

HOUSING REPORT

SOUTHEAST MICHIGAN | SEPTEMBER 2021



Southeast Michigan

Student Loan Hurdle

Younger Americans and Michiganders alike are dealing with a hurdle that is slowing down would-be home buyers from entering the housing market. A recent study produced by the National Association of Realtors (NAR), “The Impact of Student Loan Debt”, looks at the relationship between student loan debt and homeownership. When asked specifically about purchasing a home, half of non-homeowners say student loan debt is an obstacle that is preventing them from purchasing. While it’s a significant barrier, nearly one quarter of all homeowners have some amount of student loan debt. Thirty-seven percent of first-time home buyers have outstanding student loans.



The pandemic has also caused people to consider college alternatives. Enrollment had already been declining since its peak in 2011. The national clearing house reported this spring that we’re in the middle of the largest college enrollment decline in the past decade as potential students have been getting priced out of continuing their education.

With over 93 colleges and universities spread across Michigan the state ranks 13th. Unfortunately, those Michigan schools saw one of the largest declines as enrollment dropped 6.4%. If this trend continues, markets that are considered “College Towns” will see a decline in the need for student housing on or off campus. Anyone invested in student housing may want to monitor enrollment reports closely.

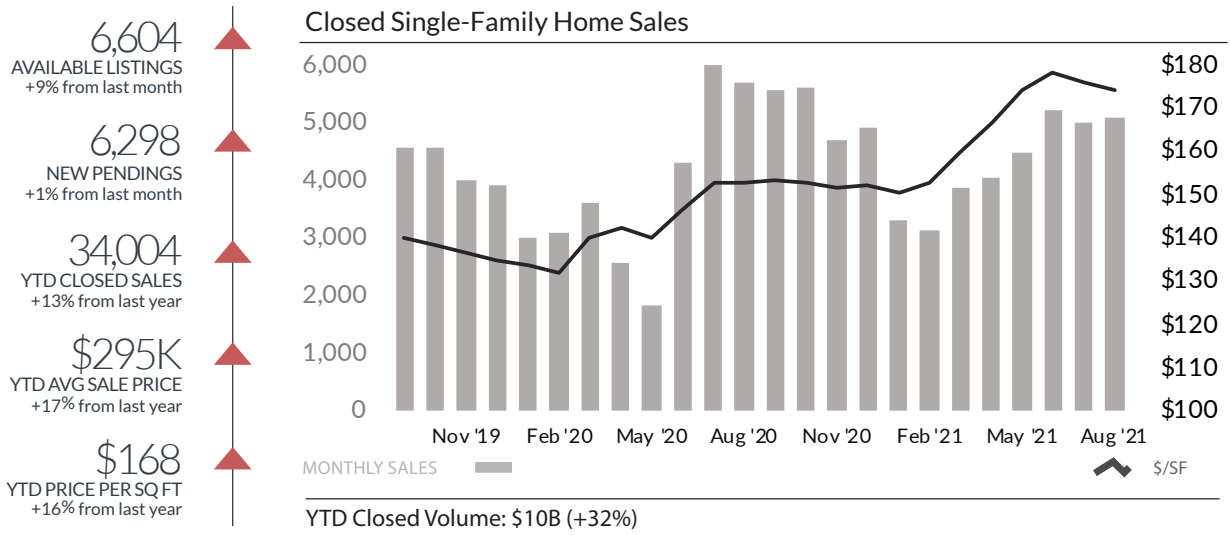
It’s clear that tuition costs and student debt continues to rise. When non-homeowners were asked if their debt is a barrier preventing them from purchasing, 60% of Millennials, followed by 53% of Generation X, and only 39% of Generation Z respondents answered yes that loans were holding them back.

On the flip side, 38% of those carrying student loans responded that the pandemic limited their expenses and helped them save in a way that has brought them financially closer to reducing their debt and has put them in a better position to be able to afford purchasing their first home. Higher education and homeownership are considered cornerstones of the American dream.

SEPTEMBER 2021 HOUSING REPORT

Southeast Michigan

5-County Summary



Summary

Inventory and buyer options continue to grow—up 9% in the past month. New pendings remain strong but are leveling as sales and values show signs of normalizing into more traditional seasonal patterns. The market has been on an intense run with extreme demand and sales since June of 2020. That demand is cooling off as 71,000 of our local buyers who had been competing for a home during the past 14 months have succeeded in getting to the closing table. As buyer competition and multiple offers tail off, expect to see prices correct. In the past month, average sale price and price per square foot both declined—down 2% and 1%.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	6604	9%	6298	1%	1.0	8%
\$10k - 150k	1768	27%	1330	-2%	1.3	29%
\$150k - 250k	1413	12%	1931	6%	0.7	5%
\$250k - 500k	1970	3%	2369	0%	0.8	3%
\$500k +	1453	-2%	668	-5%	2.2	3%

