For Immediate Release
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GMAR Greater Milwaukee Association of REALTORS®

March Home Sales Up 7.8%
1st Qtr of 2018 Up 8.6%

Market Highlights

- Sales Up, Listings Down
- Most Sales Are Under $300,000
- Healthy Price Pressure

April 12, 2018 – Home sales were up 7.8% in March in the Metropolitan Milwaukee market over the same period in 2017. The 1,657 homes sold in March were 120 more than in March 2017, when 1,537 units sold. For the 1st quarter of the year 3,751 homes sold, and 8.6% increase over the 3,455 units sold in 2017.

March Sales

County	2017	2018	% Change
Milwaukee	885	977	10.4%
Waukesha	422	406	-3.8 %
Washington	146	165	13%
Ozaukee	84	109	29.8%
4 County Area	1,537	1,657	7.8%
Racine	199	225	13.1%
Kenosha	186	165	-11.3%
Walworth	144	153	6.3%
7 County Area	2,006	2,200	6.5%

This past March was the strongest March since 2006, when 1,663 homes sold. 2006 was also the last time a 1st quarter was as strong as this year. 3,751 homes sold in the first three months of this year, compared to the 3,753 sold in 2006.

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.

As we move into the height of the selling season, typically March through July, there are no signs that the market will slow down. The only thing holding back a higher volume of sales is the availability of homes for sale. And, there doesn't appear to be any way to remediate that issue any time soon.

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 4,591 units to the current supply, a 74% increase over the 6,159 current listings. [Note: current listings includes listings from previous months, not just those units listed in March]

Homes under $300,000 accounted for 76% of homes sold in March, and those homes sold in short order. Units that are in good condition with a highly rated school nearby are selling in just a few days. In the 1st quarter, 79% were under $300,000 in price.

Higher priced homes, over $300,000 are selling well, but in the typical 60-90 day time frame.

1st Quarter Sales

County	2017	2018	% Change
Milwaukee	2,050	2,252	9.9%
Waukesha	930	936	0.6%
Washington	321	380	18.4%
Ozaukee	197	219	11.2%
4 County Area	3,498	3,787	8.3%
Racine	502	530	5.6%
Kenosha	412	407	-1.2%
Walworth	304	323	6.3%
7 County Area	4,716	5,047	7.0%

Listings

Every county in Southeastern Wisconsin saw a decrease in listings in March, totaling 335 homes. The 4-county area dropped 309 units. Racine, Kenosha and Walworth dropped 26 units.

In the first few days of March, brokers indicated that listings were coming back a bit, however, March was a continuation of a long stretch of decreased homes listed for sale.

Since the beginning of 2015, a span of 39 months, 26 months, or 67%, had a decrease in homes listed for sale.

March Listings

County	2017	2018	% Change
Milwaukee	1,625	1,429	-12.1%
Waukesha	758	734	-3.2%
Washington	270	194	-28.1%
Ozaukee	180	167	-7.2%
4 County Area	2,833	2,524	-10.9%
Racine	338	342	1.2%
Kenosha	299	285	-4.7%
Walworth	283	267	-5.7%
7 County Area	3,753	3,418	-8.9%

While listings shrunk about 2/3 of the time since 2015, sales have increased over time. Sales were up in 32 of the 39 months, or 82% of the time.

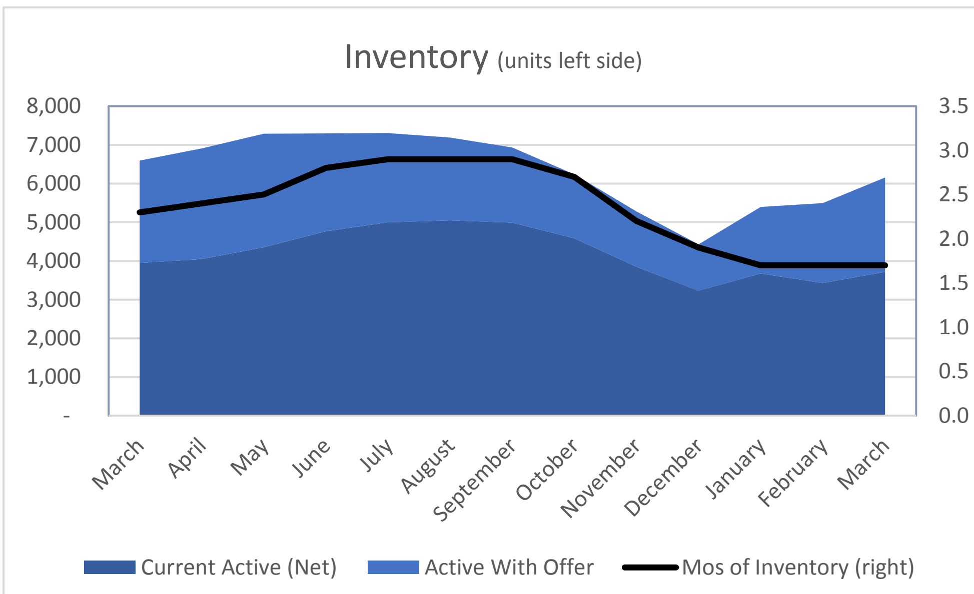
In the 1st quarter, new listings were down in each county in Southeastern Wisconsin by 9.2%.

