

Market Update

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

JANUARY 2011



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Market Update

JANUARY 2011

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 January of 2011 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.

Home sales in Dane County are starting off 2011 on a positive note - exceeding the past two January sales reports, and matching that of 2008. For the eight county region serviced principally by the South Central Wisconsin Multiple Listing Service (SCWMLS), all counties but one met or exceeded last January's sales. This year will be very interesting one for the housing market as it marks the first year since 2008 that no governmental housing stimulus programs are expected.

The median sales price in Dane County was 4.8% ahead of last year for January, with a median price of \$203,912. It could be argued that the first time home buyers tax credit was skewing the 2008 market into lower price ranges. Another notable figure in January was the decrease in new listings - down 22.7% from last year - and the lowest monthly total since 2002. Total active listings in the county are also down - Approaching the inventory level of late 2005. Like Dane County, active inventories have fallen in all but Columbia and Green Counties, while Iowa County has remained the same as one year ago.

For the entire SCWMLS, the most popular price ranges for sales in January were between \$100,000 and \$200,000 (38% of all sales) and \$200,000-\$300,000 (16% of all sales). It stands to reason that the most popular prices for active listings is the same: \$100,000-\$200,000 (39%) followed by \$200,000-\$300,000 (22%). For condominiums, 62% of all sales were under \$160,000 while 49% of active listings are \$160,000 and below.

The single family home sales for January of 2011 are the highest January totals since 2009, accounting for 179 of the 222 total reported. The 43 condominium sales trailed last year by 5, but were ahead of 2009. Each category also showed a significant drop in new listings for the month - down 21.5% for single family homes and down 25.9% for condominiums.

These figures support our predictions that 2011 will be a market that returns to normalcy. We have just wrapped up a positive holiday selling season, and job creation is predicted to continue. Interest rates are still low, but showing signs of a steady increase. All of these are signs of consumer confidence, hopefully giving buyers the courage to move forward while the tremendous home buying advantages are still available.

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,

Tom Bunbury
CEO & Founder



Erik Sjowall
President





Market Update

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

JANUARY & Year-to-date Statistics 2011

* Sales reported as of February 14, 2011

January

	2011	2010	2009	2008
COLUMBIA COUNTY				
# New Listings	85	103	146	150
# Sales	*22	18	13	20
Average Sale Price	134,406	134,930	128,302	173,847
Median Sale Price	99,950	130,750	117,000	181,225
Total # Active Residential Listings at end of Period	694	671	715	670
DANE COUNTY				
# New Listings	710	918	845	1,155
# Sales	*222	186	151	222
Average Sale Price	247,740	218,274	256,853	246,048
Median Sale Price	203,912	194,625	208,000	207,000
Total # Active Residential Listings at end of Period	3,719	3,959	4,352	4,559
DODGE COUNTY				
# New Listings	78	83	61	90
# Sales	*20	20	18	26
Average Sale Price	134,075	96,440	130,265	173,476
Median Sale Price	82,550	85,500	100,037	140,615
Total # Active Residential Listings at end of Period	447	508	559	549
GRANT COUNTY				
# New Listings	45	24	37	25
# Sales	*16	12	10	11
Average Sale Price	100,596	93,585	147,100	449,101
Median Sale Price	72,500	83,815	143,250	153,000
Total # Active Residential Listings at end of Period	231	241	269	211
GREEN COUNTY				
# New Listings	47	52	51	48
# Sales	*25	17	12	15
Average Sale Price	123,047	156,041	126,033	211,620
Median Sale Price	113,000	129,900	111,250	175,900
Total # Active Residential Listings at end of Period	300	276	316	284
IOWA COUNTY				
# New Listings	42	41	43	32
# Sales	*8	14	8	11
Average Sale Price	129,968	139,428	117,137	122,409
Median Sale Price	92,450	117,000	95,500	132,500
Total # Active Residential Listings at end of Period	226	226	203	232
ROCK COUNTY				
# New Listings	239	290	250	316
# Sales	*81	72	48	84
Average Sale Price	85,114	93,534	113,653	116,154
Median Sale Price	65,000	77,000	96,950	117,600
Total # Active Residential Listings at end of Period	1,306	1,314	1,467	1,365
SAUK COUNTY				
# New Listings	109	127	94	112
# Sales	*30	24	21	19
Average Sale Price	147,511	127,918	141,707	178,970
Median Sale Price	126,500	120,750	140,000	174,900
Total # Active Residential Listings at end of Period	792	836	827	749

