

Comprehensive Housing Market Study and Needs Analysis

for Presentation of DRAFT Findings

Julia Grace Smith

Consultant

December 22, 2019

www.novoco.com

 NOVOGRADAC & COMPANY LLP

About Novogradac & Company LLP

Novogradac & Company LLP is a national certified public accounting and consulting firm with **nearly 30 offices nationwide**. Our clients represent a broad range of industries, with a major emphasis in the **real estate sector**. We provide publicly and privately held national enterprises with a full spectrum of audit, tax, valuation, expert witness and litigation support, property compliance and general consulting services and we work extensively in the affordable housing, community development, historic preservation and renewable energy fields.



Consistently recognized as a "Best of the Best" firm



Founded in 1989 in San Francisco



Ten annual conferences held across the country



Monthly Novogradac Journal of Tax Credits published in addition to tax credit handbooks

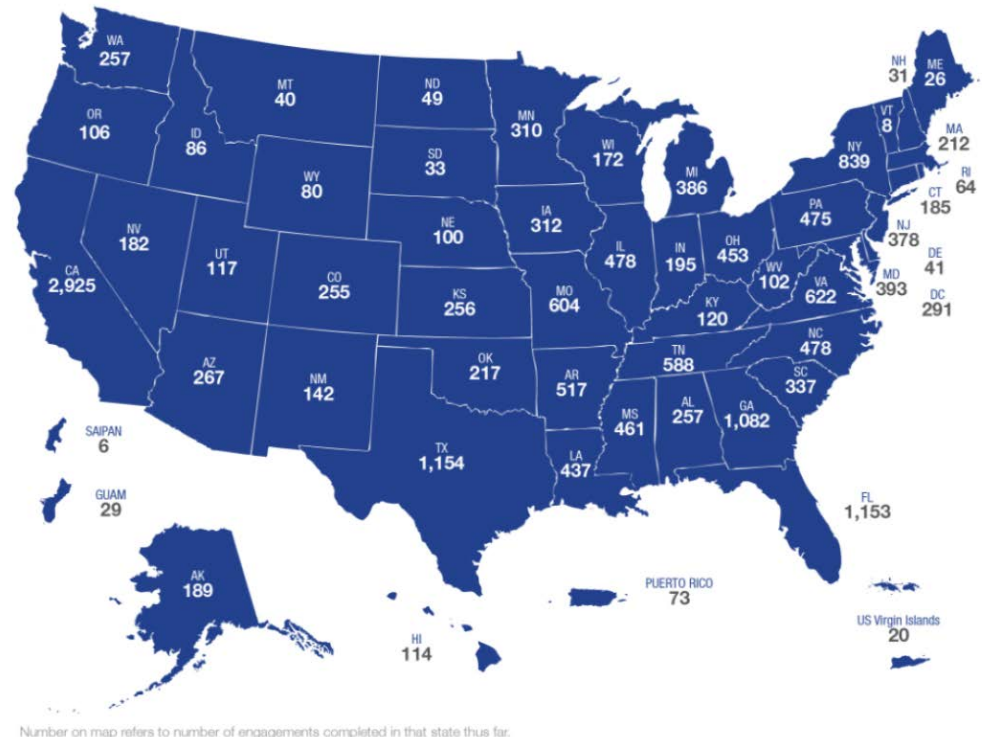


Industry experts, speak at a variety of national and local events, conduct webinars, etc.

The GoVal Group of Novogradac

The Government Consulting and Valuation Advisory (GoVal) Group of Novogradac provides valuation services including city, area, or county-wide housing need analysis, market study and appraisal services for market rate and affordable housing properties, both for sale and rental, GIS and demographic analysis, feasibility analysis, and rent comparability studies throughout the country. The GoVal Group performs approximately **1,800 market studies and appraisals per year** and since 2003 over nearly 20,000 reports have been completed nationwide. Reflecting this experience, the firm maintains client relationships with the leading housing sponsors in the industry.

APPROXIMATELY 19,000 ENGAGEMENTS COMPLETED



Personal Background & Tenure



- Graduated from Cornell University in May 2003
 - B.S. Degree in Urban and Regional Studies
- Tenure at Novogradac and Professional Licensing

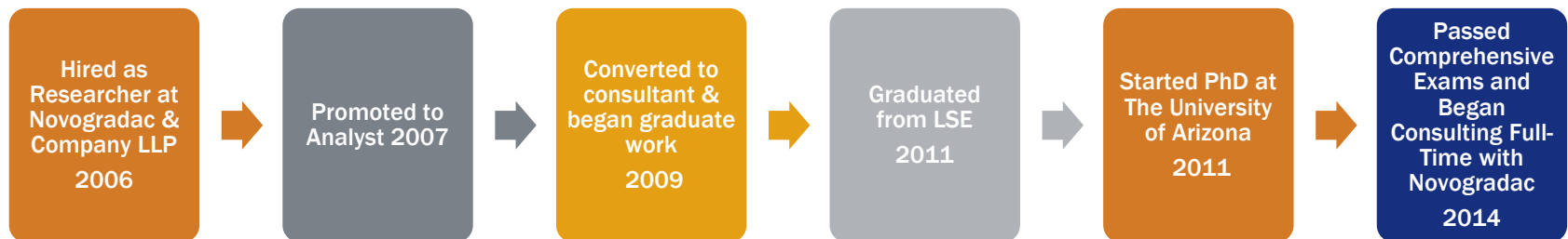


- Currently maintain licenses in a dozen states and am involved with local chapter of Appraisal Institute and former Board member of the Kansas City Commercial Real Estate Women organization

Personal Background



- PhD (All But Dissertation) in Sociology with specialization in Methodology/Statistics, Organizations/Networks, and Public Administration
- 2011 – Dual Master’s Degrees in Social Policy & Planning and Comparative Politics (States & Markets) from the London School of Economics and Political Science
- 2006 – Present, Employee or Consultant with Novogradac & Company LLP



Presentation of Findings

Full Report

Community Profile

- Market Description
- Demographic Analysis
- Economic Analysis

Supply Characteristics

- Housing stock characteristics
 - For-sale market
 - Rental market (Subsidized, Market Rate)
 - Short term rental market

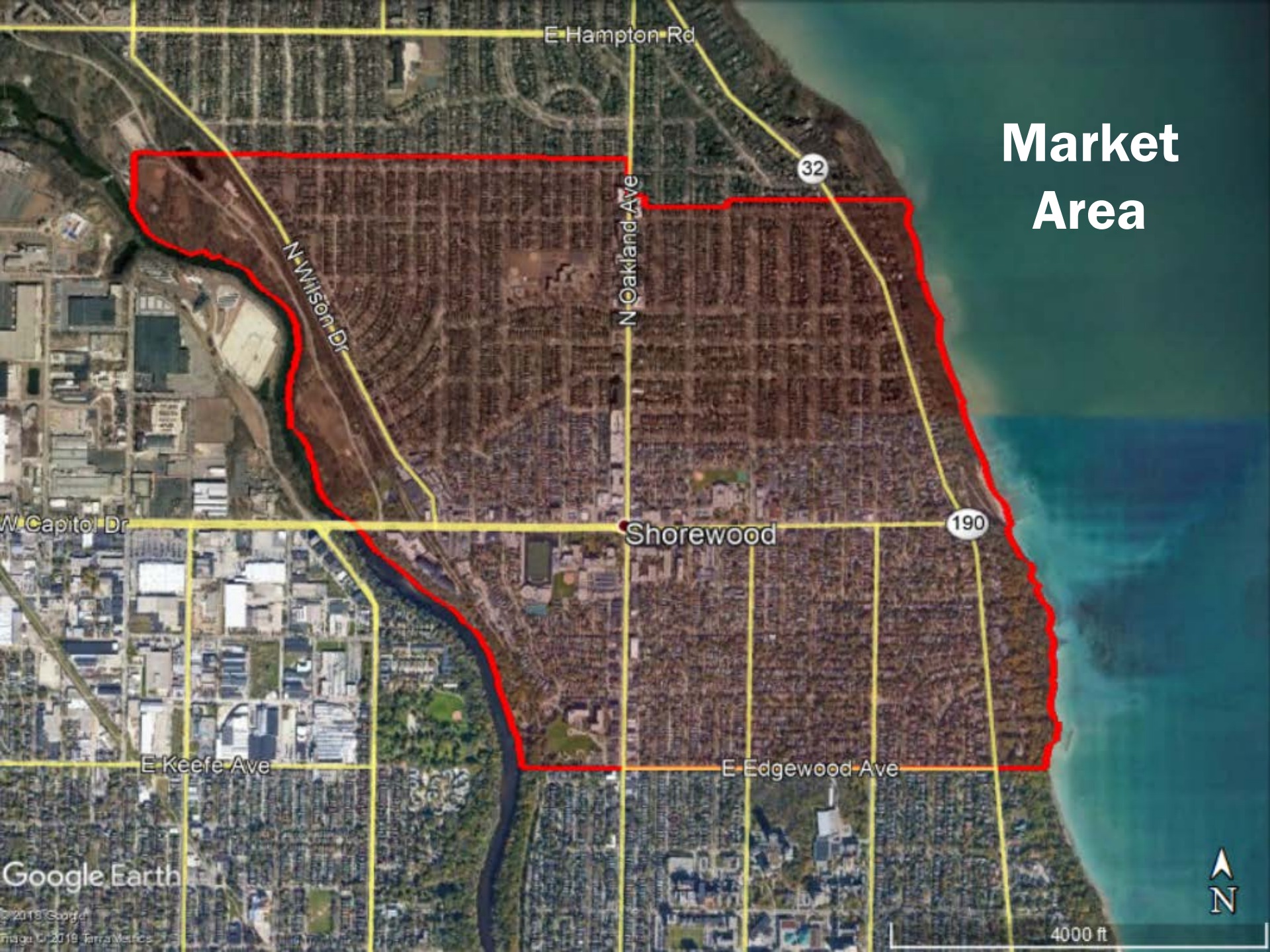
Demand Analysis

- Gap Analysis
- Forecast Demand

Public Input Process

- Listening sessions
- Online public input survey

Market Area



E Hampton Rd

32

N Wilson Dr

N Oakland Ave

W Capitol Dr

Shorewood

190

E Keefe Ave

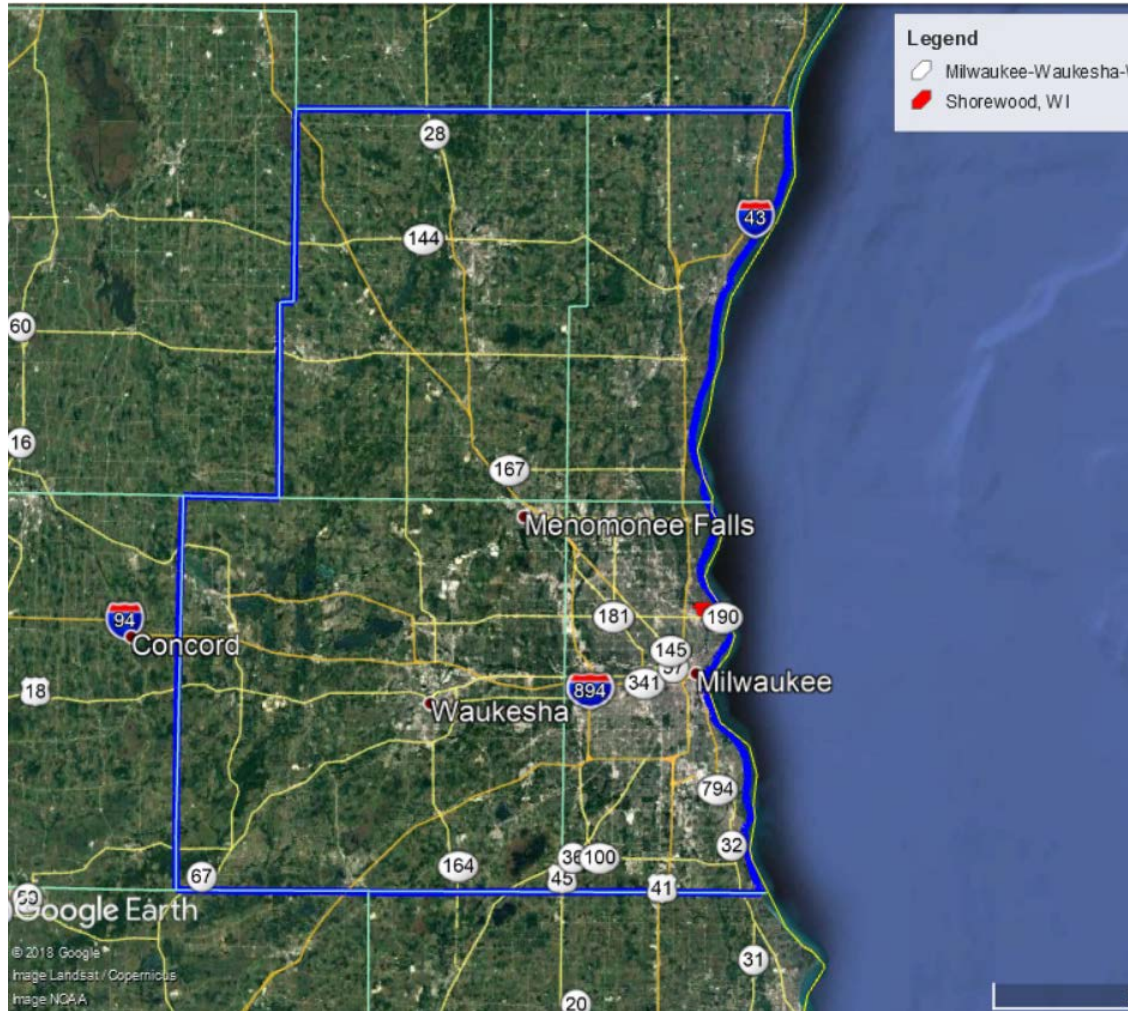
E Edgewood Ave

Google Earth

© 2018 Google
Map data © 2019 TerraMetrics

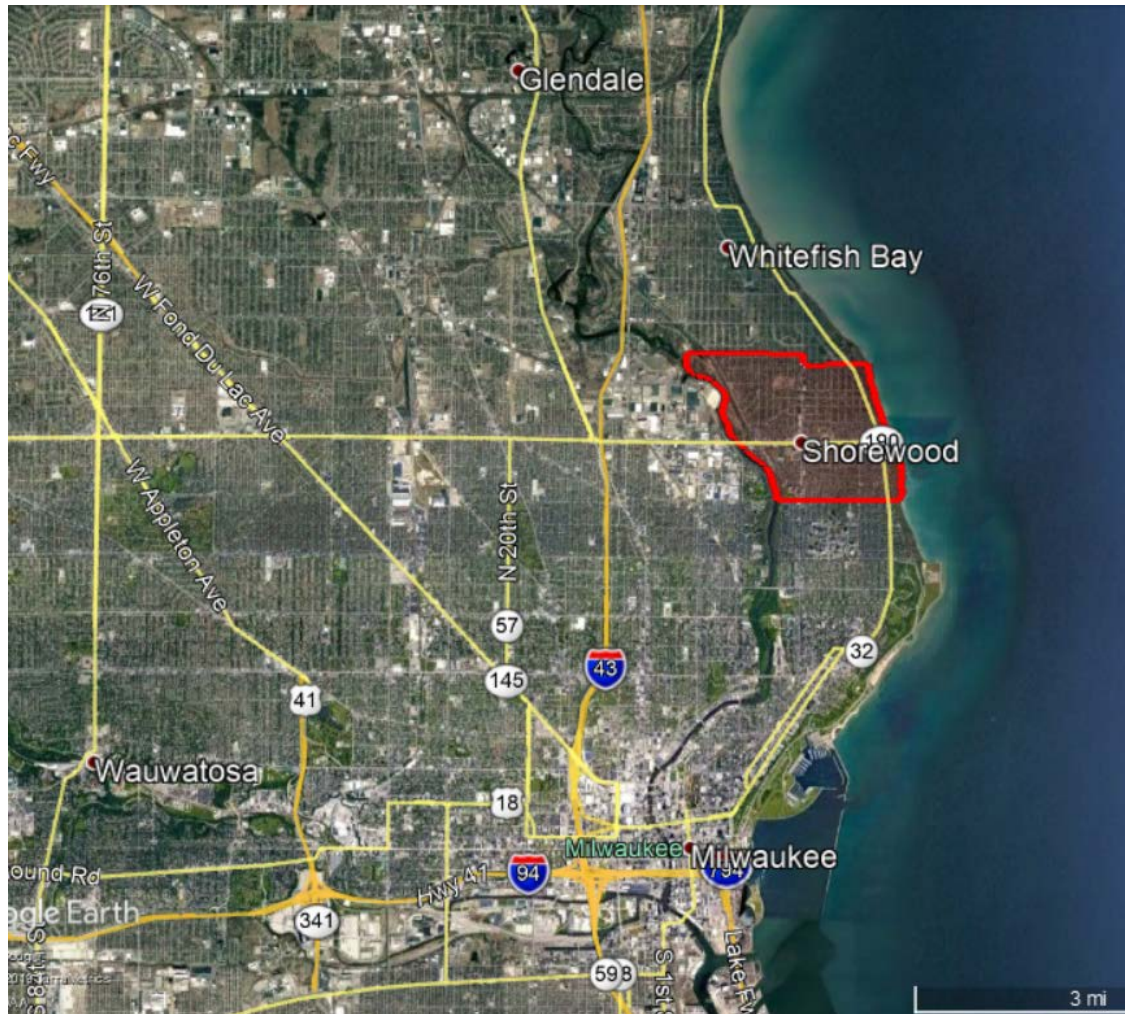


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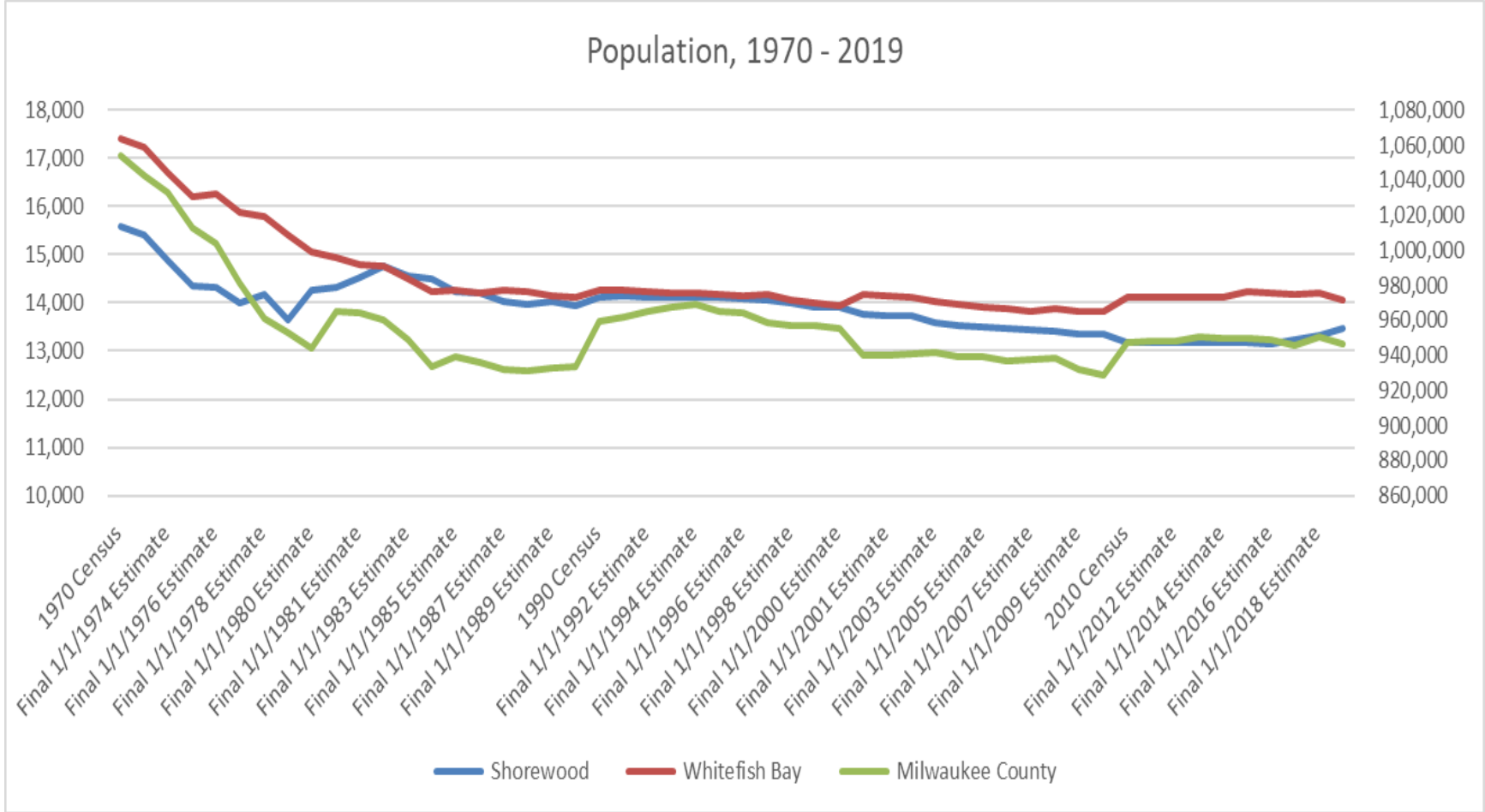
Relative
to:

MSA



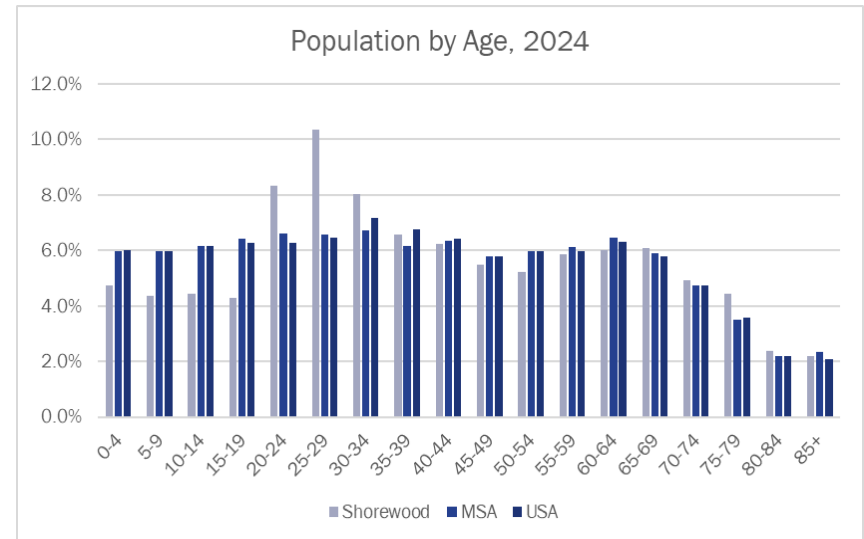
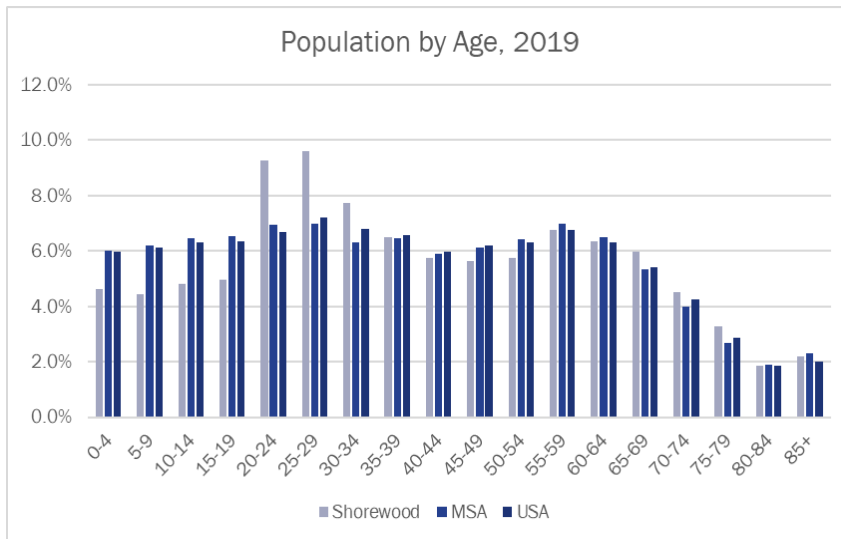
Relative to:
Whitefish Bay
Glendale
Wauwatosa
Milwaukee

Demographic Analysis



Source: Wisconsin Department of Administration, Demographics Services Center, data retrieved December 2019

