

For Immediate Release

Contact: Mike Ruzicka

414.778.4929 or 414.870.1876

mike@gmar.com



Q2 Home Sales Up 15.3%

June Sales Up 29.4%

Highlights

- Sales Up, *But* 2020 Was Down Due to COVID-19
- Listings Are Finally Growing
- Most Sales Ever Through First Six Months

July 13, 2021

June Sales

County	2020	2021	% Change
Milwaukee	1,033	1,375	33.1%
Waukesha	570	706	23.9%
Washington	198	247	24.7%
Ozaukee	126	166	31.7%
Metro Area	1,927	2,494	29.4%
Racine	272	350	28.7%
Kenosha	227	289	27.3%
Walworth	203	216	6.4%
SE WI Area	2,629	3,349	27.4%

2nd Quarter Sales*

County	2020	2021	% Change
Milwaukee	5,018	6,156	22.7%
Waukesha	2,613	2,707	3.6%
Washington	865	947	9.5%
Ozaukee	565	640	13.3%
Metro Area	9,061	10,450	15.3%
Racine	1,211	1,472	21.6%
Kenosha	1,013	1,162	14.7%
Walworth	752	907	20.6%
SE WI Area	12,037	13,991	16.2%

Market Summary

The Metropolitan Milwaukee real estate market continued its record-breaking pace in June and through the 2nd quarter of the year.

The 10,253 units sold in the first 6 months of the year were the most ever, and the 2,494 units sold in June were the most in five years. Mid-range priced properties have been good sellers for a few years, but in June sales of units at the upper-end of the market increased. Units in the \$400K - \$499K range were up 63%, and those over \$500K were up 71%.

Given that we're experiencing an exceptional sales market, one would question whether there is a problem with the supply of inventory and new listings.

In fact, listings increased 37.4% in June and 11.3% through the 2nd quarter. Nonetheless, we do need a lot more houses and condos to satisfy demand.

In June there was only enough inventory to satisfy 3 months of demand, and if we subtract units with an offer, it drops to 1.2 months. To satisfy the demand REALTORS® are seeing, the market needs an additional 5,650 units.

Of course, when demand is high and supply is low prices go up, and prices did go up 15.4% through the 2nd quarter in the 4-county area; and went up 17.7% in the 7-county SE WI market area.

The systemic problem with the market is the lack of new construction of single-family houses and condominiums. That bottle-neck combined with the demographic surge of Millennial and GenZ buyers, historically low interest rates, and a growing economy, have all contributed to an historically tight market.

The outlook for the market is good, but slightly slower in the months ahead. We usually see a pause around the 4th of July into August. Brokers are reporting that houses that would have garnered 20 or 30 offers in May, are getting 8 – 10 in July. This change to normal is making some sellers nervous because their house isn't getting multiple, over-asking-price, offers the first day their house is on the market.

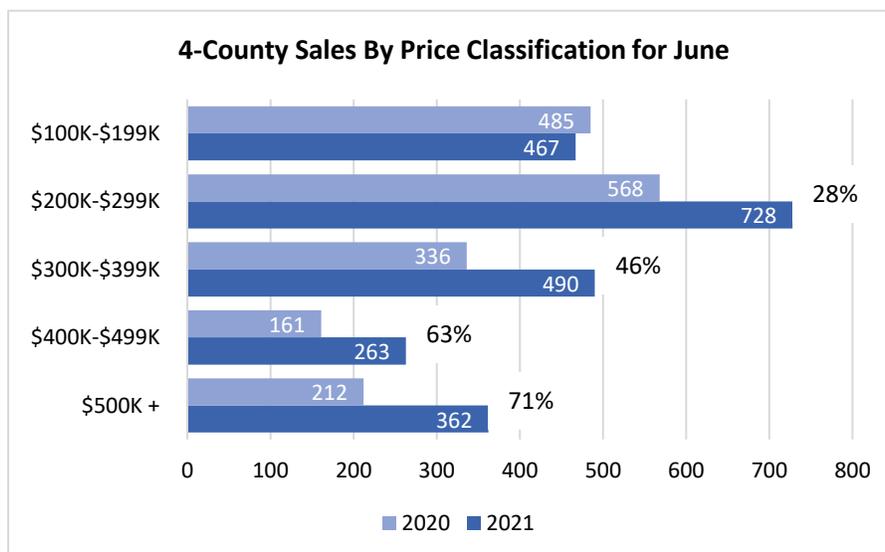
REALTORS® are counseling their clients that the market of the past few months was untenable. The current market is really, really good, but just settling down to something more normal.

The **average sale price** in all 4 metropolitan counties was up 15.4% through 2nd quarter to \$358,602, which is not surprising considering the lack of inventory throughout the area. In the 7-county Southeastern Wisconsin market area, average price was \$340,120, up 17.7%, or \$51,117.

2nd Quarter Sale Prices (Jan 1 – Jun 30)

County	2020	2021	\$ Change	% Change
Milwaukee	\$211,861	\$239,666	\$27,805	13.1%
Waukesha	\$369,305	\$419,702	\$50,397	13.6%
Washington	\$376,159	\$445,495	\$69,336	18.4%
Ozaukee	\$285,194	\$329,543	\$44,349	15.6%
Metro Area Avg	\$310,630	\$358,602	\$47,972	15.4%
Racine	\$214,487	\$244,808	\$30,321	14.1%
Kenosha	\$233,178	\$266,110	\$32,932	14.1%
Walworth	\$332,840	\$435,518	\$102,678	30.8%
SE WI Area Avg	\$289,003	\$340,120	\$51,117	17.7%

The 4-county area experienced an increase in unit sales in most market segments in June.



