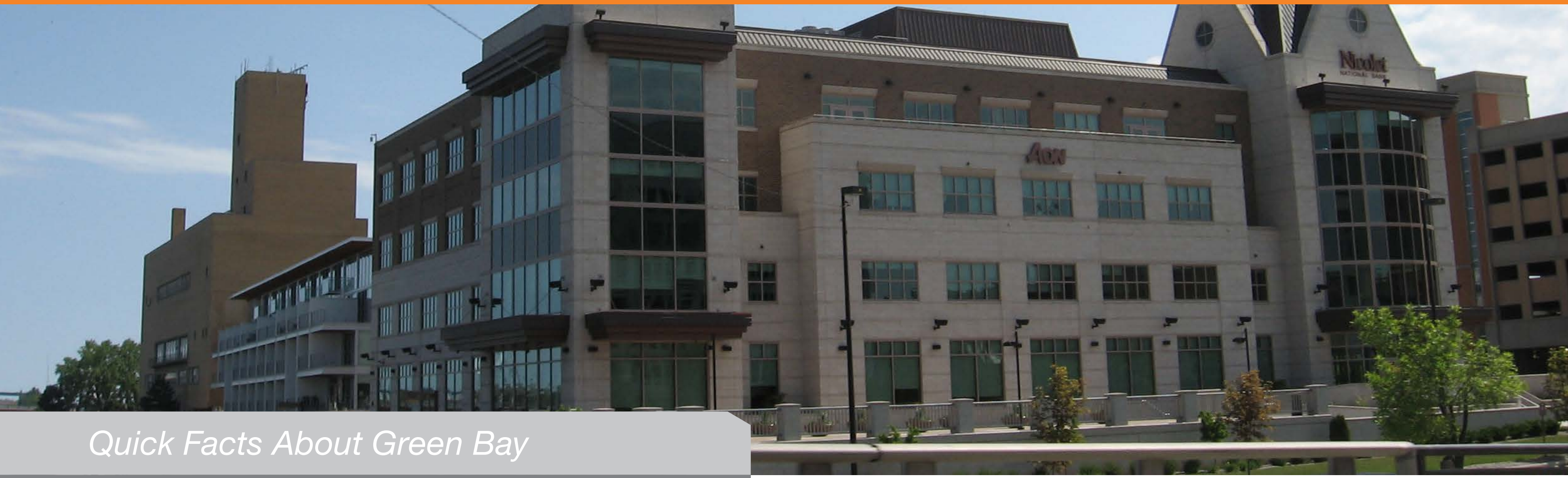
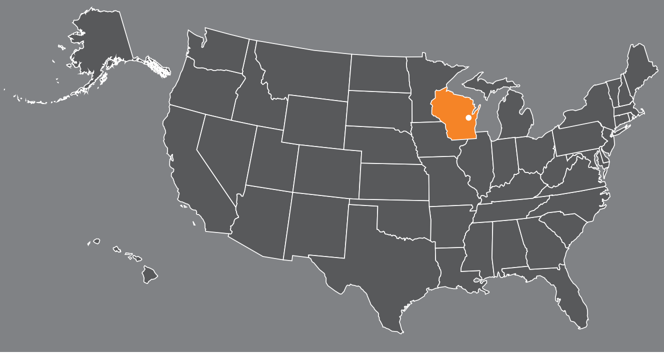
# HUD PD&R Housing Market Profiles

## Green Bay, Wisconsin



### Quick Facts About Green Bay

- **Current sales market conditions: balanced.**
- **Current rental market conditions: balanced.**
- **The city of Green Bay is home to the Green Bay Packers, the National Football League (NFL) team in the smallest metropolitan area and which has been a publicly owned nonprofit corporation since 1923. The Green Bay Packers have won 13 championships—more than any other team in the NFL. In 2016, visitors contributed $739.4 million to the metropolitan area economy (Tourism Economics, An Oxford Economics Company), up from $714.8 million in 2015, partly as a result of recent development around Lambeau Field.**



By Diana Villavicencio | As of June 1, 2017

## Overview

The Green Bay metropolitan area is coterminous with Brown, Kewaunee, and Oconto Counties in northeast Wisconsin and is served by the Port of Green Bay, on Lake Michigan. In 2016, port tonnage totaled approximately 1.81 million metric tons of cargo (Brown County Resource Recovery). The Green Bay metropolitan area has historically been an industrial area, with manufacturing as the largest sector, comprising 17 percent of total nonfarm payrolls.

