For Immediate Release
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GMAR Greater Milwaukee Association of REALTORS®

2020 Sales Highest Ever
Dec. Home Sales Up 25.9%

Market Highlights

- Despite COVID-19 Pandemic, Market Skyrockets
- Most Home Sales Ever Recorded
- Lack of Listings Continues

December 12, 2021 – There are few superlatives left to describe the 2020 real estate market. The year recorded the highest level of sales ever, coming in at 22,445 units in the 4-county Metropolitan Milwaukee market.

December Sales

County	2019	2020	% Change
Milwaukee	809	1,067	31.9%
Waukesha	385	476	23.6%
Washington	161	173	7.5%
Ozaukee	94	108	14.9%
Metro Area	1,449	1,824	25.9%
Racine	216	247	14.4%
Kenosha	159	214	34.6%
Walworth	115	158	37.4%
SE WI Area	1,939	2,443	26.0%

2020 Sales*

County	2019	2020	% Change
Milwaukee	11,682	12,327	5.5%
Waukesha	6,035	6,445	6.8%
Washington	2,056	2,173	5.7%
Ozaukee	1,360	1,500	10.3%
Metro Area	21,133	22,445	6.2%
Racine	2,799	3,096	10.6%
Kenosha	2,409	2,506	4.0%
Walworth	1,889	2,036	7.8%
SE WI Area	28,230	30,083	6.6%

Homeownership is security. In a year marked by an ongoing pandemic, political strife, and a myriad of other trials consumers ‘fled to safety’ by purchasing real estate.

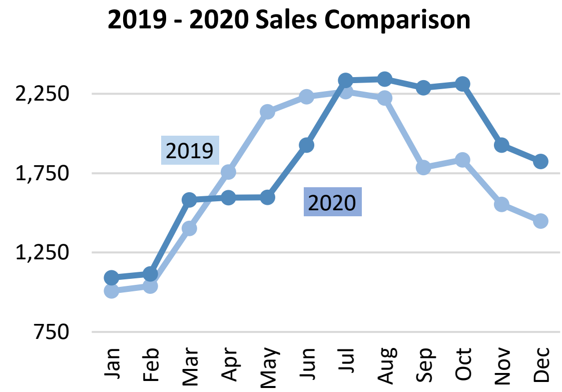
Working and attending school from home changed how the public viewed housing. It no longer was simply a place to go to each night, but a place to stay all day long.

As consumers realized they could not control the world around them, they decided to take charge of what they could and purchase a home.

The market started 2020 normally, stalled in the spring due to the onset of coronavirus, then took off after the lock-down [See *2019 - 2020 Sales Comparison, p2*].

For the month of December the Metropolitan Milwaukee real estate market overperformed compared to 2019. Sales in December were up an astounding 25.9% in the 4-county area, and up 26.0% in Southeastern Wisconsin.

In a more typical market, sales in the 4-county area would be under 1,500 units in December as buyers’ and sellers’ attention turned to the Holidays, Bucks, and Packers in the playoffs. In December 2020 sales were over 1,800.

