

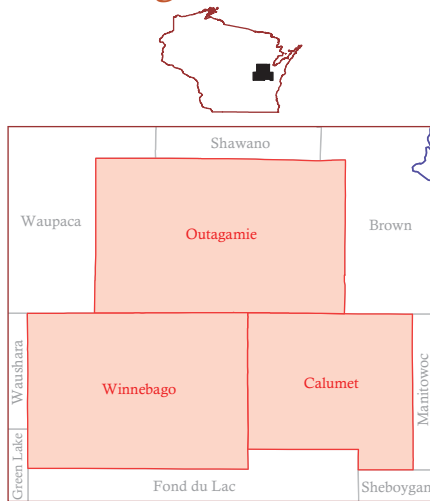


# Appleton-Oshkosh-Neenah, Wisconsin

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of September 1, 2017



## Housing Market Area



The Appleton-Oshkosh-Neenah Housing Market Area (hereafter, Appleton HMA) is on the northern shore of Lake Winnebago along the Fox River, approximately 40 miles south of Green Bay, Wisconsin, and 100 miles northwest of Milwaukee. It is coterminous with the Appleton-Oshkosh-Neenah, WI Combined Statistical Area, which consists of Calumet, Outagamie, and Winnebago Counties. Historically an industrial area, the HMA is known as a major paper and military vehicle manufacturer. The HMA is also notable for dairy production, with 82,700 cows producing 2.23 billion pounds of milk in 2016 (Wisconsin 2016 Agricultural Statistics).

## Market Details

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## Summary

### Economy

Following the 2009 local economic downturn, economic conditions in the Appleton HMA have been relatively strong since 2010, although nonfarm payroll growth decelerated recently. During the 12 months ending August 2017, nonfarm payrolls increased by 3,200 jobs, or 1.5 percent, to 223,800 compared with a 3,700-job, or 1.7-percent, increase during the same period 1 year earlier. Recent payroll growth has been widespread among the sectors with the only significant decline in the manufacturing sector. During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 3,300 jobs, or 1.5 percent, annually.

### Sales Market

The sales housing market in the HMA is currently balanced, with an estimated 1.2-percent vacancy rate, down from 1.9 percent in April 2010. During the 12 months ending June 2017, growth of new and existing home sales and the average home sales price slowed to 4 percent, each from 8 percent during the previous year. During the forecast period, demand is estimated for 3,450 new homes (Table 1).

The 300 homes currently under construction in the HMA likely will satisfy some of the demand.

### Rental Market

The rental housing market in the HMA is currently balanced, with an estimated vacancy rate of 5.5 percent, down from 6.7 percent in 2010 when conditions were soft. Since 2010, increased demand for rental units and low levels of multi-family construction contributed to an improvement in the rental market. During the forecast period, demand is estimated for 2,050 new market-rate rental units (Table 1). The 420 units currently under construction likely will satisfy some of the demand.

**Table 1. Housing Demand in the Appleton HMA\* During the Forecast Period**

	Appleton HMA*	
	Sales Units	Rental Units
Total demand	3,450	2,050
Under construction	300	420

\* Appleton-Oshkosh-Neenah HMA.  
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of September 1, 2017. The forecast period is September 1, 2017, to September 1, 2020.  
 Source: Estimates by analyst

# Economic Conditions

Access to multiple water sources helped the Appleton HMA develop into a major paper manufacturer in the 1850s. Kimberly Clark Corp., a consumer paper product manufacturer, was founded in 1872 in the city of Neenah and is one of the largest employers in the HMA with 3,200 employees (Table 2). Historical origins in paper production support the manufacturing sector, which dominates the local economy, with 45,500 jobs, or 20 percent of all nonfarm payroll jobs in the HMA (Figure 1). The current share of manufacturing jobs is lower than the 46,600 jobs, or 23-percent share, in 2003 because of several periods of job losses.

In 2004, the manufacturing sector contracted and payrolls declined by 200 jobs, or 0.4 percent. In part, 220 layoffs at P.H. Glatfelter Co. paper mill, in preparation for its closure in 2006, caused job losses in the manufacturing sector. From 2005 through 2008, the manufacturing sector grew by an average of 200 jobs, or 0.4 percent, annually with job gains in all but 1 year. The closure of a Kimberly Clark plant that laid off 260 workers primarily caused a 100-job decline in 2007. In 2009, the local economy contracted, and the manufacturing sector declined by 2,400 jobs, or 5.1 percent. Part of the decline was a result of the NewPage Investment Company LLC paper mill laying off 570 workers when it closed in late 2008 in the village of Kimberly. Following this loss, manufacturing sector jobs increased by an average of 900, or 1.9 percent, annually from 2010 through 2012, before declining by 1,300 jobs, or 2.7 percent, to 46,000 in 2013. Although National Envelope Corporation, a stationery product manufacturer, eliminated 310 jobs, the largest loss during the period, of 700 jobs, occurred at the Oshkosh Corporation, which designs and builds military vehicles. From 2014 through 2016, payrolls in the sector were relatively unchanged before declining by 700 jobs, or 1.5 percent, during the 12 months ending August 2017, to 45,500 jobs. Sector payrolls are currently 4 percent below the recent peak of 47,300 jobs in 2012.