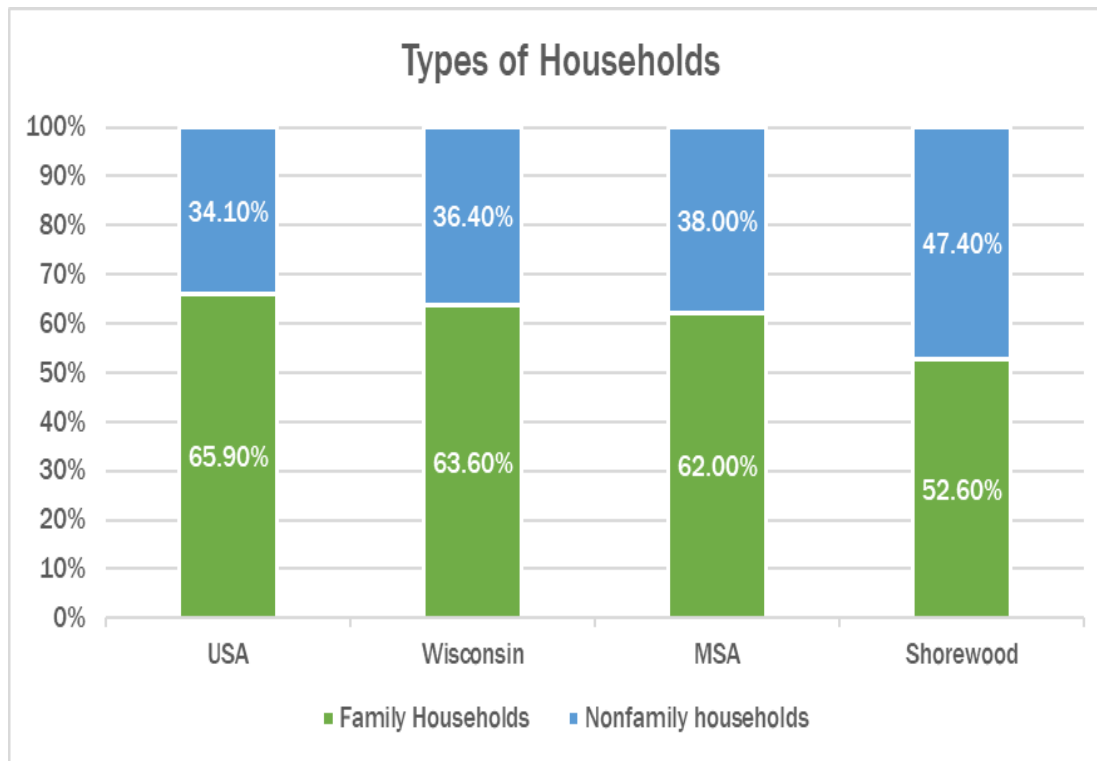
Demographic Analysis



Source: Esri Demographics 2019, Novogradac Consulting LLP, December 2019

- **Smaller percentage of population in Shorewood is young children (<20)**
- **Larger percentage of population in Shorewood is young adults (20-34)**
- **Larger percentage of population in Shorewood are seniors, particularly 65-79**
- **Trends will remain relatively similar through 2024**

Demographic Analysis

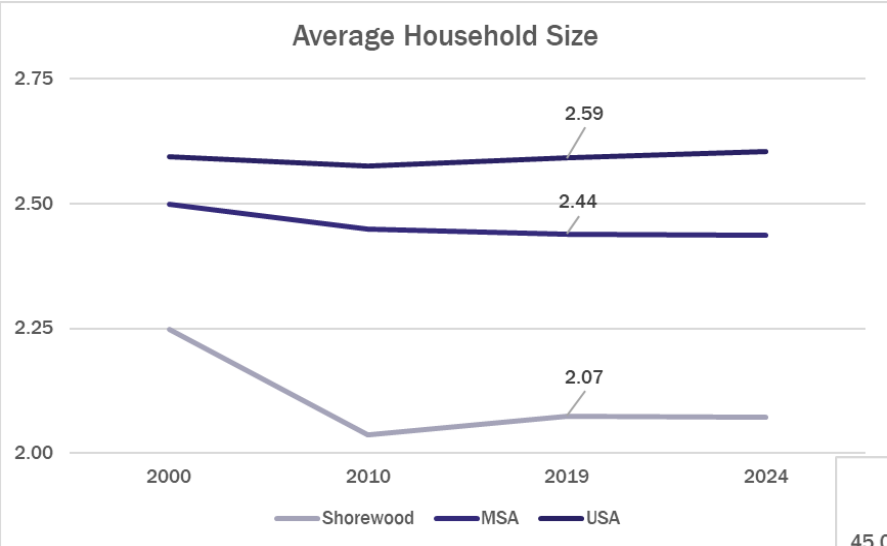


Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Definition: a family households is a household where two or more people are related by birth, marriage, or adoption

- **Significantly more households in Shorewood are nonfamily households**
- **Approximately 36 percent of nonfamily households in Shorewood are single-person households**
- **Approximately 13 percent of single-person nonfamily households are seniors ages 65 and older**

Demographic Analysis

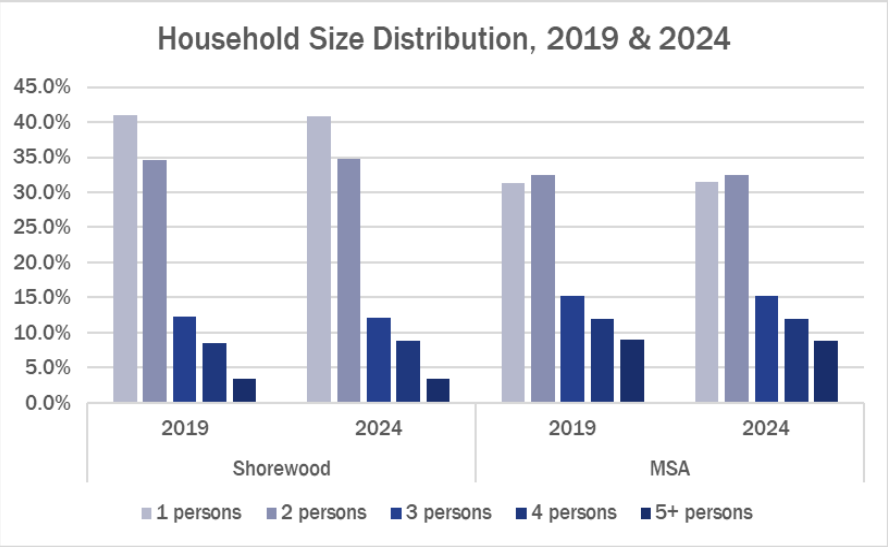


Driven by renter households:

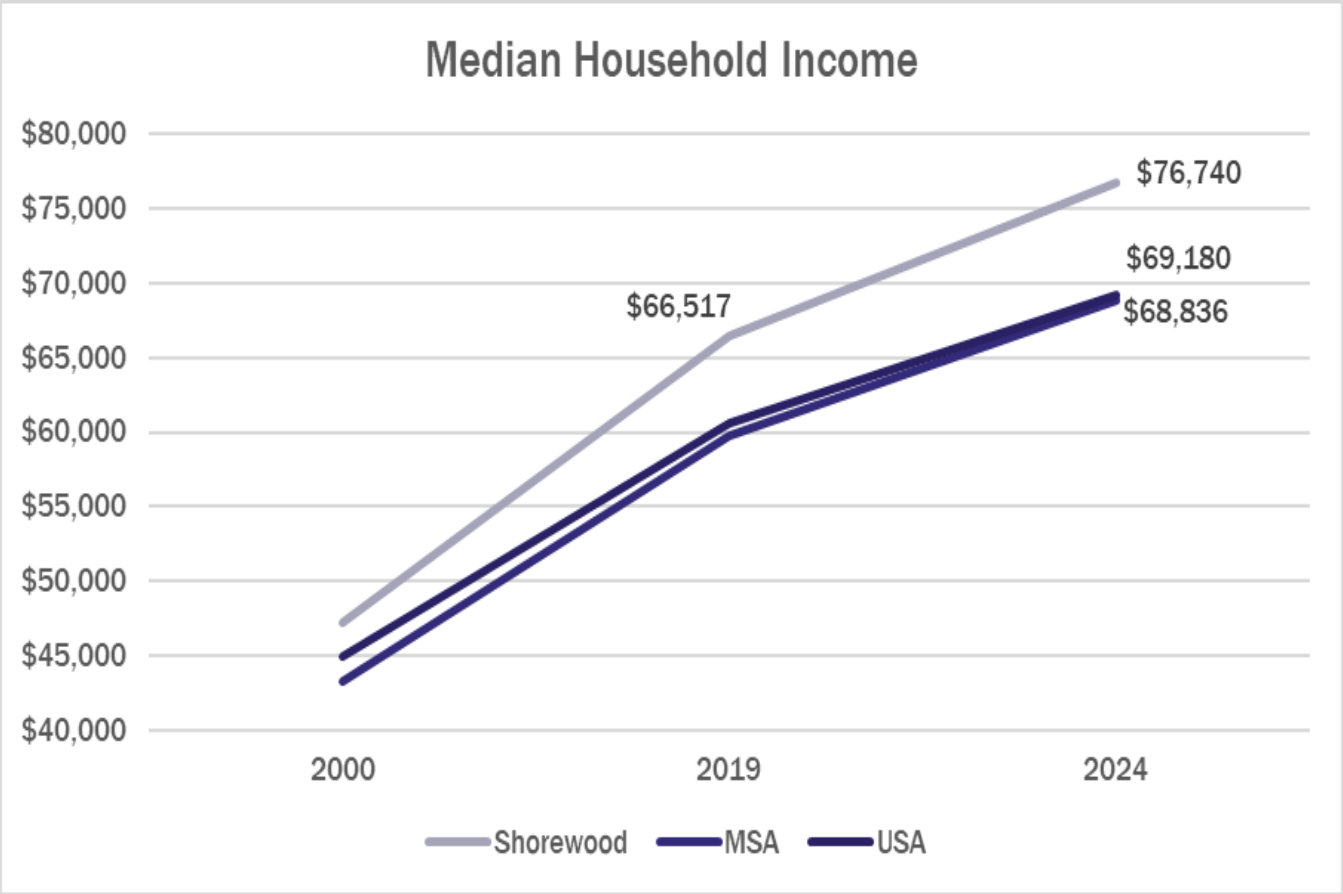
Average Owner Size: 2.59 persons

Average Renter Size: 1.91 persons

Source: Esri Demographics 2019, Novogradac Consulting LLP, December 2019



Demographic Analysis



Source: Esri Demographics 2019, Novogradac Consulting LLP, December 2019

Demographic Analysis

HOUSEHOLD INCOME IN 2019

Income Cohort	Shorewood		MSA		USA	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	493	7.6%	45,370	7.2%	8,856,564	7.1%
\$10,000-19,999	690	10.6%	67,375	10.6%	12,541,918	10.0%
\$20,000-29,999	695	10.7%	65,739	10.4%	12,559,828	10.0%
\$30,000-39,999	583	9.0%	61,032	9.6%	11,840,948	9.5%
\$40,000-49,999	488	7.5%	53,929	8.5%	10,808,067	8.6%
\$50,000-59,999	409	6.3%	47,599	7.5%	9,440,335	7.5%
\$60,000-74,999	798	12.3%	61,870	9.8%	12,262,007	9.8%
\$75,000-99,999	690	10.6%	77,336	12.2%	15,023,962	12.0%
\$100,000-124,999	460	7.1%	54,527	8.6%	10,548,583	8.4%
\$125,000-149,999	301	4.6%	34,145	5.4%	6,780,298	5.4%
\$150,000-199,999	429	6.6%	32,027	5.1%	6,800,335	5.4%
\$200,000+	452	7.0%	32,644	5.2%	7,705,712	6.2%
Total	6,488	100.0%	633,593	100.0%	125,168,557	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, December 2019

Demographic Analysis

HOUSEHOLD INCOME OF SENIORS 65+ IN 2019

Income Cohort	Shorewood		MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	139	7.9%	9,546	6.3%	2,231,166	7.0%
\$10,000-19,999	339	19.2%	25,392	16.6%	5,162,549	16.2%
\$20,000-29,999	188	10.7%	24,790	16.2%	4,555,318	14.3%
\$30,000-39,999	163	9.3%	19,496	12.8%	3,736,758	11.7%
\$40,000-49,999	174	9.9%	14,904	9.8%	3,053,430	9.6%
\$50,000-59,999	88	5.0%	11,811	7.7%	2,400,225	7.5%
\$60,000-74,999	260	14.8%	13,610	8.9%	2,774,159	8.7%
\$75,000-99,999	114	6.5%	13,058	8.6%	2,904,729	9.1%
\$100,000-124,999	73	4.1%	7,890	5.2%	1,727,409	5.4%
\$125,000-149,999	96	5.4%	4,228	2.8%	1,074,078	3.4%
\$150,000-199,999	46	2.6%	3,396	2.2%	1,000,716	3.1%
\$200,000+	82	4.7%	4,525	3.0%	1,233,910	3.9%
Total	1,762	100.0%	152,646	100.0%	31,854,447	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, December 2019

Demographic Analysis

HOUSEHOLD INCOME IN 2024

Income Cohort	Shorewood		MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	454	7.0%	43,307	6.7%	8,500,198	6.6%
\$10,000-19,999	643	9.8%	62,908	9.8%	11,774,177	9.1%
\$20,000-29,999	625	9.6%	63,693	9.9%	12,171,097	9.4%
\$30,000-39,999	589	9.0%	58,913	9.2%	11,597,842	8.9%
\$40,000-49,999	466	7.1%	52,828	8.2%	10,753,172	8.3%
\$50,000-59,999	402	6.2%	47,143	7.3%	9,520,101	7.3%
\$60,000-74,999	757	11.6%	61,568	9.6%	12,396,635	9.6%
\$75,000-99,999	752	11.5%	78,644	12.2%	15,678,846	12.1%
\$100,000-124,999	483	7.4%	57,667	9.0%	11,434,551	8.8%
\$125,000-149,999	341	5.2%	38,707	6.0%	7,843,803	6.1%
\$150,000-199,999	467	7.2%	37,236	5.8%	8,007,059	6.2%
\$200,000+	550	8.4%	40,899	6.4%	9,912,082	7.6%
Total	6,529	100.0%	643,513	100.0%	129,589,563	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, December 2019

Source: Novogradac Consulting LLP, December 2019

Demographic Analysis

HOUSEHOLD INCOME OF SENIORS 65+ IN 2024

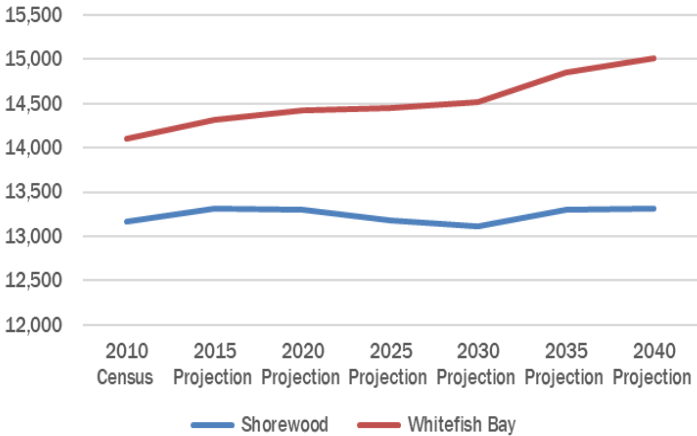
Income Cohort	Shorewood		MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	134	6.8%	10,477	6.0%	2,403,925	6.6%
\$10,000-19,999	354	18.1%	26,174	14.9%	5,283,182	14.4%
\$20,000-29,999	189	9.7%	26,704	15.2%	4,893,145	13.4%
\$30,000-39,999	172	8.8%	21,340	12.2%	4,115,192	11.2%
\$40,000-49,999	204	10.4%	16,889	9.6%	3,449,993	9.4%
\$50,000-59,999	86	4.4%	13,706	7.8%	2,777,849	7.6%
\$60,000-74,999	265	13.5%	15,981	9.1%	3,240,931	8.8%
\$75,000-99,999	139	7.1%	15,992	9.1%	3,541,238	9.7%
\$100,000-124,999	93	4.7%	10,197	5.8%	2,203,277	6.0%
\$125,000-149,999	125	6.4%	5,892	3.4%	1,465,933	4.0%
\$150,000-199,999	68	3.5%	4,946	2.8%	1,400,757	3.8%
\$200,000+	129	6.6%	7,031	4.0%	1,874,921	5.1%
Total	1,958	100.0%	175,329	100.0%	36,650,343	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, December 2019

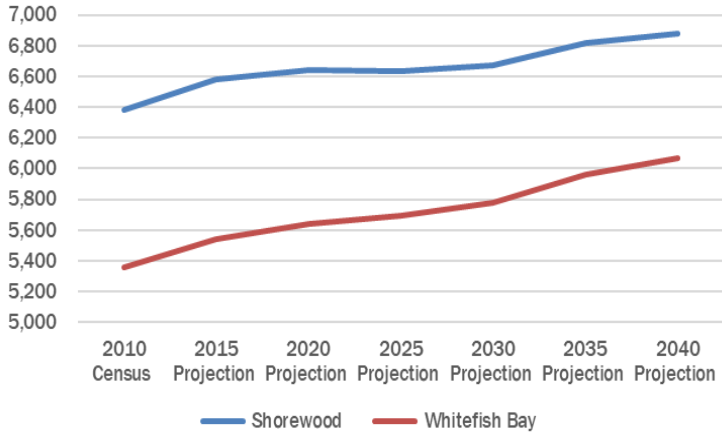
Source: Novogradac Consulting LLP, December 2019

Demographic Analysis

Population

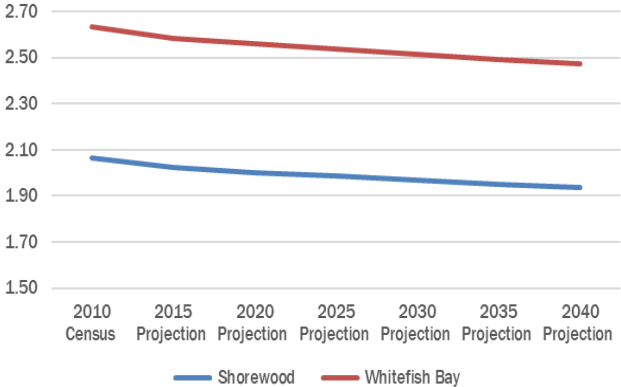


Households, 2010 - 2040

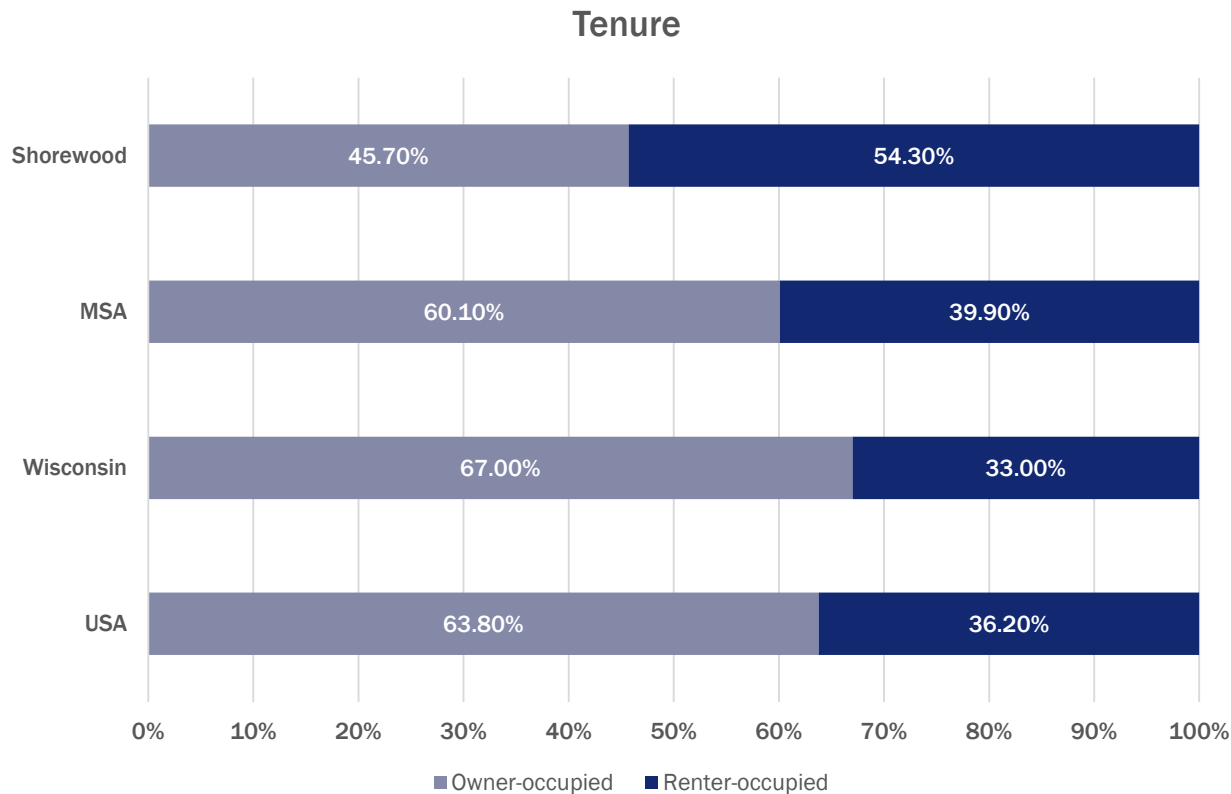


Source: Wisconsin Department of Administration, Demographics Services Center, data retrieved December 2019

Persons Per Household



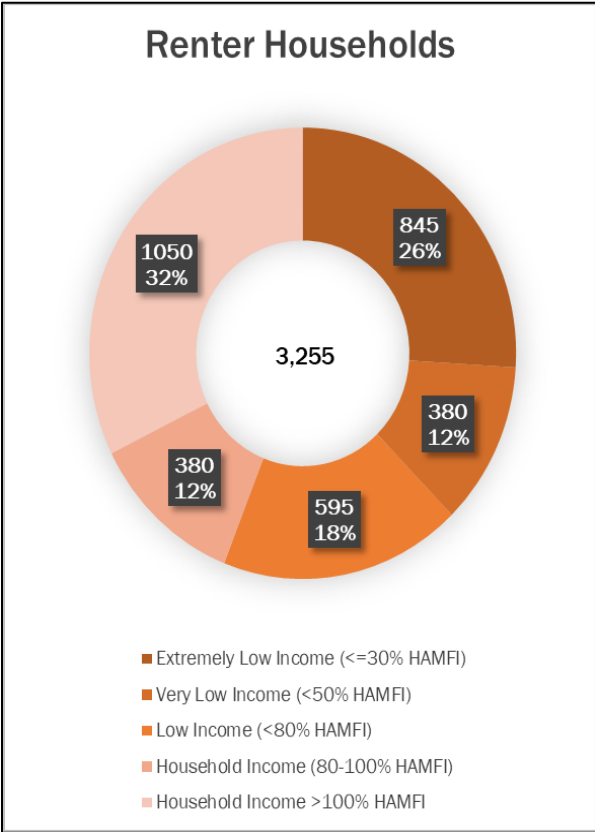
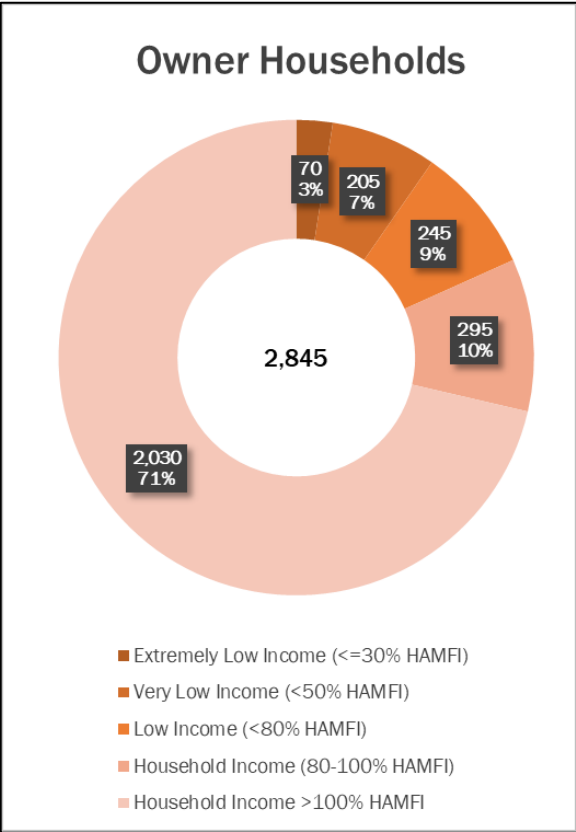
Demographic Analysis



