

Residential Market Analysis  
--- Strategy Planning Guidelines ---  
Mukwonago, Wisconsin

Prepared on behalf of:

Village of Mukwonago  
440 River Crest Ct.  
Mukwonago, WI

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## **INTRODUCTION**

At the request of the Village of Mukwonago, Tracy Cross & Associates, Inc. evaluated the market potential for residential development initiatives throughout Mukwonago, Wisconsin – a southwest suburb of Milwaukee. Specifically focusing upon new construction market rate housing opportunities throughout the municipality, this analysis establishes the following:

- Conclusions regarding the depth of the market for new housing development throughout Mukwonago based upon pertinent economic, demographic, and residential trends which define the marketplace.
- Conclusions regarding highest-and-best residential uses within the village over the next 5+ years. These conclusions are based upon factors associated with the location of Mukwonago, the depth of the market, demographic and socio-economic characteristics of existing and future households, and the alignment of residential developments, both existing and planned.
- Detailed recommendations regarding those conventional housing forms viewed to hold measurable market support near- to mid-term. Investigative uses range from multifamily rental apartments to all forms of for sale housing such as condominiums, townhomes/rowhomes, single family, etc. These recommendations address specific product types, plan styles/sizes, features/amenities, etc., along with benchmark rent/pricing strategies necessary to achieve acceptable levels of absorption. Please note that these recommendations will focus on all segments of the conventional market ranging from younger (entry level) profiles to active adult (55+) households.
- A detailed development matrix outlining the most marketable mix of residential uses in order to facilitate/inform future planning efforts, architecture, financial modeling, approvals, marketing, builder/developer participation, etc.
- A geographic positioning strategy for the introduction of new housing development in Mukwonago over the next 5+ years.

## **WORK PLAN**

The work plan for this assignment involved a series of inter-related research investigations as outlined below:

- A thorough investigation of Mukwonago and surrounding areas to determine geographic boundaries of the local market area; identify factors which may impact residential potentials within the municipality; and examine areas that may be suitable for residential development.
- An analysis of all relevant employment, demographic and residential construction trends and statistics including an evaluation of key socio-economic variables of area households.
- An audit of selected new construction residential alignments in the defined market area in order to assess the competitive environment, together with a detailed evaluation of the existing home market.
- A case study evaluation of “like” residential initiatives throughout various markets of the Midwest in order to assess trends, products, performance levels, etc.

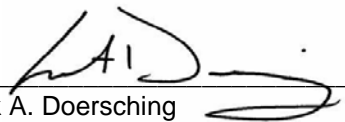
**THE REPORT**

This report is divided into three sections which integrate economic, demographic, and competitive data. Of particular importance is **Section 1** which characterizes the village of Mukwonago and its environs and forwards detailed conclusions and recommendations regarding the highest and best residential development opportunities going forward. Not to be dismissed, however, are the remaining two sections which can be defined as *fundamentals*. **Section 2**, for instance, provides an outlook for future conventional housing demand in the market area based upon all demand-related variables, while **Section 3** presents a thorough analysis of the study area's conventional residential marketplace.

**CERTIFICATION AND SIGNATURE**

This analysis represents our objective and independent opinion regarding the market potential for future housing development within the village of Mukwonago as certified below:

**TRACY CROSS & ASSOCIATES, INC.**  
An Illinois Corporation

By:   
Erik A. Doersching

Its: Executive Vice President and  
Managing Partner

Date: August 10, 2021



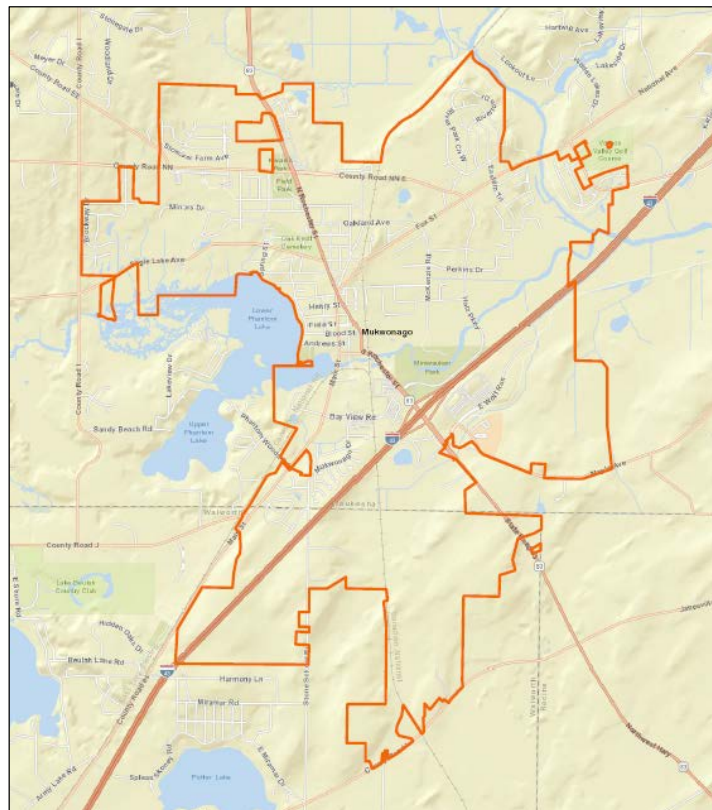


## 1. A FRAMEWORK FOR PLANNING

Mukwonago is a self-contained village in the southern reaches of the Milwaukee metropolitan region which maintains its own localized employment base, yet also represents a bedroom community serving employment centers outside of the immediate area. The average travel time to work for a Mukwonago resident currently stands at 25.5 minutes, yet 22 percent of all residents work locally.

The village of Mukwonago currently spans 8.11 square miles. It is enhanced by its alignment with Upper and Lower Phantom Lake(s), both of which are located along the municipality's western perimeter. Most of the village is located in Waukesha County, although a small portion extends into Walworth County. Mukwonago contains a current (2021) population base of 8,195 persons distributed among 3,232 households. Just outside the village limits to the north/northwest, the town of Mukwonago supports another 8,000+/- persons distributed among 2,800+/- households.

**MUKWONAGO, WISCONSIN: VILLAGE BOUNDARIES**



Source: Environics Analytics

Mukwonago is well-served by regional transportation systems, primarily Interstate 43, which is accessible within minutes from most points within the village. This major expressway, which connects with other Milwaukee area arterials to the north, facilitates movement throughout the Milwaukee region linking area residents with major sources of employment in both the southwest and western suburbs of Milwaukee, along with the city of Milwaukee including downtown Milwaukee 25 miles to the east/northeast and General Mitchell International Airport 22 miles to the east. Via I-43 and its connections with WI-64 six miles north of Mukwonago, employment centers in the Waukesha-Brookfield area (where close to 70,000 jobs are represented) are reachable within 20-25 minutes.

Mukwonago's own economic base is diversified including various professional and business services, financial institutions, local government and educational sectors, healthcare/insurance, commercial/retail, and manufacturing led by the presence of Aptar – a major employer servicing the energy industry and located within the Mukwonago Industrial Park. Also anchoring Mukwonago's economic base is the large-scale, state-of-the-art D.N. Greenwald Center (ProHealth Care) Hospital located along the south (east) side of I-43, just north (east) of WI-83 in the Gateway Center retail/commercial campus.



Equally important is the availability of *in-place* shopping facilities. Within minutes of most areas within the village, residents can find virtually all major retail categories and service providers ranging from grocery, gas, restaurants, convenience items to various “big box” venues such as Home Depot and Walmart Supercenter, which are also situated within the Gateway Center retail/commercial campus. Additionally, within the heart of Mukwonago is a small, but notable downtown business/shopping/dining district in and around the intersection of Main and Rochester streets, which provides an element of downtown/small town charm.

Mukwonago supports a highly regarded school system. At the primary level, students attend several different elementary schools, along with Park View Middle School. Among all primary facilities, student test scores are *above* state averages. Secondary education is provided by Mukwonago High School. Statistics available for the most recent school year indicated a total enrollment of just over 1,600 students. Here, too, student achievement scores were considerably higher than state averages. In fact, students at all Mukwonago schools recently recorded accountability scores that earned each of them either an “*Exceeds Expectations*” or “*Significantly Exceeds Expectations*” ranking from the Wisconsin Department of Public Instruction.



Largely due to an excellent school system, together with a strong park system, annual community events and festivals, and other ancillary support mechanisms, Mukwonago was recently recognized by the “Niche” rating system as an “A” community in Wisconsin to raise a family.

Residentially, the primary housing form throughout Mukwonago consists of single family detached homes, although for sale condominiums/duplexes/townhomes can be found in various locations, along with a number of rental apartment communities, several of which are newer – as will be discussed in later sections of this report. A full 66 percent of all housing units in Mukwonago reflect single family detached residences. Among all dwelling units, 56 percent of the housing stock was constructed prior to 1990, while the remaining 44 percent has been constructed over the last 30 years. Roughly 10 percent of the current housing stock in the village has been built since 2010 including various new single family homes, condominiums and apartment residences. Overall, the village's single family inventory ranges from vintage bungalows and Victorian/Georgian-style residences (some restored/some in need of improvement), primarily in and around the downtown area, to water-oriented homes along the Phantom Lakes, to semi-custom/custom homes in larger-lot subdivisions outside of the downtown area. Attached sector (condominium) communities and rental apartment developments scattered throughout the village consist of various product types (targeting multiple market segments), some with water-orientation and others without.

## **A SUMMARY OF FINDINGS**

As discussed in detail in Sections 2 and 3 of this report, future residential development potentials in Mukwonago and surrounding areas are considered strong. In other words, the village of Mukwonago is *well suited* for the introduction new *market rate* residential development over the next 5+ years including additional rental apartments and various forms of conventional for sale housing. This favorable conclusion is based upon: 1) more than adequate demand support for a variety of new construction housing alternatives; 2) notable supply-side constraints; 3) an ample base of existing (and future) households with strong demographic profiles; 4) tightness (and certain disjointedness) in both the rental and for sale sectors of the market; 5) an excellent school system; 6) in-place employment, transportation, shopping/services, entertainment and recreation; and 7) the opportunity to introduce new and differentiated housing product in a market where such product is needed.

Overall, the village of Mukwonago is in a position to help guide future residential development efforts in a direction of discipline and insight as it relates to specific products that meet the demands of the market relative to unit types/styles, and most importantly, rent/price positioning.

## **A PLANNING STRATEGY – THE PRODUCT**

With a housing market showing growth potential during the next several years, and especially considering the supply-side constraints that exist today, practically any ***well designed and properly positioned*** new conventional residential product form could be introduced within a number of areas throughout the municipality. However, from a strategic planning perspective, the following bullet-point summary provides specific product guidelines for establishing the most practical and marketable hierarchy of conventional housing within Mukwonago – to serve as a guide for future planning and implementation efforts as the village reviews various proposals and/or seeks development partners.

- ❑ Taking the lead from a number of successful apartment developments throughout the Midwest, including recent market entrants throughout the greater Milwaukee region, the village should give consideration to one of the most common southeastern Wisconsin mid- to higher-density density product forms, which would be appropriate for multiple locations within the core of the village, i.e., the three-over-parking design concept. The three-over parking concept, which consists of three residential floors over one level of structured parking, is not only widely accepted throughout various urban/suburban areas in the Midwest, but it represents a building configuration whereby one-to-one enclosed parking can be provided in an efficient and cost-effective manner, and at a strong density. Individual floorplans for the mid- to higher-density apartment program should be broad and varied ranging from small studio units starting around 450 square feet, extending through a variety of one- and two-bedroom alternatives, and ending with three-bedroom residences containing roughly 1,350 square feet.
- ❑ A broad mix of unit types and sizes for the mid- to higher-density apartments will allow this product to capture the full breadth of renter profiles with attentive focus directed toward Millennials, also known and Echo Boomers or Generation Y, along with Centennials, also known as Generation Z (i.e., younger singles and couples without children), together with empty-nesters and non-traditional households such as divorcees, middle-age singles, never-nested couples, singles living together as couples in a roommate condition, transitional families, etc. Overall, the pool of renters in and around Mukwonago continues to expand each year, and a broad continuum of floorplan alternatives within any mid- to higher-density apartment community will best serve the overall base of existing/future renter households.

- ❑ If elevated properly, the three-over-parking concept can exemplify tasteful, urban/suburban architecture, and be very complimentary to other development and/or redevelopment initiatives throughout the village. This product concept can also be combined with first floor retail space if offered within pedestrian-oriented areas.



- ❑ For other portions of the village, primarily those characterized as more suburban environments, consideration should also be given to introducing a very specific garden-style “private entry” apartment product with a component of attached, direct-access garages. In this regard, one of the most successful garden-style developments in the Midwest (and in southeast Wisconsin) consists of a series of eight-unit buildings (each with four direct-access one-car garages) or 16-unit buildings (each with eight direct-access one-car garages). With just 50 percent direct-access garages suggested per structure, two different versions of the garden apartment building should be designed in order for each of the individual floorplans to be offered *with a direct access garage* in one of the two building types. By following this formula, each plan offering would have a 50 percent representation of direct-access one-car garages.



- ❑ Like the mid- to higher-density apartment product, individual designs for the garden apartment product should be broad and varied consisting of one-, two- and three-bedroom options. Again, by offering a wide range of unit types and sizes, the garden development will also be in a position to capture the full spectrum of renter profiles.
- ❑ Mirroring the competitive marketplace as a whole, size increments between floorplans (for both the mid- to higher-density product and the garden-style apartments) should not exceed 150 square feet (and be narrower in most instances). This discipline will keep lease rate differentials between plans small and in concert with the gradual upward movement of household incomes.
- ❑ Complimenting the mid-density and garden-style apartment products throughout the village, and representing an architectural transition as needed, strong consideration should be given to the configuration of **for rent ranch villas/duplexes** (no basements) at various site locations. This lower-density market rate rental product will not only fill a void that exists in the market, but it will help offset the higher prices found among new construction condominium alternatives directed to the more mature, move-down consumer, i.e., empty-nester. One only has to look at the success of Redwood Apartment Neighborhoods in other areas of the Midwest to understand the desirability of this particular product line. While representing, primarily, an age-targeted (55+) idiom, it will not exclude other segments of the market that find this product form appealing, i.e., young families, etc.



- ❑ Representing the first of five product lines in the “for sale” sector of the market, and in an effort to establish an overall hierarchy of ownership product starting with an alternative that should be able to achieve price points more in-line with the qualitative distribution of area incomes, is an efficiently designed mid-density **townhome/rowhome series (with stacked flats or condominiums)**. This product line would include two three-story plan types, each with two main living areas configured over an integral two-car garage and a finished lower level, along with a split-foyer or raised ranch unit and two stacked flats, all with two-car garages. Plan sizes for this series, which will average close to 1,550 square feet, should range from 1,250 to 1,650 square feet including finished lower levels for the three-story and split foyer plans. With rear-entry garages, individual buildings are generally designed to face one another, thus allowing for a small pedestrian greenway between buildings, or they can be configured fronting a street. Combined, the five individual plan offerings, which together reflect three separate and distinct generic product forms, are capable of attracting a broad range of buyer profiles, with attentive focus directed toward young singles and couples without children, couples in their initial stages of family formation, young families, and the more mature, move down (empty-nester) segment of the market. It is important to note that the two stacked flats, which together are 40’ wide, are interchangeable with two three-story rowhome units, which are each 20’ wide.



