HOUSING REPORT

SOUTHEAST MICHIGAN | MAY 2019

MAY 2019
HOUSING REPORT

Southeast Michigan

Buyers or Sellers Market?

For several years available inventory levels in most markets have been dropping. Over the past year and a half, the number of available listings has been rising. While rising supply levels typically favor buyers, we need to look further into what's happening in the various price ranges to understand the implications for individual buyers and sellers.

Upper Price Ranges

Inventory in most upper-middle and luxury markets has been rising faster than buyer demand. There are two main causes of the rapid growth of high-end supply:

1. Over the past 8 years, rapidly rising values have increased prices at a faster pace than incomes have risen. What were once middle-priced homes are now considered high end;

2. During the recession, there was no demand for new construction. In an effort to make up for that lost time, post-recession developers have focused on building more profitable upper-end properties.

While this has been going on with single family homes, the level of high-end condo construction in markets like Detroit, Ann Arbor and Traverse City has gone through the roof. Although the number of upper-end sales has been increasing in most markets, over-supply has prices flat and, in many cases, declining as a result of these two factors.

High-end sellers need to be aware of their competition, supply levels, and rates of sales. In general, upper-end seller competition has been increasing and homes need to be priced right and move-in-ready to attract buyers. Buyers who are looking at luxury single family homes generally face less competition than in the recent past. Those looking for condos have great opportunities in that many markets have overbuilt in the past two years and developers need to move that inventory.

Entry and Middle Markets

Despite generally rising inventory levels, demand for entry and middle-priced homes continues to grow faster than supply. There is a significant shortage of affordable move-in ready homes. During the recession, most of these homes suffered from deferred maintenance and needed updates were put off. Roofs, baths and kitchens weren't touched. Post-recession buyers have been less eager to take on work that the seller hasn't done, plus most post-recession entry and middle-priced buyers can't qualify for home equity loans to do the updates that sellers never did.

Sellers, there is a significant shortage of move-in-ready entry and middle-priced inventory. Buyers are willing and can pay a premium for homes that are done. Many who can't get a home equity loan can afford a finished home because they can roll the cost of the improvements you've done into their new mortgage. This is a primary reason why there is so much demand for move-in-ready homes in affordable price ranges.

Looking Ahead

Through the balance of the year, expect to see values flatten for upper-end properties while buyers continue to compete with multiple offers for affordable move-in-ready homes.

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Southeast Michigan

Summary

9,703
AVAILABLE HOMES
+7% from last month

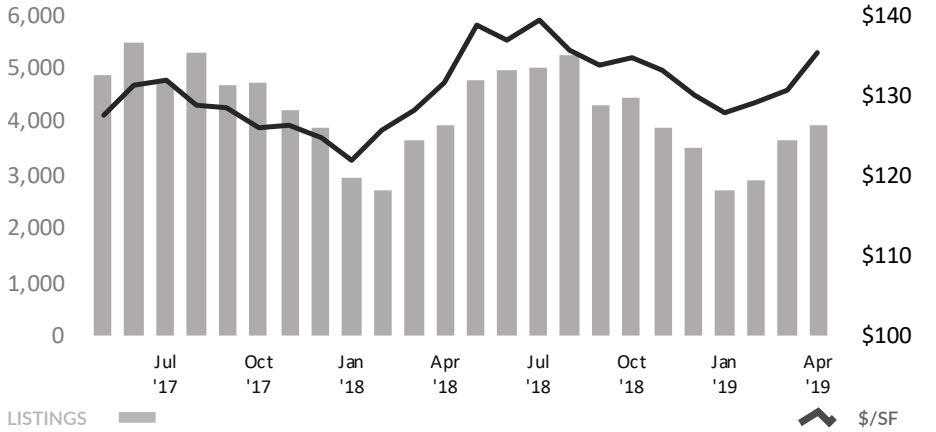
5,487
NEW PENDINGS
+12% from last month

13,140
YTD CLOSED SALES
-1% from last year

$219K
YTD AVG SALE PRICE
+2% from last year

$131
YTD PRICE PER SQ FT
+3% from last year

Closed Single-Family Home Sales



YTD Closed Volume: $2.8B (+1%)

