

# HOUSING REPORT

SOUTHEAST MICHIGAN | MAY 2019



## 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

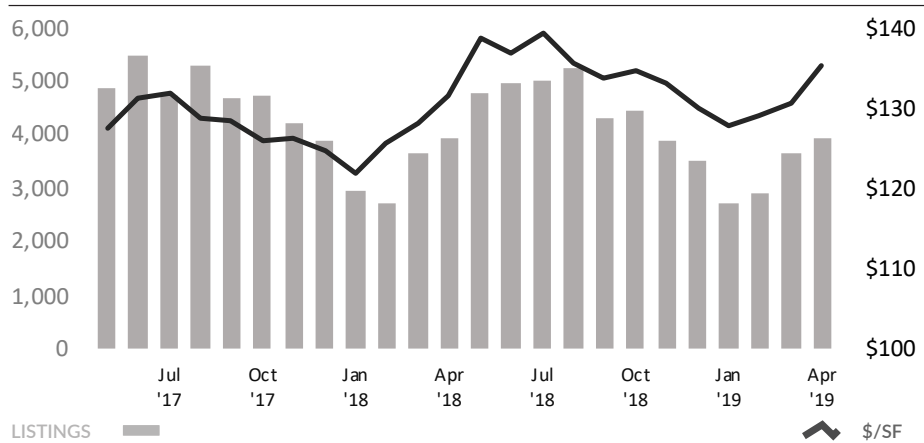
5,487  
NEW PENDINGS  
+12% from last month

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

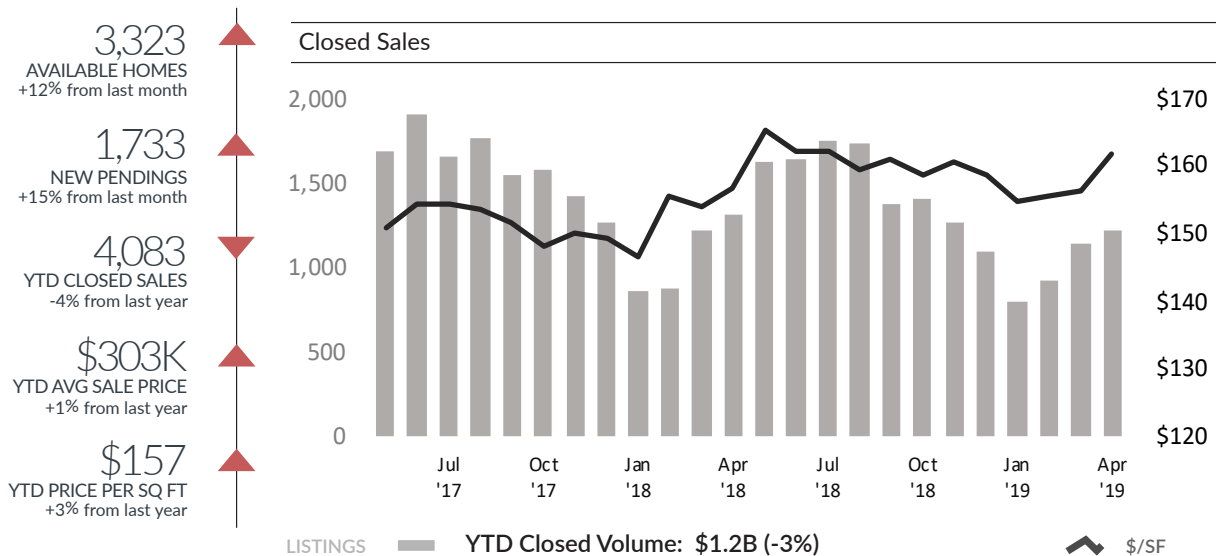
|               | YTD Closed | Change | YTD \$/SF | Change |
|---------------|------------|--------|-----------|--------|
| All           | 13140      | -1%    | \$131     | 3%     |
| \$10k - 150k  | 5119       | -5%    | \$79      | 4%     |
| \$150k - 250k | 3843       | 3%     | \$130     | 3%  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

Data source: Realcomp MLS using Great Lakes Repository Data.



