

DOWNTOWN WHITEWATER MARKET ANALYSIS



COMMUNITY & DEMOGRAPHIC OVERVIEW

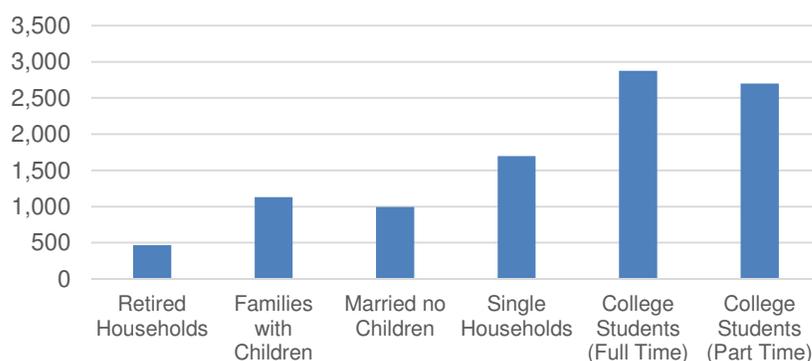
Whitewater is a community of nearly 15,000 residents, located midway between Madison and Milwaukee along Highway 12. The community is well known as the home of UW Whitewater, which produces significant graduates in business, education, communication and social sciences. UW Whitewater is also known for its support of entrepreneurs, and the community is home to the Innovation Center and a community Makerspace, both of which represent public/private collaborations with the University. The local chapter of SCORE and SBDC are also housed in the community. This support for startup enterprises has benefitted the community, as many students have remained or returned to start businesses over the years. It is also reflective of the community makeup, as 55 percent of businesses in the City have four or fewer employees, and only two local employers have more than 500 employees, one of which is the University, and the other is Generac Power Systems. Following the construction of the Highway 12 bypass, 9,800 cars per day travel through downtown, providing significant visibility for downtown businesses. The City is currently reconfiguring the eastern entrance to downtown, making it easier to access downtown from all parts of the community.

Demographic Mix

Demographic profiles are often difficult to interpret within the community due to the method of counting college students within census figures. Within the 15,000 recorded full-time residents of the community, approximately 6,700 are currently enrolled in college, while several thousand students living on campus or in other seasonal housing are not counted at all. In total, the true population count during the 9-month school year is closer to 21,000. In addition to confusion over basic figures such as population, the inclusion of a significant number of college students included in the demographic figures significantly impacts many common economic measures, including household income, household size, average age and population growth rates.

Among full time residents, just under half of households are families, 53 percent of which have children living at home. The average of these households is \$73,685, or more than twice that of the entire population. The average income

