For Immediate Release
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GMAR Greater Milwaukee Association of REALTORS®

Sept Home Sales Down 6%
Down 0.2% Through 3rd Qtr

Market Highlights

- 74% of Sales Under $300,000 in September
- Prices Up Throughout SE WI
- Rumors of the Market Cooling

October 12, 2018 – Home sales were down 6% in September in the Metropolitan Milwaukee market over the same period in 2017. The 1,714 homes sold in September totals 109 fewer than in September 2017, when 1,823 units sold.

September Sales

County	2017	2018	% Change
Milwaukee	1,004	910	-9.4%
Waukesha	487	522	7.2%
Washington	218	174	-20.2%
Ozaukee	114	108	-5.3%
4 County Area	1,823	1,714	-6.0%
Racine	252	229	-9.1%
Kenosha	217	205	-5.5%
Walworth	181	153	-15.5%
7 County Area	2,473	2,121	-14.2%

Through the 3rd quarter of the year 16,425 homes sold, down slightly 0.2% from the 16,464 units sold in 2017. 2018 has been a very strong year. The totals through the 3rd quarter for both 2017 and 2018 were the strongest this century. The next closest year was before the recession, in 2005, when 15,953 units sold.

The metropolitan area has enjoyed a strong sales market since the beginning of 2015. The influx of first-time buyers – accounting for roughly 40% of the market – historically low interest rates, and a strong regional job market, all provide fuel for a hot market.

While the building blocks of the local economy and housing market are solid, there are some anecdotal reports of a "cooling off" in the market. Homes in good school districts, in "move-in" condition, and priced under $300,000, are getting offers, but not as fervently as earlier in the year.

Additionally, the number of communities defined as "hot markets" (those with an increase in units sold, increased average sales price, and lower days on market) declined through the 3rd quarter this year compared to the same period in 2017. In 2017, there were 21 hot markets through the 3rd quarter, this year there were only 13. Most of the decline was due to a decrease in unit sales, possibly because of a lack of supply in the sub-$300,000 market.

3rd Quarter Sales

County	2017	2018	% Change
Milwaukee	9,102	9,251	1.6%
Waukesha	4,624	4,561	-1.4%
Washington	1,676	1,595	-4.8%
Ozaukee	1,062	1,002	-5.6%
4 County Area	16,464	16,425	-0.2%
Racine	2,190	2,139	-2.3%
Kenosha	1,821	1,898	4.2%
Walworth	1,500	1,399	-6.7%
7 County Area	21,975	21,845	-0.6%

The supply of homes for sale is not close to keeping up with demand. New construction, while much improved from the depth of the recession, is still lackluster. Foreclosures, which supplied thousands of homes after the recession began, have evaporated. And, people are not moving out of their existing homes for a variety of reasons, including: Not having another place to move to, not feeling the value of their home has totally recovered, or they have made improvements to their existing home.

In order to have enough homes to meet current demand (to get to a 6 month level of inventory, which is considered 'balanced') the market would need to add 3,500 units to the current supply, a 50% increase over the 6,897 current listings in the market.

Price Point & Days on Market

In the 4 county area, homes under $300,000 accounted for 74% of units sold in September. 13% of sales were between $300,000 and $400,000, 6% were between $400,000 and $500,000, and 6% sold for more than $500,000.

September Price Point & DOM Data

County	<$300K	<30 Days	<60 Days
Milwaukee	89%	62%	84%
Waukesha	52%	67%	88%
Washington	77%	69%	83%
Ozaukee	53%	54%	78%
Racine	88%	62%	85%
Kenosha	82%	67%	76%
Walworth	72%	48%	68%

84% of homes in the metropolitan market are selling within 60 days. Going from signed listing contract to completed sale. 7% are taking 60-90 days, and 3% took 90-120 days.

Listings

Listings were mixes in Southeastern Wisconsin in September. The 4 county area dropped 97 units. September was a continuation of a long stretch of decreased homes listed for sale. Since the beginning of 2015, a span of 45 months, 31 months, or 69%, had a decrease in homes listed for sale.

September Listings

County	2017	2018	% Change
Milwaukee	1,340	1,219	-9.0%
Waukesha	567	600	5.8%
Washington	193	195	1.0%
Ozaukee	134	123	-8.2%
4 County Area	2,234	2,137	-4.3%
Racine	267	337	26.2%
Kenosha	276	242	-12.3%
Walworth	194	226	16.5%
7 County Area	2,971	2,942	-1.0%

While listings shrunk about 2/3 of the time since 2015, sales have increased over that time. Sales were up in 34 of the 45 months, or 75% of the time.

