HOUSING REPORT

SOUTHEAST MICHIGAN | SEPTEMBER 2018

Advantage Realty

Always Moving Forward

SEPTEMBER 2018
HOUSING REPORT

Southeast Michigan

Recovery Run—How Much Longer?

This month marks the 10-year anniversary of the market peak prior to the bursting of the housing bubble. The nationwide median home value is currently 9% higher than it was at the peak, but the extent of the recovery varies within areas and markets.

Across the country, 21 of the top 35 metro areas have fully recovered with current values higher than they were before the bust. Areas such as San Jose and Denver have led the recovery with huge gains, while Las Vegas, Orlando and Chicago have been among the slowest to recover. The Metro Detroit area is ranked right in the middle.

The housing market is still thriving in most areas and price ranges, but signs of change are on the horizon. Inventory has been rising and for the first time in years, it's higher than it was at the same time last year. Prices generally continue to rise, but the rate of rise is slowing. In many markets, upper-end values have flattened out and some are even declining. Although interest rates are higher than they were, buyers continue to lock in at rates lower than they will be in the near future.

The last housing bubble was a rare historic moment when markets across the country moved in sync—market movements are typically more regional. As time passes, people are looking for early indicators so they can be prepared for the next bubble.

Red Flags and Indicators

Rising Interest Rates

Although mortgage rates have reached a 4-year high, they have not reached the 5% mark since 2011. Interest rates impact real estate markets and history shows that interest rates tend to hit their highs shortly after property values peak.

According to Freddie Mac, interest rates reached their peak at 6.7% in July 2007 shortly after property values had peaked in 2006.

Increase in Mortgage Defaults

Increases in mortgage defaults is another strong indicator that a crash is on the horizon. That being said, U.S. foreclosures dropped to a 12 year low in 2017. Nationwide there has been a continuous drop in foreclosures since 2010. Tighter lending laws have also been a factor contributing to this positive statistic.

Role of Legislation

The recently-enacted Trump tax bill includes many benefits for real estate investors. As these laws are implemented, time will tell whether the tax plan will have a positive or negative impact on the housing market.

Local Market Trends

Real Estate markets shift at various speeds depending on factors and conditions within local markets—and even the price ranges within those markets. These Housing Reports are designed to help us stay current with local market trends affecting buyers and seller.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Southeast Michigan

Summary

12,491
AVAILABLE HOMES
+8% from last month

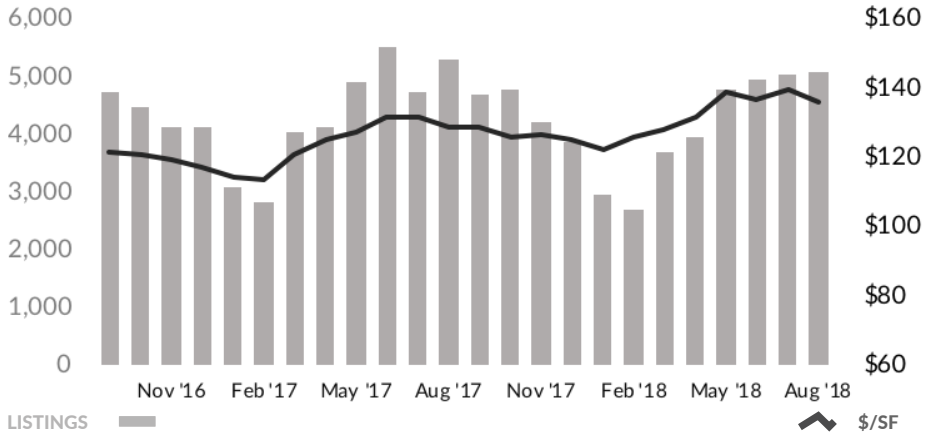
5,391
NEW PENDINGS
no change from last month

32,995
YTD CLOSED SALES
-4% from last year

$229K
YTD AVG SALE PRICE
+6% from last year

$133
YTD PRICE PER SQ FT
+6% from last year

Closed Single-Family Home Sales



YTD Closed Volume: 7.5 billion (+2% from last year)

