

IMPACT OF HOME BUILDING ON THE ECONOMY

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Why homebuilding provides a positive impact on Manitowoc County



Direct effect in Manitowoc County, Year 1

In the first year 100 new homes=

- ◆ \$1.4 million tax/revenue for local governments
- ◆ \$230,000 expenditures by local governments to service new housing
- ◆ \$3.5 million in capital investment for new structures and equipment by local governments



Direct effect in Manitowoc County, Years 2-15

In the typical year after the first, 100 new homes=

- ◆ \$890,000 in tax and other revenue for local governments
- ◆ \$460,000 in local government expenditures to continue providing services at current levels

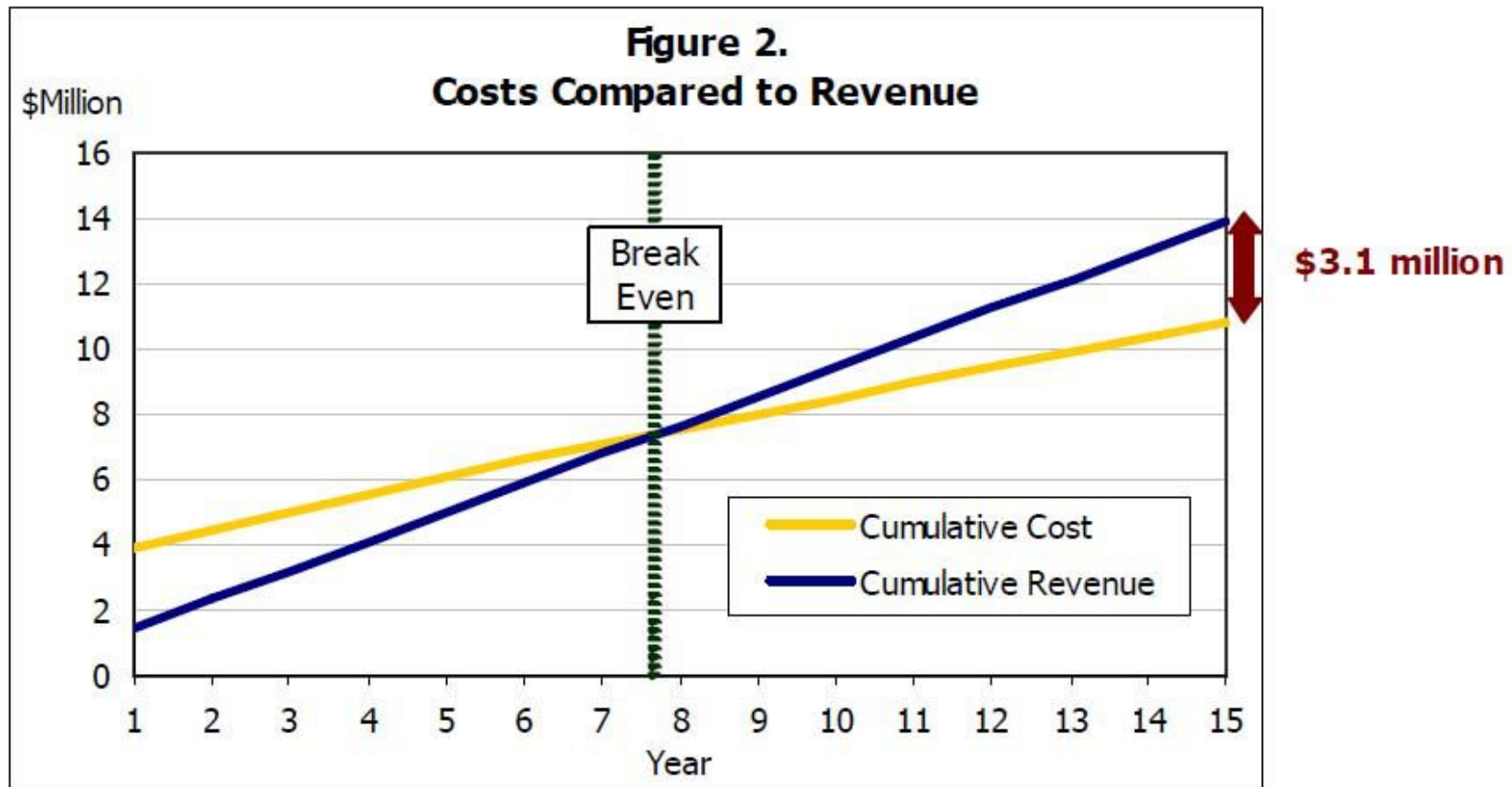


After 15 years, 100 home will...

