

Annual Report on the Southeast Michigan Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN SOUTHEAST MICHIGAN



2016

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With a new U.S. president from a different political party taking office in 2017, few are expecting federal policies to remain as they have under prior leadership. The incoming president has a deep history in real estate development and has shown a strong interest in funding massive infrastructure projects, two points that provide intrigue for the immediate future of residential real estate.

After several years of housing market improvement, 2016, as predicted, was not a pronounced triumph but more of a measured success. Markets took a steady and mostly profitable walk from month to month. Even as supply was short and shrinking, sales and prices were often increasing.

Interest rates were expected to rise throughout 2016, but they did not. Just as happened in 2015, the Federal Reserve waited until December 2016 to make a short-term rate increase. Incremental rate hikes are again expected in 2017. An economy that shows unemployment at a nine-year low coupled with higher wages inspires confidence.

Mortgage rates are not expected to grow by more than .75 percent throughout 2017, which should keep them below 5.0 percent. If they rise above that mark, we could see rate lock, and that could cause homeowners to stay put at locked-in rates instead of trading up for higher-rate properties. Such a situation would put a damper on an already strained inventory environment.

Sales: Closed sales increased 3.4 percent to 85,691 to close out the year.

Listings: Inventory was lower in year-over-year comparisons. There were 18,091 active listings at the end of 2016. New listings decreased by 9.7 percent to finish the year at 126,613. Low home supply is expected to continue throughout 2017.

Showings: Overall the total number of showings in the market was up 16.7 percent over last year. April had the most growth in the number of showings, signaling buyers are eagerly looking for homes early in the season. Demand remained high throughout the year, as proven by the higher number of showings in the face of low supply.

Prices: Home prices rose compared to last year. The overall median sales price was up 6.3 percent to \$151,430 for the year. When inventory is low and demand is high, prices will rise. Prices should increase in most areas in 2017 but at a slower growth rate. We will likely need years of improved wage growth to account for recent price gains.

List Price Received: Sellers received 96.9 percent of their list price received at sale, a year-over-year increase of 0.5 percent. Sales prices should increase again in 2017, leading to further increases in list price received.

Millennials continue to command attention as the next wave of home buyers, yet the rate at which this massive population is entering the market has been less than stellar. This may be due to a cultural change away from settling into marriage and parenthood until later in life, high student loan debt, or even reservations about a home being a wise investment in the wake of what the last recession did to their elders. That said, some have suggested that this group is simply willing to wait longer to buy, thus skipping the entry-level purchase altogether to land in their preferred home.

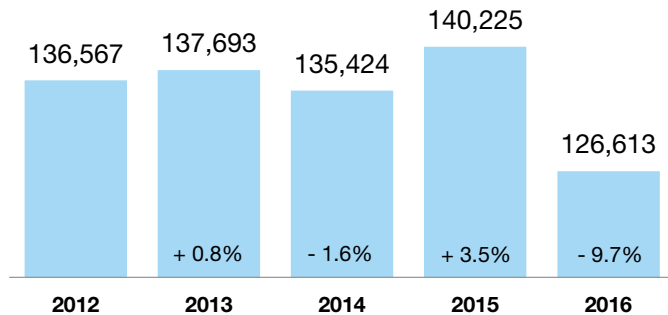
At the other end of the age and price spectrum, baby boomers are expected to make up nearly one-third of all buyers in 2017. By and large, this group is not looking to invest in oversized homes, yet we could see improvement in higher price ranges as a hedge against inflation and risk. Shifting wealth away from the stock market into valuable homes may be seen as a safer bet during a transition of power and a period of pronounced change.

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Quick Facts

New Listings



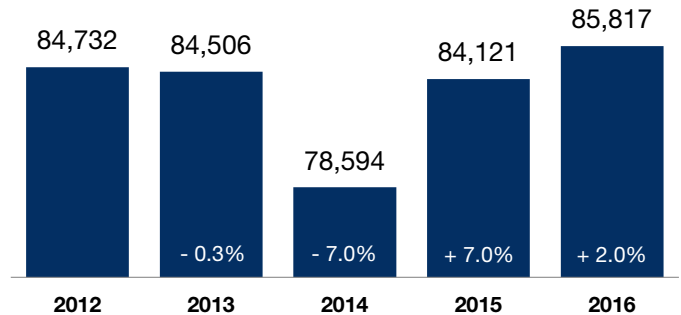
Top 5 Areas: Change in New Listings from 2015