- As of June 1, 2017, the estimated population of the Green Bay metropolitan area is 320,000, an average increase of 1,925, or 0.6 percent, annually since 2010. Relatively stronger economic conditions since 2010, compared with the previous 2 years, contributed to an average net in-migration of 350 people, annually.
- Prior to 2010, weak economic conditions slowed net in-migration to an average of 50 people a year from 2007 to 2010, resulting in population growth averaging 1,825 people, or 0.6 percent, annually (Census Bureau population estimates as of July 1).
- From 2003 to 2007, relatively low home sales prices and lenient lending standards contributed to higher in-migration from neighboring counties. During the period, net in-migration averaged 580 people a year, resulting in population growth averaging 2,500 people, or 0.8 percent, annually.
- Population growth since 2010 has been concentrated in Brown County, which includes the most populous city—Green Bay.

Four sectors in the Green Bay area contracted during the 3 months ending May 2017.

| | 3 Months Ending | | Year-Over-Year Change | |
|---|---|---|---|---|
| | May 2016 (thousands) | May 2017 (thousands) | Absolute (thousands) | Percent |
| Total nonfarm payrolls | 174.4 | 173.7 | – 0.7 | – 0.4 |
| Goods-producing sectors | 36.8 | 37.1 | 0.3 | 0.8 |
| Mining, logging, and construction | 7.4 | 7.5 | 0.1 | 1.4 |
| Manufacturing | 29.4 | 29.6 | 0.2 | 0.7 |
| Service-providing sectors | 137.6 | 136.6 | – 1.0 | – 0.7 |
| Wholesale and retail trade | 24.7 | 24.7 | 0.0 | 0.0 |
| Transportation and utilities | 8.2 | 8.2 | 0.0 | 0.0 |
| Information | 1.6 | 1.5 | – 0.1 | – 6.3 |
| Financial activities | 12.5 | 12.8 | 0.3 | 2.4 |
| Professional and business services | 19.6 | 17.9 | – 1.7 | – 8.7 |
| Education and health services | 25.4 | 26.3 | 0.9 | 3.5 |
| Leisure and hospitality | 15.4 | 15.2 | – 0.2 | – 1.3 |
| Other services | 8.6 | 8.7 | 0.1 | 1.2 |
| Government | 21.6 | 21.3 | – 0.3 | – 1.4 |
| | (percent) | (percent) | | |
| Unemployment rate | 3.9 | 3.0 | | |

Note: Numbers may not add to totals because of rounding.
Source: U.S. Bureau of Labor Statistics

# Economic Conditions

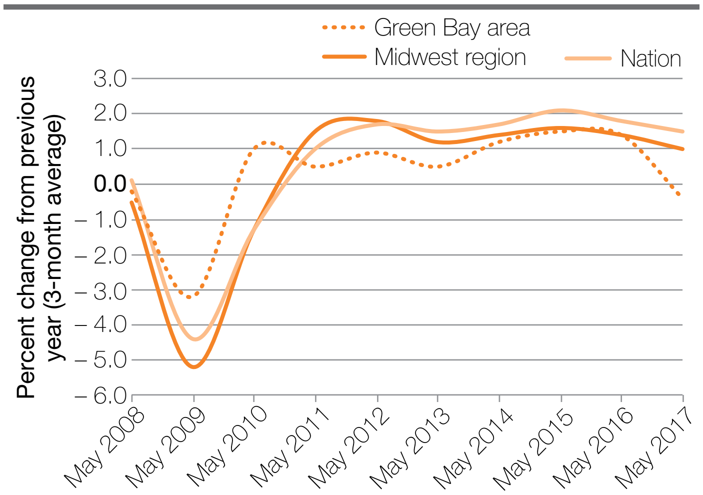
Economic conditions in the Green Bay metropolitan area have been relatively strong since 2010, although nonfarm payroll growth slowed during 2017. Nonfarm payroll growth following the local economic downturn from 2008 through 2009 averaged 1.0 percent annually through 2016, slightly higher than the rate that occurred from 2003 through 2007, when nonfarm payroll growth averaged 0.8 percent annually.