- ❑ Architecturally, the townhome/rowhome product line (with stacked flats) can support either a traditional elevation scheme, or it can command something more contemporary/urban oriented, i.e., at the builder’s discretion and dependent upon site location within the village. Overall, this product line can achieve a density of 12-14 units per acre, thus allowing builders to distribute land and development costs across more units – in an attempt to bring prices down from the current representation of condominium products (i.e., luxury duplexes) that dot the landscape throughout the market.

- ❑ Representing an age-targeted alternative to the highly-stylized ranch duplex condominiums currently found in Mukwonago and elsewhere throughout the area, yet still directed toward the more mature, move-down home purchasers aged 55-74, a very efficient **attached ranch villa** for sale series is recommended. This product line, which could be configured in 3-, 4- or 5-unit buildings (duplexed only where necessary) would consist exclusively of single-level ranch plans, each with a front-load two-car garage and a small, but usable, back-yard or patio area. Ranging in size from 1,375 to 1,675 square feet, the average attached villa unit would carry 1,525 square feet of living space. These homes would be configured slab-on-grade, although certain lots could/should be designated to accommodate optional basements. While directed toward the move-down consumer or empty-nester, this product line would be capable of attracting other segments of the market as well. Ultimately, the goal of creating a villa product (as opposed to straight duplex buildings) would be to achieve a higher-density which, again, would allow costs to be distributed across more units – ultimately leading to more competitive prices.



- ❑ In the single family sector, and representing a departure from the current larger-lot semi-custom/custom home development currently represented among new developments in Mukwonago, would be an urban/suburban detached product line with rear-load garages. Representing a derivation of the neo-traditional planning concept, i.e. Traditional Neighborhood Development (TND), this single family series, ideally, would be comprised of two single-level



“ranch” plans, two traditional two-story units (with second floor master bedrooms) and one two-story unit with a first-floor master bedroom. Ranging in size from 1,500 to 1,900 square feet, and averaging roughly 1,700 square feet across the group, homes in this series should be approximately 30’-35’ wide configured on 40’-45’ wide homesites. This product lines would include partial basements (unfinished). In the northern suburbs of Indianapolis, this particular product line has been extremely successful as it has allowed new construction single family housing (through density and unit sizes) to meet a price point not seen among more traditional counterparts. Because of the escalation of new construction single family prices in and around Mukwonago, a similar strategy is warranted. The TND single family product line will be able to attract a broad spectrum of detached home purchasers including young childless married couples, couples in their initial stages of family formation, young families, and first-time move up families emanating from the local area resale market. And, with the incorporation of several ranch plans and two-story master-down designs, this program will be in a position to also appeal to the 55 and older empty-nester segment desirous of detached housing.



- ❑ The second single family product line should consist of a smaller-lot, more traditional single family series with front-access, two-car garages and unfinished basements. This product line should be comprised of two single-level “ranch” plans and four traditional two-story units. Ranging in size from 1,750 to 2,400 square feet, and averaging roughly 2,050 square feet across the group, homes in this program should be configured on 50’-55” wide homesites. This smaller lot sizes would, once again, assist in reducing costs, thus allowing for a more competitive price position. Together, the six single family plans will also appeal to a broad spectrum of single family home purchasers including young childless married couples, couples in their initial stages of family formation, and first- and second-time move up families. And, with the inclusion of two ranch plans on small low-maintenance lots, this series will appeal to the 55 and older empty-nester segment as well.



- ❑ With proper land planning and architecture, smaller single family lots can still provide for aesthetically appealing community orientation and, most importantly, at the price points not widely represented in the new construction single family sector of the market.



- The third single family product line for the village of Mukwonago going forward should consist of the typical larger-lot semi-custom/custom development that is already in full-swing in Mukwonago and the rest of southwest suburban Milwaukee. In other words, the Milwaukee area buyer is so familiar with larger-lot, new construction single family development, that this, too, should be included in Mukwonago's overall housing portfolio in generally the same fashion it is being done today. The caveat being, of course, is that modest absorption will continue to be observed given the higher price points that accompany this particular product line.

Individual home designs across all product lines, especially the first two single family series, should focus on providing fully functional and livable interiors with ample closeting/storage. For example, walk-in pantries should be included in select plans, along with full size laundry rooms with storage capabilities. In addition, a third car garage option should be made available for select detached plans if lots can accommodate.

Outdoor living space for each unit (within each product) is essential, but need not be extensive. Specifically, private balconies for both apartment series and the townhomes/rowhomes/flats will be sufficient, along with private courtyards/patios/backyard areas for the attached ranch villas and the single family homes.

## **MARKET POSITIONING**


To capitalize on the suggested product opportunities for Mukwonago, and in order maximize marketability and absorption potentials near- to mid-term, while also giving full consideration to the influence of local area home values and household incomes, **Exhibits 1.1 through 1.7** provide details regarding individual plan criteria, rent levels/price points and absorption potentials, again to serve as a guide for planning and implementation efforts. When reviewing these exhibits, prototype total unit counts are presented simply to show the relationship between a likely development size and absorption potentials at that scale. Total unit counts will naturally fluctuate based upon site configuration.

In order to meet the market-driven benchmark rents and prices established for each of the suggested product series, individual floorplans should be very efficient and cost-effective to build with emphasis placed more on exteriors and unit features as opposed to complicated floorplans. Please understand, however, that by creating value-oriented production-type floorplans, we are not suggesting that Mukwonago minimize the quality upon which this community has been heading with its development/redevelopment efforts to date, nor is there implication that overall curb appeal be comprised. Referencing the latter, a strong use of colors *not materials* is but one example of how quality can be portrayed to the consumer. This has been accomplished in numerous communities throughout the U.S. with specific reference made to re-development efforts at Stapleton Airport in Denver, among others.

Please note that rents/prices noted for all product lines in Exhibits 1.1 through 1.7 have been *very carefully* established in order for each series to be competitively positioned both internal to Mukwonago and against neighboring communities. In other words, the rent/price differentials between the different product lines will allow each to function autonomously within the host municipality, yet also maintain the proper alignment with both new construction and existing alternatives elsewhere in the market. As but one example, the suggested mid- to higher-density and garden-style apartment prototypes have been competitively positioned against the newest developments in Mukwonago and other nearby municipalities (see **Exhibits 1.8 and 1.9**). Absorption estimates, in turn, reflect rates being achieved by "like" developments throughout the market of a similar scale. In addition, at suggested rents, the prototype apartment communities for Mukwonago, while priced competitively in the local market, will be positioned some 10-20 percent lower than heavy concentrations of new construction alternatives well to the north in highly populated areas like Brookfield and Wauwatosa. This differential is appropriate considering these areas are arguably some of the most desirable suburban renter destinations in the Milwaukee region, primarily because of their rather substantial employment bases. At this differential, Mukwonago will be in a position to continue inducing spillover to its location.

**PRODUCT CRITERIA AND BENCHMARK RENTS: MID- TO HIGHER-DENSITY MARKET RATE RENTAL APARTMENTS  
-- A 60-UNIT PROTOTYPE --  
MUKWONAGO, WISCONSIN**

Product Line Summary	
<b>Product Form:</b>	<b>3 Residential Floors Over Structured Parking (w/Elevator)</b>
<b>Total Units:</b>	<b>60+/-</b>
<b>Enclosed Parking:</b>	<b>60+/-</b>
<b>Average Plan Size (Sq. Ft.):</b>	<b>818</b>
<b>Average Benchmark Base Monthly Rent (Floor 1 Only):</b>	<b>\$1,320</b>
<b>Per Sq. Ft.:</b>	<b>\$1.61</b>
<b>Average Benchmark Monthly Rent (All Floors):</b>	<b>\$1,330</b>
<b>Per Sq. Ft.:</b>	<b>\$1.63</b>
<b>Average Monthly Absorption Potential (In Units):</b>	<b>6.0</b>



Plan Detail									
Plan Designation	A	B	C-1	C-2	D	E-1	E-2	E-3	F
Percent Distribution	10	20	20	10	5	10	10	10	5
Plan Type	Studio	Junior 1BR	1BR	1BR	1BR Den	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	--/1.0	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	450	550	650	750	900	1,050	1,150	1,250	1,350
Benchmark Rent Per Floor: <sup>(1)</sup>									
Floor 3	\$915	\$1,030	\$1,145	\$1,260	\$1,435	\$1,610	\$1,725	\$1,840	\$1,955
Floor 2	\$905	\$1,020	\$1,135	\$1,250	\$1,425	\$1,600	\$1,715	\$1,830	\$1,945
Floor 1	\$895	\$1,010	\$1,125	\$1,240	\$1,415	\$1,590	\$1,705	\$1,820	\$1,935
<b>Average:</b>	<b>\$905</b>	<b>\$1,020</b>	<b>\$1,135</b>	<b>\$1,250</b>	<b>\$1,425</b>	<b>\$1,600</b>	<b>\$1,715</b>	<b>\$1,830</b>	<b>\$1,945</b>
<b>Per Sq. Ft.:</b>	<b>\$2.01</b>	<b>\$1.85</b>	<b>\$1.75</b>	<b>\$1.67</b>	<b>\$1.58</b>	<b>\$1.52</b>	<b>\$1.49</b>	<b>\$1.46</b>	<b>\$1.44</b>

Features and Amenities		
<p><b>UNIT STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Painted Trim</li> <li>■ Luxury Plank Flooring in Living Areas</li> <li>■ "White" Interior Paint Finish</li> <li>■ Direct Wire Smoke Detectors</li> <li>■ Cable/Satellite/Telephone Access</li> <li>■ Carpeting in Bedrooms</li> <li>■ High-Speed Internet Connectivity</li> <li>■ Air Conditioning</li> <li>■ Designer Door Hardware</li> <li>■ Designer Lighting Package</li> <li>■ Private Balcony</li> </ul>	<p><b>KITCHEN FEATURES</b></p> <ul style="list-style-type: none"> <li>■ Wood Cabinetry</li> <li>■ Luxury Plank Flooring</li> <li>■ Four Burner Cooktop</li> <li>■ Self Clean Single Oven-Stainless Steel</li> <li>■ Built-In Dishwasher-Stainless Steel</li> <li>■ Refrigerator with Ice-Maker-Stainless Steel</li> <li>■ Garbage Disposal</li> <li>■ Microwave with Vent</li> <li>■ Granite or Quartz Countertops</li> <li>■ Stainless Steel Sink</li> </ul>	<p><b>BATH/POWDER ROOM STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Ceramic Flooring</li> <li>■ Granite or Quartz Vanity Tops</li> <li>■ Wood Cabinetry</li> <li>■ Ceramic Tub/Shower Surround</li> <li>■ Framed Glass Mirror Over Vanity</li> </ul>
<p><b>CLOSETS, UTILITIES, AND STORAGE</b></p> <ul style="list-style-type: none"> <li>■ Walk-In MBR Closet (Per Plan)</li> <li>■ Laminate Closet Shelving</li> <li>■ Washer/Dryer (Stacked or Side-by-Side)</li> <li>■ Linen Closet(s)</li> <li>■ Programmable Thermostat</li> <li>■ Storage Lockers</li> </ul>	<p><b>GENERAL BUILDING FEATURES/AMENITIES</b></p> <ul style="list-style-type: none"> <li>■ Architecturally-Enhanced Exteriors</li> <li>■ Secured Access Entry</li> <li>■ Community Room w/Kitchen</li> <li>■ Fitness Center</li> <li>■ E-Lounge w/Coffee Bar</li> <li>■ Fireside Lounge &amp; Grilling Stations</li> </ul>	<ul style="list-style-type: none"> <li>■ Extensive Landscaping/Hardscaping</li> <li>■ Dog Wash Area in Garage</li> <li>■ Wi-Fi in All Common Areas</li> <li>■ Enclosed Parking Leased Separately at \$75 Per Space</li> <li>■ Adequate Open Parking</li> </ul>

<sup>(1)</sup> Benchmark monthly rents, which are presented in August 2021 dollars, include premiums for floor (assuming three floors); however, they do not include incremental premiums for corner units or enhanced views, nor do they include enclosed garage parking, application/administration fees, pet fees, storage rental, or utilities.

**PRODUCT CRITERIA AND BENCHMARK RENTS - GARDEN-STYLE MARKET-RATE RENTAL APARTMENTS**  
**-- A 120-UNIT PROTOTYPE --**  
**MUKWONAGO, WISCONSIN**

1.2

**Product Line Summary**



**Product Form:** *Two-Story Garden Apartments  
 (8-Unit Buildings with 4 Direct-Access One-Car Garages Per Building or  
 16-Unit Buildings with 8 Direct-Access One-Car Garages Per Building)*

**Estimated Total Units:** 120

**Attached Direct-Access One-Car Garages:** 60

**Average Plan Size (Sq. Ft.):** 972

**Average Benchmark Base Rent w/50 % Garages:** \$1,450  
**Per Sq. Ft.:** \$1.49

**Average Monthly Absorption (In Units):** 10.0

**Plan Detail**

Plan Designation	A	B-1	B-2	C	D-1	D-2	D-3	E
Percent Distribution	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Plan Type	JR 1BR	1BR	1BR	1BR DEN	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	575	700	800	925	1,025	1,150	1,225	1,375
Benchmark Base Rent w/o Garage: <sup>(1)</sup> Per Sq. Ft.: <sup>(1)</sup>	\$940 \$1.63	\$1,085 \$1.55	\$1,200 \$1.50	\$1,345 \$1.45	\$1,460 \$1.42	\$1,605 \$1.40	\$1,695 \$1.38	\$1,870 \$1.36
<b>Benchmark Base Rent w/ Garage:<sup>(2)</sup> Per Sq. Ft.:<sup>(2)</sup></b>	<b>\$1,040 \$1.81</b>	<b>\$1,185 \$1.69</b>	<b>\$1,300 \$1.63</b>	<b>\$1,445 \$1.56</b>	<b>\$1,560 \$1.52</b>	<b>\$1,705 \$1.48</b>	<b>\$1,795 \$1.47</b>	<b>\$1,970 \$1.43</b>

<sup>(1)</sup> Benchmark base monthly rents, which are presented in August 2021 dollars, reflect the posted base rents for units without direct access garages. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees, storage rental, or utilities. They do, however, assume a level of unit features and community amenities similar to those outlined in Exhibit 1.1, although more extensive for a higher total unit count.

<sup>(2)</sup> Benchmark base monthly rents, which are presented in August 2021 dollars, reflect the posted base rents for units with direct access garages. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees, storage rental, or utilities. They do, however, assume a level of unit features and community amenities similar to those outlined in Exhibit 1.1, although more extensive for a higher total unit count.

Source: Tracy Cross & Associates, Inc.

