



St. Croix County Wisconsin Housing Profile

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Why housing matters

Housing is one of the central aspects of our communities and households. It is an essential sector in the U.S. economy and a primary land use in nearly every community.¹

While housing is a commodity managed by private individuals, communities rely on quality affordable housing to meet the needs of a changing workforce and aging population, and to generate the tax revenue that funds utilities and schools. Housing affects where people live, their family budgets, the types of jobs available to them, who their friends and neighbors are, how they get to work, and the education their children receive, as well as other issues related to quality of life.

Communities can plan for housing by creating incentives and policies to either discourage certain land-use patterns, such as sprawl, or encourage housing growth in areas with existing infrastructure. This profile provides an overview of demographic changes that will affect community housing needs and highlights four critical housing issues for communities and families in Wisconsin: home construction and sales, the impact of housing foreclosures, challenges to housing affordability, and vacancy rates and second-home ownership.

How St. Croix County is changing

The aging baby boomer generation and immigration are probably the most significant demographic factors that will affect the Wisconsin and U.S. housing markets in coming years. The number of U.S. households with heads between the ages of 55 and 74 is projected to increase by 10.2 million from 2010 to 2020. This new generation of seniors will drive demand for assisted living facilities, other senior-friendly housing such as single-level and elevator-accessible housing, and housing that is near amenities such as medical facilities and transportation.²

While Wisconsin currently has lower immigration rates than many other states, the foreign-born population is growing. The Federation for American Immigration Reform estimates that between the census of 2000 and July 2008, Wisconsin's population increased by about 58,365 residents from net international migration (more foreign-born arriving than leaving). That is an annual average increase of about 7,995 foreign-born residents, representing more than one-fourth (25.1%) of the state's total population increase during that period.³ (Those numbers do not include the children born to immigrants after the immigrants' arrival in the United States.) The rising foreign-born population, which tends to have a high proportion of young adults, may affect the demand for temporary or rental housing and the household growth rate, especially in urban areas of the state.

According to data from the 2010 Census, the population of St. Croix County has changed in several ways:

- **The overall population has increased by 33.6% since 2000;** Wisconsin's total population increased by 6%.
- **The median age of residents is 36.7 years.** The state's median age is 38.5 years, up from 36 in 2000.
- **Retirement-age residents (65 and over) account for 10% of the population,** compared to 13.7% of the total population in Wisconsin.
- **Foreign-born residents make up an estimated 2.5% of the population,** compared to 4.4% statewide.

Critical issues

Wisconsin’s housing market slow to recover

Wisconsin’s housing market has struggled in recent years. Home sales, building permits issued, and housing prices are indicators used to gauge the quality of the housing market. From 2007 to 2010, total annual home sales in Wisconsin gradually declined from 67,397 to 51,252.⁴ The number of building permits issued, a measure of the number of proposed new homes, dropped significantly from 2005 to 2009 in Wisconsin (-69.8%) and in the United States (-73.0%). While the recession appears to have depressed the average median price of new homes in the Midwest, home prices rose slightly in the United States from 2009 to 2010, likely due to the expiration of homeowner tax credit programs.

In St. Croix County:

- 1,172 homes were sold in 2007 and 945 were sold in 2011.
- In 2007, 373 building permits were issued for one- and two-family homes, compared to 132 issued in 2010.
- The median home price decreased from \$190,606 in 2007 to \$141,883. (Updated home price and sales data by county is available from the Wisconsin Realtors Association at www.wra.org/HousingStatistics/.)

Impacts of foreclosures on communities and families

Housing foreclosures impact communities by causing declines in physical aesthetics of the community, increased vandalism and crime in the form of looting of vacant homes and misuse of abandoned properties, health and safety issues, declines in property taxes that pay for community services and infrastructure, increased stress on children and families, and increases in homelessness and displaced households.⁵ The Mortgage Bankers Association estimates that at least 7.8 million foreclosure filings were started nationwide since the recession began in 2007.⁶ In Wisconsin, foreclosures peaked in 2010 at 28,725—a 340% increase over the previous decade.

