

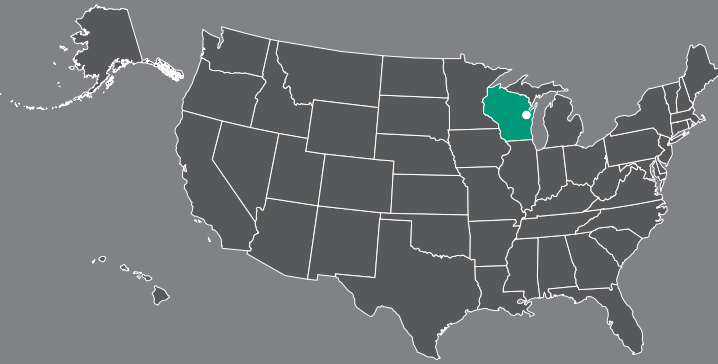
HUD PD&R Housing Market Profiles

Green Bay, Wisconsin



Quick Facts About Green Bay

- Current sales market conditions: tight
- Current rental market conditions: slightly tight
- Agriculture is a significant part of the economy in the Green Bay Metropolitan Statistical Area (hereafter, Green Bay metropolitan area), with family-owned farms, food processors, and agriculture-related businesses employing approximately 28,200 people. Roughly \$500 million worth of milk and more than \$113 million worth of cattle and calves are produced in the metropolitan area each year. Overall, the economic impact of the agriculture industry in the metropolitan area on the state of Wisconsin is estimated at \$8.5 billion annually (University of Wisconsin–Madison, Center for Community & Economic Development).



Overview

By Tomasz Kukawski | As of February 1, 2021

The Green Bay metropolitan area, in northeastern Wisconsin, consists of Brown, Kewaunee, and Oconto Counties. Nearly 82 percent of the population of the metropolitan area resides in Brown County, which includes the city of Green Bay—the third most populous city in Wisconsin, with an estimated population of 104,600 as of July 1, 2019. The metropolitan area has historically been known for several paper and meatpacking plants, and it is home to the National Football League team, the Green Bay Packers, whose economic impact on the metropolitan area is estimated at \$160 million annually. From 2010 through 2018, economic growth in the metropolitan area occurred largely due to expansions in the education and health services sector and a modest recovery in the manufacturing sector. Economic conditions began to stagnate in 2019, however, and then deteriorated sharply in 2020 because of interventions to slow the spread of COVID-19. Despite weak economic conditions and slow population growth, tight market conditions exist in the home sales market, and the rental market is slightly tight, largely because of strong demand and low inventory of available housing units.

- As of February 1, 2021, the estimated population of the Green Bay metropolitan area is 325,000—an increase of 1,725, or 0.5 percent, annually since April 2010.

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- Since 2010, net natural increase (resident births minus resident deaths) has averaged 1,725 people annually, whereas net in-migration has averaged 300 people a year. By comparison, from 2000 to 2010, net natural change and net in-migration averaged 1,850 and 520 people annually, respectively.
- Slower net in-migration to the metropolitan area since 2010 has occurred despite a long period of job gains from 2010

through 2018, and a modest decline in net natural increase occurred because of growth in the share of residents aged 62 years and older. From 2010 to 2019, the portion of residents aged 60 and older grew from 17 to 23 percent; at the same time, the portion of residents aged 15 to 59 declined from 62 to 58 percent (American Community Survey, 1-year data).

Economic Conditions

Countermeasures to slow the spread of COVID-19 that began in March 2020, including school and business closures, further weakened the local economy, which had stagnated in 2019 following 9 consecutive years of job gains from 2010 through 2018. Nonfarm payrolls in April 2020 were down by 21,600 jobs from the number in February 2020. Job growth resumed in May 2020, and approximately 16,100 nonfarm payroll jobs—nearly 75 percent of the jobs lost—were recovered by the end of October 2020. Subsequently, a rise in COVID-19 cases caused public health and safety measures to tighten, forcing many businesses to close again, and from November 2020 through January 2021, nonfarm payrolls fell by 2,700 jobs. Approximately 4,850 initial unemployment claims were filed in January 2021—significantly more than the 1,850 initial claims filed in January 2020 but substantially fewer than the recent high of 14,850 initial monthly claims filed in April 2020 (Wisconsin Department of Workforce Development).

