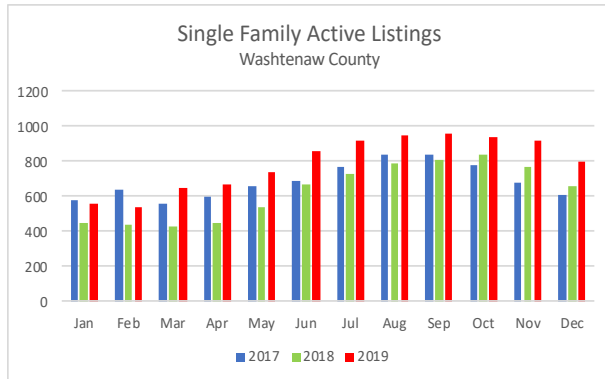




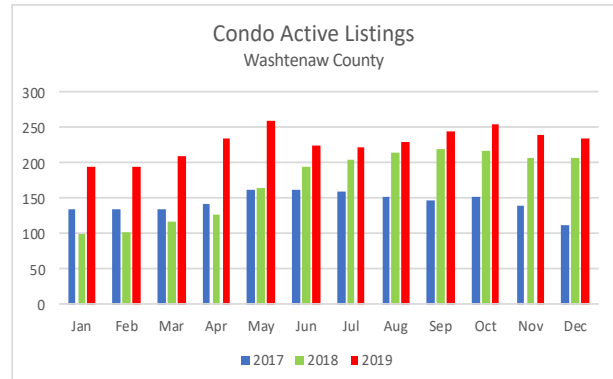
HOUSING REPORT

WASHTENAW | DECEMBER 2019

Monthly Inventory Levels



Active listings, first day of each month
Source: Realcomp MLS/GLR data.



Active listings, first day of each month
Source: Realcomp MLS/GLR data.

The chart above tracks the number of single family active listings on the first day of each month over the past three years. It illustrates distinct and consistent seasonal patterns. Local inventory has been peaking in September before declining through February where it bottoms and again begins to climb.

Until recently, year over year inventory levels had been declining since the recession, when they were often three times normal levels. The chart above shows where that trend reversed. The blue and green bars represent monthly inventory levels for 2017 and 2018. The blue bars are taller than the green bars up until October 2018. That's when inventory flipped from declining to growing. Looking at the next few months and then into 2019 (the red bars), year over year inventory levels have continued to grow. By March of this year, the rate of inventory growth peaked (54% higher than the previous year). Recently, it was 21% higher on December 1st.

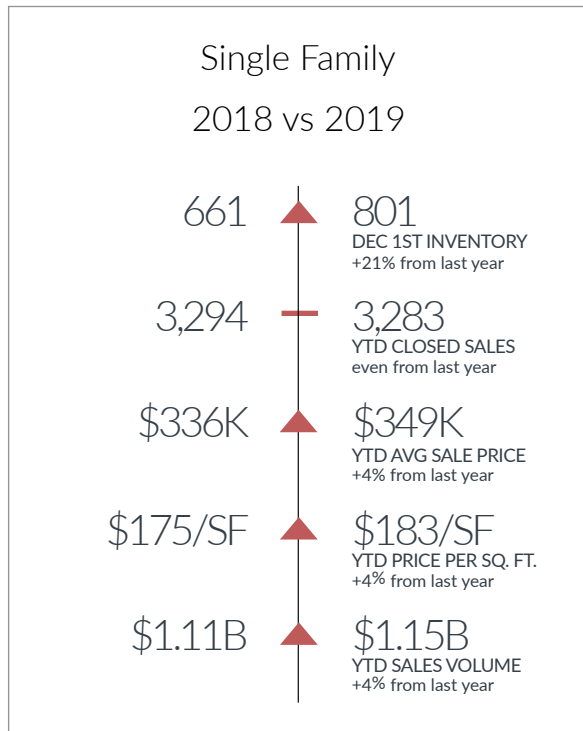
Despite the additional inventory, which provided buyers with more choices, YTD sales are even with last year. This combined with generally modest value increases may be signs that the market is gently leveling.