- Percentage of owner-occupied units decreased from 2008-2012 for all areas

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Demographic Analysis



Incomes Below 50% AMI

- Renter: 38%
- Owner: 10%

Incomes Below 80% AMI

- Renter: 56%
- Owner: 18%

Source: HUD, CHAS, 2012-2016

Supply Characteristics

2016 HOUSEHOLD INCOME LIMITS - MILWAUKEE COUNTY, WI

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
1 Person	\$14,750	\$24,600	\$39,350
2 Person	\$16,850	\$28,100	\$44,950
3 Person	\$20,160	\$31,600	\$50,550
4 Person	\$24,300	\$35,100	\$56,150
5 Person	\$28,440	\$37,950	\$60,650
6 Person	\$32,580	\$40,750	\$65,150

Source: Novogradac Consulting LLP, December 2019

2019 HOUSEHOLD INCOME LIMITS - MILWAUKEE COUNTY, WI

Household Size	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
1 Person	\$17,300	\$28,850	\$46,100
2 Person	\$19,800	\$32,950	\$52,700
3 Person	\$22,250	\$37,050	\$59,300
4 Person	\$25,750	\$41,150	\$65,850
5 Person	\$30,170	\$44,450	\$71,150
6 Person	\$34,590	\$47,750	\$76,400

Source: Novogradac Consulting LLP, December 2019

4 Person AMI:

2016: \$70,200

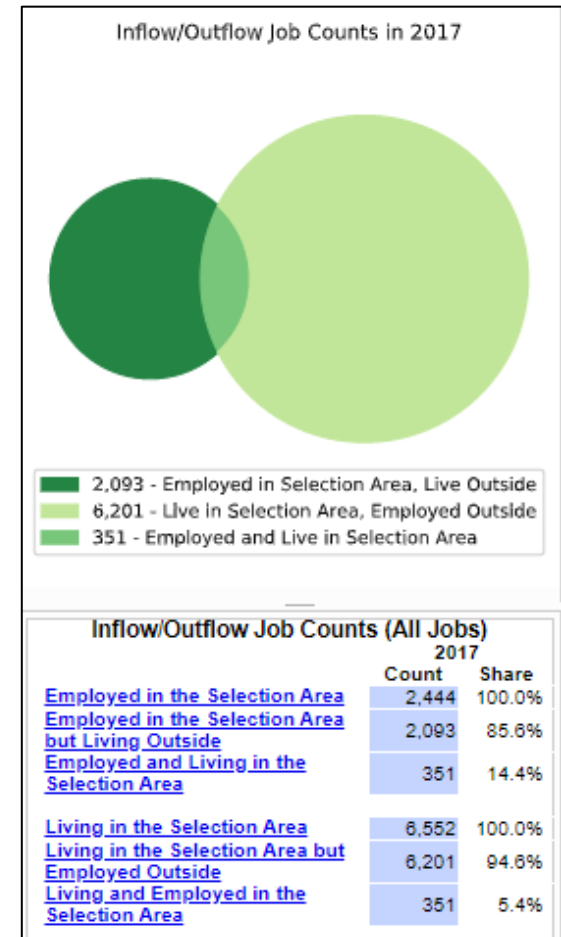
2019: \$82,300

Economic Analysis



Source: US Census Bureau, Center for Economic Studies, OnTheMap, 2017

- Shorewood is a commuter village with significant inflow/outflow
- Relatively stable patterns since 2010
- Most of inflow and outflow is from the south and southwest



Economic Analysis

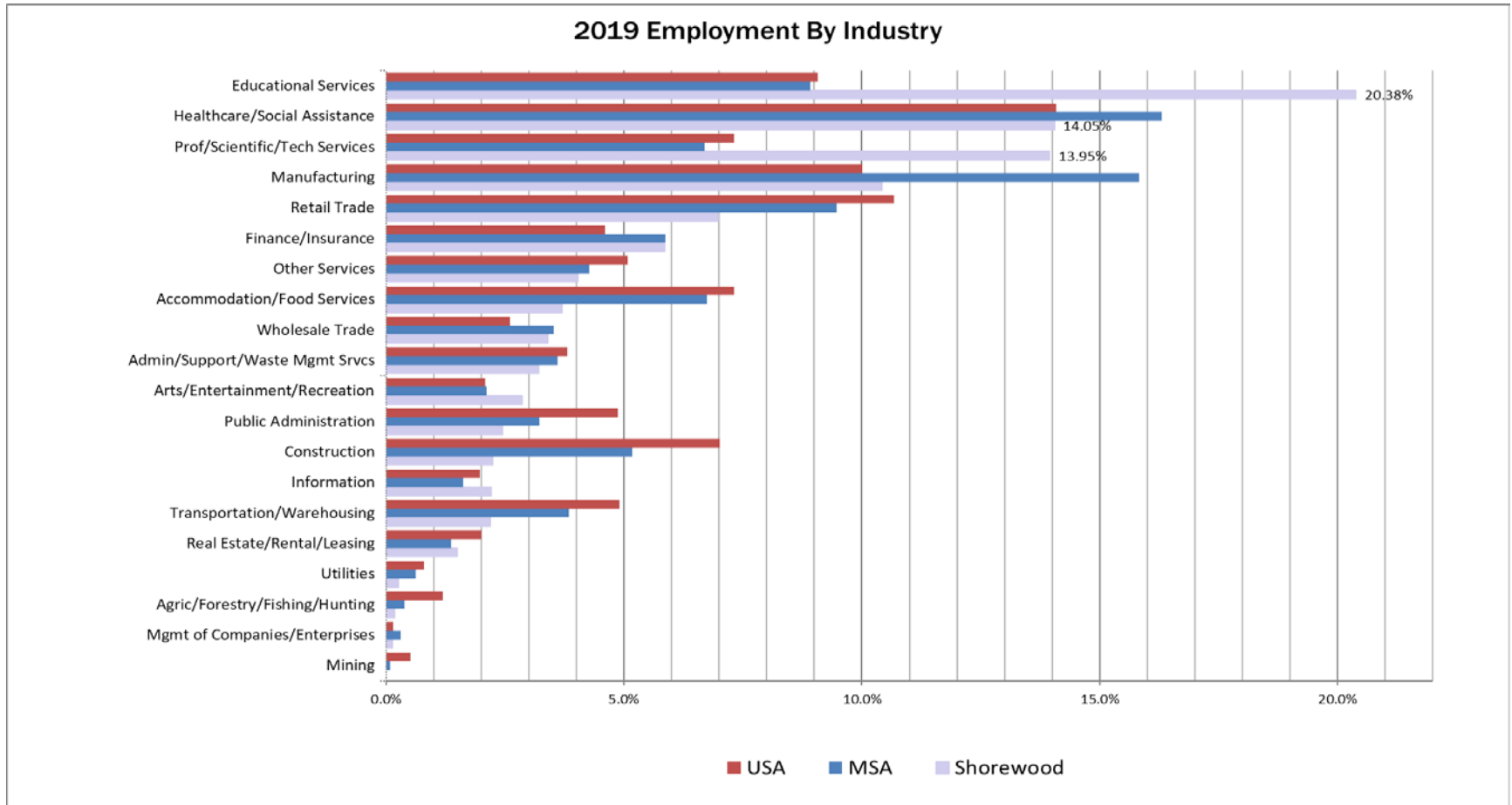
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Total Employment	% Change	MSA		USA			
			Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2003	748,770	-	6.2%	-	137,736,000	-	6.0%	-
2004	747,280	-0.2%	5.4%	-0.8%	139,252,000	1.1%	5.5%	-0.5%
2005	744,046	-0.4%	5.0%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	754,748	1.4%	4.9%	0.0%	144,427,000	1.9%	4.6%	-0.5%
2007	764,734	1.3%	5.1%	0.2%	146,047,000	1.1%	4.6%	0.0%
2008	765,830	0.1%	5.0%	-0.1%	145,363,000	-0.5%	5.8%	1.2%
2009	732,858	-4.3%	8.8%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	744,378	1.6%	8.9%	0.2%	139,064,000	-0.6%	9.6%	0.3%
2011	751,657	1.0%	8.1%	-0.8%	139,869,000	0.6%	9.0%	-0.7%
2012	755,734	0.5%	7.4%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	761,839	0.8%	7.2%	-0.2%	143,929,000	1.0%	7.4%	-0.7%
2014	774,775	1.7%	5.8%	-1.4%	146,305,000	1.7%	6.2%	-1.2%
2015	782,309	1.0%	4.9%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	793,707	1.5%	4.3%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017	800,819	0.9%	3.5%	-0.8%	153,337,000	1.3%	4.4%	-0.5%
2018	798,490	-0.3%	3.2%	-0.3%	155,761,000	1.6%	3.9%	-0.4%
2019 YTD Average*	798,480	0.0%	3.4%	0.2%	157,300,800	1.0%	3.7%	-0.2%
Sep-2018	798,727	-	2.8%	-	156,191,000	-	3.6%	-
Sep-2019	795,159	-0.4%	3.4%	0.6%	158,478,000	1.5%	3.3%	-0.3%

Source: U.S. Bureau of Labor Statistics, December 2019

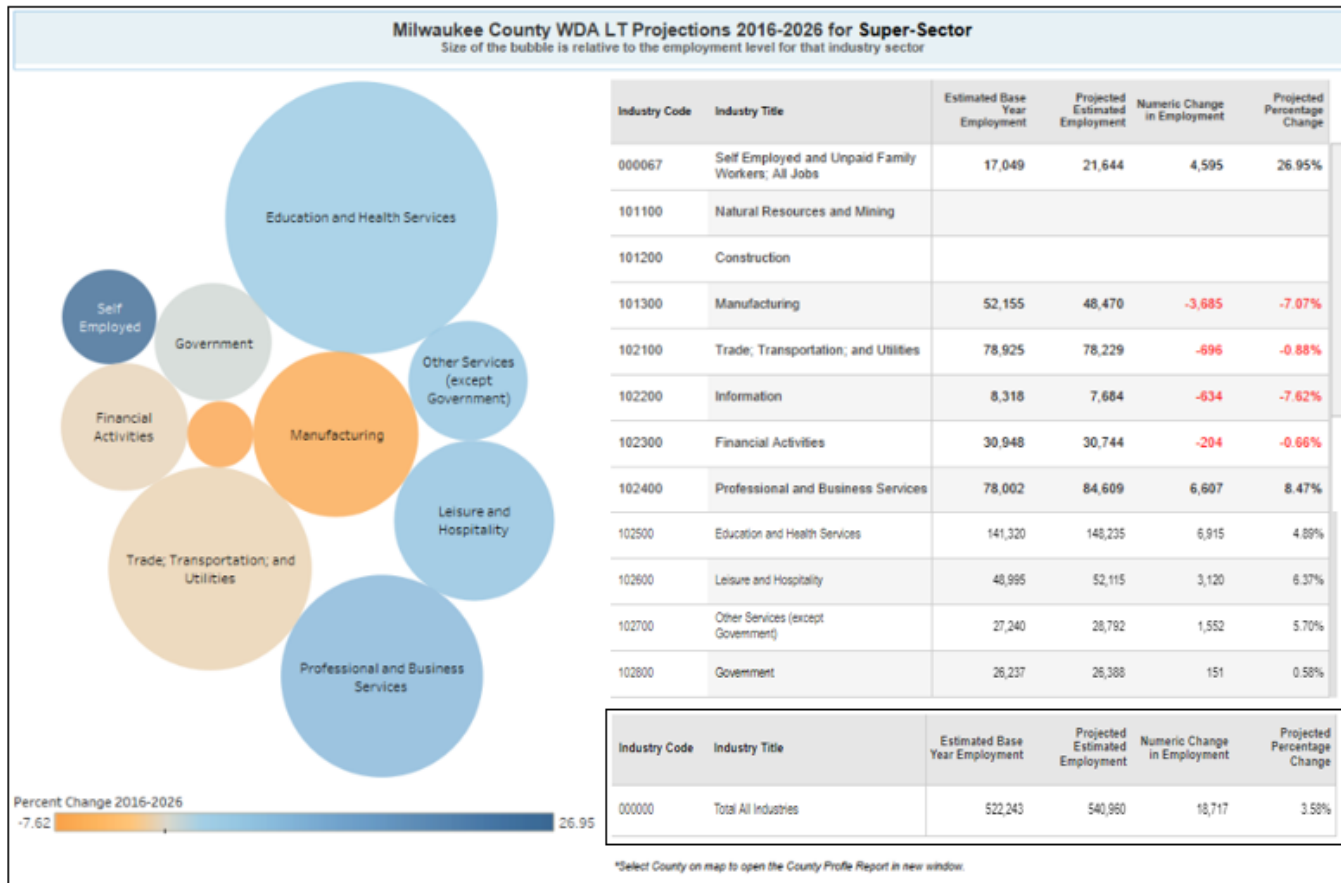
*2019 data is through September

Economic Analysis



Source: Esri Demographics 2019, Novogradac Consulting LLP, December 2019

Economic Analysis



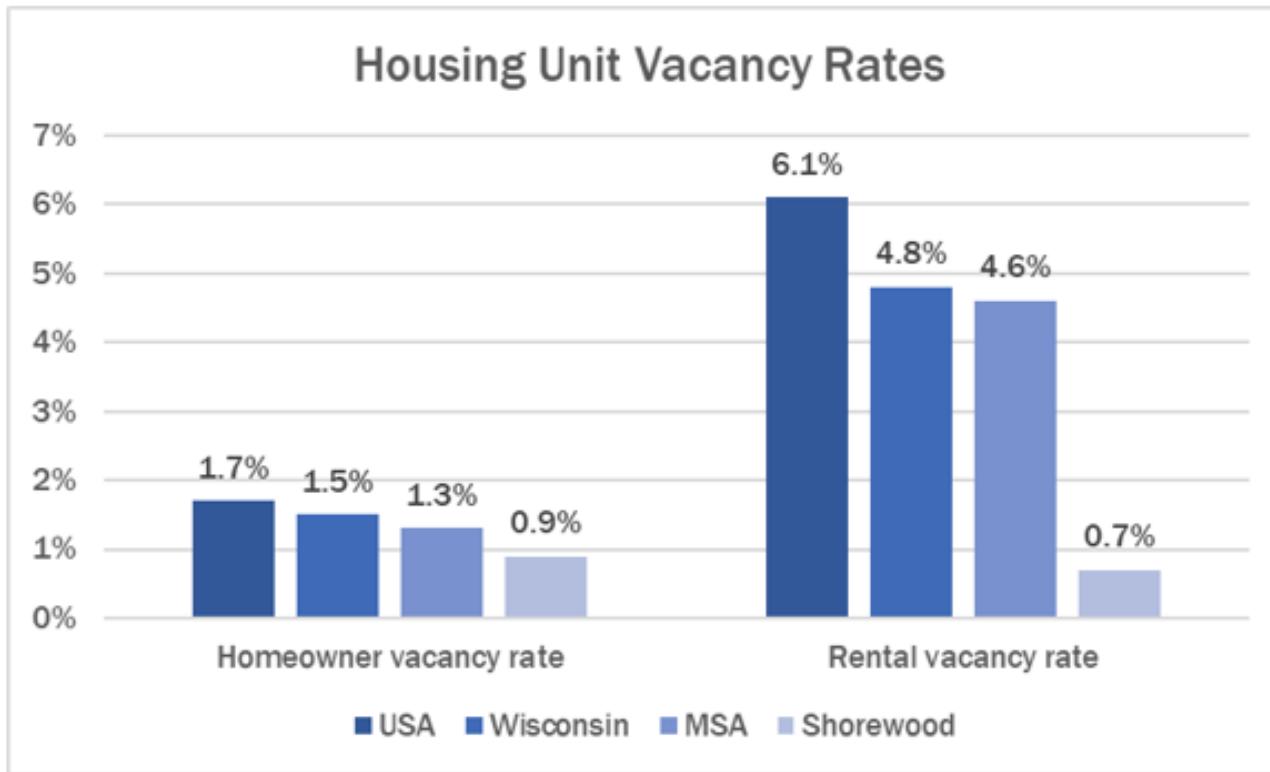
Overall, growth is projected to slow

BUT

Largest industries represented among Shorewood's population are projected to be some of the strongest

Source: Wisconsin Department of Workforce Development, retrieved December 2019

Supply Characteristics

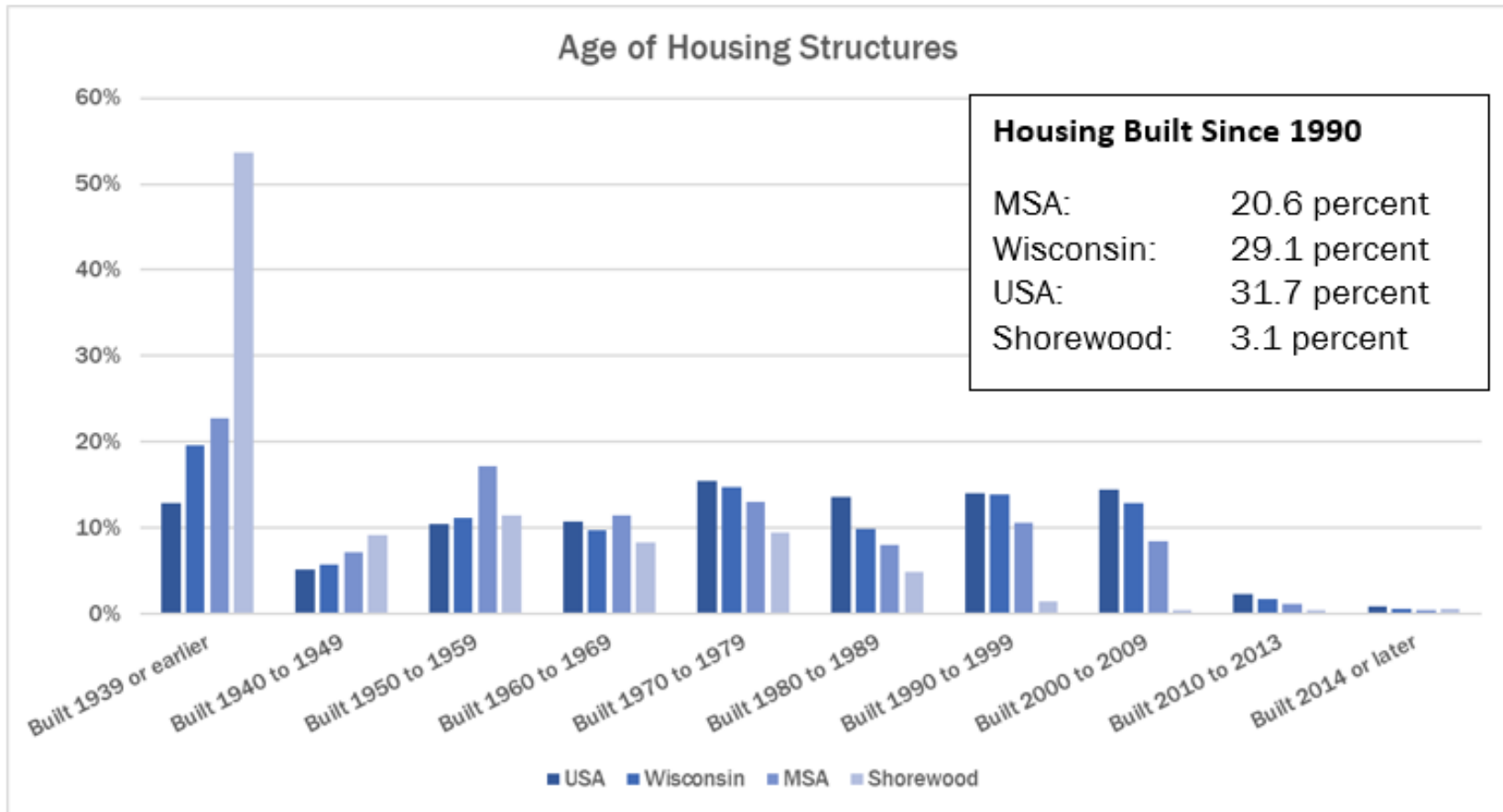


6,344 housing units

- Owner occupied: 45.7%
- Renter-occupied: 54.3%

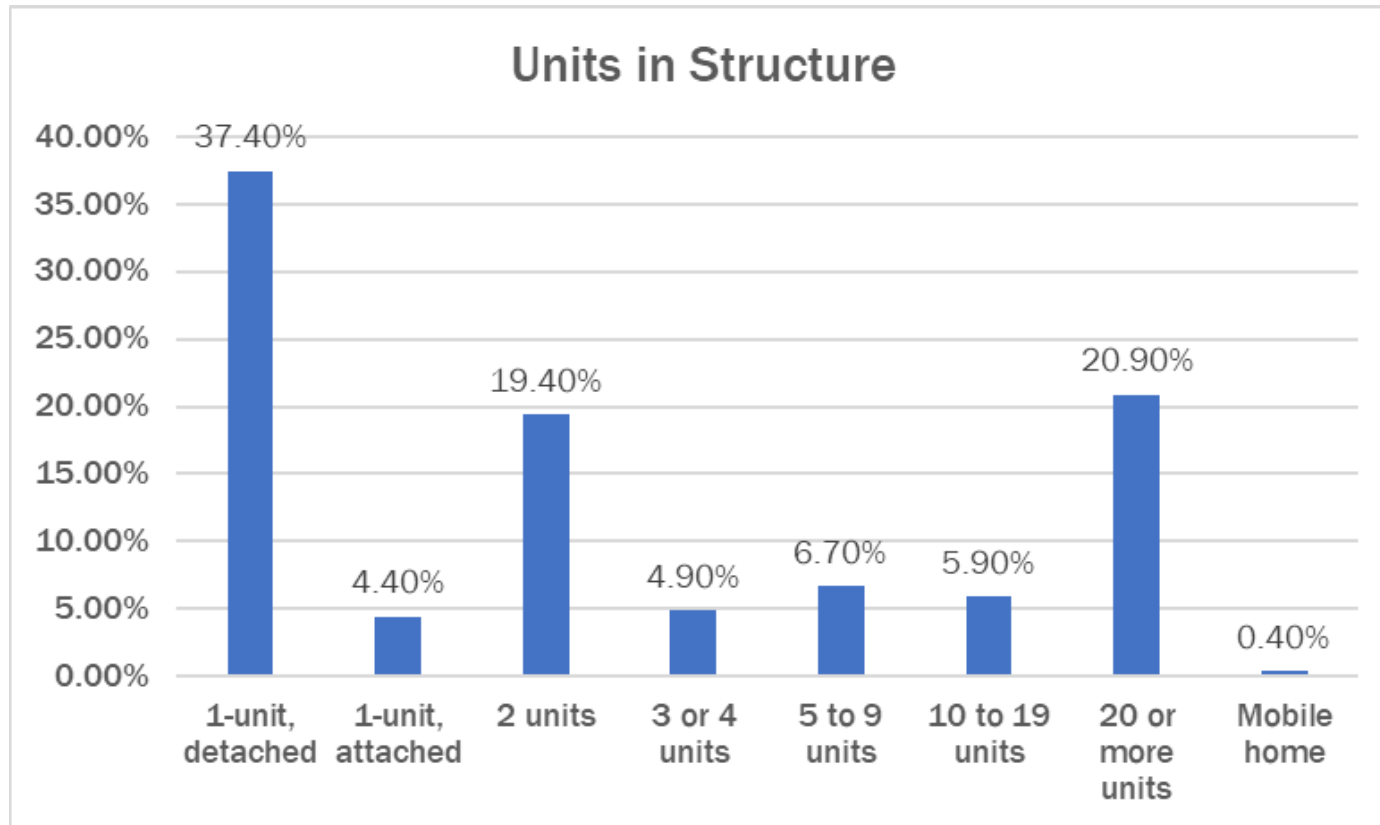
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics



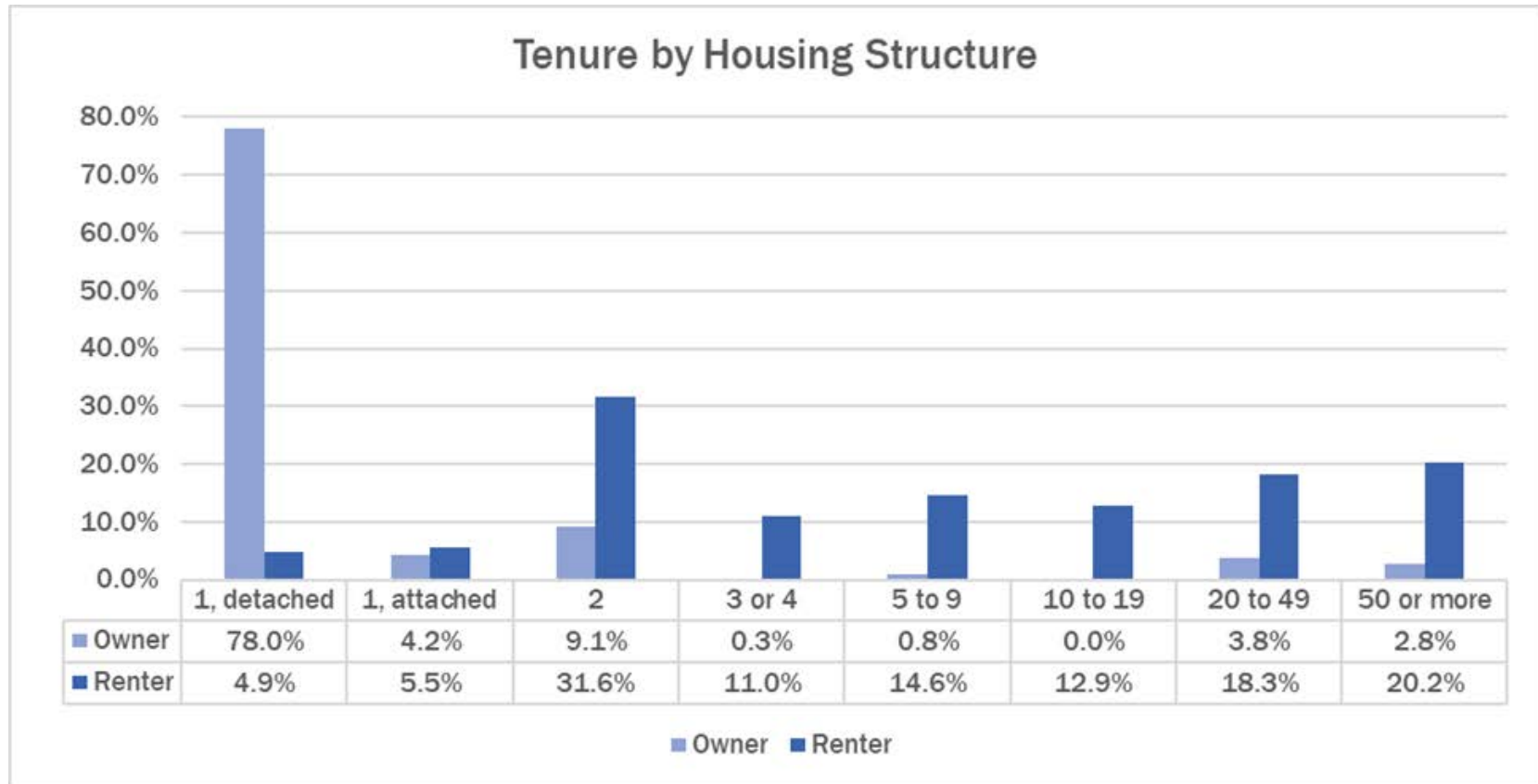
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics



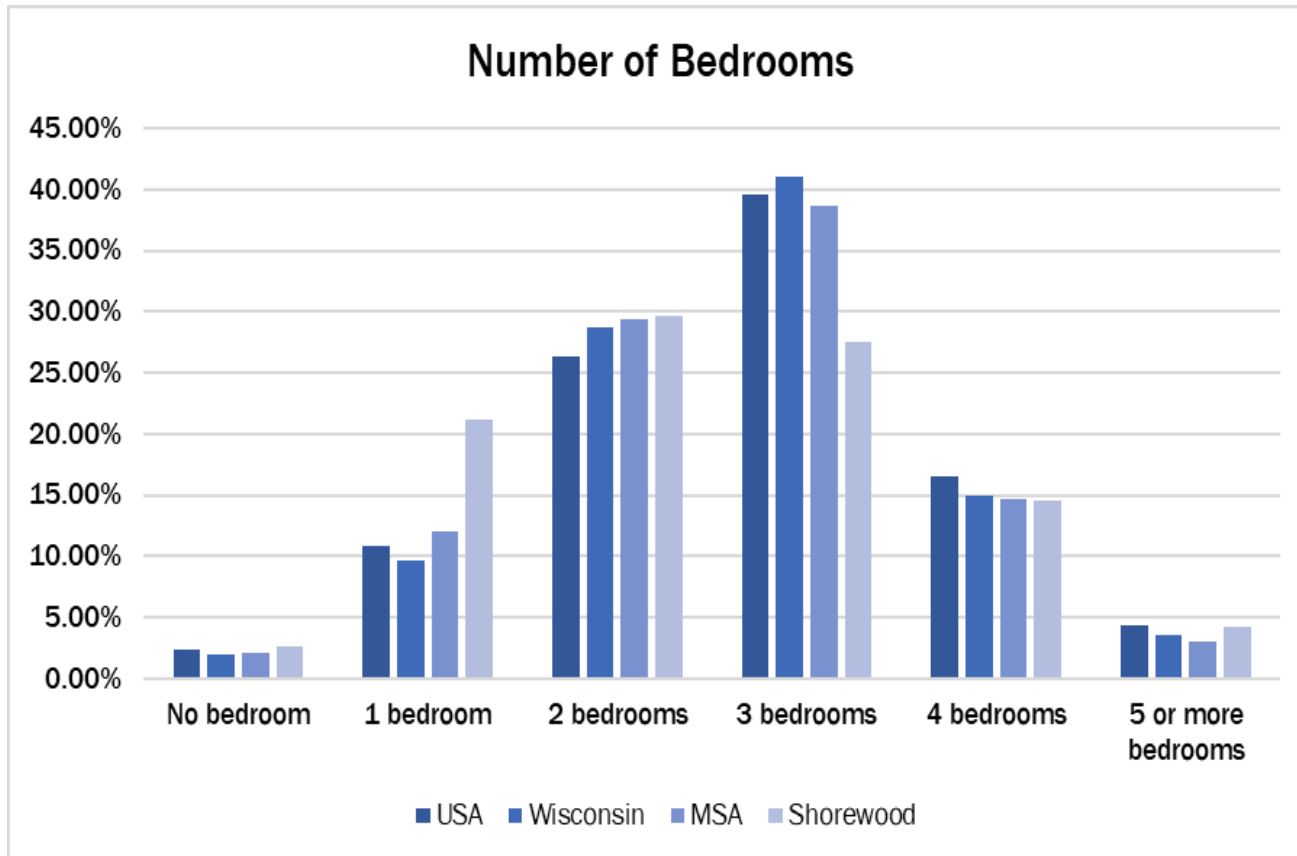
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics



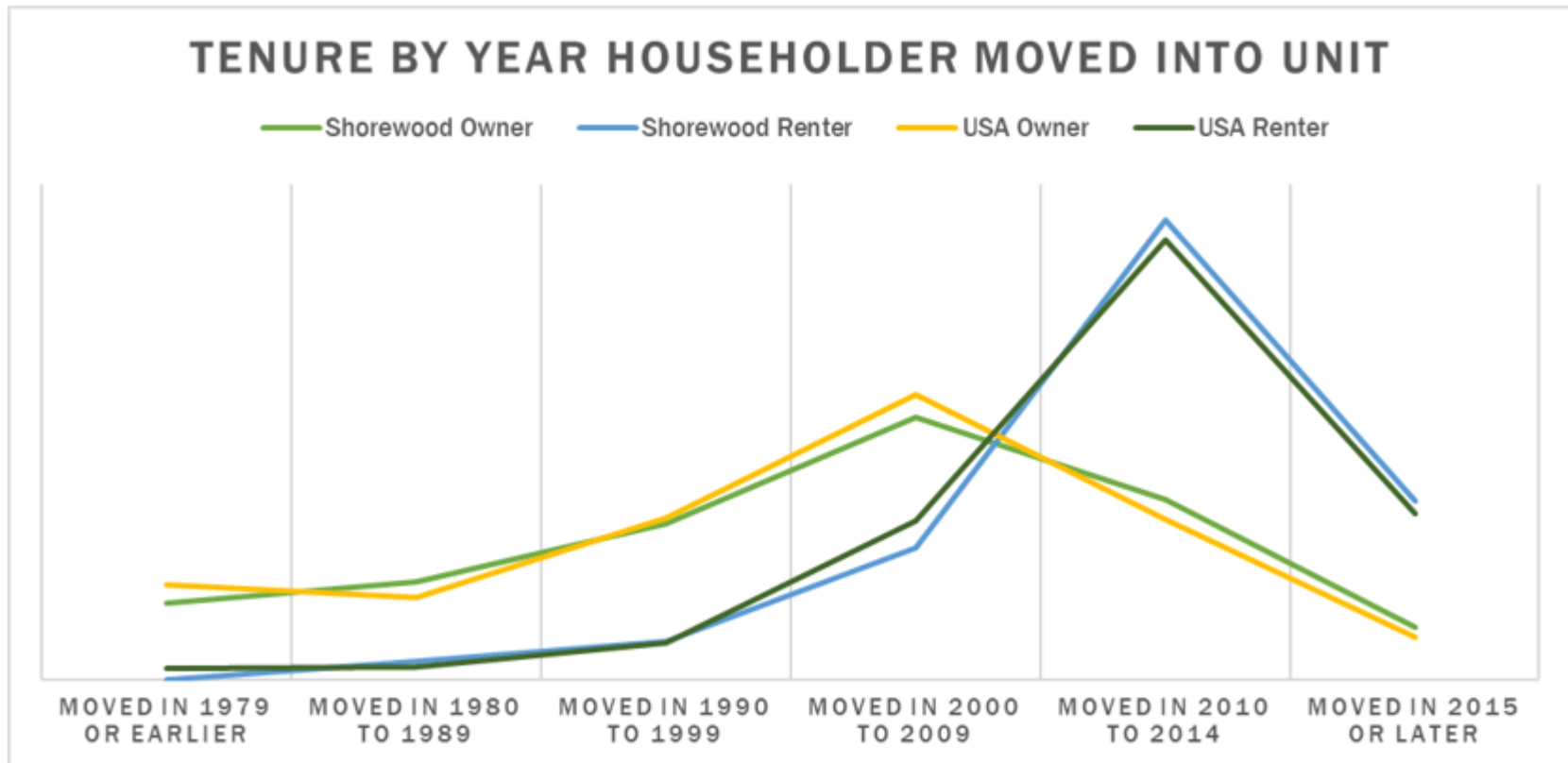
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics



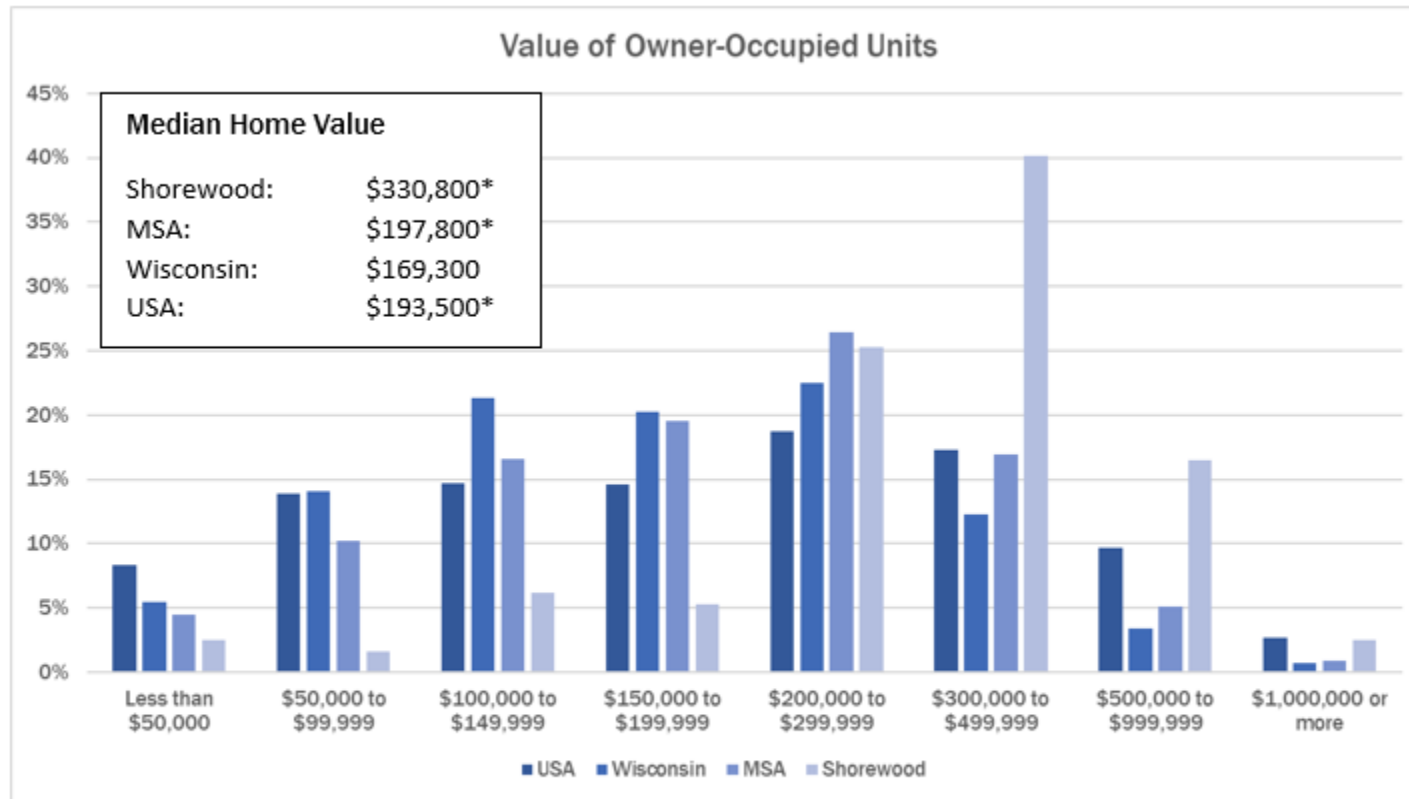
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics



Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

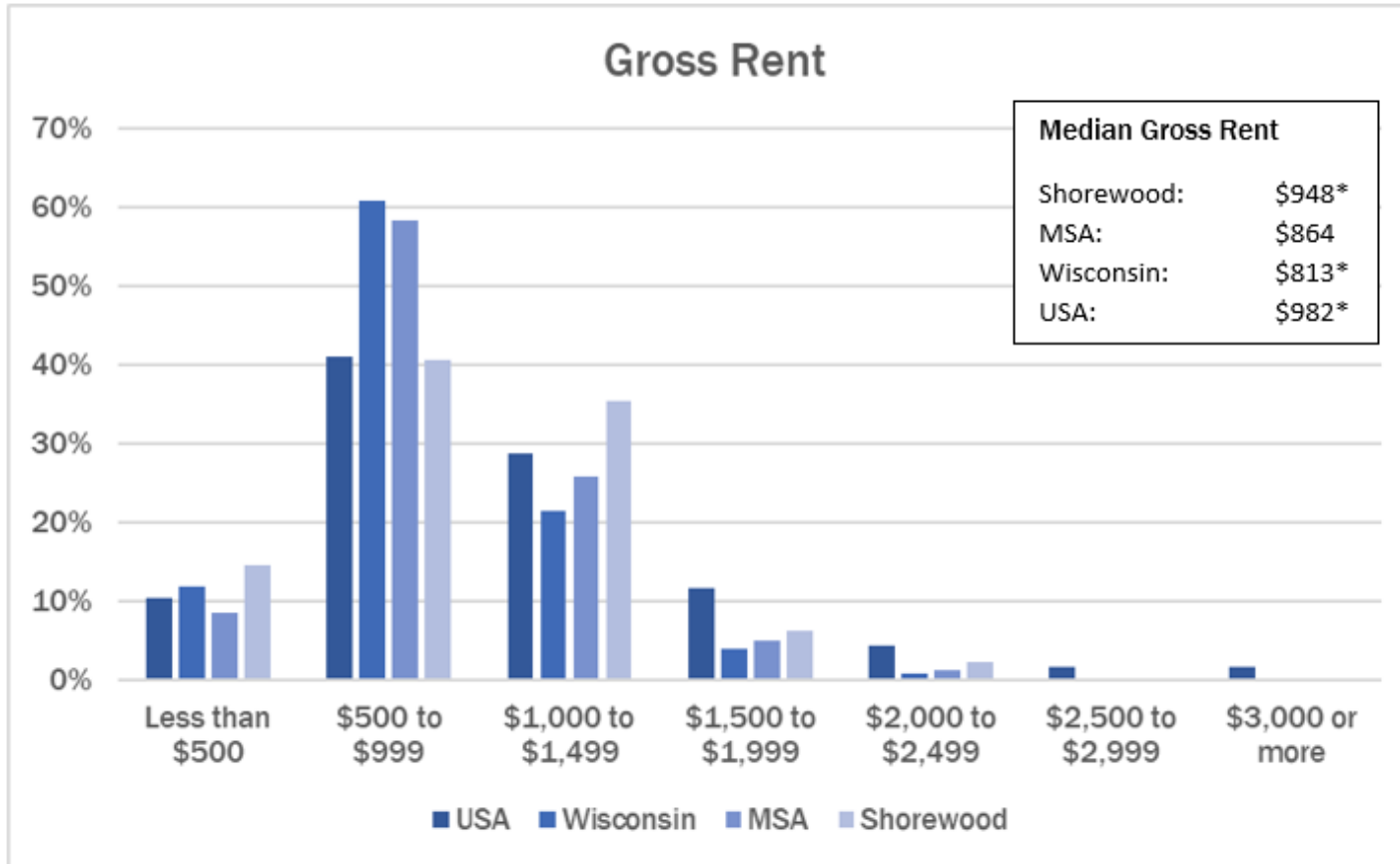
Supply Characteristics



*Value has increased since the 2008-2012 Five-Year Estimates; for Shorewood the median home value from 2008-2012 was \$288,700.

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

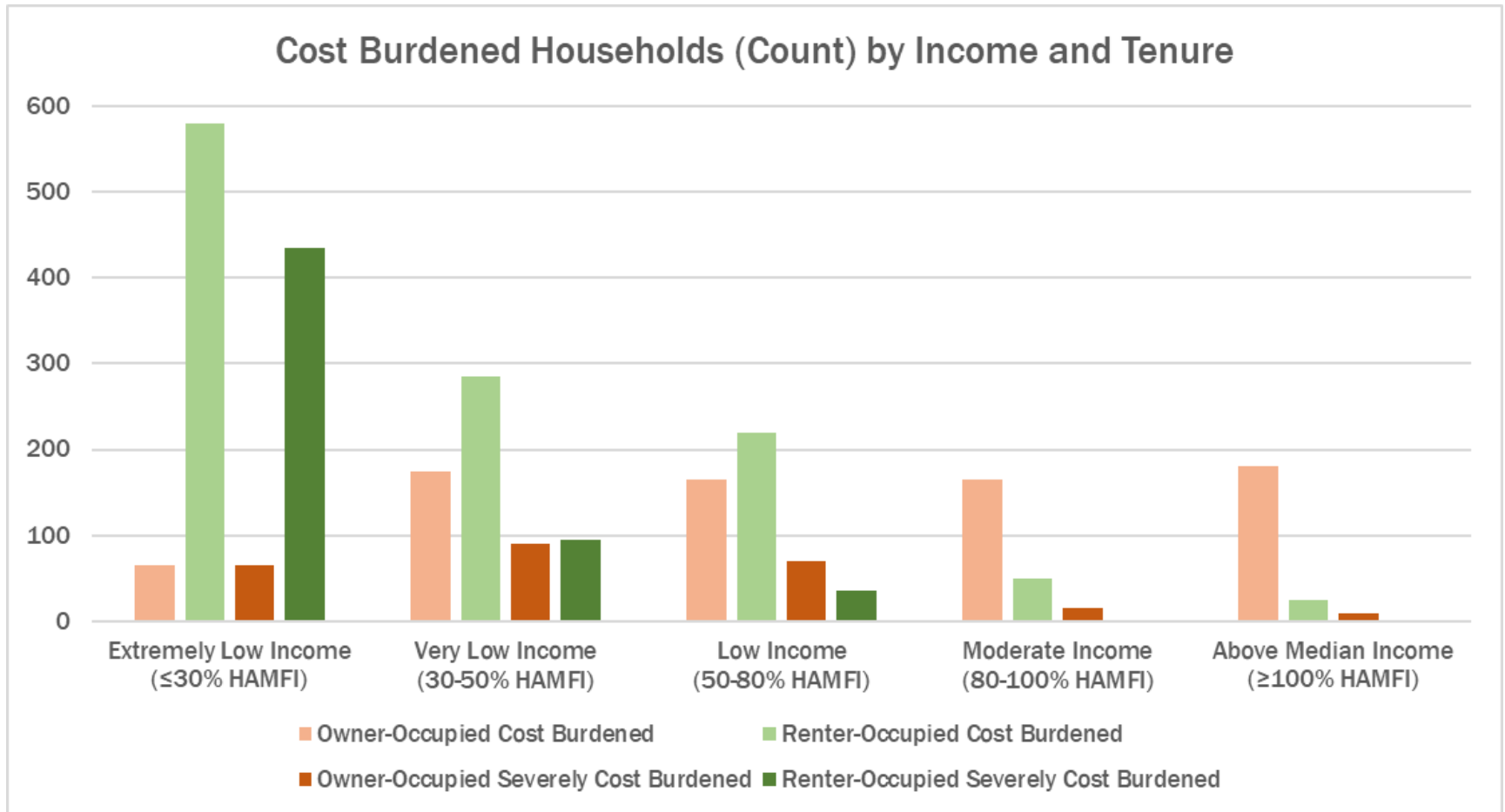
Supply Characteristics



*Value has increased since the 2008-2012 Five-Year Estimates; for Shorewood the median gross rent from 2008-2012 was \$846.

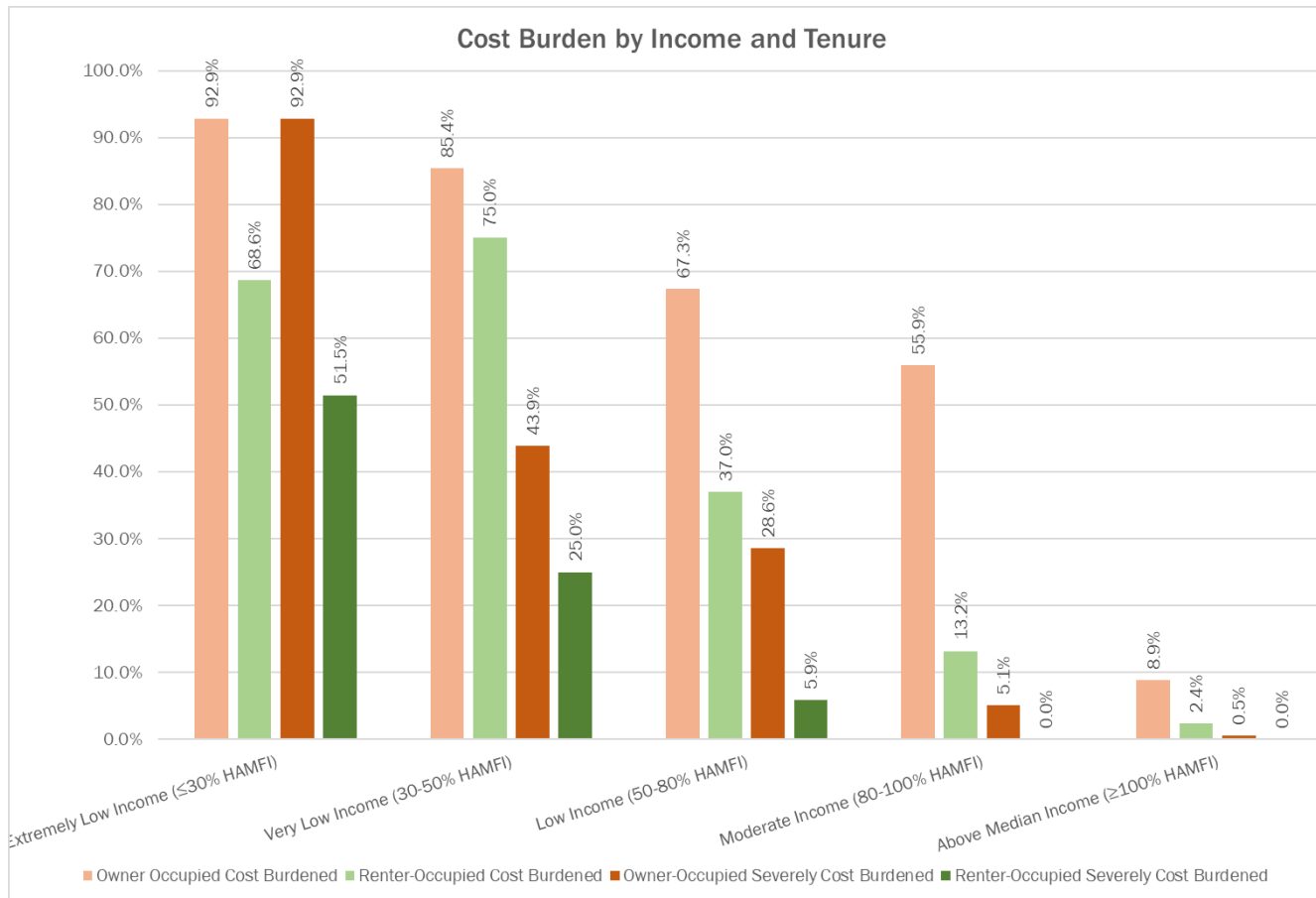
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics



Source: HUD, CHAS, 2012-2016

Supply Characteristics



Renter households constitute 61 percent of all cost burdened households and 70 percent of all severely cost burdened households

Moderate income and below owner households are more likely to experience this hardship.

