



HOUSING REPORT

NORTHWEST MICHIGAN | 3RD QUARTER 2019

**JOHNSTONE
& JOHNSTONE**
REALTORS

Northwest Michigan

Slowing but Stable No Bursting Bubbles

The 2008 recession took everyone by surprise when it took a 40% bite out of local real estate equity before bottoming out in 2011. The market has been on a stable run since. In most markets, values recovered and are above prerecession levels. Sales are gradually slowing—waterfront is up just 5% and non-waterfront is up 2% from last year, while values and closed volume continue to rise.

Knowing that markets run in cycles, buyers are wondering what lies ahead. When will we see the next market correction? How bad will it be? Understanding some key signals will help us understand what to expect.

The severity of the last market downturn was driven by extreme lending and financial market conditions that, with new regulations and scrutiny, will not be present in the next market slowdown.

Hypersupply is one of the key signals to watch for in predicting a bursting bubble. Hypersupply is the result of overdevelopment where both vacancy rates and unsold real estate inventory rise to extreme levels.

Heading into the last recession, available inventory had grown to three-times normal levels. Then during the recession, development completely stopped and a significant number of homes were removed from supply after becoming uninhabitable.

Since 2009 and through the recovery years as demand increased, available inventory levels continued to fall. Today, supply levels in all but a few select markets (i.e. high-end Traverse City and Detroit condo markets) remain below average and stable. With the exception of a few specific segments, local markets are far from a state of hypersupply.

Heading into the last recession, both homeowners and investors were speculating on real estate. It was a feeding frenzy as buyers scrambled to grab as much home as they could. Ironically, first-time investors were willing to pay premiums for fixer-uppers and flips that they thought provided profit potential. Everything was a sure bet and financing was easy.

The conditions that lead to the last market crash don't exist in the same way or scale. Inventory levels remain low and there is still a shortage of affordable move-in-ready homes. Through the recent recovery, values have been growing at slower, more sustainable rates. Lending practices are more restrained and buyers are more rational in their purchases.

The market is leveling in a healthy way where when its time comes, it is more likely to just slow or even drop a few points before moving on to the next growth cycle.

Purchasing now has advantages. There is less competition from other buyers when purchasing in a slower market. Purchasing during a lull ensures a buyer will be able to take full advantage of the growth phase of the next cycle. Assessed property tax values, which lag a couple of years behind property values, will lock in with lower tax caps today than in the future. And interest rates remain remarkable.

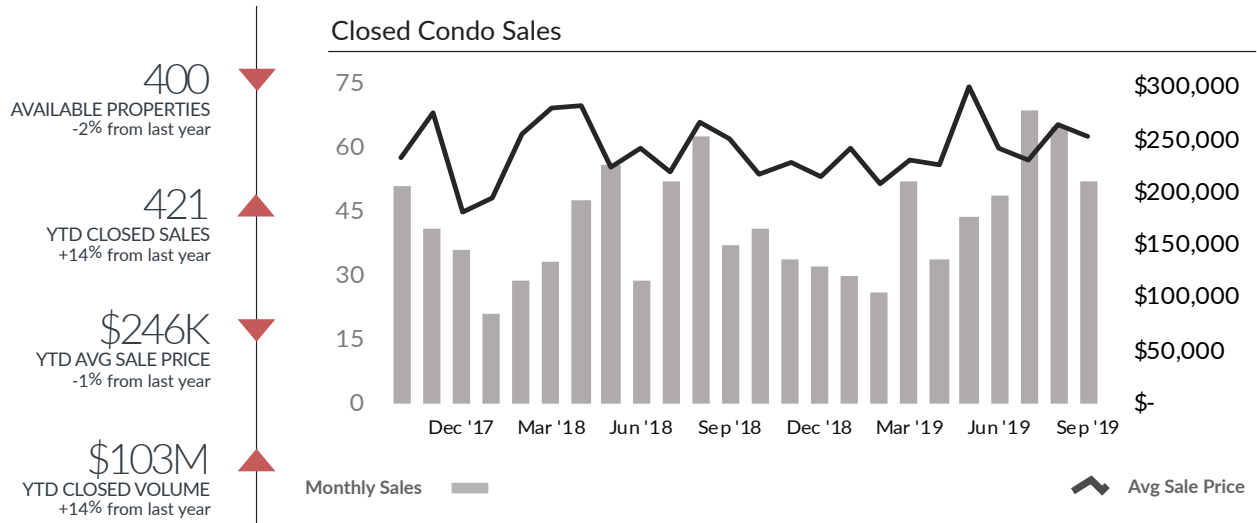
Although sales and appreciation rates have gradually been slowing and inventory is increasing compared to recent years, local markets remain stable and in good health with no bursting bubbles in sight.

Q3 2019
HOUSING REPORT

Northwest Michigan

TAAR 5 County Condo

Traverse Area Association of Realtors



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 400 | 409 | -2% |
| | Closed | 186 | 152 | 22% |
| | Months Supply | 6.5 | 8.1 | -20% |
| | Avg. Sale Price | \$248k | \$246k | 1% |
| | \$ Vol (million) | 46 | 37 | 23% |
| \$10-125k | Available | 54 | 84 | -36% |
| | Closed | 32 | 26 | 23% |
| | Months Supply | 5.1 | 9.7 | -48% |
| | \$/SF Change | | | -3% |
| \$125-200k | Available | 74 | 59 | 25% |
| | Closed | 50 | 59 | -15% |
| | Months Supply | 4.4 | 3.0 | 48% |
| | \$/SF Change | | | -12% |
| \$200-350k | Available | 90 | 98 | -8% |
| | Closed | 75 | 40 | 88% |
| | Months Supply | 3.6 | 7.4 | -51% |
| | \$/SF Change | | | 2% |
| \$350k+ | Available | 182 | 168 | 8% |
| | Closed | 29 | 27 | 7% |
| | Months Supply | 18.8 | 18.7 | 1% |
| | \$/SF Change | | | 11% |

Summary

Condo inventory is down by just a few units compared to this time last year.

With the help of strong sales in July and August, third quarter sales were up 22% compared to the third quarter last year. Average price for the quarter was up just 1%.

YTD sales and closed volume are up 14%, but the average sale price of \$246k dropped slightly from \$247k last year.

The \$200k to \$300k market was hot in the third quarter as sales jumped from 40 units a year ago, to 75. Despite the increase in sales, values were relatively flat.

Sales in the \$125k to \$200k range dropped from 59 to 50 and average price per square foot for those units fell 12%.

The upper-end market suffers from over-supply. With 182 listings priced over \$350k, there were only 29 third quarter and only 67 YTD closed sales. YTD average market times have jumped from 146 days a year ago to 185 days.

