

Sales Down 25.4% Through 2nd Qtr. June Home Sales Down 22%

Highlights

- **Prices Up 4.4% in Metro Milwaukee**
- **Sales Still Compared to Pandemic Surge**
- **Listings Are Dangerously Low Due to No Development**

Market Summary

Home sales in the Metropolitan Milwaukee market continued to come down from their pandemic high in the 2nd quarter and in June.

June marked one year since we began seeing rising mortgage interest rates hit the Metropolitan Milwaukee real estate market, pushing sales down by double-digits.

Rising mortgage rates forced buyers to reassess their purchasing ability, with many deciding that now is the right time in their lives to buy; realizing a home purchase is a solid investment and 6% interest rates are historically good.

Buyer demand is extremely strong among Millennials and Gen Z, driven by life changes and household formation, good credit, and strong employment prospects – a formula for strong demand for years to come.

Another consequence of rising interest rates was a reduction in listings. Potential sellers decided not to list after examining their ability to purchase another home with a slightly higher rate, foregoing a windfall from rising home prices.

2nd Quarter Sales

County	2022	2023	% Change
Milwaukee	6,100	4,331	-29.0%
Waukesha	2,481	2,035	-18.0%
Ozaukee	846	604	-28.6%
Washington	631	532	-15.7%
Metro Area	10,058	7,502	-25.4%
Racine	1,407	1,045	-25.7%
Kenosha	1,092	800	-26.7%
Walworth	782	616	-21.2%
SE WI Area	13,339	9,963	-25.3%

June Sales

County	2022	2023	% Change
Milwaukee	1,251	939	-24.9%
Waukesha	635	536	-15.6%
Ozaukee	144	117	-18.8%
Washington	200	148	-26.0%
Metro Area	2,230	1,740	-22.0%
Racine	284	217	-23.6%
Kenosha	245	170	-30.6%
Walworth	142	154	8.5%
SE WI Area	2,901	2,281	-21.4%

Unfortunately – as we have been highlighting for several years – the market could barely satisfy the demand for ownership opportunities in the form of condos and single-family houses. In fact June marked the 16th consecutive month of decreasing listings!

In the Metropolitan area, new listings were down 24.3% through the 2nd quarter and down 23.5% in June. The supply of inventory on hand was only enough to satisfy 2.6 months of buyer demand, and if we subtract units with an offer that level drops to 1.0 month.

“The historically low level of new construction and lack of new listings resulted in prices increasing 4.4%, or \$17,341.”

New construction would normally add 3,000 - 4,000 units to the market annually, but that market segment has been down by 50% for several years.

The historically low level of new construction and lack of new listings in the 4 county area resulted in prices increasing an average of 4.4%, or \$17,341.

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.

2nd Quarter Listings

County	2022	2023	% Change
Milwaukee	7,725	5,680	-26.5%
Waukesha	3,409	2,674	-21.6%
Ozaukee	1,125	858	-23.7%
Washington	809	679	-16.1%
Metro Area	13,068	9,891	-24.3%
Racine	1,833	1,355	-26.1%
Kenosha	1,380	1,008	-27.0%
Walworth	1,058	930	-12.1%
SE WI Area	17,339	13,184	-24.0%

June Listings

County	2022	2023	% Change
Milwaukee	1570	1184	-24.6%
Waukesha	781	598	-23.4%
Ozaukee	159	145	-8.8%
Washington	241	177	-26.6%
Metro Area	2,751	2,104	-23.5%
Racine	439	318	-27.6%
Kenosha	305	245	-19.7%
Walworth	223	189	-15.2%
SE WI Area	3,718	2,856	-23.2%

2nd Quarter Sale Prices (Jan 1 – Jun 30)

County	2022	2023	\$ Change	% Chng
Milwaukee	\$252,649	\$269,352	\$16,703	6.6%
Waukesha	\$477,979	\$488,955	\$10,976	2.3%
Washington	\$474,787	\$487,787	\$13,000	2.7%
Ozaukee	\$364,763	\$393,447	\$28,684	7.9%
Metro Area Avg	\$392,545	\$409,885	\$17,341	4.4%
Racine	\$266,605	\$272,959	\$6,354	2.4%
Kenosha	\$293,410	\$304,028	\$10,618	3.6%
Walworth	\$438,948	\$512,150	\$73,202	16.7%
SE WI Area Avg	\$367,020	\$389,811	\$22,791	6.2%



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.

