The COVID-19 pandemic has resulted in unprecedented large and rapid changes in many data series, and similarly unprecedented large policy responses, making analysis of, and longer run predictions for, the economy and housing markets exceptionally difficult and uncertain. HUD will continue to monitor market conditions in the HMA and provide an updated report/addendum in the future.
Executive Summary

Housing Market Area Description

The Milwaukee-Waukesha, Wisconsin Housing Market Area (hereafter Milwaukee HMA) consists of four counties: Milwaukee County, which is the central county, and the three suburban counties of Ozaukee, Washington, and Waukesha. The HMA is coterminous with the Milwaukee-Waukesha, Wisconsin Metropolitan Statistical Area (MSA), is the largest metropolitan area in Wisconsin, and is home to approximately one-fourth of the population in the state.

The current HMA population is estimated at 1.58 million.

The industries of economic significance in the HMA include manufacturing and healthcare. In the HMA, the nationally recognized brands of Miller Brewing Company (currently owned by Molson Coors Beverage Co. [hereafter, Molson Coors]) and Harley-Davidson, Inc. have production facilities and corporate offices. The corporate headquarters for Kohl’s Corporation department stores, Northwestern Mutual Life Insurance Company, and Fiserv, Inc.—a financial services technology company—help diversify the local economy.

Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R’s Market-at-a-Glance tool. Additional data for the HMA can be found in the supplemental tables of this report. For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.
**Market Qualifiers**

**Economy**

**Weak:** Average nonfarm payrolls during the 12 months ending October 2020 were down by 44,300 jobs, or 5.1 percent, from a year ago.

Economic conditions have weakened since March 2020, mostly because of measures taken to limit the spread of COVID-19, but payrolls had been declining since 2019. During the period of economic expansion from 2011 through 2018, jobs grew by an average of 8,300, or 1.0 percent, annually. During the 3-year forecast period, payrolls are expected to grow an average of 1.2 percent annually—nearing, but not fully recovering from, the number of jobs lost earlier in 2020. The completion of current expansion projects at the Port of Milwaukee and job growth—after the public health crisis subsides—at businesses that rely on in-person interactions are expected to contribute to the economic recovery.

**Sales Market**

**Slightly Tight:** The average home sales price during the 12 months ending October 2020 increased 13 percent compared with a year ago.

The recent increase in the average home sales price was the largest year-over-year increase in more than 15 years. A reduction in distressed home sales, partially because of provisions in the CARES Act, and a low inventory of homes for sale contributed to a 3-percent decline in home sales during the most recent 12 months. For context, from 2017 to 2019, home prices increased an average of 4 percent annually and home sales declined an average of 3 percent annually. During the forecast period, demand is expected for an additional 4,825 for-sale housing units. The 660 units under construction are expected to meet a portion of demand. The most demand is anticipated in Ozaukee, Washington, and Waukesha Counties, where population growth has been stronger and more developable land is available.

**Rental Market**

**Balanced:** During the third quarter of 2020, the apartment vacancy rate was 3.2 percent, an increase of 0.4 percentage point from a year earlier.

The supply of rental units is currently meeting demand, partially because of elevated rental unit construction, which averaged 2,750 annually from 2013 through 2018. Nearly one-fourth of the new units were built in downtown Milwaukee. Weaker economic conditions since March 2020 have led to fewer households being able to pay rent and have contributed to the rise in the apartment vacancy rate. During the forecast period, demand for an additional 4,450 rental units is expected. The 2,200 units under construction are expected to meet a portion of demand. The increase in telework in recent months has reduced the advantages of downtown living, and demand is expected to be more disbursed throughout the HMA.

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### 3-Year Housing Demand Forecast

<table>
<thead>
<tr>
<th></th>
<th>Sales Units HMA Total</th>
<th>Rental HMA Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milwaukee HMA</td>
<td>4,825</td>
<td>4,450</td>
</tr>
<tr>
<td>Total Demand</td>
<td>4,825</td>
<td>4,450</td>
</tr>
<tr>
<td>Under Construction</td>
<td>660</td>
<td>2,200</td>
</tr>
</tbody>
</table>

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of November 1, 2020. The forecast period is November 1, 2020, to November 1, 2023. Source: Estimates by the analyst.
Economic Conditions

Largest Sector: Education and Health Services

Economic conditions have improved during the 3 months ending October 2020 compared with the second quarter of 2020, when measures to limit the spread of COVID-19 were stricter. Economic conditions in October 2020 have improved from the April 2020 low, when payrolls were down 12.8 percent from February 2020; however, October 2020 payrolls remain 5.5 percent below the February 2020 level (not seasonally adjusted). For context, in 2017, 2018, and 2019, the number of jobs in October increased an average of 2 percent compared with February of the same year.

Primary Local Economic Factors

The city of Milwaukee, on the western shore of Lake Michigan, was founded and grew because of job opportunities in the manufacturing sector. Industries within the manufacturing sector that required large amounts of water—including brewing, leather goods, and metals—thrived in the Milwaukee HMA during the 20th century. As recently as 2005, manufacturing was the largest employment sector in the HMA, with 16 percent of total nonfarm payrolls. The nationally recognized manufacturers in the industries that supported growth in the 20th century, including Harley-Davidson, Inc. and Miller Brewing Company (currently owned by Molson Coors), continue to produce goods in the HMA. Manufacturing sector payrolls overall have declined and currently account for only 14 percent of nonfarm payrolls as other sectors in the HMA expanded (Figure 1).

The education and health services sector became the largest employment sector in 2006 and currently accounts for 20 percent of all jobs in the HMA. The jobs in the healthcare and social assistance industry constitute nearly 70 percent of all jobs in the sector, and healthcare providers make up one-half of the 10 largest private-sector employers in the HMA (Table 1). Job growth in the sector has been a primary factor in economic expansion since 2010, accounting for more than one-third of the jobs gained in the post-Great Recession period of economic growth.
Economic Effects of the COVID-19 Pandemic

Measures taken to limit the spread of COVID-19, which was declared a global pandemic by the World Health Organization on March 11, 2020, have resulted in a sharp reduction in nonfarm payrolls relative to a year ago. Restrictions on in-person interactions were tightest from late March through mid-May 2020, resulting in a severe and sudden loss of jobs. During the second quarter of 2020, nonfarm payrolls were down an average of 97,200 jobs, or 11.1 percent, compared with the same 3-month period a year earlier. Formal restrictions enacted by state and local governments have eased since May, but consumers and employers remained cautious as the number of cases of COVID-19 increased rapidly in Wisconsin during September and October 2020. During the 3 months ending October 2020, average nonfarm payrolls were down by 58,100 jobs, or 6.6 percent, from the same 3-month period a year earlier. The current number of jobs is down in 10 of the 11 nonfarm payroll sectors; the largest reduction occurred in the leisure and hospitality sector, which is down by 18,000 jobs, or 21.7 percent, from a year ago.

