

For Immediate Release

Contact: Mike Ruzicka

414.778.4929 or 414.870.1876

mike@gmar.ws



July Home Sales Up 3.1%

Market Highlights

- High demand, low supply
- Sellers Should Strongly Consider Listing
- Coronavirus Not Severely Effecting the Market

August 11, 2020 – Despite a global pandemic, the Metropolitan Milwaukee real estate market was strong in July. Sales were up in almost every county in the metropolitan area and Southeastern Wisconsin region, while listings were mostly down in both market areas.

July Sales

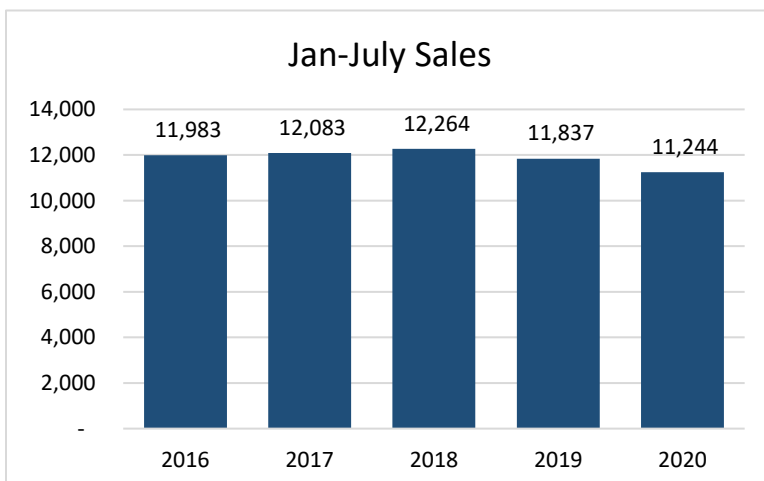
County	2019	2020	% Change
Milwaukee	1,214	1,229	-1.2%
Waukesha	669	704	5.2%
Washington	212	217	2.4%
Ozaukee	168	184	9.5%
Metro Area	2,263	2,334	3.1%
Racine	266	323	21.4%
Kenosha	242	292	20.7%
Walworth	186	236	26.9%
SE WI Area	2,957	3,185	7.7%

Unit sales in the 4-county metropolitan area were up 3.1% in July compared to the same month a year ago. Similarly, in the 7-county Southeastern Wisconsin region, sales were up 7.7%.

Coronavirus

There was a great deal of fear that coronavirus would severely impact the market, but brokers were very happy with the volume and pace of the market in July.

Notwithstanding an unemployment rate around 10%, historically low interest rates helped fuel buyer interest and sustained a resilient market.



Year-to-Date Sales

With fairly significant declines in sales in the 4-county area from April – June due to the pandemic, through July the market was only 593 (5%) units behind 2019.

That is a remarkable recovery considering April was down 9.2%, May was off 25.2%, and June was down 13.7%.

The only thing holding back a more a robust market was the availability of listings for sale.

July Listings

County	2019	2020	% Change
Milwaukee	1,445	1,498	3.7%
Waukesha	788	727	-7.7%
Washington	255	240	-5.9%
Ozaukee	200	189	-5.5%
Metro Area	2,688	2,654	-1.3%
Racine	389	381	-2.1%
Kenosha	360	290	-19.4%
Walworth	263	255	-3.0%
SE WI Area	3,700	3,580	-3.2%

