

3rd Quarter Home Sales Down 22.9%

September Home Sales Down 19.3%

Highlights

- **Demand High for Listings Under \$500K**
- **Listings Grew for 2nd Month in a Row**
- **Average Sales Prices Up 5.7%, \$22,589**

Market Summary

Metropolitan Milwaukee home sales were down through the 3rd quarter and for the month of September, by 22.9% and 19.3%, respectively.

While listings were up for the second straight month, by 2.5% in September, they were 17.4% behind the 3rd quarter of 2022.

Home sales were down because of a lack of inventory not a lack of buyer interest. The deficiency in inventory is due to two market forces: new construction and new listings.

In August 1,034 building permits were taken out in the 4-county area, 9.9% below the same period in 2022. In the January – August time period new construction was down 24.6% (1,371 vs. 1,034), continuing a period of low production.

New construction would normally add 3,000 - 4,000 units to the market annually, but that market segment has been down by about 50% since the Great Recession.

New listings were actually up 2.5% in September for the second straight month (after a 17 month drought). However, new listings through the 3rd quarter were down 17.6%.

3rd Quarter Sales

County	2022	2023	% Change
Milwaukee	9,496	7,072	-25.5%
Waukesha	4,226	3,435	-18.7%
Ozaukee	1,397	1,081	-22.6%
Washington	1,016	857	-15.6%
Metro Area	16,135	12,445	-22.9%
Racine	2,256	1,740	-22.9%
Kenosha	1,686	1,293	-23.3%
Walworth	1,281	1,054	-17.7%
SE WI Area	21,358	16,532	-22.6%

September Sales

County	2022	2023	% Change
Milwaukee	1004	838	-16.5%
Waukesha	528	376	-28.8%
Ozaukee	119	100	-16.0%
Washington	165	151	-8.5%
Metro Area	1,816	1,465	-19.3%
Racine	262	210	-19.8%
Kenosha	186	147	-21.0%
Walworth	171	142	-17.0%
SE WI Area	2,435	1,964	-19.3%

The supply of inventory on hand was only enough to satisfy 3.1 months of buyer demand, and if we subtract units with an offer that level drops to 1.4 month. That is slightly ahead of August's 2.9 months of inventory, but well below the 6 months commonly assumed to be a balanced market.

Brokers are saying that many current homeowners who have low mortgage interest rates are skittish about listing their home if they would have to take out another mortgage, at a higher interest rate, for a new property.

As a result – as we have been highlighting for several years – REALTORS® have had a very difficult time helping home buyers find ownership opportunities in the form of condos and single-family houses.

“The historically low level of new construction and lack of new listings resulted in prices increasing 5.7%, or \$22,589.”

The historically low level of new construction and lack of new listings in the 4 county area resulted in prices increasing an average of 5.7%, or \$22,589.

There is a significant, long-term danger if we do not create additional supply in the form of single-family and condominium units: Thousands of would-be homeowners will be forced into rental units, unable to save for a down payment and foregoing the opportunity to build wealth through a home's equity – as well as all of the other benefits of homeownership.

That will result in problems decades down the road when families do not have enough home equity to tap into for college expenses, to remodel their home, or for emergencies.

3rd Quarter Sale Prices (Jan 1 – Sept 30)

County	2022	2023	\$ Change	% Chng
Milwaukee	\$259,334	\$274,139	\$14,805	5.7%
Waukesha	\$481,903	\$502,690	\$20,787	4.3%
Washington	\$476,872	\$502,953	\$26,081	5.47%
Ozaukee	\$366,091	\$394,775	\$28,684	7.8%
Metro Area Avg	\$396,050	\$418,639	\$22,589	5.7%
Racine	\$272,334	\$280,424	\$8,090	3.0%
Kenosha	\$299,862	\$316,075	\$16,213	5.4%
Walworth	\$451,976	\$547,626	\$95,650	21.2%
SE WI Area Avg	\$372,625	\$402,669	\$30,044	8.1%

3rd Quarter Listings

County	2022	2023	% Change
Milwaukee	11,564	9,461	-18.2%
Waukesha	5,175	4,275	-17.4%
Ozaukee	1,700	1,379	-18.9%
Washington	1,184	1,059	-10.6%
Metro Area	19,623	16,174	-17.6%
Racine	2,853	2,193	-23.1%
Kenosha	2,056	1,636	-20.4%
Walworth	1,654	1,461	-11.7%
SE WI Area	26,186	21,464	-18.0%

September Listings

County	2022	2023	% Change
Milwaukee	1130	1194	5.7%
Waukesha	507	479	-5.5%
Ozaukee	102	105	2.9%
Washington	158	167	5.7%
Metro Area	1,897	1,945	2.5%
Racine	295	274	-7.1%
Kenosha	200	207	3.5%
Walworth	177	133	-24.9%
SE WI Area	2,569	2,559	-0.4%



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 for their home.

