

# HOUSING REPORT

SOUTHEAST MICHIGAN | NOVEMBER 2018

A vibrant red door with a black arched frame is set within a brick wall. The door features a brass mail slot and a decorative handle. The arched window above the door is divided into four panes, reflecting a bright outdoor scene with green trees and a blue sky. The brickwork is a mix of red and brown tones.

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## Southeast Michigan

# Rising Rates—Not a Good Time to Wait

Rising interest rates are making a big impact on the market. With additional rate increases projected, both buyers and sellers who plan to move in the near future would do well to move sooner rather than later.

### Three Reasons to Buy Now

#### 1. Interest Rates are Lower

Since most buyers finance home purchases, the price a buyer can pay for a home is generally limited by the amount of their monthly mortgage payment. A small movement in interest rate affects a buyer's purchasing power the same as a large increase in price.

The historically low interest rates we've enjoyed over the past several years may be a thing of the past. Rates have been rising and are expected to continue going up into 2019. As they rise, affordability declines. Buying sooner rather than waiting will enable a buyer to purchase a nicer home now than they will qualify for later.

#### 2. Seasonal Inventory Up

Annual cycles ran late this year. In most areas and price ranges, inventory levels just recently passed their peak for this year. There are still plenty of good homes available to purchase.

#### 3. Year-End Deals

Most sellers who had a reason to sell earlier in the year still want or need to move. Many also realize that this is a good time for them to purchase their next home before prices and interest rates get any higher. Look for ways to create win-win deals. If you can't find what you want in your price range, bump your search price up a little. You may find a nice home with a seller willing to work with a lower price you can afford.

### Three Reasons to Sell Now

#### 1. Interest rates are Lower

Interest rates are projected to increase through the balance of this year and into next. Because most buyers finance their homes, higher interest rates reduce the amount buyers can afford to pay. Within any price range, more buyers can afford a home with today's lower rates, raising the odds of a seller receiving an acceptable offer.

#### 2. Buyers are Still Looking

There is large pool of buyers who either didn't find what they were looking for this year or failed to win in a bidding battle. Many of these buyers still need a home and are ready to pull the trigger. They are hoping to make a deal before interest rates further limit their purchase power.

This time of year, corporate relocations have an additional group of motivated year-end buyers coming into the market. They will need to find something fast.

#### 3. Opportunity for Nice New Listings to Shine

Although inventory is high for this time of the year, many of the best properties sold earlier in the year. During the next few months, inventory levels and seller competition will be lower than it will be in the spring. The relative shortage of available move-in-ready homes combined with a pool of waiting buyers makes this a good time to sell.



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Southeast Michigan

# Summary

12,541  
AVAILABLE HOMES  
-2% from last month

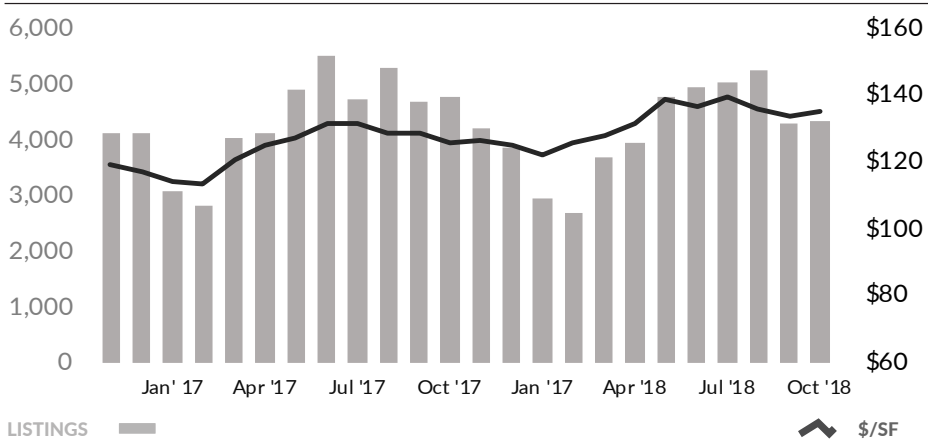
4,530  
NEW PENDING  
-2% from last month

41,780  
YTD CLOSED SALES  
-5% from last year

\$228K  
YTD AVG SALE PRICE  
+6% from last year

\$134  
YTD PRICE PER SQ FT  
+6% from last year

## Closed Single-Family Home Sales



YTD Closed Volume: \$9.54 Billion—up 1%

### Summary

This year's inventory levels peaked about a month ago at around 12,750 units. They will drop through the balance of the year and into early 2019. October new pending sales were also down slightly from the prior month and dead even with October last year. YTD sales are down 5% from last year, but both average sale price and price per square foot are up 6%. Even though the values of upper-end homes have been flattening, the number of upper-end sales has increased while the number of entry-level sales has been decreasing. The change in that mix makes it appear as if values are increasing faster than they are.

### Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	12541	-2%	4530	10%	2.8	-11%
\$10k - 150k	4175	3%	1830	26%	2.3	-18%
\$150k - 250k	2417	0%	1330	3%	1.8	-3%
\$250k - 500k	3935	-5%	1126	-1%	3.5	-4%
\$500k +	2014	-6%	244	6%	8.3	-11%

### YTD Closed Activity

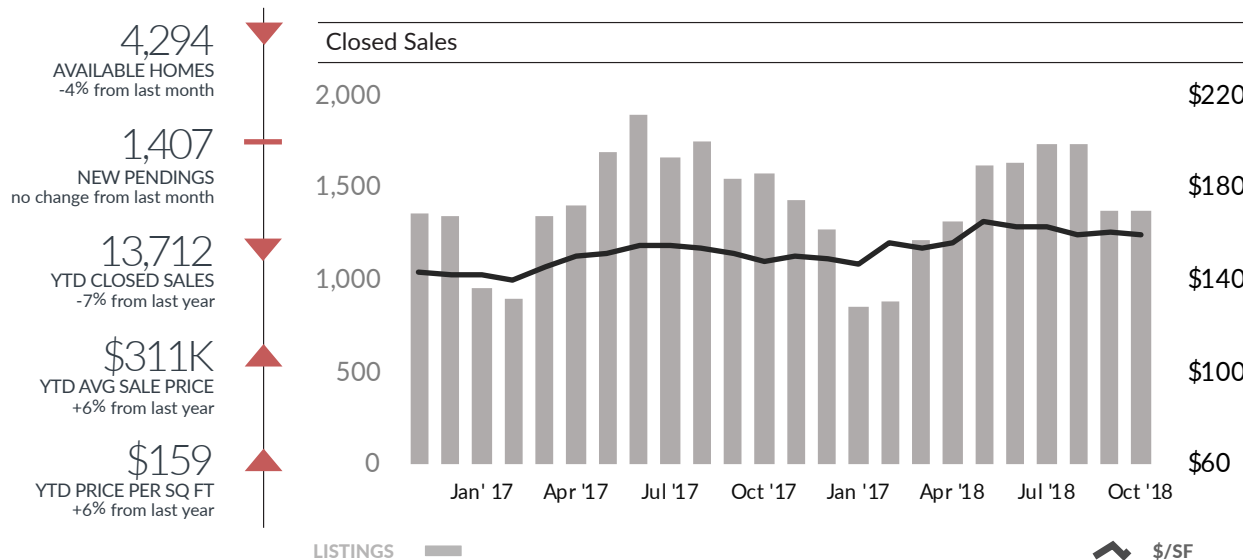
	YTD Closed	Change	YTD \$/SF	Change
All	41780	-5%	\$134	6%
\$10k - 150k	15138	-12%	\$79	5%
\$150k - 250k	12332	-4%	\$130	4%
\$250k - 500k	11860	4%	\$148	4%
\$500k +	2450	12%	\$202	2%

Data source: Realcomp MLS using Great Lakes Repository Data.



# Oakland County

## Single-Family Homes



### Summary

Available listings are up by 300 compared to last year. Inventory levels peaked in October, but have begun to decline. October's new pending sales were level with the prior month, but down nearly 200 units from a year ago. YTD average sale price is down 7%, but both average sale price and price per square foot are up 6% compared to last year. Entry-level markets continue to shrink while the proportion of sales priced over \$400k continues to grow. Forecasts of higher future interest rates provide a reason for both buyers and sellers to nudge their moves sooner rather than later.

### Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	4294	-4%	1407	0%	3.1	-4%
\$10k - 200k	812	4%	485	-6%	1.7	11%
\$200k - 400k	1620	-4%	639	4%	2.5	-7%
\$400k - 800k	1340	-6%	230	6%	5.8	-12%
\$800k +	522	-10%	53	-2%	9.8	-8%

### YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	13712	-7%	\$159	6%
\$10k - 200k	4350	-18%	\$117	5%
\$200k - 400k	6402	-3%	\$150	5%
\$400k - 800k	2571	5%	\$173	2%
\$800k +	389	6%	\$280	5%

