

A photograph of a front door with a purple finish and silver hardware. The door has a traditional six-panel design. Above the door is a transom window with a decorative circular frame. On either side of the door, there is a potted plant with green leaves and small yellow flowers, and a black and silver wall sconce. The door features a silver ring pull, a silver doorknob, a silver mail slot, and a silver deadbolt. A silver peephole is located on the right side of the door.

HOUSING REPORT

WASHTENAW | JUNE 2021

Washtenaw County

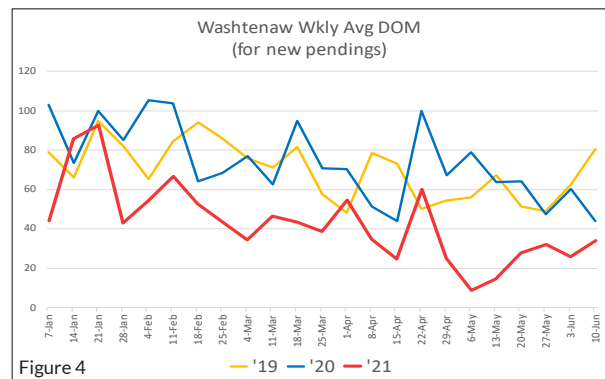
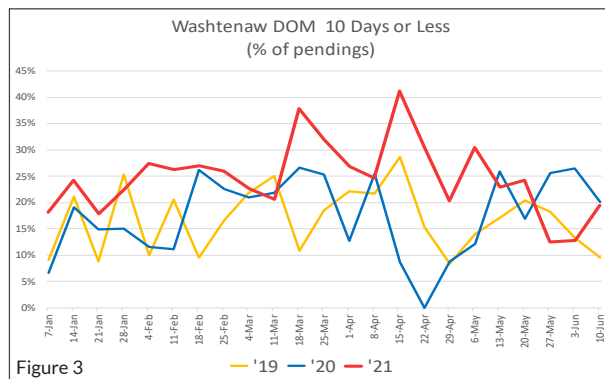
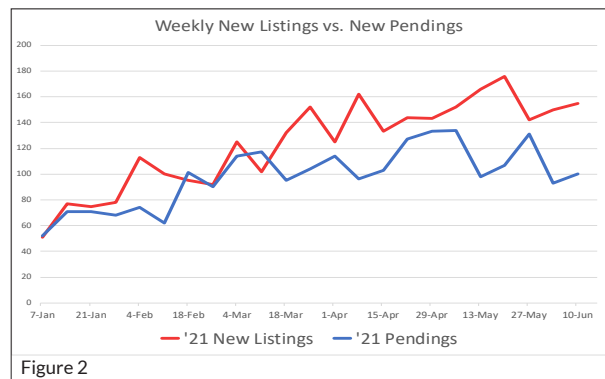
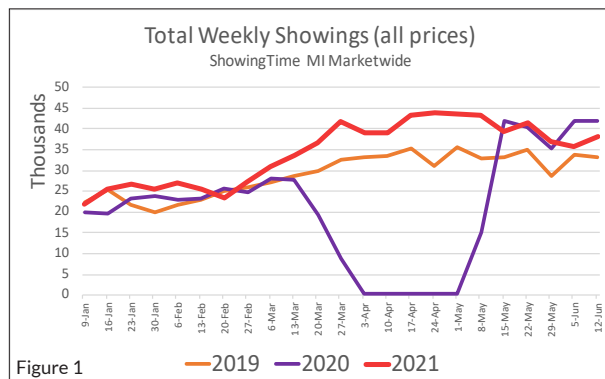
Early Signs of Slowing

Local real estate markets have been working with two opposing extremes since the beginning of 2020—unprecedented high demand, coupled with extreme listing shortages.

