

# HOUSING REPORT

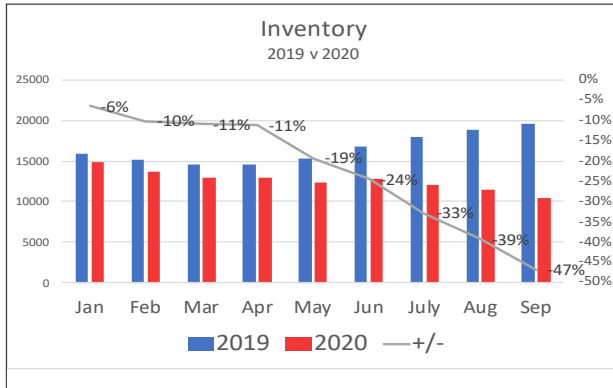
SOUTHEAST MICHIGAN | SEPTEMBER 2020



SEPTEMBER 2020  
HOUSING REPORT

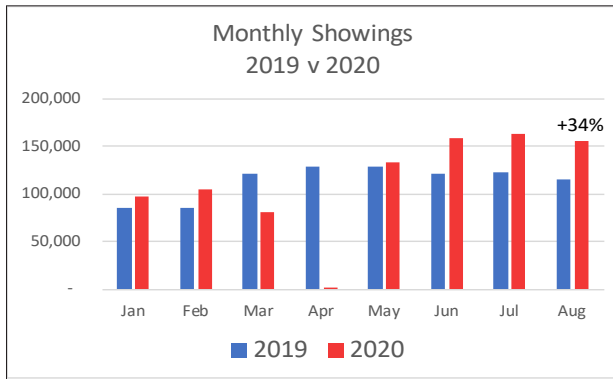
Southeast Michigan

# Covid Rebound Update



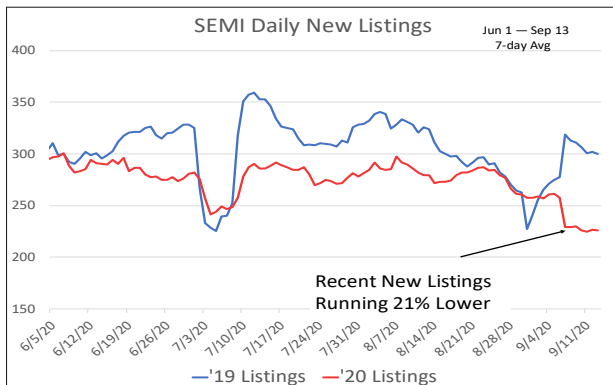
### Inventory

- Continues to decline—September 1st inventory dropped 4% in the past month and is down 47% since this time last year.
- Inventory shortages are more severe in the lower price ranges. Under-\$500k listings are down 57% and over-\$500k listings are down 28%.
- Already low inventory levels continue to decline when (seasonally) they should still be rising—a great opportunity for sellers.



### Showing Activity

- Showing activity provides the earliest insight to shifts in demand. Despite the severe lack of inventory, showing activity is running 34% higher than it was last year at this time.
- Look for showings to tail off due to the combination of seasonality and low inventory.
- Expect demand and showing levels to remain high for move-in-ready homes in the more affordable price ranges.



### Daily New Listings

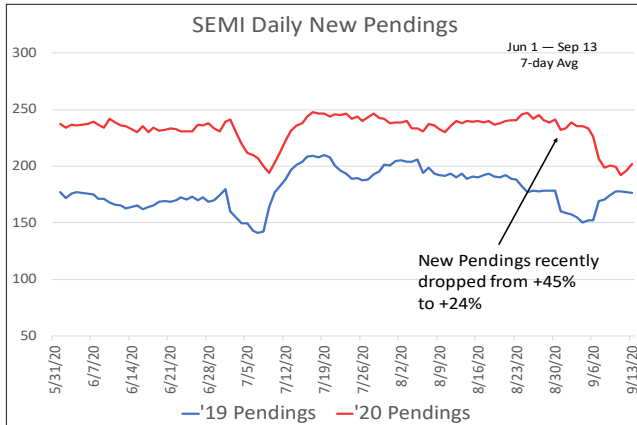
- The rate of new listings arriving on the market has been down since March, when Covid arrived in Michigan.
- The gap narrowed near the end of summer but dropped off again the first week of September as household focus for families shifted to figuring out what's going to happen with the school year.
- The extreme listing shortages continue to provide opportunity for sellers who haven't yet cashed in on this high-demand market.

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



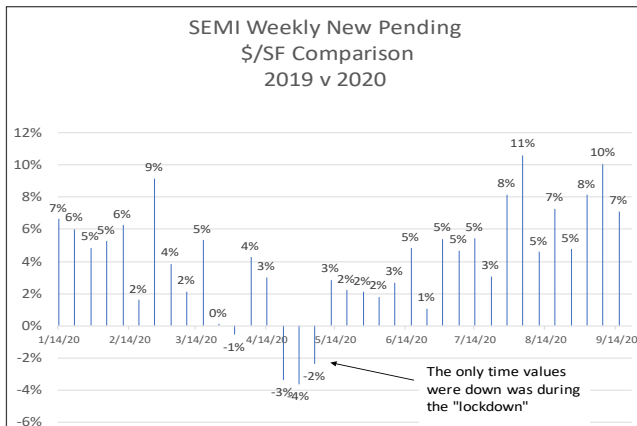
# SEPTEMBER 2020 HOUSING REPORT

## Southeast Michigan



### Daily New Pending

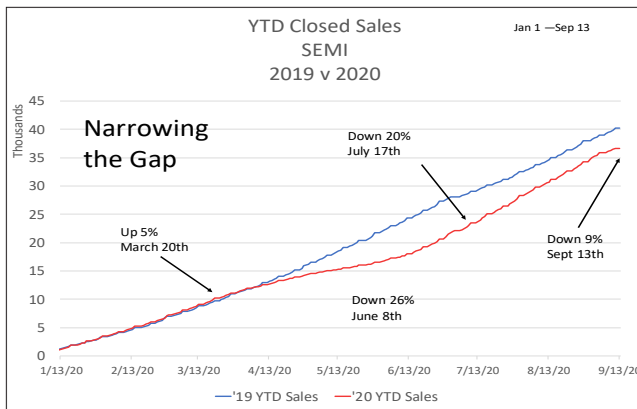
- Despite lower inventory levels, daily new pending contracts have been running higher than last year—recently up by 24%.
- High demand combined with limited inventory continues to create fierce buyer competition in the lower and middle price ranges.
- While upper-end competition is not as fierce, the 119 over-\$500k new pending contracts in the past month is up 83% over the same time last year.



### 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 Covid lockdown, but since the market reopened in May, values have increased at even higher rates than pre-pandemic levels.
- Despite a big increase in upper-end sales, values of those pricier homes have been flat or slightly declining.

\*Data Source: Realcomp MLS/GLR data



**Summary:** While Covid has affected our lives and lifestyles, it's done little to extinguish the strong pre-pandemic buyer demand. Lack of inventory is limiting buyer options, but low interest rates and high demand continue to fuel what is turning out to be a strong 2020 housing market. Covid concerns have kept many would-be sellers on the sidelines, but it's not too late to take advantage of this year's market opportunities.



Southeast Michigan

# 5-County Summary

6,946  
AVAILABLE LISTINGS  
-5% from last month

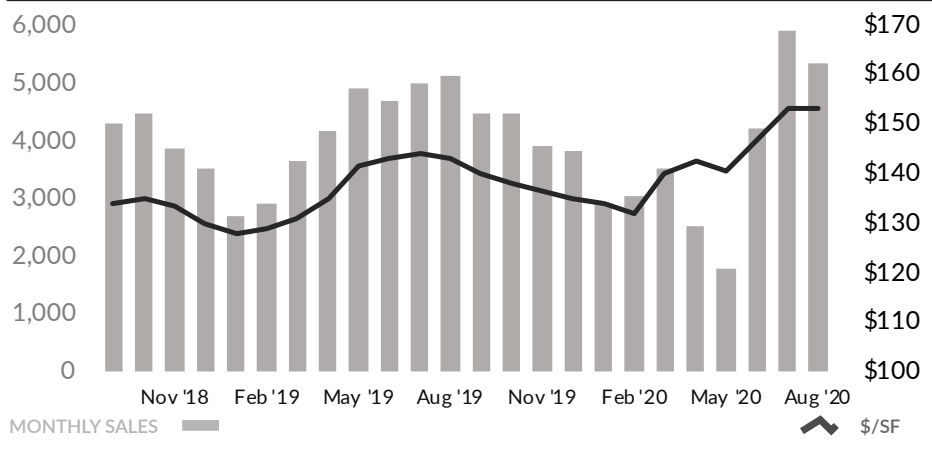
6,106  
NEW PENDING  
-4% from last month

