November 2025 Vol. 41, No. 11

WISCONSIN REAL ESTATE MAGAZINE

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Solving Wisconsin's Housing Crisis

2025 Convention Recap

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SEPTEMBER HOUSING REPORT

WISCONSIN HOME SALES AND PRICES ROSE IN SEPTEMBER AS LISTINGS IMPROVED

BY DAVE CLARK
PROFESSOR EMERITUS OF ECONOMICS AT MARQUETTE UNIVERSITY AND PRINCIPAL AT ECON ANALYTICS LLC

September 2025 Wisconsin housing report at a glance:

- Home sales rose 6.9% year over year in September.
- The median price increased to $337,000.
- Year-to-date sales were up 2% vs. this time in 2024.
- The volume of new listings was up 4.1% vs. September 2024.
- The 30-year fixed mortgage rate averaged 6.35%

See the full report: **www.wra.org/HSRSep2025**

Dave Clark, Ph.D., is a professor emeritus of economics at Marquette University and principal at ECON Analytics LLC, and serves as a consultant to the WRA in the analysis of home sales data as well as in the preparation of the monthly Wisconsin housing report. For more information, contact Clark at 414-803-6537.

SEPTEMBER HOUSING

6,348
CLOSED SALES SEP 2025
+6.9%
FROM SEP 2024

$337,000
MEDIAN PRICE SEP 2025
+8.7%
FROM SEP 2024

ACTIVE LISTINGS BY PRICE

PRICE RANGE	NUMBER OF LISTINGS
$0-$124,999	1,123
$125,000-$199,999	2,811
$200,000-$349,999	7,198
$350,000-$499,999	5,652
$500,000 & higher	6,411

23,193
TOTAL STATEWIDE LISTINGS SEP 2025
+3.7%
FROM SEP 2024

MEDIAN PRICES BY REGION

CENTRAL	$272,800
NORTH	$312,450
NORTHEAST	$330,000
SOUTH CENTRAL	$389,900
SOUTHEAST	$350,000
WEST	$315,000

AVERAGE DAYS ON MARKET

70 DAYS SEP 2025
COMPARED WITH
67 DAYS SEP 2024

MONTHS OF INVENTORY

4.0 SEP 2025
4.1 SEP 2024

MONTHLY HOUSING ACTIVITY

Statewide	September 2025	September 2024	% Change	Year to Date 2025	Year to Date 2024	% Change
New Listings	8,169	7,846	+4.1%	N/A	N/A	N/A
Total Listings	23,193	22,373	+3.7%	N/A	N/A	N/A
Closed Sales*	6,348	5,940	+6.9%	51,520	50,506	+2.0%
Median Sales Price	$337,000	$310,000	+8.7%	$326,000	$309,900	+5.2%
Months of Inventory	4.0	4.1	-2.4%	N/A	N/A	N/A
Avg. Days on Market	70	67	+4.5%	N/A	N/A	N/A
Affordability Index	127	135	-5.9%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	**September 2025**	**September 2024**	**% Change**	**September 2025**	**September 2024**	**% Change**
Central	$272,800	$245,500	+11.1%	436	416	+4.8%
North	$312,450	$269,500	+15.9%	676	613	+10.3%
Northeast	$320,000	$290,000	+10.3%	1,335	1,160	+15.1%
South Central	$389,900	$354,000	+10.1%	1,151	1,1123	+2.5%
Southeast	$350,000	$322,000	+8.7%	2,151	2,039	+5.5%
West	$315,000	$302,500	+4.1%	599	589	-1.7%

*Report criteria: Reflecting data through September 2025. *Total statewide closed sales may differ from the summed regional sales due to a small number of sales not being assigned to a county.*

INSIDE THE WRA

A NEW CHAPTER FOR WISCONSIN REAL ESTATE MAGAZINE

Starting in 2026, *Wisconsin Real Estate Magazine* will move from a monthly to a quarterly publication, hitting your mailboxes in February, May, August and November. This change allows us to offer you a more in-depth, high-quality magazine experience — with expanded features, timely insights and fresh design updates — while still delivering the news and resources important for your practice.

You'll still stay fully connected to the latest in Wisconsin real estate through the WRA's digital channels. You'll continue to receive vital updates about real estate law, industry trends, legislative news, career advancement opportunities and much more with the WRA's email updates, social media posts and website.

FINCEN REPORTING REQUIREMENTS UPDATE

In the October issue of *Wisconsin Real Estate Magazine*, we published two articles regarding the new Financial Crimes Enforcement Network (FinCEN) real estate reporting requirement, which stated the requirement was scheduled to begin December 1, 2025. The government has since revised that timeline with the new FinCEN reporting requirements to begin on March 1, 2026.

APPLICATIONS AVAILABLE FOR 2027 LEADERSHIP

The WRA is seeking applications for several WRA leadership positions for 2027:

- Treasurer
- Executive committee vice president
- Board of director regional representative positions (five open positions total)

In addition, the committee is seeking applications for NAR Director.
Apply online at **www.wra.org/Apply**. Application deadline is March 15, 2026.

