

The analysis presented in this report was completed prior to the release of the 2020 Decennial Census and therefore the current estimates may not reflect the true change since April 1, 2020; however, the direction and magnitude of trends in the data are presumed to be accurate. HUD will provide an updated report that incorporates the 2020 Decennial Census in the future.

# COMPREHENSIVE HOUSING MARKET ANALYSIS

## Warren-Troy-Farmington Hills, Michigan

**U.S. Department of Housing and Urban Development,**  
Office of Policy Development and Research

As of July 1, 2021



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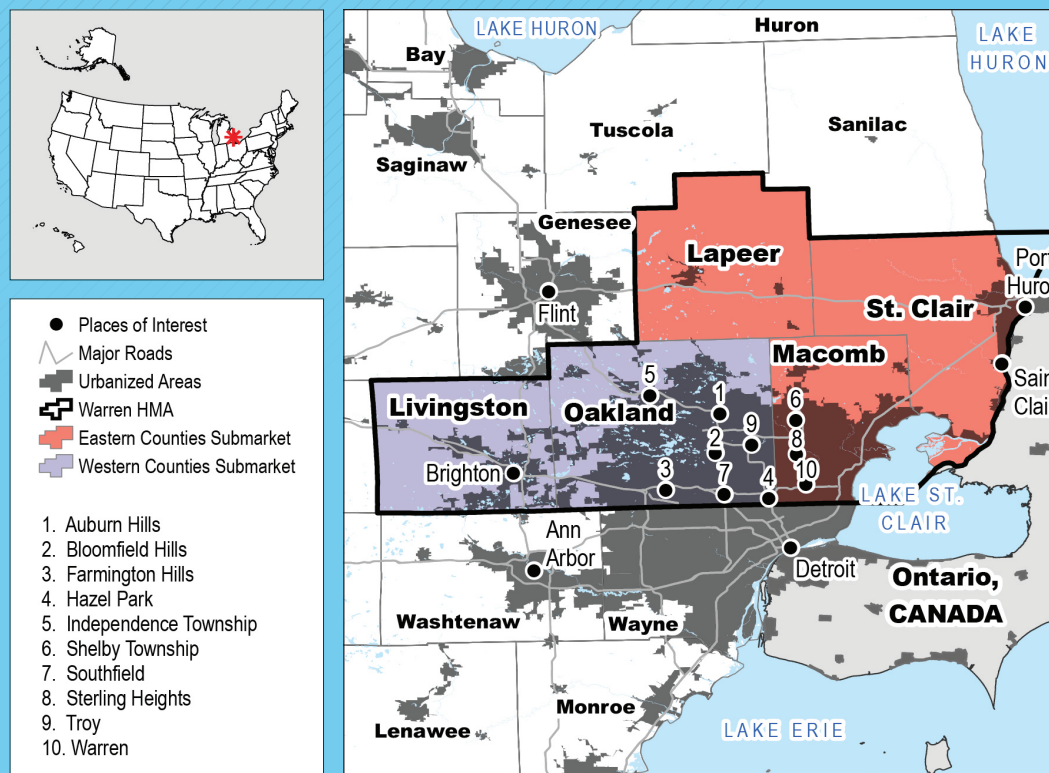
# Executive Summary

## Housing Market Area Description

The Warren-Troy-Farmington Hills Housing Market Area (hereafter, Warren HMA) is coterminous with the Warren-Troy-Farmington Hills, MI Metropolitan Division, which includes Lapeer, Livingston, Macomb, Oakland, and St. Clair counties in southeastern Michigan. Along with the Detroit-Dearborn-Livonia Metropolitan Division (hereafter, Detroit Metropolitan Division), it forms the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area (Detroit MSA). For this analysis, the Warren HMA is divided into two submarkets: the Western Counties submarket, which includes Livingston and Oakland counties, and the Eastern Counties submarket, which includes Lapeer, Macomb, and St. Clair counties.

The current HMA population is estimated at 2.56 million.

The Warren HMA is the suburban-county counterpart to Wayne County, the principal county of the Detroit Metropolitan Division. The geography within the HMA closest to Wayne County is relatively built up but includes undeveloped land farther from the urban core. Jobs in the manufacturing and the professional and business services sectors in the HMA account for a greater portion of nonfarm payrolls compared with the Detroit Metropolitan Division and nationally, and Fiat Chrysler Automobiles (FCA US LLC) is headquartered in the city of Auburn Hills, in Oakland County.



## Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in the [supplemental tables](#) of this report.

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



## Market Qualifiers

### Economy



**Weak, but Improving:** Despite a 3.1-percent decline year over year in nonfarm payroll jobs during the 12 months ending June 2021, jobs during the second quarter of 2021 increased 18.2 percent compared with the second quarter of 2020.

Economic conditions are weak in the Warren HMA, but they are improving because the area is recovering from job losses primarily attributed to impacts from the COVID-19 pandemic. The recession in the United States, attributed to the COVID-19 pandemic, lasted only 2 months, from March through April 2020, but job losses during this period were severe. Of the 335,100 jobs lost in the HMA during those 2 months, 85 percent have been recovered (not seasonally adjusted). The unemployment rate in the HMA averaged 6.3 percent during the 12 months ending June 2021, compared with 7.9 percent a year earlier. During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 1.6 percent.

### Sales Market



**Slightly Tight:** During May 2021, a 1.1-month supply of homes was available for sale, down from a 2.3-month supply a year earlier.

The home sales market in the HMA is currently slightly tight because home sales have increased since the economy emerged from the Great Recession, and new home construction remains relatively low. Following a slump in home sales coinciding with the onset of the COVID-19 pandemic, sales have strengthened, fueled by telework options for many workers and record-low mortgage interest rates. During the 12 months ending May 2021, new and existing home sales totaled approximately 51,000, at an average sales price of \$270,500. The sales count is 15 percent higher than sales a year earlier, and the average sales price is 11 percent above the average price a year earlier (Zonda). During the forecast period, demand is estimated for 9,700 new homes; the 2,650 homes currently under construction will meet a portion of that demand.

### Rental Market



**Balanced:** The overall rental market has an estimated vacancy rate of 6.1 percent, down from 11.2 percent in April 2010, when conditions were soft.

By contrast with the overall rental market, apartment market conditions in the Warren HMA are tight, with a vacancy rate, as of the second quarter of 2021, of 1.9 percent, down from 3.4 percent a year earlier (RealPage, Inc.). Also, the average asking rent rose sharply during the past year, increasing more than 9 percent, to \$1,112. Despite the recent increase, the average apartment rent is below the national average of \$1,495. During the 3-year forecast period, demand is estimated for 3,425 new rental units; the 2,815 units under construction will satisfy a portion of that demand.

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### 3-Year Housing Demand Forecast

	Sales Units			Rental Units		
	Warren HMA	Western Counties Submarket	Eastern Counties Submarket	Warren HMA	Western Counties Submarket	Eastern Counties Submarket
<b>Total Demand</b>	9,700	5,200	4,500	3,425	2,125	1,300
<b>Under Construction</b>	2,650	1,700	950	2,815	2,475	340

**Notes:** Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2021. The forecast period is July 1, 2021, to July 1, 2024.

Source: Estimates by the analyst



## Economic Conditions

### Largest Sector: Professional and Business Services

On an unadjusted basis, jobs in the Warren HMA fell nearly twice as fast as national nonfarm payrolls during March and April 2020, but since May 2020, nonfarm payrolls in the Warren HMA have recovered a greater portion of jobs than the nation.

### Primary Local Economic Factors

The economies of the Warren HMA and the Detroit Metropolitan Division are interrelated; they combine to form the larger six-county Detroit metropolitan statistical area (MSA). In 2015, approximately 69 percent of workers who resided in the Western Counties submarket worked within the same submarket, whereas roughly 62 percent of Eastern Counties submarket employed residents worked in the submarket where they reside (Table 1; U.S. Census, Journey to Work). About 17 percent of workers from the Western Counties submarket and 13 percent from the Eastern Counties submarket commuted into Wayne County for work. Workers residing in the Eastern Counties submarket were nearly three times as likely to work in the Western Counties submarket than the reverse. The Western Counties submarket accounts for two-thirds of the estimated nonfarm payrolls in the Warren HMA (Table 2).

The Warren HMA and the Detroit Metropolitan Division complement each other with several nonfarm jobs sectors. The Warren HMA includes a greater

**Table 1. Jobs by Place of Worker Residence in the Warren HMA**

Worker Residence	Location of Primary Job			
	Western Counties Submarket (%)	Eastern Counties Submarket (%)	Wayne County (%)	Outside the MSA (%)
Western Counties Submarket	69.2	6.7	17.3	6.8
Eastern Counties Submarket	21.7	62.2	13.2	2.9

Note: Rows may not add to 100 percent due to rounding.  
Source: 2015 U.S. Census, Journey to Work

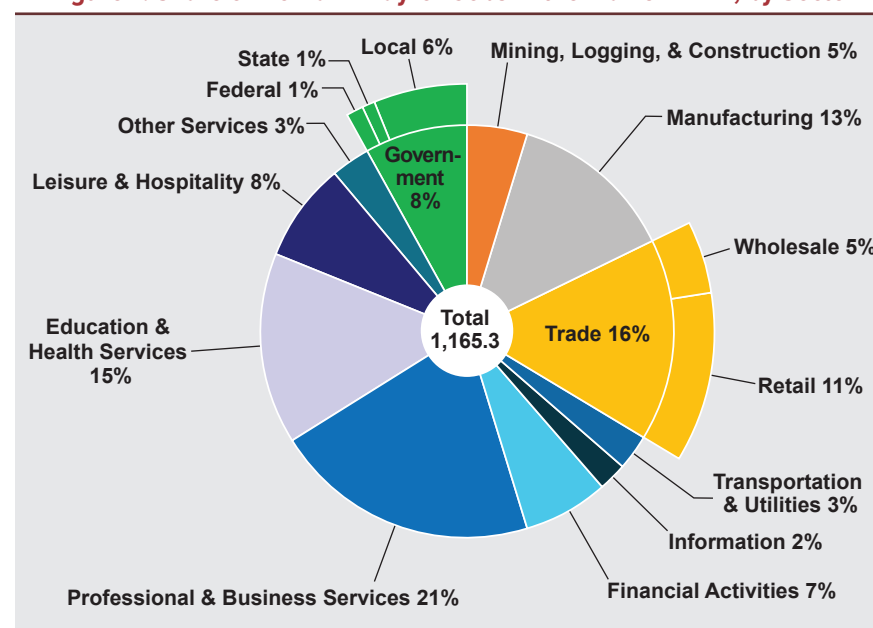
concentration of jobs in the professional and business services sector than does the Detroit Metropolitan Division, at 21 and 17 percent of their total payrolls, respectively, and for both, those jobs are overrepresented relative to the national average of 14 percent. The professional and business services sector is currently the largest sector in the Warren HMA (Figure 1). Since the end of World War II, businesses have been relocating from the city of Detroit

**Table 2. Current Estimated Percent Share of Nonfarm Payrolls in the Warren HMA, by Submarket**

Western Counties Submarket	67.0
Eastern Counties Submarket	33.0

Source: U.S. Bureau of Labor Statistics, estimates by the analyst

**Figure 1. Share of Nonfarm Payroll Jobs in the Warren HMA, by Sector**



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding.  
Based on 12-month averages through June 2021.  
Source: U.S. Bureau of Labor Statistics

to suburban locations. The city of Southfield in Oakland County claims to host more than 10,000 businesses and more than 100 businesses from the Fortune 500 list (City of Southfield). By contrast, jobs in the education and health services sector are underrepresented in the Warren HMA compared with the Detroit Metropolitan Division; jobs in that sector are 15 percent of overall nonfarm payrolls in the Warren HMA and 17 percent of total jobs in the Detroit Metropolitan Division. The education and health services sector is the third largest jobs sector in the HMA. Significant major employers in the sector include Beaumont Health (largest), Henry Ford Health System, and Ascension Health Alliance (fourth and fifth largest, respectively; Table 3).

## Current Conditions—Nonfarm Payrolls

Although economic conditions in the Warren HMA are weak, the economy has begun to recover from the 2020 recession. The decline in nonfarm payrolls, attributed to efforts enacted to slow the spread of COVID-19, occurred in March and April 2020, and jobs have generally been increasing, month over month, since then. In unadjusted terms, nonfarm payrolls fell in the Warren HMA by 335,100 jobs, or 26.7 percent, during March and April 2020. By contrast, jobs fell 13.7 percent nationally; the rate of job loss was nearly double in the Warren

**Table 3. Major Employers in the Warren HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Beaumont Health	Education & Health Services	18,261
FCA US LLC	Manufacturing	12,848
General Motors Company	Manufacturing	8,476
Henry Ford Health System	Education & Health Services	6,368
Ascension Health Alliance	Education & Health Services	5,630
Providence Saint John's Health Center	Education & Health Services	3,061
Magna International of America, Inc.	Manufacturing	2,646
Trinity Health	Education & Health Services	2,578
Continental Automotive GmbH	Manufacturing	2,000
Comerica Bank	Financial Activities	1,974

Notes: Excludes local school districts. Employers and their employee counts are only from Oakland County.  
Source: Oakland County, 2019

HMA compared with the national rate. From May 2020 through June 2021, nearly 85 percent of lost jobs in the Warren HMA, or 283,400 jobs, have been recovered; nationally, the recovery rate is 78.5 percent. Before the pandemic, economic conditions in the HMA were relatively strong, although job growth was slowing.

