

HOUSING REPORT

SOUTHEAST MICHIGAN | MAY 2022



Interest Rate Challenges/Opportunities

The past few years have seen dramatic market shifts with extraordinarily low supplies combined with high demand, which became extreme when the pandemic instantly changed our housing needs by having us working and schooling from home.

Over the past few months, we've been experiencing our newest sharp market turn—the jump in interest rates. Rates continue to yo-yo but have nearly doubled—jumping from roughly three percent the beginning of the year to the five-to-six percent range. The historic low rates we've enjoyed and have taken for granted may have permanently passed back into history.

Higher rates affect buyers and sellers equally. They cut directly into the prices buyers can afford to pay. Having fewer qualified buyers for a given price cuts demand for that property. Most sellers are also buyers somewhere in the process as they obtain their replacement home. Higher rates affect everyone in the process.

Purchasing Power

Currently the average sales price across Southeast Michigan is roughly \$300,000. With a 30-year mortgage, the principle and interest would be:

\$1,011 at 3%

\$1,145 at 4%

\$1,288 at 5%, and

\$1,438 at 6%.

A small jump in interest rate affects purchasing power as much as a large jump in price.

Over the past couple of years, many of our housing needs have changed and we all must live somewhere. Year-to-date sales are down just 4% (from last year's incredible sales levels), but average price is up 7%.

Although the balance is shifting, demand remains high in proportion to supply, and there's a huge pool of buyers still waiting to jump on the right home the minute it hits the market.

While rising rates will knock some buyers out of the batter's box, most are motivated enough that a return to more historically normal interest rates won't deter them.

Buyer Opportunities

1. **Less Competition:** Higher interest rates have taken some of the sharp edge off buyer competition. Less extreme competition increases a buyers chance of landing the deal.
2. **Rising Prices:** So long as there is a shortage of affordable homes (there will be for the next few years), long-run prices will rise. Although today's buyers may have missed the boat with interest rates, it still makes sense to lock in on price.
3. **Ratcheting in Rates:** With uncertainty about rising interest rates, buying today ensures you are locked in if future rates rise. If future rates fall, simply refinance. Either way, you eliminate the risk of higher future rates you'd have if you were to wait.

Seller Opportunities

Despite recent market challenges, there have never been more people living in the wrong home for their needs. Demand remains high. While the pandemic has financially challenged many, others have benefitted with increased savings. There remains an extreme shortage of nice move-in-ready homes and a big surplus of hungry buyers looking for them. Market times remain extremely low for new move-in-ready listings.

MAY 2022
HOUSING REPORT

Southeast Michigan

5-County Summary

4,456
AVAILABLE LISTINGS
+14% from last month

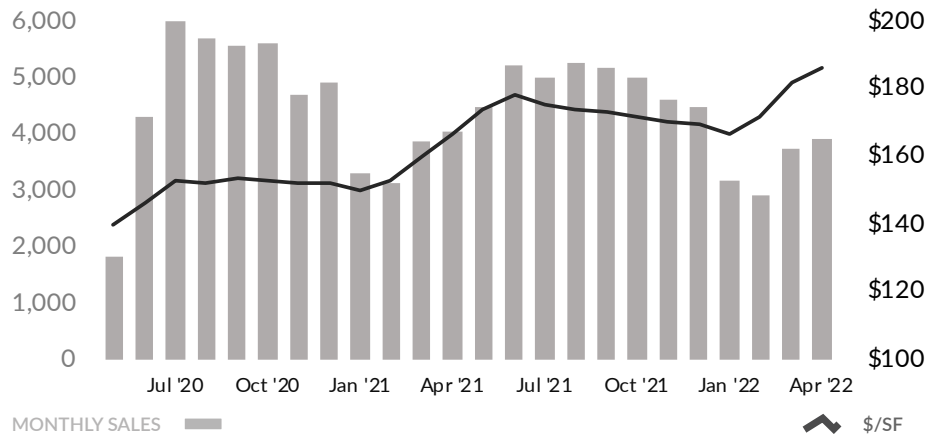
4,725
NEW PENDINGS
+6% from last month

13,659
YTD CLOSED SALES
-4% from last year

\$293K
YTD AVG SALE PRICE
+7% from last year

\$177
YTD PRICE PER SQ FT
+12% from last year

Closed Single-Family Home Sales



YTD Closed Volume: \$4B (+3%)

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	4,456	14%	4725	6%	0.9	8%
\$10k - 150k	1,534	7%	1064	-3%	1.4	10%
\$150k - 250k	707	14%	1335	6%	0.5	8%
\$250k - 500k	1,141	19%	1708	11%	0.7	7%
\$500k +	1,074	20%	618	9%	1.7	10%

