

SOUTH CENTRAL WISCONSIN MLS

Market Update

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



September 2011



www.BunburyRealtors.com



Market Update

SEPTEMBER 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 September 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 up 23% for September, marking the third month in a row of increased sales compared to 2010. For the entire SCWMLS, September sales are 19% ahead of the previous year. This continues to support the industry prediction that the second half of 2011 would see a marked improvement compared to last year.

The year-to-date sales gap between 2011 and 2010 has narrowed again. The SCWMLS trailed 2010 by 20.6% at the end of June. Now, at the end of the third quarter, the difference is only 7.4%. Similarly, the gap in Dane County has been cut from 25.6% to 10.8%. Nothing has changed expectations that this trend will remain for the balance of the year.

The median sale price for Dane County, representing the midpoint of all closed sales ranked from lowest to highest price, stayed virtually identical in 2011 compared to 2010 - \$206,000 (2011) vs. \$205,241 (2010). For the entire SCWMLS, the median sale price trails 2010 by 3.8%.

Total active listings in Dane County and the SCWMLS continue the year-to-year downward trend. Likewise, new listings are down in both Dane County and the SCWMLS for the month and year-to-date.

In breaking down the Dane County numbers, single family home sales and condominium sales are each up over 20% for the month. The largest drop in total active listings is in condominiums – down 12% from 2010.

The most popular price range for active listings in the SCWMLS once again is between \$100,000 and \$300,000 (60.2%), with the largest segment in the \$100,000 - \$200,000 range (38.6%). From all sales of single family homes reported for the month, 38.1% were between \$100,000 and \$200,000 and 18.1% between \$200,000 and \$300,000. For condominiums, 48% of the active listings and sales are priced from \$100,000 to \$200,000.

The increased activity for the past three months is encouraging as we enter into the fourth quarter of 2011. Interest rates remain at record lows, affording buyers with a historic low cost of ownership. However, demand still appears to be suppressed by federal regulations making qualification for a mortgage loan more difficult. At the same time, confusion as to the availability and qualifying criteria for home loans also appears to be holding potential purchasers back (No, 20% down payment is not required). In spite of the challenges yet facing our markets, we firmly believe the fourth quarter will be far better than 2010, leading us into 2012.

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 T. Bunbury".

Tom Bunbury
CEO & Founder



A handwritten signature in black ink, appearing to read "Erik Sjowall".

Erik Sjowall
President



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Information for this report was provided by South Central Wisconsin Multiple Listing Service



Market Update

SEPTEMBER 2011

South Central Wisconsin MLS Sold & Active Residential Listings (Including Condos) SEPTEMBER & Year-to-date Statistics 2011