Households by Demographic Group

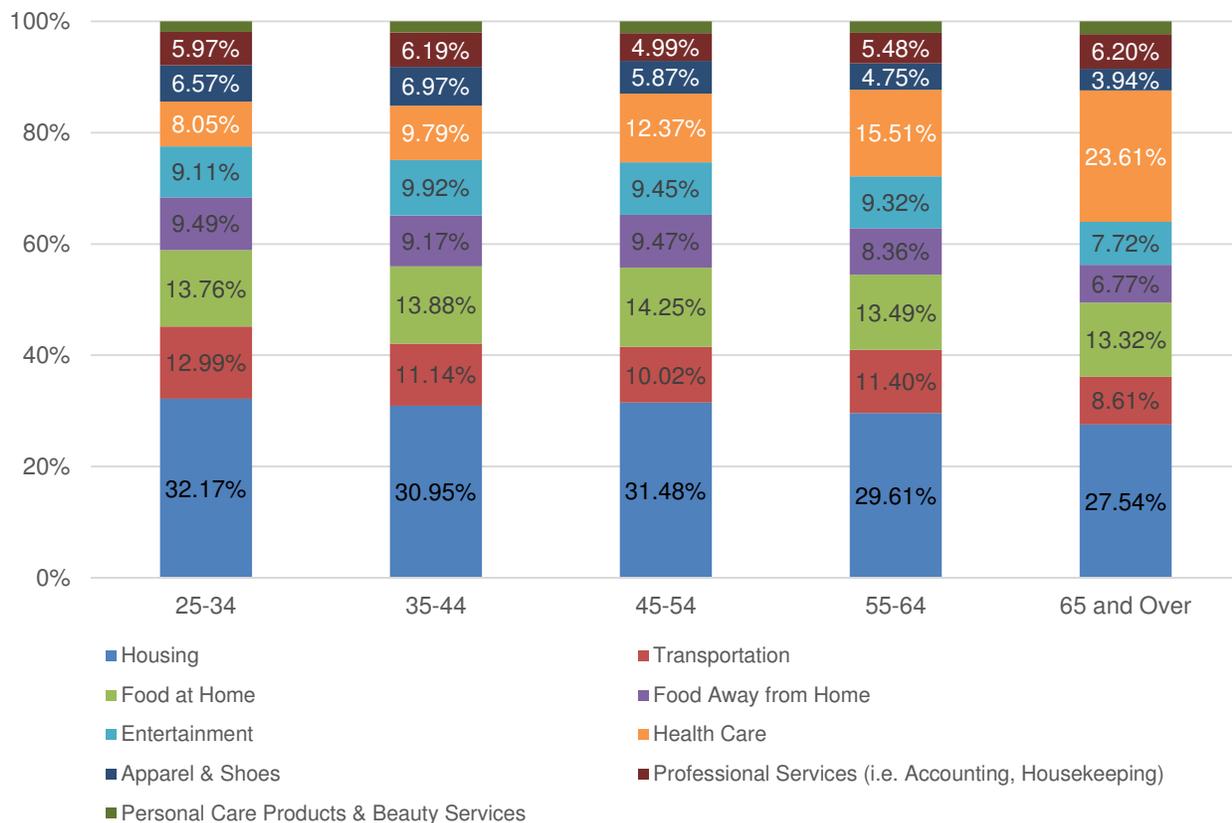


Source: Census ALS 2012

of non-student households without children is also comparatively higher, at \$46,262. Retiree households have an average household income of \$27,123, while college students, unsurprisingly, have the lowest average household income, earning only \$25,525 annually, although with fewer fixed expenses and greater non-reported income (parent contributions), a higher percentage of these dollars are available for discretionary purchases than for other demographic groups. The relative percentage of residents within each of several commonly used demographic groupings are illustrated in the bar graph on the previous page. More information on the income and spending habits of college students will be discussed later in this document.

Looking forward, demographic projections point to a continuing shift in local population. The number of children is expected to decline by 179 in the next five years (4% decline), with a 2 percent drop in non-college student 20 somethings. As the Whitewater population ages, as with the population of the state as a whole, businesses currently catering primarily to families or younger households may need to redefine or broaden their market to offset some demand changes introduced by changing needs of the local market. The chart below shows the shift in spending by households over the course of a lifetime, which can have a profound impact on overall customer availability. For instance, although the share entertainment and restaurant spending only declines by seven percent, for the entire community this represents nearly \$1 million less in demand for these areas over the next decade. During this period, the university plans to continue to enroll a stable to slightly increasing population, although student

Consumer Spending Patterns by Age: Midwest



Source: BLS, 2012

demographics are also changing somewhat as more students opt for longer part-time program options or return for training later in life.

RETAIL MARKET ANALYSIS

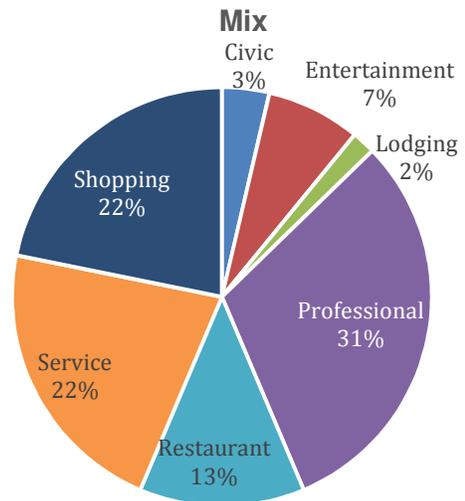
This section examines the current retail and business mix present in downtown, and also examines the aspects of consumer demand within the community.

Existing Business Mix

Downtown is currently comprised of a mix of retail, service, office and restaurant/entertainment uses. Although overall downtown has attracted increased numbers of businesses over the past decade, the mix of businesses has shifted to include a greater share of service and professional uses, and reduced shopping and restaurant destinations. Compared to other downtown districts in the state, the share of restaurant and entertainment uses is lower than would be expected, although the existing restaurant offerings perform well. The share of professional office uses is also slightly higher than would be expected, although employees at these businesses also contribute to daytime customer demand. This is critical, as few non-restaurant businesses are open past 6 in the evening.

Based on retail sales tax figures, there are several categories where businesses downtown represent a significant share of the City’s retail sales within that sector. For instance, it is not surprising that 57 percent of all bar revenues are generated downtown. However, there are several other less intuitive categories where downtown is clearly an effective retail destination, as shown in the table at right. When reviewing this table, it is important to keep in mind the fact that businesses are classified under only one sector, which means that the presence of Walmart somewhat skews this information. For instance, although Walmart sells a number of shoes, these sales are counted under General Merchandise (the store category) and not under shoe sales. Because Walmart represents nearly one quarter of all sales within the City, all retail categories which include goods offered by Walmart are likely under-represented in sales figures.

Downtown Whitewater Business Mix



Source: Downtown Whitewater 2014

Percent of City Retail Sales Occurring Downtown

Retail Category	Percent of City Retail Sales Occurring Downtown
Used Merchandise Stores	83%
Shoes, Jewelry & Accessories	83%
Full – Service Restaurants	70%
Bars	57%
Building Materials	51%
Sporting Goods & Hobby	45%
Automobile Dealers	36%

