

HOUSING REPORT

WASHTENAW | DECEMBER 2021

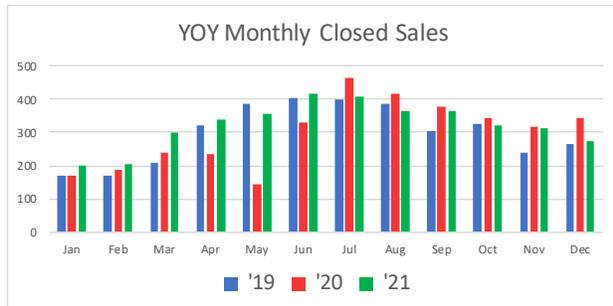
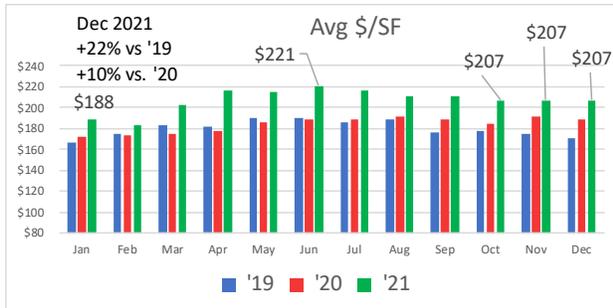
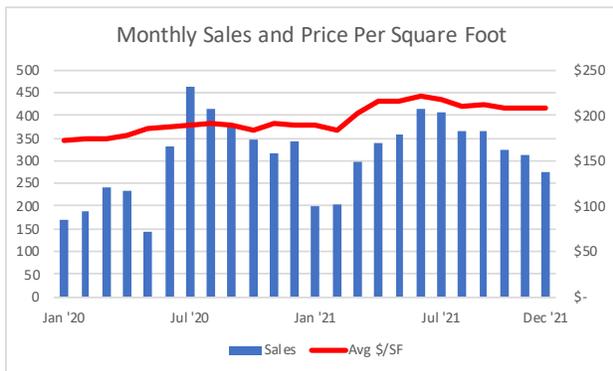


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Performance Update and Outlook

Washtenaw County SF Sales Annual Summary

	2019		2020		2021 +/- '19 +/- '20	
YTD Units	3,587	3,571	3,862	8%	8%	
YTD Vol (M)	\$ 1,250.5	\$ 1,291.9	\$ 1,571.7	26%	22%	
Avg Price	\$ 348,629	\$ 361,771	\$ 406,965	17%	12%	
Avg \$/SF	\$ 182	\$ 185	\$ 209	15%	13%	



2021 began with extreme high demand and low inventory. Through the first half of the year, fierce buyer competition created bidding wars and “over-asking” sales that rapidly drove up prices. The market suddenly settled in June. With the arrival of vaccines, buyers felt freed from the shackles of COVID and anxious to get back to life’s normal distractions—vacations and gathering with family and friends.

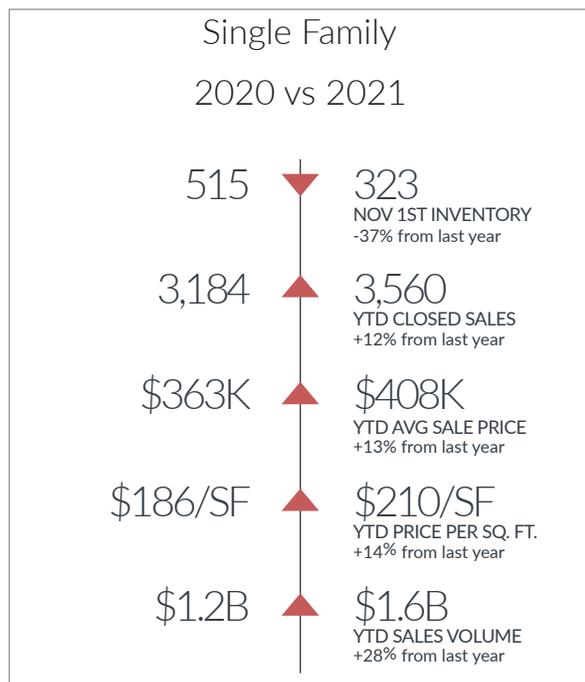
As demand settled, the market stabilized. There was a mild year-end decline in prices as average price per square foot slipped from \$221 in June to \$207 by year end. Prices typically fade in the last few months of the year as available inventory gets picked over like store shelves near the end of a sale. They held level for the last three months of 2021.

