March 2020

2020 Housing Market is Off to a Strong Start Despite Coronavirus Scares

Reprinted from February 2020 CRRA Monthly Indicators

As we progressed through February, the actual and expected impacts of COVID-19 continued to grow, with concerns of economic impact reaching the stock market in the last week of the month. As the stock market declined, so did mortgage rates, offering a bad news–good news situation. While short term declines in the stock market can sting, borrowers who lock in today’s low rates will benefit significantly in the long term.

New Listings were up in the Charlotte region by 2.2 percent to 4,688. Pending Sales increased 24.8 percent to 4,888. Inventory shrank 31.3 percent to 6,757. Prices moved higher as Median Sales Price was up 11.9 percent to $262,640. Months Supply of Homes for Sale was down 40.0 percent to 1.5, indicating that demand increased relative to supply.

The recently released January ShowingTime Showing Index® saw a 20.2 percent year over-year increase in showing traffic nationwide. All regions of the country were up double digits from the year before, with the Midwest Region up 15.7 percent and the West Region up 34.1 percent. As showing activity is a leading indicator for future home sales, the 2020 housing market is off to a strong start, though it will be important to watch the spread of COVID-19 and its potential impacts to the overall economy in the coming months.
The Vitals: A Look at Charlotte’s Overall Real Estate Market

- Closed Sales in Charlotte were up 3.4 percent last month, meaning that more buyers and sellers are closing on properties than at this time last year.

- February’s new listings were up in Charlotte, this time increasing 2.2 percent to 4,688 new homes entering the market.

- The inventory of homes for sale continues to decline, this month decreasing 31.3 percent.

- As always, this is big picture data provided for the entire Carolina MLS area. Micro-markets from neighborhood to neighborhood, and individual price ranges, may be seeing different results.

Monthly Market Snapshot

<table>
<thead>
<tr>
<th>Homes on Market</th>
<th>New Listings</th>
<th>DOM List to Close</th>
<th>Sold Listings</th>
<th>Average Sales Price</th>
</tr>
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<tbody>
<tr>
<td>6,757</td>
<td>4,688</td>
<td>99</td>
<td>3,144</td>
<td>$304,569</td>
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<tr>
<td>- 31.3%</td>
<td>+ 2.2%</td>
<td>- 6.6%</td>
<td>+ 3.6%</td>
<td>+ 9.0%</td>
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Top data represents the most recent month’s data for CMLS. Bottom data represents change in data since this time last year. Based on information from Canopy MLS for February 2019 through February 2020.
Spring Home Renovations with the Best Return on Investment

As the warm springtime weather approaches, it’s a great time to plan for home improvement projects that you can check off your list. When planning for home projects, it’s important to consider the possible return on investment. Whether you are planning to sell your house soon or not, there are certain improvements that will help your home’s value in the long run.

Spring is not only a great time to put your house on the market, but it’s also the perfect time to get outside and work on projects that you’ve been putting off during the colder months. According to CNBC, nine out of the top 10 leading investments for a home are outside. The site references specific exterior projects like garage door replacements, window replacements, new decking, and a new front door. Curb appeal scores big points with possible buyers as they look at your home’s exterior online or while driving by.

HomeAdvisor recently published a report on the top ten home improvements when considering ROI. The report references the average cost for the project compared to the average cost recouped. Things like improving attic insulation, adding stone veneer, and minor kitchen remodels all scored big with average cost recouped at 80% or higher.

Kitchen and bathroom remodels consistently score high in ROI and tend to be the more popular projects for homeowners to work on. Be cautious, though, as these projects also tend to be more personal from an aesthetics standpoint, says CNBC, which can sometimes hurt your resale value. The best approach is to stick with what’s on trend nationally, rather than personally, if you have plans to sell your home after the upgrade.

If a home resale is in your future plans, be sure to do your homework and research the local market before taking on your own project. Get an understanding of what local buyers are looking for specifically and how your home compares. How old is the roof? Is there a deck or patio? What are your neighbors updating? For how much are similar houses in the neighborhood selling? At Helen Adams Realty, we have a pulse on what’s hot in the market right now as well as a list of local vendors to help homeowners check things off their list of home projects.

As the housing market gets busy this spring and the weather starts to warm up, you may consider working on your home. Regardless of if you’re looking to sell, you’ll likely want to spend money on renovations that will get you the best return on investment at some point in the future and keep you home in tip-top shape. Every homeowner tackles home renovations sooner or later, so be sure that you are getting the best resale value once you are ready to put your home on the market.
Residential Closings for the Entire CMLS Area
February 2019 - February 2020

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