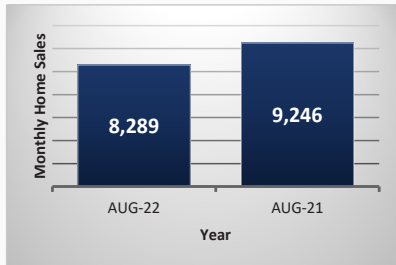


August 2022 WI Real Estate Report

Report Criteria: Reflecting data for: August 2022 | State: WI | Type: Residential

MONTHLY HOME SALES

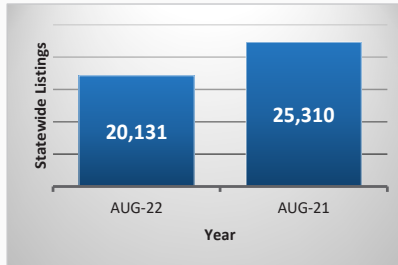


August 2022
8,289
HOMES SOLD

August 2021
9,246
HOMES SOLD

from last year **↓ -10.4%**

TOTAL STATEWIDE LISTINGS

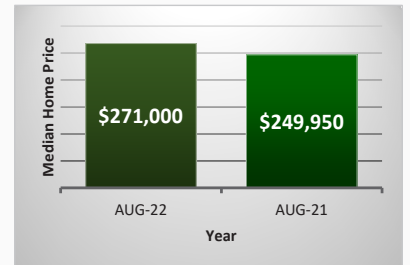


August 2022
20,131
ACTIVE LISTINGS

August 2021
25,310
ACTIVE LISTINGS

from last year **↓ -20.5%**

MEDIAN HOME PRICE

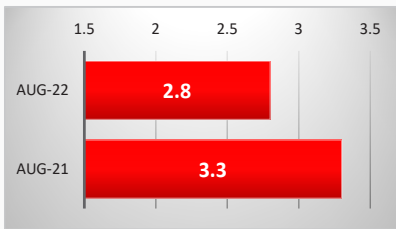


August 2022
\$271,000
MEDIAN PRICE IN WI

August 2021
\$249,950
MEDIAN PRICE IN WI

from last year **↑ 8.4%**

MONTHS OF INVENTORY

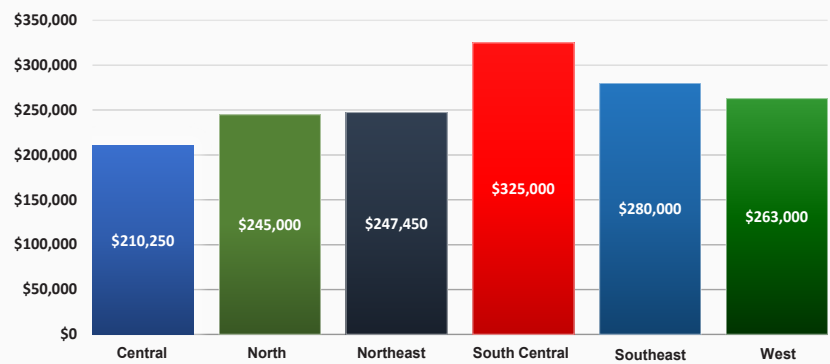


August 2022
2.80
MONTHS

August 2021
3.30
MONTHS

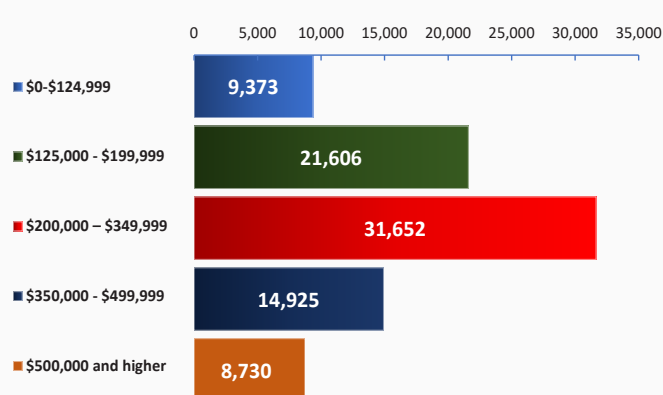
from last year **↓ -15.2%**

MEDIAN PRICES BY REGION



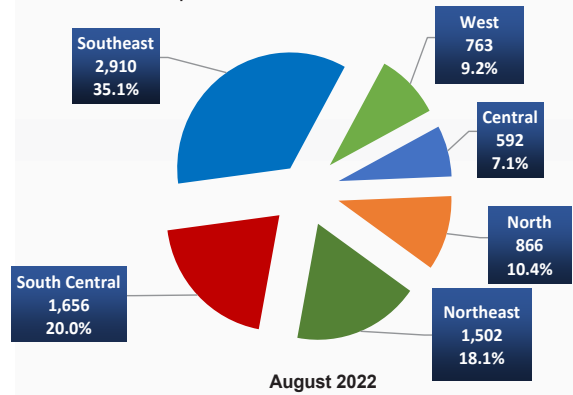
August 2022

HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS



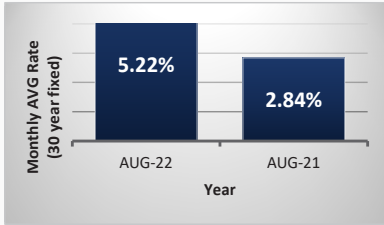