Summary

Available inventory, new pendings and closed sales continue to rise compared to the prior month. Compared to last year, May 1st inventory was up 19% and April new pendings were up 4%. YTD sales are down 1%, but closed volume, average sale price and price per square foot are all up slightly. Despite the additional inventory, supply levels in the entry and middle price ranges are all less than two months. Supply levels jump to around six months for upper-end homes priced over $500k. It's still hard to find move-in-ready homes in entry and middle price ranges. They continue to sell quickly with multiple offers.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	9703	7%	5487	12%	1.8	-4%
$10k - 150k	3084	0%	1845	-3%	1.7	3%
$150k - 250k	1393	6%	1608	17%	0.9	-9%
$250k - 500k	3258	11%	1692	29%	1.9	-14%
$500k +	1968	14%	342	13%	5.8	1%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	13140	-1%	$131	3%
$10k - 150k	5119	-5%	$79	4%
$150k - 250k	3843	3%	$130	3%
$250k - 500k	3493	3%	$148	2%
$500k +	685	-2%	$202	1%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
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Oakland County

Single-Family Homes

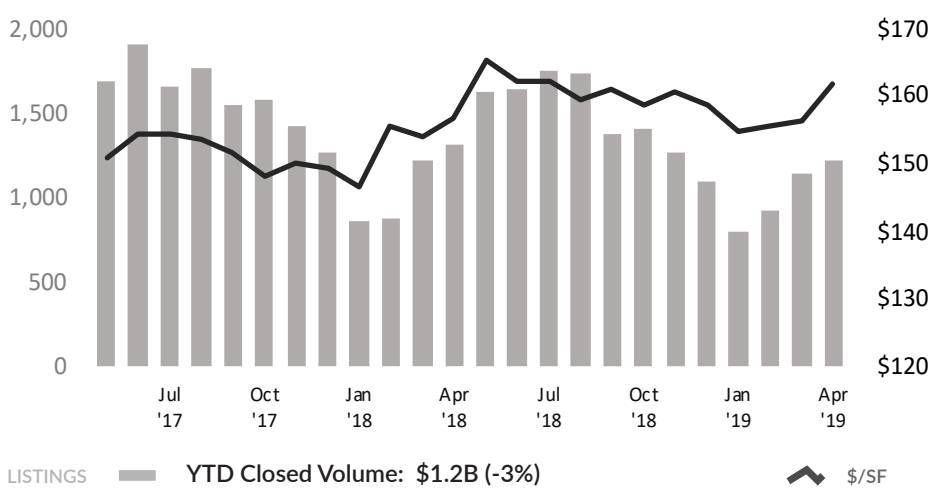
3,323
AVAILABLE HOMES
+12% from last month

1,733
NEW PENDINGS
+15% from last month

4,083
YTD CLOSED SALES
-4% from last year

$303K
YTD AVG SALE PRICE
+1% from last year

$157
YTD PRICE PER SQ FT
+3% from last year



Summary

As is typical for the season, available inventory, new pendings and closed sales continue to rise compared to prior months. Compared to a year ago, May 1st inventory was up 16% and April new pendings were even. YTD sales are down 4%, but average sale price and price per square foot are up slightly (1% to 3%). Despite the additional inventory, supply levels for listings priced under $400k are less than two months. It jumps to nine months for upper-end homes priced over $800k. It's still hard to find move-in-ready homes in entry and middle price ranges. They continue to sell quickly with multiple offers.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	3323	12%	1733	15%	1.9	-3%
$10k - 200k	425	0%	498	10%	0.9	-9%
$200k - 400k	1144	12%	847	22%	1.4	-9%
$400k - 800k	1250	15%	330	7%	3.8	7%
$800k +	504	16%	58	23%	8.7	-6%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	4083	-4%	$157	3%
$10k - 200k	1367	-10%	$117	5%
$200k - 400k	1911	0%	$151	4%
$400k - 800k	699	-3%	$172	1%
$800k +	106	-8%	$283	-2%

Data source: Realcomp MLS using Great Lakes Repository Data.

