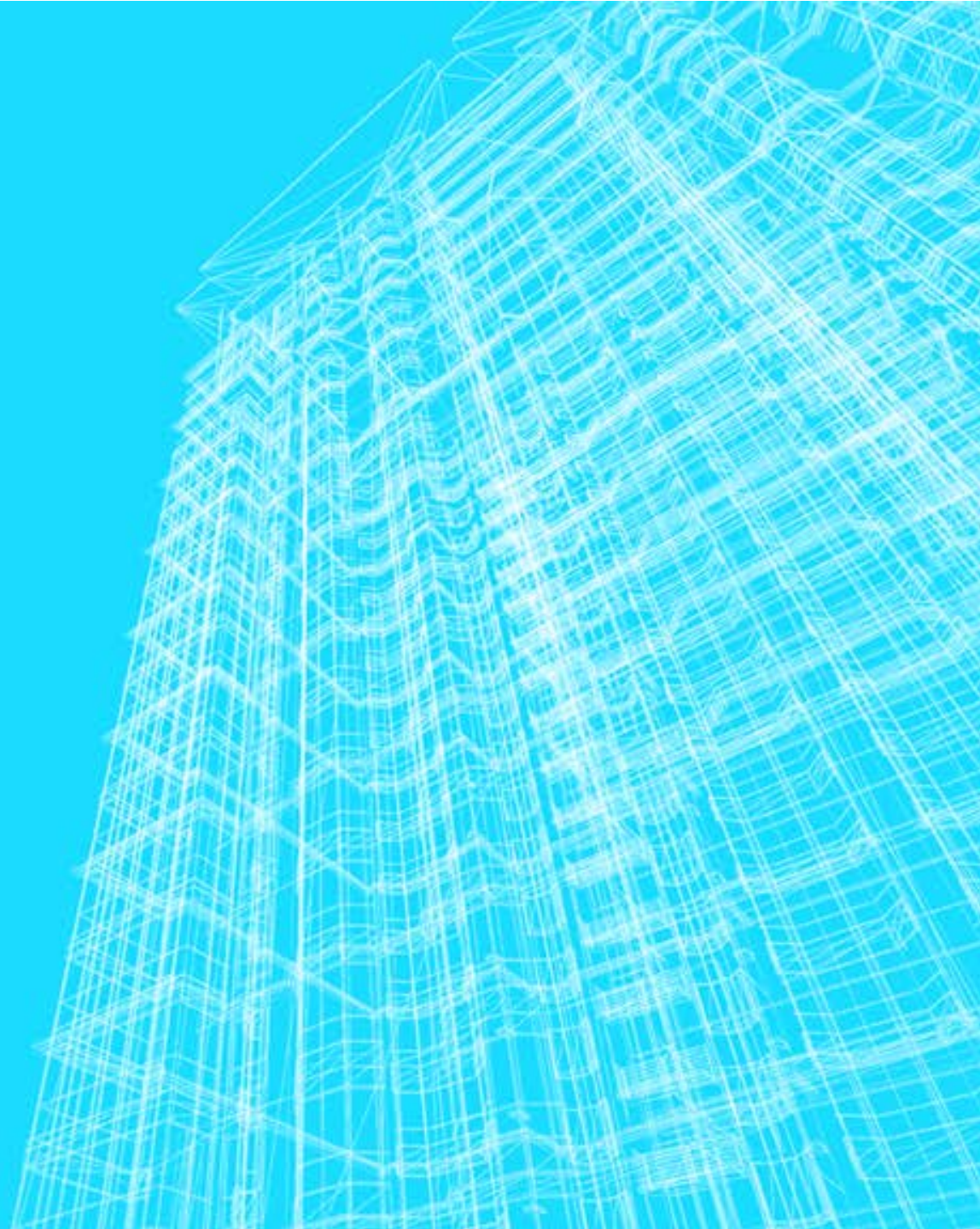
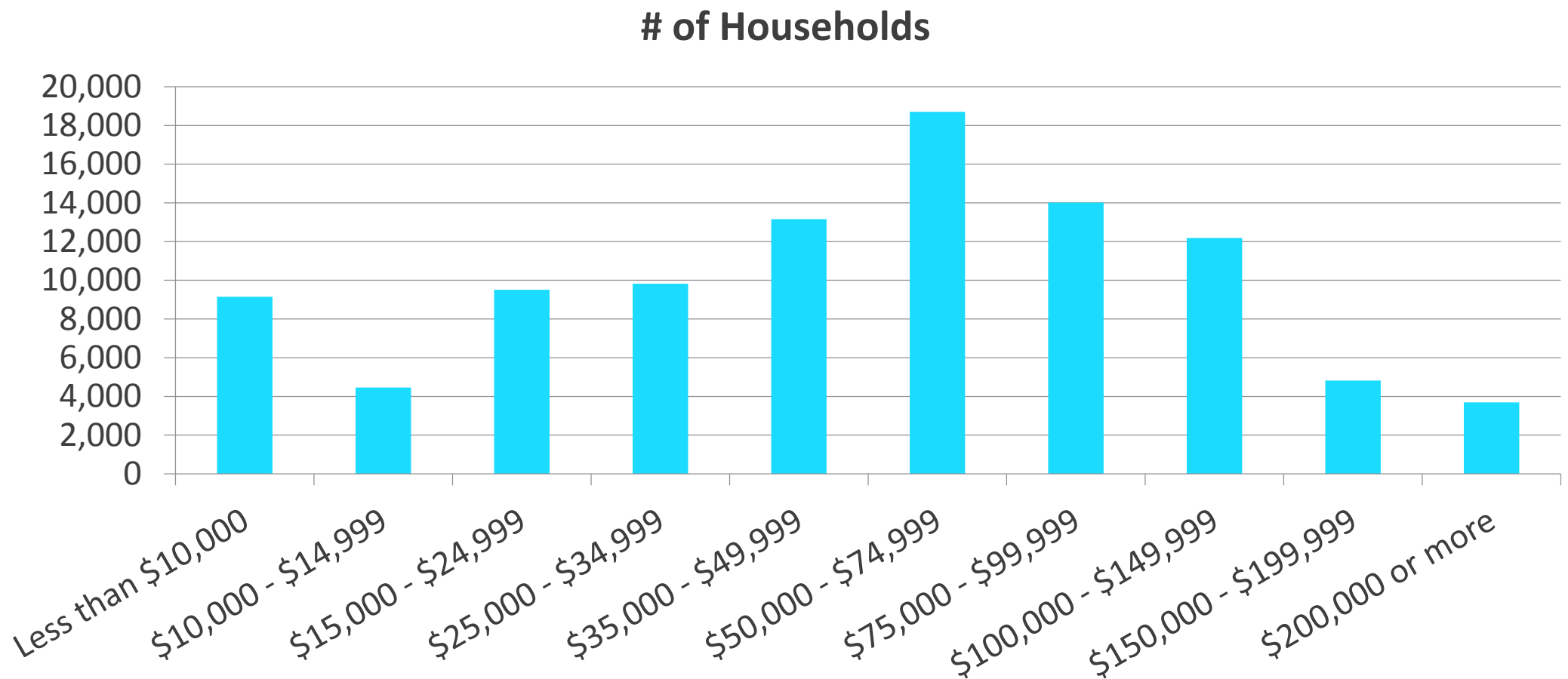


