

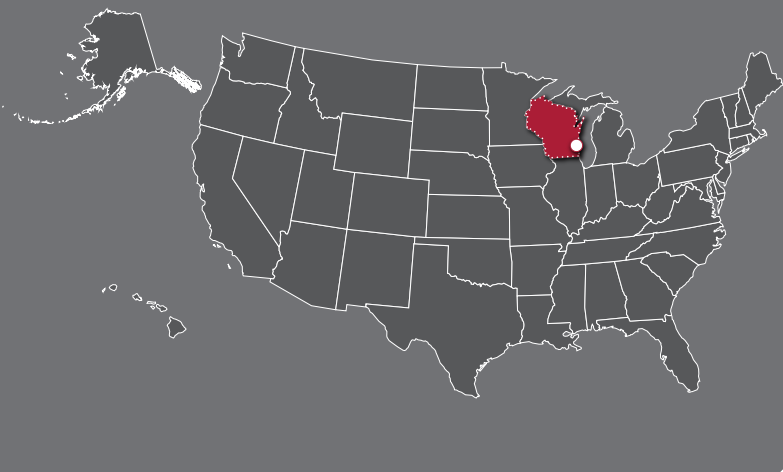
HUD PD&R Housing Market Profiles

Milwaukee-Waukesha, Wisconsin



Quick Facts About Milwaukee

- Current sales market conditions: tight
- Current apartment market conditions: balanced
- In 2024, 372 vessels passed through the Port of Milwaukee with 2.23 million tons of freight valued at \$3.78 billion (Port Milwaukee).



Milwaukee, Wisconsin

By [Marissa Dolin](#) | As of October 1, 2025

Overview

The Milwaukee-Waukesha Metropolitan Statistical Area (hereafter, Milwaukee metropolitan area), on the western shore of Lake Michigan, is coterminous with Milwaukee, Waukesha, Ozaukee, and Washington Counties. Historically a center for manufacturing, the education and health services and the professional and business services sectors are currently the largest nonfarm payroll sectors in the metropolitan area. The inventory of homes for sale has been below 2 months since 2020, contributing to tight home sales market conditions. Apartment completions were elevated during the past 12 months, contributing to a shift from tight apartment market conditions earlier in the 2020s to currently balanced conditions.

- As of October 1, 2025, the population of the metropolitan area is estimated at 1.56 million. From 2020 to 2021, the population declined by an average of 8,875, or 0.6 percent, annually, and from 2021 through the current date, the population increased by an estimated average of 3,725, or 0.2 percent, annually.
- Net natural increase averaged 1,425 from 2020 to 2021 and increased to 1,800 people from 2021 to current.

continued on page 2



PD&R

continued from page 1

Net out-migration averaged 10,300 people from 2020 to 2021 and shifted to net in-migration, averaging 1,925 annually from 2021 to the current date.

- Waukesha County is the fastest growing county in the metropolitan area, with a population of 417,000 as of mid-2024, increasing by an average of 2,600 people, or 0.6 percent, annually from 2021 to 2024. Milwaukee

County is the most populous county, with a population of 924,700 as of 2024, up by an average of fewer than 100 people, or less than 0.1 percent, annually from 2021 to 2024. Lower levels of net international in-migration are likely to have occurred in 2025, contributing to slower population growth in Waukesha County and population decline in Milwaukee County from 2024 to the current date.

Economic Conditions

Economic conditions in the Milwaukee metropolitan area weakened during the past year. Nonfarm payrolls declined to an average of 865,100 jobs during the 3 months ending August 2025, down by 4,500 jobs, or 0.5 percent, from a year earlier. The decline is the first year-over-year decline in jobs in the 3 months ending August since 2020, and more than offset the gain of 1,300 jobs, or 0.1 percent, during the previous year. By comparison, nonfarm payrolls in the state of Wisconsin and in the Great Lakes Region increased by 23,300 and 228,00 jobs, or 0.8 percent and 0.9 percent, respectively, during the same period. In the years prior to the 2020 recession, job growth in the metropolitan area averaged 5,600 jobs, or 0.6 percent, annually from the 3 months ending August 2016 to the 3 months ending August 2018 and slowed to a year-over-year gain of 1,000 jobs, or 0.1 percent, in the 3 months ending August 2019.