# Oakland County

## Single-Family Homes



### 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: Realtor MLS using Great Lakes Repository Data.



MAY 2019  
HOUSING REPORT

# Birmingham

Single-Family Homes

190  
AVAILABLE HOMES  
+28% from last month

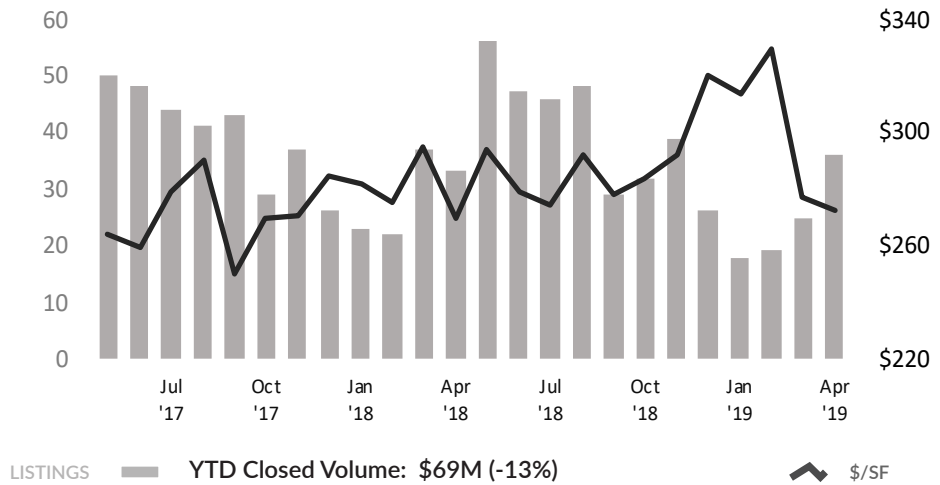
37  
NEW PENDING  
-27% from last month

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

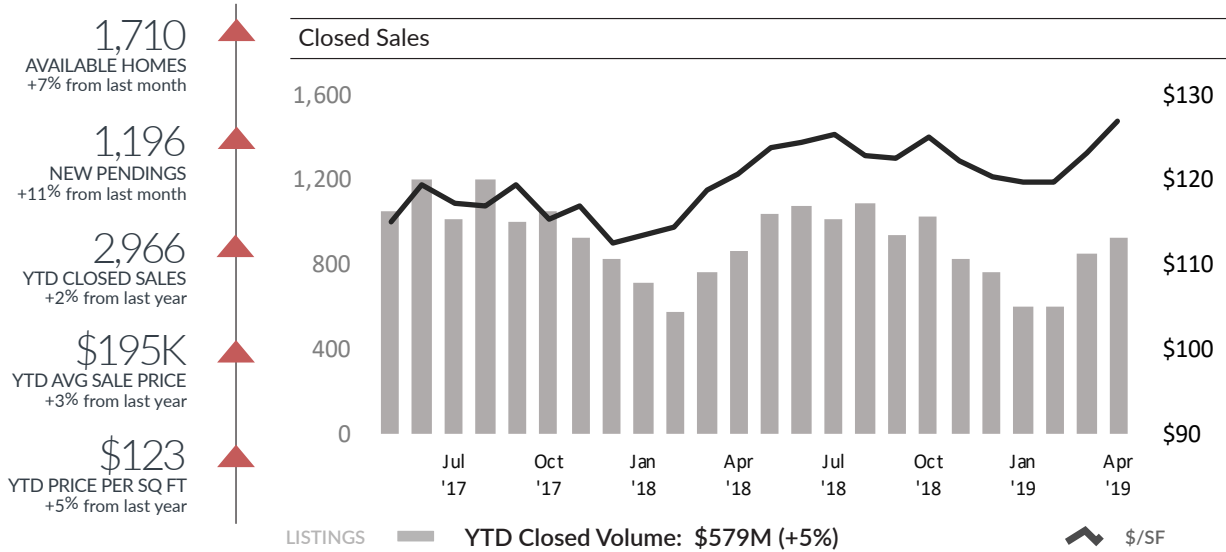
|               | YTD Closed | Change | YTD \$/SF | Change |
|---------------|------------|--------|-----------|--------|
| All           | 98         | -15%   | \$293     | 4%     |
| \$10k - 400k  | 29         | -24%   | \$232     | -2%    |
| \$400k - 800k | 43         | -9%    | \$239     | -3% 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