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Birmingham

Single-Family Homes

190
AVAILABLE HOMES
+28% from last month

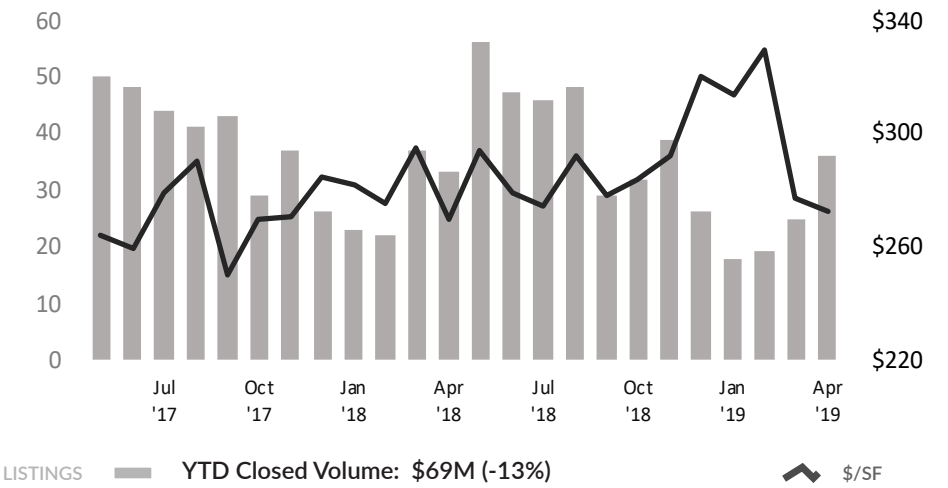
37
NEW PENDINGS
-27% from last month

98
YTD CLOSED SALES
-15% from last year

$703K
YTD AVG SALE PRICE
+2% from last year

$293
YTD PRICE PER SQ FT
+4% from last year

Closed Sales



Summary

Despite a 42 unit increase in available listings, there was a 14 unit drop in April new pendings. Compared to a year ago, May 1st inventory was up 23% and April new pendings were down 34%. YTD sales are down and, although prices are up, the rate of increase is slowing. In an area with smaller sample sizes like Birmingham, averages tend to move more erratically than in larger markets. In the over-$1.4m price range, only 4 of the 39 available listings went pending last month. Only 11 have closed in the first 4 months of the year. YTD values are relatively flat. How should that affect my list price or offer price?

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	190	28%	37	-27%	5.1	77%
$10k - 400k	15	36%	12	-14%	1.3	59%
$400k - 800k	73	52%	11	-52%	6.6	218%
$800k - 1.4m	63	19%	10	11%	6.3	7%
$1.4m +	39	8%	4	-20%	9.8	35%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	98	-15%	$293	4%
$10k - 400k	29	-24%	$232	-2%
$400k - 800k	43	-9%	$239	-3%
$800k - 1.4m	15	-12%	$310	21%
$1.4m +	11	-15%	$423	1%

Data source: Realcomp MLS using Great Lakes Repository Data.

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HOUSING REPORT

Macomb County

Single-Family Homes

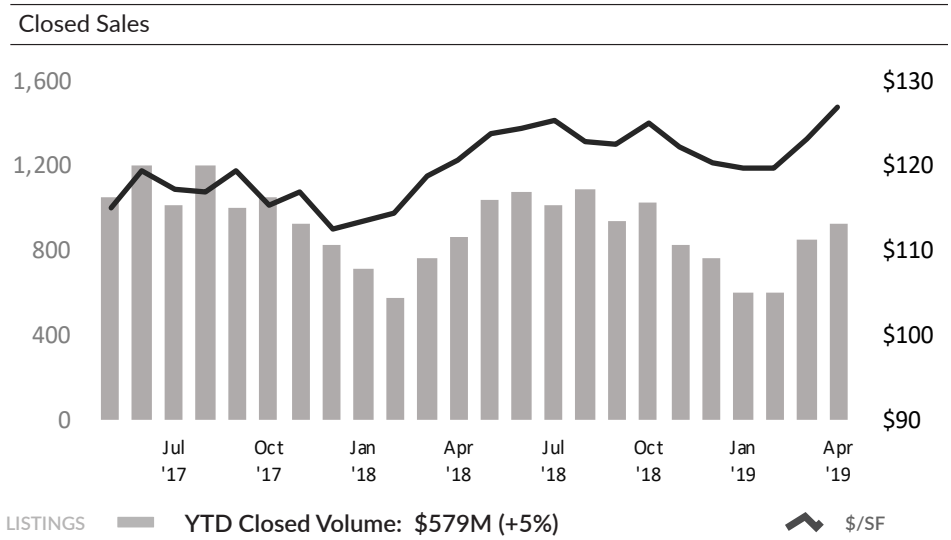
1,710
AVAILABLE HOMES
+7% from last month

