

**For Immediate Release**

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**Sept. Home Sales Up 28.2%**

**Up 0.3% Through 3rd Qtr.**

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| **Market Highlights** |
| * Market Made Up For Lost Time In September
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| * Prices Were Strong Throughout SE Wisconsin
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| * Listings Continue To Be Anemic
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| **September Sales** |
| **County** | 2019 | 2020 | % Change |
| Milwaukee | 937 | 1,283 | 36.9% |
| Waukesha | 528 | 623 | 18.0% |
| Washington | 186 | 230 | 23.7% |
| Ozaukee | 134 | 153 | 14.2% |
| Metro Area | 1,785 | 2,289 | 28.2% |
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| Racine | 277 | 332 | 19.9% |
| Kenosha | 226 | 231 | 2.2% |
| Walworth | 146 | 233 | 59.6% |
| SE WI Area | 2,434 | 3,085 | 26.7% |
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| **Sales Through 3rd Qtr.** (Jan 1 – Sept 30) |
| **County** | 2019 | 2020 | % Change |
| Milwaukee | 8,905 | 8,824 | -0.9% |
| Waukesha | 4,646 | 4,726 | 1.7% |
| Washington | 1,557 | 1,568 | 0.7% |
| Ozaukee | 1,054 | 1,091 | 3.5% |
| Metro Area | 16,162 | 16,209 | 0.3% |
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| Racine | 2,150 | 2,190 | 1.9% |
| Kenosha | 1,857 | 1,819 | -2.0% |
| Walworth | 1,431 | 1,452 | 1.5% |
| SE WI Area | 21,600 | 21,670 | 0.3% |

September 14, 2020 – With a stalled spring market, due to the onset of coronavirus, the Metropolitan Milwaukee real estate market made up for lost time. Sales in September were up an astounding 28.2% in the 4-county area, and up 26.7% in Southeastern Wisconsin.

In a more typical market, sales volume in the 4-county area would be under 2,000 units in September as buyers’ and sellers’ attention turns to a new school year, the Packers, or elsewhere.

Of course, 2020 is no typical year as sales have stayed above 2,200 into the fall.

2019

2020

The *Sales Comparison* graph above, shows how the market was in sync the first three months of the year.

Once the “Stay at Home” order was declared in March, there was a slight pause from April – June. The market did not plunge due to the coronavirus.

July and August of this year came back strong, and even exceeded 2019.

But, where we usually see a trailing off in the fall, 2020 went full speed ahead and amassed a 504-unit lead over 2019.

The fact that sales are up 0.3% through the 3rd quarter is a testament to the strength of buyer demand. Putting the market on pace to annual sales in the vicinity of 21,000 units, where it has finished since 2016 (See *Sold Units* graph below).

5,125 units in the 4th quarter may be a stretch, considering the market average was 4,648 over the last 4 years.

However, there is little doubt that 2020 will wind up in much better shape than many had worried about at the beginning of the pandemic.

**Average Sale Prices**

The average sale price in all 4 metropolitan counties was up through the 3rd quarter, which is not surprising considering the lack of inventory throughout the area, particularly for properties under $300,000.

Price pressure is evident by the amount of time properties are on the market. In September alone 76% of properties that sold, did so within 30-days, and 90% sold within 60-days. When properties sell that quickly, there are often multiple bids on a house, for more than the asking price, within days of it being listed for sale.

In the 4-county metropolitan area, average prices went up 8.7%, or $25,795, through the 3rd quarter going from $297,715 in 2019 to $323,510 in 2020.

The average sale prices in all 7 SE Wisconsin counties were up in the 3rd quarter as well. The 7-county area went up 10.5%, or $29,145.

Walworth County lead the region with a 23.4% increase in average sale price, amounting to $71,578 more than last year. Milwaukee County, the most populous county, saw prices go up 9.8%, or $19,652, through the 3rd quarter.

