IT'S NOT YOUR PARENT'S HOUSING MARKET

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JANUARY 18 & 19, 2012

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Metropolitan Research Center

Getting Ahead of the Curve

Population 2000-2050

Corridor	2000	2050	Growth
Snake River	870k	1,950k	125%
Montana I-90	405k	820k	100%
Wyoming Crescent	180k	270k	50%

Source: **Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Figures may not sum due to rounding.**

Getting Ahead of the Curve

Employment 2000-2050

State	2000	2050	Growth
Idaho	790k	1.9M	140%
Montana	360k	1.2M	110%
Wyoming	330k	0.6M	80%
Northern Rockies	1,675k	3.7M	120%

Getting Ahead of the Curve

Nonresidential Space 2000-50

Corridor	Growth	Rebuild	Total	% of '00
Snake River	370M	600M	1.0B	400%
Montana I-90	160M	330M	0.5B	350%
Wyoming Cr	40M	135M	0.2B	300%

Drivers of Change

- Demographic
  - Aging + Minority Growth
- Economic
  - Stagnating real incomes; higher unemployment
- Financial
  - Tighter money for home loans
- Preference
  - More amenities, more options, better accessibility

Households are Changing

Household Type	1970	2000	2030
HH with Children	45%	33%	27%
HH without Children	55%	67%	73%
Single/Other HH	*14%*	*31%*	*34%*

Source: Arthur C. Nelson, Metropolitan Research Center, University of Utah.

US Share of Household Growth by HH Type, 2010-2020

HH Type	All
With Children	10%
Without Children	90%
Single Person	36%

Source: **Arthur C. Nelson, Metropolitan Research Center, University of Utah**

Share of Household Growth by HH Type, Treasure Valley, 2010-2020

HH Type	Share
With Children	20%
Without Children	80%
Single Person	30%

Treasure Valley Change by Age

Age Group	Share 2010	Share 2030	Share of Change
<25	41%	40%	36%
25-64	48%	44%	28%
>65	11%	16%	36%

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah, adapted from Woods & Poole Economics
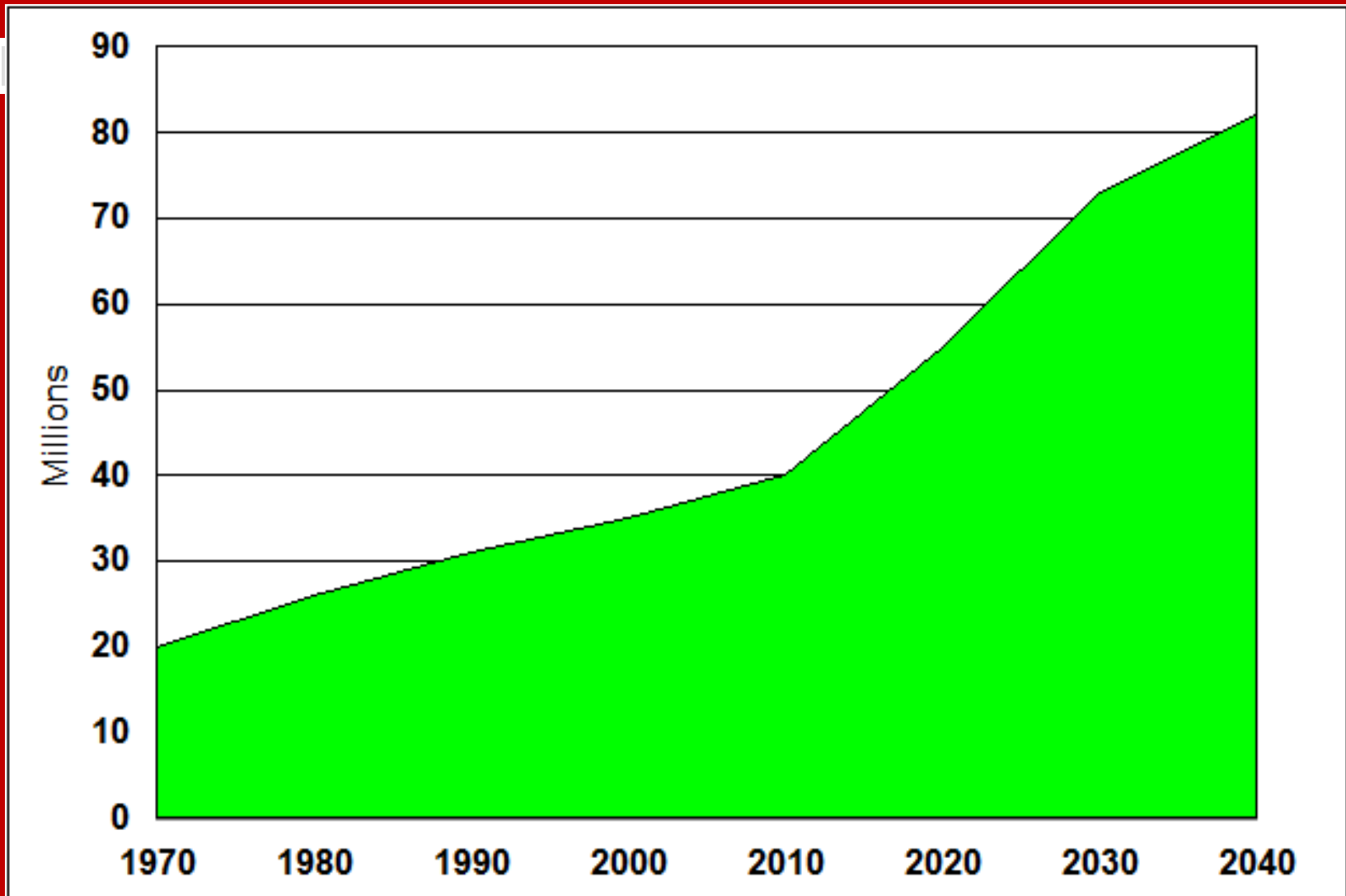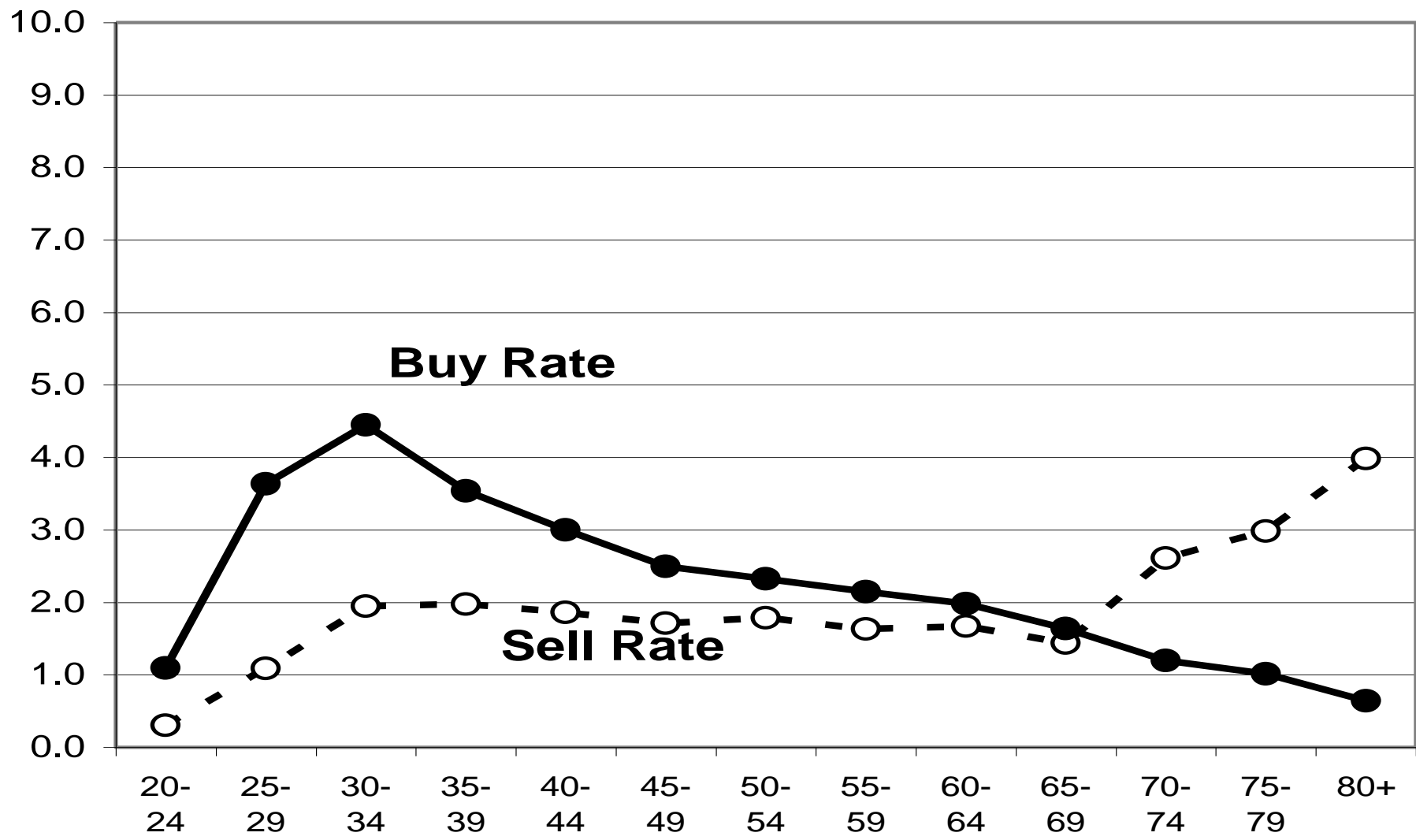
Number of Seniors by Decade