* Sales reported as of October 12, 2011

	September			January - September		
	2011	2010	2009	2011	2010	2009
COLUMBIA COUNTY						
# New Listings	91	110	115	1046	1,161	1,223
# Sales	*51	48	50	*380	381	383
Average Sale Price	139,994	173,053	163,533	141,528	165,189	158,909
Median Sale Price	128,000	161,750	150,500	130,000	145,000	145,000
Total # Active Residential Listings at end of Period	803	825	821	803	825	821
DANE COUNTY						
# New Listings	705	779	881	7,644	8,845	8,844
# Sales	*364	296	465	*3,704	4,154	4,270
Average Sale Price	233,946	245,368	222,122	239,925	233,240	228,580
Median Sale Price	199,250	222,225	195,000	205,000	205,241	205,000
Total # Active Residential Listings at end of Period	4,354	4,688	4,594	4,354	4,688	4,594
DODGE COUNTY						
# New Listings	71	89	107	702	899	906
# Sales	*33	39	55	*323	401	399
Average Sale Price	103,383	118,816	117,906	117,573	122,069	129,924
Median Sale Price	95,000	103,800	111,400	99,900	110,000	117,000
Total # Active Residential Listings at end of Period	460	578	597	460	578	597
GRANT COUNTY						
# New Listings	43	53	52	490	424	449
# Sales	*25	24	23	*208	211	232
Average Sale Price	103,404	124,182	96,202	104,254	116,256	117,601
Median Sale Price	81,000	120,250	80,000	85,000	102,500	107,800
Total # Active Residential Listings at end of Period	325	274	290	325	274	290
GREEN COUNTY						
# New Listings	48	48	66	591	589	596
# Sales	*28	26	35	*279	241	247
Average Sale Price	161,639	144,219	134,948	143,982	146,168	152,125
Median Sale Price	124,000	132,950	126,000	123,000	129,900	128,000
Total # Active Residential Listings at end of Period	361	382	356	361	382	356
IOWA COUNTY						
# New Listings	38	43	42	394	417	386
# Sales	*21	14	19	*139	138	154
Average Sale Price	142,890	171,553	154,257	145,365	159,471	163,367
Median Sale Price	115,000	151,000	116,000	115,500	136,000	125,000
Total # Active Residential Listings at end of Period	296	288	260	296	288	260
ROCK COUNTY						
# New Listings	247	213	337	2,364	2,715	2,651
# Sales	*146	101	142	*1,156	1,228	1,180
Average Sale Price	98,647	92,594	116,602	103,522	111,614	120,504
Median Sale Price	78,500	79,000	113,950	90,000	105,000	115,000
Total # Active Residential Listings at end of Period	1,366	1,497	1,446	1,366	1,497	1,446
SAUK COUNTY						
# New Listings	104	120	132	1,161	1,260	1,167
# Sales	*62	48	57	*469	412	424
Average Sale Price	174,147	184,388	147,687	147,885	161,345	157,734
Median Sale Price	135,250	152,500	131,000	127,500	144,500	141,000
Total # Active Residential Listings at end of Period	902	982	945	902	982	945

Home sales in Dane County are up 23% for September, marking the third month in a row of increased sales compared to 2010. For the entire SCWMLS, September sales are 19% ahead of the previous year. This continues to support the industry prediction that the second half of 2011 would see a marked improvement compared to last year.

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.



Market Update

SEPTEMBER 2011

South Central Wisconsin MLS

SEPTEMBER STATISTICS

2011

9/1/11 - 9/30/11



CURRENT ACTIVE LISTINGS		
PRICE CLASS/TYPE	Single Family	Condo/Co-Op
less than 30,000	154	1
30,000 - 39,999	135	9
40,000 - 49,999	189	19
50,000 - 59,999	244	43
60,000 - 69,999	326	59
70,000 - 79,999	343	67
80,000 - 89,999	375	111
90,000 - 99,999	398	125
100,000 - 119,999	666	216
120,000 - 139,999	864	233
140,000 - 159,999	828	199
160,000 - 179,999	805	196
180,000 - 199,999	770	160
200,000 - 249,999	1,309	194
250,000 - 299,999	890	160
300,000 - 399,999	879	155
400,000 - 499,999	377	69
500,000 - 749,999	381	57
750,000 - 999,999	158	17
over 1,000,000	101	6
Total Types	10,192	2,096
Average price	229,539	198,356

*Sales for the month & current active listings are reported as of 10/12/11. 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.

TOTALS REPORT SOLD RESIDENTIAL LISTINGS				
PRICE CLASS/TYPE	0-2 Bedroom	3 Bedroom	4+ Bedroom	Condo/Co-Op
less than 30,000	19	22	10	1
30,000 - 39,999	14	12	6	0
40,000 - 49,999	8	15	3	3
50,000 - 59,999	14	19	4	5
60,000 - 69,999	9	16	4	5
70,000 - 79,999	11	19	4	5
80,000 - 89,999	15	17	6	4
90,000 - 99,999	9	11	3	3
100,000 - 119,999	9	33	6	15
120,000 - 139,999	9	46	14	11
140,000 - 159,999	6	50	10	7
160,000 - 179,999	9	48	15	10
180,000 - 199,999	2	36	17	7
200,000 - 249,999	2	56	37	10
250,000 - 299,999	4	26	22	5
300,000 - 399,999	2	18	34	7
400,000 - 499,999	1	3	10	4
500,000 - 749,999	1	4	8	1
750,000 - 999,999	0	1	2	1
over 1,000,000	0	0	1	0
Total Types	144	452	217	105
AVERAGE PRICE	95,504	154,543	235,184	184,221

