

HOUSING REPORT

WASHTENAW COUNTY | 2021 YEAR END

Reinhart
REALTORS

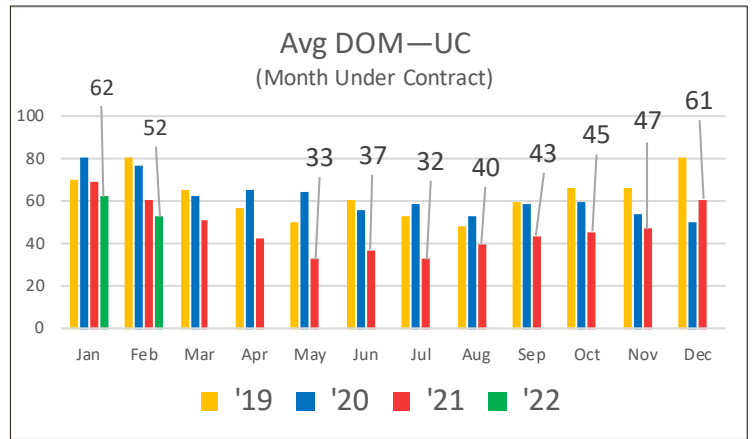
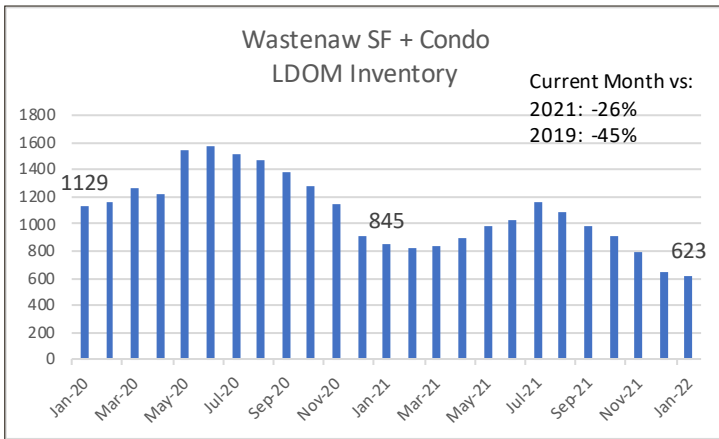
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Washtenaw County

Demand Keeps Inventory Tight

Annual 2021 sales were up 11% from 2020 and 10% compared to 2019. Tight inventory coupled with extreme demand also drove values up. Average sale price and price per square foot ended the year up 12% and 13% compared to 2020.

Inventory shortages and a high level of carryover demand from buyers who couldn't purchase a home last year have showing and new pending numbers up early in 2022. As seen below, market times are dropping and will continue to drop through the spring.

