

# HOUSING STUDY & NEEDS ASSESSMENT

CITY OF WAUWATOSA

February 2023



VISION  
ECONOMICS  
STRATEGY  
FINANCE  
IMPLEMENTATION

Image Landsat





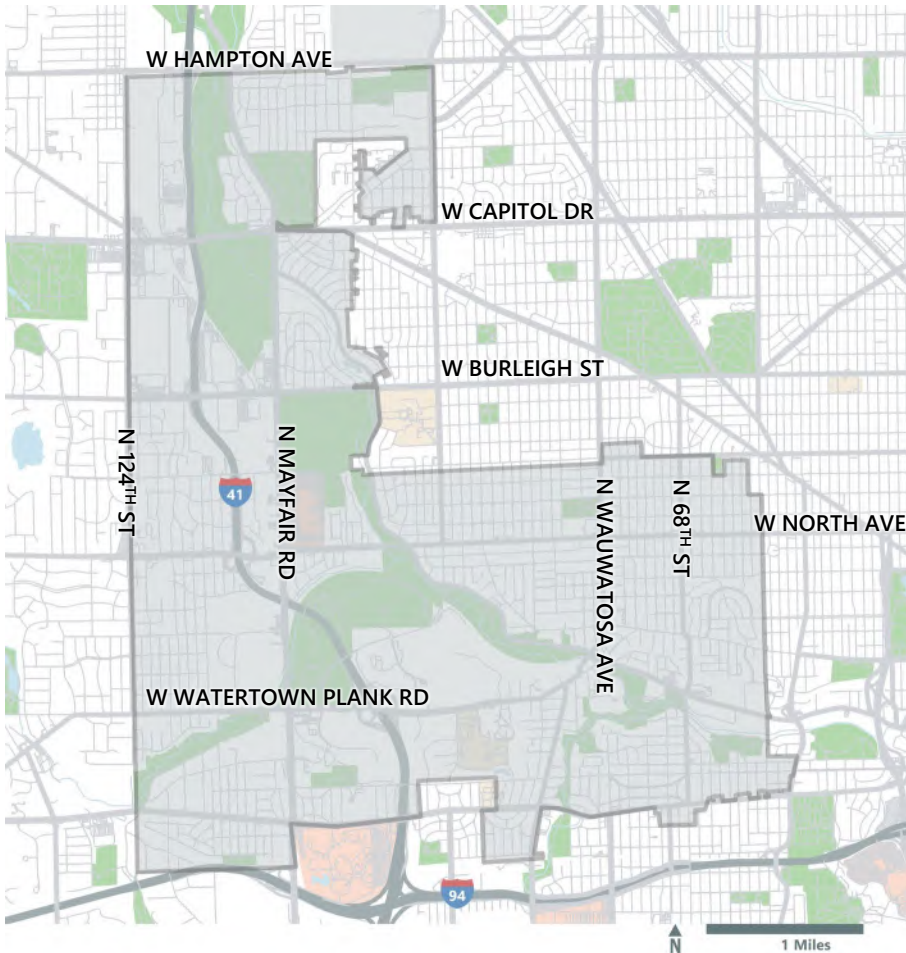
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# INTRODUCTION

## Housing Study & Needs Assessment



The City of Wauwatosa (the “City”) is a first-ring suburb of Milwaukee, located near the junction of Interstate 94 and Interstate 41. Wauwatosa offers urban amenities within a suburban context, providing both walkable districts and an expansive network of open space. The housing stock includes a range of housing types and price points - from modest bungalows and apartments to high-end single-family homes. Several large employers are located in Wauwatosa, including the Milwaukee Regional Medical Center, Milwaukee County Research Park, Medical College of Wisconsin, and the University of Wisconsin-Milwaukee Innovation Campus. Regional retail destinations, such as Mayfair Mall and the Mayfair Collection attract consumers from throughout the metropolitan area.

The combination of these attractive and distinct features creates a desirable community, which is substantiated by recent population growth that has outpaced projections. Additionally, many residents have been in the community long-term.

Housing and where we live influences all aspects of our lives, including health and safety, access to opportunity, economic mobility, and quality of life. Housing needs also evolve over time based on stage of life, from a young single worker, to households looking to raise a family, to non-traditional households, to elderly and aging households. Housing is the single greatest expenditure for nearly all households and can be a financial burden for many. Therefore, understanding how housing needs are evolving is fundamental to supporting the high quality of life that exists in Wauwatosa today.

Sources: Esri, SB Friedman

# INTRODUCTION

## Key Housing Efforts & Initiatives Since 2016

The diverse and evolving housing needs of both new and existing residents prompted the City to complete a Housing Study and Needs Assessment in 2016. Since completion of the 2016 study, the City has focused on addressing identified housing-related issues by pursuing new residential development opportunities, establishing housing assistance programs, and modifying or enacting new zoning codes.

Since the completion of the 2016 study, 1,857 new multi-family units have been delivered while an additional 652 are currently in the development pipeline. Market rate units consist of 2,206 of these 2,509 total new units while 303 are affordable rental units. Of the 2,509 new units, 347 are age-restricted for residents aged 55+.

Given that the City is landlocked and is unable to annex large tracts of undeveloped land, single-family home construction has been limited. Of the 16 single-family homes constructed since 2016, four were constructed on lots where four homes had existed and were razed. The remainder were constructed on remnant parcels or single lots that were subdivided.

In 2019, the City passed a new accessory dwelling unit (“granny flat” or “in-law suite”) ordinance to allow for additional housing unit production that requires minimal infrastructure investment and diversifies housing options for residents. Then, in 2020, the City established a Housing Rehabilitation

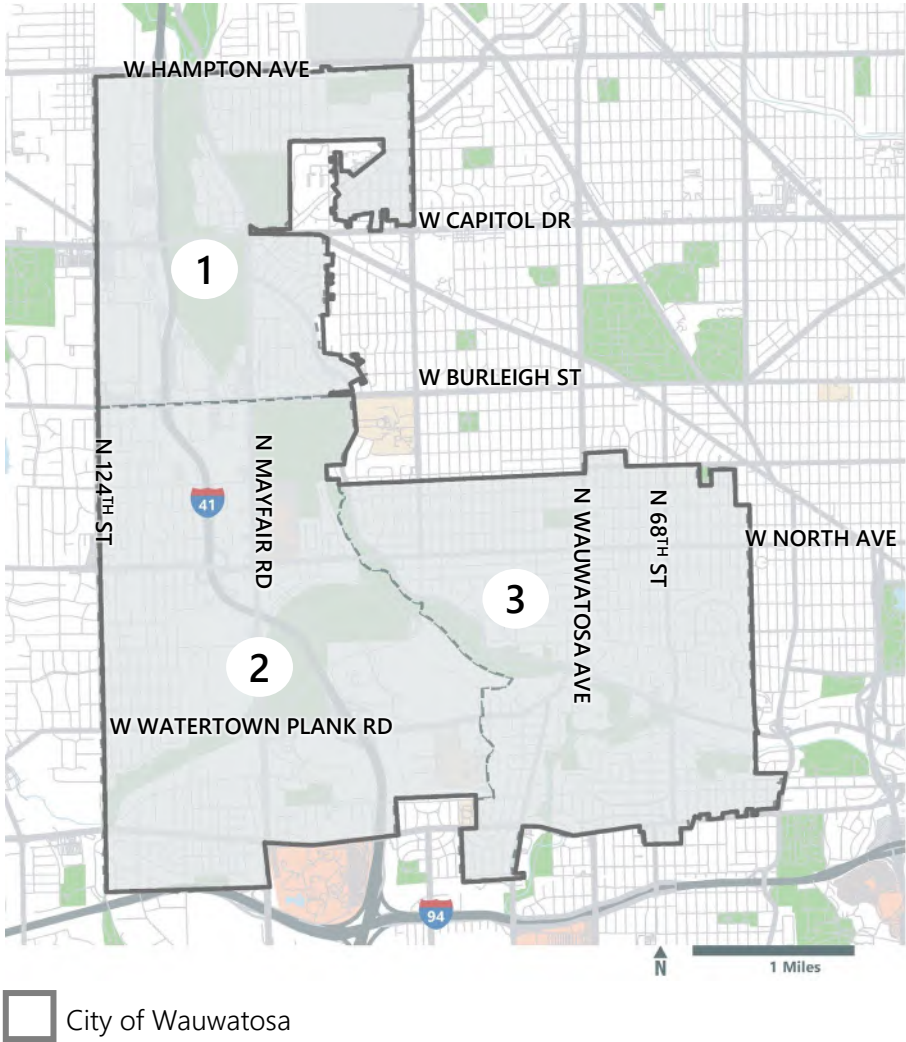
Program to assist low-/moderate-income households with home improvements, including roofing, plumbing, painting, electrical, and HVAC issues. The City’s Economic Development Investment Policy was modified in 2021 to give preference to investment opportunities that aligned with the housing needs identified in the 2016 study. Lastly, initial modifications were made to the City’s Zoning Code, made as part of the 2016 study recommendations and the Zone Tosa for All Project, to allow for greater variety of new housing types.

While the City has made strides in addressing identified issues, Wauwatosa and its housing market are continuously evolving. Therefore, the City is now undertaking an update to the 2016 study to understand how demographics and housing needs have changed and to identify additional strategic actions that could be undertaken to address housing-related issues. The 2023 study included:

- Updating core analyses from the 2016 study with the most recent data available;
- Engaging with community groups, City commissions, developers, and other stakeholders to understand unmet needs; and
- Collecting feedback from over 1,500 residents, community members, and stakeholders through a public input survey.

# INTRODUCTION

## Housing Study & Needs Assessment



Sources: Esri, U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman

As part of the 2023 study, the City was divided into three subareas to understand more localized trends. These subareas align with census tract boundaries and include:

- **Subarea 1:** neighborhoods in the City north of Burleigh Street
- **Subarea 2:** neighborhoods in the City generally south of Burleigh Street and west of the Menomonee River and the Milwaukee Regional Medical Center
- **Subarea 3:** neighborhoods in the City generally east of the Menomonee River and the Milwaukee Regional Medical Center.

The subareas are presented to the left with key demographic indicators outlined below. Additional data presented in the 2023 study is provided for the subareas, as applicable.

	TOTAL POPULATION AND HOUSEHOLDS			
	Subarea 1	Subarea 2	Subarea 3	City Overall
Total Population	5,966	11,001	31,176	48,143
Total Households	2,538	5,106	12,830	20,474
Average Household Size	2.35	2.15	2.43	2.35
Average Age of Housing Structure	1960	1964	1945	1953

# INTRODUCTION

## Data & Methodology

Various datasets were leveraged to understand how demographics and housing needs have evolved since the 2016 study, including:

- Demographic data (recent population growth, household composition, etc.)
- Socio-economic characteristics (household income, cost burdened households, etc.)
- Employment data (employment by sector, recent employment growth, etc.)
- Housing supply data (existing housing stock, pipeline development projects, etc.)
- Real estate market data (home values, rents, vacancy rate, etc.)

The sources that support this update include the most recently released data from CoStar, Esri, Longitudinal Employer-Household Dynamics (LEHD), the U.S. Census Bureau, and Zillow Home Value Index. Some data sources have not produced updated datasets since the 2016 study, including municipal-level population projections.

In many cases, the updated data was compared to that reported in the 2016 study, which largely utilized 2013 American Community Survey data – the most recent available at the time. Other datapoints were analyzed to understand long-term trends (e.g., since the 2010 Census) or housing market activity that has occurred since the 2016 study was completed.



## 1

# DEMOGRAPHIC & SOCIOECONOMIC CHARACTERISTICS





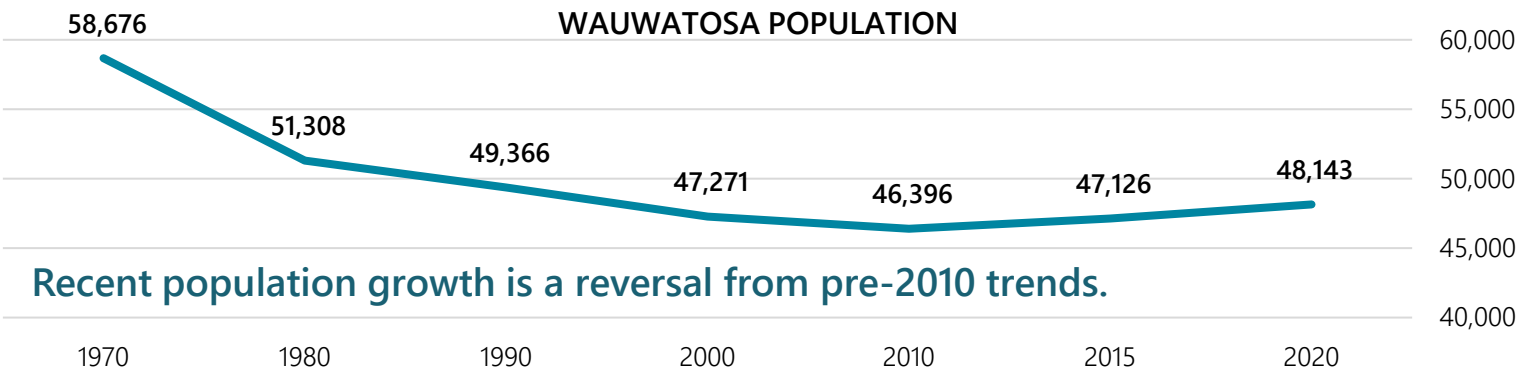
# POPULATION & HOUSEHOLD GROWTH

Population & average household size have increased since 2010; population density is highest in East Wauwatosa

Between the 2010 and 2020 Censuses, Wauwatosa’s population increased by 1,747 residents. Approximately 58% of this growth has occurred since completion of the 2016 study. This recent population growth is a reversal of pre-2010 trends. From 2010 to 2020, the average household size for both owner-occupied and renter-occupied households also increased. Population density continues to be highest in Subarea 3.

POPULATION (2010)	NEW RESIDENTS (2010-2020)	POPULATION (2020)	PROJECTED POPULATION (2040) [1]
-------------------	---------------------------	-------------------	---------------------------------

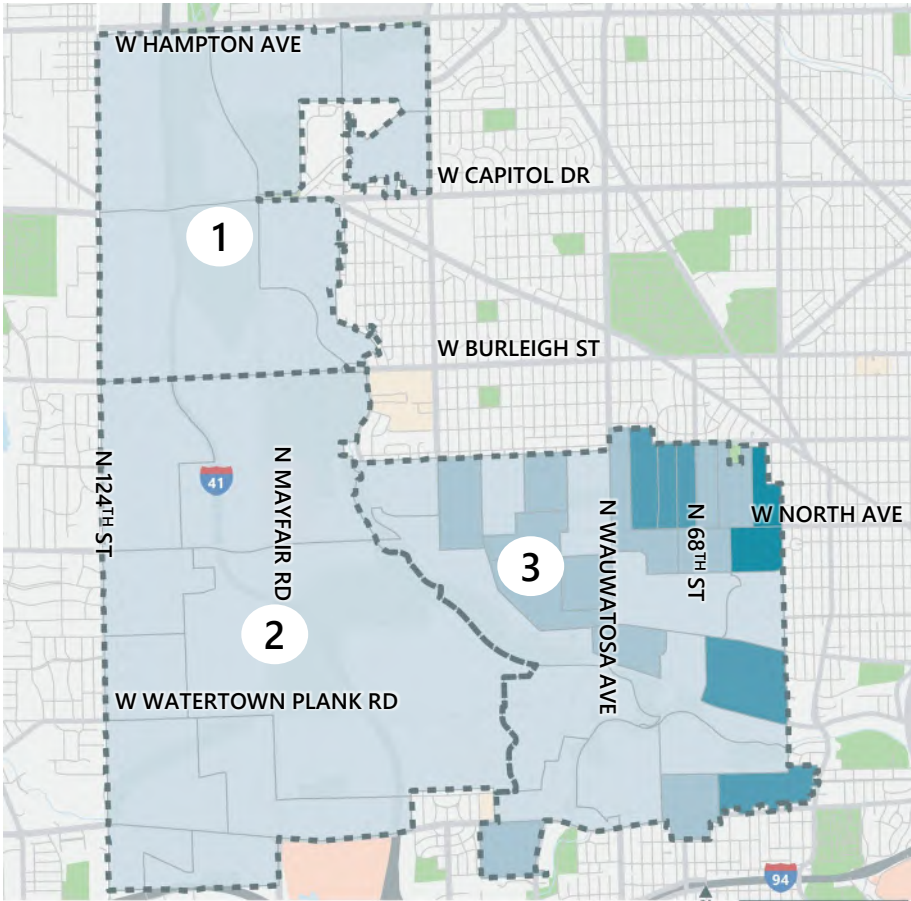
46,396 +1,747 48,143 49,800 - 52,400



Recent population growth is a reversal from pre-2010 trends.

AVERAGE HOUSEHOLD SIZE			
------------------------	--	--	--

Owner-Occupied		Renter-Occupied	
2010	2020	2010	2020
2.51	2.61	1.86	1.89



POPULATION DENSITY (ACRE)

Under 10 people

11-15 people

16-20 people

Over 20 people

Subarea

[1] SB Friedman estimate based on the actual growth rate of Wauwatosa between 2015-2020 and an average of the 2013 population growth rates in Milwaukee County from the Wisconsin Department of Administration (WDOA) and Southeastern Wisconsin Regional Planning Council (SEWRPC)  
Sources: Esri, U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, WDOA, SB Friedman

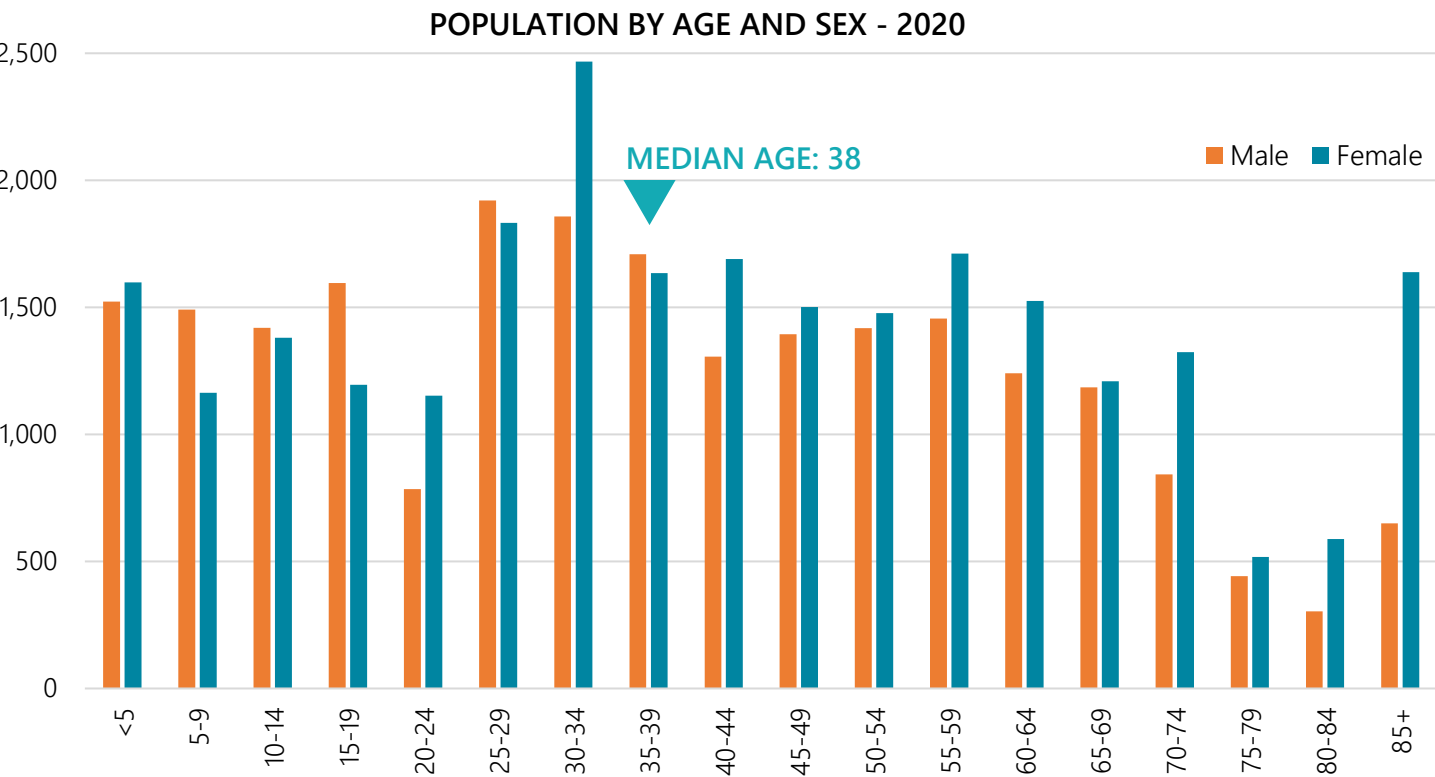


# POPULATION CHARACTERISTICS

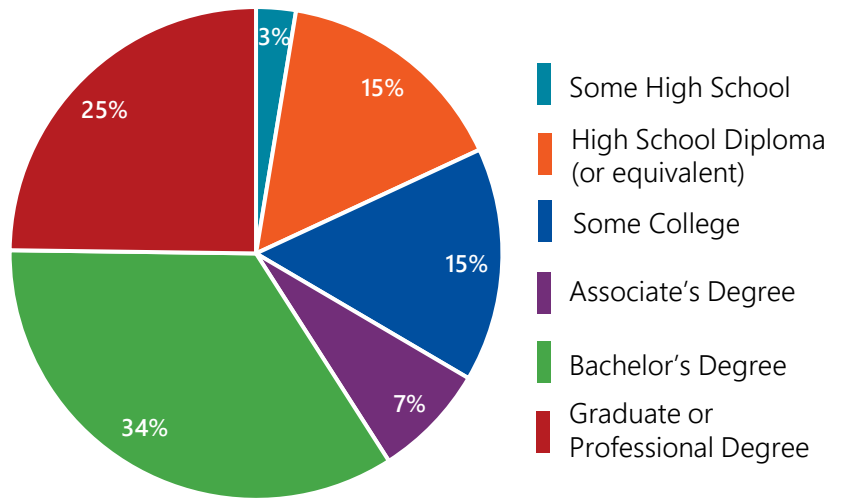
Median age has decreased indicating the population is getting younger overall

The 2016 study identified an aging population in Wauwatosa; however, in recent years, that trend appears to have reversed. The median age in Wauwatosa decreased from 40 in 2013 to 38 in 2020. This is despite an increase in the statewide median age from 39 to 40 over the same period. The decreasing median age in Wauwatosa is driven by growth in the households age 25-44, as discussed further on page 14.

Since the 2016 study, the share of residents possessing a bachelor’s degree or above has increased from 54% to 59%.



EDUCATIONAL ATTAINMENT – RESIDENTS AGE 25+ (2020)



59% of residents age 25+ hold a bachelor’s degree or above.

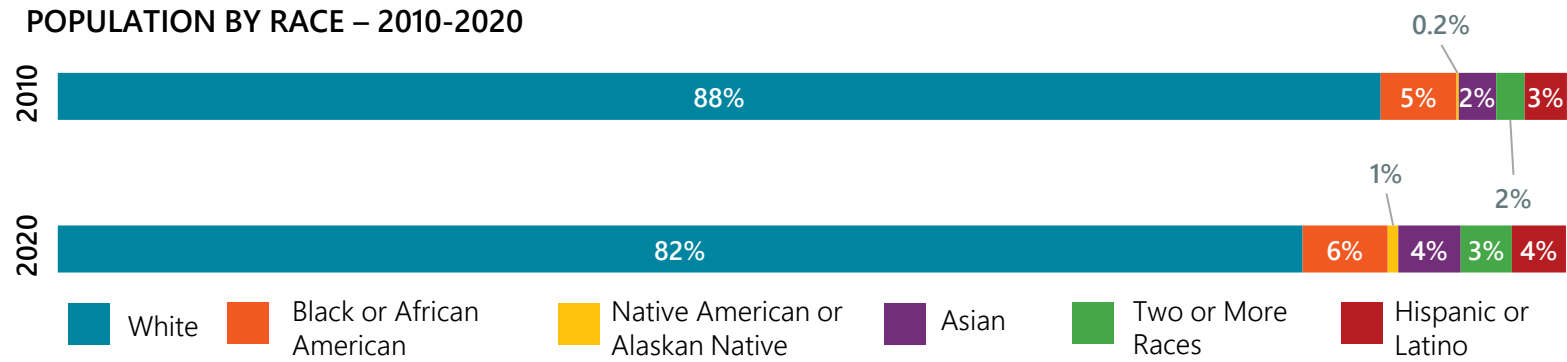


# POPULATION CHARACTERISTICS

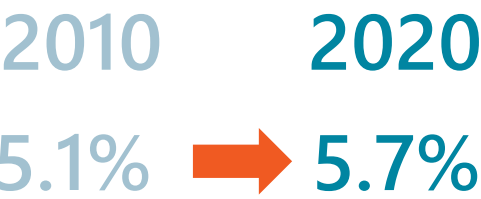
Wauwatosa’s population has become more diverse since 2010

Wauwatosa has also become more diverse. Since 2010, the percent of residents who identified as White alone decreased by 6 points. Given that the total population of Wauwatosa has grown, the decrease is likely due to a higher share of non-white residents moving to Wauwatosa. The likelihood of this scenario is supported by an increase in the share of the population that was born in a foreign country. Non-white populations live throughout the City and represent the greatest share of Subarea population in Subarea 1.

