

SOUTH CENTRAL WISCONSIN MLS

Market Update

A comprehensive analysis of the residential real estate market in South Central Wisconsin.

August 2012



www.BunburyRealtors.com





Market Update

August 2012

Welcome to the Market Update, our monthly examination of South Central Wisconsin's residential real estate market. This report uses market-wide data based on transactions that closed in August of 2012 and compares them to closings that took place during the same months over the past three years. Closings typically occur eight to 12 weeks after a contract is signed; for that reason, the sales activity shown here reflects actual market conditions.

Are We There Yet?

Since the middle of last year – June to be exact – Dane County monthly home sales have exceeded those of the prior year with just one exception (and that month was a tie). Each month the question is posed: has the housing market recovered? And each month the answer is: recovery is a process, not an event.

Well, we must be doing well in the process as August sales for Dane County are up a substantial 28.6% for the month and now stand 24.3% ahead of last year. Six of eight counties within the SCWMLS primary region are also ahead for the month and all counties continue to exceed in year-to-date numbers. The entire SCWMLS is ahead of 2011 by 23.2%.

Another bright sign for August is that the median price for Dane County sales is slightly ahead of last year. This is not totally unexpected as inventories of active listings have fallen by more than 20% over last year while sales have increased. In breaking this down further, the months supply of inventory for single family homes in Dane County stands at just 6.9 months, while condominiums have less than 12 months of supply. Six months of supply is generally regarded as representing a balanced market between buyers and sellers.

An additional benefit to having values rise is that more home owners are finding equity in their homes again, after being underwater on their mortgage for the past several years. This is important as we attempt to evaluate the impact of distressed sales (including REO and short sales) on the market. In Dane County, distressed sales reported for August represented 11% of single family sales and 22% of condominium sales. These figures have been fairly consistent since May when we first began collecting this information. Cash sales – which often represent investor activity-remained at 20% of the total sales.

As we enter into the fourth quarter, the market place continues to offer outstanding opportunities with respect to interest rates and affordability. More and more consumers appear to be regaining their confidence and are entering the home purchase area once again. So – are we there yet? Probably not but we are moving closer.

For the most up-to-date, comprehensive analysis of the South Central Wisconsin Real Estate market, visit our blog at www.BunburyRealtors-Blog.com. Our blog features daily posts with timely information for our buyers and sellers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas Bunbury', with a stylized flourish at the end.

Tom Bunbury
CEO & Founder



A handwritten signature in black ink, appearing to read 'Erik Sjowall', with a stylized flourish at the end.

Erik Sjowall
President





Market Update

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South Central Wisconsin MLS Sold & Active Residential Listings (Including Condos)

