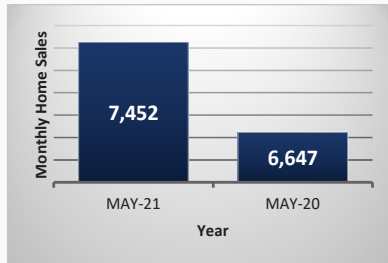


MONTHLY HOME SALES

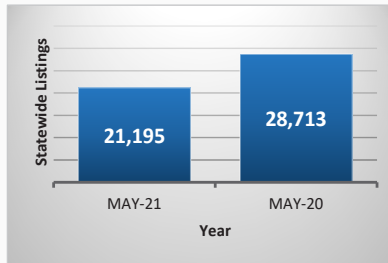


May 2021
7,452
HOMES SOLD

May 2020
6,647
HOMES SOLD

from last year **↑ 12.1%**

TOTAL STATEWIDE LISTINGS

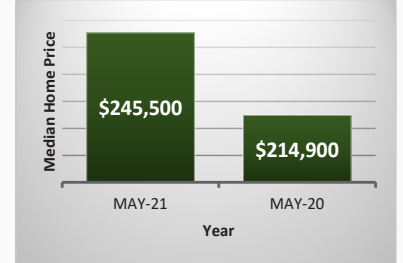


May 2021
21,195
ACTIVE LISTINGS

May 2020
28,713
ACTIVE LISTINGS

from last year **↓ -26.2%**

MEDIAN HOME PRICE

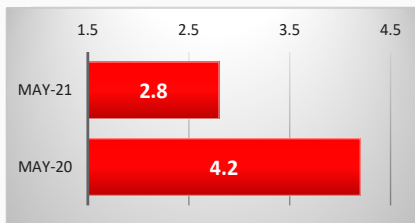


May 2021
245,500
AVG HOME PRICE IN WI

May 2020
214,900
AVG HOME PRICE IN WI

from last year **↑ 14.2%**

MONTHS OF INVENTORY

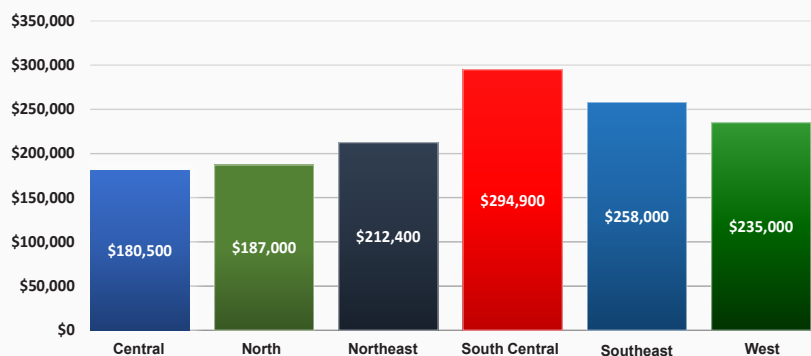


May 2021
2.80
MONTHS

May 2020
4.20
MONTHS

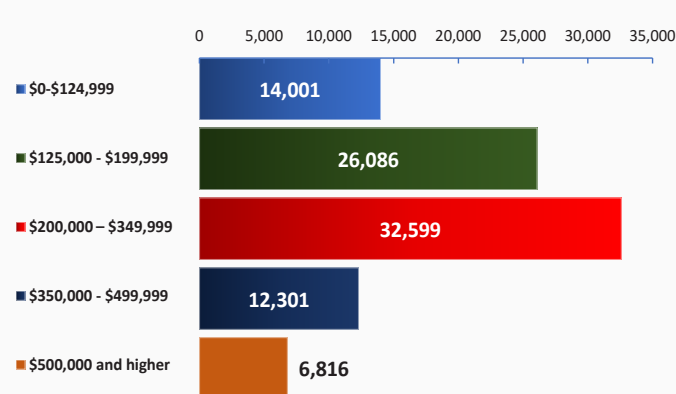
from last year **↓ -33.3%**

MEDIAN PRICES BY REGION

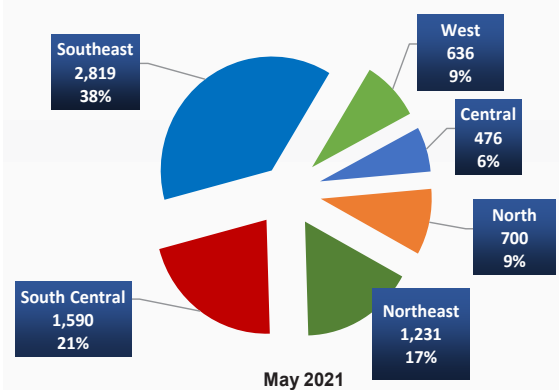


May 2021

HOMES SOLD BY PRICE RANGE PREVIOUS 12 MONTHS

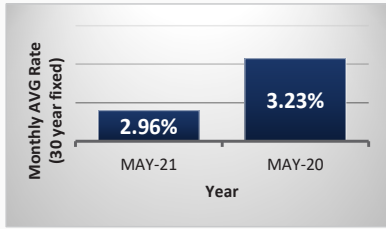


HOME SALES BY REGION



May 2021

