JAY PARSONS RENTAL HOUSING ECONOMICS

# Wisconsin Multifamily Outlook

## September 2026

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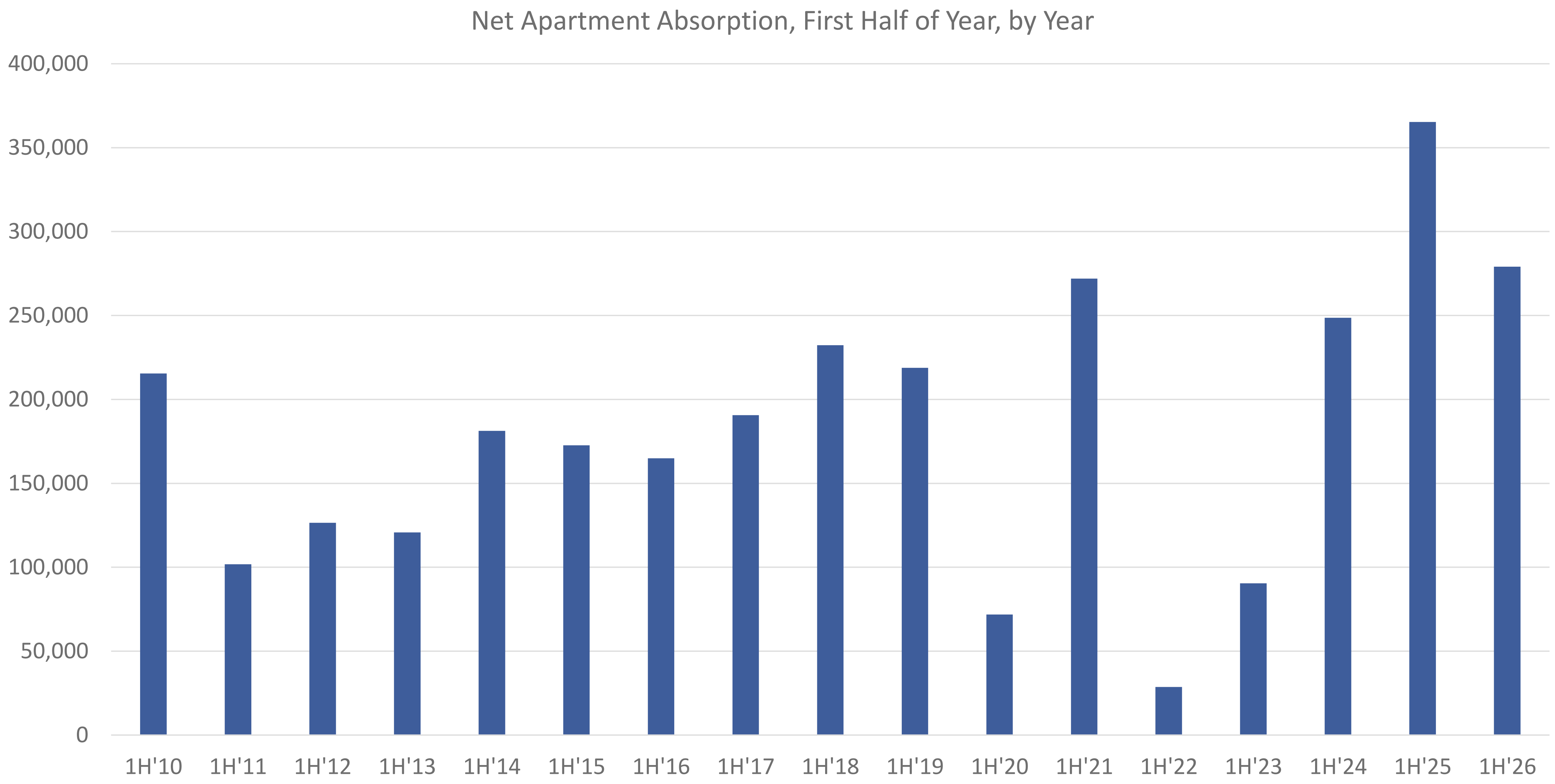
*For renter households making at least $50k, what is the median share of income spent on rent?*

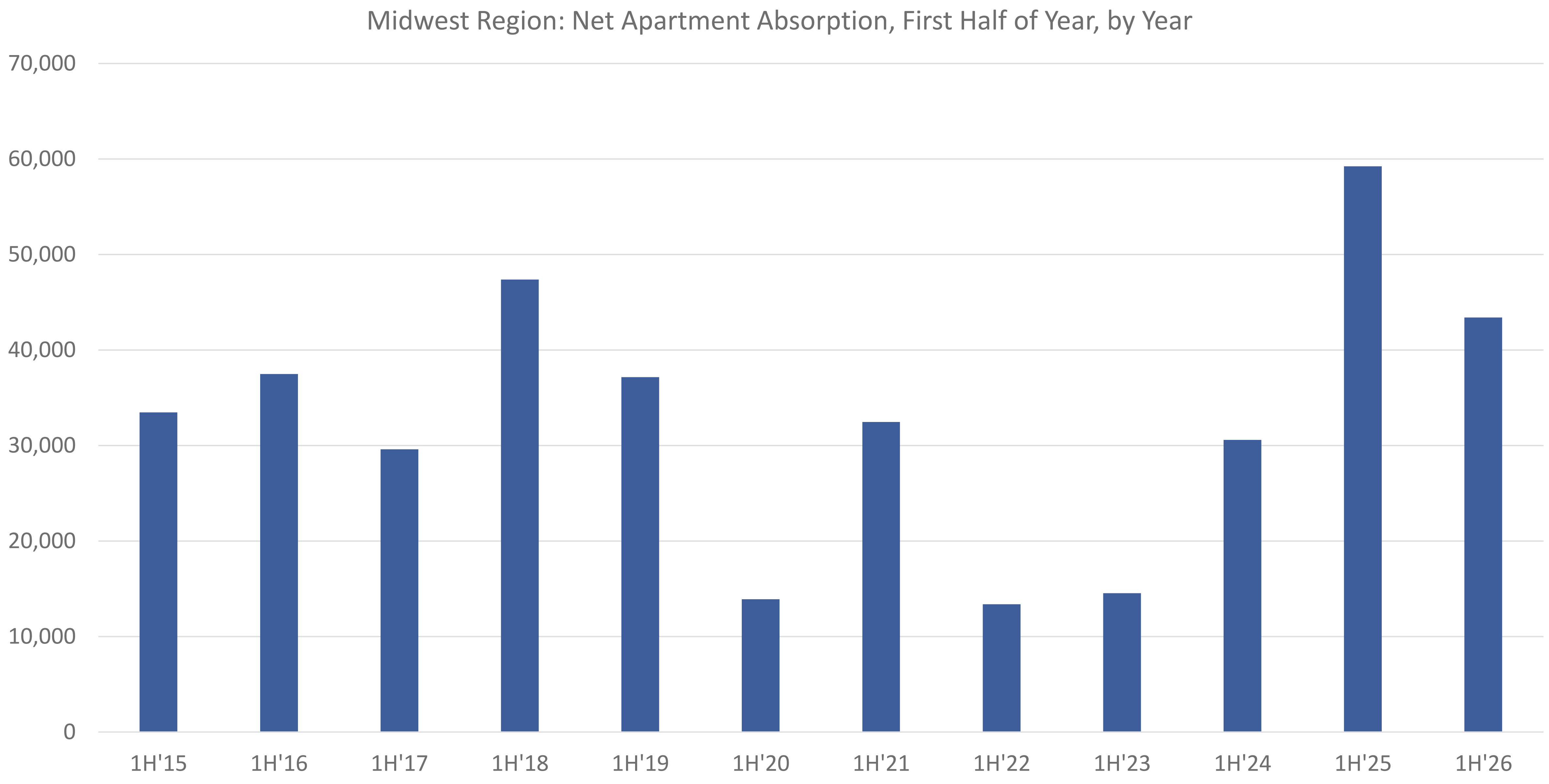
A. 22%
B. 25%
C. 28%
D. 31%


# For All the Noise, Apartment Demand Remains Very Strong



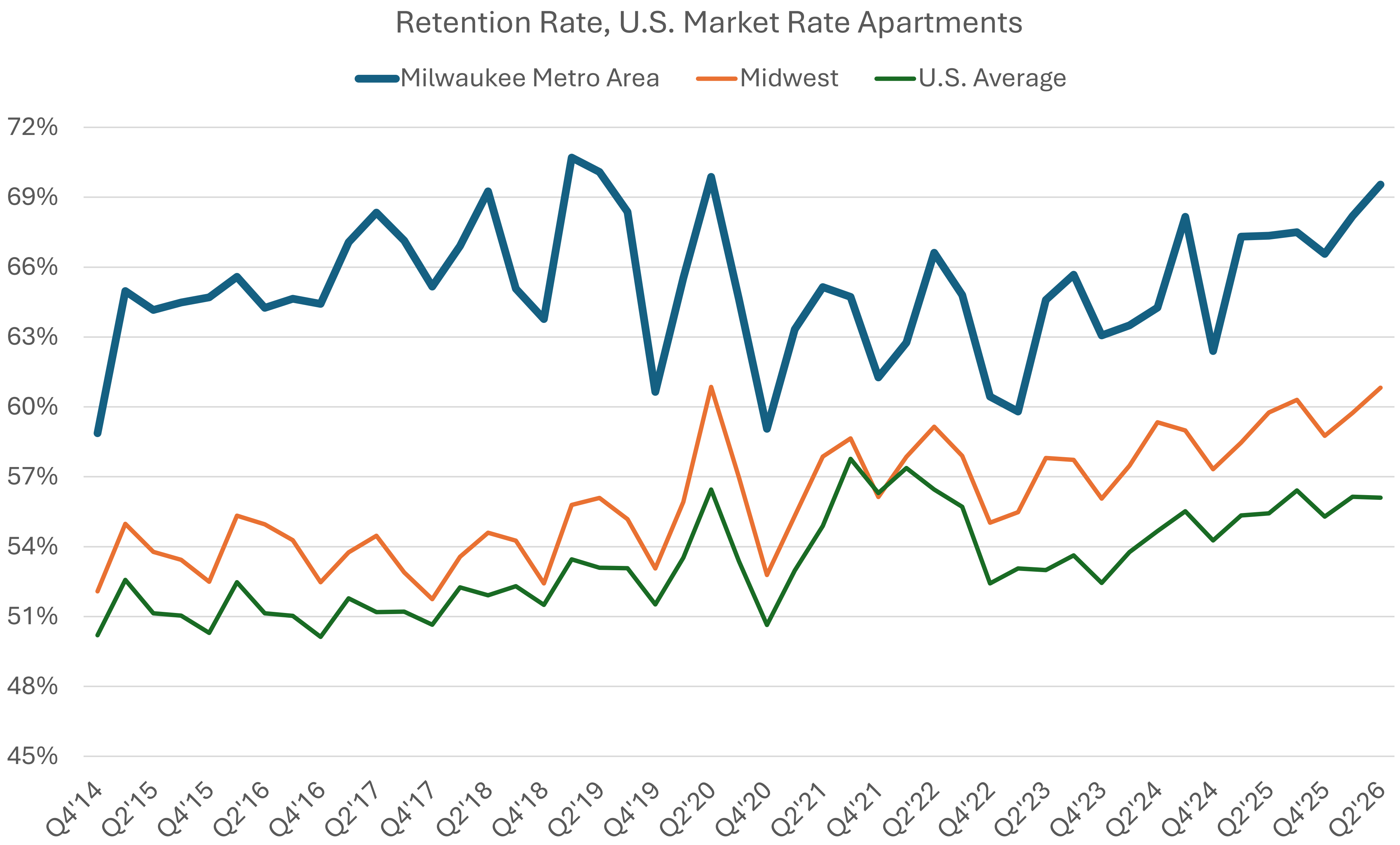

*Source: Waymaker research, RealPage Market Analytics*

# Midwest: It’s the Same Story Across the Midwest Region




*Source: Waymaker research, RealPage Market Analytics*

# Renewal Demand, too: Retention Rates Continue to Trend Higher



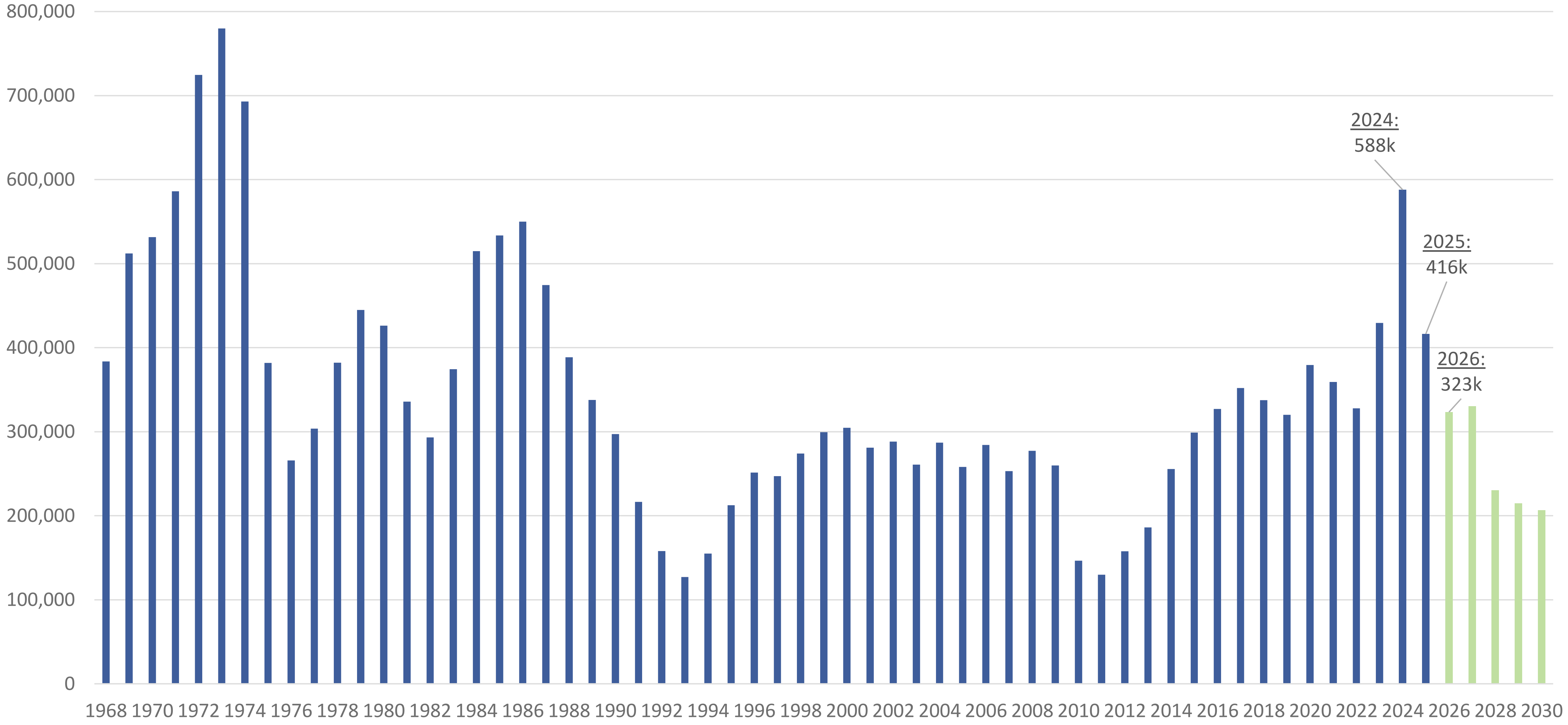

Takeaway:

***Lower turnover is a long-term structural shift tracing back 10+ years, not a new phenomenon tied to mortgage rates.***

*Source: Waymaker research, RealPage Market Analytics. Retention = share of renter households with expiring leases signing a renewal.*