As of the 3 months ending August 2025—

- The largest job loss occurred in the leisure and hospitality sector, down by 4,600 jobs, or 5.2 percent, from a year earlier. The year-over-year decline in the sector was the first decline in the 3 months ending August since 2020. The sector exceeded the pre-2020 recession high a year ago, supported by one-time special events like the 2024 Republican National Convention, which had an economic impact of \$321.5 million and generated 3,450 jobs. The recent decline shifted payrolls below the prerecession peak. Attendance at the Wisconsin State Fair, held annually in August, was down from a year ago, and attendance at the Summerfest music festival, held annually in June and July, was below prepandemic levels.

continued on page 3

Nonfarm payrolls decreased compared with a year ago as of the 3 months ending August 2025 in both the goods-producing and the service-providing sectors in the Milwaukee metropolitan area.

	3 Months Ending		Year-Over-Year Change	
	August 2024 (Thousands)	August 2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	869.6	865.1	-4.5	-0.5
Goods-Producing Sectors	152.1	151.0	-1.1	-0.7
Mining, Logging, & Construction	39.6	39.7	0.1	0.3
Manufacturing	112.5	111.3	-1.2	-1.1
Service-Providing Sectors	717.5	714.1	-3.4	-0.5
Wholesale & Retail Trade	114.8	112.3	-2.5	-2.2
Transportation & Utilities	32.4	33.1	0.7	2.2
Information	11.1	11.2	0.1	0.9
Financial Activities	48.9	48.9	0.0	0.0
Professional & Business Services	122.4	120.7	-1.7	-1.4
Education & Health Services	176.5	182.0	5.5	3.1
Leisure & Hospitality	87.8	83.2	-4.6	-5.2
Other Services	44.2	44.4	0.2	0.5
Government	79.5	78.4	-1.1	-1.4
Unemployment Rate	3.6%	3.7%		

Source: U.S. Bureau of Labor Statistics

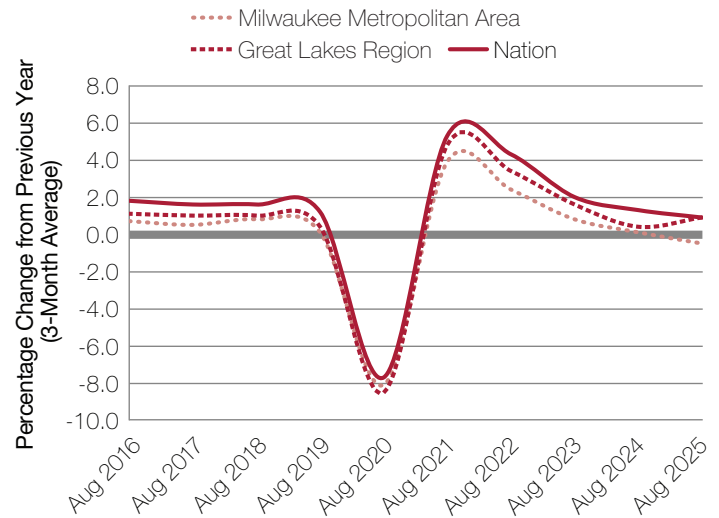


continued from page 2

- Partially offsetting losses in other sectors, the education and health services sector had the largest increase in jobs, expanding by 5,500 jobs, or 3.1 percent. The gain is the largest year-over-year increase in the sector in more than 10 years.
- Businesses that rely heavily on water, many of which are in the manufacturing sector, are highly concentrated in the metropolitan area. In September 2025, Microbial Discovery Group LLC opened a 117,000-square-foot, \$30 million facility in Franklin that is expected to create 45 new jobs. Despite the corporate expansion, the manufacturing sector declined year over year, decreasing by 1,200 jobs, or 1.1 percent, becoming the third consecutive year-over-year decline.
- The unemployment rate increased slightly to 3.7 percent, up from 3.6 percent a year earlier. Resident employment and the labor force both declined from a year ago, but resident employment declined faster, contributing to the rise in the unemployment rate.