The past 12 months represent the first full year after the impacts of the COVID-19 pandemic on the economy and the subsequent recovery. Nonfarm payrolls averaged 1.17 million, or 3.1 percent below the level a year earlier (Table 4). All nonfarm payroll sectors in the Warren HMA declined except the mining, logging, and construction sector, which rose by 3,300 jobs, or 6.3 percent; and the transportation and utilities sector, which increased by 1,700 jobs, or 5.5 percent. These two sectors are the only sectors to increase during the past 2 years and have led growth in the HMA since the economy

**Table 4. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Warren HMA, by Sector**

	12 Months Ending June 2020	12 Months Ending June 2021	Absolute Change	Percentage Change
<b>Total Nonfarm Payroll Jobs</b>	<b>1,202.6</b>	<b>1,165.3</b>	<b>-37.3</b>	<b>-3.1</b>
<b>Goods-Producing Sectors</b>	<b>202.8</b>	<b>204.2</b>	<b>1.4</b>	<b>0.7</b>
Mining, Logging, & Construction	52.2	55.5	3.3	6.3
Manufacturing	150.6	148.7	-1.9	-1.3
<b>Service-Providing Sectors</b>	<b>999.8</b>	<b>961.1</b>	<b>-38.7</b>	<b>-3.9</b>
Wholesale & Retail Trade	187.8	185.5	-2.3	-1.2
Transportation & Utilities	30.7	32.4	1.7	5.5
Information	20.0	18.3	-1.7	-8.5
Financial Activities	80.9	80.8	-0.1	-0.1
Professional & Business Services	251.6	247.5	-4.1	-1.6
Education & Health Services	179.4	171.8	-7.6	-4.2
Leisure & Hospitality	106.4	89.3	-17.1	-16.1
Other Services	43.6	40.2	-3.4	-7.8
Government	99.5	95.2	-4.3	-4.3

Notes: Based on 12-month averages through June 2020 and June 2021. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics

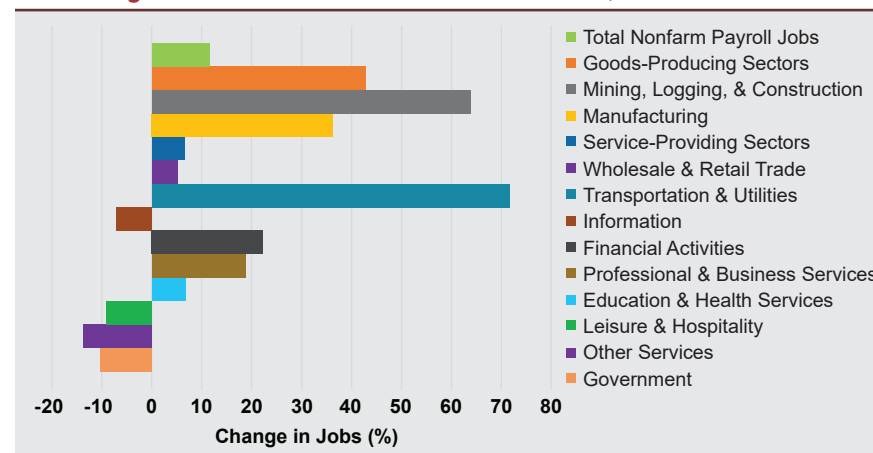


began to recover from the Great Recession during 2011 (Figure 2). All other payroll sectors in the Warren HMA declined during the past year. The leisure and hospitality sector lost the largest number of jobs and fell the fastest, down by 17,100 jobs, or 16.1 percent; no other job sectors reported declines of that magnitude. The education and health services sector had the second largest decline, down by 7,600 jobs, or 4.2 percent. The leisure and hospitality sector includes many jobs considered “nonessential,” offering lower pay and requiring intensive customer interaction. In the education and health services sector, many healthcare providers, including those in the Warren HMA, reduced or halted nonemergency procedures to maintain space and staff to address COVID-19 cases. This shift led to sharp reductions in revenue for healthcare providers and contributed to job losses in the sector. Although the 12-month periods of comparison ending in June 2020 and 2021 show steep job losses in the Warren HMA, job growth has been strong since the second quarter of 2020. When comparing the second quarter of 2021 with the second quarter of 2020, nonfarm payrolls increased 18.2 percent. All sectors gained jobs, led by the professional and business services and the leisure and hospitality sectors, which rose by 38,300 and 33,800 jobs, or 17.6 and 52.7 percent, respectively.

## Current Conditions—Unemployment

The unemployment rate in the HMA averaged 6.3 percent during the 12 months ending June 2021 compared with 7.9 percent a year earlier (Figure 3). The unemployment rate for the HMA peaked at 10.5 percent during the 12 months ending February 2021, the period that includes the onset of job loss during 2020. Before that, the rate peaked at 14.0 percent in early 2010 because of the impacts of the Great Recession. Nationally, the unemployment rate averaged 6.9 percent during the 12 months ending June 2021, above the rate in the Warren HMA but below the two recent national peak rates, 8.7 percent during the 12 months ending March 2021 and 9.6 percent during 2010. Both national peak rates were well below the peaks for the Warren HMA. The unemployment rate in the Eastern Counties submarket was modestly above the rate in the Western Counties submarket, averaging 8.3 percent during the 12 months ending June 2021, compared with an average rate of 6.7 percent in the Western Counties submarket.

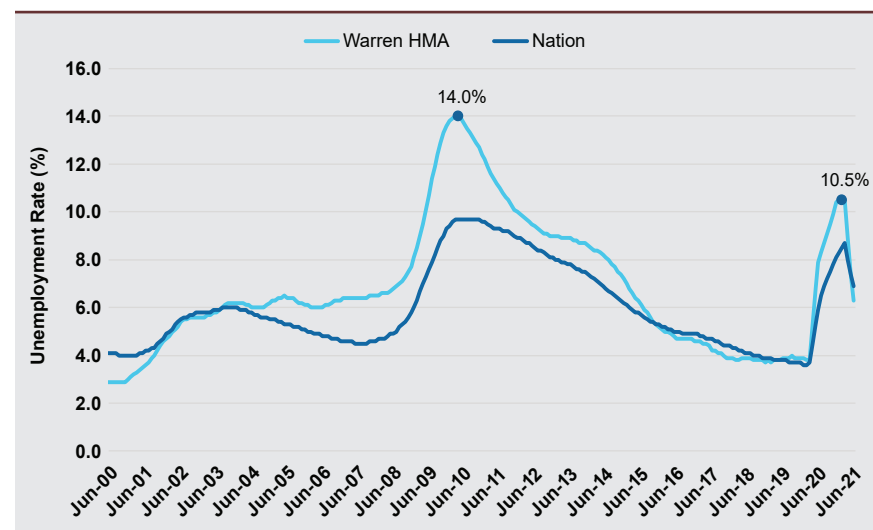
**Figure 2. Sector Growth in the Warren HMA, 2011 to Current**



Note: The current date is July 1, 2021.

Source: U.S. Bureau of Labor Statistics

**Figure 3. 12-Month Average Unemployment Rate in the Warren HMA and the Nation**



Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics

## Economic Periods of Significance

During the first decade of the 2000s, the economy in the Warren HMA declined during 9 of 10 years. Most job sectors declined, and manufacturing sector payrolls were more than halved.

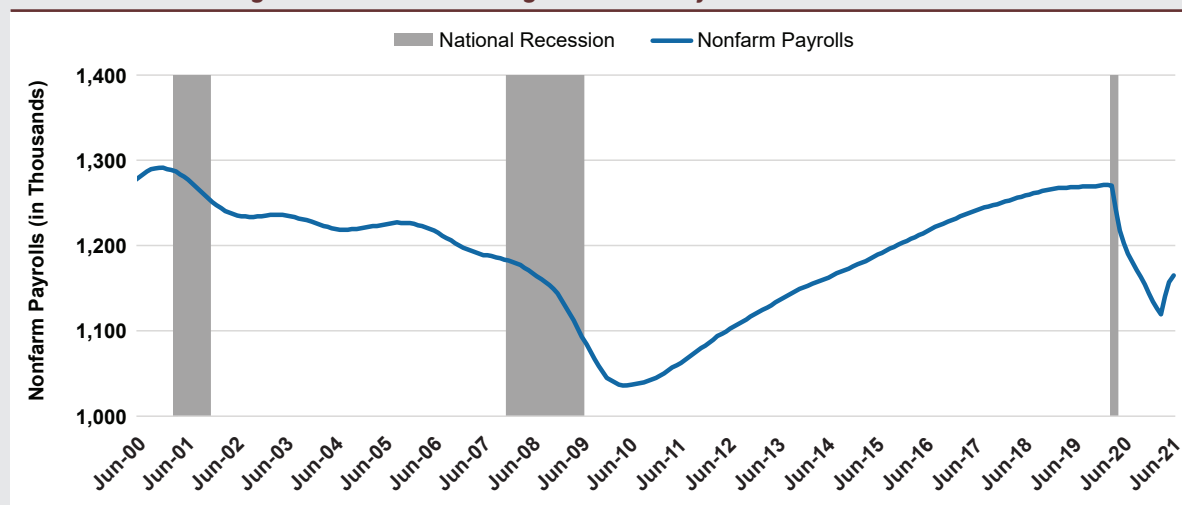
### 2001 Through 2004

From 2001 through 2004, nonfarm payrolls fell each year and averaged declines of 17,700 jobs annually, or 1.4 percent. Nearly 80 percent of the job losses were in the manufacturing sector, where jobs fell by 13,900 annually, or 6.6 percent. Partially offsetting job losses were gains in the education and health services, the financial activities, and the leisure and hospitality sectors, averaging 5,300, 1,600, and 1,400 annually, or 4.0 percent, 2.1 percent, and 1.4 percent, annually, respectively.

### 2005 Through 2010

From 2005 through 2010, the economy in the Warren HMA contracted sharply, falling by an average of 29,300 jobs, or 2.6 percent, annually, despite 1 year of growth during 2005, when nonfarm payrolls increased by 5,700, or 0.5 percent. Manufacturing sector job losses slowed to 11,000 annually, but the rate of job loss in that sector rose to an average of 7.6 percent. All payroll job sectors fell during this period except the education and health services sector, which increased by 3,000 jobs annually, or 2.0 percent. Nationally, the Great Recession began in December 2007 and ran through June 2009 (Figure 4). As a result,

Figure 4. 12-Month Average Nonfarm Payrolls in the Warren HMA



Note: 12-month moving average.

Sources: National Bureau of Economic Research; U.S. Bureau of Labor Statistics

nonfarm payrolls in the nation and the Warren HMA declined by averages of 1.1 percent and 3.4 percent a year, respectively, from 2007 through 2010.

### 2011 Through 2014

From 2011 through 2014, the economy of the Warren HMA charged back from significant declines during the Great Recession. In the initial stages of the recovery, from 2011 through 2014, the nonfarm payroll growth rate was nearly as great as during the previous decline. Nonfarm payrolls grew by an average of 32,600 jobs annually, or 3.0 percent. All nonfarm payroll sectors increased except the government sector, and growth was led by the professional and business services and the manufacturing sectors, which increased by 10,700 and 9,400 jobs annually, or 4.8 and 7.7 percent, respectively, on average. By comparison, nonfarm payrolls nationally increased at a much slower rate during the period, averaging 1.6 percent annually from 2011 through 2014, a slower rate of growth than in the HMA. In the government sector, which was the only sector to decline, federal and state government jobs fell modestly, but jobs at local units of government fell sharply, averaging declines of 1,700 annually, or 2.1 percent. Local governments in Michigan rely heavily on property and sales taxes, both of which were negatively affected during the Great Recession and recovered slowly.



## 2015 Through 2017

Job growth slowed in the Warren HMA during this 3-year period compared with the previous 4 years but remained faster than the national rate. Nonfarm payrolls in the HMA increased by 24,900 jobs, or 2.1 percent, annually from 2015 through 2017. Nationally, total nonfarm payrolls grew 1.8 percent, on average. During this time, all payroll sectors in the HMA grew except the information sector, which fell modestly by 200 jobs annually, or 0.9 percent, on average. Growth was supported by the manufacturing sector, which added 4,700 jobs annually or 3.1 percent. Manufacturing jobs in the HMA are strongly represented by automobile production and related manufacturing. Transportation equipment manufacturing contributes more than 5 percent of all nonfarm payrolls in the HMA compared with 1.1 percent of all payrolls nationally. Jobs in that industry rose in the HMA by an average of 2,700 during the 3 years from 2015 through 2017. The motor vehicle parts manufacturing industry added another 2,300 jobs each year on average in the Warren HMA during that time. Automobile sales in the United States reached record levels, averaging 17 million sales annually during the 3 years from 2015 through 2017.

## 2018 Through 2019

From 2018 through 2019, job growth in the Warren HMA continued to slow, averaging an increase of 10,200 jobs annually, or 0.8 percent. Job growth nationally overtook growth in the HMA, averaging 1.5 percent annually. Jobs in the transportation and utilities sector in the HMA rose by 1,800 jobs annually, or 6.2 percent. All sector growth was in the transportation and warehousing industry, where jobs rose by 1,800, or 6.9 percent, annually, on average. Amazon.com, Inc. opened a fulfillment center in Shelby Township in Macomb County in 2018 and operates more warehouses throughout the HMA. The wholesale and retail trade sector declined modestly, by 500 jobs annually, or 0.3 percent on average. Retail trade, “brick-and-mortar” stores, fell by 1,200 jobs annually, or 0.8 percent. Much of the decline in retail trade jobs is likely attributable to online shopping and delivery services taking the place of shopping at brick-and-mortar stores.

## Forecast

During the forecast period, nonfarm payrolls are expected to increase at an average annual rate of 1.6 percent. Job growth may be slower in the first year of the forecast period because of the global shortage of semiconductor chips, significantly slowing automobile production. Industry analysts expect the chip shortage to subside during the second and third years of the forecast period. Nevertheless, output is expected to be significantly lessened across the automobile production industry during the next year. Despite this prediction, FCA US LLC announced a \$1.5-billion investment in its Warren Truck Assembly plant in Macomb County, which is expected to result in 1,500 new jobs. In Hazel Park, in Oakland County, Avancez Assembly, a supplier of automobile

parts to General Motors Company, intends to fill 240 new jobs during the next 18 months because of an investment of approximately \$50 million in its operations. In February 2021, Magna International of America, Inc. broke ground on an electric vehicle plant in St. Clair County that is expected to create 100 new jobs by the end of 2021, with 200 more jobs expected in the next 2 years. In March 2021, Beaumont Hospital, Royal Oak premiered its expanded pediatric neuroscience center, which increased examination rooms from 9 to 20, at a cost of approximately \$4.5 million. Beaumont Health, which extends beyond the five counties of the Warren HMA, has more than 2,600 job openings to be filled.





# Population and Households

**Current Population: 2.56 Million**

Net in-migration to the HMA is primarily because of international immigration, which has fallen since 2016 and declined more during the COVID-19 pandemic.

## Population Trends

As of July 1, 2021, the population of the Warren HMA was estimated at 2.56 million, representing average annual growth of 7,475, or 0.3 percent, annually since 2010 (Table 5). This rate of annual population growth is the same rate recorded for the HMA during the previous decade, but demographic trends differ during the previous decade and since 2010, when impacts from the Great Recession ended and jobs began increasing.

During the 2000s, the economy of the Warren HMA lost jobs at a far higher rate than the national economy, and the rate of population growth in the HMA fell through the years, eventually turning to population decline late in the decade. By contrast, after emerging from the Great Recession, the economy in the Warren HMA added jobs faster than the nation for several years, and the HMA population grew at relatively strong rates. During the past 2 years, when impacts from the COVID-19 pandemic influenced jobs and components of population change, the population declined in the HMA.

## 2000 to 2004

From 2000 to 2004, the population grew at a relatively strong rate, averaging 0.7 percent growth, or 16,650, annually, with net in-migration averaging 4,850 annually, contributing nearly 30 percent of the population growth (Figure 5).

