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WISCONSIN HOME SALES FALL SIGNIFICANTLY IN 2008 BUT HOME PRICE DECLINE IS MODEST

Madison – There was good and bad news for Wisconsin’s housing market in 2008. While housing sales fell significantly last year as a result of the national financial turmoil and recession, home prices remained stronger than in many parts of the country, falling only modestly according to the year-end analysis of existing home sales conducted by the Wisconsin REALTORS® Association (WRA).

Wisconsin home sales declined in 2008 by 19.2 percent as compared to 2007, whereas median prices fell 3.7 percent to \$158,000 over that same time period according to the REALTORS® report. Home sales in the Midwest were down by 14.9 percent, which is slightly higher than the national decline of 13.1 percent.

“Wisconsin’s housing market is not immune from recessions,” said WRA President William Malkasian. “Combining this strong recession with the financial meltdown last fall, it’s not surprising that home sales suffered in 2008. But our prices seem to have weathered the storm thus far, falling just 3.7% below 2007 levels, and outperforming the nation and the Midwest region,” he said. Wisconsin home prices were much less volatile than markets like Arizona, California and Nevada, a fact Malkasian attributes to less exposure to subprime mortgages and much less speculative buying and selling in the Wisconsin housing market. “Most people buy homes here to live in, not flip,” Malkasian said.

WRA Board Chairman Michael Mulleady suggested that home buyers are taking a wait and see attitude when it comes to home purchases. “With consumer confidence at all-time lows and recent job losses making headlines, buyers are understandably timid about getting into the housing market,” said Mulleady. “Those who otherwise would be inclined to trade-up are waiting for the market to improve, and even credit-worthy first-time buyers are choosing to remain spectators for the time being,” he said. “There is no doubt that this is a buyer’s market and this could be a great time to get into the market, given that mortgage rates are now in the 5 percent range and Congress is currently debating a stimulus package that may offer some very favorable tax breaks for home buyers,” Mulleady said.

Malkasian struck a cautious tone, suggesting that the housing market will start to improve once there are signs of growth in the economy. “New tax breaks and low mortgage rates will get some buyers off the fence, but sustained growth in housing demand will only take place after buyers are confident that the economy is once again growing,” said Malkasian.

The Wisconsin REALTORS® Association is one of the largest trade associations in the state, representing over 14,000 real estate brokers, sales people and affiliates statewide. Sales estimates for the states, broad national regions, and the U.S. are provided by the National Association of REALTORS® which seasonally adjusts quarterly sales figures. All county and regional sales figures and median prices within Wisconsin are compiled by the Wisconsin REALTORS® Association and are not seasonally adjusted.