

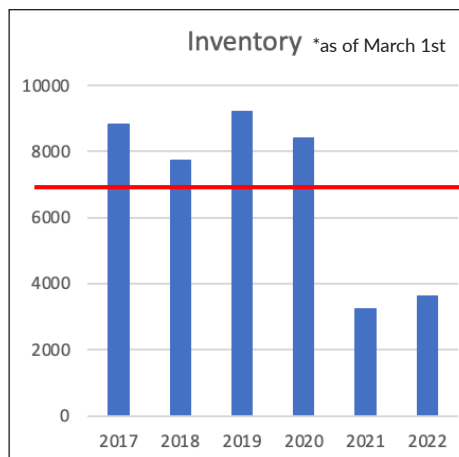


HOUSING REPORT

SOUTHEAST MICHIGAN | MARCH 2022

Offer Up

For the past several years a recurring story we have told is that inventory remains tight. In 2018 with only 7,711 available listings we were reporting on tight inventory levels and intense buyer competition. Since the pandemic hit, inventory levels have been slashed in half. Current active inventory sits at 3,615, which is only about half as much of the average of 6,830 we have had over the past 6 years. Although new listings are trending upward from 2021, we still have a long way to go to reach somewhat normal inventory levels. In the meantime, buyers will be forced to compete for the best listings. Here are 10 strategies to help you win those prime properties against the competition.



1. Cash Offer—Cash is king and eliminates potential risks perceived by seller. Not everyone has the luxury of paying cash, but don't overlook this possibility when discussing options with buyers.

2. Escalation Clause—This method is intended to squeeze out the competition by offering "\$xxx" more than any other offer received. Be sure to include a ceiling cap, or you may run the risk of the appraisal coming in short—our next point.

3. Appraisal Waiver or Gap Coverage—If your client has the financial ability to put more down, the offer might include language that covers the difference (usually up to a point) if the appraised value falls short of the sale price. Be sure buyer and lender are on board with this prior to making such an offer.

4. Extended/Free Seller Occupancy—With fewer homes on the market, sellers may need time to find their next home before they can move. Offering to extend post-closing occupancy, or letting the seller stay for free might sweeten the deal.

5. Letter from Buyer to Seller—Building a connection and making the transaction more about the people than the money sometimes helps a buyer gain an advantage. Keep it short, stay positive, and thank the seller for considering your offer.

6. Larger EMD—Money talks. Increasing the EMD sends the message that your client is committed. It helps reduce the seller's risk that the transaction will fail.

7. Inspection Waiver—You don't need to completely waive the inspection if you arrange to have your buyer bring the inspector to a showing. Do an abbreviated inspection so it's taken care of before making your offer.

8. Increase Down Payment and EMD—larger sums of upfront money may reduce the seller's perception of risk that your buyer will run into financing issues while completing the transaction.

9. Strong Preapproval—The fewer contingencies in the approval letter the stronger it will be. Approval letters don't need to match your offer exactly. If your buyer can go significantly higher, it may reduce the perception of risk to show the higher amount. Some preapproval letters have more holes than Swiss cheese. Work with your client and their lender to make sure yours doesn't.

10. Be Likable, Professional, and Easy to Work with—It isn't always the biggest offer that takes it. Sellers often base their decisions on perceived risk and sometimes it's because they like that you and your client showed respect when you took your shoes off.

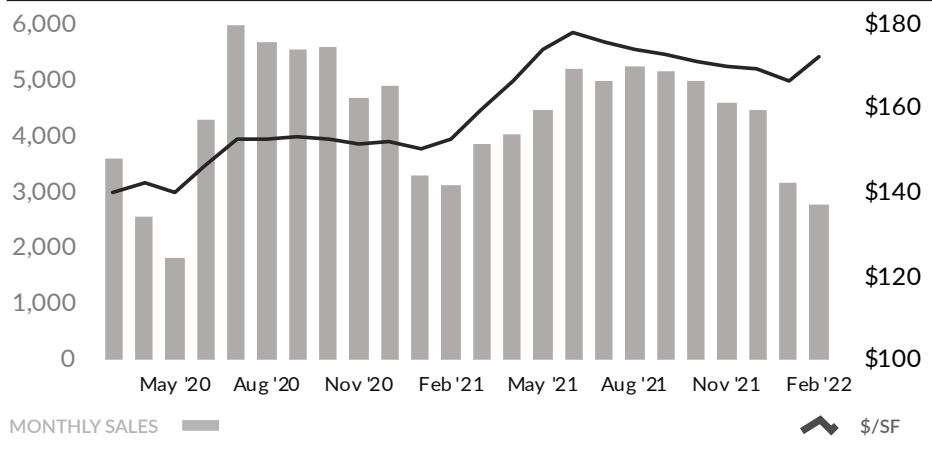
MARCH 2021
HOUSING REPORT

Southeast Michigan

5-County Summary



Closed Single-Family Home Sales



YTD Closed Volume: \$1.6B (-1%)

Summary

A tight and picked-over supply of available homes continues to challenge buyers—many have been looking for over a year. The limited inventory quality is also restricting price increases, which will gain momentum as fresh new inventory arrives and heats up buyer competition for this year's best new listings. Year-to-date average sale price and price per square foot are up 8% and 12%. Average market times bottomed out at 17 days last May and June. They doubled to 34 by December but are again falling at a pace that should have them below 17 by May of this year. Expect fierce spring competition as this year's new buyers and last year's carryover buyers compete to grab fresh new listings as quickly as they arrive and before interest rates can make more of a move.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	3615	-5%	4016	-2%	0.9	-3%
\$10k - 150k	1521	-6%	1099	-4%	1.4	-3%
\$150k - 250k	570	-11%	1162	-9%	0.5	-2%
\$250k - 500k	759	0%	1290	3%	0.6	-4%
\$500k +	765	-1%	465	8%	1.6	-8%

