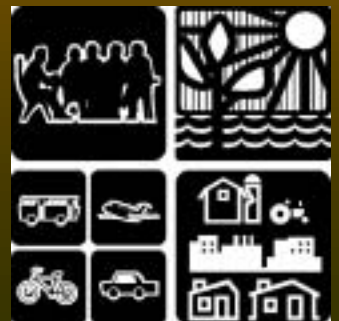


Dane County Workforce Housing Discussion

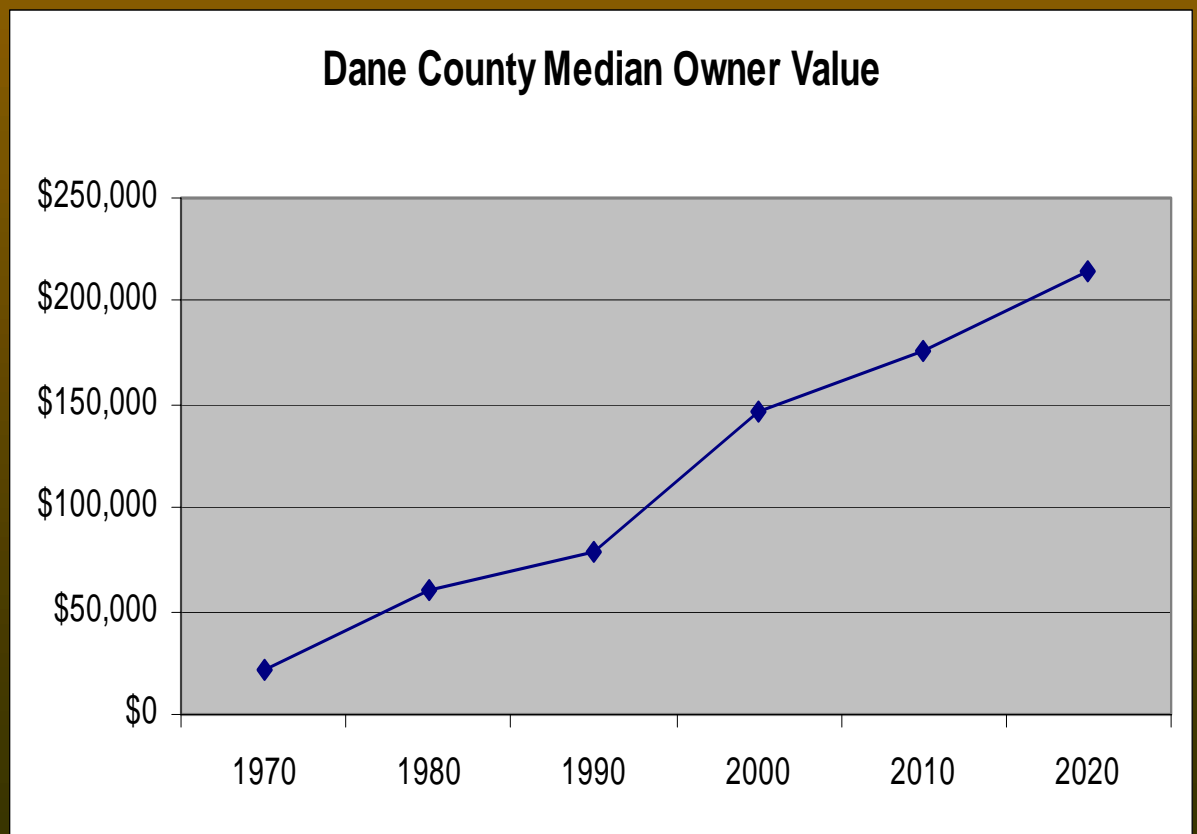
An Affordable Housing
Report originally
prepared for the
Housing – Land Use
Partnership

January 2004



Dane County Housing Trends

- ◆ Housing prices in Madison and other Dane County communities continue to climb and are projected to climb in the coming decade.



