



Date: 10/21/13
For Release: Immediately
For More Information Contact: Michael Theo, WRA President & CEO, 608-241-2047, mtheo@wra.org
or
David Clark, Economist, C3 Statistical Solutions and Professor of Economics, Marquette University, 414-803-6537, dclark@c3stats.com

Wisconsin Housing Market Strengthens in Third Quarter

MADISON, Wis. . Wisconsin home sales were very strong in September, continuing the robust pace that has characterized the year according to the most recent housing report from the Wisconsin REALTORS® Association (WRA). Sales of existing homes were up 15.8 percent in September compared to that same month in 2012 - representing a 13.6 percent increase through the first nine months of the year. Median prices posted similar gains, increasing a very solid 6.7 percent in September relative to September 2012 - an increase of 7.8 percent year to date compared to the first nine months of 2012. Home sales have now been up for 27 straight months and median prices have consistently grown in all but one of the past 19 months.

As we move out of the summer selling season, this growth in home sales is remarkably strong and shows signs of growing even stronger, said Steve Lane, chairman of the WRA board of directors. Lane noted that home sales for the third quarter increased 16.5 percent relative to Q3 of 2012. By comparison, Wisconsin home sales were up 11.8 percent in the first half of 2013. We need to remember that this growth in home sales is occurring even as mortgage rates are up by almost a full percent compared to where they were this time last year, and state job growth has been modest at best, he said. Hopefully the national economy will continue to improve, which will help boost the state economy, said Lane. Nationally, the second quarter real GDP growth was recently revised upward to 2.5 percent, which is a significant improvement over the 1.1 percent growth recorded in the first quarter.

All regions saw their existing home sales grow by double-digit margins in September, compared to September 2012, with three regions increasing more than 19 percent, and the remaining three in the range of 11 to 15 percent. The areas with the strongest growth in September were the Central region, which was up 21.7 percent relative to last September, followed closely by the North and South central regions, which grew just over 19 percent for the period. The West region increased 14.9 percent; the Southeast grew at 14 percent, and the Northeast region increased 11.5 percent over the period.

Median home prices were up 6.7 percent to \$144,000 in September on a year-over-year basis, and they have increased 7.8 percent for the first nine months of the year relative to that same period last year. While inventories have tightened, which put upward pressure on our prices, a steady supply of new listings has kept prices from accelerating too quickly, said Michael Theo, WRA President and CEO. Inventory levels are down to 9.7 months of supply, a decline of 18.7 percent over the last year, but new listings are up 12.6 percent over that same time frame. Housing remains affordable with the Wisconsin Housing Affordability Index standing at 222 in September, down from 257 a year ago. The index measures the percent of the median-priced home that a buyer earning the estimated median family income can afford to buy. It assumes that the buyer is borrowing at current rates for a 30-year fixed-rate mortgage with a 20 percent down payment. Affordability in Wisconsin is down from last year, but it compares favorably to the national index, Theo said. The U.S. Housing Affordability Index fell to 154.5 in August. Wisconsin housing continues to be a good value and with solid appreciation rates over the last year, it is once again a significant way to accumulate household wealth, said Theo.

The Wisconsin REALTORS® Association is one of the largest trade associations in the state, representing over 13,500 real estate brokers, sales people and affiliates statewide. All county figures on sales volume and median prices are compiled by the Wisconsin REALTORS® Association and are not seasonally adjusted. Median prices are only computed if the county recorded at least 10 home sales in the quarter. All data collected by Wisconsin REALTORS® Association are subject to revision if more complete data become available. Beginning in 2010, all historical sales volume and median price data at the county level have been re-benchmarked using the Techmark system which accesses MLS data directly and in real time. The Wisconsin Housing Affordability Index is updated monthly with the most recent data on median housing prices, mortgage rates, and estimated median family income data for Wisconsin. Data on state foreclosure activity is compiled by Dr. Russ Kashian at the University of Wisconsin-Whitewater.