

TheRedReport

Middle TN Home/Condo Sales Report
1st Quarter 2020 Issue

1st Qtr Closings vs 1st Qtr 2019 Closings: Closings up + 9% & Prices up + 9%



↑ 9% 1st Quarter 2020 vs 1st Quarter 2019 Closings (same quarter year ago comparison)

↓ 16% 1st Quarter 2020 vs 4th Quarter 2019 Closings (one quarter change)

↑ 9% Year to Date Closings - 2020 vs 2019

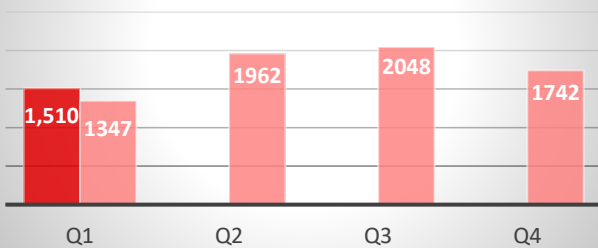
Total Inventories are **even/no change** for 1st Quarter 2020 verses 1st Quarter 2019.

YTD Closings 9% higher, Prices 9% higher & Inventories same as a year ago...

Year to Date: Total 4 counties closings up 9% 1st Qtr 2020 vs 1st Qtr 2019 Closings up 9%

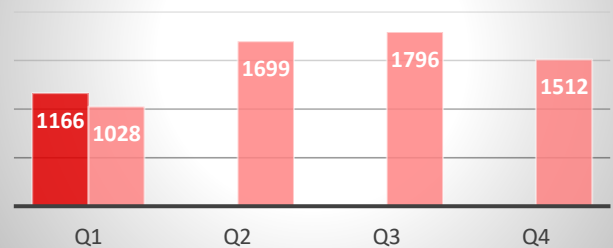
1st Qtr 2020 vs 1st Qtr 2019 Closed Prices are up 9%

RUTHERFORD CLOSINGS 2020 vs 2019



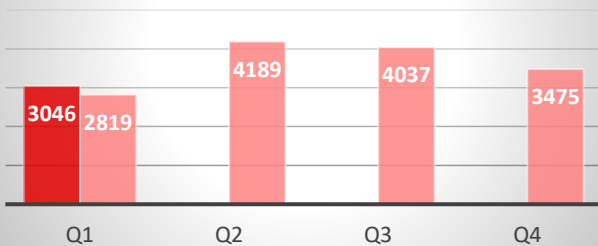
Rutherford Closings **↑ 11%**
Average Closed Prices **↑ 10%**
Average Sales Price \$293,873

WILLIAMSON CLOSINGS 2020 vs 2019



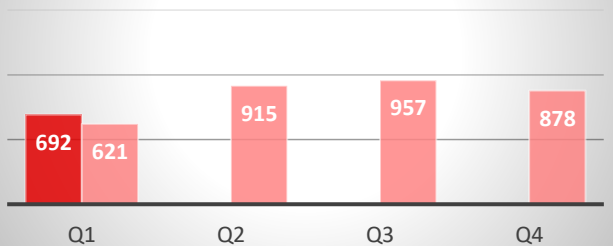
Williamson Closings **↑ 12%**
Average Closed Prices **↑ 4%**
Average Sales Price \$602,140

DAVIDSON CLOSINGS 2020 vs 2019



Davidson Closings **↑ 7%**
Average Closed Prices **↑ 13%**
Average Sales Price \$400,835

WILSON CLOSINGS 2020 vs 2019



Wilson Closings **↑ 11%**
Average Closed Prices **↑ 2%**
Average Sales Price \$345,884

Closings changes from 4th to 1st Quarter as expected seasonally...

1st Quarter is usually the lowest volume quarter of the year for closings as Winter wraps up, while pendings start increasing for the Spring season ahead.

One Quarter change from 4th Quarter 2019 to 1st Quarter 2020.

