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Housing Report

FEBRUARY 2024

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Washtenaw County

Michigan Property Taxes in a Nutshell

Year	Inflation Rate	Inflation Rate Multipliers
1995	2.6%	1.026
1996	2.8%	1.028
1997	2.8%	1.028
1998	2.7%	1.027
1999	1.6%	1.016
2000	1.9%	1.019
2001	3.2%	1.032
2002	3.2%	1.032
2003	1.5%	1.015
2004	2.3%	1.023
2005	2.3%	1.023
2006	3.3%	1.033
2007	3.7%	1.037
2008	2.3%	1.023
2009	4.4%	1.044
2010	-0.3%	0.997
2011	1.7%	1.017
2012	2.7%	1.027
2013	2.4%	1.024
2014	1.6%	1.016
2015	1.6%	1.016
2016	0.3%	1.003
2017	0.9%	1.009
2018	2.1%	1.021
2019	2.4%	1.024
2020	1.9%	1.019
2021	1.4%	1.014
2022	3.3%	1.033
2023	7.9% (5% Cap)	1.079 1.050
2024	5.1% (5% Cap)	1.051 1.050

Relevant:

1. Current SEV
2. Does SEV exceed 50% of the True Cash Value of the home?
3. Likely adjustments to next year's SEV based on past year's changes in home prices. Ask Assessor

Irrelevant:

1. Current Taxes
2. Tax amounts paid by neighbors
3. Fairness—while it's not fair to pay 2x the taxes as your neighbor for identical properties, it might be correct and valid depending on the timing of their purchase.

After several years of rapidly rising prices and mild inflation (until the past two years) homebuyers and sellers need to be aware of the potential for a significant jump between existing taxes and future taxes after the sale.

Michigan's Headlee Amendment was passed in 1994. Its goal was to limit tax increases during periods of rapid rising prices so that people with fixed incomes wouldn't be taxed out of their homes. Headlee limits/caps how much a homeowner's taxable assessment can be raised—the lesser of the prior year's rate of inflation or 5%.

State Equalized Values are based on property value. Between 2012 and 2023 property values in Southeast Michigan rose 145%, but capped values (base on inflation) for property owners that remained in their homes during that period rose just 19%.

A seller's current taxes are usually irrelevant as a predictor of future taxes.

Since Headlee, Michigan property tax assessments contain three values:

- **State Equalized Value (SEV):** 50% of the assessor's estimate of the true cash value of the home as of December 31st of the prior year.
- **Capped Value:** Last year's Taxable Value multiplied by the lesser of the inflation rate or 5%.
- **Taxable Value:** The lesser of the SEV or Capped Value.

At some point in the past, an assessor estimated the value of each property. Since then, assessors have mathematically adjusted the value based on their sales statistics for that neighborhood. This may go on for years or decades without an assessor revisiting the property.

When a Home Sells: In Michigan, on January first, after a home sells, the previous owner's Capped Value and Taxable Value are discarded and the SEV (adjusted for last year's statistical gains or losses for that neighborhood) becomes the new starting point.

What a previous seller or their neighbors paid for taxes is irrelevant. What the buyer pays may also be irrelevant unless: 1.) the SEV is greater than 50% of the sale price; and 2.) the new owner can establish that what they paid is the market/true cash value of the property.

January 1st after you buy:

Taxable and Capped Values are discarded.
New cap and taxable values are set equal to the SEV