Closed sales also peaked in June. Although they faded through the third and fourth quarters, demand and strong sales activity fought off the inventory shortages to finish the year with an 8% closed sales increase compared to each of the prior two years.

2022 Outlook: Demand and sales finished 2021 on a high note. Strong demand will carry over into 2022. Expect buyer competition to again drive up prices of more affordable homes (but not as sharply as last spring). Sales will continue to shift with proportionally more upper-end homes in the mix, but more values will be slower in their rise.



Summary



Inventory— Single family home inventory continues to decline month over month, it's down 13% and remains down 37% from last year.

Closed Units— Sales have continued to decline month over month after peaking in June. Strong activity earlier in the year has YTD closed sales up 12%.

Values— Average sales price is up 13% but has been tailing off over the second half of the year. Limited inventory has held off some of the typical year-end decline.

Summary— Following 2020's strong third and fourth quarter finish, it appeared 2021 was moving toward a typical year-end fade. However, prices leveled out with average price per square foot holding at \$207 for each of the last three months of the year. Look for low supply and high demand heading into 2022. Prices will again rise as fresh new inventory arrives on the market.

Inventory— Condo activity picked up in 2021 after a down year in 2020. This uptick in sales has caused a pinch on inventory, which is down 47% compared to the same time last year.

Closed Units— YTD closed sales are up 21%. The greatest sales activity was focused between April and August. Monthly sales have been declining since.

Values— Average sales price is up 12% for the year. Prices peaked in June before falling off through the third quarter. They rallied briefly before leveling back off.

Summary— Condo sales were flat in 2020 while 2021 was hot from the start. The lack of inventory will continue to create a bottleneck that will limit sales activity heading into 2022. Expect high demand and limited inventory to fuel a rise in prices, especially when fresh inventory begins to arrive early in 2022.



Washtenaw County

Single Family Homes

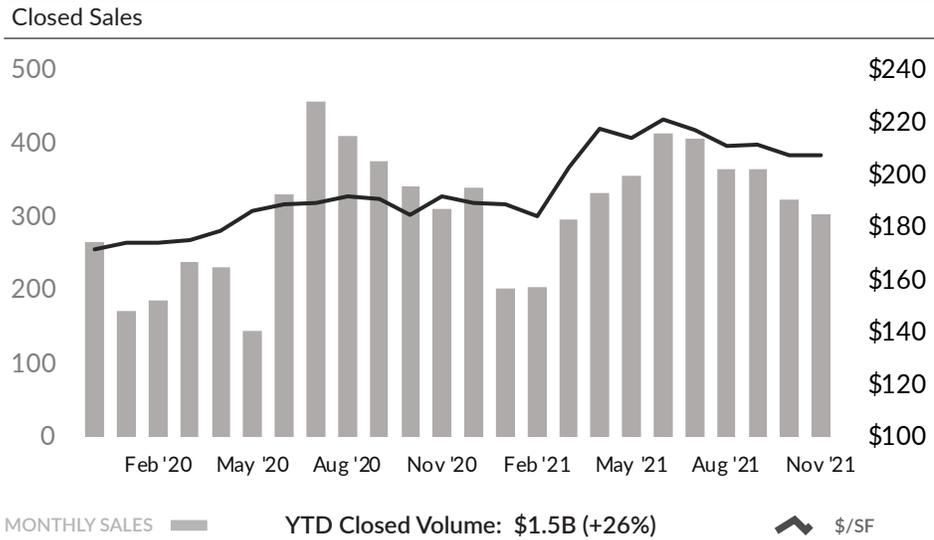
323
AVAILABLE HOMES
-13% from last month