Data Source: TAAR/NGLRMLS

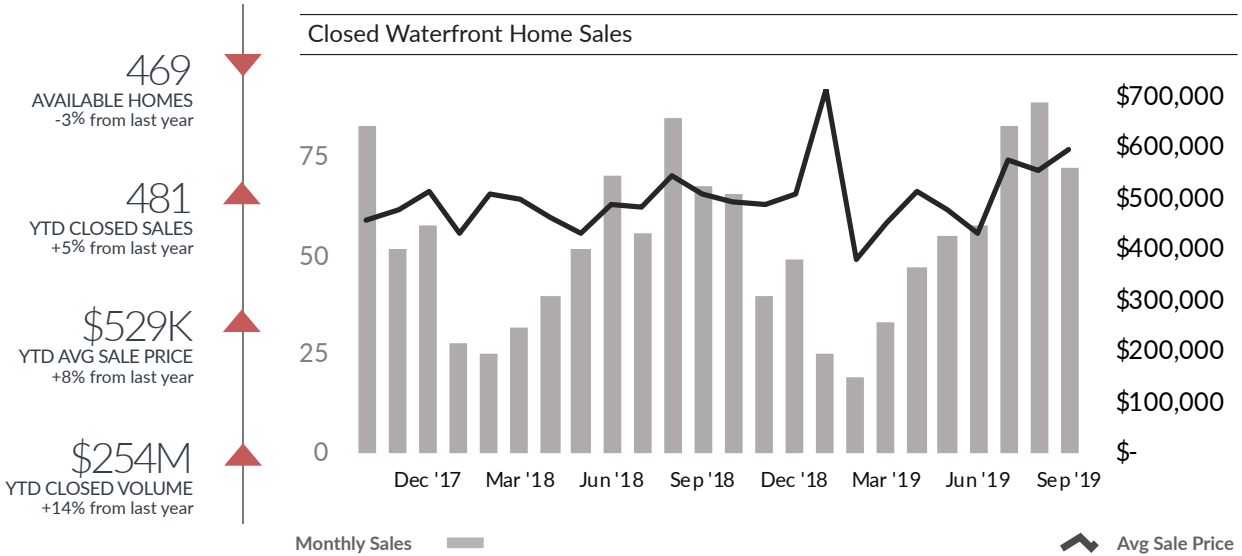


Q3 2019
HOUSING REPORT

Waterfront

TAAR 5 County

Traverse Area Association of Realtors



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 469 | 482 | -3% |
| | Closed | 244 | 209 | 17% |
| | Months Supply | 5.8 | 6.9 | -17% |
| | Avg. Sale Price | \$572k | \$516k | 11% |
| | \$ Vol (million) | 139 | 108 | 29% |
| \$10-250k | Available | 69 | 90 | -23% |
| | Closed | 54 | 50 | 8% |
| | Months Supply | 3.8 | 5.4 | -29% |
| | \$/SF Change | | | 1% |
| \$250-500k | Available | 129 | 132 | -2% |
| | Closed | 88 | 70 | 26% |
| | Months Supply | 4.4 | 5.7 | -22% |
| | \$/SF Change | | | -8% |
| \$500-750k | Available | 102 | 109 | -6% |
| | Closed | 51 | 43 | 19% |
| | Months Supply | 6.0 | 7.6 | -21% |
| | \$/SF Change | | | -14% |
| \$750k+ | Available | 169 | 151 | 12% |
| | Closed | 51 | 46 | 11% |
| | Months Supply | 9.9 | 9.8 | 1% |
| | \$/SF Change | | | 20% |

Summary

Strong third quarter activity had closed sales up 17% and average closed sale price up 11% compared to a year ago.

YTD sales, prices and closed volume are all up—5%, 8% and 14%. The \$254 million in closed volume is just \$3m short of the historic high set in 2017.

While sales in other price ranges are fairly consistent with last year, YTD sales in the \$500k to \$750k range are up by 19%. Despite that jump in activity, values in that market have been flat.

In the upper-end (over-\$750k) market, sales are up by just two units, but average closed price and closed volume both jumped—16% and 19%. Average days on the market dropped from 160 days last year to 129 this year—the lowest it's been in more than 10 years. All that said, there are 169 active sellers and only 89 YTD closed sales. The best listing packages sell while others sit.

Data Source: TAAR/NGLRMLS

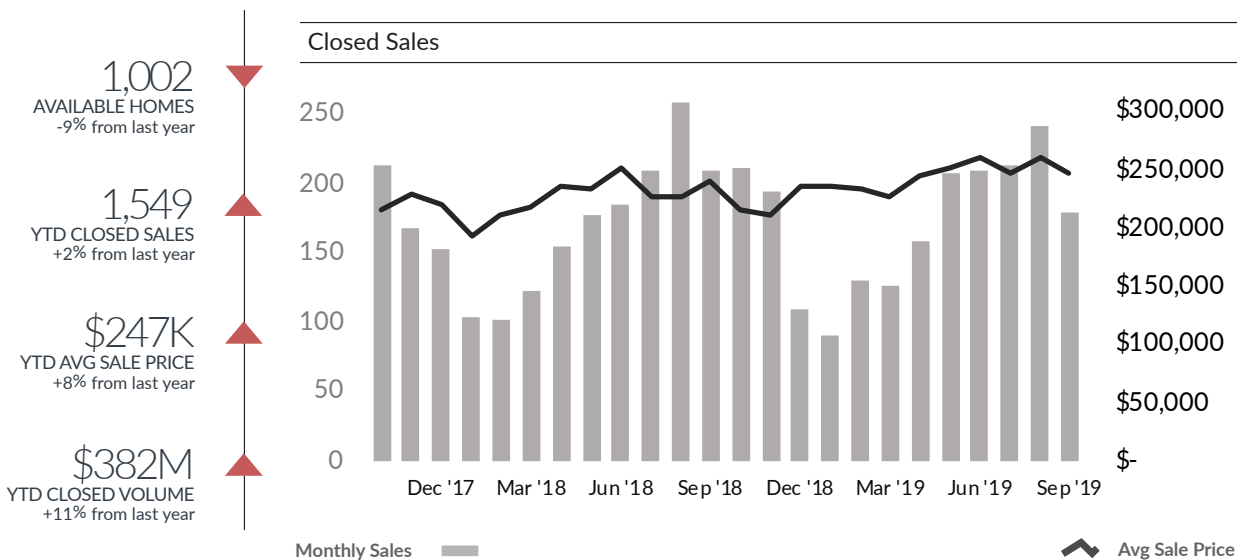


Q3 2019
HOUSING REPORT

Non-Waterfront

TAAR 5 County

Traverse Area Association of Realtors



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 1,002 | 1,097 | -9% |
| | Closed | 632 | 674 | -6% |
| | Months Supply | 4.8 | 4.9 | -3% |
| | Avg. Sale Price | \$251k | \$230k | 9% |
| | \$ Vol (million) | 159 | 155 | 2% |
| \$10-125k | Available | 119 | 129 | -8% |
| | Closed | 91 | 114 | -20% |
| | Months Supply | 3.9 | 3.4 | 16% |
| | \$/SF Change | | | 3% |
| \$125-200k | Available | 203 | 261 | -22% |
| | Closed | 159 | 201 | -21% |
| | Months Supply | 3.8 | 3.9 | -2% |
| | \$/SF Change | | | 6% |
| \$200-350k | Available | 368 | 389 | -5% |
| | Closed | 266 | 253 | 5% |
| | Months Supply | 4.2 | 4.6 | -10% |
| | \$/SF Change | | | 4% |
| \$350k | Available | 312 | 318 | -2% |
| | Closed | 116 | 106 | 9% |
| | Months Supply | 8.1 | 9.0 | -10% |
| | \$/SF Change | | | 1% |

Summary

While available listings are up compared to the prior quarter, October 1st listings were down 9% from a year ago.

Compared to last year, third quarter closed sales were down 6% but the \$251k average sale price was up by 9%. Much of that 9% average price increase was the result of a change in the proportional mix of price ranges that sold as opposed to property value increases. The 65-unit drop in sales below \$200k combined with a 23 unit increase in sales above \$200k created most of that 9% average price increase. Within every price range, the price per square foot increases were between 1% and 6%. While the over-\$350k price range had the biggest increase in closed sales, those values were flat with only a 1% increase in both average price and price per square foot.

YTD closed sales, average sale price and closed volume are all up—2%, 8% and 11%. Expect to see seasonal declines in monthly closed sales and average sale price through the 4th quarter.

