

Housing sales slow to finish strong year

By Alan Campbell
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Leelanau County home sales in 2022 limped to the finish line but still came in third in terms of monetary volume. Which is saying something considering that only 358 units exchanged hands, the fewest number in 11 years dating back to the end of the housing collapse of the Great Recession. The main reason for the extent of the letdown in home sales was how the year finished, with only 35 sales recorded in November and December for the entire county.

Figures were provided by Aspire North Realtors, the area multi-listing agency.

Still, two Realtors in Leelanau contacted for this story were optimistic that the county would remain mostly insulated from the national downturn in number of home sales and valuation. That's because demand remains extremely high for property here and continues to ignore the impact of higher interest rates on most markets.

Leelanau is not like most markets.

"I know there are people looking," said Rob Serbin, owner and broker of Serbin Real Estate in Glen Arbor. "It's just a matter of finding something that works for their family dynamic. I think people aren't selling because they don't have a replacement lined up, unless it's due to a divorce or a death. I'm optimistic, that's my nature, but I feel it's going to come back ... I hope for the industry that things loosen up a little bit."

Added Jonathon Oltersdorf, part of a two-person sales team with his mother, Vicky, at family-owned Oltersdorf Realty in Suttons Bay: "We're still firmly in a seller's market, based on inventory and sales. The numbers are still showing significant increases in prices. The rest of the country is showing a slowdown that hasn't shown here because of a shortage of inventory."

Oltersdorf, pointing to figures kept by Aspire, explained why.

Leelanau's housing market buffers itself from downturns through its variety in buyer motivation. Among purchasers of county homes are investors, landlords, second-home buyers and full-time residents. It seems that when one segment of the market pulls back, another is ready to jump in.

The county's draw, which years ago was limited mostly to the Midwest, has extended to the nation's coasts, Texas, and even Rocky Mountain states. Oltersdorf recently sold a home near Sugar Loaf to a couple from Montana who had a chance

to return to Michigan through a job offer in Grand Traverse County. Compared to prices for other high-demand areas, Leelanau's prices seemed bearable to the couple.

Perhaps surprisingly due to attention given to the growing number of short-term rentals in the county, the ratio of owner-occupied homes has barely budged through the year. That ratio stood at 45.3 percent in 2010 and moved to 45.7 percent in 2021, Oltersdorf said.

"It's always been about 45 percent ... that's been steady. What we're seeing, too, is that 50 percent of buyers are from Leelanau or Grand Traverse counties," Oltersdorf said.

"High interest rates weigh on affordability," said the National Association of Realtors in explaining why existing home sales plunged more than predicted in November, the last month for which statistics were available. The median existing-home sales price rose a paltry 3.5 percent year-to-year.

But in the micro-economics of property sales in Leelanau County, interest rates play only a cameo role in determining price. That's because 41 percent of home sale transactions in 2022 were done in cash; the figure was 43 percent in 2021 when rates were much lower.

"We're back to rates we had in 2009, so it's not uncharted territory. The interest rates haven't affected anything beyond entry level homes. And interest rates have come down," Oltersdorf said.

Serbin, who started his career in homes with construction, is astonished when reflecting at the rise in property values in Leelanau County.

"I use to swing a hammer, and from the Enterprise I knew that a home was listed on the north shore of Glen Lake for \$225,000. I thought, 'Holy cow, I'm never going to be able to afford Glen Lake.' That was in the late 80s and early 90s. Waterfront has been a good investment through the years," he said.

While home listings are rare right now — Aspire is only showing about one month's worth of sales — Serbin has seen them shrivel up in winter in past years when potential sellers are living in warmer climes or downstate. And the demand created by a lack of available property leads to a higher pay-out to sellers that represent one-half of the parties involved in transactions.

Serbin recalls the property he listed for \$2.95 million on little Glen Lake. A \$3 million offer was quickly offered, but Serbin's recommendation was to hold off until eventually the property sold for \$3.34 million.

"(The seller) said, 'Should I take this one?', and later, 'Should I take this one?' I suggested we wait. We gave the market time to determine what the value was. We had three offers over the list price. I feel incredibly fortunate to be involved with not only that sale, but the whole year of sales," Serbin said.

How successful was that year? Serbin Real Estate finished No. 12 out of 173 firms that are members of Aspire with \$57 million in sales through 189 units. "Everybody above us had some franchise above them," Serbin said.

Oltersdorf Realty also finished up a strong year with more than \$25 million in sales volume — it's third best year behind 2016 and 2020 — and jump-started into 2023. Two of eight sales recorded in the county through the midway point in January are through the company. The firm also sold two homes in Grand Traverse County.

As to the future, Serbin remains an optimist. "I expected, because I've been talking to people, that after the holidays the phone would start to ring. And it has. I talked to some peo-

ple yesterday about buying vacant property as an investment, to buy and hold," he said.

For all of 2022, some 358 housing units sold in Leelanau County for \$268.2 million. Still holding the record for sales volume is 2021, when 551 sold units generated \$310.5 million. And 2020 held onto the high mark for units sold at 551, which produced \$285.6 million.

Escalating prices were reflected in the median average price for homes sold, which during the three-year period moved from \$375,000 in 2020 to \$522,500 in 2022. That's a 39 percent jump.

LEELANAU COUNTY SOLD RESIDENTIAL STATISTICS December, Year to Date				
Date:	Units Sold	Average Price	Median Price	Total Volume
Just December 22	16	\$550,737	\$449,500	\$8,811,800
Jan – Dec 2022	358	\$749,113	\$522,500	\$268,182,620
Jan – Dec 2021	551	\$563,595	\$437,000	\$310,541,125
Jan - Dec 2020	564	\$506,284	\$375,000	\$285,544,362
Jan - Dec 2019	479	\$458,044	\$350,000	\$219,403,347
Jan - Dec 2018	436	\$415,722	\$328,000	\$181,254,988
Jan - Dec 2017	498	\$404,871	\$316,000	\$201,626,184
Jan - Dec 2016	473	\$378,940	\$295,000	\$179,238,896
Jan - Dec 2015	407	\$352,681	\$280,000	\$143,541,489
Jan - Dec 2014	406	\$356,236	\$275,000	\$144,631,905
Jan - Dec 2013	418	\$336,427	\$250,000	\$140,626,727
Jan - Dec 2012	382	\$306,923	\$214,137	\$117,244,740
Jan - Dec 2011	263	\$283,854	\$203,000	\$74,653,854
Jan - Dec 2010	247	\$301,052	\$205,000	\$74,360,081
Jan - Dec 2009	235	\$281,855	\$185,000	\$66,236,050
Jan - Dec 2008	218	\$364,950	\$266,500	\$79,559,317
Jan - Dec 2007	273	\$357,664	\$235,000	\$97,642,339
Jan - Dec 2006	246	\$386,032	\$275,000	\$94,577,989
Jan - Dec 2005	299	\$384,167	\$285,600	\$114,866,092
Jan - Dec 2004	315	\$330,154	\$236,000	\$103,998,760

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