During the 3 months ending January 2021—

- Nonfarm payrolls in the Green Bay metropolitan area averaged 171,100—a reduction of 9,400, or 5.2 percent, from the same period a year earlier. By comparison, overall nonfarm payroll growth in the metropolitan area averaged 1.1 percent annually from 2010 through 2018, and nonfarm payrolls remained unchanged in 2019.
- The leisure and hospitality sector led job declines, with a loss of 3,900 jobs, or 23.1 percent, as social distancing mandates severely limited operations at hotels, restaurants, movie theaters, and sporting venues. The metropolitan area is a popular tourist destination for football enthusiasts and is home to 100 lakes, including Lake Michigan, which offer a variety of recreational activities. The Titledown Entertainment District opened in 2017, adjacent to Lambeau Field in the city of Green Bay, and serves as a mixed-use community

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The leisure and hospitality and the government sectors contracted the most in the Green Bay metropolitan area during the 3 months ending January 2021.

	3 Months Ending		Year-Over-Year Change	
	January 2020 (Thousands)	January 2021 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	180.5	171.1	-9.4	-5.2
Goods-Producing Sectors	38.5	38.8	0.3	0.8
Mining, Logging, & Construction	7.8	8.2	0.4	5.1
Manufacturing	30.7	30.6	-0.1	-0.3
Service-Providing Sectors	142.1	132.3	-9.8	-6.9
Wholesale & Retail Trade	25.2	24.6	-0.6	-2.4
Transportation & Utilities	8.7	8.8	0.1	1.1
Information	1.5	1.4	-0.1	-6.7
Financial Activities	12.1	11.7	-0.4	-3.3
Professional & Business Services	19.7	19.1	-0.6	-3.0
Education & Health Services	27.6	26.6	-1.0	-3.6
Leisure & Hospitality	16.9	13.0	-3.9	-23.1
Other Services	8.8	8.1	-0.7	-8.0
Government	21.7	19.1	-2.6	-12.0
Unemployment Rate	3.3%	4.3%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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development and entertainment center, with retail, commercial, and residential components.

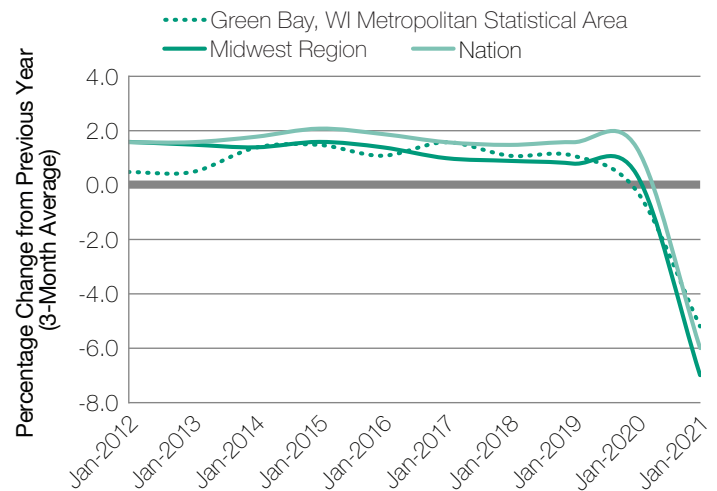
- The number of nonfarm payrolls in the government sector fell by 2,600 jobs, or 12 percent. The local and the state government subsectors decreased by 2,275 and 300 jobs, or 12.6 and 14.7 percent, respectively, largely due to the transition to remote learning and budget shortfalls causing furloughs and layoffs. In contrast, the federal government subsector remained relatively unchanged from the same period a year earlier.
- The unemployment rate rose to 4.3 percent compared with 3.3 percent during the 3 months ending January 2020. The current unemployment rate in the metropolitan area is slightly higher than the 4.2-percent rate in Wisconsin but lower than the 6.6-percent national rate.