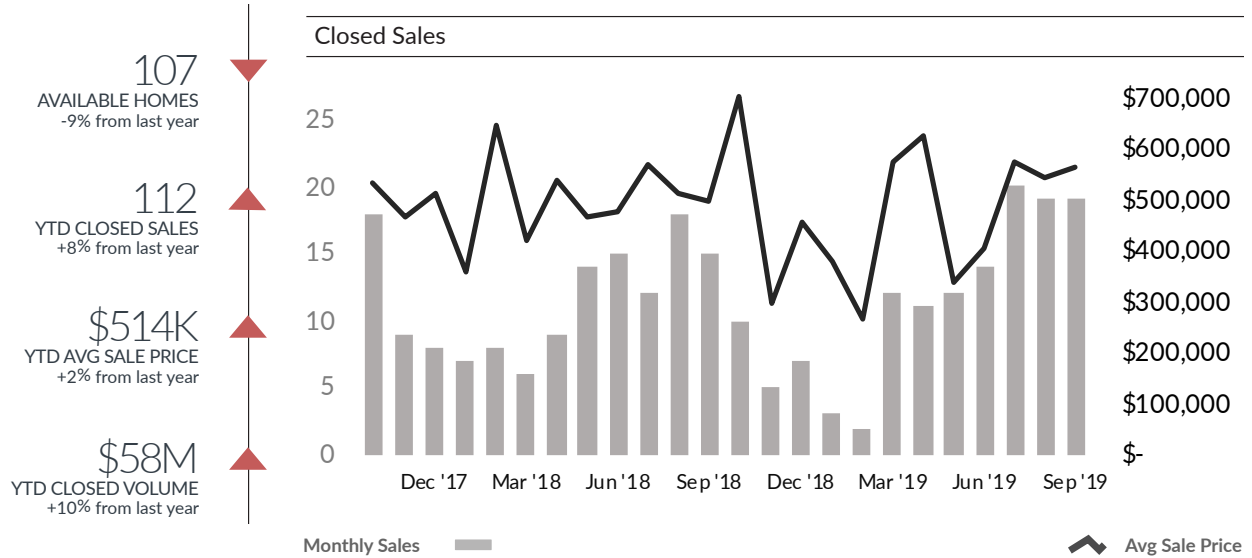
Data Source: TAAR/NGLRMLS

Q3 2019
HOUSING REPORT

Waterfront

Antrim County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 107 | 117 | -9% |
| | Closed | 58 | 45 | 29% |
| | Months Supply | 5.5 | 7.8 | -29% |
| | Avg. Sale Price | \$560k | \$523k | 7% |
| | \$ Vol (million) | 32 | 24 | 38% |
| \$10-250k | Available | 13 | 21 | -38% |
| | Closed | 13 | 9 | 44% |
| | Months Supply | 3.0 | 7.0 | -57% |
| | \$/SF Change | | | 2% |
| \$250-500k | Available | 32 | 25 | 28% |
| | Closed | 14 | 16 | -13% |
| | Months Supply | 6.9 | 4.7 | 46% |
| | \$/SF Change | | | -14% |
| \$500-750k | Available | 27 | 41 | -34% |
| | Closed | 17 | 11 | 55% |
| | Months Supply | 4.8 | 11.2 | -57% |
| | \$/SF Change | | | -2% |
| \$750k+ | Available | 35 | 30 | 17% |
| | Closed | 14 | 9 | 56% |
| | Months Supply | 7.5 | 10.0 | -25% |
| | \$/SF Change | | | 5% |

Summary

Aided by three consecutive months of strong performance, third quarter closed sales, average price and closed volume were all up compared to the same quarter a year ago—by 29%, 7% and 38%.

The third quarter was particularly kind to sellers in the upper price ranges. Thirty-one of the 49 YTD above-\$500k sales happened in this third quarter.

There are currently 35 listings priced above \$750k. Through the first three quarters, there have been 20 sales in that range and, as seen in the chart above, sales will fall off seasonally in the fourth quarter. Sellers in the upper price ranges will compete particularly hard for buyers through the balance of the year.

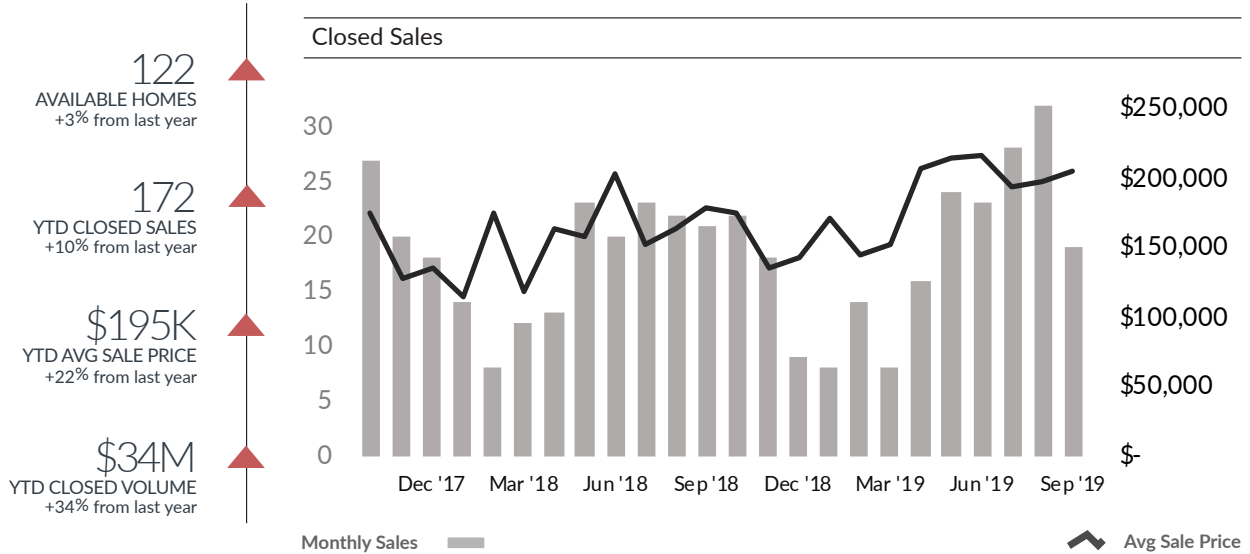
Data Source: TAAR/NGLRMLS

Q3 2019
HOUSING REPORT

Non-Waterfront

Antrim County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 122 | 119 | 3% |
| | Closed | 79 | 66 | 20% |
| | Months Supply | 4.6 | 5.4 | -14% |
| | Avg. Sale Price | \$197k | \$164k | 20% |
| | \$ Vol (million) | 16 | 11 | 44% |
| \$10-125k | Available | 24 | 33 | -27% |
| | Closed | 26 | 23 | 13% |
| | Months Supply | 2.8 | 4.3 | -36% |
| | \$/SF Change | | | -4% |
| \$125-200k | Available | 30 | 36 | -17% |
| | Closed | 23 | 26 | -12% |
| | Months Supply | 3.9 | 4.2 | -6% |
| | \$/SF Change | | | 13% |
| \$200-350k | Available | 41 | 33 | 24% |
| | Closed | 21 | 15 | 40% |
| | Months Supply | 5.9 | 6.6 | -11% |
| | \$/SF Change | | | -5% |
| \$350k+ | Available | 27 | 17 | 59% |
| | Closed | 9 | 2 | 350% |
| | Months Supply | 9.0 | 25.5 | -65% |
| | \$/SF Change | | | -11% |

Summary

The number of sales priced above \$200k jumped from 17 in the 3rd quarter of last year to 30 this year. Closed sales and average sale price were both up 20% and closed volume increased by 44%.

YTD sales are running 10% ahead of last year and average sale price is up 22%. A four-fold increase in the number of above-\$350k sales (from 5 to 21) helped push those average prices up.

Be careful not to assume that property values increased by the same amount as that 22% average price jump. While there have been more upper-end sales, value increases for those higher-priced properties have been slowing with a 7% YTD increase in average price and 3% increase in price per square foot.

While price per square foot is less relevant in rural areas where each parcel of land is unique, it's worth monitoring.