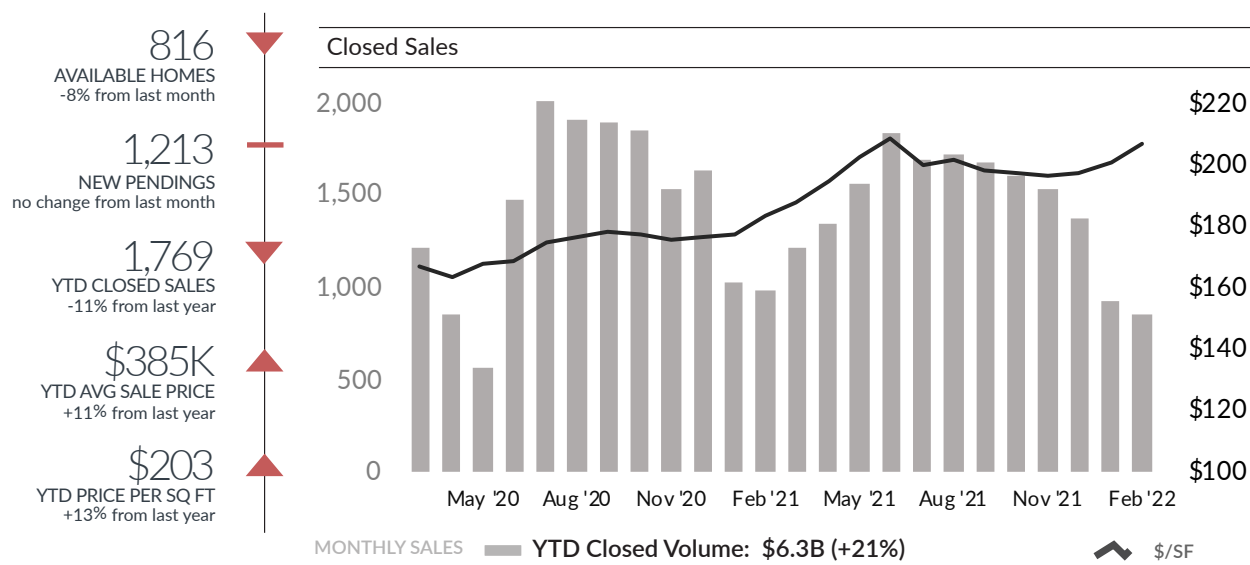
YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	5,901	-8%	-3%	\$169	12%	28%
\$10k - 150k	1,573	-13%	-31%	\$91	6%	17%
\$150k - 250k	1,810	-11%	0%	\$154	8%	18%
\$250k - 500k	1,917	-7%	14%	\$178	11%	20%
\$500k +	601	19%	95%	\$237	10%	13%

Data source: Realcomp MLS using Great Lakes Repository Data.

Oakland County

Single-Family Homes



Summary

A tight and picked-over supply of available homes continues to challenge buyers and limit prices. Homes are selling as quickly as they arrive and the fresh inventory is creating new bidding wars that will again drive up prices like we saw in first half of last year. Prices took a mild dip in the second half of the year. The price drop had more to do with the picked-over available inventory, rather than any decline in value. Prices are again rising. Year-to-date average sale price and price per square foot are up 11% and 13%. Expect sharp competition from this year's new buyers and last year's carryover buyers to sharply drive up the price per square foot line (chart above) like it did last year. Expect buyers to attempt to land a deal early and beat the coming interest rate increases.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	816	-8%	1213	0%	0.7	-8%
\$10k - 200k	121	-13%	219	-22%	0.6	11%
\$200k - 400k	184	-16%	565	-3%	0.3	-13%
\$400k - 800k	299	-3%	331	19%	0.9	-19%
\$800k +	212	-5%	98	29%	2.2	-26%

YTD Closed Activity

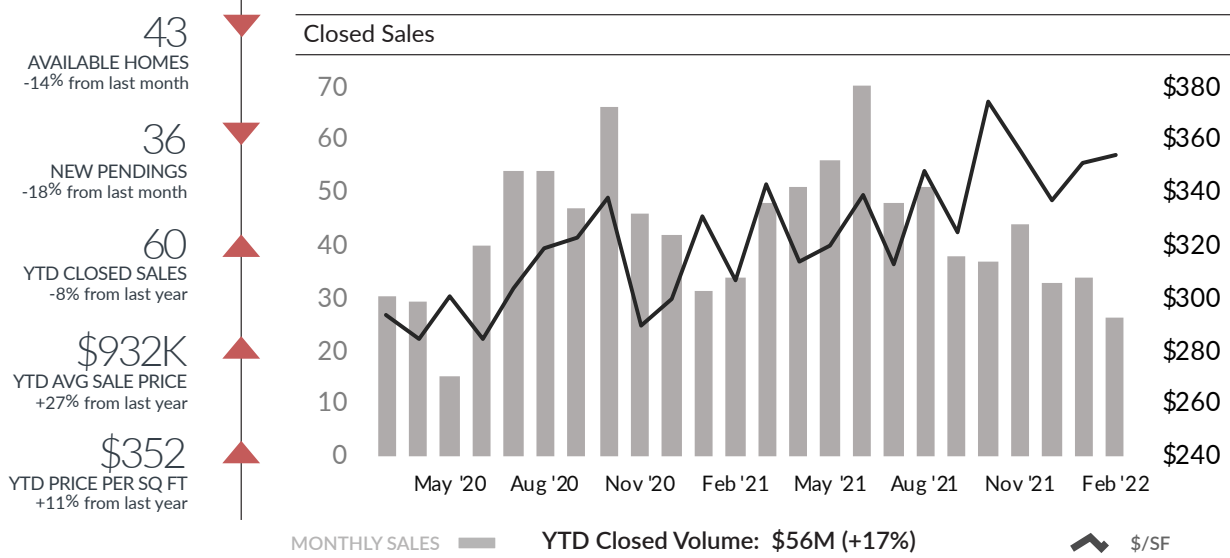
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	1,769	-11%	-7%	\$203	13%	28%
\$10k - 200k	384	-21%	-37%	\$136	1%	15%
\$200k - 400k	835	-14%	-6%	\$185	11%	23%
\$400k - 800k	449	-2%	31%	\$202	10%	18%
\$800k +	101	29%	66%	\$318	6%	17%

