Chapter 9: Housing

In This Chapter

INTRODUCTION

This chapter examines Stoughton's current housing supply, affordability, demographic trends, and development patterns, while incorporating community input and regional context. Together, these insights inform a set of goals, strategies, and actions intended to expand housing opportunities, improve affordability, and support reinvestment in existing neighborhoods. The practical actions recommended here guide future growth in a way that reflects Stoughton's character and values while **ensuring the city remains a welcoming and accessible community for residents of all ages, incomes, and life stages.**

Housing Projections

An important part of planning for Stoughton's growth is to determine the number of housing units that are needed now and in the future. A housing unit is an individual residential dwelling intended to accommodate one household. Housing units may include single-family homes, duplexes, townhouses, apartments, condominiums, manufactured homes, and other residential living arrangements, and serve as the basic building block for evaluating housing supply, demand, and community growth.

Stoughton will need an estimated 7,950 housing units to accommodate all 7,572 households in 2050, based on a projected average household size of 2.17 and desired housing vacancy rate of 5%. Stoughton currently has an estimated 6,354 housing units (2024 ACS and 2023-2025 City Planning Department permit data). **The City will need to add an additional 1,596 housing units between 2026 and 2050 to accommodate the projected demand, or an average of 64 new units per year.**

Table 1. Housing Projections for Stoughton 2020-2050

	2020	2030	2040	2050
Estimated Number of Housing Units	5,474	6,409	7,138	7,950
Estimated Number of Households	5,262	6,104	6,798	7,572
Estimated Average Household Size	2.46	2.29	2.23	2.17

Source: Becker Professional Services, based on data from the U.S. Census, ACS 5-year estimates, WI Dept. of Administration, and RDG population projections.

KEY TAKEAWAYS

- Housing affordability is a top community challenge: rising home prices, rents, and property taxes are outpacing local incomes.
- The supply of available housing is tight, with low vacancy rates and a shortage of units. There is a particular lack of options that are affordable for lower-income households.
- The limited housing diversity in Stoughton, which is primarily single-family homes, does not meet growing demands for smaller, more attainable, and senior-friendly housing types.
- Stoughton will need about 1,060 additional housing units by 2050 to keep pace with projected population growth.
- Regulatory barriers and development costs are limiting housing production in the city.
- A balanced approach is needed to expand housing options and affordability while preserving neighborhood character and community identity.

Several specific terms are used throughout this chapter to describe housing types and affordability levels, including:

Missing Middle Housing: Buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached (townhomes), stacked (stacked flats or two-flats), or clustered homes up to 20 units. It is referred to as missing because generally zoning codes have hindered the development of this form of housing. Missing Middle housing can offer more affordable options.

Workforce housing: Housing that is affordable to residents making 80-120% of the area median income. It is referred to as Workforce Housing because it is intended to be affordable to those working in the community.

Affordable housing: Housing where monthly costs do not exceed 30% of the tenant's total monthly income.

Naturally occurring affordable housing: Older housing stock that meets the affordable housing cost standard without external subsidies.

DRAFT

Source: Missing Middle Housing by Daniel Parolek

GOALS, STRATEGIES, AND ACTIONS

Goal 1: Provide for moderate residential growth with a wide range of housing types, densities, sizes, costs, and ownership options that meet the needs of existing and future residents at all income levels and stages of life.

Strategies:

1. Expand the mix of housing types available in the city ("missing middle", multi-family, accessible and senior-friendly, etc.) while maintaining the predominantly single-family character of the community
2. Integrate a mix of housing options across all neighborhoods throughout the community
3. Support housing for all income levels, including workforce and affordable housing
4. Improve opportunities for first-time homebuyers

Actions:

◊ Update zoning regulations to allow and encourage:
  - Cottage courts
  - Small-lot single-family homes

◊ Encourage mixed-income, mixed-tenure, and mixed-use developments, including residential uses within the upper stories of buildings as part of infill and redevelopment

◊ Encourage innovative housing models such as co-housing, land trusts, and shared equity housing

◊ Promote awareness and use of the City's down payment assistance program

◊ Prioritize affordability thresholds (e.g. less than or equal to 60% AMI) in publicly-supported developments

◊ Encourage housing affordable to those at or below 80% AMI be located near jobs, services, and transportation, rather than concentrated in isolated areas

◊ Support the development of single-story and zero-entry homes, senior housing and assisted living facilities, and downsizing options such as townhomes and condos

◊ Integrate accessible housing design into both new construction and rehabilitation efforts

◊ Continue to collaborate closely with Dane County to evaluate regional housing needs and implement the Dane County Regional Housing Strategy

Goal 2: Address housing shortages and rising costs by increasing housing production and reducing barriers to development

Strategies:

1. Reduce regulatory barriers to housing development and ensure processes are predictable and efficient
2. Leverage public tools and partnerships to support affordability
3. Align housing growth with infrastructure and market demand

Actions:

◊ Streamline development review and approval processes to reduce time, cost, and uncertainty

◊ Review and adjust development fees, parkland dedication requirements and regulations to reduce barriers to housing development

◊ Streamline permitting and approval processes to reduce development timelines

◊ Partner with developers, nonprofits, regional entities, and state/federal programs (WHEDA, CDBG, HOME) to build new housing and leverage alternative funding sources in order to meet unmet housing needs

◊ Regularly meet with developers to discuss challenges to developing housing in Stoughton and identify solutions

◊ Explore participation in or creation of regional housing funds or land banking initiatives

◊ Continue and expand the use of TIF and TID extensions to support affordable housing development

◊ Monitor housing production relative to projected need and plan for a sufficient supply of developable land and redevelopment areas for housing that meets the needs of all incomes and age groups, particularly low- and moderate-income residents

◊ Identify and promote sites suitable for higher-density or mixed-use development

◊ Phase new residential development to align with infrastructure, public facility, and service capacity

Goal 3: Maintain the quality, safety, and affordability of Stoughton's existing housing stock

Strategies:

1. Promote reinvestment and rehabilitation of aging housing
2. Preserve naturally occurring affordable housing
3. Maintain neighborhood character while improving housing quality

Actions:

- ◊ Support or expand housing rehabilitation and maintenance assistance programs
- ◊ Promote energy-efficiency upgrades to reduce long-term costs (e.g. solar, heat pumps)
- ◊ Maintain and develop incentives for reinvestment in older neighborhoods, such as the Landmarks Commission façade improvement grant

- ◊ Work with local groups (Housing Advocacy Team of Stoughton, neighborhood groups, Stoughton Historical Society, etc.) to promote programs and resources available for housing repair, renovation, and preservation

- ◊ Support the preservation of historic housing while allowing appropriate modernization
- ◊ Identify and protect existing affordable rental housing from conversion or loss

COMMUNITY INPUT

Housing was a key topic across the community survey and public input events during the planning process. Many participants expressed appreciation for the city's established neighborhoods, walkable layout, and small-town character, yet emphasized growing concern about affordability and limited housing diversity. A recurring theme across public comments was the need for more affordable options for both renters and first-time homebuyers, with strong interest in smaller homes, townhouses, and senior-friendly units that allow residents to age in place. Several participants supported the idea of innovative housing types[1] such as pocket neighborhoods, accessory dwelling units (ADUs), or tiny home developments, while others voiced caution about higher-density or multi-story developments altering neighborhood character. Overall, the community seeks a balanced approach that maintains Stoughton's historic charm and livability while expanding housing opportunities for a range of incomes, ages, and lifestyles.

Representative Quotes:

"Our adult kids ... would love to come back to Stoughton ... but they can't find affordable housing."

"Most of the homes being built/sold are over $300,000 or are 55+... We need more starter homes."[2]

"I really love Stoughton but housing in this area is very expensive."

"Rent and home prices feel like Madison without Madison wages."

"Property taxes are pricing people out of homes they've lived in for decades."

"Affordable housing and higher paying jobs are a must."