Source: HUD, CHAS, 2012-2016

Supply Characteristics

Shorewood, Wisconsin

	2013-2017 Estimates	2008-2012 Estimates	Statistical Significance
SELECTED MONTHLY OWNER COSTS AS PERCENTAGE OF HOUSEHOLD INCOME - WITH MORTGAGE			
Less than 20.0 percent	42.50%	30.10%	*
20.0 to 24.9 percent	19.70%	20.20%	
25.0 to 29.9 percent	11.40%	13.70%	
30.0 to 34.9 percent	7.40%	8.70%	
35.0 percent or more	19.10%	27.40%	*
SELECTED MONTHLY OWNER COSTS AS PERCENTAGE OF HOUSEHOLD INCOME - NO MORTGAGE			
Less than 10.0 percent	30.10%	32.60%	
10.0 to 14.9 percent	28.50%	19.70%	
15.0 to 19.9 percent	10.00%	13.50%	
20.0 to 24.9 percent	12.30%	9.70%	
25.0 to 29.9 percent	2.80%	11.40%	*
30.0 to 34.9 percent	2.70%	3.90%	
35.0 percent or more	13.60%	9.10%	
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME			
Less than 15.0 percent	19.20%	11.30%	*
15.0 to 19.9 percent	16.10%	17.90%	
20.0 to 24.9 percent	15.40%	16.00%	
25.0 to 29.9 percent	9.90%	17.80%	*
30.0 to 34.9 percent	9.70%	8.70%	
35.0 percent or more	29.70%	28.30%	

*Indicates that the estimate is significantly different (at a 90% confidence level) than the estimate from the most current year.

Source: US Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

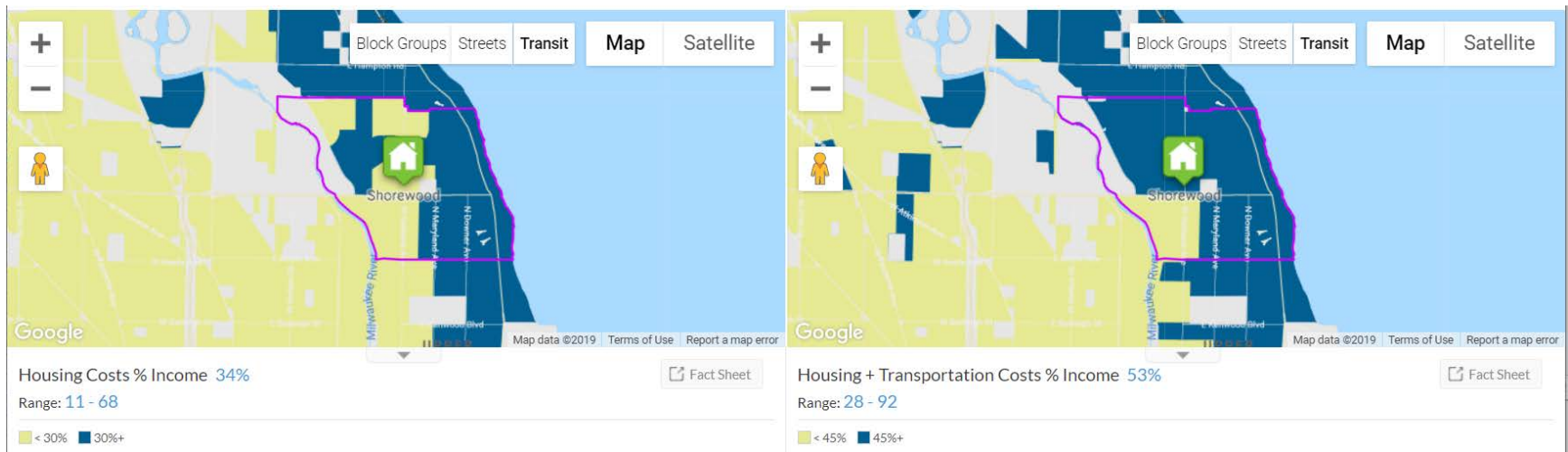
Percentage of owner households with a mortgage who are cost burdened has decreased

Percentage of renters who are cost burdened has remained relatively stable

Supply Characteristics

Two Versions of Affordability

- HUD: Housing costs < 30% of household income
- H&T Index: Housing and transportation costs <45% of household income



Source: Center for Neighborhood Technology, Housing and Transportation Index, December 2019

Supply Characteristics

Affordability relative to other competitive markets



Glendale and Wauwatosa have fairly normal distribution of home values

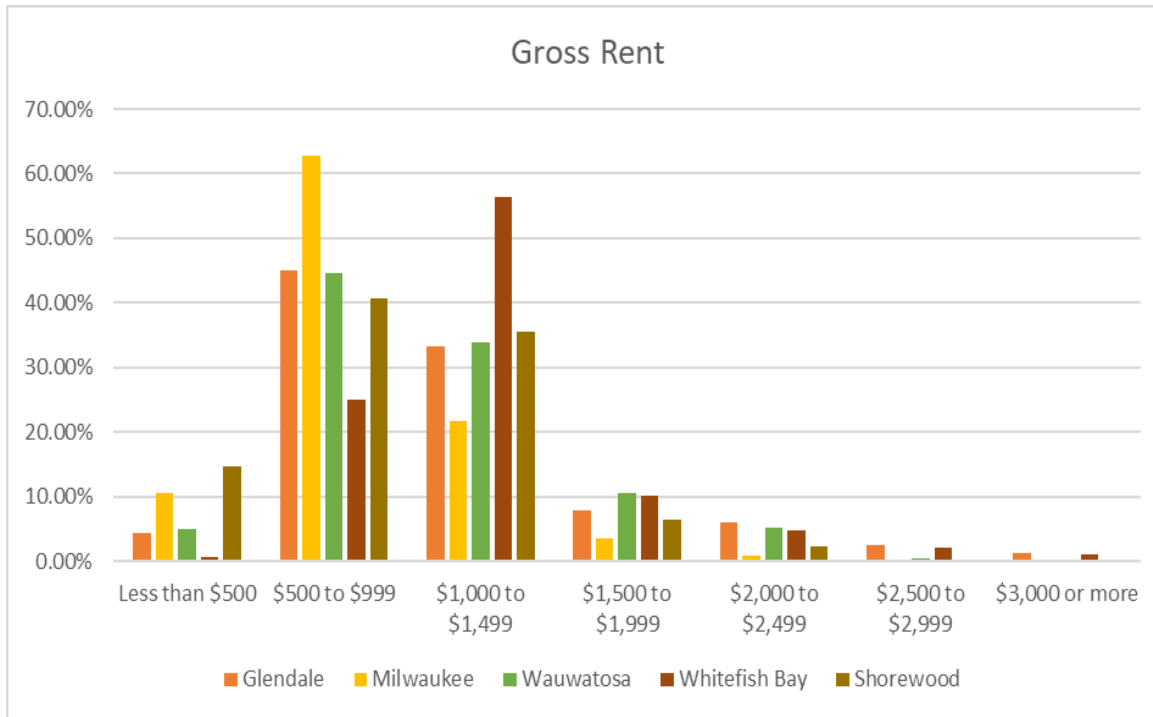
Milwaukee home prices are skewed toward the bottom end of the distribution

Whitefish Bay and Shorewood are skewed toward the top end of the distribution

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics

Affordability relative to other competitive markets



Median gross rent

Shorewood: \$948

Whitefish Bay: \$1,238

Milwaukee: \$822

More rental units @
 <\$500

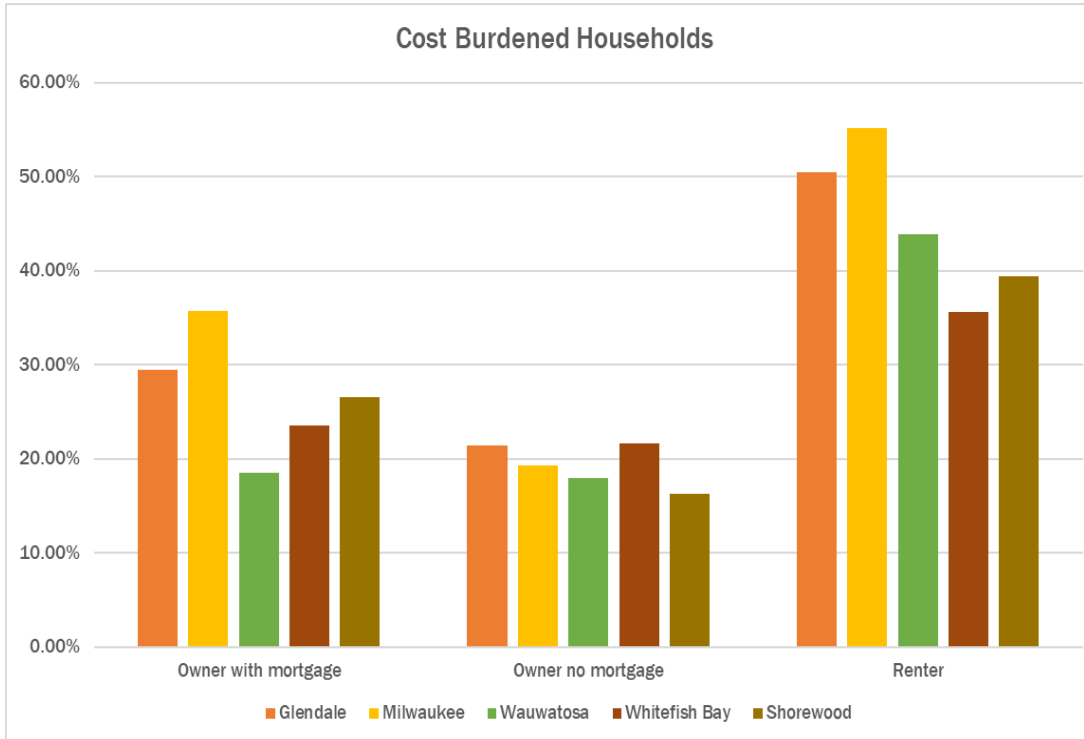
\$1,000 - \$1,4999

Fewer rental units @
 \$500 - \$999

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Supply Characteristics

Affordability relative to other competitive markets

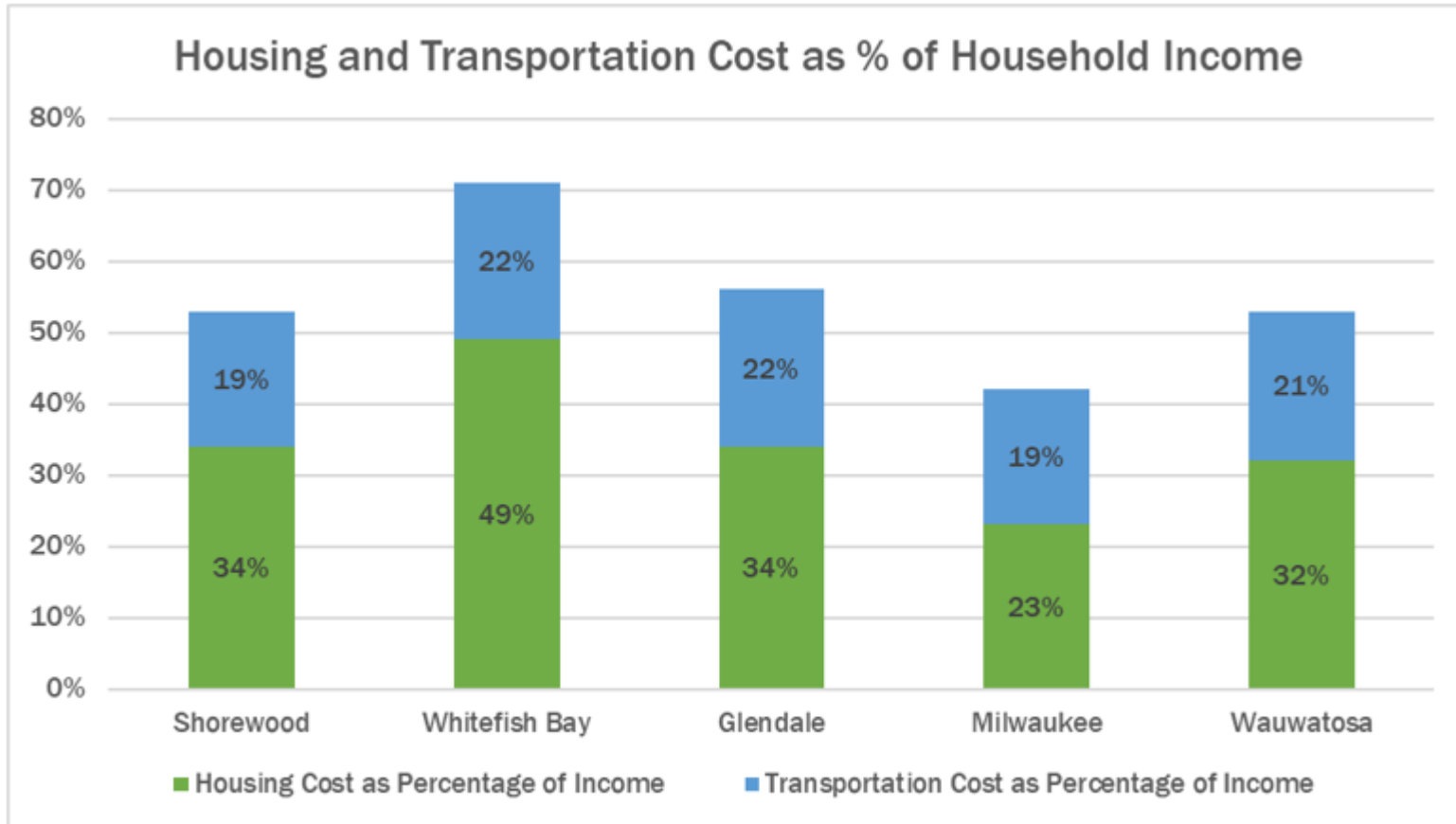


Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

- Shorewood owners with mortgage slightly more likely to be cost burdened than counterparts in Whitefish Bay; this is a result of slightly more owners with a mortgage paying between 30 and 34 percent of their income towards housing.
- Shorewood is similar for owners with no mortgage (MOEs quite large here so what appears to be a difference is in fact not one)
- Renters in Shorewood and Whitefish Bay are less likely to be cost burdened compared to their counterparts in other areas in the MSA.

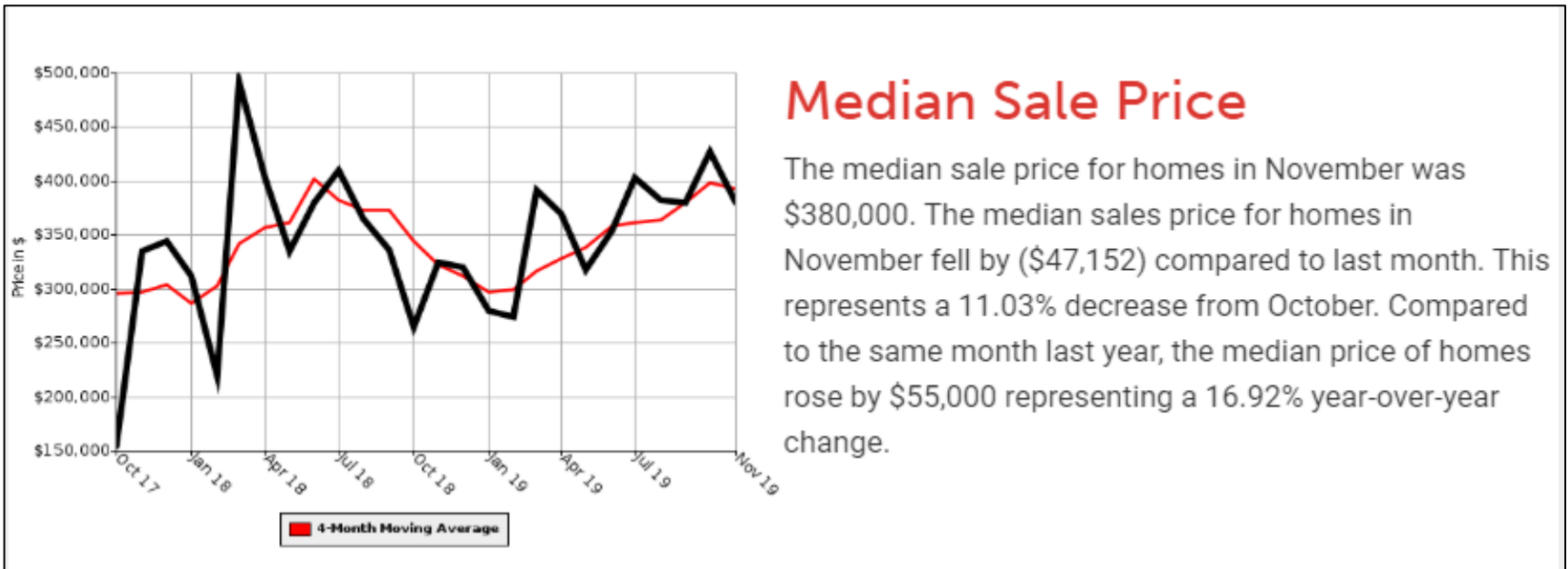
Supply Characteristics

Affordability relative to other competitive markets



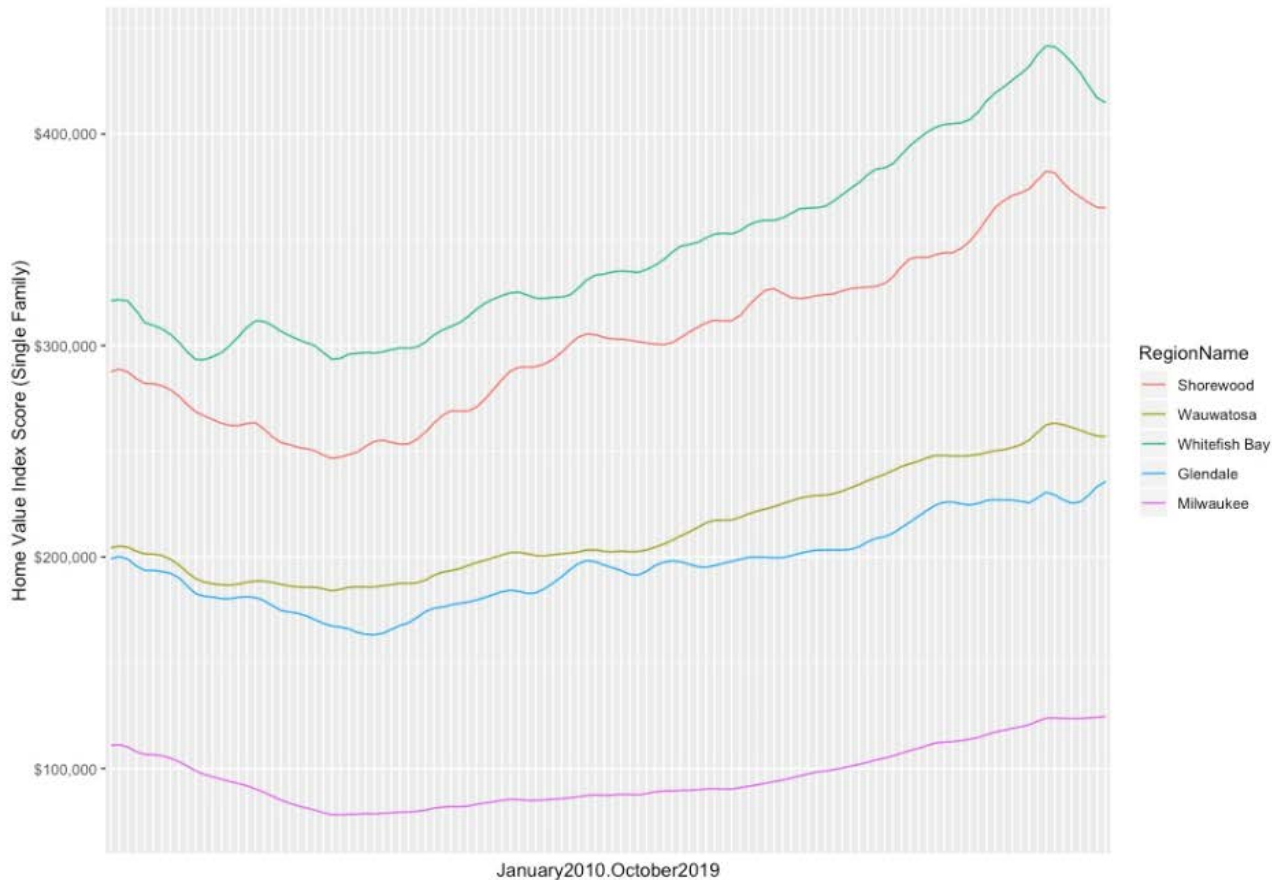
Source: Center for Neighborhood Technology, Housing and Transportation Index, December 2019

For-Sale Market



Source: Shorewest Realtors, retrieved December 2019

For-Sale Market Single-Family Homes

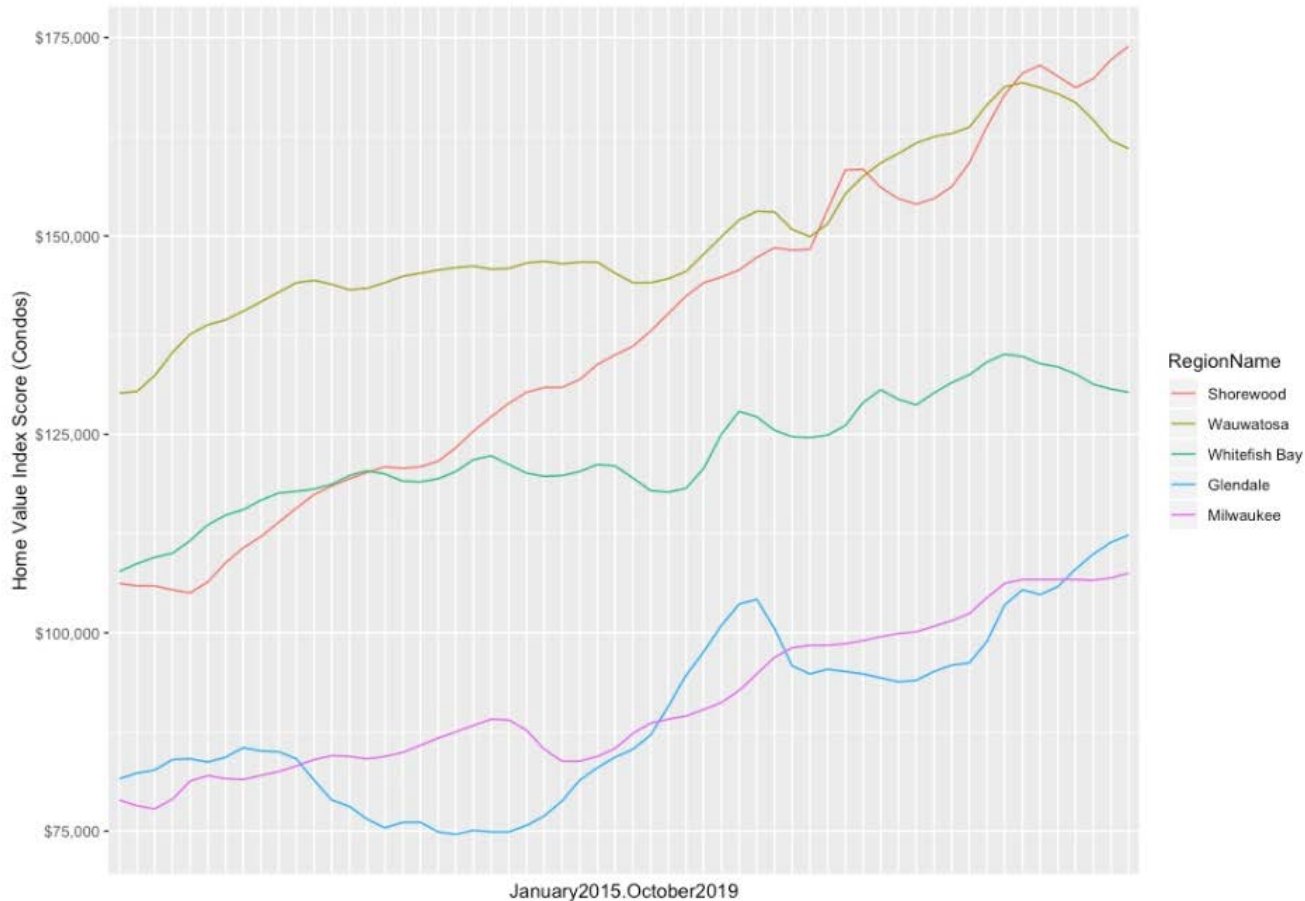


Zillow Home Value Index

Instead of actual sale prices on every home, the index is created from estimated sale prices on every home.

