

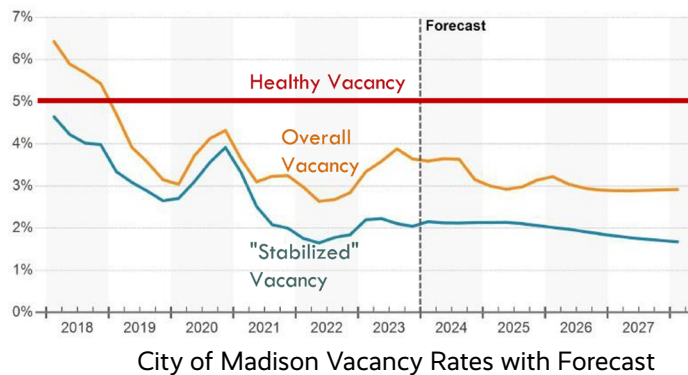
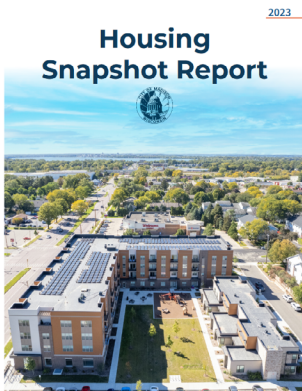
# City of Madison Housing Snapshot

November 2024

## Q: Is there really a housing crisis?

**A:** It's estimated that there is a national shortage of four to seven million homes, and the average rent nationwide has risen 30% since 2017. Locally, Madison has seen strong population growth, household creation, and in-migration, but the creation of new housing has not kept pace, leading to an imbalance of supply and demand that affects both housing availability and housing affordability. Median gross rent in Madison has increased approximately 40% in the last decade. More than half of renters are rent burdened, meaning they spend more than 30% of their income on housing costs.

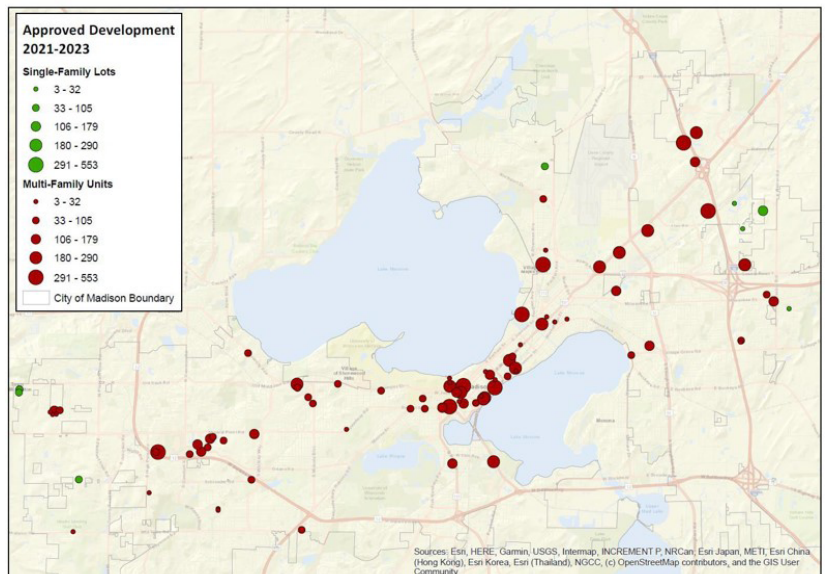
A healthy rental vacancy rate that creates a balance between rental property owners and renters is typically cited as between 5% and 7%, but the rental vacancy rate in Madison is currently below 4% and has not been above 5% in well over a decade. Similarly, the homeowner vacancy rate is approximately 0.5%, much lower than the "healthy" rate of 2%. Slow owner-occupied housing construction and low available inventory contributes to tight markets that increase sales prices. The average assessed value of a single-family home in Madison has increased by approximately 90% in the past decade and more than 20% of households that own their own residences are cost burdened. See the [2023 Housing Snapshot](#) for more information.