The condo inventory chart (above) shows that traditional seasonal curves (seen in the blue 2017 bars) have been flattening out over the past two years.

For over 10 years, since the recession, year over year inventory for any particular month had been declining. As seen above, that changed in May of 2018 (green bar taller than blue). Year over year inventory levels have been growing since. They are currently 13% higher than a year ago and 31% higher than December of 2017.

One of the reasons for inventory growth has been new development units coming onto the market. During the recession years, there was little new property development. Post-recession, builders have been focusing on higher-end projects. Many of those new higher-end units have come on line over the past two years. The additional inventory has helped lift over-\$400k sales from 80 last year to 159 this year. The shift, with more upper-end sales, has kicked average sale price up 8%—even though the average price per square foot for over-\$400k condo sales dropped 8%.

Summary

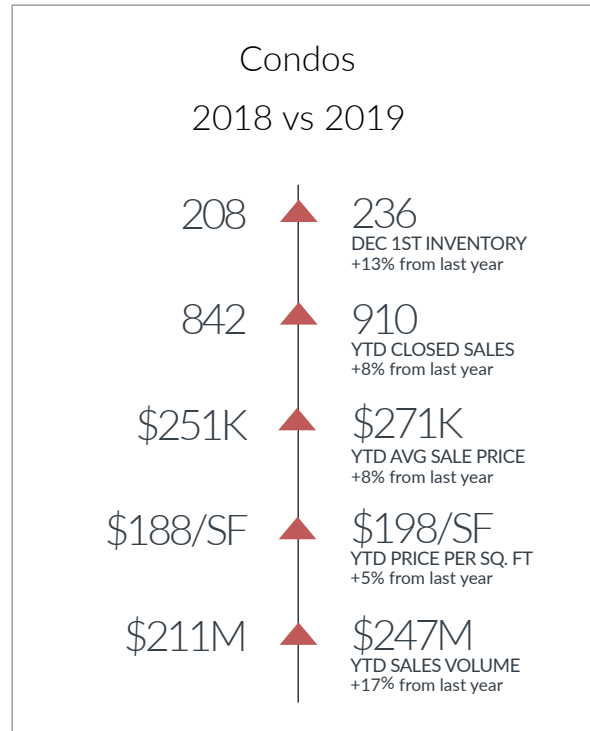


Inventory—Inventory is declining compared to prior months, but it's 21% higher than this time last year.

Closed Sales—Common for the season, November sales dropped by 28% from the prior month. YTD, sales are even with last year, but for a big picture comparison, about 8% below what they were in 2016 and 2017.

Values—While amounts vary by price range, both average sale price and price per square foot are up 4% compared to last year. Remarkably, price per square foot is up the most (7%) for closed sales priced above \$600k.

Summary—2019 sales are even with last year, but down 8% from both 2016 and 2017. Prices and closed volume are up 4% compared to last year



Inventory—Available listings remained even with last month but are up 13% compared to the same time last year.