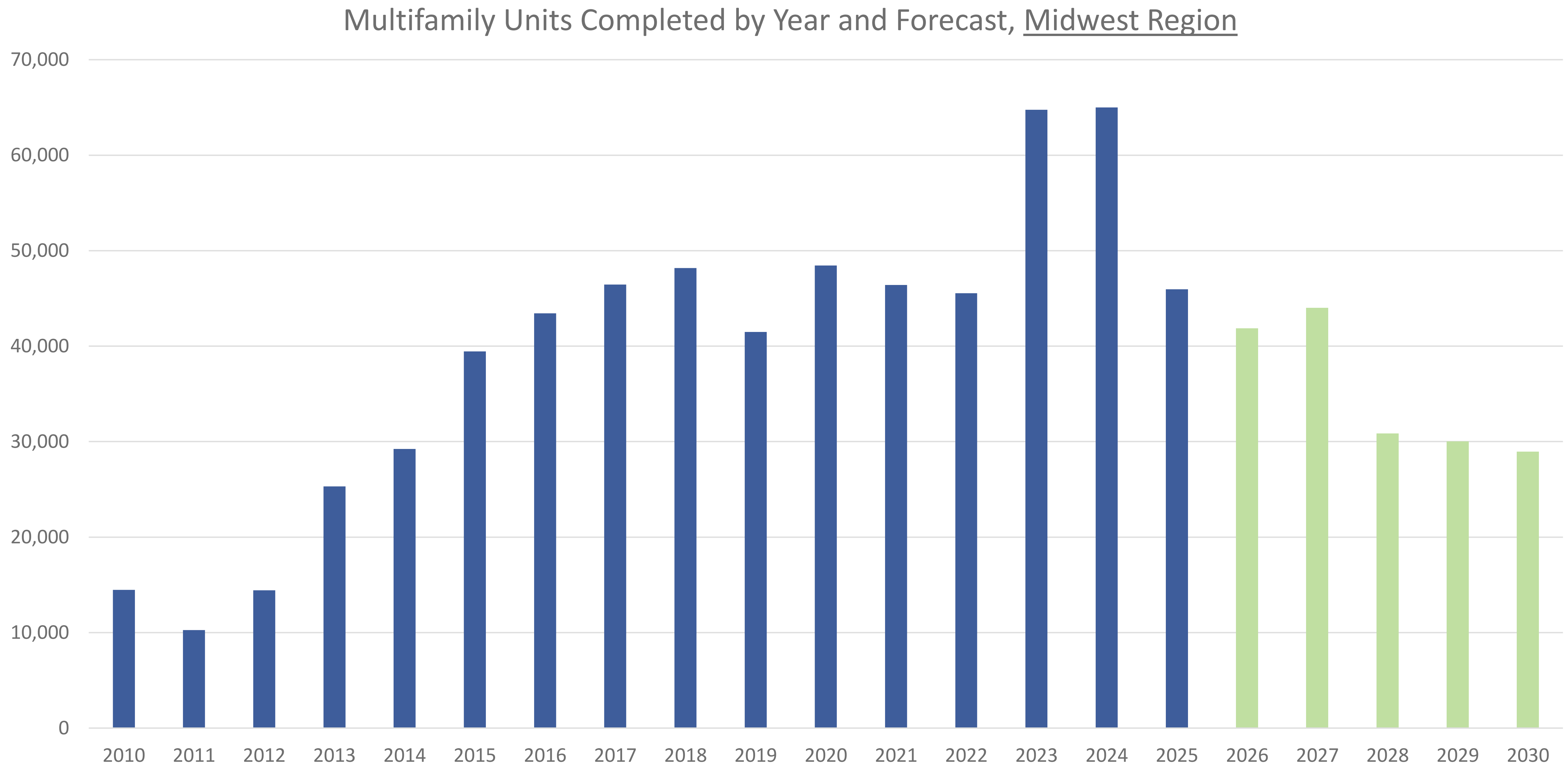
# Peak Apartment Supply is Now in the Rearview Mirror

U.S. Multifamily Units Completed by Year and Forecast




*Sources: Census, RealPage Market Analytics.*

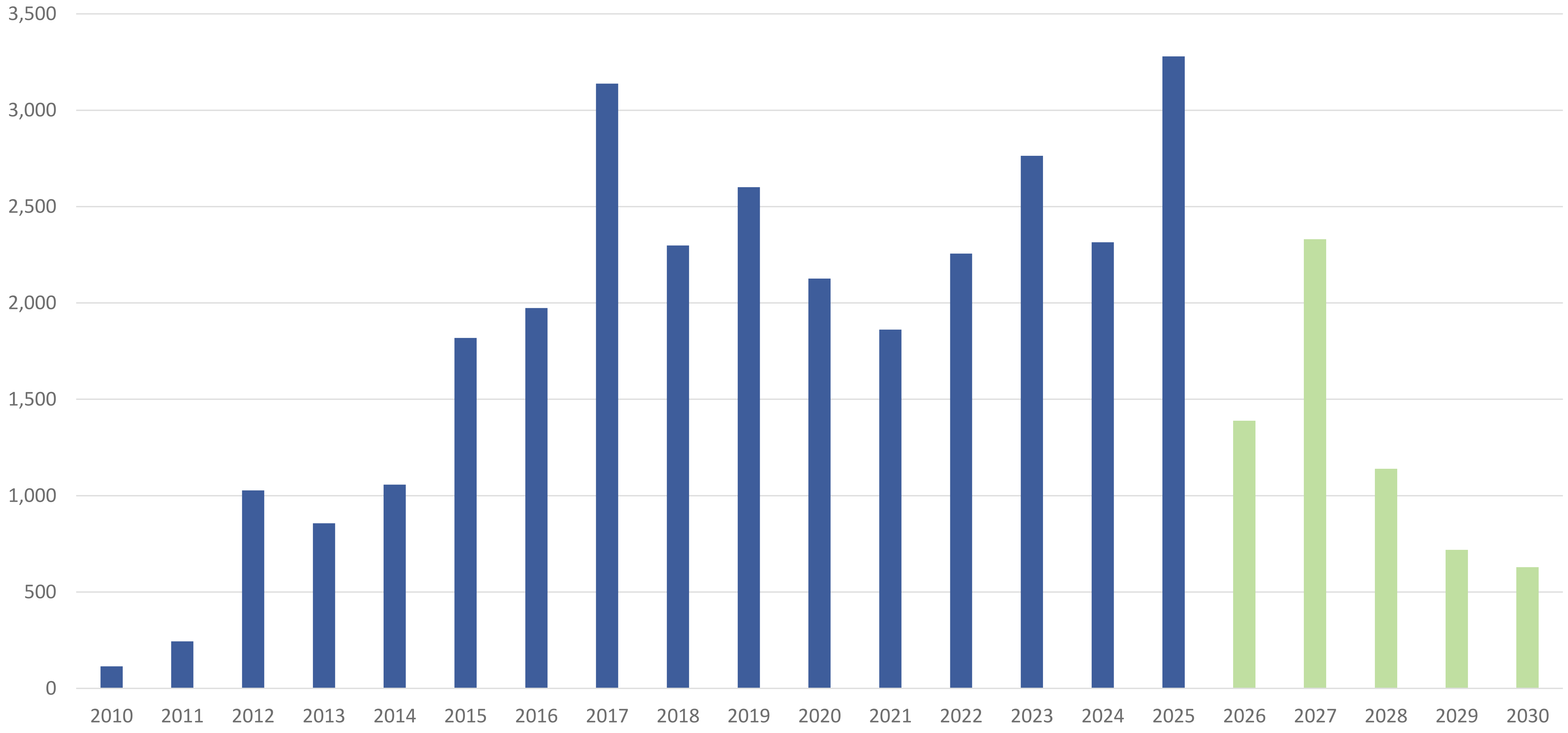
# It’s the Same Trend in the Midwest: Completions Peaked in ’23-24




*Sources: Waymaker research, Census, RealPage Market Analytics.*

# In Milwaukee: Completions Held Steadier, But Set to Decline

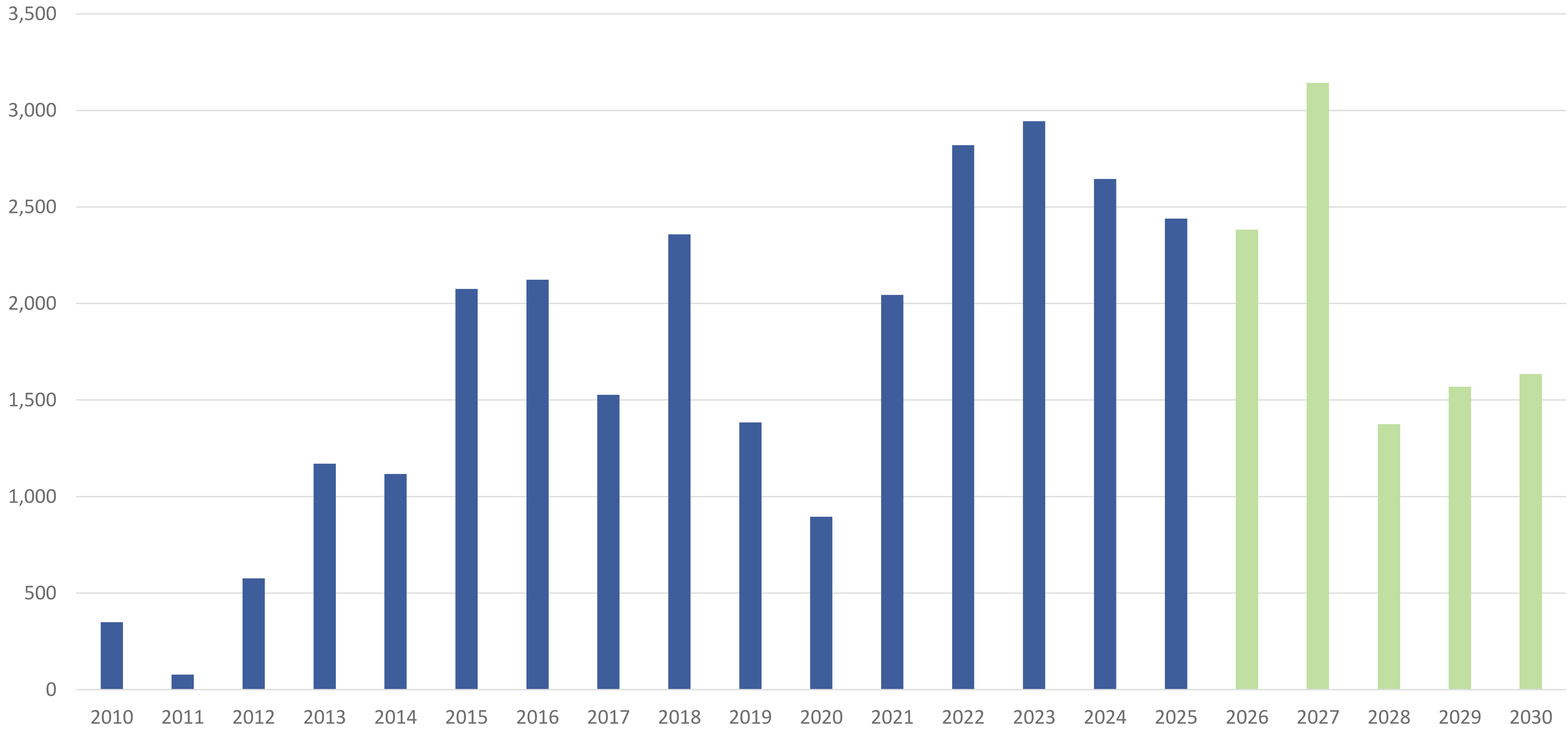
Multifamily Units Completed by Year and Forecast, Milwaukee Metro Area




*Sources: Waymaker research, Census, RealPage Market Analytics.*

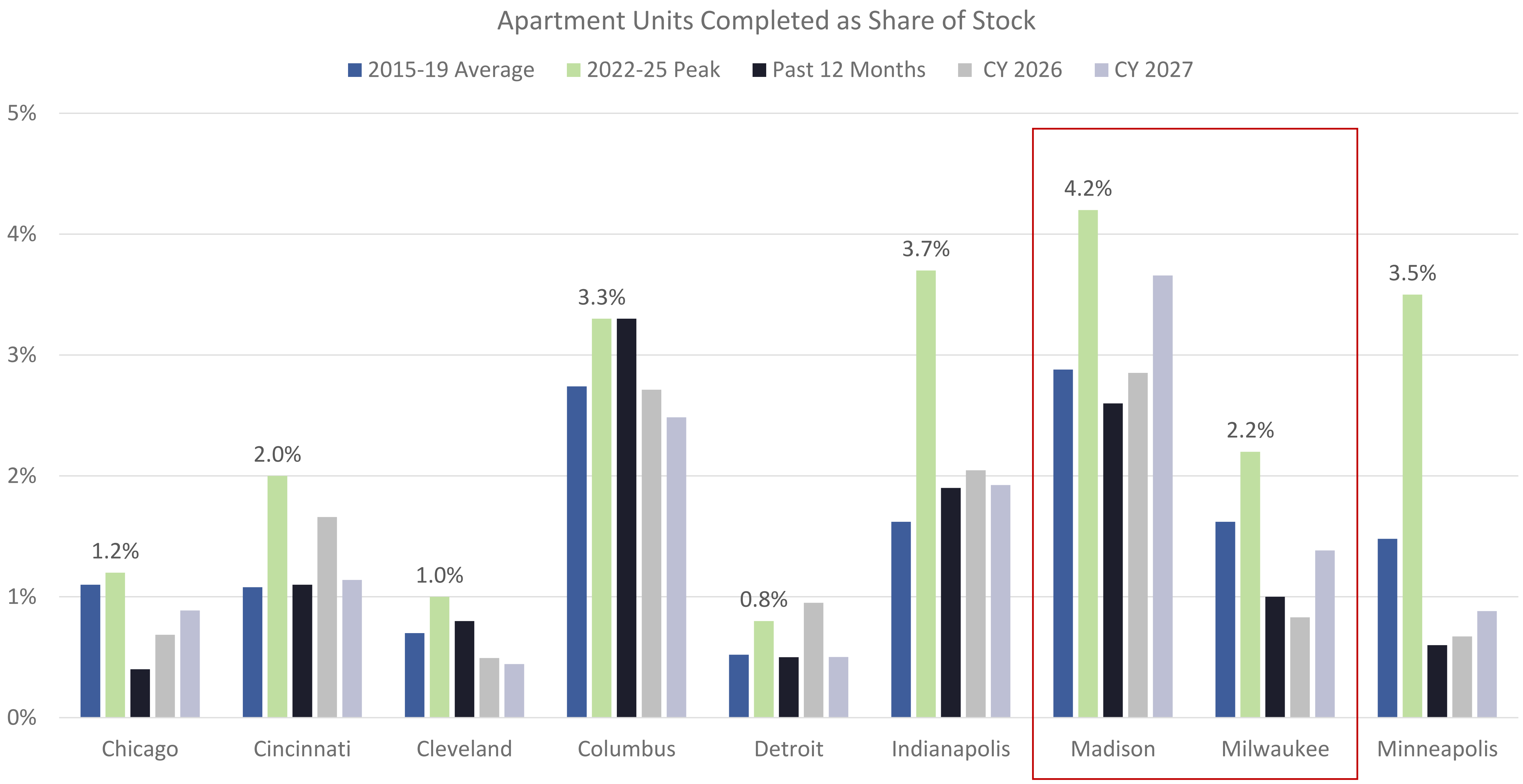
# In Madison: Moderate Supply Wave Should Persist Through '27