- In St. Croix County, there were 195 foreclosures in 2007 and 260 foreclosures in 2011. (Updated foreclosure data for each fiscal quarter is available at <http://fyi.uwex.edu/housing>.)

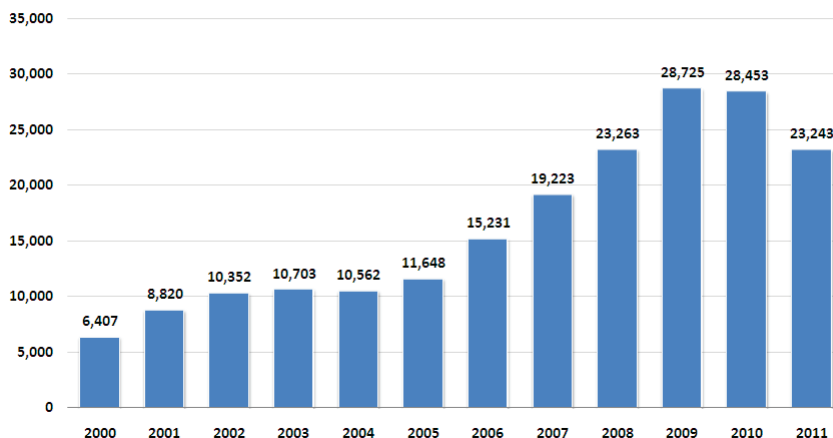
Changes in the housing market

	Midwest		U.S.	
	2005–10 (%)	2009–10 (%)	2005–10 (%)	2009–10 (%)
Sales of new single-family homes	-78.0	-16.7	-74.8	-13.9
Median price of new single-family homes	-6.8	2.2	-7.9	2.4
Overall housing starts	-72.6	0.8	-71.6	5.9

Since the start of the foreclosure crisis in 2007, communities and schools in Wisconsin have expressed particular concern about the impact of foreclosures on municipal income. The actual municipal cost of a foreclosure may include declines in property tax revenue caused by declining property values or abandoned homes, as well as costs for increased services, such as policing to deter crime. The actual costs vary widely by community depending on the state of the local housing market and how long the foreclosed home is vacant. Research in Chicago found that the cost of a single foreclosed home to a municipality can range from a few dollars up to as much as \$34,000. A report from the U.S. Conference of Mayors in 2008 estimated that the foreclosure crisis could cause a potential loss of \$6.6 billion in tax revenues in ten states.⁷

State of Wisconsin foreclosure filings 2000–2011

(Duplicate filings removed)



Housing affordability challenges for homeowners and renters

Families with a significant “housing burden,” or percentage of income devoted to housing costs, are at a greater risk for poverty and homelessness.⁸ The Department of Housing and Urban Development has created a benchmark that households should pay no more than 30% of their gross household income to housing costs. According to census data from the past 5 years, Wisconsin’s renters are dedicating more of their income to housing than homeowners.⁹

In St. Croix County:

- **There are 25,192 occupied housing units, of which 7,502 units, or 29.8%, are rented.** This represents an increase in the percentage of renters, from 26.7% in 2000.
- **A total of 17,690, or 70.2%, of the occupied housing units are owner-occupied.** This represents a decrease in the percentage of homeowners, from 73.3% in 2000.
- **37.2% of renters pay 30% or more of their household income for housing,** compared to 43% statewide and 46% in the United States.⁹
- **35.5% of homeowners with mortgages pay 30% or more of their household income for housing,** compared to 34% statewide and 37% in the United States.⁹

- **The median monthly housing cost is \$793 for renters,** compared to \$700 for all of Wisconsin and \$817 for the United States.
- **The median monthly housing cost for homeowners with a mortgage is \$1,706,** compared to \$1,413 for all of Wisconsin and \$1,486 for the United States.

