



April 2016

Residential Construction in Southeast Michigan, 2015

- The Southeast Michigan region wrapped up the year with a total of 8,625 new residential units authorized. Communities issued 561 more residential permits in 2015 — a seven percent increase over the previous year. Single-family permits were up by 212 units (four percent increase), and apartments increased by 380 units (16 percent) from 2014.
- Gains continued in apartment construction due to pent-up demand for rental housing from young professionals and downsizing households, low vacancy rates, and a growing job market.
- The slight increase in single-family home construction was due to several factors — low mortgage rates (2015 30-year conventional mortgage average rate was 3.85 percent), a low annual average unemployment rate of 5.9 percent in the region, increased home sales of just under five percent, modest increases in construction costs, and lower than expected gas and oil prices.
- Six of the seven counties experienced positive percent change growth from 2014. St. Clair (25 percent) and Monroe (24 percent) counties had the largest percent change growth, while Oakland (2,566) and Wayne (2,084) permitted the largest number of units.

Table 1

Total Units Permitted by Structure Type, 2014-2015

Structure Type	2014	2015	Change	Percent Change
Singe-Family	4,997	5,209	212	4%
Condominium	709	678	-31	-4%
Apartments	2,358	2,738	380	16%
Total	8,064	8,625	561	7%

Table 2

Total Units Permitted by County, 2014-2015

County	2014	2015	Change	Percent Change
Livingston	769	644	-125	-16%
Macomb	1,814	1,888	74	4%
Monroe	258	321	63	24%
Oakland	2,421	2,566	145	6%
St. Clair	106	132	26	25%
Washtenaw	930	990	60	6%
Wayne	1,766	2,084	318	18%
SEMCOG Region	8,064	8,625	561	7%

Table 3

Residential Building Permits Issued, by County and Type, 2015

County	Single-Family	Condominium	Apartments	Total New	Demolitions	Net Units
Livingston	574	34	36	644	28	616
Macomb	913	252	723	1,888	206	1,682
Monroe	293	0	28	321	43	278
Oakland	2,052	233	281	2,566	540	2,026
St. Clair	132	0	0	132	65	67
Washtenaw	488	88	414	990	38	952
Wayne (subset below)	757	71	1,256	2,084	4,855	-2,771
SEMCOG Region	5,209	678	2,738	8,625	5,775	2,850
<i>City of Detroit</i>	<i>14</i>	<i>17</i>	<i>882</i>	<i>913</i>	<i>4,667</i>	<i>-3,754</i>
<i>Wayne Co. (excluding Detroit)</i>	<i>743</i>	<i>54</i>	<i>374</i>	<i>1,171</i>	<i>188</i>	<i>983</i>

- Single-family permits amounted to 60 percent of total issued permits in 2015, condominium units for almost eight percent, and apartments for 32 percent of the region's total issued permits (up from 27 percent in 2014).
- Median reported construction value for new single-family homes in 2015 was **\$253,803**. Total reported construction value for all residential units combined was \$1.6 billion*.
- The City of Detroit led the region for total new residential units permitted with 913. Apartment/loft units accounted for 97 percent of the new units in 2015. The City of Ann Arbor followed with 405 units — with apartments registering 95 percent of the total. Canton Township was third with 397 units authorized.
- Lyon Township (southwest Oakland County) topped the region with the most single-family detached homes permitted with 343. This is the first time the township has been in the top spot; it was in second place from 2011-2014. Macomb Township followed with 300 new single-family homes. Canton Township holds the third place spot with 253 permitted units.

Table 4

2015 Top 10 Communities**Total New Units Permitted**

Community	County	Total
Detroit	Wayne	913
Ann Arbor	Washtenaw	405
Canton Twp	Wayne	397
Shelby Twp	Macomb	382
Lyon Twp	Oakland	375
Macomb Twp	Macomb	356
Clinton Twp	Macomb	339
Troy	Oakland	253
Washington Twp	Macomb	212
Sterling Heights	Macomb	185

