

HOUSING REPORT

SOUTHEAST MICHIGAN | AUGUST 2020



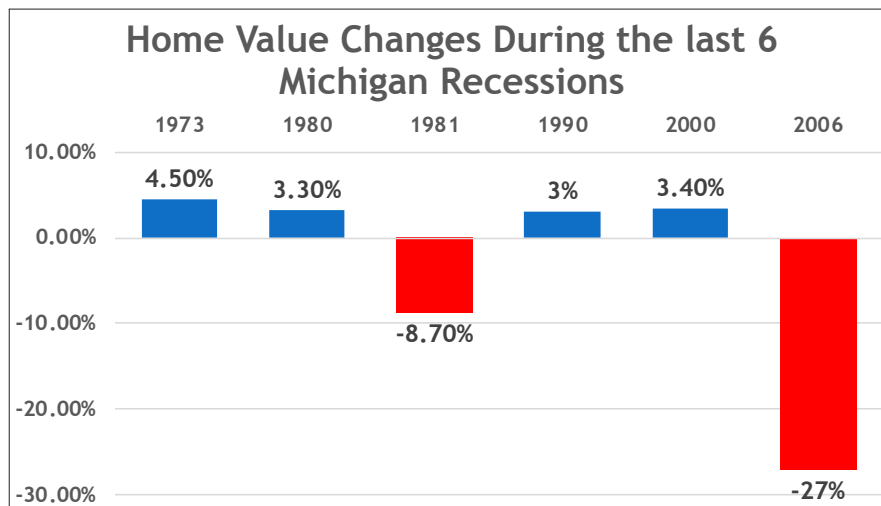
Southeast Michigan

Home Prices Projected to Appreciate

The recent rebound of home sales suggests the pandemic did not derail home buyers. Home price appreciation continues at a solid pace, reflecting fundamental strength in demand and the limited amount of available listing inventories. As we move forward, home prices should level out with a moderate level of growth. If you were expecting values to drop as they did in the previous recession, that probably won't happen. Of the last six recessions, home values declined in only two of them. This time housing will be part of the solution. Housing is positioned to be one of the driving forces of the economy. Will we see a wave of foreclosures as a result of the current crisis? While that is still possible, the number of mortgages in active forbearance has been leveling off and homeowners have much higher amounts of equity to work with, especially if values hold as expected.

Source	2020	2021	2022
Home Price Expectation Survey	-0.32	+0.94	+2.88
Mortgage Bankers Association	+4.0	+2.9	+2.2
Zelman & Assoc.	+3.0	+4.2	+4.6
Fannie Mae	+0.4	+2.1	N/A
National Association of Realtors	+3.6	+2.8	N/A
Freddie Mac	+2.3	+0.4	N/A

The above projections are surveys based on national real estate values appreciation. Real Estate One Family of Companies contributes to Zelman & Associates survey. Current average sales price in Michigan is up 6% YTD over 2019.



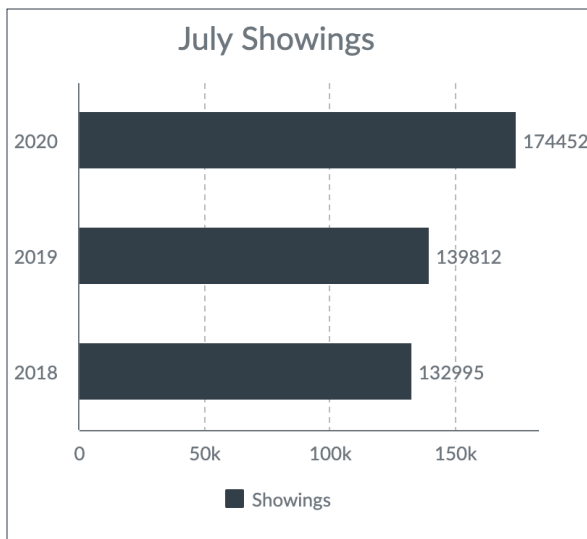
Southeast Michigan

Aggressive Buyers, Seller Benefits

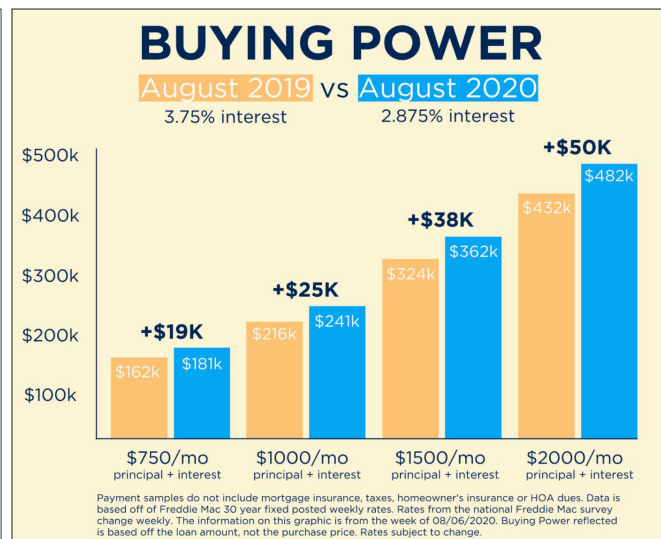
Buyers will be scrambling to get into a new home quickly and they have plenty of motivation to do so. The COVID-19 lockdown during the spring delayed search process for many home buyers, pushing them back to summer or fall. Michigan showings were up 25% this past July compared to a year ago, that is impressive considering there were 38% fewer homes for sale.

In the most competitive price range, homes priced under \$250k, properties have been receiving 46% more showings as a big pool of buyers compete for the small supply of the more affordable listings. This strong market rebound has been benefiting sellers who got their homes on the market, despite fears of the virus.

What is driving these buyers to be aggressive this summer? Record low mortgage rates are giving "Buying Power" to those looking to move. When buying this summer compared to 2019, buyers with a target monthly payment of \$1000/mo will have an increased purchase amount of \$25k when shopping for a home. In tight housing markets, fewer sellers will need to consider cutting prices. Many sellers also need to purchase so they can benefit from both sides of the coin. Buyers may not like or agree with the asking prices on the homes they like, but with today's added buying power they would be wise not to wait. Typically, market times rise after school begins, but there's still a shortage of nice affordable homes and nothing about 2020 has been a typical.



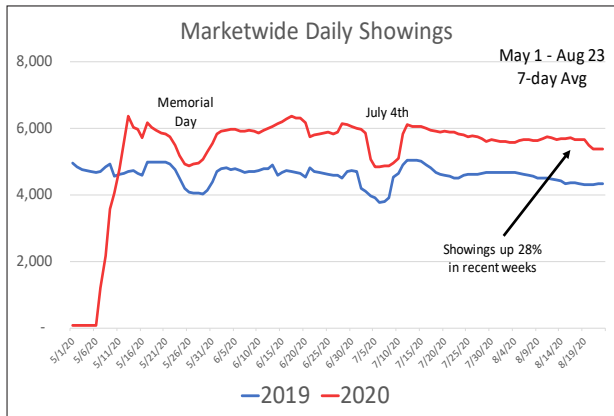
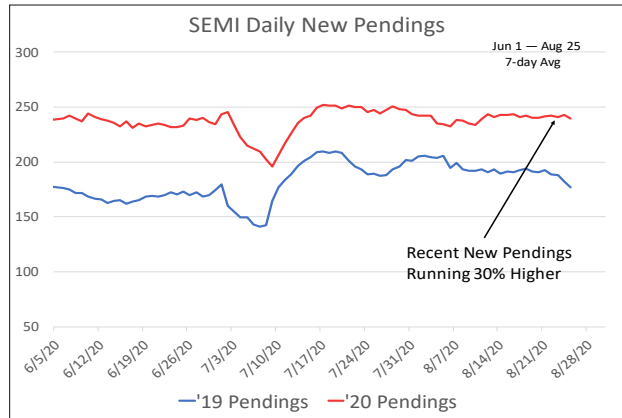
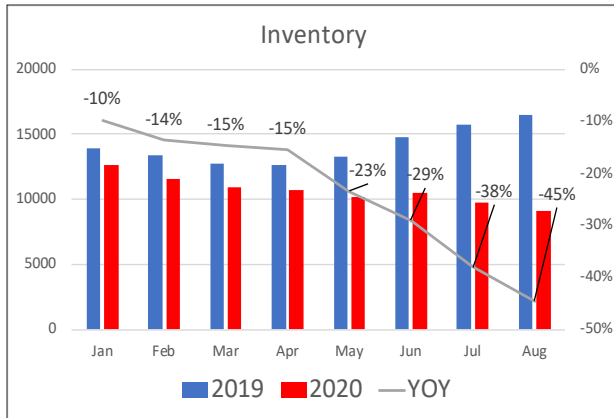
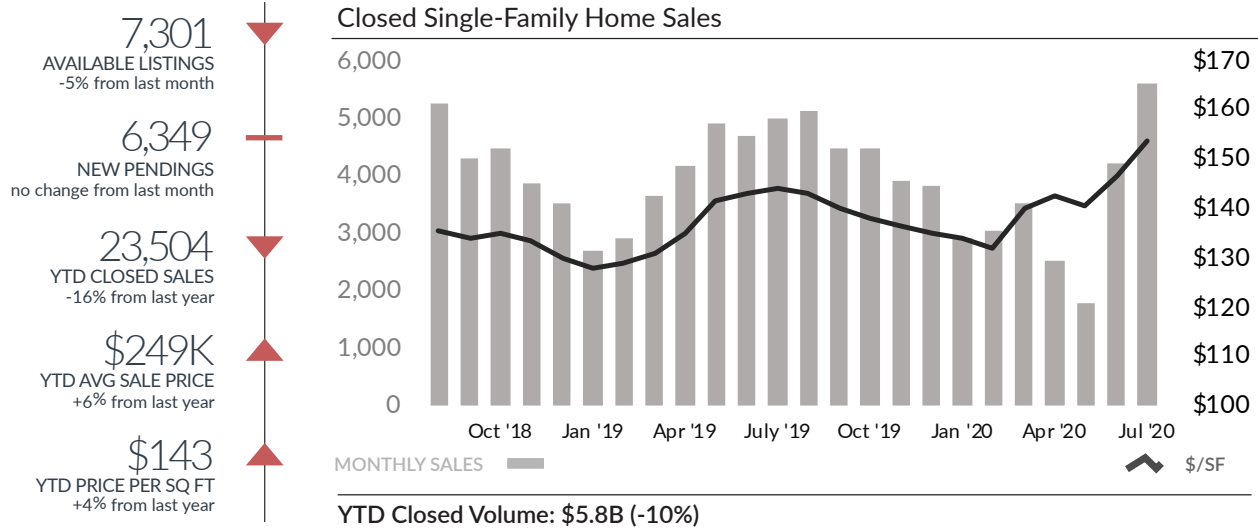
*Michigan wide showing statistics