**Table 5. Warren HMA Population and Household Quick Facts**

Population Quick Facts	2010	Current	Forecast
	Population	2,475,666	2,560,000
	Average Annual Change	8,425	810
	Percentage Change	0.3	0.0

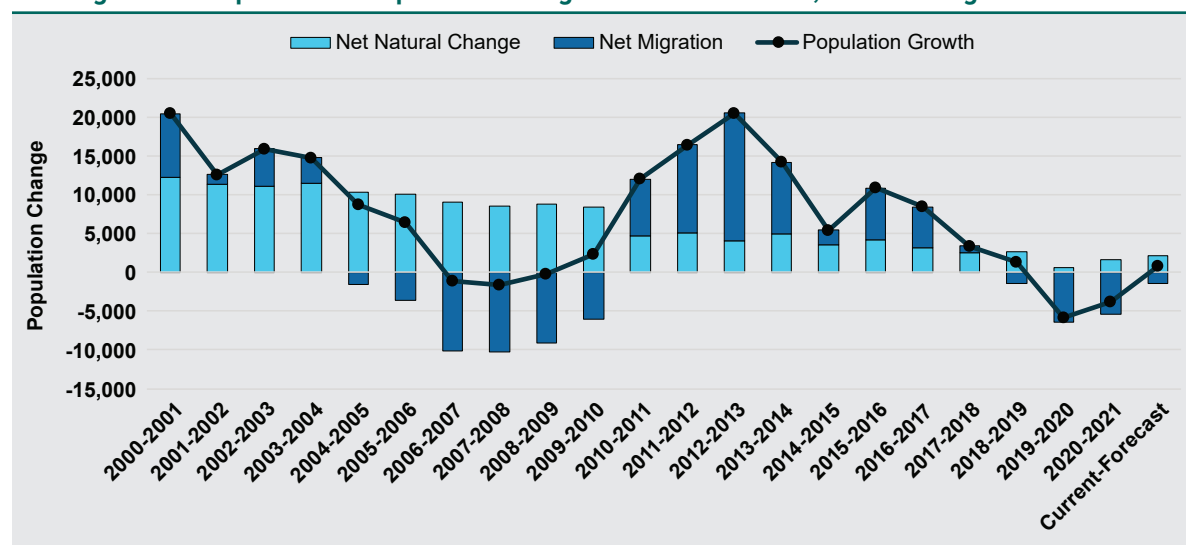
  

Household Quick Facts	2010	Current	Forecast
	Households	979,362	1,039,000
	Average Annual Change	5,075	1,650
	Percentage Change	0.5	0.2

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (July 1, 2021) to July 1, 2024.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

**Figure 5. Components of Population Change in the Warren HMA, 2000 Through the Forecast**



Notes: Data displayed are average annual totals. The forecast period is from the current date (July 1, 2021) to July 1, 2024.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst



## 2004 to 2010

From 2004 to 2010, culminating in the Great Recession from 2007 to 2009, economic conditions in the Warren HMA trailed national conditions significantly. As a result, population growth weakened considerably; net migration reversed, and net out-migration averaged 6,950 annually. During the period, net natural change (resident births minus resident deaths) averaged 9,325 annually, and the population in the HMA grew by an average of 2,375, or 0.1 percent, each year. The Great Recession ended in 2009, but jobs in the HMA continued to decline through 2010.

## 2010 to 2014

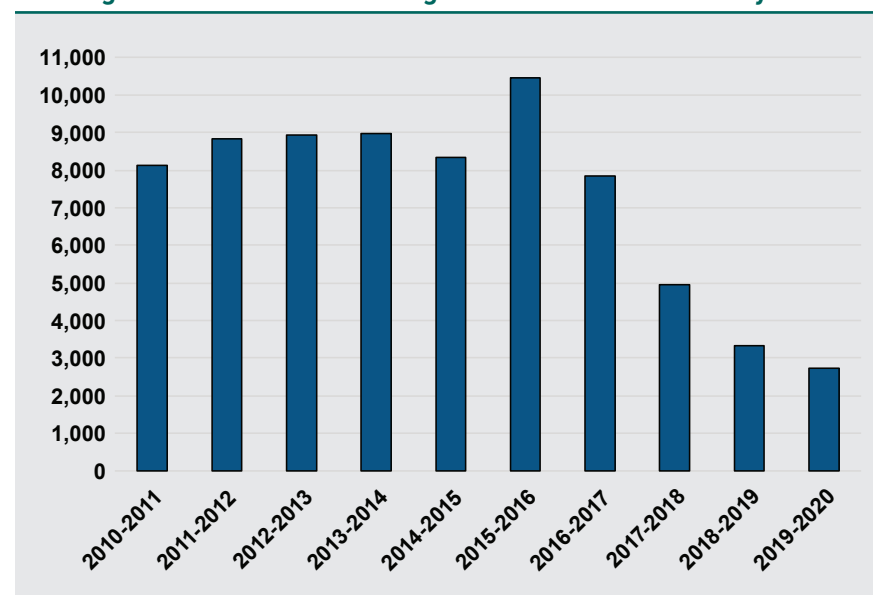
From 2010 to 2014, the economy in the Warren HMA began to grow, with manufacturing jobs returning, driven by increased automobile sales. As a result, net in-migration recovered strongly, averaging 10,250 annually from 2010 to 2014 and contributing nearly 68 percent of the total population growth, which averaged 15,100 annually, or 0.6 percent. International net migration averaged 8,700 annually and contributed nearly 85 percent of the net in-migration during this period. International migrants with technical educations are attracted to the HMA because of engineering and design jobs associated with automobile manufacturers and their suppliers. In addition, Wayne State University in the Detroit Metropolitan Division and Oakland University in Oakland County attract international migrants to the area. Although located outside the HMA, the University of Michigan in Ann Arbor and Michigan State University in East Lansing are major research universities that attract international in-migration; the HMA is a central location, relative to multiple MSAs and universities, for immigrants to settle.

## 2014 to 2017

From 2014 to 2017, job growth slowed in the Warren HMA but outpaced the national rate of job growth. Net in-migration fell approximately 58 percent, to an average of 4,625 annually, and population growth slowed to 8,250 annually, or 0.3 percent. International net in-migration, which averaged 9,400 annually from 2014 to 2016, declined sharply, to an average of 6,400 annually

from 2016 to 2018 (Figure 6) because of policies limiting legal immigration. Also, the Detroit Metropolitan Division typically sends net out-migration to the Warren HMA, on balance (Table 6).

**Figure 6. International Net Migration to the Warren HMA by Year**



Source: Population Estimates Program, Vintage 2020 Data

**Table 6. Migration Flows in the Warren HMA: 2014–2018**

Into the HMA	
From Wayne County	28,087
From Michigan, not Wayne County	56,058
From Outside of Michigan	44,662
Out of the HMA	
To Wayne County	20,665
To Michigan, not Wayne County	68,233
To Outside of Michigan	38,115

Source: U.S. Census Bureau Migration Flows, 2014–2018 American Community Survey, 5-year data

## 2017 to 2019

During the 2 years leading up to the onset of the COVID-19 pandemic, which began in early 2020, job growth in the Warren HMA continued to slow and fell below the rate of job growth reported nationally. As a result, net migration reversed from earlier in the 2010s: net out-migration averaged 250 people annually from 2017 to 2019 because international immigration slowed and domestic net out-migration occurred. The population rose by 2,350, or 0.1 percent, annually during the same period because net natural change offset net out-migration. Year-over-year, international net in-migration continued to fall from 2017 to 2019 (U.S. Census Bureau, Population Estimates Program).

## 2019 to Current

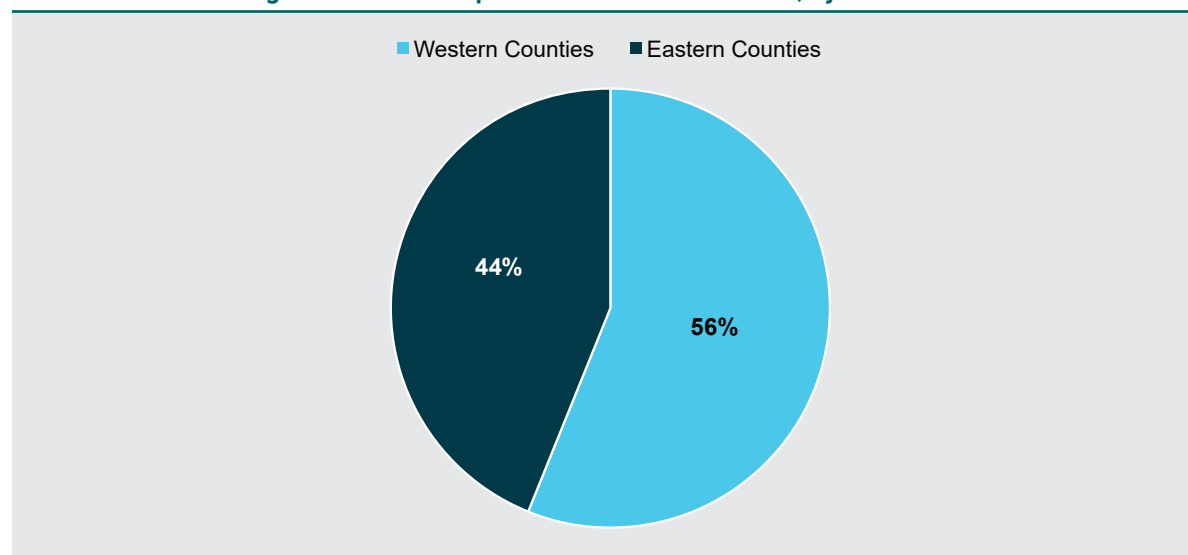
The COVID-19 pandemic contributed to increased domestic net out-migration; international net in-migration was severely limited because the United States closed its border to travel from most of the world. As a result, net out-migration averaged 5,900 annually, and the modest population growth during the previous period reversed. Total population declines have averaged 0.2 percent annually, or 4,800, since 2019. Net natural change reached a recent historic low, partly because resident births were down in the HMA, although not significantly. Resident deaths in the HMA rose sharply, averaging 22,900 annually from 2010 to 2019, and totaled 25,650 from 2019 to 2020. Much of this increase is attributed to COVID-19.

## Western Counties Submarket

The population in the Western Counties submarket, including Livingston and Oakland counties, is estimated at 1.44 million as of July 1, 2021, representing growth averaging 0.4 percent annually, or 5,275, since 2010. The Western Counties submarket currently accounts for an estimated 56 percent of the population of the HMA (Figure 7). The location of the Western Counties submarket, particularly Livingston County, makes it a popular place for households with two employees who work in different geographies. Besides having proximity to Detroit, Livingston County is adjacent to the Lansing-East Lansing MSA to the west, the Flint MSA to the north, and the Ann Arbor MSA to the south (Map 1).

From 2000 to 2010, population growth in the Western Counties submarket averaged 3,225, or 0.2 percent, annually. Net out-migration averaged 3,500 annually and was offset by net natural change. During the decade, the population in the Eastern Counties submarket grew more than twice as quickly. From 2010 to 2017, the population in the Western Counties submarket increased dramatically because net in-migration averaged 5,075 annually, and the population grew by 8,700 people annually, or 0.6 percent. When the economy in the HMA slowed during 2017, net out-migration averaged 800 annually from 2017 to 2019, and the population increased by an average of 1,700, or 0.1 percent, annually. Since 2019, economic conditions

**Figure 7. Current Population in the Warren HMA, by Submarket**



Source: Estimates by the analyst



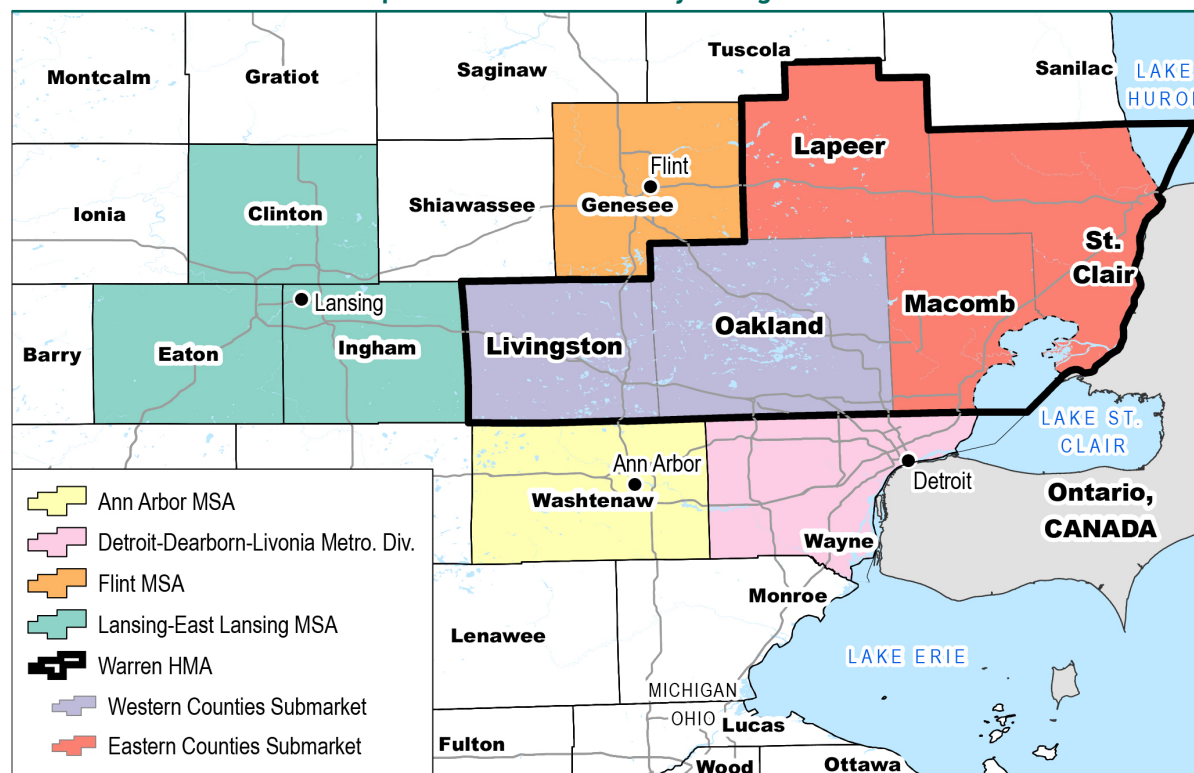
have continued to weaken, culminating in the brief recession during early 2020 caused by the COVID-19 pandemic. Particularly impactful was the severe curtailing of international visitors, including immigrants. Net out-migration averaged 4,975 annually, and the population in the submarket fell by an average of 3,575, or 0.2 percent, annually.

## Eastern Counties Submarket

The Eastern Counties submarket includes Lapeer, Macomb, and St. Clair Counties and has a current population estimated at 1.12 million, or 44 percent of the population of the HMA. Macomb County is the largest of the three counties and contributes nearly 78 percent of the population of the submarket and 34 percent of the population of the HMA. Lapeer County, which includes nearly 8 percent of the population of the submarket, is largely rural and includes significant agricultural land, whereas St. Clair County, which includes approximately 14 percent of the population of the submarket, has frontage on Lake St. Clair and Lake Huron, hosts many vacation properties, and includes a border crossing to Canada at Port Huron. Although near the Detroit Metropolitan Division, most of the geography of the Eastern Counties submarket is farther from the other MSAs that are adjacent to the Western Counties submarket.

