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Charlotte residential home sales fall sharply in May

Pending contracts in the pipeline indicate that buyers are back in the market and ready to buy

CHARLOTTE, N.C. – With North Carolina businesses slowly reopening under the state’s Phase 2 of operations, May home sales across the Charlotte region fell 30.4 percent with 3,598 homes sold, according to data from Canopy MLS. Compared to April 2020, sales were up 1.8 percent as area Realtors® and consumers continue adjusting to buying and selling in the new normal of COVID-19.

Pending contracts, which point to future sales as well as buyer demand, rose 14.8 percent year-over-year with 5,926 contracts in the pipeline. Pending contracts compared to April 2020 were up 46.5 percent, showing a significant increase in buyer demand over the 16-county region.

2020 Canopy Realtor® Association/Canopy MLS President John Kindbom notes, “We are reassured by the positive growth in pending contract activity, especially the substantial increase over last month. Buyers have had to adjust to increased lending standards and documentation regarding income, credit and employment, which often adds additional time to the process. However, this shows us that buyers are adjusting. More of this activity will result in positive sales in the coming months.”

Prices, pressured by tightening inventory, continued to increase. The average list price (\$375,709) rose 11.2 percent compared to last year and was up 11.6 percent compared to April 2020. Both the median sales price (\$265,000) and the average sales price (\$310,166) rose 1.9 percent and 0.2 percent, respectively. The original list price to sales price ratio was 97.6 percent, showing sellers are getting closer to asking prices.

There were 5,168 new listings added to inventory during the month, which is down 22.1 percent compared to new listings added in May 2019. However, compared to April 2020, new listings increased 21.4 percent, which is a positive sign of seller confidence rising.

Kindbom further notes, “This month-over-month increase in new listing activity, along with the increases in pending contract activity, are the signs we needed to see to know the market is actively recovering. And while full recovery is still some ways off, agents will continue working with buyers and sellers and will keep following strict guidelines to get homes sold in a safe manner.”

Inventory remains challenged, falling 37.0 percent year-over-year, which means the region will continue to experience strong seller's market conditions with some 6,712 homes available for sale at report time. The 16-county Charlotte region currently has 1.6 months of supply, compared to 2.6 months of supply last May.

Days on market, the metric that accrues for "Active" and "Under Contract-Show" statuses, averaged 35 days in May 2020 compared to 42 days in May 2019. Faster home sales as displayed by days on market is yet another hallmark of a strong seller's market. The average number of days a property was on the market from the time it was listed until it closed (list to close) was 90 days.

The Canopy Realtor® Association provides monthly reports on residential real estate market activity for the Charlotte Metro region based on data from Canopy MLS. The Charlotte Metro region, which this report is based on, includes 12 counties in North Carolina and four counties in South Carolina.

For more residential-housing market statistics, visit www.CarolinaHome.com and click on "Market Data." For an interview with 2020 Association/Canopy MLS President John Kindbom, please contact Kim Walker.

The Canopy Realtor® Association is a trade association that provides its more than 12,200 Realtor® members with the resources and services they need to conduct ethical, professional, successful and profitable businesses. The Association is dedicated to being the region's primary resource for residential real estate information. The Association operates Canopy MLS, which has more than 17,800 subscribers and is the private cooperative Realtors® use for access to tens of thousands of residential listings in a 24-county service area, including Charlotte, the mountains area of North Carolina, South Carolina, and beyond.