Work underway on housing development at former Kenosha UAW site

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Construction work is underway behind the former United Auto Workers 72 building, 3615 Washington Road, Kenosha, where two developments by the Bear Real Estate Group are expected to be completed in about 11 months, according to President S.R. Mills.

By Dan Truttschel
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Shovels went into the ground last month behind the former UAW Local 72 site in Kenosha.

And according to the president of Bear Real Estate Group, the work there is on the fast track toward completion.

S.R. Mills said last week that a combination development that will include 31 townhomes and 80 senior units in an independent living facility should be done in about 11 months.

"It's under construction," Mills said. "We're well underway and anticipate a pretty quick process. It's kind of a 'green' field there. We don't have a lot of contamination or other issues we often see at similar sites."

Mills said the townhomes will be a rental product that will feature two-story, three-bedroom units.

"It will be a really nice, leased product," he said.

The senior living portion of the work will be geared toward independent living, with a number of different service professionals available.

"We will have service providers that can access and use the buildings, such as hair-care professionals, doctors, nurses and other people like that to make appointments and things like that to make it easier for a senior," Mills said. "But it isn't staffed or an assisted living center. It really is designed for independent seniors."

The senior housing building and seven of the townhouses will be located on the south side of 40th Street, with the remaining 24 units on the north side.

As for the building itself, which was vacated by the UAW in July 2019, Mills said there are a few potential tenants who may take over that space, and the plans are for a "different" type of business out of that location.

Once the home for a robust United Auto Workers Union membership, which decreased through the years, the building most recently served as a space for various private and public functions.

“These (potential) tenants don’t have anything to do with the banquet or that type of business,” Mills said.

Partner project

While work continues on the senior and single-family development, Mills said another project that will include 104 single-family lots is ongoing to the east, between 32nd and 35th avenues.

That project, previously operated by a different developer, had 14 homes built before it stalled prior to the last recession in 2008.

“The county took the lots back,” Mills said. “The county, the city and Bear were able to creatively find a way to jumpstart that subdivision, finish the development and get some homes constructed as soon as we can.”

Completion on that project remains more on the long-term scale, Mills said, and he anticipates the entire subdivision to be done in “three, maybe four years, but there’s a lot of variables there.”

“Certainly, we’re in a robust marketplace with a significant lack of supply, but we’re also seeing increased costs in the form of steel and lumber, which will likely increase costs, hopefully not to the point where it slows down our sales velocity too much,” Mills said. “But it’s something we’re paying close attention to.

“The interest rates that a homeowner will have to pay definitely factors into the supply and demand metrics. ... But it could take a while, and some focused effort will have to be had.”

Mills said he’s not sure he sees much of a comparison between 2008, when the market eventually crashed and led to the economic recession, and now.

The $6 trillion artificially pumped into the economy during the COVID-19 pandemic is the difference, he said.

“That’s automatically going to extend these good times for a while, because money is still so cheap,” he said. “I think it probably gets another couple years of good times. We could have a smooth transition into a less up-and-down but more stable situation. But time will tell on that.”

Mills also is holding out optimism that the current situation won’t lead to a foreclosure crisis like it did in 2008, when there were more than 2.3 million foreclosure filings, compared to just more than 700,000 in 2006.

“I don’t think it’s the metrics of ‘08 where we’re going to have a similar crash and burn,” Mills said. “I know (Americans) have considerably more in their savings account now and have paid off more credit card debt than in any recent time.

“Americans are really in a better spot right now financially. The monetary policies aren’t such where people are doing 100% loan-to-value situations like that. That’s much of what caused the prior bubble and subsequent pop.”