During the 2000s, the population grew in the Eastern Counties submarket by 5,200 annually, or growth averaging 0.5 percent. During the decade of relatively weak economic conditions, lower housing costs compared with those of

Map 1. Warren MI and Nearby Michigan MSAs



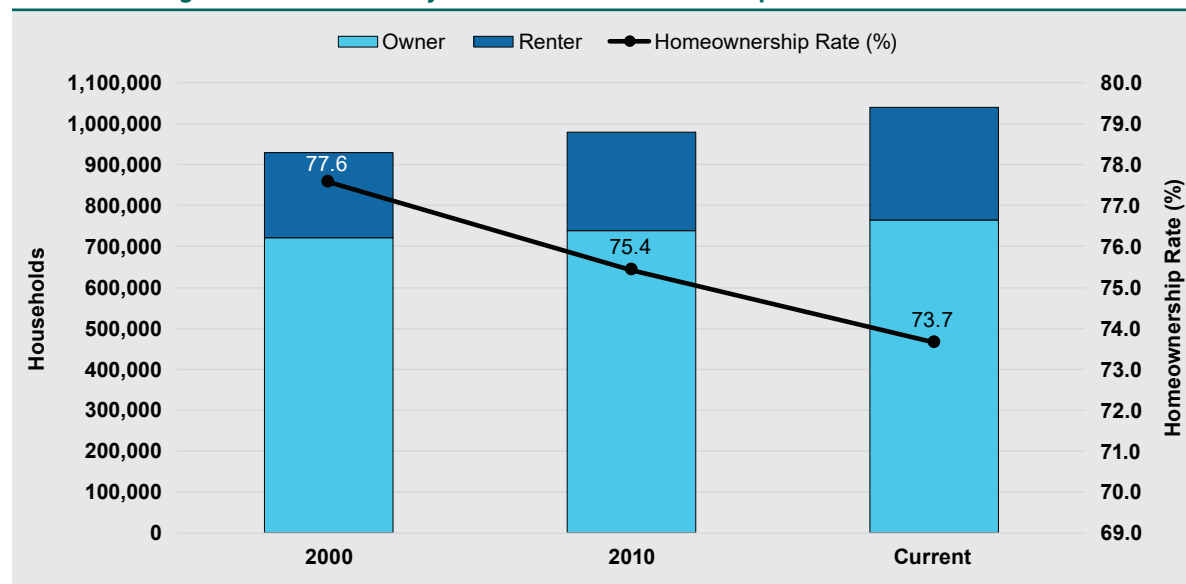
the Western Counties submarket likely attracted people moving to the HMA into the Eastern Counties submarket. By contrast, during the relatively strong economic growth in the HMA from 2010 to 2017, the population in the Eastern Counties submarket grew by 3,575 annually, or 0.3 percent, a slower rate of growth than during the previous decade, and net in-migration averaged 3,025 annually, below the level of net in-migration in the Western Counties submarket. From 2017 to 2019, when net out-migration occurred in the Western Counties submarket, net in-migration averaged 570 annually in the Eastern Counties submarket, leading to population growth averaging 0.1 percent, or 660, annually. From 2019 to the current date, net natural change decreased and net out-migration occurred, and the population fell by 1,200, or 0.1 percent, annually.

## Household Trends

An estimated 1.04 million households currently reside in the HMA, with approximately 57 percent in the Western Counties submarket and 43 percent in the Eastern Counties submarket. Households increased in the HMA by an average of 5,350, or 0.5 percent, annually from 2010 to the current date. This rate is unchanged from the growth rate during the previous decade and slightly faster than overall population growth, in a trend toward modestly smaller households. In the years immediately following the Great Recession, household formation increased following an economy-driven period of “doubling up,” or people living together as roommates to save money on housing costs.

The homeownership rate has fallen in the HMA and the two submarkets since 2000 (Figure 8), but because this HMA is largely suburban the rate remains relatively high, with an estimated 765,700 households, or 73.7 percent, owner households, reflecting growth averaging 0.3 percent annually since 2010. By contrast, renter households have grown an average of 1.1 percent annually since 2010. In the immediate recovery following the Great Recession, rental housing increased significantly faster than sales housing. During the past year, spurred by COVID-19-induced telework, the homeownership rate is estimated to have increased. By submarket, the homeownership rate in the Western Counties submarket is currently estimated at 73.2 percent, down from 74.1 percent in 2010, and the homeownership rate

**Figure 8. Households by Tenure and Homeownership Rate in the Warren HMA**



Note: The current date is July 1, 2021.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

in the Eastern Counties submarket is estimated at 74.3 percent, down from 77.1 percent. By contrast, in the more heavily urban Detroit Metropolitan Division, an estimated 61.3 percent of households were owners as of November 1, 2020, down from 64.7 percent in April 2010.

## Population and Household Forecast

The COVID-19 pandemic exacerbated downward trends in net natural change and net migration; those impacts are expected to moderate during the next 3 years. The population declines during the past 2 years are expected to slow and then reverse, leading to population growth averaging 810, or essentially stable conditions, annually during the next 3 years. Population growth will be minimal in the HMA overall and the Western Counties submarket, whereas population growth will average 0.1 percent annually in the Eastern Counties submarket. Households will grow slightly faster than population, averaging 0.1 and 0.2 percent annually in the Western Counties and Eastern Counties submarkets, respectively, and 0.2 percent annually for the HMA overall during the next 3 years. Nearly three-fourths of the forecast population and slightly less than one-half of household growth is expected to occur in the Eastern Counties submarket.

# Home Sales Market

## Sales Market—Warren HMA

### Market Conditions: Slightly Tight

Sales market conditions were balanced for much of the 2010s, but the market has tightened in the past year as home sales have increased, due partly to expanded telework spurring the desire for larger housing units.

### Current Conditions

The sales housing market in the Warren HMA is slightly tight compared with soft conditions in 2010. The current vacancy rate is estimated at 0.9 percent, well below the rate of 2.4 percent during April 2010, when the economy in the HMA was still losing jobs following the Great Recession (Table 7). New home sales in the HMA have been flat since before the Great Recession, but existing home sales began to increase in the summer of 2011. Real estate owned (REO) sales were a large part of the sales market and remained so until approximately 2018. Along with economic growth, population growth in the HMA, spurred by relatively high levels of net in-migration, contributed to the sales housing market improving from 2011 through 2018. When job growth began to slow during 2019, home sales also slowed, and

home sales dropped significantly when the COVID-19 pandemic began in the spring of 2020. Homeowners' concern about the danger of opening their residences for showings during a pandemic likely contributed to reduced listings. As the pandemic progressed and telework became the norm, the desire for larger and different living spaces increased, contributing to an increase in home sales. Also contributing to an increase in home sales were historically low mortgage interest rates. As a result, the 1.1 months of supply of homes for sale in the HMA as of May 2021, down from 2.3 months a year earlier, is the lowest level recorded in recent history (CoreLogic, Inc.). By comparison, during March 2010, there were 7.9 months of available inventory for sale in the HMA, and the rate did not decline to 6.0-months, which is generally considered balanced, until September 2011.

**Table 7. Home Sales Quick Facts in the Warren HMA**

Home Sales Quick Facts	Warren HMA		Nation	
	Vacancy Rate	0.9%		NA
	Months of Inventory	1.1		1.3
	Total Home Sales	51,000		6,276,000
	1-Year Change	15%		12%
	New Home Sales Price	\$397,700		\$416,900
	1-Year Change	0%		1%
	Regular Home Sales Price	\$266,200		\$368,000
	1-Year Change	12%		18%
	Mortgage Delinquency Rate	2.0%		3.3%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2021; and months of inventory and mortgage delinquency data are as of May 2021. The current date is July 1, 2021.

Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA and national home sales and prices—Zonda

### Home Sales

Home sales in the Warren HMA have largely recovered from record-low levels during the Great Recession. During the 12 months ending May 2021, new and existing homes sold totaled nearly 51,000, an increase of 15 percent from sales a year earlier and the largest year-over-year increase since 2013 (Zonda). This home sales growth is in the context of a noticeable decline a year earlier, attributed to the onset of the COVID-19 pandemic, which stunted sales during the 12 months ending May 2020. During 2009 and 2010, total home sales rose an average of



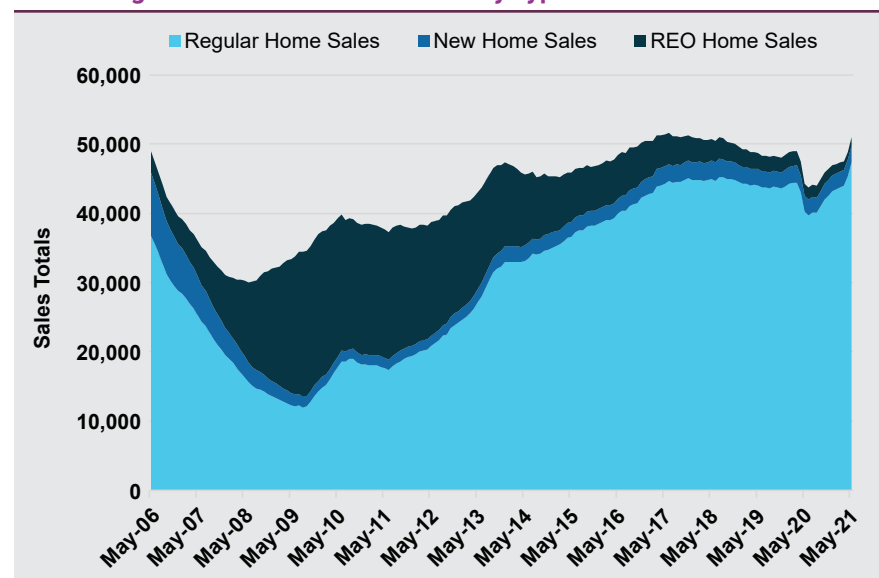
10 percent annually, partly because of increased sales of lower priced homes stemming from the first-time homebuyer tax credit. From 2011 through 2018, new and existing home sales rose 3 percent annually, on average, while the economy in the HMA recovered and population grew at relatively strong levels. Despite the consistent overall home sales growth, the components of sales changed significantly. REO sales declined, slowly at first, averaging 10 percent annually during 2011 and 2012 before falling an average of 25 percent annually from 2013 through 2018 (Figure 9). During 2019, home sales declined slightly because of weakening economic conditions leading up to the COVID-19 pandemic, which affected the HMA during the spring of 2020.

## Home Sales Prices

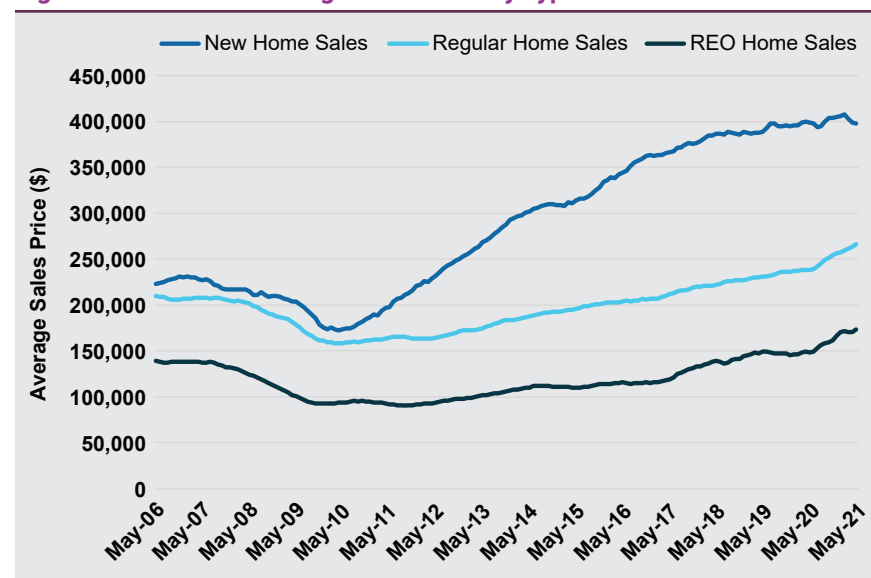
Home sales prices have recovered from recent lows during the Great Recession, although new home sales prices have increased much faster

than sales prices for existing homes. During the 12 months ending May 2021, the average home sales price for new and existing homes in the Warren HMA was \$270,500, more than 11 percent above the average sales price a year earlier. The increased average home sales price during the past year was largely driven by increased prices for existing home sales; regular resales prices averaged \$266,200, and REO sales prices averaged \$173,400, increases of 12 and 17 percent, respectively (Zonda). At the same time, the average new home sales price was stable, at \$397,700, and is a reversal of the post-Great Recession trend. From 2011 through 2019, home sales prices rose an average of 9 percent annually for new home sales and an average of only 4 and 5 percent annually for regular resales and REO home sales, respectively (Figure 10). During the past 12 months, most existing home sales were priced between \$100,000 and \$299,999. The majority of new

**Figure 9. 12-Month Sales Totals by Type in the Warren HMA**



**Figure 10. 12-Month Average Sales Price by Type of Sale in the Warren HMA**



home sales were priced between \$300,000 and \$499,999. Figure 11 shows the share of new and existing home sales by price range during the 12 months ending May 2021.

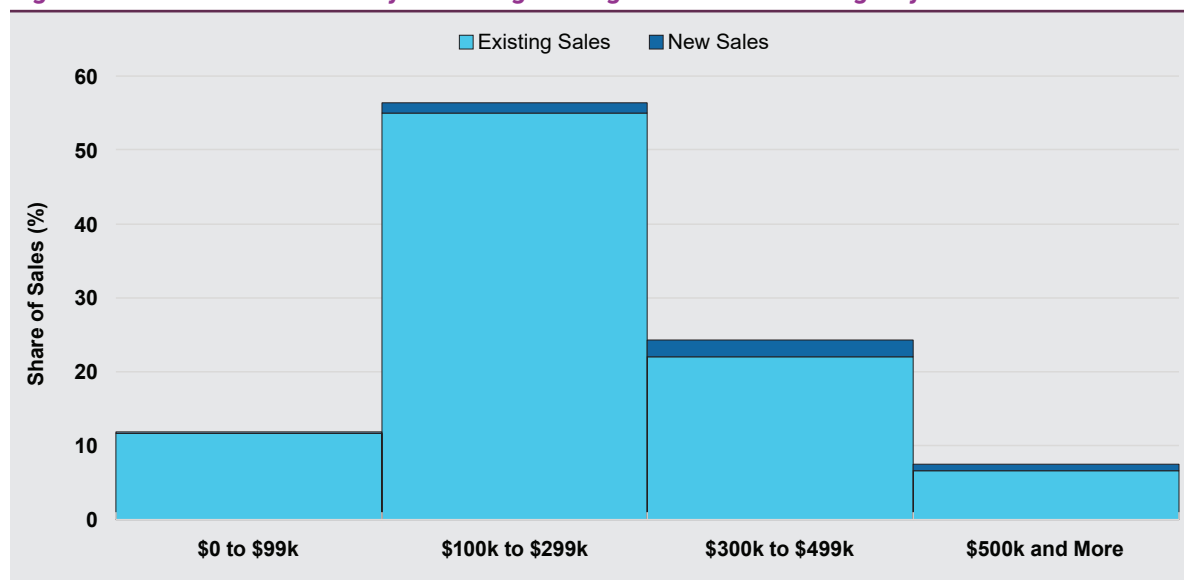
## Delinquent Mortgages and REO Properties

During May 2021, 2.0 percent of home mortgages in the Warren HMA were seriously delinquent or had transitioned into REO status, up from 1.1 percent during May 2020 (CoreLogic, Inc.). The rate as of May 2021 in the Warren HMA is lower than the national rate of 3.3 percent. There was a brief spike in seriously delinquent mortgages and REO properties that began in June 2020 caused by the COVID-19 pandemic and its immediate impact on household finances, but the numbers have receded from the rate of 3.2 percent reported in July and August of 2020. Federal protection offering 360 days of forbearance for federally backed home loans enacted in March 2020, and extended in February 2021, likely kept this rate from increasing further. By comparison, the rate of seriously delinquent mortgages and REO properties reached 8.9 percent during January and February of 2010. Nationally, the rate peaked at 8.6 percent during January and February 2010 and reached 4.6 percent during August 2020 before receding.

## Condominium Home Sales

Condominiums are not a significant part of the home sales market in the Warren HMA, which is

**Figure 11. Share of Overall Sales by Price Range During the 12 Months Ending May 2021 in the Warren HMA**



Note: New and existing sales include single-family homes, townhomes, and condominium units.