Data source: Realcomp MLS using Great Lakes Repository Data.

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Birmingham

Single-Family Homes



Summary

Birmingham inventory continues to decline—it's half of what it was a year ago. The lack of available listings is challenging buyers and causing bidding wars, which are dropping market times and pushing up prices in a similar pattern to last spring. To stay ahead of rising interest rates, expect to see buyers jump on this year's early listings. Prices will rise through the first half of the year and the best listings will sell quickly with bidding wars. Prices and sales will settle as inventory quality fades in the second half.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	43	-14%	36	-18%	1.2	5%
\$10k - 400k	0	-100%	6	0%	0.0	-100%
\$400k - 800k	14	17%	10	-38%	1.4	87%
\$800k - 1.4m	10	-9%	11	-31%	0.9	32%
\$1.4m +	19	-24%	9	50%	2.1	-49%

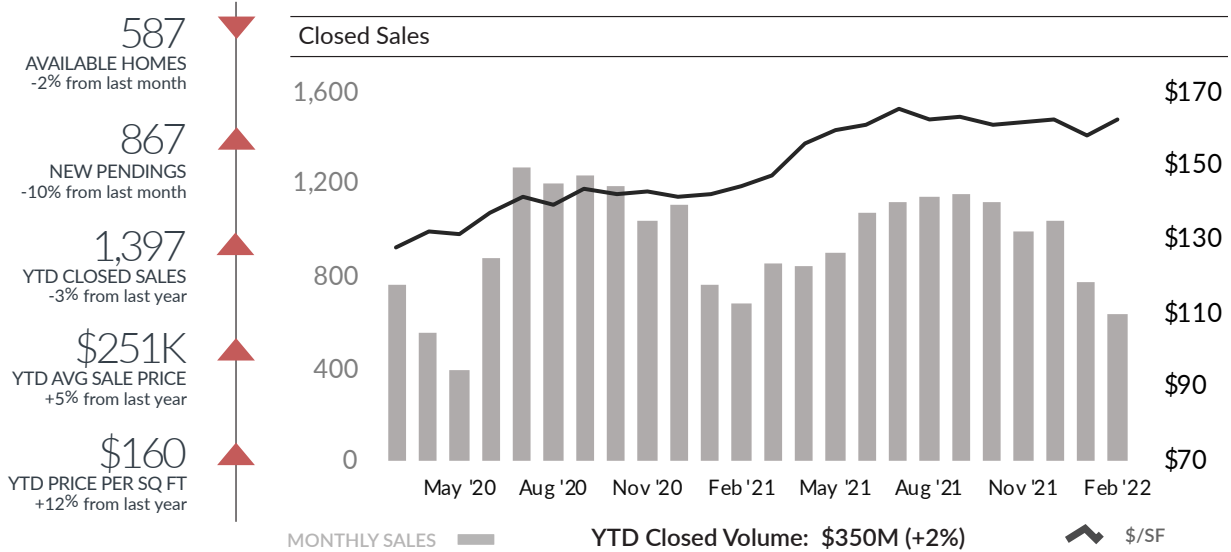
YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	60	-8%	-3%	\$352	11%	23%
\$10k - 400k	8	-53%	-58%	\$289	10%	18%
\$400k - 800k	28	17%	-3%	\$272	-1%	16%
\$800k - 1.4m	14	-30%	56%	\$337	2%	1%
\$1.4m +	10	150%	100%	\$478	5%	10%

Data source: Realcomp MLS using Great Lakes Repository Data.

Macomb County

Single-Family Homes



Summary

Low inventory levels and depleted listing quality continues to challenge buyers. Through the first half of last year, buyers were jumping on fresh listings as soon as they arrived. Average market time was down to 14 days by May. Expect a similar pattern this year as 2022's new buyers and last year's carryover buyers, who are getting desperate to cash in on the still-low interest rates compete for the best new listings as quickly as they arrive. Driven by bidding wars, prices will rise sharply through the first half of the year before settling in the second half when a large portion of this year's best properties thin out. It's not so much that values will drop, but inventory quality will fade as fewer of the year's best listings will be available.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	587	-2%	867	-10%	0.7	9%
\$10k - 125k	76	-28%	121	1%	0.6	-29%
\$125k - 225k	146	-17%	312	-25%	0.5	11%
\$225k - 400k	153	16%	312	8%	0.5	8%
\$400k +	212	13%	122	-12%	1.7	28%

