

**For Immediate Release**

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**February Home Sales Down 1%**

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| **Market Highlights** |
| * Bad Weather in February |
| * 2nd Highest February Sales Month Since 2006 |
| * More Units Needed, Especially Under $300K |

March 12, 2019 – Home sales were down by 10 units in February compared to a year earlier. There were 1,039 homes sold in February 2019, versus 1,049 units in February 2018.

Local brokers attribute the lower sales primarily to bad weather in February. The winter months are historically low sales months, and the freezing temps and snow did not help last month.

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| **February Sales** | | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 614 | 625 | 1.8% |
| Waukesha | 266 | 281 | 5.6% |
| Washington | 117 | 80 | -31.6% |
| Ozaukee | 52 | 53 | 1.9% |
| 4 County Area | 1,049 | 1,039 | -1.0% |
|  |  |  |  |
| Racine | 149 | 159 | 6.7% |
| Kenosha | 118 | 122 | 3.4% |
| Walworth | 82 | 99 | 20.7% |

Nonetheless, since February 2006 (1,155 sales) February 2019 was the second highest February sales month. February 2018 was the highest.

The fact that sales were only 10 units behind 2018, and the weather was horrible, means there is a healthy amount of demand for homes by those seeking them.

A healthy segment of the demand is among first-time and empty nester buyers, but there simply are not enough listings available, particularly those under $300,000, to satisfy that demand.

**Listings**

Many homes listed in February will become sales in March and April. The fact that listings in February were anemic spells a tight sales market on the horizon.

Nationally, prices are predicted to increase in the low single digits, however, locally, prices may go slightly higher as more buyers chase fewer properties. There are factors that will limit price increases, though.

Buyers’ inability to increase their offer has a significant limiting effect on price increases; particularly properties traditionally considered “first-time” buyer properties, which in the current market are generally those under $300,000. With 40% of the market consisting of first-time buyers, they have a cap on what they can add to their offer before losing a property.

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| **February Listings** | | | |
| **County** | 2018 | 2019 | % Change |
| Milwaukee | 1,063 | 886 | -16.7% |
| Waukesha | 438 | 407 | -7.1% |
| Washington | 151 | 131 | -13.2% |
| Ozaukee | 128 | 99 | -22.7% |
| 4 County Area | 1,780 | 1,523 | -14.4% |
|  |  |  |  |
| Racine | 181 | 196 | 8.3% |
| Kenosha | 147 | 174 | 18.4% |
| Walworth | 170 | 158 | -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 February was 2.9 months.  The seasonally adjusted level was 3.2 months in February 2018.

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.

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.

Subtracting the 1,768 listings with an active offer from total current listings presents an effective inventory level of 1.6 months.  A year ago, the same calculation showed February’s inventory level at 1.7 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 4,500-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 “4th qtr” (or year-end) because the collection of “Monthly Stats” ends on the 10th of each month; whereas the “4th qtr” is a continuous tally to 12/31.  For example, if a sale occurred on February 29th, but the agent does not record the sale until February 11th, that sale would not be included in the February sales figures (or any subsequent month’s total) but would be added to the annual total sales figure in the “4th qtr” total.