

For Immediate Release

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July Home Sales Up 5.6%

Highlights

- Sales Up vs. Post-Lockdown 2020
- Listings Have Enjoyed 5-Mos of Growth
- 2021 Looks Like Another 20K+ Sales Year

August 12, 2021

Market Summary

The Metropolitan Milwaukee real estate market continued its record-breaking pace in July setting up a strong finish for the second half of 2021.

July was the 5th consecutive month (and 6th out of the last 7 months) of sales ahead of 2020, including the months prior to COVID-19 hitting the US.

July was also the first month that allows us to compare the post lockdown market of 2020 to current sales – an actual apples-to-apples comparison. The 2,465 units sold in July was 5.6% ahead of July 2020, and indicates the market is on solid footing.

There was speculation that the 2,334 units sold in July 2020 (3.1% ahead of July 2019) was the result of pent-up demand from the April–June pandemic lockdown months. That doesn't seem to have been the case. Retrospectively, the market was in suspended animation during the lockdown, and just went back to its normal course when it ended.

A little-noticed bright spot in July's numbers was that inventory went up 10.9%, continuing a 5 month streak. However, there is still a significant dearth of inventory to the tune of 5,620 units. That's how many we need to satisfy current demand, which means the sellers-market will continue for the foreseeable future. In July there was only enough inventory to satisfy 3.1 months of demand, and if we subtract units with an offer, it drops to 1.3 months.

July Sales

County	2020	2021	% Change
Milwaukee	1,229	1,405	14.3%
Waukesha	704	663	-5.8%
Washington	217	246	13.4%
Ozaukee	184	151	-17.9%
Metro Area	2,334	2,465	5.6%
Racine	323	332	2.8%
Kenosha	292	270	-7.5%
Walworth	236	190	-19.5%
SE WI Area	3,185	3,257	2.3%

July Listings

County	2020	2021	% Change
Milwaukee	1,498	1,773	18.4%
Waukesha	727	773	6.3%
Washington	240	260	8.3%
Ozaukee	189	136	-28.0%
Metro Area	2,654	2,942	10.9%
Racine	381	398	4.5%
Kenosha	290	346	19.3%
Walworth	255	256	0.4%
SE WI Area	3,580	3,942	10.1%

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over production of apartments. 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.

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.

Properties in the \$100K - \$199K range were the only price range to see a decline in unit sales in July, down 18%. While the top end of the market, \$500K+, saw the biggest jump, increasing 38%.

The outlook for the market is good, but slightly slower in the months ahead. Over the last 5 years the 4-county metropolitan market saw an average of 9,014 units sold in the last 5 months of the year. If that trend holds up we will close well over 21,000 sales, which would make 2021 one of the top years in recent history.

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.

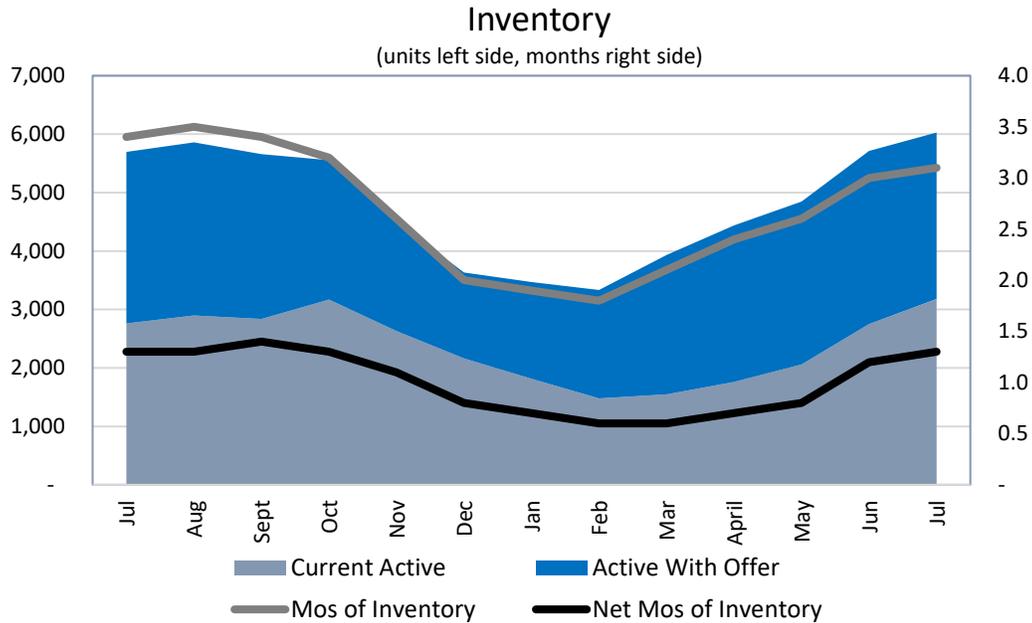
* Sales and Listing figures differ between the "Monthly Stats" and quarter or year-end numbers, because the collection of Monthly Stats ends on the 10th of each month, whereas quarters are a continuous tally to 12/31. For example, if a sale occurred on July 29th, but an agent does not record the sale 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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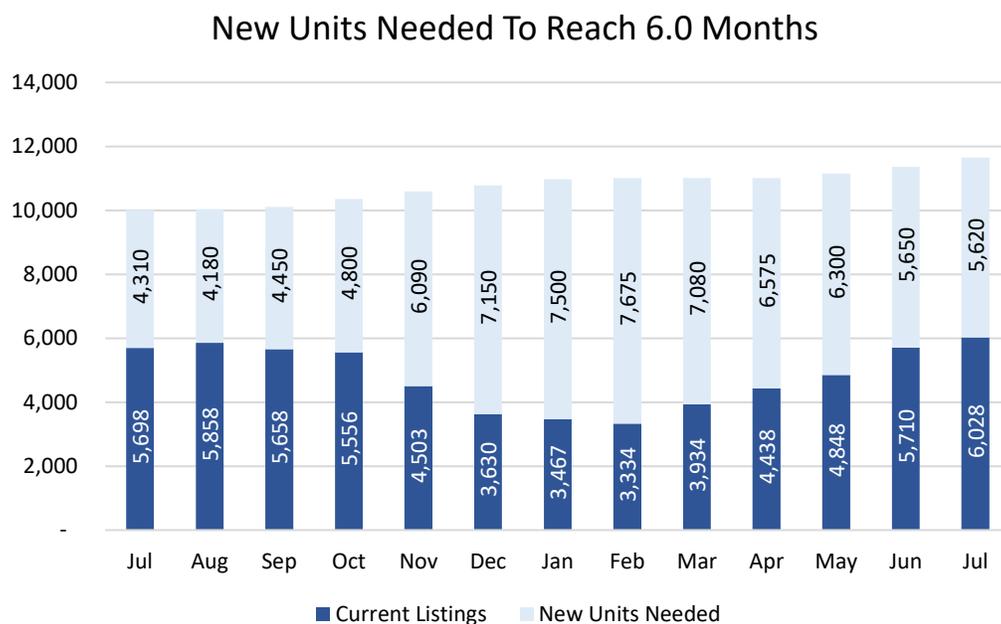
Seasonally adjusted **inventory** is calculated by taking the homes available for sale in each month and comparing them to the past 12 months' average sales. This tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for July was 3.1 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 3,179 listings, which equals 1.3 months of inventory**.