What is notable about these statistics is the January 2011 sales have matched or exceeded January 2008 sales, supporting the case that we are returning to a more normal housing market. This is also great news as 2009 and 2010 were stimulated by the outside first time home buyers credit, artificially boosting sales

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

JANUARY STATISTICS

2011

1/1/11 - 1/31/11



CURRENT ACTIVE LISTINGS		
PRICE CLASS/TYPE	Single Family	Condo/Co-Op
less than 30,000	101	4
30,000 - 39,999	139	7
40,000 - 49,999	182	5
50,000 - 59,999	240	33
60,000 - 69,999	315	41
70,000 - 79,999	292	57
80,000 - 89,999	348	91
90,000 - 99,999	340	114
100,000 - 119,999	600	228
120,000 - 139,999	792	225
140,000 - 159,999	682	224
160,000 - 179,999	755	205
180,000 - 199,999	714	163
200,000 - 249,999	1,151	229
250,000 - 299,999	805	147
300,000 - 399,999	741	158
400,000 - 499,999	338	76
500,000 - 749,999	308	52
750,000 - 999,999	127	16
over 1,000,000	93	6
Total Types	9,063	2,081
Average price	227,054	202,548

TOTALS REPORT SOLD RESIDENTIAL LISTINGS				
PRICE CLASS/TYPE	0-2 Bedroom	3 Bedroom	4+ Bedroom	Condo/Co-Op
less than 30,000	7	16	9	0
30,000 - 39,999	12	12	1	0
40,000 - 49,999	6	11	6	1
50,000 - 59,999	4	8	3	2
60,000 - 69,999	5	15	1	4
70,000 - 79,999	6	4	5	3
80,000 - 89,999	3	11	3	1
90,000 - 99,999	3	5	3	6
100,000 - 119,999	4	14	8	9
120,000 - 139,999	9	22	8	8
140,000 - 159,999	5	24	6	2
160,000 - 179,999	1	24	3	5
180,000 - 199,999	1	21	14	3
200,000 - 249,999	2	27	14	3
250,000 - 299,999	1	13	16	3
300,000 - 399,999	1	13	18	5
400,000 - 499,999	0	4	14	1
500,000 - 749,999	0	2	7	0
750,000 - 999,999	0	0	1	2
over 1,000,000	0	1	1	0
Total Types	70	247	141	58
AVERAGE PRICE	87,574	155,651	239,885	180,201

TERMS OF SALE (SALES)	
CASH	135
CONVENTIONAL	320
FVA/FHA	43
WHEDA	4
ASSUMPTION	0
SELLER	2
OTHER	12

*Sales for the month & current active listings are reported as of 2/14/11. 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.