Nearly all large events and festivals that were planned for after March 2020 have been canceled. The 2020 Democratic National Convention (DNC), which was initially scheduled for July 2020 and expected to draw an estimated 50,000 attendees from across the country, was moved online. The annual Wisconsin State Fair and the Summerfest music festival, which each draw about 1 million attendees during the multi-week festivals and employ approximately 2,000 seasonal workers each, were canceled. Each of the three events was expected to have an economic impact of $200 million statewide. In addition to the event cancellations, the 11 new hotels—with a combined total of approximately 1,600 rooms—that were built in downtown Milwaukee for the DNC had far-lower-than-expected business. Consumer spending in the HMA at entertainment and recreational businesses was down 60 to 80 percent and spending at restaurants and hotels was down 25 to 33 percent in October 2020 compared with January 2020 (Opportunity Insights).

Time spent at workplaces and time spent in transit were each down 25 to 30 percent in October 2020 compared with January 2020 (Opportunity Insights), affecting businesses serving commuters and the transportation industry. Air Wisconsin Airlines, a regional partner with United Airlines Holdings, Inc., laid off 360 workers, and Progressive Parking Solutions LLC, a parking lot management company, announced a 70-worker layoff in October 2020.

Table 1. Major Private-Sector Employers in the Milwaukee HMA

<table>
<thead>
<tr>
<th>Name of Employer</th>
<th>Nonfarm Payroll Sector</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocate Aurora Health Care Metro Inc.</td>
<td>Education &amp; Health Services</td>
<td>25,700</td>
</tr>
<tr>
<td>Ascension Wisconsin</td>
<td>Education &amp; Health Services</td>
<td>14,500</td>
</tr>
<tr>
<td>Froedtert Health</td>
<td>Education &amp; Health Services</td>
<td>9,700</td>
</tr>
<tr>
<td>The Kroger Company</td>
<td>Wholesale &amp; Retail Trade</td>
<td>8,300</td>
</tr>
<tr>
<td>Kohl’s Corporation</td>
<td>Wholesale &amp; Retail Trade</td>
<td>7,800</td>
</tr>
<tr>
<td>Quad (formerly Quad/Graphics, Inc.)</td>
<td>Manufacturing</td>
<td>6,800</td>
</tr>
<tr>
<td>GE Healthcare</td>
<td>Manufacturing</td>
<td>6,000</td>
</tr>
<tr>
<td>Medical College of Wisconsin</td>
<td>Education &amp; Health Services</td>
<td>5,500</td>
</tr>
<tr>
<td>Northwestern Mutual</td>
<td>Financial Activities</td>
<td>5,000</td>
</tr>
<tr>
<td>ProHealth Care, Inc.</td>
<td>Education &amp; Health Services</td>
<td>4,800</td>
</tr>
</tbody>
</table>

Note: Excludes all state and local governments.
Source: Milwaukee 7 Regional Economic Partnership

Comprehensive Housing Market Analysis Milwaukee-Waukesha, Wisconsin
U.S. Department of Housing and Urban Development, Office of Policy Development and Research
Current Conditions—Nonfarm Payrolls

Payrolls declined during the most recent 12 months, reflecting changes to the economy that were both related and unrelated to the pandemic. Total nonfarm payrolls during the 12 months ending October 2020—which include 7 months of reporting since measures to limit the spread of COVID-19 were enacted and 5 months before—averaged 830,300 jobs, down by 44,300, or 5.1 percent, from the 12 months ending October 2019 (Table 2).

Jobs in the manufacturing sector had the second largest decline, after the leisure and hospitality sector, during the most recent 12 months. Manufacturing sector payrolls averaged 113,300 jobs, down by 6,900 jobs, or 5.7 percent, from a year earlier. Those losses were concentrated in the durable goods industries, which were down by 5,900 jobs, or 7.4 percent, from a year ago. In June 2020, a Briggs & Stratton Corporation facility, which produces lawn mowers, and GE Healthcare, a medical equipment manufacturer, announced layoffs, affecting a combined 470 workers. The nondurable goods industries, which include food and beverage manufacturing, had a slower decline, down by 1,000 jobs, or 2.5 percent, during the 12 months ending October 2020.

The mining, logging, and construction sector was the only sector to add jobs, up by 900, or 2.7 percent. Large construction projects moved forward in the Harbor District area of Milwaukee—which includes the Port of Milwaukee—and contributed to the gain. The $100 million, multi-phase River One mixed-use development, anchored by an office for Michels Corporation, broke ground more than a year ago. In September 2020, Komatsu Mining Corp. broke ground on a $285 million headquarters and manufacturing building, also in the Harbor District. When complete in 2022, those two companies are expected to move 1,800 employees to the area. These projects, along with relatively steady housing construction, supported gains in the sector.

Current Conditions—Unemployment

The average unemployment rate is up from a year ago, with much of the increase attributed to the weaker economic conditions since March 2020. During the 12 months ending October 2020, the unemployment rate averaged 6.9 percent, well above the 3.4-percent rate...
during the previous 12 months; that rate is the highest 12-month average rate since early 2014, when the economy was still in recovery from the Great Recession (Figure 2).

During the last full week of October 2020, approximately 35,300 residents of the HMA filed a continued unemployment claim with the state of Wisconsin, indicating that they had been unemployed for more than one week; that number is up from 6,000 continued claims during the same week in October 2019 (Wisconsin Department of Workforce Development). The number of claims filed in October was down from a high of 85,100 during the second week of May 2020.

Economic Periods of Significance

The 2000s Through the Great Recession

During the earliest and latest years of the 2000s, national recessions weakened the economy of the HMA. Only partial recovery from the previous recession occurred during the mid-2000s because job losses in the manufacturing sector that occurred nearly every year of the decade offset some of the gains in other sectors. The 2000s marked a shift from an economy that fluctuated because of changes in manufacturing employment to an economy supported by growth in the education and health services sector.

