WISCONSIN
REAL ESTATE MAGAZINE
WRA A PUBLICATION OF THE WISCONSIN REALTORS® ASSOCIATION
January 2021 Vol. 37, No. 4

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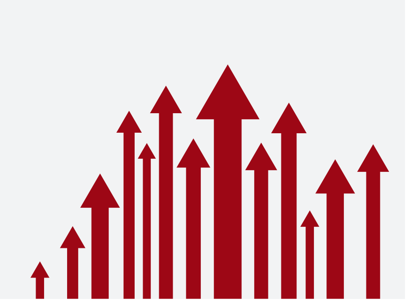

BY **DAVE CLARK**
PROFESSOR OF ECONOMICS AT MARQUETTE UNIVERSITY
PRINCIPAL AT ECON ANALYTICS, LLC
WISCONSIN MONTHLY HOUSING REPORT

HOT HOUSING
Market Continued into November

Existing home sales continued to surge in Wisconsin as mortgage rates hit a new record low in November, setting Wisconsin on a record pace for sales while continued low inventory levels pushed home prices even higher, according to the latest monthly analysis of home sales. November home sales increased 15.2% compared to their levels 12 months earlier, and the median price increased 15.8% to $223,000. An evaluation of the year-to-date figures reveals that sales are up 5.7% compared to the first 11 months of 2019, and the median price has increased 11.4% to $220,000 compared to that period last year.

David Clark, Ph.D., is a professor of economics at Marquette University and principal at ECON Analytics, LLC, and serves as a consultant for 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.

NOVEMBER HOUSING

7,581
CLOSED SALES, NOV 2020
+15.2%
FROM NOV 2019

$223,000
MEDIAN PRICE, NOV 2020
+15.8%
FROM NOV 2019

ACTIVE LISTINGS BY PRICE

PRICE RANGE	NOV 2020 # OF LISTINGS
$0-$124,999	3,556
$125,000-$199,999	5,160
$200,000-$349,999	6,112
$350,000-$499,999	2,896
$500,000 & higher	2,518

20,242
TOTAL STATEWIDE LISTINGS
NOV 2020
-30.9% FROM NOV 2019

MEDIAN PRICES BY REGION

CENTRAL	$160,000
NORTH	$190,000
NORTHEAST	$180,000
SOUTH CENTRAL	$265,100
SOUTHEAST	$236,000
WEST	$219,000

AVERAGE DAYS ON MARKET
81 DAYS NOV 2020
COMPARED WITH
91 DAYS NOV 2019

MONTHS OF INVENTORY
2.8 NOV 2020
4.2 NOV 2019

HOUSING STATISTICS MONTHLY ACTIVITY — NOVEMBER 2020

Statewide	November 2020	November 2019	% Change	YTD 2020	YTD 2019	% Change
New Listings	5,302	5,301	0.0%	N/A	N/A	N/A
Total Listings	20,242	29,314	-30.9%	N/A	N/A	N/A
Closed Sales*	7,581	6,579	+15.2%	81,268	76,866	+5.7%
Median Sales Price	$223,000	$192,500	+15.8%	$220,000	$197,500	+11.4%
Months of Inventory	2.8	4.2	-33.3%	N/A	N/A	N/A
Avg. Days on Market	81	91	-11.0%	N/A	N/A	N/A
Affordability Index	207	217	-4.5%	N/A	N/A	N/A

	Median Price			Closed Sales		
Region	**November 2020**	**November 2019**	**% Change**	**November 2020**	**November 2019**	**% Change**
Central	$160,000	$148,050	+8.1%	463	404	+14.6%
North	$190,000	$164,000	+15.9%	800	713	+12.2%
Northeast	$180,000	$170,000	+5.9%	1,377	1,240	+11.0%
South Central	$265,100	$239,000	+10.9%	1,459	1,313	+11.1%
Southeast	$236,000	$205,000	+15.1%	2,759	2,264	+21.9%
West	$219,000	$192,000	+14.1%	723	645	+12.1%

*Report criteria: Reflecting data through November 2020. *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

WRA Nominating Committee Seeking Candidates

Are you interested in serving in a leadership role for your state association? The WRA nominating committee is seeking applications for the positions of 2022 executive committee vice president and board of director regional representative. The number of openings for regional representative is determined by the membership as of February 28, 2021. Applications are available at www.wra.org/Application or from Sandy at SandyB@wra.org. The application deadline is March 15, 2021.

Region	Number of openings (preliminary count)
One	0
Two	0
Three	1
Four	1
Five	1

REALTOR® Children Scholarships

The selection process is underway for the Wisconsin REALTORS® Foundation's REALTOR® Children's Scholarship. This program awards college scholarships to children of WRA members. The foundation is offering 20 scholarships in the amount of $1,000 each.

If you're a REALTOR® and your child meets the eligibility criteria, apply today. The application is available at www.wra.org/Scholarship or by contacting Sandy at SandyB@wra.org.

Application deadline is March 13, 2021.

SAVE THE DATE

April 14, 2021 | REALTOR® & Government Day

The WRA's annual advocacy event is back this spring with an all-new virtual format! You can attend and visit lawmakers virtually, all from the comfort of home. Advocating for a brighter tomorrow has never been easier. Flip to page 21 to learn more.

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WISCONSIN REAL ESTATE MAGAZINE

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Madison, WI 53704-7337

Wisconsin Real Estate Magazine™ is published by the Wisconsin REALTORS® Association. Trademark issued pursuant to Wisconsin state statute.

Wisconsin Real Estate Magazine™, USPS 597-850, ISSN 1548-0526, is published monthly by the Wisconsin REALTORS® Association, 4801 Forest Run Road, Ste. 201, Madison, WI, 53704. Periodical postage paid in Madison, WI, and additional mailing offices. An annual subscription rate of $14 is included in membership dues and a copy is mailed to every paid REALTOR® and affiliate member of the association. Nonmember subscription rate is $60.

A MESSAGE FROM MARY

Wow — here we are!! 2021, at last. Many will look back at 2020 and marvel at its many challenges, pivots, devastations, hybrids, conflicts, new normals, unprecedented times, etc. The terms used to describe what we were, and are still, going through could get annoying, and downright scary, at times. But as my friend, Tony Tucci, put it during the inspirational kickoff to our first-ever virtual WRA annual convention in September, we also could reframe last year with words like "peace," "joy," and "contentment." I know, for me, those are among the words upon which I would rather focus when I reflect on the opportunities for growth that 2020 presented.

I've always been a gal who loved working from the office — going in day in and day out was my routine. After our staff at the WRA worked feverishly with government officials to ensure that real estate remained "essential" in the early goings of the pandemic, I actually was a bit resentful when our county officials strongly encouraged working from home. Well, I "pivoted" and found newfound peace, joy, and contentment.

I'm abundantly grateful for the fact that our clients recognize how essential we REALTORS® are in managing their transactions, while making dreams come true. The hard work that allowed our businesses to remain open back in March allowed us — the practitioners — to keep existing transactions on track and help our clients and customers throughout the remainder of 2020 pursue opportunities. While what we do is not the same "essential" work that is so deservedly highlighted in the news about those working in health care and other front-line arenas, our work is critical to the individuals we serve as well as to our state and its economy.

Other REALTOR® members in our country were not so fortunate when their officials suspended real estate activities. Looking back, the foresight our organization had for consumers throughout our state allowed our members to conduct business safely and kept countless transactions on track. These things don't happen by accident. I have had the honor of witnessing the impact of our RPAC contributions giving us the voice our members and the public deserve in passing good laws and killing bad ones. And, in this last year, that very leverage gave us credibility to defend our "essential" service.

RPAC = Essential. As we move into the new year and those to come, you will have the opportunity to learn more about all the good work the REALTOR® Party is doing for property owners throughout our own state. It is important for you to know about and understand the value of your membership and to also promote your involvement in making this such an attractive state for real estate investing.

As an organization, we have been fortunate to have had Steve Beers at the helm for the past 15 months serving as the WRA chairman; his calm, steady hand was much needed to allow the rest of us the opportunity to be essential to those around us. Steve, thank you for your leadership and friendship.

The WRA staff, as led by President & CEO Mike Theo, also has proven to be absolutely essential in keeping us educated and poised to undertake our work during each new turn that was thrown our way during this past year. We have exciting adventures on the horizon and are continuing our ongoing efforts to keep each member safe, represented, and informed. We also intend to ensure the public understands all the WRA does to protect homeowner rights, advocate for workforce housing, and illustrate the important role a REALTOR® plays.

