appendix A

Market Analysis

SECTION ONE: DEMOGRAPHICS

Population Growth

The population of the Near North area was estimated to be 71,265 in 2008 according to Claritas. This represents approximately 12 percent of all Milwaukee residents. However, the population of the neighborhood has been in steady decline. The Near North population is estimated to have declined almost seven percent since 2000 and just over 16 percent since 1990. This decline has meant that the Near North area has lost over 13,000 residents in the past 18 years. Furthermore, Claritas forecasts the population to decline another 4 percent or 3,200 residents by 2013. See Figure 1.

The city and county of Milwaukee have lost population during this time period as well. Population decline in the city and county has not been as steep as the Near North area, but the city has lost approximately 56,000 (-9%) residents and the county has lost 44,500 (-5%) since 1990. At the same time, Wisconsin has grown by almost 14 percent adding over 700,000 residents over the same time period. See Figures 2 and 3.

Figure 1

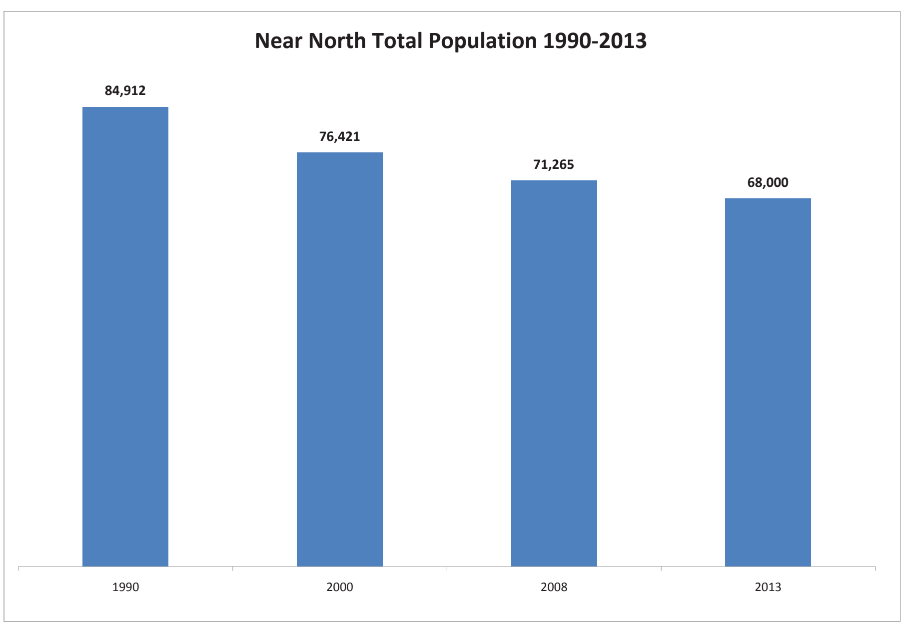


Figure 2

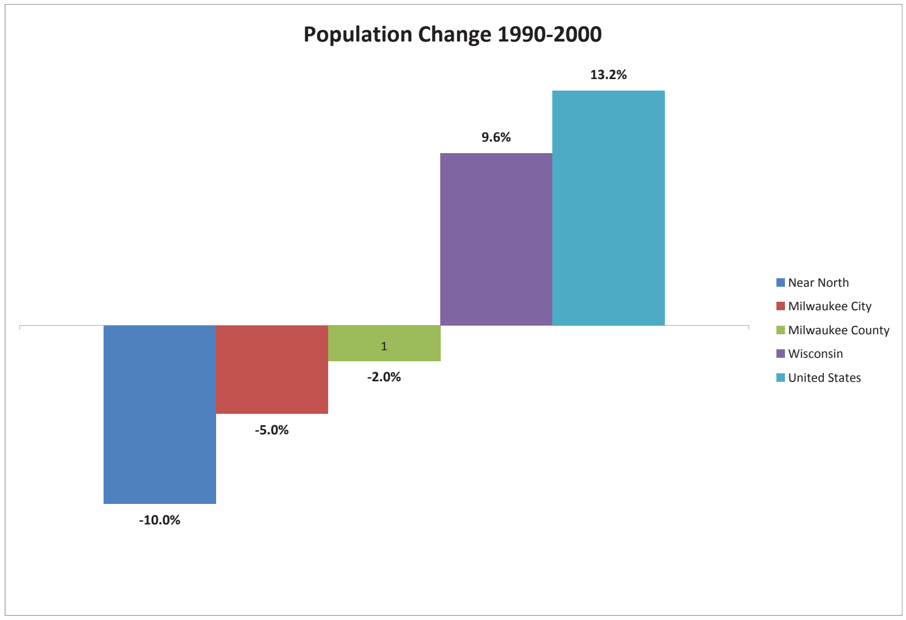
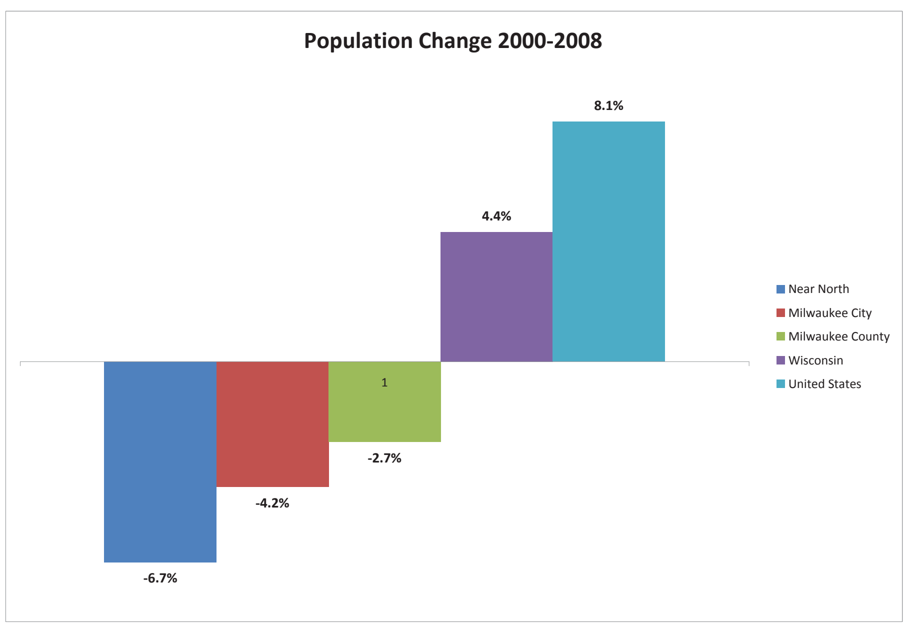


Figure 3

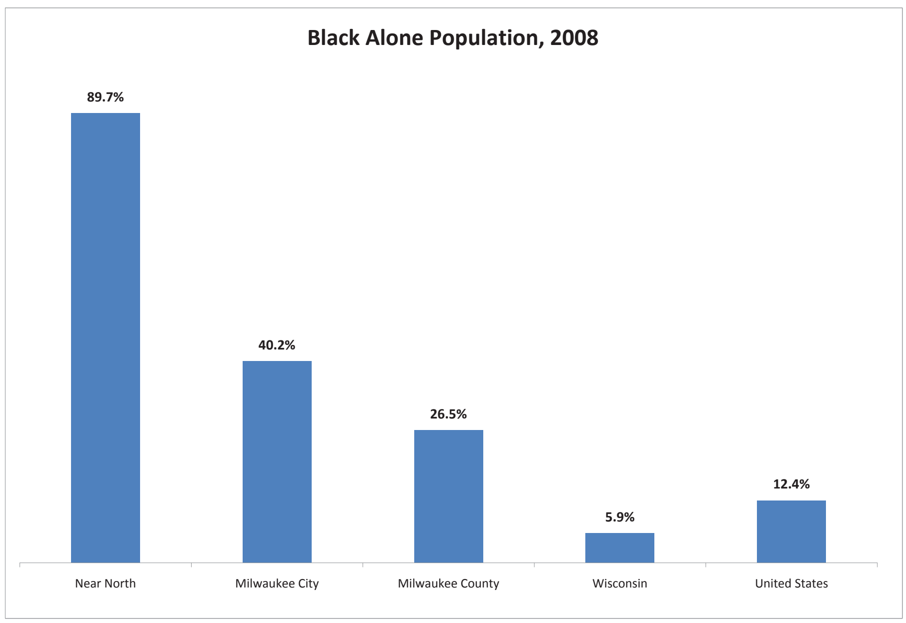


Race

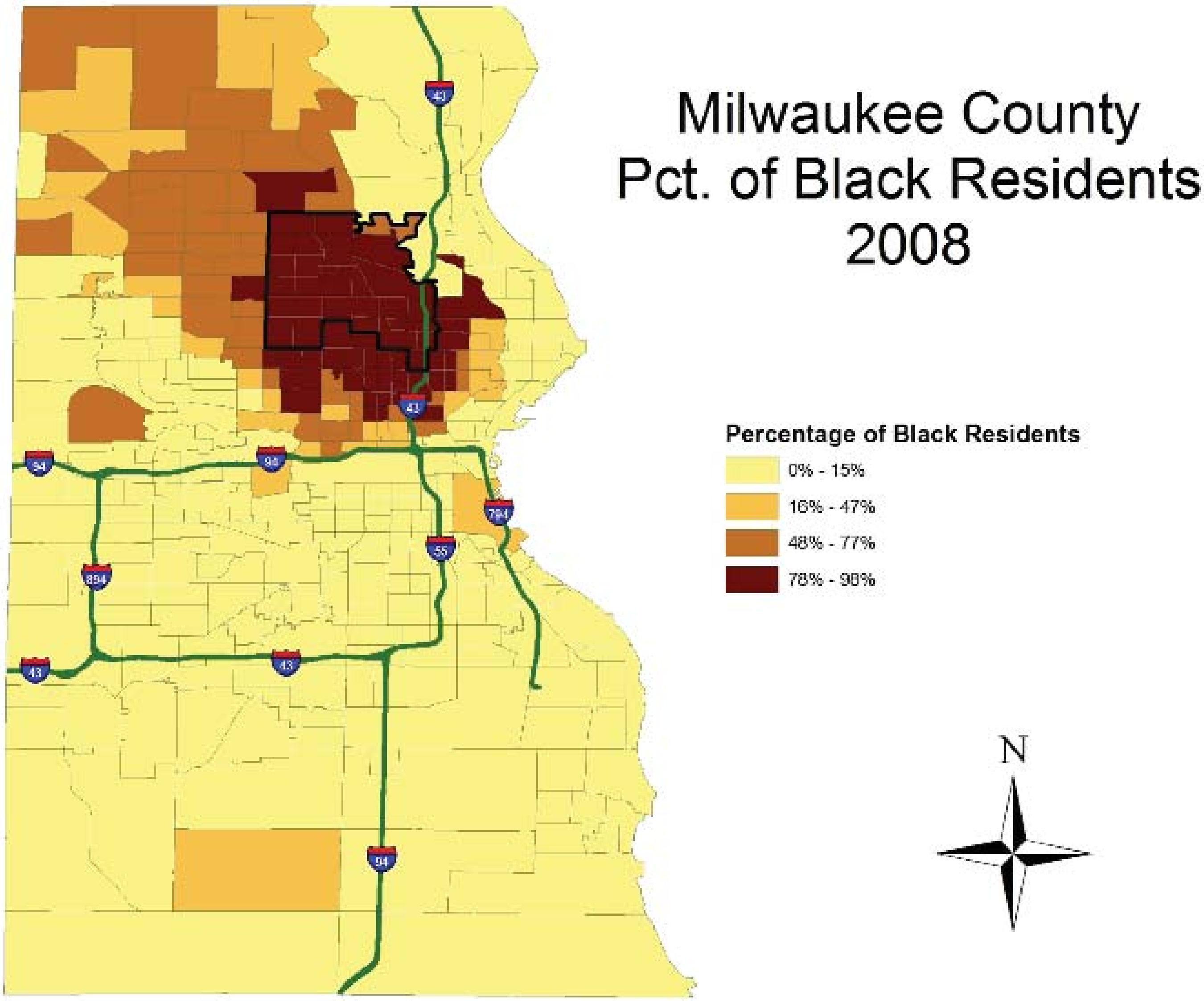
The Near North area is a predominantly African-American neighborhood with almost 90 percent of its residents estimated to fall in that racial category in 2008. This rate is more than double the citywide percentage of 40 percent of residents being African-American. Almost one of every five African-American residents in Wisconsin lived in the Near North area in 2008.

As the corresponding map of Milwaukee shows, the African-American population is strongly concentrated in the North-Central to North-Western area of the county. All but one census tract in the Near North area has a African-American population of at least 78 percent. See Figure 4 and Map 1.

Figure 4



Map 1


Milwaukee County
Pct. of Black Residents
2008
Percentage of Black Residents
0% - 15%
16% - 47%
48% - 77%
78% - 98%
N

Six percent of residents were estimated to be White in 2008. This contrasts with 44 percent in the city of Milwaukee and 87 percent statewide. The remaining four percent of residents fell into the other racial categories. See Figure 5 and Map 2.

The Near North area had a much lower percentage of Hispanic residents than the city of Milwaukee as a whole. Approximately two percent of Near North its residents classify themselves as Hispanic, compared to almost 16 percent citywide and five percent statewide. There is, however, a small pocket of Hispanic residents on the northeastern edge of the Near North area. See Figure 6 and Map 3.