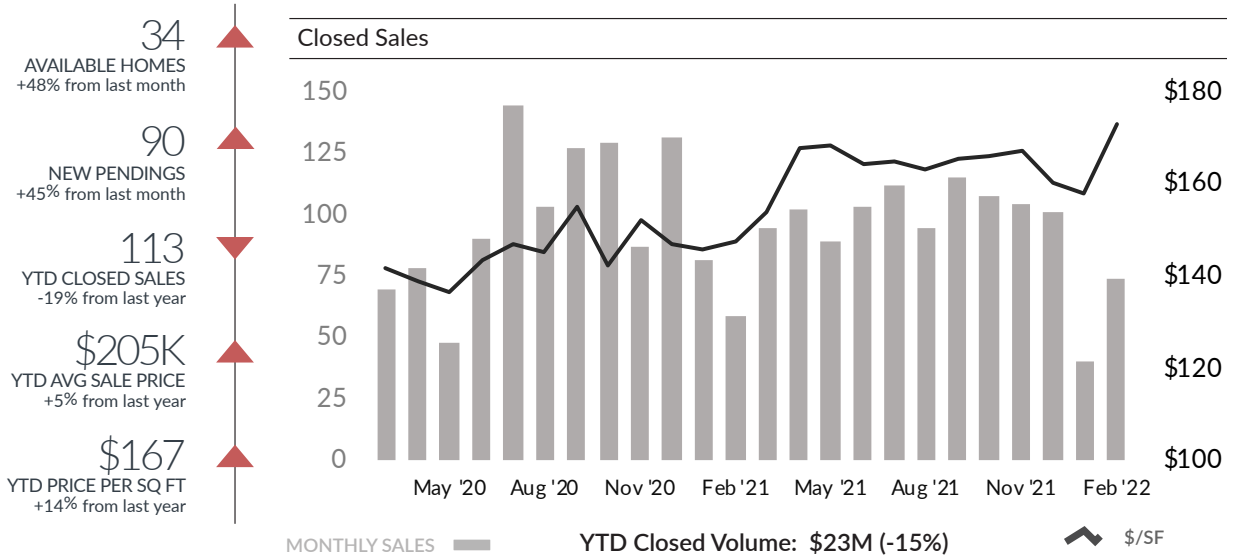
YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	1,397	-3%	8%	\$160	12%	27%
\$10k - 125k	192	-17%	-43%	\$94	9%	24%
\$125k - 225k	551	-4%	8%	\$145	6%	15%
\$225k - 400k	456	-5%	21%	\$169	14%	22%
\$400k +	198	25%	164%	\$189	11%	17%

Data source: Realcomp MLS using Great Lakes Repository Data.

St. Clair Shores

Single-Family Homes



Summary

As it was through the first half of last year, lack of inventory continues to be an issue for St. Clair Shores buyers. Available listings, which were below two dozen last month, were rising but still in the mid-thirties at the beginning of March. As seen in the chart above, last year's spring inventory shortages created bidding wars that caused prices (price per square foot is shown in the chart) to jump at a historically high rate from \$145/sf in January to \$168/sf by May. Many of the year's best properties are listed early in the year. They cause bidding wars and sell within days of their arrival. Later in the year, the pool of available listings will have proportionally fewer of the best listings and average price will fade. Expect a similar pattern of activity as we move through 2022.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	34	48%	90	45%	0.4	2%
\$10k - 150k	2	0%	9	50%	0.2	-33%
\$150k - 200k	13	30%	39	44%	0.3	-10%
\$200k - 250k	9	200%	24	4%	0.4	188%
\$250k +	10	25%	18	200%	0.6	-58%

YTD Closed Activity

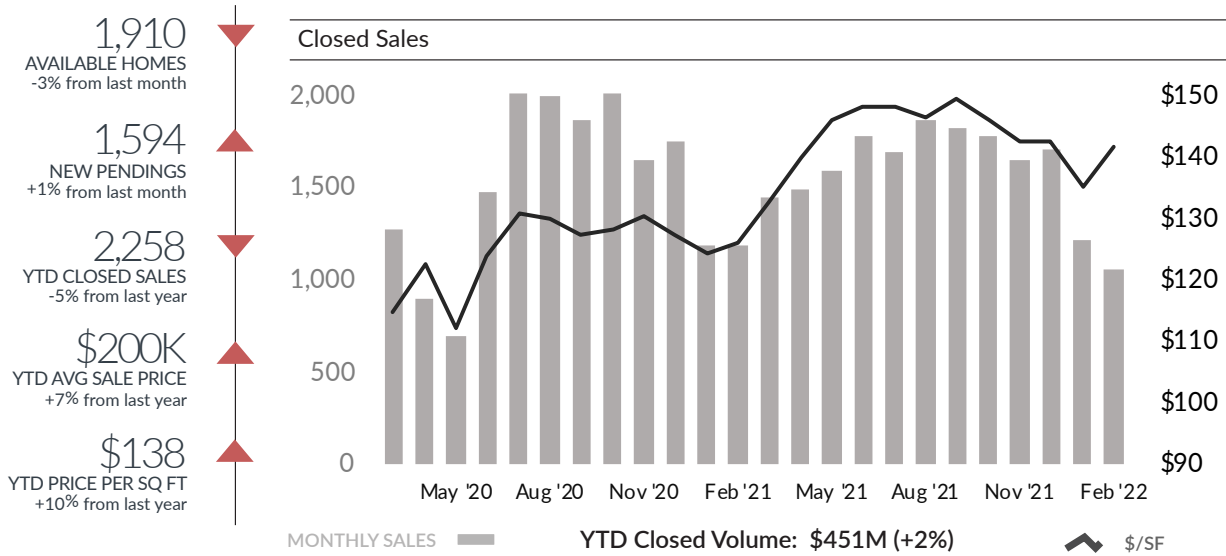
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	113	-19%	-8%	\$167	14%	23%
\$10k - 150k	12	-52%	-72%	\$124	12%	8%
\$150k - 200k	54	-27%	-11%	\$163	7%	15%
\$200k - 250k	30	30%	650%	\$181	16%	19%
\$250k +	17	0%	13%	\$177	15%	21%

Data source: Realcomp MLS using Great Lakes Repository Data.