Data centers supporting artificial intelligence (AI) computing are currently planned for suburban areas in and immediately outside the metropolitan area. A partnership between OpenAI, Oracle, and Vantage Data Centers announced a plan to build a \$15 billion data center in Port Washington, a suburb in Ozaukee County, approximately 27 miles north of downtown Milwaukee. The project is expected to support 4,000 construction jobs and 1,000 long-term jobs upon completion in 2028. In mid-2025, Microsoft announced an additional \$4 billion investment, following a 2024 announcement of a \$3.3 billion investment in technology education in southeastern Wisconsin and the construction of a data center in Mount Pleasant, a suburb in Racine County, approximately 25 miles south of downtown Milwaukee. The data center in Mount Pleasant is expected to open in 2026 and support 3,000 construction jobs. The Microsoft-funded AI

In contrast to gains in the Great Lakes Region and the nation, nonfarm payrolls in the Milwaukee metropolitan area declined year over year as of the 3 months ending August 2025.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Milwaukee Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Advocate Health	Education & Health Services	32,000
Froedtert & Community Health	Education & Health Services	14,900
Ascension Wisconsin/Wheaton Franciscan Healthcare	Education & Health Services	10,300

Note: Excludes all government employers.

Source: Milwaukee County

Co-Innovation Lab at the University of Wisconsin-Milwaukee opened in June 2025. The lab is intended to train workers at small businesses on how to use AI to increase productivity.

Sales Market Conditions

The home sales market is tight but easing from a year earlier. An ongoing low inventory of homes for sale has placed upward pressure on home prices, contributing to tight conditions. Since 2020, the inventory of homes for sale has been below 2.0 months, with the inventory as of September 2025 at 1.7 months, up from 1.6 months a year earlier and a low of 1.3 months in September 2022. Coinciding with the slight increase in inventory, home price growth moderated to 6 percent, slowing from a 9-percent gain during the previous year; however, price growth is well above the 4-percent average annual increase from 2015 through 2019, when conditions were closer to balanced. Mortgage interest rates have also fallen during the past year to an average of 6.7 percent during the 12 months ending

September 2025, down from 6.9 percent a year ago. The decline has incentivized home sales, with sales rising 4 percent to 20,800 during the 12 months ending September 2025. However, sales are well below the 2021 high of 30,400, when interest rates averaged 3.0 percent.

As of the 12 months ending September 2025—

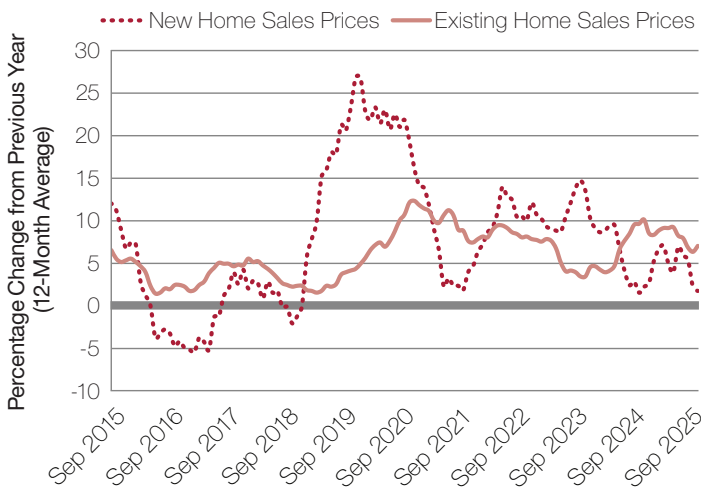
- New home prices averaged \$501,200, up 2 percent annually during each of the past 2 years and much slower than the average gain of 10 percent annually from 2020 to 2023.
- New home sales fell to 260 homes, down 31 percent from the previous 12 months and the fourth year-over-year decline. New home sales peaked at 800 homes in 2021.

