



HOUSING REPORT

SOUTHEAST MICHIGAN | 2ND QUARTER 2019

**JOHNSTONE
& JOHNSTONE**
REALTORS

Southeast Michigan

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.

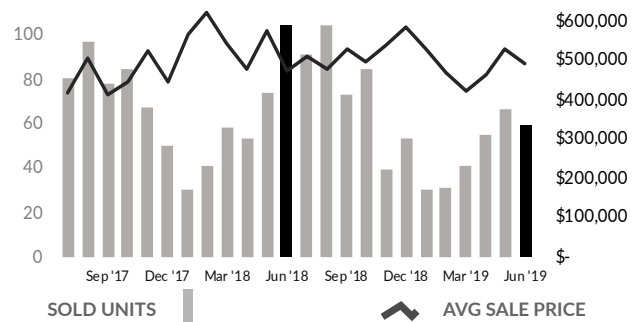
In our 5-county Southeast Michigan region, the largest concentration of waterfront properties is in Oakland County. Forty-two percent of all Southeast Michigan waterfront sales occur there. With over 358 lakes, Oakland County has a tremendous amount of shoreline and plenty of waterfront homes. Its lakes add more than \$1 billion in value to its residential properties. Through the first half of this year, Oakland County waterfront sales tallied \$137 million.

Despite its big numbers, Oakland County's waterfront sales got off to a slow start in the first half of 2019.

Closed sales, average price, and closed volume are all down compared to the first half of last year. Sales dropped from 360 last year to 282 in the first half of 2019. The number of over-\$1m sales dropped from 37 properties last year to just 22 this year. The YTD average sale price of \$486 is down 8% from last year's \$530k average.

Cold spring weather contributed to the declining YTD numbers, but that doesn't explain why June sales fell from 104 units last year to 59 this year or the decline in average sale price. The gray bars (representing monthly sold units) in the chart below paint a clear picture that Oakland's waterfront market has been lagging behind in both sales and price. Sold units for June of 2018 and 2019 are shown in black to illustrate the drop in sales.

Oakland 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. Lakes Repository Data.

Market		2018	2019	+/-
SEMI	Closed Sales	712	664	-7%
	Sales Price	\$454K	\$440K	-3%
	Volume	\$323M	\$292M	-10%
Oakland	Closed Sales	360	282	-22%
	Sales Price	\$530K	\$486K	-8%
	Volume	\$190M	\$137M	-28%

Q2 2019
HOUSING REPORT

Southeast Michigan

Summary

12,116
AVAILABLE HOMES
+10% from last month

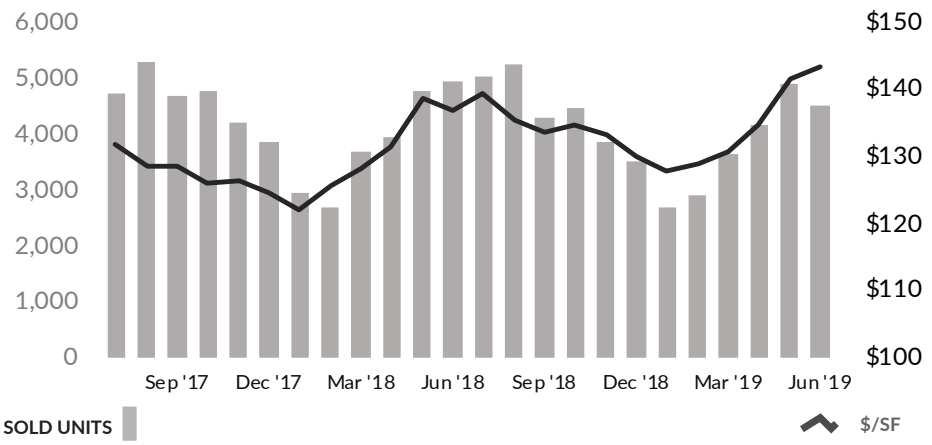
5,342
NEW PENDING
-4% from last month

22,739
YTD CLOSED SALES
-1% from last year

\$231K
YTD AVG SALE PRICE
+3% from last year

\$136
YTD PRICE PER SQ FT
+3% from last year

Closed Single Family Home Sales



YTD Closed Volume: 5.2 Billion (+2%)

Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	12,116	10,412	16%
	Closed	13,539	13,596	0%
	Months Supply	2.7	2.3	17%
	Avg. Sale Price	\$242k	\$234k	3%
	\$ Vol (million)	3,272	3,188	3%
\$10-150k	Available	3,434	3,126	10%
	Closed	4,419	4,674	-5%
	Months Supply	2.3	2.0	16%
	Value Change			3%
\$150-250k	Available	1,936	1,646	18%
	Closed	3,983	3,999	0%
	Months Supply	1.5	1.2	18%
	Value Change			3%
\$250-500k	Available	4,334	3,489	24%
	Closed	4,259	4,084	4%
	Months Supply	3.1	2.6	19%
	Value Change			2%
\$500k+	Available	2,412	2,151	12%
	Closed	878	839	5%
	Months Supply	8.2	7.7	7%
	Value Change			2%

Summary

July 1st inventory was up 10% compared to last month and 16% compared to last year.

