

# Southeast Michigan Housing Rebound Update

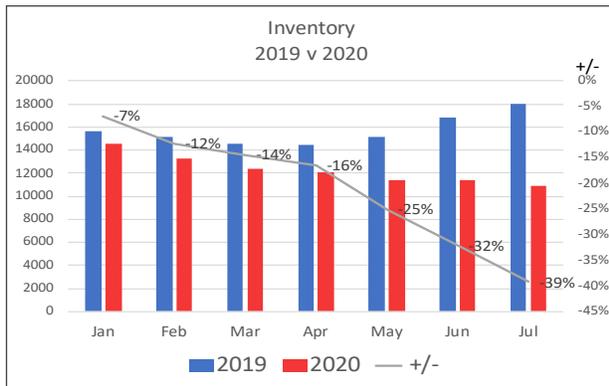
2019 v 2020 YTD Comparison  
Publish Date 7/30/20

## Southeast Michigan 5-County Summary

Combined SF and Condos, Jan 1 - July 26

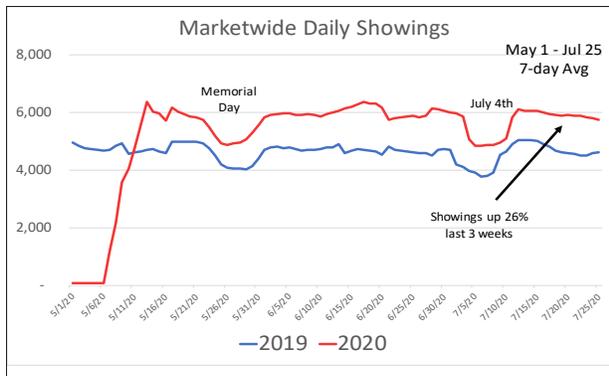
	2019	2020	+/-
YTD Units	32,348	25,803	-20%
YTD Vol (mil)	\$ 7,367	\$ 6,172	-16%
Avg Price	\$ 227,745	\$ 239,210	5%
Avg \$/SF	\$ 137.44	\$ 141.48	3%

This report is designed as a follow-up to the July 7th Southeast Michigan Rebound Report as we continue to work through the Pandemic. These reports will continue to monitor leading indicators of change—inventory levels, showings, new listings and new pendings. We will also monitor values using weekly average list price per square foot of new pendings and closed sales. Our goal is to provide buyers, sellers and agents with timely market insight that will help them see and make the most of market opportunities.



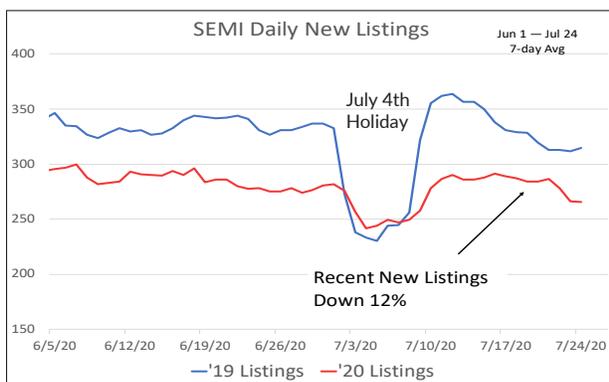
### Inventory

- Inventory dropped 2% in the past 30 days. Typically, inventory rises each month from early spring through fall. This year, inventory has declined every month since January.
- Lack of inventory, especially in the lower and middle price ranges continues to challenge buyers who are on limited budgets.



### Showing Activity

- Showing activity provides the earliest insight to shifts in demand. The late-June flareup of Covid in other states continued to rise through the 4th of July holiday causing the holiday slowdown to linger a little longer.
- Showings kicked back up the second week of July. Despite the lack of inventory, over the last 3 weeks, showing activity has been 25% higher than the same time last year.