YTD Closed Activity

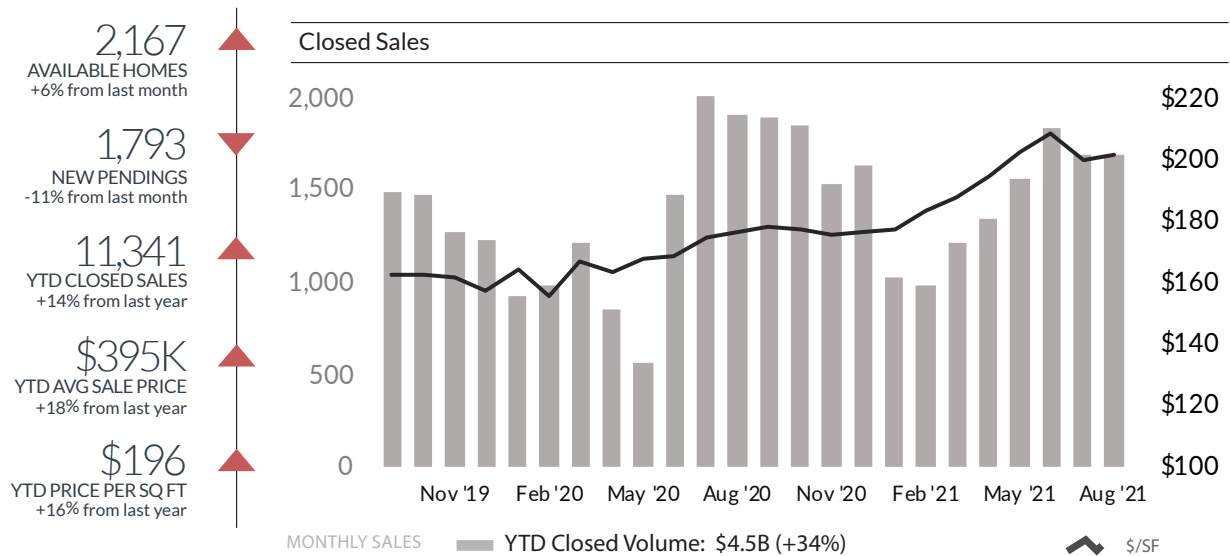
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	34,004	13%	1%	\$168.14	16%	22%
\$10k - 150k	7,336	-16%	-36%	\$86.89	7%	8%
\$150k - 250k	9,961	10%	0%	\$151.16	9%	13%
\$250k - 500k	12,715	26%	27%	\$173.70	12%	15%
\$500k +	3,992	86%	91%	\$223.36	7%	8%

Data source: Realtor MLS using Great Lakes Repository Data.

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Oakland County

Single-Family Homes



Summary

Inventory continues to grow—up 9% in the past month. While closed sales were level with the prior month, the 11% drop in new pendings will bring September and October closings down. As seen in the \$/SF line in the chart above, prices, which have been driven by buyer competition and competing offers, are tailing off as the market settles into a more typical seasonal pattern. We're coming off a 14-month run where 24,000 Oakland County buyers have closed on new homes—5,000 more than a typical 14-month period. Expect to see sales and values settle as we head into the fourth quarter. It's time for sellers to double-check their prices.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	2167	6%	1793	-11%	1.2	20%
\$10k - 200k	289	7%	317	-10%	0.9	19%
\$200k - 400k	765	9%	869	-11%	0.9	23%
\$400k - 800k	728	9%	502	-14%	1.5	27%
\$800k +	385	-3%	105	6%	3.7	-9%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	11,341	14%	3%	\$196.46	16%	20%
\$10k - 200k	1,944	-21%	-38%	\$136.44	10%	14%
\$200k - 400k	5,351	7%	0%	\$180.50	14%	18%
\$400k - 800k	3,398	54%	60%	\$194.11	10%	11%
\$800k +	648	99%	93%	\$299.89	6%	6%

Data source: Realtor MLS using Great Lakes Repository Data.

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Birmingham

Single-Family Homes

101
AVAILABLE HOMES
-6% from last month

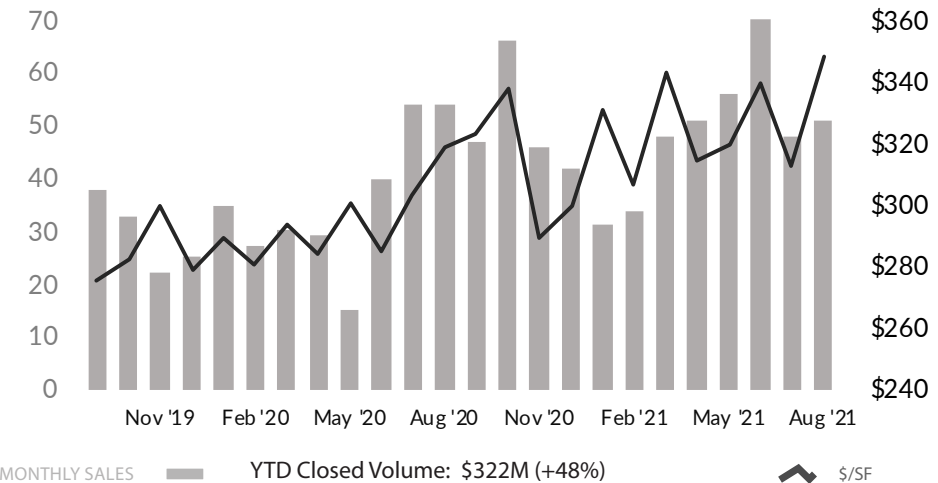
56
NEW PENDINGS
+4% from last month

395
YTD CLOSED SALES
+39% from last year

\$816K
YTD AVG SALE PRICE
+6% from last year

\$329
YTD PRICE PER SQ FT
+10% from last year

Closed Sales



Summary

In the past month, inventory dropped slightly while new pendings were up by two units and closed sales were up by three. While it will be hard to compete with the record-high sales and prices set in June, Birmingham's luxury market has continued to carry its momentum further than most upper-end markets. Look for the market to settle and normalize as it moves into the fourth quarter. Buyers will have more opportunities to buy with less heated competition. It's time for sellers to make any necessary adjustments to ensure they sell before seasonality becomes more of a factor and demand fades.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	101	-6%	56	4%	1.8	-10%
\$10k - 400k	10	0%	14	-13%	0.7	14%
\$400k - 800k	25	0%	17	-19%	1.5	24%
\$800k - 1.4m	34	-13%	15	50%	2.3	-42%
\$1.4m +	32	-6%	10	43%	3.2	-34%