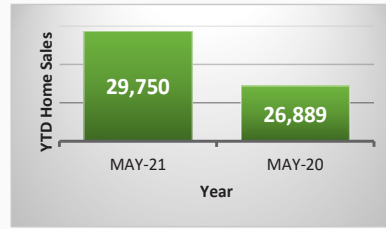
MORTGAGE INTEREST RATES



May 2021 **2.96%** AVG 30 YR. FIXED
 May 2020 **3.23%** AVG 30 YR. FIXED

from last year **↓ 8.4%**

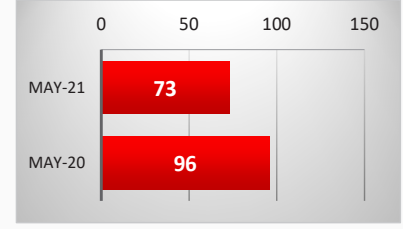
YEAR-TO-DATE HOME SALES



Year-to-Date 2021 **29,750** HOMES SOLD THRU 5/21
 Year-to-Date 2020 **26,889** HOMES SOLD THRU 5/20

from last year **↑ 10.6%**

AVG DAYS ON MARKET

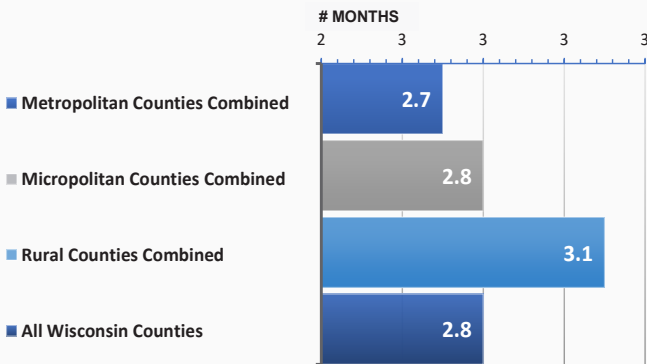


May 2021 **73** ACTIVE LISTINGS
 May 2020 **96** ACTIVE LISTINGS

from last year **↓ -24.0%**

* Data based on Freddie Mac, 30 year fixed-rate mortgage rates

MONTHS OF INVENTORY BY URBAN CLASSIFICATION



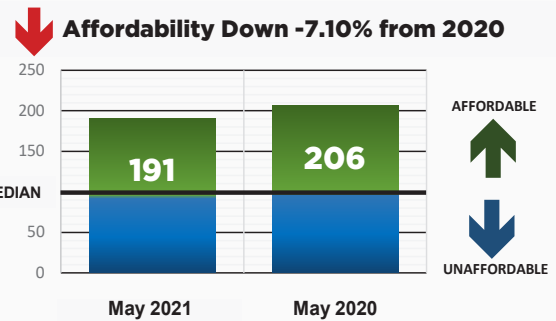
Metropolitan counties include: Brown, Calumet, Chippewa, Columbia, Dane, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Milwaukee, Oconto, Ozaukee, Outagamie, Pierce, Racine, Rock, Sheboygan, St. Croix, Washington, Waukesha and Winnebago.