1 *The city currently has a zoning overlay district to allow pocket neighborhoods in certain areas; mother-in-law suites (attached, self-contained secondary living spaces) are similar to ADUs and already permitted in the city; tiny homes are classified as mobile homes and are only permitted in mobile home parks.*

2 *Zoning laws are designed to govern land use, not the identity or ownership status of the user, and therefore "users" of homes (for example, 55+) cannot be regulated through the city's zoning ordinances.*

SURVEY RESULTS

The public survey revealed that housing is a top issue for Stoughton residents; the survey results are represented in the tables and figures on the following pages. Respondents rated *housing affordability* as the top challenge facing Stoughton, with 77.5% of all respondents selecting it as one of the top three community challenges in their view. 57% of survey respondents said that Stoughton is *poor* or *very poor* when it comes to having enough affordable housing options for renters and homebuyers. 63% of survey respondents said that Stoughton has *a lot* or *some work to do* to provide diverse housing options that accommodate the needs and budgets of residents at every stage of life. 64% of survey respondents said that Stoughton is *doing well* or *great* in providing welcoming neighborhoods where residents feel safe. When it comes to the types of housing Stoughton should prioritize, the top two types of housing selected by respondents were *single-family* (61% of respondents) and *mixed-use* developments (31%).

Table 4. Survey Response for Top Challenges Facing Stoughton

(respondents could select up to three):

Challenge	Responses
Housing Affordability	77.5%
Community Services (schools, healthcare)	58.2%
Economic Growth and Job Opportunities	52.1%
Preservation of Natural Areas/Farmland	41.7%
Transportation and Traffic Congestion	32.3%

Figure 40. Perception of Housing Stock Diversity in Stoughton

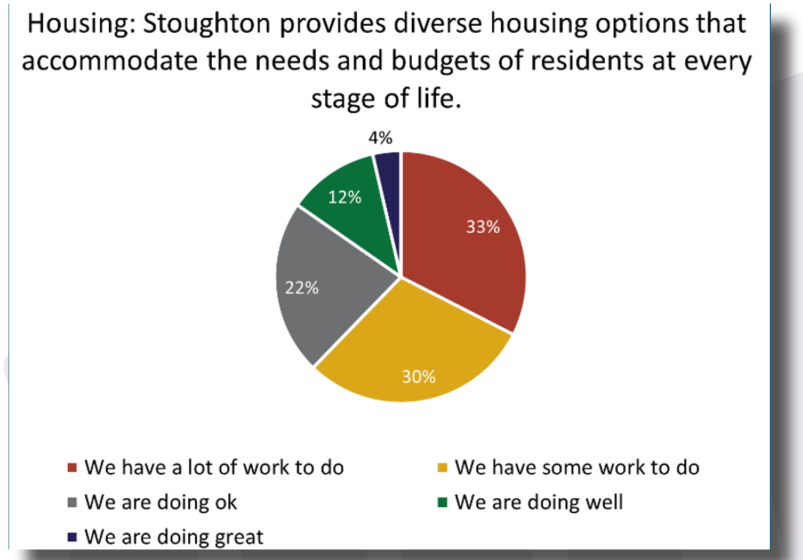


Figure 41. Perception of Neighborhood Belonging and Safety in Stoughton

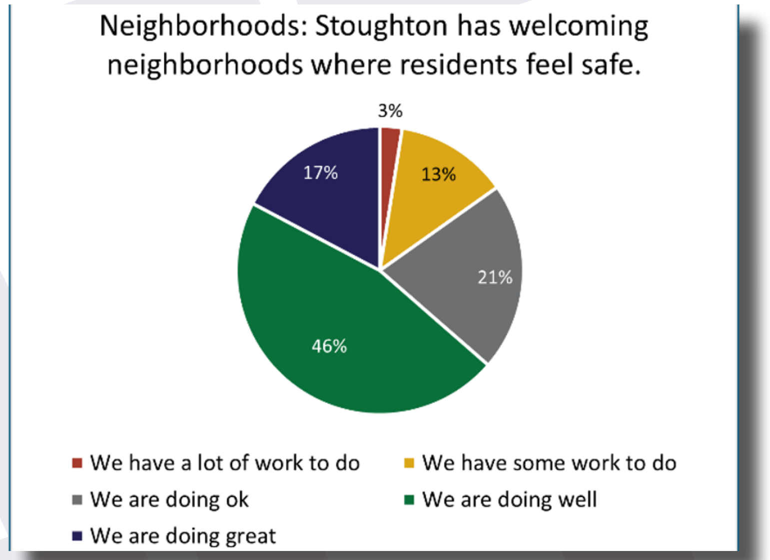


Figure 42. Survey Response: How would you describe the opportunities for affordable options in Stoughton for both renters and home-buyers?

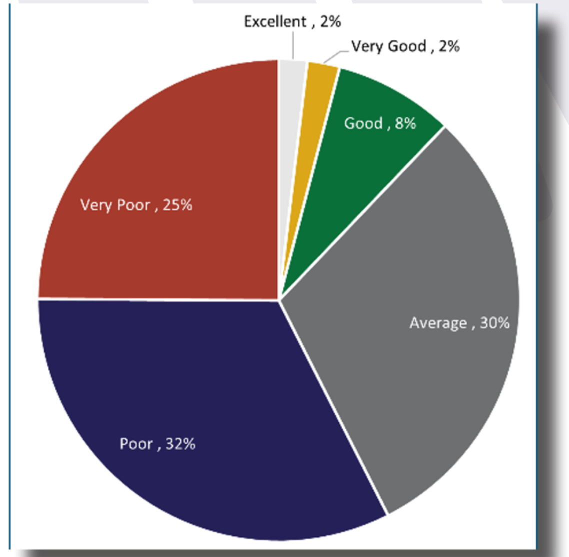
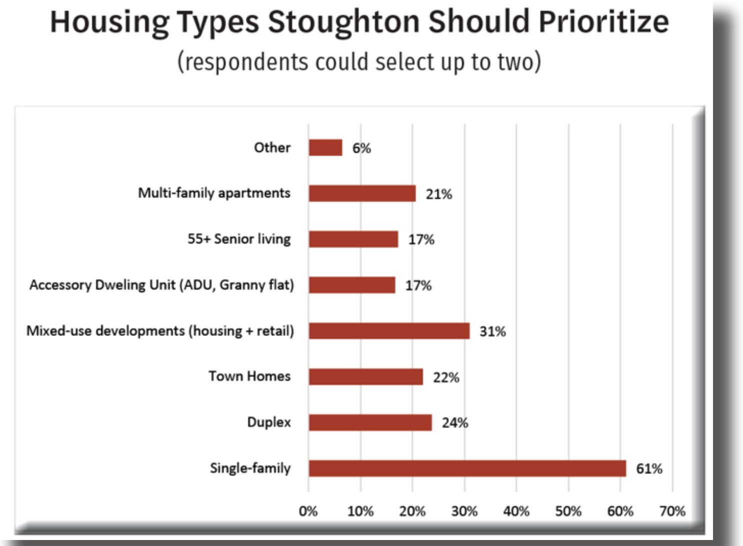


Figure 43. Views on Housing Types to Prioritize in Stoughton



Focus Group Results:

Included in the ***Appendix (link)*** is the full summary of two housing focus groups conducted as part of the comprehensive planning process. Participants in these focus groups included a mix of local developers, local banks, local realtors, and representatives from the Stoughton Area School District, Stoughton Area Youth Center, Stoughton Area Resource Team (START), Stoughton Health, and the Stoughton Area Senior Center. The focus groups discussed:

Reasons to Move to Stoughton: to be closer to family, often "grandparents following grandchildren"; proximity to Dane County jobs; perceived safety compared to Madison; community identity; affordability compared to other Dane County communities