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Summary

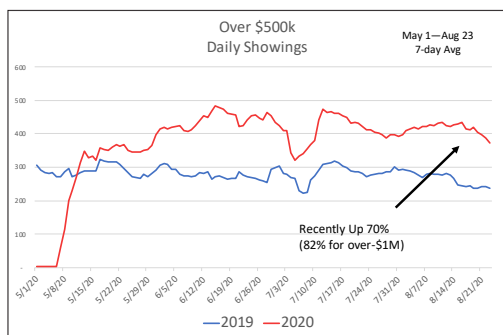
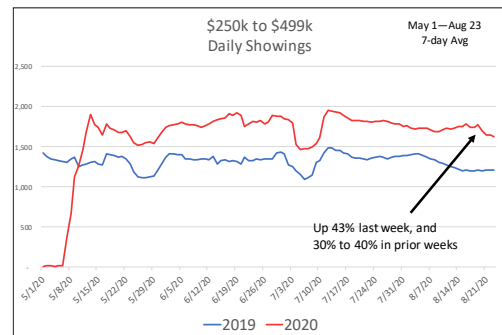
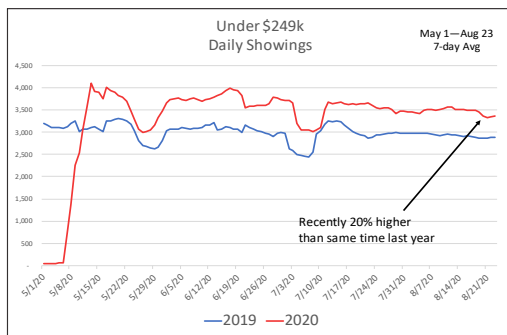
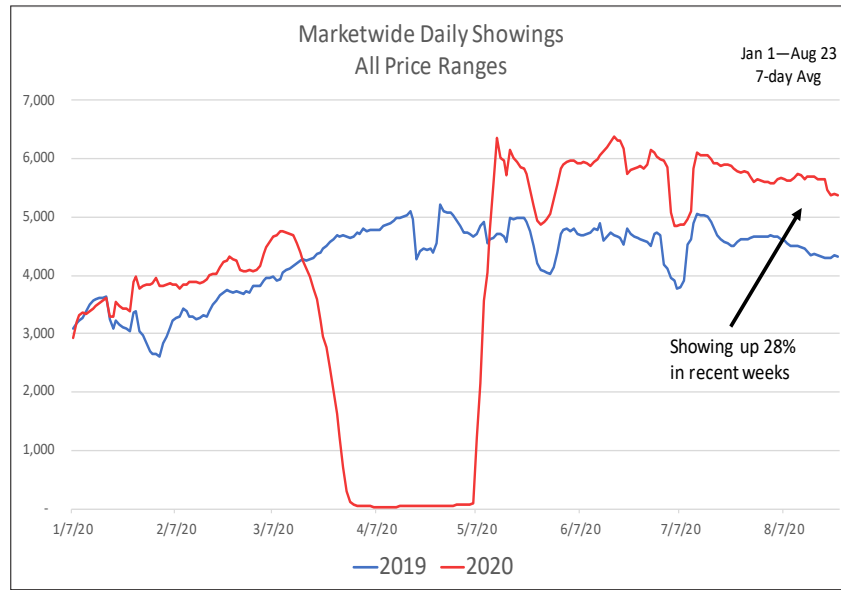


Although inventory is down 39% compared to last year, daily showing activity and new pending sales continue to run at a faster pace than last year. July closed sales were up 33% compared to the previous month and 12% compared to July of 2019. Values continue to rise, YTD average sale price and price per square foot are both up—6% and 5% respectively. Record-low interest rates and strong demand will continue to drive sales so long as there are enough listings to keep the fire from going out. Potential sellers who have been waiting to see how Covid would impact the market would do well to jump in while it's hot.

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Southeast Michigan

Showing Activity



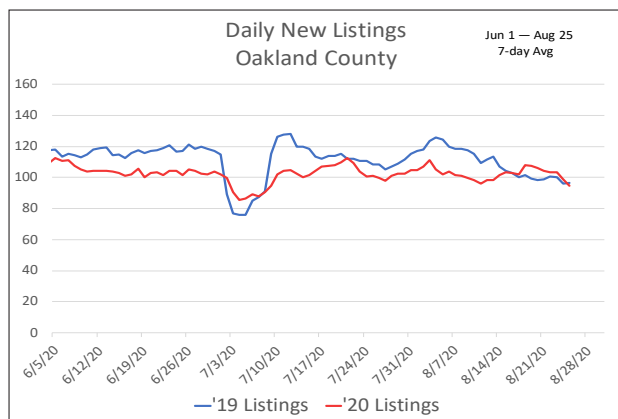
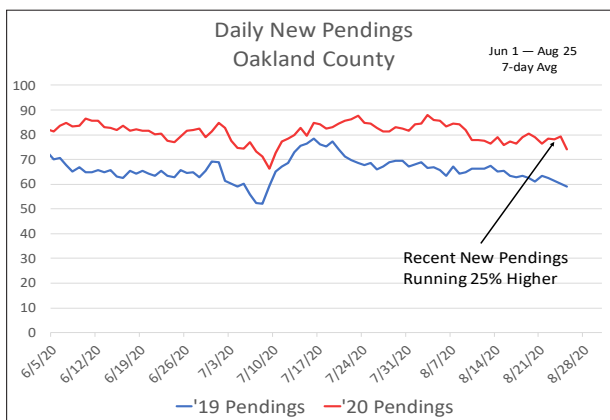
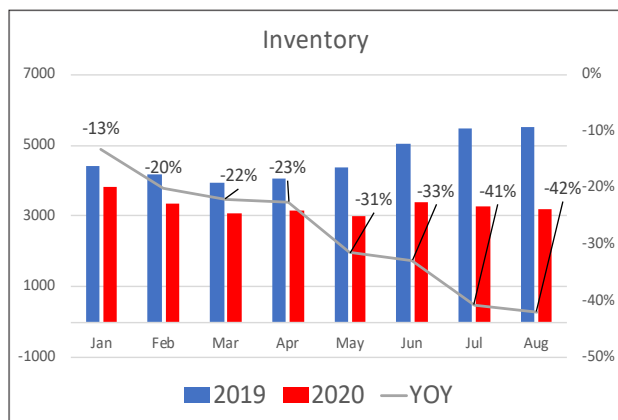
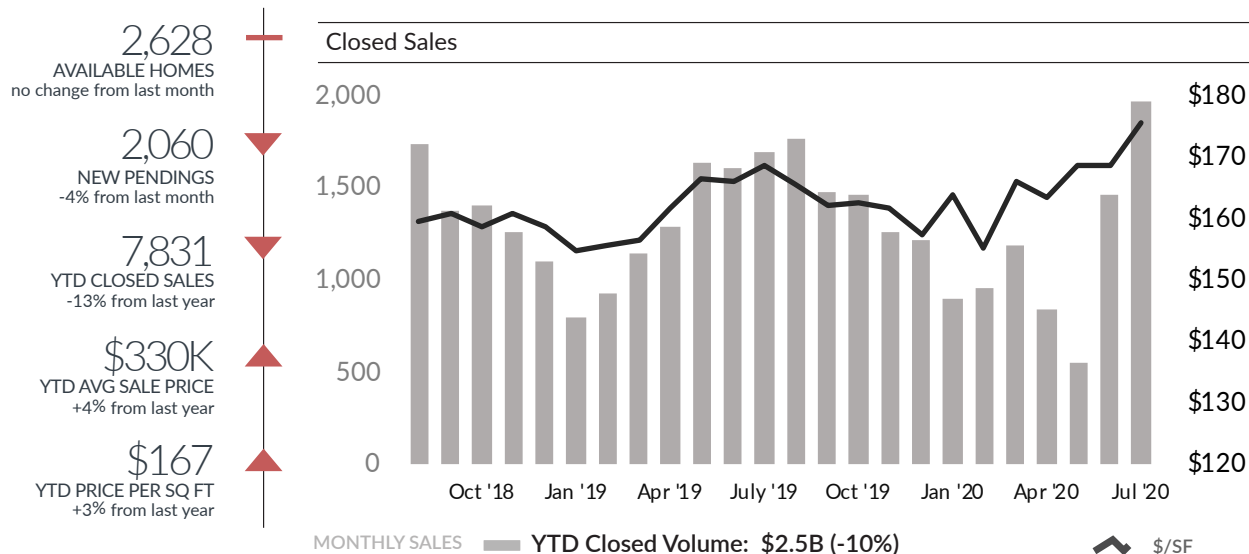
Daily showings are up in all price ranges:

