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AUGUST HOUSING SALES UP, CAPPING STRONGEST SUMMER IN 10 YEARS

MADISON, WI – As the summer selling season comes to a close, Wisconsin’s housing market grew at a more moderate pace in August compared to June and July. Still, the August sales and median price levels remained above those of August 2014, according to the most recent analysis of the existing home market conducted by the Wisconsin REALTORS® Association (WRA). Home sales increased 3 percent in August compared to that same month last year, and the median price rose 2.9 percent to \$161,500 over that same period.

“June through August is always our busiest season and 2015 has been an exceptional summer for Wisconsin home sales,” said K.C. Maurer, the new 2015-16 Chairman of the WRA Board of Directors. “A typical summer accounts for about 32 percent of the annual sales and this year we were up 14 percent over last year, making it the strongest summer volume since 2005, before the recession,” said Maurer. In August, 7,575 homes were sold in Wisconsin.

Every region of the state had strong summer sales according to the REALTORS’ report, with all but one region posting double digit increases over the same three months last year. Compared to summer 2014, sales were especially strong in the more heavily urbanized parts of the state. Sales increased 17.1 percent in the Northeast region; they rose 15.1 percent in the South Central region and they grew 13.9 percent in the Southeast region of the state. In addition, sales outpaced last summer by 12.7 percent in the North; 11.1 percent in the West and 8.4 percent in the Central region.

Prices rose at a moderate pace in August to a statewide median of \$161,500, a 2.9 percent above last August. “Considering that the national inflation rate has been negligible this year, housing as an asset is helping to grow household wealth,” said WRA President and CEO, Michael Theo. “Lower energy prices have kept inflation near zero throughout 2015, yet home prices have risen 6.1 percent since the first of the year compared to last year,” Theo said. “That makes housing a solid investment at all price points.”

One concern REALTORS® point to is the decline in the number of homes for sale in Wisconsin. “Last August we had 10.1 months of supply. This year we had just 8.5 months of inventory,” Theo said. He noted inventories in Wisconsin peaked at just over 72,000 unsold homes in the immediate aftermath of the recession in August 2010. Since that time supply has steadily fallen to where we had 19,400 fewer available homes in August this year compared to that peak level. “Fewer homes for sale means houses on the market are selling very quickly,” Theo said. The statewide average number of days on the market fell below 100 days for the June through August period. The last time the average days on the market was below the 100 day mark was July of 2006.

Still, housing remains affordable according to the REALTORS’ report. The Wisconsin Housing Affordability Index measures that percent of the median priced home that a buyer with median family income can qualify to purchase, assuming a 20 percent down payment and the remainder financed for 30 years at current rates. The index stood at 220 in August, which is nearly identical to its level from August 2014. The national index stood at 150.5 in July. “Compared to last year, median prices have increased slightly and median family incomes have fallen by a small margin, but mortgage interest rates were also down, which has helped to maintain our favorable affordability in Wisconsin,” said Theo. Theo noted that decision by the Federal Reserve Board to not raise short term interest rates in September was a good development, but he said they have signaled that an increase is on the horizon. “Mortgage rates continue to be in the low 4 percent range, but that won’t last forever,” Theo said. “Potential buyers should consider working with an experienced REALTOR® to take advantage of these current market conditions.”

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.