

HOUSING REPORT

WASHTENAW | 1ST QUARTER 2019



Single Women Prioritize Homeownership

Single women are the second largest home buyer group behind married couples. Surprisingly (for some), single women have been the second largest home buying group since 1981, when the National Association of Realtors started tracking household composition. Statistically, single women tend to earn less and have smaller bank accounts than their male counterparts, but that hasn't stopped them from becoming a powerful group in the housing market.

Women are on the move and the homeownership gap between single women and single men continues to grow. In the past three years, the percentage of single female buyers has grown from 15% to 18% of total buyers.

What drives more women than men to buy? For starters, single women prioritize homeownership more than single men— 73% versus 65%, according to a study conducted by Bank of America. Independence and empowerment are two other leading factors motivating women to buy. Single women prioritize homeownership over other traditional life priorities such as getting married and having children.

Female buyers aren't just young first-time buyers. The numbers are increasing for older generations as well. Women homebuyers make up nearly 25% of the home buying population. Single female boomers are one of the largest segments of our population. The increase in divorce rate, which is up 109% since 1990, is a contributing factor. With increasing divorce rates, more previously married women need their own home than ever before. Another factor is that women are simply outliving men. The average life expectancy for women is 81, four years longer than men.

Motivation may be different for everyone. Some are looking to build equity, gain independence, escape rising rents, downsizing, or looking for a clean start. As women begin to control more wealth than ever before, female homeownership is expected to continue to rise.

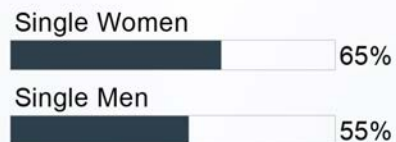
Men are more willing to postpone the first home purchase until they have found someone to settle down with. Women tend to be more independent and are more likely to take control of their housing and financial future.

Home Ownership Single Women vs Single Men

Prioritize Homeownership



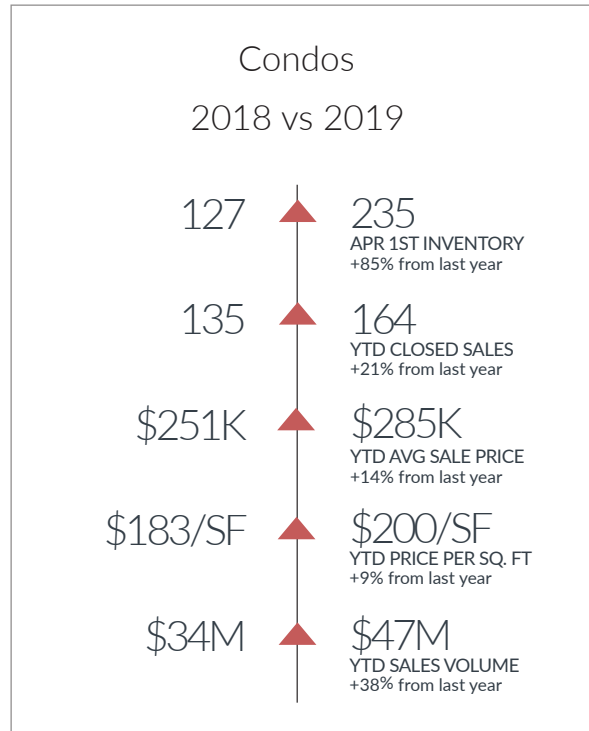
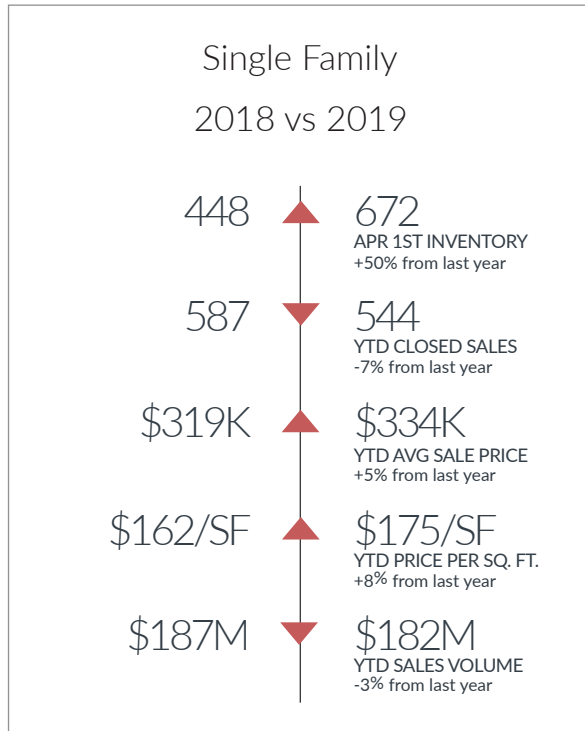
Prioritize Saving for a Down Payment