- +20% in the under-\$249k price range
- +43% for the \$250k to \$499k properties
- +70% for over-\$500k properties

The inventory shortage (down 45% from a year ago) is most prevalent in the lower price ranges. The upper-end market, where inventory is more plentiful, has been seeing the greatest increase in showing activity.

Oakland County

Single-Family Homes



Although inventory is down 42% compared to last year, daily showing activity and new pending sales continue to move at a faster pace than a year ago. July closed sales were up 34% compared to the previous month and 11% compared to July of 2019. YTD closed sales are down 13%, but that gap is shrinking as new pendings continue to run about 25% higher than a year ago. Values continue to rise with average price up 4% and price per square foot up 3%. Although upper-end markets are doing best with increasing sales, those values have been flat. Over-\$800k price per square foot is down 3% from last year.

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Birmingham

Single-Family Homes

163
AVAILABLE HOMES
-4% from last month

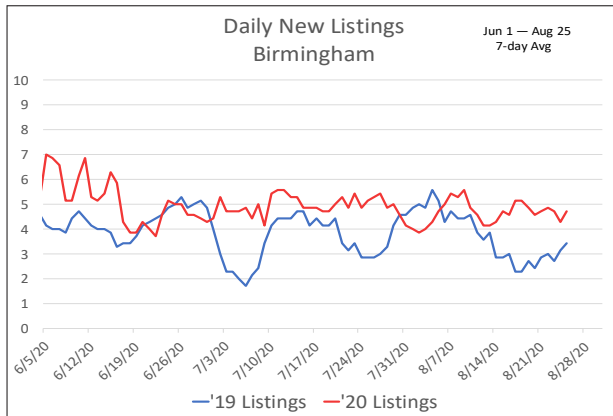
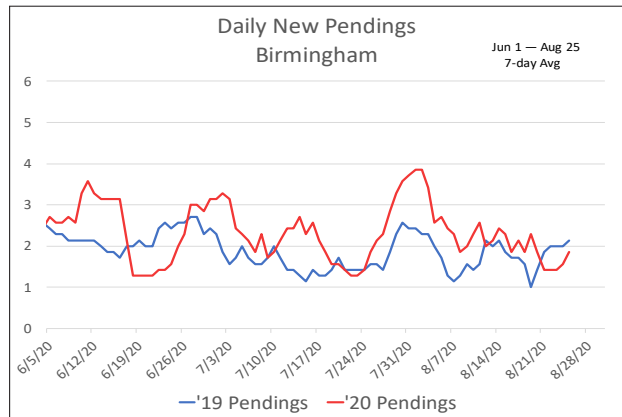
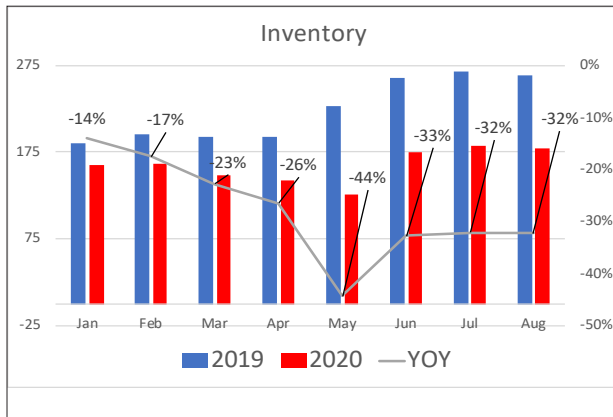
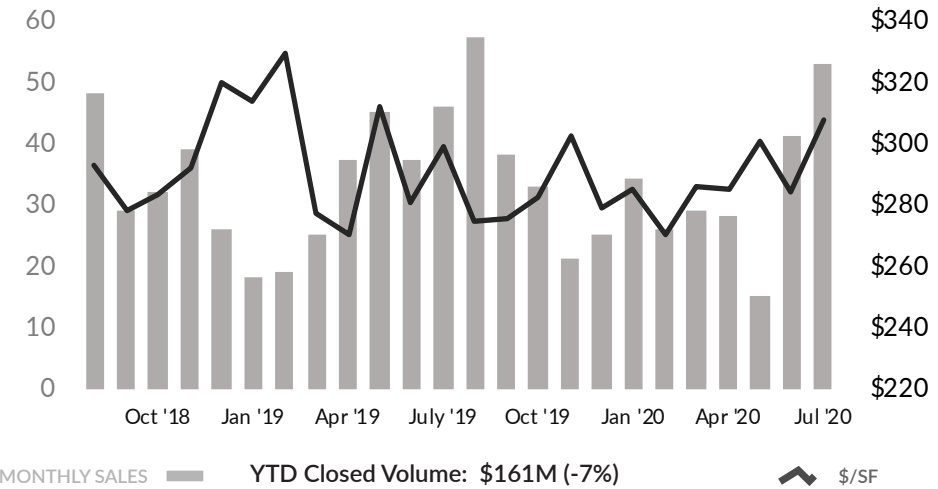
57
NEW PENDINGS
-10% from last month

226
YTD CLOSED SALES
no change from last year

\$714K
YTD AVG SALE PRICE
-7% from last year

\$290
YTD PRICE PER SQ FT
-2% from last year

Closed Sales



Although inventory is down 32% from last year, YTD sales have already caught up to even with last year. Showing activity has been up over 70% for properties priced over \$500k and 82% for properties priced over \$1M. As seen in the chart above, with the exception of last week's dip, daily new pending activity has been up compared to last year. So long as that red line runs above the blue, closed sales will be up in subsequent months. Keep an eye on values. Although sales are up, both average price and price per square foot are down in the upper price ranges.