continued on page 4

continued from page 3

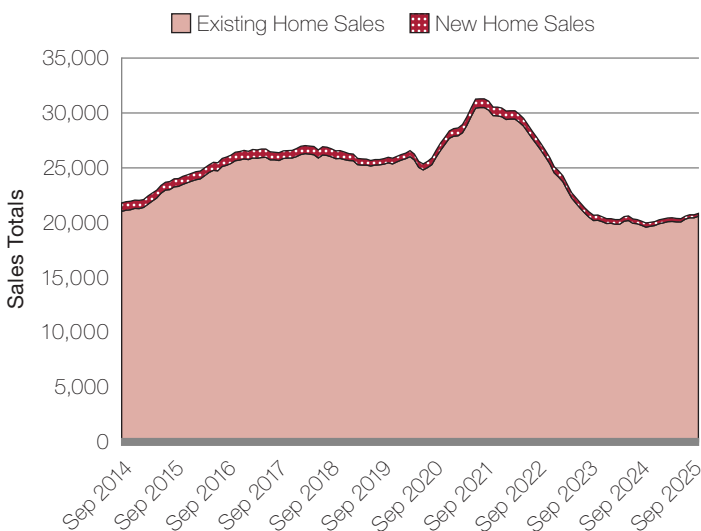
- Existing home prices rose 7 percent to \$353,500, slowing from a 10-percent gain a year earlier. Price growth averaged 9 percent annually from 2020 through 2022 and slowed to 5 percent in 2023, coinciding with the rise in mortgage interest rates.
- Existing home sales increased to 20,550, up 5 percent from the previous 12 months, the first September year-over-year

Existing home sales prices have increased faster than new home sales prices in the Milwaukee metropolitan area since mid-2024.



Note: Includes single-family homes, townhomes, and condominiums.
Source: Cotality

Existing home sales increased year-over-year, but new home sales, which were 1 percent of total home sales in the Milwaukee metropolitan area, declined as of the 12 months ending September 2025.



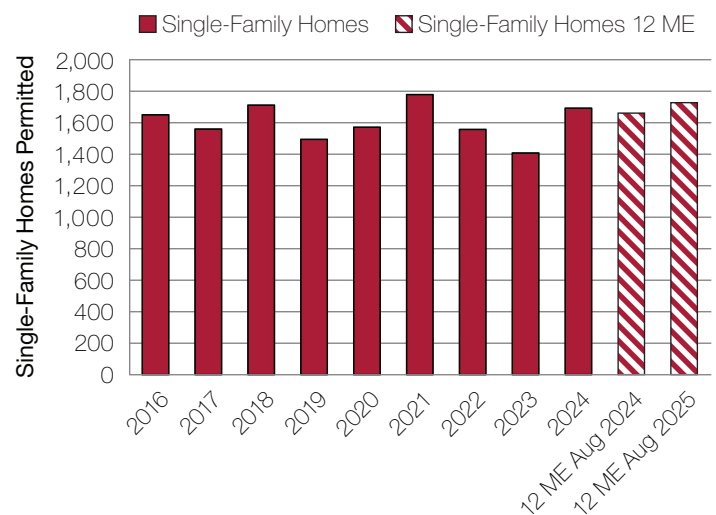
Note: Includes single-family homes, townhomes, and condominiums.
Source: Cotality

increase since the 12 months ending September 2021; however, existing home sales are well below the peak of 29,600 homes sold in 2021.

In response to strengthening home prices and the ongoing low inventory of homes for sale, the number of single-family homes permitted increased during the past 12 months.