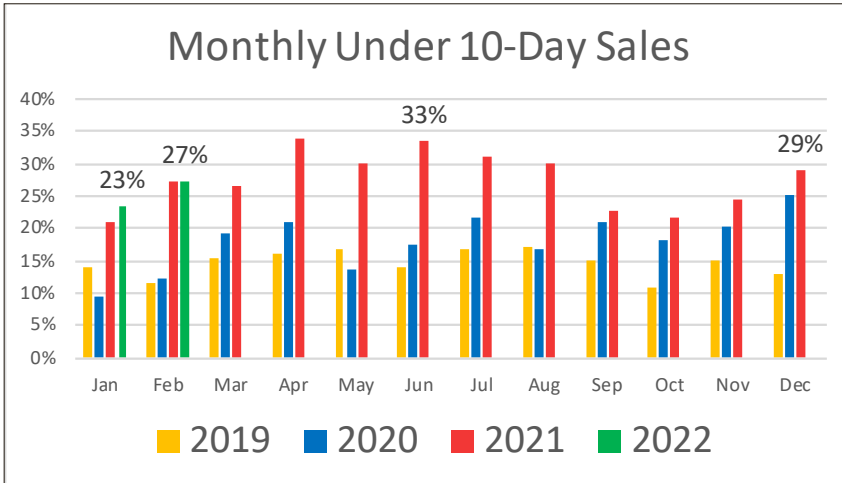


Washtenaw Combined SF and Condo YOY Sales					
Jan 1st—Dec 31st					
	2019	2020	2021	+/- '19	+/- '20
YTD Units	4,561	4,532	5,036	10%	11%
YTD Vol (M)	\$ 1,513.9	\$ 1,553.4	\$ 1,925.5	27%	24%
Avg Price	\$ 331,916	\$ 342,772	\$ 382,351	15%	12%
Avg \$/SF	\$ 184	\$ 188	\$ 211	15%	13%

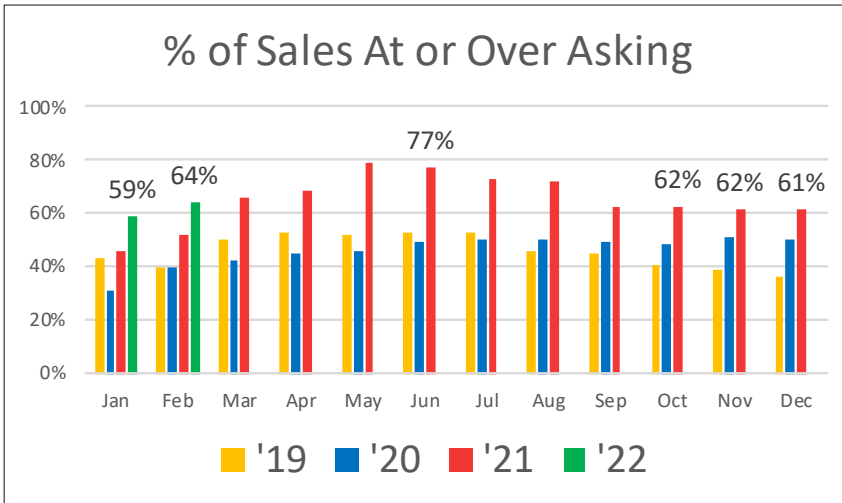
Washtenaw County

Quick Offers

And Over Asking...



Carryover buyers continue to jump on fresh listings as they arrive. Twenty-five to thirty percent of sales are being reported to the MLS as either “pending” or “accepting backup offers” within 10 days of listing. Expect that number to rise through spring as it did last year. Over sixty percent of closed sales are already selling at or above full list price. That’s unheard of for this early in the year. The “at or over asking” percentages are higher than they were early in 2021. Buyers and sellers should be advised of these trends when pricing or positioning their offers.

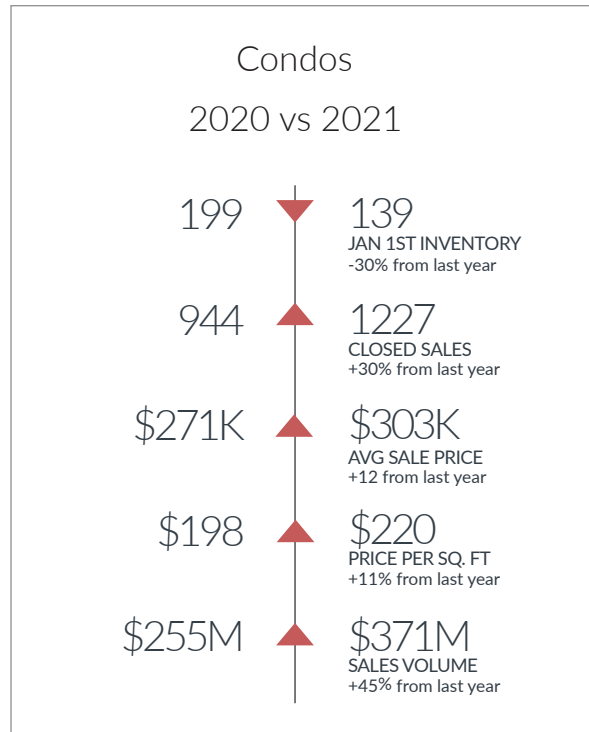


Expect 2022 to move in a similar pattern as last year. Extreme carryover demand, fueled by fear of rising interest rates, will be blended with historic low inventory levels. Bidding wars will drive prices up like they did in the first half of last year. By June, nearly three-quarters of closed sales will be at or over asking. The market will settle in the second half when many of the best properties are gone and rising interest rates, prices and property taxes cut further into affordability.