226
NEW PENDING
-25% from last month

3,560
YTD CLOSED SALES
+12% from last year

\$408K
YTD AVG SALE PRICE
+13% from last year

\$210
YTD PRICE PER SQ FT
+13% from last year



Summary

Lack of inventory, down 13% in the past month and 37% lower than a year ago, will limit sales over the next few months. There's a shortage in entry and middle-priced inventory with just a one month supply for homes priced under \$600k and four months of supply for homes priced over \$600k. Days on market for homes below-\$250k is only 15 days, while the average across all price ranges sits at 27. Prices typically drop in the fourth quarter as demand and year-end listing quality generally fades. This year, average price per square foot has held level through the fourth quarter. Expect strong demand and buyer competition to lift prices early in 2022 as fresh inventory begins to arrive.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	323	-13%	226	-25%	1.4	15%
\$10-250k	57	8%	54	0%	1.1	8%
\$250-400k	74	-20%	84	-35%	0.9	22%
\$400-600k	71	-23%	58	-21%	1.2	-3%
\$600k+	121	-10%	30	-32%	4.0	32%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	3,560	12%	8%	\$210	13%	15%
\$10-250k	750	-20%	-32%	\$151	10%	15%
\$250-400k	1,343	8%	9%	\$187	8%	8%
\$400-600k	981	44%	51%	\$216	10%	7%
\$600k+	486	47%	61%	\$268	9%	8%

Data source: Realtor MLS using Great Lakes Repository Data. Value Change= Change in price per square foot (\$/SF)



Washtenaw County

Condos

123
AVAILABLE CONDOS
-12% from last month

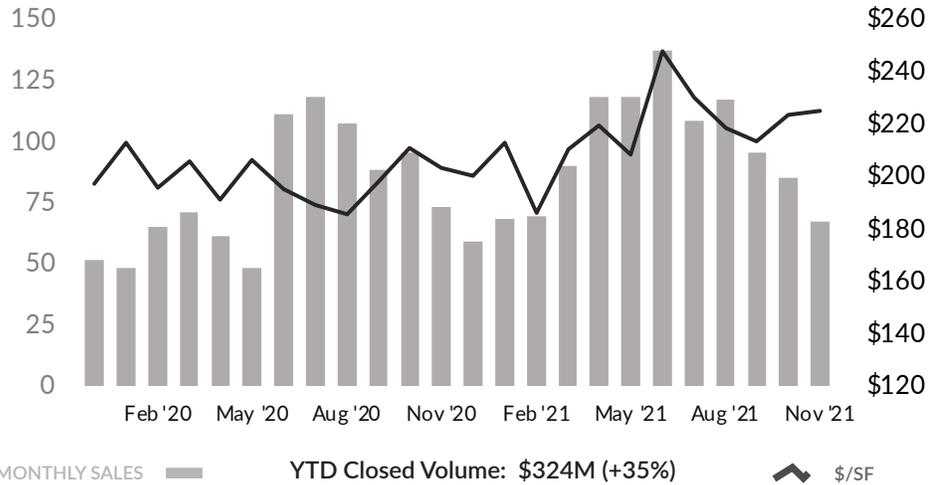
73
NEW PENDING
-1% from last month

1,072
YTD CLOSED SALES
+21% from last year

\$302K
YTD AVG SALE PRICE
+12% from last year

\$220
YTD PRICE PER SQ FT
+11% from last year

Closed Sales



Summary

Month over month inventory continues to decline and constrain sales activity. Demand remains strong—new pending activity was level with the prior month, despite a 12% decline in available listings. Months supply of inventory dropped by 10% as a result. Expect a continued shortage of quality condo listings to start the year as buyers continue snatching up the properties that are in the best condition. Values will continue to move upward while supply remains tight. Although there has been a slight year-end rise, days on market are down 27% compared to a year ago. With relatively strong demand and low inventory levels, expect a strong condo market with rising prices in 2022.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	123	-12%	73	-1%	1.7	-10%
\$10-200k	7	-42%	15	-25%	0.5	-22%
\$200-350k	31	19%	20	11%	1.6	7%
\$350-500k	35	-15%	27	23%	1.3	-30%
\$500k+	50	-17%	11	-21%	4.5	6%