The manufacturing and the education and health services sectors are the two largest sectors in the metropolitan area, with 30,600 and 26,600 jobs, respectively, accounting for approximately 18 and 16 percent of total nonfarm payrolls. Both sectors, which rely heavily on in-person interactions, contracted during 2020 because of countermeasures implemented to slow the spread of COVID-19.

During the 3 months ending January 2021, the manufacturing sector decreased by 100 jobs, or 0.3 percent. The metropolitan area is a center for paper packaging production and dairy processing. Georgia-Pacific LLC, a pulp and paper manufacturing company, is one of the largest employers in the metropolitan area, with approximately 1,750 employees, and has an economic impact of \$164 million annually on the local economy (Georgia-Pacific LLC). Currently, Green Bay Packaging Inc is replacing an old paper mill through a \$500 million investment in a facility that will produce 100-percent recycled materials in the city of Green Bay. The new paper mill is expected to open later in 2021, allowing for the retention of 1,100 existing jobs and the creation of 200 new jobs by 2022. Currently, the number of jobs in the manufacturing sector is 10 percent higher than the previous low of 27,700 in 2010.

Bellin Health Systems, Inc. and Humana Inc. are the two largest employers in the metropolitan area, with 3,025 and 2,800

During the 3 months ending January 2021, nonfarm payrolls in the Green Bay metropolitan area decreased at a slower rate than in the nation and in the Midwest Region.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Green Bay Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Bellin Health Systems, Inc.	Education & Health Services	3,025
Humana Inc.	Education & Health Services	2,800
Oneida Nation of Wisconsin	Government	2,750

Note: Excludes local school districts.

Source: Moody's Analytics

employees, respectively. The new \$12 million Bellin Health Titledown Sports Medicine and Orthopedics clinic opened in the Titledown District in 2017. During the 3 months ending January 2021, the education and health services sector was reduced by 1,000 jobs, or 3.6 percent, from a year earlier. Despite the recent decline, the education and health services sector has added the most jobs and has been the fastest growing sector in the metropolitan area since 2001. Job growth in the sector is expected to resume as the COVID-19 pandemic subsides.

Sales Market Conditions

The sales housing market in the Green Bay metropolitan area is currently tight, with an estimated vacancy rate of 0.8 percent, down from 2.0 percent in April 2010. Economic growth from 2010 through 2018, and continued net in-migration, have boosted the demand for homeownership and reduced the amount of available for-sale inventory. Additionally, changes

in housing needs prompted by COVID-19, such as needing an extra room for a home office, as well as historically low mortgage rates, further strengthened demand for single-family homes in the metropolitan area, contributing to the tight market conditions. During the 12 months ending January 2021, home sales (including new and existing single-family

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homes, townhomes, and condominiums) totaled 6,875, a 14-percent increase from the 6,025 homes sold a year earlier (Zonda, with adjustments by the analyst). As of January 2021, the metropolitan area had a 2.3-month supply of homes for sale, down from a 4.2-month supply in January 2020 (Redfin, a national real estate broker). The rate of seriously delinquent home loans and real estate owned (REO) properties in the Green Bay metropolitan area was 1.8 percent as of January 2021, up from 0.8 percent a year earlier (Core Logic, Inc.). The current rate is lower than the 2.1-percent rate for Wisconsin and the 3.8-percent rate for the nation.