City of Detroit	- 1.5%
Washtenaw County	- 2.2%
Monroe County	- 5.0%
Wayne County	- 6.5%
Livingston County	- 7.1%

Bottom 5 Areas: Change in New Listings from 2015

Tuscola County	- 23.0%
Huron County	- 24.4%
Hillsdale County	- 25.6%
Shiawassee County	- 33.4%
Montcalm County	- 47.6%

Pending Sales



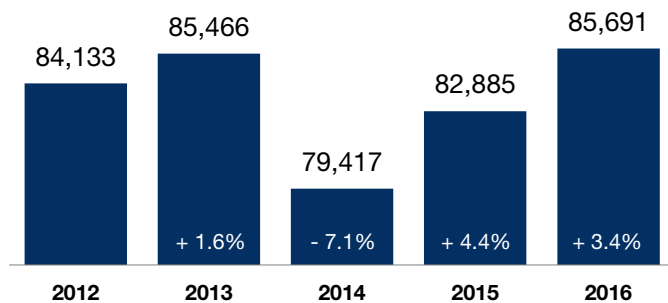
Top 5 Areas: Change in Pending Sales from 2015

City of Detroit	+ 20.3%
Wayne County	+ 6.8%
Genesee County	+ 6.0%
Dearborn Jurisdiction	+ 5.1%
Greater Wayne County	+ 3.8%

Bottom 5 Areas: Change in Pending Sales from 2015

Grosse Pointe Jurisdiction	- 9.6%
Shiawassee County	- 11.1%
Huron County	- 11.3%
Montcalm County	- 16.7%
Hillsdale County	- 19.3%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2015

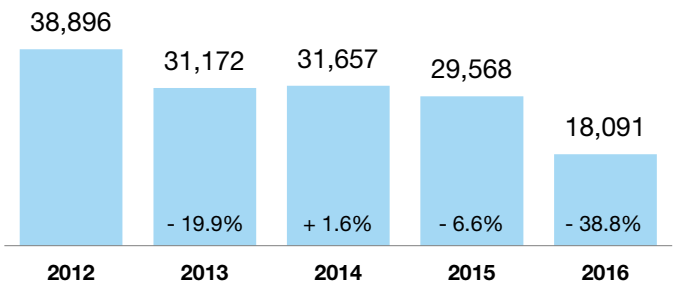
City of Detroit	+ 12.6%
Monroe County	+ 9.9%
Genesee County	+ 7.8%
Wayne County	+ 6.5%
Jackson County	+ 5.6%

Bottom 5 Areas: Change in Closed Sales from 2015

Grosse Pointe Jurisdiction	- 4.9%
Shiawassee County	- 10.3%
Hillsdale County	- 13.4%
Sanilac County	- 14.4%
Montcalm County	- 16.7%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2015

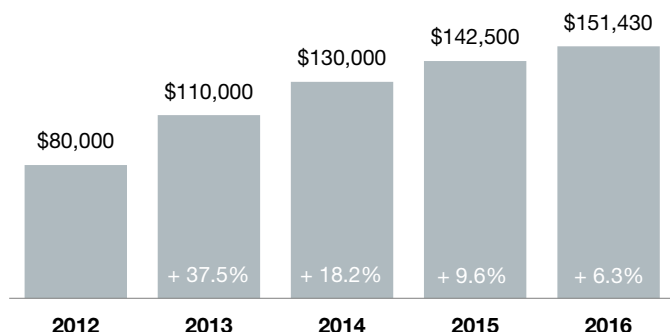
Montcalm County	- 10.0%
Jackson County	- 12.2%
Monroe County	- 15.7%
Washtenaw County	- 21.3%
Lenawee County	- 21.4%

Bottom 5 Areas: Change in Homes for Sale from 2015

Tuscola County	- 45.7%
St. Clair County	- 48.1%
Macomb County	- 50.0%
Grosse Pointe Jurisdiction	- 51.8%
Shiawassee County	- 56.9%