Data source: Realcomp MLS using Great Lakes Repository Data.



# Macomb County

Single-Family Homes



## Summary

Sales activity in Macomb County is ahead of last year's pace. Available listings, pendingings, 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 Pendingings | 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

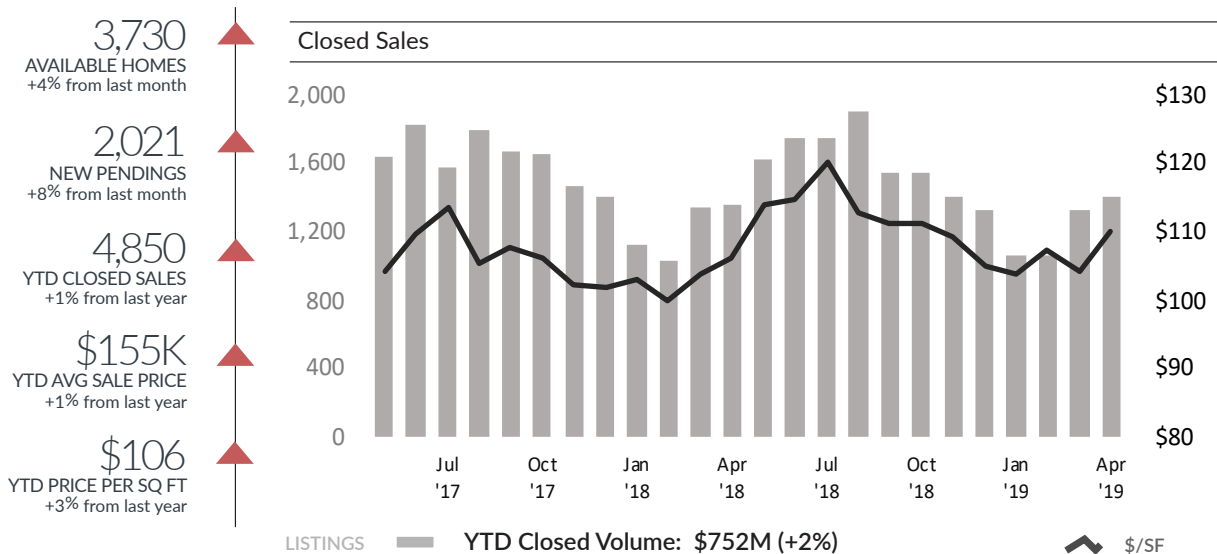
|            | YTD Closed | Change | YTD \$/SF | Change |
|------------|------------|--------|-----------|--------|
| All        | 2966       | 2%     | \$123     | 5%     |
| \$10-125k  | 783        | -10%   | \$77      | 5%     |
| \$125-225k | 1235       | 3%     | \$123     | 4%     |
| \$225-400k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

Data source: Realcomp MLS using Great Lakes Repository Data.