YTD Closed Activity

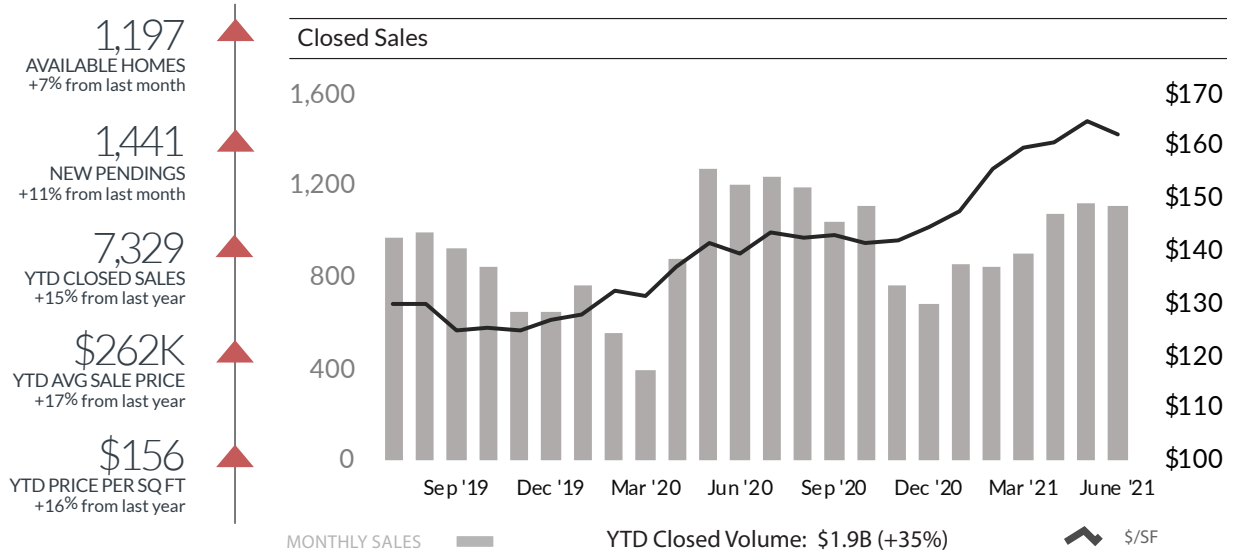
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	395	39%	38%	\$328.57	10%	12%
\$10k - 400k	77	7%	13%	\$287.48	17%	19%
\$400k - 800k	156	28%	29%	\$286.22	16%	14%
\$800k - 1.4m	117	113%	77%	\$319.40	2%	7%
\$1.4m +	45	29%	45%	\$432.26	9%	9%

Data source: Realcomp MLS using Great Lakes Repository Data.

SEPTEMBER 2021
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Macomb County

Single-Family Homes



Summary

Inventory, new pendings, and closed sales were all up compared to the prior month. As the market begins showing signs of normalizing, average sale price, price per square foot and closed volume all dipped for the first time in nearly a year. With its quality and affordable housing, at a time where that combination is hard to find, the Macomb County market will continue to run strong as market returns to more typical seasonal patterns. As this past year's supply shortage has made winning a no-brainer for sellers, they will need to put more thought into their pricing as buyers are provided with more options.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1197	7%	1441	11%	0.8	-4%
\$10k - 125k	146	21%	139	-7%	1.1	29%
\$125k - 225k	327	14%	533	16%	0.6	-2%
\$225k - 400k	388	14%	561	12%	0.7	2%
\$400k +	336	-10%	208	11%	1.6	-19%

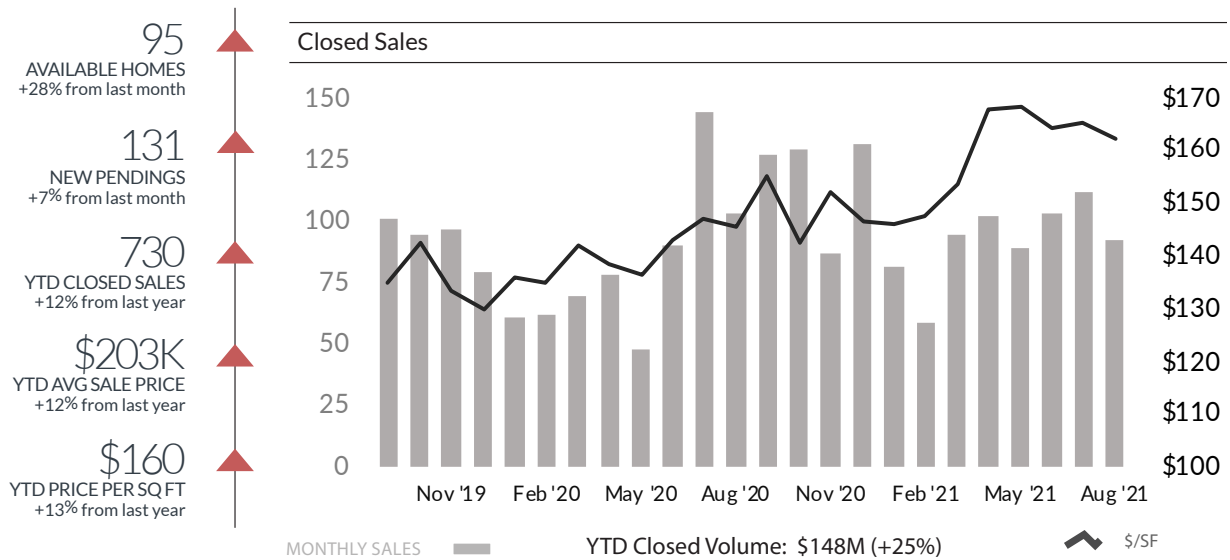
YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	7,329	15%	0%	\$155.88	16%	22%
\$10k - 125k	842	-26%	-48%	\$87.73	12%	14%
\$125k - 225k	2,674	3%	-11%	\$145.02	11%	15%
\$225k - 400k	2,711	30%	22%	\$160.83	13%	17%
\$400k +	1,102	111%	147%	\$177.31	10%	8%