Figure 5

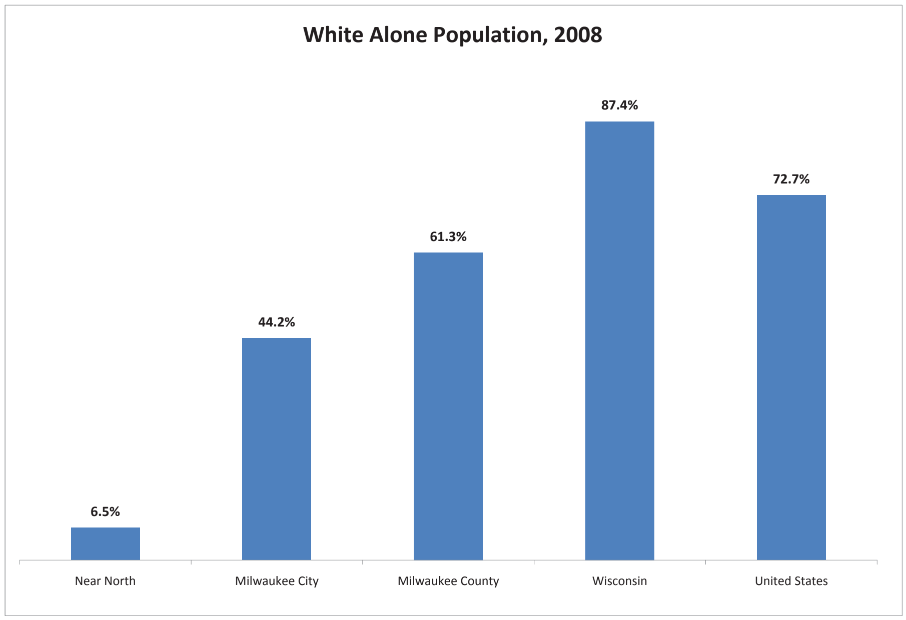
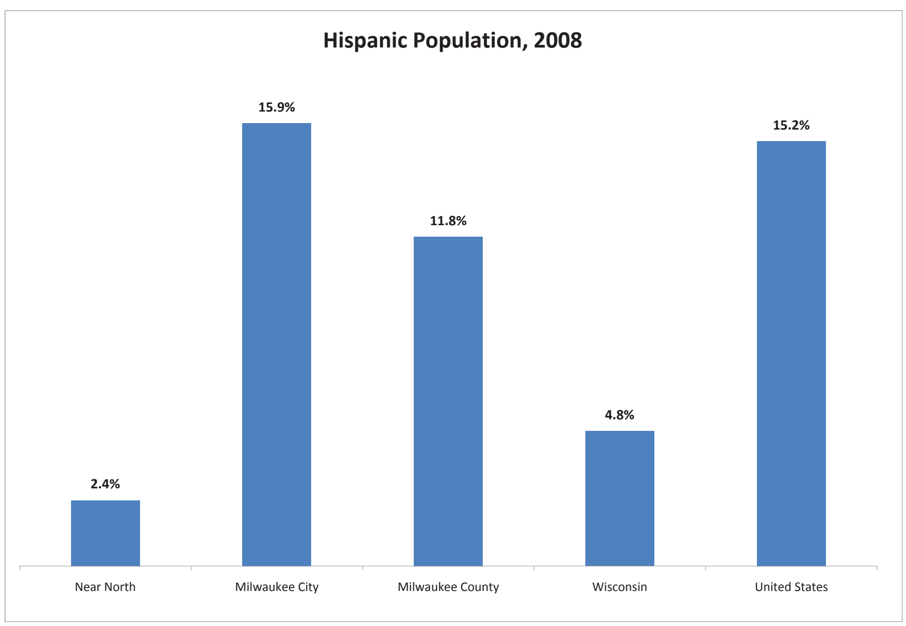
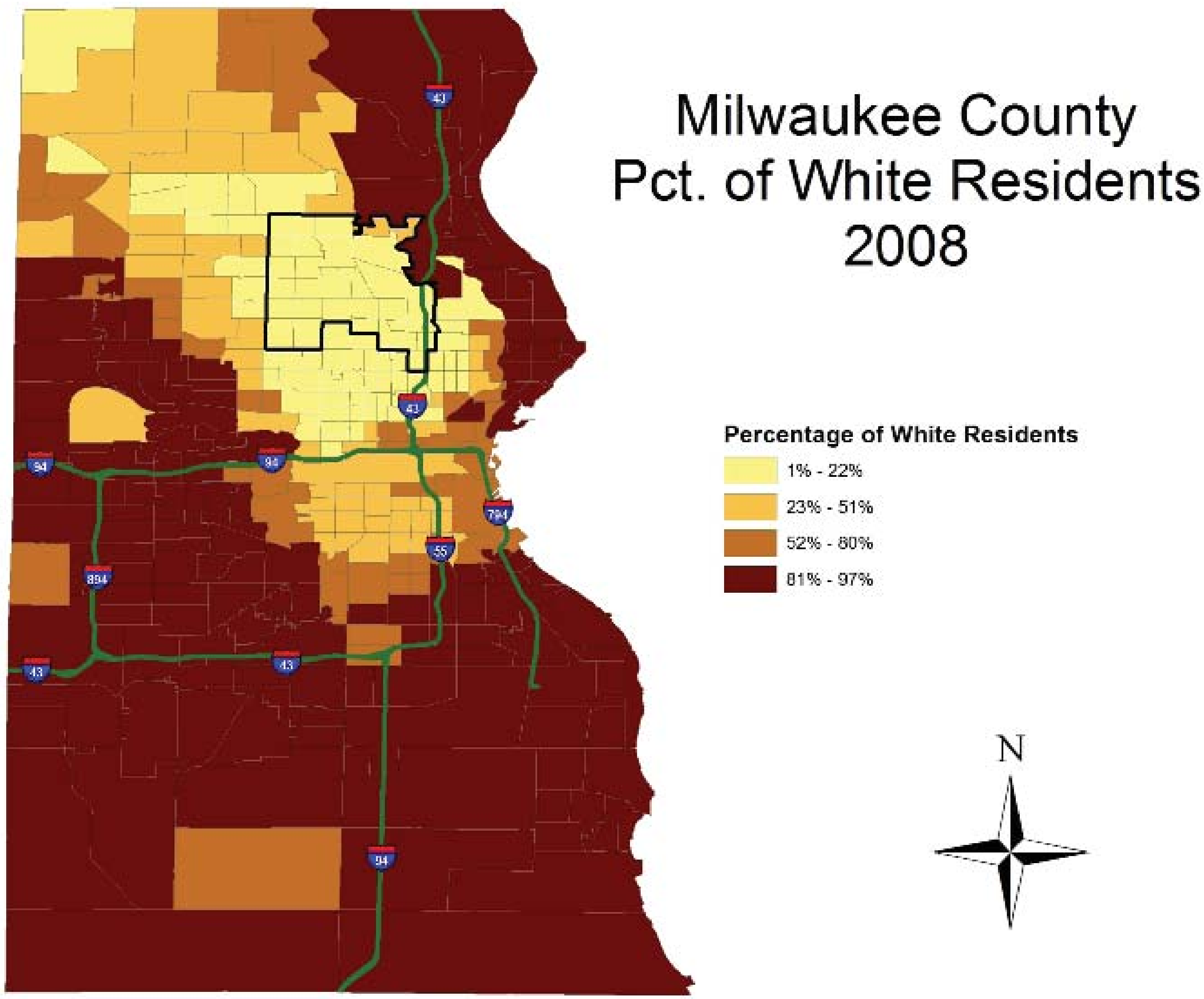


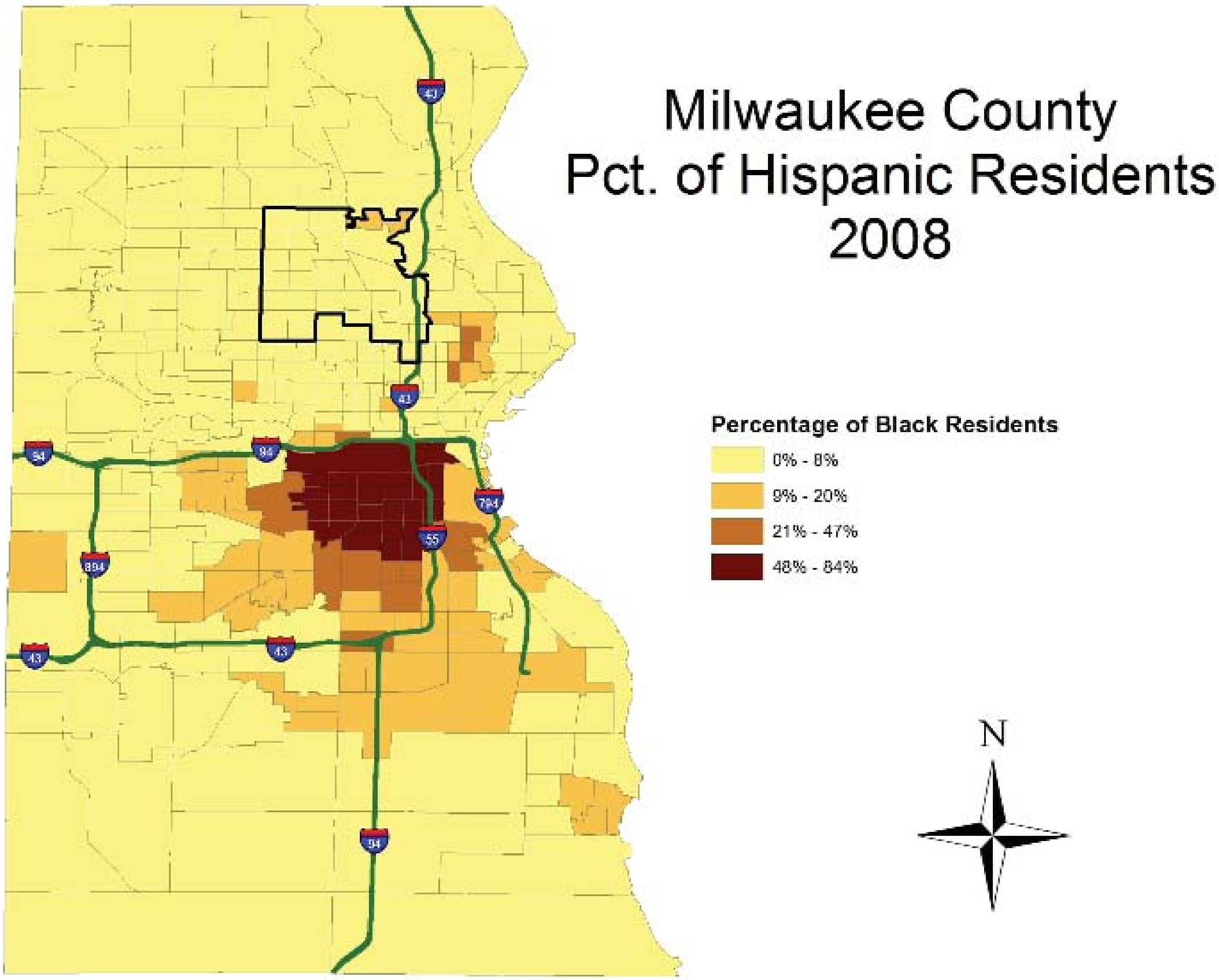
Figure 6



Map 2


Milwaukee County
Pct. of White Residents
2008
Percentage of White Residents
1% - 22%
23% - 51%
52% - 80%
81% - 97%
N

Map 3


Milwaukee County
Pct. of Hispanic Residents
2008
Percentage of Black Residents
0% - 8%
9% - 20%
21% - 47%
48% - 84%
N
43
94
894
55
794

Age and Sex

When analyzing the age and gender data two items stand out as unique to the Near North area. The first is the relatively young age of its residents and the second is the lack of males.

The median age of the Near North area was 29 years in 2008. This low when compared to the citywide median age of 32 years and the state median of 38 years. However, when looking specifically at males, the differences are even greater. The median age of males in the Near North area was 25 years in 2008. This is extremely low when compared to the citywide and statewide median ages for males of 34 and 37 years respectively. As the map demonstrates, the Near North area is mostly clustered in the second tier of median male ages with a range of 25 to 33. The areas to the south and west have an even lower median age for males. See Figures 7 and 8 and Map 4

The relative lack of males in the Near North area is apparent as well. The male to female ratio (which is 0.97 nationally) was just 0.84 in 2008 for the Near North area. There were approximately 38,600 females and only 32,600 females in Near North when those numbers should more or less match one another. The citywide ratio was 0.94 and statewide 0.99. See Figure 9.

Figure 7

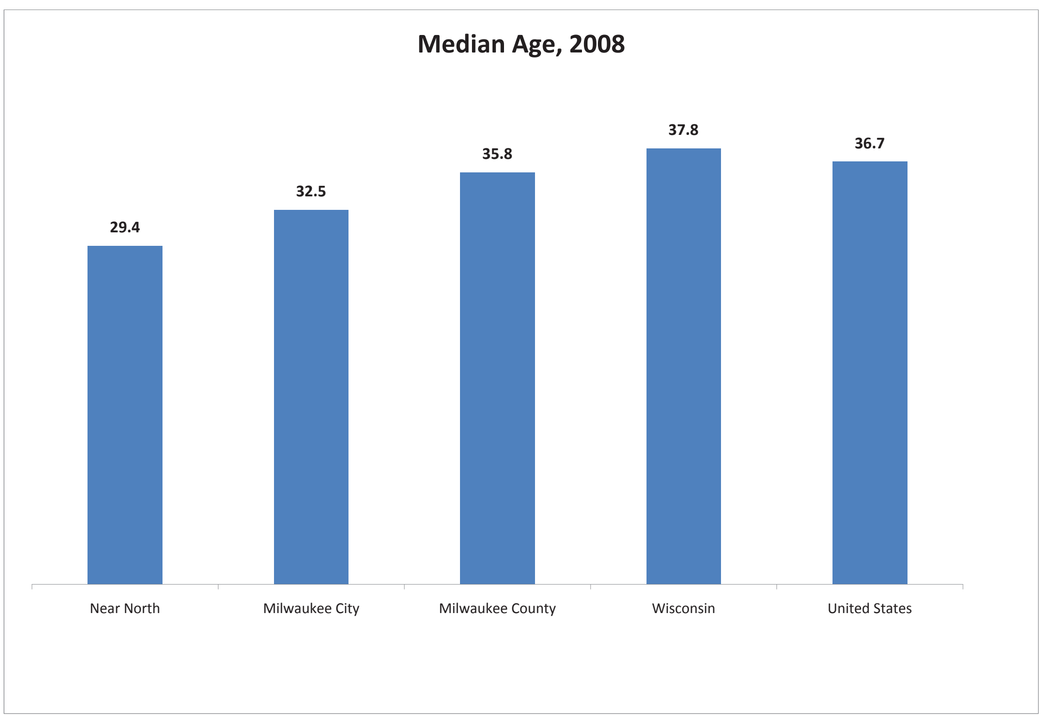


Figure 8

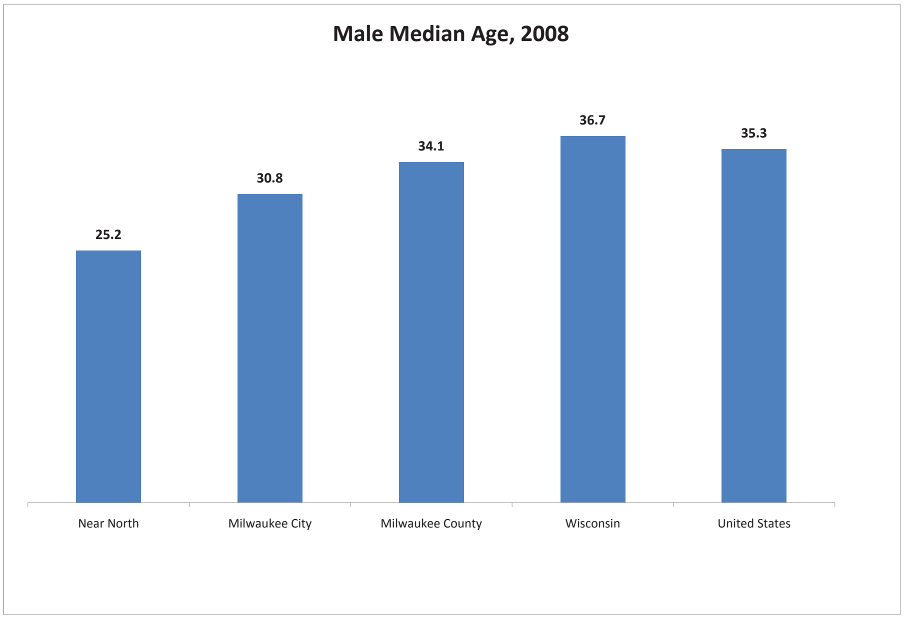
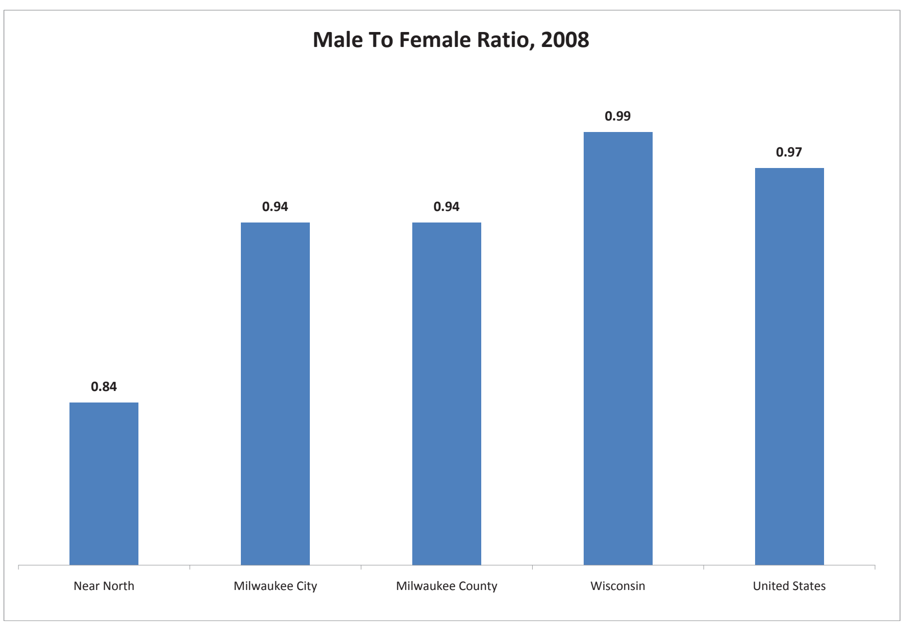
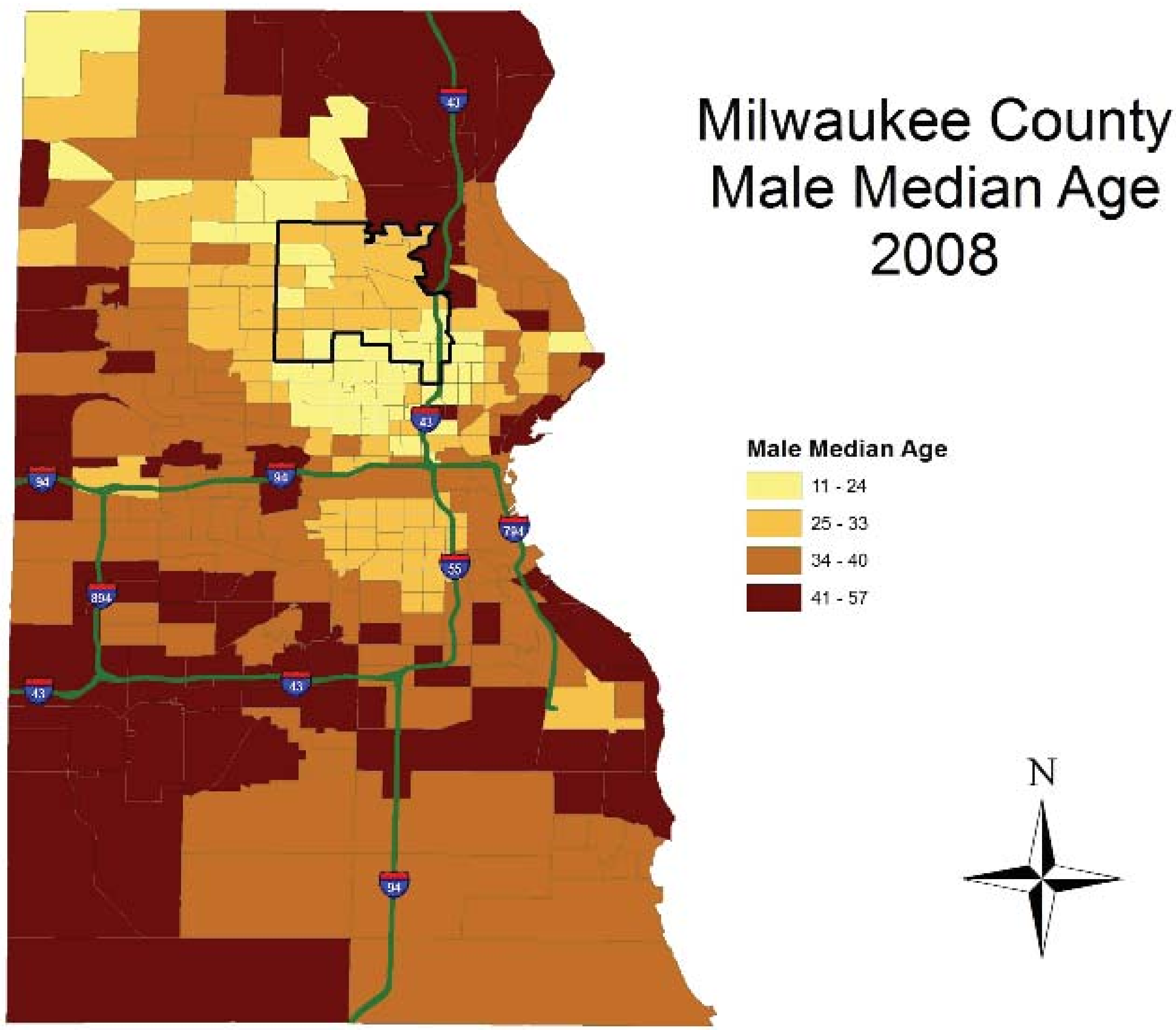