YTD Closed Activity

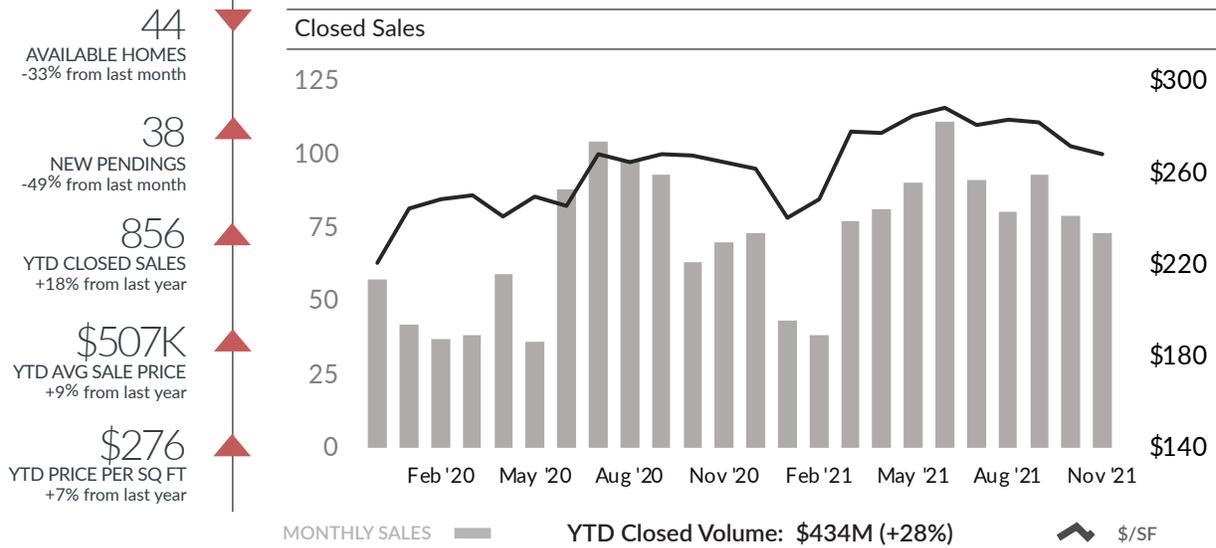
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	1,072	21%	18%	\$220	11%	11%
\$10-200k	211	12%	-8%	\$147	6%	9%
\$200-350k	316	-2%	-1%	\$181	8%	8%
\$350-500k	339	38%	65%	\$209	3%	4%
\$500k+	206	60%	29%	\$305	7%	9%

Data source: Realtor MLS using Great Lakes Repository Data. Value Change= Change in price per square foot (\$/SF)



Ann Arbor

Single Family Homes



Summary

Ann Arbor inventory is extremely tight with only 10 available listings priced under \$400k and 34 over \$400k. Demand remains high as buyers continue to wait for new listings to arrive. There's just one month or less supply of inventory for homes priced under \$750k and just a two month supply of over-\$750k listings. The average sale price of an Ann Arbor home jumped \$40k in the past year. The \$400k to \$750k price range saw the most action—more than half of all Ann Arbor sales and a 57% increase in the number of units sold. Through 2021, market times were about half of what they were in 2020. Looking ahead, lack of inventory will limit sales despite continued strong demand. Expect prices to rise as buyers compete for fresh new listings early in 2022.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	44	-33%	38	-49%	1.2	32%
\$10-250k	0	-100%	3	-	0.0	-
\$250-400k	10	-41%	11	-66%	0.9	71%
\$400-750k	22	-19%	18	-49%	1.2	58%
\$750k+	12	-33%	6	-25%	2.0	-11%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	856	18%	7%	\$276	7%	11%
\$10-250k	54	0%	-38%	\$193	-4%	2%
\$250-400k	269	-15%	-17%	\$260	7%	11%
\$400-750k	443	57%	36%	\$265	7%	6%
\$750k+	90	18%	38%	\$347	8%	13%