Prioritize Improving Credit Score



Summary



Inventory— Available listings are up 50% from a year ago. Almost all of that increase is in the \$200k to \$800k price range. Upper-end and entry level inventories are about even with last year.

Closed Units— First quarter closed sales ran 7% behind last year's pace. They were down in all but the \$400k-\$800k price ranges.

Values— Both average price and price per square foot are up 5% and 8% respectively. Values in the upper price ranges increased more than in the entry and middle ranges.

Summary— Inventories continue to grow and although the number of first quarter closed sales has declined in each of the past three years, values continue to rise. At some point, growing inventories will saturate the market and prices will level off. There is still a shortage of move-in-ready homes and they continue to sell quickly.

Inventory— Available inventory is 108 units higher than a year ago. Half of those additional units are priced over \$400k.

Closed Units— First quarter sales were up 21% from last year. Many of those sales have been new development units.

Values— Both YTD average price and price per square foot are up—14% and 9% respectively. In the over-\$400k price range, however, values have leveled off and have been showing signs of decline.

Summary— Affordable inventory remains tight, but listing supply is up in middle and upper price ranges. Values are up in all but the over-\$400k market where an oversupply of luxury units has been leveling prices. Price per square foot in this price range has dropped 9% compared to the first quarter last year.



Washtenaw County

Single Family Homes

672
AVAILABLE HOMES
+3% from last month

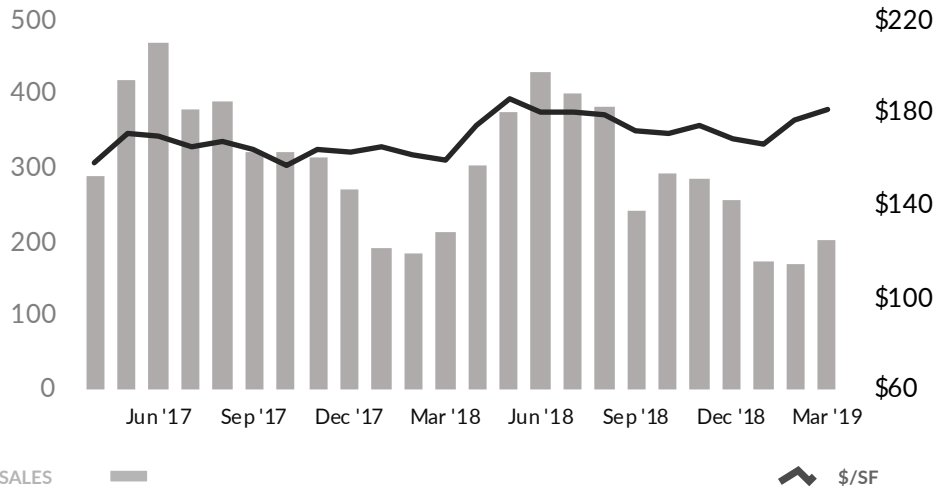
262
NEW PENDINGS
+34% from last month

544
YTD CLOSED SALES
-7% from last year

\$334K
YTD AVG SALE PRICE
+5% from last year

\$175
YTD PRICE PER SQ FT
+8% from last year

Closed Sales



Price Range	Field	1st Q '19	1st Q '18	'19 vs '18
All	Available	672	448	50%
	Closed	544	587	-7%
	Months Supply	3.7	2.3	62%