**PRODUCT CRITERIA AND BENCHMARK RENTS - RANCH VILLA MARKET-RATE RENTAL APARTMENTS**  
**-- A 40-UNIT PROTOTYPE --**  
**MUKWONAGO, WISCONSIN**

**1.3**

**Product Line Summary**



**Product Form:** *Ranch Villas or Duplexes  
(2-, 3- and 4-Unit Buildings w/Direct-Access Two-Car Garages)*

**Estimated Total Units:** 40

**Attached Direct-Access Two-Car Garages:** 40

**Average Plan Size (Sq. Ft.):** 1,415

**Average Benchmark Base Rent:** \$2,255  
**Per Sq. Ft.:** \$1.59

**Average Monthly Absorption (In Units):** 4.0

**Plan Detail**

Plan Designation	A (Interior)	B (interior)	C (End)
Percent Distribution	30.0	30.0	40.0
Plan Type	2BR	2BR Den	3BR
Bedroom/Bath Mix	2/2.0	2+Den/2.0	3/2.0
Unit Size (Sq. Ft.)	1,250	1,400	1,550
<b>Benchmark Base Rent:<sup>(1)</sup></b>	<b>\$1,950</b>	<b>\$2,200</b>	<b>\$2,525</b>
<b>Per Sq. Ft.:<sup>(1)</sup></b>	<b>\$1.56</b>	<b>\$1.57</b>	<b>\$1.63</b>

<sup>(1)</sup> Benchmark base monthly rents, which are presented in August 2021 dollars, include a standard two-car garage and an end-unit premium for the C plan. They do not, however, include potential premiums for enhanced views. They also do not include application/administration fees, pet fees, storage rental, or utilities. They do, however, assume a level of unit features similar to those outlined in Exhibit 1.1, although amenities would be scaled down considerably unless the total unit count warrants more extensive amenities.

Source: Tracy Cross & Associates, Inc.

**PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE TOWNHOMES/ROWHOMES W/FLATS**  
**-- A 30-UNIT PROTOTYPE --**  
**MUKWONAGO, WISCONSIN**

1.4

**Product Line Summary**

<b>Product Form:</b>	<b>Townhomes/Rowhomes (With Stacked Flats)</b>
<b>Total Units:</b>	<b>30+/- Per Site Location</b>
<b>Garage Condition:</b>	<b>Two-Car (Rear Load)</b>
<b>Lower Level of Townhomes/Rowhomes</b>	<b>Finished</b>
<b>Average Plan Size (Sq. Ft.):</b>	<b>1,535</b>
<b>Average Benchmark Base Price:<sup>(1)</sup> Per Sq. Ft.:</b>	<b>\$283,990 \$185.01</b>
<b>Average Anticipated Closing Price:<sup>(2)</sup> Per Sq. Ft.:</b>	<b>\$303,900 \$197.98</b>
<b>Average Monthly Sales Rate (In Units):</b>	<b>1.5</b>



**Plan Detail**

Plan Designation	A	B	C	D	E
Plan Style	First Floor Flat	Second Floor Flat	3-Story	3-Story	Raised Ranch (Split Foyer)
Unit Orientation	End	End	Interior	Interior	End
Bedrooms	2	3	2+Loft	3	2+Flex
Baths	2.0	2.0	2.5	2.5	2.0
Unit Size (Sq. Ft.)	1,250	1,575	1,550	1,650	1,650
Benchmark Base Price: <sup>(1)</sup> Per Sq. Ft.:	\$264,990 \$211.99	\$284,990 \$180.95	\$279,990 \$180.64	\$289,990 \$175.75	\$299,990 \$181.81
<b>Anticipated Closing Price:<sup>(2)</sup> Per Sq. Ft.:</b>	<b>\$283,500 \$226.80</b>	<b>\$304,900 \$193.59</b>	<b>\$299,600 \$193.29</b>	<b>\$310,300 \$188.06</b>	<b>\$321,000 \$194.55</b>

**Features and Amenities**

**UNIT STANDARDS**

- Luxury Plank Flooring in Main Living Areas
- Carpeting in Bedroom Areas
- "White" Interior Paint Finish
- Painted Trim
- Direct-Wire Smoke Detectors Per Code
- Cable/Satellite/Telephone Prewire
- Paneled Doors
- High-Speed Internet Connectivity
- Air Conditioning
- Designer Door Hardware
- Designer Lighting Package
- Private Balcony

**CLOSETS, UTILITIES, AND LAUNDRY**

- Walk-In MBR Closet (Per Plan)
- Laminate Closet Shelving
- Washer/Dryer Hook-Up
- Linen Closet(s)
- Programmable Thermostat

**KITCHEN FEATURES**

- Quality Cabinetry
- Luxury Plank Flooring
- Four Burner Cooktop
- Self Clean Single Oven-Stainless Steel
- Built-In 5-Cycle Dishwasher-Stainless Steel
- Refrigerator with Ice-Maker-Stainless Steel
- Garbage Disposal
- Microwave with Vent
- Granite or Quartz Countertops
- Double Bowl Stainless Steel Sink

- Architecturally-Enhanced Exteriors
- Extensive Hardscaping/Landscaping
- Finished Lower Level in 3-Story and Raised Ranch Units in Lieu of Basement

**BATH/POWDER ROOM STANDARDS**

- Ceramic Flooring
- Granite or Quartz Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

**BUILDING FEATURES/AMENITIES**

- Front-Oriented Sidewalks

<sup>(1)</sup> Benchmark base sales prices, which are presented in August 2021 dollars, include premiums for end-unit conditions, but do not include options, upgrades or site premiums.

<sup>(2)</sup> Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.

**PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE ATTACHED RANCH VILLAS**  
**-- A 20-UNIT PROTOTYPE --**  
**MUKWONAGO, WISCONSIN**

1.5

Product Line Summary	
<b>Product Form:</b>	<b>Attached Ranch Villas (3-, 4- and 5-Unit Buildings)</b>
<b>Lot Dimensions:</b>	<b>TBD</b>
<b>Total Units:</b>	<b>20+/- Per Site Location</b>
<b>Garage Condition:</b>	<b>Two-Car (Front)</b>
<b>Average Plan Size (Sq. Ft.):</b>	<b>1,525</b>
<b>Average Benchmark Base Price:<sup>(1)</sup></b>	<b>\$316,990</b>
<b>Per Sq. Ft.:</b>	<b>\$207.86</b>
<b>Average Anticipated Closing Price:<sup>(2)</sup></b>	<b>\$339,200</b>
<b>Per Sq. Ft.:</b>	<b>\$222.43</b>
<b>Average Monthly Sales Rate (In Units):</b>	<b>1.5</b>



Plan Detail			
Plan Designation	A	B	C
Plan Style	Ranch	Ranch	Ranch
Bedrooms	2	2+Den	3
Baths	2	2	2
Unit Size (Sq. Ft.)	1,375	1,525	1,675
Benchmark Base Price: <sup>(1)</sup>	\$293,990	\$316,990	\$339,990
Per Sq. Ft.:	\$213.81	\$207.86	\$202.98
<b>Anticipated Closing Price:<sup>(2)</sup></b>	<b>\$314,600</b>	<b>\$339,200</b>	<b>\$363,800</b>
<b>Per Sq. Ft.:</b>	<b>\$228.80</b>	<b>\$222.43</b>	<b>\$217.19</b>

Features and Amenities		
<p><b>UNIT STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Luxury Plank Flooring in Main Living Areas</li> <li>■ Carpeting in Bedroom Areas</li> <li>■ "White" Interior Paint Finish</li> <li>■ Painted Trim</li> <li>■ Direct-Wire Smoke Detectors Per Code</li> <li>■ Cable/Satellite/Telephone Prewire</li> <li>■ Paneled Doors</li> <li>■ High-Speed Internet Connectivity</li> <li>■ Air Conditioning</li> <li>■ Designer Door Hardware</li> <li>■ Designer Lighting Package</li> <li>■ Private Patio Area</li> </ul> <p><b>CLOSETS, UTILITIES, AND LAUNDRY</b></p> <ul style="list-style-type: none"> <li>■ Walk-In MBR Closet (Per Plan)</li> <li>■ Laminate Closet Shelving</li> <li>■ Washer/Dryer Hook-Up</li> <li>■ Linen Closet(s)</li> <li>■ Programmable Thermostat</li> </ul>	<p><b>KITCHEN FEATURES</b></p> <ul style="list-style-type: none"> <li>■ Quality Cabinetry</li> <li>■ Luxury Plank Flooring</li> <li>■ Four Burner Cooktop</li> <li>■ Self Clean Single Oven-Stainless Steel</li> <li>■ Built-In 5-Cycle Dishwasher-Stainless Steel</li> <li>■ Refrigerator with Ice-Maker-Stainless Steel</li> <li>■ Garbage Disposal</li> <li>■ Microwave with Vent</li> <li>■ Granite or Quartz Countertops</li> <li>■ Double Bowl Stainless Steel Sink</li> </ul>	<p><b>BATH/POWDER ROOM STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Ceramic Flooring</li> <li>■ Granite or Quartz Vanity Tops</li> <li>■ Quality Cabinetry</li> <li>■ Ceramic Tub/Shower Surround</li> <li>■ Framed Glass Mirror Over Vanity</li> </ul> <p><b>HOME FEATURES/AMENITIES</b></p> <ul style="list-style-type: none"> <li>■ Architecturally-Enhanced Exteriors</li> <li>■ Extensive Hardscaping/Landscaping</li> <li>■ Basements Optional</li> </ul>

<sup>(1)</sup> Benchmark base sales prices, which are presented in August 2021 dollars, do not include options, upgrades or premiums.

<sup>(2)</sup> Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.

**PRODUCT CRITERIA AND BENCHMARK PRICES - TND FOR SALE SINGLE FAMILY**  
**-- A 40-UNIT PROTOTYPE --**  
**MUKWONAGO, WISCONSIN**

1.6

Product Line Summary	
<b>Product Form:</b>	<b>Single Family</b>
<b>Lot Dimensions:</b>	<b>40'-45" x 100'-110'</b>
<b>Total Units:</b>	<b>40+/- Per Site Location</b>
<b>Garage Condition:</b>	<b>Two-Car (Rear Load)</b>
<b>Average Plan Size (Sq. Ft.):</b>	<b>1,700</b>
<b>Average Benchmark Base Price:<sup>(1)</sup></b>	<b>\$349,990</b>
<b>Per Sq. Ft.:</b>	<b>\$205.88</b>
<b>Average Anticipated Closing Price:<sup>(2)</sup></b>	<b>\$374,500</b>
<b>Per Sq. Ft.:</b>	<b>\$220.29</b>
<b>Average Monthly Sales Rate (In Units):</b>	<b>1.5</b>



Plan Detail					
Plan Designation	A	B	C	D	E
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story (1st Floor MBR)
Bedrooms	2	2+Den	3	3 + Den	3 + Loft
Baths	2	2	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,500	1,600	1,700	1,800	1,900
Benchmark Base Price: <sup>(1)</sup>	\$335,990	\$344,990	\$349,990	\$359,990	\$369,990
Per Sq. Ft.:	\$223.99	\$215.62	\$205.88	\$199.99	\$194.73
<b>Anticipated Closing Price:<sup>(2)</sup></b>	<b>\$359,500</b>	<b>\$369,100</b>	<b>\$374,500</b>	<b>\$385,200</b>	<b>\$395,900</b>
<b>Per Sq. Ft.:</b>	<b>\$239.67</b>	<b>\$230.69</b>	<b>\$220.29</b>	<b>\$214.00</b>	<b>\$208.37</b>

Features and Amenities		
<p><b>UNIT STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Luxury Plank Flooring in Main Living Areas</li> <li>■ Carpeting in Bedroom Areas</li> <li>■ "White" Interior Paint Finish</li> <li>■ Painted Trim</li> <li>■ Direct-Wire Smoke Detectors Per Code</li> <li>■ Cable/Satellite/Telephone Prewire</li> <li>■ Paneled Doors</li> <li>■ High-Speed Internet Connectivity</li> <li>■ Air Conditioning</li> <li>■ Designer Door Hardware</li> <li>■ Designer Lighting Package</li> <li>■ Private Patio Area</li> </ul> <p><b>CLOSETS, UTILITIES, AND LAUNDRY</b></p> <ul style="list-style-type: none"> <li>■ Walk-In MBR Closet (Per Plan)</li> <li>■ Laminate Closet Shelving</li> <li>■ Washer/Dryer Hook-Up</li> <li>■ Linen Closet(s)</li> <li>■ Programmable Thermostat</li> </ul>	<p><b>KITCHEN FEATURES</b></p> <ul style="list-style-type: none"> <li>■ Quality Cabinetry</li> <li>■ Luxury Plank Flooring</li> <li>■ Four Burner Cooktop</li> <li>■ Self Clean Single Oven-Stainless Steel</li> <li>■ Built-In 5-Cycle Dishwasher-Stainless Steel</li> <li>■ Refrigerator with Ice-Maker-Stainless Steel</li> <li>■ Garbage Disposal</li> <li>■ Microwave with Vent</li> <li>■ Granite or Quartz Countertops</li> <li>■ Double Bowl Stainless Steel Sink</li> </ul> <p><b>HOME FEATURES/AMENITIES</b></p> <ul style="list-style-type: none"> <li>■ Architecturally-Enhanced Exteriors</li> <li>■ Extensive Hardscaping/Landscaping</li> <li>■ Partial Basements Included (Unfinished)</li> </ul>	<p><b>BATH/POWDER ROOM STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Ceramic Flooring</li> <li>■ Granite or Quartz Vanity Tops</li> <li>■ Quality Cabinetry</li> <li>■ Ceramic Tub/Shower Surround</li> <li>■ Framed Glass Mirror Over Vanity</li> </ul> <p>■ Front-Oriented Sidewalks</p>

<sup>(1)</sup> Benchmark base sales prices, which are presented in August 2021 dollars, do not include options, upgrades or premiums.

<sup>(2)</sup> Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.



PRODUCT CRITERIA AND BENCHMARK PRICES - TRADITIONAL FOR SALE SINGLE FAMILY

1.7

-- A 50-UNIT PROTOTYPE --  
MUKWONAGO, WISCONSIN

Product Line Summary	
<b>Product Form:</b>	<b>Single Family</b>
<b>Lot Dimensions:</b>	<b>50'-55' x 110'-120'</b>
<b>Total Units:</b>	<b>15+/- Per Site Location</b>
<b>Garage Condition:</b>	<b>Two-Car (Front Load)</b>
<b>Average Plan Size (Sq. Ft.):</b>	<b>2,050</b>
<b>Average Benchmark Base Price:<sup>(1)</sup></b>	<b>\$396,657</b>
<b>Per Sq. Ft.:</b>	<b>\$193.49</b>
<b>Average Anticipated Closing Price:<sup>(2)</sup></b>	<b>\$424,400</b>
<b>Per Sq. Ft.:</b>	<b>\$207.02</b>
<b>Average Monthly Sales Rate (In Units):</b>	<b>1.5</b>



Plan Detail						
Plan Designation	A	B	C	D	E	F
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story	2-Story
Bedrooms	3	3	3+Flex	4	4 + Loft	4 + Den
Baths	2.0	2.0	2.5	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,750	1,850	1,950	2,100	2,250	2,400
Benchmark Base Price: <sup>(1)</sup>	\$369,990	\$379,990	\$384,990	\$399,990	\$414,990	\$429,990
Per Sq. Ft.:	\$211.42	\$205.40	\$197.43	\$190.47	\$184.44	\$179.16
<b>Anticipated Closing Price:<sup>(2)</sup></b>	<b>\$395,900</b>	<b>\$406,600</b>	<b>\$411,800</b>	<b>\$428,000</b>	<b>\$444,000</b>	<b>\$460,100</b>
<b>Per Sq. Ft.:</b>	<b>\$226.23</b>	<b>\$219.78</b>	<b>\$211.18</b>	<b>\$203.81</b>	<b>\$197.33</b>	<b>\$191.71</b>

