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W I S C O N S I N

THE VOICE OF THE WISCONSIN HOMEOWNERS ALLIANCE

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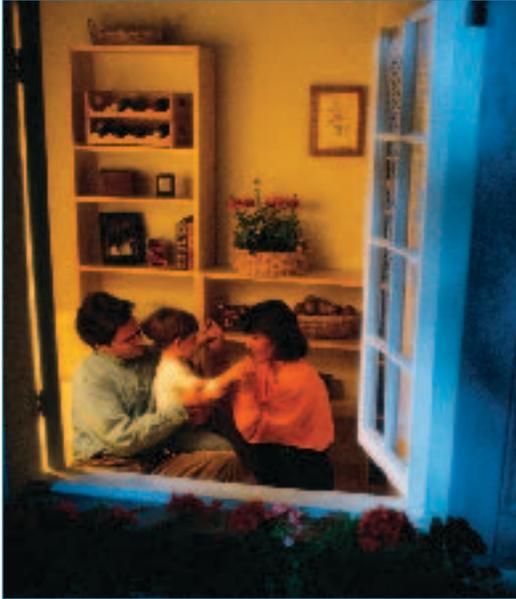
Owner's Manual

Shoreland zoning

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The Wisconsin Homeowners Alliance 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.

Homeowners say they're paying more for almost everything



The rising costs of health care, gas, groceries, cable television, prescription drugs and education are hitting our pocketbooks and changing how many of us spend our money.

Editors Note: Earlier this year, the Wisconsin Homeowners Alliance commissioned the first of a series of statewide public opinion surveys designed to help us understand what homeowners are thinking and talking about. Before we designed our questionnaire, we took a hard look at the research conducted by the Wisconsin REALTORS® Association's Wisconsin Quality of Life initiative and talked with a lot of Wisconsin homeowners. What struck us in both the research and the discussions we had with homeowners was how much of what people had to say sounded like the sorts of things we were talking about with our families when we gathered around our own kitchen tables to talk about our concerns and hopes. And, that's when it occurred to us that what we really wanted to do with our surveys was to listen to, and learn from, what was going on at all the kitchen tables in all the homes in Wisconsin. Here's what we heard the first time we stopped by Wisconsin's kitchen table. Grab a cup of coffee and join us.

In an age when most of us are paying more than \$2.50 a gallon for gasoline, it's not surprising to hear that more than nine out of 10 (91%) Wisconsin homeowners believe gasoline is more expensive today than it was a year ago. But, it is surprising and troubling when they tell us that the cost of lots of things they need is also more expensive than it was just 12 months ago.

Significant majorities of Wisconsin residents believe their health care costs (78%), state fees (70%), groceries (70%), monthly utility bills (67%), property taxes (62%), prescription drugs (60%), cable television (56%), state income taxes (55%), and eating out (54%) are all more expensive than they were at this time a year ago. One third, or more, of our homeowners also think education is costing more, with 42 percent indicating that they think tuition at the University of Wisconsin System has gone up.

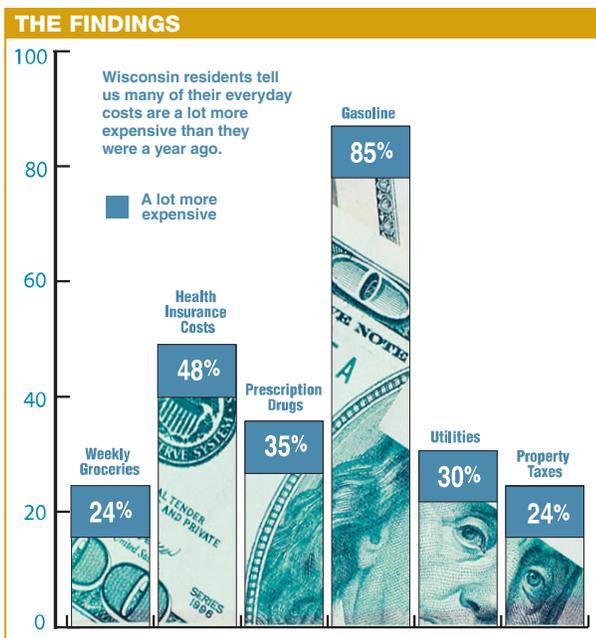
Most people tell us the higher costs result in their spending more for these items, but for some, rising prices mean making tough choices. In households making between \$40,000 and \$60,000 a year, for example, almost 60 percent report spending a lot more on gas. Another 25 percent tell us they are spending a little more or about the same and 16 percent say they are spending less, which means that more than 40 percent of the homeowners in this income bracket in

Wisconsin have been forced to modify their driving as a result of higher gas prices.

