

Forward Analytics: Warning: housing shortage likely to increase over next 10 years

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(Madison, Wis.) – Due to unfavorable demographics and the recent slowdown in home construction, Wisconsin could be facing a severe workforce housing shortage in the next few years. A new Forward Analytics study, “A Housing Hurdle,” finds that Wisconsin needs to build up to 227,000 new housing units during this decade to solve all of its housing needs.

According to the new study, finding affordable housing is going to be increasingly difficult for young people as the large baby boom generation retires but remains in their homes for another 15 years or more. This effectively shrinks the available workforce housing stock.

A prior Forward Analytics report titled, “[Moving In? Exploring Wisconsin’s Migration Challenges](#)” documented the impact that retiring baby boomers will have on the number of Wisconsin residents in their prime working years; a decline of about 130,000 by 2030.

Despite the decline in this population, the state will need about 140,000 new housing units to accommodate those entering their working ages. “Growing housing in the next 10 years is crucial for Wisconsin to retain workers,” said Forward Analytics Director Dale Knapp. “And, if the state is to attract new families to solve its workforce problem, it will need to build an additional 60,000 or more housing units on top of the 140,000.”

“If entry-level housing was more affordable, as many as 52,000 young people could have joined the housing market in 2020,” Knapp said. “However, this study shows

that another 20,000 to 30,000 affordable housing units are needed to solve the housing challenges facing many young adults.”

Find the entire study [HERE](#).

Report Highlights:

- The 65+ population is growing rapidly and will remain in their homes long after retirement, exacerbating the workforce housing crunch.
- Wisconsin must build at least 140,000 housing units between 2020-30 to keep up with current demand.
- There are additional, hidden demands that can increase the 140,000 figure to 227,000 units.
- Two major headwinds will hinder sufficient building over the decade. Local communities are not creating enough lots, and high interest rates over the past year have significantly reduced new home construction.
- Solving Wisconsin's near term housing needs may create some longer term challenges. After 2030, some of the homes of older baby boomers will come back on the market and that number will grow after 2040, possibly creating a surplus of housing in some parts of the state.