YTD Closed Activity

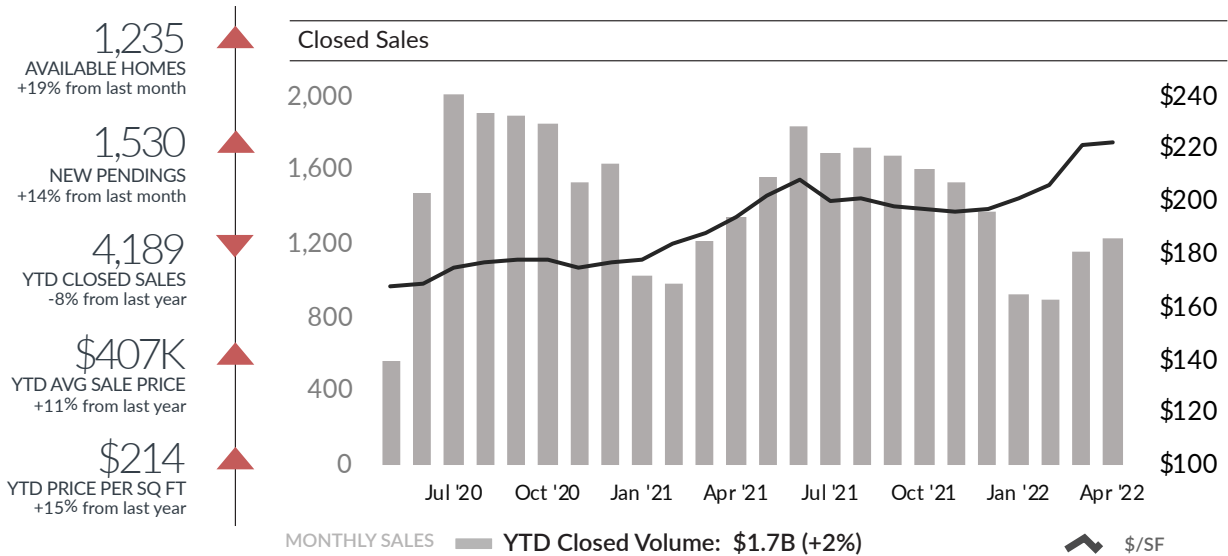
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	13,659	-4%	12%	\$177	12%	30%
\$10k - 150k	3,340	-10%	-20%	\$89	5%	12%
\$150k - 250k	3,952	-8%	6%	\$157	7%	18%
\$250k - 500k	4,731	-3%	31%	\$186	11%	24%
\$500k +	1,636	18%	131%	\$243	12%	16%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Oakland County

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1,235	19%	1530	14%	0.8	4%
\$10k - 200k	141	0%	247	-2%	0.6	2%
\$200k - 400k	286	9%	699	17%	0.4	-7%
\$400k - 800k	529	37%	483	22%	1.1	13%
\$800k +	279	10%	101	9%	2.8	2%

YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	4,189	-8%	6%	\$214	15%	32%
\$10k - 200k	760	-21%	-35%	\$136	3%	13%
\$200k - 400k	1,945	-11%	3%	\$193	12%	26%
\$400k - 800k	1,184	-1%	55%	\$209	11%	20%
\$800k +	300	36%	152%	\$323	12%	15%

Data source: Realcomp MLS using Great Lakes Repository Data.

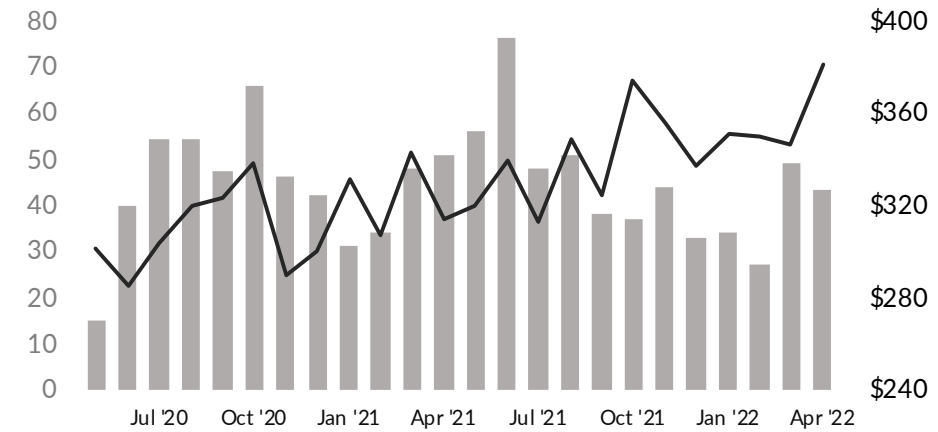
MAY 2022
HOUSING REPORT

Birmingham

Single-Family Homes



Closed Sales



MONTHLY SALES — YTD Closed Volume: \$142M (+4%)

