

HOUSING REPORT

WASHTENAW | 2ND QUARTER 2019

24

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Waterfront Update

Michigan summers are short and when they come, who doesn't enjoy getting out on the water? Our lakes were formed as the result of the de-glaciation of the region during the ice age. Local fresh water provides a valuable natural resource that's unique to Michigan. You're never more than 6 miles from an inland lake or 85 miles from one of the Great Lakes.

Waterfront Inventory across Southeast Michigan makes up about 7.5% of all active single-family homes. July 1st active waterfront inventory reached 919 listings—up 9% from last month and up 20% from last year. Inventory is up in all price ranges except for the over-\$1 million range, which is down 11%.

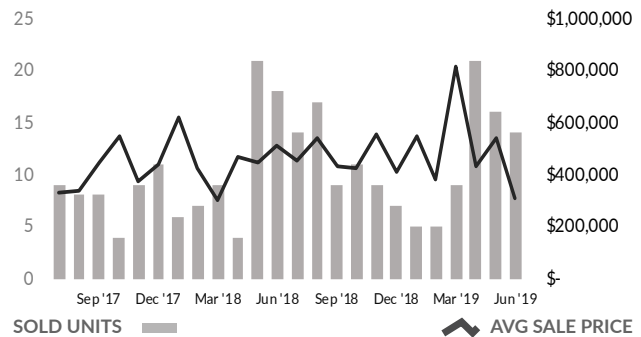
Waterfront properties are costly. Just 2% of the total homes sold in our local markets have a shoreline and they sell for nearly twice the price of non-waterfront properties.

In our 5-county Southeast Michigan region, the largest concentration of waterfront properties is in

Oakland County. Forty-two percent of all Southeast Michigan waterfront sales occur there.

With 70 YTD Washtenaw County waterfront sales (compared to 282 in Oakland County), Washtenaw has a relatively small waterfront market. While other local waterfront markets have been slipping (closed volume in Oakland County dropped 28%), Washtenaw's sales are up 8%, values are up 6% and closed waterfront volume is up 14%.

Washtenaw County Waterfront Sales



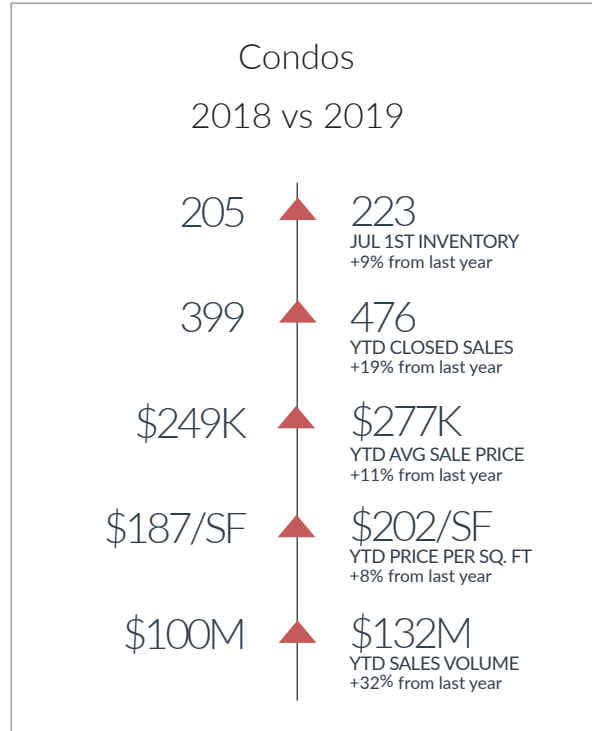
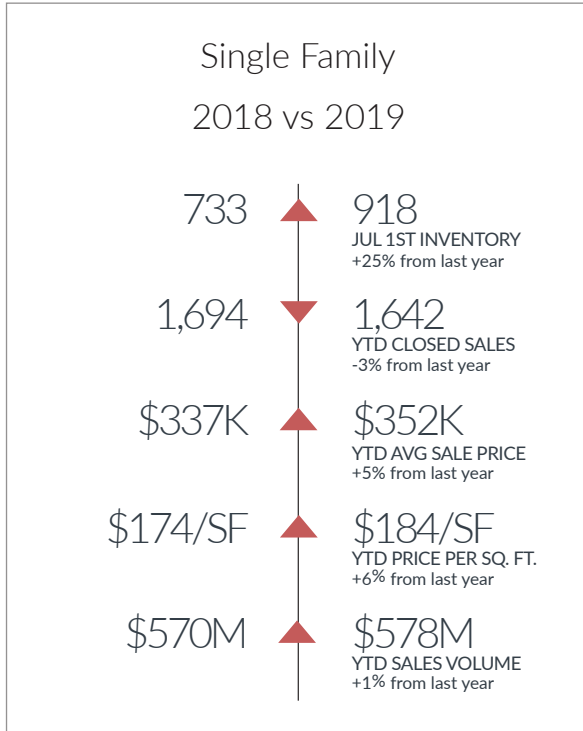
Waterfront Definition: Residential single family home with frontage feet of a canal, river, lake, or pond.