Summary

September 1st available listings were up compared to the prior month and 3% higher than the same time last year. August new pending sales were level with the prior month and 10% higher than August of last year. YTD closed sales were down 4% but both average sale price and price per square foot were up 6%. That increase is misleading in that it is primarily the result of sales falling off in the lower and middle price ranges (due to lack of inventory) while the number of upper-end sales has increased. Sale prices for upper-end properties have been flat and in many markets have started to decline.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	12491	8%	5391	0%	2.3	8%
$10k - 150k	3764	11%	2051	1%	1.8	10%
$150k - 250k	2424	18%	1584	6%	1.5	11%
$250k - 500k	4081	5%	1470	-4%	2.8	10%
$500k +	2222	-1%	286	-8%	7.8	8%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	32995	-4%	$133	6%
$10k - 150k	11916	-13%	$78	5%
$150k - 250k	9615	-4%	$130	5%
$250k - 500k	9500	6%	$148	4%
$500k +	1964	14%	$202	1%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Oakland County

Single-Family Homes

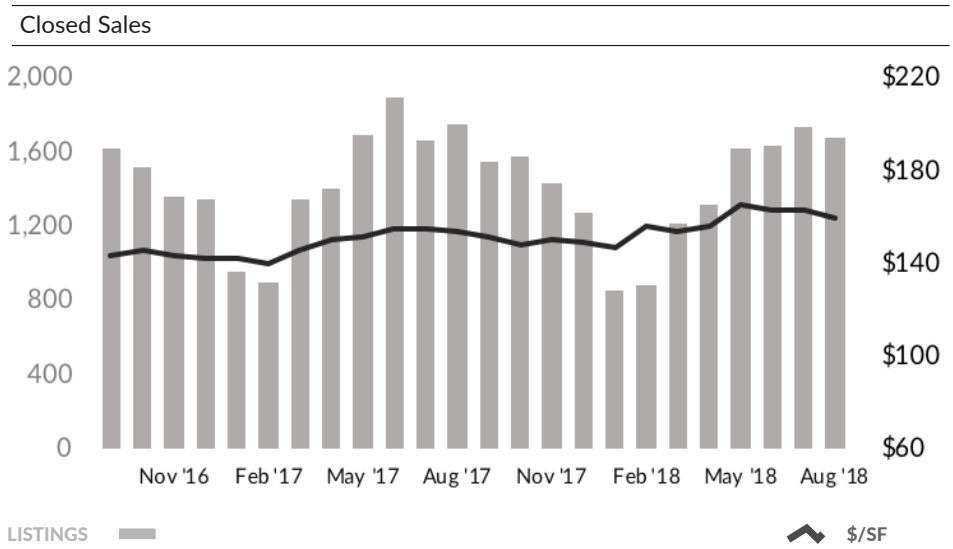
4,437
AVAILABLE HOMES
+4% from last month

1,707
NEW PENDINGS
no change from last month

10,919
YTD CLOSED SALES
-6% from last year

$312K
YTD AVG SALE PRICE
+6% from last year

$159
YTD PRICE PER SQ FT
+6% from last year



Summary

Inventory levels continue to rise month over month and are 4% higher than last year. August new pending sales were 14% higher than last year. YTD, closed sales were down 6% from last year but both average sale price and price per square foot were up 6%. Lower-end markets continue to shrink while sales in the $400k—$800k market rose 8%. The best listings in all price ranges continue to sell quickly while less attractive listings sit. The average DOM for August new pending sales was only 39 days compared to the 109 day average for September 1st available listings.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	4437	4%	1707	0%	2.6	4%
$10k - 200k	725	13%	542	-1%	1.3	14%
$200k - 400k	1627	6%	805	2%	2.0	4%
$400k - 800k	1485	0%	316	-4%	4.7	4%
$800k +	600	-4%	44	-17%	13.6	15%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	10919	-6%	$159	6%
$10k - 200k	3393	-18%	$116	6%
$200k - 400k	5130	-1%	$150	5%
$400k - 800k	2095	8%	$173	2%
$800k +	301	2%	$281	5%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Birmingham