WRA HOLIDAY HOURS

The WRA and the WRA Legal Hotline will be closed the following dates in observance of the upcoming holiday season:

- Thursday, November 27
- Friday, November 28
- Wednesday, December 24 (closing at 12:00 p.m.)
- Thursday, December 25
- Friday, December 26
- Wednesday, December 31 (closing at 12:00 p.m.)
- Thursday, January 1
- Friday, January 2

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QUIET CRISIS

RURAL WISCONSIN'S HOUSING SHORTAGE AND THE WORK AHEAD

When most people think of a "housing crisis," they picture crowded cities or growing suburbs like Madison, Wauwatosa or De Pere. Yet the real crisis extends far beyond urban boundaries. Across rural Wisconsin, small towns and farming communities are facing a quiet but profound challenge: not enough homes, too few workers to build them, and aging housing stock that no longer meets the needs of modern families.

This isn't simply about housing units. It's about the long-term sustainability of rural Wisconsin's economy, schools and healthcare systems. When workers can't afford to live near the places where they teach, care or manufacture, the community fabric begins to fray. Employers struggle to fill positions. Young families move away. And the cycle of economic decline accelerates — not because people don't want to live there, but because they can't find a place to call home.

For too long, public policy has treated housing as an urban concern, leaving rural communities to fend for themselves within outdated regulatory and financing frameworks. State and local governments have relied on limited federal programs that were never designed to meet the scale or complexity of today's housing challenges. It's time to modernize how we think about housing in Wisconsin — not as a social service, but as critical infrastructure that underpins the vitality of every region, large or small.

That's why the Wisconsin REALTORS® Association (WRA) is working to advance a comprehensive housing agenda focused on expanding supply, streamlining development and strengthening homeownership opportunities across all communities. This effort recognizes that government alone cannot build its way out of the problem. Real progress requires a partnership between policymakers, private developers, local leaders and REALTORS® who understand how housing markets function in every corner of the state.

Among the priorities in this legislative package are policies to remove unnecessary regulatory barriers that delay projects and drive up costs; provide communities with more flexible financing tools to support workforce and starter homes; and encourage the conversion of apartments to owner-occupied condominium units. These solutions are designed to be pragmatic, bipartisan and respectful of local control — but bold enough to make a measurable difference in Wisconsin's housing future.

The task ahead is about more than economics. It's about preserving the character and continuity of rural Wisconsin — ensuring that nurses, teachers, farmers and first responders can live in the same communities they serve. Housing is the foundation of opportunity and the starting point for revitalizing local economies.

If Wisconsin is to remain a state where every person can thrive, regardless of ZIP code, we must treat rural housing as a strategic priority — not an afterthought. The WRA stands ready to work with leaders across government and industry to turn this shared vision into reality. Together, we can ensure that the next generation can live, work and prosper in the places that made Wisconsin strong.

Tom Larson
WRA President & CEO

Farewell FROM THE CHAIR

Dear Wisconsin REALTOR® Members:

As I fulfill the last few months of my term as Chair of the Wisconsin REALTOR® organization, the Wisconsin REALTORS® Association (WRA), I want to take a moment to express my heartfelt gratitude for the opportunity to serve in this esteemed role in 2025.

First and foremost, I would like to extend my deepest thanks to the staff of the WRA. Your unwavering dedication and tireless efforts have been a source of strength for me and for all our members. Whether through the detailed preparation of our meetings, the seamless execution of our events, or the continuous support you provide to each member, you embody our mission. Thank you for your hard work, professionalism and commitment to excellence.

Next, I want to express my gratitude to my remarkable leadership team. Together, we have tackled challenges, celebrated successes, and forged a path forward that I believe will strengthen our organization for years to come. Your insights, support and strategic vision have been invaluable. I couldn't have asked for better partners in this journey.

A special thank you goes to our dedicated board of directors. Your guidance and expertise have been an essential part of our achievements this year. The wisdom and strategic foresight you bring to the table are crucial to the resilience of our organization. I am grateful for each of you and truly appreciate your commitment to our shared goals.

To all the volunteer leaders around the state, thank you for the countless hours you've invested in your communities and in our organization. Your passion for real estate, coupled with your desire to make a positive impact, inspires us all. You are the heartbeat of our association, and your efforts do not go unnoticed.

I'd also like to recognize our executive officers of local associations throughout Wisconsin. Your leadership in fostering strong, collaborative relationships within your regions has enriched our entire organization. Thank you for your commitment to the local markets and for your tireless advocacy on behalf of your members.

And finally, to our valued members throughout the state of Wisconsin, you are the reason we exist. Your unwavering support and engagement shape our mission and drive our collective success. Thank you for trusting us to represent your interests and for your commitment to professional ethics and excellence in the real estate industry.

In closing, I am deeply honored to have served as Chair of this exceptional organization. I look forward to seeing how we continue to lead our industry and navigate the challenges and opportunities that lie ahead. Thank you once again for this incredible journey, and for all your support throughout my tenure.

Together, under the leadership of my dear friend and highly competent 2026 Chair Amy Curler, we will continue to build a vibrant future for real estate in Wisconsin. Thank you everyone, and may you and your families be blessed during the 2025 holidays and beyond!