29,078  
YTD CLOSED SALES  
-12% from last year

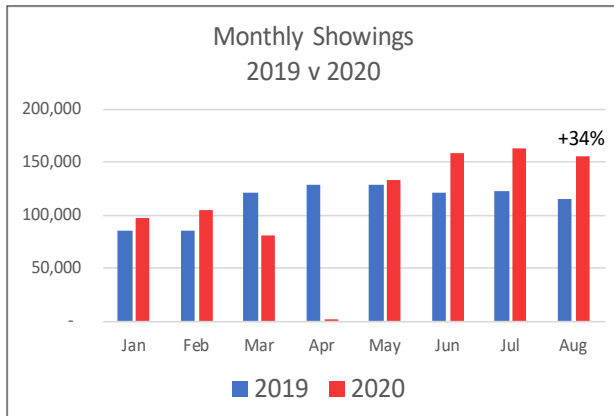
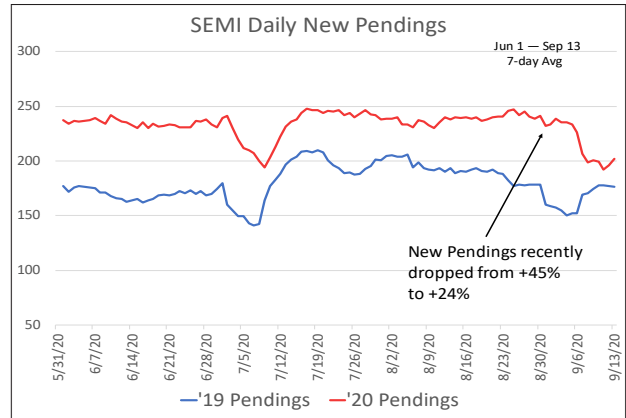
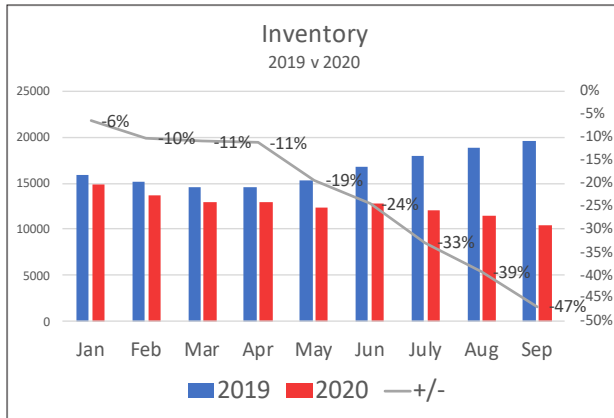
\$254K  
YTD AVG SALE PRICE  
+7% from last year

\$145  
YTD PRICE PER SQ FT  
+5% from last year

Closed Single-Family Home Sales



YTD Closed Volume: \$7.4B (-10%)

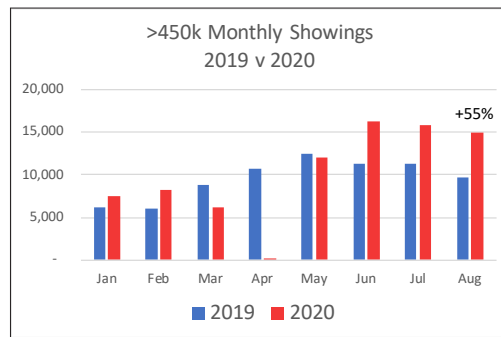
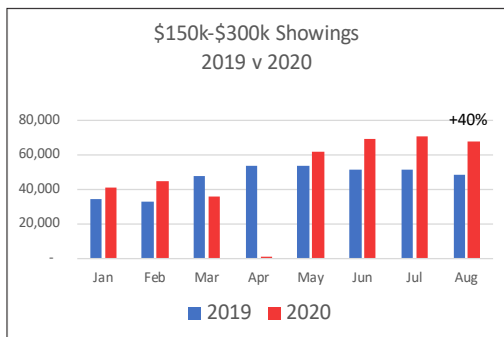
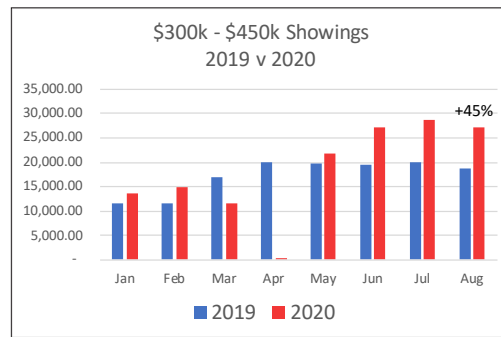
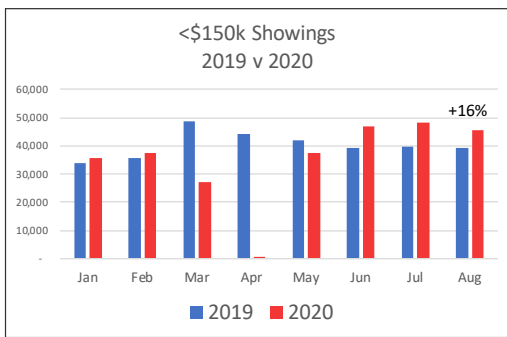
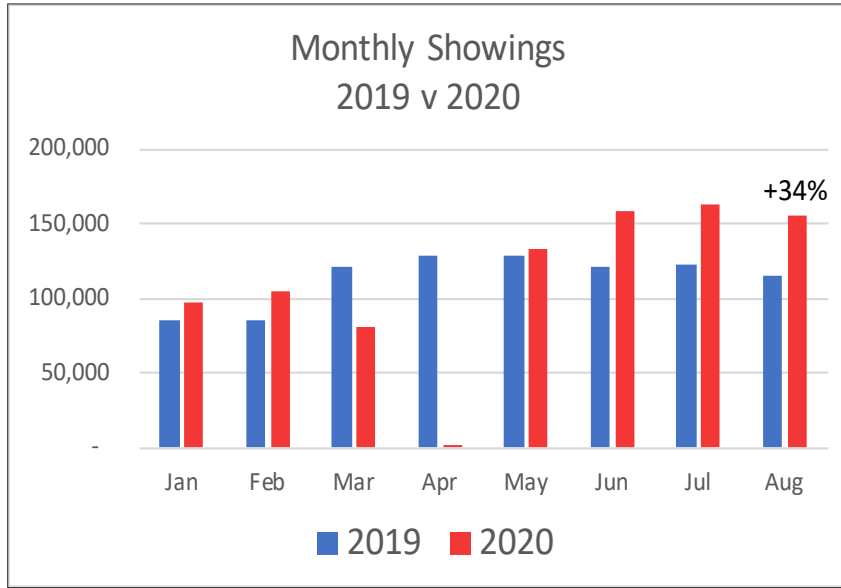


While new pendings have consistently outnumbered new listings, inventory levels have dropped every month since January. Inventory is 47% lower than a year ago. Despite Covid, a six-week market shutdown and the shortage of inventory, 2020 closed sales are only 12% behind last year's pace and the gap is narrowing. Even with all the recent economic and lifestyle changes, buyer demand remains high and home values continue to rise—YTD average sale price is up 7% and price per square foot is up 5%. For anyone thinking of selling, it's not too late to take advantage of one of 2020's few gifts—a strong housing market.



