

**THE DEMAND FOR APARTMENT HOUSING UNITS IN BROOKFIELD**

Report to

**CITY OF BROOKFIELD**

From

**GRUEN GRUEN + ASSOCIATES**

*Urban Economists, Market Strategists & Land Use/Public Policy Analysts*

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APPLYING KNOWLEDGE  
CREATING RESULTS  
ADDING VALUE SINCE 1970

## TABLE OF CONTENTS

	<u>Page</u>
CHAPTER I: INTRODUCTION, KEY FINDINGS, AND PRINCIPAL CONCLUSIONS.....	1
INTRODUCTION .....	1
KEY FINDINGS .....	1
CHAPTER II: THE PRIMARY MARKET AREA AND SUPPLY OF APARTMENT UNITS....	7
INTRODUCTION .....	7
IDENTIFICATION OF PRIMARY MARKET AREA AND DEMAND SOURCES .....	7
MARKET SUPPLY CONDITIONS AND CHARACTERISTICS .....	8
EXISTING APARTMENT MARKET SUPPLY IN BROOKFIELD.....	12
CHARACTERISTICS OF EXISTING MULTI-FAMILY RENTAL PROJECTS .....	13
FUTURE SUPPLY OF MARKET RATE UNITS .....	18
CHAPTER III: ESTIMATE OF THE POTENTIAL DEMAND FOR APARTMENT UNITS IN THE PRIMARY MARKET AREA.....	20
POTENTIAL APARTMENT UNIT DEMAND IN THE PRIMARY MARKET AREA FROM EXISTING HOUSEHOLDS.....	20
ESTIMATE OF DEMAND FROM GROWTH IN OLDER AGE HOUSEHOLDS IN PRIMARY MARKET AREA .....	22
ESTIMATE OF DEMAND FROM THE ADDITION OF EMPLOYMENT- OPPORTUNITY-GENERATED HOUSEHOLDS IN THE PRIMARY MARKET AREA....	23
ESTIMATE OF TOTAL DEMAND FOR NEW APARTMENT UNITS IN PRIMARY MARKET AREA: 2015-2020 .....	24
ESTIMATE OF TOTAL DEMAND FOR APARTMENT UNITS IN BROOKFIELD COMPARED TO NEW FUTURE SUPPLY OF APARTMENT UNITS.....	24
CHAPTER IV: SENIOR HOUSING IN BROOKFIELD .....	26
SUPPLY OF SENIOR HOUSING IN BROOKFIELD.....	26
DEMAND FOR GROUP QUARTERS SENIOR HOUSING IN BROOKFIELD .....	29
APPENDIX A: DEMOGRAPHIC TRENDS AND FORECAST AND EMPLOYMENT AND HOUSING CHARACTERISTICS TRENDS.....	30
LONG-TERM POPULATION, HOUSEHOLD AND EMPLOYMENT TRENDS.....	30
RENTER HOUSEHOLD CHARACTERISTICS AND RENTAL HOUSING INVENTORY .....	32
POPULATION AND HOUSEHOLD FORECASTS.....	37
CITY OF BROOKFIELD EMPLOYMENT BASE.....	37

## LIST OF TABLES, MAPS AND FIGURES

	<u>Page</u>
TABLE I-1: Supply and Demand of Apartment Units in Brookfield from Primary Market Area (2015-2020) .....	5
Submarket Characteristics and Trends .....	8
TABLE II-1: Milwaukee Apartment Submarkets, 3rd Quarter 2013 .....	8
TABLE II-2: Inventory of Apartment Units by Class Within Brookfield/New Berlin and Metro Milwaukee .....	9
TABLE II-3: Class A Apartment Rent Trends for Brookfield/New Berlin Submarket and Metro Milwaukee (2006 – 2013) .....	10
TABLE II-4: Apartment Vacancy Rate Trends for Brookfield/New Berlin Submarket and Metro Milwaukee (2008 – 2013) .....	11
TABLE II-5: REIS Forecast of Completions, Vacancy Rate, and Asking Rent (2013-2017).....	12
FIGURE II-1: Percentage of Apartment Units by Decade Built in City of Brookfield .....	13
TABLE II-6: Characteristics of Existing Apartment Properties in City of Brookfield.....	14
MAP II-1: Existing Apartment Properties in City of Brookfield .....	15
TABLE II-7: Future Market Rate Apartment Projects in City of Brookfield .....	18
TABLE III-1: Estimated Apartment Unit Demand in the Primary Market Area (Brookfield) from Turnover of Existing Renters .....	21
TABLE III-2: Estimate of Demand for Apartment Units in Brookfield Attributable to Growth in Older Age Households (2015 – 2020) .....	22
TABLE III-3: Estimate of Demand for Apartment Units in Brookfield Attributable to New Jobs.23	23
TABLE III-4: Summary of Estimated Total Demand for Apartment Units in Brookfield from Primary Market Area (2015-2020) .....	24
TABLE III-5: Supply and Demand of Apartment Units in Brookfield from Primary Market Area (2015-2020) .....	25
TABLE IV-1: Characteristics of Independent Senior Living Apartment Projects in City of Brookfield .....	26
TABLE IV-2: Residential Care Apartments in City of Brookfield <sup>1</sup> .....	27
TABLE IV-3: Community Based Residential Facilities in City of Brookfield .....	28
TABLE IV-4: Nursing Homes in City of Brookfield <sup>1</sup> .....	28
TABLE A-1: Population and Household Trends for City of Brookfield, 1980-2014.....	30
TABLE A-2: Historical Jobs-Household Balance in City of Brookfield, 1990-2013.....	31
FIGURE A-1: City of Brookfield Population by Age, 1990 and 2013.....	32
TABLE A-3: Population and Households by Housing Tenure in City of Brookfield, 2000-2013 ....	33
TABLE A-4: Rental Housing Stock in City of Brookfield by Units in Building, 2000-2013.....	34
TABLE A-5: Change in Renter Households by Age of Householder, 2000-2013.....	35

TABLE A-6: Change in Median Rents and Median Household Incomes, 2000-2013 .....36  
TABLE A-7: Gross Rents as Percent of Household Income.....36  
TABLE A-8: Population and Household Forecast for City of Brookfield.....37  
TABLE A-9: City of Brookfield Employment Base, 2003-2013.....38  
TABLE B-1: Projected Household Growth (Number of Households) by Age of Householder for  
Waukesha County .....39

## **CHAPTER I: INTRODUCTION, KEY FINDINGS, AND PRINCIPAL CONCLUSIONS**

### **INTRODUCTION**

The City of Brookfield has received an increase in applications for the development of apartment units in Brookfield. To be able to put the requests for development approvals in context, the City of Brookfield retained Gruen Gruen + Associates (GG+A) to evaluate the market for apartment units in Brookfield and to estimate the demand for additional apartment units.

In order to complete the evaluation and forecast, GG+A staff conducted inspections of apartment projects. GG+A staff conducted interviews with leasing agents and property managers as well as developers. We directed these interviews toward obtaining data and insights concerning:

- the relevant geographic market within which the apartment uses in Brookfield compete for tenants;
- the demographic and employment characteristics of tenants attracted to the apartment developments; and
- the characteristics and performance of apartment developments.

We also analyzed relevant demographic and employment data to identify the size or scale of the potential market demand for market-rate apartment units and analyzed data concerning the supply of apartment units in Brookfield and the broader region. A summary of the supply of senior housing projects and implication for future demand of senior housing facilities in Brookfield is also presented.

### **KEY FINDINGS**

#### **Demographics**

- The City has experienced small population declines since the 2010 Census. A growing proportion of Brookfield residents live in rental housing. Renters comprised just 7.2 percent of Brookfield's population in 2000 and grew to more than 12 percent of the population in 2013.
- The population base of Brookfield continues to age. The 65+ age-cohort now comprises 21 percent of all residents, up from about 12 percent in 1990. The median age in the City of Brookfield increased from 38.7 years in 1990 to 47.2 years by 2013. The number of younger-and-middle-aged adults, between the ages of 25-years-old and 44-years-old, has declined considerably over the past few decades.
- Household growth is still occurring at a slow rate as household sizes continue to shrink. Almost all recent household growth has been attributed to an increase in renter-households. The homeownership rate in Brookfield however, at 86 percent, still remains well above average.



- Brookfield has a high jobs-household ratio of 2.7 workers for every household. This condition will tend to hold up occupancy rates of all types of housing as limited housing supply is available to accommodate all of the potential demands generated by the local employment base.
- Brookfield attracts a higher proportion of renter households from 35- years-old to 54-years-old than renter households in the 25-years-old to 34-years-old category.

### **Apartment Units Supply, Primary Market Area, and Primary Sources of Demand for Apartment Units**

Brookfield has nearly 1,200 apartment units in existing market-rate projects (non- age-restricted), primarily in developments that are larger than 10+ units. These units represent about 55 percent of the total rental housing stock in Brookfield.

Less than 300 units of Class A product has been added in the broader Brookfield/New Berlin market area between 2006 and late 2013. Between 2010 and 2013 few units were added in the broader Brookfield/New Berlin market area. In Brookfield, less than one-half of Brookfield's apartment inventory was added between the 1970's and 1990's. Over 50 percent of Brookfield's apartment supply has been built since 2000. Since 2012, nearly 300 apartment units have been built in Brookfield, about 24 percent of the inventory of units and the majority of these units were added in 2014 and 2015.

Historically, asking rents have been higher in the Brookfield/New Berlin submarket than for the metro Milwaukee area as a whole. This is explained by the higher proportion of Class A units in the submarket than as a whole for the metropolitan area and a relatively small share of apartment units in a jobs-rich location. Over the seven-year period, average monthly rents in the Brookfield/New Berlin submarket have increased by approximately \$150 as compared to a nearly \$130 increase for metro Milwaukee.

Apartment vacancy rates in the Brookfield/New Berlin submarket have been consistently lower than the overall metro Milwaukee market. The vacancy rate in 2013 for apartments in the submarket was estimated to approximate a very low 1.7 percent.

The apartment unit vacancy rate is extremely low in Brookfield at less than two percent according to REIS, a real estate market data provider. Our interviews with leasing agents indicate most Brookfield apartment projects range from two percent to four percent vacant, although some reported even lower vacancy rates.

Rents have been steadily increasing in Brookfield. The Brookfield apartment submarket is one of the highest rent submarkets in the Milwaukee metro area. According to REIS, the Brookfield/New Berlin submarket (which includes a geographic area beyond Brookfield), the average asking monthly rent is \$1,083. Brookfield pushes up this average as most projects in Brookfield, even older ones, are commanding monthly rents of at least \$1,100. The newest apartment projects in Brookfield are asking monthly rents of nearly \$1,200 to \$1,300 for one-bedroom units. According to leasing



agents and developers, annual rent increases have ranged from two to five percent. Asking monthly rents in Brookfield for apartment units are generally in the \$1.40 to \$1.48 per square foot range.

The primary market area from which households have moved or will move to apartment units in Brookfield is the City of Brookfield.

Major sources of demand for Brookfield apartment units includes smaller-sized, working-age (primarily 35-54 years old), and older-age (50-55+ years old) households. Households attracted to the Brookfield projects include those which moved because of:

- job transfers or employment opportunities in the area,
- divorce or other life cycle or lifestyle changes; or
- due to the trade down in size (but not in quality) from a single-family home.

Property owners and leasing agents indicated unit turnover is relatively low in Brookfield due to the quality of projects in Brookfield, image and small size of the community, and that many projects are owner managed and operated. The lower turnover of units also relates to the higher proportion of older working age and older age empty nester households who tend to be more stable in terms of length of tenure and the small percentage of vacant units that serve to constrain mobility.

Mobility in the apartment market is frequently tied to two primary activities: younger working age households trading up from rental product to owner product and older age households trading down from owner product to rental product.