Chris DeVincentis
2025 WRA Chair

FEATURE

SOLVING WISCONSIN'S HOUSING CRISIS

THE SUPPLY-SIDE STRATEGY

BY CORI LAMONT
WRA VICE PRESIDENT OF LEGAL AND PUBLIC AFFAIRS

To boost Wisconsin's housing inventory, the WRA is backing a variety of bills that focus on supply-side solutions and expand access to financing for individuals purchasing workforce housing.

These bills include the following:

- **SB 180/AB 194**: Modifications to WHEDA loan bills
- **SB 479/AB 452**: Subdivision plats
- **SB 480/AB 451**: Residential tax incremental districts
- **SB 481/AB 455**: Condominium conversion reimbursement
- **SB 473/AB 449**: Local regulation of accessory dwelling units
- **SB 476/AB 454**: Workforce home loans
- **SB 472/AB 453**: Required approvals of rezoning requests related to residential development

BACKGROUND

Wisconsin's housing crisis is directly tied to supply and affordability. With inventory levels at historic lows and median home prices continuing to rise, Wisconsin faces a significant shortage of workforce and senior housing.

Wisconsin faces the worst housing affordability crisis in the Midwest, with its **median home price reaching $338,000 in September 2025**, the latest data available as this magazine went to press. The market's limited supply is creating significant difficulty for first-time and middle-income buyers by driving up home prices. This affordability barrier is clearly demonstrated by the **average age of a first-time buyer** now being **38 years old**.

Wisconsin continues to struggle to produce the much-needed housing for the "missing middle." This package of housing bills seeks to address that challenge. The WRA lends its support to the legislation and underscores key bills that are designed to satisfy separate housing market demands.

140,000

Wisconsin needs 140,000 housing units by 2030 to keep pace with current demand.

22,700

Experts estimate that upwards of 22,700 new units must be built annually to meet Wisconsin's housing needs.

SB 180/AB 194: MODIFICATIONS TO WHEDA LOANS PROGRAMS

While the $525 million investment in WHEDA loan programs in 2023 was a step toward addressing the shortage related to workforce housing and senior housing, the implementation of the WHEDA programs revealed opportunities for improvement. Just over $19 million has been awarded to date, creating around 1,000 housing units. With unspent funds due back to the state by January 1, 2031, reforms are essential.

The proposed legislation includes the following features:

- **Allows stacking:** One of the biggest challenges to development is securing financing, which would be easier through the combination of infrastructure loans in tax increment districts (TIDs), historic tax credits or other financing incentives.
- **Expands rural development:** Allows WHEDA's commercial conversion loan to be used for four or more dwelling units in areas around the state with populations of 10,000 or less.
- **Increases loan awards:** The loans more accurately reflect amounts that provide a greater incentive to developers to use the programs.
- **Sets a competitive interest rate capped at 1%**.
- **Simplifies the existing formula for determining resale prices** after the developer's initial sale by limiting the property's annual appreciation. For example, if the property is sold within 10 years, its value may increase by no more than 5% per year, compounded.
- **Requires sellers to disclose the 10-year deed restrictions** to buyers by adding specific language to both the residential real estate condition report and the vacant land disclosure report.

SB 480/AB 451: WORKFORCE HOUSING TIDs

Addresses the scarcity of workforce housing and entry-level, owner-occupied homes by expanding the use of TIDs. This strategy encourages the production of smaller, high-demand housing units to fill a crucial market gap.

As amended, this legislation would create a new tax incremental financing (TIF) tool for residential housing that provides for the following:

- **Only authorized for a "pay as you go" TID**, meaning the local government is not responsible for debt if projected tax revenues fall short, reducing financial risk.
- **Caps the residential TID at 3%** of the municipality's equalized value, limiting the total amount of property value that can be financed and protecting overall municipal tax capacity.
- **Limited to single-family or two-family properties.**
- **Must be owner-occupied** housing, encouraging homeownership.
  - **Required to be used only for high density development**, by limiting the following parameters:
    - Lot size: Single-family lots can be no larger than 7,500 square feet, and an eligible two-family lot cannot exceed 12,500 square feet.
    - Lot width: Single-family lots must be at least 70 feet wide; two-family lots must be at least 80 feet wide.
    - Square footage: Single-story homes cannot exceed 1,500 square feet; two-story homes cannot exceed 2,000 square feet.
- **Costs cannot be used for land**.
- **Sets a maximum lifespan of 20 years**.

SB 473/AB 449: ACCESSORY DWELLING UNITS (ADUs)

This bill requires local governments to allow ADUs on residential or mixed-use properties where a single-family dwelling exists. An ADU may be created by converting an existing structure that is within, attached to or detached from the single-family dwelling. This bill provides a targeted housing solution by expanding multigenerational living options for aging parents or adult children.

- **Requires political subdivisions with zoning ordinances to permit at least one ADU** on each residential or mixed-use parcel that contains an existing single-family home.
- **Defines an ADU** as a residential unit having independent living facilities with a separate entrance from the main dwelling.
- **Prohibits permitted ADUs to be subject to conditional use permits, variances or other special approvals**, making the approval process more streamlined.
- **Regulates maximum size** relative to the main dwelling, height and lot coverage.
- **Grandfathers current ADUs to be used as short-term rentals (STRs)** but permits local governments to prohibit any newly created ADUs to be used as STRs.