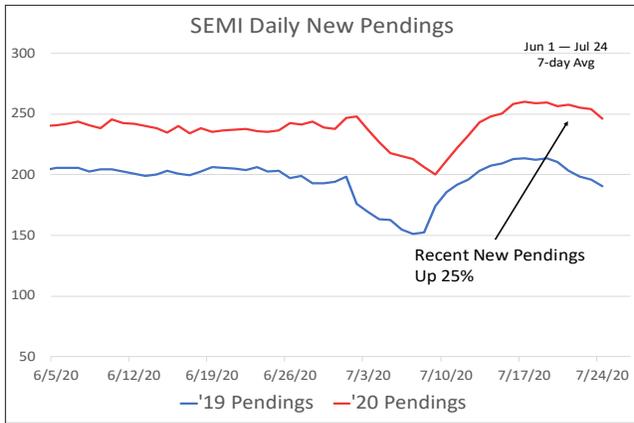


### Daily New Listings

- New listings continue to be slow in arriving. They have recently been down 12% compared to the same period last year. They typically begin to fall off in the second half of July.
- We're hoping that some of the listings that were delayed by Covid will still make it to the market later in the season.
- Lack of seller competition combined with strong demand creates great opportunity for the sellers who are taking advantage of this imbalanced market.

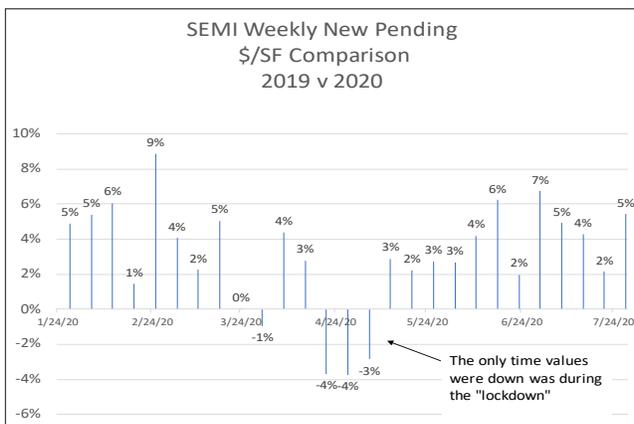
\*Data Source: Realcomp MLS/GLR data and ShowingTime





### Daily New Pending

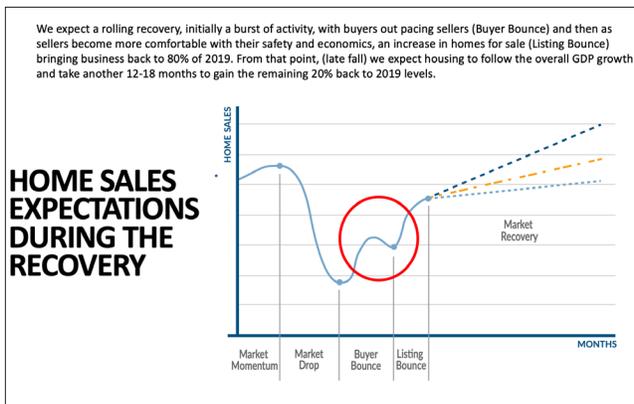
- Despite lower inventory levels, daily new pendings have been running higher than last year—up by about 25%.
- High demand, combined with limited inventory has created fierce buyer competition in the lower and middle price ranges.
- In the over-\$500k markets, where inventory levels aren't depleted, weekly new pendings have recently been up by 40% compared to the same time 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.
- This pending \$/SF chart compares weekly list price per square foot of new pendings to the same week last year. Prices took a temporary dip during the lockdown, but through July 26th, YTD average sale price is up 5%.
- Despite an increase in upper-end sales, values of those pricier homes have been flat or slightly declining. YTD \$/SF for over-\$500k sales is down 1%.



**Summary:** Aside from the lockdown period, 2020's sales activity has outpaced 2019's. The biggest factor restraining market growth is the lack of inventory—particularly in the middle and lower price ranges where the number of available homes priced under \$500k is down 42%. Inventory usually increases each month from February through September. This year, it has dropped every month since January and will be down again on August 1st. Unless more homes become available, there won't be enough listings to fuel the current market pace. The inventory shortage provides a great opportunity for sellers.

For buyers to be successful in landing new move-in-ready listings, they need to be quick and generous with their offers. When in a competing situation, think "big picture"—today's historic-low interest rates will more than make up for the extra sweetness buyers have to add to their offer to get them accepted.