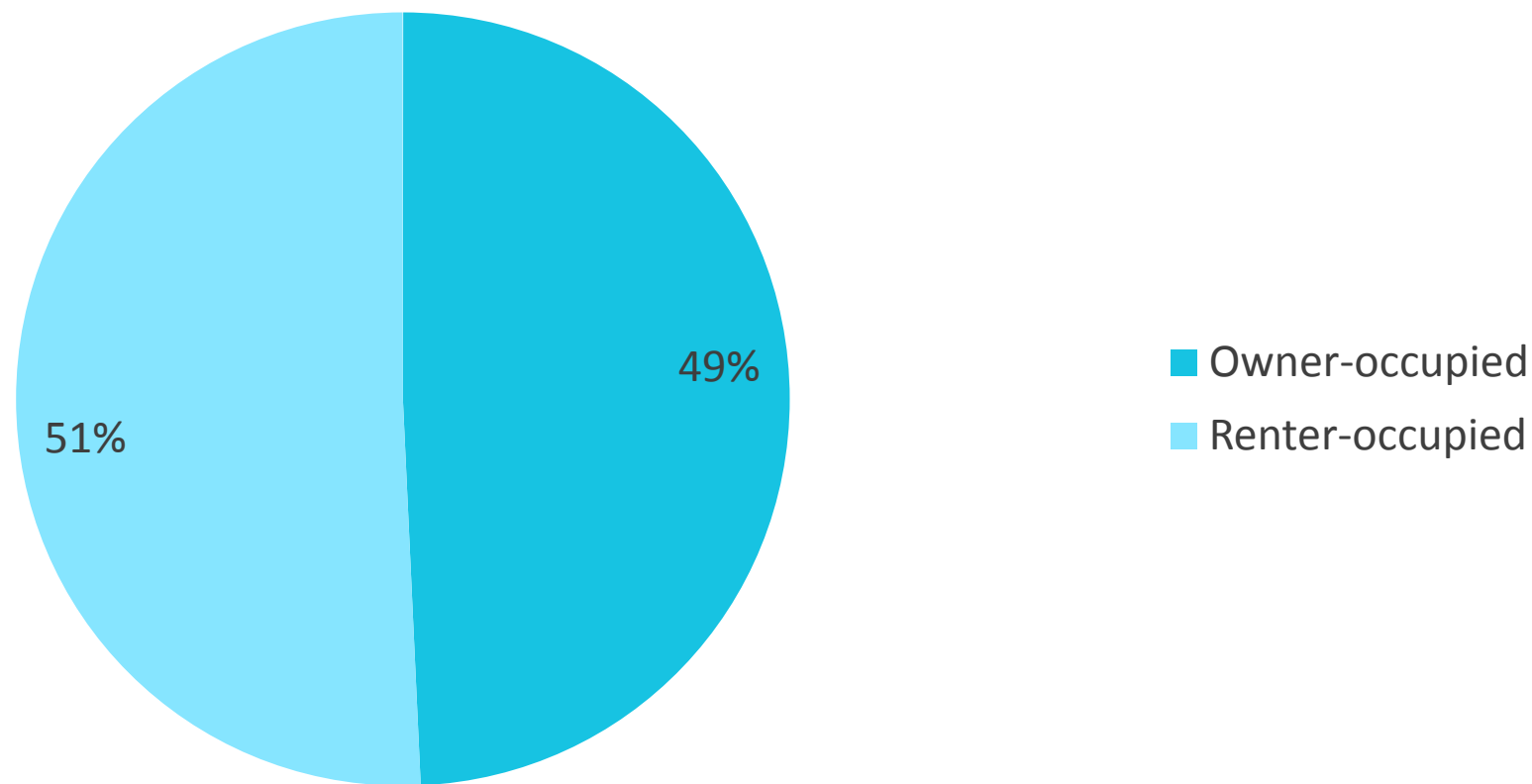
HOUSING MARKET TRENDS



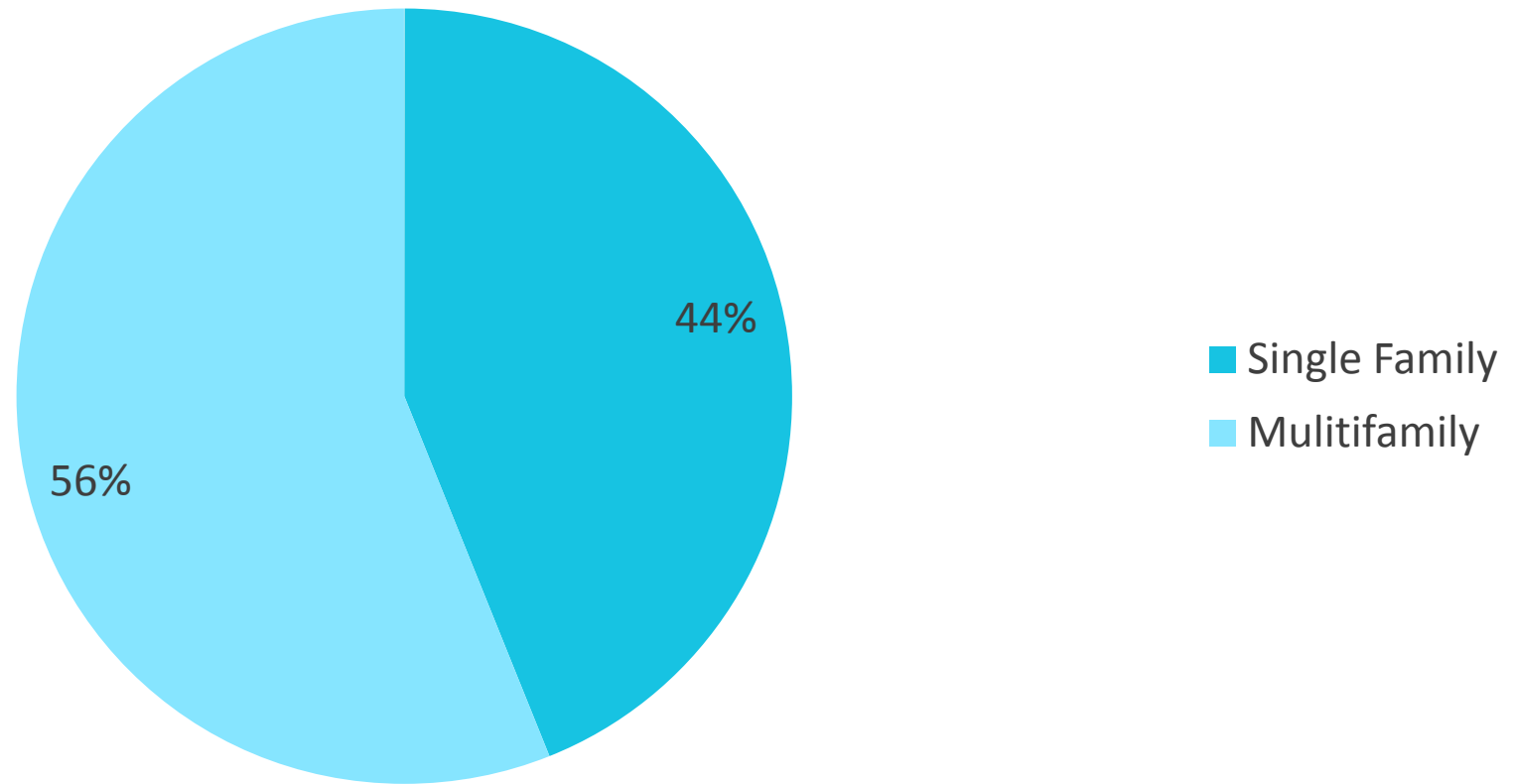
HOUSEHOLD INCOME HAS A RELATIVELY NORMAL DISTRIBUTION



MORE HOUSEHOLDS RENT THAN OWN

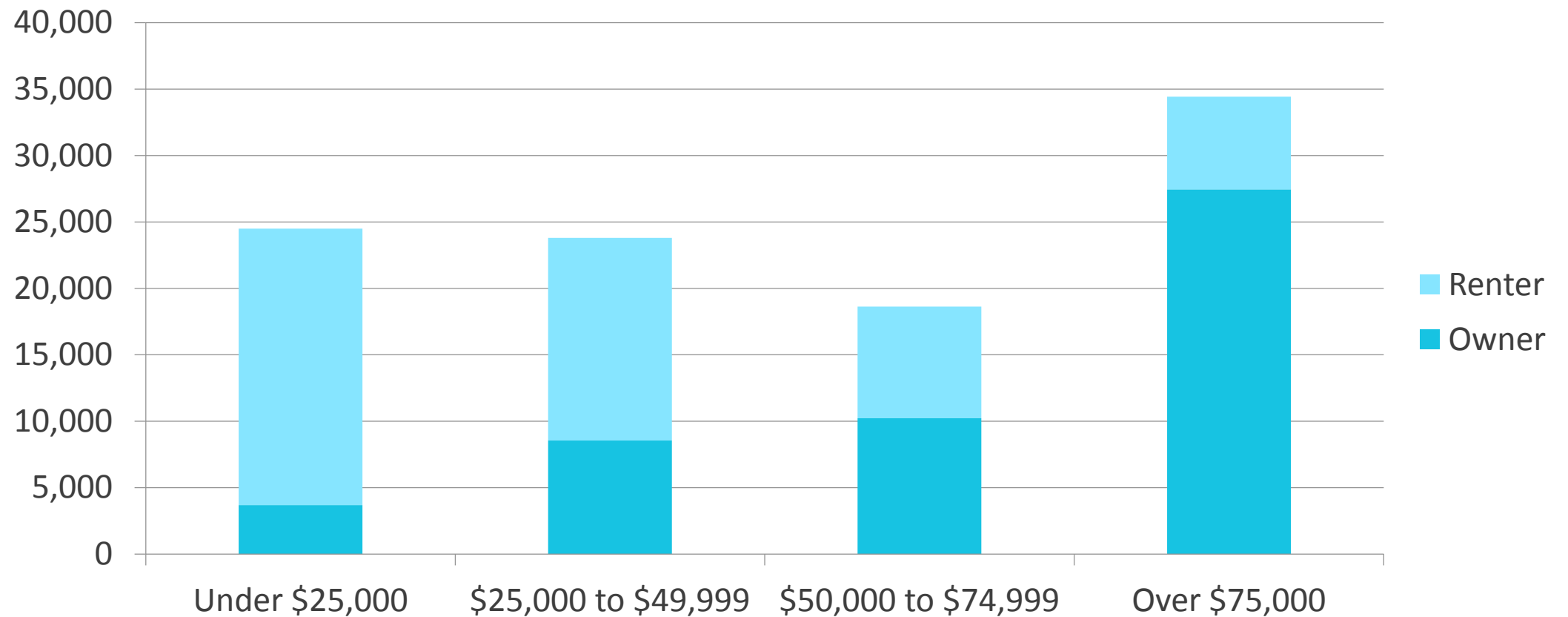


MORE HOUSEHOLDS LIVE IN MULTIFAMILY HOUSING THAN SINGLE FAMILY HOUSING

