Residential Market Analysis
-- Strategy Planning Guidelines --
Jefferson County, Wisconsin

Prepared on behalf of:

Jefferson County
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INTRODUCTION

At the request of ThriveED, and on behalf of Jefferson County, Wisconsin, Tracy Cross & Associates, Inc. evaluated the market potential for residential development throughout Jefferson County and its constituent municipalities Specifically focusing upon new construction housing opportunities, this analysis establishes the following:

- ❑ Conclusions regarding the depth of the market for new housing development throughout Jefferson County based upon pertinent economic, demographic, and residential trends which define the marketplace.

- ❑ Conclusions regarding highest-and-best residential uses within the county over the next 5+ years. These conclusions are based upon factors associated with location, depth of 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 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. 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 or sales. Please note that these recommendations focus on all segments of the conventional housing market ranging from younger (entry level) profiles to active adult (55+) households.

- ❑ Action items necessary for implementing the recommendations.

WORK PLAN

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

- ❑ A thorough investigation of Jefferson County and surrounding areas to identify factors expected to impact residential potentials going forward.

- ❑ A detailed analysis of all relevant employment, demographic, and residential trends/statistics including a comprehensive evaluation of key socio-economic and income variables of area households.

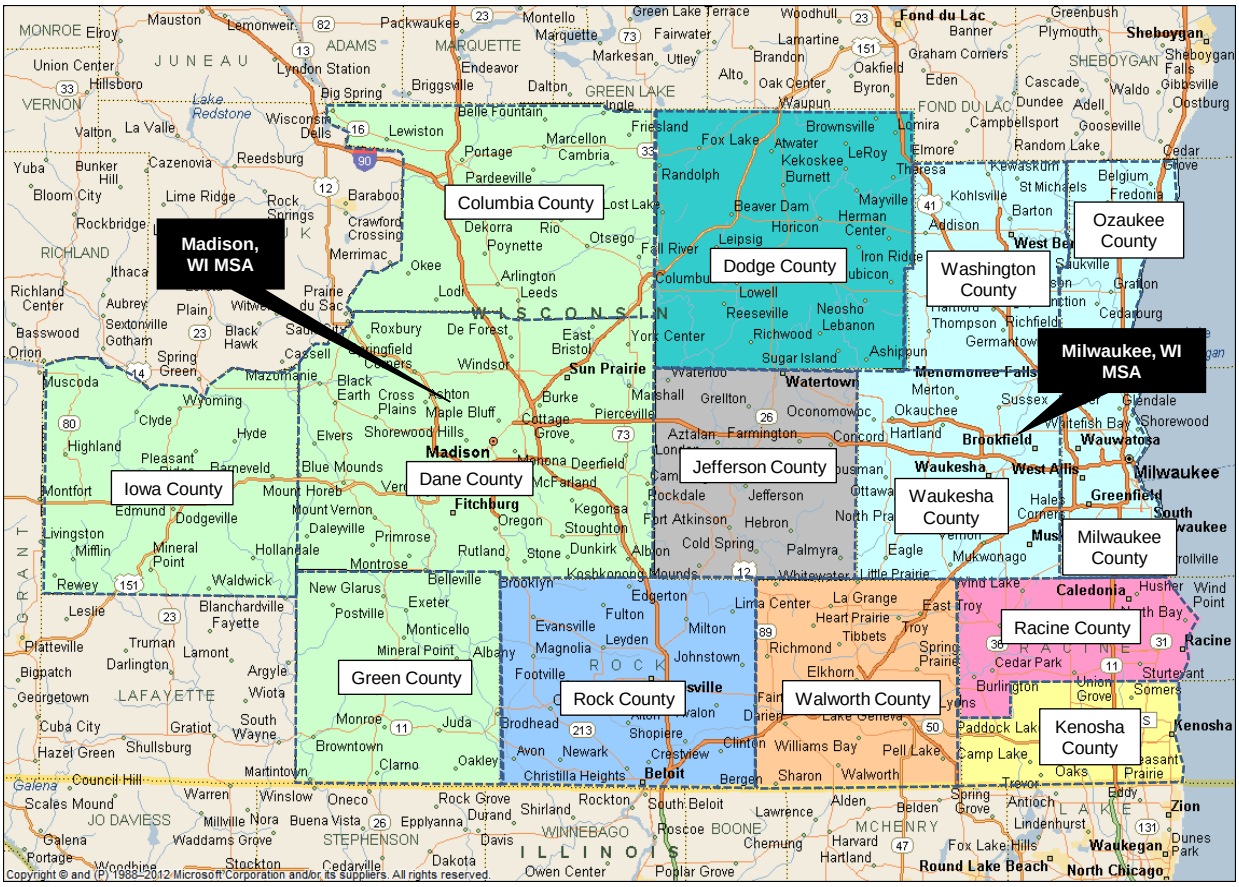
- ❑ A thorough assessment of both the rental apartment and for sale/ownership sectors of the Jefferson County housing market (and adjoining areas as applicable).

- ❑ A demand forecast for residential development in Jefferson County over the next 5+ years.

JEFFERSON COUNTY, WISCONSIN

Jefferson County is situated in southeastern Wisconsin, strategically positioned between the four-county Milwaukee, WI Metropolitan Statistical Area (MSA) and the four-county Madison, WI MSA. It is also proximate to Dodge County to the north; Rock County to the southwest; and Walworth County to the southeast.

GEOGRAPHIC DELINEATION OF JEFFERSON COUNTY AND SURROUNDING AREAS



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

According to estimates by Environics Analytics through its review of Census data and the Census Bureau's American Community Surveys, Jefferson County currently supports an overall population base of 85,848 persons distributed among 34,129 households. Among 70+ counties located in the state of Wisconsin, Jefferson County ranks 20th as it relates to total population in 2025.

Note: the 34,129 households currently represented in Jefferson County are distributed between 24,328 homeowners (71.3 percent) and 9,801 renters (28.7 percent).

The principal municipalities within the county with population bases of 1,000+ include Fort Atkinson, Jefferson, Lake Mills, Waterloo, Johnson Creek, Ixonia and Palmyra, along with portions of Cambridge, Watertown and Whitewater, which straddle county lines. These communities each maintain quaint, yet vibrant downtown areas with shops, services, eateries, night spots, civic venues and concentrations of employment, which feather out into more suburban-type areas. Moreover, *all carry ample developable land for future housing initiatives.*

HOUSING POTENTIALS

Based upon a detailed analysis of those residential and demand-related variables expected to influence the introduction of new housing throughout Jefferson County over the next several years, coupled with a close examination of relevant economic, demographic and socio-economic trends/statistics, it is clear that *significant opportunities exist* for properly positioned products, both rental and for sale. This *favorable* conclusion is supported by the following key factors, which lay the foundation for the recommendations that follow:

- First and foremost, current conditions in the residential marketplace lend full support the demand/need for *new* residential development, ***primary because of the lack (or limited amount) of properly positioned supply and its impact on the market.*** For example, in the rental housing sector, just seven (7) apartment communities *of a reasonable scale* were constructed in the entire county during the 2011-2024 period, yet almost 10,000 renter households are represented countywide. As such, current renters in Jefferson County have very limited new product to choose from. This condition is exacerbated by the fact that four (4) of the seven developments (i.e., one in Cambridge, one in Watertown and two in Whitewater) technically fall outside the boundaries of the county yet still serve Jefferson County residents. As highlighted below, these seven communities, which contain 426 total units, are reporting a collective vacancy rate of 1.6 percent, which reflects a *tight and undersupplied* rental housing market. For reference, in a normal (or balanced) market, vacancies of 5.0 to 6.0 percent are typically required for filtering, or movement between developments.

APARTMENT COMMUNITIES OF REASONABLE SCALE CONSTRUCTED IN 2011 OR LATER
JEFFERSON COUNTY, WISCONSIN: 1ST QUARTER 2025

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							$	$/Sq. Ft.
The Vineyards at Cambridge[1]	Cambridge	2018	70	0	0.0	835	$1,326	$1.59
Rock Creek	Lake Mills	2019	144	3	2.1	929	1,498	1.61
Summer Ridge	Lake Mills	2023	56	2	3.6	1,035	1,761	1.70
Audubon Landing	Watertown	2021	36	0	0.0	1,088	1,334	1.23
Watertown Park[1]	Watertown	2016	72	0	0.0	1,088	1,228	1.13
Lakeside-TH[1]	Whitewater	2014	28	1	3.6	1,670	2,035	1.22
Parkside-SF[1]	Whitewater	2011	20	1	5.0	1,530	2,135	1.40
Total/Weighted Avg.	*---*	*---*	***426***	***7***	***1.6***	***1,045***	***$1,510***	***$1.45***

[1] Located just outside Jefferson County

Source: Tracy Cross & Associates, Inc.

