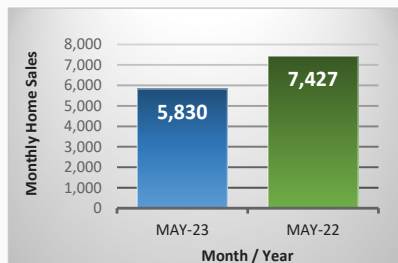


# May 2023 WI Real Estate Report

Report Criteria: Reflecting data for: May 2023 | State: WI | Type: Residential

## MONTHLY HOME SALES



May 2023  
**5,830**  
HOMES SOLD

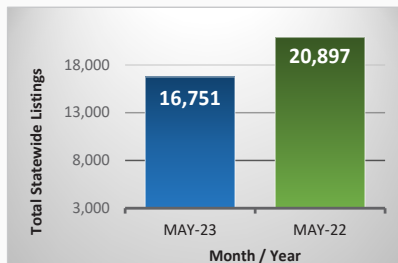
May 2022  
**7,427**  
HOMES SOLD

from last year



**-21.5%**

## TOTAL STATEWIDE LISTINGS



May 2023  
**16,751**  
ACTIVE LISTINGS

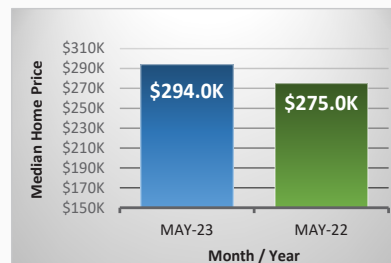
May 2022  
**20,897**  
ACTIVE LISTINGS

from last year



**-19.8%**

## MEDIAN HOME PRICE



May 2023  
**\$294,000**  
MEDIAN PRICE IN WI

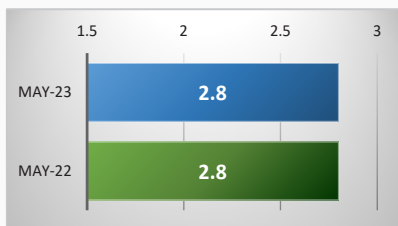
May 2022  
**\$275,000**  
MEDIAN PRICE IN WI