### **Walkability**

Only one project, Norhardt Crossing, falls into a higher scoring category for “walkability” (defined as permitting some errands to be accomplished on foot).<sup>1</sup> This older project was built in two phases in 1972 and 2001 and is within walking distance of the Ruby Isle shopping center, restaurants, post office, public library, and medical clinics. The remaining apartment projects in Brookfield are in lower “walkability” scoring categories for which all or most errands require a car.

### **Future Supply of Apartment Units**

The future supply of apartment units, both under construction and approved projects, will increase Brookfield’s apartment inventory by over 400 units. This increase of apartment units will increase Brookfield’s amount of rental housing stock slightly from about 14 percent to 15.5 percent of all housing units (owner- and renter-occupied units).

In addition, a total of nearly 2,000 units are either under construction or planned in projects outside of Brookfield, primarily in Wauwatosa, the Town of Brookfield, and Menomonee Falls.

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<sup>1</sup> Based on Walk Score®. Walk Score categories are divided into five categories ranging from 0-24 (car dependent) up to 90-100 (walker’s paradise, daily errands do not require a car).



According to interviews with Brookfield developers and apartment owners, Wauwatosa is perceived as an urban infill location that attracts a younger demographic than Brookfield (i.e., a higher proportion of millennials who are in the 18-years-old to 34-years-old age range).<sup>2</sup> Wauwatosa has two full universities – the Medical College of Wisconsin and Wisconsin Lutheran College – which likely contribute to the higher proportion of younger-age renters. The higher proportion of younger-age, more price sensitive households in Wauwatosa is also reflected in the lower overall rents for the Wauwatosa/West Allis submarket (though some newer apartment projects’ asking rents are similar to those of newer Brookfield projects). Menomonee Falls also has a higher share of younger millennial age households. Leasing agents and property owners described older-age household renters like those found in Brookfield projects as more stable (than younger-age households) and likely to stay longer if they obtain a quality unit at good value.

## Potential Demand for New Apartment Units

### Demand from Turnover of Existing Households

The Brookfield market area is estimated to include: (a) 7,300 households (both owner and renter-occupied) with incomes from \$50,000 to \$149,999 and approximately 13.5 percent or approximately 1,000 households who occupy rental housing; (b) nearly 900 renter households between the ages of 35-years-old and 54-years-old; and (c) approximately 300 renter households between the ages of 55-years-old and 74-years-old<sup>3</sup>. Note these three groups of households by income and by age are not mutually exclusive. In other words, the number of renter-occupied households by either the age or income levels likely to rent housing in Brookfield ranges from approximately 1,000 to 1,200.

Analysis of the 2013 American Community Survey indicates that approximately 14 percent of renter-households in Brookfield move within Waukesha County in a given year. We used a lower turnover rate consistent with our interviews with leasing agents and developers of apartment projects in the market area, which suggest that turnover of units in the primary market area is somewhat lower given the stability of older age households who are likely to stay longer and the limited number of vacant rental units. Based on the assumptions outlined above, in any given year, **nearly 100 renter-households with incomes between \$50,000 and \$149,000 could move to an apartment unit within the Brookfield market area.**

The Brookfield market area includes approximately 1,200 renter-occupied households headed by a householder 35-years-old to 74-years-old. American Community Survey data indicates that approximately four percent to six percent of such households are likely to move in a given year, depending upon the age category (older age households have a lower turnover rate). Under these assumptions, a potential pool of **nearly 70 households between the ages of 35-years-old to 74-years-old could move to an apartment unit within the Brookfield market area in a given year.**

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<sup>2</sup> According to the 2009-2013 American Community Survey 5 Year Estimates, households in the 25-34-years-old age category made up 28.3 percent of renter-occupied households in Wauwatosa compared to 13.6 percent in Brookfield. Menomonee Falls also had a higher proportion of younger-age 25-34-years-old renter-occupied households at 21.7 percent.

<sup>3</sup> We did not include households above age 75 as many of these households if they elect to move may be relocating into the type of senior housing which includes healthcare and other nursing facilities.



Based on a synthesis of estimates of **the potential turnover demand from differing market demand segments, annual demand from existing Brookfield households likely ranges from 70 to 100 apartment units.**

Potential Demand from Growth of Households Including a Member 55-Years-Old or Older

As the resident base of Brookfield continues to age, the number of households that will be 55+ years of age between 2015 and 2020 is estimated to increase by 700. The estimate of the proportion of households that will occupy rental housing is based on the current proportion of each age cohort that currently occupies rental housing in Brookfield. Approximately 10 percent of 55+ age households are estimated to occupy rental housing in Brookfield. **With the increase in the number of older age households of over 700 in Brookfield, approximately 70 of these additional households will be likely to occupy rental housing over the next five years.**

Potential Demand from New Households Generated by Employment Growth in Brookfield

We assume 1,500 jobs are added in Brookfield due to the Ruby Farm’s development and other internal expansion of the employment base over the next five years. Assuming for every 2.7 added workers, one new housing unit is required produces an estimated increase of 550 housing units over the next five years. On the assumption that approximately 16 percent of existing housing units demanded are rental apartments, as opposed to owner-occupied, **demand for apartment units attributable to employment growth would total approximately 90 units over the next five years.** For the Brookfield market area, then, between now and 2020, we estimate that **demand for new apartment units attributable to employment growth will approximate 18 units per year.**

**Relationship between Estimated Demand for and Supply of New Apartment Units**

The relationship between estimated demand for and estimated supply of new apartment units suggest that **the market will be able to absorb the proposed and planned new apartment developments in Brookfield.** Table I-1 presents the balance between estimated supply and demand in the primary Brookfield market area between 2015 and 2020.

<b>TABLE I-1: Supply and Demand of Apartment Units in Brookfield from Primary Market Area (2015-2020)</b>	
	2015-2020 # Units
Estimated Total Demand	500 - 700
Estimated Future Supply	400
Source: Gruen Gruen + Associates	

The total forecast demand for apartment units of 500 to 700 units over the next five years exceeds the under construction or planned supply of 400 units. Given the low vacancy in the Brookfield market, the addition of new apartment units will improve the mobility of households to move within Brookfield as well as allow new households to be attracted to Brookfield to be closer to sources of employment.



## Senior Housing Units

Brookfield contains three developments providing nearly 200 apartment units for seniors (age-restrictions apply). The projects provide independent living apartment units but do not provide medical or food services like other types of senior housing facilities designed for the frail or infirm elderly<sup>4</sup>. The three age-restricted apartment projects are all 12 years of age or older. The occupancy rates for these communities are high. Residents are typically attracted from Brookfield or nearby communities.

Eleven “group quarters” senior housing developments operate in or near Brookfield providing assisted living services, dementia or memory care services, or skilled nursing care. These facilities provide total capacity (in terms of number of apartments, rooms, or beds) to accommodate at least a 1,000 residents.

Many baby boomers will be on the younger end of the age range and fewer will require an increased level of care. With the trend of wanting to age in place and longer active life spans, the demand from this age cohort for group quarters facilities may be less than for prior generations<sup>5</sup>. The seniors’ cohort, however, is a large proportion of Brookfield’s population (comprising nearly 30 percent of the city’s population or approximately 11,000 residents). The demand for groups quarters senior housing may increase later after 2030 and beyond as the younger cohorts of baby boomers reach their 80’s and older.

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<sup>4</sup> These nearly 200 age-restricted apartment units are counted in the 2,046 rental unit count from the Census.

<sup>5</sup> Aging in Place: A State Survey of Livability Policies and Practices, a Research Report by the National Conference of State Legislatures and the AARP Public Policy Institute, December 2011.



## **CHAPTER II: THE PRIMARY MARKET AREA AND SUPPLY OF APARTMENT UNITS**

### **INTRODUCTION**

GG+A conducted site inspections of apartment projects in the market area and directed the interviews with developers, property owners, and leasing agents toward obtaining information and insights concerning:

- the relevant geographic market within which the apartment uses compete for occupants;
- the likely demographic and employment characteristics of the occupants that have and are likely to be attracted to new apartment developments in Brookfield; and
- the characteristics of the developments within the primary market area, including occupancy and rental rates.

We also analyzed relevant demographic and employment data to identify the size or scale of the potential market of households with similar characteristics as those attracted to potentially competitive developments. We obtained and analyzed apartment supply characteristics and trends for both Brookfield and the broader Milwaukee metro area.

### **IDENTIFICATION OF PRIMARY MARKET AREA AND DEMAND SOURCES**

The results of the interviews suggest the primary market area from which households have moved or will move to apartment uses in Brookfield is the City of Brookfield. The addition of a significant amount of new apartment projects either under construction or planned that are not in Brookfield but close by to the east in Wauwatosa and to the north in Menomonee Falls may constrain the market from which younger-age, more price sensitive millennial households are attracted.

As drawn from a synthesis of the interviews summarized below, the demand niche for apartment uses primarily includes single or dual income households or divorced individuals with few or no children. The interviews and analysis of supply indicates that a major source of demand for Brookfield apartment units includes smaller-sized, working-age (primarily 35-54-years-old), and older-age (50-55+ years-old) households.

Higher-end products like the Club at Brookfield Hills – Pinnacle attract a variety of household types, most of whom in addition to having no or few children have higher incomes. Households attracted to the project include those which moved to the project because of job transfers, because of divorce, or due to the trade down in size (but not in quality) from a single-family home, or for other lifestyle reasons. Some older age households may trade down especially if they keep second homes in warmer climate locations.

According to leasing agents for the Brookfield apartment properties, local area employers such as Froedtert Hospital & the Medical College, GE, Kohl's, Harley Davidson, Johnson Controls, and smaller businesses in Brookfield's business parks are a major demand generator of renters in



Brookfield. The Brookfield location also appeals to households whose adult members may work in different communities east and west of Brookfield. When a younger working age renter household leaves a project, it is often due to a home or condominium purchase. Mobility in the apartment market is frequently tied to two primary activities: younger working age households trading up from rental product to owner product and older age households trading down from owner product to rental product.

## MARKET SUPPLY CONDITIONS AND CHARACTERISTICS

### Submarket Characteristics and Trends

Based on data obtained from the City of Brookfield’s national real estate inventory data source, REIS, Table II-1 summarizes the inventory, asking rent, and vacancy rate of the Milwaukee area apartment submarkets.

<b>TABLE II-1: Milwaukee Apartment Submarkets, 3rd Quarter 2013<sup>1</sup></b>				
Submarket	Number of Buildings #	Number of Units #	Monthly Asking Rent \$	Vacancy Rate %
<b>Brookfield/New Berlin</b>	<b>55</b>	<b>6,333</b>	<b>1,083</b>	<b>1.7</b>
Northshore/NW	132	18,028	885	4.3
Greenfield	107	16,974	756	1.8
W. Waukesha County	115	13,516	858	3.2
Wauwatosa/West Allis	92	12,536	869	4.1
City East	111	11,930	1,189	5.3
Cudahy/S. Milwaukee	67	11,365	813	2.8
City West	113	7,712	742	4.4
<b>TOTAL</b>	<b>709</b>	<b>98,394</b>	<b>887</b>	<b>3.5</b>
1 REIS tracks inventory for projects with 40+ units.				
Sources: City of Brookfield, REIS, Inc.; Gruen Gruen + Associates.				

According to the real estate data vendor REIS, the Brookfield/New Berlin submarket contains a total inventory of approximately 6,300 apartment units, approximately 6.4 percent of the metro Milwaukee total inventory of 98,400 units. The Brookfield/New Berlin submarket comprises the smallest submarket of the eight submarkets. Asking rent is the second highest of all submarkets with the vacancy rate the lowest of all submarkets (at less than two percent). The higher rent for the Brookfield/New Berlin submarket reflects the tight vacancy in the market.

Table II-2 summarizes the supply of apartment units in broader Brookfield/New Berlin submarket tracked by REIS. Note that REIS’s definition of the Brookfield/New Berlin apartment submarket is larger than areas we have defined to be included in the primary market area based on our micro-market research. The Brookfield/New Berlin submarket extends further south to include New Berlin and north to include Menomonee Falls.



