

NORTHEAST DETROIT AREA MICHIGAN MARKET

Area Overview

The year 2010 witnesses a continuation in the decline of the Metro Detroit economy. The wave of bankruptcies is slowing and it would appear a period of stability is arriving. Some corporations are planning their exits from bankruptcy.

The state and local municipalities are facing less revenue due to the loss of population. Downsizing has set in for cities and schools. Sadly, the state has around 14.5% unemployment.

Wayne County: Grosse Pointe Community

The Grosse Pointe community is located just north of the city of Detroit. It is comprised of five cities that date back to the 1920s. Some of the early homes were mini-mansions on the estate-sized sites that overlooked Lake St. Clair. Some have been removed over the years and redeveloped with small subdivisions of large colonials.

Owners of homes in the over \$600,000 price range are having difficulty finding buyers. Executives are not being transferred into town by their corporations and local residents are hesitant to move up in today's market.

Homes in the basic price range of \$125,000 to \$400,000 continue to sell. Buyers have become very selective and in some instances, seek seller sales concessions either for repairs or help with mortgage costs. Staging the home for marketing is a must!!

With mortgage qualifications becoming more difficult, the outlook for sales activity in 2010 is very guarded. Realtors anxiously await the spring sales period.

Macomb County

The older southern cities of Macomb County are having a difficult time attracting buyers, even with their very basic price range. With closed manufacturing job shops in the area, many families are in financial straits. There is minimal home purchasing at this time, mostly by investors.

The mid-portion of the county, a newer area north of M-59, continues to attract families. They wish to own these more modern dwellings. Marketing time has declined from the previous nine to twelve months. Prices are still showing a 'moderate' decline. Relocation assignments continue in Macomb Township.

The northern section of the county, the township areas with homes on three to five acre sites, is very slow. Families from lower Macomb County are no longer searching for their dream homes on acreage parcels in the country.

St. Clair County

The county is rural in nature with small towns spotted throughout the townships. The Ford Freeway (I-94) links the city of Port Huron and the metro Detroit employment centers. A one to two hour commute to work is accepted. Country living on acreage size parcels is the norm. With the poor economy, families are not moving.

The larger cities, Port Huron and Marysville, have seen small manufacturing plants close. Unemployment is high. Bank owned homes and vacant homes are visible. There is an oversupply of listings with few buyers.

Homes fronting on the St. Clair River, the international border with Canada, are witnessing a major decline in values. Executives are not available to purchase these waterfront properties. Also, most families in today's market are concerned with basic housing. The extras command little premium, but rather are considered selling points in the Real Estate market.

NORTHEAST DETROIT MICHIGAN MARKET *continued*

Conclusion

Lately, this appraiser is seeing signs of a slower decline in values and in some instances, less marketing time is needed to sell a home. Could the leveling of the market happen in the summer of 2010?

Homes do sell but must be staged for marketing. Repairs and neutral decorating are also a must. A reasonable list price will attract offers. Skillful Realtor-led negotiations are needed to effect a deal.



For additional or more current information on the residential market in the Northeast Metro Detroit area, visit www.rac.net and select "The RAC Report," or contact the following RAC member:

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