- Prior to 2011 (between 2000 and 2010), just six (6) other apartment communities of relative scale with 488 total units were introduced in Jefferson County, several of which, again, fall just over the county line. As highlighted in the following text table, vacancies among this group are *even tighter* at 0.6 percent.

APARTMENT COMMUNITIES OF REASONABLE SCALE CONSTRUCTED BETWEEN 2000 AND 2010
JEFFERSON COUNTY, WISCONSIN: 1ST QUARTER 2025

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							$	$/Sq. Ft.
Pond View	Lake Mills	2004	60	0	0.0	1,175	$1,575	$1.34
Audubon Park/Audubon East	Watertown	2000	216	1	0.5	977	1,042	1.07
Bluff Ridge[1]	Whitewater	2005	120	1	0.8	1,060	1,491	1.41
Springbrook[1]	Whitewater	2009	44	1	2.3	800	1,363	1.70
Water's Edge[1]	Whitewater	2008	48	0	0.0	1,057	1,421	1.34
Total/Weighted Avg.	*---*	*---*	***488***	***3***	***0.6***	***1,014***	***$1,284***	***$1.27***

[1] Located just outside Jefferson County

Source: Tracy Cross & Associates, Inc.

- Given the overall limited amount of new rental housing development since 2000, our firm also conducted an audit of 16 older-stock developments countywide, i.e., developments of a reasonable scale built prior to 2000, primarily between 1980 and 1999. Among this group, a vacancy rate of only 0.4 percent was reported, or just three (3) vacant units out of 803 total apartments. Note: among the 16 older-stock apartment communities surveyed, 13 reported a 100 percent occupancy level with waiting lists. For a complete summary of vacancy conditions within the entire Jefferson County rental housing market, consult the adjacent text table:

CURRENT VACANCY CONDITIONS: THE RENTAL HOUSING SECTOR
JEFFERSON COUNTY, WISCONSIN: 1ST QUARTER 2025

Classification	Current Vacancy Rate
Apartment Communities Constructed 2011 - 2024 (Just 7 Projects Of Scale Totaling 426 Units)	***1.6***
Apartment Communities Constructed 2000 - 2010 (Just 5 Projects Of Scale Totaling 488 Units)	***0.6***
Apartment Communities Constructed Before 2000 (Sampling of 16 Projects Of Scale Totaling 803 Units)	***0.4***
All Surveyed Apartment Communities (28 Total Projects Of Scale Totaling 1,717 Units)	***1.0***

Source: Tracy Cross & Associates, Inc.

- As it relates to the ownership sector of the market, supply-side constraints are also apparent, especially for moderately priced mainstream product. Overall, new construction for sale development throughout Jefferson County is generally characterized by smaller- to modest-scale broker- or builder-represented communities reflecting conventional single family and, to a lesser degree, duplex/townhome/condominium subdivisions or scattered-lot developments. The communities that do exist are directed to both primary and lifestyle consumer segments which (in many cases) have been marketed in phases over extended periods of time (and most recently at higher price points). In other words, there are limited *sizable* developments actively marketing new units in “properly priced” proprietary communities throughout the county.

- In the entirety of Jefferson County, single family building permits which include single family detached homes as well as single-address townhomes, duplexes, and condominium/villa units, have averaged below 150 units annually over the last three years, despite such a broad geographic area. This lack of new construction for sale development activity is due, in large part, to the higher price points that now accompany many newly built for sale homes which, in turn, has resulted in more modest sales volumes. In fact, most individual subdivisions throughout the county are generating sales volumes of just 4-8 homes per year.

- Overall, new construction ***single family detached*** closing activity in Jefferson County has been stagnant during the last few years, a result of limited supply and higher prices. As highlighted in **Exhibit 1**, the number of new construction single family detached homes sold/closed annually in Jefferson County (through the local multiple listing service) ranged from just 45 to 60 between 2022 and 2024. Moreover, prices jumped from $381,970 to $421,867 during the same period.

  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. However, activity through the multiple listing service does represent "the majority."

- While the limited amount of new single family development (of scale) is keeping volumes in the more modest ranges, especially when demand is stronger, so, too, is the overall higher price position of the new construction homes being built. In fact, with the median price of a new single family closing (as recorded through the multiple listing service) standing at $421,867 during 2024, there is a disconnect with the distribution of household incomes, which is putting pressure on the existing home market, i.e. the resale sector. For example, the median closing price among new construction units in Jefferson County is nearly $100,000 higher than that of a resale counterpart. As a result, prices in the existing home market have also been increasing and the average "days on market" are *extremely low*. As highlighted in **Exhibit 2**, the average market time of an older-stock single family resale closing in 2024 period stood at just 22 days, down from an already-low 23 days in 2023 and 25 days in 2022. For reference, the typical marketing time for a resale home in the Midwest ranges from 72-90 days.

- In the ***duplex/condominium/townhome*** sector, a similar condition exists in Jefferson County relative to pricing differentials between new construction units and resales. As highlighted in **Exhibit 3**, there are typically just 10+/-new attached units being sold annually market-wide through the multiple listing service, again a modest volume because of limited supply in this sector, coupled with a price point that is now approaching $440,000 on average.

- The higher price position found in the new construction attached sector is, again, putting pressure on the existing home market as evidenced by duplex/condominium/townhome resale closings averaging just 19 days on market in 2024 down from 21 days in 2023 and 23 days in 2022. As highlighted in **Exhibit 4**, the difference in price between typical resale and new construction attached sector units now stands at more than $160,000.

- The limited amount of *new construction* housing product in the overall market, especially at mainstream price points, i.e., more in-line with typical "new versus resale" differentials, is also having an impact on inventory levels. For example, among all residential resales in the market (both detached and attached excluding new construction), inventory levels are low. For example,

1

NEW CONSTRUCTION SINGLE FAMILY CLOSINGS
JEFFERSON COUNTY, WISCONSIN
2022 - 2024

Price Range	2022		2023		2024	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under $250,000	1	1.7	---	---	---	---
250,000 - 299,999	1	1.7	1	2.2	---	---
300,000 - 349,999	12	20.0	9	20.0	10	19.6
350,000 - 399,999	25	41.6	15	33.4	5	9.8
400,000 - 449,999	18	30.0	11	24.5	24	47.1
450,000 - 499,999	2	3.3	5	11.1	9	17.6
500,000 - 549,999	1	1.7	1	2.2	2	3.9
550,000 - 599,999	---	---	1	2.2	1	2.0
600,000 - 649,999	---	---	1	2.2	---	---
650,000 - 699,999	---	---	---	---	---	---
700,000 - 749,999	---	---	---	---	---	---
750,000 & Above	---	---	1	2.2	---	---
Total	***60***	***100.0***	***45***	***100.0***	***51***	***100.0***
Median	***- - - - - $381,970 - - - - -***		***- - - - - $391,616 - - - - -***		***- - - - - $421,867 - - - - -***	
Average Days on Market	***- - - - - - - 39 - - - - - - -***		***- - - - - - - 38 - - - - - - -***		***- - - - - - - 36 - - - - - - -***	

Source: Wisconsin Real Estate Exchange (WIREX)

2

SINGLE FAMILY RESALE CLOSINGS
JEFFERSON COUNTY, WISCONSIN
2022 - 2024

Price Range	2022		2023		2024	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under $150,000	41	4.9	26	3.9	15	2.2
150,000 - 199,999	107	12.7	64	9.7	39	5.6
200,000 - 249,999	156	18.4	112	16.9	95	13.7
250,000 - 299,999	135	16.0	98	14.8	110	15.8
300,000 - 349,999	130	15.4	101	15.2	128	18.4
350,000 - 399,999	101	12.0	80	12.1	90	12.9
400,000 - 449,999	61	7.2	70	10.6	71	10.2
450,000 - 499,999	37	4.4	34	5.2	58	8.3
500,000 - 549,999	18	2.1	22	3.3	21	3.0
550,000 - 599,999	13	1.5	15	2.3	15	2.2
600,000 - 649,999	12	1.4	11	1.3	10	1.5
650,000 - 699,999	9	1.1	7	1.1	14	2.0
700,000 - 749,999	6	0.7	4	0.6	5	0.7
750,000 & Above	19	2.2	20	3.0	24	3.5
Total	***845***	***100.0***	***664***	***100.0***	***695***	***100.0***
Median	***- - - - - $293,749 - - - - -***		***- - - - - $315,460 - - - - -***		***- - - - - $334,510 - - - - -***	
Average Days on Market	***- - - - - - - 25 - - - - - - -***		***- - - - - - - 23 - - - - - - -***		***- - - - - - - 22 - - - - - - -***	