AUGUST & Year-to-date Statistics 2012

* Sales reported as of September 12, 2012

	August			January - August		
COLUMBIA COUNTY	2012	2011	2010	2012	2011	2010
# New Listings	107	101	118	882	955	1,051
# Sales	*66	35	30	*443	331	333
Average Sale Price	157,620	144,779	164,438	146,802	142,583	164,055
Median Sale Price	143,950	137,500	102,200	127,500	130,000	143,000
Total # Active Residential Listings at end of Period	641	823	858	641	823	858
DANE COUNTY	2012	2011	2010	2012	2011	2010
# New Listings	820	762	865	7,059	6,939	8,066
# Sales	*651	506	415	*4,193	3,372	3,858
Average Sale Price	235,458	244,664	255,325	229,935	241,254	232,310
Median Sale Price	213,000	211,750	220,000	202,750	208,000	205,000
Total # Active Residential Listings at end of Period	3,589	4,501	4,667	3,589	4,501	4,667
DODGE COUNTY	2012	2011	2010	2012	2011	2010
# New Listings	83	75	90	625	631	810
# Sales	*55	41	34	*368	290	362
Average Sale Price	116,070	130,971	125,234	113,957		
Median Sale Price	95,000	106,900	133,500	99,250		
Total # Active Residential Listings at end of Period	417	482	606	417		
GRANT COUNTY	2012	2011	2010	2012		
# New Listings	50	64	46	461		
# Sales	*33	36	27	*223		
Average Sale Price	124,971	106,506	101,213	127,500		
Median Sale Price	121,000	98,000	79,000	110,000		
Total # Active Residential Listings at end of Period	304	335	268	304		
GREEN COUNTY	2012	2011	2010	2012		
# New Listings	41	74	64	456	543	541
# Sales	*48	34	26	*291	252	215
Average Sale Price	153,767	148,143	139,811	148,747	141,675	146,404
Median Sale Price	133,750	142,500	131,000	125,000	123,000	129,900
Total # Active Residential Listings at end of Period	260	360	390	260	360	390
IOWA COUNTY	2012	2011	2010	2012	2011	2010
# New Listings	42	39	46	353	356	374
# Sales	*18	13	11	*129	119	124
Average Sale Price	128,541	174,676	227,127	137,335	144,749	158,107
Median Sale Price	125,000	173,500	125,000	120,750	115,500	133,050
Total # Active Residential Listings at end of Period	298	304	292	298	304	292
ROCK COUNTY	2012	2011	2010	2012	2011	2010
# New Listings	239	275	281	1,964	2,117	2,502
# Sales	*183	155	113	*1,228	1,011	1,127
Average Sale Price	117,162	114,059	110,857	111,384	104,171	113,319
Median Sale Price	106,000	97,000	93,000	98,000	93,500	107,500
Total # Active Residential Listings at end of Period	1,098	1,427	1,523	1,098	1,427	1,523
SAUK COUNTY	2012	2011	2010	2012	2011	2010
# New Listings	126	134	136	1,006	1,057	1,140
# Sales	*66	68	51	*476	408	364
Average Sale Price	135,088	141,064	150,207	153,566	145,066	158,306
Median Sale Price	133,000	115,000	150,000	135,000	125,000	142,000
Total # Active Residential Listings at end of Period	813	919	993	813	919	993

Six of eight counties within the SCWMLS primary region are also ahead for the month and all counties continue to exceed in year-to-date numbers. The entire SCWMLS is ahead of 2011 by 23.2%.

More MLS statistics are available at www.scwmls.com.

NOTE - This representation is based in whole or in part on data supplied to the South Central Wisconsin MLS Corporation by its Participants. The MLS does not guarantee and is not responsible for its accuracy. Data maintained by the MLS does not reflect all real estate activity in the market.



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South Central Wisconsin MLS

AUGUST STATISTICS

2012

08/01/2012-08/31/2012



CURRENT ACTIVE LISTINGS		
PRICE CLASS/TYPE	Single Family	Condo/ Co-Op
less than 30,000	132	4
30,000 - 39,999	145	9
40,000 - 49,999	211	27
50,000 - 59,999	254	37
60,000 - 69,999	282	51
70,000 - 79,999	351	58
80,000 - 89,999	346	106
90,000 - 99,999	424	108
100,000 - 119,999	696	170
120,000 - 139,999	857	232
140,000 - 159,999	768	159
160,000 - 179,999	759	174
180,000 - 199,999	693	118
200,000 - 249,999	1,112	161
250,000 - 299,999	794	129
300,000 - 399,999	817	128
400,000 - 499,999	354	51
500,000 - 749,999	337	59
750,000 - 999,999	106	17
over 1,000,000	114	3
Total Types	9,552	1,801
Average price	223,612	196,597

*Sales for the month & current active listings are reported as of 9/12/2012. The Current Active Listings Chart includes all listings available for showings, including those with offers to purchase. This representation is based in whole or in part on data supplied to the South Central Wisconsin MLS Corporation by its Participants. The MLS does not guarantee and is not responsible for its accuracy. Data maintained by the MLS does not reflect all real estate activity in the market.

TOTALS REPORT SOLD RESIDENTIAL LISTINGS				
PRICE CLASS/TYPE	0-2 Bedroom	3 Bedroom	4+ Bedroom	Condo/ Co-Op
less than 30,000	18	21	8	0
30,000 - 39,999	5	14	9	1
40,000 - 49,999	12	17	2	11
50,000 - 59,999	23	18	6	7
60,000 - 69,999	9	21	5	5
70,000 - 79,999	11	25	6	11
80,000 - 89,999	9	24	13	10
90,000 - 99,999	3	16	7	10
100,000 - 119,999	18	33	10	21
120,000 - 139,999	18	65	13	32
140,000 - 159,999	10	61	19	21
160,000 - 179,999	7	73	23	18
180,000 - 199,999	9	58	22	11
200,000 - 249,999	6	109	50	16
250,000 - 299,999	6	53	50	14
300,000 - 399,999	1	40	60	6
400,000 - 499,999	0	11	16	2
500,000 - 749,999	0	4	17	4
750,000 - 999,999	0	1	2	0
over 1,000,000	1	1	0	1
Total Types	166	665	338	201
AVERAGE PRICE	107,511	173,052	240,712	161,752