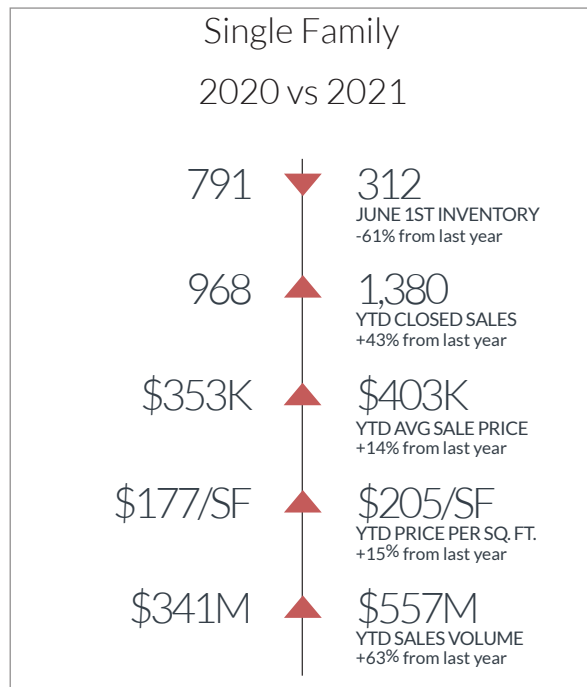
Figure 1: Despite working with less than half “normal” inventory levels, demand has been so strong that weekly showing activity has been higher this year than any time over the prior two years. Showings peaked in mid-May and have been fading slightly since. **Figure 2:** Buyers have been waiting for new listings to arrive. Fresh new listings have been converted to new pendencies as quickly as they’ve hit the market. The new pending line has been mirroring the new listing line with about a ten-day lag, but the pending line is beginning to fall off slightly. **Figure 3:** Percentage of homes selling within 10 days of listing peaked in mid-April at 42%. It’s been dropping since and has been less than 20% since the end of May. **Figure 4:** Days on market for weekly new pendencies bottomed out at 12 days during the first week of May. It’s been rising and closer to 30 days since the second half of May.

These are early signs that the market is slowing. A slowdown might be caused by buyers finding new freedom to return to a more normal life with distractions like vacations, graduation parties and getting together with friends—life distractions that didn’t exist a few months ago.

(Combined Single Family and Condos)



Summary



Inventory— Available listings have been holding steady near 300 since March. Inventory is down 61% from just shy of 800 a year ago.

Closed Units— Despite the lack of available listings, buyer demand has been so extreme that closed sales are up 43% compared to last year and 11% compared to 2019—a more typical year for comparison.

Values— Average sale price and price per square foot are up 14% and 15% compared to last year—17% and 13% compared to 2019.

Summary— As prices continue to rise over time, the number of higher priced homes in the sales mixed has doubled. Washtenaw's upper-end values dipped sharply during the COVID shutdown last year. They are quickly recovering. Average price per square foot for homes that sold over \$600k is up 19% from a year ago and up 8% compared to 2019.



Inventory— While inventory levels in most local markets have dropped to less than half of what they were a year ago, Washtenaw condos are down by 39%.

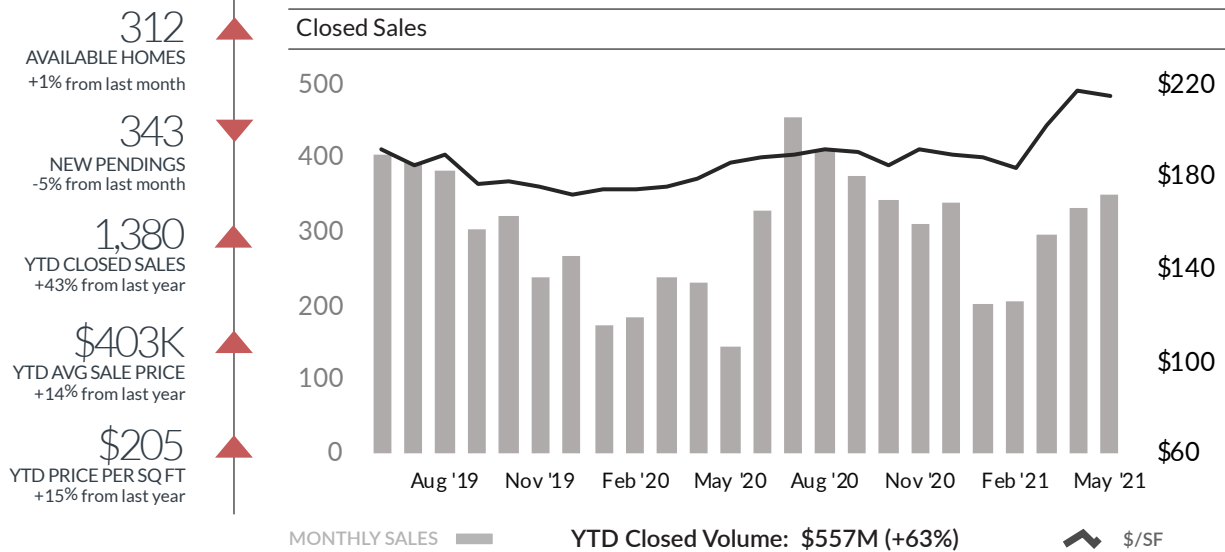
Closed Units— Condo sales slowed dramatically as we passed through the initial months of COVID but leveled out to normal levels as the result of a strong second half. YTD sales are up 57% compared to last year, but 5% compared to 2019's more typical level.