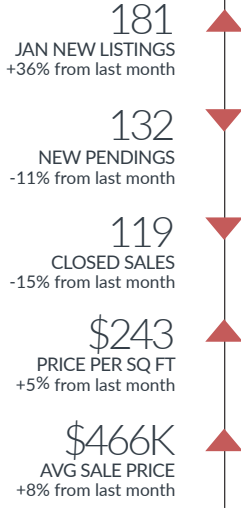
$$\text{SEV} = \text{Taxable} = \text{Capped}$$

$$\text{Taxes} = \text{Taxable Value} \times \text{Millage Rate}$$

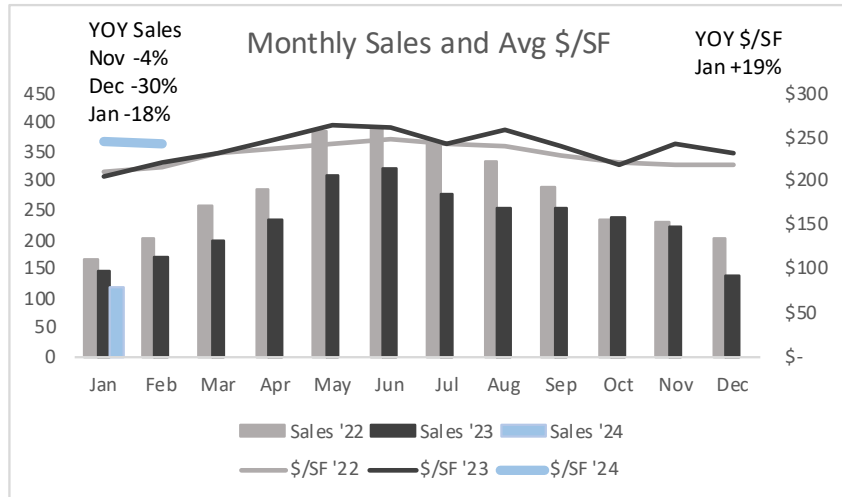
Washtenaw County

Single-Family Homes

MONTHLY



Closed Sales



All Price Ranges

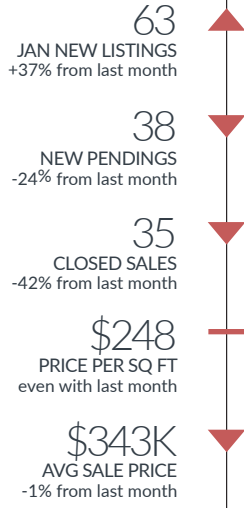
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	201	133	181	189	181	-4%
New Pending	213	148	132	180	132	-27%
Closed Sales	220	140	119	146	119	-18%
Price/SF	\$241	\$232	\$243	\$204	\$243	19%
Avg Price	\$455,205	\$429,451	\$465,530	\$367,956	\$465,530	27%
<\$300k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	55	36	37	48	37	-23%
New Pending	53	40	38	68	38	-44%
Closed Sales	54	35	30	57	30	-47%
Price/SF	\$167	\$179	\$175	\$166	\$175	5%
\$300k-\$600k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	107	79	112	100	112	12%
New Pending	112	78	78	93	78	-16%
Closed Sales	115	80	67	78	67	-14%
Price/SF	\$227	\$228	\$230	\$205	\$230	12%
>\$600k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	39	18	32	41	32	-22%
New Pending	48	30	16	19	16	-16%
Closed Sales	51	25	22	11	22	100%
Price/SF	\$298	\$266	\$300	\$283	\$300	6%

Data source: Realcomp MLS using Great Lakes Repository Data.