On behalf of the 2021 leadership team, including Chair-elect Brad Lois and Treasurer Joe Horning along with myself, it is with deep humility that we work to represent you, our profession, and the state we all love so much. May you experience abundant peace, joy, and contentment in 2021.

With gratitude,

Mary Duff
2021 Chair of the WRA Board of Directors

Meet the 2021 WRA executive committee and WRA President & CEO. Pictured standing left to right: Mike Theo, Joe Horning, Mary Duff, Brad Lois, Mary Jo Bowe, Steve Beers and Shawn Govern.

2021 WRA LEADERSHIP

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Stark Company REALTORS®
Brad Lois — Chair of the Board-elect
Bear Realty of Burlington Inc.
Joe Horning — Treasurer
Shorewest REALTORS®
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Mary Jo Bowe — Vice President
Edina Realty Inc.
Shawn Govern — Vice President
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Keller Williams Fox Cities
Chris Stark — Region Four
Stark Company REALTORS®
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Peter Sveum
Coldwell Banker Success

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David Belman
Belman Homes Inc.
Craig Stanley
Broadwing Advisors LLC

Together, we made a REAL difference ...

In 2020:

14,000

Emergency food boxes supplied by REALTORS® to Feeding Wisconsin.

368,000

Meals raised by REALTORS® for Feeding Wisconsin.

$153,283

Contributed through REALTOR® dues.

$20,000

Distributed in scholarships to REALTOR® children.

$15,328

Allocated for disaster relief in our communities.

WISCONSIN REALTORS® FOUNDATION INC.

Go to **WRA.ORG/WRF** for more information.

WIREALTORSWRF

BY **DAVE CLARK**
PROFESSOR OF ECONOMICS AT MARQUETTE UNIVERSITY
PRINCIPAL AT ECON ANALYTICS, LLC
FEATURE

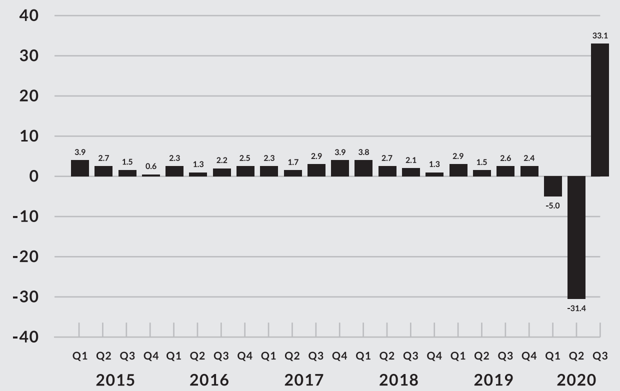
A Red-hot Wisconsin Housing Market in a Chaotic Year

Sitting in January 2020, no one could have foreseen the turmoil that was to unfold in the spring. We were experiencing the longest economic expansion in U.S. history, and while there were some preliminary signs of slowing in the economy, most economists were anticipating continued expansion into the spring. Instead, the COVID-19 pandemic led to a massive reduction in economic activity and an unprecedented quarterly decline in real inflation-adjusted GDP. In contrast, after a very short and steep decline in Wisconsin home sales, July ushered in a sharp increase that continued into the latter part of the fall. This article offers a review of what transpired both in the economy and in the housing market in 2020, and then considers the future path of both areas in 2021.

THE NATIONAL ECONOMY AND THE BUSINESS CYCLE

The U.S. economy peaked in February 2020 and entered the most recent recession in March 2020 after a record of 128 months of economic expansion, according to the National Bureau of Economic Research (NBER), which is the organization that determines the official dates that recessions begin and end. The expansion had been the longest in history, exceeding the previous record expansion, which was April 1991 to March 2001, by eight months. The 2020 recession has been described as a "pandemic-induced recession," although some indicators showed that the economy had already begun to slow before the declaration of the national emergency in mid-March. As seen in Figure 1, the subsequent economic lockdowns in March caused the economy to contract 5% in the first quarter of 2020, followed by a massive 31.4% contraction in the second quarter. The second quarter decline is the single-largest quarterly decline in U.S. history, and it was followed by the largest quarterly increase on record of 33.1% in the third quarter. It is important to point out that these growth measures compare the annualized growth extrapolated for the previous quarter, so the third quarter growth is off a significantly depressed second quarter.

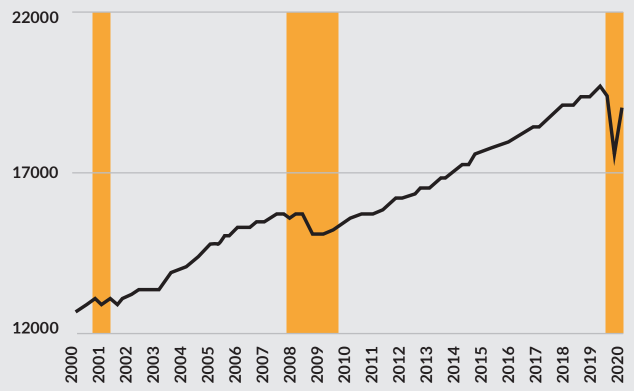
FIGURE 1: REAL GDP ANNUALIZED GROWTH %
(Source: US Bureau of Economic Analysis)



Source: U.S. Bureau of Economic Analysis

Several of the regional federal reserve banks engage in a process called "nowcasting" to predict the current quarterly growth of the economy by looking at preliminary data that comprises real GDP. There is preliminary data on consumption, investment activities, industrial output, trade levels and a variety of other components of real GDP. The most prominent regional fed bank engaged in nowcasting is the New York Federal Reserve Bank. Its most current estimate when this article went to press is that the economy expanded in the fourth quarter of 2020 but at a moderate pace of approximately 2.5%. In addition to growth in real GDP, the NBER evaluates a number of key economic indicators — including personal consumption expenditures, industrial production, personal income minus the value of income transfers, and nonfarm employment — when determining the end of a recession. All these measures are indicative of ongoing improvement of the economy.

FIGURE 2: ANNUALIZED TOTAL REAL GDP $BIL



Source: U.S. Bureau of Economic Analysis
Note: Shaded areas represent recessions

Economists have also developed barometric indices in an attempt to determine where the economy is in a business cycle. A number of indices have been developed by the Conference Board, a nonprofit organization funded through private donations from members including many of the companies on the Fortune 500. The Conference Board maintains and distributes numerous economic indicators for the U.S. and other developed countries. Three of the most widely used U.S. indices are the Conference Board's Leading Economic Index (LEI), Coincident Economic Index (CEI) and Lagging Economic Index (LAG). These three indices, each of which is comprised of a weighted average of various macroeconomic data that follows a cyclical pattern, are used collectively to assess where the U.S. economy is in the business cycle.

For example, the LEI data series will peak before the U.S. economy peaks, and it will bottom out before the U.S. economy reaches its trough. The CEI will follow a pattern that roughly mirrors that of the U.S. economy, generally peaking and reaching its trough near the same time as the national economy. Finally, the LAG series begins increasing after the increase in the national economy and reaches the bottom of the cycle after the national economy begins to grow. An important caveat is that these indices provide general signals of economic movements, but they are not designed to provide precise indications of turning points. The lead times can and do vary, as do the coincident and lag times. In addition, these indices are subject to revision as their underlying components are updated.

Table 1 on the next page provides an overall picture of an economy that was growing but probably nearing its peak in December, began declining in March, was likely nearing its trough in August and was potentially increasing in October. We cannot conclude from these indicators that the recession has definitively ended; that decision resides with the NBER. However, these indices do suggest that even if we are still in recession, it is likely winding down.