Figure 9



Map 4


Milwaukee County
Male Median Age
2008
Male Median Age
11 - 24
25 - 33
34 - 40
41 - 57
N

Educational Attainment

The educational attainment statistics are carried forward from the latest Census conducted in 2000. The percentages were kept at the same rate while the raw numbers were updated to keep pace with the population change. The Near North area was behind the city and state when looking at percentages of high school, college, and advanced degree recipients. Although the Near North area lagged behind other benchmarks for High School graduates, they did not fall far behind. Their 70 percent High School graduation rate trailed the city's 75 percent rate and the state's 85 percent.

As Map 5 shows, the southeastern edge of the Near North area falls into the lowest category of high school graduates but the remainder of the district is in higher brackets with some census tracts on the western edge falling in the 78 to 88 percent range. See Figure 10.

When looking at four year and post graduate degrees, nine percent of Near North residents ages 25 and higher had a four year college degree and two percent had a post graduate degree. This trails the citywide averages of 19 and six percent and Wisconsin's 23 and seven percent.

Looking at Map 6, only a few southeastern and northeastern census tracts fall into the higher, second category of bachelor's degree attainment, as most of the Near North area falls under the 13 percent threshold. See Figures 11 and 12.

Figure 10

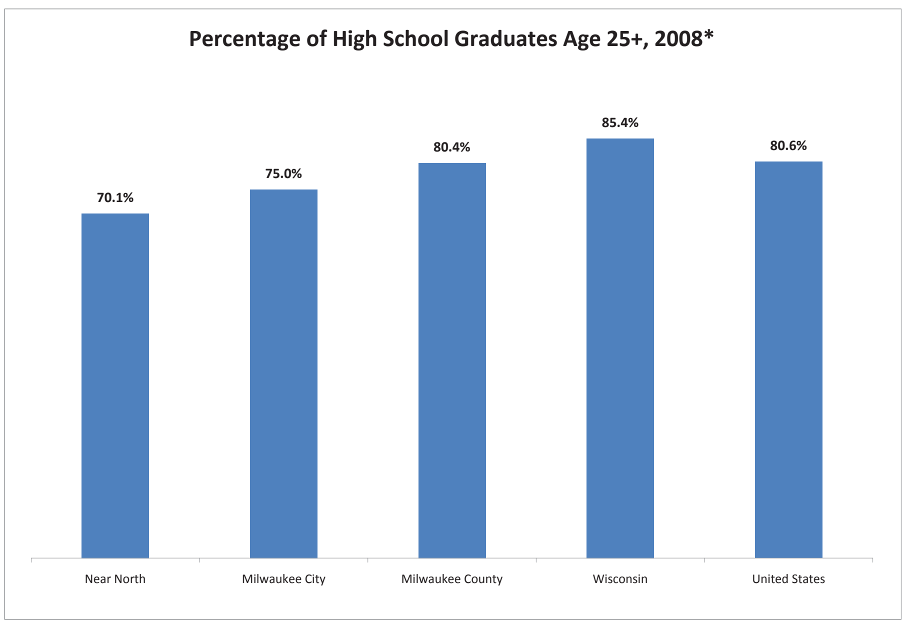


Figure 11

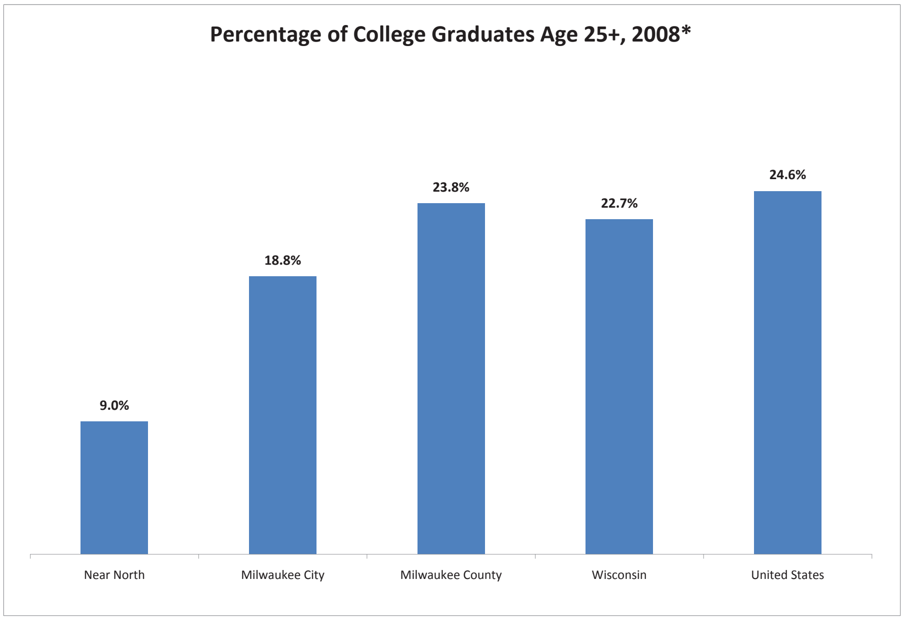
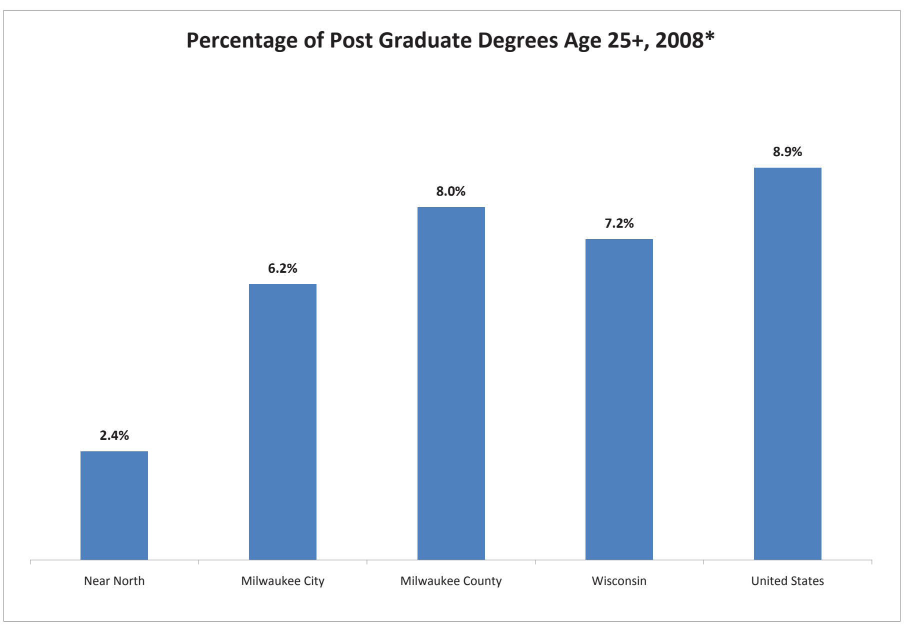
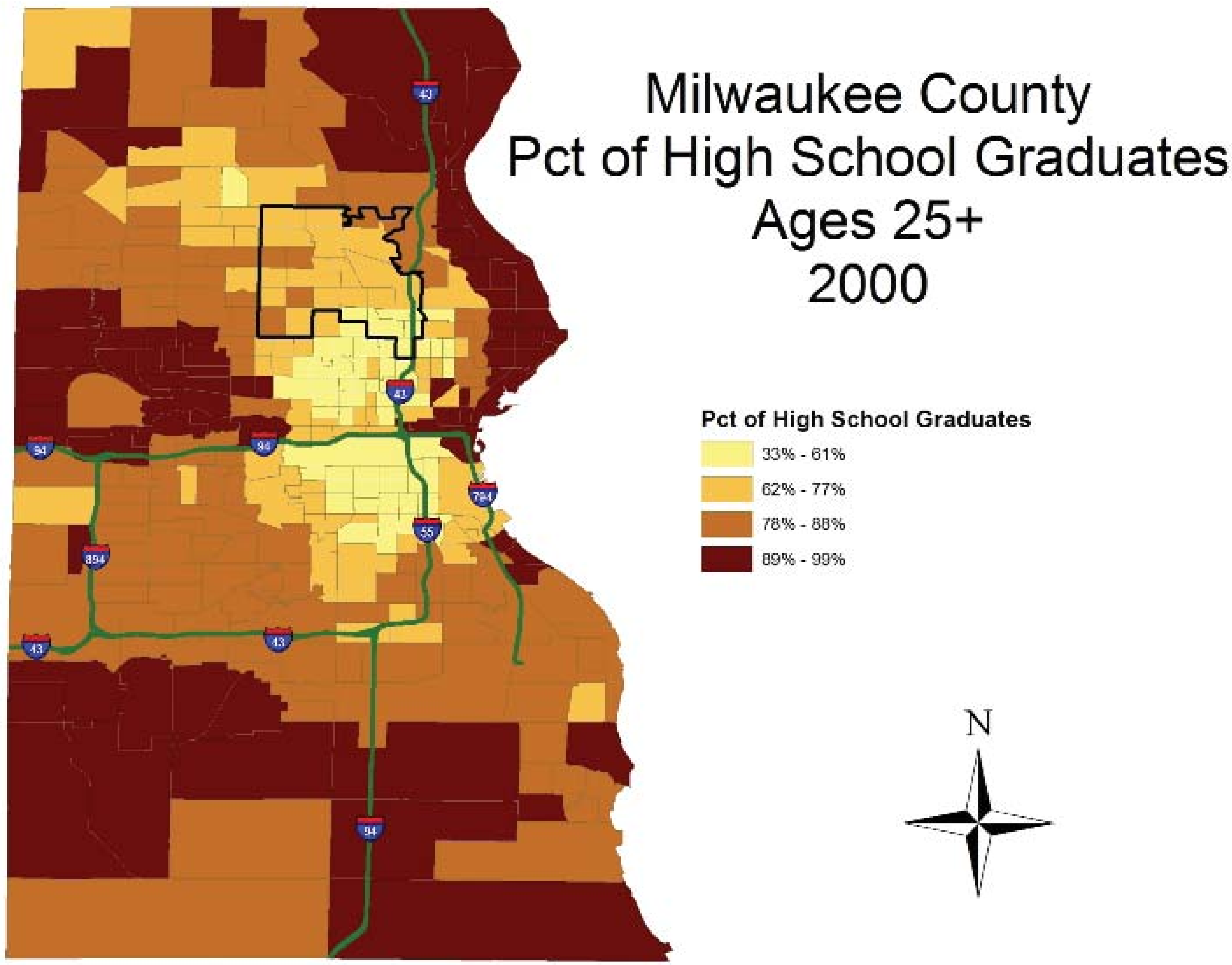


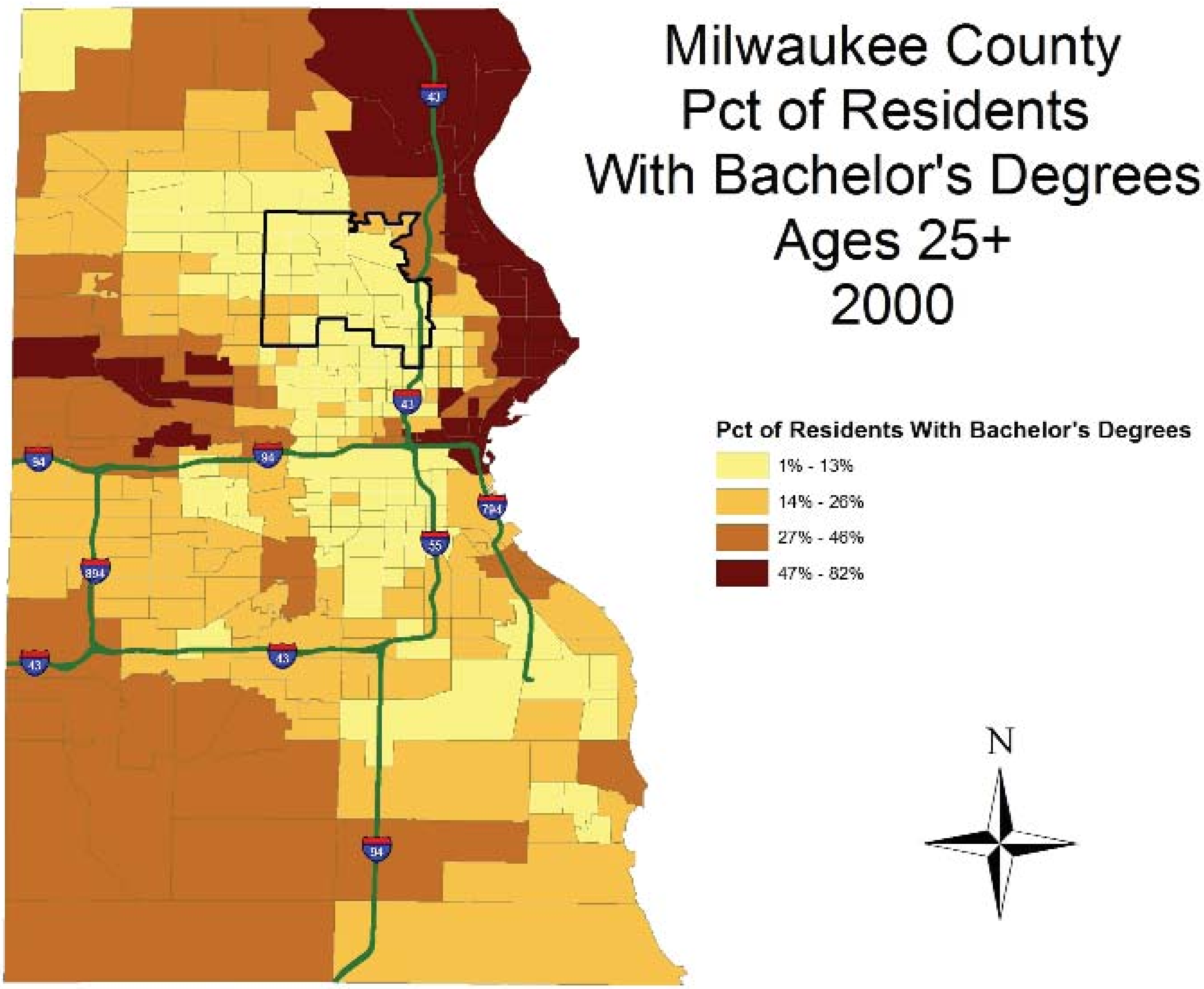
Figure 12



Map 5


Milwaukee County
Pct of High School Graduates
Ages 25+
2000
Pct of High School Graduates
33% - 61%
62% - 77%
78% - 88%
89% - 99%
N
43
94
894
55
794

Map 6


Milwaukee County
Pct of Residents
With Bachelor's Degrees
Ages 25+
2000
Pct of Residents With Bachelor's Degrees
1% - 13%
14% - 26%
27% - 46%
47% - 82%
N
43
94
894
55
794

Income

The Near North area had an estimated median household income of approximately $30,000 in 2008. This was only 58 percent of the statewide median household income of $51,000. The city of Milwaukee had a median household income 22 percent higher than Near North in 2008 with an estimated $36,000 per household.

