

May 2022 WI Real Estate Report

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

MONTHLY HOME SALES

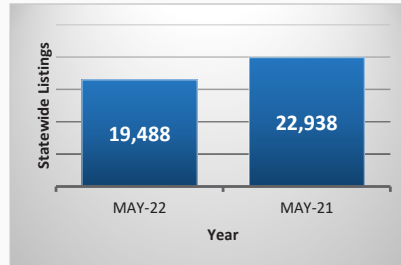


May 2022
7,222
HOMES SOLD

May 2021
7,652
HOMES SOLD

from last year **-5.6%**

TOTAL STATEWIDE LISTINGS

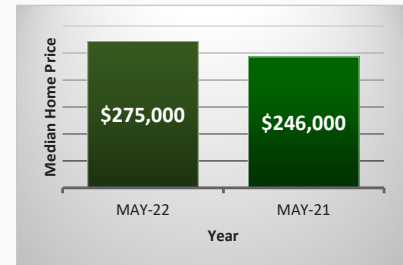


May 2022
19,488
ACTIVE LISTINGS

May 2021
22,938
ACTIVE LISTINGS

from last year **-15.0%**

MEDIAN HOME PRICE



May 2022
275,000
AVG HOME PRICE IN WI

May 2021
246,000
AVG HOME PRICE IN WI

from last year **11.8%**

MONTHS OF INVENTORY

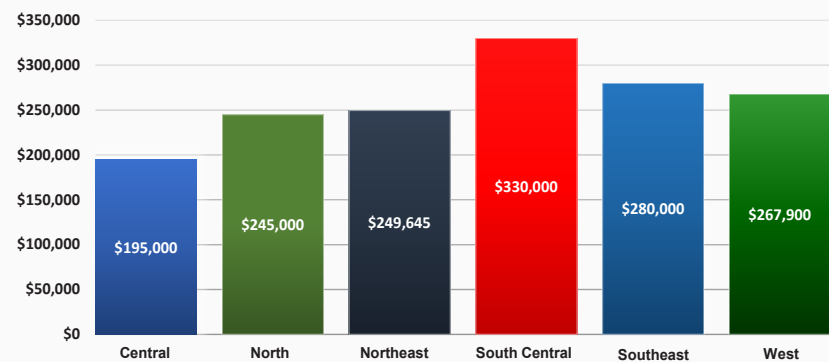


May 2022
2.60
MONTHS

May 2021
3.00
MONTHS

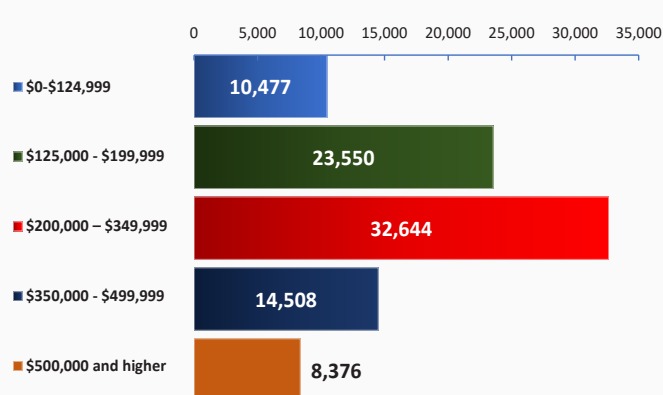
from last year **-13.3%**

MEDIAN PRICES BY REGION

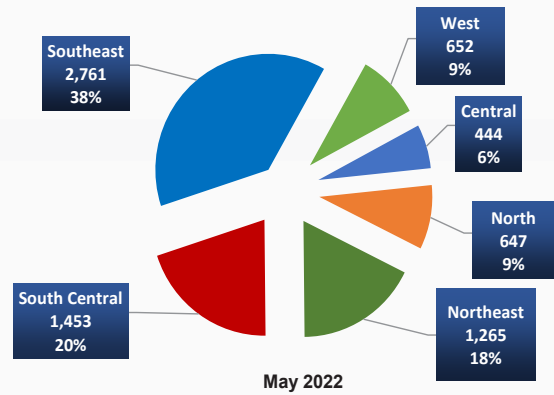


May 2022

HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS

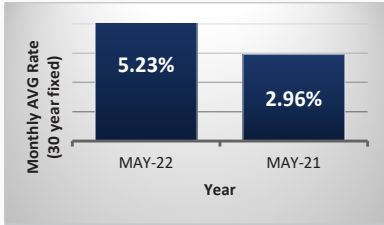


HOME SALES BY REGION



May 2022

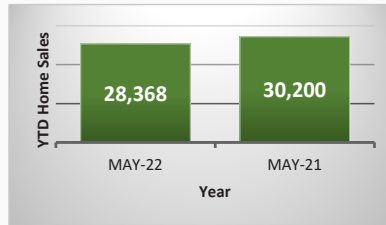
MORTGAGE INTEREST RATES



May 2022 **5.23%** AVG 30 YR. FIXED
 May 2021 **2.96%** AVG 30 YR. FIXED

from last year **↑ 76.7%**

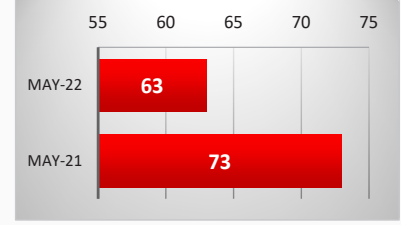
YEAR-TO-DATE HOME SALES



Year-to-Date 2022 **28,368** HOMES SOLD THRU 5/22
 Year-to-Date 2021 **30,200** HOMES SOLD THRU 5/21