Source: Wisconsin Real Estate Exchange (WIREX)

3

NEW CONSTRUCTION CONDOMINIUM/FOURPLEX/DUPLEX/TOWNHOME/VILLA CLOSINGS
JEFFERSON COUNTY, WISCONSIN
2022 - 2024

Price Range	2022		2023		2024	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under $300,000	1	8.3	---	---	1	9.1
300,000 - 349,999	1	8.3	1	14.3	1	9.1
350,000 - 399,999	5	41.7	1	14.3	2	18.2
400,000 - 449,999	5	41.7	2	28.6	3	17.1
450,000 - 499,999	---	---	3	42.8	4	36.4
500,000 - 549,999	---	---	---	---	---	---
550,000 - 599,999	---	---	---	---	---	---
600,000 - 699,999	---	---	---	---	---	---
700,000 - 799,999	---	---	---	---	---	---
800,000 - 899,999	---	---	---	---	---	---
900,000 - 999,999	---	---	---	---	---	---
1,000,000 & Above	---	---	---	---	---	---
Total	***12***	***100.0***	***7***	***100.0***	***11***	***100.0***
Median	***- - - - - $390,047 - - - - -***		***- - - - - $437,412 - - - - -***		***- - - - - $439,765 - - - - -***	
Average Days on Market	***- - - - - - - 136 - - - - - - -***		***- - - - - - - 295 - - - - - - -***		***- - - - - - - 285 - - - - - - -***	

Source: Wisconsin Real Estate Exchange (WIREX)

CONDOMINIUM/FOURPLEX/DUPLEX/TOWNHOME/VILLA RESALE CLOSINGS
JEFFERSON COUNTY, WISCONSIN
2022 - 2024

Price Range	2022		2023		2024	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under $150,000	1	2.4	---	---	1	1.6
150,000 - 199,999	15	36.6	12	25.0	9	14.0
200,000 - 249,999	7	17.1	14	29.2	14	21.9
250,000 - 299,999	6	14.7	8	16.7	15	23.4
300,000 - 349,999	7	17.1	10	20.8	12	18.8
350,000 - 399,999	2	4.9	1	2.1	5	7.8
400,000 - 449,999	1	2.4	1	2.1	3	4.7
450,000 - 499,999	1	2.4	1	2.1	2	3.1
500,000 & Above	1	2.4	1	2.1	3	4.7
Total	***41***	***100.0***	***48***	***100.0***	***64***	***100.0***
Median	***- - - - - $232,163 - - - - -***		***- - - - - $242,807 - - - - -***		***- - - - - $276,708 - - - - -***	
Average Days on Market	***- - - - - - - 23 - - - - - - -***		***- - - - - - - 21 - - - - - - -***		***- - - - - - - 19 - - - - - - -***	

Source: Wisconsin Real Estate Exchange (WIREX)

with only 120 single family listings reported at the close of the 1st Quarter 2025, and with single family resale closing activity totaling 845 units in 2024, resale inventory levels in Jefferson County stand at just 1.70 months, which falls below the typical three- to four-month inventory period that exists in more normal, or balanced, existing home markets. Inventory levels in the attached sector are also imbalanced as highlighted in **Exhibit 5**.

- While overall population and household levels throughout Jefferson County could be expanding mor rapidly if housing supply was more readily available, growth in the county remains positive, which, too, bodes well for future housing initiatives. For example, during the past 15 years, the number of households has moved from a level of 32,117 in 2010 to a current (2025) base of 34,129. This translates to 2,102 new households during the period.

POPULATION AND HOUSEHOLD TRENDS
JEFFERSON COUNTY, WISCONSIN

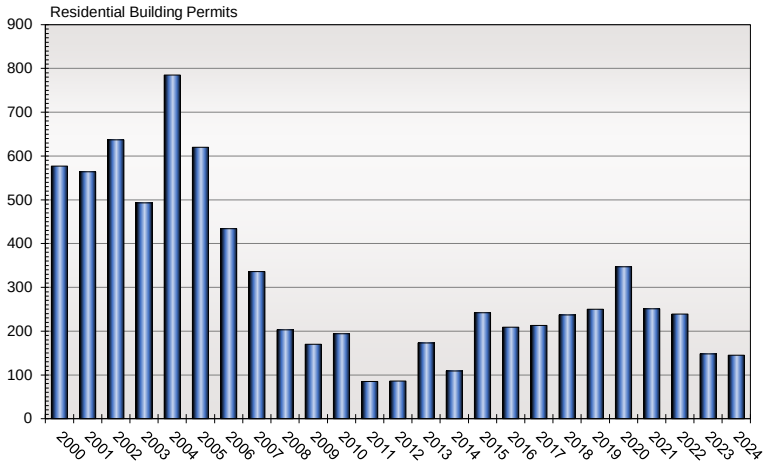
Area	2010	2020	2025 (Estimate)	Total Change (2010-2025)
Population				
Jefferson County	83,687	84,900	85,848	+2,161
Households				
Jefferson County	32,117	33,844	34,129	+2,012

Source: U.S. Census Bureau, Environics Analytics; *2025 Demo Snapshot* and Tracy Cross & Associates, Inc.

- According to estimates by Environics Analytics, Jefferson County is expected to add *a minimum of 212 new households* annually over the next five years, with the total households in the county exceeding 35,000 by 2030.

- Residentially, Jefferson County has recorded an average of 310 building permits annually since 2000 ranging from a recessionary-impacted low of 85 units in 2011 to a high of 785 units in 2004 (see the adjacent graphic and **Exhibit 6**). Most recently, however, the county registered an average of just 147 residential permit authorizations annually during the last two years, down 44.5 percent compared to average annual volumes posted during the five years prior, and 52.6 percent below long-term trendlines, i.e., the county's annual average since 2000. This regression has, again, resulted primarily from supply-side constraints throughout the county as not enough properly-positioned new products are being brought to market.

RESIDENTIAL CONSTRUCTION TRENDS: 2000-2024
-- JEFFERSON COUNTY, WISCONSIN --



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

RESALE INVENTORY ANALYSIS IN MONTH'S SUPPLY
JEFFERSON COUNTY, WI

Price Range	Resale Closings 2024	Current Resale Listings	Months of Inventory
Single Family Detached			
Under $200,000	148	11	0.89
200,000 - 249,999	156	11	0.85
250,000 - 299,999	135	21	1.87
300,000 - 349,999	130	17	1.57
350,000 - 399,999	101	16	1.90
400,000 - 449,999	61	9	1.77
450,000 - 499,999	37	9	2.92
500,000 - 549,999	18	4	2.67
550,000 - 599,999	13	3	2.77
600,000 & Above	46	19	4.96
Total	***845***	***120***	***1.70***
Duplex / Townhome / Condominium			
Under $150,000	1	0	0.00
150,000 - 199,999	9	1	1.33
200,000 - 249,999	14	2	1.71
250,000 - 299,999	15	2	1.60
300,000 - 349,999	12	2	2.00
350,000 - 399,999	5	2	4.80
400,000 - 449,999	3	1	4.00
450,000 - 499,999	2	1	6.00
500,000 & Above	3	2	8.00
Total	***64***	***13***	***2.44***

Source: Wisconsin Real Estate Exchange (WIREX) and Tracy Cross & Associates, Inc.

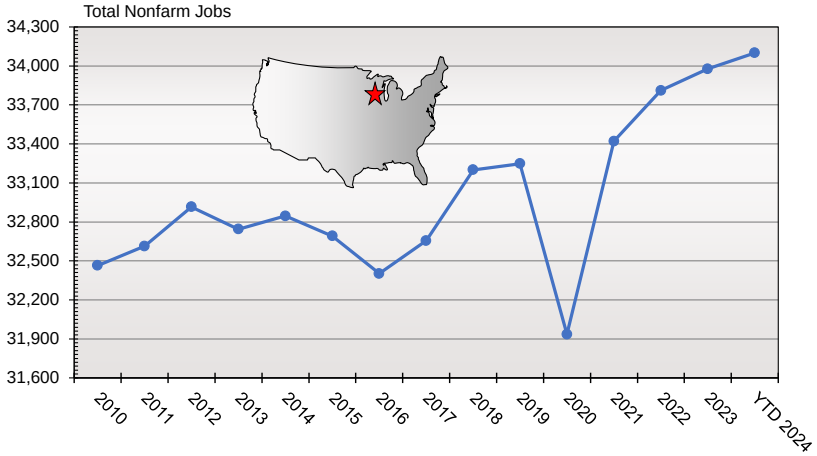
RESIDENTIAL BUILDING PERMIT TRENDS
JEFFERSON COUNTY, WISCONSIN
2000 - 2024

Year	Jefferson County, WI		
	Total	Single Family	Multi-Family
2000	577	406	171
2001	564	388	176
2002	637	366	271
2003	493	390	103
2004	785	481	304
2005	620	439	181
2006	434	334	100
2007	336	256	80
2008	203	177	26
2009	170	160	10
2010	194	134	60
2011	85	83	2
2012	86	84	2
2013	173	107	66
2014	109	103	6
2015	242	136	106
2016	209	181	28
2017	213	191	22
2018	237	169	68
2019	250	168	82
2020	347	187	160
2021	251	242	9
2022	239	149	90
2023	148	140	8
2024	145	131	14
Averages			
2000 - 2024	310	224	86

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

- While both household gains and residential permit activity have been modest in recent years (and below where they should/could be), trends in these two sectors continue to show growth, *as does the Jefferson County job market.* Specifically, despite the economic impact of the coronavirus pandemic in 2020, Jefferson County increased its worker base from a level of 32,400 in 2010 to 34,100 by the close of 2024.

