

October brought an increase in home sales and prices in Wisconsin

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Wisconsin's existing home market saw another sharp increase in sales and prices in October, according to the Wisconsin Realtors Association's latest analysis.

The uptick was fueled by record-low mortgage rates, according to WRA. For the seventh straight month, mortgage rates fell into record-low territory, with the 30-year fixed-rate mortgage dropping to 2.83 percent in October from 2.89 percent in September.

As a result, from October 2019 to October 2020, existing home sales increased 24.9 percent and the median price increased 16.3 percent to \$227,324.

On a year-to-date basis, home sales are up 4.5 percent and the median price increased 11.1 percent to \$220,000 compared to the same 10-month period of 2019.

And all regions of the state saw home sales increase by double-digit margins. Figures were up between 13.6 percent and 17.3 percent in the central, northeast and west regions. More robust sales growth was seen in: the southeast region, up 25.2 percent; the south central region, up 35.2 percent; and the north, up 42.1 percent.

"There's no doubt that these record-low mortgage rates are a big reason our strong sales and growth were robust in every region of the state," said WRA Chairman

Steve Beers. “We would have sold even more homes if the supply was there.”

Six months of available inventory is considered to be balanced. Inventory levels below that benchmark are considered a seller’s market. Every region in the state was well below the six-month level. The north region had the most supply at almost four and a half months and the south central region had the lowest at three months. Months of supply declined in every region over the last 12 months.

“With demand pressure so strong, buyers are moving quickly, which means homes aren’t on the market very long,” said WRA President and CEO Michael Theo.

Average days on the market follows a regular seasonal pattern, typically falling through the summer and then peaking in the winter months. Comparing the same month last year, days on the market fell 8.8 percent to 83 days statewide. Five years ago, the October time on the market peaked at 134 days.

“This hot market continues to push home prices up with price appreciation in the double digits since July,” Theo said.

The Wisconsin Housing Affordability Index fell to 199, a drop of 6.5 percent from October 2019. The loss in affordability would have been worse had mortgage rates not dropped by nearly 1 percent over the last 12 months, according to the WRA.

But Wisconsin housing remains affordable compared to the national average. The National Association of Realtors reports that the national index stood at 159.6 in September, whereas the Wisconsin index was 194.8 for that same month.