from last year



**6.9%**

## MONTHS OF INVENTORY



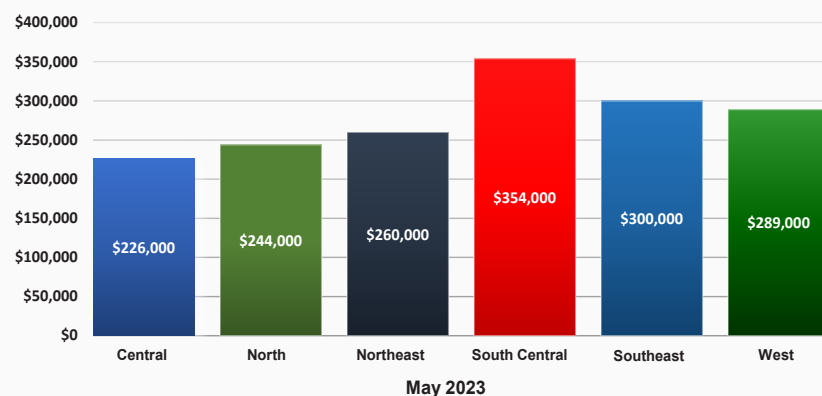
May 2023  
**2.80**  
MONTHS

May 2022  
**2.80**  
MONTHS

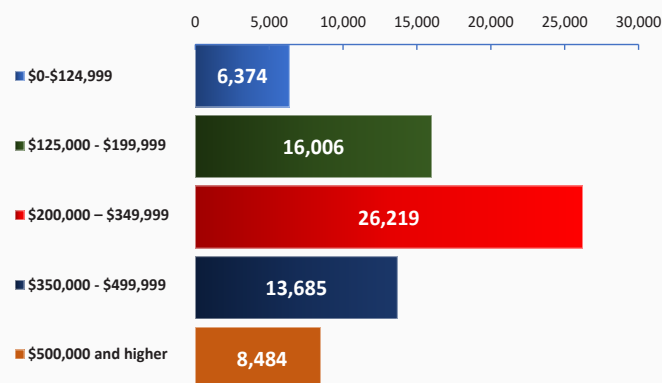
from last year

**0%**

## MEDIAN PRICES BY REGION

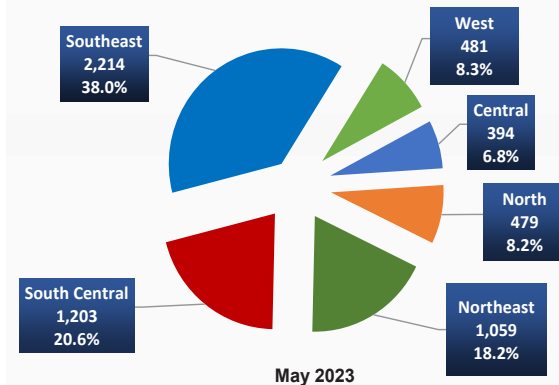


## HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS



## HOME SALES BY REGION

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

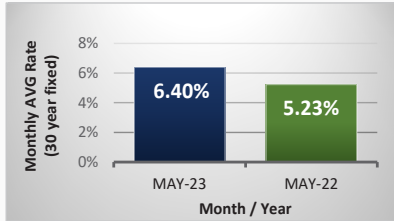


# May 2023 WI Real Estate Report

Report Criteria: Reflecting data for: May 2023 | State: WI | Type: Residential



## MORTGAGE INTEREST RATES

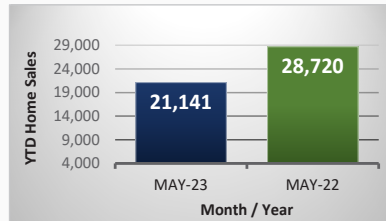


May 2023 <b>6.40%</b> AVG 30 YR. FIXED	May 2022 <b>5.23%</b> AVG 30 YR. FIXED
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from last year **↑ 22.4%**



## YEAR-TO-DATE HOME SALES

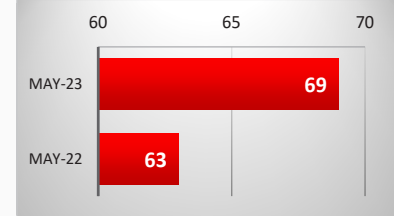


Year-to-Date 2023 <b>21,141</b> HOMES SOLD THRU 5/23	Year-to-Date 2022 <b>28,720</b> HOMES SOLD THRU 5/22
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from last year **↓ -26.4%**



## AVG DAYS ON MARKET



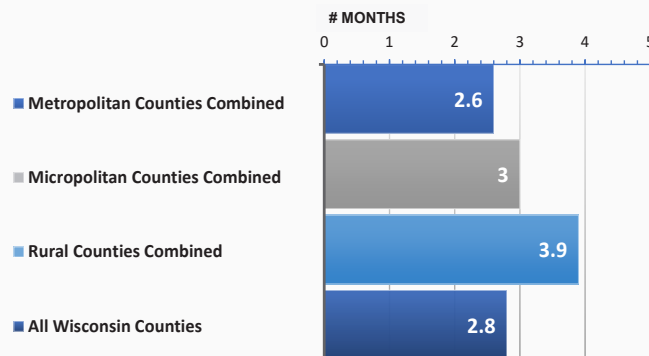
May 2023 <b>69</b> DAYS ON MKT	May 2022 <b>63</b> DAYS ON MKT
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from last year **↓ 9.5%**

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

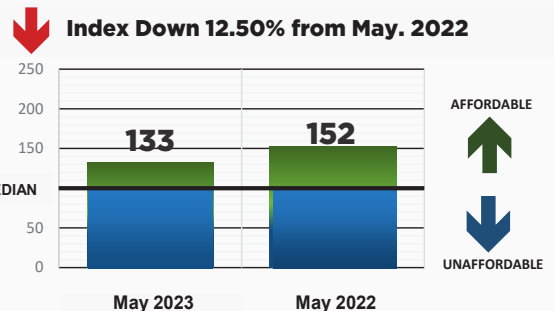


## MONTHS OF INVENTORY BY URBAN CLASSIFICATION



## 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.

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.

