

Housing and Economic Outlook:

Headline Risks as Headwinds

*Wisconsin Economic Forecast*  
*April 29, 2026*

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*NAHB Chief Economist*

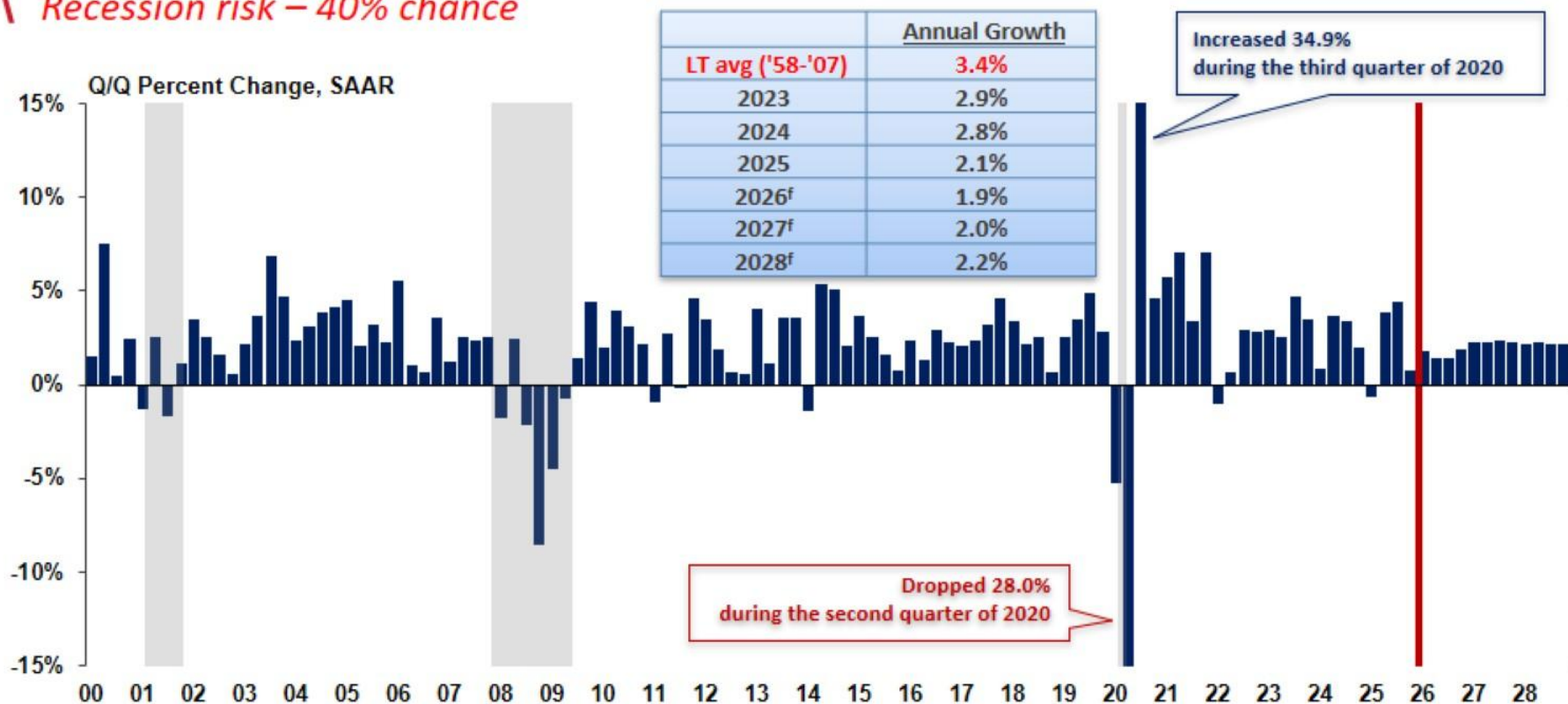


**WISCONSIN  
BUILDERS  
ASSOCIATION**



# Slowing Economic Growth (1.5% 2025 Growth Rate for WI)

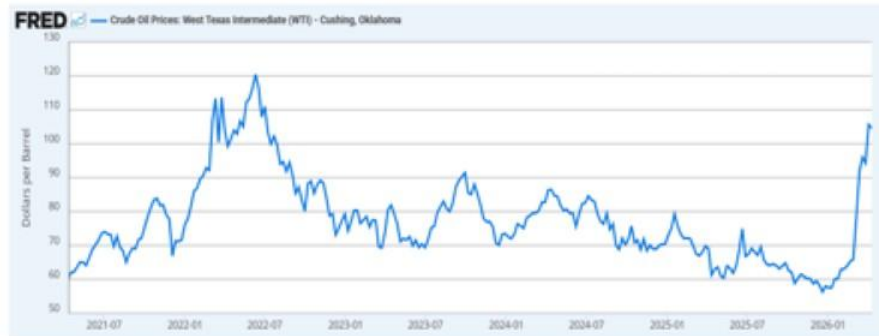
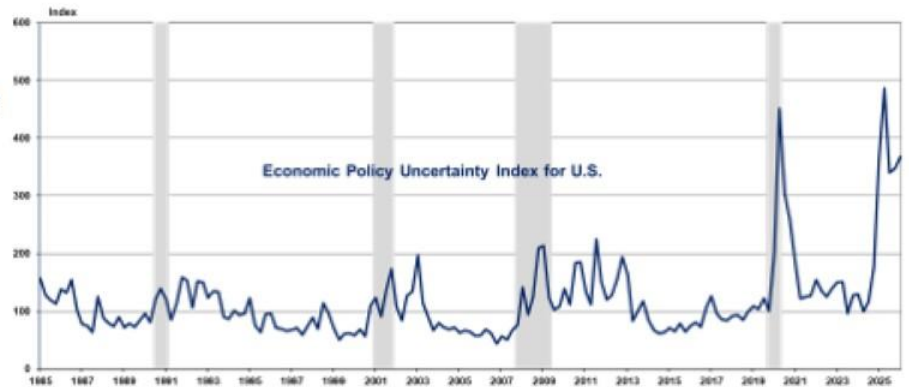
*Recession risk – 40% chance*



Source: U.S. Bureau of Economic Analysis (BEA) and NAHB forecast.

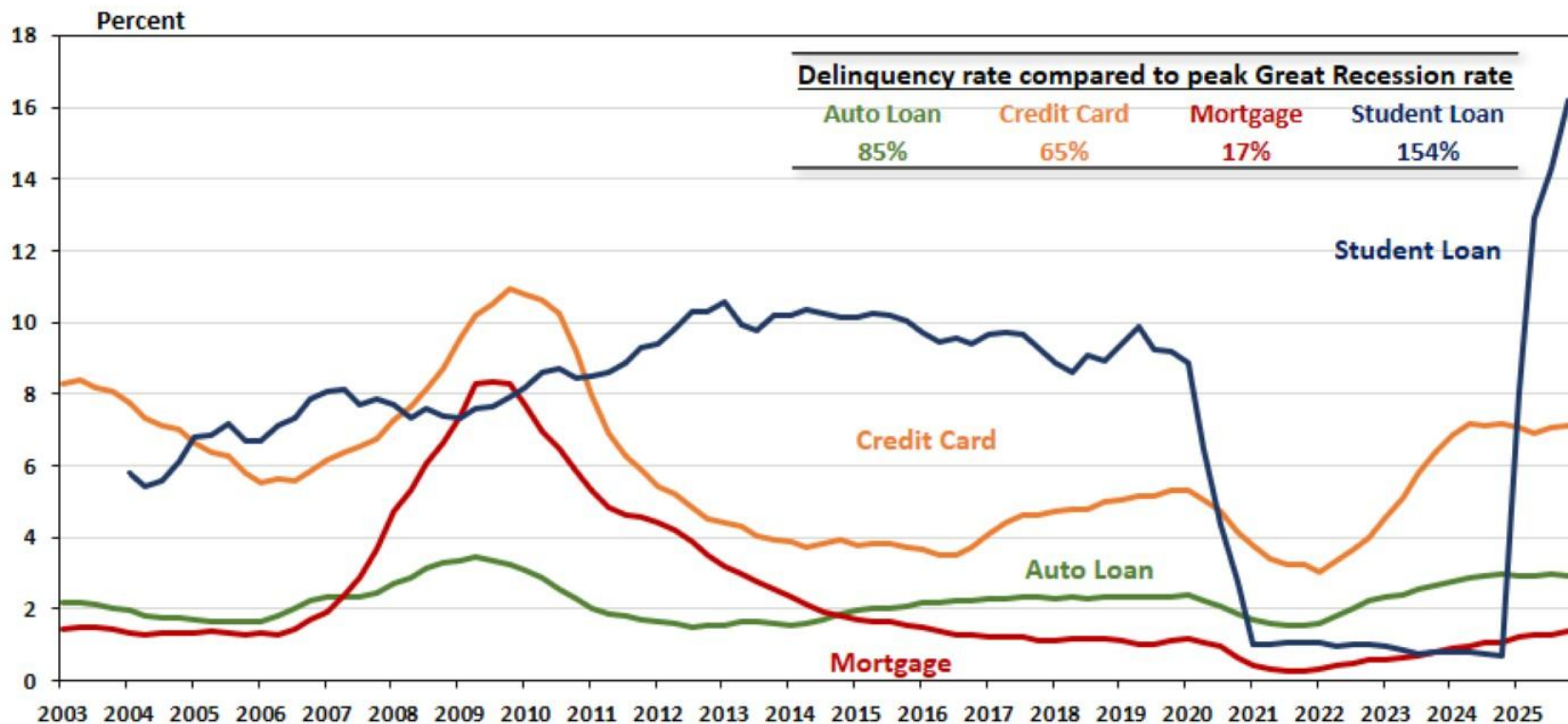
# Uncertainty and Headline Risk Weighing on Economy

- Tariffs
  - Difficult to predict quarter to quarter
  - Impact thus far minor but measurable
- Industrial policy
  - Some price controls proposed
  - Government ownership in firms
  - Anti-trust actions
- Immigration policy
  - Evolving impacts on supply and demand-side of the economy
  - Population effects
- Dollar and precious metal volatility
- International bond market
- Iran war and oil prices