TERMS OF SALE (SALES)	
CASH	210
CONVENTIONAL	550
FVA/FHA	94
WHEDA	3
ASSUMPTION	0
SELLER	6
OTHER	16

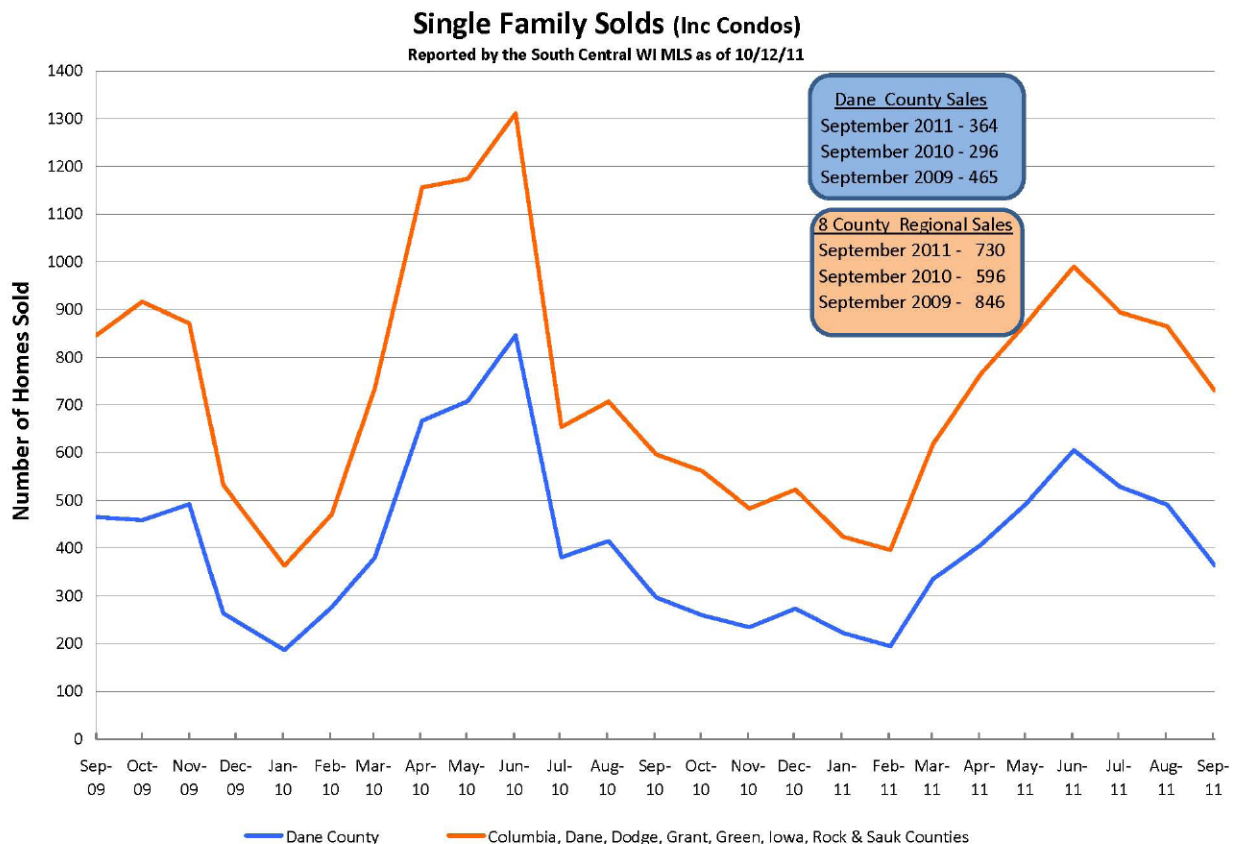
More MLS statistics are available at www.scwmls.com.

For the entire SCWMLS, the most popular price ranges for single family homes in September was between \$100,000 and \$300,000.



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The median sale price for Dane County, representing the midpoint of all closed sales ranked from lowest to highest price, stayed virtually identical in 2011 compared to 2010 - \$206,000 (2011) vs. \$205,241 (2010). For the entire SCWMLS, the median sale price trails 2010 by 3.8%.