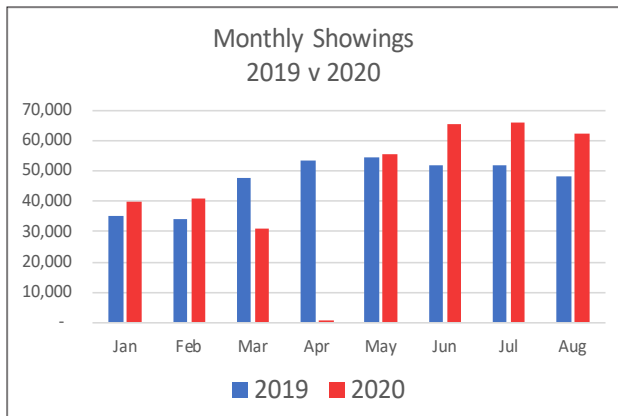
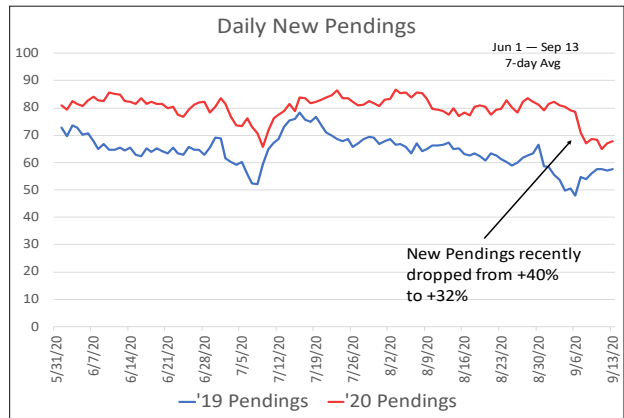
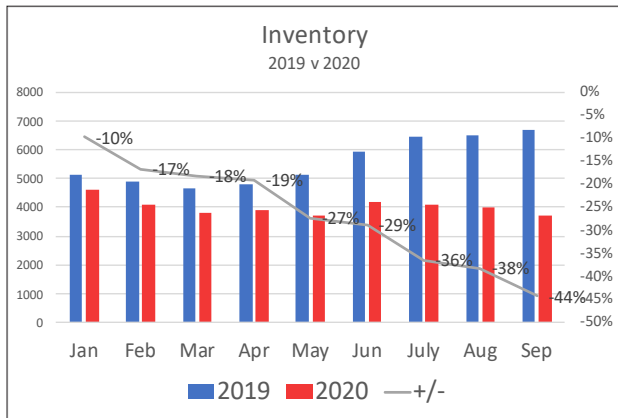
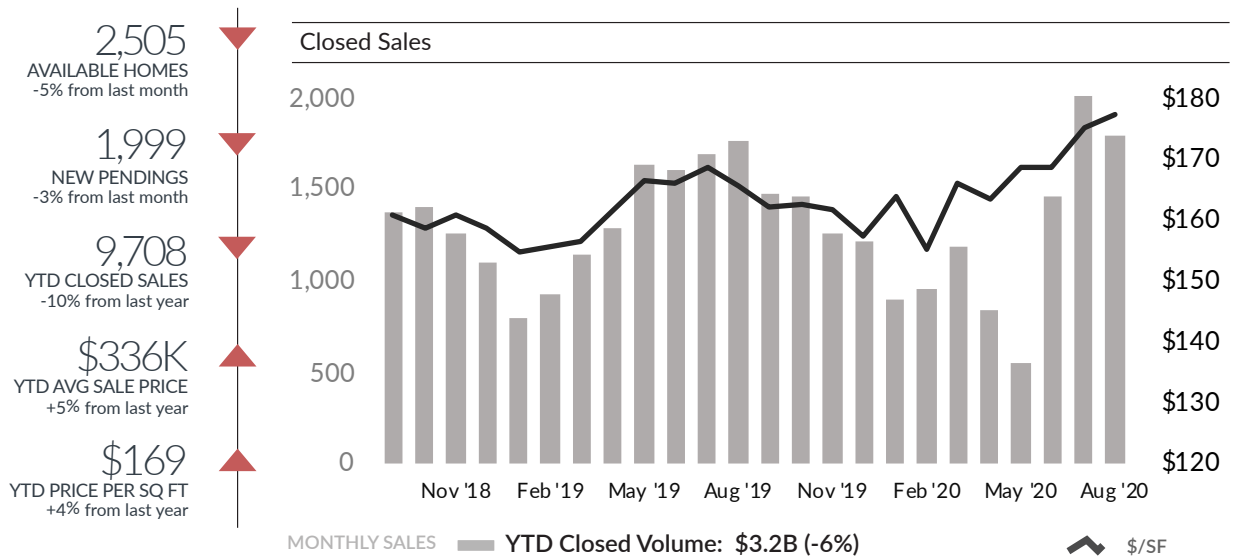
Southeast Michigan

# Showing Activity



# Oakland County

Single-Family Homes



Inventory continues to fall—down 5% compared to last month and 44% compared to last year. Moving into fall, August showings were down compared to previous months, but up 29% compared to last year. YTD closed sales are down 10%, but that gap will continue to shrink as the number of recent new pendings has been 30% to 40% higher than a year ago. Values continue to rise with average price up 5% and price per square foot up 4%. Although upper-end markets are doing best with increasing sales, values have been flat. Over-\$800k price per square foot is down 3% from last year. Looking ahead, lack of inventory will limit sales. For anyone considering selling, it's not too late to cash in on a strong seller's market.



# Birmingham

Single-Family Homes

155  
AVAILABLE HOMES  
-5% from last month

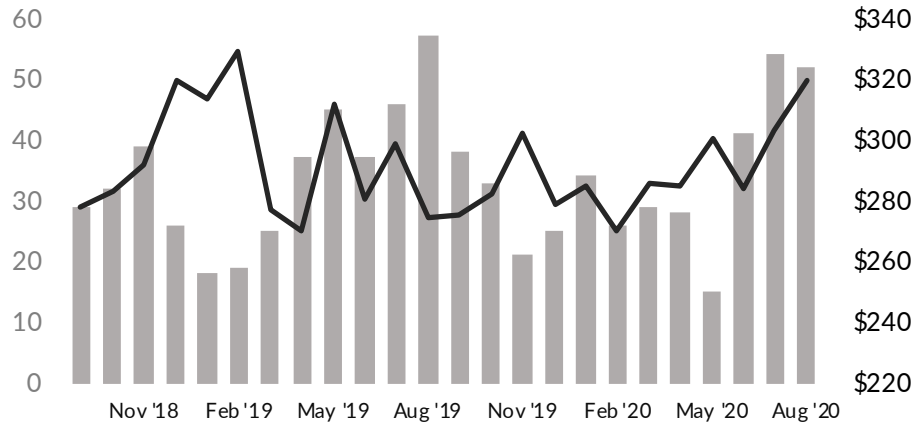
48  
NEW PENDING  
-16% from last month

279  
YTD CLOSED SALES  
-2% from last year

\$761K  
YTD AVG SALE PRICE  
+1% from last year

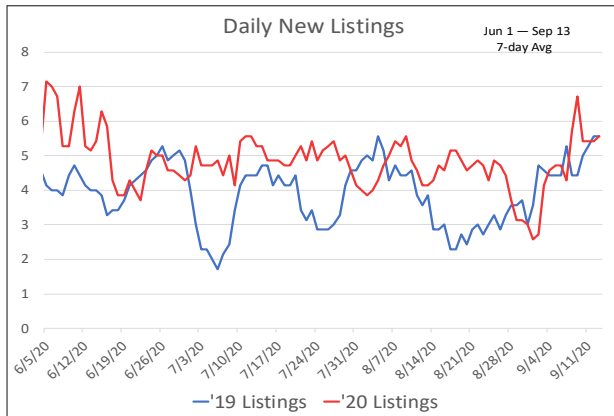
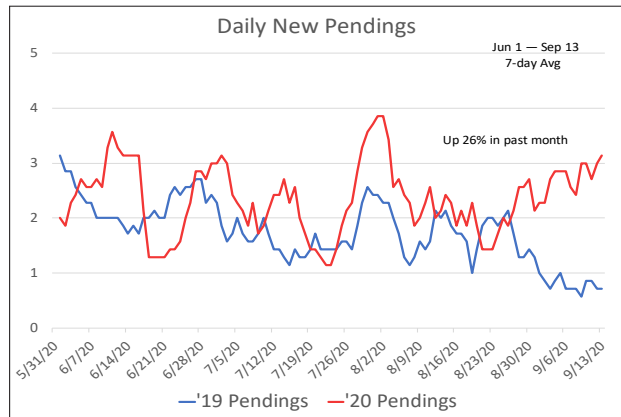
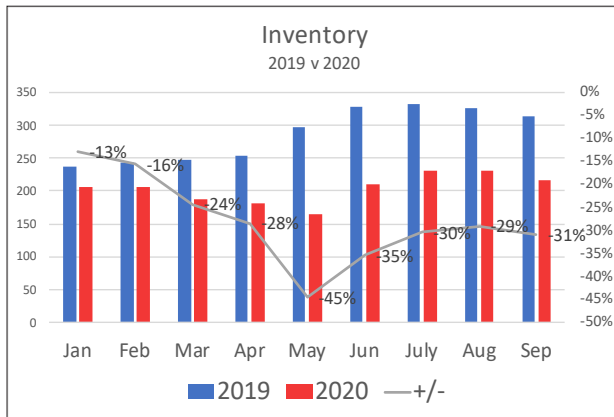
\$296  
YTD PRICE PER SQ FT  
-2% from last year

Closed Sales



MONTHLY SALES — YTD Closed Volume: \$212M (-1%)

▲ \$/SF



Although inventory is down 31% from last year, daily new listings have been rising in recent weeks. YTD sales are 2% behind last year but with recent new pendencies rising, closings in the next couple of months will be up compared to last year. Showing activity has been up by over 70% for properties priced over \$500k and by 82% for properties priced over \$1M. Keep an eye on values. Although sales are up, both average price and price per square foot are down in the upper price ranges.