The Greater Milwaukee Association of REALTORS® is a 5,500-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 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 the 29th of the month, but an agent does not record the sale until the 5th 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.

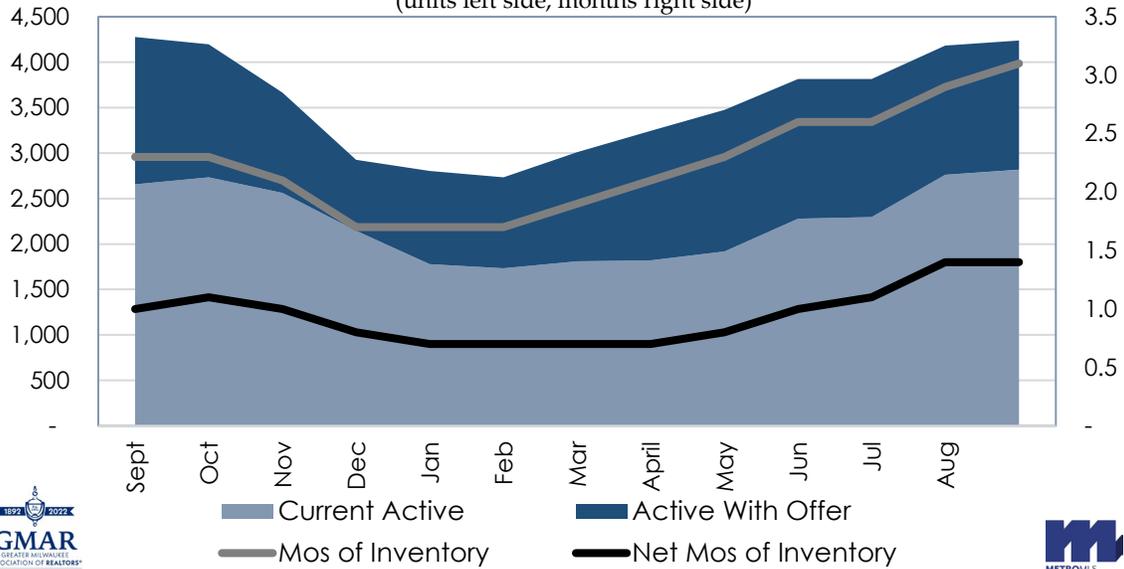
** All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus Racine, Kenosha, and Walworth Counties, to the south.

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Seasonally Adjusted Inventory

(units left side, months right side)



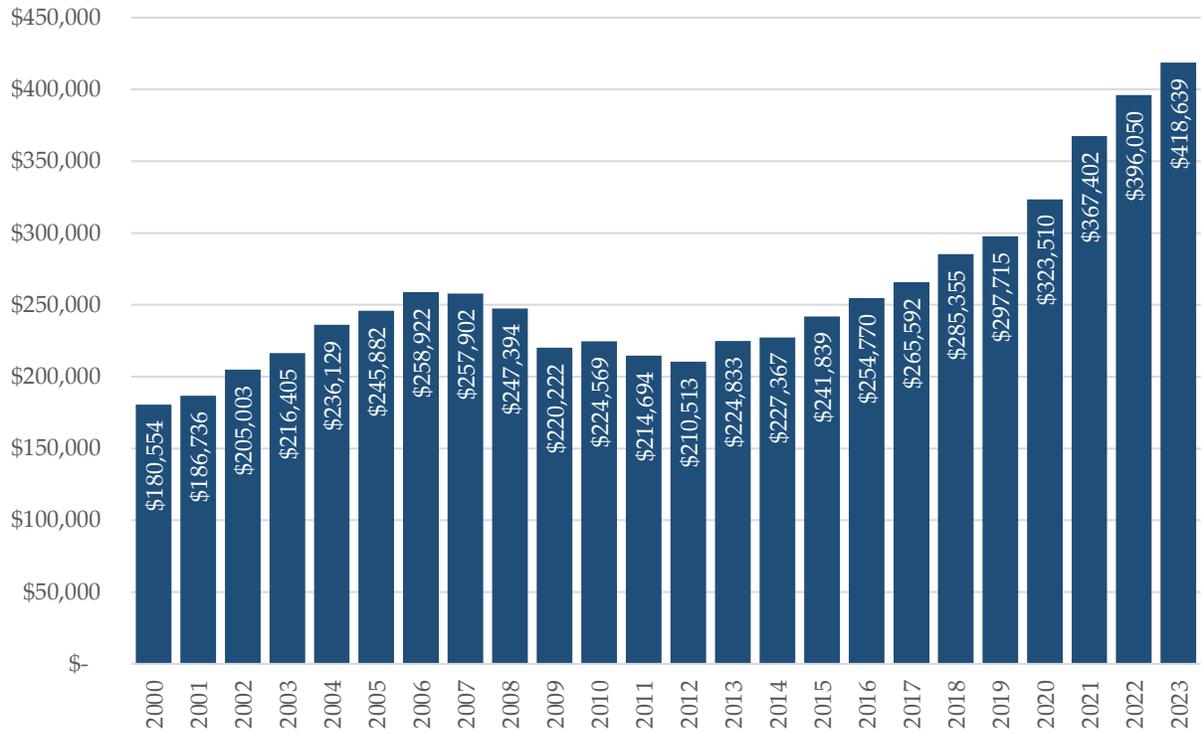
Seasonally adjusted **inventory** tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for September was 3.1 months**. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **3,402 listings, which equals 1.4 months of inventory**.

