

BUILDING THE NEW DAMASCUS

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America Grows

200 million in 1968

300 million in 2006

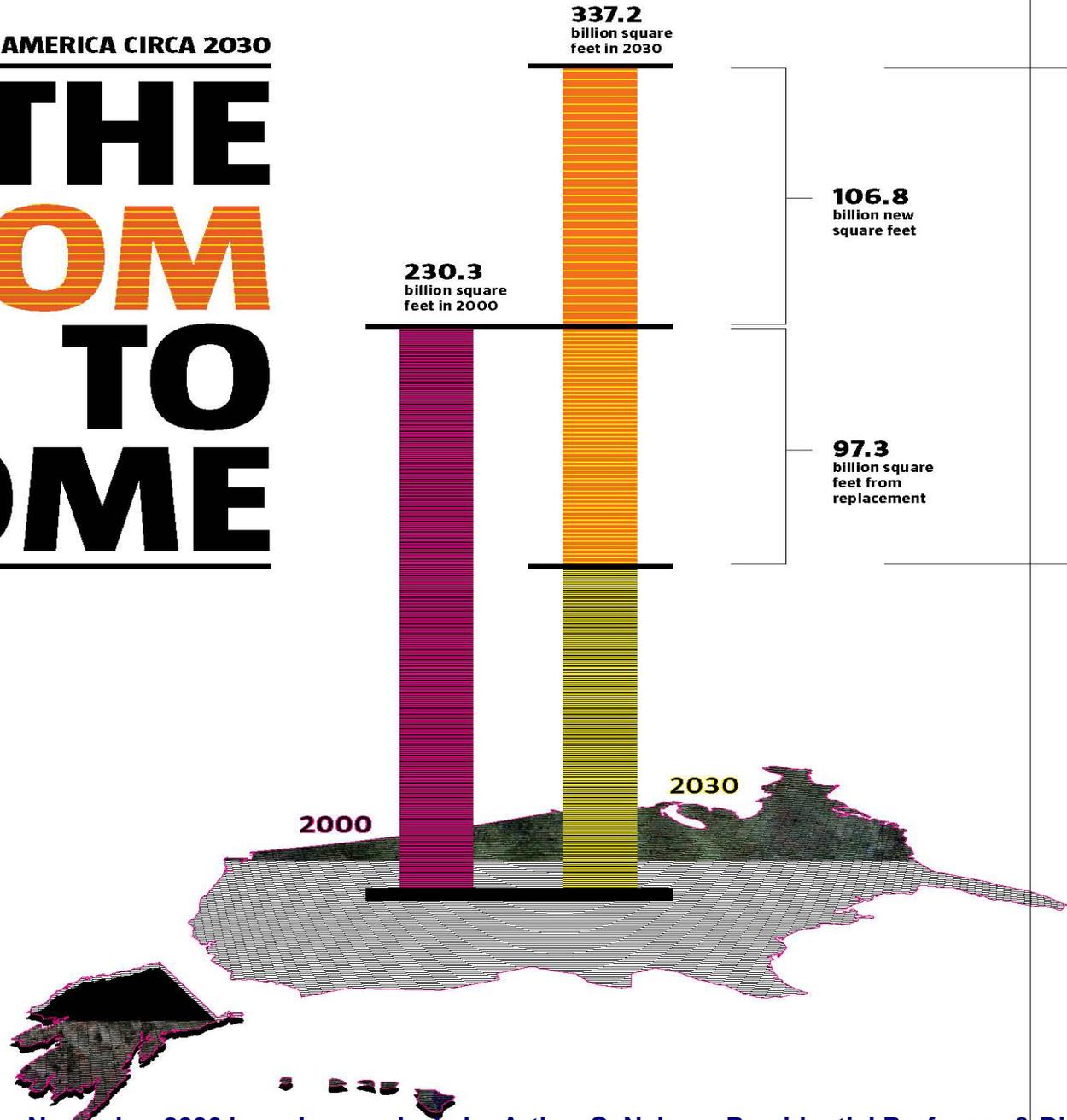
400 million in 2032

500 million in 2050

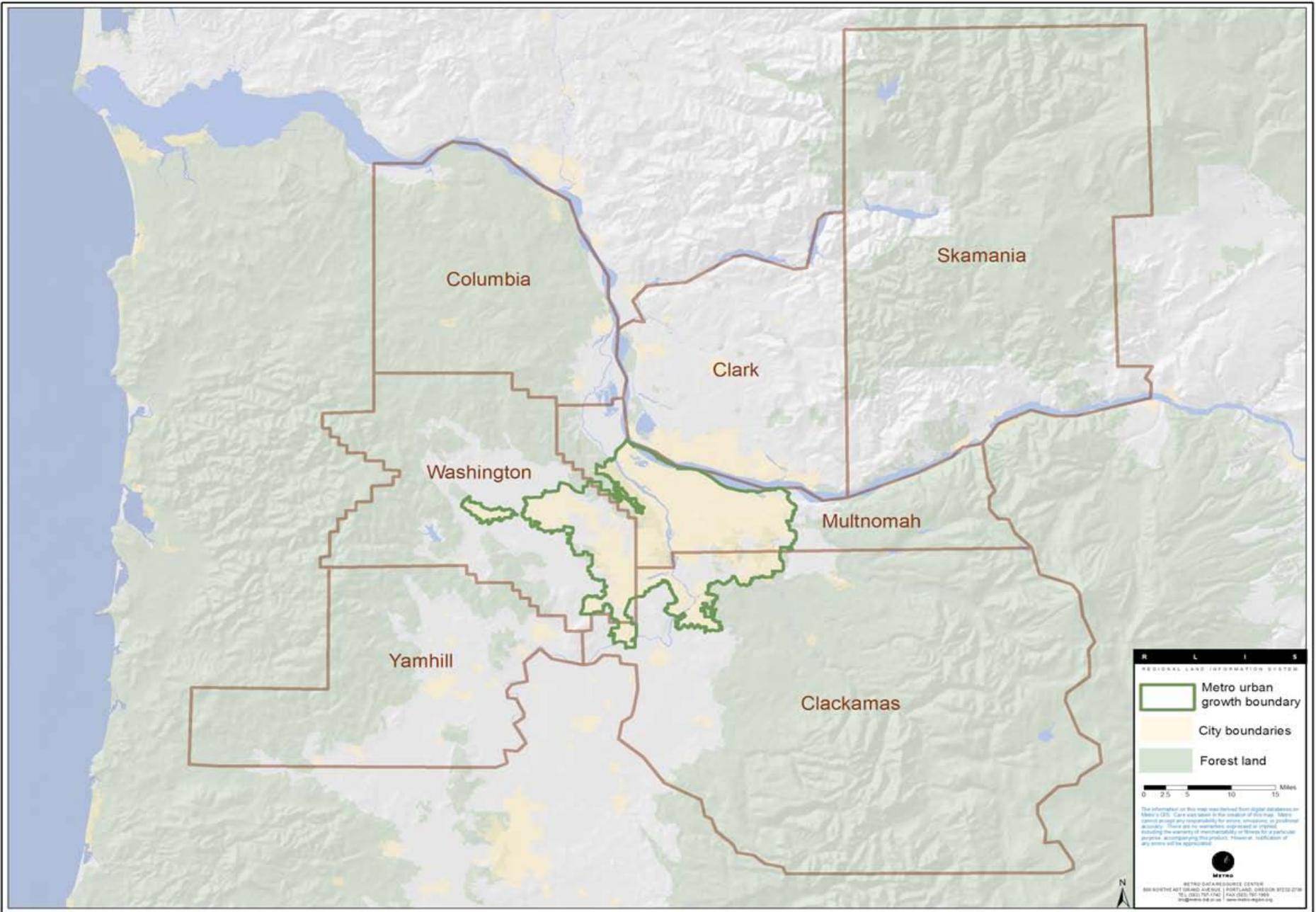
America adds 100 million people faster than any other nation except India and Pakistan – But *faster* than China.