- Single-family construction, as measured by the number of homes permitted, increased to 1,725 as of the 12 months ending August 2025, up from 1,650 homes during the previous 12 months. Permitting was at a recent high of 1,775 in 2021, coinciding with the peak in new home sales and lower mortgage interest rates.
- Single-family construction is concentrated in Waukesha County, the county west of Milwaukee County and the second most populous in the metropolitan area. Permitting increased to 980 homes during the 12 months ending August 2025, up from 950 homes during the previous 12 months.
- The Towns at Fox River Falls subdivision in Menomonee Falls, a suburb in Waukesha County, currently has 3 homes of a 32-lot section under construction. Each home is listed at \$470,000 and is expected to be complete in early 2026. An additional 11 homes in the subdivision have already been sold, and the remaining lots are available for future development.

As of the 12 months ending August 2025, single-family permitting in the Milwaukee metropolitan area increased from the previous 12-month period.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

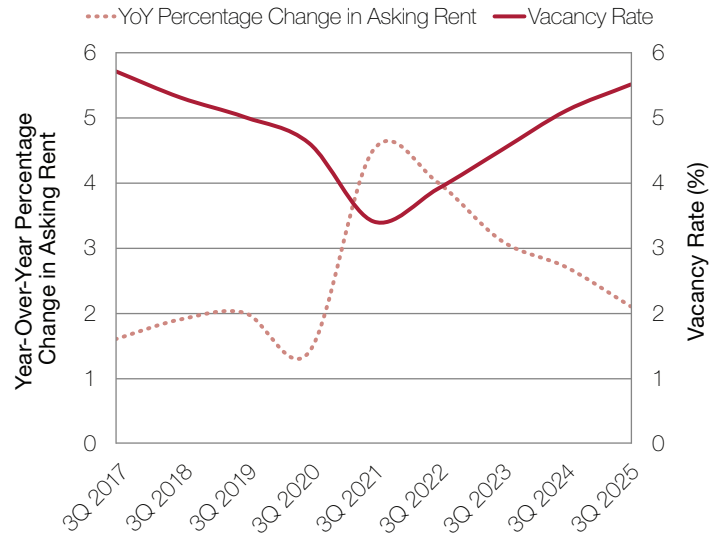
Apartment Market Conditions

Apartment market conditions in the Milwaukee metropolitan area are balanced, a shift from tight conditions earlier in the 2020s. Rent growth has moderated during the past year and is currently near levels from the late 2010s, when market conditions were also balanced. The apartment vacancy rate has risen each year since the 2021 low, when conditions were very tight, and is currently similar to the rate during the late 2010s. An increase in the number of apartments completed during the 12 months ending September 2025 contributed to the shift from tight to balanced conditions, with 4,150 units entering the market, up from an average of 3,200 units annually during the previous 3 12-month periods (CoStar Group). As of the third quarter of 2025, the number of units under construction declined to 2,975, down from 4,200 units a year earlier.

Single-family homes and townhomes listed for rent through a multiple listing service (MLS) are a subset of the 35 percent of rental units in the metropolitan area that are not apartments (2024 American Community Survey 1-year data, CoStar Group, and estimates by the analyst). Rent growth has slowed for these units, and the vacancy rate has been relatively low during the past 5 years. The average rent for a three-bedroom unit was \$2,281 as of September 2025, up 2 percent from a year ago, following a slowdown from the 8-percent average annual increase during the previous 3 years (Cotality). The September vacancy rate for all sizes of units listed for rent through the MLS was 2.1 percent in 2025, unchanged since 2021 and slightly below the September 2020 rate of 2.2 percent.

- The average apartment rent was \$1,422 as of the third quarter of 2025, up 2 percent from a year ago and slowing from a 3-percent year-over-year increase during the previous 2 years (CoStar Group).
- The apartment vacancy rate was 5.5 percent as of the third quarter of 2025, up from 5.1 percent a year ago and a recent low of 3.4 percent in 2021. During the third quarters of 2017 through 2019, the vacancy rate ranged from 5.0 percent to 5.7 percent.
- The downtown Milwaukee submarket led absorption among all submarkets in the metropolitan area, with 680 units absorbed during the 12 months ending September 2025. Absorption exceeded the 580 units completed, contributing to a decline in the vacancy rate to 8.4 percent as of the third quarter of 2025, down from 9.3 percent a year earlier. The average rent in the submarket increased 1 percent annually during each of the past 2 years to \$1,664 as of the third quarter of 2025.