Buy-Sell Rates by Age Cohort

AHS

THE GREAT SENIOR SELL-OFF

BUY
SELL

Source: **Dowell Myers & SungHo Ryu, "Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition",** *Journal of the American Planning Association* **74(1): 1-17 (2007). Figures for net buying or selling rate age.**

Relocation Choices of Seniors

| Housing Type	Before Move		After Move
Apartment	20%	→	59%

New Housing Market Realities

- **Sub-prime mortgages are history.**
- **20% down-payments will become the new normal.**
- **Fannie Mae & Freddie Mac on the chopping block.**
- **Meaning**
  - *Smaller homes → maybe more people per unit*
  - *Smaller lots → more attached units*
  - *More renters → including doubled-up renters*

Downpayment Distribution

Downpayment	Cumulative
0%	14%
Up to 3%	22%
Up to 5%	34%
Up to 10%	50%
Up to 15%	56%
Up to 20%	*69%*
Up to 40%	82%
Up to 99%	90%
Up to 100%	100%

Annual Gasoline All Grades Retail Price Including Taxes U.S. Average

Historical   Forecast

R²=0.82; 9.7% annual Δ; 3⁺X faster than inflation; 2020 = $8+/gallon
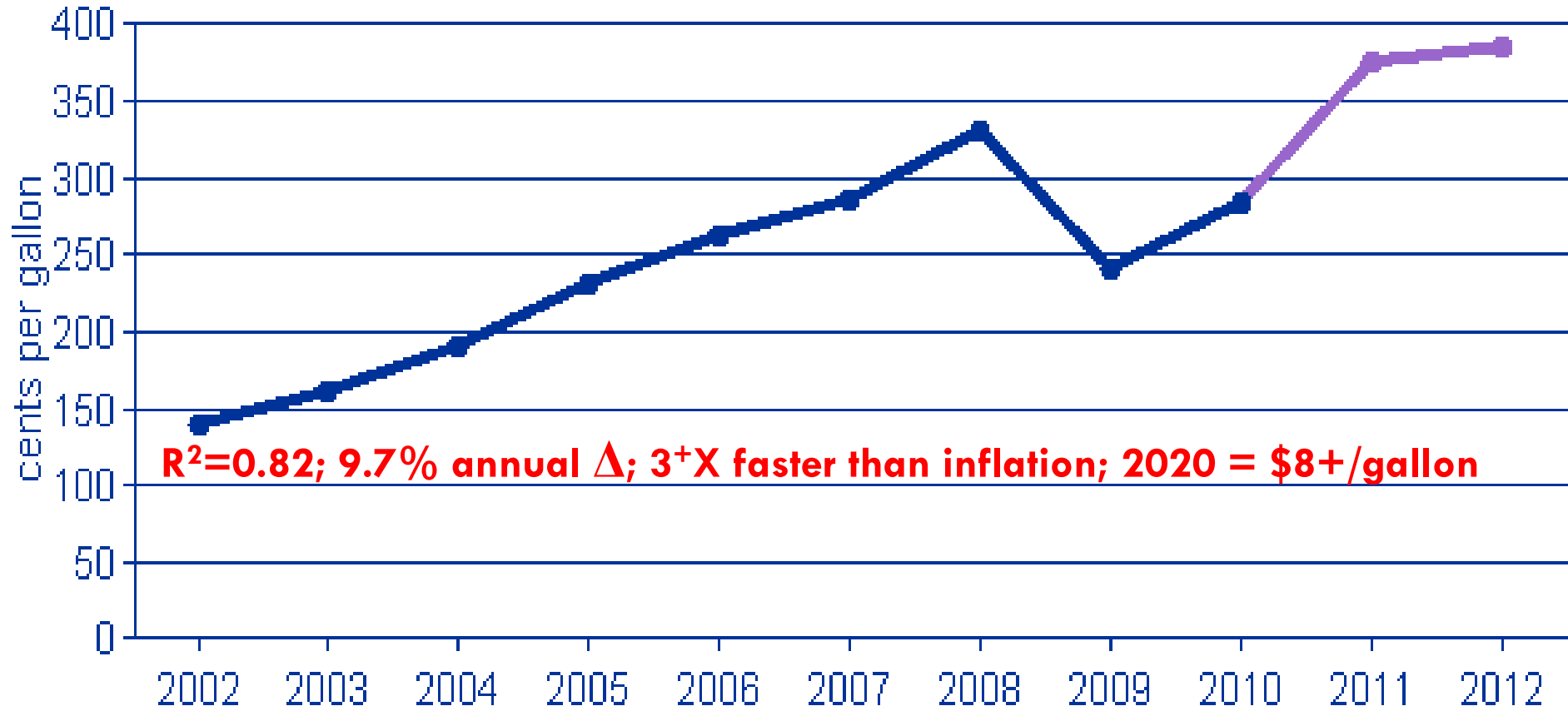
More Spent on Transportation Than Housing
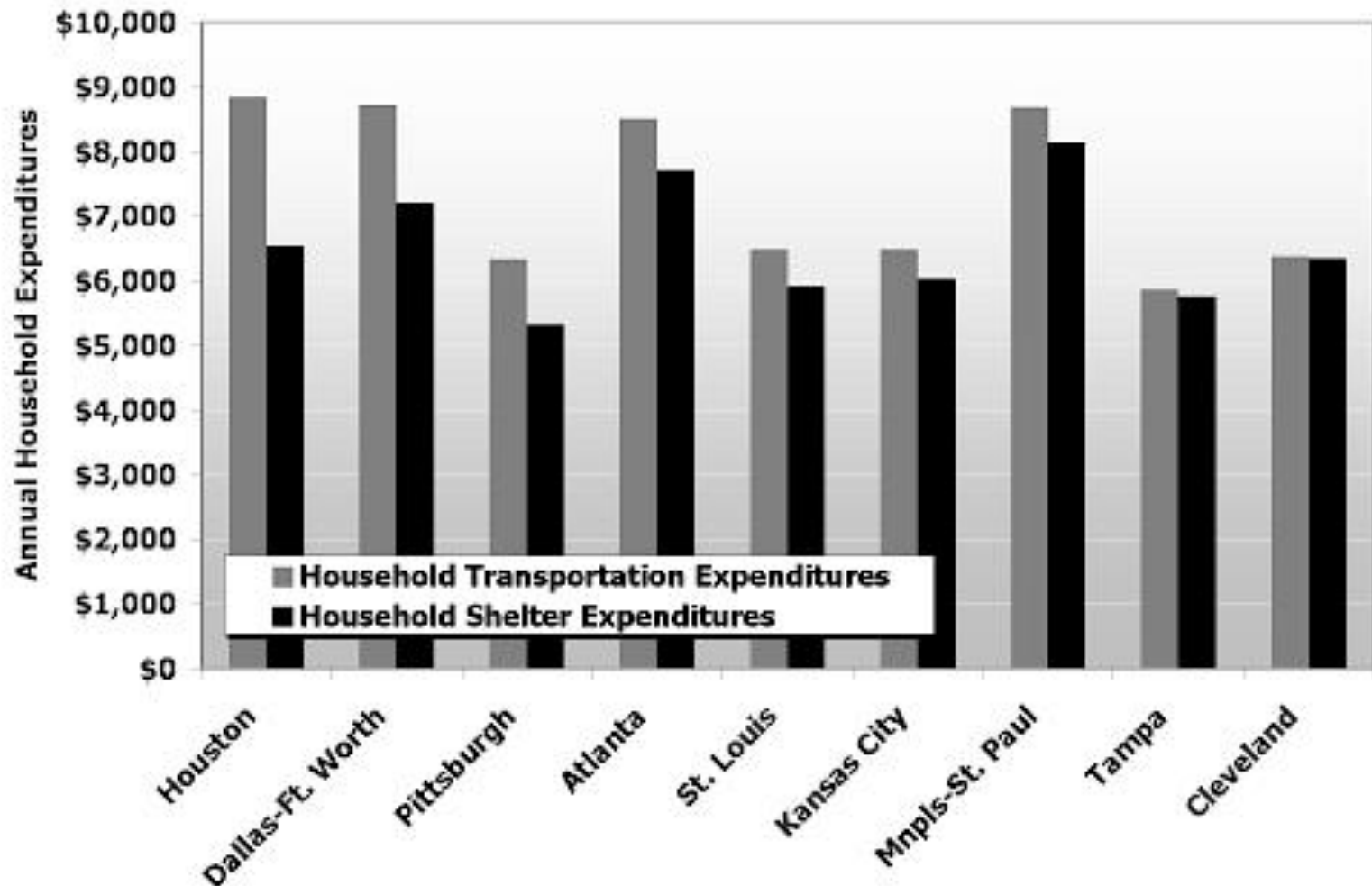
Source: **Reid Ewing, Metropolitan Research Center, University of Utah.**