New Units Needed To Reach 6.0 Months

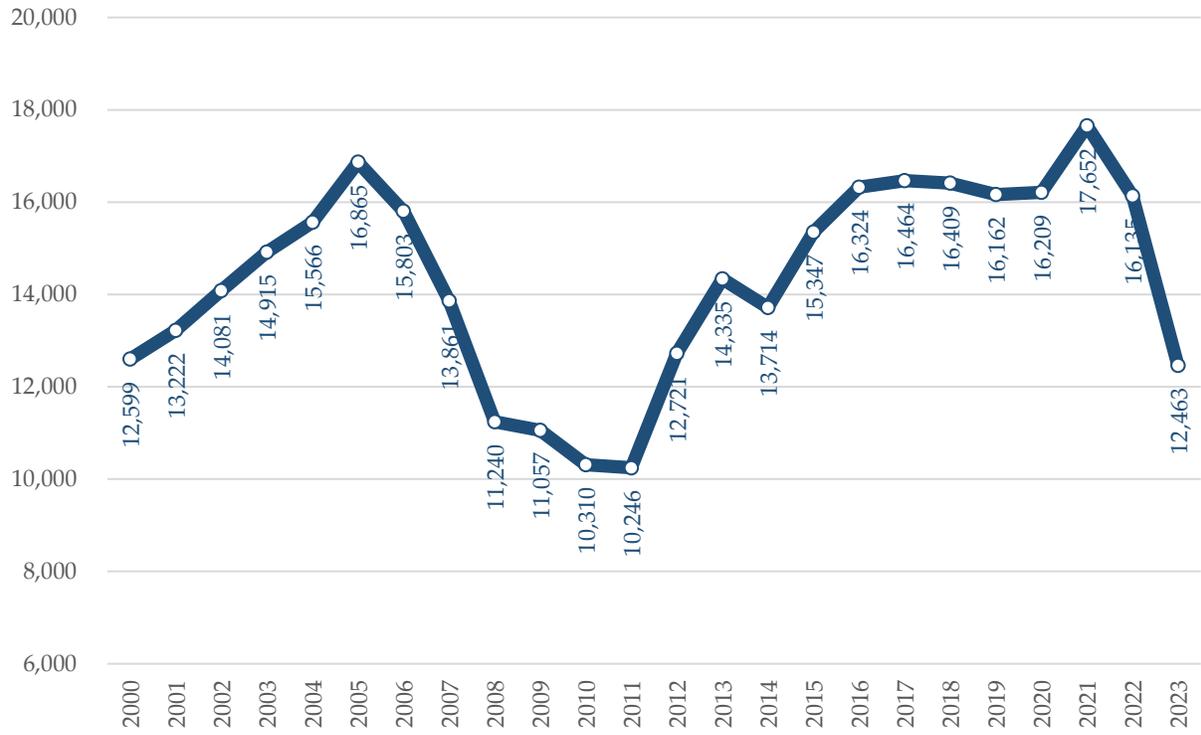


With 4,240 current listings providing 3.1 months of inventory, **the market would need an additional 4,090 units to push inventory to six months**. Six months of inventory is considered a “balanced” market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer's market.