1,196
NEW PENDINGS
+11% from last month

2,966
YTD CLOSED SALES
+2% from last year

$195K
YTD AVG SALE PRICE
+3% from last year

$123
YTD PRICE PER SQ FT
+5% from last year



Summary

Sales activity in Macomb County is ahead of last year's pace. Available listings, pendings, closed sales and values are all up compared to both last month and the same month last year. One of the few Macomb market negatives is that with only one month of available inventory, entry and mid-level buyers are still challenged in finding and competing for move-in-ready homes. Inventory levels and buyer options open at the higher price ranges.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1710	7%	1196	11%	1.4	-3%
$10-125k	280	-11%	256	-4%	1.1	-7%
$125-225k	327	1%	499	8%	0.7	-6%
$225-400k	632	21%	368	27%	1.7	-5%
$400k+	471	9%	73	24%	6.5	-12%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	2966	2%	$123	5%
$10-125k	783	-10%	$77	5%
$125-225k	1235	3%	$123	4%
$225-400k	794	12%	$134	2%
$400k+	154	4%	$162	9%

Data source: Realcomp MLS using Great Lakes Repository Data.

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Wayne County

Single-Family Homes

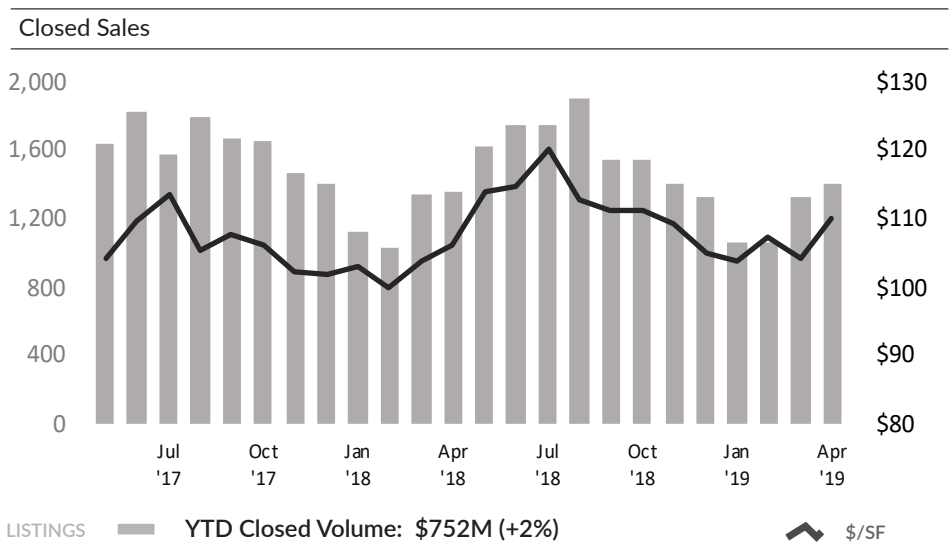
3,730
AVAILABLE HOMES
+4% from last month

2,021
NEW PENDINGS
+8% from last month

4,850
YTD CLOSED SALES
+1% from last year

$155K
YTD AVG SALE PRICE
+1% from last year

$106
YTD PRICE PER SQ FT
+3% from last year



Summary

With some help from spring interest rates being lower than expected, sales activity in Wayne County is ahead of last year's pace. Available listings, pendings, closed sales and values are all up compared to both last month and the same month last year. One of the few market negatives is that buyers continue to struggle to find move-in-ready listings in all but the higher-end price ranges.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	3730	4%	2021	8%	1.8	-4%
$10-100k	1855	1%	695	-2%	2.7	4%
$100-200k	713	4%	714	-1%	1.0	5%
$200-400k	631	2%	466	33%	1.4	-23%
$400k+	531	13%	146	49%	3.6	-24%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	4850	1%	$106	3%
$10-100k	1789	-7%	$48	4%
$100-200k	1869	12%	$110	2%
$200-400k	958	-2%	$137	2%
$400k+	234	-8%	$166	1%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
HOUSING REPORT