Home Ownership by Race/Ethnicity

Figure 8.
Quarterly Homeownership Rates by Race and Ethnicity of Householder for the United States: 1994–2010

Legend: Total, Black Alone, Nonhispanic White Alone, All Other Races*, Hispanic Latino, Recession
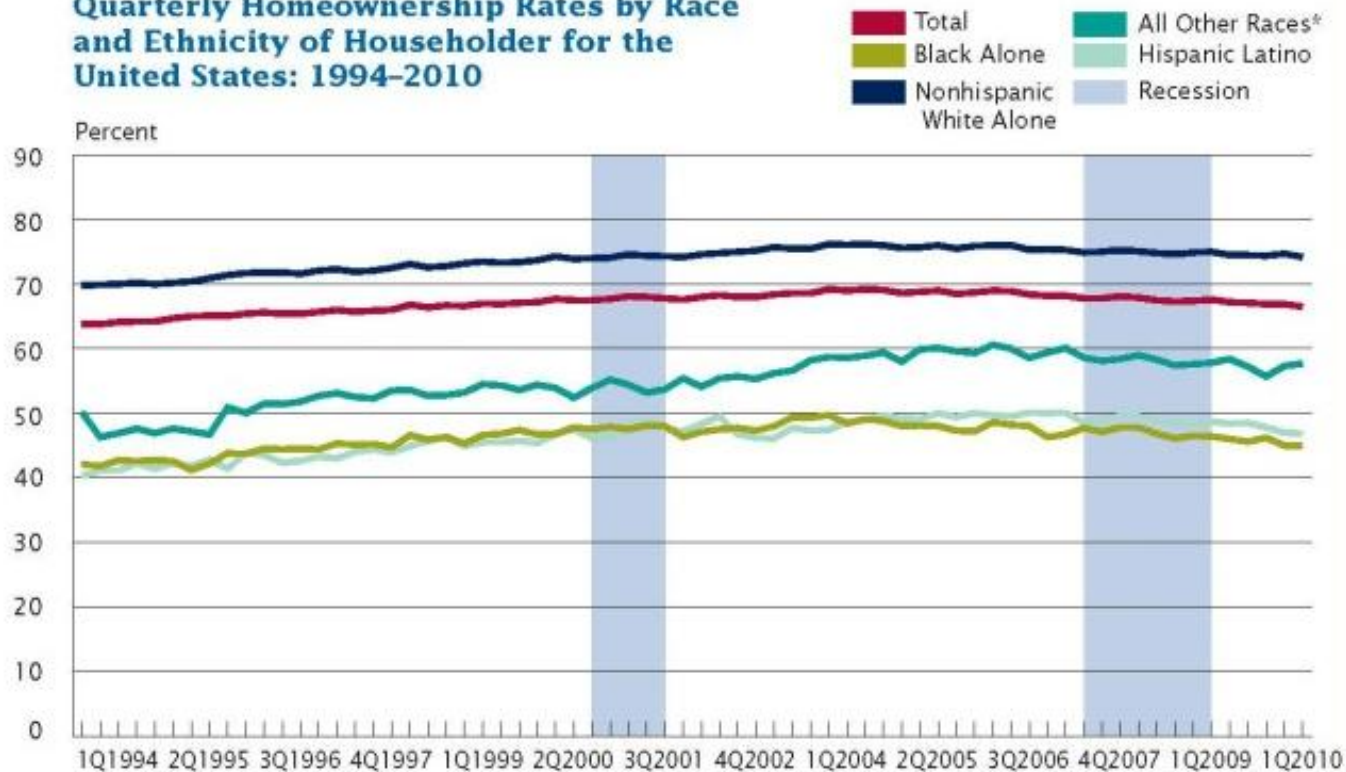
*Includes Asian, Native Hawaiian or Other Pacific Islander, or American Indian or Alaska Native, and two or more races.

Source for Recession data: National Bureau of Economic Research, Inc., 1050 Massachusetts Ave., Cambridge, MA.

Declining Home Ownership

Source: **Harvard Joint Center for Housing Studies,** *State of the Nation's Housing* , 2009; Prudential; ULI; Nelson.
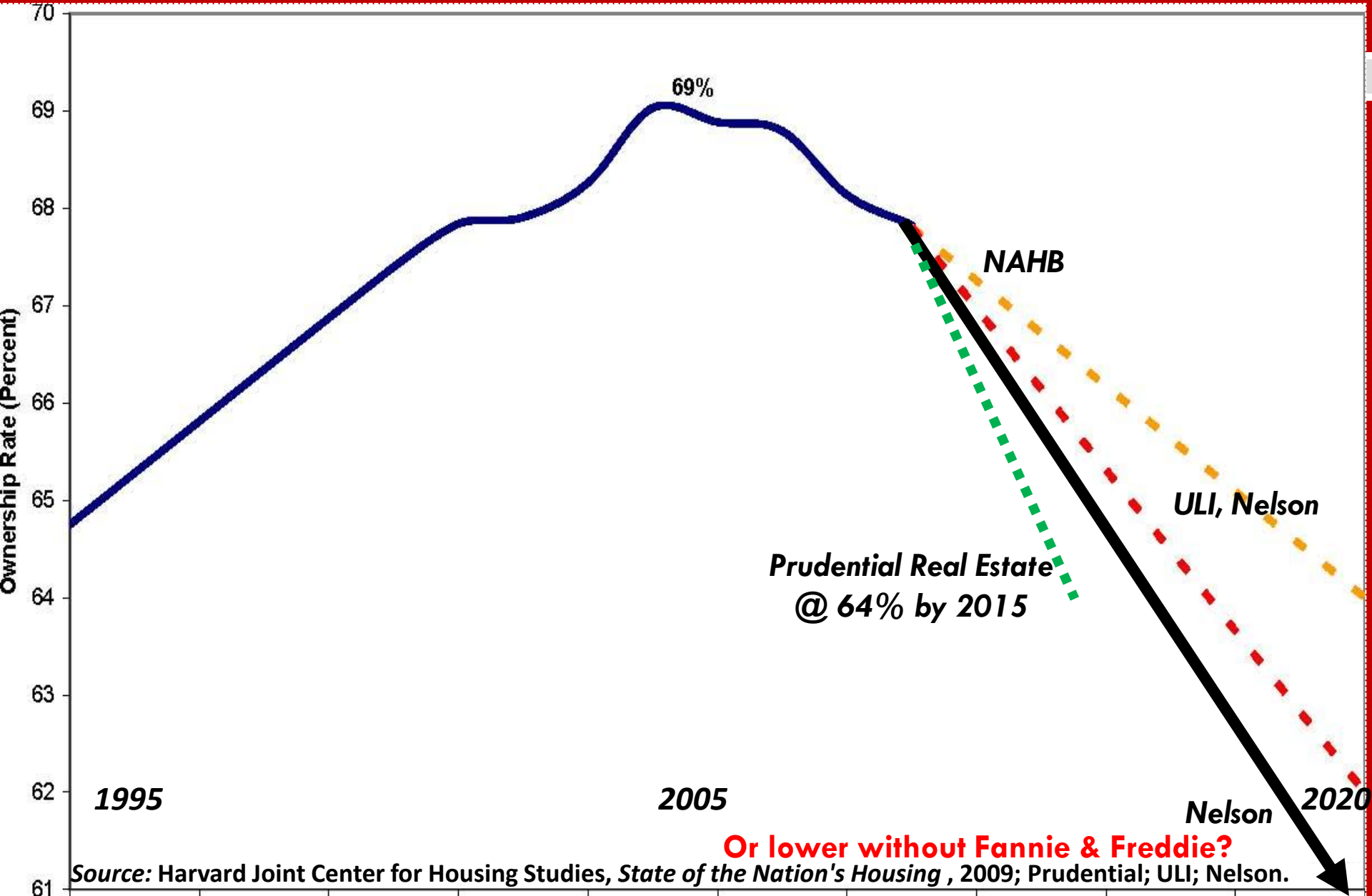
Rental Share of Housing Growth

Treasure Valley as % of 2010	2010-30
Ownership by Group 2030 = 100%	Renter Share of Growth = 40%
Ownership by Group 2030 = 95%	Renter Share of Growth = 50%
Ownership by Group 2030 = 90%	Renter Share of Growth = 60%

$1700 / 4br – GREAT DUNWOODY HOME WAITING FOR YOU!!! ALL HARDWOODS PRIVATE HUGE YARD (Dunwoody – Sandy Springs–Perimeter & 400) (map)

Date: 2011-03-28, 12:20PM EDT
Reply to: hous-dzaxn-2291214022@craigslist.org [Errors when replying to ads?]