Dane County Housing Prices

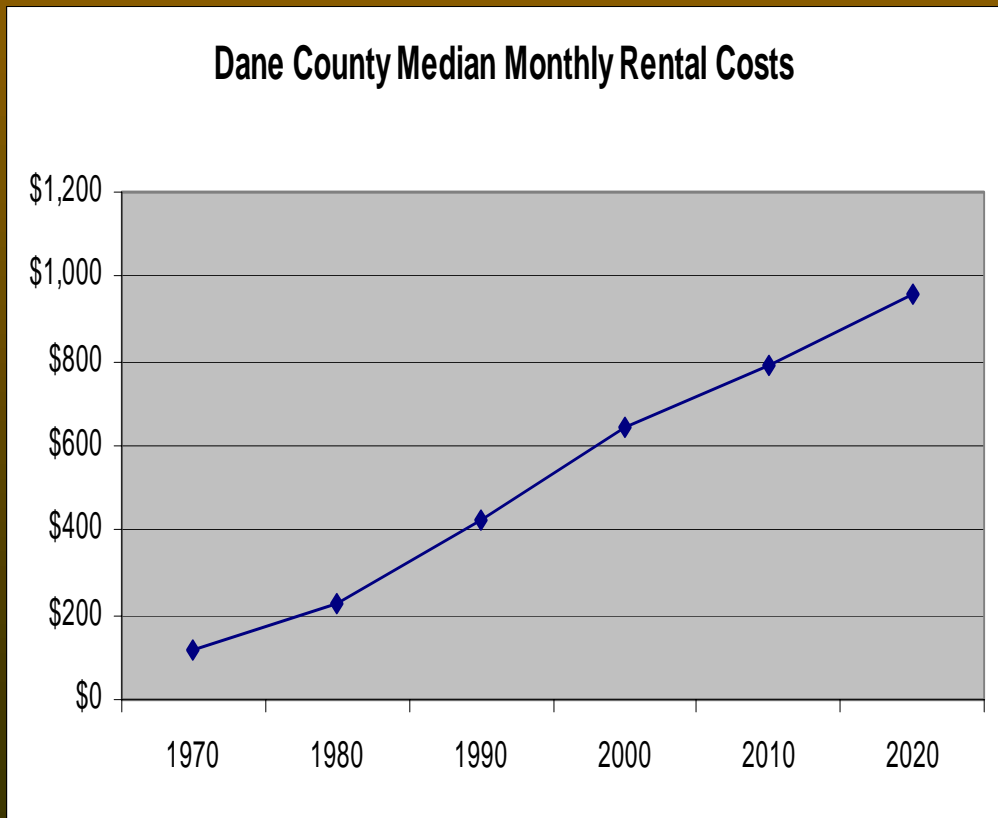
- ◆ The Cities of Fitchburg, Middleton and Verona and the Villages of Waunakee and McFarland had owner values above the county median owner value.
- ◆ The Cities of Madison, Sun Prairie and Stoughton and the Villages of DeForest and Oregon had owner values below the county average.

Place	Median Owner Value 1999	Place	Median Owner Value 1999
Madison, City	\$139,300	Waunakee, Village	\$175,300
Sun Prairie, City	\$143,400	DeForest, Village	\$136,700
Fitchburg, City	\$176,000	Oregon, Village	\$146,000
Middleton, City	\$176,400	Verona, City	\$161,500
Stoughton, City	\$131,600	McFarland, Village	\$153,400