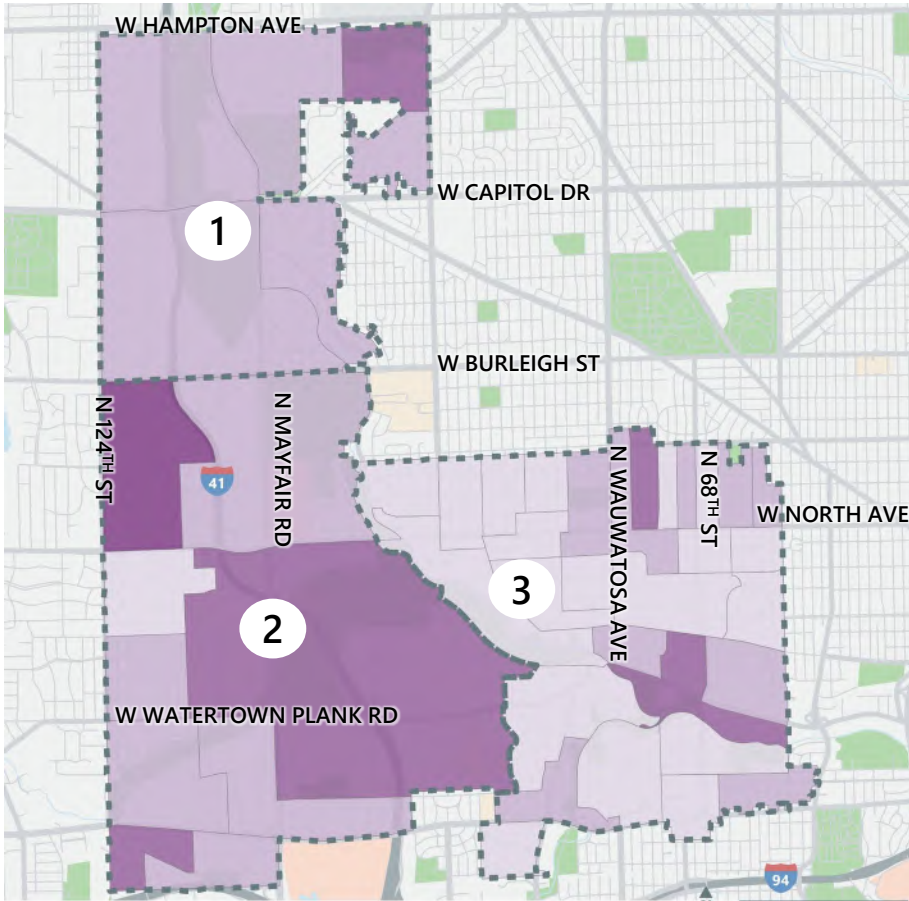
POPULATION BY RACE – 2010-2020



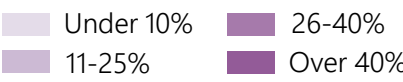
POPULATION BORN IN A FOREIGN COUNTRY



NON-WHITE RESIDENTS BY SUBAREA		
	Total	Share of Subarea Population
Subarea 1	1,357	23%
Subarea 2	2,389	22%
Subarea 3	4,711	15%



% RESIDENTS WHO IDENTIFY AS NON-WHITE



Subarea

Sources: Esri, U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman

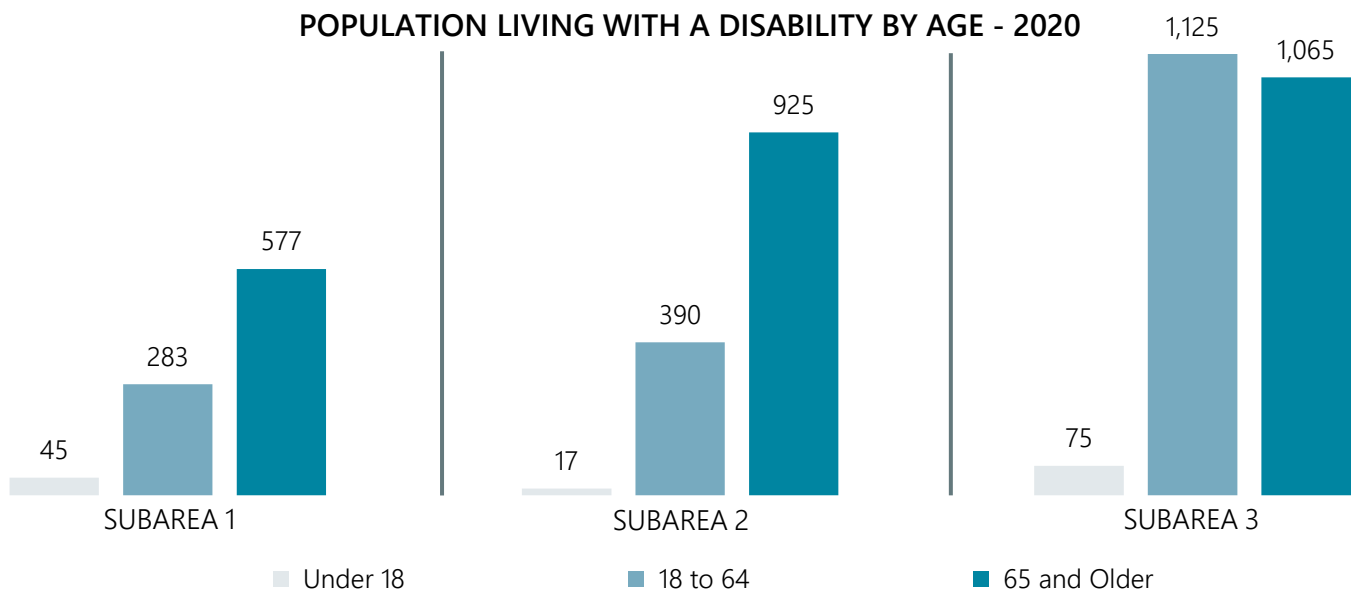


# POPULATION WITH A DISABILITY

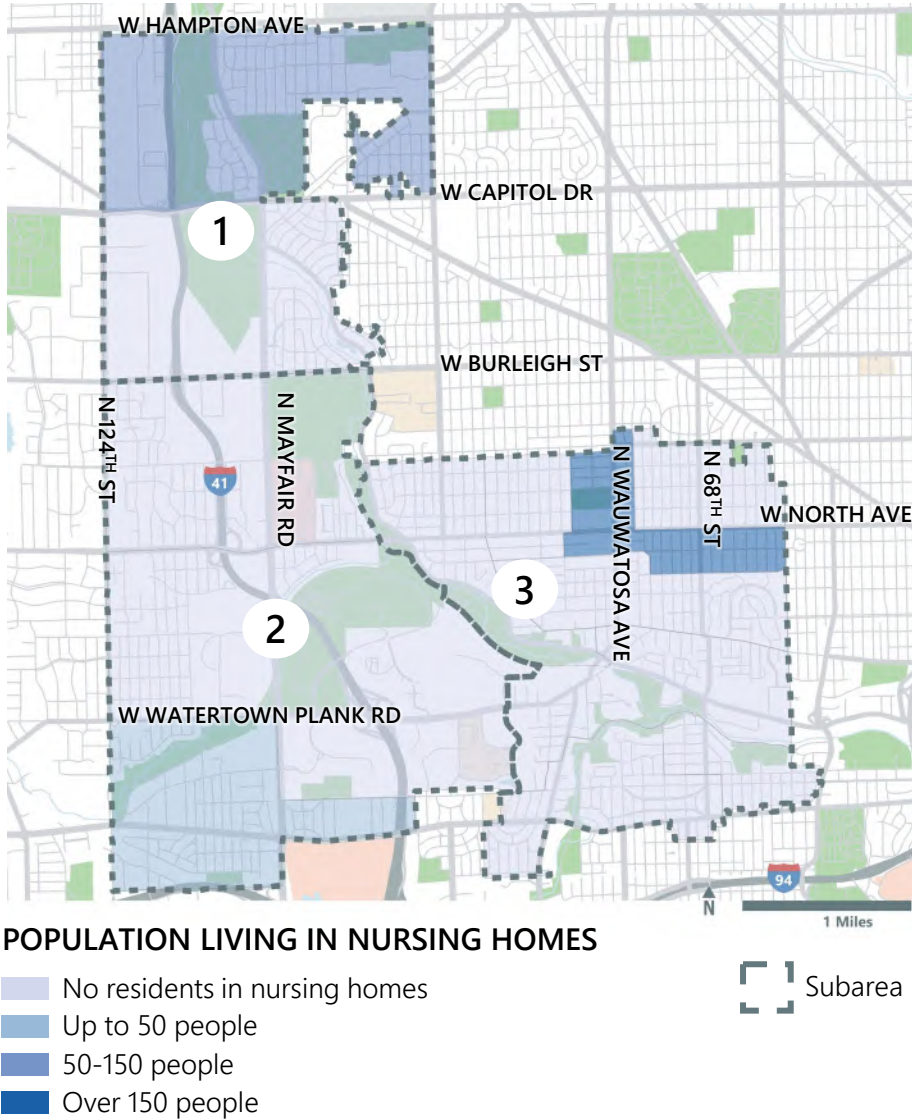
9.3% of the total population in Wauwatosa is living with a disability

According to the U.S. Census Bureau, 4,500 residents (9.3% of the total population) in Wauwatosa are living with a disability. The Census Bureau defines a disability as “a long-lasting physical, mental, or emotional condition.” The population with a disability in Wauwatosa decreased slightly from 4,570 (9.9% of the total population) since the 2016 study.

In 2020, 30% of residents aged 65+ were living with a disability. The higher number of people with a disability in Subarea 3 can be attributed to a greater concentration of senior living and other care facilities in that area.



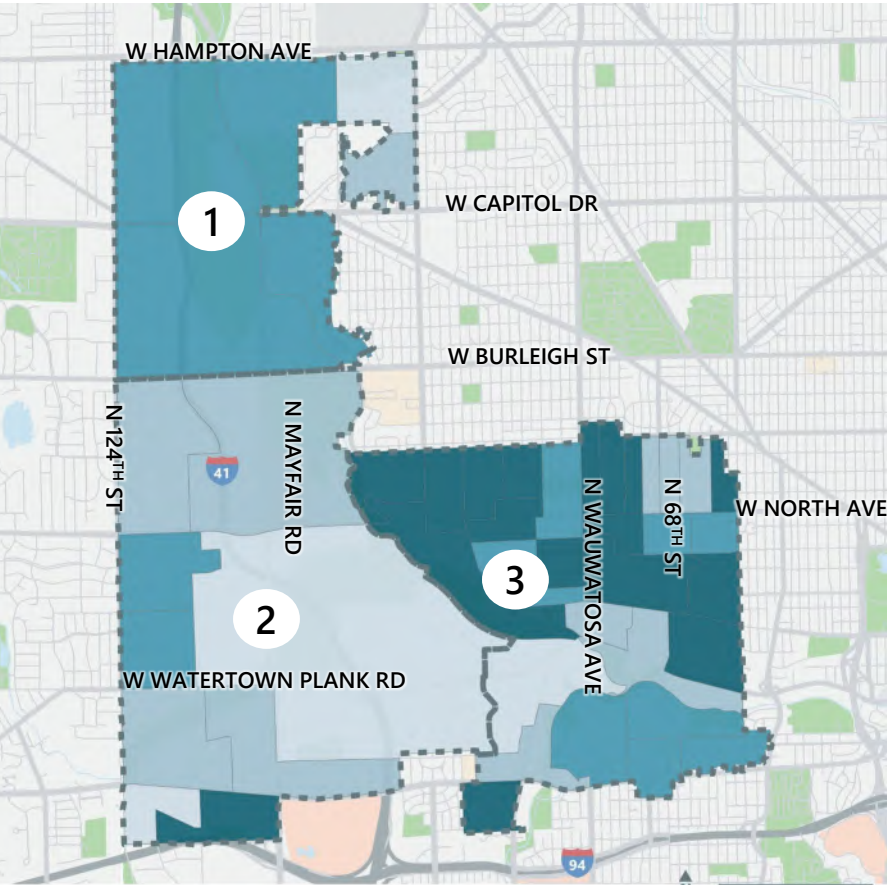
Sources: Esri, U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman





# MEDIAN HOUSEHOLD INCOME

Wauwatosa households have higher incomes relative to Milwaukee County overall



MEDIAN HOUSEHOLD INCOME

- Less than \$50K
- \$50K-\$80K
- \$80K-\$100K
- More than \$100K

Sources: Esri, U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman

Median household incomes in Wauwatosa have increased by approximately \$14,000 since the 2016 study (unadjusted for inflation). In 2020, nearly 70% of households in Wauwatosa earned incomes greater than the median household income in Milwaukee County. Overall, median household income appears to be highest in Subarea 3.

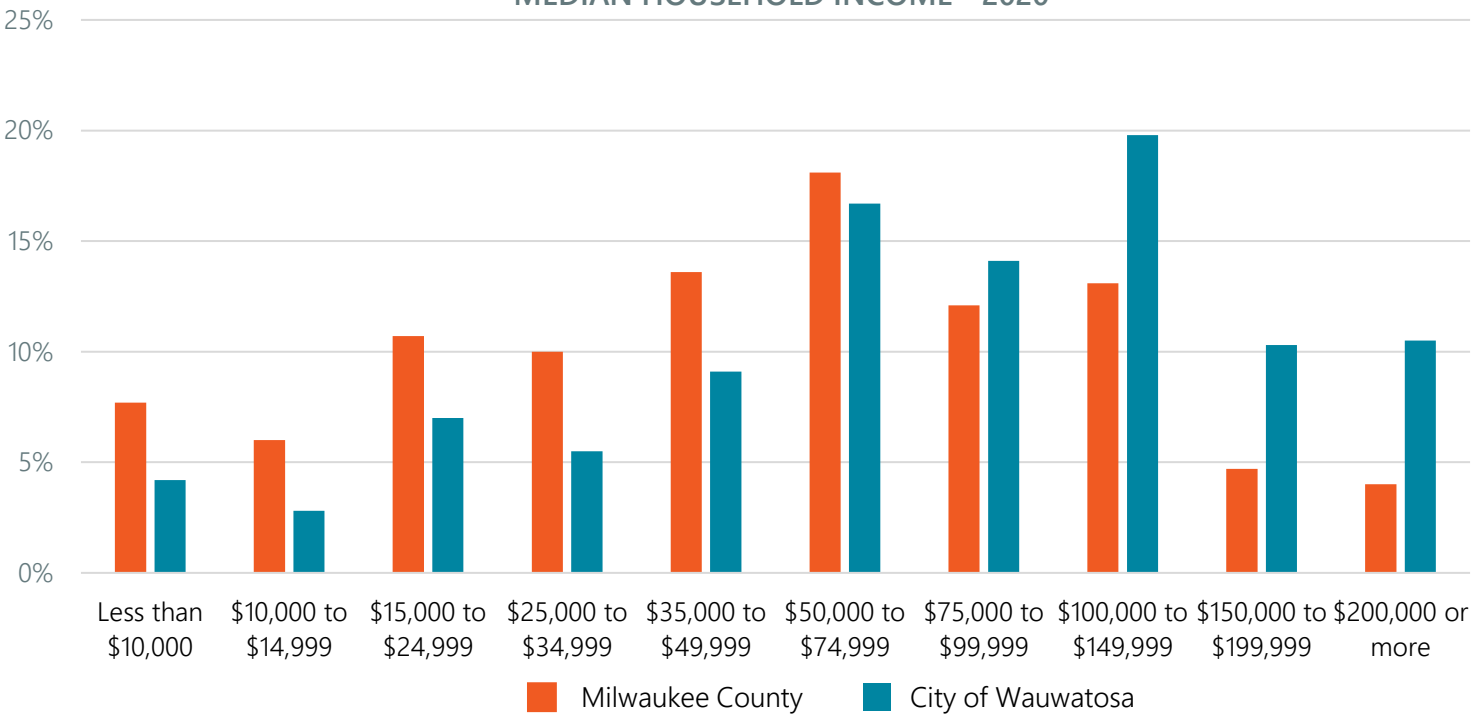
\$50,606

Milwaukee County Median Household Income (2020)

\$82,392

City of Wauwatosa Median Household Income (2020)

MEDIAN HOUSEHOLD INCOME - 2020



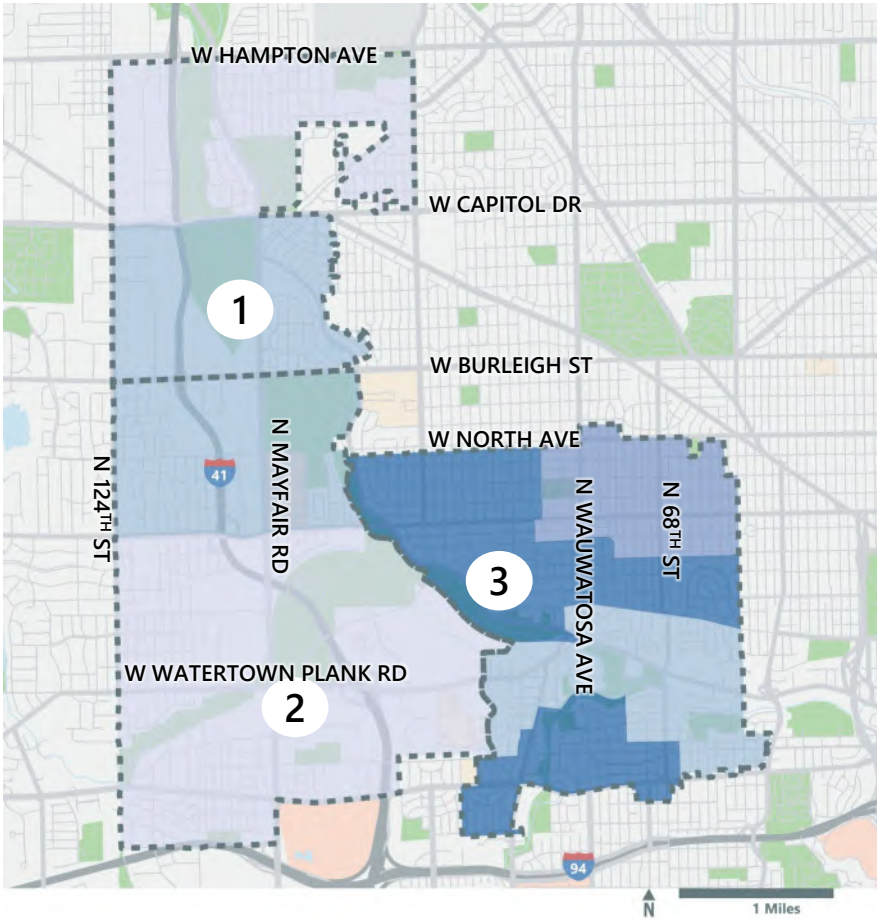


# MEDIAN HOUSEHOLD INCOME

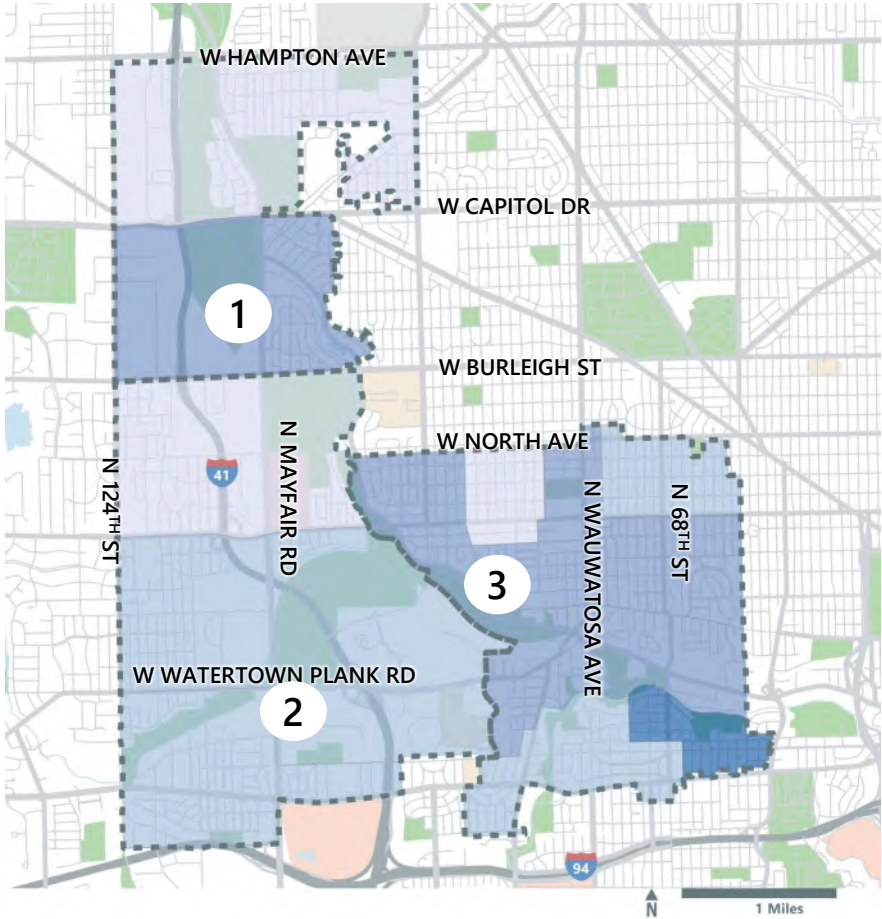
Owner-occupied households are generally more affluent than renter-occupied households

Median household income is generally higher among owner-occupied households. Median household income is highest in Subarea 3 for both owner-occupied and renter-occupied households.