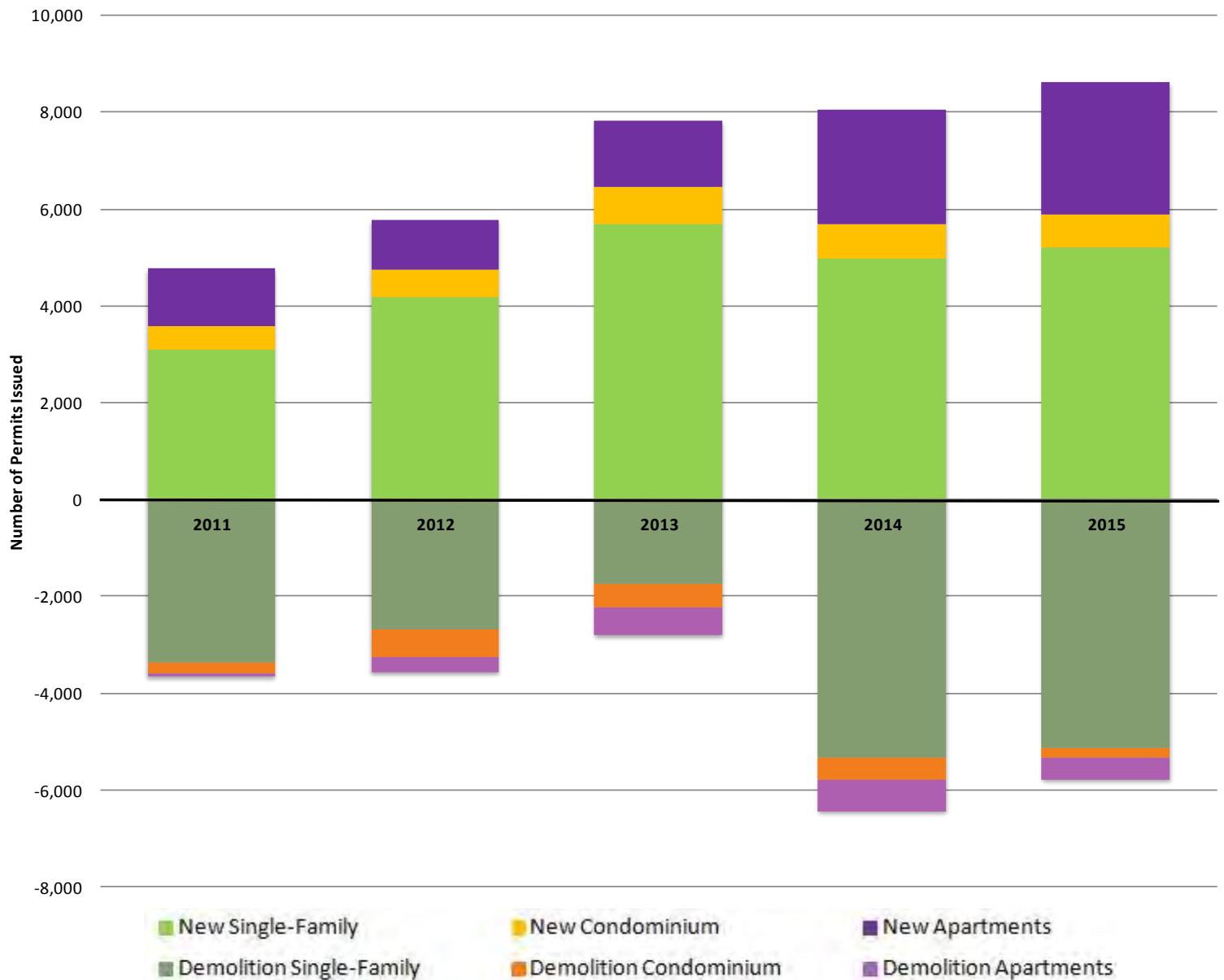
Single-Family Homes Permitted

Community	County	Total
Lyon Twp	Oakland	343
Macomb Twp	Macomb	300
Canton Twp	Wayne	253
Novi	Oakland	173
Washington Twp	Macomb	146
Royal Oak	Oakland	134
Troy	Oakland	133
Oceola Twp	Livingston	124
Shelby Twp	Macomb	119
Oakland Twp	Oakland	111