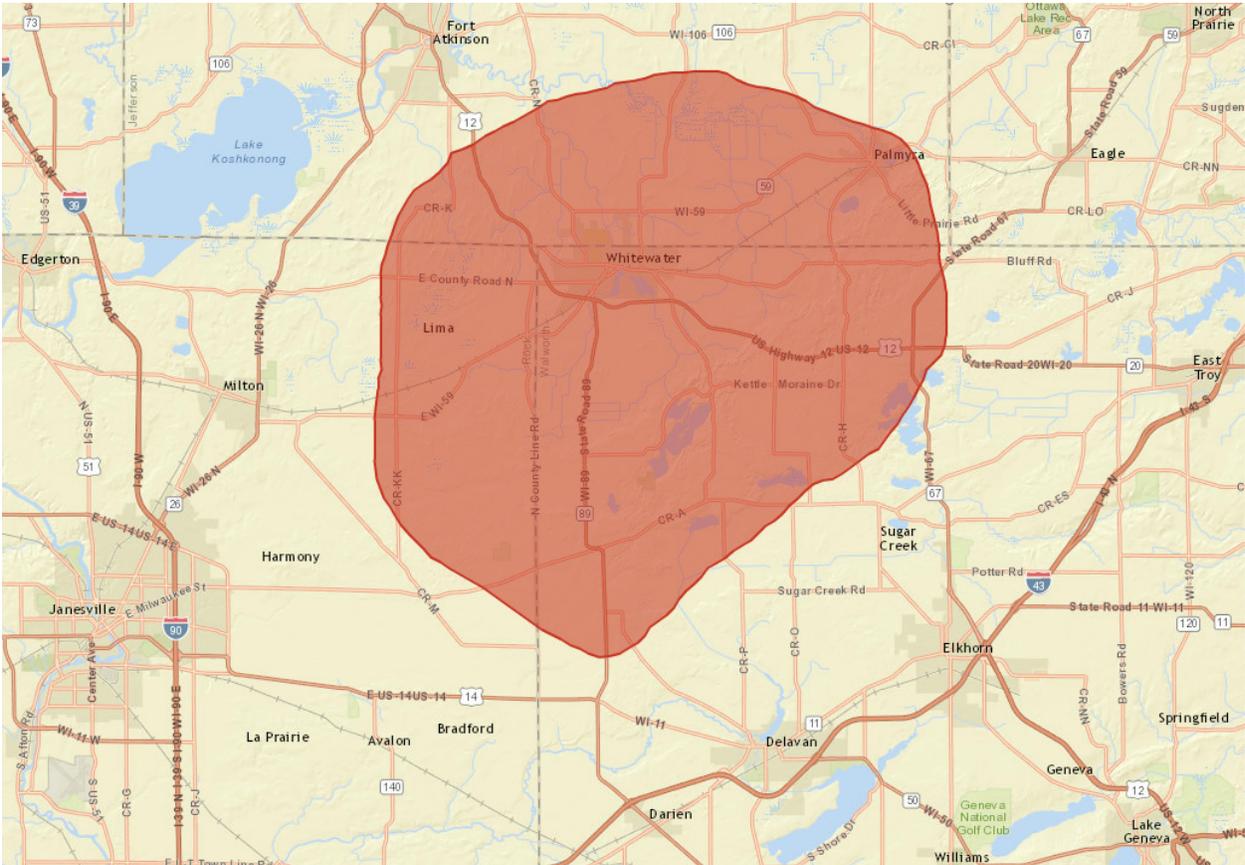
Source: ESRI 2014

Retail Supply and Demand Gap

To identify retail and service market segments with the potential to support new or expanded businesses within the Whitewater market, it is important to understand the pattern of existing customer spending behavior. The area from which a majority of customers will travel to shop at businesses within a commercial district is referred to as the Primary Trade Area. For Whitewater, this area was identified through interviews with several established retail businesses in the community, and is illustrated in the map below. Although businesses in the City may certainly draw customers from a much broader area, it is beneficial for businesses starting out if they can attract sufficient customers from the surrounding area. Not only are these customers easier to reach for marketing purposes and represent a sustainable and year-round customer base, but also increase the opportunity for local businesses to share customers, thereby increasing the frequency and duration of visits by existing shoppers, benefitting all local businesses.

Whitewater’s Primary Trade Area is home to 25,311 households. These households have a median disposable income of \$35,291, and tend to spend a significant percentage of these discretionary dollars locally. On average, 61 percent of local demand is retained within the trade area, with the average household spending \$14,702 per year locally.

Primary Retail Trade Area



These outside dollars also include spending by local businesses, which are an important source of sales for many local establishments. Retail sectors with strong outside sales include building materials and supplies, gas stations, general merchandise and bars.

As identified previously, multiple high performing retail sectors serve as local draws, attracting outside customers into the trade area. There are also several additional retail sectors where local businesses outperform their regional counterparts, demonstrating stable local demand and strong local businesses. Each of these areas of local market strength represents a potential opportunity to support expansion of existing businesses or recruitment of new businesses to build on these existing draws. The table below highlights those sectors where Whitewater has an existing retail cluster that falls within one of these categories.

Retail Sector	Total Retail Sales Captured	Percent of Spending from Outside Visitors	Average Sales Per Business Relative to County (%)
Automobile Dealers	\$23 million	38%	176%**
Grocery Stores	\$25 million	42%	50%
Health & Personal Care	\$12 million	41%	130%
Department Stores*	\$36 million	79%	239%
Limited Service Restaurants	\$9 million	43%	80%
Specialty Food	\$1.5 million	43%	122%
Bars	\$1.2 million	35%	68%

*Categories include large regional/national retailers in the average earning statistics which inflate the per business sales as compared to the rest of the sector businesses in Walworth County.