SB 481/AB 455: CONDOMINIUM CONVERSION REIMBURSEMENT GRANT PROGRAM

Reallocates $10 million from the current WHEDA main street loan program to provide developers up to $50,000 for legal fees as well as state and local permit costs to convert existing multifamily properties into condominiums. The bill grants tenants the first right to purchase their converted condominium units and is designed to encourage developers to create new pathways to homeownership beyond traditional rental housing.

The main street housing program uses existing funding to reimburse allowable expenses — including attorney's fees and permitting costs — for the development of owner-occupied condominiums. By doing so, the program leverages resources to help meet the housing needs of communities across Wisconsin. Seniors, first-time homebuyers, rural buyers and urban buyers alike can all benefit from expanded condominium offerings in Wisconsin.

More WRA-supported Bills in the Housing Package

SB 475/AB 450

Purpose: Extends the applicability of the commercial building code to April 1, 2026.
Authors: Sen. Hutton (R–Brookfield), Rep. Penterman (R–Hustisford)
Status: Passed the Wisconsin Assembly and is awaiting a Senate committee hearing.

SB 382/AB 375

Purpose: Amends the state historic tax credit to make the program more accessible to more property owners.
Authors: Sen. Feyen (R–Fond du Lac) and Rep. Armstrong (R–Rice Lake)
Status: Awaiting action on both the Assembly and Senate floors.

Your Advocacy in Action

Thank you to everyone who responded to the WRA's call for action last month. With your help, the following bills* have moved closer to becoming law, demonstrating the power of our collective efforts.

SB 180/AB 194
Purpose: Modifies WHEDA loan programs.
Authors: Sen. Quinn (R–Birchwood), Rep. Armstrong (R–Rice Lake)
Status: Passed the Assembly; awaiting action on the Senate floor.

SB 479/AB 452
Purpose: Streamlines the subdivision plat approval process.
Authors: Sen. Feyen (R–Fond du Lac), Rep. Kreibich (R–New Richmond)
Status: Passed the Assembly; received a Senate committee hearing and awaiting committee vote.

SB 480/AB 451
Purpose: Expands the use of residential tax incremental districts.
Authors: Sen. Feyen (R–Fond du Lac), Rep. Armstrong (R–Rice Lake)
Status: Passed the Assembly and is awaiting action on the Senate floor.

SB 481/AB 455
Purpose: Establishes condominium conversion reimbursements.
Authors: Sen. Feyen (R–Fond du Lac), Rep. Murphy (R–Hortonville)
Status: Passed the Assembly; received a Senate committee hearing and awaiting committee vote.

SB 473/AB 449
Purpose: Requires local governments to allow ADUs and allows local regulation.
Authors: Sen. Bradley (R–New Berlin), Rep. Goeben (R–Hobart)
Status: Ready for Assembly floor; received a Senate committee hearing and awaiting committee vote.

SB 476/AB 454
Purpose: Creates workforce home loan programs.
Authors: Sen. James (R–Thorp), Rep. Rodriguez (R–Oak Creek)
Status: Ready for Assembly floor and is awaiting action on the Senate floor.

SB 472/AB 453
Purpose: Requires approval of rezoning requests related to residential development.
Authors: Sen. Jagler (R–Watertown), Rep. Armstrong (R–Rice Lake)
Status: Passed the Assembly; received a Senate committee hearing and awaiting committee vote.

**The bill status was current as this magazine went to press in October 2025.*

WRA

RGD 26

REALTOR® & GOVERNMENT DAY

SAVE THE DATE

FEBRUARY 10

JOIN US

at REALTOR® & Government Day (RGD) to advocate for your business, clients and customers. Connect with REALTORS® from across Wisconsin to engage with state lawmakers and advocate for key priorities for the real estate industry and property rights in Wisconsin. You'll have the unique opportunity to meet with lawmakers in person to advocate for issues that affect your business.

Tentative event agenda

12:30 p.m. Registration desk open

1:00 p.m. Welcome

1:15 p.m. Gov. Evers address (invited)

1:45 p.m. WRA advocacy issues briefing

3:00 p.m. Group photo at Capitol

3:15 p.m. Capitol office visits

4:30 p.m. Reception

5:30 p.m. Event ends

REGISTER TODAY

www.wra.org/RGD26


Ethics

CONVENTION RECAP

Nearly 600 REALTORS® came together in Wisconsin Dells last month for three days of education, networking and fun at the 2025 WRA Annual Convention.

The convention kicked off Monday with CE courses, giving attendees the chance to earn credits before the CE frenzy heats up next year. That same day, golfers hit the greens at Wild Rock Golf Club for the annual convention golf outing, while others enjoyed the lively new Wingo at the Rock event — where wine met bingo for an afternoon of laughter and camaraderie.

That evening, members gathered for the Chair Installation & Awards Dinner to celebrate this year's award winners and to welcome Amy Curler as the 2026 WRA chair of the board, along with the new 2026 leadership team. The night wrapped up with networking and hospitality at the High-top Hangout Hospitality Suites.