Market Trends and Housing Preferences: there is a strong demand for downsizing and "right sizing", especially for older adults, and there seems to be demand for 55+ active adult communities; at the same time, a growing number of older adults are choosing to remain in their homes longer, which can reduce turnover in the existing housing stock and limit the availability of homes that are often attractive to first-time buyers

Challenges for Developers in the City: a major recurring theme was frustration with regulatory processes and costs to developing housing in Stoughton. Issues cited include high parkland dedication requirements, long approval timelines, high, unpredictable fees, lack of dedicated economic development staff and inconsistent or adversarial interactions with city leadership

Divides in Community Perspectives: participants observed two differing perspectives in the community, younger families and business owners who want more growth, amenities, and housing options, and longtime homeowners who fear loss of community character, uncontrolled change, and rising costs. Participants were surprised to learn that Stoughton has a down payment assistance fund for first-time homebuyers

Diverse Housing Types: one focus group highlighted the need for a wider variety of housing options, including duplexes, townhomes, and accessory dwelling units (ADUs) to meet the needs of different demographics, including the need for zero-entry/single-story homes suitable for seniors

Homelessness: there was acknowledgement of a growing number of individuals experiencing homelessness in Stoughton

NATIONAL AND REGIONAL CONTEXT

Increasingly, people cannot find housing in their community that is suitable for their stage of life and affordable at their income level. Housing costs are the single largest expenditure for most households at 33.4% of annual expenses on average, according to the U.S. Bureau of Labor Statistics' 2024 Consumer Expenditure Survey. Housing costs increased 3.3% in 2024, following a 4.7% increase in 2023. Homeowners experienced a 7% cost increase while renters experienced a 5.4% cost increase.

In Wisconsin, the median home value increased by 74.4% from 2010 to 2024, while the median household income increased by only 58.1% in that same period. There is even more of a gap in Dane County, where the median home value increased by 88.7% from 2010 to 2024 and the median income only increased by 55.1%. **The same trend can be seen in Stoughton, where the median home value has increased by 53% from 2010 and the median household income has only increased by 30%.**

Homeowners and renters alike experience the rising costs; the median gross rent in Dane County increased by a whopping 95% from 2010 to 2024, while rent in Wisconsin grew by 60.2% and rent in Stoughton increased by 49.5% in that period.

Dane County as a whole is experiencing a housing shortage due to rapid job and population growth in the county outpacing the supply and production of available housing units.

LOCAL HOUSING CONDITIONS

HOUSEHOLD CHARACTERISTICS

In 2024, Stoughton had a 95% housing occupancy rate, at 5,494 households occupying 5,796 total housing units. According to the U.S. Department of Housing and Urban Development, a vacancy rate of 1.5% for owner-occupied units and 5% for rental units indicate a healthy housing market. Stoughton's homeowner vacancy rate is 0% and its rental vacancy rate is 3.7% (notably with a 4.2% margin of error), indicating a tight housing market. Similarly, the state of Wisconsin's vacancy rates are 0.6% for owner-occupied units and 4.3% for rental units, and the vacancy rates in Dane County are 0.7% and 3.6%, respectively.

Table 5. Household Characteristic Comparisons, 2000-2024

	Total Housing Units			Total Households			Average Household Size			% Single-person Household			% HH with Individuals 65+			% HH with Individuals Under 18		
	2000	2010	2024	2000	2010	2024	2000	2010	2024	2000	2010	2024	2000	2010	2024	2000	2010	2024
City of Stoughton	**4,920**	**5,419**	**5,796**	**4,742**	**5,133**	**5,494**	**2.53**	**2.41**	**2.33**	**26.0%**	**29.4%**	**28.0%**	**30.6%**	**23.5%**	**34.5%**	**40.0%**	**33.6%**	**26.7%**
Village of Oregon	2,915	3,665	4,854	2,847	3,499	4,745	2.66	2.53	2.42	19.6%	24.9%	24.4%	22.3%	24.7%	21.5%	47.0%	40.9%	38.9%
Village of Waunakee	3,271	4,502	6,091	3,216	4,267	5,844	2.75	2.69	2.66	19.5%	22.1%	16.0%	21.6%	24.0%	25.8%	44.7%	45.7%	41.1%
Village of McFarland	2,477	3,158	3,935	2,455	3,046	3,876	2.58	2.49	2.36	22.3%	23.7%	24.4%	20.4%	27.4%	28.6%	42.3%	36.3%	34.4%
City of Fort Atkinson	4,995	5,366	5,574	4,786	4,904	5,408	2.40	2.44	2.26	29.9%	27.3%	33.0%	32.2%	32.4%	32.2%	34.0%	33.9%	22.8%
Town of Dunkirk	738	835	675	719	820	639	2.63	2.42	2.36	17.0%	23.5%	25.2%	18.0%	32.9%	42.3%	42.4%	28.2%	19.4%
Dane County	180,398	216,022	271,440	173,484	203,750	258,775	2.36	2.33	2.21	29.4%	30.5%	34.0%	21.3%	17.6%	24.8%	30.6%	28.4%	22.2%
Wisconsin	2,321,144	2,624,358	2,820,538	2,084,544	2,279,768	2,535,198	2.50	2.43	2.29	26.8%	28.2%	31.8%	23.0%	24.0%	32.5%	33.9%	30.6%	24.9%

Source: U.S. Census; ACS 5-year estimates; ACS 1-year estimates

Since 2000, the percentage of owner-occupied housing units in Stoughton has remained around 65%-67%, similar to Wisconsin's rate of 68%.

Table 6. Household Size by Tenure, 2000-2024

	% Occupied Housing Units			% Owner-Occupied			Average HH Size Owner-Occupied			Average HH Size Renter-Occupied		
	2000	2010	2024	2000	2010	2024	2000	2010	2024	2000	2010	2024
City of Stoughton	**97.0%**	**94.7%**	**94.8%**	**64.8%**	**66.1%**	**66.7%**	**2.81**	**2.58**	**2.44**	**1.98**	**2.07**	**2.12**
Dane County	96.2%	94.3%	95.3%	57.6%	56.2%	54.7%	2.64	2.52	2.52	2.00	2.05	1.83
Wisconsin	89.8%	86.9%	89.9%	68.4%	68.1%	68.0%	2.66	2.56	2.46	2.15	2.16	1.94

Source: U.S. Census; ACS 5-year estimates; ACS 1-year estimates

The average household size in Stoughton is decreasing, dropping from 2.53 in 2000 to 2.33 in 2024. This decline matches state and national trends. Owner households tend to be larger than renter households, also matching trends across the county and state. In 2024, the average owner-occupied household size in Stoughton was 2.44 people, while the average renter-occupied household size was 2.12. Decreasing household size with an increasing population indicates a need for a greater number of housing units, and possibly units that are smaller in size.

Most Stoughton households (73%) have lived in their current housing unit since before 2020, with 80% of those being homeowners. 20% of households have lived in their current unit since 1999 or earlier. More than half (53.7%) of all renters in Stoughton moved into their current unit between 2020 and 2022. The largest share of homeowners (38.6%) moved into their current home between 2010 and 2019.

People are increasingly purchasing homes later in life; the share of homeowners younger than 55 years old in Stoughton has decreased from 64% in 2010 to 47% in 2024. The share of homeowners under the age of 35 alone has decreased from 15% in 2010 to 10% in 2024. At the same time, people are staying in their homes longer as they age. The share of homeowners ages 55 and older has increased from 36% in 2010 to 53% in 2024, and the share of homeowners age 75 and older has almost doubled, from 7% in 2010 to 12% in 2024.

This is consistent with national trends, as the median age of both first-time and repeat homebuyers has been increasing. According to data from the National Association of Realtors, the median age of a first-time homebuyer was 33 in 2021, compared to 29 in 1981. The median age of a repeat homebuyer also increased substantially, from 36 in 1981 to 56 in 2021.