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Wayne County

Single-Family Homes



Summary

Expect this year's activity chart to look like the one above. Depleted and picked-over inventory levels have been limiting sales—down 5% YTD. Between last September and January, prices declined each month. It wasn't so much that values were dropping, but rather there were fewer prime listings in the mix of what was available. Prices are back on the rise and market times are declining as both new buyers and last year's carryover buyers jump on this year's fresh listings as quickly as they arrive in order to lock in today's lower interest rates. The best will sell fast and high and drive the price per square foot curve up as it did last year. The market will settle in the second half when the arrival of new listings slows and most of the best ones are gone.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	1910	-3%	1594	1%	1.2	-4%
\$10k - 100k	979	-5%	410	-1%	2.4	-4%
\$100k - 200k	516	-1%	653	-1%	0.8	0%
\$200k - 400k	249	-4%	404	7%	0.6	-10%
\$400k +	166	0%	127	0%	1.3	0%

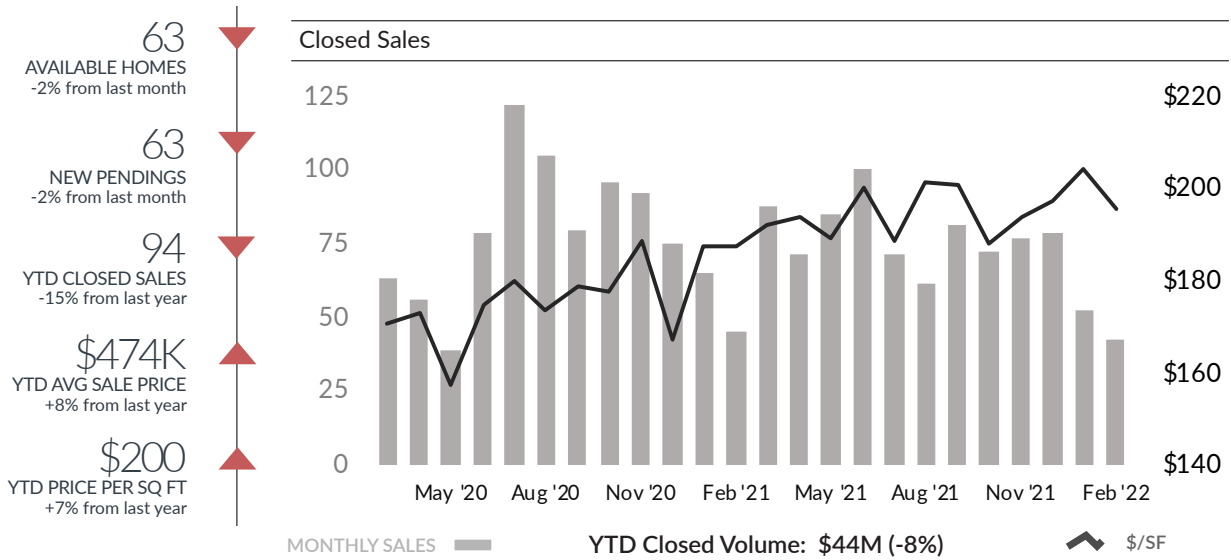
YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	2,258	-5%	-2%	\$138	10%	29%
\$10k - 100k	538	-15%	-34%	\$55	4%	15%
\$100k - 200k	919	-5%	6%	\$129	6%	17%
\$200k - 400k	617	3%	24%	\$161	9%	21%
\$400k +	184	6%	60%	\$204	12%	15%

Data source: Realtor MLS using Great Lakes Repository Data.

Grosse Pointe

Single-Family Homes



Summary

Depleted and picked-over inventory is limiting buyer choices and restricting sales. YTD sales are 15% behind last year's pace. Between new buyers and carryover buyers still looking from last year, there's no shortage of demand. Expect to see fierce bidding wars drive up prices sharply again this spring as buyers try to outbid each other in their attempt to land a deal before rising interest rates further limit purchasing power. Already, new pendings and new listings are moving hand-in-hand, with 49% of listings selling and being marked as pending in less than 10 days. Both buyers and sellers who have a move on their horizon should do so while prices and rates are still favorable. A jump from a 3% to 4% rate creates a 25% increase in interest.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	63	-2%	63	-2%	1.0	0%
\$10k - 250k	2	-33%	5	0%	0.4	-33%
\$250k - 400k	10	-38%	22	-15%	0.5	-26%
\$400k - 750k	26	30%	31	11%	0.8	17%
\$750k +	25	0%	5	0%	5.0	0%