During the 3 months ending May 2017—

- Nonfarm payrolls decreased 700 jobs, or 0.4 percent, compared with the average number of jobs during the same 3-month period in 2016. Although this year was the first since 2010 that the rate of job growth in the metropolitan area declined, current nonfarm payrolls total 173,700 jobs, surpassing the prerecession peak of 169,700 in 2007 more than 2 percent.
- The most significant loss occurred in the professional and business services sector, contracting by 1,700 jobs, or 8.7 percent, to 17,900 jobs. The entire loss was attributed to losses in the administrative and waste services industry. Companies laid off administrative and waste services workers contracted through temporary service firms (local sources). These layoffs are commonly a sign that the local economy is doing well or improving, because companies are able to hire permanent workers.

continued on page 3

Nonfarm payroll growth in the Green Bay area has generally been slower than the regional and national rates since 2011.




Note: Nonfarm payroll jobs.
Source: U.S. Bureau of Labor Statistics

Largest employers in the Green Bay area

| Name of Employer | Nonfarm Payroll Sector | Number of Employees |
|---|---|---|
| Humana, Inc. | Education and health services | 3,275 |
| Bellin Health | Education and health services | 2,725 |
| Schneider National, Inc. | Transportation and utilities | 2,625 |

Note: Excludes local school districts.
Source: City of Green Bay Comprehensive Annual Financial Report, 2015

continued from page 2

- The education and health services sector, added the most jobs, expanding by 900 jobs, or 3.5 percent, to 26,300. The sector has been the fastest growing since 2010 and will benefit from an expected addition of 80 jobs, when the $12 million, 30,000-square-foot Bellin Health Titletown Sports Medicine and Orthopedics clinic opens in July 2017. The clinic is one of three anchor facilities for the Green Bay Packers' 34-acre, $130 million Titletown District development just west of Lambeau Field.
- The manufacturing sector expanded by 200 jobs, or 0.7 percent, to 29,600 jobs. The number of jobs in the sector, however, remains approximately 13 percent below the prerecession high of 34,100 during 2006.
- The unemployment rate declined to an average of 3.0 percent from 3.9 percent during the same period 1 year earlier. Despite job declines, higher numbers of Green Bay area residents found work outside the metropolitan area. The current unemployment rate is significantly lower than the 8.8-percent peak during the 3 months ending May 2010.

During the 3 months ending May 2017, the leisure and hospitality sector was one of four sectors to lose jobs, declining by 200 jobs, or 1.3 percent, to 15,200 jobs. Despite this decline, the leisure and hospitality sector benefited from the completion of the second anchor at the Titletown District, the $4.9 million, 20,000-square-foot Hinterland Restaurant and Brewery in April 2017. The sector also will benefit from the completion of the third anchor—the $45 million, 110,000-square-foot Lodge Kohler Hotel. The 144-room hotel will add approximately 200 jobs when it opens in July 2017. Titletown District also will include a park and plaza with a snow-tubing hill. Currently, the Legends District, a 90-acre project east of Lambeau Field that would convert an industrial area to commercial and residential use, including townhomes and apartments, is in planning. Additionally, a $44 million renovation of the 160-room Hotel Northland is currently under way in downtown Green Bay. The hotel is being returned to its original use from senior apartments and expected to be complete in late 2017, adding an unknown number of jobs.