Second quarter sales were even with last year but average price was up by 3%.

YTD closed sales are down 1%, but average price and price per square foot are both up 3%.

The number of entry-level sales continues to drop while the number of over-\$500k sales increases. Despite the increase in activity, values in the upper price ranges continue to rise at a slower pace than the entry-level markets. YTD average price per square foot for homes priced under \$250k has risen by 3%, while closed sales priced over \$500k rose by only 1% compared to a year ago.

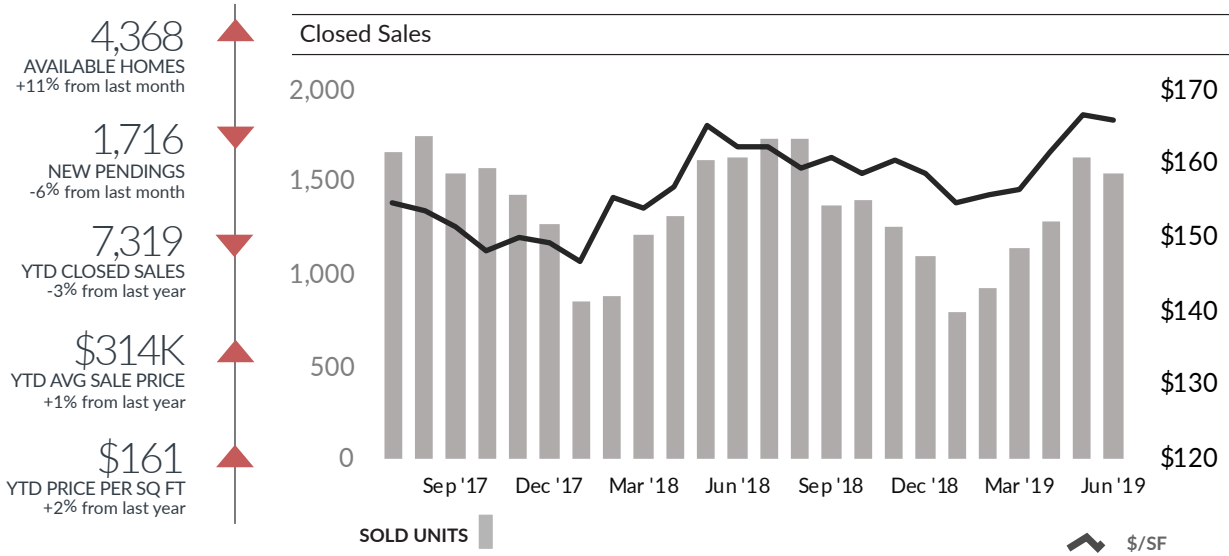
In all price ranges, supply levels are higher than they were a year ago. The \$150-250k range is the lowest with 1.5 months, while the over-\$500k range has over 8 months.

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



Oakland County

Single Family Homes



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	4,368	3,907	12%
	Closed	4,457	4,565	-2%
	Months Supply	2.9	2.6	15%
	Avg. Sale Price	\$325k	\$319k	2%
	\$ Vol (million)	1,450	1,458	-1%
\$10-200k	Available	545	547	0%
	Closed	1,197	1,347	-11%
	Months Supply	1.4	1.2	12%
	Value Change			2%
\$200-400k	Available	1,605	1,323	21%
	Closed	2,201	2,144	3%
	Months Supply	2.2	1.9	18%
	Value Change			2%
\$400-800k	Available	1,623	1,432	13%
	Closed	923	940	-2%
	Months Supply	5.3	4.6	15%
	Value Change			0%
\$800k+	Available	595	605	-2%
	Closed	136	134	1%
	Months Supply	13.1	13.5	-3%
	Value Change			1%

Summary

July 1st inventory was up 11% compared to last month and 12% compared to last year.

June closed sales dropped slightly from May and new pendings were also down—a predictor that July sales may drop again.

Second quarter and YTD sales were short of last year's mark, but values have been up enough to nearly balance sold volume with last year.

A 21% inventory increase in \$200-400k price range helped make it the only price band without a YTD decline in sales.

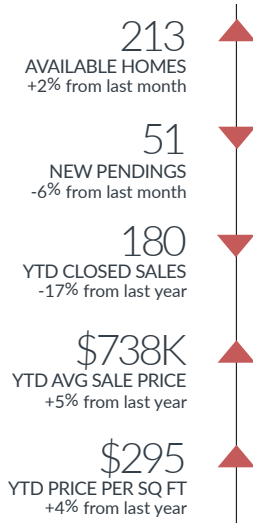
The rate of value increases continues to slow—especially in the upper price ranges. YTD price per square foot is up just 1% for closed sales priced over \$400k.

Oakland County's waterfront market got off to a slow start with 22% fewer sales and an 8% decline in average sale price through the first half of the year.