Quick Facts

Median Sales Price



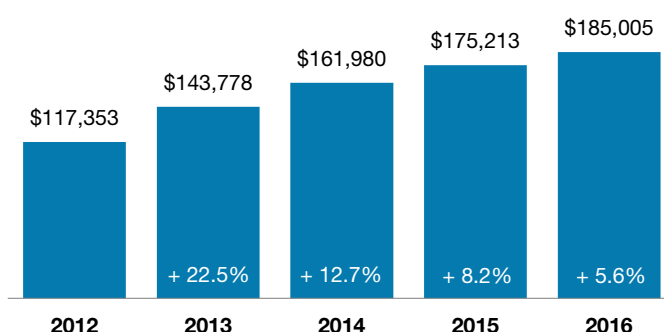
Top 5 Areas: Change in Median Sales Price from 2015

Montcalm County	+ 27.0%
Sanilac County	+ 17.1%
Hillsdale County	+ 16.8%
City of Detroit	+ 15.8%
Genesee County	+ 10.8%

Bottom 5 Areas: Change in Median Sales Price from 2015

Washtenaw County	+ 5.4%
Monroe County	+ 4.3%
Saginaw County	+ 3.7%
Jackson County	+ 1.7%
Huron County	- 9.0%

Average Sales Price



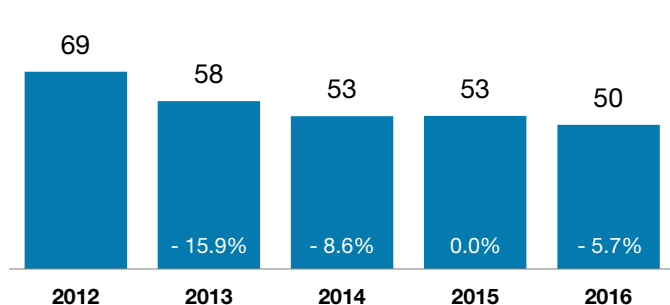
Top 5 Areas: Change in Avg. Sales Price from 2015

Montcalm County	+ 41.8%
Hillsdale County	+ 13.5%
Huron County	+ 13.4%
City of Detroit	+ 10.6%
Dearborn Jurisdiction	+ 10.3%

Bottom 5 Areas: Change in Avg. Sales Price from 2015

Oakland County	+ 5.1%
Monroe County	+ 4.1%
Jackson County	+ 3.0%
Saginaw County	+ 2.0%
Grosse Pointe Jurisdiction	- 0.6%

Days on Market Until Sale



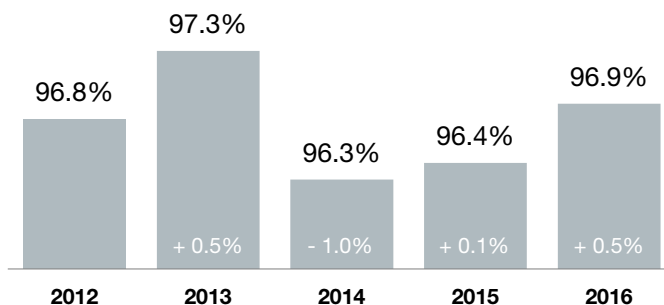
Top 5 Areas: Change in Days on Market from 2015

City of Detroit	+ 14.3%
Sanilac County	+ 1.1%
Huron County	+ 0.6%
Shiawassee County	0.0%
Jackson County	- 1.0%

Bottom 5 Areas: Change in Days on Market from 2015

Greater Wayne County	- 11.4%
Saginaw County	- 13.6%
Livingston County	- 14.5%
Grosse Pointe Jurisdiction	- 15.0%
Montcalm County	- 39.8%

Percent of List Price Received



Top 5 Areas: Change in Pct. of List Price Received from 2015

Montcalm County	+ 8.1%
Hillsdale County	+ 2.2%
Saginaw County	+ 1.3%
Shiawassee County	+ 1.1%
Genesee County	+ 0.9%

Bottom 5 Areas: Change in Pct. of List Price Received from 2015

Livingston County	+ 0.3%
Macomb County	+ 0.2%
Washtenaw County	+ 0.2%
City of Detroit	- 0.1%
Huron County	- 0.3%

