

## Michigan Market Update - July 2011

July sales and buyer activity followed the same positive path as the prior four months. It is too early to see if any of the stock market uncertainty will trickle down to our local real estate sales but the big offset to any financial market concerns was the statement by the Federal Reserve to keep interest rates low for the next two years. Certainly a reduction in consumer spending, specifically auto, will cause a slowing of our local recovery, but as we saw throughout this recession, low rates and low prices have drawn thousands of people into the market.

Locally sales rose about 8% over last July, which was expected, and anything less would have been a concern since last year sales fell off once the tax credits expired. Buyer inquires, written contracts and home values (in some cases), have shown a steady rise for the past four months (on a seasonally adjusted basis). Not quite a trend you can take to the bank, but all good news. You will not see these same positive numbers for Michigan for a few months since the national indexes such as Case-Shiller use data that is anywhere from 4 months to 2 years old (example; a short sale written in 2009, based on 2009 values that finally closes in June of 2011 will show up on Case-Shiller as a 2011 sale with a 2009 price). The national data will begin to show what we see everyday late this year.

One of the biggest challenges in a market that is changing direction is managing the mixed signals of the Seller's need to still be aggressive in pricing and Buyer's need to be aggressive in their asking price for the multiple bid properties. Time on Market is a great way to look at how each should approach their asking/offer price.

The vast majority of homes that sell are on the market for less than 90 days. A home on the market for over 90 days has only a 21% chance of selling. So for Sellers, if their home has been on the market for more than three months, it is time for a price or condition change. For Buyers, if they are bidding on a home that has been on the market for less than 90 days, expect some aggressive competition for the home.

Please remember you may call or [email](#) about any property you're interested in no matter who the property is listed by.

Thank you,

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