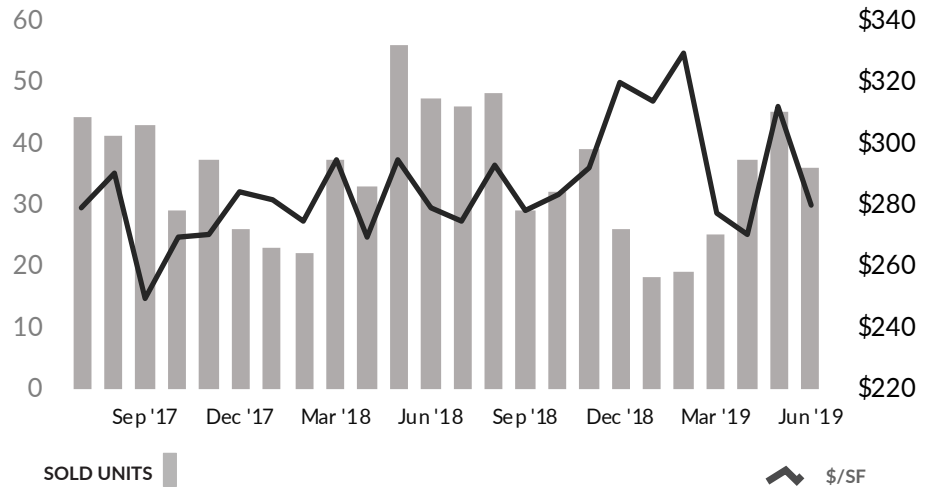
Data source: Realcomp MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

Birmingham

Single Family Homes



Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	213	181	18%
	Closed	118	136	-13%
	Months Supply	5.4	4.0	36%
	Avg. Sale Price	\$726k	\$692k	5%
	\$ Vol (million)	86	94	-9%
\$10-400k	Available	28	17	65%
	Closed	32	42	-24%
	Months Supply	2.6	1.2	116%
	Value Change			6%
\$400-800k	Available	78	66	18%
	Closed	51	57	-11%
	Months Supply	4.6	3.5	32%
	Value Change			0%
\$800-1.4m	Available	65	42	55%
	Closed	24	23	4%
	Months Supply	8.1	5.5	48%
	Value Change			4%
\$1.4m+	Available	42	56	-25%
	Closed	11	14	-21%
	Months Supply	11.5	12.0	-5%
	Value Change			5%

Summary

Available listings are up slightly from last month and up 18% compared to a year ago.

There were only 36 closed sales in June. It was down from 45 the prior month and 47 last year.

Both 2nd quarter and YTD sales are behind last year pace by 13% and 17% respectively but both YTD average sale price and price per square foot are up by roughly 5%.

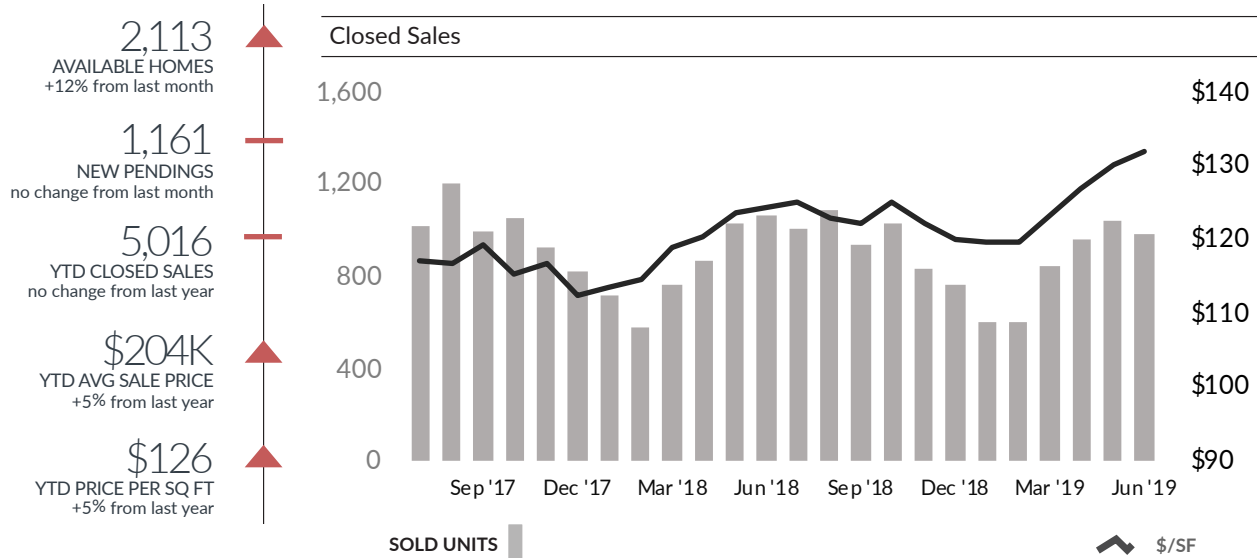
Supply levels begin at about 3 months for the under-\$400k price range, but go up steadily at each incremental price level before peaking at 11 months for luxury homes priced over \$1.4 million.

