



HOUSING REPORT

SOUTHEAST MICHIGAN | 2017 YEAR END

Real
Estate
One®

Southeast Michigan

A Look Back at 2017

Our year in review

2017 brought with it tight and depleted inventory levels that limited buyer options. Inventories were lower than they have been in over 20 years.

Buyers worked hard to find move-in-ready homes. When premium quality homes hit the market, buyers often jumped on them quickly with offers above asking price. Many buyers learned the hard way and went through this cycle 3 or 4 times before realizing that missing out on their dream home was a bigger loss than paying an extra \$5k to ensure they got it.

While numbers varied by market area, price range and condition, in general, Southeast Michigan home values rose 6% in 2017.

Homes in the entry and mid-level price ranges generally sold faster and saw more of a value increase than upper-end homes.

In 2017, property condition had a significant impact on value. Homes that were in great condition sold quickly and for premium prices. Homes that were in sub-par condition took a long time to sell and sold for much

less. Sellers who said, "We'll let the buyer fix that", often paid a high price for that convenience. If the seller didn't want to fix it, chances are a buyer wouldn't want to either. Buyer wanted things done and were willing to pay premium prices when they were.

In the past few years, there has been a market shift with shrinking low-end markets and expanding numbers of upper-end listings. A large factor contributing to the shrinking number of entry-level listings is that in most market areas the distressed inventories left over from the recession are gone.

As values rise, upper-end markets have been growing faster than the demand—the number of buyers who can afford them. Since 2011, home values have risen 48% while incomes rose only 15%. As a result upper-end homes generally took longer to sell and their appreciation rates have been slowing compared to middle and entry-level markets. The 2017 exception to this rule was that there was a shortage of high-end homes in extraordinary condition. Those homes often sold fast and for premium prices.

Regional Distribution of Sales

Sometimes it's just interesting to see what's going on in the markets surrounding us. While Wayne County led with 35% of the regional homes sold, just behind was Oakland County with 33% of the sales—but a whopping \$5 billion (45%) of the sales volume.

Oakland County had the highest average sale price of \$292k (\$150/sf), followed by Livingston County with an average price of \$278k (\$142/sf) and then Macomb County with \$234 (\$115/sf).

2017 Single Family Sales				
County	Units	Avg Sale \$	\$/SF	\$ Volume
Combined SEMI	51,373	\$216k	\$126	\$11.1 B
	-1%	6%	6%	5%
Oakland	17,215	\$292k	\$150	\$5.0 B
	-2%	7%	6%	5%
Wayne	17,772	\$156k	\$103	\$2.8 B
	4%	5%	7%	9%
Macomb	11,271	\$234k	\$115	\$2.1 B
	5%	21%	8%	0%
Livingston	2,879	\$278k	\$142	\$0.8 B
	-4%	5%	5%	1%
St. Clair	2,236	\$162k	\$100	\$0.4 B
	-4%	8%	8%	4%



Southeast Michigan

What to Expect in 2018?

A peak at the upcoming year.

1. Tight inventory levels

The shrinking inventory levels that we've seen over the past few years will continue through 2018. Southeast Michigan (SEMI) inventory levels were typically 15% to 20% lower in 2017 than they were in 2016. Heading into 2018, January 1st inventory was down by 11% compared to last year. While record-low inventory levels cannot continue forever, expect them to be tight as we move through the year.

2. Sales will drop slightly

Despite significantly lower inventories in 2017, the number of SEMI sales was only down 1%. The same depleted inventory issues that bottle-necked sales in 2017 will likely continue to do so in 2018, despite relatively strong demand.

3. Strong buyer demand

Demand will remain strong as record numbers of millennial buyers look for their first homes this year. Many have waited a few extra years as they paid down their student loans, but millennial buyers are now the largest demographic segment of purchasers. Many buyers who didn't find what they were looking for in 2017 will also be giving it another shot this year.

4. Rising interest rates

Experts have been predicting rising interest rates for years. In the Fall of 2017, those predictions finally began to play out. Rates are expected to continue to rise in 2018.

Because most buyers finance their home with mortgages, the amount a typical buyer can afford to spend is limited more directly by their monthly payment than by the price. A small shift in interest may be equivalent to a significant increase in price.

5. Continued but slowing price appreciation

Continued strong demand combined with limited inventory levels will continue to elevate prices. Rising

interest rates and depleted inventory quality, however, will counteract that demand and may slow price growth.