Data source: Realcomp MLS using Great Lakes Repository Data.

Market		2018	2019	+/-
SEMI	Closed Sales	712	664	-7%
	Sales Price	\$454K	\$440K	-3%
	Volume	\$323M	\$292M	-10%
Wash	Closed Sales	65	70	+8%
	Sales Price	\$456K	\$485K	+6%
	Volume	\$29M	\$34M	+14%



Summary



Inventory—Inventory is up 7% from last month and 25% from the same time last year.

Closed Units—Closed sales have been rising month over month, but YTD sales are running slightly behind last year's pace—down 3%.

Values—YTD average sale price and price per square foot are up 5% and 6% respectively.

Summary—The 2019 market is playing out in a similar fashion to last year. Sales are lagging slightly behind last year's pace and although prices continue to increase, they are moving at a slower pace than they were in recent years. It's getting harder for buyers to find move-in-ready homes priced under \$400k. In the upper price ranges, however, both inventory and months of supply continue to grow.

Inventory—July 1st inventory was about even with the prior month and 18 units higher than a year ago.

Closed Units—June's 111 closed sales were up by 13 units from the previous month. With 77 more YTD sales than last year, sales are up 19%.

Values—Both average sale price and price per square foot continue to rise, but at different rates within the various price ranges. Although the number of over-\$400k sales more than doubled, the average price per square foot of those sales dropped from \$305 to \$280.

Summary—With both sales and average prices up this year, total closed volume for Washtenaw County condo sales is up by 32% compared to last year. While there are more higher-end sales, keep an eye on those luxury values. They are showing signs of dropping off as newly built units create competition for resale units.