▲ \$/SF

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	45	7%	45	-2%	1.0	10%
\$10k - 400k	1	-50%	4	-33%	0.3	-25%
\$400k - 800k	10	-9%	23	28%	0.4	-29%
\$800k - 1.4m	12	50%	8	-50%	1.5	200%
\$1.4m +	22	5%	10	67%	2.2	-37%

YTD Closed Activity

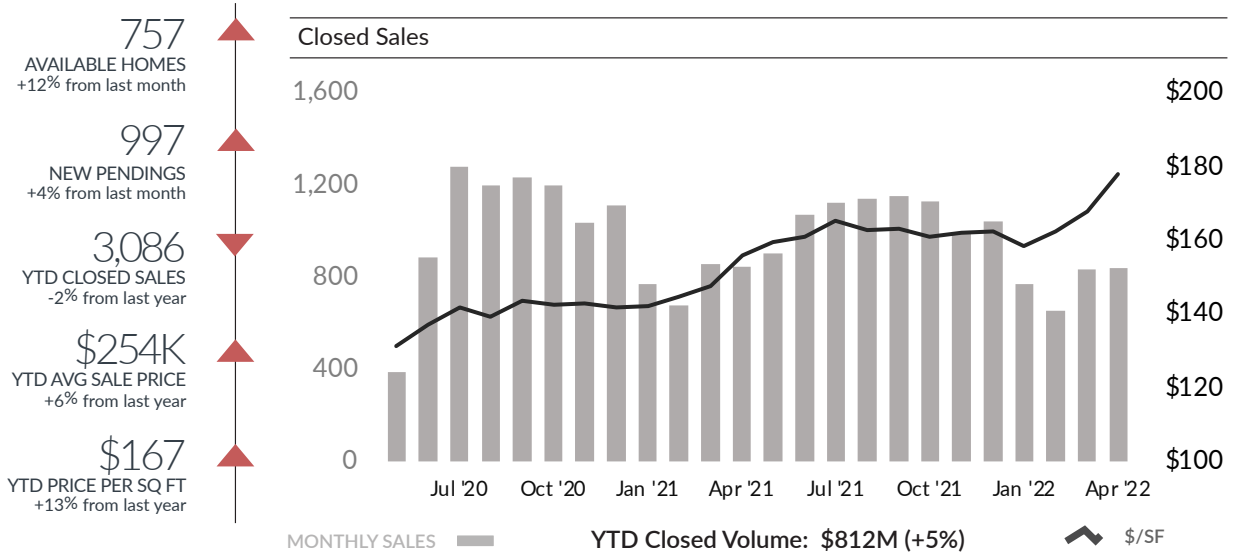
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	153	-7%	26%	\$358	10%	25%
\$10k - 400k	23	-36%	-26%	\$302	9%	24%
\$400k - 800k	63	2%	9%	\$284	2%	17%
\$800k - 1.4m	43	-7%	105%	\$340	10%	5%
\$1.4m +	24	20%	118%	\$478	10%	21%

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

MAY 2022
HOUSING REPORT

Macomb County

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	757	12%	997	4%	0.8	7%
\$10k - 125k	94	13%	114	15%	0.8	-2%
\$125k - 225k	164	9%	321	4%	0.5	5%
\$225k - 400k	209	13%	364	-4%	0.6	18%
\$400k +	290	12%	198	19%	1.5	-6%

