



Housing Study and Action Plan

PUBLIC WORKSHOP



August 7, 2024



camoin associates

Introductions



Tom Dworetzky, AICP

VP and Director of Research
Project Principal



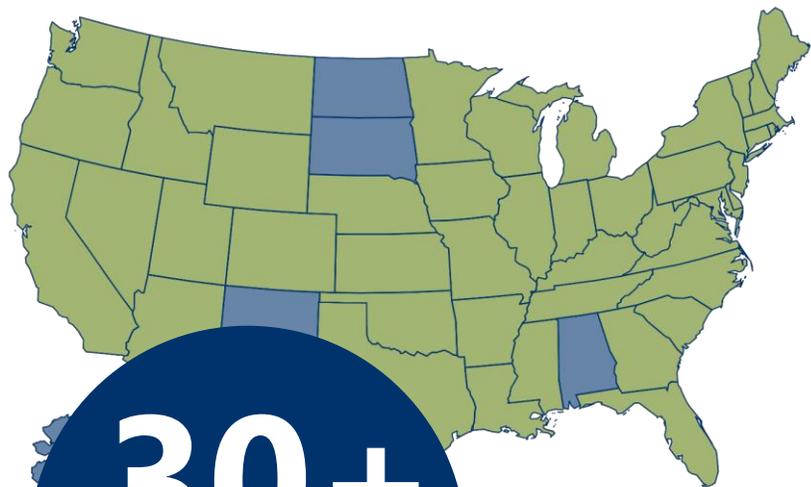
Robert J. O'Brien

Senior Housing Specialist
Project Manager



John Walker

Economic Data
and Research Analyst
Project Analyst



30+

recent housing
studies

- Founded in 1999 as a full-service economic development consulting firm
- Completed work in 46 states
- Employ 25+ full-time staff
- National leaders in real estate and housing analysis

PURPOSE OF THE HOUSING STUDY



The purpose of the housing study and action plan is to **analyze the housing stock and housing market within the City of Fond du Lac**, inventory existing housing resources, identify gaps in the local housing market, identify county and State trends that may affect the housing market over time, and **develop strategies to address the current and future needs of the community.**

The overall goal of the housing study and action plan is to ensure that housing opportunities are provided for households of all types, ages, and income levels.

COMPONENTS OF THE HOUSING STUDY

RESEARCH

- Site Visit and Tour
- Interviews
- Review of Studies and Plans
- Public Survey

REPORT

- Executive Summary
- Key Findings
- Goals & Strategies
- Addendum with Data and Survey Results

DATA

- Demographic, Geographic, and Economic Data
- Existing Housing Inventory
- Housing Affordability Assessment
- Housing Development Trends
- Rental Market Trends
- For-Sale Market Trends
- Housing Market Analysis
- Focus Districts:
 - N. Main Street Corridor
 - Downtown Fond du Lac
- Comparative Geographic Profiles
 - Oshkosh
 - Sheboygan
 - Wausau
 - La Crosse



SNAPSHOT STATS

Median Single Family Home Prices

	City of Fond du Lac	Fond du Lac County	Wisconsin
2014	\$106,000	\$118,000	\$147,750
2018	\$119,900	\$140,000	\$184,000
2023	\$220,000	\$235,000	\$285,000
Annualized Growth Rate			
2014 to 2018	3.1%	4.4%	5.6%
2018 to 2023	12.9%	10.9%	9.1%
Total Nine Year Growth Rate			
2014 to 2023	107.5%	99.2%	92.9%

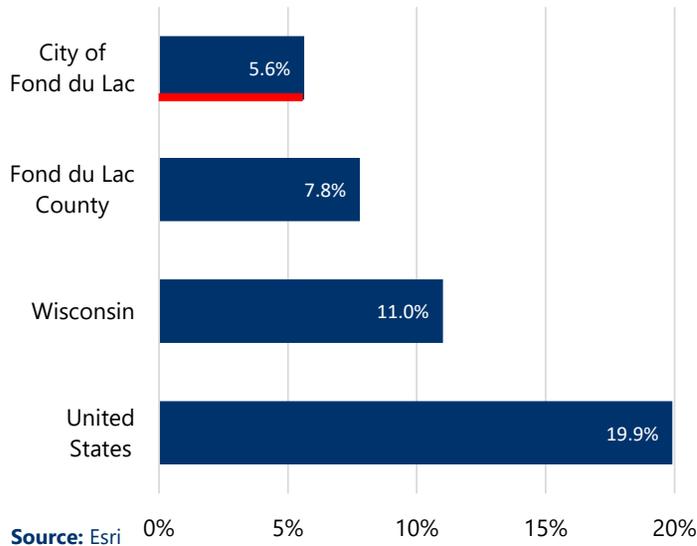
Source: Wisconsin Realtors Association, First Weber Real Estate Services