# Sales Market Conditions

The sales housing market in the Green Bay metropolitan area is currently balanced, with an estimated 1.5-percent vacancy rate, down from 2.0 percent in April 2010, when conditions were soft. Local job gains and recovery after the local economic downturn contributed to the improved sales market. A relatively lower rate of seriously delinquent mortgages (those 90 or more days delinquent or in foreclosure) and real estate owned (REO) properties during 2010 is one of the reasons the local market fared better than the nation during the housing crisis. In April 2010, 4.3 percent of mortgages were seriously delinquent or had transitioned into REO status (CoreLogic, Inc.), compared with 5.0 and 8.2 percent for Wisconsin and the nation, respectively. As of April 2017, the rate of seriously delinquent loans and REO properties declined to 1.3 percent, compared with rates of 1.6 and 2.3 percent for Wisconsin and the nation, respectively.

During the 12 months ending March 2017 (the best representative data available)—

- The number of new homes (including single-family homes, townhomes, and condominiums) sold totaled 320, down 6 percent from the 340 homes sold during the previous 12 months (CoreLogic, Inc., with adjustments by the analyst), and down 36 percent from the average of 500 homes sold annually during the 12 months ending March 2007, when homes sales were at a record high since 2000.
- The average sales price for new homes was $214,900, up approximately 6 percent from $203,200 during the same period 1 year earlier and 11 percent above the prerecession peak of $191,900 during the 12 months ending March 2006.
- Existing home sales totaled 6,500, up approximately 8 percent from the 6,025 sold during the 12 months ending March 2016. A 4-percent rise in regular resales, which totaled 5,825, largely caused the recent increase in existing home sales. During the past 12 months, combined REO and short sales declined 37 and 27 percent, to 180 and 130, respectively, accounting for 5 percent of existing sales. Existing home sales increased every year from 2011 to an average of 5,875 in 2015. Regular resales have trended upward since 2012, as REO and short sales have generally declined.
- The average sales price for existing homes was $151,300, an increase of 4 percent compared with the average price during the 12 months ending March 2016 and 8 percent more than the prerecession peak price of $140,700 in 2007.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, has been moderately stable since 2008.

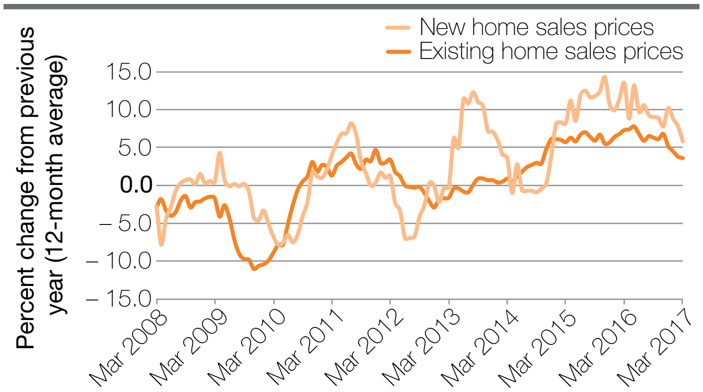
- The number of single-family homes permitted totaled 740 during the 12 months ending May 2017, up 19 percent from 620 homes permitted during the previous 12 months (preliminary data).

continued on page 4

continued from page 3

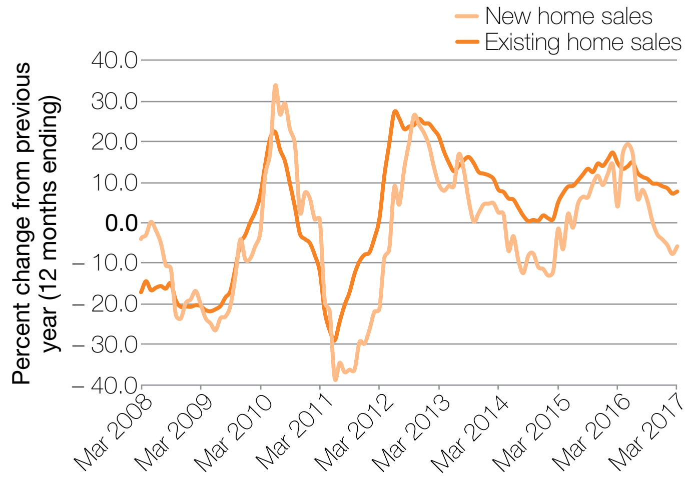
- Single-family home construction from 2008 through 2015 averaged 620 homes annually, far less than the average of 1,850 homes permitted annually from 2003 through 2007 when population growth was stronger.
- New single-family home construction was particularly active west of the city of Green Bay, in the Village of Hobart. One of the largest developments in the area is Centennial Centre, a 600-acre master-planned community. Construction of four subdivisions in the Centennial Centre community has been ongoing since 2009, with more than 150 of the planned 350 homes complete.
- Fieldstone Estate, a subdivision in the Centennial Centre community, will have 117 homes at buildout, with approximately 40 available home sites remaining. Home prices start at $255,900 for a three-bedroom, two-bathroom home and $329,900 for a four-bedroom, two-bathroom home.