Single-Family Homes

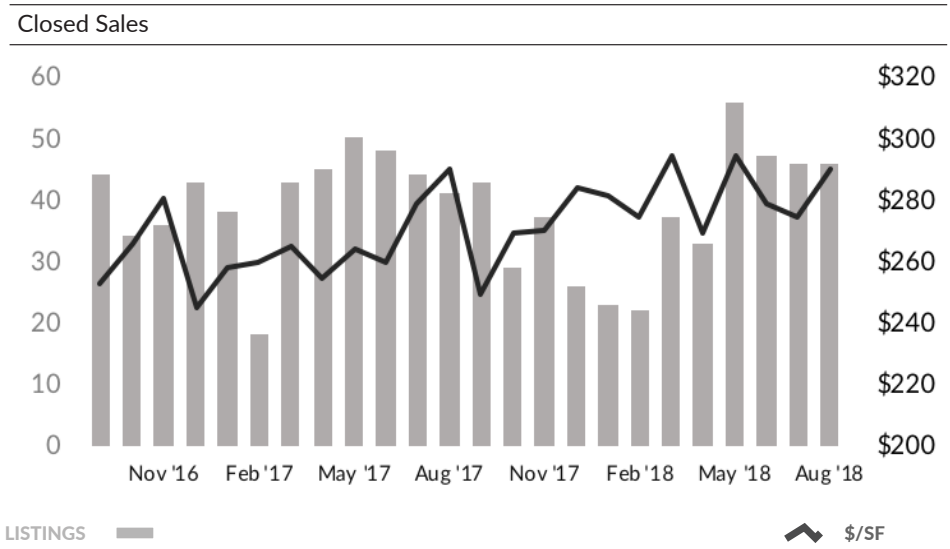
198
AVAILABLE HOMES
+1% from last month

40
NEW PENDINGS
+3% from last month

310
YTD CLOSED SALES
-5% from last year

$695K
YTD AVG SALE PRICE
+6% from last year

$284
YTD PRICE PER SQ FT
+7% from last year



Summary

September 1st inventory was even with last month but 32% higher than last year. New August pending sales were up slightly compared to both the previous month and year. YTD closed sales were down 5%—most of that decline occurred in the $400k—$800k price range. The best listings continue to sell quickly compared to average and below average listings. The average DOM for the August new pending sales was 55 days compared to a 133 days for September 1st available listings. Market times for available listings priced over $1.4M skyrocket to 218 days, while for YTD solds it's only 140 days.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	198	1%	40	3%	5.0	-2%
$10k - 400k	24	33%	10	-33%	2.4	100%
$400k - 800k	63	-5%	21	75%	3.0	-45%
$800k - 1.4m	52	0%	7	0%	7.4	0%
$1.4m +	59	-2%	2	-60%	29.5	146%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	310	-5%	$284	7%
$10k - 400k	95	-1%	$237	7%
$400k - 800k	137	-9%	$249	2%
$800k - 1.4m	48	-19%	$280	1%
$1.4m +	30	43%	$403	6%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Macomb County

Single-Family Homes

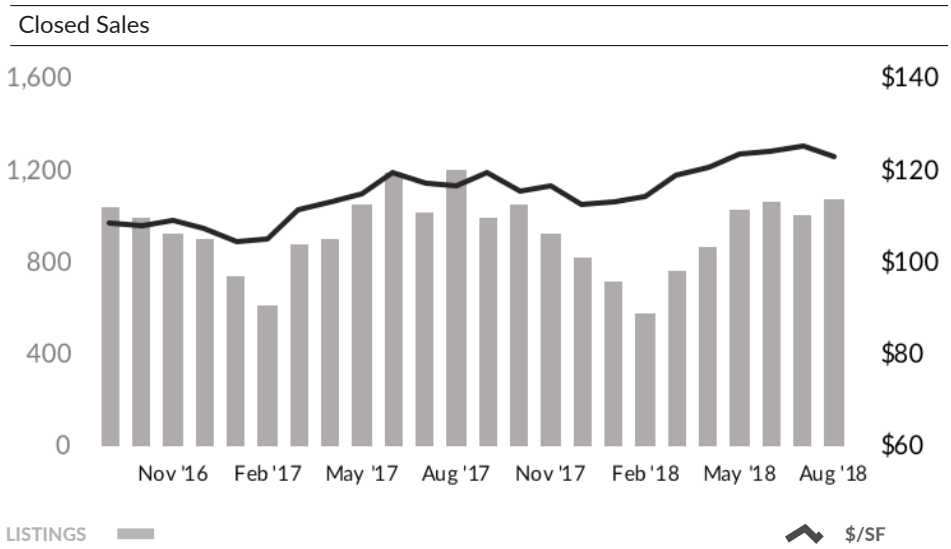
2,261
AVAILABLE HOMES
+14% from last month

