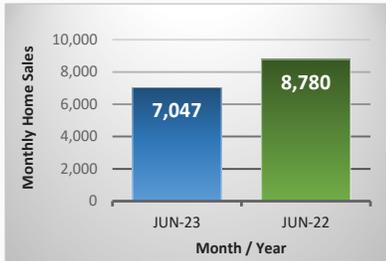


June 2023 WI Real Estate Report

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

MONTHLY HOME SALES



June 2023
7,047
HOMES SOLD

June 2022
8,780
HOMES SOLD

from last year **-19.7%**

TOTAL STATEWIDE LISTINGS



June 2023
17,655
ACTIVE LISTINGS

June 2022
22,467
ACTIVE LISTINGS

from last year **-21.4%**

MEDIAN HOME PRICE



June 2023
\$304,000
MEDIAN PRICE IN WI

June 2022
\$280,000
MEDIAN PRICE IN WI

from last year **8.6%**

MONTHS OF INVENTORY

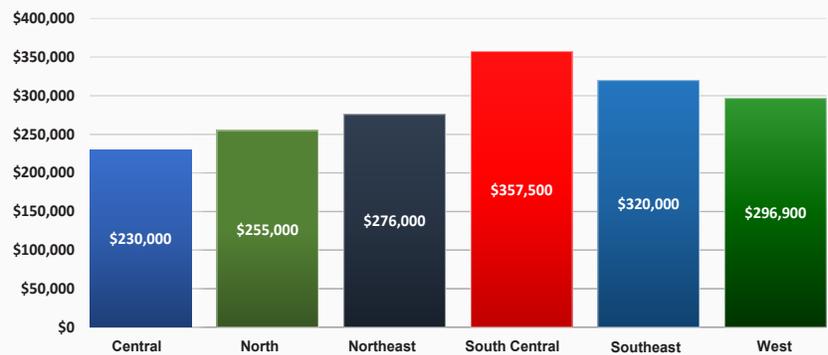


June 2023
3.10
MONTHS

June 2022
3.00
MONTHS

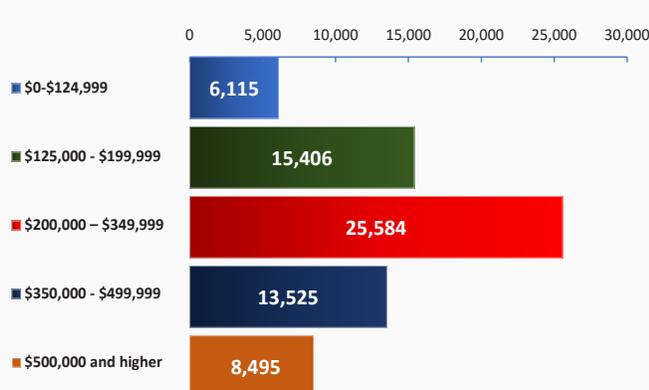
from last year **3.3%**

MEDIAN PRICES BY REGION



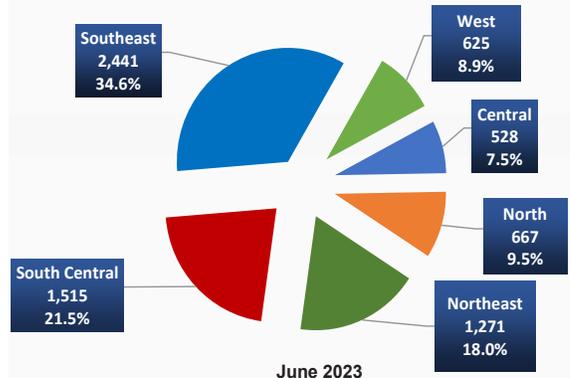
June 2023

HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS



HOME SALES BY REGION

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



June 2023

MORTGAGE INTEREST RATES



June 2023 **6.70%** AVG 30 YR. FIXED
 June 2022 **5.52%** AVG 30 YR. FIXED

from last year **↑ 21.4%**

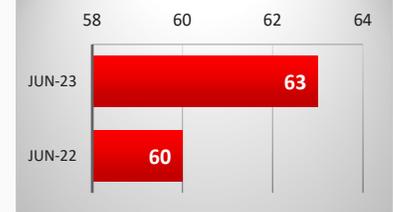
YEAR-TO-DATE HOME SALES



Year-to-Date 2023 **28,205** HOMES SOLD THRU 6/23
 Year-to-Date 2022 **37,503** HOMES SOLD THRU 6/22