**Represents mix of used and new car facilities.

Additional Market Segments

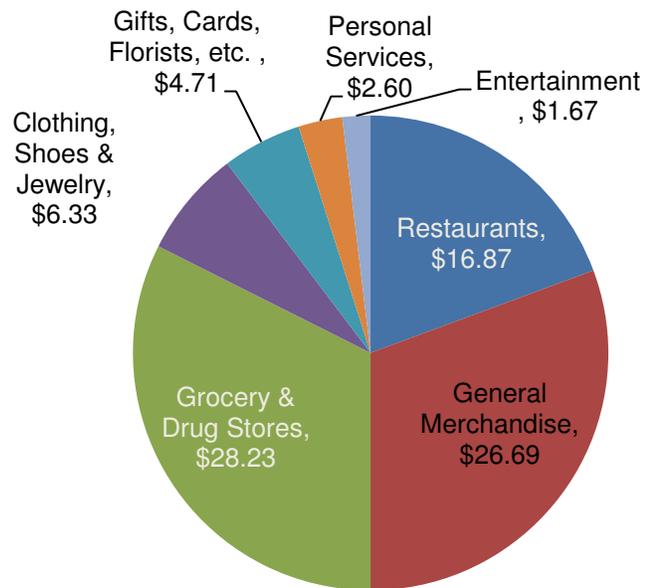
Although the bulk of retail spending will be driven by residential customer demand, additional supplemental market spending influences the amount of overall demand and the time periods where customers are most active. Additional markets relevant to Whitewater businesses include daytime workers who commute into the City daily, University parents, alumni and visitors, and regional residents traveling to Whitewater for events or other activities. Market characteristics associated with these customer groups are profiled below.

Daytime Workforce

According to the 2011 economic census, Whitewater has 6,400 daytime employees, 763 of which work downtown. Including only those employees within walking distance, this represents \$2.8 million in consumer demand based on worker spending estimates from the International Council of Shopping Centers (ICSC). This 2011 study determined that the average worker in a rural community spends \$90.55 per week on work-week related goods and services. This spending includes items purchased during the period between leaving home in the morning and returning home at night, including stops during the commute, lunch, errands run, and after work dinner or entertainment. The breakdown of this spending is profiled in the chart above. These figures exclude the cost of transportation and any online purchases made during the work day. Based on the current business mix downtown, workers could satisfy slightly more than one-third of typical spending in downtown.

Citywide, nearly 40 percent of workers live within 10 miles of the City, although only 21 percent live within the City itself as a large number of workers live within surrounding rural communities. An additional 30 percent live surrounding trade area, leaving approximately 2,250 individuals that are commuting into Whitewater from greater than 25 miles each day. Workers commuting into the City are more likely to come from the Fort Atkinson and Janesville, while Whitewater residents employed elsewhere commute primarily to Madison, Milwaukee or suburbs of these larger communities.

Average Weekly Worker Expenditures by Type



Source: ICSC 2011

Worth noting is the 5.4 percent of local residents who work from home, which among the top three Main Street communities and higher than Madison as a share of local residents. These individuals, as well as other entrepreneurs with non-employer businesses or side businesses, may be candidates for co-working or other shared space facilities, many of which are typically located in downtown settings.

Students

According to a survey of various studies conducted by Wisconsin-based colleges and universities, the average college student living on campus contributes \$630 to the local community, and up to \$8,800 per off-campus student (depending on the cost of housing). In addition, alumni and visitors to campus also create significant retail demand, comprising between 15 and 24 percent of the total retail demand generated by the university. For UW Whitewater and its 12,757 students, 40 percent of whom live on campus, this equates to a total retail demand of approximately \$7.5 million. Of this, 16% is spent on food, 14% on transportation, 6% on technology and 4% each on clothing and entertainment.

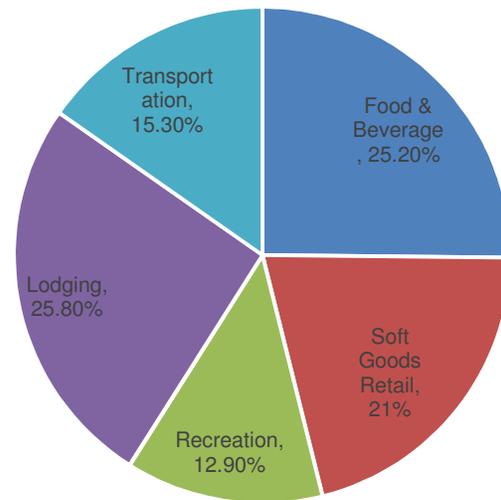
Visitors

While downtown Whitewater remains the hub of the community, there are numerous retail destinations and attractions elsewhere in the City. Downtown Whitewater itself attracts more than 5,400 individuals downtown for its special events, while other visitors are drawn to the City as University visitors, whether for research, visiting students or sporting events. Business travelers and regional travelers also comprise a portion of this market.

Walworth County does not collect sales tax, making it difficult to determine the impact of seasonal visitors and/or college students on the local economy, although interviews with local businesses suggest Whitewater's seasonality is opposite of the rest of the County, with slow summer sales as a result of College student departure.