# Seriously Delinquent Consumer Loans

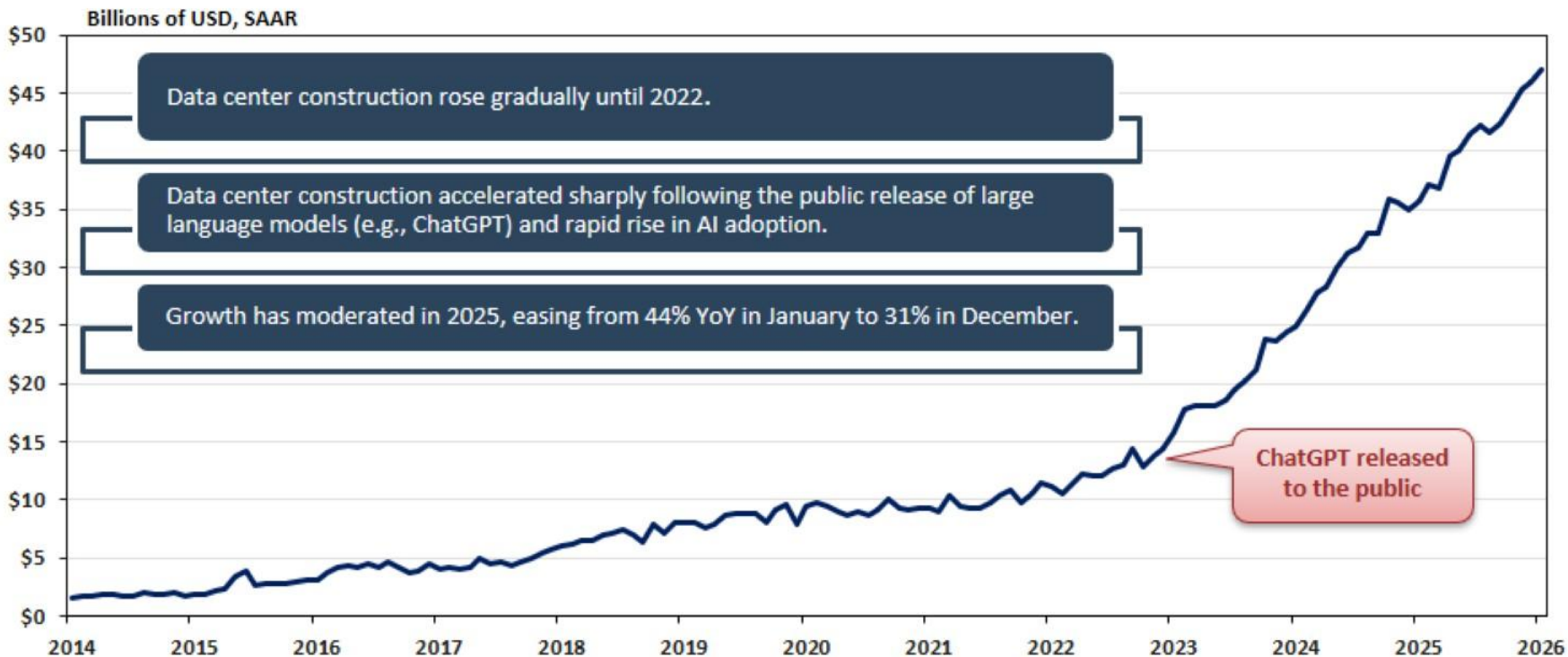
*Student loans a real concern*



Source: New York Fed Consumer Credit Panel/Equifax

# Data Center Construction Spending (WI \$450M Annual)

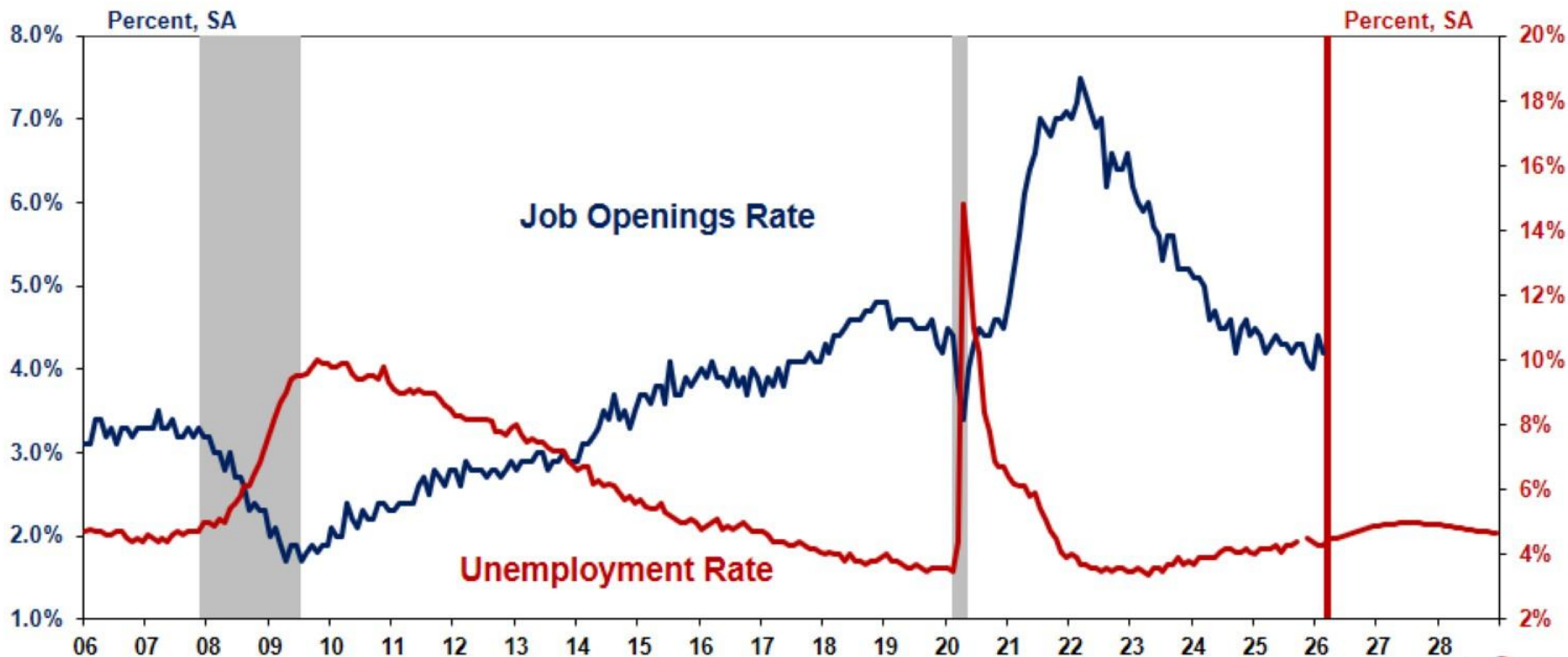
*Data center construction surges as companies race to expand AI infrastructure*



Source: U.S. Census Bureau (BOC) and NAHB Analysis.

# Unemployment Rate Rising (Wisconsin U Rate 3.3%)

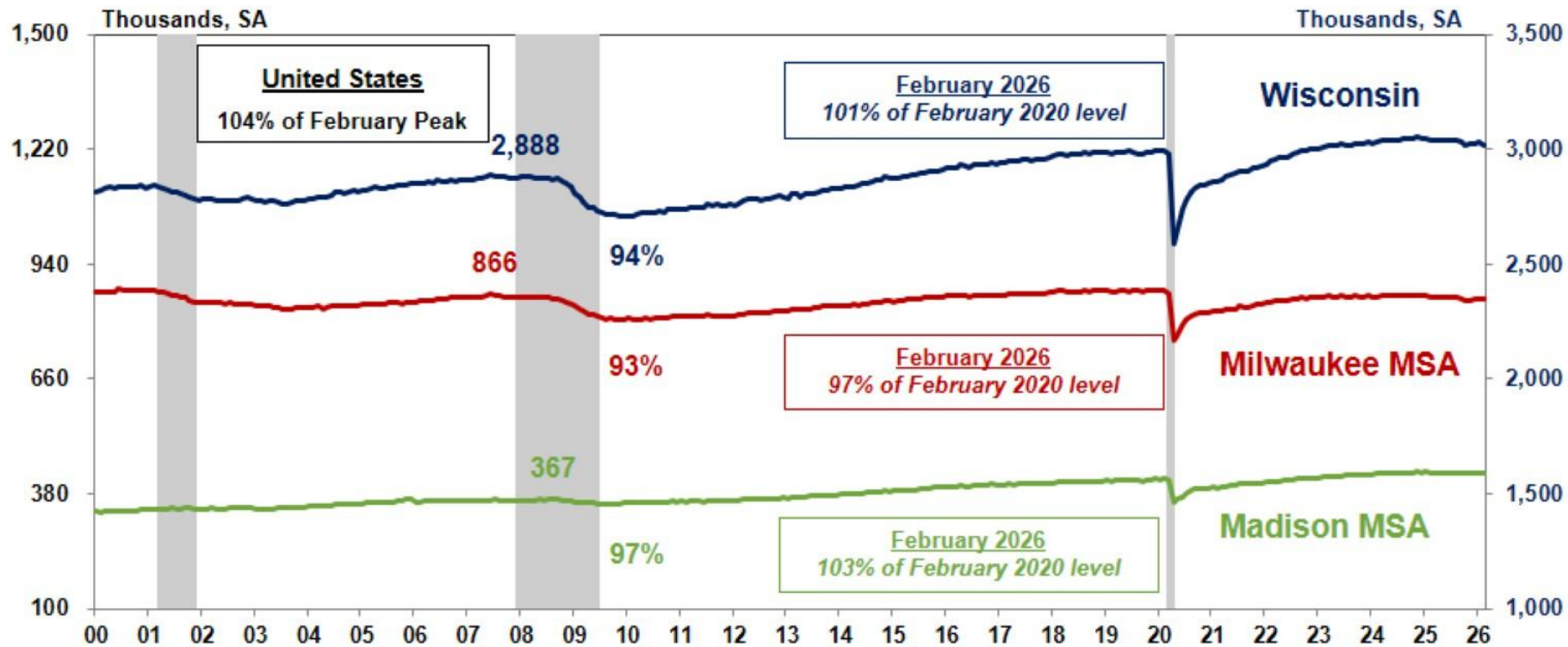
*Job openings down from 2022 peaks as demand for labor is muted*



Source: U.S. Bureau of Labor Statistics (BLS) and NAHB forecast.

# Payroll Employment

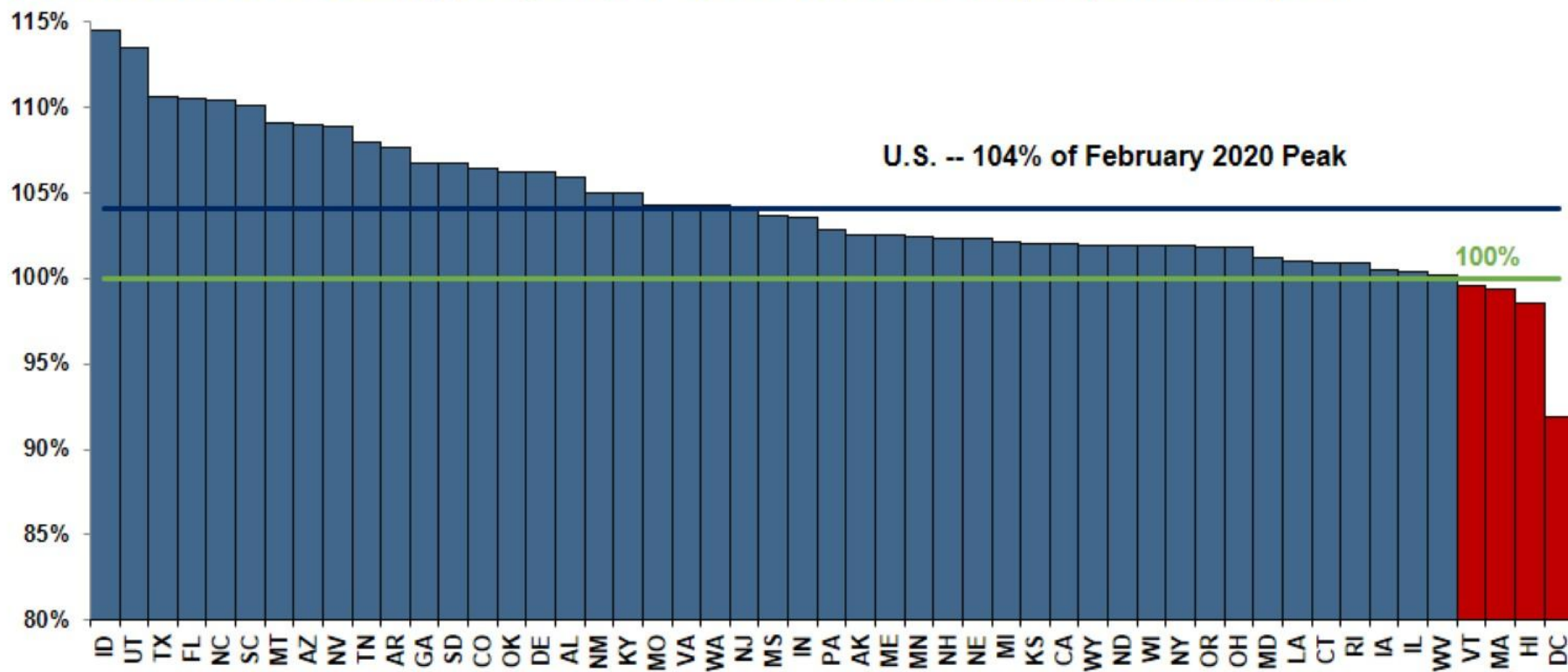
*Madison MSA fully recovered from COVID-19 recession; Milwaukee MSA remains below prior levels*



Source: U.S. Bureau of Labor Statistics (BLS)

# Payroll Employment

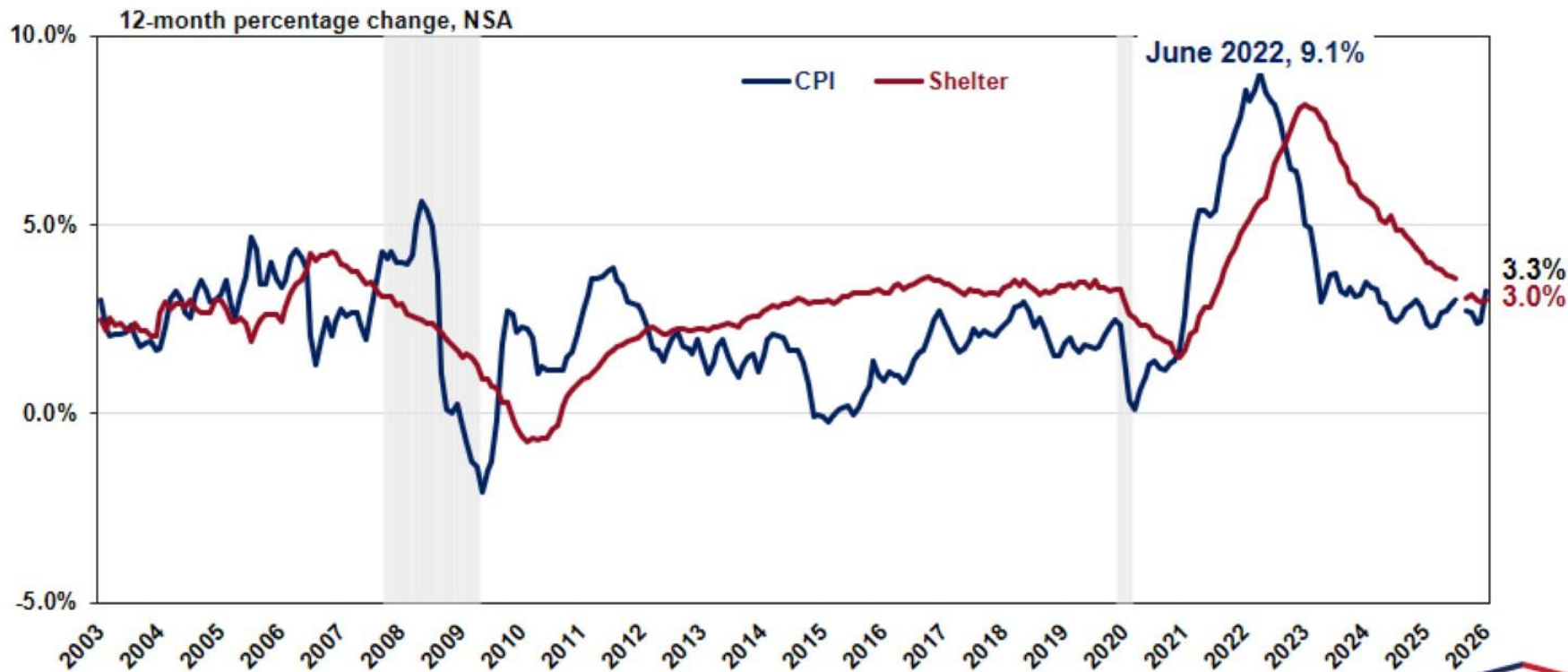
*Mountain states leading job gains, 47 states exceeded the pre-pandemic peak*



Source: U.S. Bureau of Labor Statistics (BLS).