YTD Closed Activity

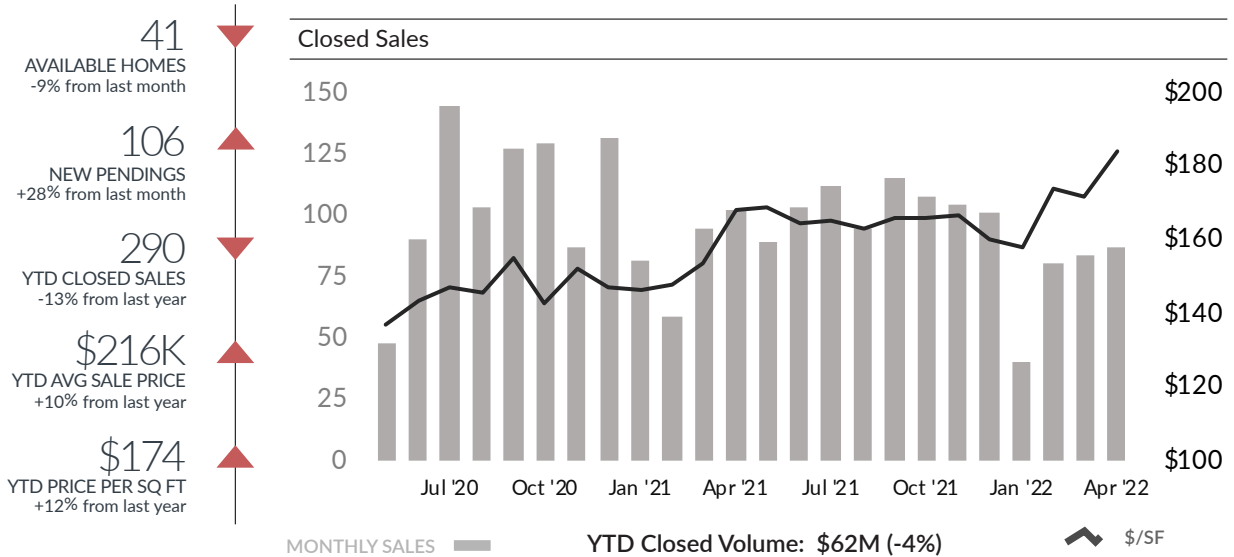
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	3,086	-2%	18%	\$167	13%	31%
\$10k - 125k	389	-11%	-34%	\$95	10%	22%
\$125k - 225k	1,108	-11%	2%	\$148	6%	17%
\$225k - 400k	1,092	3%	39%	\$175	14%	26%
\$400k +	497	26%	227%	\$194	14%	22%

Data source: Realtor MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

St. Clair Shores

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	41	-9%	106	28%	0.4	-29%
\$10k - 150k	4	300%	2	-75%	2.0	1500%
\$150k - 200k	6	-14%	36	33%	0.2	-36%
\$200k - 250k	24	41%	44	19%	0.5	19%
\$250k +	7	-65%	24	118%	0.3	-84%

YTD Closed Activity

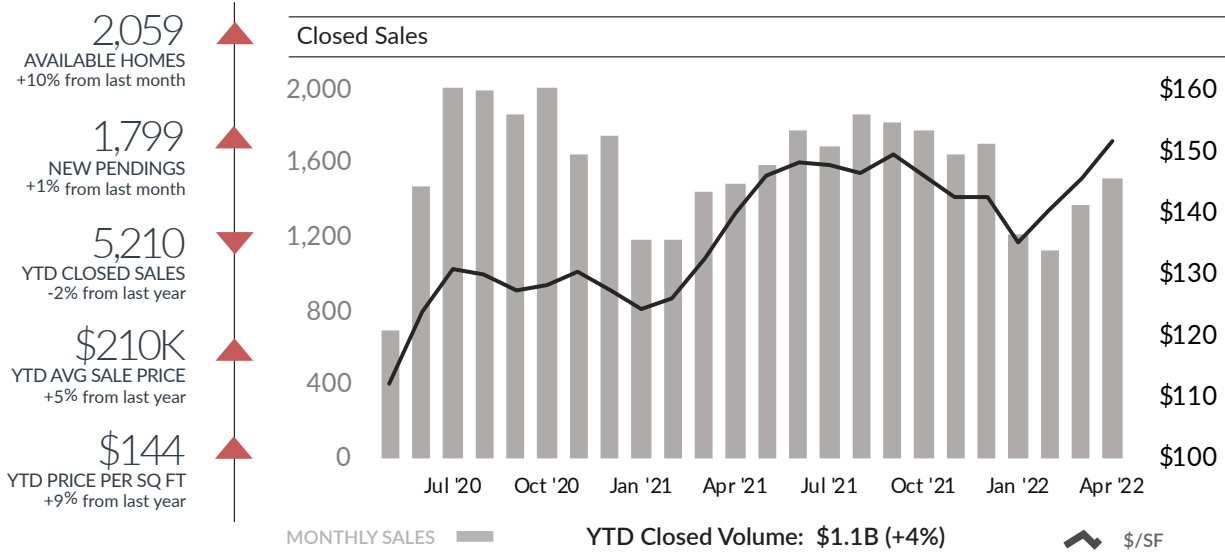
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	290	-13%	7%	\$174	12%	26%
\$10k - 150k	30	-49%	-62%	\$121	1%	5%
\$150k - 200k	103	-36%	-31%	\$162	5%	12%
\$200k - 250k	101	29%	381%	\$190	14%	37%
\$250k +	56	47%	155%	\$184	10%	22%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Wayne County