These same trends stuck for per capita income as well. The Near North area had a per capita income of $14,300 compared to the citywide average of $18,500 and statewide at $25,600. The Median Household Income map shows that the Near North area is uniformly in the lowest bracket of income shown, with the exception of four census tracts that fall above $34,600 but below $56,400. See Figures 13 and 14 and Map 7.

Figure 13

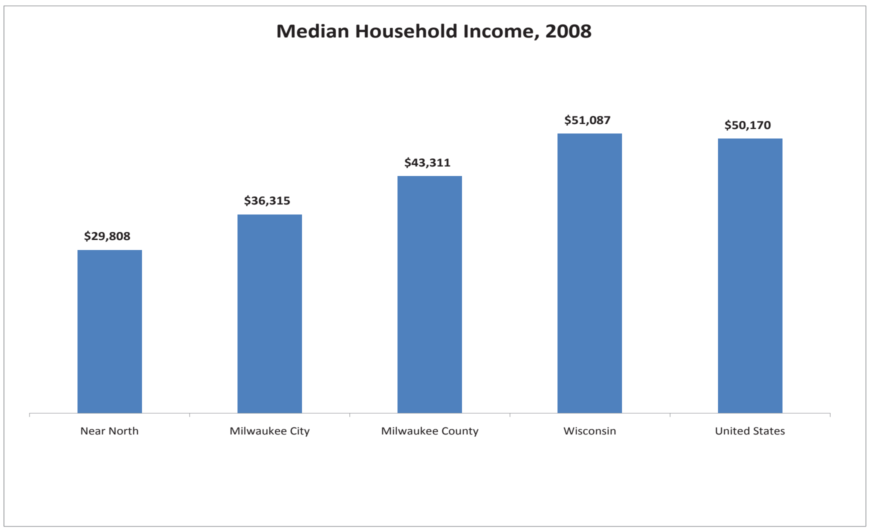
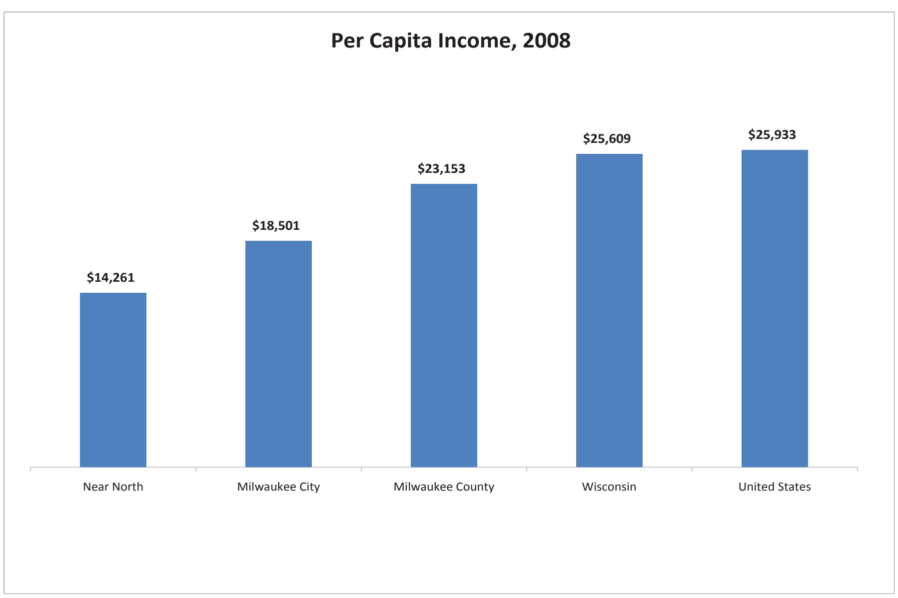
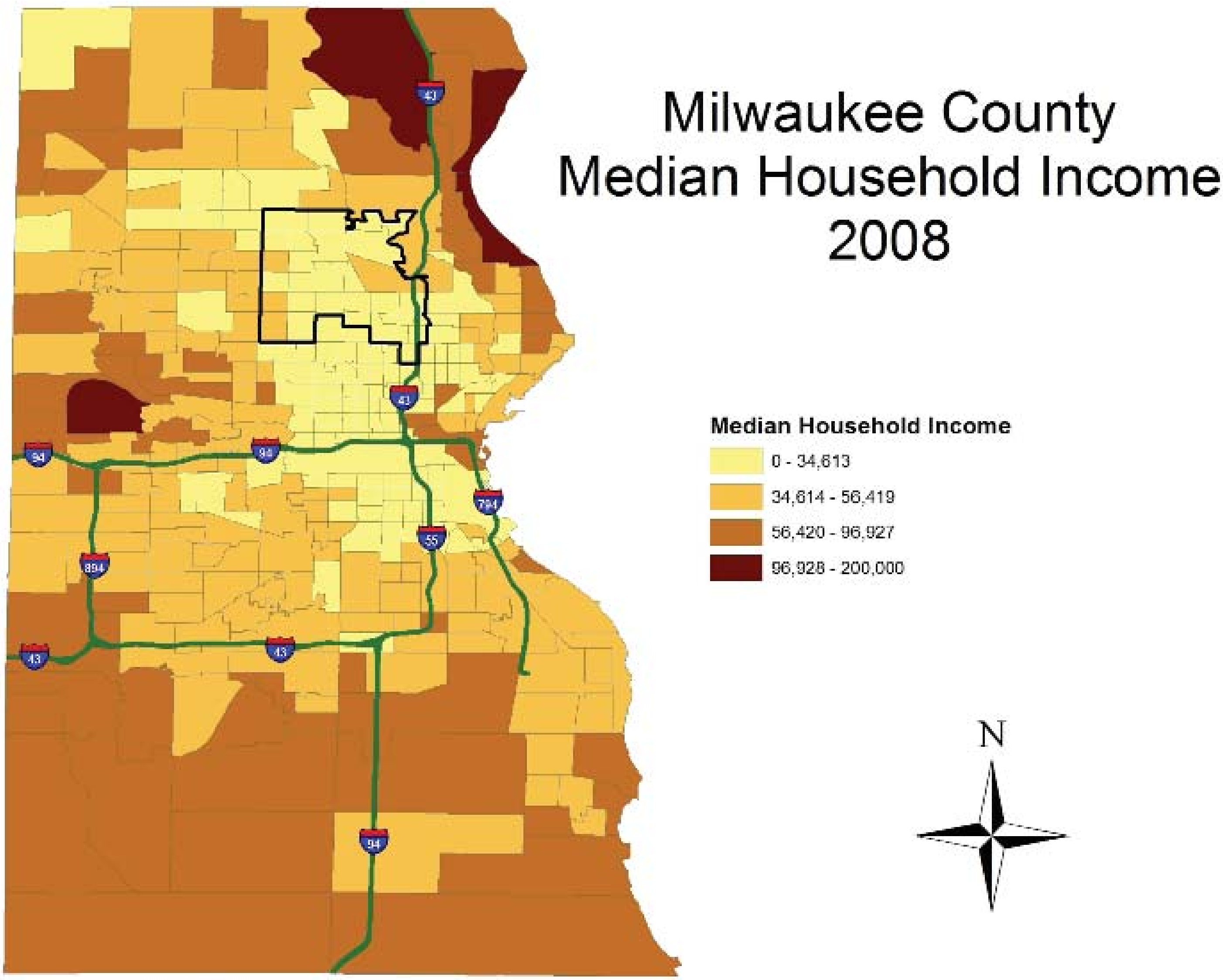


Figure 14



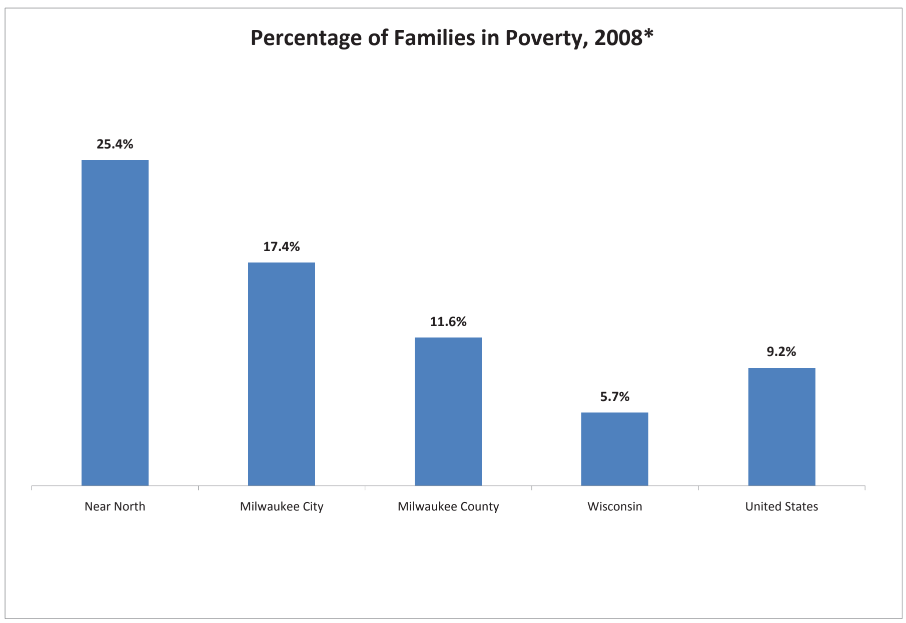
Map 7


Milwaukee County
Median Household Income
2008
Median Household Income
0 - 34,613
34,614 - 56,419
56,420 - 96,927
96,928 - 200,000
N
43
94
894
55
794

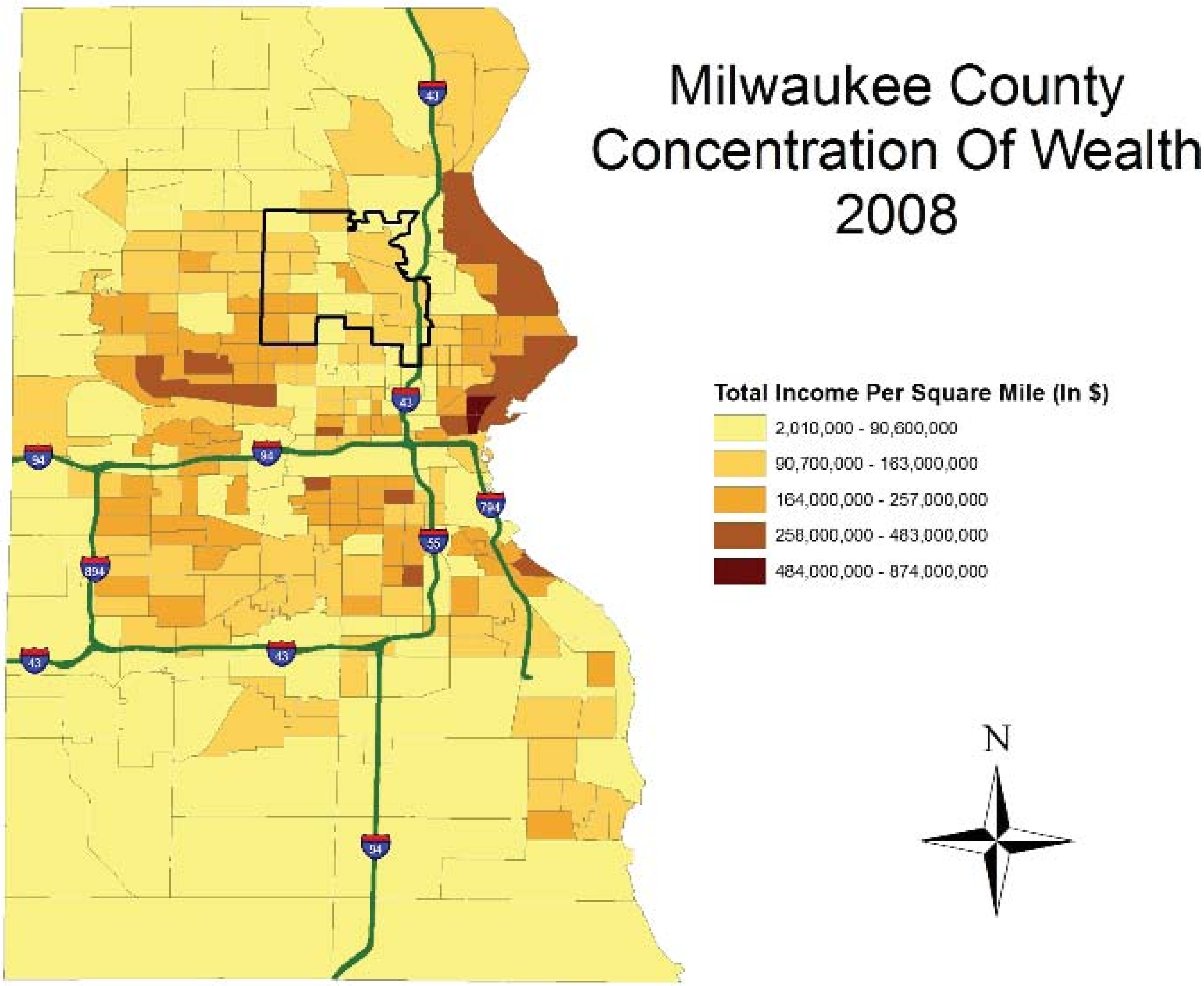
The low incomes above are reflected in the poverty statistics, which are also carried forward from the latest Census in 2000. Just over one in four families in the Near North area was in poverty status in 2000. This is above the 17 percent citywide and over four times the six percent rate statewide. See Figure 15.

A “concentration of wealth” map (Map 8) combines household earnings and density to show areas that may have lower incomes but higher densities, yielding greater spending power than might be expected. The Near North area, despite its lower median household income figures still have total incomes per square mile that place four census tracts in the middle bracket and another dozen or so in the second bracket from the bottom. This density of spending capacity could be attracting more retailers than is currently the case.

Figure 15



Map 8


Milwaukee County
Concentration Of Wealth
2008
Total Income Per Square Mile (In $)
2,010,000 - 90,600,000
90,700,000 - 163,000,000
164,000,000 - 257,000,000
258,000,000 - 483,000,000
484,000,000 - 874,000,000
N
43
43
94
94
794
55
894
43
43
94

SECTION TWO: LABOR

Unemployment

The employment picture for the city of Milwaukee has changed drastically over the past year as it has much of the nation. The latest unemployment rate (March 2009) for the city is 11 percent. This is nearly double the unemployment rate of the same month a year earlier, 6 percent. All levels of government have seen similar increases, with the county unemployment rate at 9 percent and both the State of Wisconsin and United States recording 8 percent rates for the same month. See Figure 16.

In the case of the city of Milwaukee, this reverses a trend that had seen a leveling off of unemployment rates after the most recent annual peak of 9 percent in 2003. The citywide annual rate had fallen to as low as 7.0 percent in 2006 before rising slightly to 7.2 percent last year. However, this drop in unemployment was not fueled by rising employment (in fact, total employment dropped by 4,000 people from 2003-2008) but rather a shrinking work force. See Figure 17.

The civilian labor force for the city of Milwaukee dropped almost 6.5 percent from 2000 to 2008 losing over 18,000 members of the labor force in that time. The county labor force also dropped approximately 5.2 percent from 2000 through 2008 while the state as a whole was able to add over 92,000 to its labor force, a rise of just over three percent. See Figure 18.

