

HOUSING REPORT

WASHTENAW | JULY 2021



Washtenaw County

Inflation Impact

Summer is in full swing in Michigan with travel and with tourism back in force, the housing market continues to produce its own heat with strong buyer competition despite the increasing inventory—up 21% in the past month. Sellers need not worry about the growing supply as homes are still selling quickly with less than a month’s supply of inventory across all price ranges. The increase in inventory is providing a stabilizing balance that benefits all by providing buyers with options that have been lacking though the past several months.

Because of extreme market shifts last year with the COVID shutdown, we’ve been including current market activity comparisons to 2019 as well as 2020. It’s remarkable that although inventory levels are down 59% compared to 2019, YTD closed sales are up 38%, which is quite the jump. Without available listing inventory, there can be no sales. Available listing had been declining for 10 straight months before leveling in May and slowly starting to rise. Expect gradual inventory increases into the fourth quarter.

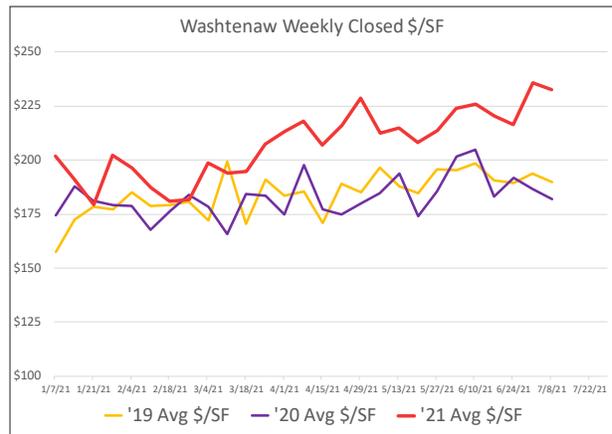
Coming out of last year’s lockdowns, few expected such an aggressive market with extreme buyer competition, multiple offers, and rising prices. While experts have been expecting a cool-down, and there had been temporary signs of one in June, the market continues to rally. Weekly new pendings continuing to run with last June and July’s big rebound numbers and outpace 2019’s “typical year” numbers. The YOY rise in average sale price is higher than it’s been in 30 years.

Rising home values, combined with the lack of affordable housing and overall inflation, are pushing home prices out of reach for many buyers.

Inflation is caused by rising prices of our everyday goods and services such as food and gas. The Consumer Price Index is up 5.4%,

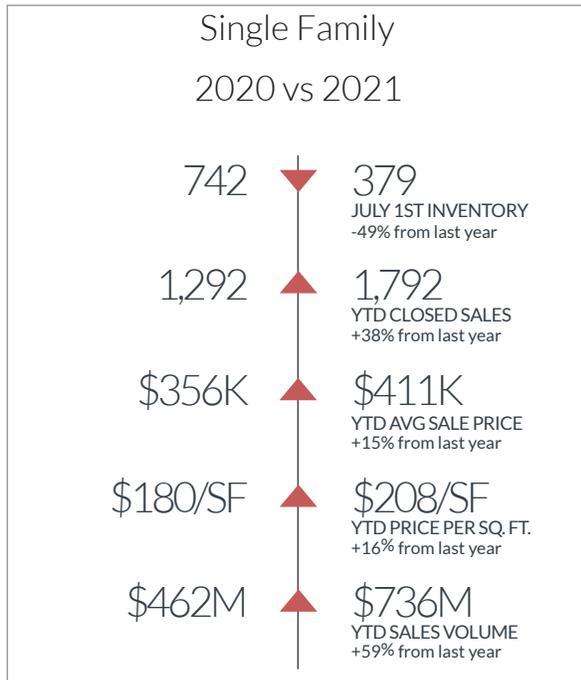
and the average sale price of a Washtenaw County home rose 15% in the past year. That combination has been pushing home purchases out of reach for many first-time and entry-level buyers.

Recent increases in inventory provide some relief, but first-time and entry-level buyers should look to lock in on their purchases sooner rather than later the combination of inflation and rising prices may be moving homes affordable homes out of reach.



Washtenaw County SF/Condo YTD Summary						
Jan 1st—July 22nd						
	2019	2020	2021	+/- '19	+/- '20	
YTD Units	2,490	2,105	2,730	10%	30%	
YTD Vol (million)	\$ 827.5	\$ 711.4	\$ 1,053.3	27%	48%	
Avg Price	\$ 332,310	\$ 337,966	\$ 385,835	16%	14%	
Avg \$/SF	\$ 187	\$ 185	\$ 211	13%	14%	
Avg SF	1,781	1,830	1,827	3%	0%	

Summary



Inventory— Inventory took a big 21% jump in June, but it's down 49% compared to this time last year. Look for inventory levels to continue to rise as new listings outpace new pendings.

