MEMORANDUM

cityofnovi.org

TO: VICTOR CARDENAS, CITY MANAGER

FROM: JAN ZIOZIOS, ASSESSOR

SUBJECT: JULY 2024 REALCOMP REPORT & 2025 IRM ESTIMATE

DATE: AUGUST 20, 2024

Realcomp Update – July 2024

Supply
The Realcomp reports for Novi and Oakland County as of July 2024 are attached for your review. At the end of July, Novi had a 2.4 months' supply of non-condominium home inventory, a 33.3% increase over the prior year, and up from June's supply of 2.1 months. Oakland County reflected a 2.0 months' supply in July.

Novi's condominium supply in July was 1.0 month, a slight increase from June's supply of 0.80 month. This compares to the county's July supply of 1.9 months. On average, both condo and non-condo homes in Novi are on the market for only 14 days before sale.

Pricing
For Novi's non-condo homes, the July average percent of list price received was 103.1%, compared to the county average of 101.1% of asking price. Novi's median sale price was $635,000, compared to the county's median price of $398,300.

Sales Volume
Forty-five (45) non-condo homes sold in Novi in July 2024, a 45.2% increase over the prior year, and 24 condo sales closed, a 14.3% decrease over the previous year. Overall, inventory is increasing but still tight, as indicated by the average percent of list price received and less than two month's available inventory.

2025 CPI / IRM Forecast
The inflation rate multiplier forecast for the 2025 tax year is currently hovering around 3.20%. The August and September CPI must still be included, when available. The IRM is the percent that taxable values will increase due to inflation (not including losses or additions). The 2024 IRM was 5.0%. The chart on the next page illustrates.

2025 IRM Forecast Estimate						
Month	10/22-9/23	10/23-9/24	10/22-9/23	10/23-9/24	Calc	%
Oct	298.012	307.671	298.012	307.671	1.0324	3.24%
Nov	297.711	307.051	595.723	614.722	1.0319	3.19%
Dec	296.797	306.746	892.520	921.468	1.03243	3.24%
Jan	299.170	308.417	1191.690	1229.885	1.03205	3.21%
Feb	300.840	310.326	1492.530	1540.211	1.03195	3.19%
Mar	301.836	312.332	1794.366	1852.543	1.03242	3.24%
Apr	303.363	313.548	2097.729	2166.091	1.03259	3.26%
May	304.127	314.069	2401.856	2480.160	1.03260	3.26%
June	305.109	314.175	2706.965	2794.335	1.03228	3.23%
July	305.691	314.500	3012.656	3108.835	1.03192	3.19%
* The individual IRM data are compiled from the US Department of Labor, Bureau of Labor Statistics.						

Mortgage Rates

On August 14, 2024, the Mortgage Banker’s Association reported the 30-year conforming rate dropped to 6.54 percent, a new low since the first week of May 2023. Mortgage applications increased 16.8 percent from the prior week.