

Home Sales Through 3rd Qtr Up 2.9%

September Home Sales Down 3.1%

Highlights

- **Sales Through 3rd Qtr Up, But Still Anemic**
- **Market Needs Thousands of New Units Despite Increased Listings**
- **Prices Up 6.3%, Averaging \$445,113**

Market Summary

Home sales in the Metropolitan Milwaukee market area through the 3rd quarter were better than the same period in 2023, but lackluster based on previous years' activity.

Sales in six of the first nine months this year were ahead of 2023. However, 2023 was one of the weakest sales years since the Great Recession.

Mid-way through 2022, interest rates increased from historical lows, going from about 3% to 6%. That impacted sales in the second half of 2022, and well into 2023. Sales in 2024 are recovering from 2023's trough, but they are still historically low.

From 2016 to 2022 the Greater Milwaukee market had sales in excess of 20,000 units each year. Then, 2023 fell to 16,584 unit sales. 2024 looks like it is rebounding, and may just get over the 17,000 unit mark.

Despite the impact of rising interest rates, the market over the last several years has been driven by the availability of listings to sell.

Listings have been hard to come by for many years mainly because would-be sellers of existing homes have stayed put, and because the market has not produced enough new units to purchase.

3rd Quarter Sales (Jan 1 – Sept 30)

County	2023	2024	% Change
Milwaukee	7,072	7,308	3.3%
Waukesha	3,435	3,471	1.0%
Ozaukee	1,081	1,176	8.8%
Washington	857	854	-0.4%
Metro Area	12,445	12,809	2.9%
Racine	1,740	1,732	-0.5%
Kenosha	1,293	1,282	-0.9%
Walworth	1,054	1,053	-0.1%
SE WI Area	16,532	16,876	2.1%

September Sales

County	2023	2024	% Change
Milwaukee	838	782	-6.7%
Waukesha	376	393	4.5%
Ozaukee	100	106	6.0%
Washington	151	139	-7.9%
Metro Area	1,465	1,420	-3.1%
Racine	210	216	2.9%
Kenosha	147	129	-12.2%
Walworth	142	125	-12.0%
SE WI Area	1,964	1,890	-3.8%

Listings in September and through the 3rd quarter were up, 3.8% and 5.4%, respectively. However, the 16,546 units that have been listed so far in 2023 are approximately 4,000 units shy of what the market needs to reach equilibrium.

The supply of inventory on hand was only enough to satisfy 3.2 months of buyer demand in September, and if we subtract units with an offer that level drops to 1.6 months, significantly below the balanced market assumption of 6 months.

This is occurring at a time when generational demand is at an all-time high with Millennial and Gen Z first-time buyers and Baby Boomer Empty Nesters in the market at the same time.

Of course, when demand outpaces supply, prices go up. And through the 3rd quarter prices in the Milwaukee area went up an average of 6.3%; going from \$418,639 to \$445,113.

The only way to meet demand and ease price pressure is to increase new construction, which would normally add 3,000 - 4,000 units to the market annually.

Unfortunately, new construction of owner-occupied housing has been down by about 50% since 2007.

As we have been highlighting for *several years* – REALTORS® have had an exceedingly tough time helping home buyers find ownership opportunities in the form of condos and single-family houses.

There is a significant, long-term danger if we do not create additional supply in the form of single-family and condominium units: Thousands of would-be homeowners will be forced into rental units, unable to save for a down payment and foregoing the opportunity to build wealth through a home's equity – as well as all of the other benefits of homeownership.

That will result in problems decades down the road when families do not have enough home equity to tap into for college expenses, to remodel their home, or for emergencies.

3rd Quarter Listings (Jan 1 – Sept 30)

County	2023	2024	% Change
Milwaukee	9,461	9,784	3.4%
Waukesha	4,275	4,543	6.3%
Ozaukee	1,379	1,651	19.7%
Washington	1,059	1,062	0.3%
Metro Area	16,174	17,040	5.4%
Racine	2,193	2,265	3.3%
Kenosha	1,636	1,692	3.4%
Walworth	1,461	1,591	8.9%
SE WI Area	21,464	22,588	5.2%

September Listings

County	2023	2024	% Change
Milwaukee	1194	1156	-3.2%
Waukesha	479	548	14.4%
Ozaukee	105	108	2.9%
Washington	167	206	23.4%
Metro Area	1,945	2,018	3.8%
Racine	274	275	0.4%
Kenosha	207	200	-3.4%
Walworth	133	172	29.3%
SE WI Area	2,559	2,665	4.1%

3rd Quarter Sale Prices (Jan 1 – Sept 30)

County	2023	2024	\$ Change	% Chng
Milwaukee	\$274,139	\$293,228	\$19,089	7.0%
Waukesha	\$502,690	\$536,275	\$33,585	6.7%
Washington	\$502,953	\$539,588	\$36,635	7.28%
Ozaukee	\$394,775	\$411,362	\$16,587	4.2%
Metro Area Avg	\$418,639	\$445,113	\$26,474	6.3%
Racine	\$280,424	\$316,712	\$36,288	12.9%
Kenosha	\$316,075	\$338,418	\$22,343	7.1%
Walworth	\$547,626	\$545,851	\$(1,775)	-0.3%
SE WI Area Avg	\$402,669	\$425,919	\$23,250	5.8%



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 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.