Median Rental Rates

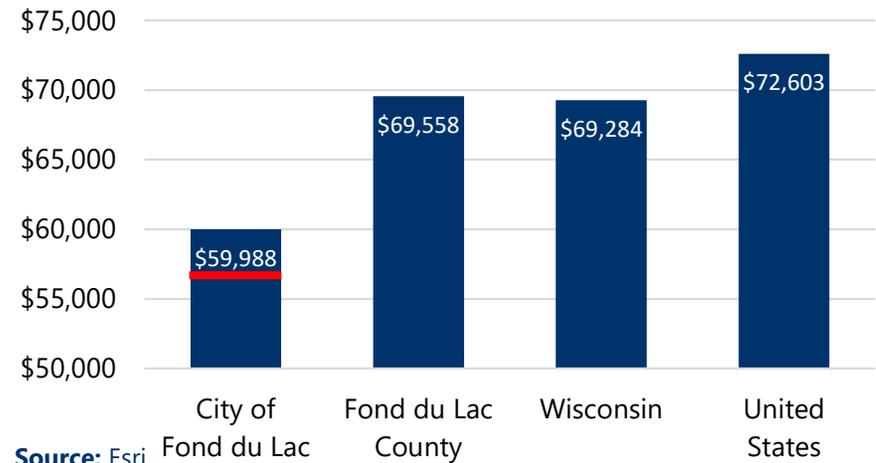
Year	City of Fond du Lac	Fond du Lac County	Wisconsin	United States
2012	\$665	\$674	\$749	\$889
2022	\$868	\$892	\$992	\$1,268
Growth	30.5%	32.3%	32.4%	42.6%

Source: American Community Survey report DP04

Population Growth - 2000 to 2023



Median Household Income - 2023

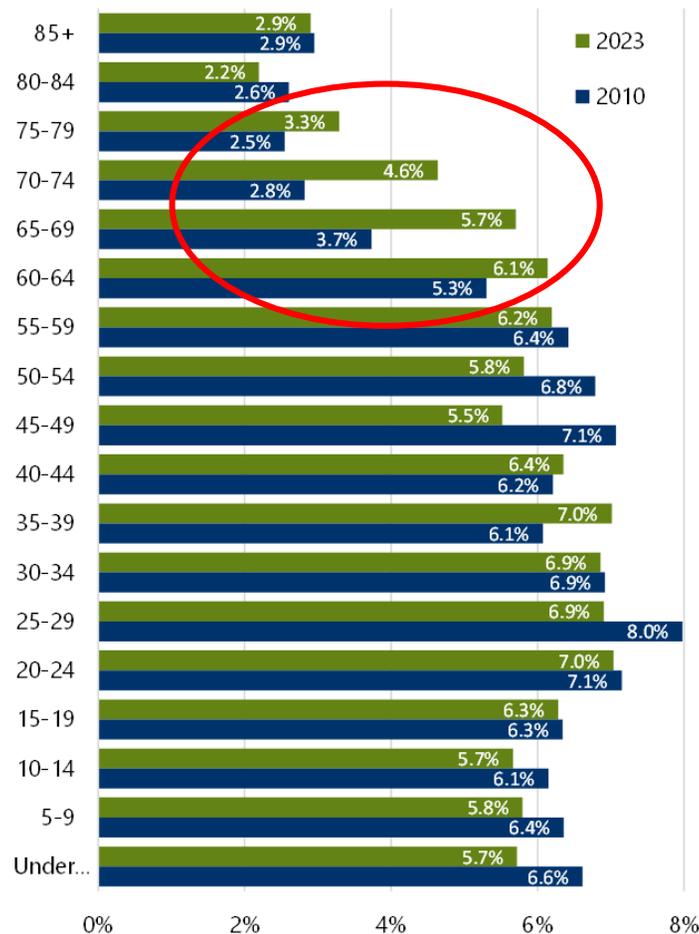


KEY FINDINGS

KEY FINDING #1

FOLLOWING NATIONAL TRENDS, BABY BOOMERS ARE RETIRING AND AGING IN PLACE

Population by Age - City of Fond du Lac



Source: Esri

Median Age - Years

	2010	2023	Change 2010 to 2023
City of Fond du Lac	37.1	39.1	2.0
Fond du Lac County	40.2	42.2	2.0
Wisconsin	38.4	40.5	2.1
United States	37.1	39.1	2.0