Anyone that plans to buy or sell soon would be wise to act early in 2022.

Washtenaw County

Summary



Inventory— The combination of strong demand and low inventory left the shelves bare heading into 2022. The number of available listings is down by 33% and the quality of what is available is also limited.

Closed Units—Annual sales were up 9% compared to 2020 and 8% compared to 2019. Although demand remains high, 2022 sales will again be limited by supply.

Values— Both average sale price and price per square foot were up 12% and 9% in 2021. Most of the rise took place in the first half of the year as competing offers and bidding wars caused a jump in prices. Although prices had some settling in the second half of the year, the \$207 December price per square foot was up 10% from the previous year.

Summary— Demand remains high and will be fueled by the threat of rising future interest rates. Depleted initial inventory levels and quality will limit sales in the early months of 2022 but expect sales and prices to jump as fresh inventory becomes available. Expect the hot spring market to cool midyear as it did in 2021. Both buyers and sellers would do well to act early in 2022.

Inventory— Initial inventory is down 30% compared to a year ago and the quality of the carryover inventory is generally picked-over and limited.

Closed Units— The pandemic caused condo sales to slow in 2020 as buyers temporarily carried the concept of social distancing over to their housing choices. While there was a slight drop in 2020, sales made a big rebound in 2021—up 30% compared to 2020 and 27% compared to 2019.

Values— After a slight setback in 2020, 2021 prices made a strong comeback with a sharp spring rise that settled later in the year when most of the best listings were gone. Although average price per square foot for the year was up 11%, within price ranges, value increases ranged from 3% to 8%.

Summary—Heading into 2022 condo demand is high while inventory quantity and quality are limited. Expect a sharp rise in both sales and prices as new inventory becomes available and as buyers try to land a deal before interest rates rise. Expect activity and prices to fade midyear as it did in 2021.

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Single Family Homes

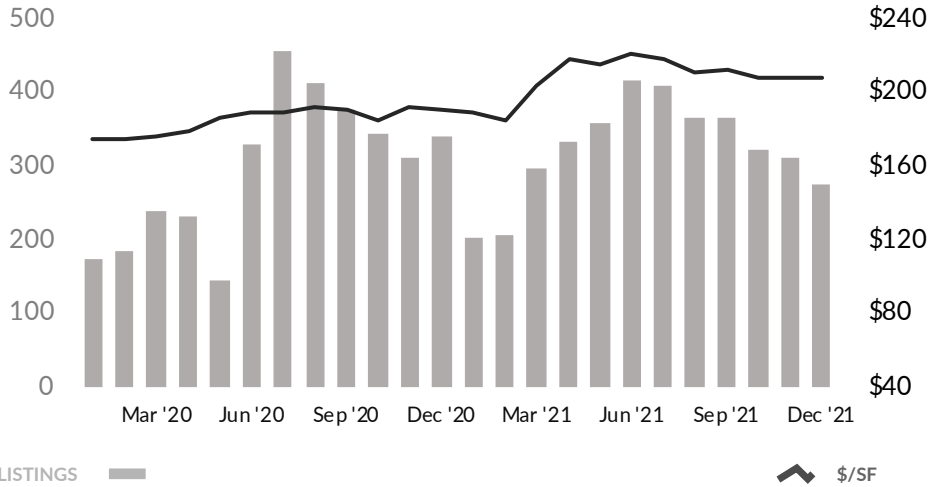
3,842
2021 CLOSED SALES
+9% from last year

