MILWAUKEE
MULTIFAMILY REPORT

THIRD QUARTER 2020

MARKET AT A GLANCE

OCCUPANCY RATE 96.6%

Down **30 bps** since 3Q19

EFFECTIVE RENT $1,204

Up **0.3%** since 3Q19

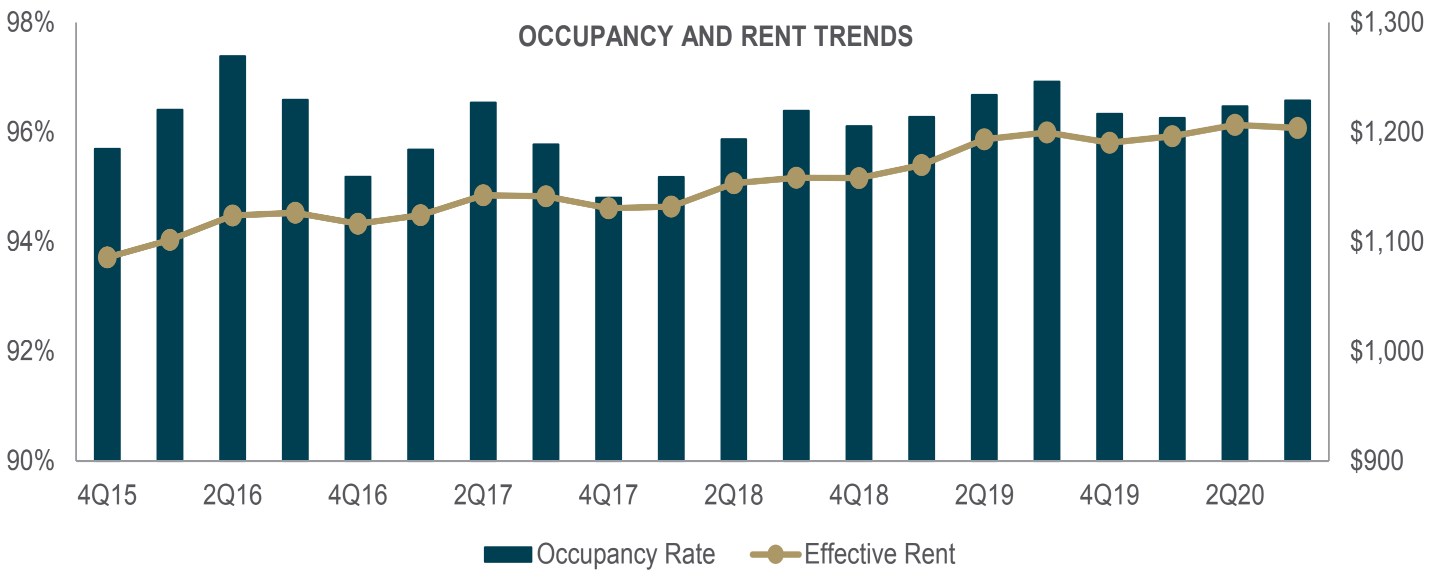
RENT PAYMENT TRACKER (Oct. 1-13) 91.4%

Up **300 bps** since Sept. 1-13

OCCUPANCY AND RENT TRENDS

ECONOMIC DEVELOPMENT CONTINUES AMID LIMITED COVID-19 SURGE

Milwaukee moved into Phase 4 of its reopening plan during the third quarter and local employers expanded their payrolls, hiring 13,000 workers through August. Employers also signaled long-term interest in the metro's post-pandemic opportunities: The local planning commissioner reviewed an application to develop a 300,000-square-foot distribution center in New Berlin, the first step in a multi-phase strategy to deliver a thriving industrial park. The metro was not completely immune to the negative impacts of the health pandemic, however. Concerns about COVID-19 affected apartment demand in the third quarter. The 610 apartments absorbed by residents was fewer than the previous quarter, as was the 459 units delivered. Occupancy increased 10 basis points to 96.6% as a result. Apartment operators spurred demand by decreasing effective rent on average 0.2% to $1,204 in the third quarter. For residents already under lease, 91.4% of renters made full or partial rent payments through October 13, an improvement over the previous month by 300 basis points. COVID-19 cases have been on the rise since the end of the third quarter, prompting state officials to signal a potential increase in restrictions before the end of 2020.