Data Source: TAAR/NGLRMLS

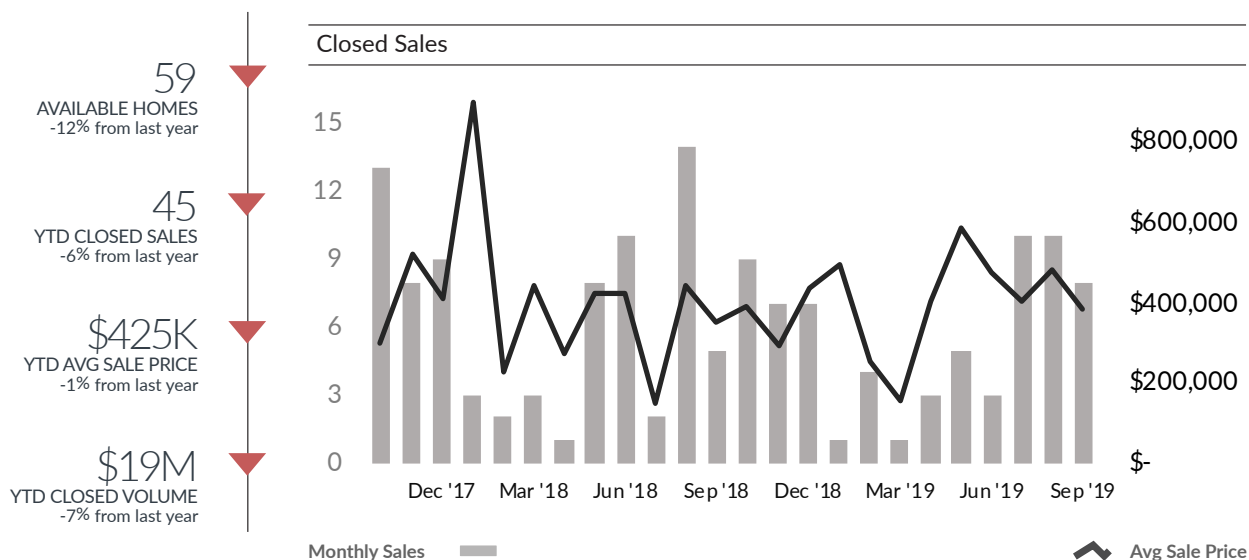


Q3 2019
HOUSING REPORT

Waterfront

Benzie County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 59 | 67 | -12% |
| | Closed | 28 | 21 | 33% |
| | Months Supply | 6.3 | 9.6 | -34% |
| | Avg. Sale Price | \$426k | \$391k | 9% |
| | \$ Vol (million) | 12 | 8 | 45% |
| \$10-250k | Available | 9 | 9 | 0% |
| | Closed | 9 | 6 | 50% |
| | Months Supply | 3.0 | 4.5 | -33% |
| | \$/SF Change | | | 26% |
| \$250-500k | Available | 18 | 25 | -28% |
| | Closed | 11 | 9 | 22% |
| | Months Supply | 4.9 | 8.3 | -41% |
| | \$/SF Change | | | 5% |
| \$500-750k | Available | 14 | 16 | -13% |
| | Closed | 5 | 4 | 25% |
| | Months Supply | 8.4 | 12.0 | -30% |
| | \$/SF Change | | | -12% |
| \$750k+ | Available | 18 | 17 | 6% |
| | Closed | 3 | 2 | 50% |
| | Months Supply | 18.0 | 25.5 | -29% |
| | \$/SF Change | | | 70% |

Summary

The twenty-eight third quarter sales provided a marked improvement compared to only 17 in the first two quarters of the year.

YTD sales are 3 units behind last year's 48. Both average price and closed volume are also lagging behind.

With 59 available listings and only 45 YTD closed sales, this waterfront market runs slow at all price ranges—especially the over-\$750 market. It has 18 available listings and only six sales so far in 2019.

Of the waterfront properties that have closed this year, the average market time dropped from 211 days last year to 161. The properties that are well-packaged and priced have been selling quicker than last year while those that lack a location, sparkle and price have been sitting.

Benzie County waterfront sellers need to sharpen their presentation and pricing to compete for a small pool of buyers.

Data Source: TAAR/NGLRMLS

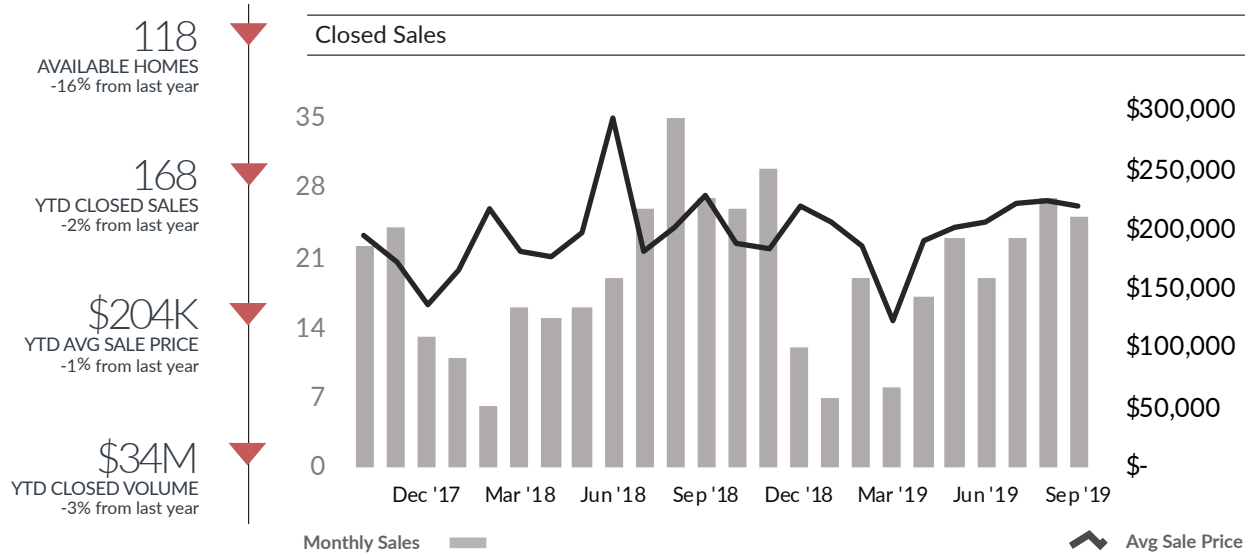


Q3 2019
HOUSING REPORT

Non-Waterfront

Benzie County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 118 | 140 | -16% |
| | Closed | 75 | 88 | -15% |
| | Months Supply | 4.7 | 4.8 | -1% |
| | Avg. Sale Price | \$221k | \$204k | 8% |
| | \$ Vol (million) | 17 | 18 | -8% |
| \$10-125k | Available | 10 | 17 | -41% |
| | Closed | 9 | 21 | -57% |
| | Months Supply | 3.3 | 2.4 | 37% |
| | \$/SF Change | | | -1% |
| \$125-200k | Available | 34 | 42 | -19% |
| | Closed | 23 | 29 | -21% |
| | Months Supply | 4.4 | 4.3 | 2% |
| | \$/SF Change | | | 6% |
| \$200-350k | Available | 46 | 50 | -8% |
| | Closed | 38 | 31 | 23% |
| | Months Supply | 3.6 | 4.8 | -25% |
| | \$/SF Change | | | 4% |
| \$350k+ | Available | 28 | 31 | -10% |
| | Closed | 5 | 7 | -29% |
| | Months Supply | 16.8 | 13.3 | 26% |
| | \$/SF Change | | | 9% |

Summary

While the \$221k third quarter average sale price was up from \$204k a year ago, inventory, closed sales and closed volume were all down. The \$200k to \$300k price range is the only one with an increase in sales.

YTD closed sales, average sale price and closed volume are all running slightly behind last year's pace—by 2%, 1% and 3%. YTD sales increased in the \$200k to \$350k price range, but dropped from 15 to 7 in the over-\$350k range. It's unusual to see that kind of sales dip at the higher end with values in most local markets on the rise.

Because of the small sample sizes in this market, pay attention to available and closed units within price ranges. A seller with a property listed for \$400k should think, "There are 28 available listings priced above \$350k. Only 5 sold in the past 3 months. The seasonal market is slowing and there may be 2 or 3 fourth-quarter buyers. How do I need to be priced to outshine the competition and attract one?"

