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**For More Information Contact:** Michael Theo, WRA President & CEO, 608-241-2047, [mtheo@wra.org](mailto:mtheo@wra.org)  
or  
David Clark, Economist, C3 Statistical Solutions and Professor of Economics, Marquette University, 414-803-6537, [dclark@c3stats.com](mailto:dclark@c3stats.com)

## **Robust Housing Market at Strongest Level Since Before Recession**

**MADISON, Wis.** — The Wisconsin housing market continued to grow at a very strong pace in June, which pushed year-to-date sales to their highest level since 2006, according to the most recent analysis of residential housing activity conducted by the Wisconsin REALTORS® Association (WRA). Existing home sales rose 17.6 percent in June compared to June 2014, and this pushed median prices up 6.3 percent to \$169,000 in June. Comparing the first half of 2015 with that same period last year, home sales were up 12.3 percent, and median prices increased 6.9 percent over that time frame.

“This is the best June sales volume we’ve seen in 11 years, well before the recession began,” said Dan Kruse, WRA board chairman. “Moreover, June has historically been a very busy month for housing sales,” Kruse added. “In a typical year, June accounts for about 11.5 percent of annual sales, which is the highest share of any month during the year,” said Kruse.

Compared to the first six months of 2014, sales were up by solid margins in all regions. The strongest sales were in the North and West regions, where existing home sales grew between 17.1 percent and 18.5 percent for the first half of the year. The growth from January through June in the remaining four regions was tightly clustered in the range of 9.9 percent to 12.2 percent, again relative to the first six months of 2014.

The statewide median price continued its strong growth trend as prices rose 6.3 percent to \$169,000 in June compared to June 2014. “Prices are up \$10,000 over the last 12 months, and they have been generally rising on an annual basis for more than three years,” said WRA President and CEO Michael Theo. After the recession began at the end of 2007, state housing prices didn’t bottom out until 2012; since March 2012, they have been generally rising when compared to the same month in the previous year. “It took several years to deal with the excess inventory created by foreclosures, but we are now at pre-recession levels on foreclosures in the state, and inventory levels are at healthy levels statewide,” said Theo. Foreclosures for the first half of the year are down 11.3 percent from the first half of last year, and they are nearly 61 percent lower than the peak foreclosure year of 2010. “We had just under nine months of inventory in June, but these markets are tightening,” Theo said. New listings were down 8.2 percent in June 2015 compared to June 2014, and the metropolitan counties had 6.7 months of available supply last month.

Still, housing continues to be affordable in the state even as prices have increased. This affordability is primarily due to slight improvements in the 30-year fixed mortgage rate, which stood at 3.98 percent in June compared to 4.16 percent in June last year. The Wisconsin Housing Affordability Index was unchanged at 215 in June 2015 relative to June 2014. The index measures the percent of the median-priced home that a household with median family income and a 20 percent down payment can afford to buy at current mortgage rates. “Note that the Fed continues to hint at an interest rate hike, probably early in the fall, which will almost certainly lead to higher mortgage rates,” said Theo. Indeed, mortgage rates have already moved up about a third of a percent since January this year. The tightening inventories will continue to push prices up, and when combined with higher mortgage rates, home affordability will likely fall even if incomes grow at a modest pace. “Potential buyers need to get off the fence if they want to take advantage of the current low mortgage rates,” said Theo. Homes in many markets are moving very rapidly, so it’s important for buyers to respond quickly to opportunities. “Using an experienced REALTOR® with a deep knowledge of local markets remains one of the best ways to take advantage of current market opportunities,” he said.

*The Wisconsin REALTORS® Association is one of the largest trade associations in the state, representing over 14,000 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.*