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| **Sale Prices Through 3rd Quarter**  |
| **County** | 2019 | 2020 | $ Change | % Change |
| Milwaukee | $199,826 | $219,478  | $19,652  | 9.8% |
| Waukesha | $351,902 | $391,832 | $39,930 | 11.3% |
| Washington | $274,810 | $293,756 | $18,946 | 6.9% |
| Ozaukee | $364,321 | $388,973 | $24,652 | 6.8% |
| Metro Area Avg | $297,715 | $323,510 | $25,795 | 8.7% |
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| Racine | $215,208 | $226,203 | $10,995 | 5.1% |
| Kenosha | $228,572 | $246,837 | $18,265 | 8.0% |
| Walworth | $305,568 | $377,146 | $71,578 | 23.4% |
| SE WI Area Avg | $306,318 | $277,172 | $29,145 | 10.5% |

**Inventory**

Seasonally adjusted inventory is calculated by taking the homes available for sale in each month and comparing them to the past 12 months’ average sales. This tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted inventory level for September was 3.4 months.

If we subtract the listings that have an “active offer” from those available for sale in each month (approximately 80% of listings with an offer turn into a sale), we get a different perspective of the quantity of homes available on the market (See ‘Inventory’ graph above).

Subtract the 2,821 listings with an active offer from current listings presents an inventory level of 1.4 months.

These are dangerously low numbers and have been lackluster for a few years. If the region does not create additional supply in the form of more single-family and condo units, thousands of would-be homeowners will be forced into rental units, foregoing the opportunity to build wealth through a home’s equity and all of the other benefits of homeownership.

Generally, 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.

With 5,658 current listings providing 3.4 months of inventory, the market would need an additional 4,450 units available to push inventory to 6 months.

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| **September Listings** |
| **County** | 2019 | 2020 | % Change |
| Milwaukee | 1,346 | 1,524 | 13.2% |
| Waukesha | 631 | 664 | 5.2% |
| Washington | 215 | 205 | -4.7% |
| Ozaukee | 164 | 159 | -3.0% |
| Metro Area | 2,356 | 2,552 | 8.3% |
|  |
| Racine | 320 | 355 | 10.9% |
| Kenosha | 254 | 310 | 22.0% |
| Walworth | 205 | 247 | 20.5% |
| SE WI Area | 3,135 | 3,464 | 10.5% |
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| **Listings Through 3rd Qtr.** (Jan 1 – Sept 30) |
| **County** | 2019 | 2020 | % Change |
| Milwaukee | 12,087 | 11,717 | -3.1% |
| Waukesha | 6,284 | 5,881 | -6.4% |
| Washington | 2,031 | 1,923 | -5.3% |
| Ozaukee | 1,505 | 1,423 | -5.4% |
| Metro Area | 21,907 | 20,944 | -4.4% |
|  |
| Racine | 2,959 | 2,816 | -4.8% |
| Kenosha | 2,536 | 2,311 | -8.9% |
| Walworth | 2,075 | 1,920 | -7.5% |
| SE WI Area | 29,477 | 27,991 | -5.0% |

**Listings**

Listings were up in most of the region in September – a promising development. However, listings through the 3rd quarter tell a more accurate story of how much supply is coming online.

Through the 3rd quarter, listings were down in all 7 SE Wisconsin counties, continuing a troubling trend.

Since the beginning of 2016, a span of 57 months, only 22 months – 36% of the time – had an increase in homes listed for sale.

While listings shrunk during that time, sales increased. Sales were up in 37 of the same 57 months, or 65% of the time.

That dynamic explains why prices have been increasing, and why buyers have had a hard time finding properties to choose from.

**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 with their homes.

The Greater Milwaukee Association of REALTORS® is a 5,000-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 the 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 10th of each month, whereas quarters are a continuous tally to 12/31.  For example, if a sale occurred on July 29th, but an agent does not record the sale until August 11th, that sale would not be included in the July sales figures (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 4 counties of Milwaukee, Waukesha, Ozaukee and Washington Counties. The “region” or “Southeast Wisconsin” refers to the 4 metropolitan counties (Milwaukee, Waukesha, Ozaukee and Washington), plus the 3 counties to the south, Racine, Kenosha and Walworth Counties.

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