1,112
NEW PENDINGS
+3% from last month

7,095
YTD CLOSED SALES
-6% from last year

$198K
YTD AVG SALE PRICE
+6% from last year

$121
YTD PRICE PER SQ FT
+6% from last year



Summary

September 1st inventory jumped 14% from the prior month, but was even with the same time last year. August new pendings were up 3% compared to both the prior month and prior year. YTD closed sales were down 6% while average price and price per square foot were both up 6%. The best listings continue to sell quickly compared to average and below-average listings. Average DOM for August new pending sales was only 30 days compared to a 71 day average for active listings that were still available on September 1st.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	2261	14%	1112	3%	2.0	11%
$10-125k	367	19%	270	-3%	1.4	22%
$125-225k	668	33%	461	8%	1.4	23%
$225-400k	752	5%	322	0%	2.3	5%
$400k+	474	6%	59	9%	8.0	-3%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	7095	-6%	$121	6%
$10-125k	1814	-19%	$74	5%
$125-225k	2966	-4%	$122	5%
$225-400k	1929	2%	$134	5%
$400k+	386	16%	$151	2%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Wayne County

Single-Family Homes

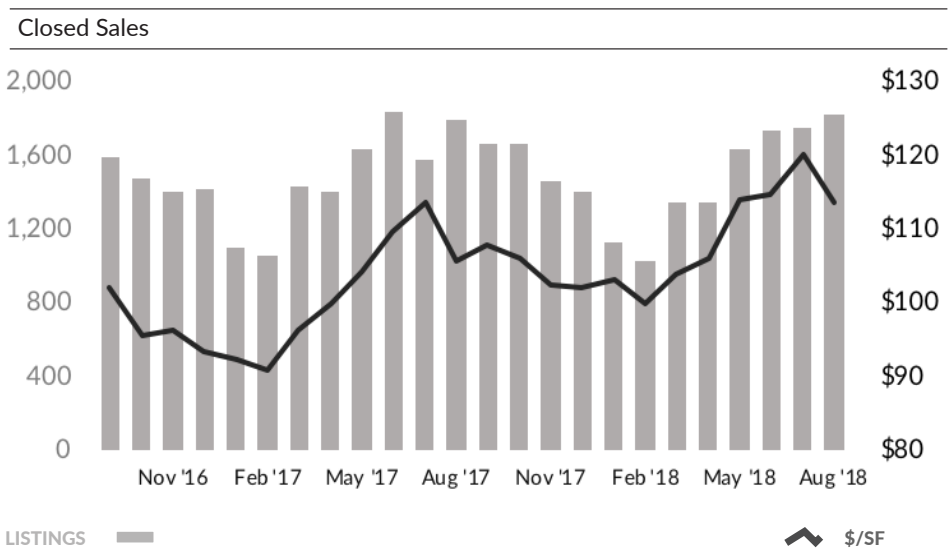
4,836
AVAILABLE HOMES
+9% from last month

2,030
NEW PENDINGS
-1% from last month

11,749
YTD CLOSED SALES
no change from last year

$166K
YTD AVG SALE PRICE
+7% from last year

$111
YTD PRICE PER SQ FT
+8% from last year



Summary

Available inventory continues to rise month over month and on September 1st it was 17% higher than a year ago. August new pendings were almost even with the prior month, but 17% higher than last year. YTD sales were even with last year, but average price was up 7%. The market continues to be hot for the best listings, while average and below-average listings take longer to sell. August new pendings averaged only 35 days on market while listings that were still available on September 1st averaged 88 days—and counting.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	4386	9%	2030	-1%	2.2	11%
$10-100k	1941	5%	785	4%	2.5	1%
$100-200k	1138	19%	745	0%	1.5	19%
$200-400k	770	17%	398	-7%	1.9	25%
$400k+	537	-3%	102	-20%	5.3	22%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	11749	0%	$111	8%
$10-100k	4124	-12%	$48	3%
$100-200k	4199	5%	$111	5%
$200-400k	2686	9%	$137	4%
$400k+	740	19%	$170	1%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Detroit

