

# Southeast Michigan Housing Rebound Update

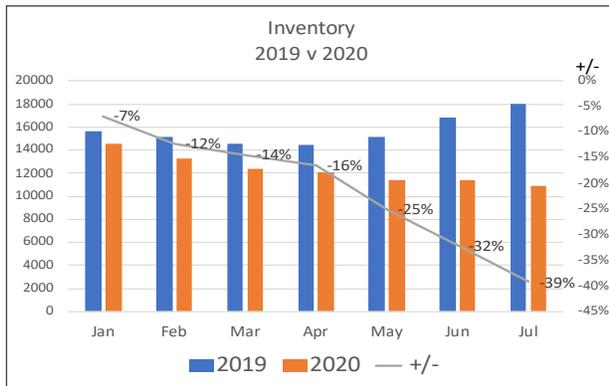
2019 v 2020 YTD Comparison

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## Southeast Michigan Summary

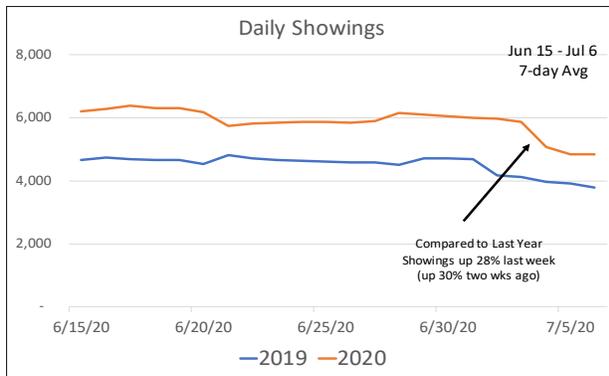
	Jan - Jun		
	2019	2020	+/-
YTD Units	25,893	21,166	-18%
YTD Vol (mil)	\$ 5,716	\$ 5,012	-12%
Avg Price	\$ 220,747	\$ 236,787	7%
Avg \$/SF	\$ 135.06	\$ 139.84	4%

As we continue to work our way through the Pandemic, our Market Research Department monitors daily activity looking for market shifts that affect our clients. Despite recent news of increasing cases of Covid throughout southern states, buyer demand in Michigan remains strong. New sales are outpacing new listings in all price ranges and prices continue to rise, especially in the under-\$500k markets. Although they often face fierce competition, buyers continue to enjoy historically low interest rates that more than offset growing prices and make it worthwhile to shop now—even if they have to bid a little higher. Upper-end buyers get a bonus in that those inventories aren't quite as tight and prices are relatively flat. Change creates opportunity for those first to recognize it. The goal of this update is to ensure our clients and agents see it first.



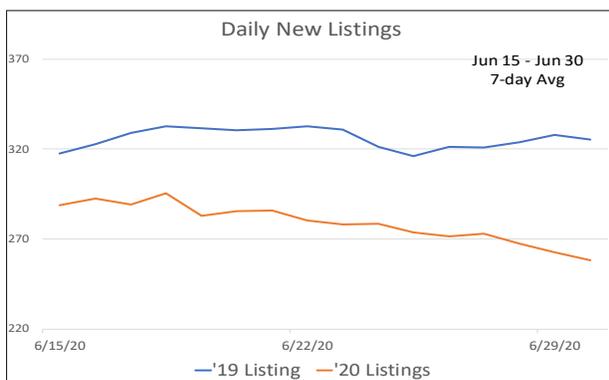
### Inventory

- Continues to decline—July 1st inventory was down 4% compared to the beginning of June and down 39% compared to the same time last year
- Compared to this time last year, under-\$500k listings are down 42% and over-\$500k listings are down 24%.
- Already low inventory levels continue to decline when (seasonally) they should be rising—a great opportunity for sellers.



### Showing Activity

- Showing activity provides the earliest insight to shifts in demand. Despite the recent increase in news chatter regarding Covid running through southern states, Michigan showing activity continues to outperform the same period last year—up 28% last week and 30% the week before.
- The first week of July dip was due to the holiday.
- Expect showing levels to remain high, especially for move-in-ready homes in the more affordable price ranges.