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



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# Birmingham

Single-Family Homes

185  
AVAILABLE HOMES  
-8% from last month

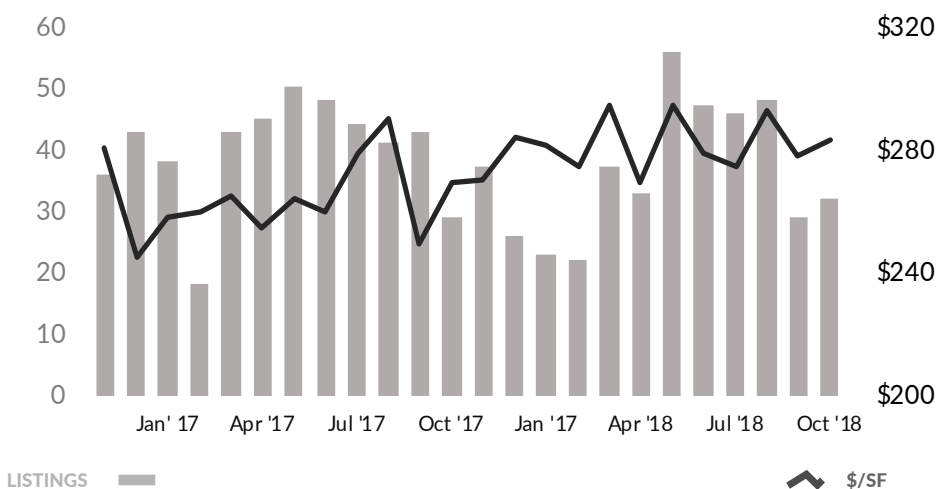
36  
NEW PENDING  
+9% from last month

373  
YTD CLOSED SALES  
-7% from last year

\$693K  
YTD AVG SALE PRICE  
+8% from last year

\$284  
YTD PRICE PER SQ FT  
+7% from last year

## Closed Sales



## Summary

As typically seen this time of year, both available inventory and new pending sales fell in October and will continue to decline through the balance of the year. YTD sales are down 7%, but both average sale price and closed price per square foot are up 8% and 7% respectively. Sales have been down in all but the \$1.4 million and above luxury market. Sales priced between \$800k and \$1.4m dropped the most, falling from 75 last year to 61 this year, while the over-\$1.4m market jumped from 22 to 36.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	185	-8%	36	9%	5.1	-16%
\$10k - 400k	17	-37%	12	20%	1.4	-48%
\$400k - 800k	64	0%	13	8%	4.9	-8%
\$800k - 1.4m	53	-4%	8	0%	6.6	-4%
\$1.4m +	51	-7%	3	0%	17.0	-7%

## YTD Closed Activity

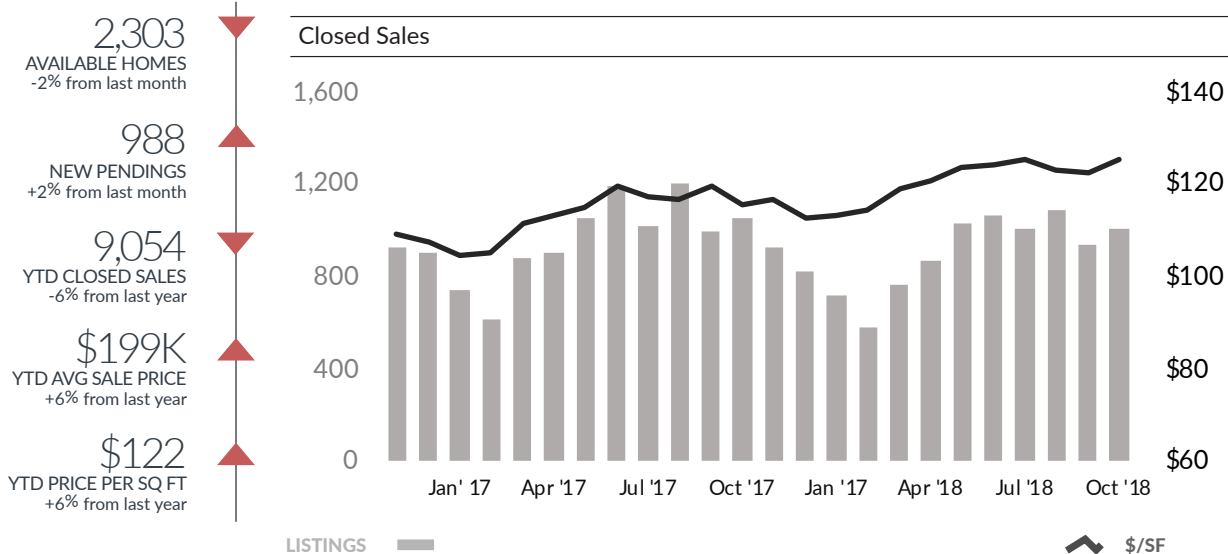
	YTD Closed	Change	YTD \$/SF	Change
All	373	-7%	\$284	7%
\$10k - 400k	115	-9%	\$237	7%
\$400k - 800k	161	-8%	\$250	3%
\$800k - 1.4m	61	-19%	\$282	1%
\$1.4m +	36	64%	\$397	6%

Data source: Realcomp MLS using Great Lakes Repository Data.