Source: Zillow, December 2019

For-Sale Market Condominiums



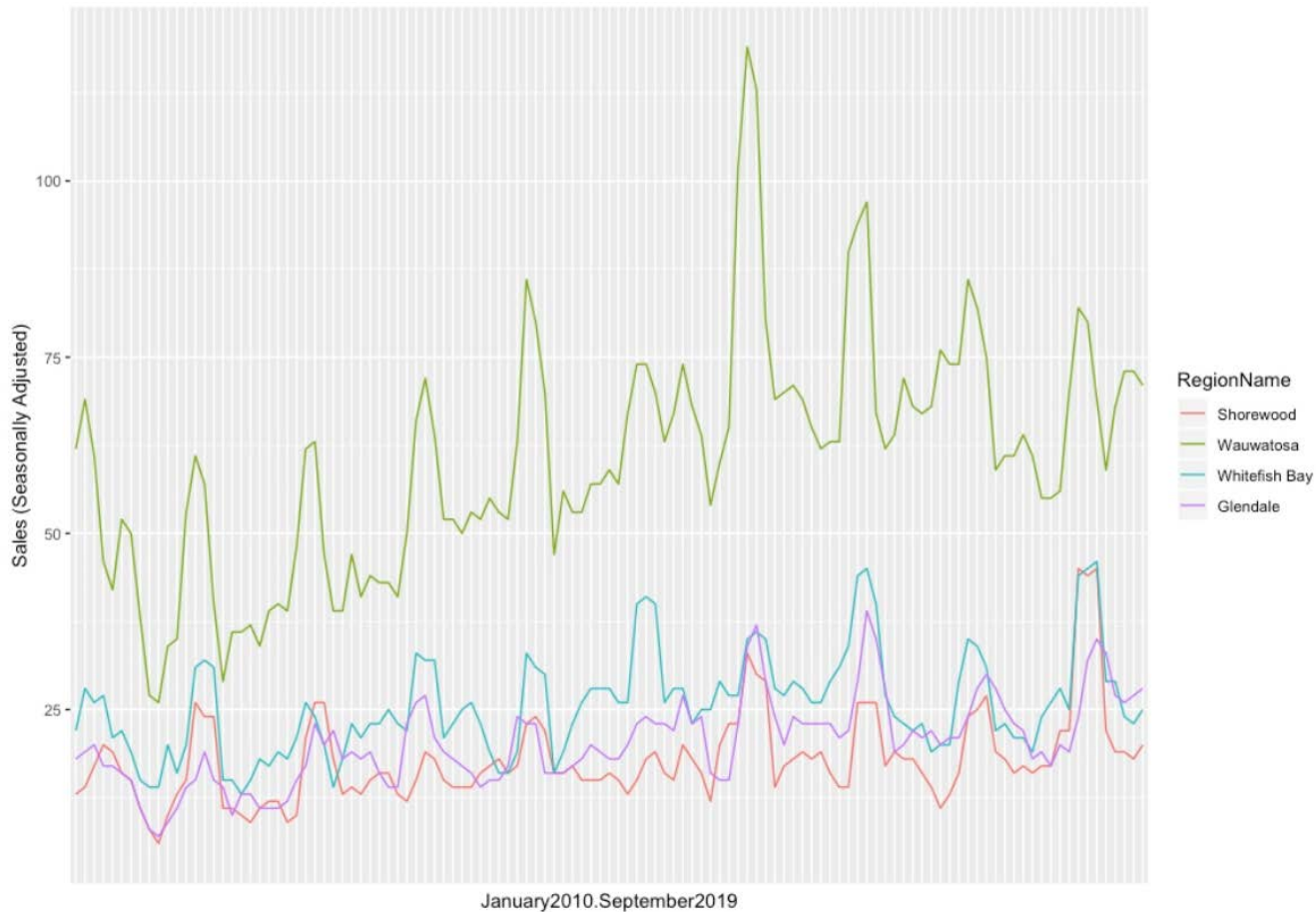
Source: Zillow, December 2019

Zillow Home Value Index

Instead of actual sale prices on every home, the index is created from estimated sale prices on every home.

For-Sale Market

Number of Sales



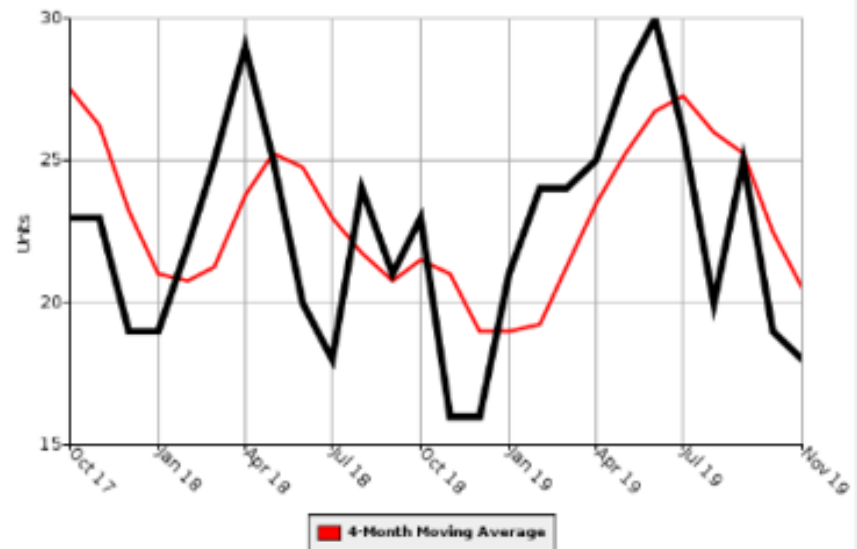
Source: Zillow, December 2019

For-Sale Market

Homes for Sale

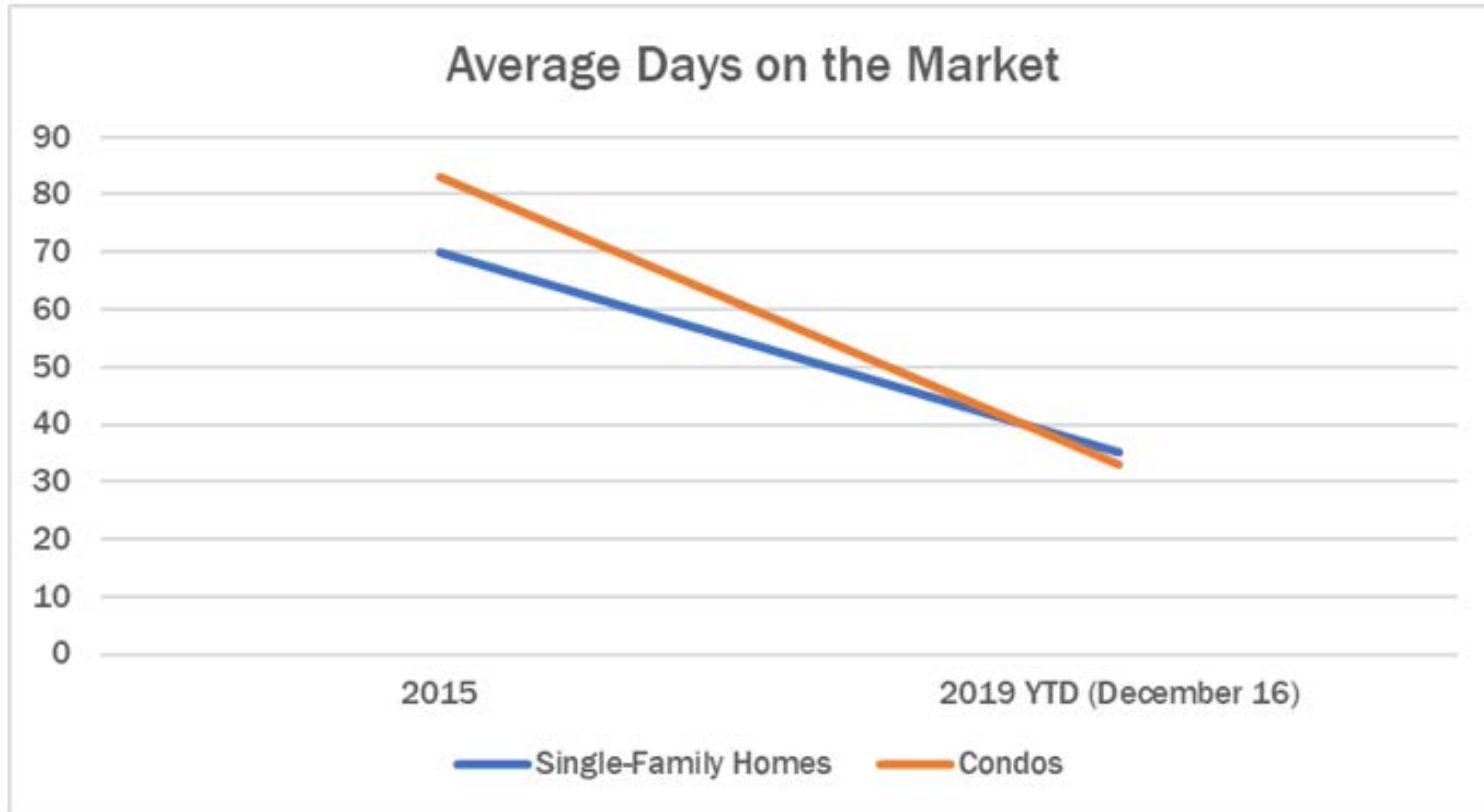
The inventory of homes for sale fell by 1 in November to 18. This represents 5.26% decrease from October when 19 homes were on the market. Compared to the same month last year when there were 16 homes for sale, the inventory of homes for sale has risen by 2 representing a 12.5% year-over-year change.

Homes for sale represents the number of active listings on the market during the specified month as reported in the MLS system operating within the market area.



Source: ~~Shorewest~~ Realtors, retrieved December 2019

For-Sale Market



Source: Local realtor interview based on MLS data, December 2019

For-Sale Market

GAPS

- Starter homes / affordable homes priced at \$200,000 to \$300,000 and below
- New construction / fully updated supply
- Senior friendly housing supply (condos, single-story ranch single-family homes, luxury apartments)

Rental Market

SPECIAL NEEDS HOUSING

DUPLEXES

SUBSIDIZED (INCOME-BASED) MARKET

MARKET RATE MARKET – FAMILY & SENIOR

Rental Market



Special Needs Housing

Typically operated by non-profit and/or with government rental assistance

None in Shorewood

Source: The Housing Authority of the City of Milwaukee, December 2019

Rental Market Duplex Units

- Popular with investors and renters
 - 869 renter-occupied duplexes in Shorewood vs. 251 owner-occupied
 - Why? Tight market & cash transactions

DUPLEXES FOR RENT - SHOREWOOD, WISCONSIN

Address	Bedrooms	Bathrooms	Size (SF)	Rent	Amenities
4607 North Morris	2	1	1,150	\$1,295	Remodeled; new appliances, new in-unit washer and dryer, ber hardwood floors, detached garage
1820 East Menlo Boulevard	2	1	1,320	\$1,200	Detached garage spot for an additional \$50 per month
3542 North Murray Avenue	2	1	1,382	\$1,400	Remodeled kitchen, detached garage, extra storage
4451 North Marlborough Drive	2	1	1,100	\$1,050	Detached garage and fireplace
1522 East Marion Street	2	1	1,500	\$1,195	Water included and off street parking
4493 North Morris Boulevard	2	1	1,210	\$1,290	Sunroom, detached garage parking, washer and dryer in basement (private), and central heat/air
East Menlo Boulevard	2	1	1,000	\$1,100	Detached garage and washer and dryer in basement (private)
4071-4073 N Downer Ave	2	1	N/A	\$1,197	
Minimum			1,000	\$1,050	
Maximum			1,500	\$1,400	
Average			1,237	\$1,216	
4474 N Morris Boulevard	3	1	1,500	\$1,295	Detached garage, shared washer and dryer, fireplace,
4141-4143 N Bartlett	3	1	1,300	\$1,250	Detached garage, shared washer and dryer, heat and hot water included
3916 North Farewell Avenue	3	1	1,250	\$1,350	Detached garage and washer and dryer hookups
4034 North Downer Avenue	3	2	2,600	\$2,295	Remodeled kitchen, whirlpool tub, and detached garage
4016 North Larkin Street	3	1	1,250	\$1,400	Detached garage
4101 North Downer Avenue	3	1	1,600	\$1,499	Remodeled kitchen and bathroom and detached garage parking for an additional \$75/month
4101 North Downer Avenue	3	2	1,700	\$1,495	Remodeled kitchen and bathroom and detached garage parking for an additional \$75/month
4472 North Morris Boulevard	3	1	1,500	\$1,295	Detached garage, shared washer and dryer, fireplace,
Shorewood	3	1	1,500	\$1,675	Sunroom and washer and dryer
3950 North Downer Avenue	3	1	1,200	\$1,250	Detached garage
Minimum			1,200	\$1,250	
Maximum			2,600	\$2,295	
Average			1,540	\$1,480	

Sources: craigslist.org, trulia.com, zillow.com, rent.com

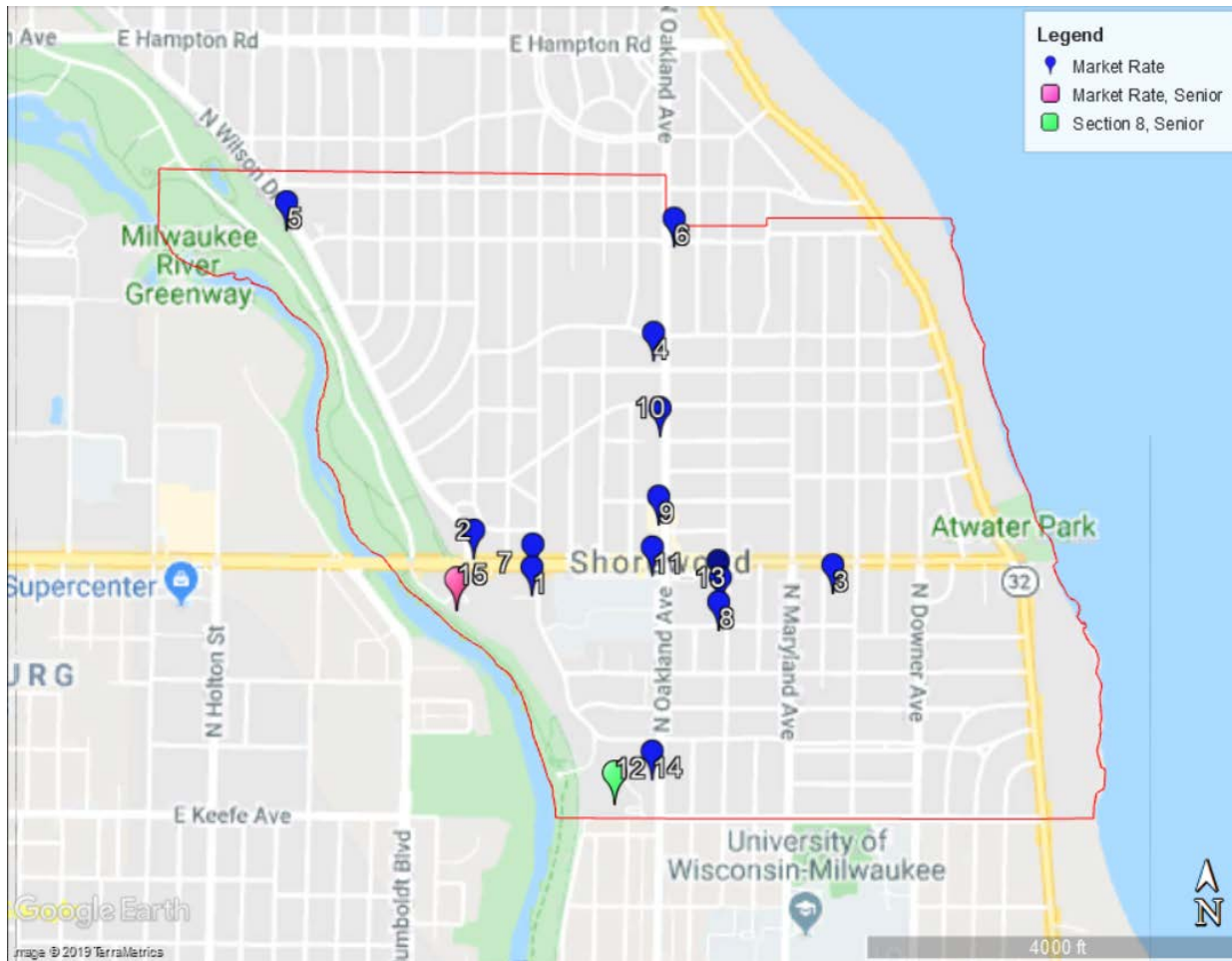
Rental Market

Subsidized Housing – River Park I & II

- 427 units
- 1BR units @ 550 SF
- Seniors 62+ OR seniors 55+ with a disability
- Priority for extremely low-income households, but can rent to very low income as well
- Rent is income-based
- 99.3 percent occupied
- Waiting list: 2- 4 months
- Turnover is low, below 10% annually
- Majority of residents are not from the local area

Rental Market

4+ Units



ACS: 1,814 rental units in buildings with 4+ units

Survey Includes: 1,648 units (~91%)

Rental Market

4+ Units

Year Built

Properties range from vintage 1920s/1930s construction to 2018 new construction

Design

The majority of the older housing stock is low-rise buildings, no elevator

Property Size

Properties range from 15 to 427 units.

Unit Size

UNIT SIZE COMPARISON

Bedroom Type	0BR	1BR	2BR	3BR
Average	445	821	1,268	1,596
Min	405	550	835	1,000
Max	474	1,090	2,014	2,450

Rental Market

4+ Units

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
3919 North Morris Blvd. Apartments	Market	Family	15	0	0.0%
Ardmore Terrace Apartments	Market	Family	61	3	4.9%
Casanova Apartments	Market	Family	36	1	2.8%
Charleston East Apartments	Market	Family	48	1	2.1%
Colony Woods	Market	Family	218	5	2.3%
Cornerstone & Ravenna Apartments	Market	Family	44	3	6.8%
Eastmore Real Estate	Market	Family	230	6	2.6%
Fountainview Apartments	Market	Family	102	3	2.9%
Lighthorse 4041	Market	Family	85	2	2.4%
Mosaic On Oakland	Market	Family	95	6	6.3%
North Shore Apartments	Market	Family	44	2	4.5%
River Park Apartments	Section 8	Senior	427	3	0.7%
Shorewood East Apartments	Market	Family	48	1	2.1%
The Lakewood Building	Market	Family	46	0	0.0%
The Oaks Of Shorewood	Market	Senior	101	5	5.0%
The Villager	Market	Family	48	2	4.2%
Total Section 8			475	3	0.6%
Total Market Rate			1,173	40	3.4%
Overall Total			1,648	43	2.6%

Rental Market

4+ Units

Studio One Bath		One Bedroom One Bath		Two Bedroom One Bath		Three Bedroom One Bath	
Property	Average	Property	Average	Property	Average	Property	Average
LIHTC Maximum Allowable Rent 80% AMI	\$1,060	Comerstone & Ravenna Apartments (Market)	\$1,634	Comerstone & Ravenna Apartments (Market)(2BA)	\$3,249	Comerstone & Ravenna Apartments (Market)(2BA)	\$3,657
Fountainview Apartments (Market)	\$802	The Oaks Of Shorewood (Market)(1.5BA)	\$1,591	Comerstone & Ravenna Apartments (Market)(2.5BA)	\$3,149	Comerstone & Ravenna Apartments (Market)(2BA)	\$3,257
Colony Woods (Market)	\$779	Comerstone & Ravenna Apartments (Market)	\$1,584	Comerstone & Ravenna Apartments (Market)(2BA)	\$3,049	Mosaic On Oakland (Market)(2BA)	\$3,155
LIHTC Maximum Allowable Rent 60% AMI	\$771	Mosaic On Oakland (Market)	\$1,561	Comerstone & Ravenna Apartments (Market)(2BA)	\$3,049	Comerstone & Ravenna Apartments (Market)(2BA)	\$3,107
North Shore Apartments (Market)	\$754	Comerstone & Ravenna Apartments (Market)	\$1,534	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,949	Lighthorse 4041 (Market)(2BA)	\$2,971
Eastmore Real Estate (Market)	\$695	Lighthorse 4041 (Market)	\$1,449	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,749	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,457
Casanova Apartments (Market)	\$670	Comerstone & Ravenna Apartments (Market)	\$1,409	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,649	Fountainview Apartments (Market)(2BA)	\$1,685
Fair Market Rent	\$527	Comerstone & Ravenna Apartments (Market)	\$1,359	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,649	LIHTC Maximum Allowable Rent 80% AMI	\$1,551
		The Oaks Of Shorewood (Market)	\$1,286	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,549	Shorewood East Apartments (Market)(2BA)	\$1,519
		LIHTC Maximum Allowable Rent 80% AMI	\$1,123	Lighthorse 4041 (Market)(2BA)	\$2,531	Eastmore Real Estate (Market)(2BA)	\$1,149
		Shorewood East Apartments (Market)	\$1,038	Mosaic On Oakland (Market)(2BA)	\$2,476	LIHTC Maximum Allowable Rent 60% AMI	\$1,123
		Fountainview Apartments (Market)	\$1,017	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,399	Eastmore Real Estate (Market)	\$1,049
		Charleston East Apartments (Market)	\$978	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,374	Fair Market Rent	\$1,006
		North Shore Apartments (Market)	\$873	Comerstone & Ravenna Apartments (Market)(2BA)	\$2,049		
		LIHTC Maximum Allowable Rent 60% AMI	\$814	The Oaks Of Shorewood (Market)(2BA)	\$1,959		
		Casanova Apartments (Market)	\$804	Fountainview Apartments (Market)(2BA)	\$1,532		
		Ardmore Terrace Apartments (Market)	\$773	The Oaks Of Shorewood (Market)(1.5BA)	\$1,531		
		Eastmore Real Estate (Market)	\$768	Shorewood East Apartments (Market)(2BA)	\$1,461		
		Eastmore Real Estate (Market)	\$718	Comerstone & Ravenna Apartments (Market)(2BA)	\$1,424		
		3919 North Morris Blvd. Apartments (Market)	\$714	LIHTC Maximum Allowable Rent 80% AMI	\$1,350		
		Fair Market Rent	\$640	Fountainview Apartments (Market)(1.5BA)	\$1,285		
				Colony Woods (Market)	\$1,224		
				North Shore Apartments (Market)	\$1,187		
				Shorewood East Apartments (Market)(1.5BA)	\$1,111		
				Charleston East Apartments (Market)(2BA)	\$1,081		
				Casanova Apartments (Market)	\$1,075		
				Eastmore Real Estate (Market)	\$1,066		
				Shorewood East Apartments (Market)	\$1,061		
				Charleston East Apartments (Market)(1.5BA)	\$1,046		
				The Lakewood Building (Market)(1.5BA)	\$1,022		
				The Lakewood Building (Market)	\$1,022		
				Charleston East Apartments (Market)	\$991		
				LIHTC Maximum Allowable Rent 60% AMI	\$979		
				3919 North Morris Blvd. Apartments (Market)	\$975		
				Eastmore Real Estate (Market)	\$961		
				Ardmore Terrace Apartments (Market)	\$892		
				Fair Market Rent	\$786		

*Utility adjustments made assuming that gas heat and trash removal are included in the rent.

