Mayor and Council -
Great press on how "hot" the Novi housing market is (and continues to be)! In speaking with Dan Jones of 12 Oaks, they are using this press to lure stores into the mall.
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CRAIN'S DETROIT BUSINESS

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As rush for real estate ends, these metro Detroit markets stay hot

NICK MANES

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Homes in Ann Arbor neighborhoods, like the Old West Side Historic District, are among the hottest real estate markets in the upper price ranges in Southeast Michigan.

Call it the haves and have nots.

While there's a certain amount of gloominess in the raw data concerning metro Detroit's housing market, local executives saying they're witnessing the emergence of plenty of hot markets at a variety of price points.

Data from myriad recent market reports show that closed and pending sales are off significantly from a year ago. The inventory of homes for sale is going up — although still far from enough — and homes are sitting on the market longer.

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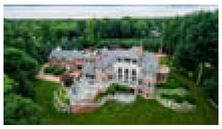
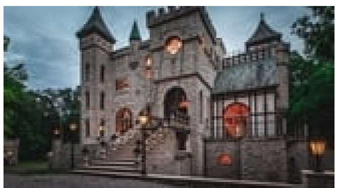


'Palatial estate' in Northville struggles to sell in down luxury market



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All the while, data show that buyers are seeing little by way of price relief.

While the overall market has declined significantly from the pandemic-era peak of late 2020 and much of 2021, local real estate executives say the result is a market where, simply put, some places are hot and some places are not.

HOT MARKETS: UPPER PRICE RANGE

		Dec. - Jan. '22	Feb. - March '22	April - May '22	June - July '22	Aug. - Sept. '22	Oct. - Nov. '22	Dec. '22 - Jan '23
Novi	Closed Sales	71	59	79	128	104	62	34
	Avg SP	$564,357	$627,019	$616,167	$630,828	$596,634	$591,323	$555,369
	At/Over Ask	69%	68%	78%	77%	66%	50%	35%
	Avg DOM	25	16	16	10	17	25	19
Ann Arbor	Closed Sales	92	93	189	192	160	93	63
	Avg SP	$479,599	$579,924	$596,208	$574,473	$571,728	$558,400	$457,075
	At/Over Ask	57%	78%	87%	69%	58%	45%	41%
	Avg DOM *	59	33	29	30	37	50	60

** Ann Arbor has a different custom that keeps the clock ticking longer for Days on Market and 10-day sales*

Source: Real Estate One Market Research Dept. Data Source: Realcomp MLS using Great Lakes Repository Data

Two years ago, geography mattered little, said Jeanette Schneider, president of Troy-based Re/Max of Southeastern Michigan. During that time period, would-be buyers sought to make the most of rock-bottom interest rates, the likes of which are unlikely to reappear in the foreseeable future.

Now, Schneider said, that's not so much the case. "There is the beginning of a localized market coming back," she said.

To that end, recent data does show that activity remains strong in many areas around metro Detroit.

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Homes in Livonia, like in the Rosedale Gardens Historic District, are among the top sellers in the mid-price range in Southeast Michigan.

Hottest markets

On the upper end, markets including Novi and Ann Arbor remain active with prices remaining fairly stable over the last year and many homes still selling at or over asking price.

Likewise, more mid-priced markets such as Canton Township, Wixom and Livonia are seeing similar trends as are entry-level priced markets including St. Clair Shores and Westland.

That data comes from the research department of Southfield-based Real Estate One Inc., the largest residential brokerage firm in the region, which analyzed multiple listing service data.

Overall, it's still "a pretty good market," said Randy Repicky, the market research manager for Real Estate One.

For some, the current market makes for a "teeter-totter" that is "changing rapidly back and forth," said Erick Monzo, owner and Realtor with Mount Clemens-based The Monzo Group. The agent said that in recent months he had seen a large uptick in potential buyers moving to the sidelines amid uncertainty about interest rates.

"That is over," Monzo said, noting that showings for the agency are up and he's seeing more situations arise where multiple offers are being made, particularly amid limited inventory in much of the geography he covers such as Macomb County.

HOT MARKETS: MID PRICE RANGE

		Dec. - Jan. '22	Feb. - March '22	April - May '22	June - July 22	Aug. - Sept. '22	Oct. - Nov. '22	Dec. '22 - Jan '23
Canton Twp	Closed Sales	135	101	170	205	201	125	81
	Avg SP	$410,464	$402,629	$472,175	$432,937	$417,301	$427,490	$401,931
	At/Over Ask	78%	86%	88%	81%	63%	53%	36%
	Avg DOM	23	20	12	13	20	24	34
Wixom	Closed Sales	14	12	21	22	30	12	16
	Avg SP	$313,896	$425,964	$433,573	$385,261	$403,462	$405,542	$418,162
	At/Over Ask	64%	92%	95%	86%	73%	58%	94%
	Avg DOM	35	7	8	9	11	10	10
Superior Twp	Closed Sales	13	27	28	29	29	17	12
	Avg SP	$287,384	$491,173	$361,071	$434,634	$344,036	$367,025	$364,854
	At/Over Ask	54%	70%	89%	90%	72%	65%	42%
	Avg DOM	32	39	20	18	22	33	20
Farmington Hills	Closed Sales	124	86	143	186	169	125	67
	Avg SP	$360,289	$333,638	$395,127	$377,703	$352,899	$384,469	$361,755
	At/Over Ask	60%	71%	86%	80%	60%	49%	43%
	Avg DOM	24	20	12	11	20	26	25
Sterling Heights	Closed Sales	224	157	216	288	242	210	118
	Avg SP	$299,152	$294,172	$327,156	$320,549	$316,282	$307,485	$306,025
	At/Over Ask	59%	69%	85%	77%	59%	43%	41%
	Avg DOM	28	30	16	12	23	30	38
Livonia	Closed Sales	210	164	221	259	258	190	127
	Avg SP	$267,041	$268,725	$303,095	$290,322	$280,954	$264,086	$262,955
	At/Over Ask	64%	77%	87%	85%	68%	54%	46%
	Avg DOM	20	15	10	10	13	24	23

