



# TALKING ABOUT LOCAL REAL ESTATE

NEWS & INFORMATION FROM

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If there was anything predictable about the first half of 2020, it was that nothing was predictable. The ill effects of the pandemic and ensuing economic decline, combined with ongoing political turmoil, resulted in an environment that was at best uncertain, and, at its worst, downright unsettling. Yet, to the surprise of many, the second quarter saw residential real estate flourish rather than falter.

“The housing market has been nothing short of remarkable,” says Ali Wolf, chief economist at Meyers Research. “The expectation was that housing would be crushed. It was—for about two months—and then it came roaring back.” In May, after two months of decline, the Pending Home Sales Index from the National Association of Realtors shot up 44.3%, and then went up 16.6% in June. **Median home prices now are up 6.2% nationally in 2020 versus 2019, and are projected to continue upward.**

Why? The key indicators seem to be pent-up demand and low inventory. Nearly two-thirds of consumers surveyed in June by Fannie Mae said it was a good time to buy a home, up 9% from May. Roughly 41% said it was a good time to sell. The lack of available homes has led to competition, with over 30% fewer homes on the market in July compared to 2019. This tight inventory means there simply are more buyers than sellers. And average mortgage rates have fallen to the lowest levels since 1971, encouraging buyers to enter the market even amid pandemic fears.

**For those thinking of selling, it's a time to weigh options. For buyers, be prepared to undertake a diligent search and move quickly, while taking advantage of favorable mortgage rates.** There are, unfortunately, no right answers these days, but we're all in this together. So, at CBK, we're ready to help in any way possible.

*Terri King*

**PRESIDENT, COLDWELL BANKER KING**



# SELECTED SIX-MONTH RESULTS

BUNCOMBE, HENDERSON, POLK, HAYWOOD & TRANSYLVANIA COUNTIES (COMBINED AVERAGES)

## THE LOCAL REAL ESTATE MARKET CONTINUES TO BE SURPRISINGLY ROBUST

After COVID-19 and the economic fall-out put the brakes on residential sales around WNC during March and April, activity throughout May and June was positive as motivated buyers and sellers returned. While low inventory worked to the advantage of sellers, buyers were energized by record low mortgage rates.

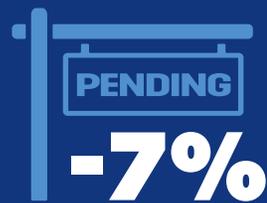


### CLOSED SALES:



As the effects of the pandemic and economic decline were felt in the first quarter, closings dropped significantly as projected. However, the surprise came in the second quarter when sales and closings began to rise. Anxious buyers, tight inventory and low mortgage rates generated momentum that hopefully will continue through at least the third quarter.

### PENDING SALES:



After the first-quarter chill, May and June saw a burst locally in pending contracts, echoing activity across the country as buyers returned to the market. The hope is this trend will continue at least through the third quarter unless health and economic issues deteriorate, and the political climate creates buyer anxiety.

### AVERAGE SALES PRICE:



The continued interest and strength of our market is evidenced by a steady rise in average sales prices. Despite the slowdown in the first quarter of 2020, prices have continued to rise as inventory has dropped, reflecting increased competition for available properties.

### NEW LISTINGS:



Potential sellers remain cautious as the impact of the pandemic continues. But increasing demand, as evidenced by pending contracts and closings, may encourage more listing activity to capitalize on competitive buyer interest. Continued increase in average sales prices also may prompt homeowners to consider listing options.

# SELECTED HIGHLIGHTS

## FROM RECENT REPORTS & SURVEYS:



Buyers remain active and are even moving quicker to purchases due to low inventory.



In July 2020, there was approximately 30% less inventory across the country than in 2019, which was a period of insufficient supply to meet demand.



Home prices continued to rebound and remain relatively stable.



The luxury home market has been surprisingly strong, with buyers and sellers reportedly driven by the desire for more space to meet work-at-home needs.

The fluid conditions affecting the current real estate market make it more important than ever to take advantage of local expertise and knowledge when choosing to buy or sell a home. The **dedicated agents** at Coldwell Banker King are always available to assist in any way possible.

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