

# January Home Sales Up 4.3%

## Highlights

- **Sales in January Up Compared to Jan 2023**
- **Listings Up for 6<sup>th</sup> Month in a Row**
- **Prices Down 2.2%**

## Market Summary

Home sales in the Metropolitan Milwaukee market area were up in January, but any excitement must be tempered by the fact that sales in January 2023 were extremely low. This January we only saw 35 additional sales, which were welcome but well below the 1,000+ sales the market has seen in recent years.

There was some good news in the listings the market saw in January as well. Listings were up 12.4%, marking a 6-month streak. But, once again, placing those additional listings in context, the market is hundreds of listings behind where it needs to be to satisfy buyer demand.

Listings are desperately needed in the market. Sales would be much higher if there were more homes available.

Inventory was 2.3 months in January (6 months is a balanced market), and if we take listings with an offer out, the rate fell to 0.9 months. That's an indication of a very tight market in favor of sellers.

The most surprising statistic in this month's report is that prices fell 2.2% in January, going from an average price of \$336,306 to \$328,745. However, buyers and sellers should not think that we are entering a period of regular price declines. Prices are still very competitive among first-time buyer price points.

## January Sales

County	2023	2024	% Change
Milwaukee	490	535	9.2%
Waukesha	201	200	-0.5%
Ozaukee	59	49	-16.9%
Washington	63	64	1.6%
Metro Area	813	848	4.3%
Racine	114	112	-1.8%
Kenosha	99	105	6.1%
Walworth	75	69	-8.0%
SE WI Area	1,101	1,134	3.0%

## January Listings

County	2023	2024	% Change
Milwaukee	659	777	17.9%
Waukesha	287	275	-4.2%
Ozaukee	72	67	-6.9%
Washington	80	115	43.8%
Metro Area	1,098	1,234	12.4%
Racine	181	157	-13.3%
Kenosha	101	126	24.8%
Walworth	90	119	32.2%
SE WI Area	1,470	1,636	11.3%

For the year, in 2023 there were 1,624 new home construction permits taken out in the 4-county area. A year ago there were 1,915 permits,<sup>1</sup> nowhere near the 4,000+ new construction units the market is in desperate need of. New construction is in an era of low production beginning way back when the Great Recession started.

In addition to low construction numbers, the fact that many current homeowners have low mortgage interest rates is a disincentive for them to consider moving.

It does not appear that the market will achieve any kind of balance to benefit buyers in the near future. To reach a balanced market (commonly understood to be 6 months of inventory) the four county area needed 5,025 additional units in January.

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over reliance on apartments to satisfy demand. That bottleneck combined with the demographic surge of Millennial and GenZ buyers and reasonable interest rates have all contributed to a historically tight market.

The imminent danger for the region, if it does not create additional supply in the form of more single-family and condominium units, is that thousands of would-be homeowners will be forced to continue to rent, foregoing the opportunity to build wealth through a home's equity and all of the other benefits of homeownership. Rather they have been, and will continue to, pay thousands of dollars a year in rent with no ability to save for a down payment – pushing off their opportunity to achieve the American Dream even further.

<sup>1</sup> Units of new construction permits in the 4-county are according to [Census Bureau's Building Permits Survey](#)

