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## Southeast Michigan June 2015 Monthly Market Update

The spring rush is in full bloom with the market looking very much like last spring, only slightly less hectic. All indicators in May show a strong market as prices are up (7%), new contracts written are up (15%), the number of homes for sale is up slightly (2%) and new listings entering the market are up (4%). As sellers are noticing the strength of the market, they are responding by listing their homes. The market momentum does vary by lower, medium and upper priced categories and although they differ in strength, the lower priced markets are moving faster than upper-end markets. The trends with each price range are constant, regardless of geography (we use price segments of \$0-250k, \$250-500k and over \$500k as a general representation of the overall metro area).

About 33% of all homes sales are selling for at or above list price, down from 39% last year. Homes that are selling in 10 days or less held steady compared to last year at 35%. This May, 59% of homes sold in 30 days or less. The upper-end market (over \$500,000) as expected was a bit slower with 27% of homes selling at or above list and 22% selling in 10 days or less.

### Southeast Michigan: Comparison by Price Range

May 2015 vs. May 2014	All	\$0-250K	\$250-500K	\$500K+
Price per Sq Ft	up 7%	up 10%	up 2%	equal
Homes Sold	-2%	-6%	up 14%	equal
For Sale Inventory	up 4%	-2%	up 15%	up 20%
New Listings in May	up 4%	equal	up 9%	up 12%
Days on Market	up 6%	up 3%	up 6%	down 20%
May 2015 Sale Activity Levels	All	\$0-250K	\$250-500K	\$500K+
% Selling at or above List Price	33%	43%	34%	27%
% Selling in under 11 Days	35%	35%	35%	22%
% Selling in under 31 Days	59%	61%	57%	43%

We are hearing from our sales team across all markets that the upper-end price range, particularly over \$1,000,000 is slowing as the inventory rises faster than demand, with prices remaining flat. Year-to-date, there have been more sales in the \$1,000,000 plus category (85 vs. 74 units in Southeast Michigan) but the pace has slowed the last 60 days.



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For sellers, there is no better time to put your home on the market. Buyers need a combination of patience and quick reaction to work through competing offers.

Last month we mentioned the regulatory changes affecting mortgage applications beginning in August. These changes are, for the most part, a benefit to borrowers. However, as the industry gets accustomed to the changes, it is likely to take longer for a mortgage approval and a transaction to close.

## For loan applications taken after August 1<sup>st</sup>, 2015:

- Lenders must provide a Loan Estimate to the borrower within 3 days of the borrower providing key information to the lender.
- Many lenders will not order an appraisal until the buyer formally accepts their Loan Estimate, which may extend the approval time frame.
- Buyers must receive their Closing Disclosure 3 days prior to the closing. Certain last minute changes after the borrower has received the Closing Disclosure (such as a significant change in interest rate) will restart the 3-day period.
- Most smaller last minute changes in the closing documents, while not triggering an additional 3 days, will require at least 1-2 days to rework through the lender's system.
- Overall lenders recommend that buyers and sellers should plan for the loan approval process to be 40+ days.
- Once the loan is approved, lenders suggest allotting at least 10 additional days for the final closing date.
- Buyers should avoid setting their move-in the day of closing, most lenders are recommending allowing 10 days after closing to cover any last minute changes.
- Sellers should be careful setting up "back to back" closings (closing on their old home and new home on the same day) in case the first closing has a last minute delay.
- Sellers should be wary of purchase offers that have unrealistically fast loan approval and closing dates compared to other offers. All lenders are under the same rules.



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- It will be more important than ever to plan some flexibility into the choreography of the closing and moving process.

Total Company Summary - May 2015		2014	Change	2013	2012
# of Showing Appointments	18,469	15,529	19%	17,360	17,470
# of Homes Sold/Leased	2,447	1,856	32%	1,998	1,801
# of Web Inquires (Unique Visitors)	177,922	169,845	5%	192,719	209,443
# of Mortgage/Title/Insurance Closings	963	851	13%	795	800

## \$0 to \$100,000 Home Values Past 90 Day Trends

Area	#of Homes Pending		Homes for Sale		Ave Price/sqft.	
	May-15	Trend	May-15	Trend	May-15	Trend
Oakland County	297	Down	1,582	Down	61	Up
Macomb County	418	Up	1,044	Down	56	Up
Livingston County	13	Down	33	Down	72	Up
Washtenaw County	43	Up	44	Down	66	Up
Wayne County ( - Detroit & G.P.)	320	Down	743	Down	59	Up
Detroit*	350	Down	2,028	Down	1	Down
Grosse Pointe(s)	95	Up	255	Down	45	Up
Northwest Michigan**	97	Up	2,689	Down	65	Up
<b>Total</b>	<b>1,633</b>	<b>Up</b>	<b>8,418</b>	<b>Down</b>	<b>46.0</b>	<b>Up</b>

Area	Median Sale Price		Months Supply Inv	
	May-15	Trend	May-15	Trend
Oakland County	\$70,000	Up	2.5	Down
Macomb County	\$61,000	Up	2.5	Down
Livingston County	\$90,000	Up	2.5	Down
Washtenaw County	\$73,250	Up	1.0	Down
Wayne County ( - Detroit & G.P.)	\$65,000	Up	2.3	Down
Detroit*	\$16,000	Up	5.8	Down
Grosse Pointe(s)	\$54,000	Up	2.7	Down
Northwest Michigan**	\$48,000	Down	27.7	Down
<b>Total</b>	<b>\$53,150</b>	<b>Up</b>	<b>4.6</b>	<b>Down</b>

## Over \$100,000 in Home Values Past 90 Day Trends

Area	#of Homes Pending		Homes for Sale		Ave Price/sqft.	
	May-15	Trend	May-15	Trend	May-15	Trend
Oakland County	1,934	Up	4,990	Up	144	Up
Macomb County	848	Up	1,923	Up	111	Up
Livingston County	355	Up	1,040	Up	133	Up
Washtenaw County	689	Up	814	Down	158	Up
Wayne County ( - Detroit & G.P.)	808	Up	1,582	Up	126	Up
Detroit*	47	Up	99	Up	101	Up
Grosse Pointe(s)	90	Up	295	Up	136	Up
Northwest Michigan**	327	Up	2,716	Down	132	Up
<b>Total</b>	<b>5,098</b>	<b>Up</b>	<b>13,459</b>	<b>Up</b>	<b>135</b>	<b>Up</b>

Area	Median Sale Price		Months Supply Inv	
	May-15	Trend	May-15	Trend
Oakland County	\$230,000	Up	2.6	Down
Macomb County	\$172,000	Up	2.3	Down
Livingston County	\$223,250	Up	2.9	Down
Washtenaw County	\$249,600	Up	1.2	Down
Wayne County ( - Detroit & G.P.)	\$185,000	Up	2.0	Down
Detroit*	\$185,000	Down	2.1	Down
Grosse Pointe(s)	\$245,750	Neutral	3.3	Down
Northwest Michigan**	\$191,000	Up	8.3	Down
<b>Total</b>	<b>\$212,761</b>	<b>Up</b>	<b>2.7</b>	<b>Down</b>

Data Source: MiRealsource, Realcomp, Ann Arbor Board, TAAR MLS & BrokerMetrics

Months Supply Inventory represents the current sales pace to sell the existing inventory (months)

\* Includes Hamtramck and Highland Park

\*\* Includes Grand Traverse, Kalkaska, Antrim, Leelanau & Benzie counties, waterfront properties & vacant land



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