6. Higher-priced home sales will slow

Home prices have been rising faster than income levels. In recent years, more homes than buyers have moved from the upper-middle price ranges into the luxury price markets. While there is still demand for very nice high-end homes, in 2017, those homes often took two or three times as long to sell and appreciation rates were much lower. Instead of 6% price growth, upper-end homes were typically flat or slightly negative.

7. Condition will be key

Across all price ranges and markets, well-maintained and premium quality homes will continue to sell quickly with multiple offers. Homes in sub-par condition will continue to sell for less and take longer to move.

Opportunities

Both potential buyers and sellers will do well to get an early start in 2018.

Buyers: This year, rising interest rates coupled with the expected imbalance of supply and demand tip the scale further toward getting an early start. Most new buyers face a learning curve as they get familiar with available listings and their financing. By starting early, buyers will get through their learning curve early and be ahead of their competition when some of the prime listings hit the market early in the season.

Sellers: Rising interest rates affect both buyers and sellers. Paying more interest takes a bite out of how much buyers can afford to pay for their homes. This reduces the seller's bottom line. Sellers who get an early start this year will ensure exposure to the biggest mass of early hungry buyers and reduce that risk of catching a flatter late-season market if interest rates do cool it down.



Combined Southeast Region

Single Family Homes

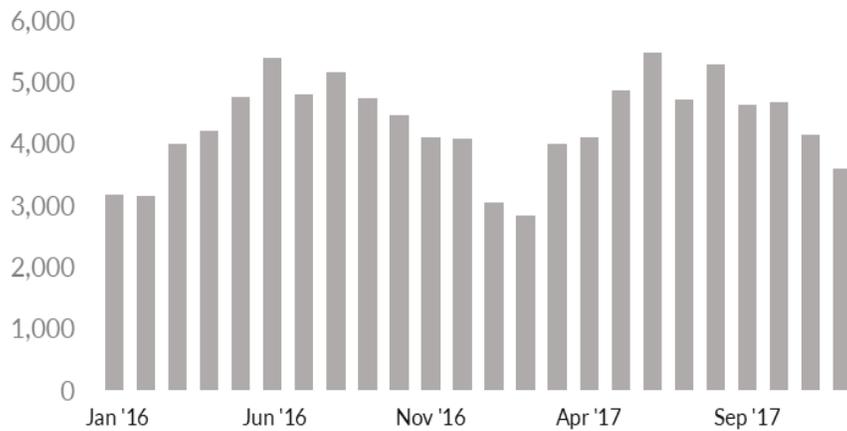
8,787
JAN. 1ST INVENTORY
-11% from last year

51,373
2017 CLOSED SALES
-1% from last year

\$216K
2017 AVG SALE PRICE
+6% from last year

\$11B
DOLLAR VOLUME
+5% from last year

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	9,885	14,451	14,622	12,415	51,373
		-4%	1%	-1%	-2%	-1%
	\$/SF	\$117	\$128	\$130	\$126	\$126
		7%	7%	6%	6%	6%
	Avg Sale Price	\$197K	\$224K	\$223K	\$214K	\$216K
		6%	7%	5%	5%	6%
\$10-200k	Units	6145	7739	7958	7043	28885
		-9%	-7%	-5%	-8%	-7%
	\$/SF	\$84	\$91	\$95	\$92	\$91
		6%	5%	7%	8%	6%
\$200-400k	Units	2930	5146	5081	4196	17353
		5%	7%	2%	7%	5%
	\$/SF	\$130	\$137	\$138	\$136	\$136
		4%	5%	5%	5%	5%
\$400-800k	Units	715	1382	1423	1061	4581
		12%	21%	22%	11%	17%
	\$/SF	\$161	\$165	\$166	\$164	\$165
		1%	1%	2%	0%	1%
\$800k+	Units	95	184	160	115	554
		4%	45%	-4%	-11%	31%
	\$/SF	\$251	\$255	\$254	\$261	\$255
		2%	-6%	1%	-1%	-1%

Summary

Despite tight inventories through the year, values were up in 2017. Both average sale price and closed price per square foot were up 6%.

With 51,373 homes sold and over \$11 billion in sales, units were just below even, but dollar volume was up 5% compared to 2016.

