

## Report Objective

This report explores the correlation between income levels and vacancy rates across Wisconsin, identifies outlier counties, and proposes two strategies to address the factors contributing to these outliers.

## Data Overview

The analysis uses census tract level data from the 2020 American Community Survey.

- B25004: Vacancy Status
- B25002: Occupancy Status
- B19013: Median Household Income

## Analysis

### Geographic Trends

Map 1 illustrates that most northern counties in Wisconsin, particularly those near Lake Michigan and Lake Superior, exhibit significantly higher vacancy rates compared to other counties. This complicates efforts to pinpoint areas where high vacancy rates are driven by economic conditions.

### Relationship Between Vacancy Rates and Income

Figure 1 shows the relationship between vacancy rates and median household income across Wisconsin counties, categorized by state medians. The state median income is \$59,351, and the state median vacancy rate is 13.6%. Most counties with lower vacancy rates have higher income levels, while counties with higher vacancy rates have lower incomes, highlighting a negative correlation.

However, outlier counties such as Door, Oconto, and Walworth exhibit high vacancy rates despite relatively high median incomes. In these counties, seasonal vacancies account for a significant portion—83% in Door County and 85% in Oconto County. Across counties with high vacancy rates, 33 out of 36 have more than 60% of their vacant units designated for seasonal use. Vacancies for migrant workers are negligible, not exceeding 1% in any county.

## Strategies

### 1. Exclusion of Seasonal and Migratory Work-Related Vacancies

This adjustment excludes all vacant units categorized as seasonal or for migrant workers, offering a view of vacancies linked to economic conditions or housing demand.

Key Findings:

- Figure 2 shows that after this adjustment, most outlier counties, except Door County, shift closer to the median vacancy line or into the low vacancy group.
- Counties near the Great Lakes experience the largest reductions in vacancy rates,

with Washburn, Douglas, and Walworth showing the greatest decreases.

- New high-vacancy counties emerge, including Milwaukee, Grant, Iowa, and Monroe. These counties likely face high vacancy rates due to economic factors such as declining housing demand, aging populations, or the delayed effects of COVID-19.
- Persistent high-vacancy counties, such as Door, Florence, and Forest, face challenges from remaining vacant units available for rent or sale, likely due to undesirable locations and struggling economies.

## **2. Mean-Centering Vacancy Rates by County**

This approach compares each census tract's vacancy rate to its county average, highlighting within-county variation.

Key Findings:

- Map 2 visualizes this variation across Wisconsin after excluding seasonal and migratory vacancies.
- Counties such as Milwaukee and Door show significant disparities within their tracts, suggesting potential socioeconomic inequalities. Targeted housing stabilization efforts at the tract level could address these disparities.
- In counties like Grant, Iowa, and Monroe, high vacancy rates appear more evenly distributed, indicating broader economic struggles, such as low income or mismatched housing supply and demand.
- Counties like Ashland and Florence, while not experiencing high overall vacancy rates, exhibit noticeable within-county disparities, warranting preemptive action to prevent deterioration in high-vacancy tracts

## **Conclusion**

This analysis reveals a strong negative correlation between income and vacancy rates in Wisconsin, with outlier counties like Door, Oconto, and Walworth exhibiting high vacancy rates driven by seasonal vacancies.

Adjusting for seasonal and migratory vacancies reshapes the landscape:

- Counties near the Great Lakes see significant reductions in vacancy rates.
- New high-vacancy counties emerge, driven by economic challenges.