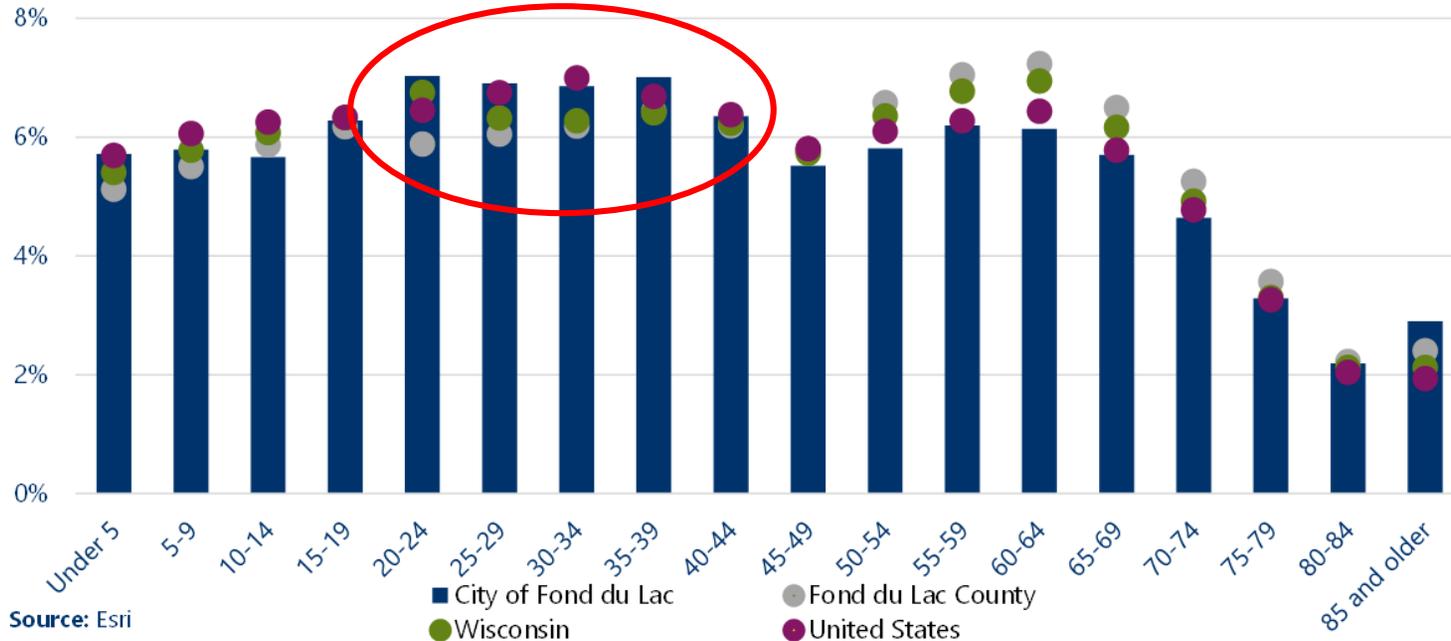
Source: Esri



KEY FINDING #2

DESPITE A GROWING SENIOR POPULATION, FOND DU LAC MAINTAINS A HEALTHY YOUNG DEMOGRAPHIC

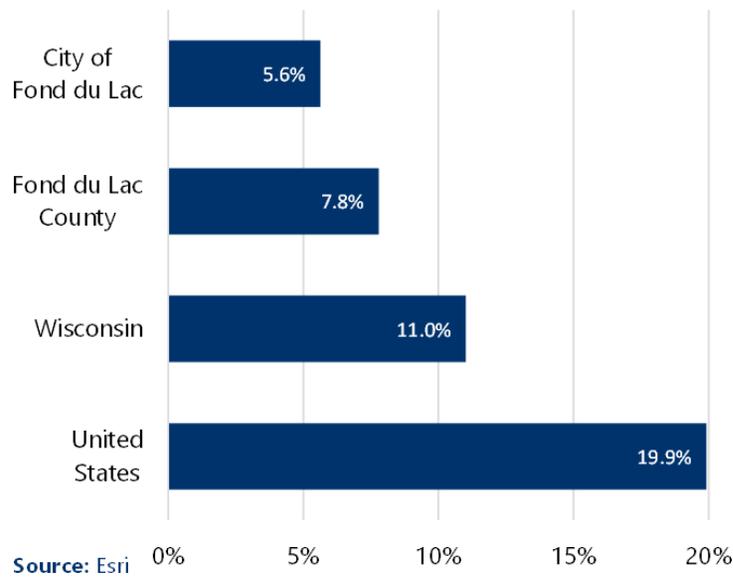
Share of Population by Age Cohort - 2023