Single-Family Homes

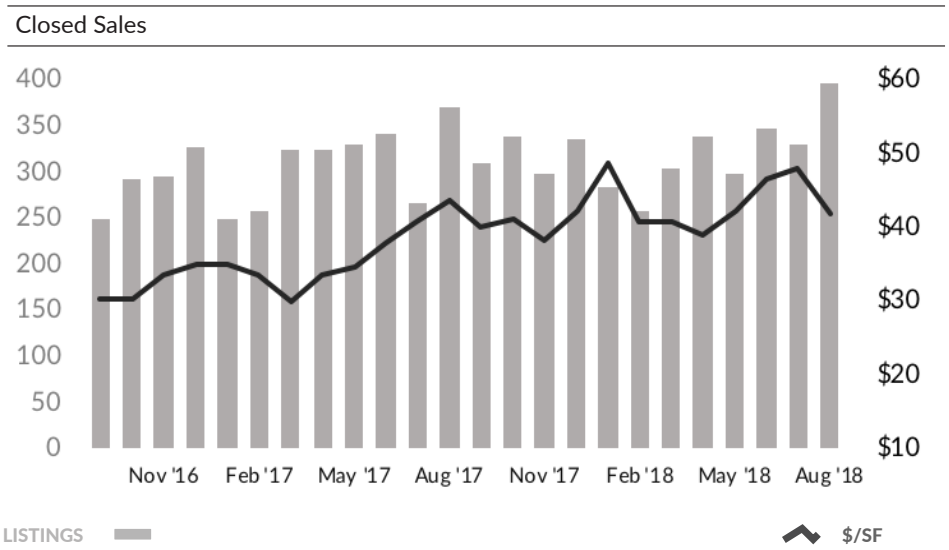
1,651
AVAILABLE HOMES
+4% from last month

499
NEW PENDINGS
+3% from last month

2,552
YTD CLOSED SALES
+4% from last year

$58K
YTD AVG SALE PRICE
+18% from last year

$43
YTD PRICE PER SQ FT
+20% from last year



Summary

Inventory, new pendings, closed sales and average price all continue to rise for Detroit single family homes. YTD sales were up 4% and the $58k average sale price was up by $10k (18%) from a year ago. There continues to be a shortage of available move-in-ready homes. In the $100k—$200k price range, homes that went pending in August averaged just 26 days on market. Homes priced over $200k averaged 45 days. In all price ranges, market times for the properties that went pending were about half as many days as the listings that were still available on September 1st.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1651	4%	499	3%	3.3	1%
$5-30k	562	-4%	170	-20%	3.3	20%
$30-100k	876	7%	273	31%	3.2	-18%
$100-200k	124	22%	40	8%	3.1	12%
$200k+	89	14%	16	-38%	5.6	85%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	2552	4%	$43	20%
$5-30k	1199	-13%	$16	8%
$30-100k	1003	21%	$39	7%
$100-200k	206	32%	$73	10%
$200k+	144	48%	$105	9%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Detroit