# Macomb County

Single-Family Homes



## Summary

Inventory levels peaked in October. Although they have begun to fall off, the number of available listings on November 1st was 7% higher than the same time last year. October new pending sales were up from the prior month, but a little lower than a year ago. YTD, sales are down 6%, but both average price and price per square foot are up 6%. The entry and middle-priced markets continue to shrink in terms of both inventory and sales while the number of sales in the over-\$225k price ranges grow. Much of the increase in average price comes from this market shift as opposed to increasing property values.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	2303	-2%	988	2%	2.3	-3%
\$10-125k	454	49%	260	79%	1.7	-17%
\$125-225k	678	-2%	434	-1%	1.6	0%
\$225-400k	716	-18%	249	-24%	2.9	7%
\$400k+	455	-3%	45	-25%	10.1	29%

## YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	9054	-6%	\$122	6%
\$10-125k	2270	-19%	\$75	5%
\$125-225k	3816	-5%	\$122	5%
\$225-400k	2481	4%	\$133	4%
\$400k+	487	13%	\$153	3%

Data source: Realtor MLS using Great Lakes Repository Data.



# Wayne County

Single-Family Homes

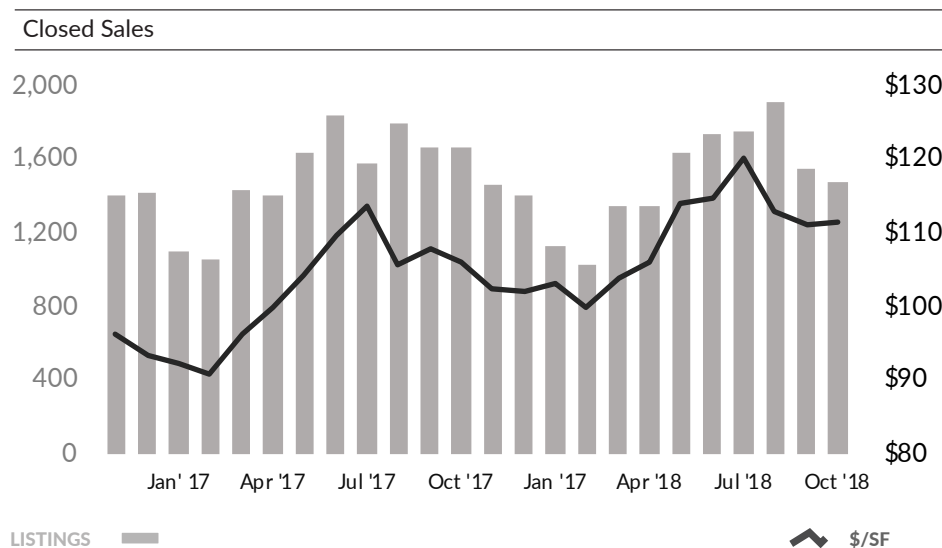
4,669  
AVAILABLE HOMES  
+3% from last month

1,673  
NEW PENDING  
+25% from last month

14,857  
YTD CLOSED SALES  
-2% from last year

\$166K  
YTD AVG SALE PRICE  
+5% from last year

\$111  
YTD PRICE PER SQ FT  
+7% from last year



## Summary

The inventory shortage may be a thing of the past. November 1st inventory was up 3% from the prior month and 14% from a year ago. October new pending sales were up by 300 units from the prior month, but down slightly from a year ago. YTD sales have been just short of even but both average sale price and price per square foot have been up 5% and 7% respectively. Although the number of upper-end sales has been increasing, those values are flattening out. An outlook of continued interest rate increases provides an incentive for both buyers and sellers to act sooner than later.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	4669	3%	1673	25%	2.8	-18%
\$10-100k	2162	5%	634	28%	3.4	-18%
\$100-200k	1168	3%	642	28%	1.8	-19%
\$200-400k	809	0%	322	23%	2.5	-19%
\$400k+	530	0%	75	-7%	7.1	8%

## YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	14857	-2%	\$111	7%
\$10-100k	5201	-12%	\$48	3%
\$100-200k	5403	4%	\$111	5%
\$200-400k	3340	6%	\$137	4%
\$400k+	913	12%	\$170	0%

