FORWARD ANALYTICS
SPOTLIGHT

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Not Enough: Wisconsin's Housing Outlook

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In January 2023, Forward Analytics published "A Housing Hurdle: Demographics Drive Need for More Homes," which estimated that Wisconsin would need to create 140,000 new housing units by 2030 to accommodate its changing population. As the state's official estimates were more than a decade old at that point, this figure was based on an independent population forecast developed by Forward Analytics that projected a decline of around 130,000 in the state's working age population.

In late 2024, the Wisconsin Department of Administration (DOA) released new population projections anchored to the 2020 Census. Those projections tell a more challenging story than the 2023 report. The working-age population is now projected to decline by closer to 200,000, and the senior population is expected to grow more slowly than originally anticipated.

CHALLENGE AHEAD

The revised DOA estimates significantly change the housing picture, and subsequently our housing estimates for the rest of the decade. Maintaining the status quo level of occupied housing will require fewer new housing units to be built than originally estimated. Instead of 140,000 new units by 2030, the state will need around 84,000. The decline is not because housing has become more affordable or accessible, but because fewer people are expected to live in the state. To maintain housing supply for a declining working-age population, 84,000 units is a low-end estimate.

To remain competitive, Wisconsin should not be building for a low-end estimate. A state that constructs only enough housing for a shrinking workforce is not positioning itself to grow, attract talent, or remain economically competitive through the next decade and beyond. A status-quo of 84,000 units is the minimum. At the high end, a goal of 228,000 units would allow for the full reversal of working-age population loss through inmigration and relieve the pent-up demand among younger adults who have been priced out of the market. This is the level of ambition Wisconsin's housing policy should reflect, and the demographic figures behind it are the subject of the following sections.

> *84,000 units is a low-end estimate that maintains housing for a declining working-age population.*

DEMOGRAPHICS UPDATE

We examine three age cohorts: family formation (age 25-44), prime working age (aged 25-64), and seniors (ages 65 and older). We intentionally overlap two of these cohorts and highlight them separately, as housing behavior within the family formation years differs meaningfully from older working-age adults.

Family Formation

Because the age at which women begin having children has steadily increased, the population most likely to be forming families and purchasing homes has expanded to include those ages 25 to 44.

DOA estimates that this population group will drop by more than 16,000 from 2020 to 2030. However, census data through 2024 show the opposite, with the age cohort growing by over 26,000.

Changes in this age group may put additional pressure on the housing market by increasing demand in the short term, but lowering demand by the end of the decade as millennials begin to age out of this group and the smaller Generation Z ages in.

Prime Working Age

The prime working-age population, that is those aged 25 to 64, is the broadest measure of Wisconsin's labor force and the primary driver of housing demand for owner-occupied units.

DOA projects that this group will decline by nearly 200,000, or 6.6% between 2020 and 2030. The decline is concentrated among those aged 55-64, the younger half of the baby boom generation, who account for 171,096 of that projected drop. This is the single most significant demographic shift of the decade.

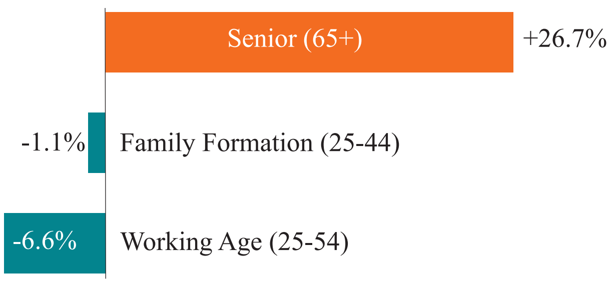
Census figures confirm this trend. The prime working age population has declined by over 25,000 from 2020 through 2024. This pattern will most likely accelerate through the current decade, as more of the younger baby boomers age out of the workforce.

Senior

The 65 and older population tells the other side of Wisconsin's demographic story. DOA projections show that through 2030, the senior population could grow by almost 283,000, a 26.7% increase over the decade.

Through 2024, Census figures show that this population grew by 108,716, which is roughly on pace with DOA projections. This rapid growth has significant implications for Wisconsin's housing market, as this group is more likely to own and remain in their homes.

Figure 1: Senior Population Growing
% Change in Age Cohort, 2020-2030 (est)



A COMPOUNDING CHALLENGE

Taken together, these three cohorts represent a state experiencing a significant demographic transition. The younger population, which is most likely to demand new housing, is slowly growing while the population that holds the largest share of housing stock is increasing rapidly. Understanding the pressures this demographic shift has on the supply and demand of housing through the rest of this decade is the subject of the next section.