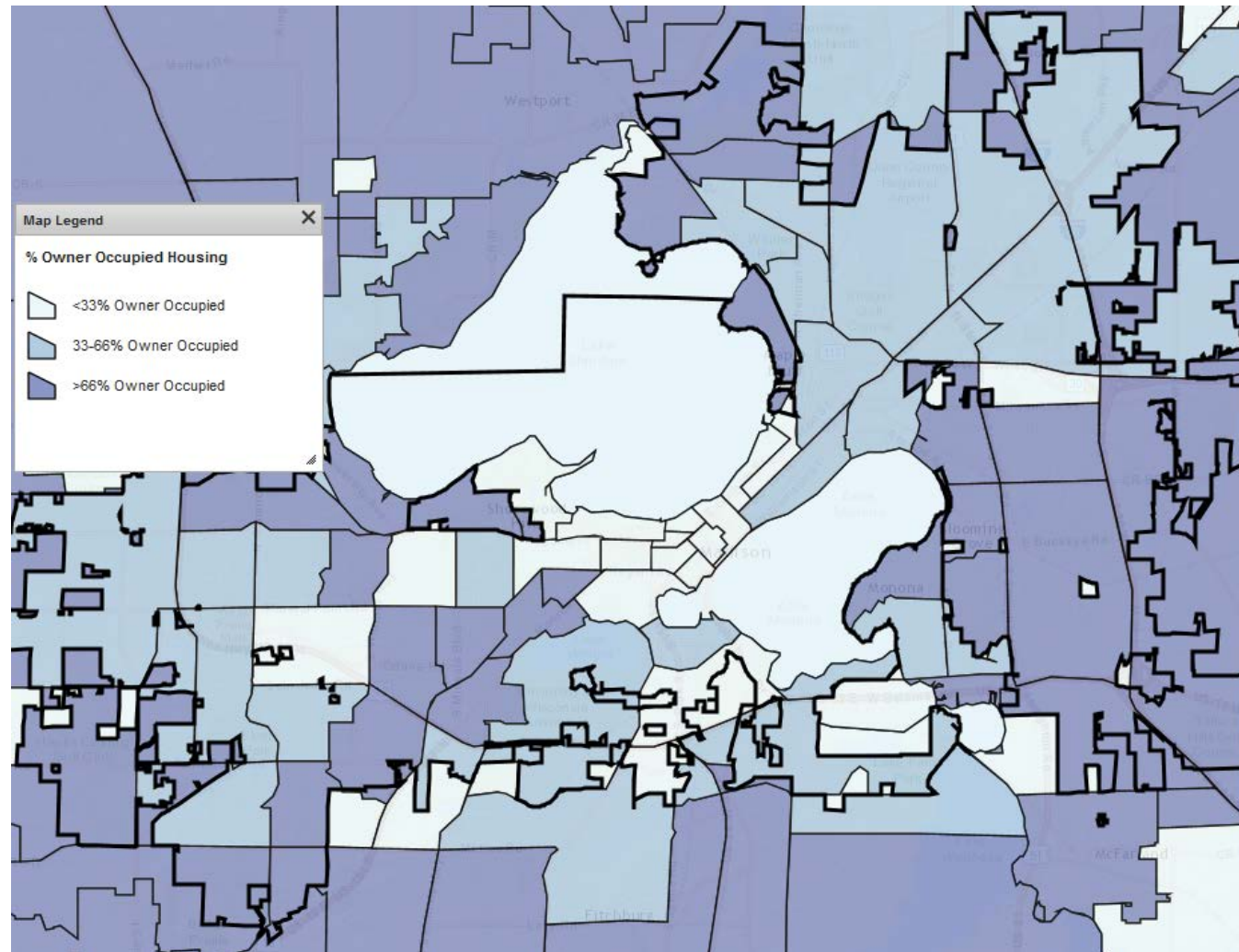


OWNERSHIP IS CONCENTRATED AT HIGHER INCOME RENTAL IS MORE EVENLY DISTRIBUTED

Own vs Rent by Income



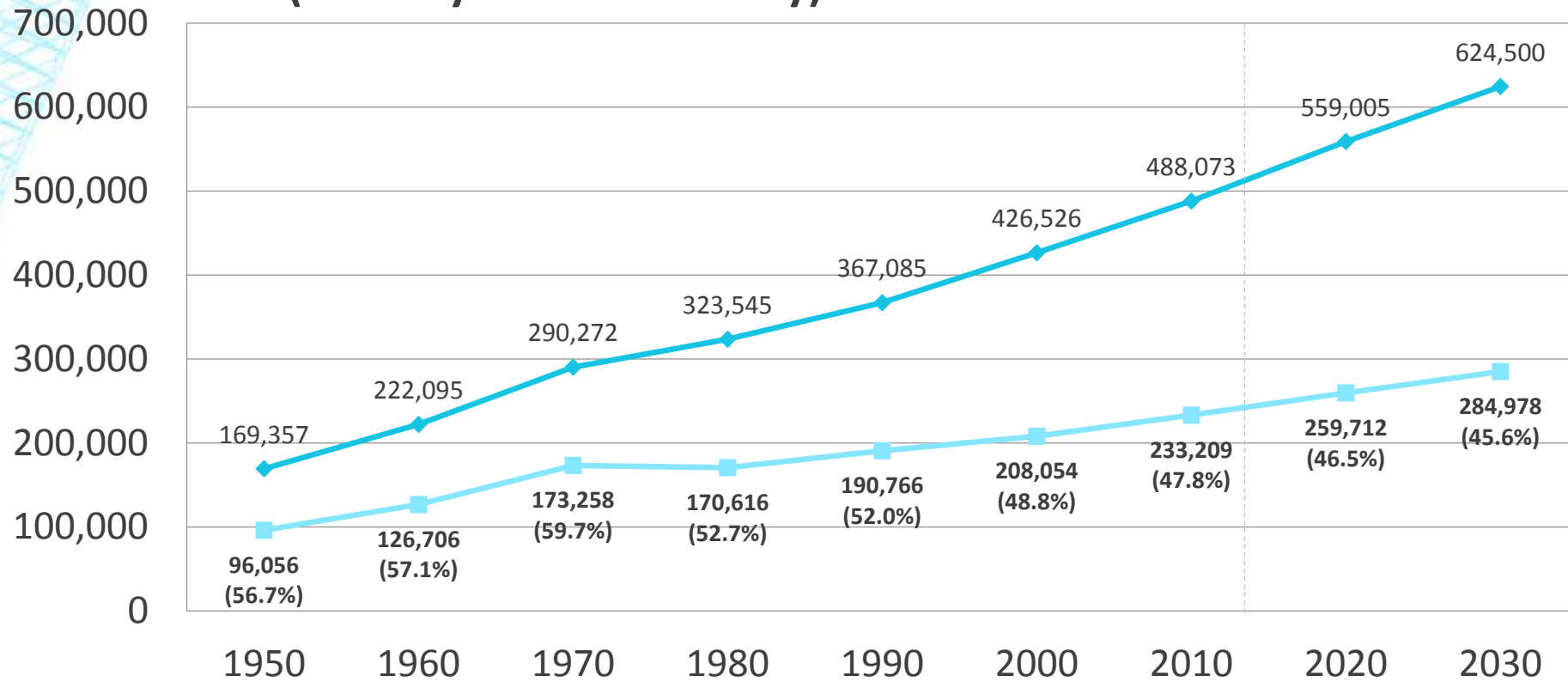
RENTAL IS CONCENTRATED DOWNTOWN AND ON THE SOUTH SIDE