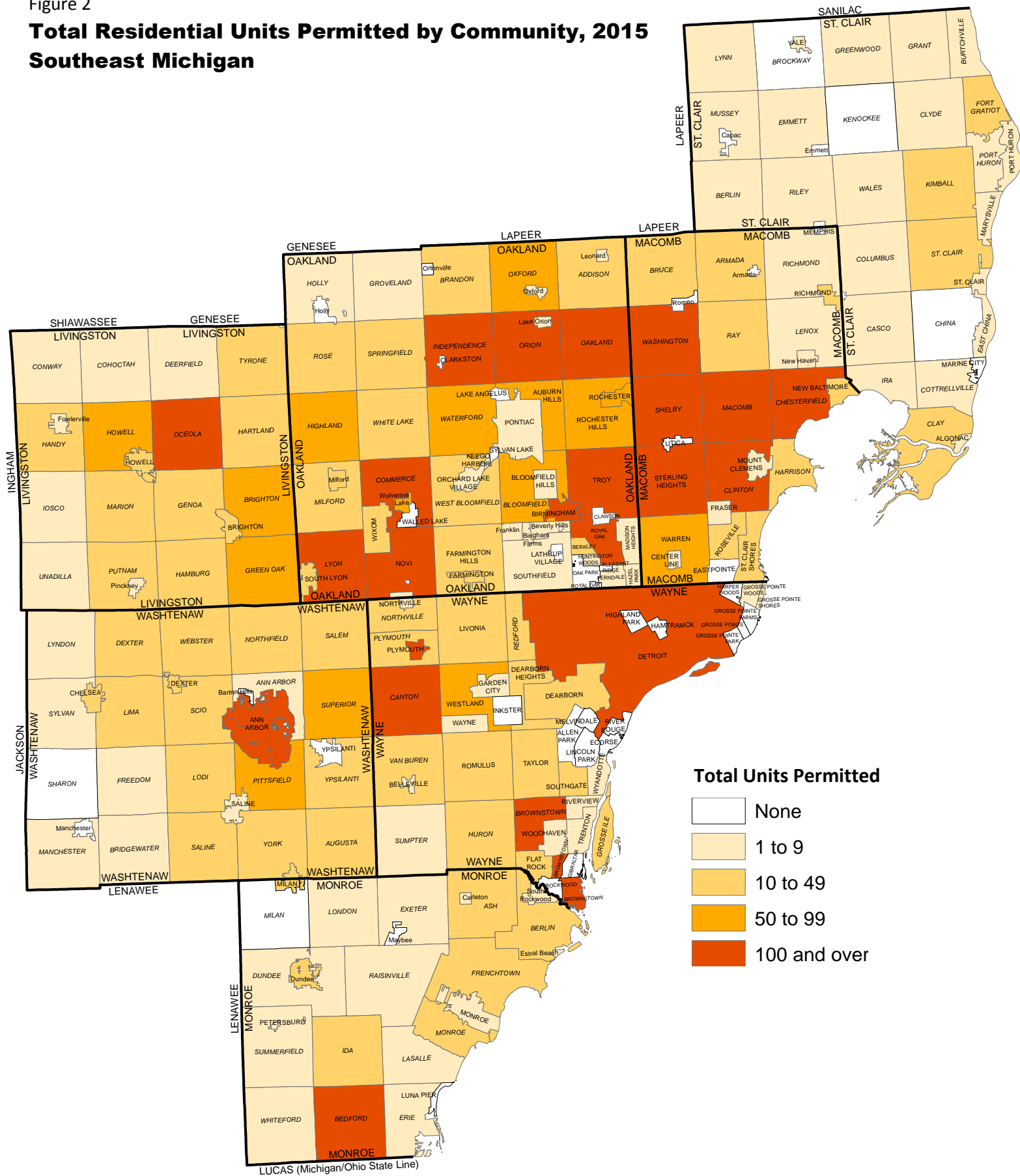
- The region gained an average of 1,500 units annually from 2010 to 2013, then leveled off in 2014. The growth from the 2014-2015 time period was about 400 units. Industry experts are forecasting continued demand for rentals, and an increased demand for entry-level homes in the coming year. Preliminary 2016 building permit numbers are already showing increased construction levels even with the construction season not yet in full swing.

Figure 1

Residential Building Permits Issued, New Construction and Demolitions, 2011-2015



Total Residential Units Permitted by Community, 2015 Southeast Michigan



Background

SEMCOG, the Southeast Michigan Council of Governments, collects on a monthly basis the number of residential building permits issued by each of the 232 communities in the Southeast Michigan region for new single-family homes, condominiums, and apartment buildings/units, and the number of demolitions for the same. Community and county building departments and building authorities have provided data to us for more than 40 years.

Building permit data from the year 2000 to present are available in the community profiles section of our website (www.semcog.org). Historical building permits (back to 1969) can be acquired by contacting our Information Center (infocenter@semcog.org).

Residential building permit data are an effective measure of community growth — both demographic and economic. It is assumed when a permit is authorized, the home/condominium/apartment will be built and occupied. Construction of a unit is usually completed within six to nine months. The terms issued, authorized, or permitted all refer to the local government or authority allowing legal construction of a dwelling unit.

*Not all communities provide construction value for residential permits. Values were calculated based on reported data.