AMERICA CIRCA 2030

THE BOOM TO COME



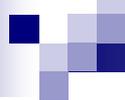
Source: *Architect* magazine November 2006 based on analysis by Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Note: The proportionalities will be constant for every 30 year period.



Getting Ahead of the Curve

<u>Portland Metro</u>	<u>2005</u>	<u>2040</u>
Population	2.1 million	3.7 million
Housing Units	0.9 million	1.6 million
Jobs	1.3 million	2.3 million

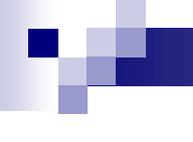
Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.



Residential Development

Portland Metro	2005 to 2040
Growth-Related Units	700k
Replaced Units	200k
Total Units	900k

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.

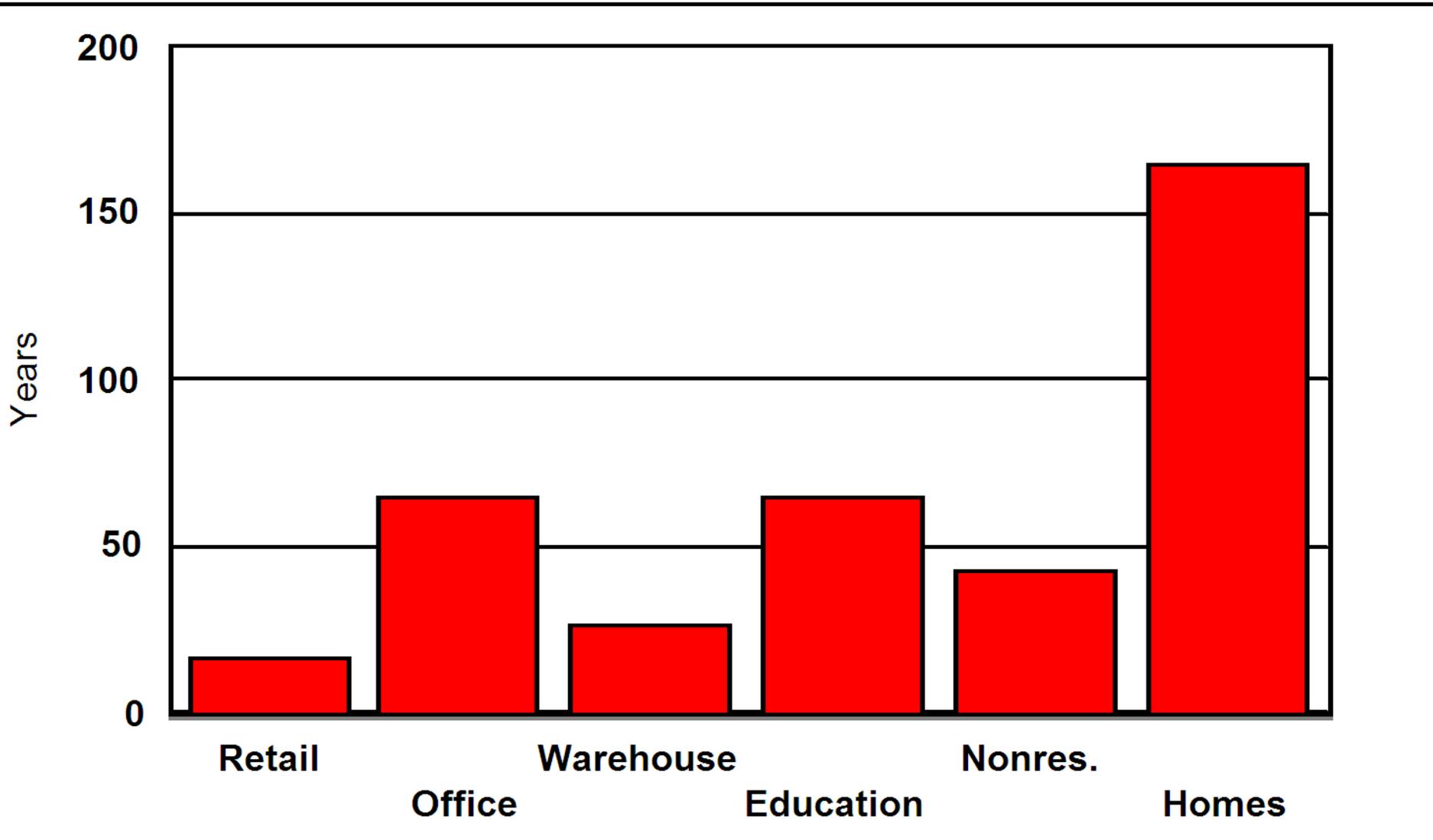


Nonresidential Development

<u>Portland Metro</u>	<u>2000 to 2040</u>
Growth-Related Square Feet	500 million
Replaced Square Feet	900 million
<u>Total Square Feet</u>	<u>1.40 billion</u>

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.

Life-Span of Structures



Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah, based on DoE Commercial Buildings Energy Consumption Survey.

Bottom Line Construction

Portland Metro

Residential **\$350 Billion**

Nonresidential **\$150 Billion**

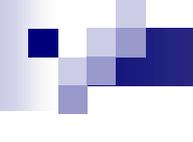
Infrastructure **\$100 Billion**

***Total* \$600 Billion**

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.



How Does It Grow?



Market Analysts Finding Changing Preferences

National Association of Realtors

National Association of Home Builders

Nationally Recognized Market Analysts

Urban Land Institute

Lend Lease/PriceWaterhouseCoopers

Joint Center for Housing Policy at Harvard

Golfing Buddies and Taxi Drivers

Households are Changing

<u>Household Type</u>	<u>1960</u>	<u>2000</u>	<u>2040</u>
US			
HH with Children	48%	33%	26%
HH without Children	52%	67%	74%
<i>Single/Other HH</i>	13%	29%	34%

