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For Immediate Release

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# November Home Sales Down 0.8%

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| Highlights |  |
| * Sales Down in November, Essentially Flat
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| * Listings Up for 4th Month in a Row
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| * Prices Up 9.7%
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| **November Sales** |
| County | 2022 | 2023 | % Change |
| Milwaukee | 777 | 787 | 1.3% |
| Waukesha | 378 | 375 | -0.8% |
| Ozaukee | 87 | 83 | -4.6% |
| Washington | 106 | 92 | -13.2% |
| Metro Area | 1,348 | 1,337 | -0.8% |
|  |
| Racine | 229 | 184 | -19.7% |
| Kenosha | 128 | 108 | -15.6% |
| Walworth | 116 | 89 | -23.3% |
| SE WI Area | 1,821 | 1,718 | -5.7% |
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| **November Listings** |
| County | 2022 | 2023 | % Change |
| Milwaukee | 766 | 860 | 12.3% |
| Waukesha | 357 | 314 | -12.0% |
| Ozaukee | 78 | 84 | 7.7% |
| Washington | 118 | 108 | -8.5% |
| Metro Area | 1,319 | 1,366 | 3.6% |
|  |
| Racine | 174 | 187 | 7.5% |
| Kenosha | 146 | 120 | -17.8% |
| Walworth | 106 | 122 | 15.1% |
| SE WI Area | 1,745 | 1,795 | 2.9% |

Market Summary

Home sales in the Metropolitan Milwaukee market area were down in November, but just barely.

November missed positive territory by just 11 units compared to a year earlier. October saw the first increase in sales in 18 months.

Listings, on the other hand, were on a four-month run. Increasing 3.6% in November in the four county area.

However, to put the impact of higher interest rates in mid-2022 into perspective, new listings were down 12.8% compared to November 2021.

Listings are desperately needed in the market and are a major reason unit sales were down. Despite a higher interest rate environment, demand is strong and if there were more units for sale, those units would sell.

Inventory was 2.8 months in November (6 months is a balanced market), and if we take listings with an offer out, the rate fell to 1.4 months. That’s an indication of a very tight market in favor of sellers, and rising prices.

In fact prices rose 9.7% in November, going up from an average price of $346,442 to $379,887.

A lack of new construction and existing home listings held back home sales and pushed prices up. Through October there were 1,364 new home construction permits taken out in the 4-county area. A year ago there were 1,688 permits,1 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 4,425 additional units in November.

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.

1 Units of new construction permits in the 4-county are according to [Census Bureau's Building Permits Survey](https://socds.huduser.gov/permits/)

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 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 the three counties to the south, Racine, Kenosha, and Walworth Counties.

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Seasonally adjusted **i**nventory tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted inventory level for November was 2.8 months. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **2,859** listings, which equals 1.4 months of inventory.

With 3,763 current listings providing 2.8 months of inventory, the market would need an additional 4,425 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.