After nearly a decade of job growth in the 1990s, nonfarm payrolls reached a high of 874,700 in 2000 (Figure 3). From 2001 through 2003, payrolls declined by an average of 13,200 jobs, or 1.5 percent, annually, with nearly three-fourths of job losses occurring in the manufacturing sector.

A period of payroll growth from 2004 through 2007—which averaged 6,500 jobs, or 0.8 percent, annually—supported a partial recovery. The education and health services sector added the most jobs, accounting for nearly 45 percent of job growth and becoming the largest employment sector in the HMA during 2006. Manufacturing jobs continued to decline from 2004 through 2007 but at a slower rate than during the 2001-through-2003 period. Total nonfarm payrolls in 2007 averaged 861,300, or 13,400 jobs below the historic high in 2000.
Influenced by the Great Recession—from 2008 through 2010—payrolls in the HMA fell by an average of 17,600 jobs, or 2.1 percent, annually. The 808,500 jobs in 2010 represented the fewest jobs in the HMA since 1994. The largest share of losses was in the manufacturing sector, which accounted for nearly 40 percent of jobs lost. The education and health services sector expanded by an average of 2,400 jobs, or 1.7 percent, each year, partially offsetting losses.

The 2010s: Recovery and Expansion from the Great Recession

The 2010s were a period of economic recovery and expansion. Nonfarm payroll growth in the HMA averaged 8,300 jobs, or 1.0 percent, annually from 2011 through 2018. Total nonfarm payrolls surpassed 2007 levels in 2016, 2 years after the nation met a similar milestone in economic recovery. Job growth in the HMA continued through 2018, matching the 2000 historic high in 2018. The education and health services sector led job growth, and all but 3 of the 11 sectors added jobs from 2011 through 2018 (Figure 4). The period of expansion ended in 2018, and payrolls declined modestly in 2019.

The manufacturing sector reversed the trend of declines that occurred during the 2000s, adding jobs during 6 of the 8 years from 2011 through 2018. Job gains in the sector averaged 700, or 0.6 percent, annually during the 8-year period.
Jobs by ZIP Code

In the Milwaukee HMA, jobs are concentrated in Milwaukee County, specifically in downtown Milwaukee and areas west of downtown proximate to Interstate 94. The 53202 ZIP Code—which corresponds to the central business district of downtown Milwaukee—had the largest concentration of jobs, with 54,000 jobs in 2018 (Map 3). About one-half of the jobs in the ZIP Code are in industries such as finance and insurance; professional, scientific, and technical services; and management of companies and enterprises, which have temporarily transitioned most employees to telework since March 2020. An additional 15 percent of jobs in the downtown ZIP Code are in industries such as accommodation and food services, arts, entertainment, and recreation, which are dependent on in-person interaction.

Some industries tend to be concentrated within specific parts of the HMA. The 53226 ZIP Code—which corresponds to the city of Wauwatosa and includes the MRMC campus—had the second highest concentration of jobs, with 41,400. Nearly 40 percent of the jobs in the Wauwatosa ZIP Code were in the healthcare and social assistance industry. The 53051, 53188, and 53151 ZIP Codes—all in eastern or central Waukesha County—had the highest concentration of manufacturing jobs, with 5,500 to 7,500 manufacturing jobs...
Employment Forecast

During the 3-year forecast period, nonfarm payrolls are expected to make a partial recovery of the jobs lost since 2019. Payroll growth is expected to average 1.2 percent annually, with faster growth in later years of the forecast period. Major construction projects at the Port of Milwaukee will likely support job growth. Those projects include the River One mixed-use office development, the Komatsu Mining Corp. facility, and a $30 million maritime export facility for agricultural commodities—which is expected to begin construction within the next year. Jobs at businesses that rely on in-person interaction are anticipated to increase later in the forecast period as public health concerns ease and consumer spending rises.
Population and Households

Current Population: 1.58 million

Population growth in the Milwaukee HMA tends to be stronger during national recessions and early periods of economic recovery.

Population Trends

Population growth in the Milwaukee HMA is influenced by job growth in the HMA relative to job growth in the nation. Because job growth tends to be slower in the HMA relative to the nation and because local economic recovery tends to lag behind the nation, the number of residents moving out of the HMA has exceeded the number of new residents moving into the HMA, resulting in net out-migration nearly every year since 2000. During periods of stronger national economic expansion, when more job opportunities may be available elsewhere, a larger number of residents leave the HMA. Conversely, when the national economy is weak or during periods of recovery from a recession, net out-migration slows. Net natural increase (resident births minus resident deaths) has offset net out-migration most years since 2000, resulting in population growth in the HMA (Figure 5). Since the Great Recession, however, net natural increase has fallen, slowing population growth and resulting in population decline during years when net out-migration was elevated.

2000 to 2007

Population growth was relatively strong during the early 2000s. Growth averaged 0.4 percent, or 5,850, annually from 2000 to 2003, with average net out-migration of 2,450 people annually, offset by net natural increase; net natural increase averaged 8,300 people annually. Population growth slowed to an average of 0.2 percent, or 2,675, annually from 2003 to 2007 as faster job growth elsewhere accelerated out-migration. Net out-migration increased to an average of 6,000 people annually, but a net natural increase that averaged 8,675 people annually offset the increased out-migration.

2007 to 2018

Limited employment opportunities nationally resulted in fewer residents moving away during and in the years surrounding the Great Recession. From 2007—when the Great Recession began—to 2014—the year national payrolls surpassed the pre-Great Recession peak—the population of the HMA increased an
average of 0.4 percent, or 6,350, annually. Net out-migration was reduced to an average of 1,475 people annually, whereas net natural increase fell to an average of 7,825 people annually. After national economic conditions shifted from recovery to expansion in 2014, net out-migration accelerated; that acceleration resulted in the HMA population declining by an average of 250, or less than 0.1 percent, annually from 2014 to 2018. Net out-migration increased to an average of 6,250 people annually, and net natural increase fell to 6,000 people annually.

2018 to Current
Economic conditions have weakened in recent years, resulting in lower net out-migration. Population growth since 2018 averaged an estimated 0.1 percent, or 1,400, annually, as net out-migration slowed to an estimated average of 3,300 annually. The ongoing decline in net natural increase—combined with the approximately 900 additional deaths attributed to COVID-19 (Wisconsin Department of Health Services)—has further reduced net natural increase to an estimated average of 4,700 annually since 2018.