Source: Zonda

mainly suburban. Rather than multistory high-rise buildings, condominiums are typically built as duplex or triplex units and are more prevalent in inner-ring suburbs closer to the border with the Detroit Metropolitan Division, such as in the city of Warren in Macomb County and the city of Southfield in Oakland County. During the 12 months ending May 2021, condominium sales totaled 11,850 and contributed 23 percent of all home sales in the Warren HMA. Since 2010, total condominium sales have averaged between 23 to 25 percent of all home sales. Condominium sales rose 11 percent during the 12 months ending May 2021, modestly below the increase in all home sales. The average sales price of a condominium home sale was \$260,600, an increase of nearly 4 percent compared with the average sales price a year earlier. The average sales price for a condominium home during the 12 months ending May 2021 was approximately 96 percent of the overall average home sales price during the same period.

As a share of all homebuilding activity, newly-constructed condominium units accounted for approximately 9 percent of all new home construction from 2000 through 2006. Since 2006, that rate fell to an average of 2 percent of all new home construction, with the balance being single-family homes.

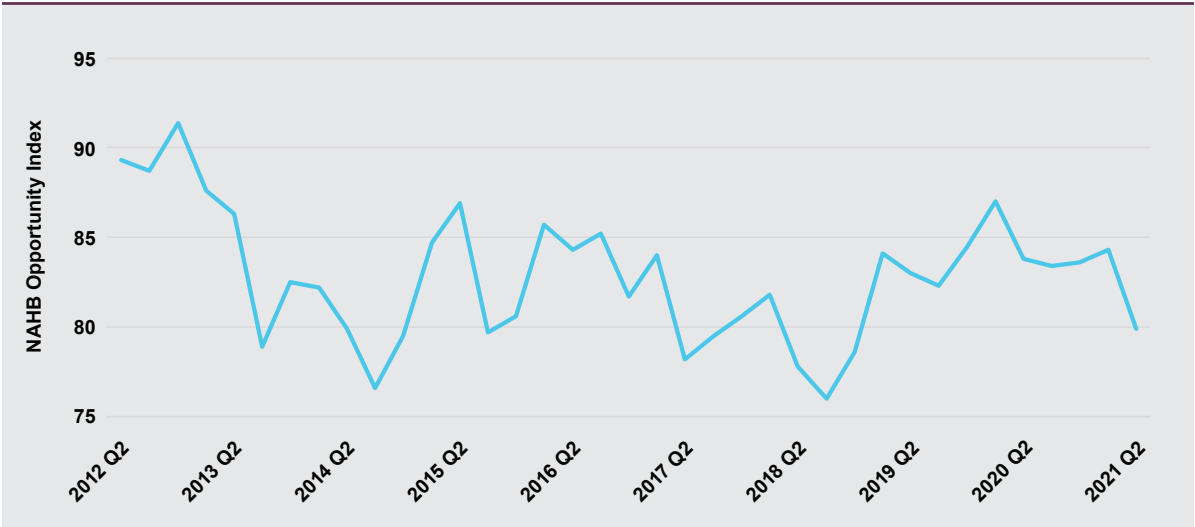
### Housing Affordability: Sales

Sales housing in the Warren HMA is relatively affordable and has remained affordable for more than 9 years. The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a household earning the local median income, was 79.9 during the second quarter of 2021, down modestly from 83.8 a year earlier because of the 11-percent increase in new and existing home sales prices during the past year. This ranked the Warren HMA as the 58th most affordable metropolitan area in the country for sales housing among 237 metropolitan areas measured. Since the second quarter of 2012, the rate peaked at 91.4 percent during the fourth quarter of 2012, when the economy in the HMA was still beginning to recover after the Great Recession (Figure 12). By contrast, the rate reached a recent low of 76 percent of homes sold being affordable to households earning the median area income during the third quarter of 2018, within 1 year of the recent “peak” of economic recovery, during 2017.

### Forecast

During the 3-year forecast period, there should be a demand for 9,700 new homes (Table 8), and

Figure 12. Warren HMA Housing Opportunity Index



NAHB = National Association of Home Builders. Q2 = second quarter.  
Sources: NAHB; Wells Fargo

Table 8. Demand for New Sales Units in the Warren HMA During the Forecast Period

Sales Units	
Demand	9,700 Units
Under Construction	2,650 Units

Note: The forecast period is from July 1, 2021, to July 1, 2024.  
Source: Estimates by the analyst

the 2,650 homes currently under construction will satisfy some of that demand. That demand will likely remain primarily constant during the 3-year period. There is some pent-up demand in the current slightly tight market, and the economy is expected to strengthen moderately during the second and third years of the forecast period. An increase in international net in-migration is expected to contribute to demand during the second and third years of the forecast period.



## Sales Market— Western Counties Submarket

### Current Conditions

The sales housing market in the Western Counties submarket is slightly tight, with an estimated vacancy rate of 0.9 percent, down from 2.4 percent in April 2010, when conditions were soft (Table 9). The sales market has tightened due to stronger economic and population growth since 2010 and relatively lower levels of home construction activity. Home sales have generally risen since the Great Recession, and new and existing home sales exceed the prerecession counts. Available inventory for sale has dropped since the Great Recession as well, and as of May 2021, a 1.2-month supply of homes was available, down from a 2.3-month supply during May 2020 and a 7.4-month supply during May 2010. The last time the market reported 6 months of for-sale inventory was the summer of 2011. During the 12 months ending May 2021, approximately 28,550 new and existing home sales were recorded, more than 13 percent above the 25,200 homes sold a year earlier. Because of the constrained supply, average home sales prices, which have risen steadily since lows reported during 2010, are at record levels. During the 12 months ending May 2021, the average

**Table 9. Home Sales Quick Facts in the Western Counties Submarket**

	Western Counties Submarket	Warren HMA
<b>Vacancy Rate</b>	0.9%	0.9%
<b>Months of Inventory</b>	1.2	1.1
<b>Total Home Sales</b>	28,550	51,000
1-Year Change	13%	15%
<b>New Home Sales Price</b>	\$442,700	\$397,700
1-Year Change	2%	0%
<b>Regular Home Sales Price</b>	\$310,100	\$266,200
1-Year Change	12%	12%
<b>Mortgage Delinquency Rate</b>	1.9%	2.0%

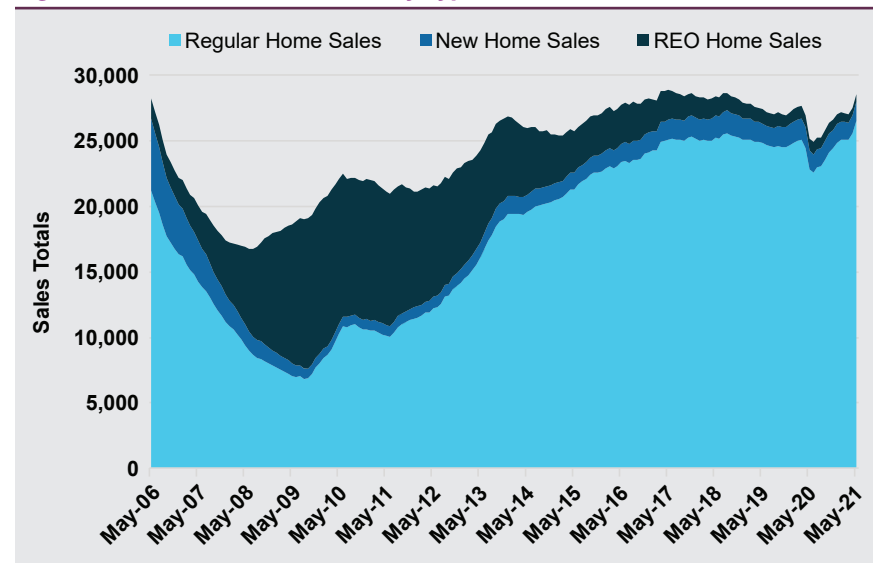
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2021; and months of inventory and mortgage delinquency data are as of May 2021. The current date is July 1, 2021. Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA and submarket home sales and prices—Zonda

home sales price in the Western Counties submarket was \$315,100, or 11 percent above the average home sales price a year earlier.

### Home Sales

New home sales in the Western Counties submarket averaged 1,450 during the 12 months ending May 2021, or 2 percent fewer than a year earlier (Zonda). From the recent low of 710 new homes sales during 2009, new home sales rose 8 percent annually, on average, to 1,550 during 2019. Regular resales, by contrast, rose nearly 17 percent during the 12 months ending May 2021 and totaled 26,600 sales. From a recent low of 8,025 regular resales during 2009, regular resales spiked during 2010, rising 32 percent, to 10,600. Buyers looking for deals during the depth of the Great Recession and the first-time homebuyer tax credit likely contributed to the increase. Regular resales rose more modestly during 2011, increasing 8 percent before rising 14 percent on average annually from 2012 through 2017, coinciding with a period of sustained economic and population growth (Figure 13). After job growth slowed in the

**Figure 13. 12-Month Sales Totals by Type in the Western Counties Submarket**



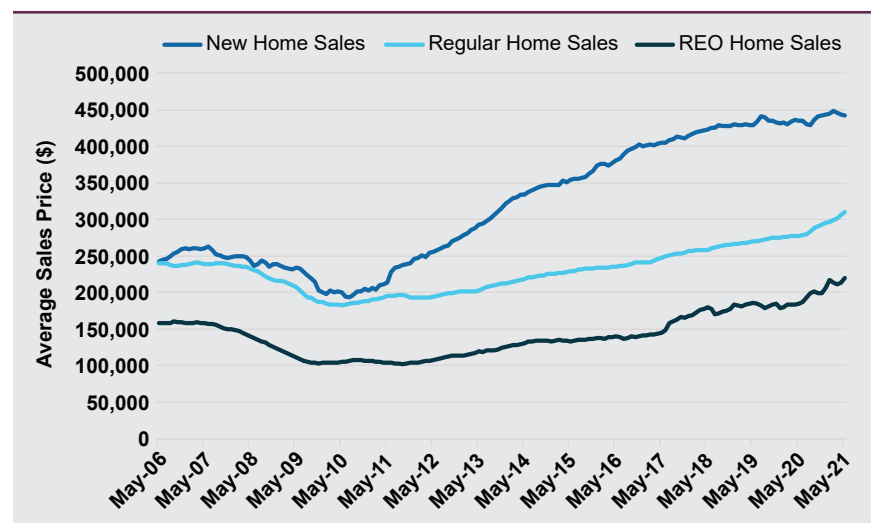
Source: Zonda

HMA and population growth ended, regular resales also stalled, falling 1 percent annually on average during 2018 and 2019, before the current spike in sales. Despite the job losses associated with the recession caused by the COVID-19 pandemic during early 2020, REO home sales have not increased since that time; the moratorium on foreclosures for federally backed mortgages likely kept these numbers from increasing. During the 12 months ending May 2021, REO sales totaled 550, or nearly 39 percent fewer than a year earlier, which in turn was 13 percent fewer REO sales than the previous year. By contrast, during 2009, REO home sales totaled 11,500 and accounted for more than 59 percent of all existing home sales in the Western Counties submarket. From 2010 through 2019, REO home sales fell steadily, declining an average of 22 percent annually.

## Home Sales Prices

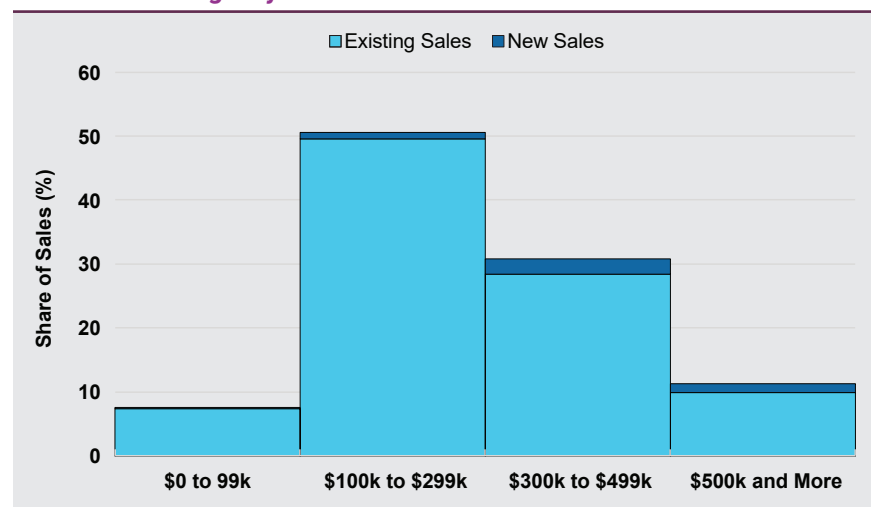
The average home sales prices for new sales and regular resales in the Western Counties submarket are all above prerecession highs. Nine years of sustained job growth and strong population growth for most of the 2010s contributed to the price growth, and comparatively low levels of inventory also contributed. During the 12 months ending May 2021, the average sales price for new home sales and regular resales were \$442,700 and \$310,100, representing growth of 2 and 12 percent from a year earlier, respectively. The sharp price increase in regular resales during the past year occurred because of increased demand in a relatively short period and relatively low sales prices compared with prices for new construction. The current rate of price growth for regular resales homes is the highest since 2013 and 2014, when job growth in the Warren HMA was strong. Both new home and regular resales price growth have been steady since 2009, although new home sales price growth has been faster than growth for regular resales. From 2010 through 2019, average sales prices rose annually on average 8 percent for new homes and 4 percent for regular resales (Figure 14). During the 12 months ending May 2021, existing home sales in the Western Counties submarket were most prevalent between \$100,000 and \$299,999, while new home sales were more prevalent between \$300,000 and \$499,999 (Figure 15).

**Figure 14. 12-Month Average Sales Price by Type of Sale in the Western Counties Submarket**



REO = real estate owned.  
Source: Zonda

**Figure 15. Share of Overall Sales by Price Range During the 12 Months Ending May 2021 in the Western Counties Submarket**



Source: Zonda

The average home sales price is higher in the Western Counties submarket than in the Eastern Counties submarket. During the 12 months ending May 2021, the average sales price for new and existing home sales in the Western Counties submarket was \$315,100 compared with an average sales price of \$213,500 in the Eastern Counties submarket, or approximately 48 percent higher. Several factors contribute to this price differential. The location of the Western Counties submarket makes it marketable to potential buyers from many of the most populous MSAs in southern Michigan, including the Lansing-East Lansing, Flint, and Ann Arbor MSAs, in addition to proximity to the city of Detroit. Natural amenities also play a role; Oakland County is dotted with inland lakes, increasing the value of homes in proximity to them. No other county in the Warren HMA includes so many lakes with residential frontage. Although St. Clair County, in the Eastern Counties submarket, includes frontage on Lake St. Clair and Lake Huron, vacation properties are somewhat more prevalent, and the relative distance to employment centers, particularly from Lake Huron at the northern end of St. Clair County, makes it less practical for daily commuting into the Detroit Metropolitan Division and the adjacent MSAs.