Our former home in Dunwoody, Georgia, the most affluent neighborhood in suburban Atlanta.

Don Amos | RESIDENTIAL LEASING, INC. | (770) 569-0334

2355 Leisure Lane, Dunwoody, GA

GREAT DUNWOODY HOME WAITING FOR YOU!!! ALL HARDWOOD FLOORS PRIVATE WOODED YARD WITH FLOWING STREAM.

4BR/2+1BA Single Family House $1,700/month

Bedrooms	4
Bathrooms	2 full, 1 partial
Sq Footage	Unspecified
Parking	3+ dedicated
Pet Policy	Cats, Dogs, Conditional
Deposit	$1,700

DESCRIPTION

Breakfast Room, Cabinets Stain, Counter Top - Stone, Pantry GREAT DUNWOODY HOME WAITING FOR YOU!!! ALL HARDWOOD FLOORS PRIVATE WOODED YARD WITH STREAM.

see additional photos below

RENTAL FEATURES

- Air conditioning	- Central heat	- Fireplace
- High/Vaulted ceiling	- Walk-in closet	- Hardwood floor
- Tile floor	- Family room	- Living room
- Bonus/Rec room	- Office/Den	- Dining room
- Breakfast nook	- Dishwasher	- Refrigerator

Space v. Commute Time

Community A: Houses are smaller on smaller lots, with shorter commute to work <20 minutes

Community B: Houses are larger on larger lots with , longer commute to work 40+ minutes

Larger houses and lots, longer commute — **39%**
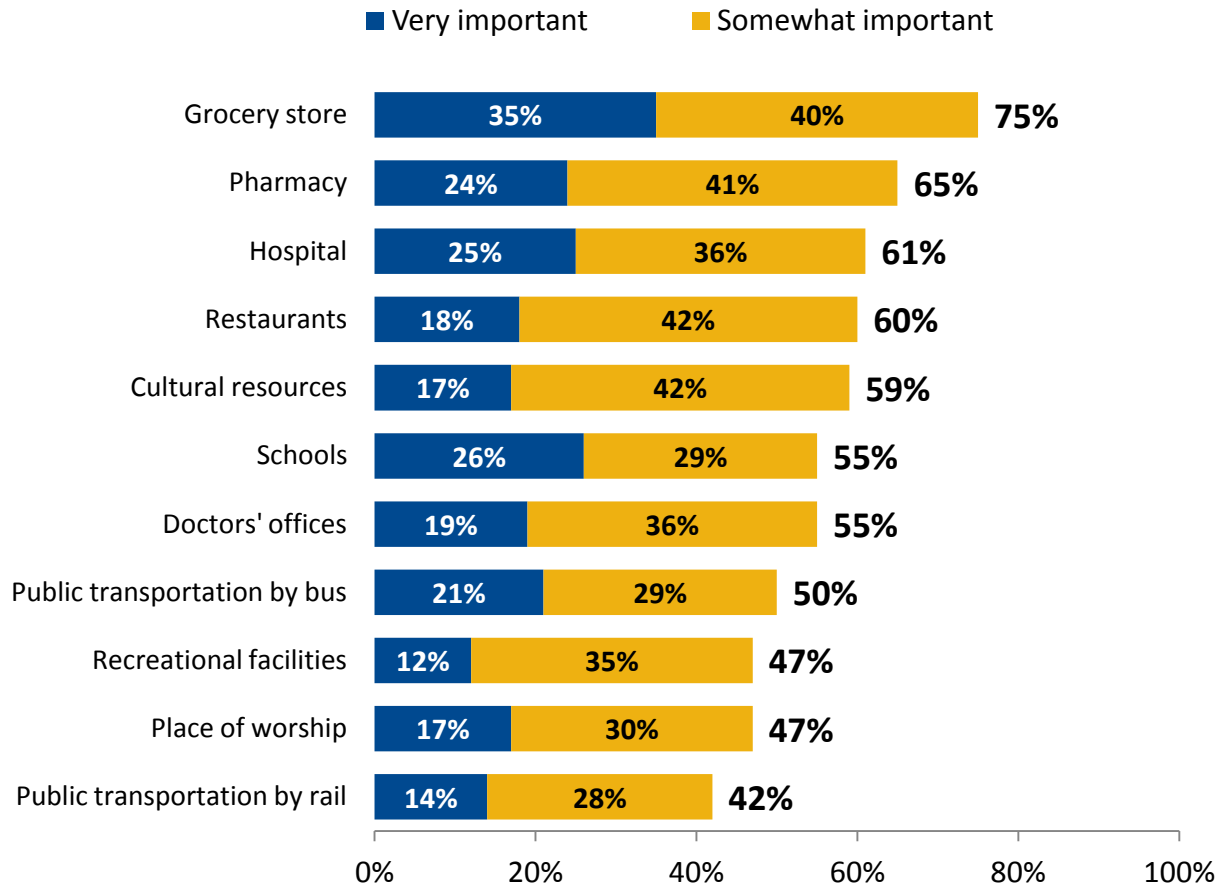
Smaller houses and lots, shorter commute — **59%**

0%   20%   40%   60%   80%   100%
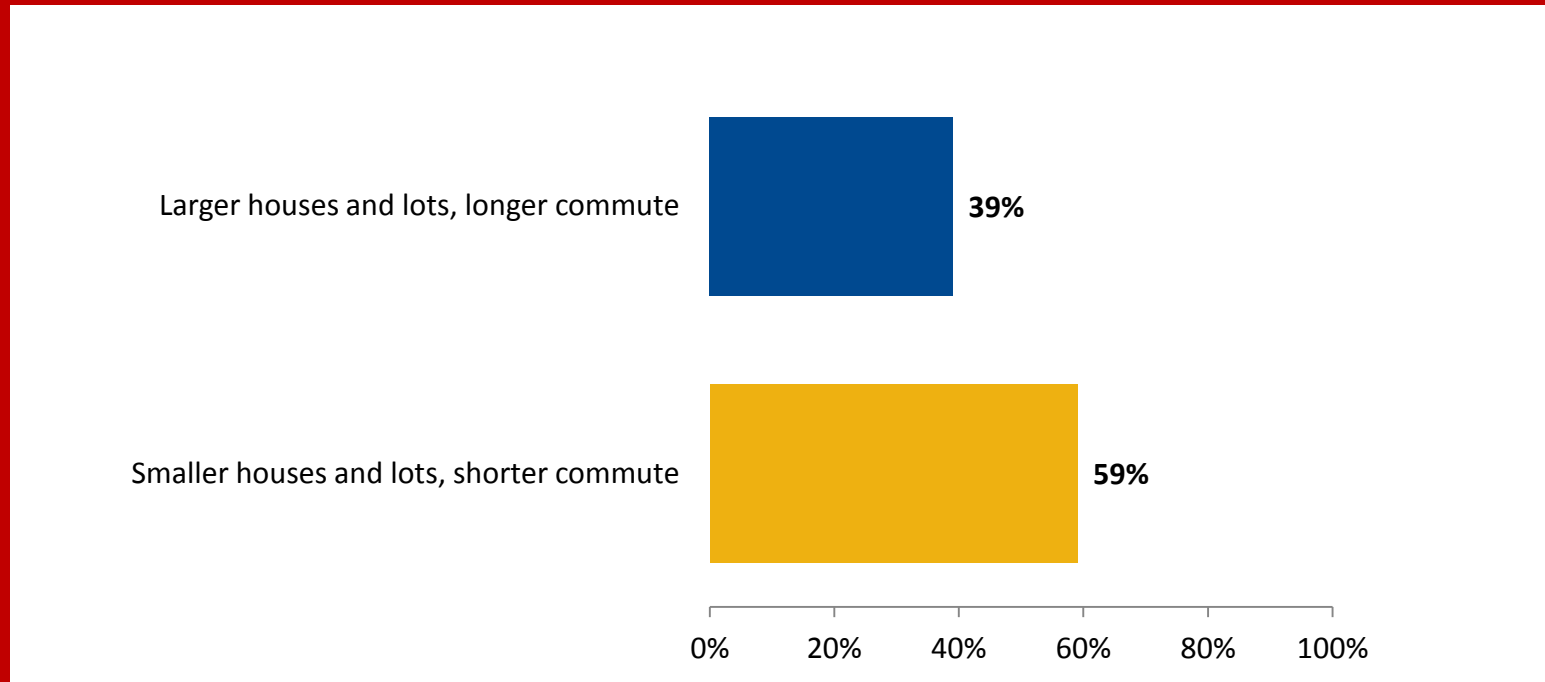
Walkable Destinations

In deciding where to live, indicate how important it would be to you to have each of the following within an easy walk: very important, somewhat important, not very important, or not at all important.