Single-Family Homes



Monthly Activity

	Listings	Change	New Pending	Change	Months Supply	Change
All	2,059	10%	1799	1%	1.1	9%
\$10k - 100k	997	7%	407	-2%	2.4	9%
\$100k - 200k	532	15%	682	-5%	0.8	21%
\$200k - 400k	305	9%	514	8%	0.6	0%
\$400k +	225	17%	196	11%	1.1	6%

YTD Closed Activity

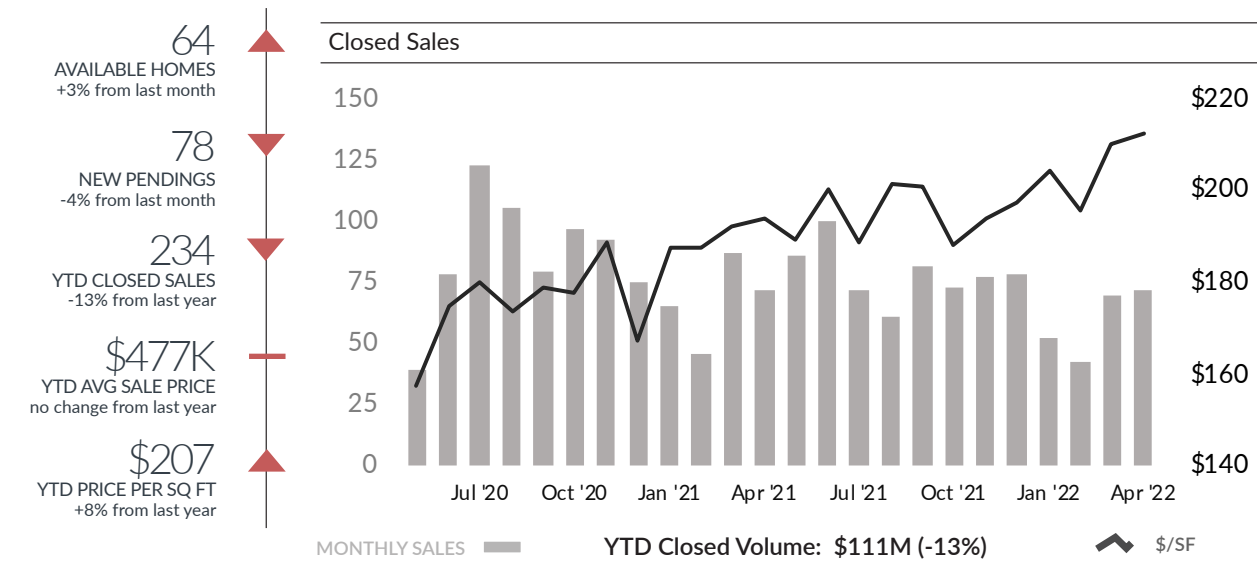
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	5,210	-2%	17%	\$144	9%	28%
\$10k - 100k	1,161	-13%	-19%	\$54	6%	12%
\$100k - 200k	2,053	-1%	20%	\$128	5%	14%
\$200k - 400k	1,497	6%	38%	\$168	10%	23%
\$400k +	499	2%	105%	\$210	11%	17%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Grosse Pointe

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	64	3%	78	-4%	0.8	7%
\$10k - 250k	3	-50%	10	-9%	0.3	-45%
\$250k - 400k	17	-11%	26	0%	0.7	-11%
\$400k - 750k	18	50%	28	-26%	0.6	104%
\$750k +	26	4%	14	133%	1.9	-55%

