



Talk Smart!

All data is according to Canopy MLS.

Catawba Valley Region Housing Market

Both the National Association of Realtors® and realtor.com are expecting a likely turnaround in home sales this year.

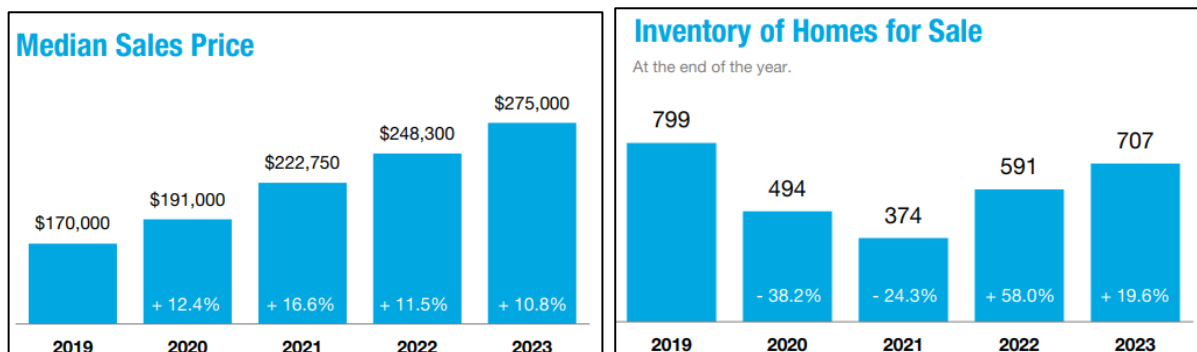
Key Messages:

- **New Listings:** Increased by 15.9% (504 to 435)
 - This is the 2nd time new listings were in the 500s since June 2022
 - This was the 9th consecutive YOY increase
 - 3.6% decrease from April 2024
 - 16% was new construction
- **Pending Sales:** Decreased by 3.2% (377 to 365)
 - 7.1% decrease from April 2024
 - 15% was new construction
- **Closed Sales:** Increased by 7.2% (375 to 402)
 - 12% increase over April 2024
 - 14% was new construction
- **Median Sales Price:** Rose by 9.1% (\$275,000 to \$300,000)
 - 4th consecutive YOY increase and month-over-month increase
 - 3.8% increase over April 2024
 - New Construction Median Sales Price was \$366,000, while Resale Median Sales Price was \$280,000
- **Average Sales Price:** Rose by 13% (\$341,361 to \$385,866)
 - 5.5% increase over April 2024
- **Buyer Interest:** Canopy MLS May showing report indicated that showing activity, which tracks buyer interest through the number of showings, was highest in Newton and Hickory, both located in Catawba County, followed by Morganton.
- **Sellers still control the market but buyers get some relief as new listings remain well above average.** While sellers have been hesitant to list because of record high mortgage rates, many are tiring of waiting and have started entering the market. After rates peaked at 8 percent in Fall of 2023 and started moving down, seller activity has risen, helping to boost supply and inventory.
 - [More than 1/3 of home sellers are giving concessions to buyers](#)
 - [According to the Federal Housing Finance Agency's most recent data, 62 percent of households have an interest rate of 4 percent or below.](#)
 - [According to RedFin, declining affordability across the nation has led to price adjustments with approximately 7 percent of U.S. homes for sale seeing a price drop during November.](#) Pricing homes fairly will be key to quickly selling a property.

- [Boomers control a large portion of potential inventory.](#)
 - “Older Americans staying in their homes is the driving force behind longer homeowner tenure. Nearly 40% of baby boomers have lived in their home for at least 20 years, and another 16% have lived in their home for 10-19 years. For Gen Xers, more than one-third (35%) have lived in the same home for at least 10 years.”
 - “Millennials typically stay in homes for shorter periods, largely because they’re younger and partly because they switch jobs more than older generations. Less than 7% of millennials have lived in their home for 10 years or longer, 13% have lived in their home for 5-9 years, and 30% have lived in their home for less than five years. Nearly all Gen Zers who own a home have had it for less than five years, which stands to reason because the oldest Gen Zer was 26 in 2023.”
- [According to Redfin, Homeowners move most often in relatively affordable metros, mostly in the South.](#) Tenure is shortest in Louisville, KY (7.4 years) and Las Vegas (8). Next come Nashville, TN, **Charlotte, NC** and Raleigh, NC, which each have a **median tenure of 8.5 years**. Tenure is shorter in those metros partly because they have been popular migration destinations over the last few years, which means a lot of homes have changed hands recently.

Let’s talk pricing and inventory.

- In Q1 2024, the median sales price and the avg. sales price increased 8.6% and 9.4% respectively over Q1 2023. Inventory increased substantially by 39.4% YOY.
 - While we need the increase in inventory, high prices and high interest rates are still restricting a buyer’s potential.
 - **Utilize Canopy’s new Down Payment Resource tool in Canopy MLS to help your clients find down payment assistance.** More than 70 percent of properties qualify for some kind of down payment assistance. This could be the key to securing their new home.
- A look at median sales price trends over the past five years shows the region has sustained double-digit price growth annually since 2019, climbing as high as 16.6 percent from 2020 to 2021.