# Consumer Inflation – Headline Rate and Shelter

*Shelter costs continue to outpace broader consumer prices – only more housing can fix*

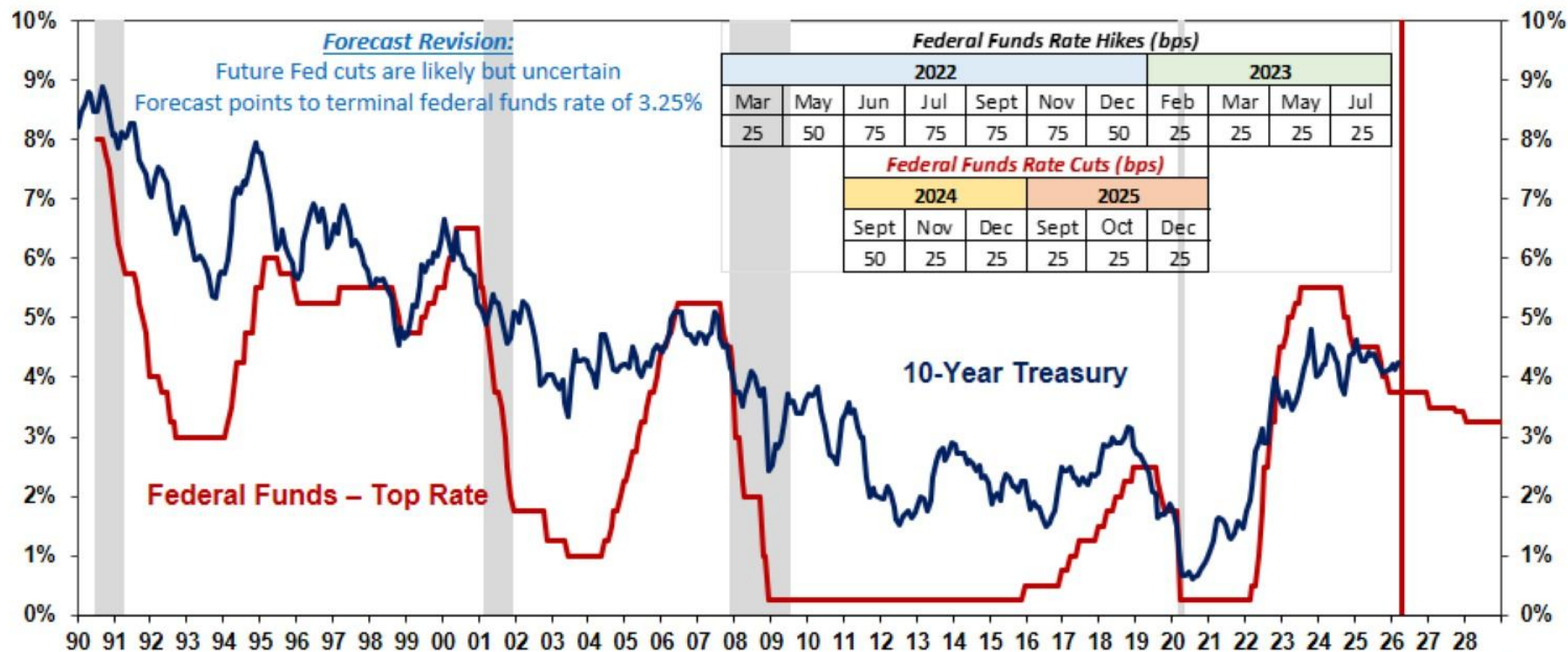


Source: U.S. Bureau of Labor Statistics (BLS)

Note: The October 2025 Consumer Price Index (CPI) data is missing entirely due to the U.S. government shutdown.

# The Fate of Future Fed Rate Cuts is Uncertain

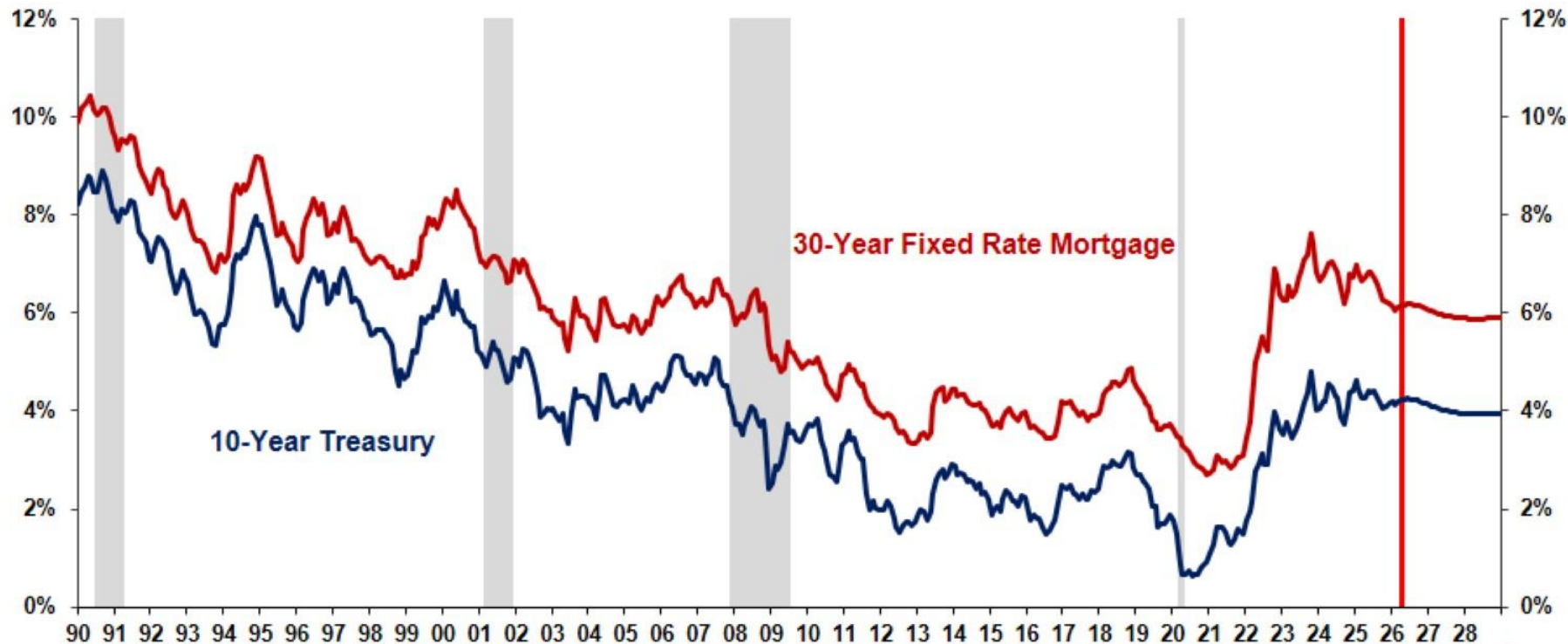
*Future monetary policy easing dependent on inflation data*



Source: U.S. Board of Governors of the Federal Reserve System (FRB).

# Mortgage Rates Remain above 6%

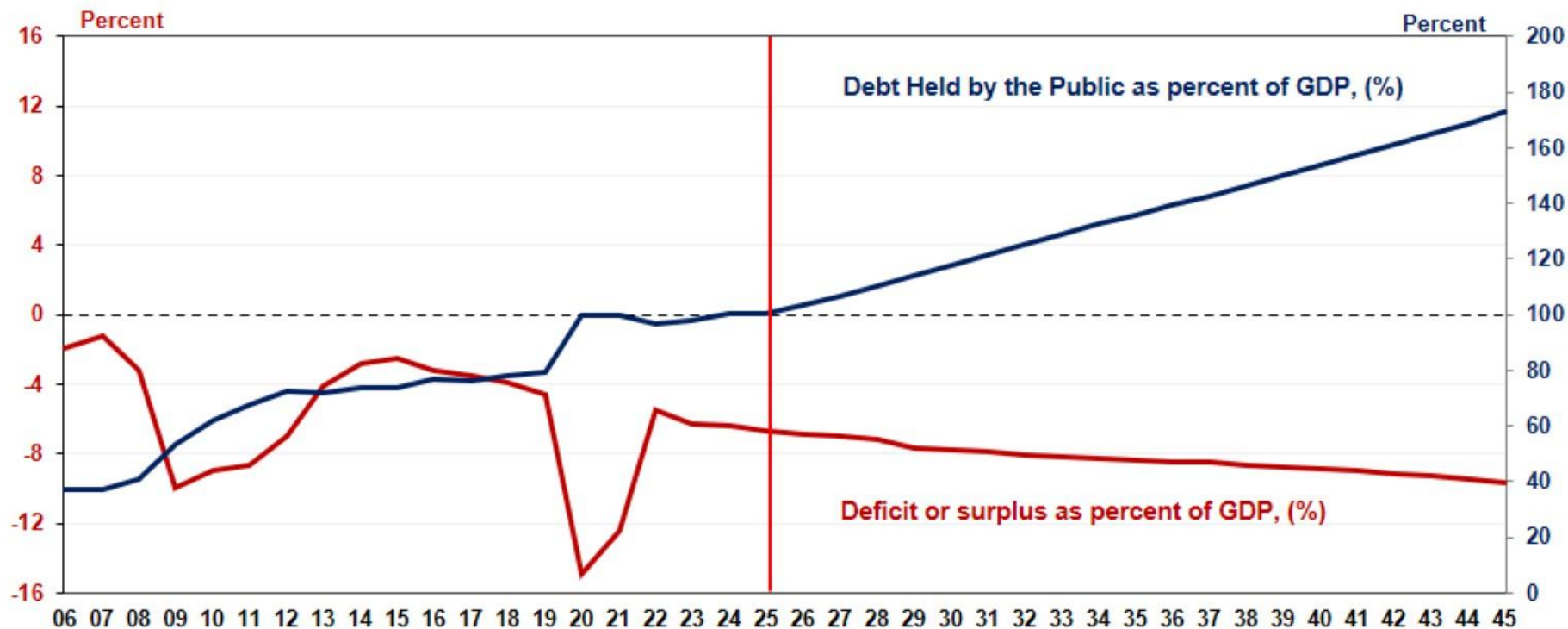
*Rates unevenly trending lower as Fed eases*



Source: Federal Reserve and Freddie Mac data and NAHB forecast.

# Government Deficits Growing

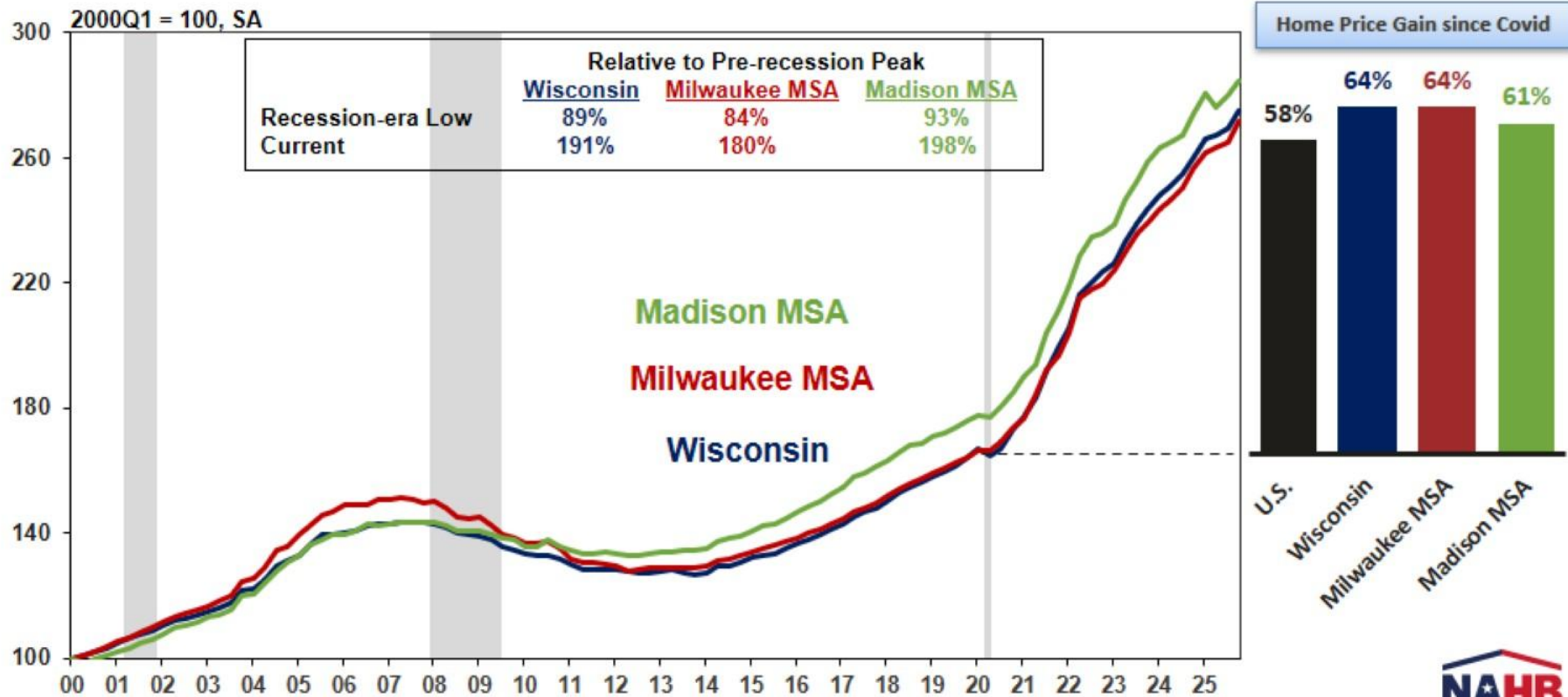
*Approaching unsustainable trends despite low unemployment*



Source: Congressional Budget Office (Congressional Budget Office Alternative Policy Baseline with Tax Policy Extensions).