## REO Properties and Delinquent Mortgages

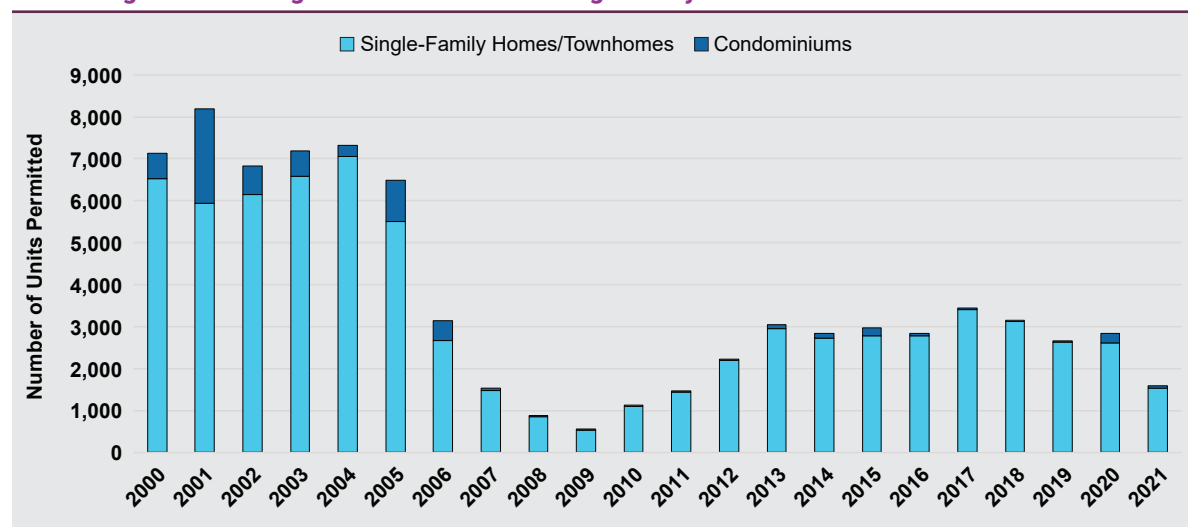
The rate of seriously delinquent home loans and REO properties in the Western Counties

submarket is slightly below the rate in the Eastern Counties submarket and below the national rate. In May 2021, 1.9 percent of home loans in the Western Counties submarket were seriously delinquent or had transitioned into REO status—up from 0.9 percent in May 2020. For comparison, nationally, the rate was 3.3 percent during May 2021, up from 1.6 percent in May 2020. As a result of the recent economic downturn, the rate in the Western Counties submarket briefly rose to 3.0 percent during July and August of 2020. The rate of seriously delinquent home loans and REO properties had a recent peak of 8.4 percent during February 2010.

## Sales Construction Activity

Sales construction activity in the Western Counties submarket has increased from low levels during the Great Recession and the years immediately following but is well below levels of construction from the early 2000s (Figure 16). During the 12 months ending June 2021, 3,100 new sales units were permitted, nearly 27 percent above the level permitted a year earlier (preliminary data). From 2000 through 2005, sales permitting was at recent record levels, averaging 7,200 sales units annually. During 2006, permitting fell

**Figure 16. Average Annual Sales Permitting Activity in the Western Counties Submarket**



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2021 are through June 2021.

Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2020—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst



dramatically, to 3,125 homes, a decline of nearly 52 percent compared with permitting during 2005. Although the national economy did not decline until 2007, in the Warren HMA, jobs began to fall during 2006, likely contributing to the decline in homes permitted. Nonfarm payroll jobs did not begin to increase in the Warren HMA again until 2011, and permitting of sales housing units remained low, averaging 1,425 annually from 2007 through 2010, including a recent low of 540 homes permitted during 2009. Like job gains in the HMA, sales housing permitting rose 41 percent on average annually from 2010 through 2013 and remained relatively stable, averaging 2,975 homes permitted annually from 2013 through 2019.

Recent new home construction activity includes Eagle Ridge Estates in Independence Township (Oakland County). Nine single-family home designs are available, priced from \$414,900 to \$494,900. Homes include three or four bedrooms with two or two and one-half bathrooms; 30 homesites are available, 17 were sold, and a second phase is planned. In Brighton, in Livingston County, Conely Square is a new development of attached three-story townhomes with prices ranging from \$285,160 to \$335,607. The homes include two to three bedrooms ranging in size from 1,184 to 1,500 square feet; of the 85 units in the development, 11 are still available.

Forecast

Demand is estimated for 5,200 new homes in the Western Counties submarket (Table 10). The 1,700 homes under construction will meet a portion of demand that should be relatively steady during the 3-year forecast period because of expected economic recovery. Expected increases in international in-migration will contribute to demand in the second and third years of the forecast period.

Table 10. Demand for New Sales Units in the Western Counties Submarket During the Forecast Period

Sales Units	
Demand	5,200 Units
Under Construction	1,700 Units

Note: The forecast period is from July 1, 2021, to July 1, 2024.  
Source: Estimates by the analyst

Sales Market—  
Eastern Counties Submarket  
Current Conditions

The sales housing market in the Eastern Counties submarket is slightly tight; the estimated sales housing vacancy rate is 1.0 percent, down from 2.3 percent in April 2010, when conditions were soft (Table 11). The prevalent trends throughout the Warren HMA since 2010, job growth leading to increases in population and relatively lower levels of new home construction, have contributed to the current tightened home sales market conditions. Home sales and sales price trends in the Eastern Counties submarket are generally similar to those in the Western Counties submarket but with a slightly reduced level of sales and lower levels of sales prices. New home sales remain low compared with pre-Great Recession levels, but regular resales have surpassed them, and sales prices for new home sales and regular resales have also surpassed earlier levels and are now at record highs. Low levels of for-sale inventory contributed to the increase in high average sales prices. During May 2021, there was approximately a 0.9-month of for-sale inventory in the Eastern Counties submarket compared with a 2.3-month supply a year earlier and an 8.0-month supply during May 2010 (CoreLogic, Inc.). The last

Table 11. Home Sales Quick Facts in the Eastern Counties Submarket

Home Sales Quick Facts		Eastern Counties Submarket	Warren HMA
	Vacancy Rate	1.0%	0.9%
	Months of Inventory	0.9	1.1
	Total Home Sales	22,400	51,000
	1-Year Change	17%	15%
	New Home Sales Price	\$334,300	\$397,700
	1-Year Change	2%	0%
	Regular Home Sales Price	\$209,900	\$266,200
	1-Year Change	12%	12%
	Mortgage Delinquency Rate	2.2%	2.0%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2021; and months of inventory and mortgage delinquency data are as of May 2021. The current date is July 1, 2021.  
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA and submarket home sales and prices—Zonda



time there was a balanced 6.0-month supply of homes for sale in the submarket was the fall of 2011. During the 12 months ending May 2021, approximately 22,400 new and existing homes were sold in the Eastern Counties submarket, more than 17 percent above the level of sales a year earlier and the highest annual increase since 2010. The average home sales price rose nearly 13 percent during the same period, to \$213,500, a record-high level for the submarket.

## Home Sales

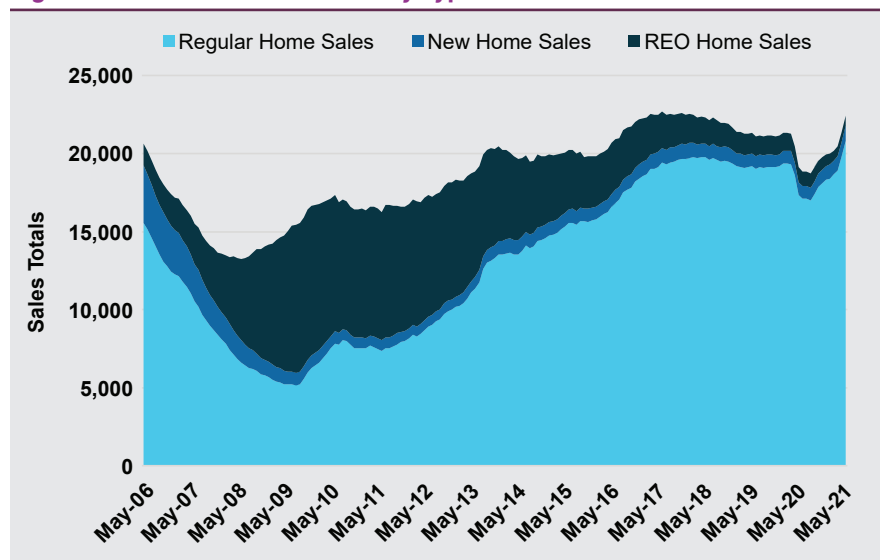
New home sales in the Eastern Counties submarket totaled 1,025 during the 12 months ending May 2021, nearly 30 percent above the new home sales total a year earlier and the highest sales total since 2008 (Zonda). From 2006 through 2008, new home sales declined 36 percent annually on average, to 1,025 (Figure 17). New home sales remained comparatively low, declining an average of 2 percent annually from 2009 through 2019, to 800 sales. By contrast, existing home sales, which include regular resales and REO sales, diverged. From 2006 through 2009, regular resales fell an average of

21 percent annually, whereas REO sales rose an average of 73 percent annually. In the immediate aftermath of the Great Recession, when the economy in the Warren HMA was growing relatively strongly, regular resales rose sharply. From 2010 through 2013, regular resale home sales rose 21 percent, whereas REO sales fell 11 percent annually on average. From 2014 through 2019, REO sales continued to decline, and regular resales continued to rise. The increase in regular resales averaged 6 percent annually, and the decline in REO sales was 24 percent annually on average. During the 12 months ending May 2021, regular resales totaled 20,800, or nearly 20 percent above the sales total a year earlier. By contrast, REO sales fell 37 percent, to 620, the lowest annual sales count since before the Great Recession. Historically low mortgage interest rates have contributed to the increase in home sales.

## Home Sales Prices

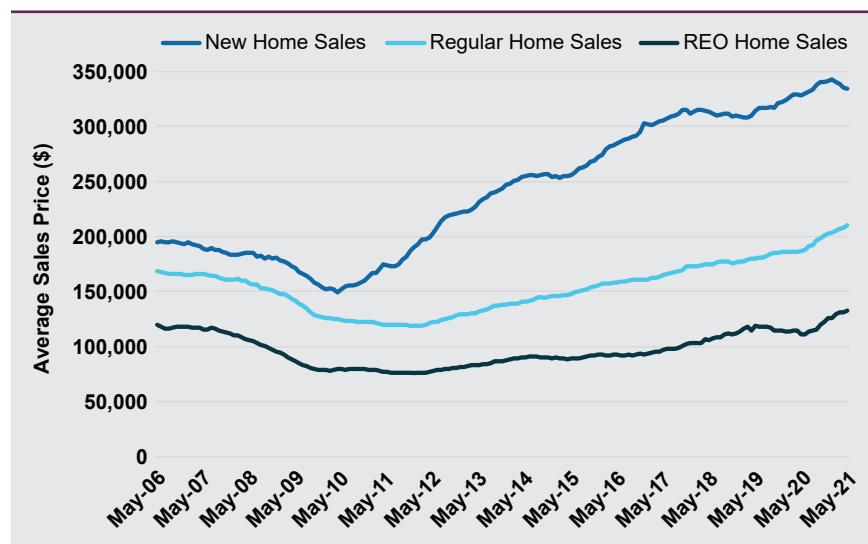
Average home sales prices in the Eastern Counties submarket, for both new and existing homes, are at the highest levels since at least 2006 (Figure 18).

**Figure 17. 12-Month Sales Totals by Type in the Eastern Counties Submarket**



REO = real estate owned.  
Source: Zonda

**Figure 18. 12-Month Average Sales Price by Type of Sale in the Eastern Counties Submarket**



REO = real estate owned.  
Source: Zonda

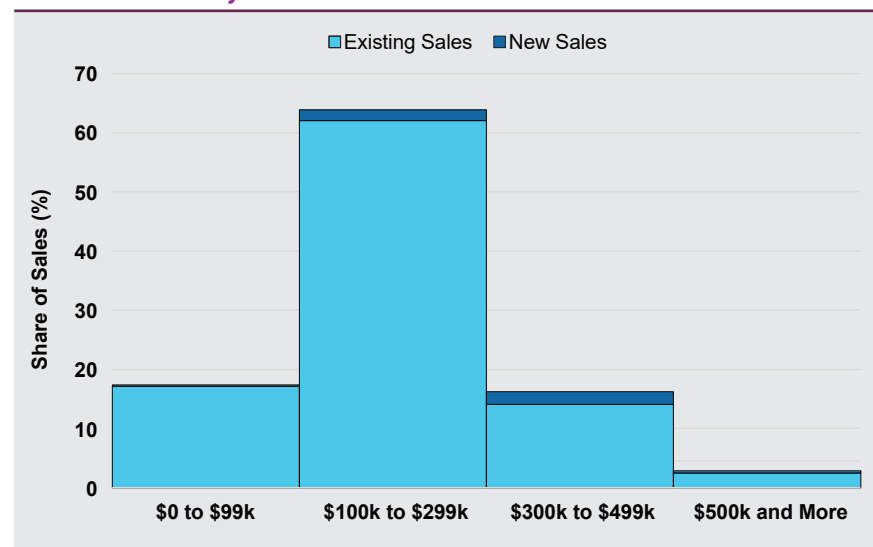


Historically low levels of for-sale inventory and a surge in home sales have contributed to increased average home prices. From 2006 through 2009, the average new home sales price fell 6 percent on average, to a recent annual low of \$153,400. Thereafter, the average new home sales price has risen, with an average increase of 8 percent annually from 2010 through 2019. During the 12 months ending May 2021, the average new home sales price was \$334,300, or 2 percent higher than the average new home sales price a year earlier. The average regular resales price has also risen recently but at lower levels than the average price for new homes in the Eastern Counties submarket. From 2006 through 2009, the average regular resales price fell 7 percent annually on average before starting to increase. From 2010 through 2019, the rate of price growth was 4 percent annually on average. During the 12 months ending May 2021, the average sales price for a regular resale home was \$209,900, or 12 percent above the average sales price a year earlier. REO sales prices are also at comparatively high levels, averaging \$132,200 during the 12 months ending May 2021, or 19 percent above the average sales price a year earlier. The sharp decline in REO home sales has lessened the impact of REO sales on existing home sales prices. REO home sales accounted for less than 3 percent of all existing home sales during the 12 months ending May 2021, compared with nearly 65 percent of all existing home sales during the fall of 2009. The distribution of home sales by price range is similar to that in the Western Counties submarket, but more sales are reported at lower prices in the Eastern Counties submarket than in the Western Counties submarket. Figure 19 shows the percentage of home sales by price range for new and existing home sales in the Eastern Counties submarket.

## REO Properties and Delinquent Mortgages

The rate of seriously delinquent home mortgages and REO properties in the Eastern Counties submarket is slightly higher than the rate in the Western Counties submarket but below the national rate. In May 2021, 2.2 percent of home loans in the Eastern Counties submarket were seriously delinquent or had transitioned into REO status, up from 1.3 percent in May 2020. Nationally,

**Figure 19. Share of Sales by Price Range During the 12 Months Ending May 2021 in the Eastern Counties Submarket**



Source: Zonda

the rate was 3.3 percent during May 2021, up from 1.6 percent in May 2020. During this time, the rate in the Eastern Counties submarket briefly rose to 3.5 percent during July and August of 2020. The rate of seriously delinquent home loans and REO properties had a recent peak of 9.7 percent during February 2010. The rate of seriously delinquent loans is higher in the Eastern Counties submarket than in the Western Counties submarket because of slightly softer economic conditions.