\$407K
2021 AVG SALE PRICE
+12% from last year

\$210
2021 PRICE PER SQ FT
+13% from last year

\$1.6B
2021 DOLLAR VOLUME
+22% from last year

Closed Sales



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	701	1,100	1,134	907	3,842
		18%	56%	-9%	-8%	9%
	\$/SF	193	218	213	207	210
		11%	18%	12%	10%	13%
\$10-150k	Avg Sale Price	\$369K	\$437K	\$414K	\$392K	\$407K
		8%	19%	13%	6%	12%
	Units	56	42	42	58	198
		-8%	27%	-53%	-38%	-28%
\$150-300k	\$/SF	114	111	117	110	113
		10%	18%	21%	9%	14%
	Units	246	305	338	259	1148
		3%	15%	-26%	-28%	-13%
\$300-600k	\$/SF	160	173	175	174	171
		8%	11%	12%	13%	11%
	Units	338	570	584	478	1970
		42%	70%	5%	12%	26%
\$600k+	\$/SF	198	209	208	205	206
		8%	11%	8%	7%	8%
	Units	61	183	170	112	526
		11%	165%	25%	5%	43%
\$600k+	\$/SF	257	274	266	266	268
		16%	15%	2%	6%	8%

Although inventory levels were tight through 2021, single family sales were up 9% compared to the previous year and 8% compared to 2019. Spring bidding wars caused prices to jump before settling in the second half of the year. Average sale price went from \$345k in January to \$436k in June, before settling back to \$395k by December. Much of the year-end settling of prices and sales had to do with the lack of move-in-ready inventory. Demand remains strong and expect both 2022 sales and prices to take a similar path as they did last year. Competition will again drive up prices in the first half as fresh listings arrive.

