



Talk Smart!

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

All data is according to Canopy MLS.

Underlying messages:

- The region continues to experience extraordinarily high demand, fueled by years of steady population growth and low interest rates.
- Buyers in our market are quickly purchasing almost every new listing coming to market. Sales easily could have been much higher had there been more inventory and choice.
- Inventory in our market has reached a critical level that could hold sales back this year.
- The Charlotte market has reached a point where we need to see more housing stock, particularly in price points that are attractive to a number of buyers, as we don't want to see first-time buyers, single buyers and workforce housing buyers locked out of the market.
- Local leadership will have to be innovative in their solutions to this growing challenge.

Key Indicators

- February homes were positive and show momentum building ahead of the spring selling season with sales rising nearly 6 percent year-over-year across the 16-county region. True momentum can be seen when comparing back to January 2021 and an increase of 4 percent month-over-month.
- Increased demand, that rose 11 percent year-over-year continues to show solid demand from buyers looking for homes, but this factor coupled with tight inventory that has trended down to 18 days of supply across the region and in Mecklenburg County, means buyers will continue to see inventory sold nearly as soon as it is listed, with 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 42 percent year-over-year increase or about 3 months of supply.
- Trends toward work-from-home have been forecasted to continue in 2021 and beyond. Once the vaccine is mainstreamed and reopening on a large scale starts to occur, work-from-home hybrid schedules are predicted, as employers give workers more flexibility.
- 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 support this trend. According to recent census data reported by NAR, buyers from out-of-state 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 64 percent year-over-year to 0.6 months of supply or 18 days of supply at the current sales pace. 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 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 31 days on market in February 2021. Last February DOM averaged 50 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.

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 (\$293,495) and average sales prices (\$340,881). This will continue to challenge buyers particularly those first-time buyers, single buyers and workforce housing buyers.