Closed Units— YTD closed units are up 38% compared to last year and 9% compared to 2019.

Values— High demand coupled with inventory shortages have driven prices up faster than at any time in the past 30 years. YTD average sale price and price per square foot are up 15% and 16%.

Summary— Inventory shortages are easing as new listings outpace new pendings. The additional listings are providing buyers with choices that they didn't previously have, especially in the middle price ranges. Look for buyer competition and the speed of value increases to ease as the market slowly begins to balance.

Inventory— While inventory rose 11% in the past month, it's down 25% from a year ago.

Closed Units— Through the first half of 2021, closed condo sales are up 47% compared to last year and 24% compared to 2019.

Values— Most of the 15% YTD increase in average sale price was due to a change in the sales mix—a large increase in over-500k sales, with little change in the number of entry-level sales. While over-\$500k sales more than doubled, price per square foot only increased 1% for those properties. In the other price ranges, the increase was between 2% and 4%.

Summary— The Washtenaw condo market stalled during the pandemic but has been opening back up with sales ahead of both last year and 2019. Although average sale price has had a big lift, property values have increased between 1% and 4% depending on price range.

Washtenaw County

Single Family Homes

379
AVAILABLE HOMES
+21% from last month

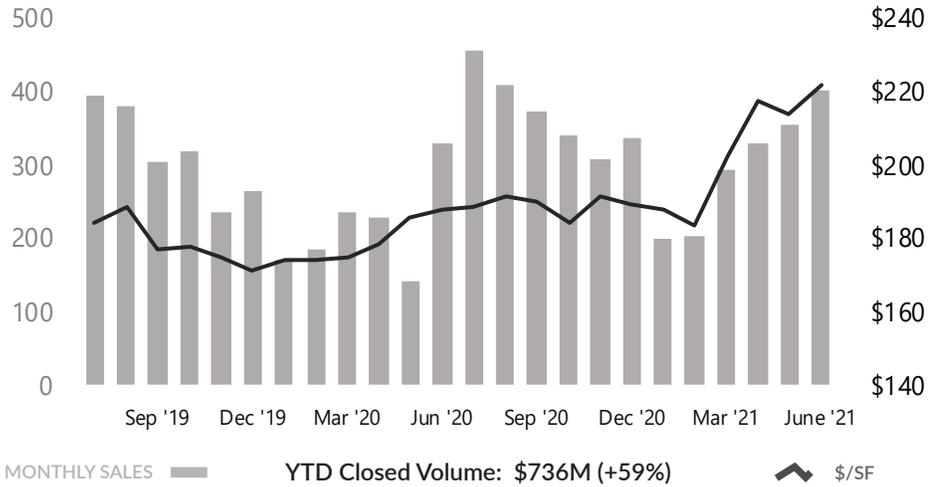
407
NEW PENDING
+19% from last month

1,792
YTD CLOSED SALES
+38% from last year

\$411K
YTD AVG SALE PRICE
+15% from last year

\$208
YTD PRICE PER SQFT
+16% from last year

Closed Sales



Summary

After a long stretch of declining inventory, available listings leveled at around 300 units for a few months before jumping 21% to 379 last month—still just half of what it was a year ago. Additional fresh new listing are fueling the increase in new pendings. They were up 19% last month and are running at a similar pace to both 2019 and last year during the big reopening rebound. The July 4th holiday slowdown was more pronounced this year as buyers and sellers took advantage of their opportunity to finally get away on a vacation. YTD sales are up significantly compared to last year and up 6% compared to 2019. Unlike other area markets, Washtenaw values have been rising fastest in the upper price ranges.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	379	21%	407	19%	1.4	-17%
\$10-250k	40	33%	94	13%	0.8	37%
\$250-400k	86	41%	135	4%	1.2	-15%
\$400-600k	107	9%	109	38%	1.2	-60%
\$600k+	146	19%	69	35%	3.9	-7%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	1,792	38%	9%	\$208.47	16%	13%
\$10-250k	402	0%	-28%	\$148.85	9%	16%
\$250-400k	642	30%	8%	\$186.98	8%	7%
\$400-600k	505	81%	52%	\$212.42	11%	3%
\$600k+	243	96%	49%	\$269.67	17%	8%