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Macomb County

Single-Family Homes

1,152
AVAILABLE HOMES
-9% from last month

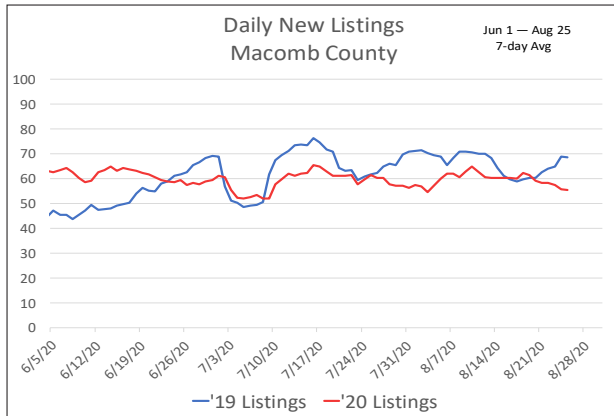
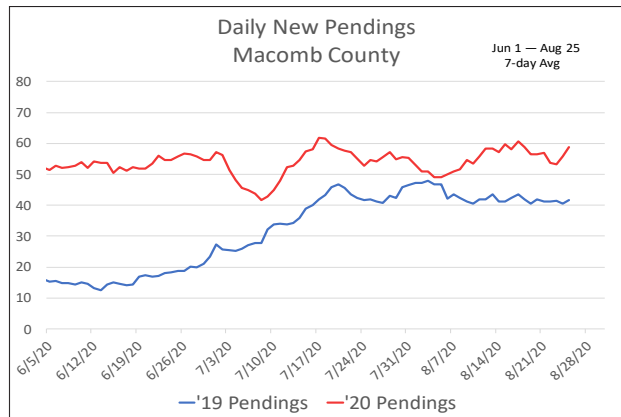
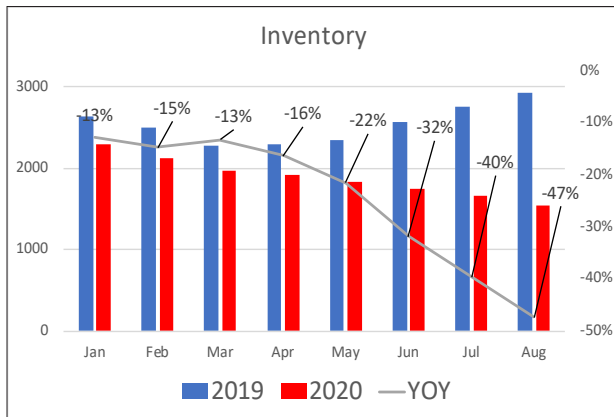
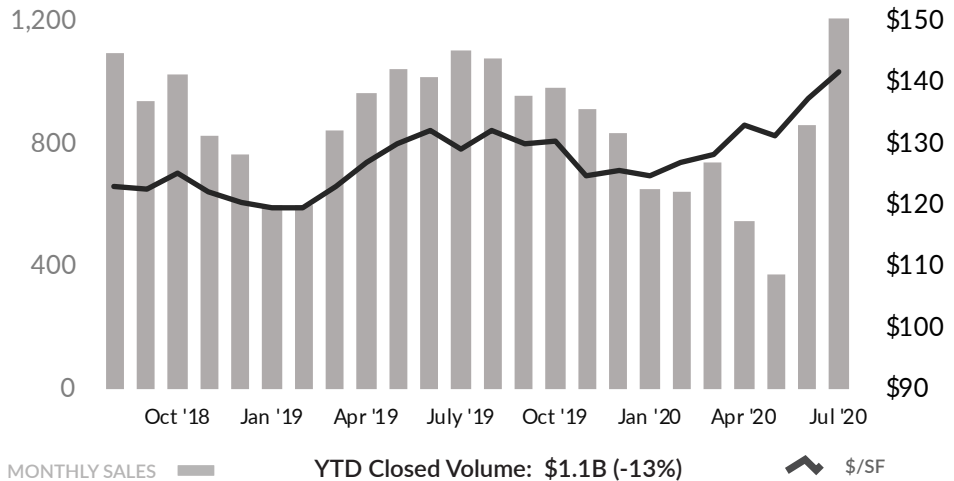
1,378
NEW PENDINGS
+1% from last month

4,995
YTD CLOSED SALES
-19% from last year

\$221K
YTD AVG SALE PRICE
+7% from last year

\$133
YTD PRICE PER SQ FT
+5% from last year

Closed Sales



Although inventory is down 47% compared to last year, daily showing activity and new pending sales continue to run at a faster pace than a year ago. July closed sales were up 41% compared to the previous month and 9% compared to July of 2019. While YTD closed sales are down 19%, the additional July new pendings (up 20% compared to a year ago) will help to narrow that gap. Low interest rates and high buyer 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 have been flat.

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St. Clair Shores

Single-Family Homes

63
AVAILABLE HOMES
-15% from last month

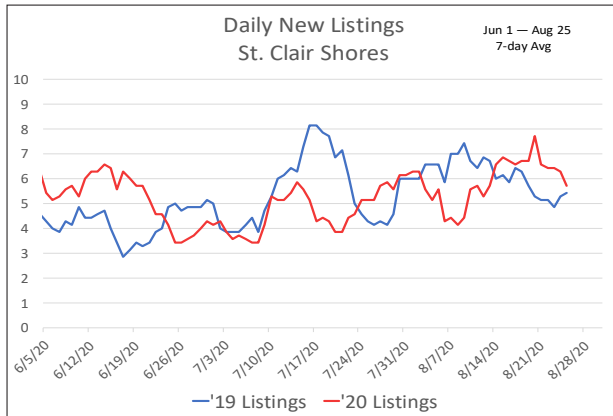
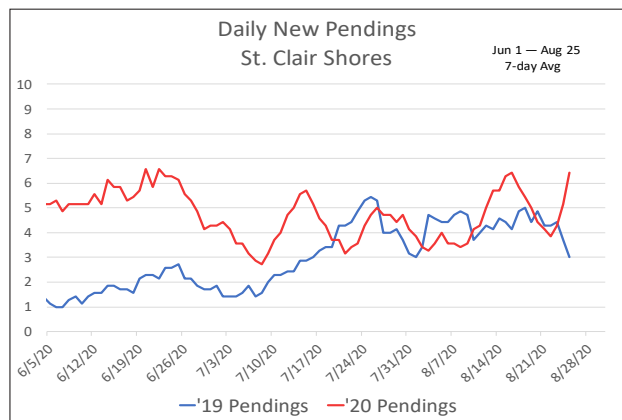
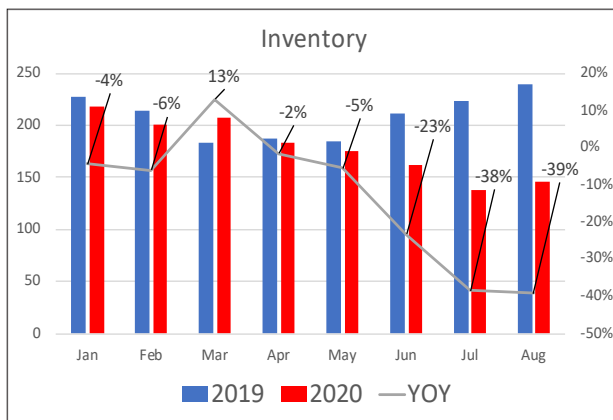
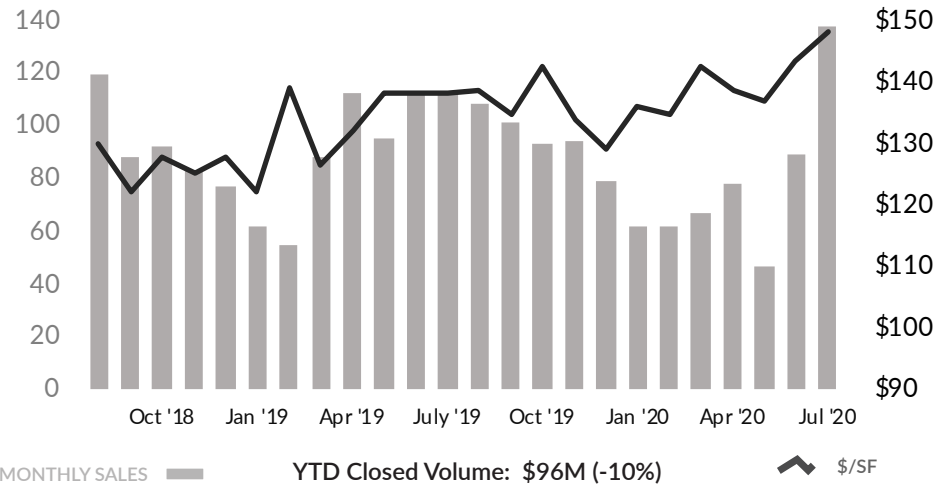
117
NEW PENDINGS
-19% from last month

539
YTD CLOSED SALES
-15% from last year

\$179K
YTD AVG SALE PRICE
+6% from last year

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

Closed Sales



Inventory is down 39% from last year and existing listings are selling nearly as fast as new ones arrive on the market. Despite the lack of inventory, strong buyer demand has showings running 20% higher than last year. July closed sales jumped 54% compared to the previous month and 22% compared to July of 2019. While July new pendings were down from the prior month, they were 9% higher than July of last year. Those additional pendings will keep August and September closed sales above their 2019 levels, but lack of inventory will hold them down from July's record levels. Low interest rates and high demand will continue to drive up values—up 6% compared to last year.