# Wayne County

Single-Family Homes



## 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%     |

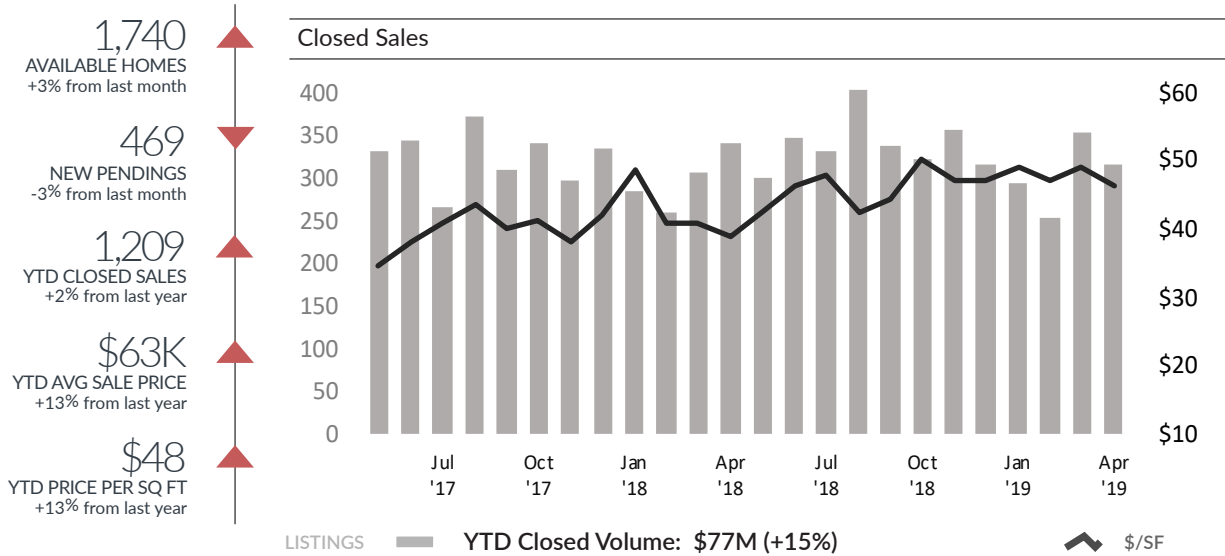
Data source: Realcomp MLS using Great Lakes Repository Data.