Multifamily Units Completed by Year and Forecast, Madison Metro Area



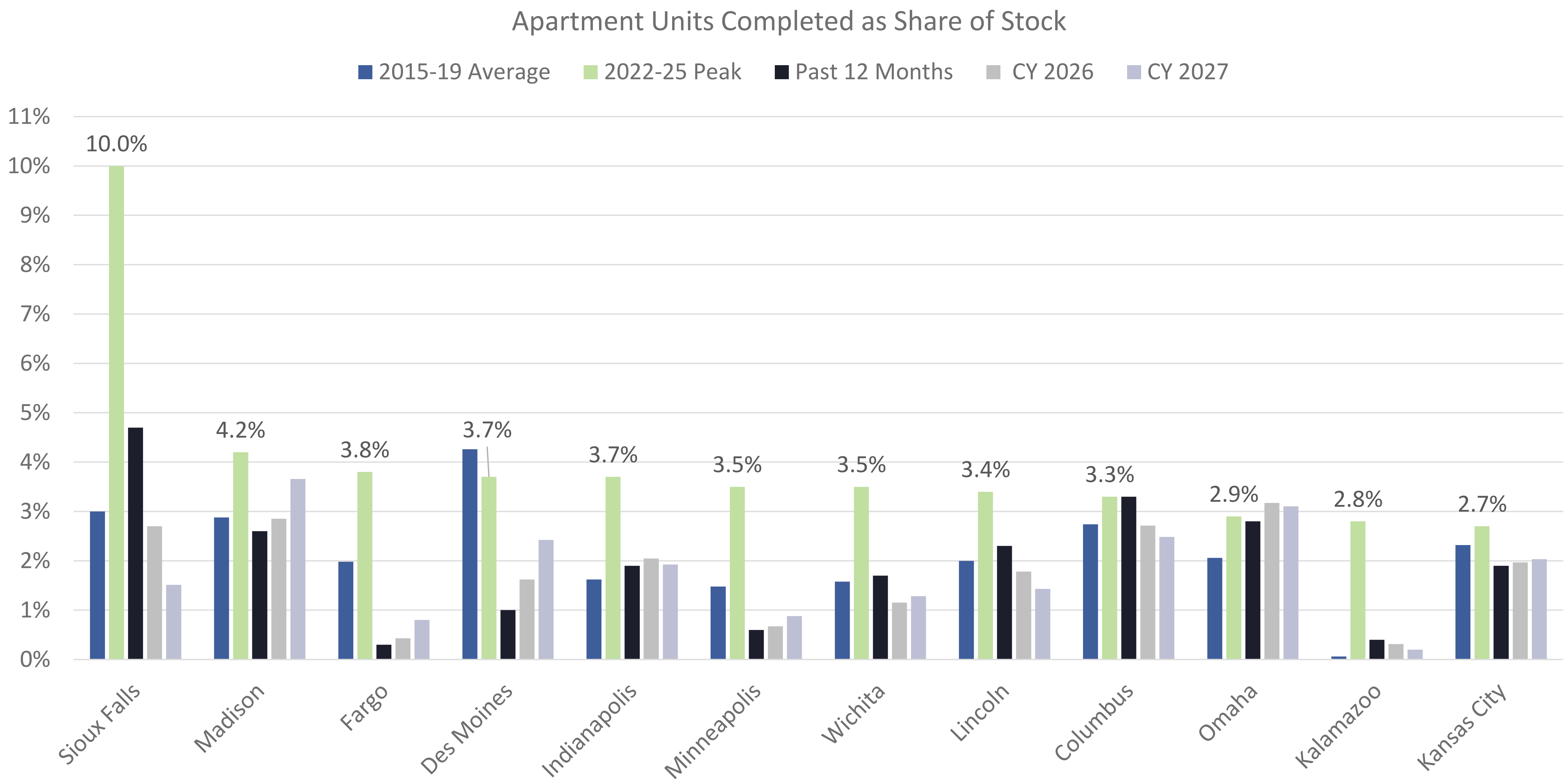

*Sources: Waymaker research, Census, RealPage Market Analytics.*

# Examining Supply Trends Across the Region




*Source: Waymaker research, RealPage Market Analytics.*

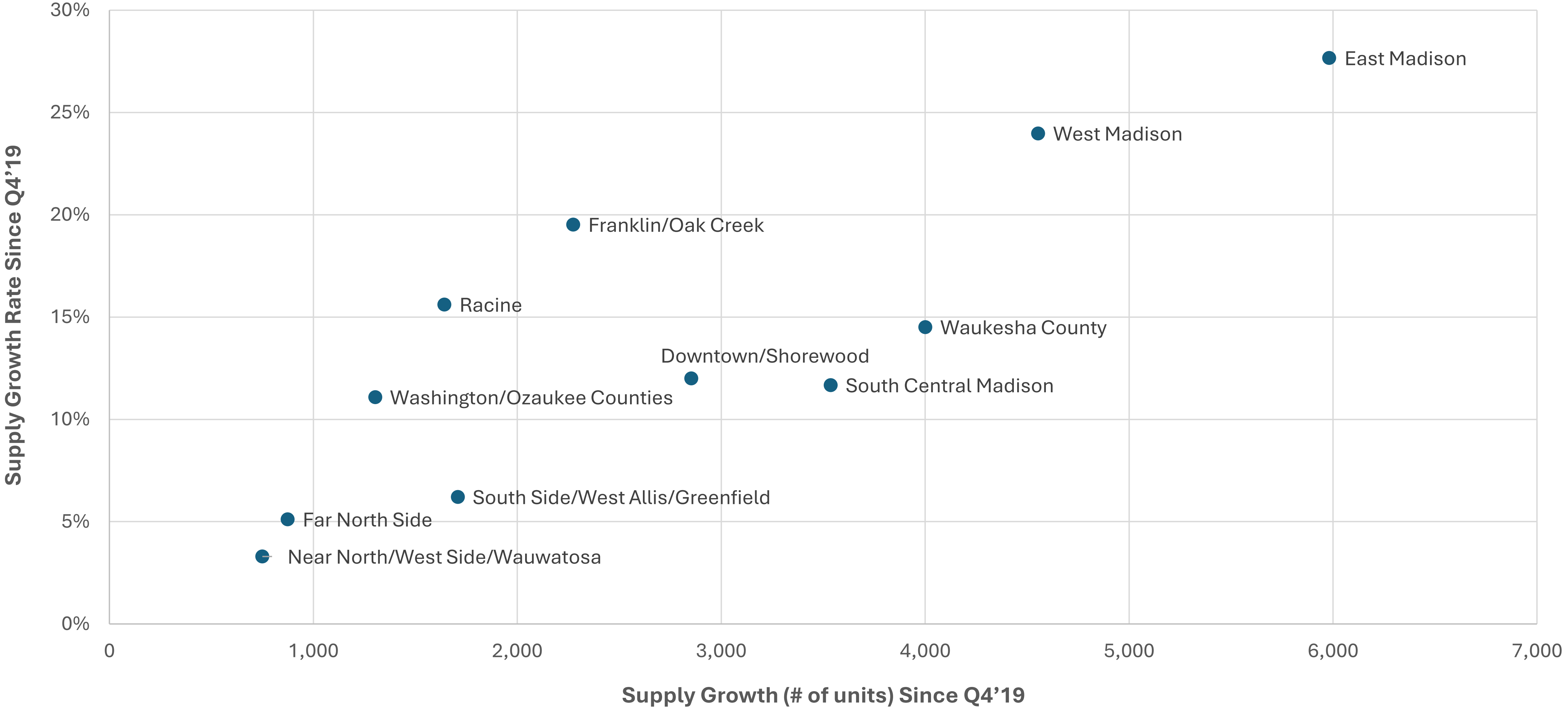
# Highest-Supplied Midwest Markets in the Post-COVID Cycle




*Source: Waymaker research, RealPage Market Analytics.*

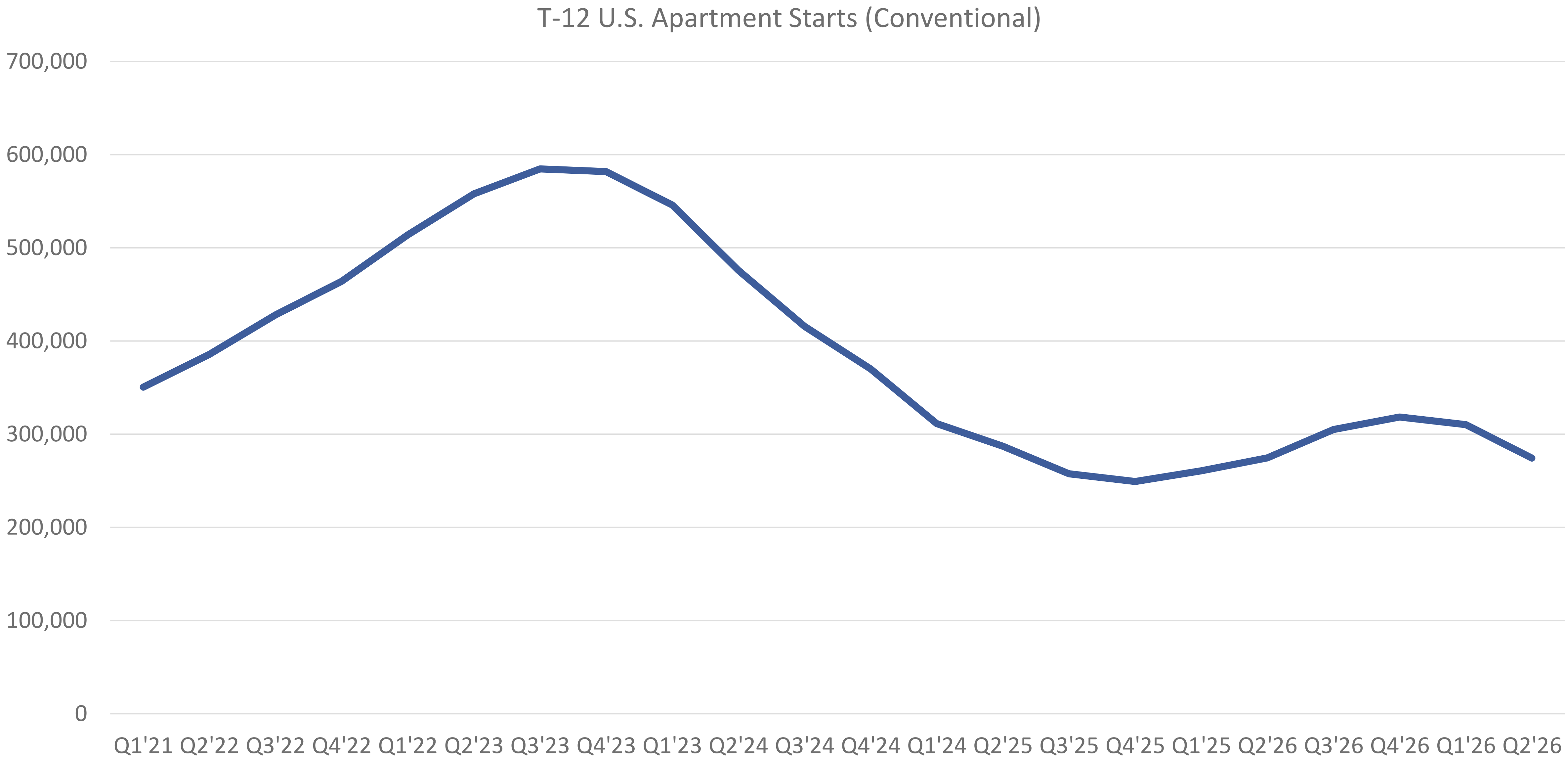
# Some Submarkets Have Seen Moderate Supply Growth Since 2019

Apartment Supply Growth in 2020s (Q4’19 to Current) by Submarket




*Source: Waymaker research, RealPage Market Analytics. Data covers market-rate professionally managed apartments.*

# Apartment Starts Hovering Around 300k, Half the Cycle's Peak




*Source: Waymaker research, RealPage Market Analytics*

# The Six Types of Projects Still Breaking Ground

1. Not located in Massachusetts

2. Tax incentivizes

3. Master-planned, mixed-use development

4. Overlooked submarkets

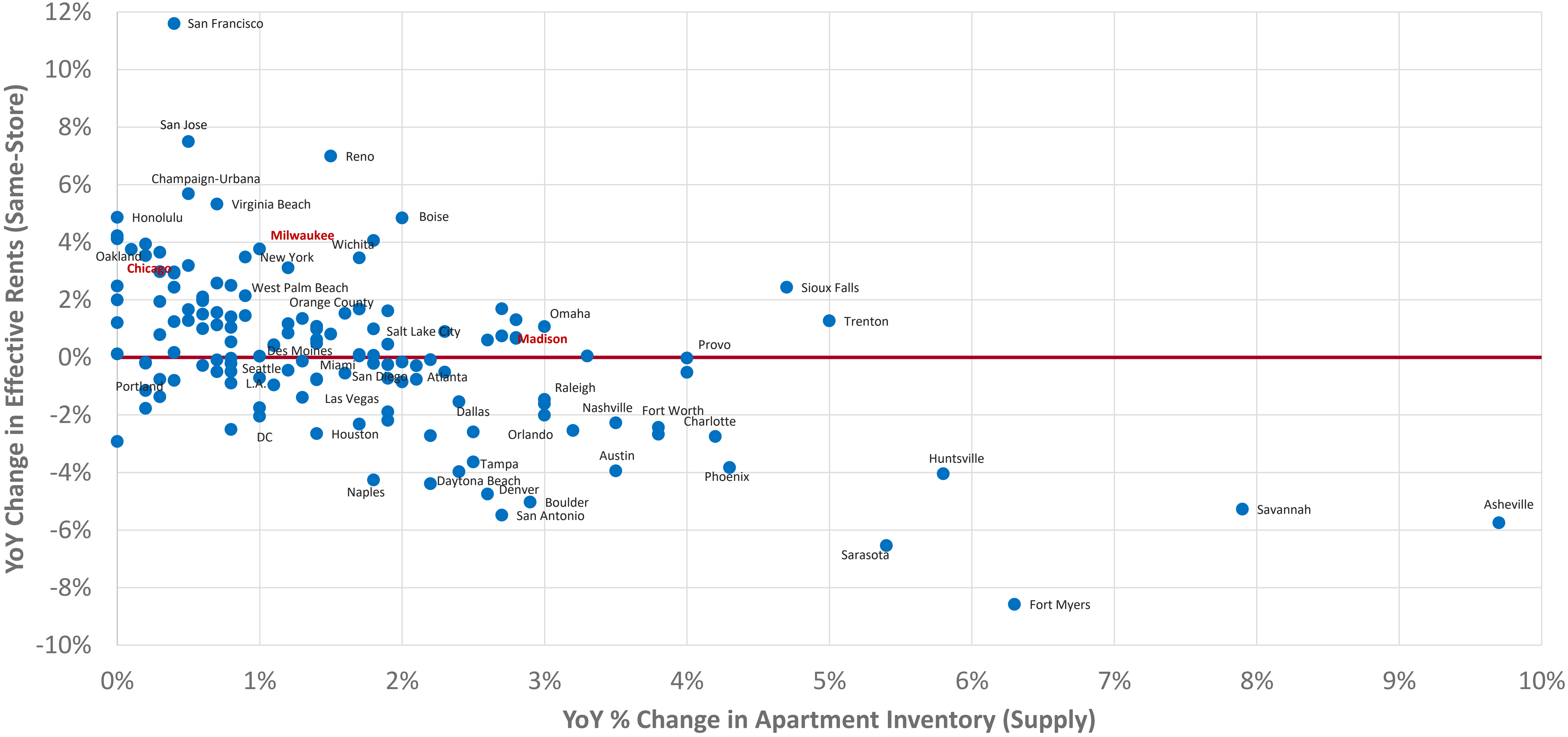
5. “The Story”

6. “Making it Work” -- Value Engineering & Construction Efficiencies

*Source: Analysis of recent apartment starts*

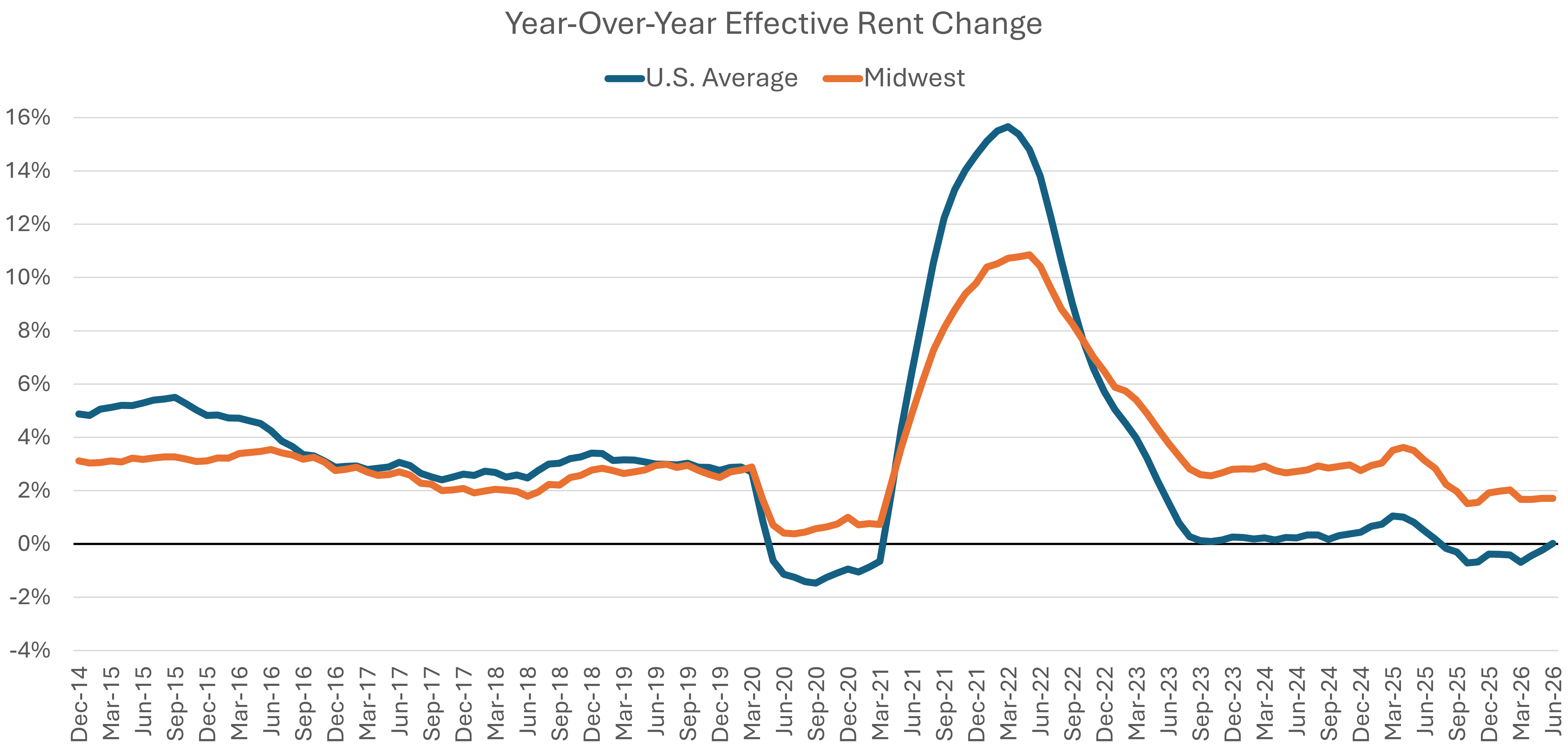
# Apartment Rents Slow Where Supply Goes, Grow Where It Doesn't