Washtenaw County

Single Family Homes

918
AVAILABLE HOMES
+7% from last month

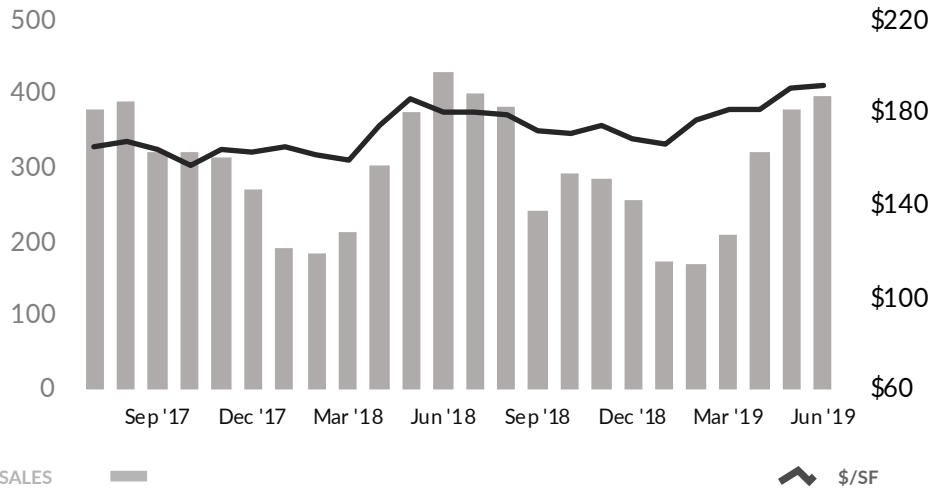
382
NEW PENDINGS
-6% from last month

1,642
YTD CLOSED SALES
-3% from last year

\$352K
YTD AVG SALE PRICE
+5% from last year

\$184
YTD PRICE PER SQ FT
+6% from last year

Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	918	733	25%
	Closed	1,094	1,107	-1%
	Months Supply	2.5	2.0	27%
	Avg. Sale Price	\$361k	\$346k	4%
	\$ Vol (million)	395	383	3%
\$10-200k	Available	51	54	-6%
	Closed	204	195	5%
	Months Supply	0.8	0.8	-10%
	Value Change			1%
\$200-400k	Available	339	253	34%
	Closed	544	583	-7%
	Months Supply	1.9	1.3	44%
	Value Change			2%
\$400-800k	Available	395	332	19%
	Closed	305	298	2%
	Months Supply	3.9	3.3	16%
	Value Change			3%
\$800k+	Available	133	94	41%
	Closed	41	31	32%
	Months Supply	9.7	9.1	7%
	Value Change			13%

Summary

Inventory continues to grow. It's risen 7% from last month and 9% from last year.

Second quarter closed sales (see table to left) were nearly even with last year while average sale price was up 4%.

Luxury properties priced over \$800k had 39 more available homes over last year. Closed sales at that same price point have only increased by 10. Values of those upper-end properties increased by 13%.

The 2019 market has been more active than expected through the first half of the year—especially in the higher price ranges.

Data source: Realtor.com MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)