EMPLOYMENT GROWTH
JEFFERSON COUNTY: 2010 - 2024



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

- Fostered by a stable economy, and on the heels of expected positive household growth, construction requirements for new housing in Jefferson County will average a minimum of 385 units annually during the 2025-2030 timeframe, or a total of nearly 2,000 units. This 385-unit forecast can be tied to household growth levels estimated at 212 per annum through 2030, along with roughly 175 units representing the replacement of residences lost to demolition/abandonment and the need to provide a vacancy allowance for filtering or movement from one residence to another. Of the 385 units which could be constructed annually during the 2025-2030 forecast period, 210 will occur among for sale housing forms with 175 represented in the rental housing sector. As detailed in the adjacent text table, for sale housing demand will be distributed among 140 single family detached homes and 70 in the attached sector, i.e., duplexes, townhomes, condominiums, etc.

RESIDENTIAL CONSTRUCTION REQUIREMENTS BY PRODUCT TYPE (DEMAND)
-- JEFFERSON COUNTY, WISCONSIN --
2025 - 2030

Product Type	Annual Demand (In Units)	Total Demand (Next 5 Years)
Total	***385***	***1,925***
For Sale	**210**	**1,050**
Single Family Detached	140	700
Townhome/Villa/Duplex/Condominium	70	350
For Rent	**175**	**875**

Source: Tracy Cross & Associates, Inc.

- Given supply-side constraints throughout the market, it is highly likely that demand will exceed supply near term, especially in the for sale sector, but also among multifamily and other rental forms. This market reality represents an opportunity for housing initiatives across the county, if properly planned and executed. Currently, Jefferson County has several initiatives in the pipeline to bring new housing to market including the new 128-unit Ponds rental community in Johnson Creek, which will deliver its first units in July 2025, along with the larger-scale. Ridge View Estates community in Fort Atkinson, among others. However, all "known" planned residential development throughout the county total just 400+/- new rental housing units and 300+/- for sale/ownership residences, some of which fall outside county lines. *All told, the level of planned activity falls well below demand.*

- Moreover, not only is "derived demand" likely to outstrip supply near term, but the overall base of residential construction requirements could actually be *higher* during any given year where properly

positioned supply is made available. This *upside potential* factors pent-up demand; additional household growth if properly positioned development were actually to occur; the limited amount of new construction housing alternatives throughout the market; and spillover potentials from areas outside the defined Jefferson County borders.

- To put Jefferson County's supply issues in perspective, the county's share of residential construction activity in southeast Wisconsin is *considerably below* its share of total population and employment.

JEFFERSON COUNTY'S MARKET SHARE POSITION IN SOUTHEAST WISCONSIN

	Current Population			Current Employment Base			Annual Residential Construction (2023- 2024)	
County	Number	Percent	County	Number of Jobs	Percent	County	Number of Units	Percent
Milwaukee	918,414	29.8	Milwaukee	467,790	29.9	Dane	5,271	49.3
Dane	585,854	19.0	Dane	358,099	22.9	Waukesha	1,363	12.7
Waukesha	412,967	13.4	Waukesha	246,996	15.8	Milwaukee	1,052	9.8
Racine	199,012	6.4	Kenosha	80,874	5.2	Kenosha	502	4.7
Kenosha	171,512	5.6	Racine	79,400	5.1	Rock	471	4.4
Rock	164,915	5.3	Rock	69,326	4.4	Washington	372	3.5
Washington	138,434	4.5	Washington	58,448	3.7	Walworth	363	3.4
Walworth	105,780	3.4	Walworth	45,207	2.9	Ozaukee	319	3.0
Ozaukee	93,822	3.0	Ozaukee	41,137	2.6	Racine	302	2.8
Dodge	87,945	2.9	Dodge	36,568	2.3	Dodge	244	2.3
Jefferson	**85,848**	**2.8**	**Jefferson**	**34,100**	**2.2**	Columbia	166	1.6
Columbia	57,817	1.9	Columbia	21,905	1.4	**Jefferson**	**147**	**1.4**
Green	37,083	1.2	Green	15,427	1.0	Green	68	0.6
Iowa	23,952	0.8	Iowa	10,606	0.7	Iowa	59	0.6

Source: U.S. Dept. of Commerce, Bureau of the Census: C-40 Construction Reports; U.S. Department of Labor and Environics Analytics

- Additive to a residential marketplace that clearly needs new housing, the current composition of area households lends support to the introduction of a broad range of housing options county-wide. As highlighted in the following table, there is an ample number of one- and two-person households (for multifamily for rent, attached for sale, and some detached product) and a notable number of three-, four- and five-person households (primarily for mainstream and move-up single family product).

2025 COMPOSITION OF AREA HOUSEHOLDS:
JEFFERSON COUNTY, WISCONSIN

Attribute	Jefferson County
Total Households	**34,129**
1-Person Household	9,475
2-Person Household	12,710
3-Person Household	4,947
4-Person Household	4,158
5-Person Household	1,835
6 or More Person Household	1,004
1- and 2-Person Households	
Percent	65.0
Number	22,185
3-, 4- and 5-Person Households	
Percent	32.1
Number	10,948

Source: Environics Analytics; *2025 Demographic Snapshot*

- At the same time, the distribution of households by age category is generally even – again boding well for the introduction of a broad range of housing options.

HOUSEHOLDS BY AGE GROUP
-- JEFFERSON COUNTY, WI --

Age Range	2025 Households
Under 35	5,291
35-44	5,447
45-54	5,789
55-64	6,771
65-74	6,100
75 and Over	4,731
Total:	***34,129***

Source: Environics Analytics: 2025 Demographic Snapshot

- Households in Jefferson County support a median household income similar to the nation as a whole as evidenced by an estimated 2025 level of $82,757. Upon close examination of area incomes in the host county, the highest concentrations of households earn between $35,000 and $149,999 annually, which represents the mainstream of the market, i.e., those earning between 50 and 150+ percent of the market area's median. This signifies the threshold of the market and a target point where the bulk of new market rate housing (both for rent and for sale) should be directed.

HOUSEHOLDERS BY AGE AND INCOME: 2025
-- JEFFERSON COUNTY, WISCONSIN --

	Number of Households by Age of Householder						
Income Range	**Total Households**	**Under 35**	**35 - 44**	**45 - 54**	**55 - 64**	**65 - 74**	**75 and Over**
Under $15,000	1,654	205	133	152	295	427	442
15,000 - 24,999	1,944	119	91	160	272	578	724
25,000 - 34,999	2,251	427	131	200	308	567	618
35,000 - 49,999	3,660	501	332	432	602	951	842
50,000 - 74,999	5,938	1,126	817	840	1,059	1,233	863
75,000 - 99,999	4,916	922	905	910	1,073	699	407
100,000 - 124,999	4,310	737	833	947	1,014	513	266
125,000 - 149,999	3,521	472	722	853	868	412	194
150,000 - 199,999	3,380	539	979	667	657	356	182
200,000 and Over	2,555	243	504	628	623	364	193
Total	***34,129***	***5,291***	***5,447***	***5,789***	***6,771***	***6,100***	***4,731***
Median	***$82,757***	***$93,214***	***$117,773***	***$113,802***	***$104,426***	***$78,471***	***$63,062***

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

THE RELATIONSHIP BETWEEN INCOMES AND NEW HOUSING IN JEFFERSON COUNTY

The current alignment of rents among new/newer apartment communities throughout Jefferson County are generally positioned within the threshold of income-qualifying households. As a result, the recent performance of these developments has been noteworthy with healthy absorption rates expected among new market entrants if aligned in a similar fashion.