Age Cohorts and the Birthrate
The decline in net natural increase during the 2010s can be attributed to changing demographics, including a growing senior population and a falling birthrate. The median age of a resident in the HMA in 2010 was 36.9 and increased to 38.2 in 2019 (2010 and 2019 American Community Survey [ACS] 1-year data). The share of residents aged 60 years and older increased from 18 percent of the total population—or approximately 274,000 residents—in 2010 to 22 percent—or 352,400 residents—in 2019 (Figure 6). The birthrate fell from 12.9 births per 1,000 residents in 2011 to 12.0 births per 1,000 residents in 2019 (U.S. Census Bureau, Components of Population Change).

Population Forecast
Population growth for the HMA is expected to fall slightly during the 3-year forecast period relative to estimated growth since 2018. Forecast population growth is expected to average 730, or less than 0.1 percent, annually (Table 3). Weak but improving economic conditions in both the HMA and the nation will likely result in net out-migration near levels from 2018 to the current period, with increasing out-migration in later years of the forecast period as economic conditions improve faster in the nation. Net natural increase will likely decline further as weak economic conditions influence family planning, resulting in fewer births nationally and in the HMA (Brookings Institute). The ongoing public health crisis is expected to result in an above-average number of deaths during the earlier part of the forecast period (Centers for Disease Control).

Figure 6. Population by Age Range in the Milwaukee HMA

Source: U.S. Census Bureau
Population by Geography:
Milwaukee County

Milwaukee County is the largest but slowest growing of the four counties in the HMA. The county has a current estimated population of 943,000, or approximately 60 percent of the total HMA population (Figure 7). The population has declined by less than 0.1 percent, or 450 people, annually since 2010 and is expected to continue to decline during the forecast period. Within the county are both the fastest and slowest growing areas in the HMA. The 10 fastest growing census tracts within the HMA from 2013 to 2018 are all in Milwaukee County, with most near downtown Milwaukee; each of those census tracts had an average population increase of 4 to 7 percent annually (Map 4). The 10 fastest declining census tracts are also all within Milwaukee County, mostly in neighborhoods on the northwest and southwest sides of the city of Milwaukee; each of those census tracts had an average population decline of 4 to 9 percent annually.

Milwaukee County was the only county in the HMA with net out-migration each year since 2010, averaging 5,825 people annually. The most common destinations for people leaving Milwaukee County were the three suburban counties in the HMA: Waukesha, Ozaukee, and Washington (Table 4). Partially offsetting net out-migration to the suburban counties was

### Table 3. Milwaukee HMA Population and Household Quick Facts

<table>
<thead>
<tr>
<th>Quick Facts</th>
<th>2010</th>
<th>Current</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>1,555,908</td>
<td>1,577,000</td>
<td>1,579,000</td>
</tr>
<tr>
<td>Average Annual Change</td>
<td>5,525</td>
<td>2,025</td>
<td>730</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>0.4</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Households</td>
<td>622,087</td>
<td>650,900</td>
<td>657,600</td>
</tr>
<tr>
<td>Average Annual Change</td>
<td>3,450</td>
<td>2,725</td>
<td>2,250</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>0.6</td>
<td>0.4</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (November 1, 2020) to November 1, 2023.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst.

### Figure 7. Current Population in the Milwaukee HMA, by County

Source: Estimates by the analyst
net in-migration from counties in the Chicago-Naperville-Elgin MSA, a nearby area with a higher cost of living (St. Louis Federal Reserve). Cook County, Illinois—which includes the city of Chicago—and the two counties in the MSA closest to the HMA—Lake County, Illinois and Kenosha County, Wisconsin—all had net in-migration into the HMA.

Population by Geography: Suburban Counties
The suburban counties—Ozaukee, Washington, and Waukesha—have grown an average of 0.4 percent, or 2,450, annually since 2010, to a current population of 634,200. The population will likely continue to rise during the forecast period. Net in-migration to the suburban counties has averaged 1,675 annually since 2010. Milwaukee County was the most common previous place of residence, followed by other counties in the HMA, the Chicago-Naperville-Elgin MSA, and southeastern Wisconsin. The fastest growing census tracts in the suburban counties correspond to parts of Mequon in Ozaukee County, Oconomowoc in Waukesha County, and West Bend in Washington County, all of which grew an average of 4 percent annually. One census tract—an area on the south side of the city of Waukesha—declined an average of 3 percent annually, and no tracts in the suburban counties declined more than 3 percent.
Household Trends and Forecast

Household growth in the Milwaukee HMA also slowed in recent years, reflective of slower population growth. From 2000 to 2010, the number of households increased by an average of 3,450, or 0.6 percent, each year. As net natural increase fell throughout the 2010s and as net-out migration was at the highest historic levels in the mid-to-late-2010s, household growth slowed to an average of 2,725, or 0.4 percent, annually since 2010. During the forecast period—consistent with slow population growth in recent years—household growth is expected to average 2,250, or 0.3 percent, annually.

Homeownership Rate

The homeownership rate in the Milwaukee HMA has fallen since 2010. The foreclosure crisis in the early 2010s—which resulted in many households shifting from owning to renting a home—and an increased interest in downtown living—which was mostly met through apartment construction—contributed to the decline. The homeownership rate for the HMA is currently estimated at 58.3 percent, down 2.9 percentage points since 2010 (Figure 8). The rate declined the most in Milwaukee County, where it was already relatively low. In Milwaukee County, the homeownership rate fell 3.8 percentage points, to 47.5 percent. In the suburban counties, the rate fell 2.7 percentage points, to 74.4 percent.

### Table 4. County-to-County Net Migration Flows in Milwaukee County 2017–2018

<table>
<thead>
<tr>
<th>Into Milwaukee County</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook County, Illinois</td>
<td>250</td>
</tr>
<tr>
<td>Kenosha County, Wisconsin</td>
<td>133</td>
</tr>
<tr>
<td>Lake County, Illinois</td>
<td>103</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Out of Milwaukee County</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Waukesha County, Wisconsin</td>
<td>-3,557</td>
</tr>
<tr>
<td>Ozaukee County, Wisconsin</td>
<td>-759</td>
</tr>
<tr>
<td>Washington County, Wisconsin</td>
<td>-738</td>
</tr>
</tbody>
</table>

Note: 2017–2018 data.
Source: Missouri Census Data Center Single County IRS Migration
Home Sales Market

Market Conditions: Slightly Tight

Homes sales prices in the HMA increased faster during the 12 months ending October 2020 than during any other 12-month period in the past 15 years.

