MEMORANDUM

cityofnovi.org

TO: VICTOR CARDENAS, CITY MANAGER

FROM: JAN ZIOZIOS, ASSESSOR

SUBJECT: MAY 2025 REAL ESTATE MARKET OVERVIEW

DATE: MAY 15, 2025

This month's real estate market update includes residential data from Realcomp and the U.S. Department of Labor. Additionally, I've included two current reports from Integra Realty Resources, which cover the metro Detroit Multifamily market and Office market.

2026 Inflation Rate Multiplier Forecast Estimate
For Michigan assessing purposes, the annual inflation rate multiplier is calculated using the CPI from a period that runs from October through September. Currently, with seven months of data, the **IRM estimate is 2.7%.** This rate could change by September 2025.

2026 IRM Forecast Estimate				
Month	**10/23-9/24**	**10/24-9/25**	**Calc**	**%**
Oct	307.671	315.664	1.026	2.60%
Nov	307.051	315.493	1.027	2.67%
Dec	306.746	315.605	1.027	2.74%
Jan	308.417	317.671	1.028	2.81%
Feb	310.326	319.082	1.028	2.81%
Mar	312.332	319.799	1.027	2.74%
Apr	313.548	320.795	1.027	2.68%
Average	309.442	317.730	**1.027**	**2.7%**
* The individual IRM data are compiled from the US Department of Labor, Bureau of Labor Statistics.				

Realcomp Update – April 2025

Supply
According to the National Association of Realtors, a housing market is considered balanced if the market has 5 to 6 months' supply of homes available. In a balanced market, neither buyer nor seller have a significant advantage, resulting in relatively stable prices. For the past several years, most metro-Detroit housing markets have been sellers' markets, which creates upward pressure on prices. There are signs that the Novi and Oakland County markets are slowly moving toward equilibrium; however, the market is still considered to be very competitive.

The Realcomp reports for Novi and Oakland County for April 2025 are attached for your review. At the end of April, Novi had a 1.6 months' supply of non-condominium home inventory, a 14.3% decrease over the prior year. Oakland County reflected a 1.8 months' supply in April, an increase of 28.6% over the prior year.

Novi's condominium supply in April was 1.7 months, an 89% increase over April 2024. This compares to the county's April 2025 supply of 2.2 months, an increase of 46.7% from the prior year.

On average, non-condominium Novi homes are marketed for an average of 27 days before sale and Novi condominium homes are on the market for 35 days. A snapshot of **current** May inventory in Novi is presented below:

Active Listings:

Listing Type	No. of Active Listings	Listed for: Low	Listed for: High
Stand Alone	40	$169,900	$4,850,000
Condo	37	$172,000	$699,900

Pricing

For Novi's non-condo homes, the April average percentage of list price received was 98% compared to the April 2024 average of 106.2%. Novi's year-to-date median sale price is $575,000.

Novi's condominium home sales in April had an average percent of list price received of 99.3% compared to 101.1% in April 2024. The year-to-date median sale price was $310,000.

The average 30-year fixed mortgage rate is reported to be 6.95% nationally, according to Bankrate.

Sales Volume

Twenty (20) non-condo homes sold in Novi in April 2025, a 4.8% decrease over the prior year, and 25 condo sales closed, a 13.6% increase over the previous year.

Housing Affordability Index

The monthly housing affordability index provides a way to track, over time, whether housing is becoming more, or less, affordable for the typical household. The HAI incorporates changes in key variables affecting affordability: housing prices, interest rates, and income.

- A ratio of 100 indicates that median household (i.e., family) income is just sufficient to purchase the median-priced home.
- When the ratio falls below 100, the typical household has less income than necessary to purchase the typical house.

According to the National Association of REALTORS® Housing Affordability Index, housing affordability increased in March 2025. The preliminary March national index is **103.2**. An index above 100 means a household with a median income has more than the income required to afford a median-priced home. Generally, a mortgage is considered affordable if the mortgage payment (i.e., principal and interest) is 25% or less of the family's income.