# Macomb County

Single-Family Homes

1,110  
AVAILABLE HOMES  
-4% from last month

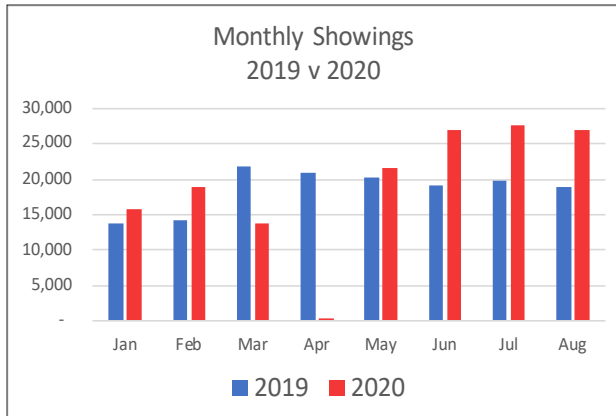
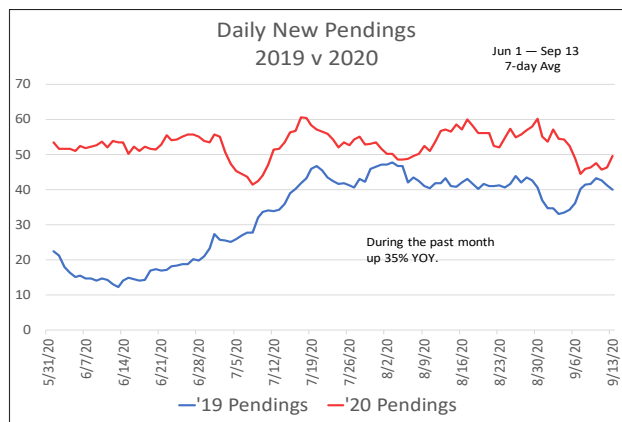
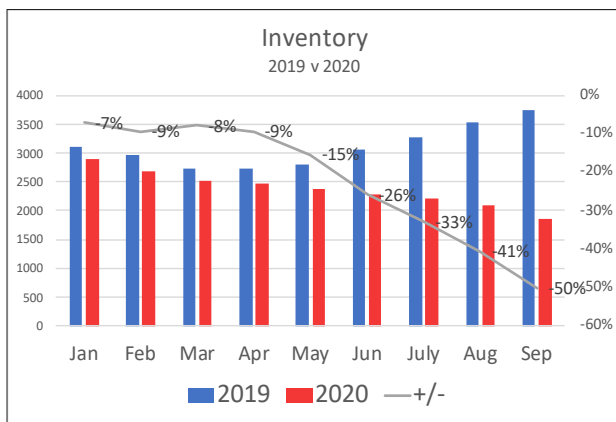
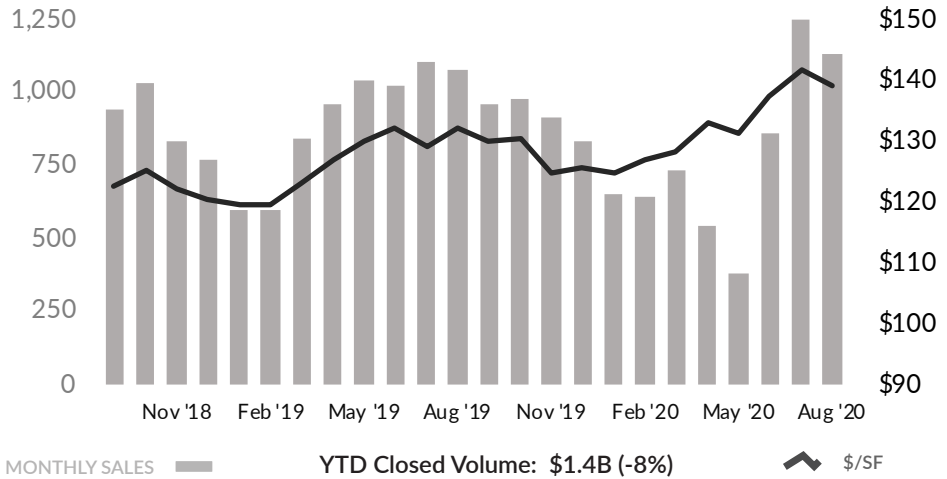
1,323  
NEW PENDING  
-4% from last month

6,169  
YTD CLOSED SALES  
-15% from last year

\$224K  
YTD AVG SALE PRICE  
+7% from last year

\$134  
YTD PRICE PER SQ FT  
+5% from last year

Closed Sales



Inventory continues to decline—down 50% compared to last year. Despite the lower inventory, both showings and new pendings are up compared to the same time last year. The additional activity is narrowing the YTD closed sales gap. A month ago it was 19%. This month it's 15%. The additional new pendings will continue to cause that gap to narrow over the next few months. Low interest rates and high demand continue to drive up values. YTD average sale price and price per square foot are both up—7% and 5% respectively. Although there have been more upper-end sales, values of Macomb's over-\$400k sales remain flat.



# St. Clair Shores

Single-Family Homes

73  
AVAILABLE HOMES  
+16% from last month

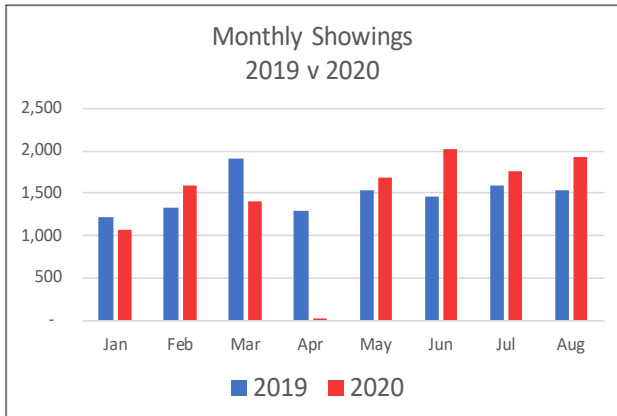
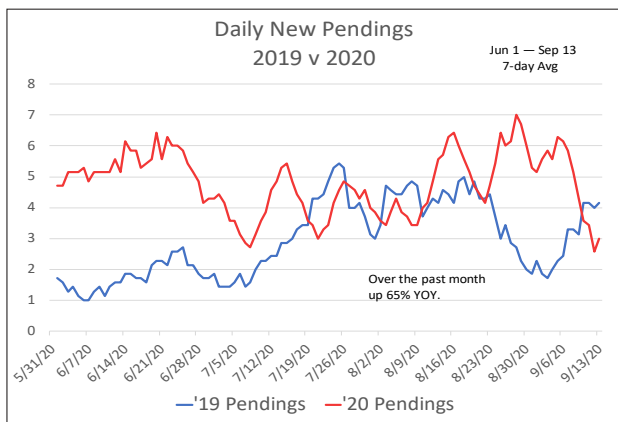
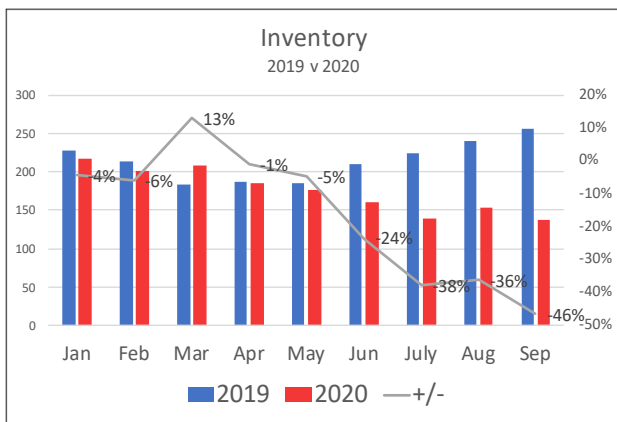
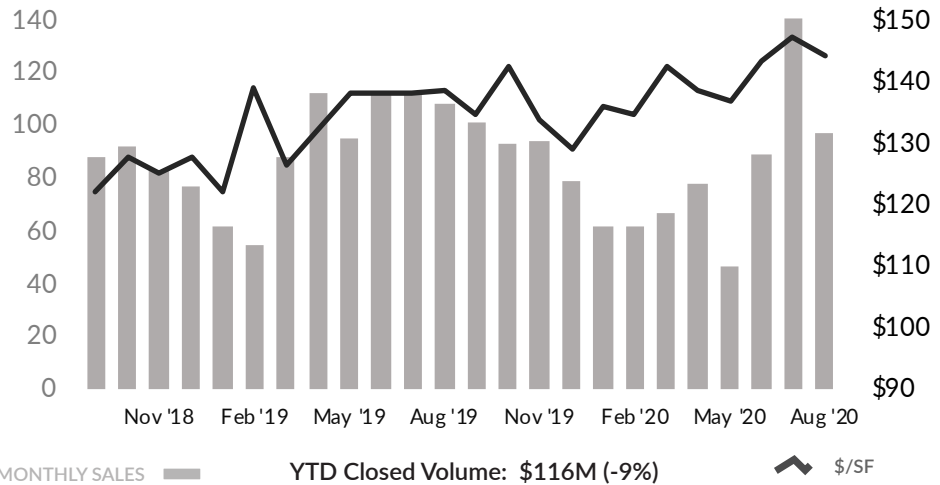
132  
NEW PENDING  
+13% from last month

639  
YTD CLOSED SALES  
-14% from last year

\$181K  
YTD AVG SALE PRICE  
+6% from last year

\$141  
YTD PRICE PER SQ FT  
+5% from last year

Closed Sales



Inventory is down 46% from last year and existing listings are selling faster than new ones arrive on the market. Despite the lack of inventory, strong buyer demand had August showings up 24% and new pendings 65% higher than last year. August closed sales dropped off from July's all-time record sales, but the increase in pendings will lift September and October closed sales. Values continue to rise—average sale price is up 6% and price per square foot is up 5% compared to last year. The severe lack of inventory is the biggest factor holding the market back. For sellers who are thinking about making their move, it's not too late to cash in on a great seller's market.