**TABLE II-2: Inventory of Apartment Units by Class Within Brookfield/New Berlin and Metro Milwaukee<sup>1</sup>**

<b>Class A</b>	2006	2007	2008	2009	2010	2011	2012	2013 <sup>2</sup>	Change
Brookfield/ New Berlin	2,452	2,452	2,452	2,580	2,724	2,724	2,724	2,724	272
Metro Milwaukee	25,753	25,822	25,913	26,653	26,897	27,038	27,611	28,272	2,519
<b>Class B/C</b>									
Brookfield/ New Berlin	3,728	3,609	3,609	3,609	3,609	3,609	3,609	3,609	-119
Metro Milwaukee	69,877	69,758	69,686	69,686	70,024	70,122	70,122	70,122	245
<b>Total</b>									
Brookfield/ New Berlin	6,180	6,061	6,061	6,189	6,333	6,333	6,333	6,333	153
Metro Milwaukee	95,630	95,580	95,599	96,339	96,921	97,160	97,733	98,394	2,764

<sup>1</sup> Asset class refers to a property's physical condition and operating performance where Class A properties tend to be best in market with above average design, construction, and finish; minimal or no deferred maintenance; and highest rents with strong credit quality tenants.

<sup>2</sup> As of third quarter.

Sources: City of Brookfield, REIS, Inc.; Gruen Gruen + Associates.

Approximately 2,700 or 43 percent of the Brookfield/New Berlin apartment unit supply is considered to be Class A product. Less than 300 units of Class A product has been added in Brookfield/New Berlin since 2006. Between 2010 and 2013, REIS reports no new units were added in the submarket (although 56 units were added in 2012 to an existing apartment project in Brookfield.)

The Milwaukee metro area which has a significantly smaller proportion of its inventory as Class A apartment product has added approximately 2,500 new units of Class A product over the same seven-year period. The Brookfield/New Berlin submarket comprises about 10 percent of the metro Milwaukee area's Class A apartment product. According to REIS, the City East submarket has added the largest number of new units to the metro area since 2003, accounting for 34.1 percent of all new rental inventory added to the market.

Table II-3 shows rent trends for Class A apartment properties in the Brookfield/New Berlin submarket and metro Milwaukee from 2006 through 2013.



**TABLE II-3: Class A Apartment Rent Trends for Brookfield/New Berlin Submarket and Metro Milwaukee (2006 – 2013)**

Year	Brookfield/New Berlin		Metro Milwaukee	
	Monthly Asking Rents \$	Rent Change %	Monthly Asking Rents \$	Rent Change %
2006	1,120	1.0	1,024	2.1
2007	1,142	2.0	1,063	3.8
2008	1,188	4.0	1,067	0.4
2009	1,171	-1.4	1,051	-1.5
2010	1,209	3.2	1,069	1.7
2011	1,208	-0.1	1,076	0.7
2012	1,242	2.8	1,115	3.6
2013 <sup>1</sup>	1,270	0.6	1,152	1.1
<b>Change</b>	<b>150</b>	<b>----</b>	<b>128</b>	<b>----</b>

<sup>1</sup> As of third quarter.

Sources: City of Brookfield, REIS, Inc.; Gruen Gruen + Associates.

Asking monthly rents for units in the Brookfield/New Berlin submarket currently approximate \$1,270. Historically, asking rents have been higher in the Brookfield/New Berlin submarket than for the metro Milwaukee area as a whole. This is explained by the higher proportion of Class A units in the submarket than as a whole for the metropolitan area and a relatively small share of apartment units in a jobs-rich location. Over the seven-year period, average monthly rents in the Brookfield/New Berlin submarket have increased by approximately \$150 as compared to a nearly \$130 increase for metro Milwaukee.

Table II-4 shows vacancy trends for all class of apartment properties for the Brookfield/New Berlin submarket and metro Milwaukee from 2006 through 2013.



**TABLE II-4: Apartment Vacancy Rate Trends for Brookfield/New Berlin Submarket and Metro Milwaukee (2008 – 2013)**

Year	Brookfield/New Berlin		Metro Milwaukee	
	Vacancy Rate %	Vacancy Change %	Vacancy Rate %	Vacancy Change %
2008	2.3	0.7	3.7	-0.4
2009	3.6	1.3	5.2	1.5
2010	3.3	-0.3	4.6	-0.6
2011	2.2	-1.1	3.9	-0.7
2012	2.2	0	3.8	-0.1
2013 <sup>1</sup>	1.7	0	3.5	-0.3
<b>Change</b>	<b>-0.6</b>	<b>----</b>	<b>-0.2</b>	<b>----</b>
<sup>1</sup> As of third quarter.				
Sources: City of Brookfield, REIS, Inc.; Gruen Gruen + Associates.				

Apartment vacancy rates in the Brookfield/New Berlin submarket have been consistently lower than the overall metro Milwaukee market. The vacancy rate in 2013 for apartments in the submarket was estimated to approximate a very low 1.7 percent. The vacancy rate for apartments in metro Milwaukee was estimated at a low of 3.5 percent. Vacancy has been declining in Milwaukee metro area since peaking in 2009 at approximately five percent as absorption of units has outpaced construction of new units. For the three-year period ending December 31, 2012, the Milwaukee area had an average annual number of units constructed of 465, but annual absorption of 893 units.

In GG+A’s March 2008 report entitled “The Demand for Housing in the City of Brookfield”, we forecast annual demand for multi-family housing from both younger age and older age households of approximately 74 units. Since 2008, Brookfield has added 200 apartment units (56 units in Georgetown Square Phase 2 in 2012 and 144 units in Sutter Creek Phase 1 in 2014), far less than the nearly 500 units that were forecast to be demanded over the past eight year period. This imbalance between demand and supply explains the decline in apartment vacancy rates and rise in rents in the Brookfield submarket.

Table II-5 shows REIS’ forecast of new apartment completions, vacancy rate, and asking rent between 2013 and 2017.



**TABLE II-5: REIS Forecast of Completions, Vacancy Rate, and Asking Rent (2013-2017)**

Year	Brookfield/New Berlin			Metro Milwaukee		
	Number of Units Completed #	Vacancy Rate %	Monthly Asking Rent \$	Number of Units Completed #	Vacancy Rate %	Monthly Asking Rent \$
2013	0	1.5	1,095	715	3.2	891
2014	240	2.5	1,126	863	3.3	918
2015	294	3.8	1,153	746	3.4	948
2016	116	3.5	1,176	682	3.4	979
2017	133	2.9	1,199	783	3.5	1,002

Sources: City of Brookfield, REIS, Inc.; Gruen Gruen + Associates.

REIS forecast that approximately 783 units would be completed or added to the Brookfield/New Berlin submarket between 2013 and 2017.<sup>6</sup> This comprises 21 percent of the 3,789 units forecast to be added in the metro Milwaukee region. Vacancy rates in the Brookfield/New Berlin submarket are forecast to rise to a high of 3.8 percent (still a very low vacancy rate) in 2015 and asking rents are forecast to increase by 9.5 percent from nearly \$1,100 in 2013 to approximately \$1,200 in 2017. The overall metro Milwaukee region is forecast to experience a very slight increase in vacancy from 3.2 percent in 2013 to 3.5 percent in 2017. Asking monthly rents for the region are forecast to climb by 12.5 percent from nearly \$900 to \$1,000 by 2017. The forecast increase in rents translates into an average annual growth rate of two percent for the Brookfield/New Berlin submarket and a three percent growth rate for the entire metro Milwaukee region.

### EXISTING APARTMENT MARKET SUPPLY IN BROOKFIELD

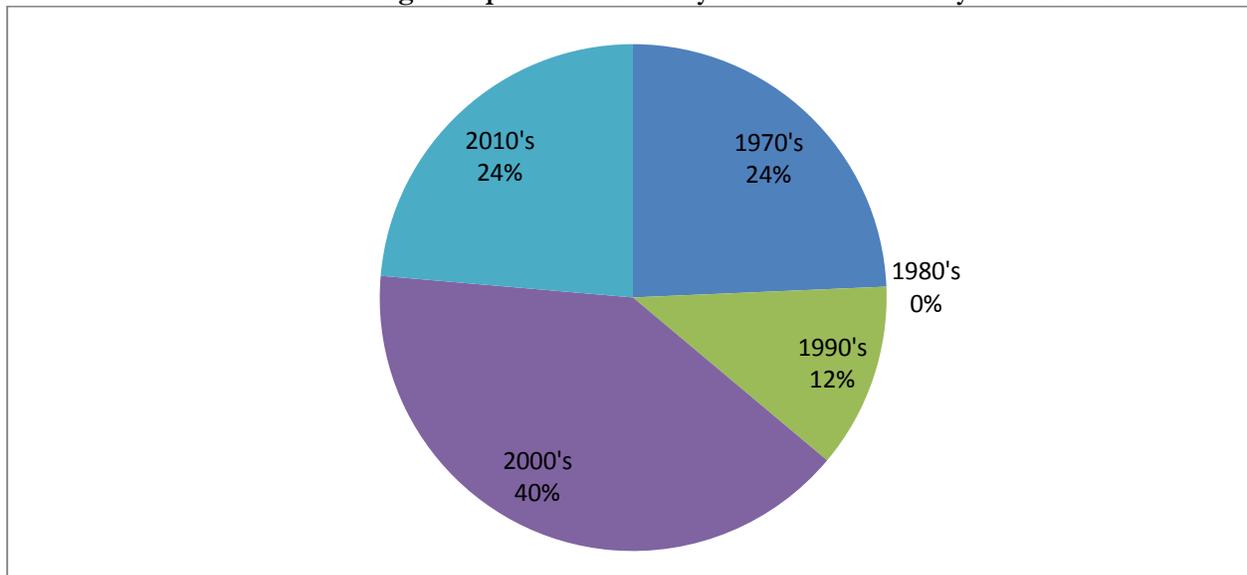
The City of Brookfield contains a total of 1,197 units (inventory is comprised primarily of projects with 10+units each) in existing apartment properties. Brookfield’s inventory of apartment units comprises about 19 percent of the Brookfield/New Berlin submarket inventory of approximately 6,300 apartment units (and about eight percent of all owner- and renter-occupied housing units in the City of Brookfield).

Figure II-1 shows the proportion of apartment units by decade built in the City of Brookfield.

<sup>6</sup> In Brookfield, two new apartment projects opened in 2014 and 2015 which have added (or will add as one project is still adding a third phase) a total of 227 new units.



**FIGURE II-1: Percentage of Apartment Units by Decade Built in City of Brookfield**



Less than one-half of Brookfield’s apartment inventory was added between the 1970’s and 1990’s. Over 50 percent of Brookfield’s apartment supply has been built since 2000. Since 2012, nearly 300 apartment units have been built, about 24 percent of the total inventory of units. The majority of these units were added in 2014 and 2015.

Walkability as measured by the walkability score for each project provided by the City of Brookfield Community Development Department indicates that 40 percent of apartment units are in the walkability score category for which almost all errands require use of a car.<sup>7</sup> Another 38 percent of apartment units are in a walkability score category for which most errands require a car. Only 28 percent of existing apartment units fall in the walkability score category for which some errands can be accomplished on foot. Only one project, Norhardt Crossing, falls in to a higher scoring category for which some errands can be accomplished on foot. This project was built in two phases in 1972 and 2001 and is within walking distance of the Ruby Isle shopping center, restaurants, post office, public library, and medical clinics. The remaining apartment projects in Brookfield are in lower “walkability” scoring categories where all or most errands require a car.

