

**For Immediate Release**

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**March Home Sales Down 15.4%**

**1st QTR Down 7.6%**

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| **Market Highlights** |
| * Prices mixed, but up in MKE & WAUK |
| * Sales Down in 9 of Last 12 Months |
| * Listings Down in 7 of Last 12 Months |

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| **March Sales** | | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 977 | 820 | -16.1% |
| Waukesha | 406 | 357 | -12.1% |
| Washington | 165 | 129 | -21.8% |
| Ozaukee | 109 | 96 | -11.9% |
| 4 County Area | 1,657 | 1,402 | -15.4% |
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| Racine | 225 | 166 | -26.2% |
| Kenosha | 165 | 180 | 9.1% |
| Walworth | 153 | 122 | -20.3% |
| 7 County Area | 2,200 | 1,870 | -15.0% |

April 11, 2019 – Home sales were down 15.4% in March in the Metropolitan Milwaukee market over the same period in 2018. The 1,402 homes sold in March totals 255 fewer than in March 2018, when 1,657 units sold. The drop is an extension of a slowing market the Metropolitan and Southeastern Wisconsin areas have experienced since May 2018.

Through the 1st quarter of the year 3,498 homes sold, down 7.6% from 3,787 units sold in 2018 in the 4-county area. Add the 3 counties to the south, and total sales were 4,710, 6.7% behind the 5,047 sales in 2018 in SE Wisconsin.

While the first quarter of 2019 was the weakest since 2016, it was also the third strongest quarter in the last decade. The market appears to be slowing, but it is slowing down from a high level.

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| **1st Quarter Sales** (Jan 1 – Mar 31) | | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 2,252 | 2,095 | -7.0% |
| Waukesha | 936 | 915 | -2.2% |
| Washington | 380 | 291 | -23.4% |
| Ozaukee | 219 | 197 | -10.0% |
| 4 County Area | 3,787 | 3,498 | -7.6% |
|  |  |  |  |
| Racine | 530 | 495 | -6.6% |
| Kenosha | 407 | 413 | 1.5% |
| Walworth | 323 | 304 | -5.9% |
| 7 County Area | 5,047 | 4,710 | -6.7% |

The metropolitan area has enjoyed a strong sales market since the beginning of 2015. The influx of first-time buyers – accounting for roughly 40% of the market – empty nesters downsizing, historically low interest rates, and a strong regional job market, all provide fuel for a hot market.

**Too Many Apartments?**

The lack of listings under $300,000 throttled higher sales. In March, 73% of listings sold were under $300K in the 4-county area, and approximately 2/3 of those sold in less than 60 days.

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|  |  | | **March Price Point & DOM Data** | | | | | |
| **County** | | <$300K | | $300-$500K | >$500K | <30 Days | <60 Days |
| Milwaukee | | 87% | | 11% | 2% | 56% | 72% |
| Waukesha | | 51% | | 34% | 15% | 56% | 68% |
| Washington | | 61% | | 34% | 5% | 50% | 61% |
| Ozaukee | | 53% | | 30% | 17% | 53% | 70% |
| Racine | | 82% | | 17% | 1% | 49% | 64% |
| Kenosha | | 83% | | 16% | 1% | 55% | 75% |
| Walworth | | 72% | | 17% | 12% | 36% | 53% |

With high demand and increasing prices, usually more supply is created to meet that demand. However, very few new single family or condo units have been created to alleviate the demand.

Several brokers are concerned that the run-up in apartment construction over the last few years has taken resources away from single-family and condo development, exacerbating the supply problem.

In order to have enough homes to get to a “balanced” market in March (6 months of inventory is generally considered balanced) the market would have needed to add 4,725 units to the current supply. And, approximately 3,449 (73%) of those units would have to have been priced under $300, 000.

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| **March Listings** | | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 1,429 | 1262 | -11.7% |
| Waukesha | 734 | 663 | -9.7% |
| Washington | 194 | 215 | 10.8% |
| Ozaukee | 167 | 139 | -16.8% |
| 4 County Area | 2,524 | 2,279 | -9.7% |
|  |  |  |  |
| Racine | 342 | 279 | -18.4% |
| Kenosha | 285 | 278 | -2.5% |
| Walworth | 267 | 206 | -21.7% |
| 7 County Area | 3418 | 3042 | -11.0% |

**Listings**

Listings were down all over Southeastern Wisconsin in March. The 4 county area went down 245 units, 9.7%. The 7 county Southeastern Wisconsin area was down 11%, or 376 units.

Listings seemed to perk up in the 4th quarter of 2018 and in January 2019, but not enough to provide any serious relief. Through the 1st quarter of 2019 listings were down throughout Southeastern Wisconsin, by double digits in some areas.

Over the last 2 years, 10 months showed gains in listings, 14 months had a decrease in homes listed for sale.

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| **1st Quarter Listings** (Jan 1 – Mar 31) | | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 3,501 | 3,158 | -9.8% |
| Waukesha | 1,553 | 1,528 | -1.6% |
| Washington | 523 | 476 | -9.0% |
| Ozaukee | 427 | 360 | -15.7% |
| 4 County Area | 6,004 | 5,522 | -8.0% |
|  |  |  |  |
| Racine | 726 | 691 | -4.8% |
| Kenosha | 604 | 642 | 6.3% |
| Walworth | 608 | 526 | -13.5% |
| 7 County Area | 7,942 | 7,381 | -7.1% |

**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 March was 3.2 months, down from February’s 2.9 month level.  The seasonally adjusted level was 3.5 months in March 2018.

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.

Subtract the 2,321 listings with an active offer from current listings presents an effective inventory level of 1.6 months, flat from February’s 1.6 level.  A year ago, the same calculation also showed March’s inventory level at 1.6 months.

**Average Sale Prices**

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| **1st Quarter Sale Prices** | | | | |
| **County** | 2018 | 2019 | $ Change | % Change |
| Milwaukee | $170,836 | $176,552 | $5,716 | 3.3% |
| Waukesha | $306,179 | $328,252 | $22,073 | 7.2% |
| Washington | $261,067 | $247,722 | -$13,345 | -5.1% |
| Ozaukee | $342,235 | $332,110 | -$10,125 | -3.0% |
| 4 County Area | $270,079 | $271,159 | $1,080 | 0.4% |
|  |  |  |  |  |
| Racine | $181,702 | $195,602 | $13,900 | 7.6% |
| Kenosha | $193,037 | $206,545 | $13,508 | 7.0% |
| Walworth | $344,258 | $254,504 | -$89,754 | -26.1% |
| 7 County Area | $257,045 | $248,755 | $8,290 | -3.2% |

The average sale price in the Metropolitan counties was up slightly, 0.4%, in the 1st quarter. SE Wisconsin was down 3.2% due to a large drop in Walworth County.

Price increases in Milwaukee, Waukesha, Racine and Kenosha Counties are welcome news in spite of decreased sales in most counties.

**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 4,000-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.

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