The combination of limited inventory with rising prices and rising interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)



Oakland County

Single Family Homes

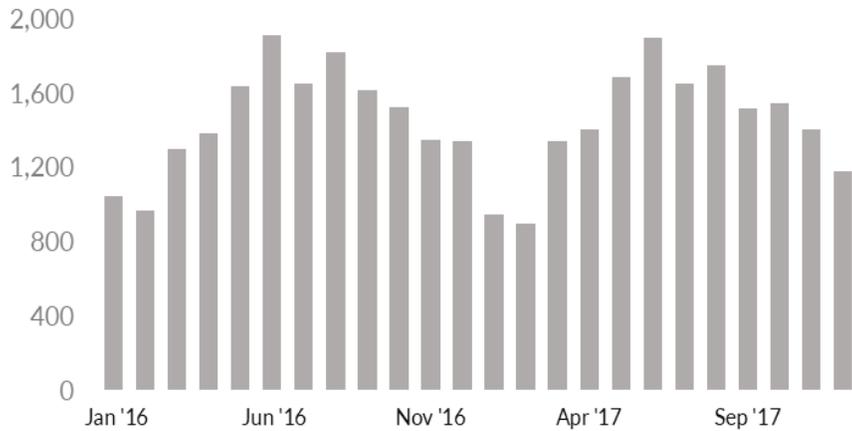
2,839
JAN. 1ST INVENTORY
-11% from last year

17,215
2017 CLOSED SALES
-2% from last year

\$292K
2017 AVG SALE PRICE
+7% from last year

\$5.0B
DOLLAR VOLUME
+5% from last year

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	3,183	4,988	4,916	4,128	17,215
		-4%	1%	-3%	-2%	-2%
	\$/SF	\$143	\$152	\$153	\$149	\$150
		7%	6%	6%	4%	6%
\$10-200k	Avg Sale Price	\$275K	\$302K	\$299K	\$286K	\$359K
		7%	9%	7%	4%	6%
	Units	1341	1672	1687	1509	6209
		-16%	-15%	-14%	-16%	-15%
\$200-400k	\$/SF	\$104	\$111	\$115	\$113	\$111
		10%	6%	8%	8%	8%
	Units	1302	2309	2244	1889	7744
		7%	8%	-1%	9%	5%
\$400-800k	\$/SF	\$137	\$144	\$146	\$144	\$143
		4%	4%	6%	5%	5%
	Units	468	866	863	646	2843
		13%	19%	22%	11%	17%
\$800k+	\$/SF	\$167	\$169	\$171	\$169	\$169
		2%	1%	2%	0%	1%
	Units	72	141	122	84	419
		-3%	47%	-5%	-17%	5%
\$800k+	\$/SF	\$270	\$266	\$269	\$275	\$269
		5%	-9%	1%	-1%	-1%

Summary

Home prices continue to rise. The \$359k average sale price in 2017 was up 7% compared to the prior year and sold price per square foot was up 6%. Entry and mid-level markets experienced most of the appreciation. Upper-end markets were flat.

Although inventory levels through 2017 averaged 20% lower than the previous year, the number of homes sold in 2017 was only down 2%.

The combination of limited inventory with rising prices and rising interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year. (Year-Over-Year)



2017 YEAR END
HOUSING REPORT

Macomb County

Single Family Homes

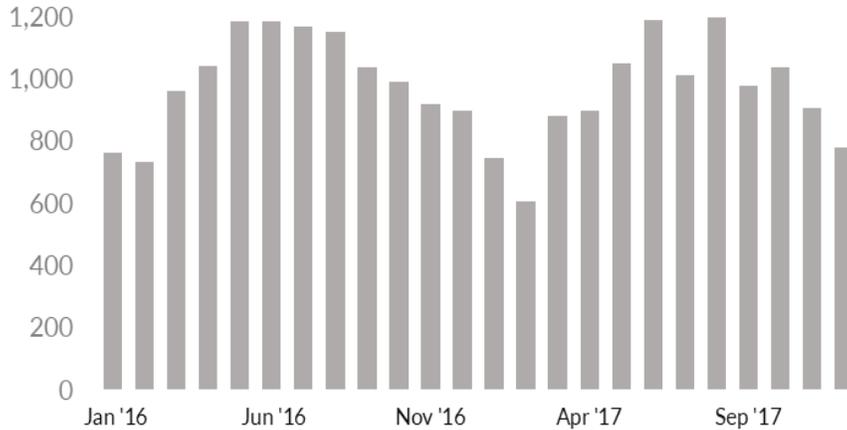
1,554
JAN. 1ST INVENTORY
-14% from last year

