

THE DOWNS MARKET STUDY

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HOME SALES - SUPPLY VS. DEMAND

- Like most commodities, home sales are driven by the principle of supply and demand.
- Residential home sale demand is typically measured by tracking the Months of Supply (MOS).^
- MOS is defined as the number of months it would take for the current inventory of homes on the market to sell given the current sales pace.^
- Resale home sales account for approximately 88% of the total homes sold nationally.*
- Months of Supply - Demand Curve^
 - Over Supplied Market: >7 months
 - Balanced Market: 6 months
 - Under Supplied Market: <5 months

NORTHVILLE, NOVI, PLYMOUTH DEMAND

- To capture an accurate sample size to analyze the area's demand a total of three submarkets have been studied – Northville, Novi, and Plymouth.
- These areas are all viewed as highly desirable due to:
 - Location relative to employment centers
 - Area amenities (parks, restaurants, shopping, etc.)
 - Highly ranked school systems
- All three submarkets have severely constrained residential new construction activity and large pools of resale transactions.

NORTHVILLE, NOVI, PLYMOUTH SALES TRENDS

Town Homes

Year	\$ Ranges	Avg. \$ per Sq Ft	Days on Market	Age of Homes	Months of Supply
2019	\$450-\$650	\$217	72	17 years	4
2021	\$450-\$650	\$226	20	19 years	0.5

Carriage Homes/Row Homes

Year	\$ Ranges	Avg. \$ per Sq Ft	Days on Market	Age of Homes	Months of Supply
2019	\$525-\$750	\$214	99	23 years	1.7
2021	\$525-\$750	\$239	18	21 years	1.5

Single Family Homes

Year	\$ Ranges	Avg. \$ per Sq Ft	Days on Market	Age of Homes	Months of Supply
2019	\$680-\$1M	\$199	54	24 years	0.5
2021	\$680-\$1M	\$215	26	21 years	0.0

Market Study Findings

- All product segments were under supplied prior to COVID-19 and continue to be under supplied.
- Northville, Novi, and Plymouth housing stock is extremely aged, 17-24 years old.
- Proposed Northville Downs product mix and consumer segments are in alignment with historical market trends.
- Due to the constrained conditions there is a clear need to provide the consumer with lower priced attached housing options.

JOHN BURNS NEW VS. USED VALUE

- Existing inventory is extremely aged, 17-24 years old.
- Existing inventory does not meet the consumer's wants and needs, is difficult to impossible to modify, and the costs are extremely high.
- New vs. used homes have consistently driven value when compared to resale (used) homes.
- Johns Burns Real Estate Consulting has established an industry accepted formula to quantify the value of new vs. used.
- Due to the aged inventory, there is a clear need and desire for new housing stock that meets consumer demand and preferences.
- Northville Downs sales prices are currently projected to be below "New" price values.

Town Homes

Used Price	New Price
\$573,583	\$702,530

Carriage Homes/Row Homes

Used Price	New Price
\$565,333	\$709,143

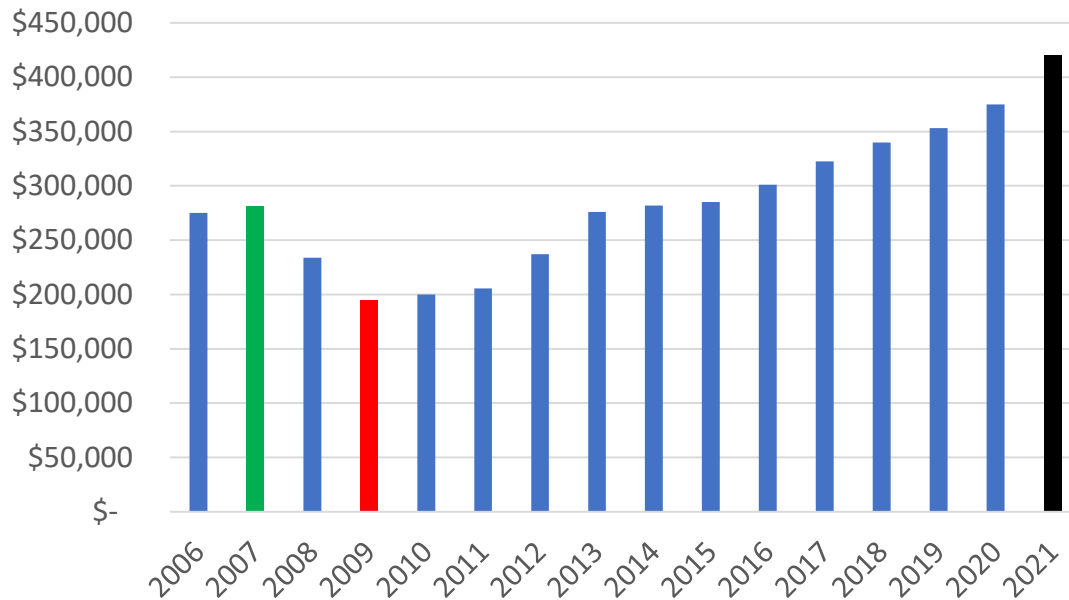
Single Family Homes

Used Price	New Price
\$804,490	\$951,025

Assumptions: average sales price by product segment; homes sold over the past 12 months in Northville, Novi, Plymouth - applied John Burns New vs. Used value formula

AREA HISTORICAL SALES VALUE TRENDS

Northville, Novi, Plymouth Median Sold Prices



Key Findings

- During the last cycle, median home prices in Northville, Novi, and Plymouth peaked at \$281K in 2007 (green column).
- During the “Great Recession” median prices bottomed out at \$195K in 2009 (red column).
- Median prices fully rebounded and exceeded the 2007 peak pricing in 2013.
- As of 2021 median prices have increased +\$139K or +49.5% since the peak (black column).



QUESTIONS

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