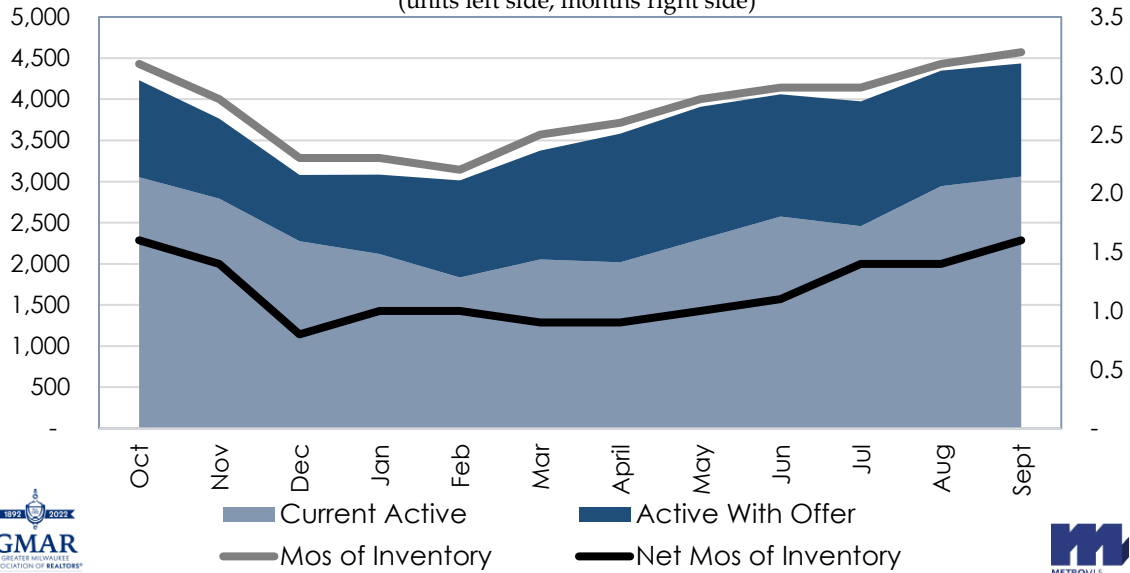
** All references to the "metropolitan" area denotes the four counties of Milwaukee, Waukesha, Ozaukee, and Washington Counties. The "region" or "Southeast Wisconsin" refers to the four metropolitan counties (Milwaukee, Waukesha, Ozaukee, and Washington), plus Racine, Kenosha, and Walworth Counties,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

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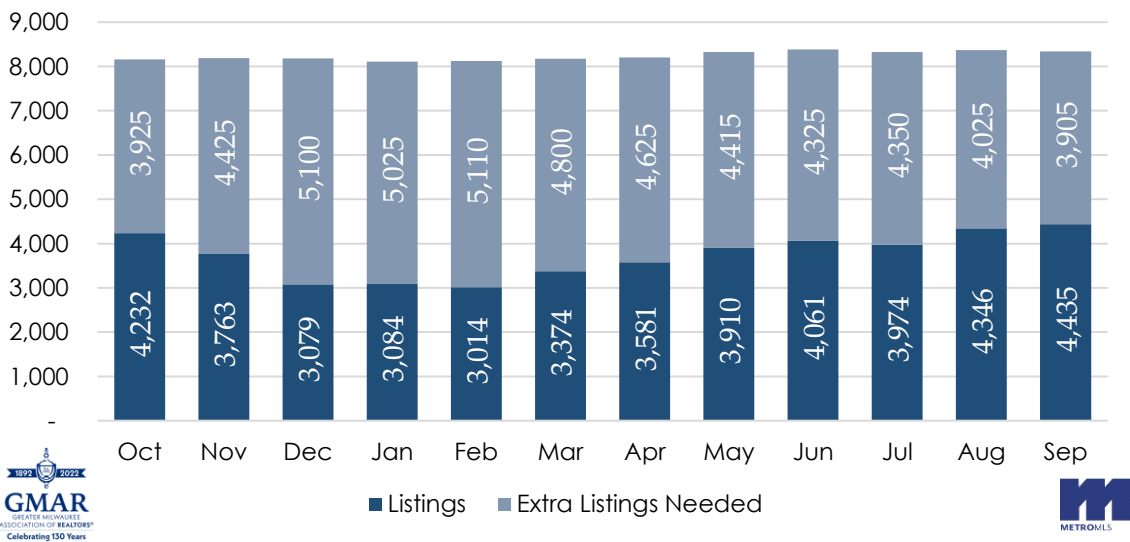
Seasonally Adjusted Inventory

(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 September was 3.2 months**. Subtracting listings that have an “active offer” from those available for sale (about 80% of listings with an offer sell) yields **3,062 listings, which equals 1.6 months of inventory**.

