



**Date:** 8/14/08  
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## **WISCONSIN HOME PRICES DOWN ONLY SLIGHTLY AS SALES VOLUME FALLS MORE SIGNIFICANTLY**

**Madison** – A soft economy combined with weak consumer confidence kept second quarter Wisconsin sales volume below the same quarter last year. However, home prices were down only slightly according to data just released by the Wisconsin REALTORS® Association (WRA).

Home sales in the state fell 20.7 percent in the second quarter of 2008 compared to that same quarter in 2007, a slightly steeper decline than both the nation as a whole, which fell 16.3 percent, and the Midwest region, which dropped 17.9 percent. “It is clear that consumer concerns over the direction of the economy have kept a lot of buyers on the sidelines,” said WRA Chairman Michael Spranger. “Our hope is that buyers and sellers recognize that every market is unique and every market offers opportunities.”

Spranger noted that mortgage rates have begun to creep upward recently, which may prompt potential buyers into the market. “This is an opportune time for buyers to get off the fence,” said Spranger. “Conventional 30 year fixed rate mortgages increased about a half percent in the last two months, but still remain below 7 percent. That means there are excellent opportunities in this market, but buyers shouldn’t wait too long or they risk higher interest rates.”

Wisconsin’s median prices fell just 3 percent to \$162,200 in the second quarter of 2008 as compared to the second quarter of 2007. “In a soft market like the current one, we expect some moderation in prices,” said William Malkasian, president of the WRA. “Given the relatively large reduction in sales volume in the second quarter, it’s encouraging that our prices here in Wisconsin have declined only modestly.” Malkasian noted that other parts of the country have seen substantially larger price reductions this year. He also noted that the housing bill that just passed Congress should provide some additional help to this market. “First time home buyers can now receive a tax credit of up to \$7500, which should help to get some of them off the bubble and into a home,” Malkasian said.

A survey of REALTOR® brokers across Wisconsin this month showed a consistent belief (78 percent of respondents) that sellers are more motivated in the third quarter of this year as compared to that quarter last year, but only 26 percent believe buyer interest has increased. Thus, almost 83 percent of brokers surveyed think that inventories will stay the same or rise in the third quarter. There is consensus among brokers that the remainder of 2008 will be weaker than the second half of 2007. “REALTORS® are closely tied to both buyers and sellers on a daily basis, and as a result have a good sense of current and near future market conditions,” said Malkasian. “At this halfway point in the year, our folks are realistic about this market and are neither overly optimistic nor pessimistic about the balance of the year.” Malkasian said the WRA will survey REALTOR® broker’s sentiments on a quarterly basis.

*The Wisconsin REALTORS® Association is one of the largest trade associations in the state, representing over 17,000 real estate brokers, sales people and affiliates statewide. Sales estimates for the state are provided by the National Association of REALTORS®, which seasonally adjusts quarterly sales figures. All county figures on sales volume and median prices are compiled by the Wisconsin REALTORS® Association and are not seasonally adjusted. Median prices are only computed if the county recorded at least 10 home sales in the quarter.*