Market Insight

In spite of the market challenges of the past five years, a recent nationwide survey from the Pew Research Center show 81% of the American public still agrees that buying a home is the best long-term investment a person can make. While they are not expecting a speedy recovery and believe it may take at least 3 years for home values to reach pre-recession levels, when assessing the importance of four long-term financial goals, homeownership rated the highest along with being able to live comfortably in retirement (80% said these were extremely or very important). This compared to 73% for being able to pay for their children's college education and 53% for being able to leave an inheritance to their children. Even renters – when asked if they would rather continue to rent or if they would prefer one day to buy a home – responded 81% that they would like to buy.

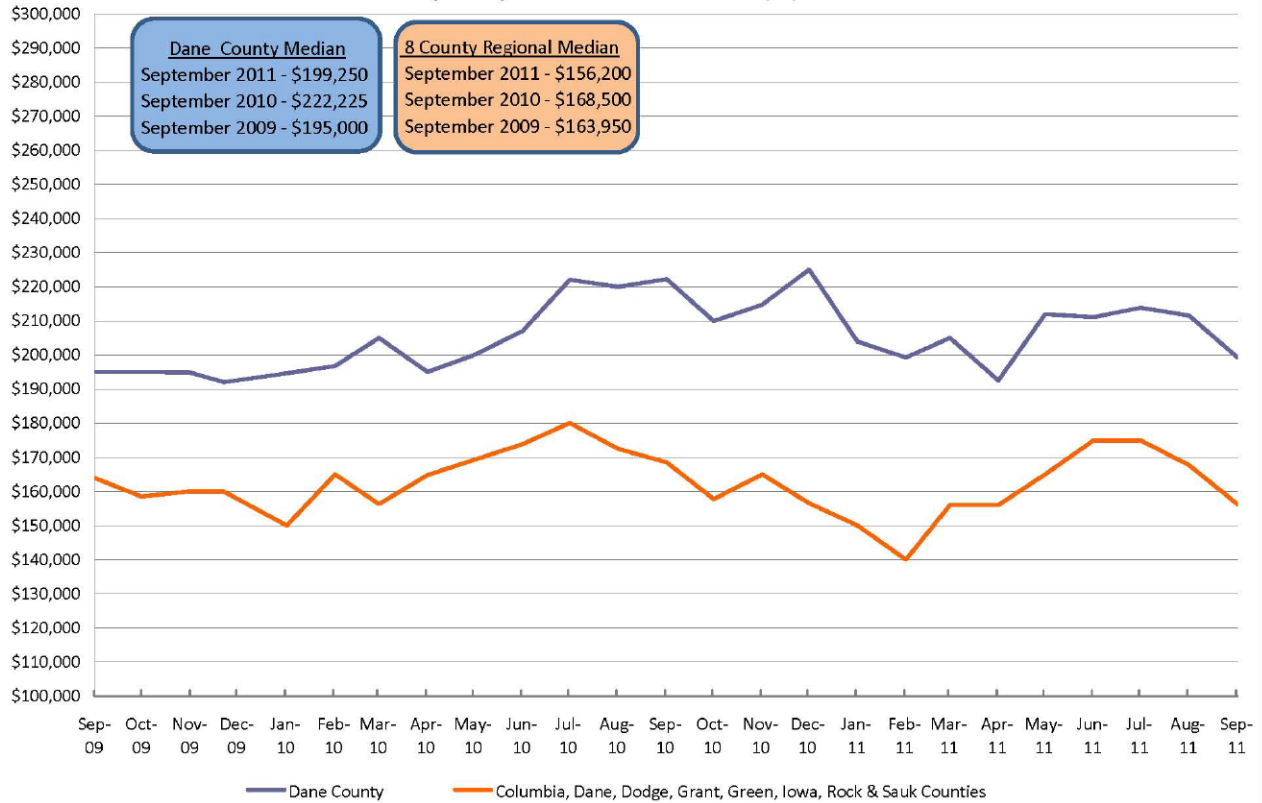


Market Update

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Median Sale Price for Single Family Solds (Inc Condos)

Reported by the South Central WI MLS as of 10/12/11



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Buyer Tip

As a buyer, just because prices remain the same, doesn't mean that you didn't loose out on a more affordable home. Interest rates have a large impact on the cost of your home, even if the rate change seems small.