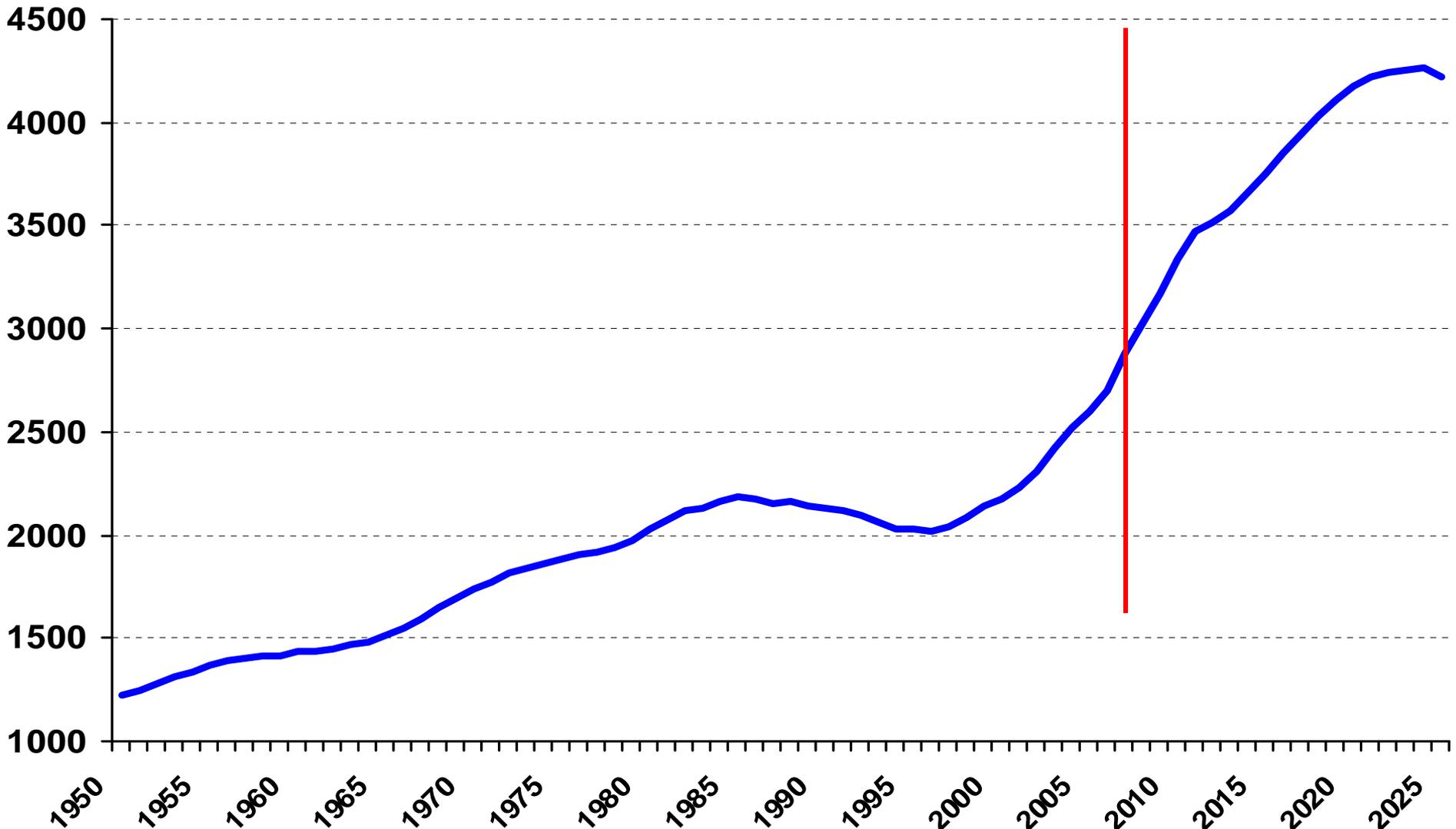
Portland Metro

HH with Children		32%	27%
HH without Children		68%	73%
<i>Single/Other HH</i>		25%	28%

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.

People Turning 65 *Each Year*

[Figures in 000s]



Source: US Census Bureau – 65+ in the United States: 2005; Wan He, Manisha Sengupta, Victoria A. Velkoff, & Kimberly A DeBarros. December 2005.

What Futurists Tell Us

**Bio-medical advances extend lifetimes.
Insurance actuarial tables extend to 120.**

Another 20 years added – minimum

Adulthood mostly *after* child-rearing →

***Gen-X & -Y “family” location decisions
differ from their parents.***

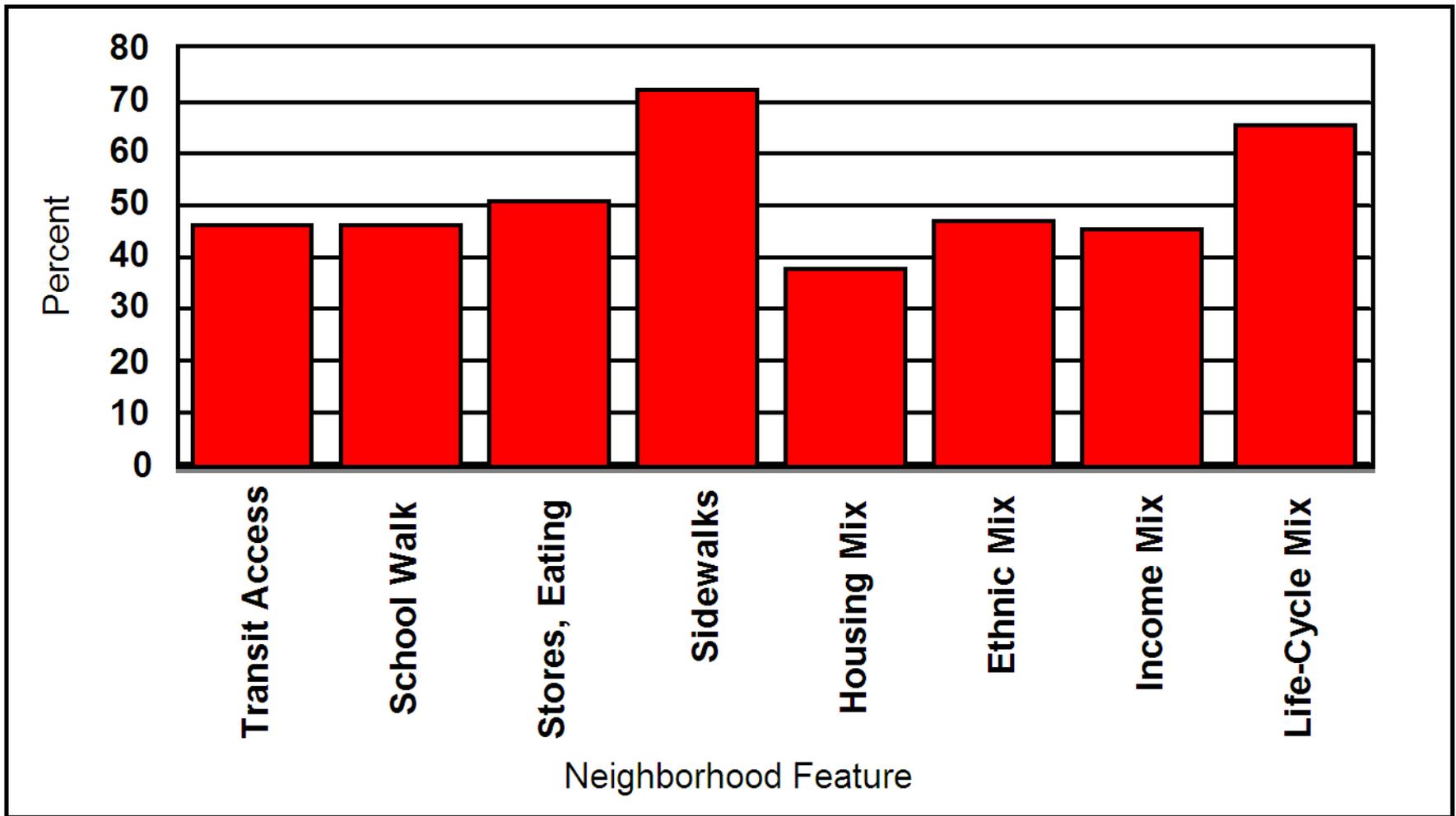
***Pearl District has more children than
market studies predicted.***

Share of Growth 2000-2040

<u>Portland Metro HH Type</u>	<u>Growth</u>	<u>Share</u>
HH Growth	700k	
With children	100k	14%
Without children	600k	86%
<u><i>Single/Other</i></u>	<u>200k</u>	<u>29%</u>

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.