Data source: Realtor MLS using Great Lakes Repository Data.

St. Clair Shores

Single-Family Homes



Summary

Through much of the first half of this year, available listing levels were held down in the low thirties. In the past three months they jumped to 51, then 74 and now 95 available listings. While the additional inventory is making it easier for buyers to find homes, the lack of competition has caused prices to tail off as seen in the \$/SF line in the chart above. Last month's sales also dipped despite the additional inventory, but expect sales to rise in September and October as a result of the 7% increase in August new pendings. The market will continue to exhibit more typical seasonal patterns with inventory and prices as it continues to normalize.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	95	28%	131	7%	0.7	21%
\$10k - 150k	8	60%	15	15%	0.5	39%
\$150k - 200k	48	50%	56	2%	0.9	47%
\$200k - 250k	21	17%	43	13%	0.5	3%
\$250k +	18	-5%	17	0%	1.1	-5%

YTD Closed Activity

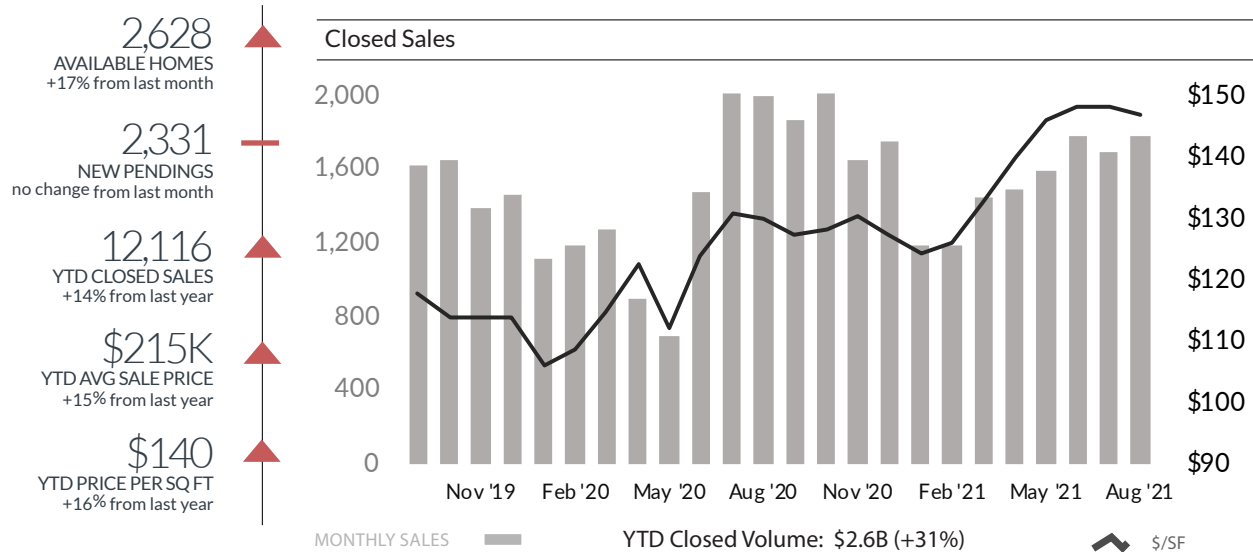
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	730	12%	-2%	\$160.04	13%	19%
\$10k - 150k	99	-44%	-66%	\$119.50	2%	4%
\$150k - 200k	319	-6%	-8%	\$156.34	8%	13%
\$200k - 250k	221	216%	309%	\$175.02	20%	34%
\$250k +	91	36%	63%	\$168.53	5%	-4%

Data source: Realcomp MLS using Great Lakes Repository Data.