Data Source: TAAR/NGLRMLS

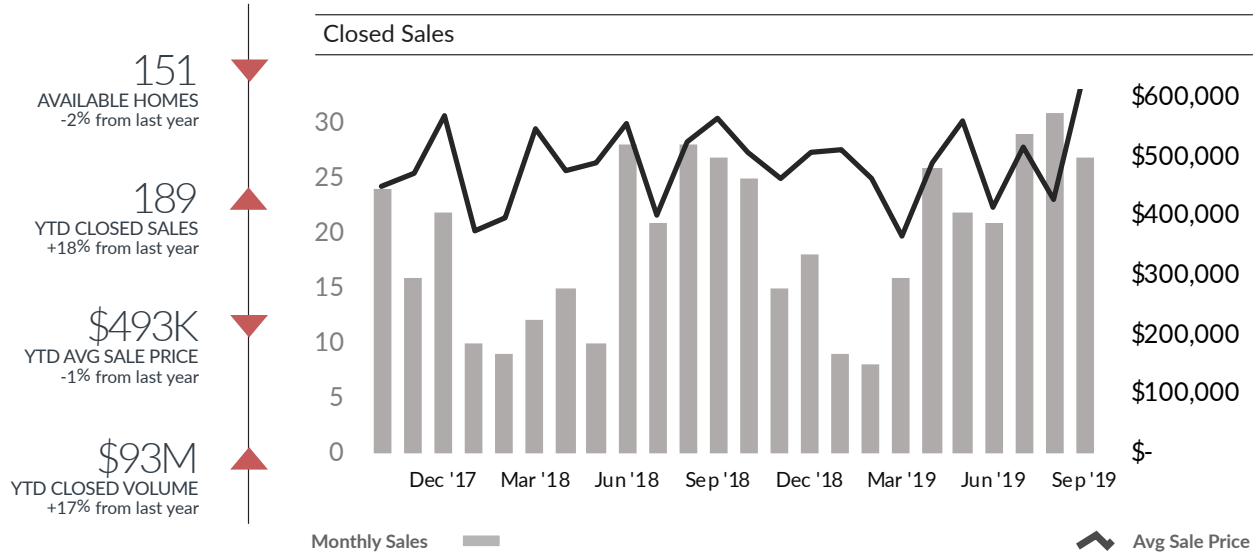


Q3 2019
HOUSING REPORT

Waterfront

Grand Traverse County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 151 | 154 | -2% |
| | Closed | 87 | 76 | 14% |
| | Months Supply | 5.2 | 6.1 | -14% |
| | Avg. Sale Price | \$521k | \$505k | 3% |
| | \$ Vol (million) | 45 | 38 | 18% |
| \$10-250k | Available | 15 | 23 | -35% |
| | Closed | 12 | 17 | -29% |
| | Months Supply | 3.8 | 4.1 | -8% |
| | \$/SF Change | | | -15% |
| \$250-500k | Available | 48 | 54 | -11% |
| | Closed | 46 | 29 | 59% |
| | Months Supply | 3.1 | 5.6 | -44% |
| | \$/SF Change | | | -12% |
| \$500-750k | Available | 31 | 30 | 3% |
| | Closed | 16 | 15 | 7% |
| | Months Supply | 5.8 | 6.0 | -3% |
| | \$/SF Change | | | -26% |
| \$750k+ | Available | 57 | 47 | 21% |
| | Closed | 13 | 15 | -13% |
| | Months Supply | 13.2 | 9.4 | 40% |
| | \$/SF Change | | | 15% |

Summary

Available inventory is nearly even with a year ago. Third quarter sales bumped up from 76 last year to 87 and average sale price was up 3%. The \$250k to \$500k market showed the biggest change in activity with a 17-unit increase in sales. Values in all but high-end sales slipped.

The market has been active, but values remain flat. YTD sales are up by 18% but average price is just short of even. Despite the slightly lower prices, closed volume rose from \$80m last year to \$93m through the first three quarters.

Keep an eye on the growing upper-end supply. There are 57 available listings priced over \$750k, but only 27 YTD sales. Of those closed sales, however, the average market time dropped from 140 days last year to 107. The properties that are well-packaged and priced, or with prime locations, are moving quickly while those that aren't sit.

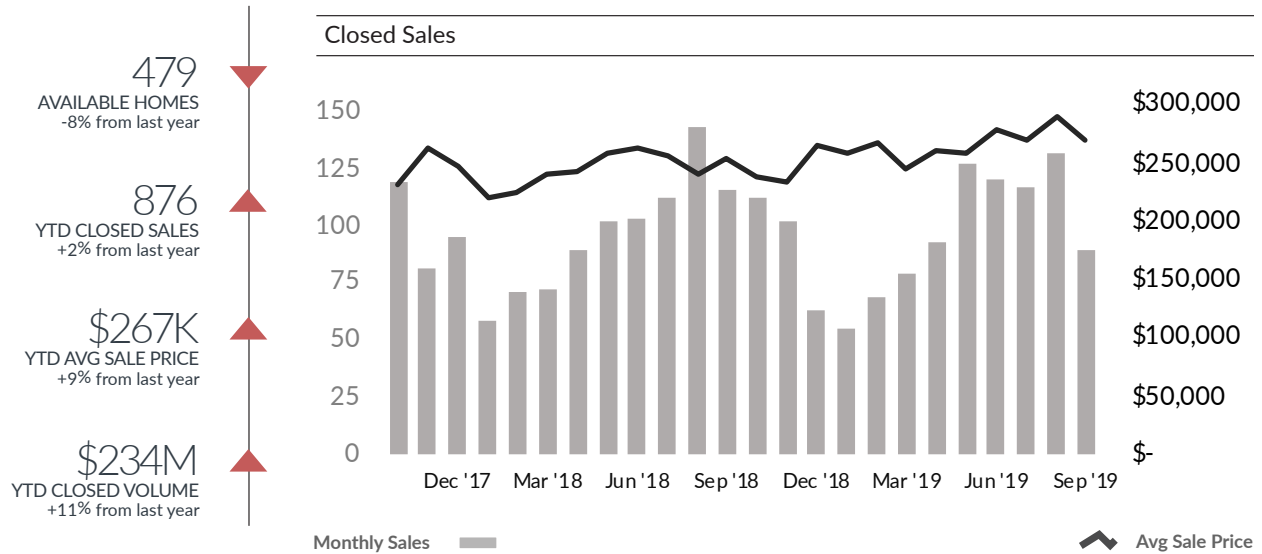
Data Source: TAAR/NGLRMLS

Q3 2019
HOUSING REPORT

Non-Waterfront

Grand Traverse County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 479 | 520 | -8% |
| | Closed | 336 | 369 | -9% |
| | Months Supply | 4.3 | 4.2 | 1% |
| | Avg. Sale Price | \$276k | \$248k | 11% |
| | \$ Vol (million) | 93 | 91 | 1% |
| \$10-150k | Available | 30 | 56 | -46% |
| | Closed | 30 | 53 | -43% |
| | Months Supply | 3.0 | 3.2 | -5% |
| | \$/SF Change | | | -8% |
| \$150-250k | Available | 165 | 170 | -3% |
| | Closed | 155 | 179 | -13% |
| | Months Supply | 3.2 | 2.8 | 12% |
| | \$/SF Change | | | 10% |
| \$250-400k | Available | 175 | 192 | -9% |
| | Closed | 107 | 99 | 8% |
| | Months Supply | 4.9 | 5.8 | -16% |
| | \$/SF Change | | | 5% |
| \$400k+ | Available | 109 | 102 | 7% |
| | Closed | 44 | 38 | 16% |
| | Months Supply | 7.4 | 8.1 | -8% |
| | \$/SF Change | | | 6% |

Summary

Compared to last year, both third quarter listings and closed sales were down, but average sale price was up 11%.

YTD closed sales are up 2% and average price is up 9%. That combination has closed volume up by 11%.

Although average price is up 9%, be careful not to assume that individual property values are up by that much. As prices have been rising since 2011, and as builders have been focused on developing high-end properties, the availability of higher-priced homes has been increasing while listings in more affordable price ranges have been harder to find. As a result, the rise in average prices creates the illusion that values are rising faster than they are. When looking within the price ranges shown in the table to the left, only the \$150k to \$250k price segment shows an average price per square foot increase of 9% or more. In the upper-half of the market, values have increased in the 5% to 6% range.