Table 1: Historical Perspective of the Conference Board's Leading, Coincident and Lagging Economic Indices				
MONTH	**LEADING ECONOMIC INDEX**	**COINCIDENT ECONOMIC INDEX**	**LAGGING ECONOMIC INDEX**	**GENERAL CONCLUSIONS**
December 2019 (released on 1/23/20)	0.3% decrease from previous month	0.1% increase from previous month	0.1% decrease from previous month	Economy growing slightly but anticipating a decline
March 2020 (released on 4/17/20)	6.7% decrease from previous month	0.9% decrease from previous month	0.3% increase from previous month	Economy declining and expected to continue to decrease in future
August 2020 (released on 9/18/20)	1.2% increase from previous month	0.6% increase from previous month	0.6% decrease from previous month	Economy may be at or near the trough and expected to increase in near future
October 2020 (released on 11/19/20)	0.7% increase from previous month	0.5% increase from previous month	0.1% decrease from previous month	Economy may have reached the trough and expected to increase

Source: Conference Board

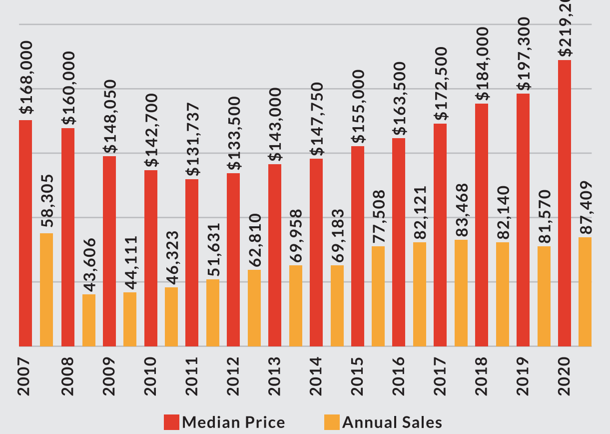
A RECORD YEAR FOR WISCONSIN HOUSING

Wisconsin existing home sales and the median price of homes sold both reached record levels in 2020, as shown in Figure 3. Although December housing data was not available at press time, an extrapolation based on the 11-month trends and the share of homes typically sold in December indicates a solid path to a record year. Specifically, closed sales are expected to grow 5.7% compared to sales in 2019, and median prices are anticipated to be up 11% over that same period last year.

the statewide lockdowns had been in full force for two weeks, and this began to be reflected in closed home sales, which fell by 4.6% compared to the previous year. The largest negative impact was seen in May when sales were off the 2019 pace by 23.4%. After Gov. Evers' second "Safer at Home" order was lifted in May, closed sales rebounded to end the month of June just 1.6% below June 2019 levels. There was a modest summer bounce, but more significant upticks took place in sales in the period from September to November, where sales were up 21.2% relative to that same three-month period in 2019.

FIGURE 3: ANNUAL HOME SALES AND MEDIAN PRICE

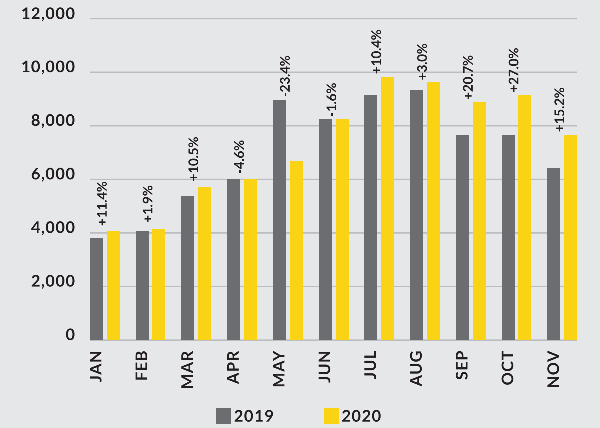
(Source: Wisconsin REALTORS® Association)



Source: Wisconsin REALTORS® Association

FIGURE 4: WISCONSIN MONTHLY EXISTING HOME SALES

(Source: Wisconsin REALTORS® Association)



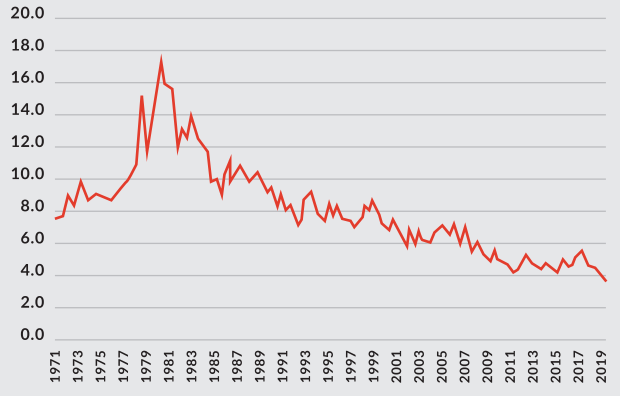
Source: Wisconsin REALTORS® Association

A review of monthly home sales in Figure 4 reveals dramatic shifts during 2020 as the economic lockdowns impacted closed sales in the spring, and the economy began to gradually reopen in the summer. The first quarter of the year was unaffected by the pandemic given the typical time between an accepted offer and a closing is generally in the range of four to six weeks. Overall, home sales in the first three months of 2020 outpaced the first quarter of 2019 by 8.1%. By the beginning of April,

MARKET DRIVERS

There were two major determinants of housing market activity in 2020; one on the demand side and one on the supply side. The primary factor influencing demand has been record-low mortgage rates. As Figure 5 shows, mortgage rates have generally been in the range of 3.5% to 4.5% since 2011. Prior to this year, the lowest 30-year fixed mortgage rate on record was 3.32% in November and December 2012. Following aggressive actions by the Federal Reserve in March that effectively lowered short-term interest rates to between 0.25% and 0%, long-term rates also began to move downward. The 30-year fixed-rate mortgage has fallen throughout 2020, starting at 3.62% in January, and falling to a new record low of 3.31% in April. Since that time, new record lows have been established every month through November. In November 2020, the rate was 2.77%, which is 93 basis points below its level from one year earlier. These record-low rates allow buyers to qualify for larger loans or lower their payments on a given loan amount.

FIGURE 5: 30-YEAR FIXED-RATE MORTGAGE
(Source: Freddie)



Source: Freddie Mac

The supply side of the market has been dominated by very low inventories, and the situation worsened in 2020. The state inventory problems have been exacerbated by the spike in demand. Housing analysts classify a market as balanced when the inventory is sufficient to last six months, given the average monthly pace of sales over the most recent 12 months. Less than six months of supply signals a seller's market whereas buyers have a market advantage when inventory exceeds the six-month benchmark. A key problem is that new listings of existing homes have not kept up with sales, and this has worsened the inventory problem. In November, total Wisconsin listings fell by more than 9,000 homes compared to November 2019, indicating a decline of 30.9%.

Table 2 shows that Wisconsin was classified as a seller's market in November 2019 with just 4.2 months of supply, and the supply constraint has gotten much worse over the past 12 months. The state had just 2.8 months of supply in November 2020. The tightening of supply over the last year has created strong seller's markets in every region of the state. The same is true for all urban/rural classifications with the tightest supply in the metropolitan counties, which are counties that comprise a metropolitan area that has a population of at least 50,000, followed by micropolitan counties, which are counties that comprise a metropolitan area that have a population between 10,000 and 49,999. Even rural counties are classified as strong seller's markets. Likewise, the last 12 months have seen weak inventories in all price ranges, with the tightest supplies in the ranges between $125,000 and just under $350,000. Although 2020 will be a record year, the totals would have been even higher had inventories been stronger.

Table 2: Months of Available Home Inventory

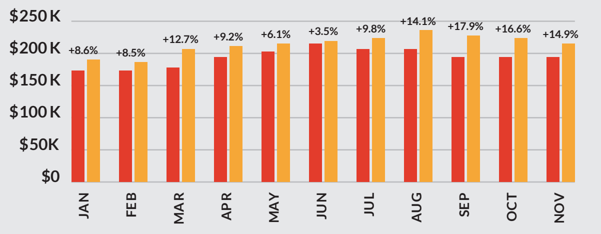
	NOV. 2020	NOV. 2019	% CHANGE
STATEWIDE	2.8	4.2	-33.3%
URBAN – RURAL CLASSIFICATION			
METROPOLITAN COUNTIES	2.6	3.5	-25.7%
MICROPOLITAN COUNTIES	3.0	4.7	-36.2%
RURAL COUNTIES	3.8	7.1	-46.5%
REGIONAL INVENTORY LEVELS			
REGION	NOV. 2020	NOV. 2019	% CHANGE
CENTRAL	3.1	4.9	-36.7%
NORTH	3.8	7.3	-47.9%
NORTHEAST	2.9	4.3	-32.6%
SOUTH CENTRAL	2.6	3.8	-31.6%
SOUTHEAST	2.6	3.5	-25.7%
WEST	2.9	4.4	-34.1%
INVENTORY BY PRICE RANGE (12 MONTHS)			
PRICE RANGE	DEC. 2019-NOV. 2020	DEC. 2018-NOV. 2019	% CHANGE
$0 - $124,999	2.9	4.1	-29.3%
$125,000 – $199,999	2.5	3.1	-19.4%
$200,000 - $349,999	2.4	3.6	-33.3%
$350,000 - $499,999	3.2	5.3	-39.6%
$500,000 AND HIGHER	5.4	9.7	-44.3%