## Sales Construction Activity

Although sales construction activity has increased since the Great Recession, it is far below levels reported from 2000 through 2005 and contributed to the current slightly tight sales housing market conditions in the Eastern Counties submarket. From 2000 through 2005, home sales permitting averaged 6,025 annually, then declined 41 percent annually, to a recent low of 460 homes

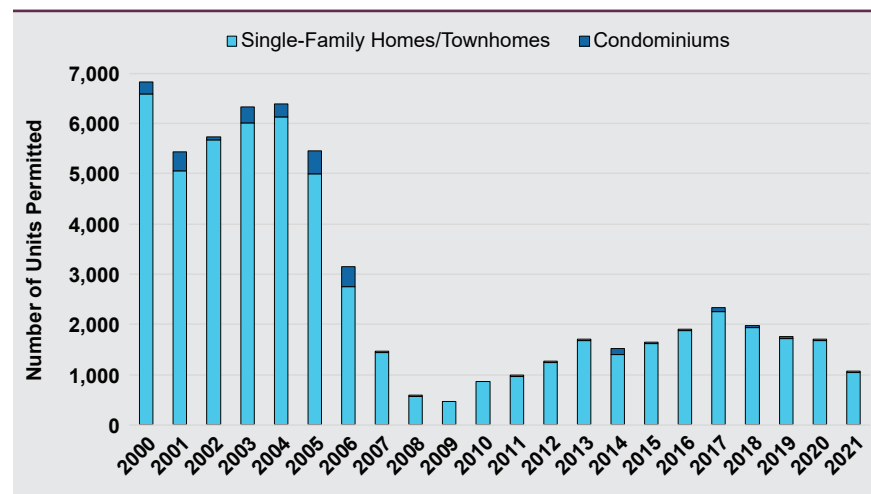
permitted during 2009 (Figure 20). The recovery in permitting was modest; home permitting rose 24 percent from 2009 through 2013. From 2013 through 2019, sales housing permitting averaged 1,825 annually, including a recent peak in 2017, when 2,325 homes were permitted; 2017 was the last year since the Great Recession that job growth in the Warren HMA exceeded the national rate. During the 12 months ending June 2021, approximately 2,000 homes were permitted, or 25 percent more than were permitted a year earlier.

New sales housing construction in the Eastern Counties submarket is generally located in suburban Macomb County, to a lesser extent in St. Clair County, but typically just beyond the built-up suburban ring at the southern part of the two counties. Lapeer County does not typically contribute more than 8 to 10 percent of all for-sale homes permitted in the submarket. In Shelby Township in Macomb County, Midtown Park includes 38 homesites, 32 under contract. Four floorplans are available, all with three or four bedrooms and two or two and one-half bathrooms, starting at \$380,990.

## Forecast

Demand in the Eastern Counties submarket is estimated for 4,500 new homes during the 3-year forecast period, and the 950 homes currently under construction will satisfy some of that demand (Table 12). As with the Western Counties submarket, demand is expected to be relatively stable throughout the 3-year forecast period because of expected jobs recovery throughout the 3-year period.

**Figure 20. Average Annual Sales Permitting Activity in the Eastern Counties Submarket**



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2021 are through June 2021. Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2020—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

**Table 12. Demand for New Sales Units in the Eastern Counties Submarket During the Forecast Period**

Sales Units	
<b>Demand</b>	4,500 Units
<b>Under Construction</b>	950 Units

Note: The forecast period is from July 1, 2021, to July 1, 2024.  
Source: Estimates by the analyst



# Rental Market

## Rental Market—Warren HMA

### Market Conditions: Balanced

The overall rental market in the Warren HMA is currently balanced, and conditions in the apartment market are tight. The average apartment asking rents increased more than 9 percent during the past year.

### Current Conditions and Recent Trends

The rental market in the Warren HMA—including apartment units, single-family homes, townhomes, condominiums, and mobile homes for rent—is currently balanced. The overall rental vacancy rate is estimated at 6.1 percent compared with 11.2 percent during April 2010, when the market was soft (Table 13). Sustained economic growth from 2010 through 2020 and relatively strong demographic trends contributed to the tightening of the rental market during the 2010s despite strong growth in new apartment development. During the second quarter of 2021, the apartment vacancy rate in the HMA was 1.9 percent, down from 3.4 percent a year earlier, which was comparatively high because of elevated production in 2018 and 2019 in the two submarkets (RealPage, Inc.; Figure 21). The vacancy rate during the second quarter of 2020

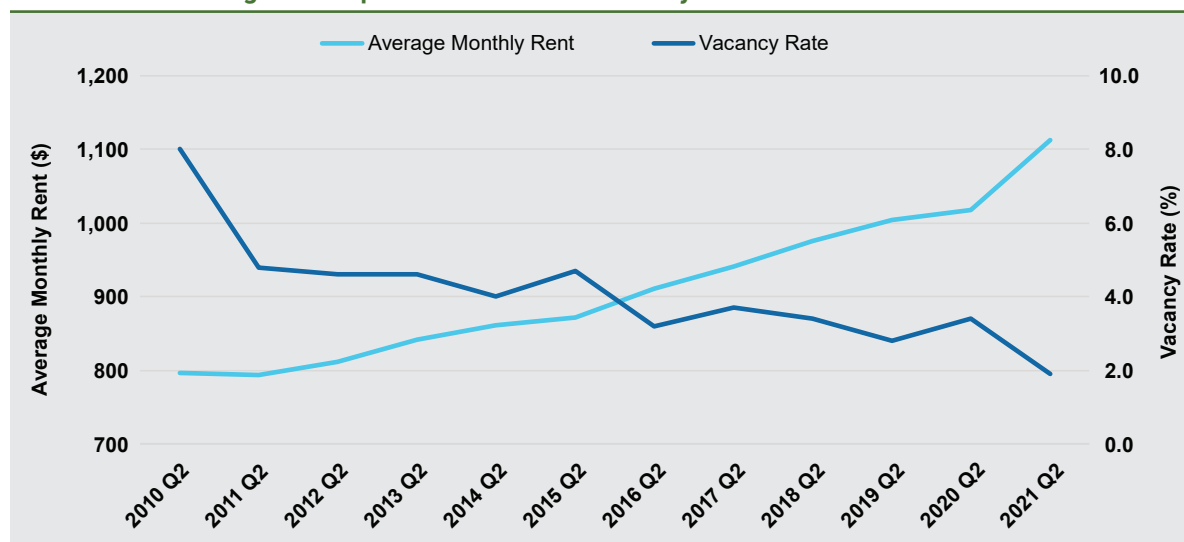
**Table 13. Rental Market Quick Facts in the Warren HMA**

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	11.2	6.1
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	34.7	34.0
	Multifamily (2–4 Units)	10.8	11.8
	Multifamily (5+ Units)	52.1	51.1
	Other (Including Mobile Homes)	2.4	3.1

Notes: The current date is July 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data

**Figure 21. Apartment Rents and Vacancy Rates in the Warren HMA**



Q2 = second quarter.  
Source: RealPage, Inc.

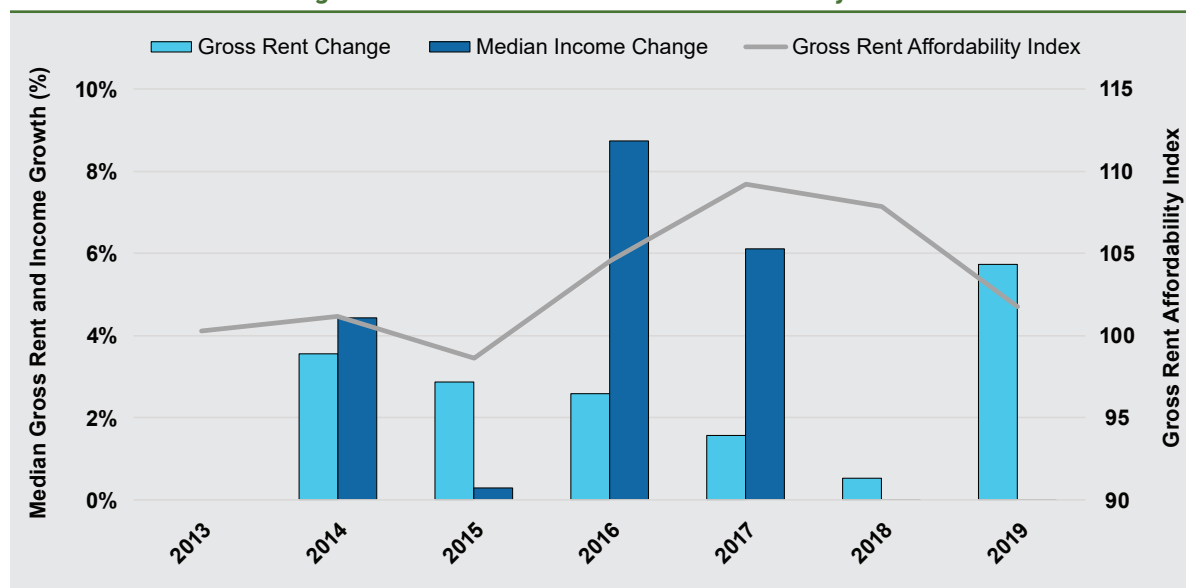
was higher than the rate during the second quarter of 2019 because of increased apartment production during 2019 in the Western Counties submarket and during 2018 in the Eastern Counties submarket. These new units were absorbed relatively quickly. The average apartment asking rent in the HMA rose more than 9 percent, to \$1,112, during the second quarter of 2021 compared with a year earlier. Nationally, the apartment vacancy

rate was 3.7 percent, down from 4.6 percent a year earlier, and the average apartment asking rent was \$1,495, approximately 4 percent higher than the average a year earlier. The apartment vacancy rate in the HMA fell sharply from 2010 to 2012, likely due to pent-up demand following the Great Recession and the economic growth that occurred. The apartment vacancy rate has been below 5.0 percent since the second quarter of 2011. Several policies from federal, state, and local governments intended to protect renters from eviction during the COVID-19 pandemic contributed to the low vacancy rates reported during the past year.

## Housing Affordability: Rental

As with sales housing, rental housing in the Warren HMA is generally affordable. The HUD Gross Rent Affordability Index is a measure of median renter household income relative to the qualifying income for the median-priced rental unit. When this index is above 100, it indicates an area where the median renter income is more than enough to afford the median rent. From 2013 through 2019, this index was above 100 all but one year (Figure 22). During 2015, the index dipped slightly below 100, reaching 98.6, because of strong rent growth; however, during 2016 and 2017, income growth increased strongly, making the median-priced rental units more affordable. Growth in apartment rents suggests this index may show a decline in affordability in 2020 when the data are released.

Figure 22. Warren HMA Gross Rent Affordability Index



Note: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website; it is based on combined rent and utilities expenditure.

Source: American Community Survey, 1-year data

## Forecast

During the 3-year forecast period, demand is estimated for 3,425 new rental units in the HMA (Table 14). Approximately 2,815 units under construction in the HMA will meet some of that demand during the first and second years of the forecast period. As with sales housing, demand is expected to be somewhat evenly distributed throughout the 3-year forecast period because of expected improvement in the economy and demographic trends during the second and third years.

Table 14. Demand for New Rental Units in the Warren HMA During the Forecast Period

Rental Units	
<b>Demand</b>	3,425 Units
<b>Under Construction</b>	2,815 Units

Note: The forecast period is July 1, 2021, to July 1, 2024.

Source: Estimates by the analyst

## Rental Market— Western Counties Submarket

### Current Conditions and Recent Trends

The rental market in the Western Counties submarket—including apartment units, single-family homes, townhomes, condominiums, and mobile homes for rent—is currently balanced. The overall vacancy rate is estimated at 6.1 percent, down from 11.7 percent during April 2010, when conditions were soft (Table 15). Rental market conditions have tightened steadily since 2010 because of job growth in the Warren HMA, leading to improved demographic trends. The recovery since the Great Recession, spurred by the housing crisis, contributed to increased rental household growth, which has risen an average of 0.9 percent annually in the Western Counties submarket compared with owner household growth averaging 0.5 percent. The relative differences in the growth of renter and owner households contributed to a sharp decline in renter households in single-family structures, which fell from 32.7 percent in 2010 to 29.3 percent in 2019 (American Community Survey 1-year data). The proportion of renters in structures with five or more units, predominantly professionally managed apartment properties, increased from 54.3 percent in 2010 to 55.9 percent in 2019.

Conditions in the apartment market in the Western Counties submarket are tight, with a vacancy rate of 2.1 percent during the second quarter of 2021, down from 3.4 percent a year earlier (RealPage, Inc.). Among the six RealPage, Inc.-defined market areas that make up the Western Counties submarket, two reported second quarter 2021 vacancy rates below 2.0 percent. The Novi/Livingston County market area, which includes properties in both Livingston and Oakland counties, and the Pontiac/Waterford/Auburn Hills market area, wholly contained within Oakland County, reported vacancy rates of 1.4 percent. The apartment vacancy rate in the Western Counties submarket fell sharply from the second quarter of 2010 to the second quarter of 2011, from 8.5 percent to 4.7 percent, with the average rent falling slightly at the same time. The economy in the Warren HMA was beginning to recover following 5 years of job losses, and pent-up demand for new living arrangements likely drove significant

household formation during the first year following the Great Recession. Also, tight mortgage lending standards following the Great Recession contributed to growth in renter households. The apartment vacancy rate has not been above 4.7 percent since 2011 (Figure 23). The average apartment asking rent rose

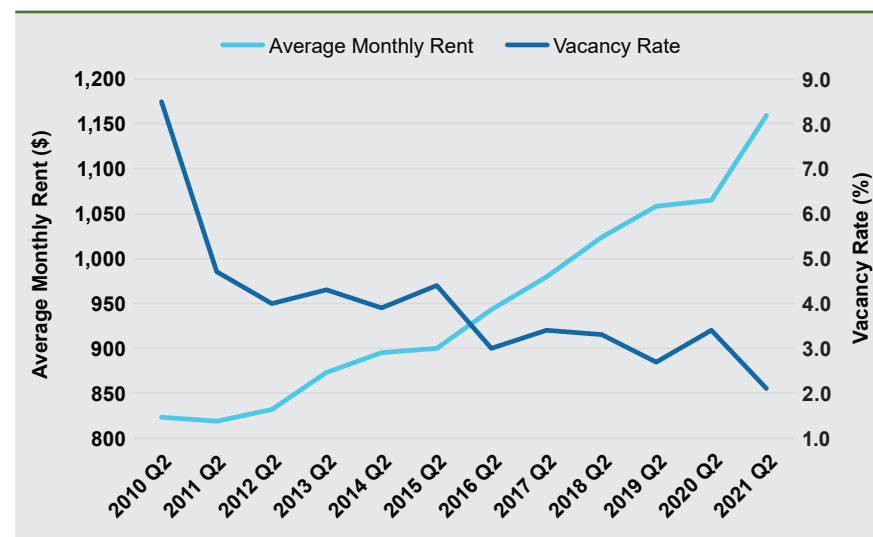
**Table 15. Rental Market Quick Facts in the Western Counties Submarket**

Rental Market Quick Facts	2010 (%)	Current (%)
	Rental Vacancy Rate	11.7
		6.1
	2010 (%)	2019 (%)
	Occupied Rental Units by Structure	
	Single-Family Attached & Detached	32.7
	Multifamily (2–4 Units)	11.2
	Multifamily (5+ Units)	54.3
	Other (Including Mobile Homes)	1.9
		2.1

Notes: The current date is July 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data

**Figure 23. Apartment Rents and Vacancy Rates in the Western Counties Submarket**



Q2 = second quarter.