In that luxury market there are 42 available listings and only 11 second quarter sales (18 YTD). Many of these high-end listings that don't sell in the 3rd quarter will still be around in 2020. YTD average market time jumped from 140 days last year to 216.

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

Macomb County

Single Family Homes



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	2,113	1,705	24%
	Closed	2,978	2,961	1%
	Months Supply	2.1	1.7	23%
	Avg. Sale Price	\$212k	\$201k	5%
	\$ Vol (million)	631	595	6%
\$10-125k	Available	330	266	24%
	Closed	621	723	-14%
	Months Supply	1.6	1.1	44%
	Value Change			4%
\$125-225k	Available	443	413	7%
	Closed	1,228	1,234	0%
	Months Supply	1.1	1.0	8%
	Value Change			3%
\$225-400k	Available	785	604	30%
	Closed	948	845	12%
	Months Supply	2.5	2.1	16%
	Value Change			3%
\$400k+	Available	555	422	32%
	Closed	181	159	14%
	Months Supply	9.2	8.0	16%
	Value Change			11%

Summary

Available inventory rose 12% in the past month and is up 24% from a year ago.

Both 2nd quarter and YTD sales have been dead even with last year—with a difference of only two YTD sales. Average sale price and price per square foot have been up 5% for both the quarter and YTD.

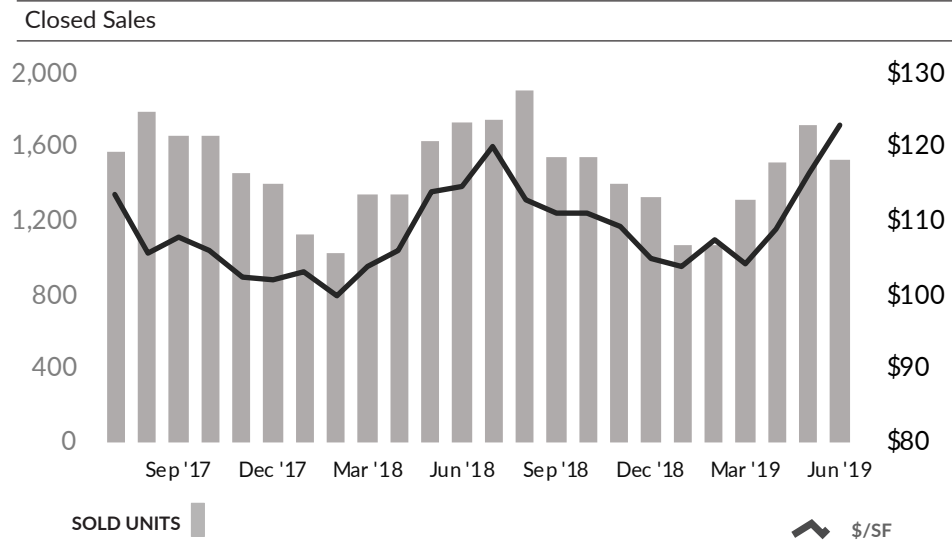
Despite a 24% increase in the number of listings priced under \$125k, closed sales have been down 14% in that price range. The drop in sales is not due to a shortage of buyers, but rather the general quality of the available listings.

Inventory in the over-\$400k market jumped from 422 available listings a year ago to 555 as of July 1st. Having those additional choices increased 2nd quarter closed sales by 14%. Upper-end values (price per square foot) have risen 11% from a year ago. In most other markets, high-end values have been leveling.

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

Wayne County

Single Family Homes



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	4,439	3,655	21%
	Closed	4,759	4,711	1%
	Months Supply	2.8	2.3	20%
	Avg. Sale Price	\$175k	\$169k	4%
	\$ Vol (million)	835	795	5%
\$10-100k	Available	1,911	1,801	6%
	Closed	1,489	1,605	-7%
	Months Supply	3.9	3.4	14%
	Value Change			5%
\$100-200k	Available	979	762	28%
	Closed	1,828	1,695	8%
	Months Supply	1.6	1.3	19%
	Value Change			1%
\$200-400k	Available	897	585	53%
	Closed	1,131	1,111	2%
	Months Supply	2.4	1.6	51%
	Value Change			2%
\$400k+	Available	652	507	29%
	Closed	311	300	4%
	Months Supply	6.3	5.1	24%
	Value Change			2%

Summary

Available listings are up 8% from a month ago and 21% compared to last year.

Both 2nd quarter and YTD closed sales have been running even with last year. Second quarter average sale price was 4% higher than a year ago, and YTD it's up 2%.

The first half of 2019 has been almost a mirror image of 2018. There have been two minor market shifts. First, a 7% decline in the number of sales price under \$100k. Second, supply levels and market times are beginning to creep up at all price levels.

Look for July closed sales to be about even with last month. Sales will peak in August and may begin to fall off in September. Average prices will tail off as the year's prime listings sell out. That drop will have more to do with the diminishing quality of the season's left-over listings than changes in individual property values.