MEDIAN HOUSEHOLD INCOME BY SUBAREA		
	Owner Occupied	Renter Occupied
Subarea 1	\$88,900	\$50,600
Subarea 2	\$91,400	\$46,300
Subarea 3	\$122,600	\$52,200



MEDIAN HOUSEHOLD INCOME (OWNER-OCCUPIED)



MEDIAN HOUSEHOLD INCOME (RENTER-OCCUPIED)



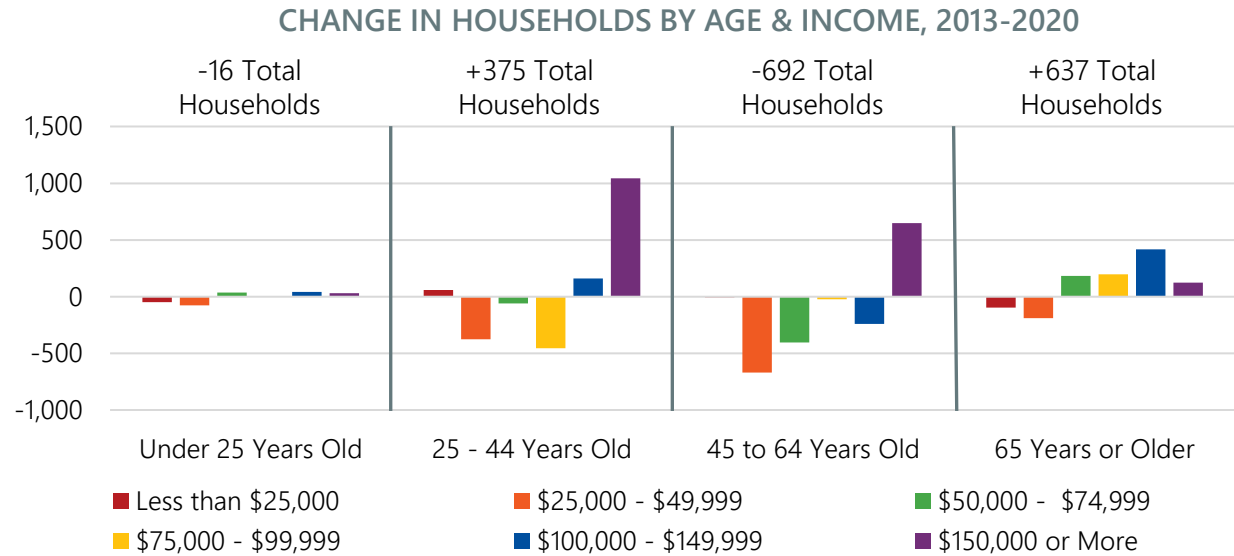
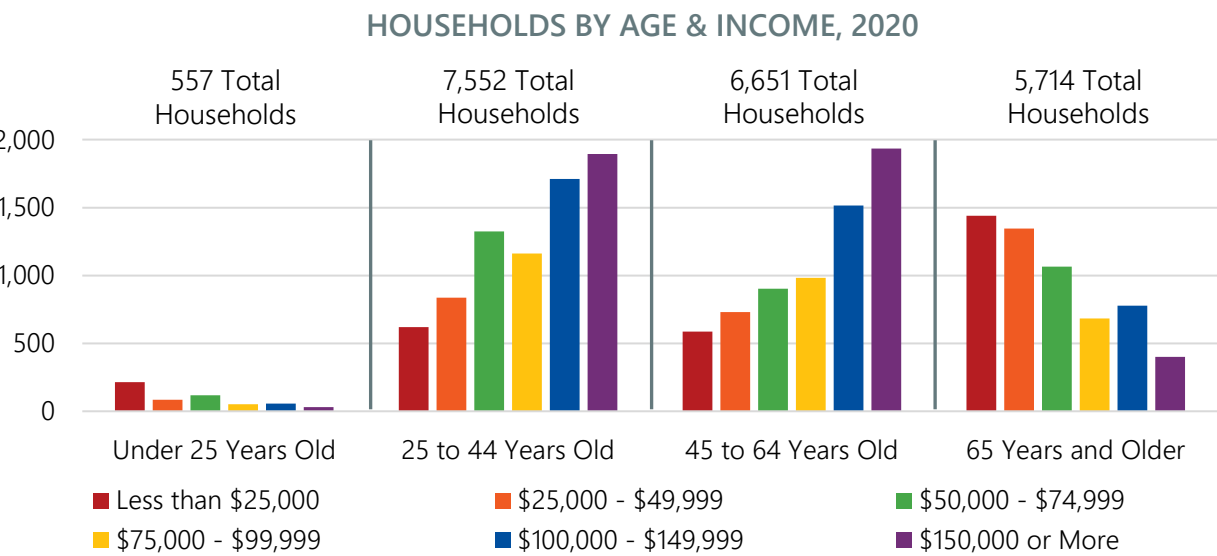
Sources: Esri, U.S. Census Bureau American Community Survey  
5-Year Estimates 2016 - 2020, SB Friedman

# HOUSEHOLDS BY AGE & INCOME

Wauwatosa has experienced an increase in affluent households since the 2016 study

In 2020, there were 20,474 households in Wauwatosa. The breakdown in households by age and income is presented below. Approximately 70% of households are within the 25 to 64 years old cohorts – and half of these households earn at least \$100,000 per year.

Since the 2016 study, the number of households earning at least \$100,000 increased by 2,200 citywide. The youngest cohorts (age 44 or below) grew by 359 households, while the older cohorts (age 45 or older) decreased by 54 households. This change is likely the result of both in-migration and the aging of existing households into new age and income cohorts since the 2016 study. It also provides insight into the decreasing median age in Wauwatosa. Almost half of Wauwatosa households led by seniors (age 65+) earn less than \$50,000 and many in this age cohort may be living on fixed incomes. Overall, the number of households earning less than \$50,000 decreased by 1,401.



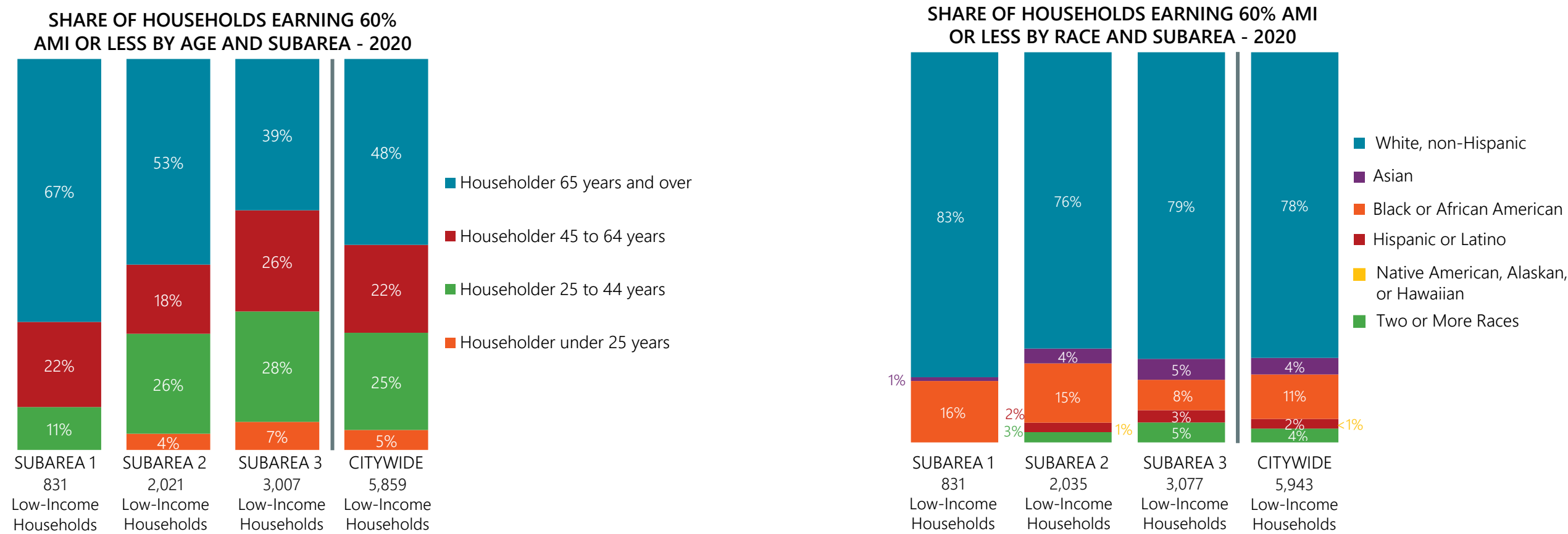
Sources: U.S. Census Bureau American Community Survey  
5-Year Estimates 2016 - 2020, SB Friedman



# LOW-INCOME HOUSEHOLDS BY AGE AND RACE

Seniors & Black or African American households are overrepresented in the share of low-income households

The Area Median Income (AMI) is the midpoint of an area’s income distribution. Based on 2020 incomes for the City of Wauwatosa, 60% AMI for a household of three people is approximately \$50,000. Households that earn 60% AMI or less are considered low-income. Given that low-income households will have greater difficulty obtaining affordable housing, it is important to understand which specific population groups are most affected by higher housing costs. By age cohort, senior households (householder age 65+) represent the largest share of low-income households in each subarea. By racial demographic, Black or African American households are most overrepresented compared to their share of overall citywide low-income households.



Source: U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman



# 2

## WORKFORCE & EMPLOYMENT CHARACTERISTICS

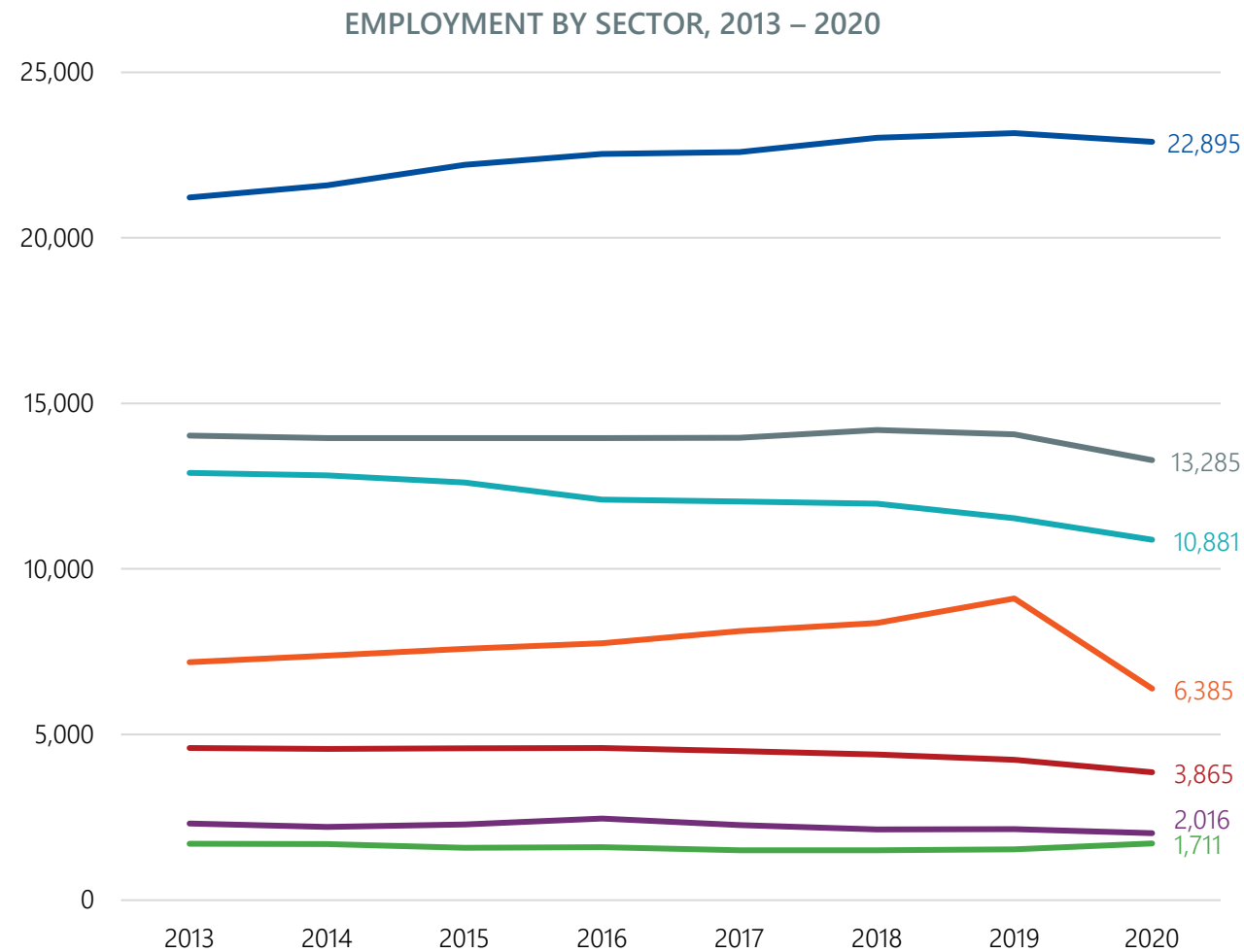
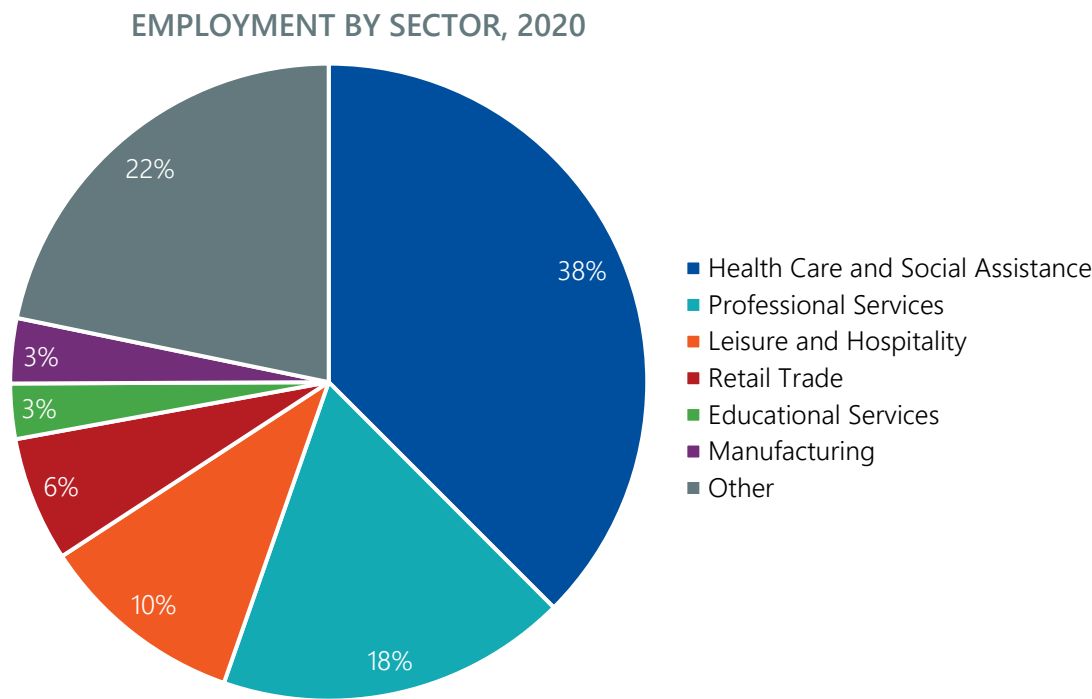




# WORKFORCE COMPOSITION

Health Care & Professional Services are the two largest job sectors

In 2020, there were over 61,000 total jobs in Wauwatosa. The two largest job sectors are Health Care and Professional Services (which includes Finance, Insurance, Real Estate, Information, and Scientific and Technical Service sectors).



Sources: EMSI, SB Friedman

# WORKFORCE COMMUTING PATTERNS

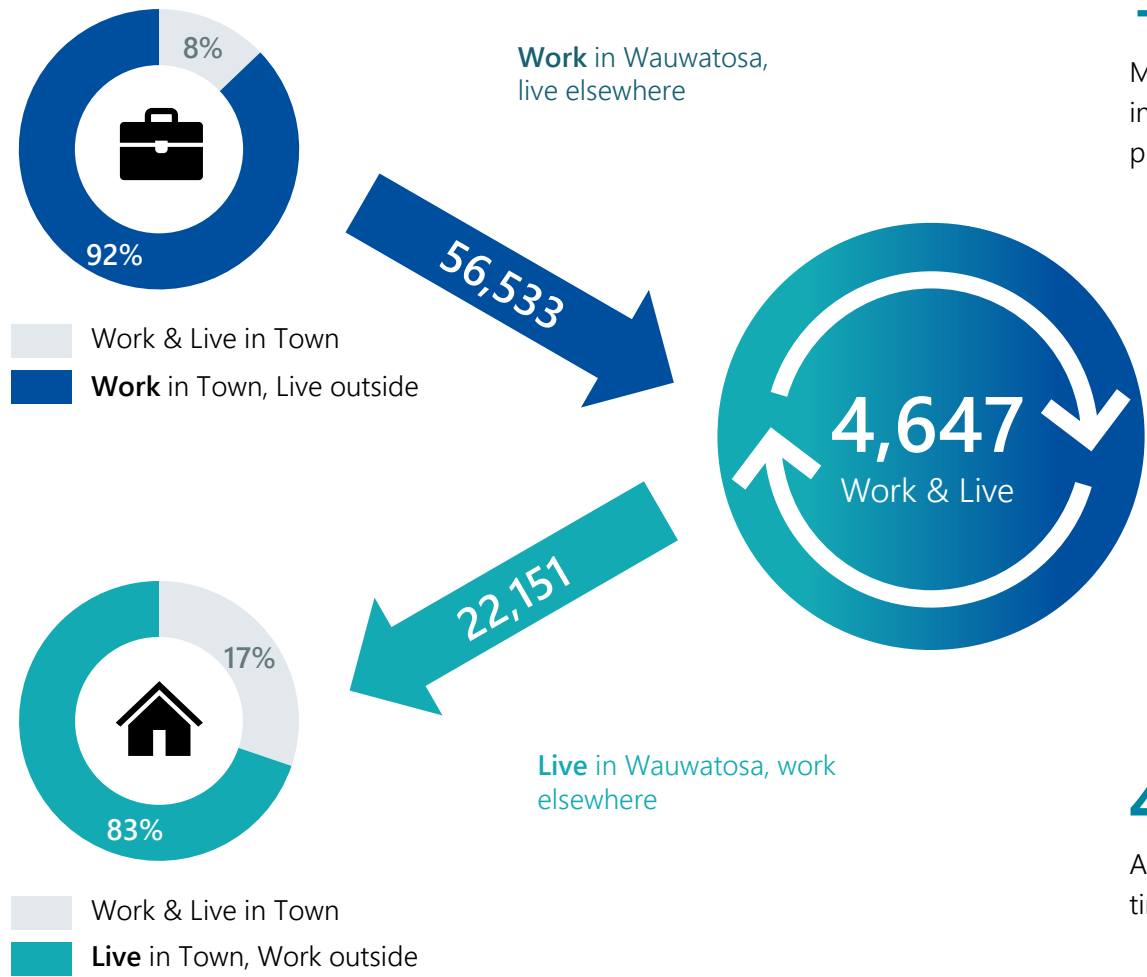
Most people who work in Wauwatosa live outside of the City

In 2019 (the most recent year for which data is available), over 92% of Wauwatosa workers lived outside of the City. The remaining 8% lived and worked in Wauwatosa. This is an increase of approximately 550 people both living and working in the City compared to the 2016 study. There were approximately 22,150 Wauwatosa residents who worked elsewhere.

The spatial patterns of where people who work in Wauwatosa live and where people who live in Wauwatosa work are presented on the following page.

Sources: LEHD, SB Friedman

COMMUTING PATTERNS, 2019



+550

More people are working and living in Wauwatosa compared to the previous study.

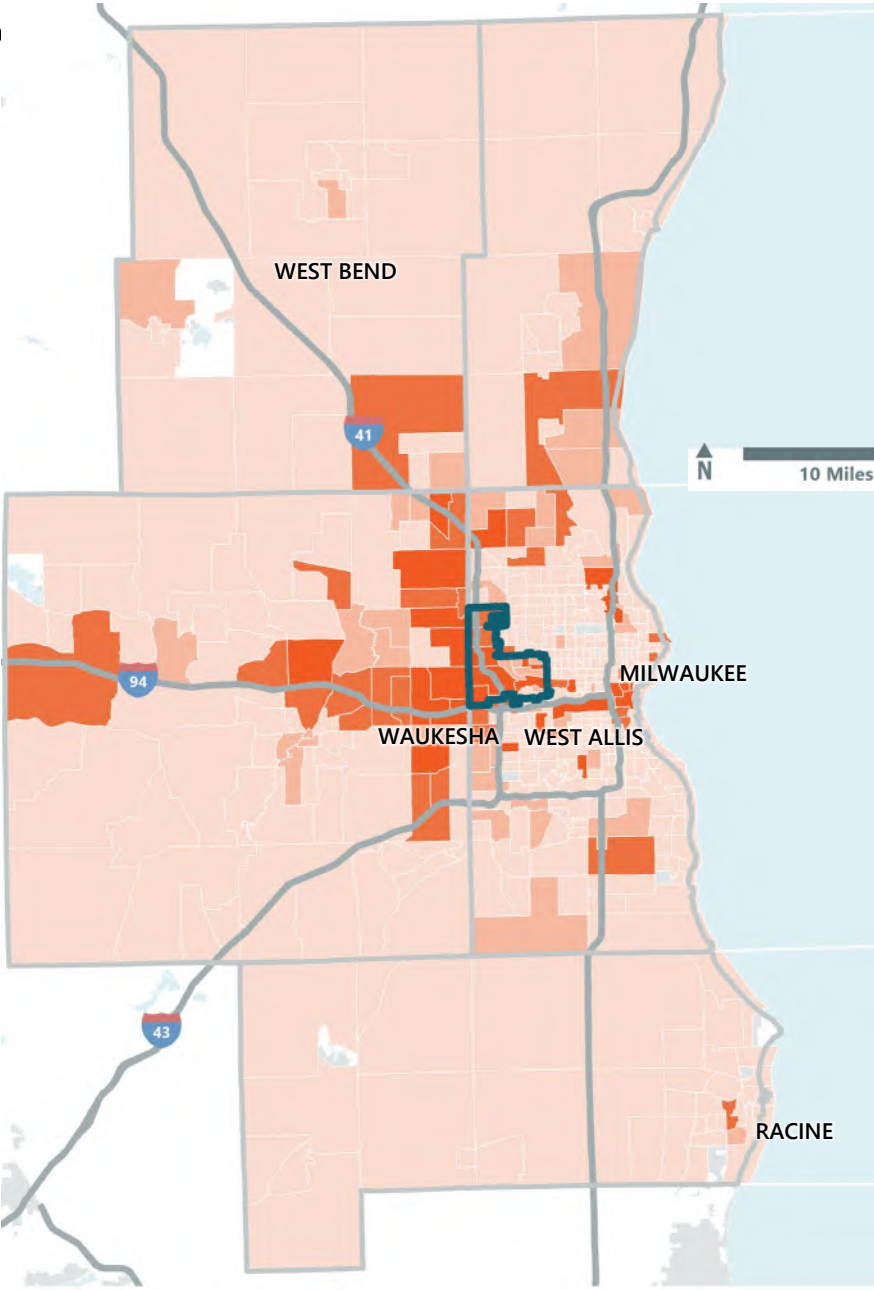
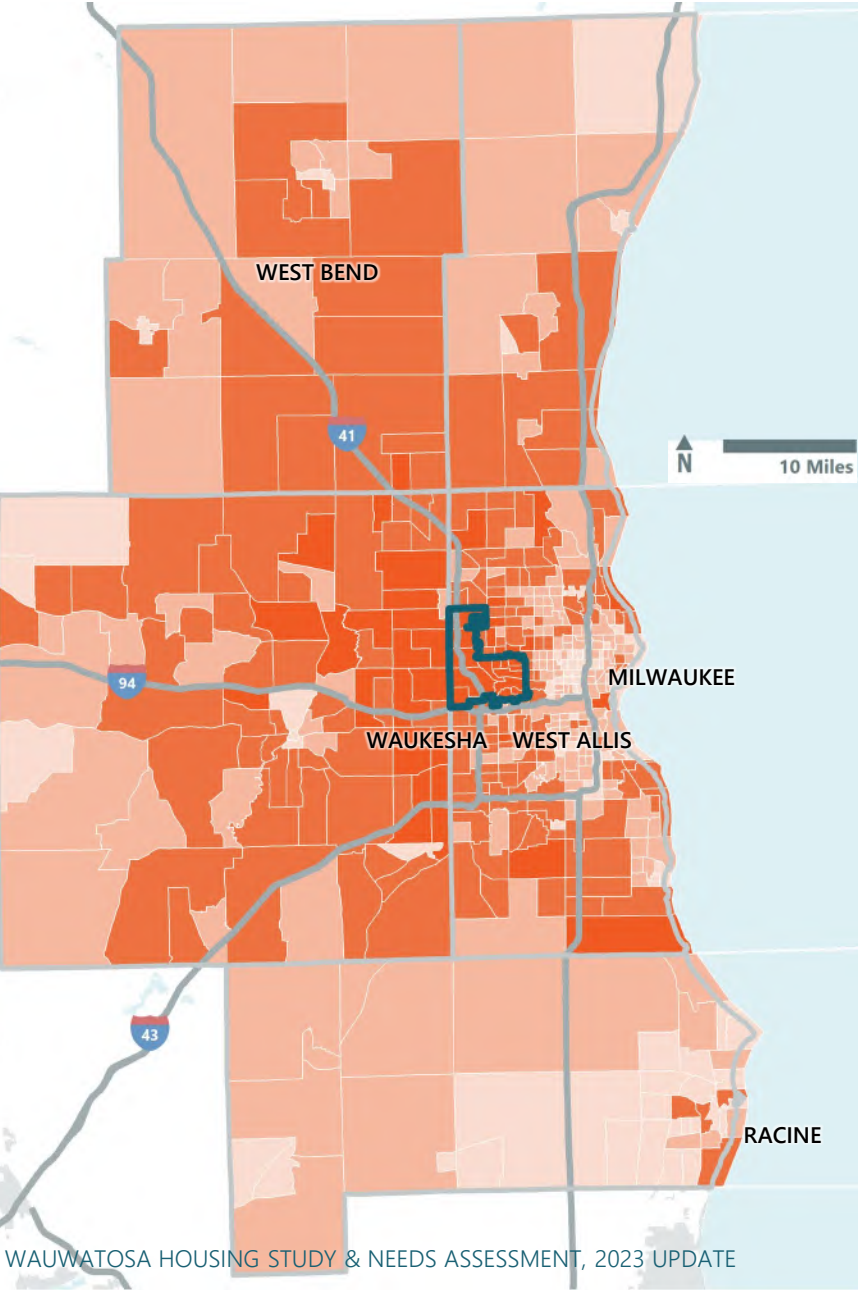
42 minutes

Average round trip work commute time for residents of Wauwatosa



# WORKFORCE COMMUTING PATTERNS

Wauwatosa attracts commuters from a wide area; Wauwatosa residents commute to nearby cities



Sources: LEHD, Esri, SB Friedman



# 3

## EXISTING HOUSING SUPPLY



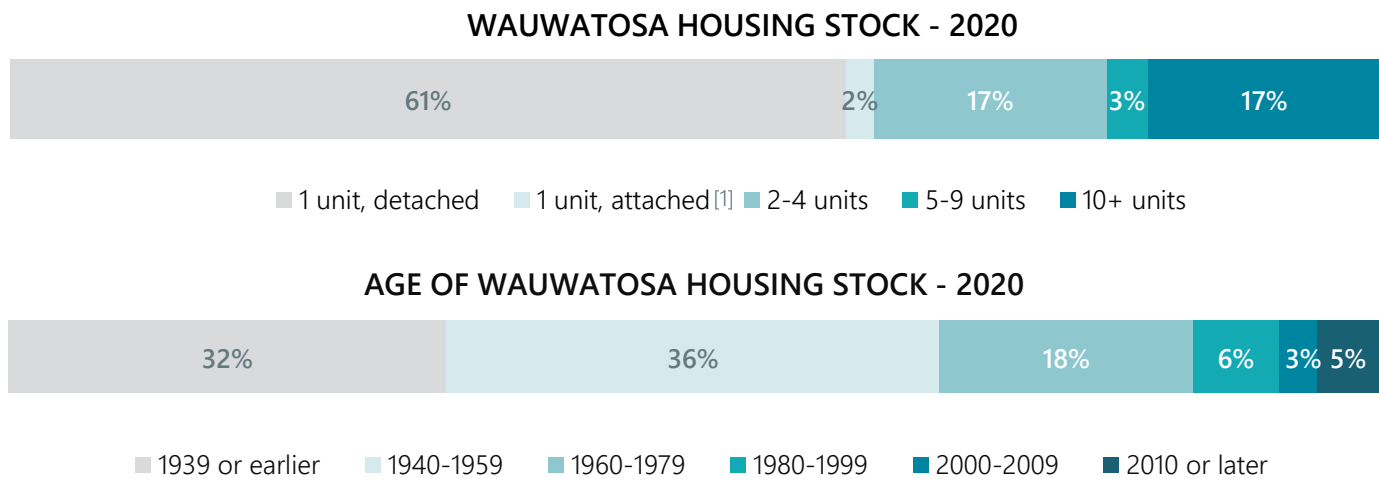


# HOUSING PROFILE

Wauwatosa has a relatively diverse housing stock

Approximately 63% of Wauwatosa’s housing stock (13,000 units) is single-family, while 37% (7,470) is multifamily. Nearly 20% of the housing stock is in 2-9-unit buildings. The share of units in multifamily buildings increased by 1% since the 2016 study.

