

**For Immediate Release**

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**October Home Sales Up 7.9%**

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| **Market Highlights** |
| * October Listings Up 5.3% |
| * Fixer-Uppers Are a Good Option |
| * Year End Will Be Close to Last 3 Years |

November 12, 2019 – Home sales were up a solid 7.9% in October compared to a year earlier in the 4 county greater Milwaukee market. There were 1,835 homes sold in October 2019, versus 1,700 units in October 2018.

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| **October Sales** | | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 901 | 995 | 10.5% |
| Waukesha | 516 | 521 | 1.0% |
| Washington | 175 | 185 | 5.7% |
| Ozaukee | 108 | 134 | 24.1% |
| 4 County Area | 1,700 | 1,835 | 7.9% |
|  |  |  |  |
| Racine | 255 | 227 | -11.0% |
| Kenosha | 200 | 201 | 0.5% |
| Walworth | 188 | 184 | -2.1% |

October marked the fifth month of positive sales in 2019. All 4 metropolitan counties had healthy sales.

At this point in the annual cycle we often see sales trail off, but with listings up in September and October there were enough homes available for buyers to choose from.

Additionally, the regional economic footing that the housing market is built on – low unemployment, household growth, low interest rates – provides an environment for healthy demand. Brokers expect this level of interest to continue the rest of the year, and probably into 2020.

While it would appear the market is leaning in favor of sellers, many buyers are pushing back and not accepting sellers’ “take it or leave it” approach. Multiple offers have slowed, and buyers are making counter demands.

Sellers must have their property in “move in” condition to attract good, quality offers.

Buyers, on the other hand, would be best served to ask their REALTOR® to start looking at properties that need a little fixing up. A “fixer-upper” can often be purchased at a discount relative to similar properties in “move in” condition, allowing buyers to realize a larger capital gain when they eventually sell.

**Listings**

Listings were down in most counties in the metropolitan area, despite a 5.3% increase regionally, due to a relatively large bump from Milwaukee County.

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| **October Listings** | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 1,126 | 1,301 | 15.5% |
| Waukesha | 575 | 562 | -2.3% |
| Washington | 195 | 189 | -3.1% |
| Ozaukee | 146 | 98 | -32.9% |
| 4 County Area | 2,042 | 2,150 | 5.3% |
|  |  |  |  |
| Racine | 322 | 335 | 4.0% |
| Kenosha | 276 | 274 | -0.7% |
| Walworth | 181 | 181 | 0.0% |

A decrease in listings at year-end is not unusual. In fact, the 15.5% jump in listings in Milwaukee County looks more like an anomaly.

However, despite the typical annual decline, the metropolitan market is deficient in listings.

In just the 4-county area, it would take an additional 3,625 listings (mostly priced under $300,000) to come close to satisfying current demand. That’s on top of the 6,551 listings currently in MLS.

**Inventory**

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 October was 3.9 months.  The seasonally adjusted level was also 3.8 months in October 2018.

Generally, 6 months of inventory is considered a “balanced” market. If inventory falls below 6 months, the market favors sellers; and when inventory exceeds 6 months, it is a buyer’s market.

We also calculate inventory by subtracting the listings that have an “active offer” from those available for sale in a given month.

Approximately 8 in 10 listings that buyers place an offer on go on to a complete sale. This gives us a different perspective of the quantity of homes available on the market.

Subtracting the 1,840 listings with an active offer from total current listings presents an effective inventory level of 2.1 months.  A year ago, the same calculation showed October’s inventory level at 2.2 months.

Sales numbers would be higher (and there would be more happy buyers) if there were an adequate supply of single-family and condominium units in the market.

For the last few years, resources have been allocated to apartment development, tying up labor and materials that could be used to alleviate the demand for single-family and condominium units in the region.

Additionally, many communities are missing the quality of life enhancements that homeownership provides – long-term community engagement, building wealth via property ownership, etc.

**Year End**

Based on the average sales for the final quarter over the last 3 years, the four-county area can expect about 4,585 sales in the 4th quarter of 2019. That would yield an annual total of 20,431 sales, about 3%, 629 total units,

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|  | **2016** | **2017** | **2018** | **2019** |
| Oct | 1,697 | 1,802 | 1,700 | 1,835 |
| Nov | 1,463 | 1,540 | 1,549 |  |
| Dec | 1,371 | 1,392 | 1,242 |  |
| 4th Qtr | 4,531 | 4,734 | 4,491 |  |
|  |  |  |  |  |
| Year End | **21,007** | **21,357** | **21,060** | **17,681\*** |
| \* 10 month total | | | | |

behind 2018’s total of 21,060.

The 4th quarter should produce around 6,417 additional sales in SE Wisconsin (based on a 3yr average), for a total of 28,017 annual sales, putting the region 0.6% behind 2018’s total of 28,180.

**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 4,500-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 “4th qtr” (or year-end) because the collection of “Monthly Stats” ends on the 10th of each month; whereas the “4th qtr” is a continuous tally to 12/31.  For example, if a sale occurred on October 29th, but the agent does not record the sale until October 11th, that sale would not be included in the October sales figures (or any subsequent month’s total) but would be added to the annual total sales figure in the “4th qtr” total.