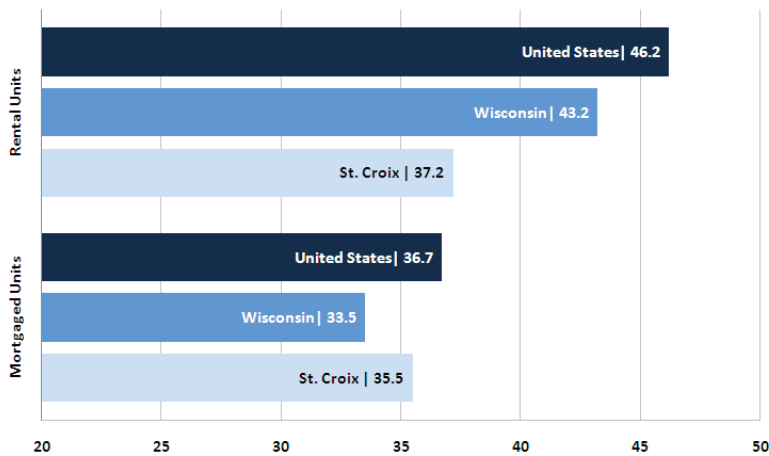
While home-ownership rates are falling nationwide, the number of renter households in the United States jumped by 692,000 annually on average from 2006 to 2010. This trend is increasing competition in the rental housing market and driving up rental prices.

These housing burdens have uneven impacts on the population in terms of race and income. Renters are generally more diverse than homeowners, and over half of all immigrant households rent. Nationwide, 36% of children live in rental households. Still, over half of all renters nationwide are over the age of 40, and the majority are white.¹⁰

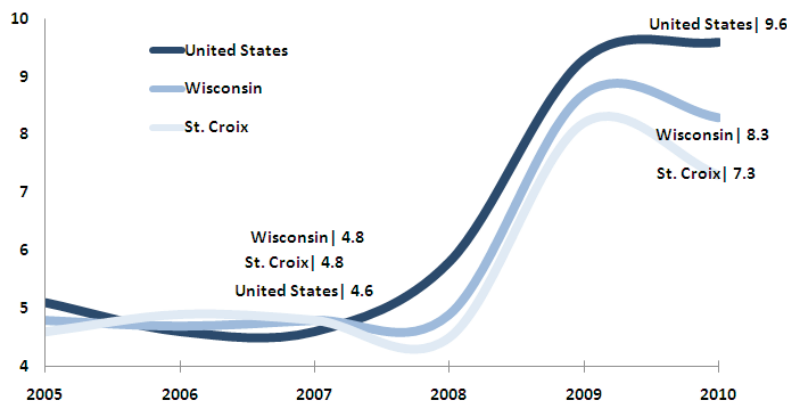
Even as homebuilding and prices seemed to improve in 2010, a number of factors continue to weigh heavily on the housing market in Wisconsin and in the nation. Research in Wisconsin counties found that for every 1% increase in unemployment, a county can expect foreclosures to increase by 7.9%.¹¹ Between 2005 and 2011, Wisconsin lost approximately 230,175 full-time jobs.

- **In 2010, St. Croix County’s average unemployment rate was 7.3%,** compared to 8.3% in Wisconsin and 9.6% in the nation.¹²

Percentage of occupied units spending 30% or more of household income on housing



Annual average unemployment rate 2005–2010



Vacancy rates and second-home ownership

Vacancy rates describe the presence of both abandoned homes and second homes used occasionally or seasonally for recreation. While vacancies due to foreclosures have largely impacted urban areas of the state, vacancies due to occasional or seasonal occupancy of vacation homes can have a significant impact on rural communities. Vacation home development is increasing in the United States and in Wisconsin, particularly in rural areas and recreation areas with water resources.

- **In 2010, St. Croix County's overall vacancy rate was 6.4%**, compared to Wisconsin's rate of 13% (up from 10% in 2000). Vacancy rates around the state range from 5% in La Crosse, Outagamie, and Waukesha Counties to a high of 62% in Vilas County. These vacancy rates include foreclosed and sold-but-unoccupied properties as well as vacation homes used occasionally or seasonally.
- **Occasional and seasonal uses account for 1.4% of all vacancies in St. Croix County.**

In areas where the percentage of vacation homes is very high, communities may also be concerned with the implications for resource management. Demographic research indicates that people who own vacation homes are generally wealthy, older, educated, and employed in white-collar jobs. They generally come from areas that are more urban than where their vacation homes are located.