Tuesday's sessions started bright and early with the Radical Relay Fun Run and Connect Over Coffee events before the day's first main stage event. Keynote speaker Kirstie Ennis — U.S. Marine Corps veteran, Paralympic snowboarder and motivational speaker — inspired attendees with her powerful message about resilience, leadership and purpose. Throughout the day, REALTORS® chose from dozens of breakout sessions covering timely topics like technology, data, marketing and professional growth. Members of the WRA legal team returned to the main stage for their legal keynote session, tackling the latest issues impacting Wisconsin real estate practice.

That evening, REALTORS® connected with exhibitors, supported the RPAC $99er event at Redd's Piano Bar, and showed off their best neon and denim at the high-energy Back to the 80s Party!

On Wednesday, attendees perked up with coffee and conversation before closing the convention with UW-Madison economist and housing expert Mark Eppli, Ph.D., who delivered his annual Wisconsin housing and economic forecast. His insights on innovation and what's next in real estate gave REALTORS® plenty to take home as they look ahead to 2026.

From start to finish, the 2025 WRA Annual Convention was a celebration of learning, leadership and community. Gnarly!

THANK YOU

The WRA would like to give a special thanks to the following businesses and individuals for their support of the 2025 WRA Annual Convention.

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VALUE


GEC

THE BEST OF THE LEGAL HOTLINE

FOR THE LOVE OF MONEY

BY WENDY HOANG
WRA LEGAL COUNSEL AND DIRECTOR OF CURRICULUM

“Money, money, money, money, money!”

Hopefully you’re familiar with the 1973 song, “For the Love of Money,” by the O’Jays, otherwise you’d just think I’m repeating the word. The opening jingle of the song immediately plays in my head when I think about financing. Purchasing a home is one of the biggest financing decisions in a person’s life, and most buyers seek financing. The following questions and answers cover different issues when a buyer is seeking financing for a transaction.

FINANCING COMMITMENT CONTINGENCY

The seller accepted an offer that included a financing commitment contingency. The offer indicated conventional financing. The seller received an FHA amendatory clause from the lender. The seller also knows there are property conditions that will not meet FHA requirements, which is why they chose an offer with conventional financing. Does the seller have to sign the FHA amendatory clause? Can the buyer switch their financing after acceptance?
If a seller chooses not to sign an FHA amendatory clause, the lender will likely not issue the loan. If the buyer intends to move forward, the buyer will still need to provide a loan commitment by the deadline, otherwise the buyer will need to show proof of financing commitment unavailability.

If a buyer started out with conventional financing in the offer and switches to FHA financing, the buyer can provide the FHA loan commitment and still satisfy the terms of the financing commitment contingency. The terms of the financing commitment contingency allow a buyer to submit a loan commitment for the loan described in the offer or any other loan acceptable to the buyer. See lines 270-271 of the WB-11 Residential Offer to Purchase.

If the FHA appraisal report identifies property conditions that would disqualify the property for FHA financing, the buyer appears to have two choices: either find different financing or initiate an amendment for the seller to agree to allow the repairs. However, the seller does not have to agree to such an amendment.

Additionally, if the buyer delivers a rejection for FHA financing instead of conventional financing, the seller may argue that the FHA rejection letter does constitute financing unavailability under the offer to purchase.

Is there a risk for the buyer if the buyer changes from conventional to FHA financing?
Changing the source of financing could be a risk to a buyer if a buyer is denied financing. Consider the situation in which a buyer’s offer was contingent on financing and the buyer specified conventional financing. The buyer then applies for FHA financing and is denied. The buyer delivers the rejection of FHA financing to the seller in an attempt to demonstrate the buyer is unable to satisfy the financing commitment contingency and can then get out of the offer. The language in the Financing Commitment Unavailability section of the WB-11 Residential Offer to Purchase at lines 284-287 specifies that, “If a financing commitment is not available on the terms stated in this offer (and Buyer has not already delivered an acceptable loan commitment for other financing to the Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)’ rejection letter(s) or other evidence of unavailability.”

The seller could easily make the argument that an FHA rejection in an offer contingent on obtaining a conventional loan commitment is not evidence of financing unavailability. In this situation, the deadline for delivery of the loan commitment may pass without the buyer delivering a loan commitment, and per the Seller Termination Rights section at lines 281-283 of the WB-11 Residential Offer to Purchase, the seller would be able to terminate the offer.

> *"SELLER TERMINATION RIGHTS: If Buyer does not deliver a loan commitment on or before the Deadline on line 250.*
>
> *Seller may terminate this Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of written loan commitment from Buyer."*

What can a seller do to prevent a buyer from submitting an offer contingent on conventional financing and then switch to government-backed financing?
If a seller wants to prevent a buyer from submitting an offer contingent on conventional financing and then switching to government-backed financing, the preprinted language of the offer to purchase will need to be modified. The preprinted provisions permit a buyer to satisfy the financing commitment contingency by delivering a loan commitment for the loan described in the offer or for any other loan acceptable to the buyer. If a seller receives an offer that is contingent on conventional financing, a seller could use a WB-44 Counter-Offer to delete the language "or another loan acceptable to Buyer" on line 271 from the WB-11 Residential Offer to Purchase.