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

Washtenaw County

Condos

188
AVAILABLE CONDOS
+11% from last month

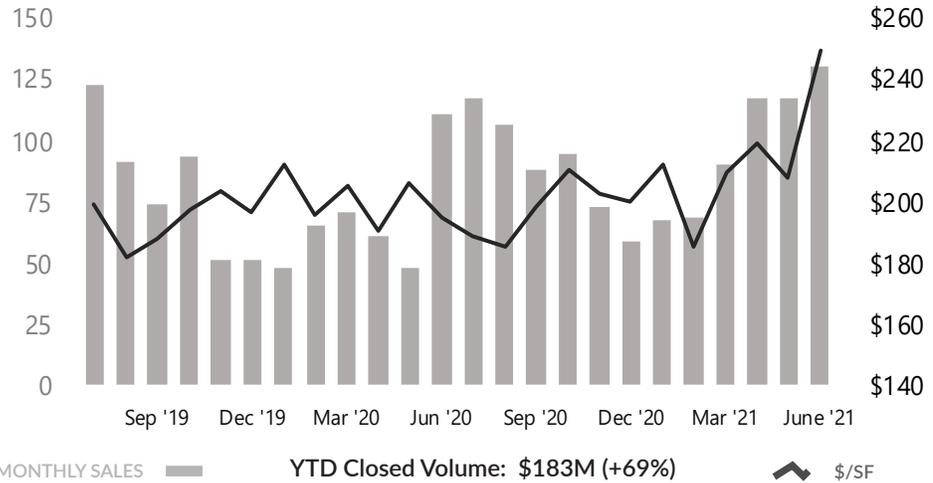
132
NEW PENDING
+35% from last month

594
YTD CLOSED SALES
+47% from last year

\$308K
YTD AVG SALE PRICE
+15% from last year

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

Closed Sales



Summary

Condo inventory continues to rise compared to prior months, but it's down 25% from last year. The additional inventory helped fuel a 35% jump in new pendings. Condo markets, which stalled during the pandemic have been opening back up with YTD sales that exceed both last year and 2019. This year's condo sales are up 15% over 2019 with the biggest increases in the upper price ranges. The additional upper-end sales have raised average sale price 15%, but as seen in the second table below, price per square foot (value) increases within given price ranges have been modest—between 1% and 4%. As news regarding the Delta variant plays out, be aware that Washtenaw condo buyers seem to react quicker to shifts in COVID than other markets.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	188	11%	132	35%	1.4	-17%
\$10-200k	21	31%	25	-4%	0.8	37%
\$200-350k	69	11%	60	30%	1.2	-15%
\$350-500k	36	-12%	31	121%	1.2	-60%
\$500k+	62	24%	16	33%	3.9	-7%

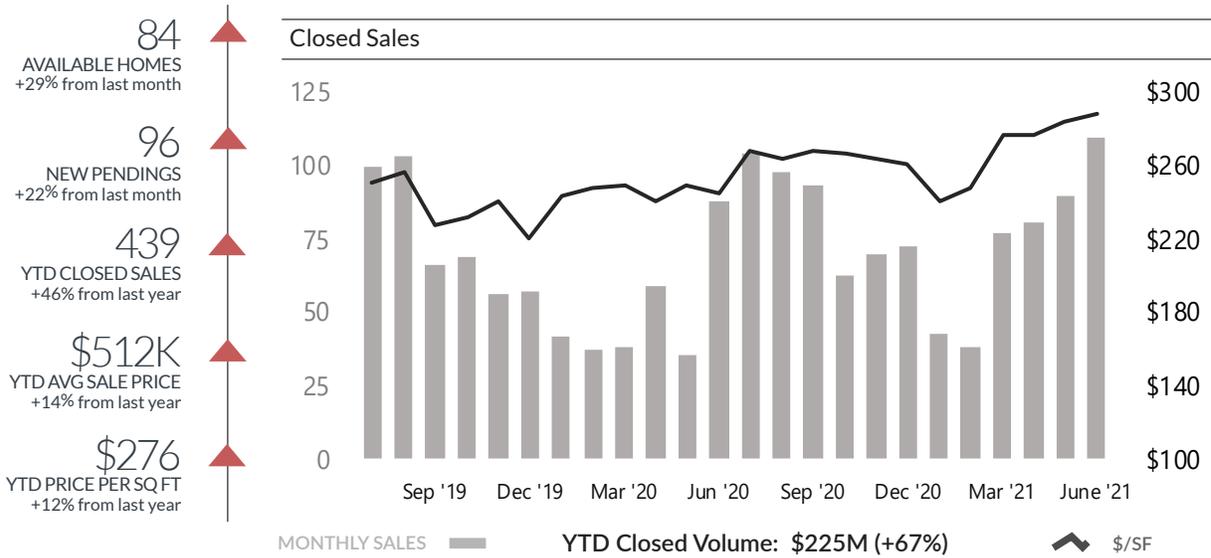
YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	594	47%	24%	\$218.31	9%	8%
\$10-200k	150	8%	-12%	\$153.37	4%	4%
\$200-350k	275	51%	40%	\$194.48	2%	5%
\$350-500k	104	100%	41%	\$229.88	4%	-2%
\$500k+	65	110%	71%	\$337.64	1%	2%