## City of Madison Recently Approved Housing Development

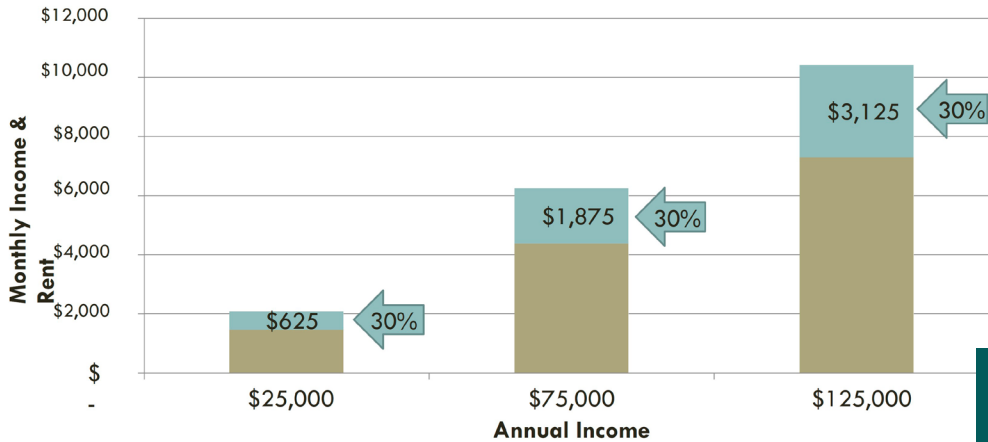
### Q: How many new housing units are being built in Madison?

**A:** During the 13-year period between 2006 and 2019 (after which housing production began increasing), approximately 19,000 housing units were built in Madison, while the number of households increased by over 24,000. The map at right shows that new housing has occurred along major transportation corridors across the city, and in both urban and more suburban growth areas.



## Q: What does it mean for housing to be affordable?

A: Affordability is really just a measure of household income to housing costs. So, no matter how much money you make, there's a level at which housing will no longer be affordable to you. Housing is deemed affordable if a household is paying less than 30% of their income toward it. In the graph below, examples are shown for three different incomes. When we talk about affordability, we're really talking about people on the lower end of the income spectrum, or those making \$50k or less.



## Q: Affordable for whom?

A: Jobs that pay less than \$50,000 or less largely fall into the service based-economy. These types of jobs are found all over the City. Federal Housing Support begins at 60% of Area Median Income. Households with 3 people, making just \$54K are just below 50% of Area Median Income. If you are middle-income and above, the housing market provides more options. In order to buy a median priced home in the City of Madison, it would require a \$127,000 household income for a family of three.

- Personal Care and Service: \$38,875
- Administrative Assistant: \$47,990
- Data entry: \$37,110
- Janitor: \$31,200
- Hospitality / Hotel Desk: \$32,910
- Childcare Worker: \$24,380
- Waiter: \$31,020
- Food Prep/ Line Cook: \$32,302
- Cashier/Retail: \$29,620
- Lab Tech: \$54,570

To afford these homes if housing costs are 30% of your household income, you would need to make:

**\$84,000**



2 bed, 2 bath, 1,150 sq ft condo on south side

**Listed Price: \$225,000**

20% Down Payment: \$45,000

Monthly Payment\*: \$1,825 (+ \$269/mo HOA)

### WHO CAN AFFORD:

Single: software engineer, research scientist  
 Couple: teacher+firefighter,  
 nurse+childcare worker

**\$127,000**



3 bed, 2 bath, 1,989 sq ft house on west side

**Listed Price: \$425,000**

20% Down Payment: \$85,000

Monthly Payment\*: \$3,181

### WHO CAN AFFORD:

Single: family physician, architect  
 Couple: police officer+systems analyst,  
 accountant+physical therapist

