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For Immediate Release

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# September Home Sales Down 17.2%

# Sales Down 8.6% Through 3rd Qtr

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| Highlights |  |
| * Lower Sales Due to Historic 2021 & Increasing Interest Rates |
| * Prices Up 7.8% in Metro Milwaukee |
| * Listings Are Still Way Down |

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| **September Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1219 | 1004 | | -17.6% |
| Waukesha | 624 | 528 | | -15.4% |
| Ozaukee | 123 | 119 | | -3.3% |
| Washington | 228 | 165 | | -27.6% |
| Metro Area | 2,194 | 1,816 | | -17.2% |
|  | | | | |
| Racine | 327 | 262 | -19.9% | |
| Kenosha | 237 | 186 | -21.5% | |
| Walworth | 192 | 171 | -10.9% | |
| SE WI Area | 2,950 | 2,435 | -17.5% | |
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| **3rd Quarter Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 10,211 | 9,496 | | -7.0% |
| Waukesha | 4,720 | 4,226 | | -10.5% |
| Ozaukee | 1,652 | 1,397 | | -15.4% |
| Washington | 1,069 | 1,016 | | -5.0% |
| Metro Area | 17,652 | 16,135 | | -8.6% |
|  | | | | |
| Racine | 2,445 | 2,256 | | -7.7% |
| Kenosha | 1,954 | 1,686 | | -13.7% |
| Walworth | 1,488 | 1,281 | | -13.9% |
| SE WI Area | 23,539 | 21,358 | | -9.3% |

Market Summary

Home sales in the Metropolitan Milwaukee market were down 17.2% in September, and 8.6% through the 3rd quarter.

Unlike past months when sales were down compared to a record setting 2021, sales were down in September partly in contrast to 2021, but also because of increasing mortgage rates.

Nonetheless, through the 3rd quarter there were 16,135 sales in Metropolitan Milwaukee in versus 17,652 in the same time period in 2021. Being off 8.6% is not concerning given the height of the 2021 market.

For the rest of the year the market looks pretty good. Rather than making comparisons to the pandemic fueled markets in 2020 and 2021, if we look at the four year period from 2016–2019 there was an average of 4,648 sales in the 4th quarter of those years. Adding that to the 16,135 units sold through the first three quarters of this year, we end up with 20,783 sales – a solid year.

Brokers are reporting that buyers and sellers are still adjusting to new market dynamics. Buyers should be cautioned that we have not entered a “buyers market” simply because sales have slowed down. And sellers should not expect 10 offers in 3 days either.

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| **September Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 1466 | 1130 | | -22.9% |
| Waukesha | 619 | 507 | | -18.1% |
| Ozaukee | 157 | 102 | | -35.0% |
| Washington | 247 | 158 | | -36.0% |
| Metro Area | 2,489 | 1,897 | | -23.8% |
|  | | | | |
| Racine | 399 | 295 | -26.1% | |
| Kenosha | 272 | 200 | -26.5% | |
| Walworth | 180 | 177 | -1.7% | |
| SE WI Area | 3,340 | 2,569 | -23.1% | |
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| **3rd Quarter Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 13,564 | 11,564 | | -14.7% |
| Waukesha | 5,747 | 5,175 | | -10.0% |
| Ozaukee | 2,084 | 1,700 | | -18.4% |
| Washington | 1,291 | 1,184 | | -8.3% |
| Metro Area | 22,686 | 19,623 | | -13.5% |
|  | | | | |
| Racine | 3,078 | 2,853 | | -7.3% |
| Kenosha | 2,396 | 2,056 | | -14.2% |
| Walworth | 1,875 | 1,654 | | -11.8% |
| SE WI Area | 30,035 | 26,186 | | -12.8% |

Listings have declined and given that the market was in an aggressive “sellers market” for some time, it is going to take a while to acquire the units necessary to reach any kind of balance, much less a buyers market.

There are two significant headwinds to acquiring those needed units: 1) There is a whole new generation of households, in the form of Millennials, that want to own a home and are gobbling up anything that is reasonable; and 2) We are several years into a dearth of new construction that will plague the market well into the future.

Buyers should be cautioned that we have not entered a “buyers market”… And sellers should not expect 10 offers in 3 days either.

New listings were down 23.8% in September for the seventh month in a row. The supply of inventory on hand is only enough to satisfy 2.3 months of buyer demand, and if we subtract units with an offer on them that level drops to 1.0 month.

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 3rd quarter. Every county in the region saw average sale price increases.

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| **3rd** **Quarter Sale Prices** (Jan 1 – Sept 30) | | | | |
| **County** | 2021 | 2022 | $ Change | % Chng |
| Milwaukee | $243,472 | $259,334 | $15,862 | 6.5% |
| Waukesha | $440,687 | $481,903 | $41,216 | 9.4% |
| Washington | $450,149 | $476,872 | $26,723 | 5.9% |
| Ozaukee | $335,300 | $366,091 | $30,791 | 9.2% |
| Metro Area Avg | $367,402 | $396,050 | $28,648 | 7.8% |
|  | | | | |
| Racine | $251,203 | $272,334 | $21,131 | 8.4% |
| Kenosha | $272,730 | $299,862 | $27,132 | 9.9% |
| Walworth | $438,251 | $451,976 | $13,725 | 3.1% |
| SE WI Area Avg | $347,399 | $372,625 | $25,226 | 7.3% |

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over production of apartments.

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 5,500-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 September 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 2,657 listings, which equals 1.0 month of inventory.

With 4,277 current listings providing 2.3 months of inventory, the market would need an additional 6,810 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.