Source: Wisconsin REALTORS® Association

SIGNIFICANT PRICE APPRECIATION AND AFFORDABILITY

Anytime a market is characterized by strong demand and weak supply is a recipe for rising prices, and that is exactly what we have seen in the Wisconsin housing market in 2020. Median prices have grown on an annualized basis in every month of 2020; see Figure 6. The annual appreciation rate has been at or above 8.5% for every month except May, which was up 6.1%, and June, up 3.5%. Moreover, as demand intensified, prices grew at an accelerated pace. Specifically, the annual rate of increase ranged between 14.9% and 17.9% in the August-through-November period. By comparison, the annual rate of inflation has been very low by historical standards. Although inflation

FIGURE 6: WISCONSIN MONTHLY MEDIAN PRICE

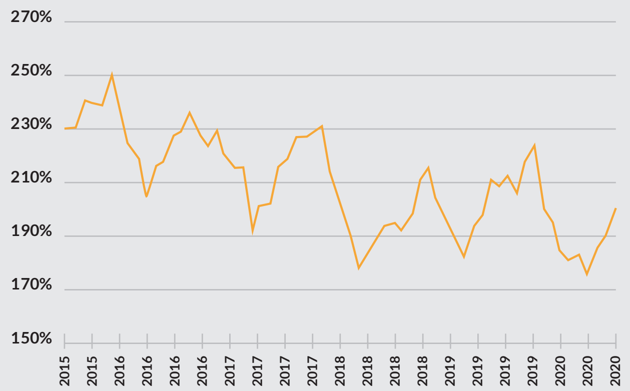


Source: Wisconsin REALTORS® Association

was running in the range of 2.3% to 2.5% in the first quarter, it has ranged between just 1% and 1.4% since July.

Wisconsin's strong price appreciation would be expected to reduce housing affordability, but this has been mitigated by the decline in mortgage rates. The Wisconsin Housing Affordability Index shows the portion of the median-priced home that a hypothetical qualified borrower with median-family income can afford to purchase, assuming a 20% down payment and the remaining balance financed with a 30-year fixed-rate mortgage at current rates. Since home prices follow a regular seasonal pattern, so too does the index. As seen in Figure 7, the Wisconsin index steadily fell over the 2015-2018 period before flattening somewhat in 2019 and 2020.

FIGURE 7: WISCONSIN HOUSING AFFORDABILITY INDEX



Source: Wisconsin REALTORS® Association

Table 3 shows why the decline in affordability moderated. Even though the median price appreciation in the last two years has been stronger than the previous three years, the substantial reduction in the 30-year fixed mortgage rate has kept the Wisconsin Housing Affordability Index from decreasing more dramatically. Indeed, between 2018 and 2019, when prices increased 7.3%, affordability actually increased slightly because the average mortgage rate fell from 4.54% to 3.94%, a fall of 60 basis points.

Table 3: Components of Housing Affordability

	% CHANGE IN MEDIAN PRICE	AVERAGE CHANGE IN 30-YEAR FIXED MORTGAGE (IN BASIS POINTS)	% CHANGE IN WISCONSIN HOUSING AFFORDABILITY INDEX
2015 – 2016	5.5%	-20	-4.2%
2016 – 2017	5.5%	+34	-4.0%
2017 – 2018	6.7%	+55	-5.9%
2018 – 2019	7.3%	-60	+1.2%
2019 – 2020 (P)	11.0%	-79	-3.1%

Source: Wisconsin REALTORS® Association

2021 EXPECTATIONS FOR THE HOUSING MARKET

Although 2020 was a challenging year, the Wisconsin housing market performed well for several reasons. Even before the recession began, millennials had finally begun to transition from rental housing to homeownership. However, baby boomers have delayed their decision to downsize, keeping supply tight. The actions of the federal government to lower short-term interest rates resulted in record-low mortgage rates, which further stimulated the demand side of the market. This mismatch between supply and demand resulted in robust sales growth even in the midst of one of the most significant economic disruptions in the last decade. REALTORS® adapted quickly to the unique challenges of the pandemic, and this has led to record sales and record-high home prices.

As we begin 2021, there are reasons for optimism, but there remain some significant challenges. On the positive side, it appears that the recession is winding down, and the distribution of a successful COVID-19 vaccine should further enhance growth in the economy. In short, if we are not already in a recovery, we should be shortly. Second, the federal government has indicated that it is not concerned with inflation, and hence the low interest rate environment should continue; and as long as inflation remains in check, mortgage rates should remain low. A growing economy and low mortgage rates will keep housing demand strong. The primary challenge is the weak supply of housing in the state. However, the aging baby-boom generation is expected to cause an increase in the number of new listings, and the 2020 uptick in new single-family residential building should continue into 2021, perpetuating a strong seller's market in Wisconsin for the foreseeable future. This will continue to put solid upward pressure on prices. If mortgage rates are near their low point, then the decline in affordability will once again accelerate. Overall, it is a safe bet that prices will continue to increase well above the rate of inflation. However, until housing supply improves, sales will have difficulty growing as quickly as they did in 2020.

David Clark, Ph.D., is a professor of economics at Marquette University and principal at ECON Analytics, LLC, and serves as a consultant for 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.

BY **CORI LAMONT**
SENIOR DIRECTOR OF LEGAL AND PUBLIC AFFAIRS
LEGAL

When Deals Escalate

10 tips for transactions involving a price escalation clause

Every market goes through ebbs and flows of being competitive. And when these competitive markets occur, the WRA legal team often sees creative and sometimes risky contract drafting so buyers can present a competitive offer.

For example, a buyer wants to write a competitive offer without including an Inspection Contingency. Obviously, a buyer's decision to proceed without an Inspection Contingency is a big deal. Therefore, the firm would be wise to have written acknowledgment from the buyer that indicates the following:

(1) The buyer directed the agent not to include an Inspection Contingency in the terms of their offer.

(2) The buyer understands the firm is not held to the same standard as a home inspector.

(3) The buyer is responsible for understanding the condition of the property without the help of an inspector by deciding not to include an Inspection Contingency in their offer.

Other examples of competitive and sometimes risky contract drafting in competitive markets include writing cash offers or offers that are not contingent on financing, offers without an Appraisal Contingency, or offers that include a price escalation clause.

In a competitive market, a price escalation clause would likely be included in the buyer's offer when the buyer says to the agent, "I am willing to pay up to $X for this property, but I don't want to offer it right out of the gate. If I end up in competition with another buyer, is there a way I can automatically increase the price of my offer up to a certain amount?"

There are different strategic theories as to why a price escalation clause is included in a buyer's offer. Regardless of the theory, however, the WRA legal team is often asked about price escalation clauses, and so we offer the following 10 tips to help.

TIP 1
There is no standard form or language for an escalation clause, so there are often different versions of escalation clauses out there.

TIP 2
Escalation clauses are also sometimes called acceleration clauses.

Due to the fact that acceleration clauses are more commonly associated with mortgage documents, the WRA legal team has a tendency to refer to the clauses in real estate transactions as price escalation clauses.

TIP 3
There is one shared element to every price escalation clause: the buyer agrees to pay more for the property if the seller receives another equal or higher offer.

TIP 4
The basics of a price escalation clause include:

- Using only another bona fide offer to determine price.
- The maximum price to be offered.
- Requesting the seller provide copies of other offers directly to the buyer.
- Setting a time limit on when a clause may be used.
- Clarifying whether the price can increase multiple times or if it's a one-time increase only.
- The timing allowed for other offers to be used to set the buyer's price.

TIP 5
The seller can counter out escalation clauses.

The seller may not want to entertain offers with price escalation clauses and instead may choose to tell buyers to write their highest and best offer.

Don't forget, listing agents must still present the offers unless the seller has provided specific instruction, preferably in writing, that they don't want to entertain any offers with certain terms.

TIP 6

The seller may choose to respond with multiple counter-proposals when they receive multiple offers with escalation clauses.

For example, the seller may counter all buyers using a WB-46 Multiple Counter-Proposal to set a fixed price and remove the references to each buyer's respective escalation clause.

TIP 7

If sellers and listing agents don't understand how the price escalation clause works in a buyer's offer, then they should either counter clarifying the terms or not accept the offer terms.