	Avg. Sale Price	\$334k	\$319k	5%
	\$ Vol (million)	182	187	-3%
\$10-200k	Available	56	58	-3%
	Closed	139	160	-13%
	Months Supply	1.2	1.1	11%
	Value Change			-6%
\$200-400k	Available	228	138	65%
	Closed	261	288	-9%
	Months Supply	2.6	1.4	82%
	Value Change			7%
\$400-800k	Available	313	178	76%
	Closed	125	121	3%
	Months Supply	7.5	4.4	70%
	Value Change			10%
\$800k+	Available	75	74	1%
	Closed	19	18	6%
	Months Supply	11.8	12.3	-4%
	Value Change			18%

Summary

Inventory is up just slightly from the prior month, but it's up 50% from a year ago. March new pendings, which were up 34% from the previous month, were even with March of last year.

Monthly closed sales began to rise in March and will continue to rise through the spring. Compared to last year, sales in the entry and middle price ranges fell off while the number of sales priced over \$400k was up.

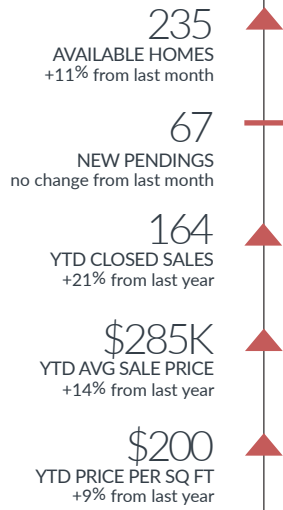
Unlike most adjacent Southeast Michigan markets, values have been flattening in the lower and middle price ranges while rising faster in the upper-end markets. Price per square foot increased 10% for homes priced between \$400k and \$800k and 18% for homes priced over \$800k.

Data source: Realtor.com MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

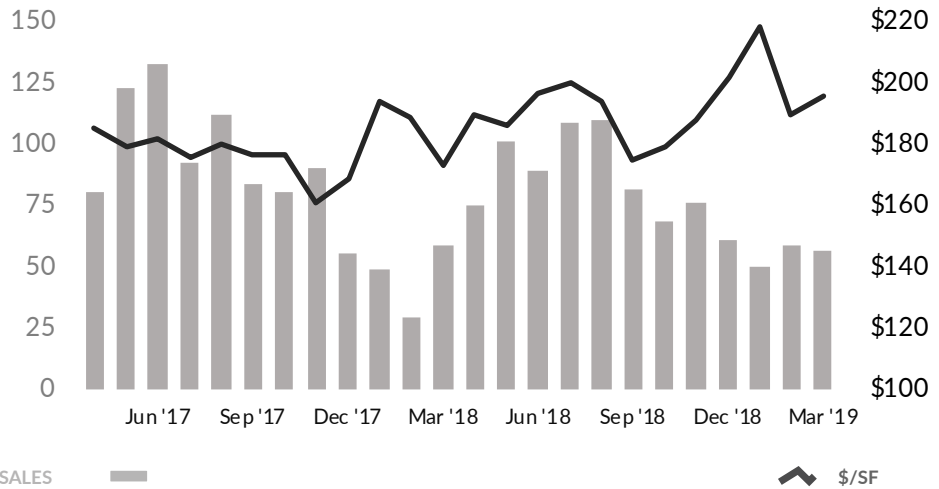


Washtenaw County

Condos



Closed Sales



Price Range	Field	1st Q '19	1st Q '18	'19 vs '18
All	Available	235	127	85%
	Closed	164	135	21%
	Months Supply	4.3	2.8	52%
	Avg. Sale Price	\$285k	\$251k	14%
	\$ Vol (million)	47	34	38%
\$10-150k	Available	8	6	33%
	Closed	27	29	-7%
	Months Supply	0.9	0.6	43%
	Value Change			11%
\$150-225k	Available	45	33	36%
	Closed	53	41	29%
	Months Supply	2.5	2.4	5%
	Value Change			3%
\$225-400k	Available	83	43	93%
	Closed	45	49	-8%
	Months Supply	5.5	2.6	110%
	Value Change			4%
\$400k+	Available	99	45	120%
	Closed	39	16	144%
	Months Supply	7.6	8.4	-10%
	Value Change			-9%

Summary

Listing inventory levels for Washtenaw County condos continue to grow and are almost double what they were last year at this time.

