

For Immediate Release

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October Home Sales Up 26%

Market Highlights

- Buyers Continue Strong Year
- 2020 May Be As Good As 2016-19
- Market Needs Over 4,000 Additional Units

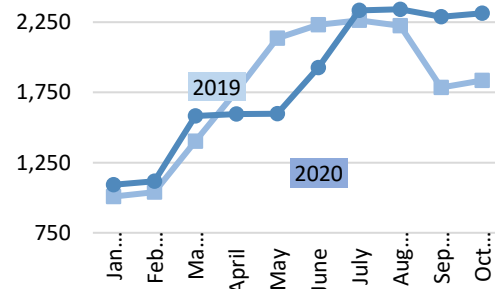
November 12, 2020 – Once again, the Metropolitan Milwaukee real estate market outdid itself with back-to-back double-digit sales increases in September and October. The stalled spring market - due to the onset of coronavirus - simply pushed sales back a few months, rather than push buyers away.

Sales in October were up 26% in the 4-county area, and up 28.4% in Southeastern Wisconsin.

In a typical October market, sales volume in the 4-county area would be well under 2,000 units as buyers' and sellers' attention turns to other events.

In the atypical year of 2020, sales stayed above 2,200 for a 4th straight month.

Sales Comparison



The *Sales Comparison* graph (above right) shows how the market was in sync the first three months of the year.

Once the "Stay at Home" order was declared in March, the market did not plunge, rather there was a slight pause from April – June.

July and August of this year exceeded 2019, but where we usually see a trailing off in the fall, 2020 went full speed ahead.

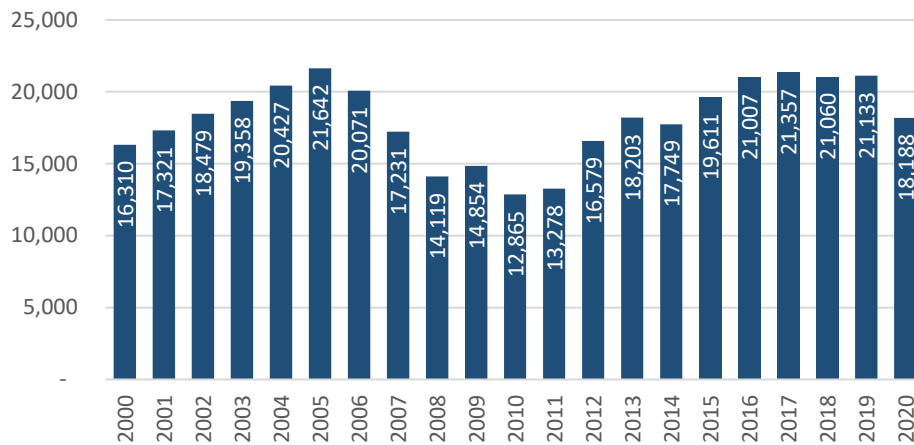
The fact that sales were up over the last 4 months is a testament to the strength of buyer demand.

The 4-county market appears to be on pace to finish the year above 21,000 units, where it has finished since 2016 (See *Sold Units* graph below).

October Sales

County	2019	2020	% Change
Milwaukee	995	1278	28.4%
Waukesha	521	642	23.2%
Washington	185	235	27.0%
Ozaukee	134	158	17.9%
Metro Area	1,835	2,313	26.0%
Racine	227	361	59.0%
Kenosha	201	240	19.4%
Walworth	184	227	23.4%
SE WI Area	2,447	3,141	28.4%