Legend: ■ Very important ■ Somewhat important

Destination	Very important	Somewhat important	Total
Grocery store	35%	40%	75%
Pharmacy	24%	41%	65%
Hospital	25%	36%	61%
Restaurants	18%	42%	60%
Cultural resources	17%	42%	59%
Schools	26%	29%	55%
Doctors' offices	19%	36%	55%
Public transportation by bus	21%	29%	50%
Recreational facilities	12%	35%	47%
Place of worship	17%	30%	47%
Public transportation by rail	14%	28%	42%

Source: National Association of Realtors 2011.

Demand for Walkable, Mixed-Used "Smart Growth" Neighborhoods

Demographic Group	Prefer Mixed-Use With Walkability (PPIC 2004/ ASU 2007)	Small Home with Short Commute (PPIC 2004/ ASU 2007)	Would Support a Smart Growth Community (PN 2003 & 2005)	Want to Live in a Smart Growth Community (PN 2003 & 2005)
All	*50%*	*50%*	*51%*	*47%*
Age				
18-34	55%	49%	55%	51%
35-54	49%	55%	48%	45%
55-69	46%	66%	52%	47%
70+	44%	63%	59%	56%
Income				
<80% AMI	58%	59%	50%	45%
80%-120% AMI	48%	56%	45%	41%
>120% AMI	44%	52%	41%	39%
Household Type				
Single Person HH*	50%	61%	50%	48%
HH Without Children	51%	61%	52%	46%
HH With Children	50%	50%	52%	46%

Source: Compiled by Metropolitan Research Center, University of Utah, using PPIC and ASU surveys, and by permission from Porter-Novelli.

Utah Preferred Community Attributes

Preferred Combination of 75% of Utahns

Housing mix

Neighborhood age/life stage mix

Public transportation options

Lot size variety

Active & passive open space

Important to Walk/Bike to Work/Errands

Demographic Group	Important/ Very Important → Work	Important/Very Important → Errands
All	23%	22%
Age		
18-34	24%	22%
35-54	21%	20%
55-69	23%	24%
70+	24%	25%
Income		
<80% AMI	28%	27%
80%-120% AMI	19%	18%
>120% AMI	16%	16%
Household Type		
Single Person HH	28%	29%
HH No Children	22%	21%
HH With Children	20%	18%

Supply & Demand Comparison

Mode and Destination	Supply	Demand
Walk or Bike to Work	**4%**	**23%**
Walk or Bike for Errands	**10%**	**22%**

Source: **Supply from NHTS 2009 (2011); demand from Porter-Novelli (2003, 2005)**

Observed Walk/Bike Share Within 1-Mile

Year	Walk/Bike to Work Less than 1 Mile	Walk/Bike to Errands Less than 1 Mile
1995	25%	26%
2001	34%	35%
2009	37%	42%
Change 1995-2009	45%	59%

Source: **National Household Travel Survey 2009 (2011)**.
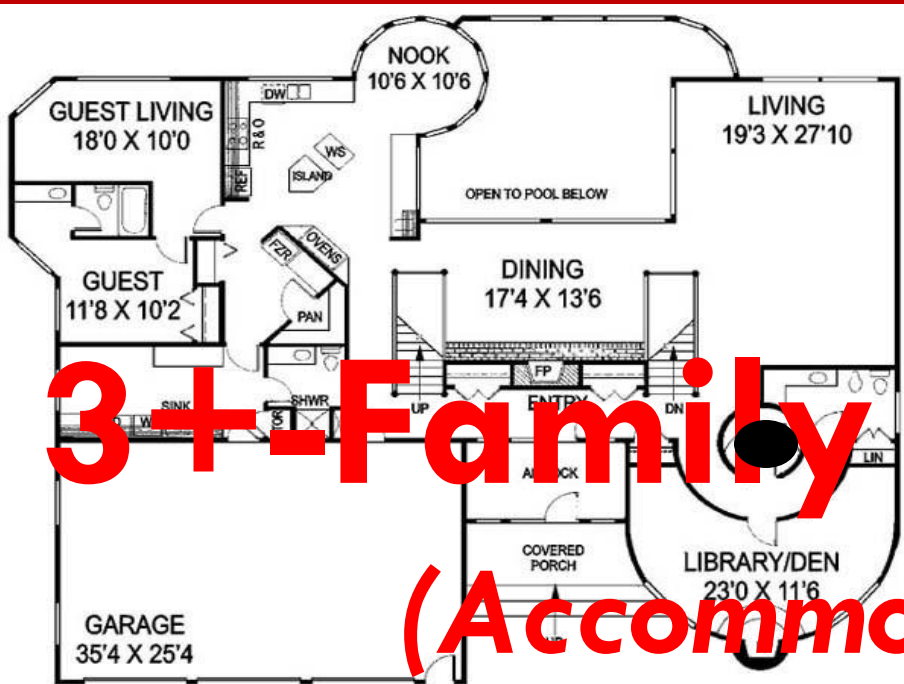
US Preference Demand vs. Supply

House Type	Nelson	RCLCo*	NAR	AHS
Attached	38%	34%	39%	28%
Small Lot	37%	35%	37%	29%
Large Lot	25%	31%	24%	43%