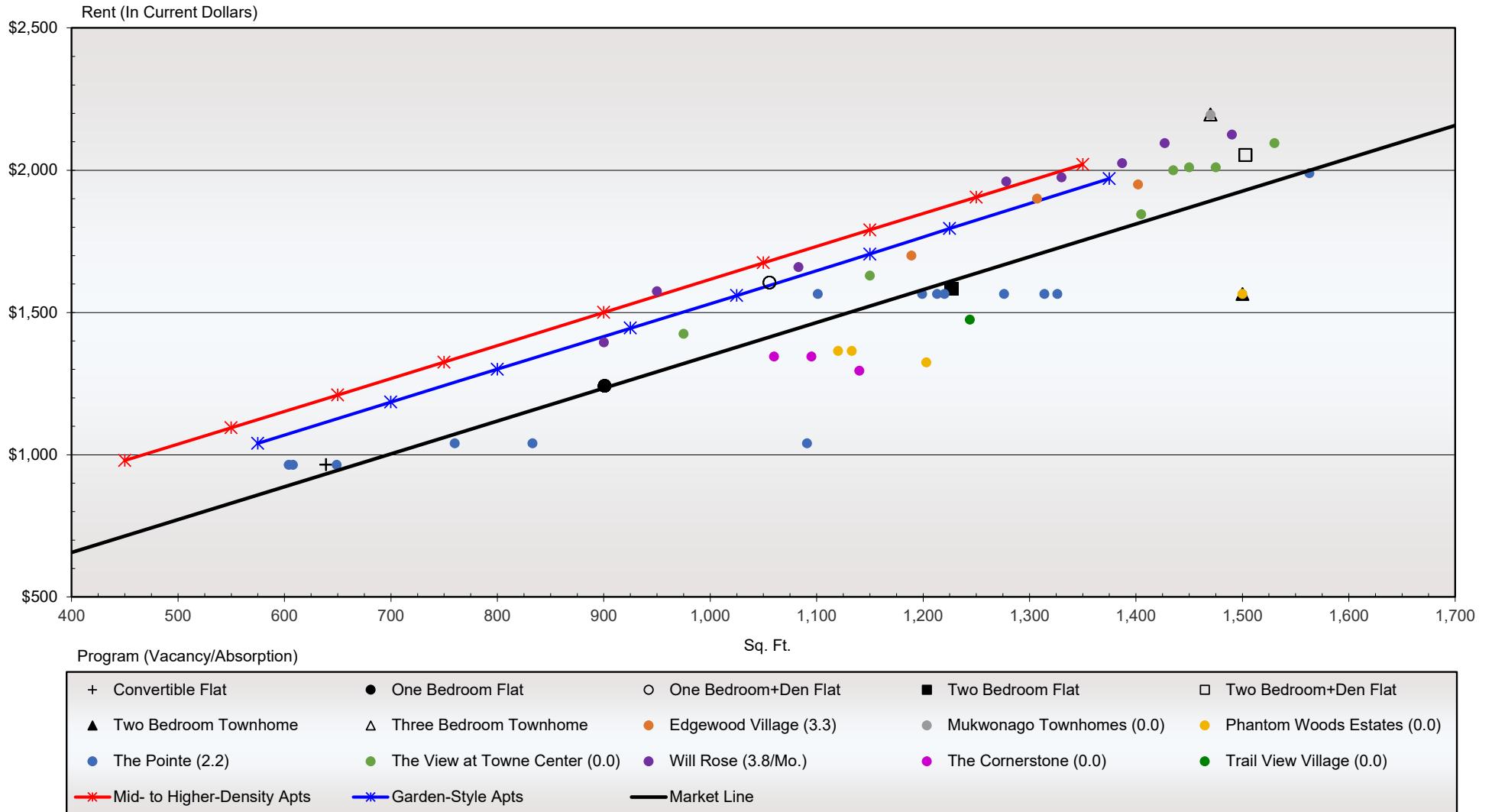
Features and Amenities		
<p><b>UNIT STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Luxury Plank Flooring in Main Living Areas</li> <li>■ Carpeting in Bedroom Areas</li> <li>■ "White" Interior Paint Finish</li> <li>■ Painted Trim</li> <li>■ Direct-Wire Smoke Detectors Per Code</li> <li>■ Cable/Satellite/Telephone Prewire</li> <li>■ Paneled Doors</li> <li>■ High-Speed Internet Connectivity</li> <li>■ Air Conditioning</li> <li>■ Designer Door Hardware</li> <li>■ Designer Lighting Package</li> <li>■ Large Private Patio Area</li> </ul> <p><b>CLOSETS, UTILITIES, AND LAUNDRY</b></p> <ul style="list-style-type: none"> <li>■ Walk-In MBR Closet (Per Plan)</li> <li>■ Laminate Closet Shelving</li> <li>■ Washer/Dryer Hook-Up</li> <li>■ Linen Closet(s)</li> <li>■ Programmable Thermostat</li> </ul>	<p><b>KITCHEN FEATURES</b></p> <ul style="list-style-type: none"> <li>■ Quality Cabinetry</li> <li>■ Luxury Plank Flooring</li> <li>■ Four Burner Cooktop</li> <li>■ Self Clean Single Oven-Stainless Steel</li> <li>■ Built-In 5-Cycle Dishwasher-Stainless Steel</li> <li>■ Refrigerator with Ice-Maker-Stainless Steel</li> <li>■ Garbage Disposal</li> <li>■ Microwave with Vent</li> <li>■ Granite or Quartz Countertops</li> <li>■ Double Bowl Stainless Steel Sink</li> </ul>	<p><b>BATH/POWDER ROOM STANDARDS</b></p> <ul style="list-style-type: none"> <li>■ Ceramic Flooring</li> <li>■ Granite or Quartz Vanity Tops</li> <li>■ Quality Cabinetry</li> <li>■ Ceramic Tub/Shower Surround</li> <li>■ Framed Glass Mirror Over Vanity</li> </ul> <p><b>HOME FEATURES/AMENITIES</b></p> <ul style="list-style-type: none"> <li>■ Architecturally-Enhanced Exteriors</li> <li>■ Extensive Hardscaping/Landscaping</li> <li>■ Partial Basements Included (Unfinished)</li> </ul>

<sup>(1)</sup> Benchmark base sales prices, which are presented in August 2021 dollars, do not include options, upgrades or premiums.

<sup>(2)</sup> Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.

# 1.8

## Rent/Value Analysis Selected Apartment Communities Mukwonago Primary Market Area July 2021



Rent/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of units offered and their associated rent levels. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the occupancy/absorption rates of currently available product lines.

# 1.9

**Rent/Value Analysis  
Selected Apartment Communities  
Mukwonago Primary Market Area  
July 2021**

Plan Size (Sq. Ft.)	Average Market Rent	Program/Location	Year Built	Total Units	Average Plan Size (Sq. Ft.)	Average Posted Base Rent		Average Base Market Rent	Price Variance From Market	Vacancy Rate / Absorption (Units/Mo.)
						Dollars	Rent per Sq. Ft.			
500	\$776	Mukwonago Townhomes/Mukwonago	2021	16	1,470	\$2,195	\$1.49	\$1,891	+\$304	0.0
600	891	<sup>(1)</sup> <b>Mid- to Higher-Density Apartments</b>	---	---	<b>818</b>	<b>1,395</b>	<b>1.71</b>	<b>1,142</b>	<b>+253</b>	---
700	1,006	Will Rose/Muskego	2020	51	1,177	1,784	1.52	1,554	+230	3.8/Mo.
800	1,121	<sup>(2)</sup> <b>Garden-Style Apartments</b>	---	---	<b>972</b>	<b>1,500</b>	<b>1.54</b>	<b>1,319</b>	<b>+181</b>	---
900	1,236	Edgewood Village/Mukwonago	2019	30	1,299	1,850	1.42	1,694	+156	3.3
1,000	1,351	The View at Towne Center/Muskego	2017	90	1,368	1,872	1.37	1,774	+98	0.0
1,100	1,466									
1,200	1,581	<b>--- Market Average ---</b>	---	---	<b>1,177</b>	<b>1,554</b>	<b>1.32</b>	<b>1,554</b>	<b>0</b>	<b>0.8 / 3.8/Mo.</b>
1,300	1,696									
1,400	1,811	<sup>(1)</sup> The Pointe/Mukwonago	2020	89	950	1,257	1.32	1,293	-36	2.2
1,500	1,926	The Cornerstone/Waterford	2021	84	1,098	1,328	1.21	1,463	-135	0.0
1,600	2,041	Trail View Village/Waterford	2020	18	1,244	1,475	1.19	1,631	-156	0.0
1,700	2,156	Phantom Woods Estates/Mukwonago	2017	68	1,193	1,377	1.15	1,573	-196	0.0

Slope: \$1.15 per sq. ft.

<sup>(1)</sup> Development charges extra for one enclosed garage space. An adjustment has been made (for analytical purposes only) since all other developments include one enclosed space in base rent.

<sup>(2)</sup> Reflects those units with a direct-access one-car garage.

Among for sale alternatives, as yet another example of competitive positioning, the average estimated closing prices for the two production-oriented single family series have been properly aligned with new construction closing prices occurring among single family homes in Mukwonago at developments such as The Orchards, Fairwinds and Fox River Run. This alignment is outlined in **Exhibit 1.10**. Specifically, an approximate 10 percent pricing differential has been applied in order to improve absorption when cast against localized competitors. This same pricing variance can be seen when compared to all recent new construction closings throughout the larger market area (see **Exhibit 1.11**). Moreover, the pricing relationships from one for sale product line to another (including the attached sector series) reflects the proper “stepping” in an effort to limit internal cross-competition between product types.

*Please also note that while our product guidelines are very specific, there are a number of derivatives to each of the recommended generic forms that could evolve through the design efforts of individual builders/developers – or through the guidance of the Village of Mukwonago. However, when considering any derivatives during the course of the planning process, it is important for the Village of Mukwonago to simply follow the general parameters outlined for each of the recommended products relative to unit types, bedroom counts, rents, prices, etc., in order to insure acceptable absorption and/or sales.*

In addition, consideration can certainly be given to the introduction of other generic forms on the basis of the imbalance that exists market-wide between supply and demand – but done so with the same general planning strategy in mind – that being differentiation, efficiency, tasteful architecture, and rent/price positioning.

## **GEOGRAPHIC POSITIONING AND COMMUNITY PLANNING**

The Village of Mukwonago is in a unique position to capitalize on the residential development opportunities that exist near- to mid-term, provided the product criteria and rent/pricing guidelines can be met. To this point, not only is there immediate market potential for various forms of conventional new construction housing, but the Village is already in the process of working through several different proposals by builders/developers interested in both rental apartment and for sale offerings. In addition, the Village continues to identify development and redevelopment sites (both large and small) throughout the municipality and adjoining areas that could potentially contain a component of residential units.

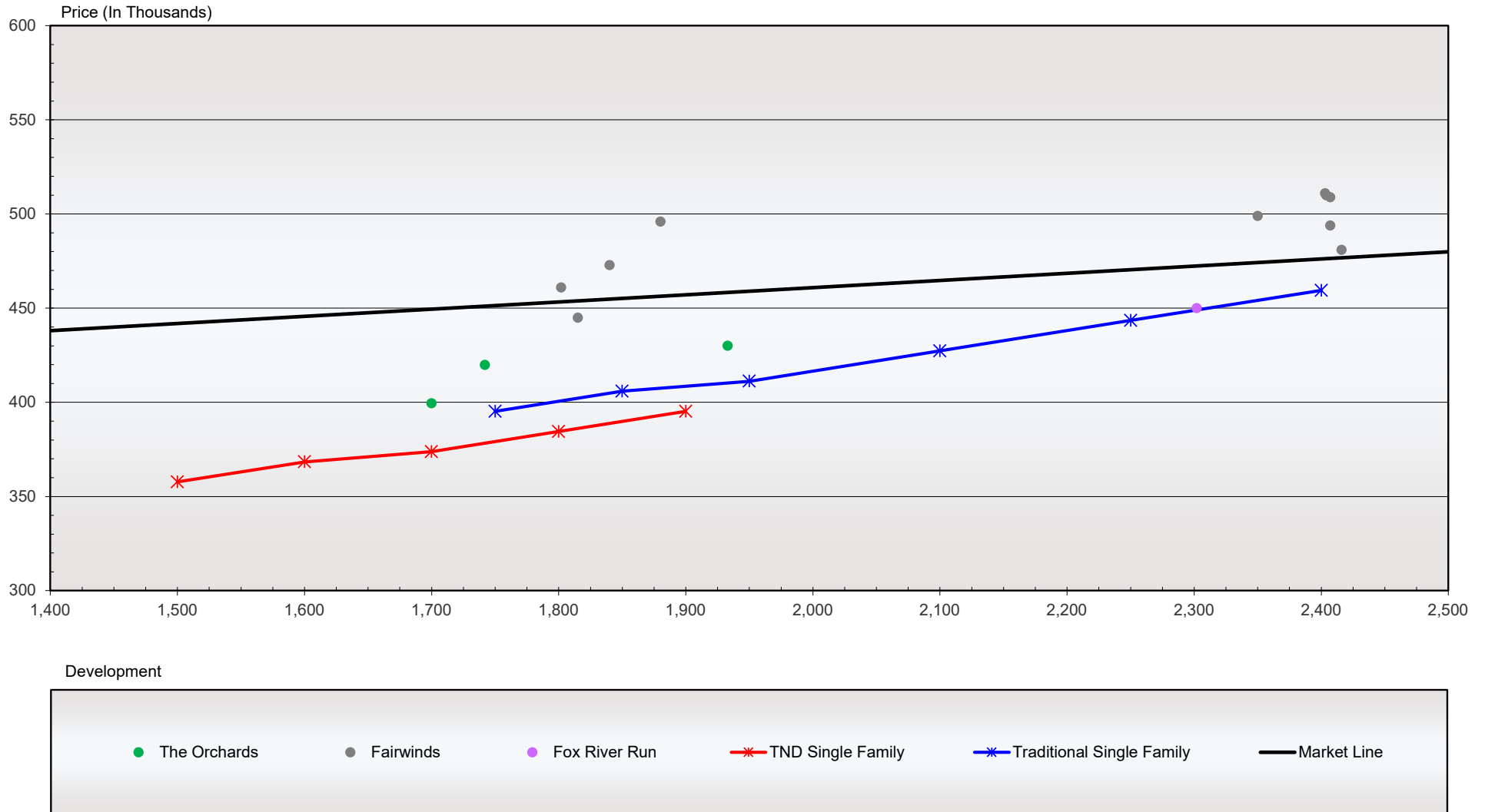
Because demand is expected to outstrip supply over the next 5+ years throughout the southwest suburbs of Milwaukee, current development proposals in the Mukwonago planning pipeline (and additional proposals in the future) could be given full consideration provided they fall within the hierarchy of demand-driven product. By guiding the process and adhering to the proper mix and price points of new housing, Mukwonago would be able to capture a disproportionate share of demand simply by taking a proactive role in promoting residential development when others in the southwest Milwaukee suburbs don't appear to be doing the same.