Take the graph on the right for example. The price of the home remains at \$200,000 today as it did in November of 2010, just 5 months ago. However, since November interest rates has been on the rise, creating a larger monthly mortgage payment.

Although not a large difference in terms of a monthly payment, it does add up, costing the buyer of this property \$999.24 over a one year period. Keep this in mind when monitoring real estate prices.

Price is the Same, it Just Costs More

Date	Loan Amount	Interest Rate	Monthly Payment (P&I)
Today	\$200,000	4.87	\$1,057.81
Nov 2010	\$200,000	4.17	\$974.54
Difference in Mortgage Payments			\$83.27

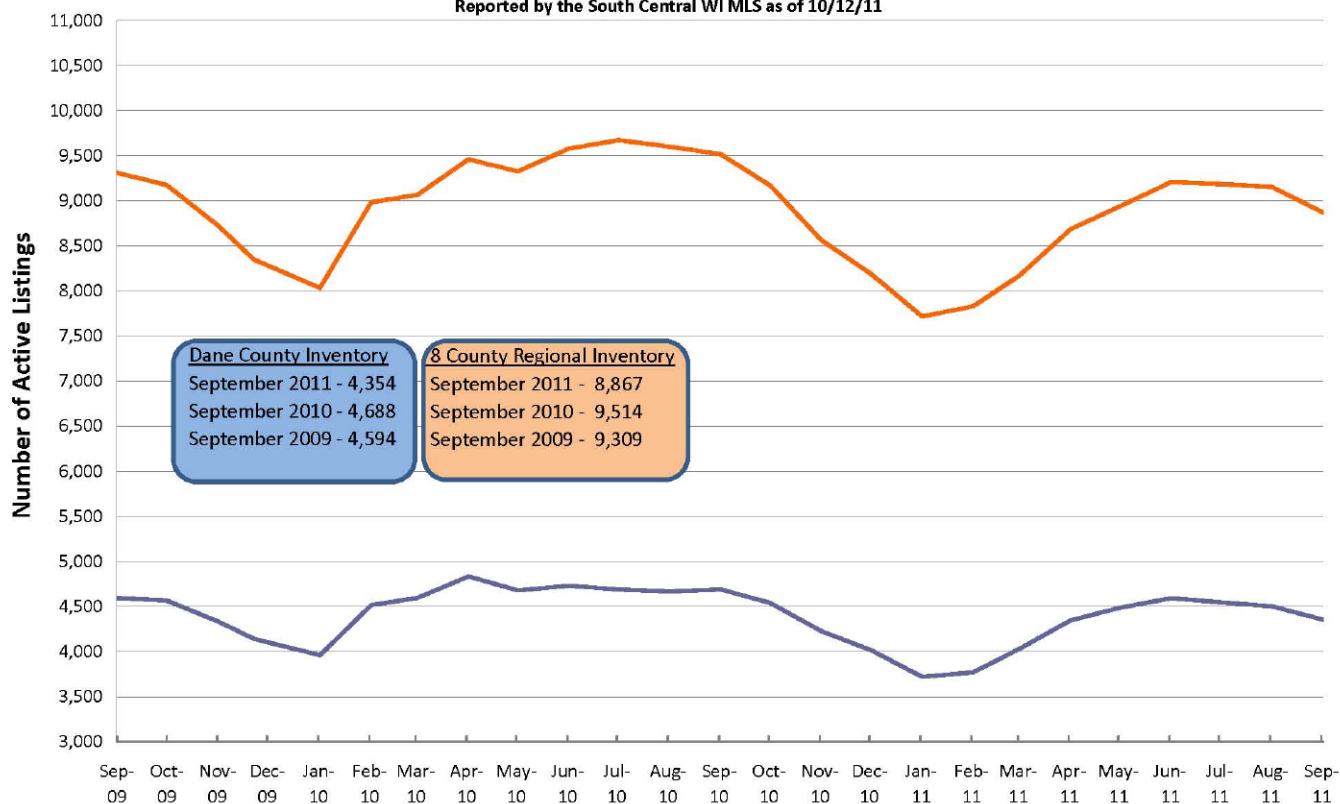


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Available Single Family Homes (Inc Condos)

Reported by the South Central WI MLS as of 10/12/11



Total active listings in Dane County and the SCWMLS continue the year-to-year downward trend. Likewise, new listings are down in both Dane County and the SCWMLS for the month and year-to-date.