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Wayne County

Single-Family Homes

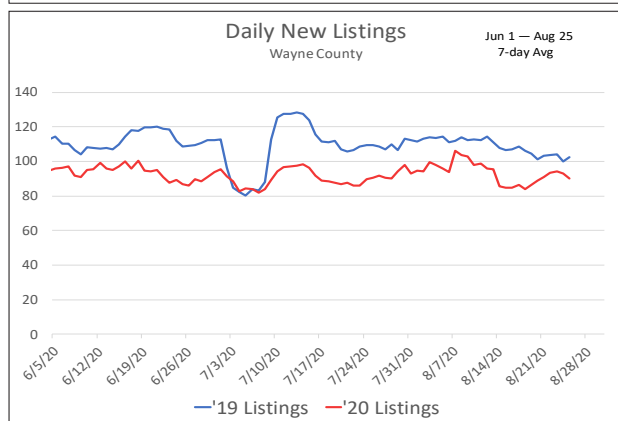
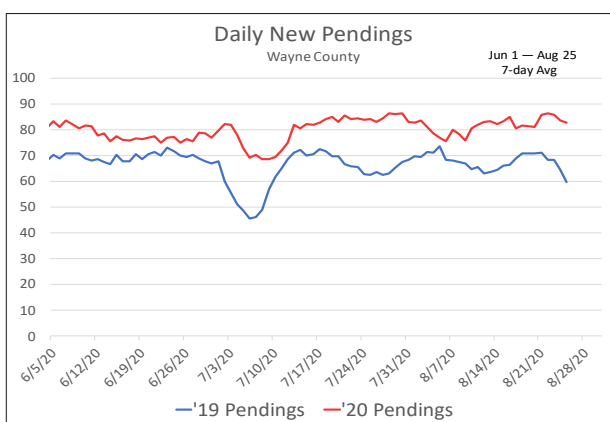
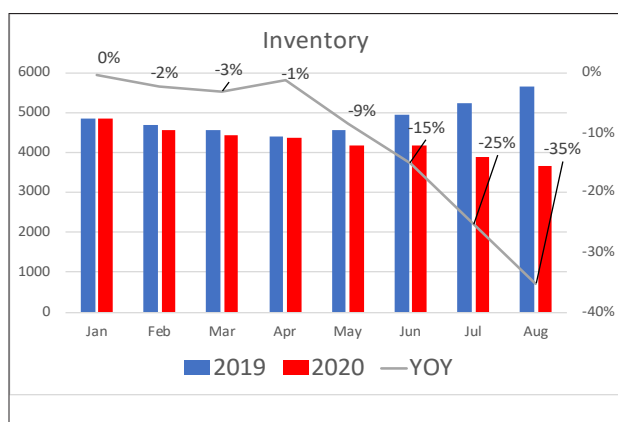
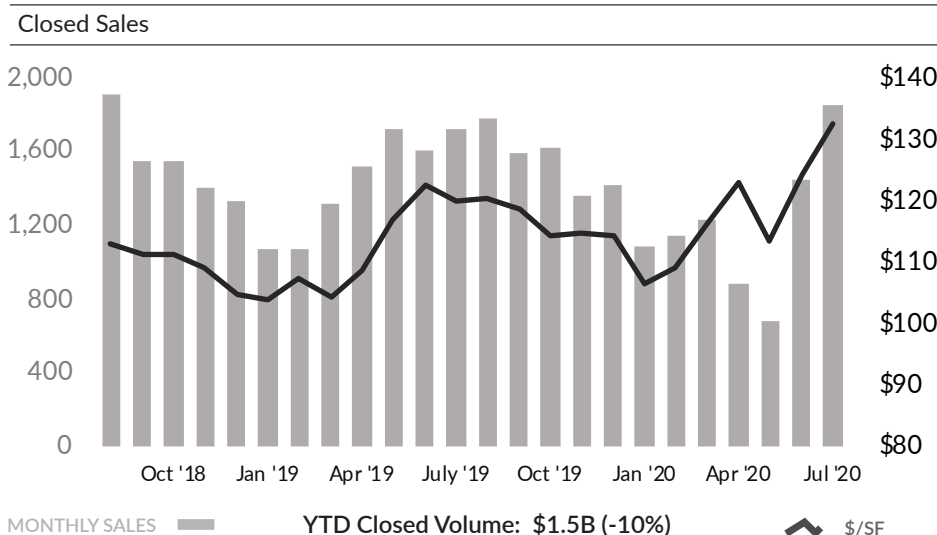
2,791
AVAILABLE HOMES
-6% from last month

2,255
NEW PENDINGS
+2% from last month

8,288
YTD CLOSED SALES
-17% from last year

\$184K
YTD AVG SALE PRICE
+9% from last year

\$120
YTD PRICE PER SQ FT
+6% from last year



Although inventory is down 35% compared to last year, daily showing activity and new pending sales continue to exceed last year's pace. July closed sales were up 29% compared to the previous month and 7% compared to July of 2019. While YTD closed sales are down 17%, the additional July new pendings (up 17% compared to a year ago) will help to narrow that gap. Low interest rates and high buyer demand continue to drive up values. YTD average sale price and price per square foot are both up—9% and 6% respectively. Look for low interest rates and high demand to continue to drive the market so long as there's available inventory—this is a great time to sell.

Grosse Pointe

Single-Family Homes

202
AVAILABLE HOMES
+2% from last month

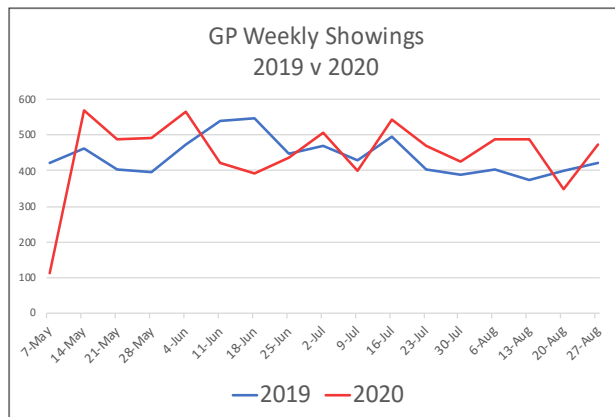
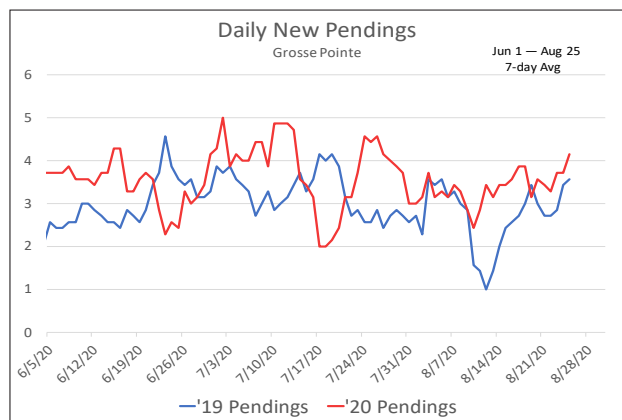
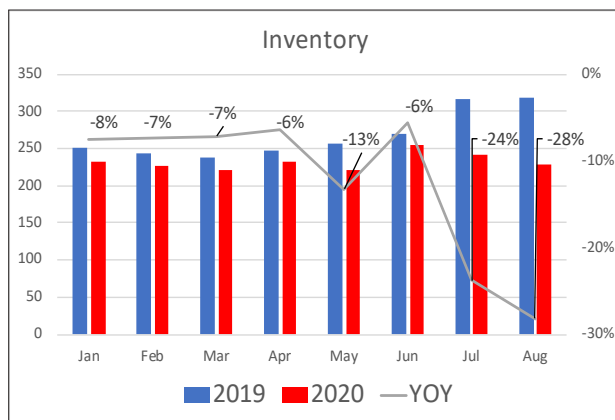
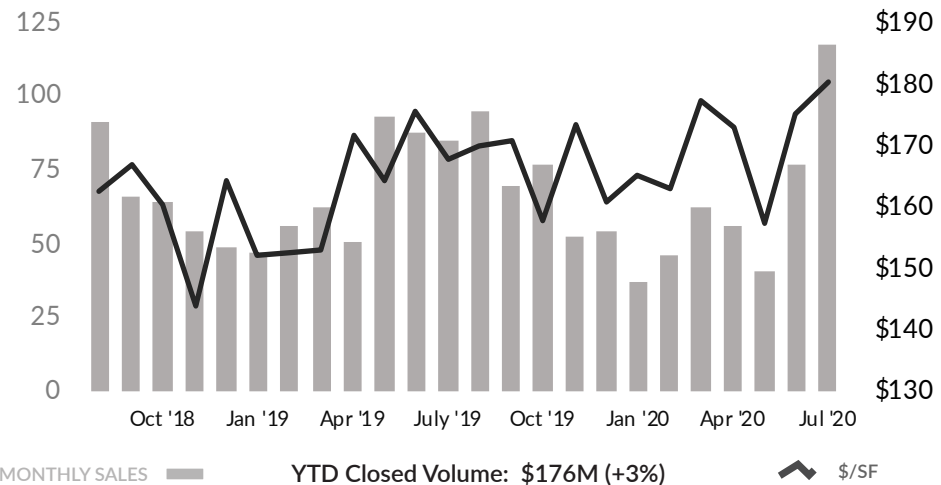
108
NEW PENDINGS
-2% from last month

