

For Immediate Release

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# February Home Sales Down 0.7%

## Market Highlights

March 15, 2021

- Critical Problem: Listings Down 27.5%
- Most Homes Listed Are Sold Immediately
- Single-Family Prices Up 9% in February

## February Sales

County	2020	2021	% Change
Milwaukee	641	700	9.2%
Waukesha	304	245	-19.4%
Washington	99	100	1.0%
Ozaukee	72	63	-12.5%
Metro Area	1,116	1,108	-0.7%
Racine	133	185	39.1%
Kenosha	133	157	18.0%
Walworth	99	111	12.1%
SE WI Area	1,481	1,561	5.4%

## Market Summary

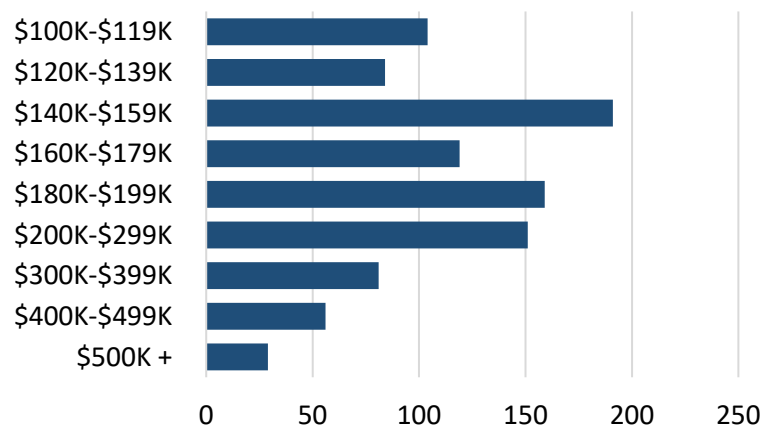
While winter weather typically dampens buyer activity, that was not the case in February. Waukesha and Ozaukee Counties were down by double-digits due to a lack of available listings for sale, not a lack of buyer interest.

The desperate lack of inventory in the market right now cannot be overstated.

77% of sales in February sold within 60-days, and 61% sold within 30-days, which means that most of the homes listed in February also sold in February.

The conditions for purchasing are very good. The regional economy, employment, and interest rates are favorable for home purchases. There simply are not enough people putting their homes up for sale.

## 4 Cty Unit Sales By Price Classification

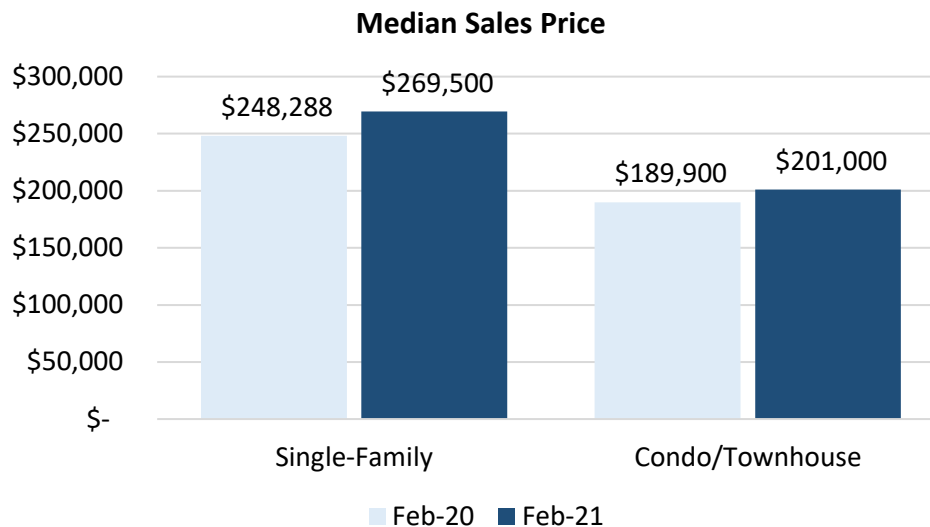


Additionally, the lack of new construction, in the form of single-, two-family, and condo development is forcing many households to stay in rental units, limiting their ability to build wealth through equity.

REALTORS® have hundreds of examples of houses with 80 – 100 showings, and 20+ offers, and dozens of frustrated buyers who missed out.

## Median Sale Prices

The median sale prices in all 4 metropolitan counties were up in February 2021 compared to February 2020. Rising prices were not surprising considering the lack of inventory throughout the area. Single-family unit prices were up 9% in February, and condominiums and townhomes were up 6%.



## Listings

Listings were down a whopping 27.5% in the metropolitan area, and 29.2% in Southeastern Wisconsin in February. February's acute listing problem is actually a chronic one that has been compounding for years.

Since the beginning of 2016, a span of 62 months, only 25 months – 40% of the time – had an increase in homes listed for sale.

