

For Immediate Release

Contact: Mike Ruzicka

414.778.4929 or 414.870.1876

mike@gmar.ws



May Home Sales Up 0.7%

Market Highlights

- First Positive Sales Month in 2019
- 2nd Strongest May This Century
- More Units Needed Under \$300K

June 10, 2019 – Home sales were up 0.7% in May compared to a year earlier. There were 2,121 homes sold in May 2019, versus 2,136 units in May 2018. May marked the first time the market saw positive sales in 2019.

May Sales

County	2018	2019	% Change
Milwaukee	1,234	1,194	-3.2%
Waukesha	542	589	8.7%
Washington	205	217	5.9%
Ozaukee	140	136	-2.9%
4 County Area	2,121	2,136	0.7%
Racine	282	302	7.1%
Kenosha	242	264	9.1%
Walworth	190	222	16.8%

There have only been 6 times May sales have exceeded 2,000 sales since 2000, in 2005 and 2006, and the last four consecutive years. Sales in the past four years were within a 68 unit range. In 2016 there were 2,111 sales, 2,179 in 2017, and 2,121 in 2018, compared to 2,136 sales this May.

Given the regional economy – low unemployment, low interest rates – it's no surprise there was healthy demand for homes by those seeking them. 69% of sales occurred within 30 days of a home being listed, and most of those, 68%, were priced under \$300K.

Often, a house in good condition in the \$300,000 price range will see multiple offers within hours of being listed, resulting in prices being bid up in many cases.

May Price Point & Days on Market

County	<\$300K	<30 Days	<60 Days
Milwaukee	83%	71%	86%
Waukesha	46%	68%	82%
Washington	65%	67%	81%
Ozaukee	41%	59%	76%
4 Cnty Area	68%	69%	84%
Racine	79%	64%	78%
Kenosha	77%	66%	82%
Walworth	64%	49%	63%

While pricing is efficiently determined by supply and demand, the supply side of the market is not currently operating in an economical manner.

For the last few years, resources have been allocated to apartment development, tying up labor and materials that could be used to alleviate the demand for single-family and condominium units in the region.

Additionally, many communities are missing the quality of life enhancements that homeownership provides – long-term community engagement, building wealth via property ownership, etc.

Listings

Many homes listed in May will become sales in June and July. The fact that listings were up in Waukesha and Ozaukee Counties is good news for potential buyers. But, the opposite is true in Milwaukee and Washington Counties, where listings were down.

May Listings

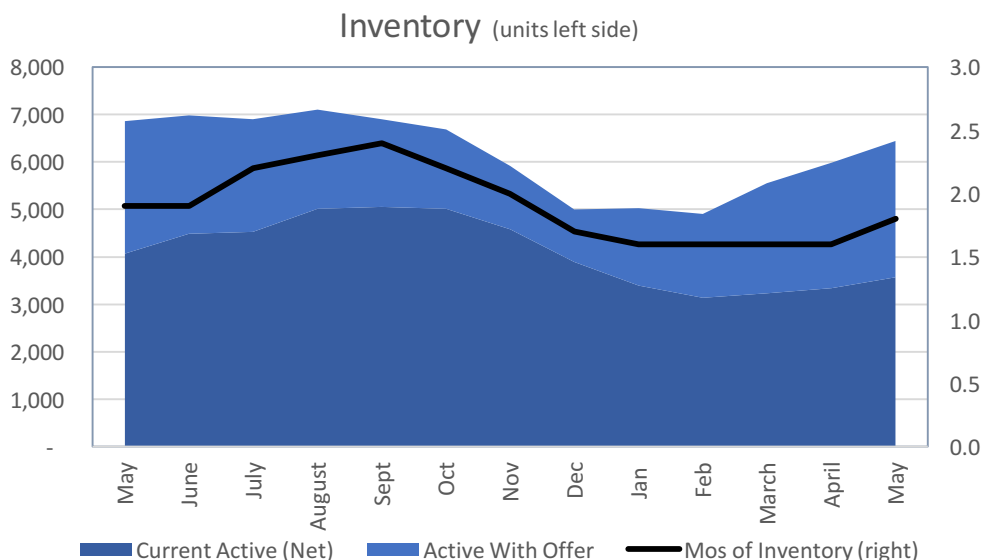
County	2018	2019	% Change
Milwaukee	1,665	1,564	-6.1%
Waukesha	864	880	1.9%
Washington	281	272	-3.2%
Ozaukee	172	206	19.8%
4 County Area	2,982	2,922	-2.0%
Racine	385	379	-1.6%
Kenosha	332	315	-5.1%
Walworth	305	257	-15.7%

May's 2,922 listings were down 2% from 2018, and down 3.8% compared to 2017. In the 53 months since May 2015, there have only been 19 months in positive listing territory, 36% of the time.

The metropolitan market could use an additional 3,670 listings (more than half priced under \$300,000) to come close to satisfying current demand. That's on top of the 6,438 listings currently in MLS.

Inventory

Seasonally adjusted inventory is calculated by taking the homes available for sale in a given 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 May was 3.8 months. The seasonally adjusted level was 3.9 months in May 2018.



Generally, 6 months of inventory is considered a “balanced” market. If inventory falls below 6 months, the market favors sellers; and when inventory exceeds 6 months, it is a buyer’s market.

We also calculate inventory by subtracting the listings that have an “active offer” from those available for sale in a given month.

Approximately 8 in 10 listings that buyers place an offer on go on to a complete sale. This gives us a different perspective of the quantity of homes available on the market.

Subtracting the 2,867 listings with an active offer from total current listings presents an effective inventory level of 1.8 months. A year ago, the same calculation showed May’s inventory level at 1.9 months.

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 4,500-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 “4th qtr” (or year-end) because the collection of “Monthly Stats” ends on the 10th of each month; whereas the “4th qtr” is a continuous tally to 12/31. For example, if a sale occurred on May 29th, but the agent does not record the sale until May 11th, that sale would not be included in the May sales figures (or any subsequent month’s total) but would be added to the annual total sales figure in the “4th qtr” total.