When an escalation clause is included in the terms of a buyer's offer, the most common point of confusion sellers and listing agents complain of is whether the buyer's price may escalate more than once. Again, if the seller and listing agent are unsure of how the escalation clause functions if the terms are accepted, then the language should be clarified via a counter-offer or multiple counter-offers, depending on the circumstances of the situation.

TIP 8

Agents should draft offers to purchase as instructed by the buyer.

When a buyer has asked the agent to include language in the offer that allows the buyer's offered price to increase in certain circumstances due to a competitive situation with other offers, the agent would be able to explain the potential inclusion of an escalation clause. However, agents who do not have a full understanding of how escalation clauses work should be careful to offer this opportunity to the buyer. Additionally, the agent should speak with their supervising broker to see if the firm has a tried-and-tested escalation clause they have used in these circumstances.

TIP 9

The WRA offers the following example of an escalation clause:

"If Seller accepts this offer and receives one or more additional bona fide offers to purchase the Property with terms acceptable to Seller (Other Offers), prior to ____________ (date) which result in Net Proceeds of Sale (purchase price minus any monetary contributions by Seller) payable to Seller equal to or greater than the Net Proceeds of Sale payable to Seller under this Offer, then the purchase price of this Offer shall automatically increase to an amount which generates Net Proceeds of Sale to Seller $ ____________ in excess of the highest Net Proceeds of Sale generated in such Other Offers."

"The Purchase Price of this offer may be increased [ ] once [ ] more than once [CHECK ONE] ("once" if neither is checked) based on one or more Other Offers."

"The purchase price of this Offer shall not exceed $ ____________."

"If the purchase price of this Offer is increased based on one or more Other offers, Seller shall, no later than ____________, submit to Buyer a signed amendment to the Offer reflecting the adjusted Purchase Price and a copy of any Other Offers that resulted in, and were the basis for the increase to the purchase price of this Offer."

"Buyer agrees to accept the amendment and deliver it back to Seller according to the delivery terms in this Offer and by the deadline for acceptance in the amendment."

"Wis. Admin. Code § REEB 24.12 prohibits a licensed real estate agent from disclosing any of the terms of one prospective buyer's offer to purchase, exchange agreement or option contract proposal to any other prospective buyer or to any person with the intent that this information be disclosed to any other prospective buyer. Accordingly, delivery of Other Offers must be conducted solely between Buyer and Seller or their attorneys and cannot involve their respective real estate agents."

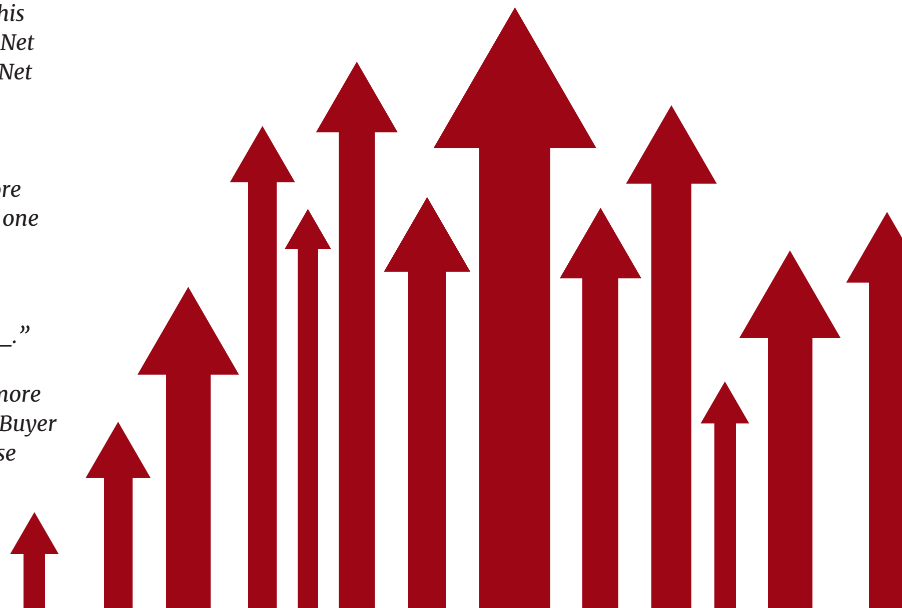
"[ ] Appraisal. If the appraised value of the Property is less than the amended purchase price but is at least $ ____________, the amount financed shall remain as stated in any financing contingency in this Offer and Buyer will pay the difference between (i) the appraised value plus $ ____________, and (ii) the amount financed in the financing contingency in this Offer. If the appraised value is less than $ ____________, this Offer shall be null and void."

TIP 10

The WRA has the following resources relating to escalation clauses:

- "Acceleration and Escalation Clauses"in the LegalTalks video series: www.wra.org/LegalTalks/EscalationClause
- Thursday Takeaways episode 43, "Escalation or Acceleration Clauses": www.wra.org/ThursdayTakeaways/Episode43
- "The Best of the Legal Hotline: Price Escalation" in the July 2020 *Wisconsin Real Estate Magazine*: www.wra.org/WREM/Jul20/Hotline
- The January 2017 *Legal Update*, "Price Escalation Clauses and Multiple Counter-Proposals": www.wra.org/LU1701

Cori Lamont is Senior Director of Legal and Public Affairs for the WRA.



BY **TRACY RUCKA**
DIRECTOR OF PROFESSIONAL STANDARDS AND PRACTICES
LEGAL

The Best of the Legal Hotline: *"For Informational Purposes Only"*

This phrase, although often used, can lead to ambiguity, confusion and misunderstandings in real estate transactions regarding inspections and inspection reports. Clear communication and understanding about the offer to purchase, home inspector limitations of liability, and access to property can help to better manage party and broker expectations. The WRA Legal Hotline has fielded several inquiries regarding the confusion that results from the use of the "for informational purposes only" phrase. Read on to find out more.

Given the competition for the home, the buyer's offer did not include an Inspection Contingency. The agent working with the buyer now tried to schedule an inspection, stating the reason for the inspection as "informational purposes only." How should the listing broker respond?

The inspector should not be granted access to the property unless the parties agree to amend the offer. Per the inspection and testing provisions, the seller has only agreed to allow access per lines 182-184 of the WB-11 Residential Offer to Purchase, which provide:

> *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.*

Claiming the inspection is "for informational purposes only" is shortsighted when inevitably the report will identify defects. The risk lies in access without a fully formed agreement about how the parties will respond if and when the inspector's report includes defects. Per both license law and the REALTOR® Code of Ethics, licensees are to put the agreement of the parties in writing. Therefore, the buyer may instruct the initiation of an amendment. The amendment may attempt to add an Inspection Contingency or, alternately, authorize access for an inspector to conduct an inspection while clearly indicating no opportunity to give a Notice of Defects. Keep in mind the buyer or the buyer's lender may want repairs and/or adjustments to the price, or may attempt to terminate the offer based on the newly discovered information. Therefore, before agreeing to any amendment, the parties should clearly understand the risks and implications and negotiate accordingly. The seller is well within their rights to refuse any such amendment.

The seller hired an inspection company to conduct a pre-listing

inspection. Before making the offer, the buyer received a copy of the inspection report and was told it was for informational purposes only. What should the buyer do with the information in the inspection report?

If the home inspection report is provided, the agent should caution the buyer that the seller was the one who engaged the home inspector. Under Wis. Stat. § 440.997(2), the home inspector will not be liable to subsequent purchasers for any errors or omissions contained in the original report. Buyers should be urged to have their own home inspection if they want the inspector to be liable to the buyer for any mistakes.

Buyers should understand they may not issue a Notice of Defects for items the nature and extent of which the buyer was aware prior to the offer. This is based on lines 210-211 of the Inspection Contingency in the WB-11 Residential Offer to Purchase. The buyer may become aware of conditions in multiple ways: the buyer's inspection or observation at a showing, the seller's real estate condition report (RECR), the seller-provided inspection report or a material adverse fact disclosure by a licensee.

Regardless of the source of information, the buyer would negotiate the terms of the offer based on the buyer's knowledge. For example, the buyer may account for the information in determining price. Alternately, the buyer may negotiate for the seller to repair, replace or otherwise fix the identified conditions. The Inspection Contingency could be used to have a component inspection of any of the identified issues. However, keep in mind the buyer can only issue a Notice of Defects if the condition is not as described in the report, the RECR or material adverse fact disclosure by a licensee.

