

February Home Sales Up 11.2%

Highlights

- **First 2-Month Streak in Sales Since 2022**
- **Listings Up for 7th Month in a Row**
- **Prices Down 2.2%**

Market Summary

Home sales in the Metropolitan Milwaukee market were up again in February. Similar to last month, however, sales in February 2023 were extremely low. This February only saw 98 additional unit sales, which were certainly welcome but well below the 1,000+ sales the market saw in recent years.

So, while the market is going in the right direction, any jubilation about it has to be tempered.

On the listings side there was some particularly good news. New listings were up 14.8%, marking a 7-month streak. That is the longest run of increasing listings in a decade.

But, placing those additional listings in context – while the trend is positive – the market is hundreds of listings behind where it needs to be to satisfy buyer demand.

Sales would be much higher if there were more homes available.

Inventory was 2.2 months in February (6 months is a balanced market), and if we take listings with an offer out, the rate fell to 1.0 months. That's an indication of a very tight market in favor of sellers.

As a result prices rose 7.9% in February, going from an average price of \$323,084 to \$348,659.

February Sales

County	2023	2024	% Change
Milwaukee	534	619	15.9%
Waukesha	223	225	0.9%
Ozaukee	57	48	-15.8%
Washington	63	83	31.7%
Metro Area	877	975	11.2%
Racine	142	143	0.7%
Kenosha	95	81	-14.7%
Walworth	60	79	31.7%
SE WI Area	1,174	1,278	8.9%

February Listings

County	2023	2024	% Change
Milwaukee	703	810	15.2%
Waukesha	292	320	9.6%
Ozaukee	84	77	-8.3%
Washington	98	144	46.9%
Metro Area	1,177	1,351	14.8%
Racine	144	159	10.4%
Kenosha	124	146	17.7%
Walworth	90	152	68.9%
SE WI Area	1,535	1,808	17.8%

There were 145 new home construction permits taken out in the 4-county area in January. A year ago there were 98 permits.¹ That is a solid 48% increase and 38% ahead of a 12-month average for new starts.

However, to throw cold water on the numbers once again, new starts are nowhere near the number needed to reach 4,000+ new construction units this year. New construction is in an era of low production beginning way back when the Great Recession started.

It does not appear that the market will achieve any kind of balance to benefit buyers in the near future. To reach a balanced market (commonly understood to be 6 months of inventory) the four county area needed 5,110 additional units in February.

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over reliance on apartments to satisfy demand. That bottleneck combined with the demographic surge of Millennial and GenZ buyers and reasonable interest rates have all contributed to a historically tight market.

The imminent danger for the region, if it does not create additional supply in the form of more single-family and condominium units, is that 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. Rather, they have been, and will continue to, pay thousands of dollars a year in rent with no ability to save for a down payment – pushing off their opportunity to achieve the American Dream even further.

¹ Units of new construction permits in the 4-county are according to [Census Bureau's Building Permits Survey](#)

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.

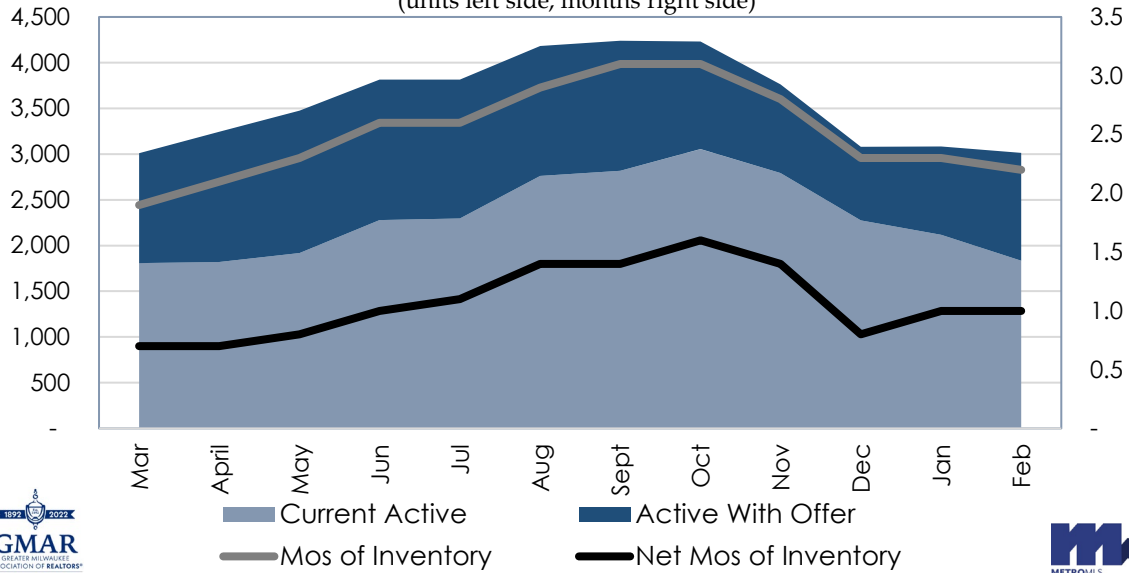
** All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus the three counties to the south, Racine,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

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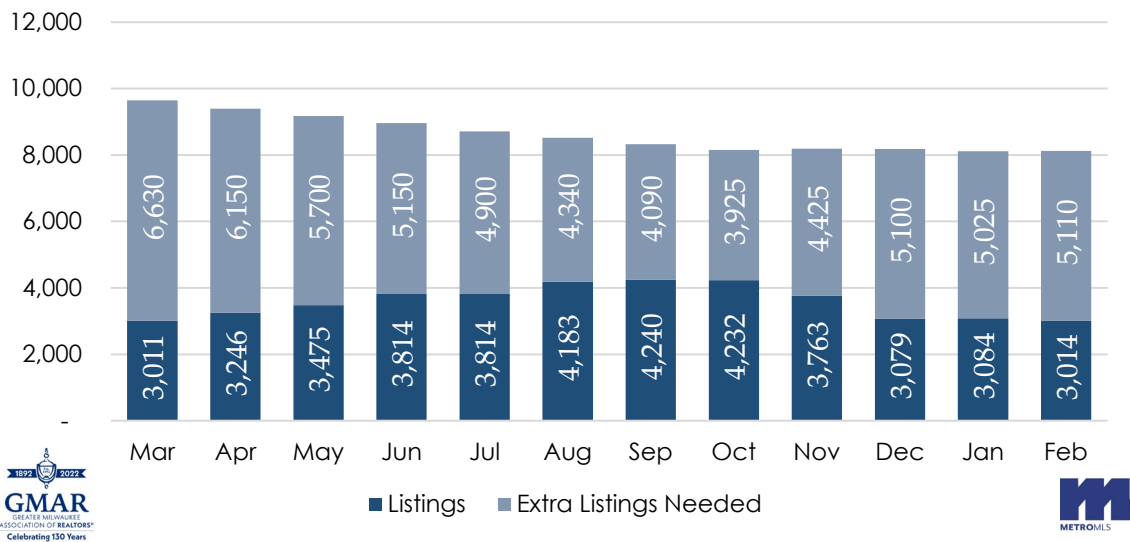
Seasonally Adjusted Inventory

(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 February was 2.2 months**. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **2,484 listings, which equals 1.0 months of inventory**.

New Units Needed To Reach 6.0 Months



With 3,014 current listings providing 2.2 months of inventory, **the market would need an additional 5,110 units to push inventory to six 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.