Data Source: TAAR/NGLRMLS

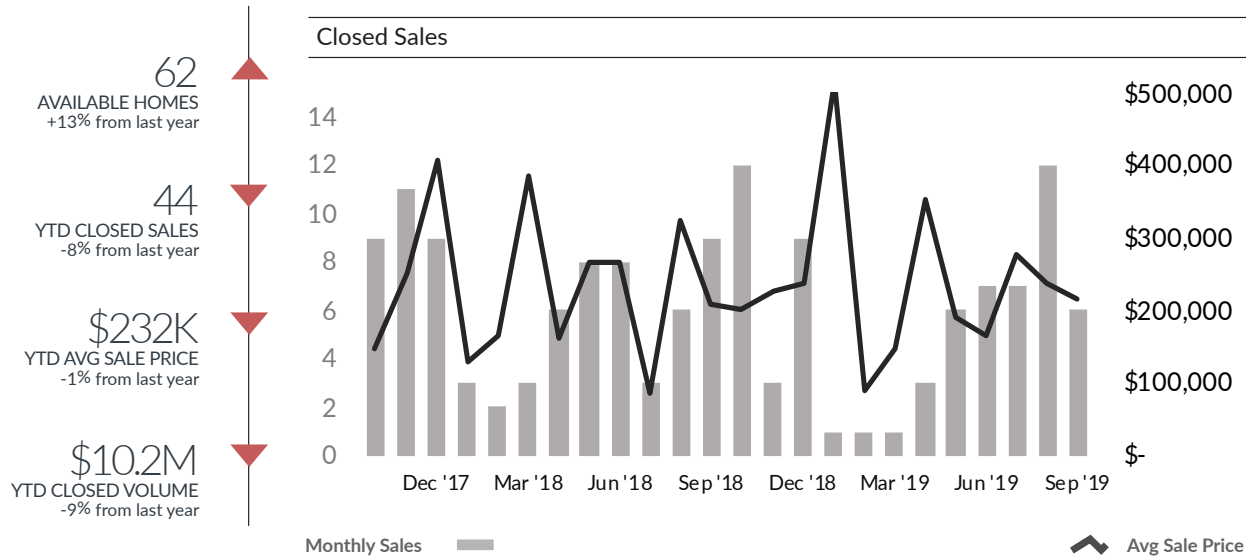


Q3 2019
HOUSING REPORT

Waterfront

Kalkaska County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 62 | 55 | 13% |
| | Closed | 25 | 18 | 39% |
| | Months Supply | 7.4 | 9.2 | -19% |
| | Avg. Sale Price | \$245k | \$227k | 8% |
| | \$ Vol (million) | 6 | 4 | 49% |
| \$10-125k | Available | 8 | 10 | -20% |
| | Closed | 8 | 6 | 33% |
| | Months Supply | 3.0 | 5.0 | -40% |
| | \$/SF Change | | | 21% |
| \$125-200k | Available | 16 | 17 | -6% |
| | Closed | 5 | 5 | 0% |
| | Months Supply | 9.6 | 10.2 | -6% |
| | \$/SF Change | | | 24% |
| \$200-350k | Available | 15 | 18 | -17% |
| | Closed | 5 | 4 | 25% |
| | Months Supply | 9.0 | 13.5 | -33% |
| | \$/SF Change | | | -32% |
| \$350k+ | Available | 23 | 10 | 130% |
| | Closed | 7 | 3 | 133% |
| | Months Supply | 9.9 | 10.0 | -1% |
| | \$/SF Change | | | 25% |

Summary

With 55 available units, the October 1st listing inventory was down 7 from a year ago.

Both third quarter closed sales and average price were up. Sales rose from 18 units to 25 and average price from \$227k to \$245k.

Year to date, there have been 44 closed sales—4 lower than last year.

As a seller pricing a listing or as a buyer making an offer, it's helpful to be aware of the demand within price ranges—it varies. There are 23 listings priced over \$350k and only 10 YTD closed sales. Properties priced under \$200k are moving faster with 24 available listings and 25 YTD sales.

Demand for upper-end properties is limited. For those over-\$350k properties that have sold, however, market times dropped in half from 221 days last year to 102 days. The best properties sell quickly when priced right, while others sit.

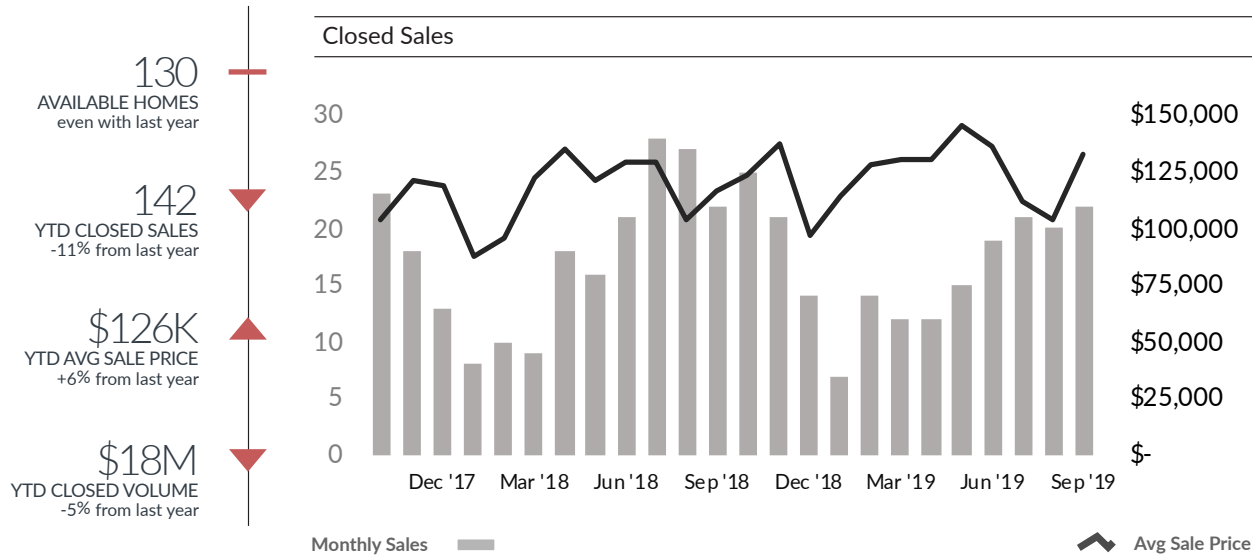
Data Source: TAAR/NGLRMLS

Q3 2019
HOUSING REPORT

Non-Waterfront

Kalkaska County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 130 | 131 | -1% |
| | Closed | 63 | 77 | -18% |
| | Months Supply | 6.2 | 5.1 | 21% |
| | Avg. Sale Price | \$117k | \$117k | 0% |
| | \$ Vol (million) | 7 | 9 | -18% |
| \$10-75k | Available | 34 | 20 | 70% |
| | Closed | 15 | 24 | -38% |
| | Months Supply | 6.8 | 2.5 | 172% |
| | \$/SF Change | | | 10% |
| \$75-150k | Available | 45 | 58 | -22% |
| | Closed | 33 | 29 | 14% |
| | Months Supply | 4.1 | 6.0 | -32% |
| | \$/SF Change | | | 5% |
| \$150-225k | Available | 23 | 30 | -23% |
| | Closed | 11 | 17 | -35% |
| | Months Supply | 6.3 | 5.3 | 18% |
| | \$/SF Change | | | 2% |
| \$225k+ | Available | 28 | 23 | 22% |
| | Closed | 4 | 7 | -43% |
| | Months Supply | 21.0 | 9.9 | 113% |
| | \$/SF Change | | | -19% |

Summary

Available listings are about even with a year ago. Third quarter closed sales dropped 14 units— from 77 last year to 63 this year. Average sale price remained even at \$117k.

YTD closed sales are dropped from 159 last year to 142 but this year's average sale price of \$126k is up from \$118k last year.

When looking at areas with small sample sizes, focusing on the raw unit numbers (instead of averages or percentages) paints a more descriptive picture.

For example: When looking to buy or sell a home priced over \$225k, it's helpful to know there are 28 available listings and only 4 sold in the past 3 months. From the monthly sales bars in the chart above, we see sales fall off in the 4th quarter. That's helpful information for both sellers in pricing and buyers preparing to write an offer. A seller in that price range should be thinking, "What do I need to do to outshine my 27 competitors and attract one of the 2 or 3 buyers who may be buying in the 4th quarter?"

