

HOUSING REPORT

SOUTHEAST MICHIGAN | MARCH 2018



Real
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Southeast Michigan

Low Inventories Drive Prices Up

Demand for quality homes remains strong, and the February average sale price was 8% above that of a year ago. Closed sales, however, have dropped in 5 out of the last 6 months—in part due to seasonality, and because of depleted inventory levels. Initial March inventory levels in the 5 counties that make up the Southeast Region were down 6% from the previous month and 13% compared to a year ago.

March 1st Available Inventory		
	2017	2018
5 County Areas		
Combined	8815	7711
Oakland	2910	2472
Macomb	1695	1347
Wayne	3407	3095
Livingston	503	410
St Clair	519	387

While February inventory, closed sales and new pendings were down, average sale price and price per square foot were up 8% and 9% respectively. Buyers, many who didn't find what they were looking for last year, want to buy, but a shortage of available properties is restricting sales. Low inventory levels are common throughout the country.

It is remarkable, and proof of healthy demand, that sales have been as strong as they have been despite inventory shortages that have been going on for years. The March 1st inventory is 39% lower than it was two years ago, yet closed units are just down slightly.

The current combination of rising prices and rising interest rates are providing a one-two punch to

affordability. Since most buyers qualify based on the monthly payment they can afford, rising interest rates have a negative effect in that as interest rates rise, the extra interest paid leaves less for principal and lowers the amount the buyer can borrow. Higher interest rates also lessen selling prices for sellers and hit many of them twice because most sellers also become buyers when they obtain their replacement homes.

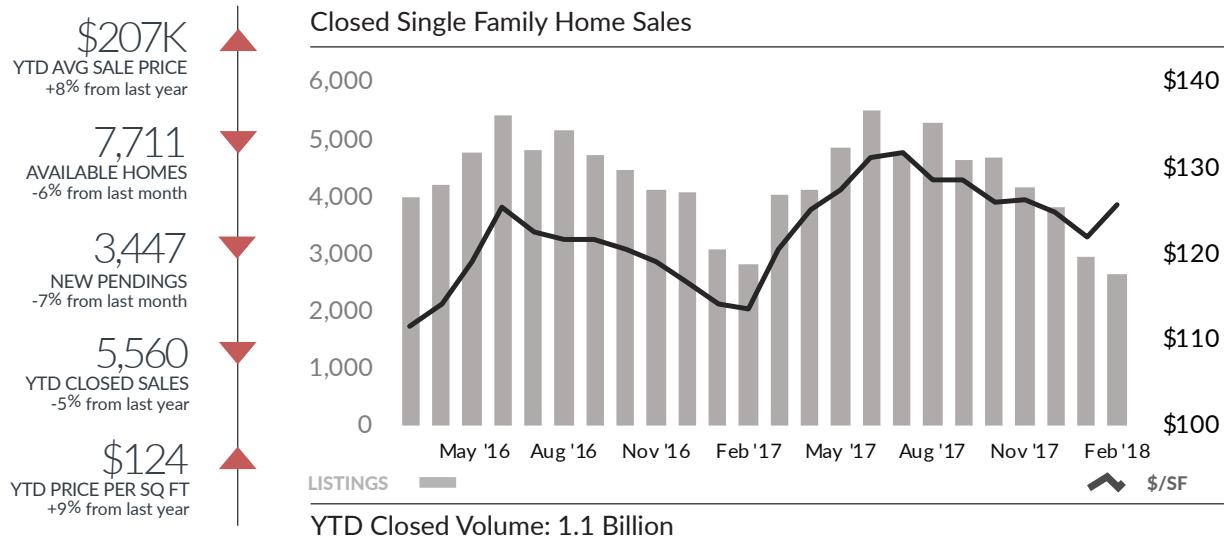
Both buyers and sellers who plan to be involved in the 2018 real estate market should do what they can to get an early start. Engaging early will help buyers get through the "learning curve" of securing financing and becoming familiar with the inventory in time to grab one of the early prime-catch listings before buyer competition heats up. Early buyers will also be able to afford more home by beating both price increases and rising interest rates.

Sellers who engage early this year will maximize their opportunity to expose their homes to the greatest mass of buyers and will have a chance to sell before rising interest rates take a bite out of their equity/profits. Those (most) sellers who will also be buying a replacement home will gain the early buyer advantages on that buy side of their transaction.

Over time, rising interest rates and depleted inventories may cool down what is expected to be a strong 2018 market. Both buyers and sellers who get an early start this year will come out ahead.