Price Range Review

\$150,000 and Below

Price Range with Shortest Average Market Time

\$150,000 and Below

Price Range with Longest Average Market Time

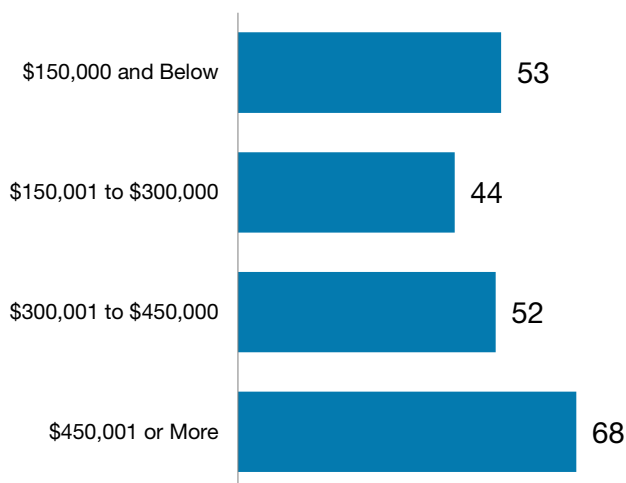
45.9%

of Homes for Sale at Year End Priced \$150,000 and Below

- 44.1%

One-Year Change in Homes for Sale Priced \$150,000 and Below

Days on Market Until Sale by Price Range



Share of Homes for Sale \$150,000 and Below



\$150,000 and Below

Price Range with the Most Closed Sales

+ 18.1%

Price Range with Strongest One-Year Change in Sales: \$300,001 to \$450,000

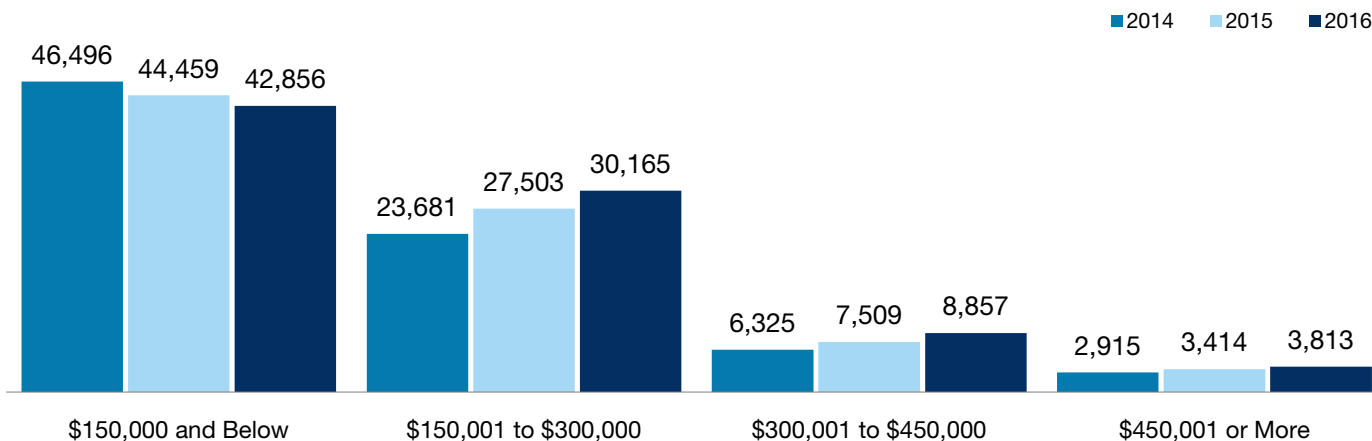
\$450,001 or More

Price Range with the Fewest Closed Sales

- 3.7%

Price Range with Weakest One-Year Change in Sales: \$150,000 and Below

Closed Sales by Price Range



Square Foot Range Review

