

July 2022 WI Real Estate Report

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



MONTHLY HOME SALES



July 2022
7,750
HOMES SOLD

July 2021
9,596
HOMES SOLD

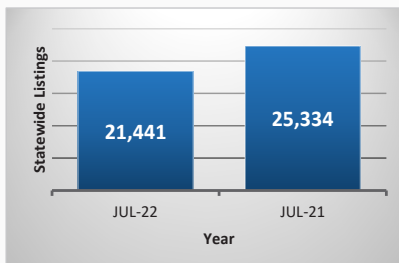
from last year



-19.2%



TOTAL STATEWIDE LISTINGS



July 2022
21,441
ACTIVE LISTINGS

July 2021
25,334
ACTIVE LISTINGS

from last year



-15.4%



MEDIAN HOME PRICE



July 2022
\$279,000
MEDIAN PRICE IN WI

July 2021
\$250,764
MEDIAN PRICE IN WI

from last year



11.3%



MONTHS OF INVENTORY



July 2022
3.00
MONTHS

July 2021
3.20
MONTHS

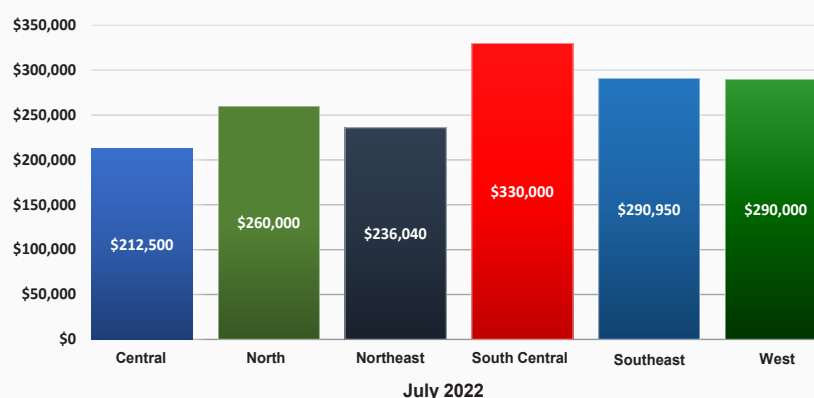
from last year



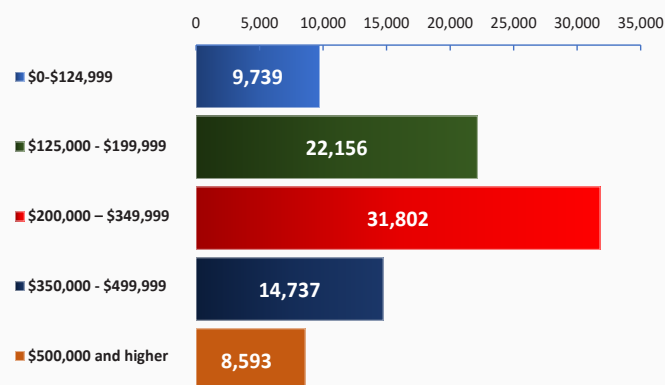
-6.3%



MEDIAN PRICES BY REGION

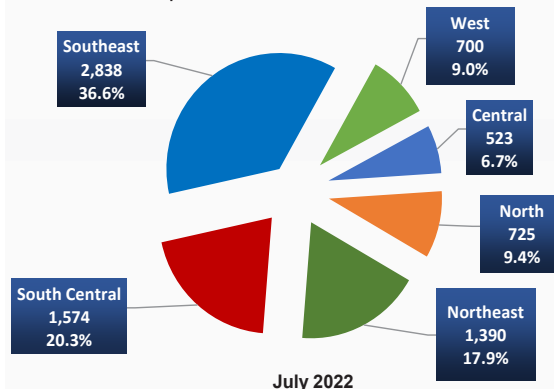


HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS



HOME SALES BY REGION

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



MORTGAGE INTEREST RATES

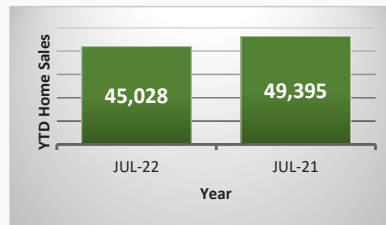


July 2022	July 2021
5.41%	2.87%
AVG 30 YR. FIXED	AVG 30 YR. FIXED

from last year **↑ 88.5%**

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

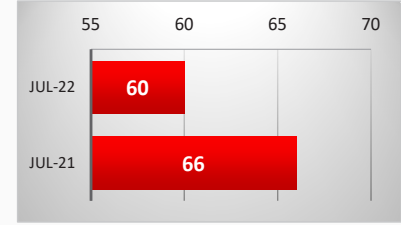
YEAR-TO-DATE HOME SALES



Year-to-Date 2022	Year-to-Date 2021
45,028	49,395
HOMES SOLD THRU 7/22	HOMES SOLD THRU 7/21