Table 7. Owner/Renter Status by Length of Occupancy in Current Unit, 2024

Year householder moved into unit	Occupied Units		Owner		Renter	
Moved in 2023 or later	133	2.4%	82	2.2%	51	2.8%
Moved in 2020 to 2022	1,327	24.2%	343	9.4%	984	53.7%
Moved in 2010 to 2019	1,983	36.1%	1,415	38.6%	568	31.0%
Moved in 2000 to 2009	947	17.2%	793	21.6%	154	8.4%
Moved in 1990 to 1999	606	11.0%	539	14.7%	67	3.7%
Moved in 1989 and earlier	498	9.1%	491	13.4%	7	0.4%
Total	5,494	100.0%	3,663	100.0%	1,831	100.0%

Source: ACS 5-Year Estimates: Selected Housing Characteristics

Table 8. City of Stoughton Householder Age by Tenure

Age of Head of Household	2010			2024		
	Total	Owner	Renter	Total	Owner	Renter
Under 35	17.9%	15.2%	23.4%	17.0%	10.0%	31.0%
35 to 44	23.9%	24.1%	23.5%	20.3%	23.7%	13.6%
45 to 54	22.4%	24.4%	18.4%	14.4%	13.5%	16.2%
55 to 64	16.6%	18.4%	13.1%	18.1%	22.9%	8.5%
65 to 74	9.2%	10.9%	5.9%	16.4%	17.8%	13.7%
75 to 84	5.9%	4.3%	9.0%	6.8%	7.6%	5.2%
85 and over	4.1%	2.7%	6.8%	6.9%	4.5%	11.9%

Source: ACS 5-Year Estimates

EXISTING HOUSING STOCK

From 2010 to 2024, the City's housing stock grew by 7% to 5,796 units, a slower growth rate than the previous decade which experienced a housing stock increase of 10.1%.

Single-family homes currently account for 70.2% of all housing units in Stoughton, up from 66.4% in 2010. This is lower than all other comparison communities which hover around 74-75%, other than the Town of Dunkirk which has 95.5% single-family homes. However, Stoughton's rate of single-family homes compared to other housing types is higher than Dane County (55.8%). None of Stoughton's housing units are mobile homes or other types of units (boats/vans/RVs).

Table 9. Percent of Occupied Housing Units by Type, 2000-2024

	1-Unit Structures (Single-Family)			2+ Unit Structures (Multi-Family)			Mobile Homes and All Other Types of Units		
	2000	2010	2024	2000	2010	2024	2000	2010	2024
City of Stoughton	**67.4%**	**66.4%**	**70.2%**	**32.6%**	**33.5%**	**29.8%**	**0.0%**	**0.0%**	**0.0%**
Village of Oregon	73.3%	80.0%	75.2%	26.5%	20.0%	24.6%	0.3%	0.0%	0.2%
Village of Waunakee	70.8%	79.9%	74.6%	29.2%	20.1%	25.4%	0.0%	0.0%	0.0%
Village of McFarland	74.5%	81.9%	74.1%	25.1%	18.1%	25.9%	0.3%	0.0%	0.0%
City of Fort Atkinson	68.2%	72.7%	74.9%	31.5%	27.4%	24.8%	0.2%	0.0%	0.2%
Town of Dunkirk	94.1%	90.2%	95.5%	5.9%	9.8%	3.8%	0.0%	0.0%	0.8%
Dane County	59.6%	61.6%	55.8%	39.3%	37.3%	43.3%	1.2%	1.1%	1.0%
Wisconsin	69.4%	71.3%	70.6%	26.2%	25.5%	26.9%	4.5%	3.1%	2.5%

Source: U.S. Census; ACS 5-year estimates; ACS 1-year estimates

As homes age, routine maintenance and periodic upgrades become increasingly important to preserve comfort, safety, structural integrity, and property value. In the City of Stoughton, the current housing stock reflects a wide range of construction eras, with almost half of all homes (49%) over 40 years old.

The age of housing in Stoughton is shown in Figure 20 *(double-check this Figure as future chapters are developed).* This data is a combined estimate from the U.S. Census Bureau's American Community Survey 2024 5-year estimates and the City of Stoughton Planning Department's count of new housing permits pulled in 2020-2023. Nearly half (49%) of all housing in Stoughton was built before 1980, and 18% (1,094 units) was built in 1939 or earlier. While older homes often feature unique architectural styles and character, they also come with increased maintenance responsibilities. HVAC systems, roofing, siding, chimneys, and foundational elements require ongoing care and, eventually, replacement. As much of the City's housing stock continues to age, planning for reinvestment, rehabilitation programs, and homeowner support will be essential to maintaining the quality and livability of existing homes. Investing in the preservation of historic, older homes while encouraging the development of new units will help balance the unique character of the city with modern housing needs and will ensure long-term stability within the local housing market.

Figure 44. Age of Housing Stock in Stoughton as Percentage of 2024 Total

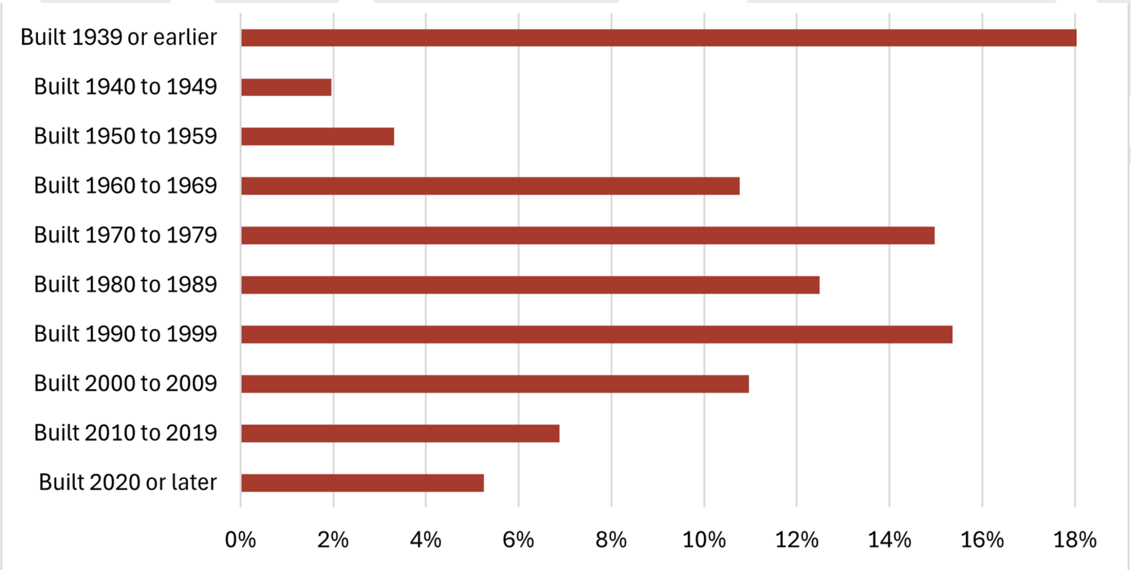
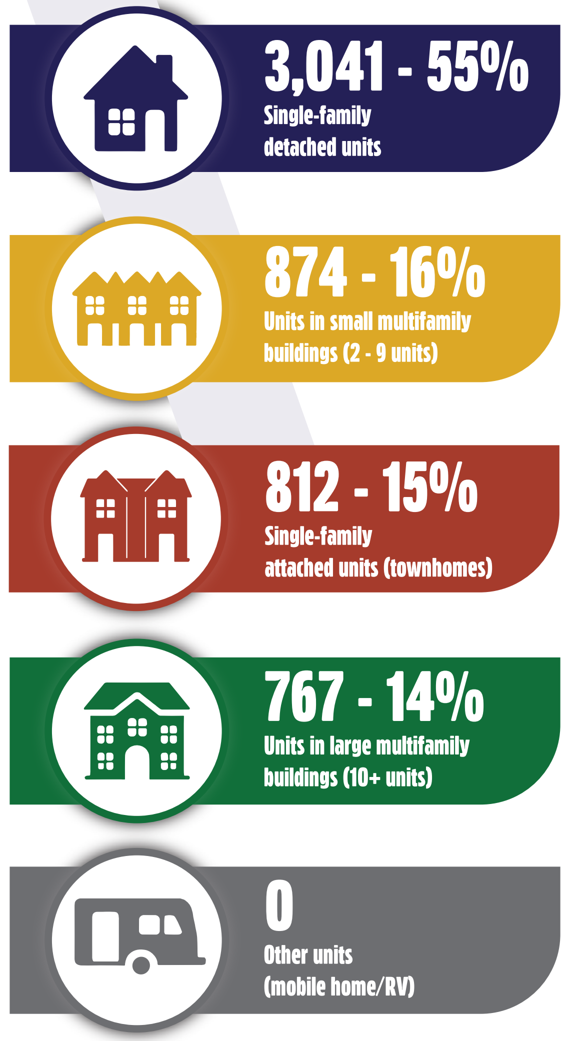