Micropolitan counties include: Dodge, Dunn, Florence, Grant, Jefferson, Lincoln, Manitowoc, Marinette, Menominee, Portage, Sauk, Shawano, Walworth and Wood.

Rural counties include: Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Door, Forest, Green Lake, Iron, Jackson, Juneau, Lafayette, Langlade, Marquette, Monroe, Oneida, Pepin, Polk, Price, Rusk, Richland, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, Waupaca and Waushara.

HOUSING AFFORDABILITY INDEX

A value of 100 means a family with the median income has exactly enough income to qualify for a mortgage on a medium-priced home.



The Wisconsin Housing Affordability Index shows the portion of the median-priced home that a qualified buyer with median family income can afford to buy, assuming 20% down and the remaining balance financed with a 30-year fixed mortgage at current rates.



MAY 2021 TALKING POINTS

- Both existing home sales and median prices rose by double-digit margins in May compared to their levels 12 months earlier, when the economy was in lockdown.
- Demand conditions are very strong with the 30-year fixed-rate mortgage dipping to 2.96% in May. The latest statewide employment data from April indicates a robust rebound from the depressed levels of April 2020, with 261,200 private sector nonfarm jobs added over the last 12 months.
- Total statewide listings fell 26.2% to just 21,195 homes for sale in May.
- Housing supply remains very tight with just 2.8 months of available supply in the state. Inventory is tight in all regions, across all urban/rural classifications and across all price ranges.
- Average days on the market dropped 24% to just 73 days statewide in May as competition for the limited supply intensified.
- Housing affordability slipped 7.1% as median home prices surged 14.2% over the past 12 months to \$245,500 in May 2021.

SALES AND INVENTORY



"We have had a very good start to the year, with sales up more than 10% in the first five months of this year compared to the January-to-May period of last year. **Even with supply as razor thin as it has been this year, REALTORS® have been able to move homes quickly, which has helped to get buyers into homes and has fueled our growth in sales.** As we move into the peak summer housing market, tight inventories will likely result in slower sales growth compared to the previous year unless we start seeing an improvement in our listings. It will be difficult to grow off the strong sales we saw in the second half of 2020 with such tight supply."

Mary Duff

2021 Chair of the Board of Directors, Wisconsin REALTORS® Association

FUTURE TRENDS IN HOME PRICES



"Some analysts have questioned whether this market is a precursor to another housing bubble. While there are some parallels to the housing bubble that led to the Great Recession, there are also some big differences comparing the two markets.

In both cases, demand for housing was very strong. But in the period leading up to the Great Recession, housing demand was strong due in large part to lax underwriting standards on borrowers. In fact, some buyers didn't even need to document employment status or income levels to qualify for a mortgage. So when housing prices peaked in late 2006, many of those buyers were in mortgages with low teaser rates that reset after a year, and they found themselves quickly underwater when the economic crisis hit. Times have changed, and the lending standards have tightened up considerably. Our current demand conditions are strong, but for different reasons; a solid economy, low mortgage rates and pent-up demand from millennials. Indeed, it's not uncommon to see buyers come in with large down-payments, traditional fixed-rate mortgages and low levels of personal debt. **In short, current buyers are in a much better position to weather challenges from an economic downturn, and hence the risk of another housing bubble is quite low.**"

Dave Clark

Marquette University Economist and WRA Consultant

HOME PRICES AND AFFORDABILITY



"Basic economics tells us that strong and growing demand in a world of tight supply is going to create significant price pressure, and that's exactly what we're seeing in the state housing market. Median prices through the first five months are up at an annual pace of 12.1%. **Unless demand moderates or supply improves, neither of which is likely in 2021, we can expect to see more of the same price appreciation through the end of this year. The good news is that mortgage rates remain very low by historical standards, which has at least partially offset the impact of significant price pressure on housing affordability in the state.** Hopefully the inflationary pressures don't intensify, which could cause mortgage rates to increase and lower affordability."

Michael Theo

President and CEO, Wisconsin REALTORS® Association