The seller's counter-offer referred to the Inspection Contingency with the statement "home inspection and testing contingencies are for informational purposes only for buyer." If the buyer accepts this offer, would the buyer still be able to submit a Notice of Defects and get out of the offer and receive earnest money back?

The language regarding "for informational purposes only for buyer" may lead to ambiguity. Given there is a standard Home Inspection Contingency in the offer to purchase, the contingency, unless clearly modified, would allow a buyer to submit a Notice of Defects depending on inspection results. The prudent response for the cooperating broker is to reach out to the listing broker to determine why the language was included in the counter-offer and discuss the seller's intent behind the language. Once known, the buyer and seller may negotiate an offer clearly reflecting a meeting of the minds.

For example, if the seller intended for the buyer to be obligated to close no matter what showed up in the inspection report, then why allow an inspection at all? The offer could be countered to strike the standard Inspection Contingency and any testing contingencies. If the seller does not intend to cure any defects, then an inspection with no right to cure may be more appropriate if the buyer wants to know the condition of the property before being bound to close.

If the offer is not countered to clarify this, litigation may result regarding the apparent ambiguity. Courts generally interpret a contract just as it was written. If there appears to be ambiguity in the contract, the court may look elsewhere to determine the parties' intent. Another standard rule of contracts is that ambiguities are generally construed against the drafter. To avoid the need for any possible litigation, countering the offer for clear and unambiguous language is preferable.

The seller gave a copy of the buyer's inspection report to the second buyer "for informational purposes only." Is this allowed?

A seller may choose to provide a potential buyer with a previous buyer's inspection report. However, the potential buyer should understand that the previous buyer's inspection report is only for informational purposes. If the buyer wishes to have the right to an inspection, the buyer must still have their own inspection and thus must check the Inspection Contingency in their offer. For further insight into the use of inspection reports, read "Uncovering the Truth: The Inspection Report When the Deal Falls Apart" in the February 2014 ***Wisconsin Real Estate Magazine*** at www.wra.org/WREM/Feb14/UncoveringTheTruth.

Tracy Rucka is Director of Professional Standards and Practices for the WRA.

Inspection Report Reminders

Is the buyer required to give a copy of the inspection report or testing reports to the seller, even if the buyer does not issue a Notice of Defects?

Yes. WB-11 Residential Offer to Purchase lines 190-191 state that "Buyer agrees to promptly provide copies of all inspections and testing reports to Seller."

Can the seller provide copies of inspection or testing reports to future buyers?

Yes. Unless otherwise agreed to by the seller and the primary buyer, the seller is not prohibited from providing copies of the buyer's inspection reports to other prospective purchasers. The seller is under no obligation to the home inspector to keep the report private. Note, however, the listing agent should avoid providing a copy of the report to guard against any possible confidentiality concerns under Wis. Stat. § 452.133(1)(d) because the report may be considered confidential, unless the agent has the consent of all parties to the first transaction.

BY **DEBBI CONRAD**
SENIOR ATTORNEY AND DIRECTOR OF LEGAL AFFAIRS
LEGAL

A Visit to the Mythical Fairhaven

Looking at fair housing through a different lens

Fair housing is much more than a collection of legal jargon and detailed regulations. It is the belief that all people should have the right to choose where they live free from unlawful discrimination. The trusted role of the real estate professional is to treat everyone fairly and equally and listen to the wishes of the buyers. Equal service benefits us all. These are some of the lessons REALTORS® can learn as they journey through Fairhaven, a new fair housing simulation from the National Association of REALTORS® (NAR).

Real estate professionals assist their clients and customers to find the community and neighborhood where they would like to live. The job is not to find them a home where real estate licensees think they should live or will be happiest. That is when agents get themselves into trouble, particularly when they allow biases against consumers of color or buyers in the other groups protected by fair housing law to influence housing services. That is illegal steering when different people are treated differently on the basis of their race or other protected class attribute. And it is not fair and equal treatment.

A DIFFERENT PERSPECTIVE

Perhaps real estate professionals would be more understanding of the essential principles behind fair housing and be able to empathize with different buyers and renters if they stepped into the shoes of the parties and got a glimpse of the world from their vantage point. That is one of the features of Fairhaven.

You enter Fairhaven as a real estate agent. Your challenge is to close four transactions, a mission any red-blooded real estate agent certainly can relate to. But the closing of these transactions does not occur in a traditional sense and it seems to sneak up on you based on the choices you are making along the way. In the role of a real estate agent, you are faced with choices to make to address the fair housing issues arising as you work with different parties. But perhaps more important are the other lessons embedded in your journey through Fairhaven.

TAKE A TRIP TO FAIRHAVEN

You can find the mythical town of Fairhaven online at fairhaven.realtor and may enter the fair housing simulation with your NAR login or membership (NRDS) number. Once you arrive, you will meet various buyers, sellers and real estate agents and learn about the characteristics of the different neighborhoods and properties available in this fictional community. Fairhaven invites you to open your mind and put on your thinking cap.

REAL ESTATE ROLE

Your journey in Fairhaven begins as a real estate agent. We don't want to give away the details or give any spoilers, so just know you will encounter numerous forks in the road as you work with various parties.

Some choices take you down the path toward discrimination and illustrate the risks and negative outcomes. Sometimes the discrimination is subtle, and sometimes it is overt. Be sure to explore and see what the outcome is for each possible choice as the way to go is not always obvious or easy. In some cases, there does not seem to be a clear choice or a selection that is right or wrong, so it is worthwhile to explore the options and see where the program goes in each instance.

Your experiences in Fairhaven encompass a rich array of transactional moments, personalities and properties. You gain insight into the emotions involved when a buyer is improperly rejected. Your experiences and lessons will run the gamut across various fair housing categories. You will be placed in situations where there are issues of race, accessibility, disability, illegal steering, gender identity, language barriers, reasonable accommodations and a whole host of fair housing problems. You are given a sense of what the choices might be in similar scenarios, can feel a bit of the frustration when there is no clear solution, and see some of these situations from the perspective of the buyer or seller.

Under the "laws" of Fairhaven, certain choices will lead to closed transactions, which is the given goal in the program: close four transactions. Certain choices are rewarded that may not seem to be what Wisconsin licensees would be likely to do, but take it all with a grain of salt, and remember you are in Fairhaven and not Wisconsin!

There are some instances in which the real estate agents in Fairhaven are more assertive and take on roles a Wisconsin licensee may be more likely to leave to the party's attorney. Either way, the message in these cases is to stand up and make sure the party's fair housing rights are asserted rather than walking away or choosing a passive alternative. Fairhaven buyers and sellers will clearly be more successful in their transactions when fair housing laws are observed, and that would be the case in Wisconsin as well. Inclusive business practices prove to be beneficial for all.

WHAT THE BUYER FEELS

The Fairhaven platform strives to engage your empathy when you are suddenly switched from the role of the real estate agent to a buyer or seller. You suddenly become the client and face discrimination. These real-life scenarios provide a personal sense and appreciation of how discrimination in housing impacts real people.

VIDEO VIBRANCY

Throughout the Fairhaven journey, you are given the opportunity to watch video clips from NAR's video, "A Matter of Place," as well as the Newsday documentary, "Testing the Divide." These are well worth watching as these real-life portrayals are vivid and bring clarity to the impact of fair housing discrimination on real people's lives.

Fairhaven will give you a different appreciation of fair housing issues and the impact of discrimination than you gather from traditional fair housing coursework. The simulations are engaging and force you to think. Your trip to Fairhaven will be rewarding and well worth the excursion.

Debbi Conrad is Senior Attorney and Director of Legal Affairs for the WRA.

"Fair housing is much more than a collection of legal jargon and detailed regulations. It is the belief that all people should have the right to choose where they live free from unlawful discrimination."

Latest Legal Resources

As a REALTOR®, your everyday business transactions are legal in nature. Your WRA membership includes access to various WRA legal resources, all designed to ensure that you practice real estate legally and correctly. Below are the latest resources from the WRA.

LEGAL HOTTIPS

Latest Discussions on the WRA Legal Hotline

- Listing with agents from two different firms.
- Agent to advertise donation to charity selected by client.
- Whether a non-licensee can show apartments for rent.
- Proper disclosure in commercial transaction by seller and licensee.
- Agent acts as owner representative and finds town-county discrepancy on zoning.

Read: **WRA.ORG/LEGALHOTTIPS**

LEGAL UPDATES

WB-13 Vacant Land Offer to Purchase 2021

This *Legal Update* reviews the revisions made to the 2021 version of the WB-13 form, which has an optional use date of January 1, 2021, and mandatory use date of February 1, 2021.