11,271
2017 CLOSED SALES
-5% from last year

\$188K
2017 AVG SALE PRICE
+7% from last year

\$2.1B
DOLLAR VOLUME
+9% from last year

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	2,228	3,137	3,186	2,720	11,271
		-9%	-8%	-5%	-3%	-5%
	\$/SF	\$107	\$116	\$118	\$115	\$115
		8%	9%	7%	7%	8%
	Avg Sale Price	\$174K	\$194K	\$192K	\$187K	\$234K
		9%	9%	5%	5%	6%
\$10-125k	Units	790	862	852	791	3295
		-23%	-27%	-20%	-16%	-22%
	\$/SF	\$69	\$70	\$74	\$73	\$72
		10%	3%	6%	9%	7%
\$125-225k	Units	865	1296	1371	1147	4679
		0%	3%	1%	2%	2%
	\$/SF	\$112	\$117	\$119	\$118	\$117
		6%	7%	6%	6%	6%
\$225-400k	Units	494	826	805	676	2801
		0%	-4%	1%	6%	0%
	\$/SF	\$125	\$129	\$129	\$128	\$128
		6%	6%	5%	4%	5%
\$400k+	Units	79	153	158	106	496
		11%	39%	20%	2%	19%
	\$/SF	\$137	\$155	\$151	\$149	\$149
		-6%	5%	3%	0%	1%

Summary

Home prices continue to rise. The \$188k average sale price in 2017 was up 7% compared to the prior year and sold price per square foot was up 8%. Appreciation levels were flat for upper-end homes priced over \$400k.

Despite steady demand through 2017, the lack of available listings cause the number of sales to fall off 5% from the prior year.

The combination of limited inventory with rising prices and rising interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)



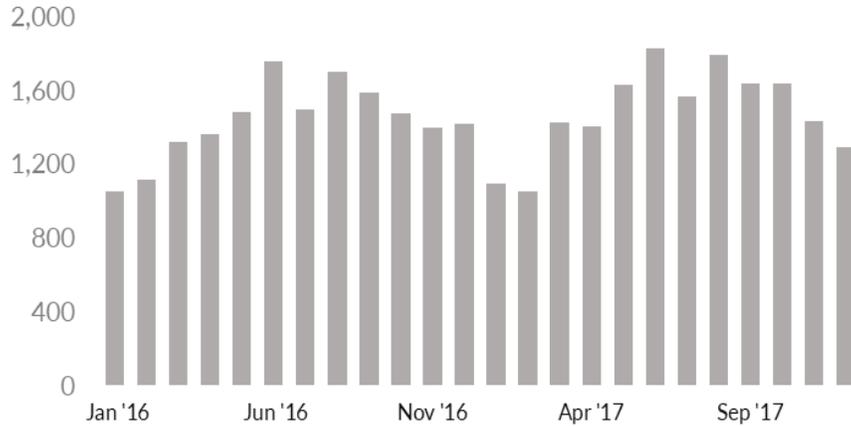
2017 YEAR END
HOUSING REPORT

Wayne County

Single Family Homes



Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	3,571	4,854	4,991	4,356	17,772
		2%	6%	5%	2%	4%
	\$/SF	\$93	\$105	\$109	\$104	\$103
		5%	5%	8%	10%	7%
	Avg Sale Price	\$139K	\$160K	\$166K	\$155K	\$156K
		4%	2%	7%	8%	5%
	\$10-100k	Units	1695	1844	1749	1679
		-3%	-3%	-8%	-13%	-7%
	\$/SF	\$46	\$46	\$49	\$49	\$47
		1%	-2%	3%	8%	2%
\$100-200k	Units	1115	1665	1819	1584	6183
		5%	14%	13%	15%	12%
	\$/SF	\$101	\$107	\$108	\$106	\$106
		4%	3%	4%	4%	4%
\$200-400k	Units	618	1080	1107	869	3674
		10%	9%	9%	9%	9%
	\$/SF	\$124	\$133	\$134	\$131	\$131
		2%	5%	6%	4%	4%
\$400k+	Units	143	265	316	224	948
		12%	14%	27%	17%	18%
	\$/SF	\$165	\$168	\$171	\$170	\$169
		2%	2%	4%	5%	3%

Summary

Values continue to rise. The \$156k average sale price in 2017 was up 5% compared to the prior year and sold price per square foot was up 7%.