# Wayne County

Single-Family Homes

2,621  
AVAILABLE HOMES  
-6% from last month

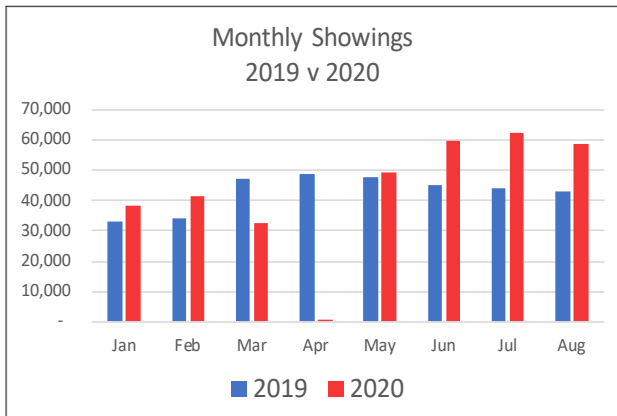
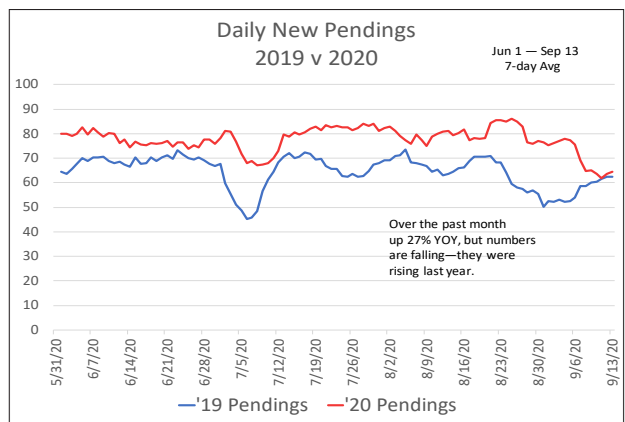
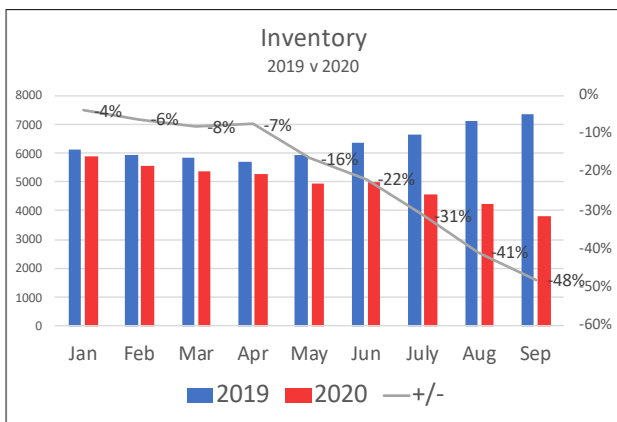
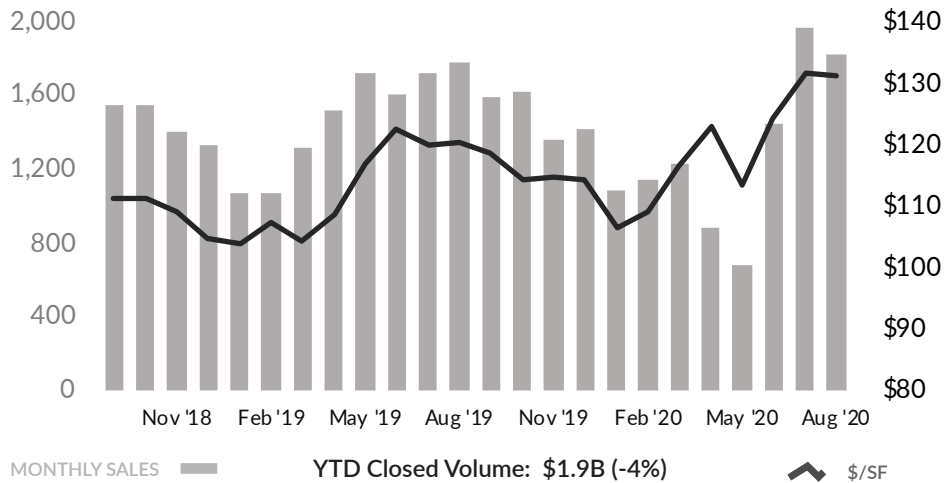
2,153  
NEW PENDING  
-5% from last month

10,212  
YTD CLOSED SALES  
-13% from last year

\$189K  
YTD AVG SALE PRICE  
+10% from last year

\$122  
YTD PRICE PER SQ FT  
+6% from last year

Closed Sales



Although inventory is down 48% compared to last year, daily showing activity and new pending sales continue to exceed last year's pace. August closed sales dropped off from record-high July sales, but were up 8% compared to August of 2019. While YTD closed sales are down 13%, the gap is narrowing and with the year-over-year rise in new pendencies (see chart above), the gap will continue to shrink. Low interest rates and high buyer demand continue to drive up values. YTD average sale price and price per square foot are both up—10% and 6% respectively. Looking ahead, demand and low interest rates will continue to drive the market, but the lack of inventory will limit sales. Potential sellers shouldn't hesitate to jump in while the water's just right.



# Grosse Pointe

Single-Family Homes

200  
AVAILABLE HOMES  
-1% from last month

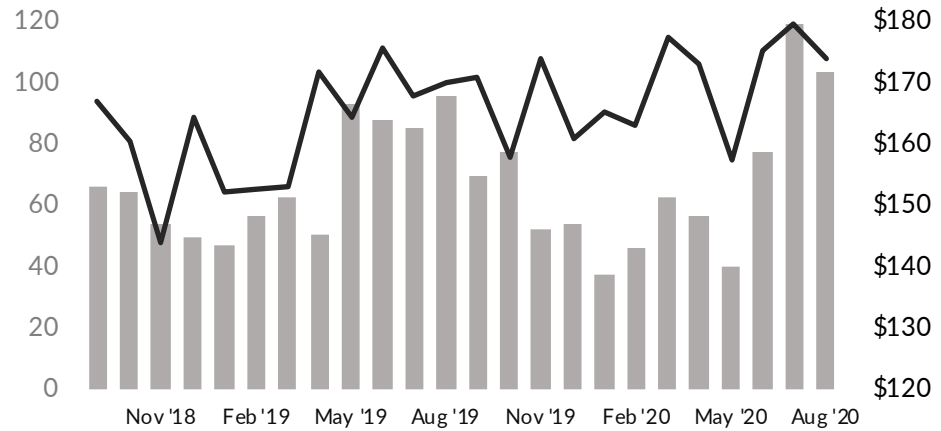
97  
NEW PENDINGS  
-10% from last month

540  
YTD CLOSED SALES  
-6% from last year

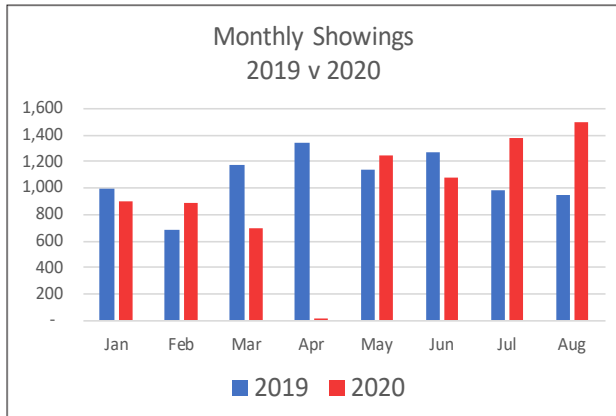
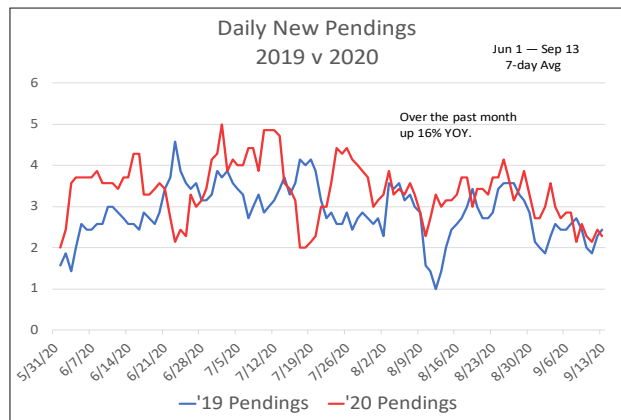
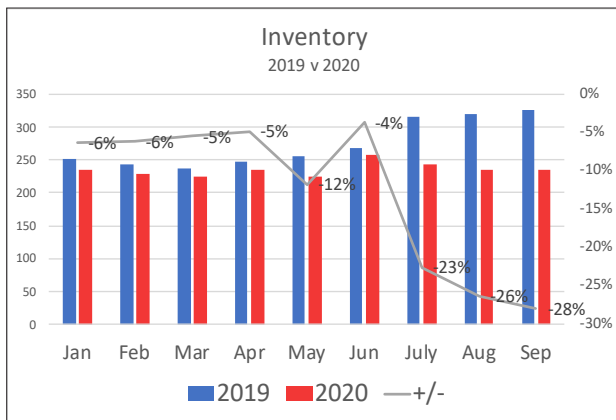
\$407K  
YTD AVG SALE PRICE  
+14% from last year