Current Conditions

The home sales market is slightly tight—a shift from more balanced conditions a year ago, when price growth was slower, and from slightly soft conditions in the early 2010s, when the inventory of homes for sale was elevated. The current home sales vacancy rate is estimated at 1.5 percent, down from 1.9 percent in 2010 (Table 5). The average home sales price had the fastest year-over-year increase during the most recent 12 months compared with any 12-month period in the past 15 years, and the inventory of homes for sale is currently at the lowest level in more than two decades. Total home sales have fallen slightly, continuing a period of declining sales that began in 2017. Stronger interest from buyers because of low mortgage interest rates and increased flexibility for some workers in the location where work is performed have increased the number of buyers. Fewer homes for sale because of a reduction in foreclosures and a hesitancy from would-be sellers to list homes and make them available for tours have reduced the number of homes for sale, leading to tighter overall conditions.

### Table 5. Home Sales Quick Facts in the Milwaukee HMA

<table>
<thead>
<tr>
<th>Home Sales Quick Facts</th>
<th>Milwaukee HMA</th>
<th>Nation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy Rate</td>
<td>1.5%</td>
<td>NA</td>
</tr>
<tr>
<td>Months of Inventory</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Total Home Sales</td>
<td>25,300</td>
<td>5,580,000</td>
</tr>
<tr>
<td>1-Year Change</td>
<td>-3%</td>
<td>-3%</td>
</tr>
<tr>
<td>Total Home Sales Price</td>
<td>$272,100</td>
<td>$342,100</td>
</tr>
<tr>
<td>1-Year Change</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Mortgage Delinquency Rate</td>
<td>2.9%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending October 2020; and months of inventory and mortgage delinquency data are as of October 2020. The current date is November 1, 2020.

Sources: CoreLogic, Inc.; Zonda; Redfin, Inc.

Home sales prices averaged $272,100 during the 12 months ending October 2020, a 13-percent increase from 12 months earlier and well above the 3-percent average annual increase from 2012 through 2019 (Zonda). Price growth accelerated partly because of the shrinking inventory of homes for sale, which was 2.7 months in October 2020—down from 3.5 months in October 2019 (Redfin, with adjustments by the analyst). Mortgage interest rates averaged 3.3 percent for a 30-year fixed-rate mortgage during the most recent 12 months, down from 4.1 percent during the previous 12 months and the lowest rate in more than a decade (Freddie Mac, with adjustments by the analyst).

Home sales totaled 25,300 during the 12 months ending October 2020, down approximately 3 percent compared with the previous 12 months. Home sales had been falling at a similar rate since 2017. The most recent 12 months included a period from late March to mid-May when residents were encouraged to stay home as much as possible, and forbearance and foreclosure prevention policies in the CARES Act led to fewer distressed sales. New home sales had the fastest increase, up 29 percent, to 770 homes, expanding from 2 percent to 3 percent of total sales during the most recent 12 months. Regular resale sales were down less than 1 percent—a reversal from a 1-percent increase 12 months earlier—and distressed sales were down 33 percent, accelerating from a 24-percent decline 12 months earlier.
Cost of Home Ownership

For-sale housing has accounted for about 40 percent of all dwelling units built since 2010, smaller than the 75-percent share in the 2000s. The monthly cost of owning an average-priced home is relatively similar to the cost of renting a newer apartment. In October 2020, the average rent at an apartment in the HMA built since 2010 was $1,579 (Real Page, Inc.). After a downpayment of 10 percent or more, a homeowner would be expected to pay $1,300 to $1,800 per month—including a mortgage payment, taxes, and insurance—to own an average-priced home in the HMA (analyst estimate). Nearly 70 percent of homes in the HMA sold for less than $300,000 during the 12 months ending October 2020, including about 70 percent of the existing homes sold and nearly 20 percent of new homes sold (Figure 9).

Home Sales Trends

Home sales had been trending upward from 2011 through 2016, supported by economic recovery following the Great Recession, but have fallen since 2017, as growth in regular resale sales slowed and the decline in distressed sales accelerated (Figure 10). Total home sales were at a low of 19,100 in 2010 and increased by an average of 1,500, or 7 percent, annually to a recent high of 28,100 in 2016. Distressed sales fell by an average of 340, or 5 percent, annually; regular resale sales increased by an average of 1,850, or 12 percent, annually from 2011 through
2016, offsetting that decrease. New home sales, which accounted for less than 3 percent of total sales since 2011, remained relatively steady. Home sales have been declining since 2017. Much of the reduction in sales is attributed to fewer distressed sales. Slower population growth relative to the early 2010s and a growing number of newly constructed apartments—especially in high-demand neighborhoods proximate to major job centers—also contributed to fewer home sales from 2017 through 2019. Home sales declined by an average of 700, or 3 percent, annually from 2017 through 2019. During the period, regular resales increased by an average of 350, or 2 percent, annually; declining distressed and new home sales—which fell by averages of 1,025 and 20, or 25 and 3 percent, annually, respectively—more than offset the increasing number of regular resales. Improved economic conditions reduced the number of homeowners experiencing foreclosure, and the low inventory of homes for sale—which ranged from a 3- to a 4-month supply during the period—led to fewer distressed sales because homeowners were more likely to be able to sell their home quickly instead of going into foreclosure.

**Delinquent Mortgages**

The rate of seriously delinquent mortgage loans has increased since June 2020; that rate reflected the number of homeowners who were unable to pay their mortgages in March 2020, became 90 days delinquent in June 2020, and continued to be unable to make payments. The share of seriously delinquent mortgages and real estate owned (REO) properties was 2.9 percent in October 2020, up from 1.3 percent in October 2019 and a 14-year low of 1.2 percent in April 2020 (CoreLogic, Inc.). The current rate in the HMA is below the rate for the nation, which was 4.2 percent in October 2020.