Detroit

Single-Family Homes

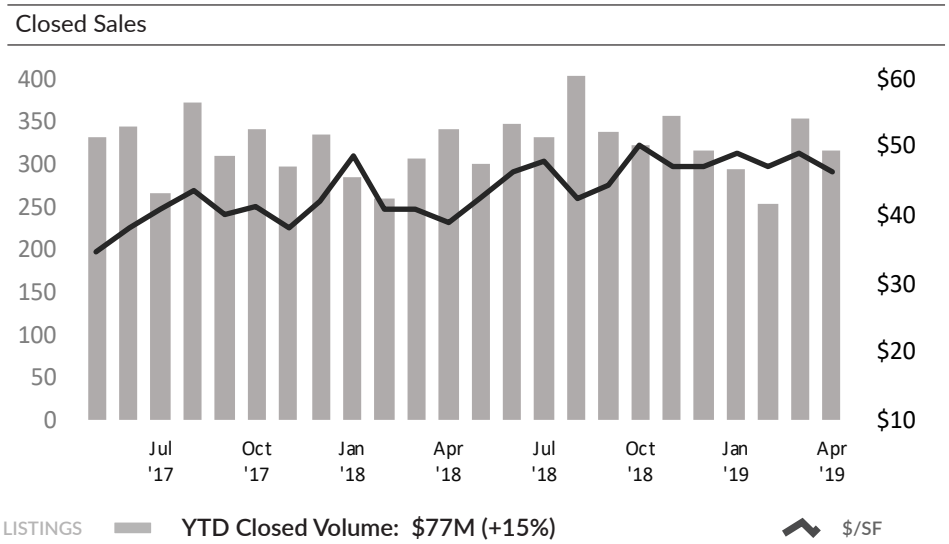
1,740
AVAILABLE HOMES
+3% from last month

469
NEW PENDINGS
-3% from last month

1,209
YTD CLOSED SALES
+2% from last year

$63K
YTD AVG SALE PRICE
+13% from last year

$48
YTD PRICE PER SQ FT
+13% from last year



Summary

Inventory continues to rise—it's up slightly compared to last month and 13% compared to the same time last year. April new pendings slipped a little from the prior month, but were higher than a year ago. YTD sales are slightly ahead of last year's pace and both average sale price and price per square foot are up 13% compared to a year ago. Looking at the gray bars in the chart above, we see little seasonality in Detroit sales compared to other markets. The biggest surprise for Detroit housing is that both the number of YTD sales and price per square foot are down in the over-$200k price range.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1740	3%	469	-3%	3.7	6%
$5-30k	561	-2%	139	-5%	4.0	4%
$30-100k	965	6%	232	-9%	4.2	17%
$100-200k	126	2%	66	16%	1.9	-12%
$200k+	88	2%	32	33%	2.8	-23%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	1209	2%	$48	13%
$5-30k	462	-23%	$17	7%
$30-100k	536	25%	$41	9%
$100-200k	157	80%	$82	14%
$200k+	54	-21%	$102	-6%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
HOUSING REPORT

Detroit

Condos/Lofts

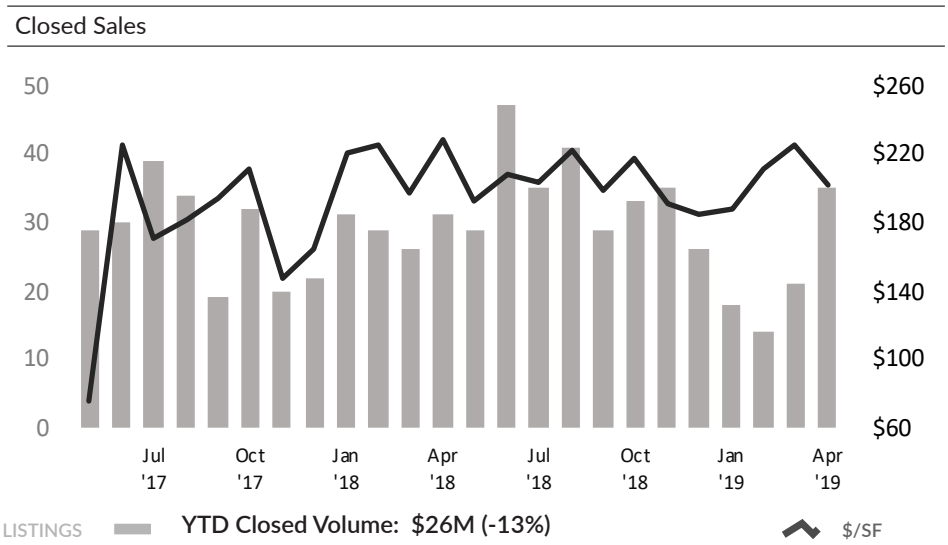
199
AVAILABLE CONDOS
+5% from last month