Nearly 70% of the existing housing stock (13,900 units) is over 60 years old, including 60% of units in 2-9-unit buildings.



PEER COMMUNITY OCCUPANCY RATES - 2020				
City	Number of Housing Units	Owner Occupied	Renter Occupied	Vacant [2]
Brookfield	15,165	83%	14%	3%
Elm Grove	2,321	86%	8%	6%
Wauwatosa	21,714	60%	34%	6%
West Allis	29,221	49%	45%	6%
Milwaukee	258,444	37%	52%	11%

[1] Attached housing, or single-family attached housing, refers to condominiums or townhomes housing types  
[2] Includes units in lease-up  
Sources: U.S. Census Bureau American Community Survey 5-Year Estimates  
2016 - 2020, SB Friedman

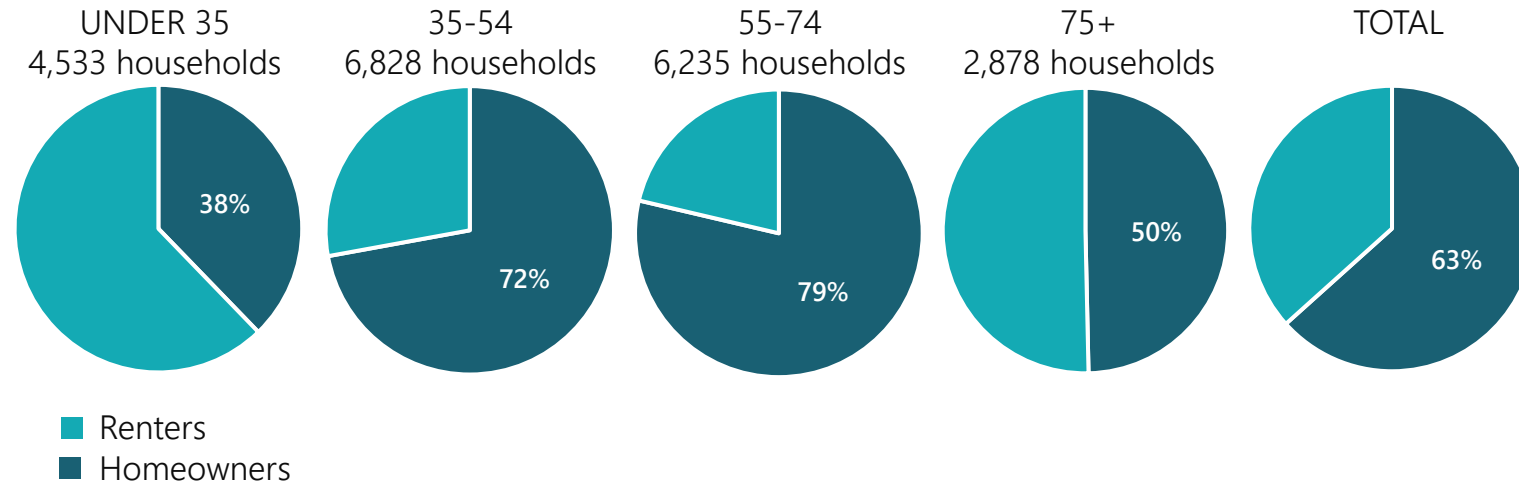
# HOUSEHOLD TENURE

Homeownership is common among residents aged 35 or older

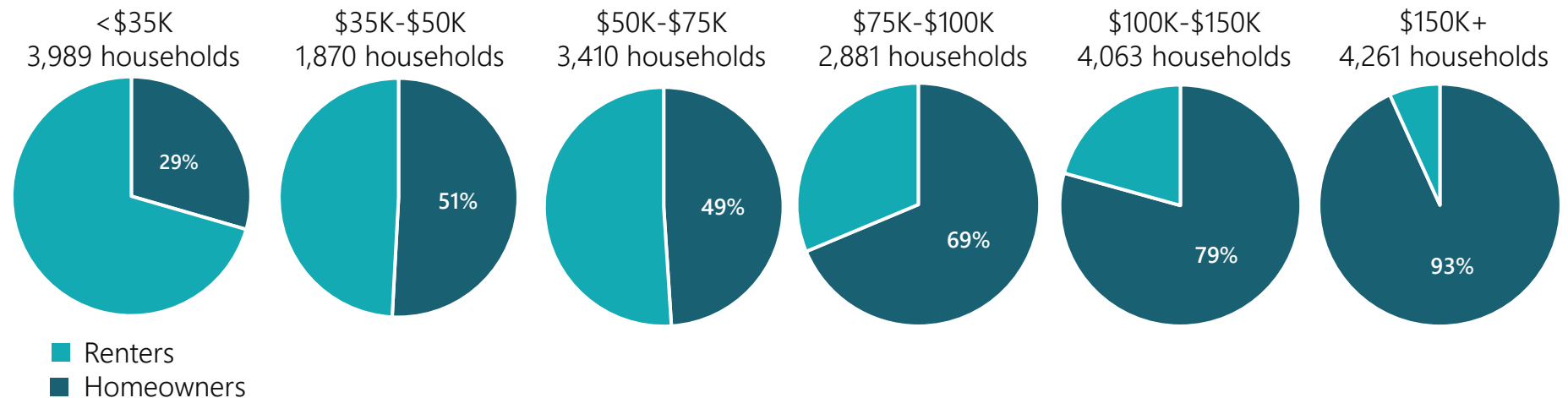
Household tenure refers to the relationship between the occupant(s) and housing unit – do they own or rent their home?

In Wauwatosa, households age 35-74 and households with annual incomes above \$75,000 are predominantly homeowners.

## TENURE BY AGE OF HOUSEHOLDER



## TENURE BY HOUSEHOLD INCOME



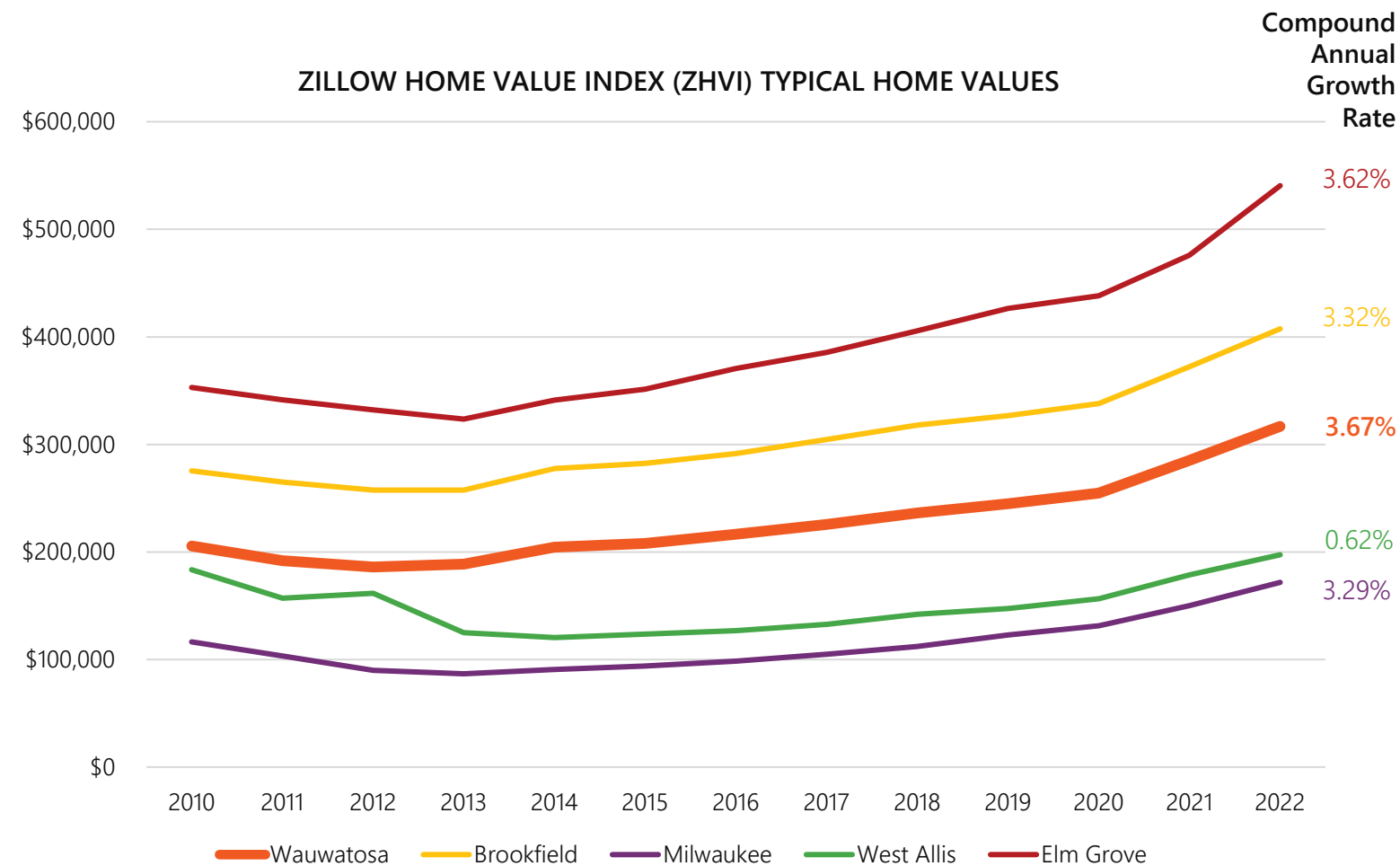
Sources: U.S. Census Bureau American Community Survey  
5-Year Estimates 2016 - 2020, SB Friedman



# HOME VALUE TRENDS

Home values have significantly increased since 2020, with a sharp increase between 2020 & 2022

Since 2010, home values in Wauwatosa have grown at an average rate of 3.67% per year. This rate is faster than some neighboring communities. The typical home sale value in Wauwatosa increased by \$100,000 since 2016 and \$62,000 since 2020.



Zillow data was unavailable for home values in West Allis in 2009.

Typical Home Values reflect values in the 35<sup>th</sup> to 65<sup>th</sup> percentile range for each market area

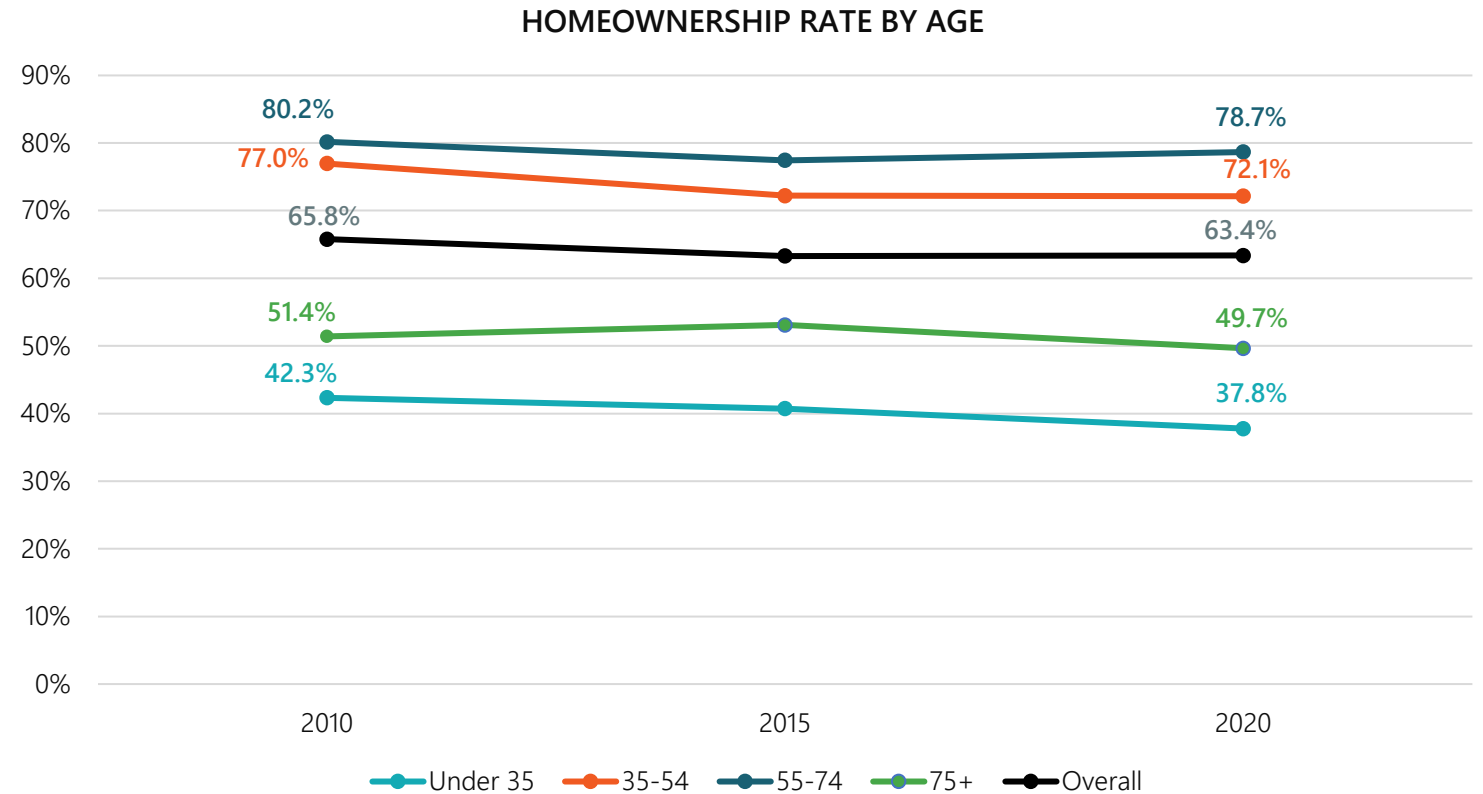
Sources: Zillow, SB Friedman

# HOMEOWNERSHIP TRENDS

Overall homeownership has decreased 2.5% since 2010

In 2020, the homeownership rate was approximately 63%. Homeownership rates decreased for all age cohorts, with the greatest decrease in those age 54 and under (4-5%).

The 2.5% decrease in overall homeownership is likely due to an increased number of rental units added to the total supply and broader trends where young households rent by choice.



Sources: U.S. Census Bureau American Community Survey  
5-Year Estimates 2016 - 2020, SB Friedman

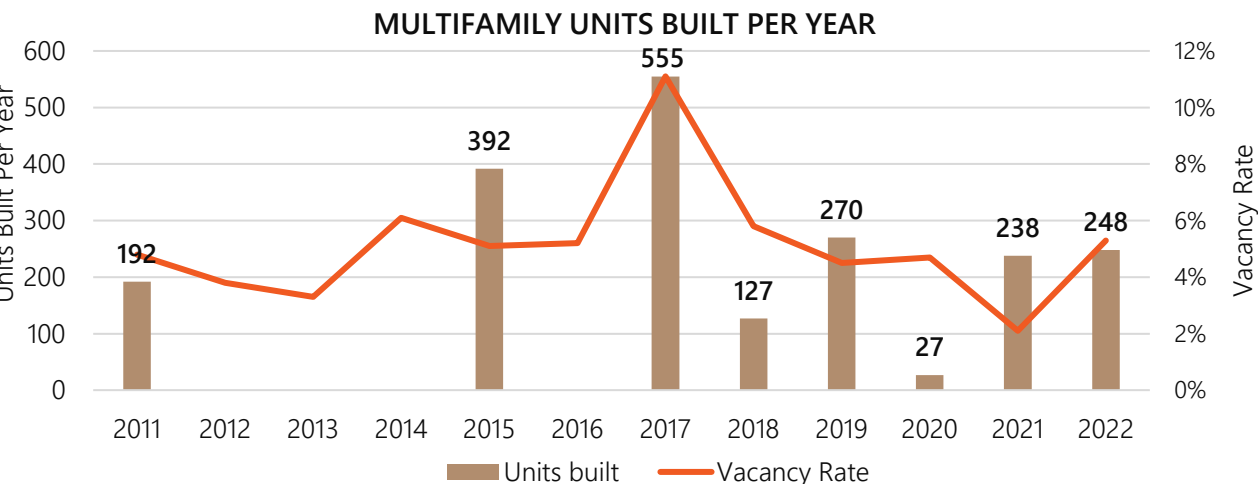


# RENTAL HOUSING TRENDS

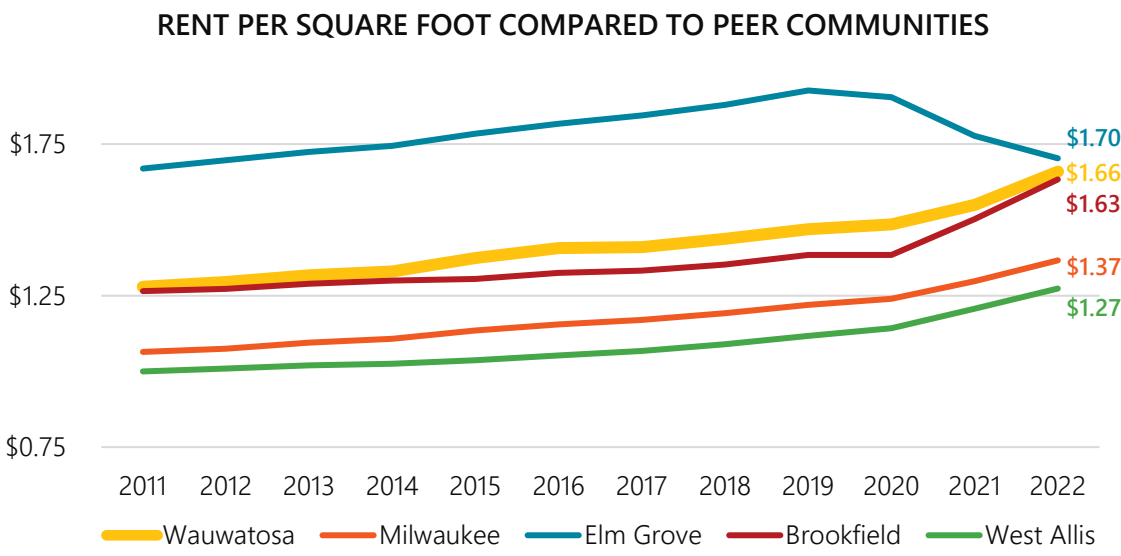
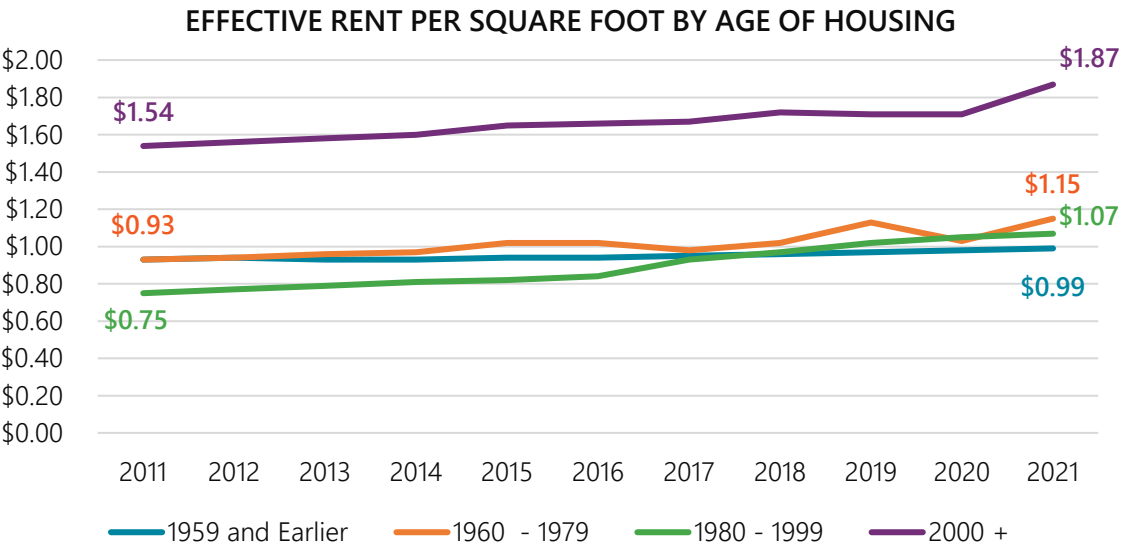
Low vacancy with continued production indicates consistent demand for more multifamily housing

Multifamily vacancy spiked in 2017 following the delivery of 564 new rental units, but the sustained absorption of new units lowered the vacancy rate to 2% in 2021 (a 10-year low). Although the vacancy rate did increase in 2022, this is likely because the recently delivered units are still in their initial lease-up period.

New or recently constructed housing commands the highest rents. Rents (on a per square foot basis) have increased by \$0.38 (29%) since 2011, however, 44% of this increase occurred in the past two years. The rapid rent increase offers some insight to the higher share of cost-burdened rental households compared to owner-occupied households. Wauwatosa rents are higher than many peer communities, except for Elm Grove, which has limited rental product.



