

Home Sales Through 4th Qtr Down 18.6%

December Home Sales Down 10.5%

Highlights

- **Sales Down Due To Low Inventory**
- **Listings Grew In Last 5 Months of 2023**
- **Average Sales Price Tops \$400K For First Time**

Market Summary

Home sales in the Metropolitan Milwaukee market area were down through the 4th quarter and for the month of December, by 18.6% and 10.5%, respectively.

Listings, on the other hand, were up in December by 1.1%, but new listings were down 14.2% through the 4th quarter of 2023, compared to 2022.

The **biggest story of 2023 was that home sales were down because of a lack of inventory not a lack of buyer interest**, or even higher interest rates. The inventory deficit was due to two market forces: new construction and new listings.

Through November, 1,510 new construction permits were taken out in the 4-county area in 2023, 16.3% below the same period in 2022, continuing a years' long 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.

4th Quarter Sales

County	2022	2023	% Change
Milwaukee	11,947	9,534	-20.2%
Waukesha	5,379	4,539	-15.6%
Ozaukee	1,764	1,416	-19.7%
Washington	1,278	1,097	-14.2%
Metro Area	20,368	16,586	-18.6%
Racine	2,940	2,287	-22.2%
Kenosha	2,133	1,690	-20.8%
Walworth	1,668	1,336	-19.9%
SE WI Area	27,109	21,899	-19.2%

December Sales

County	2022	2023	% Change
Milwaukee	746	675	-9.5%
Waukesha	342	298	-12.9%
Ozaukee	78	53	-32.1%
Washington	106	113	6.6%
Metro Area	1,272	1,139	-10.5%
Racine	184	175	-4.9%
Kenosha	137	127	-7.3%
Walworth	103	90	-12.6%
SE WI Area	1,696	1,531	-9.7%

While new listings were up in the final five months of 2023, they were down 14.2% for the year. As the *4 County Listings - 2023* and *7 County Listings - 2023* graphs, below, indicate listings have been anemic for several years.

The supply of inventory on hand was only enough to satisfy 2.4 months of buyer demand in 2023, and if we subtract units with an offer that level drops to 1.0 month. That is slightly ahead of 2022's 0.9 months of inventory, but well below the 6 months commonly assumed to be a balanced market.

Earlier in 2023 brokers were saying that current homeowners who had low mortgage interest rates were skittish about listing their home if they would have to take out another mortgage, at a higher interest rate. However, many homeowners realize that the days of 3% rates are probably gone and are getting into the market with refinancing in the back of their mind.

Nonetheless – 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 5.9%, or \$22,589. Pushing the average sale price in the 4 county area over \$400,000 for the first time.

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.

4th Quarter Listings

County	2022	2023	% Change
Milwaukee	13,957	12,032	-13.8%
Waukesha	6,252	5,292	-15.4%
Ozaukee	2,039	1,726	-15.4%
Washington	1,440	1,281	-11.0%
Metro Area	23,688	20,331	-14.2%
Racine	3,467	2,760	-20.4%
Kenosha	2,477	2,018	-18.5%
Walworth	1,993	1,790	-10.2%
SE WI Area	31,625	26,899	-14.9%

December Listings

County	2022	2023	% Change
Milwaukee	486	505	3.9%
Waukesha	201	189	-6.0%
Ozaukee	46	46	0.0%
Washington	67	69	3.0%
Metro Area	800	809	1.1%
Racine	126	113	-10.3%
Kenosha	78	89	14.1%
Walworth	61	71	16.4%
SE WI Area	1,065	1,082	1.6%

4th Quarter Sale Prices (Jan 1 – Dec 31)

County	2022	2023	\$ Change	% Chng
Milwaukee	\$258,281	\$271,609	\$13,328	5.2%
Waukesha	\$478,503	\$501,553	\$23,050	4.8%
Washington	\$475,748	\$503,122	\$27,374	5.75%
Ozaukee	\$365,238	\$394,917	\$29,679	8.1%
Metro Area Avg	\$394,443	\$417,800	\$23,358	5.9%
Racine	\$276,282	\$284,715	\$8,433	3.1%
Kenosha	\$298,306	\$313,810	\$15,504	5.2%
Walworth	\$467,335	\$546,126	\$78,791	16.9%
SE WI Area Avg	\$374,242	\$402,265	\$28,023	7.5%



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.

