



On Thursday, February 2, 2017 over 200 people gathered at the Wisconsin Club in Milwaukee, Wisconsin for the 5th Annual Wisconsin Residential Real Estate Summit hosted by the Marquette University Center for Real Estate and the Greater Milwaukee Association of Realtors in partnership with the Wisconsin Realtors Association. Guest speakers included **Dr. Robert Dietz**, Chief Economist from the National Association of Home Builders, **Dr. David Clark**, Executive Associate Dean and Professor of Economics in the College of Business at Marquette University, **David Stark**, Stark Homes, **David Belman**, Belman Homes, **John Horning**, Shorewest Realtors and **Sharmilla Srivastav** from Fannie Mae.

Dr. Dietz highlights:

- There is a rising population entering their “housing demand years”, specifically the age group from 25-35 years of age which will increase the demand for single family housing
- The number of young adults living with their parents has almost doubled over the past 15 years
- Gen Y (similar to Millennials) want single-family housing (68%) in the suburbs (60%) but want “walkable” suburban locations
- According to a recent Fannie Mae survey, 90% of young renters were likely to purchase in the future
- Inventories of single-family homes have been flat since 2013. Home prices are growing faster than income because of tight supplies
- The Milwaukee MSA is more affordable than other comparable locations
- Affordability and labor markets will be a problem
- The supply of new homes will be challenge given a lack of lots (approval and entitlement process) and a lack of skilled labor
- Buyers are looking for smaller homes; the townhouse market is growing

Dr. Clark highlights:

- The 2016 year-end statistics indicate a 16% decrease in inventory and an increase in sales and median sales price
- Inventory tightened in every county except Douglas county
- Supply comes from three sources-distressed properties, new listings of existing homes and new construction
- New listings continue to fall
- Foreclosures are at pre-recession levels
- Total residential permits falling

Panel discussion highlights:

- US economic growth continues but there has been a decline in refi's and mortgage originations
- Need to educate and inform consumers about what it takes to get a mortgage-you don't need 20% down and a 760 FICO score to be approved for a loan
- Fannie Mae has made several favorable changes to programs to assist with homeownership
- Locally, new development is slow because of the lengthy approval process for lots and subdivisions
- Appraisals, particularly on new construction, continue to be a problem
- Dietz "If a community is going to grow, their housing has to work. Land development has become a tremendous burden."
- Prices in WI are very reasonable but would like to see more job growth here
- Prices will increase because of tight inventories but not necessarily causing an affordability concern
- Recession will happen again but won't last as long-maybe 2-3 quarters

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