SEPTEMBER 2021 HOUSING REPORT

Wayne County

Single-Family Homes



Summary

Inventory continues to grow—up 17% in the past month. New pendings remain strong but are leveling. Expect strong third quarter sales to carry over into the early fourth quarter before falling off in November and December. The intense competition, which has been driving up prices, has been settling and prices are beginning to show it. Both average sale price and price per square foot dropped 1% in the past month. Expect to see that trend continue as the market dismounts from its 14-month extreme run and returns to more normal seasonal cycles. Buyers can expect to have more options and sellers will have to put more thought into pricing.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	2628	17%	2331	0%	1.1	17%
\$10k - 100k	927	30%	422	-10%	2.2	45%
\$100k - 200k	770	18%	965	0%	0.8	18%
\$200k - 400k	573	13%	723	12%	0.8	1%
\$400k +	358	-5%	221	-15%	1.6	12%

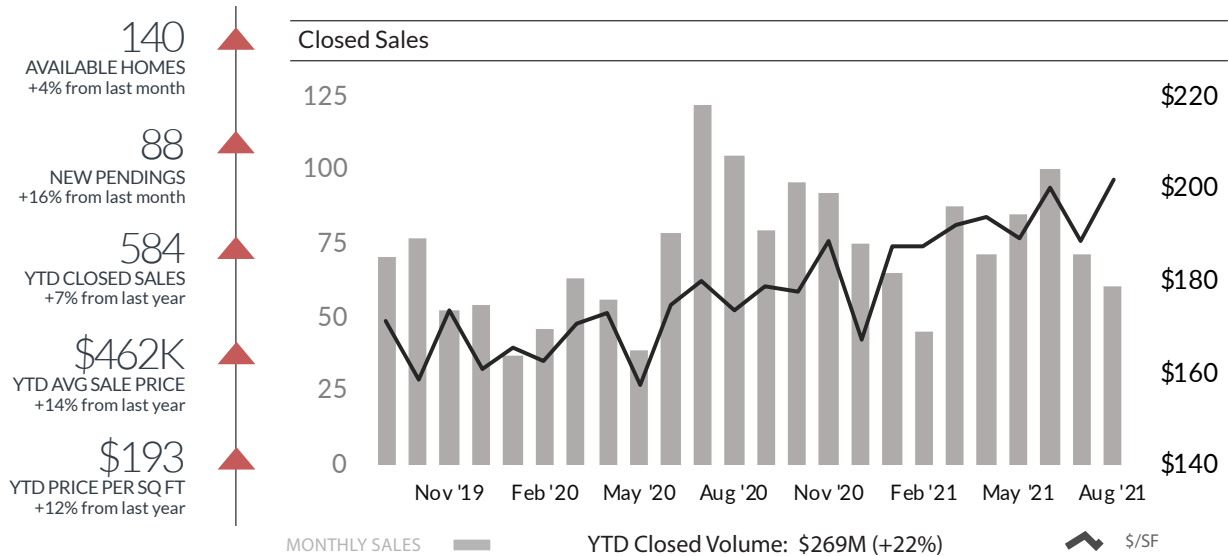
YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	12,116	14%	1%	\$140.25	16%	23%
\$10k - 100k	2,589	-12%	-35%	\$51.48	8%	5%
\$100k - 200k	4,573	14%	0%	\$126.14	9%	12%
\$200k - 400k	3,621	27%	34%	\$160.62	13%	14%
\$400k +	1,333	66%	76%	\$191.45	6%	10%

Data source: Realcomp MLS using Great Lakes Repository Data.

Grosse Pointe

Single-Family Homes



Summary

With the help of additional new listings, last month's new pendings were up by 12 units. The additional pendings will lift September and October closed sales and end the recent two-month decline. YTD closed sales are up 7% compared to last year and 1% compared to 2019. As seen in the second table below, values for homes priced below \$400k are up an average of 13% while \$400k to \$750k values are up 9% and over-\$750k values are relatively flat—up just 1%. Expect the market to transition back into its more typical seasonal cycles with sales and prices tailing off in the fourth quarter. Sellers need to be competitive with their pricing.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	140	4%	88	16%	1.6	-10%
\$10k - 250k	12	0%	12	-8%	1.0	8%
\$250k - 400k	42	35%	37	16%	1.1	17%
\$400k - 750k	49	0%	30	11%	1.6	-10%
\$750k +	37	-12%	9	125%	4.1	-61%

YTD Closed Activity

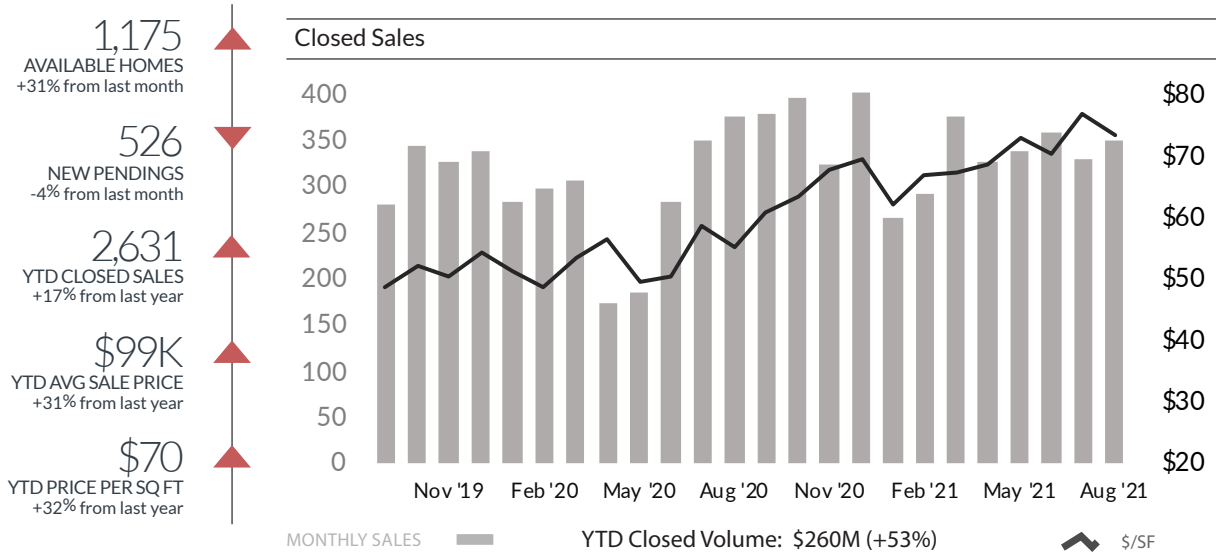
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	584	7%	1%	\$192.79	12%	17%
\$10k - 250k	82	-37%	-57%	\$161.12	13%	15%
\$250k - 400k	227	4%	4%	\$181.49	13%	15%
\$400k - 750k	220	38%	51%	\$190.39	9%	10%
\$750k +	55	45%	120%	\$228.13	1%	7%