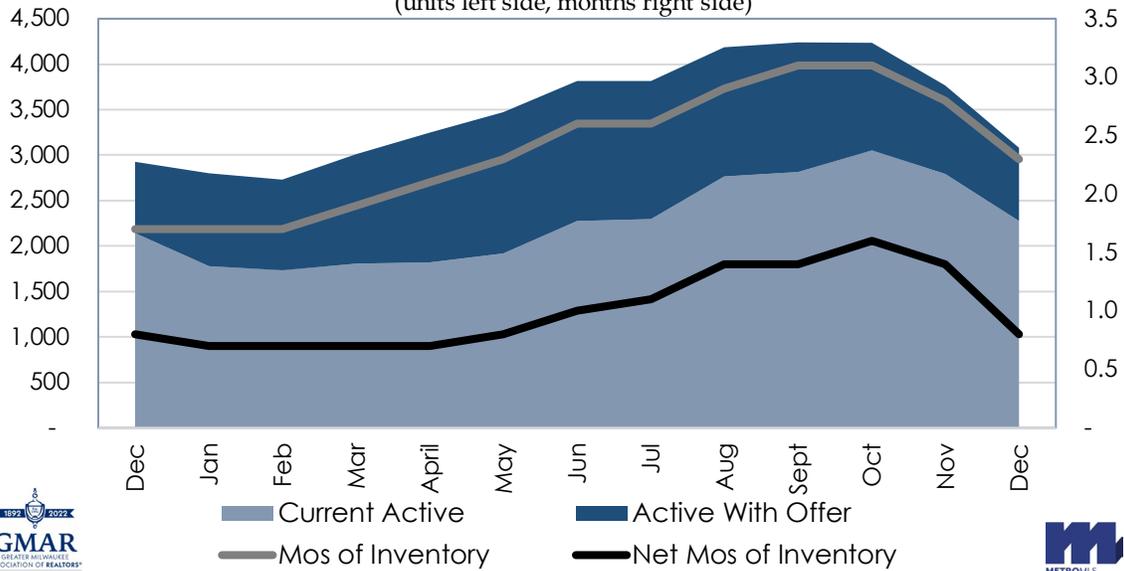
** All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus Racine, Kenosha, and Walworth Counties, 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 December was 2.3 months**. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **2,344 listings, which equals 1.1 months of inventory**.