T-12 Supply Change vs. Rent Change, **Top 150 U.S. Markets,** Q2 2026



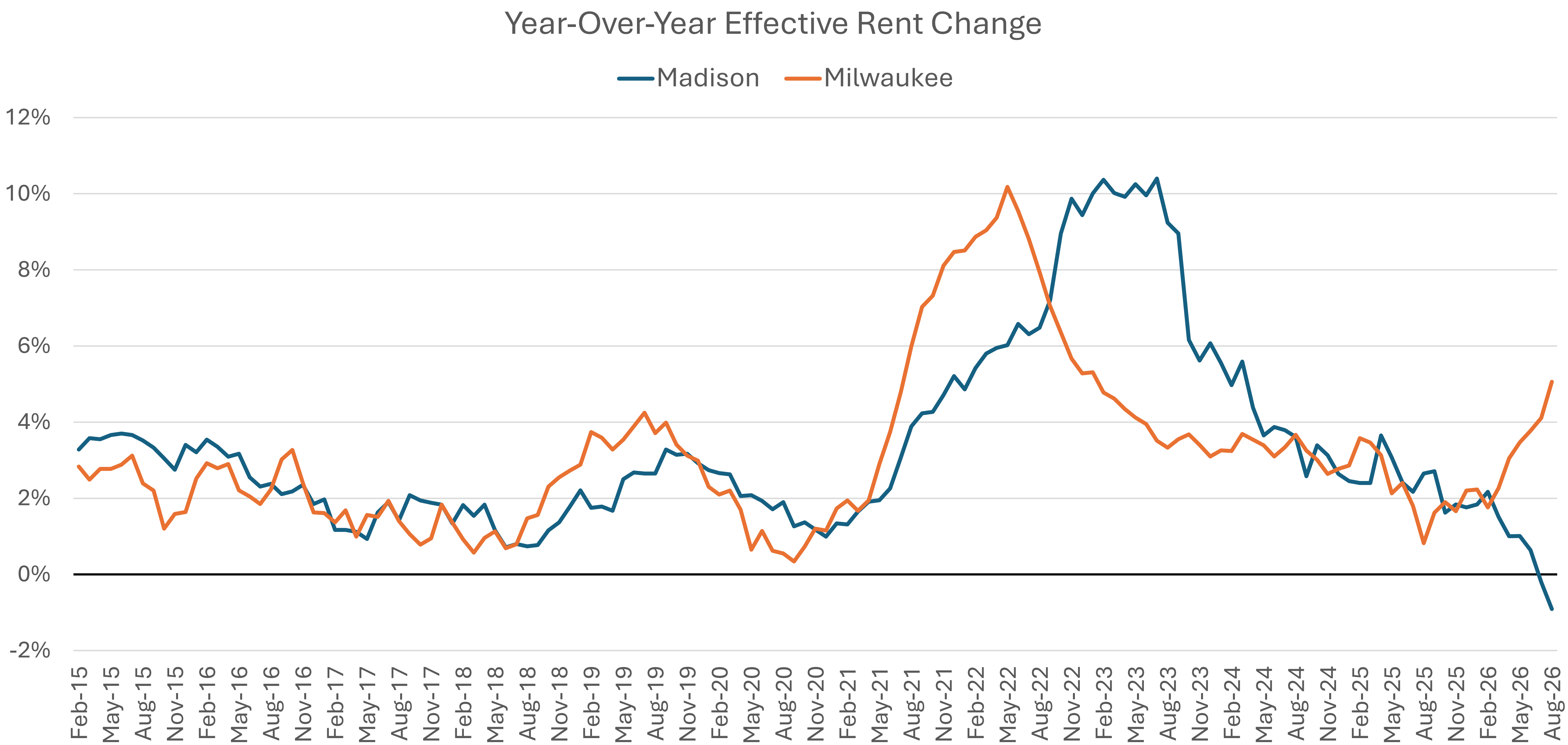

*Source: Waymaker research, RealPage Market Analytics*

# In the Midwest, Less Supply = Much Steadier Rent Growth



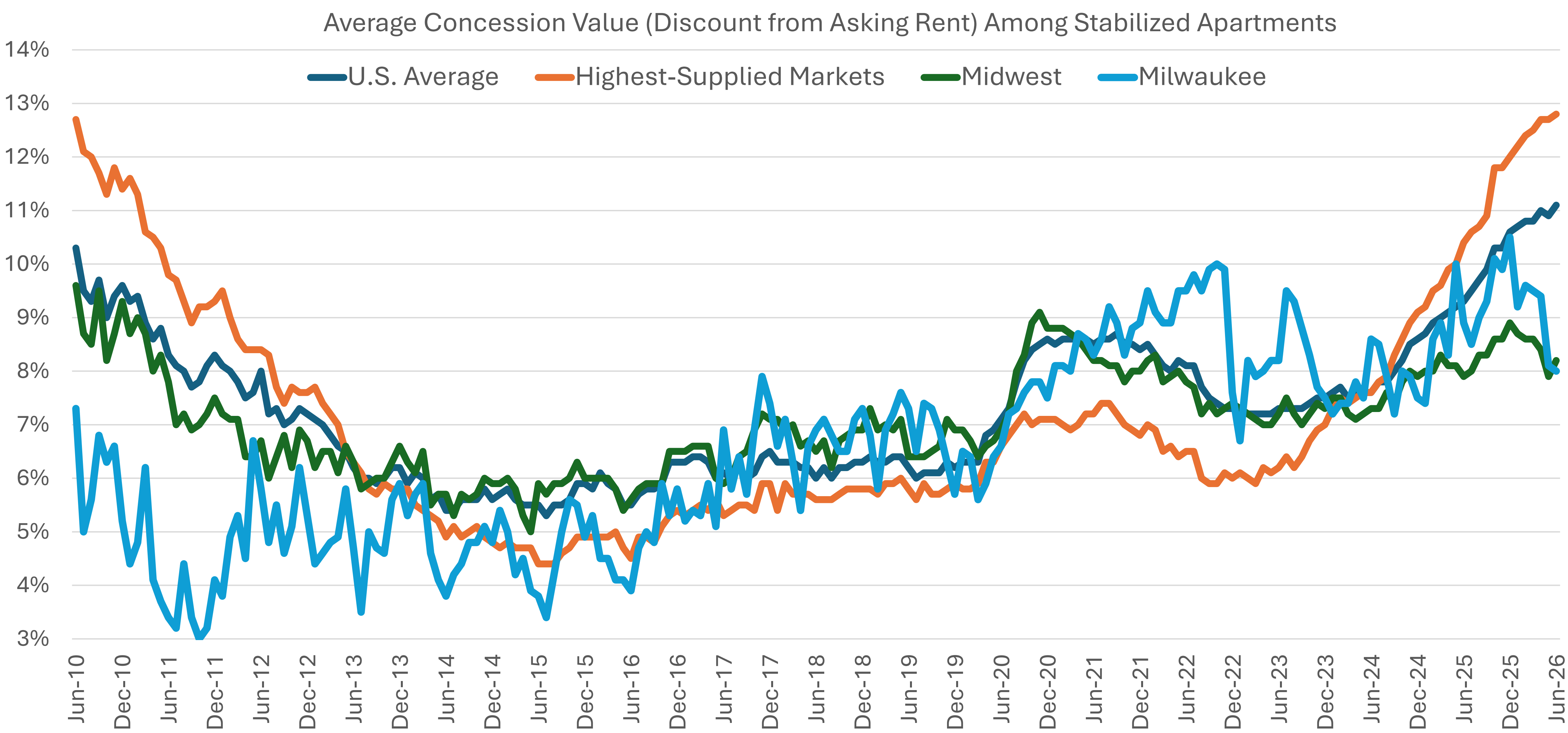

*Source: Waymaker research, RealPage Market Analytics. Data covers market-rate professionally managed apartments.*

# Rents in Milwaukee Gain Momentum, While Madison Lags




*Source: Waymaker research, RealPage Market Analytics. Data covers market-rate professionally managed apartments.*

# Rent Concessions are Less Common in Midwest than Elsewhere



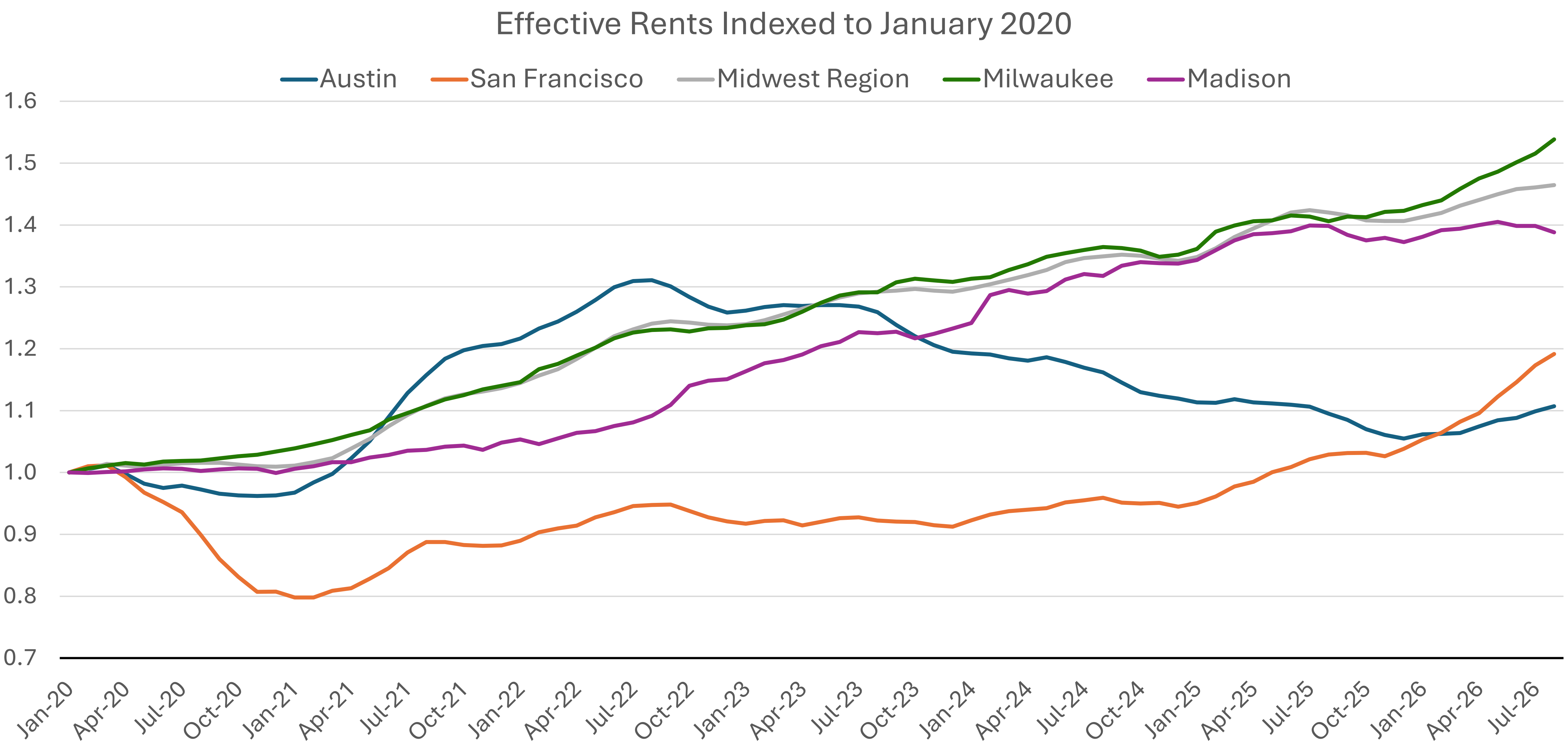

*Sources: RealPage Market Analytics. Concession values are specific to only stabilized (non-lease-up) conventional apartments offering new lease discounts.*

# Apartment Fundamentals Hold Steady Across Milwaukee

| Submarket | YoY Rent Change | Effective Rent | T-12 New Supply |
|---|---|---|---|
| Downtown/Shorewood | 6.9% | $ 2,280 | 90 |
| Far North Side | 6.2% | $ 1,597 | 134 |
| Franklin/Oak Creek | 5.5% | $ 1,758 | 131 |
| Near North/West Side/Wauwatosa | 3.2% | $ 1,888 | 0 |
| Racine | 6.7% | $ 1,554 | 162 |
| South Side/West Allis/Greenfield | 4.1% | $ 1,549 | 353 |
| Washington/Ozaukee Counties | 5.1% | $ 2,080 | 176 |
| Waukesha County | 4.0% | $ 1,802 | 626 |

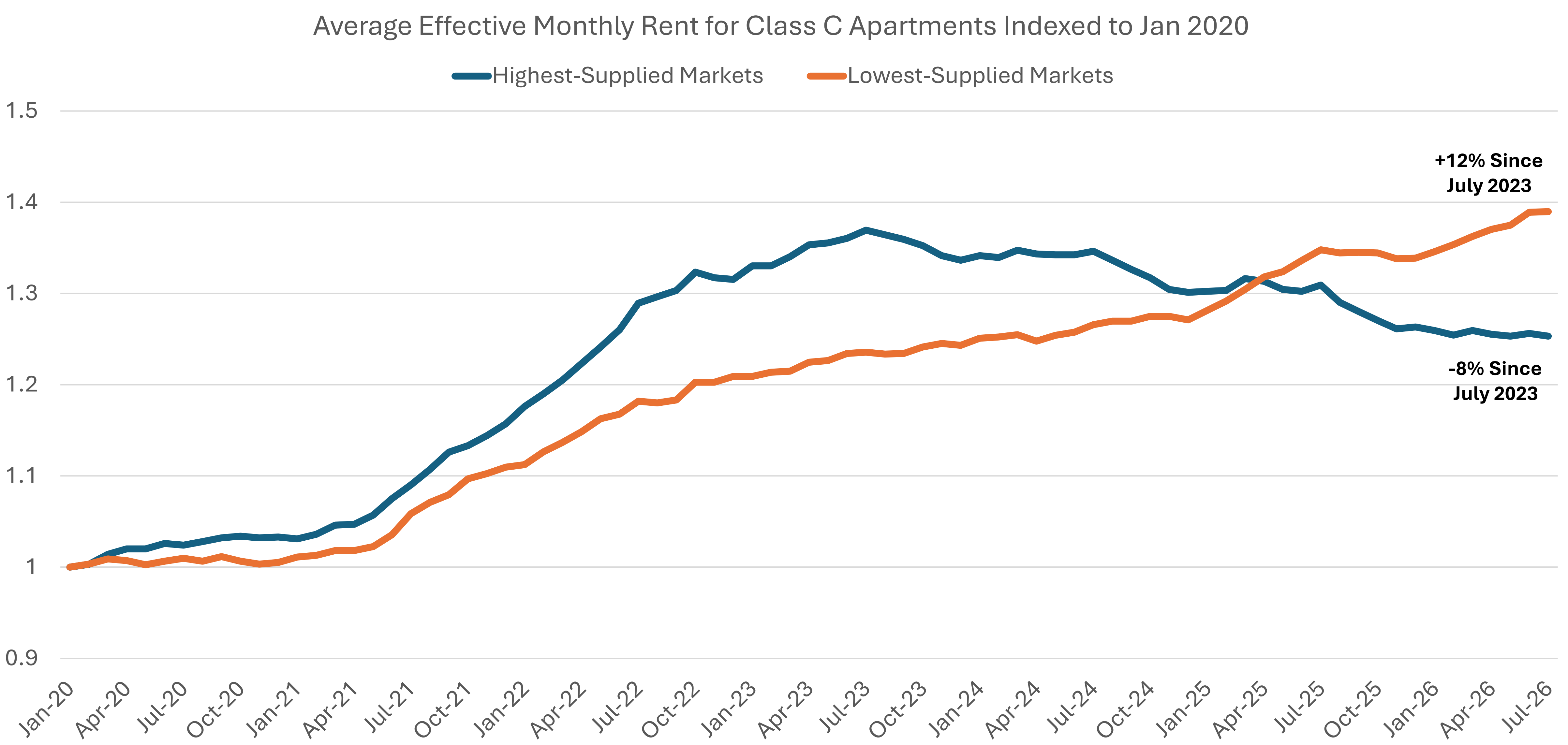
*Source: Waymaker research, RealPage Market Analytics. Data covers market-rate professionally managed apartments.*