**\$255,000**



4 bed, 3 bath, 1,940 sq ft house on near west side

**Listed Price: \$895,000**

20% Down Payment: \$179,000

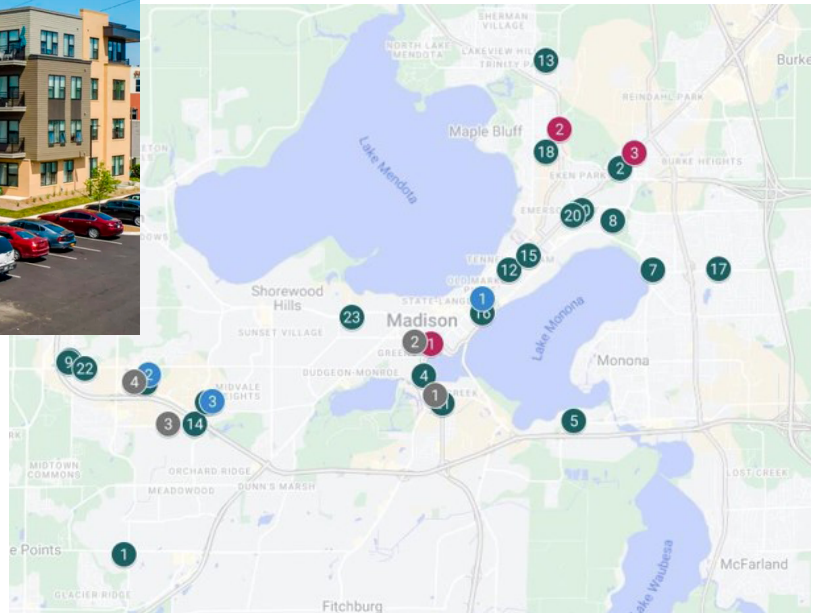
Monthly Payment\*: \$6,367

### WHO CAN AFFORD:

Single: surgeon  
 Couple: family physician+corporate lawyer,  
 psychiatrist+architect

## Q: How many Affordable Housing units are being built??

A: Over the past decade, the city had aided in the creation of over 2,100 affordable new housing units with an emphasis on location along highly serviced transit corridors. The map below shows the distribution of affordable housing tax-credit aided projects.



## Q: Does Madison really need this much Housing and change?

A: Over 2,000 new housing units are needed every year just to keep up with household growth. However, this would do nothing to address the backlog or any of the indicators of the housing crisis identified above. It would just keep pace from this point forward. Hundreds of additional housing units need to be built every year just to begin to slow housing cost increases. The past two decades have indicated that slow housing production does not slow population growth, household creation, or in-migration. Slow housing growth and consistent population growth places the burden of the tight housing market on the city's lowest income households, who cannot compete with higher earners who could otherwise afford newly constructed housing but end up paying higher rents for established, naturally occurring affordable housing.

## Q: Does the zoning already in place allow the housing we need?

A: While this may seem like a straightforward calculation, it's not really possible to determine the answer because so many apartment or condominium developments depend on conditional use review. For example, the Traditional Residential-Varied 2 (TR-V2) zoning district allows up to 12 dwellings without a conditional use review, but up to 60 dwellings if a conditional use permit is granted by the Plan Commission subject to the zoning ordinance's standards for conditional use approval. The type of development that can be allowed also depends on adjoining property use, lot dimensions, and other factors. Outside of zoning ordinance considerations, a landowner must also choose to develop or redevelop, and many landowners that may have the capacity to develop more units under the zoning code do not wish to change their properties.

## Q: What is missing middle housing?

A: “Missing middle housing” refers to a range of housing types scaled between single-family detached houses and larger apartment buildings. Housing types that are considered as part of the missing middle include duplexes, triplexes, four-units, rowhouses, live-work buildings, accessory dwelling units (ADU), clustered small homes like bungalow courts, and some small apartment buildings. The scale of missing middle housing is compatible with most existing single-family residential areas. Missing middle housing types can also be accommodated in Medium Residential areas and in Low Residential areas.



## Q: How does the City develop its population projection?

A: The City is projecting Madison will add approximately 115,000 new residents between 2020 and 2050. The projection is based on two components: growth trends established by the 2000-2020 Decennial Census and a modified population projection prepared by the Capital Area Regional Planning Commission. For more details see [this summary](#).

## Q: What is Housing Forward?

A: City agencies work on a variety of strategies & policies to help solve different parts of the housing crisis.

### INCREASE HOUSING CHOICE



Increased by-right zoning



Accessory Dwelling Units as Permitted Use



Transit Oriented Development Overlay



Planning Framework

### CREATE AFFORDABLE HOUSING THROUGHOUT THE CITY



Affordable Housing Fund



Created the Landbanking Fund & Policy



Downtown Height Bonus



TIF Policy Update

### COMBAT DISPLACEMENT & SEGREGATION



Housing Forward RFP



Smaller-Scale Development Loan Program



Rental Rehab Programs



ACRE Madison

### ENSURE SENIORS & OTHERS CAN STAY IN THEIR HOMES



Tenant Protection



Emergency Rental Assistance Program



Eviction Defense Program



Rehabilitation Loans & Property Tax Assistance for Older Adults



Renovate Natural Occurrence Affordable Housing

### WORK TO END HOMELESSNESS



Affordable Housing Fund Preference



Permanent Men's Shelter



Permanent Women & Family Shelter



Shelter Alternatives



Tiny Homes