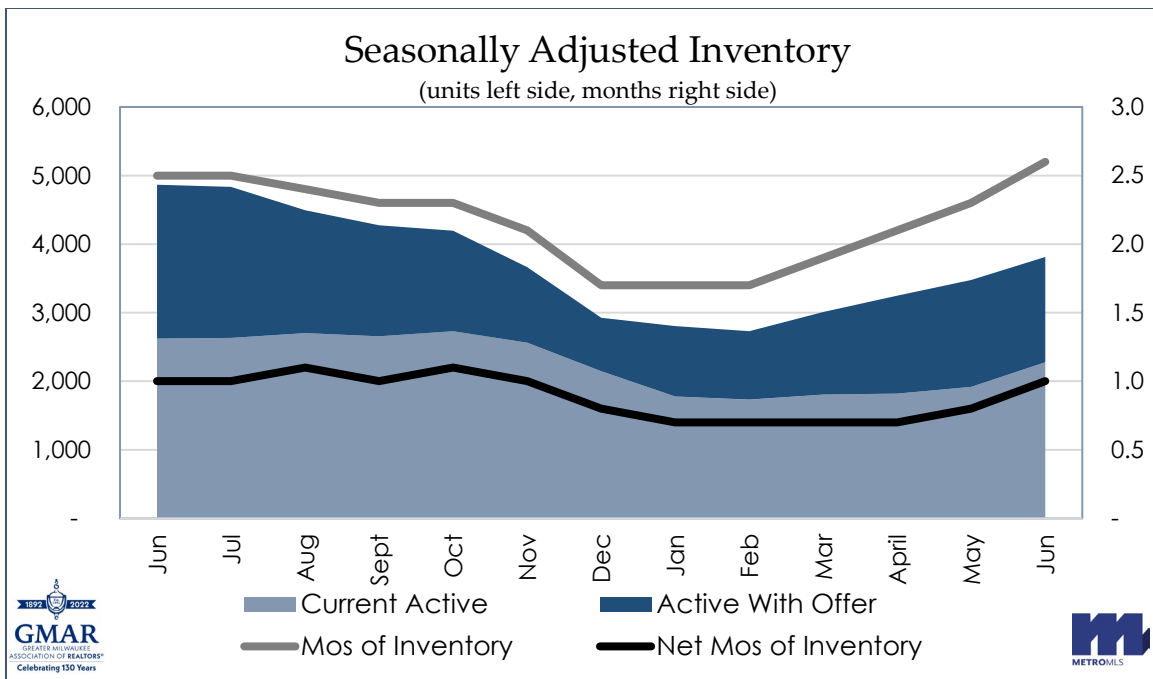
The Greater Milwaukee Association of REALTORS® is a 5,500-member strong professional organization dedicated to providing information, services, and products to help REALTORS® help their clients buy and sell real estate. Data for this report was collected by Metro MLS, Inc. a wholly owned subsidiary of 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.