# Since the COVID Era, Slow and Steady Wins the Race



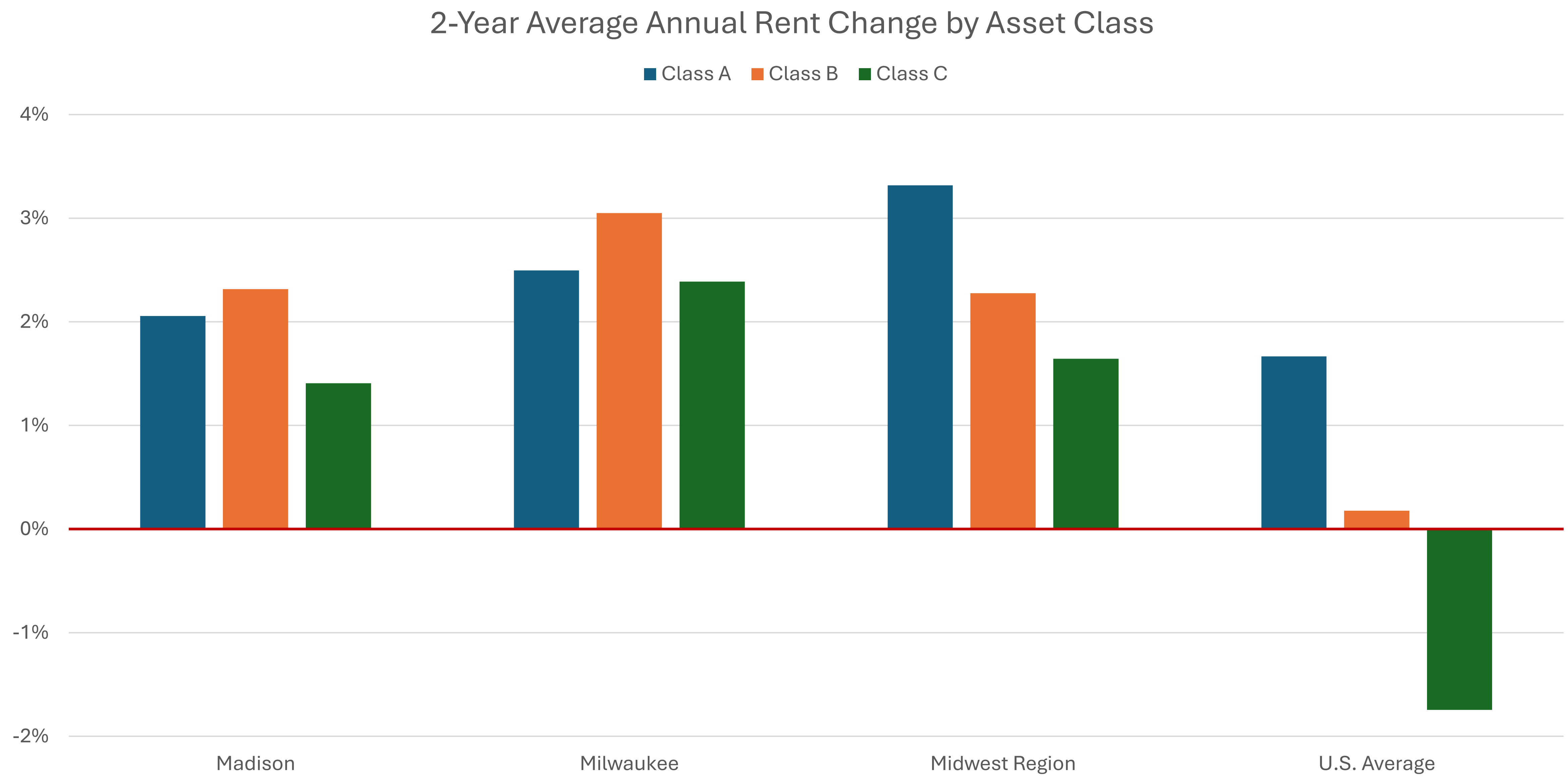

*Source: Waymaker research, RealPage Market Analytics. Data covers market-rate professionally managed apartments.*

# Class C Rents Rise in Low-Supply Areas, Fall in High-Supply Areas



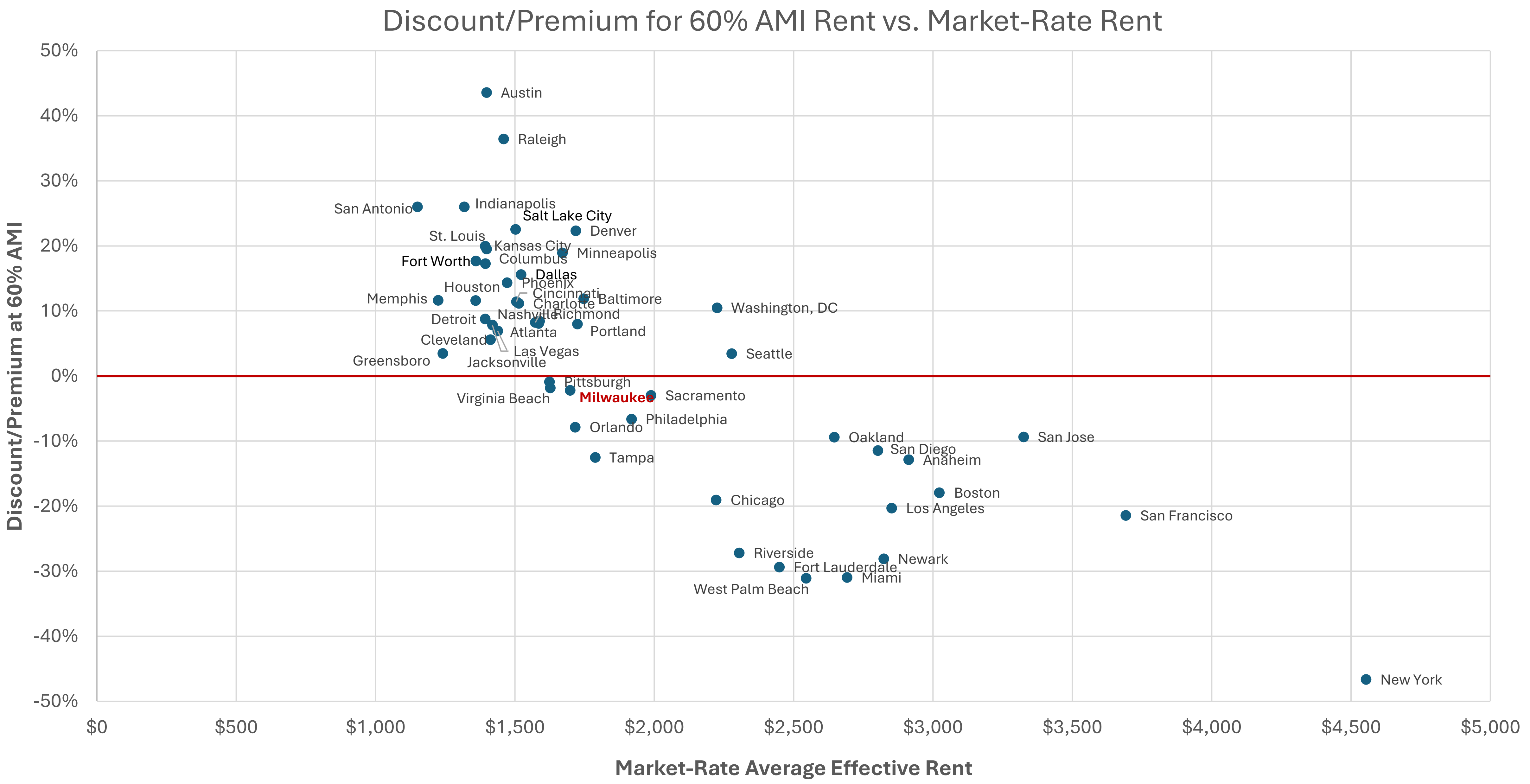

*Source: RealPage Market Analytics. Data covers major metro areas with highest supply versus lowest supply as a percent of total stock. Class C generally represents cheapest market-rate apartments.*

# In Multifamily, Class A Has (Generally) Outperformed Bs and Cs




*Source: Waymaker research, RealPage Market Analytics. Data covers market-rate professionally managed apartments.*

# LIHTC Max Rents Top Market Rents in Higher-Supply Markets



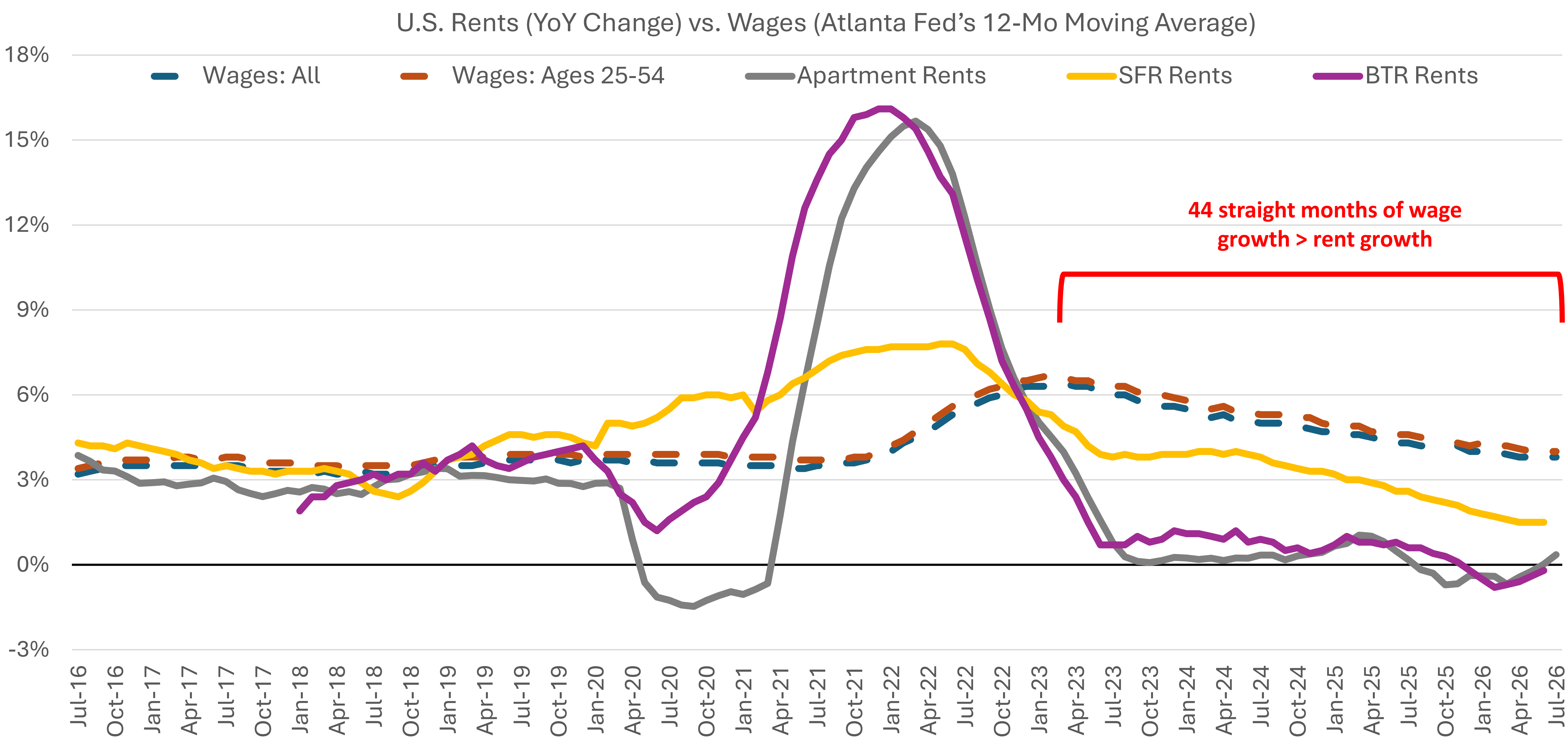

*Source: JPI research, HUD, RealPage Market Analytics. Premium/discount based on a 4-person household at 60% AMI.*

Journal of Urban Economics
Volume 133, January 2023, 103383


# JUE Insight: The effect of new market-rate housing construction on the low-income housing market ☆

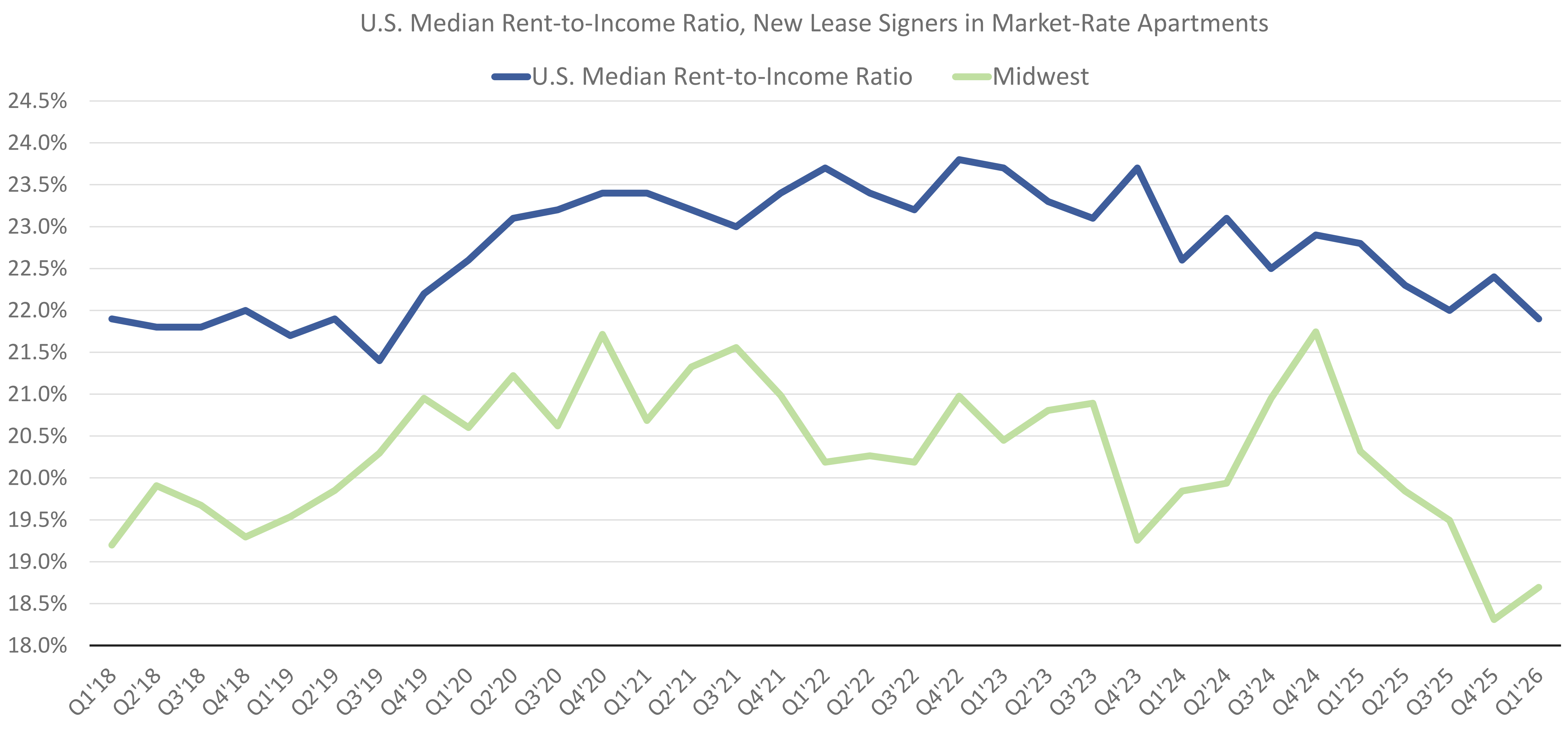
Evan Mast

# Wage Growth Surpasses Rent Growth for 44 Months and Counting




*Source: Effective asking rents from RealPage covering market-rate, professionally managed apartments. SFR and BTR data from John Burns Research & Consulting. Wages from Federal Reserve Bank of Atlanta's Wage Tracker tool.*