With the stage set, the following bullet-point summary provides general suggestions relative to a geographic positioning strategy for the recommended housing products. These guidelines, in turn, can be applied to current/future proposals, along with Mukwonago's own growth initiatives and overall intentions for new housing development within the municipality:

- First and foremost, when evaluating/identifying sites (current and future) that can accommodate one or more of the recommended product lines, several key factors come into play. These are highlighted below.
  - Existing infrastructure will be very important, i.e., sewer and water availability, etc. While this is a very straight forward observation/recommendation, it is especially important

# 1.10

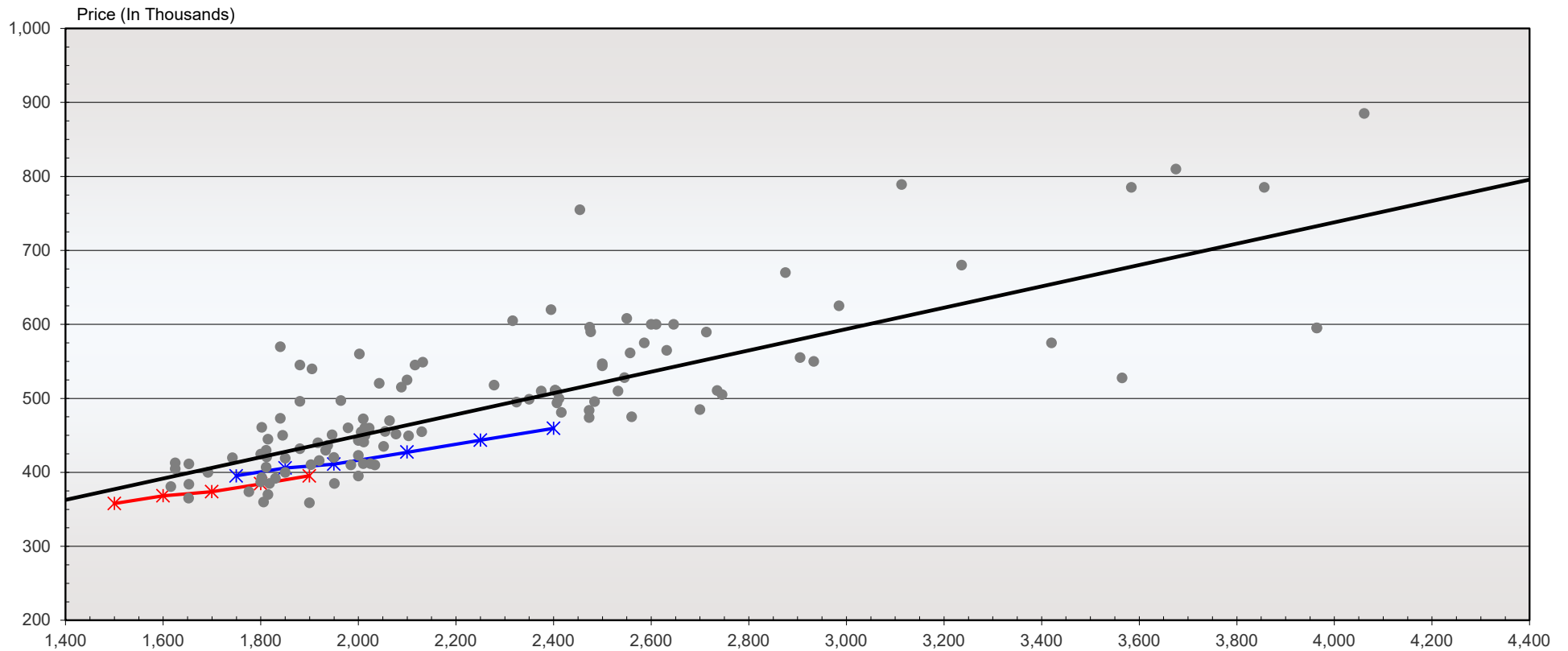
## Price/Value Analysis New Construction Closing Activity: Single Family Developments Mukwonago, Wisconsin



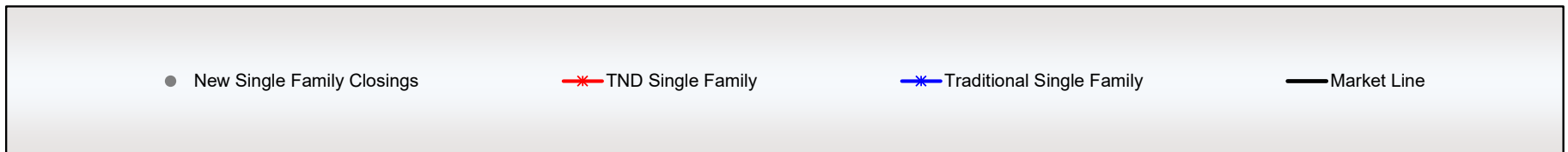
Price/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of models offered and their associated sales prices. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the sales rate of currently available product lines.

# 1.11

## Price/Value Analysis New Construction Closing Activity: Single Family Homes Mukwonago Primary Market Area



Attribute



Price/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of models offered and their associated sales prices. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the sales rate of currently available product lines.

relative to keeping development costs in-line with where products need to be positioned in terms of rent and/or price in order to generate above average absorption or sales.

- From a marketing perspective, accessibility and visibility will be key ingredients for creating the necessary window of opportunity.
- Diversity in location (not just product and rent/price) will be critical in capturing the broadest spectrum of consumer segments. In other words, there should not be just one concentrated area of residential development as highlighted below:
  - 1) The extension of new construction residential offerings north of Mukwonago High School will provide options for those consumers desirous of being close to this highly regarded educational facility.
  - 2) Infill locations near downtown Mukwonago will allow for walkability to services and amenities. In this regard, residential adaptive reuse properties in the more residential mature areas of the village should be given consideration (as appropriate) as this trend is being extremely well received throughout other areas of the Milwaukee region, although almost exclusively as it relates to the rental apartment sector. In this regard, infill development should be complimentary to existing uses in order to retain Mukwonago's downtown/small town charm – one of its most endearing qualities.
  - 3) Locations along the Phantom Lakes (where possible) will attract those consumers seeking water-orientation.
  - 4) Multiple residential offerings on the south (east) side of I-43 will be important as it relates to providing renters or homeowners one of the most expedient access points to the expressway, along with direct alignment with this newly developed and growing commercial/shopping area and the hospital.
  - 5) Development extensions south of the village center (even in portions of Walworth County) will provide options for those consumers working in Walworth or Racine counties.

□ For some of the larger development sites in and around the village, strong consideration should be given to the integration of the multiple product lines within a single location to establish a master-planned community environment – a development scenario not too common among active housing products in suburban Milwaukee. While this would take some effort, the foundation of the products remains the same – with the goal being to establish a destination-point development capable of retaining local area residents as they move out of existing rentals and/or resale units, while also attracting new households to Mukwonago who are looking for a master-planned community environment in a desirable municipality. To this end, we present the following points, which are suggested as guiding principles to be considered for larger-scale developments.

- To provide strong community infrastructure created around a theme of livability, functionality, walkability, and recreation/convenience.
- To create communities where emphasis is placed on all segments of the market ranging from younger childless singles and couples to families living, playing, and growing together; and where active adult residents can see and experience the vibrancy of youth.



- To create communities in which a variety of densities are carefully combined with pocket parks and other recreational uses – and that all are highly integrated and exposed for everyone to enjoy.
  
- ❑ Finally, the speed at which the Village of Mukwonago would like to pursue residential development initiatives (considering strong demand potentials) must also fully consider its impact on area services. At the same time, however, the impact on services should be counterbalanced against the positive impact new housing development will have on the growth in population serving commercial/retail components.

### **OTHER CONSIDERATIONS**

While the focus of this residential analysis was geared toward new construction conventional “for rent” and “for sale” housing opportunities during the next 5+ years, provided in the following paragraphs is a general assessment or “professional opinion” regarding other segments of the housing market as obtained during our research and overall body of work.

- ❑ Assisted living, memory care and/or continuing care senior housing development proposals brought before the Village should also be given consideration, but potentials are likely stronger (today) for smaller- to more moderate-scale communities given local area senior demographics. Nevertheless, with occupancy levels being reported high at projects such as LindenGrove and Castle Senior Living/Birchrock Castle, as well as other developments in nearby municipalities, coupled with the fact that no market rate senior housing development has been constructed in Mukwonago for 20 years, potentials do exist provided a competitive product/rent position can be maintained. In addition, because the planning process can take some time, it is important to note that opportunities for true senior housing forms are likely to improve 10 years from now as the population, both in Mukwonago and the market as a whole, continues to age.
  
- ❑ As mentioned, the existing housing inventory in Mukwonago is broad and varied ranging from older-stock residences to luxury new construction. And, while certain portions of the municipality include dwellings or neighborhoods that are in need of improvement, the current status of these areas will not impinge upon potentials for new homes in other “developing” areas of the village, again because of the severe supply-side constraints market-wide for properly positioned product, as well as the overall desirability of Mukwonago. With this said, anything that can be done from a Village standpoint to help with the revitalization/refurbishment of certain areas can only improve Mukwonago’s position in the regional marketplace and make the community that much more appealing (and competitive) going forward.

### **COVID-19 IMPLICATIONS**

Because of the current situation regarding the recent/ongoing coronavirus pandemic, there will likely be a new mindset in the way many people live and socialize going forward. Specifically, *health and wellness* will be at the forefront of many planning efforts, something to consider as Mukwonago reviews future residential development proposals, especially multifamily. In this regard, provided below are a few items for consideration:

- ❑ The type and style of furniture and accessories in residential amenity areas (for any new development), while being tastefully appointed, should be made of materials that can be easily (and readily) cleaned and disinfected.



- ❑ Throughout any community (primarily apartments), consideration should be given to establishing privacy areas that are more personalized for an individual, related couple or a small group gathering.
- ❑ In any fitness center that accompanies a residential development's amenity package (again, primarily multifamily), privatizing or compartmentalizing the work-out machines would go a long way in maximizing the appeal of this facility....and set it apart from existing competitors.

Again, these are just a few examples of the general planning framework that should be discussed prior to bringing any new residential development to market.

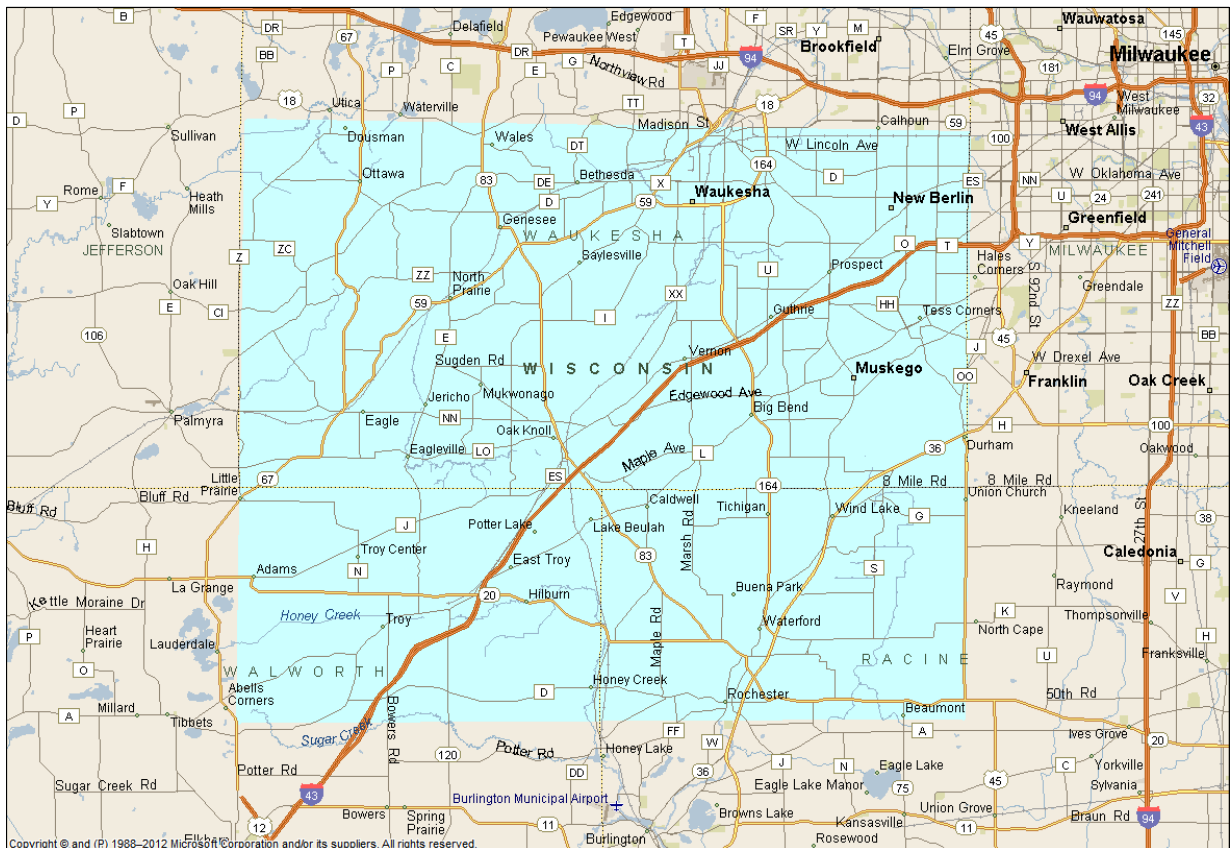




## 2. MARKET FUNDAMENTALS FOR NEW HOUSING – A PERSPECTIVE

Residential development/redevelopment efforts within the village of Mukwonago will receive primary demand support from Mukwonago itself and other nearby municipalities found in southwest suburban Waukesha County, northeast Walworth County, and northwest Racine County. Defined for the purposes of this analysis as the Mukwonago Primary Market Area (PMA), and including those municipalities generally aligning the Interstate 43 corridor such as Mukwonago, Muskego, Bid Bend, New Berlin, southern Waukesha, East Troy and Waterford, this geographic area shares commonalities relative to household composition, commutation patterns to major concentrations of employment, and the alignment of residential developments which will serve as sources of competitive influence, both direct and indirect.

### GEOGRAPHIC DELINEATION OF THE MUKWONAGO PRIMARY MARKET AREA



Source: Microsoft Streets & Trips and Tracy Cross & Associates, Inc.

As summarized in this section of the report, residential development in the village of Mukwonago, and throughout the Mukwonago PMA for that matter, *can clearly be supported* by empirical evidence found in the key demand variables of population, household, incomes, employment, residential construction, etc.

**POPULATION AND HOUSEHOLDS**

The 2000 Census revealed that during the decade of the 1990s, the population of the Mukwonago PMA grew by 19.8 percent, or 3,284 persons yearly to a 2000 base of 198,913. Market area households, in turn, advanced by healthy 27.4 percent during the period, averaging 1,575 new households yearly, to a 2000 base of 73,215.

**POPULATION AND HOUSEHOLD TRENDS  
MUKWONAGO PRIMARY MARKET AREA: 1990-2010**

Area	1990	2000	2010	Average Annual Change	
				1990 - 2000	2000 - 2010
<b>Population</b>					
<b>Mukwonago PMA</b>	<b>166,076</b>	<b>198,913</b>	<b>215,931</b>	<b>3,284</b>	<b>1,702</b>
Village of Mukwonago	4,457	6,831	7,355	237	52
Percent of PMA	2.7	3.4	3.4	16.6	19.1
<b>Households</b>					
<b>Mukwonago PMA</b>	<b>57,465</b>	<b>73,215</b>	<b>83,368</b>	<b>1,575</b>	<b>1,015</b>
Village of Mukwonago	1,535	2,591	2,898	106	31
Percent of PMA	2.7	3.5	3.5	6.7	3.0
<b>Owner-Occupied Households</b>					
<b>Mukwonago PMA</b>	<b>41,223</b>	<b>55,027</b>	<b>64,193</b>	<b>1,380</b>	<b>917</b>
<b>Percent of Total Households</b>	<b>71.7</b>	<b>75.2</b>	<b>77.0</b>	---	---
Village of Mukwonago	1,103	1,878	2,150	78	27
Percent of Total Households	71.9	72.5	74.2	---	---
<b>Renter-Occupied Households</b>					
<b>Mukwonago PMA</b>	<b>16,242</b>	<b>18,188</b>	<b>19,175</b>	<b>195</b>	<b>99</b>
<b>Percent of Total Households</b>	<b>28.3</b>	<b>24.8</b>	<b>23.0</b>	---	---
Village of Mukwonago	432	713	748	28	4
Percent of Total Households	28.1	27.5	25.8	---	---

Source: U.S. Census Bureau: Census 1990, 2000, and 2010

Statistics from the 2010 Census, however, showed a more moderate rate of growth as the PMA's population base increased by 8.5 percent between 2000 and 2010, or 1,702 persons annually. Households, too, advanced more gradually during the 2000-2010 period (13.9 percent), equal to an annual average pace of 1,015 new households. Several factors contributed to this moderation, including, primarily the negative impact of the national housing recession (the Great Recession) and also the built-out nature of the certain portions of the market, i.e., the downtown areas of various municipalities.