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

Detroit

Single Family Homes

1,795
AVAILABLE HOMES
no change from last month

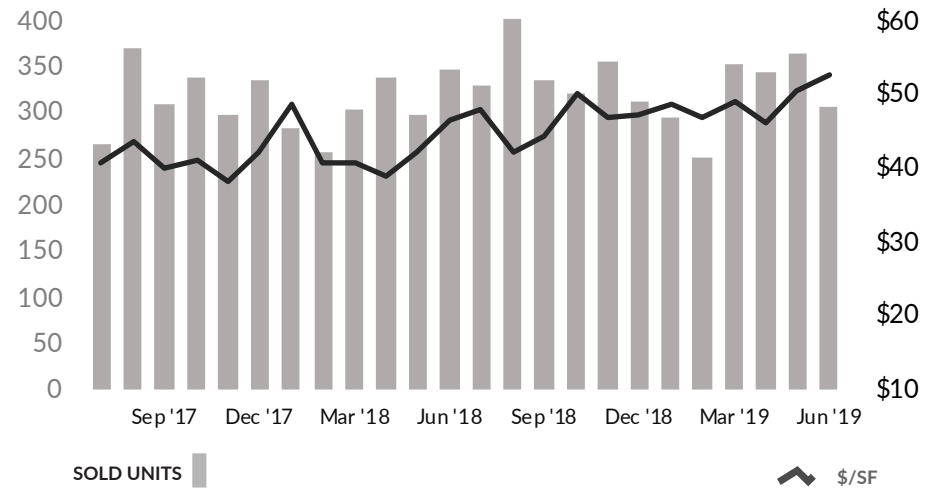
452
NEW PENDING
-6% from last month

1,907
YTD CLOSED SALES
+4% from last year

\$64K
YTD AVG SALE PRICE
+15% from last year

\$49
YTD PRICE PER SQ FT
+14% from last year

Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	1,795	1,558	15%
	Closed	1,012	982	3%
	Months Supply	5.3	4.8	12%
	Avg. Sale Price	\$66k	\$56k	19%
	\$ Vol (million)	67	55	23%
\$5-30k	Available	555	655	-15%
	Closed	353	460	-23%
	Months Supply	4.7	4.3	10%
	Value Change			8%
\$30-100k	Available	978	757	29%
	Closed	467	389	20%
	Months Supply	6.3	5.8	8%
	Value Change			11%
\$100-200k	Available	147	72	104%
	Closed	142	81	75%
	Months Supply	3.1	2.7	16%
	Value Change			10%
\$200k+	Available	115	74	55%
	Closed	50	52	-4%
	Months Supply	6.9	4.3	62%
	Value Change			-3%

Summary

July 1st listing inventory was level with last month but 15% higher than a year ago.

Second quarter sales rose significantly in the middle price ranges, but the over-\$200k market has been flat with both sales and values down slightly from last year.

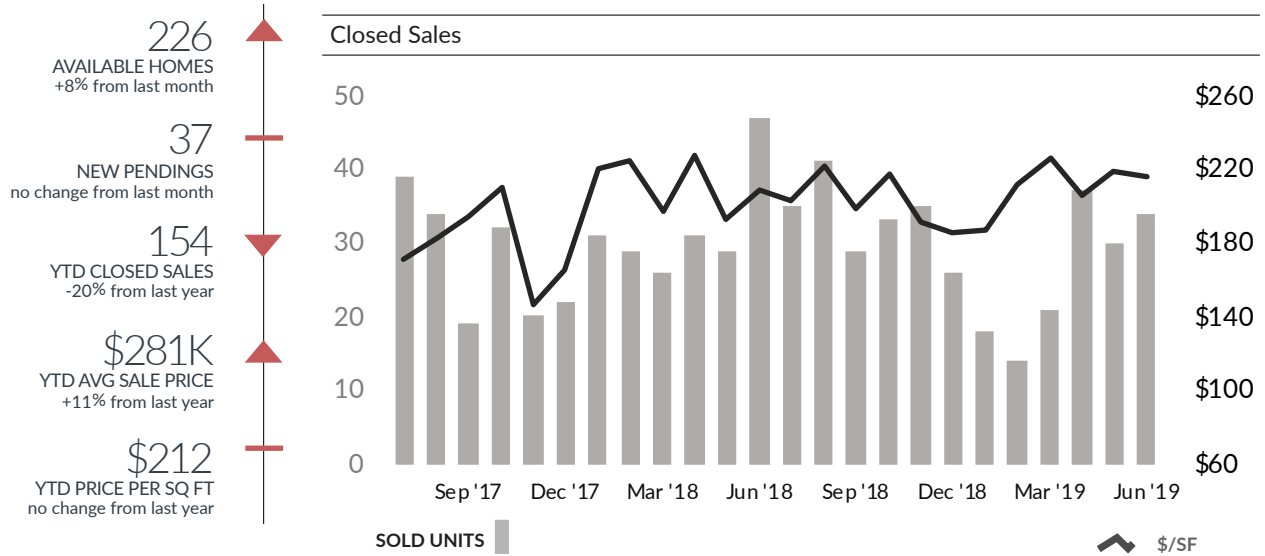
YTD closed sales are up 4% and average sale price is up 15%. Much of the jump in average price was due to the shrinking distressed property market. YTD sales of properties priced under \$30k dropped by 190 units, while sales priced in the middle price ranges increased by nearly the same amount.