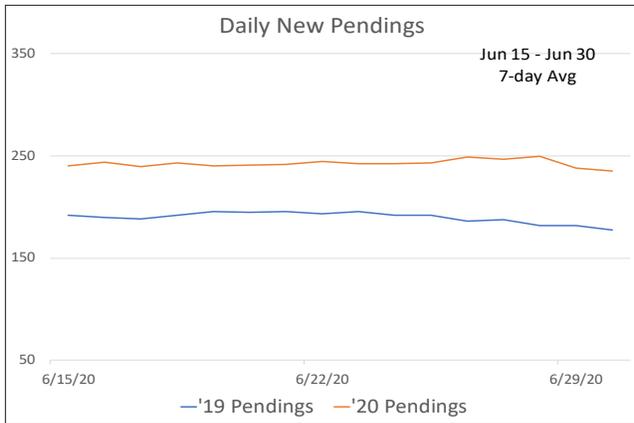


### Daily New Listings

- Despite enormous buyer demand for available homes, new listings continue to be slow to hit the market—in the last week of June new listings were down 6% compared to the prior week and 14% compared to the same week last year.
- Homeowners who plan to sell may want to take advantage of this imbalanced market which favors them.

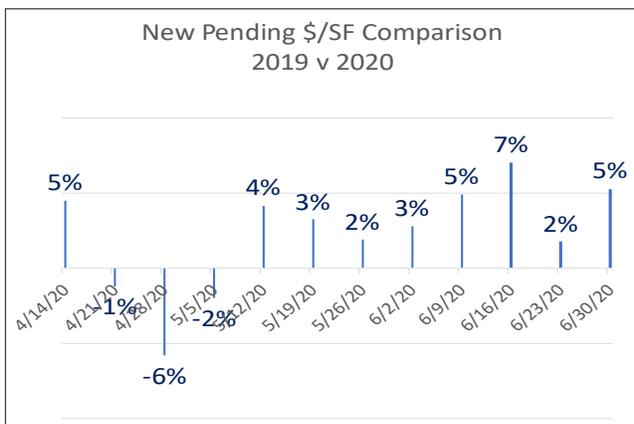
\*Data Source: Realcomp MLS/GLR data and ShowingTime





### Daily New Pending

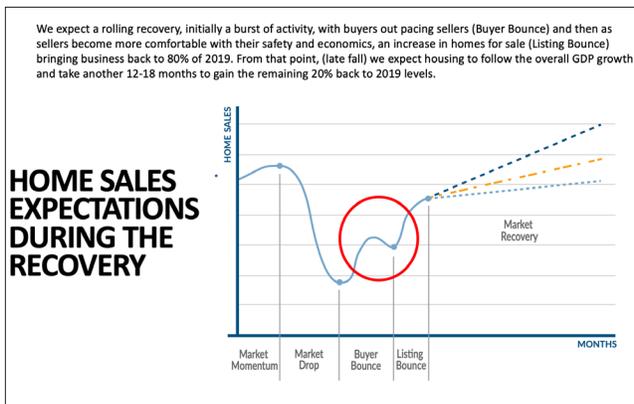
- Despite lower inventory levels, daily new pendings have been running higher than last year—up by about 25%.
- High demand, combined with limited inventory has created fierce buyer competition in the lower and middle price ranges.
- While upper-end competition is not as strong, new pending activity which had a slow “restart”, continues gaining momentum. June’s 533 over-\$500k new pending total was the highest of any month in recent years and was up 50% compared to last year.



\*Data Source: Realcomp MLS/GLR data

### 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.
- Prices took a temporary dip during the lockdown, but through June, YTD average sale price is up 7%.
- This pending \$/SF chart compares weekly list price per square foot of new pendings to the same week last year. Prices continue to rise.
- Note: despite big increase in upper-end sales, values of those pricier homes have been flat or slightly declining.



**Summary:** The market continues to enjoy its post-lockdown burst of activity even though inventory levels are down 40% from a year ago. For the jump in activity to continue, however, inventory needs to open up. Under-\$500k inventory is down 42% compared to last year, yet June new pendings in that price range were up 26%. Over-\$500k inventory is down 24%, yet June pendings were up 50%.

Unless inventory loosens up, there won't be enough listings to keep this momentum going and sales may temporarily fall off until new listings refuel the market.

To be successful in landing new move-in-ready listings, buyers need to be quick to the draw and generous with their offers. Sellers who make the early move will be rewarded with plenty of buyers and not much competition from other sellers.

