

At least 140,000 more housing units needed to meet estimated 2030 demand

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Wisconsin needs to build about 140,000 housing units by 2030 to meet current estimates for housing needs.

But that number could be more than 200,000 if the state's working-age population grows.

That's according to a new report from Forward Analytics, the research arm of the Wisconsin Counties Association. While the lower number is likely within reach, Director Dale Knapp said hitting the higher figure would be difficult "even in the best of times."

In an interview Friday, Knapp explained high interest rates and a recent slowdown in new homebuilding in Wisconsin add to the problem.

"That's really a challenge because our housing needs are going to continue to grow, and we really need to be building during the entire decade and not have these big declines," he said.

Forward Analytics in an earlier report projected the state's working-age population would fall by 130,000 by 2030 if demographic trends persist. If that expectation holds true, Wisconsin will need 140,000 more housing units by that time to maintain the status quo.

But if the state is able to address its projected decline in residents aged 25 to 64 with increased migration, this need could grow by up to 72,000 additional units. And with other factors at play, such as young adults living with their parents looking to move out, Forward Analytics says addressing "all of the state's potential housing needs" would require at least 227,000 more units.

Knapp noted the state built about 260,000 housing units in the 1990s, about

192,000 between 2000 and 2010, and 150,000 from 2010 to 2020.

“In terms of trend, we’re going in the wrong direction,” he said.

To meet projected demand, Wisconsin needs more housing lots, Knapp added. But the state’s rate of lot creation has fallen significantly in the past two decades. In the early 2000s, the state was adding between 12,600 and 20,600 lots per year, the report shows. After falling to just 1,293 in 2010, that number has risen to 5,340 in 2020 — only about a third of the average from 2000-2006.

And while it would be easier to meet the projected need for housing units with more apartments rather than single-family homes, Knapp said that wouldn’t match the buying behaviors of adults in their 30s and early 40s.

“When we think about that workforce problem, about attracting workers here, our strength has always been in that 30-45, 30-55 age group,” he said. “To attract them here, primarily that age group is going to be looking for single-family homes.”

See the full report:

<https://www.wisbusiness.com/wp-content/uploads/2023/01/Forward-Analytics-A-Housing-Hurdle.pdf>

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