**Foreclosures**

Policy changes the CARES Act enabled have affected sales resulting from foreclosure. Enacted on March 27, 2020, the CARES Act covers federally backed mortgage loans—preventing mortgage servicers from initiating the foreclosure process or holding a foreclosure sale—and requires servicers to offer forbearance (temporary deferral of monthly payments) to borrowers experiencing financial hardship because of COVID-19. Foreclosures in the HMA from April 2020 through October 2020 were down 74 percent compared with the same 7-month period a year earlier, a larger reduction than the 28-percent decline in foreclosures in 2019.

**Home Sales Price Trends**

In the early and mid-2010s, home sales prices increased relatively slowly, but price growth has accelerated since 2017. Part of that price growth acceleration is occurring because distressed sales, which sell for approximately 50 percent below regular resale prices in the HMA, have become a smaller portion of total sales. During the previous period of rising home prices, the average home sales price peaked at $224,700 in 2007; the price then fell an average of 3 percent, or $6,975, annually, from 2008 through 2011, reaching a low of $196,800 in 2011 (Figure 11). During early recovery from the Great Recession, when distressed sales were a larger portion of total home sales, prices increased an average of 2 percent, or $4,275, annually from 2012 through 2016. The average home sales price has increased faster since 2017 compared with earlier in the 2010s. The low inventory of homes for sale, decreased distressed sales, and rising new construction home prices contributed to the faster rate of increase. From 2017 through 2019, the average home sales price increased by $9,025, or 4 percent, annually, to $245,300. Prices for all types of home sales increased, ranging from an average of 8 percent for new homes to averages of 3 and 6 percent for regular resale and distressed sales, respectively.
Sales Construction Activity

Sales construction activity—as measured by the number of single-family homes, townhomes, and condominiums permitted—is up compared with the early 2010s but below levels from the early 2000s, when population growth was stronger and lending standards were more relaxed. Despite the improving economic conditions in the latter half of the 2010s, permitting has been relatively stable since 2014. Apartments met more of the demand for additional homes in the 2010s. Those apartments were often in established areas close to employment centers, where single-family home construction—which accounts for most for-sale construction activity—was not feasible.

Permitting was at high levels in the early 2000s, averaging 4,675 homes annually from 2000 through 2004. Construction declined by an average of 840 homes annually from 2005 through 2009 as economic conditions weakened (Figure 12). The permitting of for-sale housing averaged 1,125 homes annually from 2010 through 2013 and increased to an average of 1,675 annually from 2014 through 2019, as economic conditions improved. During the 12 months ending October 2020, permitting totaled 1,625, up slightly from 1,550 during the previous 12 months (preliminary data). Rising new home prices, a low inventory of homes for sale, and increased demand have incentivized builders to increase construction in recent months.
Most new for-sale housing has been built in the suburban counties—Ozaukee, Washington, and Waukesha—where more than three-fourths of all new homes in the HMA have been permitted since 2000. The average home sales price in the suburban counties is 60 percent higher than the average home price in Milwaukee County. The average sales price in nearly every suburban ZIP Code was higher than the average price in most Milwaukee County ZIP Codes (Map 5). In addition, land is more readily available in the suburban counties, whereas most land in Milwaukee County has already been developed. During the most recent 12 months, only 15 percent of the homes permitted in the HMA were in Milwaukee County; that rate is consistent with the share of for-sale housing permitted in the county since 2010 but lower than the approximately 25 percent of homes built in the county in the 2000s.

In the city of Franklin, in Milwaukee County, The Glen at Park Circle, a 54-home development of attached two-unit condominium buildings is currently under construction. Homes range in price from $359,900 to $399,900. The same homebuilder is currently constructing four other condominium developments: Bristlecone Pines, Overlook Trails, The Reserve at Parkway Ridge, and The Reserve at Wrenwood, each with two- and four-unit condominium buildings in the suburban counties of the HMA. Prices for homes in those developments are between $456,900 and $655,000. Typical subdivisions in the HMA

Map 5. Average Home Sales Price by ZIP Code in the Milwaukee HMA During the 12 Months Ending October 2020

Source: Zonda, with adjustments by the analyst
with detached single-family homes usually have less than 100 lots and are in the suburban counties; sales prices for those homes start above $400,000. For example, the 90-lot Sussex Preserve subdivision in the Waukesha County suburb of Sussex offers three- to six-bedroom homes with base prices ranging from $444,900 to $560,000. Currently, 12 lots are available, 64 lots have been sold, and the remaining lots are under development.

**Milwaukee County**

Homes in Milwaukee County are older on average—which tends to result in higher maintenance costs—and some may be less competitive because of the condition of the homes compared to more recently built homes in the suburban counties. The median age of an owner-occupied home is 64 years in Milwaukee County and 53 years in the HMA overall (2019 ACS 1-year data). In addition, about 75 percent of the 28,850 other vacant homes in the HMA are in Milwaukee County (2019 ACS 1-year data). The other vacant homes in Milwaukee County are mostly older, less competitive homes, whereas the other vacant homes in the suburban counties are primarily recreational or seasonal housing. Many older homes need repair, but repair costs exceed the potential profit from reselling a rehabilitated home. The average home sales price in the five Milwaukee County ZIP Codes with 1,000 or more other vacant homes was $124,400 during the 12 months ending October 2020, or approximately 54 percent below the average price in the HMA (Zonda). The City of Milwaukee—through the 10,000 Homes Initiative—is providing financial incentives to rehabilitate and return some of these older homes to the market. During 2018 and 2019, the city supported the preservation or improvement of nearly 1,025 homes, returning the units to the housing market.

**Forecast**

During the 3-year forecast period, demand is expected for 4,825 additional for-sale housing units (Table 6). The 660 homes currently under construction are expected to meet a portion of demand. Demand is expected to be greatest in Waukesha County, followed by Ozaukee and Washington Counties. Much of the population growth has been concentrated in the suburban counties, which have more land available for development. Demand for additional units in Milwaukee County is expected to be limited.

Some of the other vacant homes in Milwaukee County may return to the market and meet a portion of the demand. Many of these homes are less competitive with new construction but are in areas targeted by the City of Milwaukee to receive financial assistance for rehabilitation.

| Table 6. Demand for New Sales Units in the Milwaukee HMA During the Forecast Period |
| Sales Units |
| Demand | 4,825 Units |
| Under Construction | 660 Units |

Note: The forecast period is from November 1, 2020, to November 1, 2023.
Source: Estimates by the analyst
Rental Market

Market Conditions: Balanced

The downtown Milwaukee 53202 ZIP Code has had the most rental units permitted among all ZIP Codes in the HMA since 2000. Permitting in downtown Milwaukee and throughout the HMA has slowed since 2019.