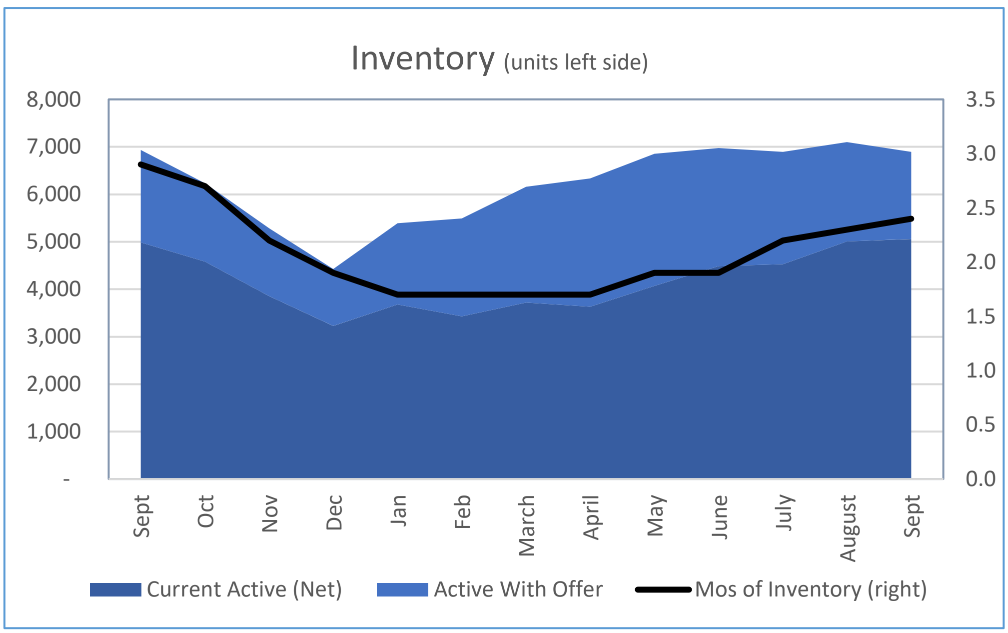
3rd Quarter Listings

County	2017	2018	% Change
Milwaukee	13,133	12,331	-6.1%
Waukesha	6,322	6,177	-2.3%
Washington	2,196	2,030	-7.6%
Ozaukee	1,523	1,393	-8.5%
4 County Area	23,174	21,931	-5.4%
Racine	2,914	2,857	-2.0%
Kenosha	2,534	2,475	-2.3%
Walworth	2,273	2,173	-4.4%
7 County Area	30,895	29,436	-4.7%

Inventory

Seasonally adjusted inventory is calculated by taking the homes available for sale in a given 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 September was 4.0 months, down from August's 4.1 month level. The seasonally adjusted level was 4.7 months in September 2017.



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.

We also calculate inventory by subtracting the listings that have an "active offer" from those available for sale in a given month. Approximately 8 in 10 listings that buyers place an offer on go on to a complete sale. This gives us a different perspective of the quantity of homes available on the market.

Subtract the 1,840 listings with an active offer from current listings presents an effective inventory level of 2.4 months, down from August's 2.3. A year ago, the same calculation showed September's inventory level at 2.9 months.

Average Sale Prices

The average sale price in all 7 counties in SE Wisconsin was up in in the 3rd quarter of 2018 compared to 2017. This is not surprising considering the lack of inventory.

3rd Quarter Sale Prices

County	2017	2018	$ Change	% Change
Milwaukee	$178,254	$188,564	$10,310	5.8%
Waukesha	$321,272	$331,480	$10,208	3.2%
Washington	$236,470	$261,918	$25,448	10.8%
Ozaukee	$326,371	$359,457	$33,086	10.1%
4 County Area	$265,592	$285,355	$19,763	7.4%
Racine	$180,254	$196,196	$15,942	8.8%
Kenosha	$195,017	$209,362	$14,345	7.4%
Walworth	$286,470	$306,736	$20,266	7.1%
7 County Area	$246,301	$264,816	$18,515	7.5%

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 4,000-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.

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