During the 12 months ending January 2021 —

- New home sales totaled 380, an increase of 120 sales, or 48 percent, from the previous 12 months (Zonda, with adjustments by the analyst). By comparison, new home sales averaged 260 annually from 2011 through 2019.
- Despite the inventory of homes for sale decreasing rapidly, existing home sales rose by 730, or nearly 13 percent, to 6,500. During the economic recovery from the Great Recession, existing home sales grew an average of 12 percent annually from 2012 through 2016 but then declined an average of 3 percent annually through 2019, the latter period corresponding with declining for-sale inventory.
- The average sales price for new and existing homes rose 4 and 8 percent to \$322,800 and \$203,500, respectively. By comparison, new home sales prices rose an average of nearly 9 percent a year from 2012 through 2019, and

New and existing home sales prices in the Green Bay metropolitan area have increased during the past year as the home sales market tightened.



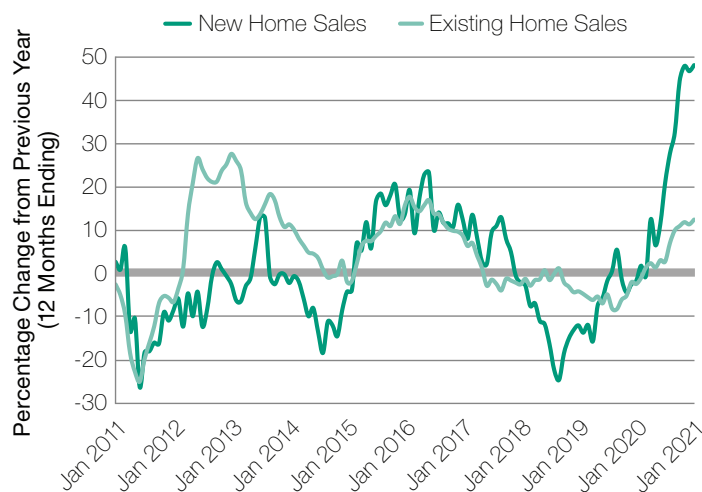
Note: Prices are for single-family homes, townhomes, and condominiums.
Source: Zonda, with adjustments by the analyst

existing home sales prices grew an average of 4 percent annually from 2013 through 2019.

- REO home sales rose by 25, or 18 percent, to 170, representing 2 percent of total home sales, and the average sales price rose 10 percent to \$139,700. This was the first increase in REO sales in the metropolitan area following 7 years of declines; previously, REO sales peaked at 900 in 2012 and then fell an average of 23 percent annually to a low of 150 sales in 2019.

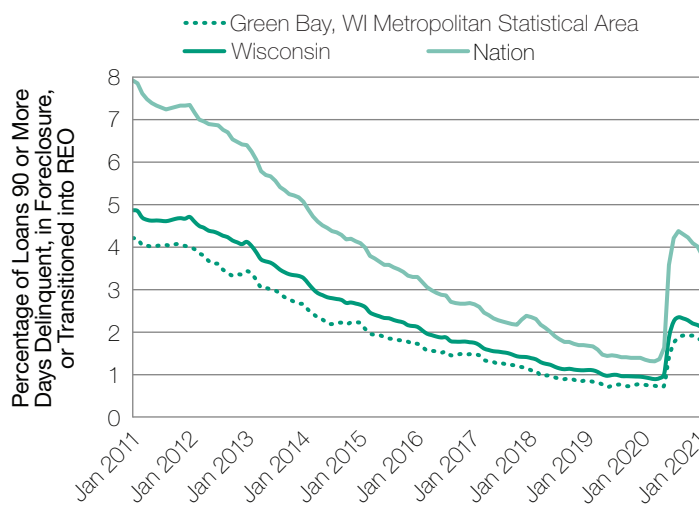
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New and existing home sales in the Green Bay metropolitan area have increased since early 2020.



Note: Sales are for single-family homes, townhomes, and condominiums.
Source: Zonda, with adjustments by the analyst

The rate of seriously delinquent mortgages and REO properties has increased in the Green Bay metropolitan area during the past year but is lower than the rate for Wisconsin and the nation.