In the for sale sector of the housing market, however, not only is there a wide price gap between the resale market and the new construction home market, but there is a *disconnect* between the price of new construction housing and the bulk of area incomes. Specifically, when qualitatively distributing annual for sale housing demand based solely on income-qualification, then casting these results against where new construction closings are occurring today, tells the story (see **Exhibit 7**). This exhibit shows the need for new for sale housing largely concentrated at price points between $250,000 and $400,000, which corresponds with the mainstream or middle of the market. Currently, the majority of new construction offerings in the market are concentrated at prices between $350,000 and $500,000, thus leaving many ownership households disenfranchised by the current alignment of new construction for sale product.

A PLANNING STRATEGY

Because supply-side issues and price disparities are largely driven by the type of new construction housing product being offered throughout Jefferson County, together with current density allocations for such product idioms (and the cost to produce it), stakeholders must think *strategically* in order guide future development efforts to meet the demands/needs of the market, especially in the for sale sector.

With this said, the following bullet-point summary provides specific product guidelines for establishing the most practical and marketable hierarchy of conventional, mainstream/market rate housing – to serve as a guide for future planning and implementation efforts:

- Mirroring a number of successful mainstream rental housing communities throughout the Midwest, including recent market entrants in and around Jefferson County, strong consideration should be initially given to the introduction of two different market rate rental housing series, one consisting of a two-story garden-style walkup idiom directed to all renter households and the other representing a ranch villa rental program targeting the active adult aged 55-74, but not restricted to this segment since other profiles will find this product desirable. Together, these two product forms, which are extremely efficient and cost effective to build, will allow for a broad and varied mix of unit types, sizes, and rents capable of penetrating the threshold of mainstream conventional renter households in the marketplace – and those emanating to Jefferson County in the years to come.

  Overall, the introduction of these two new construction product lines near term would allow the full breadth of mainstream renter profiles to be targeted. These include 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 traditional and non-traditional households such as divorcees, middle-age singles, never-nested couples, singles living together as couples in a roommate condition, young families, etc., and, of course, the move-down empty-nester/active adult/pre-retiree/retiree aged 55 to 74 desirous of a rental alternative.

CURRENT DISCONNECT IN THE FOR SALE SECTOR OF THE NEW CONSTRUCTION HOUSING MARKET
-- JEFFERSON COUNTY, WISCONSIN --

Price Range	Annual For Sale Housing Demand (Based Upon Current Incomes)		Qualitative Distribution of New Construction Residential Closings/Listings[1]	
	Number	Percent	Number	Percent
Under $250,000	21	10.0	---	---
250,000 - 299,999	36	17.1	2	1.4
300,000 - 349,999	56	26.7	21	14.1
350,000 - 399,999	40	19.0	36	24.8
400,000 - 449,999	22	10.5	45	31.0
450,000 - 499,999	13	6.2	35	24.1
500,000 - 599,999	8	3.8	4	2.8
600,000 & Above	14	6.7	2	1.4
Total	***210***	***100.0***	***145***	***100.0***
Median	***- - - - - - - $342,883 - - - - - - -***		***- - - - - - - $416,775 - - - - - - -***	

[1] Reflects new construction detached and attached closings for 2023, 2024 and current new construction listings.

Source: Tracy Cross & Associates, Inc. and Wisconsin Real Estate Exchange (WIREX).

For Sale Housing Price Points Required for the Threshold of the Market

Current Concentration of Homes Being Produced, Which Cannot be Afforded by the Bulk of the Market

- The ***two-story garden apartment program*** would consist of a "private entry" product with a component of attached, direct-access garages (similar to other projects introduced throughout the county in the past 10 years). In this regard, one of the most successful garden-style developments in the Midwest (and in other portions of 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).

- Individual designs for the garden apartment product should be broad and varied consisting of eight (8) plan offerings including one-, two- and three-bedroom options ranging in size from 600 to 1,250 square feet. Please note that this product line would also be accompanied by buildings with optional detached garages. As such, renter profiles could elect either surface parking only; a detached garage; or a unit with an attached garage, thus giving future residents a full continuum of rental options to choose from as it relates to their choice of parking cast against their desired (or needed) monthly payment based upon income. This scenario will also provide competitive consistency with other developments in the market, current and future.

- With just 50 percent direct-access garages suggested per structure, and eight (8) suggested floorplan options, 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.

- The ***ranch villa apartment program***, which would target households aged 55+, although not be restricted to this consumer segment, would consist of direct-entry single-level ranch-type townhome plans, most with one-car attached garages, but also including a two-car garage offering. Modeled, in part, after very successful empty nester ranches in other parts of Wisconsin and elsewhere throughout the Midwest, this product line would consist of four different plan designs ranging from a one-bedroom residence at 725 square feet to a three-bedroom unit with 1,275 square feet. This product line would be configured in 3-, 4-, 5- and 6-unit buildings (duplexed where necessary).

- Mirroring competitive counterparts overall, size increments between floorplans (for both rental products) should not exceed 200 square feet (and be narrower in many instances). This discipline will keep lease rate differentials between plans small and in concert with the gradual upward movement of mainstream household incomes.

- If elevated properly, the two rental housing products can exemplify tasteful suburban architecture and be very complimentary to other development initiatives (including for sale developments) both internal to an individual community and elsewhere throughout constituent municipalities.

- Representing the first of four 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 directly in-line with the lower-end of the qualitative distribution of mainstream incomes, is an efficiently designed mid-density ***townhome/rowhome series***. This product line would include three separate three-story plan types, each with two main living areas configured over an integral two-car garage and a finished lower level, all with two-car garages. Plan sizes for this series, which will average 1,400 square feet, should range from 1,200 to 1,550 square feet including finished lower levels. This can be achieved in a very efficient and cost effective 20' wide modules. 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 three individual plan offerings will be 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 and young families.

- Architecturally, the townhome/rowhome product line 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 cost. Overall, this product line can achieve a density of 10+ 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 have historically dotted the landscape throughout the market.

- Representing a more "cost conscious" or "value-oriented" age-targeted alternative to the highly stylized new construction ranch duplex condominiums currently found throughout Jefferson County, 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-, 5 and/or 6-unit linear 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, backyard 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 a modicum of 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 slab on grade (as opposed to straight duplex condominium buildings with full basements) would be to achieve a higher-density and construction efficiencies which, again, would allow lower costs to be distributed across more units – ultimately leading to more competitive (and appropriate) prices.

- In the single family detached sector, and representing a departure from the current larger-lot semi-custom/custom home development currently represented among a number of new communities in Jefferson County, would be a ***small-lot conventional single family*** program. This home series, ideally, would be comprised of two single-level "ranch" plans and three traditional two-story units, all with optional basements. 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 40'-45' wide configured on 50'-55' wide homesites. The small lot single family product line will be able to attract a broad spectrum of mainstream detached home purchasers including young childless married couples, couples in their initial stages of family formation, and

young families. And, with the incorporation of several ranch plans and a two-story master-down design, this program will be in a position to also appeal to the 55 and older empty-nester segment desirous of detached ownership housing.

- The second single family product line should consist of a more ***moderate-lot traditional single family*** series with front-access, two- and three-car garages and optional 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 60'-65" wide homesites, thus allowing for larger home widths than the small-lot single family series and, therefore, differentiated home designs. Together, the six single family plans in this series 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, this series will appeal to the 55 and older empty-nester segment as well.

For a detailed outline of each recommended mainstream housing idiom including individual product/plan criteria, unit sizes, *current dollar* rents/prices, features, etc., consult **Exhibits 8 through 13**. As depicted, plan offerings are broad and varied, and reflect some of the best-selling floorplan alternatives among successful "like" products throughout the Midwest.

It is important to note that the detailed planning guidelines and benchmark rent/price suggestions for the various housing products are not arbitrary, but rather *strategic.* Specially, these guidelines will allow five important goals to be met. First, the continuum of home types, styles and rents/prices will directly align mainstream household incomes in the market. Second, the for sale product lines (and their prices) will assist builders in bridging the rather large price gap that exists between area resales and new construction alternatives which, in turn, will provide for "above average" absorption/sales rates. Third, the suggested products (and their typical density allocations) will allow each home series to improve upon total unit counts per acre, which will help minimize raw land costs per unit. Fourth, each suggested product line and plan offering can be built in an efficient manner, which will assist in keeping direct construction costs at a minimum. Finally, the rents/prices assigned to each product line will allow each housing idiom to draw consumers from both Jefferson County itself, as well as other adjoining areas in southeast Wisconsin where price escalation has been even more severe in several instances.