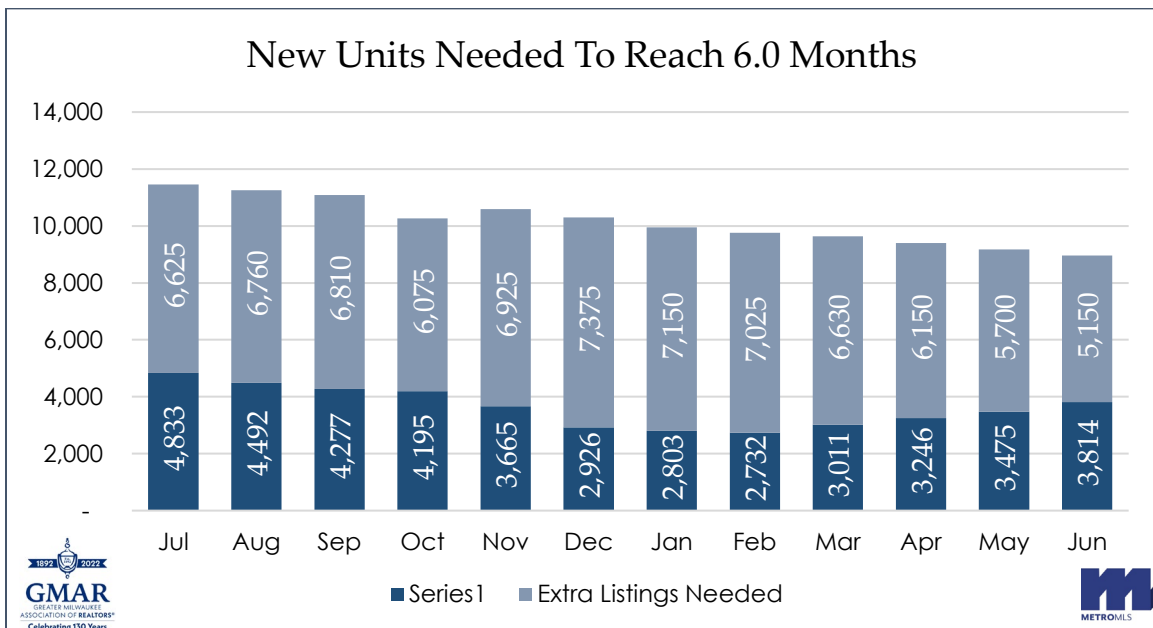
** All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus Racine, Kenosha, and Walworth Counties,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

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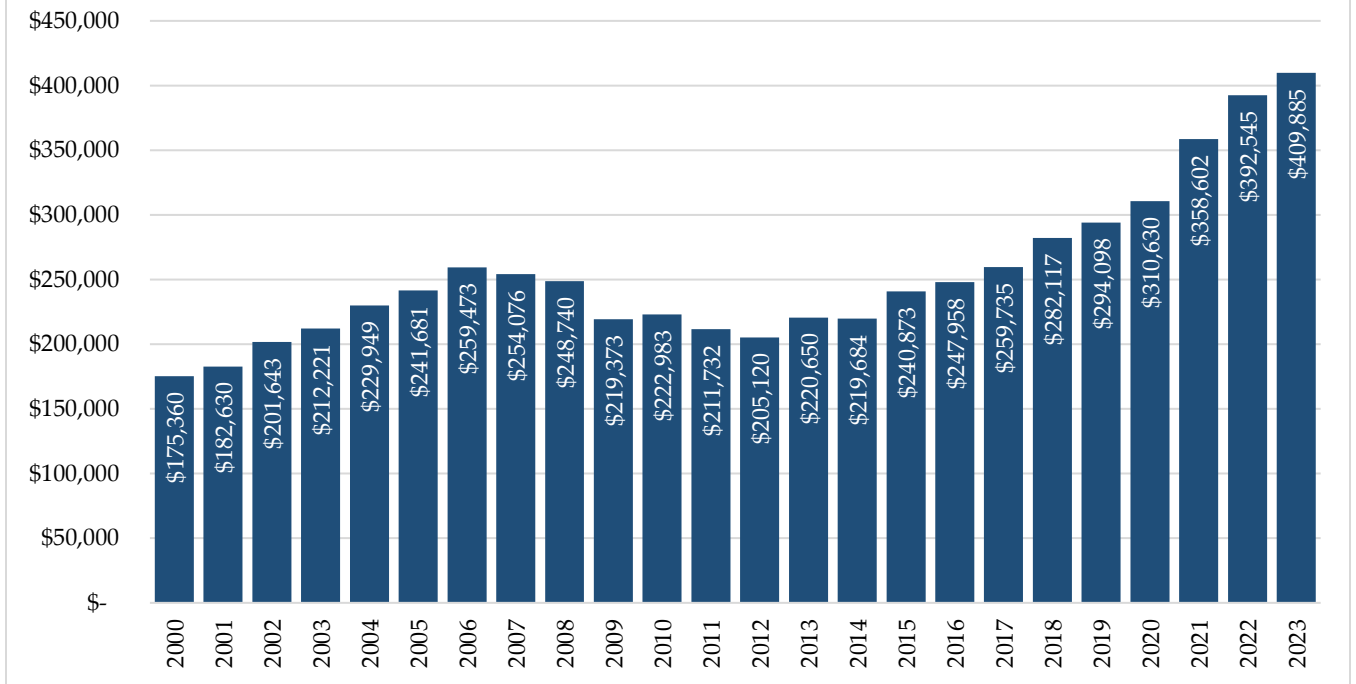