YTD Closed Activity

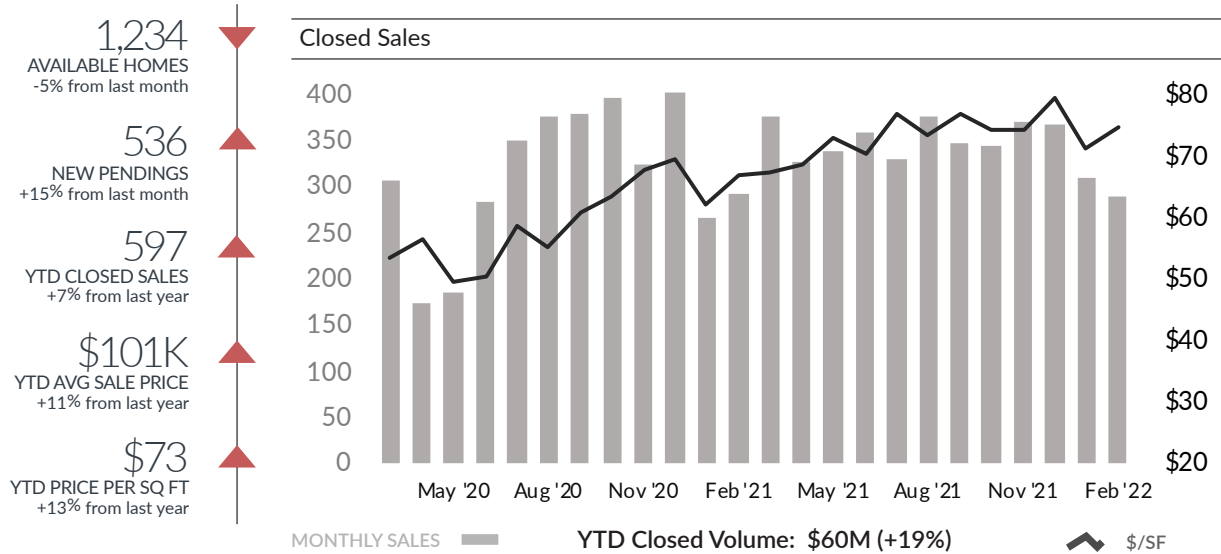
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	94	-15%	13%	\$200	7%	22%
\$10k - 250k	3	-70%	-81%	\$122	-15%	-2%
\$250k - 400k	38	-22%	-5%	\$172	11%	18%
\$400k - 750k	42	11%	83%	\$188	1%	9%
\$750k +	11	-15%	175%	\$264	10%	1%

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

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Detroit

Single-Family Homes



Summary

Although the number of new listings is increasing, a 15% rise in last month's new pendings caused a 5% drop in available homes. YTD closed sales are up 7% compared to last year while both average sale price and price per square foot are showing double-digit increases of 11% and 13%. There's no shortage of buyers who are interested in buying homes in Detroit, their challenge is finding move-in-ready homes at affordable prices. Thirty-eight percent of Detroit sales took 10 days or less and about one quarter of them are selling at or above full price. For anyone looking to buy or sell soon, making that move sooner as opposed to later would be wise. Rising interest rates reduces purchasing power.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1234	-5%	536	15%	2.3	-17%
\$5k - 30k	131	15%	33	-13%	4.0	32%
\$30k - 100k	794	-7%	287	6%	2.8	-12%
\$100k - 200k	223	-6%	157	51%	1.4	-38%
\$200k +	86	-9%	59	11%	1.5	-18%

YTD Closed Activity

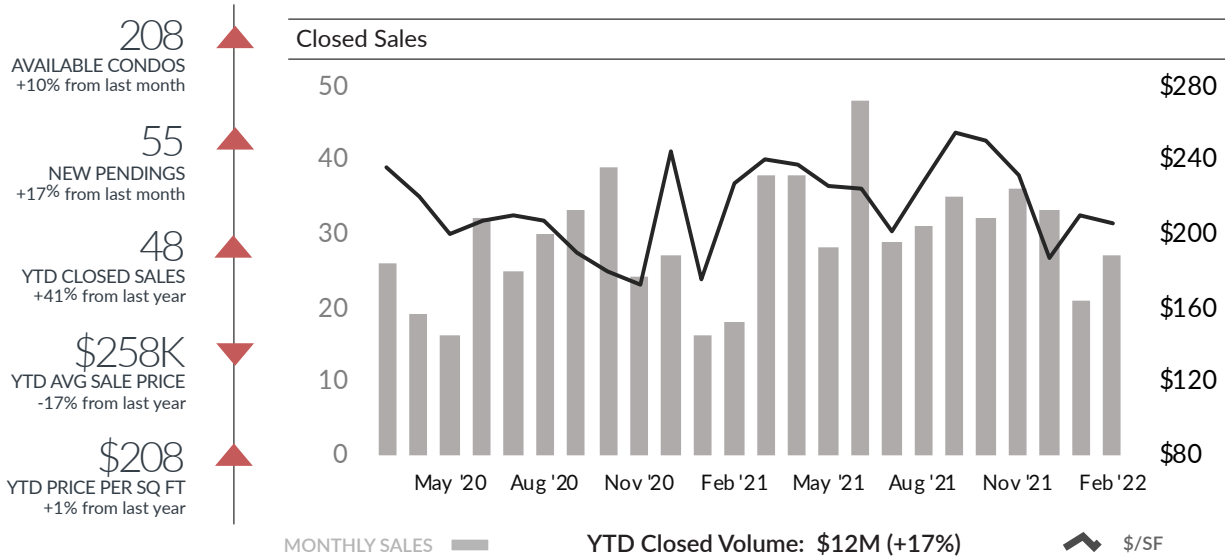
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	597	7%	3%	\$73	13%	46%
\$5k - 30k	73	-13%	-66%	\$16	-8%	0%
\$30k - 100k	329	7%	31%	\$52	13%	27%
\$100k - 200k	125	8%	62%	\$94	4%	25%
\$200k +	70	43%	94%	\$119	6%	3%

Data source: Realcomp MLS using Great Lakes Repository Data.

