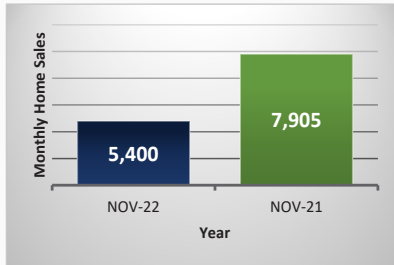


MONTHLY HOME SALES

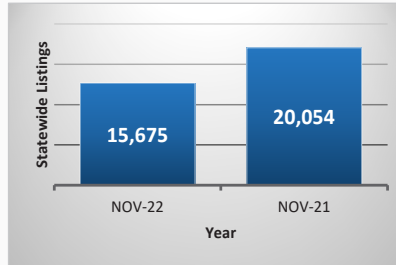


November 2022
5,400
HOMES SOLD

November 2021
7,905
HOMES SOLD

from last year **-31.7%**

TOTAL STATEWIDE LISTINGS

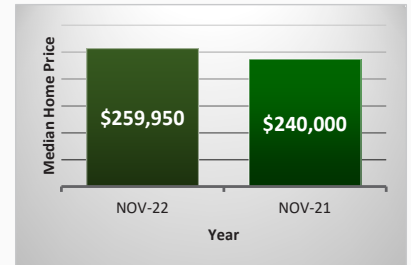


November 2022
15,675
ACTIVE LISTINGS

November 2021
20,054
ACTIVE LISTINGS

from last year **-21.8%**

MEDIAN HOME PRICE

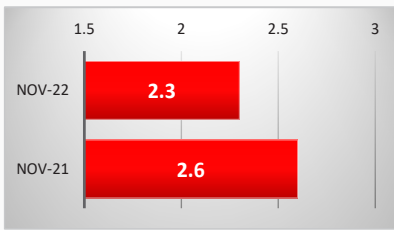


November 2022
\$259,950
MEDIAN PRICE IN WI

November 2021
\$240,000
MEDIAN PRICE IN WI

from last year **8.3%**

MONTHS OF INVENTORY

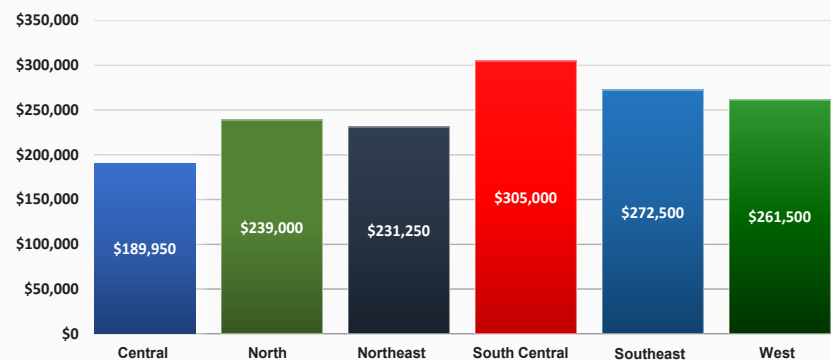


November 2022
2.30
MONTHS

November 2021
2.60
MONTHS

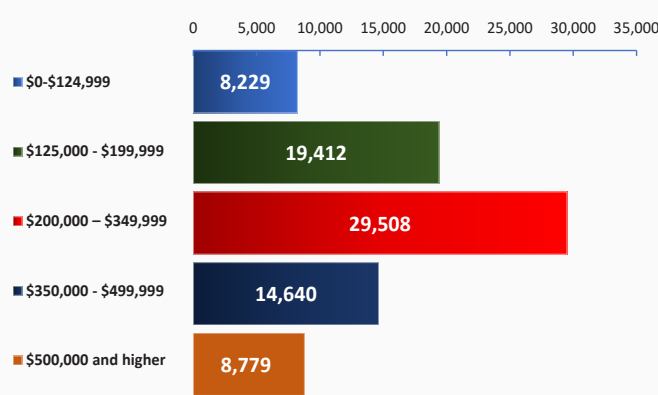
from last year **-11.5%**

MEDIAN PRICES BY REGION



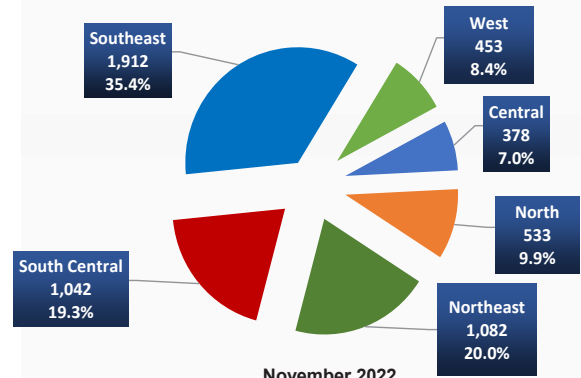
November 2022

HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS



HOME SALES BY REGION

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



November 2022

MORTGAGE INTEREST RATES

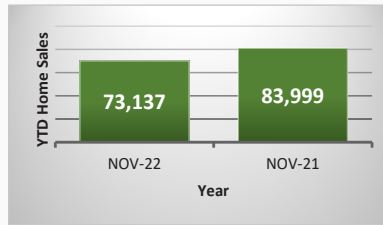


November 2022 **6.81%**
AVG 30 YR. FIXED

November 2021 **3.07%**
AVG 30 YR. FIXED

from last year **↑ 121.8%**

YEAR-TO-DATE HOME SALES

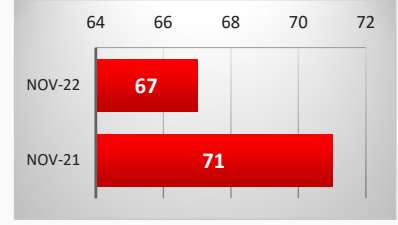


Year-to-Date 2022 **73,137**
HOMES SOLD THRU 11/22

Year-to-Date 2021 **83,999**
HOMES SOLD THRU 11/21

from last year **↓ -12.9%**

AVG DAYS ON MARKET



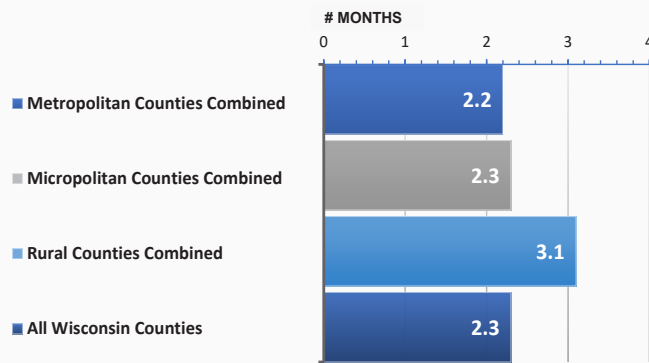
November 2022 **67**
ACTIVE LISTINGS

November 2021 **71**
ACTIVE LISTINGS

from last year **↓ -5.6%**

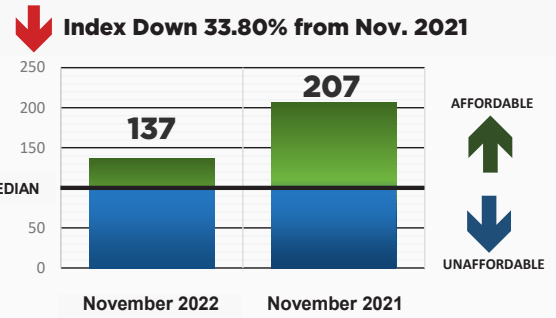
Data based on Freddie Mac, 30 year fixed-rate mortgage rates

MONTHS OF INVENTORY BY URBAN CLASSIFICATION



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.



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.

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.

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.



Declining Affordability and Tight Inventories Lead to Slide in Home Sales

TALKING POINTS

- For a second straight month, existing home sales fell due to a combination of falling demand and ongoing weakness on the supply side. November home sales slid 31.7% compared to November 2021. Although demand moderated due to declining affordability, the low inventory levels kept upward pressure on prices, with the median price increasing 8.3% to \$259,950 over the past 12 months.
- Year-to-date sales are down 12.9% compared to the January-through-November period in 2021, and the median price rose 10% to \$265,000 over that same period. We need to remember that 2021 was a record year for home sales, so some cooling was expected.
- Supply problems persist. Total listings dropped 21.8% between November 2021 and November 2022, and new listings fell 22.1% over that period. New listings for November were 17.7% lower than sales for the month, which is why months of supply continued to decline statewide.
