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Home Sales and Median Prices Grow Substantially in March

MADISON, Wis. — The Wisconsin housing market grew substantially in March, with both home sales and median prices increasing at a robust pace over the past year, according to the most recent analysis of the statewide housing market by the Wisconsin REALTORS® Association (WRA). Home sales increased 16.1 percent in March 2015 over March 2014, and median prices rose 8.8 percent to \$149,000 over that same period. For the first quarter of 2015, existing home sales were 6.7 percent ahead of the first three months of 2014, with median prices in the first quarter up 7.6 percent compared to the first quarter last year.

“The market is definitely heating up, and it couldn’t come at a better time as we move into the prime homebuying season,” said Dan Kruse, WRA board chairman. In a typical year, about 27.1 percent of homes sell in the spring months between March and May. “The economic fundamentals of the housing market have been good for the last several months, and we were expecting solid growth this spring, but double-digit sales growth is impressive,” he said. The statewide unemployment rate dropped to 4.6 percent in March, which is its lowest point since June 2008, and the 30-year conventional fixed-rate mortgage stood at 3.77 percent in March. Five of six regions saw double-digit growth in sales during March, with the strongest growth in the West region, where home sales were up 28.4 percent compared to March 2014. Four of the regions — the Northeast, Southeast, South Central and North — had existing home sales grow between 12.6 percent and 18.4 percent. Only the Central region saw its sales fall in March, dropping 7 percent compared to March 2014.

Median prices grew to \$149,000 in March, which is 8.8 percent higher than that same month last year. “We’ve seen consistent upward movement in home prices this year, and March was the strongest so far,” said WRA President and CEO Michael Theo. By comparison, existing home prices rose just 3.1 percent during 2014 compared to 2013. Price appreciation so far this year has been more than twice the pace of last year, rising 7.6 percent. “Clearly the high pace of sales fuels these price increases, but fewer foreclosures have helped to stabilize inventories statewide,” said Theo. First quarter foreclosures are down 13.5 percent from last year and down 33.7 percent from the first quarter two years ago. This decline brought March inventory levels down to the lowest level since the WRA began tracking these figures in 2011. “Luckily new listings increased significantly this month, or market inventories would have been even tighter,” said Theo, who noted that new listings are up 15.1 percent compared to March 2014.

Still, home affordability remains high, at least for now. The Wisconsin Housing Affordability Index was at 245 in March, which was essentially unchanged from last year. The index shows the portion of a median-priced home that a household with a median family income can afford to buy, assuming 20 percent down on a 30-year mortgage financed at current rates. “Although prices are obviously up, mortgage rates are over a half a percent lower, and family incomes are up slightly, which has kept Wisconsin housing affordable,” he said. Theo noted that this is a great time to buy a home. “Buying in the spring and moving in the summer is the preferred timing for many Wisconsin buyers, and given the favorable rates and high affordability, this is the perfect time to get into the housing market,” said Theo.

The Wisconsin REALTORS® Association is one of the largest trade associations in the state, representing over 14,500 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.