

BUSINESS

Milwaukee real estate market hits sales record in 2020 with pandemic buyers and low interest rates

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Published 6:00 a.m. CT Jan. 18, 2021

Monica and Dyalon Williams had been talking about moving to a larger home for years.

The couple and their two sons — ages 17 and 10 — had been living in a 1,200-square-foot home that Dyalon bought before meeting Monica more than 20 years ago. The coronavirus pandemic brought everyone home, all day.

They started to seriously think about moving in July. They listed their house at North 38th Street and Good Hope Road on Aug. 10. By Aug. 17 they had accepted an offer.

"It went very quickly," Monica Williams said. "We panicked because we hadn't found a new home yet."

The couple put in three offers on different homes that were all rejected. The fourth offer they made — on a four-bedroom, three-bathroom home at North 95th Street and Good Hope Road — was accepted Aug. 21.

"We had no idea that we would sell our home and purchase a new one in about two weeks," Williams said.

The Williamses' real estate agent, Anitea Taylor, sold more houses in 2020 than in 2019. Taylor, a broker associate and Realtor with Map Realty Group, said low mortgage interest rates and more time at home during the pandemic are drawing buyers.

It was a record year for the Milwaukee-area real estate market.

In the four-county metropolitan Milwaukee market, 22,445 units were sold last year — the most ever. It marked a 6.2% increase in sales from 2019, according to an analysis by the

Greater Milwaukee Association of Realtors. The previous record was set in 2005, according to GMAR, a professional organization of 5,000 members.

"In a year marked by an ongoing pandemic, political strife, and a myriad of other trials consumers 'fled to safety' by purchasing real estate," Mike Ruzicka wrote in the year-end report.

"Working and attending school from home changed how the public viewed housing. It was no longer simply a place to go to each night, but a place to stay all day long."

The housing market was paused this spring as the coronavirus pandemic put the country into lockdown. Sales picked up over the summer and kept going through the end of the year.

"The idea of home was more valuable than anything because people were spending more time at home," said Realtor Jean Stefaniak with The Stefaniak Group.

"People's emotions, stresses, anxieties were at an all-time high," Stefaniak said. "When you think of your home you want to feel happy, safe, secure and relaxed."

Even cold weather sales increased

Sales remained above 2019 levels through the end of the year. House sales typically slow down in the colder months, but not in 2020. In December sales were up 25.9% over 2019 in the metro Milwaukee area.

The Williamses wanted an open-concept living space with a master suite for less than \$340,000. It needed more square footage but not so much that the couple would want to downsize after their son graduates from high school. It needed a finished basement and a backyard with a patio.

"We had to hustle every day to look at the homes if we were interested," she said.

They put in an offer above asking price on their new home the same day it went on the market, before even having a showing. The \$320,000 offer was accepted.

The Williamses moved into their new home in October. At their 2,050-square-foot home, everyone in the Williams family has claimed a space for working and schooling. Monica's desk for her job with Northwestern Mutual is set up in the living room where she can keep tabs on her sons at the dining room table in the open-concept living space. Dyalon works for U.S. Bank from the finished basement.

"It was honestly the perfect house for us," Williams said.

The the in-person real estate industry changed with the pandemic creating barriers to showings.

"I always offered my clients virtual tours, but it became a must-do to get your property out there," said Vickie Kelsall, a Realtor with Century 21. Kelsall sold a half-dozen homes last year where the buyer did not walk through the home until the inspection or closing.

Buyers and sellers can expect bidding wars. The average sale price is up and number of days on the market is down. The average sale price in the four-county metro area in 2020 was \$325,309, up 6.8%. The number of days on the market decreased from 39 in 2019 to 34 in 2020.

Sale prices were up more than 10% in Milwaukee and Waukesha counties last year, according to GMAR. Walworth County sale prices were up more than 22%.

The only way more homes could be sold is if more were on the market.

"It was busy across all avenues, all locations, all price points," Taylor said. This summer, she wrote an offer on a home that got at least 20 different bids.

"I just wish I could have a blowhorn and scream to sellers, if you're even thinking about putting your house on the market, please do," Taylor said. "There are buyers that want your property."

The number of listings on the market is "dangerously low" after being "lackluster" for years, Ruzicka wrote. The market could easily need another 7,150 units on the market in the next six months to meet demand, according to the analysis.

"I continue to see it get more competitive. It's all due to lack of inventory," said Lance Wooten, broker and owner of Riverwest Realty. The firm had a record 2020 and Wooten said the new year is off to a stronger start.

"I'm very optimistic," Wooten said. "It seems like it could be even better than 2020. But we're only two weeks into it."

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