HOUSING PROJECTIONS

To estimate housing need by 2030, we measure occupied housing rates by age group. These rates, measured as the number of occupied housing units per 100 members of the population group, have remained consistent over the past 15 years. Applying these ratios to future population projections yields a high-level estimate of the number of housing units that may be needed by 2030.

Family Formation

Ages 25 to 44 are typically the ages at which people begin having children and purchasing single family homes. Based on the projected population decline, the need for housing will technically drop for this age group over the course of the decade.

Traditionally, young adults in the 25-34 age bracket make up around half of all first-time home buyers. Yet, recent data from the National Association of Home Builders show that nationally, around 19% of adults ages 25-34 live with parents or in-laws. In Wisconsin, this share is 13.2%. Some in this age group choose to live with parents for non-economic reasons, yet some are making the choice out of necessity, reflecting a form of pent-up demand. The state would need an additional 24,000 housing units by 2030 to accomodate just half of this population, assuming they are living with parents out of necessity and would prefer their own homes.

Prime Working Age

Assuming by 2030 the state loses around 200,000 residents in the 25-64 population as projected by DOA, Wisconsin would need to add around 84,000 new housing units in this decade to maintain the status quo. This is significantly lower than the 140,000 originally estimated in the 2023 report.

If states and localities were able to attract enough residents to offset the population loss, the state would need 120,000 housing units in addition to the 84,000, bringing the statewide total to around 204,000. Addressing half of this decline would mean an additional 60,000 housing units needed, bringing the total to nearly 144,000.

A high-end estimate combining the number of housing units needed to accomodate young adults priced out the market and the 204,000 units needed to address the decline in the working-age population brings the total to just over 228,000 additional housing units needed from 2020 to 2030.

Senior

The 65-and-older population cohort is the fastest growing demographic in the state, though DOA projects it will grow more slowly than the 2023 Forward Analytics report originally predicted. Changes in this demographic significantly impact housing demand because seniors are much more likely to own and remain in their homes for longer periods of time. A smaller increase in this demographic would therefore reduce the number of homes needed compared to previous estimates.

Demand Summary

The table on the following page combines the total housing need projections across all demographic cohorts and all scenarios in a single view. The status quo estimate of 84,121 units is a floor, which is the minimum needed to maintain current occupied housing levels. Each subsequent scenario represents a more ambitious and desirable outcome for the state.

Table 1: Housing Need from 2020 to 2030
Number of Housing Units Needed for Each Scenario

Scenario	Units Needed by 2030
Status quo	84,121
+ half working-age decline	143,933
+ full working-age decline	203,865
+ pent-up demand	228,065

CAN WISCONSIN KEEP PACE?

Wisconsin's ability to meet any of the housing scenarios outlined above depends on two things: what progress has been made in the first half of this decade, and whether the state has the construction capacity to sustain or accelerate that pace through 2030. The total number of occupied units is a good proxy for current capacity; the number of housing permits issued is a leading indicator for future capacity; and the number of lots created is a leading indicator of how many permits can be issued in future years. The data on occupied housing units, building permits, and lot creation each tell part of that story.

Addressing working-age population decline and priced-out young adults, Wisconsin needs over 228,000 more housing units from 2020 to 2030.

WHERE WISCONSIN STANDS

The most direct measure of current housing capacity is the total number of occupied housing units in the state. From 2020 to 2024, this figure increased by over 51,000, representing roughly 60% of the low-end estimate needed by 2030. If that pace holds, Wisconsin will meet its status quo housing need by the end of the decade. But meeting the status quo is not the same as making progress. Wisconsin's deeper challenge is keeping pace with current residents while also increasing supply to make the state more attractive to potential residents.

Permit Pace

The number of permits issued is a forward-looking, leading indicator to measure the potential number of housing units built, and therefore future housing capacity. Assuming a one-to-one ratio of permits to housing units likely underestimates the capacity created, as one permit can lead to multiple housing units, such as a duplex or apartment building. From 2020 through 2025, Wisconsin has issued 138,424 permits for housing units of all occupancy levels, already far outpacing the low-end estimated need of 84,121 units by 2030 and nearly meeting the housing need should the state address half of the projected migration challenges discussed previously. Indeed, if the state maintains this average permit issuance through 2030, even the highest-level estimate is within reach.