Most of the growth is the result of newly developed units coming online. Of the 235 April 1st available listings, half (118) are new construction units that have never been lived in with build dates of 2018 or later. These newer units tend to bear higher prices. The average list price of these 2018 and 2019 models is \$503k.

Although both sales and average sale price are both up, the additional high-end inventory has been saturating the market and will cause upper-end values to slip until the excess inventory can be absorbed. Compared to the first quarter of last year, there was a 9% drop in the average closed price per square foot for condos which have sold for more than \$400k.

Data source: Realtor.com MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)



Ann Arbor

Single Family Homes

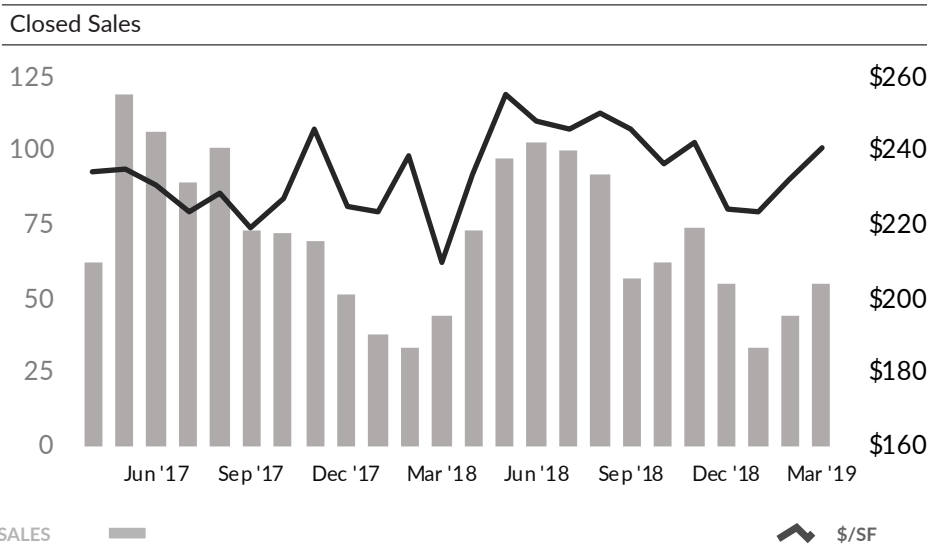
126
AVAILABLE HOMES
+11% from last month

61
NEW PENDINGS
+22% from last month

132
YTD CLOSED SALES
+15% from last year

\$414K
YTD AVG SALE PRICE
+6% from last year

\$233
YTD PRICE PER SQ FT
+5% from last year



Price Range	Field	1st Q '19	1st Q '18	'19 vs '18
All	Available	126	72	75%
	Closed	132	115	15%
	Months Supply	2.9	1.9	52%
	Avg. Sale Price	\$414k	\$389k	6%
	\$ Vol (million)	55	45	22%
\$10-200k	Available	3	1	200%
	Closed	11	12	-8%
	Months Supply	0.8	0.3	227%
	Value Change			-3%
\$200-400k	Available	34	19	79%
	Closed	63	58	9%
	Months Supply	1.6	1.0	65%
	Value Change			3%
\$400-800k	Available	78	35	123%
	Closed	52	40	30%
	Months Supply	4.5	2.6	71%
	Value Change			7%
\$800k+	Available	11	17	-35%
	Closed	6	5	20%
	Months Supply	5.5	10.2	-46%
	Value Change			2%

Summary

Ann Arbor inventory is up 11% from the prior month and 75% from the same time last year. The additional listings have provided buyers with more choices and have fueled a 15% increase in first quarter sales compared to last year. Values are also up. Both average price and price per square foot are up 6% and 5% respectively.