## **CHARACTERISTICS OF EXISTING MULTI-FAMILY RENTAL PROJECTS**

GG+A staff toured existing apartment projects located in Brookfield and interviewed representatives of each project. The newest project in Brookfield is the 56-unit Prairie Walk at Brookfield Towne Centre. Sutter Creek, a 171-unit apartment project opened in 2013. In 2012, Phase 2 of the Georgetown Square apartments opened with an additional 56 units. The characteristics of existing projects in the City of Brookfield are summarized in Table II-6. Map II-1 shows the locations of the developments.

<sup>7</sup> Based on Walk Score®. Walk Score categories are divided into five categories ranging from 0-24 (car dependent) up to 90-100 (walker’s paradise, daily errands do not require a car).



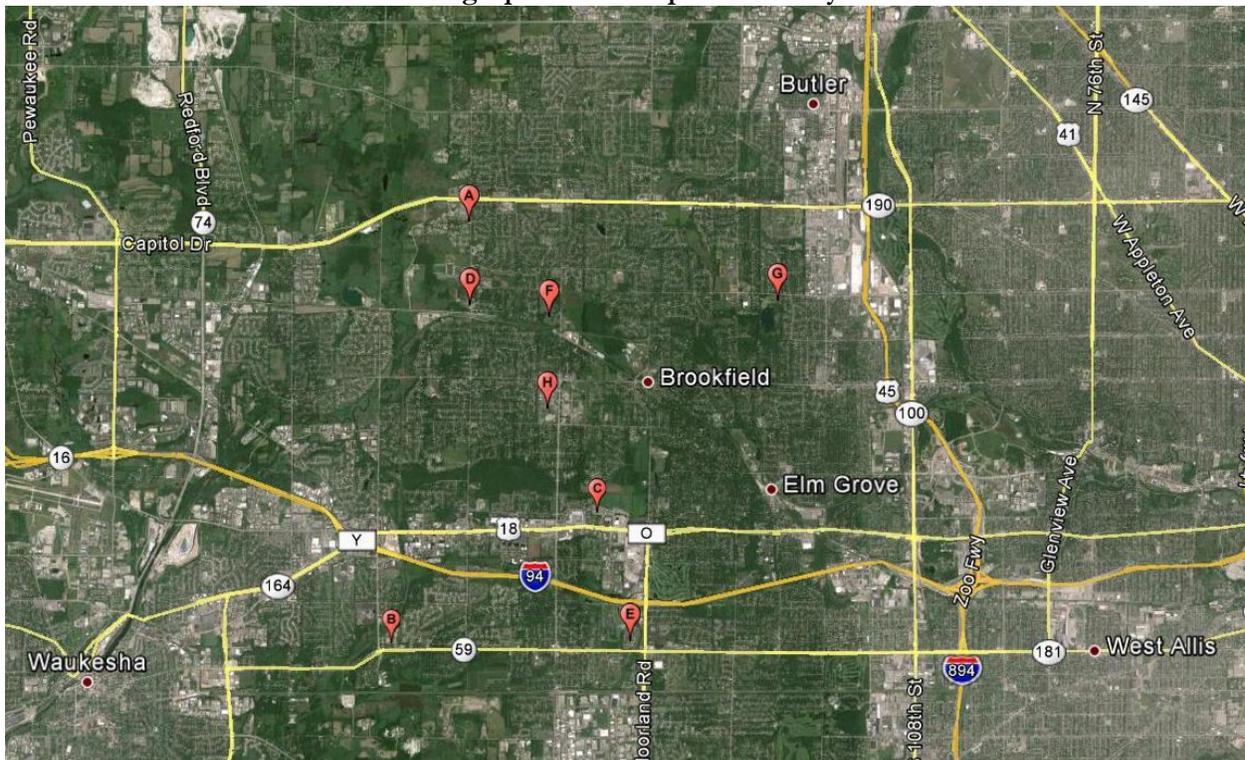
**TABLE II-6: Characteristics of Existing Apartment Properties in City of Brookfield**

Project Name (Map ID)	Age # Yrs.	Units #	Unit Types # Beds	Unit Sizes # Sq. Ft.	2015 Market Rents \$	2015 Market Rents \$ Per Sq. Ft.	Occupancy %
Prairie Walk at Brookfield Towne Centre (A)	New	20 (Ph1) 36 (Ph2)	1 2 2+ Den	830 1,085-1,278 1,255-1,377	1,318 1,604-1,745 1,962-2,120	1.56 1.45 1.48	95 (Ph 1) 42 (Ph 2 pre- leased)
Sutter Creek (B)	1	171 (Ph 1 & Ph 2; & Ph 3 under const.)	1 1 w/Den 2 2 w/Den	835-860 930 1,115-1,210 1,325	1,170-1,245 1,315-1,330 1,520-1,835 1,985-2,000	1.40-1.45 1.41-1.43 1.36-1.52 1.50-1.51	85 (Ph 1 & 2)
Georgetown Square (C)	7 (Ph 1) 3 (Ph 2)	200	1 2 2 TH	772-1,038 1,081-1,253 1,400-1,800	1,100-1,500 1,400-1,700 1,800-2,400	1.43-1.45 1.30-1.36 1.29-1.33	96-98
Brookfield Junction & 2945 N. Brookfield (D)	7 (Junction) 6 (2945)	16 (Junction) 7 (2945)	1 2	1,000 1,200-1,400	1,100 1,320-1,540	1.10 1.10	88 (Junction) 100 (2945)
Club at Brookfield Hills – Pinnacle (E)	12	112	1 2 2+	803-1,099 1,032 1,985	1,100-1,400 1,400-1,800 1,800-2,400	1.37-1.27 1.36-1.74 0.91-1.21	98
Club at Brookfield Hills – Lofts (E)	13	64	1 2	882-1,530 1,226-1,735	1,100-1,400 1,400-1,800	1.25-0.92 1.14-1.03	96
Willowbrook-Greens (F)	19	141	1 2 3	809-866 1,016-1,157 1,494-1,997	955-1,085 1,140-1,300 1,595-2,060	1.18-1.25 1.13-1.12 1.07-1.03	NA
Regalcrest Village Ph 1 (G)	37	84	1 2	780-820 1,000-1,119	975 High \$1,100's	1.25-1.19 1.19-1.06	100
Norhardt Crossing Ph 1 & 2 (H)	43 (Ph 1) 14 (Ph 2)	211	1 1 w/Den 2 2 w/Den 2 TH 2 TH w/Den	837 977-1,022 1,119 1,319-1,383 1,340 1,545	1,371 1,416-1,516 1,608 1,896-1,935 2,104 2,328	1.64 1.45-1.48 1.44 1.44-1.40 1.57 1.51	95-96
Club at Brookfield Hills – Terrace (E)	45	135	1 2/3	800 – 1,200 1,000 – 1,400	925-1,050 1,050-1,250	1.16-0.88 1.05-0.89	99
<b>TOTAL</b>		1,197					

Sources: Apartments.com; forrent.com; Gruen Gruen + Associates.



**MAP II-1: Existing Apartment Properties in City of Brookfield**



The newest apartment project, Prairie Walk at Brookfield Towne Centre, a two building project developed by Mandel Group opened with 20 units in August and 36 more units this month, is located on Brookfield Road south of Capitol Drive. The project has 17 one-bedroom units of 830 square feet each, 31 two-bedroom units of 1,085 to 1,278 square feet, and eight two-bedroom with den units of 1,255 to 1,377 square feet. Monthly rents per square foot range from \$1.45 to \$1.56. The project was built in two phases with the first 20 units opening August 2015 and are now 95 percent occupied. The second phase of 36 units opens this month and is 42 percent pre-leased.

Sutter Creek, another newer project in Brookfield is located on Barker Road, north of Greenfield Avenue. The project has good accessibility off Barker Road to I-94 but is not within walking distance to shopping and amenities. The project consists of two four-story buildings connected by common area facilities. The west building opened in November 2014 and the east building opened this past March. A third building is currently under construction with an expected opening date of June 2016. The first two buildings delivered 116 units and the third building will add another 55 units. According to the manager, the majority of households consist of 25-40 year-old singles or couples who work in the area. The unit most demanded is the one bedroom with den because younger renter households socialize out of the unit and do not want a full second bedroom. As a result of this demand, the third building has been changed to add more one bedroom and one bedroom with den units. The manager has tried marketing to older age households at a nearby senior's apartment project but without success as older age households that have looked at units find the unit sizes too small and the older nearby project "a better value". A few renters at the project lease units as second residences. They also maintain residences in Chicago as they commute between Chicago and the Milwaukee area for jobs. The project's first two buildings have a current occupancy



rate of about 85 percent, renting at an average of over 10 units per month. According to the manager, competition includes the Club at Brookfield Hills and Georgetown Square (both in Brookfield) and to a lesser extent the Residences at City Center in New Berlin. Younger-age renters, especially couples, also tend to stay for a few years but as their income increases there is a trend to moving out and buying a home.

Georgetown Square, a Wimmer Communities project, consists of 200 units located off of Wisconsin Avenue, north and east of Bluemound and Calhoun Roads. The project has a mix of one- and two-bedroom units in three-story buildings and 28 townhouse style two-bedroom units. The first phase of the project opened in 2008 and the second phase opened in 2012 with an additional 56 units. According to a manager, renters come from Brookfield, out-of-state transfers, and due to health care jobs in the area. Few renters have children. The Elmbrook School District, however, holds up obtainable rents in Brookfield as renter households often elect to stay in Brookfield when they purchase homes. Other projects which represent competition include other Brookfield projects - Norhardt Crossing, Club at Brookfield Hills, and Sutter Creek. Monthly rents range from \$1,100 to \$1,400 (\$1.43-\$1.45 per square foot) for one-bedroom units and \$1,400 to \$1,700 for two-bedroom units (\$1.30-\$1.36 per square foot). A larger two-bedroom townhome type unit is also available and rents range from \$1,800 to \$2,400 (\$1.29-\$1.33 per square foot). Occupancy rates are typically in the 96 percent to 98 percent range. More than one-half of renter households in the project have incomes above \$75,000. A majority of households attracted to the development consist of two-person households. Few households have children. The average age of households is approximately 47 years.

The Club at Brookfield Hills consists of three apartment phases totaling 311 units. The project is adjacent to Brookfield Hills' 18-hole golf course. The oldest phase of 135 units, Terraces, was built in the 1970's. Monthly rents for units in this older phase range from \$925 to \$1,050 for one-bedroom units (\$0.88 to \$1.16 per square foot) to \$1,050 to \$1,250 for two-bedroom units (\$0.89 to \$1.05 per square foot). The occupancy rate is a very high 99 percent. According to the owner, household income of a significant proportion of renters is in the \$50,000 to \$75,000 range. The average age of renters is 37 years. Approximately two-thirds of renters are two-person households.

The newer two phases of Club at Brookfield Hills, Pinnacle and Lofts, were built approximately 12 to 13 years ago. These two phases contain a total of 176 units. Occupancy is also high at both phases, 96 percent to 98 percent. Units in the newer phases have higher rents with one-bedroom units ranging from \$1,100 to \$1,400 per month. Two-bedroom units range from \$1,400 to \$1,800. The Pinnacle phase also has larger nearly 2,000-square-foot two-bedroom units that can rent for as high as \$2,400 per month and rents overall in this phase are somewhat higher than for the Lofts phase. Consistent with the higher rents in these two newer phases than for the Terraces phase, incomes of renters are higher. The largest proportion of renters in the Lofts fall into two income categories: \$55,000 to \$75,000 and \$100,000+. For the Pinnacle phase, the largest proportion of renters is in the \$100,000+ range (with the remaining renters in the \$55,000-\$100,000 range). Average age also follows income trends. The Lofts which has a higher proportion of renters in lower income categories has a lower average age of renters of 37 years. This compares to the Pinnacle where the average age of renters is 42 years but a significantly higher proportion of renters are in the highest-income categories.