TERMS OF SALE (SALES)	
CASH	271
CONVENTIONAL	927
FVA/FHA	106
WHEDA	7
ASSUMPTION	0
SELLER	4
OTHER	14
USDA	41

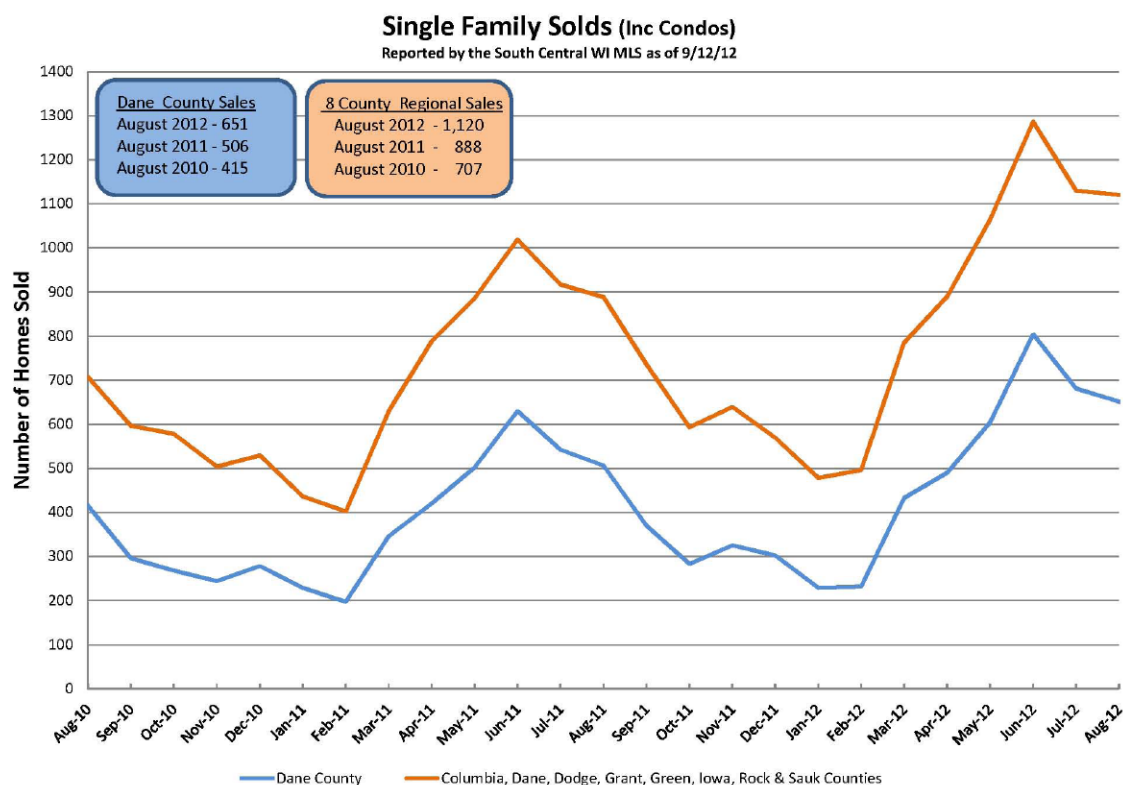
More MLS statistics are available at www.scwmls.com.

Carrying the highest inventory this month was the \$200,000-\$249,999 price range.



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August sales for Dane County are up a substantial 28.6% for the month and now stand 24.3% ahead of last year.

Market Insight

New survey findings, combined with an analysis of historic credit scores and loan performance, show home sales could be notably higher by returning to reasonably safe and sound lending standards, which also would create new jobs, according to the National Association of Realtors®.