Condos/Lofts

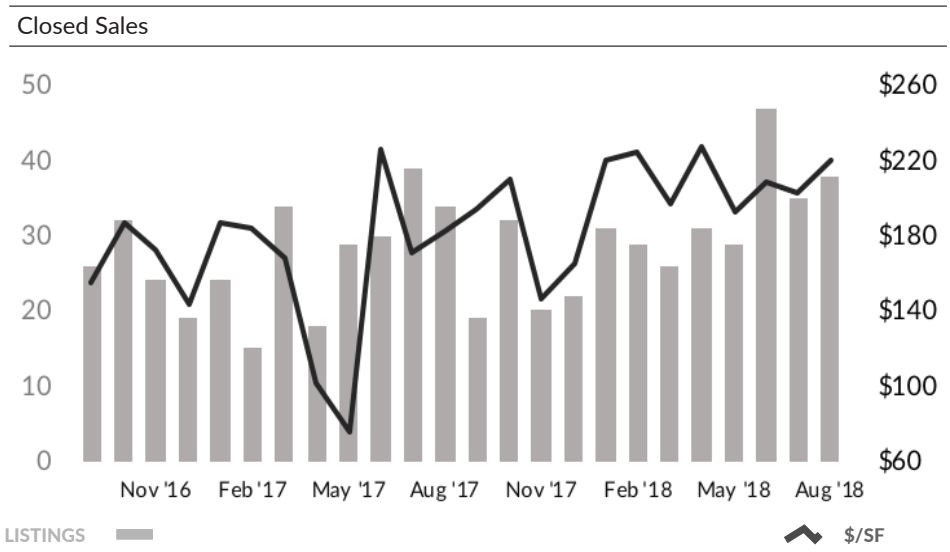
158
AVAILABLE HOMES
-4% from last month

44
NEW PENDINGS
-2% from last month

266
YTD CLOSED SALES
+19% from last year

$255K
YTD AVG SALE PRICE
+21% from last year

$212
YTD PRICE PER SQ FT
+38% from last year



Summary

Compared to last year, the 158 available listings is up by 39 units and August new pendings up by 9 units. YTD closed sales are up 21% and average price jumped from $213k to $255k. While the YTD number of over-$400k sales jumped from 16 to 42 in the past year, the upper-end market is showing some signs of slowing. The average price per square foot for those high-end properties has been flattening out and the market times have been increasing. Sellers of existing units are competing with new developments and their fresh 15-year Neighborhood Enterprise Zone (NEZ) tax abatements.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	158	-4%	44	-2%	3.6	-1%
$10-100k	23	-12%	10	-9%	2.3	-3%
$100-200k	19	12%	8	-11%	2.4	26%
$200-400k	56	-3%	20	5%	2.8	-8%
$400k+	60	-5%	6	0%	10.0	-5%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	266	19%	$212	38%
$10-100k	41	-32%	$75	120%
$100-200k	62	-2%	$151	15%
$200-400k	121	46%	$218	-1%
$400k+	42	147%	$325	-2%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Grosse Pointe

Single-Family Homes

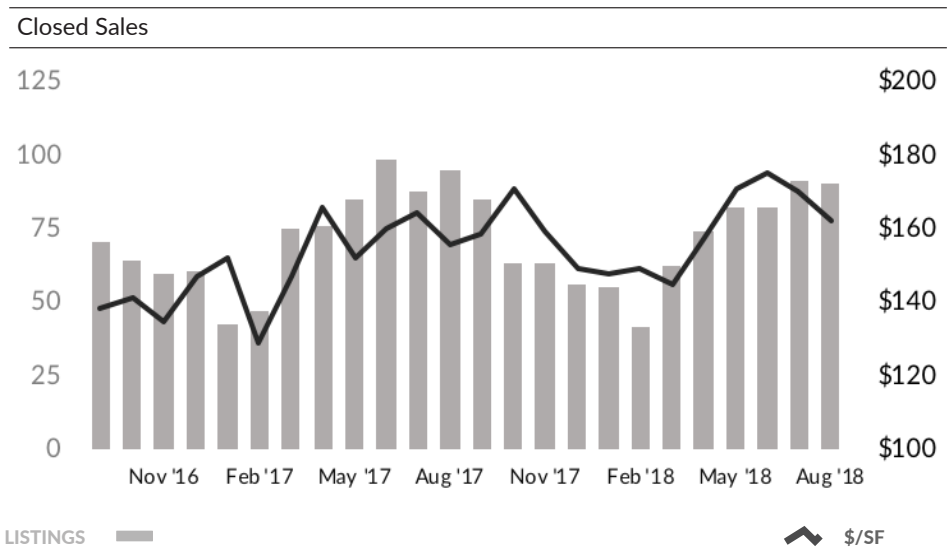
210
AVAILABLE HOMES
-3% from last month

82
NEW PENDINGS
-7% from last month

577
YTD CLOSED SALES
-5% from last year

$367K
YTD AVG SALE PRICE
+7% from last year

$162
YTD PRICE PER SQ FT
+4% from last year



Summary

Inventory levels dipped slightly compared to the prior month but is up 7% compared to last year. August new pendings and closed sales were both off slightly from both the prior month and the same month last year. The best listings in all price ranges continue to sell quickly (August new pendings averaged 35 days on the market) compared to the average market times for available listings which did not sell (76 days). Middle and upper-end markets continue to expand while entry-level markets continue to shrink.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	210	-3%	82	-7%	2.6	4%
$10-200k	18	0%	12	9%	1.5	-8%
$200-350k	66	5%	37	-3%	1.8	8%
$350-700k	83	-8%	28	-7%	3.0	-1%
$700k+	43	-7%	5	-44%	8.6	68%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	577	-5%	$162	4%
$10-200k	80	-46%	$123	1%
$200-350k	260	7%	$147	-1%
$350-700k	205	14%	$168	6%
$700k+	32	-6%	$206	6%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Downriver