Norhardt Crossing, one of Brookfield's older apartment projects, contains 211 units with a large number of floorplans. Units consist of one-bedroom, two-bedroom, and two-bedroom townhome units, and some units have dents. Monthly rents range from nearly \$1,400 for a 837-square-foot one-bedroom unit to \$2,100 to \$2,300 for larger 1,340-square-foot to 1,545-square-foot two-bedroom townhome style units. On a per square foot basis, the rent ranges \$1.45 per square to \$1.64 per square foot. The largest two-bedroom townhome units obtain higher per square foot rents than somewhat smaller size traditional two-bedroom units. The project competes primarily with other Brookfield projects, notably Georgetown Square and Sutter Creek, both of which have newer units with upgrades such as granite countertops or stainless steel appliances. Renters include older age households from the Brookfield area and working age households whose jobs are in Brookfield or nearby communities. A few renters have recently left the project having bought homes in the area. According to the manager, the project does not compete with the newest Mandel Group apartment project, Prairie Walk at Brookfield Towne Centre. The newer project offers an "upgraded" level of finishes including granite countertops and stainless steel appliances which appeals to some renters. The occupancy rate of the project is in the 95 percent range and has been fairly consistent over the past few years. The central location of the project, walkable to shopping and amenities, and the desirability of the Elmbrook School District have helped the project maintain its appeal.

Metropolitan Development, the owner and builder of smaller projects in Brookfield, has two existing projects and one new project that will soon break ground. The two existing projects – Brookfield Junction and 2945 North Brookfield – are seven years old and six years old, respectively. The two projects contain a total of 23 units. According to the owner and developer, the projects have maintained 100 percent occupancy rates and rents have started to increase. The projects obtain lower per square foot rents than the larger projects in Brookfield but this may be due to the owner who is also the project's general contractor ability to deliver high quality finishes at lower costs and preference for maintaining extremely high occupancy rates over maximizing rental rates. The Brookfield Junction recently lost two renters due to both leaving to buy homes. The owner offers a special package to Kohl's in Menomonee Falls (Kohl's is approximately five miles from the project) so that if a Kohl's employee renting a unit in Brookfield Junction has to leave due to a job transfer by the company, the owner will terminate the lease without penalty. The owner indicated that even if a renter leaves mid-month, the unit is almost always re-leased by the first of the next month. Two older age empty nester households recently rented units in the Brookfield Junction project. One of these households has a second residence in a warm weather location. The developer/owner's, newest project, will be phase 2 of Brookfield Junction and is expected to break ground soon. A majority of the 31 units in the new project will be one-bedroom units in the 850 to 950 square foot size range (a little smaller than one-bedroom units in the existing phase which average around 1,000 square feet in size). Rents are expected to be approximately 14 percent higher than rents in the existing units when the project opens later in 2016.

Occupancy rates for all projects including the newest and oldest ones are high, ranging from 95 percent to 99 percent. According to leasing agents and developers, annual rent increases have ranged from two to five percent. Asking monthly rents in Brookfield for apartment units are generally in the \$1.40 to \$1.45 per square range. This is achieved in part due to the smaller unit sizes for newer projects. Newer projects such as Prairie Walk at Brookfield Towne Centre and Sutter Creek offer the largest units at just over 1,300 square feet in size as compared to older projects whose largest unit sizes approached 2,000 square feet or more. The Norhardt Crossing and



Georgetown Square, older projects, have rents as high as newer projects such as Prairie Walk at Brookfield Towne Centre in part due to both projects being located in walkable neighborhoods. The newest projects deliver upgrades such granite countertops and stainless steel appliances but older projects such as Norhardt Crossing and Georgetown Square still hold great appeal because of their walkability to shopping and amenities or Club at Brookfield Hills which is adjacent to recreational amenities. Property owners and leasing agents indicated unit turnover is relatively low in Brookfield due to the quality of projects in Brookfield, image and small size of the community, and that many projects are owner managed and operated. The lower turnover of units also relates to the higher proportion of older working age and older age empty nester households who tend to be more stable in terms of length of tenure and the limited number of vacant units, which constrains mobility.

## FUTURE SUPPLY OF MARKET RATE UNITS

Table II-7 summarizes the apartment projects either under construction or approved in the City of Brookfield. Note the Sutter Creek project is adding a third building of 55 units which will be open in 2016, but these units are included above in Table II-6.

<b>TABLE II-7: Future Market Rate Apartment Projects in City of Brookfield</b>		
Name/Location	Number of Units #	Status of Project
Lilly Preserve NWC of Lilly Rd. and Burleigh Rd.	76	Under Construction
Brookfield Junction Phase 2 East of Brookfield Junction Ph 1	31	Under Construction
Hidden Lake Preserve Burleigh Rd., east of Lilly Rd.	113	Approved, construction to begin in 2016
The Reserve at Brookfield SWC of Bluemound Rd. and Bishop's Way	194	Approved, construction to begin in 2016
<b>TOTAL</b>	<b>414</b>	
Sources: City of Brookfield; Gruen Gruen + Associates.		

The future supply of apartment units, both under construction and approved projects, will increase Brookfield's apartment inventory by over 400 units. This increase of units compares to REIS' forecast of more than 500 new units in the broader Brookfield/New Berlin submarket between 2015 and 2017. With the addition of the two newest projects in Brookfield built in 2014 and 2015, plus the future supply of over 400 units, Brookfield will contain nearly 2,700 rental housing units (which includes rental projects with nine or fewer units). This amount of rental housing will increase Brookfield's amount of rental housing stock slightly from about 14 percent to 15.5 percent of all housing units (owner- and renter-occupied units).

In addition, a total of nearly 2,000 units are either under construction or planned in projects outside of Brookfield, primarily in Wauwatosa, the Town of Brookfield, and Menomonee Falls. These projects include:



### Wauwatosa

- Echelon Apartments, 188 units under construction by Mandel Group;
- The Reef, 108 units under construction by Wangard Partners;
- The Reserve at Mayfair, 266 units, developed by Campbell Capital Group and Atlantic Realty Partners;
- The Mayfair Collection, 500 units, developed by Fiduciary Real Estate and HSA Commercial Real Estate (first two phase will total 500 units planned to break ground in 2015 and 2016; an additional 500 units are planned for future phases);
- 2100 Mayfair, 99 units, not yet built, developer John Czarnecki; and
- State Street Station, 167 units, developed by HIS Properties<sup>8</sup>.

### Town of Brookfield

- Poplar Creek, 136 units, approved, not yet built, developer Wimmer Communities.

### Menomonee Falls

- Whitestone Village, 222 units, under construction to open late 2015/early 2016;
- Woodlands Apartments, 153 units, recently built and opened; and
- Riverwalk on the Falls, 114 units, approved, not yet built, developer Wimmer Communities.

According to interviews with Brookfield developers and apartment owners, Wauwatosa is perceived as an urban infill location that attracts a younger demographic than Brookfield (i.e., a higher proportion of Millennials who are in the 18-years-old to 34-years-old age range).<sup>9</sup> Wauwatosa has two full universities – the Medical College of Wisconsin and Wisconsin Lutheran College – which likely contribute to the higher proportion of younger-age renters. The higher proportion of younger-age, more price sensitive households in Wauwatosa is also reflected in the lower overall rents for the Wauwatosa/West Allis submarket (although some newer apartment projects asking rents are similar to those of newer Brookfield projects). Menomonee Falls also has a higher share of younger millennial age households. Leasing agents and property owners described older-age household renters like those found in Brookfield projects as more stable (than younger-age households) and likely to stay longer if they obtain a quality unit at good value.

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<sup>8</sup> <http://www.bizjournals.com/milwaukee/news/2015/01/06/luxury-apartments-housing-proposed-near-mayfair.html>

<sup>9</sup> According to the 2009-2013 American Community Survey 5 Year Estimates, households in the 25-34-years-old age category made up 28.3 percent of renter-occupied households in Wauwatosa compared to 13.6 percent in Brookfield. Menomonee Falls also had a higher proportion of younger-age 25-34-years-old renter-occupied households at 21.7 percent.



## CHAPTER III: ESTIMATE OF THE POTENTIAL DEMAND FOR APARTMENT UNITS IN THE PRIMARY MARKET AREA

### POTENTIAL APARTMENT UNIT DEMAND IN THE PRIMARY MARKET AREA FROM EXISTING HOUSEHOLDS

Demand for apartment units in Brookfield arises from working age, small size households with few or no children and older age households, and most important, employment growth and the need to house new workers.

Echo Boomers, also known as Generation Y or the millennials, are (largely the children of the Baby Boomers) currently between the ages of 18 and 34. The recent severe recession particularly impacted this group's ability to find work, so that many returned to their parents' homes or "doubled up" with friends in high density living arrangements. As jobs have become available for this group these young adults generate demand for apartments. These younger-age households, however, have not been a large share of Brookfield's renter household base. According to the 2013 American Community Survey estimates, Brookfield includes nearly 700 households between the ages of 25-years-old and 34-years-old. This household group represents less than five percent of the total City's households (owner and renter). This age group makes up only 12 percent of renter-occupied households in Brookfield.

Brookfield's largest numbers of renter-occupied households are between the ages of 35-years-old to 54-years-old. Approximately 44 percent of Brookfield's renter-occupied households are in this age category. This likely relates to the relatively high rents in Brookfield compared to other submarkets in the metro area.<sup>10</sup>

In addition, the interviews suggest demand for housing arises from shifts in lifestyle or lifecycle changes. For example, some older, empty-nester households (i.e., children have moved out of the household) may seek to trade down from older, single-family homes they no longer wish to maintain or need, and who for lifestyle or social reasons desire to move from their existing single-family neighborhoods but stay in Brookfield or move from neighboring communities. Brookfield apartment projects at the higher end of the rent ladder have a higher average age renter. According to the 2013 American Community Survey estimates, Brookfield includes approximately 5,600 households between the ages of 55-years-old and 74-years-old. This household group represents 38 percent of the total City's households (owner and renter-occupied). This age group represents 16 percent of renter-occupied households in Brookfield. Appendix A presents population, household, and employment trends and forecasts and housing characteristics for the City of Brookfield.

Table III-1 shows the resulting estimates of demand from the younger or older age, smaller households the interviews, review of supply, and demographic analysis suggest are leading candidates to select *new* multi-family rental product in the market area.

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<sup>10</sup> According to a REIS third quarter 2013 report, the Brookfield/New Berlin submarket had the second highest effective rent of eight submarkets in the metro area. Only the City East submarket had a higher effective rent level.



<b>TABLE III-1: Estimated Apartment Unit Demand in the Primary Market Area (Brookfield) from Turnover of Existing Renters</b>	
By Income	
Households with income between \$50,000 and \$149,000	7,260
Proportion of households occupying rental housing <sup>1</sup>	13.5%
Annual turnover rate <sup>2</sup>	10.0%
Potential annual demand	98
By Age	
Age 35 to 54 households (renters)	897
Annual turnover rate	6.0%
Age 55 to 74 households (renters)	325
Annual turnover rate	4.5%
Potential annual demand	68
<b>TOTAL POTENTIAL ANNUAL DEMAND (UNITS)</b>	<b>68 - 98</b>
Notes:	
<sup>1</sup> Based on historical relationship between household income and housing tenure.	
<sup>2</sup> Approximately 14.1 percent of Brookfield renters moved from within Waukesha County in 2013 according to Census data. We assume a lower 10 percent turnover rate within Brookfield.	
Sources: U.S. Census Bureau, 2013 American Community Survey; Gruen Gruen + Associates.	

As indicated in Table III-1 above, the market area is estimated to include: (a) 7,300 households (both owner and renter-occupied) with incomes from \$50,000 to \$149,999 and approximately 13.5 percent or approximately 1,000 households which occupy rental housing; (b) nearly 900 renter-occupied households between the ages of 35-years-old and 54-years-old; and (c) approximately 300 renter-occupied households between the ages of 55-years-old and 74-years-old<sup>11</sup>. Note these three groups of households by income and by age are not mutually exclusive. In other words, the number of renter-occupied households by either the age or income levels likely to rent housing in Brookfield ranges from approximately 1,000 to 1,200.

