

Overview:

MADISON, WI: Wisconsin home sales and median prices both slipped in the third quarter compared to the same quarter last year, according to data just released by the Wisconsin REALTORS® Association (WRA). The lower numbers are attributable to the national subprime crisis and subsequent full-blown financial crisis in the third quarter, which almost certainly pulled the fragile U.S. economy into recession, according to Michael Mulleady, Chairman of the Board for the WRA. 'Despite favorable mortgage rates and the willingness of most banks to lend to those with solid credit records, our state market was not immune from the national economic troubles.'

Existing home sales in the state fell 16.7 percent in the third quarter compared to the third quarter of 2007. Home sales in the nation were down just 7.7 percent due in large part to a rebound in the western region over the period. In the Midwest, sales declined 10.6 percent in the third quarter relative to 2007. 'Homebuyers have had to digest a lot of information these past few months with a highly volatile stock market, policymakers scrambling to shore up financial markets, and political rhetoric at a feverish pitch leading up to the presidential election,' said Mulleady. 'Under the circumstances, it is not surprising that home sales continued to fall,' he said. Mulleady said the WRA expected the state market to remain soft into the first half of 2009, but there is cause for some optimism. 'There are several localized markets where sales have begun to stabilize and single family inventories have improved, which gives us hope that we may be seeing the bottom of this market,' said Mulleady. Mulleady reminded buyers that 'there are excellent opportunities for first-time buyers with solid credit, since 30-year fixed-rate mortgages continue to hover at just over 6 percent.'

Median prices fell 5.3 percent to \$160,000 in the third quarter of 2008 compared to the third quarter of 2007. 'It is important to remember that a modest downward price adjustment is healthy in a soft market,' said William Malkasian, WRA President. 'This is one of the things that will eventually turn this market around.' Malkasian said timing the bottom of any market is very difficult, but those who buy in a soft market can count on solid appreciation over the long run. 'Even with the recent price reductions, housing has still appreciated 24.4 percent since the third quarter of 2001,' Malkasian said. 'Large inventories give buyers many options. Local REALTORS® can help buyers sort through the variety of bargains that exist in this market.'

'REALTORS® talk to buyers and sellers on a daily basis and unfortunately see buyers pulling back during these uncertain times, even with healthy inventories and motivated sellers,' he said. Malkasian noted that, 'once buyers do get off the fence they will find some excellent opportunities.'

3rd Quarter Median Price Change 2008 vs. 2007

Kenosha
\$166,700 -2.9%
Milwaukee
\$155,000 -6.5%
Ozaukee
\$242,500 -5.2%
Racine
\$154,500 -6.6%
Sheboygan
\$136,500 -6.2%
Walworth
\$176,900 -11.6%
Washington
\$202,200 -3.1%
Waukesha
\$242,300 -6.6%

Regional Total
\$180,000 -5.3%

3rd Quarter Home Sales 2008 vs. 2007

Kenosha
466 -21.9%
Milwaukee
2274 -4.9%
Ozaukee
285 -9.5%
Racine
484 -18.9%
Sheboygan
286 -19.2%
Walworth
299 -28.1%
Washington
392 -18.7%
Waukesha
1133 -10.6%

Regional Total
5619 -14.0%

* Data on sales volume and median price are derived using data reported to the Wisconsin Realtor Association by various Multiple Listing Services in different regions. Sales data include single-family, condo/co-op and duplex properties. They do not include properties sold by private owners that would not appear in the MLS.

Source: Wisconsin Realtors Association



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