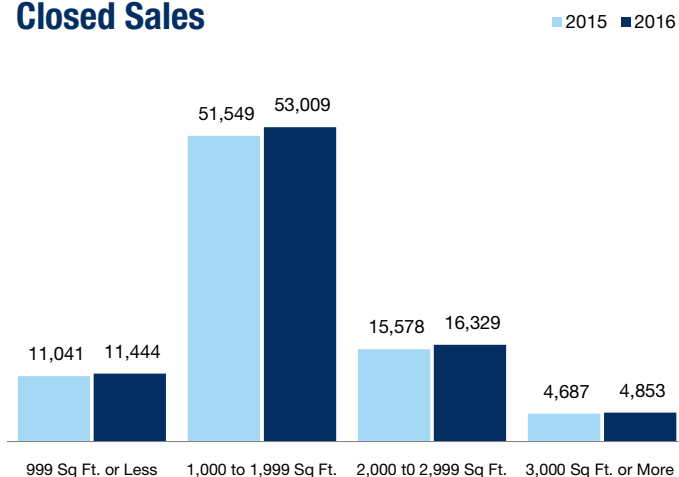
+ 3.7%

Growth in Closed Sales
1500 Sq Ft or Less

+ 2.8%

Growth in Closed Sales
1,501 to 2,000 Sq Ft

Closed Sales



Top Areas: 999 Sq Ft. or Less Market Share in 2016

Metro Detroit	75.8%
Wayne County	38.7%
Greater Wayne County	23.7%
Oakland County	19.5%
Macomb County	16.2%
Genesee County	9.4%
Washtenaw County	3.7%
Dearborn Jurisdiction	3.3%
St. Clair County	2.4%
Jackson County	1.7%
Monroe County	1.7%
Livingston County	1.4%
Saginaw County	0.8%
Shiawassee County	0.8%
Lenawee County	0.8%
Lapeer County	0.8%

90.7%

Percent of Original List Price
Received in 2016 for
999 Sq Ft. or Less

93.2%

Percent of Original List Price
Received in 2016 for
1,000 to 1,999 Sq Ft.

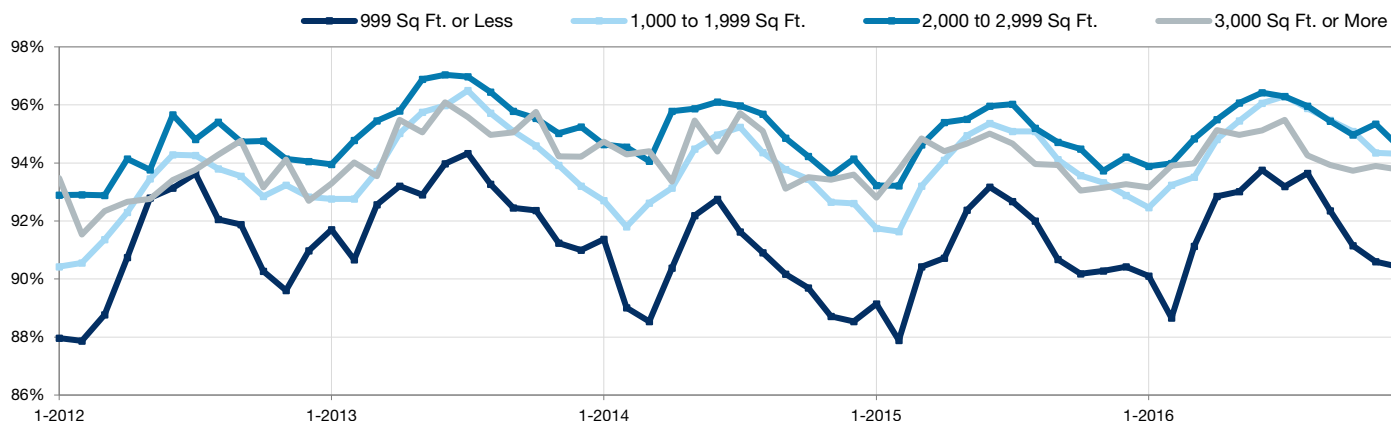
94.0%

Percent of Original List Price
Received in 2016 for
2,000 to 2,999 Sq Ft.

