

EXPERT ADVICE: UTAH ASSOCIATION OF REALTORS®

Despite COVID-19, Utah home sales increase nearly 2% in March while market shows promising signs

BY UTAH ASSOCIATION OF REALTORS

Utah Realtors participating in the UtahRealEstate.com The number of homes sold in Utah increased nearly 2% in March despite the COVID-19 outbreak. Utah Realtors sold 4,105 properties, up from the 4,036 sales during March 2019.

At the same time, the median sales price increased 10.5% to \$337,000, according to new data from the Utah Association of Realtors.

Prior to the coronavirus, Utah was on track to exceed last year's record-breaking home sales. In fact, first quarter homes sales are up more than 7%.

While the data does not show the full effect of COVID-19 since many pandemic shutdowns didn't occur until mid-March, the statistics reflect some of the impacts. Pending sales, which are the number of contracts signed to buy homes, fell 16%.

Similarly, national pending sales fell 16%, according to the National Association of Realtors.

"The housing market is temporarily grappling with the coronavirus-induced shutdown, which pulled down new listings and new contracts," said Lawrence Yun, NAR's chief economist, in a press release about U.S. pending sales. "As consumers become more accustomed to social distancing protocols, and with the economy slowly and safely reopening, listings and buying activity will resume, especially given the record low mortgage rates."

Promising signs

While the National Association of Realtors expects that home sales will fall this year due to the disruption of the spring home-buying season, there are many reasons for optimism in the market.

As Utah begins to reopen the economy, here are some of those promising signs:

- **Showings are increasing:** After many of the social distancing guidelines were implemented in mid-March, the number of real estate showings



dropped sharply. Since April 6, however, showings have steadily increased. On April 6, they were down nearly 11% from the first of the year. On April 29, showings were up 47%. That's the most showing activity all year.

- **People are signing contracts to buy homes:** Although the number of under-contract listings fell in March, they are now steadily rising. In fact, under-contract listings are not far behind last year. In the past seven days, there have been an average of 7,304 properties under contract. That's only 3% behind the 7,524 under-contracts last year.

- **Sellers are not reducing prices:** A new national survey, conducted April 26-27, shows sellers are holding firm on their prices even with the pandemic. More than three-quarters of Realtors said their clients have not reduced their asking prices to attract buyers.

- **Buyers say they plan to re-enter the market:** For buyers who have delayed their purchase because of COVID-19, many still plan to re-enter the market. Only 8% of Realtors reported they have clients who are no longer interested in buying, according to the national survey.

"Nearly 70% of Americans have secure employment and those interested in purchasing homes are looking at the enticing mortgage rates," Yun said in a press release about the survey data.

- **Utah's housing shortage is supporting home prices:** Even though some buyers decided to back out of the market in March, Utah's housing shortage has remained. At the end of the month, 11,282 properties were for sale — that's down 15% from last year. The housing shortage means home buyers shouldn't expect a big drop in home prices like in 2008.

"Although the pandemic continues to be a major disruption in regards to the timing of home sales, home prices have been holding up well," Yun said. "In fact, due to the ongoing housing shortage, home prices are likely to squeeze out a gain in 2020 to a new record high."

To learn more about the housing market trends and conditions in your own area, contact a local Realtor. Find one at [MyRealtorStory.com](https://www.MyRealtorStory.com). Also visit [MyRealtorStory.com](https://www.MyRealtorStory.com) for the latest information about buying or selling a home during the pandemic.