MAY 2019  
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# Detroit

## Single-Family Homes



### 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.





# Detroit

Condos/Lofts

199  
AVAILABLE CONDOS  
+5% from last month

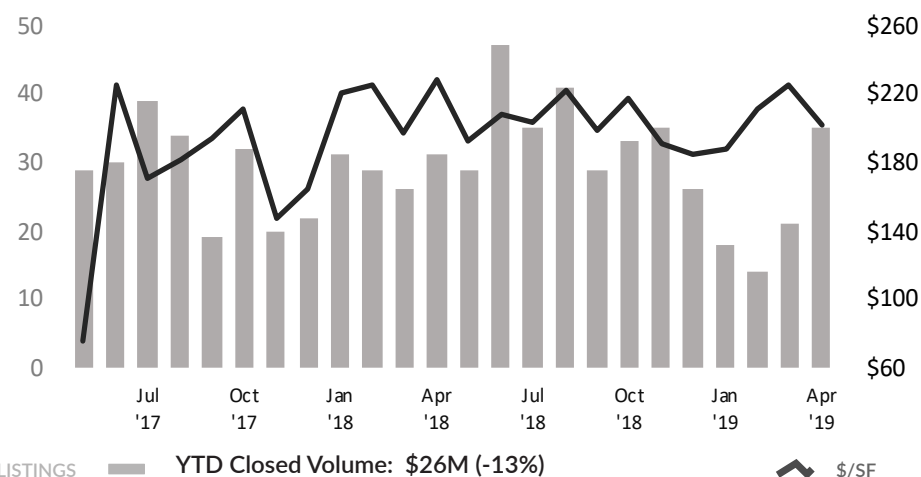
38  
NEW PENDING  
-3% from last month

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

## Closed Sales



### 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

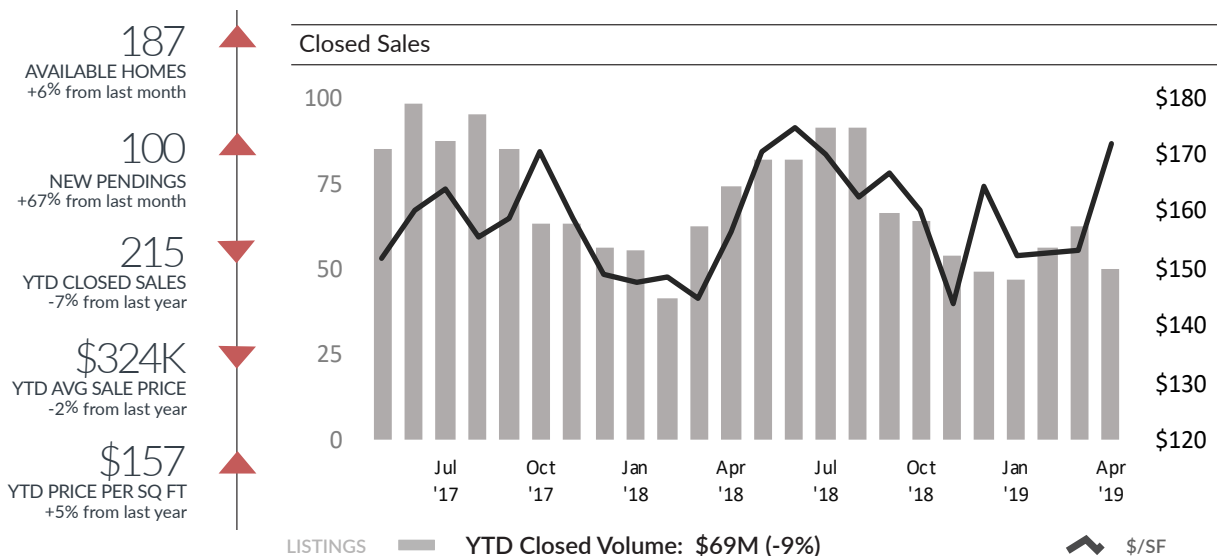
|            | YTD Closed | Change | YTD \$/SF | Change |
|------------|------------|--------|-----------|--------|
| All        | 88         | -25%   | \$207     | -5%    |
| \$10-100k  | 18         | -14%   | \$38      | -52%   |
| \$100-200k | 16         | -27%   | \$124     | -8%    |
| \$200-400k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

Data source: Realcomp MLS using Great Lakes Repository Data.



# Grosse Pointe

## Single-Family Homes



### 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.



# Downriver

Single-Family Homes

570  
AVAILABLE HOMES  
+2% from last month

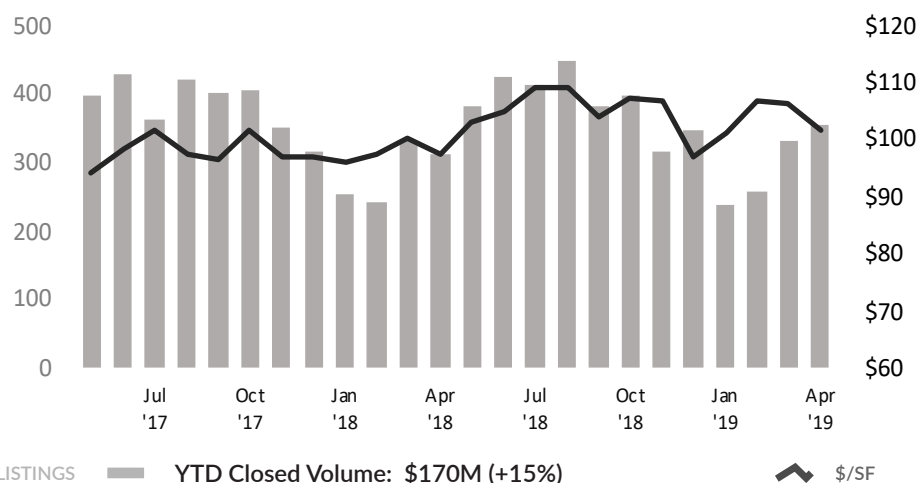
477  
NEW PENDINGS  
+4% from last month