Properties with rents below 80% AMI maximum allowable rents represent naturally occurring affordable housing opportunities, particularly those below 60% AMI levels

Short-Term Rental Market

6,344 housing units in Shorewood

As of December 2019, there were 11 entire housing units, or 0.2 percent of the housing stock, and two additional housing units with private rooms advertised for short-term rental in Shorewood

SHORT TERM RENTAL MARKET

Unit Type	Rate	Private Room/Entire Space	Availability	Source
Room in SFH*	\$45	Private Room	Available January - mid March 2020	AirBnB
Room in SFH*	\$36	Private Room	Available January - mid March 2020	AirBnB
Room in SFH*	\$40	Private Room	Available January - mid March 2020	AirBnB
Room in SFH	\$50	Private Room	Available nightly	AirBnB
2BR/2BA Apartment	\$1,500	Entire Space	For 10 days in July - DNC conference	AirBnB
2BR/1BA Upper Duplex	\$99	Entire Space	Available starting June 2020	VBRO
2BR/1BA Upper Apartment	\$71	Entire Space	Available nightly	VBRO
2BR/1BA Upper Duplex	\$90	Entire Space	No available dates	VBRO
2BR/2BA SFH	\$358	Entire Space	Available nightly	VBRO
3R/2BA SFH	\$1,300	Entire Space	For one week in July - DNC conference	VBRO
3BR/1.5 SFH	\$1,500	Entire Space	For one week in July - DNC conference	AirBnB
3BR/1BA Apartment	\$1,000	Entire Space	Available starting July 2020	AirBnB
4BR/2.5BA SFH	\$129	Entire Space	Available nightly	AirBnB
4BR/2BA	\$159	Entire Space	Available nightly	VBRO
5BR/3BA SFH	\$951	Entire Space	Available nightly	VBRO

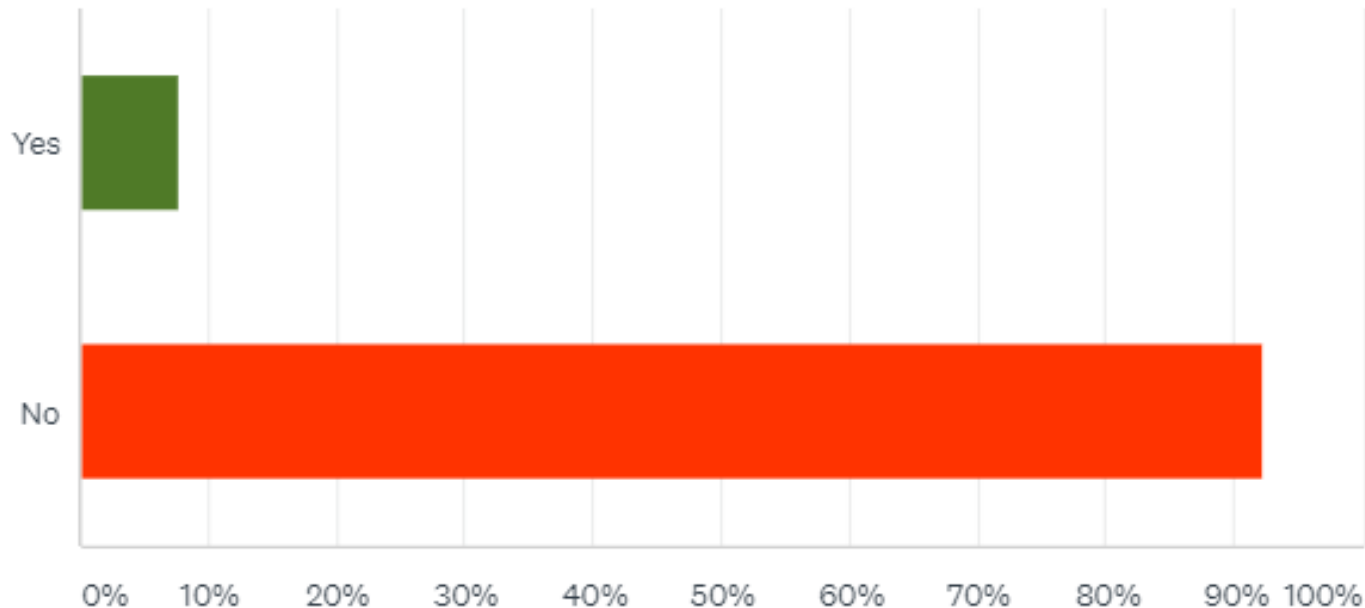
*Rooms are in the same home.

Source: AirBnB, VBRO, December 2019

Short-Term Rental Market

Survey Responses

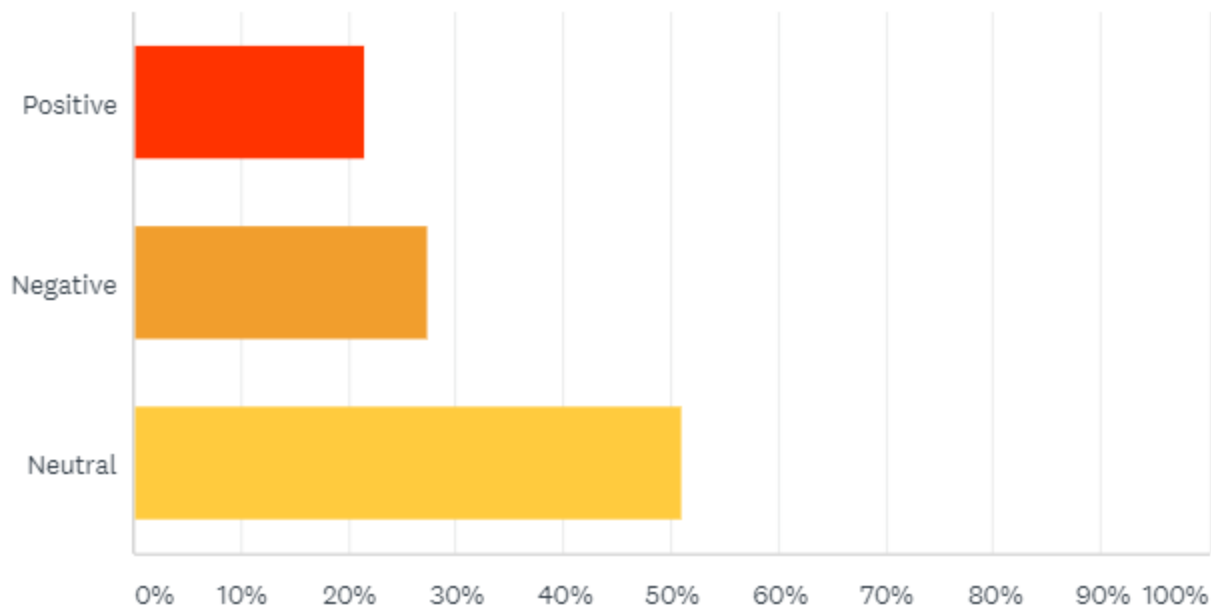
Have you been disrupted by short term rentals (e.g. noise, lack of parking, security issues, etc.)?



Short-Term Rental Market

Survey Responses

What overall impact do you believe that short term rentals have for the overall community, including homeowners, schools and businesses?



Demand - Gap Analysis

Rental Units

AFFORDABLE RENTAL HOUSING GAP ANALYSIS

All Renter Households 3,255

At or below extremely low income ($\leq 30\%$ HAMFI)

Total Renter Households 845
 Affordable Units 550
 Surplus or Deficit of Affordable Units (295)
 Affordable Units per 100 Renter Households 65
 Affordable and Available Units 340
 Surplus or Deficit of Affordable and Available Units (505)
 Affordable and Available Units per 100 Renter Households 40

At or below very low income ($\leq 50\%$ HAMFI)

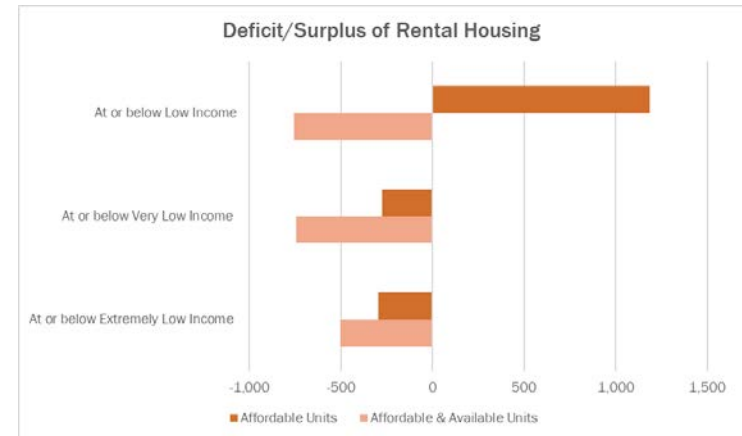
Total Renter Households 1,225
 Affordable Units 950
 Surplus or Deficit of Affordable Units (275)
 Affordable Units per 100 Renter Households 78
 Affordable and Available Units 480
 Surplus or Deficit of Affordable and Available Units (745)
 Affordable and Available Units per 100 Renter Households 39

At or below low income ($\leq 80\%$ HAMFI)

Total Renter Households 1,820
 Affordable Units 3,005
 Surplus or Deficit of Affordable Units 1,185
 Affordable Units per 100 Renter Households 165
 Affordable and Available Units 1,065
 Surplus or Deficit of Affordable and Available Units (755)
 Affordable and Available Units per 100 Renter Households 59

Note: the above categories are not independent, but rather are additive

Source: HUD, 2012-2016 CHAS data, published August 2019.



- **Affordable** – rent is affordable
- **Available** – rent is affordable & the unit is occupied by household with appropriate income
- **Per HH** shows relative need by adjusting overall need to the population size

Demand - Gap Analysis

Owner Units

AFFORDABLE OWNER HOUSING GAP ANALYSIS

All Owner Households 2,845

At or below Very Low Income Owner Households ($\leq 50\%$ HAMFI)

Total Owner Households 275
 Affordable Units 190
 Surplus or Deficit of Affordable Units (85)
 Affordable Units per 100 Owner Households 69
 Affordable and Available Units 70
 Surplus or Deficit of Affordable and Available Units (205)
 Affordable and Available Units per 100 Owner Households 25

At or below Low Income Owner Households ($\leq 80\%$ HAMFI)

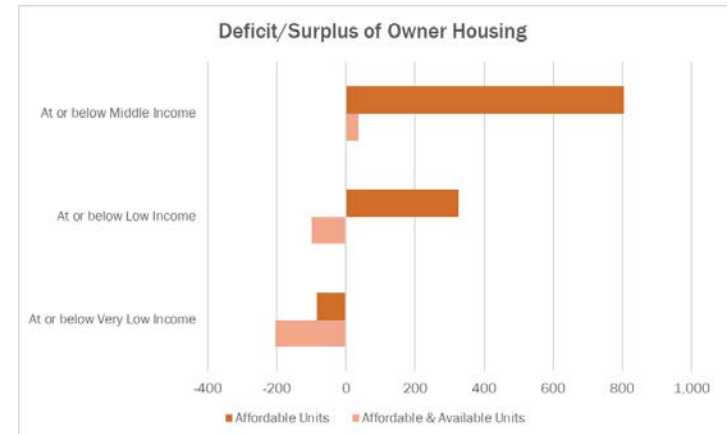
Total Owner Households 520
 Affordable Units 570
 Surplus or Deficit of Affordable Units 50
 Affordable Units per 100 Owner Households 110
 Affordable and Available Units 145
 Surplus or Deficit of Affordable and Available Units (375)
 Affordable and Available Units per 100 Owner Households 28

At or below Middle Income Owner Households ($\leq 100\%$ HAMFI)

Total Owner Households 815
 Affordable Units 1,100
 Surplus or Deficit of Affordable Units 285
 Affordable Units per 100 Owner Households 135
 Affordable and Available Units 330
 Surplus or Deficit of Affordable and Available Units (485)
 Affordable and Available Units per 100 Owner Households 40

Note: the above categories are not independent, but rather are additive

Source: HUD, 2011-2015 CHAS data, published June 2018.



Forecast Demand

FORECAST HOUSING DEMAND

	2019 ¹	2020 Projection ²	2025 Projection ²	2030 Projection ²	2035 Projection ²	Total 2019 - 2035
Number of Households	6,488	6,640	6,632	6,671	6,815	-
Number of New Households	-	152	-8	39	144	327
Number of New Housing Units Needed²	-	160	-8	41	151	343

¹ ESRI Demographics 2019, Novogradac Consulting LLP, December 2019

² Wisconsin Department of Administration Household Projections, retrieved November 2019

³ Assumes a healthy market vacancy rate of five percent.

Average rate of construction since 2010 ~ 45 new housing units / year

Assuming the above rate of construction, over the next 16 years an additional 720 housing units would be added

Assuming the above, then forecast demand on the whole would therefore be met – BUT there are still gaps within the housing stock

Stakeholder Listening Sessions

Method & Attendance

2 Sessions – 1pm and 6pm on November 7th

Key stakeholders (government, major employers, service providers, etc.) received direct invitations and sessions were also advertised the local media

Attendance: ~ 39 people

Goal – Three Main Questions

- What are the housing needs?
- What are the barriers to meeting those needs?
- What strategies should be pursued to try to overcome those barriers?

Stakeholder Listening Sessions

Results

Gaps

- Senior friendly housing options to allow for aging in place (single-story ranch homes)
- Updated move-in ready supply
- Energy efficient supply
- Housing for persons with special needs
- Affordable housing

The Barriers

- Market doesn't meet all needs
- Zoning restrictions
- Older housing stock
- Lack of knowledge about housing assistance programs
- Lack of available developable land
- High residential property taxes
- Concern regarding increased density

Stakeholder Listening Sessions

Results

Potential Solutions

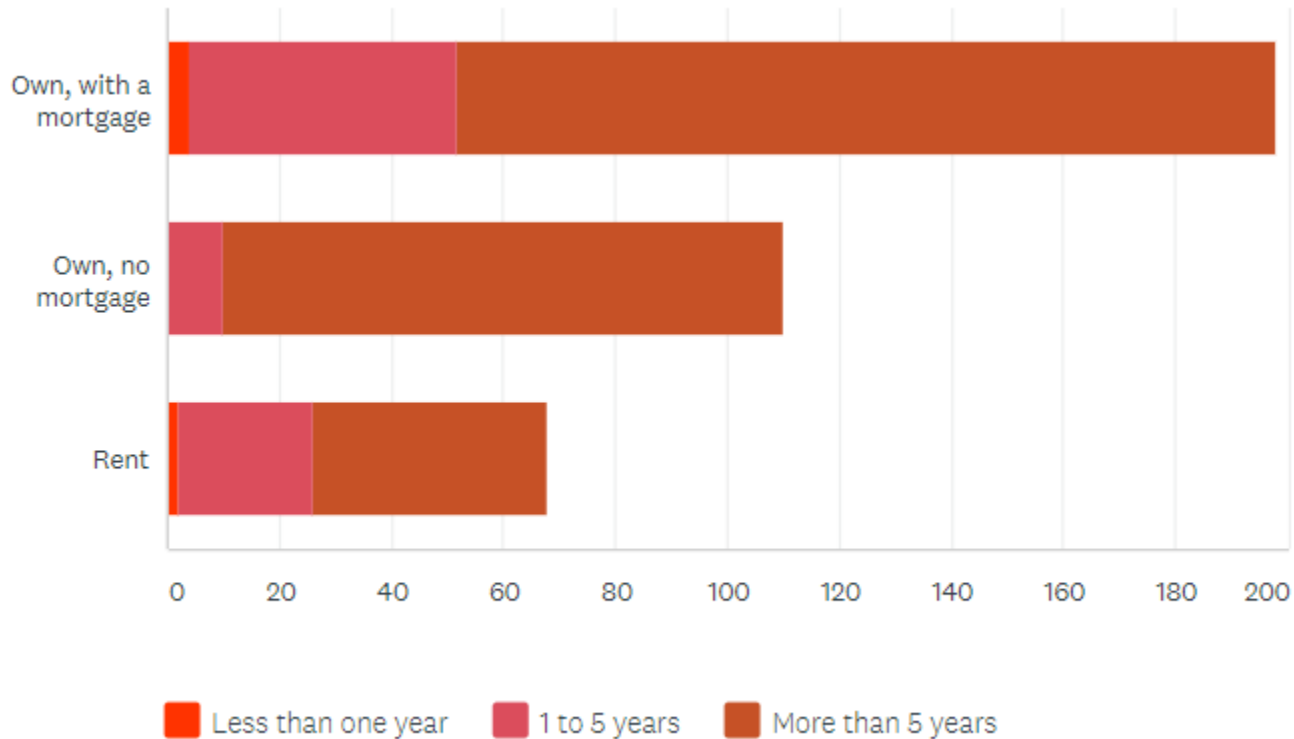
- Establish TID/TIF district
- Senior friendly building upgrades program
- Energy efficiency program
- New product: LIHTC development & permanent supportive housing for persons living with disability
- Change zoning to permit more unrelated persons to cohabitate in residential districts
- Property tax freeze for seniors
- Down payment assistance
- Historical designations

Public Input Survey

Full sample	n 402; 75% completion rate
Lives in Shorewood:	94.8%
Does not Shorewood:	5.2%
Renter Households:	17.8%
Owner Households:	81.6%
Living with others/homeless:	0.5%

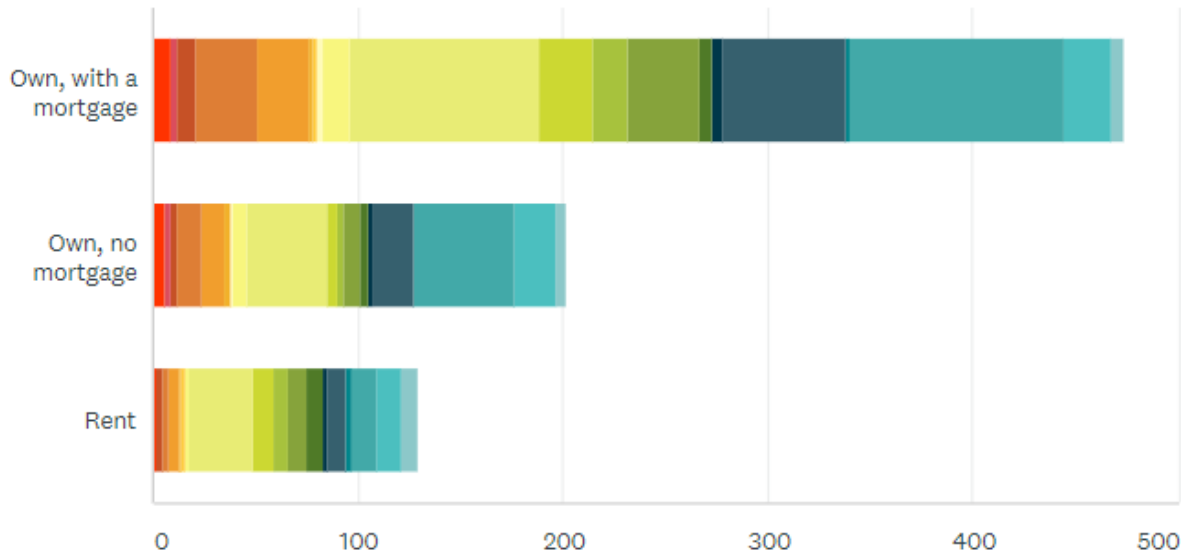
Public Input Survey

How long have you lived in Shorewood?



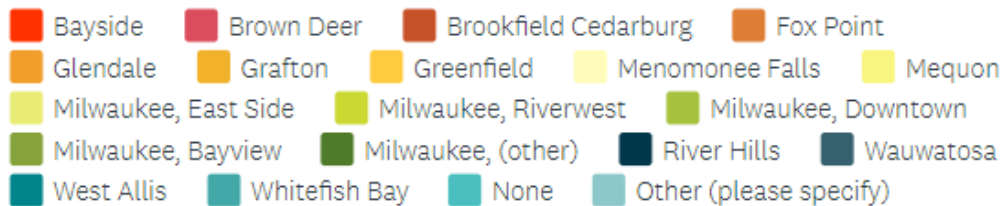
Public Input Survey

What other communities/neighborhoods/cities did you consider before choosing Shorewood?



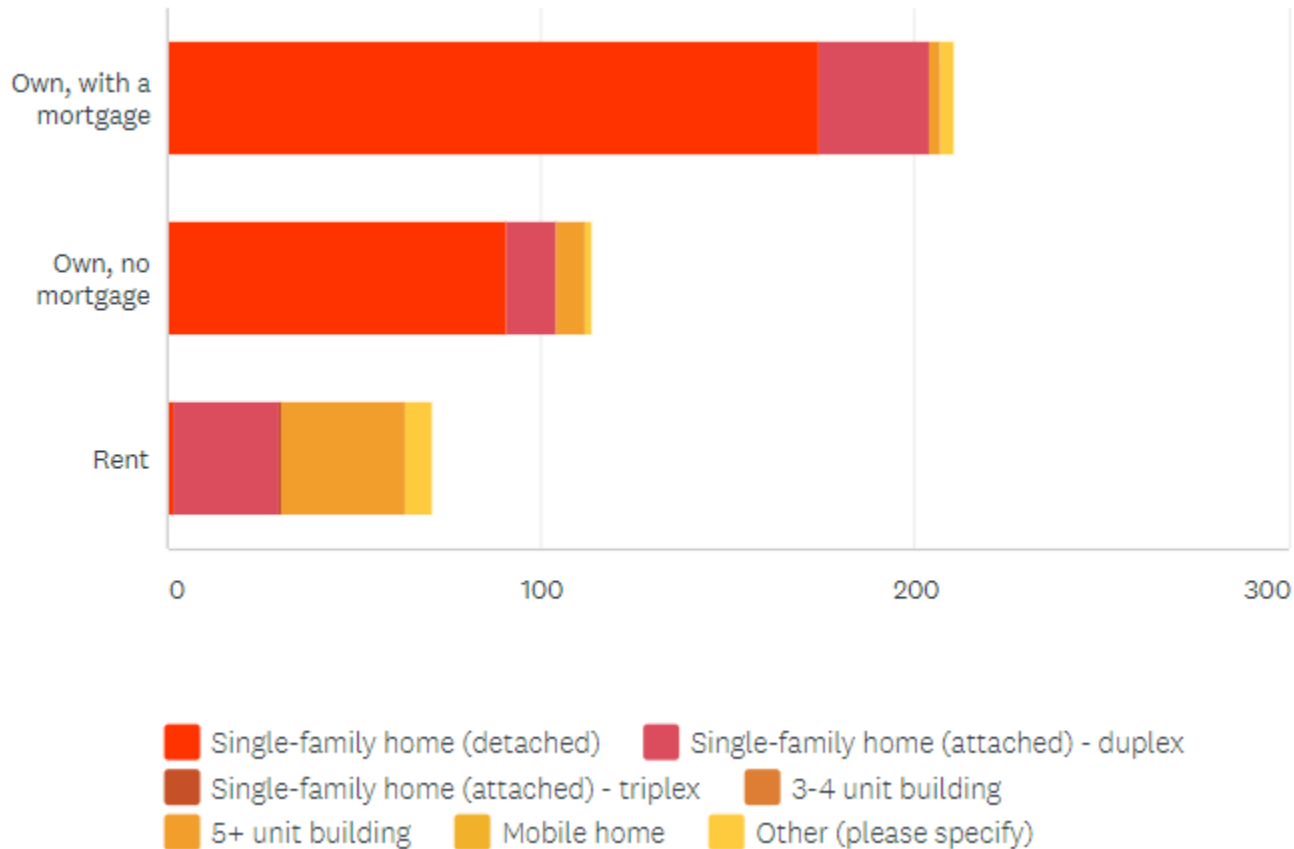
Most common:

- Milwaukee, East Side
- Whitefish Bay
- Wauwatosa
- Glendale
- Fox Point



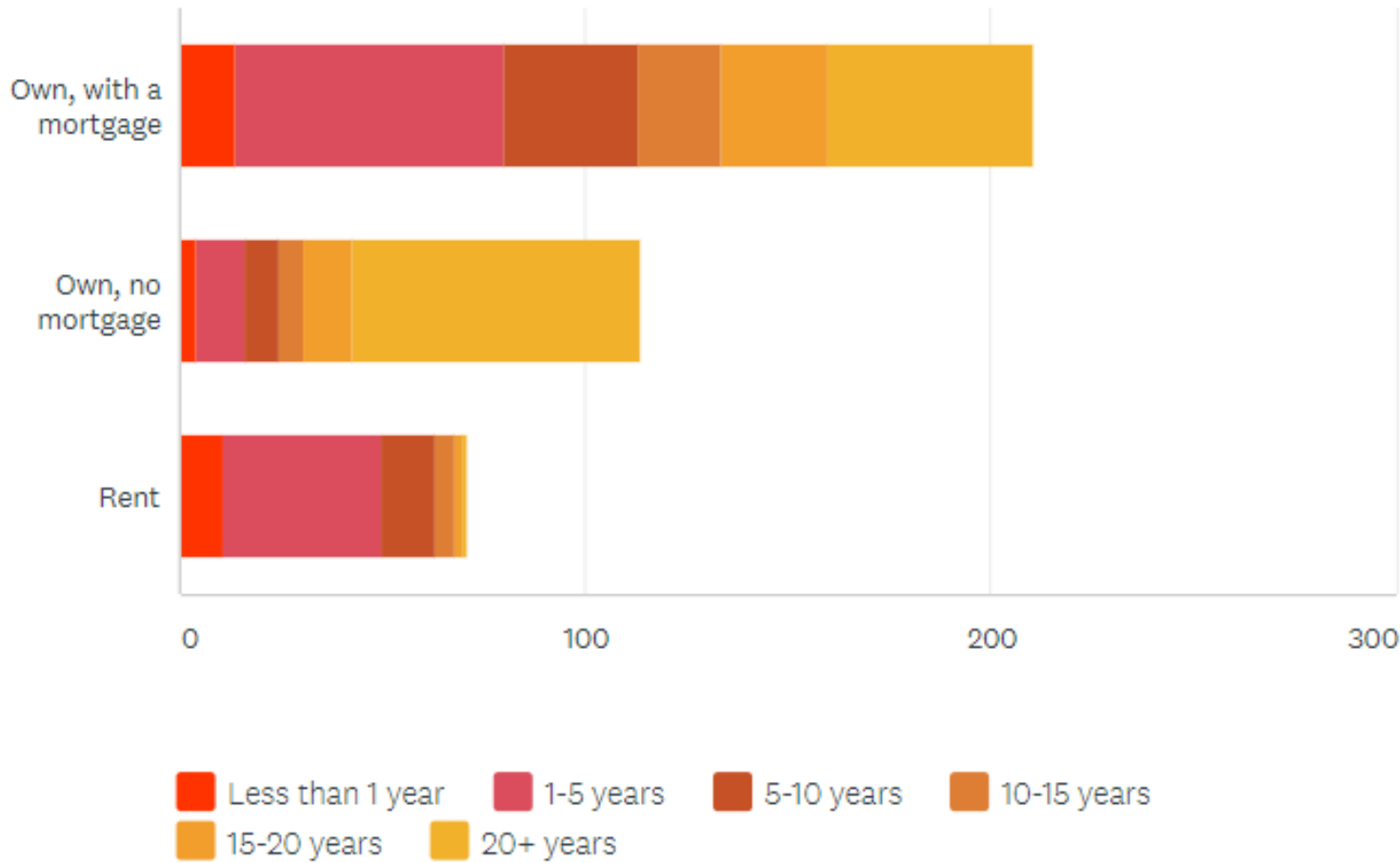
Public Input Survey

What type of residence do you live in?