Southeast Michigan

Summary



Inventory levels continue to fall and restrict sales. March 1st inventory was down 6% compared to the prior month and 13% compared to a year ago (39% lower than two years ago). The lack of supply has been causing both closed sales and new pendings to drop while steady demand has been pushing prices up. The average sale price was up 8% and price per square foot was up 9% compared to last year. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. Increasing rates will provide an incentive for both buyers and sellers to make an early move in 2018.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	7711	-6%	3447	-7%	2.2	1%
\$10k - 200k	3517	-12%	1933	-12%	1.8	0%
\$200k - 400k	2024	-4%	1143	0%	1.8	-4%
\$400k - 800k	1636	2%	330	4%	5.0	-2%
\$800k +	534	0%	41	-2%	13.0	3%

YTD Closed Activity

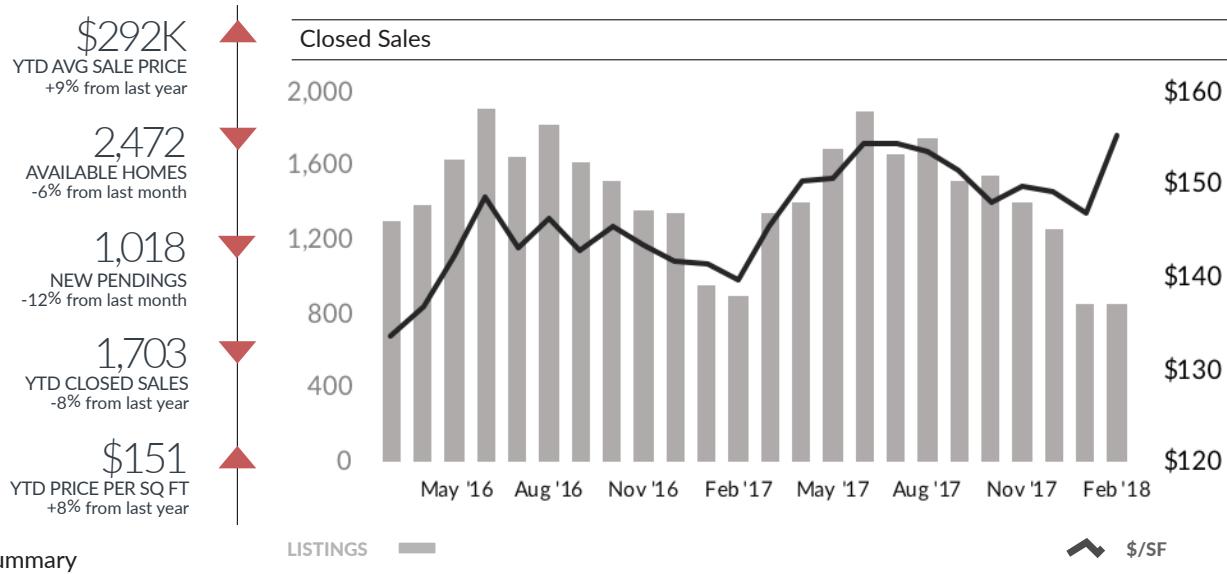
	YTD Closed	Change	YTD \$/SF	Change
All	5560	-5%	\$124	9%
\$10k - 200k	3347	-11%	\$89	7%
\$200k - 400k	1700	3%	\$136	6%
\$400k - 800k	453	12%	\$163	2%
\$800k +	60	9%	\$274	12%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed price per square foot.



Oakland County

Single Family Homes



Summary

Inventory levels continue to fall and restrict sales. March 1st inventory was down 6% compared to the prior month and 15% compared to a year ago. The lack of supply has been causing both closed sales and new pendings to drop while growing demand is pushing prices up. The average sale price was up 9% and price per square foot was up 8% compared to last year. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. Increasing rates will provide an incentive for both buyers and sellers to make their moves early in 2018.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	2472	-6%	1018	-12%	2.4	7%
\$10k - 200k	400	-20%	303	-29%	1.3	13%
\$200k - 400k	765	-7%	475	-4%	1.6	-3%
\$400k - 800k	915	1%	210	4%	4.4	-3%
\$800k +	392	1%	30	-12%	13.1	14%