Figure 45. Housing Types in Stoughton



HOUSING FOR SPECIALIZED NEEDS

As the City of Stoughton evaluates the availability and variety of future housing options, it is also important to consider the needs of specific populations, including older adults and individuals who require supportive services. The U.S. Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters. There are two types of group quarters: institutional (correctional facilities, nursing homes, mental hospitals) and non-institutional (college dorms, military barracks, group homes, missions, or shelters). In 2020, there were 148 people living in nursing facilities in Stoughton, and 109 living in group homes for a total of 257 people (2% of the population) living in group quarters. Stoughton has 16 adult care facilities with a total capacity of 497. This is 6.3% of the total capacity of adult care facilities in Dane County. Assuming the percent of the population living in group quarters stays the same, this population will increase to 335 people in 2050. This number is still within the current capacity of adult care facilities in the city.

Table 10. Adult Care Facilities in Stoughton and Dane County 2026

	City of Stoughton		Total Dane County	
	Facilities	Total Capacity	Facilities	Total Capacity
Facility serving people with Developmental Disabilities (FDD)	1	4	2	239
Adult Family Home (AFH)	4	16	271	977
Community-Based Residential Facility (CBRF)	6	184	120	3,228
Residental Care Apartment Complex (RCAC)	3	103	31	2,177
Nursing Homes	2	190	16	1,278
Total	**16**	**497**	**440**	**7,899**

Source: Wisconsin Department of Health Services, May 2026

HOUSING COSTS AND AFFORDABILITY

This section provides a general analysis of the Stoughton's "affordable" housing supply to assess if there are enough affordable units available to various household income levels. Housing affordability is based on both household income level and the cost of housing.

Area Median Income

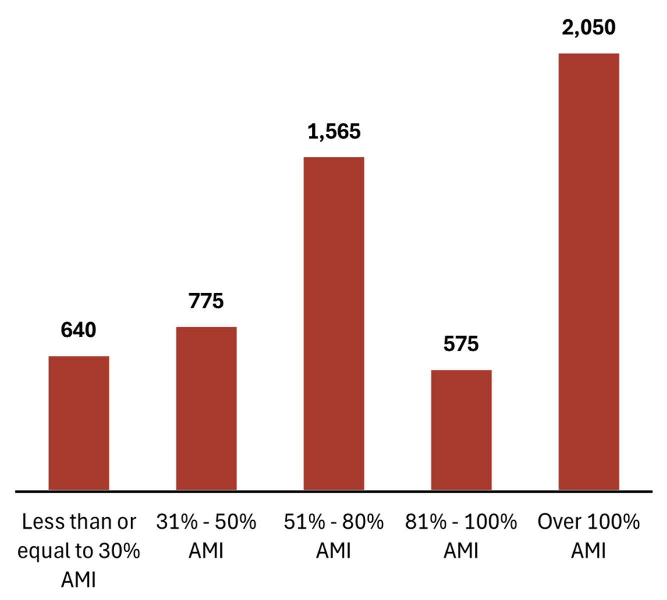
Area Median Income (AMI) is the middle income for households in a specific geographic area, where half of all households earn more than the AMI and half earn less. The U.S. Department of Housing and Urban Development (HUD) uses census and local economic data to calculate and publish annual AMI levels for household size. AMI is primarily used to determine eligibility and pricing for income-restricted affordable housing programs and units, among other assistance programs.

Programs usually compare household income to AMI as a percentage, for example:

- 30% of AMI - extremely low income
- 50% of AMI - very low income
- 60% of AMI - low income

60% AMI is often the threshold used for many affordable housing programs. Stoughton is within Dane County's AMI, which was $129,800 (based on a 4-person household) in 2025.

Figure 46. Stoughton Households by Income Group 2022



American Community Survey 2022 5-year estimates indicate that 640 households in Stoughton (11%) earned less than or equal to 30% AMI, 775 (14%) earned between 31% and 50% AMI, 1,565 (28%) earned between 51% and 80% AMI, 575 (10%) earned between 81% and 100% AMI, and 2,050 (37%) earned over 100% of AMI.

Table 11. U.S. Department of Housing and Urban Development (HUD) Income Limits by Dane County AMI 2025

	Area Median Income	2-Person Household	4-Person Household
Extremely Low Income	30%	$31,170	$38,940
Very Low Income	60%	$62,340	$77,880
Low Income	80%	$83,120	$103,840
Median Income	100%	$103,900	$129,800
Moderate Income	120%	$124,680	$155,760

Source: U.S. Dept. of Housing and Urban Development, 2025

Housing Costs

Housing affordability is also influenced by how much of a household's income is spent on housing. Housing is generally considered affordable when a household spends no more than 30% of their gross income on housing costs. Many times, lower-income and some moderate-income households cannot find quality housing that is affordable to them on the open market. Government subsidies are used to create legally income-restricted affordable housing for these households.

Table 12. Comparisons Across Communities: Housing Costs and Percent of Cost-Burden Household

	Housing Costs Comparison, 2000-2024									Percent of Cost-Burdened Households					
	Median Gross Rent			Median Monthly Owner-Occupied Costs (w/mortgage)			Median Value of Owner-Occupied Units			% of Housing Units with a mortgage where monthly owner costs are 35% or more of household income			% of Occupied Units Paying Rent where gross rent is 35% or more of household income		
	2000	2010	2024	2000	2010	2024	2000	2010	2024	2000	2010	2024	2000	2010	2024
City of Stoughton	**$596**	**$774**	**$1,157**	**$1,176**	**$1,538**	**$1,795**	**$131,600**	**$191,800**	**$293,500**	**13.3%**	**20.6%**	**14.9%**	**23.3%**	**37.0%**	**29.5%**
Village of Oregon	$635	$774	$1,221	$1,322	$1,703	$2,128	$146,000	$225,800	$417,200	11.2%	16.1%	8.4%	14.9%	36.0%	48.0%
Village of Waunakee	$715	$805	$1,324	$1,424	$2,088	$2,735	$175,300	$307,500	$515,900	15.8%	25.4%	13.1%	22.3%	28.6%	20.2%
Village of McFarland	$641	$779	$1,458	$1,313	$1,811	$2,306	$153,400	$230,000	$390,100	14.2%	20.1%	21.2%	19.3%	28.4%	42.6%
City of Fort Atkinson	$549	$689	$961	$1,056	$1,394	$1,593	$111,200	$153,500	$211,800	12.7%	20.5%	16.6%	17.2%	32.5%	27.2%
Town of Dunkirk	$637	$744	$1,217	$1,104	$1,531	$1,870	$141,400	$227,400	$355,300	4.0%	17.5%	18.6%	11.3%	54.1%	45.3%
Dane County	$641	$753	$1,468	$1,257	$1,451	$2,228	$146,900	$233,200	$440,000	12.9%	24.8%	17.4%	30.7%	42.8%	38.9%
Wisconsin	$540	$713	$1,142	$1,024	$1,433	$1,701	$112,200	$169,000	$294,700	12.0%	25.7%	16.5%	25.4%	40.3%	35.7%

Source: ACS 5-Year Estimates: Selected Housing Characteristics

Source: ACS 5-Year Estimates: Selected Housing Characteristics

Changes in median rent and home values over time illustrate housing demand. As people move to Dane County for job opportunities, natural amenities, and high quality of life, demand for housing rises. Residential property in Stoughton is relatively sought-after with its proximity to Madison. While the median rent in Stoughton increased by 49.5% from 2010 to 2024, this was a smaller increase than all other comparison communities except for Fort Atkinson. The median rent in Dane County nearly doubled in that timeframe. The median home value in Stoughton increased by 53% from 2010-2024, lower than the state (74.4%), county (88.7%), and most other comparison communities. Median monthly owner-occupied costs for those with a mortgage increased by only 16.7% in Stoughton, whereas those same costs grew by nearly twice that in Waunakee.