YTD Closed Activity

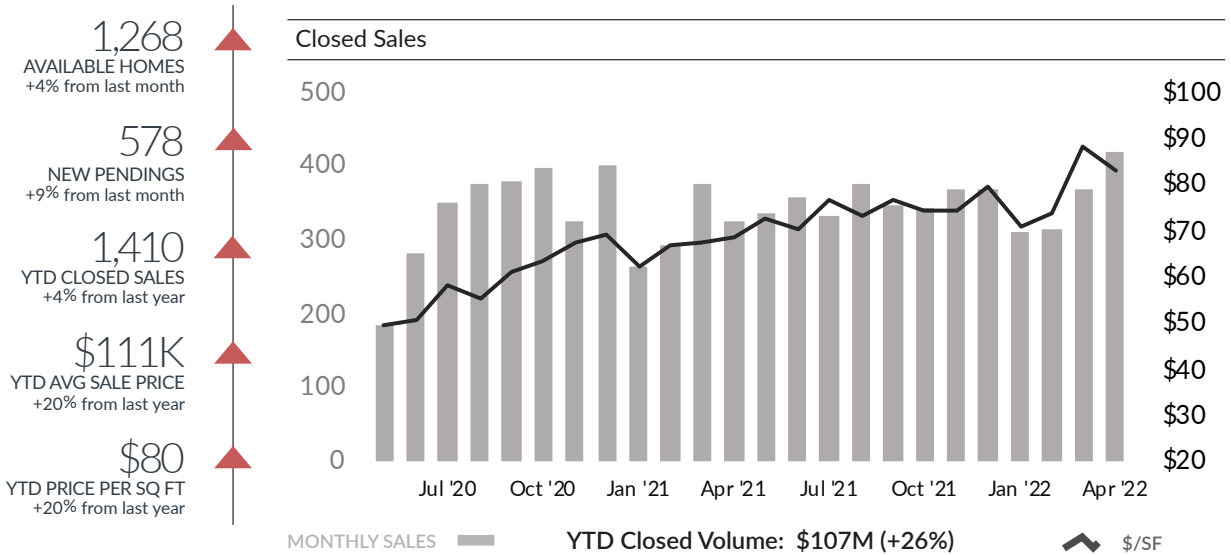
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	234	-13%	16%	\$207	8%	23%
\$10k - 250k	32	-22%	-48%	\$157	4%	18%
\$250k - 400k	95	-5%	25%	\$182	7%	19%
\$400k - 750k	85	-13%	73%	\$201	7%	15%
\$750k +	22	-24%	47%	\$277	16%	17%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Detroit

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	1,268	4%	578	9%	2.2	-5%
\$5k - 30k	123	-10%	62	55%	2.0	-42%
\$30k - 100k	805	6%	284	-1%	2.8	7%
\$100k - 200k	236	1%	169	17%	1.4	-13%
\$200k +	104	11%	63	7%	1.7	4%

YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	1,410	12%	33%	\$80	20%	53%
\$5k - 30k	150	-21%	-58%	\$17	0%	10%
\$30k - 100k	731	8%	56%	\$53	13%	23%
\$100k - 200k	367	35%	125%	\$97	6%	23%
\$200k +	162	36%	128%	\$138	17%	22%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Detroit

Condos/Lofts

214
AVAILABLE CONDOS
-4% from last month

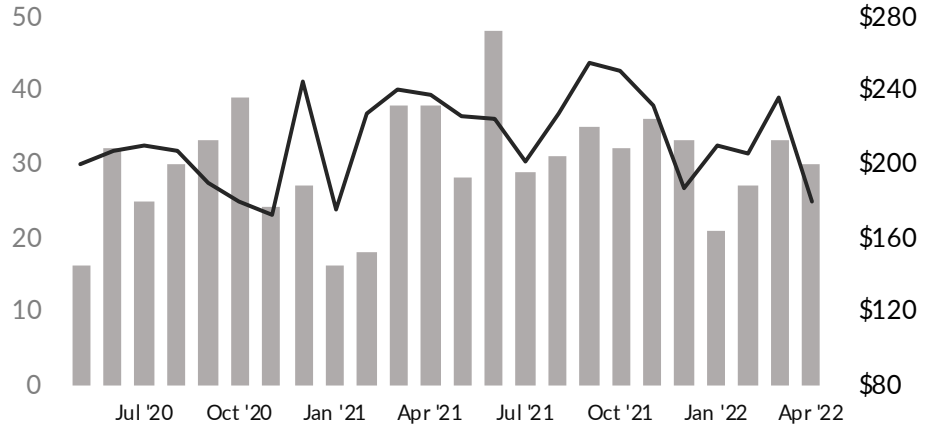
53
NEW PENDINGS
+39% from last month

111
YTD CLOSED SALES
+1% from last year

\$263K
YTD AVG SALE PRICE
-17% from last year

\$208
YTD PRICE PER SQ FT
-8% from last year

Closed Sales



MONTHLY SALES

YTD Closed Volume: \$29M (-16%)

\$/SF

Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	214	-4%	53	39%	4.0	-32%
\$10k - 150k	33	-15%	13	63%	2.5	-48%
\$150k - 300k	66	6%	21	40%	3.1	-24%
\$300k - 500k	61	-6%	11	10%	5.5	-15%
\$500k +	54	-7%	8	60%	6.8	-42%