435
YTD CLOSED SALES
-9% from last year

\$405K
YTD AVG SALE PRICE
+14% from last year

\$176
YTD PRICE PER SQ FT
+3% from last year

Closed Sales

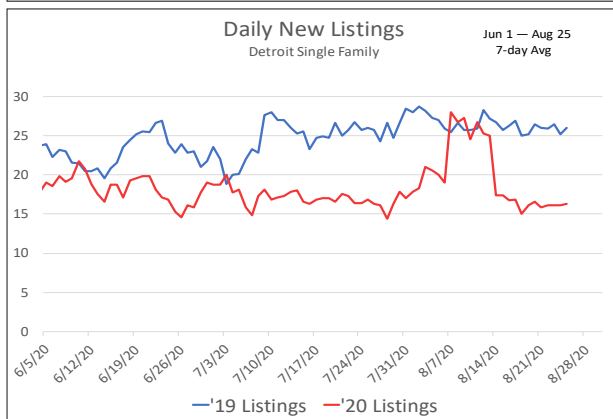
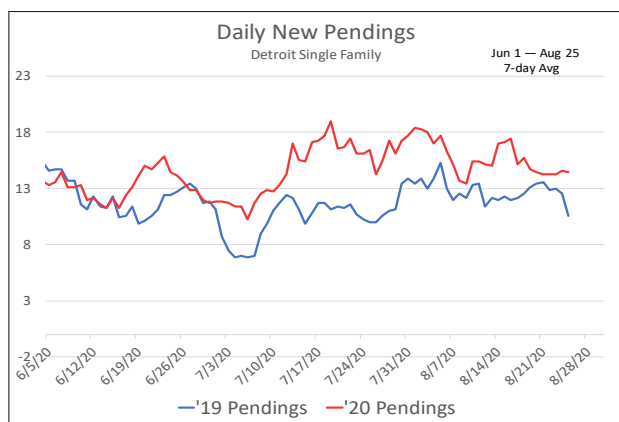
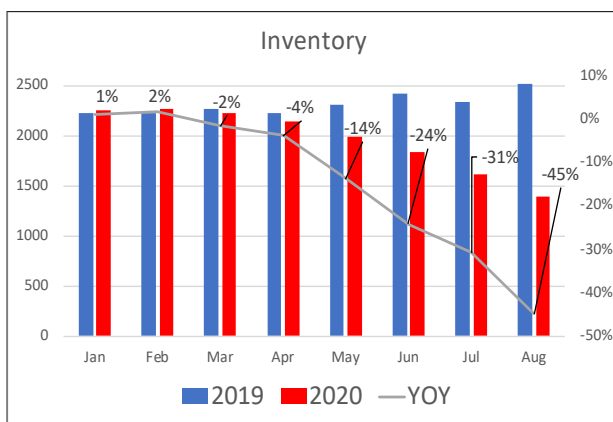
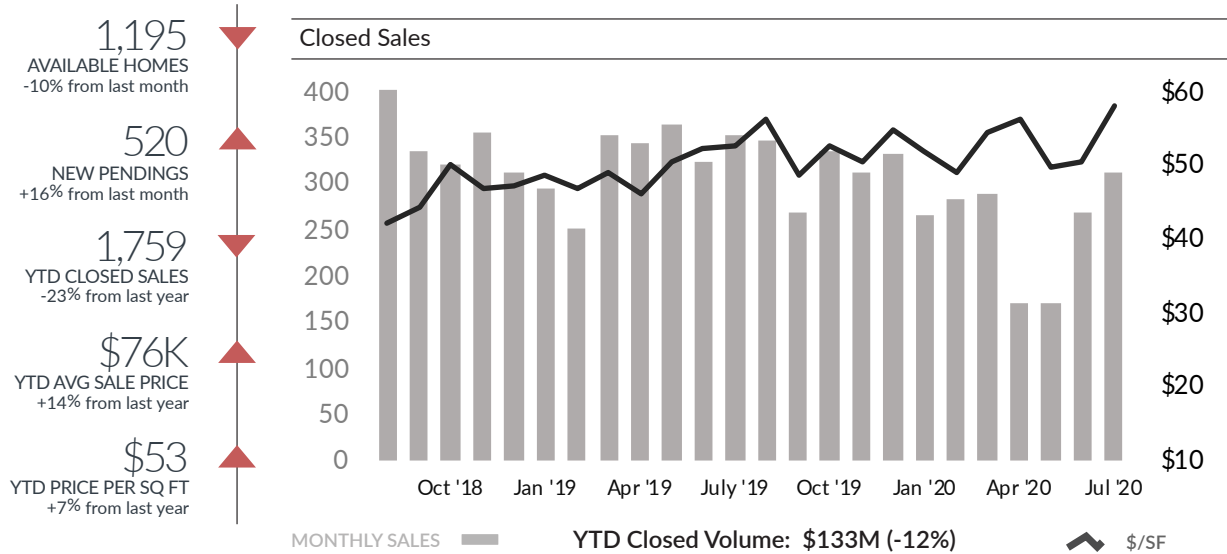


Although inventory is down 28% compared to last year, daily showing activity and new pending sales continue to run at a faster pace than last year. July's sales jumped 52% from the prior month and were 38% higher than last year. YTD closed sales are down 9%, but the increase in new pendings, compared to last year, will help close that gap. 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 as availability of lower-priced homes is limited. Record-low interest rates and strong demand will continue to drive sales so long as there are enough listings to keep the fire from going out.

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Detroit

Single-Family Homes

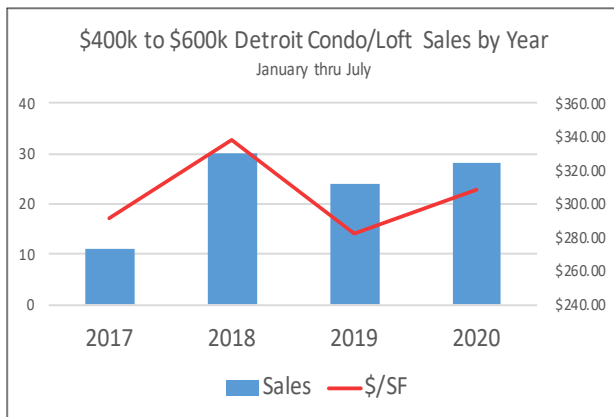
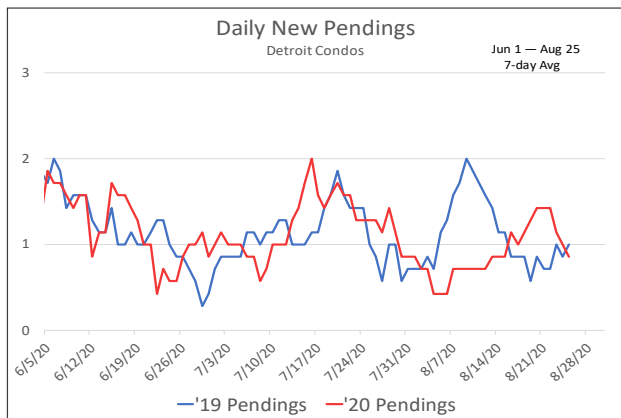
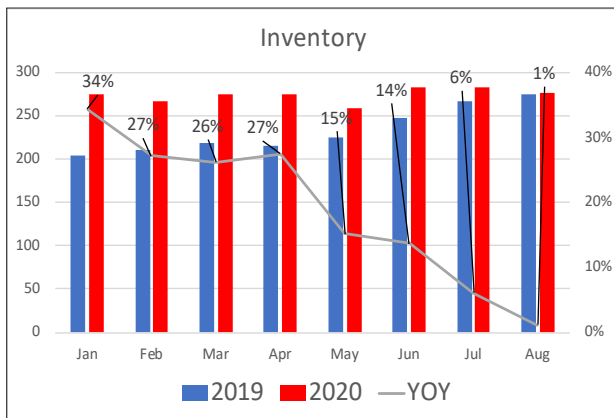
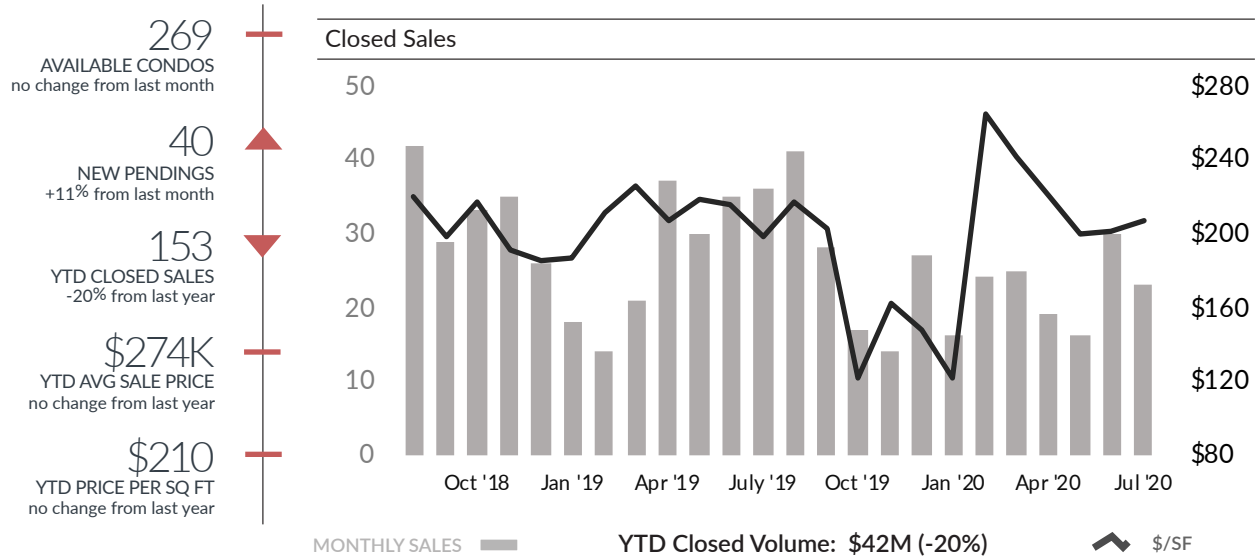