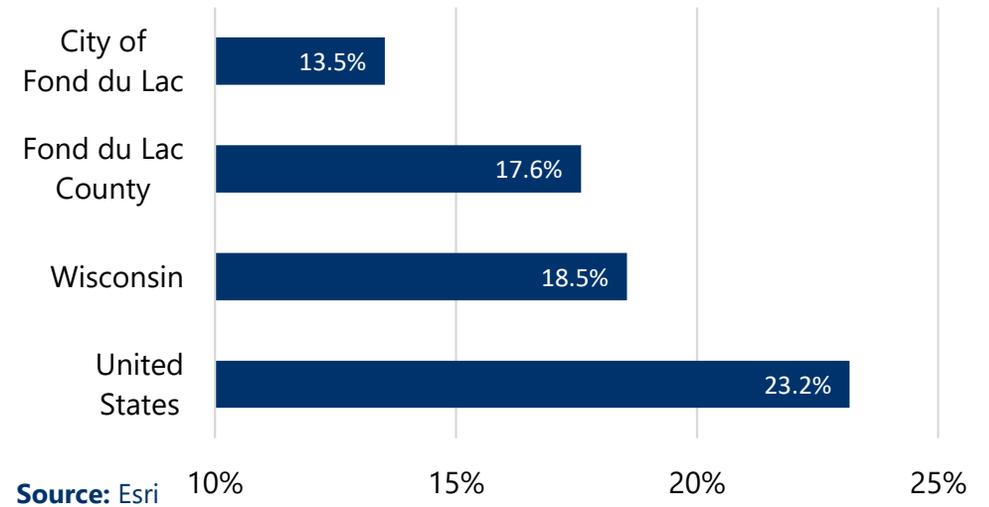
KEY FINDING #3

FOND DU LAC'S POPULATION HAS REMAINED STEADY SINCE 2000 BUT IS NOT PROJECTED TO GROW

Population Growth - 2000 to 2023



Household Growth - 2000 to 2023



KEY FINDING #4

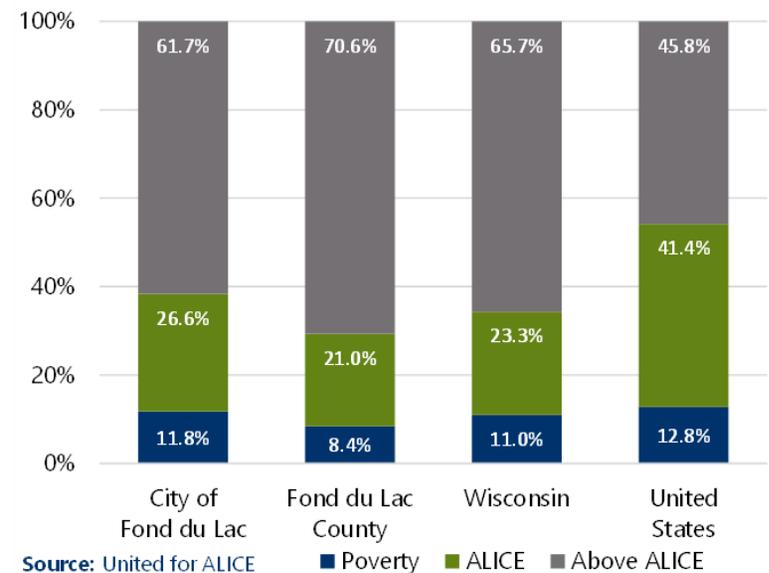
FOND DU LAC BOASTS A STRONG MANUFACTURING ECONOMY, WHICH IS CHARACTERIZED BY MODEST WAGES BUT LOWER POVERTY RATES

Median Household Income Growth

	2012	2022	Growth
City of Fond du Lac	\$44,572	\$58,675	31.6%
Fond du Lac County	\$53,399	\$70,368	31.8%
Wisconsin	\$52,627	\$72,458	37.7%
United States	\$53,046	\$75,149	41.7%

Source: American Community Survey report S1901

Households by Poverty and ALICE Shares - 2021



KEY FINDING #5

VACANCY RATES IN MULTIUNIT APARTMENT BUILDINGS ARE EXCEPTIONALLY LOW, INDICATING STRONG DEMAND FOR NEW RENTAL CONSTRUCTION