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



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Condos/loft

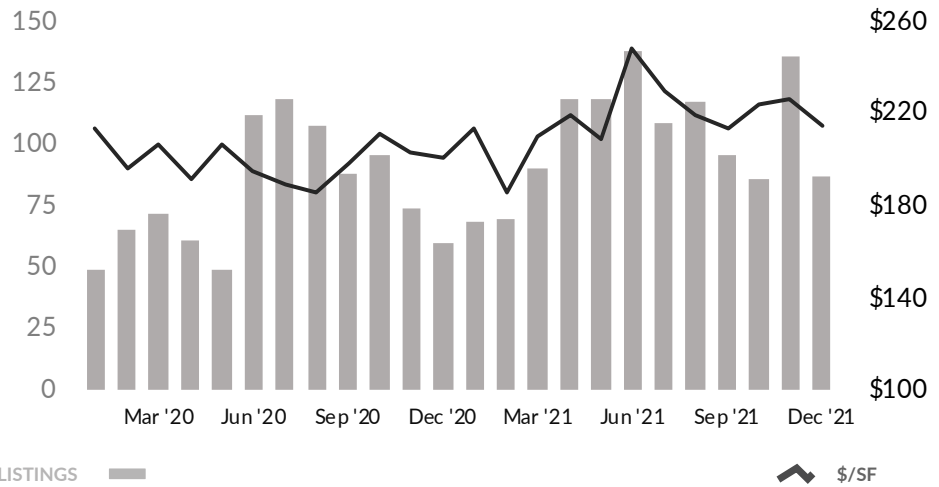
Closed Sales

1,227
2021 CLOSED SALES
+30% from last year

\$303K
2021 AVG SALE PRICE
+12% from last year

\$220
2021 PRICE PER SQ FT
+11% from last year

\$371M
2021 DOLLAR VOLUME
+45% from last year



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	227	373	320	307	1,227
		23%	70%	2%	35%	30%
	\$/SF	204	227	220	222	220
		0%	15%	16%	8%	11%
\$10-150k	Avg Sale Price	\$284K	\$321K	\$294K	\$304K	\$303K
		5%	21%	13%	4%	12%
	Units	47	55	70	69	241
		9%	10%	11%	44%	18%
\$150-225k	\$/SF	146	153	146	144	147
		7%	7%	4%	5%	5%
	Units	74	112	90	85	361
		12%	44%	-28%	27%	7%
\$225-400k	\$/SF	172	183	188	180	181
		3%	6%	13%	10%	8%
	Units	72	121	104	94	391
		53%	95%	17%	34%	46%
\$400k+	\$/SF	202	209	210	215	209
		-5%	3%	6%	6%	3%
	Units	34	85	56	59	234
		21%	183%	56%	40%	72%
\$400k+	\$/SF	288	302	314	316	306
		-9%	13%	16%	8%	7%

Both condo sales and prices dipped when the pandemic hit in 2020 and social distancing affected how close people wanted to be to their neighbors. With the arrival of vaccines, condo markets opened back up in the spring of 2021. As seen in the chart above, both sales and prices jumped between January and June as buyers tried to outbid one another. Although there was a November spike, the market generally settled in the second half of the year. Expect strong buyer competition early this year before things settle through the second half.

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Ann Arbor

Single Family Homes

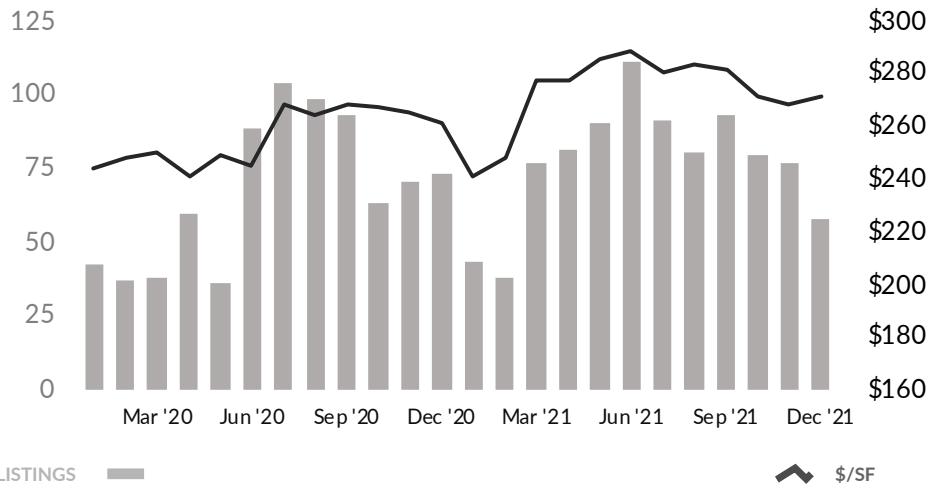
Closed Sales

918
2021 CLOSED SALES
+15% from last year

\$506K
2021 AVG SALE PRICE
+8% from last year

\$276
2021 PRICE PER SQ FT
+4% from last year

\$464M
2021 DOLLAR VOLUME
+24% from last year



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	158	282	264	214	918
		35%	54%	-11%	4%	15%
	\$/SF	260	284	281	270	276
		5%	16%	5%	2%	7%
\$10-250k	Avg Sale Price	\$456K	\$543K	\$507K	\$491K	\$506K
		-1%	24%	9%	-1%	8%
	Units	15	14	18	11	58
		50%	8%	-22%	-27%	-5%
\$250-400k	\$/SF	185	207	211	170	194
		-17%	8%	3%	-14%	-4%
	Units	57	79	81	78	295
		-3%	5%	-38%	-4%	-14%
\$400-750k	\$/SF	242	267	266	270	263
		5%	10%	8%	11%	9%
	Units	75	152	138	103	468
		121%	83%	24%	24%	50%
\$750k+	\$/SF	259	267	270	250	262
		10%	11%	5%	0%	6%
	Units	11	37	27	22	97
		-21%	208%	-13%	-19%	15%
\$750k+	\$/SF	346	346	346	361	349
		14%	22%	2%	10%	8%

2021 sales and prices took off sharply with the arrival of vaccines. Fierce buyer competition consumed listings as quickly as they arrived with multiple offers and bidding wars that caused prices to skyrocket. Between January and June, average sale price jumped from \$421k to \$531k. The market suddenly settled in June as housebound buyers, who were previously hyper-focused on buying a home, suddenly had other things to do and think about. Although prices settled in the second half, expect strong carryover buyer demand to again drive-up prices as fresh inventory arrives in the first half of 2022.