Inventory is down 45% from last year and existing listings are selling faster than new ones arrive on the market. Lack of inventory is limiting sales, yet new pendings are up 16% compared to last month and 28% from last year. July closed sales rose 16% from the prior month and the increase in July new pendings will ensure strong August and September closings. Values continue to rise—average sale price and price per square foot are both up 14% and 7% respectively. Inventory will be the key to sales through the balance of the year. This is a great time to be selling a Detroit single-family home.

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Detroit

Condos/Lofts

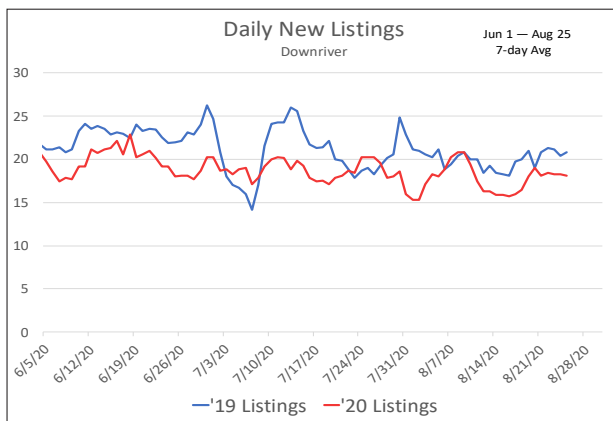
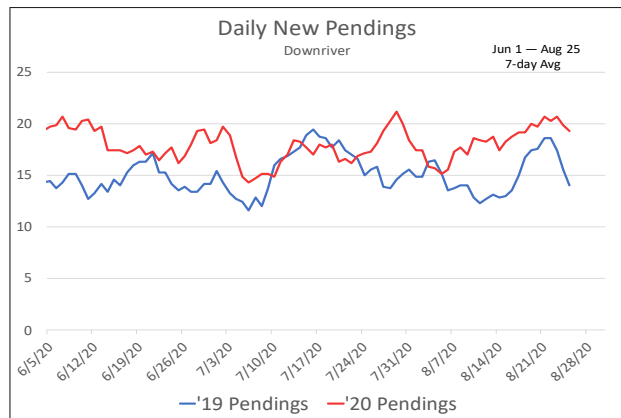
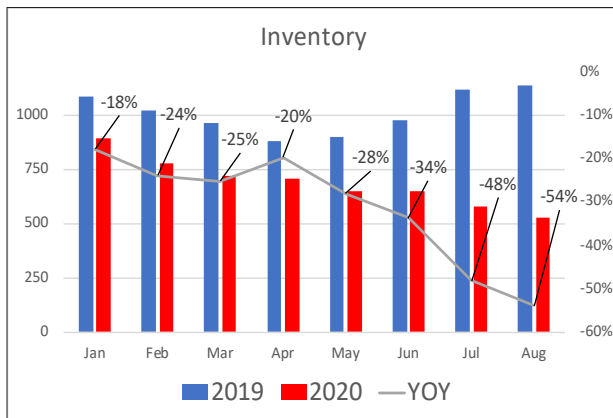
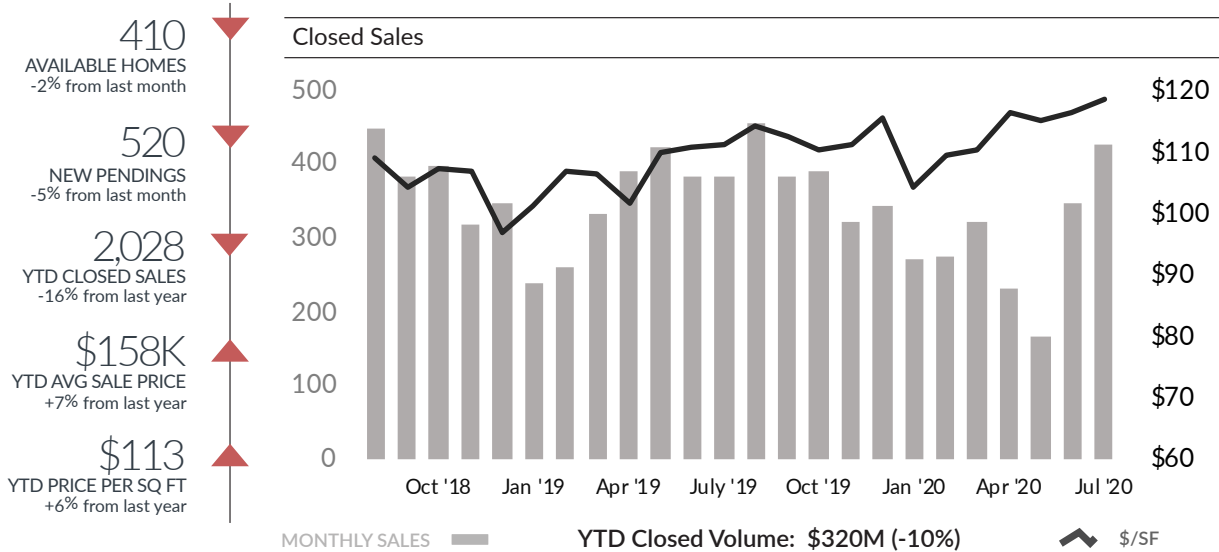


With the steady arrival of new development units, there is no shortage of inventory in the Detroit condo/loft market. The upper-middle market, which had already peaked in 2018, was dealt a temporary blow by Covid which has been limiting the work, dining and sporting event activities that draw buyers to these properties. Current inventory, interest rates and available tax abatements on new and existing units makes this a great time to buy.