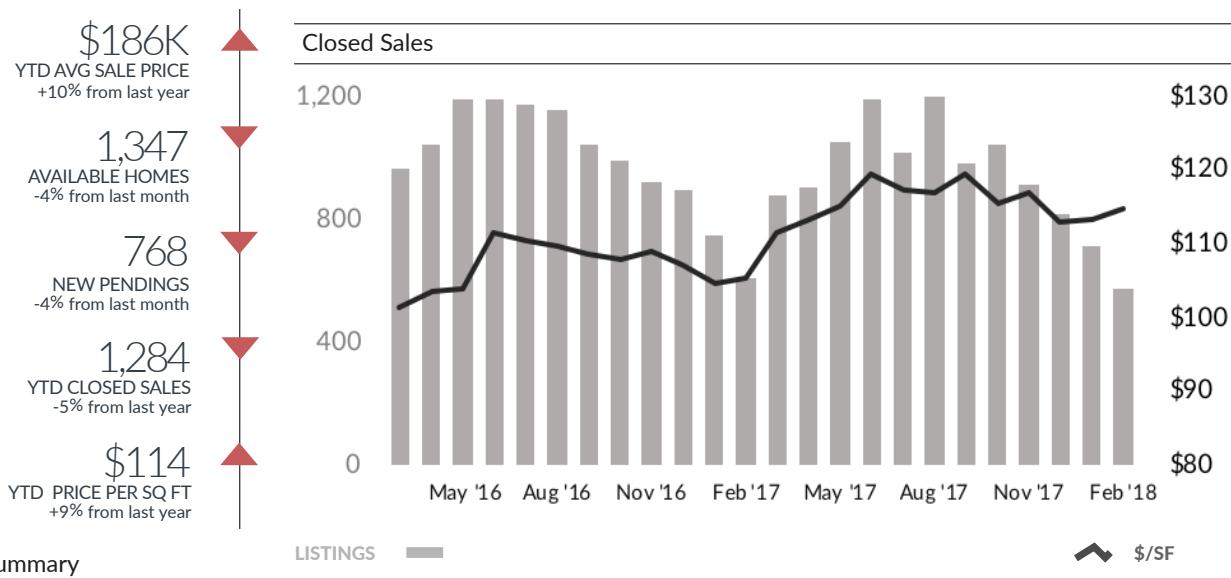
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	1703	-8%	\$151	8%
\$10k - 200k	661	-20%	\$108	6%
\$200k - 400k	738	5%	\$143	5%
\$400k - 800k	256	-5%	\$167	0%
\$800k +	48	20%	\$301	11%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.

Macomb County

Single Family Homes



Summary

Inventory levels continue to fall and restrict sales. March 1st inventory was down 4% compared to the prior month and 16% compared to a year ago. The lack of supply has been causing both closed sales and new pending to drop while growing demand is pushing prices up. Compared to last year, the average sale price was up 10% and price per square foot was up 9%. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. Increasing rates will provide an incentive for both buyers and sellers to make their moves early in 2018.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	1347	-4%	768	-4%	1.8	-1%
\$10-125k	334	-2%	196	-27%	1.7	33%
\$125-225k	276	-17%	325	7%	0.8	-22%
\$225-400k	407	-4%	213	21%	1.9	-20%
\$400k+	330	6%	34	-31%	9.7	53%

YTD Closed Activity

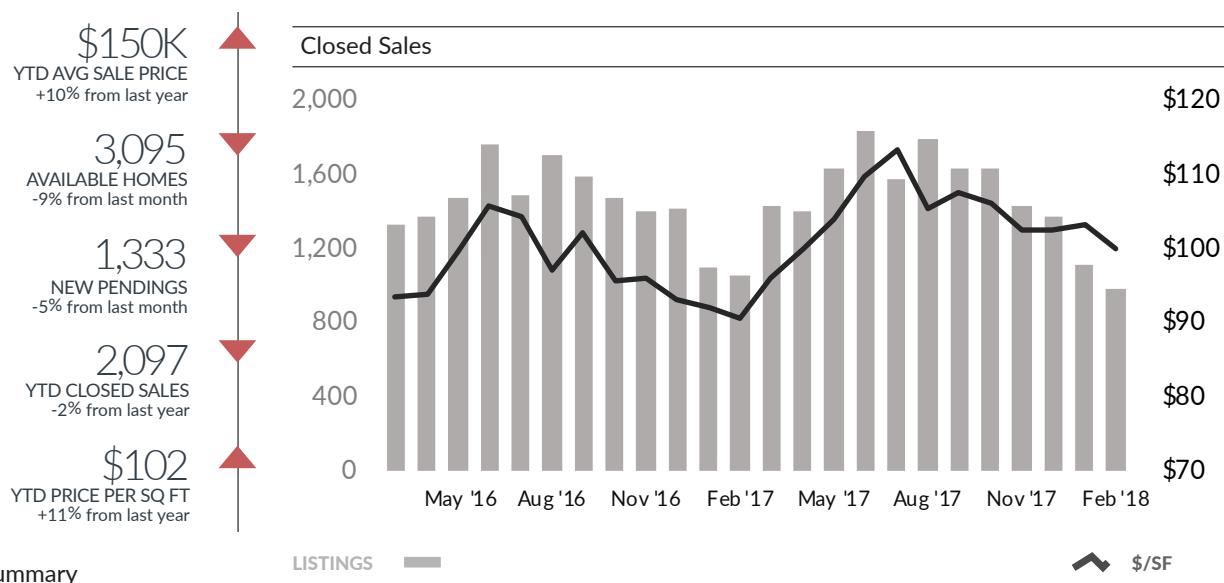
	YTD Closed	Change	YTD \$/SF	Change
All	1284	-5%	\$114	9%
\$10-125k	428	-20%	\$73	6%
\$125-225k	504	3%	\$116	5%
\$225-400k	276	-2%	\$129	5%
\$400k+	76	65%	\$146	9%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.