This limits the buyer, however, to just one option for satisfying the financing commitment contingency. For example, if the buyer includes terms in the financing commitment contingency but delivered a loan commitment with terms that differed from those in the contingency, the seller could argue that the financing commitment contingency was not satisfied. Certainly, if a seller were willing to accept that loan commitment as satisfaction for the contingency, the parties could proceed. If the seller were looking for a way to stop the transaction from going forward, however, the seller could claim that the financing commitment contingency was not satisfied and deliver a notice of termination if the deadline in that contingency passed before the buyer could deliver a loan commitment for the loan described in the offer.

Another alternative for a seller to address this issue would be to include language in the offer stating that a government-backed loan commitment shall not satisfy the financing commitment contingency. This information could be included in the additional provisions if the buyer were aware of this restriction. If the language was not included in a buyer's offer, the seller could use a WB-44 Counter-Offer to add this additional language.

Government-backed financing plays an important role in many real estate transactions and may be especially helpful for first-time homebuyers to become homeowners. Due to down payment requirements and credit requirements that are more forgiving than conventional financing, government-backed financing may allow some buyers to move beyond barriers to homeownership. There are, however, some situations where government-backed financing is not suitable for the transaction, whether it is condition issues, a seller's unwillingness or inability to make repairs, or for example, a seller who does not want the buyer to be able to get out of the transaction under the FHA amendatory clause if the appraisal is low. In those transactions, it may be in everyone's best interest to restrict offers to those that are not contingent on government-backed financing or to modify the financing commitment contingency such that a buyer could not use a government-backed loan commitment to satisfy the contingency.

LENDER REQUIREMENTS

The seller accepted an offer that includes the financing commitment contingency but no appraisal contingency. The buyer is requesting an appraisal be completed because the lender is requiring it. Does the seller have to allow the appraisal?
If the offer was drafted with no appraisal contingency, then the appraisal contingency is not a part of the offer and the buyer does not have the protection of the appraisal contingency.

However, if an appraisal is needed to satisfy another contingency in the offer, such as the financing commitment contingency, the buyer would be allowed to have an appraisal done. This does not mean that there is an appraisal contingency.

Lines 182-184 of the WB-11 Residential Offer to Purchase state:

> *"Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary, to satisfy the contingencies in this Offer." Also, lines 258-259 the WB-11 Residential Offer to Purchase say, "Seller agrees to allow lender's appraiser access to the Property."*

As such, the lender's appraiser would be allowed access to the property to satisfy the financing commitment contingency, even if the offer does not include an appraisal contingency.

FINANCING COMMITMENT UNAVAILABILITY

The offer to purchase on a property does not include an appraisal contingency, but there is a financing contingency. The loan was turned down because the appraisal didn't come in at the purchase price. Is this a valid reason for the buyer to walk from the offer?

Lines 182-184 of the WB-11 Residential Offer to Purchase state, "Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary, to satisfy the contingencies in this Offer." Also, lines 258-259 the WB-11 Residential Offer to Purchase say, "Seller agrees to allow lender's appraiser access to the Property."

As such, the lender's appraiser would be allowed access to the property to satisfy the financing commitment contingency, even if the offer does not include an appraisal contingency. If the lender will not provide the buyer a loan commitment because of a low appraisal or any other reason, the buyer would need to provide evidence of commitment unavailability if the buyer cannot or does not wish to move forward.

Lines 284-287 of the WB-11 Residential Offer to Purchase provide:

> *"If a financing commitment is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability."*

LEGAL RESOURCES

THE LATEST UPDATES AND RESOURCES FROM THE WRA ABOUT WISCONSIN REAL ESTATE LAW

LEGAL UPDATES

Real estate law is always on the go, but the WRA helps you stay ahead of the game. The Legal Update video series lets you dive into trending legal topics with a quick video update that's just under two minutes. Delivered to your inbox each month, the update helps you stay competitive in your market by delivering you breaking news or updates about hot topics in real estate law.

Miss an email? Want to re-watch a video? Easy — the Legal Update online library houses all the previous Legal Updates so you can stay up to date on legal developments. Check out just a few of the recent updates about these timely topics:

- FinCEN reporting requirements and updates
- Access to property
- Independent contractor agreements
- Delayed marketing listings
- The new WB-50 pre-agency form
- And many more

See the updates: **www.wra.org/LegalUpdates**
(WRA login required)

LEGAL HOTTIPS

See previous discussions on the WRA Legal Hotline in an easy-to-use online library with discussions grouped by topic — agency, disclosure, listing contracts and many more. New hottips are also released each week so the content always stays fresh.

Search the Q&As: **www.wra.org/LegalHottips**
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Find out applicable legal standards, alternatives and possible solutions for your real estate practice questions with this members-only service.

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By phone: 608-242-2296 or 800-799-4468
Online: www.wra.org/LegalHotline

HOTLINE HOURS
Monday-Friday, 8:30 a.m. – 4:30 p.m. Central

The hotline will be closed on November 27-28 in honor of Thanksgiving.

www.wra.org/LegalHotline

PROMOTING TRANSPARENCY AND CONSUMER CONFIDENCE

BY JENNIFER LINDSLEY
WRA DIRECTOR OF LEGAL SERVICES AND LICENSING

Legislation that will promote transparency and improve consumer confidence has been introduced in the Wisconsin Legislature. The legislation affects three key areas that influence how licensees serve clients and how consumers understand the buying and selling process:

- **Marketing of listed property:** Ensuring sellers understand how and where their property is being marketed.
- **Advertising enhanced by technology:** Requiring disclosure when technology alters how a property appears in marketing materials.
- **Cooperating firm compensation:** Prohibiting firm-to-firm compensation while preserving a seller's ability to compensate the firm working with the buyer as long as that compensation is documented in the offer to purchase.