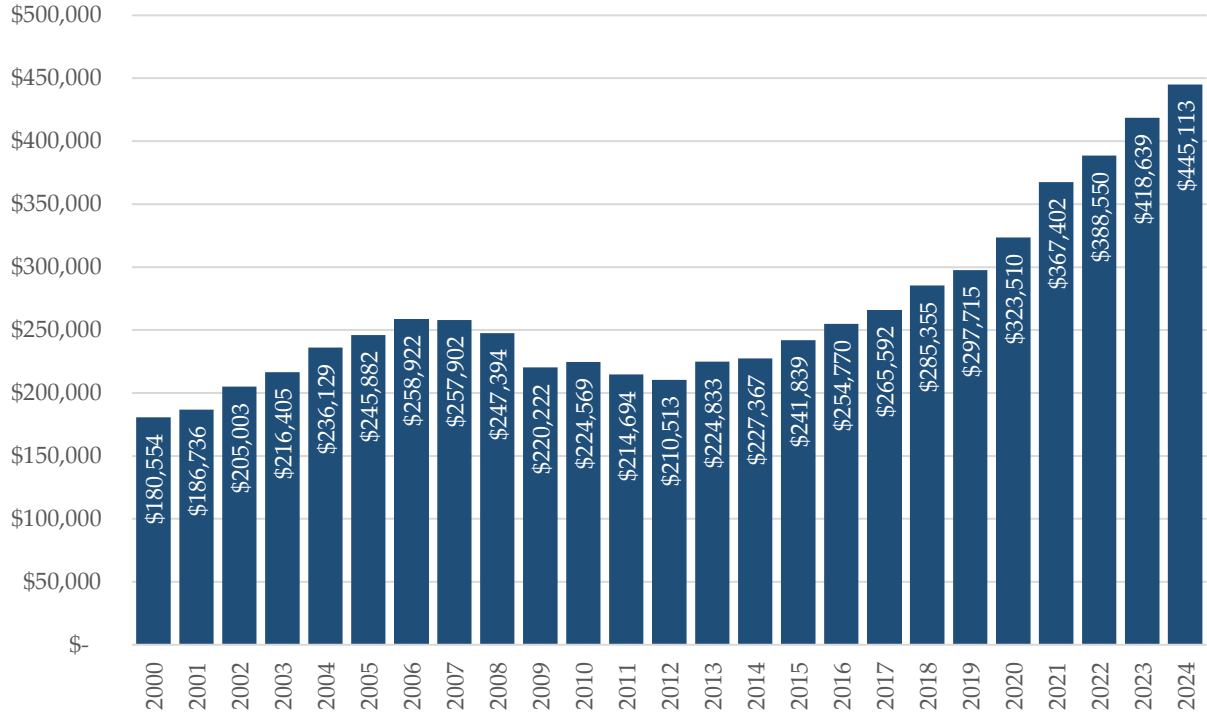
New Units Needed To Reach 6.0 Months



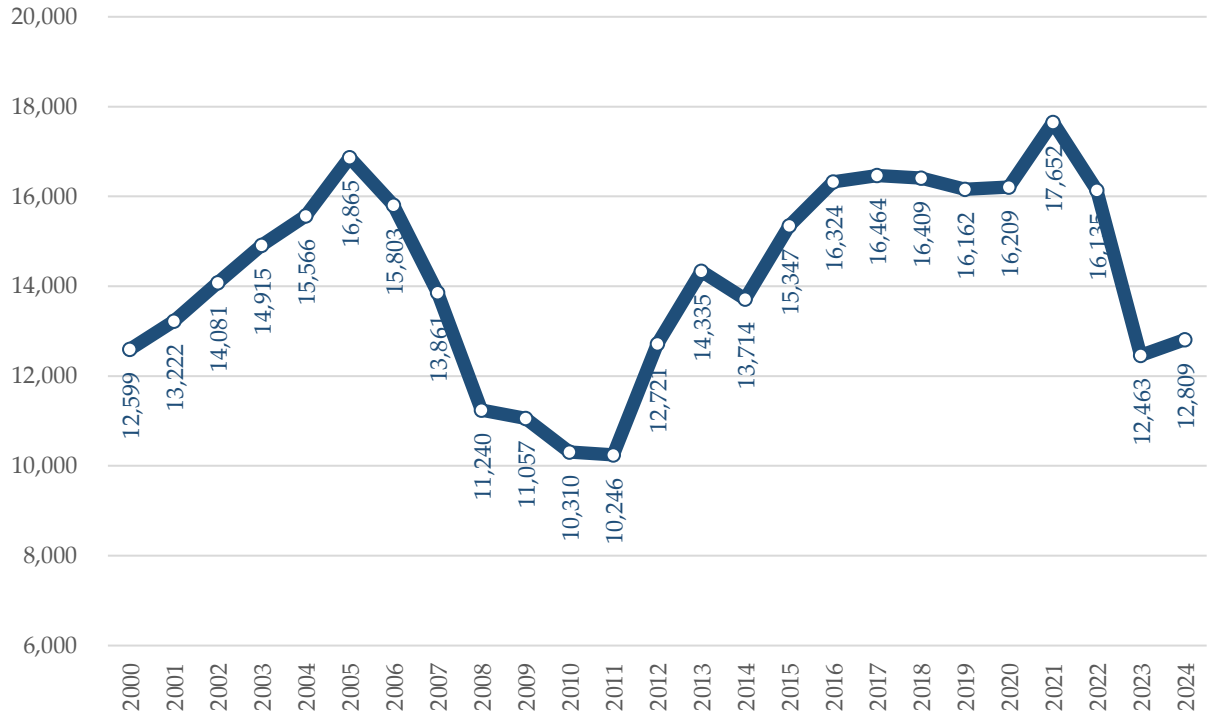
With 4,435 current listings providing 3.2 months of inventory, **the market would need an additional 3,905 units to push inventory to six months**. Six months of inventory is considered a “balanced” market. If inventory