Inventory grew significantly over much of 2022. That growth however was tamped down by mortgage rates that started moving up slowly over 2023. With inventory rising, prices should continue moderating. More inventory and price stabilization is good for buyers.

- **The region’s median sales price in May (\$300,000) was up 9.1% compared to last year and down 3.8% when compared to April 2024 (\$289,000).**
- **The region’s average sales price in May (\$385,848) increased year-over-year by 13% and was up 5.5% compared to April 2024 (\$365,848).**
 - The 12 month rolling average is \$338,623.
- **Prices are still being impacted by tight inventory even though inventory levels are trending up.**
 - For the 8th consecutive month inventory & new listings rose year-over-year.
 - May saw a substantial 47.6% increase in total inventory to 856
 - A 15.9 percent increase in new listings to 504 properties
 - Months of supply also increased by 36.8% year-over-year to 2.6 months of supply. The 12 month rolling average is 2.3 months.
 - Looking at each property type:
 - 2.6 months supply for Single-Family homes
 - 3.2 months supply for Townhomes
 - 3.4 months supply for Condos

Interest rates continue impacting buyers.

- Though interest rate hikes have an effect on buyer demand, clients should be reminded that with a look at rates over time, that the parents of Millennials, endured higher rates and their grandparents’ generation, experienced double-digit interest rates – 10% plus or higher. [6% seems to be the new normal of mortgage rates.](#)
- A mortgage rate of 6.5% vs. 8% represents a savings of close to \$400 per month on a median-priced home in the US. [According to Forbes](#)

Why Sellers Should Consider Listing

1. Low inventory

It comes down to “Economics 101:” there is a shortage of homes for sale across the country and here locally, in relation to buyer demand. This creates a highly desirable atmosphere to attain the best possible price and terms for a home if the home is priced well.

2. Rising appreciation

Home prices are on the rise. Many sellers are in an enviable position to sell and walk away with a nice profit that they can use on the next place they decide to call home. In the current market, sellers can expect their home to sell fairly quickly for the asking price, possibly above, and more likely with multiple offers. According to the National Association of Realtors® in 2021, home sellers sold their homes for a median of \$85,000 more than their purchase price, which is up from \$66,000 in 2020.

3. Fast days on market

The time it takes to sell a home has started to fall, which means the sellers home is not on market as long as even a year ago.

However, sellers definitely may need a solid plan of action to prepare. In a difficult market, where homes are selling quickly, talking with a Realtor® is key.

5. New Construction

There are a number of new home communities that are being built across the region. Working with an agent who has knowledge of the new construction market can also yield options for sellers.

5. Technology & Marketing Tools

There has never been a set of more powerful tools in an agent's arsenal to provide maximum exposure and reach for a seller's property. Predictive analytics, social media marketing, drones and the use of video and applications that allow buyers to see properties no matter where they are in the world. Tools like the [Down Payment Assistance Resource tool](#), where more than 80 % of listings in Canopy MLS qualify for some kind of downpayment assistance can be helpful to buyers, particularly first-time buyers. Realtors® can help sellers leverage these optimal selling conditions for a successful sale.

Advice for buyers in a highly competitive market

1. Get preapproval in place

Talk with a lender and shop for the best rate. By having preapproval in place, the buyer will understand how much they can comfortably borrow. This allows the buyer to see what they'll spend on principal and interest for the loan each month. (And realize that HOA dues may also be a requirement in some communities. Also pay attention to property taxes as well.)

2. Prepare for buyer competition

Limited inventory means once the buyer finds a home they would like to buy, they may not be the only one interested. And that means they'll need to prepare for multiple offer situations and a bidding war. Your Realtors'® most important role is as negotiator. So, making sure you're represented by an experienced real estate agent is key. Buyers should also exercise their options and be aware of tools like the [Down Payment Assistance Resource tool](#), where more than 80 % of listings in Canopy MLS qualify for some kind of downpayment assistance. This can be helpful to buyers, particularly first-time buyers.

3. Be creative with your offers

Increasing the earnest money, shows sellers the buyer is serious or perhaps consider covering seller costs. But talking with a Realtor® helps buyers come up with creative solutions to purchase. Realtors® are cautioning buyers regarding letters and videos to the seller, as this could cause some fair housing-related issues.

4. Be Flexible with your Move-in date

For example, if you're working with a seller who needs to move right away, be prepared to close quickly so they can be on their way sooner. OR -- Does the seller need a month or two—or six—to move out? If the buyer can be flexible and allow them to stay in their home for a while after closing (paying the buyer rent, of course), the seller may choose your offer over all the rest.

5. Don't give up the search

Because the market is so competitive buyer offers might be turned down – but giving up and not buying while rates are at historical lows could also cause you to pay more at some point in the future. So be flexible and first-time buyers should understand that the first home may not necessarily be the “dream home”. However owning real estate is always a sound investment that allows you to build wealth over the long term. The time it takes to sell a home has dropped significantly which means the seller's home is not on market as long as even a year ago. Don't forget we now have Down Payment Assistance Resource tool in the MLS, with 72% of listings qualify.

See also: [realtor.com outlook](#)

NAR: [2024 Forecast/Outlook](#)