

## For Immediate Release

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# May Home Sales Down 2.7%

## Market Highlights

- Lack of Homes Decreases Sales
- Homes Under \$300,000 Selling Fast
- Possibly Some Relief for Listings

June 12, 2018 – Home sales were down 2.7% for the first time in 2018 in the Metropolitan Milwaukee market. The 2,121 homes sold in May were 58 fewer than in May 2017, when 2,179 units were sold. Nonetheless, this past May was the second strongest of the century. Only May 2017 saw more sales than 2018.

## May Sales

County	2017	2018	% Change
Milwaukee	1,214	1,234	1.6%
Waukesha	604	542	-10.3 %
Washington	217	205	-5.5%
Ozaukee	144	140	-2.8%
4 County Area	2,179	2,121	-2.7%
Racine	266	282	6.0%
Kenosha	231	242	4.8%

For the year, there were 7,715 total sales, compared to 7,411 in the first four months of 2017, a 4.1% increase.

The metropolitan area has enjoyed strong sales since the beginning of 2015, arguably the beginning of the current post-recessionary market.

The influx of first-time buyers – accounting for approximately 40% of the market – historically low interest rates, and a strong

regional job market, all provide fuel for a hot market.

## May Price Point & DOM Data

County	<\$300K	<30 Days	<60 Days
Milwaukee	87%	63%	19%
Waukesha	51%	65%	18%
Washington	72%	61%	18%
Ozaukee	49%	56%	19%
Racine	84%	68%	15%
Kenosha	84%	69%	17%

In the Metropolitan Milwaukee area, homes under \$300,000 accounted for 73.5% of homes sold in May, and those homes sold in short order. 63% of homes sold in under 30 days on market (DOM), 81% sold in under 60 days.

While Waukesha and Ozaukee Counties' percentages under \$300,000 was lower than the other counties, they did have more homes sold at higher price points. In Waukesha County 24% of

sales were \$300,000 - \$400,000 in May; 12% were \$400,000 - \$500,000; and 13% were over \$500,000.

In Ozaukee County, 26% of sales were between \$300,000 and \$400,000; 5% were \$400,000 - \$500,000; and 20% were over \$500,000.

**Listings**

The 4-county area saw a decrease in listings in May, dropping 1.4% (42 units), compared to May 2017.

**May Listings**

County	2017	2018	% Change
Milwaukee	1,665	1,665	0.0%
Waukesha	854	864	1.2%
Washington	309	281	-9.1%
Ozaukee	196	172	-12.2%
4 County Area	3,024	2,982	-1.4%
Racine	361	385	6.6%
Kenosha	313	332	6.1%

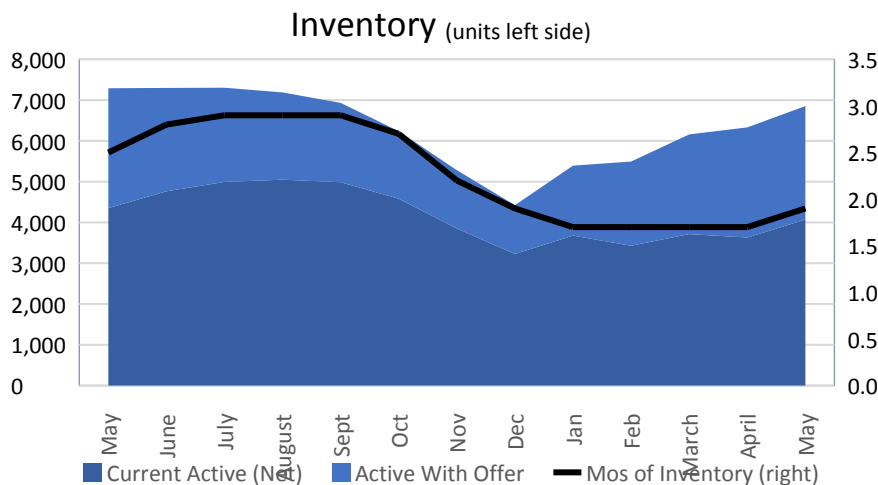
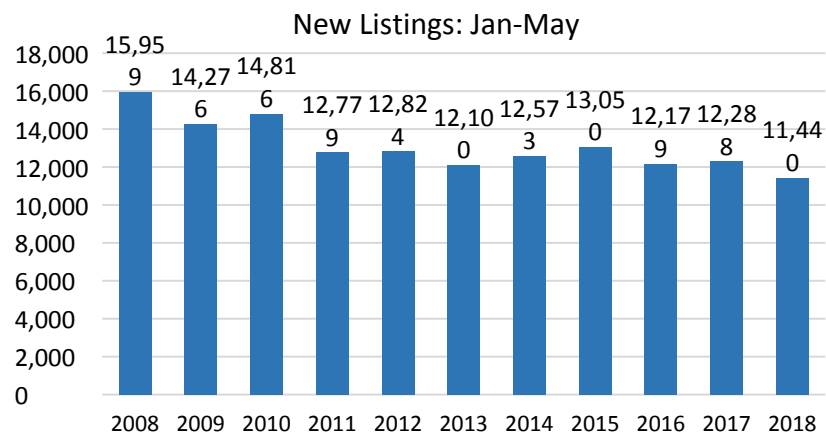
Since the beginning of the year, the 4-county metropolitan area had 11,440 homes listed, which is the lowest 5 month stretch since 2004 (11,419 units), and 6.9% behind the first five months of 2017.

Surprisingly, there may be some light at the end of the dark listing tunnel in the region’s two most populous counties. Milwaukee County was even with last May’s listing total and Waukesha County saw a 1.2% increase (10

additional units). However, without new supply in the form of newly built homes and condos, the increase is probably temporary.

Over the last 41 months, since the beginning of 2015, the 4-county market saw an increase in homes listed for sale in only 13 months.

While listings shrank about 2/3 of the time since 2015, sales have increased. Sales were up in 33 of the last 41 months, or 80.5% of the time.



**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 May was 3.9 months, up from April’s 3.6 month level. The seasonally adjusted level was

4.8 months in May 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.

Subtracting the 2,783 listings with an active offer from total current listings presents an effective inventory level of 1.9 months, up slightly from April’s 1.7 month level. A year ago, the same calculation showed May’s inventory level at 2.5 months, and May 2016 was 3.2 months.

### **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 “4th qtr” (or year-end) because the collection of “Monthly Stats” ends on the 10<sup>th</sup> of each month; whereas the “4<sup>th</sup> qtr” is a continuous tally to 12/31. For example, if a sale occurred on July 29<sup>th</sup>, but the agent does not record the sale until August 11<sup>th</sup>, that sale would not be included in the July sales figures (or any subsequent month’s total) but would be added to the annual total sales figure in the “4<sup>th</sup> qtr” total.

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