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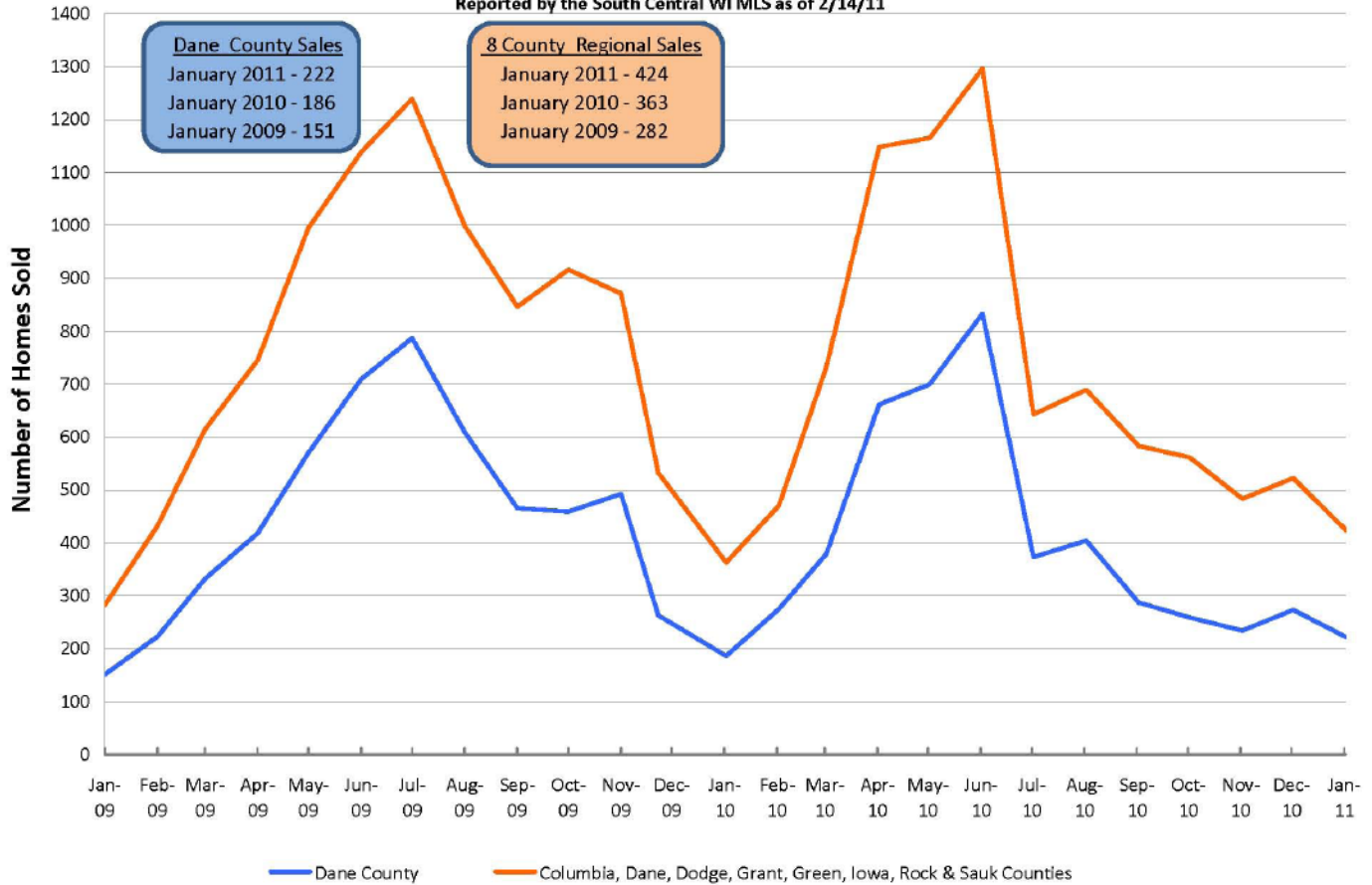


Market Update

JANUARY 2011

Single Family Solds (Inc Condos)