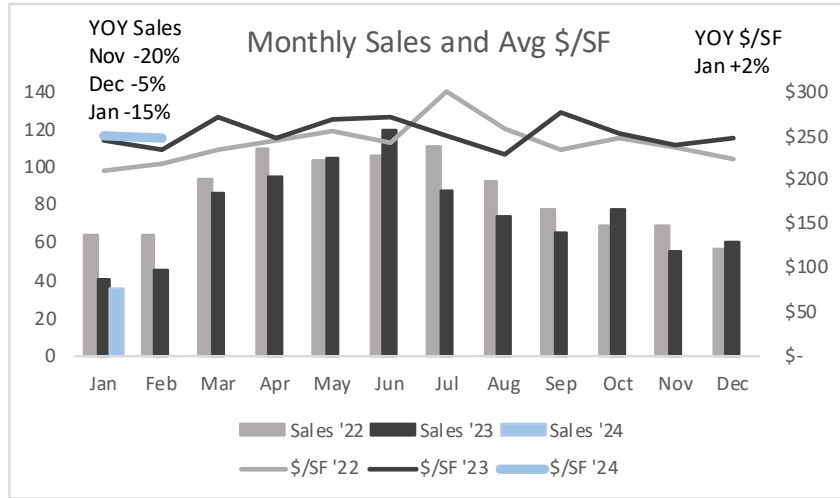
Washtenaw County

Condominiums

MONTHLY



Closed Sales



All Price Ranges						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	75	46	63	60	63	5%
New Pendings	87	50	38	53	38	-28%
Closed Sales	55	60	35	41	35	-15%
Price/SF	\$240	\$248	\$248	\$244	\$248	2%
Avg Price	\$309,813	\$347,202	\$342,924	\$339,771	\$342,924	1%
<\$250k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	25	15	18	12	18	50%
New Pendings	27	17	9	17	9	-47%
Closed Sales	23	16	13	16	13	-19%
Price/SF	\$203	\$181	\$193	\$181	\$193	7%
\$250k-\$500k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	29	17	33	32	33	3%
New Pendings	39	24	19	31	19	-39%
Closed Sales	28	32	17	19	17	-11%
Price/SF	\$234	\$236	\$235	\$216	\$235	9%
>\$500k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	21	14	12	16	12	-25%
New Pendings	21	9	10	5	10	100%
Closed Sales	4	12	5	6	5	-17%
Price/SF	\$349	\$308	\$334	\$382	\$334	-12%

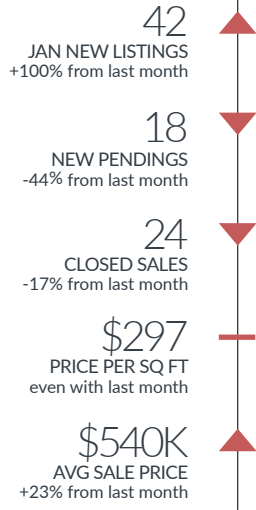
Data source: Realcomp MLS using Great Lakes Repository Data.