Table 13. Change in Housing Costs 2010-2024

	Median Gross Rent	Median Monthly Owner-Occupied Costs	Median Value of Owner-Occupied Units
City of Stoughton	**49.5%**	**16.7%**	**53.0%**
Village of Oregon	57.8%	25.0%	84.8%
Village of Waunakee	64.5%	31.0%	67.8%
Village of McFarland	87.2%	27.3%	69.6%
City of Fort Atkinson	39.5%	14.3%	38.0%
Town of Dunkirk	63.6%	22.1%	56.2%
Dane County	95.0%	53.5%	88.7%
Wisconsin	60.2%	18.7%	74.4%

Source: ACS 5-Year Estimates: Selected Housing Characteristics

According to data from Redfin.com, the median sale price of homes in Stoughton was $424,900 in March 2026, up 2.4% compared to the previous year. On average, homes sold after 65 days on the market compared to 43 days in 2025. There were 23 homes sold in March 2026, up from 17 the same month last year. Redfin rated Stoughton's housing market as "somewhat competitive", with a score of 56 out of 100 (where 100 is the most competitive). The housing markets in Oregon, Waunakee, and McFarland are similar, with scores of 55, 48, and 63 respectively. Comparatively, Madison's score was 77, indicating a "very competitive" market.

Although the demand for housing in Stoughton may not be as high as it is in some other Dane County communities, many Stoughton residents are still experiencing high housing costs. **30% of all occupied rental units in Stoughton paid 35% or more of their household income on rent in 2024**. This is down from 37% in 2010 but up from 23.3% in 2000. 26% of all households in Stoughton were cost burdened in 2022 (spending more than 30% of their gross annual income on housing costs), down from 28% in 2017. A household is considered "severely cost burdened" if they spend over 50% of their income on housing costs. The percentage of severely cost burdened households has decreased from 12.3% in 2017 to 7.6% in 2022. However, the share of households spending 31% to 50% of their income on housing has increased from 15.6% in 2017 to 18% in 2022. Of those spending more than 50% of their income on housing in 2022, 68.2% are renters, while of those spending less than or equal to 30% of their income on housing, only 24.3% are renters.

Table 14. Cost Burdened Households 2017 and 2022

Housing Costs as % of HH Income	2017			2022		
	All HH	Owner	Renter	All HH	Owner	Renter
Less than or equal to 30%	71.6%	76.8%	23.2%	73.5%	75.7%	24.3%
31% to 50%	15.6%	53.5%	46.5%	18.0%	55.4%	44.6%
Greater than 50%	12.3%	36.8%	63.2%	7.6%	31.8%	68.2%

Source: HUD CHAS data from ACS 2013-2017 & ACS 2018-2022

Availability of Affordable Housing in Stoughton

Based on American Community Survey 5-year Estimates for 2024, there are 110 rental units in Stoughton where rent is less than $500, and 252 renter households whose total monthly housing costs need to be at or below $500 in order to be considered affordable for them at 30% of their income. This is a gap of 142 units. The majority of renters in Stoughton pay $1,000-$1,499 in monthly gross rent. 395 renter-households pay more than that, and 489 pay less.

Table 15. Number of Units by Gross Rent

Gross Rent	No. of Occupied Units Paying Rent
Less than $500	110
$500 to $999	379
$1,000 to $1,499	914
$1,500 to $1,999	366
$2,000 to $2,499	0
$2,500 to $2,999	0
$3,000 or more	29

Source: U.S. Census; ACS 5-year estimates, 2024

A household's decision to rent often reflects either financial limitations or personal preference. Certain demographic groups, such as young professionals, students, and individuals living alone, are more inclined to rent. Some households choose to rent to avoid the unpredictable maintenance costs associated with homeownership or to maintain flexibility rather than commit to a long-term investment, while lower- and moderate-income households are more likely to rent due to economic constraints, regardless of their demographic characteristics. Additionally, many households that have the financial capacity and desire to own a home remain renters because of a limited supply of affordable housing options for sale that meet their qualifications. According to 2024 ACS Census data, most homes in Stoughton are valued at less than $300,000 (52.3%), while 41.7% are valued at between $300,000 and $499,999. Just 6% have a value greater than $500,000.