In contrast to the manufacturing sector, total nonfarm payrolls in the HMA have increased in all but 1 year since 2003. Nonfarm payroll growth averaged 1,600 jobs, or 0.7 percent, annually from 2004 through 2008, compared with average annual rates

**Table 2.** Major Employers in the Appleton HMA\*

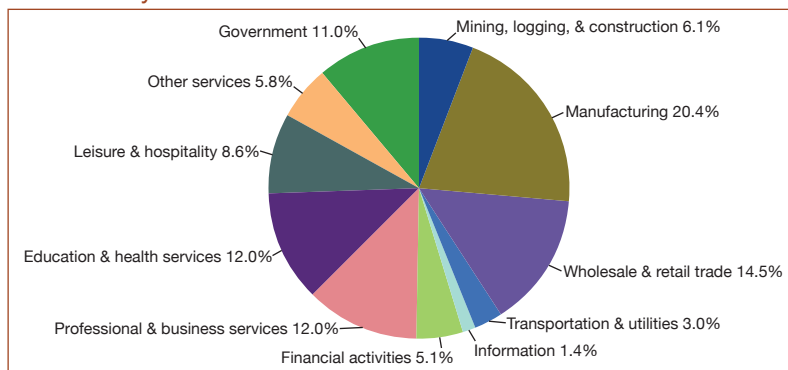
Name of Employer	Nonfarm Payroll Sector	Number of Employees
ThedaCare™	Education & health services	6,800
Oshkosh Corporation (includes Pierce Manufacturing)	Manufacturing	5,125
Affinity Health System	Education & health services	4,300
Kimberly Clark Corp.	Manufacturing	3,200
Plexus Corp.	Manufacturing	2,425
Spectrum Software	Professional & business services	2,000
Thrivent Financial	Financial activities	2,000
Presto Products Company	Manufacturing	1,900
Expera Specialty Solutions	Manufacturing	1,800
Faith Technologies, Inc.	Mining, logging, & construction	1,700

\* Appleton-Oshkosh-Neenah HMA.

Note: Excludes local school districts.

Sources: Fox Cities Regional Partnership Major Employers; Outagamie County Comprehensive Annual Financial Report, 2016; Winnebago County Comprehensive Annual Financial Report, 2016

**Figure 1.** Current Nonfarm Payroll Jobs in the Appleton HMA,\* by Sector



\* Appleton-Oshkosh-Neenah HMA.

Note: Based on 12-month averages through August 2017.