\$173  
YTD PRICE PER SQ FT  
+3% from last year

Closed Sales



MONTHLY SALES YTD Closed Volume: \$219M (+6%) \$/SF



Although inventory is down 28% compared to last year, daily showing activity continues to rise and new pending sales are running a little above last year's pace. August closed sales were down from record-high July sales, but up compared to last year. YTD closed sales are down 6%, but the gap narrowed from 9% a month ago. So long as new pendings exceed last year's pace, the YTD shortfall will shrink. Values continue to rise—average sale price is up 14% from a year ago as the mix of what's selling contains more high-end homes and availability of lower-priced homes remains limited. For those thinking of selling, it's not too late to jump into a great seller's market.



SEPTEMBER 2020  
HOUSING REPORT

# Detroit

Single-Family Homes

1,106  
AVAILABLE HOMES  
-7% from last month

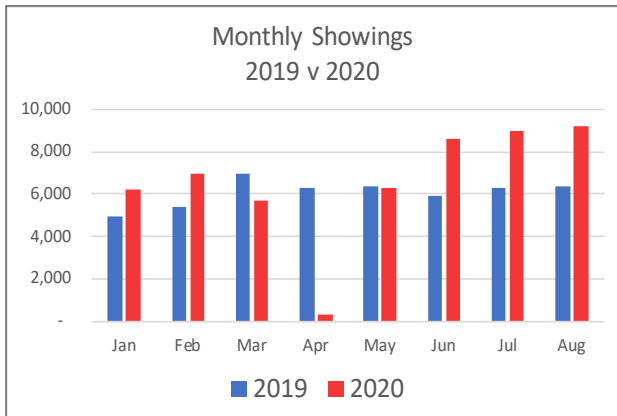
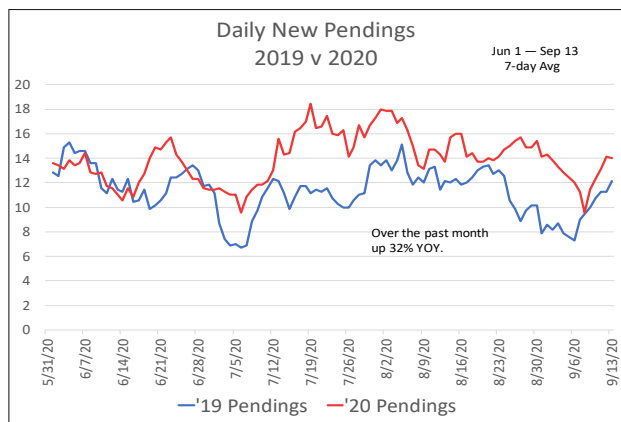
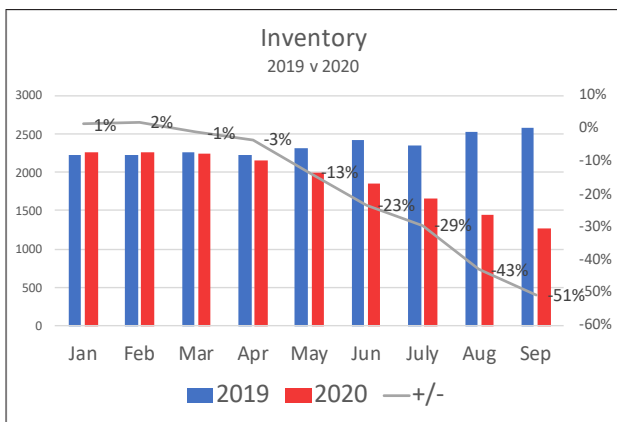
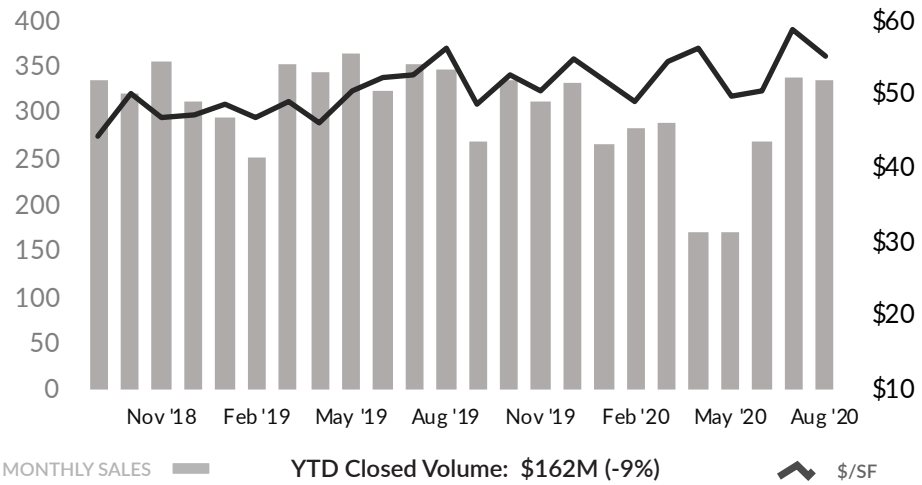
457  
NEW PENDING  
-12% from last month

2,119  
YTD CLOSED SALES  
-19% from last year

\$76K  
YTD AVG SALE PRICE  
+13% from last year

\$53  
YTD PRICE PER SQ FT  
+6% from last year

Closed Sales



Inventory is down 51% from last year and existing listings are selling faster than new ones arrive on the market. Lack of inventory is limiting sales, yet new pendencies are up 32% compared to the same time last year. August closed sales were just shy of the previous month. YTD, closed sales are down 19%, but the gap will continue to narrow as long as this year's daily new pendencies (chart above) exceed last year's. Values continue to rise—average sale price and price per square foot are both up 13% and 6% respectively. Inventory will be the key to sales through the balance of the year. Anyone who has been putting off selling may want to jump in while the market's still hot and there's a shortage of move-in-ready listings.



# Detroit

Condos/Lofts

275  
AVAILABLE CONDOS  
-2% from last month

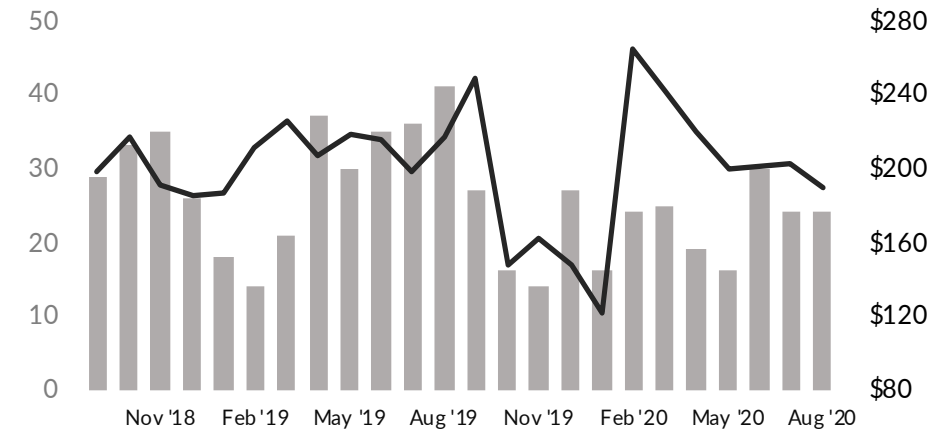
33  
NEW PENDINGS  
-18% from last month