from last year **↓ -8.8%**

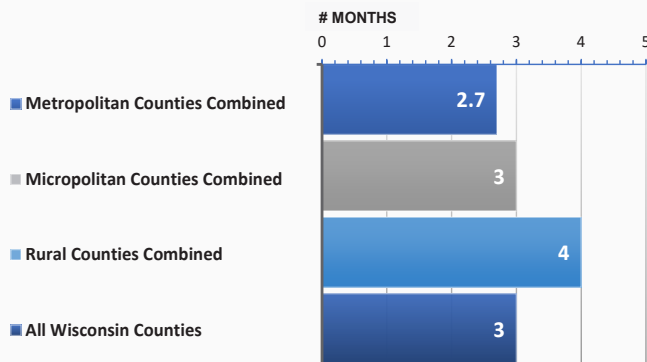
AVG DAYS ON MARKET



July 2022	July 2021
60	66
ACTIVE LISTINGS	ACTIVE LISTINGS

from last year **↓ -9.1%**

MONTHS OF INVENTORY BY URBAN CLASSIFICATION



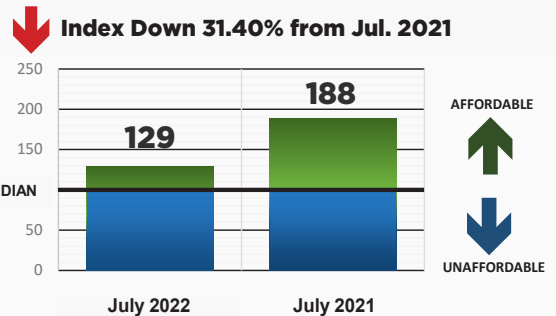
Metropolitan counties include: Brown, Calumet, Chippewa, Columbia, Dane, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Milwaukee, Oconto, Ozaukee, Outagamie, Pierce, Racine, Rock, Sheboygan, St. Croix, Washington, Waukesha and Winnebago.

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.



July 2022 WI Real Estate Summary

Weak Inventories, Slowing Economy and Higher Mortgage Rates Hamper July Housing Market

TALKING POINTS

- A combination of tight inventories, rising mortgage rates and a second straight quarter of contraction in the economy led to markedly lower home sales in July 2022 compared to July 2021. Existing home sales slid 19.2% over the past 12 months. The inventory problem continued to put strong upward pressure on home prices, as the median price rose 11.3% to \$279,000 over that same period.
- On a year-to-date basis, existing home sales fell 8.8% compared to the first seven months of 2021, and the median price rose 9.6% to \$263,000.
- Inventories did not improve over the past 12 months. The number of new listings dropped 21.9%, and total listings were down 15.9% over that same time frame.
- Statewide, the months of available supply fell slightly, from 3.2 months in July 2021 to just 3 months in July 2022. This is well below the six-month benchmark that would indicate a balanced market, and it indicates the Wisconsin housing market continues to have a strong seller's advantage.
- Metropolitan counties that are linked to cities with a population of at least 50,000, as well as micropolitan counties with populations between 10,000 and 49,999, both saw months of supply decrease over the last 12 months. However, smaller rural counties with a population under 10,000 experienced a slight increase in months of supply, rising from 3.8 months in July 2021 to 4 months in July 2022.
- Reviewing the past 12 months of activity, the only price range that approached a balanced market was seen in homes in the price category of \$500,000 and higher. That category had 5.6 months of available supply over the past year. All other price ranges were 3.8 months or lower, with homes below \$200,000 having the tightest supply at just 2.2 months.
- The 30-year fixed-rate mortgage remained above 5% for the third straight month, and it has nearly doubled in the past year, increasing from 2.87% in July 2021 to 5.41% in July 2022. Given the 11.3% increase in the median price over that same period, affordability slid 31.4% in the last 12 months. The Wisconsin Housing Affordability Index measures the fraction of the median-priced home that a buyer with median family income qualifies to purchase, assuming a 20% down payment and a 30-year fixed-rate mortgage financing the remaining balance. The index dropped from 188 in July 2021 to just 129 in July 2022.

HOUSING MARKET FACES SIGNIFICANT HEADWINDS



"The weak inventories combined with higher mortgage rates really took a toll on sales in July. Home sales were down by double-digit margins in every region of the state. It is important to remember that 2021 was a record for existing home sales in Wisconsin, so these year-over-year comparisons are relative to a very strong 2021 housing market."

Brad Lois

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

FED WALKING A FINE LINE



"Although the inflation rate moderated slightly in July, this was primarily due to a reduction in oil prices in a slowing economy. The Fed will need to drive up the federal funds rate well above its current 2.5% target rate to slow the economy enough to rein in inflation. The National Bureau of Economic Research (NBER) is the independent organization that determines when recessions begin and end. While the NBER has not yet officially declared the economy in recession, it is becoming increasingly clear that a recession probably cannot be avoided if the goal is to bring inflation back into the 2% to 4% range."

Dave Clark

Marquette University Economist and WRA Consultant

AFFORDABILITY PROBLEM LIKELY TO PERSIST



"Housing affordability is eroding as a result of relatively flat family income growth, rising home prices and higher mortgage rates. These conditions are likely to persist as long as weak inventories keep upward pressure on home prices and ongoing Fed actions put upward pressure on interest rates."

Michael Theo

President & CEO, Wisconsin REALTORS® Association