

Southeast Michigan Housing Rebound

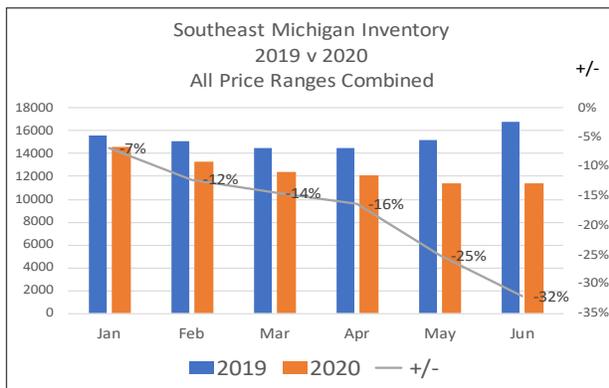
2019 v 2020 YTD Comparison
Publish Date 6/19/20

Southeast Michigan 5-County Summary

Combined SF and Condos, Jan 1 - June 16

| | 2019 | 2020 | +/- |
|---------------|------------|------------|------|
| YTD Units | 20,879 | 15,950 | -24% |
| YTD Vol (mil) | \$ 5,489 | \$ 4,100 | -25% |
| Avg Price | \$ 262,898 | \$ 257,057 | -2% |
| Avg \$/SF | \$ 135.44 | \$ 137.65 | 2% |

We have received many questions on how the real estate market is faring as a result of the Pandemic. The good news is the market is strong and following the line we had anticipated at the onset of COVID. For Sale inventories are tight, employment for the home buying market is stabilizing and interest rates are historically low. The low rates are causing an additional jump in demand. For Sellers, this is one of the best times in recent history to put your home on the market. For Buyers, be patient, have your mortgage ready to go and don't be afraid to be aggressive with your offers. Some are projecting interest rates to fall further. That will drive up an equal increase in prices, so waiting for further rate reductions will not likely benefit buyers.

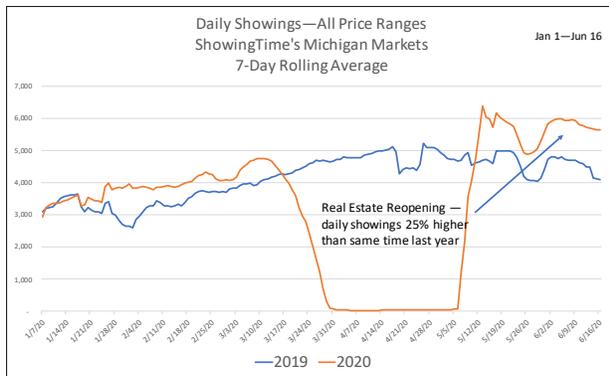


Available Inventory

- Entering 2020 inventory levels were down 7% compared to last year.
- By March, high demand and strong sales dropped inventory 14% lower than last year.
- Current inventory levels are 32% lower than a year ago.
- There's a significant shortage of entry and middle-priced listings. Inventory is down 34% in the under-\$500k price range and down 20% in the over-\$500k range.

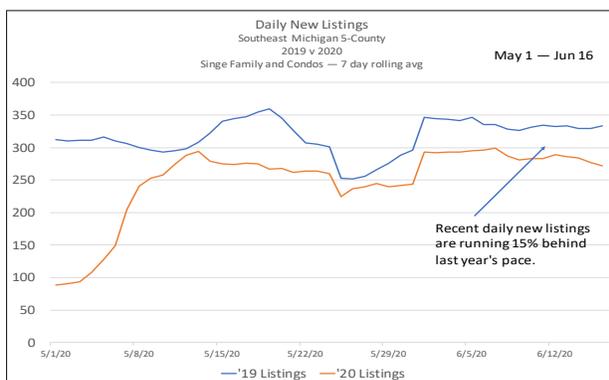
Showing Activity

- Despite lower inventory levels, 2020 showing activity (and buyer demand) has been higher than a year ago.
- The only time 2020 showing activity was lower than a year ago was during the "shelter in place" order.
- Since the May 7th real estate reopening, despite lower inventory levels, showing activity has been 25% higher than last year.
- Expect showing levels to remain high, especially for move-in-ready homes in the more affordable price ranges.
- Showings for higher-priced homes restarted slowly, but have been gaining momentum. Showings on \$750k - \$1m listings have recently been up by 50% compared to last year.