Despite tight 2017 inventory levels, the number of Wayne County homes sold (17,772) was up 4% from 2016.

The combination of limited inventory with rising prices and rising interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)



2017 YEAR END
HOUSING REPORT

Detroit

Single Family Homes

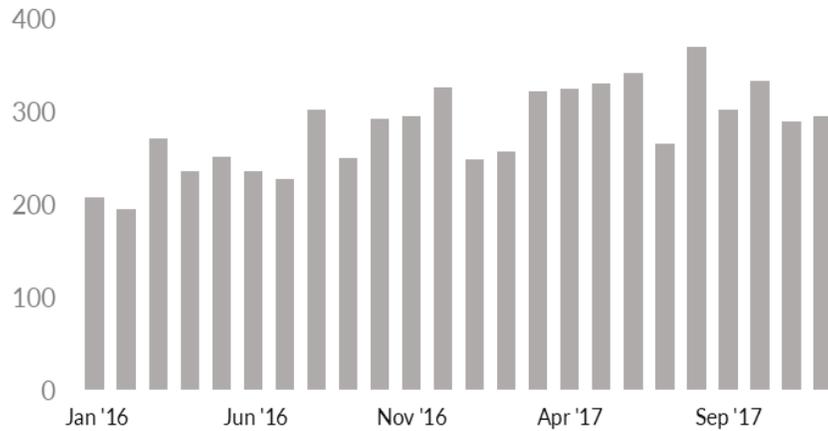
1,590
JAN. 1ST INVENTORY
+11% from last year

3,676
2017 CLOSED SALES
+19% from last year

\$51K
2017 AVG SALE PRICE
+16% from last year

\$185M
DOLLAR VOLUME
+38% from last year

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	827	995	937	917	3,676
		23%	38%	20%	1%	19%
	\$/SF	\$33	\$35	\$42	\$41	\$38
		14%	17%	22%	23%	19%
	Avg Sale Price	\$44K	\$47K	\$57K	\$55K	\$51K
		12%	11%	19%	20%	16%
\$5-30k	Units	488	586	451	473	1998
		9%	25%	-6%	-18%	1%
	\$/SF	\$14	\$16	\$16	\$16	\$15
		10%	13%	13%	15%	12%
\$30-100k	Units	262	312	378	317	1269
		57%	58%	77%	25%	53%
	\$/SF	\$36	\$37	\$38	\$38	\$37
		3%	9%	6%	13%	8%
\$100-200k	Units	52	60	61	82	255
		33%	161%	11%	100%	61%
	\$/SF	\$63	\$69	\$68	\$70	\$68
		12%	20%	7%	15%	13%
\$200k+	Units	25	37	47	45	154
		32%	16%	47%	15%	26%
	\$/SF	\$90	\$93	\$107	\$94	\$97
		15%	11%	16%	-9%	6%

Summary

Both sales and values continue to rise as more quality homes become available in Detroit.

The \$51k average sale price in 2017 was 16% higher than the prior year. Sold price per square foot was up 19%.

The number of homes sold was also up 19%. Demand remains higher than supply. The Detroit market and values will continue to grow as developers and rehabbers release more quality inventory.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)