Lawrence Yun, NAR chief economist, said there would be enormous benefits to the U.S. economy if mortgage lending conditions return to normal. "Sensible lending standards would permit 500,000 to 700,000 additional home sales in the coming year," he said. "The economic activity created through these additional home sales would add 250,000 to 350,000 jobs in related trades and services almost immediately, and without a cost impact." - www.Realtor.org

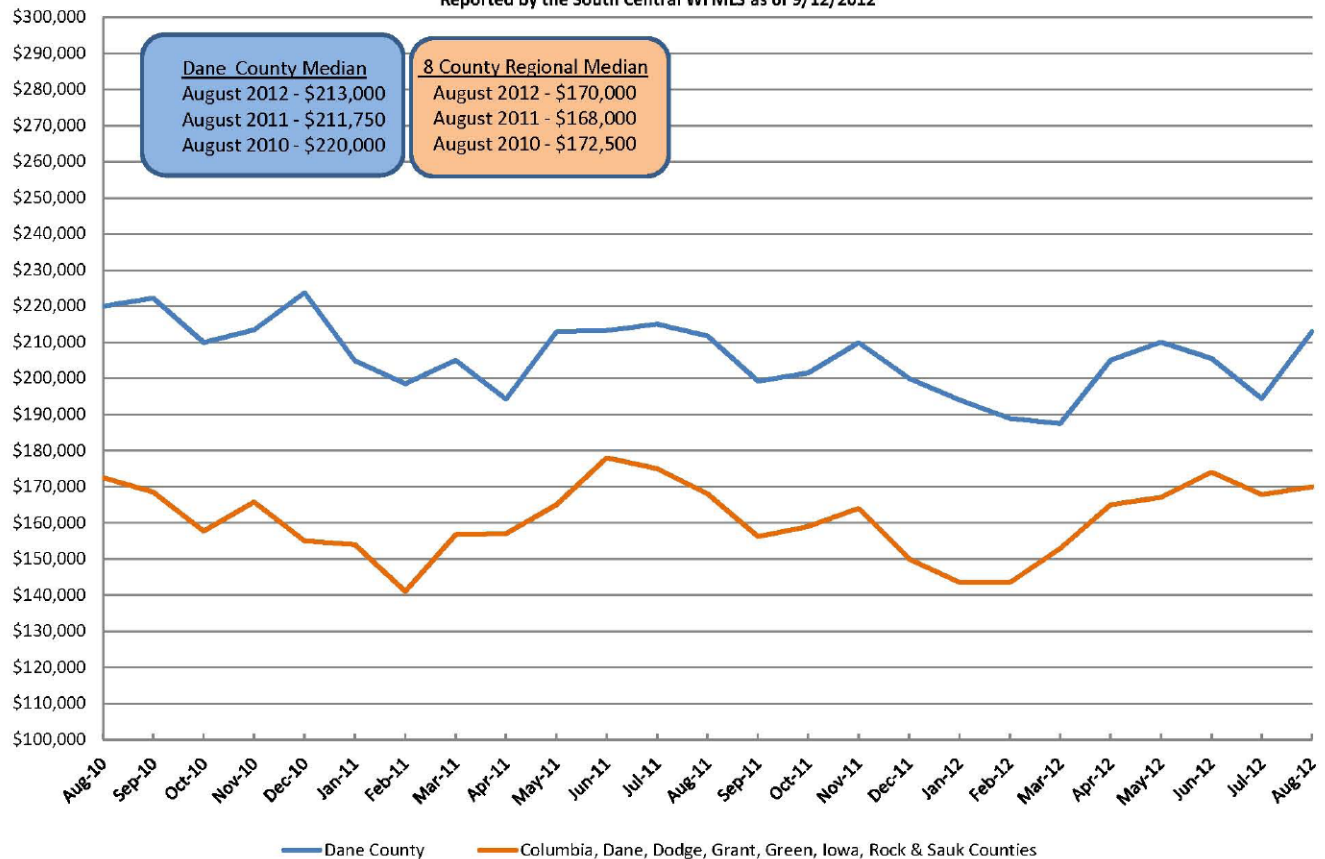


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Median Sale Price for Single Family Solds (Inc Condos)

Reported by the South Central WI MLS as of 9/12/2012



The median price for Dane County sales is slightly ahead of last year. This is not totally unexpected as inventories of active listings have fallen by more than 20% over last year while sales have increased.

Buyer Tip

Make a House Hunting Wish List

When creating your list, you might want to ask yourself the following questions and invent a few of your own:

- Do you want a townhouse, apartment or a house?
- Do you wish to live in the inner city, suburbs or country?
- How many bedrooms do you want?
- Will the property accommodate your changing needs over time?
- Do you want a garden, if so how big?
- Do you prefer an old or modern residence?
- Are you happy to renovate or extend?
- How close do you wish to be to facilities such as schools, shops, childcare, parks, beaches and hospitals?
- How much you are willing to pay? Are you preapproved?