Figure 16

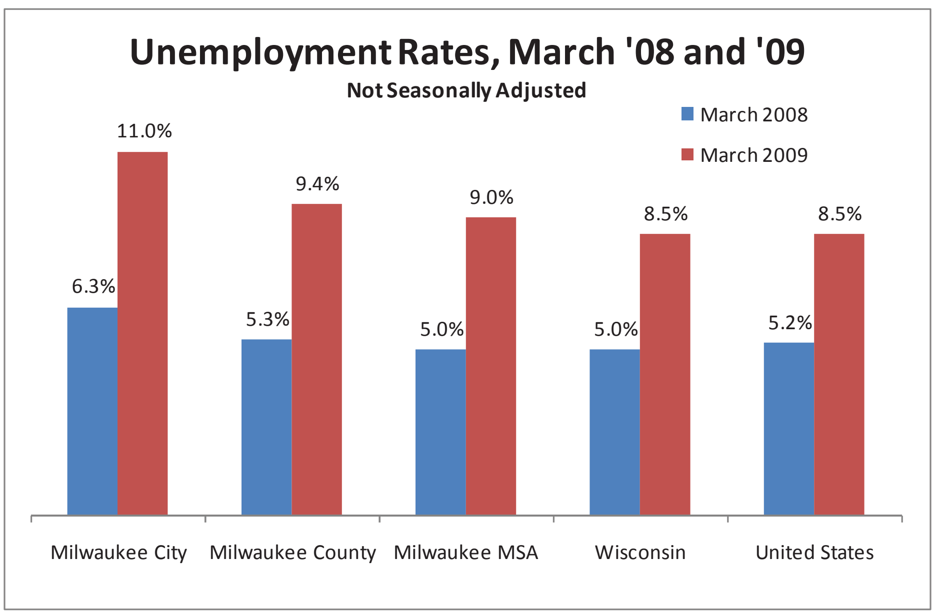


Figure 17

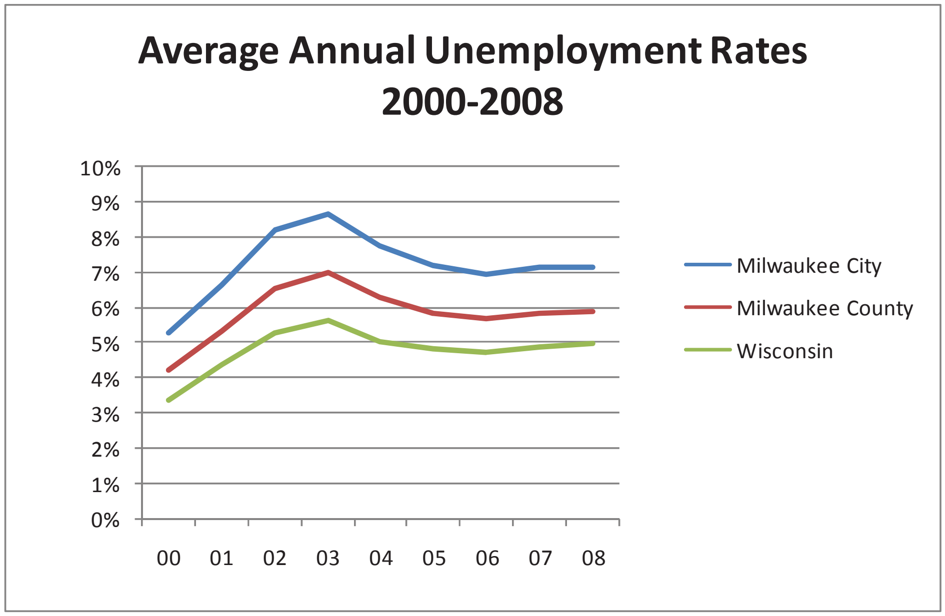
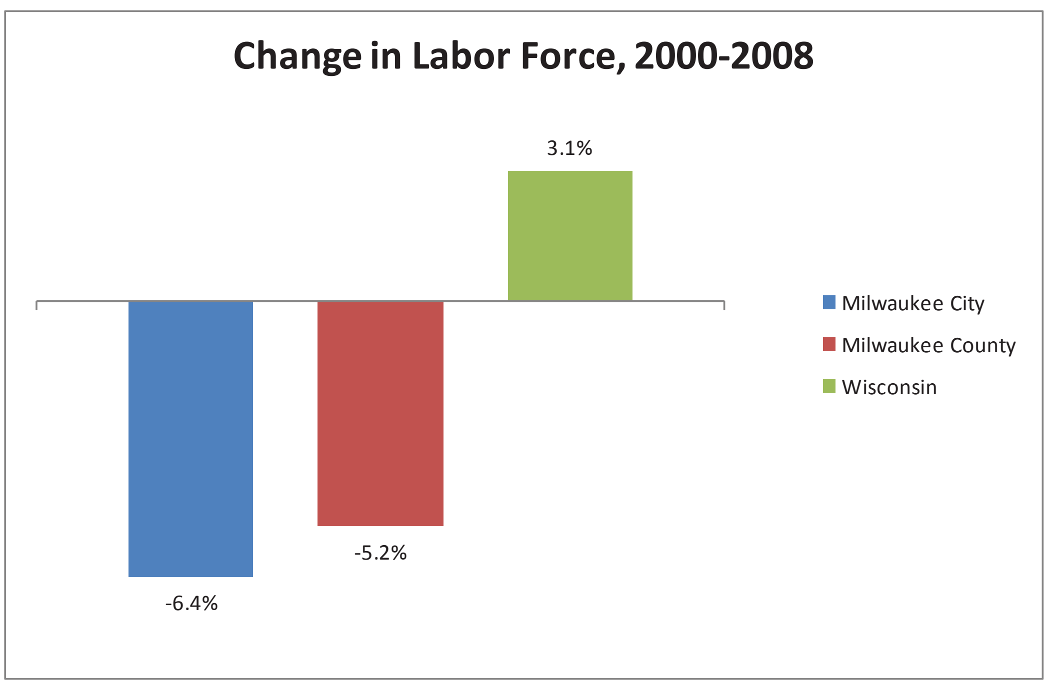


Figure 18



Employment by Industry

The following section will look at the industries that employing residents in Milwaukee County in 2006. According to County Business Patterns, an annual data publication of the United States Census Bureau, Milwaukee County had just below 475,000 private sector employees in 2006. The largest local sector by employment was Health Care and Social Assistance with 86,100 employees followed by Manufacturing (58,800) and Retail Trade (47,700).

Concentration of Industries: Location Quotients

By using a technique called location quotients we can gain a better understanding of the industries in which employment is concentrated in your locality in comparison to the rest of the country. A location quotient greater than one translates into there being more employment in that category than the national average. Location Quotients lower than one would mean that you have fewer employees in that sector than would be expected.

Table 1 shows the location quotients for all the major employment categories for Milwaukee County in 2006. Educational Services is the most concentrated industry in the county with a location quotient of 1.84 followed by Utilities, Finance and insurance, Management of companies and enterprises, and Health care and Social assistance. The lowest industries are Forestry, fishing, hunting, agricultural support, Mining, Construction, Retail trade, and Professional, scientific, and technical services.

Table 1

Location Quotients for Milwaukee County, 2006

All NAICS 2-digit Industries

NAICS	Industry description	LQ	Emp
61	Educational services	1.84	21,733
22	Utilities	1.54	3,750
52	Finance & insurance	1.44	37,798
55	Management of companies & enterprises	1.42	16,397
62	Health care & social assistance	1.32	86,126
31-33	Manufacturing	1.09	58,838
48-49	Transportation & warehousing	1.07	18,196
51	Information	1.06	14,308
71	Arts, entertainment, & recreation	1.05	8,223
81	Other services (except public administration)	1.00	21,596
42	Wholesale trade	0.97	23,057
56	Administrative & support & waste management & remediation service	0.94	37,225
53	Real estate & rental & leasing	0.85	7,500
72	Accommodation & food services	0.82	37,160
54	Professional, scientific, & technical services	0.78	24,970
44-45	Retail trade	0.76	47,729
23	Construction	0.41	11,860
21	Mining	0.03	60
11	Forestry, fishing & hunting, & ag support services (113-115)	0.02	10

The industry categories above are those at the two-digit NAICS level; these can be broken into smaller components as well. These industry breakdowns are often where an area can find a specialty or a niche that it has a competitive advantage over other areas of the country. Table 2 shows the top ten highest and lowest location quotients for these 3-digit NAICS Industries. Three separate categories have location quotients higher than 2.00 which means they have twice the national employment concentration in those categories. Electrical equipment, appliance, component manufacturing has more than three times the national concentration of employment within Milwaukee County. On the opposite side, low location quotients appeared in many Construction and Professional Service related industries.

Local Concentrations vs. National Trends: Shift-Share Analysis

One final way that we will look at employment is to use a shift-share analysis. This method attempts to look at the region, in this case Milwaukee County, and measure industry growth as compared to the rest of the nation and industry to see how much growth (or decline) in employment can be traced to the region's strengths and weaknesses and how much was based upon factors (good and bad) outside the region's immediate control. This can be used to guide future investment in industries based on past trends.

Table 2

Top 10 Highest Location Quotients for Milwaukee County, 2006

NAICS	Industry description	LQ	Emp
335	Electrical equipment, appliance, & component mfg	3.22	5,353
524	Insurance carriers & related activities	2.27	21,406
518	Internet service providers, web search portals, & data processing	2.03	3,733
333	Machinery mfg	1.91	8,538
611	Educational services	1.84	21,733
331	Primary metal mfg	1.84	3,271
492	Couriers & messengers	1.72	3,901
332	Fabricated metal product mfg	1.71	10,589
312	Beverage & tobacco product mfg	1.65	1,016
624	Social assistance	1.64	15,645

Top 10 Lowest Location Quotients for Milwaukee County, 2006

NAICS	Industry description	LQ	Emp
236	Construction of buildings	0.34	2,307
5415	Computer Systems Design and Related Services	0.42	2,001
326	Plastics & rubber products mfg	0.44	1,574
337	Furniture & related product mfg	0.48	1,023
238	Specialty trade contractors	0.48	8,871
336	Transportation equipment mfg	0.51	3,275
447	Gasoline stations	0.51	1,861
454	Nonstore retailers	0.59	1,211
5413	Architectural, Engineering, and Related Services	0.61	3,372
5419	Other Professional, Scientific, and Technical Services	0.62	1,466

For example, industries that are growing both locally and nationally represent a region's most vital and promising sectors. By contrast, industries that are declining both locally and nationally present any community with an ongoing challenge. Figure 19 illustrates the presentation of shift-share analysis, with the significance of each quadrant highlighted.

Figure 19

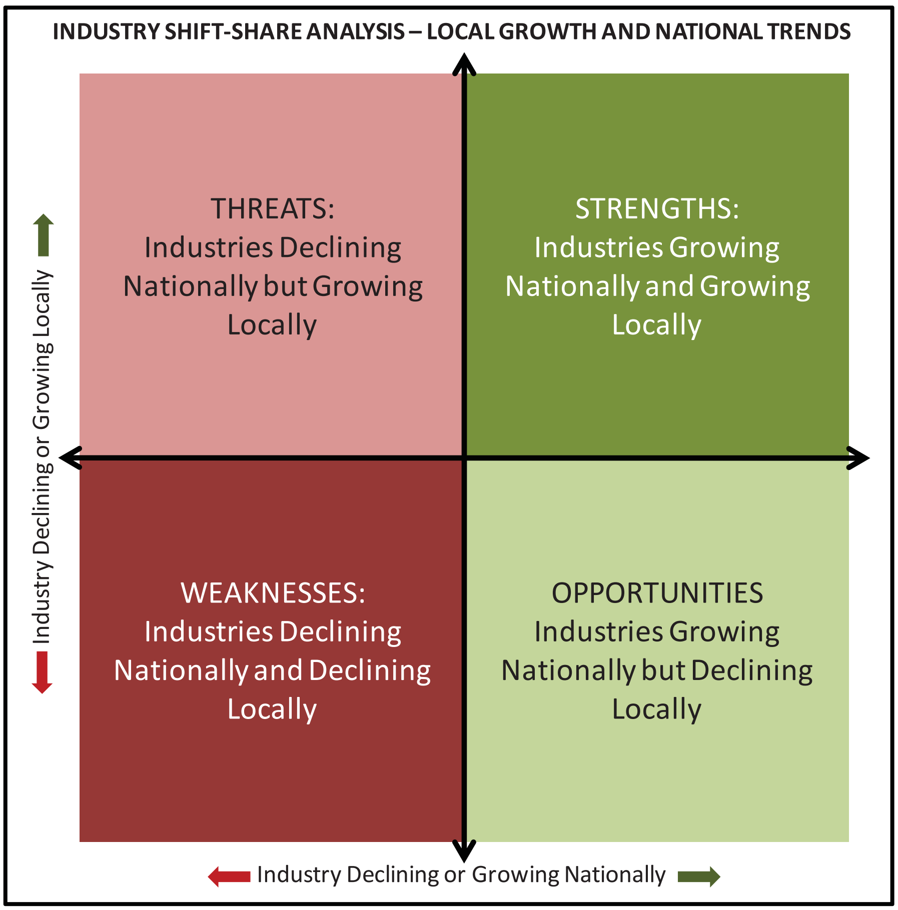
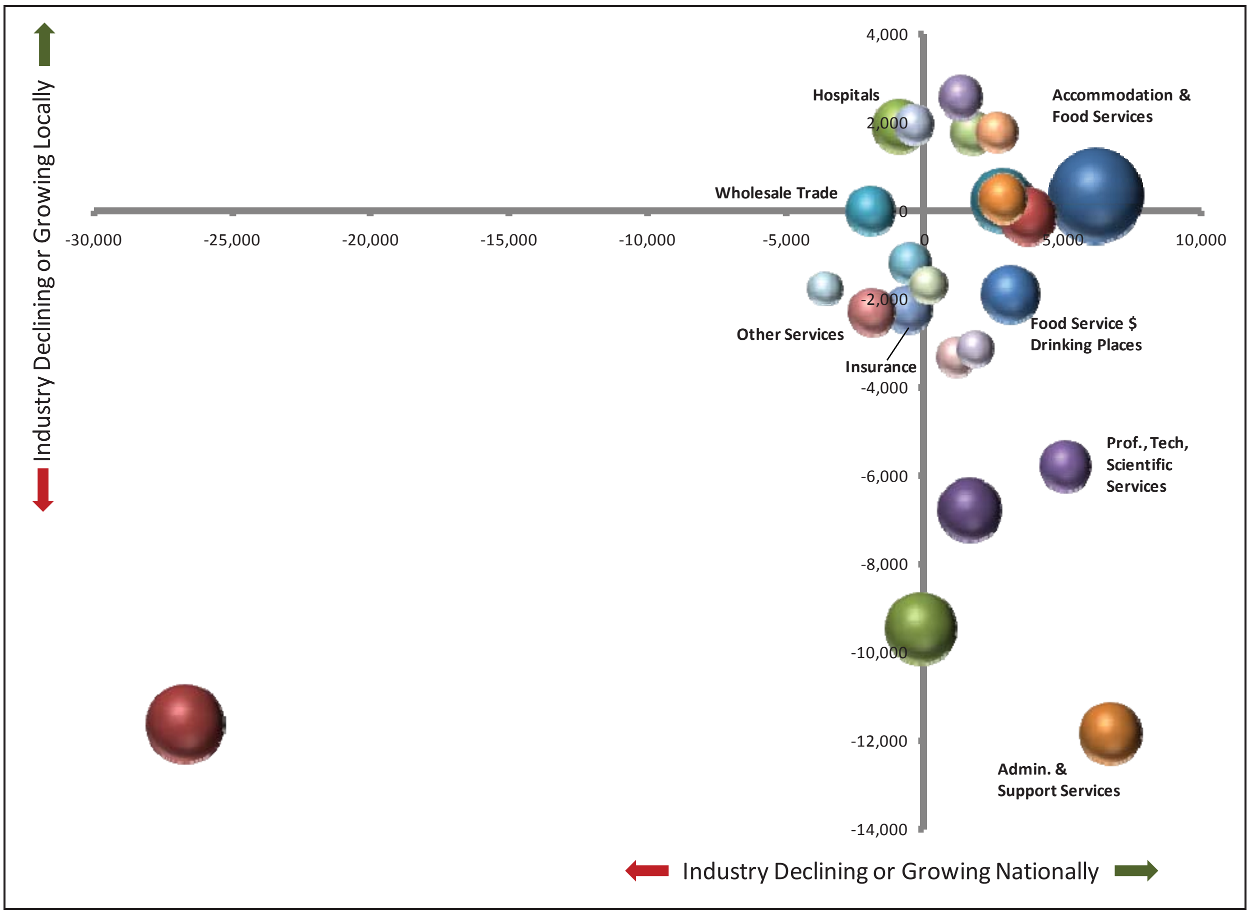


Figure 20 presents shift-share outcomes for 23 sectors at the two- and three-digit NAICS code level with employment in excess of 10,000 in Milwaukee County. The growth has been tracked for 1998 through 2006. Bubbles in Figure 20 for individual industries are sized according to total employment, so the larger the item the larger its role in the Milwaukee County economy.

Obviously, the economy has shifted drastically since these numbers were last marked in 2006 and that must be taken into account, but many trends continue to hold. Clearly, the most striking item on this Figure is the presence of Manufacturing in the far lower left corner, indicating an industry in serious decline both locally and nationally yet essential to the employment prospects of thousands of Milwaukeeans. This industry cluster is particularly relevant in the Near North, an area built around its factories.