from last year **↓ -6.1%**

AVG DAYS ON MARKET

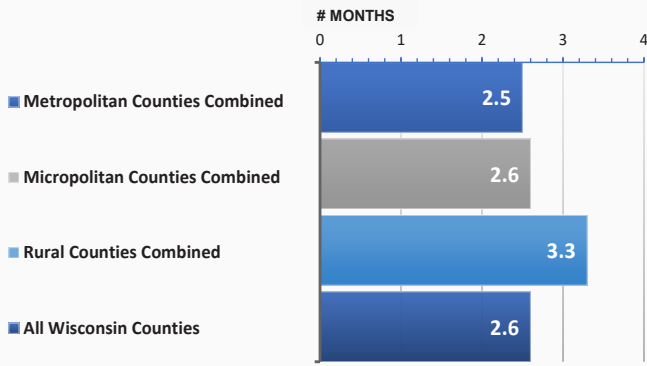


May 2022 **63** ACTIVE LISTINGS
 May 2021 **73** ACTIVE LISTINGS

from last year **↓ -13.7%**

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

MONTHS OF INVENTORY BY URBAN CLASSIFICATION



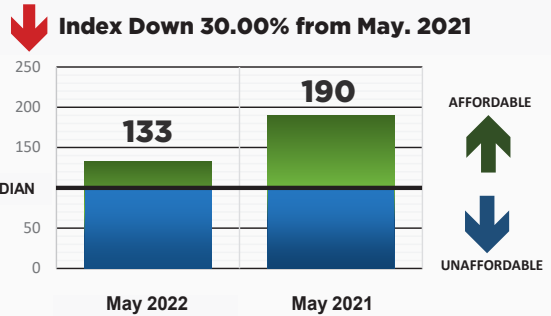
Metropolitan counties include: Brown, Calumet, Chippewa, Columbia, Dane, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Milwaukee, Oconto, Ozaukee, Outagamie, Pierce, Racine, Rock, Sheboygan, St. Croix, Washington, Waukesha and Winnebago.

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.



TALKING POINTS

- Very tight inventories kept sales down and put strong upward pressure on home prices. Wisconsin's existing home sales fell 5.6% in May compared to sales 12 months earlier. The median home price rose 11.8% to \$275,000 over that same period.
- A similar picture emerged on a year-to-date basis, with existing home sales down 6.1% in the first five months of the year compared to that same period in 2021. The year-to-date median home price increased 10.8% to \$254,900 compared to that same five-month period last year.
- Home sales were down between May 2021 and May 2022 in five of the six regions of the state. The most pronounced reduction in sales was seen in the South Central, North and Central regions, down 10.1%, 9.9% and 7.9%, respectively. The sales reductions were more moderate in the Southeast region, which was down 4.3%, as well as the Northeast region, which was down 2.7%. Home sales were unchanged in the West region.
- The inventory situation did not improve in May. Over the past 12 months, new listings dropped 6.5%, and total listings were down 15%.
- Given the tight supply and continued strong demand for housing, there were just 2.6 months of inventory in May, which is a 13.3% decline from a year earlier. This remains a very strong seller's market, and homes are moving quickly. Average days on the market fell 13.7% in the last 12 months to just 63 days.
- The annual inflation rate as measured by the percentage increase in the Consumer Price Index spiked to 8.6% in May, which is the largest annual increase since December 1981. The Federal Reserve has accelerated the pace at which it is increasing short-term interest rates in an attempt to mitigate these inflationary pressures.
- Strong home price pressure and rising mortgage rates have taken a toll on affordability in the state. The 30-year fixed-rate mortgage rate rose from 2.96% in May 2021 to 5.23% in May 2022, an increase of 227 basis points. The Wisconsin Housing Affordability Index measures the percent of the median-priced home that a buyer with median family income qualifies to purchase. This assumes a 20% down payment and a 30-year fixed-rate mortgage financing the remaining balance. In May 2022, that buyer could purchase just 133% of the median-priced home, which is down from 190% a year earlier.

SELLERS REMAIN IN CONTROL FOR NOW



"This continues to be a very strong seller's market, even with home prices and mortgage rates rising rapidly. There remains significant unmet housing demand from millennial buyers, which should fuel the state housing market through the prime summer sales market."

Brad Lois

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

RISK OF RECESSION INCREASING



"The Fed just stepped up the pace at which it is increasing short-term interest rates by raising the federal funds rate three quarters of a percent in June. The cumulative effect of increasing short-term interest rates is to slow the economy. Given that real GDP growth was already negative in the first quarter of this year, these Fed actions, which are necessary to control inflation, may push us into a recession if the economy slows too much."

Dave Clark

Marquette University Economist and WRA Consultant

AFFORDABILITY WILL CONTINUE TO FALL



"We're seeing significant annual increases in both home prices and mortgage rates, which is why affordability is falling so quickly. We expect these trends to continue throughout 2022. However, eventually demand pressure will moderate, and this will reduce the seller's advantage in the market."

Michael Theo

President & CEO, Wisconsin REALTORS® Association