Wayne County

Single Family Homes



Summary

Inventory levels continue to fall and restrict sales. March 1st inventory was down 9% compared to both the prior month and prior year. The lack of supply has been causing both closed sales and new pendings to drop while growing demand is pushing prices up. The average sale price was up 10% and price per square foot was up 11% compared to last year. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. The increasing rates will provide an incentive for both buyers and sellers to make their moves early in 2018.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	3095	-9%	1333	-5%	2.3	-5%
\$10-100k	1782	-9%	543	-8%	3.3	-1%
\$100-200k	534	-16%	476	-2%	1.1	-14%
\$200-400k	430	-4%	245	-8%	1.8	5%
\$400k+	349	-2%	69	30%	5.1	-25%

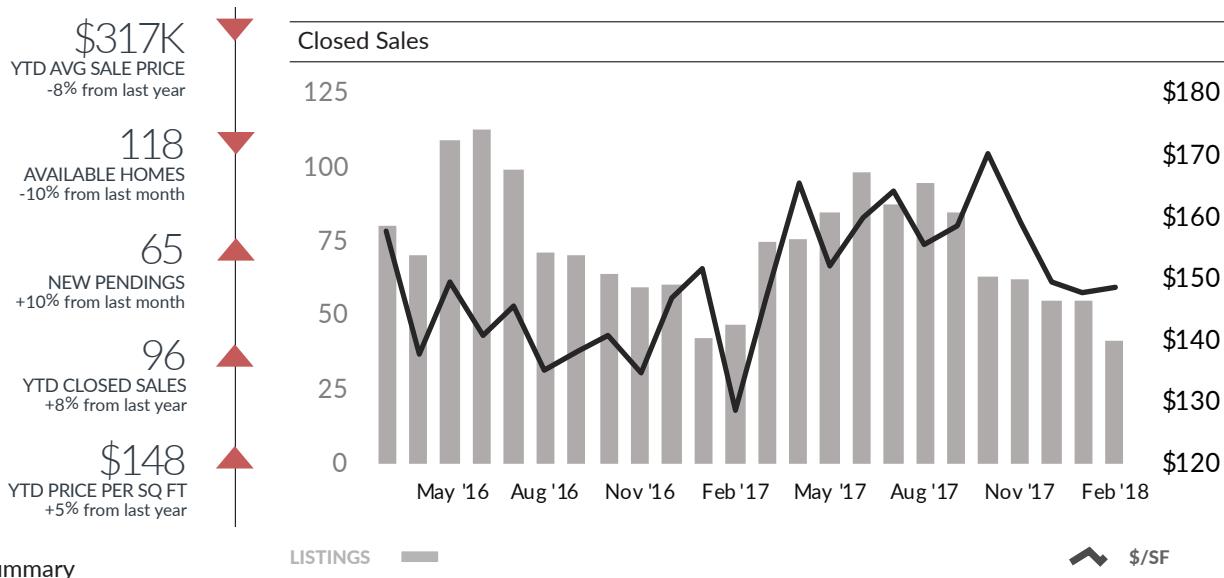
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	2097	-2%	\$102	11%
\$10-100k	858	-17%	\$47	4%
\$100-200k	722	6%	\$107	6%
\$200-400k	414	18%	\$131	8%
\$400k+	103	29%	\$165	2%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.