Neighborhood Feature Preferences



Source: National Association of Realtors, American Preference Survey 2004.

Retired Location Preference

City or suburb close to a city	51%
Suburb away from a city	19%
Rural community*	30%

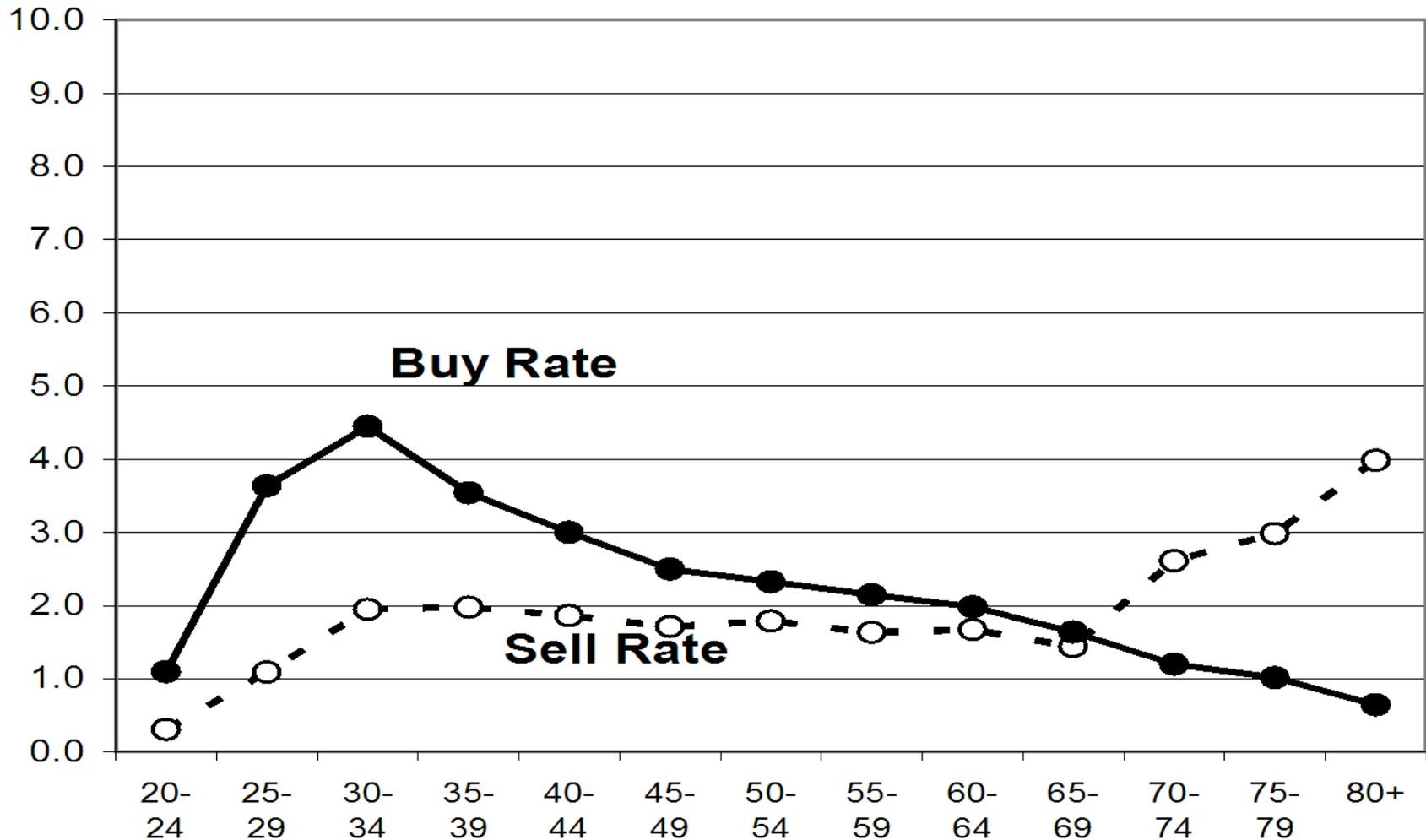
Conventional suburbs away from cities are the losers for this demographic group.

****Interpreted as isolated retirement communities.***

Source: National Association of Realtors & Smart Growth America, American Preference Survey 2004.

Buy-Sell Rates by Age Cohort

AHS



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).

Relocation Choices of Seniors

<u>Housing Type</u>	<u>Before Move</u>		<u>After Move</u>
Attached	24%	→	54%
Renter	20%	→	59%

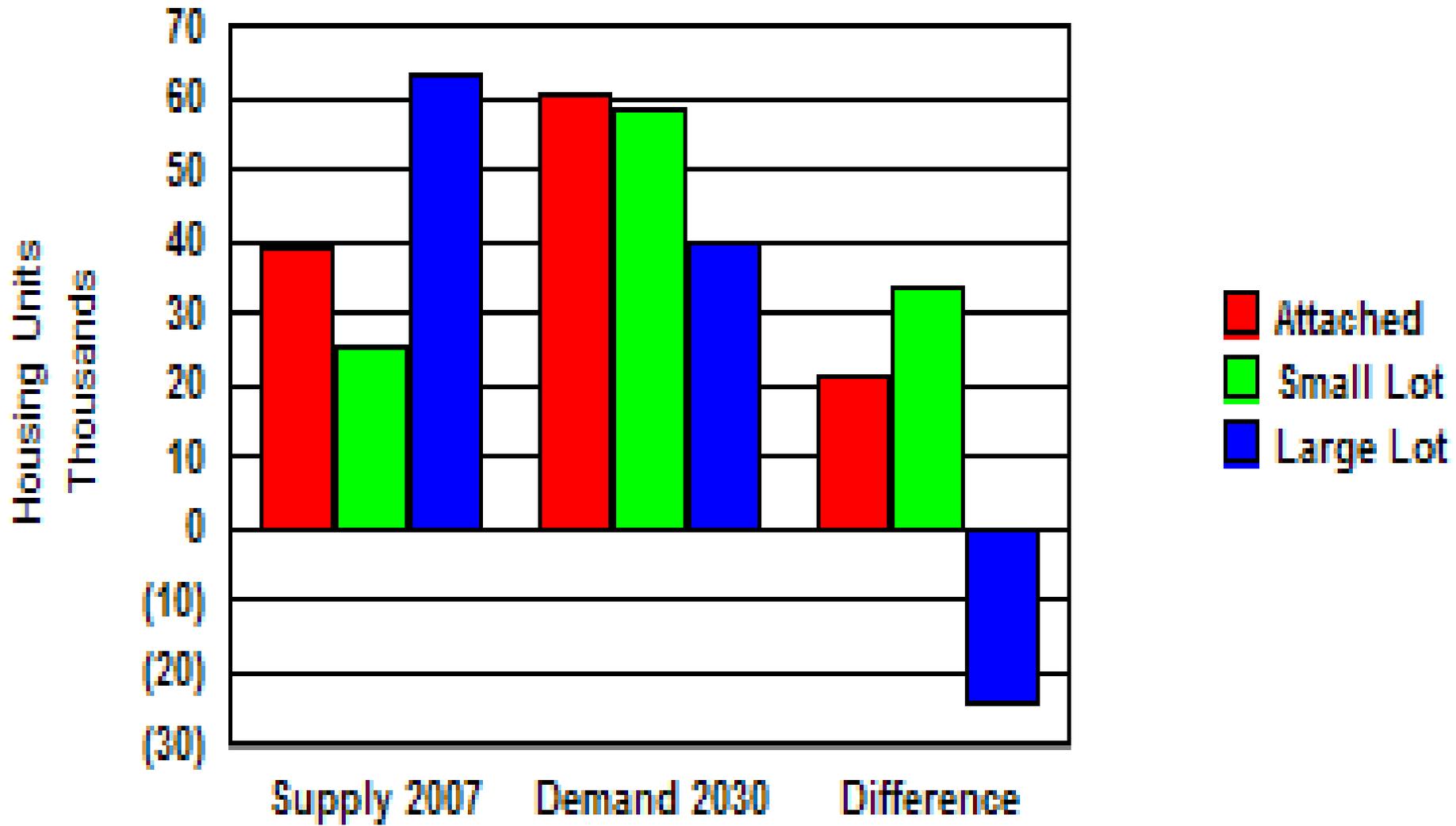
Source: American Housing Survey 2003. New movers means moved in past year. Annual senior movers are about 5% of all senior households; 75%+ of all seniors will change housing type between ages 65 and 80.