Read: **WRA.ORG/LEGALUPDATES**

LEGAL NEWS EMAIL

Licensees Purchasing or Selling Their Own Real Estate

The WRA legal team created a "Frequently Asked Questions – Licensee Purchasing or Selling Their Own Real Estate" resource webpage to help answer questions often asked by licensees purchasing or selling their own real estate. This webpage covers various questions relating to disclosure of licensure, commission versus incentive, licensees with an ownership interest in an entity and a licensee/seller as a listing agent. See the full webpage on the WRA website as well as an article in the December 2020 *Wisconsin Real Estate Magazine* about the new FAQs.

Read: **WRA.ORG/FAQLICENSEEBUYSELL**

LEGALTALKS VIDEO SERIES

WB-11 "Take 2" and WB-14 Updates

Two recent additions to the WRA LegalTalks video library include videos highlighting the revisions made to the WB-11 "Take 2" and WB-14 forms. Both forms have a mandatory use date of September 1, 2020.

Watch: **WWW.WRA.ORG/LEGALTALKS**

WRA LEGAL HOTLINE

Find out applicable legal standards, alternatives and possible solutions for your real estate practice questions with this members-only service.

CONTACT:
Phone: 608-242-2296 OR 800-799-4468
Online question submission: www.wra.org/legalhotline

New Extended Hours!
The hotline extended its hours in 2020 and is now available to answer your questions during weekends. In addition to the usual Monday-Friday hotline hours, the hotline is accessible on Sundays from 1:00 p.m. to 4:30 p.m.

Learn more:
WWW.WRA.ORG/LEGALHOTLINE

BY **JOE MURRAY**
DIRECTOR OF POLITICAL
AND GOVERNMENTAL AFFAIRS
GOVERNMENT AFFAIRS

New Faces in the Wisconsin Legislature

When the Wisconsin Legislature begins its new legislative session this month, there will be 24 new faces in the Wisconsin Assembly and Senate.

There will be eight new senators beginning their tenure this month; seven will be filling vacant seats, while one defeated a sitting incumbent. In the assembly, 16 newcomers will be among the members who were reelected.

In the November elections, Senate Republicans expanded their majority party status to 21-12 by picking up two Democrat seats; Assembly Republicans lost two seats but maintained their majority 61-38. From a numerical standpoint, very little changed. Republicans had a combined 82 seats going into the November elections, and they continue to have 82 seats.

The real change will be the background of the newly elected members and the legislative priorities they bring with them. For both the Assembly and Senate, here is an overview of the 24 new members who took the oath of office earlier this month.

State Senate

- Five of the eight new senators currently serve or formerly served in the state Assembly: Stafsholt, Felzkowski, Ballweg, Agard and Roys. Running for the state Senate as a sitting state representative is, and always has been, a big advantage.

- Five of the eight new senators have some kind of small business background: Stafsholt, Felzkowski, Ballweg, Agard and Roys. This is a plus for the business community.

- Three of the eight new senators ran for the state legislature at least once before being elected in 2020: Bradley, Wimberger and Pfaff. Second time was the charm!

State Assembly

- Four of the 16 new members of the state Assembly have a medical background: Rodriguez, Moses, Cabral-Guevara and Rozar. In the age of COVID-19, this is a plus.

- Seven of the incoming 16 freshman have a business background: Ortiz-Velez, Rodriguez, Moses, Callahan, Cabral-Guevara, Armstrong and Hong — a benefit to the business community.

- Six of the 16 ran for office before or currently hold another elected position: Ortiz-Velez, Moore Omokunde, Baldeh, Snodgrass, Rozar and Shelton. Experience matters, including how to run for office and win.

Joe Murray is Director of Political and Governmental Affairs for the WRA.

STATE SENATE

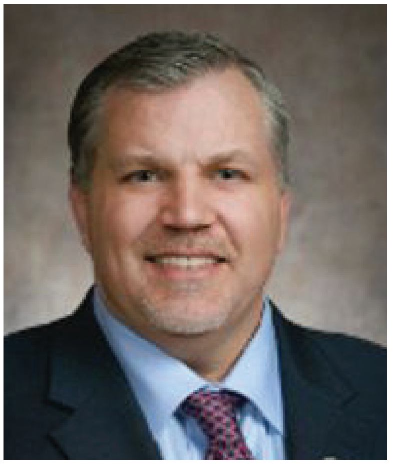
- 8 new members (24%)
- 5 former state representatives
- 3 are new to the legislature
- 6 were elected with RPAC/WRA support, 2 without
- 4 female, 4 male

STATE ASSEMBLY

- 16 new members (17%)
- 10 female, 6 male
- 10 were elected with RPAC/WRA support, 2 without

WISCONSIN STATE SENATE NEW MEMBERS

Senate District 10



Rob Stafsholt (R)
- Resident of New Richmond
- Former state representative
- Small business owner and farmer

Senate District 12

Mary Felzkowski (R)
- Resident of Irma
- Former state representative
- Insurance agency owner

Senate District 14

Joan Ballweg (R)
- Resident of Markesan
- Former state representative
- Former teacher and co-owner of small business

Senate District 16

Melissa Agard (D)
- Resident of Madison
- Former state representative
- Small business owner

Senate District 26

Kelda Roys (D)
- Resident of Madison
- Former state representative
- Small business owner

Senate District 28

Julian Bradley (R)
- Resident of Franklin
- Telecommunications manager of CenturyLink

Senate District 30

Eric Wimberger (R)
- Resident of Green Bay
- Attorney and former U.S. Marine Corps judge

Senate District 32

Brad Pfaff (D)
- Resident of La Crosse
- USDA farm service and former DATCP secretary

WISCONSIN ASSEMBLY NEW MEMBERS

Assembly District 8

Sylvia Ortiz-Velez (D)
- Resident of Milwaukee
- Milwaukee County supervisor and REALTOR®

Assembly District 11

Dora Drake (D)
- Resident of Milwaukee
- Social worker and community organizer

Assembly District 13

Sara Rodriguez (D)
- Resident of Brookfield
- Nurse and health care consulting firm founder

Assembly District 17

Supreme Moore Omokunde (D)
- Resident of Milwaukee
- Milwaukee County supervisor

Assembly District 23

Deb Andraca (D)
- Resident of Whitefish Bay
- Teacher and environmental lobbyist

Assembly District 29

Clint Moses (R)
- Resident of Menomonie
- Chiropractor

Assembly District 35

Calvin Callahan (R)
- Resident of Tomahawk
- Business manager of B&T Rentals

Assembly District 41

Alex Dallman (R)
- Resident of Green Lake
- Constituent services for U.S. Rep. Glenn Grothman

Assembly District 44

Sue Conley (D)

- Resident of Janesville
- Nonprofit executive director

Assembly District 48

Samba Baldeh (D)

- Resident of Madison
- IT project manager at American Family Insurance

Assembly District 55

Rachael Cabral-Guevara (R)

- Resident of Appleton
- Nurse practitioner, teacher and small business owner

Assembly District 57

Lee Snodgrass (D)

- Resident of Appleton
- Communications director of the Girl Scouts of the Northwestern Great Lakes

Assembly District 69

Donna Rozar (R)

- Resident of Marshfield
- Nurse and teacher

Assembly District 75

Dave Armstrong (R)

- Resident of Rice Lake
- Rice Lake economic development director

Assembly District 76

Francesca Hong (D)

- Resident of Madison
- Small business owner, community organizer

Assembly District 90

Kristina Shelton (D)

- Resident of Green Bay
- YWCA program director and teacher
- Vice president, Green Bay School District board of education

Individual and Group Insurance Plans

with Spectrum Insurance Group Inc.

With a global pandemic still affecting our country, health care has been a big concern for some Americans. Protecting our health is more important than ever, but finding health care that fits into a family's budget can be difficult.

This is why Spectrum Insurance Group has partnered with multiple companies to offer their clients an alternative solution to "traditional" health insurance, an alternative that's both convenient and affordable. While certain restrictions apply, some of these alternative options include unlimited virtual visits at no cost to you, which is a key to navigating the health care system in quarantine.

Another feature is care navigation, which assists members in obtaining the most cost-effective care possible. There are also cost-sharing options for larger-scale medical issues. When paired together, these options can save more than $500 per month for family coverage compared to a traditional insurance plan purchased on the marketplace.