Washtenaw County

Condos

223
AVAILABLE HOMES
-1% from last month

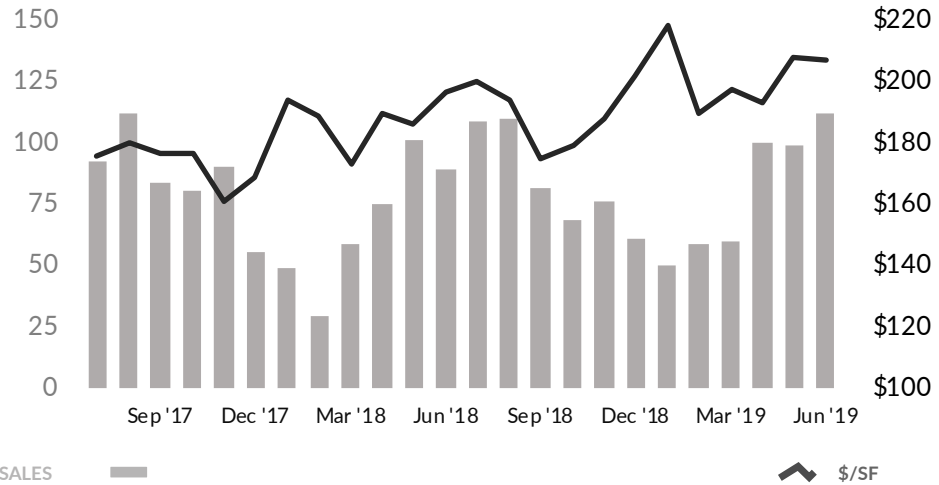
110
NEW PENDING
-2% from last month

476
YTD CLOSED SALES
+19% from last year

\$277K
YTD AVG SALE PRICE
+11% from last year

\$202
YTD PRICE PER SQ FT
+8% from last year

Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	223	205	9%
	Closed	309	265	17%
	Months Supply	2.2	2.3	-7%
	Avg. Sale Price	\$272k	\$249k	9%
	\$ Vol (million)	84	66	27%
\$10-150k	Available	14	13	8%
	Closed	45	58	-22%
	Months Supply	0.9	0.7	39%
	Value Change			2%
\$150-225k	Available	43	50	-14%
	Closed	100	76	32%
	Months Supply	1.3	2.0	-35%
	Value Change			4%
\$225-400k	Available	76	59	29%
	Closed	117	107	9%
	Months Supply	1.9	1.7	18%
	Value Change			2%
\$400k+	Available	90	83	8%
	Closed	47	24	96%
	Months Supply	5.7	10.4	-45%
	Value Change			-6%

Summary

Available inventory dipped slightly in the past month, but remains 9% higher than a year ago.

Second quarter closed condo sales were up 17% compared to a year ago. Average sale price was also up by 9%.

The over-\$400k price range has been especially hot with 2nd quarter sales nearly doubling as they went from 24 last year to 47 this year. New development is adding brand new luxury units that are competing with resale sellers. Despite all of the high-end activity, YTD price per square foot dropped from \$305 to \$280.

Data source: Realtor.com MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)



Q2 2019
HOUSING REPORT

Ann Arbor

Single Family Homes

191
AVAILABLE HOMES
+7% from last month

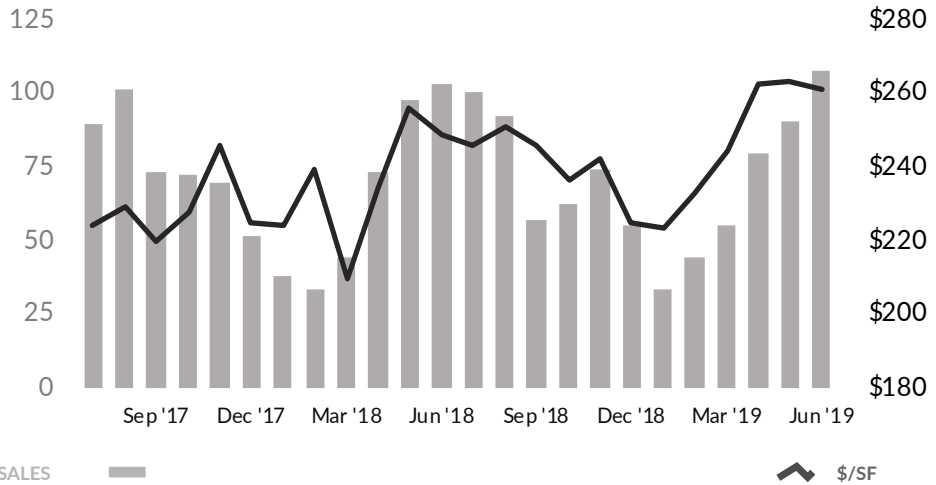
91
NEW PENDINGS
-4% from last month

408
YTD CLOSED SALES
+5% from last year

\$458K
YTD AVG SALE PRICE
+9% from last year

\$253
YTD PRICE PER SQ FT
+6% from last year

Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	191	147	30%
	Closed	276	273	1%
	Months Supply	2.1	1.6	29%
	Avg. Sale Price	\$478k	\$431k	11%
	\$ Vol (million)	132	118	12%
\$10-200k	Available	2	3	-33%
	Closed	9	8	13%
	Months Supply	0.7	1.1	-41%
	Value Change			-12%
\$200-400k	Available	64	54	19%
	Closed	118	143	-17%
	Months Supply	1.6	1.1	44%
	Value Change			3%
\$400-800k	Available	86	65	32%
	Closed	123	104	18%
	Months Supply	2.1	1.9	12%
	Value Change			5%
\$800k+	Available	39	25	56%
	Closed	26	18	44%
	Months Supply	4.5	4.2	8%
	Value Change			9%

Summary

Available inventory increased by 13 units from last month and 31 units from a year ago.