178  
YTD CLOSED SALES  
-23% from last year

\$273K  
YTD AVG SALE PRICE  
-3% from last year

\$207  
YTD PRICE PER SQ FT  
-2% from last year

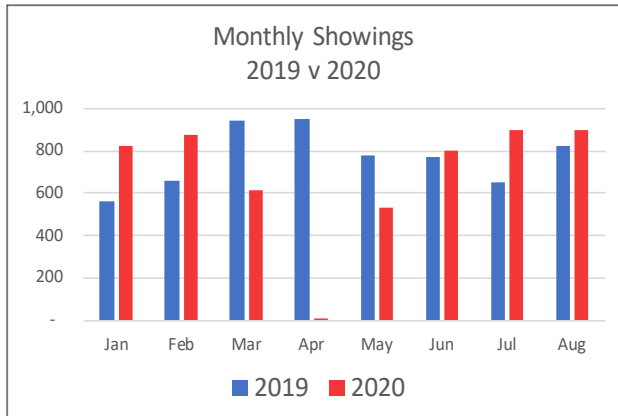
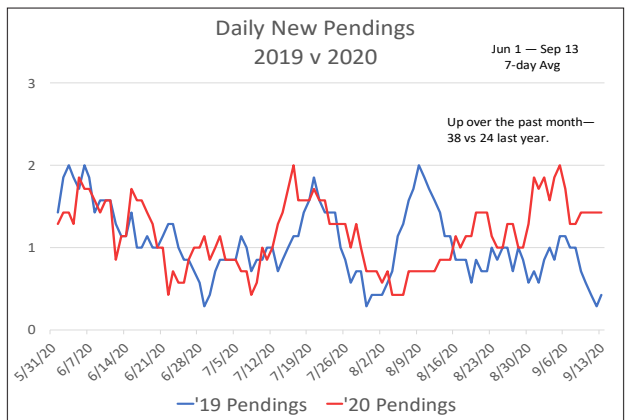
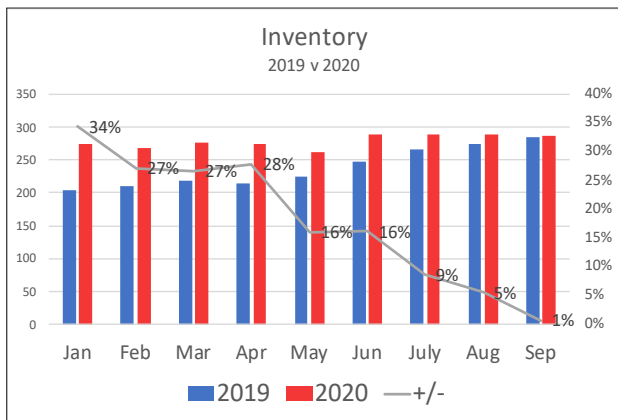
Closed Sales



MONTHLY SALES

YTD Closed Volume: \$48M (-26%)

\$/SF



The arrival of new development units combined with the regular sales flow of existing units has Detroit condo inventory about even with last year. Upper-middle market activity, which has been leveling out the past two years, was dealt a blow by Covid. Being close to work, dining, urban activities and sporting events are major draws to Detroit's condo market. So long as Covid limits those interests and activities, demand will be soft. Combining current inventory and interest rates with available tax abatements on many existing and new units, make this a great time to be buying Detroit condos. The slow condo market will pick up dramatically when Ford proceeds with expanding into the train station.



# Downriver

Single-Family Homes

379  
AVAILABLE HOMES  
-8% from last month

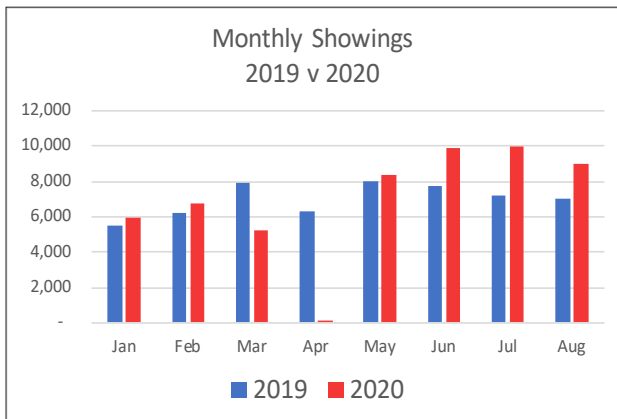
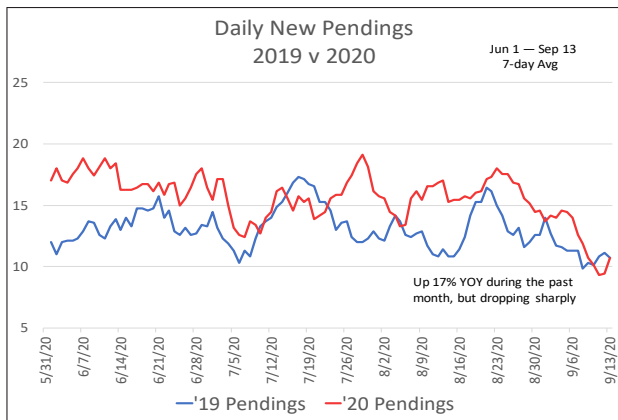
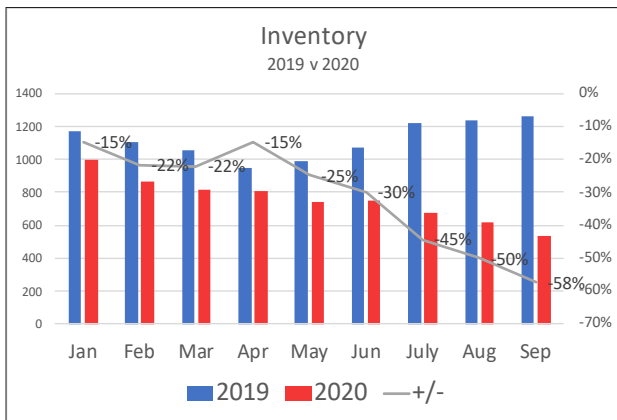
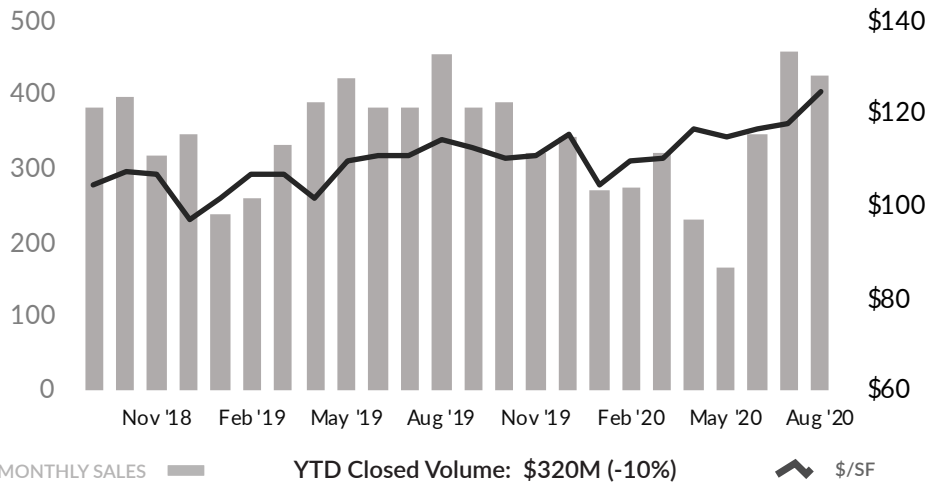
498  
NEW PENDING  
-4% from last month

2,486  
YTD CLOSED SALES  
-13% from last year

\$162K  
YTD AVG SALE PRICE  
+8% from last year

\$115  
YTD PRICE PER SQ FT  
+6% from last year

Closed Sales



Despite the 58% drop in inventory compared to a year ago, buyer demand remains hot and over the past three months YOY showing and new pending activity have exceeded last year's pace. Activity peaked in July and the limited inventory has it tailing off—new pendencies dropped 5% in the past month. YTD closed sales are down 13%, but average price and price per square foot are both up—8% and 6%. Inventory will be the key to sales through the balance of the year. For anyone thinking of selling, there's still time to take advantage of high buyer demand and the low interest rates. Those low rates benefit sellers by making their homes affordable to a larger pool of buyers, even at a higher price.