Source: U.S. Census Bureau and Dane County Regional Planning Commission

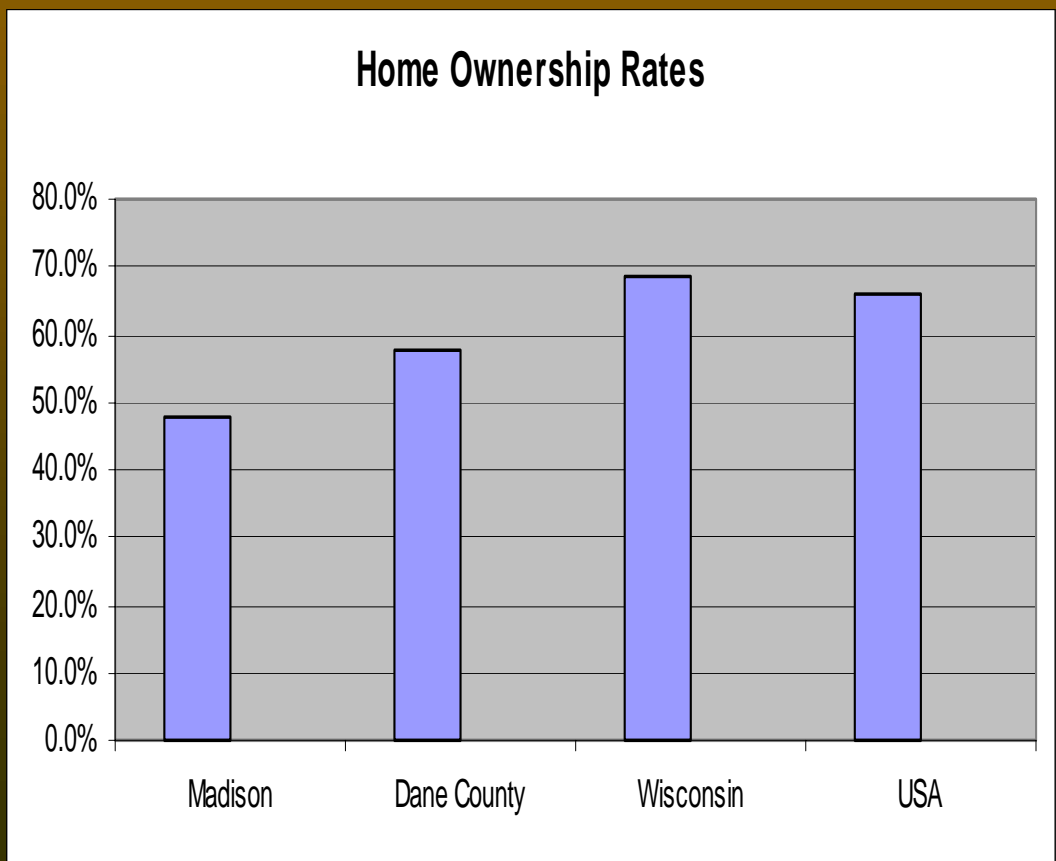
Rental Costs

- ◆ Driven by the continued rise in real estate and land prices, rental prices in Dane County have followed a similar trend.



Home Ownership

- ◆ Home ownership rates in Madison and Dane County are lower than the state or USA average, but it has increased for the first time in 30 years.





Dane County Housing Starts

- ◆ Since 2000, single family and multifamily building have each topped 2,000 units per year.

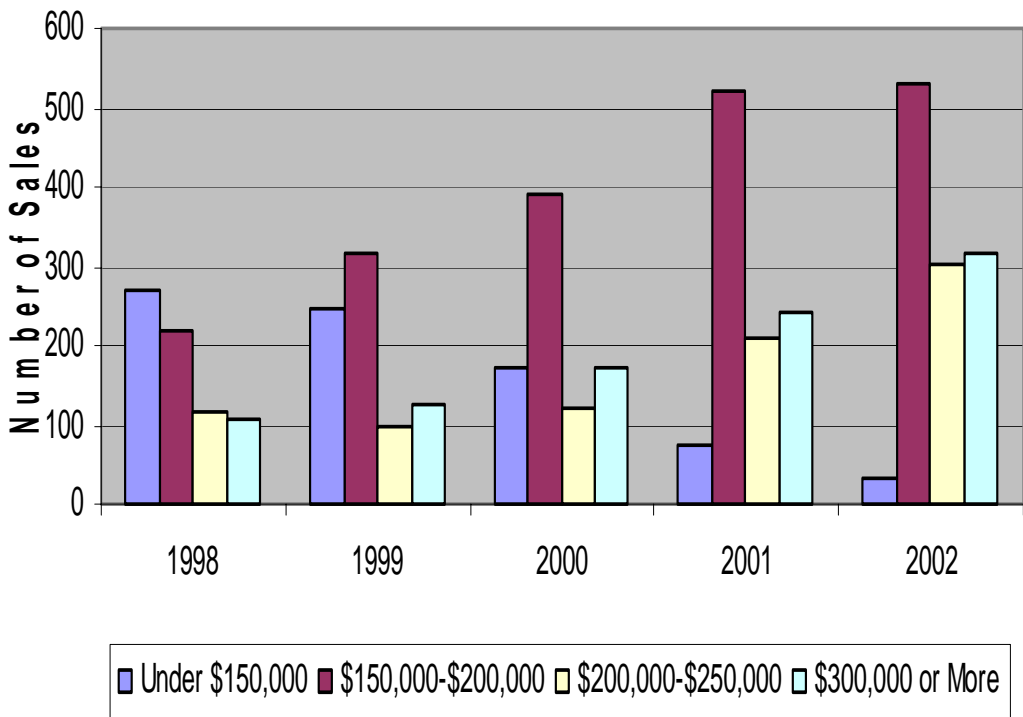
Dane County Building Permits			
Type	2000	2001	2002
Single Family	2,030	2,290	2,453
Multifamily	2,083	2,486	2,075