1st Quarter Listings

County	2017	2018	% Change
Milwaukee	3,787	3,501	-7.6%
Waukesha	1,744	1,553	-11.0%
Washington	592	523	-11.7%
Ozaukee	436	427	-2.1%
4 County Area	6,559	6,004	-8.5%
Racine	814	726	-10.8%
Kenosha	698	604	-13.5%
Walworth	674	608	-9.8%
7 County Area	8,745	7,942	-9.2%

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 March was 3.4 months, a drop from February's 3.2 month level. The seasonally adjusted level was 4.4 months in March 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 2,444 listings with an active offer from current listings presents an effective inventory level of 1.6 months, down from February's 1.7 month level. A year ago, the same calculation showed March's inventory level at 2.3 months.

Average Sale Prices

The average sale price in all four counties was up in in the first quarter of 2018 compared to 2017. This is not surprising considering the lack of inventory.

1st Quarter Sale Prices

County	2017	2018	$ Change	% Change
Milwaukee	$161,224	$170,836	$9,612	6.0%
Waukesha	$292,266	$306,179	$13,913	4.8%
Washington	$227,881	$261,067	$33,186	14.6%
Ozaukee	$292,154	$342,235	$50,081	17.1%
4 County Area	$243,381	$270,079	$26,698	9.9%
Racine	$163,532	$181,702	$18,170	11.1%
Kenosha	$227,881	$193,037	-$34,844	-15.3%
Walworth	$252,342	$344,258	$91,916	36.4%
7 County Area	$887,136	$989,076	$101,940	10.3%

Hottest Markets

The most active markets in the region, characterized by those communities with more than 25 unit sales, that had an increase in units sold and average sale price, and a decrease in days-on-market (DOM).

	2018			2017			% Change	$ Change	% $ Change	% Change
	#	$	DOM	#	$	DOM	#	$	$	DOM
Milwaukee Cnty	**2,252**	**170,836**	**58**	**2,050**	**161,224**	**74**	**10%**	**$9,612**	**6.0%**	**-21.6%**
Greenfield	86	179,865	56	64	168,621	80	34%	$11,244	7%	-30%
Milwaukee	1,303	136,330	64	1,127	120,293	76	16%	$16,037	13%	-16%
Oak Creek	68	239,323	41	64	208,289	74	6%	$31,034	15%	-45%
So. Milwaukee	58	155,563	47	42	154,884	72	38%	$679	0%	-35%
St. Francis	37	162,545	90	36	136,278	91	3%	$26,267	19%	-1%
West Allis	174	138,073	55	158	117,678	70	10%	$20,395	17%	-21%
Waukesha Cnty	**936**	**306,179**	**63**	**930**	**292,266**	**67**	**1%**	**$13,913**	**4.8%**	**-6.0%**
Menomonee Falls	95	313,610	67	86	281,353	77	10%	$32,257	11%	-13%
Oconomowoc	82	330,952	75	71	309,727	85	15%	$21,225	7%	-12%
Waukesha	210	221,623	50	196	208,261	61	7.1%	$13,362	6%	-18%
Washington Cnty	**380**	**261,067**	**62**	**321**	**227881**	**71**	**18%**	**$33,186**	**14.6%**	**-12.7%**
Germantown	49	283,337	49	46	260,740	71	7%	$22,597	8.7%	-31%
Hartford	66	232,279	73	62	205,403	79	6%	$26,876	13%	-8%
Jackson	33	253,910	43	25	235,065	53	32%	$18,845	8%	-19%
Richfield	26	444,482	43	24	345,538	71	8%	$98,944	29%	-39%
West Bend	104	212,556	67	98	171,055	71	6%	$41,501	24%	-6%
Ozaukee Cnty	**219**	**342,235**	**67**	**197**	**292,154**	**84**	**11%**	**$50,081**	**17.1%**	**-20.2%**
Mequon	63	460,576	72	50	396,724	95	26%	$63,852	16%	-24%
Port Washington	44	257,116	48	34	228,174	60	29%	$28,942	13%	-20%
Racine Cnty	**530**	**181,702**	**62**	**502**	**163,532**	**84**	**6%**	**$18,170**	**11.1%**	**-26.2%**
Caledonia	89	224,419	58	65	222,585	80	37%	$1,834	1%	-28%
Racine	207	108,368	63	192	93,673	79	8%	$14,695	16%	-20%
Waterford	30	263,050	72	28	249,678	98	7%	$13,372	5%	-27%

Kenosha Cnty										
Kenosha	256	153,205	51	231	147,396	55	11%	$5,809	4%	-7%
Pleasant Prairie	49	277,843	51	46	228,628	69	7%	$49,215	22%	-26%
Walworth Cnty	**323**	**344,258**	**101**	**304**	**252,342**	**126**	**6%**	**$91,916**	**36.4%**	**-19.8%**
Delavan	45	224,954	73	42	153,938	90	7%	$71,016	46%	-19%
Elkhorn	29	204,186	74	28	181,007	87	4%	$23,179	12.8%	-15%

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 10th of each month; whereas the "4th qtr" is a continuous tally to 12/31. For example, if a sale occurred on July 29th, but the 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 annual total sales figure in the "4th qtr" total.

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