## **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 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.

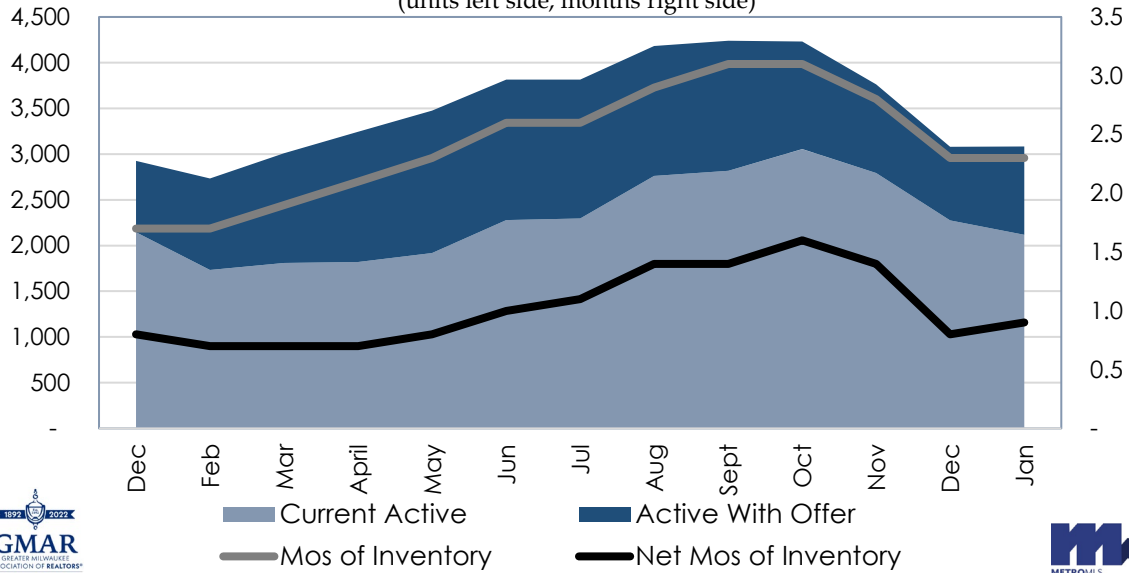
\*\* All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus the three counties to the south, Racine,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

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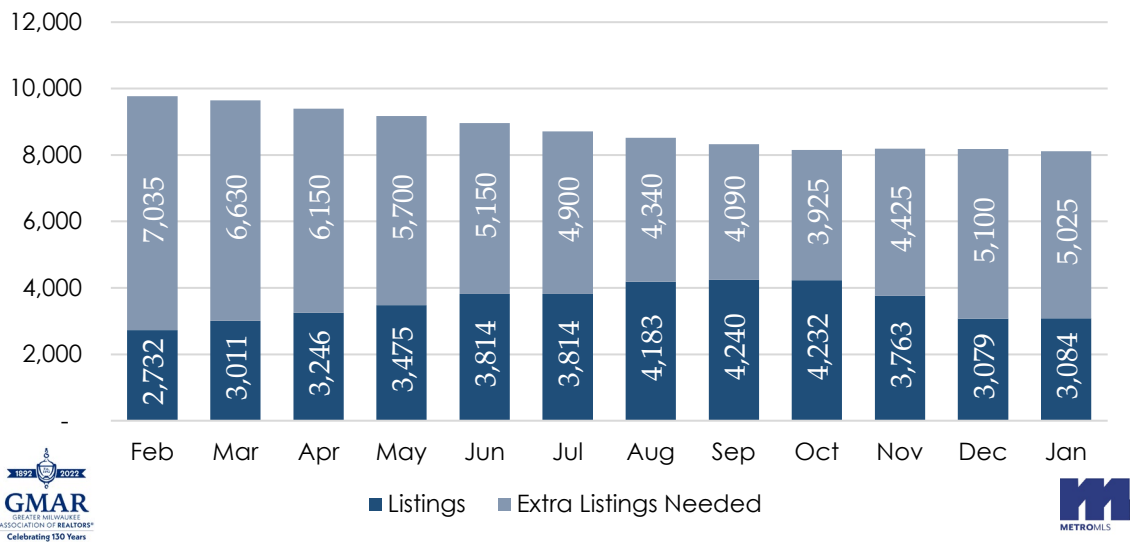
## Seasonally Adjusted Inventory

(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 January 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 **2,247 listings, which equals 0.9 months of inventory**.

## New Units Needed To Reach 6.0 Months



With 3,084 current listings providing 2.3 months of inventory, **the market would need an additional 5,025 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.