Data is unavailable to refine the estimate by both age and income simultaneously. Analysis of the 2013 American Community Survey indicates that approximately 14 percent of renter-households in Brookfield move within Waukesha County in a given year. We used a lower turnover rate consistent with our interviews with leasing agents and developers of apartment projects in the market area, which suggest that turnover of units in the primary market area is somewhat lower given the stability of older age households who are likely to stay longer and limited numbers of vacant units. Based on the assumptions outlined above, in any given year, nearly 100 renter-households with incomes between \$50,000 and \$149,000 could move to an apartment unit within the Brookfield market area.

<sup>11</sup> We did not include households above age 75 as many of these households if they elect to move may be relocating into the type of senior housing which includes healthcare and other nursing facilities.



Table III-1 also shows an estimate of demand from households the interviews and review of supply suggests have the age and family characteristics found to be a demographic determinant of demand for apartment units. The Brookfield market area includes approximately 1,200 renter-occupied households headed by a householder 35-years-old to 74-years-old. American Community Survey data indicates that approximately four to six percent of such households are likely to move in a given year, depending upon the age category (older age households have a lower turnover rate). Under these assumptions, a potential pool of nearly 70 households between the ages of 35-years-old to 74-years-old could move to an apartment unit within the Brookfield market area in a given year.

It is likely that a correlation exists between household income and age and therefore, the two estimates presented above contain some overlap. In addition, some of these households may have other demographic characteristics such as large family size that make them unlikely candidates for renting apartment units. We use as an estimate, however, of the potential annual demand from current market area households for apartment units, a range of approximately 70 to 100 new apartment units.

### **ESTIMATE OF DEMAND FROM GROWTH IN OLDER AGE HOUSEHOLDS IN PRIMARY MARKET AREA**

To estimate demand for rental housing that will arise in the Brookfield market from the upward shift in older age households, we have estimated how many more households in Brookfield will be above 55+ years of age between 2015 and 2020. Table III-2 presents projected growth in the number of older age (55+) households in Brookfield from 2015 to 2020 and the demand for rental housing.

<b>TABLE III-2: Estimate of Demand for Apartment Units in Brookfield Attributable to Growth in Older Age Households (2015 – 2020)</b>			
	2015-2020 Growth <sup>1</sup> # Total Households	Renter-Occupied <sup>2</sup> %	Renter-Occupied 2015-2020 Growth # Households
Householder 55 to 64 Years	177	6.0	11
Householder 65 to 74 Years	316	5.0	16
Householder 75 Years and Older	242	18.2	44
<b>Total Households Age 55+</b>	<b>735</b>	<b>9.7</b>	<b>71</b>
<sup>1</sup> Projections of household growth reflect total future household growth within Brookfield forecast to occur over the 2014-2020 period (average annual growth rate of 0.88 percent) and the forecast growth rates predicted to occur by age of householder for Waukesha County over the 2015-2020 period. In other words, we assume the household base of Brookfield will experience similar shifts to the County but will grow at a lower annual rate. <sup>2</sup> Percentage of households in each age cohort currently estimated to occupy rental housing in Brookfield.			
Sources: Wisconsin Department of Administration, <i>2013 State and County Household Projections</i> ; U.S. Census Bureau; Gruen Gruen + Associates.			

As the resident base of Brookfield continues to age, the number of households that will be 55+years of age between 2015 and 2020 is estimated to increase by 700. We arrived at this estimate of the



increase in the older age cohorts based on the Wisconsin Department of Administration forecast growth rates for Waukesha County over the 2015 to 2020 period. Appendix B presents the projected household growth by age of householder for Waukesha County from 2015 to 2030. The estimate of the proportion households that will occupy rental housing is based on the current proportion of each age cohort that currently occupies rental housing in Brookfield. Approximately 10 percent of 55+ age households are estimated to occupy rental housing in Brookfield. With the increase in the number of older age households of over 700 in Brookfield, approximately 70 of these additional households will be likely to occupy rental housing.

**ESTIMATE OF DEMAND FROM THE ADDITION OF EMPLOYMENT- OPPORTUNITY-GENERATED HOUSEHOLDS IN THE PRIMARY MARKET AREA**

Demand will also arise from the addition of new households in the primary market area. Employment recovery and growth is likely to continue to be an important determinant of new apartment demand. In 2010, the total jobs-to-household ratio was estimated at 2.78. In 2013, this ratio was 2.69. In other words, for every 2.7 workers, one new housing unit is required.

Table III-3 shows the estimate of demand from new households based on the forecast of employment growth in the primary Brookfield market area. The employment estimate is based on the forecast build-out of Brookfield’s last remaining large land area, Ruby Farms and an understanding of planned employment expansions by firms already located in Brookfield. Irgens Partners is planning to build a mixed-use development known as The Corridor which will add retail, medical, office, and wellness/fitness uses. Upon full build-out, The Corridor is estimated to generate an additional 3,000 jobs in Brookfield.<sup>12</sup> We have assumed that the build-out may occur over a 10 year period or more. This alone would result in the addition of approximately 1,500 new jobs in Brookfield between 2015 and 2020.

<b>TABLE III-3: Estimate of Demand for Apartment Units in Brookfield Attributable to New Jobs</b>	
	2015-2020 #
Estimate of Employment Growth <sup>1</sup>	1,500
Estimate of Total New Housing Units Demanded <sup>2</sup>	550
Estimate of Total Apartment Units Demanded @ 16% of Total <sup>3</sup>	90
Estimate of Total Annual Demand For New Apartment Units	18
Notes: <sup>1</sup> Associated with full build-out of Ruby Farm's redevelopment. Figures have been rounded. <sup>2</sup> Assumes 2.7 new jobs for each new housing unit based on 2013 jobs-household estimate. <sup>3</sup> Assumes 16 percent of housing demand will be for multi-family apartment units. (Rental units currently comprise 14 percent of Brookfield's housing stock).	
Sources: U.S. Bureau of the Census; City of Brookfield Department of Community Development; Gruen Gruen + Associates.	

<sup>12</sup> Tax Incremental District Number Five The Corridor City of Brookfield Wisconsin Community Development Authority Project Plan Prepared by Department of Community Development, City of Brookfield, Wisconsin, February 9, 2015.



The second row of Table III-3 presents estimates of total new housing units demanded between 2015 and 2020 as the result of the employment growth. These estimates reflect an assumption of a 2.7 workers-per-household ratio. In other words, for approximately every 2.7 workers, one new housing unit is required. This assumption is based on relationships found to apply between jobs and household data from the Census Bureau for 2013. Using this jobs-household ratio results in an estimated increase of 550 housing units over the next five years should job growth occur as forecast.

The third row in Table III-3 presents a market area demand estimate of about 90 apartment units for the 2015 to 2020 period as the result of employment growth induced added households in the market area. We base this estimate on the assumption that approximately 16 percent of existing housing units demanded are rental apartments, as opposed to owner-occupied. For the Brookfield primary market area, then, between now and 2020, we estimate that demand for new apartment units attributable to forecast employment growth will approximate 18 units per year.

**ESTIMATE OF TOTAL DEMAND FOR NEW APARTMENT UNITS IN PRIMARY MARKET AREA: 2015-2020**

Table III-4 summarizes total demand for new apartments units in Brookfield arising from the primary market area between 2015 and 2020.

<b>TABLE III-4: Summary of Estimated Total Demand for Apartment Units in Brookfield from Primary Market Area (2015-2020)</b>	
Demand Source	Total Demand 2015-2020 <sup>1</sup> #
Existing Household Turnover	350 - 500
Growth of Older Age Households	70
Employment Growth/New Jobs	100
Total Demand	500 - 700
<sup>1</sup> Figures have been rounded.	
Source: Gruen Gruen + Associates	

Total demand in the primary market area of Brookfield is estimated at approximately 500 to 700 units over the next five years. The largest source of demand will arise from turnover of existing households in the market area. Growth in older age households and new job growth will comprise between 25 to 32 percent of total demand. Note additional demand may arise from the secondary market area beyond Brookfield’s primary market area. We have not estimated this additional demand as we have assumed that all demand arising from turnover of existing renter households, the increase in older age households, and employment growth will be captured in the market area. It is possible some of this demand may elect to locate outside of the Brookfield primary market area.

**ESTIMATE OF TOTAL DEMAND FOR APARTMENT UNITS IN BROOKFIELD COMPARED TO NEW FUTURE SUPPLY OF APARTMENT UNITS**

Table III-5 presents the balance between supply and demand in the primary Brookfield market



between 2015 and 2020.

<b>TABLE III-5: Supply and Demand of Apartment Units in Brookfield from Primary Market Area (2015-2020)</b>	
	2015-2020 <u># Units</u>
Estimated Total Demand	500 - 700
Estimated Future Supply	400
Source: Gruen Gruen + Associates	

The total demand for apartment units of 500 to 700 units over the next five years exceeds the under construction or planned supply of 400 units. Given the low vacancy in the Brookfield market, the addition of new apartment units will improve the mobility of households to move within Brookfield as well as allow new households to be attracted to Brookfield.



## CHAPTER IV: SENIOR HOUSING IN BROOKFIELD

### SUPPLY OF SENIOR HOUSING IN BROOKFIELD

Table IV-1 summarizes the characteristics of senior living apartment communities in the City of Brookfield. In addition to the nearly 1,200 apartment units in larger projects in Brookfield, another three projects provide nearly 200 apartment units for seniors (age-restrictions apply). The projects provide independent living apartment units but do not provide medical or food services like other types of senior housing facilities designed for the frail or infirm elderly<sup>13</sup>. The three age-restricted apartment projects are all 12 years of age or older.

<b>TABLE IV-1: Characteristics of Independent Senior Living Apartment Projects in City of Brookfield</b>							
Project Name	Age # Yrs.	Units #	Unit Types # Beds	Unit Sizes # Sq. Ft.	2015 Market Rents \$	2015 Market Rents \$ Per Sq. Ft.	Occupancy %
Capitol Hill Senior Apartments <sup>1</sup>	12	70	1 2	710 1,000-1,100	860 1,200	1.21 1.20-1.09	99
Foxbrook Senior Apartments	14	71	1 2	NA	NA	NA	97
Regal Crest West	17-31 (phased)	56	1 2	900 1,200-2,000	1,100+ 1,300-2,200	1.22 1.08-1.10	98
Total		197					
<sup>1</sup> Project is subsidized housing based on qualifying income. Only three units are market-rate units and rents shown are for market-rate units.							
Source: Gruen Gruen + Associates							

Regal Crest West Apartments is 56 units built in phases between 1984 and 1998. The project is age-restricted for residents who are 55+ years-old and is a market-rate project. The project has consistently been well leased with the current occupancy rate at 98 percent. Monthly rents range from \$1,100 to over \$2,000. The majority of units are two-bedroom units ranging from 1,200 to 2,000 square feet in size (only three units are one-bedroom units). According to the leasing manager, most renters originate from Brookfield and Wauwatosa and many are downsizing from single-family homes in the area. Annual turnover of units is relatively low at less than 20 percent.

Two other independent senior apartment projects- Capitol Hill and Foxbrook- are located in the City. Both of these projects provide apartments but the rents are not market rate but based on income qualification of the residents. Occupancy rates at both projects are reported to be a high 97 percent for Foxbrook Senior Apartments and 99 percent for Capitol Hill Senior Apartments. According to a representative with Capitol Hill, most renters are from Brookfield and move in when they sell homes and want to stay in the area. Some renters have been in the project since it was built

<sup>13</sup> These nearly 200 age-restricted apartment units are counted in the 2,046 rental unit count from the Census.



