

Northeast Tennessee June, mid-year reports show strong home sales

Northeast Tennessee's housing market posted its 14th straight month of record year-over-year sales in June. Closings on single-family homes were up 19.4% in a market feeling the pinch of tight inventories.

Northeast Tennessee Association of Realtors president Marsha Stowell said June last year was the first month the local market recorded more than 500 closings. Last month's count was 106 higher. "That's a strong market, and the mid-year sales report is the icing on the cake. Sales during the first six months of this year are 20.5% better than the first six months of last year." The mid-year report is special because it offers a more reliable trend picture, she added.

The 11-county region monitored by the NETAR's Trends Report recorded 652 closing on single-family home sales in June. Year to date, closings totaled 2,916. That's the highest mid-year total since NETAR began collecting Trends Report data in 2008.

Closings on condominium sales lagged single-family closings in June but showed a solid increase year to date. There were 46 June closings compared to 53 last year. The year-to-date total is 226, up 17.1% from the first six months of last year.

The average sales price for homes was \$165,506 in June, up \$3,886 from last year. Stowell said the average price is underperforming the sales increase because most sales are in the \$200,000 and below and \$200,000 to 399,999 price range while the mid and upper-priced market segments have yet to reach last year's levels.

Year-to-date average price is 2.1% higher than it was last year and 3.8% better than it was before the recession. "The single-family and condo sales volume for properties listing on the local Multiple Listing Service so far this year is \$580.1 million," Stowell said. MLS sales account for about 80% of local residential property transactions.

Increased demand has also created a situation where sales are outpacing new listings. The area's active listing inventory is almost 16% lower than last year, and some local markets are seeing a much tighter situation – especially at the lower end of the market.

Improved consumer confidence in the local and national economies and very affordable affordability options are driving demand, Stowell said. "Mortgage rates are back in the record low range after the Brexit decision. While that has fired up the refinancing market buyers are also seizing the opportunity."

The average time on market for both homes and condos was down in June. It was 139 days for both products. The average home sold June last was on the market for 168 days and condos were on the market for 142 days.