HOME SALES BY REGION

Please note: each % represents the share of the statewide total.



August 2022

MORTGAGE INTEREST RATES



August 2022

5.22%

AVG 30 YR. FIXED

August 2021

2.84%

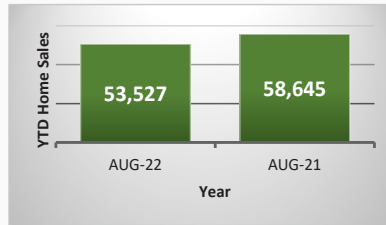
AVG 30 YR. FIXED

from last year

↑ 83.8%

Data based on Freddie Mac, 30 year fixed-rate mortgage rates

YEAR-TO-DATE HOME SALES



Year-to-Date 2022

53,527

HOMES SOLD THRU 8/22

Year-to-Date 2021

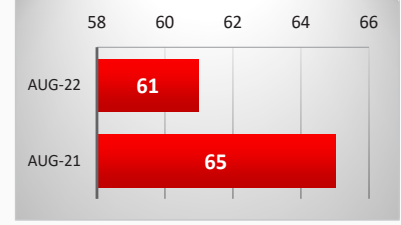
58,645

HOMES SOLD THRU 8/21

from last year

↓ -8.7%

AVG DAYS ON MARKET



August 2022

61

ACTIVE LISTINGS

August 2021

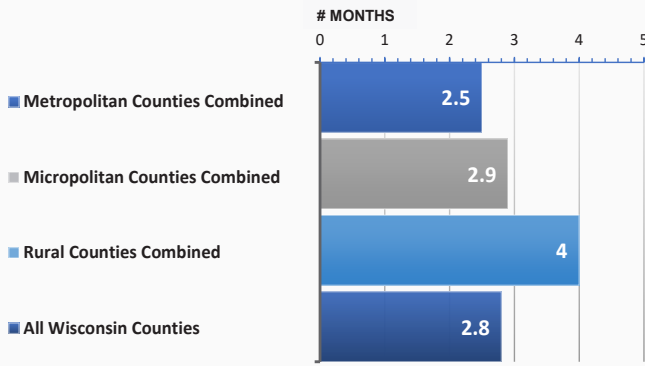
65

ACTIVE LISTINGS

from last year

↓ -6.2%

MONTHS OF INVENTORY BY URBAN CLASSIFICATION



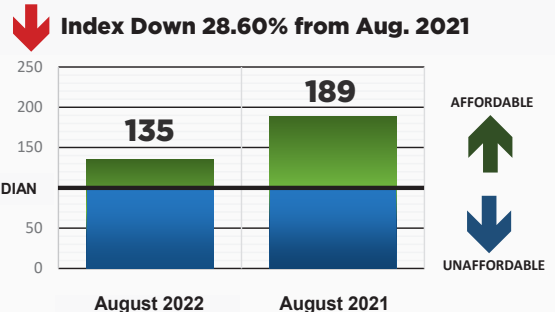
Metropolitan counties include: Brown, Calumet, Chippewa, Columbia, Dane, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Milwaukee, Oconto, Ozaukee, Outagamie, Pierce, Racine, Rock, Sheboygan, St. Croix, Washington, Waukesha and Winnebago.