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



## 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.



# Livingston County

## Single-Family Homes

502  
AVAILABLE HOMES  
+5% from last month

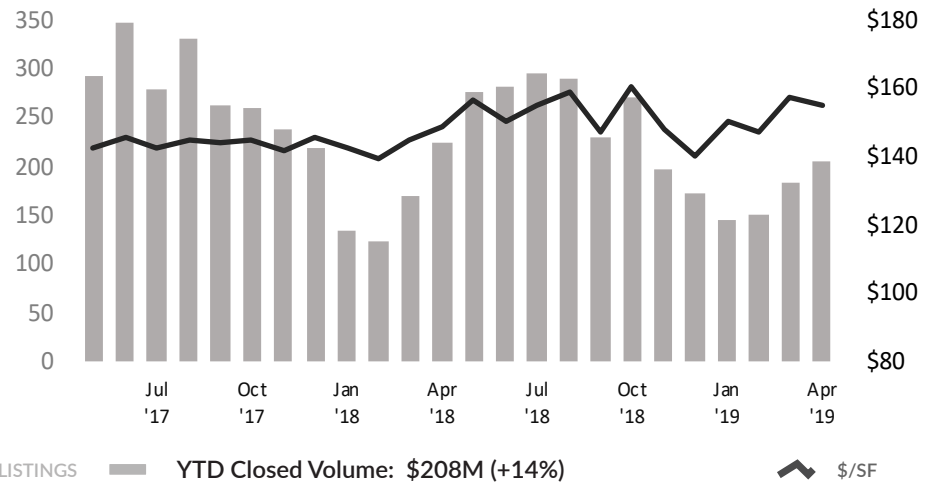
323  
NEW PENDINGS  
+30% from last month

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

### Closed Sales



### 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: Realtor MLS using Great Lakes Repository Data.



# St. Clair County

Single-Family Homes

438  
AVAILABLE HOMES  
+7% from last month

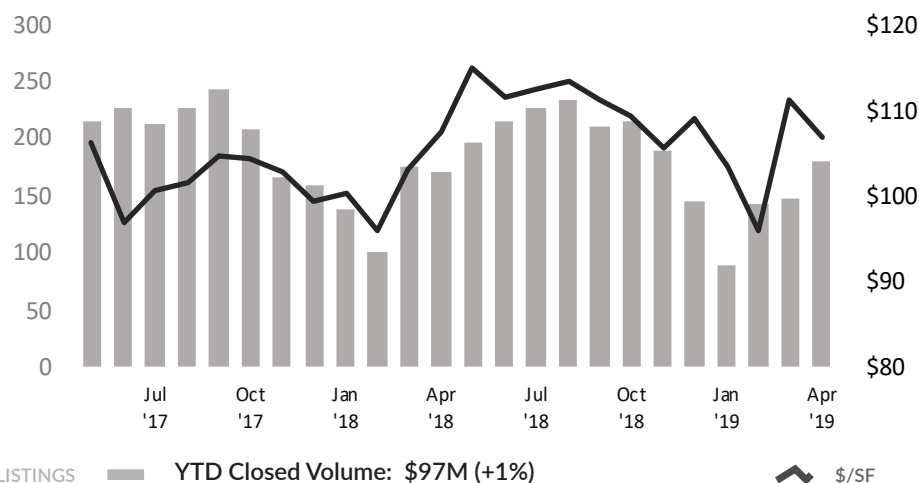
214  
NEW PENDING  
+11% from last month

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.