Multifamily Market Metrics for the City of Fond du Lac

Year	Buildings	Units	Rental Rate	Vacancy Rate
2023	111	4,404	\$876	1.4%
2022	108	4,300	\$856	2.2%
2021	103	4,264	\$838	1.2%
2020	100	4,192	\$775	2.3%
2019	100	4,192	\$751	3.4%
2018	100	4,192	\$736	2.2%
2017	99	4,144	\$715	3.0%
2016	99	4,144	\$691	10.0%
2015	98	3,724	\$681	5.4%
2014	98	3,724	\$672	5.3%
2013	97	3,688	\$676	5.1%

Source: CoStar



KEY FINDING #6

RENTS ARE AFFORDABLE FOR MEDIAN INCOMES, SUGGESTING MORE RENTERS COULD MOVE INTO HOMEOWNERSHIP OR HIGHER-END RENTALS

Rental Affordability Gap: Gross Rents and Median Income in the City of Fond du Lac - 2022

Median Gross Monthly Rent	\$868
Annualized Rent	\$10,416
Household Annual Income Threshold	\$34,720
Hourly Wage Threshold (full-time)	\$17.36
Median Renter Household Income	\$39,362
Median rent as a Percent of Median Income	26.5%

Source: American Community Survey reports DP04/S2503

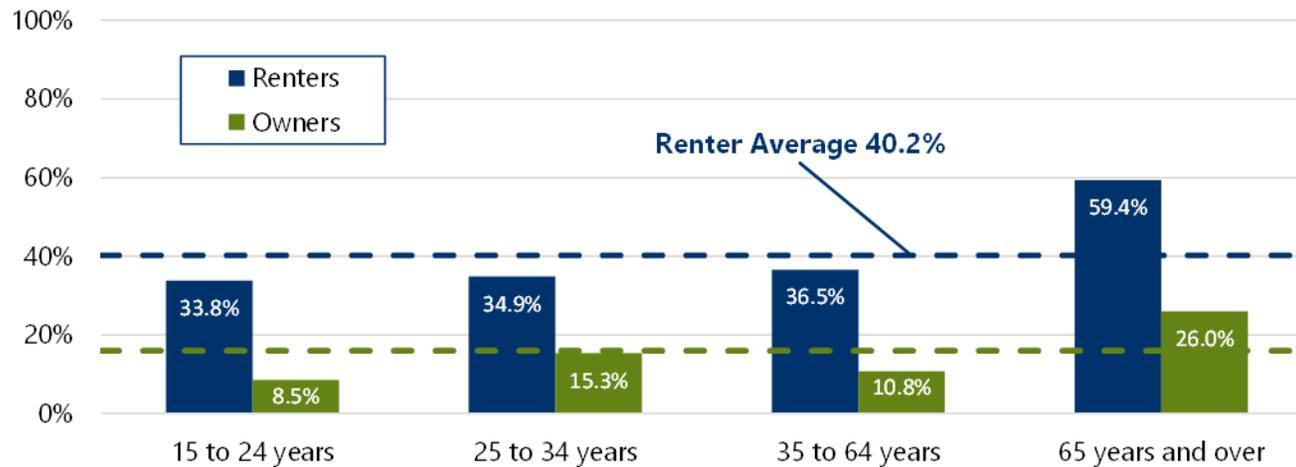
Cost Burdened Households by Income in City of Fond du Lac - 2022