The middle price ranges between \$30k and \$200k have been growing fast. Between \$100-200k second quarter sales were up by 75%. But the number of over-\$200k sales has declined. YTD they have dropped from 103 last year to 91 in 2019.

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

Detroit

Condos/Lofts



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	226	166	36%
	Closed	101	107	-6%
	Months Supply	6.7	4.7	44%
	Avg. Sale Price	\$275k	\$251k	9%
	\$ Vol (million)	28	27	3%
\$10-100k	Available	30	29	3%
	Closed	16	13	23%
	Months Supply	5.6	6.7	-16%
	Value Change			-31%
\$100-200k	Available	36	13	177%
	Closed	20	28	-29%
	Months Supply	5.4	1.4	288%
	Value Change			-18%
\$200-400k	Available	92	55	67%
	Closed	48	51	-6%
	Months Supply	5.8	3.2	78%
	Value Change			8%
\$400k+	Available	68	69	-1%
	Closed	17	15	13%
	Months Supply	12.0	13.8	-13%
	Value Change			4%

Summary

June new pendings were even with May, but slipped from 55 last year to just 37 last month. The drop in new pendings will adversely affect July and August closings.

July 1st inventory was up 8% from last month and 36% from last year. Inventory is nearly even with last year in the upper and lower extremes, but between \$100k-\$400k listings nearly doubled from 68 last year to 128. Of the 226 available Detroit condo listings, 25 are new construction with build dates of 2018 or newer. Only 6 of this year's 154 sales are new units.

It's unusual that with the additional inventory sales have been declining. Some buyers may be waiting for units in Brush Park to be completed. New rental units may also be attracting would-be buyers. Regardless of the reason, sellers of existing units are working harder to attract buyers.

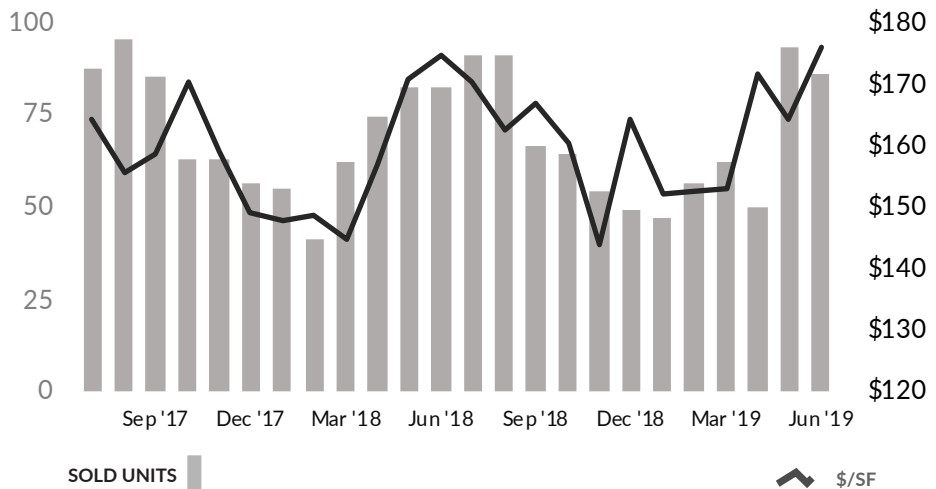
Data source: Realcomp MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

Grosse Pointe

Single Family Homes



Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	261	191	37%
	Closed	229	238	-4%
	Months Supply	3.4	2.4	42%
	Avg. Sale Price	\$379k	\$373k	2%
	\$ Vol (million)	87	89	-2%
\$10-200k	Available	10	12	-17%
	Closed	32	27	19%
	Months Supply	0.9	1.3	-30%
	Value Change			7%
\$200-350k	Available	78	53	47%
	Closed	100	109	-8%
	Months Supply	2.3	1.5	60%
	Value Change			2%
\$350-700k	Available	119	77	55%
	Closed	83	91	-9%
	Months Supply	4.3	2.5	69%
	Value Change			1%
\$700k+	Available	54	49	10%
	Closed	14	11	27%
	Months Supply	11.6	13.4	-13%
	Value Change			-11%

Summary

Available listing inventory jumped from 210 to 261 between June 1st and July 1st and it's 37% higher than a year ago.

Second quarter sales were down 4% compared to last year, but average sale price was up 2%.

The YTD market is about even with last year. Sales and average sale price are nearly level and price per square foot is up 2%.

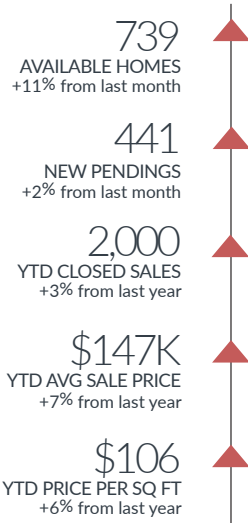
June closed sales fell off from May and June new pendings were also down—the GP market slipped off for a summer break.