Sold Units

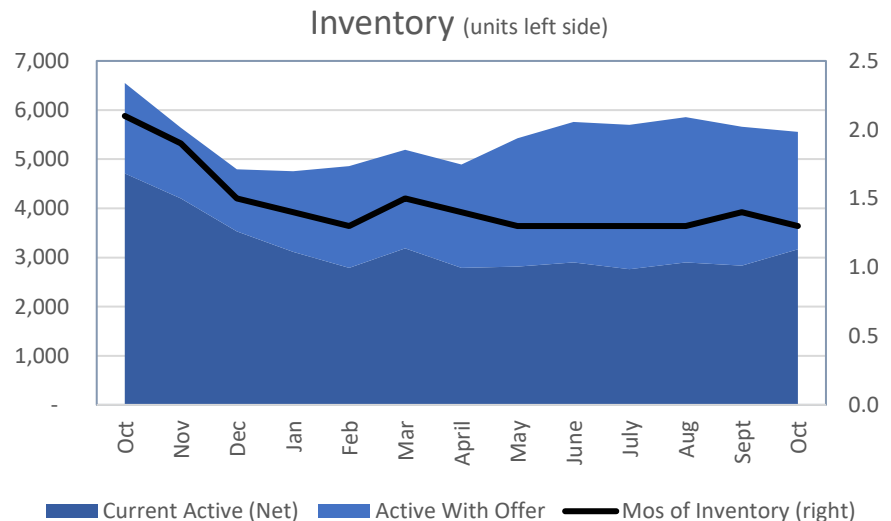


Inventory

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 October was 3.2 months.

If we subtract the listings that have an "active offer" from those available for sale in each month (approximately 80% of listings with an offer turn into a sale), we get a different perspective of the quantity of homes available on the market (See 'Inventory' graph right).

Subtract the 2,388 listings with an active offer from current listings presents an inventory level of 1.3 months.

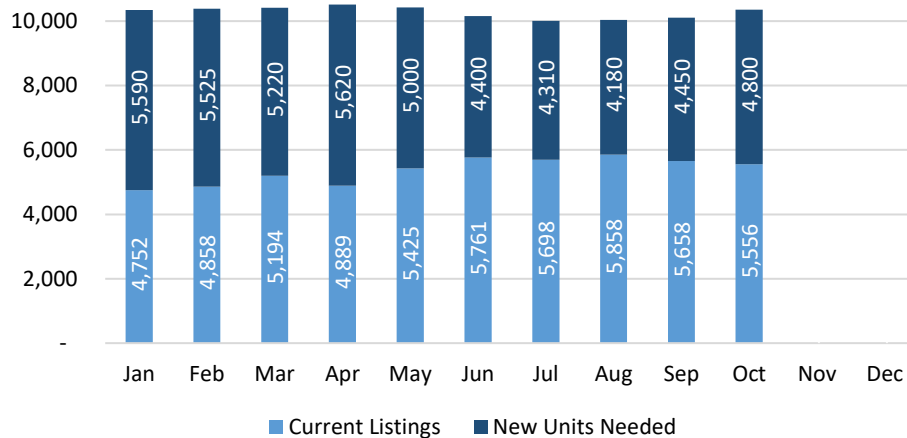


These are dangerously low numbers and have been lackluster for a few years. If the region does not create additional supply in the form of more single-family and condo units, thousands of would-be homeowners will be forced into rental units, foregoing the opportunity to build wealth through a home's equity and all of the other benefits of homeownership.

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 5,556 current listings providing 3.2 months of inventory, the market would need an additional 4,800 units available to push inventory up to 6 months. See *New Units Needed To Reach 6.0 Months* graph below for a perspective on how dire the need for additional units is.

New Units Needed To Reach 6.0 Months



October Listings

County	2019	2020	% Change
Milwaukee	1,301	1,383	6.3%
Waukesha	562	607	8.0%
Washington	189	203	7.4%
Ozaukee	98	125	27.6%
Metro Area	2,150	2,318	7.8%
Racine	335	328	-2.1%
Kenosha	274	253	-7.7%
Walworth	181	202	11.6%
SE WI Area	2,940	3,101	5.5%

Listings

Listings were up in most of the region in October – a promising development. In fact, listings were up for 3 consecutive months (Aug – Oct). The last time the 4-county market saw an increase in listings for 3 straight months was Oct – Dec 2018.

Since the beginning of 2016, a span of 58 months, only 23 months – 40% of the time – had an increase in homes listed for sale.

While listings shrunk during that time, sales increased. Sales were up in 38 of the same 58 months, or 66% of the time.

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

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.