KEY FINDING #7

A THIRD OF OTHER RENTERS ARE SPENDING MORE THAN 30% OF INCOME ON RENT. NEARLY 60% OF SENIOR RENTERS ARE COST-BURDENED

Cost Burdened by Age of Householder City of Fond du Lac - 2022

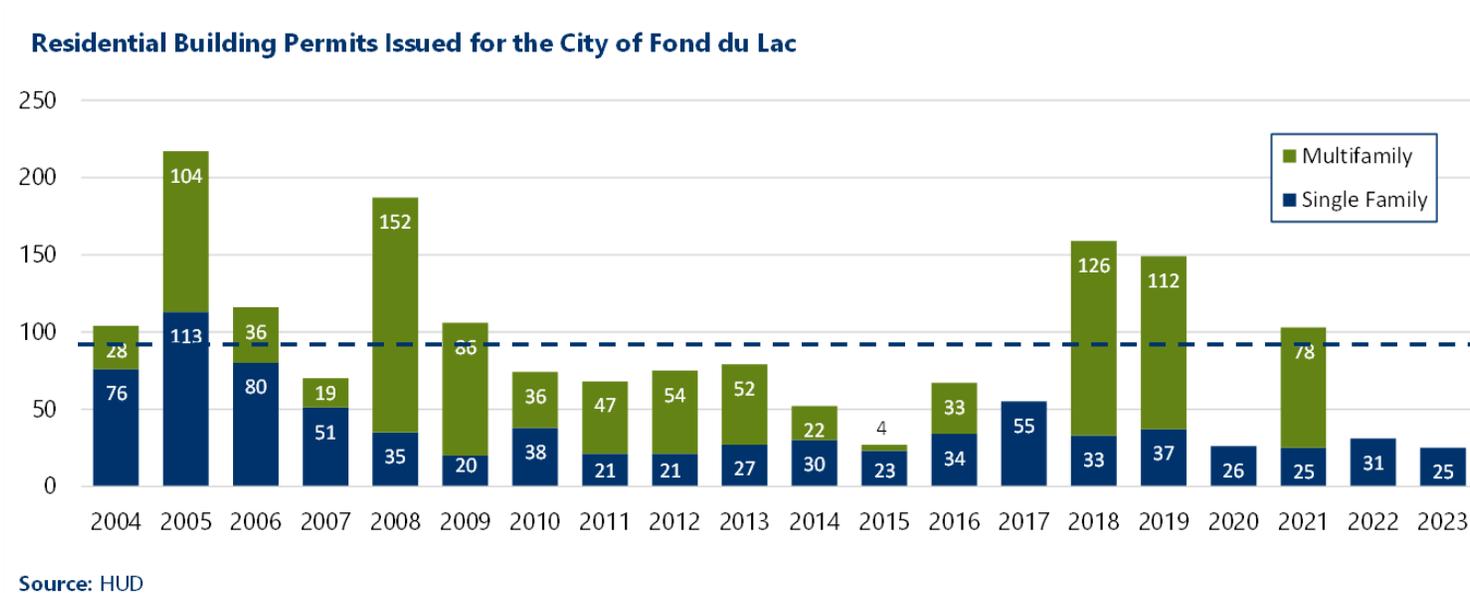


Source: American Community Survey report B25106



KEY FINDING #8

NATIONALLY, HOUSING PRODUCTION DROPPED OFF AFTER THE GREAT RECESSION (2007-2009) AND SUPPLY HAS NOT YET MADE UP THE DIFFERENCE



KEY FINDING #9

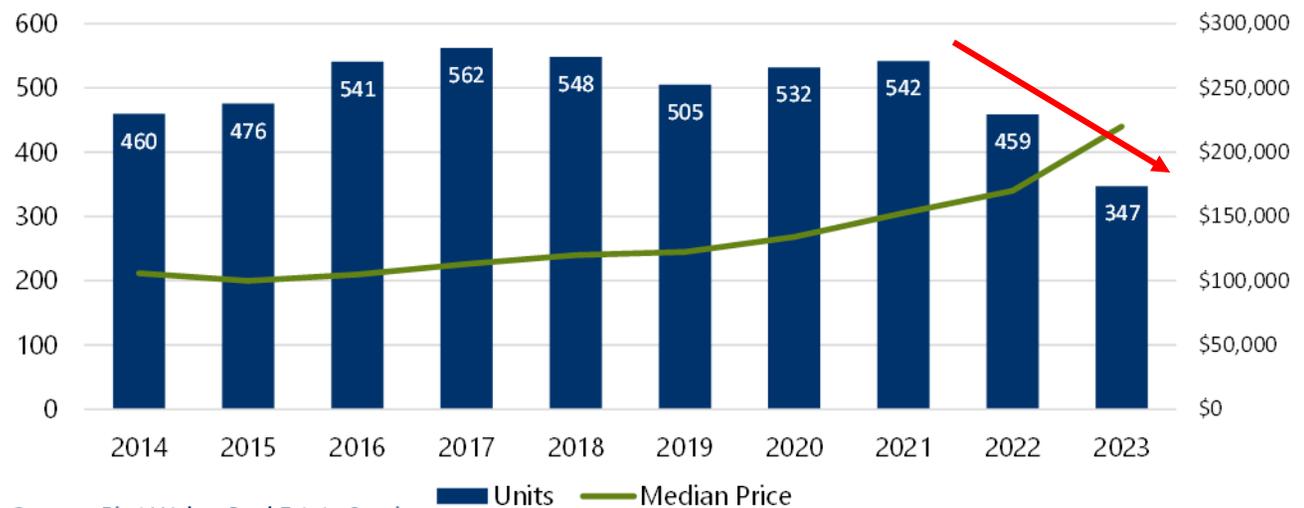
SUPPLY DROP OF HOUSES FOR SALE HAS PUSHED PRICES HIGHER, MAKING BOTH INVENTORY AND PRICES BEYOND THE REACH OF LOCAL WORKFORCE