*Owner demand only

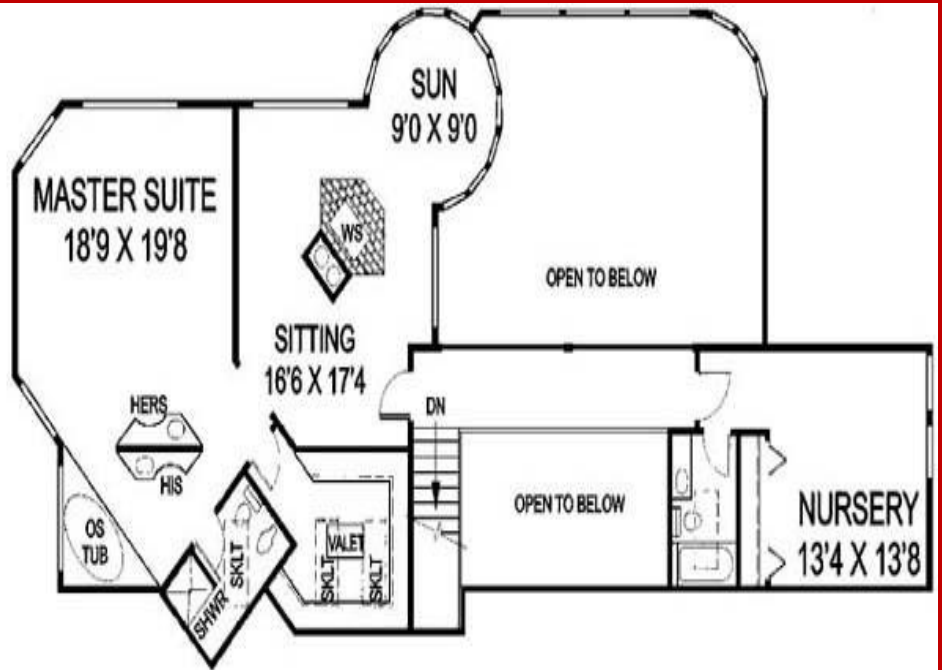**Source:** Nelson (2006), RCLCo (2008), NAR (2011), American Housing Survey (2010)
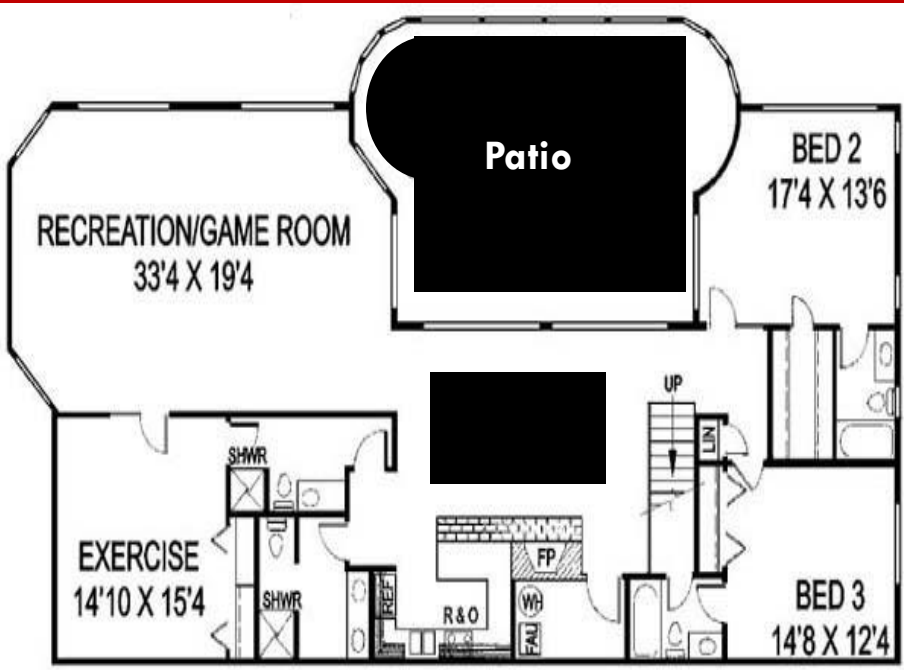
US Housing Supply/Demand 2010
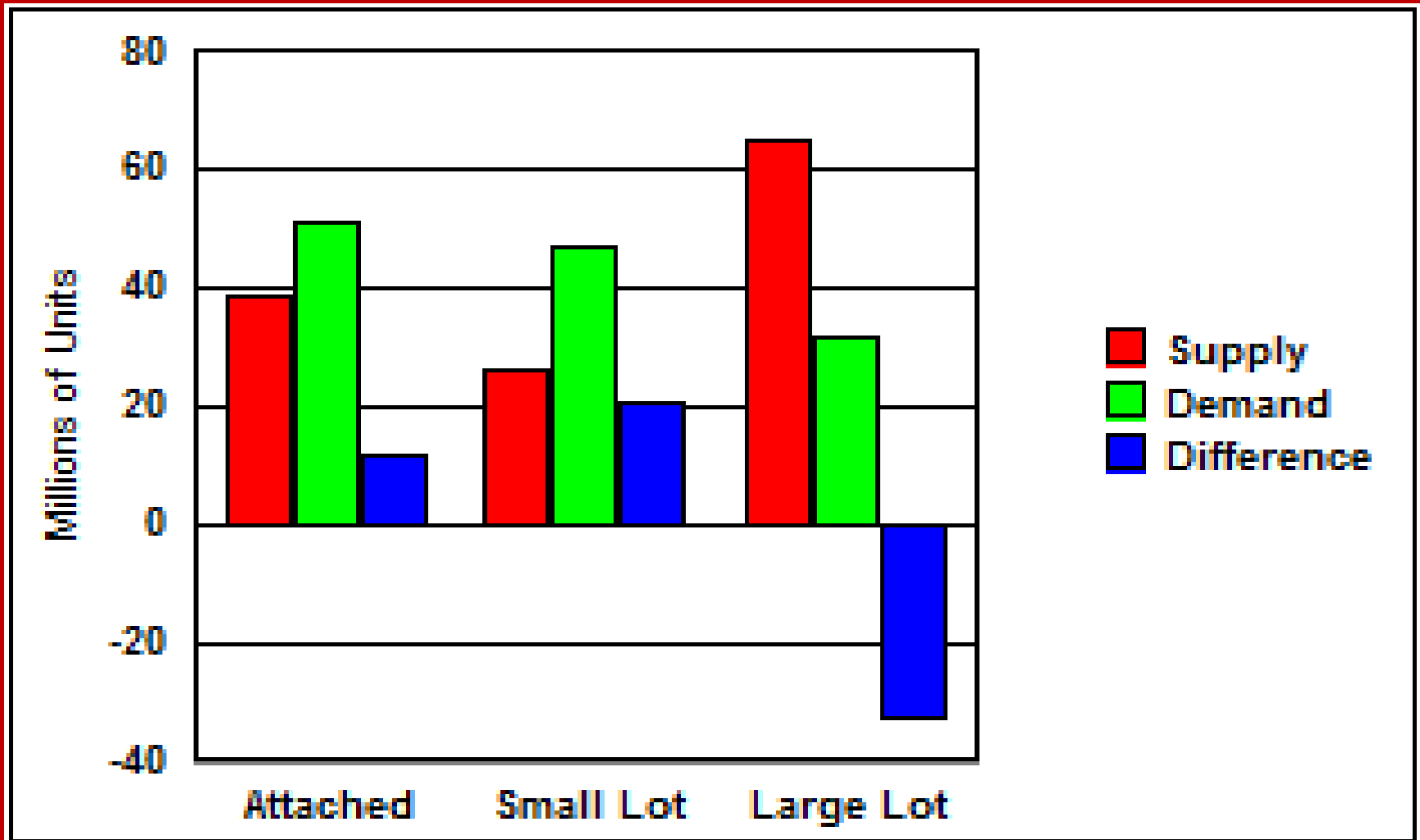
3+-Family McMansion
(Accommodates 15+)

Floor Plan Labels

First Floor:
- GUEST LIVING 18'0 X 10'0
- NOOK 10'6 X 10'6
- LIVING 19'3 X 27'10
- DW
- R&O
- WS
- ISLAND
- REF
- OPEN TO POOL BELOW
- GUEST 11'8 X 10'2
- OVENS
- FZR
- DINING 17'4 X 13'6
- PAN
- FP
- SINK
- SHWR
- UP
- ENTRY
- DN
- LIN
- COVERED PORCH
- LIBRARY/DEN 23'0 X 11'6
- GARAGE 35'4 X 25'4

Second Floor (lower left):
- RECREATION/GAME ROOM 33'4 X 19'4
- Patio
- BED 2 17'4 X 13'6
- SHWR
- UP
- LIN
- EXERCISE 14'10 X 15'4
- SHWR
- FP
- REF
- R&O
- WH
- FAU
- BED 3 14'8 X 12'4

Second Floor (lower right):
- MASTER SUITE 18'9 X 19'8
- SUN 9'0 X 9'0
- WS
- OPEN TO BELOW
- SITTING 16'6 X 17'4
- DN
- HERS
- HIS
- OS TUB
- SHWR
- SKLT
- VALET
- SKLT
- SKLT
- OPEN TO BELOW
- NURSERY 13'4 X 13'8

Treasure Valley Adult Population Profile in 2030

Generation	Born	Adults	Share	Market
Eisenhowers	Pre-1946	14	2%	Group; kith & kin
Baby Boom	1946-1964	146	25%	Downsizing
Gen-X	1964-1980	118	20%	Empty Nesting
Gen-Y	*1981-2000*	*198*	*34%*	*Peak single family*
Millennials	Post-2000	113	19%	Renting; starter
Total		589		

Gen-Y & Millennials Seek "Urbanity"

Driven by convenience, connectivity, and a healthy work-life balance to maintain relationships

1/3 will pay more to walk to shops, work, entertainment

2/3 say living in a walkable community is important

1/2 would trade small lot size for proximity to work, shop

1/3 with children would trade small lot size for walkable, mixed-use communities

Source: **Adapted from RCLCo.**

But Boomers Will Lead the Way

Aging boomers looking for something different:

- Many seek urban/close-in suburban locations
- Most want "urban amenities" in suburban location

Walkable communities with amenities, culture, education:

- The village/town center is the new club house
- Seek convenience, healthy living, staying engaged

Source: **Adapted from RCLCo.**

The New Promised Land?

Tear Up a Parking Lot, Rebuild Paradise

Large, flat and well drained

Single, profit-motivated ownership

Major infrastructure in place

4+ lane frontage → "transit-ready"

