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Homes sales across the Asheville region soar, setting the stage for a busy spring

CHARLOTTE, N.C. – The spring selling season is off to a solid start in the mountains of North Carolina as indicated by [Canopy MLS data](#), which showed closed sales during the month of March increased 33.8 percent year-over-year as 1,160 properties closed. In March 2020, which was just before the pandemic and subsequent lockdowns slowed spring sales, 867 properties closed. Sales were equally strong when compared to the previous month, rising 32.9 percent compared to February 2021, which should set the stage for a busy and competitive selling season. These are completed transactions that include single-family homes, condos and townhomes across the 13-county Asheville region.

Buyer demand, as displayed by pending sales or contracts, continued largely unabated in the face of rising home prices and mortgage rates. Contract activity in March 2021 rose 73.2 percent year-over-year as buyers drove 1,368 properties under contract during the month. Compared to February 2021, pending sales rose 19.9 percent. New listing activity continues to be weak, rising 1.5 percent higher than last year as sellers listed 1,309 homes for sale. However, momentum may be building, as new listing activity compared to February 2021 increased significantly by 31.4 percent, which could help buyers with more choices. Still, inventory declined 63.9 percent year-over-year, leaving 1,522 homes for sale at report time or 1.3 months of supply in the 13 counties where Canopy MLS trends data in the region.

Prices continued to respond to market dynamics of low supply, with both the median sales price (\$318,500) and the average sales price (\$394,482) rising 20.2 percent and 26.5 percent year-over-year, respectively, and the average list price increasing 25.6 percent year-over-year to \$467,032. The original list price to sales price ratio showed sellers getting 97.1 percent of asking price during the month of March, while days on market averaged 59 days versus 87 days this time last year, which indicates the pace of sales is faster than a year ago.

Brian Cagle, a Canopy MLS Board of Directors member and Vice President/Managing Broker of Beverly-Hanks & Associates, said, “Though home sales are off to a strong start this spring, housing affordability is weakening and increased inventory is the best way to

address rising home prices. Low mortgage rates have also continued to drive interest in the second-home market as well. While this is good for sales and growth, we also have to factor in the impact on first-time buyers and workforce buyers who live and work here and who are ultimately getting priced out of homeownership.”

The Asheville region includes Burke, Buncombe, Haywood, Henderson, Jackson, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania and Yancey counties.

A closer look at the Asheville MSA

March 2021 home sales across the Asheville metro rose 27.6 percent year-over-year with 744 homes sold compared to 583 that closed last year just ahead of pandemic-induced lockdowns. Month-over-month sales compared to February 2021 were up 32.1 percent. Demand from buyers who are seeking homes closer to job centers in the Asheville area also rose significantly. Pending sales, which indicate buyer demand, rose 76.6 percent year-over-year as 911 properties went under contract during the month, while new listing activity, which rose 4.8 percent year-over-year with 891 homes added to the market during the month, will continue to present inventory challenges and headwinds for buyers. Inventory at report time showed 908 properties on market, a decline of 62.5 percent year-over-year, with just a little over a month of supply of homes for sale. Low inventory will continue to pressure prices, which rose by double-digits in March. Both the median sales price (\$345,000) and the average sales price (\$444,562) rose by 15.3 percent and 29.3 percent year-over-year, respectively, while the average list price rose 26.3 percent to \$499,727 over last March’s list price. Properties are moving on and off market quickly as noted by days on market averaging 51 days in March.

Cagle notes, “Inventory continues to be a major challenge for the market. And the shortages in labor and rising cost of materials and land associated with new construction prevent developers from building homes on a large scale. However, many sellers have delayed listing their homes due to the pandemic, their work-from-home status, and the remote learning needs at home for their children. We hope more sellers will decide to enter the market this summer after more of the population has been vaccinated and reopening continues.”

Buncombe County homes sales in March rose 29.5 percent year-over-year with 408 sales during the month, while pending contracts, which represent buyer demand, surged 89.4 percent year-over-year with 483 contracts written. Comparisons to last March show the impact the pandemic and lockdowns had on sales at a crucial time during the selling season. New listing activity increased 3.2 percent year-over-year as sellers brought 489 homes to market. However, this increase will do little to help buyers, who will find a tight market in Buncombe County with inventory down 61.9 percent compared to March 2020 and only 489 homes for sale at report time. This equates to 1.1 months of supply. Prices are increasing due to the limited inventory situation and high demand. Both the median sales price (\$370,000) and the average sales price (\$506,396) rose 12.5 percent and 33.9 percent year-over-year, respectively.

The average list price rose 30.9 percent year-over-year to \$563,191. March's original list price to sales price ratio shows sellers in Buncombe County are getting 97.9 percent of asking price, while their homes were on market an average of 50 days versus 68 days last year.

Haywood County experienced positive sales trends as buyers purchased 115 homes in March 2021, an increase of 29.2 percent year-over-year, while pending sales, which rose 58.1 percent year-over-year, showed tremendous demand from buyers as 136 contracts were written compared to 86 contracts just before pandemic-induced lockdowns last year caused sales to slow. New listings showed sellers jumping into the market in March and increased 19.0 percent year-over-year with 138 homes listed. While this may help buyers with additional choice, inventory, which fell 56.7 percent year-over-year to 174 homes for sale at report time, will continue to create headwinds and steep competition for buyers. There is currently a month and a half of supply left in Haywood County, which will continue to exacerbate prices. Both the median sales price (\$315,000) and the average sales price (\$355,654) rose 29.8 percent and 29.0 percent year-over-year, respectively, while the average list price (\$429,652) registered a 43.2 percent year-over-year increase. Sellers are getting ever closer to receiving all of asking price, as noted by the original list price to sales price ratio of 97.2 percent during the month. Sellers in Haywood County also enjoyed much faster days on market at 48 days in March compared to 129 days in March 2020.

Henderson County home sales increased 19.9 percent year-over-year in March 2021 with 199 homes sold during the month, while pending contracts showed significant demand, rising 65.8 percent year-over-year as 257 homes went under contract. Normal spring increases in sales activity, coupled with relaxing COVID-19 policies, created a very busy March compared to conditions last year. New listing activity, though positive, was somewhat unchanged compared to March 2020, rising 0.4 percent year-over-year with 238 homes listed. Inventory continues to be challenged, falling 66.0 percent to 200 homes for sale at report time or one month of supply. This time last year there were 3.3 months of supply. Supply woes will continue to impact prices, which are rising. Both the median sales price (\$333,000) and the average sales price (\$372,340) rose 11.0 percent and 17.2 percent year-over-year, respectively, while the average list price registered an 11.4 percent year-over-year increase to \$417,089. The original list price to sales price ratio showed sellers got 98.1 percent of asking price in March, while their homes enjoyed an average of 53 days on market.

For more residential-housing market statistics, visit www.CarolinaHome.com and click on "Market Data." For an interview with an Asheville-area Realtor®/broker, please contact Kim Walker.

Canopy MLS is a wholly-owned subsidiary corporation of Canopy Realtor® Association and is the private broker cooperative used by Realtors® to bring buyers and sellers together with access to thousands of residential listings in a multicounty service area, including Charlotte, the mountains area of North Carolina, South Carolina, and beyond. Canopy MLS, which has 20,600 subscribers, provides the most trustworthy, timely, accurate and complete property data along with proprietary tools for showings, market stats, predictive analytics, and more. Canopy MLS is used by its members to support consumers in their residential real estate transactions, whether selling, buying, investing or renting.