POPULATION GROWS STEADILY

**Population by Decade
(and City Share of County)**

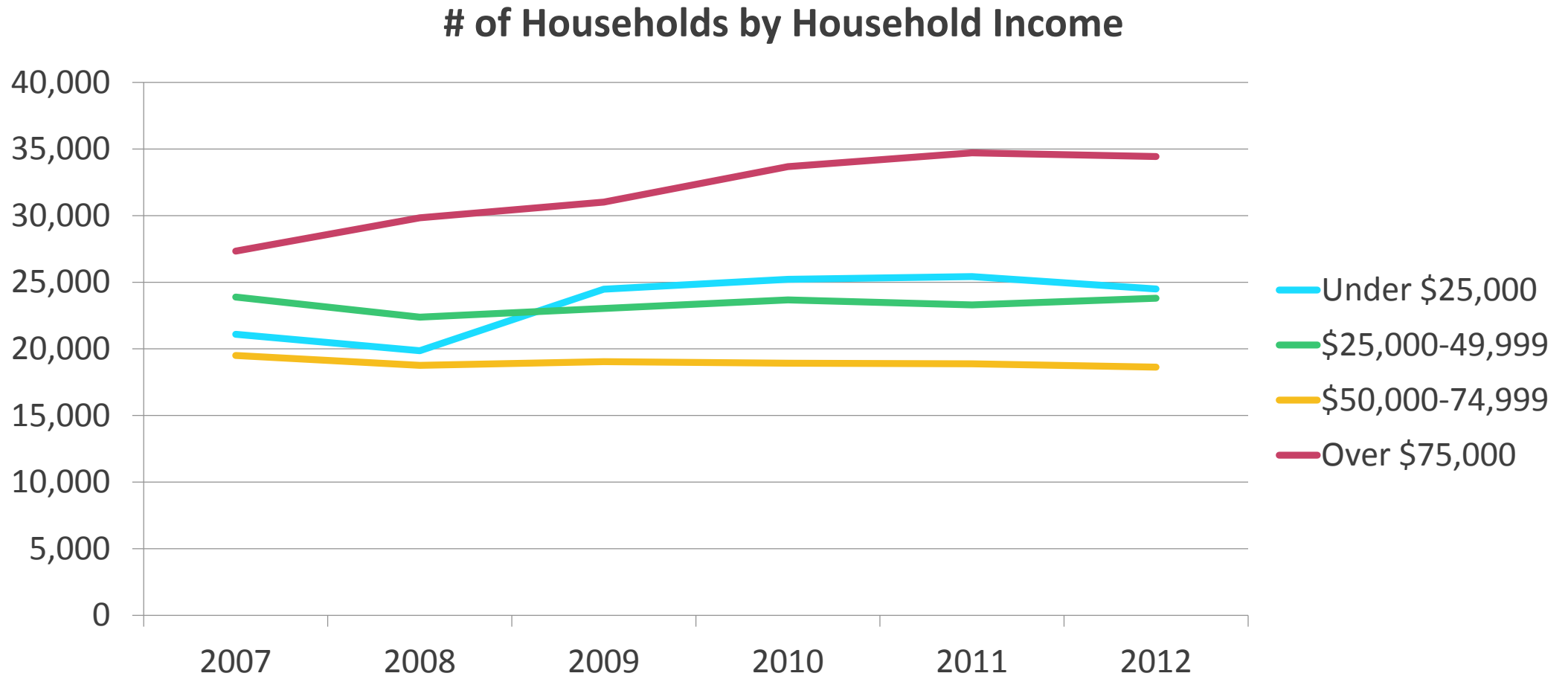
◆ Dane County
■ City of Madison (% of County)



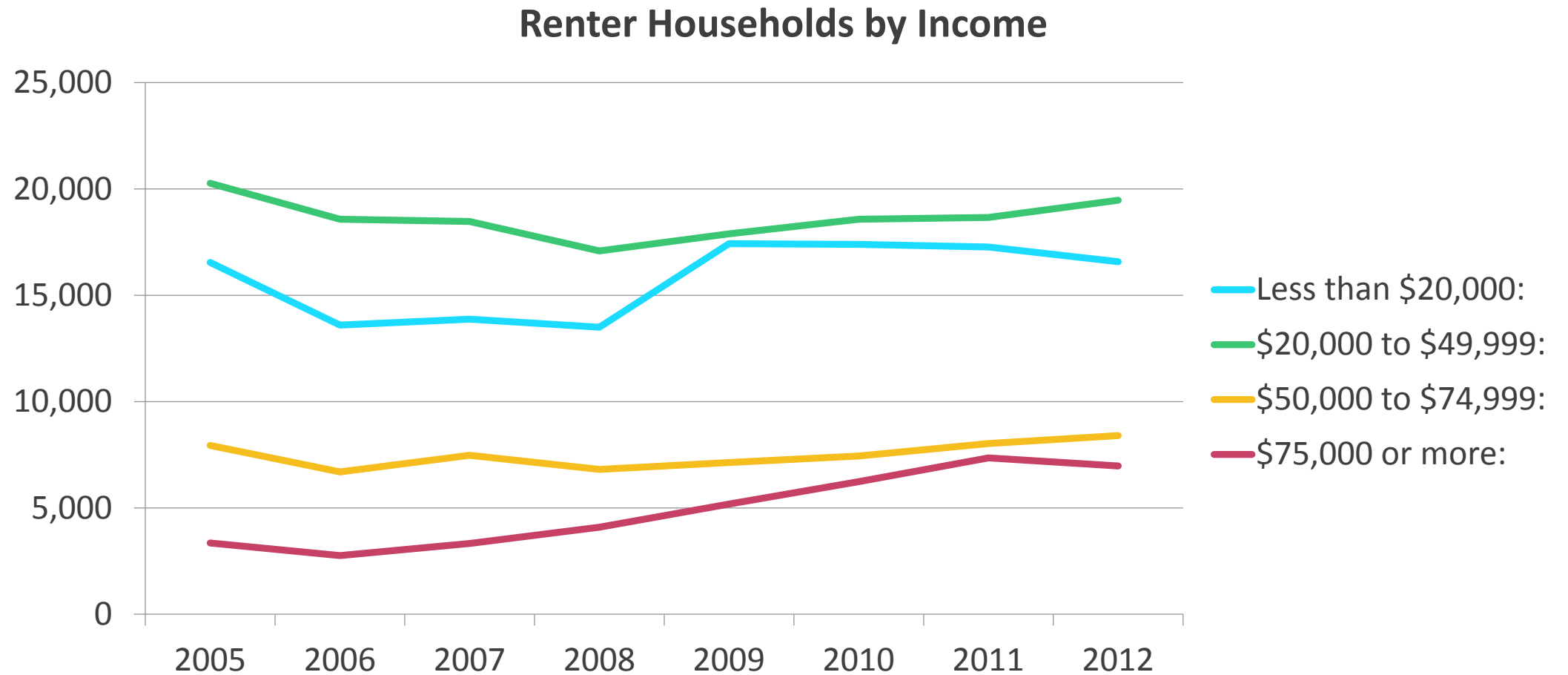
Madison added over 10,000 households between 2007 and 2012