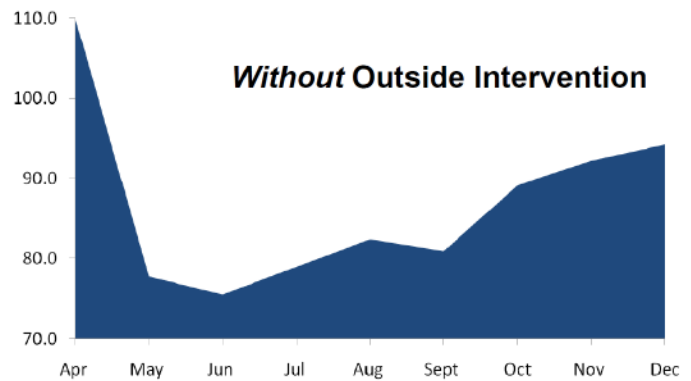
Reported by the South Central WI MLS as of 2/14/11



When looking at the graph above, keep in mind homes sales were artificially stimulated with the First Time Home Buyer's Tax Credit in 2009 and 2010, especially where we see the high spikes in sales.

Overall, January 2011 was a continuation of the rise of pending home sales we have experienced nationally since the second quarter of 2010, without outside intervention of the First Time Home Buyers Tax Credit.

