

For Immediate Release

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May Home Sales Up 27%*

Market Highlights

June 15, 2021

- *Sales Up, BUT 2020 Was Down Due to COVID-19
- Numerous Showings and Offers On Properties
- Listings Tight Despite Apparent Increase

May Sales

County	2020	2021	% Change
Milwaukee	826	1,214	47.0%
Waukesha	494	539	9.1%
Washington	174	161	-7.5%
Ozaukee	104	115	10.6%
Metro Area	1,598	2,029	27.0%
Racine	221	257	16.3%
Kenosha	170	211	24.1%
Walworth	129	185	43.4%
SE WI Area	2,118	2,682	26.6%

Market Summary

The metropolitan real estate market appears to have had a very strong May.

However, the pandemic impacted our statistical interpretation of the market, and we have to delve into the conditions that existed in 2020 to get a better understanding of what is happening in today's market.

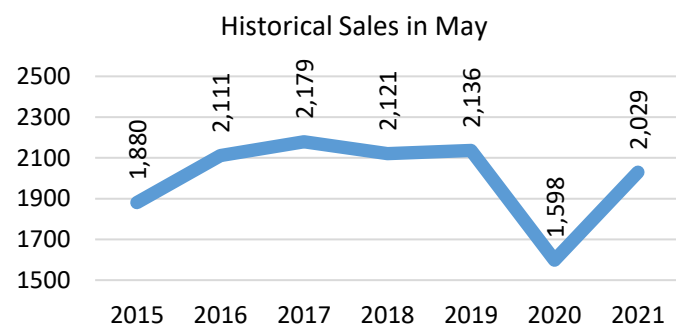
Last May the regional economy was on the tail end of a shut down. Sales in May 2020 were down 25.2% from May 2019. May 2021 sales bounced back 27%, but 2021 was still 5% behind 2019. That decline was mostly

attributable to the lack of listings and available properties for buyers to purchase.

Listings in May 2020 were down 19.7% compared to May 2019 (2,345, vs. 2,922, respectively). May 2021 bounced back 12.8% (2,646 listings), but this May was still down 9.4% from May 2019.

We still are suffering from a significant listing deficiency and have been for several years. In order to reach a balanced market (6 months of inventory) we need more than 6,000 additional units in the 4-county area.

There are several reasons for our strong real estate market: Household formation, doing more from home, a strong regional economy, stable employment, and favorable interest rates. 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 10+ offers, and dozens of frustrated buyers who missed out.

Listings

Listings are a measure of the number of houses sellers hire a REALTOR® to sell in a given month, similar to sales. Inventory is the accumulation of listings over time and constitutes all the units that are available for sale.

May Listings

County	2020	2021	% Change
Milwaukee	1,288	1,586	23.1%
Waukesha	692	652	-5.8%
Washington	206	249	20.9%
Ozaukee	159	159	0.0%
Metro Area	2,345	2,646	12.8%
Racine	292	368	26.0%
Kenosha	233	279	19.7%
Walworth	186	244	31.2%
SE WI Area	3,056	3,537	15.7%

Listings were up a hefty 12.8% in the metropolitan area, and 15.7% in Southeastern Wisconsin in May. May listings are part of a chronic deficiency that has been compounding in the metropolitan area and region for years.

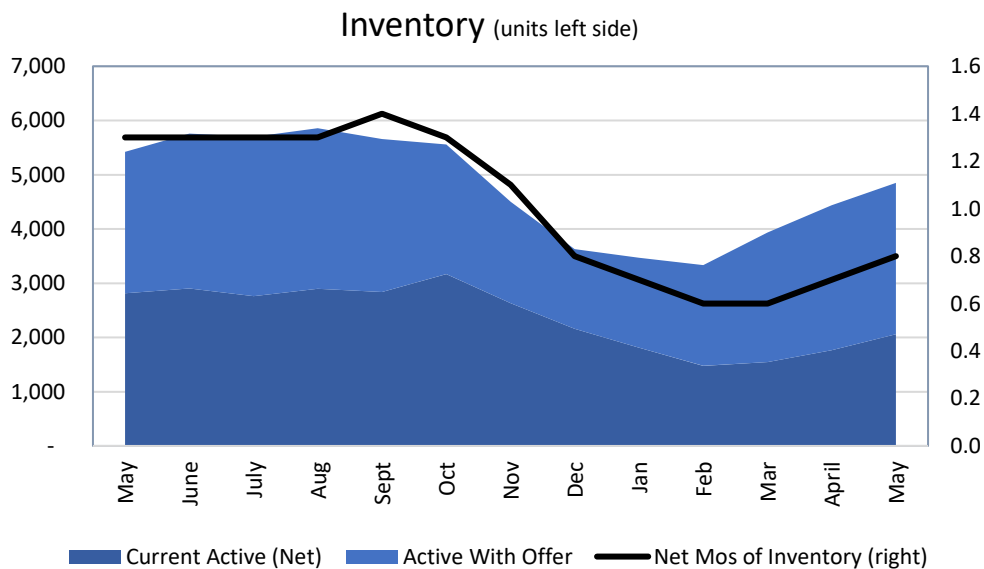
However, 2021 is an unusual month due to comparisons with 2020 and the early days of the pandemic.

Looking back to 2019, listings for May 2021 were actually down 9.4%, which is more in line with what brokers saw in the market.

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

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 May was 2.6 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.

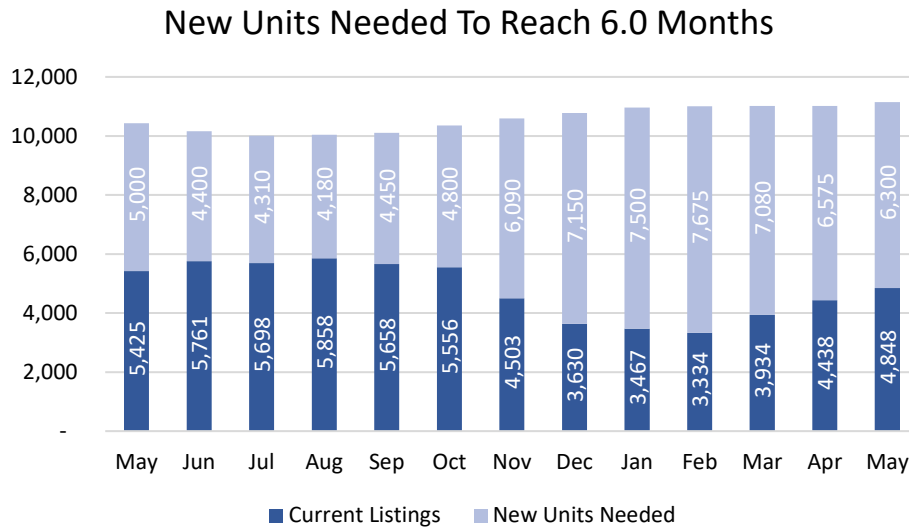
Subtracting the 2,791 listings that are “Active With Offer” from the 4,848 current listings presents a Current Active inventory level of 0.8 months.

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 4,848 current listings need an additional 6,300 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 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.

** 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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