9 out of 10 became renters

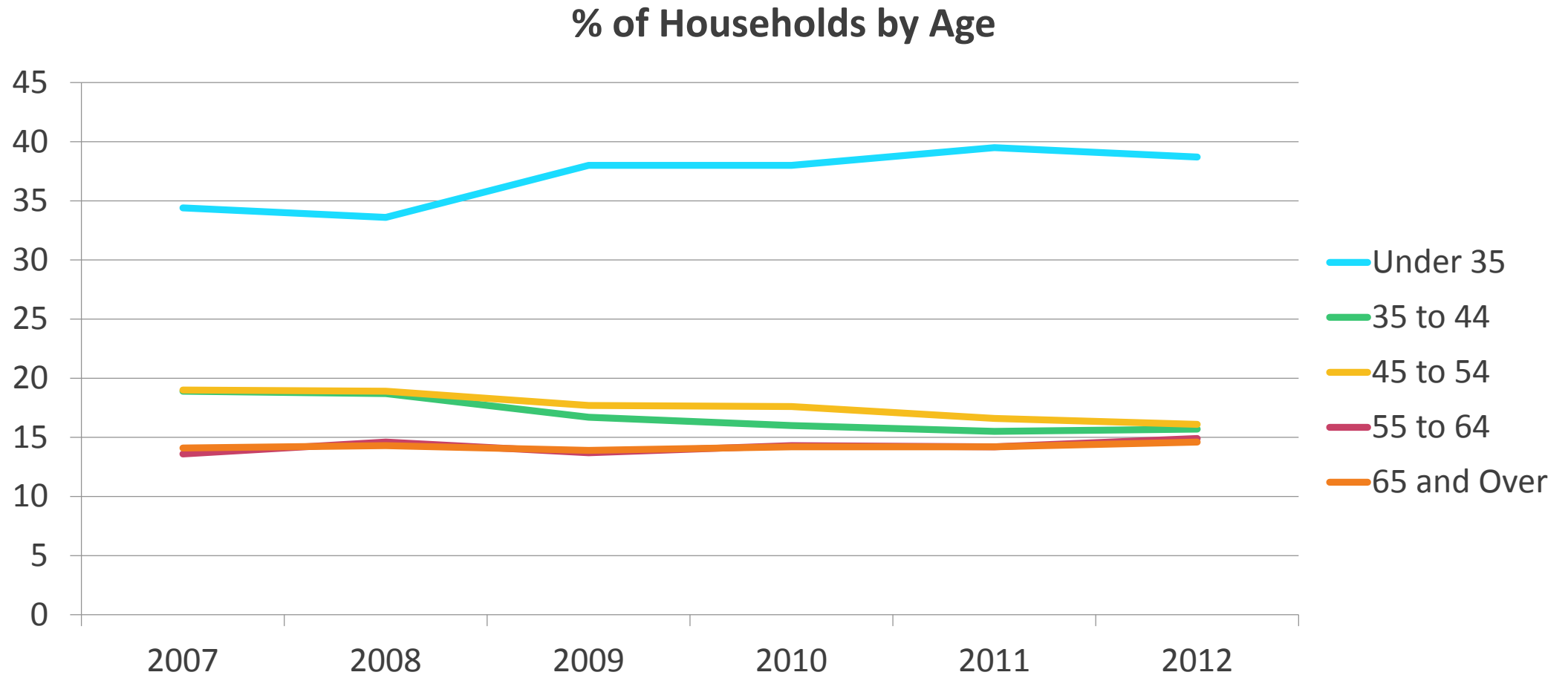
GROWTH COMES FROM THE TOP AND BOTTOM OF THE INCOME SCALE



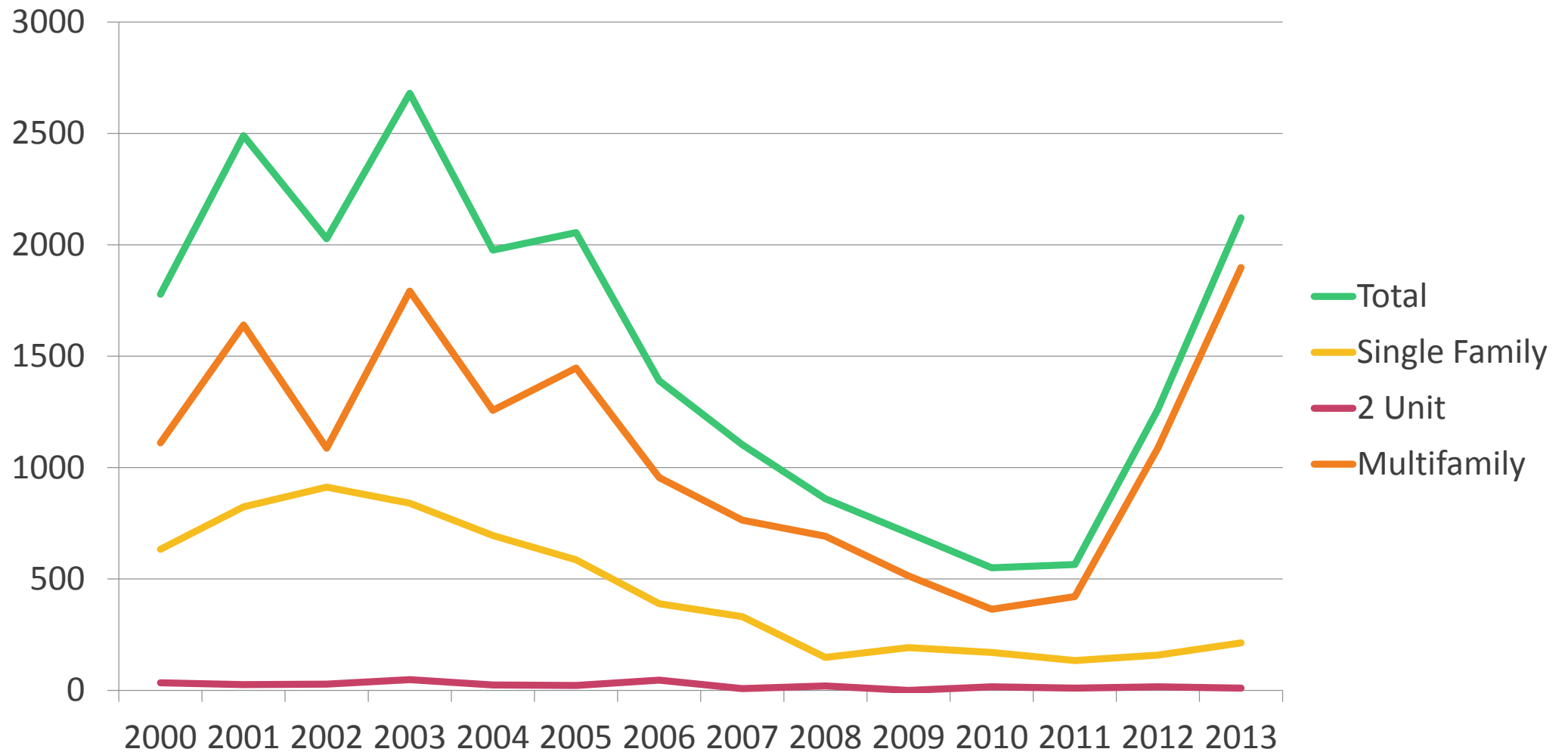
NEW RENTERS COME FROM ALL INCOMES



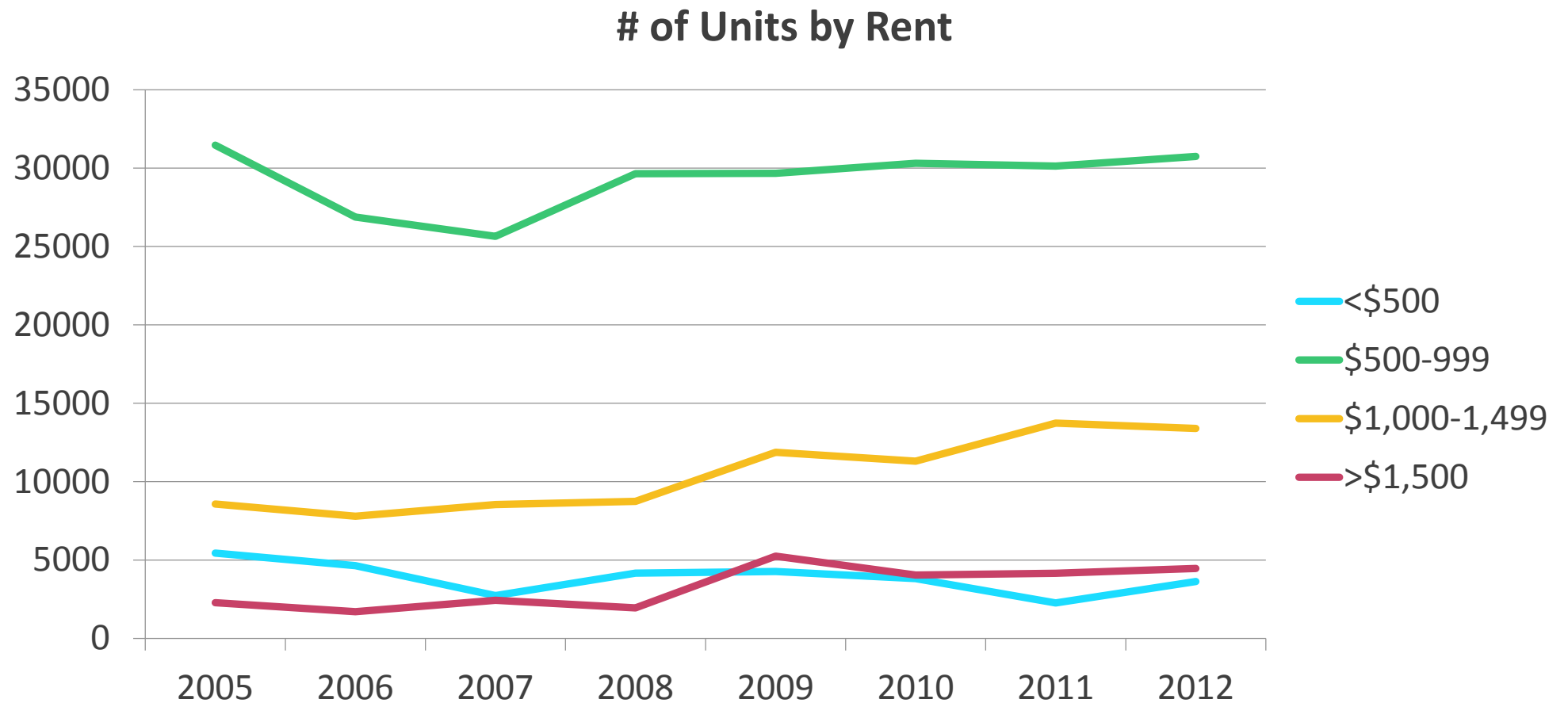
GROWTH COMES FROM YOUNGER HOUSEHOLDS



CONSTRUCTION DID NOT KEEP UP WITH HOUSEHOLD GROWTH 2007-2012



SUPPLY INCREASES HAVE BEEN CONCENTRATED ON MIDDLE TO HIGH END