\*Units built does not match permits issued because of the lag between receiving permits and unit delivery  
Sources: CoStar, SB Friedman



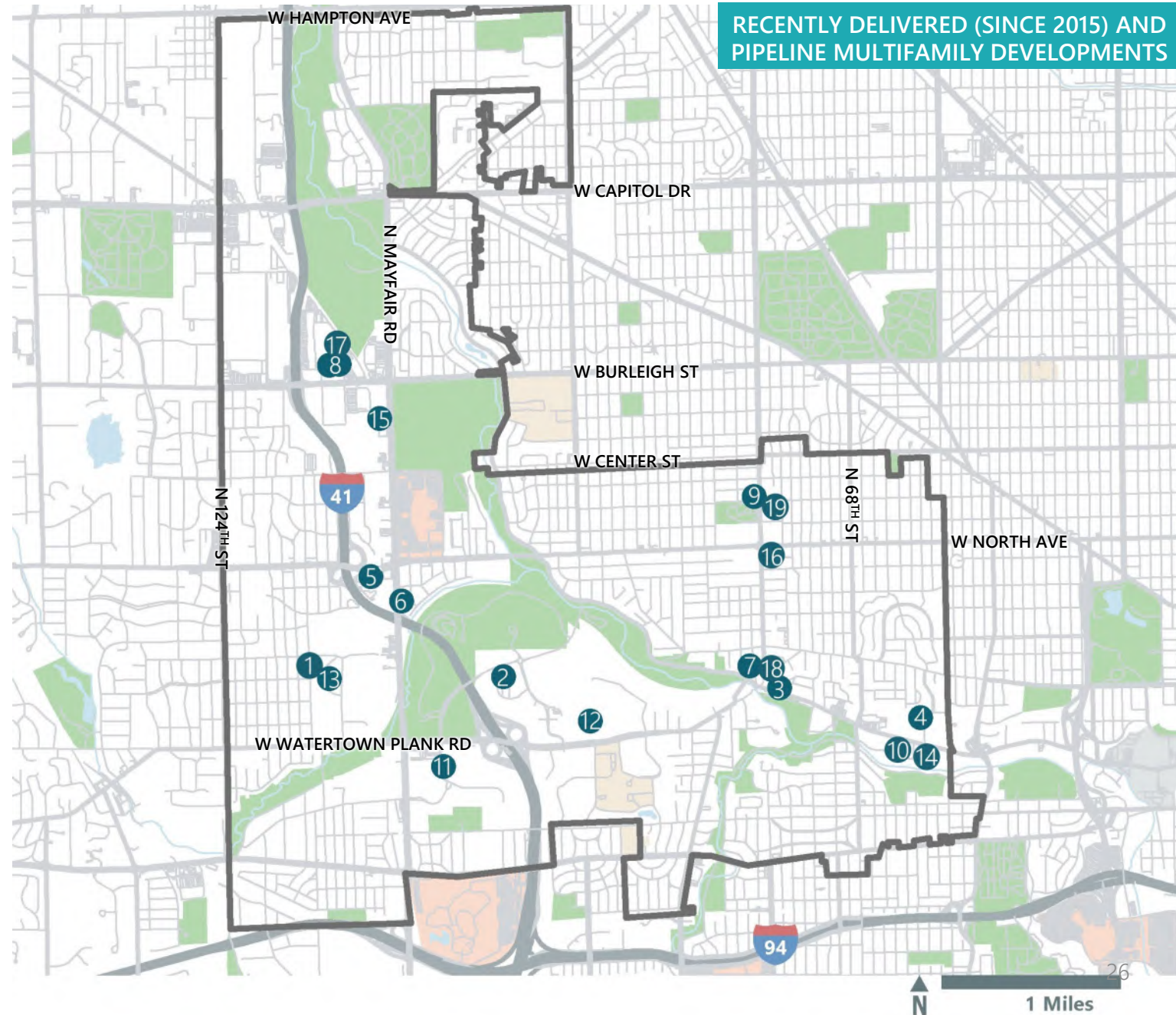
# NEW MULTIFAMILY INVENTORY

1,857 multifamily units have been delivered since 2015

Since 2015, 13 residential developments have delivered 1,857 multifamily units. An additional six developments are in the pipeline with 652 proposed units. The volume of new housing units delivered in the past seven years exceeds the 15-year housing demand projection from the 2016 study. Nonetheless, the citywide vacancy rate in 2021 was only 2%, suggesting that the new units have been absorbed rapidly and that there is latent demand for additional multifamily units.

New units include market rate, affordable, and age-restricted housing options for Wauwatosa residents. The limited availability of undeveloped sites requires much of the new housing to be delivered on redevelopment sites and at a higher density. Further detail about these residential developments is provided on the following page; numbers on the map correspond to numbers on the table.

Sources: CoStar, Esri, SB Friedman





# NEW MULTIFAMILY INVENTORY

1,857 new multifamily units have been delivered since the 2016 study

DEVELOPMENT NAME	STATUS	TARGET POPULATION	YEAR BUILT	UNITS	UNIT MIX	AGE-RESTRICTED UNITS	AFFORDABLE UNITS	AFFORDABILITY LEVEL BY HOUSEHOLD SIZE	SUBSIDY PROGRAM
1. 1600 Tosa	Existing	Market	2015 [1]	204	130 1-bed/ 74 2-bed	-	-	-	
2. Echelon	Existing	Market	2015 [1]	188	36 studios/ 64 1-bed/ 88 2-bed	-	-	-	
3. State Street Station	Existing	Market	2017	150	111 1-bed/ 36 2-bed/ 3 3-bed	-	-	-	
4. The Reef	Existing	Market	2017	169	127 1-bed/ 34 2-bed/ 8 3-bed	-	-	-	
5. Mayfair Reserve	Existing	Market	2017	236	149 1-bed/ 87 2-bed	-	-	-	
6. The 2100	Existing	Market	2018	97	8 studio / 67 1-bed/ 22 2-bed	-	-	-	
7. Harmoniee Square Apts	Existing	Market	2018	30	10 1-bed/ 10 2-bed/ 10 3-bed	-	-	-	
8. Synergy at Mayfair Collection	Existing	Market	2019	270	49 studio/ 149 1-bed/ 72 2-bed	-	-	-	
9. Gallatin Apts	Existing	Market	2020	27	4 studios/ 19 1-bed/ 4 2-bed	-	-	-	
10. River Parkway Phase 1	Existing	Seniors & Families (Affordable)	2021	136	70 1-bed/ 44 2-bed/ 22 3-bed	118	Approx. 95	<60% AMI	
11. Crescent Apts	Existing	Market	2021	102	12 studios/ 60 1-bed/ 30 2-bed	-	-	-	
12. Watertown Apts	Existing	Market	2022	147	147 1-bed	-	-	-	
13. Walnut Glen	Existing	Seniors & Families (Affordable)	2022	101	36 1-bed/ 51 2-bed/ 14 3-bed	87	Approx. 71	30-60% AMI	
Total				1,857		205	166		

[1] Under construction during 2016 study

Sources: City of Wauwatosa, CoStar, Esri, SB Friedman

# NEW MULTIFAMILY INVENTORY

652 additional multi-family units are in the development pipeline

DEVELOPMENT NAME	STATUS	TARGET POPULATION	UNITS	UNIT MIX	AGE-RESTRICTED UNITS	AFFORDABLE UNITS	AFFORDABILITY LEVEL BY HOUSEHOLD SIZE	SUBSIDY PROGRAM
14. River Parkway Phase 2	Under Construction	Workforce	50	21 1-bed/ 10 2-bed/ 6 3-bed/ 13 townhomes	-	37	<60% AMI	City, LIHTC
15. Mayfair Apts	Under Construction	Market	258	204 studios & 1-bed/ 50 2-bed/ 4 3-bed	-	-	-	
16. Cornerstone Village	Proposed	Mixed-Income, Residents with Intellectual and Developmental Disabilities (IDD)	94	51 1-bed/ 26 2-bed/ 13 3-bed/ 4 townhomes	-	24 IDD (18 affordable)	<80% AMI	City, County
17. 11500 W Burleigh St	Proposed	Seniors & Workforce (Affordable)	80	50 1-bed/ 25 2-bed/ 5 3-bed	Approx. 40	56	30-60% AMI	City, County, LIHTC
18. Harlow & Hem	Proposed	Mixed-Income	130	25 studios/ 65 1-bed/ 30 2-bed/ 10 3-bed	-	26	<80% AMI	City
19. Le Bon Vivant at St. Pius	Proposed	Seniors	40	32 1-bed/ 5 2-bed/ 3 Townhomes	40	-	-	
Total			652		142	137		

Sources: City of Wauwatosa, CoStar, Esri, SB Friedman



# 4

## HOUSING AFFORDABILITY



# HOUSING AFFORDABILITY

Income thresholds set relative to the AMI define housing affordability

In 2020, the Area Median Income (AMI) of the Milwaukee-West Allis-Waukesha Metropolitan Statistical Area (MSA) was \$83,800. That means half of households in the MSA earn more than the median and half earn less. These metrics account for the size of the household and define the affordability of housing by income cohort.



Based on an evaluation of the Wauwatosa market:

- New construction/ renovated rentals tend to be affordable to households at 80-120% AMI (otherwise referred to as “Workforce Housing”)
- New construction ownership units tend to be affordable to households at 150% AMI or greater

MSA 2020 AMI MAXIMUM INCOME TARGETS BY HOUSEHOLD SIZE

Household Size	<30% AMI	30-50%AMI	50-80% AMI	80-120% AMI	120-150% AMI	>150% AMI	100% AMI
	“Extremely Low Income”	“Very Low Income”	“Low Income”	“Moderate Income”	“Middle Income”	“High Income”	Median
1	\$17,650	\$29,350	\$46,950	\$70,450	\$88,050	>\$88,050	\$58,700
2	\$20,150	\$33,550	\$53,650	\$80,500	\$100,650	>\$100,650	\$67,100
Wauwatosa average household size: 2.35 people							
3	\$22,650	\$37,750	\$60,350	\$90,600	\$113,250	>\$113,250	\$75,500
4	\$25,150	\$41,900	\$67,050	\$100,550	\$125,700	>\$125,700	\$83,800
5	\$27,200	\$45,300	\$72,450	\$108,700	\$135,900	>\$135,900	\$90,600

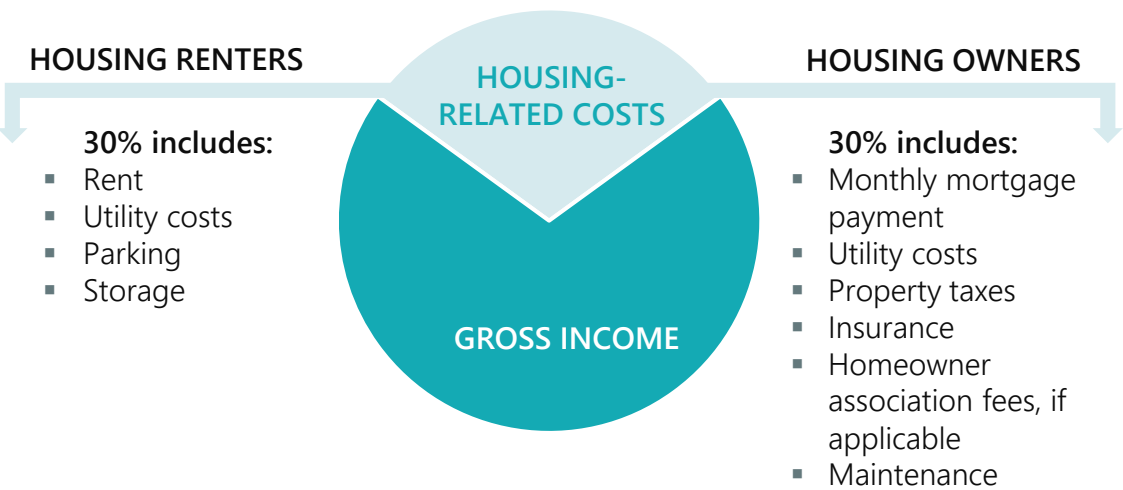
Source: US Department of Housing & Urban Development, SB Friedman



# HOUSING VALUES/RENTS & AFFORDABILITY

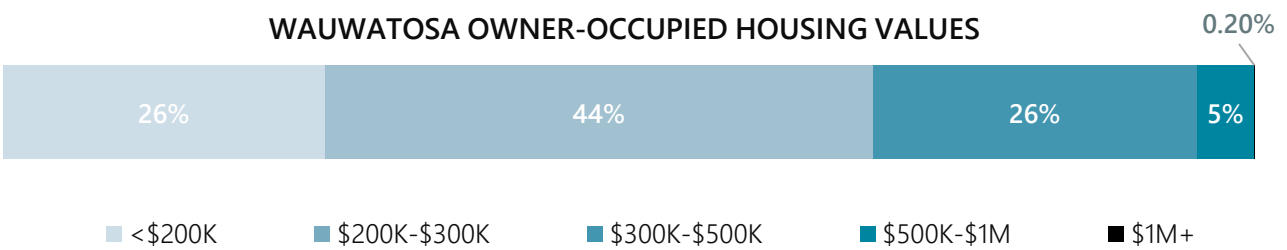
Households that can affordably own a home earn approximately 50% more than renter households

Generally, housing is considered affordable if a household spends no more than 30% of their gross income on housing-related costs.

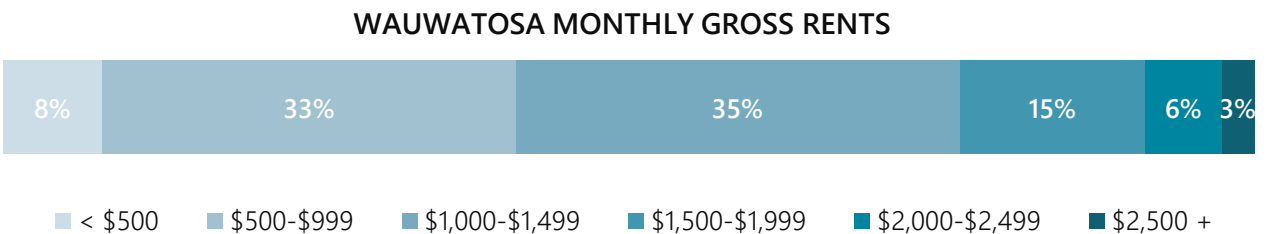


In 2020, the median home value was \$251,300. The estimated monthly housing costs for homes at this value are approximately \$1,746 (including mortgage, homeowner’s insurance, mortgage insurance, property taxes). Therefore, households of any size earning at least \$69,838 are considered able to afford monthly payments of \$1,746 (30% of \$69,838). In 2020, the median monthly gross rent was \$1,120 (30% of \$44,800). \$44,800 is the minimum household income required for the median gross rent to be considered affordable.

Sources: U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman



2020 Median Home Value: \$251,300  
Minimum Household Income to Afford: \$69,838

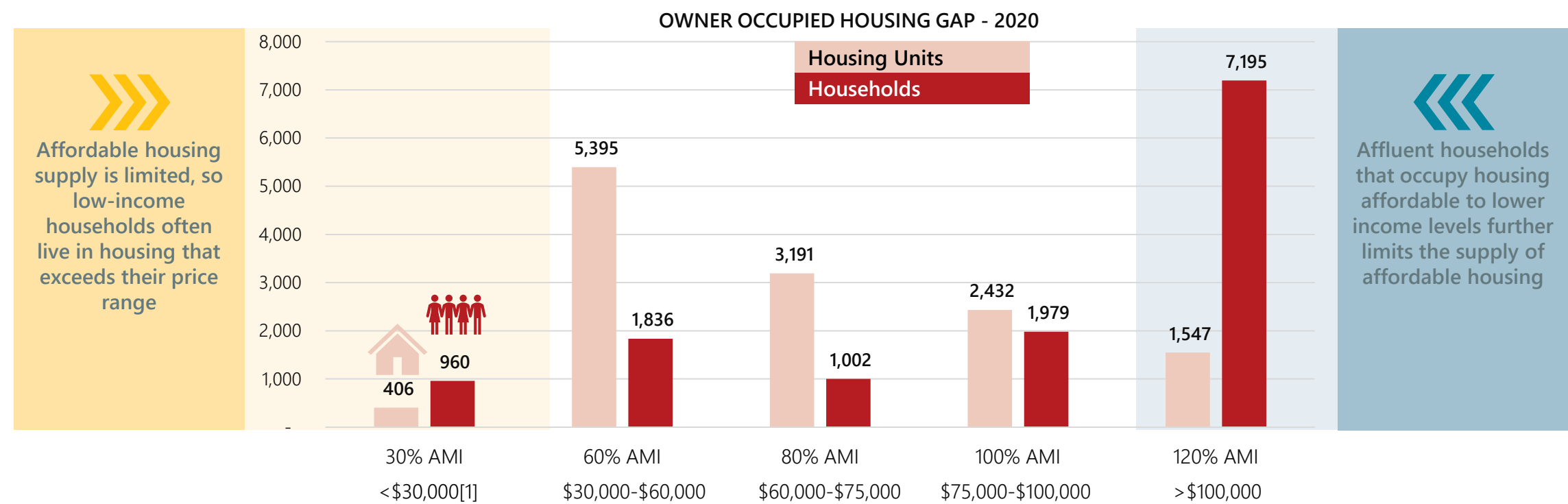


2020 Median Gross Rent: \$1,120/Month  
Minimum Household Income to Afford: \$44,840

# HOME OWNERSHIP AFFORDABILITY

More affluent owner households occupy housing that is affordable to lower income levels

The number of owner-occupied households that earn more than 120% of AMI substantially exceeds the number of units that are affordable to only that income level. Therefore, these more affluent households occupy units that are affordable to households earning lower incomes. This increases the difficulty for households at lower income levels to find housing affordable at their income level and increases the number of cost burdened households in Wauwatosa.



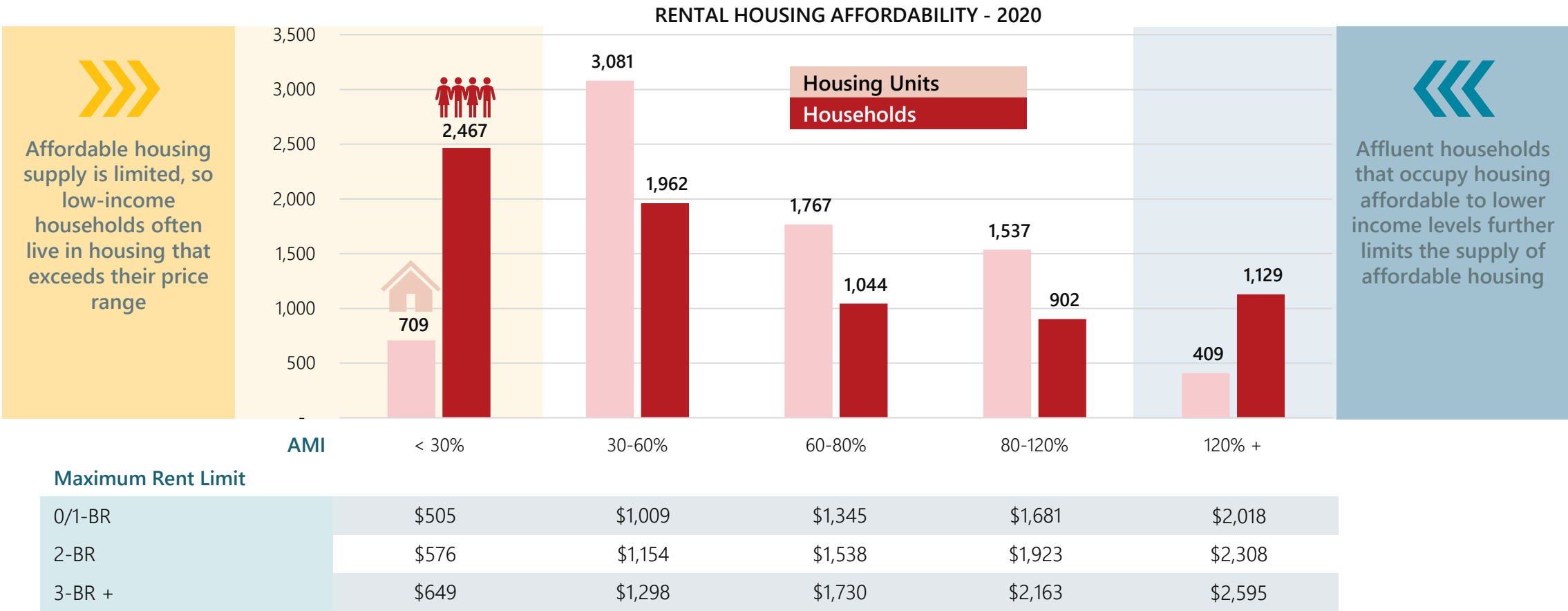
[1] Income bands correspond roughly to 2020 AMI levels. Analysis assumes a household size of 4 people.  
Sources: U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman



# RENTAL HOUSING AFFORDABILITY

## Low-income renter households live in housing that exceeds their price range

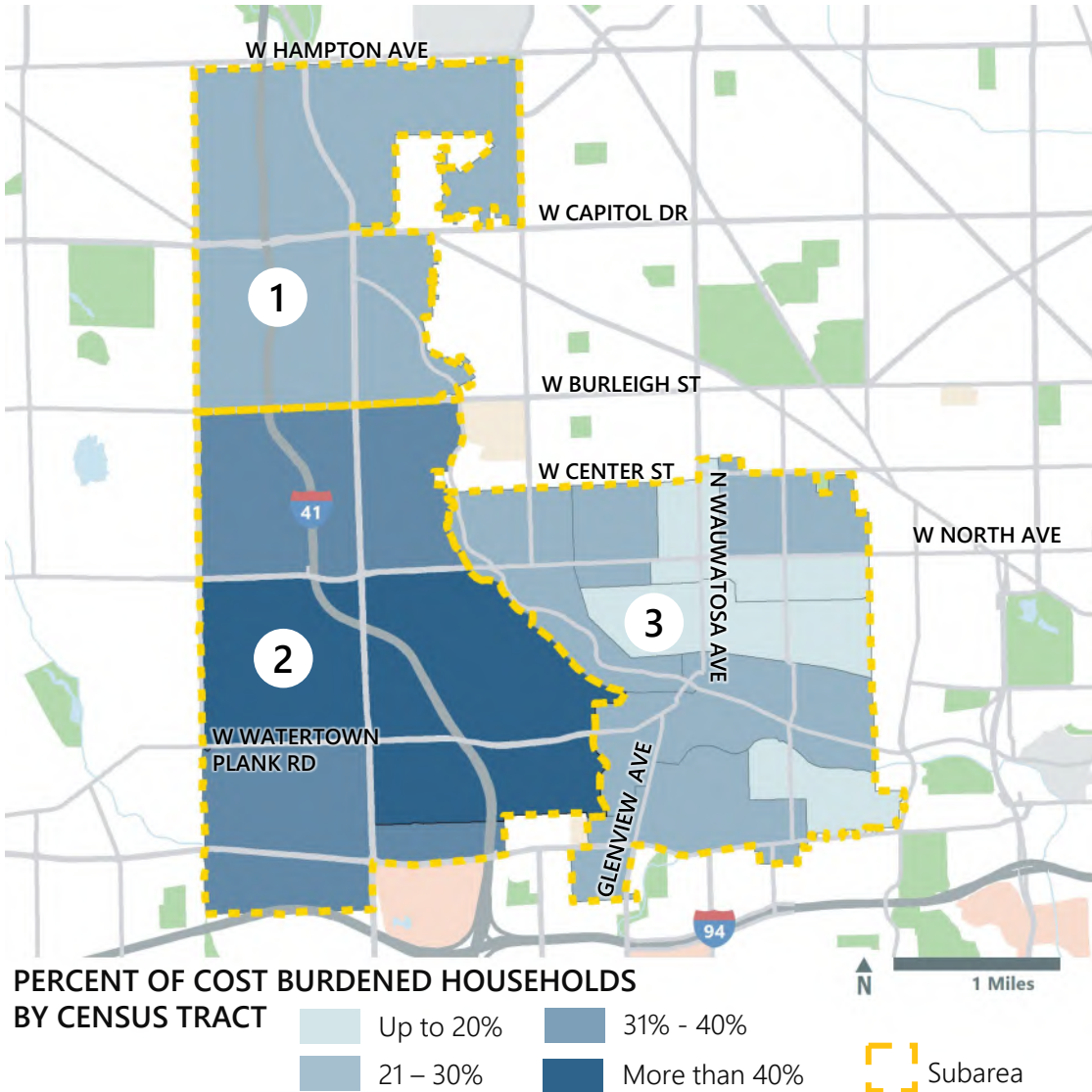
The supply of deeply affordable rental housing units (affordable to households earning less than 30% AMI) is inadequate relative to the number of households earning less than 30% of AMI. With fewer housing options, low-income households must often live in housing that is not affordable. Furthermore, affluent households may choose to occupy units that are affordable to households at lower income levels, providing an additional constraint on available affordable housing supply. The rent limits shown below roughly correspond to the maximum housing payment considered affordable for households within each AMI category. Rent limits depend on household size; assuming household sizes of 1 for studios, 1 for 1-BR, 2 for 2-BR, and 3 for 3BR.



Sources: U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman

# COST BURDENED HOUSEHOLDS

Approximately 1 in 4 households are cost burdened



In 2020, 5,253 households (25.7% of total households) were considered housing cost burdened, meaning the household spends more than 30% of its gross income on housing-related costs.