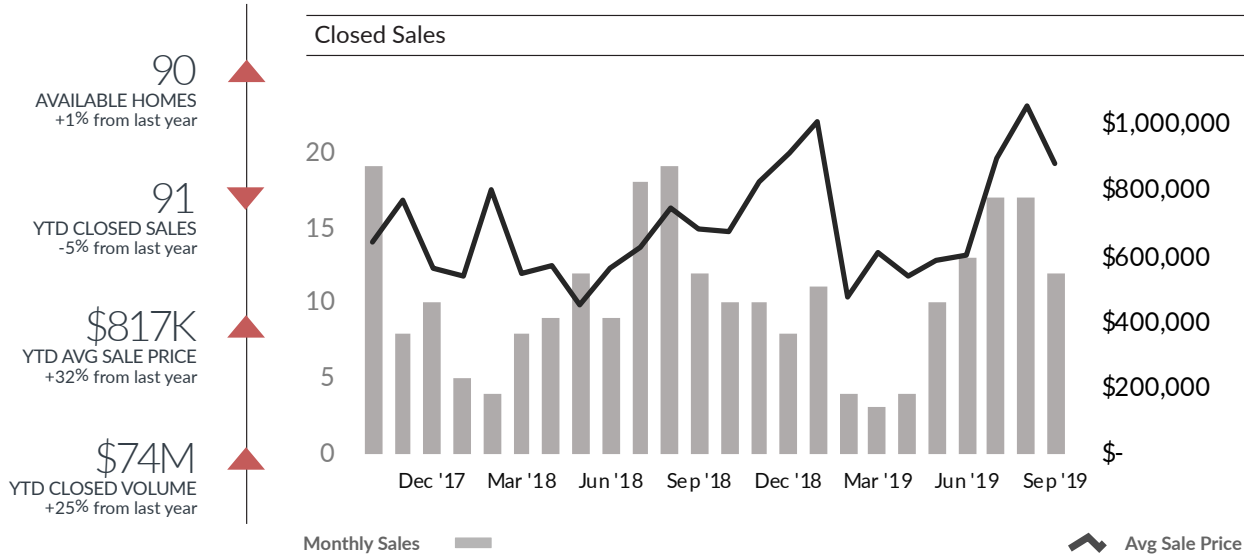
Data Source: TAAR/NGLRMLS

Q3 2019
HOUSING REPORT

Waterfront

Leelanau County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 90 | 89 | 1% |
| | Closed | 46 | 49 | -6% |
| | Months Supply | 5.9 | 5.4 | 8% |
| | Avg. Sale Price | \$948k | \$687k | 38% |
| | \$ Vol (million) | 44 | 34 | 30% |
| \$10-500k | Available | 10 | 16 | -38% |
| | Closed | 17 | 18 | -6% |
| | Months Supply | 1.8 | 2.7 | -34% |
| | \$/SF Change | | | 8% |
| \$500-750k | Available | 26 | 17 | 53% |
| | Closed | 8 | 12 | -33% |
| | Months Supply | 9.8 | 4.3 | 129% |
| | \$/SF Change | | | -10% |
| \$750-1m | Available | 19 | 26 | -27% |
| | Closed | 4 | 11 | -64% |
| | Months Supply | 14.3 | 7.1 | 101% |
| | \$/SF Change | | | 32% |
| \$1m+ | Available | 35 | 30 | 17% |
| | Closed | 17 | 8 | 113% |
| | Months Supply | 6.2 | 11.3 | -45% |
| | \$/SF Change | | | -6% |

Summary

With 90 available listings, October 1st inventory was nearly level with a year ago.

Third quarter sales dropped slightly from 49 units last year to 46 this year, but with 17 over-\$1m sales, they were big ones. The 3rd quarter average sale price was \$948k.

The two hottest 3rd quarter markets were the under-\$500k and the over-\$1m markets. Those two price segments accounted for 34 of the 46 sales. Activity was flat and supply levels high in the middle price ranges between \$500k and \$1m.

Although YTD closed units are down from 96 to 91, there have been 23 \$1m-plus sales, compared to 12 last year. YTD closed volume jumped from \$60m last year to \$74m and average sale price jumped 32% to \$817k.

Be careful not to conclude that values of individual properties jumped that much. The mix of the properties that have sold this year is richer.

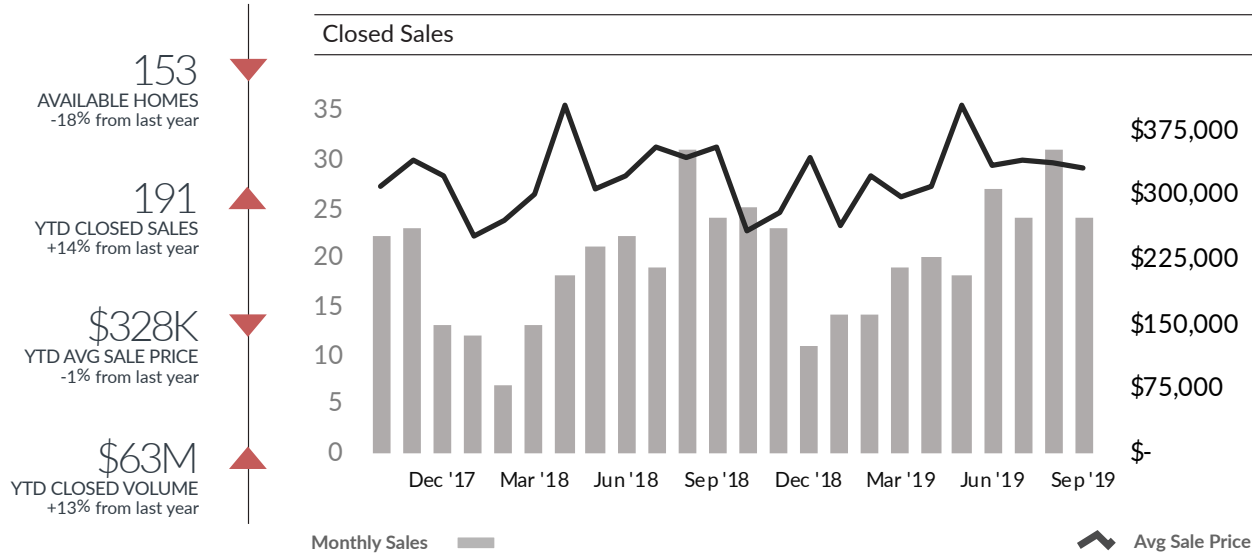
Data Source: TAAR/NGLRMLS

Q3 2019
HOUSING REPORT

Non-Waterfront

Leelanau County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 153 | 187 | -18% |
| | Closed | 79 | 74 | 7% |
| | Months Supply | 5.8 | 7.6 | -23% |
| | Avg. Sale Price | \$335k | \$350k | -4% |
| | \$ Vol (million) | 26 | 26 | 2% |
| \$10-200k | Available | 14 | 19 | -26% |
| | Closed | 11 | 8 | 38% |
| | Months Supply | 3.8 | 7.1 | -46% |
| | \$/SF Change | | | -1% |
| \$200-325k | Available | 37 | 43 | -14% |
| | Closed | 31 | 27 | 15% |
| | Months Supply | 3.6 | 4.8 | -25% |
| | \$/SF Change | | | -7% |
| \$325-600k | Available | 72 | 91 | -21% |
| | Closed | 32 | 37 | -14% |
| | Months Supply | 6.8 | 7.4 | -9% |
| | \$/SF Change | | | -1% |
| \$600k+ | Available | 30 | 34 | -12% |
| | Closed | 5 | 2 | 150% |
| | Months Supply | 18.0 | 51.0 | -65% |
| | \$/SF Change | | | 8% |

Summary

Available listing inventory has been down in all price ranges. It's down 18% from the same time last year.

Third quarter closed sales were up by 5 units from a year ago, but an increase in the number of lower-priced sales contributed to a third quarter decline in average sale price from \$350k to \$335k.

YTD closed sales are up by 24 units but average sale price dropped slightly from \$332k to \$328k.

Because of the smaller sample sizes in many of the local counties, it's often helpful to focus on the raw unit numbers instead of the averages and percentages.

Both buyers and sellers in the over-\$600k price range should be aware that there are 30 available listings and only 5 sold in the past 3 months. Seasonal trends in the chart above suggest fewer homes will sell in the 4th quarter. Considering listing-to-sold ratios is helpful for successfully pricing or making offers.

