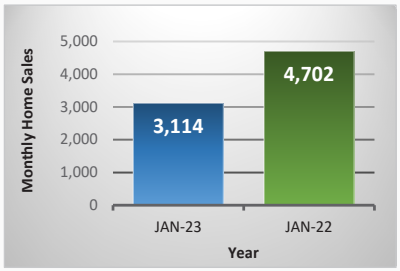
January 2023 WI Real Estate Report

Report Criteria: Reflecting data for: January 2023 | State: WI | Type: Residential

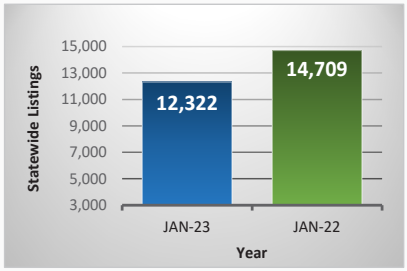
MONTHLY HOME SALES



January 2023	January 2022
3,114	4,702
HOMES SOLD	HOMES SOLD

from last year **-33.8%**

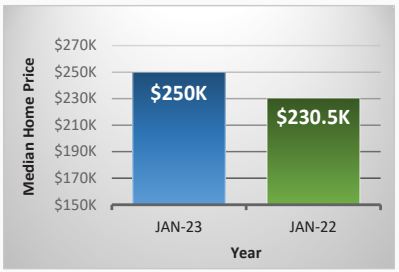
TOTAL STATEWIDE LISTINGS



January 2023	January 2022
12,322	14,709
ACTIVE LISTINGS	ACTIVE LISTINGS

from last year **-16.2%**

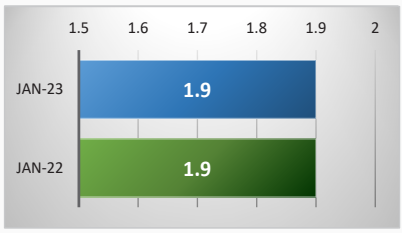
MEDIAN HOME PRICE



January 2023	January 2022
$250,000	$230,450
MEDIAN PRICE IN WI	MEDIAN PRICE IN WI

from last year **8.5%**

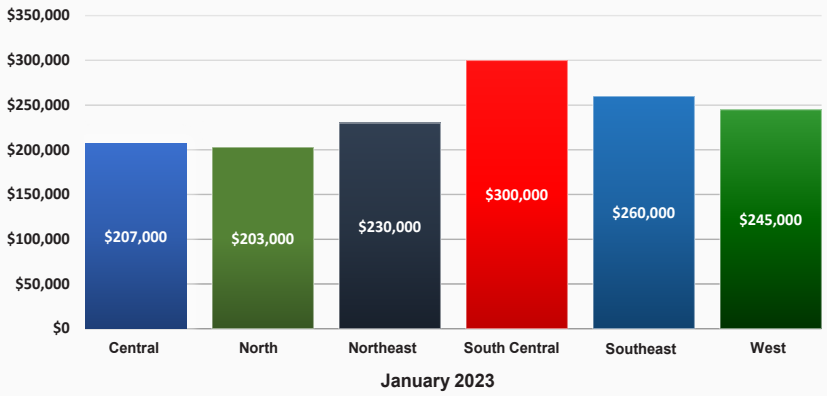
MONTHS OF INVENTORY



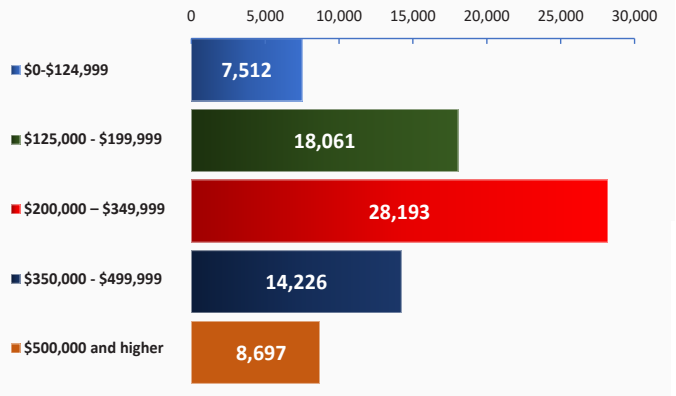
January 2023	January 2022
1.90	1.90
MONTHS	MONTHS

