

For Immediate Release

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April Home Sales Up 15.3%*

Market Highlights

May 12, 2021

- *Sales Up, BUT 2020 Was Down Due to COVID-19
- Homes Are Selling Fast
- Single-Family Prices Up 8% in April

April Sales

County	2020	2021	% Change
Milwaukee	882	1,067	21.0%
Waukesha	467	487	4.3%
Washington	157	173	10.2%
Ozaukee	90	113	25.6%
Metro Area	1,596	1,840	15.3%
Racine	197	252	27.9%
Kenosha	179	189	5.6%
Walworth	103	155	50.5%
SE WI Area	2,075	2,436	17.4%

Market Summary

The metropolitan real estate market had a strong April last month. However, we have to delve into the circumstances that existed last year to get a better understanding of what is happening in today's market.

First, the world essentially shut down last spring – except for real estate, which was deemed an essential service. We were expecting a much more dramatic drop in business and a significant overall economic decline due to the pandemic, but that didn't happen.

Some buyers hunkered down, but sales in April 2020 were only 9.2% behind the year prior, which helps explain the 15.3% increase this year.

Putting April 2021 and previous years' side by side gives us a view of the market over time. Sales in April 2021 compared to April 2019 were up 4.7% (1,840 in 2021 vs. 1,757 in 2019), but down 0.2% (1,843 units) compared to April 2018.

Second, those who owned homes weren't thinking about selling last April. Listings in April 2020 were down 33.8% compared to April 2019 (1,732, vs. 2,617, respectively). April 2021 bounced back with 2,539 listings, a 46.6% increase, but April 2021 was down 3.0% from 2019.

It's important to put the 46.6% increase in listings in perspective. We were, and still are, suffering from a significant listing deficiency, and have been for several years. In order to reach a balanced market (6 months of inventory) we need more than 6,000 additional units in the 4-county area.

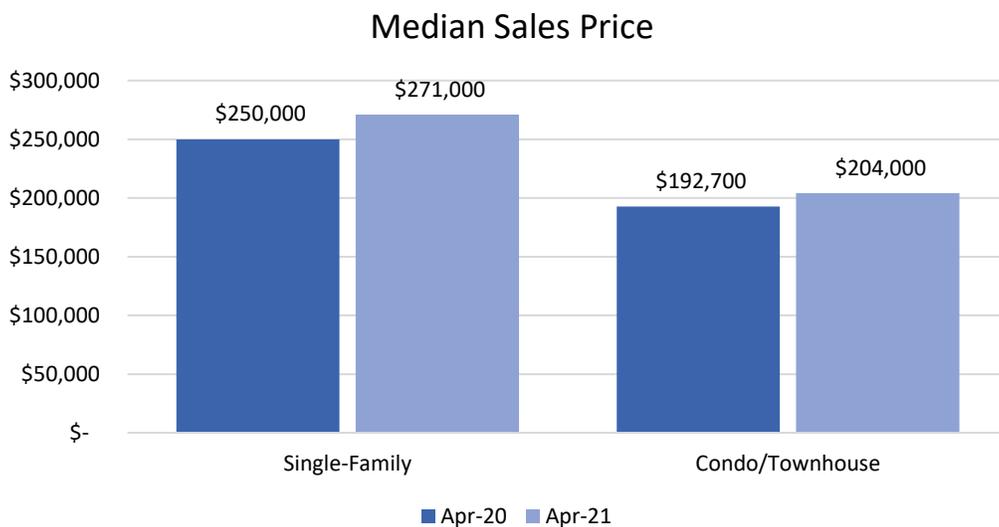
Lastly, the pandemic ushered in a sense of urgency among buyers, which continues today. Work-from-home, school-from-home, play-at-home, doing everything from or at home made buyers evaluate their housing situation and pushed many to look for a different dwelling.

That combined with the fact that our regional economy is performing well, employment is stable, and interest rates are very favorable all combined for a strong buyer market. Additionally, the lack of new construction, in the form of single-, two-family, and condo development is forcing many households to stay in rental units, limiting their ability to build wealth through equity.

REALTORS® have hundreds of examples of houses with 80 – 100 showings, and 20+ offers, and dozens of frustrated buyers who missed out.

Median Sale Prices

The median sale prices in all 4 metropolitan counties were up in April 2021 compared to April 2020. Rising prices were not surprising considering the lack of inventory throughout the area. Single-family unit prices were up 8% in April, and condominiums and townhomes were up 6%.



Listings

Listings were up a whopping 46.6% in the metropolitan area, and 46.0% in Southeastern Wisconsin in April. April’s acute listing problem is actually a chronic one that has been compounding for years.