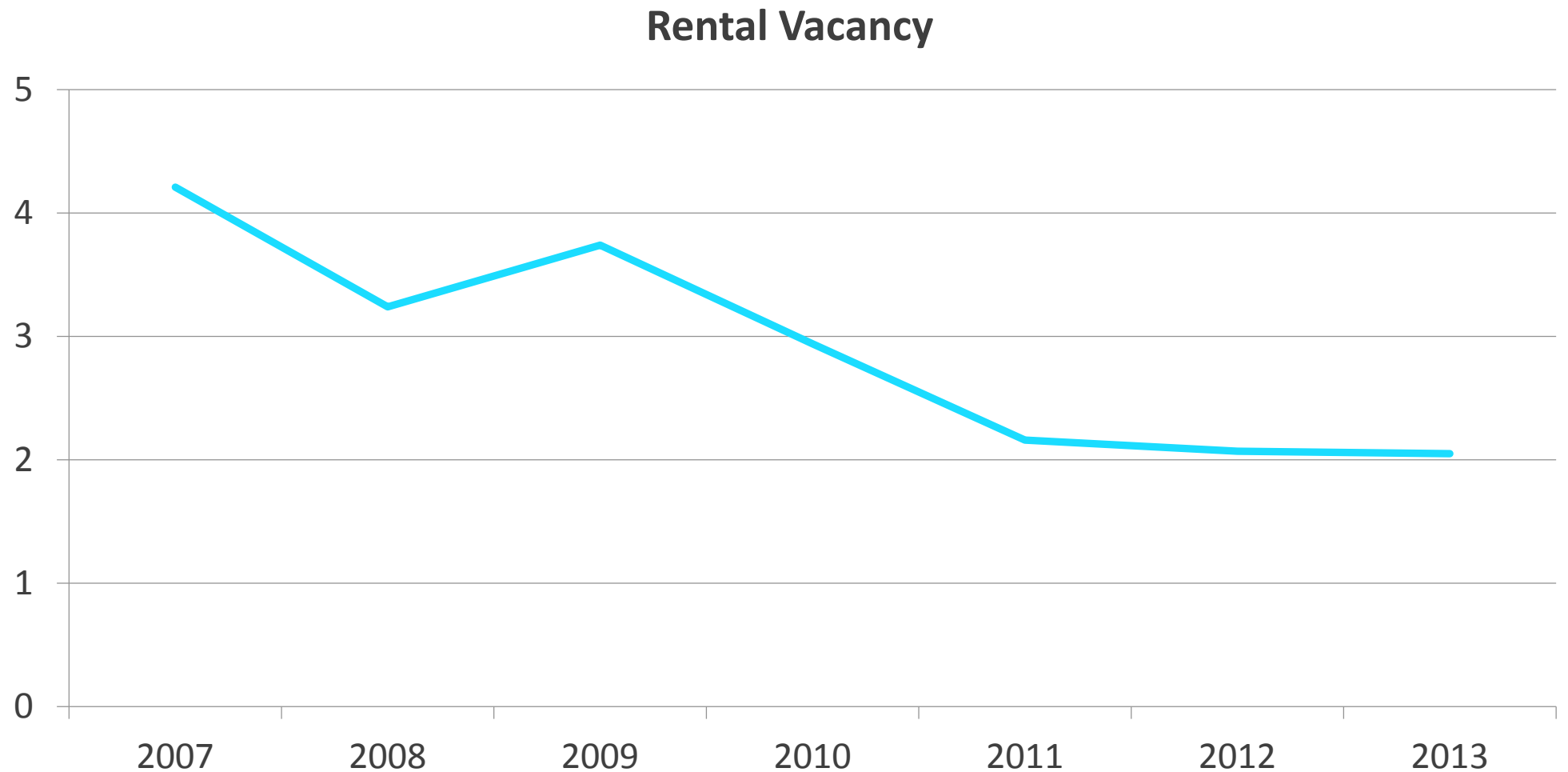




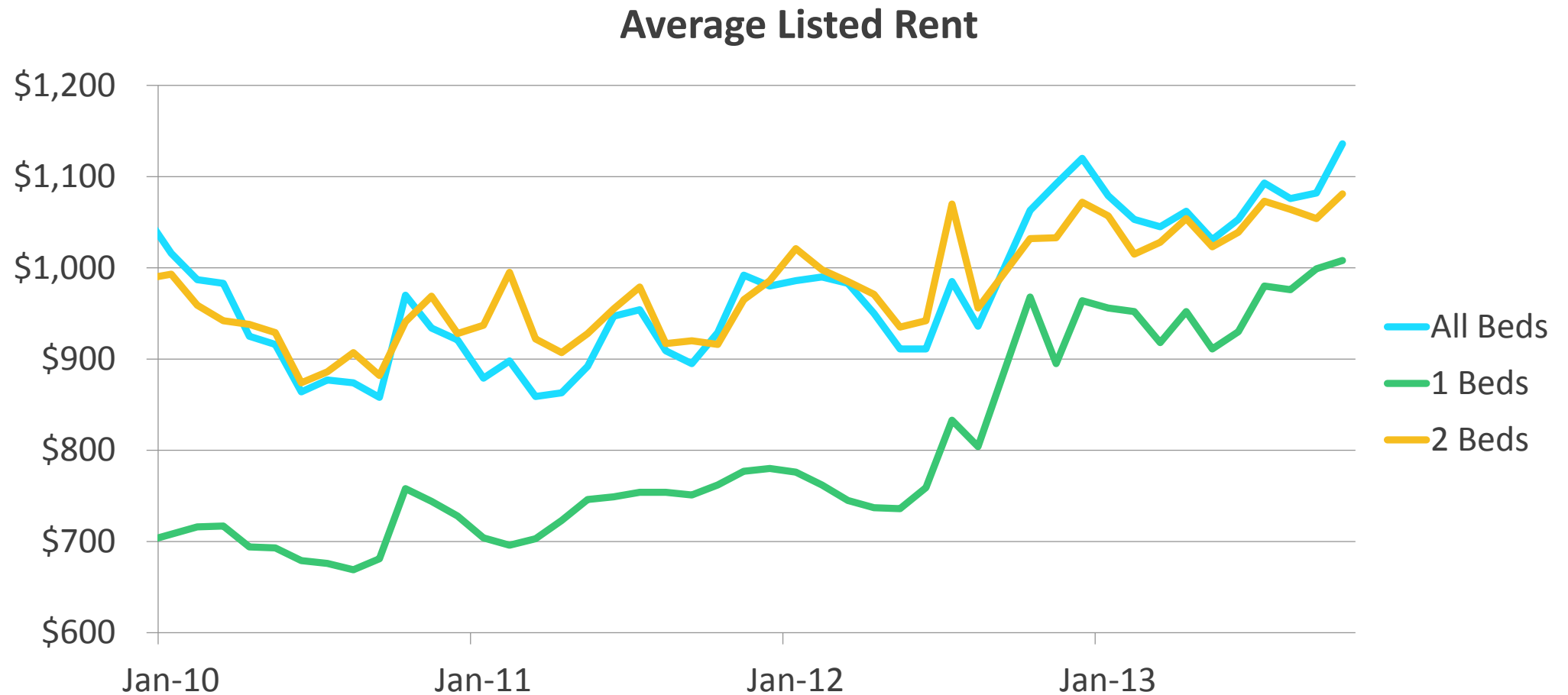
A LOT OF SUPPLY HAS YET TO COME ONLINE

- 2013 Projects
 - Projects Complete: 647 residential units
 - Under Construction: 814 residential units
 - Approved: 1287 residential units
 - Major Pipeline Projects: 899 residential units
 - TOTALS: 3,647 residential units

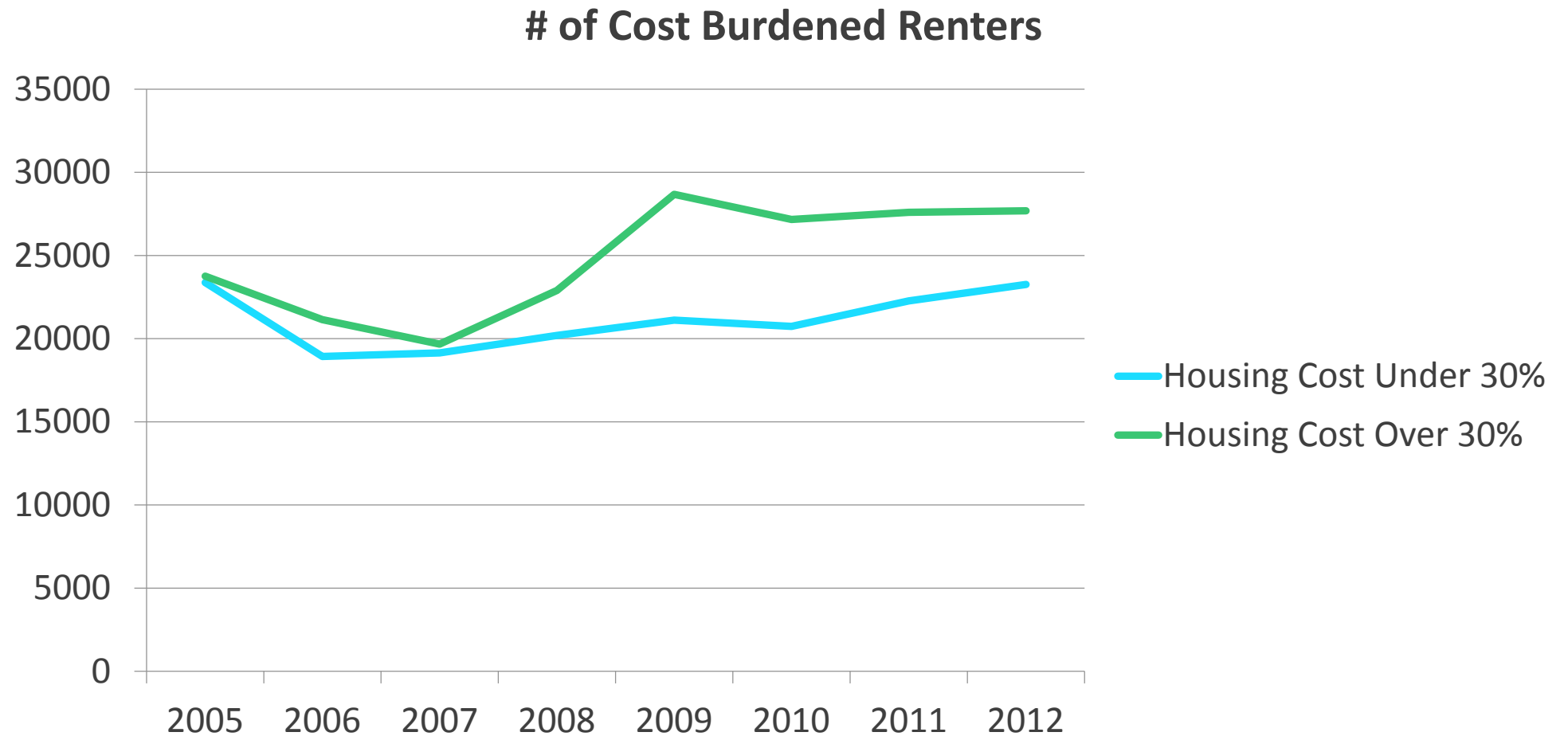
HOUSEHOLD GROWTH + LOW CONSTRUCTION = LOW VACANCY