In the village of Mukwonago itself, growth in population and households from 1990 through 2010 generally emulated that of the PMA as a whole (on a percentage basis).

From 1990 through 2010, ownership housing forms represented the majority of occupied housing units throughout both the PMA and the village of Mukwonago, totaling over 70 percent during any given year.

According to growth projections by the Southeastern Wisconsin Regional Planning Commission, the Wisconsin Department of Administration, and Census estimates provided by Environics Analytics (through its evaluation of the Census Bureau’s annual American Community surveys), household growth in the PMA over the next five years will total a healthy 2,900, or 580 annually, thus requiring new housing development. Most of this household growth will occur in those areas of the PMA where ample land is available for residential development, although redevelopment initiatives will continue to be part of the overall equation, especially considering ancillary-support mechanisms already in-place in the established downtown areas of constituent municipalities.

**HOUSEHOLD GROWTH PROJECTIONS  
MUKWONAGO PRIMARY MARKET AREA**

Area	2010	2021 (Estimate)	2026 (Forecast)	Average Annual Change	
				2010 - 2021	2021 - 2026
<b>Mukwonago PMA</b>	<b>83,368</b>	<b>88,254</b>	<b>91,154</b>	<b>444</b>	<b>580</b>
Village of Mukwonago	2,898	3,232	3,448	30	43
Percent of PMA	3.5	3.7	3.8	6.8	7.4

Sources: U.S. Census Bureau, Environics Analytics; and Tracy Cross & Associates, Inc.

**HOUSEHOLD COMPOSITION**

The current composition of area households also lends support to the development of a variety of residential product forms at various locations throughout the PMA and the village of Mukwonago in particular. As highlighted in the adjacent text table, there is an ample number of one- and two- person households (for rental apartments and for sale duplexes/townhomes/condominiums), and also a significant number of three-, four- and five-person households (for both attached for sale housing products and single family detached homes).

Most notable are one- and two-person occupied housing units which, together, comprise 60.6 percent of the PMA’s household base and 58.9 percent in the village of Mukwonago.

**COMPOSITION OF AREA HOUSEHOLDS:  
MUKWONAGO PRIMARY MARKET AREA - 2021**

Attribute	Mukwonago Primary Market Area	Village of Mukwonago
<b>Total Households</b>	<b>88,254</b>	<b>3,232</b>
1-Person Household	21,079	825
2-Person Household	32,396	1,080
3-Person Household	14,827	566
4-Person Household	12,519	475
5-Person Household	5,054	192
6 or More Person Household	2,379	94
<b>1 Person Households</b>		
Percent	23.9	25.5
Number	21,079	825
<b>2 Person Households</b>		
Percent	36.7	33.4
Number	32,396	1,080

Source: Environics Analytics; 2021 Demographic Snapshot

**AGE AND INCOME**

Households in the Mukwonago Primary Market Area support *considerably higher* incomes than the region as a whole as evidenced by an estimated 2021 median income of \$88,388, a level 31.4 percent higher than the \$67,248 median noted for the entire Milwaukee-Waukesha-West Allis Metropolitan Statistical Area (MSA), which includes the four counties of Milwaukee, Waukesha, Washington and Ozaukee.

In Mukwonago, incomes are virtually the same as the PMA with the estimated 2021 median household income in the host municipality standing at \$86,901.

In both the PMA and the village of Mukwonago, over 73 percent of all current households earn \$50,000 or more annually (see **Exhibit 2.1**). This signifies adequate income support locally (among the majority of households) for new construction housing development, both rental and for sale.

By age category, there is a near even distribution in area households among classifications under the ages of 75. Above 75, however, household levels drop rather precipitously, especially in the “frail elderly” category of 85+.

**HOUSEHOLDS BY AGE GROUP: 2021  
-- MUKWONAGO PRIMARY MARKET AREA --**

Age Range	Mukwonago PMA	Village of Mukwonago
Under 35	11,955	498
35-44	14,321	593
45-54	15,859	649
55-64	19,899	630
65-74	15,551	517
75-84	7,300	215
85 and over	3,369	130
<b>Total</b>	<b>88,254</b>	<b>3,232</b>

Source: Environics Analytics: 2021 Demographic Snapshot Report

Over the next five years, while all age classifications among area households are expected to see gains, the 55-74 age group, i.e., the active adult/empty nester segment of the market, will show the largest increase (by far) throughout the PMA.

**GROWTH IN HOUSEHOLDERS BY AGE GROUP  
-- MUKWONAGO PRIMARY MARKET AREA --**

Age Range	Mukwonago PMA	
	2021	2026
Under 35	11,955	12,298
35-54	30,180	30,309
55-74	35,450	37,546
75 and Over	10,669	11,001
<b>Total</b>	<b>88,254</b>	<b>91,154</b>

Source: Environics Analytics: 2021 Demographic Snapshot Report.

## 2.1

**HOUSEHOLDERS BY AGE AND INCOME: 2021**  
**-- MUKWONAGO PRIMARY MARKET AREA --**

Income Range	Number of Households by Age of Householder							
	Total Households	Under 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 and Over
<b>Mukwonago PMA</b>								
Under \$15,000	4,700	274	310	373	585	1,151	933	1,074
15,000 - 24,999	4,811	480	262	310	382	681	1,177	1,519
25,000 - 34,999	5,359	266	389	368	475	673	1,519	1,669
35,000 - 49,999	8,106	440	880	937	859	1,272	2,041	1,677
50,000 - 74,999	14,491	356	1,823	1,872	1,997	2,641	3,516	2,286
75,000 - 99,999	12,031	240	1,642	2,069	2,194	2,798	2,142	946
100,000 - 124,999	10,848	83	1,582	2,523	2,159	2,434	1,487	580
125,000 - 149,999	8,647	7	1,090	1,755	2,077	2,446	898	374
150,000 - 199,999	9,623	14	977	1,946	2,622	2,909	876	279
200,000 and Over	9,638	16	824	2,168	2,509	2,894	962	265
<b>Total</b>	<b>88,254</b>	<b>2,176</b>	<b>9,779</b>	<b>14,321</b>	<b>15,859</b>	<b>19,899</b>	<b>15,551</b>	<b>10,669</b>
<b>Median</b>	<b>\$88,388</b>	<b>\$37,282</b>	<b>\$93,512</b>	<b>\$112,025</b>	<b>\$116,562</b>	<b>\$107,293</b>	<b>\$64,316</b>	<b>\$44,686</b>
<b>Households with Incomes of ...</b>								
\$50,000 or More	65,278	716	7,938	12,333	13,558	16,122	9,881	4,730
Percent	74.0	32.9	81.2	86.1	85.5	81.0	63.5	44.3
<b>Village of Mukwonago</b>								
Under \$15,000	196	2	6	6	38	63	39	42
15,000 - 24,999	175	4	12	14	15	30	47	53
25,000 - 34,999	173	4	20	18	10	10	62	49
35,000 - 49,999	302	29	19	19	61	74	55	45
50,000 - 74,999	575	32	96	89	68	74	134	82
75,000 - 99,999	385	13	54	64	87	82	57	28
100,000 - 124,999	419	8	72	115	100	80	32	12
125,000 - 149,999	356	3	39	59	114	94	32	15
150,000 - 199,999	317	1	36	76	88	66	37	13
200,000 and Over	334	1	47	133	68	57	22	6
<b>Total</b>	<b>3,232</b>	<b>97</b>	<b>401</b>	<b>593</b>	<b>649</b>	<b>630</b>	<b>517</b>	<b>345</b>
<b>Median</b>	<b>\$86,901</b>	<b>\$55,338</b>	<b>\$96,527</b>	<b>\$118,335</b>	<b>\$111,794</b>	<b>\$94,544</b>	<b>\$60,295</b>	<b>\$44,301</b>
<b>Households with Incomes of ...</b>								
\$50,000 or More	2,386	58	344	536	525	453	314	156
Percent	73.8	59.8	85.8	90.4	80.9	71.9	60.7	45.2

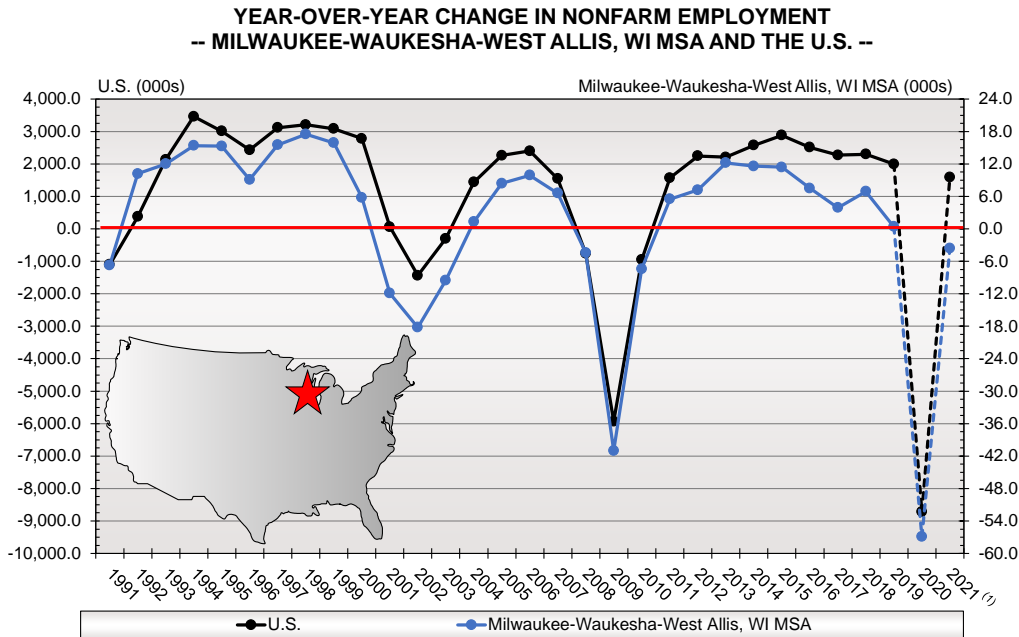
Sources: U.S. Bureau of the Census; Environics Analytics; and Tracy Cross & Associates, Inc.

**EMPLOYMENT**

Mukwonago, while supporting its own internal economic, is also within a reasonable driving distance to concentrations of employment within the PMA itself, and, given easy access to Interstate 43, and its connection with other major transportation systems, employment sources throughout much of the Milwaukee metropolitan area, especially its southwestern and western suburbs and downtown Milwaukee.

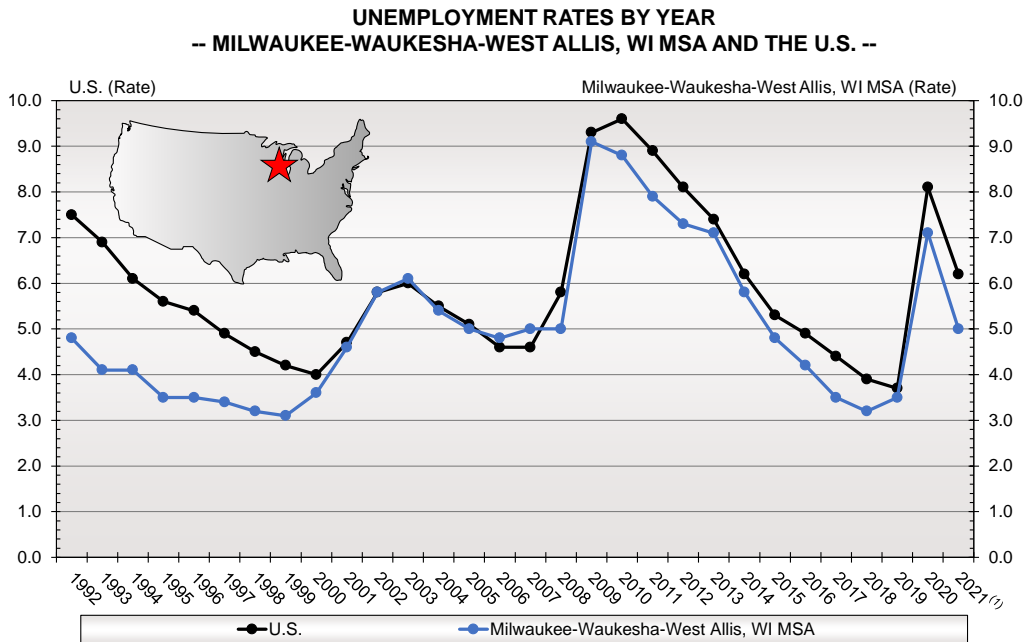
While one cannot discount the effect that the Great Recession had on the region's economy, not to mention the current/recent Covid-19 pandemic, employment growth throughout the four-county Milwaukee-Waukesha-West Allis MSA had been on the positive side for nine years in a row through 2019. For example, after losing 6.1 percent of its total nonagricultural wage and salary employed workforce from 2007 through 2010 (during the trough of the Great Recession), the metropolitan area saw its job rosters grow by 66,600 workers during the subsequent 2011-2019 period, averaging 7,400 annually, and equal to a growth rate of approximately 1.0 percent.

Most recently, and due entirely to the global/national pandemic and its impact on the economy, the MSA witnessed job losses of 56,900 in 2020 – erasing roughly 85 percent of the net gains witnessed during the 2011-2019 period. However, this severe loss of jobs is/was temporary, and affected those sectors of the economy most impacted by the pandemic. Moreover, this most recent Covid-related downturn has already reversed course as vaccine distribution in progressing – bolstering the economy. As illustrated in the following graphic, the majority of employment losses in 2020 were replenished during the first six months of 2021. Moreover, the Wisconsin Department of Revenue, the Job Center of Wisconsin, and the Wisconsin Department of Workforce Development expect the Milwaukee region's employment rosters to increase by an average of 0.9 percent annually over the next five years. As such, the four-county MSA is expected to witness the addition of at least 36,000 total new jobs through 2026, which translates to an annual average of 7,200 workers.



<sup>(1)</sup> January-June 2021 year-over-year.  
Source: U.S. Department of Labor, Bureau of Labor Statistics

In addition, during the Milwaukee region’s economic growth period of 2011 through 2019 (prior to the pandemic), the area’s unemployment rate had been dropping steadily. As highlighted in the adjacent graphic, the Milwaukee area unemployment rate decreased from 8.8 percent in 2010 to just 3.5 in 2019. During this entire timeframe, the four-county MSA’s unemployment rate remained at or *below* the nation as a whole. In addition, while unemployment in Milwaukee rose to 7.1 percent in 2020, i.e., the Covid-19 crisis, it remained lower than the 8.1 percent unemployment rate posted nationally. In addition, through the first six months of 2021, Milwaukee’s unemployment rate had already retreated to 5.0 percent compared to a national average of 6.2 percent during the same time period.