from last year **0%**

MEDIAN PRICES BY REGION

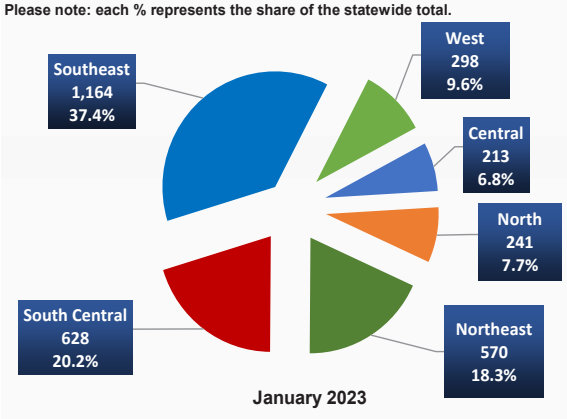


HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS



HOME SALES BY REGION

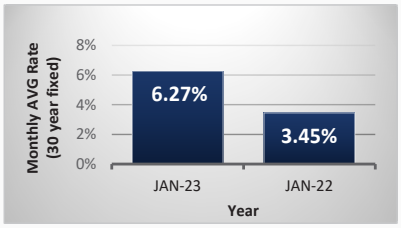
Please note: each % represents the share of the statewide total.



January 2023 WI Real Estate Report

Report Criteria: Reflecting data for: January 2023 | State: WI | Type: Residential

MORTGAGE INTEREST RATES

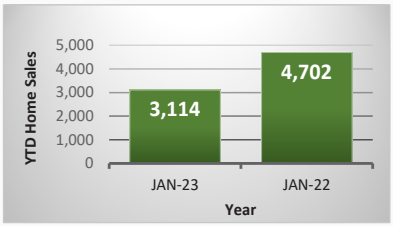


January 2023	January 2022
6.27%	3.45%
AVG 30 YR. FIXED	AVG 30 YR. FIXED

from last year ▲ **81.7%**

Data based on Freddie Mac, 30 year fixed-rate mortgage rates

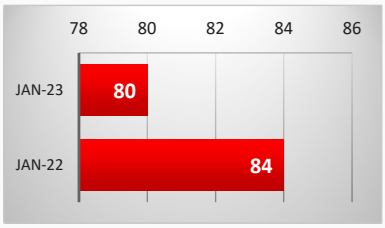
YEAR-TO-DATE HOME SALES



Year-to-Date 2022	Year-to-Date 2021
3,114	4,702
HOMES SOLD THRU 1/23	HOMES SOLD THRU 1/22

from last year ▼ **-33.8%**

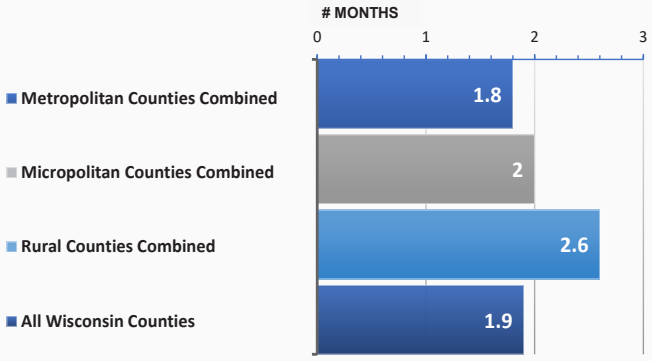
AVG DAYS ON MARKET



January 2023	January 2022
80	84
ACTIVE LISTINGS	ACTIVE LISTINGS

from last year ▼ **-4.8%**

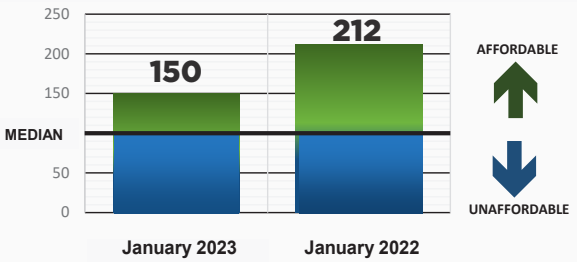
MONTHS OF INVENTORY BY URBAN CLASSIFICATION



HOUSING AFFORDABILITY INDEX

A value of 100 means a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home.