June Listings

County	2020	2021	% Change
Milwaukee	1,370	2,192	60.0%
Waukesha	764	853	11.6%
Washington	233	289	24.0%
Ozaukee	184	172	-6.5%
Metro Area	2,551	3,506	37.4%
Racine	339	411	21.2%
Kenosha	300	344	14.7%
Walworth	237	237	0.0%
SE WI Area	3,427	4,498	31.3%

2nd Quarter Listings*

County	2020	2021	% Change
Milwaukee	6,928	8,579	23.8%
Waukesha	3,676	3,558	-3.2%
Washington	1,177	1,283	9.0%
Ozaukee	863	845	-2.1%
Metro Area	12,644	14,265	12.8%
Racine	1,659	1,811	9.2%
Kenosha	1,409	1,440	2.2%
Walworth	1,130	1,179	4.3%
SE WI Area	16,842	18,695	11.0%

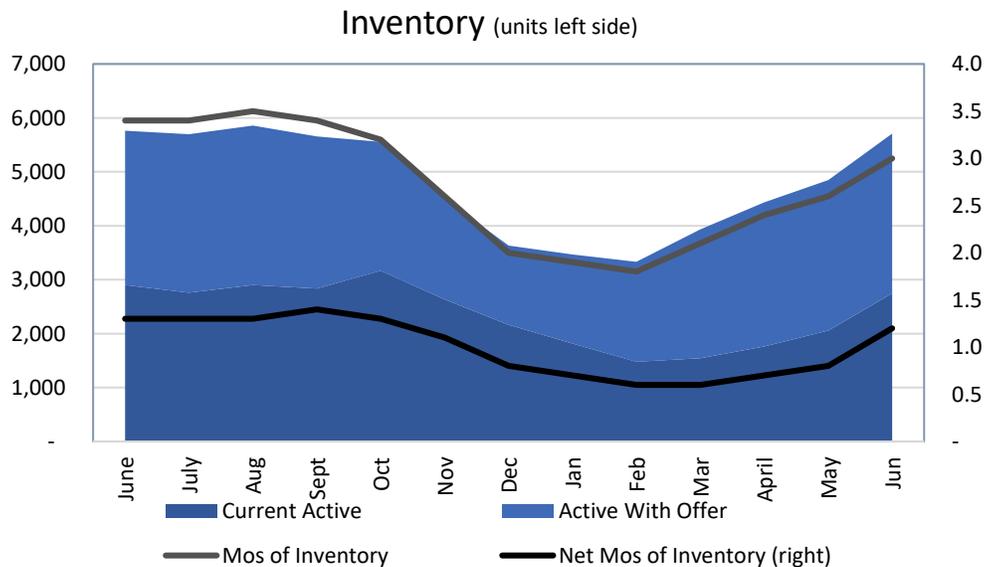
Listings

Listings were mostly up in the region in June and through the quarter.

In 2021, only Jan and Feb saw decreases in listings, Mar – Jun were all up, but that was in comparison to 2020. June 2020 was the tail end of the market impacted by the COVID-19 lock-down when sellers were “sheltering-in-place.”

If we compare this year to 2019, the first five months of the year were all down in listings, with the exception of June, which was up 26.5% from June 2019.

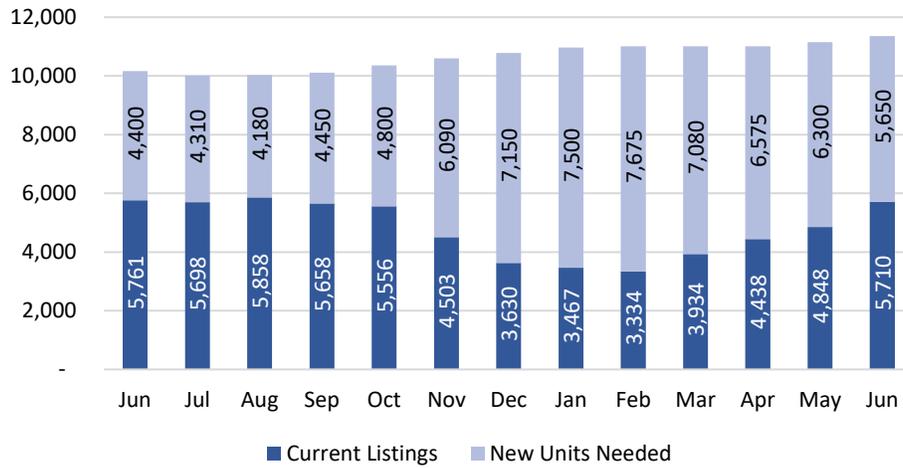
Seasonally adjusted **inventory** is calculated by taking the homes available for sale in each month and comparing them to the past 12 months’ average sales. This tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for June was 3.0 months**.



If we subtract the listings that have an “active offer” from those available for sale (about 80% of listings with an offer turn into a sale), we get a different perspective of the quantity of homes available for sale. Subtracting listings with an active offer from total listings, yields a **remarkably low 2,960 listings, which equals 1.2 months of inventory, or about 37-days’ worth**.

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.

New Units Needed To Reach 6.0 Months



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 5,710 current listings providing 3.0 months of inventory, the market would need an additional 5,650 units to push inventory to 6 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 5th, 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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