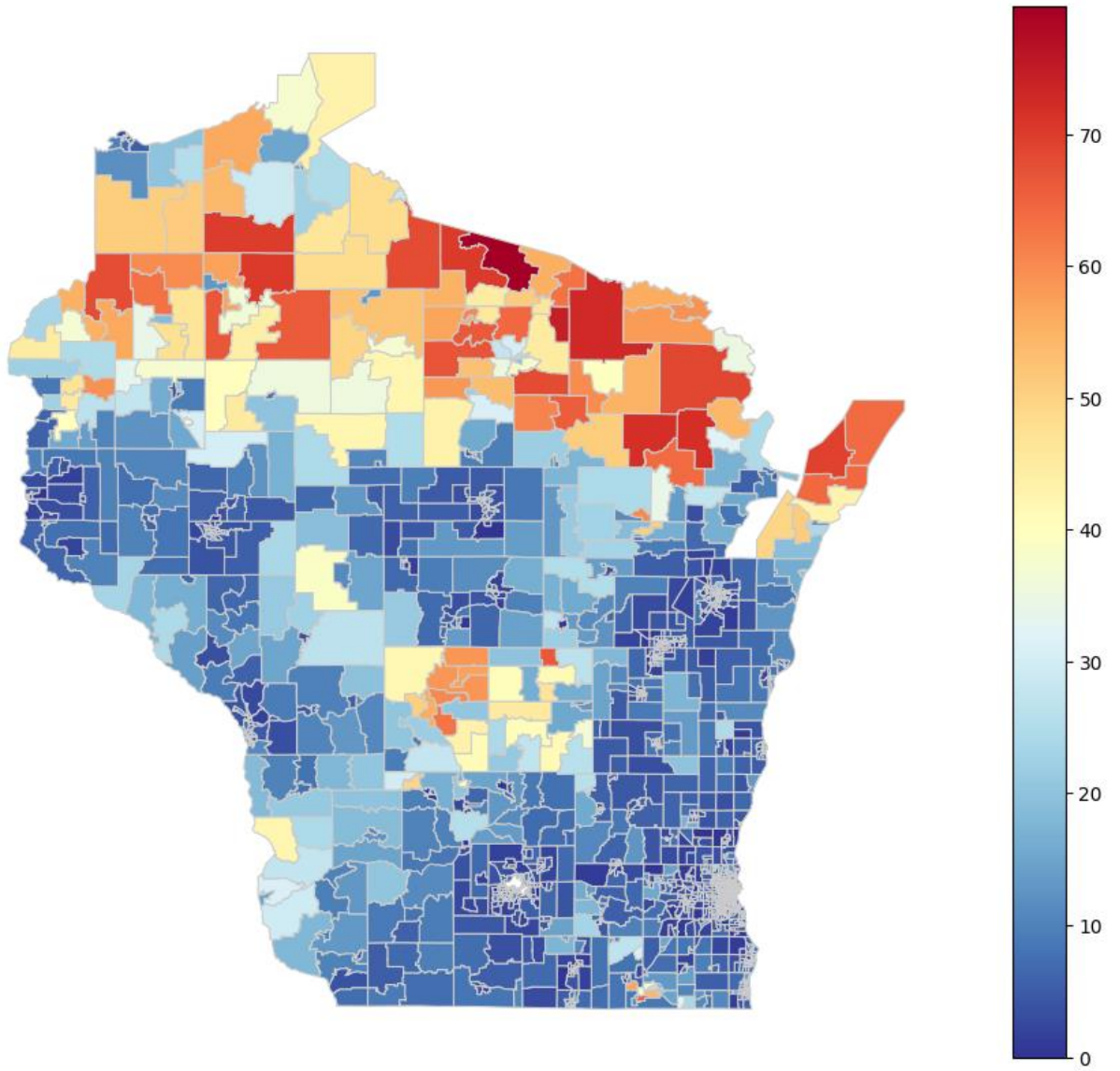
Mean-centering highlights disparities within counties, with Door and Milwaukee showing pronounced gaps requiring targeted interventions. Meanwhile, counties with evenly distributed high vacancy rates, like Grant and Monroe, need broader economic solutions to stabilize their housing markets.

Recommendations:

- Implement tract-level housing stabilization strategies in counties with significant internal disparities.
- Address broader economic challenges in counties with widespread high vacancy rates to ensure sustainable housing market recovery.

