

**For Immediate Release**

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**Another Historical Sales Year in 2021**

**December Sales Up 7.6%**

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| **Highlights** | **January 12, 2021** |
| * 2021 Saw the Highest Number of Unit Sales Ever!
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| * Healthy Price Appreciation Throughout the Region
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| * 2022 Outlook Is Good Despite Rising Interest Rates
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| **December Sales** |
| **County** | 2020 | 2021 | % Change |
| Milwaukee | 1,067 | 1,178 | 10.4% |
| Waukesha | 476 | 510 | 7.1% |
| Washington | 173 | 160 | -7.5% |
| Ozaukee | 108 | 115 | 6.5% |
| Metro Area | 1,824 | 1,963 | 7.6% |
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| Racine | 247 | 309 | 25.1% |
| Kenosha | 214 | 222 | 3.7% |
| Walworth | 158 | 165 | 4.4% |
| SE WI Area | 2,443 | 2,659 | 8.8% |
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| **2021 Sales**\* |
| **County** | 2020 | 2021 | % Change |
| Milwaukee | 12,327  |  13,809  | 12.0% |
| Waukesha |  6,445  |  6,343  | -1.6% |
| Washington |  2,173  |  2,234  | 2.8% |
| Ozaukee |  1,500  |  1,441  | -3.9% |
| Metro Area | 22,445  |  23,827  | 6.2% |
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| Racine |  3,096  |  3,378  | 9.1% |
| Kenosha |  2,506  |  2,655  | 5.9% |
| Walworth |  2,036  |  1,992  | -2.2% |
| SE WI Area | 30,083  |  31,852  | 5.9% |

**Market Summary**

For the second year in a row, the Metropolitan Milwaukee real estate market set a **new sales record in 2021 with 23,827 total unit sales**. Only three months in 2021 (Feb, Sept, & Oct.) were behind 2020, by a total of 315 units.

2021 also marks the sixth consecutive year of sales above 21,000 units. That is a sure sign of the market’s strength, and induces shudders compared to 2010’s 12,865 total annual sales.

A traditionally slow month, December saw strong sales in almost every county in the metropolitan area and Southeastern Wisconsin, increasing by 7.6% and 8.8%, respectively.

Looking at properties by price range, those in the $200K - $300K range rose 4.6% and the $300K - $500K range were up 13.2%, but the $500K - $700K range lead the way with a 53.8% increase in units.

New listings were down 8.8% in December, but up 6.0% for 2021.

Total listings have been trading within a band between 26,000 and 28,000 new listings per year for a decade, all the while the number of households have grown by 2.1% from 622,087 in 2010 to 635,351 households in 2020.

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| **December Listings** |
| **County** | 2020 | 2021 | % Change |
| Milwaukee | 692 | 660 | -4.6% |
| Waukesha | 234 | 202 | -13.7% |
| Washington | 111 | 83 | -25.2% |
| Ozaukee | 63 | 58 | -7.9% |
| Metro Area | 1,100 | 1,003 | -8.8% |
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| Racine | 355 | 399 | 12.4% |
| Kenosha | 310 | 272 | -12.3% |
| Walworth | 247 | 180 | -27.1% |
| SE WI Area | 3,464 | 3,340 | -3.6% |
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| **2021 Listings**\* |
| **County** | 2020 | 2021 | % Change |
| Milwaukee |  4,805  |  6,709  | 12.9% |
| Waukesha |  7,151  |  6,897  | -3.6% |
| Washington |  2,400  |  2,469  | 2.9% |
| Ozaukee |  1,712  |  1,562  | -8.8% |
| Metro Area | 26,068  | 27,637  | 6.0% |
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| Racine |  3,591  |  3,850  | 7.2% |
| Kenosha |  2,903  |  2,992  | 3.1% |
| Walworth |  2,361  |  2,264  | -4.1% |
| SE WI Area | 34,923 | 36,743 | 5.2% |

The dearth of available units to purchase is the result of too few houses and condos being built since the Great Recession.

In December there was only enough inventory to satisfy 1.9 months of demand (about 7 weeks), and if we subtract units with an offer, it dropped to 0.7 months. To satisfy the demand REALTORS® are seeing this winter, the market needs an additional 7,975 units.

The law of supply and demand commands that prices go up in a tight market with a lot of buyers. And **prices did go up 10.8% in 2021 in the 4-county area; and up 11.1% in the 7-county SE WI market area**.

The price increases we have seen are directly related due to supply constraints and buyer demand (demand of new buyers, move- up buyers, and downsizers, among others), especially in the last five years.

That combined with the demographic surge of Millennial and Gen Z buyers, historically low interest rates, and a growing economy, have all contributed to an historically tight market and rising prices.

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| **2021 Sale Prices** (Jan 1 – Dec 31) |
| **County** | 2020 | 2021 | $ Change | % Chng |
| Milwaukee |  $219,460  | $240,531  |  $21,071  | 9.6% |
| Waukesha |  $396,576  | $428,841  |  $32,265  | 8.1% |
| Washington |  $296,419  | $336,841  |  $40,422  | 13.6% |
| Ozaukee |  $255,782  | $288,142  |  $32,360  | 12.7% |
| Metro Area Avg |  $292,059  | $263,456  |  $31,530  | 10.8% |
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| Racine |  $229,132  | $251,304  |  $22,172  | 9.7% |
| Kenosha |  $250,604  | $276,342  |  $25,738  | 10.3% |
| Walworth |  $378,487  | $428,671  |  $50,184  | 13.3% |
| SE WI Area Avg |  $289,494  | $321,525  |  $32,030  | 11.1% |

The **outlook for the 2022 market is** **excellent**, but slightly slower than 2021. Brokers are expecting the winter and spring markets to be brisk with some listings getting multiple offers, but overall not as intense as last spring.

The biggest X factor in the real estate market right now appears to be mortgage rates. They are forecast to be in vicinity of 3.5% in 2022. That is higher than what the market saw in 2021 and will likely push some potential buyers out. Nonetheless, it is an extremely good range historically that buyers should take advantage of as uncertainty over the impact of future inflation on the economy is a concern.

The 2019 housing market may be a good model for Metropolitan Milwaukee in 2022, when the market just topped 21,000 unit sales. Price appreciation will most likely cool a bit as well, staying out of double-digit range and settling in around 3% - 5%. Even with a slightly slower market, the availability of listings will continue to be the biggest obstacle for potential buyers to contend with this year.

**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.

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 December was 1.9 months.

Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer turn into a sale), offers a different perspective of the quantity of homes available for sale. Subtracting listings with an active offer from total listings, yields **a remarkably low 1,263 listings, which equals 0.7 months of inventory**.

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.

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 3,597 current listings providing 1.9 months of inventory, the market would need an additional 7,983 units to push inventory to 6 months.

 

 



 

 

 

 



 

 

 

 



 

 

 

 



 

 