Committed to commercial/mixed use

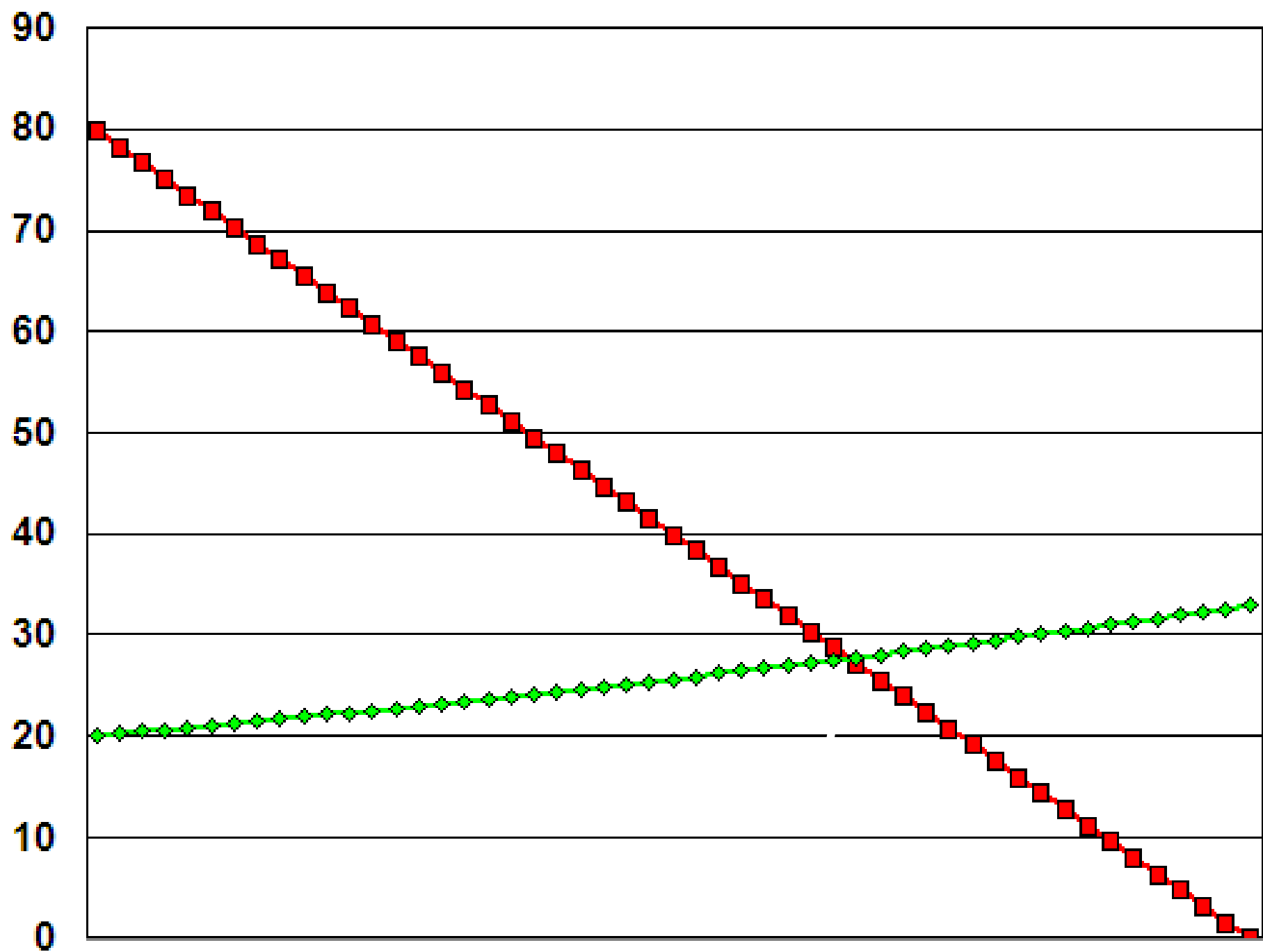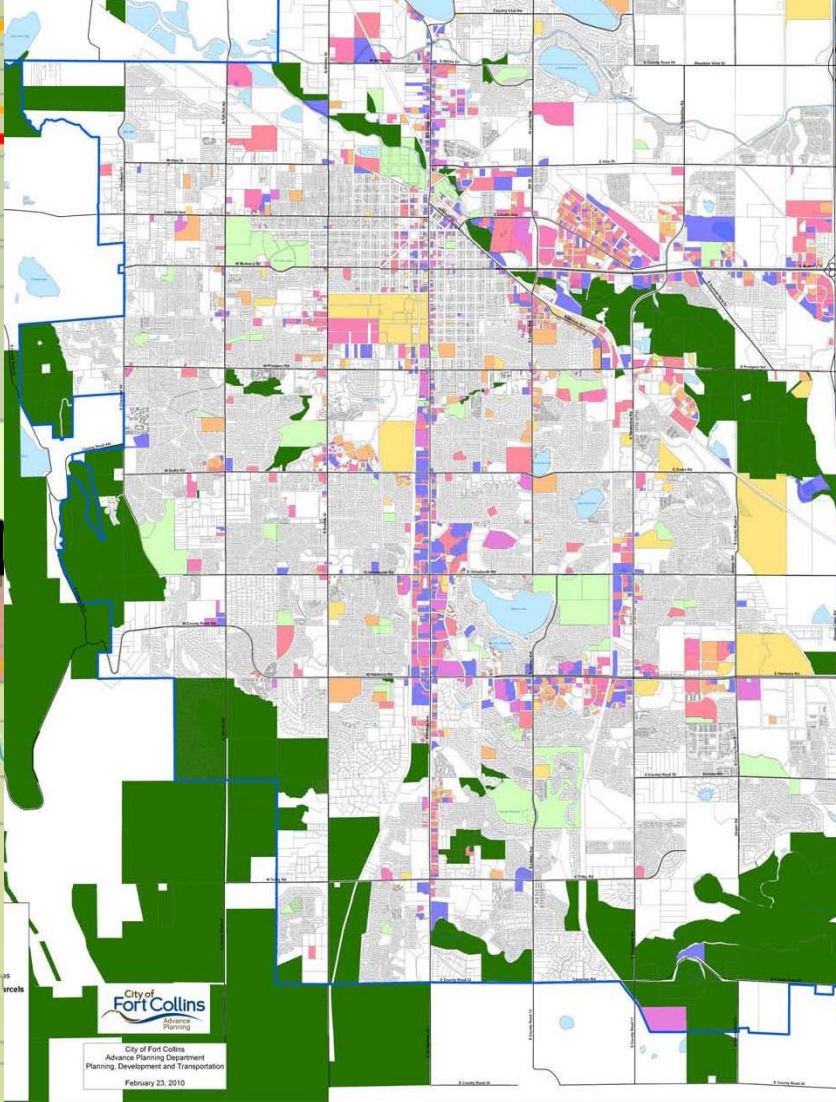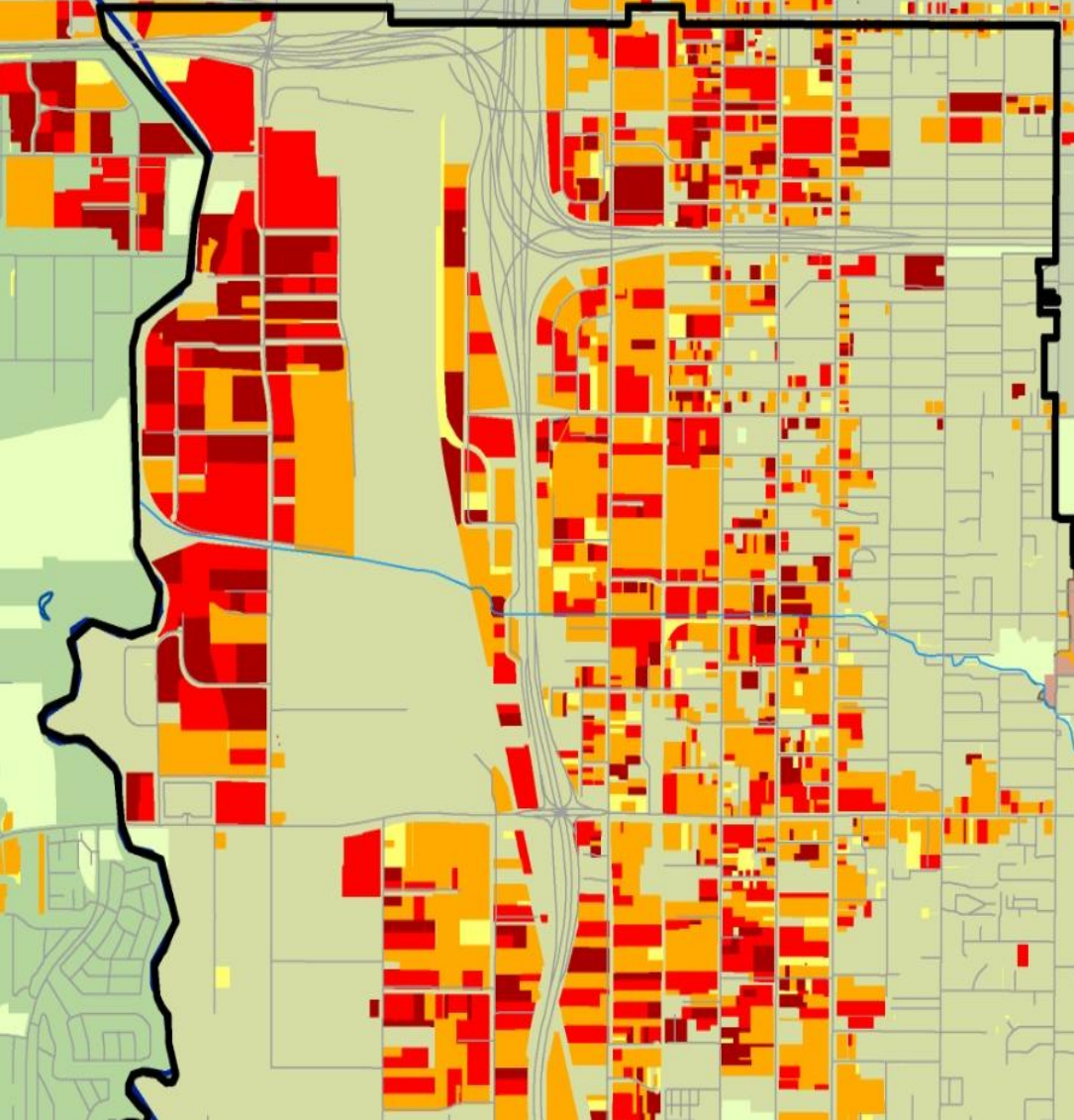Can turn NIMBYs into YIMBYs