<sup>(1)</sup> January-June 2021

Source: U.S. Department of Labor, Bureau of Labor Statistics

It is also important to note that employment gains in nearby Walworth and Racine counties, too, were positive during the 2011-2019 period prior to the coronavirus pandemic. In addition, both areas are on the road to recovery. In Walworth and Racine counties, there are currently over 115,000 jobs represented.

**RESIDENTIAL BUILDING ACTIVITY**

Since 1990, the Mukwonago PMA has recorded an average of 991 residential building permits per year ranging from a recessionary-impacted low of 191 units in 2011 to a high of 1,884 units in 1997 when land was more readily available for multiple forms of residential offerings, especially in the northern portions of the PMA, and development activity was simply more prevalent (see **Exhibit 2.2**).

Historically, single family permit authorizations have outpaced multifamily issuances at a ratio of two-to-one. For example, between 1990 and 2020, single family permits, which include single-address duplex, townhome and villa units, averaged 664 units yearly, while multifamily volumes averaged 327 units per annum.

Most recently, and due to diminishing land availability in certain areas of the PMA; various restrictive zoning practices; more limited development interest (or a concentrated interest elsewhere); and, of course, the



## 2.2

**RESIDENTIAL BUILDING PERMIT TRENDS**  
**-- MUKWONAGO PRIMARY MARKET AREA --**  
**1990 - 2020**

Year	Mukwonago Primary Market Area		
	Total	Single Family	Multi-Family
1990	1,652	884	767
1991	1,315	852	463
1992	1,803	1,129	674
1993	1,526	1,075	451
1994	1,536	970	566
1995	1,312	830	483
1996	1,797	1,035	762
1997	1,884	888	996
1998	1,787	1,038	750
1999	1,814	1,109	705
2000	1,219	872	348
2001	1,291	1,025	266
2002	1,308	989	320
2003	1,392	1,135	257
2004	1,266	1,010	256
2005	1,135	711	424
2006	842	682	160
2007	702	486	216
2008	673	294	379
2009	217	192	25
2010	194	192	2
2011	191	181	10
2012	323	256	67
2013	456	320	109
2014	594	350	204
2015	318	305	40
2016	438	380	98
2017	440	394	46
2018	477	449	28
2019	414	281	132
2020	398	260	138
<b>Averages</b>			
1990 - 2020	991	664	327
1990 - 1999	1,643	981	662
2000 - 2008	1,092	800	292
2009 - 2015	328	256	71
2016 - 2020	433	353	81

Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*

Great Recession, resulted in lower residential construction activity. For example, total permit volumes during the last ten years averaged 405 units annually throughout the PMA, a level well below volumes posted during the previous 20 years.

From a regional capture rate perspective, between 1990 and 2008, the Mukwonago PMA consistently accounted for 20+ percent of all residential permit activity in the four-county Milwaukee metropolitan region. Then, during and immediately following the Great Recession, the PMA’s capture rate generally hovered between 15 and 20 percent. In the last six years, however, the PMA’s capture rate has dropped into the 10-15 percent range (see **Exhibit 2.3**) as most residential development, both single family and multifamily, is occurring outside of the local area *In other words, as the greater Milwaukee area moved from an average of roughly 1,850 permits annually between 2009 and 2014 to nearly 3,300 units yearly from 2015-2020, the Mukwonago PMA did not increase proportionately.* This resulted, primarily, from supply-side constraints locally – as will be discussed in Section 3.

**HOUSING DEMAND – AN OUTLOOK**

During the 2021-2026 timeframe, construction requirements for new housing in the Mukwonago PMA will average 680 units annually. This 680-unit forecast can be tied to household growth levels estimated at 580 per annum through 2026, along with 100+/- units representing the replacement of residences lost to demolition and abandonment and the need to provide a vacancy allowance for filtering or movement from one residence to another.

**ANNUAL RESIDENTIAL ABSORPTION POTENTIALS BY PRODUCT TYPE  
-- MUKWONAGO PRIMARY MARKET AREA --  
2021 - 2026**

Of the 680 units expected to be constructed annually in the PMA during the 2021-2026 forecast period, 430 will occur among for sale housing forms with 250 represented in the rental apartment sector. As detailed in the adjacent text table, for sale housing demand will be distributed among 280 single family detached homes and 150 in the attached sector, i.e. duplexes, townhomes and condominiums.

Product Type	Units
<b>Total</b>	<b>680</b>
<b>For Sale</b>	<b>430</b>
Single Family Detached	280
Townhome/Duplex/Condominium	150
<b>For Rent</b>	<b>250</b>

Source: Tracy Cross & Associates, Inc.

Given the severe supply-side constraints market-wide (which, again, will be discussed in the following section of the report), it is highly likely that demand will exceed supply near term, especially in the for sale sector but also among multifamily rental forms. This market reality bodes extremely well for development/redevelopment initiatives in Mukwonago, if properly planned and executed. In fact, Mukwonago could capture a disproportionate share of demand, say 25-30 percent, with a properly positioned continuum of product.

In addition, not only is “derived demand” likely to outstrip supply near term, but the overall base of residential construction requirements could actually be *much higher* (i.e. double) during any given year where properly positioned supply is made available. This *doubling of demand* factors pent-up demand, especially in the multifamily sector; upside household growth potentials if properly positioned development were actually to occur; the limited amount of new construction housing alternatives internal to the PMA (again, to be discussed later); and spillover potentials from areas outside the PMA.



## 2.3

**RESIDENTIAL BUILDING PERMIT TRENDS: 1990 - 2020**  
**-- MUKWONAGO PRIMARY MARKET AREA --**

Year	Total Permits		
	Milwaukee- Waukesha- West Allis MSA	Mukwonago Primary Market Area	
		Number	Percent of MSA
1990	8,166	1,652	20.2
1991	5,988	1,315	22.0
1992	7,519	1,803	24.0
1993	7,201	1,526	21.2
1994	6,945	1,536	22.1
1995	6,176	1,312	21.2
1996	6,446	1,797	27.9
1997	6,429	1,884	29.3
1998	7,141	1,787	25.0
1999	7,173	1,814	25.3
2000	5,631	1,219	21.7
2001	5,879	1,291	22.0
2002	5,936	1,308	22.0
2003	6,467	1,392	21.5
2004	5,902	1,266	21.5
2005	5,444	1,135	20.9
2006	4,290	842	19.6
2007	3,266	702	21.5
2008	2,444	673	27.5
2009	1,443	217	15.0
2010	1,941	194	10.0
2011	1,593	191	12.0
2012	1,793	323	18.0
2013	2,000	456	22.8
2014	2,416	594	24.6
2015	3,048	318	10.4
2016	4,055	438	10.8
2017	3,693	440	11.9
2018	3,791	477	12.6
2019	2,440	414	17.0
2020	2,753	398	14.5
<b>Averages</b>			
1990 - 2020	4,691	991	21.1
1990 - 1999	6,918	1,643	23.7
2000 - 2008	5,029	1,092	21.7
2009 - 2015	2,033	328	16.1
2016 - 2020	3,346	433	12.9

Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*



### 3. THE RESIDENTIAL MARKETPLACE

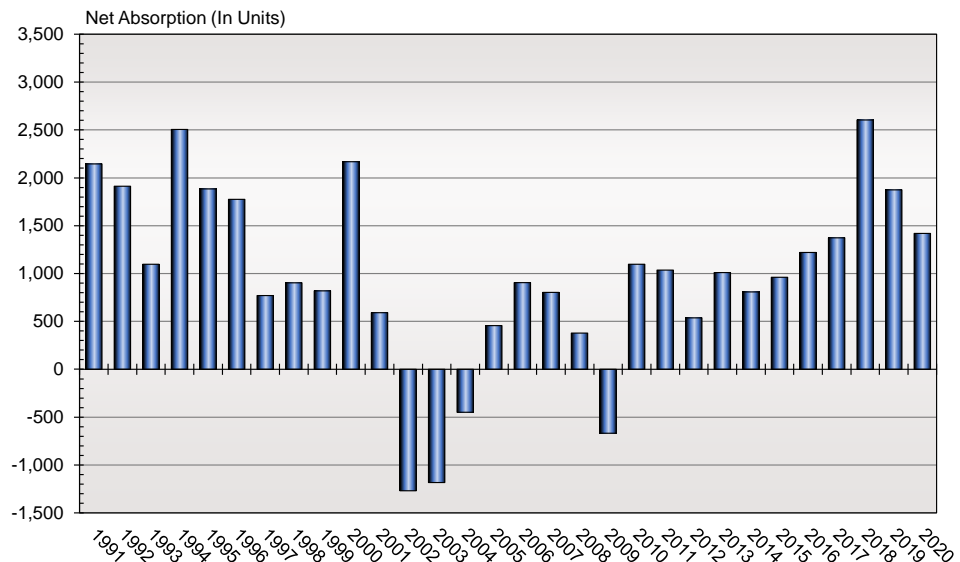
The most relevant sources of competitive influence upon future conventional residential offerings within Mukwonago will emanate from new/newer rental apartment development and for sale housing communities in the Mukwonago PMA, along with trends in the existing home market (i.e., the resale sector). This section of the report therefore summarizes relevant trends and statistics in the local housing market, placing concentrated emphasis upon the residential environment within Mukwonago itself, as activity in the immediate vicinity is most pertinent. We begin with an overview of the area's new construction rental apartment sector.

#### THE REGIONAL APARTMENT MARKET

Despite the physical, social, and economic impacts of the recent/on-going coronavirus pandemic, current rental apartment conditions in the greater Milwaukee region remain stable. For example, according to Reis, Inc., among all asset classifications of apartments in complexes of 20 units or more throughout the two core counties of the Milwaukee region, i.e., Milwaukee and Waukesha, a vacancy rate of 4.9 percent was reported at the close of the 2<sup>nd</sup> Quarter 2021, reflecting generally tight to balanced market conditions. In a normal (or balanced) market, vacancies of 5.0 to 6.0 percent are typically required for filtering, or movement between developments. In addition, the overall 4.7 percent vacancy rate includes new “un-leased” units among those developments still undergoing their initial absorption periods. When these communities are excluded, the vacancy rate in Milwaukee and Waukesha counties drops to a tight 3.4 percent.

Net rental absorption in the two core counties of the Milwaukee region has averaged over 1,200 units annually during the last ten years – reaching or exceeding the 1,350-unit mark in each of the last four including 2,604 units in 2018 and 1,874 units in 2019. For perspective, during the eleven-year period from 1990 through 2000, Milwaukee and Waukesha counties saw their occupied apartment stock, among all asset classifications, increase by a total of 19,191 units, or an annual average of 1,745. Following this period of positive absorption, the 2001-2009 timeframe saw net absorption drop into negative territory for four of the eight years during the period due to recessionary overtones during the first part of the decade, a dramatic increase in home ownership, and a fair amount of rental-to-condominium conversion activity.

RENTAL APARTMENT ABSORPTION TRENDS: 1990-2020  
-- MILWAUKEE & WAUKESHA COUNTIES, WI --



Source: Reis, Inc.





**THE LOCAL APARTMENT MARKET**

Not only are vacancies among all asset classifications of apartments in Milwaukee and Waukesha counties in a tight to balanced condition at 4.7 percent (3.4 percent excluding new/unabsorbed units), but vacancies are *even tighter (extremely tight)* in the Mukwonago PMA. For instance, among 18 smaller- to larger-scale developments surveyed by our firm throughout the PMA, i.e., those containing 15 total units or more and constructed since 1990, the overall vacancy rate among stabilized developments stands at just 0.9 percent (see **Exhibit 3.1**). This figure excludes one community still undergoing its initial absorption period, i.e., Will Rose in Muskego which is currently absorbing units at a pace of 3.8 per month.

One of the primary reasons for the tightness of the local apartment market is the overall limited number of new construction developments throughout the PMA. For example, unlike many other suburban areas of the Milwaukee region, new rental apartment development in the overall Mukwonago PMA has not kept pace with demand during the last 20+ years. Since 2000, only nine (9) new rental communities have been introduced in this broad geographic area, *many of which are smaller in scale* and lacking community amenities. In other words, the amount of new development activity during the past several years has not been sufficient enough to restore balance in the rental sector.

Mukwonago, itself, has been a contributing factor in *attempting* to fill the multifamily supply void as four separate apartment communities have been introduced in the municipality over the last five years. These four developments, however, all of which have been well received, have not been adequate enough to meet the multifamily demands of the market as they are currently near capacity with a collective vacancy rate of just 1.5 percent among 203 total units. This is especially true considering just five (5) other apartment communities (243 total units) have been constructed throughout the entirety of the PMA in the last five years. In addition, Mukwonago’s 258-unit River Park Place community, which was constructed in 1992, is currently 100 percent occupied with a waiting list.

**APARTMENT DEVELOPMENTS CONSTRUCTED IN 1990 OR LATER  
-- MUKWONAGO, WISCONSIN --**

Development	Year Built	Total Units	Vacant	Vacancy Rate	Average Plan Size (Sq. Ft.)	Average Monthly Base Rent	Average Base Rent Per Sq. Ft.
Edgewood Village 	2019	30	1	3.3	1,299	\$1,850	\$1.42
Mukwonago Townhomes 	2021	16	0	0.0	1,470	2,195	1.49
Phantom Woods Estates 	2017	68	0	0.0	1,193	1,377	1.15
The Pointe 	2020	89	2	2.2	950	1,167	1.23
River Park Place 	1992	258	0	0.0	770	922	1.20
<b>Total/Average:</b>	---	<b>461</b>	<b>3</b>	<b>0.7</b>	<b>926</b>	<b>1,141</b>	<b>1.23</b>

Source: Tracy Cross & Associates, Inc.

# 3.1

## COMPOSITE RENTAL SUMMARY: APARTMENT COMMUNITIES CONSTRUCTED IN 1990 OR LATER MUKWONAGO PRIMARY MARKET AREA: JULY 2021

Development	Municipality	Year Construction Started	Total Units	Number Vacant	Percent Vacant (Absorption Rate in Units)	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
<b><u>Waukesha County</u></b>								
Edgewood Village	Mukwonago	2019	30	1	3.3	1,299	\$1,850	\$1.42
Mukwonago Townhomes	Mukwonago	2021	16	0	0.0	1,470	2,195	1.49
Phantom Woods Estates	Mukwonago	2017	68	0	0.0	1,193	1,377	1.15
The Pointe	Mukwonago	2020	89	2	2.2	950	1,167	1.23
River Park Place	Mukwonago	1992	258	0	0.0	770	922	1.20
The View at Towne Center	Muskego	2017	90	0	0.0	1,368	1,872	1.37
Will Rose <sup>(1)</sup>	Muskego	2020	51	5	9.8 (3.8/Mo.)	1,177	1,784	1.52
Central Pointe	New Berlin	2015	40	1	2.5	987	1,508	1.53
Highlands of New Berlin	New Berlin	1998	158	0	0.0	1,127	1,440	1.28
The Sanctuary	New Berlin	2001	182	5	2.7	1,210	1,974	1.63
Clearwater	Waukesha	2015	55	2	3.6	942	1,231	1.31
Glens of Waukesha	Waukesha	2000	72	1	1.4	1,078	1,207	1.12
Kendal Hills	Waukesha	2005	120	0	0.0	1,157	1,271	1.10
Whispering Ponds	Waukesha	1999	96	1	1.0	1,065	1,249	1.17
Wildflower Place	Waukesha	2000	81	3	3.7	948	1,082	1.14
<b><u>Walworth County</u></b>								
Honey Creek	East Troy	2006	274	0	0.0	1,027	1,176	1.15
<b><u>Racine County</u></b>								
The Cornerstone	Waterford	2021	84	0	0.0	1,098	1,328	1.21
Trail View Village	Waterford	2020	18	0	0.0	1,244	1,475	1.19
<b>Total/ Weighted Average</b>	---	---	<b>1,782 / 1,731<sup>(2)</sup></b>	<b>21 / 16<sup>(2)</sup></b>	<b>1.2 / 0.9<sup>(2)</sup></b>	<b>1,061</b>	<b>\$1,351</b>	<b>\$1.27</b>

<sup>(1)</sup> Community is still undergoing its initial absorption period.