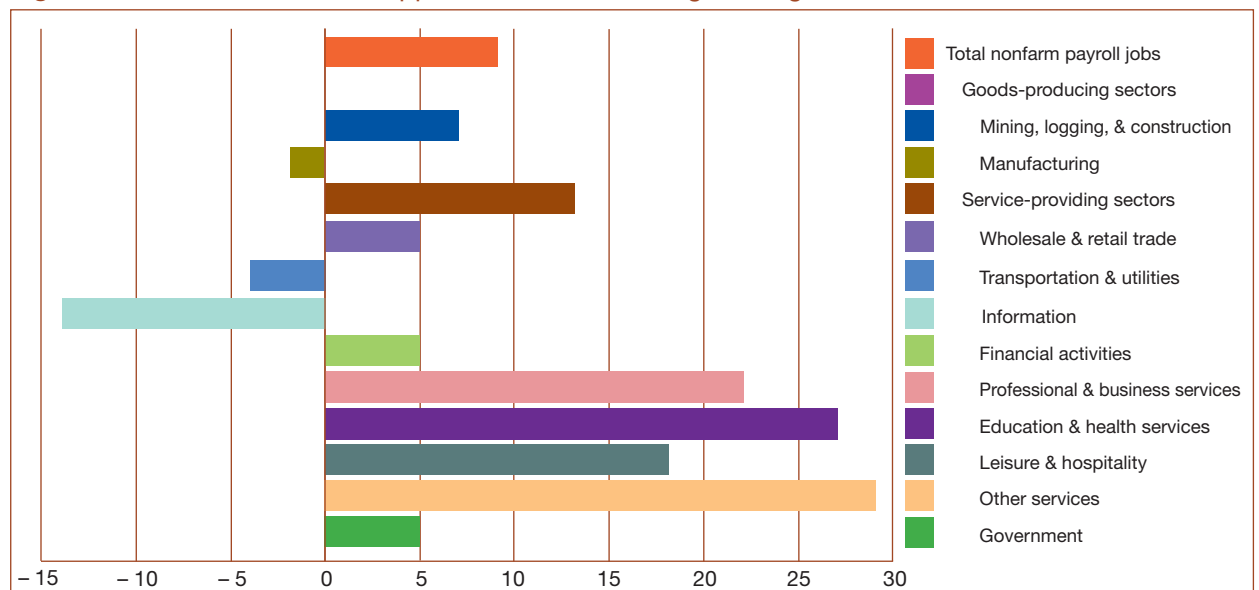
Source: U.S. Bureau of Labor Statistics

of 0.7 and 1.1 percent in Wisconsin and the nation, respectively. More than one-third of overall job growth in the HMA during this time occurred in the education and health services sector, which increased by an average of 600 jobs, or 2.6 percent, a year. Although the Great Recession began in 2007, payrolls in the HMA declined only in 1 year—2009—by an average of 6,500 jobs, or 3.1 percent. The rate of job loss in the HMA was lower than rates in Wisconsin and the nation, which declined an average of 4.2 and 4.3 percent, respectively, in 2009. Although the rate of job loss in the HMA was less pronounced, periods of job gains in the HMA were not as strong as in the nation. During the 1-year local economic downturn, 8 of 11 sectors lost jobs, with the largest losses in the goods-producing sectors. The manufacturing and the mining, logging, and construction sectors accounted for more than 50 percent of the losses in 2009. A reduction in residential construction activity in response to fewer people moving to

the HMA affected the mining, logging, and construction sector, which declined by 900 jobs, or 7.7 percent, in 2009. Following the economic contraction, nonfarm payroll growth in the HMA averaged 1,900 jobs, or 0.9 percent, annually from 2010 through 2015, with increases in nearly every sector, and the total number of jobs exceeded the 2008 high by mid-2014. From 2010 through 2015, payrolls in Wisconsin grew at the same 0.9-percent annual rate as the HMA but below the nation, which rose an average of 1.3 percent annually.

The education and health services sector has been one of the fastest growing payroll sectors and has provided a steady source of job growth in the HMA since 2003. Jobs in the sector increased by 7,300, or 27 percent, since 2003, the largest numerical increase in the HMA during the period (Figure 2). New facilities at ThedaCare™, the largest employer in the HMA, contributed to job growth, including the new Children's Hospital of Wisconsin-Fox

**Figure 2. Sector Growth in the Appleton HMA,\* Percentage Change, 2003 to Current**



\* Appleton-Oshkosh-Neenah HMA.

Notes: Current is based on 12-month averages through August 2017. During this period, the goods-producing sectors showed no net change.

Source: U.S. Bureau of Labor Statistics

Valley in Neenah in 2002 and an 8-story, 112-bed tower addition at ThedaCare Regional Medical Center-Appleton in 2010. Since 2003, payrolls contracted only once by 800 jobs, or 3.2 percent, in 2011. The education and health services sector is currently tied with the professional and business services sector as the third largest employment sectors in the HMA at 26,900 jobs each; it was the fifth largest sector in 2003.

During the 12 months ending August 2017, nonfarm payrolls in the HMA increased by an average of 3,200 jobs,

or 1.5 percent, to 223,800, compared with a 3,700-job, or 1.7-percent, increase during the same period a year earlier (Table 3). The mining, logging, and construction and the education and health services sectors each added 900 jobs, or 7.1 and 3.5 percent, respectively, the largest increases of any sectors. Gains in the mining, logging, and construction sector were partly the result of a downtown campus expansion by Outagamie County to include a \$30.6 million, 87,000-square-foot enlargement of the justice center and the Health and Human Services building and the construction of a new sheriff office. The entire project is expected to be complete by May 2019; the number of expected new jobs has not been announced. Additional job growth in the sector is also the result of the restoration and repurposing of several abandoned paper mills and other manufacturing sites into residential and nonresidential structures. During the 12 months ending August 2017, losses of 100 jobs each in the information and the leisure and hospitality sectors to 3,100 and 19,300 jobs, or 3.1 and 0.5 percent, respectively, partially offset gains in most sectors. Jobs in the information sector have decreased faster than any other sector since 2003, mostly because of declines in the telecommunications industry. The unemployment rate in the HMA fell to an average of 3.2 percent during the 12 months ending August 2017, down from 3.7 percent during the previous year and well below the recent peak of 8.0 percent in 2009 (Figure 3). The unemployment rate in the HMA has generally trended below the national average since 2003.

Economic expansion is anticipated to continue in the HMA. During the 3-year forecast period, nonfarm