As the baby boomer generation moves into retirement, many owners of vacation homes are choosing to move permanently (or seasonally) into their vacation homes. This creates both challenges and

opportunities for rural communities. Communities may struggle to provide appropriate services for an aging population, but they may also benefit from the skills and increased spending that newcomers bring to the community. In addition, while rural communities may depend on the presence of wealthier seasonal residents for tourism income, vacation homes may drive up the price of homes or property taxes for year-round residents.¹³

For more information

To learn more about housing issues in your community, check out these resources:

- **UW-Extension Applied Population Laboratory, Housing Profiles tool:** www.getfacts.wisc.edu/profiles/profiles.aspx Contains data from the 1990 and 2000 U.S. Census.
- **U.S. Census Bureau:** www.census.gov/hhes/www/housing.html A compilation of relevant housing data and resources.
- **U.S. Census Bureau's American Community Survey (ACS):** www.census.gov/acs/www/data_documentation/2009_release/ Be sure to read how this data is collected.

Notes

- ¹ Charles J. Hoch, Linda Dalton, and Frank So, eds., *The Practice of Local Government Planning*, 3rd ed. (Washington, DC: International City/County Management Association, 2000).
- ² Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2011* (Joint Center for Housing Studies), retrieved May 2011, www.jchs.harvard.edu/son/index.htm.
- ³ "Wisconsin Extended Immigration Data," FAIR (Federation for American Immigration Reform), accessed June 2011, www.fairus.org/site/PageNavigator/facts/state_data_WI.

- ⁴ "Wisconsin Housing Statistics," National Association of Realtors (via the Wisconsin Association of Realtors website), retrieved May 2011, www.wra.org/Resources/Property/Wisconsin_Housing_Statistics/.
- ⁵ Christine Vidma, "Seven Impacts of Foreclosures" (NeighborWorks America, August 2008), retrieved June 2011, www.nw.org/network/neighborworksprogs/foreclosure/resolutions/reports/documents/7ForeclosureImpacts.pdf.
- ⁶ Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2010* (Joint Center for Housing Studies), retrieved May 2011, www.jchs.harvard.edu/son/index.htm.
- ⁷ Carolina Rein, "The Spillover Effects of Foreclosures" in *Synopses of Selected Research on Housing, Mortgages, and Foreclosures* (Federal Reserve System, 2008): 87–88, retrieved June 2011, www.newyorkfed.org/regional/Synopses.pdf.
- ⁸ M. William Sermons and Peter Witte, "State of Homelessness in America" (National Alliance to End Homelessness/Homeless Research Institute, January 2011), www.endhomelessness.org/content/article/detail/3668.
- ⁹ "2005–2009 American Community Survey 5-Year Estimates," U.S. Census Bureau, retrieved May 2011, <http://factfinder.census.gov/>.
- ¹⁰ Joint Center for Housing Studies of Harvard University, "Renter Demographics" in *America's Rental Housing* (Joint Center for Housing Studies, 2011), accessed June 2011, www.jchs.harvard.edu/publications/rental/rh11_americas_rental_housing/AHR2011-3-Demographics.pdf.
- ¹¹ Russ Kashian and David M. Welsch, "A Regional Examination of Foreclosures in Wisconsin," *The Industrial Geographer* 7, no. 1 (2010): 33, retrieved June 2011, <http://igeographer.lib.indstate.edu/kashianv71.pdf>.
- ¹² Bureau of Labor Statistics, U.S. Department of Labor, Local Area Employment Statistics preliminary, not seasonally adjusted, retrieved May 2011, www.bls.gov/lau/.
- ¹³ Amanda Chrace and David W. Marcouiller, *Recreational Homes, Amenities, and Their Gateway Communities: A Review of the Planning and Public Policy Literature* (University of Wisconsin-Madison/UW-Extension, 2010), accessed June 2011, <http://urpl.wisc.edu/people/marcouiller/publications/10errechomes.pdf>.

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