CLOSINGS

- Rutherford Closings down 13%
- Williamson Closings down 23%
- Davidson Closings down 12%
- Wilson Closings down 21%
- **Total 4 Counties are down 16%**

PENDINGS (# of contracts accepted)

- Rutherford Pendings increase 20%
- Williamson Pendings increase 21%
- Davidson Pendings increase 11%
- Wilson Pendings increase 25%
- **Total 4 Counties are 17% higher** (which is a seasonal increase as expected each year as Spring begins)

Back in time... Look at the price increases!

1st Quarter 2006 vs 1st Quarter 2020 YTD

- 2020 Closings 5% higher than 2006 and 9% higher than 2019.
- 2020 Average Closed Prices are 89% higher at \$406,269 & 9% higher than 2019.
- 2020 Inventories are 5% lower than 2006 & the same as 2019.

National News from NAR



Excerpts From National Report*....

(National Statistics are 30 days behind local reports)

- National home sales are 7.2% higher than a year ago.
- Prices are 8% above same period last year with a median home price of \$270,100
- Cash sales are at 20% of the buyers vs 22% a year ago.
- Distressed Sales are 2%, same as last year.
- Inventories: 9.8% less than year ago. 3.1 month supply vs 3,6 months a year ago.
- "I would attribute that(strong sales) to the incredibly low mortgage rates and the steady release of a sizeable pent-up housing demand that was built over recent years."

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The Red Forecast

We all assumed the first quarter would be higher than last year due to the higher than usual January and February increases that we saw this year, so that's no surprise, even if March closings had fallen off.

The question everyone wants to know is how did March of this year compare to March of last year so we can see if the real-estate market has started to see any decreases due to the coronavirus issues and fears. March closings of this year are close to March of last year with it being 1% higher than last March. Some will argue it should have been stronger with the January/February we had. My opinion is most of March closings were already booked in February before the panic/fears were ramped up so March closings probably weren't affected by the coronavirus or very minimal. It would be the end of April/May/June before we can see if the closing volumes are affected.

Since March closings wouldn't be affected, we searched the March Pendlings to see if we could see any buyer trends. March 2020 Pendlings are 7% lower than March 2019 Pendlings so some would argue the virus fears held off some buyers. Others would argue with the huge 34% increase in Pendlings for February, we had to see a correction in March, which makes sense to me based on the last 20 years of gathering data (whenever you see a crazy spike one way or the other that doesn't make sense, there is usually a correction).

But hold on, when you dig deeper to compare the last 7 days of March (24th-31st) vs March 17th-24th; sales picked back up with the last 7 days of March pendlings are 9% more than the previous 7 day period. Did buyers get over the initial panic or was the weather just better? (no way to know without surveying all those buyers).

Soooo, my opinion is it may be too early to see if the virus fears have caused a decrease in home sales. If I had to go off the data we have so far, I can't see that sales have been affected at all, but most would think that someone has to be fearful of buying under the current circumstances, so I may lean more towards the opinion that the market was really good and the virus fears may have just cooled it back to normal for March and we'll see how the next few months play out as we see how businesses are going to handle the Payroll Protection Program which I understand will pay companies to keep their employees through this to relieve the fears of job loss. You would still think fears would delay some sales, but maybe historical low mortgage rates with the government backing up payrolls is enough to keep homes selling in the near term of 2-3 months. Long term, most feel confident about home sales no matter what happens in the short term due to where we were before this pandemic.

Everything keeps changing daily and sometime hourly so I'll give my standard answer of "I have no idea" until things start to calm down for us to see what the new normal will be.

I do think once the virus numbers crest/fall off and we have vaccines/medications to control this virus, the economy will spring back with many lessons learned.

I'm sorry for a lengthy/complicated forecast, but I wanted to dig a little deeper with all the uncertainty to make sure we looked at several angles of what is going on in the past few weeks.

Thank you,



Steven Dotson
President



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