# Existing House Price Index

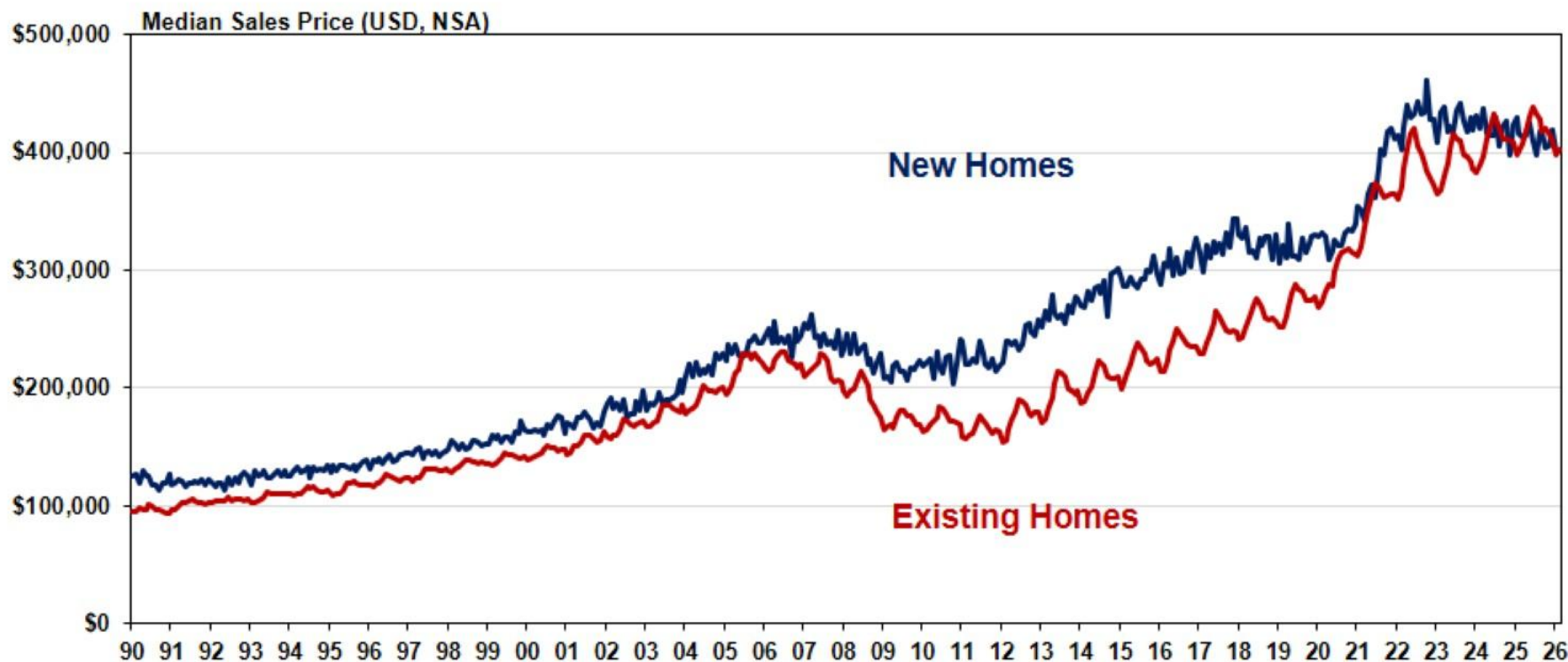
Milwaukee MSA 64% home price gain since covid, 61% for Madison MSA, 64% for WI and 58% for U.S.



Source: U.S. Federal Housing Finance Agency (FHFA). The chart has been updated with Q4 2025 data.

# Home Prices of New and Existing Homes

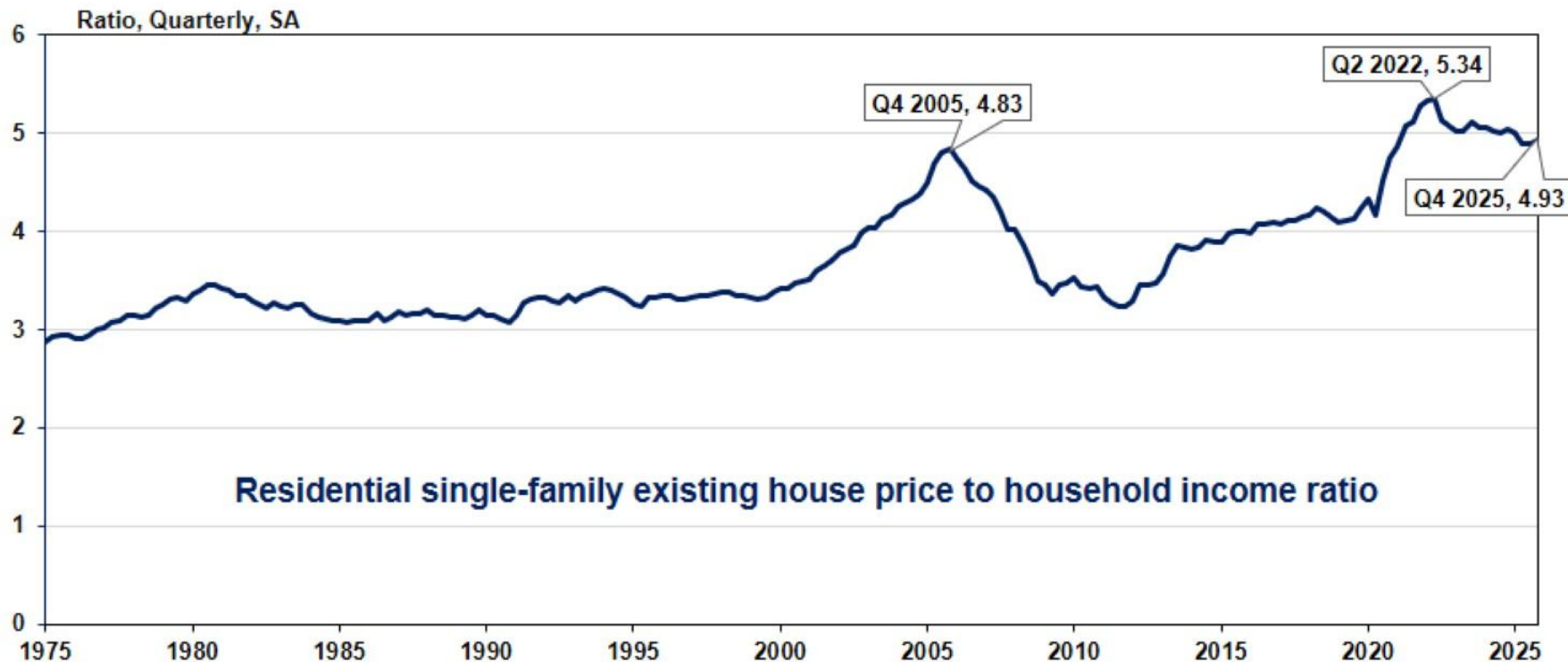
*New home prices down 13% since fall 2022*



Source: U.S. Census Bureau (BOC) and National Association of Realtors (NAR)

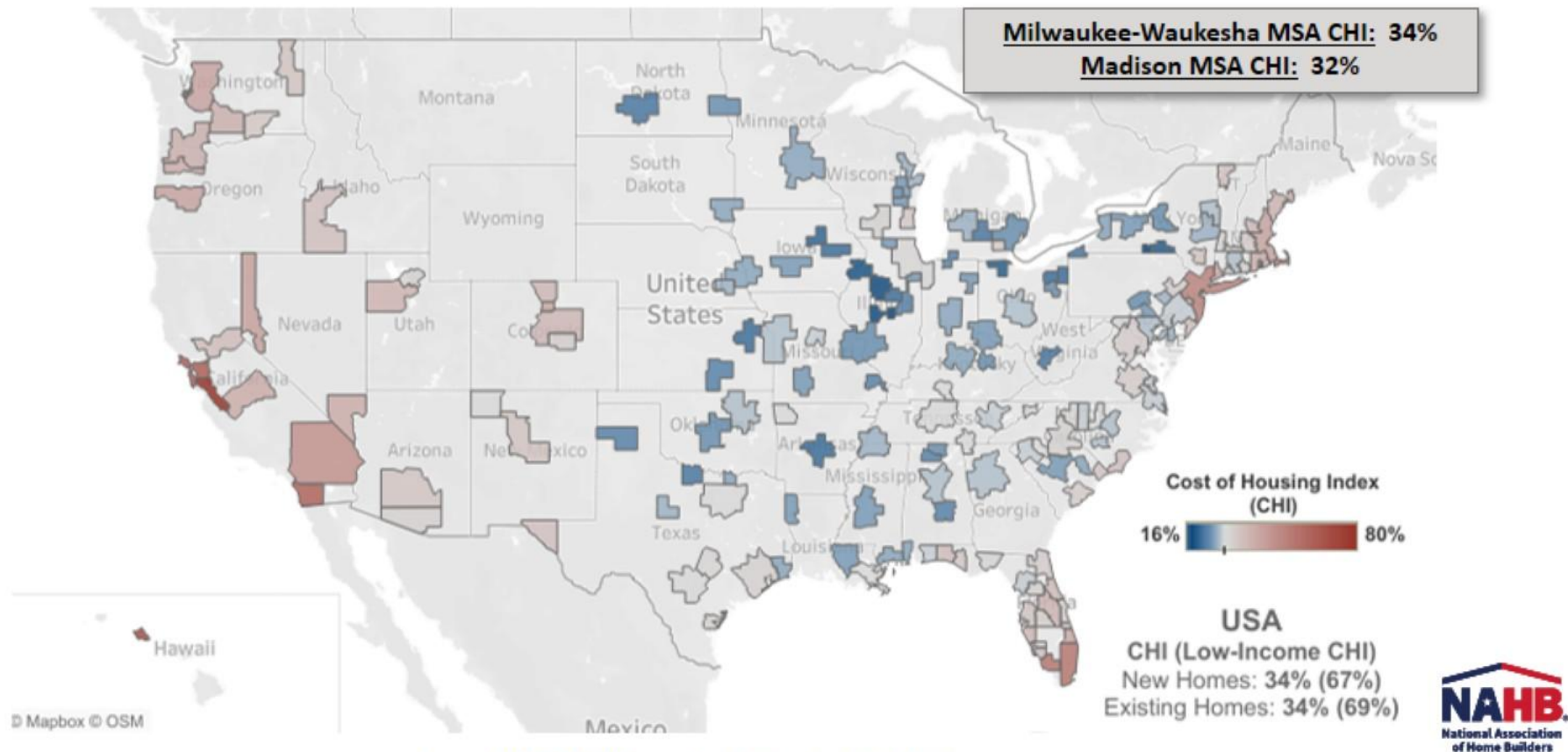
# Home Price to Household Income Ratio

Home price to income ratio was lower decades ago, reached record high in 2022



Source: National Association of Realtors (NAR); U.S. Bureau of Economic Analysis (BEA); U.S. Census Bureau (BOC); Moody's Analytics Estimated

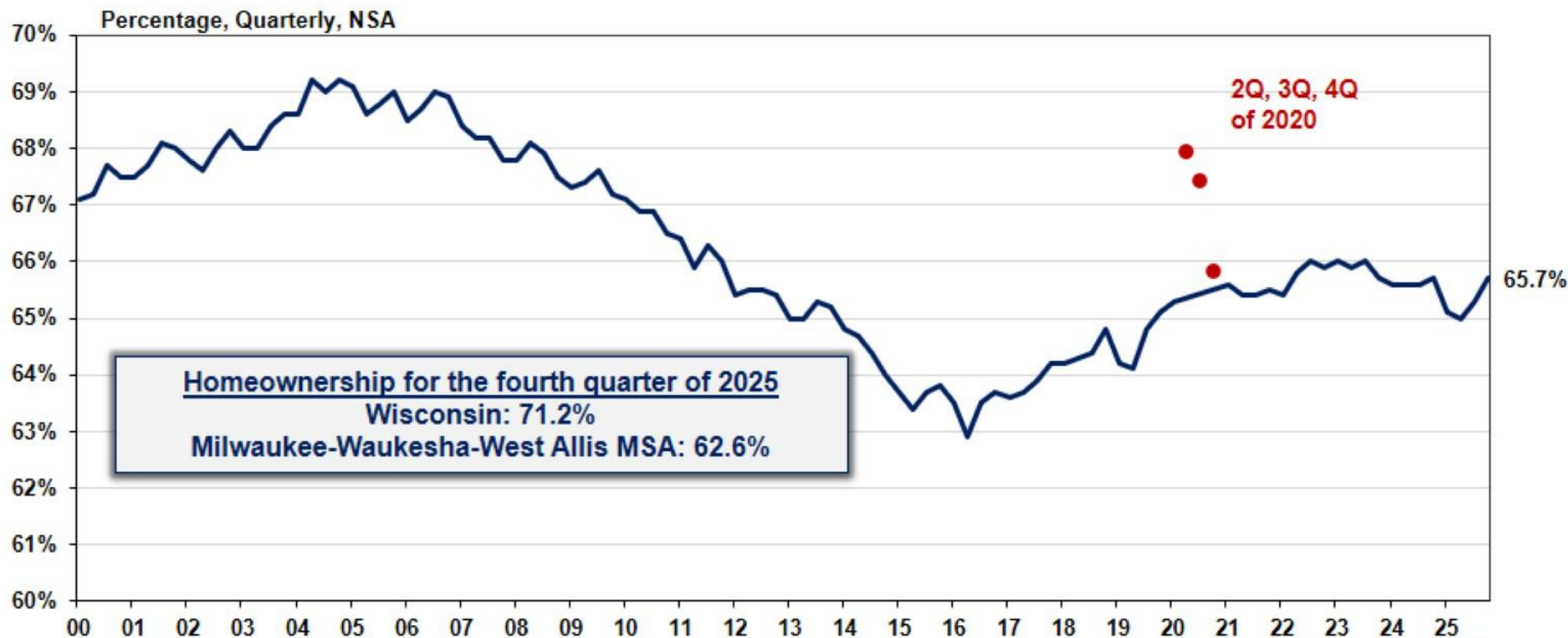
# NAHB/Wells Fargo Cost of Housing Index (CHI) (Q4 2025)



Source: NAHB/Wells Fargo Cost of Housing Index (CHI).

# Homeownership Rate

Homeownership rate declined to the lowest level since 2019



Source: U.S. Census Bureau: Housing Vacancies and Homeownership (CPS/HVS)

Note: Red dots denote technical issues for the last four quarters.

