



TRACY CROSS & ASSOCIATES, INC.

**WORKFORCE HOUSING ANALYSIS: WASHINGTON COUNTY, WISCONSIN**  
**(A FOCUS ON THE CITY OF HARTFORD)**  
**-- EXECUTIVE SUMMARY --**

At the request of Hartford Area Development Corp., Tracy Cross & Associates, Inc. evaluated the market potential for residential development in Hartford, Washington County, Wisconsin. Specifically focusing upon *workforce housing* opportunities throughout Washington County as whole and the city of Hartford in particular, our full analysis, which was completed on September 7, 2022, provides detailed conclusions and recommendations regarding the demand for workforce housing and the specific direction that should be taken to address/meet this demand.

This executive summary, in turn, provides a snapshot of our findings as outlined below.

Based upon a thorough evaluation of all relevant economic, demographic, socio-economic and residential market conditions in Washington County and the city of Hartford (both today and going forward), it was concluded that the state of the new construction home market throughout the area represents a significant opportunity for the development of mainstream/workforce housing on the basis of supply-side constraints (both rental and for sale), along with the extreme price disparity that exists in the for sale sector between new construction alternatives and resale units. In other words, given current market conditions in both the rental apartment and for sale/ownership sectors, the potential or need for properly positioned workforce housing is viewed as *significant*.

Because new/newer apartment developments throughout Washington County are, for the most part, already offering product that targets the threshold of workforce renter households, i.e., those earning between 50 and 150 percent of the county's median income, the area simply needs more properly positioned rental product given the tightness of this market and how undersupplied it is.

In the for sale sector, however, the large disparity that exists between new construction price points and those incomes represented by ownership "workforce" households (again, those earning between 50 and 150 percent of median), reflects the reality that a different approach must be taken for the introduction of new for sale housing in the marketplace. This new approach will require discipline by all stakeholders and builders/developers as it relates to land planning, densities, product design, and most importantly, implementation.

As outlined in our full report, the introduction of ***new apartment product*** can occur within a reasonable time period simply by following our recommendations for two specific garden-style products which are efficient to build and have proven successful throughout the Midwest and southeast Wisconsin. These products can be readily produced (with a manageable level of discipline) at rental rates generally consistent with the new/newer offerings in the market today.

As it relates to ***new for sale housing***, our recommendations represent a departure from the status quo in Washington County's new construction ownership sector and will require a *much greater* level of discipline to produce properly positioned new homes – homes that the workforce can afford. To achieve this objective, it will be imperative for Hartford Area Development Corp., and other stakeholders, to work closely with builders/developers so that our recommendations regarding four (4) very specific ownership product lines are understood and embraced. In other words, builders/developers (and governing bodies) will need to think differently in terms of land planning, densities, development, approvals, product design (and possibly incentives) in order to *substantially reduce costs*, a key component to meeting the price requirements for the local workforce.

To highlight the importance of working diligently in order to cost-effectively produce workforce ownership housing units, the following text table outlines the qualitative distribution of annual demand based solely on incomes, then cast against where new construction closings are occurring today. This table shows the need for new for sale housing largely concentrated at price points below \$350,000, which corresponds with the mainstream/workforce of the market. Currently, the majority of new construction offerings in the market are concentrated at prices between \$350,000 and \$450,000, thus leaving workforce ownership households disenfranchised by the current alignment of new construction for sale product.

**THE CURRENT DISCONNECT IN WASHINGTON COUNTY'S FOR SALE SECTOR**

Price Range	Annual For Sale Housing Demand (Based Upon Current Incomes)		Qualitative Distribution of New Construction Residential Closings <sup>(1)</sup>	
	Number	Percent	Number	Percent
Under \$200,000	38	9.0	---	---
200,000 - 249,999	80	19.0	8	3.5
250,000 - 299,999	71	16.9	26	11.5
300,000 - 349,999	46	11.0	31	13.7
350,000 - 399,999	39	9.3	51	22.5
400,000 - 449,999	30	7.1	50	22.0
450,000 - 499,999	25	6.0	29	12.8
500,000 - 549,999	19	4.5	10	4.4
550,000 - 599,999	16	3.8	6	2.6
600,000 & Above	56	13.3	16	7.0
<b>Total</b>	<b>420</b>	<b>100.0</b>	<b>227</b>	<b>100.0</b>
<b>Median</b>	----- \$323,181 -----		----- \$397,332 -----	

<sup>(1)</sup> Last 18 months of closings among new townhome/duplex/condominium and single family units (annualized).

Source: Tracy Cross & Associates, Inc. and Southeast Wisconsin Multiple Listing Service

**For Sale Housing Price Points Required for  
Workforce Households Earning 50-150 Percent  
of Washington County's Median Income**

**Current Threshold of Homes Being Produced,  
Which Cannot be Afforded by the Bulk of the  
Workforce**