Figure 47. Number of Homes in Stoughton by Home Value

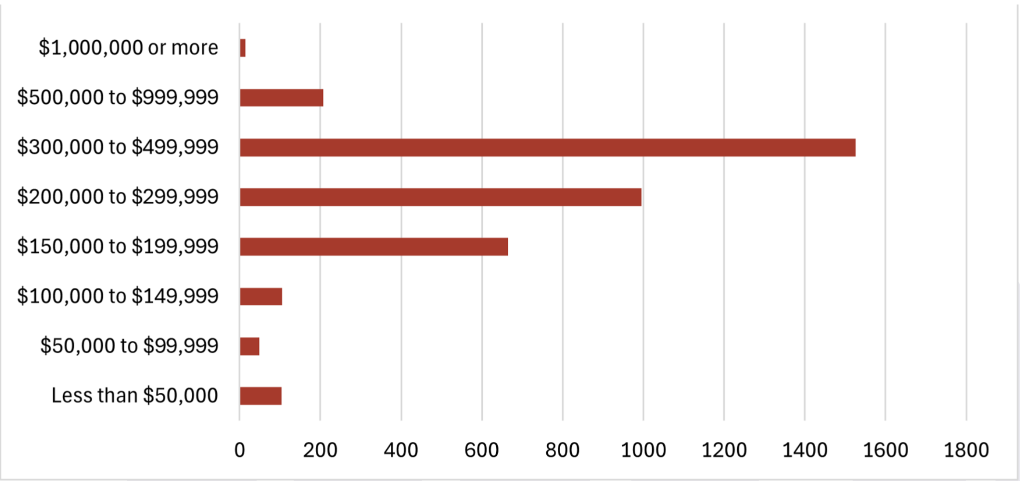


Figure 48. Number of Rental Units in Stoughton by Monthly Value

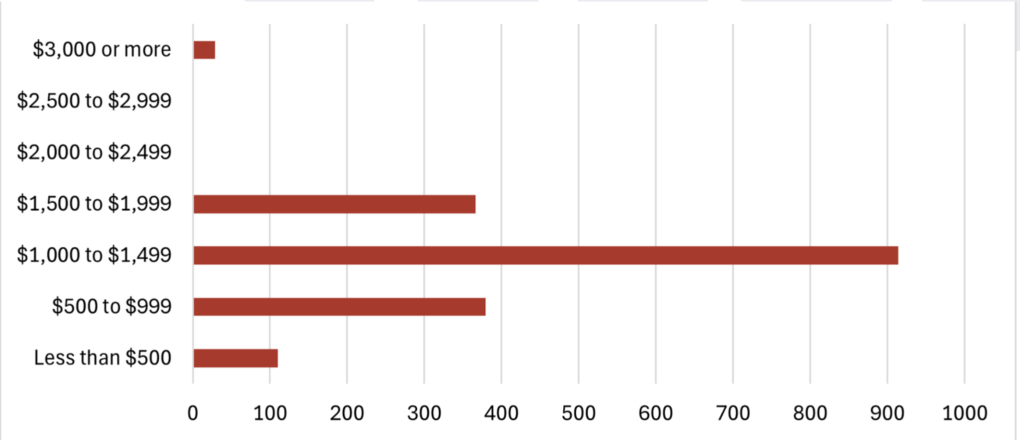


Table 16. Number of Renter Households by Income Level

No. of Renter Households by Income Level		
Household Income	Monthly Housing Cost Affordability Threshold (30% of income)	No. of Renter-Occupied Households at this Income Level
Less than $5,000	$125	78
$5,000 to $9,999	$250	18
$10,000 to $14,999	$375	72
$15,000 to $19,999	$500	84
$20,000 to $24,999	$625	98
$25,000 to $34,999	$875	137
$35,000 to $49,999	$1,250	320
$50,000 to $74,999	$1,875	470
$75,000 to $99,999	$2,500	246
$100,000 to $149,999	$3,750	177
$150,000 or more	$3,750	131

Source: U.S. Census; ACS 5-year estimates, 2024

Elven Sted: A Local Affordable Housing Success Story

Elven Sted is a housing community in Stoughton that demonstrates how thoughtful redevelopment can expand high-quality, affordable housing options in the City. Completed at 623 Eighth Street in 2011, the project delivered 33 multifamily units including one, two, and three-bedroom apartments reserved for households earning no more than 60% of the county median income. The development serves a diverse mix of residents, including local workers, families, and individuals with disabilities.

A core strength of Elven Sted is its inclusive design: units and site features are fully accessible, with grading, pathways, and interiors that support wheelchair and mobility-device use. The project was financed through a combination of Wisconsin Housing and Economic Development Authority (WHEDA) affordable housing tax credits, permanent debt, and soft-funding sources such as City of Stoughton tax increment financing (TIF) assistance and federal HOME funds, demonstrating the City's commitment to supporting well-designed affordable housing.

NEW HOUSING CONSTRUCTION

Stoughton has been experiencing significant growth in new construction activity in recent years, reflecting strong local investment and development momentum. In 2024, the City recorded $63 million in net new construction, representing 3.54 percent of its 2023 equalized value a rate higher than nearby communities such as Fitchburg, Madison, Middleton, Monona, and Sun Prairie. This figure is more than double the City's 2023 net new construction total of $31.2 million, which itself marked a 1.99 percent increase from 2022. Building permit activity also accelerated sharply, with 90 permits issued between 2024 and 2025, a 60 percent increase over the previous year's 56 permits.

The City added approximately 158 new housing units per year from 1990 to 2000. This slowed to about 53 units per year from 2004 to 2007 and dropped sharply after the housing market crash in 2008, with an average of 17 units added per year between 2008 and 2016. The rate of housing development in Stoughton has rebounded since then, with an average of 116 units added per year between 2017 and 2025.

Figure 49. Number of Dwelling Units Added Per Year by Type

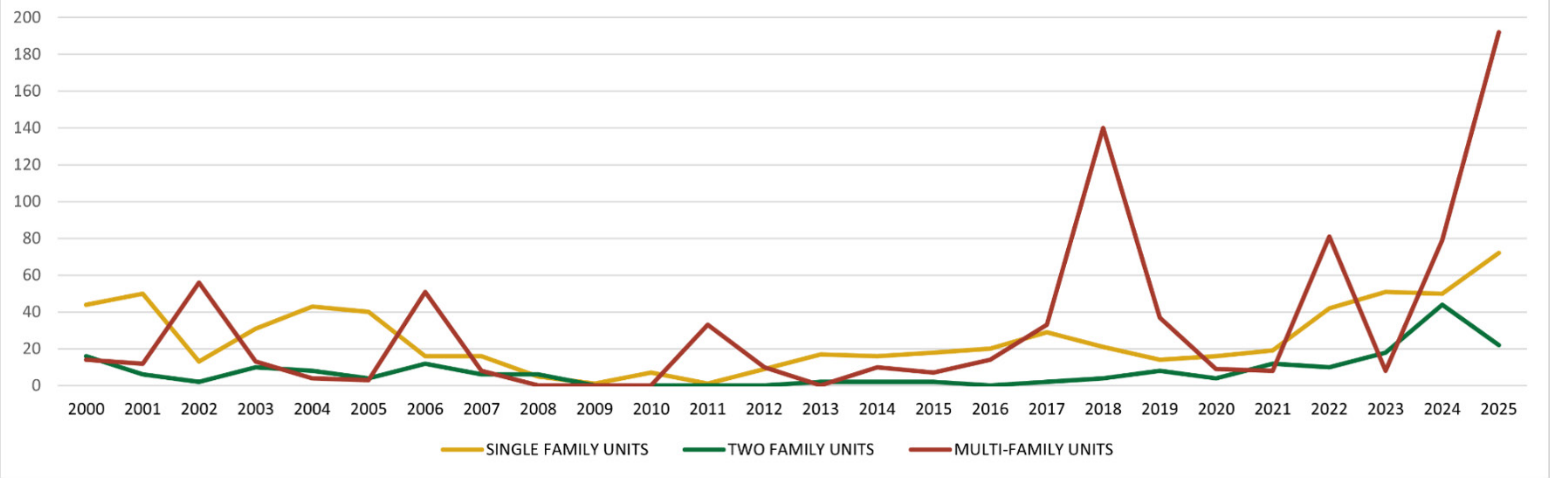


Table 17. Housing Development Permits Issued 2019-2025

Dwelling Unit Type	2019	2020	2021	2022	2023	2024	2025
Single-Family Units	14	16	19	42	51	50	72
Two-Family Units	8	4	12	10	18	44	44
Multi-Family Units	37	9	8	81	8	79	192
Total	**59**	**29**	**39**	**133**	**77**	**173**	**308**
Demolitions	3	1	1	5	3	0	0

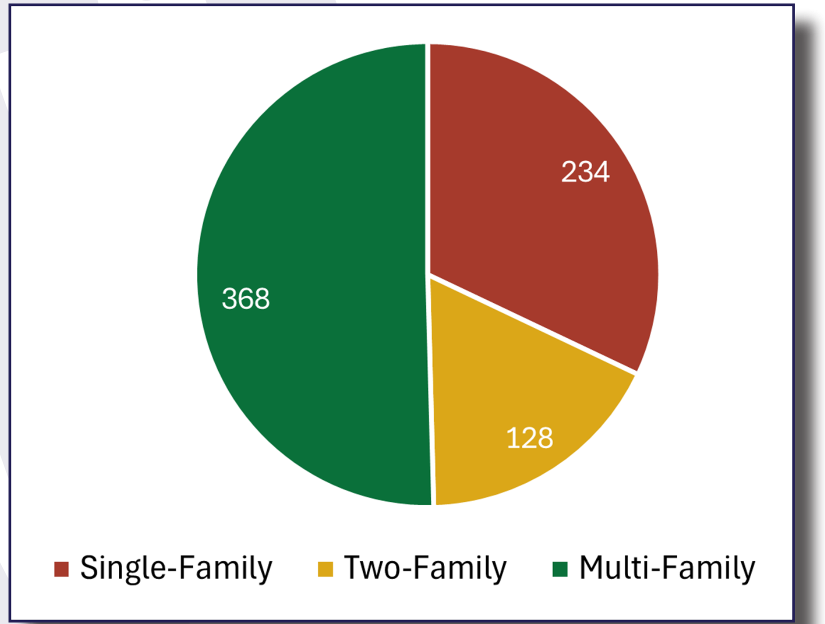
Source: City of Stoughton Planning and Development - 2025 Housing Affordability Report

The City approved permits for 308 new residential dwelling units in 2025. Of those, 72 were single-family units, 44 were two-family dwellings, and 192 units were for a multi-family apartment building.