Source: Dane County Regional Planning Commission

New Housing

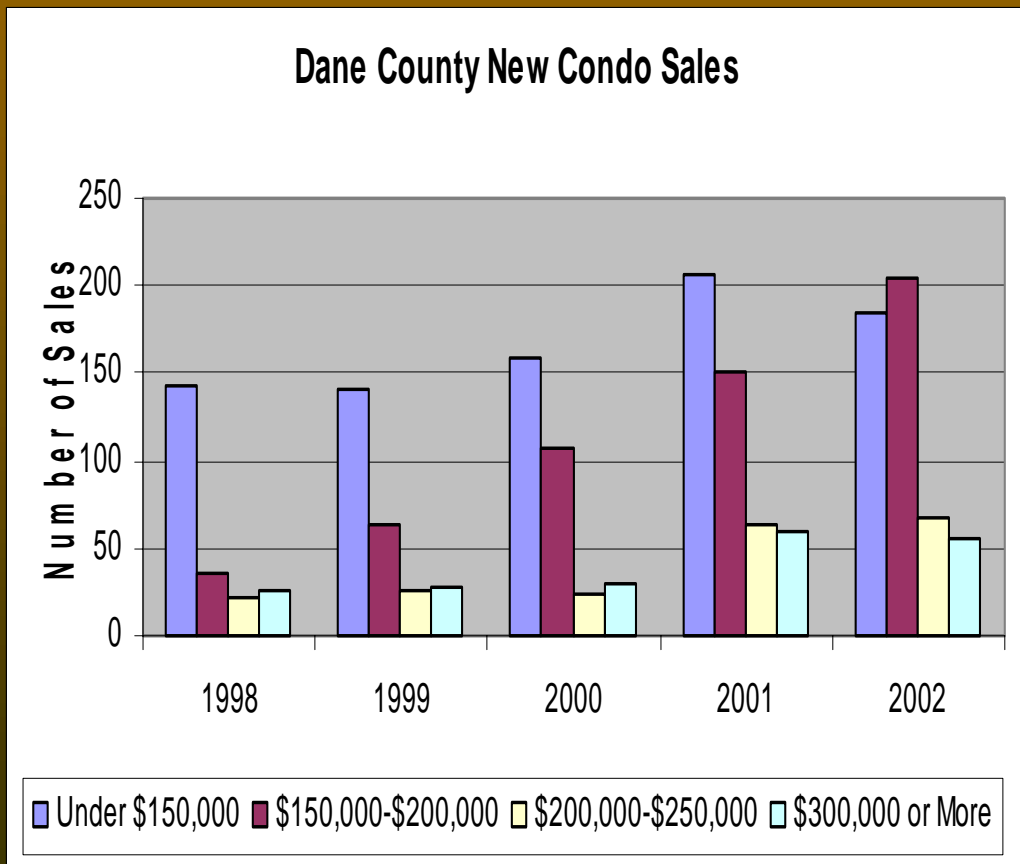
- ◆ Most new home sales are over \$150,000, above the affordability range of many households.