## Increases and decreases have been more pronounced in new home sales prices than for existing home sales prices in the Green Bay area.



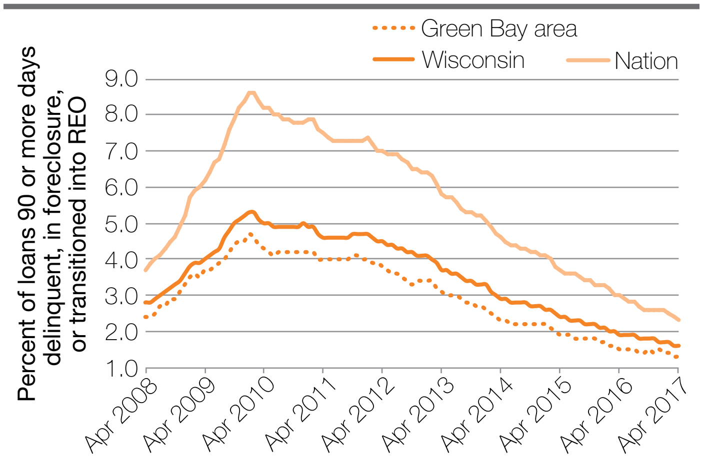

Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

## Despite a recent decline in new home sales in the Green Bay area, the economic recovery and lower home sales prices than in other parts of Wisconsin have contributed to increased existing home sales since mid-2011.



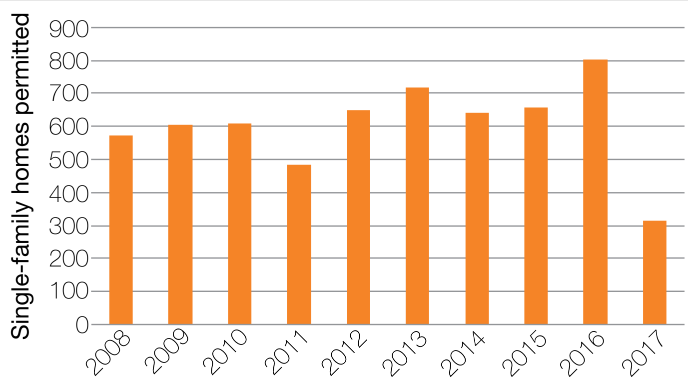

Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

## The Green Bay area has consistently had a lower rate of distressed loans than the state and the nation.




REO = real estate owned.
Source: CoreLogic, Inc.

## Since 2008, single-family permitting in the Green Bay area has remained relatively stable.




Note: Includes preliminary data from January through May 2017.
Source: U.S. Census Bureau, Building Permits Survey