Source: Real Estate One Market Research Dept. Data Source: Realcomp MLS using Great Lakes Repository Data

'Still competitive'

Recent buyers around Southeast Michigan say the current market requires patience.

Max Nielsen, an engineering manager at Stellantis, and his fiancé Triston Wyer owned a 1,000-square-foot home in Royal Oak, which between dogs and a planned family was not large enough. The couple's Royal Oak home sold in a matter of days, so they moved in with family while searching for a new home.

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They recently had an offer accepted for a 1,600-square-foot house in Madison Heights, near 14 Mile and Campbell roads, on which they are set to close in the coming days.

The market was "competitive," Nielsen said, but that came as little surprise to him. Despite the time that passed in looking for the right house, the overall process was smooth, he said.

"It worked out pretty well," Nielsen said. "We looked at quite a few houses and didn't give up."

With an average sale price of just more than $200,000, Madison Heights stands as a city where the majority of homes last year — 59 percent — sold within 10 days, up 12 percent from the year before, according to the Real Estate One data.

Nick Manes/Crain's Detroit Business

St. Clair Shores is among the hottest real estate markets in Southeast Michigan for entry-level homes.

Two-thirds of homes in the Oakland County city were sold at or over asking price, a decline of 11 percent from the year before.

That buyers like Nielsen are still finding plenty of competition when housing hunting comes as little surprise to Repicky, the market research expert with Real Estate One.

Showings of homes, for example, remain strong and roughly on par with 2021, one of the best years for home sales in recent memory.

"I also think the market is stronger than most people give it credit for when you talk about a weaker market," Repicky said. "I mean, sales are down but one of the biggest reasons sales are down is because there's a lack of quality inventory. And we still have a pretty strong pool of buyers sitting on the sidelines, waiting for the right house to come on the market."

More inventory needed

While far from the peak of the real estate market in 2021, much of what appears to be causing some of the stress expressed by buyers is the overall lack of inventory, agents say.

While the most recent Re/Max of Southeastern Michigan report shows that overall inventory has ticked up slightly from a year ago — from 1.4 months of supply to 2.1

months — that's still a far cry from the six months of inventory usually considered a "balanced" market.

HOT MARKETS: ENTRY-LEVEL PRICE RANGE

		Dec. - Jan. '22	Feb. - March '22	April - May '22	June - July 22	Aug. - Sept. '22	Oct. - Nov. '22	Dec. '22 - Jan '23
Ypsilanti Twp	Closed Sales	71	79	100	81	76	79	55
	Avg SP	$243,256	$236,300	$269,163	$273,659	$269,482	$257,465	$235,438
	At/Over Ask	75%	61%	82%	84%	70%	56%	47%
	Avg DOM *	28	34	23	22	33	34	46
St. Clair Shores	Closed Sales	166	160	179	178	214	158	113
	Avg SP	$202,390	$212,025	$246,094	$233,717	$222,046	$212,286	$204,621
	At/Over Ask	65%	66%	81%	85%	60%	53%	52%
	Avg DOM	25	21	14	13	18	26	23
Westland	Closed Sales	166	136	164	168	189	139	106
	Avg SP	$197,827	$206,230	$210,453	$214,787	$215,178	$198,550	$182,525
	At/Over Ask	69%	81%	81%	88%	74%	64%	50%
	Avg DOM	21	20	13	9	16	29	31
Downriver	Closed Sales	711	580	656	746	820	614	466
	Avg SP	$182,768	$183,590	$214,400	$216,861	$207,002	$206,740	$191,117
	At/Over Ask	62%	68%	75%	76%	66%	59%	55%
	Avg DOM	29	27	21	21	22	30	33

** Ann Arbor and Ypsilanti have a different custom that keeps the clock ticking longer for Days on Market and 10-day sales*
Source: Real Estate One Market Research Dept. Data Source: Realcomp MLS using Great Lakes Repository Data

And Schneider, the local Re/Max executive, said she sees little to indicate that will change anytime in the foreseeable future.

Perhaps the best chance for bringing a large amount of new inventory — beyond large-scale new construction, which has its own myriad challenges at present — would be aging baby boomers moving out of their homes.

Still, many people are choosing to age in the homes they've had for years.

"I just don't see what causes an influx (of new inventory) in the short term," Schneider said.

Monzo, however, did see one mechanism that could bring about an increase of options for ready buyers: distressed foreclosures.

"The hope is that bank-owned homes starting to trickle into the market will sustain us."

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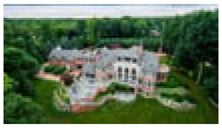

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