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Ann Arbor

Condo/Loft

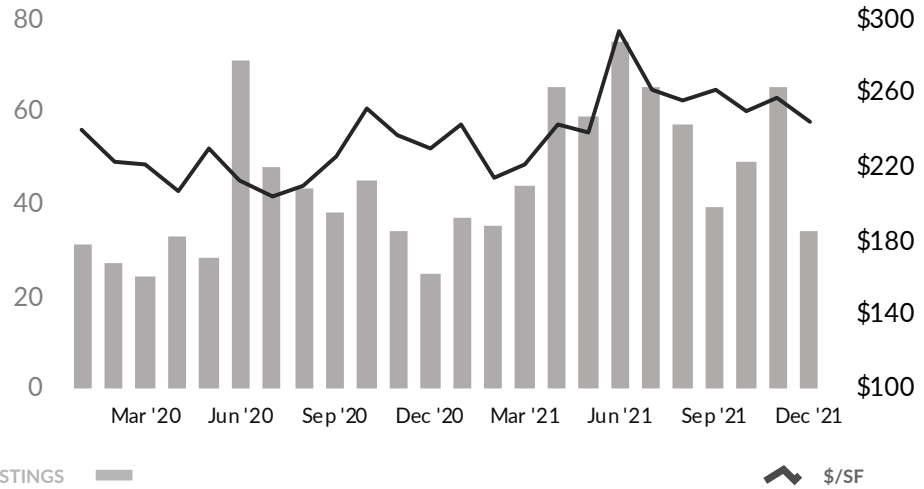
Closed Sales

624
2021 CLOSED SALES
+40% from last year

\$350K
2021 AVG SALE PRICE
+16% from last year

\$252
2021 PRICE PER SQ FT
+13% from last year

\$218M
2021 DOLLAR VOLUME
+62% from last year



Price Range	Field	Q1	Q2	Q3	Q4	Total
All	Units	116	199	161	148	624
		41%	51%	25%	42%	40%
	\$/SF	226	262	260	252	252
		-1%	22%	22%	4%	13%
\$10-150k	Avg Sale Price	\$313K	\$367K	\$344K	\$361K	\$350K
		5%	32%	25%	-2%	16%
	Units	31	40	37	30	138
		55%	-7%	-5%	67%	15%
\$150-225k	\$/SF	177	188	197	173	185
		4%	13%	11%	6%	8%
	Units	37	65	53	44	199
		12%	48%	-7%	76%	25%
\$225-400k	\$/SF	192	219	222	201	210
		-4%	7%	18%	3%	7%
	Units	30	61	43	49	183
		43%	91%	95%	11%	54%
\$400k+	\$/SF	219	235	234	243	234
		-3%	17%	-1%	6%	6%
	Units	18	33	28	25	104
		125%	154%	155%	47%	112%
\$400k+	\$/SF	322	384	364	355	361
		-19%	6%	21%	3%	5%

Condo sales have proven to be sensitive to pandemic trends as buyers apply the concept of social distancing to how close they want to live to their neighbors. Ann Arbor has been quick to react to both positive and negative news. Both sales and prices dropped in 2020 before making a rebound (see chart above) with strong buyer competition in the spring of 2021. By July, buyers had emptied the shelves of the best listings. Inventory levels and quality was limited and falling through the balance of the year. Demand remains high and you can expect sales and prices to again jump as fresh listings arrive.

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