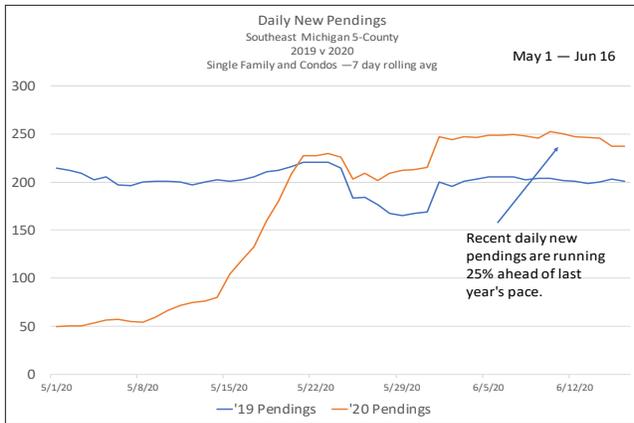
Daily New Listings

- The already-low pre-Covid inventory levels took another hit during the shutdown. Prior to the arrival of Covid, inventory was down 14% and during the 47-day shutdown there were 225 fewer new listings per day than last year.
- Since the May 7th reopening, daily new listings have been lagging about 15% behind last year's pace.



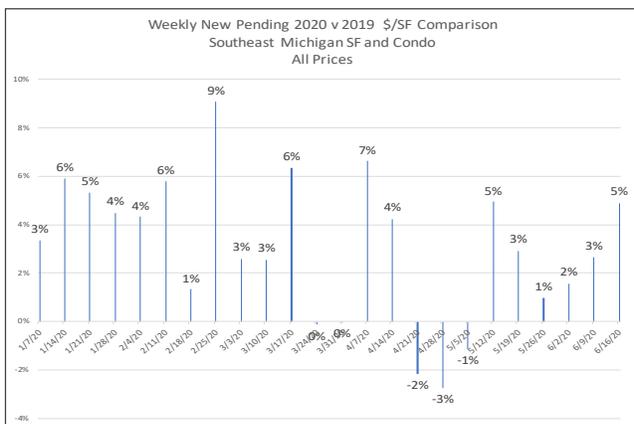
*Data Source: Realcomp MLS/GLR data and ShowingTime





Daily New Pendings

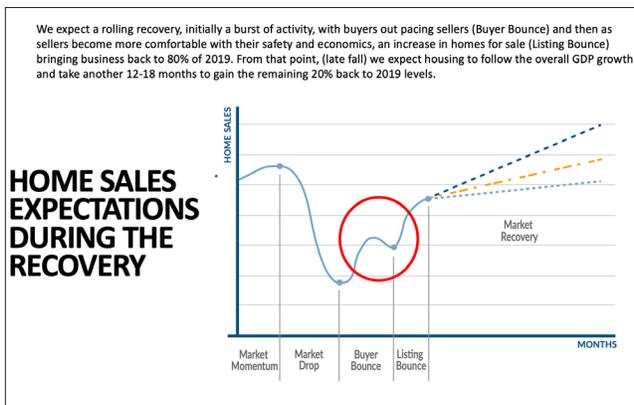
- Despite lower inventory levels, daily new pendings have been running ahead of last year's pace—up by about 25%.
- High demand, combined with limited inventory has created fierce buyer competition in the lower and middle price ranges.
- While upper-end competition is not as strong, new pending activity which had a slow “restart”, has been gaining momentum. Through the first half of June, daily over-\$500k pendings are up 40%.



Rebound Values

- Prior to Covid, values were averaging 4 to 6% above last year—more for entry and middle price ranges and less for upper price ranges.
- Currently YTD closed prices are nearly level, with average sale price down 2% and price per square foot up 2%.
- When tracking weekly average list price per square foot for pendings, the only weeks it was down compared to 2019 were three weeks during the lockdown.
- Despite the increase in upper-end sales, values of those pricier homes have been flat or slightly declining.

*Data Source: Realcomp MLS/GLR data



Summary: Despite limited inventories, Southeast Michigan's 2020 real estate markets were off to a quick first quarter start. The Covid lock-down put a 47 day hold on physical showings and face to face real estate meetings. In recent weeks market activity has been running ahead of last year's pace, but a lack of inventory—especially in the middle and lower price ranges will restrict business while some sellers wait while the future of Covid is still unclear. The lack of inventory may cause a dip in sales. Sellers who are making the early move are being rewarded with plenty of buyers and not much competition from other sellers. We do expect a listing “bounce” towards the Fall as a combination of rising prices, employment stability and low interest rates encourage more sellers to enter the market.

