

August Home Sales Down 13.4%

Highlights

- **Comparing '22 to '21 Accounts for Decline**
- **REALTORS® Expect Market to Pick Up This Fall**
- **Lack of Listings Pushed Prices Up 5.3%**

Market Summary

Home sales were down 13.4% in August compared to the same time a year ago.

REALTORS® are not concerned about the drop, because the 2021 market was the best ever and it would have been very difficult to repeat or surpass.

Year-to-date, the 2022 market is 3% ahead of 2020 (13,586 in '20 versus 13,992 this year).

Some buyers stood on the sideline in August due to fatigue, vacations, going back to school, etc. REALTORS® have been reporting strong interest among buyers, especially first-time buyers, looking for homes all summer.

Many listings are still seeing multiple offers, and, as a result, first-time buyers are still getting out-bid on properties.

Buyers should not be alarmed by interest rates going up. Rates in the 5% to 6% range are historically normal. REALTORS® will work with buyers to find properties that fit their budget accounting for a normal interest rate.

Listings in August were down across the metropolitan area and region. Listings usually do slow later in summer, but the magnitude of the current decline is unusual.

August Sales

County	2021	2022	% Change
Milwaukee	1,333	1,159	-13.1%
Waukesha	682	582	-14.7%
Ozaukee	152	134	-11.8%
Washington	223	194	-13.0%
Metro Area	2,390	2,069	-13.4%
Racine	302	299	-1.0%
Kenosha	273	204	-25.3%
Walworth	187	159	-15.0%
SE WI Area	3,152	2,731	-13.4%

August Listings

County	2021	2022	% Change
Milwaukee	1,572	1,184	-24.7%
Waukesha	709	547	-22.8%
Ozaukee	139	121	-12.9%
Washington	258	176	-31.8%
Metro Area	2,678	2,028	-24.3%
Racine	410	349	-14.9%
Kenosha	303	225	-25.7%
Walworth	238	183	-23.1%
SE WI Area	3,629	2,785	-23.3%

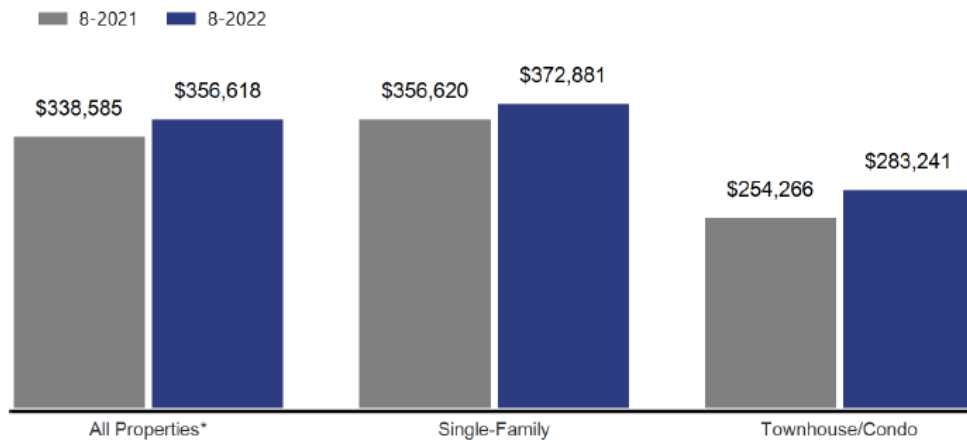
The lack of inventory is a huge millstone around the market's neck and is costing would-be homeowners tens of thousands of dollars.

New listings were down 24.3% in August, continuing a years' long trend of not enough homes available to satisfy buyers' needs.

To reach a balanced market (commonly understood to be 6 months of inventory) the four county area needed 6,760 additional units in August. That month there was only enough inventory to satisfy 2.4 months of buyer demand, and if we subtract units with an offer on them that level drops to 1.1 months.

The limited supply of housing has pushed average prices up 5.3% in the 4-county real estate market.

Average Sales Price By Property Type



	All Properties*		
Sales Price	8-2021	8-2022	Change
Average Sales Price	\$338,585	\$356,618	+ 5.3%
Median Sales Price	\$280,000	\$300,000	+ 7.1%

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over production of apartments. That bottleneck combined with the demographic surge of Millennial and GenZ buyers and historically good interest rates 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 to continue to rent, 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.