Housing Unit Preference by Type, National Surveys

<u>Unit Type</u>	<u>Share</u>
Attached	38%
<i>Apartments</i>	37%
<i>Condos, Coops</i>	24%
<i>Townhouses</i>	39%
Detached	62%
<i>Small Lot (<7,000 sf)</i>	60%
<i>Large Lot (>7,000 sf)</i>	40%

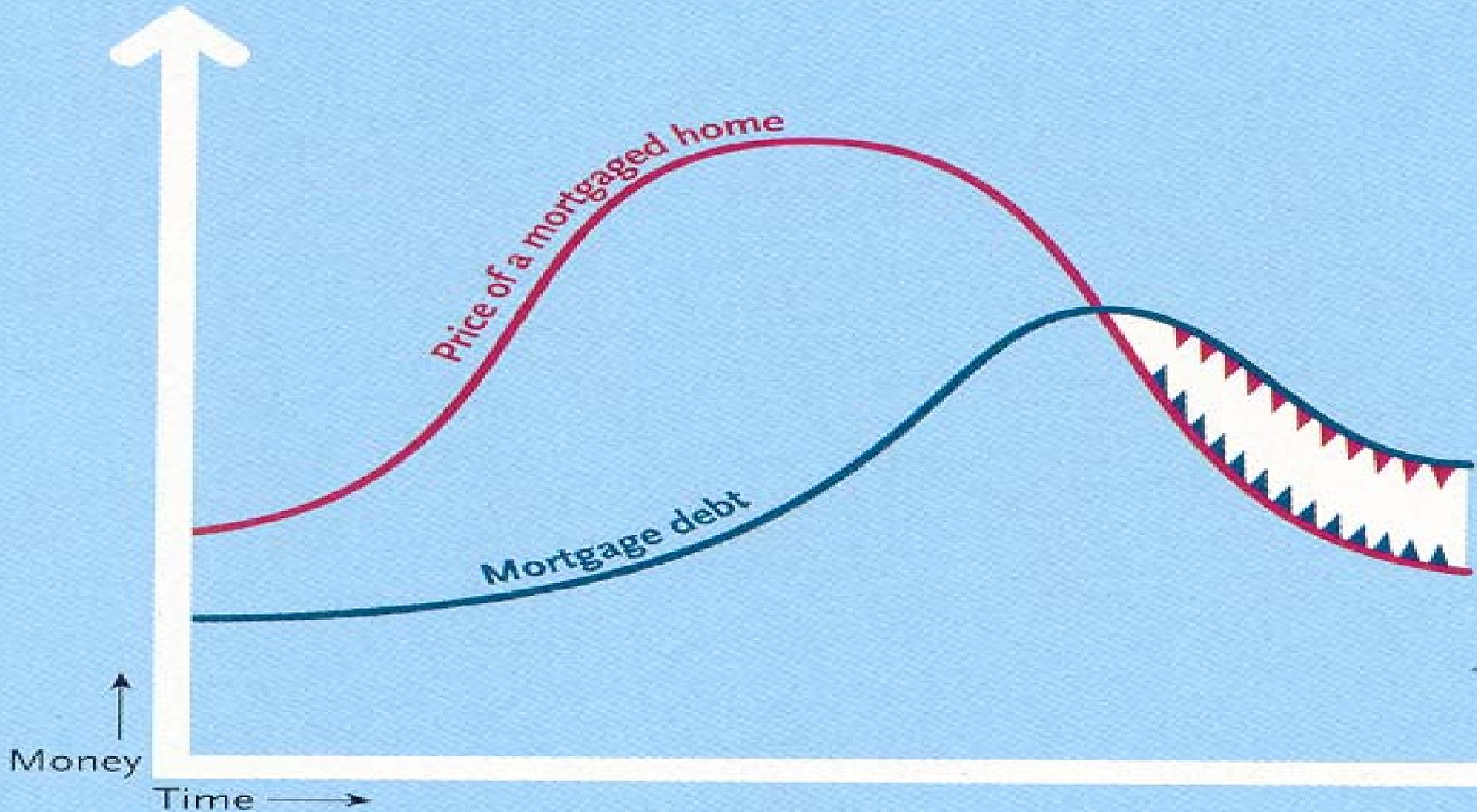
Source: **Low range** of surveys reviewed by Arthur C. Nelson, "Planning for a New Era," *Journal of the American Planning Association*, Fall 2006.

Supply & Demand by Housing Type 2007-2030



Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah

Suburban Fringe Time Bomb?



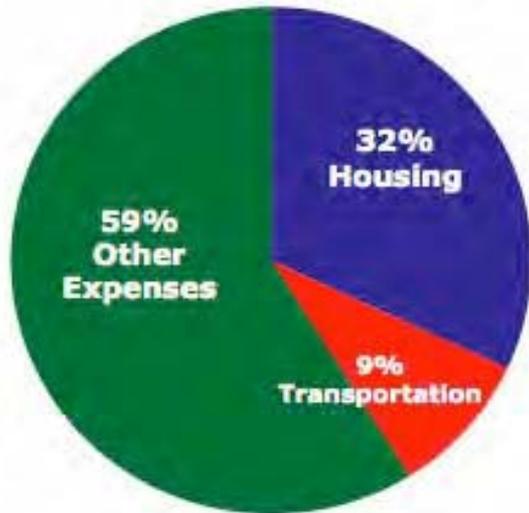
Source: Michael Hudson, "The New Road to Serfdom." *Harpers* (May 2006), p. 46. This graph depicts the total mortgage market as viewed by Hudson.