Because each product line has been positioned competitively (and strategically) relative to the market, absorption rates for the rental products and sales rates for the ownership offerings are expected to be "at" or "above the market average." And, while absorption and sales are dependent upon other factors such as the scale of a development, i.e., number of total units; site location; community amenities, etc., the adjacent text table offers a general outline of what an individual location would be capable of attaining per product series:

ABSORPTION / SALES SUMMARY - A GUIDE
SUGGESTED HOUSING PRODUCTS: JEFFERSON COUNTY, WISCONSIN

Product Line	Estimated Total Units For a Typical Development or Phase (of Relative Scale)	Annual Absorption/ Sales Potential (In Units) At Benchmark Rents/Prices	Marketing Life (In Years)
Two-Story Garden Apts	150	96	1.5 [1]
Ranch Villa Rentals	108	72	1.5 [1]
Townhomes/Rowhomes	75	30	2.5
Attached Ranch Villas	75	30	2.5
Single Family 1	90	36	2.5
Single Family 2	75	30	2.5

[1] Marketing life will actually be slightly shorter to get to a stabilized occupancy level of 95 percent.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK RENTS - TWO-STORY GARDEN APARTMENTS
-- CONVENTIONAL RENTAL HOUSING --
JEFFERSON COUNTY, WISCONSIN

Product Line Summary

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

Density in Units Per Acre: ***16.0***

Average Plan Size (Sq. Ft.): ***925***

Average Benchmark Base Rent w/50 % Garages: ***$1,573***
Per Sq. Ft.:[1] ***$1.70***

Plan Detail

Plan Designation	A-1	A-2	A-3	B	C-1	C-2	C-3	D
Percent Distribution	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Plan Type	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.)	600	700	775	875	975	1,075	1,150	1,250
Benchmark Base Rent w/o Garage:[1]	$1,265	$1,340	$1,415	$1,490	$1,565	$1,640	$1,695	$1,770
Per Sq. Ft.:[1]	$2.11	$1.91	$1.83	$1.70	$1.61	$1.53	$1.47	$1.42
Benchmark Base Rent w/ Garage:[2]	**$1,365**	**$1,440**	**$1,515**	**$1,590**	**$1,665**	**$1,740**	**$1,795**	**$1,870**
Per Sq. Ft.:[2]	**$2.28**	**$2.06**	**$1.95**	**$1.82**	**$1.71**	**$1.62**	**$1.56**	**$1.50**

Unit Features and Community Amenities

UNIT STANDARDS

- Painted Trim
- Plank Flooring in Living Areas
- "White" Interior Paint Finish
- Direct Wire Smoke Detectors
- Cable/Satellite Access
- High-Speed Internet Connectivity
- USB Ports
- Air Conditioning
- Quality Door Hardware
- Quality Lighting Package
- Private Balcony/Patio

CLOSETS, UTILITIES, AND STORAGE

- Walk-In MBR Closet (Per Plan)
- Wire Closet Shelving
- Full Size Washer/Dryer (Stacked or Side-by-Side)
- Storage Area (Either In-Unit or Separate)
- Linen Closet(s)
- Programmable Thermostat

KITCHEN FEATURES

- Quality Wood Cabinetry
- Plank Flooring
- Self Clean Range Oven
- Built-In Dishwasher
- Refrigerator with Ice-Maker
- Garbage Disposal
- Microwave with Vent
- Hard Surface Countertops
- Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Plank Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

COMMUNITY FEATURES/AMENITIES
-- FOR LARGE-SCALE DEVELOPMENTS SHARED W/RANCH VILLA RENTALS --
(AMENITIES TO BE SCALED DOWN ACCORDINGLY FOR SMALLER PROJECTS)

- Architecturally-enhanced Exteriors
- Secured Access Entry Per Unit
- Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc.
- Outdoor Fireside Lounge & Grilling Stations
- Outdoor Swimming Pool/Deck Area
- Dog Park & Dog Washing Station
- Trail System
- Sport Courts/Playground
- Extensive Landscaping/Hardscaping
- Wi-Fi in all Common Areas
- Direct Access Garages at 50%
- Adequate Surface Parking
- Detached Garages @ $65 Monthly Per Space

[1] Benchmark base monthly rents, which are presented in May 2025 dollars, reflect the posted base rents for units without direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.

[2] Benchmark base monthly rents, which are presented in May 2025 dollars, reflect the posted base rents for units with direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK RENTS - RANCH VILLA RENTALS
-- CONVENTIONAL RENTAL HOUSING --
JEFFERSON COUNTY, WISCONSIN

Product Line Summary

Product Form: ***Single-Level Ranch Villas w/Attached Garages (3-, 4-, 5- and/or 6-Unit Buildings-Duplexed Where Necessary)***

Density in Units Per Acre: ***10.0***

Average Plan Size (Sq. Ft.): ***1,000***

Average Benchmark Base Rent: ***$1,771***
Per Sq. Ft.: [1] ***$1.77***

Plan Detail

Plan Designation	A	B-1	B-2	C
Percent Distribution	25.0	25.0	25.0	25.0
Garage Condition	1-Car	1-Car	1-Car	2-Car
Plan Type	1BR	1BR DEN	2BR	3BR
Bedroom/Bath Mix	1/1.0	1+Den/1.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	725	925	1,075	1,275
Benchmark Base Rent:[1]	$1,540	$1,690	$1,815	$2,040
Per Sq. Ft.:[1]	$2.12	$1.83	$1.69	$1.60

Unit Features and Community Amenities

UNIT STANDARDS

- Painted Trim
- Plank Flooring in Living Areas
- "White" Interior Paint Finish
- Direct Wire Smoke Detectors
- Cable/Satellite Access
- High-Speed Internet Connectivity
- USB Ports
- Air Conditioning
- Quality Door Hardware and Lighting Package
- Private Patio

KITCHEN FEATURES

- Quality Wood Cabinetry
- Plank Flooring
- Self Clean Range Oven
- Built-In Dishwasher
- Refrigerator with Ice-Maker
- Garbage Disposal
- Microwave with Vent
- Hard Surface Countertops
- Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Plank Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

CLOSETS, UTILITIES, AND STORAGE

- Walk-In MBR Closet (Per Plan)
- Wire Closet Shelving
- Full Size Washer/Dryer (Stacked or Side-by-Side)
- Storage Area (Either In-Unit or Separate)
- Linen Closet(s)
- Programmable Thermostat

COMMUNITY FEATURES/AMENITIES
-- FOR LARGE-SCALE DEVELOPMENTS SHARED W/RANCH VILLA RENTALS --
(AMENITIES TO BE SCALED DOWN ACCORDINGLY FOR SMALLER PROJECTS)

- Architecturally-enhanced Exteriors
- Secured Access Entry Per Unit
- Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc.
- Outdoor Fireside Lounge & Grilling Stations
- Outdoor Swimming Pool/Deck Area
- Trail System
- Dog Park
- Dog Washing Station
- Sport Courts/Playground
- Extensive Landscaping/Hardscaping
- Wi-Fi in all Common Areas
- Direct Access Garages at 100%
- Additional Surface Parking

[1] Benchmark base monthly rents, which are presented in May 2025 dollars, reflect the posted base rents, each of which includes an attached one-car garage. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees or utilities.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES
-- FOR SALE TOWNHOMES/ROWHOMES --
JEFFERSON COUNTY, WISCONSIN

Product Line Summary

Product Form:	***Townhomes/Rowhomes***
Garage Condition:	***2-Car (Rear Load)***
Lower Level of Townhomes/Rowhomes	***Finished***
Average Plan Size (Sq. Ft.):	***1,400***
Average Benchmark Base Price: [1]	***$252,990***
Per Sq. Ft.:	***$180.71***
Average Anticipated Closing Price: [2]	***$268,000***
Per Sq. Ft.:	***$191.43***

Plan Detail

Plan Designation	A	B	C
Plan Style	3-Story	3-Story	3-Story
Bedrooms	2	2+Loft+Flex	3+Flex
Baths	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,200	1,450	1,550
Benchmark Base Price:[1]	$240,990	$255,990	$261,990
Per Sq. Ft.:	$200.83	$176.54	$169.03
Anticipated Closing Price: [2]	***$255,000***	***$271,000***	***$277,000***
Per Sq. Ft.:	***$212.50***	***$186.90***	***$178.71***

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

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

BATH/POWDER ROOM STANDARDS

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

CLOSETS, UTILITIES, AND LAUNDRY

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

BUILDING FEATURES/AMENITIES

- Architecturally-Enhanced Exteriors
- Extensive Hardscaping/Landscaping
- Finished Lower Level
  (Note: Lower Level in the Smallest Unit is Limited to A Laundry Room, Closet, Etc.)
- Front-Oriented Sidewalks
- Highly Desirable Community Amenities (Depends on Size of Development)