Currently, there are 3 lodging options in the City, although only one of these (a B&B) is within walking distance of downtown, and is currently being marketed for sale. Although day trip visitors represent a significant source of spending, mainly on transportation, recreation and restaurants, overnight visitors spend an average of 50 percent more, including lodging (Department of Tourism 2013). Finding ways to better connect and capture spending from overnight visitors in the area can have a significant impact on local spending patterns.

Visitor Spending Patterns



Source: Wisconsin Department of Tourism, 2013

Overall Market Profile

Taking into consideration the various markets which comprise the downtown market, the following table highlights the relative potential consumer demand available from each demographic segment. This information is useful for new and existing businesses, indicating the hours of operation, marketing strategy and mix of goods and services that will appeal to the largest segment of the local market.

Student Spending	University Visitors	Commuting Workers (daytime)	Event/Tourism Visitors	Non-Student Residents
\$2.9 million	\$1.6 million	\$1.0 million	\$900,000	\$17.3 million

BUSINESS OPPORTUNITIES

Of course, not all retail sectors represent recruitment targets for Whitewater. Some businesses are typically unwilling or unlikely to locate in downtown areas or non-metro communities (such as department stores), while other businesses prefer to locate adjacent to other similar businesses in easily accessible locations (such as car dealerships). If no similar clusters exist locally, it would be difficult to recruit businesses in these categories.

Additionally, it is unlikely that a new business will be able to capture all available customer dollars, as some customers will continue to travel elsewhere for purchases based on proximity to home or work, or as a continuation of existing shopping habits. Many will also choose to purchase certain items (such as books) online, or opt for substitute goods such as a library visit. Currently, only about 3% of local sales are made online within the trade area. However, this is significantly lower than other parts of the state, and is likely to increase in coming years.

The table below compares the size of the local customer demand gap with the average sales per business for Walworth County. If the size of the gap is more than twice the average business revenue, a new business could potentially be sustained within the community. Note that this is not a comprehensive list of all businesses which could be supported in the district. Successful businesses can succeed in attracting customers from a broad geographic area, and/or may supplement local retail sales with income from online sales or service offerings. This table only highlights those sectors where new retail-oriented businesses could be successful while serving primarily Whitewater and the surrounding area, tapping an existing and known customer base which is easier to reach via targeted marketing.

Whitewater Retail Opportunity Sectors and Stores Supported

Retail Sector	Demand Gap	Average Business Revenue (Walworth County)	Number of New Stores Supported
Furniture & Home Furnishings	\$1.8 million	\$2,243,500	None
Gas Stations	\$1.7 million	\$3,828,902	None
Clothing & Accessories	\$4.3 million	\$902,500	2
Sporting Goods/Hobby	\$1 million	\$1,160,153	None
General Merchandise (i.e. dollar/variety store)	\$6.7 million	\$508,428	2-3
Stationery & Gifts	\$620,000	\$339,125	1

Several of the categories above have significant potential to support expanded local offerings, whether through expansion of existing businesses (such as Quiet Hut Sports adding fishing supplies or Woodland Quilts expanding to include knitting), or by recruiting additional businesses. Retail sectors which do not have sufficient demand to support an additional store may still present opportunities to expand existing stores by adding additional line items (such as Kitchen and Bath Design adding appliances). Several studies have found that communities with Walmart stores frequently see an increase in home furnishing sales, as Walmart does not carry items within this category. Given the existing draw of Kitchen and Bath Design, combined with the larger Walmart trade area, home furnishings may be a sector with greater potential than is indicated by the figures.

It is also important to recognize that the retail categories provided in the supply and demand study are broad, and that it is important to determine which type of goods and services are most supported locally. For instance, clothing and accessories includes women’s, men’s and

children's clothing both new and used. It is likely that some of these areas are adequately served within the community, while others are not. It also goes without saying that a business hoping to serve one of these under supplied markets will need to effectively operate and market to the local customers in order to attract them to alter their shopping patterns.

In addition to traditional retail uses, many storefronts will be home to professional, business and personal services (nationally, 65% of downtown storefronts are occupied by service type businesses). Because these businesses typically serve a larger trade area than retail establishments, and because not all transactions are conducted in person, these businesses have a broad array of location choices. While certain types of service businesses will seek locations with limited local competition and tend to locate at predictable ratios based on target populations (i.e. dentists, daycare, salons), others select locations based on the relative cost, image or proximity of a space to worker residences. The previously mentioned high percentage of work-from-home individuals as well as a large number of residents commuting long distances (37% travel more than 50 miles to work) represent potential pools of candidates which could utilize co-working spaces, open satellite offices, or to recruit an employer in a comparable field based on the presence of qualified workers. Workers with higher concentrations relative to local jobs include those in the Health Care, Construction, Finance, and Professional Services fields. Encouraging these individuals to cluster in offices or other locations increases the likelihood that they will patronize downtown businesses during the day, and also increases the potential for business to business sales and supports small business growth within the community.



Strategic Recruitment

In order to successfully attract businesses to fill existing spaces, the needs of individual businesses and uses will need to be considered in light of available spaces. If spaces available are too large or too small, businesses would need to spend more on rent or operate inefficiently to locate in the space. Similarly, the presence or absence of access, loading or fixtures can make a space more costly or inefficient, hindering the ability of a business to be profitable. If either of these issues exist, strategic incentives may need to be introduced, existing spaces combined or renovated, and/or infill space developed.