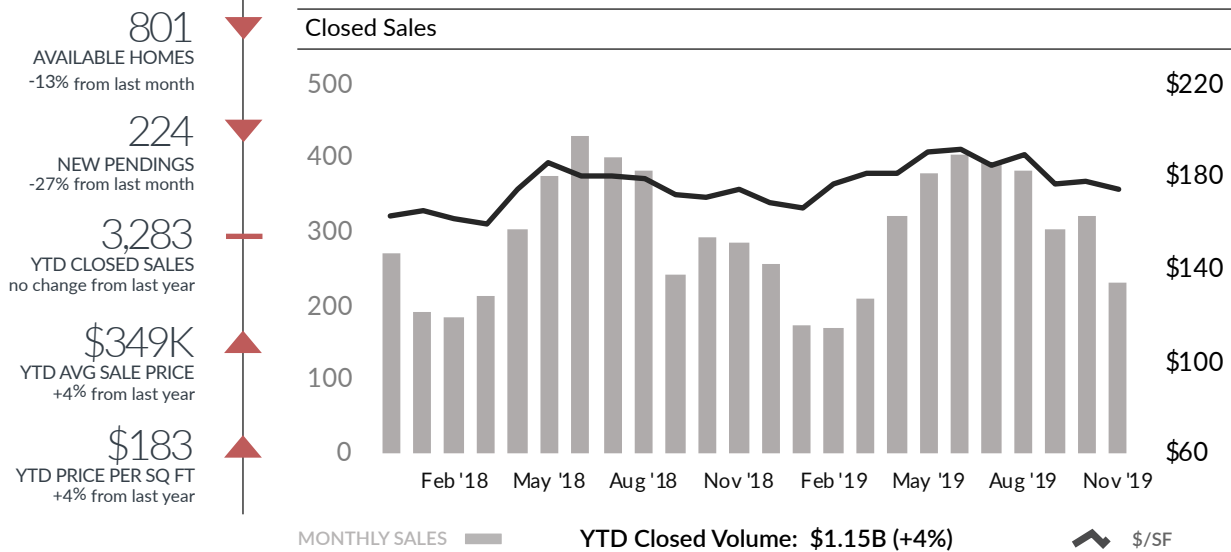
Closed Sales—The additional listings provided buyers with more options. YTD closed sales are up 8%. The \$150k to \$225k range had a 19% increase in sales. The over-\$400k market was up 98%—sales jumped from 80 last year to 159.

Values—Average sale price is up 8% for Washtenaw condos, but most of that is the result of the huge jump in high-end sales. Within price levels between \$150k and \$400k, price per square foot is only up one or two percent. For condos priced over \$400k, average price per square foot dropped from \$303 last year to \$280 this year.

Summary—Additional new high-end units have lifted both sales and average prices. They have also provided increased competition, which has been challenging values.

Washtenaw County

Single Family Homes



Summary

As is typical for the season, listing inventory, new pendings, closed sales and price per square foot were all down in November compared to the prior month. The recent drop in price per square foot is not so much an indication that values are declining, but more the result of current inventories having fewer remaining “choice” listings, which sold quickly earlier in the year and for premium prices. 2019 has been a solid year for Washtenaw County sales. Sales kept pace with last year and values rose at steady and sustainable rates. This is one of the few local markets where upper-end values rose more than the middle and entry price ranges.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	801	-13%	224	-27%	3.6	19%
\$10-150k	33	-8%	22	-27%	1.5	25%
\$150-300k	219	-7%	91	-29%	2.4	31%
\$300-600k	375	-16%	98	-22%	3.8	7%
\$600k+	174	-12%	13	-43%	13.4	55%

YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	3283	0%	\$183	4%
\$10-150k	323	3%	\$98	0%
\$150-300k	1239	-11%	\$150	3%
\$300-600k	1420	8%	\$191	1%
\$600k+	301	10%	\$249	7%

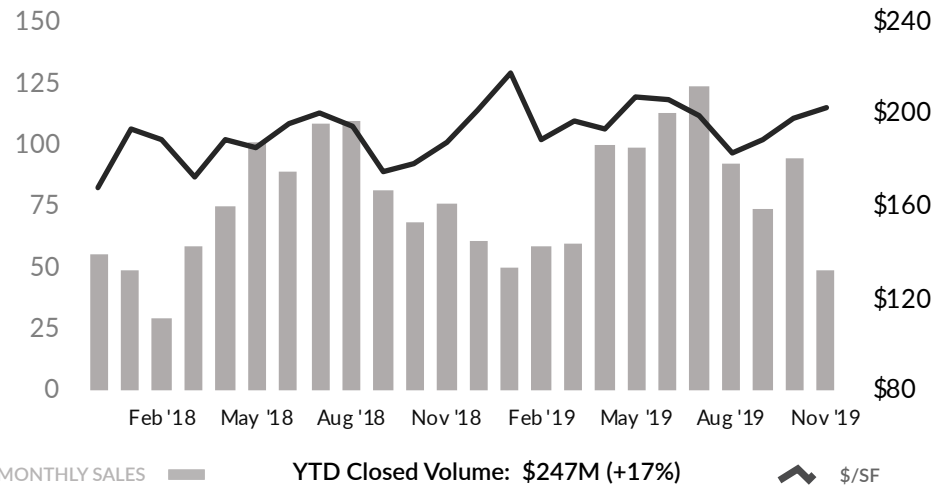
Data source: Realtor MLS using Great Lakes Repository Data. Value Change= Change in price per square foot (\$/SF)