[1] Benchmark base sales prices, which are presented in May 2025 dollars, do not include options, upgrades or premiums.
[2] Includes an estimate for options, upgrades and premiums, i.e. roughly 6.0 percent above the base sales price.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES
-- FOR SALE ATTACHED RANCH VILLAS --
JEFFERSON COUNTY, WISCONSIN

Product Line Summary

Product Form:	***Attached Ranch Villas (3-, 4-, 5 and 6-Unit Buildings - Duplexed Where Necessary)***
Garage Condition:	***2-Car (Front)***
Average Plan Size (Sq. Ft.):	***1,525***
Average Benchmark Base Price: [1] ***Per Sq. Ft.:***	***$273,990*** ***$179.67***
Average Anticipated Closing Price: [2] ***Per Sq. Ft.:***	***$293,000*** ***$192.13***

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:[1] Per Sq. Ft.:	$264,990 $192.72	$273,990 $179.67	$282,990 $168.95
Anticipated Closing Price: [2] ***Per Sq. Ft.:***	***$283,000*** ***$205.82***	***$293,000*** ***$192.13***	***$302,000*** ***$180.30***

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 Patio Area

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
- Hard Surface Countertops
- Double Bowl Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Ceramic Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

CLOSETS, UTILITIES, AND LAUNDRY

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

HOME FEATURES/AMENITIES

- Architecturally-Enhanced Exteriors
- Extensive Hardscaping/Landscaping
- Basements Optional on Select Lots
- Front-Oriented Sidewalks
- Highly Desirable Community Amenities (Depends on Size of Development)

[1] Benchmark base sales prices, which are presented in May 2025 dollars, do not include options, upgrades or premiums.
[2] Includes an estimate for options, upgrades and premiums, i.e. roughly 7.0 percent above the base sales price.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES
-- CONVENTIONAL FOR SALE SINGLE FAMILY 1 --
JEFFERSON COUNTY, WISCONSIN

Product Line Summary

Product Form:	***Single Family***
Lot Dimensions:	***50'-55" x 100'-110'***
Garage Condition:	***2-Car (Front)***
Average Plan Size (Sq. Ft.):	***1,700***
Average Benchmark Base Price: [1]	***$314,990***
Per Sq. Ft.:	***$185.29***
Average Anticipated Closing Price: [2]	***$337,000***
Per Sq. Ft.:	***$198.24***

Plan Detail

Plan Designation	A	B	C	D	E
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story
Bedrooms	2 + Den	2 + Flex	3	3 + Flex	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:[1]	$296,990	$305,990	$314,990	$323,990	$332,990
Per Sq. Ft.:	$197.99	$191.24	$185.29	$179.99	$175.26
Anticipated Closing Price: [2]	***$317,000***	***$327,000***	***$337,000***	***$346,000***	***$356,000***
Per Sq. Ft.:	***$211.33***	***$204.38***	***$198.24***	***$192.22***	***$187.37***

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 Patio Area

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
- Hard Surface Countertops
- Double Bowl Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Ceramic Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

CLOSETS, UTILITIES, AND LAUNDRY

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

HOME FEATURES/AMENITIES

- Architecturally-Enhanced Exteriors
- Extensive Hardscaping/Landscaping
- Optional Basements
- Front-Oriented Sidewalks
- Highly Desirable Community Amenities (Depends on Size of Development)

[1] Benchmark base sales prices, which are presented in May 2025 dollars, do not include options, upgrades or premiums.
[2] Includes an estimate for options, upgrades and premiums, i.e. roughly 7.0 percent above the base sales price.

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES
-- CONVENTIONAL FOR SALE SINGLE FAMILY 2 --
JEFFERSON COUNTY, WISCONSIN

Product Line Summary

Product Form:	***Single Family***
Lot Dimensions:	***60'-65' x 120'-130'***
Garage Condition:	***2- & 3-Car (Front)***
Average Plan Size (Sq. Ft.):	***2,050***
Average Benchmark Base Price: [1]	***$371,490***
Per Sq. Ft.:	***$181.21***
Average Anticipated Closing Price: [2]	***$397,000***
Per Sq. Ft.:	***$193.66***

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:[1]	$344,990	$353,990	$362,990	$375,990	$388,990	$401,990
Per Sq. Ft.:	$197.14	$191.35	$186.15	$179.04	$172.88	$167.50
Anticipated Closing Price: [2]	***$369,000***	***$378,000***	***$388,000***	***$402,000***	***$416,000***	***$430,000***
Per Sq. Ft.:	***$210.86***	***$204.32***	***$198.97***	***$191.43***	***$184.89***	***$179.17***

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
- Large Private Patio Area

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
- Hard Surface Countertops
- Double Bowl Stainless Steel Sink

BATH/POWDER ROOM STANDARDS

- Ceramic Flooring
- Hard Surface Vanity Tops
- Quality Cabinetry
- Ceramic Tub/Shower Surround
- Framed Glass Mirror Over Vanity

CLOSETS, UTILITIES, AND LAUNDRY

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

HOME FEATURES/AMENITIES

- Architecturally-Enhanced Exteriors
- Extensive Hardscaping/Landscaping
- Optional Basements
- Highly Desirable Community Amenities (Depends on Size of Development)

[1] Benchmark base sales prices, which are presented in May 2025 dollars, do not include options, upgrades or premiums.
[2] Includes an estimate for options, upgrades and premiums, i.e. roughly 7.0 percent above the base sales price.

Source: Tracy Cross & Associates, Inc.

The absorption/sales volumes outlined above are reflective of a series of residential product lines that will appeal to households earning incomes, generally, in the $35,000 to $75,000+ range for the rental products and in the $75,000 to $150,000+ range for the ownership idioms. These income segments, which are some of the deepest in Jefferson County, have been disenfranchised of late relative to new construction alternatives.

Please keep in mind that the product recommendations outlined in the previous paragraphs (and in Exhibits 8 through 13) reflect the most strategic approach for filling the voids that exist in Jefferson County and for penetrating the threshold or mainstream of the market. This is not to suggest that the higher-end of the new construction for sale home market (at price points of $430,000 and above) will not still have its place locally (it will), but with lower sales volumes much akin to those currently being generated by area builders, i.e., 4-8 units annually per product line. Nevertheless, highly-stylized duplex/fourplex residences and larger-lot single family homes (with more square footage, three-car garages, etc.) will continue to reflect part of the hierarchy of new construction product in the market and should also be viewed as viable (at the appropriate scale).

MARKET POSITIONING

It is important to reiterate that the benchmark rents/prices outlined in Exhibits 8 through 13 have been *carefully* established so that each product line can penetrate the mainstream of the new construction housing market based, primarily, on incomes, while at the same time supporting a value position necessary to appeal to consumers from inside and outside the local area. As but one example, the two rental products, at value ratios $1.70 and $1.77 per square foot, respectively, will be positioned comparable to, say, Summer Ridge in Lake Mills, the newest apartment community to enter Jefferson County and reach stabilized occupancy. The 56-unit Summer Ridge community, at an average base rent level of $1.70 per square foot, reached full occupancy in just seven short months, equal to an absorption rate of 8.0 units monthly, or an annualized pace of 96 units.

The various for sale products, in turn, will occupy lower/more competitive value positions in the market considering the higher price points currently represented in the new construction sector (see **Exhibit 14).** As such, these product lines can expect higher absorption rates than what is typically seen among area developments, especially considering the lack of competitive substitution at benchmark prices. In other words, the more value-oriented nature of the for sale products will allow for 30-36 sales on an annual basis per series – in a market where the typical annual sales rate stands at less than 12 units annually.