**Table 3. 12-Month Average Nonfarm Payroll Jobs in the Appleton HMA,\* by Sector**

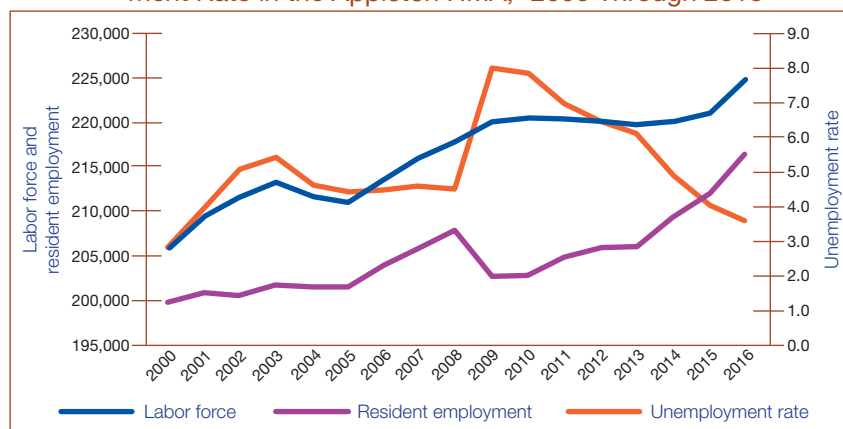
	12 Months Ending		Absolute Change	Percent Change
	August 2016	August 2017		
Total nonfarm payroll jobs	220,600	223,800	3,200	1.5
Goods-producing sectors	58,900	59,200	300	0.5
Mining, logging, & construction	12,700	13,600	900	7.1
Manufacturing	46,200	45,500	- 700	- 1.5
Service-providing sectors	161,700	164,600	2,900	1.8
Wholesale & retail trade	32,200	32,500	300	0.9
Transportation & utilities	6,700	6,800	100	1.5
Information	3,200	3,100	- 100	- 3.1
Financial activities	11,300	11,400	100	0.9
Professional & business services	26,200	26,900	700	2.7
Education & health services	26,000	26,900	900	3.5
Leisure & hospitality	19,400	19,300	- 100	- 0.5
Other services	12,700	13,000	300	2.4
Government	24,100	24,700	600	2.5

\* Appleton-Oshkosh-Neenah HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through August 2016 and August 2017.

Source: U.S. Bureau of Labor Statistics

**Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Appleton HMA,\* 2000 Through 2016**



\* Appleton-Oshkosh-Neenah HMA.

Source: U.S. Bureau of Labor Statistics

payroll growth is expected to average 3,300 jobs, or 1.5 percent, annually. Growth in the economy is expected to be higher in the first year of the forecast period and moderate through the third year. Job growth is likely to remain strongest in the mining, logging, and construction and the education and health services sectors. The leisure and hospitality sector is expected to benefit from the completion of several large projects during the next 3 years. The \$12 million Courtyard by Marriott hotel plans to open in the city of Appleton in September 2017. On the former plant site of Consolidated Paper Company and M-I Drilling Fluids LLC, the 97-room hotel will be the first stand-alone

commercial building at the River-Heath mixed-use community. The \$31.9 million, Fox Cities Exhibition Center in the city of Appleton is expected to be complete in January 2018 and will have 30,000 square feet of indoor exhibition space and 17,000 square feet of outdoor plaza space. In the manufacturing sector, an Oshkosh Corporation subsidiary, Oshkosh Defense, LLC, was awarded several government contracts, including a \$36.1 million contract for 148 Family of Medium Tactical Vehicles (FMTV) in addition to the 1,065 FMTV vehicles previously ordered, with a value of \$260.1 million. The number of jobs to be added and a completion date are unknown.

## Population and Households

As of September 1, 2017, the population of the Appleton HMA is estimated at 408,100. Approximately 45 and 42 percent of the population resides in Outagamie and Winnebago Counties, respectively, which include the cities of Appleton, Neenah, and Oshkosh. The remaining population resides in Calumet County, where approximately 70 percent of the land is used for agricultural purposes (2012 Census of Agriculture, USDA).

Population in the HMA has grown at a slower rate since 2010 compared with the early to mid-2000s. From 2003 to 2008, when the economy in the HMA recorded net job gains and housing prices were relatively low, population growth in the HMA averaged 3,100 people, or 0.8 percent, annually (Wisconsin Department of Administration Demographic Services Center, with

adjustments by the analyst). Net in-migration averaged 1,000 people a year and accounted for 32 percent of population growth. Net in-migration during the period was mainly from neighboring Fond du Lac County, where job growth was slower, despite the Appleton HMA having approximately 10 percent higher home sales prices (Internal Revenue Service tax return data). Reduced job growth and the impact of the national housing crisis beginning in 2007 caused population growth in the HMA to decelerate to an average of 1,725 people, or 0.4 percent, annually, from 2008 to 2010. Net natural increase (resident births minus resident deaths) accounted for all population growth during this period, because net out-migration averaged 300 people a year. Out-migration was mostly to the

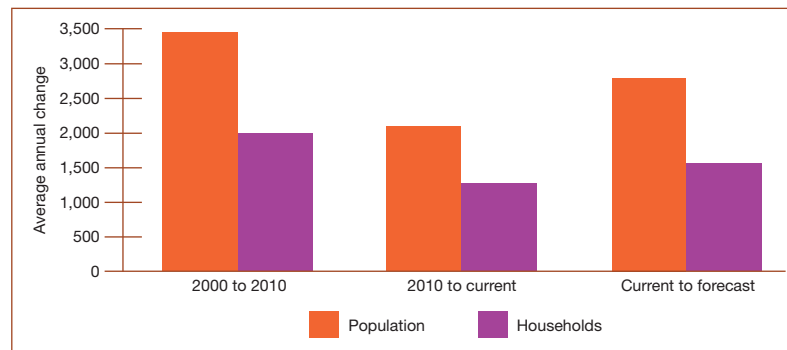
Population and Households *Continued*

larger cities of Madison and Milwaukee, where relatively greater employment opportunities were expected. Despite improving economic conditions in the HMA beginning in 2010, population growth from 2010 to 2013 slowed further to an average 1,375 people, or 0.4 percent, annually, because net out-migration increased to 400 people a year. Net out-migration continued primarily to the cities of Madison and Milwaukee, where job growth was larger. Since 2013,