Pending Home Sales



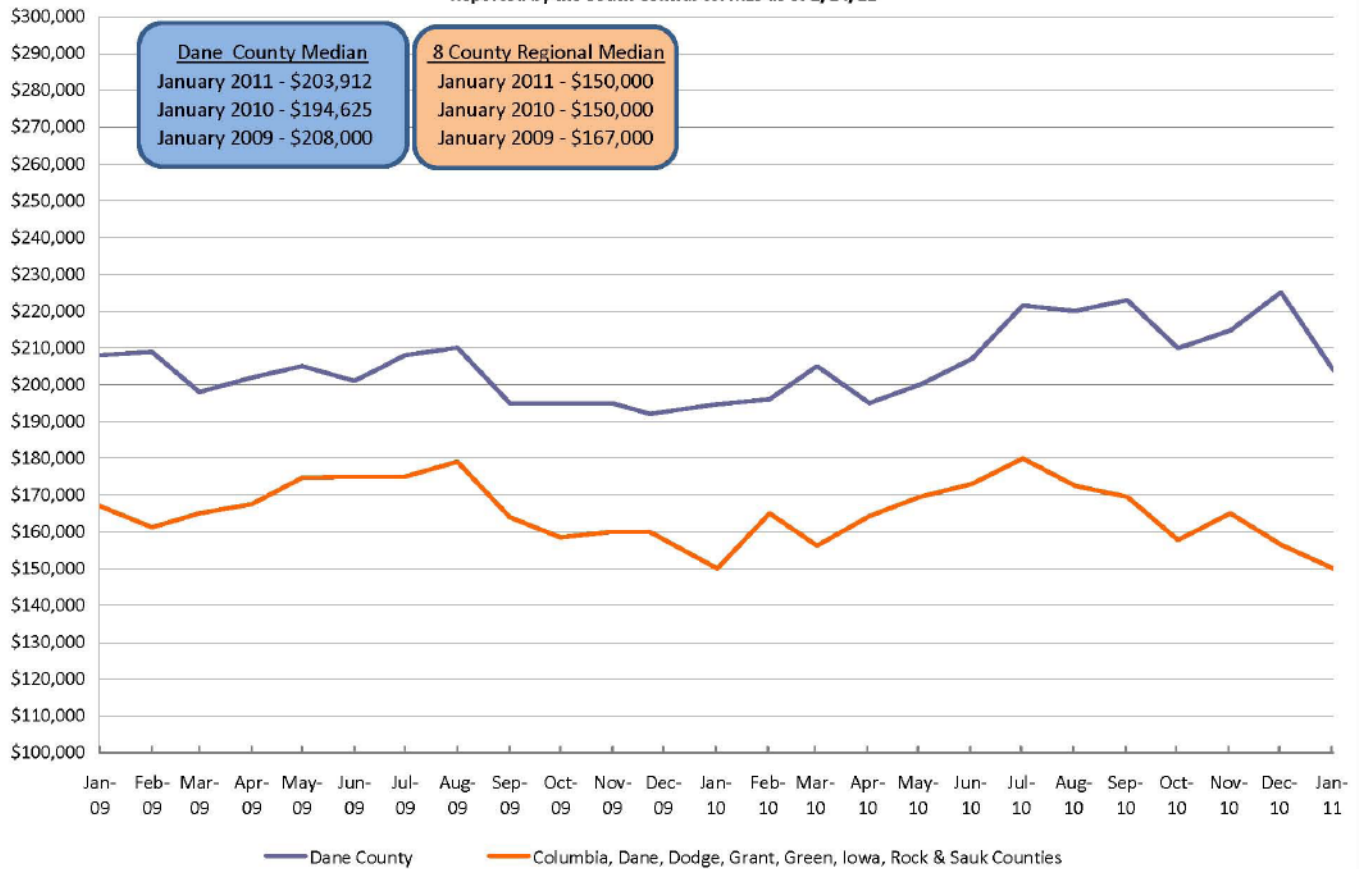


Market Update

JANUARY 2011

Median Sale Price for Single Family Solds (Inc Condos)

Reported by the South Central WI MLS as of 2/14/11



The median sales price in Dane county was 4.8% ahead of last year for January when it could be argued that the then existing tax credit was skewing the market into lower price ranges. Overall, South Central Wisconsin properties have maintained their value over the past 2 years.

Buyer Tip

Waiting for a bargain? You may want to reconsider. When purchasing your home, there is a difference in price versus cost. The