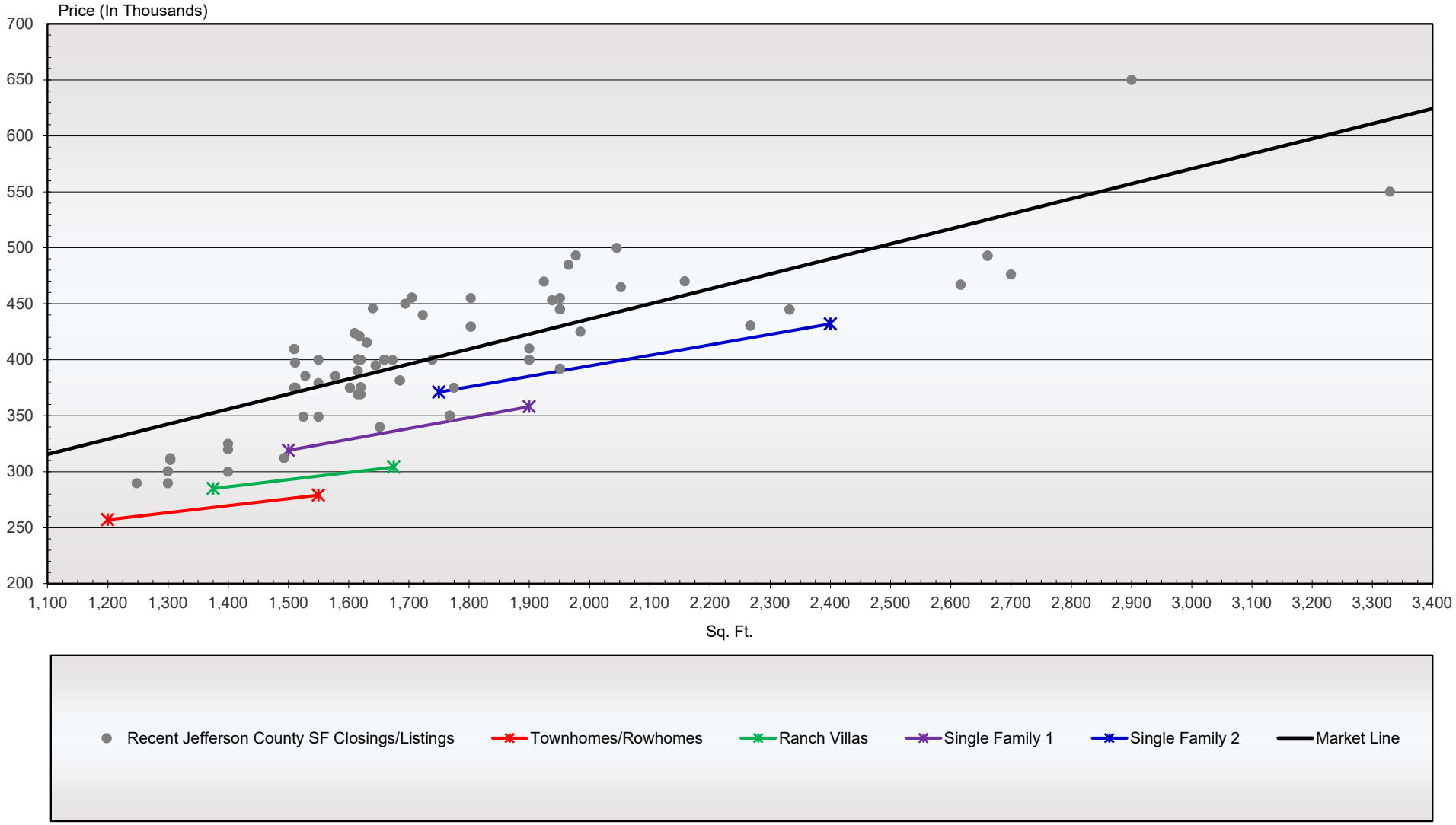
A DISCIPLINE APPROACH TO PRODUCT DEVELOPMENT

To achieve the rents/prices (and absorption) outlined for each product line, and apart from the requirement of higher densities, it will be imperative for stakeholders to work closely with builders/developers so that the recommendations are understood and embraced. Specifically, builders/developers (and governing bodies) will need to think differently in terms of land planning, development, and product design in order to *substantially reduce costs*, a key component to meeting the rent/price requirements. Provided below are number of guiding principles for bringing properly positioned conventional, mainstream housing to market, especially as it relates to the ownership products:

- ❑ Each product line must be efficient and cost effective to build from a design standpoint (i.e., value engineered). This can be achieved while still offering functional/desirable floorplan alternatives.

- ❑ The basis for design should be modeled after box-on-box/four-corner construction with no wasted space; however, exterior elevations should still be very appealing. Referencing the latter, a strong

Price/Value Analysis
Recent New Construction Single Family Closings/Listings
Jefferson County, 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.

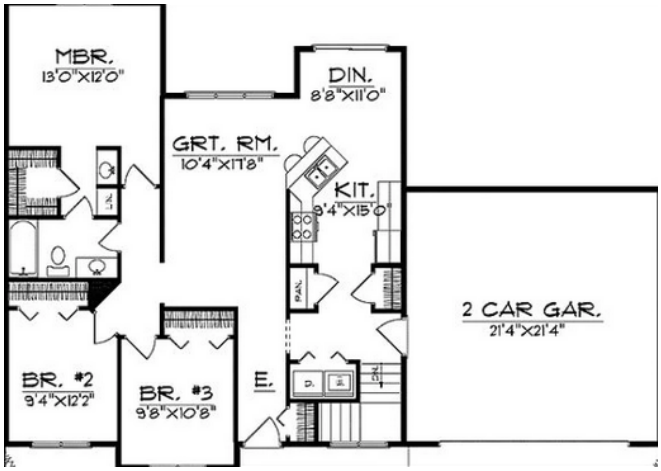
Source: Tracy Cross & Associates, Inc.

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. To reiterate, by creating value-oriented floor plans, we are not suggesting that quality be minimized, nor is there implication that overall curb appeal be comprised. It simply needs to be accomplished strategically "behind the scenes."

Provided below are a few floorplan examples that portray efficiency in design:

Efficient Three-Story Townhome/Rowhome Plan

Efficient Conventional SF Ranch Plan (Left) – As Opposed to Inefficient SF Ranch Plan (Right)



- Once value-engineering has taken place, and efficient/cost effective housing units/buildings are designed, these efficiencies must be conveyed to all subcontractors for bidding and construction purposes.

- None of the product lines should offer standard (included) basements, although the option for a basement can (and MUST) be made available in certain series (as indicated).

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

PRODUCT/RENT/PRICE CLARIFICATIONS

Please keep in mind 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 overall implementation process. However, when considering any derivatives during the planning process, it is still important to 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, and most importantly, the appeal to the mainstream or middle of the market.

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. For instance, midrise apartments; for sale boutique-type condominiums/townhomes; or urban-oriented small-lot single family homes could be considered at in-town locations, along with a variety of other conventional idioms in more suburban locales.

As it relates to rents/prices, slight differentials can be expected between site locations (and environments) given the diversity of the county, although still remaining with a reasonable range of the parameters provided.

GEOGRAPHIC AND COMMUNITY POSITIONING

Given such significant supply-side constraints in the new construction housing market (i.e., deficiencies in supply for properly positioned product), practically any suitable location within Jefferson County could be considered for residential development or redevelopment. With this said, stakeholders are in a position to move rather swiftly with planning efforts on appropriate sites county-wide. From a very practical standpoint, areas within a reasonable distance of I-94 where ample developable land is available within close proximity to major employers, or at locations in/near principal municipalities, should be focal points of investigation.

In addition, consideration should be given to the creation of a true master-planned community (or two) whereby multiple product lines would be introduced within an amenity enhanced environment. Such a community could become a ***destination point development*** (i.e., attracting both existing Jefferson County residents and those currently outside Jefferson County) by offering a full hierarchy of residential products that are combined with heavy landscaping and hardscaping, together with amenities such as pocket parks, walking/jogging/biking trails, playgrounds, sport courts, open space areas, etc. – *and representing a true lifestyle environment.* Such a development in the new construction sector is generally absent in Jefferson County, especially with the product and price points recommended, and would most certainly allow a

development to capture a *disproportionate share of market-wide demand*, while also inducing spillover from other areas.

Provided below are several items to consider if planning a destination-point master-planned community:

- To provide strong community infrastructure created around a theme of livability, functionality, walkability, and recreation/convenience.

- To create a community 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. Establishing this reality includes the combination of all products with appropriate, but minimally expensive, amenities.

- To create a community 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. *Like the architecture and design of the homes, the land plan must be very efficient as well.*

CLOSING REMARKS

Even with a disciplined planning and design approach, it is possible that some incentives or concessions might also be necessary to bring the *products* (as positioned) to market, especially among for sale alternatives. While this will need to be determined through the planning process, it should be given due consideration. For the rental products, it is unlikely that any type of heavy incentive/concession would be required at benchmark rents as they are more consistent with new/newer market comparables, although rising construction costs may also require some assistance in this regard.

Examples of the types of incentives being utilized by others to bring the gap between costs and "needed" housing prices include Tax Increment Financing (TIF) and/or land subsidies or land subordination, i.e., reducing the cost of land or eliminating the cost whatsoever. Also, raising funds from major employers to assist in the cost of development (i.e., the Sheboygan County approach) is yet another example to bring mainstream product to market, along with down-payment assistance programs for the end consumer.

CERTIFICATION AND SIGNATURE

This analysis represents our objective and independent opinion regarding new construction housing potentials throughout Jefferson County as certified below:

TRACY CROSS & ASSOCIATES, INC.
An Illinois Corporation

By:_____
Erik A. Doersching
Its: President & CEO

Date: May 20, 2025

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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