12 years ago. Most renters stay in the project unless they need to move to an assisted living or nursing home facility. Although the current occupancy rate is 99 percent at Capitol Hill, the rate can fluctuate between 92 and 95 percent but turnover of units is low. The project has a higher proportion of one-bedroom units and only three of the 70 units are market-rate. The average age of renters at Capitol Hill is over 70 years old.

Table IV-2 through Table IV-4 summarizes the number of senior projects in Brookfield that are providing assisted living services, dementia or memory care services, or skilled nursing care. The Census defines group quarters as all people not living in households. A variety of senior housing where an additional level of care is provided such as group homes, nursing homes, continuing care facilities and assisted living facilities are considered “group quarters”. Eleven group quarters senior housing projects are located in or very near Brookfield and provide total capacity (in terms of number of apartments, rooms, or beds) to accommodate at least nearly 1,000 residents.

<b>TABLE IV-2: Residential Care Apartments in City of Brookfield<sup>1</sup></b>	
Name/Location	Number of Apartments #
Congregational Home 3140-3150 Lilly Rd.	54
Pro Health Care Regency Senior Communities 777 N. Brookfield Rd. <sup>2</sup>	94
Total	148
<sup>1</sup> Independent care apartment units in which room and board are provided, and up to 28 hours per week of supportive care, personal care, and nursing services. <sup>2</sup> Not located within the City of Brookfield proper but near its boundaries (i.e., within the housing submarket).	
Source: Wisconsin Department of Health Services	



**TABLE IV-3: Community Based Residential Facilities in City of Brookfield<sup>1</sup>**

Name/Location	Capacity #
Applewood of Brookfield 2900 S. Moorland Rd. <sup>2</sup>	52
Brookdale Brookfield 660 – 685 Woelfel Rd. <sup>2</sup>	84
Brookdale Capitol Drive 15100 W. Capitol Dr.	24
New Perspectives Brookfield 16690-16720 W. Greenfield Ave.	34
Silverado Brookfield 1105 Davidson Rd.	95
Total	289

<sup>1</sup> A place where 5 or more unrelated people live together in a community setting. Services provided include room and board, supervision, support services, and may include up to 3 hours of nursing care per week.

<sup>2</sup> Not located within the City of Brookfield proper but near its boundaries (i.e., within the housing submarket).

Source: Wisconsin Department of Health Services

**TABLE IV-4: Nursing Homes in City of Brookfield<sup>1</sup>**

Name/Location	Beds #
Brookfield Rehab & Specialty Care Center 18740 W. Bluemound Rd.	224
Care Age of Brookfield 1755 N. Barker Rd.	110
Congregational Home 13900 W. Burleigh Rd.	69
Wheaton Franciscan Health Care – Franciscan Woods 19525 W. North Ave.	120
Total	523

<sup>1</sup> A place where 5 or more persons who are not related to the operator or administrator reside, receive care or treatment, and because of their physical or mental condition, require 24-hour nursing care, intermediate level nursing care and skilled nursing services.

Source: Wisconsin Department of Health Services

According to Wisconsin Department of Health Services, Brookfield contains 148 residential care apartments, capacity for 289 residents in community based residential facilities, and 523 beds in nursing homes providing skilled care. Assuming one person lives in residential care apartments, the number of residents that can be accommodated in existing facilities is at least 960.

A discussion with a representative of the most recent addition to Brookfield’s senior living facilities Silverado, reported that facility can take up to 95 residents who share double person rooms.



Silverado, which opened, in 2013 provides memory care for residents who have Alzheimer's and dementia. Most residents come from within Waukesha County including Brookfield, New Berlin, Waukesha, and east in Milwaukee County including Elm Grove and Wauwatosa (but not to the north as the operator has a similar facility in Menomonee Falls). The current occupancy is 77 percent which is the highest level since opening. The age range of residents is from late 60's to 100. A typical length of stay is about 1½ years.

## **DEMAND FOR GROUP QUARTERS SENIOR HOUSING IN BROOKFIELD**

According to the 2009-2013 American Community survey data, 521 people lived in “group quarters” in Brookfield. The Baby Boomer generation (those born between 1946 and 1964 and who are currently 51 to 69 years old) will be in the 65 to 84 age group by 2030. Many baby boomers will be on the younger end of the age range and fewer will require an increased level of care. With the trend of wanting to age in place and longer active life spans, the demand from this age cohort for group quarters facilities may be less than for prior generations<sup>14</sup>. The demand for group quarters facilities for seniors, however, is not to be understated as the age cohort is a large proportion of Brookfield's population (comprising nearly 30 percent of the city's population or approximately 11,000 residents). The demand for groups quarters senior housing may increase later after 2030 and beyond as the younger cohorts of baby boomers reach their 80's and older. In 2010, approximately 55 percent of the baby boomer cohort in Brookfield was in the 45-54- years-old age range with another 25 percent of baby boomers in the 55-59-years-old age range and the remaining 20 percent in the oldest of the baby boomer cohorts, 60-64- years- old-age range.

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<sup>14</sup> Aging in Place: A State Survey of Livability Policies and Practices, a Research Report by the National Conference of State Legislatures and the AARP Public Policy Institute, December 2011.



**APPENDIX A: DEMOGRAPHIC TRENDS AND FORECAST AND EMPLOYMENT  
AND HOUSING CHARACTERISTICS TRENDS**

**LONG-TERM POPULATION, HOUSEHOLD AND EMPLOYMENT TRENDS**

Table A-1 presents historical population and household trends for the City of Brookfield from 1980 to 2014.

<b>TABLE A-1: Population and Household Trends for City of Brookfield, 1980-2014</b>							
	1980 #	1990 #	2000 #	2010 #	2014 <sup>1</sup> #	Change 1980-2014 #	AAGR <sup>2</sup> 1980-2014 %
Population	34,035	35,184	38,649	37,920	37,847	3,812	0.31
Household Population	33,729	34,868	37,997	37,407	37,420	3,691	0.31
Households	10,279	11,996	13,891	14,576	14,665	4,386	1.05
Avg. Household Size	3.28	2.91	2.74	2.57	2.55	(0.73)	----
<sup>1</sup> 2014 population estimate from the Wisconsin Department of Administration. Other estimates adjusted from 2013 American Community Survey.							
<sup>2</sup> Average annual compound growth rate.							
Sources: U.S. Census Bureau; Wisconsin Department of Administration; Gruen Gruen + Associates.							

Over the 34-year period between 1980 and 2014, the City of Brookfield population is estimated to have grown by approximately 3,800 people at an average annual rate of 0.3 percent. Since the 2000 Census, however, the City's population has declined by approximately 800 people or two percent. Although the population base has generally declined over the past 15 years, the City's household base has continued to grow. Approximately 4,400 households have been added since 1980 representing an annual long-term growth rate of about 1.1 percent. Over the most recent 14 year period, from the 2000 Census to 2014, the rate of household growth has slowed considerably. Approximately 780 households have been added since 2000 reflecting an annual household growth rate of about 0.4 percent.

Declining household sizes have resulted in the addition of more households than population over time. In 1980, the average household size in Brookfield was about 3.3 persons. The average household size in 2014 was estimated at 2.55 persons indicating that the average household size has declined by about 22 percent over the past three decades.

Table A-2 summarizes the historical jobs-to-household ratio in the City of Brookfield as well as the percentage of the population active in the labor force.



**TABLE A-2: Historical Jobs-Household Balance in City of Brookfield, 1990-2013**

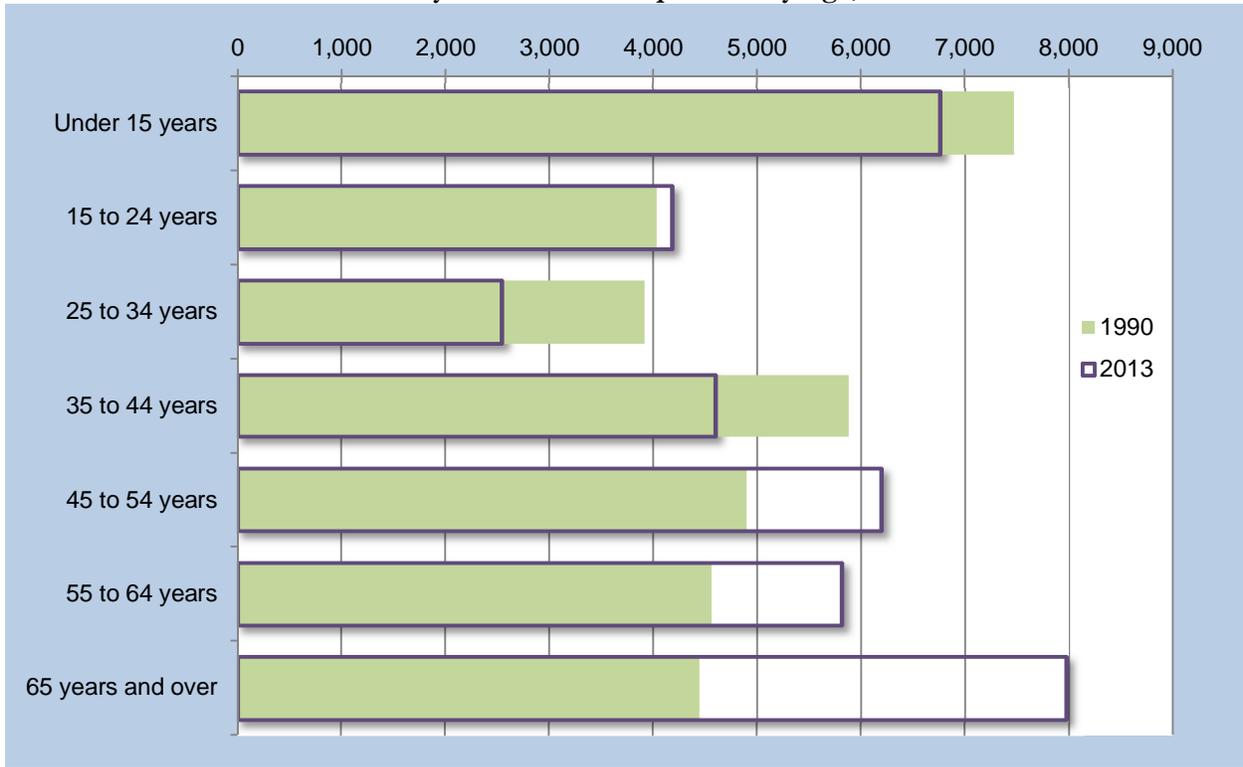
	1990 #	2000 #	2010 #	2013 #	Change 1990-2013 #	Change 1990-2013 %
Employment	38,140	41,250	40,535	39,395	1,255	3.3
Households	11,996	13,891	14,576	14,665	2,669	22.2
Jobs-Household Ratio	3.18	2.97	2.78	2.69	-0.49	----
Civilian Labor Force	18,596	20,132	19,098	19,181	585	3.1
Total Population	35,184	38,649	37,920	37,835	2,651	7.5
Percent of Population in Labor Force	52.9%	52.1%	50.4%	50.7%	---	----
Sources: U.S. Census Bureau; SEWRPC; Bureau of Labor Statistics; Gruen Gruen + Associates.						

Total employment within the City of Brookfield is estimated to have remained essentially stable over the past two decades, growing by only three percent between 1990 and 2013. In 2013, the City was estimated to contain just under 39,400 jobs. The household base has grown by about 2,700 households or 22 percent since 1990 and the jobs-household ratio has declined over time. In 1990, Brookfield contained about 3.2 jobs for every household. By 2013, the jobs-household ratio had declined to about 2.7 jobs per household. The civilian labor force in Brookfield has also remained relatively stable over time at roughly 19,000 to 20,000 members. About 53 percent of the total population was active in the labor force in 1990. The active labor force has declined slightly over time to about 51 percent of the population in 2013, which in part corresponds with the aging of the community.

Figure A-1 summarizes the population of the City of Brookfield by age for 1990 and 2013 (the most recent year for which age-cohort data is available).