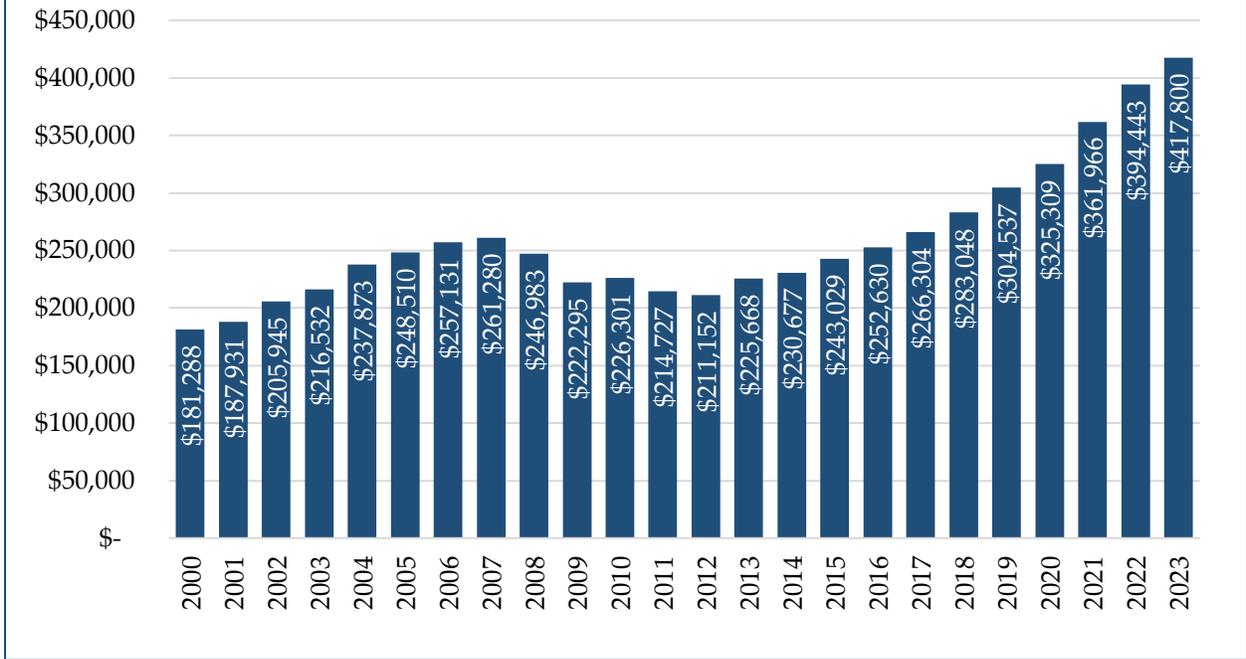
New Units Needed To Reach 6.0 Months



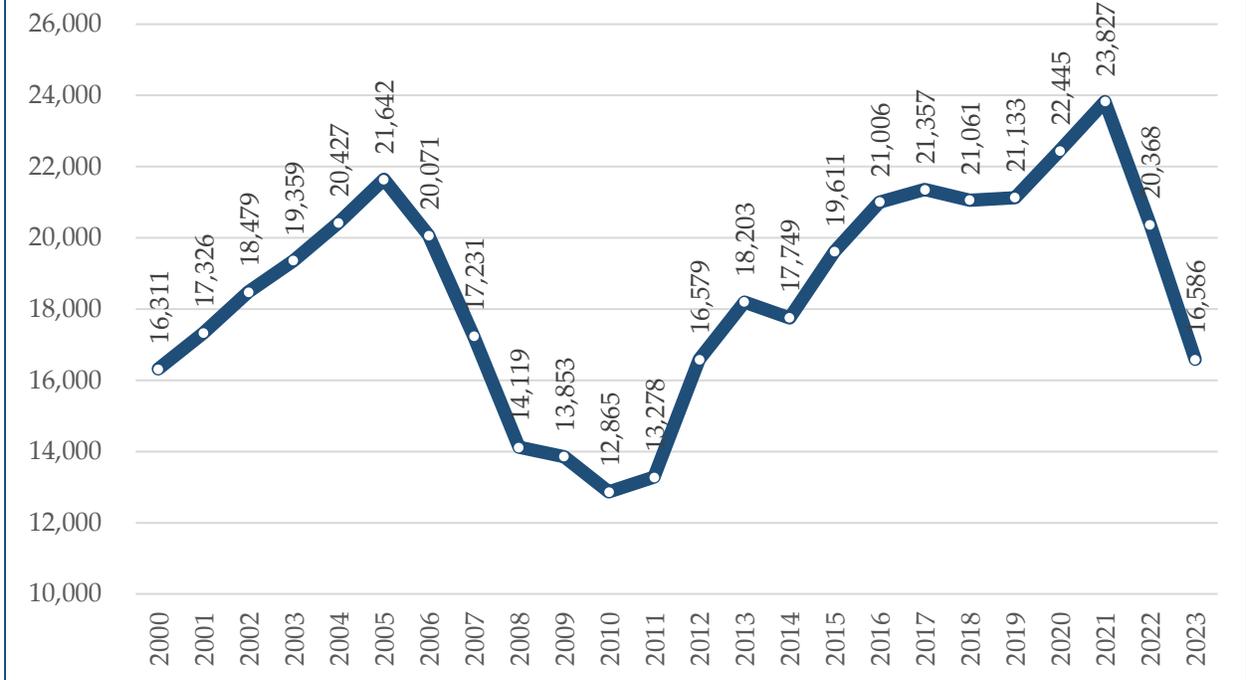
With 3,079 current listings providing 2.3 months of inventory, **the market would need an additional 5,100 units to push inventory to six months**. Six months of inventory is considered a “balanced” market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer's market.