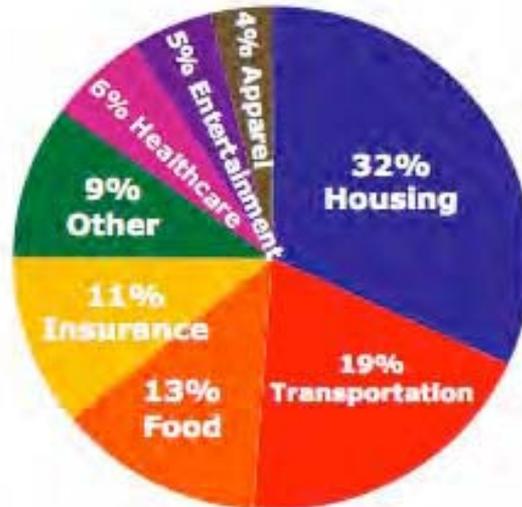
U.S. homes lost \$2 trillion in value in '08
\$4 trillion 2006 through 2008

Housing + Transportation Costs

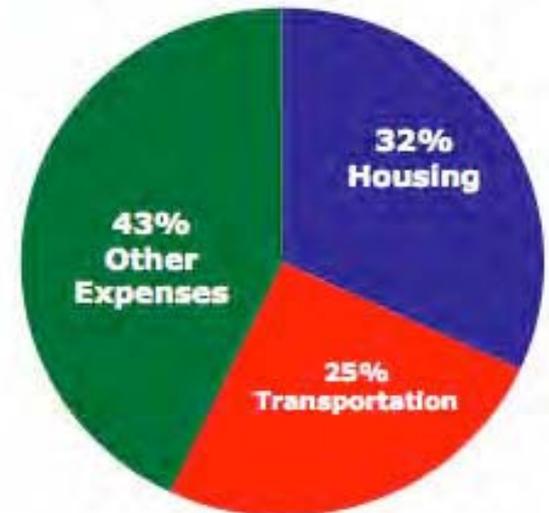
**FORECLOSURE
RESILIENT
Mobility-Option
Neighborhood**



**Average American
Family**



**FORECLOSURE
RISKY
Auto Dependent
Neighborhood**



Source: Center for TOD Housing + Transportation Affordability Index, 2004 Bureau of Labor Statistics

**Mobility-option areas reduce
“location” costs making
households more resilient
to economic changes**

**“Drive ‘til you qualify”
mortgage underwriting
bias increases
foreclosure risks**

New Housing Market Realities

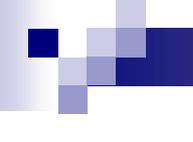
- Sub-prime mortgages are history
- Alt-A mortgages no more
- FHA-like conventional mortgages king
- “Jumbo” loans expensive and difficult
- Demand for \$1million+ homes in 30 largest markets has tanked → ***from ~15% to <5%***
- ***Meaning***
 - Smaller homes
 - Smaller lots
 - More renters

Shifting Tenure Implications – US

Year	Units	%Owner	Owner	Renter
2008	125M	67%	84M	41M
2015	134M	64%	86M	48M
Change	9M		2M	7M
Share			25%	75%

Units are “year-round” and include occupied, vacant, transitional, and other units meant for year-round occupancy. Figure for 2008 estimated from *American Housing Survey for the United States 2007*.

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.



Housing Market Shift

Portland Metro ownership in 2000s = 65%

PDX Metro ownership may fall to 60% by 2020

Portland Metro tenure split in 2020:

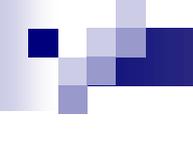
60% owner

40% renter

Portland Metro new construction to 2020:

50% owner-occupied (***200k units***)

50% renter-occupied (***200k units***)



33% Solution ...

New Metropolis Template

1%+ Demand for downtown living (~40k)

1%+ Demand for near-downtown living (~40k)

1%+ Demand for suburban center living (~40k)

5%+ Demand for near-center living (~200k)

25%+ Demand for “urbanity” v. “sprawl” (~900k)

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.

New Metropolis Demand 2005-2040

3.7M people 2040

1.6M growth 2005 to 2040

1.2M demand for New Metropolis options

0.2M supply in 2010(?)

1.0M net new metropolis demand

60%+ of all new housing units must be in new metropolis options to meet demand of the 1/3rd of who want them in 2040.

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.



HOW DOES DAMASCUS FIT IN?

Not central

Not a major employment center

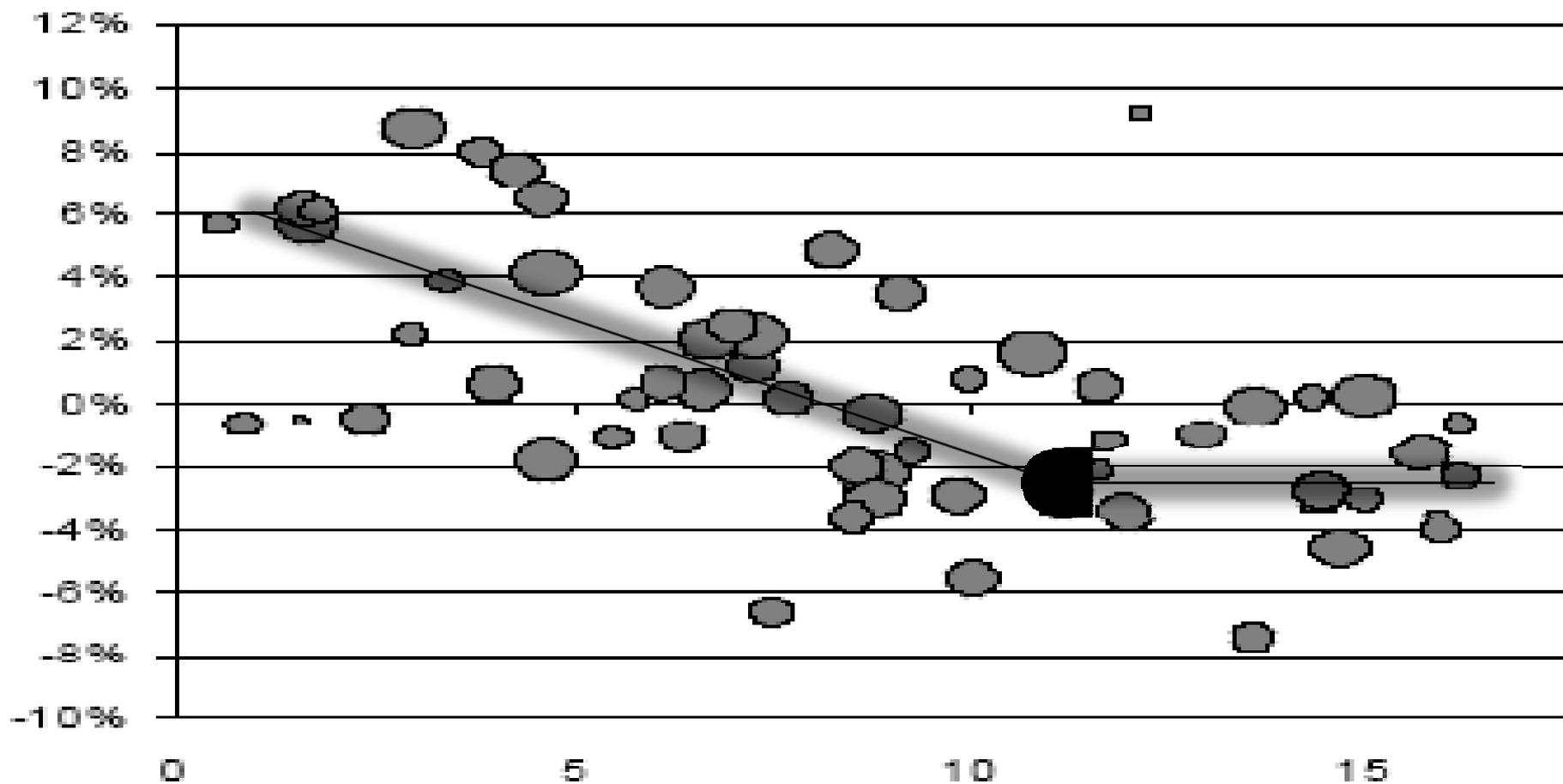
No rail in its future

Value-stagnation risk

Planned Urbanity or Sprawl?