Figure 20

Shift-Share Analysis- Milwaukee County, 1998-2006



However, shift-share analysis also reveals some opportunities for the Near North Side. Transportation and Warehousing, for example, would be a natural fit on selected industrial sites. Existing and underutilized health care facilities represent another opportunity for the area to capture employment in a growing sector. Another opportunity that Milwaukee has tried to seize upon is Professional, Technical, and Scientific Services. This sector has a very low location quotient in Milwaukee County, but the Near North Side has attracted and retained jobs in this industry which represent an evolution from the area's manufacturing past.

SECTION THREE: RETAIL

The following retail sales figures were provided by Nielsen Claritas and correspond to sales in 2008. When referring to the Near North area, this includes sales and demand for the corresponding census tracts used throughout this section of the document. The retail sales detailed exclude automobile sales, gas stations, and non-store retailers (usually online retailers) as these do not reflect the true retail community of the area. When looking at the retail sales figures (Table 3), the numbers to the right of the retail descriptions are their corresponding NAICS codes which can be used to quickly identify categories. GAFO refers to merchants that have sales in a wide variety of retail categories and represent the total sales that could take place in a large general merchandise store such as a Wal-Mart or Target. GAFO sales are a subset of total retail sales.

The retail Figures that follow will list demand, supply and difference. The demand in the area is based upon income levels and total individuals in the district which demand goods. Since the Near North area has lower income levels relative to the rest of the region, neighborhood demand will be adjusted by these income levels as well. The supply is the total sales for the area based upon data collected by Nielsen Claritas.

When the demand exceeds supply there is extra room for retail merchants to meet this extra demand. If the supply is higher than the demand then, as a general rule, it is assumed that people are coming to shop in the area from other regions causing more sales than expected.

Table 3 summarizes the retail supply and demand for major retail categories for the Census Tracts making up the Near North area in 2008. As you can see, the Near North area does not meet its retail demand, only accounting for 36 percent of the total demand. In fact, the only major retail category that meets even half of the retail demand for the Near North area is Food and Beverage Stores. Every other major retail category falls short of meeting even half of the local demand.

Table 3

Near North Neighborhood Retail Sales, 2008	Demand	Supply	Difference	Percentage of Demand Met
Total Retail Sales	516,663,943	187,112,085	329,551,858	36%
Automotive Parts/Accsrs, Tire Stores-4413	11,148,405	4,765,887	6,382,518	43%
Furniture and Home Furnishings Stores-442	17,547,383	366,599	17,180,784	2%
Electronics and Appliance Stores-443	18,099,544	4,161,922	13,937,622	23%
Building Material, Garden Equip Stores -444	78,641,900	24,349,957	54,291,943	31%
Food and Beverage Stores-445	109,124,103	58,062,232	51,061,871	53%
Health and Personal Care Stores-446	46,630,934	18,323,758	28,307,176	39%
Clothing and Clothing Accessories Stores-448	38,980,880	11,291,365	27,689,515	29%
Sporting Goods, Hobby, Book, Music Stores-451	14,109,750	3,521,612	10,588,138	25%
General Merchandise Stores-452	102,606,322	27,204,259	75,402,063	27%
Miscellaneous Store Retailers-453	16,506,302	3,827,692	12,678,610	23%
Foodservice and Drinking Places-722	63,268,420	31,236,802	32,031,618	49%
GAFO (General Merchandise)	196,982,473	47,376,959	149,605,514	24%

Some of this is somewhat expected. An area loses many residents at least part of the day as they travel to their jobs. With limited employment taking place in the Near North area, little outside retail spending is brought in to replace the lost resident spending from commuting. However, the size of this retail deficit is very large and backs up a perception that this is an area very lacking in retail options.

One additional factor is the availability of a large shopping center just outside the Near North area to the southwest. Many Near North residents shop at this location and it shows up as leakage for the Near North.

If this development is included in the Near North dataset, the percentage of local demand met rises from 36 to 58 percent. This retail development needs to be kept in mind when thinking about retail opportunities for the Near North area.

When looking deeper into retail categories, only three smaller niches of retail have demand exceeding supply in the Near North area. These categories are listed in Table 4.

Basically, every other retail category has excess demand within the Near North area that is being met elsewhere in the region. There are very few retail subcategories that meet even half of the retail demand of the neighborhood. One significant category that does meet a large portion of demand is Home Centers with sales of $20 million and meets 72 percent of local demand.

Regional Comparison

The issue of a large retail gap is not a problem only in the Near North area. As Figures 21 through 24 show, this is a problem throughout the city and county of Milwaukee. Some of this stems from the mechanism for collecting sales tax within Wisconsin. Unlike many other states, cities do not collect a portion of sales tax for themselves.

The current sales tax rates for Milwaukee (City and County) are 5.0 percent for the State, 0.5 percent for the County, and 0.1 percent as a stadium tax for a total sales tax rate of 5.6 percent. In other cities, a portion of their budget is funded from a local sales tax which forces them to attract retailers to locate within the boundaries to help fund city services.

Without this incentive in Wisconsin it appears that Milwaukee city has not focused on a retail development strategy and meets only 75 percent of its total retail demand. The county does slightly better meeting 86 percent of demand and the metro area meets 91 percent of demand. See Figure 21.

When looking at strictly GAFO (General merchandise) items the Near North area and city of Milwaukee fall further behind the county and metro area most likely due to a relative lack of big-box stores that fall outside their respective boundaries. See Figure 22.

Table 4

Near North Neighborhood Retail Sales, 2008	Demand	Supply	Difference	Percentage of Demand Met
Food and Beverage Stores-445				
Beer, Wine and Liquor Stores-4453	6,069,549	16,132,903	10,063,354	266%
Clothing and Clothing Accessories Stores-448				
Other Clothing Stores-44819	1,815,958	3,877,052	2,061,094	213%
Sporting Goods, Hobby, Book, Music Stores-451				
Prerecorded Tapes, CDs, Record Stores-45122	1,603,903	2,538,954	935,051	158%
Foodservice and Drinking Places-722				
Drinking Places -Alcoholic Beverages-7224	2,684,379	5,327,913	2,643,534	198%

Figure 21

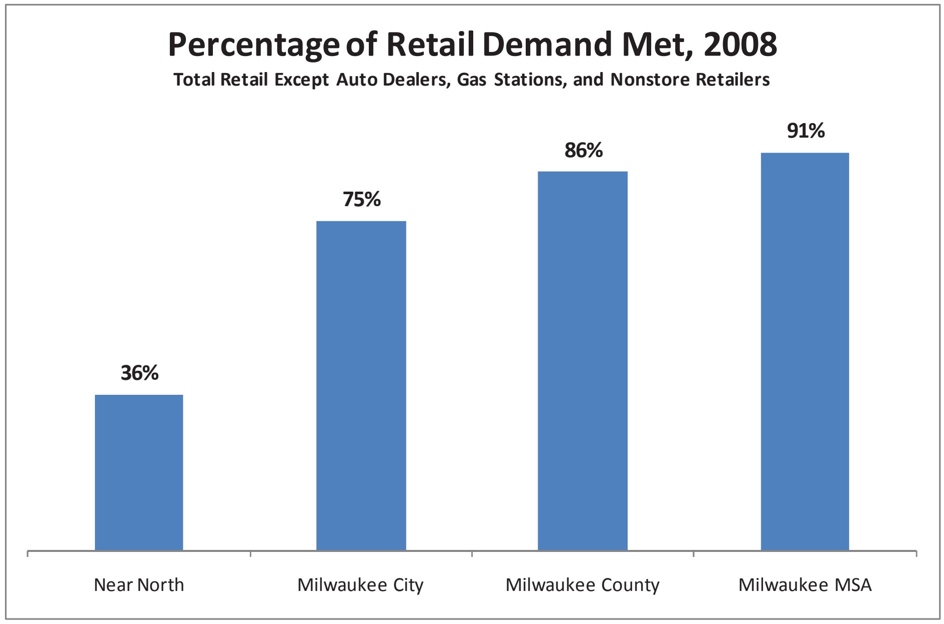
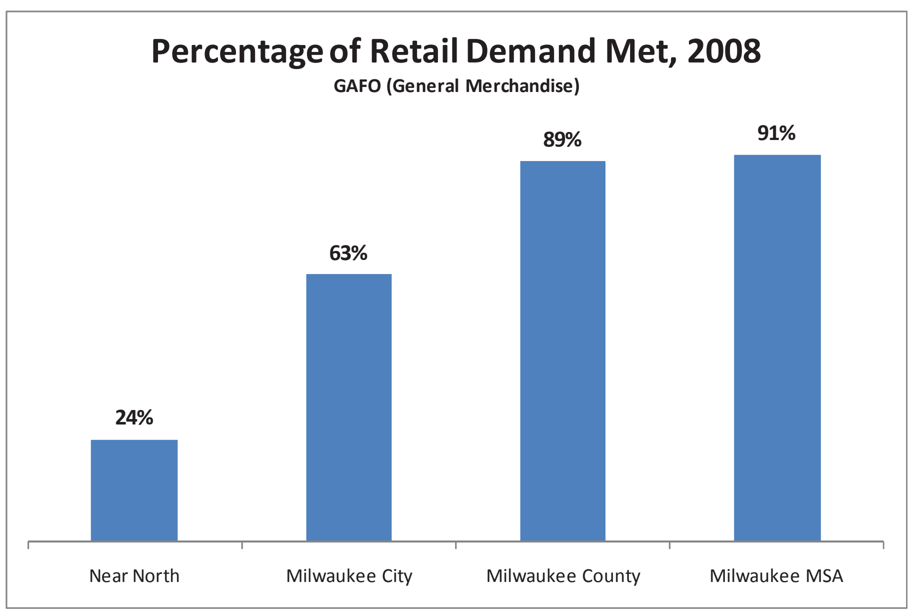


Figure 22



Food and Drinking Places shows the Near North area meeting almost half of its local demand (although this is helped by its large surplus in the drinking places category) and the city of Milwaukee is exceeding local demand demonstrating its attractiveness as a place to go to both eat and drink. See Figure 23.

One final metric is the total amount of retail sales that take place in region on a per capita basis. This only accounts for sales within each specific region and does not account for sales that are made by residents in another area of the region. The Near North area lags behind the rest of the regional benchmarks in this category as well. Lower incomes in Near North give residents less disposable income and the lack of choices in retail as described above both lead to this low amount of sales per capita. See Figure 24.

Figure 23

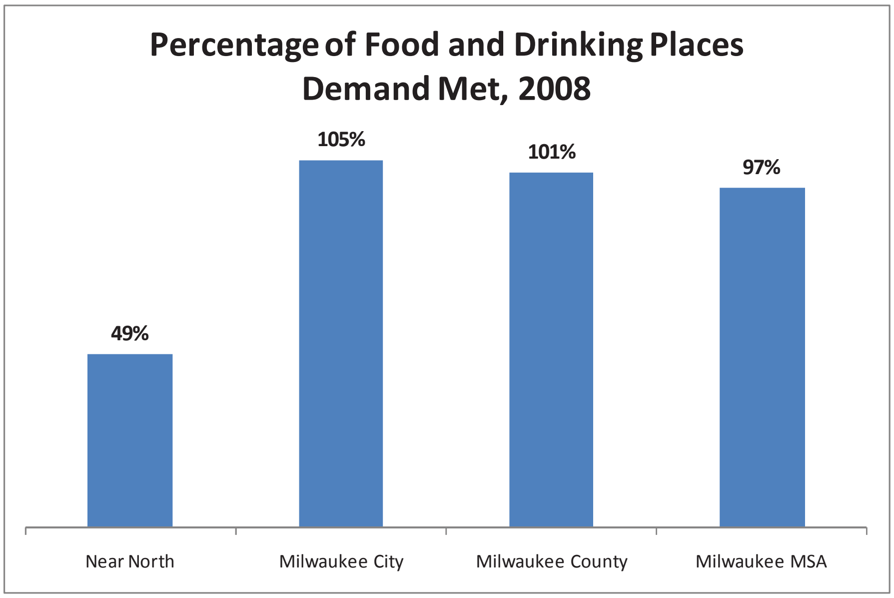
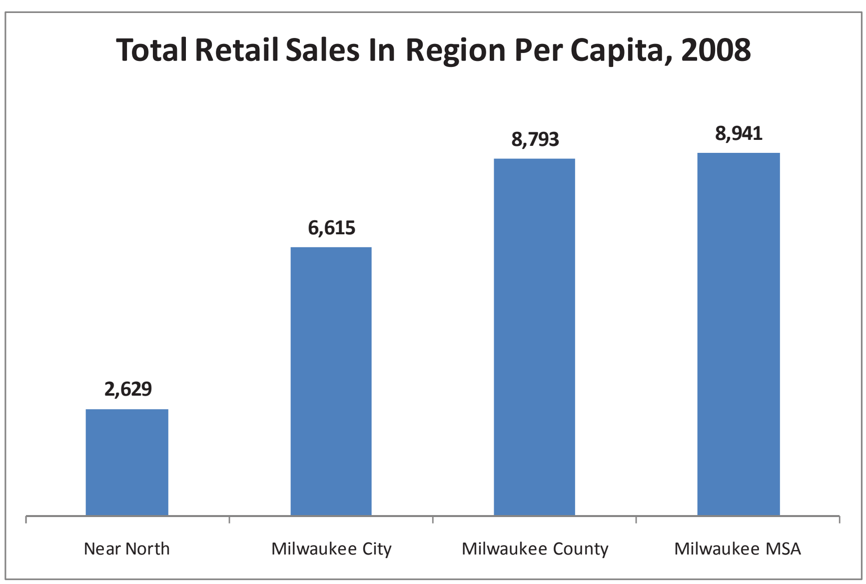