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, when you receive an offer that is lower than expected, before you dismiss it there are a few things you should keep in mind.

First, is your home priced competitively? Have you examined properties similar to yours that have recently sold and priced your home at a fair market value? If you are priced too high and refuse a lower offer, the buyer will most likely move on to another competitively priced home in your neighborhood. In fact, for the 194 sales last month in Dane County, buyers had 3,770 to choose from. The difference in homes sold versus homes still on the market comes down to competitive pricing.



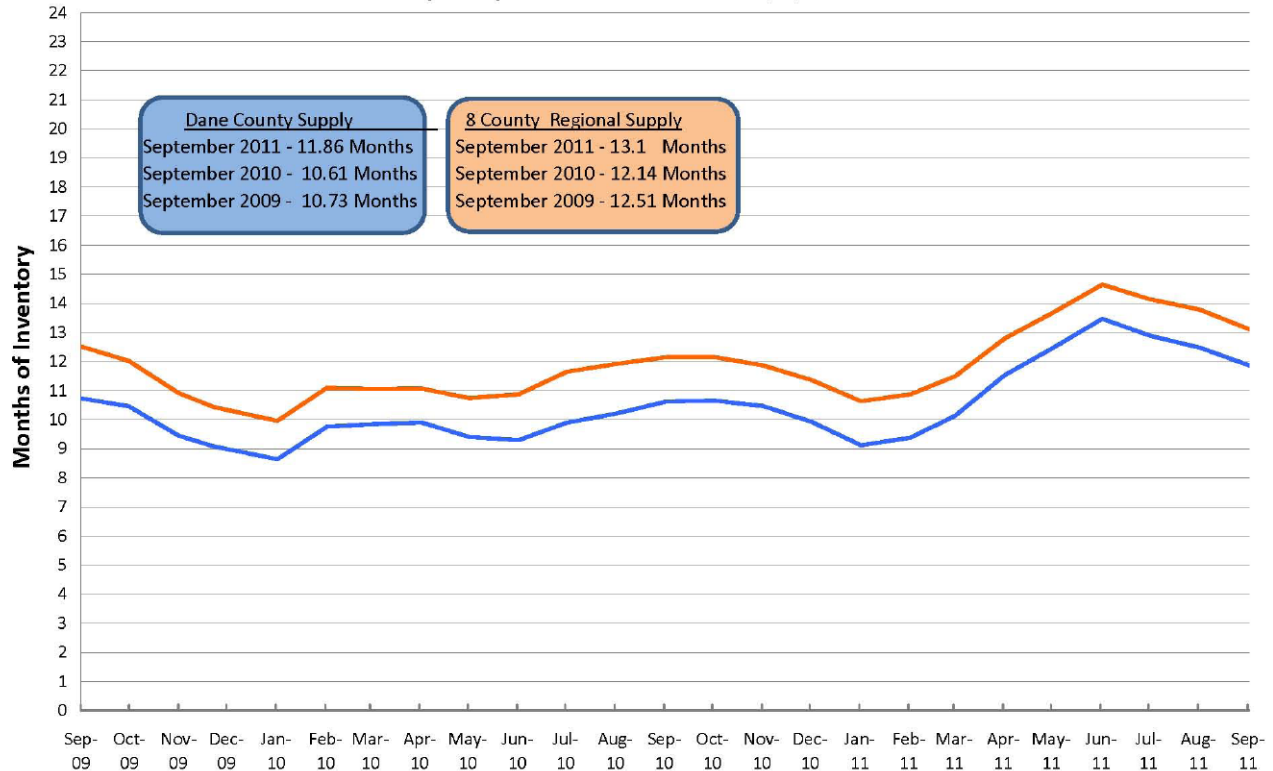
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Months Supply of Inventory for Single Family Homes (Inc Condos)

Reported by the South Central WI MLS as of 10/12/11



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 then 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.