# Population Growth (2010 – 2025)

*Madison MSA's population grew faster than the state rate, while Milwaukee MSA slower*

## United States

- 342 million population in 2025

## Wisconsin

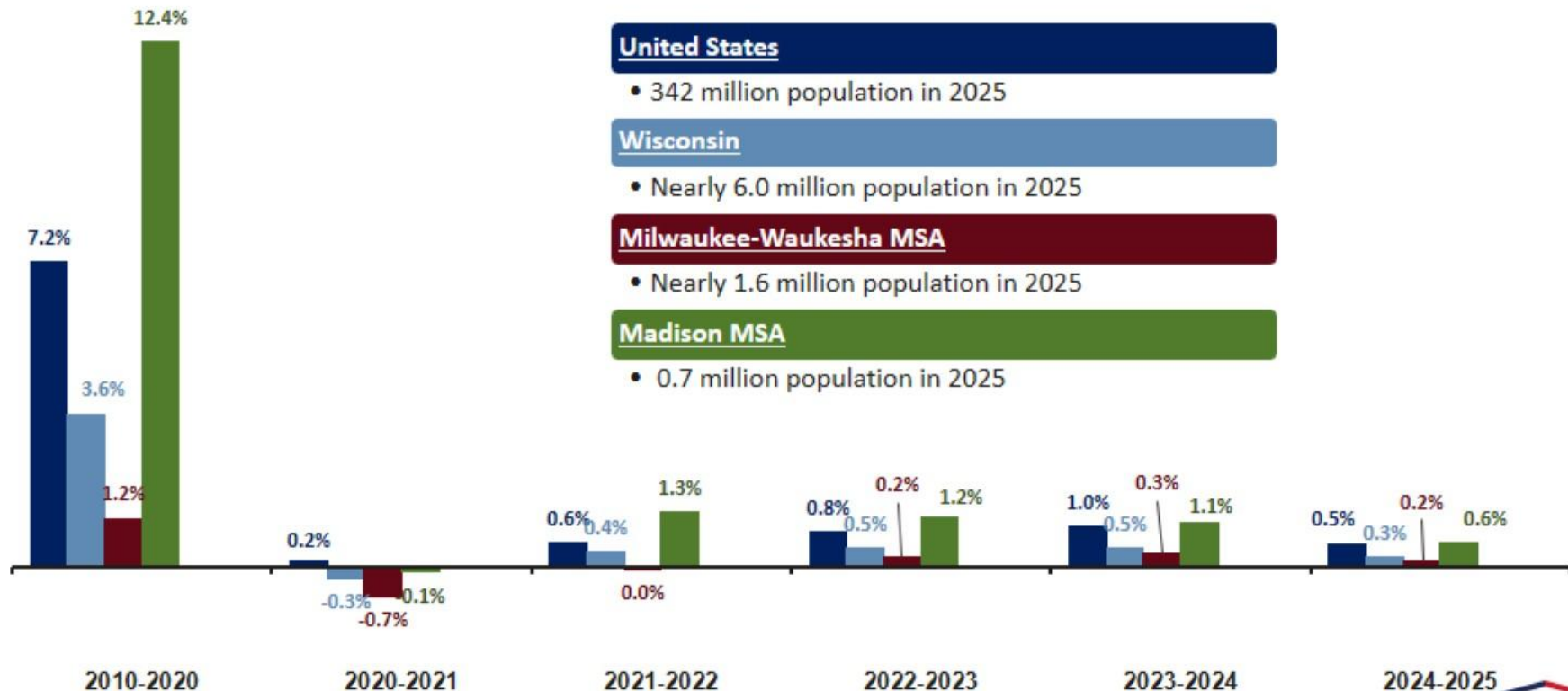
- Nearly 6.0 million population in 2025

## Milwaukee-Waukesha MSA

- Nearly 1.6 million population in 2025

## Madison MSA

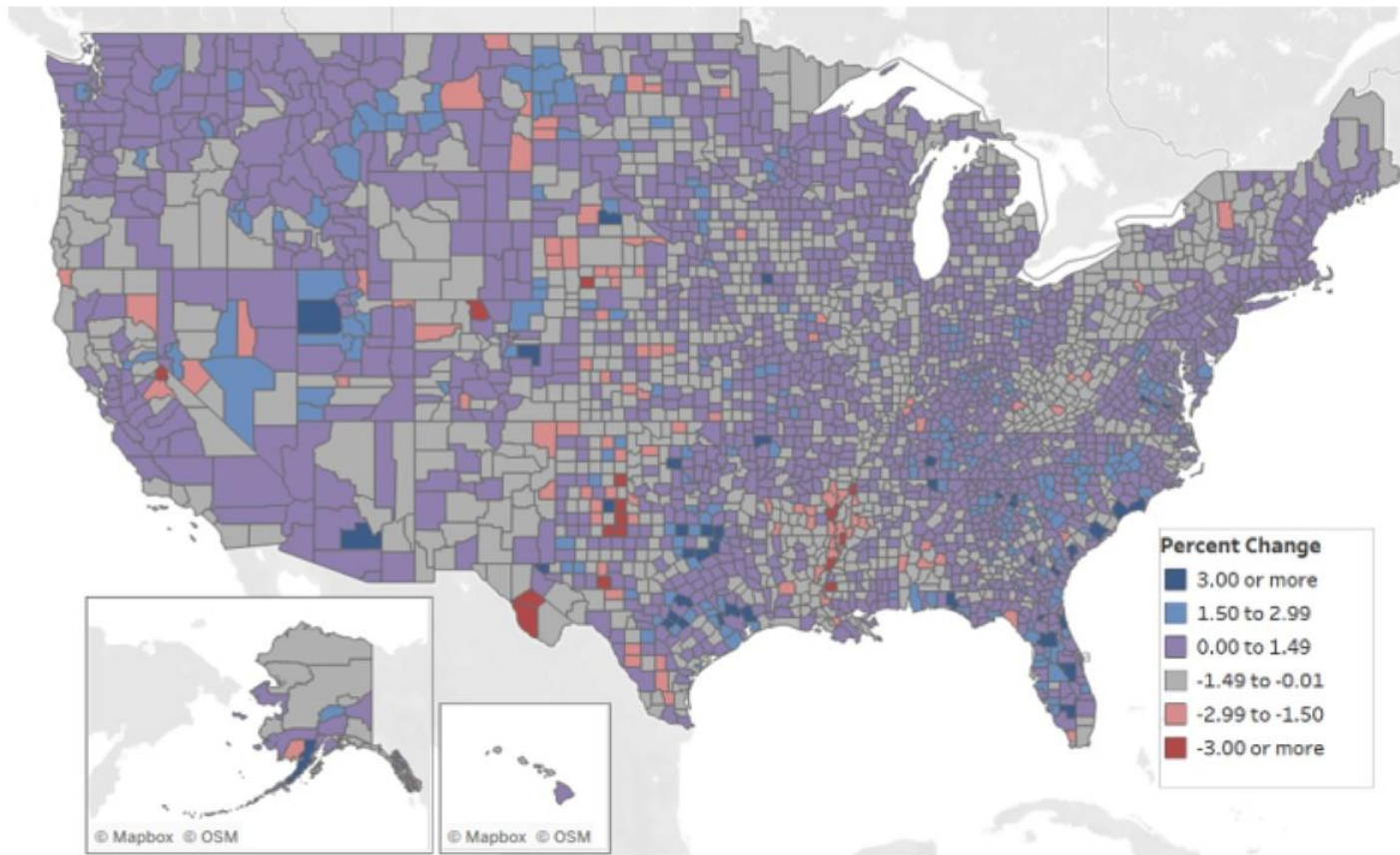
- 0.7 million population in 2025



Source: U.S. Census Bureau (BOC).

Note: The population estimates (as of July 1) of 2020-2022 are developed from a base that incorporates the 2020 Census, Vintage 2020 estimates, and 2020 Demographic Analysis estimates.

# Population Change Across U.S. Counties



***July 1, 2024 to July 1, 2025***

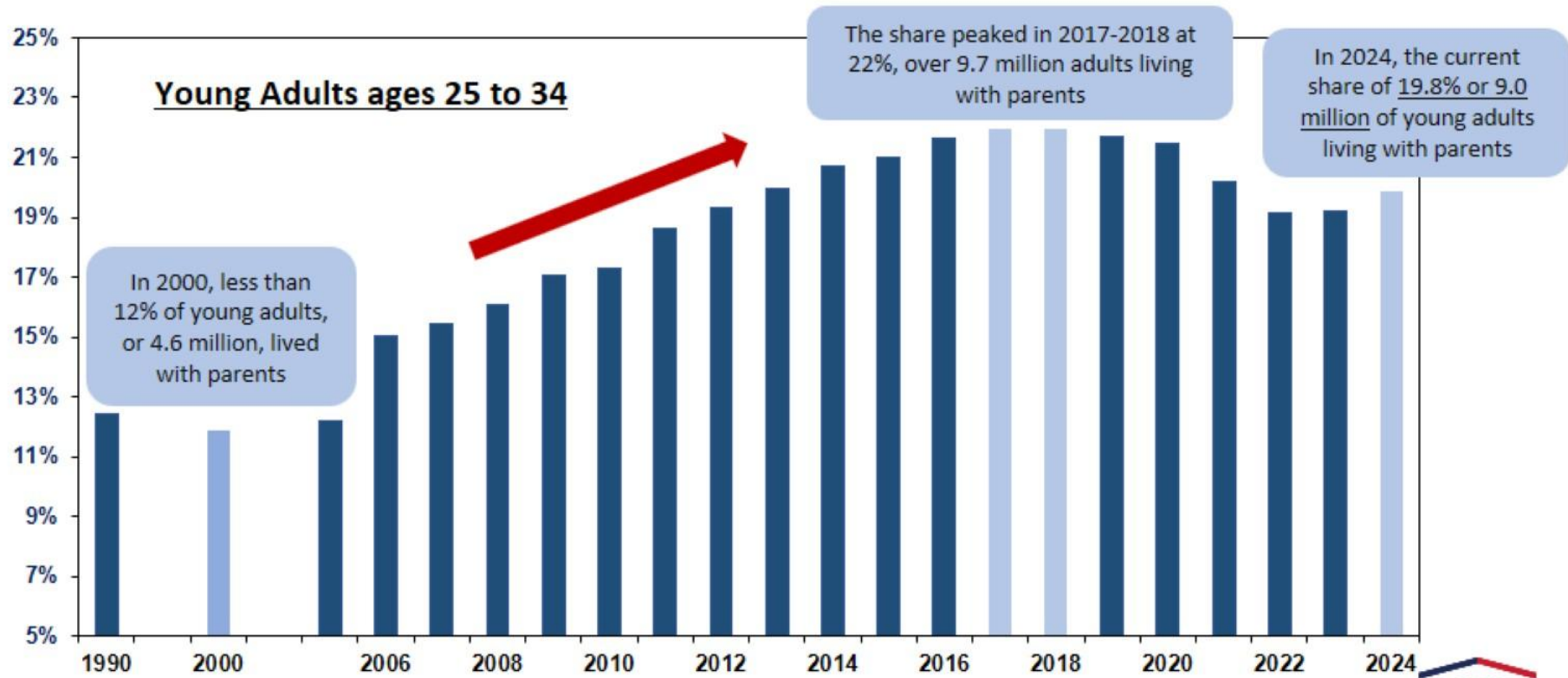
Across 3,143 counties and the District of Columbia, most saw population growth slow in 2025.

Of the 2,066 counties that grew in 2023–2024, nearly 80% experienced slower growth or declines.

Many counties already losing population saw those losses deepen further.

Source: U.S. Census Bureau (BOC) and NAHB analysis.

# Share of Young Adults Living with Parents



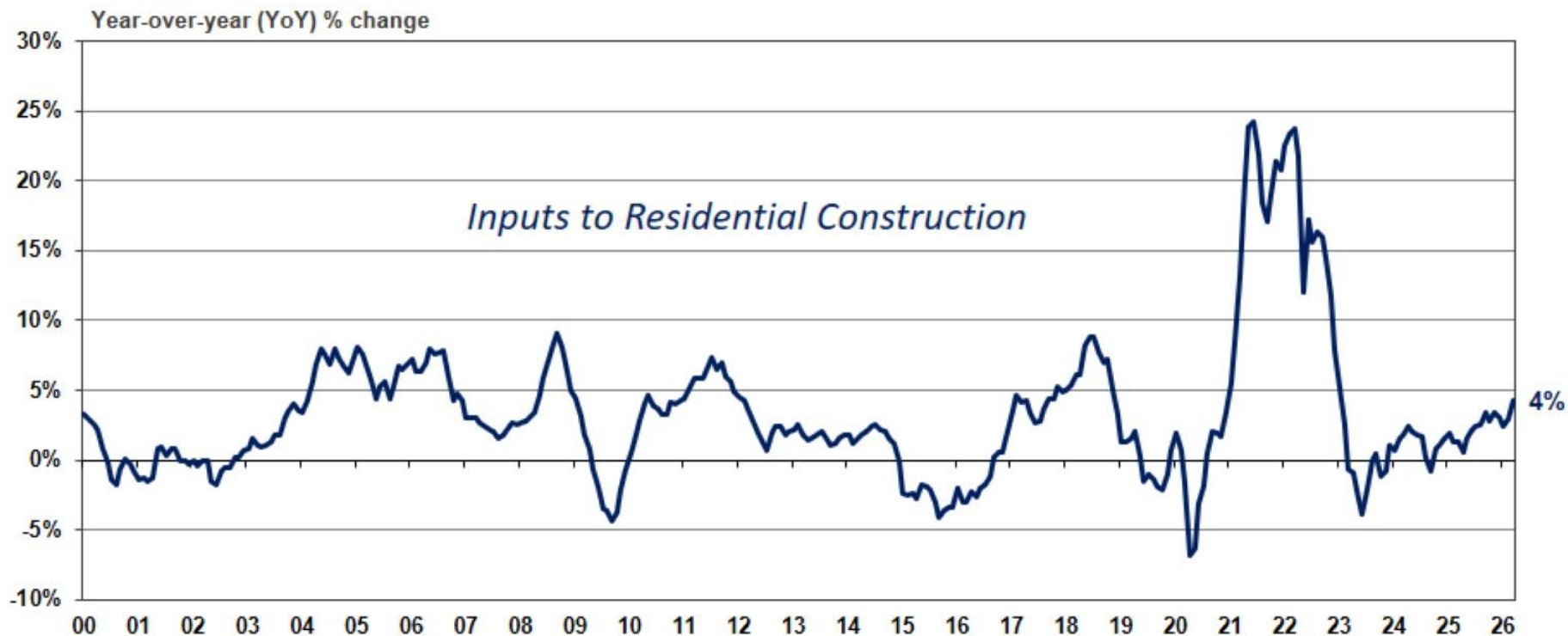
Source: US Census 1990, 2000, PUMS, 2005-2024 ACS, PUMS, and NAHB Estimates