FEB 2024
WAS HOUSING REPORT

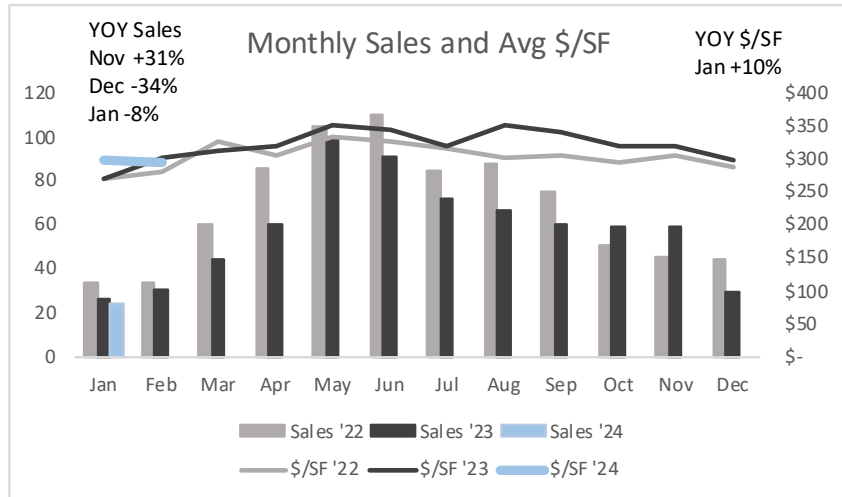
Ann Arbor

Single-Family Homes

MONTHLY



Closed Sales



All Price Ranges

	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	44	21	42	35	42	20%
New Pendings	60	32	18	31	18	-42%
Closed Sales	59	29	24	26	24	-8%
Price/SF	\$318	\$299	\$297	\$270	\$297	10%
Avg Price	\$544,084	\$438,099	\$540,300	\$444,197	\$540,300	22%
<\$350k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	12	4	5	6	5	-17%
New Pendings	9	7	3	8	3	-63%
Closed Sales	12	8	4	7	4	-43%
Price/SF	\$232	\$269	\$276	\$254	\$276	9%
\$350k-\$700k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	27	14	32	20	32	60%
New Pendings	42	20	14	20	14	-30%
Closed Sales	36	20	16	17	16	-6%
Price/SF	\$318	\$306	\$268	\$271	\$268	-1%
>\$700k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	5	3	5	9	5	-44%
New Pendings	9	5	1	3	1	-67%
Closed Sales	11	1	4	2	4	100%
Price/SF	\$356	\$293	\$372	\$282	\$372	32%

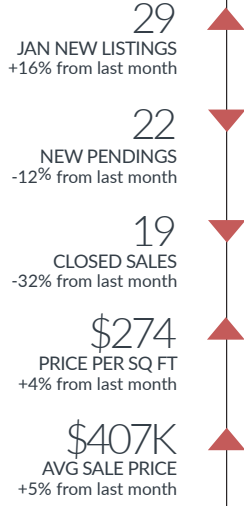
Data source: Realcomp MLS using Great Lakes Repository Data.

FEB 2024
WAS HOUSING REPORT

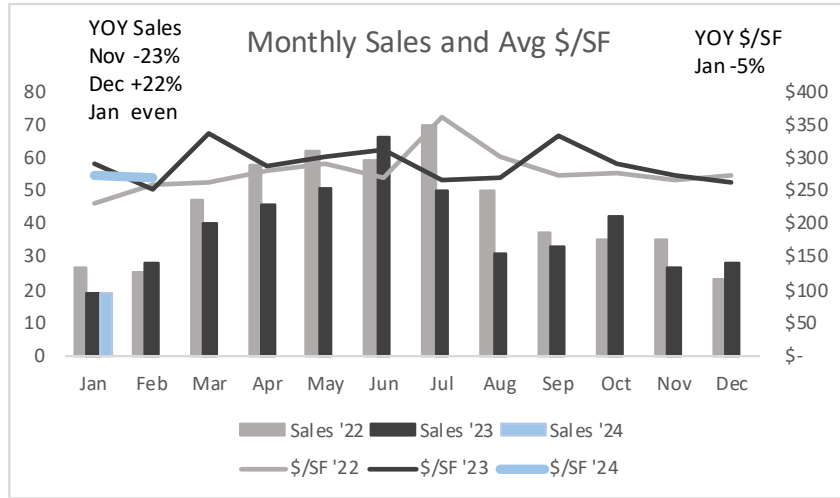
Ann Arbor

Condominiums

MONTHLY



Closed Sales



All Price Ranges						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	37	25	29	29	29	0%
New Pending	46	25	22	28	22	-21%
Closed Sales	27	28	19	19	19	0%
Price/SF	\$274	\$263	\$274	\$290	\$274	-5%
Avg Price	\$346,079	\$386,474	\$406,863	\$432,157	\$406,863	-6%
<\$250k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	7	8	9	4	9	125%
New Pending	10	8	4	8	4	-50%
Closed Sales	10	5	7	7	7	0%
Price/SF	\$245	\$182	\$202	\$214	\$202	-6%
\$250k-\$500k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	13	6	14	13	14	8%
New Pending	18	11	9	15	9	-40%
Closed Sales	13	16	7	6	7	17%
Price/SF	\$244	\$257	\$247	\$205	\$247	20%
>\$500k						
	Nov '23	Dec '23	Jan '24	YTD		
				'23	'24	(+/-)
Listings Taken	17	11	6	12	6	-50%
New Pending	18	6	9	5	9	80%
Closed Sales	4	7	5	6	5	-17%
Price/SF	\$349	\$295	\$334	\$382	\$334	-12%

Data source: Realcomp MLS using Great Lakes Repository Data.