These options are not just limited to individuals looking for an alternative. Similar choices are available to employers looking to reduce employee benefit costs by implementing an alternative coverage option. By employing the options above on a group level, employers can help keep their costs lower while offering their team a refreshing alternative to health care. Outside of alternatives to health insurance, there are also different funding options and approaches to traditional options that can be implemented to reduce overall employer and employee costs in most cases.

For more information about employer group options and alternatives, contact info@spectrumgroupinc.com.

To learn more about individual or family enrollment, visit www.redirecthealth.com/spectruminsurance.

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Energize your wardrobe with custom apparel.
www.wra.org/LandsEndBusiness

PAPERLESS AGENT MARKETING CLUB
Resources for your real estate marketing.
www.wra.org/PaperlessAgent

PEARL INSURANCE
Insurance designed for the real estate industry.
www.pearlinsurance.com

REALTYZAM CRM
Simple CRM for your business.
www.realtyzamcrm.com/WRA

SPECTRUM INSURANCE
Save on insurance premiums.
www.wra.org/spectrum

TAXBOT
Bulletproof your records against audits.
www.wra.org/taxbot

Learn more about these exclusive partners:
www.wra.org/ExclusivePartners

WRA MEMBERSHIP BENEFITS

The WRA offers products and services to give you a competitive edge.

INMAN SELECT SUBSCRIPTION
Get the latest real estate news, award-winning commentary, special reports and more.
www.wra.org/InmanSelect

WRA LEGAL HOTLINE
Discuss your real estate practice questions with a real estate attorney.
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ANNUAL REAL ESTATE FORMS UPDATE

Several forms commonly used in Wisconsin real estate practice received updates in 2020 that will affect your drafting in future transactions. Read on for a quick update about 2020 updated forms as well as what to expect in 2021.

FORMS THAT RECEIVED REVISIONS IN 2020

WRA-CR Real Estate Condition Report (updated August 31, 2020)

WRA-VLD Vacant Land Disclosure Report (updated August 31, 2020)

WB-11 Residential Offer to Purchase
(optional use August 1, 2020; mandatory use September 1, 2020)

WB-14 Residential Condominium Offer to Purchase
(optional use August 1, 2020; mandatory use September 1, 2020)

WRA-CVCA Coronavirus (COVID-19) Commercial Addendum
(new April 14, 2020)

WRA-CVSI Coronavirus (COVID-19) Showings and Inspections Agreement
(updated April 9, 2020)

WRA-CV Addendum CV – Coronavirus (COVID-19) Provisions
(updated April 3, 2020)

WRA-DPA Addendum DPA – Down Payment Assistance Contingency
(updated March 2020)

NEW FORMS ANTICIPATED FOR 2021

WB-13 Vacant Land Offer to Purchase (mandatory use February 1, 2021)

WB-15 Commercial Offer to Purchase (mandatory use February 1, 2021)

WRA-CDD Request for Condominium Disclosure Documents/Information

WRA-F Real Estate Condition Report – Farm

WB-12 Farm Offer to Purchase

WB-16 Offer to Purchase – Business with Real Estate

WB-17 Offer to Purchase – Business without Real Estate

WRA-BDR Business Disclosure Report

Estoppel Agreement

Confidentiality Agreement

2021 FORMS LIBRARY SUBSCRIPTION

Subscribe now for 2021 library access

The WRA's online PDF forms library enables you to meet the growing consumer demand for digital forms outside of zipForm. Subscribe today so you can secure your 2021 access to this vital transaction resource!

DRs can purchase the subscription at www.wra.org/FormsLibrary/Enroll.

GET YOUR GREEN ON!
GREEN designation course: March 11-12, 18-19, 2021

Discover the details of green living with the four-part virtual GREEN designation training course in March. With green priorities growing, you'll gain the knowledge that distinguishes you as the go-to green REALTOR® in your market ... so clients ultimately choose you (and not the other guy).

Register: **WRA.ORG/GREEN**

PRICE PROPERTIES WITH CONFIDENCE
PSA certification course: April 1-2, 2021

Did you change your price to attract more buyers? Did your listing expire without any offers? If these scenarios sound familiar, your pricing power might be low.

Don't sweat, though. Everyone needs an occasional recharge (even Superman). You can recharge your pricing strength with the PSA course on April 1-2, so don't miss it!

Register: **WWW.WRA.ORG/PSA**

GET IN THE "VACATION" GAME

RSPS certification course: April 22-23, 2021

Over a third of all home sales are either vacation or investment properties. The resort and second-home market is filled with opportunities for REALTORS®, and the Resort & Second Home Property Specialist (RSPS) certification can prepare you to service the growing resort and second-home market. Earn your RSPS with the RSPS virtual training in April!

Register: **WWW.WRA.ORG/RSPS**

APPRAISAL CE SPRING COURSES

Appraisal course spring series in March 2021

Looking to earn appraisal CE credits without leaving the house? You're in luck. Next month's slate of virtual CE training gives you everything you need and nothing you don't. No travel, no hotel bookings, no conference center pizza ... just real estate appraisal training delivered right to you, wherever you are.

With five courses to choose from, you'll be able to earn your USPAP credits and also pick up new insights to enhance your valuation skills!

Register: **WRA.ORG/2021APPCE**

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PRE-LICENSE TRAINING		
ONGOING VIRTUAL TRAINING		
Appraisal Pre-license Course	On Demand	www.wra.org/APL
Broker Pre-license Course	On Demand	www.wra.org/BPL
Sales Pre-license Course	On Demand	www.wra.org/SPL
SCHEDULED TRAINING		
Sales Pre-exam Review Webinar: Feb. 5, 2021	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-exam Review Webinar: Mar. 5, 2021	Virtual webinar	www.wra.org/SPLwebinar
Sales Pre-license Course: Feb. 8-12; 15-17, 2021	Blended (virtual sessions and online activities)	www.wra.org/SPLBlended
PROFESSIONAL DEVELOPMENT		
ONGOING VIRTUAL TRAINING		
GRI On Demand	On Demand	www.wra.org/GRI
Home Essentials	Online Video Series	www.wra.org/HomeEssentials
Line by Line Forms Training	Online Video Series	www.wra.org/LinebyLine
Quick Start	On Demand	www.wra.org/QuickStart
EDTalks Speaker Education Showcase	Online Video Series	www.wra.org/EDTalks
Thursday Takeaways	Online Video Series	www.wra.org/ThursdayTakeaways
SCHEDULED TRAINING		
GREEN designation course: Mar. 11-12, 18-19, 2021	Virtual	www.wra.org/GREEN
PSA certification course: Apr. 1-2, 2021	Virtual	www.wra.org/PSA
RSPS certification course: Apr. 22-23, 2021	Virtual	www.wra.org/RSPS
APPRAISAL CONTINUING EDUCATION		
SCHEDULED TRAINING		
Foreclosure Properties: Mar. 8, 2021	Virtual	www.wra.org/AppraisalCE
7-hour National USPAP Update Course: Mar. 9-10, 2021	Virtual	www.wra.org/AppraisalCE
Repairs for FHA and VA: Mar. 15, 2021	Virtual	www.wra.org/AppraisalCE
HUD Handbook 4000.1: Mar. 16-17, 2021	Virtual	www.wra.org/AppraisalCE
Inconsistencies in Appraisals and Reports: Mar. 24-25, 2021	Virtual	www.wra.org/AppraisalCE

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THURSDAY TAKEAWAYS

Weekly guide on sales tips for your business

RECENT EPISODES

EP. 64: "Should I Create an LLC?" with Jennifer Lindsley

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EP. 62: "Licensed Buyers and Sellers" with Cori Lamont

EP. 61: "I Let My License Expire. Now What?" with Jennifer Lindsley

EP. 60: "Wisconsin REALTORS® Foundation" with Cori Lamont

Watch: wra.org/thursdaytakeaways

CAPITOL INSIGHTS

Real estate advocacy podcast

RECENT EPISODES

EP. 17: "Rep. John Jagler to the Rescue"

EP. 16: "There's a New Sheriff in Town"

EP. 15: "Minority Report"

EP. 14: "Assembly Democrat Priorities"

EP. 13: "Blue Sky or Dark Clouds?"

Listen: www.wra.org/capitolinsights

LEGAL UPDATE LIVE

Episode 10 reviews the revisions made to the WB-13 and WB-15 forms.

Watch: www.wra.org/LUL/Episode10

WRA 360

New professional development series

Watch: www.wra.org/WRA360


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Certain program restrictions and eligibility requirements apply.
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