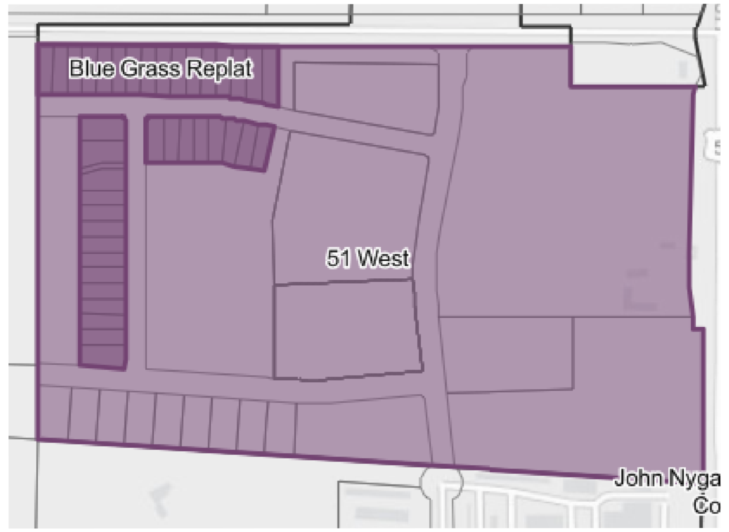
Since 2021, half of all new housing units added have been multi-family units, 32% have been single-family, and 17.5% have been two-family units. This is similar to historical trends in the City, where 48% of housing units added since 2000 have been multi-family, 39% have been single-family, and 13% have been two-family.

Dane County is the fastest growing county in Wisconsin, yet population growth in Stoughton has not kept pace with many other communities in the area. Historically, Madison-area developers have not been very active in Stoughton for a few reasons. Developers may overlook Stoughton because of its lower median income as compared to other Dane County communities (see page __ in the Issues and Opportunities chapter). Lower household incomes are harder to sustain the higher rents needed to meet the increasing costs of construction. Additionally, the fact that Stoughton is not on a four-lane highway has also diminished its market appeal, although this may change in the future. However, Stoughton has had record high net new construction the past few years, and the number of new housing units has been increasing, as shown in the table above. As Dane County continues to grow and Stoughton continues to invest in its downtown, riverfront, and other amenities, it will likely continue to attract more residents and housing developers and capture more of the Dane County growth.

Figure 50. Housing Units Added by Type 2021-2025



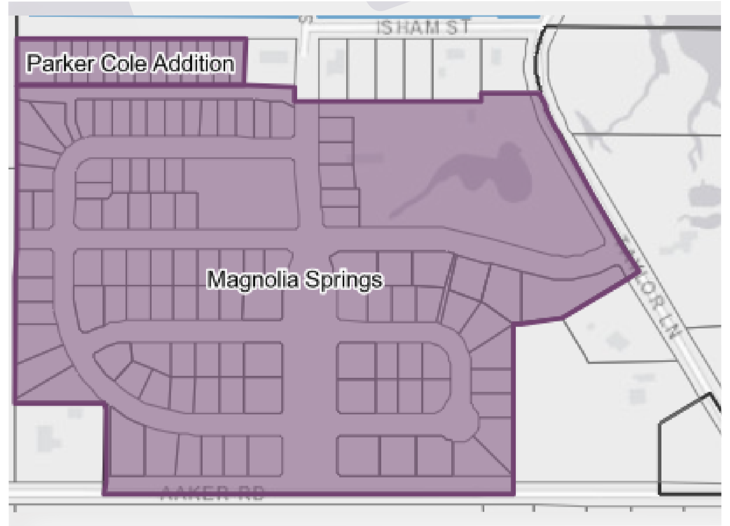
HOUSING DEVELOPMENTS SINCE 2015



51 West: A mixed use neighborhood located in the northwest limit of the City of Stoughton adjacent to US Highway 51, comprising of 70.25 acres of land just south of Rutland-Dunn Town Line Road.

Gateway East: A premiere mixed-use development where nature, business, and community come together. Located east of US Highway 51 from 51 West Neighborhood, and serving as the primary entrance into Stoughton from Madison.

Kettle Park West: A mixed use neighborhood located on the west side of Stoughton at the intersection of US Highway 51 and State Highway 138. The 170+ acre mixed-use neighborhood includes a commercial retail center, sites for businesses, and a diverse mix of housing opportunities.



Magnolia Springs: A new residential neighborhood located on the south end of Stoughton. The 37.25-acres of residential neighborhood consists of single-family and two-family attainable homes amongst trails and natural amenities.

HOUSING PROGRAMS

The following programs and organizations provide funding and other assistance for housing development, repair, rent, rehabilitation, and down payment assistance.

Community Development Block Grant (CDBG) Program

- Fifty-nine Dane County communities including Stoughton participate in the Dane County Community Development Block Grant (CDBG) program. This program is recognized by the U.S. Department of Housing and Urban Development (HUD), allowing Dane County to receive CDBG funds annually for housing, economic development, and public services that benefit low- to moderate-income residents. Approximately $1 million is available in CDBG funds each year for eligible projects in participating communities.

HOME Investment Partnerships Program

- Dane County also administers the HOME Investment Partnerships Program which helps provide decent housing and suitable living environments for individuals. This program provides federal funds for a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent, homeownership, or provide direct rental assistance to low-income people. Since 2002, over $7 million in HOME funds have been invested in Dane County communities.

Wisconsin Housing and Economic Development Authority (WHEDA)

- The Wisconsin Housing and Economic Development Authority (WHEDA) is a state-chartered entity established in 1972 to provide affordable housing and economic development financing for homebuyers, renters, developers, and businesses. In addition to low-interest and fixed-rate loan programs, WHEDA also allocates federal Housing Tax Credits (HTC) to support affordable housing in the state. Additionally, the WHEDA Foundation provides grants to improve housing for those with complex needs, including individuals with intellectual and developmental disabilities, people experiencing intimate partner violence, individuals with income at or below 30% AMI, youth experiencing homelessness, and people with mental and behavioral health conditions.

According to WHEDA, there were a total of 123 units utilizing housing tax credits in the city in 2025.

HOMELESSNESS IN STOUGHTON

Local data shows that homelessness in Stoughton often looks different than the most visible forms seen in larger cities. The Stoughton Area Resource Team (START) engaged with 57 homeless individuals living in Stoughton in 2025. While a small number are unsheltered, most of those experiencing homelessness in Stoughton are in unstable situations such as staying with others, living in vehicles, or cycling between temporary options like hotels. These conditions are often hidden but remain highly precarious, with limited access to basic needs and increased risks to health, employment, and education.

Wisconsin Division of Energy, Housing, and Community Resources (DEHCR)

- The Division of Energy, Housing and Community Resources (DEHCR) offers a broad range of program assistance and resources to address homelessness and support affordable housing, public infrastructure, household energy needs, and economic development opportunities.

Stoughton Area Resource Team (START)

- START is a nonprofit organization dedicated to supporting residents of the Stoughton Area School District who are under the age of 55, including families with children. START helps individuals and families maintain housing stability by providing short-term financial assistance, eviction prevention services, and access to essential resources such as food, clothing, and transportation.

The Housing Advocacy Team of Stoughton (HATS)

- HATS was formed with the purpose of addressing the affordable housing needs within the Stoughton Area School District by working with public and private entities and individuals in the community.

Tax Incremental Financing (TIF)

- Municipalities can extend the life of a TID by one year (increasing to two years in 2028) and use the TIF revenue generated during that time to fund affordable housing projects through the Affordable Housing TIF Extension.
- Effective October 1, 2026, municipalities in Wisconsin can create a new type of TID (Residential TID) to fund public improvements specifically for single-family or two-family (duplex) residences.