Available Spaces

The following spaces are currently available and being marketed in or adjacent to downtown Whitewater on a variety of commercial listing systems, along with some marketed only via storefront signage (noted with an asterisk). However, all of the actively marketed spaces are only listed as available for sale, with none for lease. For small and startup businesses, this makes it difficult to assess the feasibility of locating in an individual space in Whitewater. Although 80 percent of prospective business owners will use online information for some or all of the planning process, online information is especially important in a market with seasonal and visitor traffic, as individuals in these market often represent a pool of potential future business owners, but are also among the most likely to research opportunities online and/or to have a prolonged startup phase, thereby benefitting from online resources.

By expanding its website to offer information on available properties, especially coupled with information on the business benefits of locating in the corridor (rental assistance, event attendance and marketing initiatives), the Main Street Whitewater has the opportunity to create a supportive and encouraging environment new and emerging businesses. Main Street may also want to consider working with property owners and real estate professionals to incorporate targeted marketing materials with existing property listings and/or to consider listing properties on other free services to maximize exposure, including sites such as Craigslist, Loopnet and InWisconsin.

Building/Location	Size	Asking Rent/ Sale Price (Rent = \$/SF/Yr)	Comments
Hamilton House	7,526	\$725,000	8 room B&B on .32 acre lot
141 W Main St.	3,800	\$255,000	2 apartments and 1,900 SF store
135 W Center St.	3,400	\$139,900	1,700 SF first floor and 2 apartments
148-154 W Main*			Vacant first floor office space
162 W Main*			2 interior first floor suites and basement vacant
174-76 W Main*			Vacant storefront

110 W Center*			Office for lease
143 W Main*			Storefront for lease
149 W Main*			Center Street Storefront for lease
171 W Main*			Vacant but not listed – bank buildout
201 W Center*			Vacant Storefront
212 S 2 nd Street*			For Sale
137 W Center St.*			Vacant Storefront
332 Whitewater Street*			For Sale
113 E Main St.*	972 Sf	\$850/month plus utilities	
116 E Main*			Vacant Storefront
216 S Wisconsin St.*			Vacant but not marketed
317 E Main St.*			Vacant but not marketed
239 E Milwaukee St.*			Office Space for rent

*Indicates property vacant and marketed only via window sign, or not marketed at all.

In addition to effectively marketing local available spaces, it may be necessary to explore targeted recruitment strategies or incentives to make it more likely that new businesses in a certain sector will locate in the community, and to reduce the risk associated with new business ventures. Some approaches that have been tried in other communities which are related to some of the opportunity sectors locally are highlighted below.

Furniture & Home Goods: Furniture stores require one of the largest square footages of any downtown retail segment, averaging 8,000 to 19,000 square feet. Trends in furniture stores include repurposed and vintage furniture offerings, partnerships between home furnishings and interior design services, and full service offerings including appliances, electronics, business furniture, and bedding. In certain markets, rental or rent-to-own models are also growing. Because downtown stores will be smaller than their 50,000 square foot + suburban models, they often rely on a targeted customer demographic profile or offer significant catalog-delivery options.

General Merchandise & Gifts: The most all-encompassing retail category, this sector includes a wide variety of small specialty shops as well as larger 10,000 square foot dollar or variety store business types. These businesses vary widely depending on the target audience. Even in markets where Walmart exists as a competitor, small downtown variety stores can be successful if there are sufficient workers and residents within walking distance which value proximity and convenience. Gift stores are more likely to focus on a specific demographic, and increasingly likely to pair retail offerings with services or educational opportunities. For instance,

many handmade beauty product businesses offer weekly courses or hands on opportunities to learn about soap making, aromatherapy or other similar products. Similarly, kitchen shops offer cooking demonstrations, nutritional classes, etc. In addition to attracting a regular clientele, these courses offer the opportunity to introduce monthly payment options and prepaid punch cards, improving business cash flow.

Clothing & gifts: Soft goods retail is one of the more difficult market segments to accommodate in a small community. It is very difficult for a local store to effectively serve a large enough local market type to generate sustainable sales revenue. The most successful soft goods retailers opening in small town communities tend to follow one of two models; either providing a broad range of complementary goods and services (occasionally through a multi-vendor model similar to antique shops or artisan galleries) which allow for limited overhead costs and more frequent inventory updates, or shops which cater to a specific demographic profile. Some regional brands such as Duluth Trading Company are a good example of the latter model, which identifies their targeted customer and provides an assortment of specific goods and services targeted to that demographic. Many smaller town equivalents combine a mix of retail and service business lines along that theme, such as providing fitness classes, apparel, cycling gear and salon/massage services.

RESIDENTIAL MARKET

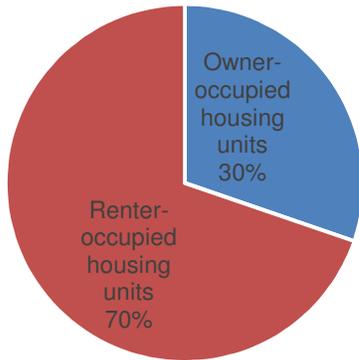
Downtown Whitewater has placed significant emphasis on growing the downtown residential market, resulting in the addition of 71 upper floor housing units in downtown over the past decade. This has been instrumental in increasing the downtown consumer base, creating evening and weekend vitality within the community. With the successful renovation of the vast majority of upper floors, increasing residential options further will require strategies to either upgrade existing units to cater to a broader mix of residential types or attracting a developer to introduce new residential development in or near downtown. The following section examines the potential market size and characteristics which could guide development of market supported units.