Index Down 29.20% from Jan. 2022



Metropolitan counties include: Brown, Calumet, Chippewa, Columbia, Dane, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Milwaukee, Oconto, Ozaukee, Outagamie, Pierce, Racine, Rock, Sheboygan, St. Croix, Washington, Waukesha and Winnebago.

Micropolitan counties include: Dodge, Dunn, Florence, Grant, Jefferson, Lincoln, Manitowoc, Marinette, Menominee, Portage, Sauk, Shawano, Walworth and Wood.

Rural counties include: Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Door, Forest, Green Lake, Iron, Jackson, Juneau, Lafayette, Langlade, Marquette, Monroe, Oneida, Pepin, Polk, Price, Rusk, Richland, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, Waupaca and Waushara.

The Wisconsin Housing Affordability Index shows the portion of the median-priced home that a qualified buyer with median family income can afford to buy, assuming 20% down and the remaining balance financed with a 30-year fixed mortgage at current rates.

December 2022 WI Real Estate Summary

High Prices and Low Affordability Hamper January Home Sales

TALKING POINTS

- Wisconsin existing home sales fell 33.8% in January 2023 relative to January 2022, and the median price of homes that closed in January rose 8.5% over that same 12-month period to $250,000.
- The slide in January home sales continued a trend that first emerged in the fourth quarter of 2022. While home sales in the first nine months of 2022 fell 8.8% compared to the first nine months of 2021, they slid 30.1% in the fourth quarter of 2022 compared to that same quarter in 2021.
- Although mortgage rates have fallen from peak levels in October 2022 when they averaged 6.90%, they remained relatively high in January 2023 at 6.27%. Note that this compares to a rate that averaged just 3.45% in January 2022.
- Inventories remained very low, which kept upward pressure on home prices. At just 1.9 months of available supply, which is unchanged from a year earlier, the weak existing home market is still classified as a seller's market since it is well below the six-month benchmark that characterizes a market that is balanced. Larger metropolitan markets have the most sales activity and the most limited supply at just 1.8 months, but even the less densely populated rural areas have very weak supply at only 2.6 months.
- New listings are down 26.2% compared to January 2022, and total listings are 16.2% lower than their levels 12 months earlier.
- Affordability continues to be the primary reason that demand is so weak.
- The Wisconsin Housing Affordability Index measures the percent of the median-priced home that a household with median family income can purchase, assuming a 20% down payment, and a 30-year fixed-rate mortgage at current rates financing the remaining balance. The index fell from 212% in January 2022 to 150% in January 2023, a reduction of 29.2% over the last 12 months.

TIGHT INVENTORIES AND HIGH MORTGAGE RATES HURT AFFORDABILITY



"In late October, 30-year fixed mortgage rates hit a weekly average of just over 7%, so it's good to see them start coming down. However, we will need to see both lower mortgage rates and lower price pressure before there is appreciable improvement in housing affordability in the state."

Joe Horning
2023 Chairman of the Board of Directors, Wisconsin REALTORS® Association

FED LIKELY TO CONTINUE MODERATE RATE HIKES



"After starting the first half of 2022 with slight negative growth of real inflation-adjusted GDP, we saw a rebound in the second half of the year with real GDP growth at 3.2% in the third quarter, and preliminary estimates of 2.9% growth in the fourth quarter. Taming inflation is the Fed's number one priority, and it can now continue to make short-term interest rate hikes without fearing the economy will slip into recession. The Fed has signaled these hikes will likely be smaller than the very aggressive three-quarter-percent increases in the Federal Funds rate we saw in 2022."

Dave Clark
Marquette University Economist and WRA Consultant

INVENTORY WEAKNESS IS A STUBBORN PROBLEM



"We've been in a seller's market for nearly six years and a strong seller's market with less than four months of supply for the last three years. It's a complicated problem because there is still unmet demand from millennials and now Generation Z buyers, even with relatively high mortgage rates. Unfortunately, we will need to see the supply side improve before sales begin to recover."

Michael Theo
President & CEO, Wisconsin REALTORS® Association