YTD Closed Activity

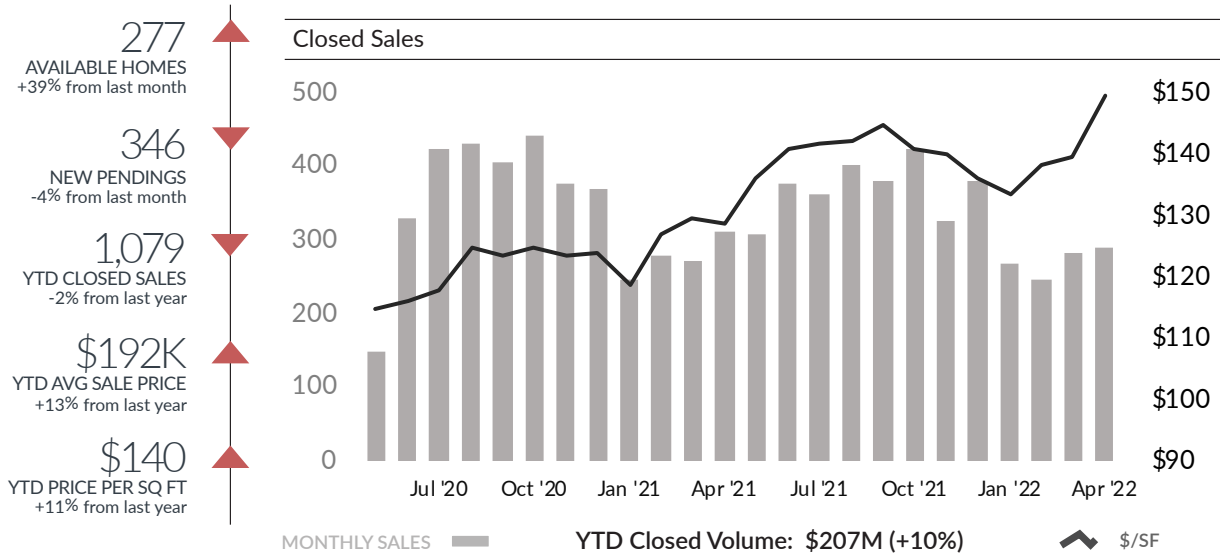
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	111	1%	29%	\$208	-8%	-3%
\$10k - 150k	28	47%	4%	\$88	30%	55%
\$150k - 300k	44	26%	83%	\$187	4%	-8%
\$300k - 500k	28	-32%	27%	\$264	6%	-2%
\$500k +	11	-27%	-15%	\$302	-15%	-17%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Downriver

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	277	39%	346	-4%	0.8	44%
\$10k - 75k	26	30%	12	9%	2.2	19%
\$75k - 125k	36	24%	47	-30%	0.8	77%
\$125k - 250k	158	111%	256	31%	0.6	61%
\$250k +	57	-24%	31	-64%	1.8	108%

YTD Closed Activity

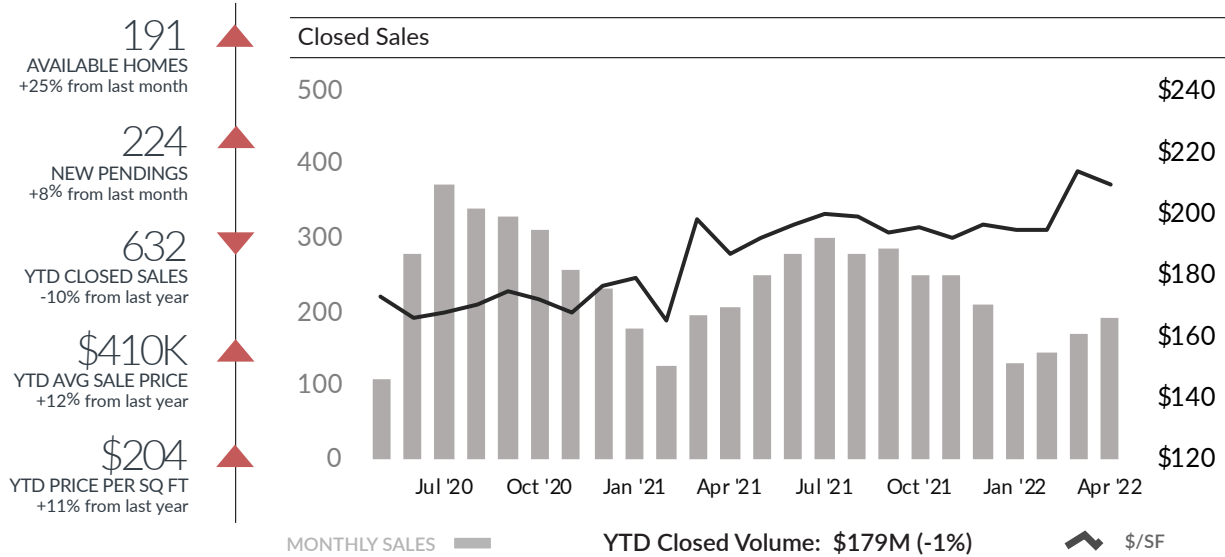
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	1,079	-2%	5%	\$140	11%	28%
\$10k - 75k	50	-39%	-60%	\$56	6%	1%
\$75k - 125k	202	-24%	-32%	\$100	-2%	6%
\$125k - 250k	728	4%	27%	\$145	8%	22%
\$250k +	99	90%	230%	\$172	12%	18%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