- There were just 2.3 months of available supply in November, down from 2.6 months a year earlier. The tightest supply was seen in the more urban areas. Metropolitan counties, which are associated with the larger cities in the state, had 2.2 months of supply, whereas smaller micropolitan cities and towns had 2.3 months of supply. There was slightly more supply in rural areas, which had 3.1 months of available supply. Note that all these areas saw months of supply fall over the past 12 months, and all are well below the six months of supply that would indicate a balanced market.
- The combination of rising home prices and rising mortgage rates has taken a heavy toll on affordability, which fell 33.8% between November 2021 and November 2022. The Wisconsin Housing Affordability Index is the percent of the median-priced home that a buyer with median family income qualifies to purchase, assuming a 20% down payment, and the remaining balance financed with a 30-year fixed-rate mortgage at the rates available at the time of purchase. The index dropped from 207% last November to just 137% in November 2022.
- Even with softer demand and hence fewer buyers, the weakness on the supply side has resulted in homes moving quickly. Over the past 12 months, average days on the market dropped 5.6% from 71 days in November 2021 to 67 months this past November.

LOWER AFFORDABILITY SOFTENS HOUSING DEMAND



"November 2021 was the strongest November sales on record, so some decline in sales was to be expected. However, that doesn't diminish the significant role played by higher mortgage rates, which resulted in much lower affordability and forced some buyers out of the market."

Brad Lois

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

INFLATION TRENDING DOWN BUT REMAINS WELL ABOVE TARGET RATE



"Headline inflation improved again in November, falling from 7.7% in October to 7.1% last month. Slower home price appreciation and lower energy prices certainly helped, but the Fed must continue its short-term rate hikes to slow the economy enough to tame inflation. It signaled its determination to return inflation closer to its target rate of 2% by raising the Federal Funds Rate another half percent in December. We expect to see more rate hikes in 2023."

Dave Clark

Marquette University Economist and WRA Consultant

DEMAND WILL REBOUND ONCE AFFORDABILITY IMPROVES



"There is still unmet housing demand by millennials who transitioned to owner-occupied housing later than earlier generations. Once mortgage rates begin falling and affordability improves, we expect millennial housing demand to strengthen."

Michael Theo

President & CEO, Wisconsin REALTORS® Association