Even more troubling, while 63 percent of all homeowners say we are spending more on health care costs, nearly three-fourths (74%) of those making between \$40,000 and \$60,000 say they are spending more. Nearly one in three (30%) of all households report that they have had to postpone, eliminate or significantly cut back on a physician recommended medical procedure as a result of high-

er costs, and 64 percent are worried that they will not be able to afford the cost of health care in the future.

And, at a time when two-thirds of all homeowners tell us that economic development is either absolutely critical or very important to their personal economic well-being, more than 20 percent of those contemplating going to college or sending their children to college say they will have to postpone, eliminate or significantly cut back on that expense.



Despite these challenges, nearly two-thirds of our homeowners tell us they think things are going pretty well in their communities and there are high levels of satisfaction with homeownership and local services.

Clearly, however, when more than half of all homeowners report that they have less money at the end of each month now than they did a year ago and that the rising cost of health care and local taxes and fees are having a negative effect on their quality of life, we need our policy makers, health care providers and merchants to be sensitive to the impact their decisions may have on Wisconsin homeowners.

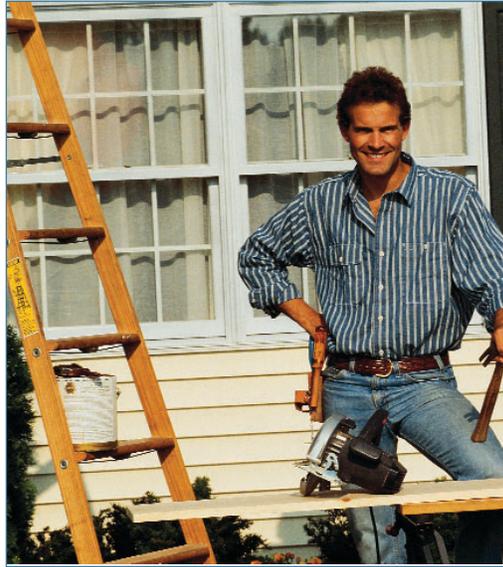
Satisfaction, value & economy affecting housing market

Editors Note: For homeowners, the last few years have been amazing. Record low interest rates — growth in new home building — unprecedented opportunities for financing and refinancing — and the list goes on. The homeowners we talked to told us they'd appreciate a heads-up on what our survey findings might tell us about future market or regulatory trends. They were interested in whether or not something might affect them; so, we decided to call this our **Whether Report**. Enjoy!

Most homeowners are satisfied with price, location, safety and access to services. Three out of four (76%), for example, say that they are either very satisfied or somewhat satisfied with how close a “good school” is to their home. Better than 90 percent say they are satisfied with: a) their own sense of personal safety and security in their neighborhoods (93%); b) how close they are to parks and open spaces (92%); and c) access to shopping and entertainment (91%).

And, most homeowners are satisfied with the cost of owning and maintaining their homes. For example, 76 percent report being satisfied with the cost of owning their homes, while 74 percent say they are satisfied with what they pay for maintenance and up-keep.

Given these high levels of homeowner satisfaction and homeowner sensitivity to the rising cost of living (See *Voices from the Kitchen Table*, p. 2), it is not surprising to discover that most homeowners plan to stay put. More than 80 per-



cent of current homeowners are not planning to move in the next two years, while those most likely to be planning a move are younger (e.g., 54 percent of 18 to 24-year-olds and 38 percent of 25 to 34-year-olds versus 17 percent of 55 to 64-year-olds) and currently renting their homes (e.g., 41% versus 16%).

It is not clear what percentage of those planning to move intend to purchase a home, but the data suggests that there is a correlation between homeownership, income and the likelihood of moving. For example, 85 percent of those who report household incomes between \$40,000 and \$60,000 own their homes, while 15 percent rent. In that income bracket 18 percent indicate that they are planning to move in the next two years. In those households making \$20,000 to \$40,000, 68 percent own their homes, 31 percent rent and 23 percent are planning to move in the next two years. This pattern shifts in the upper income levels where 96 percent of those earning more than \$80,000 a year own their homes and 2 percent rent, but 23 percent indicate that they are planning to move in the next two years.

These numbers hint at two possible trends. First, because large numbers of existing homeowners are not planning to move, housing stock for the younger, less well-off population that plans to move in the next two years may not always be available and there will be pressure to build new housing to meet their needs. Second, the percentage of more affluent homeowners likely to be moving in the next two years will probably result in more demand for larger, more expensive homes.