Map 1

Distribution of Vacancy Rate in Wisconsin



## Map 2

Distribution of Mean-Centered, Adjusted Vacancy Rate in Wisconsin

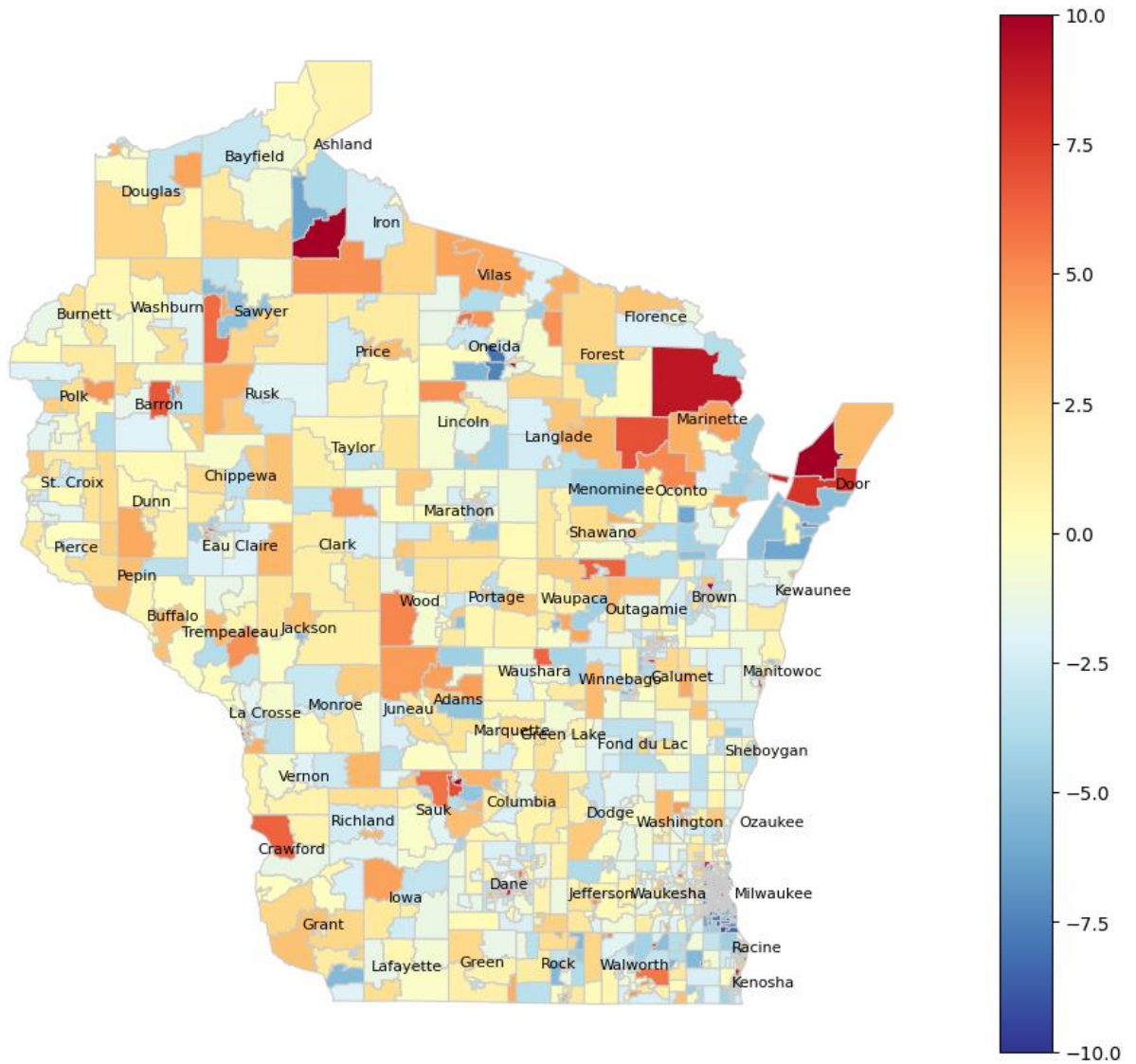


Figure 1

Counties Plotted by Vacancy Rate and Median Household Income

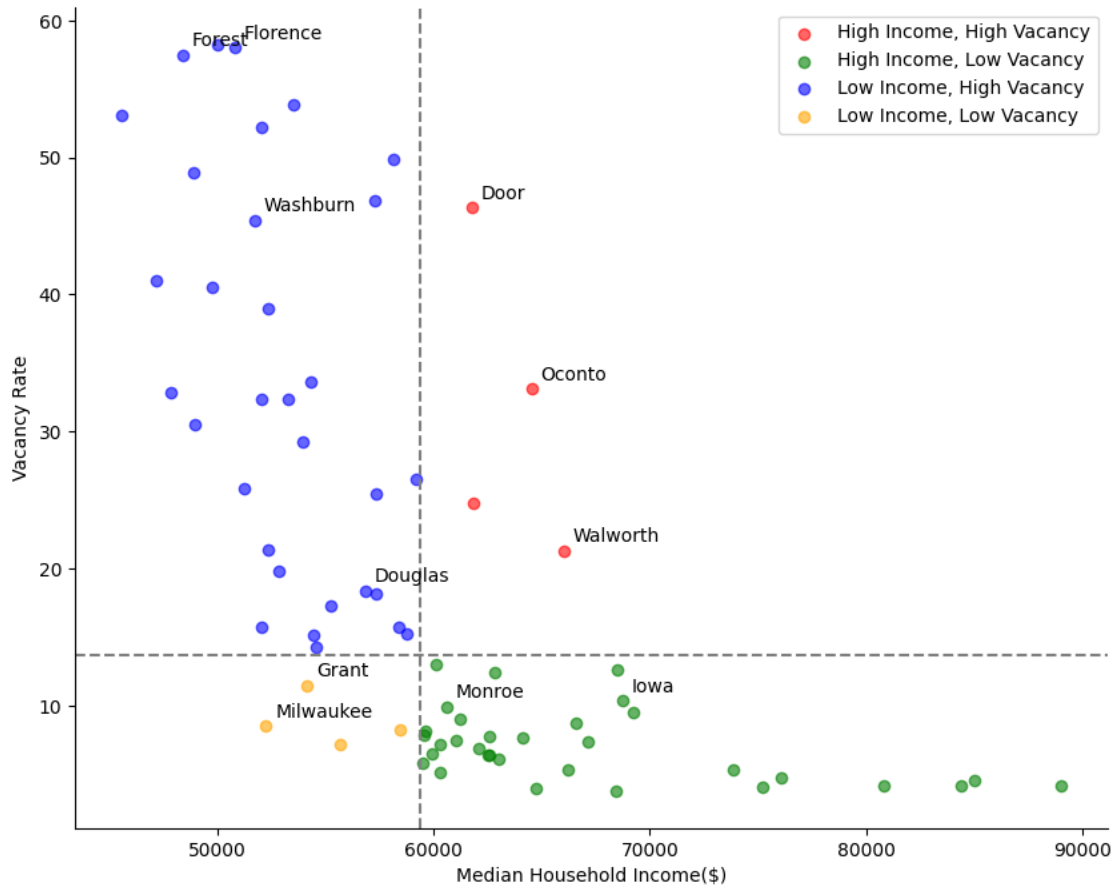


Figure 2:

Vacancy Rates Excluding Seasonal Use and Migrant Worker Units