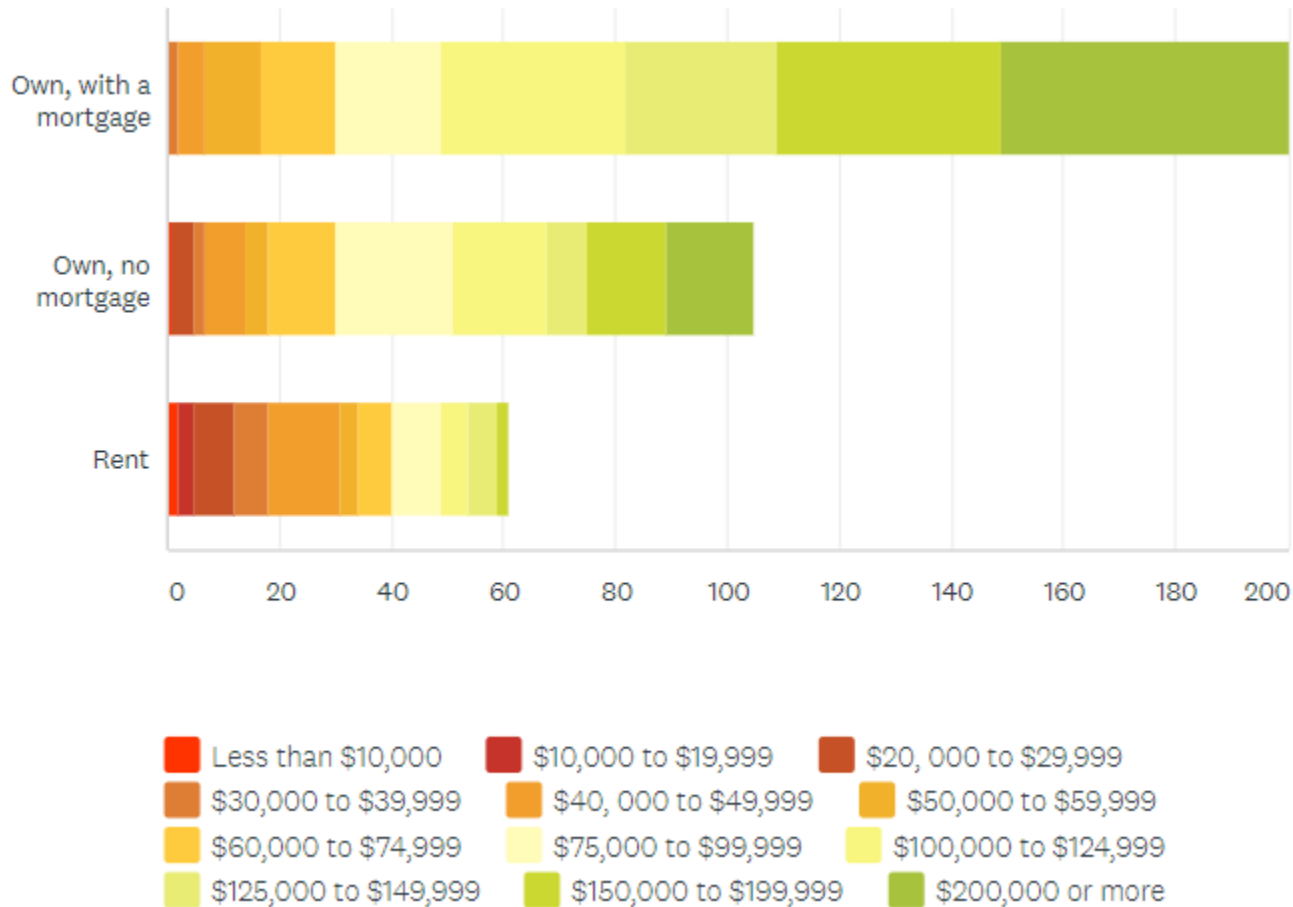
Public Input Survey

How long have you lived in your current residence?



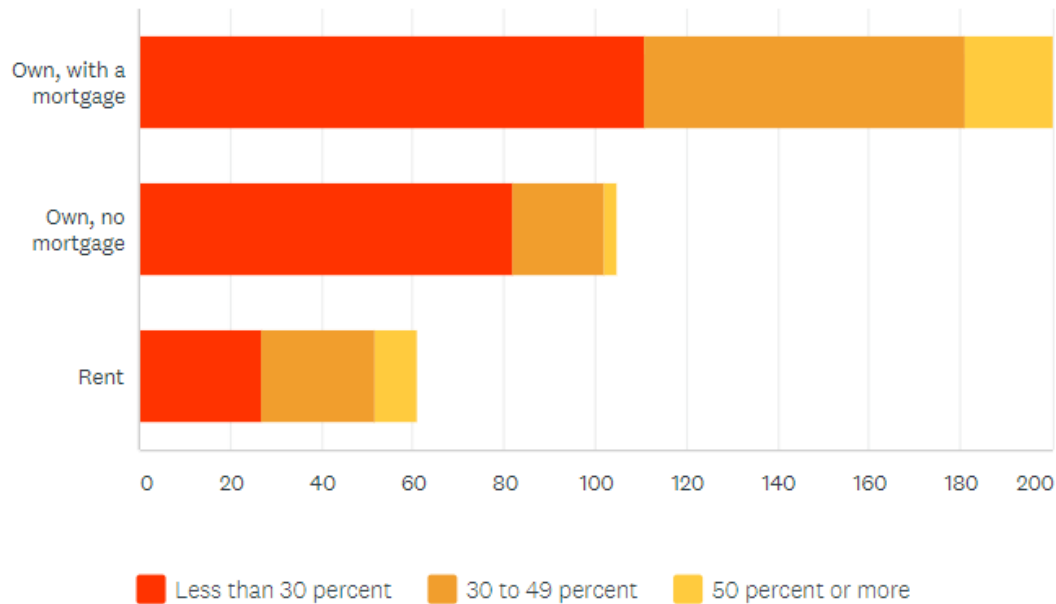
Public Input Survey

What is your annual household income (all sources)?



Public Input Survey

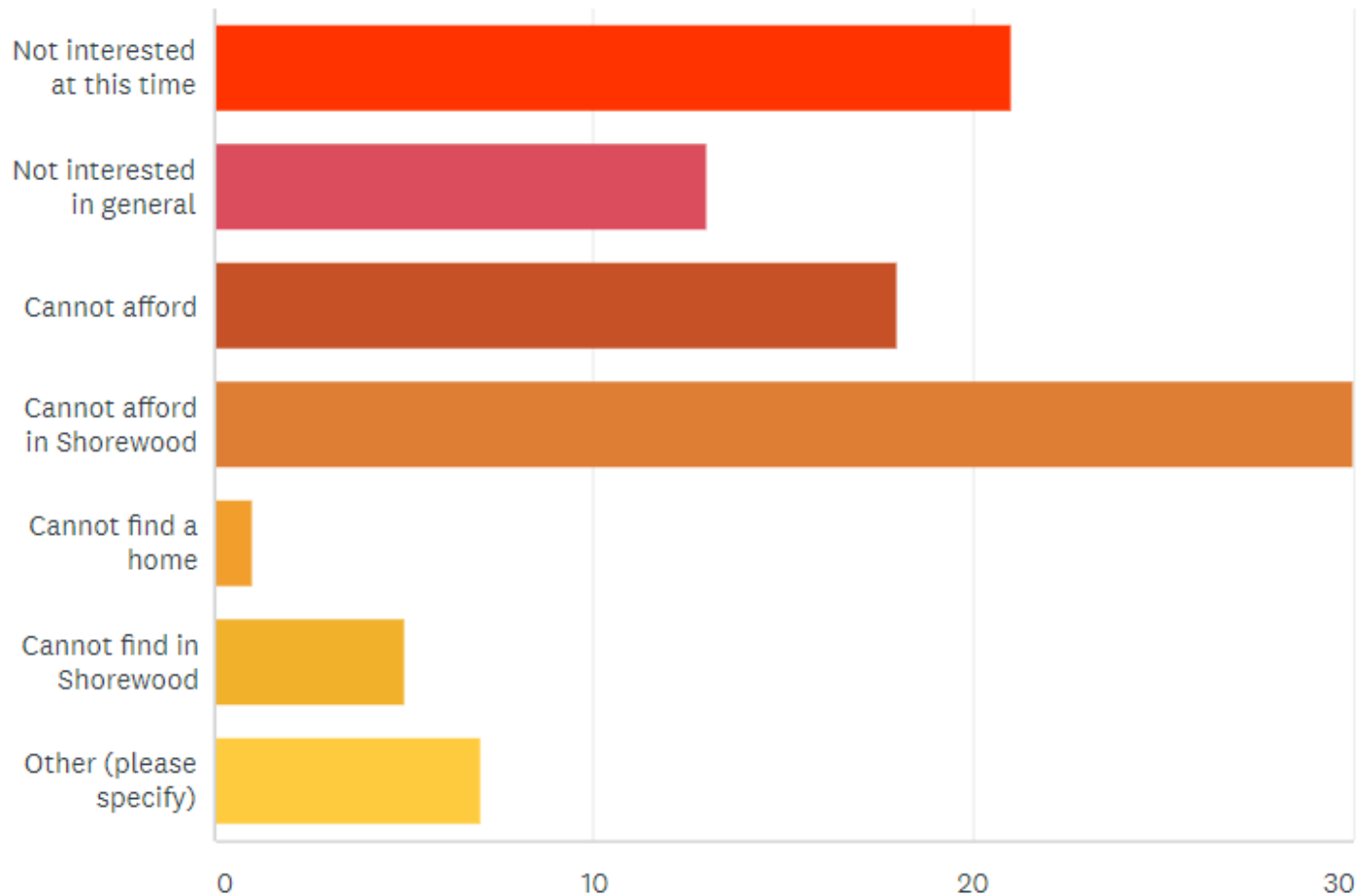
Cost/Severely Cost Burdened



	LESS THAN 30 PERCENT	30 TO 49 PERCENT	50 PERCENT OR MORE	TOTAL
Own, with a mortgage	55.50% 111	35.00% 70	9.50% 19	54.64% 200
Own, no mortgage	78.10% 82	19.05% 20	2.86% 3	28.69% 105
Rent	44.26% 27	40.98% 25	14.75% 9	16.67% 61
Total Respondents	220	115	31	366

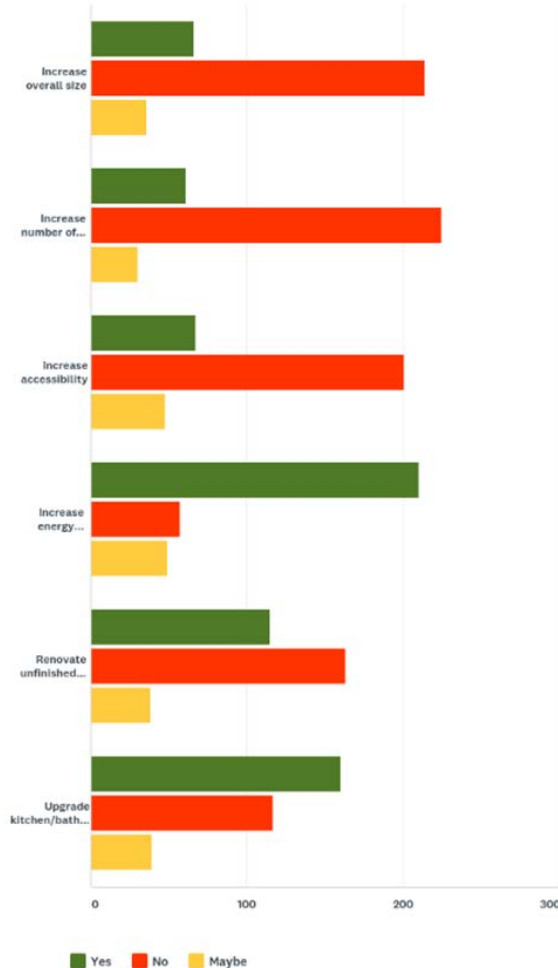
Public Input Survey

If you currently rent, please explain why



Public Input Survey

If you currently own your house, what, if anything, would you change about it?



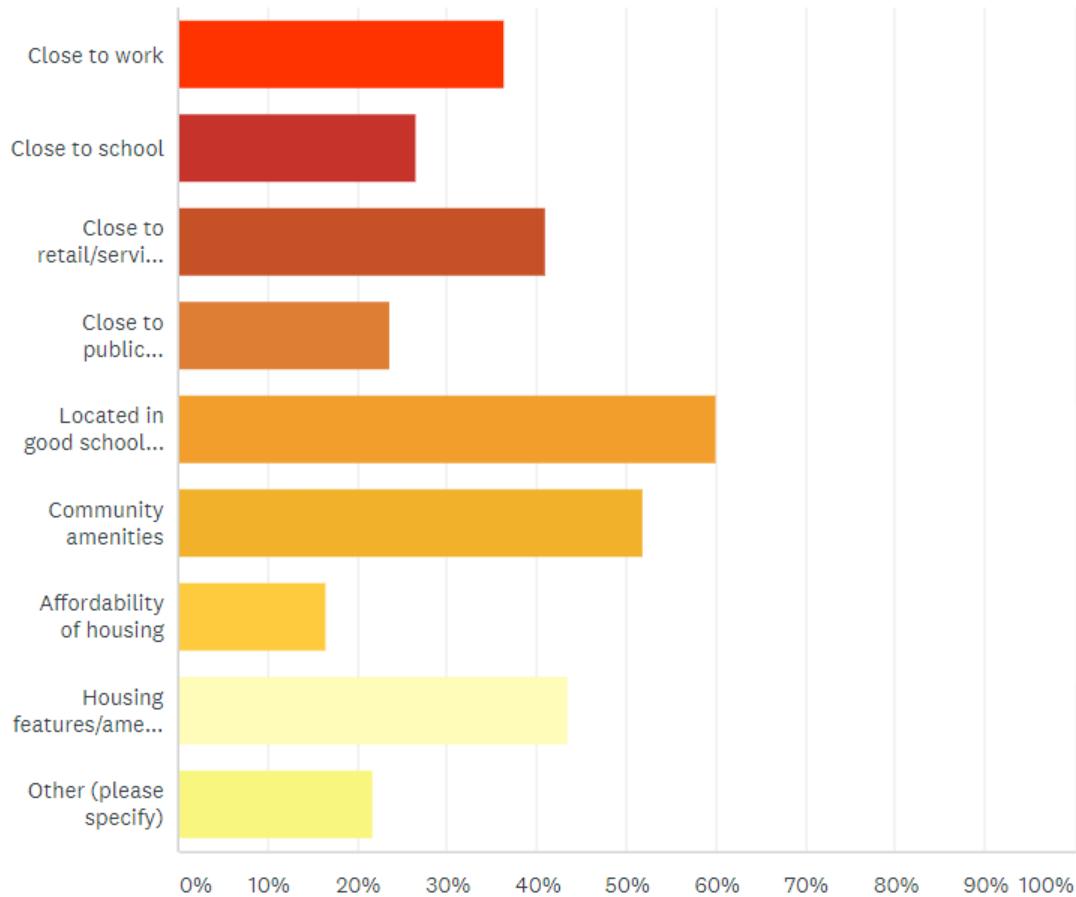
	YES	NO	MAYBE	TOTAL	WEIGHTED AVERAGE
▼ Increase overall size	20.89% 66	67.72% 214	11.39% 36	316	1.91
▼ Increase number of bedrooms	19.30% 61	71.20% 225	9.49% 30	316	1.90
▼ Increase accessibility	21.20% 67	63.61% 201	15.19% 48	316	1.94
▼ Increase energy efficiency	66.46% 210	18.04% 57	15.51% 49	316	1.49
▼ Renovate unfinished space (attic/basement)	36.39% 115	51.58% 163	12.03% 38	316	1.76
▼ Upgrade kitchen/bathroom	50.63% 160	37.03% 117	12.34% 39	316	1.62

Homeowners are most interested in:

- upgrading kitchens/bathrooms,
- renovating unfinished spaces (attic/basement), and
- increasing energy efficiency.

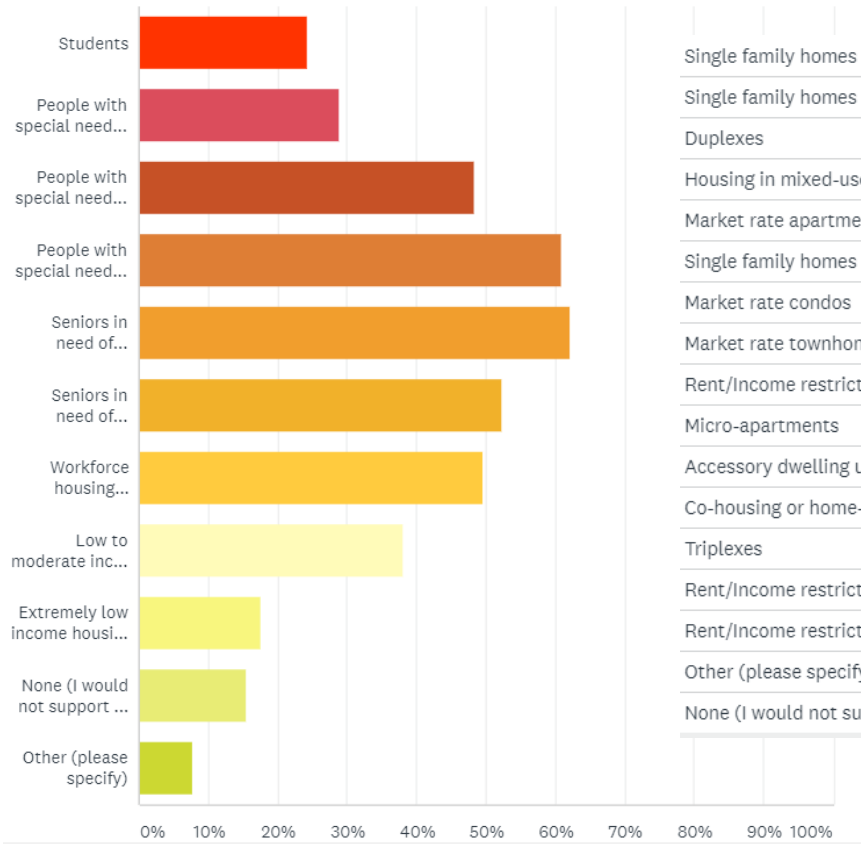
Public Input Survey

Why did you choose the housing you reside in?



Public Input Survey

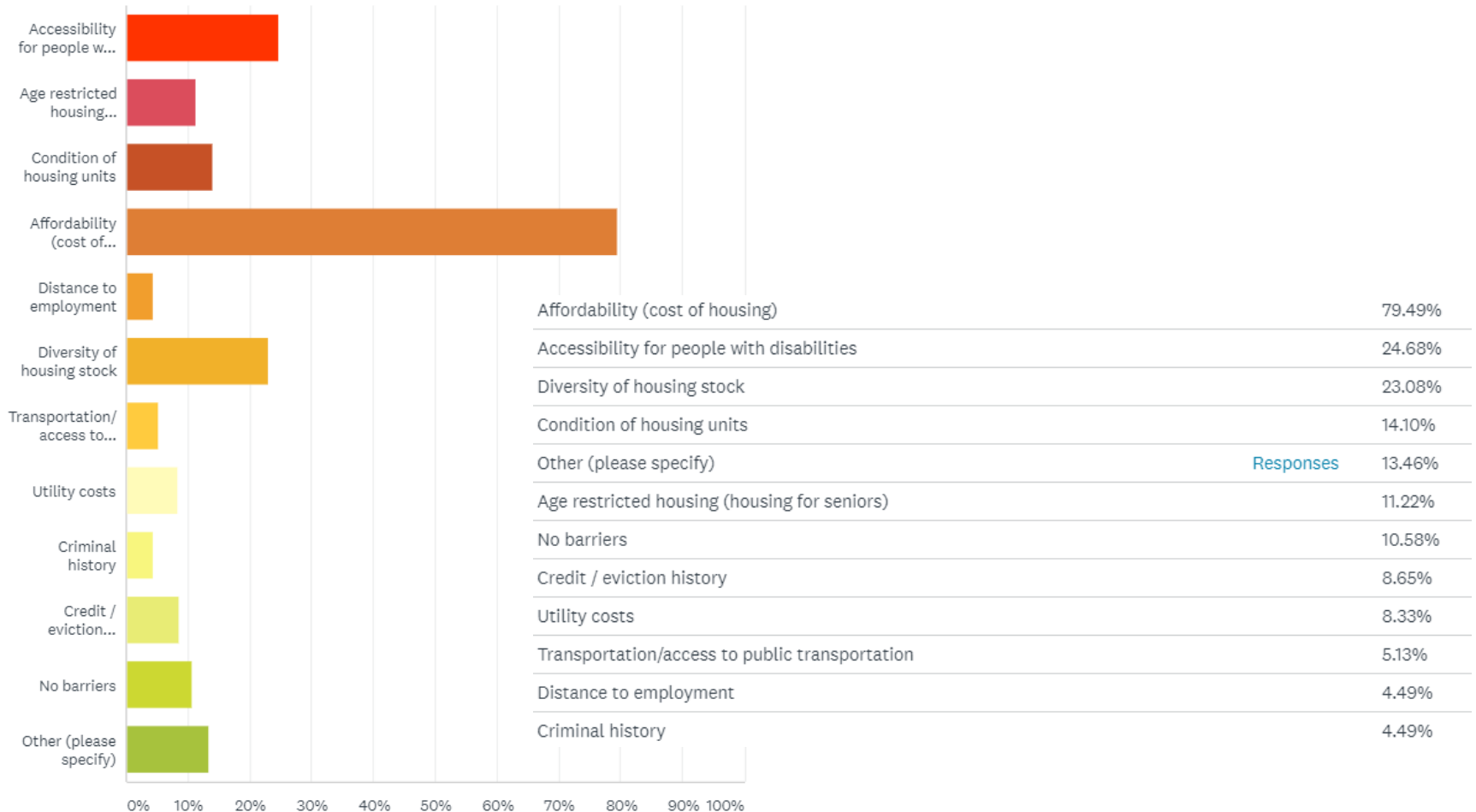
Support for Housing Projects in Shorewood



Single family homes (single-story homes)	60.26%
Single family homes (smaller homes, 1 or 2 bedrooms)	58.97%
Duplexes	58.01%
Housing in mixed-use development	50.64%
Market rate apartments	47.44%
Single family homes (larger homes, 4 or more bedrooms)	47.44%
Market rate condos	46.79%
Market rate townhomes	44.23%
Rent/Income restricted apartments	40.06%
Micro-apartments	37.50%
Accessory dwelling units	37.18%
Co-housing or home-sharing opportunities	36.54%
Triplexes	32.37%
Rent/Income restricted townhomes	28.21%
Rent/Income restricted condos	27.24%
Other (please specify)	Responses 9.29%
None (I would not support any of the above)	7.37%

Public Input Survey

What are the primary barriers to housing choice?



Questions?