Grosse Pointe

Single Family Homes



Summary

Inventory levels continue to fall and restrict sales. March 1st inventory was down 10% compared to the prior month and 6% compared to a year ago. Depleted inventory, and only 3 over-\$700k sales (compared to 7 last year) caused a temporary drop in average sale price. Average price per square foot was up 5%. As quality inventory becomes more available, sale prices will rise. In 2017, Grosse Pointe prices rose 12%—the regional average was 6%. Quality homes and communities, combined with its proximity to a revitalized Detroit, will keep Grosse Pointe hot in 2018.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	118	-10%	65	10%	1.8	-18%
\$10-200k	7	-46%	9	-50%	0.8	8%
\$200-350k	28	0%	32	33%	0.9	-25%
\$350-700k	50	-12%	21	62%	2.4	-46%
\$700k+	33	0%	3	-25%	11.0	33%

YTD Closed Activity

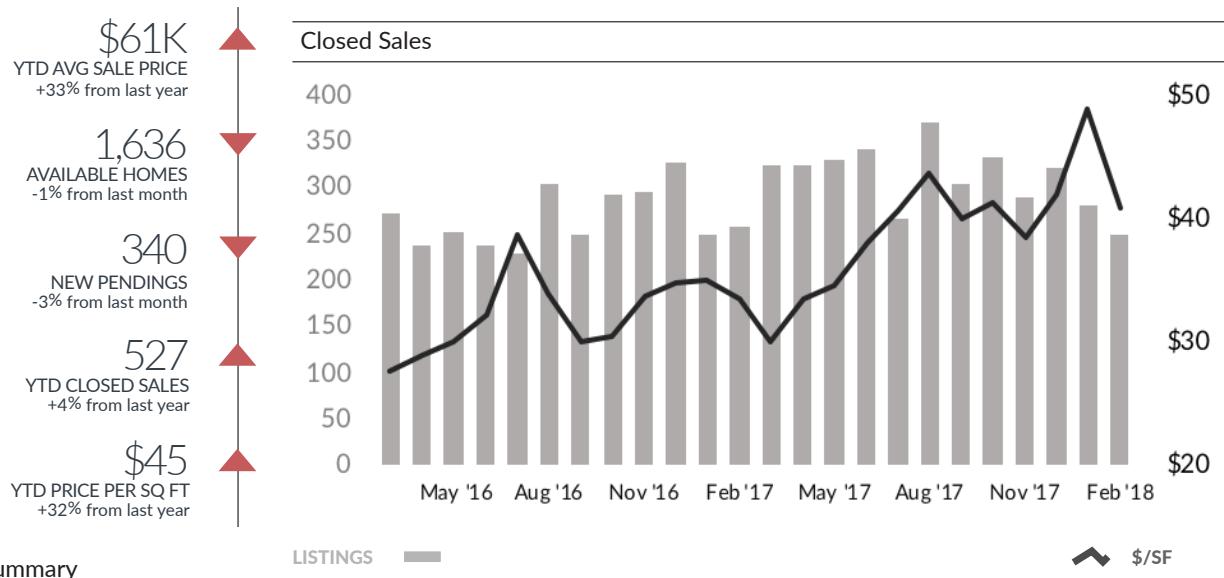
	YTD Closed	Change	YTD \$/SF	Change
All	96	8%	\$148	5%
\$10-200k	28	-24%	\$122	4%
\$200-350k	37	37%	\$138	1%
\$350-700k	28	56%	\$162	15%
\$700k+	3	-57%	\$179	9%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.



Detroit

Single Family Homes



Summary

Detroit is one of the only Southeast Michigan markets where inventory is up (16%) compared to last year. While February new pending and closed sales fell off, both year-to-date sales and values are up. The number of sales was up 4%, the average sale price (\$61k) was up 33% and the average price per square foot was up 32%. There is still a shortage of available Detroit homes in move-in condition. Expect sales and values to grow rapidly in 2018 as rehabbers bring more quality inventory to the market.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	1636	-1%	340	-3%	4.8	2%
\$5-30k	819	0%	145	-11%	5.6	13%
\$30-100k	742	-1%	151	7%	4.9	-7%
\$100-200k	42	-18%	28	8%	1.5	-24%
\$200k+	33	6%	16	-24%	2.1	40%

