

## For Immediate Release

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# February Home Sales Up 2.3%

## Highlights

- Highest Sales in Feb Since 2006
- Listings Up 8.7% For The Year
- Buyers & Sellers Need to Be Careful

March 14, 2022

## Market Summary

Home sales in the Metropolitan Milwaukee real estate market were up an impressive 2.3% in February. Impressive because February 2021 was an equally remarkable month during a record setting year. Thus far, the market is on pace to match 2021.

With the market revving up as we enter the highest sales months, sellers need to be aware of some of the pitfalls they face in a busy market. Sellers that receive offers that waive all contingencies or receive "love letters" need the counsel of their REALTOR® to avoid potential legal snares.

Equally challenging will be the buyer side of the market. In the first two months of the year there were 3,104 listings, second lowest for January/February this century; 2021 was the lowest. Buyers need a REALTORS® expertise to help them stay calm during their search, find the right property, then move on it quickly.

It was an encouraging sign that new listings were up 11.8% in February, but a little misleading because that was compared to a record low in 2021. This February's 1,531 listings was just OK, but an encouraging sign that sellers got the message that it is a good time to sell.

## February Sales

County	2021	2022	% Change
Milwaukee	700	730	4.3%
Waukesha	245	247	0.8%
Ozaukee	63	78	23.8%
Washington	100	78	-22.0%
Metro Area	1,108	1,133	2.3%
Racine	185	209	13.0%
Kenosha	157	132	-15.9%
Walworth	111	112	0.9%
SE WI Area	1,561	1,586	1.6%

## February Listings

County	2021	2022	% Change
Milwaukee	812	934	15.0%
Waukesha	353	380	7.6%
Ozaukee	81	92	13.6%
Washington	123	125	1.6%
Metro Area	1,369	1,531	11.8%
Racine	170	166	-2.4%
Kenosha	118	145	22.9%
Walworth	131	102	-22.1%
SE WI Area	1,788	1,944	8.7%

While listings are trending in the right direction there is still a significant dearth of inventory, to the tune of 8,205 units. That's how many units we need to satisfy current demand, which means the sellers' market will continue for the near future. In February there was only enough inventory to satisfy 1.7 months of demand (in a balanced market there would be about 6 months of inventory), and if we subtract units with an offer on them, that level drops to 0.6 months.

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 condominium 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.

The outlook for the market in 2022 is pretty solid. Brokers are reporting strong interest among potential buyers, and sellers are excited to list their homes.

### **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.

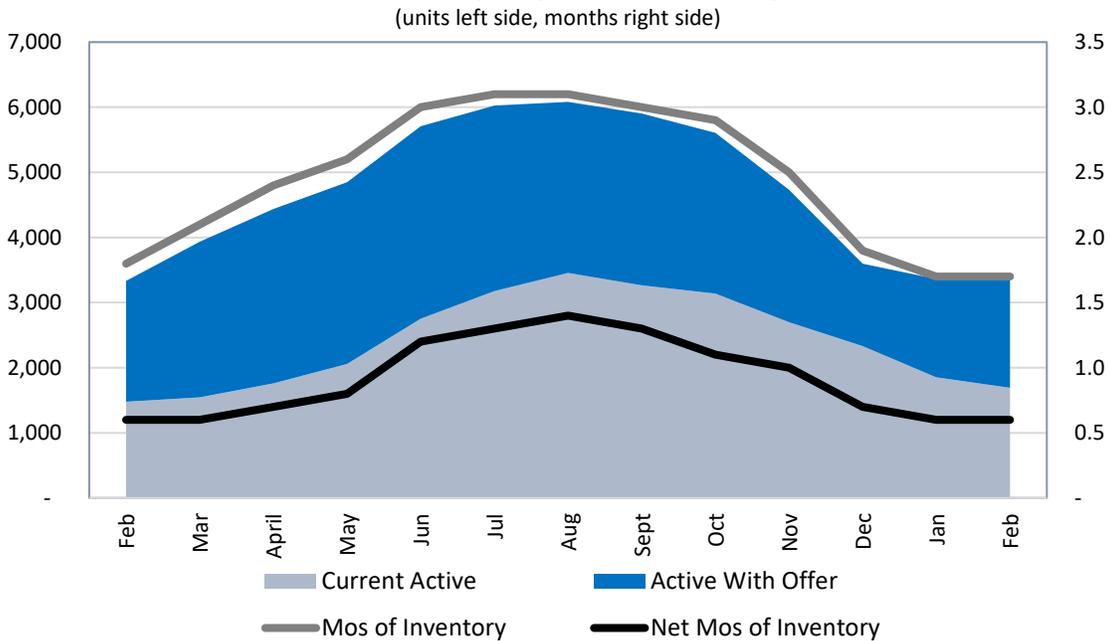
The Greater Milwaukee Association of REALTORS® is a 5,000-member strong professional organization dedicated to providing information, services, and products to help REALTORS® help their clients buy and sell real estate. Data for this report was collected by Metro MLS, Inc. a wholly owned subsidiary of 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 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 the three counties to the south, Racine, Kenosha, and Walworth Counties.