# Livingston County

Single-Family Homes

383  
AVAILABLE HOMES  
-6% from last month

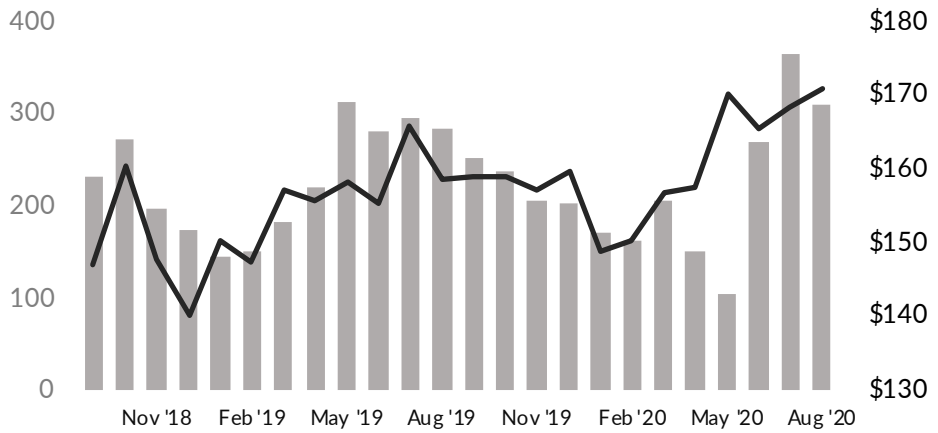
360  
NEW PENDING  
-1% from last month

1,732  
YTD CLOSED SALES  
-7% from last year

\$330K  
YTD AVG SALE PRICE  
+5% from last year

\$162  
YTD PRICE PER SQ FT  
+3% from last year

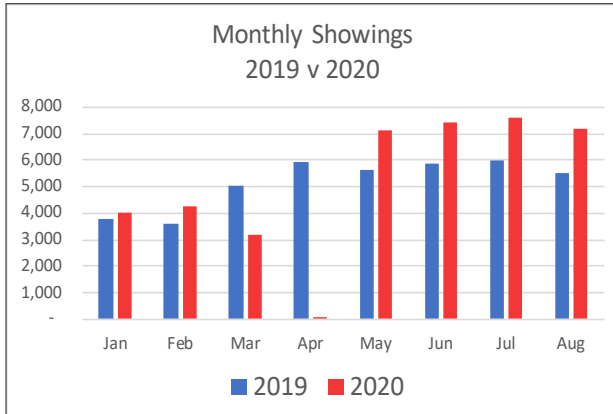
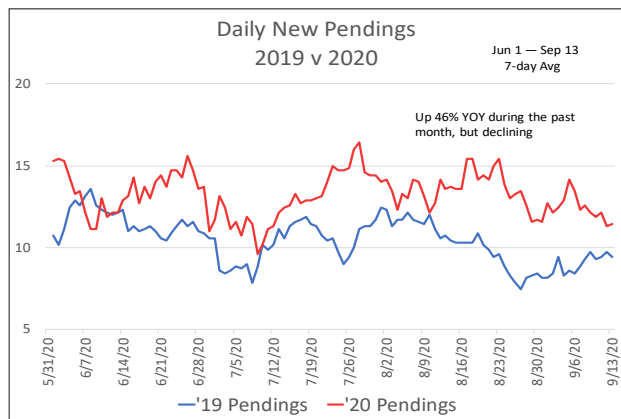
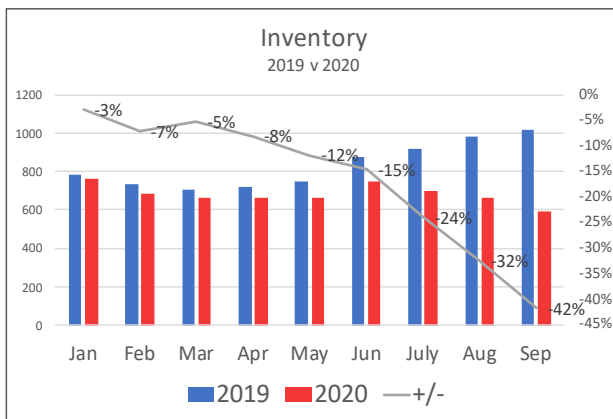
Closed Sales



MONTHLY SALES

YTD Closed Volume: \$573M (-2%)

\$/SF



Although inventory is down 42% compared to last year, daily showing activity and new pending sales continue to run at a faster pace than a year ago. August closed sales dropped from July's record high but were up 9% compared August 2019. YTD closed sales are down 7%, but that gap is narrowing—it was 12% last month. Low interest rates and high buyer demand continue to boost values. YTD average sale price is up 5% and price per square foot is up 3%. Declining inventory will increasingly challenge buyers and limit sales despite extreme demand. It's not too late for sellers who have been holding off to jump in and reap the benefits of a great seller's market.



# St. Clair County

Single-Family Homes

327  
AVAILABLE HOMES  
-6% from last month

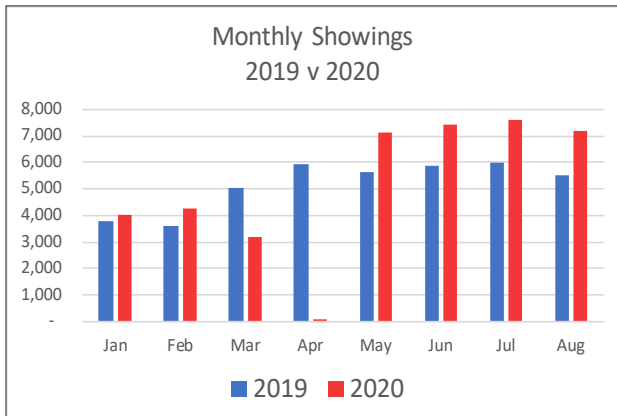
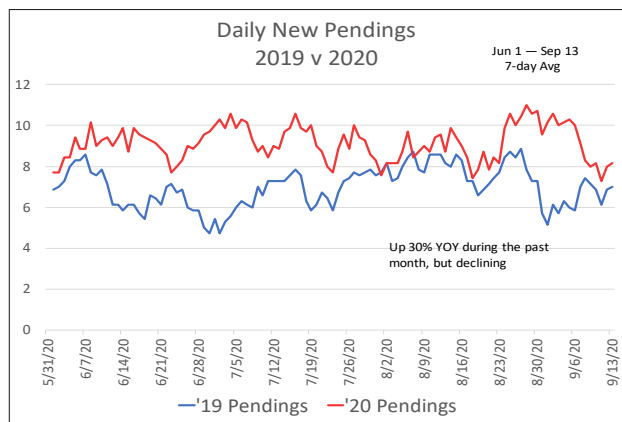
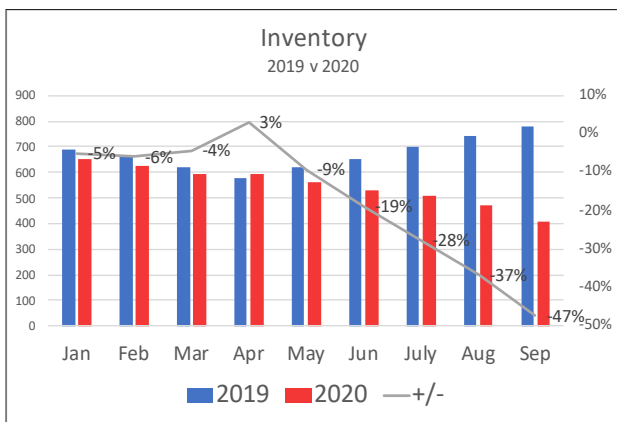
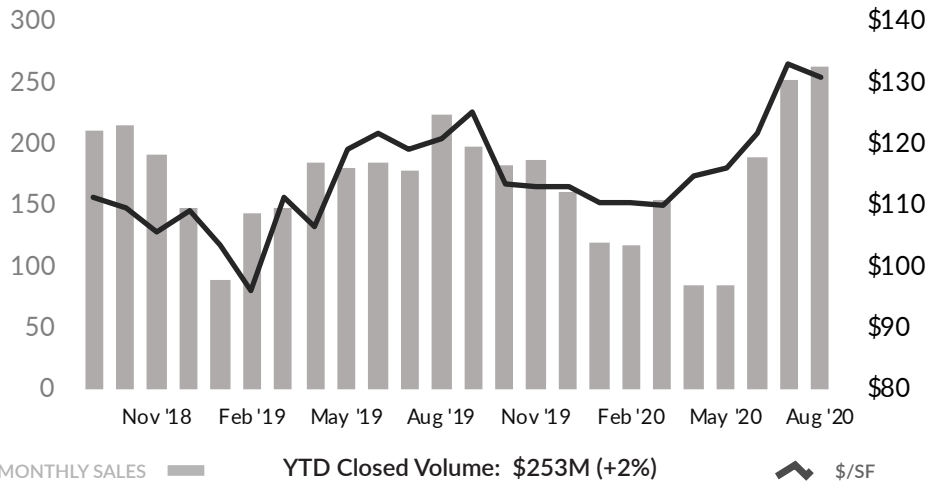
271  
NEW PENDING  
-8% from last month

1,257  
YTD CLOSED SALES  
-5% from last year

\$202K  
YTD AVG SALE PRICE  
+8% from last year

\$122  
YTD PRICE PER SQ FT  
+7% from last year

Closed Sales



Inventory is down slightly from last month, and 47% from last year. Available listings continue to sell faster than new ones hit the market. Although new pendencies are down slightly from a month ago, new pendencies between mid-August and mid-September were up 30% YOY. Those big pending numbers will ensure high closed sale numbers for September and October. YTD closed sales, which were down 5% heading into September, should be nearly even with last year by the end of this month. Values continue to rise with average sale price and price per square foot up—8%. and 7%. Anyone who has been putting off selling may want to reconsider and act while this strong seller's market continues to roll.