Together, these reforms strengthen public trust, support professional accountability and modernize Wisconsin's real estate laws to reflect today's marketplace realities.

WHY TRANSPARENCY MATTERS

Across the nation, the residential real estate landscape is changing. Technology, alternative brokerage models and shifting consumer expectations have transformed how homes are marketed, advertised and sold.

The proposed legislation ensures that Wisconsin remains ahead of these changes — protecting consumers, maintaining fair competition and empowering REALTORS® to serve buyers and sellers confidently and transparently.

MARKETING OF LISTED PROPERTY

At the heart of the legislation related to marketing a seller's property is a simple concept: sellers deserve to know exactly how their home will be marketed and must make that decision with full understanding of the consequences.

How broadly a property should be marketed has become a hot topic in real estate. Supporters of wide exposure argue that it ensures fairness, transparency and competition — giving all buyers an equal opportunity to see available listings. Others believe sellers should retain flexibility to market privately, limit showings or pursue niche strategies. This legislation strikes a balance by giving sellers control and ensuring they make informed choices.

Under the bill, listing firms representing residential sellers must:
- Share property information and respond to reasonable inquiries.
- Make the property available for showings.
- Market the property broadly online — unless the seller initials a disclosure opting out.

If a seller chooses to limit marketing, they must acknowledge that doing so could reduce buyer awareness, competition and potentially affect sale price or terms. Sellers may also specify certain practitioners with whom they do not wish to work, as long as that choice complies with fair housing laws.

This legislation ensures that sellers make marketing choices knowingly and not by default.

CONSUMER EDUCATION

The legislation requires the Real Estate Examining Board (REEB) to publish a consumer brochure explaining:
- The benefits of broad marketing.
- The potential risks of limiting exposure.
- Guidance on how to disclose and document these decisions.

This educational resource empowers consumers and reinforces REALTORS®' commitment to transparent communication.

SAFE HARBOR FOR REALTORS®

The legislation includes a safe harbor provision protecting licensees who act in good faith from civil liability. As long as a licensee's marketing or disclosure is accurate and not intentionally misleading, they cannot be sued for complying with the law. This protection allows licensees to follow disclosure and marketing rules confidently without fear or legal consequences.

ADVERTISING ENHANCED BY TECHNOLOGY

Technology continues to redefine how real estate is practiced — from virtual staging and AI photo enhancement to digital tours and automated listing tools. These innovations help buyers visualize a property, but they can also create confusion if enhancements misrepresent reality.

For example, digitally removing a neighboring structure or adding lush landscaping can create a false impression of the property's true condition. The proposed legislation requires licensees to disclose when a listed property has been altered, modified or enhanced using technology in a way that could create a misleading impression.

This rule isn't meant to restrict innovation — it simply ensures that advertising remains truthful and that buyers can trust what they see.

For REALTORS®, this means reviewing marketing content — especially photos, renderings and virtual tours — to ensure material alterations are disclosed. Transparency here protects both the buyer and the licensee from misunderstandings or from potential misrepresentation claims. Virtual staging is fine — so long as buyers know it's virtual.

COOPERATING FIRM COMPENSATION

Another significant part of this legislation is it prohibits a real estate firm from compensating another real estate firm, except for referral fees. Sellers can still compensate firms working with buyers, but the listing firm cannot pay another firm for brokerage services related to the seller's transaction.

The National Association of REALTORS® (NAR) settlement discontinued MLS offers of compensation — this legislation will do away with all firm-to-firm compensation regardless of how it would be communicated. It is important to note that it does not prevent a seller from paying the firm working with a buyer. That is still permitted.

Historically, the listing firm representing the seller offers compensation to the cooperating firm representing the buyer. While this model has long encouraged cooperation, it can also be confusing for consumers who may not understand who pays whom — or why.

This legislation modernizes the framework by ensuring all compensation arrangements are transparent, documented and negotiated by the parties themselves.
The bill provides that:
1. A firm may be paid directly by its own client, who is the seller or the buyer, via an agency agreement.
2. Firms may not enter into side agreements with other firms to share or split compensation.

3. Sellers may decide whether they want to offer compensation to an agent working with a buyer.
4. If a buyer wants the seller to pay the buyer's agent, that arrangement must be explicitly included in the offer to purchase.
5. Compensation terms must be transparent and documented so both the buyer and seller understand who is being paid, by whom, and how much.

This structure ensures compensation is handled as part of the negotiated transaction between the buyer and seller — not as a separate agreement between real estate firms.

The bill still allows a licensee working with a buyer, whether as a client or as a customer, to receive compensation from the seller, so long as that payment is negotiated and properly documented in the offer.

This maintains flexibility for various brokerage models while creating a more transparent and consumer-friendly process.