Dane County New Home Sales



Condos Fill Gap

- ◆ New condominium sales help to fill gap for homes between \$100,000 and \$150,000.

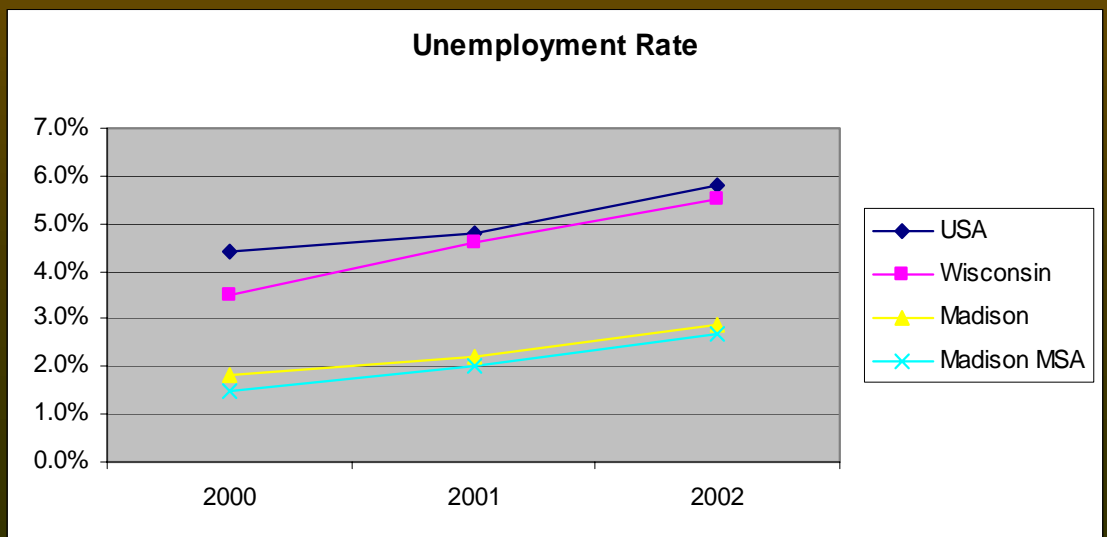


Housing Demand

- ◆ High median household incomes in Dane County and low unemployment drive demand for housing.

Area	Median Household Income	Per Capita Income
Madison	\$41,941	\$23,498
Madison MSA*	\$49,223	\$24,985
Wisconsin	\$43,791	\$21,271
USA	\$41,994	\$21,987

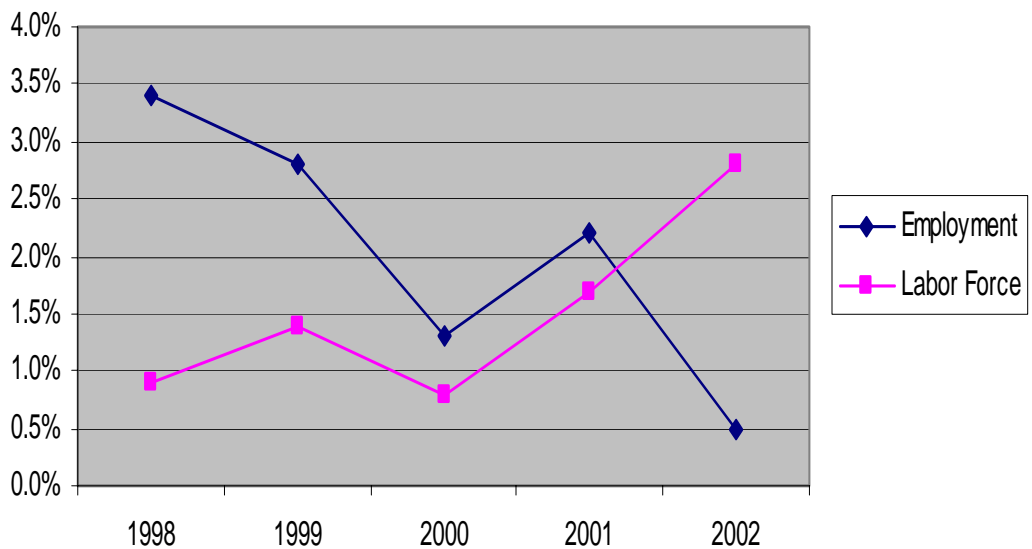
Source: U. S. Census Bureau
*Madison MSA is Dane County