The share of cost-burdened households in 2020 is lower than the estimated 30% during the 2016 study. Subarea 2 has the highest concentration of cost burdened households

COST BURDENED HOUSEHOLDS BY SUBAREA - 2020		
Geography	Percent of Cost Burdened Households	Total Cost Burdened Households
Subarea 1	26%	660
Subarea 2	36%	2,252
Subarea 3	21%	2,341
Overall	26%	5,253

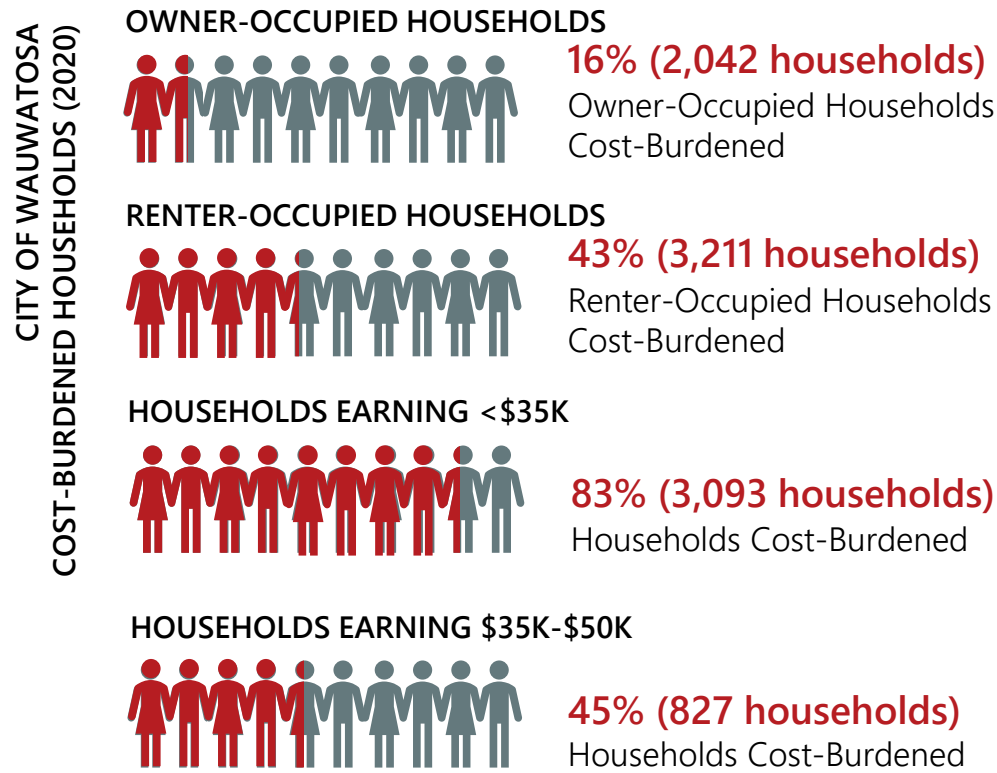
Sources: U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, SB Friedman



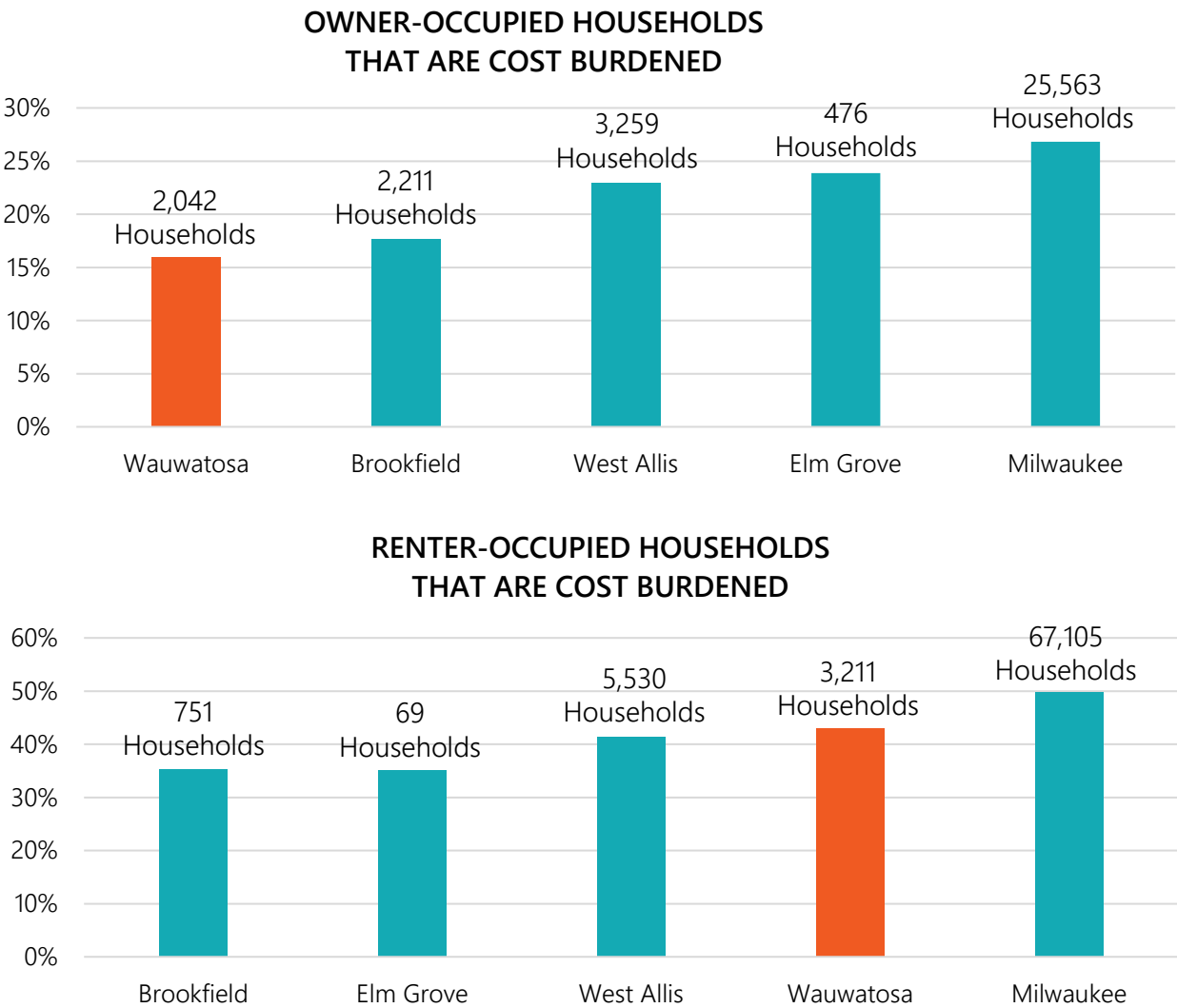
# COST BURDENED HOUSEHOLDS

Renters are often more cost burdened than homeowners

In 2020, 5,253 households (25.7% of total households) were considered housing cost burdened, meaning that the household spends more than 30% of their gross income on housing-related costs. More renters are cost-burdened in Wauwatosa than in peer communities; however, Wauwatosa has the lowest rate of owner cost-burdened households.



Sources: U.S. Census Bureau American Community Survey  
5-Year Estimates 2016 - 2020, SB Friedman



## 5

# HOUSING DEMAND FORECASTS



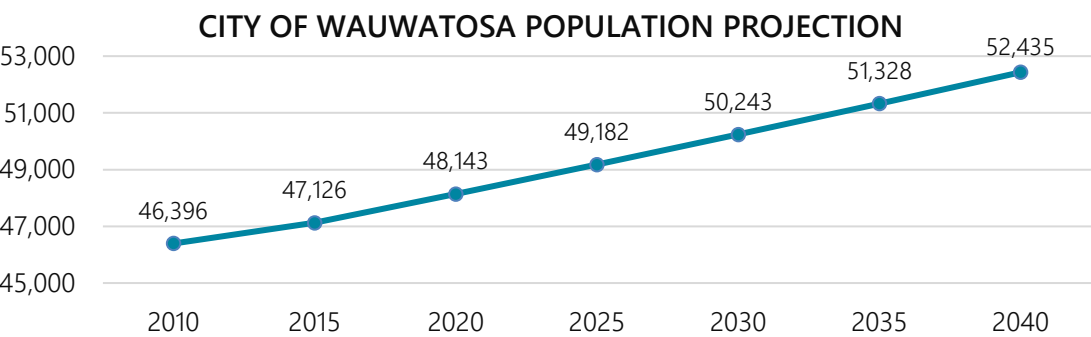


# IMPACTS ON FUTURE HOUSING DEMAND

The City of Wauwatosa is projected to continue adding residents

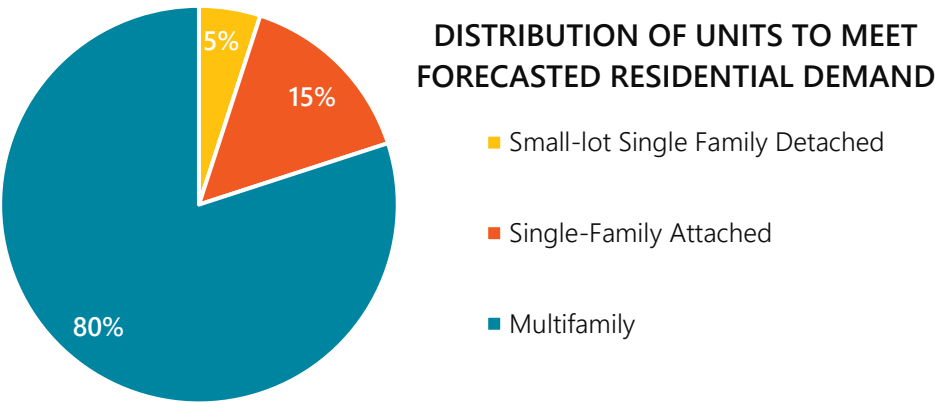
Population growth drives residential demand. Neither the Southeastern Wisconsin Regional Planning Commission (SEWRPC) nor the Wisconsin Department of Administration (DOA) have updated their municipal-level population projections since the 2016 study. However, population growth in Wauwatosa has already outpaced the earlier projections. To estimate a housing production target, SB Friedman prepared a population projection based on the actual growth rate of Wauwatosa between 2015-2020 and an average of the population growth rates in Milwaukee County from SEWRPC and DOA released in 2013.

It is estimated Wauwatosa could grow by nearly 3,300 new residents to a population of approximately 52,000 by 2040. This is likely to require 1,500 to 2,200 new housing units over that time period.



Sources: WDOA, SEWRPC, SB Friedman

Additional factors are likely to impact the need for new units. Average household size has been increasing, which will impact demand for new housing units. The availability of suitable development sites will also impact the delivery of future housing units. To optimize the delivery of future housing units, future development is projected to be primarily multifamily housing. New single-family development will likely be limited to small-lot infill development or attached housing, such as condos or townhomes.



To help increase housing affordability, it is important to encourage a diversity of housing types at different price points. Housing production at any price point will relieve housing pressures; however, it is also important that the City continue to make deliberate efforts to increase the supply of new housing for low- and moderate- income households.



# 6

## PUBLIC ENGAGEMENT FEEDBACK





# PUBLIC ENGAGEMENT PROCESS

Public feedback was gathered through a multifaceted engagement process



## KEY STAKEHOLDER/INFORMANT INTERVIEWS

- Eight interviews with community groups, City commissions, developers, and regional stakeholders/informants



## CITY-DISTRIBUTED PUBLIC INPUT SURVEY

- Open from July 25-September 9, 2022
- 1,500+ full responses collected



## COMMUNITY WORKSHOP

- In-person on September 21, 2022

# KEY STAKEHOLDER/INFORMANT INTERVIEWS

Key takeaways from the interviews are outlined below

Feedback from interviews included actions or policies that the City has already pursued, is considering, or are not within the City’s control.

	HOUSING NEEDS	OPPORTUNITIES	CHALLENGES	POLICY-RELATED FEEDBACK
Committee for Citizens with Disabilities	Workforce housing <ul style="list-style-type: none"><li>• Teachers</li><li>• Hospital staff</li><li>• City employees</li></ul> Senior housing <ul style="list-style-type: none"><li>• Intergenerational</li><li>• Active</li><li>• Affordable</li><li>• Physically accessible</li></ul> Missing middle housing typologies <ul style="list-style-type: none"><li>• Small cottages, duplexes, shared green space</li><li>• Rental and for-sale</li></ul> Realistic starter home options for young families	Wauwatosa continues to be viewed regionally as a desirable place to live	Increasing construction costs challenge the feasibility of new development and in many cases lead to developer requests for City financial assistance	Reconsider additional use or reduce areas designated for single-family zoning
Community Development Authority				
Equity & Inclusion Commission				
Housing Coalition				
Metro Milwaukee Fair Housing Council				
Milwaukee Regional Medical Center				
Real Estate Professionals				
Senior Commission				
Southeastern Wisconsin Regional Planning Commission				
		A limited number of large redevelopment sites could be used for new housing	Some residents oppose higher density development	*Establish an emergency housing repair fund specifically for home accessibility improvements
		Parts of Wauwatosa have the walkability and transit access needed to support aging in place and housing for people living with disabilities	Limited land exists for new housing development <ul style="list-style-type: none"><li>• Few undeveloped sites</li><li>• Landlocked</li><li>• Much of City zoned single-family residential</li></ul>	Provide meaningful funding for community land trust
		City staff and elected officials understand the need for gap financing	Redevelopment scenarios are costly due to site assembly, site clearance, and in some cases environmental clean-up	Consider zoning and/or code exemptions to make existing housing supply accessible to people living with disabilities
			General public perceives TIF assistance as developer hand out	Ensure development review process is more inclusive of residents
				*Establish process to evaluate the level of TIF assistance provided to a project
				<sup>0</sup> Make renters with housing vouchers a protected class in the city

\*The City has implemented this.

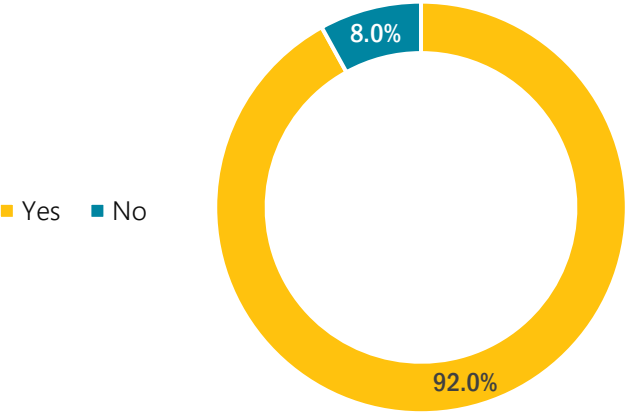
<sup>0</sup>It is the opinion of City legal staff that this is not within the City’s control



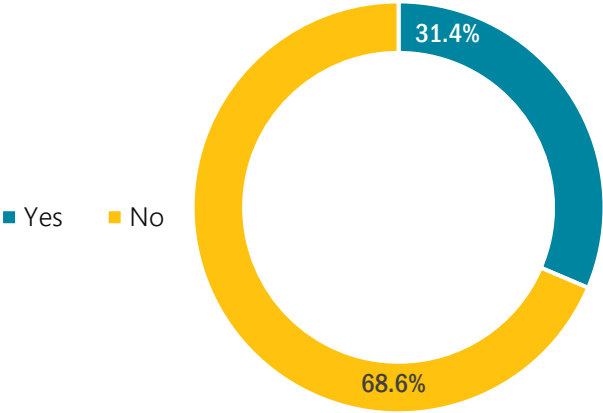
# PUBLIC INPUT SURVEY

1,530 total survey responses were received over a seven-week period from July to September 2022

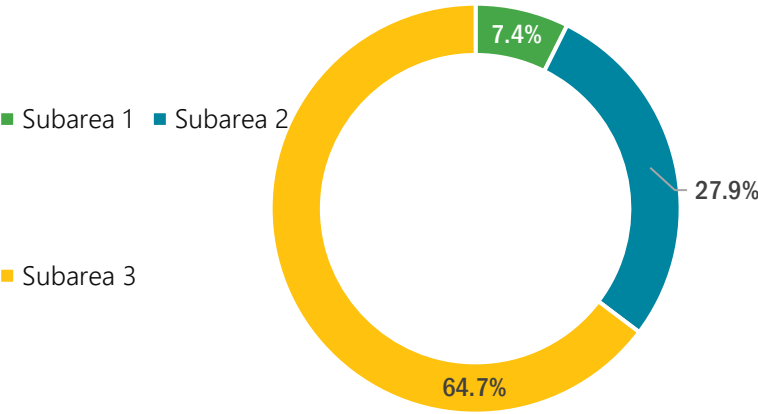
DO YOU CURRENTLY LIVE IN WAUWATOSA?



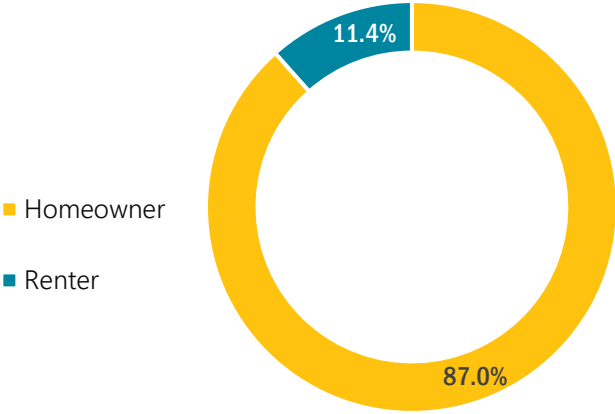
DO YOU CURRENTLY WORK IN WAUWATOSA?



IN WHICH AREA OF WAUWATOSA DO YOU CURRENTLY LIVE?



WHICH OF THE FOLLOWING BEST DESCRIBES YOUR CURRENT HOUSING SITUATION?\*

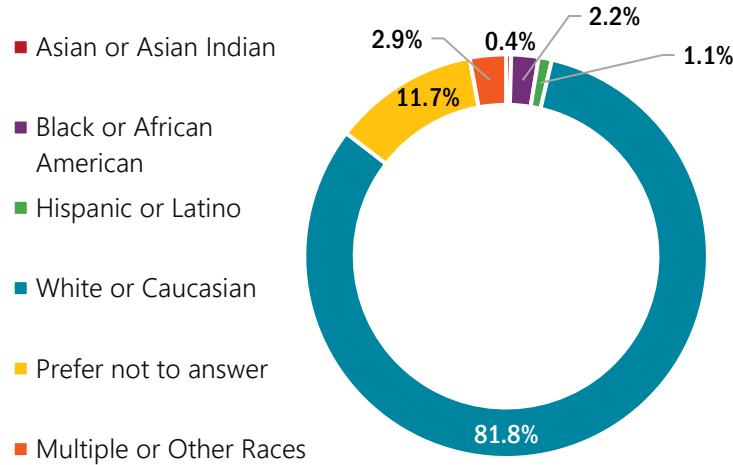


\*1.7% of respondents are not paying rent or mortgage

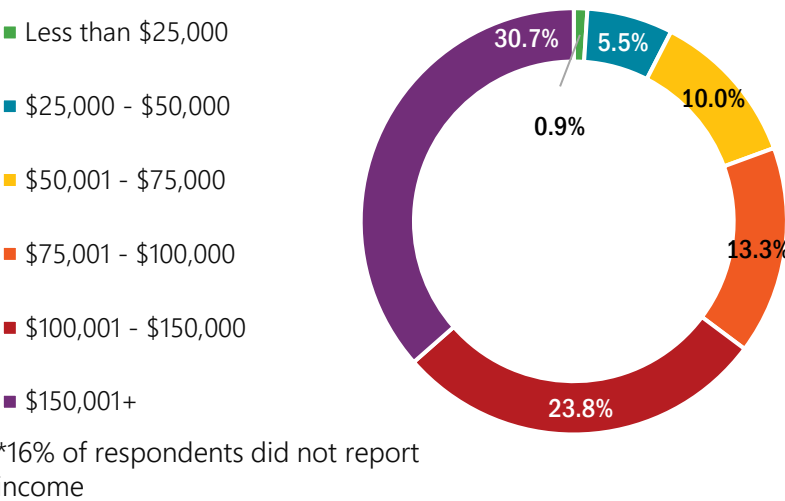
# PUBLIC INPUT SURVEY

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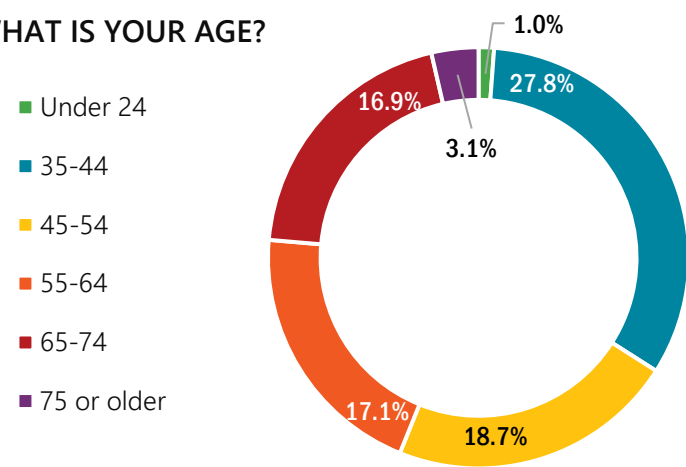
## HOW WOULD YOU BEST DESCRIBE YOURSELF?



## WHAT IS YOUR APPROXIMATE ANNUAL HOUSEHOLD INCOME?\*



## WHAT IS YOUR AGE?

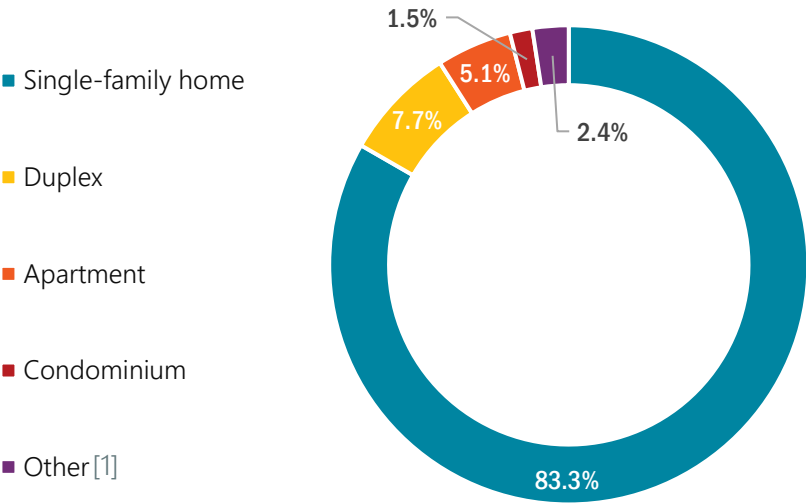




# PUBLIC INPUT SURVEY FINDINGS

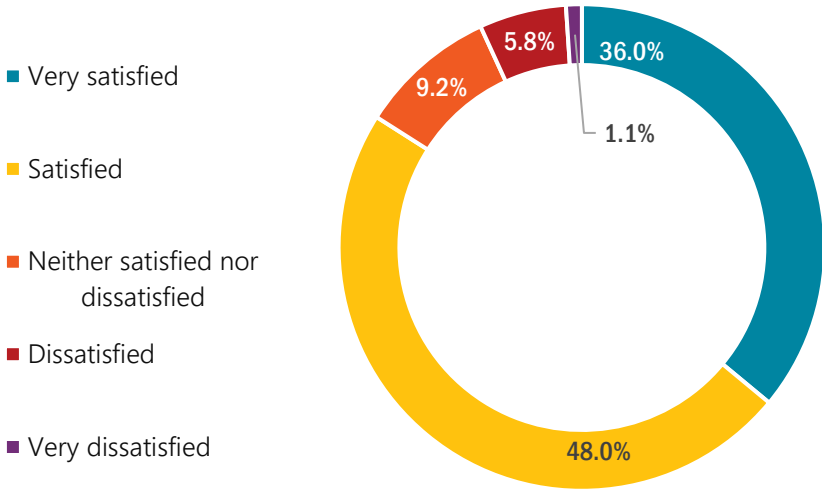
1,530 total survey responses were received over a seven-week period from July to September 2022

WHAT TYPE OF HOUSING DO YOU CURRENTLY LIVE IN?