38
NEW PENDINGS
-3% from last month

88
YTD CLOSED SALES
-25% from last year

$299K
YTD AVG SALE PRICE
+15% from last year

$207
YTD PRICE PER SQ FT
-5% from last year



Summary

The number of available condo/loft listings in Detroit continues to rise and is up slightly from a month ago and up 42% compared to the same time last year. Despite the extra inventory, sales activity has been down. This may be due in part to buyers waiting for some of the new construction to be completed. As new upper-end units continue to be built, sellers of existing luxury units will face increasing competition. Price per square foot for units listed over $400k dropped by 12% to about the same level ($308/sf) they were two years ago. Location and walkability will continue to play a big role in establishing value of individual units.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	199	5%	38	-3%	5.2	8%
$10-100k	28	27%	2	-78%	14.0	473%
$100-200k	32	-18%	9	50%	3.6	-45%
$200-400k	79	-4%	20	54%	4.0	-37%
$400k+	60	30%	7	-36%	8.6	105%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	88	-25%	$207	-5%
$10-100k	18	-14%	$38	-52%
$100-200k	16	-27%	$124	-8%
$200-400k	33	-39%	$239	9%
$400k+	21	5%	$308	-12%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
HOUSING REPORT

Grosse Pointe

Single-Family Homes

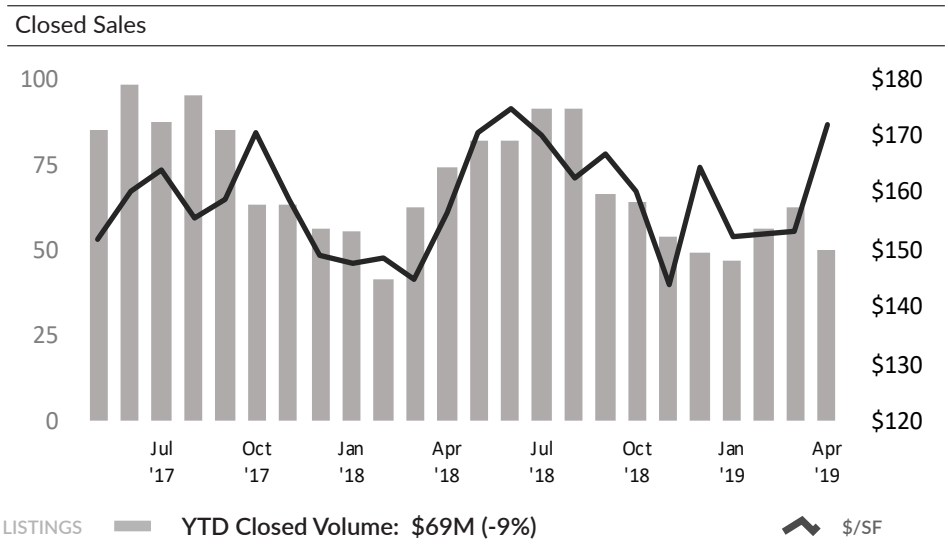
187
AVAILABLE HOMES
+6% from last month

100
NEW PENDINGS
+67% from last month

215
YTD CLOSED SALES
-7% from last year

$324K
YTD AVG SALE PRICE
-2% from last year

$157
YTD PRICE PER SQ FT
+5% from last year



Summary

Available listings and new pendings are both up from the previous month—April new pendings were up by 40 units compared to the prior month and were 13 higher than April of last year. YTD, total closed sales are 17 units behind last year's pace and, although average sale price dropped slightly, average price per square foot is up 5%. Last year, the $350k-$700k market was the hottest price range. This year, sales in that price range are down by 21 units and price per square dropped by 2%.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	187	6%	100	67%	1.9	-37%
$10-200k	12	0%	16	14%	0.8	-13%
$200-350k	38	-19%	42	45%	0.9	-44%
$350-700k	84	22%	30	100%	2.8	-39%
$700k+	53	8%	12	500%	4.4	-82%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	215	-7%	$157	5%
$10-200k	44	-10%	$130	10%
$200-350k	108	2%	$151	6%
$350-700k	54	-21%	$159	-2%
$700k+	9	0%	$212	22%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
HOUSING REPORT