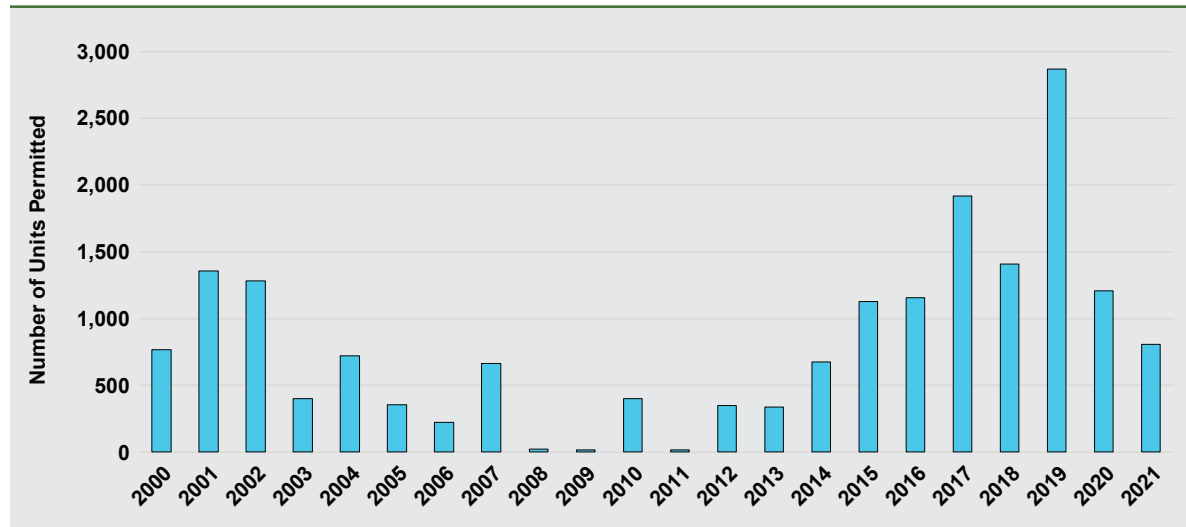
Source: RealPage, Inc.

3 percent on average from the second quarter of 2011 through the second quarter of 2019. From the second quarter of 2019 to the second quarter of 2020, the apartment vacancy rate in the Western Counties submarket rose from 2.7 to 3.4 percent, and the increase in asking rents slowed briefly but sharply to less than 1 percent. Significant increases in apartment construction activity occurred during 2017 and 2019 in the Western Counties submarket. New units entering the market contributed to an increase in the average vacancy rate and slower rent growth during this period. Rent growth resumed during the past year, and the average apartment asking rent of \$1,159 was nearly 9 percent above the rent a year earlier. Nationally, the average apartment rent was \$1,495 during the second quarter of 2021, approximately 4 percent higher than a year earlier. Since the second quarter of 2011, the national average apartment rent has risen nearly 4 percent annually on average, slightly below the average annual increase in the Western Counties submarket.

## Rental Construction Activity

In response to steady and sustained tightening in the apartment market in the Western Counties submarket, the number of new rental units permitted increased sharply during the 2010s compared with the 2000s (Figure 24). From 2000 through 2004, the number of rental units permitted averaged 910 annually, a rate that dropped to an average of 410 units annually from 2005 through 2007. From 2008 through 2011, multifamily permitting averaged 110 units annually, including 400 units permitted during 2010;

**Figure 24. Average Annual Rental Permitting Activity in the Western Counties Submarket**



Notes: Includes apartments and units intended for rental occupancy. Data for 2021 are through June 2021.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and analyst estimates; 2021—preliminary data and estimates by the analyst

permitting averaged only 20 units annually during 2008, 2009, and 2011. Because of the dramatic improvement in the apartment market during 2011, developers slowly increased production, and the number of units permitted averaged 340 annually during 2012 and 2013. Apartment production rose sharply from 2014 through 2017, increasing an average of 55 percent annually, to 1,925 units permitted during 2017 because of economic and population growth in the HMA. The strong economy moderated during 2017, and job growth slowed to below the national average starting in 2018. Permitting fell 27 percent, to 1,400 units during 2018, before another strong year during 2019, when 2,875 units were permitted, more than double the units permitted during 2018; permitting has since slowed. During the 12 months ending June 2021, approximately 1,300 new apartment units were permitted, down significantly from 2,350 units permitted during the 12 months ending June 2020; construction was likely affected by the onset of the COVID-19 pandemic (preliminary data and adjustments by the analyst).

## New Construction

In the city of Bloomfield Hills, in Oakland County, 24 at Bloomfield opened in the spring of 2021 and has 432 one-, two-, and three-bedroom units. Rents range from \$1,343 to \$1,965 for one-bedroom units, \$1,777 to \$2,304 for two-bedroom units, and \$1,599 to \$2,252 for three-bedroom units. In the city of Auburn Hills, also in Oakland County, Fountain Circle Apartment Homes opened in 2021 and has 257 units. Monthly rents start at \$1,549, \$1,759, and \$2,449 for one-, two-, and three-bedroom units, respectively.



## Forecast

During the 3-year forecast period, demand is estimated for 2,125 new rental units (Table 16). The 2,475 units under construction will more than satisfy rental demand in the Western Counties submarket during the next 3 years.

**Table 16. Demand for New Rental Units in the Western Counties Submarket During the Forecast Period**

Rental Units	
<b>Demand</b>	2,125 Units
<b>Under Construction</b>	2,475 Units

Note: The forecast period is July 1, 2021, to July 1, 2024.

Source: Estimates by the analyst

## Rental Market— Eastern Counties Submarket Current Conditions and Recent Trends

The rental market in the Eastern Counties submarket—including apartment units, single-family homes, townhomes, condominiums, and mobile homes for rent—is currently balanced. The overall vacancy rate is estimated at 6.2 percent, down from 10.5 percent during April 2010, when conditions were soft (Table 17). As in the sales market conditions, the two submarkets have similar rental market conditions, but rents are somewhat lower in the Eastern Counties submarket than in the Western Counties submarket. This difference is likely due to the same reasons for lower home values—proximity to multiple job centers and the influence of Oakland County on the housing costs in the Western Counties submarket. Since April 2010, renter households in the Eastern Counties submarket have risen 1.5 percent annually on average compared with average annual growth in owner households of only 0.1 percent. As a result, the rental market in the Eastern Counties submarket is balanced compared with soft conditions during 2010. Because of the sharp increase in renter households, combined with dislocations in the home sales market, the proportion of renter households residing in single-family homes increased in the Eastern Counties submarket, from 38 percent in 2010 to 41 percent in 2019. This trend may show a reversal when 2020 data are

released because of pressure on the sales housing market and record-low levels of available home sales inventory.

Conditions in the apartment market in the Eastern Counties submarket are currently tight, with a vacancy rate of 2.1 percent during the second quarter of 2021, down from 3.4 percent a year earlier (RealPage, Inc.; Figure 25). The

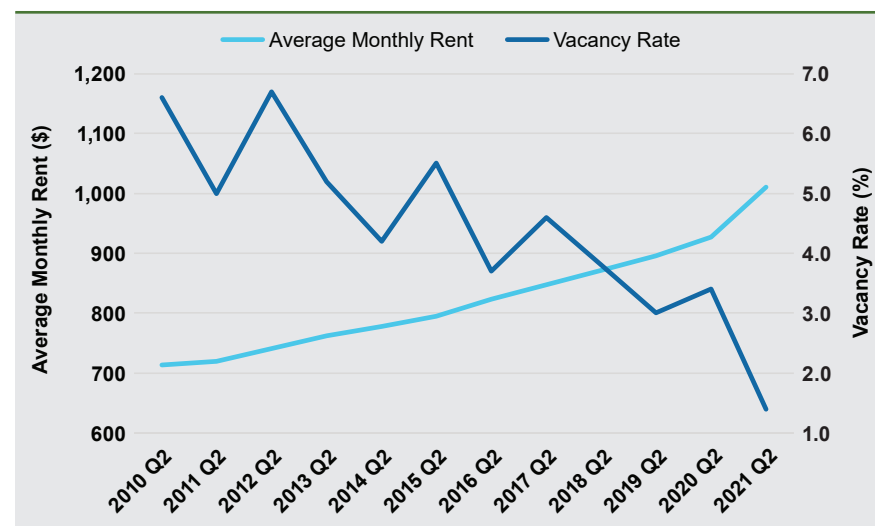
**Table 17. Rental Market Quick Facts in the Eastern Counties Submarket**

Rental Market Quick Facts		2010 (%)	Current (%)
	<b>Rental Vacancy Rate</b>	10.5	6.2
		2010 (%)	2019 (%)
	<b>Occupied Rental Units by Structure</b>		
	Single-Family Attached & Detached	37.8	40.5
	Multifamily (2–4 Units)	10.4	10.7
	Multifamily (5+ Units)	48.6	44.2
	Other (Including Mobile Homes)	3.2	0.0

Notes: The current date is July 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data

**Figure 25. Apartment Rents and Vacancy Rates in the Eastern Counties Submarket**



Q2 = second quarter.

Source: RealPage, Inc.

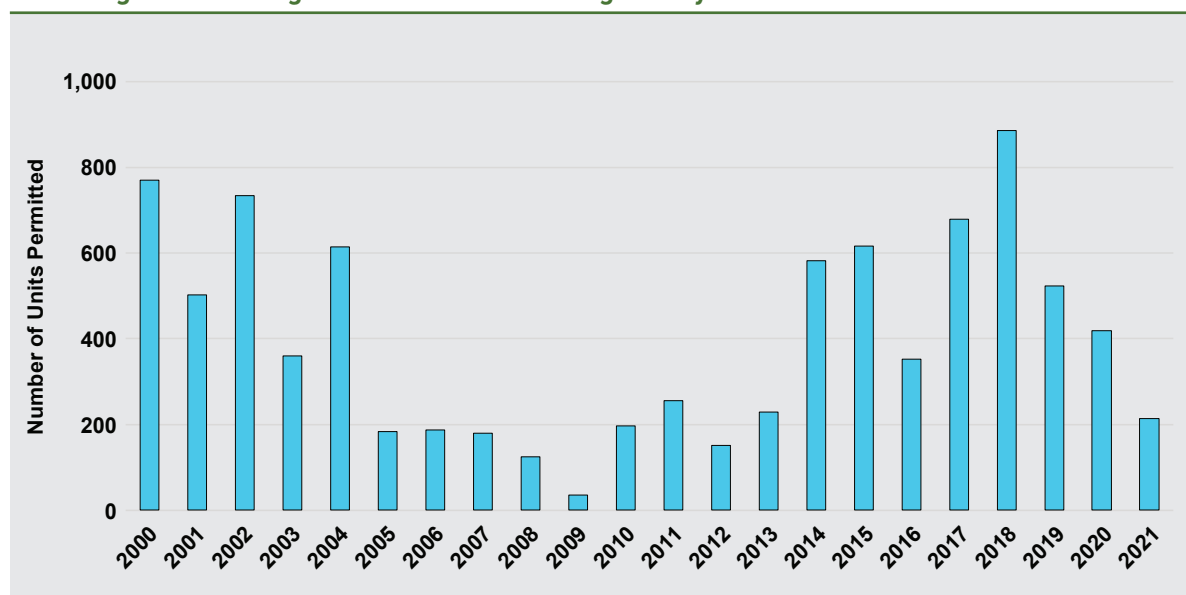
vacancy rate fell in all three RealPage, Inc.-defined market areas that make up the Eastern Counties submarket during the past year, with the largest decline in the Warren/Roseville area, in Macomb County, where the vacancy rate fell from 4.2 percent during the second quarter of 2020 to 1.2 percent during the second quarter of 2021. Because of the very low inventory of homes for sale in the submarket, it is likely that some renter households, hoping to become homeowners, were unable to find a suitable, affordable home to purchase, contributing to extremely low levels of apartment vacancies. Although more volatile than apartment vacancy rates in the Western Counties submarket, apartment vacancy rates have trended downward from rates nearing 7.0 percent early in the 2010s. The rate has been below 5.0 percent since 2015 despite increased levels of apartment production starting in 2014. Average apartment rents in the Eastern Counties submarket have not been particularly volatile and have not increased as rapidly as those in the Western Counties submarket. From the second quarter of 2011 through the second quarter of 2020, average rent in the Eastern Counties submarket rose an average of 3 percent annually. By comparison, the average rent also rose 3 percent annually in the Western Counties submarket and increased 4 percent nationally. In the Eastern Counties submarket, the average asking rent was \$1,011 during the second quarter of 2021, or more than 9 percent above the value

a year earlier. Among the three RealPage, Inc.-defined market areas that make up the Eastern Counties submarket, the highest average rent as of the second quarter of 2021 was in the Sterling Heights/Shelby Township market area, in Macomb County, where the average rent was \$1,088, or nearly 9 percent above the average rent a year earlier.

## Rental Construction Activity

Rental construction activity, as measured by rental units permitted, peaked during 2018 and has declined since then. During the 2000s, rental construction activity was strong during the early part of the decade, averaging 600 units permitted annually from 2000 through 2004, before falling to an average of 140 units permitted annually from 2005 through 2009 (Figure 26). Permitting rose to 210 units annually on average from 2010 through 2013, a period that included the early stages of recovery from effects on the Warren HMA from the Great Recession even though the apartment vacancy rate remained comparatively elevated. As the economic recovery gained momentum, rental permitting rose again, averaging 580 units permitted

**Figure 26. Average Annual Rental Permitting Activity in the Eastern Counties Submarket**



Notes: Includes apartments and units intended for rental occupancy. Data for 2021 are through June 2021.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and analyst estimates; 2021 preliminary data and estimates by the analyst

annually from 2014 through 2020 and including 890 units permitted during 2018, a recent high level of permitting. During the 12 months ending June 2021, approximately 210 rental units were permitted, down significantly from 650 units permitted a year earlier. This decline likely occurred because of caution related to the impact of COVID-19 and a slight uptick in the apartment vacancy rate from the second quarter of 2019 to the second quarter of 2020 (preliminary data, with adjustments by the analyst).

New Construction

In the city of Warren, in Macomb County, Towne Center Apartments opened in early 2021 and has 74 one-, two-, and three-bedroom apartments with rents starting at \$1,225, \$1,675, and \$1,875, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 1,300 new rental units (Table 18), and an estimated 340 units are under construction. Demand is likely to be stronger during the first year of the forecast period because of the sharp drop in vacant units reported during the past year.

Table 18. Demand for New Rental Units in the Eastern Counties Submarket During the Forecast Period

Rental Units	
Demand	1,300 Units
Under Construction	340 Units

Note: The forecast period is July 1, 2021, to July 1, 2024.  
Source: Estimates by the analyst



# Terminology Definitions and Notes

## A. Definitions

<b>Demand</b>	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
<b>Existing Home Sales</b>	Includes regular resales and REO sales.
<b>Forecast Period</b>	7/1/2021–7/1/2024—Estimates by the analyst.
<b>Home Sales/ Home Sales Prices</b>	Includes single-family, townhome, and condominium sales.
<b>Regular Resales</b>	Closings that take place between private parties, having no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
<b>Rental Market/ Rental Vacancy Rate</b>	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
<b>Seriously Delinquent Mortgages</b>	Mortgages 90+ days delinquent or in foreclosure.



**B. Notes on Geography**

1.	The metropolitan statistical area and metropolitan division definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.

**C. Additional Notes**

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

**D. Photo/Map Credits**

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## Contact Information

Gabriel A. Labovitz, Economist  
 Chicago HUD Regional Office  
 312-913-8014  
[gabe.a.labovitz@hud.gov](mailto:gabe.a.labovitz@hud.gov)