Over the past three to four years, numerous public opinion research projects have examined public perceptions about the quality of life here in Wisconsin. An in-depth review of the data collected reveals,

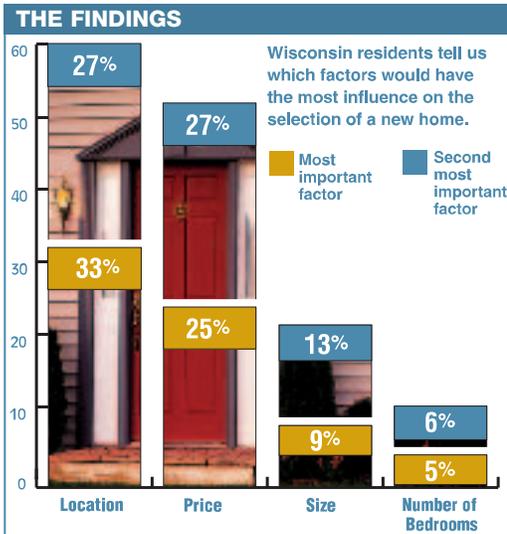


not surprisingly, that for most of us, quality of life issues are those that touch family and home most directly.

Two other findings were significant and not expected. First, the breadth of issues that people believe affect the quality of their lives — everything from the price of gas and the amount of traffic on the road to the cost of health care or vacationing in Wisconsin — is enormous. Second, despite the range and diversity of issues, the data revealed consistent patterns of mutual concern, agreement and interest about the things that most people and homeowners think affect their quality of life here in Wisconsin.

In reviewing all of these findings, it became apparent that the people were telling us some pretty important things about what they thought needed to be done to preserve the quality of life here in Wisconsin. The Wisconsin Homeowners Alliance (WHA) has been created to make sure the voice of Wisconsin homeowners continues not only to be heard, but also to become a roadmap for those dedicated to preserving and protecting Wisconsin's quality of life one home at a time.

The Wisconsin Homeowners Alliance is a 501(c)(4) tax-exempt organization. For more information please visit us at www.homeownersalliance.org. The WHA wishes to recognize and thank the Wisconsin REALTORS® Association and its members for their initial encouragement and financial support.



Proposed shoreland zoning rules will affect lakefront property owners



Waterfront property owners and others who enjoy the state's lakes and rivers know that strong environmental standards are critical to maintaining Wisconsin's quality of life.

They also know that how those environmental standards are applied to waterfront lots and homes can affect property values and their ability to use and enjoy a waterfront location.

That's why recent efforts by the Wisconsin Department of Natural Resources (DNR) to change shoreland zoning standards warrant the close attention of all homeowners. The existing standards date to the 1960s and, like the standards being proposed now, are part of an effort to protect water quality, provide habitat for fish and wildlife and preserve the scenic beauty of the state's waterways.

The Wisconsin Homeowners Alliance (WHA) supports the effort to develop rules that recognize the changing use of Wisconsin lakes and rivers. However, while some por-

tions of the proposed rules would allow homeowners greater flexibility to make improvements, some are concerned that other provisions could negatively affect waterfront property values.

Tom Larson, director of regulatory and legislative affairs for the Wisconsin REALTORS® Association, says, "We recognize the need to control shoreline erosion and preserve our waterways so future generations can continue to enjoy the same quality of life we value today, but we want to make sure all property owners are treated fairly, through rules

that maintain or enhance homeowner investments."

Some aspects of the proposed rules that could benefit waterfront property owners include provisions to:

- **Allow unlimited maintenance and repair of homes and other structures** — such as boat-houses or garages — that do not meet current zoning rules. In many communities, spending for repairs and maintenance is now limited to 50 percent of a "nonconforming" home's value. The proposal would help owners maintain homes that were built to meet older standards.
- **Allow replacement of homes or other buildings that don't meet zoning standards if the lot is at least 7,000 square feet.** Many counties now prohibit any replacement of buildings that don't meet standards. Unfortunately, the specified minimum lot size of 7,000 square feet is arbitrary and more homeowners would benefit if the

DNR allowed replacement projects on smaller lots.

Aspects of the proposal that could pose problems for waterfront property owners include provisions to:

- **Prohibit additions to homes if any portion of the home is within 35 feet of the high water mark.** The proposed rule puts owners of existing waterfront homes at a disadvantage because there are no such restrictions on new construction behind the 75-foot setback.
- **Require erosion control and vegetation buffer plans** for homeowners who take on construction or landscaping projects that disturb 2,000 square feet or more of land.
- **Regulate the materials used for stairs and walkways.** Under the proposal, sidewalks made of concrete or other hard surfaces would be in violation of the rule, requiring property owners to ultimately replace them.
- **Ban signs and flagpoles within 75 feet of the high-water mark,** unless the county approves them. In addition to eliminating flagpoles, this provision would ban use of "for sale" and other business signs unless approved by the county. The provision would even prohibit safety signs, such as "waterfall ahead" or "thin ice."

The proposed revisions have been the subject of nearly a dozen hearings throughout the state and a final version is expected to be sent to the Legislature before the end of the year. For additional information, please visit the Wisconsin Department of Natural Resources Web site at <http://www.dnr.state.wi.us/>.