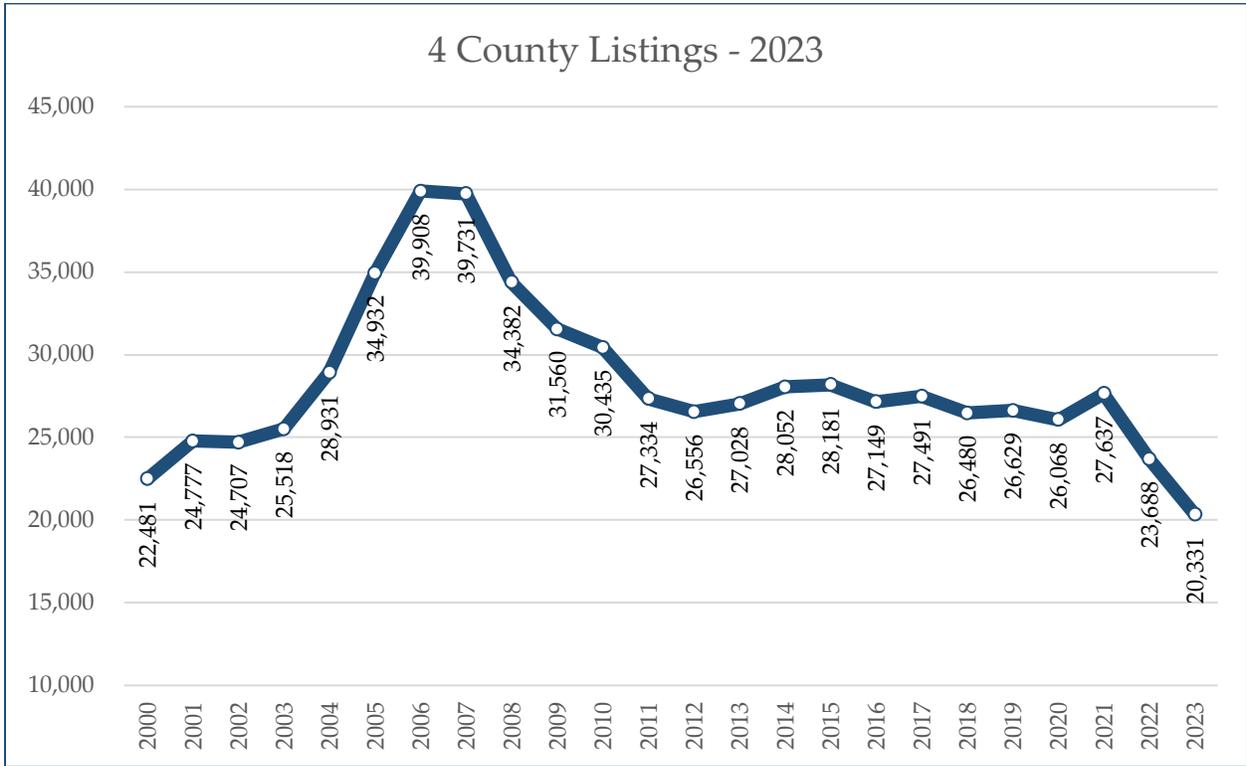
4 County Sale Price - 2023



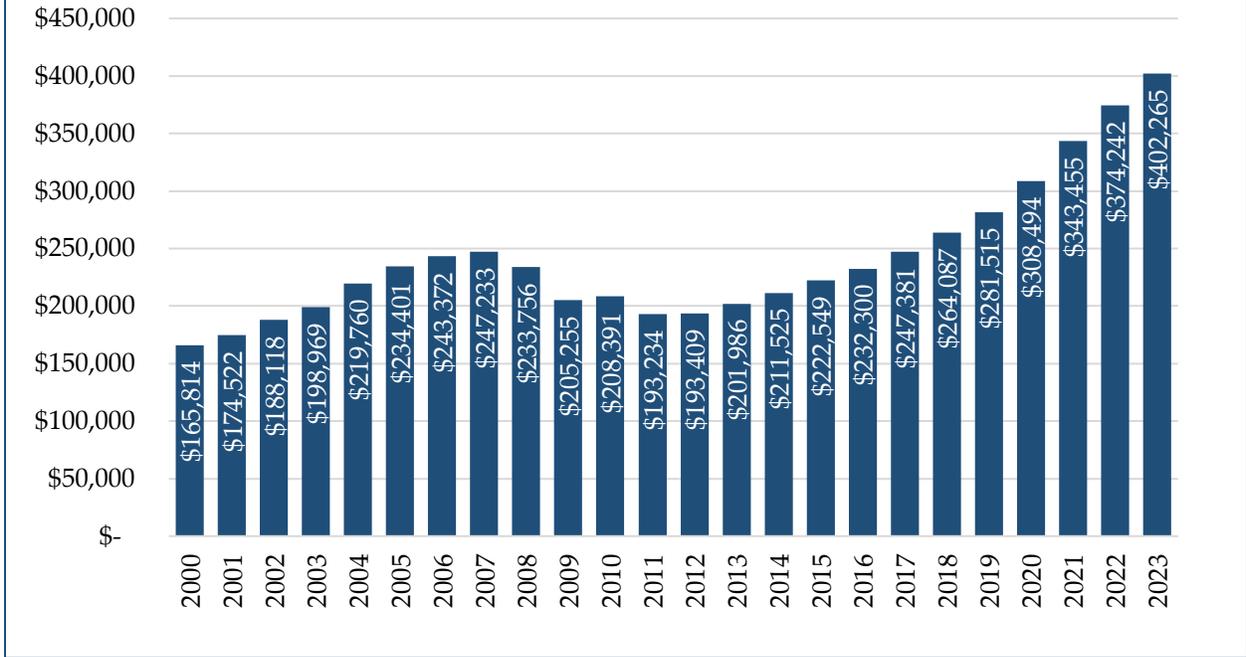
4 County Unit Sales - 2023