Current Downtown Residential Market

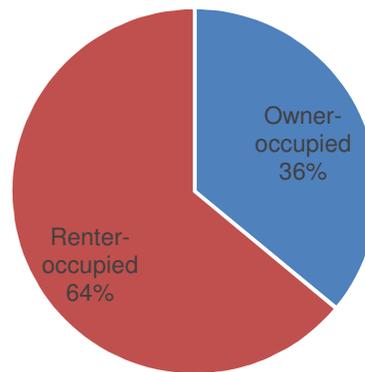
Within the census tract block group that most closely corresponds to downtown boundaries there were 709 residents as of the 2010 census. This represents 5% of the total City population. With the addition of new downtown residential units and restaurant amenities, the demand for and rental rates of downtown apartments have increased over the past decade, with downtown average rental rates and vacancies virtually identical to those of the City as a whole. Median gross rental rates downtown are \$764 per month, and the 2010 apartment vacancy rate was 7.8%.

Although there is a perception that only college students live downtown, the overall composition of residents is not significantly different than for other neighborhoods in the City. Downtown does have a slightly higher percentage of rental units, but it is only 60 basis points higher than elsewhere in the City, as shown in the graphs below.

Downtown Residential Units

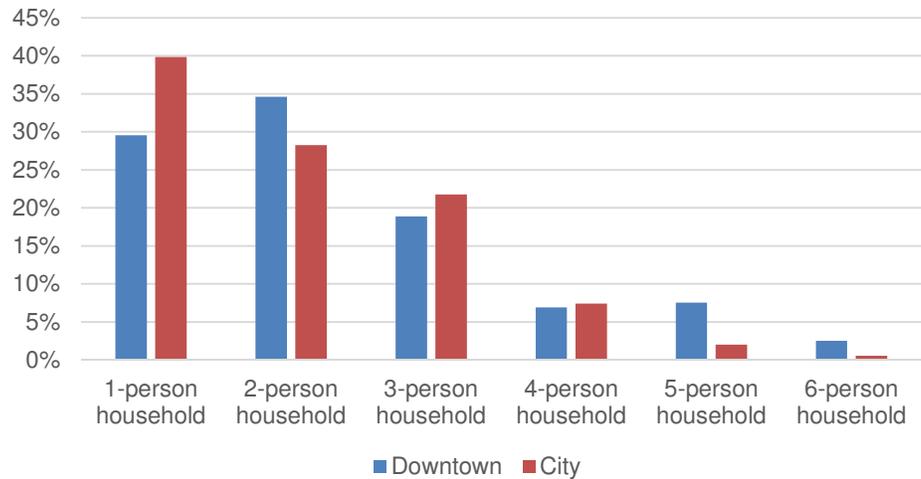


Whitewater Residential Units



Similarly, college student households are often defined by large numbers of individuals sharing a room, with property owners receiving significantly more rent on a per person basis. While downtown does have fewer single households, a majority of units are rented to two or three individuals, similar to the City as a whole. Only 16 downtown apartments are home to five or more individuals, and in all likelihood these are larger single family homes.

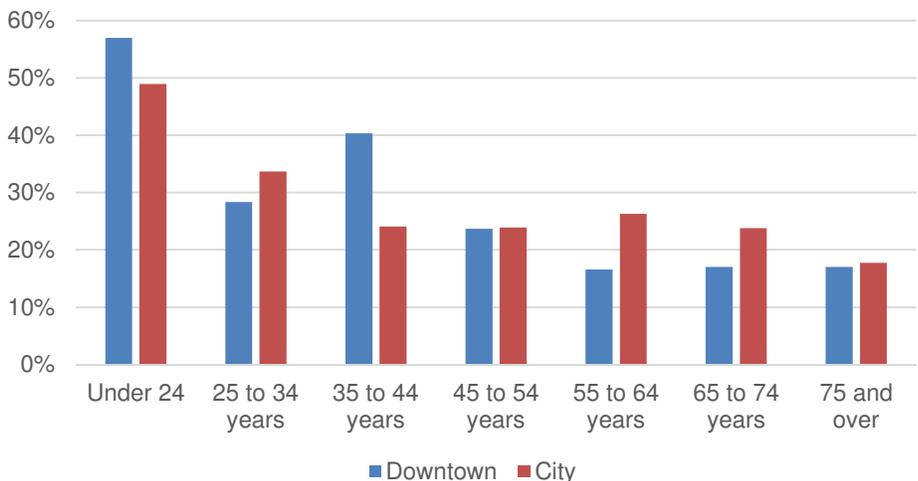
Rental Residents by Household Size



*Note that the block group used to define downtown residents extends northward to W. North Street and south to W. Walworth Street, the vast majority of residential units are located within the downtown boundaries, and those few that are not are located within one block of downtown.