Data source: Realtor MLS using Great Lakes Repository Data.

SEPTEMBER 2021 HOUSING REPORT

Detroit

Single-Family Homes



Summary

New listings are arriving faster than they are selling. Inventory is up 31% while new pendings dropped 4%. Supply levels are between 2.2 and 2.5 months for all but the \$100k to \$200k range, where it's 1.6 months. Move-in-ready homes are still selling quickly. In the past year, the number of under-\$30k sales dropped by 51% from 734 to 363 while over-\$100k sales jumped 62% from 535 to 868. Expect to see more normal and seasonal cycles return to the Detroit single family market. Average price and price per square foot rose 31% and 32% in the past year in large part due to the change in sales mix mentioned above. Expect values to continue to rise between 7% and 10% (within price ranges) in the next year.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1175	31%	526	-4%	2.2	36%
\$5k - 30k	115	34%	52	8%	2.2	23%
\$30k - 100k	713	38%	283	-7%	2.5	49%
\$100k - 200k	202	18%	128	-6%	1.6	26%
\$200k +	145	16%	63	9%	2.3	7%

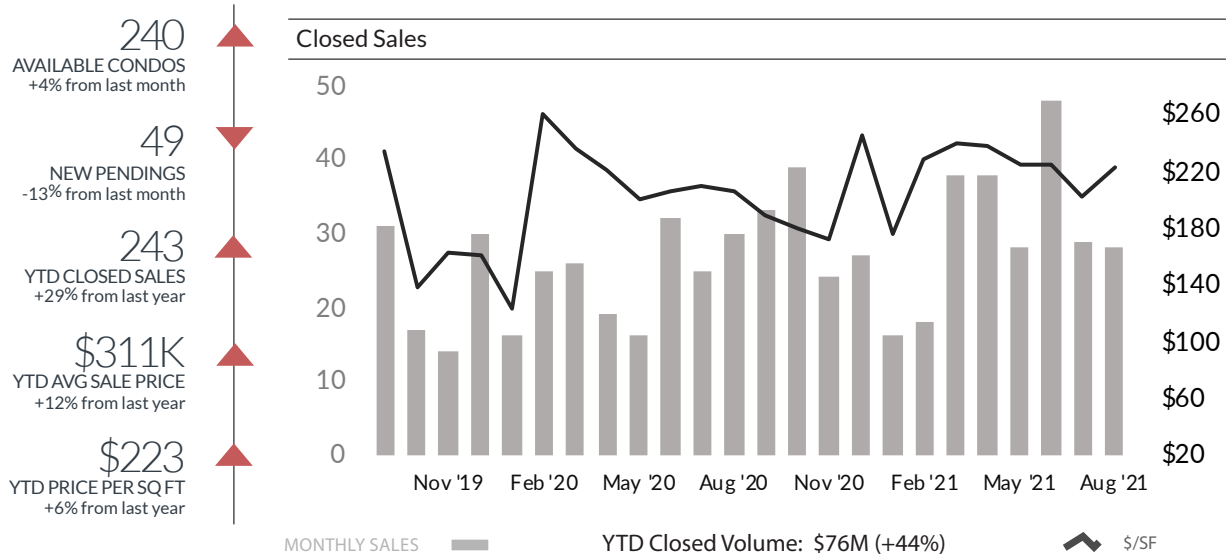
YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	2,631	17%	-3%	\$69.89	32%	39%
\$5k - 30k	363	-51%	-62%	\$17.37	9%	2%
\$30k - 100k	1,400	42%	10%	\$48.24	14%	13%
\$100k - 200k	583	55%	63%	\$90.17	10%	11%
\$200k +	285	79%	104%	\$122.13	9%	11%

Data source: Realcomp MLS using Great Lakes Repository Data.

Detroit

Condos/Lofts



Summary

Condo inventory levels have been holding steady from month to month and they're down just 13% compared to last year. New pendings have been bouncing up and down—they were down 13% last month. COVID temporarily slowed sales of upper-end (over \$300k) condos, yet current YTD closed numbers are 34% higher than previous highs in 2018 and 2019. The current YTD \$292 average price per square foot for over-\$300k sales is also rising and is higher than previous years, aside from 2019 when it was \$298. Buyers have a temporary opportunity to purchase before more offices and activities reopen. The condo market and prices will take off again as work (i.e. Ford moving into the train station) and social activities pick up.