# Affordability Improves as Wage Growth Outpaces Rents




*Source: Waymaker research, RealPage Market Analytics*

JCHS HARVARD UNIVERSITY JOINT CENTER FOR HOUSING STUDIES

## Renter Cost Burdens Are Widespread

The New York Times

NEWSLETTER

**Headway**

## Rent Is Swallowing Household Incomes

PBS NEWS HOUR

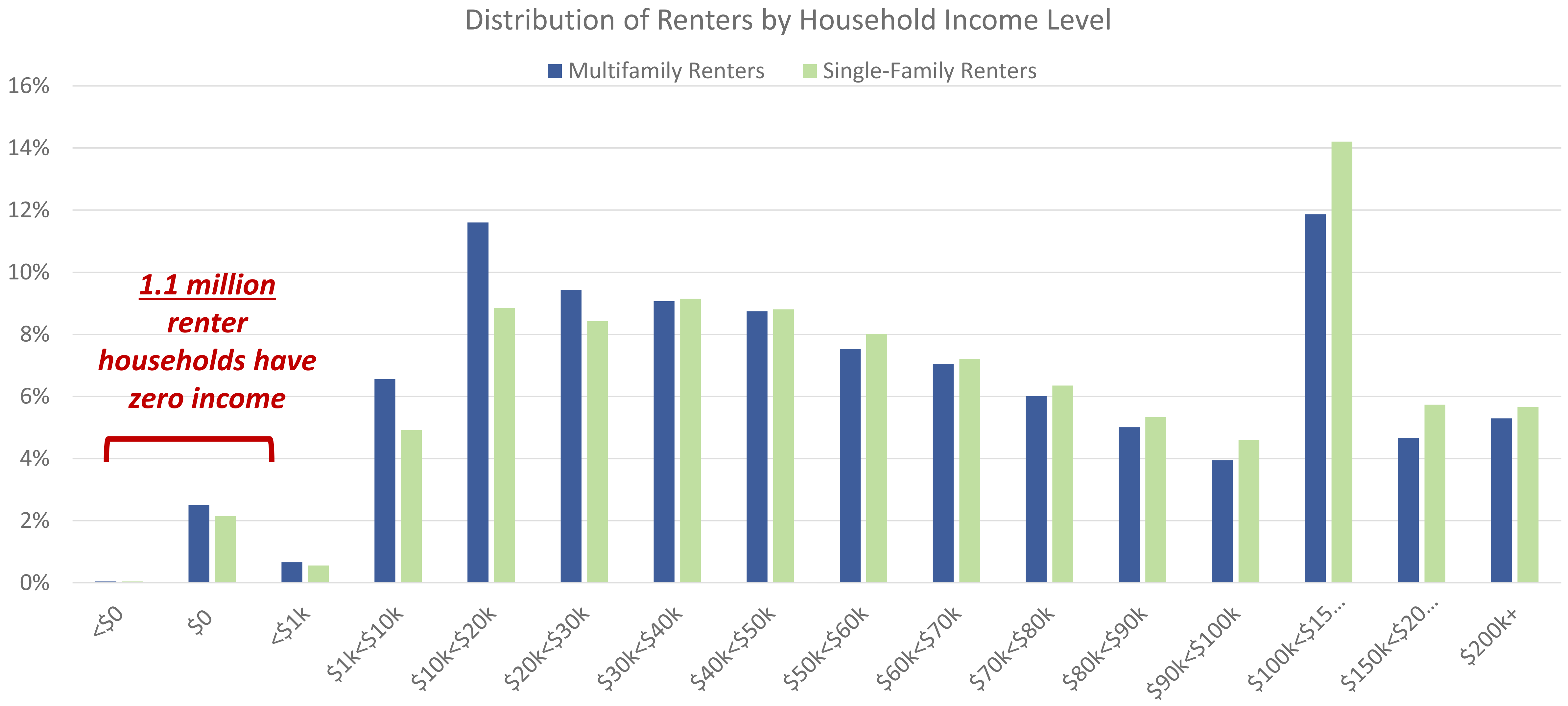
## Half of American renters pay more than 30% of income on housing, study shows

Feb 8, 2024 6:30 PM EDT

Zillow

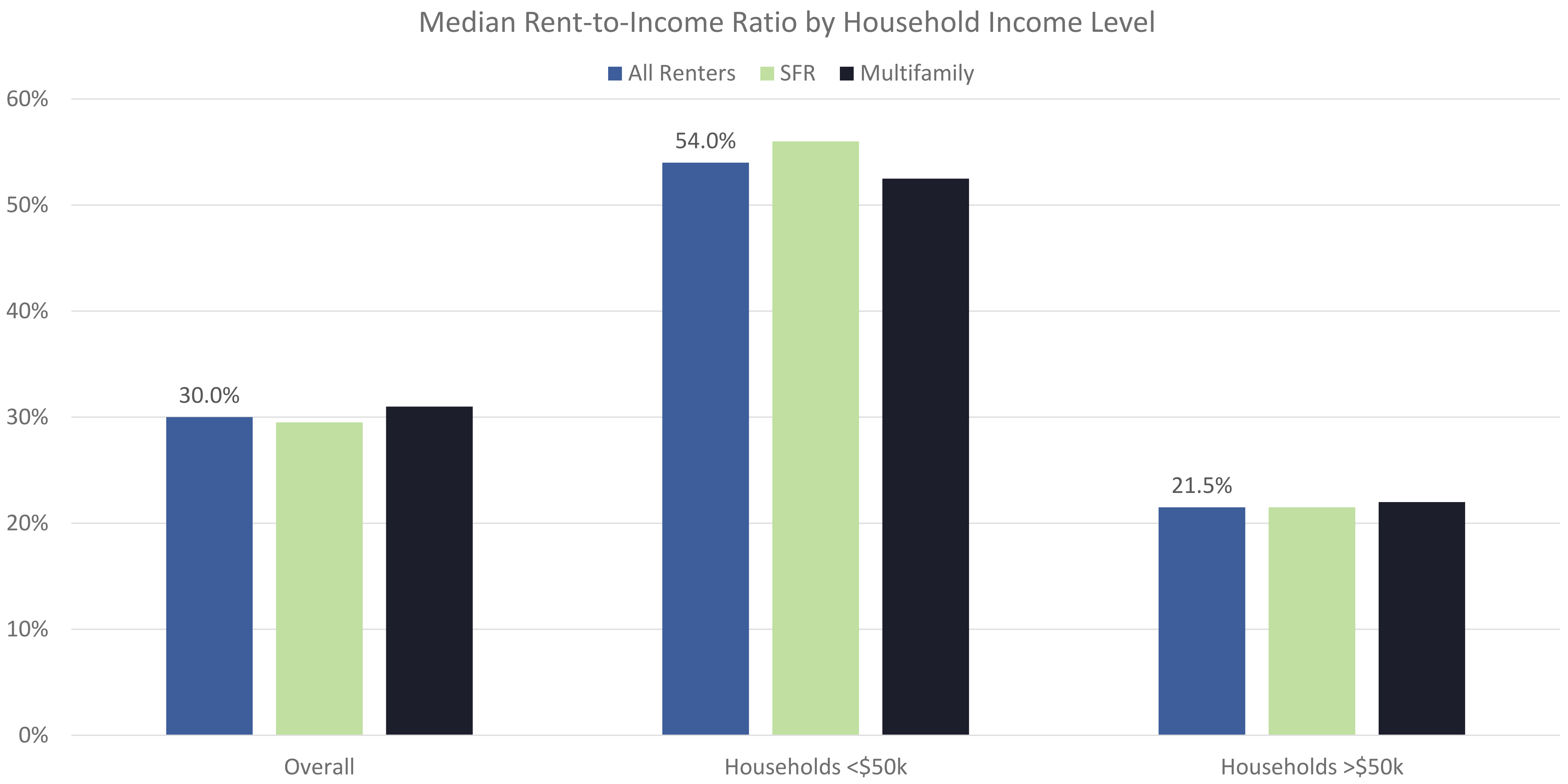
## Despite Cooling Rent Growth, Nearly Half of Renter Households Were Cost-Burdened in 2024

# Nearly 30% of U.S. Renters Have Incomes <$30k, Which Means They Can't Afford to Cover Operating Costs of a Typical Rental

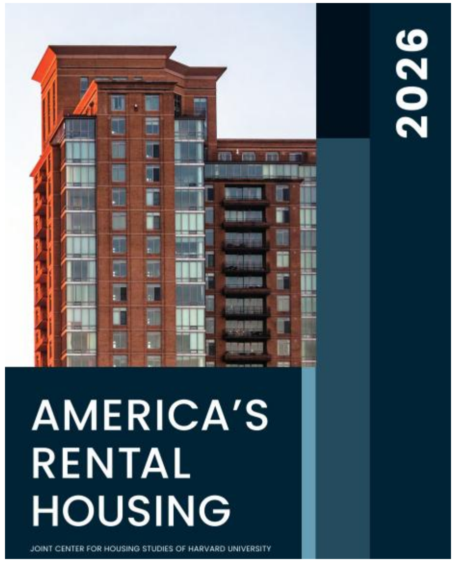



Source: Witten Advisors analysis of Census data

# Census: Renters Making >$50k Spend 21.5% of Income on Rent

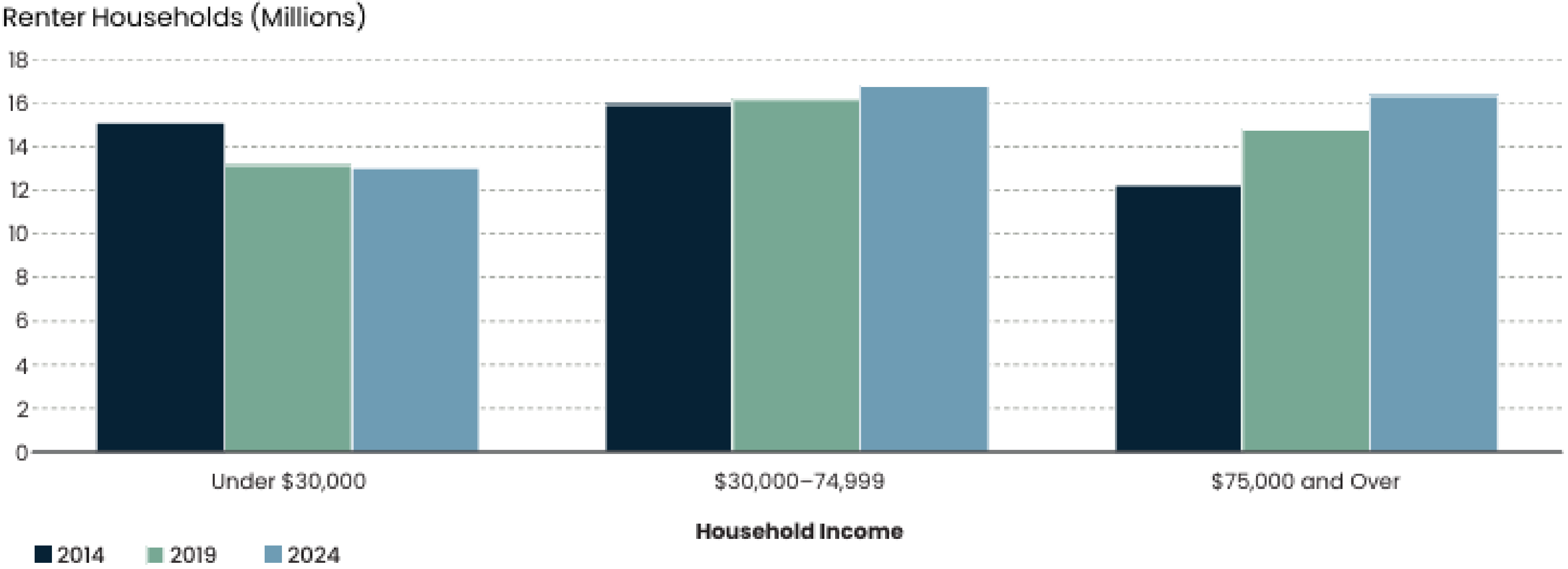



Source: Witten Advisors analysis of Census data



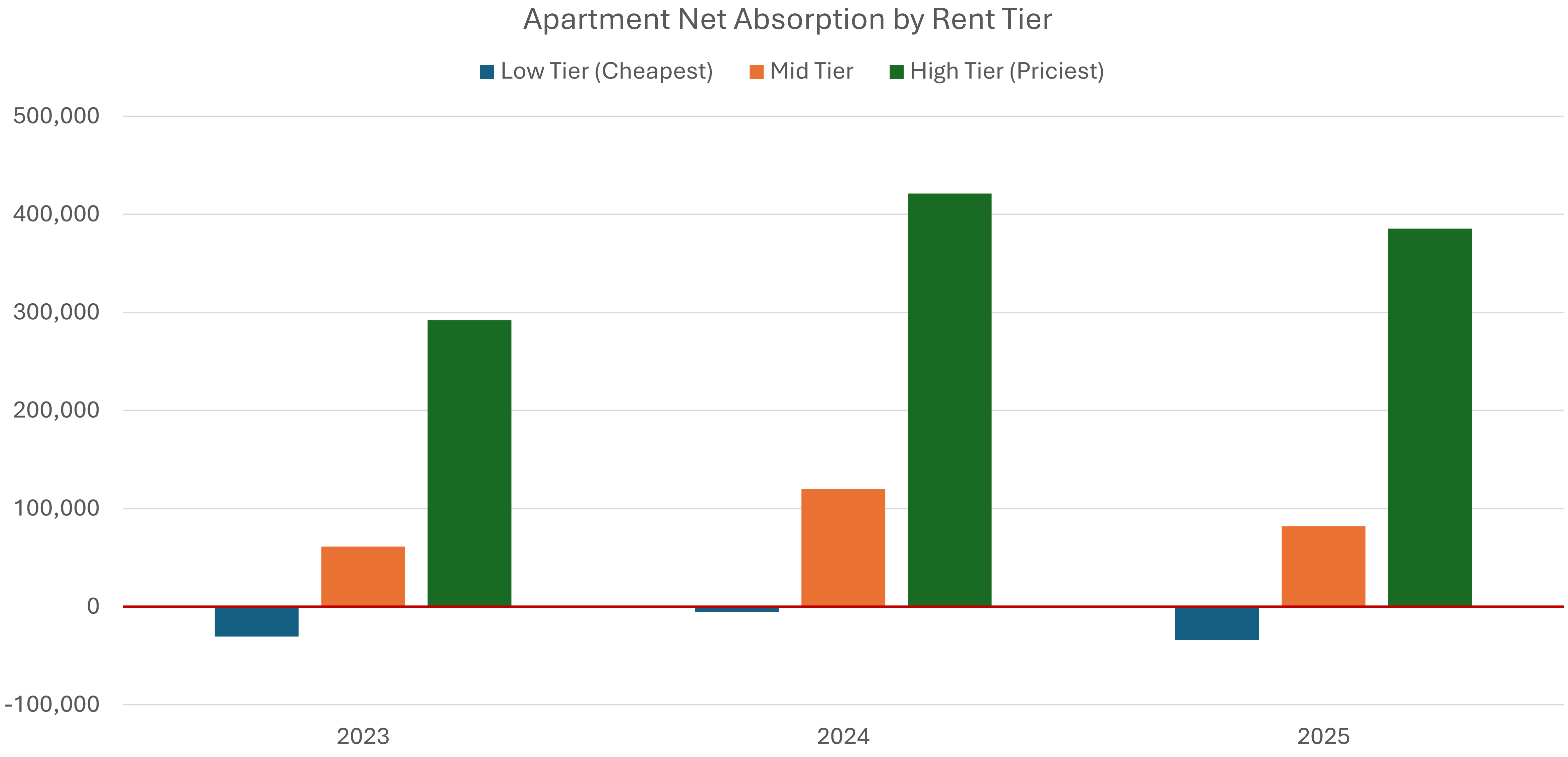

*Since 2014, the U.S. added 4.1 million higher-income renters, and they now comprise 35% of the renter population, up 7.1 ppts since 2014.*

## Higher-Income Households Have Driven the Bulk of New Rental Demand




*Note: Household incomes are adjusted for inflation using the CPI-U for All Items.*
*Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.*