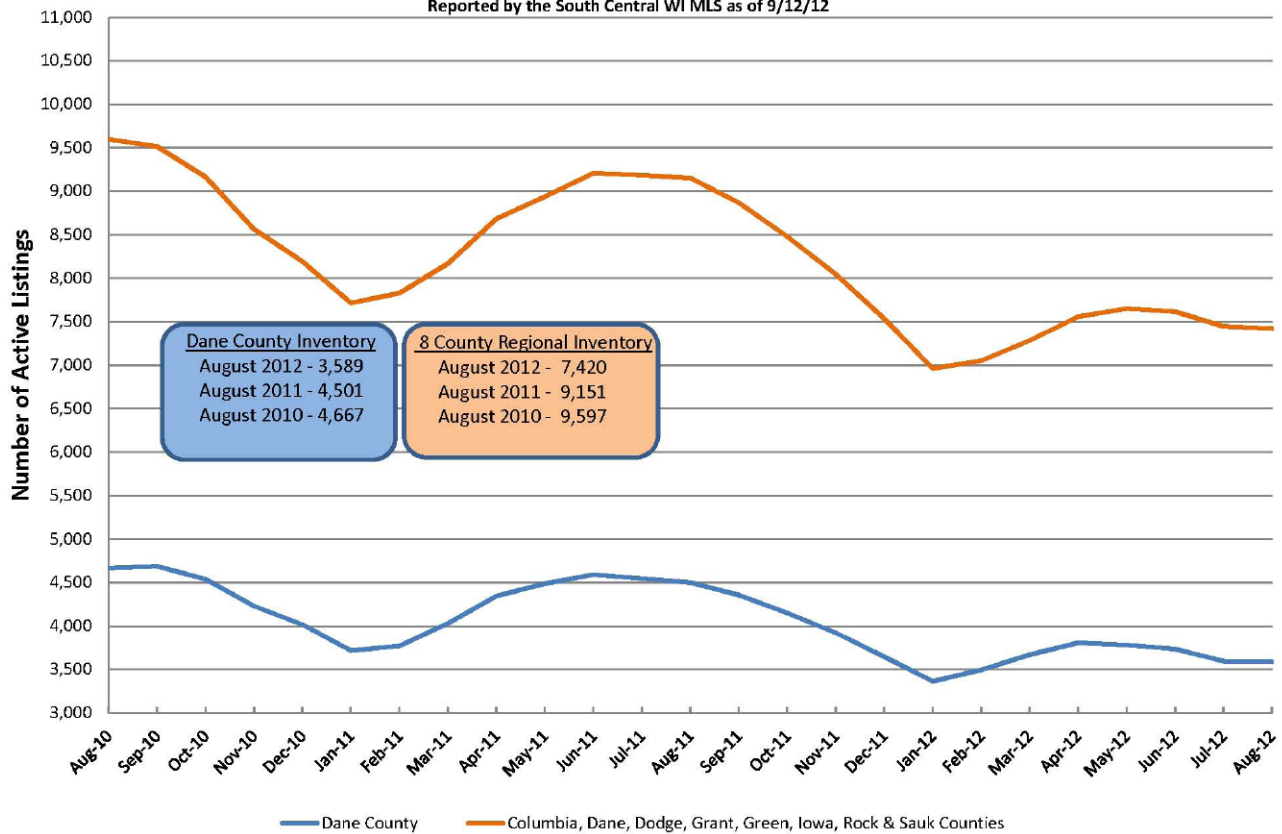


Market Update

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Available Single Family Homes (Inc Condos)

Reported by the South Central WI MLS as of 9/12/12



The months supply of inventory for single family homes in Dane County stands at just 6.9 months, while condominiums have less than 12 months of supply. Six months of supply is generally regarded as representing a balanced market between buyers and sellers.

Seller Tip

Fall Home Maintenance Tips



1. Make sure gutters and downspouts are free from debris and are draining properly.
2. Trim trees so unexpected winds don't knock down branches that could damage your home or hurt anybody.
3. Fertilize your grass.
4. Change filters in furnace, stove vents, clothes dryers and room fans if applicable.
5. Prepare your fireplace for use.
6. Check windows and doors for drafts.