Monthly Activity

	Listings	Change	New Pending Sales	Change	Months Supply	Change
All	240	4%	49	-13%	4.9	19%
\$10k - 100k	31	7%	13	-24%	2.4	40%
\$100k - 200k	39	-5%	8	-20%	4.9	19%
\$200k - 400k	99	3%	20	-9%	5.0	13%
\$400k +	71	11%	8	14%	8.9	-3%

YTD Closed Activity

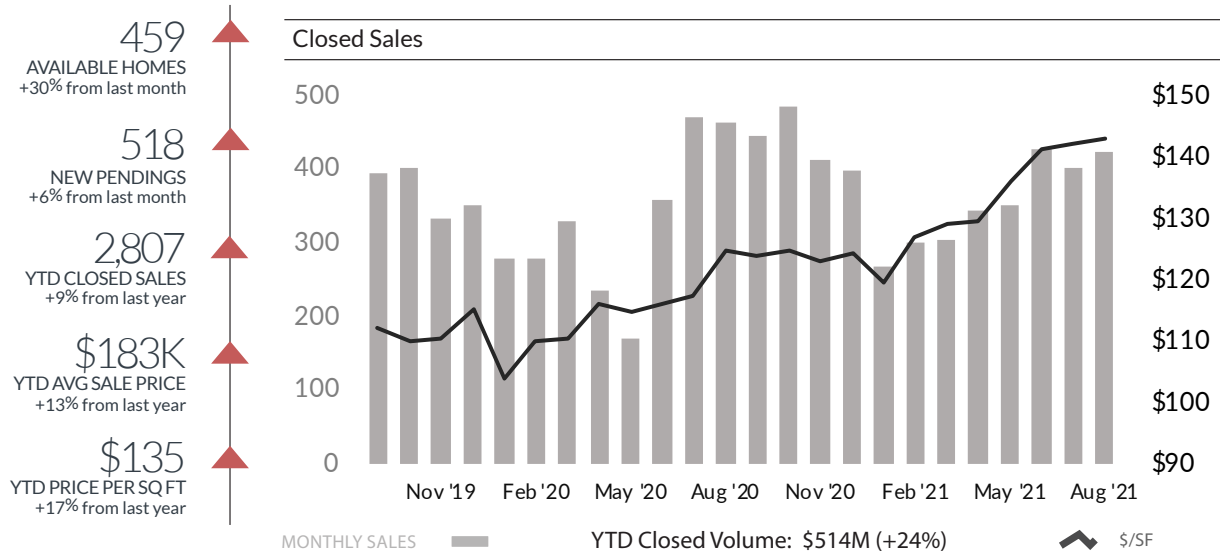
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	243	29%	3%	\$223.08	6%	5%
\$10k - 100k	38	9%	-5%	\$53.77	27%	34%
\$100k - 200k	40	11%	-17%	\$158.99	10%	5%
\$200k - 400k	113	57%	12%	\$219.22	2%	-2%
\$400k +	52	13%	11%	\$313.44	-1%	-2%

Data source: Realtor.com MLS using Great Lakes Repository Data.

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Downriver

Single-Family Homes



Summary

While most area markets are showing signs of slowing, the Downriver market continues to sail. Listings, new pendings, closed sales, and average price are all up compared to the prior month. Price per square foot is our only metric that has leveled out compared to the prior month. Affordable housing will help the Downriver market continue its run before seasonality returns and begins to temporarily slow the market in the fourth quarter. While the under-\$125k market will continue to shrink, expect continued growth in both sales and values in the above-\$125k price ranges.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	459	30%	518	6%	0.9	22%
\$10k - 75k	26	63%	10	-23%	2.6	111%
\$75k - 125k	83	28%	75	-9%	1.1	40%
\$125k - 250k	204	28%	320	7%	0.6	20%
\$250k +	146	29%	113	22%	1.3	6%

YTD Closed Activity

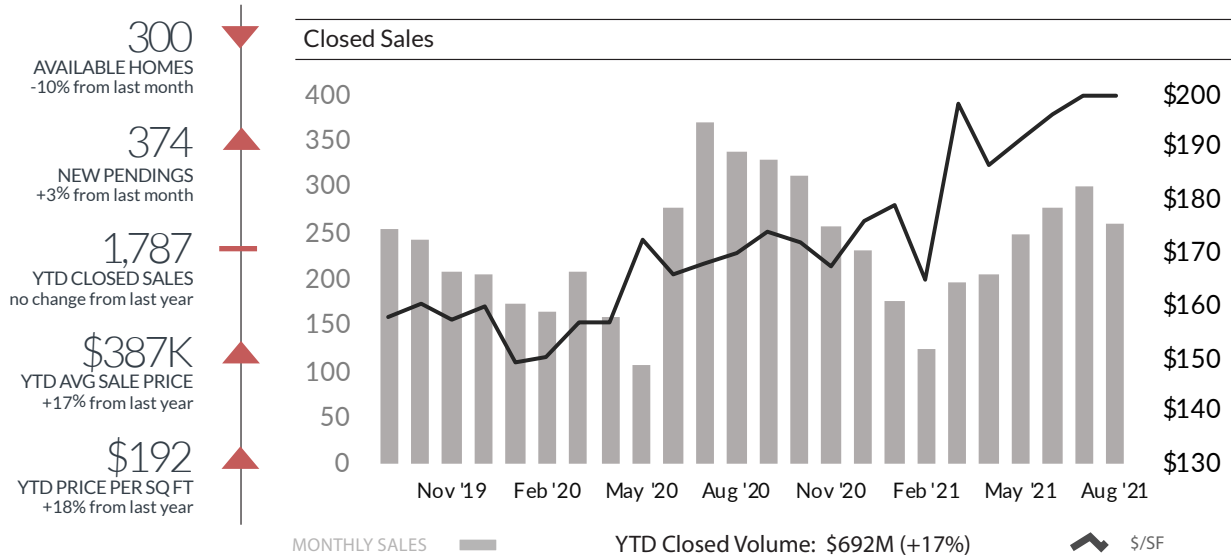
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	2,807	9%	-3%	\$134.57	17%	24%
\$10k - 75k	143	-49%	-67%	\$52.08	-4%	-3%
\$75k - 125k	521	-24%	-41%	\$103.76	6%	9%
\$125k - 250k	1,640	35%	35%	\$138.45	14%	18%
\$250k +	503	28%	39%	\$152.06	13%	15%

Data source: Realtor MLS using Great Lakes Repository Data.

