

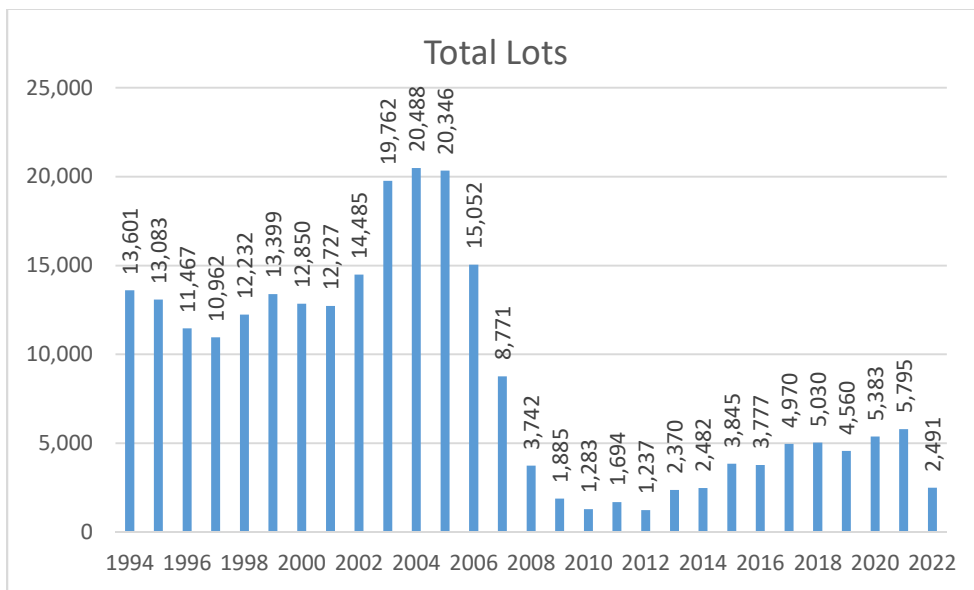


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NEW HOME BUYERS FACING ACUTE AVAILABLE LOT SHORTAGE

WAUKESHA, Wis. (August 3, 2022) – People who want to build their new dream homes throughout the state of Wisconsin including the Milwaukee metropolitan area are now facing a new obstacle that is stretching the home building industry: an acute shortage of available lots. As seen in the graphic below, the number of available lots dropped from 13,601 in 1994 to a mere 2,491 this year.



“Over the last 20+ years we have seen a drastic change in the number of new lots created for the housing market.” Said Toby Van Sistine, Director of Government Affairs for the Metropolitan Builders Association of Greater Milwaukee. “Even after the 2008 housing downturn, the development side of new homes construction never really recovered.”

“Subdivision development has gotten increasingly difficult, expensive, and risky over the past 20 years,” added Steve DeCleene, President of Neumann Developments in Pewaukee. “In response, developers have only developed the lots they need to feed their homebuilding operation. The days of a pure merchant developer who subdivides and improves land in order to sell it to individuals are gone forever. The consequence of this shift in the market is a reduction in the supply of homes through new construction. With limited supply and persistent demand, I see no end in sight to the ever-increasing value of home in Wisconsin.”

“Unattainable engineering standards, utility installation costs, aggregate pricing and low density requirements are steep challenges to subdivision development in southeastern Wisconsin,” added John P. Siepman, Vice President of Operations and Development Manager with Siepman Realty in Waukesha. “The cost of improving land has increased so dramatically that the trend is increasingly headed toward builder/developer operations. Statistics show the number of platted lots has not met building permit demands for the last decade which will increase the cost of home and lot packages now and in the future.”

Despite the discouraging news on available lots, potential home buyers are definitely encouraged to check out the home buying situation for themselves. Now is the time to meet with home builders face-to-face during opportunities such as the 2022 MBA Parade of Homes (August 13-September 5) to learn about all of the options still available to build the new home they’ve always wanted.

ABOUT THE METROPOLITAN BUILDERS ASSOCIATION (MBA)

The Metropolitan Builders Association, located in Waukesha, Wis., is a not-for-profit trade association that represents nearly 1,000 companies involved in the construction, development, and remodeling of single and multifamily housing and light commercial property in Waukesha, Washington, Ozaukee, Jefferson, and Milwaukee counties. Collectively, its members employ tens of thousands of workers in the Milwaukee area and conduct millions of dollars of business each year. For more information, visit MBAbuilds.org or the Metropolitan Builders Association’s Facebook page.

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