Generate a cumulative \$13.9 million in revenue compared to only \$10.8 million in costs, including annual current expenses, capital investment and interest on debt.



Break even in 7 plus years,
+\$3.1 million after 15 years



Local cost drivers...

Total Annual Local Government Expenses per
Single Family Housing Unit
(in 2007 Dollars)

Education	\$874
Police Protection	\$527
Fire Protection	\$273
Corrections	\$140
Streets and Highways	\$171
Water Supply	\$174
Sewerage	\$236
Recreation and Culture	\$340
Other General Government	\$971
Electric Utilities	\$875
Public Transit	\$29
Total	\$4,609



Housing=Jobs



100 new homes in Manitowoc County, Year 1

- ◆ \$15 million in local income to residents
- ◆ \$1 million in taxes and other revenue to local governments
- ◆ 336 local jobs



100 new homes in Manitowoc County, ongoing yearly impacts

- ◆ \$3.2 million local income to residents
- ◆ \$890,000 in taxes and other revenue to local governments
- ◆ 80 local jobs



1000 new homes in Wisconsin, Year 1

- ◆ \$180.7 million in local income to residents
- ◆ \$29.8 million in taxes and other revenue to local governments
- ◆ 3255 local jobs or
- ◆ 1 new home equals 3 new jobs



1000 new homes in Wisconsin, ongoing yearly impacts

- ◆ \$34.1 million local income to residents
- ◆ \$12.4 million in taxes and other revenue to local governments
- ◆ 690 local jobs



Trickle down effect key, especially in Wisconsin

- ◆ ABC Supply-Beloit
- ◆ Ashley Furniture-Arcadia
- ◆ A.O. Smith- Milwaukee
- ◆ Bemis Manufacturing-Sheboygan Falls
- ◆ Gehl-West Bend
- ◆ InSinkErator-Racine
- ◆ Kohler-Kohler



Trickle down effect key, especially in Wisconsin

- ◆ Menards-Eau Claire
- ◆ Midwest Manufacturing-Eau Claire (steel roofs, siding)
- ◆ Milwaukee Electric Tool-Brookfield
- ◆ Speed Queen-Ripon
- ◆ Weather Shield-Medford
- ◆ And many, many more...



Housing Economy 2007 to 2011

- ◆ Housing recession worst on record since the depression
- ◆ Industry recovering
- ◆ 2011 was the worst year on record (only 9,939 homes and apartments built, compared to a 40-year average of over 27,000).



Housing Economy Moving forward

- ◆ Building permits for new homes were up 21.6% last year compared to 2011
- ◆ 12,082 single family building permits issued in 2012
- ◆ 2013: anticipate another 20-24% increase
- ◆ 2014: may see as much as a 33% increase



Challenges moving forward

- ◆ Land Development has not returned yet
- ◆ Lot shortages in some areas of the state
- ◆ Labor Shortage?:

"I don't want to say we have had real shortages yet, but there is a lot of concern." – David Crowe, Chief Economist, NAHB



Legislative Victories for Housing last session

- ◆ Prevailing wage exemption for residential infrastructure
- ◆ \$1000 cap on code changes
- ◆ Elimination of the conversion fee on land
- ◆ Reform of the Uniform Dwelling Code Council
- ◆ Wetland reform
- ◆ Administrative Rule Reform



Legislative Initiatives for 2013- 2014

- ◆ Property tax freeze
- ◆ Income tax cut
- ◆ 6 year review of the building code (UDC)
- ◆ Shoreland zoning regulations after annexation
- ◆ Review of administrative rules: wall bracing and duplicative credentialing



Thank you...

April 2013: New Homes Month

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