Seasonally adjusted inventory tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted inventory level for June was 2.6 months. Subtracting listings that have an “active offer” (1,537) from those available for sale (3,814)(about 80% of listings with an offer sell) yields 2,277 listings, which equals 1.0 month of inventory.

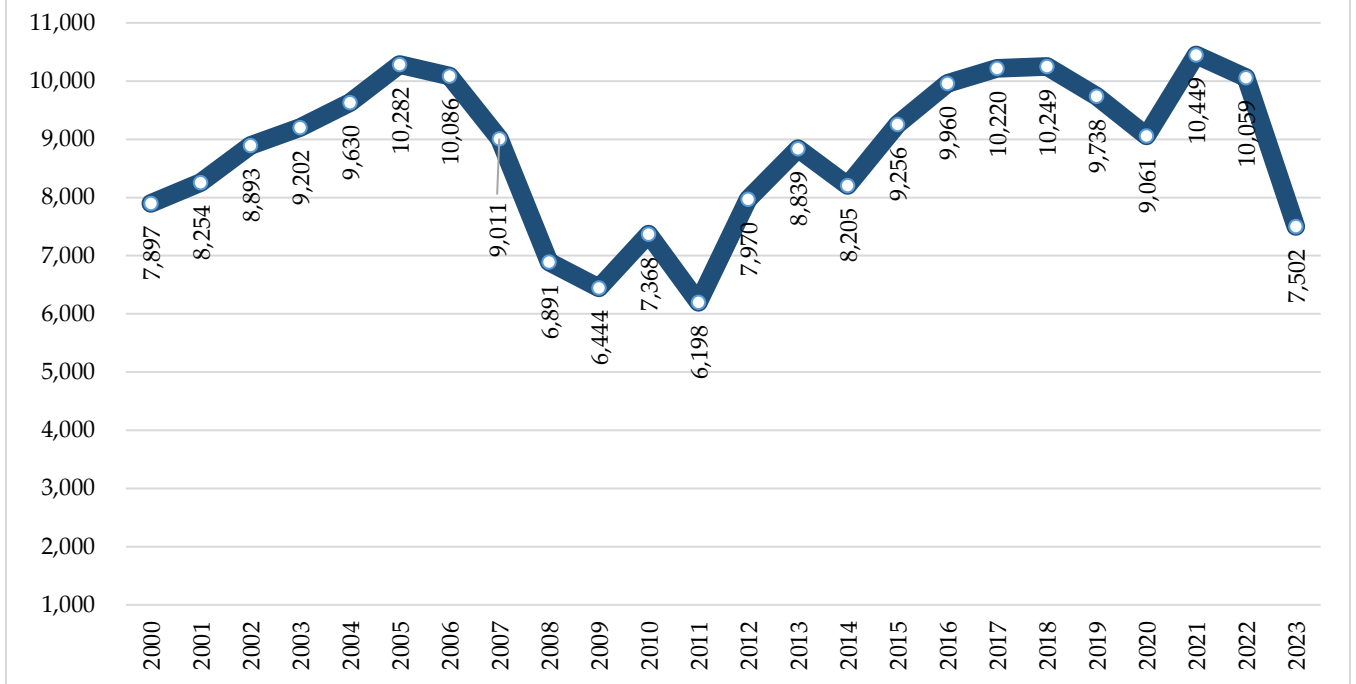