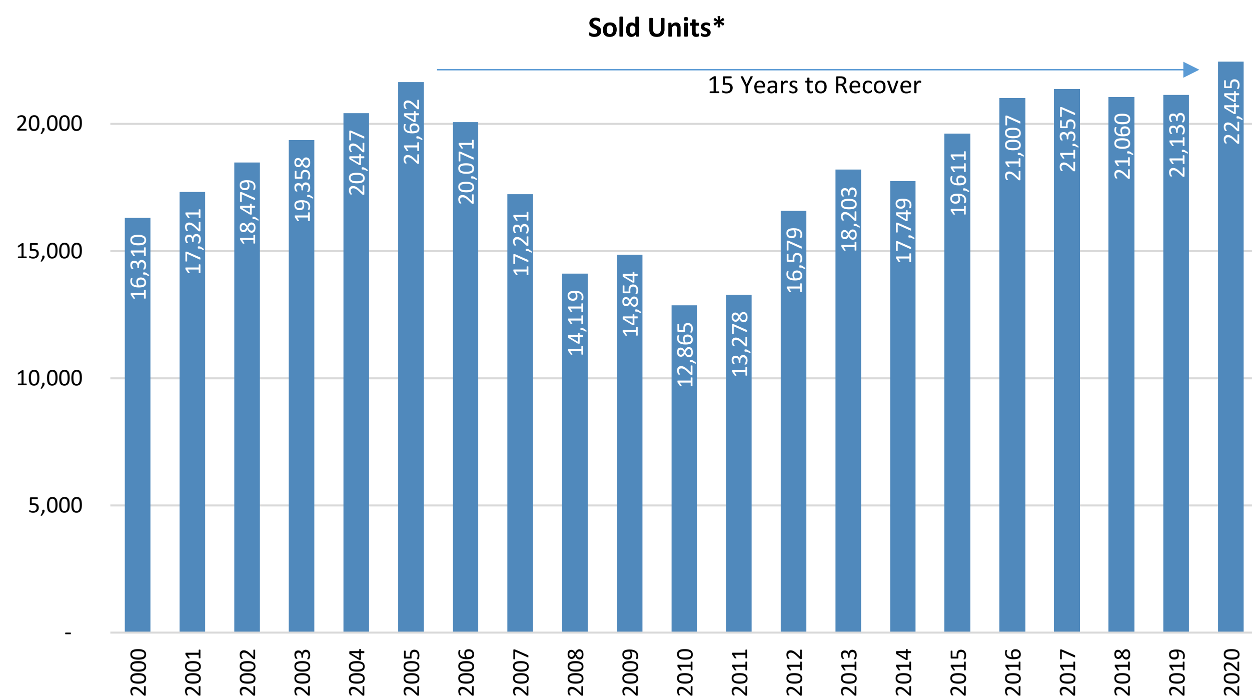


As the Sales Comparison graph to the left shows, for the first 6 months of 2020, the Metropolitan Milwaukee market was down 6.9% (9,574 in 2019 vs. 8,910 in 2020) .

However, during the last half of the year, 2020 was up over 2019 by 17.3% (11,109 in 2019 vs. 13,029 in 2020).

Sold Units History

The fact that Metropolitan Milwaukee sales were up 6.2% in 2020 is a testament to the strength of buyer demand [See *Sold Units* graph below], which has been strong since 2016.



Additionally, this graph shows how dramatic a decline and long recovery the market had after the Great Recession. It took 15-years for the market to fully recover and exceed the previous 'high-water mark' in sales back in 2005.

Average Sale Prices

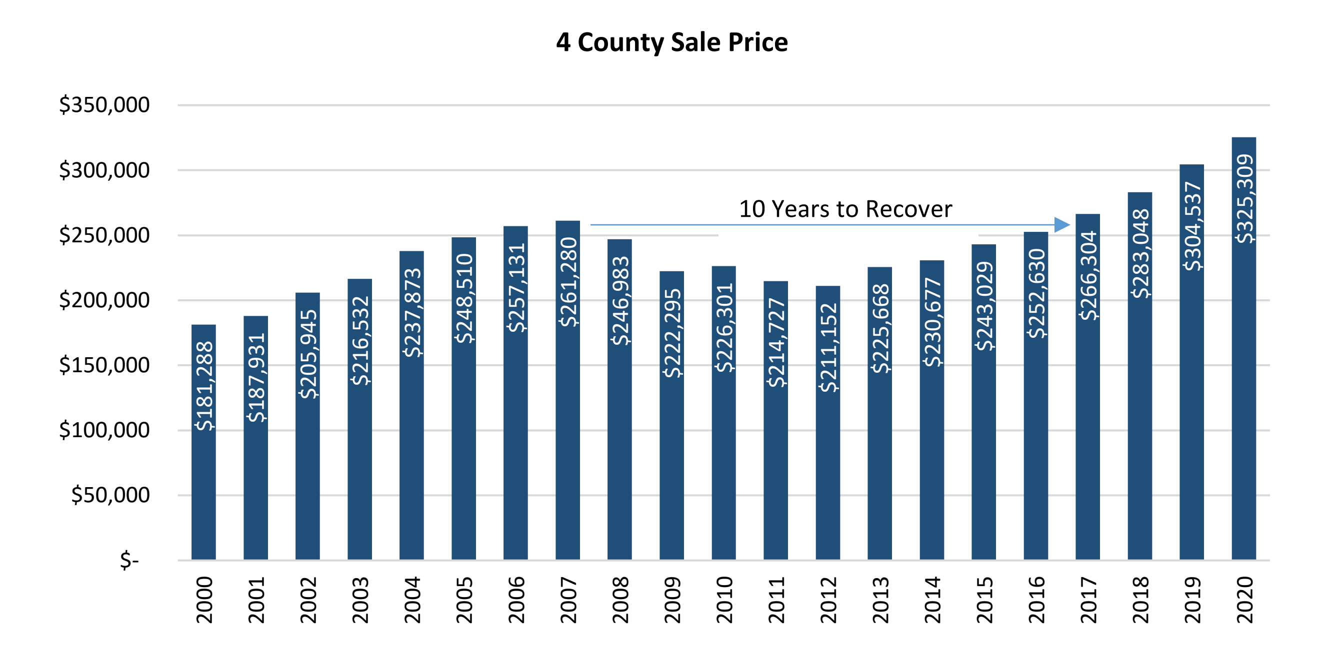
The average sale price in all 4 metropolitan counties was up 6.8% through 2020 to $325,309, which is not surprising considering the lack of inventory throughout the area, particularly for properties under $300,000.