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



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# Detroit

## Single-Family Homes

1,774  
AVAILABLE HOMES  
no change from last month

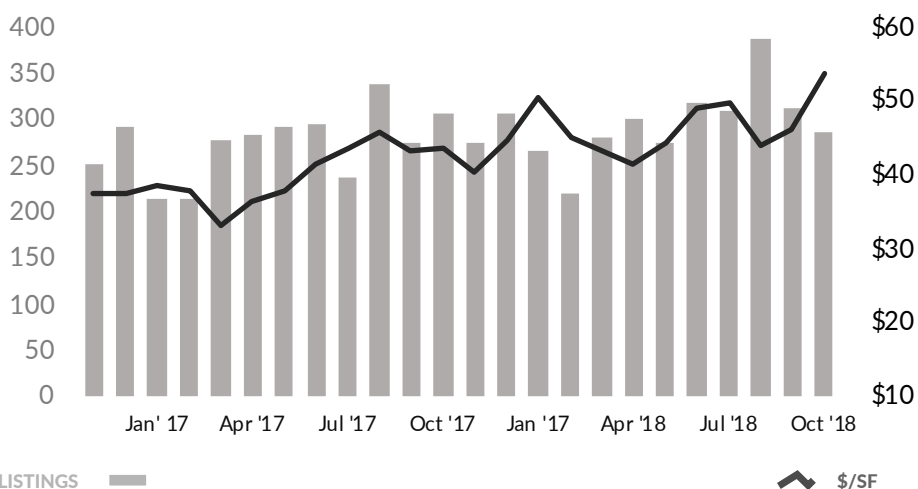
423  
NEW PENDING  
+30% from last month

2,947  
YTD CLOSED SALES  
+8% from last year

\$62K  
YTD AVG SALE PRICE  
+12% from last year

\$47  
YTD PRICE PER SQ FT  
+16% from last year

### Closed Sales



### Summary

With just eight more available November 1st listings than last month, Detroit single family inventory levels appear to have peaked for the year (16% higher than the same time last year). October new pending sales were up from the prior month and slightly above the same month last year. YTD sales are up 8% and both average sales price and price per square foot are up 12% and 16% respectively. Eighty-five percent of Detroit single family sales are still in the under-\$100k price range—and nearly half of those sold for less than \$30k. There continues to be a shortage of move-in-ready homes priced over \$200k.

### Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1774	0%	423	30%	4.2	-23%
\$5-30k	547	-6%	124	22%	4.4	-23%
\$30-100k	969	2%	225	25%	4.3	-18%
\$100-200k	145	7%	51	82%	2.8	-41%
\$200k+	113	13%	23	53%	4.9	-26%

### YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	2947	8%	\$47	16%
\$5-30k	1192	-9%	\$18	4%
\$30-100k	1321	23%	\$40	9%
\$100-200k	265	28%	\$74	11%
\$200k+	169	30%	\$107	11%

Data source: Realcomp MLS using Great Lakes Repository Data.





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# Detroit

Condos/Lofts

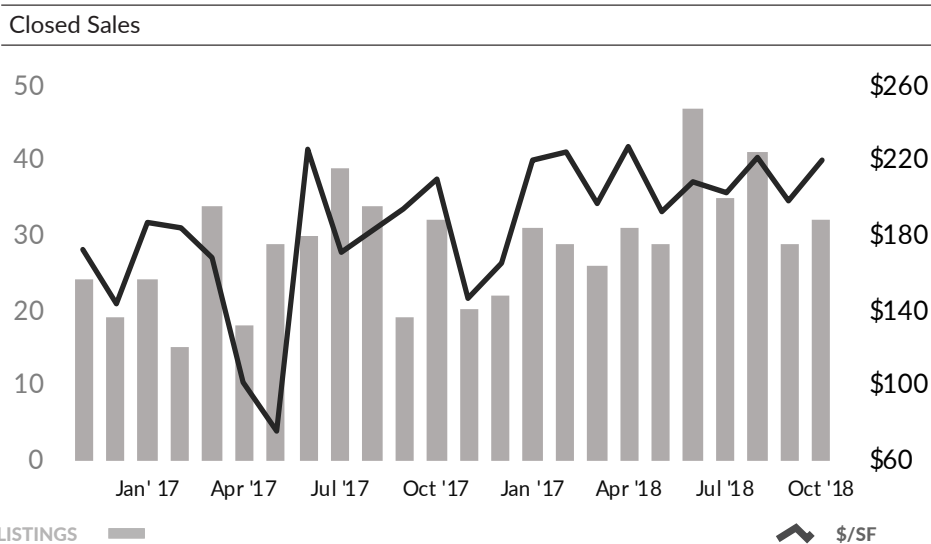
184  
AVAILABLE HOMES  
+6% from last month

37  
NEW PENDING  
+3% from last month

330  
YTD CLOSED SALES  
+20% from last year

\$263K  
YTD AVG SALE PRICE  
+18% from last year

\$212  
YTD PRICE PER SQ FT  
+30% from last year



## Summary

Detroit condo/loft inventory continues to rise—6% higher than last month and 50 units (37%) higher than the same time last year. Twenty-seven of the available listings are newly developed units looking for their first owners. October new pendings were up slightly from both last month and the same month last year. YTD closed sales are up 20% from last year and average price and price per square foot are both up—18% and 30% respectively. With increased upper-end competition from the new developments, the number of over-\$400k sales has nearly doubled, but price per square foot leveled off.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	184	6%	37	3%	5.0	3%
\$10-100k	35	-5%	4	-43%	8.8	66%
\$100-200k	20	5%	7	0%	2.9	5%
\$200-400k	70	15%	13	-24%	5.4	50%
\$400k+	59	5%	13	160%	4.5	-59%