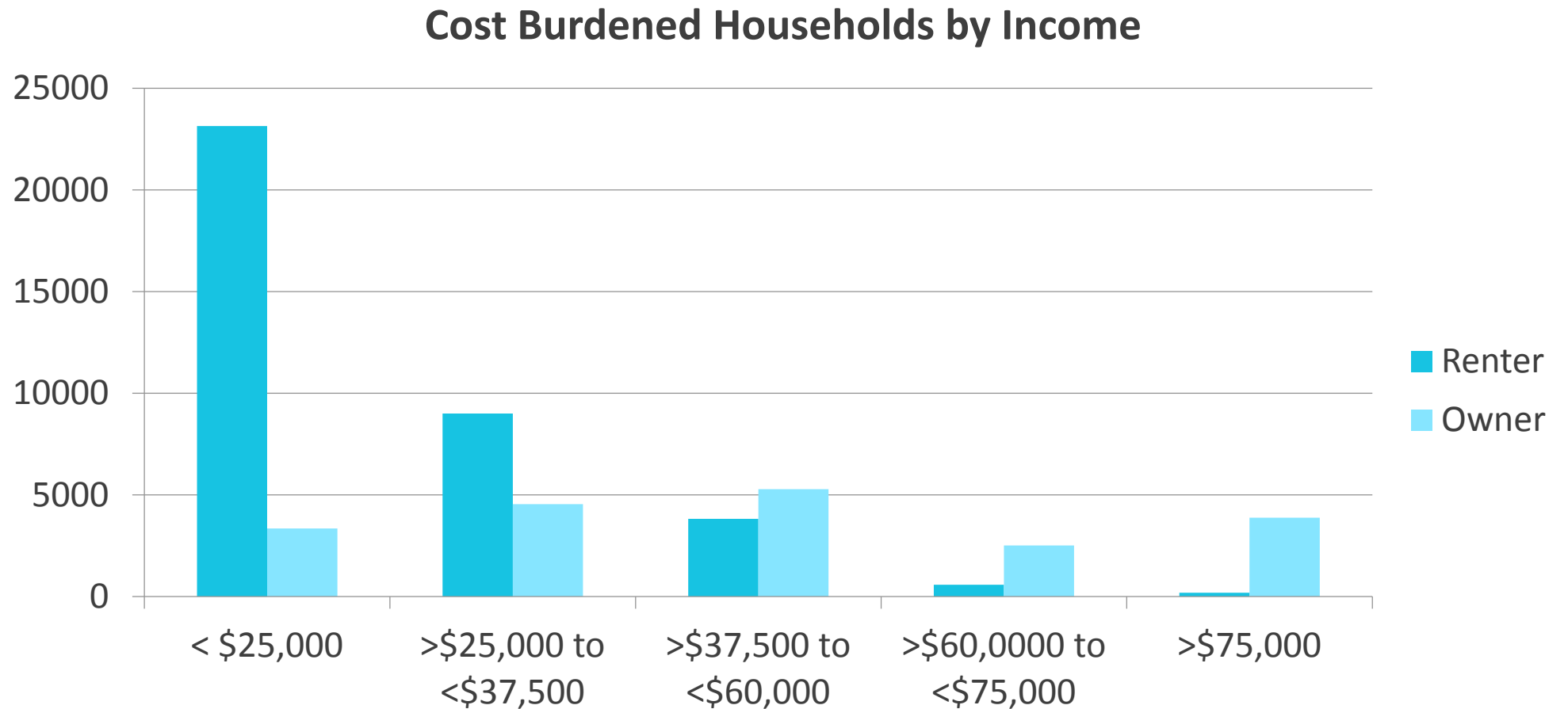
LOW VACANCY + HIGHER INCOME RENTERS = HIGHER RENTS