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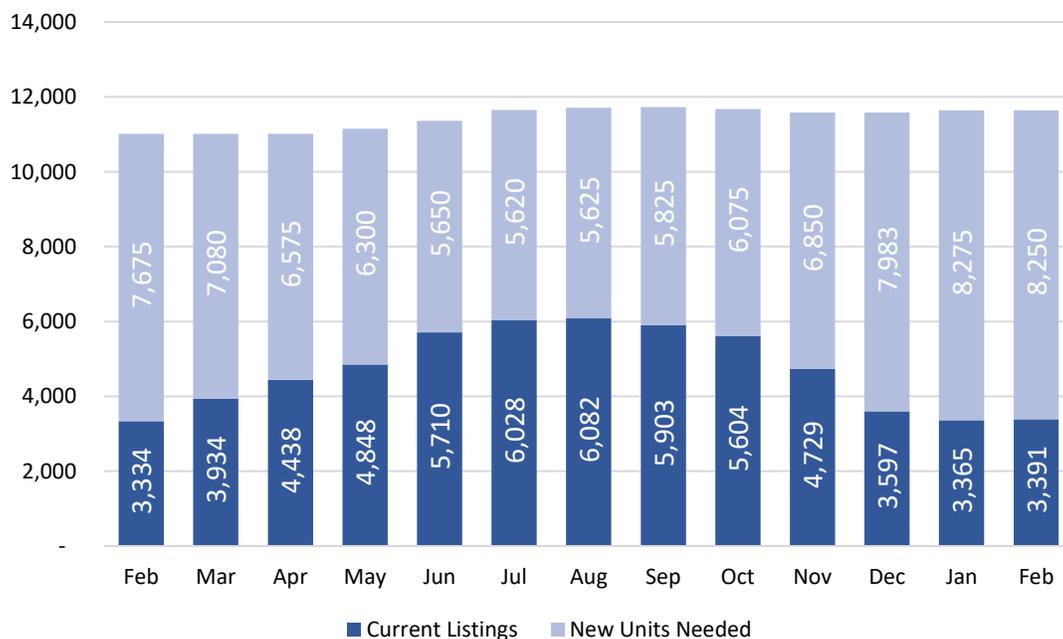
## Seasonally Adjusted Inventory



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 February was 1.7 months**.

Subtracting listings that have an "active offer" from those available for sale (about 80% of listings with an offer turn into a sale), provides a unique perspective on the quantity of homes available for sale. Subtracting listings with an active offer from total listings, yields **2,856 listings, which equals 0.6 month of inventory**.

## New Units Needed To Reach 6.0 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. With 3,391 current listings providing 1.7 months of inventory, **the market would need an additional 8,250 units to push inventory to 6 months.**