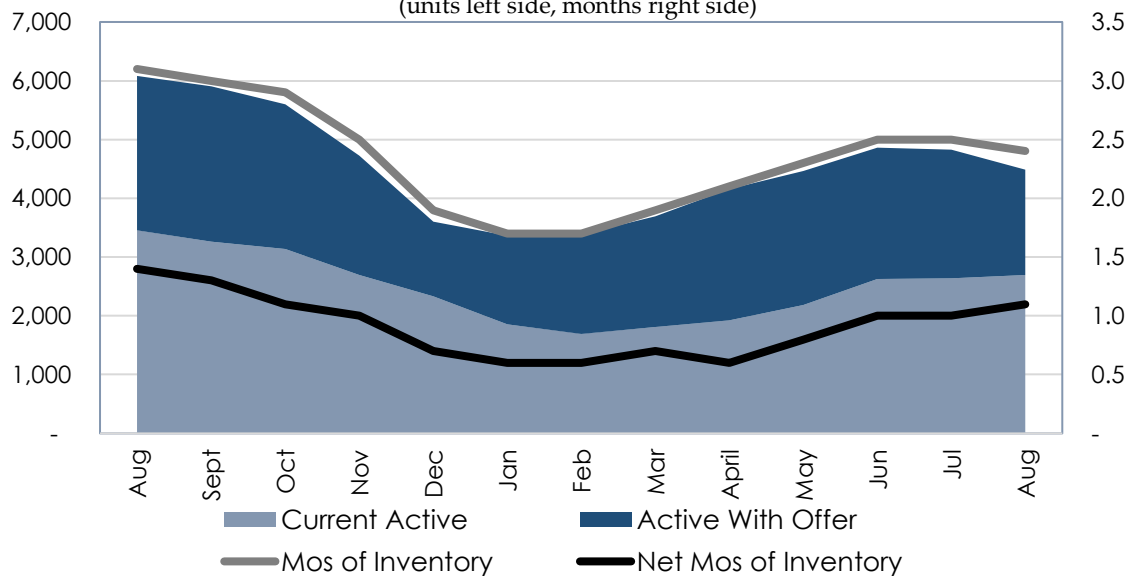
** All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus the three counties to the south, Racine, Kenosha, and Walworth Counties.

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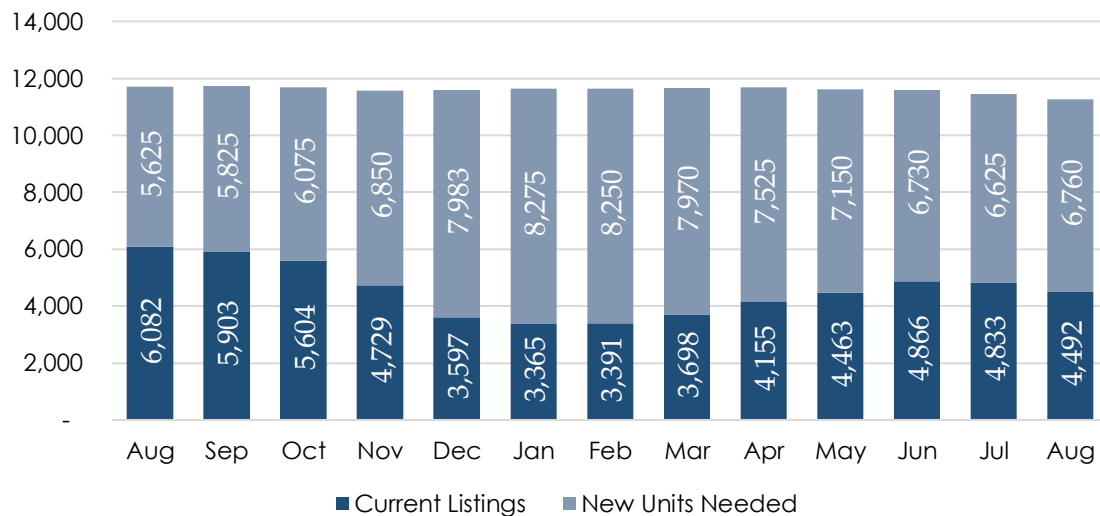
Seasonally Adjusted Inventory

(units left side, months right side)



Seasonally adjusted **inventory** tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for August was 2.4 months**. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **2,700 listings, which equals 1.1 months of inventory**.

New Units Needed To Reach 6.0 Months



With 4,492 current listings providing 2.4 months of inventory, **the market would need an additional 6,760 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.