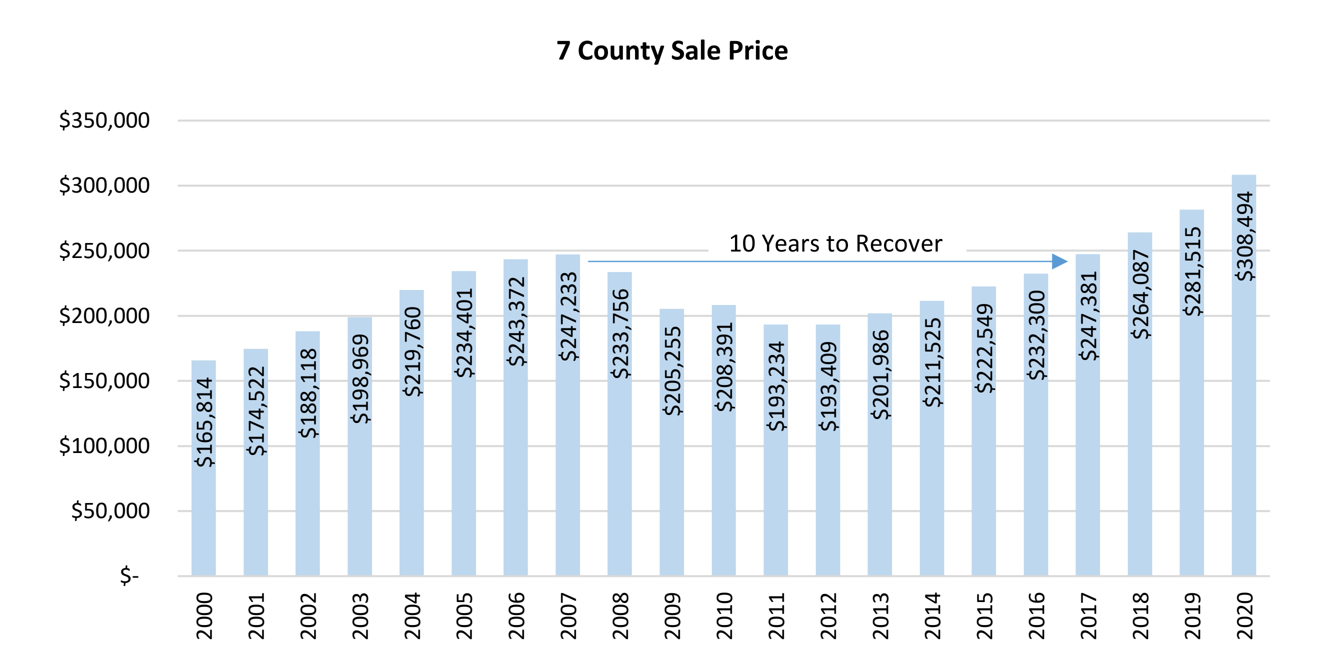
Price pressure is evident by the amount of time properties are on the market. The number of days a property was on the market declined in 2020 by 13.4%, from an average of 39-days in 2019 to 34-days in 2020. When properties sell that quickly, there are often multiple bids on a house, for more than the asking price, within days of it being listed for sale.

In the 7-county Southeastern Wisconsin market area, average prices were $308,494, up 9.6%, or $26,979.

2020 Sale Prices

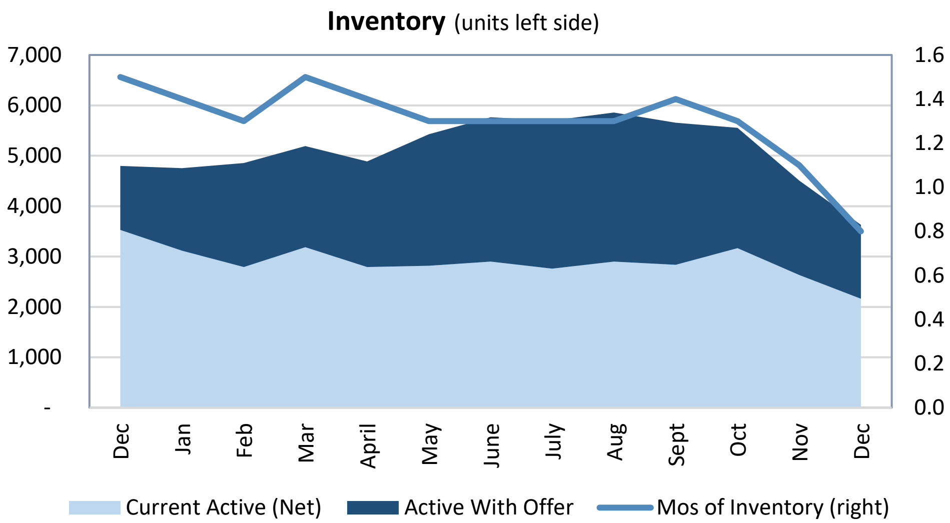
County	2019	2020	$ Change	% Change
Milwaukee	$199,104	$219,460	$20,356	10.2%
Waukesha	$354,507	$396,576	$42,069	11.9%
Washington	$277,609	$296,419	$18,810	6.8%
Ozaukee	$386,929	$388,780	$1,851	0.5%
Metro Area Avg	$304,537	$325,309	$20,772	6.8%
Racine	$213,020	$229,132	$16,112	7.6%
Kenosha	$230,732	$250,604	$19,872	8.6%
Walworth	$308,705	$378,487	$69,782	22.6%
SE WI Area Avg	$281,515	$308,494	$26,979	9.6%





