

**PRESS RELEASE  
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***Local Housing Market Continues to Stabilize***

ST. JOSEPH, MI – “The housing market in our area from September through December, for the most part, showed positive signs of stabilization. While selling prices fluctuated, three out of the four months the selling prices were within just thousands of dollars. For example the average selling price dropped to \$148, 297 in October but in the other months ranged from \$170,600 to \$176,543. The same was true for the median selling price. The median selling price dropped in November to \$88,000 but ranged from \$109,000 to \$114,960 during the other months. The total number of houses sold during this same end of the year period also held steady at 186 to 199,” stated Gary Walter, EVP, of the Southwestern Michigan Association of REALTORS®, Inc.

Walter continued, “At the end of the first quarter of the year, the year-to-date total dollar volume was up 30 percent over the first quarter of 2010. Then there were softer results in April and May that dampened the market. By June, the year-to-date total dollar volume was only 4 percent above the previous year. For the second half of the year, year-to-date total dollar volume stayed even with or within 1 to 2 percent of last year.”

In 2011, the average selling prices in a month-to-month comparison ranged from a low of \$141,912 in June to a high of \$176,543 in September. The median selling prices ranged from \$70,500 in March to a peak of \$114,960 in December. The median price is the price at which 50% of the homes sold were above that price and 50% were below.

“Locally, the number of bank-owned or foreclosed homes as a part of all closed transactions decreased to a low of 26 percent in August and October and peaked in March at 47 percent. From May until the end of the year, the percentage of foreclosed transactions stayed below one-third of all transactions,” Walter stated.

“Transactions of bank-owned or foreclosed homes peak month each year have declined from 75 percent 2009 to 50 percent in 2010 and 47 percent in 2011. The lowest percentage month fell to 34 percent in 2009 and 24 and 26 percent in 2010 and 2011, respectively. This market factor shows some stability considering that during 7 to 8 months of each year the number of foreclosed transactions were at or below the one-third point,” Walter remarked.

The local inventory has been shrinking. In December 2008, there were 3328 houses for sale which was a 14.1-month supply. In December 2009, the month supply slipped to 13.3 and in 2010, slipped to 13.6. This year at the end of December, there were 2461 houses listed which was a 12.7-month supply.

Comparing December 2011 to December 2010 year-to-date numbers across the board, the market fell slightly behind with what the market was doing a year ago. However, the cumulative trend over the last three years still suggests that the market is moving to a more stable, sustainable environment. Specifically, year-to-date figures for the number of houses sold fell by 3 percent (2361 vs. 2423), the total dollar volume was down by 2 percent (\$383,582,001 vs. \$392,080,688), and the average selling price was slightly higher but only by \$492 (\$162,466 vs. \$161,974). The year-to-date median selling price fell to \$99,950 from \$106,750 a year ago, a 6 percent drop.

Final Michigan statewide 2011 year-end statistics have not been released at this time. Tentative, year-to-date numbers at the end of December 2011 ranked this area in 14<sup>th</sup> place for the number of homes sold and the 5<sup>th</sup> highest for the average selling price. In 2010, the Southwestern Michigan market ranked 12<sup>th</sup> in the state for number of houses sold and had the 5<sup>th</sup> highest average selling price.

The mortgage rate in Southwest Michigan hovered around 5 percent until August when it dropped to 4.32 and continued to decline until December when it fell to 4.06. According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage fell to a record low 3.99 percent in November from 4.07 percent in October and the set a new record of 3.96 in December.

The numbers reported for local sales include residential property in Berrien, and the western half of Van Buren and Cass counties. All three counties are included in numbers and percentages and do not reflect differences in any individual areas.

The Southwestern Michigan Association of REALTORS<sup>®</sup>, Inc. is a professional trade association for real estate licensees and ancillary service providers for the real estate industry in Van Buren, Berrien and Cass counties. The Association is located at 3123 Lake Shore Drive St. Joseph, MI 49085, (269) 983.6375. The local real estate market data can also be viewed at their website at [www.swmar.com](http://www.swmar.com).

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