Washtenaw County

Condos



Closed Sales



Summary

November pendings and closed sales dropped 45% and 48% compared to the prior month. Despite the recent seasonal declines, YTD closed sales, average sale price, price per square foot and closed volume are all up—8%, 8%, 5% and 17%. Sales in the \$150k to \$225k market are up 19%, and with the help of new 2019 units, over-\$400k sales jumped from 80 last year to 159—a 98% increase. Despite the additional luxury sales, average price per square foot in that upper-end market dropped 8% from \$303 to \$280. Expect new development to continue to add upper-end units to local supplies. So long as there are enough buyers, upper-end sales will increase, but values will level or decline.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	236	-1%	45	-46%	5.2	82%
\$10-150k	14	56%	3	-67%	4.7	367%
\$150-225k	55	-2%	18	-38%	3.1	58%
\$225-400k	94	-8%	14	-52%	6.7	91%
\$400k+	73	1%	10	-38%	7.3	62%

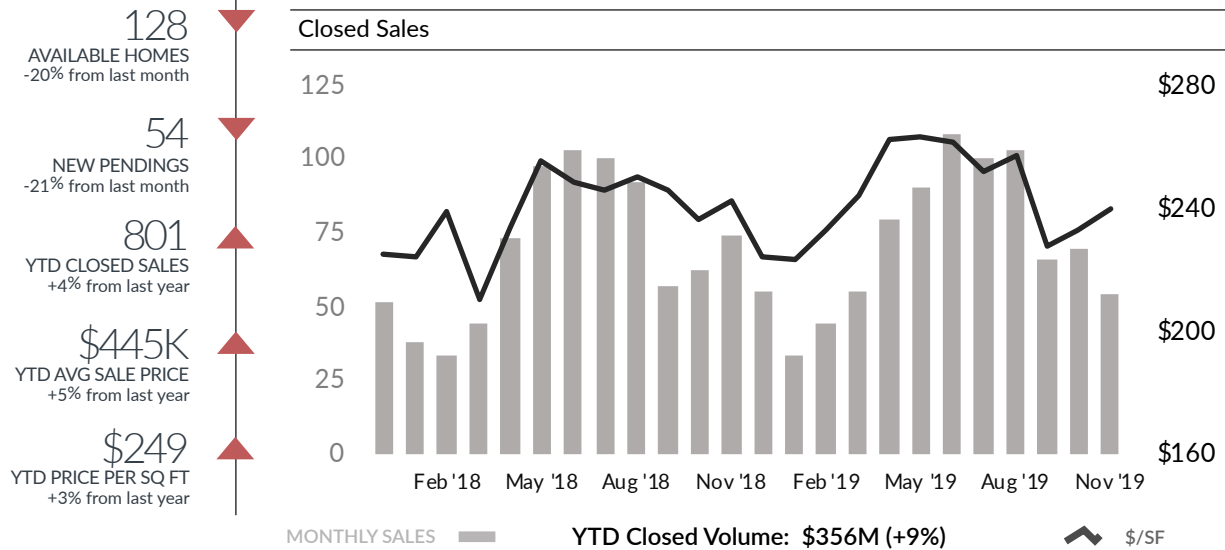
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	910	8%	\$198	5%
\$10-150k	152	-15%	\$126	4%
\$150-225k	304	19%	\$158	1%
\$225-400k	295	-9%	\$197	2%
\$400k+	159	87%	\$280	-8%