SEPTEMBER 2021
HOUSING REPORT

Livingston County

Single-Family Homes



Summary

Although inventory dropped by 35 units, last month's new pendings were up by 11. With last month's closed sales dropping by 39 units and prices leveling, the market is showing signs of tailing off. Expect inventory levels, which have been unusually low, to return to more normal seasonal levels and expect to see seasonal cycles return to both the number of monthly sales and prices. In the past year, values have increased at double-digit rates across all price ranges. Expect prices to settle and show some correction between now and the spring. Buyers will face lighter competition and sellers will have to put more thought into their pricing.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	300	-10%	374	3%	0.8	-13%
\$10k - 200k	30	-9%	33	18%	0.9	-23%
\$200k - 300k	51	-12%	98	8%	0.5	-18%
\$300k - 500k	113	-16%	176	-2%	0.6	-15%
\$500k +	106	-3%	67	3%	1.6	-6%

YTD Closed Activity

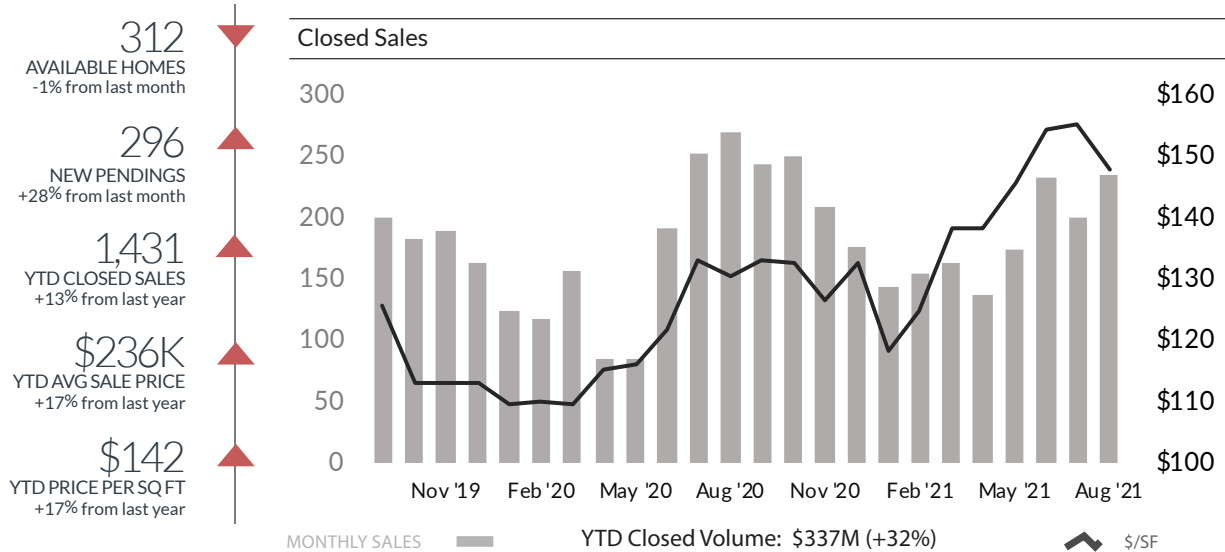
	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	1,787	0%	-6%	\$191.87	18%	22%
\$10k - 200k	120	-41%	-58%	\$137.68	13%	11%
\$200k - 300k	497	-30%	-34%	\$168.02	11%	15%
\$300k - 500k	847	18%	19%	\$185.03	14%	16%
\$500k +	323	95%	126%	\$230.63	10%	13%

Data source: Realcomp MLS using Great Lakes Repository Data.

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St. Clair County

Single-Family Homes



Summary

After a long, strong pandemic run, the market is showing signs that it is returning to normal. Inventory has been leveling out and new pendings, which dropped by 40 units two months ago, were back up by 64 last month. As seen in the \$/SF line in the chart above, prices, which have been on a sharp upward slope since February, leveled and then dropped last month. As the market normalizes and demand tapers off, expect to see prices temporarily settle in the fourth quarter as buyers face less competition. Sellers may need to adjust their prices to accommodate changing conditions.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	312	-1%	296	28%	1.1	-23%
\$10k - 100k	26	4%	23	53%	1.1	-32%
\$100k - 200k	90	0%	106	16%	0.8	-14%
\$200k - 400k	118	-6%	122	18%	1.0	-21%
\$400k +	78	4%	45	96%	1.7	-47%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	1,431	13%	8%	\$142.18	17%	25%
\$10k - 100k	143	-27%	-46%	\$63.68	11%	18%
\$100k - 200k	549	0%	-5%	\$115.41	7%	14%
\$200k - 400k	601	30%	39%	\$149.18	9%	13%
\$400k +	138	112%	151%	\$203.50	16%	2%

Data source: Realtor MLS using Great Lakes Repository Data.