MARCH 2021
HOUSING REPORT

Detroit

Condos/Lofts



Summary

Condo inventory, which had previously been declining, rose by 10% last month. Expect it to continue to rise monthly into the fall. With the rise of listings, new pendings were also up by 17%. YTD sales are up 41%, but average price is down 17%. The drop in average price is primarily due to the increase in lower-end sales while the number of upper-end sales has been nearly the same as last year. The 1% increase in price per square foot corroborates that those values are roughly level with last year. The arrival of additional supply via new developments will provide more competition for sellers. Look for condo sales to continue making a comeback as more businesses bring employees back to the office and as projects like Ford's move into the train station proceed.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	208	10%	55	17%	3.8	-6%
\$10k - 150k	42	17%	4	-67%	10.5	250%
\$150k - 300k	61	22%	24	33%	2.5	-9%
\$300k - 500k	51	9%	17	143%	3.0	-55%
\$500k +	54	-4%	10	0%	5.4	-4%

YTD Closed Activity

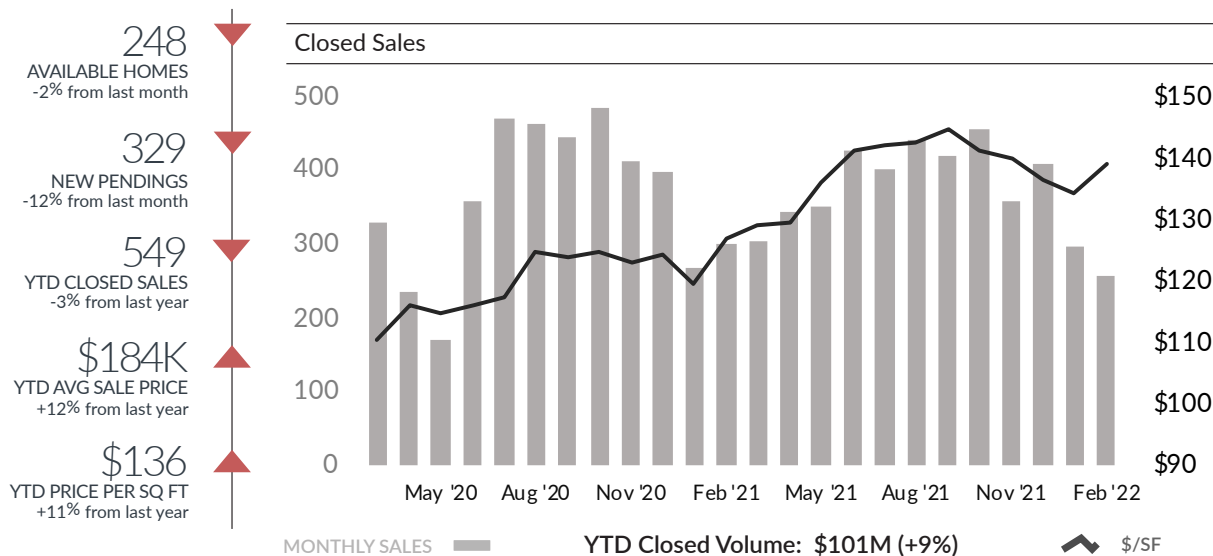
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	48	41%	17%	\$208	1%	4%
\$10k - 150k	10	43%	-23%	\$77	37%	54%
\$150k - 300k	21	163%	91%	\$197	20%	-12%
\$300k - 500k	13	-13%	18%	\$254	9%	2%
\$500k +	4	0%	-33%	\$287	-6%	-26%

Data source: Realcomp MLS using Great Lakes Repository Data.

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Downriver

Single-Family Homes



Summary

Demand remains high, but the lack of inventory continues to be an issue for Downriver buyers. With only 248 available listings as the market moved into March and 329 new pendings last month, the market is running on just a 20-day supply of inventory. Expect bidding wars to drive up prices like they did in the first half of last year. As seen in the chart above, prices jumped from \$119/sf in January to \$144/sf by September. Although demand remained unquenched, sales and prices settled as the arrival of fresh new listings slowed and most of the year's best properties were no longer available—they sell quickest and for the most money. Expect this year's chart to follow the same patterns as last year. Be ready to jump on the best listings as soon as they arrive.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	248	-2%	329	-12%	0.8	11%
\$10k - 75k	20	0%	11	-21%	1.8	27%
\$75k - 125k	40	-17%	53	-35%	0.8	27%
\$125k - 250k	110	4%	191	-12%	0.6	18%
\$250k +	78	-1%	74	21%	1.1	-19%

YTD Closed Activity

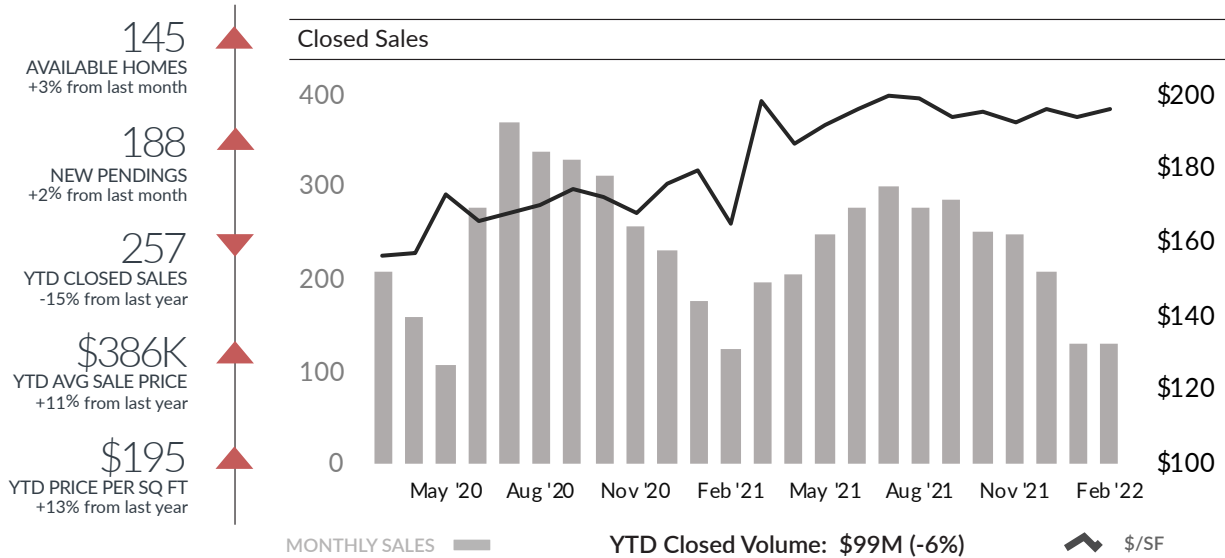
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	549	-3%	-1%	\$136	11%	28%
\$10k - 75k	25	-39%	-68%	\$56	-3%	-1%
\$75k - 125k	107	-26%	-39%	\$103	2%	10%
\$125k - 250k	319	3%	37%	\$140	8%	26%
\$250k +	98	32%	42%	\$156	9%	15%

Data source: Realcomp MLS using Great Lakes Repository Data.