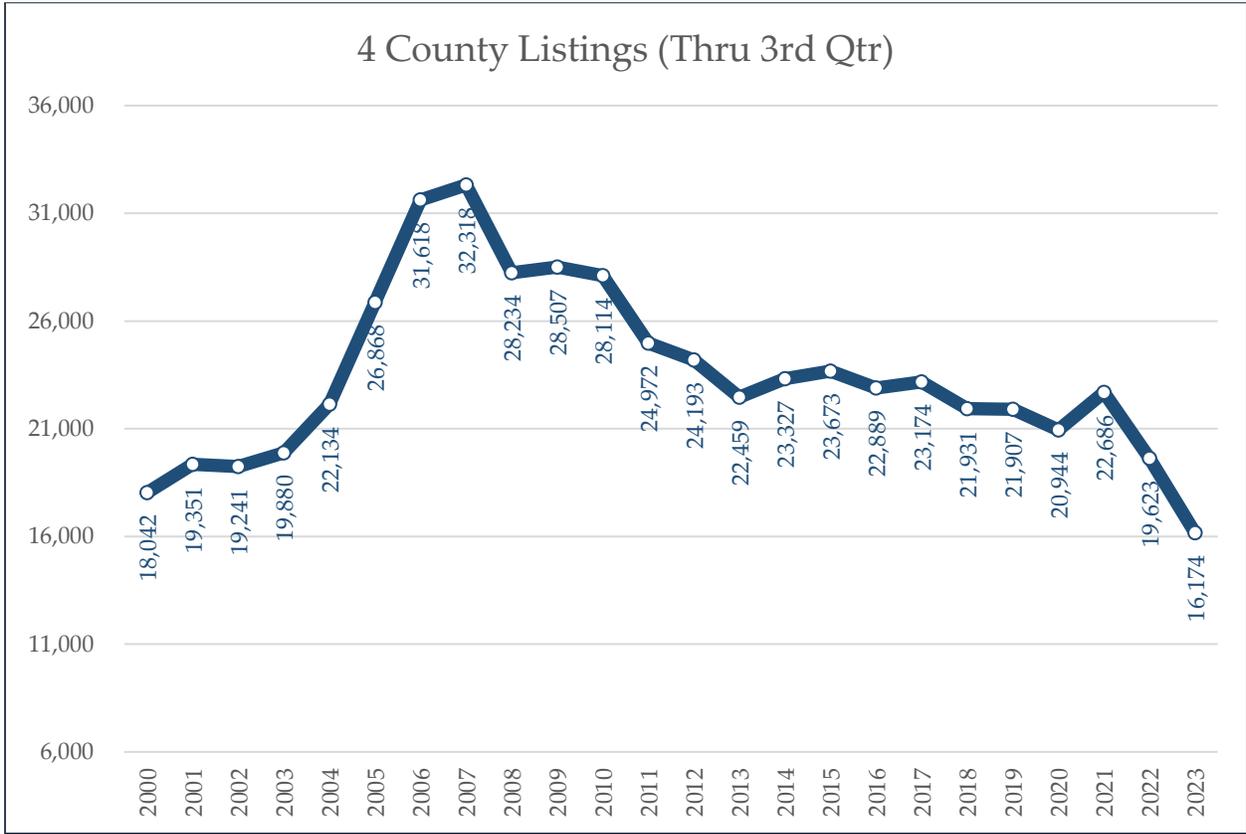
4 County Sale Price (Thru 3rd Qtr)



