

Wednesday, August 6, 2008

Milwaukee's residential market may have bottomed out

In perhaps a sign that the area's residential real estate market may be improving, Milwaukee was the only major metropolitan area in the country that had a year-over-year increase in the value of its residential real estate, according to a report by New York-based **Radar Logic Inc.** In its monthly Residential Property Index (RPX) report, Radar Logic says that residential real estate in the Milwaukee area was priced at \$123.76 per square foot in May, a 1.1-percent increase compared from May of 2007.

Of the largest metro areas in the United States, the Milwaukee area was the only one to post a year-over-year appreciation. The next best metro area was Columbus, Ohio (\$99.17 per square foot), which saw the price of its residential real estate fall 0.1 percent from May 2007 to May 2008.

The metro areas with the largest declines in the value of residential real estate are dominated by the California, Florida, Nevada and Arizona bubble markets. The biggest declines, according to Radar Logic, over the last year were in Sacramento (31.0 percent drop to \$154.49 per square foot), Las Vegas (29.5 percent drop to \$123.94), San Diego (27.2 percent to \$237.78), St. Louis (26.9 percent drop to \$90.45), Phoenix (25.8 percent drop to \$119.67), Los Angeles (23.8 percent drop to \$302.05), San Francisco (23.0 percent drop to \$356.00), Miami (22.5 percent drop to \$155.18), Tampa (17.6 percent drop to \$113.30) and San Jose (16.0 percent drop to \$405.25).

Milwaukee was one of only nine metro areas that had a residential real estate price increase from April to May. Milwaukee's 5.6 percent price increase in May was the second-highest to Boston's 6.2 percent increase.

Only two metro areas, Sacramento and San Diego, had an increase in residential real estate transactions during the last year. Milwaukee had a 33.3 percent decline in residential real estate transactions during the last year.

However, 22 of the largest 25 metro areas had an increase in residential real estate transactions in May compared with April. The Milwaukee area had a 23.5 percent increase in the number of transactions during the month, tied with Columbus for the largest increase.

BizTimes Real Estate Weekly is compiled by Small Business Times