



Talk Smart!

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

All data is according to Canopy MLS.

Underlying messages:

- Sales around the Charlotte region bounced back in August and rose by 3.5 percent year-over-year, a slight improvement over July when home sale fell by 10.5 percent. The demand for homes around the region will continue to be strong 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.
- 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 almost 6 percent year-over-year, when compared to activity from January thru August 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 7 percent over year-to-date figures last year and increased 7 percent over sales last August, 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. The region is down to 24 days of supply left. 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 is critically low for the Charlotte region and was down 38.2 percent year-over-year to 0.8 months of supply or 24 days of supply at the current sales pace. That's actually an improvement, albeit a small one. In June we had 0.7 months of supply or 21 days of supply left. The market has held steady in this range for the past five 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 14 days on market in August 2021. Sales are brisk, leaving little room for negotiation.
- Sellers received well over asking price at 101.5 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.