Comparing the number of households by age, downtown does have a slightly higher share of college students (60 percent under age 24 versus 49 percent Citywide). However, it also has a significantly larger population of middle aged individuals aged 35 to 44. Unlike many other downtowns, Whitewater does not have a large

Downtown vs. City Age Profile



number of older households within walking distance of downtown. Further examining the choice of housing by age group, the ratio of owned to rented units within each demographic is similar regardless of where in the City they live. For instance, virtually all households under aged 24 rent both downtown and elsewhere in the City, while less than 2% of households aged 55 to 64 rent regardless of location. The only significant difference in residential preference is seen among 35 to 44 year olds, where 16 percent of downtown residents rent as compared to only 9 percent of similarly aged residents elsewhere in the City.

Future Residential Demand

Looking to the future, it will be important to capitalize on demographic and income trends to maintain a diverse downtown residential market. Although the number of college students is expected to continue to increase in coming years, there will be demand for convenient, walkable and low-maintenance housing units within other sectors. Capitalizing on these opportunities to capture additional investment and retain and attract residents will be important for downtown as it looks to grow its retail and service offerings which benefit from proximity of a stable customer base.

In just the next five years, demographic projections for Whitewater anticipate that 96 additional individuals will be over the age of 65, and the City will have 146 additional individuals aged 30-39. A significant decline (loss of 179 individuals) is anticipated for the population of youth under aged 19. This change is significant for a number of reasons. First, the population of families with children is the demographic group locally with the highest income and greatest stability. Losing a substantial number of households in this area could impact the buying power of the area, and also the quality of schools and other amenities required to attract new young families. However, the growth in population within each of the household forming decades is good news for the housing market. The table at right shows the number of units which will be required to support the growth in households in each of the demographic groups and also indicates the anticipated number of rental or owner-occupied units which would be required to accommodate this demand. This chart also explores the potential demand created by attracting a portion of those individuals currently traveling greater than 50 miles to work in the community to relocate to the area.

Age Group	5-Year Household Change Projection	Potential Employee Demand (Commuter Relocation)	Owner Occupied Demand	Rental Demand
Age 20-29	-41	93	13	38
Age 30-39	146	88	115	120
Age 40-49	10	88	51	47
Age 50-65	14	71	76	9
Age 65+	45	-	29	15

Source: 2014 GIS Planning, 2011 Economic Census, 2012 ACS

Not addressed in this table is the potential demand for senior independent and assisted living opportunities. These facilities typically rely on relocation of individuals from the surrounding rural

areas as they retire and/or require additional care, as well as on the relocation of parents from adult residents of the community. The Fairhaven campus in Whitewater is one example of this type of facility, including a variety of types of care.

Income and Pricing

Although it is important to identify demographic and age profiles of individuals expected to be attracted to potential developments, the price point at which these populations can afford new residences is an equally important consideration.

Median apartment rents in Whitewater increased by 52 percent between 2000 and 2010. During that period, 454 additional rental units were added to the market, either through new construction or conversion of existing homes into rental units. At the same time, landlords raised rents on many of the units previously commanding \$500 or less per month in gross rent, with 1,271 units falling into this category in 2000, compared to only 765 units in 2010. Approximately half of these units received no significant improvements, but simply raised rents to keep pace with inflation and now receive between \$750 and \$1,000 per month in rent (on a more common triple net basis excluding utilities, this is the equivalent of \$500 to \$680 per month). New units were also introduced at the top of the market, including 140 new apartment units charging \$1,500 or more per month. Based on affordability standards by Housing and Urban Development (HUD), households would need to earn \$55,000 per year to afford this type of housing. Currently, 26 percent of households earn sufficient income to afford these units. Of these households, 23 percent have children and are less likely to live in multi-family rental units. The most likely candidates would be growth in the 31 percent of households that include non-family households (including singles), and working-aged households comprised of married individuals without children. The 120 additional rental units supported by growth in the 30-39 year old demographic bracket would likely include a number of these individuals. Empty nesters aged 55-70 are also a demographic common to downtown residential developments. However, Whitewater is not expected to experience significant growth in these segments in the near future, and would need to market to individuals currently outside the community for this type of development, which is significantly more difficult.

Recruiting a greater share of local workers to live in the community is also a commonly utilized strategy for encouraging a stable population base. Many large employers offer relocation bonuses or low interest loans to encourage employees to reside in proximity to their workplace, recognizing that employees are less likely to leave and more likely to become invested in the local community if they own a home in the area. The previous section explored the potential to encourage existing workers to relocate to Whitewater. Based on current worker salaries, 35 percent of the current workforce (237 long distance commuters) could afford new rental units priced at \$1,500 or greater. However, long-standing employees are more likely to be candidates for owner-occupied units. In contrast, new hires are significantly more likely to opt for rental units, at least temporarily. Occupation projections by Economic Modeling Statistics International (EMSI) projects net job growth of 94 positions annually in the next three years within Whitewater which have a median pay rate sufficient to afford newer high priced units. These include positions associated with the University as well as various medical professions, computer and software programmers/analysts and engineering professionals, including those associated with advanced manufacturing. Establishing a community-wide fund in partnership with large employers to support the recruitment and relocation of talented individuals to the area could also help support additional housing development.