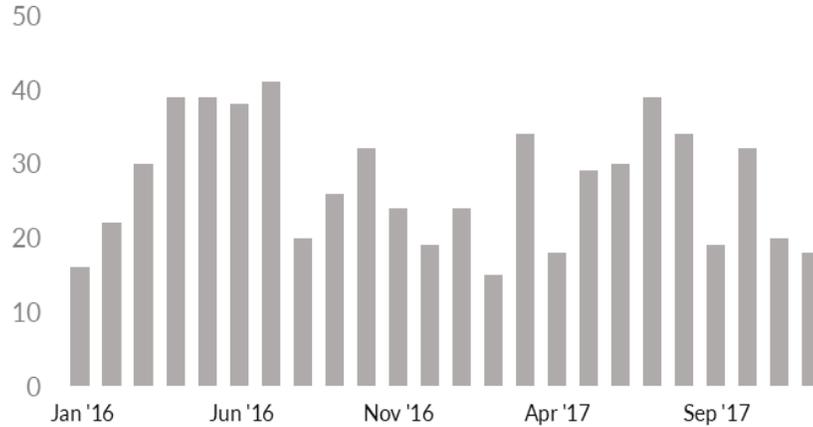


2017 YEAR END
HOUSING REPORT

Detroit

Condo/Loft

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	73	77	92	70	312
		7%	-34%	6%	-7%	-10%
	\$/SF	\$178	\$122	\$180	\$177	\$161
		36%	-5%	1%	4%	8%
	Avg Sale Price	\$196K	\$215K	\$235K	\$249K	\$224K
		38%	3%	-1%	18%	10%
\$5-75k	Units	15	16	17	7	55
		-29%	-38%	-19%	-53%	-34%
	\$/SF	\$52	\$10	\$58	\$62	\$27
		35%	-22%	17%	36%	2%
\$75-200k	Units	29	26	28	14	97
		-3%	-19%	47%	-48%	-10%
	\$/SF	\$132	\$116	\$125	\$86	\$117
		3%	-14%	-17%	-29%	-11%
\$200-350k	Units	22	24	27	34	107
		57%	-38%	-4%	48%	3%
	\$/SF	\$221	\$211	\$194	\$186	\$200
		13%	6%	-9%	-12%	-2%
\$350k+	Units	7	11	20	15	53
		133%	-42%	5%	50%	4%
	\$/SF	\$319	\$344	\$272	\$254	\$287
		47%	39%	21%	-8%	18%

Summary

Detroit Condo/Loft values continue to rise. The \$224k average sale price in 2017 was up 10% compared to the prior year and sold price per square foot was up 8%. The high-end (over-\$350k) market had an 18% increase in price per square foot in 2017.

Inventory levels have been growing, but as prices rise, investors are releasing units of sub-par quality and expecting premium prices.

Despite growing inventory levels, there remains a shortage of quality units. Developers are working to take advantage of the supply shortage.

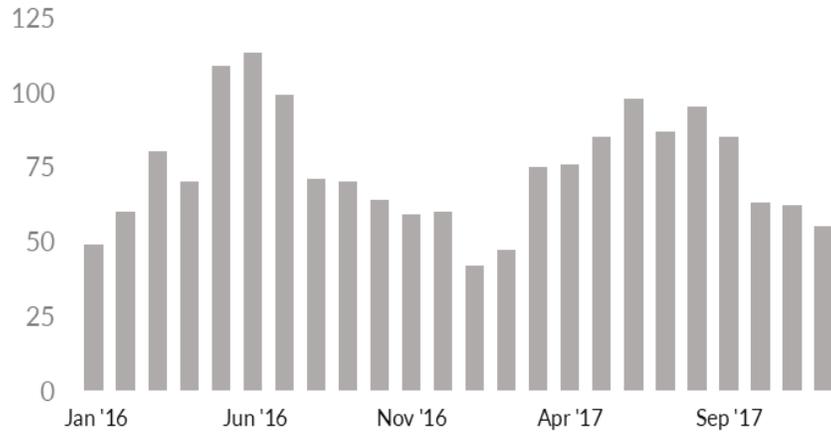
Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)



Grosse Pointe

Single Family Homes

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	164	259	267	180	870
		-13%	-11%	11%	-2%	-4%
	\$/SF	\$143	\$159	\$159	\$160	\$156
		1%	11%	14%	14%	10%
\$10-200k	Avg Sale Price	\$328K	\$361K	\$341K	\$393K	\$355K
		6%	10%	6%	31%	12%
	Units	61	52	58	40	211
		-12%	-29%	-3%	-30%	-19%
\$200-350k	\$/SF	\$120	\$122	\$125	\$122	\$122
		6%	13%	16%	10%	11%
	Units	58	106	113	69	346
		-16%	-18%	7%	-13%	-10%
\$350-700k	\$/SF	\$137	\$149	\$154	\$143	\$147
		6%	9%	11%	6%	9%
	Units	35	86	80	54	255
		-13%	25%	19%	32%	18%
\$700k+	\$/SF	\$150	\$157	\$161	\$154	\$157
		6%	3%	10%	-2%	5%
	Units	10	15	16	17	58
		-9%	-25%	129%	183%	32%
\$700k+	\$/SF	\$167	\$223	\$205	\$219	\$204
		-23%	29%	5%	25%	9%

Summary

Grosse Pointe values rose sharply in 2017. The \$355k average sale price in 2017 was up 12% compared to the prior year and sold price per square foot was up 10%.

Inventory levels have been tight the past two years. Lack of buyer options caused a 4% drop in sales last year. Inventory will continue to be low through 2018.