<sup>(2)</sup> Excludes the community still undergoing its initial absorption period.

The two newest apartment communities to be introduced in the village of Mukwonago include The Pointe (89 units) and Mukwonago Townhomes (16 units). Both communities have been extremely well received with The Pointe reaching stabilized occupancy in just 11 months at an average absorption rate of 7.7 units monthly, while the smaller-scale Mukwonago Townhomes reached stabilized occupancy in less than six months.

Again, the success of recent apartment development in Mukwonago can be tied directly to an undersupplied market for many years, not only in Mukwonago, but throughout the PMA as a whole.

The average posted base rent level among apartment communities in Mukwonago ranges from a low of \$992 monthly for 770 square feet at River Park Place, which is almost 20 years old, to a high of \$2,195 per month for 1,470 square feet at the new Mukwonago Townhomes. The others fall between these two extremes. It should be noted that on a rent per square foot basis, Mukwonago supports some of the most competitive rents in the entire PMA when cast against other new developments.

### **FUTURE APARTMENT COMPETITION**

With the exception of the large-scale Maple Center apartment development (650+ units) proposed on the east side of Mukwonago, along with two smaller-scale communities in the village totaling 87 units, only four other market rate apartment developments (405 total units) are officially in the planning pipeline at this time elsewhere throughout the entirety of the PMA.

### **THE FOR SALE MARKET**

New construction for sale development throughout the Mukwonago Primary Market Area is generally characterized by smaller-scale broker- or builder-represented communities reflecting single family and duplex/townhome/condominium subdivisions directed to both primary and lifestyle consumer segments which (in many cases) have been marketed in phases over extended periods of time. Overall, there are only a modicum of recently introduced developments actively marketing new units in proprietary communities throughout the PMA, although some scattered site/lot sale development is also evident.

In the entirety of the PMA, single family building permits, which include single family detached homes as well as single-address townhomes, duplexes, and condominium/villa units, has hovered around 270 units annually over the last two years *in this broad geographic area*, despite demand potentials being much stronger based upon household growth levels and replacement derivatives. This lack of new construction for sale development activity is due, in part, to the built-out nature of certain portions of the PMA and, more importantly, the higher prices that now accompany new for sale developments, which has resulted in slower sales volumes. In fact, most proprietary subdivisions throughout the PMA are generating sales volumes in the 0.5 to 0.8 unit-per-month range – rates viewed as modest by most standards. In addition, major Milwaukee-area builders are currently favoring other areas of the region – where price can be more readily absorbed.

In Mukwonago, itself, active for sale development currently includes several single family and condominium communities that, while reflecting tasteful architecture, color schemes, etc., are, too, priced in the higher ranges and generating more modest sales volumes. As highlighted in the following text table, the new construction for sale communities in Mukwonago have generated a total of 18 sales/closings over the last 18 months.



**FOR SALE RESIDENTIAL DEVELOPMENTS  
-- MUKWONAGO, WISCONSIN --**

Development	Product Type	Number of Sales/Closings (Last 18 Months)	Average Plan Size (Sq. Ft.)	Average Sales/Closing Price	Average Price Per Sq. Ft.
The Orchards	Single Family	4	2,158	\$421,438	\$195.29
Fox River Run	Single Family	1	2,302	450,000	195.48
Fairwinds	Single Family	10	2,172	487,800	224.59
Phantom Lake Preserve	Duplex/Condo	6	1,578	389,900	247.08
Chapman Villas	Duplex/Condo	1	1,412	414,900	293.84
The Grand	Townhome/Condo	1	1,746	409,900	234.77

Source: Tracy Cross & Associates, Inc.

In the overall Mukwonago PMA, new/newer **single family** closing activity has been generally steady over the last 2+ years, with little improvement, mainly because of the lack of new developments entering the market. As highlighted in the following text table, roughly 100 new single family detached homes are sold/closed annually in the PMA (through the local multiple listing service), at price points averaging over \$450,000. Given the limited amount of new construction development (overall), together with strong underlying currents of demand, the median closing price has risen steadily since 2019, while the average marketing time of a new single family home (days on market) has dropped precipitously.

**NEW/NEWER SINGLE FAMILY CLOSINGS  
HOMES CONSTRUCTED BETWEEN 2017 - JUNE 2021: MUKWONAGO PMA  
2019 - JUNE 2021**

Price Range	2019		2020		Jan-June 2021 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$250,000	1	1.1	1	0.9	1	1.0
250,000 - 299,999	1	1.1	3	2.8	1	1.0
300,000 - 349,999	7	7.9	4	3.7	6	6.0
350,000 - 399,999	12	13.5	17	15.7	12	12.0
400,000 - 449,999	20	22.5	23	21.2	20	20.0
450,000 - 499,999	17	19.1	22	20.4	22	22.0
500,000 - 549,999	15	16.8	14	13.0	14	14.0
550,000 - 599,999	8	9.0	10	9.3	11	11.0
600,000 & Above	8	9.0	14	13.0	13	13.0
<b>Total</b>	<b>89</b>	<b>100.0</b>	<b>108</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>
<b>Median</b>	----- <b>\$460,208</b> -----		----- <b>\$463,970</b> -----		----- <b>\$472,726</b> -----	
<b>Average Days on Market</b>	----- <b>88</b> -----		----- <b>72</b> -----		----- <b>44</b> -----	

Source: Southeast Wisconsin Multiple Listing Service



Please note that new construction closings recorded by the multiple listing service do not include all proprietary subdivision activity among single family developments, especially where individual lots are sold directly to the end consumer, who in turn, builds a semi-custom or custom home.

While the lack of new single family development (of scale) is keeping volumes in the more modest ranges, especially when demand is much stronger, so, too, is the overall higher price position of the new construction homes being built (as mentioned earlier). In fact, with the median price of a new/newer single family closing (as recorded through the multiple listing service) standing at \$472,726 during the first six months of 2021, there is a disconnect with the distribution of household incomes, which is putting extreme pressure on the existing home market, i.e. the resale sector. For example, the median closing price among new construction units in the PMA is now almost \$140,000 higher than that of a resale counterpart. As a result, prices in the existing home market have been increasing even more rapidly and the average “days on market” are extremely low.

As highlighted in the following text table, the average market time of an older-stock single family resale closing during the January-June 2021 period stood at just 18 days, down from 23 days in 2020 and 27 days in 2019. For reference, the typically marketing time for a single family detached resale in the Midwest ranges from 72-90 days. In the village of Mukwonago, the average market time of a single family resale during the last six months stood at just 19 days, and at closing prices similar to those reflected in the PMA as a whole.

**SINGLE FAMILY RESALE CLOSINGS  
HOMES CONSTRUCTED BEFORE 2017: MUKWONAGO PMA  
2019 - JUNE 2021**

Price Range	2019		2020		Jan-June 2021 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$200,000	262	13.0	214	9.6	132	7.4
200,000 - 249,999	406	20.2	339	15.2	202	11.3
250,000 - 299,999	452	22.5	448	20.1	314	17.7
300,000 - 349,999	355	17.7	426	19.1	332	18.7
350,000 - 399,999	221	11.0	301	13.5	266	15.0
400,000 - 449,999	126	6.3	188	8.4	166	9.3
450,000 - 499,999	78	3.9	110	5.0	116	6.5
500,000 - 549,999	48	2.4	69	3.1	80	4.5
550,000 - 599,999	25	1.2	31	1.4	32	1.8
600,000 & Above	37	1.8	102	4.6	138	7.8
<b>Total</b>	<b>2,010</b>	<b>100.0</b>	<b>2,228</b>	<b>100.0</b>	<b>1,778</b>	<b>100.0</b>
<b>Median</b>	----- <b>\$287,332</b> -----		----- <b>\$313,350</b> -----		----- <b>\$336,363</b> -----	
<b>Average Days on Market</b>	----- <b>27</b> -----		----- <b>23</b> -----		----- <b>18</b> -----	

Source: Southeast Wisconsin Multiple Listing Service

In the **duplex/townhome/condominium** sector, a similar condition exists in the PMA relative to pricing differentials between new construction units and resales. As highlighted in the table below, there are currently 75+/- new attached units being sold annually market-wide, again a relatively modest volume because of limited supply in this sector, coupled with price points that also exceed \$400,000 on average.

**NEW/NEWER DUPLEX/TOWNHOME/CONDOMINIUM CLOSINGS  
HOMES CONSTRUCTED BETWEEN 2017 - JUNE 2021: MUKWONAGO PMA  
2019 - JUNE 2021**

Price Range	2019		2020		Jan-June 2021 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$200,000	5	10.6	0	0.0	0	0.0
200,000 - 249,999	2	4.3	0	0.0	0	0.0
250,000 - 299,999	5	10.6	0	0.0	0	0.0
300,000 - 349,999	6	12.8	12	17.4	12	15.3
350,000 - 399,999	7	14.9	17	24.6	18	23.1
400,000 - 449,999	14	29.8	18	26.1	22	28.2
450,000 - 499,999	3	6.4	10	14.5	18	23.1
500,000 & Above	5	10.6	12	17.4	8	10.3
<b>Total</b>	<b>47</b>	<b>100.0</b>	<b>69</b>	<b>100.0</b>	<b>78</b>	<b>100.0</b>
<b>Median</b>	----- <b>\$389,261</b> -----		----- <b>\$415,325</b> -----		----- <b>\$420,567</b> -----	
<b>Average Days on Market</b>	----- <b>89</b> -----		----- <b>78</b> -----		----- <b>69</b> -----	

Source: Southeast Wisconsin Multiple Listing Service

Again, the higher price position found in the new construction attached sector is putting tremendous pressure on the existing home market as evidenced by duplex/townhome/condominium resale closings averaging just 16 days on market during the January-June 2021 period, down from 23 days in 2019. As highlighted in the following text table, the difference in price between typical resale and new construction attached sector units is roughly \$200,000.

**DUPLEX/TOWNHOME/CONDOMINIUM RESALE CLOSINGS  
HOMES CONSTRUCTED BEFORE 2017: MUKWONAGO PMA  
2019 - JUNE 2021**

Price Range	2019		2020		Jan-June 2021 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	112	28.1	108	25.1	52	13.4
150,000 - 199,999	104	26.1	108	25.1	76	19.7
200,000 - 249,999	108	27.1	102	23.7	102	26.4
250,000 - 299,999	48	12.1	51	11.9	78	20.2
300,000 - 349,999	13	3.3	26	6.0	32	8.3
350,000 - 399,999	7	1.8	15	3.5	32	8.3
400,000 - 449,999	4	1.0	9	2.1	12	3.1
450,000 - 499,999	2	0.5	9	2.1	1	0.3
500,000 & Above	0	0.0	2	0.5	1	0.3
<b>Total</b>	<b>398</b>	<b>100.0</b>	<b>430</b>	<b>100.0</b>	<b>386</b>	<b>100.0</b>
<b>Median</b>	----- <b>\$191,953</b> -----		----- <b>\$199,601</b> -----		----- <b>\$232,007</b> -----	
<b>Average Days on Market</b>	----- <b>23</b> -----		----- <b>20</b> -----		----- <b>16</b> -----	

Source: Southeast Wisconsin Multiple Listing Service

The limited amount of *new construction* product in the overall market, especially at price points more in-line with typical “new versus resale” differentials, is also having an impact on overall inventory levels. For example, among all residential resales in the PMA (both detached and attached excluding new construction), inventory levels are low. As outlined in the following text table, with only 485 single family listings reported at the beginning of July 2021, and with closing activity totaling 2,228 units in 2020, single family resale inventory levels in PMA stand at just 2.61 months, which falls below the typical three- to four-month inventory period that exists in more normal, or balanced, existing home markets. In the attached sector, an even lower level of inventory exists at just 2.20 months. The most notable areas of imbalance in the detached sector can be found at price points below \$500,000, and in the attached sector, below \$400,000.

**RESALE INVENTORY ANALYSIS IN MONTH'S SUPPLY  
MUKWONAGO PMA**

Price Range	Closings 2020 (Full Year)	Current Listings As of 7/1/2021	Months of Inventory
<b>Single Family Detached</b>			
Under \$200,000	214	35	1.96
200,000 - 249,999	339	38	1.35
250,000 - 299,999	448	69	1.85
300,000 - 349,999	426	81	2.28
350,000 - 399,999	301	66	2.63
400,000 - 449,999	188	43	2.74
450,000 - 499,999	110	34	3.71
500,000 - 549,999	69	28	4.87
550,000 - 599,999	31	22	8.52
600,000 & Above	102	69	8.12
<b>Total</b>	<b>2,228</b>	<b>485</b>	<b>2.61</b>
<b>Duplex / Townhome / Condominium</b>			
Under \$150,000	108	13	1.44
150,000 - 199,999	108	15	1.67
200,000 - 249,999	102	13	1.53
250,000 - 299,999	51	9	2.12
300,000 - 349,999	26	9	4.15
350,000 - 399,999	15	6	4.80
400,000 - 449,999	9	6	8.00
450,000 - 499,999	9	6	8.00
500,000 & Above	2	2	12.00
<b>Total</b>	<b>430</b>	<b>79</b>	<b>2.20</b>

Source: Southeast Wisconsin Multiple Listing Service

Suffice it to say that the state of the current new construction home market throughout the PMA represents an opportunity for development/redevelopment in the village of Mukwonago 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 and resales. In other words, given current market conditions in both the rental apartment and for sale sectors of the market, Mukwonago is in a unique position to capitalize on current market conditions.

**FUTURE FOR SALE COMPETITION**

There are currently several for sale communities either formally in the Mukwonago planning pipeline or in the early discussion stages. Most of these reflect smaller-scale developments and/or extensions of existing subdivisions. Elsewhere throughout the PMA, just a modicum of for sale housing communities are in planning totaling less than 500 units at this time, distributed among various smaller-scale single family and duplex/townhome/condominium projects. Again, future “known” supply indicates clear imbalance relative to underlying demand potentials.



## GENERAL LIMITING CONDITIONS

Tracy Cross & Associates, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with developers/property managers and their agents, government officials, and other third parties. Although Tracy Cross & Associates, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information provided by third parties.

Conclusions and recommendations established in this analysis represent a professional opinion and are based upon forecasts into the future which could be significantly altered by outside occurrences. These include, among others, the possible interplay of unforeseen social, economic, physical/environmental, and governmental actions. In this regard, Tracy Cross & Associates, Inc., its owners, and its employees shall be held harmless of changes in conditions that may materially result from these occurrences.



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