from last year **↓ -24.8%**

AVG DAYS ON MARKET

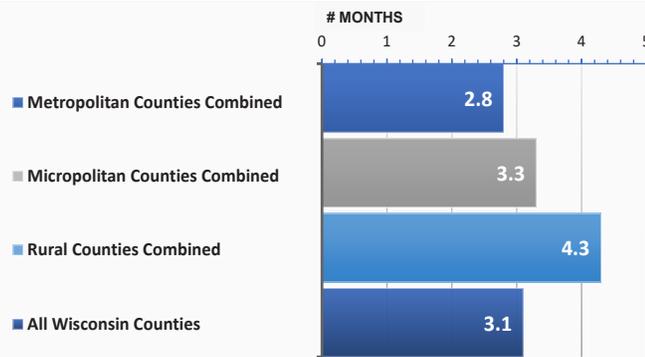


June 2023 **63** DAYS ON MKT
 June 2022 **60** DAYS ON MKT

from last year **↑ 5.0%**

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

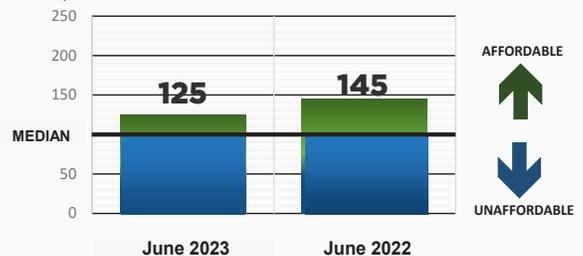
MONTHS OF INVENTORY BY URBAN CLASSIFICATION



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.

Index Down 13.80% from Jun. 2022



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.

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.



TALKING POINTS

- As the prime season for home sales approaches, very tight inventories have kept sales low and put strong upward pressure on prices. Existing home sales in June dropped 20.4% compared to their levels in June 2022, and the median price rose to \$304,000 in June 2023, which represents an 8.6% increase over the last 12 months. This is the first time the statewide monthly median price has exceeded \$300,000.
- Comparing the first half of 2023 with that same period in 2022, existing home sales fell 24.8%, and the median price rose 7.7% to \$280,000.
- Months of available supply slipped statewide with total listings down 21.4% over the past 12 months, and the number of newly listed homes fell 24.2% between June 2022 and June 2023.
- A six-month supply of housing is considered a balanced market. The state is well below that benchmark with just 3.1 months of available supply in June, up slightly from 3.0 months in June 2022. This signals an ongoing seller's advantage in the housing market.
- The tightening supply is a real problem for buyers. Market pressure normally peaks in the summer, with June being the highest volume month of the year. When there are fewer homes for sale, this drives prices up at a more rapid pace. While home price appreciation had moderated over the March-through-May period, rising at an annual rate of between 5.9% and 6.9%, June saw a spike in which the annual appreciation rate rose to 8.6%.
- Mortgage rates rose over the last 12 months, with the average 30-year fixed mortgage rate increasing from 5.52% in June 2022 to 6.70% in June 2023, according to Freddie Mac.
- These higher rates affect both the demand and supply side of the market. Demand pressure eases as some buyers choose to temporarily drop out of the market until rates improve. But higher rates also keep some potential sellers from listing their homes since many homeowners have locked in very favorable rates over the past several years and are reluctant to buy another home at much higher rates.

TIGHT INVENTORY HURTS FIRST-TIME BUYERS



"The state is a long way from a balance in the housing market at just 3.1 months of available inventory. We would need to nearly double our available inventory to get to a balanced market. The tightest supply of homes is in the \$350,000 or lower price range, which really hits the first-time buyers hard."

Joe Horning

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

HIGHER MORTGAGE RATES AND HOME PRICES A PERFECT STORM FOR AFFORDABILITY



"We've been tracking the Wisconsin Housing Affordability Index since 2009, and the June 2023 level of the index is the lowest we've seen to date. It's not difficult to understand why. Home prices are up 8.6% since June 2022, and the 30-year fixed mortgage rate is higher by more than a percent compared to last year. Until we see some moderation in price appreciation and mortgage rates, affordability is not likely to improve."

Michael Theo

President & CEO, Wisconsin REALTORS® Association

INFLATIONARY PRESSURES CONTINUE TO SUBSIDE



"The June inflation figures show headline inflation down a full percent to 3% from May figures, and the less volatile core inflation rate fell a half percent to 4.8%. Some analysts have noted that inflation was expected to be much lower in June because we are comparing to June 2022 prices that spiked inflation to 9.1%. Still, this is good news for the economy and hopefully it will lower inflationary expectations, which should lead to lower mortgage rates in the coming months."

Dave Clark

Professor Emeritus of Economics and WRA Consultant