# Supply-Side Factors



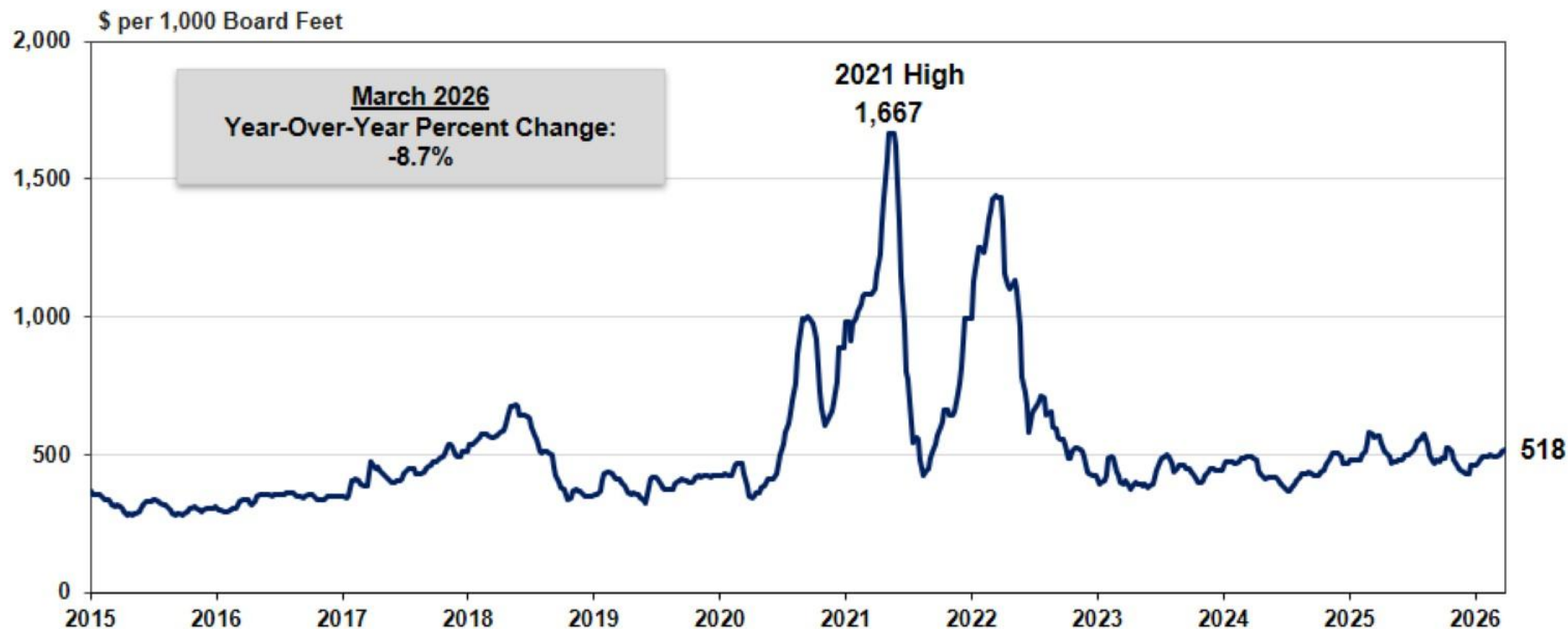
# Building Materials - Residential Construction Cost



Source: U.S. Bureau of Labor Statistics (BLS): Producer Price Index (PPI)

# Building Materials - Lumber Prices

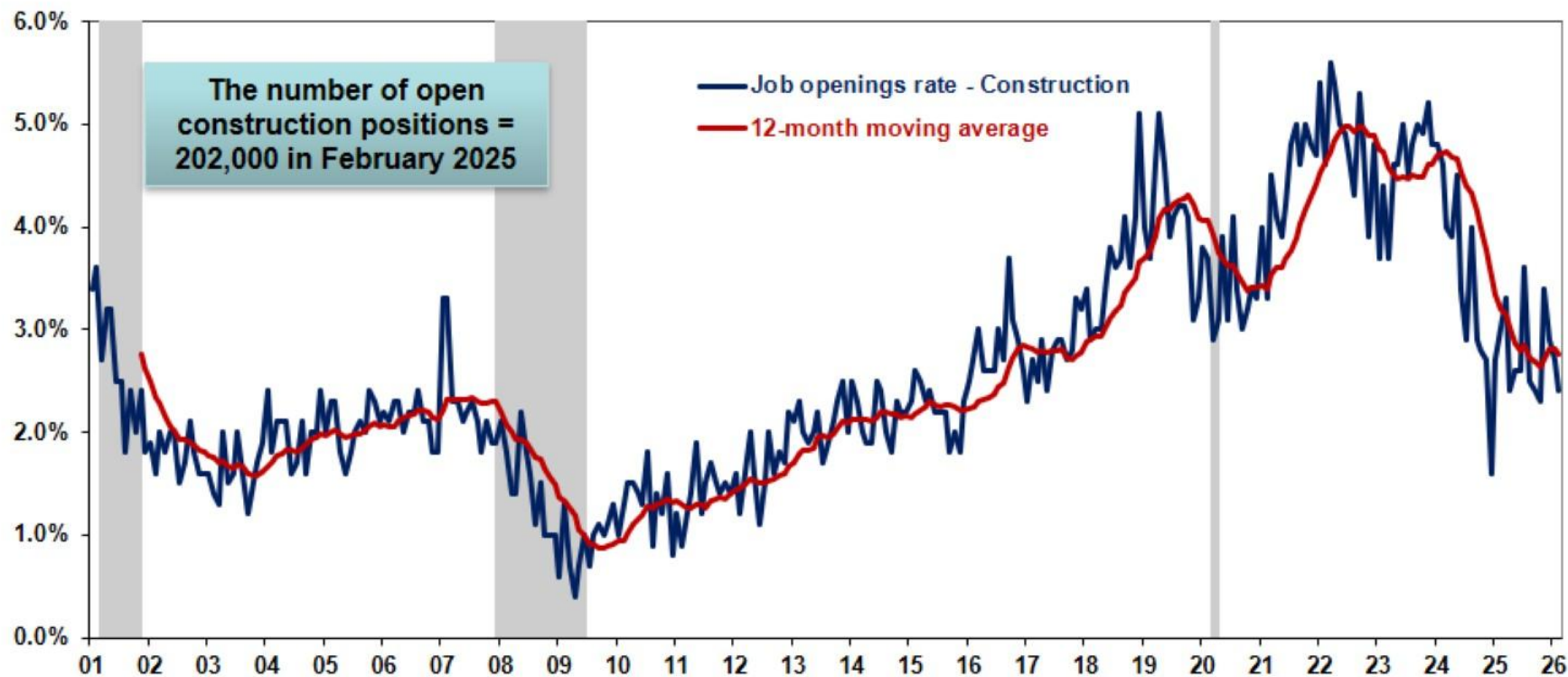
*Lumber prices roughly flat since 2023*



Source: Madison's Lumber Reporter; NAHB Analysis

# Labor – Construction Job Openings Peaked for Cycle

*Skilled labor shortage persists; 353,400 net gain for residential construction since Jan 2020*

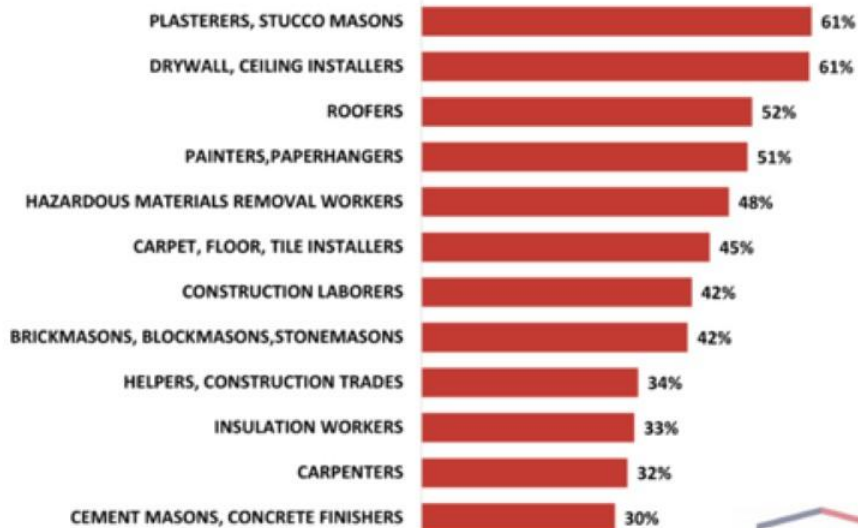


Source: U.S. Bureau of Labor Statistics (BLS).

# Immigrant Workers in the Construction Sector

## CONSTRUCTION TRADES MOST RELIANT ON IMMIGRANTS

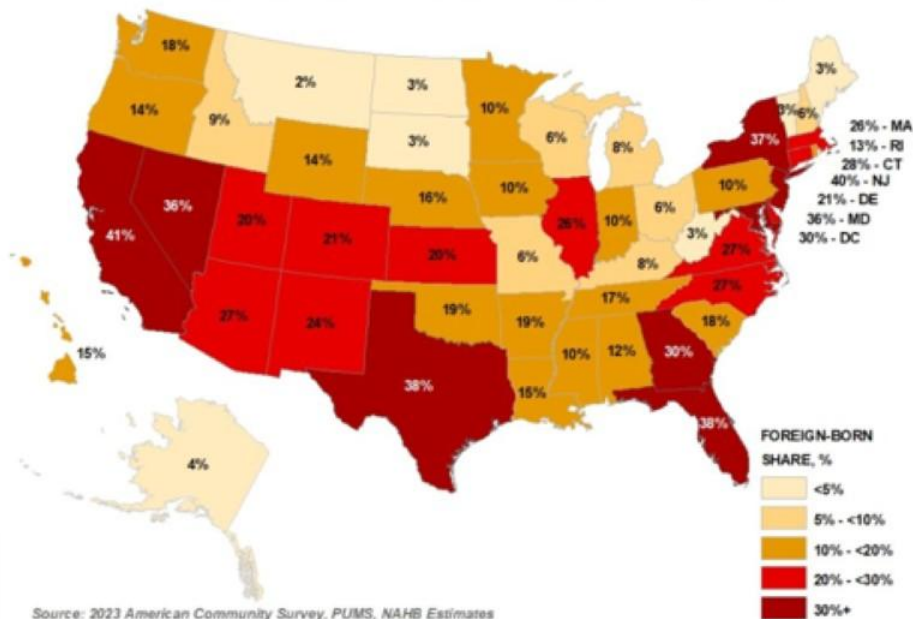
SHARE OF IMMIGRANTS IN THE WORKFORCE, 2023



Source: 2023 ACS PUMS; NAHB analysis

Source: NAHB analysis of Census data

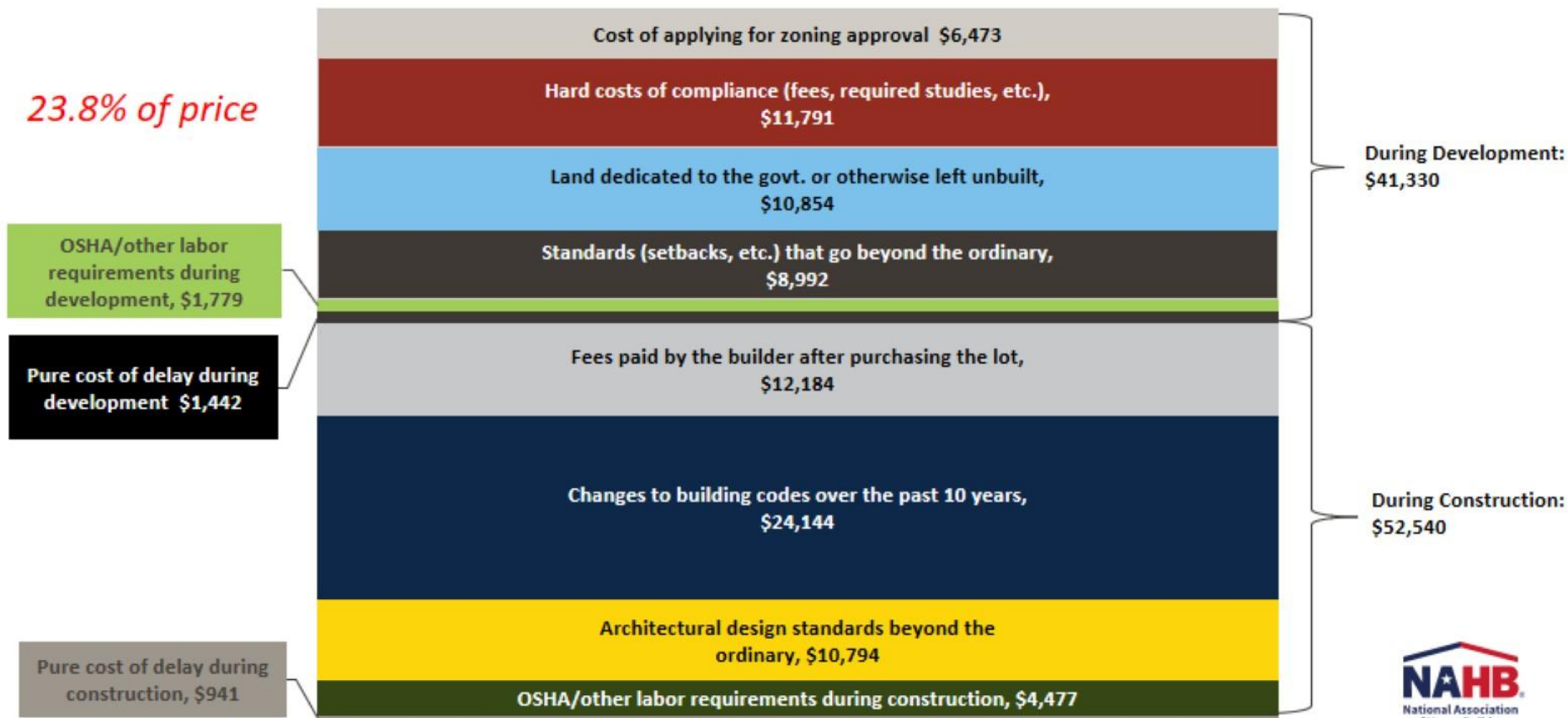
## IMMIGRANT WORKERS IN THE CONSTRUCTION LABOR FORCE, 2023



# Regulatory Costs \$93,870 Per New Home (11% Gain 2016 to 2021)

Total effect of building codes, land use, environmental and other rules

23.8% of price



Source: NAHB/Wells Fargo Housing Market Index (HMI)