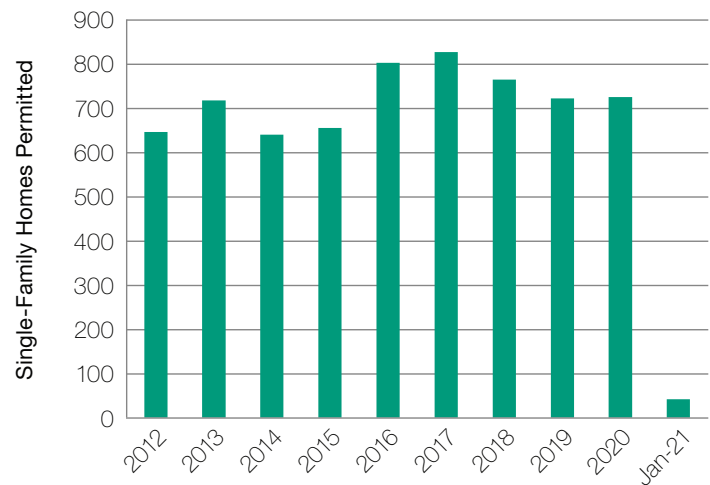
REO = real estate owned.
Source: CoreLogic, Inc.

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New home construction activity, as measured by the number of homes permitted, has increased from levels in the late 2000s and early 2010s but remains at relatively low levels compared with construction activity during the early to mid-2000s.

- The number of single-family homes permitted totaled 730 during the 12 months ending January 2020—relatively unchanged from the number of homes permitted during the previous 12 months (preliminary data, with estimates by the analyst). The current level of single-family homebuilding is 52 percent higher than the low of 480 homes permitted during 2011.
- Single-family homebuilding averaged 720 homes permitted annually from 2012 through 2019—higher than the average of 570 homes permitted from 2008 through 2011 but substantially below the average of 1,825 homes permitted from 2000 through 2007.
- Homebuilding in Brown County has accounted for nearly 80 percent of new single-family construction in the metropolitan area since 2012. The mixed-use, master-planned Centennial Centre at Hobart, 5 miles west of the city of Green Bay, is one of the largest development projects; eight construction phases have occurred since 2009. The most recent phase includes 250 residential lots being developed at the Cobblestone at Centennial Centre, Fieldstone Estates, and Woodfield Prairie subdivisions, with lot prices starting at \$79,000.

New single-family home construction in the Green Bay metropolitan area has moderated following a recent high in 2017.



Note: Includes preliminary data from January 2020 through January 2021.

Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

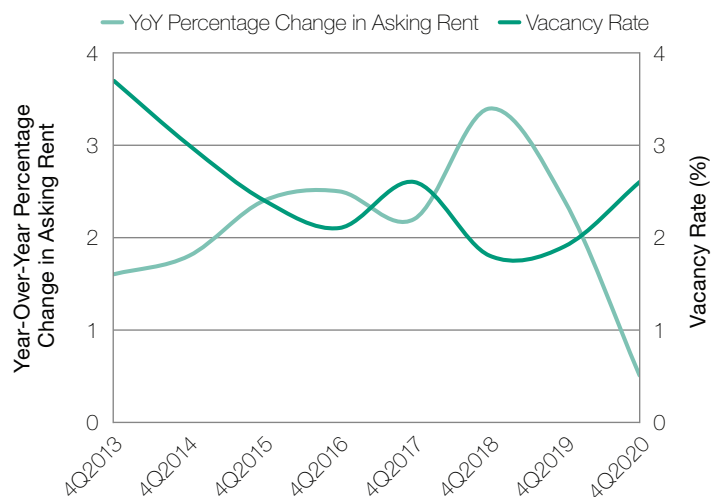
- In the Titledown District of Green Bay, construction was completed in 2020 on the TitledownHomes development, which features 54 three-bedroom luxury townhomes ranging from 2,333 to 2,857 square feet, with prices starting in the low \$700,000s.