Job Growth

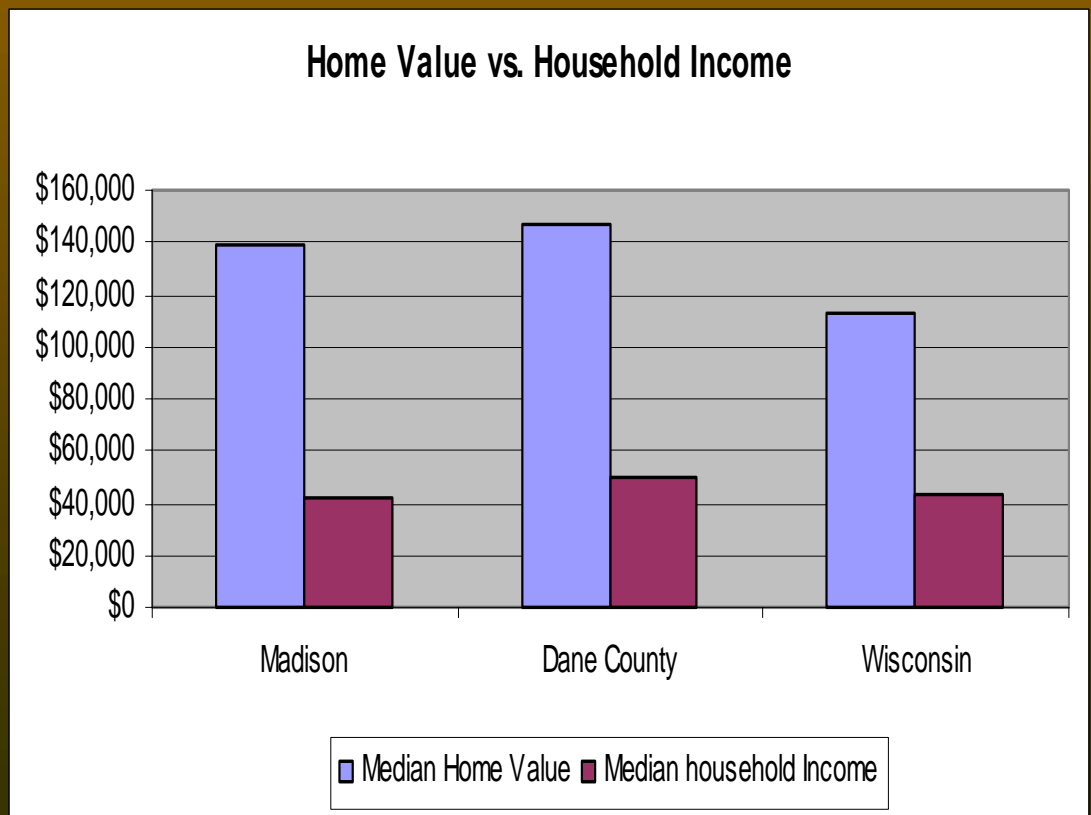
- ◆ Strong job growth and slower labor force growth are expected throughout the decade with the largest increases coming in service sector jobs.
- ◆ Total job growth projected by Wis. DWD for the Madison MSA between 1998 and 2006 should exceed 11%.