MARCH 2021
HOUSING REPORT

Livingston County

Single-Family Homes



Summary

Demand remains strong, but lack of inventory (just a 3-week supply) continues to hinder sales. YTD closed sales are down 15%, but both average sale price and price per square foot are up—11% and 13%. As seen in the chart above, there was a tremendous jump in price per square foot, from \$165/sf in February to \$200/sf by July. Market activity and prices settled for the balance of the year—not because demand dropped off, but rather because the arrival of prime new listings was slowing. The large increase in price was driven by bidding wars for the best listings, which sold as soon as they hit the market. As new listing inventory faded, the bidding wars and sales faded. Expect to see a similar pattern as buyers try to land a deal with a still-available low interest rate.

Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	145	3%	188	2%	0.8	1%
\$10k - 200k	9	29%	9	-50%	1.0	157%
\$200k - 300k	11	-15%	38	-7%	0.3	-9%
\$300k - 500k	50	-2%	97	21%	0.5	-19%
\$500k +	75	7%	44	-4%	1.7	12%

YTD Closed Activity

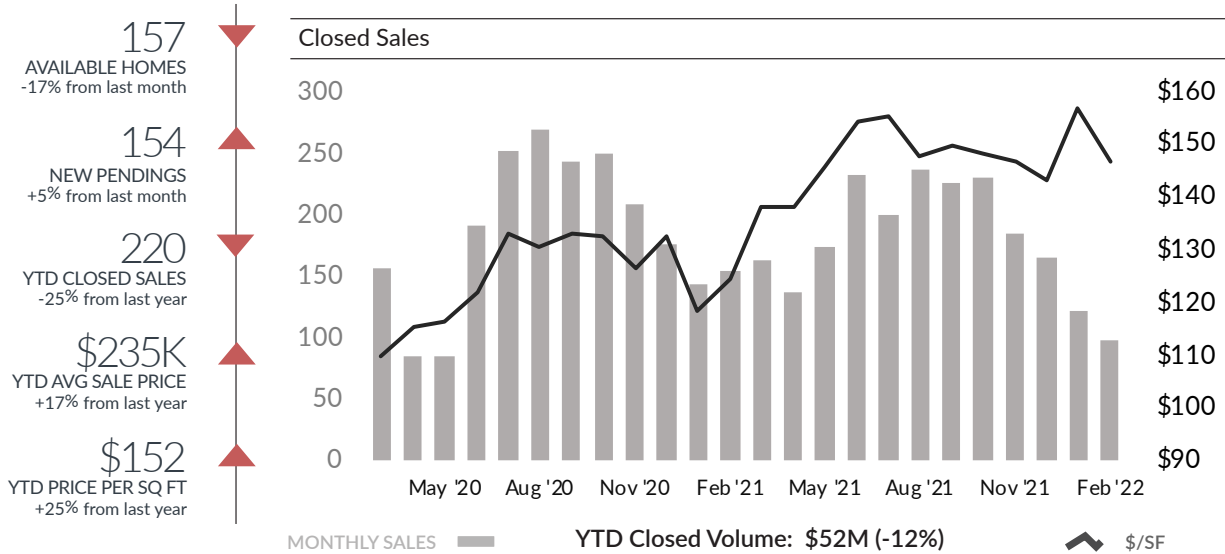
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	257	-15%	-24%	\$195	13%	31%
\$10k - 200k	18	-50%	-67%	\$114	-2%	-1%
\$200k - 300k	72	-24%	-45%	\$179	14%	25%
\$300k - 500k	118	-6%	-9%	\$183	6%	20%
\$500k +	49	9%	158%	\$240	15%	20%

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

MARCH 2022
HOUSING REPORT

St. Clair County

Single-Family Homes



Summary

Demand remains strong and there was a one-month supply of inventory heading into March, about the same number of available listing as new pendings from the previous month. Last year prices shot up like a rocket in the first half as buyer pounced on fresh new listings. The best listings fueled fierce bidding wars. The market settled in the second half. It wasn't so much that demand fell off, but as the arrival of the new listings slowed, there were proportionally fewer prime listings that drove the bidding and higher prices. Expect to see a similar pattern this year as buyers try to land a deal before interest rates have time to move. A one percent rate shift from 3% to 4% creates a 25% increase in interest—not good for buyers or sellers.

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	157	-17%	154	5%	1.0	-21%
\$10k - 100k	20	-73%	15	-79%	1.3	26%
\$100k - 200k	43	10%	60	54%	0.7	-28%
\$200k - 400k	55	6%	62	88%	0.9	-44%
\$400k +	39	63%	17	325%	2.3	-62%

YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	220	-25%	-8%	\$152	25%	39%
\$10k - 100k	23	-49%	-60%	\$61	2%	13%
\$100k - 200k	84	-35%	-19%	\$131	17%	26%
\$200k - 400k	93	-7%	29%	\$159	17%	18%
\$400k +	20	0%	233%	\$215	41%	30%

Data source: Realtor MLS using Great Lakes Repository Data.