Single-Family Homes

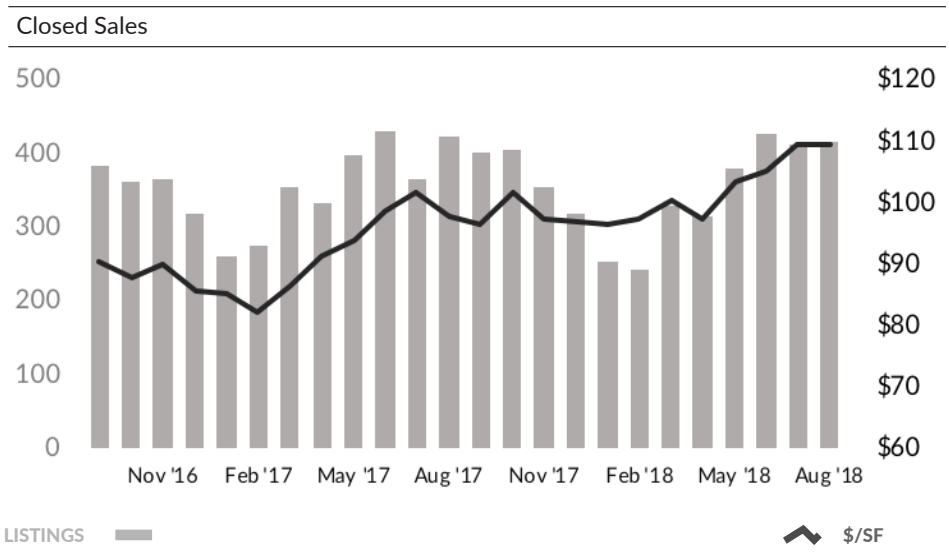
802
AVAILABLE HOMES
+13% from last month

484
NEW PENDINGS
-3% from last month

2,768
YTD CLOSED SALES
-2% from last year

$141K
YTD AVG SALE PRICE
+9% from last year

$103
YTD PRICE PER SQ FT
+11% from last year



Summary

Inventory levels continue to rise and were higher than they were at the same time last year. While new pending sales are were down compared to the prior month, they were up by 52 units over the same month last year. YTD closed sales were just below last year's level. The average price continues to rise and the $141k average sale price was up $12k from last year. The best listings continue to sell high and fast. Nearly half of this year's sale have been at or above full price and market times are down by 5 days. The average DOM for August new pendings was 31 days while listings that have not yet sold average 73 days.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	802	13%	484	-3%	1.7	16%
$10-75k	132	11%	65	-19%	2.0	37%
$75-125k	218	14%	166	5%	1.3	8%
$125-250k	295	15%	207	1%	1.4	14%
$250k+	157	9%	46	-15%	3.4	28%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	2768	-2%	$103	11%
$10-75k	488	-28%	$56	13%
$75-125k	868	-6%	$91	5%
$125-250k	1140	14%	$114	7%
$250k+	272	19%	$129	6%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

Livingston County

Single-Family Homes

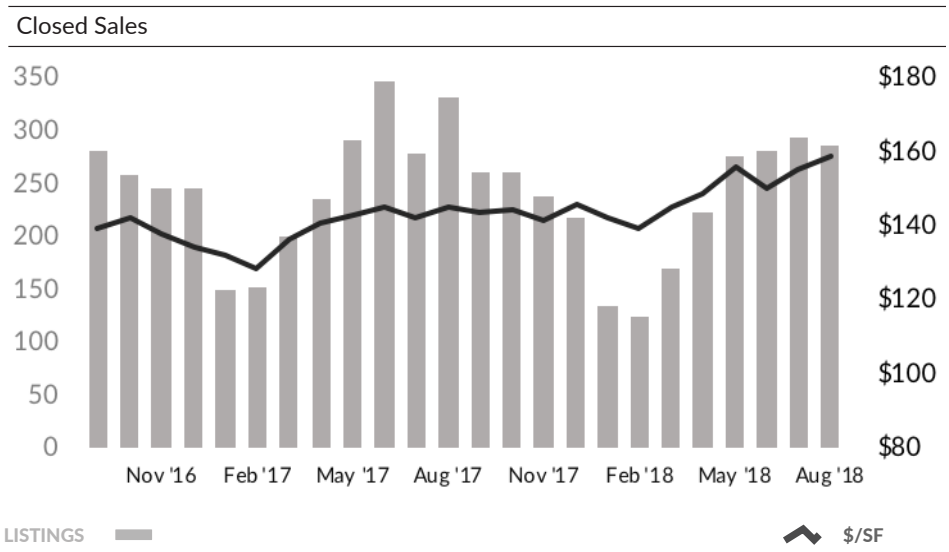
797
AVAILABLE HOMES
+12% from last month