[1] 'Other' housing types include: townhomes, assisted living housing, and student housing

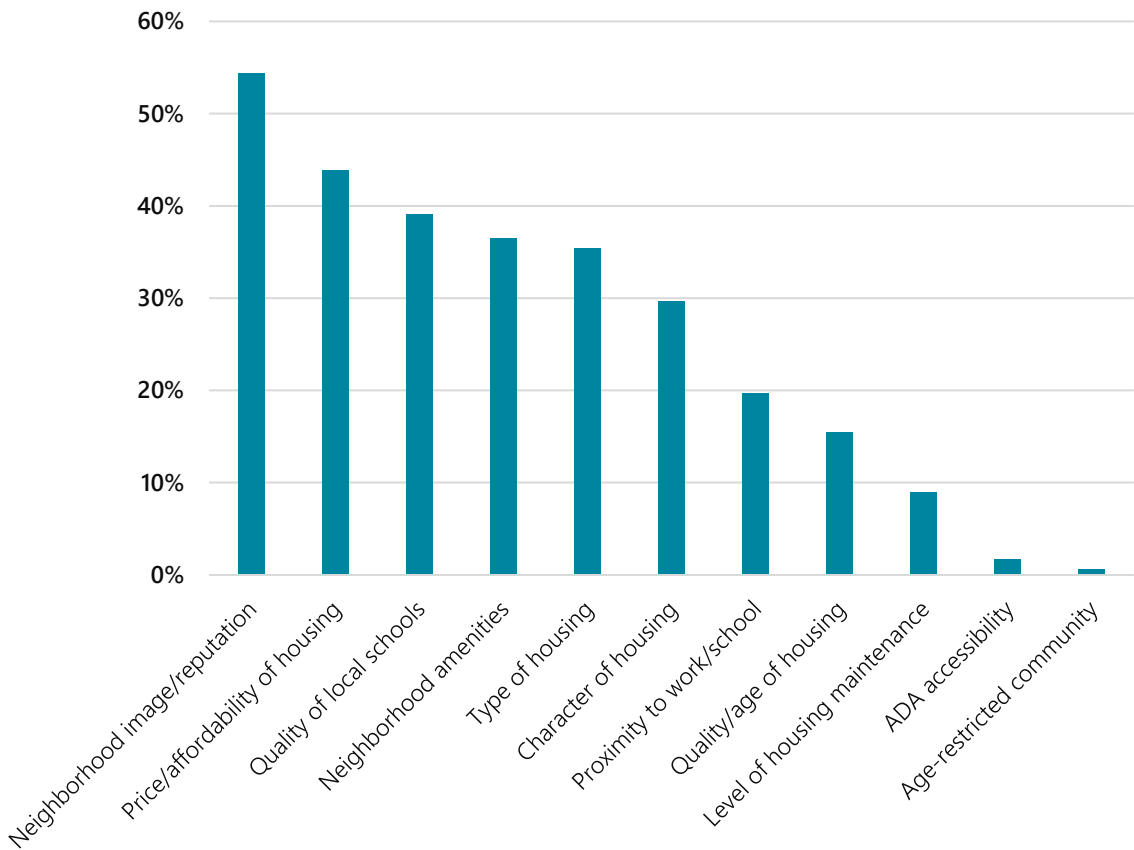
OVERALL, HOW DO YOU FEEL ABOUT YOUR CURRENT HOUSING?



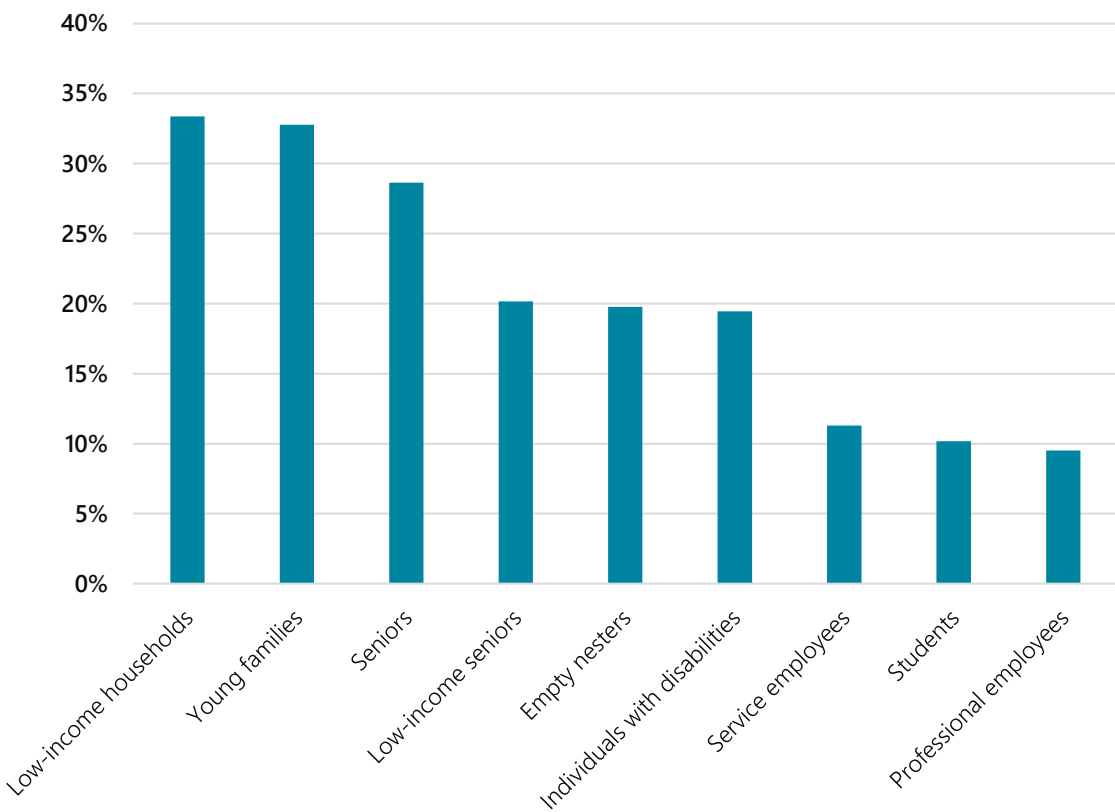
# PUBLIC INPUT SURVEY FINDINGS

1,530 total survey responses were received over a seven-week period from July to September 2022

WHAT MATTERS MOST TO YOU WHEN MAKING A HOUSING DECISION?



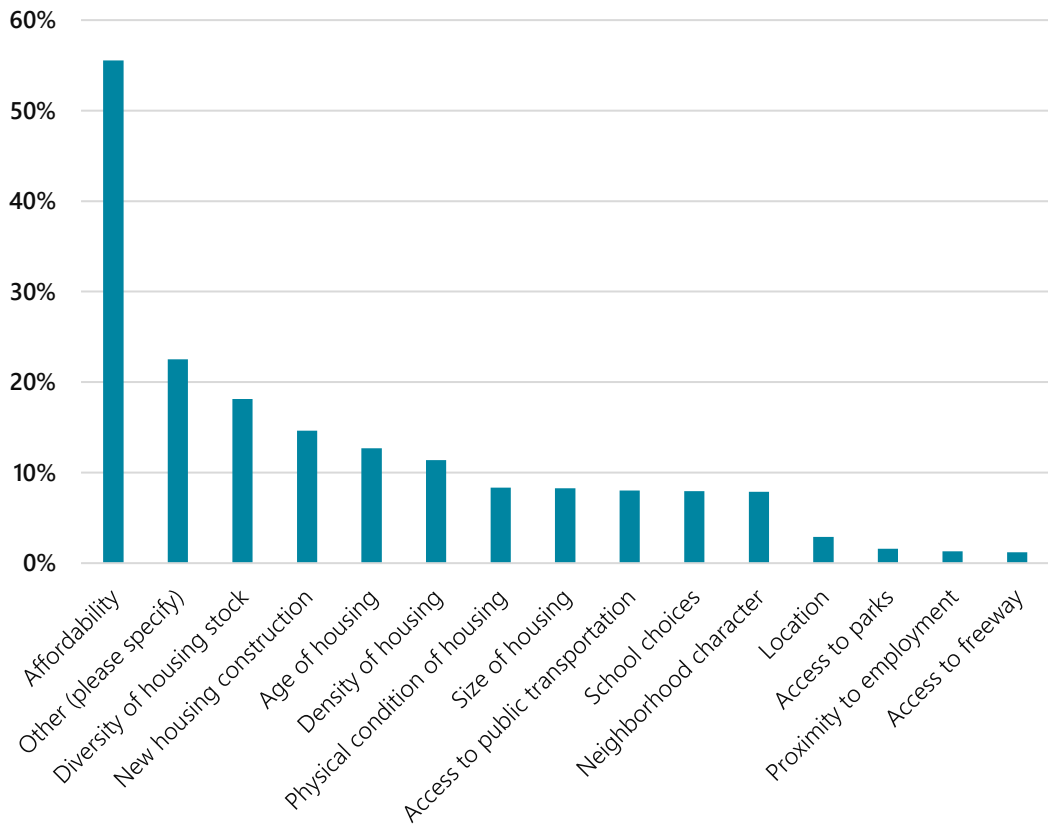
ARE THERE SPECIFIC POPULATIONS WITHIN WAUWATOSA THAT YOU FEEL ARE UNDERSERVED BY THE EXISTING HOUSING STOCK?



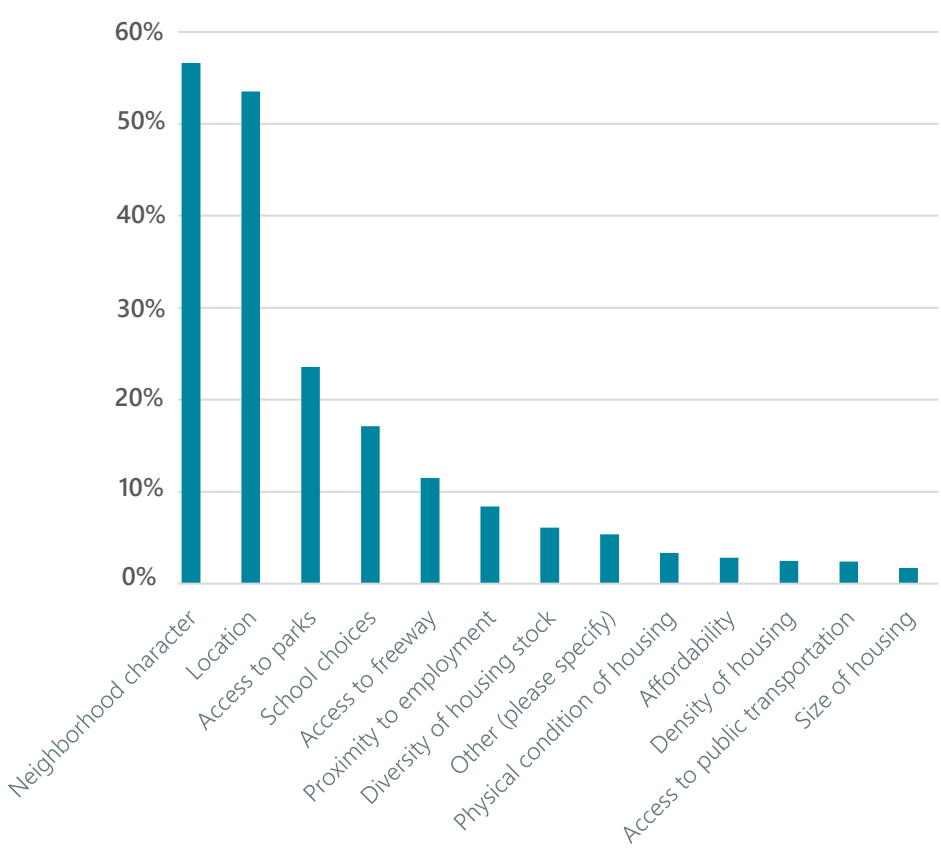
# PUBLIC INPUT SURVEY FINDINGS

1,530 total survey responses were received over a seven-week period from July to September 2022

WHAT ARE THE TWO GREATEST CHALLENGES FACING WAUWATOSA?



WHAT ARE THE TWO GREATEST POSITIVE QUALITIES RELATED TO HOUSING IN WAUWATOSA?

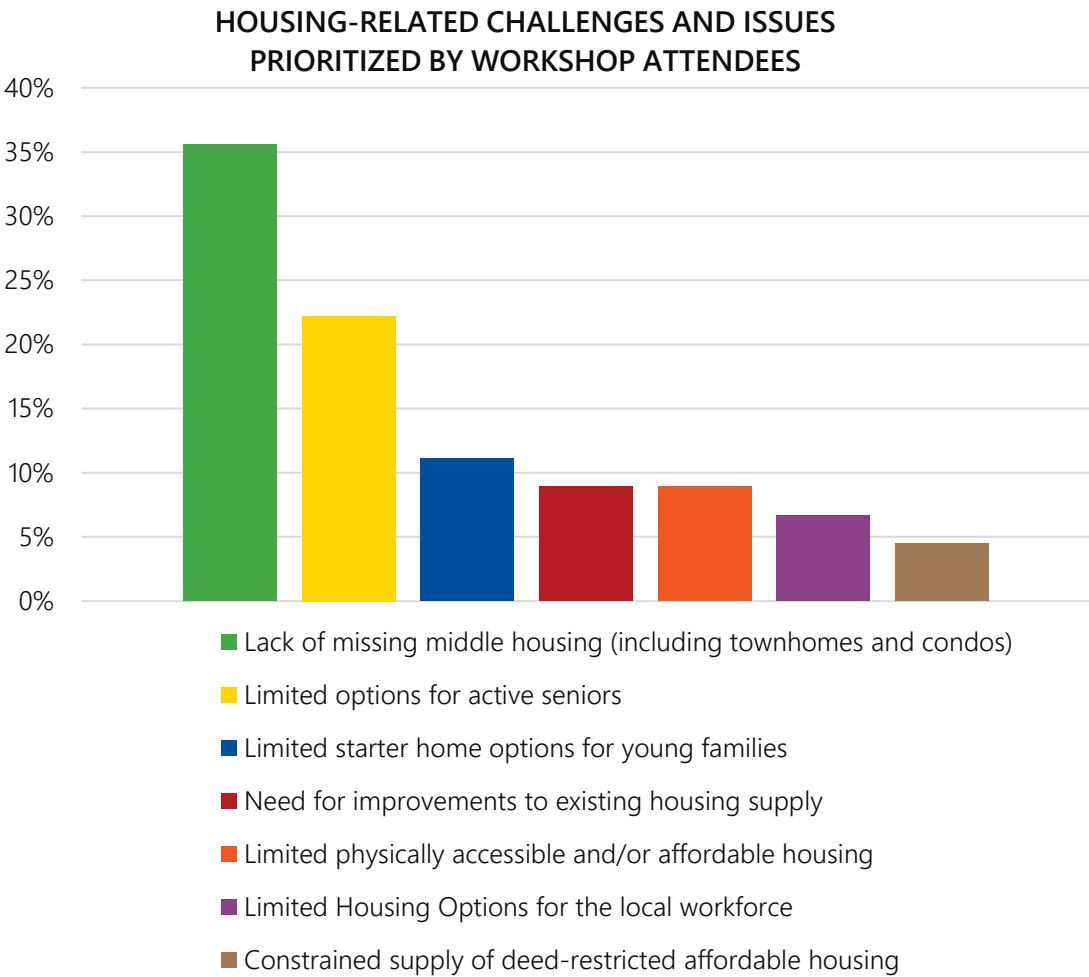
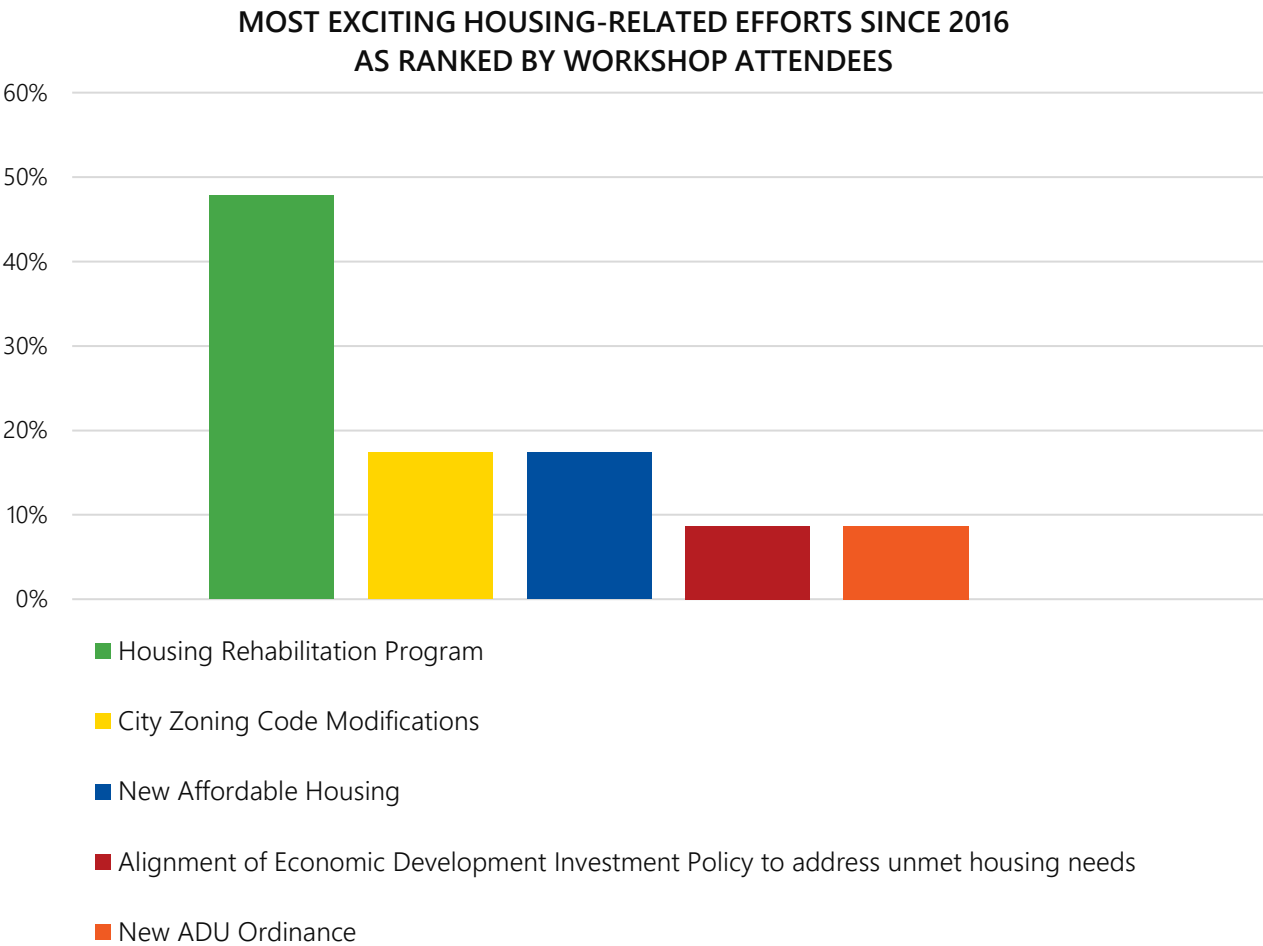


\*Common “other” responses included: Crime, lack of condominiums or townhomes, too many high-density developments.



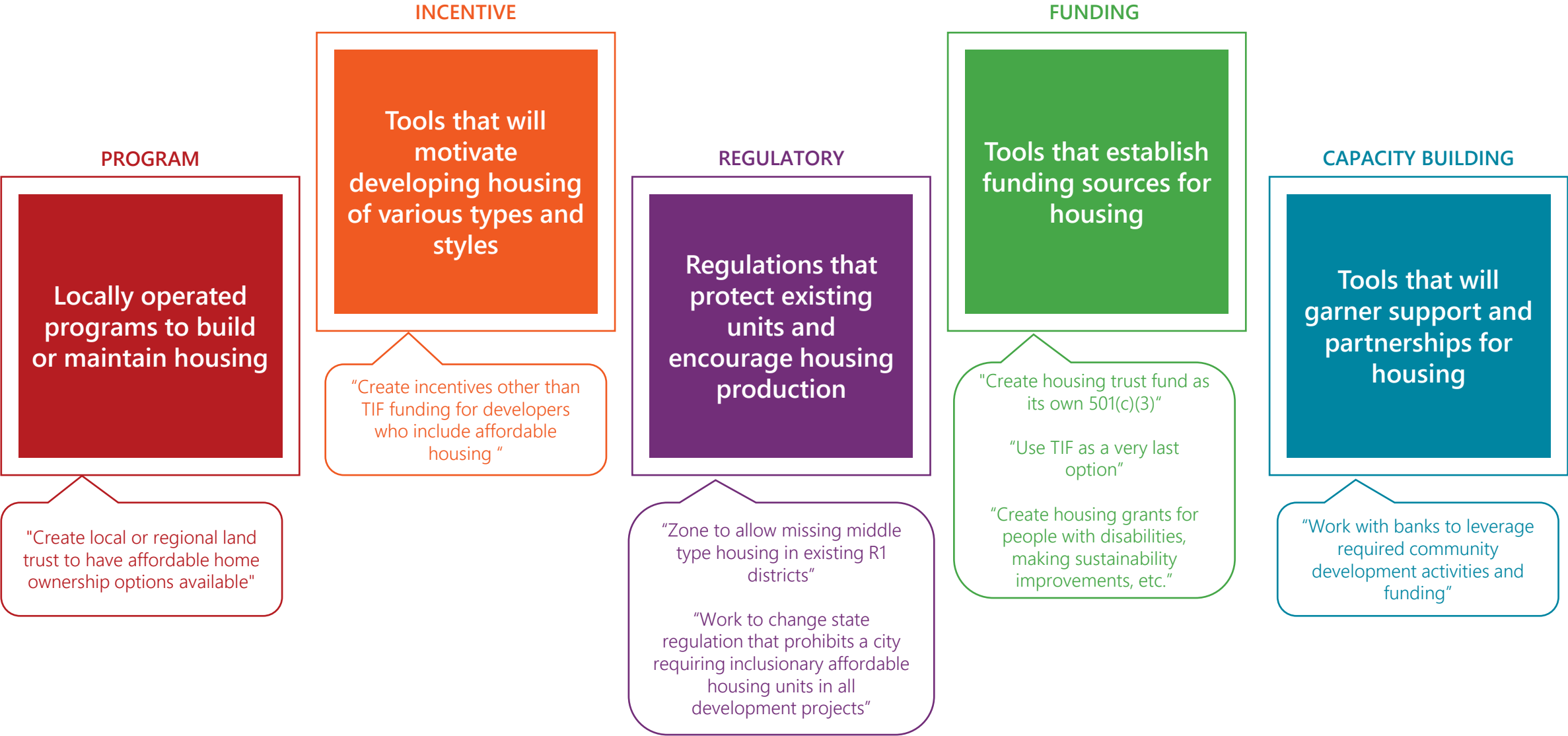
# COMMUNITY WORKSHOP FEEDBACK

Residents were asked to rank the impact of recent housing efforts & prioritize challenges to address



# COMMUNITY WORKSHOP FEEDBACK

Workshop attendees shared strategy ideas to address existing housing challenges





# 7

## KEY FINDINGS





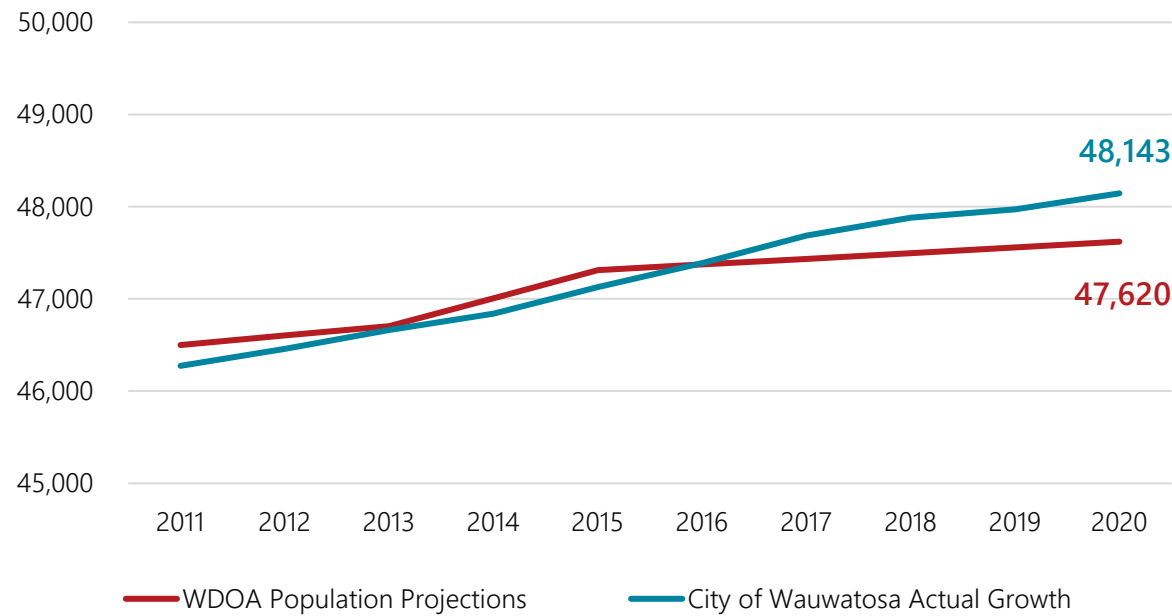
# RECENT TRENDS

## Demographic & workforce characteristics

Population is growing faster than expected

- Getting younger
- Increasingly affluent and highly educated residents
- Increasing racial diversity