Despite the additional listings, inventory levels are still tight in the under-\$400k price range where there's only 1.5 months of supply. In the \$400k-\$800k price range, inventory has more than doubled while sales were only up 9%. Sellers in that price range will have to compete harder to attract buyers and buyers will have more options to choose from.

In all price ranges, well-maintained and move-in-ready listings will continue to sell quickly and for premium prices while homes that need work will sit and eventually sell for less.

Data source: Realtor.com MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)



Ann Arbor

Condos

124
AVAILABLE HOMES
+25% from last month

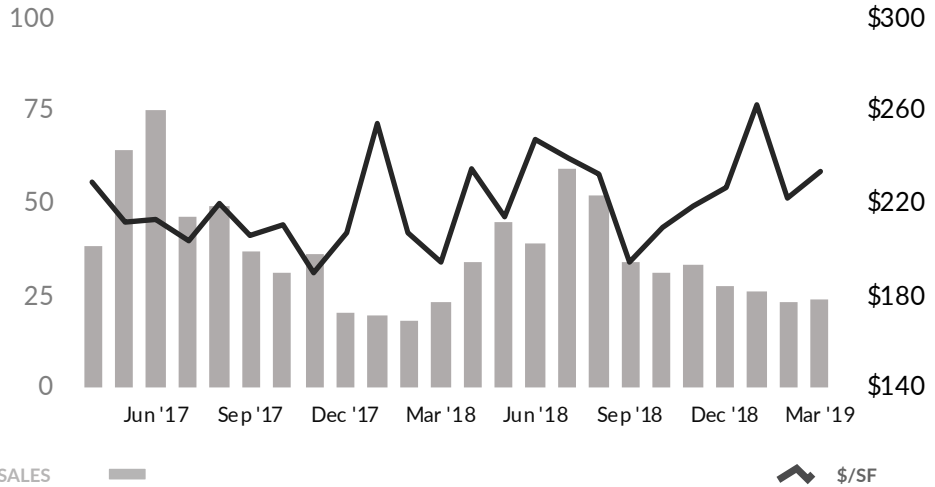
28
NEW PENDING
no change from last month

73
YTD CLOSED SALES
+22% from last year

\$326K
YTD AVG SALE PRICE
+15% from last year

\$240
YTD PRICE PER SQ FT
+11% from last year

Closed Sales



Price Range	Field	1st Q '19	1st Q '18	'19 vs '18
All	Available	124	56	121%
	Closed	73	60	22%
	Months Supply	5.1	2.8	82%
	Avg. Sale Price	\$326k	\$284k	15%
	\$ Vol (million)	24	17	40%
\$10-150k	Available	4	2	100%
	Closed	13	12	8%
	Months Supply	0.9	0.5	85%
	Value Change			17%
\$150-250k	Available	17	11	55%
	Closed	17	16	6%
	Months Supply	3.0	2.1	45%
	Value Change			3%
\$250-400k	Available	34	11	209%
	Closed	19	20	-5%
	Months Supply	5.4	1.7	225%
	Value Change			10%
\$400k+	Available	69	32	116%
	Closed	24	12	100%
	Months Supply	8.6	8.0	8%
	Value Change			-6%

Summary

New condo construction continues to flood the upper-end market with listing inventory. Last year at this time, there were 43 Ann Arbor condo listings priced over \$250k. This year, there are 103 with two thirds of those are priced over \$400k.

While there continues to be a shortage of condos in the entry and middle price ranges, developers keep churning out luxury units in the saturated high-end market. The average list price of the new available units (built in 2018 and 2019) is \$645k. With only 24 closed sales priced over \$400k in the first quarter, there are currently 69 available units. The over-supply of luxury units has caused the price per square foot to drop 6% since the first quarter of last year.

While buyers in entry and middle price ranges struggle to find affordable quality properties, upper-end buyers have plenty of options. Look for upper-end prices to continue to slide if supply continues to out-pace demand.

Data source: Realtor MLS using Great Lakes Repository Data. Percent changes are compared to the same period last year (Year-Over-Year)