Value Loss at Fringe: 2006-2007

Housing Prices Declines Greatest at the Suburban Fringe
Portland-Vancouver MSA

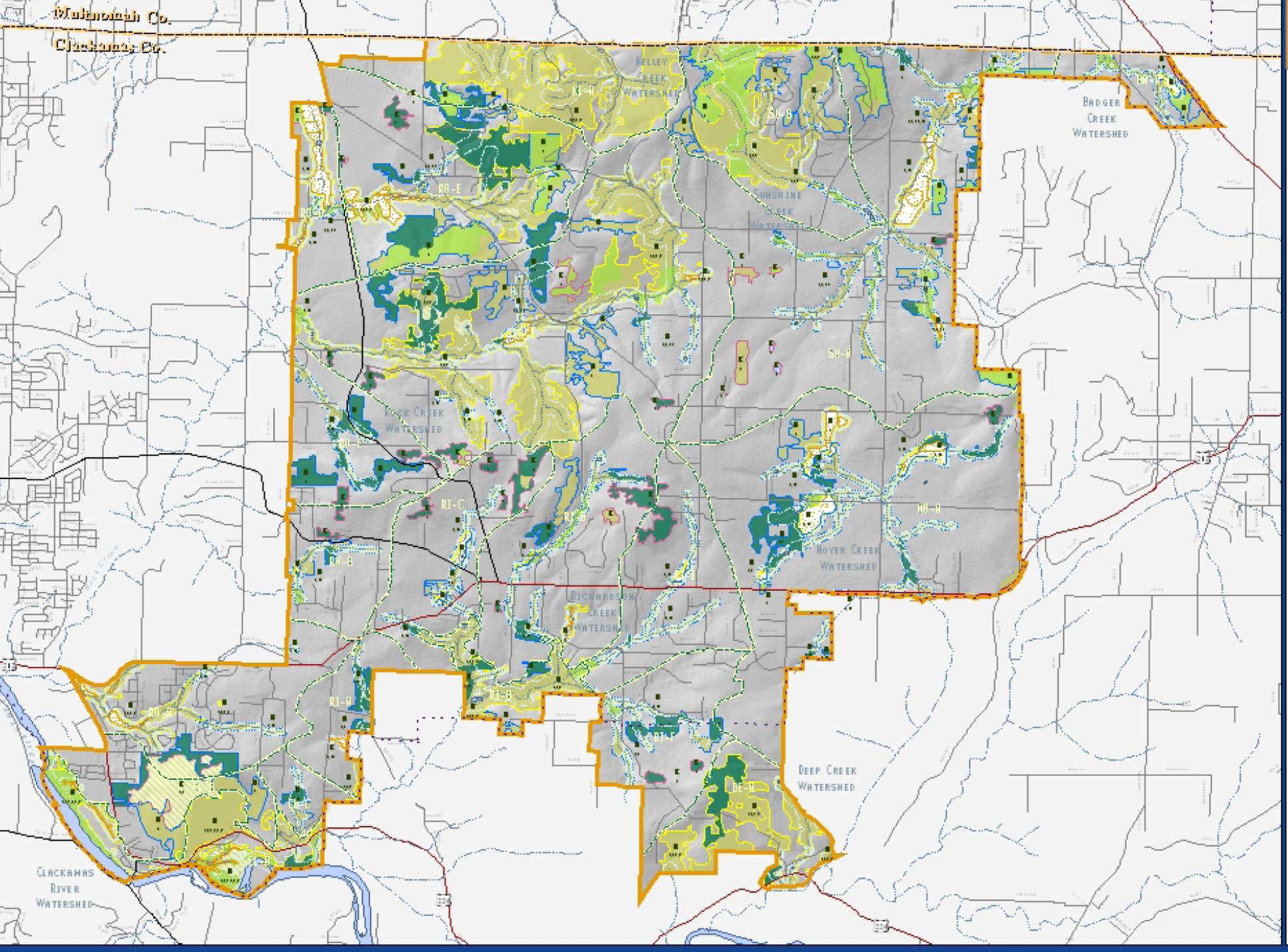


Change in Median Single-Family Home Price, Relative to MSA Median (Source: Zillow)

Distance to Portland CBD

Damascus Core Values = Urbanity

- Well-Designed Communities and Core Areas
= *Density, mixed uses, renewability*
- Effective Transportation Systems
= *Density, accessibility, connectivity*
- Employment and Economy
= *Density, accessibility, connectivity*
- Sense of Community
= *Walkability, life-stage options, connectivity*
- Rural and resource preservation
= *Sustainability*





Urbanity Guides

- Population/employment density that is sustainable and resilient
- Housing mix that matches life-cycle stages
- Housing mix that sustains schools
- Development design promoting “urbanity”
- Preserving/protecting vital open spaces
- Planned renewal

Sustainability & Resilience

Minimums to be taken seriously:

- 10,000+ people per square mile.
- 4,000+ occupied residential units per sq. mile.
- Average of 6,000 jobs per square mile with centers 3-times this surrounded by areas $1/3^{\text{rd}}$ this – walking, biking, Segway distance
- 400,000 square feet of retail + service space per square mile but with centers of 2-times this surrounded by areas of $1/2$ this.

Parameters for Damascus

- Total Planning Area = 16 square miles
- Target 10 “urbanity” square miles
 - 40% of planning area protected/preserved/rural
- 100,000 residents (*6,000/gross square mile*)
- 40,000 residential units
- 60,000 jobs (full- and part-time)
- 30 million square feet of nonresidential space