Downriver

Single-Family Homes

570
AVAILABLE HOMES
+2% from last month

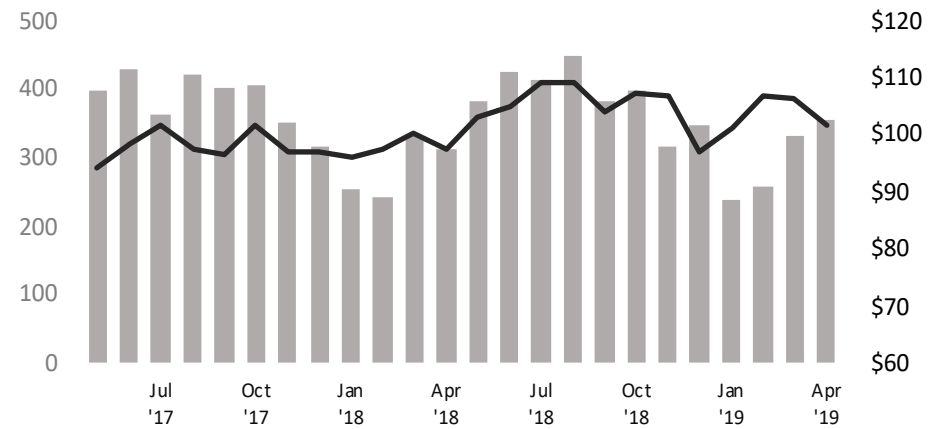
477
NEW PENDINGS
+4% from last month

1,181
YTD CLOSED SALES
+4% from last year

$144K
YTD AVG SALE PRICE
+10% from last year

$104
YTD PRICE PER SQ FT
+6% from last year

Closed Sales



LISTINGS — YTD Closed Volume: $170M (+15%) — $/SF

Summary

With YTD closed volume up by 15%, Downriver sales activity is significantly ahead of last year's pace. Available listings, pendings, closed sales and values are all up compared to both last month and the same month last year. One of the few market negatives is that with only one month of available inventory in all but the over-$250k market, buyers are challenged in finding and competing for move-in-ready homes. Inventory levels and buyer options open slightly in the over-$250k price range.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	570	2%	477	4%	1.2	-1%
$10-75k	93	-2%	83	22%	1.1	-20%
$75-125k	145	-6%	149	-7%	1.0	1%
$125-250k	167	1%	180	-7%	0.9	9%
$250k+	165	15%	65	67%	2.5	-31%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	1181	4%	$104	6%
$10-75k	196	-23%	$55	1%
$75-125k	381	1%	$94	4%
$125-250k	473	15%	$113	2%
$250k+	131	42%	$126	1%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
HOUSING REPORT