Home Affordability Gap: Housing Prices and Income Levels in Fond du Lac - 2023

Income Gap	
Median Sale Price	\$220,000
Down Payment of 10%	\$22,000
Loan Amount	\$198,000
Principal & Interest Payment	\$1,300
Estimated Insurance/Taxes/Utilities per Monthly Payment	\$898
Total Monthly Payment	\$2,198
Household Income Threshold	\$87,940
Median Household Income	\$59,988
Income Gap	\$27,952
Home Price Gap	
Affordable Payment with Median Household Income	\$1,500
Affordable Principal and Interest (excl. insurance and taxes)	\$887
Affordable Home Price Based on Median Income	\$150,000
Median Sale Price	\$220,000
Home Price Affordability Gap	\$70,000

Note: Home prices and payments assume 6.9% mortgage rate and 10% down payment

Single Family Home Sales in the City of Fond du Lac

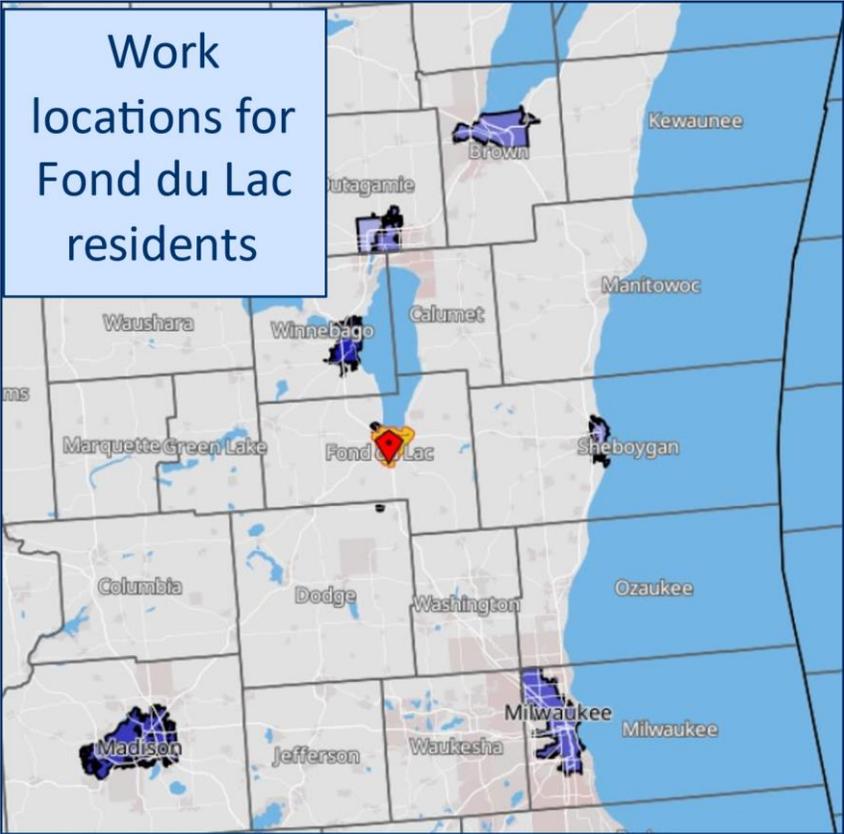


Source: First Weber Real Estate Services



KEY FINDING #10

FOND DU LAC IS IN THE CENTER OF A COMMUTER CORRIDOR – THIS MAKES LOCAL HOUSES ATTRACTIVE TO OUTSIDE BUYERS WHEN OTHER MARKETS GET HOT



Median Single Family Home Prices

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Source: Wisconsin Realtors Association, First Weber Real Estate Services



POSSIBLE APPROACHES

GOAL: OWNERSHIP HOMES PRODUCTION



MARKET DEMAND: Nearly 700 new ownership homes in the next five years.

STRATEGY IDEAS



Land-Lease
Models



Rent-to-Own
Models



List of
Opportunity
Sites



Increase Density
on New
Infrastructure

CASE STUDY FOR "RENT-TO-OWN" MODEL

The image shows a real estate listing for a new build house. The main image is a two-story house with a garage, set against a blue sky with clouds. A blue banner at the bottom of the main image reads "ONE MONTH FREE & OPTION TO BUY". Above the main image are two blue buttons: "First Month Free!" and "New Build". Below the main image are two white buttons: "Virtual tour" and "Floor plan". To the right of the main image are two smaller images: the top one shows the exterior of the house with a "Pathway Homes Rent-to-Own" logo, and the bottom one shows the interior stairs with the same logo. Below the main image is a white box containing the address "121 N Sina St, Troutman, NC 28166", the monthly rent "\$ 2,180/mo", and the price lock "\$ 2 year price lock at \$364,290**". Below this box are three icons: a bed for "3 Beds", a bathtub for "2.5 Baths", and a ruler for "1,679 ft". At the bottom right of the white box are two buttons: "Schedule Self Tour" and "Apply Now".