## YTD Closed Activity

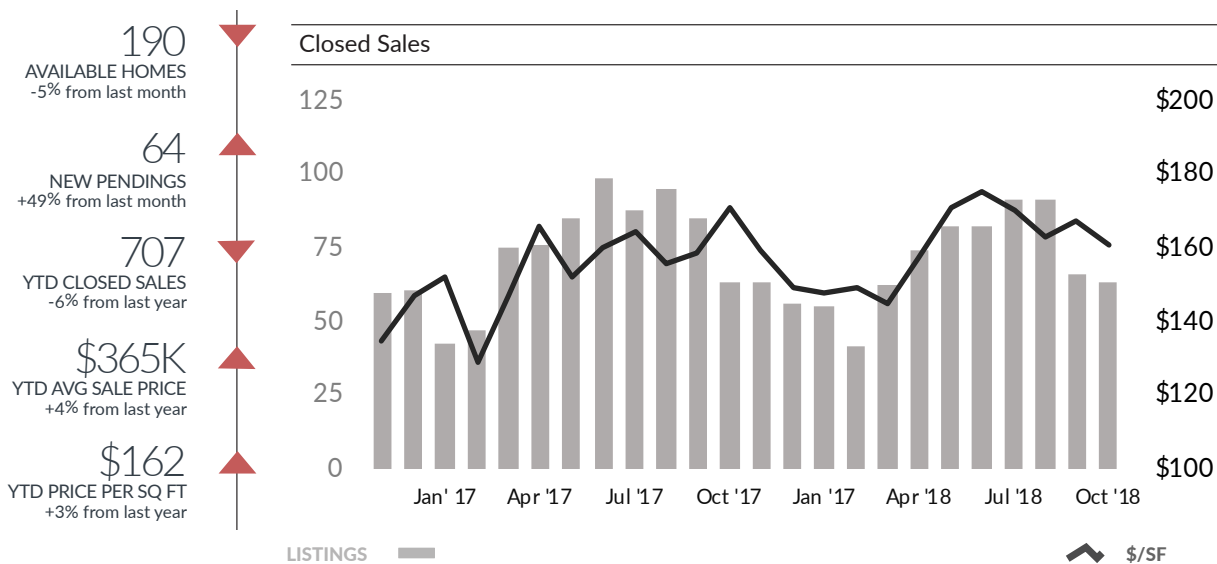
	YTD Closed	Change	YTD \$/SF	Change
All	330	20%	\$212	30%
\$10-100k	52	-27%	\$74	97%
\$100-200k	73	11%	\$141	7%
\$200-400k	149	38%	\$223	4%
\$400k+	56	93%	\$312	-2%

Data source: Realcomp MLS using Great Lakes Repository Data.



# Grosse Pointe

Single-Family Homes



## Summary

Grosse Pointe inventory has been gradually declining since it peaked in August. With only 190 available listings, October's 64 new pending sales was a strong performance. While YTD sales are off 6% from last year, average sale price and price per square foot are up 4% and 3% respectively. While these averages provide a general indication of market movement, both sales activity and value changes vary greatly by price range (as illustrated in the tables below). Moving forward, forecasts of continued rising interest rates provide an incentive for both buyers and sellers contemplating a move to act sooner as opposed to later.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	190	-5%	64	49%	3.0	-36%
\$10-200k	11	-35%	17	143%	0.6	-73%
\$200-350k	75	7%	27	59%	2.8	-33%
\$350-700k	71	-8%	20	43%	3.6	-35%
\$700k+	33	-6%	0	-100%	-	-