Livingston County

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	191	25%	224	8%	0.9	16%
\$10k - 200k	4	-60%	12	9%	0.3	-63%
\$200k - 300k	21	91%	45	13%	0.5	70%
\$300k - 500k	79	30%	114	15%	0.7	12%
\$500k +	87	23%	53	-9%	1.6	34%

YTD Closed Activity

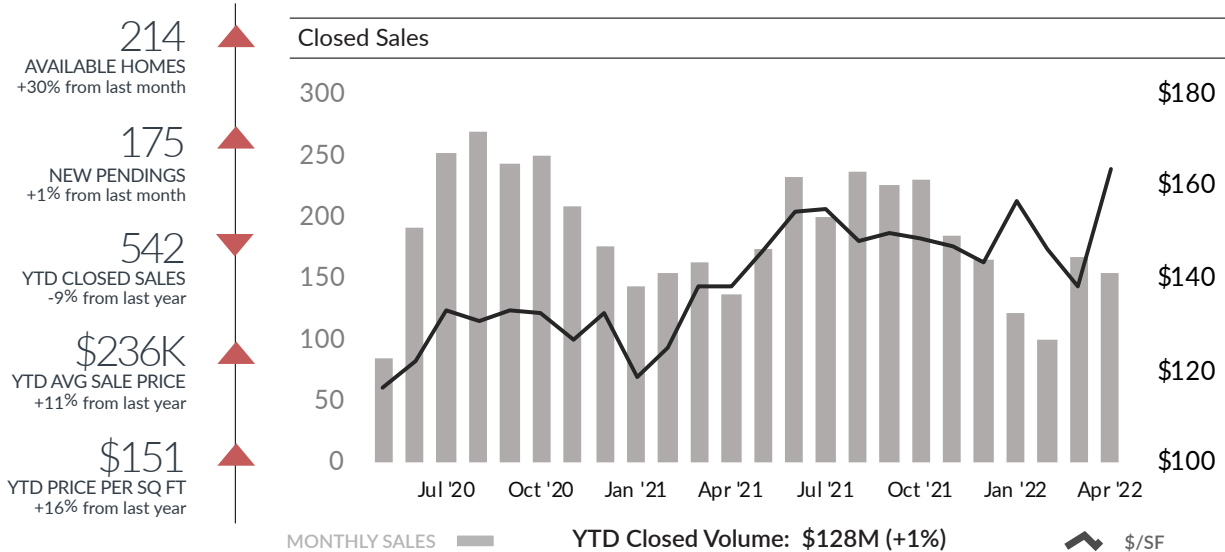
	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	632	-10%	-10%	\$204	11%	33%
\$10k - 200k	37	-41%	-62%	\$109	-15%	-8%
\$200k - 300k	147	-33%	-49%	\$182	11%	25%
\$300k - 500k	296	-6%	14%	\$194	7%	26%
\$500k +	152	43%	162%	\$239	5%	22%

Data source: Realcomp MLS using Great Lakes Repository Data.

MAY 2022
HOUSING REPORT

St. Clair County

Single-Family Homes



Monthly Activity

	Listings	Change	New Pendings	Change	Months Supply	Change
All	214	30%	175	1%	1.2	30%
\$10k - 100k	19	6%	18	0%	1.1	6%
\$100k - 200k	47	9%	71	-3%	0.7	12%
\$200k - 400k	94	57%	72	36%	1.3	15%
\$400k +	54	26%	14	-53%	3.9	169%

YTD Closed Activity

	YTD Closed	22 v 21	22 v 20	\$/SF	22 v 21	22 v 20
All	542	-9%	13%	\$151	16%	37%
\$10k - 100k	58	-26%	-41%	\$58	-9%	6%
\$100k - 200k	212	-15%	0%	\$126	13%	22%
\$200k - 400k	212	-6%	33%	\$161	13%	20%
\$400k +	60	40%	567%	\$209	16%	29%

Data source: Realtor MLS using Great Lakes Repository Data.