Values— Average sale price and price per square foot are up 9% and 4%. Although the number of condos that have sold for more than \$350k has doubled since last year, price per square foot has dropped.

Summary— Condo sales should continue to improve as COVID fades away—especially for higher priced units but expect values to remain flat at the higher end.

WashtenawCounty

Single Family Homes



Summary

Inventory has remained level near 300 available listings over the past few months—it's down 61% compared to a year ago. New pendings, which have been running at a higher-than-normal pace since June of last year, have leveled off and dropped slightly in the past month. YTD closed sales are up 43% but will fall off due to the drop in new pendings. Prices are at record highs with YTD average sale price and price per square foot up 14% and 15%. As seen in the chart above, strong buyer competition pushed values up sharply through the spring. Expect that to ease slightly as buyers, who have been laser focused on homes, begin to get distracted by getting back to the office, graduation parties, vacations, and family gatherings.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	312	1%	343	-5%	0.9	6%
\$10-250k	30	-27%	83	2%	0.4	-29%
\$250-400k	61	7%	130	2%	0.5	5%
\$400-600k	98	11%	79	-18%	1.2	35%
\$600k+	123	0%	51	-9%	2.4	10%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	1380	43%	11%	\$205	15%	13%
\$10-250k	317	-2%	-28%	\$145	8%	15%
\$250-400k	502	45%	12%	\$185	6%	6%
\$400-600k	390	88%	63%	\$209	11%	2%
\$600k+	171	92%	49%	\$269	19%	8%

