

THE VOICE OF THE WISCONSIN HOMEOWNERS ALLIANCE

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Homeowner Insights for Wisconsin Decision Makers

Volume 2 • Issue 4 • June 2007

Wisconsinites Think This Is a Good Time to Buy a Home

A periodic look at how homeowners feel about their homes, what they are and are not spending money on in their homes and what sets their teeth on edge

Editor's Note: Recent financial pressures and concerns about what a property tax freeze would mean for local services have sparked new discussions about whether Wisconsinites ought to find some other way to pay for local services and public education. We asked Wisconsin homeowners whether they would support shifting the cost of these services from the property tax to the sales and state income taxes, and if not, why not.

This January, we asked Wisconsin residents (renters and homeowners) whether they thought this was a good time to buy a house because, "... there are a lot of homes for sale, prices are down a bit and mortgage rates are still pretty reasonable," or whether they thought this was a bad time to buy because, "... property values seem to be going down instead of up so it's not a great investment, the economy is still weak and you'll get a better deal if you wait." By more than three to one (74% to 22%), Wisconsinites said they think it's a good time to buy a home. Homeowners were more likely to see it as a good time to buy than were renters. People between the ages of 35 and 65 were more likely to say it's a good time to buy than people younger than 35 and older than 65. More people making more than \$60,000 a year said it was a good time to buy than those making less than \$60,000 a year. (See Figure 1 on the next page.)

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The Wisconsin Homeowners Alliance (WHA) is a 501(c)(4) organization dedicated to representing the interests of Wisconsin homeowners and protecting Wisconsin's quality of life one home at a time. As part of this effort, the WHA conducts a series of statewide public opinion surveys designed to help us understand what homeowners are thinking and talking about. This monthly publication is intended to share issues of importance and concern to homeowners with decision makers around the state.

We'd like some property tax relief, but worry about maintaining local control

Nearly half (49%) of Wisconsin homeowners said they would support "... shifting the cost of local government and services and K-12 education here in Wisconsin from the property tax to the sales tax or the state income tax." Thirty-nine percent said they would oppose such an effort. There were no significant variations based on age, gender or income amongst either supporters or opponents.

Opposition to shifting the cost of local government and services and K-12 education indicated that it was driven by concerns about maintaining local control and skepticism about whether or not taxes would really go down. Nearly half (46%) said they opposed shifting to another tax because "... it's important to keep control of local government and schools in the hands of local taxpayers." The other half (47%) appear to have been motivated by worries about higher taxes, with 20 percent saying they opposed a shift because "... other taxes would go higher and your property taxes would not really go down," and 27 percent saying that they believed that even if their property taxes did go down they would wind up paying more taxes in total.

It is also worth noting that when we asked those who supported shifting costs how much of the cost of local government and services and K-12 education should be shifted, only 16 percent said "all," while 23 percent said "most" and a majority (56%) said "some."

And, when we asked everyone which taxes should be increased if the legislature decided to shift costs, the top three vote getters were cigarette taxes (51%), corporate taxes (48%) and the sales tax (35%). Figure 1.

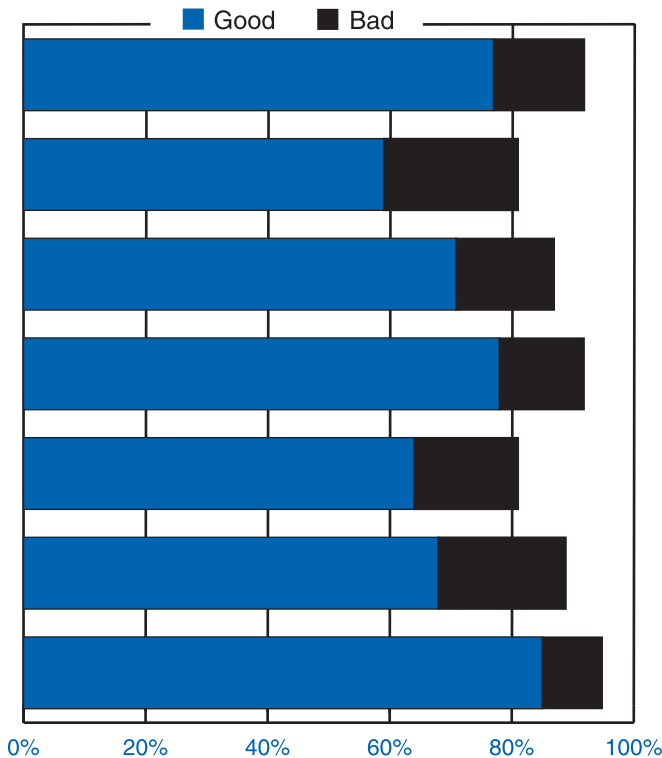


Figure 1