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

Ann Arbor

Single Family Homes



Summary

Inventory jumped from 65 to 84 in the past month, but is down from 144 a year ago. The fresh new listings have fueled an increase in new pendings. New pendings increased from 79 to 96 in the past month, before taking a deeper and longer-than-usual dip during the 4th of July holiday as buyers and seller took the opportunity to get away on post-pandemic vacations. Activity has been picking back up through the second half of July. YTD sales are up 46% compared to last year, and 7% compared to 2019—a more typical benchmark. As seen in the \$/SF line in the chart above, prices have been rapidly rising since January. As seen in the right columns of the table below, values are rising fastest in the upper-end price ranges.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	84	29%	96	22%	0.9	6%
\$10-250k	2	0%	7	75%	0.3	-43%
\$250-400k	23	130%	30	15%	0.8	99%
\$400-750k	38	9%	49	26%	0.8	-14%
\$750k+	21	17%	10	0%	2.1	17%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	439	46%	7%	\$275.97	12%	9%
\$10-250k	29	26%	-29%	\$194.61	-5%	7%
\$250-400k	136	1%	-15%	\$256.33	8%	9%
\$400-750k	226	93%	35%	\$264.42	11%	3%
\$750k+	48	85%	20%	\$346.00	17%	13%

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

Ann Arbor

Condos

106
AVAILABLE CONDOS
+9% from last month

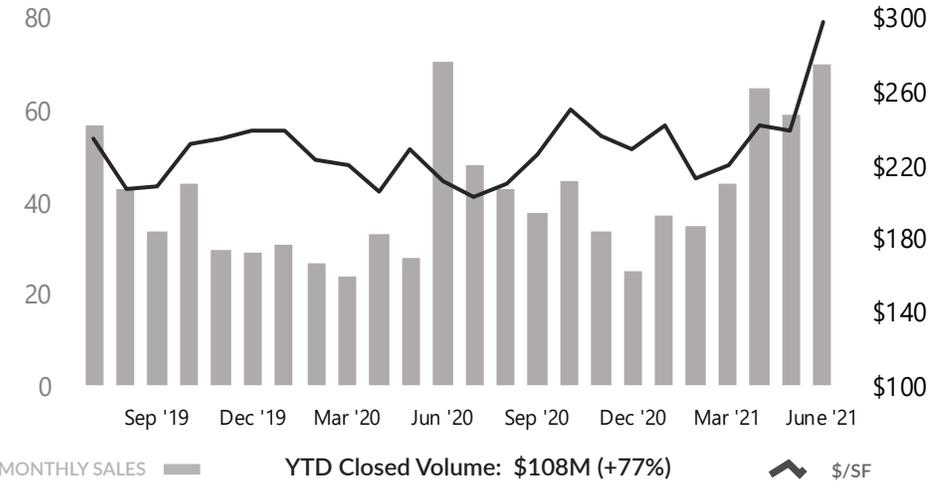
69
NEW PENDINGS
+25% from last month

310
YTD CLOSED SALES
+45% from last year

\$348K
YTD AVG SALE PRICE
+22% from last year

\$249
YTD PRICE PER SQ FT
+13% from last year

Closed Sales



Summary

Ann Arbor condo listings have risen by 25 units in the past two months. The additional fresh inventory added to buyer options and helped bump new pendings from 55 units the prior month to 69. YTD closed sale are up 45% compared to last year and 25% compared to 2019. While activity dropped off dramatically over the 4th of July holiday, it appears to be picking back up. Ann Arbor condo activity has been pandemic sensitive. Keep an eye on the Delta variant. As its threat increases, expect the condo market to slow and as it dissipates, expect the market to pick up. While the chart above shows values skyrocketing, that jump was skewed by a large increase in the number of higher-end sales. Price per square foot of the over-\$400k sales dipped 3% in the past year.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	106	9%	69	25%	1.5	-13%
\$10-150k	10	0%	13	8%	0.8	-8%
\$150-225k	29	7%	28	8%	1.0	0%
\$225-400k	15	-25%	15	114%	1.0	-65%
\$400k+	52	30%	13	30%	4.0	0%

YTD Closed Activity

	YTD Closed	21 v 20	21 v 19	\$/SF	21 v 20	21 v 19
All	310	45%	32%	\$249.32	13%	5%
\$10-150k	69	10%	3%	\$183.39	10%	5%
\$150-225k	130	31%	55%	\$209.94	3%	3%
\$225-400k	60	94%	13%	\$236.81	12%	0%
\$400k+	51	143%	70%	\$363.05	-3%	0%

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