286
NEW PENDINGS
-6% from last month

1,781
YTD CLOSED SALES
-10% from last year

$296K
YTD AVG SALE PRICE
+8% from last year

$151
YTD PRICE PER SQ FT
+8% from last year



Summary

Inventory continues to rise month over month. August new pending sales were down 17 units compared to the prior month, but up by 20 over the same month last year. YTD closed sales were down 10%, but average price and price per square foot were both up 8%. Middle and lower-priced markets continue to shrink while the number of upper-end sales rises. The best listings continue to sell high and fast. Half of this year's sales have been at or above full asking price. Market times for August new pendings (51 days) was about half that of last month's listings that were still available on September 1st (99 days).

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	797	12%	286	-6%	2.8	18%
$10-200k	81	14%	62	19%	1.3	-4%
$200-300k	237	20%	110	-9%	2.2	32%
$300-500k	313	13%	84	-19%	3.7	39%
$500k+	166	0%	30	15%	5.5	-13%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	1781	-10%	$151	8%
$10-200k	331	-35%	$120	3%
$200-300k	776	-9%	$143	6%
$300-500k	559	8%	$155	4%
$500k+	115	22%	$203	8%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty

SEPTEMBER 2018
HOUSING REPORT

St. Clair County

Single-Family Homes

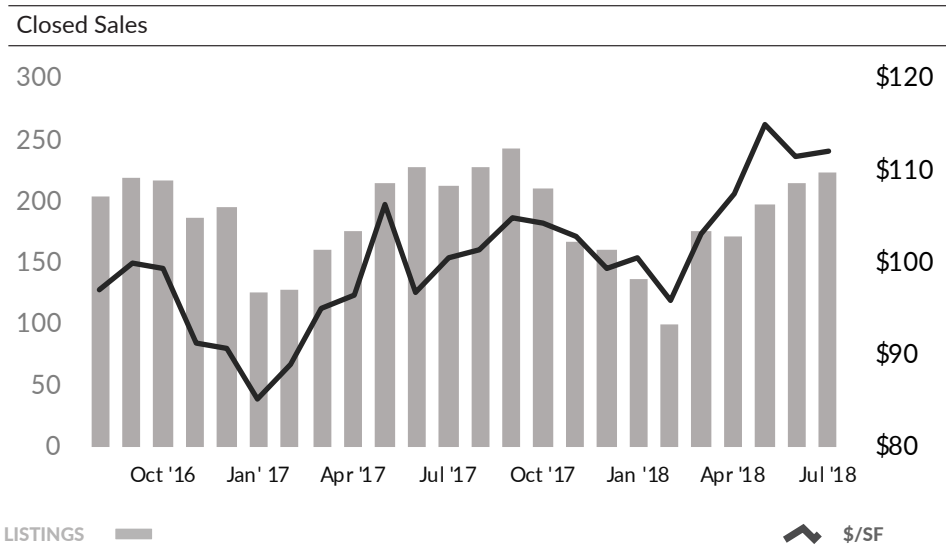
610
AVAILABLE HOMES
+5% from last month

256
NEW PENDINGS
+16% from last month

1,451
YTD CLOSED SALES
-1% from last year

$179K
YTD AVG SALE PRICE
+14% from last year

$109
YTD PRICE PER SQ FT
+12% from last year



Summary

Inventory levels continue to rise month over month and were up 3% compared to the same time last year. New August pendings were up by 35 units compared to the prior month and up 20 units compared to the same month last year. YTD closed sales were nearly even with last year, but average price ($179k) was up by $22k. The best listings continue to sell high (43% of this year's sales have been at or above full asking price) and fast compared to listings in average or sub-average condition. Market times for August new pendings averaged 45 days, while active listings that didn't yet sell averaged 87 days.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	610	5%	256	16%	2.4	-9%
$10-100k	106	18%	50	35%	2.1	-13%
$100-200k	178	6%	121	23%	1.5	-14%
$200-400k	228	-3%	77	-3%	3.0	0%
$400k+	98	11%	8	14%	12.3	-3%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	1451	-1%	$109	12%
$10-100k	314	-31%	$54	8%
$100-200k	667	7%	$100	4%
$200-400k	409	19%	$129	7%
$400k+	61	39%	$168	0%

Data source: Realcomp MLS using Great Lakes Repository Data.

Advantage Realty
Always Moving Forward

Copyright 2018, Advantage Realty