## YTD Closed Activity

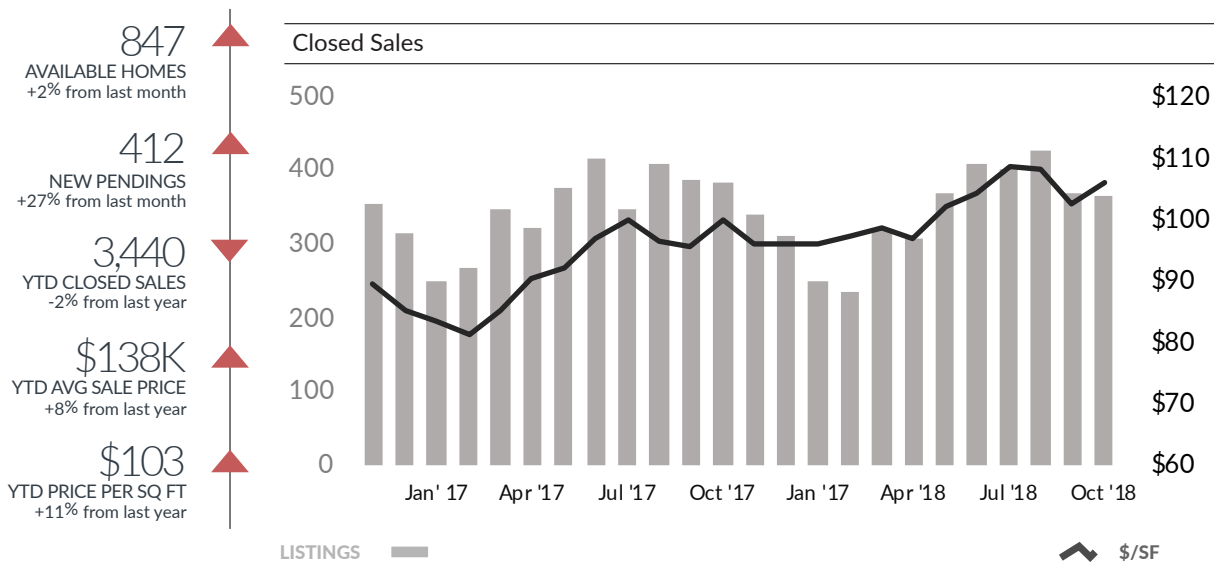
	YTD Closed	Change	YTD \$/SF	Change
All	707	-6%	\$162	3%
\$10-200k	101	-45%	\$124	1%
\$200-350k	317	6%	\$148	0%
\$350-700k	256	11%	\$168	5%
\$700k+	33	-15%	\$214	5%

Data source: Realcomp MLS using Great Lakes Repository Data.



# Downriver

Single-Family Homes



## Summary

Downriver inventory continued to rise late into the year, with November 1st inventory up slightly from a month ago and up 18% from a year ago. October new pending sales were up 27% from September and 7% from last year. YTD sales are almost even with last year while values have continued to rise. Average sale price is up 8% and price per square foot up 11%. Lower-end markets continue to shrink while the upper-end expands. The number of YTD sales priced under \$125k fell by 281 homes while the number of sales above \$125k increased by 228. The fastest growing price segment is between \$125 and \$250k.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	847	2%	412	27%	2.1	-20%
\$10-75k	127	-5%	69	50%	1.8	-36%
\$75-125k	242	5%	140	31%	1.7	-20%
\$125-250k	303	0%	174	28%	1.7	-22%
\$250k+	175	5%	29	-19%	6.0	31%

## YTD Closed Activity

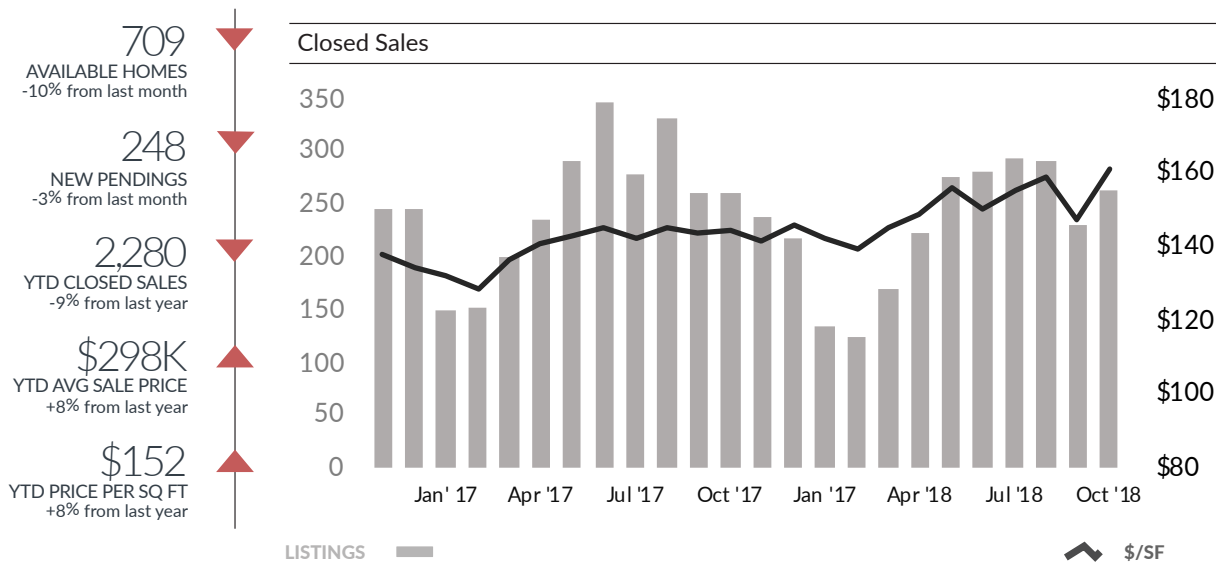
	YTD Closed	Change	YTD \$/SF	Change
All	3440	-2%	\$103	11%
\$10-75k	610	-26%	\$55	11%
\$75-125k	1097	-6%	\$91	6%
\$125-250k	1438	15%	\$114	8%
\$250k+	295	19%	\$128	4%

Data source: Realcomp MLS using Great Lakes Repository Data.