The combination of limited inventory with rising prices and rising interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)



Downriver

Single Family Homes

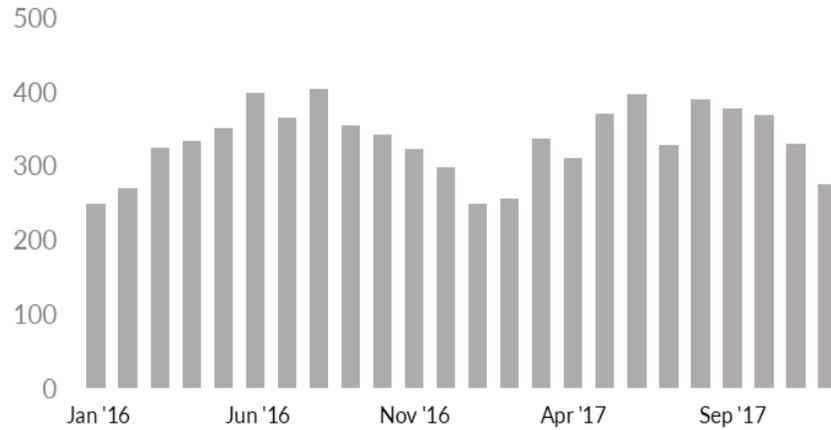
Closed Sales

631
JAN. 1ST INVENTORY
-14% from last year

3,985
2017 CLOSED SALES
-1% from last year

\$127K
2017 AVG SALE PRICE
+11% from last year

\$504M
DOLLAR VOLUME
+10% from last year



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	840	1,077	1,096	972	3,985
		0%	-1%	-2%	1%	-1%
	\$/SF	\$83	\$93	\$97	\$97	\$93
		6%	10%	8%	14%	10%
Avg Sale Price		\$111K	\$128K	\$133K	\$132K	\$127K
		9%	11%	9%	14%	11%
\$10-75k	Units	285	243	217	214	959
		-15%	-30%	-33%	-29%	-27%
\$/SF		\$48	\$51	\$50	\$54	\$50
		5%	7%	2%	13%	6%
\$75-125k	Units	295	379	365	340	1379
		2%	-1%	-6%	4%	0%
\$/SF		\$84	\$86	\$88	\$88	\$87
		6%	4%	4%	8%	5%
\$125-250k	Units	207	378	428	339	1352
		8%	28%	27%	24%	23%
\$/SF		\$99	\$106	\$108	\$107	\$106
		-1%	4%	4%	6%	4%
\$250k+	Units	53	77	86	79	295
		89%	28%	12%	36%	32%
\$/SF		\$112	\$126	\$128	\$135	\$126
		-12%	-2%	-1%	6%	-2%

Summary

Values continue to rise. The \$127k average sale price in 2017 was up 11% compared to the prior year and sold price per square foot was up 10%.

Despite tight 2017 inventory levels, Downriver sales were only down 1% from 2016.

The combination of limited inventory with rising prices and interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)