Rental Market Conditions

Rental housing market conditions in the Green Bay metropolitan area are currently slightly tight and have tightened since 2010, when the market was soft. Moderate levels of multifamily construction and increased numbers of renter households since 2010 have contributed to current tighter market conditions.

- The estimated vacancy rate for all rental units (including single-family homes, mobile homes, and apartments) was 4.1 percent as of February 1, 2021—a decline from 9.4 percent in 2010.
- The apartment market, which represents 70 percent of all rental units, is slightly tight, with a 2.6-percent vacancy rate during the fourth quarter of 2020—up from 1.9 percent a year earlier but substantially below the recent high of 4.2 percent during the fourth quarter of 2012 (Moody's Analytics REIS). The apartment vacancy rate remains relatively low because of a modest decline in the number of units completed since the end of 2018.
- The average rent for an apartment was \$758 in the fourth quarter of 2020, relatively unchanged from a year earlier. By

Apartment vacancy rates in the Green Bay metropolitan area have increased since late 2019 and have contributed to a slowdown in rent growth.



4Q = fourth quarter. YoY = year-over-year.

Source: Moody's Analytics REIS

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comparison, from 2012 through 2019, the average monthly rent in the metropolitan area rose more than 2 percent annually.

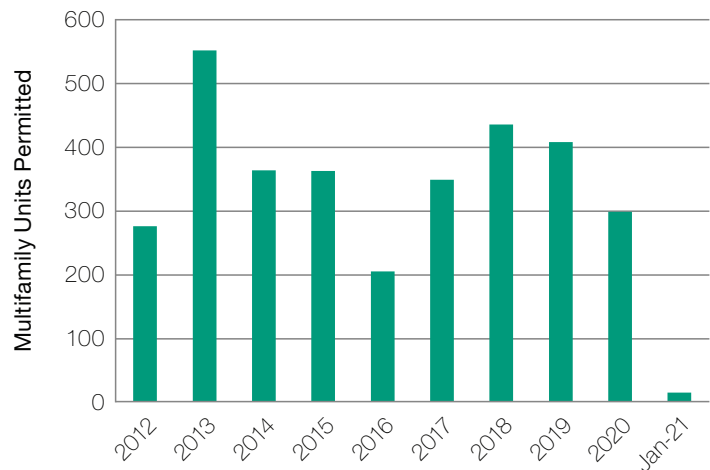
- Single-family rentals constitute approximately 28 percent of the rental housing supply in the Green Bay metropolitan area. The vacancy rate for professionally managed single-family home rentals was 1.5 percent in January 2021—a slight decline from 1.6 percent a year earlier—and the average rent for a single-family home rose 21 percent, to \$1,164 (CoreLogic, Inc.).

Multifamily home construction activity, as measured by the number of multifamily units permitted, has decreased along with a slowdown in economic activity in the metropolitan area, and the number of multifamily units permitted is down substantially from the recent high in 2018.

- During the 12 months ending January 2021, approximately 280 multifamily units were permitted, compared with 340 units permitted a year earlier (preliminary data).
- Multifamily permitting averaged 390 units a year from 2011 through 2015 and then slowed to a recent low of 200 units permitted in 2016.
- Subsequently, multifamily construction increased, reaching a high of 440 units permitted in 2018; however, construction activity has declined since then.
- Nearly all apartment units built in the metropolitan area since 2010 were in Brown County, which includes the city of Green Bay. Broadway Lofts is a recently completed

development, featuring 107 apartments, of which 85 percent are for tenants making up to 80 percent of the area median income. The development offers one-, two-, and three-bedroom units, with rents ranging from \$500 to \$1,400. TitledownFlats is a 150-unit apartment complex currently under construction that will feature studio and one-, two-, and three-bedroom units. Completion is scheduled for late 2021, and rents are yet to be announced.

Multifamily home construction in the Green Bay metropolitan area has fluctuated during the past decade but has declined steadily since 2018.



Note: Includes preliminary data from January 2020 through January 2021.
Source: U.S. Census Bureau, Building Permits Survey