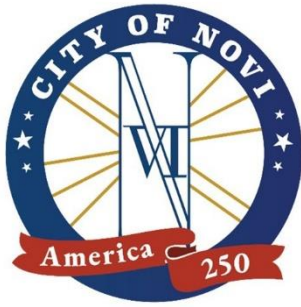


MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
FROM: JAN ZIOZIOS, ASSESSOR
SUBJECT: 2027 IRM & RESIDENTIAL REAL ESTATE MARKET
DATE: OCTOBER 15, 2026, 2026

2027 Inflation Rate Multiplier Forecast

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 twelve months of data, and October 2025 estimated as the average of November and September 2025 (due to the government shutdown and lack of data), the **IRM forecast is 3.20%**. The State Tax Commission will release the final IRM in mid-November. The final IRM will be applied to taxable values for the 2027 tax year.

2027 IRM Forecast				
Month	10/24-9/25	10/25-9/26	Calc	%
Oct	315.664	324.461	1.028	2.79%
Nov	315.493	324.122	1.028	2.76%
Dec	315.605	324.054	1.027	2.73%
Jan	317.671	325.252	1.026	2.65%
Feb	319.082	326.785	1.026	2.60%
Mar	319.799	330.213	1.027	2.71%
Apr	320.795	333.020	1.029	2.87%
May	321.465	335.123	1.030	3.04%
June	322.561	333.952	1.031	3.10%
July	323.048	333.918	1.031	3.12%
Aug	323.976	334.980	1.031	3.15%
Sept	324.800	336.940	1.032	3.20%
Average	319.997	330.235	1.032	3.20%
* The individual IRM data are compiled from the US Department of Labor, Bureau of Labor Statistics. October 2025 CPI is the average of September 2025 & November 2025. The State Tax Commission typically releases the final Inflation Rate Multiplier in mid-November.				

Realcomp Update – September 2026 Supply

The Realcomp reports for Novi and Oakland County for September 2026 are attached for your information. At the end of September, Novi had a 2.4-month supply of non-condominium home inventory, a significant 26.3% increase over September 2025. Novi had 74 homes on the market in September, a 27.6% increase over last September. Oakland County reflected a 2.9-month supply in September, a 20.8% increase over 2025.

While the supply has grown, local real estate organizations have historically cited a 4-to-6-month supply as a healthy, balanced market. Post-pandemic, Metro Detroit's inventory has persistently been between 1.0 and 3.5 months of supply, indicating a seller's market.

Novi's condominium supply in September was 3.7 months, an 85.0% increase over September 2025. This compares to the county's September supply of 4.3 months, a 43.3% increase over 2025. In Novi, there were 76 condo listings in September, a 76.7% increase over last year.

On average, Novi's non-condominium homes are marketed for an average of 19 days before sale, surprisingly unchanged from last year. Condominium homes are on the market for 20 days, a decrease of 23.1% over last year. I anticipate the days on market will increase due to the higher interest rate environment and heading into winter. A snapshot of current inventory in Novi is presented below:

Active Listings:

Listing Type	No. of Active Listings	Listed for: Low	Listed for: High
Stand Alone	62	\$149,900	\$4,369,000
Condo	71	\$170,000	\$679,900

Pricing

Novi's non-condo homes are selling for 99.7% below asking price, compared to last September, when they were selling at 98.5% of asking price. Condos are selling for 99.1% of their list price, like last September. When considering the high sale-to-list price ratios and the low number of days on the market, it may be that homes that are priced correctly and turnkey are still selling quickly and commanding close to asking price, whereas homes that are overpriced for the current market, or require updating may take longer to find their buyers.

Novi's median sale price was \$631,525 in September 2026, compared to the prior year's median price of \$547,500. The median condo sale price was \$280,000, compared to \$304,000 last year.

Novi's housing market reflects general stability, with residential values in some neighborhoods remaining stable to slightly increasing. The supply of homes is increasing but still considered somewhat limited.

Sales Volume

Thirty-four (34) non-condo homes sold in Novi in September, a 13.3% increase over the prior year, with 31 pending sales, a 10.7% increase. Twenty-three (23) condos sold, a 4.2% decrease over last year, with 17 sales pending, an increase of 30.8% over last year.

Mortgage Rates

According to FreddieMac, the average 30-year mortgage rate is 7.4%; a year ago it averaged 6.30%. The average 15-year rate is 6.73%; a year ago it averaged 5.53%.