price of the home is influenced by market conditions however the cost is influenced by interest rates. As quoted in the Wall Street Journal "If prices come down another 10% but interest rates increase by one percentage point, that would mean the same monthly payment today versus waiting".

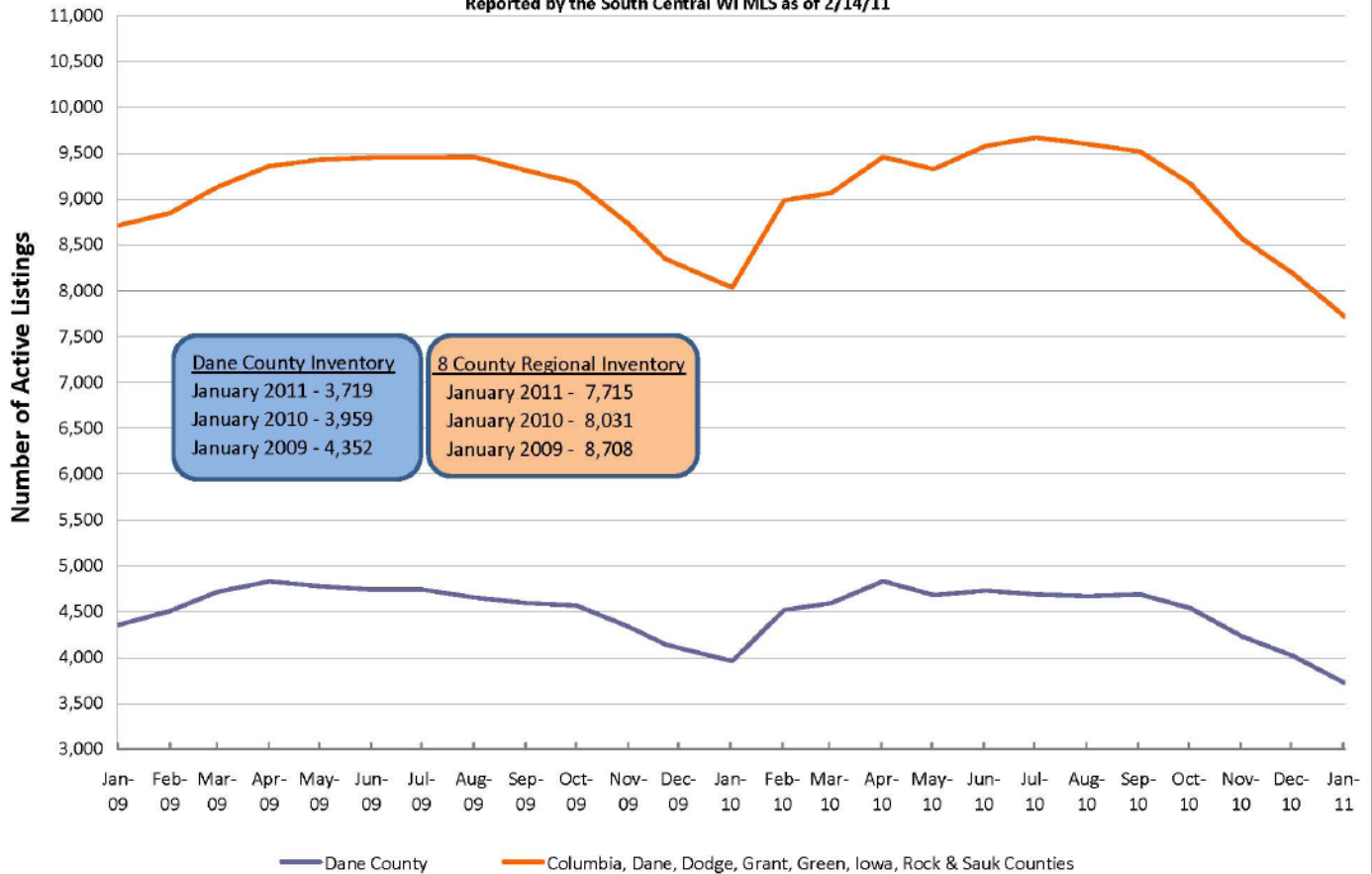
Take a look at the chart on the right. It doesn't matter when you purchased your home, if the price is the same the cost is impacted by your interest rate. Because of the difference in interest rates, it is actually more affordable to own the same house today than it was in 2004.