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Downriver

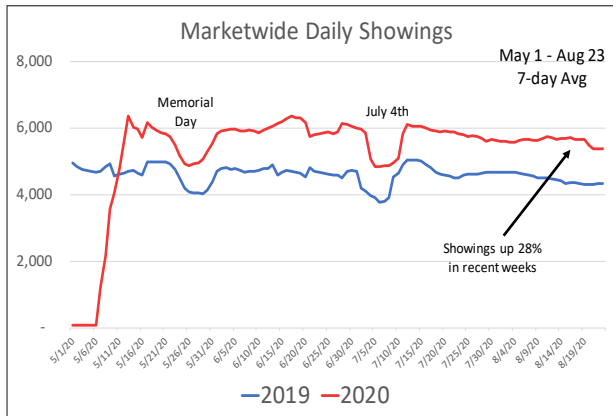
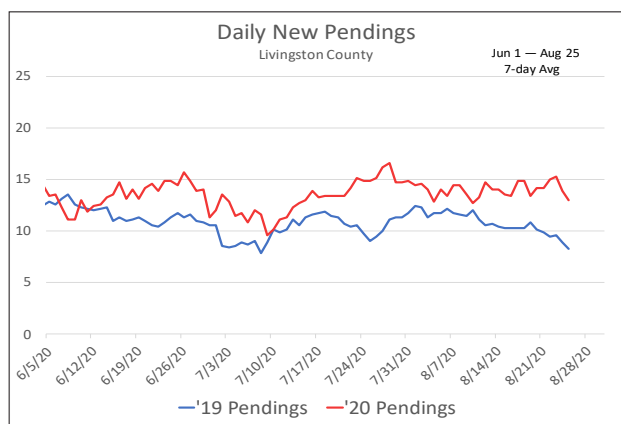
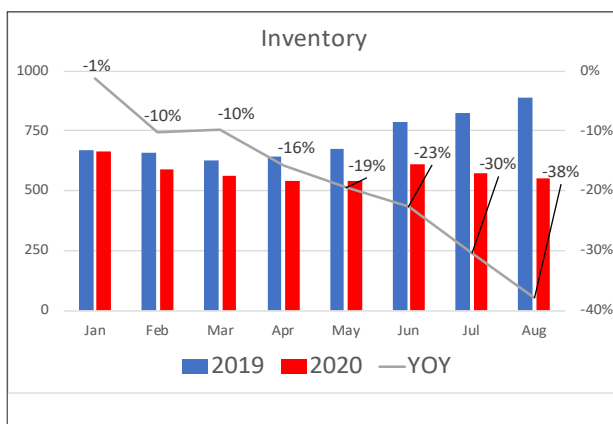
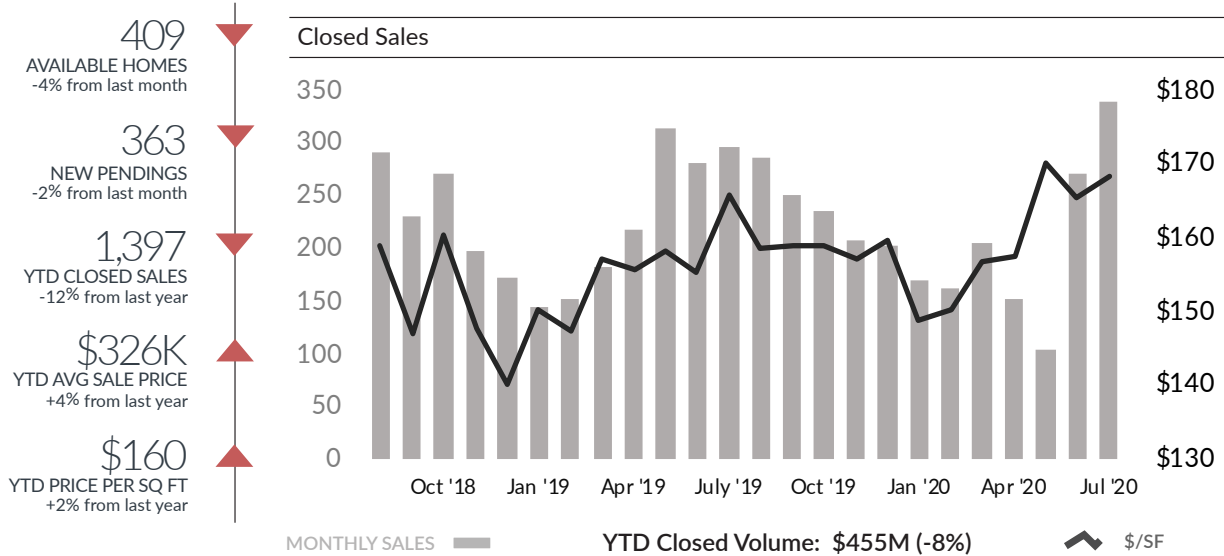
Single-Family Homes



Inventory is down 54% from last year and existing listings are selling faster than new ones arrive on the market. Lack of inventory is limiting sales—new pendings are down 5% compared to last month, but up 8% from last year. July closed sales jumped 23% from the prior month but the small drop in July new pendings will limit August and September closings. Values continue to rise—average sale price and price per square foot are up 7% and 6% respectively. Inventory will be the key to sales through the balance of the year. This is a great time to sell.

Livingston County

Single-Family Homes

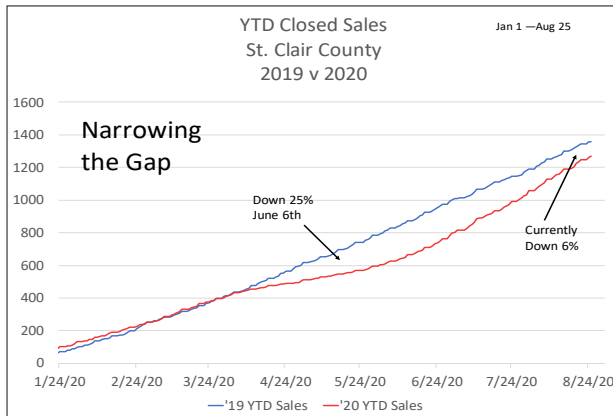
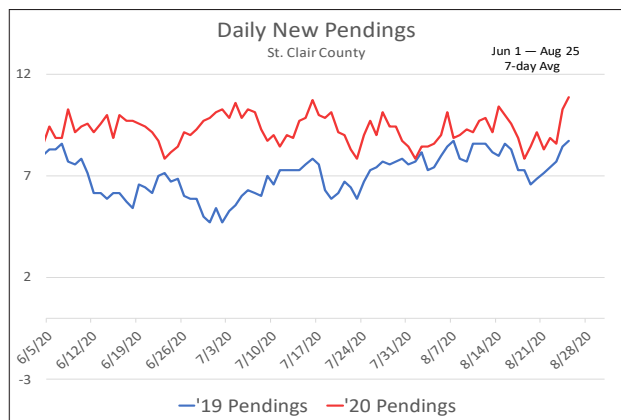
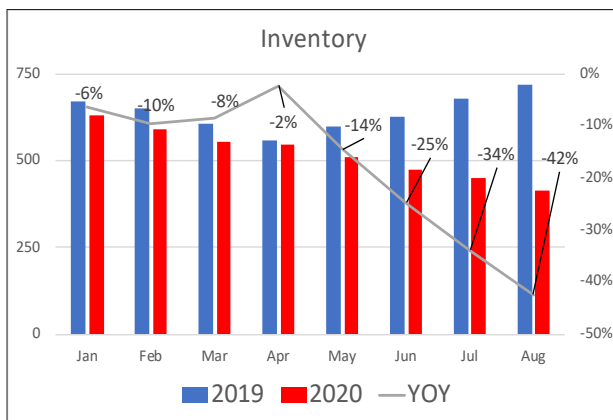
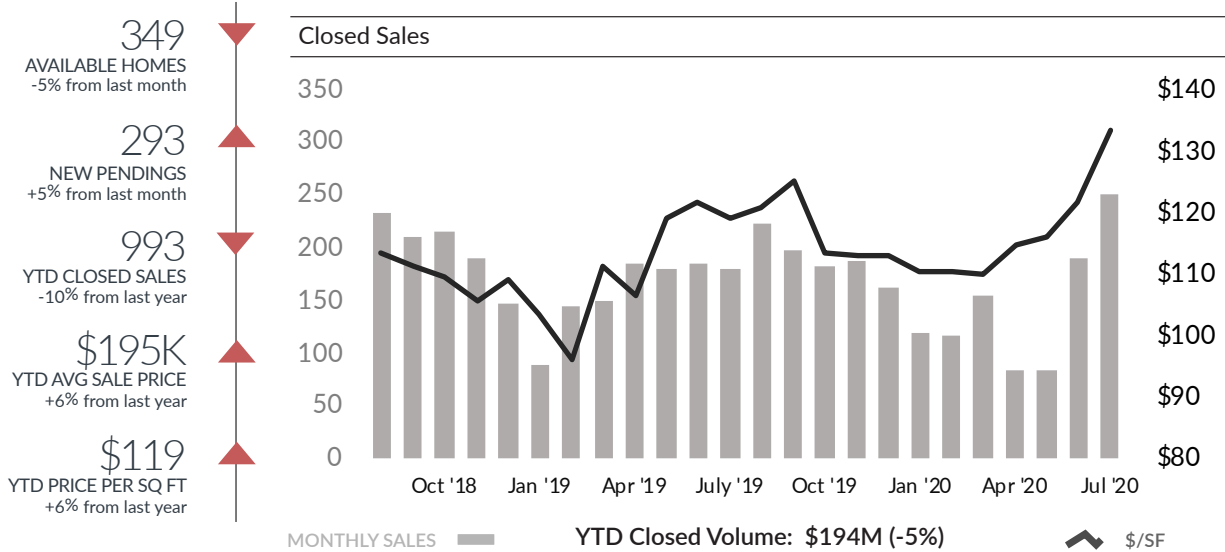


Although inventory is down 38% compared to last year, daily showing activity and new pending sales continue to run at a faster pace than a year ago. July closed sales were up 26% compared to the previous month and 15% compared to July of 2019. While YTD closed sales are down 12%, the additional July new pendings (up 22% compared to a year ago) will help to narrow that gap. Low interest rates and high buyer demand continue to nudge up values. YTD average sale price and price per square foot are both up—4% and 2% respectively. The availability of inventory will be the key to sales for the balance of the year. New pending sales continue to outpace new listings. It's a great time to sell.

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St. Clair County

Single-Family Homes



Inventory is down 42% from last year and existing listings are selling faster than new ones arrive on the market. Lack of inventory is limiting sales, yet new pendings are up 5% compared to last month and 30% from last year. July closed sales jumped 32% from the prior month and the increase in July new pendings will ensure strong August and September closings. Values continue to rise—average sale price and price per square foot are both up 6%. Inventory will be the key to sales through the balance of the year. This is a great time to sell.