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For Immediate Release

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# June Home Sales Down 10.6%

# Sales Down 3.8% Through 2nd Qtr

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| Highlights |  |
| * Lower Sales Due to Historic 2021 |
| * Interest Rate Hikes Aren’t Visible Yet |
| * Prices Increased Throughout SE Wisconsin |

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| **June Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1375 | 1251 | | -9.0% |
| Waukesha | 706 | 635 | | -10.1% |
| Ozaukee | 166 | 144 | | -13.3% |
| Washington | 247 | 200 | | -19.0% |
| Metro Area | 2,494 | 2,230 | | -10.6% |
|  | | | | |
| Racine | 350 | 284 | -18.9% | |
| Kenosha | 289 | 245 | -15.2% | |
| Walworth | 216 | 142 | -34.3% | |
| SE WI Area | 3,349 | 2,901 | -13.4% | |
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| **2nd Quarter Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 6,156 | 6,100 | | -0.9% |
| Waukesha | 2,707 | 2,481 | | -8.3% |
| Ozaukee | 947 | 846 | | -10.7% |
| Washington | 640 | 631 | | -1.4% |
| Metro Area | 10,450 | 10,058 | | -3.8% |
|  | | | | |
| Racine | 1,472 | 1,407 | | -4.4% |
| Kenosha | 1,162 | 1,092 | | -6.0% |
| Walworth | 907 | 782 | | -13.8% |
| SE WI Area | 13,991 | 13,339 | | -4.7% |

Market Summary

Home sales in the Metropolitan Milwaukee market were down 10.6% in June, but not because of the recent increase in interest rates. Rather, sales were down in comparison to a record setting market in 2021, and sales have simply cooled slightly in 2022.

June marked the fourth month in 2022 with decreased sales relative to 2021, again, due to 2021’s exceptional performance.

Through the 2nd quarter sales had their second best stretch ever. The 10,058 sales in 2022 were second only to 2021’s 10,450.

Although 30-year mortgage rates did start ticking up last month, June sales were negotiated weeks earlier, when buyers were able to lock in lower interest rates. The impact of increasing interest rates is yet to be seen.

New listings were down 21.5% in June for the fourth month in a row. Once more, this was most likely not related to interest rates going up. Instead, last year sellers jumped into a hot market and pushed listings up from 2,654 in 2020 to 3,506 in 2021, then coming back down to earth this past June to 2,751 (up 7.8% over 2020).

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| **June Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 2192 | 1570 | | -28.4% |
| Waukesha | 853 | 781 | | -8.4% |
| Ozaukee | 172 | 159 | | -7.6% |
| Washington | 289 | 241 | | -16.6% |
| Metro Area | 3,506 | 2,751 | | -21.5% |
|  | | | | |
| Racine | 411 | 439 | 6.8% | |
| Kenosha | 344 | 305 | -11.3% | |
| Walworth | 237 | 223 | -5.9% | |
| SE WI Area | 4,498 | 3,718 | -17.3% | |
|  | | | | |
| **2nd Quarter Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 8,579 | 7,725 | | -10.0% |
| Waukesha | 3,558 | 3,409 | | -4.2% |
| Ozaukee | 1,283 | 1,125 | | -12.3% |
| Washington | 845 | 809 | | -4.3% |
| Metro Area | 14,265 | 13,068 | | -8.4% |
|  | | | | |
| Racine | 1,811 | 1,833 | | 1.2% |
| Kenosha | 1,440 | 1,380 | | -4.2% |
| Walworth | 1,179 | 1,058 | | -10.3% |
| SE WI Area | 18,695 | 17,339 | | -7.3% |

The perpetual 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 6,730 additional units through June.

In June there was only enough inventory to satisfy 2.5 months of buyer demand, and if we subtract units with an offer on them that level drops to 1 month.

…thousands of would-be homeowners will be forced into rental units, foregoing the opportunity to build wealth…

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, attractive interest rates, 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.

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| **2nd Quarter Sale Prices** (Jan 1 – Mar 31) | | | | |
| **County** | 2021 | 2022 | $ Change | % Chng |
| Milwaukee | $239,666 | $252,649 | $12,983 | 5.4% |
| Waukesha | $419,702 | $477,979 | $58,277 | 13.9% |
| Washington | $445,495 | $474,787 | $29,292 | 6.6% |
| Ozaukee | $329,543 | $364,763 | $35,220 | 10.7% |
| Metro Area Avg | $358,602 | $392,545 | $33,943 | 9.5% |
|  | | | | |
| Racine | $244,808 | $266,605 | $21,797 | 8.9% |
| Kenosha | $266,110 | $293,410 | $27,300 | 10.3% |
| Walworth | $435,518 | $438,948 | $3,430 | 0.8% |
| SE WI Area Avg | $340,120 | $367,020 | $26,900 | 7.9% |

The pressure of high demand on low supply can only be expressed through increasing prices, and that is what the Metropolitan market saw through the 2nd quarter. Every county in the region went up in average sale price.

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

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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 June was 2.5 months. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields 2,623 listings, which equals 1.0 month of inventory.

With 4,866 current listings providing 2.5 months of inventory, the market would need an additional 6,730 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.