A MODERN FRAMEWORK FOR A MODERN MARKET

The practice changes brought forth by this legislation strengthen Wisconsin's real estate laws by addressing emerging issues head-on. The bill ensures that:

- Consumers understand how their property is being marketed and how technology shapes what they see.
- Licensees have clear, consistent rules that support professionalism and compliance.
- The industry continues to evolve with innovation while maintaining fairness and transparency.

These updates reflect Wisconsin's longstanding tradition of balancing strong consumer protections with a competitive, efficient real estate marketplace.

This legislation is a forward-looking proposal that enhances trust and clarity in Wisconsin real estate transactions. By clarifying marketing obligations, modernizing advertising rules and reforming compensation structures, the bill ensures that all parties — buyers, sellers and licensees — understand their rights and responsibilities.

BILL STATUS

SB 478/AB 456, authored by Sen. John Jagler (R-Watertown) and Rep. Scott Krug (R-Rome), has passed the Wisconsin Assembly and is awaiting action on the Wisconsin Senate floor.

KEY TAKEAWAYS FOR LICENSEES

- Marketing transparency: Listing firms must market properties broadly unless the seller opts out in writing.
- Consumer education: The REEB will publish a brochure outlining marketing options and their effects.
- Safe harbor: Licensees acting in good faith are protected from civil liability for marketing activities.
- Tech disclosure: Any technological alteration that could mislead buyers must be disclosed.
- Compensation clarity: Firm-to-firm compensation is prohibited; all payments from the seller to the firm working with the buyer must be negotiated through the offer to purchase.

KEEP TRANSACTIONS ON TRACK WITH WRA FORMS PRODUCTS

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Need to print a blank form? Need to replenish copies of WB-1s in your leather folder? The WRA Forms Library is ideal for REALTORS® who want quick access to downloadable PDF versions of Wisconsin real estate forms.

Available as a perk of WRA membership, the library consists of over 100 forms, including:

- State-approved WB forms.
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If you prefer a fully digital workflow without the need for signatures in Ink, Transactions (zipForm Edition) is your cloud-based transaction management solution. Also included with WRA membership, this platform offers:

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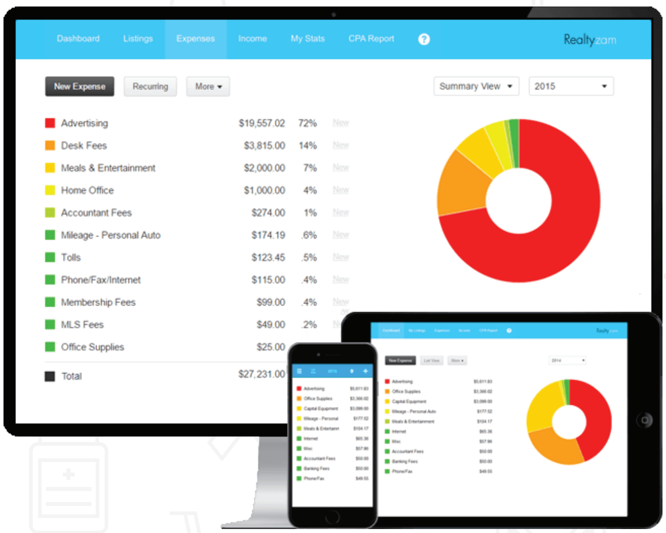

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WEBINAR: AI FOR BUSINESS GROWTH

November 12 I 10:00 a.m.

Learn how to use artificial intelligence (AI) to streamline your marketing and client communications. In this session, you'll find out how AI can help with writing listing descriptions, creating social content with the Realtors Property Resource® (RPR) Scriptwriter tool, drafting email templates and generating hyperlocal content — all while saving you hours and helping you stand out in your market.

Register: www.wra.org/Webinars

WEBINAR: RIPARIAN RIGHTS IN WISCONSIN REAL ESTATE

November 17 I 10:00 a.m.

Join webinar hosts and Wisconsin attorneys Trace Hummel and Steve Sorenson, who argued in the *DeSombre v. Boldebuck* case on riparian rights between neighboring waterfront owners, to gain practical insights related to shoreline access, piers and docks, and the impact of riparian rights on real estate transactions. You'll finish this webinar with the confidence to better advise clients, avoid disputes and navigate waterfront sales.

Register: www.wra.org/Webinars

WEBINAR: REALTOR® SAFETY & SELF DEFENSE

November 19 I 10:00 a.m.

Join fellow Wisconsin REALTOR® Megan Jacquet to discuss practical strategies to stay safe during showings and open houses. This webinar takes a deep dive into personal safety protocols and managing stress responses. You'll finish the webinar with new crime-prevention techniques that address potential risks and reduce opportunities for targeted attacks.

Register: www.wra.org/Webinars

WEBINAR: BUILDING YOUR AI STRATEGY

December 3 I 10:00 a.m.

Artificial intelligence (AI) is evolving quickly, but tools come and go. In this session, you'll learn how to think strategically about AI so you can save time, stay ahead of trends and future-proof your real estate business. You'll finish this discussion with a clear framework as well as three steps to start building your 12-month AI plan.

Register: www.wra.org/Webinars

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