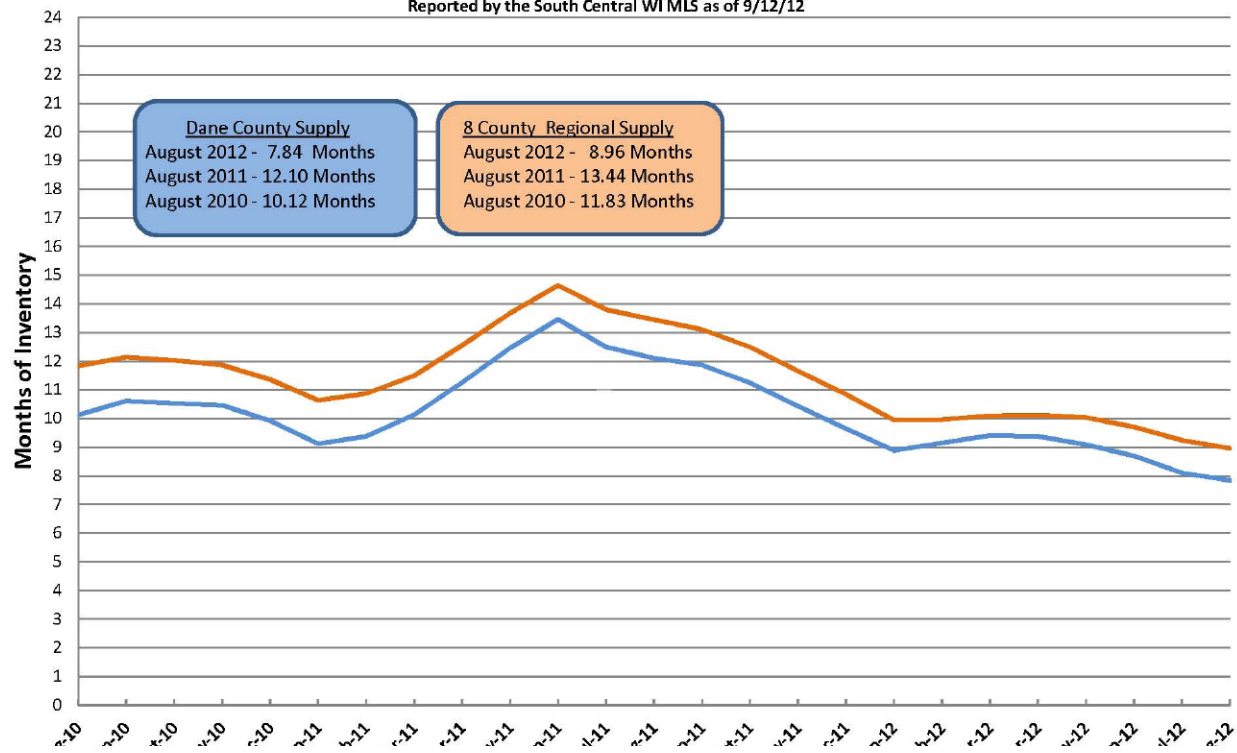


Market Update

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Months Supply of Inventory for Single Family Homes (Inc Condos)

Reported by the South Central WI MLS as of 9/12/12



The months supply of single family homes in Dane County now stands at just over 7 months while condominiums come in at 14 months.

Market Insight

"How's the market?"

The quintessential real estate question. Unfortunately, there is NO perfect answer. Why? Because the market is the market. It changes in accordance with the Law of Supply and Demand.

In real estate, there are 3 markets; a buyer's market, a seller's market and a balanced market.

A "Buyer's Market" exists when there is 7 or more months supply of inventory (houses). The impact of the abundance of inventory results in the prices of homes depreciating.

Conversely, a "Seller's Market" exists when there is less than 4 months supply of homes. The impact of the scarcity of inventory results in the prices of homes appreciating.

A "Balanced Market" occurs when the inventory of homes for sale averages between 5 and 6 months worth of supply. In this "normal" market, home prices generally remain stable.

So, the answer to this question (How's the market?), really depends on your personal real estate need:

"Are you in the market to buy a home?"

"Do you need to sell your home?"

"Are you looking for an investment?"

"Are you 'just looking?'"