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

Ann Arbor

Single Family Homes



Summary

Listing inventory, new pendings and closed sales were all down compared to the prior month—typical for the year-end season. YTD closed sales are up 4%, while average sale price, price per square foot and closed volume are setting new all-time highs. Buyers struggle to find affordable homes priced under \$300k. Price per square foot values are up an average of just 1% for homes priced under \$750k, but have jumped 7% for homes priced over \$750k. While the other price ranges are holding their own, the upper-end luxury market is making the headlines.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	128	-20%	54	-21%	2.4	1%
\$10-300k	18	-22%	14	-26%	1.3	6%
\$300-500k	58	-25%	28	-24%	2.1	0%
\$500-750k	31	-14%	8	-11%	3.9	-3%
\$750k+	21	-13%	4	33%	5.3	-34%

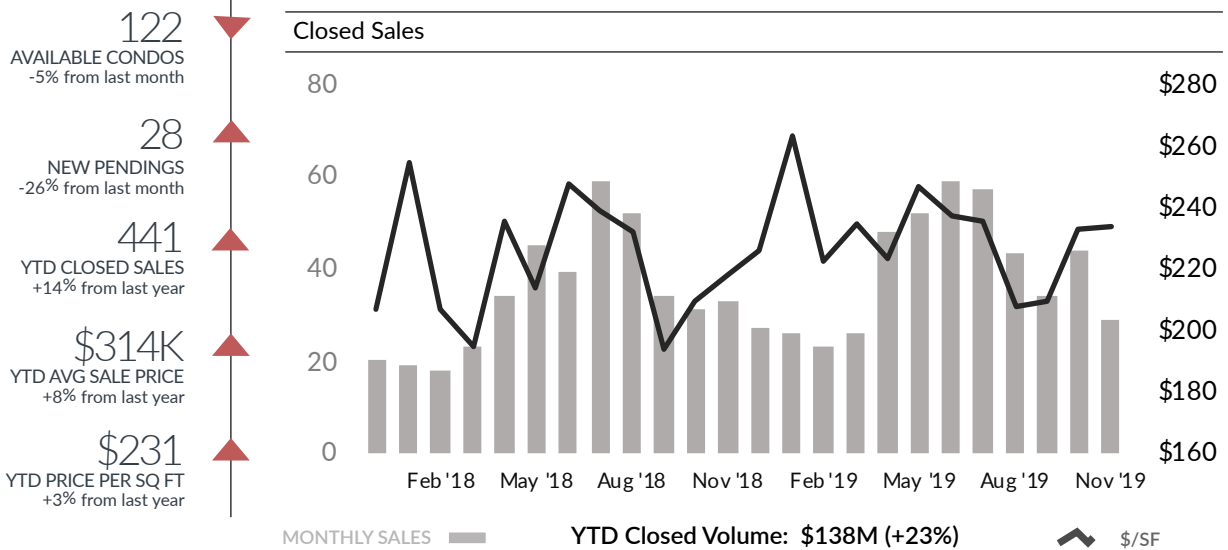
YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	801	4%	\$249	3%
\$10-300k	169	-15%	\$205	0%
\$300-500k	432	10%	\$240	1%
\$500-750k	135	5%	\$255	1%
\$750k+	65	16%	\$308	7%

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

Ann Arbor

Condos



Summary

Monthly closed sales dropped in November and with declining new pending sales, they will continue to drop over the next few months as the market passes through winter. YTD sales are up 14% and closed volume is up 23%. The 8% increase in average sale price can be misleading with respect to value. Looking at the lower table below, average price per square foot dropped in all but the \$225k to \$400k price range. In the over-\$400k range, where sales increased from 62 last year to 115, price per square foot fell from \$340 to \$301. Sales of brand new units in the over-\$400k price range are driving average sale price up, but the increased competition is holding values of existing units down.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	122	-5%	28	-26%	4.4	28%
\$10-150k	8	60%	1	-80%	8.0	700%
\$150-225k	22	-15%	8	0%	2.8	-15%
\$225-400k	48	-6%	9	-44%	5.3	67%
\$400k+	44	-6%	10	11%	4.4	-16%

YTD Closed Activity

	YTD Closed	Change	YTD \$/SF	Change
All	441	14%	\$231	3%
\$10-150k	60	-10%	\$147	-4%
\$150-225k	102	9%	\$184	-2%
\$225-400k	164	1%	\$207	3%
\$400k+	115	83%	\$301	-11%

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