

Danielle Grostick

Mobile: 734-637-5897 Direct: 734-637-5897

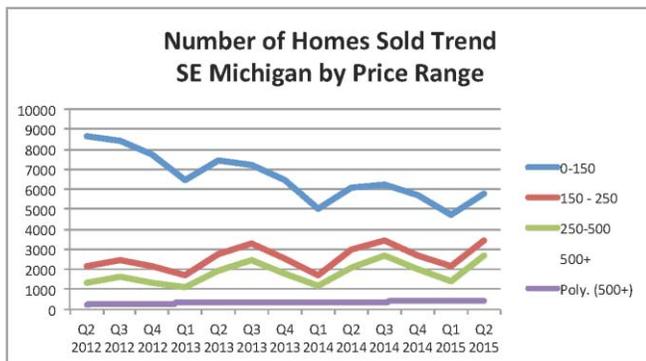
<http://www.daniellegrostick.com>
daniellegrostick@gmail.com

1164 Dexter Milan, MI 48160

Southeast Michigan July 2015 Monthly Market Update

With the first half of 2015 in the books, we have been pleasantly surprised with the results. After three years of a recovering housing market, we had expected the market to slow to a more historically normal pace, instead it has accelerated into the summer. There are some signs that the market is returning to a more moderate and sustainable pace with For Sale inventories beginning to rise and the pace of new sales, although strong, rising at a slower rate. The charts below show the movement of the market over the past three years, giving a feel for how the current market has developed.

Home Sales: Home sales in the lower price ranges have fallen as a result of both fewer bank-owned sales and a continued shrinking of available homes for sale. Year-to-date-sales under \$150,000 have fallen 5% compared to 2014. Demand remains strong, but with low inventories, there simply are not enough homes to satisfy buyer interest. In the higher price ranges (over \$150,000), fueled by growing For Sale inventories and consumer confidence, the pace of home sales has risen, with sales so far this year growing by 20% over 2014.



For Sale Inventories: The majority of bank-owned properties has been in the lower priced markets, so it is not surprising to see those inventories shrink as foreclosures decline. As home

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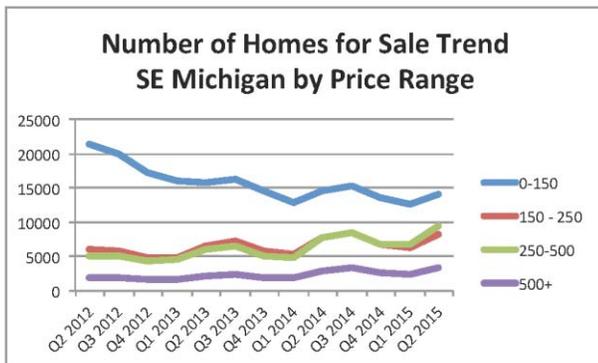
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values have risen, sellers have been able to get back into the market, releasing listing inventory, with the pace accelerating in the last 90 days. For properties over \$150,000, and particularly over \$500,000, inventory growth has outpaced the increase in sales, causing many sellers to feel like the market has put on its breaks. That is true to some degree, there are actually more buyers in the market than this time last year, but there are even more listings, so it will feel slower in the upper price ranges, with fewer showings per listing and a slower pace of appreciation. This is of course all relative, since it is still a strong market across all price ranges and areas; the difference being the slower pace of appreciation in the over \$150,000 markets compared to the pace in this segment in 2014.



Home Prices: Home prices continue to rise across all price categories, but at a slower pace, which is healthy, keeping below the unsustainable rates (over 10%) we saw in 2013 and 2014. The chart below follows the percentage value change over the prior year by quarter. Value jumps in excess of 20% in 2013 were again influenced by bank owned sales. Across all price ranges, as inventories began to rise in early 2014, the rate of appreciation began to slow, with the over \$150,000 segments now below 5%; and, in fact, the over \$500,000 segment has fallen to a negative rate in the last 90 days. We don't think this a permanent trend for the upper-end, just a market correction influenced by the jump in inventories. Values in all price ranges will continue to rise over the next 12 months, just at a slower pace. It is likely that as we move into late summer and fall, listing inventories will tend to be overpriced, particularly in the higher priced markets as inventories rise. We are seeing that now in over \$1,000,000+ properties throughout most of the metro area.

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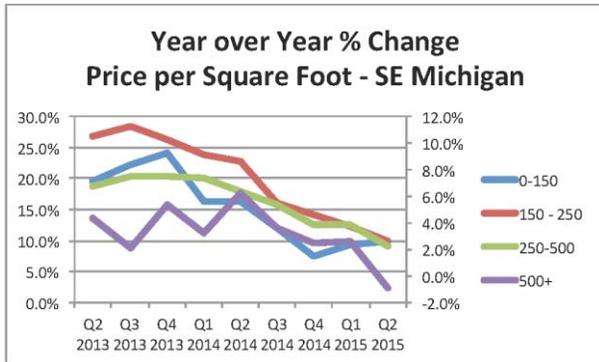
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Overall, the number of homes selling at or above their list price remains at about 30%, about the same as last year, as are the number of homes selling in under 30 days (55%). This suggests that even with an increased inventory, a property with the right balance of location, condition and price will sell in weeks vs. months. Interest rates should rise in the second half of this year, which may cause a mini rush of buyers moving to get under the rate increase wire.

Total Company Summary - June 2015

		2014	Change	2013	2012
# of Showing Appointments	18,408	17,802	3%	18,593	16,157
# of Homes Sold/Leased	2,668	2,104	27%	1,966	1,851
# of Web Inquires (Unique Visitors)	189,391	165,387	15%	177,051	195,667
# of Mortgage/Title/Insurance Closings	1299	913	42%	794	750



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