Since the beginning of 2016, a span of 64 months, only 27 months – 42% of the time – had an increase in homes listed for sale.

April Listings

County	2020	2021	% Change
Milwaukee	924	1,464	58.4%
Waukesha	525	702	33.7%
Washington	178	224	25.8%
Ozaukee	105	149	41.9%
Metro Area	1,732	2,539	46.6%
Racine	225	341	51.6%
Kenosha	212	273	28.8%
Walworth	138	216	56.5%
SE WI Area	2,307	3,369	46.0%

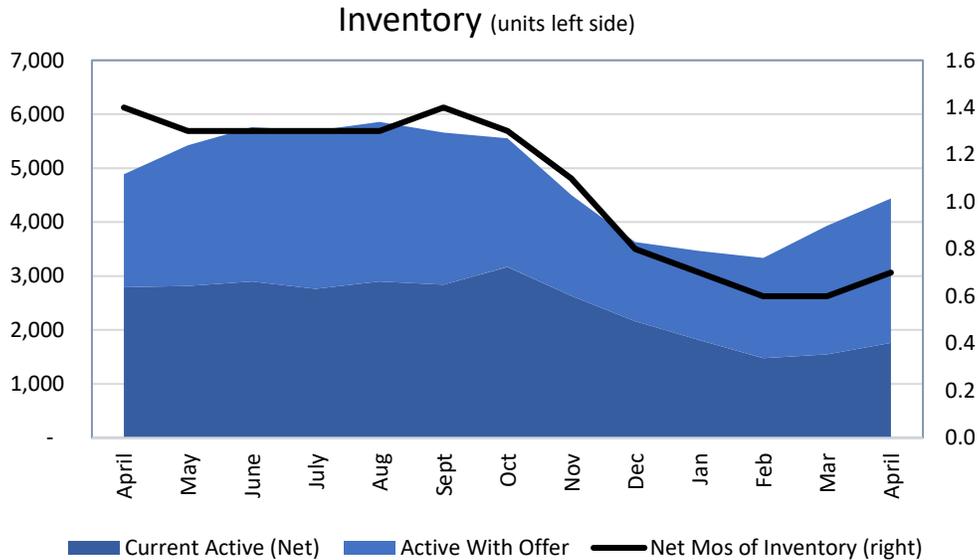
While listings shrunk during that time, sales were the inverse. Sales were up in 41 of the same 64 months, or 67% of the time.

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

Listings are houses sellers hire a REALTOR® to sell, which we measure on a monthly basis, similar to sales. Inventory is the accumulation of listings over time and constitutes all the units that are available for sale.

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 April was 2.4 months – an exceptionally low number.



If we subtract the listings that are “Active With Offer” from the total available for sale in each month (approximately 80% of listings with an offer turn into a sale), we get the Current Active (or net), which provides a different perspective of the quantity of homes available on the market.

Subtracting the 2,676 listings that are “Active With Offer” from the 4,438 current listings presents a Current Active inventory level of 0.6 months.

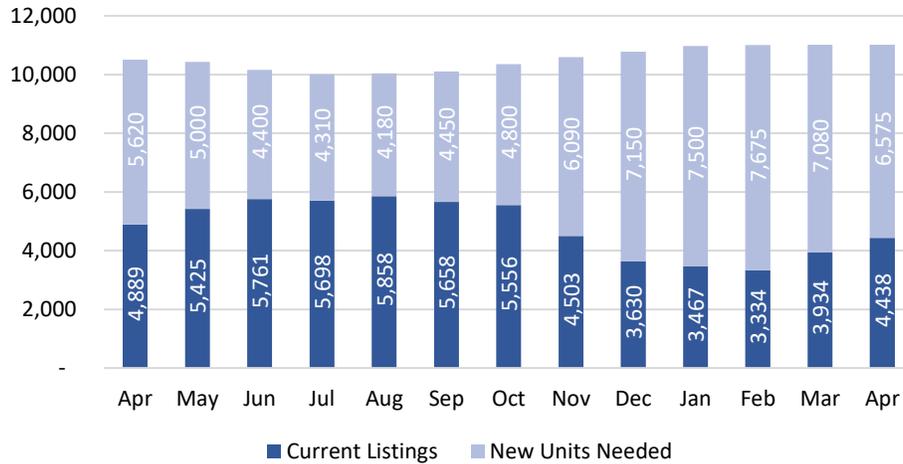
New Inventory

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.

Obviously, with a Current Active inventory level of 0.6 months, it is a strong sellers’ market.

In order to approach a balanced market, the 4,438 current listings need an additional 6,575 units available to push inventory up to 6 months.

New Units Needed To Reach 6.0 Months



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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