population growth in the HMA has increased to an average 2,625 people, or 0.7 percent, a year. As the economy strengthened further and payroll growth accelerated, net in-migration to the HMA resumed at an average pace of 1,125 a year, accounting for 43 percent of population growth. The proportion of the working age population has remained relatively stable since 2013 at 63 percent, while the retiree portion of the population, age 65 and older, increased from 13 to 15 percent (2016 American Community Survey [ACS] 1-year estimates). Job growth is expected to continue during the next 3 years, supported by increased labor force participation and increased net in-migration during the 3-year forecast period, with the population of the HMA expected to increase by an average of 2,800, or 0.7 percent, annually, to 416,500 (Figure 4). Figure 5 shows the components of population change in the HMA from 2000 to the forecast date.

Household growth in the HMA generally mirrored population growth, with higher rates in the early and mid-2000s that slowed in the late 2000s. From 2000 through 2010, the number of households increased from 136,600 to 156,100, an average annual increase of 1,950, or 1.3 percent. The number of households in the HMA is currently estimated at 165,350, an average annual increase of 1,250, or 0.8 percent, since April 2010. During the forecast period, the number of households is expected to increase by an average of 1,550, or 0.9 percent, annually. Figure 6 depicts the number of households by tenure from 2000 through the current date.

**Figure 4. Population and Household Growth in the Appleton HMA,\* 2000 to Forecast**

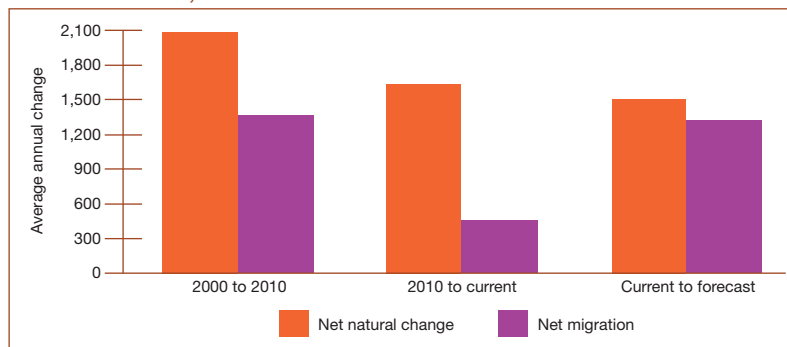


\* Appleton-Oshkosh-Neenah HMA.

Notes: The current date is September 1, 2017. The forecast date is September 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

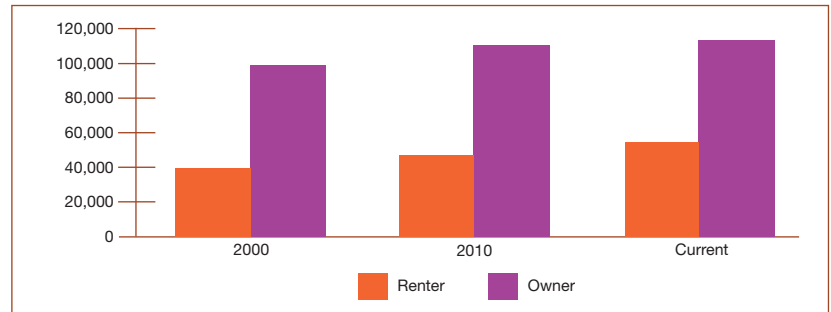
**Figure 5. Components of Population Change in the Appleton HMA,\* 2000 to Forecast**



\* Appleton-Oshkosh-Neenah HMA.

Notes: The current date is September 1, 2017. The forecast date is September 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 6.** Number of Households by Tenure in the Appleton HMA,\* 2000 to Current

\* Appleton-Oshkosh-Neenah HMA.

Note: The current date is September 1, 2017.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Sales Market

The sales housing market in the Appleton HMA is balanced, and market conditions have improved since the housing market downturn that occurred from 2008 through 2011. The estimated sales vacancy rate is currently 1.2 percent, down from 1.9 percent in April 2010. The decline in the vacancy rate resulted from improved economic conditions that enabled more households to purchase homes in the relatively lower-priced HMA. Lower levels of home construction since the late 2000s also contributed to fewer vacant homes for sale. In addition, the local market has fared better than the nation since the national housing crisis, because of a lower rate of seriously delinquent mortgage loans (loans that are 90 or more days delinquent or in foreclosure) and real estate owned (REO) properties since 2010. In April 2010, 4.1 percent of mortgages were seriously delinquent or had transitioned into REO status compared with 5.0 and 8.2 percent for Wisconsin and the nation, respectively (CoreLogic, Inc.). As of June 2017,

the rate of seriously delinquent loans and REO properties in the HMA declined to 1.2 percent compared with rates of 1.5 and 2.3 percent for Wisconsin and the nation, respectively. Despite the relatively moderate impact of the national housing crisis in the HMA, the homeownership rate has decreased 2.5 percentage points since 2010 to 67.9 percent, because of greater renter household growth (Table DP-1 at the end of this report).