Micropolitan counties include: Dodge, Dunn, Florence, Grant, Jefferson, Lincoln, Manitowoc, Marinette, Menominee, Portage, Sauk, Shawano, Walworth and Wood.

Rural counties include: Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Door, Forest, Green Lake, Iron, Jackson, Juneau, Lafayette, Langlade, Marquette, Monroe, Oneida, Pepin, Polk, Price, Rusk, Richland, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, Waupaca and Waushara.

HOUSING AFFORDABILITY INDEX

A value of 100 means a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home.



The Wisconsin Housing Affordability Index shows the portion of the median-priced home that a qualified buyer with median family income can afford to buy, assuming 20% down and the remaining balance financed with a 30-year fixed mortgage at current rates.



Low Inventories Diminish Sales and Increase Prices as Summer Housing Market Winds Down

TALKING POINTS

- Existing home sales continued their year-over-year decline as inventories tightened and mortgage rates rose in August. Existing home sales fell 10.4% over the past 12 months, and the median price rose to \$271,000 in August 2022, which is an increase of 8.4% compared to August 2021.
- The prime season for sales of existing homes is between May and August, which accounts for approximately 43% of annual home sales in a typical year. This year, home sales were down during this peak period. Specifically, 32,293 homes were sold in the May-to-August 2022 period, as compared to 36,096 closed homes during that four-month period in 2021.
- Through the first eight months of the year, existing home sales fell 8.7% compared to that same period in 2021, and the median price rose 10.4% to \$265,000.
- Inventories remained very tight, with months of inventory falling from 3.3 months of supply in August 2021 to just 2.8 months in August 2022. One reason that inventories tightened in August was due to the outpace of homes sold at 8,289 versus the new listings at 8,084.
- Every region of the state is considered a strong seller's market, with months of supply well below the six-month benchmark that characterizes a balanced market.
- Mortgage rates eased slightly for the second straight month, falling to 5.22% in August, down from 5.52% in June this year but well above the 2.84% level from August 2021.
- Overall, the combination of higher home prices and higher mortgage rates led to significantly lower housing affordability in the state. The Wisconsin Housing Affordability Index shows the portion of the median-priced home that a buyer with median family income qualifies to buy, assuming a 20% down payment and 30-year fixed-rate mortgage at current rates financing the remaining balance. The index dropped 28.6% from 189 in August 2021 to 135 in August 2022.

LOW INVENTORY AND DECLINING AFFORDABILITY PROBLEMS ARE SOFTENING THE MARKET



"While there are still motivated buyers in the market and homes continue to move at a brisk pace, the limited supply and declining affordability have constrained home sales this summer. Unfortunately, we expect these tight supply conditions to continue through the remainder of the year."

Brad Lois

2022 Chairman of the Board of Directors, Wisconsin REALTORS® Association

FED FULLY COMMITTED TO LOWERING INFLATION



"Inflation peaked at 9.1% in June and has moderated only slightly, remaining above 8% in both July and August. The Fed has emphasized its resolve to get inflation rates back to its 2% target, and that translates into aggressively raising short-term interest rates. As a result, we should expect additional upward pressure on mortgage rates over the next 6 to 12 months. Indeed, the 30-year mortgage rate went over 6% in mid-September for the first time since 2008, and we expect the upward trajectory to continue until inflation eases significantly."

Dave Clark

Marquette University Economist and WRA Consultant

HOUSING PRICE APPRECIATION WILL CONTINUE AT SLOWER PACE



"Lower affordability is driving some potential buyers out of the market, and that will likely slow the pace of price appreciation. However, until we move toward a more balanced market, home prices will continue to increase at or near the double-digit pace we've seen year to date."

Michael Theo

President & CEO, Wisconsin REALTORS® Association