**FIGURE A-1: City of Brookfield Population by Age, 1990 and 2013**



The median age in the City of Brookfield increased from 38.7 years in 1990 to 47.2 years by 2013. The Age 65+ population has grown tremendously over the past few decades, increasing by approximately 3,500 people or 80 percent since 1990. Residents aged 65 or older now comprise 21 percent of the City's current population base representing the largest age-cohort in the community. The population under the age of 45 declined from about 61 percent in 1990 to below 48 percent in 2013.

**RENTER HOUSEHOLD CHARACTERISTICS AND RENTAL HOUSING INVENTORY**

Table A-3 summarizes how the tenure of the occupied housing stock has shifted over time. Table A-3 also identifies the current and past population by housing tenure within the City of Brookfield.



<b>TABLE A-3: Population and Households by Housing Tenure in City of Brookfield, 2000-2013</b>				
	2000 #	2010 #	2013 #	Change 2000-2013 #
<b>Owned Housing:</b>				
Occupied Units (Households)	12,555	12,706	12,619	64
Population Living in Owned Units	35,350	33,536	32,958	-2,392
Average Household Size	2.82	2.64	2.61	-0.21
<b>Rental Housing:</b>				
Occupied Units (Households)	1,392	1,870	2,046	654
Population Living in Rented Units	2,749	3,871	4,577	1,828
Average Household Size	1.97	2.07	2.24	+0.27
Sources: U.S. Census Bureau; Gruen Gruen + Associates.				

The number of owner-occupied housing units in Brookfield has remained relatively stable since 2000, at approximately 12,600 units, while the number of renter households has increased by approximately 650 or 50 percent over the same period of time. From 2000 to 2013, the population living in owner-occupied housing declined by approximately 2,400 or seven percent. The renter population grew by more than 1,800 people over the same period. This increase in the share of renter households equates to an increase of more than 66 percent in just 13 years. The size of the average household that owns its housing has declined from about 2.8 persons in 2000 to 2.6 persons by 2013. Renter households have been growing in size, with the average size increasing from just under 2.0 persons in 2000 to over 2.2 persons by 2013. Although the rental housing stock has accommodated almost all of Brookfield's recent household growth, owner-occupied units still represent about 86 percent of the community wide housing inventory, an ownership rate that is well above average.

Table A-4 summarizes the rental housing inventory within Brookfield by number of units in the structure.



**TABLE A-4: Rental Housing Stock in City of Brookfield by Units in Building, 2000-2013**

Units in Building	2000 #	2013 #	Change 2000-2013 #	Change 2000-2013 %
Single-Family	486	411	(75)	(15.4)
Multi-Family:				
2 to 4 units	225	419	194	86.2
5 to 9 units	154	341	187	121.4
10 to 19 units	129	214	85	65.9
20 to 49 units	136	299	163	119.9
50+ units	262	362	100	38.2
Total Renter-Occupied Units	1,392	2,046	654	47.0

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

The number of single-family rentals declined by 75 units between 2000 and 2013 and currently comprises about 20 percent of renter-occupied units within the City. Multi-family structures containing fewer than 10 units experienced the largest growth from 2000 to 2013, increasing by about 380 units. The inventory of occupied units in larger multi-family buildings, those containing more than 20 units, also grew strongly by about 260 units since 2000. Less than one-half of the current rental stock of 2,046 units is located in 10+ unit multi-family properties.

The growth in renter households over the past 13 years can be attributed primarily to demand originating from middle-aged households. Table A-5 summarizes how the age of the renter household base has changed in Brookfield since 2000.



**TABLE A-5: Change in Renter Households by Age of Householder, 2000-2013**

Age of Householder	2000 #	2013 #	Change 2000-2013 #	Change 2000-2013 %
Householder 15 to 24 years	51	119	68	133.3
Householder 25 to 34 years	266	246	(20)	(-7.5)
Householder 35 to 44 years	214	499	285	133.2
Householder 45 to 54 years	203	398	195	96.1
Householder 55 to 64 years	143	217	74	51.7
Householder 65 to 74 years	94	108	14	14.9
Householder 75 to 84 years	325	154	(171)	(52.6)
Householder 85 years and over	96	305	209	217.7
Total Households	1,392	2,046	654	47.0

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

The net change in renter households under the age of 35 was fairly nominal from 2000 to 2013 at less than 50 households, although the smallest segment of the rental market (51 households with a head of household under the age of 25-years-old) did increase substantially by about 130 percent or 68 households. Renter households from the ages of 35-years-old and 54-years-old, which grew by 480 or 115 percent, accounted for 73 percent of the net increase in renters from 2000 to 2013. Renter households from the ages of 55-years-old to 64-years-old grew less significantly, by about 52 percent or 74 households, over the period. The net change in Age 65-years-old and older renter-households on-the-whole was comparatively insignificant from 2000 to 2013 period, growing by just 10 percent. Within this older-age cohort, however, the base of renter households 85 years of age and older grew considerably from fewer than 100 households in 2000 to more than 300 households by 2013, representing growth of 218 percent over the period. The corresponding decline in renter households in the ages 75-years-old and 84-years-old cohort is one indication that renter householders are not just living longer, but also remaining in their rental units as they age.

About 26 percent of renter households include children age 18 or younger. (compared to 30 percent for owner-occupied units).

### **Renter Household Incomes and Housing Costs**

Table A-6 shows the change in median household income and median rent for renter-occupied households.



**TABLE A-6: Change in Median Rents and Median Household Incomes, 2000-2013<sup>1</sup>**

	2000	2010	2013	Change 2000-2013	
	\$	\$	\$	\$	%
Renter Households					
Median Household Income	49,844	50,091	53,375	3,531	7.1
Median Gross Rent (Monthly)	1,014	1,282	1,307	293	28.9
Rent as Percent of Income	24.4	30.7	29.4	---	---

<sup>1</sup> In nominal dollars unadjusted for inflation.

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

The median income of renter households in Brookfield has experienced little growth over time, increasing from approximately \$49,800 in 2000 to just under \$53,400 by 2013, representing growth of seven percent over the period. Median gross monthly rents over the same period are estimated to have increased by approximately \$290 or 29 percent, from \$1,014 in 2000 to \$1,307 in 2013.

Table A-7 shows the number and percentage of renter households by gross rent as a percentage of household income in 2000 and 2013

**TABLE A-7: Gross Rents as Percent of Household Income**

	2000		2013	
	#	%	#	%
Less than 20 percent	471	36.1	588	30.5
20 to 29 percent	288	22.1	529	27.4
30 to 39 percent	171	13.1	140	7.3
40 to 49 percent	102	7.8	157	8.1
50 percent or more	273	20.9	516	26.7
TOTAL <sup>1</sup>	1,305	100.0	1,930	100.0

<sup>1</sup> Excludes households for which the metric could not be computed.

Sources: U.S. Census Bureau; Gruen Gruen + Associates.

The cost-burden rate (the share of households spending more than 30 percent of their before-tax income on housing) in Brookfield for renters has remained stable over time at approximately 42 percent. A large increase has occurred since 2000 in the number of renters expending more than 50 percent of their before-tax income on rents. According to the 2009-2013 American Community Survey 5-Year Estimates, 78 percent of renter-occupied households 65 years of age and older spent 30 percent or more of their household income in gross rent. This compares to approximately 30 percent of households age 35 to 64 years who spent 30 percent or more of their household income



in gross rent.

## POPULATION AND HOUSEHOLD FORECASTS

Table A-8 summarizes a population and household forecast for the City of Brookfield prepared in April 2014 by the Wisconsin Department of Administration (DOA).

<b>TABLE A-8: Population and Household Forecast for City of Brookfield</b>				
	Total Population #	Household Population #	Households #	Average Household Size # Persons
2010 Census	37,920	37,407	14,576	2.57
2014 Estimate	37,847	37,420	14,665	2.55
2020 Forecast	38,560	37,985	15,457	2.46
2025 Forecast	39,330	38,734	15,961	2.43
2030 Forecast	39,870	39,244	16,327	2.40
2035 Forecast	39,440	38,764	16,251	2.39
2040 Forecast	38,340	37,617	15,879	2.37
<b>Forecast Change 2014-2040</b>	<b>493</b>	<b>197</b>	<b>1,214</b>	<b>(0.18)</b>
Sources: Wisconsin Department of Administration; Gruen Gruen + Associates.				

According to the DOA forecast, the City's total population is expected to remain relatively stable over the next 25 years. The household population is forecast to grow by less than 200 people by 2040. The number of households, however, is forecast to grow by approximately 1,200 by 2040 representing growth of about eight percent over the period. This relates to shrinking household sizes which on average are forecast to decline from 2.55 persons in 2014 to below 2.4 persons by 2040. Although the household growth is forecast to remain stable over the forecast period, the change in the age cohort is expected to increase as the bulge of households in the 35-years-old to 54-years-old age category moves into the 55-years-old to 74-years-old age category.

## CITY OF BROOKFIELD EMPLOYMENT BASE

Table A-9 presents total employment in the City of Brookfield by industry sector for 2003 and 2013 (the most recent year for which data is available).



**TABLE A-9: City of Brookfield Employment Base, 2003-2013**

Sector	2003 #	2013 #	Change 2000-2013 #	Average Annual Growth Rate %
Construction	1,808	1,118	-690	-3.6
Manufacturing	2,788	2,118	-670	-2.1
Wholesale Trade	4,083	2,621	-1,462	-3.4
Retail Trade	6,993	5,789	-1,204	-1.4
Transportation & Warehousing	352	321	-31	-0.7
Information	1,765	1,564	-201	-0.9
Financial Activities	5,782	6,389	607	0.8
Professional & Business Services	7,907	8,011	104	0.1
Education & Healthcare	4,919	6,117	1,198	1.7
Leisure & Hospitality	3,711	3,430	-281	-0.6
Other Services	1,353	1,338	-15	-0.1
Public Admin	495	579	84	1.2
<b>TOTAL</b>	<b>41,956</b>	<b>39,395</b>	<b>-2,561</b>	<b>-0.5</b>

Sources: U.S. Census Bureau, Longitudinal Employer-Household Dynamics; Gruen Gruen + Associates.

Industrial sectors of the City's economy have declined substantially since the early 2000s. Construction, Manufacturing and Wholesale Trade employment declined by about 2,800 jobs between 2000 and 2013. Average annual employment growth rates ranged from negative 2.1 percent to negative 3.6 percent for these core industrial sectors. Retail Trade employment has also experienced patterns of decline, decreasing at an annual rate of 1.4 percent between 2003-2013.

Like many local suburban economies, the employment base is continuing to shift towards higher-skilled service sectors - particularly Education and Healthcare, which added almost 1,200 jobs between 2003 and 2013. Financial activities also experienced moderate growth over the period, adding approximately 600 jobs. Brookfield's largest industry sector, Professional and Business Services, remained relatively stable over the period expanding at an annual rate of 0.1 percent or about 100 jobs.



**APPENDIX B: PROJECTED NUMBER OF HOUSEHOLDS BY AGE OF  
HOUSEHOLDER IN WAUKESHA COUNTY (2015-2030)**

<b>TABLE B-1: Projected Household Growth (Number of Households) by Age of Householder for Waukesha County</b>				
Age of Householder	2015 #	2020 #	2030 #	Average Annual Growth Rate %
15 to 24	3,829	4,009	3,799	-0.1
25 to 34	18,552	20,492	22,506	1.3
35 to 44	23,897	25,503	29,840	
45 to 54	34,032	30,171	29,893	
55 to 64	34,322	37,211	30,508	
65 to 74	22,516	28,188	35,486	
75 and older	20,704	23,781	36,219	
<b>Total</b>	<b>157,852</b>	<b>169,355</b>	<b>188,251</b>	<b>1.2</b>
Sources: Wisconsin Department of Administration, <i>2013 State and County Household Projections</i> ; Gruen Gruen + Associates.				



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