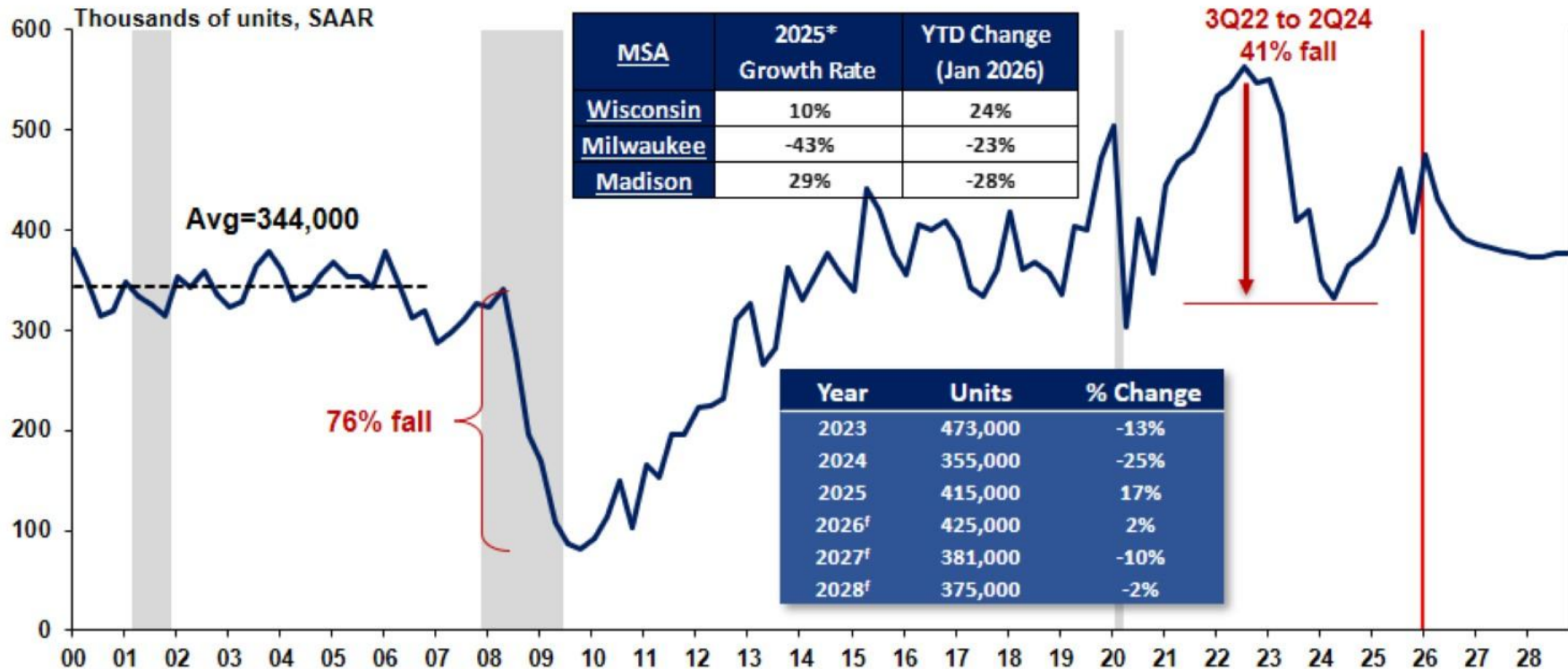


# Construction Outlook



# Multifamily Construction

Apartment construction leveling off near pre-covid levels

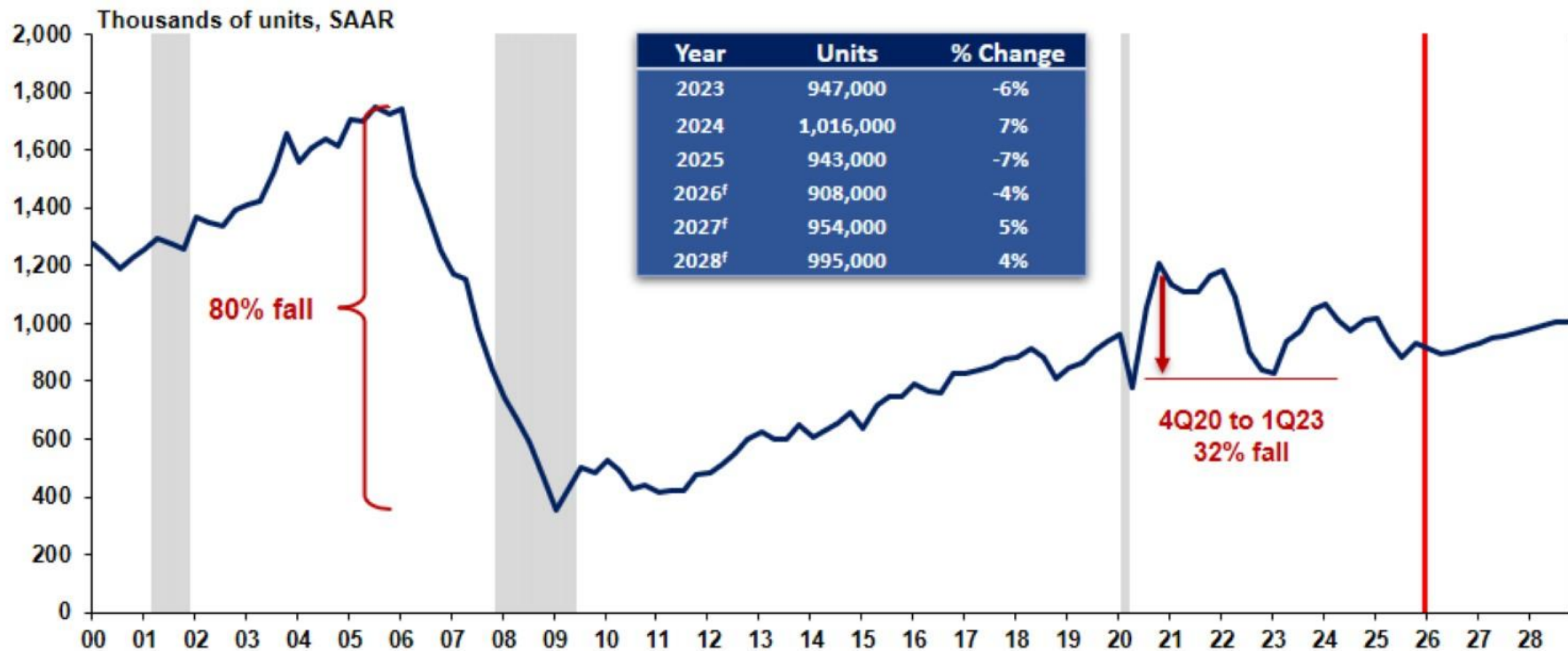


Source: U.S. Census Bureau (BOC) and NAHB forecast

Note: \* 2025 permits are December 2025 YTD data as annual permits for 2025 are not available yet.

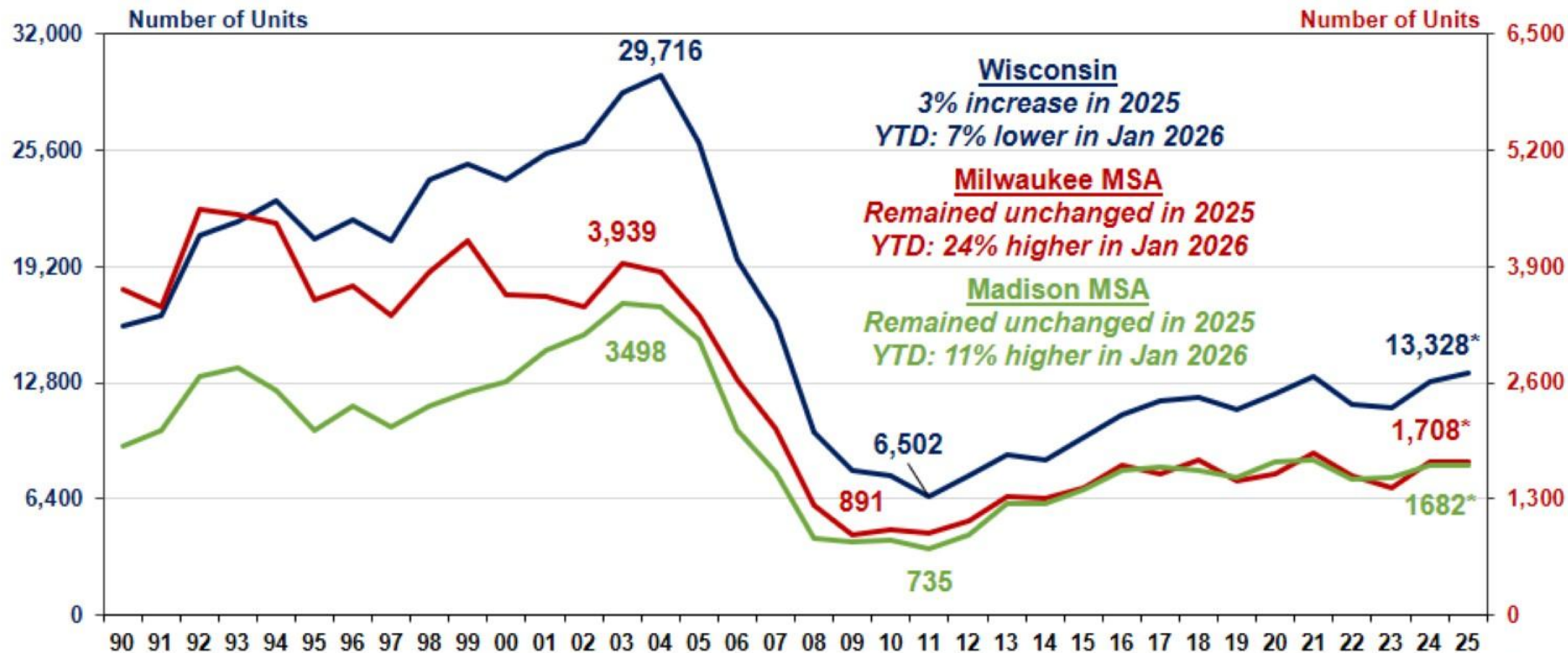
# Single-Family Starts

Home building risks rising for 2026



Source: U.S. Census Bureau (BOC) and NAHB forecast.

# Single-Family Building Permits—WI, Milwaukee and Madison MSAs

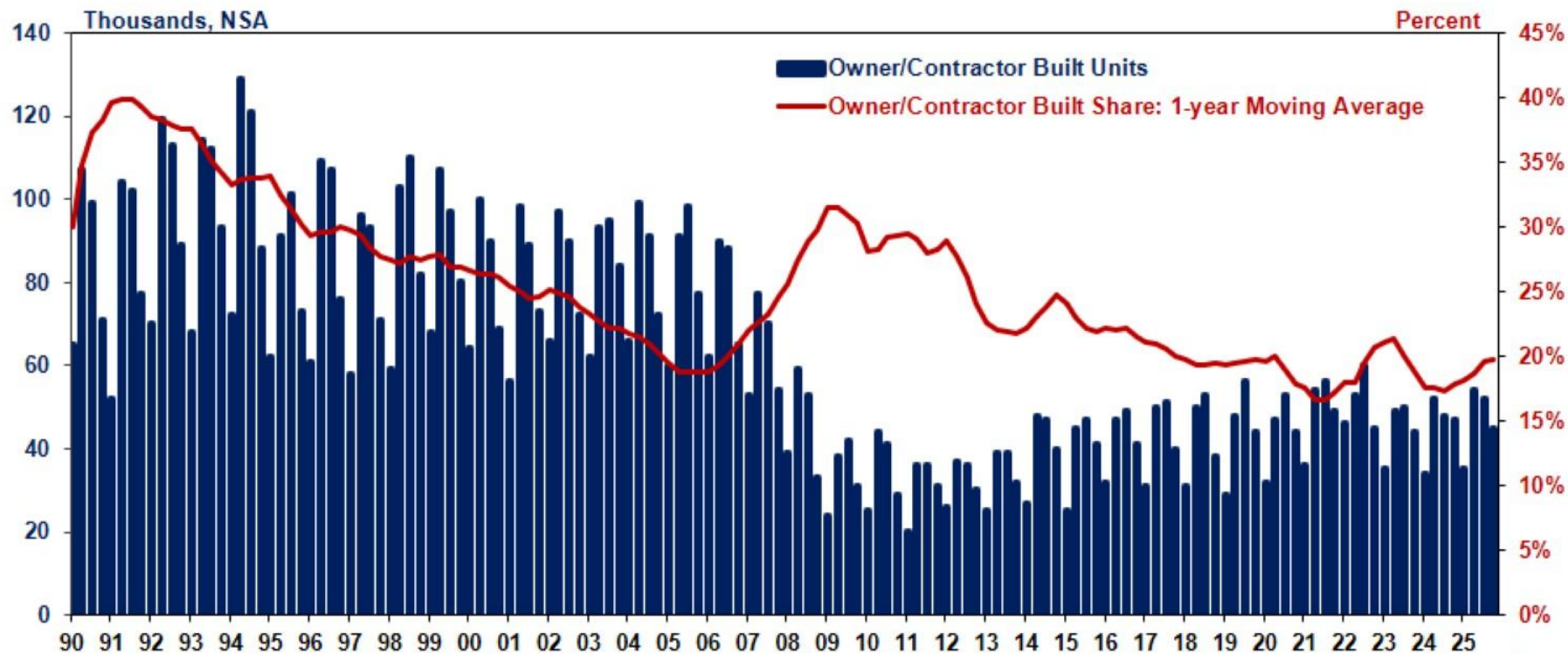


Source: U.S. Census Bureau (BOC).

Note: \* 2025 permits are December 2025 YTD data as annual permits for 2025 are not available yet.