Current Rental Market Conditions

The rental market is currently balanced, improving from slightly soft conditions in the middle of the previous decade, when an elevated number of apartment units were entering the market and more single-family homes were offered for rent. The vacancy rate for all rental units—including apartments and renter-occupied single-family homes, townhomes, condominiums, and mobile homes—is currently estimated at 7.7 percent, down from 7.8 percent in 2010 (Table 7); however, the rate was higher during most of the nearly 11 years between 2010 and the current date.

The median rent for all types of renter-occupied housing units in the Milwaukee HMA was $793 in 2019, up an average of 2 percent annually since 2010 (2010 and 2019 ACS 1-year data). A household with an income of $31,700 or higher would be able to afford the median rent in 2019 without becoming cost burdened. By comparison, the median renter household income was $39,074 in 2019.

### Table 7. Rental and Apartment Market Quick Facts in the Milwaukee HMA

<table>
<thead>
<tr>
<th>Rental Market Quick Facts</th>
<th>2010 (%)</th>
<th>Current (%)</th>
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<tbody>
<tr>
<td>Rental Vacancy Rate</td>
<td>7.8</td>
<td>7.7</td>
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<td>Occupied Rental Units by Structure</td>
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</tr>
<tr>
<td>Single-Family Attached &amp; Detached</td>
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<td>19</td>
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<tr>
<td>Multifamily (2–4 Units)</td>
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<td>Multifamily (5+ Units)</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Other (Including Mobile Homes)</td>
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<td>&lt;1</td>
</tr>
</tbody>
</table>

Notes: The current date is November 1, 2020. Percentages may not add to 100 due to rounding. Sources: 2010 and 2019 American Community Survey 1-year data; Moody’s Analytics REIS

Effects of COVID-19

The supply of rental units is meeting demand, but weak economic conditions since March 2020 have led to fewer households being able to pay rent and may result in a rise in vacancies after the Centers for Disease Control (CDC) eviction moratorium ends in 2021. According to a survey conducted in October 2020, approximately 13 percent of renter households in Wisconsin were not caught up on rent payments—up from 10 percent that deferred or did not pay in May (U.S. Census Household Pulse Survey, Weeks 16-18 and 3-5). Households with incomes of less than $35,000 were most severely affected, accounting for 70 percent of the renters not caught up on rent in mid-October. Partially because of the CDC eviction moratorium, eviction filings in Milwaukee during the 3 months ending October 2020 were 46 percent below the 2012-to-2016 average (Eviction Lab). After the CDC moratorium expires, the number of evictions may rise.

Components of the Rental Housing Market

Renter-occupied single-family homes currently account for a relatively similar portion of rental units compared with 2010, but renters occupied more single-family homes in the mid-2010s. Elevated apartment construction beginning in 2013—with units entering the market 1 to 2 years later—and a steeper reduction in distressed sales
since 2017—many of which investors tend to purchase and make available for rent—resulted in the changing composition of rental units. Renter-occupied single-family homes accounted for 19 percent of all rental units in 2019, up slightly from 18 percent in 2010 but down from 22 percent in 2016. Multifamily buildings with two or more units currently account for an estimated 81 percent of all rental units. These multi-unit buildings include units in structures ranging from large, professionally managed properties to independently owned and managed two-unit buildings. Buildings with 20 or more units, which are typically professionally managed apartments, account for 27 percent of renter-occupied units in the HMA, up from 25 percent in the early 2010s.

The rental housing stock in the HMA is relatively old. The median age of a renter-occupied unit in the HMA is 55 years, which is 2 years older than the median age of owner-occupied units in the HMA and 13 years older than the median age of renter-occupied units nationally (2019 ACS 1-year data). Renter-occupied units in Milwaukee County have the oldest median age, at 60 years, and units in Waukesha County have the youngest median age, at 34 years.

**Apartment Market Conditions**

The apartment market in the HMA is balanced—a shift from slightly tighter conditions a year ago, when the vacancy rate was lower and rent growth was faster. The apartment vacancy rate during the third quarter of 2020 increased from a year earlier—partially because of weak economic conditions—but remains near the average from the mid-2010s. The apartment vacancy rate during the third quarter of 2020 was 3.2 percent, up 0.4 percentage point from the third quarter of 2019 (Figure 13). From 2013 to 2018, the vacancy rate averaged 3.4 percent, and during 2011 and 2012—when the economy was in early recovery from the Great Recession—the apartment vacancy rate averaged 4.4 percent. The average apartment rent during the third quarter of 2020 was $1,203, up 3 percent from a year ago; that rate slowed from a 5-percent increase during the previous year but was consistent with the average annual increase from 2014 through 2018.

Apartment market conditions in areas within the HMA are mixed. Some areas have low vacancy rates and rapid rent growth, and other areas have rising vacancy rates and slower rent growth or declines. Among the seven RealPage, Inc.-defined market areas, four had an increase in the average rent, with gains ranging from 3 to 9 percent. The average rent in the other three market areas declined 1 percent...
Rental Market

or less. The apartment vacancy rate increased in five of the areas and decreased in two of the areas compared with a year ago. Current average vacancy rates range from a low of 1.8 percent in the Franklin/Oak Creek market area to a high of 5.2 percent in the downtown Milwaukee/Shorewood market area.

The downtown Milwaukee/Shorewood area had the largest number of apartment units enter the market among the seven market areas in the HMA; 4,300 new units have been built in the four-ZIP Code area since 2013. Because of the high concentration of jobs downtown, the area had been more heavily affected by the recent increase in telework and other measures to limit the spread of COVID-19. The average vacancy rate in the market area increased 0.7 percentage point from a year ago, to 5.2 percent, and is the highest vacancy rate among all the market areas in the HMA. The average asking rent, which is also the highest among all market areas in the HMA, increased 3 percent from a year ago, to $1,517. The average asking rent is also the highest per square foot, at $1.73, compared with an average of $1.26 for the HMA. The concessions offered to incentivize leasing in the downtown Milwaukee/Shorewood market area averaged 6 percent off the average asking rent, up from 5 percent off a year ago; from 2010 to 2018, concession percentages off the average asking rent ranged from 2 to 4 percent.