## February Listings

County	2020	2021	% Change
Milwaukee	1,082	812	-25.0%
Waukesha	508	353	-30.5%
Washington	178	123	-30.9%
Ozaukee	119	81	-31.9%
Metro Area	1,887	1,369	-27.5%
Racine	256	170	-33.6%
Kenosha	193	118	-38.9%
Walworth	189	131	-30.7%
SE WI Area	2,525	1,788	-29.2%

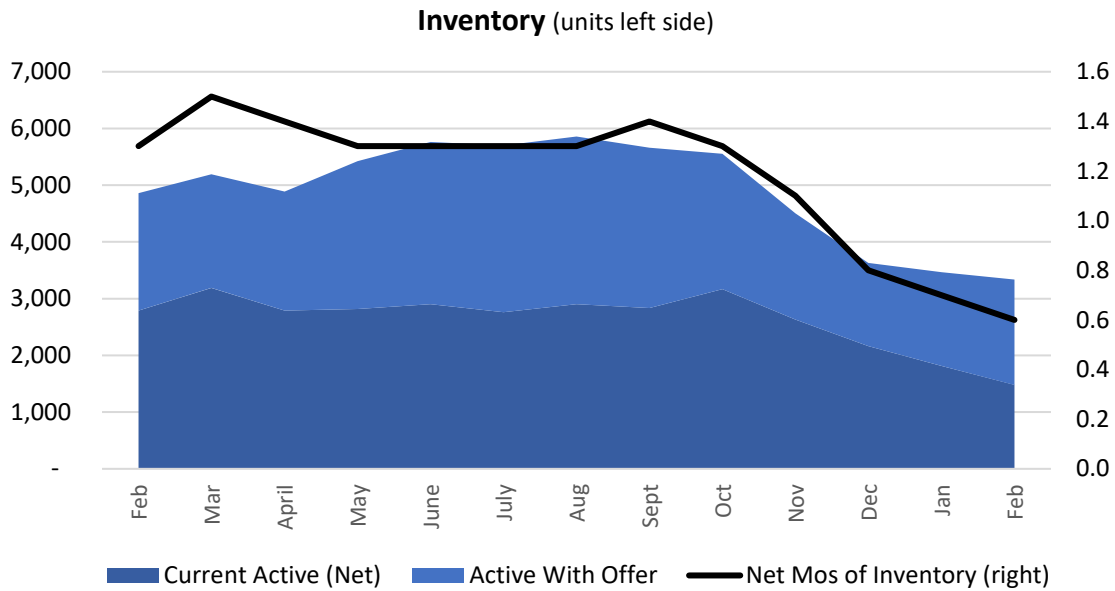
While listings shrunk during that time, sales were the inverse. Sales were up in 41 of the same 62 months, or 66% of the time.

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

Listings are houses sellers hire a REALTOR® to sell, which we measure on a monthly basis, similar to sales. Inventory is the accumulation of listings over time and constitutes all the units that are available for sale.

## 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 February was 1.9 months – an exceptionally low number.



If we subtract the listings that are “Active With Offer” from the total available for sale in each month (approximately 80% of listings with an offer turn into a sale), we get the Current Active (or net), which provides a different perspective of the quantity of homes available on the market.

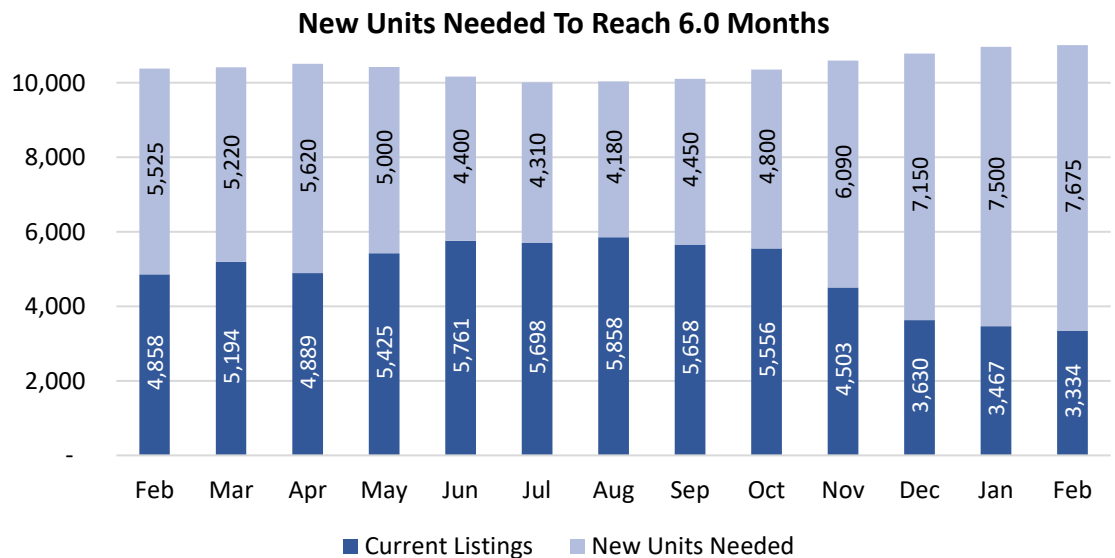
Subtracting the 1,856 listings that are “Active With Offer” from the 3,334 current listings presents a Current Active inventory level of 2,973 units, or 0.6 months (down from January’s 0.7 months).

### New Inventory

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.

Obviously, with a Current Active inventory level of 0.6 months, it is a strong sellers’ market.

In order to approach a balanced market, the 3,334 current listings need an additional 7,675 units available to push inventory up to 6 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 10<sup>th</sup> of each month, whereas quarters are a continuous tally to 12/31. For example, if a sale occurred on July 29<sup>th</sup>, but an agent does not record the sale until August 11<sup>th</sup>, 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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