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For Immediate Release

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# May Home Sales Down 1.7%

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| Highlights |  |
| * Sales Down 56 Units In May |
| * Listings Down 4.5% |
| * Market Very Strong Despite Interest Rate Hike |

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| **May Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1214 | 1171 | | -3.5% |
| Waukesha | 539 | 525 | | -2.6% |
| Ozaukee | 115 | 123 | | 7.0% |
| Washington | 161 | 176 | | 9.3% |
| Metro Area | 2,029 | 1,995 | | -1.7% |
|  | | | | |
| Racine | 257 | 268 | 4.3% | |
| Kenosha | 211 | 196 | -7.1% | |
| Walworth | 185 | 167 | -9.7% | |
| SE WI Area | 2,682 | 2,626 | -2.1% | |
|  | | | | |
| **May Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1586 | 1462 | | -7.8% |
| Waukesha | 652 | 688 | | 5.5% |
| Ozaukee | 159 | 165 | | 3.8% |
| Washington | 249 | 213 | | -14.5% |
| Metro Area | 2,646 | 2,528 | | -4.5% |
|  | | | | |
| Racine | 368 | 361 | | -1.9% |
| Kenosha | 279 | 273 | | -2.2% |
| Walworth | 244 | 197 | | -19.3% |
| SE WI Area | 3,537 | 3,359 | | -5.0% |

Market Summary

The Metropolitan Milwaukee home sales market was down 1.7% (56 units) in May compared to a year ago.

To put this into perspective, the 2021 market was the best ever. A slight decline compared to a record sales year is not a concern. The market is still operating at a very high level.

Year-to-date through May there were 7,653 sales versus 7,759 in ‘21, a 1.4% drop (106 units). Again, a small decline confirming the strength of the current market.

Individually, sales were mixed in the four Metropolitan Milwaukee counties. Brokers were not alarmed about the decreases in Milwaukee and Waukesha Counties, but rather, pleased with the sales increases in Ozaukee and Washington Counties.

New listings were down 4.5% in May, continuing a years’ long trend of not enough homes available to satisfy buyers’ needs.

The scarcity of inventory plaguing the market will continue well into the future. To reach a balanced market (commonly understood to be 6 months of inventory) the four county area needed 7,150 additional units in May. That month there was only enough inventory to satisfy 2.3 months of buyer demand, and if we subtract units with an offer on them that level drops to 0.8 months.

Sellers should seriously think about listing during the coming months for following reasons:

1. Currently, demand is high, and the summer months see the highest prices;
2. Listings will get a lot of attention because there are just too few homes for sale;
3. Many listings are still getting multiple offers;
4. Don’t time the market – while things are good now, we don’t know what the rest of the year will bring.

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, historically low interest rates (yes, even at 5%), 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 for their home.

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 **i**nventory tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted inventory level for May was 2.3 months. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields 2,183 listings, which equals 0.8 month of inventory.

With 4,463 current listings providing 2.3 months of inventory, the market would need an additional 7,150 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.