MILWAUKEE
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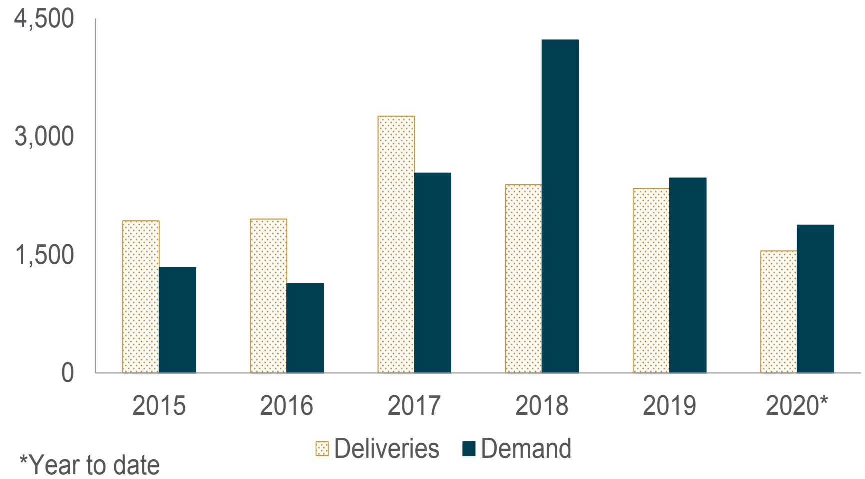
DELIVERIES AND DEMAND

DELIVERIES 1,550
Units YTD

NET ABSORPTION 1,876
Units YTD



*Year to date

ECONOMIC TRENDS

2019		2020
3.6%	UNEMPLOYMENT* **380 BPS** CHANGE	7.4%
873.2k	EMPLOYMENT* **-6.9%** CHANGE	813.0k
19.9k	EXISTING SFH SALES** **64.3%** CHANGE	32.7k
1.6m	POPULATION** **0.2%** CHANGE	1.6m
1.70%	10-YEAR TREASURY** **-100 BPS** CHANGE	0.68%

*August; **September

SUBMARKET BREAKDOWN

	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
SUBMARKET NAME	3Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	3Q20	Q-o-Q Change	Y-o-Y Change	3Q20	Annual	3Q20	Annual
Downtown/Shorewood	94.9%	20	-80	$1,494	-0.7%	-1.3%	214	208	171	434
Far North Side	96.1%	0	-60	$1,140	-0.4%	1.5%	66	-31	70	70
Franklin/Oak Creek	98.2%	50	-30	$1,123	1.0%	1.9%	84	308	29	345
Near North/West Side/Wauwatosa	95.9%	-10	70	$1,297	-0.8%	-1.2%	-16	159	0	0
Racine	98.8%	50	60	$899	0.1%	2.2%	93	178	42	115
South Side/West Allis/Greenfield	97.2%	-20	-10	$1,007	0.3%	1.9%	-42	613	0	653
Washington/Ozaukee Counties	95.6%	-30	-200	$1,257	-1.8%	0.1%	35	17	75	263
Waukesha County	97.2%	40	-60	$1,238	0.5%	0.7%	176	-29	72	130
TOTALS	**96.6%**	**10**	**-30**	**$1,204**	**-0.2%**	**0.3%**	**610**	**1,423**	**459**	**2,010**

Document sources: RealPage; Berkadia Research; Federal Reserve Bank of St. Louis; Moody's; National Multifamily Housing Council

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