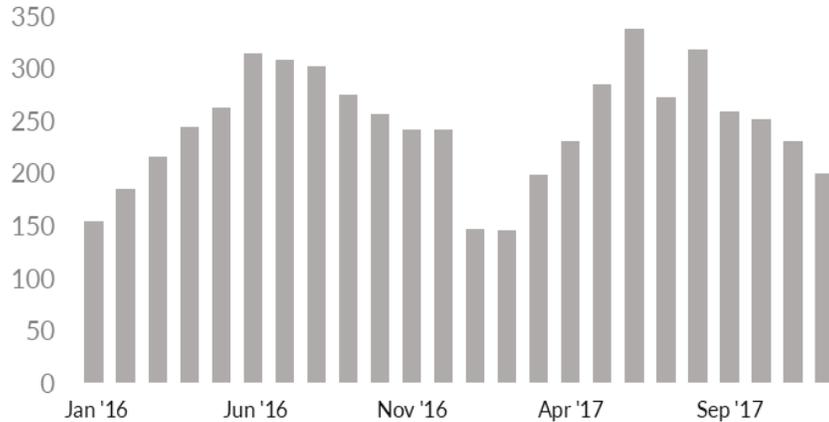


2017 YEAR END
HOUSING REPORT

Livingston County

Single Family Homes

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	492	854	850	683	2879
		-11%	4%	-4%	-8%	-4%
	\$/SF	\$133	\$143	\$144	\$143	\$142
		6%	6%	4%	4%	5%
	Avg Sale Price	\$255K	\$284K	\$276K	\$291K	\$278K
		7%	7%	2%	6%	5%
	\$10-200k	Units	167	182	219	158
		-24%	-33%	-17%	-27%	-25%
	\$/SF	\$110	\$119	\$121	\$114	\$116
		10%	7%	6%	4%	7%
\$200-300k	Units	199	387	353	277	1216
		-9%	22%	-1%	-5%	3%
	\$/SF	\$129	\$136	\$138	\$134	\$135
		5%	4%	5%	4%	5%
\$300-500k	Units	109	238	236	205	788
		9%	25%	4%	10%	12%
	\$/SF	\$143	\$149	\$151	\$152	\$150
		2%	5%	1%	4%	3%
\$500k+	Units	17	47	42	43	149
		0%	12%	8%	-2%	5%
	\$/SF	\$196	\$186	\$186	\$188	\$188
		2%	-1%	-1%	-9%	-3%

Summary

Depleted inventories limited buyer options and restricted 2017 sales activity. Values, however, rose 5% compared to the prior year.

Through the year, inventory levels were typically down 20%. Despite the significant shortage of inventory, the number of homes sold was only off 4%.

While the number of upper-end (over-\$500k) sales was up, higher-end values were flat. Price per square foot actually dropped.

Expect limited inventory with rising prices and rising interest rates in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)

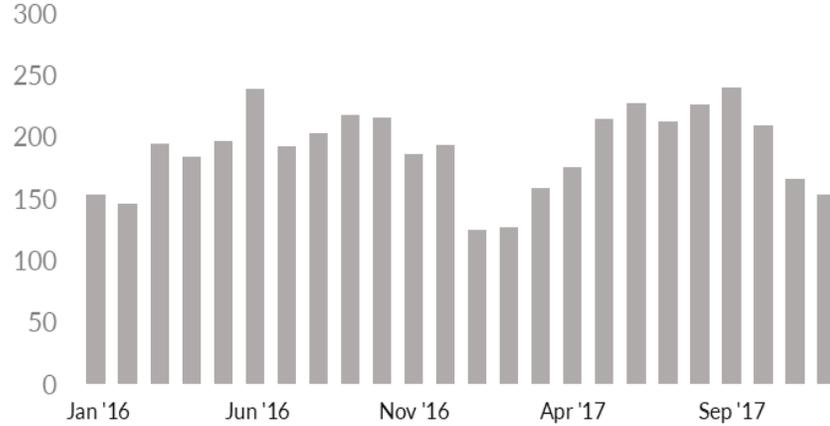


2017 YEAR END
HOUSING REPORT

St. Clair County

Single Family Homes

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	411	618	679	528	2,236
		-17%	0%	11%	-11%	-4%
	\$/SF	\$90	\$100	\$102	\$102	\$100
		9%	8%	5%	9%	8%
	Avg Sale Price	\$145K	\$163K	\$164K	\$173K	\$162K
		10%	7%	1%	13%	8%
\$10-100k	Units	145	186	189	122	642
		-30%	-2%	5%	-33%	-15%
	\$/SF	\$45	\$51	\$55	\$54	\$51
		-4%	1%	16%	9%	5%
\$100-200k	Units	176	254	304	254	988
		-12%	-8%	18%	-6%	-1%
	\$/SF	\$96	\$97	\$100	\$97	\$98
		9%	3%	7%	4%	6%
\$200-400k	Units	81	158	169	135	543
		-4%	7%	6%	2%	4%
	\$/SF	\$117	\$121	\$125	\$122	\$122
		-1%	5%	3%	1%	2%
\$400k+	Units	9	20	17	17	63
		125%	300%	0%	31%	62%
	\$/SF	\$147	\$184	\$161	\$152	\$163
		-6%	-2%	-9%	4%	-2%

Summary

While buyers had to look harder to find what they were looking for, values rose an average of 8% in 2017.

Inventory levels were typically down 25% compared to the prior year. Despite the listing shortages, sales for the year were off only 4%.

While the number of over-\$400k sales more than doubled in 2017, price per square for those high-end sales fell 2%.

The combination of limited inventory with rising prices and rising interest rates will provide an incentive for buyers to purchase early in 2018.

Data Source: Realcomp MLS using Great Lakes Repository Data.
Percent changes are compared to the same period last year. (Year-Over-Year)