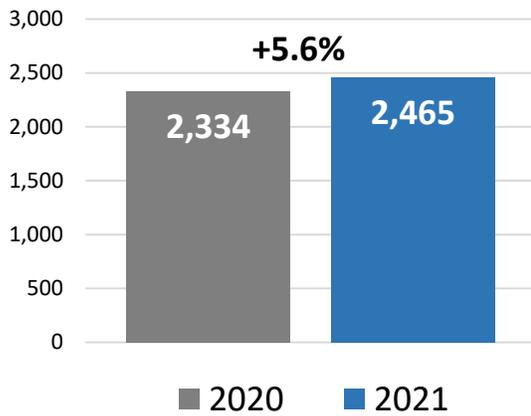


Generally, six months of inventory is considered a “balanced” market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer’s market.

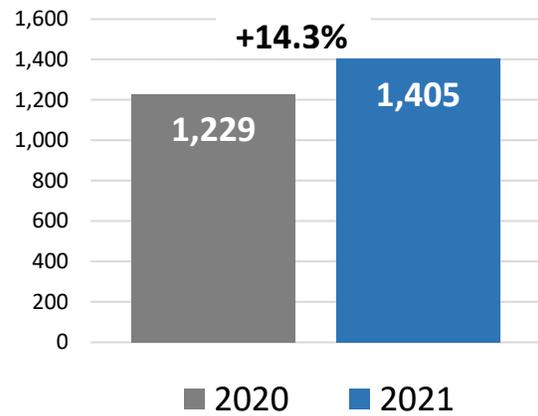
With 5,710 current listings providing 3.0 months of inventory, the market would need an additional 5,620 units to push inventory to 6 months.



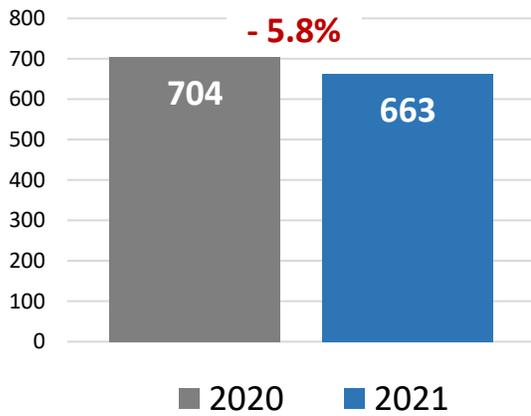
4-County Metro Area July 2021 Sales



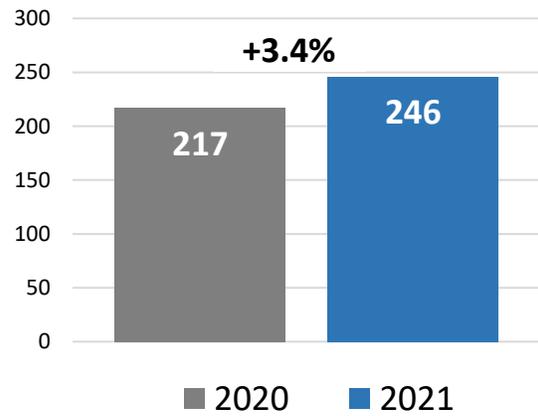
Milwaukee County July 2021 Sales



Waukesha County July 2021 Sales



Washington County July 2021 Sales



Ozaukee County July 2021 Sales