During the local housing market downturn from 2008 through 2011, an average of 5,325 new and existing single-family homes, townhomes, and condominiums sold annually in the HMA (CoreLogic, Inc., with adjustments by the analyst). The number of homes sold was down 33 percent from an average of 7,975 homes sold annually from 2000 through 2007, when the market was strong. The decline in sales reflected reductions in regular resale and new home sales of 3,125 and 110, or 43 and 18 percent, respectively. Growth in REO home sales partly offset reductions in regular sales. REO purchases rose as the market

## Housing Market Trends

### Sales Market *Continued*

weakened, from an average of 90 homes sold annually from 2000 through 2007 to an average of 530 homes sold annually from 2008 through 2011.

Nearly 2 years after the local economic downturn, the sales market began to improve in 2012; however, home sales in the HMA remain below the average levels during the early to mid-2000s. From 2012 through 2015, new and existing home sales increased to an average of 6,350 a year, partly supported by a gain of 1,025 regular resales annually, or 25 percent, which more than offset a reduction of 60 REO sales annually, or 10 percent compared with 2008 through 2011. Total home sales continued to rise during the 12 months ending June 2017, to 6,700 homes, a 4-percent increase from the previous year. Regular resales were up by 560 homes, or 9 percent, from a year earlier, offsetting declines in REO and new home sales of 90 and 60 homes, or 33 and 13 percent, respectively.

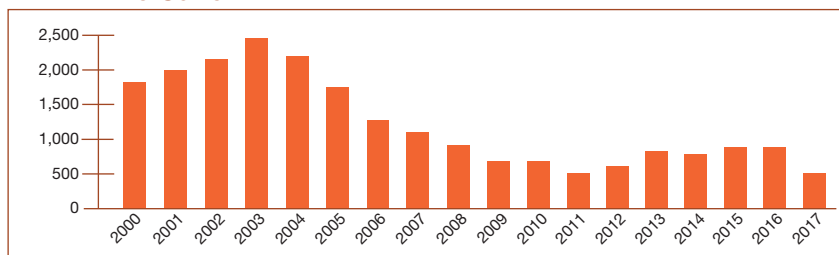
The average new and existing home sales price rose 4 percent during the 12 months ending June 2017, to \$167,600, a slightly higher rate than the average 3-percent annual growth during the previous 5 years. The current home sales price in the HMA is 21 percent greater than the \$138,500 averaged during the local housing market downturn from 2008 through 2011,

when an elevated level of REO sales negatively affected the average sales price in the HMA, and 16 percent above the average \$144,300 previous peak reached in 2007. The current average sales price in the HMA is 3 percent lower than the average home sales price in Wisconsin.

Homebuilding activity, as measured by the number of single-family homes permitted, has risen in the HMA since 2012 but remains at a low level compared with the early to mid-2000s when population growth was higher. From 2000 through 2003, an average of 2,100 single-family homes were permitted annually, before permitting declined each subsequent year to 900 homes in 2008 (Figure 7). From 2009 through 2011, the number of homes permitted decreased further to an average of 620 homes a year in response to the local economic contraction and housing market downturn. Although the sales housing market improved from 2012 through 2015, permitting remained low throughout the period, increasing to an average of 770 homes permitted annually. During the 12 months ending August 2017, 690 homes were permitted compared with 630 homes permitted the previous year (preliminary data).

Nearly 50 percent of single-family home construction since 2012 has occurred in Outagamie County. Single-family development in the HMA has expanded beyond the city of Appleton to former farmland in the town of Greenville in Outagamie County, 9 miles northwest of downtown Appleton. One of the newest developments in the town of Greenville is Towering Pines, a 70- to 80-lot subdivision. Construction began in 2016 and is divided into 4 phases, with 20 to 25 lots in each phase. Prices start at

**Figure 7.** Single-Family Homes Permitted in the Appleton HMA,\* 2000 to Current



\* Appleton-Oshkosh-Neenah HMA.

Notes: Includes townhomes. Current includes data through August 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst



## Housing Market Trends

### Sales Market *Continued*

\$274,900 for a three-bedroom, two-bathroom home. Another significant development in Outagamie County is the Cedars at Kimberly in the Village of Kimberly, 5 miles northeast of the city of Appleton. Approximately 9 acres of the former 90-acre NewPage paper mill site that closed in 2008 is currently being redeveloped. Along the Fox River, the development will feature 46 condominium duplexes in addition to 24 townhomes for sale. Prices are estimated to range from \$235,000 to \$275,000 for 1,500- to

2,000-square-foot homes. In addition to the duplexes and townhomes, the Cedars at Kimberly master plan includes apartments, office centers, stores, restaurants, and a hotel. The project is expected to be complete in the next 15 years.