# Rental Market Conditions

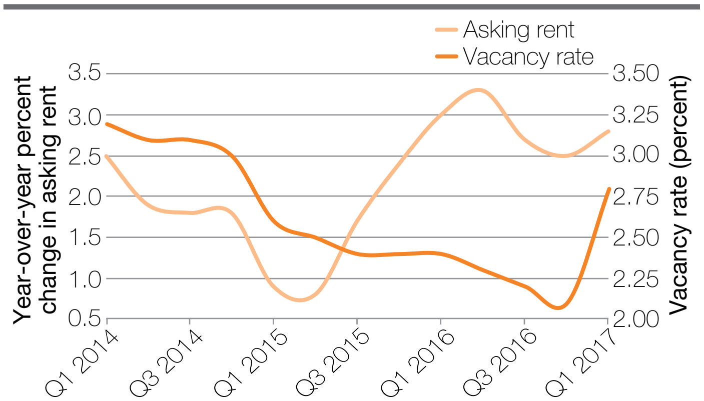
Rental housing market conditions in the Green Bay metropolitan area currently are balanced, with an estimated 5.0-percent vacancy rate for all rental units (including single-family homes, townhomes, manufactured homes, and apartment units) as of June 1, 2017, down from 7.4 percent in April 2010, when market conditions were soft. The decline in the sales market that occurred at the end of the previous decade caused a shift in household preferences toward renting and contributed to the absorption of excess rental units since the late 2000s.

- The apartment market, which comprises 52 percent of all occupied rental units, was tight during the first quarter of 2017, with an estimated vacancy rate of 2.8 percent, up slightly from 2.4 percent 1 year earlier (Reis, Inc.).
- The average apartment rent increased nearly 3 percent, to $703, from the first quarter of 2016 to the first quarter of 2017.
- The average monthly apartment rents by bedroom count were $548, $610, $755, and $828 for studio, one-, two-, and three-bedroom units, respectively.

Multifamily construction activity, as measured by the number of units permitted, slowed in the past 17 months, following a period of general growth from 2010 through 2015. Current permitting levels are below pre-2007 levels.

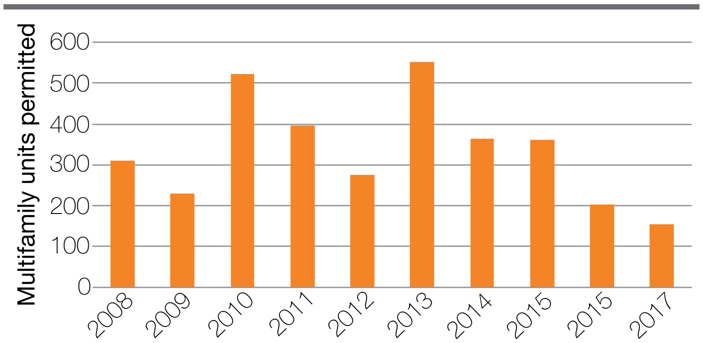
- During the 12 months ending May 2017, approximately 300 multifamily units were permitted, nearly unchanged from the 290 units permitted during the previous year (preliminary data).
- An average of 810 multifamily units were permitted annually from 2003 through 2006. By comparison, an average of 290 units were permitted annually from 2007 through 2009, before permitting increased to an average of 410 units a year from 2010 through 2015.
- In the Village of Hobart, construction is three-quarters complete at the Hobart Crossing Apartments. The 180-unit property will comprise four buildings, with the fourth expected to be complete in summer 2017. Rents for studio, one-, and two-bedroom units start at $735, $935, and $1,265, respectively. In addition, Aria Place, a 108-single-family home community built exclusively for rental in Hobart Village, will consist of one-, two-, and three-bedroom homes with up to 2,800-square feet. Construction on the project began in the spring of 2017. Rents are not yet published.
- Currently, the 24-unit 102 on Broadway Apartments is under construction in downtown De Pere. When the mixed-use project is completed July 2017, the property will feature one-, two-, and three-bedroom units, with rents starting at $1,000, $1,500, and $2,900, respectively, and two commercial spaces on the first floor.
- Apartment construction in the city of Green Bay is focused in the downtown area, adjacent to the Fox River and approximately 3 miles northeast of Lambeau Stadium. The 107-unit Metreau Apartments opened in January 2017. Monthly rents by number of bedrooms start at $750, $1,115, and $2,400 for studio, one-, and two-bedroom units, respectively.

## Apartment market conditions in the Green Bay area have been tight since 2012, with low vacancy rates and positive rent growth.




Q1 = first quarter. Q3 = third quarter.
Source: Reis, Inc.

## Since 2010, multifamily construction in the Green Bay area has generally been higher than the 2007-through-2009 low.

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