# Flight to Quality: Demand Shifts Up Market to Pricier Apartments

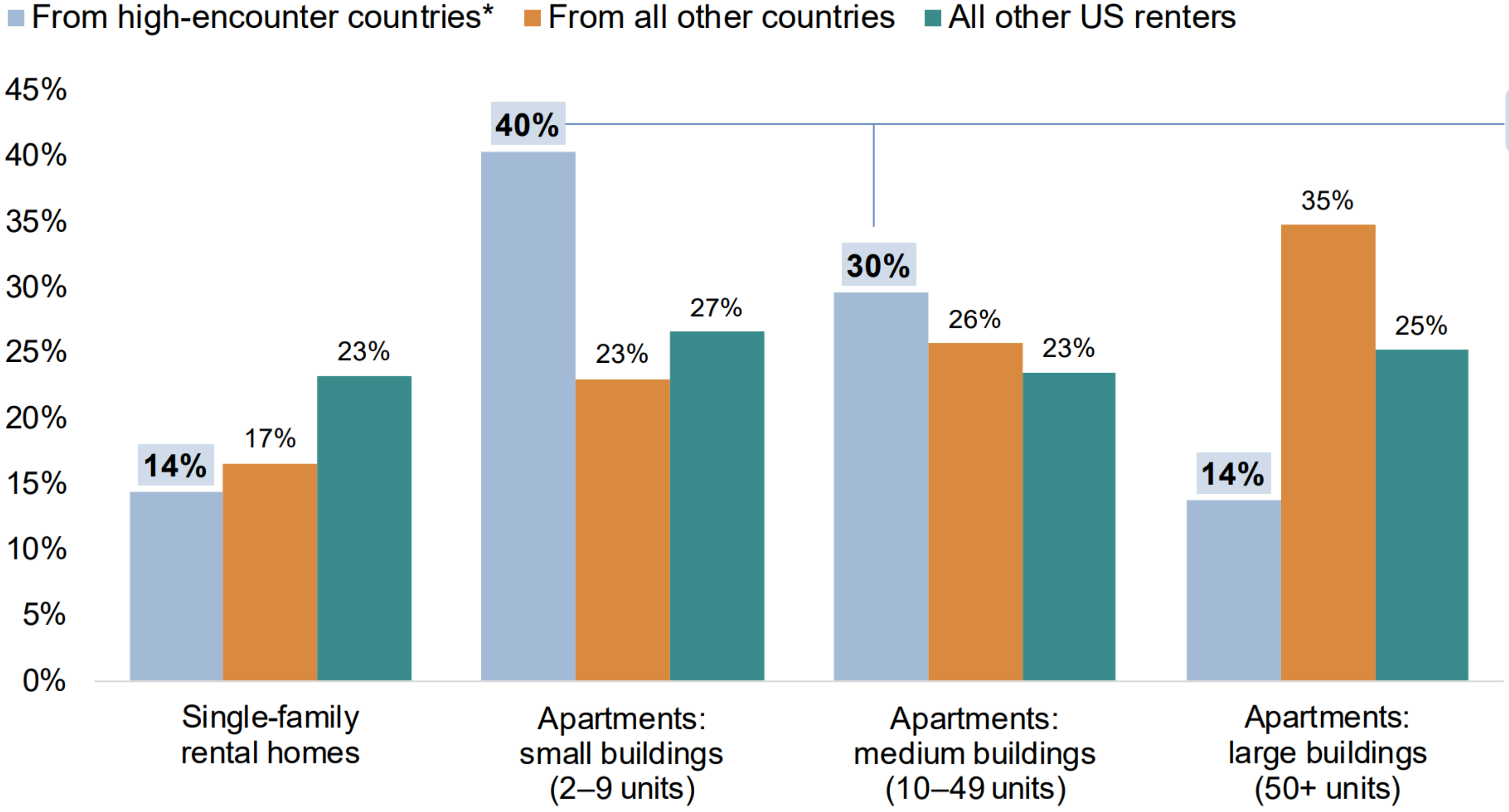



*Source: JPI research, CoStar. Tiers based on CoStar's groupings of 1-2 Star, 3 Star and 4-5 Star properties.*

# Immigrants from the 2022–2024 surge* have primarily rented apartments in smaller buildings with fewer than 50 units.

## Recent Immigrant Rental Tenants by Structure Type and Country of Origin

Top 6 largest MSAs**




**70%** of new immigrant tenants from high-encounter countries rent in small to medium-sized apartment buildings—**mostly sub-institutional-grade properties**.

New immigrant **renters from other countries tend to rent in larger apartment buildings** (with 50 or more units).


**We categorize immigrants from the surge as originating in Mexico and Central America, plus Cuba, Haiti, Colombia, Peru, and Venezuela.*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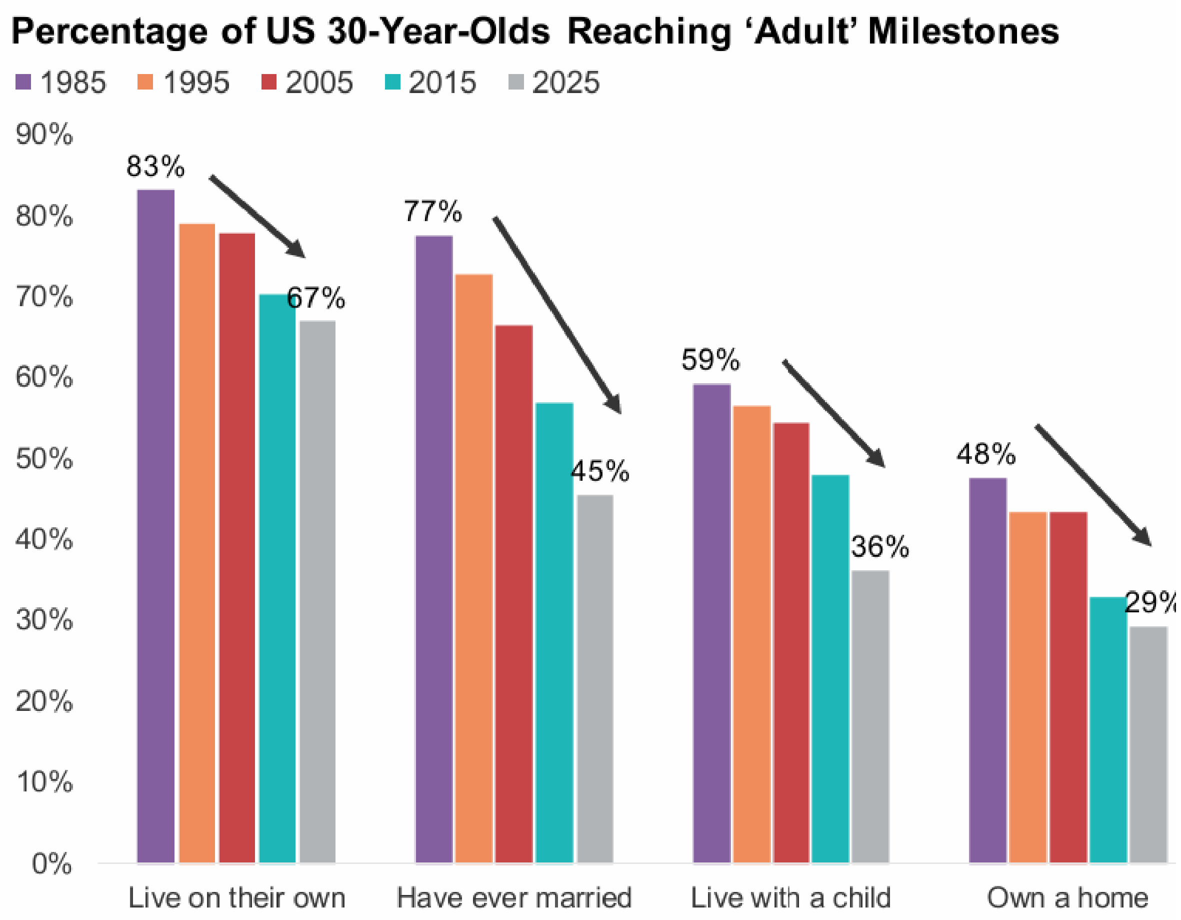
**Six largest MSAs include New York, Los Angeles, Chicago, Houston, Dallas, and Atlanta.

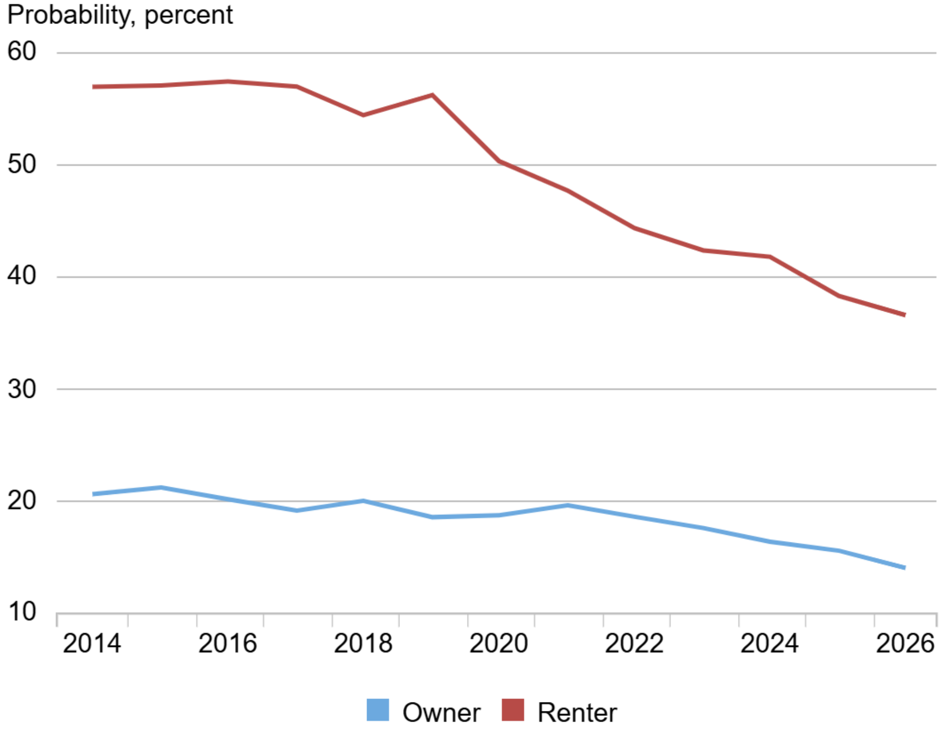
Sources: John Burns Research and Consulting, LLC tabulations of US Census Bureau microdata (Data: 2024, Pub: Jun-26)

# The American Renting Stage of Life is Elongating




Sources: John Burns Research and Consulting, LLC, tabulations of U.S. Census Bureau Current Population Survey Annual Socia Supplement via IPUMS-USA (Data: 2025, Pub: Mar-26)

## Renters' Expected 3-Year Mobility Fell 20 Percentage Points in the Last 12 Years

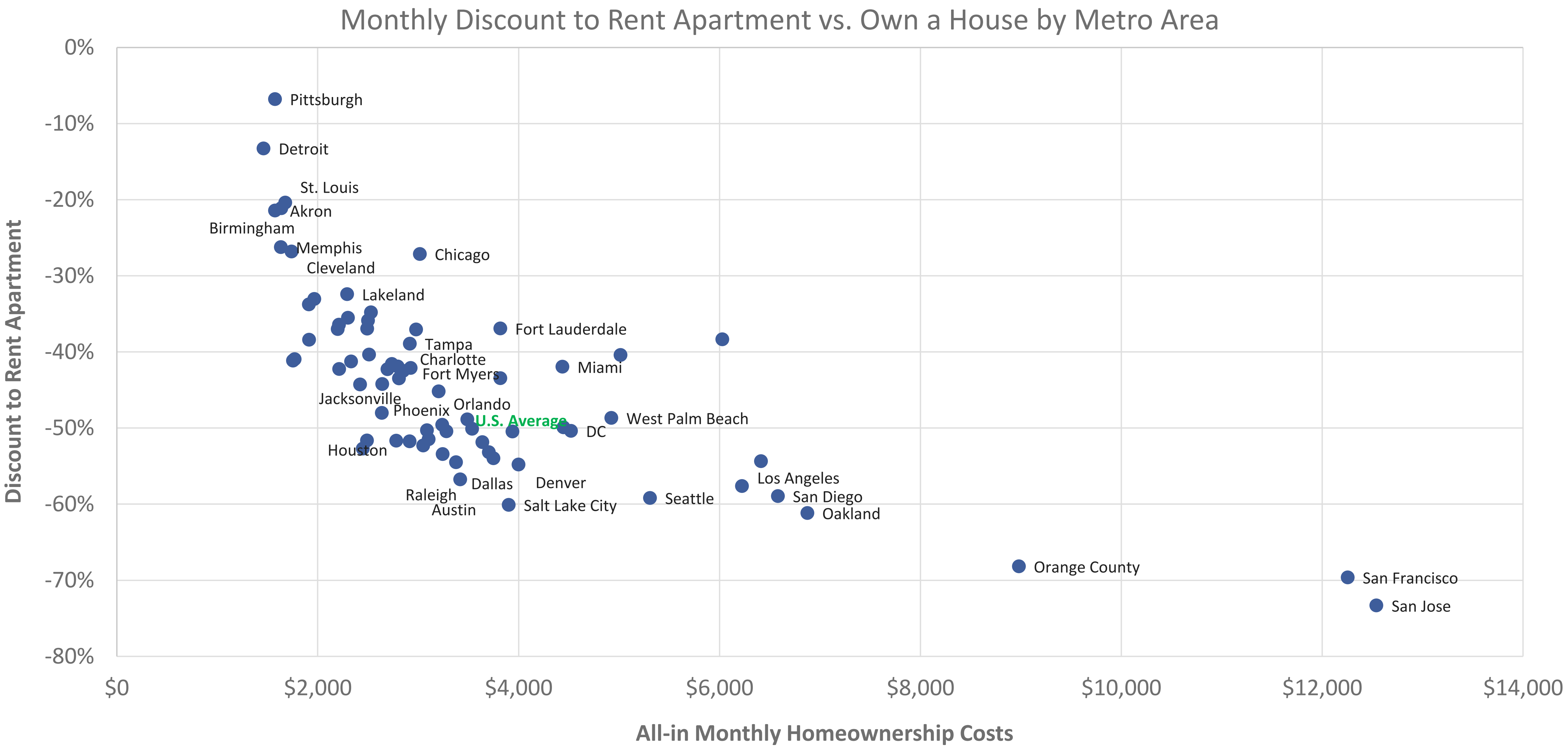



Source: Survey of Consumer Expectations Housing Surveys, February 2014 through February 2026.

Notes: The chart shows the mean percent chance of moving to a different primary residence within the next three years, by owner/renter status.

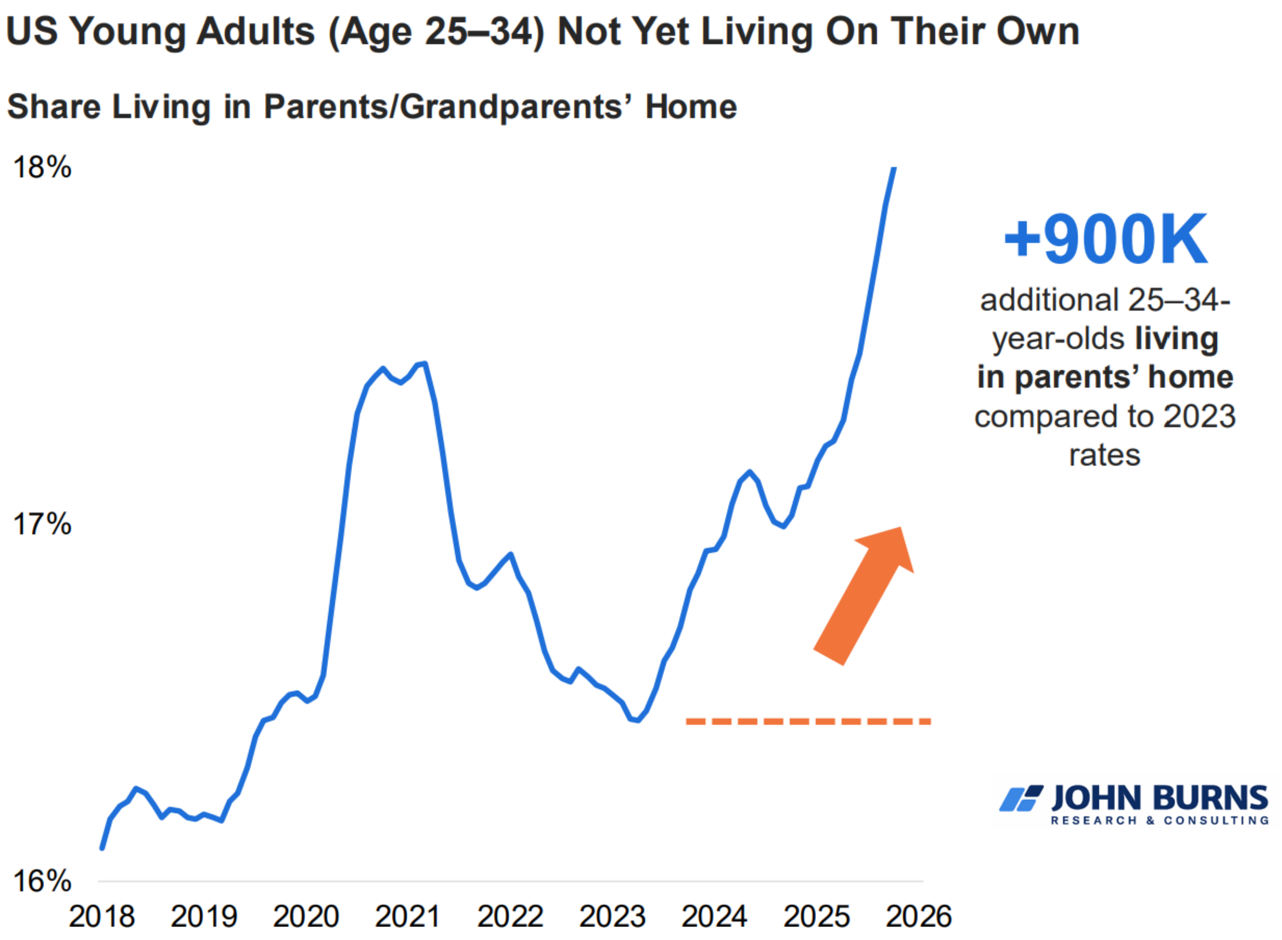
*Sources: John Burns Research & Consulting, Federal Reserve Bank of New York*