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

- Unmet demand and tight supplies continued to hamper home sales and drive up prices just ahead of the prime homebuying season. May 2023 home sales fell by 21.5% compared to May 2022, and the median price rose 6.9% to \$294,000 over the last 12 months.
- On a year-to-date basis, home sales fell 26.4% relative to the first five months of 2022, and median prices rose 7.9% to \$275,000 over that same period.
- The inventory problem has not improved over the last year. A balanced market is characterized as six months of available supply, and there were 2.8 months of supply in May, unchanged from May 2022. This remains a strong seller's market. For the Wisconsin housing market to return to a balanced six-month supply, the available supply would need to increase by 111%, or 18,634 additional homes.
- Unfortunately, new construction has not been able to fill the supply gap in the state. The U.S. Department of Commerce reports that the number of one-unit private housing building permits for the first four months of the year are down 25.5% compared to the same period of 2022.
- Even though this is a strong seller's market, there is evidence of softening demand because of higher mortgage rates. The average 30-year fixed mortgage rate rose 117 basis points over the last year, increasing from an average of 5.23% in May 2022 to 6.40% in May 2023. This helped moderate the rate of home price appreciation this spring. Median home prices have increased on an annualized basis between 5.9% and 6.9% since March. This contrasts with an annual rate of appreciation between 9.1% and 11.1% for the previous three years of 2020 through 2022.
- The lower home price appreciation rates and growth in median family income have helped offset the impact of the rise in mortgage rates on affordability, but affordability has still fallen. The Wisconsin Housing Affordability Index measures the percent of the median-priced home that a typical buyer with median family income can afford to purchase. The index assumes a healthy 20% down payment with the remaining 80% financed with a 30-year fixed-rate mortgage at current rates. The index fell from 152 in May 2022 to 133 in May 2023.

### POTENTIAL BUYERS MOTIVATED BUT WEAK SUPPLY REMAINS A PROBLEM



"An aging baby-boom generation, now ready to downsize, is being replaced as the largest generation by millennials at their prime homebuying stage of life. While this demographic shift should translate into much stronger sales, higher mortgage rates have sidelined millennial buyers and have also kept some boomers from listing their homes. With new construction remaining low, our inventory problems persist."

#### Joe Horning

2023 Chairman of the Board of Directors, Wisconsin REALTORS® Association

### FED LIKELY TO PAUSE ON ADDITIONAL RATE HIKES THIS YEAR



"The Fed's strategy of raising short-term interest rates to slow inflation continues to show progress. Headline inflation fell to 4% in May, which puts inflation at its lowest level since March 2021. This is due in no small part to the influence of housing costs in the Consumer Price Index (CPI). Owner-occupied housing alone has a weight of about 25% in the CPI. The fact that housing price appreciation has moderated has really helped our inflation numbers."

#### Dave Clark

Marquette University Economist and WRA Consultant

### AFFORDABILITY A CHALLENGE FOR MILLENNIALS



"The decline in affordability creates significant challenges for millennials, who are typically first-time buyers. They have smaller down payments than repeat buyers, and so higher mortgage rates have a bigger impact on their ability to compete for homes on the market. Hopefully both mortgage rates and price appreciation will continue to moderate so more buyers in this important generation can start accumulating wealth through homeownership."

#### Michael Theo

President & CEO, Wisconsin REALTORS® Association