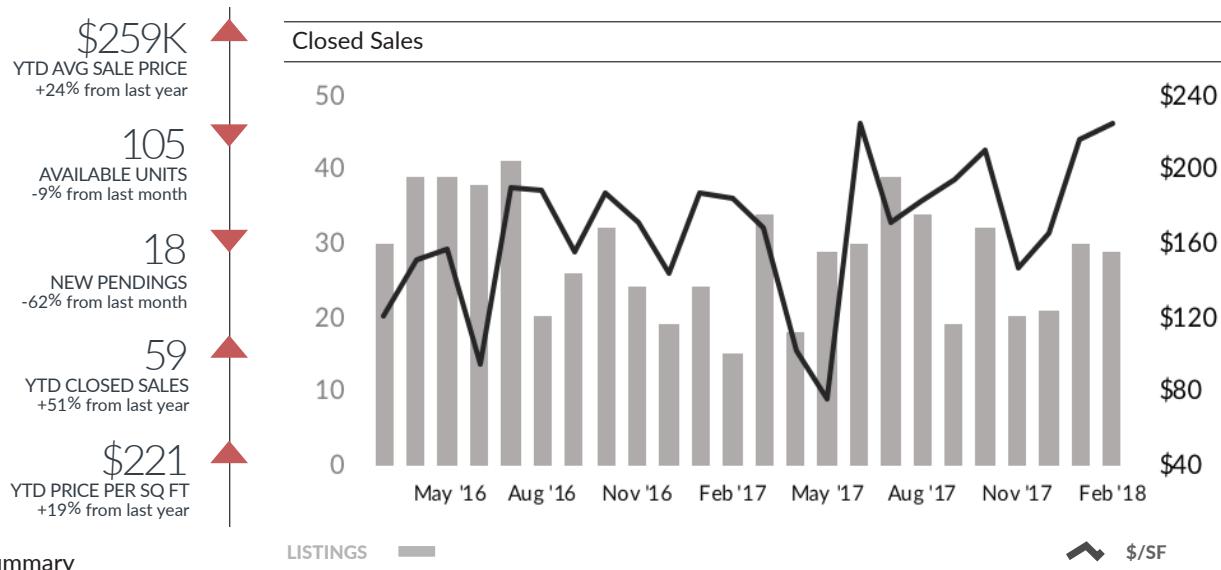
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	527	4%	\$45	32%
\$5-30k	255	-14%	\$16	13%
\$30-100k	196	24%	\$38	5%
\$100-200k	39	18%	\$70	13%
\$200k+	37	106%	\$113	14%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.

Detroit

Condos/Lofts



If you build them, they will come. Detroit condo/loft numbers are off the charts. Year-to-date sold units are up 51%, the average sale price of \$259k is up 24%, and the \$221 average price per square foot is up 19%. This year, there have been 14 closed sales with prices greater than \$350k, compared to only 4 last year. 40 of the 105 available units were priced over \$350k. Keep an eye on that high-end market. 22 of the 47 January new pending sales were priced over \$350k. That number fell to 4 in February. With all of those high-end pending, March and April should be strong closing months.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	105	-9%	18	-62%	5.8	138%
\$5-75k	15	25%	1	-80%	15.0	525%
\$75-200k	17	-15%	8	-11%	2.1	-4%
\$200-350k	33	-23%	5	-55%	6.6	69%
\$350k+	40	0%	4	-82%	10.0	450%

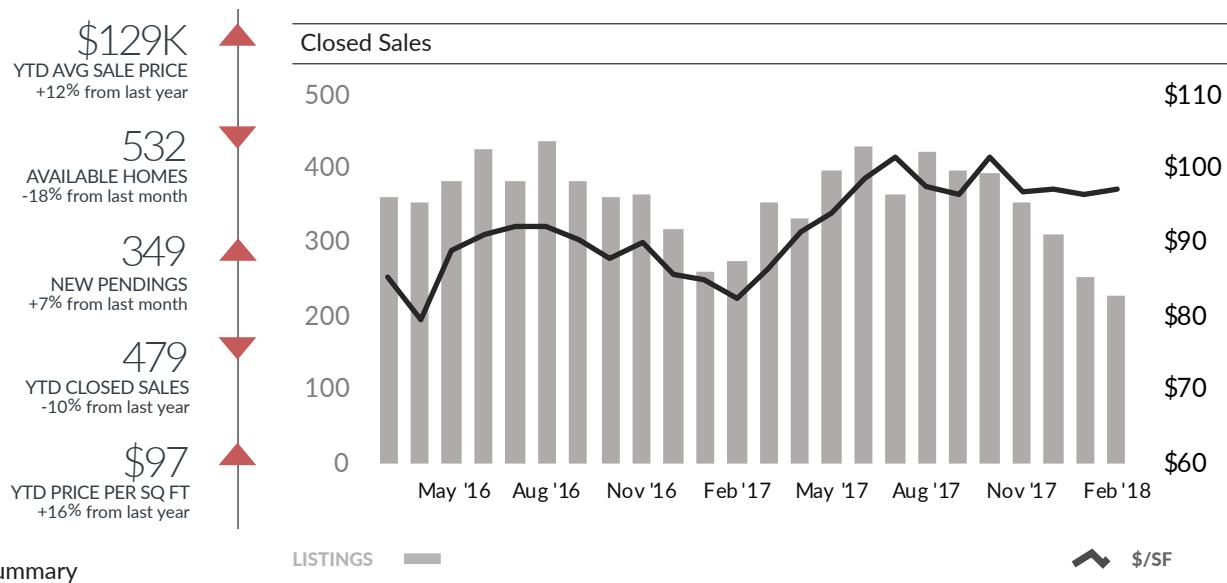
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	59	51%	\$221	19%
\$5-75k	8	0%	\$54	-9%
\$75-200k	14	17%	\$140	10%
\$200-350k	23	53%	\$208	-4%
\$350k+	14	250%	\$338	-3%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.