92.8%

Percent of Original List Price
Received in 2016 for
3,000 Sq Ft. or More

Percent of Original List Price Received



Bedroom Count Review

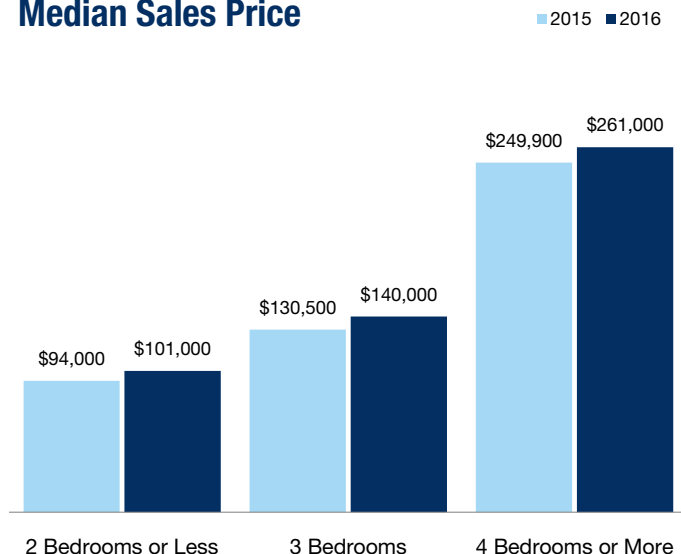
+ 7.4%

Growth in Median Sales Price
2 Bedrooms or Less

+ 4.4%

Growth in Median Sales Price
4 Bedrooms or More

Median Sales Price



Top Areas: 4 Bedrooms or More Market Share in 2016

Montcalm County	95.3%
Shiawassee County	88.0%
Tuscola County	88.0%
City of Detroit	86.4%
Dearborn Jurisdiction	83.5%
Saginaw County	82.4%
Sanilac County	80.0%
Hillsdale County	78.0%
Lenawee County	73.9%
Genesee County	72.9%
Jackson County	71.2%
Monroe County	71.1%
Greater Wayne County	68.9%
Lapeer County	67.7%
St. Clair County	67.7%
Macomb County	67.4%
Wayne County	65.0%

94.6%

Percent of Original List Price
Received in 2016 for
All Properties

93.4%

Percent of Original List Price
Received in 2016 for
2 Bedrooms or Less

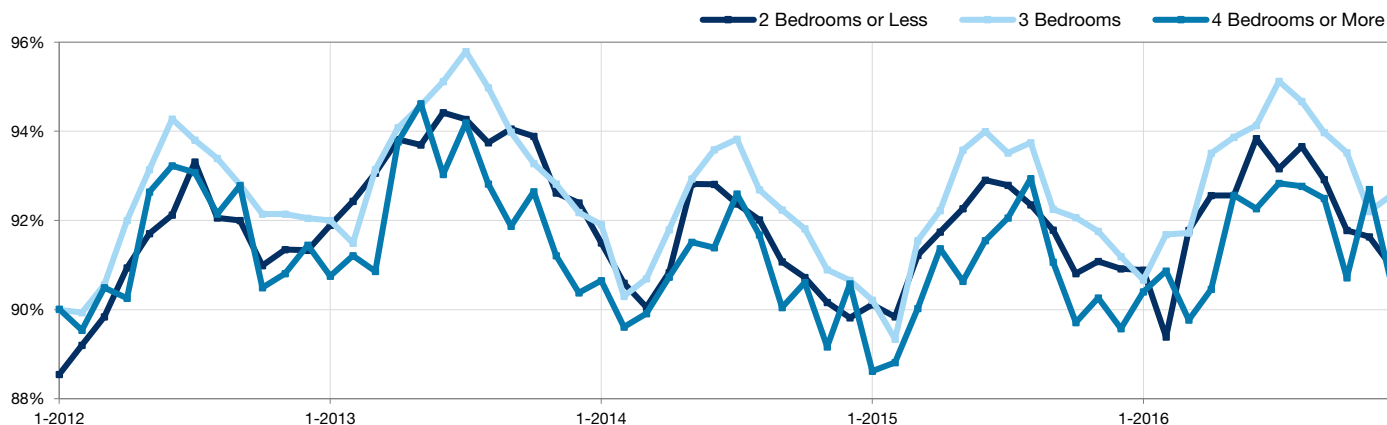
94.8%

Percent of Original List Price
Received in 2016 for
3 Bedrooms

94.9%

Percent of Original List Price
Received in 2016 for
4 Bedrooms or More

Percent of Original List Price Received



Showings Review

14.0

Median Number of Showings
Before Pending

+ 16.7%

One-Year Change in Median
Showings Before Pending

Monthly Number of Showings



Top 10 Areas: Number of Showings

Metro Detroit	1,300,351
Oakland County	591,337
Wayne County	459,332
Greater Wayne County	381,024
Macomb County	187,777
City of Detroit	78,308
Livingston County	61,905
Dearborn Jurisdiction	58,048
Genesee County	22,436
Washtenaw County	19,559

Top 10 Areas: Number of Showings per Listing

Oakland County ANN	17
Greater Wayne County	15
Grosse Pointe Jurisdiction	15
Metro Detroit	15
Dearborn Jurisdiction	14
Macomb County ANN	14
Wayne County ANN	13
Washtenaw County	13
Livingston County ANN	12
Genesee County	10