Inventory

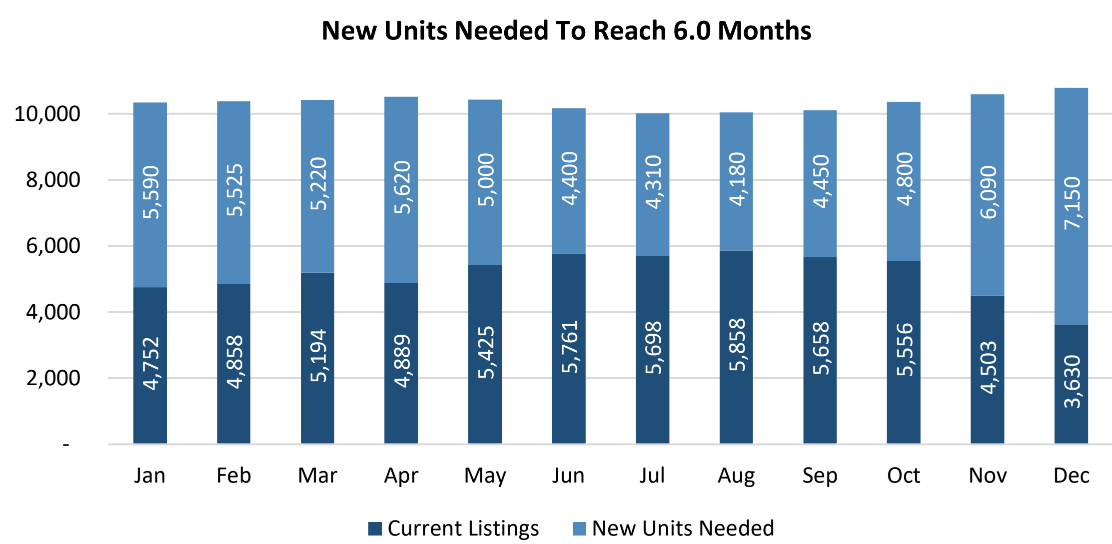
Seasonally adjusted inventory is calculated by taking the homes available for sale in each month and comparing them to the past 12 months' average sales. This tells us how many months it would take to sell the existing homes on the market. The seasonally adjusted **inventory level for December was 2.0 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).

Subtracting listings with an active offer from residential listings, yields **a remarkably low level of 2,162 listings, which equals 0.8 months of inventory – a level never seen before**.

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 3,630 current listings providing 2.0 months of inventory, the market would need an additional 7,150 units to push inventory to 6 months.

December Listings

County	2019	2020	% Change
Milwaukee	625	692	10.7%
Waukesha	227	234	3.1%
Washington	94	111	18.1%
Ozaukee	73	63	-13.7%
Metro Area	1,019	1,100	7.9%
Racine	132	183	38.6%
Kenosha	105	122	16.2%
Walworth	70	90	28.6%
SE WI Area	1326	1495	12.7%

2020 Listings*

County	2019	2020	% Change
Milwaukee	14,922	14,805	-0.8%
Waukesha	7,462	7,151	-4.2%
Washington	2,467	2,400	-2.7%
Ozaukee	1,778	1,712	-3.7%
Metro Area	26,629	26,068	-2.1%
Racine	3,645	3,591	-1.5%
Kenosha	3,114	2,903	-6.8%
Walworth	2,447	2,361	-3.5%
SE WI Area	35,835	34,923	-2.5%

Listings

Listings were up in most of the region in December – a promising development.

However, listings through the end of the year tell a more accurate story of how much supply is coming online.

As the 2020 Listings table (to the left) shows, listings were down in all 7 SE Wisconsin counties, continuing a troubling trend.

Since the beginning of 2016, a span of 60 months, only 25 months – 42% of the time – had an increase in homes listed for sale.

The last 5 months of 2020 did see an increase in listings, however, that was likely due to sellers taking advantage of market conditions rather than an actual increase in the total number of dwellings in the area.

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 5th, 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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