Livingston County

Single-Family Homes

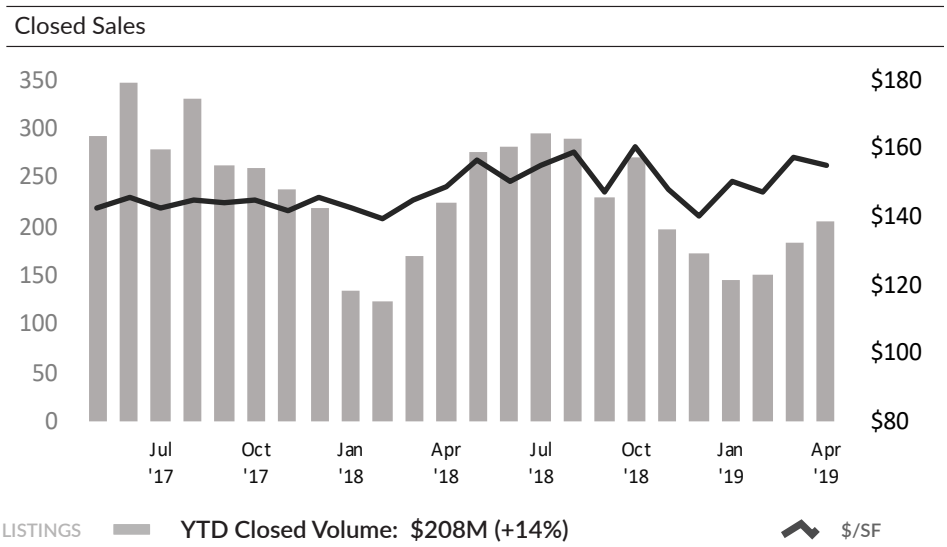
502
AVAILABLE HOMES
+5% from last month

323
NEW PENDINGS
+30% from last month

681
YTD CLOSED SALES
+5% from last year

$306K
YTD AVG SALE PRICE
+9% from last year

$153
YTD PRICE PER SQ FT
+6% from last year



Summary

With YTD closed volume up by 14%, Livingston County sales activity is ahead of last year's pace. Available listings, pendings, closed sales and values are all up compared to last month. All except closed sales are also up compared to April of last year. One of the few market negatives is that buyers shopping in entry and middle-level price ranges continue to be challenged in finding and competing for move-in-ready homes. Supply and buyer options open slightly as the price range increases.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	502	5%	323	30%	1.6	-19%
$10-200k	51	6%	48	20%	1.1	-11%
$200-300k	131	-1%	130	40%	1.0	-29%
$300-500k	210	9%	120	33%	1.8	-18%
$500k+	110	7%	25	-4%	4.4	11%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	681	5%	$153	6%
$10-200k	124	-10%	$120	0%
$200-300k	262	-12%	$144	4%
$300-500k	250	39%	$157	4%
$500k+	45	41%	$200	2%

Data source: Realcomp MLS using Great Lakes Repository Data.

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MAY 2019
HOUSING REPORT

St. Clair County

Single-Family Homes

438
AVAILABLE HOMES
+7% from last month

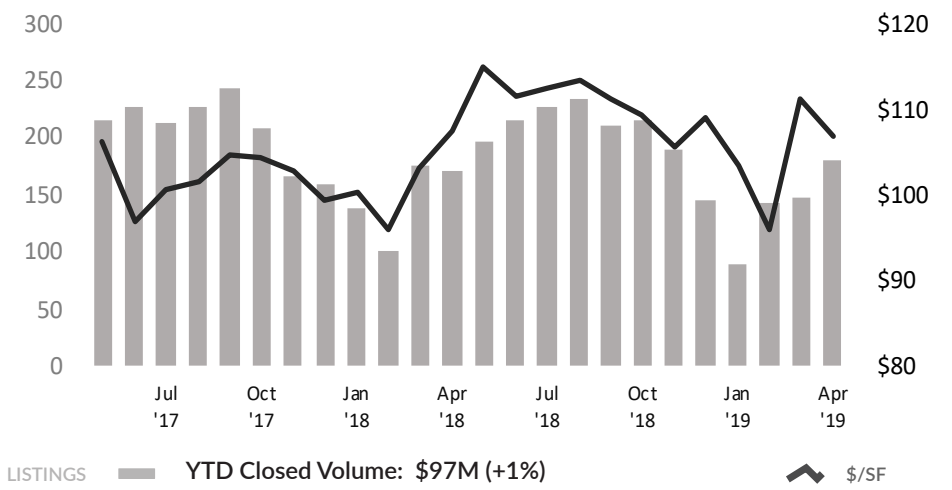
214
NEW PENDINGS
+11% from last month

560
YTD CLOSED SALES
-4% from last month

$173K
YTD AVG SALE PRICE
+5% from last year

$105
YTD PRICE PER SQ FT
+2% from last year

Closed Sales



Summary

Available listings and new pendings are both up from the previous month. Compared to this time last year, listing inventory is up 14%. YTD sales are down 4%, but average sale price is up 5% and average price per square foot is up 2%. Both sales and values in the lower price ranges have been down while the upper half of the market has been expanding. Activity in the $200k-$400k market has increased in terms of units, but values were up just slightly.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	438	7%	214	11%	2.0	-3%
$10-100k	65	-2%	43	19%	1.5	-18%
$100-200k	122	-2%	90	2%	1.4	-4%
$200-400k	182	13%	71	22%	2.6	-8%
$400k+	69	21%	10	-9%	6.9	33%

YTD Closed Activity

	YTD Closed	Change	YTD $/SF	Change
All	560	-4%	$105	2%
$10-100k	134	-11%	$52	-5%
$100-200k	240	-12%	$96	-2%
$200-400k	172	21%	$126	1%
$400k+	14	-22%	$213	25%

Data source: Realcomp MLS using Great Lakes Repository Data.

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