As seen in the table to the left, the 276 second quarter closed figure was up by just 3 units from a year ago, while average sale price jumped from \$431k last year to \$478k.

A 27 unit increase in the number of 2nd quarter sales priced over \$400k was the primary cause for that jump in average sale price.

The rate at which values have been changing varies significantly within the various price ranges.

Homes at all price ranges are selling quickly. Even the over-\$800k range only has 4.5 months of supply. Supply levels drop with each lower price range.

Data source: Realtor.com MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)



Ann Arbor

Condos

119
AVAILABLE HOMES
+3% from last month

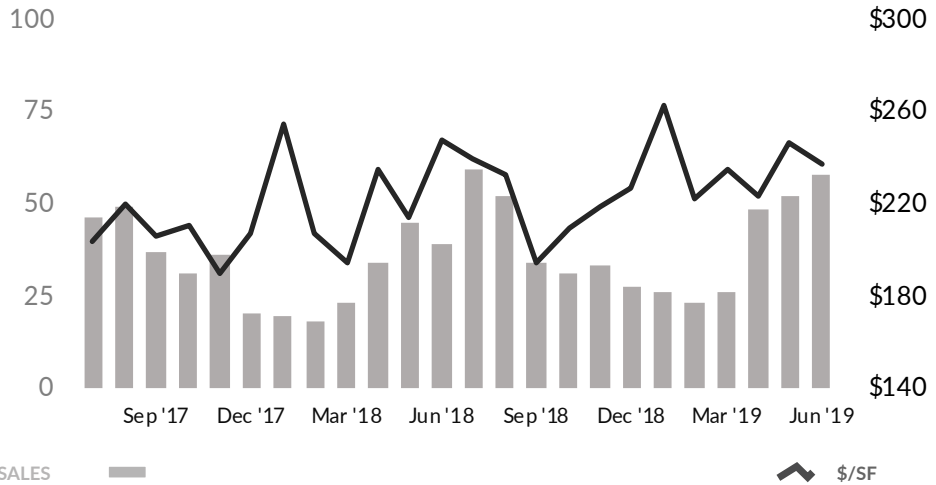
55
NEW PENDINGS
+8% from last month

233
YTD CLOSED SALES
+31% from last year

\$322K
YTD AVG SALE PRICE
+14% from last year

\$237
YTD PRICE PER SQ FT
+5% from last year

Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	119	80	49%
	Closed	158	118	34%
	Months Supply	2.3	2.0	11%
	Avg. Sale Price	\$317k	\$280k	13%
	\$ Vol (million)	50	33	51%
\$10-150k	Available	8	2	300%
	Closed	21	25	-16%
	Months Supply	1.1	0.2	376%
	Value Change			-4%
\$150-250k	Available	14	6	133%
	Closed	27	27	0%
	Months Supply	1.6	0.7	133%
	Value Change			3%
\$250-400k	Available	34	24	42%
	Closed	72	51	41%
	Months Supply	1.4	1.4	0%
	Value Change			1%
\$400k+	Available	63	48	31%
	Closed	38	15	153%
	Months Supply	5.0	9.6	-48%
	Value Change			-20%

Summary

The number of July 1st Ann Arbor condo listings was only 3 units higher than the previous month and 39 units higher than a year ago.

Second quarter closed sales (as seen in the table to the left) were up by 40 units from the same period a year ago. Average sale price was also up—from \$280k last year to \$317k.

Supply levels are remarkably low (less than 2 months) in all but the over-\$400k price range. Even at that upper price point, the current 5 month supply is about half of what it was a year ago.

There has been a big drop in price per square foot in that over-\$400k price range. The YTD price per square foot is \$303. Last year it was \$355 and two years ago \$417.

Data source: Realcomp MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