During the next 3 years, demand is expected for an estimated 3,450 new homes in the HMA as the population is expected to increase as a result of higher in-migration (Table 1). Demand is expected to be lower during the second and third years of the 3-year forecast period as economic and population growth moderates. The 300 homes currently under construction likely will satisfy a small proportion of the estimated demand during the forecast period. Demand is expected to be strongest in the \$200,000-to-\$299,999 price range. Table 4 shows the estimated demand for market-rate sales housing by price range.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Appleton HMA\* During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
130,000	199,999	520	15.0
200,000	299,999	1,725	50.0
300,000	399,999	860	25.0
400,000	and higher	350	10.0

\* Appleton-Oshkosh-Neenah HMA.

Notes: The 300 homes currently under construction in the HMA will likely satisfy some of the forecast demand. The forecast period is September 1, 2017, to September 1, 2020.

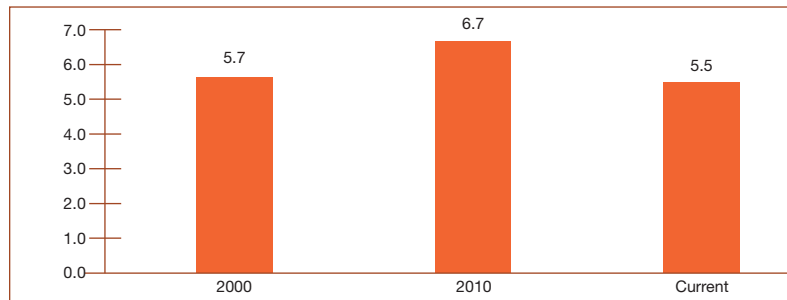
Source: Estimates by analyst

## Rental Market

Rental housing market conditions are currently balanced in the Appleton HMA. The estimated vacancy rate for all rental units (including single-family homes, mobile homes, and apartments) is estimated at 5.5 percent, down from

6.7 percent in April 2010 (Figure 8). Rental market conditions have improved since 2010 because of lower levels of apartment development, compared with the early 2000s, and greater renter household growth.

**Figure 8.** Rental Vacancy Rates in the Appleton HMA,\* 2000 to Current



\* Appleton-Oshkosh-Neenah HMA.

Note: The current date is September 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

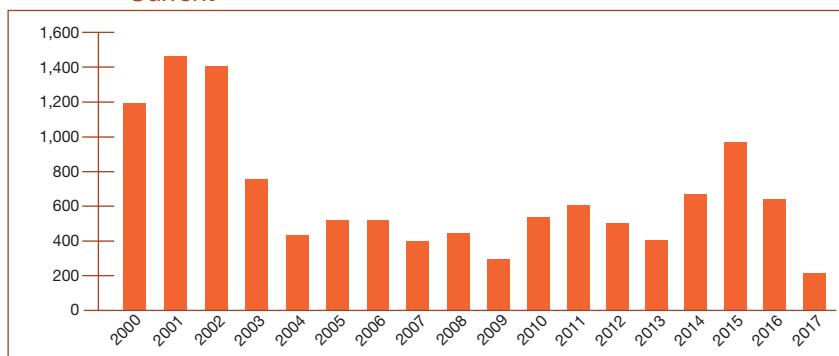
Approximately 52 percent of renter households in the HMA live in single-family homes, duplexes, multifamily properties with three or four units, and mobile homes (2016 ACS 1-year data). The vacancy rate for single-family homes in Outagamie and Winnebago Counties was 1.9 percent in June 2017, down from 2.3 percent in June 2012 (CoreLogic, Inc.). Average rents for single-family homes increased an average of 1 percent a year since 2012 to \$890.

Multifamily buildings with five or more units, typically apartments, accounted for 48 percent of all occupied rental units in the HMA in 2016. Of those occupied apartment units, 51 percent are in Winnebago County, 43 percent in Outagamie County, and the remaining 6 percent in Calumet County, the most rural of the three counties. Apartment market conditions in the HMA are currently tight, because demand exceeds supply, leading to decreased vacancy levels and increased average rents. After the most recent peak of 5.7 percent in 2009, the apartment vacancy rate in the HMA generally declined every year from 2010 to 2015 from 4.5 to 2.2 percent, partly as a result of improved economic conditions, increased net in-migration, and lower levels of multifamily construction (Reis, Inc.). During the same period, the average monthly rent for an apartment increased an average of 2 percent a year to \$690. The apartment vacancy rate was 2.5 percent during the second quarter of 2017, down from 2.7 percent during the second quarter of 2016. The average apartment rent increased 1 percent to \$711 during the same time. The average monthly apartment rents by the number of bedrooms were \$574, \$619, \$737, and \$885 for

studio, one-, two-, and three-bedroom units, respectively, during the second quarter of 2017. The average rent for units built after 2009 was \$946, and the vacancy rate was higher than the overall apartment market at 4.2 percent. The tightest segment of the HMA apartment market was for units built from 1980 through 1989, which has a vacancy rate of 1.9 percent and an average rent of \$639.