Lot Supply

Lot creation is the furthest upstream measure of housing capacity because permits can only be issued, and homes can only be built, where lots already exist. From 2020 through 2025, there were an average of 5,600 lots created per year, an increase from the 4,600 created per year in the preceding five-year period. However this is still well below pre-Great Recession figures when lot creation averaged over 14,000 per year. See Figure 2.

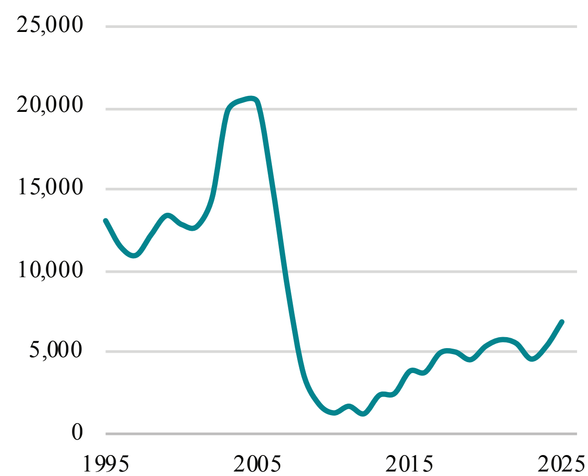
It is worth noting that lot creation and permit issuance do not have a direct one-to-one relationship. A building permit is required any time a new housing unit is constructed, whether that unit is a single-family home or a large apartment complex, including redevelopment of previously built properties, conversion of commercial parcels into residential use, or infill construction of long vacant land. New lot creation, however, captures only freshly platted residential land. As a result, permit counts will always exceed new lot creation figures.

While total permit pace details the potential for housing construction among all unit sizes, the housing needs of Wisconsin's critical family-formation age cohort are more specifically tied to single-family home construction.

Single Family Demand

According to the U.S. Census Bureau, 68% of people ages 25-64 own their homes. Applying this same ratio to future demand shows how many single-family homes may be needed under each housing projection. Table 2 shows the need for single-family homes in each scenario.

Figure 2: Lot Creation Lags
Annual Lot Creation, 1995-2025



Keeping pace with demand for a shrinking population is not the same as progress.

Since 2020, Wisconsin has issued 74,692 single unit permits, an average of about 12,449 per year. This number has already met the predictions for the status quo and is only 23,223 permits away from the projection that addresses half of the estimated 25-64 population decline, something that is well within reach if the state continues to permit and build single-family homes at the current rate.

The higher housing estimates are more challenging. If the full 25-64 population decline is addressed, Wisconsin would need to issue 63,936 more permits. At current averages, this would take about five years to complete. Given that 13,328 permits were issued in 2025, there are signs of increased permitting, which makes reaching this estimate possible. At the highest projection of 155,084 single-family homes needed by 2030, Wisconsin would need 80,392 more permits. This comes out to a need of 20,098 permits per year between 2026 and 2030, a number that falls well short of the current average.

Table 2: Single Family Home Needed, 2020 to 2030
Number of Single Family Homes Needed for Each Scenario

Scenario	Units Needed by 2030
Status quo	57,202
+ half working-age decline	97,915
+ full working-age decline	138,628
+ pent-up demand	155,084

The Path Forward

The data in this report point to a clear but uncomfortable conclusion. Wisconsin is on pace to build enough housing units through the decade to meet the status quo need. At current permitting averages, the state will likely produce enough housing units to accommodate a shrinking working-age population and a growing senior cohort. By that narrow measure, Wisconsin is keeping up with housing demand.

Keeping pace with demand for a shrinking population is not the same as progress. The status quo estimate of 84,000 units is lower than the 140,000 projected in 2023, but not because housing has become more affordable or because housing construction has become more ubiquitous, but simply because fewer people are expected to live here.

The higher estimates in this report (144,000 units to address half the working-age population decline, 204,000 to address it fully, and 228,000 when pent-up demand among younger adults is included) represent the level of housing investment required for Wisconsin to stabilize its workforce, attract new residents, and provide real options to younger adults looking to purchase homes. Each target requires deliberate action on lot creation, permitting, and policies that make homeownership more widely available.

The next few years of lot creation and permit data will signal which path Wisconsin is on. Lot creation ticked upward in 2025 to its highest level since 2007, which is encouraging, but still far short of pre-Great Recession levels. Permitting has increased in recent years as well, but these incremental increases may not be enough to make up for years of lower construction and underdevelopment.