Dane County Employment & Labor Force Growth



Impact on Homeowners

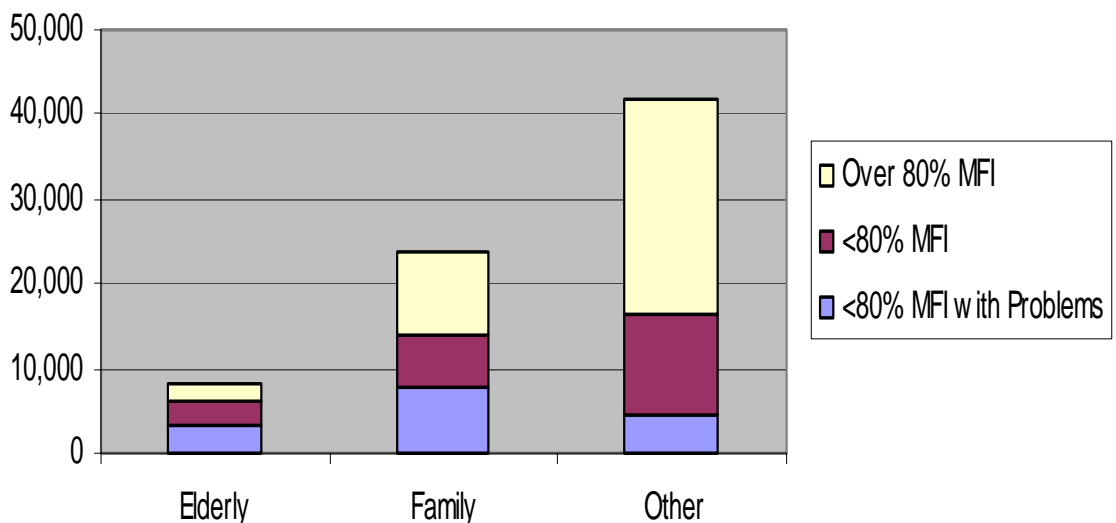
- ◆ As housing costs increase, the salary required to afford housing in Dane County also continues to increase.
- ◆ The ratio between home value and household income is usually 3 to 1. In 2000, the ratios were: Madison 3.32, Dane County 2.98 and State 2.56.



Impact on Renters

- ◆ The 2000 monthly rental cost for Madison was \$641, requiring an annual income of \$25,640.
- ◆ 42% of renters below 80% MFI (median family income) paid 30% or more of their income to rent and 50% of them were families.

Dane County Renters by Income & Housing Problems: 1999





Population Trends

- ◆ As housing prices rise, workers move farther away from their place of work, increasing commute time.
- ◆ This trend is shown in area county population growth rates: Dane 38%, Sauk 32%, Columbia 25%, Iowa & Jefferson 18%, Dodge 17%, Green 16% and Rock 11%.

Dane County 1980 – 2003 Population Growth

Madison City	26%	Waunakee Village	152%
Sun Prairie City	75%	DeForest Village	138%
Fitchburg City	80%	Oregon Village	101%
Middleton City	38%	McFarland Village	83%
Stoughton City	66%	Mount Horeb Village	90%
Verona City	162%	Cottage Grove Village	400%
Middleton Town	92%	Windsor Town	45%



Trends in Neighborhood Development Design

◆ New Urbanism

- 1920's Suburban Village Design:
 - Accommodate the car
 - Walkable
 - More densely built
 - Mixed-income

◆ Town Centers

- Mixed-use zoning
- Condos & rentals above retailers
- Create a “sense of place”

◆ Green Buildings

- Fresher air
- More light
- Safer materials



Challenges for Affordable Housing

- ◆ Dramatic improvements in affordable housing supply are limited by the significant financial subsidy required per unit and the challenge of keeping units affordable and regulatory barriers.
 - ◆ Long Term Supply
 - ◆ Public Perception
 - ◆ Sustained Affordability
 - ◆ Funding



Affordable Housing and Employers

- ◆ The rising housing costs may impact employers in several ways. Lack of affordable housing places enormous stress on area employers, especially those requiring lower income level employees.
- ◆ How will these trends impact the Dane County business community in the future?
 - ◆ Higher Wages
 - ◆ Retention
 - ◆ Recruiting/Staffing
 - ◆ County Economic Vitality
 - ◆ Limit on Economic Growth