With 3,814 current listings providing 2.6 months of inventory, the market would need an additional 5,150 units to push inventory to 6 months. Six months of inventory is considered a “balanced” market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer’s market.

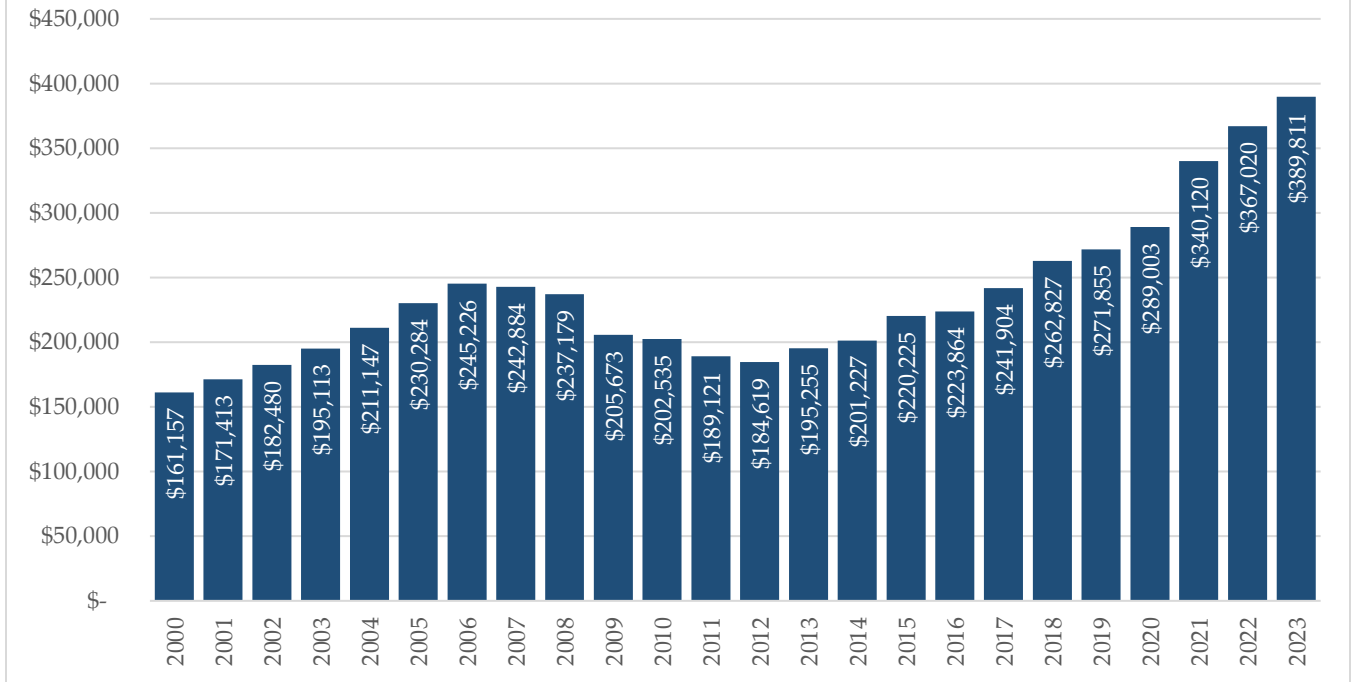
4 County Sale Price (2nd Qtr)



4 County Total Sales (2nd Qtr)



7 County Sale Price (2nd Qtr)



7 County Total Sales (2nd Qtr)