Rent growth has been slowing, and the vacancy rate has been rising in the Milwaukee metropolitan area since the third quarter of 2022.



3Q = third quarter. YoY = year-over-year.
Source: CoStar Group

- The Eastern Waukesha County submarket had the most units completed, with 1,025 units during the 12 months ending September 2025, shifting the submarket from tight to balanced conditions. The average rent increased 3 percent from a year ago to \$1,066 as of the third quarter of 2025, slowing from a 4-percent gain during the previous year, and the vacancy rate increased to 5.1 percent, up from 3.3 percent a year earlier.

In response to weaker economic conditions compared with a year ago, multifamily construction, as measured by the number of units permitted, declined during the most recent 12 months.

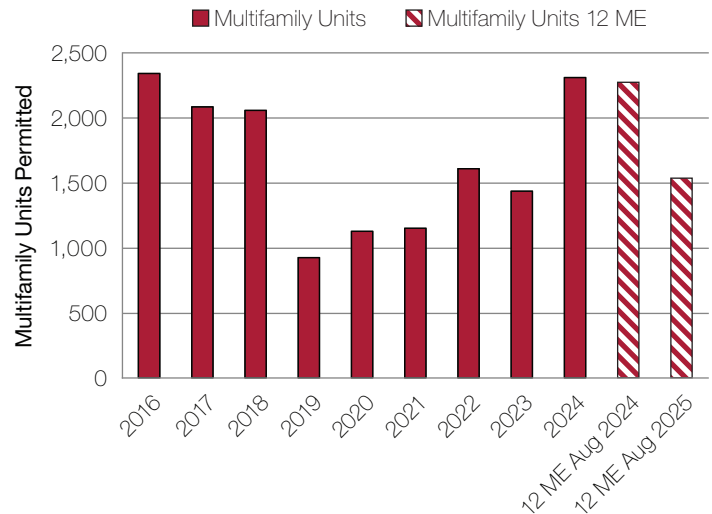
- Multifamily construction declined to 1,525 units permitted during the 12 months ending August 2025, down from 2,275 units permitted during the previous 12-month period. The decline was primarily in the suburban counties of Waukesha, Washington, and Ozaukee Counties, with permitting falling by 850, 90, and 80 units, respectively. An increase of 270 units permitted in Milwaukee County, primarily concentrated in the suburbs of West Allis, Oak Creek, and Brown Deer, partially offset the decline.
- In 2024, permitting was at the highest level since 2016, with 2,300 units permitted. Permitting during the 2019-through-2023 period was lower, averaging 1,250 units annually, and an average of 2,150 units were permitted annually from 2016 through 2018.

continued on page 6

continued from page 5

- An increase in permitting in Waukesha County supported the elevated level of permitting in 2024, with 910 units permitted compared with an average of 430 units permitted annually from 2019 through 2023. Permitting in Milwaukee County, which typically has the largest share of multifamily permitting, was also above average in 2024, with 820 units permitted, compared with an average of 610 units annually from 2019 through 2023.
- In downtown Milwaukee, the 261-unit Evoni apartments opened earlier in 2025. Rents for studio and one-, two-, and three-bedroom units average \$1,835, \$2,464, \$3,511, and \$4,650, respectively.
- Poplar Creek Town Center, a 5-building, 436-unit apartment property, began construction in the Waukesha County suburb of Brookfield in 2022, with 2 buildings opening each year in 2024 and 2025. The fifth building is under construction and expected to open in 2027. Rents at the property range from \$1,439 for the smallest studios to \$3,767 for the largest 3-bedroom units.

As of the 12 months ending August 2025, multifamily permitting in the Milwaukee metropolitan area decreased from the previous 12-month period.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016-24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned (REO) sales.
Home Sales/Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Stabilized	A property is stabilized once the occupancy rate has reached 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
----	--