August is typically a strong month. Activity often kicks up as buyers scramble to find homes before school begins. But the big inventory jump combined with both closed sales and new pendings tailing off is not a good mix for sellers. Sellers should make necessary adjustments quickly to attract buyers before the market settles in the Fall.

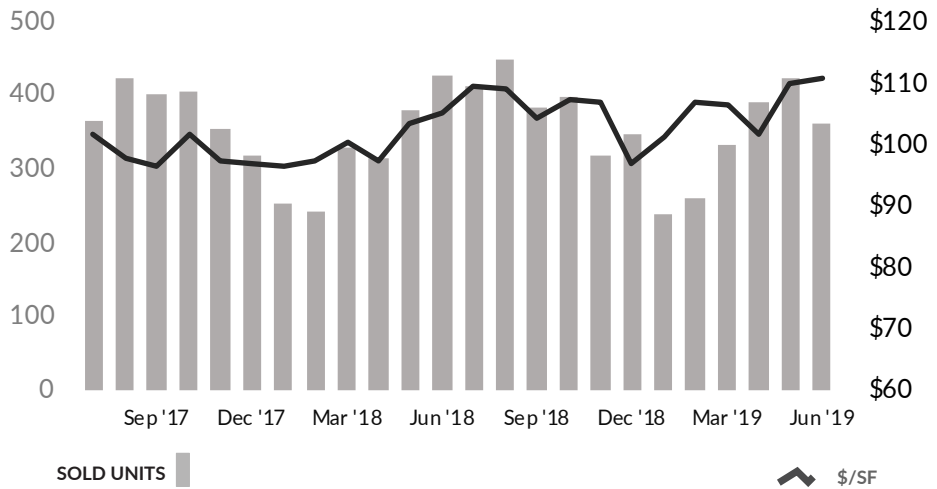
Data source: Realtor MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

Downriver

Single Family Homes



Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	558	505	10%
	Closed	798	823	-3%
	Months Supply	2.1	1.8	14%
	Avg. Sale Price	\$149K	\$131K	13%
	\$ Vol (million)	119	108	10%
\$10-75k	Available	95	96	-1%
	Closed	123	186	-34%
	Months Supply	2.3	1.5	50%
	Value Change			1%
\$75-125k	Available	154	116	33%
	Closed	251	274	-8%
	Months Supply	1.8	1.3	45%
	Value Change			3%
\$125-250k	Available	165	175	-6%
	Closed	327	293	12%
	Months Supply	1.5	1.8	-16%
	Value Change			2%
\$250k+	Available	144	118	22%
	Closed	97	70	39%
	Months Supply	4.5	5.1	-12%
	Value Change			4%

Summary

July 1st inventory was up 11% compared to last month and 25% compared to last year. Both inventory and months supply continue to grow.

With a June dip, second quarter closed sales were down slightly from last year, but average sale price was up 13%.

YTD closed sales are up 3% and Downriver values continue to rise—average sale price is up 7% and price per square foot is up 6%.

Entry-level buyers continue to struggle to find quality homes priced under \$75k. Although inventory is about even, 2nd quarter sales in this price range dropped 34% from last year as buyers continue to pass on properties that need work.

Meanwhile, sales activity continues to expand in the upper price ranges with the number of over-\$250k sales up 39%. Buyers want nice move-in-ready homes.