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

WashtenawCounty

Condos

169
AVAILABLE CONDOS
+25% from last month

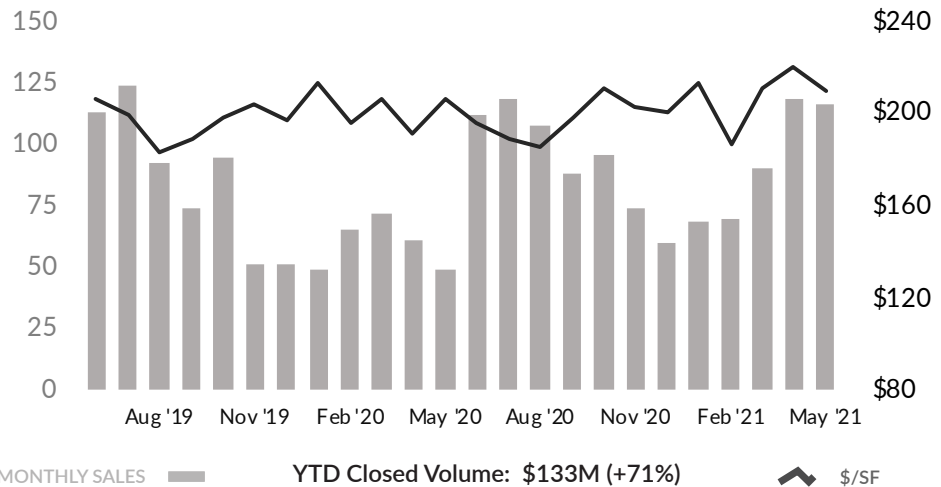
98
NEW PENDINGS
-11% from last month

461
YTD CLOSED SALES
+57% from last year

\$290K
YTD AVG SALE PRICE
+9% from last year

\$209
YTD PRICE PER SQFT
+4% from last year

Closed Sales



Summary

Condo inventory took a 25% jump last month. It's down 39% compared to a year ago. New pendings, which peaked in March at 115, have dropped each month since and were just below 100 in May. Declining pendings will be followed by a dip in closed sales as seen in the chart above. June closed sales will be down slightly too. Despite recent market slowing, YTD closed sales are up by 57% compared to last year and 26% compared to 2019—a more typical point of comparison. Expect the extremely hot market to cool down a bit as buyers, who have been hyper focused on homes, get increasingly distracted by returning to life with working in office, traveling for vacations, and gathering with family and friends.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	169	25%	98	-11%	1.7	41%
\$10-200k	16	7%	26	8%	0.6	-2%
\$200-350k	62	82%	46	-13%	1.3	110%
\$350-500k	41	8%	14	-30%	2.9	54%
\$500k+	50	4%	12	-8%	4.2	13%

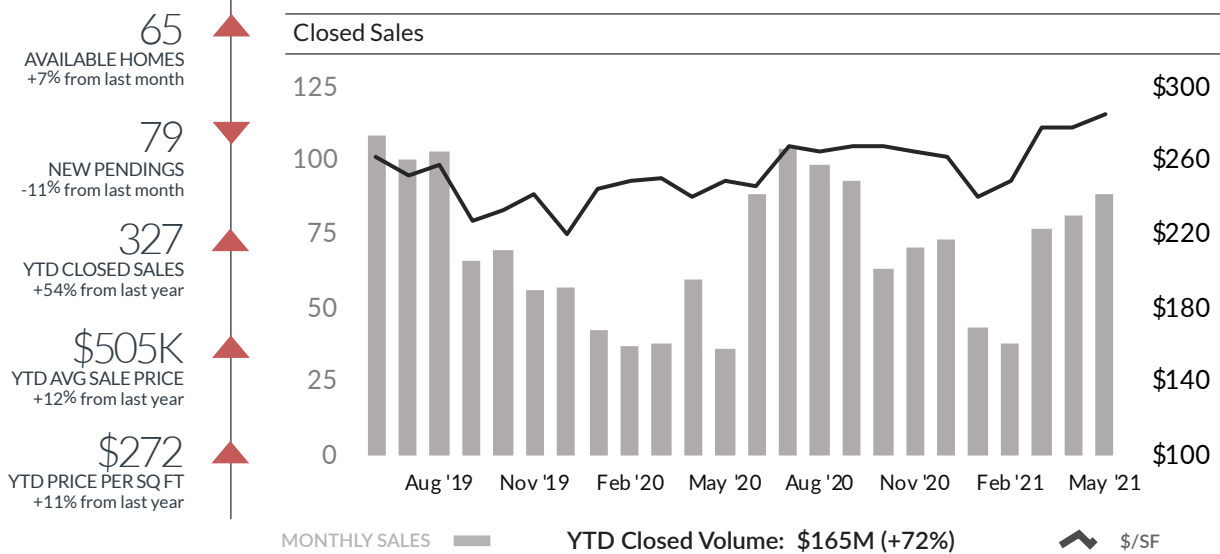
YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	461	57%	26%	\$209.14	4%	5%
\$10-200k	127	21%	-3%	\$151.45	4%	1%
\$200-350k	220	68%	49%	\$195.31	3%	7%
\$350-500k	70	112%	25%	\$224.60	-5%	-4%
\$500k+	44	83%	47%	\$311.31	-12%	-1%

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

Ann Arbor

Single Family Homes



Summary

Inventory rose slightly in May, but the current 65 active listings is down from 178 a year ago. There are only 12 listings priced below \$400k compared to 59 a year ago. Lack of inventory is limiting new pendings. With 10 fewer May new pendings, expect closed sales to dip slightly in June and July. YTD, closed sales are up 54% compared to last year 9% compared to 2019. That's a remarkable jump when working with half the listing inventory. Strong buyer competition through the early months of 2021 drove up prices. Average sale price and price per square foot are up 12% and 11%—8% and 13% compared to 2019. We're noticing early signs that the intense market is beginning to settle as vacations and family gathering compete for the attention of buyers.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	65	7%	79	-11%	0.8	20%
\$10-250k	2	-33%	4	-20%	0.5	-17%
\$250-400k	10	-9%	26	-16%	0.4	8%
\$400-750k	35	21%	39	-5%	0.9	27%
\$750k+	18	0%	10	-17%	1.8	20%

