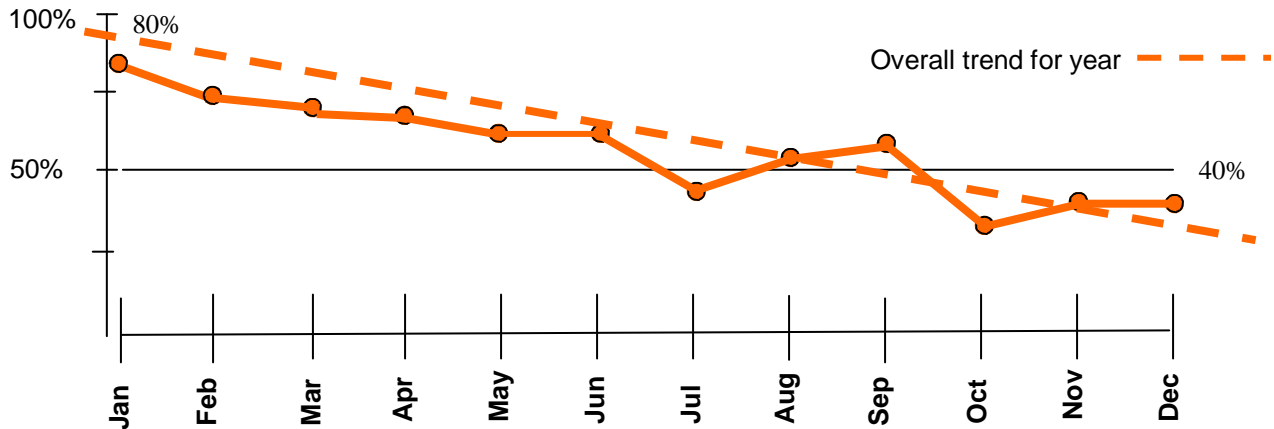
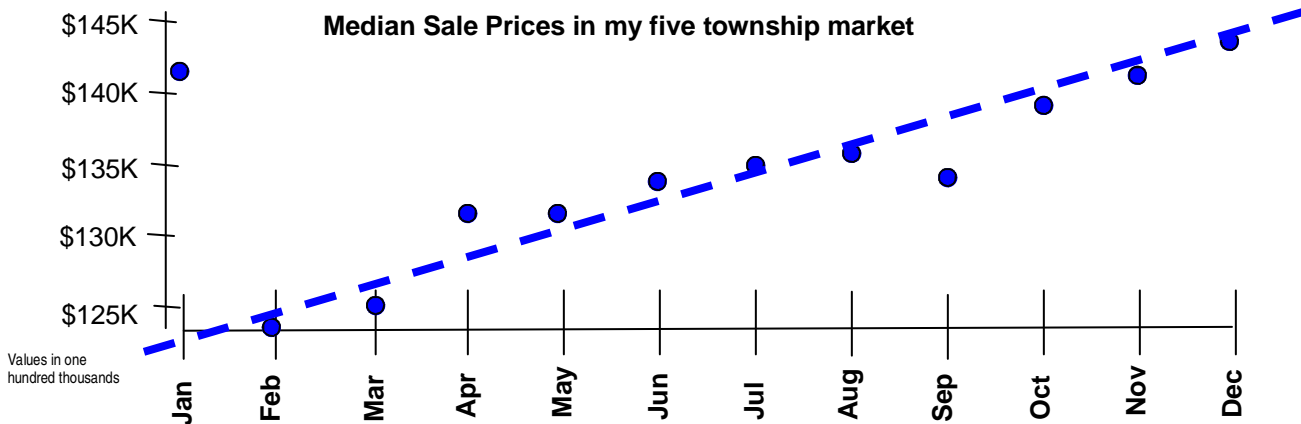


## 2009 in review—some encouraging statistics from a tough year

Foreclosures as a percentage of total sales in my five township market—  
Milford (Twp & Vil), Highland, White Lake, Commerce and Lyon Twps



Median Sale Prices in my five township market



Analysis and further observations from the data. The two trend lines above are both good news. The market appears to be stabilizing, with foreclosures coming down significantly as a percentage of the makeup of the overall market. I have not been tracking short sales separately but will follow that in 2010. The median sale price has also trended up all year (albeit January was a point off the curve).

Several other trends are in the data that I have just not taken the time to chart. The ratio of sale price to SEV has risen significantly during the year, mainly as the result of the new assessments that reset the SEVs down by about 15-18% in the townships that I track. I am now seeing sale price to SEV numbers in the range of 1.7 to 2.X; whereas, before the SEV resets I was seeing ratios of 1.4 to 1.7 times SEV for sale prices. The ratio will likely continue to track below 2.0, because values continue to drop faster than the assessors can track them with new assessments. Another hidden indicator is that the DOM (Days on Market) for sales have started to come down, albeit slowly. Also, the inventory is slowly drifting down in my market.

What does all of this mean to you as a buyer or seller? If you are a buyer and have been waiting to see if the market will go down even further, beware; you stand a good chance of missing the bottom of the market. The trends are clearly telling us that the market is changing. We may not have bottomed out quite yet on value decline, but we are certainly near that bottom. For sellers the good news is that the bottom is near and most of the value has been taken out of the market already. Inventory (which is competition for you) is down and the median sale prices are going up. With the extension of the tax credits and expansion of the programs to include people who already own a house, this is a good time jump into the market. 2010 will be a year of transitions and neither buyers or sellers should miss these opportunities.