First Month Free! New Build

ONE MONTH FREE & OPTION TO BUY

Virtual tour Floor plan

Pathway Homes Rent-to-Own

Pathway Homes Rent-to-Own

40 Photos

121 N Sina St, Troutman, NC 28166

\$ 2,180/mo \$ 2 year price lock at \$364,290**

3 Beds 2.5 Baths 1,679 ft

Schedule Self Tour Apply Now



CASE STUDY FOR “RENT-TO-OWN” MODEL

Your Path to Home Ownership

Monthly Rent*

Guaranteed prices. No Surprises. When you sign a lease with Pathway, we'll lock in your rent for 5 years.

Year 1	\$2,180
Year 2	\$2,260
Year 3	\$2,340
Year 4	\$2,430
Year 5	\$2,520

Purchasing the Home**

The price you see today is the price you will pay at month 25 and each year after. Enjoy the peace of mind that comes with our 2 year price lock.

At Month 25	\$364,290
Up to Month 36	\$381,590
Up to Month 48	\$399,720

Upfront costs

Here's a breakout of all the costs due prior to move-in.

	Hold fee Once approved, we collect a small fee to reserve the home for you ahead of move-in. This amount goes toward first month's rent.	\$1,000
	Security deposit Equal to one month of rent. Due when you sign your lease.	\$2,180
	Rent* We'll prorate this amount to match the start date of your lease.*	\$2,180



CASE STUDY FOR LAND LEASES



Community
HOME TRUST

Chapel Hill, NC

- Founded by County in 1991, formed **private nonprofit** corp.
- By 2021, had **332 permanently affordable homes** in inventory.
- Provides in-house real estate sales services and closings.
- Provides property management and insures major home “systems” (hvac, roof, etc).
- Provides first-time homebuyer and financial literacy education.
- Supports three types of units: market-rate houses, affordable houses, and rentals.

– How do Community Home Trust homes stay affordable?

Our homes remain affordable because we limit appreciation that can be realized by our homeowners. We are able to limit appreciation because we retain the deed to all of our properties. We convey an ownership interest in these properties using a 99-year ground lease, which is consistent with the community land trust model. Our objective is to keep our homes affordable to future home buyers who will need affordable housing options.



CASE STUDY FOR LAND LEASES



207 Trellis Court

Townhome in Chapel Hill
\$125,000

-  3 Bedrooms
-  2.5 Bathrooms



Monthly Costs:

- **TOTAL EST. MONTHLY COSTS: \$1164 (includes all costs below)**
- Mortgage (principal and interest): \$658
- Property taxes: \$119
- Homeowner's insurance: \$80
- Use fee: \$15
- Stewardship fee: \$110
- HOA dues: \$182

Monthly costs are estimated and subject to current interest rates, available subsidy, and buyer eligibility.



This home is reserved for our under 80% AMI applicants.

Household Size	1	2	3	4
80% of AMI	\$59,300	\$67,800	\$76,250	\$84,700



GOAL: INCREASE RENTAL OPTIONS



MARKET DEMAND: 850 new rentals in five years.

STRATEGY IDEAS



Prioritize affordable rentals for seniors



Pursue in-fill in Downtown and North Main St



Register apartments to track market data



Allow ADUs as private-market affordable rentals

CASE STUDY FOR ACCESSORY DWELLING UNITS



- Ideal for adult children or an aging parent.
- Provides financial security for homeowner.
- When the main house is owner-occupied, apartments are typically well managed.
- Homeowners often charge lower than market rents because they want tenant stability and they live so close in proximity. Plus, they are smaller apartments.



GOAL: DEVELOP COMMUNITY FOR HOUSING MARKET



PUBLIC DISCUSSION

TOPIC FOR DISCUSSION

RENTALS

How would you describe the rental market?

How would you like to see the public and private sectors respond to rental needs?

What would you like to see built or changed in the rental market?



TOPIC FOR DISCUSSION

HOMEBUYING

How would you describe the homebuying market?

How would you like to see the public and private sectors respond to homebuying needs?

What would you like to see built or changed in the homebuying market?



THANK YOU

*Feedback may also be
provided at*

bit.ly/FdL_Housing_Feedback