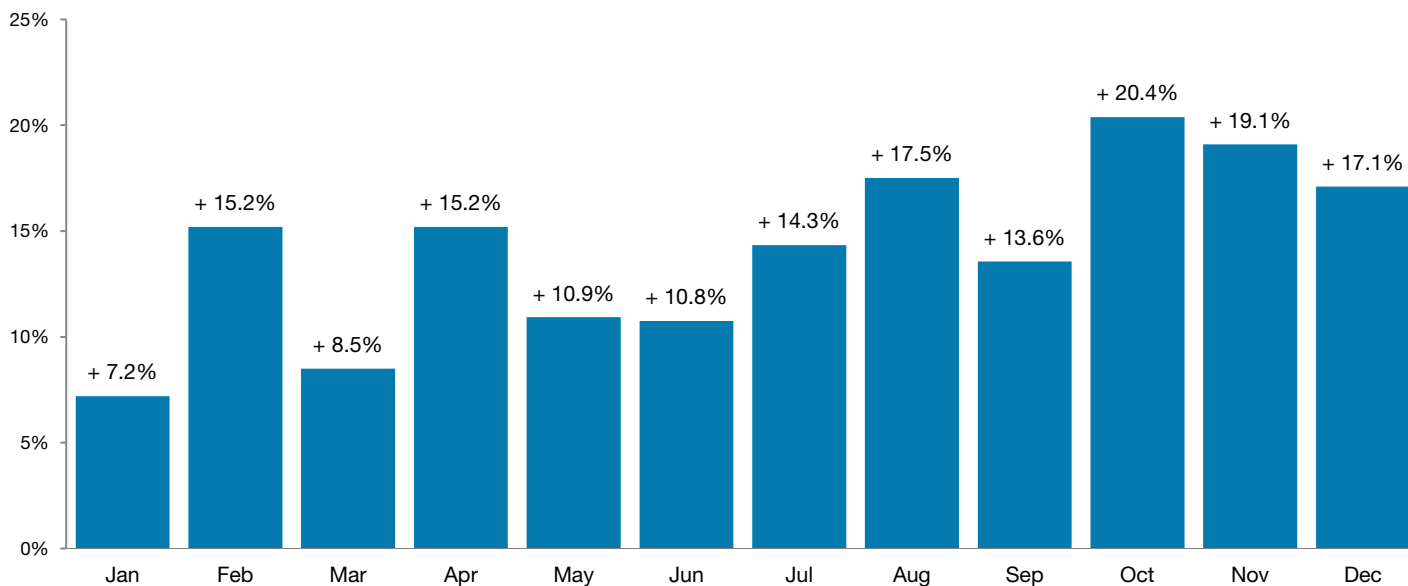
+ 8.9%

One-Year Change in Total Showings

April '16

Peak Showing Activity Month

2016 Year-Over-Year Change in Monthly Showings per Listing



Area Overviews

	Total Closed Sales	Change from 2015	Percent Residential	Percent Condominium	Median Showings Per Listing	Months Supply of Inventory*	Days on Market	Pct. of List Price Received
Realcomp	85,691	+ 3.4%	86.7%	13.3%	14	2.5	50	96.9%
City of Detroit	3,833	+ 14.3%	90.8%	9.2%	8	4.8	64	96.0%
Dearborn Jurisdiction	2,251	+ 4.4%	93.8%	6.2%	14	2.1	40	95.5%
Genesee County	5,996	+ 8.0%	91.9%	8.1%	10	2.7	62	96.7%
Greater Wayne County	16,665	+ 5.0%	88.5%	11.5%	15	1.9	39	96.8%
Grosse Pointe Jurisdiction	959	- 5.5%	95.8%	4.2%	15	2.2	51	96.5%
Hillsdale County	159	- 14.5%	100.0%	0.0%	4	4.1	113	95.7%
Huron County	91	- 2.2%	100.0%	0.0%	2	6.6	182	91.7%
Jackson County	2,121	+ 5.2%	96.8%	3.2%	7	4.3	98	96.0%
Lapeer County	1,220	- 2.9%	97.3%	2.7%	10	3.3	67	96.9%
Lenawee County	1,312	- 0.8%	96.0%	4.0%	6	3.5	91	96.7%
Livingston County	3,444	+ 3.6%	87.2%	12.8%	12	2.2	47	98.2%
Macomb County	15,222	+ 2.2%	79.3%	20.7%	14	1.8	42	96.8%
Metro Detroit	60,183	+ 3.8%	84.5%	15.5%	15	2.2	42	97.0%
Monroe County	2,130	+ 10.1%	96.0%	4.0%	6	3.6	74	96.7%
Montcalm County	5	0.0%	100.0%	0.0%	--	9.0	53	103.8%
Oakland County	21,019	+ 2.2%	83.5%	16.5%	17	2.3	40	97.4%
Saginaw County	2,134	+ 4.1%	95.5%	4.5%	4	3.7	76	94.4%
Sanilac County	377	- 14.7%	94.4%	5.6%	4	5.5	92	94.2%
Shiawassee County	930	- 10.1%	99.2%	0.8%	6	2.4	83	97.2%
St. Clair County	2,464	- 4.9%	94.7%	5.3%	7	3.2	69	95.8%
Tuscola County	442	+ 0.5%	99.8%	0.2%	5	3.6	94	95.1%
Washtenaw County	4,919	+ 2.8%	78.9%	21.1%	13	2.4	41	98.5%
Wayne County	20,498	+ 6.6%	88.9%	11.1%	13	2.5	43	96.6%

