

# May Home Sales Up 9.0%

## Highlights

- **Sales Up for 5<sup>th</sup> Straight Month**
- **Listings Up for 10<sup>th</sup> Straight Month**
- **Average Price Up 3.5%**

## Market Summary

Home sales were up 9.0% in the Metropolitan Milwaukee market in May for a fifth straight month.

Listings were up as well, rising 13.8%, extending a 10 month streak that has not been matched since the mid-2000s. However, listings coming on the market are not lingering, they are being absorbed quickly because of strong demand.

One measure of the vigor of the demand side of the market can be measured in prices. In May, prices went up 11.7% from a year earlier.

Buyers gobbled up most of the listings available in May – often making multiple offers – pushing prices up to an average of \$417,079.

Often, when listings increase prices will moderate because buyers have more options and can take their time before making an offer. Today’s market, however, would need several thousand more listings to achieve that kind of equilibrium.

Not only are a lack of listings for existing homes a cause of price pressure, but a lack of new construction is a chronic problem that has endured for years. Although, there may be some daylight down the new construction tunnel.

## May Sales

County	2023	2024	% Change
Milwaukee	906	971	7.2%
Waukesha	414	474	14.5%
Ozaukee	122	107	-12.3%
Washington	132	163	23.5%
<b>Metro Area</b>	<b>1,574</b>	<b>1,715</b>	<b>9.0%</b>
Racine	209	217	3.8%
Kenosha	170	171	0.6%
Walworth	121	139	14.9%
<b>SE WI Area</b>	<b>2,074</b>	<b>2,242</b>	<b>8.1%</b>

## May Listings

County	2023	2024	% Change
Milwaukee	1061	1194	12.5%
Waukesha	537	646	20.3%
Ozaukee	126	139	10.3%
Washington	216	228	5.6%
<b>Metro Area</b>	<b>1,940</b>	<b>2,207</b>	<b>13.8%</b>
Racine	246	285	15.9%
Kenosha	201	214	6.5%
Walworth	210	222	5.7%
<b>SE WI Area</b>	<b>2,597</b>	<b>2,928</b>	<b>12.7%</b>

Through April, 644 new construction permits were taken out in the 4-county area, 51.9% above the same period in 2023 (424 permits vs. 644 permits). Good news but well below the production level needed to meet demand.

New construction would normally add 3,000 - 4,000 units to the market annually, but that market segment has been down by about 50% since the Great Recession.

As we have been highlighting for several years – REALTORS® have had an exceedingly difficult time helping home buyers find ownership opportunities in the form of condos and single-family houses.

There is a significant, long-term danger if we do not create additional supply in the form of single-family and condominium units: Thousands of would-be homeowners will be forced into rental units, unable to save for a down payment and foregoing the opportunity to build wealth through a home's equity – as well as all of the other benefits of homeownership.

That will result in problems decades down the road when families do not have enough home equity to tap into for college expenses, to remodel their home, or for emergencies.

### **Where to go**

Buyers should seek the counsel of a REALTOR® in determining their best housing options, and sellers need a REALTORS® expert advice in making correct marketing decisions for their home.

The Greater Milwaukee Association of REALTORS® is a 5,500-member strong professional organization dedicated to providing information, services, and products to help REALTORS® help their clients buy and sell real estate. Data for this report was collected by Metro MLS, Inc. a wholly owned subsidiary of GMAR.

\* Sales and Listing figures differ between the "Monthly Stats" and quarter or year-end numbers, because the collection of Monthly Stats ends on the 10<sup>th</sup> of each month, whereas quarters are a continuous tally to 12/31. For example, if a sale occurred on the 29<sup>th</sup> of the month, but an agent does not record the sale until the 5<sup>th</sup> of the next month, that sale would not be included in the sales figures of the reported month (or any subsequent month's total) but would be added to the quarterly and annual total sales figures.

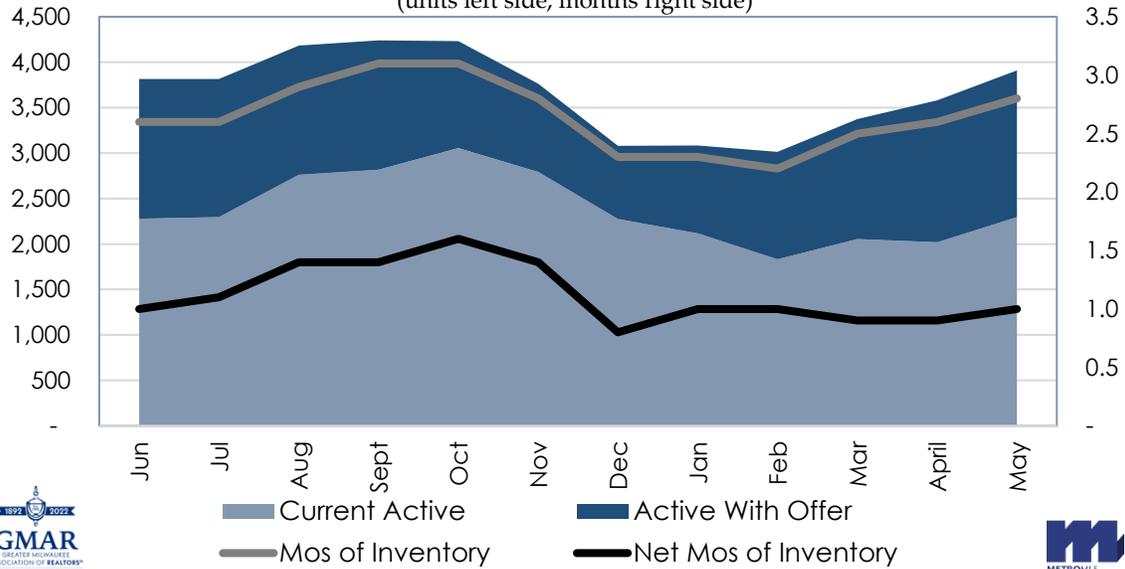
\*\* All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus Racine, Kenosha, and Walworth Counties, to the south.

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## Seasonally Adjusted Inventory

(units left side, months right side)



Seasonally adjusted **inventory** tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for May was 2.8 months**. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **2,297 listings, which equals 1.0 month of inventory**.

## New Units Needed To Reach 6.0 Months



With 3,910 current listings providing 2.8 months of inventory, **the market would need an additional 4,415 units to push inventory to six months**. Six months of inventory is considered a “balanced” market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer’s market.