Multifamily construction activity, as measured by the number of multifamily units permitted, generally has been higher since 2010, but the level remains low compared with the early 2000s. From 2000 through 2002, multifamily permitting averaged 1,350 units a year before decreasing to an average of 470 units a year from 2003 through 2009. The number of multifamily units permitted increased to an average of 610 units annually from 2010 through 2015, when economic and rental market conditions strengthened considerably. Multifamily permitting during the 12 months ending August 2017 indicate an increase in construction to 750 multifamily units permitted, up from the 670 during the previous 12-month period (preliminary estimates). Figure 9 shows the number of multifamily units permitted in the HMA from 2000 through the current date.

**Figure 9.** Multifamily Units Permitted in the Appleton HMA,\* 2000 to Current



\* Appleton-Oshkosh-Neenah HMA.

Notes: Excludes townhomes. Current includes data through August 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Similar to single-family home construction, nearly 60 percent of apartment development since 2010 occurred in Outagamie County. Apartment construction in the city of Appleton is primarily adjacent to the Fox River, barely south and east of the downtown area. The RiverHeath community, on the former Consolidated Paper and M-I Drilling plant site, consists of two apartment complexes—the

40-unit Prairie Apartments, which opened October 2016, and the 32-unit Evergreen Apartments, which opened in June 2014. Monthly rents start at \$1,200, \$1,650, and \$2,700 for one-, two-, and three-bedroom units, respectively, at both of the properties. Construction of the third residential building is expected to begin in 2018. The growing retiree population has also affected the rental market, and projects currently under construction include luxury developments intended for retirees. Approximately 4 properties with 200 apartments and assisted-living units for seniors are currently under construction in the HMA. Across the Fox River from the RiverHeath community and nearer to downtown Appleton, the \$21 million Eagle Point senior living facility is currently under construction and will feature 99 independent and assisted living units. The project is on a 7.5-acre site of the former Foremost Farms USA dairy plant and is scheduled for completion in June 2018; proposed asking rents have not yet been released. In addition, the Grand View Townhomes, a 40-unit affordable townhome-style community

in Grand Chute, will consist of one-, two-, and three-bedroom units with rents ranging from \$300 to \$1,400. Construction on the project is expected to be complete in October 2017. In the city of Neenah, construction is under way at the \$14 million, 184-unit Pendleton Park on redeveloped farmland. When the project is completed in 2018, the property will feature two-bedroom units, with rents ranging from \$895 to \$1,250.

During the next 3 years, demand is estimated for 2,050 new market-rate rental units in the HMA (Table 1). Similar to the sales market, demand is expected to peak in the first year and level off in the second and third years of the 3-year forecast period, as economic growth and net in-migration moderate. The 420 units currently under construction, which will be complete in the first and second years of the forecast period, will meet a portion of the expected rental housing demand. Table 5 shows the forecast demand for new market-rate rental housing in the HMA by rent level and number of bedrooms.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Appleton HMA\* During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
700 to 899	180	725 to 924	200	2,300 to 2,499	370
900 to 1,099	310	925 to 1,124	460	2,500 or more	40
1,100 or more	120	1,125 or more	360		
<b>Total</b>	<b>610</b>	<b>Total</b>	<b>1,025</b>	<b>Total</b>	<b>410</b>

\* Appleton-Oshkosh-Neenah HMA.

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 420 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2017, to September 1, 2020.

Source: Estimates by analyst

# Data Profile

**Table DP-1. Appleton HMA\* Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	200,103	203,098	220,000	0.1	1.2
Unemployment rate	2.9%	7.8%	3.2%		
Nonfarm payroll jobs	207,800	207,800	223,800	0.0	1.1
Total population	358,365	392,660	408,100	0.9	0.5
Total households	136,597	156,098	165,350	1.3	0.8
Owner households	97,395	109,840	112,300	1.2	0.3
Percent owner	71.3%	70.4%	67.9%		
Renter households	39,202	46,258	53,050	1.7	1.9
Percent renter	28.7%	29.6%	32.1%		
Total housing units	143,093	166,173	174,000	1.5	0.6
Owner vacancy rate	1.1%	1.9%	1.2%		
Rental vacancy rate	5.7%	6.7%	5.5%		

\* Appleton-Oshkosh-Neenah HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through August 2017. The current date is September 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 9/1/2017—Estimates by the analyst  
 Forecast period: 9/1/2017–9/1/2020—Estimates  
 by the analyst

The combined statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to [huduser.gov/publications/pdf/CMARtables\\_Appleton\\_Oshkosh\\_NeenahWI\\_17.pdf](http://huduser.gov/publications/pdf/CMARtables_Appleton_Oshkosh_NeenahWI_17.pdf).

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).