year-over-year, and are down month-over-month about 5 percent, which is actually typical of this time of year, prior to the pandemic.
- Buyer and sellers with families generally settle into the usual routines of back-to-school and fall activities, which is why before the market started heating up in 2018 and into the pandemic, it was normal to see sales slow in September.
- 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 5 percent year-over-year, when compared to activity from January thru September 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)***
- Pending sales activity which gauges buyer demand is up 6 percent over year-to-date figures last year and increased 4 percent over sales last September, 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 September 2021, displayed that showings per listing are 15% higher than September 2020, with listings averaging 11.4 shows or buyers.)
- Realtors® continue to keep an eye on pending contract activity and as long as it's positive then that tells us that buyers are still in the market and looking for homes, so I don't see buyer fatigue really setting in at this point, based on the level of contract activity.

- The region is down to 24 days of supply left in September. 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.
- Inventory is critically low for the Charlotte region and was down 37 percent year-over-year to 0.8 months of supply or 24 days of supply at the current sales pace. It has held steady at 24 days of supply for the past three 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 15 days on market in September 2021. Sales are brisk, leaving little room for negotiation.
- Sellers received well over asking price at 101.0 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. This will continue to challenge buyers, particularly first-time buyers, single buyers and workforce housing buyers.