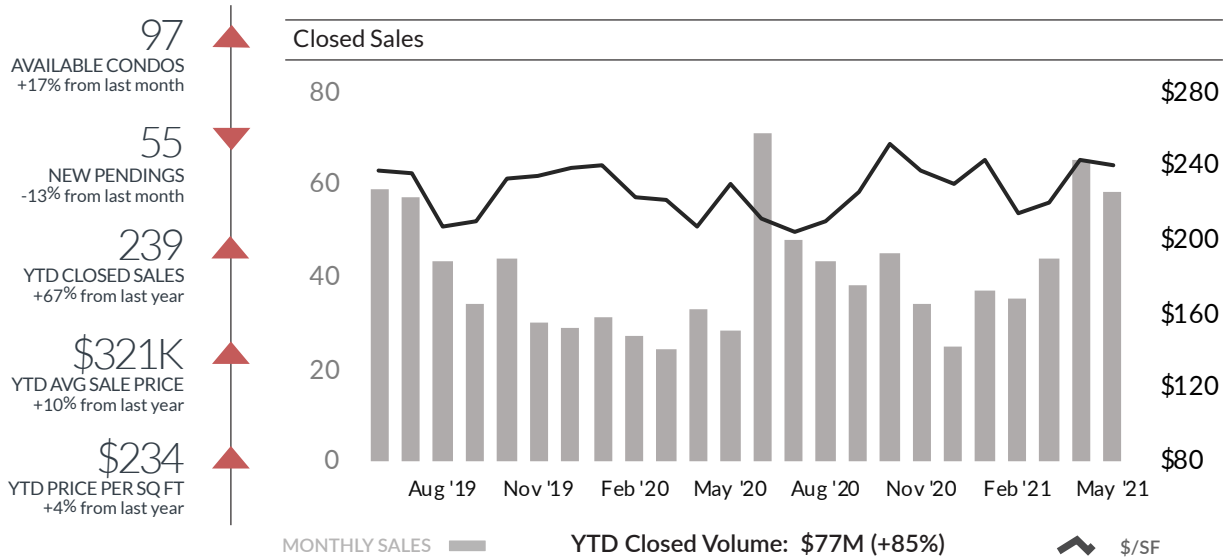
YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	327	54%	9%	\$272	11%	8%
\$10-250k	23	28%	-28%	\$191	-9%	4%
\$250-400k	100	3%	-19%	\$252	7%	9%
\$400-750k	168	121%	39%	\$260	10%	2%
\$750k+	36	71%	44%	\$344	15%	11%

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

Ann Arbor

Condos



Summary

COVID hit all urban condo markets hard. Ann Arbor got off to a strong start in 2021, but following four unusually strong months of sales, May new pendings and closed sales both dropped 13%. YTD closed sales are up 67% compared to last year and 37% compared to 2019, but that strong run is showing signs of fading. The decline in May pendings will lead to lower closed sales in June and July. Condo values have been flat since 2019. Although average sale price and price per square foot are up 10% and 4% compared to last year, they are just shy of even with 2019. Although buyers will be drawn back to Ann Arbor as the university, offices, restaurants, and activities reopen, they will also be distracted by those activities and less focused on housing.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	97	17%	55	-13%	1.8	34%
\$10-150k	2	-	1	-86%	2.0	-
\$150-225k	12	-25%	12	9%	1.0	-31%
\$225-400k	28	100%	27	8%	1.0	85%
\$400k+	55	4%	15	-25%	3.7	38%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	239	67%	37%	\$234.13	4%	-1%
\$10-150k	18	-5%	-31%	\$152.28	3%	-5%
\$150-225k	56	60%	60%	\$197.28	8%	-1%
\$225-400k	109	70%	79%	\$207.41	1%	-1%
\$400k+	56	124%	6%	\$301.94	-7%	3%

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