Downriver

Single Family Homes



Summary

Inventory levels continue to fall and restrict sales. March 1st inventory fell dramatically (18%) compared to the prior month, and 10% compared to a year ago. The lack of supply has been causing both closed sales to drop while growing demand is pushing prices up. Compared to last year, the average sale price was up 12% and price per square foot was up 16%. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. Increasing rates will provide an incentive for both buyers and sellers to make their moves early in 2018.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	532	-18%	349	7%	1.5	-23%
\$10-75k	113	-43%	59	-21%	1.9	-27%
\$75-125k	114	-30%	132	16%	0.9	-40%
\$125-250k	196	8%	135	18%	1.5	-9%
\$250k+	109	6%	23	5%	4.7	1%

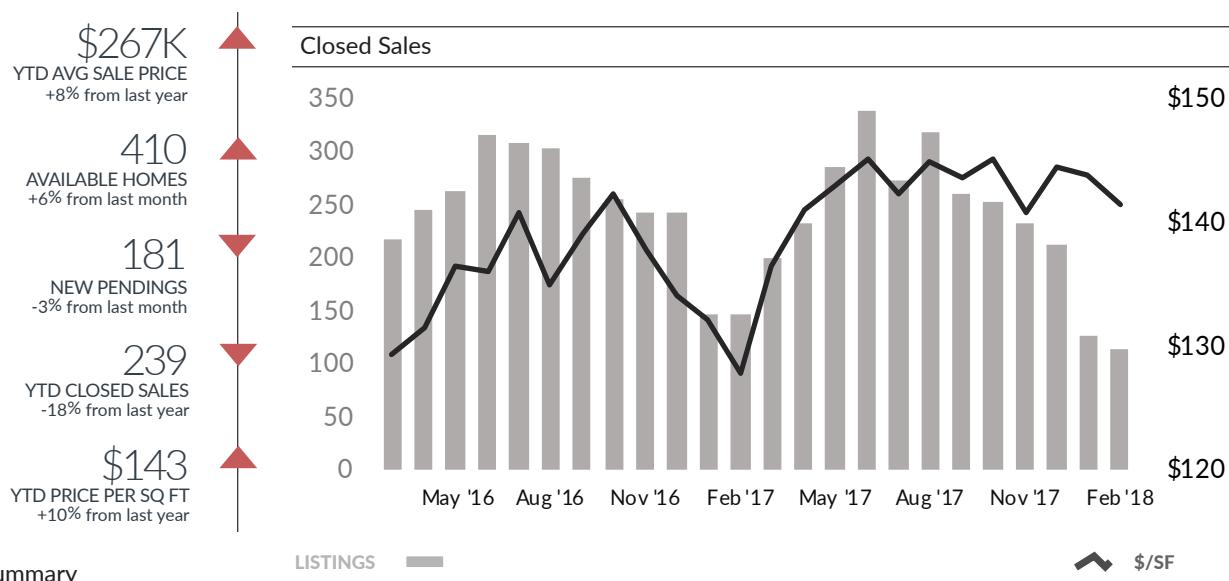
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	479	-10%	\$97	16%
\$10-75k	121	-30%	\$55	15%
\$75-125k	153	-11%	\$91	9%
\$125-250k	168	11%	\$109	10%
\$250k+	37	0%	\$128	20%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.

