

**For Immediate Release**

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**January Home Sales Down 0.1%**

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| **Highlights** | **February 10, 2022** |
| * Sales Down 0.1% = 1 unit |
| * January Sales 2nd Best Ever |
| * Listings Up 5.9% |

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| **January Sales** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 708 | 742 | | 4.8% |
| Waukesha | 301 | 252 | | -16.3% |
| Ozaukee | 83 | 73 | | -12.0% |
| Washington | 97 | 121 | | 24.7% |
| Metro Area | 1,189 | 1,188 | | -0.1% |
|  | | | | |
| Racine | 167 | 168 | 0.6% | |
| Kenosha | 133 | 137 | 3.0% | |
| Walworth | 101 | 92 | -8.9% | |
| SE WI Area | 1,590 | 1,585 | -0.3% | |
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| **January Listings** | | | | |
| County | 2021 | 2022 | | % Change |
| Milwaukee | 947 | 1075 | | 13.5% |
| Waukesha | 306 | 315 | | 2.9% |
| Ozaukee | 99 | 80 | | -19.2% |
| Washington | 134 | 103 | | -23.1% |
| Metro Area | 1,486 | 1,573 | | 5.9% |
|  | | | | |
| Racine | 200 | 173 | | -13.5% |
| Kenosha | 144 | 127 | | -11.8% |
| Walworth | 133 | 120 | | -9.8% |
| SE WI Area | 1,963 | 1,993 | | 1.5% |

**Market Summary**

While January was technically down in sales in the Metropolitan Milwaukee real estate market, it was only down by one unit compared to a year ago. That is essentially even with 2021, and being even with the best January ever is a good place to start the new year.

Sales were mixed in the four Metropolitan Milwaukee counties, but nothing that should be of concern to sellers. This winter’s market is a continuation of the 2021 market, and contrasting this past January to January 2020, the market is up 8.8%.

New listings were up 5.9% in January, continuing the trend from 2021 when the market saw the highest annual total since 2015. This is a positive sign especially as we head into the spring market. Sellers seem to be getting the message that it is a good time to sell.

While listings are trending in the right direction there is still a significant dearth of inventory, to the tune of 8,725 units. That’s how many we need to satisfy current demand, which means the sellers-market will continue for the foreseeable future. In January there was only enough inventory to satisfy 1.7 months of demand (in a balanced market there would be 6 months of inventory), and if we subtract units with an offer on them that level drops to 0.6 month.

**Sellers should seriously think about listing during the winter months** for five reasons: 1) Currently, demand is high and, historically, supply is low in the winter months; 2) Sellers’ listings will get a lot of attention because there are fewer listings in the winter months; 3) Listings will have fewer competing homes; 4) Many listings are still getting multiple offers; 5) Don’t time the market – while things look good, we don’t know what 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 (even at 3.5%), 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.

The outlook for the market in 2022 is pretty solid. Brokers are reporting strong interest among potential buyers this winter, and sellers are excited to list their homes.

**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 January was 1.7 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 **2,751 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 3,365 current listings providing 1.7 months of inventory, **the market would need an additional 8,275 units to push inventory to 6 months**.