# Custom Home Building Market

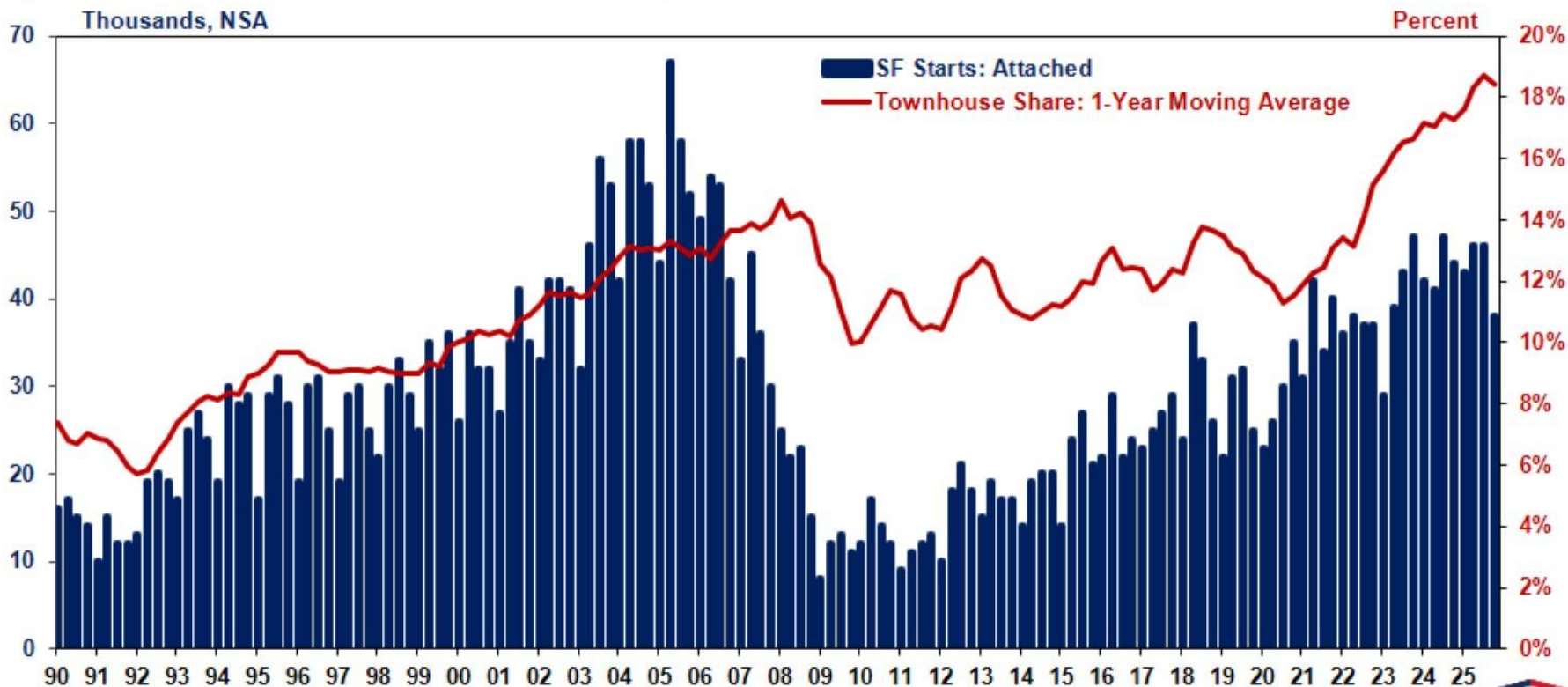
Market share in the 20% range



Source: U.S. Census Bureau (BOC)

# Townhouse Construction Gains Continue

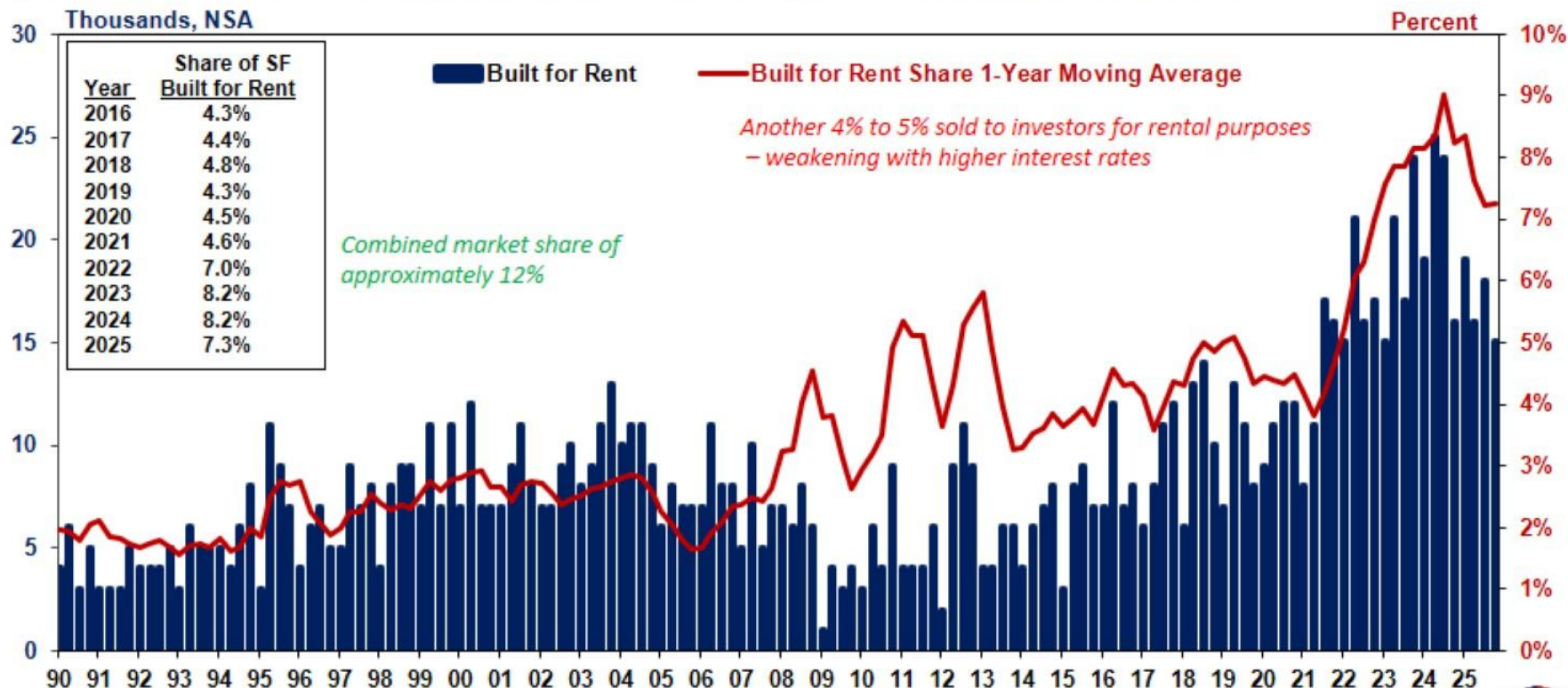
Market share near a multidecade high



Source: U.S. Census Bureau (BOC)

# Single-Family Built-for-Rent Construction (SFBFR)

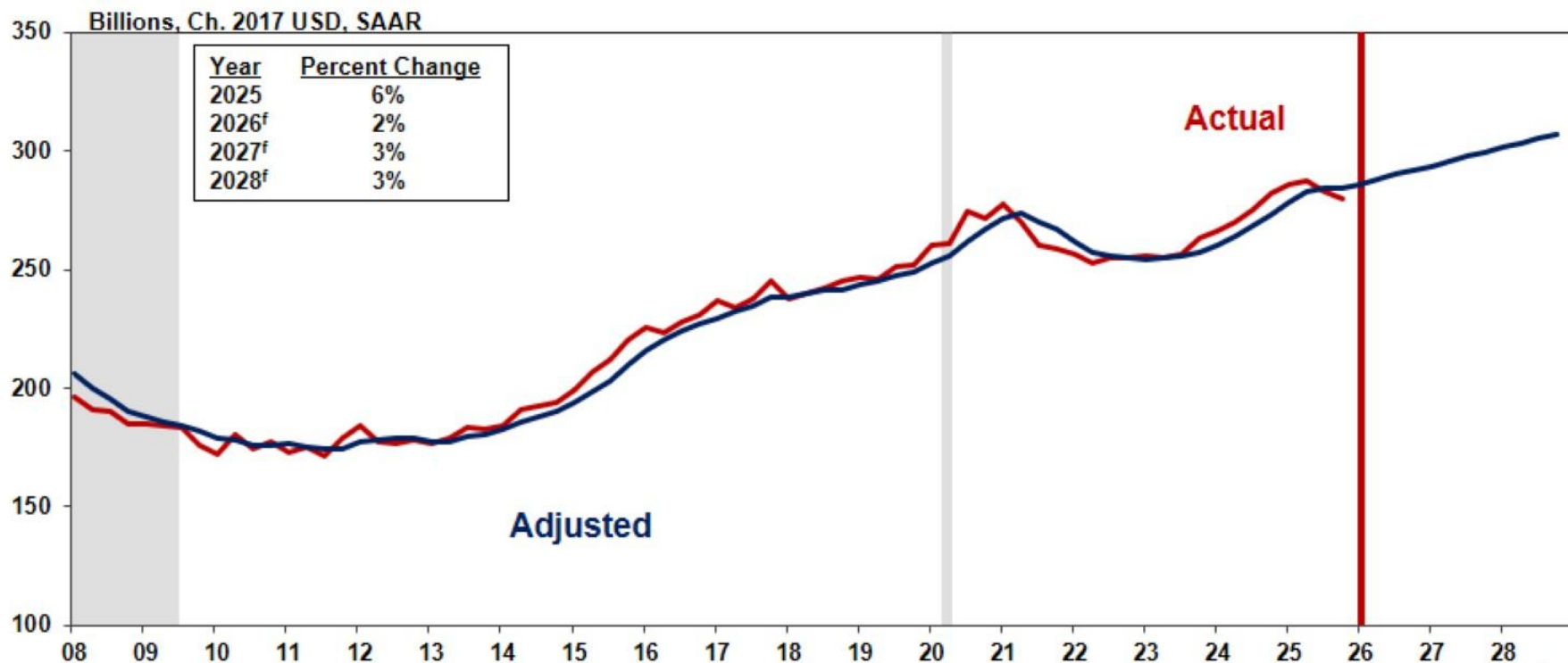
SFBFR construction softened from record highs in late 2024/early 2025



Source: U.S. Census Bureau (BOC)

# Residential Remodeling Outlook

*Growth continues, with long-run potential gains ahead*

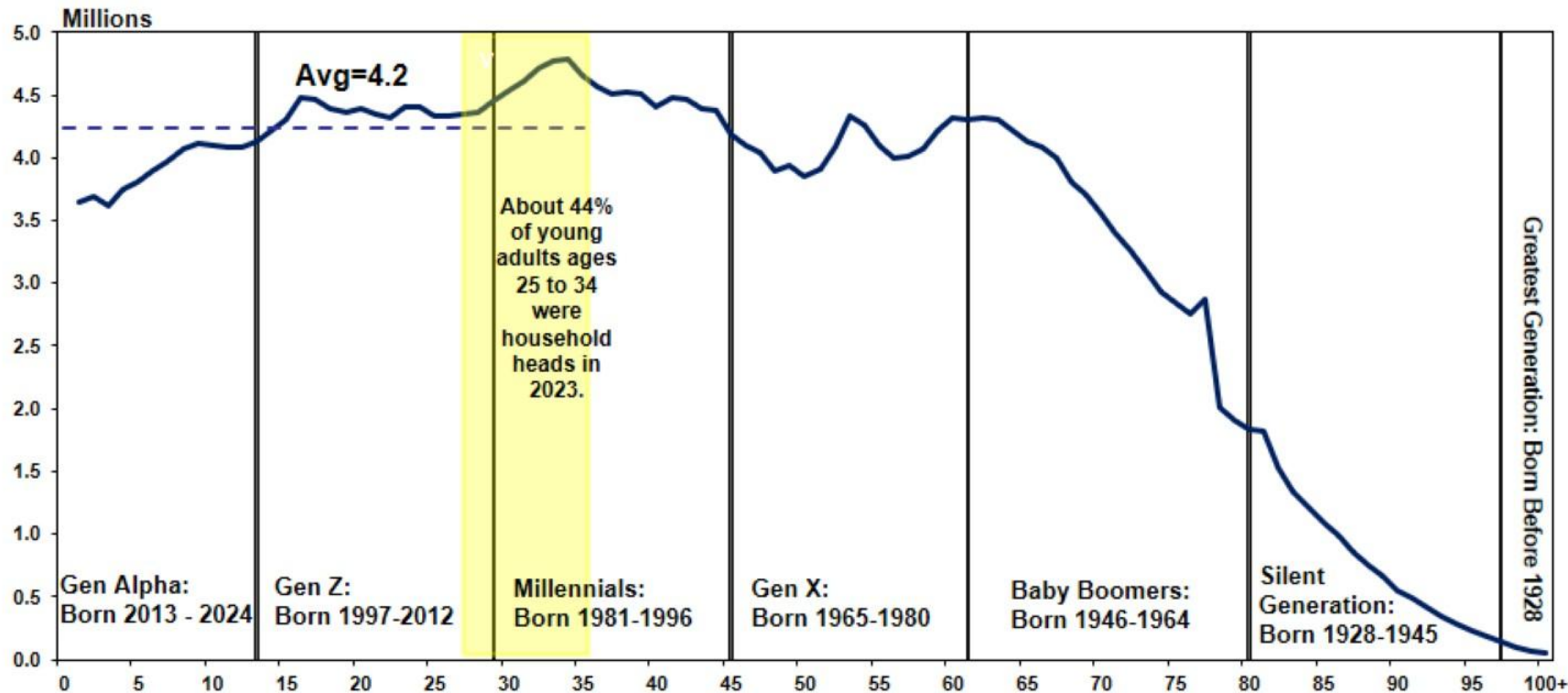


Source: U.S. Bureau of Economic Analysis (BEA): National Income and Product Accounts (NIPA) and NAHB forecast.

Note: In the analysis, 1-year moving average is used for adjusted data to smooth the trend.

# Rising Population Entering Housing Demand Years: 2025

*Solid demand for housing during the second half of the decade*



Source: U.S. Census Bureau (BOC).



# Thank you

*Questions?*

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*housingeconomics.com*