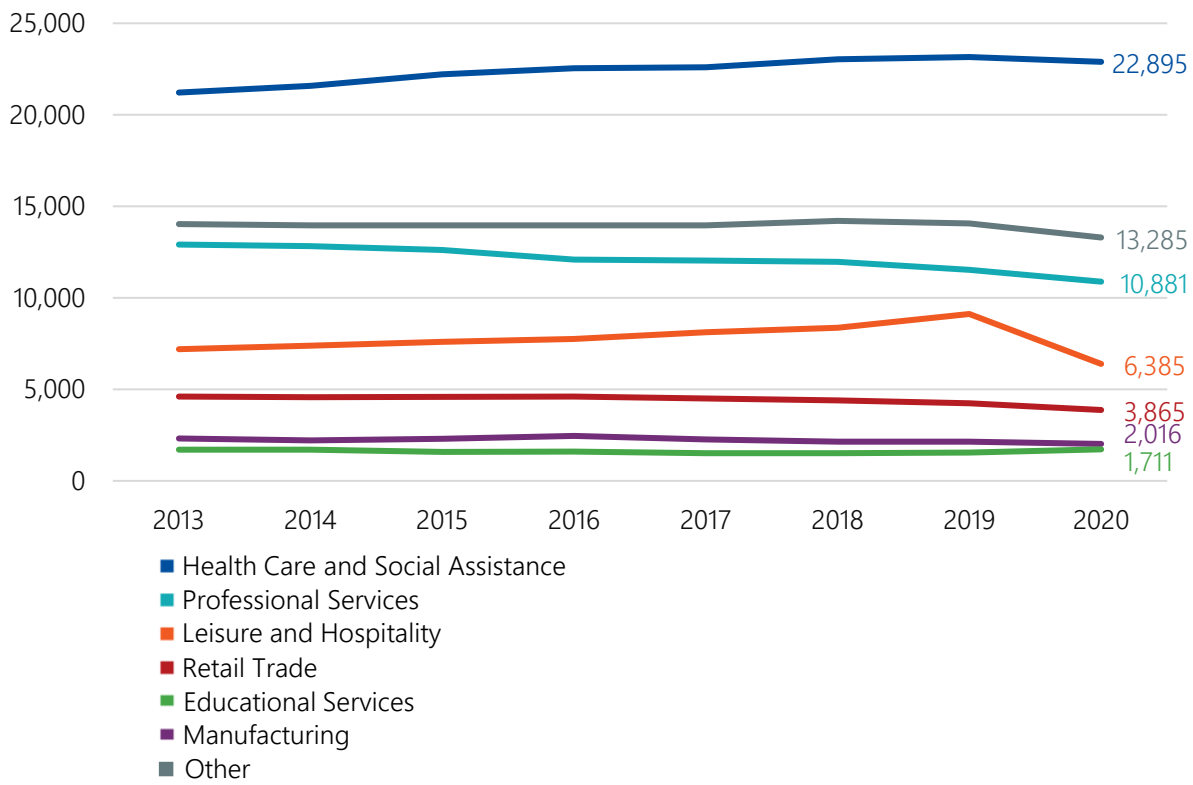
POPULATION GROWTH



Sources: LEHD, U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020, Wisconsin Department of Administration, SB Friedman

Wauwatosa continues to be a major employment center with Health Care and Professional Services as major sectors

EMPLOYMENT BY SECTOR, 2013 – 2020

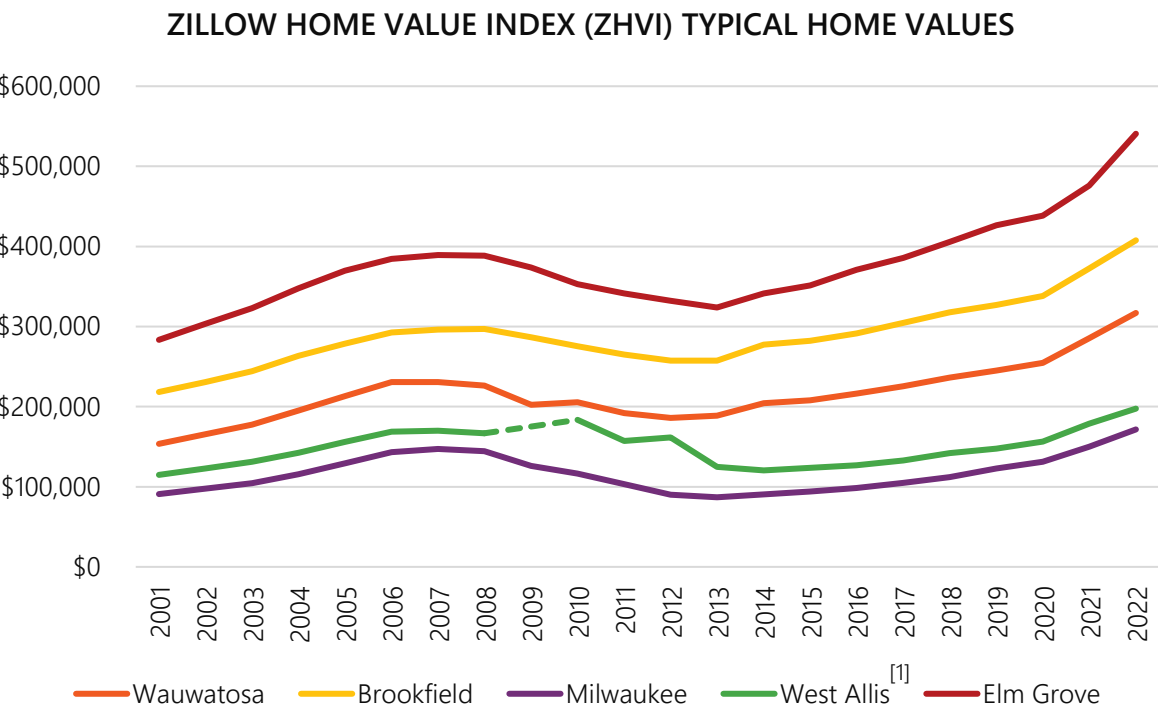


# RECENT TRENDS

## Home value & construction characteristics

Housing values and rents have increased

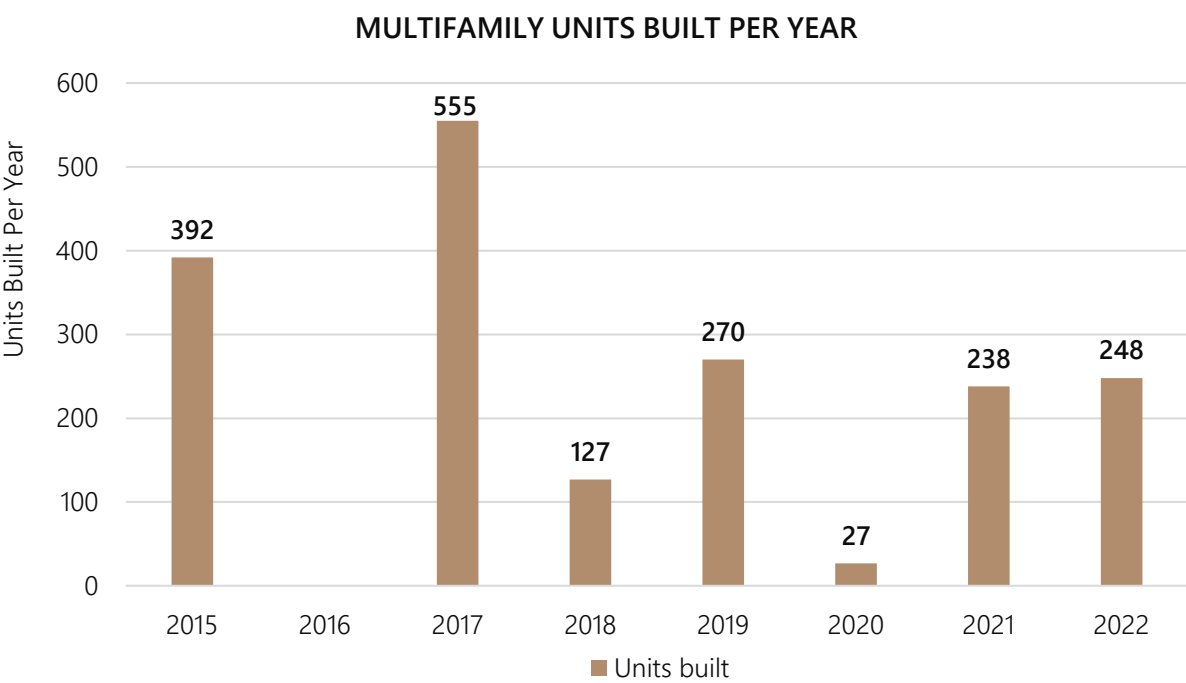
- Since 2020, home values and rents have increased by 24% and 20%, respectively



[1] Zillow data was unavailable for home values in West Allis in 2009.  
Sources: City of Wauwatosa, Zillow, SB Friedman

New housing construction has primarily been multifamily housing

- 1,857 units have been built since 2015 and 652 are in the pipeline

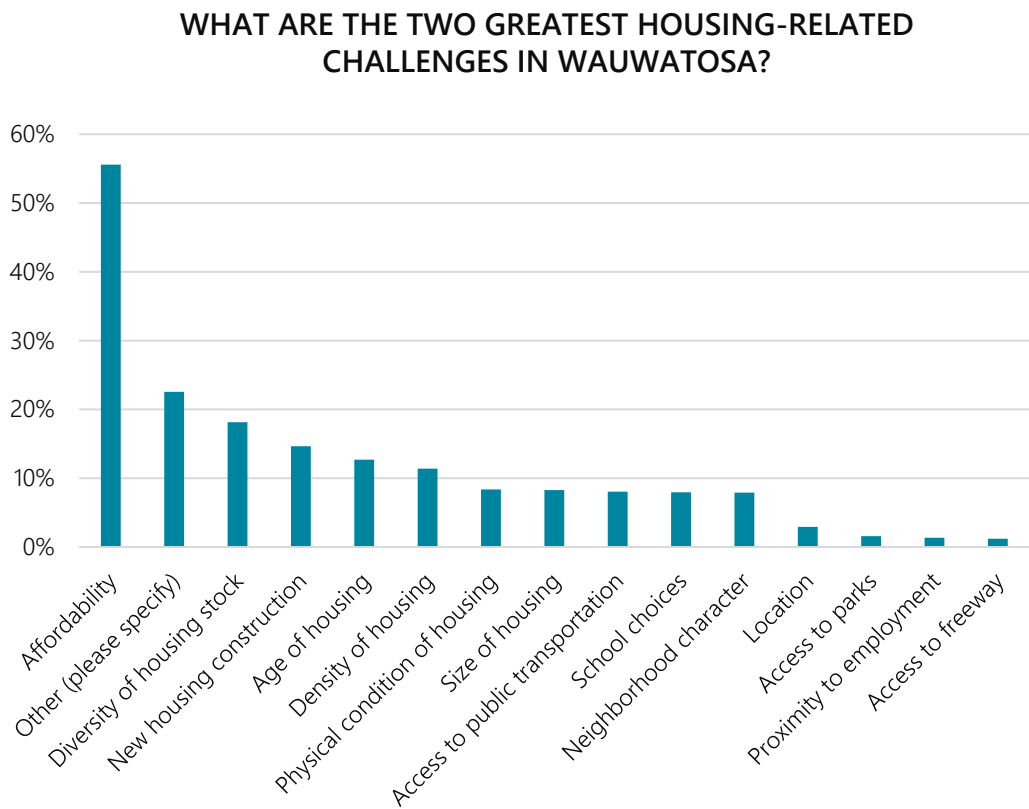


# RECENT TRENDS

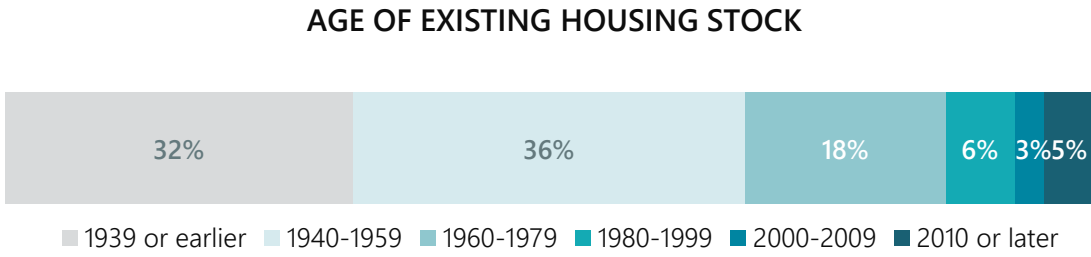
## Existing & future housing concerns

Affordability is the leading housing-related concern of residents

In 2020, 5,253 households (25.7% of total households) were considered housing cost burdened, meaning that the household spends more than 30% of their gross income on housing.



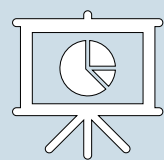
Nearly 70% of the existing housing stock is over 60 years old  
Current housing needs are not addressed by older housing stock





# KEY CHALLENGES

Several unmet housing needs were identified through data analysis & public engagement



## CHALLENGES IDENTIFIED THROUGH DATA ANALYSIS

- Constrained supply of deed-restricted affordable housing
  - Options for low-income families, seniors, and individuals
- Limited housing options for the local workforce
- Limited starter home options for young families

## CHALLENGES IDENTIFIED THROUGH BOTH DATA ANALYSIS & PUBLIC ENGAGEMENT

- Lack of newer missing middle housing
  - Rental and for-sale small cottages, condos, duplexes
- Limited options for active seniors
  - Downsizing options that are not in age-restricted communities



## CHALLENGES IDENTIFIED THROUGH PUBLIC ENGAGEMENT

- Limited physically accessible housing
  - Existing physically accessible housing is not affordable
- Need for physical improvements to existing housing supply
- Lack of consistent information about new housing development

# 8

## HOUSING TOOLKIT





# HOUSING TOOLKIT

Recommendations were selected based on identified housing needs & challenges

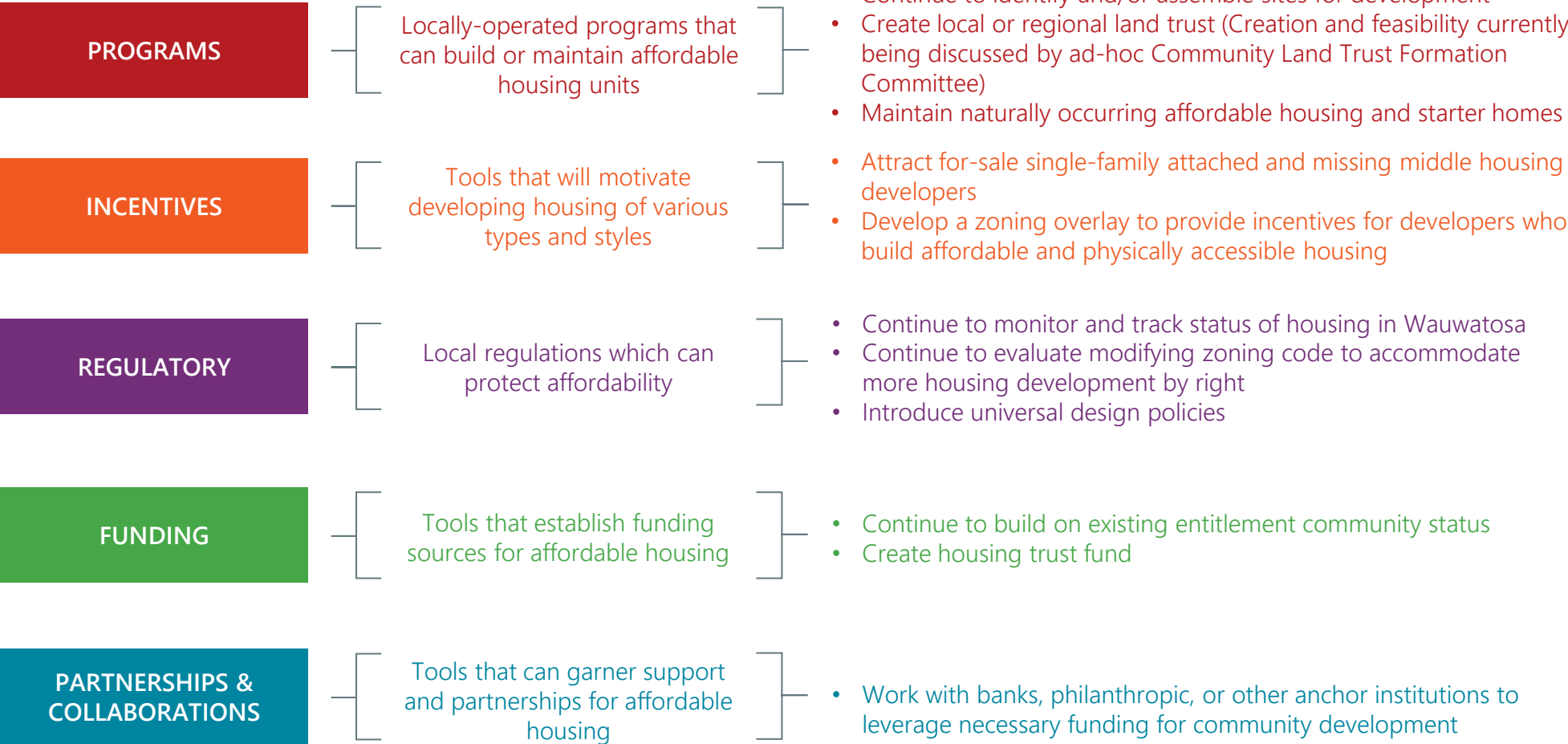
The following programs, policies and strategies could be implemented to further expand Wauwatosa’s efforts to address existing and future housing needs and challenges. The recommended housing tools are organized into five strategy pathways and are a combination of those previously recommended, but not yet implemented, and new policies that are relevant to the key challenges identified through our analysis.





# HOUSING TOOLKIT

Recommendations were selected based on identified housing needs & challenges



# HOUSING TOOLKIT

## Programs



### **Continue to identify and/or assemble sites for development**

Evaluate the benefit of leveraging publicly owned land or other vacant land in the area for housing that meets existing needs. Given the limited amount of land and high cost of construction, activating publicly-owned land or vacant privately-owned land could allow for higher density housing development.

#### **Implementation**

- Identify underutilized publicly-owned land
- Partner with owners of key development sites
- Coordinate with Milwaukee County to identify foreclosed properties in the City that could be redeveloped

### **Create a local or regional land trust (Creation and feasibility currently being discussed by ad-hoc Community Land Trust Formation Committee)**

A land trust controls properties that are dedicated for affordable housing. The trust offers the land to residents through long-term leases at a low rate which separates the land value from the home value. Residents with lower incomes can therefore afford housing by only needing to buy the structure.

#### **Implementation**

- Designate an organization or board to manage the trust
- Identify funding source(s) to finance property acquisition
- Identify potential properties for acquisition

### **Maintain naturally occurring affordable housing and starter homes**

Naturally occurring affordable housing (NOAH) refers to affordable housing types that are not subsidized. NOAH can provide affordable rental and home ownership opportunities to young families or low-income households. Examples of NOAH in Wauwatosa may be existing four- or eight-plexes.

#### **Implementation**

- Establish NOAH criteria (housing types, rent, etc.)
- Identify existing inventory of NOAH
- Coordinate with residents and landlords to understand maintenance needs or affordability issues
- Identify/establish funding mechanism for the preservation of NOAH

# HOUSING TOOLKIT

## Incentives



### Attract for-sale single-family attached and missing middle housing developers

Consider incentives to promote the development of townhomes, small single-story housing and/or condominiums for active seniors and other residents. Examples of such incentives include gap financing assistance or entitlement variances.

#### Implementation

- Identify developers with experience developing attached single-family and/or missing middle housing types
- Introduce development-ready sites through an RFP to the development community
- Create pre-approved development plans

### Develop a zoning overlay to provide incentives for developers who build affordable and physically accessible housing

Explore creating a zoning overlay district that would provide development incentives in targeted areas in exchange for the development of affordable and physically accessible housing.

#### Implementation

- Engage development community to determine
- Identify areas that would be suitable for a zoning overlay district
- Draft and adopt zoning overlay district ordinance



# HOUSING TOOLKIT

## Regulatory



### Continue to monitor and track status of housing in Wauwatosa

Create a dashboard to monitor and communicate progress towards achieving housing goals to provide a general understanding of projects and how projects can address existing housing needs or challenges.

#### Implementation

- Identify key housing needs and goals
- Create quantifiable targets that measure the success of housing-related policy efforts
- Develop a uniform reporting platform or method to track housing development
- Regularly updated citywide housing study

### Continue to evaluate modifying zoning code to accommodate more housing development by-right

By-right development refers to the type of development allowed by the existing zoning regulations. Expanding the existing zoning code to allow more types of housing in various areas to increase the opportunity for new housing development that aligns with resident preferences.

#### Implementation

- Identify housing types that address residents' needs
- Determine areas where new housing development is appropriate
- Modify existing zoning code to be inclusive of more housing typologies

### Introduce universal design policies

Universal Design refers to housing design that ensures all residents can safely and comfortably occupy the space. In addition to the recent changes in development review procedures, universal design policies could be adopted to ensure new or renovated housing units incorporate universal design elements that address accessibility needs.

#### Implementation

- Identify physical and other accessibility needs of residents
- Draft policies that encourage developers to incorporate universal design elements

# HOUSING TOOLKIT

## Funding



### Continue to build on existing entitlement community status

The City has access to federal funds from the Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) program and Milwaukee County's HOME program.

#### Implementation

- Maintain working relationship with Milwaukee County for use of HUD funds for affordable housing
- Identify existing or new programs that could contribute to achieving housing goals
- Align disbursement of funds with programs or activities that would achieve housing goals

### Create housing trust fund

A housing trust fund is a funding mechanism that could be used for new housing construction, supporting rent subsidies, and/or housing rehabilitation.

#### Implementation

- Determine funding source(s)
- Establish eligibility criteria for distributing funds

# HOUSING TOOLKIT

## Partnerships & collaborations



### Work with banks, philanthropic, or other anchor institutions to leverage necessary funding for community development

Engage large employers, financial institutions, or philanthropic foundations to direct impact investment funds toward affordable and physically accessible housing development.

#### Implementation

- Identify potential partners, including financial institutions, anchor institutions, major employers and philanthropies
- Set community development goals
- Partner with organizations to manage high-impact programs (ex. employer-assisted housing) that align with community development goals



# 09 APPENDIX

# APPENDIX

## Data Sources

Source	Data	Year Published	Notes
U.S. Census Bureau American Community Survey 5-Year Estimates 2016 - 2020	Population Estimate, Population by Age and Sex, Educational Attainment, Population Living with a Disability, Median Household Income, Household Age by Income, Housing Stock by Number of Units, Housing Stock by Age, Housing Occupancy, Median Home Values, Median Gross Rent, Household Tenure, Homeownership Rate, Cost Burdened Population	2020	
U.S. Census Bureau American Community Survey 5-Year Estimates 2009 - 2013	Household Age by Income	2013	
U.S. Census Bureau 2020 Decennial Census	Population by Race	2020	
U.S. Census Bureau 2010 Decennial Census	Population by Race	2010	
Wisconsin Department of Administration	Population Projections - 2010-2040	2013	Most recently available data from source
Longitudinal Employer-Household Dynamics (LEHD)	Commute Patterns	2019	Most recently available data from source
Southeastern Wisconsin Regional Planning Council	Population Projections - 2010-2040	2020	
Zillow Home Value Index	Typical Home Sales Price	2022	
CoStar	Multifamily Unit Delivery, Multifamily Rent per Square Foot, New Multifamily Inventory	2022	
U.S. Department of Housing and Urban Development	HUD 2020 Income Limits	2021	
Economic Modeling Specialist International	Employment by Sector, Employment Growth 2011-2020	2021	
City of Wauwatosa	Recent Housing Construction Permits, Unit mixed and affordability of recent housing developments	2022	



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# LIMITATIONS OF OUR ENGAGEMENT

Our report is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and interviews during which we obtained certain information. The sources of information and basis of the estimates and assumptions are stated in the report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report or to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include without limitation economic growth trends, governmental actions, additional competitive developments, interest rates and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study did not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits and licenses. No effort was made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters.

Our report is intended solely for your information and should not be relied upon by any other person, firm or corporation or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan or other agreement or any document intended for use in obtaining funds from individual investors.

We acknowledge that our report may become a public document within the meaning of the freedom of information acts of the various governmental entities. Nothing in these terms and conditions is intended to block the appropriate dissemination of the document for public information purposes.