



## Talk Smart!

**A closer look at March 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, while also accounting for increasing lack of affordability. This growing lack of affordability could serve as a barrier to homeownership for first-time buyers and workforce housing buyers.
- Anyone interested in buying or selling should start preparing now to determine their lending options and financial position, and should be flexible with location and amenities. They should also connect with Realtor® in order to navigate the complexities of the market.

### **Key Indicators**

- March home sales were positive and show momentum building headed into the spring selling season with sales rising nearly five percent year-over-year across the 16-county region. We can see the momentum building in the month-over-month increases. March sales were up 31 percent over February 2021.
- Buyer demand continues to increase, with pending sales rising more than 30 percent year-over-year and up 31 percent compared to February. 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 many homes sold nearly as soon as they are listed, with many buyers experiencing multiple offer situations and price increases.
- 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 70 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 24 days on market in March 2021. Last March DOM averaged 46 days; however, the market was slowing due to pandemic-induced lockdowns.
- 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 (\$305,000) and average sales prices (\$370,706). This will continue to challenge buyers, particularly first-time buyers, single buyers and workforce housing buyers.