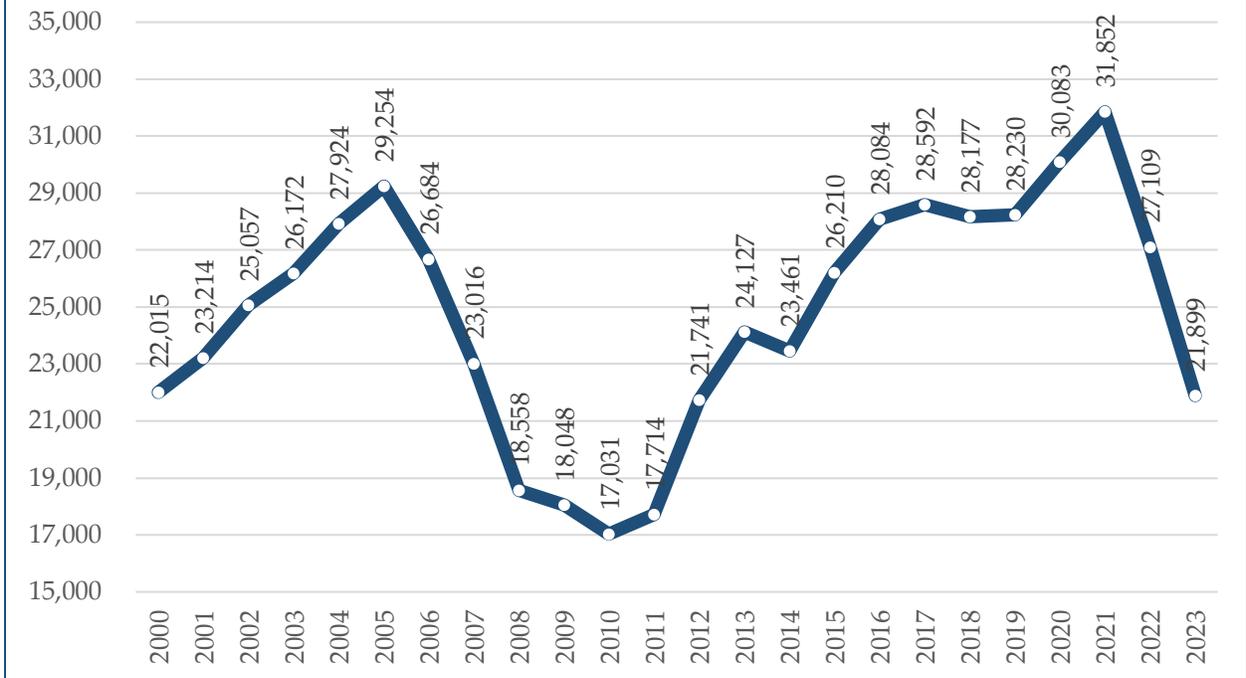
4 County Listings - 2023



7 County Sale Price - 2023



7 County Unit Sales



7 County Listings (Thru 4th Qtr)