Livingston County

Single Family Homes



Summary

Inventory levels continue to fall and restrict sales. March 1st inventory, while up from the prior month was down 18% compared to a year ago. The lack of supply has been causing both closed sales and new pending to drop while growing demand is pushing prices up. Compared to last year, the average sale price was up 8% and price per square foot was up 10%. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. Increasing rates will provide an incentive for both buyers and sellers to make their moves early in 2018.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	410	6%	181	-3%	2.3	9%
\$10-200k	41	3%	31	-18%	1.3	26%
\$200-300k	131	4%	80	-7%	1.6	12%
\$300-500k	159	13%	54	0%	2.9	13%
\$500k+	79	-1%	16	78%	4.9	-44%

YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	239	-18%	\$143	10%
\$10-200k	67	-36%	\$119	8%
\$200-300k	106	-7%	\$136	7%
\$300-500k	56	-16%	\$155	9%
\$500k+	10	43%	\$193	6%

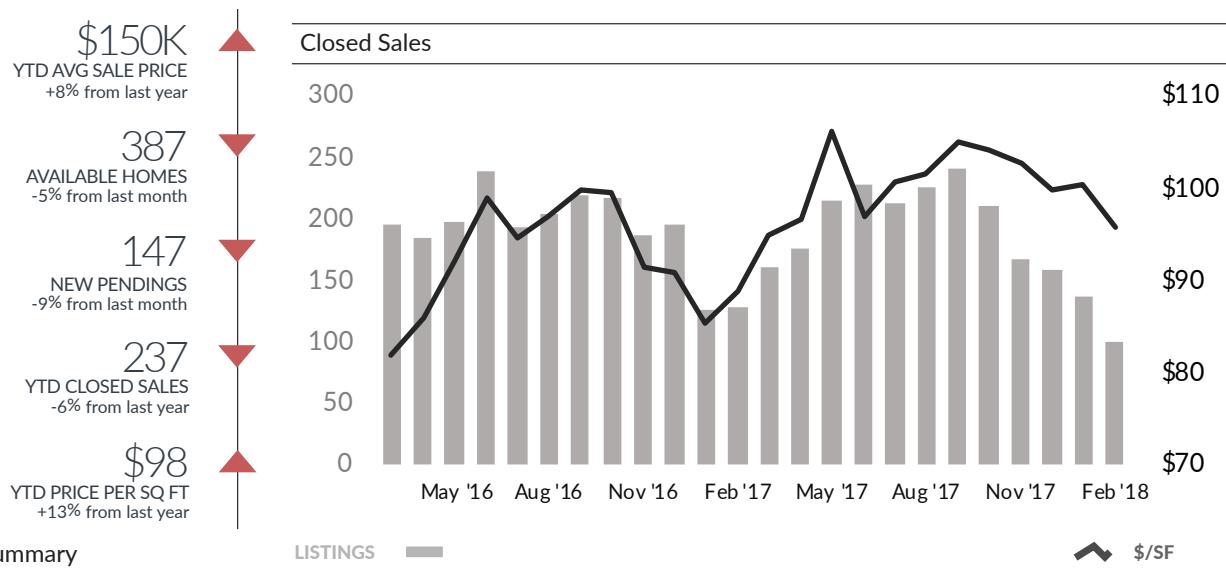
Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.



MARCH 2018
HOUSING REPORT

St. Clair County

Single Family Homes



Summary

LISTINGS

\$/SF

Inventory levels continue to fall and restrict sales. March 1st inventory was down 5% compared to the prior month and 25% compared to a year ago. The lack of supply has been causing both closed sales and new pending to drop while growing demand is pushing prices up. Compared to last year, the average sale price was up 8% and price per square foot was up 13%. Look for a continuation of low inventories and strong demand with both prices and interest rates rising. Increasing rates will provide an incentive for both buyers and sellers to make their moves early in 2018.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	387	-5%	147	-9%	2.6	4%
\$10-100k	77	-3%	39	-9%	2.0	7%
\$100-200k	126	-17%	68	-15%	1.9	-2%
\$200-400k	135	6%	39	11%	3.5	-5%
\$400k+	49	0%	1	-67%	49.0	200%

YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	237	-6%	\$98	13%
\$10-100k	77	-15%	\$56	27%
\$100-200k	114	7%	\$98	1%
\$200-400k	40	-20%	\$121	7%
\$400k+	6	50%	\$197	62%

Data source: Realcomp MLS using Great Lakes Repository Data. Change = Change since prior month or year-to-date change in the YTD section. \$/SF = Closed dollar per square foot.