Figure 24

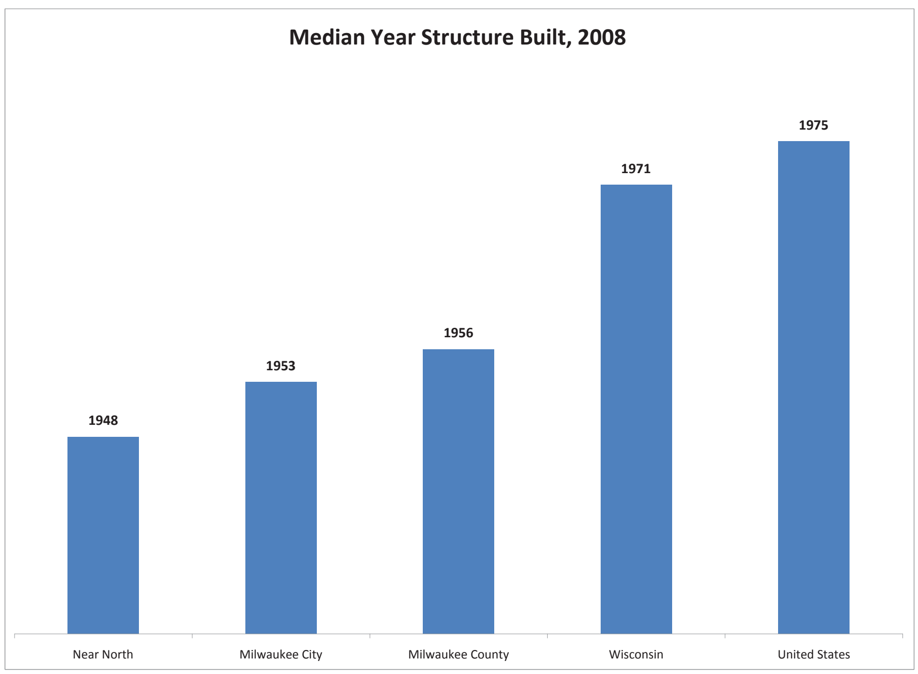


SECTION FOUR: HOUSING

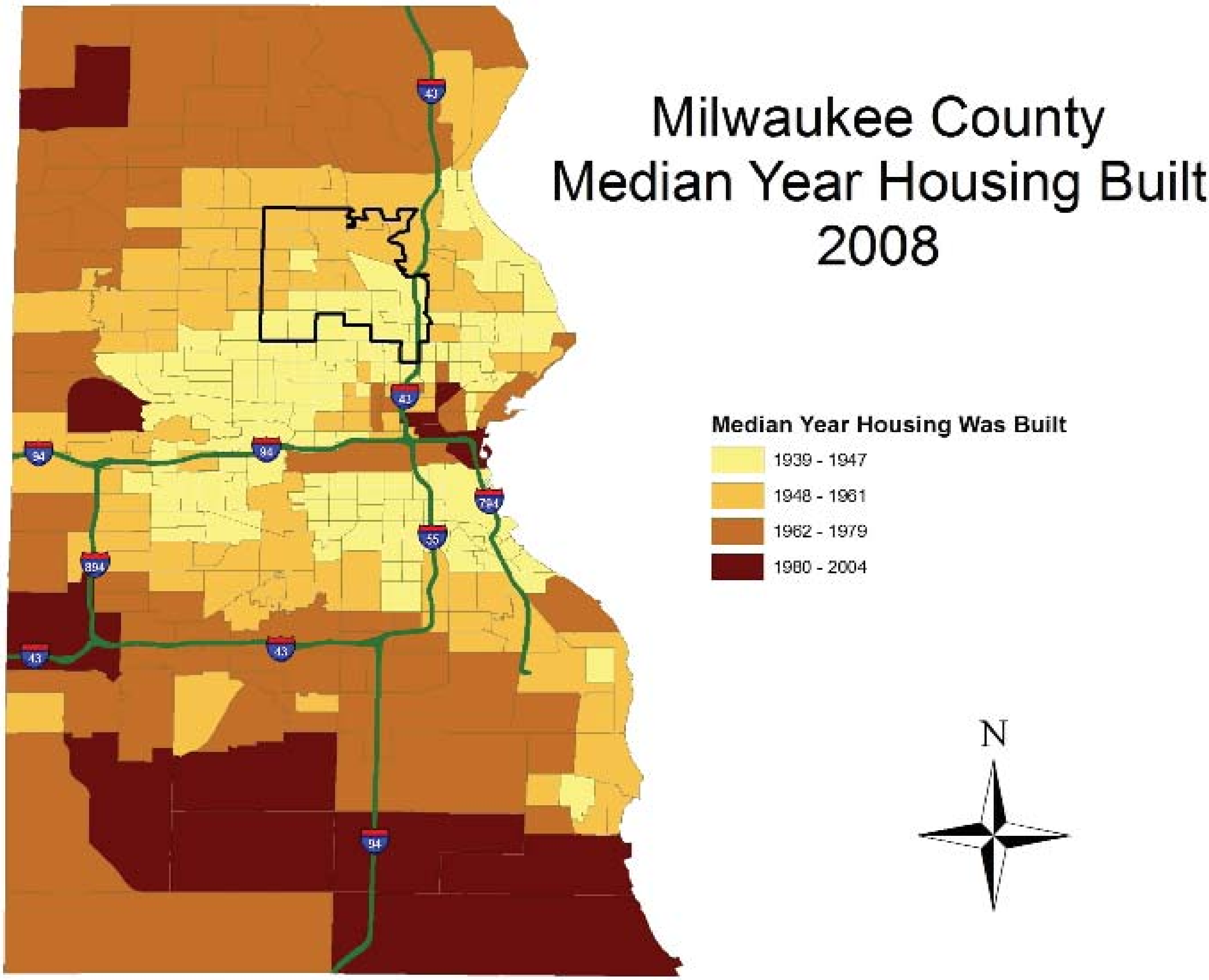
Age of Housing

The housing stock in the Near North area is quite old relative to the region. According to 2008 data from Nielsen Claritas, the median construction date of area housing stock is 1948. With over half of the housing stock built more than 60 years ago, it is safe to say that there has not been substantial residential development in recent decades. However, this is the case for both the city and county of Milwaukee as well. As the nation went through the recent housing boom, it would be safe to assume that the Milwaukee area did not participate in it at the same rates as the rest of the state and nation. This lack of new construction is also supported by employment data showing Milwaukee county lagging behind in construction employment in recent years. One longer term positive from this could be that there is not a lot of excess housing stock which could help the real estate market stabilize in the near future. The northern portion of Near North has somewhat newer housing. This pattern is in keeping with the broader, radial trend in the city overall, though the central city neighborhoods around Downtown have seen extensive new residential construction in recent years. See Figure 25 and Map 9.

Figure 25



Map 9

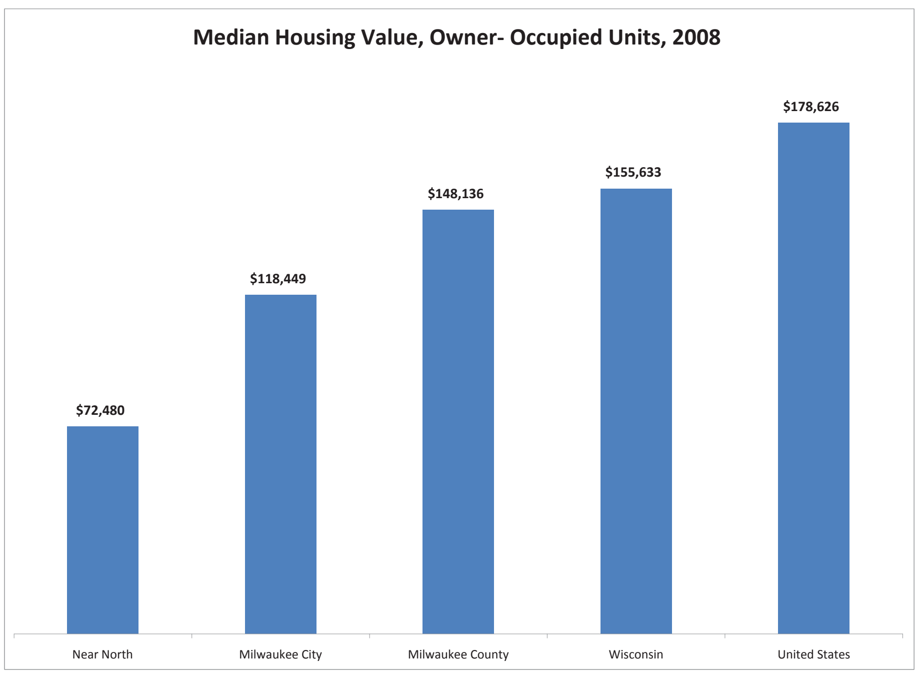

Milwaukee County
Median Year Housing Built
2008
Median Year Housing Was Built
1939 - 1947
1948 - 1961
1962 - 1979
1980 - 2004
N
43
94
894
55
794

Housing Values

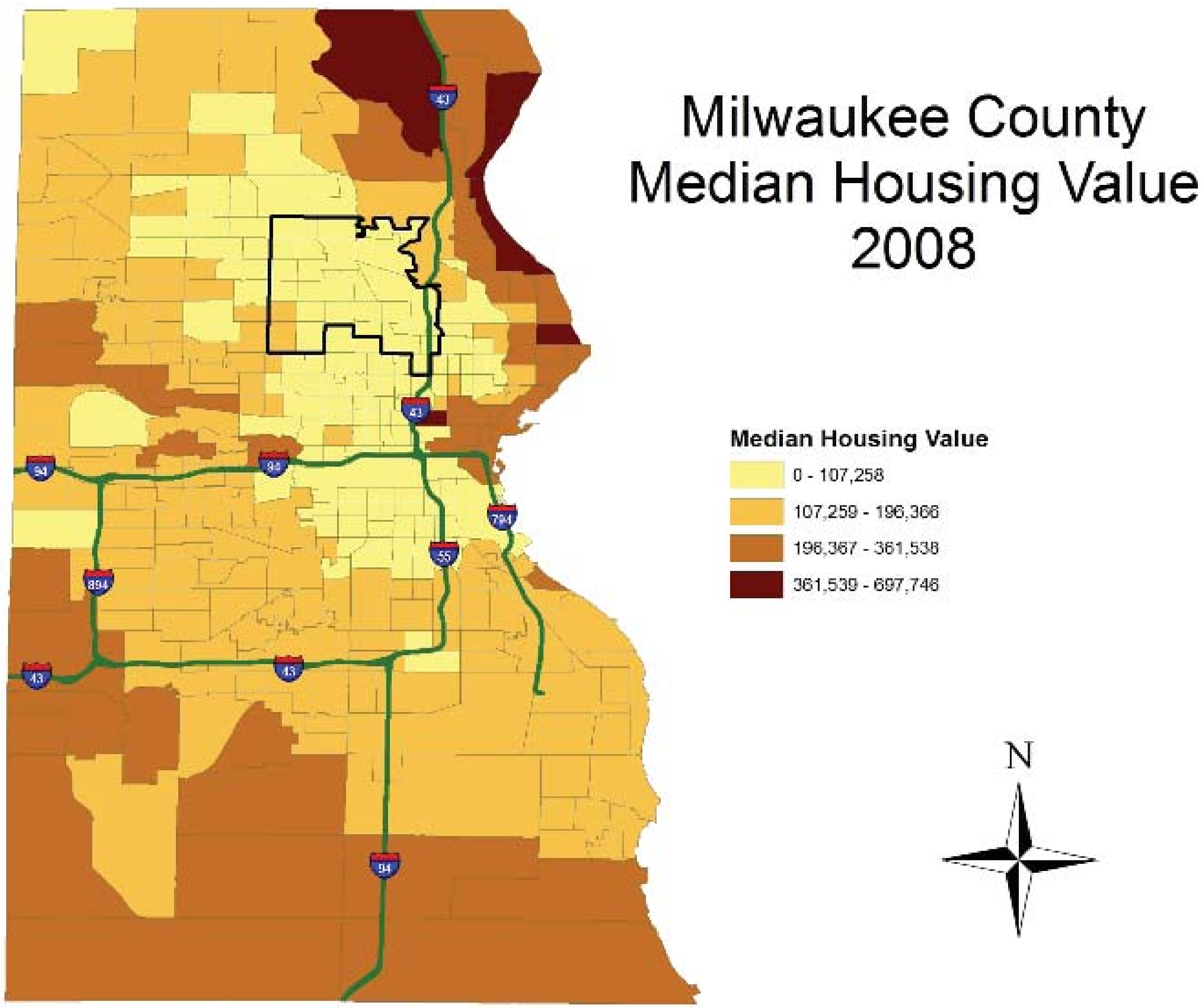
The housing values shown in Figure 26 reflect the reality in 2008. This is one variable that has likely experienced significant change in recent months, however. It is important to note that these are median home values of owner occupied housing units only. Near North has significantly cheaper housing stock than the rest of the city and county, not to mention the state and rest of the nation. Only in the far southwestern corner of the neighborhood do median housing values rise into six figures.

The Near North's housing stock is valued at less than half that of Milwaukee county. During the past year it is safe to assume that all of the prices have declined but only time will tell as to how much and when they will start to rise again. See Figure 26 and Map 10.

Figure 26



Map 10

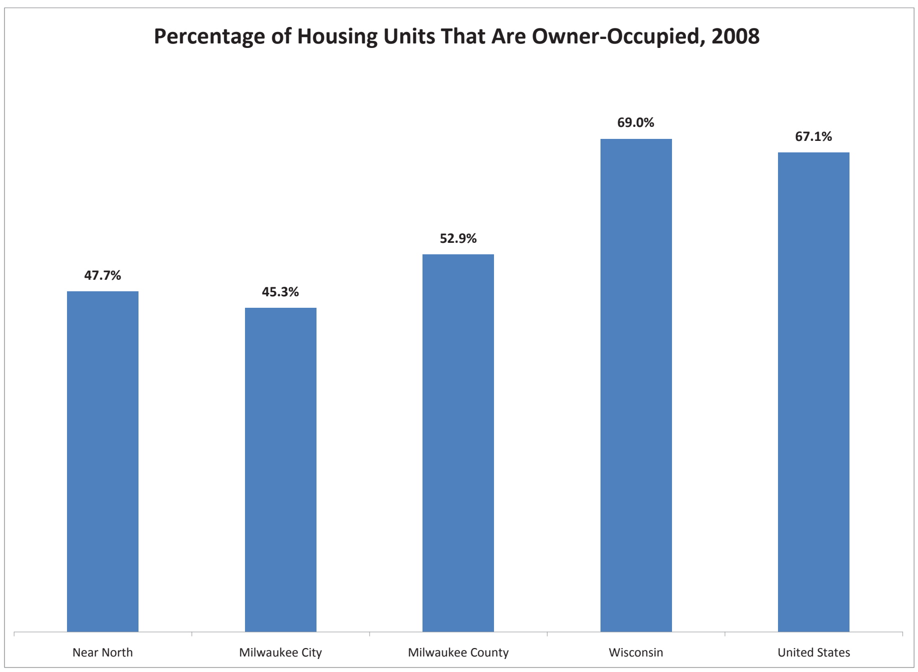

Milwaukee County
Median Housing Value
2008
Median Housing Value
0 - 107,258
107,259 - 196,366
196,367 - 361,538
361,539 - 697,746
N

Ownership Status

One dataset on which the Near North area tracks closely with the city and county is the percentage of housing units that are owner-occupied.

Just less than half of the housing in the Near North area is owner occupied, which is slightly greater than the city of Milwaukee and only modestly lower than Milwaukee county. See Figure 27.

Figure 27

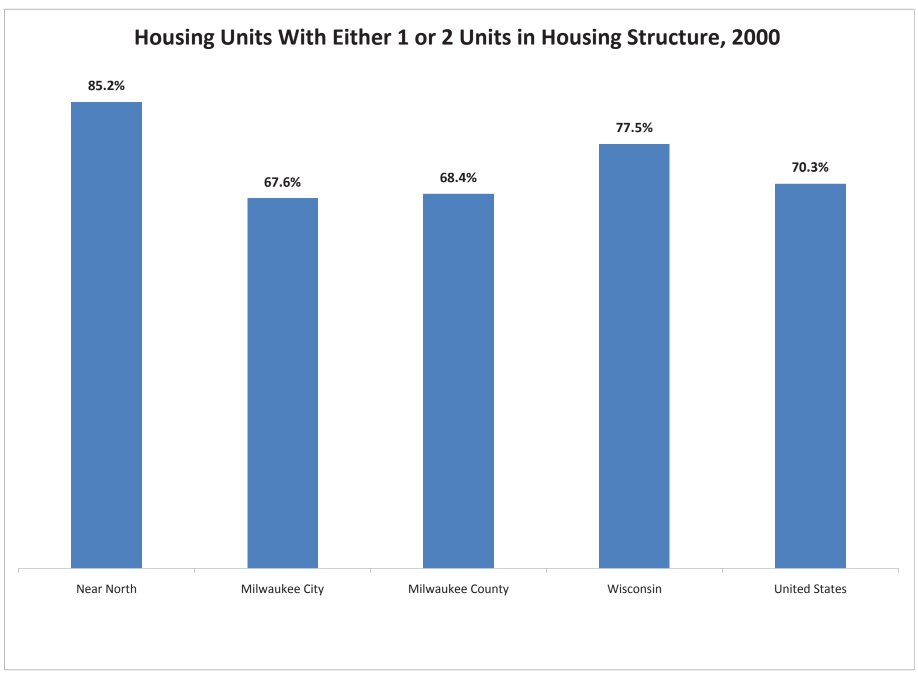


Units in Structure

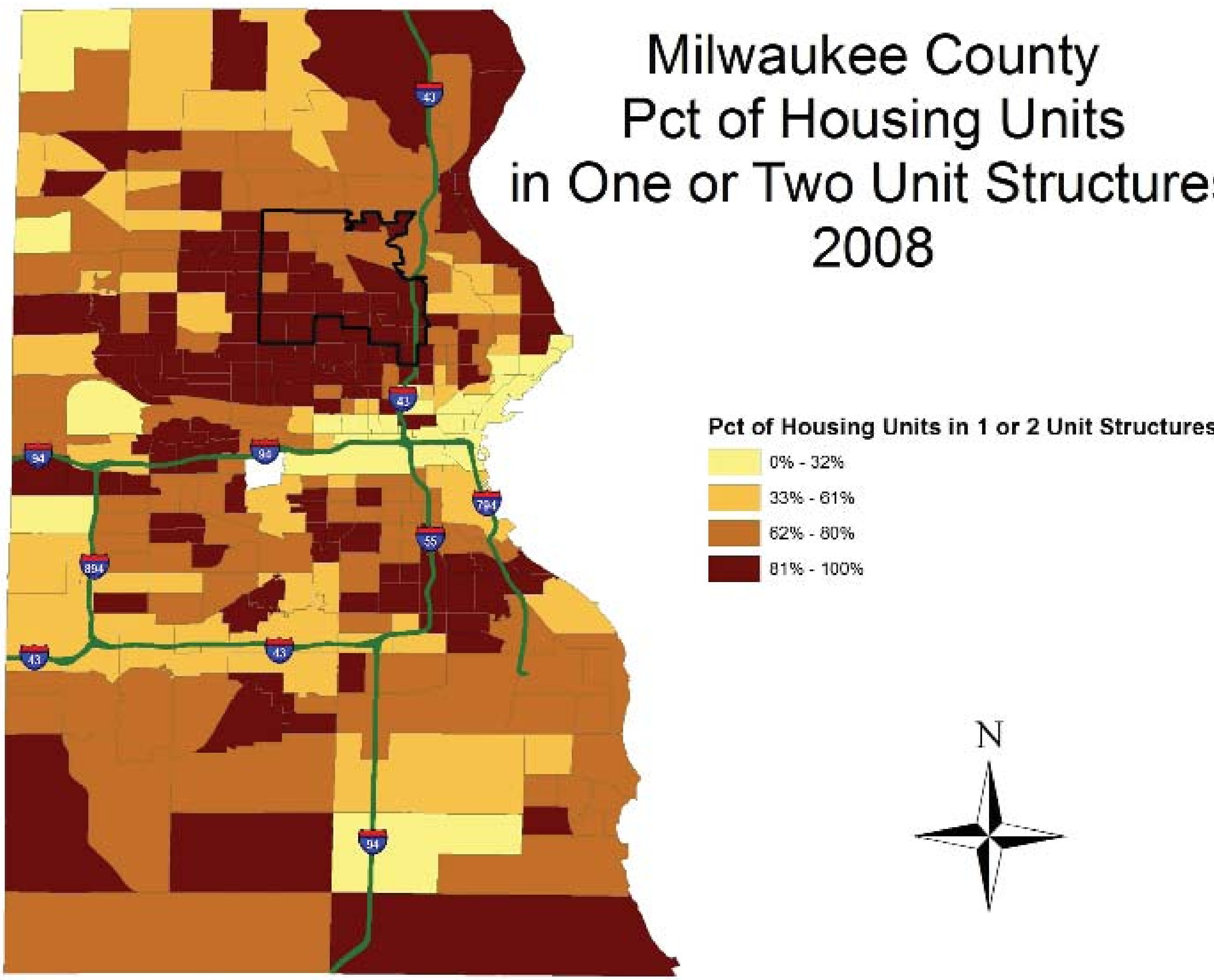
The Near North area's housing stock contains very little multi-family development. In fact over 85 percent of the housing units are in structures containing one (attached and detached) or two housing units. This percentage is higher than any of the comparison geographies shown and is 15 percentage points higher than the national average. This single family makeup is an interesting characteristic when shown in conjunction with the other statistics in this section. It makes the low housing values stand out even more when you consider the higher percentage of single family homes in the neighborhood.