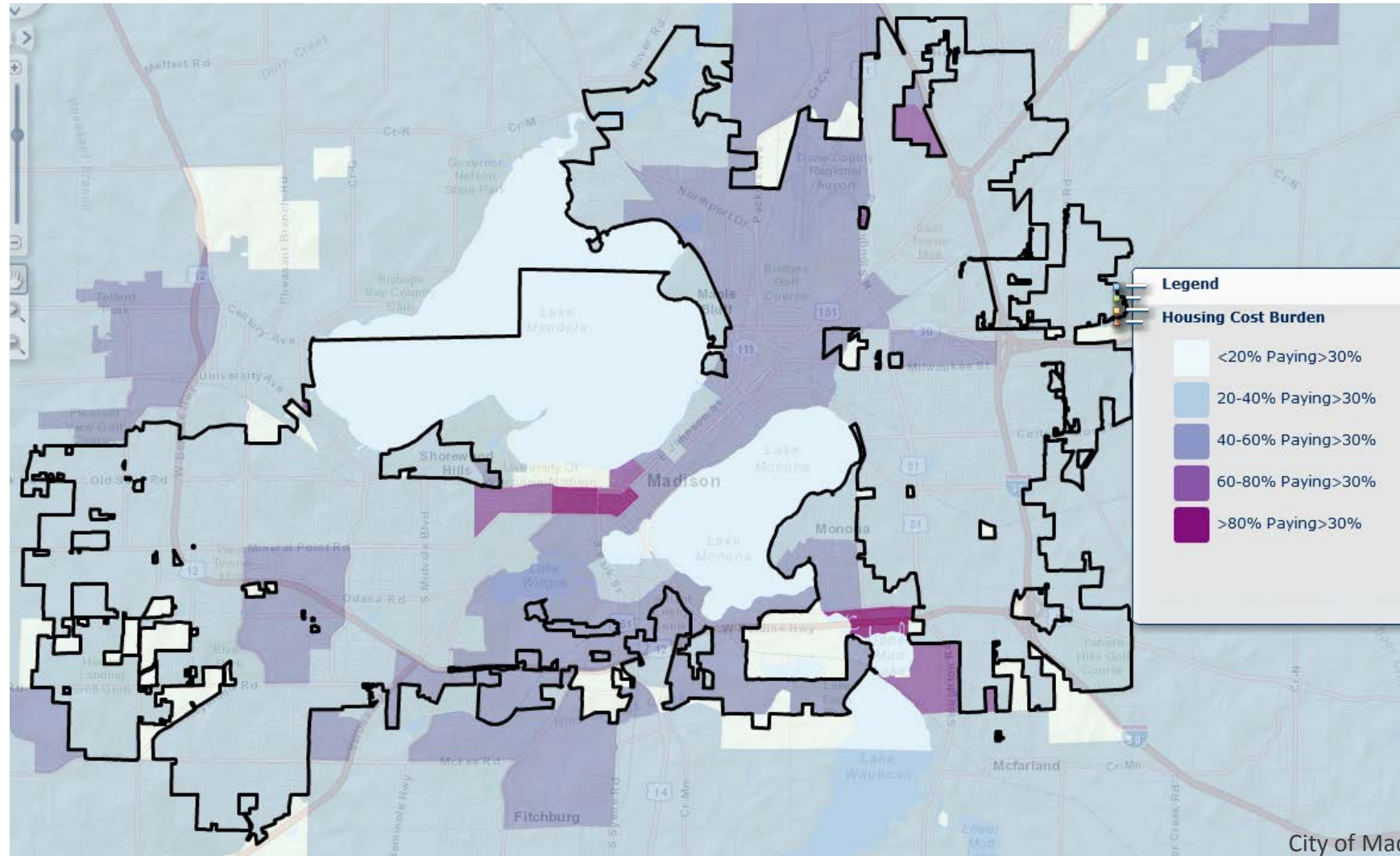
RISING COST BURDEN AMONG RENTERS



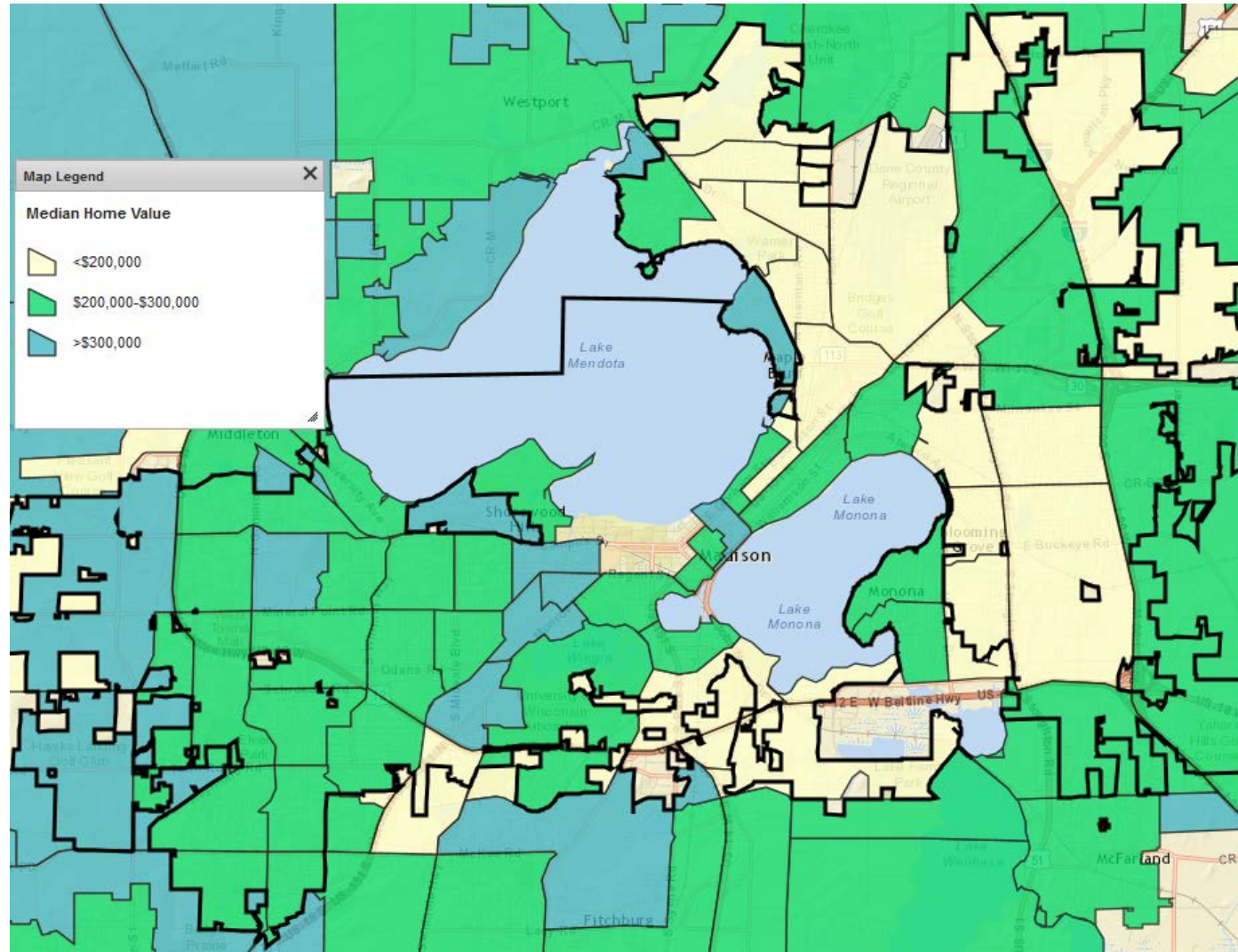
COST BURDEN IS CONCENTRATED IN LOW INCOME AND RENTER HOUSEHOLDS



HOUSING COST BURDEN IS CONCENTRATED ON THE NORTH AND SOUTH SIDES

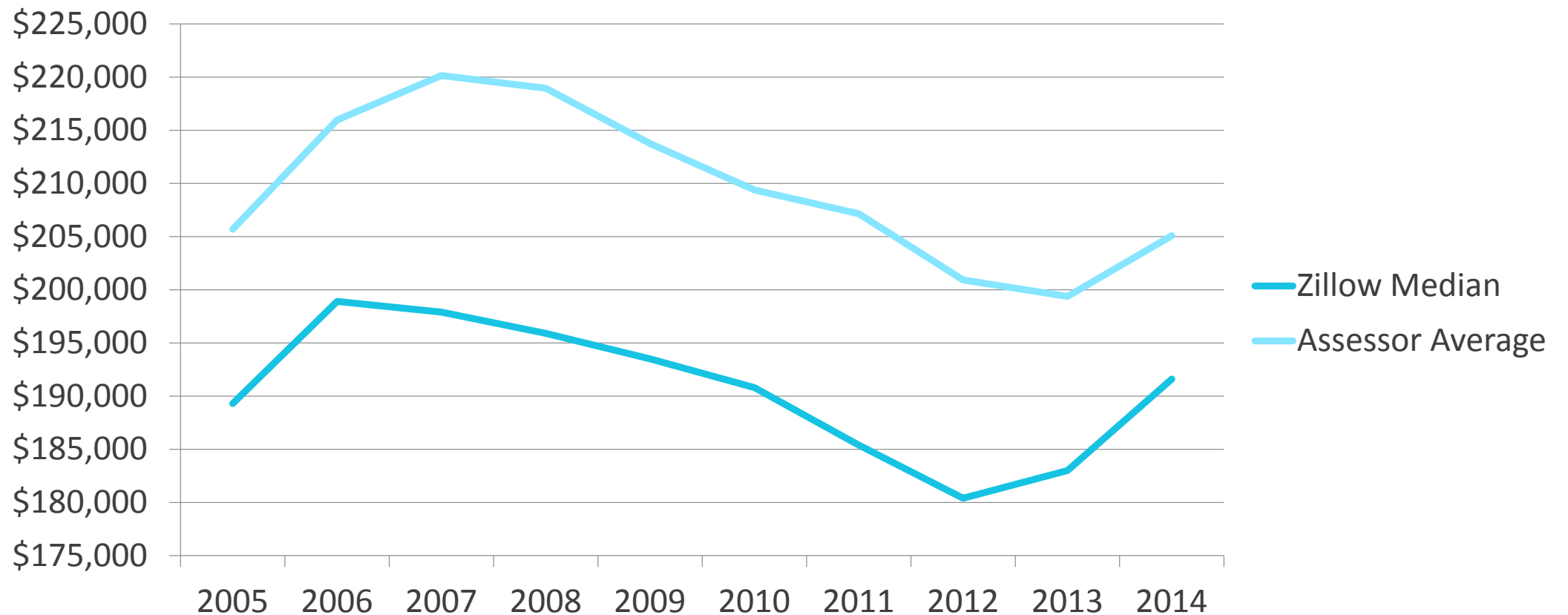


MADISON HAS AFFORDABLE OWNERSHIP OPTIONS



HOUSE VALUES HAVE STARTED TO RETURN

Madison House Values

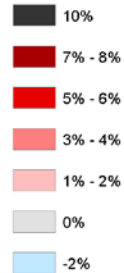


ASSESSMENTS ARE UP ACROSS THE CITY

CITY OF MADISON
Single Family Area Assessment Trends

AREA	TREND	AREA	TREND	AREA	TREND	AREA	TREND	AREA	TREND	AREA	TREND
1	0%	20	4%	39	4%	58	4%	77	5%	96	3%
2	3%	21	5%	40	3%	59	0%	78	0%	97	0%
3	0%	22	0%	41	2%	60	6%	79	0%	98	3%
4	2%	23	6%	42	0%	61	6%	80	1%	99	0%
5	2%	24	6%	43	0%	62	4%	81	0%	100	4%
6	0%	25	6%	44	0%	63	4%	82	0%	101	2%
7	5%	26	4%	45	0%	64	3%	83	0%	102	2%
8	7%	27	4%	46	3%	65	10%	84	3%	103	0%
9	0%	28	4%	47	0%	66	0%	85	5%	104	0%
10	0%	29	0%	48	2%	67	0%	86	3%	105	4%
11	2%	30	3%	49	0%	68	6%	87	1%	106	0%
12	2%	31	0%	50	0%	69	6%	88	0%	107	0%
13	5%	32	8%	51	4%	70	2%	89	4%	108	3%
14	3%	33	3%	52	0%	71	3%	90	7%	109	5%
15	4%	34	0%	53	4%	72	4%	91	3%	110	3%
16	4%	35	2%	54	2%	73	2%	92	3%	111	0%
17	4%	36	0%	55	0%	74	5%	93	3%	112	3%
18	4%	37	3%	56	2%	75	0%	94	0%	113	6%
19	4%	38	4%	57	4%	76	-2%	95	4%	114	0%

Single Family Areas
Trend Average



City of Madison
2014

Office of the City Assessor
April 2014

OWNERSHIP HAS BECOME MORE AFFORDABLE

	Average Home Value	Interest Rate	Monthly Mortgage Payment	Monthly Property Tax	Total Monthly PIT
2007	\$220,150	6.25%	\$1085	\$365	\$1,450
2012	\$201,000	4.00%	\$770	\$400	\$1,170
2014	\$205,100	4.25%	\$810	\$415	\$1,225

PIT on an average house dropped almost 20% in 5 years



CONCLUSIONS

- Overall the housing market is improving
 - But not for low-income renters
- Supply hasn't yet caught up to demand as shown by the vacancy rate
- There is a large persistent gap in rental units that are affordable to low income households
- The housing market is tipping towards multifamily rental at all income levels
- Something besides price is holding back homeownership