Area Historical Median Prices

	2012	2013	2014	2015	2016	Change From 2015	Change From 2012
Realcomp	\$80,000	\$110,000	\$130,000	\$142,500	\$151,430	+ 6.3%	+ 89.3%
City of Detroit	\$9,250	\$10,500	\$14,000	\$19,900	\$22,000	+ 10.6%	+ 137.8%
Dearborn Jurisdiction	\$55,000	\$75,000	\$95,000	\$104,000	\$114,976	+ 10.6%	+ 109.0%
Genesee County	\$59,900	\$69,900	\$90,000	\$107,500	\$118,000	+ 9.8%	+ 97.0%
Greater Wayne County	\$64,900	\$87,000	\$108,000	\$120,000	\$129,150	+ 7.6%	+ 99.0%
Grosse Pointe Jurisdiction	\$170,000	\$213,890	\$240,000	\$242,250	\$250,500	+ 3.4%	+ 47.4%
Hillsdale County	\$75,000	\$101,000	\$120,000	\$107,000	\$125,000	+ 16.8%	+ 66.7%
Huron County	\$74,000	\$75,000	\$84,000	\$100,000	\$91,000	- 9.0%	+ 23.0%
Jackson County	\$74,700	\$87,000	\$97,900	\$115,000	\$118,000	+ 2.6%	+ 58.0%
Lapeer County	\$88,700	\$110,000	\$125,000	\$141,000	\$155,000	+ 9.9%	+ 74.7%
Lenawee County	\$75,500	\$98,500	\$100,000	\$118,000	\$127,250	+ 7.8%	+ 68.5%
Livingston County	\$155,000	\$177,000	\$199,950	\$213,250	\$230,000	+ 7.9%	+ 48.4%
Macomb County	\$78,000	\$105,000	\$125,000	\$135,000	\$144,900	+ 7.3%	+ 85.8%
Metro Detroit	\$80,000	\$115,000	\$136,500	\$150,000	\$160,000	+ 6.7%	+ 100.0%
Monroe County	\$108,054	\$118,000	\$131,750	\$141,000	\$148,000	+ 5.0%	+ 37.0%
Montcalm County	\$20,350	\$77,799	\$39,000	\$62,999	\$80,000	+ 27.0%	+ 293.1%
Oakland County	\$130,000	\$168,000	\$185,000	\$199,700	\$212,000	+ 6.2%	+ 63.1%
Saginaw County	\$64,000	\$68,500	\$78,000	\$82,500	\$85,000	+ 3.0%	+ 32.8%
Sanilac County	\$53,500	\$68,000	\$79,700	\$80,000	\$93,648	+ 17.1%	+ 75.0%
Shiawassee County	\$55,000	\$67,022	\$77,500	\$83,000	\$89,750	+ 8.1%	+ 63.2%
St. Clair County	\$76,500	\$96,600	\$112,000	\$125,000	\$133,000	+ 6.4%	+ 73.9%
Tuscola County	\$53,699	\$60,000	\$72,000	\$80,000	\$85,250	+ 6.6%	+ 58.8%
Washtenaw County	\$164,900	\$190,000	\$204,000	\$217,600	\$230,000	+ 5.7%	+ 39.5%
Wayne County	\$44,177	\$65,000	\$85,000	\$105,000	\$113,000	+ 7.6%	+ 155.8%