

**For Immediate Release**

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**October Home Sales Down 9.2%**

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| **Highlights** | **November 11, 2021** |
| * Sales Down But 2021 Is Fantastic |
| * Listings Mostly Down, Inventory Tight |
| * Prices Up 4.0% over October 2020 |

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| **October Sales** | | | | |
| County | 2020 | 2021 | | % Change |
| Milwaukee | 1278 | 1198 | | -6.3% |
| Waukesha | 642 | 557 | | -13.2% |
| Washington | 235 | 219 | | -6.8% |
| Ozaukee | 158 | 127 | | -19.6% |
| Metro Area | 2,313 | 2,101 | | -9.2% |
|  | | | | |
| Racine | 361 | 300 | -16.9% | |
| Kenosha | 240 | 231 | -3.8% | |
| Walworth | 227 | 187 | -17.6% | |
| SE WI Area | 3,141 | 2,819 | -10.3% | |
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| **October Listings** | | | | |
| County | 2020 | 2021 | | % Change |
| Milwaukee | 1383 | 1354 | | -2.1% |
| Waukesha | 607 | 559 | | -7.9% |
| Washington | 203 | 171 | | -15.8% |
| Ozaukee | 125 | 113 | | -9.6% |
| Metro Area | 2,318 | 2,197 | | -5.2% |
|  | | | | |
| Racine | 328 | 341 | | 4.0% |
| Kenosha | 253 | 288 | | 13.8% |
| Walworth | 202 | 158 | | -21.8% |
| SE WI Area | 3,101 | 2,984 | | -3.8% |

**Market Summary**

October was only the third month down in sales in the Metropolitan Milwaukee real estate market for 2021.

All four Metropolitan Milwaukee counties saw a decline in sales, but that is coming off a spectacular 2020 sales year. To put it in perspective, this October was 14.5% ahead of October 2019 – also a very good sales year.

Through October 2020 there were 18,188 sales in the 4-county area. The year ended with a historically high 22,445 sales.

So far in 2021, there have been 19,403 sales. Over the last five years, the average sales in the final two months was 3,062. That would total 22,465 for the year, within the range of 2020’s historic total.

Average sales prices were up 4.0% in October. The average price in October 2020 was $302,822 and this past October it was $314,986.

October’s listings were down 5.2% in the metropolitan area, bringing the year-to-date total to 24,060. During the same period in 2020, there were 22,640 listings. Putting 2021 6.3% ahead of 2020.

While listings are trending in the right direction there is still a significant dearth of inventory, to the tune of 6,075 units. That’s how many we need to satisfy current demand, which means the sellers-market will continue for the foreseeable future. In October there was only enough inventory to satisfy 2.9 months of demand (in a balanced market there would be 6 months of inventory), and if we subtract units with an offer on them that level drops to 1.1 months.

The systemic problem with the market is the lack of new construction of single-family houses and condominiums, and over production of apartments. That bottle-neck combined with the demographic surge of Millennial and GenZ buyers, historically low interest rates, and a growing economy, have all contributed to an historically tight market.

If the region does not create additional supply in the form of more single-family and condo units, thousands of would-be homeowners will be forced into rental units, foregoing the opportunity to build wealth through a home’s equity and all of the other benefits of homeownership.

The outlook for the market is solid, but seasonal in the months ahead. Brokers are reporting strong interest among potential buyers and sellers are excited to list their homes.

**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 October 29th, but an agent does not record the sale until October 5th, that sale would not be included in the October 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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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 October was 3.1 months**.

If we subtract the listings that have an “active offer” from those available for sale (about 80% of listings with an offer turn into a sale), we get a different perspective of the quantity of homes available for sale. Subtracting listings with an active offer from total listings, yields **a remarkably low 3,458 listings, which equals 1.4 months of 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.

With 5,604 current listings providing 2.9 months of inventory, **the market would need an additional 6,075 units to push inventory to 6 months**.