



April 2013 Housing Stats – Talking Points

Wisconsin Home Sales and Prices Continue Healthy Growth in April

Overview

- Wisconsin existing home sales jumped 9.2 percent in April 2013 compared to April 2012, representing 22 straight months of positive sales growth in the state.
- Median prices climbed by a solid margin, growing 7.8 percent over the past year to \$138,000.

Sales Data

- April sales up 9.2 percent over April 2012.
- This is a solid but sustainable pace of sales.
- This continues the modest growth established in the first quarter of the year nationally in which sales were up 9.8 percent,
- as well as for Wisconsin, where revised figures show that sales rose 11.7 percent compared to first quarter of 2012.
- It looks like the first quarter trends are continuing into the prime selling period of the year, which is very encouraging.
 - In a typical year, about 60 percent of Wisconsin home sales take place between April and September.
- Five of the state's six regions experienced positive growth in sales, with two regions up in the neighborhood of 20 percent.
 - Specifically, the West region saw its sales grow 20.9 percent in April 2013 compared to that same month in 2012,
 - and sales were up 18.5 percent in the South Central region over that period.
 - The Northeast region grew at 8.6 percent,
 - the North was up 5.3 percent,
 - and the Southeast increased 4.5 percent comparing April 2013 relative to April 2012.
 - Only the Central region saw its sales decline, with a modest reduction of 2.2 percent.

Price Data

- Median prices increased 7.8 percent in April compared to April 2012, after rising 9.3 percent in March, again compared to the same month in 2012.
- We're seeing strong upward price pressure statewide and across all regions.

Supply and Demand

- On the supply side, unsold inventory has fallen by more than 9,000 homes over the last year.
- On the demand side, very favorable mortgage rates have gotten some buyers off the fence and into the market over the last few months.
- A tight inventory of entry-level homes is helping to fuel the upper end of the market.

- We've been hearing from REALTORS® that trade-up buyers are having very little problem selling their existing homes, which helps explain why higher-end homes are moving more quickly than they have in the past.

Affordability

- Despite increasing prices, housing in the state remains very affordable.
- The Wisconsin Housing Affordability Index shows the percentage of the median-priced home that a buyer earning the median family income can afford to buy, given the available 30-year fixed-mortgage rate and down payment of 20 percent.
- The index stood at 255 in April, which is similar to its level of 258 in April 2012.
- By comparison, the U.S. Housing Affordability Index reported by the National Association of REALTORS® (NAR) was at 197 in the first quarter of 2013, and NAR predicts that the national index will fall to 114 by the end of 2014.
- We're still quite a bit more affordable than the national level, but affordability will slip if prices and mortgage rates rise.
- This is the time to enlist the help of an experienced REALTOR® to get the most value out of a market that is clearly heating up.