Slide title phrase adapted from Joni Mitchell, *Big Yellow Taxi*, refrain: "Pave over paradise, put up a parking lot."
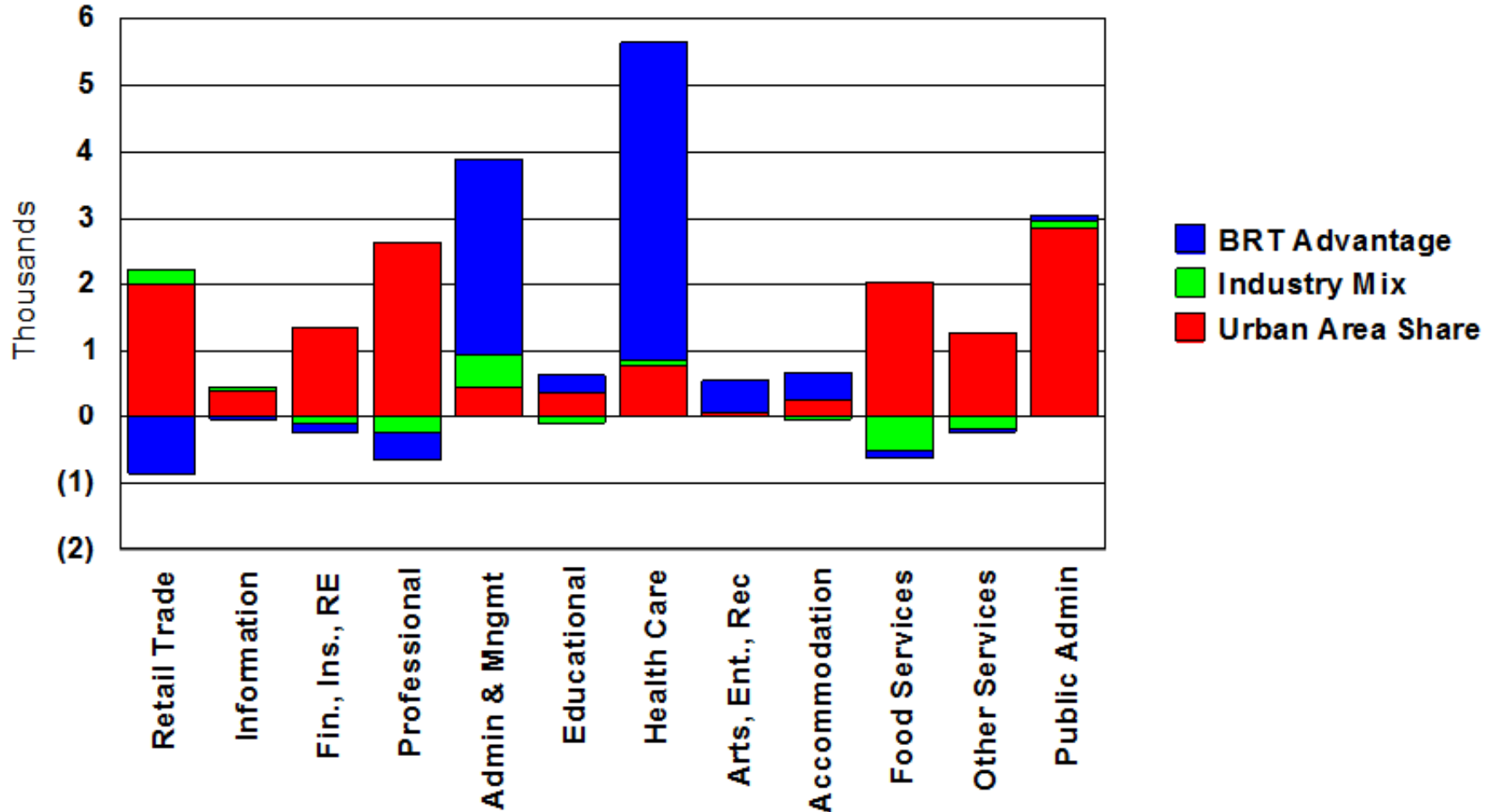
Life-Span of Building Function
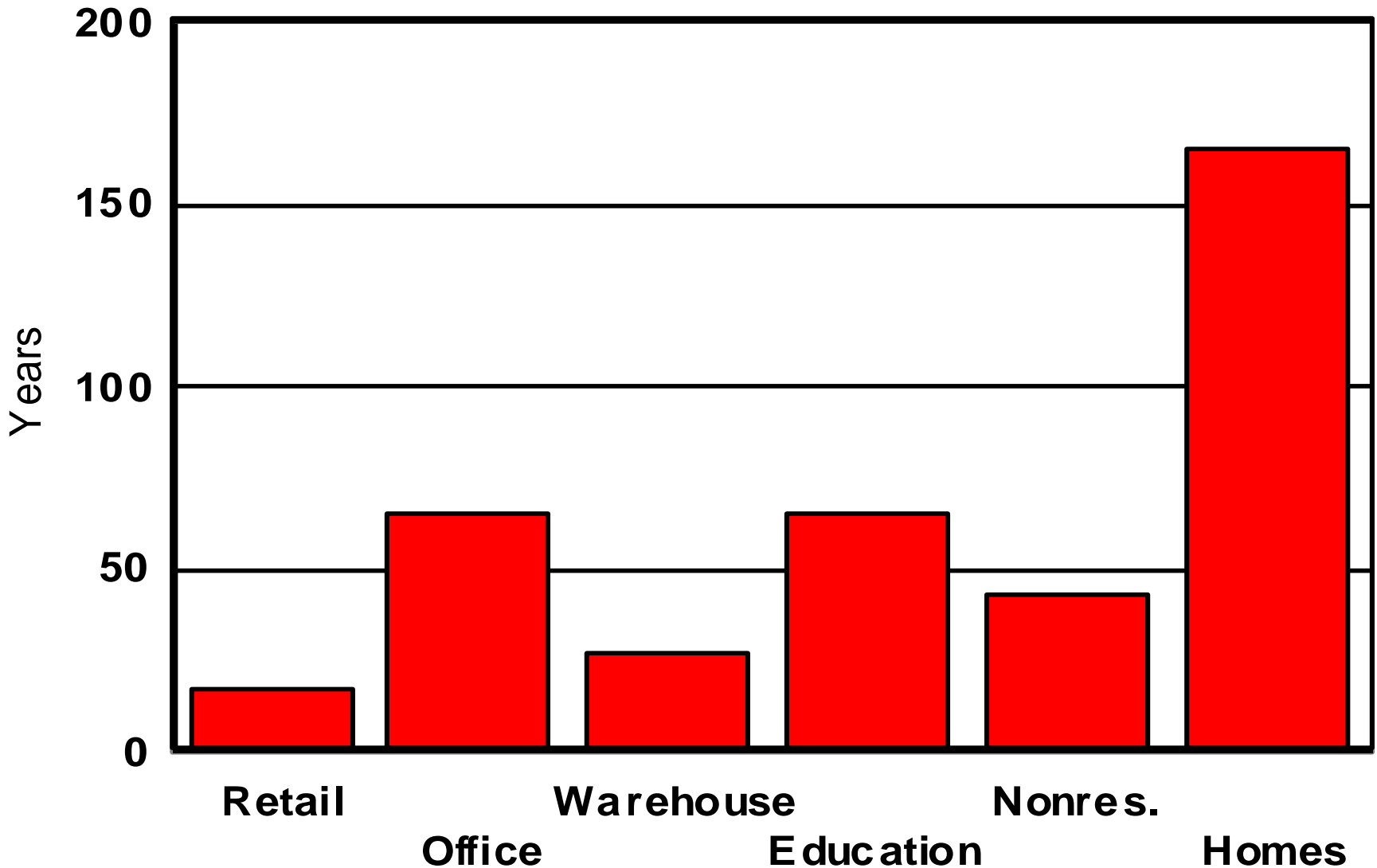
Years

200
150
100
50
0

Retail
Office
Warehouse
Education
Nonres.
Homes

BRT & Economic Development

Changing Dreams & Realities

That was Then	This is Now
40-year career	Free agent/independent contractor
Uniform housing	Life-cycle housing
Far away from job	Short commute, walk/bike/transit
Cheap gas	Maximize mobility options
Transit is for "those" people	Where's my transit?
All homes gain in value	Buy only quality locations
Love my subdivision	Want a "real" place

Give the Market a Chance

Figure out the needs, compare to supply, identify gaps, determine barriers, and facilitate solutions.

Reform fiscal structures to reward efficiency.

Level the property tax playing field.

Level the lending playing field.

Provide life-cycle, mixed-housing & accessory dwelling unit choices.

Instill permitting discipline to balance supply with demand.

Enable higher loan-to-value ratios for transportation cost *and* energy savings based on location.

Thank You