Price is the same, it just costs less

Date	Loan Amount	Interest Rate	Monthly Payment (P&I)
2004	\$250,000	6.29	\$1,545.80
Today	\$250,000	5.00	\$1,342.05
Difference in mortgage payments			\$203.75

Available Single Family Homes (Inc Condos)

Reported by the South Central WI MLS as of 2/14/11



For January 2011, there was a significant drop in new listings for the month, down 21.5% for single family homes, and 25.9% for condominiums. This is good news for sellers, as less inventory implies less competition.

Seller Tip



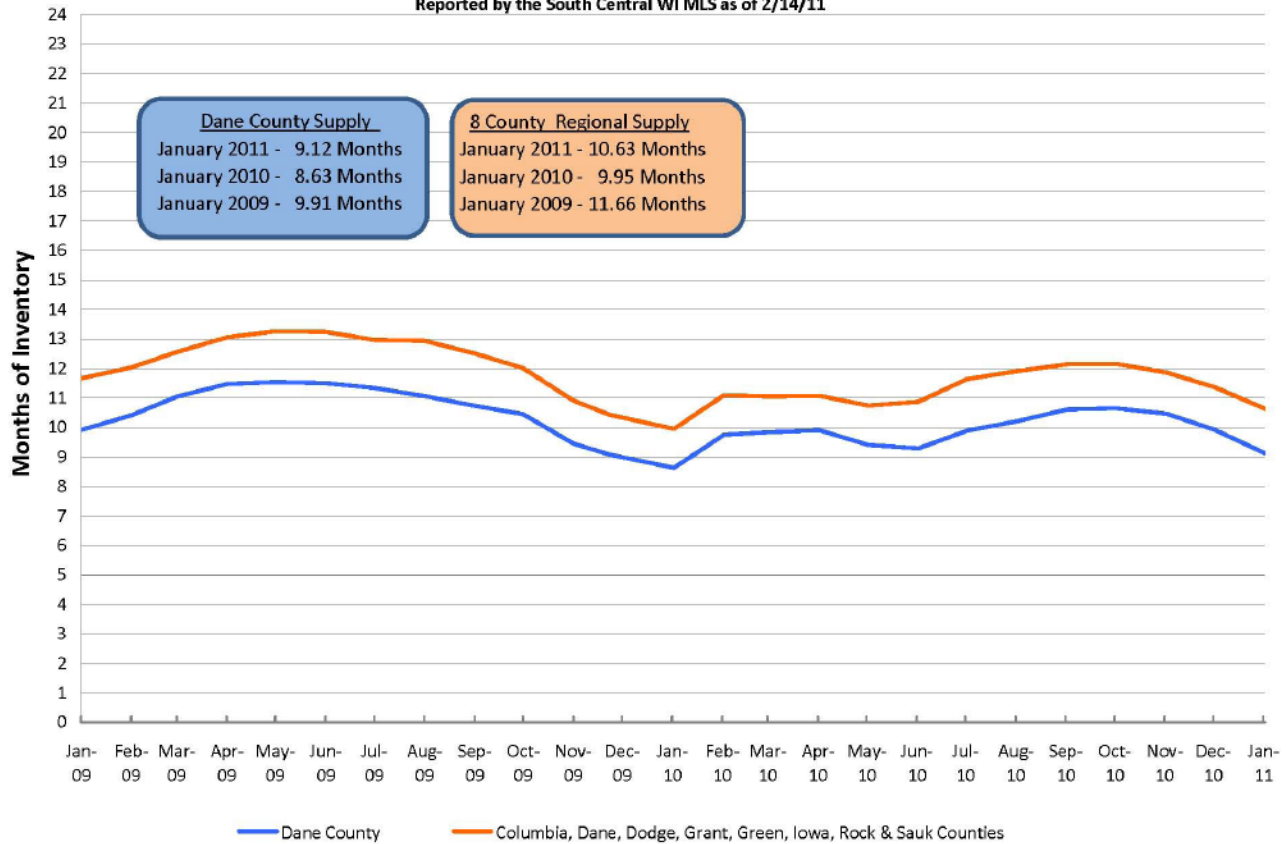
When you are looking to sell your home, you are ultimately concerned with getting your home sold for the most amount of money. However, in this economic climate, it is important to price your property competitively to get it sold. Here's why.

The graph above indicates for the 222 persons who bought a home in January of 2011, had their pick from 3,719 homes. That is a lot of inventory to choose from, creating a low demand for properties. Since demand is low, we are in now in a buyers market. Buyers can shop around for the best deal simply because there is so much inventory.

As a home seller you must make sure your home is priced right to appeal to buyers. There is a large gap between homes sold and inventory, and the difference comes down to competitive pricing.

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

Reported by the South Central WI MLS as of 2/14/11



Dane County Supply
 January 2011 - 9.12 Months
 January 2010 - 8.63 Months
 January 2009 - 9.91 Months

8 County Regional Supply
 January 2011 - 10.63 Months
 January 2010 - 9.95 Months
 January 2009 - 11.66 Months

Months Supply = current inventory divided by the average sales for the most current 12 months

Market Insight

What is month's supply of inventory and why is it important?

The amount of months supply of inventory a market has available, directly impacts price.

In 2000-2006, it was a sellers market. There was more of a demand for housing than there were properties. Inventory was only on the market for 1-4 months, allowing home prices to appreciate. This drives the consumer to pay more, and the highest bidder wins.

Fast forward to last year, 2010. We experienced the complete opposite of the 2000-2006 real estate market. Since demand is low, we are in now in a buyers market. Buyers can shop around for the best deal simply because there is so much inventory.

Months Supply's Impact on Price

Months	Market	Pricing
1-4	Sellers	Appreciation
5-6	Even	The Norm
7+	Buyers	Depreciation