Data Source: TAAR/NGLRMLS

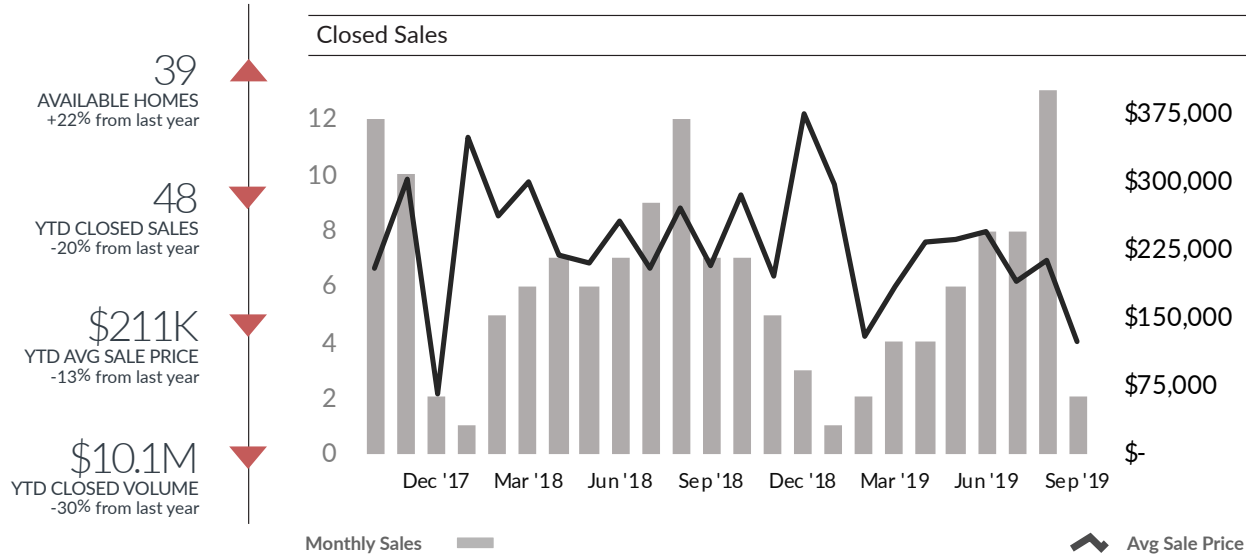


Q3 2019
HOUSING REPORT

Waterfront

Wexford County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 39 | 32 | 22% |
| | Closed | 23 | 28 | -18% |
| | Months Supply | 5.1 | 3.4 | 48% |
| | Avg. Sale Price | \$197k | \$233k | -15% |
| | \$ Vol (million) | 5 | 7 | -31% |
| \$10-150k | Available | 9 | 7 | 29% |
| | Closed | 8 | 11 | -27% |
| | Months Supply | 3.4 | 1.9 | 77% |
| | \$/SF Change | | | 22% |
| \$150-250k | Available | 13 | 11 | 18% |
| | Closed | 8 | 6 | 33% |
| | Months Supply | 4.9 | 5.5 | -11% |
| | \$/SF Change | | | -21% |
| \$250-400k | Available | 11 | 8 | 38% |
| | Closed | 6 | 7 | -14% |
| | Months Supply | 5.5 | 3.4 | 60% |
| | \$/SF Change | | | 9% |
| \$400k+ | Available | 6 | 6 | 0% |
| | Closed | 1 | 4 | -75% |
| | Months Supply | 18.0 | 4.5 | 300% |
| | \$/SF Change | | | 14% |

Summary

While sales were normal in July and peaked in August, the third quarter ended on a flat note with only 2 closed sales in September. Third quarter sales and average sale price both dropped by 18% and 15% from last year.

YTD sales, average sale price and closed volume are all down, by 20%, 13% and 30%.

With the relatively small number of Wexford waterfront properties and sales, a few sales can create big percentage changes. Having only \$10.1m in YTD waterfront activity compared to \$14.6m last year, the Wexford waterfront market has been slow.

When pricing a listing or strategizing on an offer price, it's helpful to look at the ratio of available listings to quarterly closed sales within the relevant price range.

Data Source: TAAR/NGLRMLS

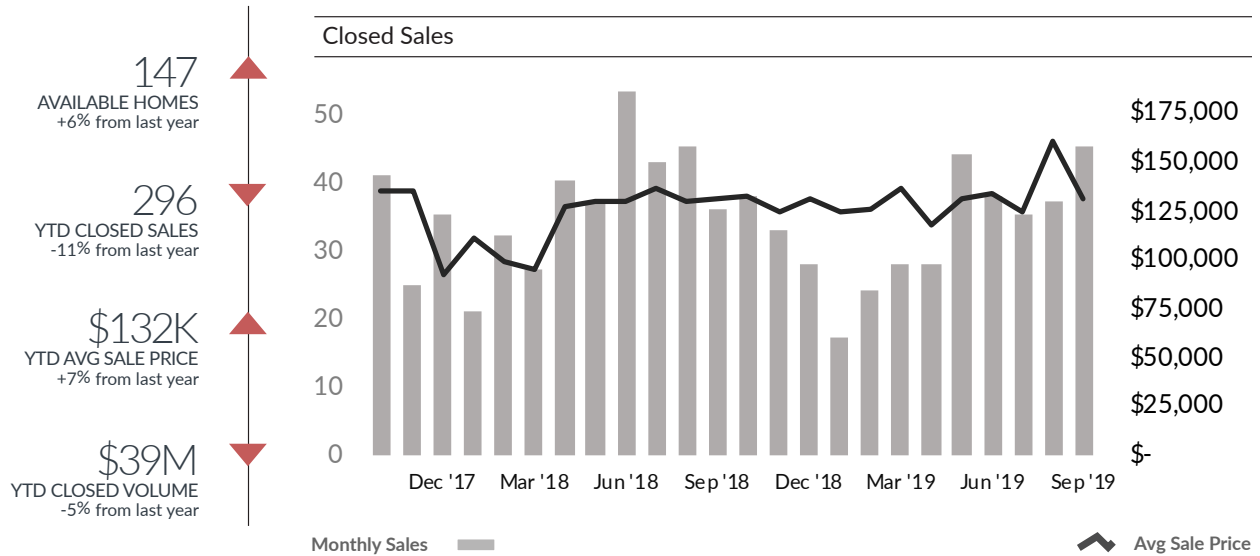


Q3 2019
HOUSING REPORT

Non-Waterfront

Wexford County

Single Family Homes



| Price Range | Field | 3rd Q '19 | 3rd Q '18 | '19 vs '18 |
|-------------|------------------|-----------|-----------|------------|
| All | Available | 147 | 139 | 6% |
| | Closed | 117 | 124 | -6% |
| | Months Supply | 3.8 | 3.4 | 12% |
| | Avg. Sale Price | \$138k | \$132k | 4% |
| | \$ Vol (million) | 16 | 16 | -1% |
| \$10-75k | Available | 25 | 26 | -4% |
| | Closed | 23 | 21 | 10% |
| | Months Supply | 3.3 | 3.7 | -12% |
| | \$/SF Change | | | 45% |
| \$75-150k | Available | 50 | 41 | 22% |
| | Closed | 50 | 57 | -12% |
| | Months Supply | 3.0 | 2.2 | 39% |
| | \$/SF Change | | | 9% |
| \$150-250k | Available | 44 | 44 | 0% |
| | Closed | 34 | 40 | -15% |
| | Months Supply | 3.9 | 3.3 | 18% |
| | \$/SF Change | | | 12% |
| \$250k+ | Available | 28 | 28 | 0% |
| | Closed | 10 | 6 | 67% |
| | Months Supply | 8.4 | 14.0 | -40% |
| | \$/SF Change | | | 9% |

Summary

October 1st available listing inventory was up by 12 units from a year ago.

Third quarter closed sales were down 6% while average sale price was up 4% compared to last year.

YTD sales have dropped from 334 closed sales last year to 296 this year. Despite the decline in sales and with the help of a few higher-priced August sales, the average sale price rose from \$123k to \$132k.

Where sample sizes are small it's helpful to look at the raw data. If selling or buying in the over-\$250k price range, it's helpful to know there are currently 28 listings priced above \$250k and that 10 have sold in the past 3 months. It's also helpful to understand that 4th quarter monthly sales are typically lower than in second and third quarter months (see the chart above). Knowing the numbers helps guide buyers and sellers in pricing listings and offers to be chosen.

Data Source: TAAR/NGLRMLS