Rental Construction Activity

Rental construction activity, as measured by the number of rental units permitted, was elevated during most years of the 2010s. Construction activity has slowed since 2019 but remains above construction levels in the 2000s, when a larger share of demand for additional units was met by for-sale units. Rental permitting averaged 1,325 units annually from 2000 through 2006 and then slowed to an average of 1,075 units annually from 2007 through 2012, when economic conditions were weak (Figure 14). Economic growth and an escalating preference for downtown living, which was met by apartment construction, supported an increase in the number of units permitted. From 2013 through 2017, the number of units permitted increased by an average of 600 annually, to a high of 4,000 in 2017. Permitting began to moderate in 2018, fell further in 2019, and remained near 2019 levels in 2020. During the 12 months ending October 2020, permitting totaled 2,175 units, up slightly from the 2,050 units permitted during the previous 12 months.

Figure 14. Average Annual Rental Permitting Activity in the Milwaukee HMA

Notes: Includes apartments and units intended for rental occupancy. Data for 2020 are through October 2020. Sources: U.S. Census Bureau, Building Permits Survey; 2000–2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst.
Rental Construction by Zip Code
Milwaukee County and specifically downtown Milwaukee account for the largest concentration of rental units built in the HMA since 2000. During the past two decades, about two-thirds of all rental units were built in Milwaukee County; the largest share of rental units, about 12 percent, was in the 53202 ZIP Code, which corresponds to the central business district and Third Ward areas of downtown Milwaukee. This downtown ZIP Code also had the highest concentration of jobs in 2018. During the 2010s, additional neighborhoods near downtown and elsewhere in the HMA—many of which coincided with employment centers—emerged as areas of concentration of rental unit construction.

From 2013 through 2018, the 53202 ZIP Code had an average of 380 units permitted annually (Map 6a). No additional ZIP Codes had more than 200 units permitted during the period. Two ZIP Codes had between 150 and 200 units permitted; one corresponds to the east side of Wauwatosa (53213), and one corresponds to Menominee Falls (53051). Four ZIP Codes had between 100 and 149 units permitted: two proximate to downtown Milwaukee (53212 and 53233), one in south suburban Milwaukee County (53154), and one in eastern Waukesha County (53045).

During 2019 and 2020, rental construction activity in the downtown Milwaukee ZIP Code slowed, and new areas emerged as concentrations of development—most of which were in suburban Milwaukee County (Map 6b). The 53202 downtown Milwaukee ZIP Code averaged 140 units but is no longer the ZIP Code with the most units permitted (Map 6b). Two ZIP Codes in the Milwaukee County suburbs—the west side of Wauwatosa (53226) and Franklin (53132)—each had nearly 150 units permitted. Three additional ZIP Codes in the Milwaukee County suburbs (53154, 53235, and 53209)—one proximate to downtown Milwaukee (53203) and one in Waukesha County (53186)—have also averaged more than 100 units permitted annually.

Recently completed apartments in the downtown Milwaukee 53202 ZIP Code tend to have higher rents than apartments built in the suburbs. The 88-unit Contour on Prospect in the downtown Milwaukee ZIP Code was completed in 2019 and currently has average rents of $1,505 for a one-bedroom unit and $2,296 for a two-bedroom unit. The 180-unit Statesman Apartments in south suburban Milwaukee County, also completed in 2019, currently has average rents of $1,227 for a one-bedroom unit and $1,622 for a two-bedroom unit.

Most apartments completed earlier in 2020 are currently in lease up and are offering a reduction in rent for new tenants. The Yards, an 86-unit property that opened earlier in 2020 in the Third Ward neighborhood near downtown Milwaukee, is currently offering 2.25 months off rent. With the discount, the average rent is $1,103 for a studio, $1,261 for a one-bedroom unit, and $1,964 for a two-bedroom unit. In Brookfield, a suburb in eastern Waukesha County, The Linx Club at Brookfield Hills, a 192-unit apartment property also in lease up, is offering 1 month off rent. Average rent, including the discount, is $1,348 for a one-bedroom unit and $1,813 for a two-bedroom unit.

Forecast
During the 3-year forecast period, demand for an additional 4,450 rental units is expected (Table 8). The 2,200 units under construction are expected to meet a portion of demand. Demand for additional units is expected to be slower early in the forecast period and accelerate in later years as economic conditions improve. Demand is also likely to be concentrated in suburban areas, where population growth has been stronger and rent tends to be lower per square foot. The increase in working from home for some occupations has reduced the benefits of living near the office, especially in areas where rents are relatively high.

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In addition to new construction units, other vacant homes may meet a portion of demand; some of those homes are in the neighborhoods targeted by the City of Milwaukee 10,000 Homes Initiative to rehabilitate and return older homes to the housing market.

Table 8. Demand for New Rental Units in the Milwaukee HMA During the Forecast Period

<table>
<thead>
<tr>
<th>Rental Units</th>
<th>4,450 Units</th>
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<tr>
<td>Demand</td>
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<tr>
<td>Under Construction</td>
<td>2,200 Units</td>
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Note: The forecast period is November 1, 2020, to November 1, 2023.
Source: Estimates by the analyst

Map 6b. Average Annual Rental Unit Construction in the Milwaukee HMA 2019–2020, by ZIP Code

Source: McGraw-Hill Construction Pipeline database, with adjustments by analyst
## Terminology Definitions and Notes

### A. Definitions

| **Building Permits, Units/Homes Permitted** | 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. |
| **CARES Act** | The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. The more than $2 trillion in federal funding provides economic assistance in response to the public health and economic effects of COVID-19. |
| **Cost Burdened** | Spending more than 30 percent of household income on housing costs. |
| **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. |
| **Distressed Sales** | Foreclosures, and real estate owned (REO) sales. |
| **Forecast Period** | 11/1/2020–11/1/2023—Estimates by the analyst. |
| **Home Sales/Home Sales Prices** | Includes single-family home, townhome, and condominium sales. |
### Terminology Definitions and Notes

#### 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.

#### Rental Market/Rental Vacancy Rate
Includes apartments and other rental units such as single-family, multifamily, and mobile homes.

#### Seriously Delinquent Mortgages
Mortgages 90+ days delinquent or in foreclosure.

### B. Notes on Geography

1. The metropolitan statistical area name and definition noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.

2. Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.

3. The census tracts referenced in this report are from the 2010 Census.

### C. Additional Notes

1. The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.

2. 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.

### D. Photo/Map Credits

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### Contact Information

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