

**For Immediate Release**

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**April Home Sales Down 8.2%**

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| **Highlights** | **May 11, 2022** |
| * April Being Down 8.2% is No Big Deal |
| * Listings Down 3.4% For The Year |
| * Prices Were Up 11.6% |

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| **April Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1,067 | 1,037 | | -2.8% |
| Waukesha | 487 | 429 | | -11.9% |
| Ozaukee | 113 | 100 | | -11.5% |
| Washington | 173 | 124 | | -28.3% |
| Metro Area | 1,840 | 1,690 | | -8.2% |
|  | | | | |
| Racine | 252 | 236 | -6.3% | |
| Kenosha | 189 | 203 | 7.4% | |
| Walworth | 155 | 130 | -16.1% | |
| SE WI Area | 2,436 | 2,259 | -7.3% | |
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| **April Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1,464 | 1,287 | | -12.1% |
| Waukesha | 702 | 627 | | -10.7% |
| Ozaukee | 149 | 169 | | 13.4% |
| Washington | 224 | 212 | | -5.4% |
| Metro Area | 2,539 | 2,295 | | -9.6% |
|  | | | | |
| Racine | 341 | 329 | | -3.5% |
| Kenosha | 273 | 250 | | -8.4% |
| Walworth | 216 | 211 | | -2.3% |
| SE WI Area | 3,369 | 3,085 | | -8.4% |

**Market Summary**

Home sales in the Metropolitan Milwaukee real estate market were down 8.2% in April. But no one should panic, because looking at the first four months of the year there were 5,658 units sold, the second most on record. Second only to 2021’s 5,730.

In fact, much of 2022 will probably appear to be down compared to last year, because 2021 was an exceptionally wild year for residential real estate.

The outlook for 2022 is pretty solid from April’s perspective. Despite some headwinds in the form of interest rate hikes, inflation, and supply chain issues, the current market should be able to withstand them.

The real concern in the market is the availability of listings for sale. That is an area that brokers have seen negative numbers for several years.

Over the first four months of the year there were 7,342 listings in the Greater Milwaukee area, down 3.4% from the same period a year ago and the lowest for January to April this century. In this kind of market buyers need a REALTORS® expertise to help them stay calm during their search, find the right property, then move on it quickly.

It was an encouraging sign to see new listings up 11.8% in February, but disheartening when they went down 12.1% in March. That has been the story for the last six years, rollercoaster listing reports that have been on the negative side 43 of 76 months.

The Metropolitan market needs an additional 7,525 units to get to a “balanced” market (6 months of inventory) and satisfy current demand. In April there was only enough inventory to satisfy 2.1 months of demand, and if we subtract units with an offer on them, that level drops to 0.6 months. This means the sellers’ market will continue for the near future.

Of course, when supply is tight prices go up, and the average sale price in the 4-county metropolitan area went up 11.6% in April. The average sale price was $319,716 in April 2021 and increased to $356,932 in April 2022. In the 7-county Southeastern Wisconsin market prices went up from $316,006 in April 2021 to $350,943 in April 2022, an 11.1% jump.

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over production of apartments. That bottle-neck combined with the demographic surge of Millennial and GenZ buyers, low interest rates (Yes, 6% is a low rate!), and a growing economy, have all contributed to an historically tight market.

If the region does not create additional supply in the form of more single-family and condominium 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.

**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 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 **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 April was 2.1 months**.

Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer turn into a sale), provides a unique perspective on the quantity of homes available for sale. Subtracting listings with an active offer from total listings, yields **3,341 listings, which equals 0.6 month of inventory.**

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 4,155 current listings providing 2.1 months of inventory, **the market would need an additional 7,525 units to push inventory to 6 months**.