# Livingston County

Single-Family Homes



## Summary

This year's inventory peaked at around 800 units in September and has been declining since, but it's 13% higher than last year at this time. October new pending sales were off slightly from the prior month and off 13% from October of last year. YTD sales are 9% short of last year, but both average sale price and price per square foot are up 8%. The under-\$200k price range, which accounted for 25% of last year's sales, shrunk by 200 while the over-\$300k markets grew by 70. Moving forward, forecasts of continued rising interest rates provide an incentive for both buyers and sellers contemplating a move to act sooner as opposed to later.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	709	-10%	248	3%	2.9	-12%
\$10-200k	84	-13%	66	47%	1.3	-40%
\$200-300k	199	-11%	101	-6%	2.0	-5%
\$300-500k	281	-7%	73	3%	3.8	-10%
\$500k+	145	-10%	8	-50%	18.1	79%

## YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	2280	-9%	\$152	8%
\$10-200k	420	-33%	\$121	5%
\$200-300k	990	-7%	\$143	6%
\$300-500k	719	6%	\$156	4%
\$500k+	151	24%	\$202	7%

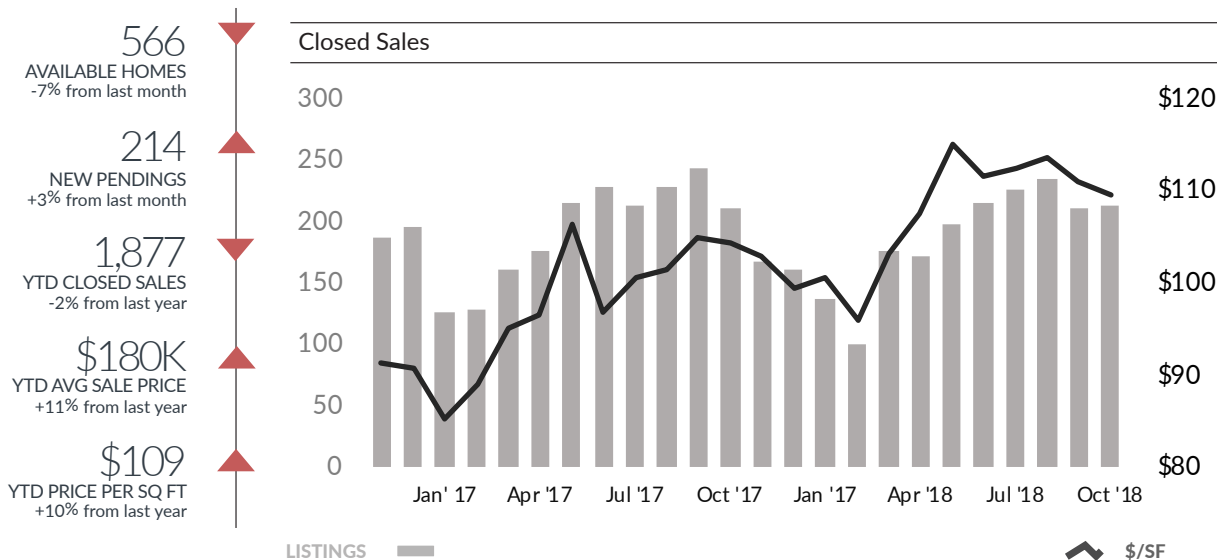
Data source: Realcomp MLS using Great Lakes Repository Data.



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# St. Clair County

Single-Family Homes



## Summary

Inventory, which peaked just above 600 about 45 days earlier, was at 566 on November 1st. It's about even with where it was the same time last year. October new pending sales were up slightly from the prior month and up 14% from a year ago. YTD sales are just short of even for the year, but average price and price per square foot are both up about 10%. Much of that increase was caused by a shift in the mix of sales within the various price ranges as opposed to increases in value. There were 154 fewer under-\$100k sales this year than last year, while the number of over-\$200k sales increased by 94 units. That shift in the mix would boost average prices even if the values within those price ranges remained the same.

## Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	566	-7%	214	3%	2.6	-10%
\$10-100k	90	-17%	52	11%	1.7	-25%
\$100-200k	173	-3%	94	-3%	1.8	0%
\$200-400k	231	-2%	60	11%	3.9	-12%
\$400k+	72	-16%	8	-20%	9.0	5%

## YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	1877	-2%	\$109	10%
\$10-100k	406	-28%	\$54	7%
\$100-200k	860	2%	\$101	3%
\$200-400k	534	15%	\$130	6%
\$400k+	77	43%	\$170	5%

Data source: Realcomp MLS using Great Lakes Repository Data.

