



## Bear Looks to Crack Home Affordability Barrier with 105-Lot Kenosha Subdivision

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Bear Real Estate Group is hoping to offer home and lot packages for \$250,000 or less in a new Kenosha subdivision, cracking the market dynamics that usually drive the price of a house beyond what many buyers can afford.

“To date, it’s been very, very difficult to deliver any new product for less than \$300,000,” said S.R. Mills, CEO of the Kenosha real estate firm.

Bear Real Estate is in talks with the city and Kenosha County to build 105 single-family houses south of 38th Street near 32nd Avenue. Bear would buy the land in an unfinished subdivision that belongs to the county after being foreclosed for unpaid taxes about 10 years ago, Mills said.

Bear Real Estate, pending approvals, could start building infrastructure in spring to complete the subdivision. Separately, the developer is planning 131 senior apartments that would be built behind the United Auto Workers Local 72 building adjacent to the subdivision.

Kenosha officials are considering \$5.38 million in city financing to help build infrastructure for the new housing. That proposal is scheduled for review by the Kenosha Plan Commission on Dec. 16.

Mills said the subdivision could offer pricing that is affordable to young families, for example, who can have trouble finding something in their price range in today’s market. To build new, lots are sized larger and generally face infrastructure costs of \$70,000 to \$80,000, Mills said.

The lots in the planned Kenosha project are closer to 6,000 square feet, and some of that subdivision’s infrastructure has already been built. With the proposed city financing help, home and lot packages there could sell for \$230,000 to \$250,000, Mills said.

“If we can start to figure this out and deliver new product in the mid \$200,000s, that would be something pretty special and something we’d look to replicate,” Mills said.

Mills is separately working on plans for the senior apartments on the UAW lot. Those would be in a four-story apartment building with about 31 neighboring townhouses, he said. Bear Real Estate in January will apply for state and federal housing tax credits that could be worth up to 8% of the cost of the project. Those would require a portion of the apartments be reserved for renters making less than the area’s average income level.

That project could start construction in late summer 2020 if Bear Real Estate secures those credits, Mills said.

Kenosha’s support for the new housing and senior apartments would come through a tax incremental financing district. Under the city’s proposal, the city would borrow \$5.38 million to support the projects. The debt and interest would be paid off by 2035 through property taxes generated in the immediate area. The city also would dedicate a portion of the property taxes from Amazon.com’s nearby fulfillment center toward paying off the debt.