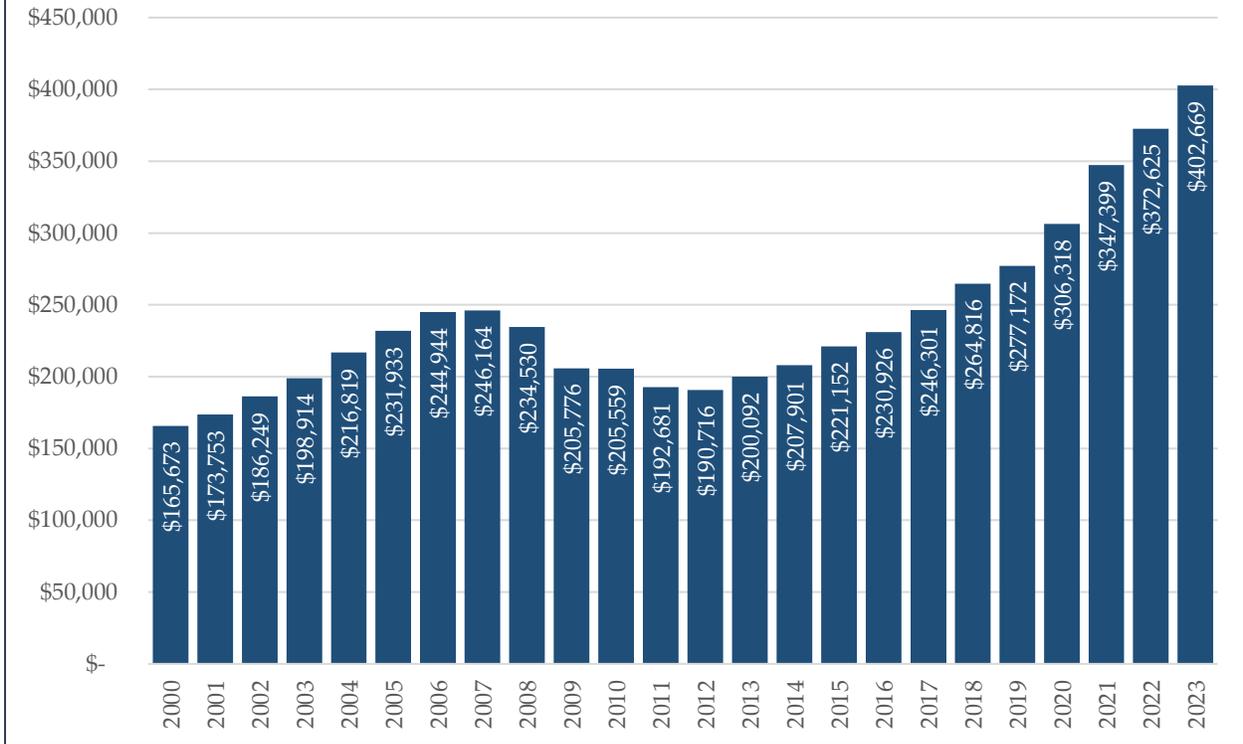
4 County Sales (Thru 3rd Qtr)



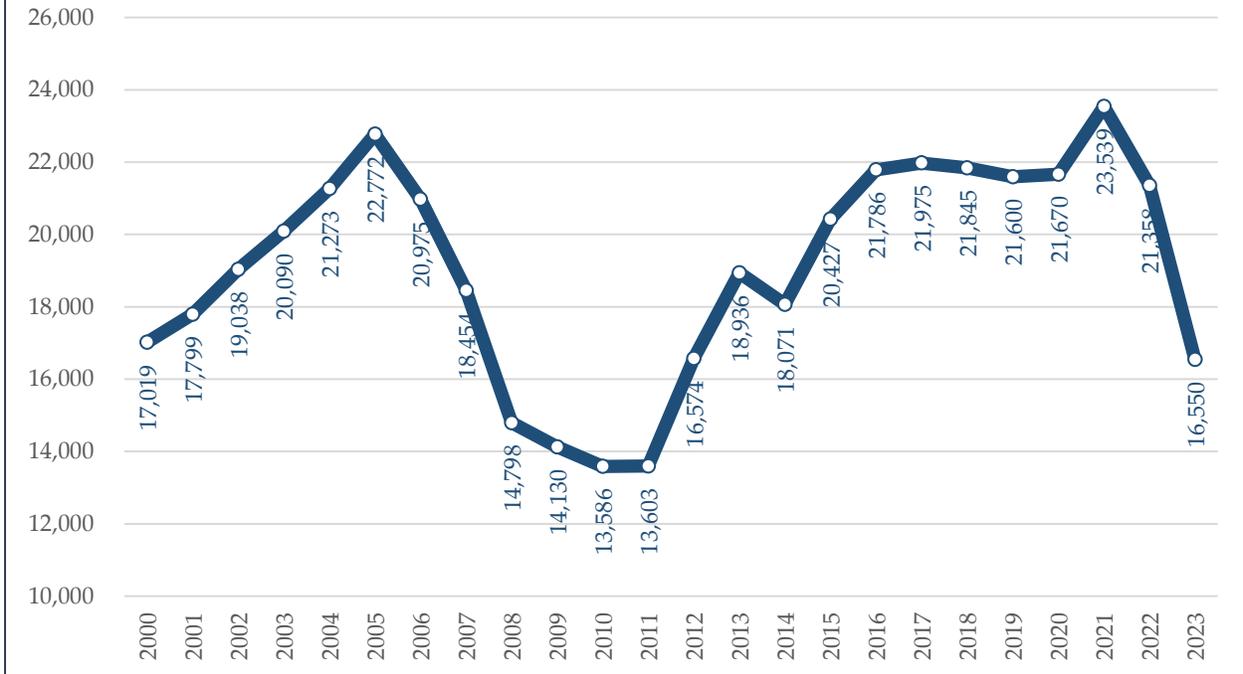
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7 County Sale Price (Thru 3rd Qtr)



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