Despite this single family nature, lot sizes are small enough to still promote some density within the Near North area. The map showing people per square mile is categorized to show areas over 10, 15, and 20 people per acre with 10 usually being a guideline for mass transit viability. Despite the preponderance of single family homes in the area, Near North achieves a high degree of density. See Figure 28 and Maps 11 and 12.

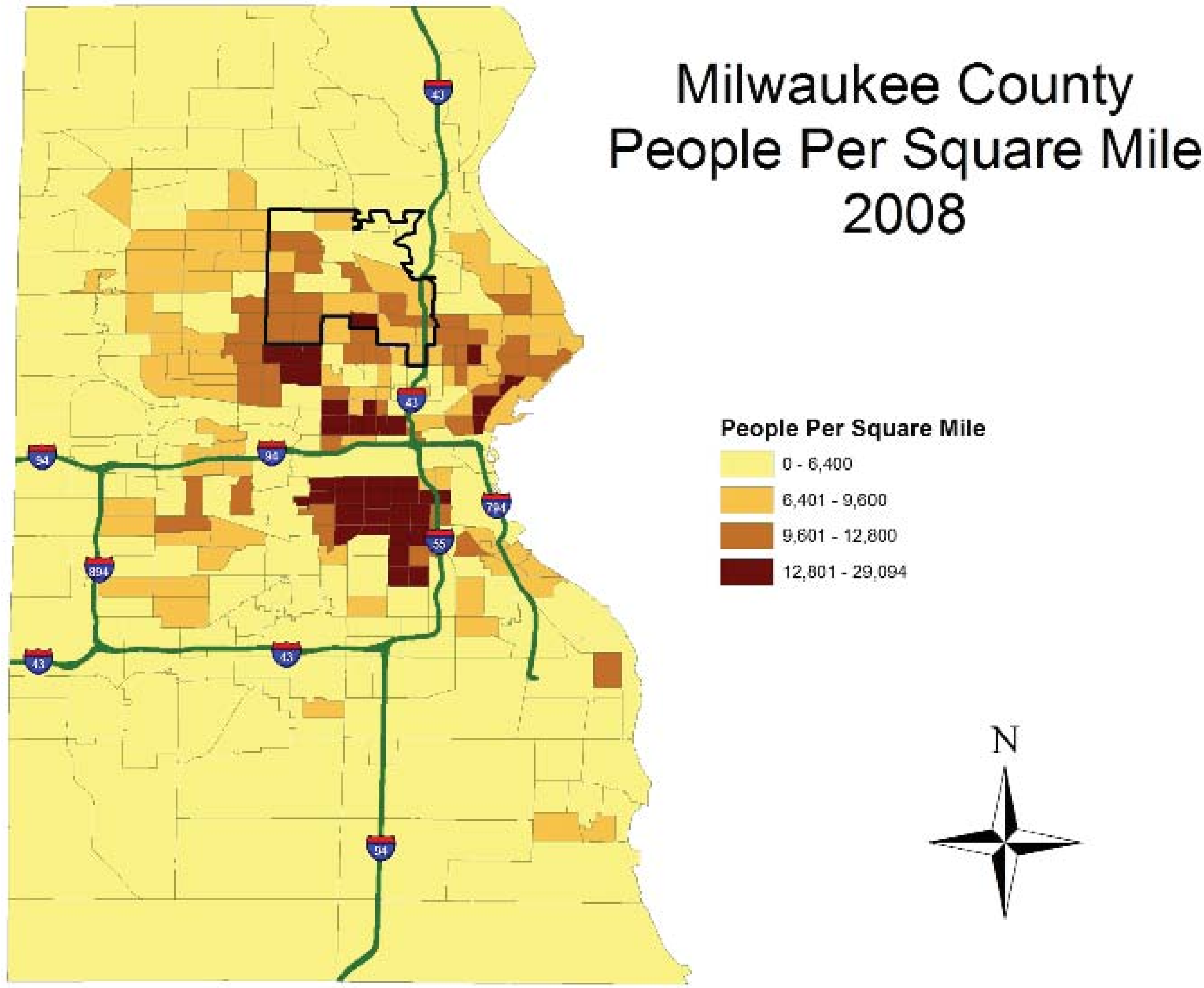
Figure 28



Map 11


Milwaukee County
Pct of Housing Units
in One or Two Unit Structures
2008
Pct of Housing Units in 1 or 2 Unit Structures
0% - 32%
33% - 61%
62% - 80%
81% - 100%
N
43
94
894
55
794

Map 12


Milwaukee County
People Per Square Mile
2008
People Per Square Mile
0 - 6,400
6,401 - 9,600
9,601 - 12,800
12,801 - 29,094
N

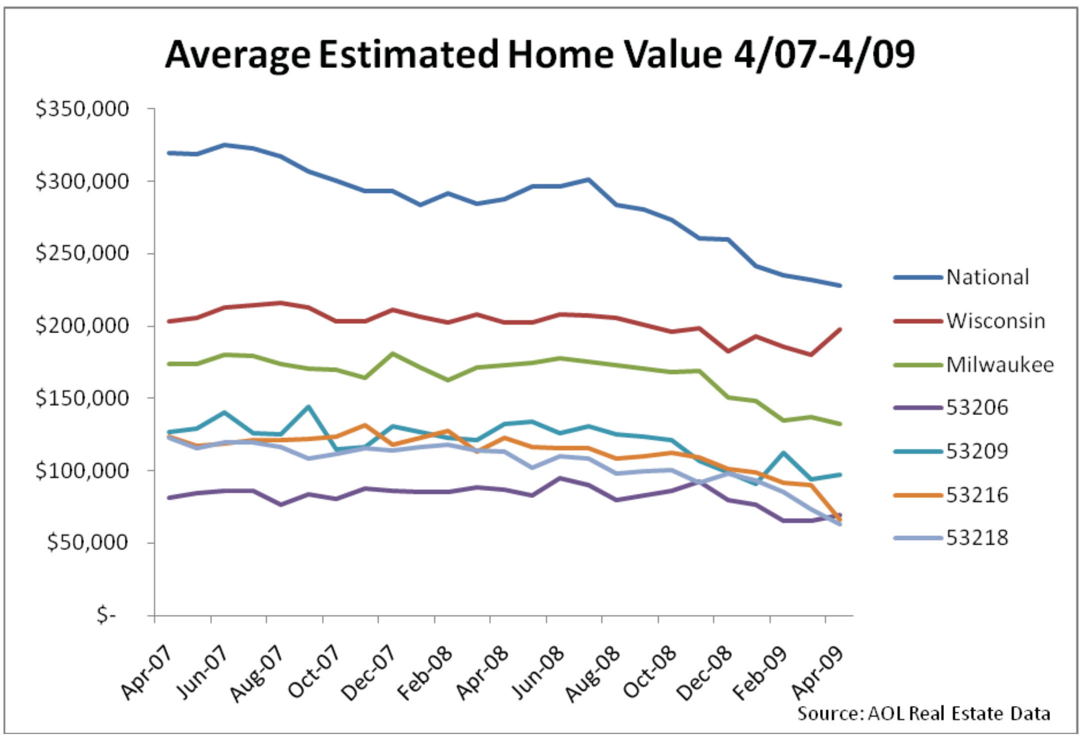
SECTION FIVE: REAL ESTATE

With the recent recession, home values across most of the nation have plunged. Milwaukee and the Near North area have not been spared this trend as the following Figures depict.

Figure 29 shows the steady decline in housing values over the past two years both nationally and locally. The rate of decline worsened in the past year as the recession set in. The 53216 and 53218 zip codes that cover portions of the Near North area were hit especially hard over the past year with home values falling over forty percent in each.

The 53206 zip code did not lose as much value as homes in the rest of the city or nation over the past two years. However, this zip code started with the lowest estimated home values so it did not have as much to lose as the other zip codes in the neighborhood.

Figure 29



Foreclosures have hit the Near North area hard over the past year. One search of homes for sale turned up over 1,600 homes for sale in the zip codes making up the Near North area that were in foreclosure. This accounted for about 4 percent of all the homes in those zip codes. This compares to only 2 percent of homes being sold from foreclosure from the rest of the city of Milwaukee. The 53218 zip code has been hit especially hard as their rate of foreclosed homes for sale is double the rate for Milwaukee as a whole. Roughly 35 percent of all foreclosed homes for sale in Milwaukee are located in the four zip codes comprising the Near North area. See Tables 5 and 6.

This high rate of foreclosure, combined with the almost non-existent building of market rate housing even through the national real estate boom, limits the probability of any substantial housing development occurring in the Near North area in the near future. When adding in the declining population base it will be some time before there is a market need for new market-rate single family housing in the area.

Table 5

Pct Change in Average Estimated Home Value			
	07-08	08-09	07-09
National	-10.0%	-20.7%	-28.6%
Wisconsin	-0.5%	-2.4%	-2.9%
Milwaukee	-0.6%	-23.4%	-23.9%
53206	6.7%	-19.9%	-14.5%
53209	4.9%	-26.7%	-23.1%
53216	-0.3%	-46.3%	-46.4%
53218	-7.3%	-44.5%	-48.6%

Table 6

Foreclosed Home for sale		
	Number	% of Total
Milwaukee	4796	2.4%
53206	281	4.0%
53209	466	3.6%
53216	405	4.5%
53218	514	4.9%
Near North	1666	4.3%

The rental housing situation does not appear to be as dire. The Figure to the right shows rental vacancy rates for the entire Milwaukee MSA for the past six quarters since specific data for the Near North area was not available. After falling to a low of 5 percent during the third quarter of 2008, the vacancy levels have stabilized to approximately eight percent since that time. See Figure 30.

Table 7 shows rental rate ranges obtained from a search of available apartments in the Near North area during August 2009. While there are some small differences between the four zip codes that make up the area for the most part all four zip codes maintain the same pricing structure. With these rental rates, a one bedroom apartment would require an annual salary of approximately $20,000, a two bedroom $24,000, and a three bedroom $28,000 to maintain spending no more than 30 percent of income on housing.

Figure 30

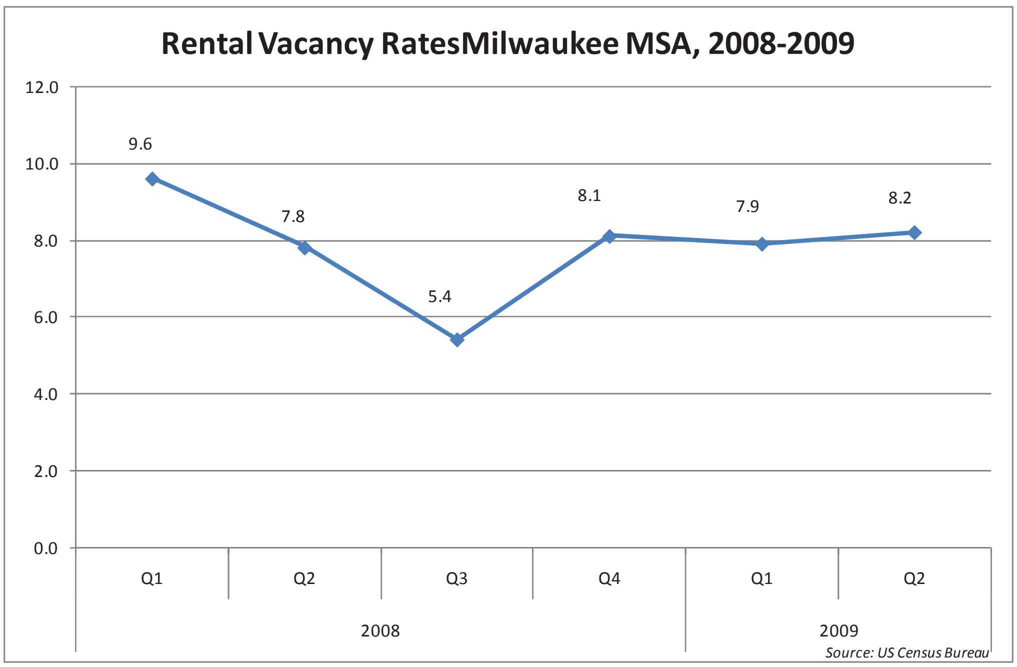


Table 7

Rental Housing Price Range, August 2009

Zip	1 Bedroom	2 Bedrooms	3+ Bedrooms
53206	$465-$490	$425-$650	$550-$675
53209	$450-$550	$525-$700	$750
53216	$425-$495	$550-$650	$600-$800
53218	$435-$530	$525-$795	$695-$800

Source: Milwaukee Journal Sentinel

SECTION SIX: CATALYTIC PROJECTS

Tower (Century City) Site

The Tower (Century City) Site presents an incredible opportunity to add a focal point of activity for the Near North area. With the lack of many retail and entertainment options in the immediate vicinity of the site, a properly planned site could be a project that starts to add amenities that residents desire when choosing a place to live. This site gains extra importance with its proximity to the possible bus rapid transit line, street car, or future light rail lines. This would provide access to an even larger number of people and could draw residents from the entire neighborhood. Certain care should be provided to ensure that the site provides quality public areas that could serve as a meeting place for people throughout the Near North area. The area is currently lacking in such places and it could prove instrumental in creating more retail and entertainment options for the immediate region.

While the site is large at 85 acres, it is not large enough to accommodate an entire lifestyle center of something of that size. One desirable development would be for a large multi-screen movie theater with a number of smaller restaurants built throughout the site. To maximize the potential of the transit access the site should be designed in a manner that keeps it walkable, not merely a big-box surrounded by an ocean of parking. Ideally, the site should serve as a conduit between the possible transit station on Capitol and workforce training which could be located on Hopkins.

Villard Avenue

The section of Villard that was selected is basically the only section of the entire Near North area that functions as a classic urban commercial corridor. With its base of small, independent businesses Villard Avenue has built the groundwork that could really transform the environment in this section of the neighborhood. Whereas development on the Tower Site should be large-scale and can attract national retailers, success on Villard will characterized by small scale and local retailers, restaurants, and service providers. That is not to say that national retailers should be summarily excluded from this stretch, but the future success will depend on locally based retailers creating enough of an agglomeration of activity that people from all over the Near North area and entire city of Milwaukee will want to visit.

Capitol Avenue

Although most of the traffic in the Near North area travels along this east-west road, the retail options are extremely limited at present. While some of this has to do with the low incomes of the immediate area, a significant limiting factor is the design of the road itself. With the wide road, large stretches of medians, and ample turning lanes, the traffic moves so fast that they do not foster an environment conducive to a successful retail environment. In most of the retail that does exist, such as at the intersection at Teutonia, parking lots are placed at the street with the stores far behind. Some basic traffic calming and reversing the lots so that the buildings are placed at the street with parking lots behind them could start to make an area that fostered a more attractive retail environment.

With the proposed development of the Tower Site and transit station, Capitol could quickly transform into a retail destination for everyday goods that are currently unavailable in the Near North area. While the automobile will obviously be the way the majority of residents access these sites, design elements that allow for a more walkable path between the nodes of activity could provide an option for those residents that live close enough to these sites and would choose to walk and also for those who rely on public transportation. Bisecting the Near North area with developable land at its center, Capitol Avenue could quickly transform into the commercial heart of the neighborhood with a few successes in the near future.