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

Livingston County

Single Family Homes

653
AVAILABLE HOMES
+3% from last month

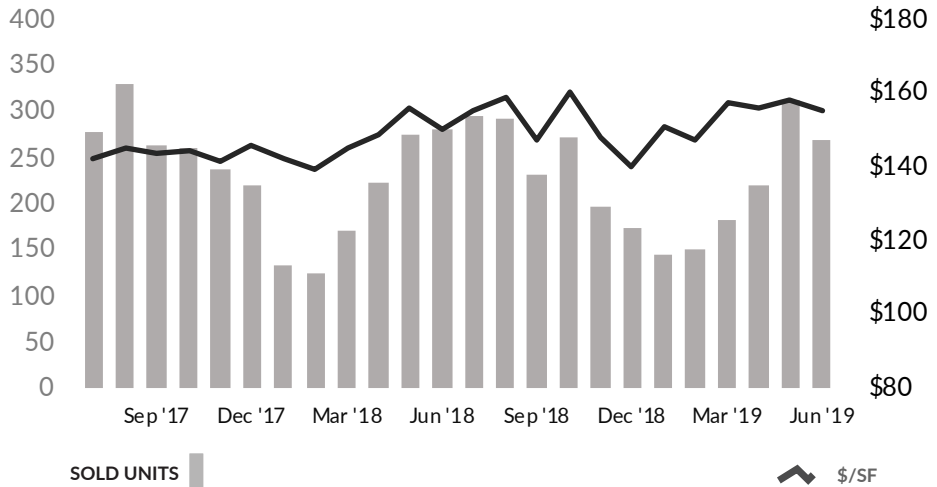
322
NEW PENDING
+2% from last month

1,277
YTD CLOSED SALES
+6% from last year

\$310K
YTD AVG SALE PRICE
+7% from last year

\$155
YTD PRICE PER SQ FT
+4% from last year

Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	653	634	3%
	Closed	800	777	3%
	Months Supply	2.4	2.4	0%
	Avg. Sale Price	\$313k	\$299k	5%
	\$ Vol (million)	250	232	8%
\$10-200k	Available	52	67	-22%
	Closed	118	139	-15%
	Months Supply	1.3	1.4	-9%
	Value Change			-4%
\$150-300k	Available	156	187	-17%
	Closed	318	329	-3%
	Months Supply	1.5	1.7	-14%
	Value Change			1%
\$250-500k	Available	299	236	27%
	Closed	300	262	15%
	Months Supply	3.0	2.7	11%
	Value Change			3%
\$500k+	Available	146	144	1%
	Closed	64	47	36%
	Months Supply	6.8	9.2	-26%
	Value Change			3%

Summary

Available listing inventory is holding steady—up just 3% compared to both last month and the same time last year.

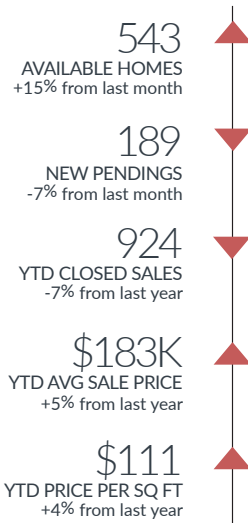
Second quarter closed sales were up 3% and average price up 5% from last year.

YTD sales are up 6% and average price up 7%. The amount of increase in average price may suggest values are up more than they are. Much of the increase is a result in a shift in the mix of price ranges represented in the sales. The number of closed sales above \$500k is up 36%, while under-\$200k sales dropped 15%. That shift accounts for most of the 7% increase in average price. The table to the left indicates the greatest value increase within any price band was 3%. That number is based on average price per square foot within each range.

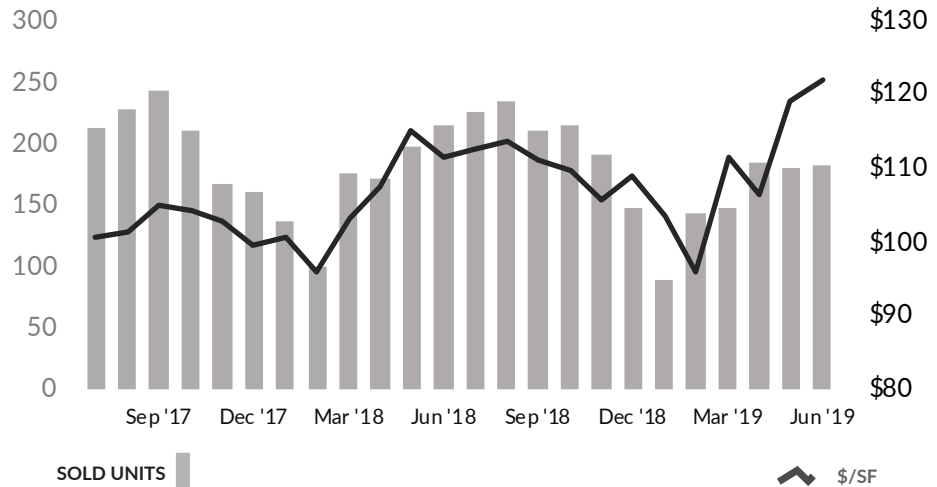
Data source: Realcomp MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

St. Clair County

Single Family Homes



Closed Sales



Price Range	Field	2nd Q '19	2nd Q '18	'19 vs '18
All	Available	543	511	6%
	Closed	545	582	-6%
	Months Supply	3.0	2.6	13%
	Avg. Sale Price	\$194k	\$185k	5%
	\$ Vol (million)	106	108	-2%
\$10-100k	Available	66	86	-23%
	Closed	102	123	-17%
	Months Supply	1.9	2.1	-7%
	Value Change			-5%
\$100-200k	Available	165	130	27%
	Closed	245	257	-5%
	Months Supply	2.0	1.5	33%
	Value Change			-1%
\$200-400k	Available	230	221	4%
	Closed	165	176	-6%
	Months Supply	4.2	3.8	11%
	Value Change			3%
\$400k+	Available	82	74	11%
	Closed	33	26	27%
	Months Supply	7.5	8.5	-13%
	Value Change			5%

Summary

July 1st active listings were up 6% from last year and 15% from last month. Inventory has been increasing in all but the under-\$100k price range.

Second quarter and YTD numbers are similar with sales down 6% and 7% and average sale price up 5%.

Both rate of sale and value vary by price range. The number of 2nd quarter under-\$200k sales dropped by 33 compared to the first half of last year, while the number of over-\$200k sales increased by 27. Values have also been increasing faster for homes in the upper price ranges.

While the sample sizes are small, the over-\$400k price range saw the biggest 2nd quarter improvement for both sales and value. But with 82 available listings and 33 second quarter closed sales, there's still over 7 months of over-\$400k available inventory.

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