falls below six months, the market favors sellers, and when inventory exceeds six months, it is a buyer’s market.



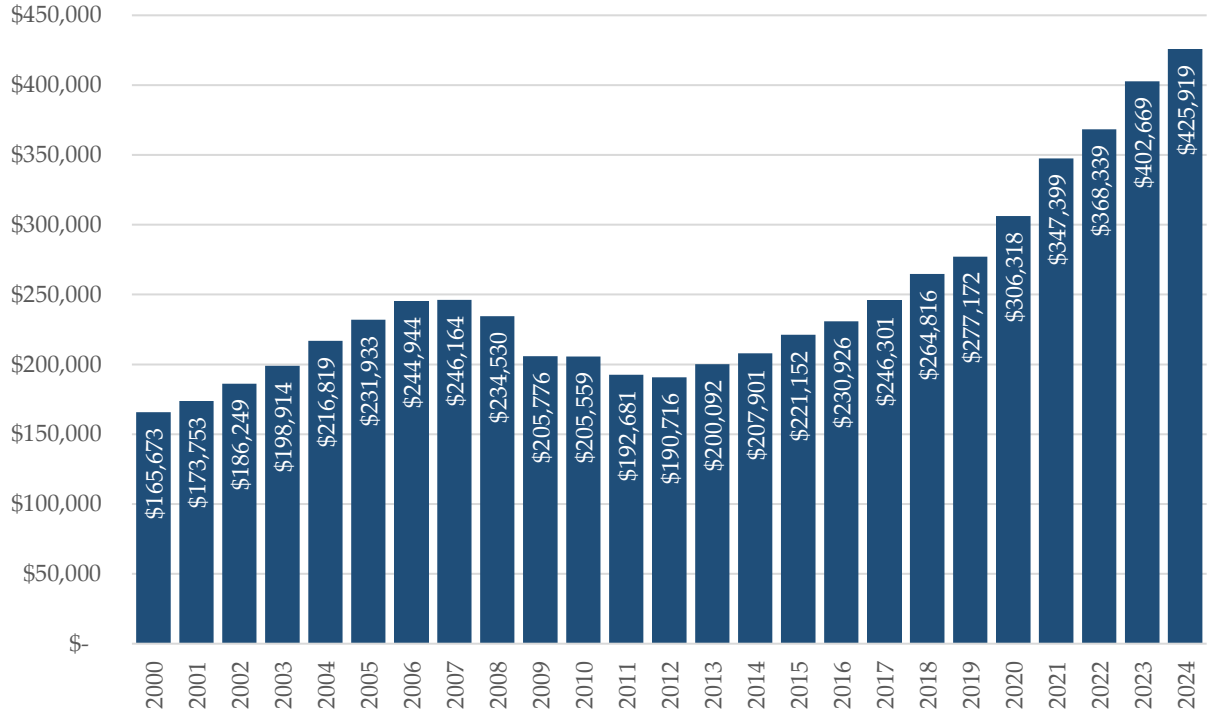
4 County Sale Price (Thru 3rd Qtr)



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7 County Sale Price (Thru 3rd Qtr)



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