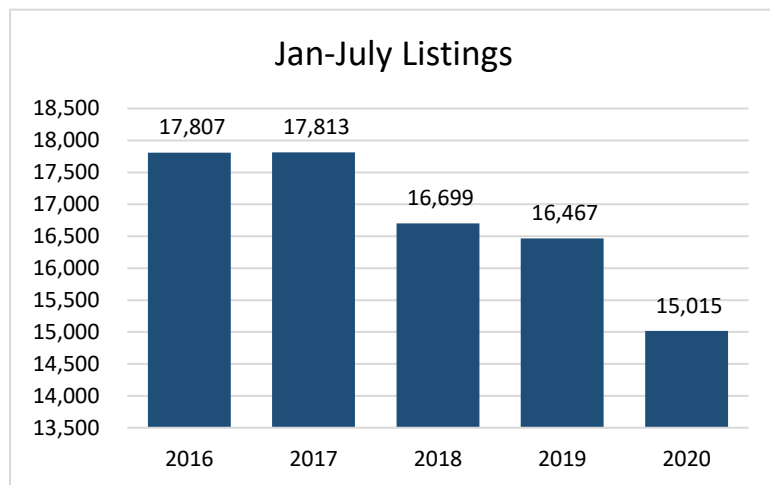
Listings

Listings were down by 1.3% in the metropolitan area, and down 3.2% in Southeastern Wisconsin, in July.

Year-to-date in 2020 only February had an increase in listings (+23.9%).

Of course, the most severe decline was during April (-25.2%) and May (-13.7%), when the state was essentially shut down.

Since the beginning of 2016, a span of 55 months, only 20 months – 36% of the time – had an increase in homes listed for sale.



While listings shrank during that time, sales increased. Sales were up in 35 of the 55 months, or 64% of the time.

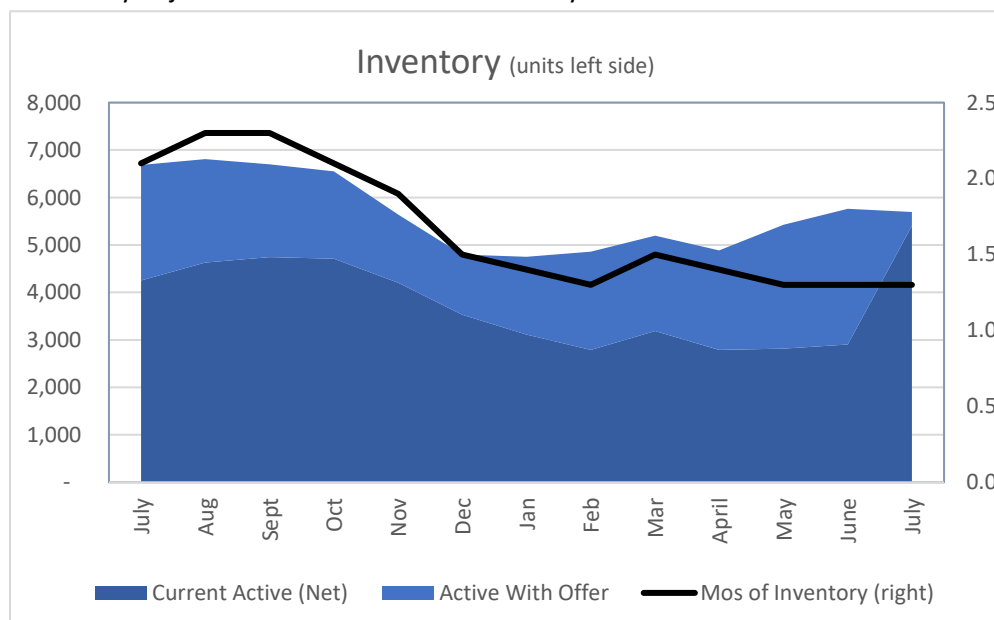
That dynamic explains why prices have been increasing, and why buyers have had a hard time finding properties to choose from.

The lack of new construction of single-family and condominium dwellings is a significant cause of the dearth of available listings.

Inventory

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 July was 3.4 months, even with June's level. For comparison, the seasonally adjusted level was 4.0 months in July 2019.



Generally, 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 5,698 current listings providing 3.4 months of inventory, the market would need an additional 4,310 units to push inventory to 6 months.

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

Subtract the 2,937 listings with an active offer from current listings presents an effective inventory level of 1.3 months, flat with June. A year ago, the same calculation showed July’s inventory level at 2.1 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 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 July 29th, but an agent does not record the sale until August 11th, that sale would not be included in the July sales figures (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 4 counties of Milwaukee, Waukesha, Ozaukee and Washington Counties. The “region” or “Southeast Wisconsin” refers to the 4 metropolitan counties (Milwaukee, Waukesha, Ozaukee and Washington), plus the 3 counties to the south, Racine, Kenosha and Walworth Counties.

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