Data source: Realcomp MLS using Great Lakes Repository Data. Value Change= Change in price per square foot (\$/SF)



Ann Arbor

Condos

49
AVAILABLE CONDOS
-21% from last month

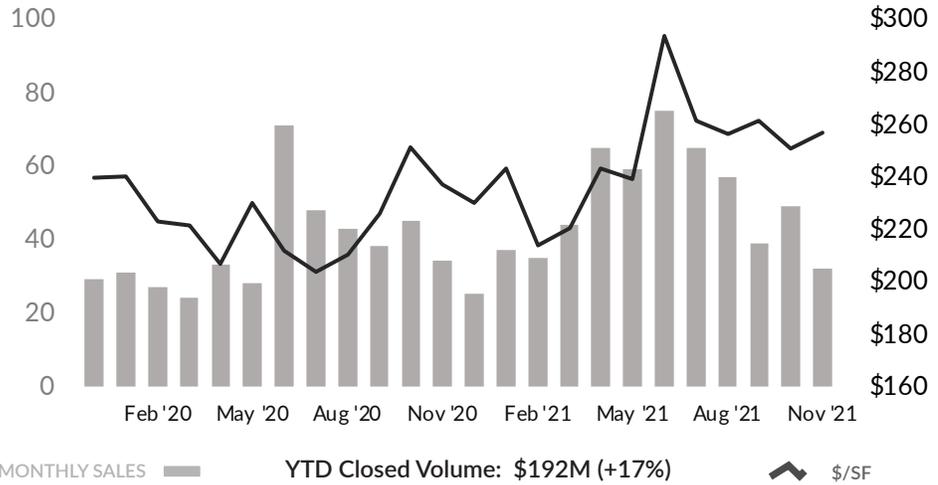
32
NEW PENDING
-18% from last month

557
YTD CLOSED SALES
+35% from last year

\$346K
YTD AVG SALE PRICE
+15% from last year

\$252
YTD PRICE PER SQ FT
+13% from last year

Closed Sales



Summary

While the pandemic slowed condo markets in 2020, they have been rebounding in 2021 with a 35% YTD increase in sales. That sales figure would be greater if not for a lack of inventory—only 49 active listings compared to 114 at this time a year ago. While average sale price is up 15% compared to 2020, it had dipped 5% in 2020, with a net increase of 10% since 2019. For the higher-end condos priced over \$400k, although there were twice as many of them sold this year versus last, the prices have just caught up with where they were two years ago. Looking ahead, so long as the pandemic doesn't make an unexpected surge, expect demand to remain strong with buyers competing for new listings and pushing up prices as they arrive.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	49	-21%	32	-18%	1.5	-4%
\$10-150k	3	-25%	5	-50%	0.6	50%
\$150-225k	13	30%	13	8%	1.0	20%
\$225-400k	14	-33%	10	-17%	1.4	-20%
\$400k+	19	-30%	4	-20%	4.8	-12%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	557	32%	26%	\$252	13%	9%
\$10-150k	129	12%	2%	\$185	9%	9%
\$150-225k	178	19%	30%	\$212	8%	8%
\$225-400k	157	43%	28%	\$234	6%	2%
\$400k+	93	98%	69%	\$363	5%	1%

Data source: Realcomp MLS using Great Lakes Repository Data. Value Change= Change in price per square foot (\$/SF)