# How Much Cheaper is it to Rent an Apartment vs. Buy a House?



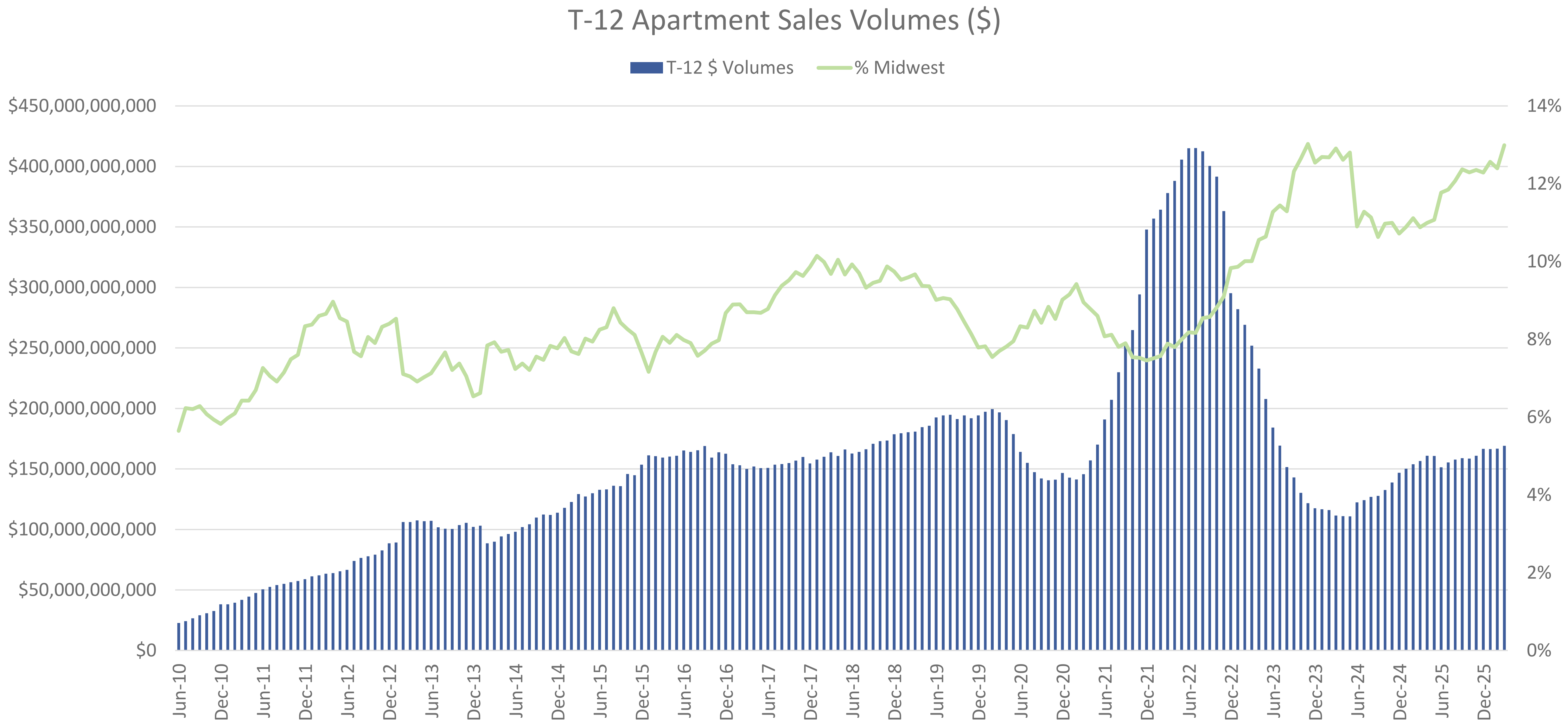

*Sources: John Burns Research & Consulting. All-in homeownership costs include mortgage payment, taxes, maintenance, etc., for new homebuyers, estimated by JBREC.*

# On the Flip Side: More Young Adults Living with Parents




Additional roommates are people living in households where they are neither the householder nor in a family or romantic relationship wi
Source: John Burns Research and Consulting, LLC tabulations of U.S. Census Bureau Basic Monthly Current Population Survey (Data:

# Transactions Picking Up Slowly, With Midwest Taking Growing Share




*Source: Waymaker research, MSCI Real Capital Analytics*

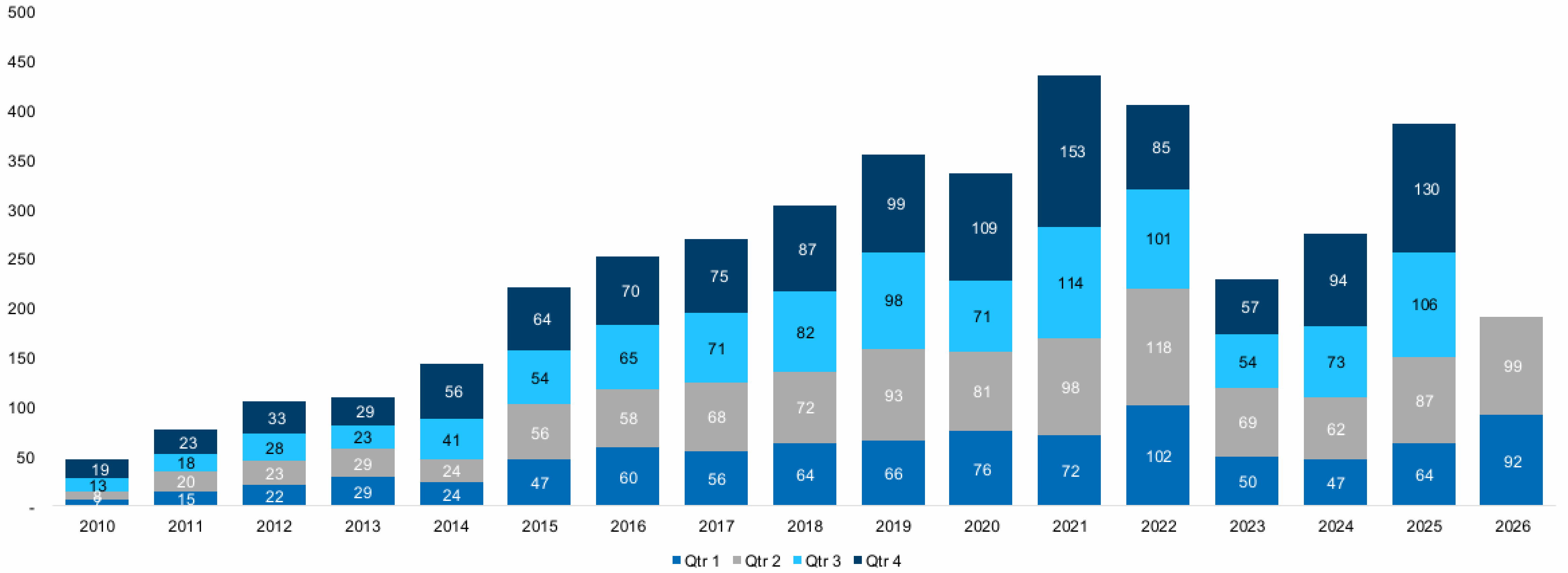
# In Milwaukee: Apartment Sales Top Pre-Pandemic Highs


*Source: Waymaker research, MSCI Real Capital Analytics*

# Multifamily Debt Originations Accelerated 26% Year-Over-Year in 1H26

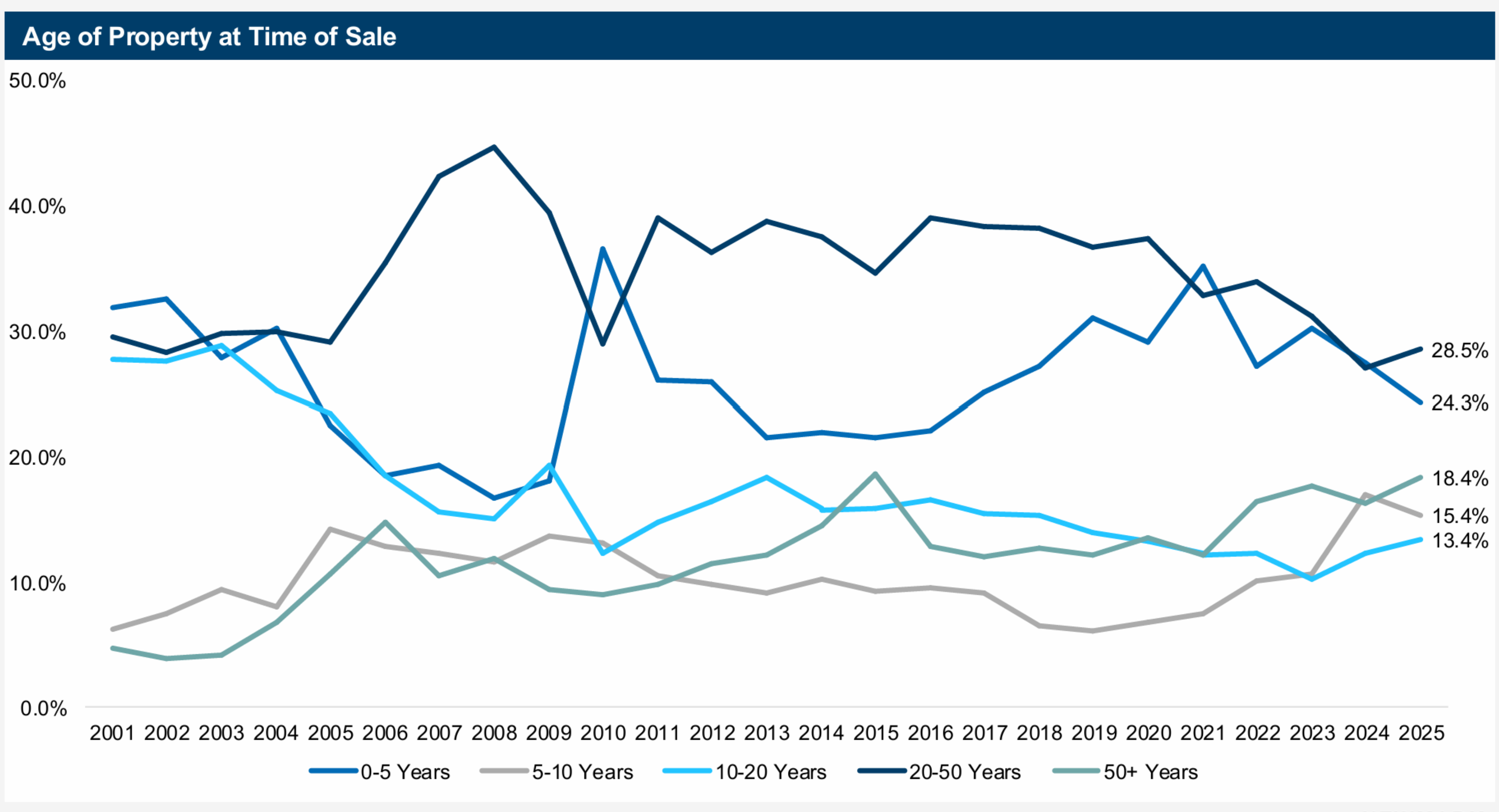
Activity gained momentum in the first half of 2025 and has extended through the first half of 2026, accelerating 26% year over year. Borrowers benefited from narrow loan spreads, improved confidence in fundamentals as construction slowed, and continued momentum starting in the second half of 2024.

**Multifamily Debt Origination Volume* ($, Billions)**




Source: RCA, Newmark Research as of 7/14/2026
Note: loan origination volumes are adjusted for future expected revisions using Newmark's proprietary models

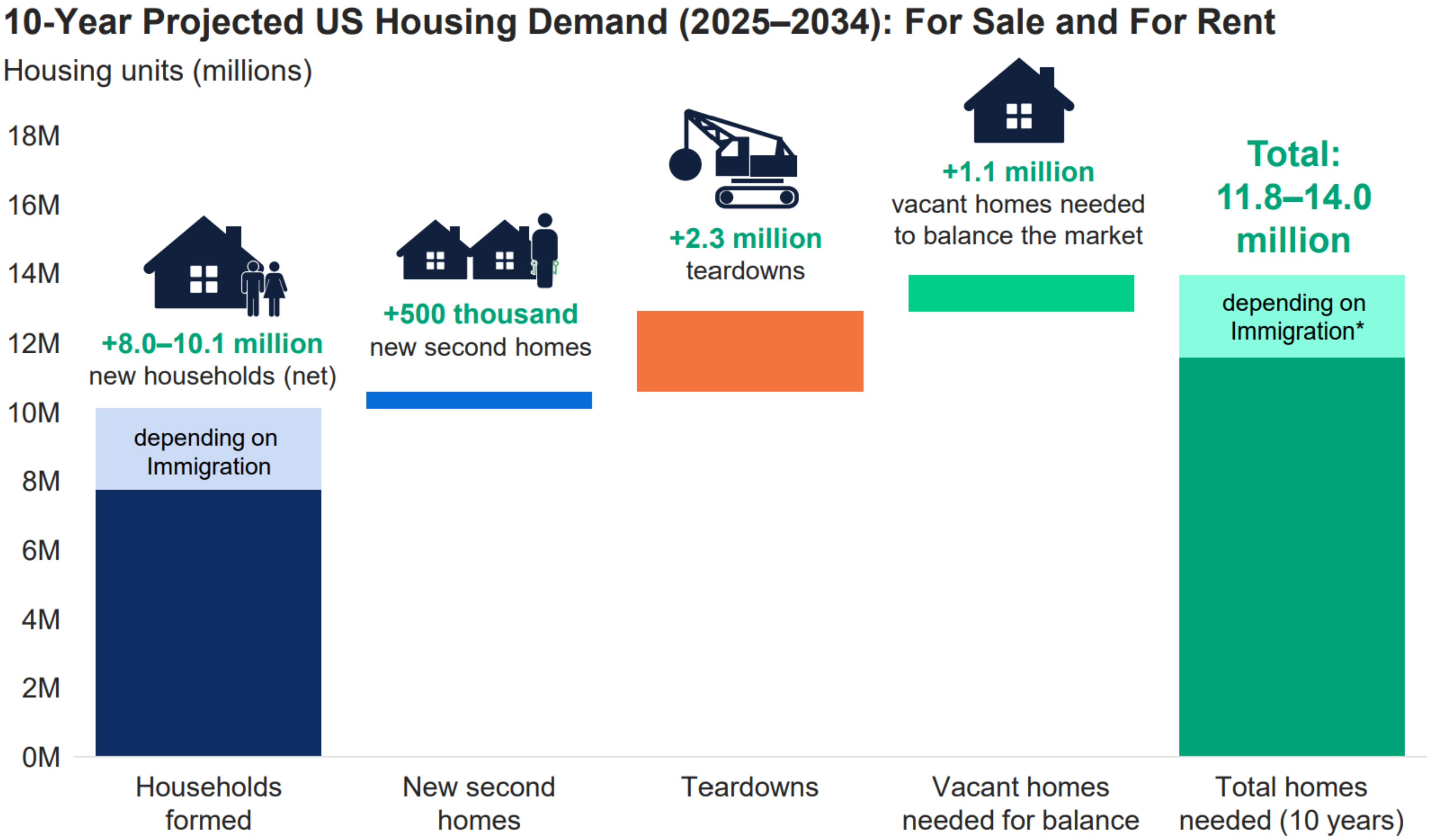
# Buyers Heavily Favor Newer Apartments




NEWMARK

*Source: Newmark Research, Q4 2025 Multifamily Capital Markets Report*

# Burns: 1.2-1.4m New Homes Needed Per Year Over Next Decade




Sources: U.S. Census Bureau; John Burns Research and Consulting, LLC (Pub: Dec-25)

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with JAY PARSONS

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