Roughly twice what is currently planned

Within range of sustainability and resilience





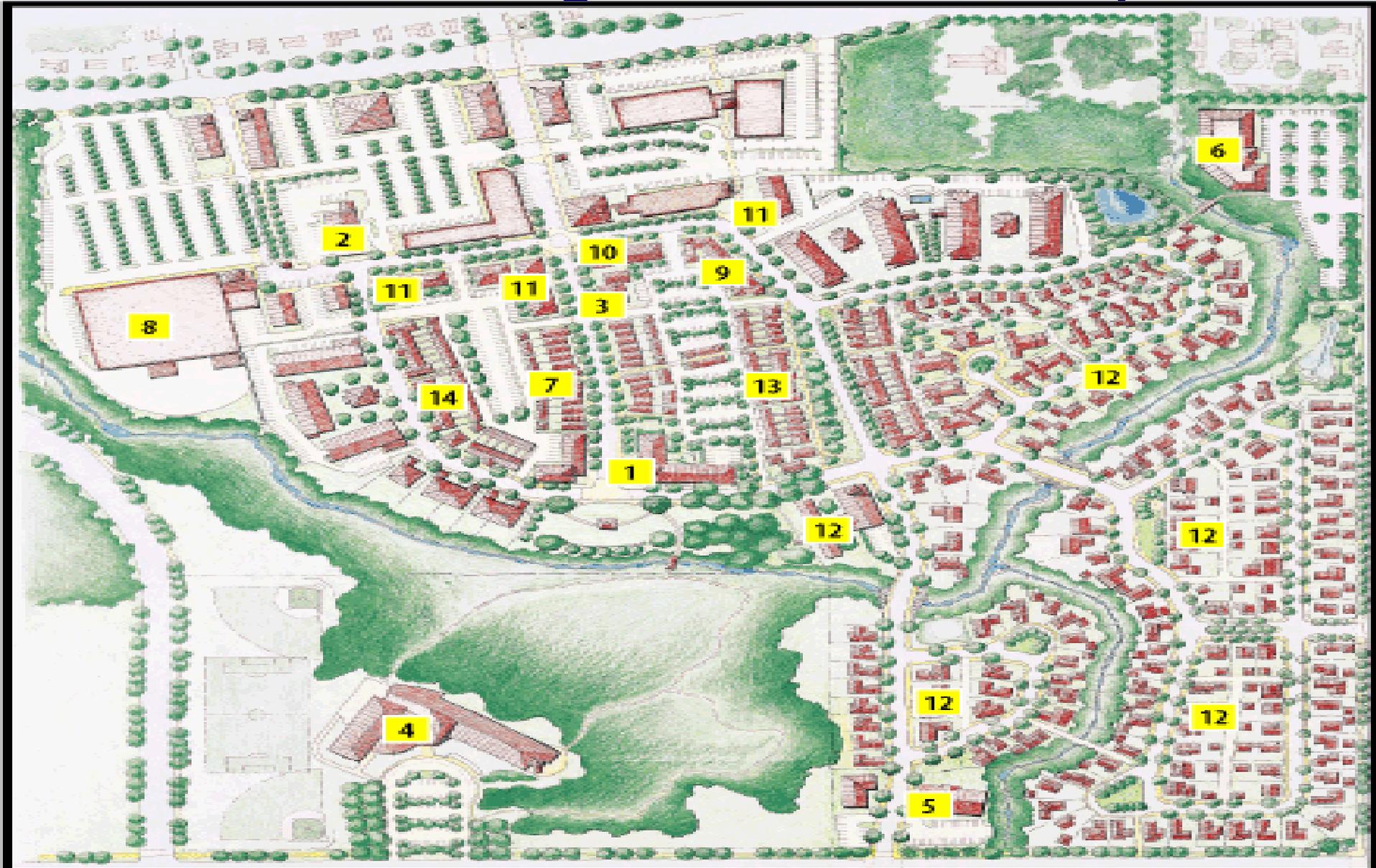
Why?

- **Facilitates reduction of vehicle trips & VMT to target levels of emissions for sustainability**
- **Improves resilience to economic downturns.**
- **Creates wide range of housing options for each life stage.**
- **Creates resilient sense of community.**

Housing Mix for Life Stages

- **40% for traditional families**
 - Mostly detached on 1/6-1/4 acre lot moderate- to large-home (>2,500 sq.ft.)
- **25% for young and low-/moderate-income families**
 - Apartment (garden), townhouse, small lot detached small-size home; some “over-the-store units” (<1,200 sq.ft.)
- **25% for transition, empty-nester, higher-density choice families**
 - Condominium, upscale townhouse, small-lot moderate-size home (1,200-2,500 sq.ft.)
- **10% of housing in Accessory Dwelling Units**
 - Allowed in larger detached and attached homes
 - *Untapped resource for humane housing options*

Fairview Village = 10,000/Sq. Mile

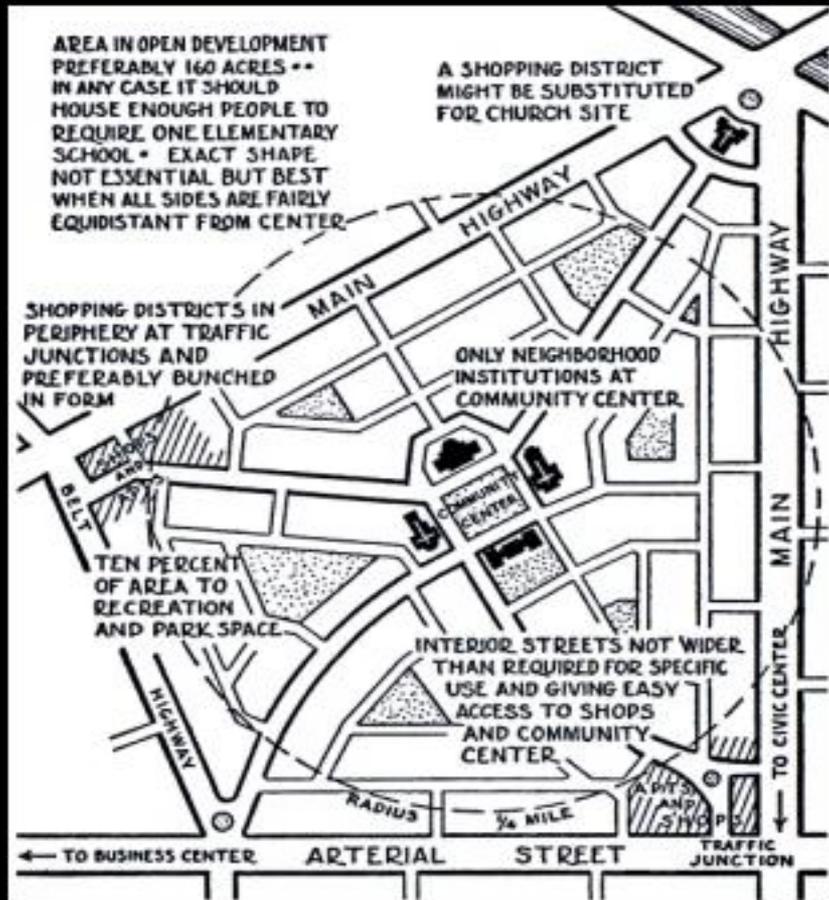




Sustainable Schools

- ***Student generation*** rates by unit size/type are predictable.
- ***Design neighborhoods*** around access to schools with housing mix to support life-cycle stages. Link neighborhoods to high schools with multi-modal accessibility.
- ***Design*** and use schools for multiple functions
- ***Integrate schools*** into neighborhoods, don't isolate them.

Sustainable-School Neighborhood Unit



Clarence Perry's "Neighborhood Unit" of 1929



Clinton Mackenzie's Ideal Town

Suburban Urbanity

- **Every home within ¼ mile** of primary retail (grocery) and personal service centers
 - “Walkable” sidewalks, “bikeable” bikeways, segways okay.
 - Accessible with golf-cart ways either in multi-purpose walk/bike/seg ways or dedicated ways.
- **Every home within ½ mile** of significant, active and passive open spaces
- **Complete connectivity** → no dead-ends, cul-de-sacs
- Benign **home office** home occupations allowed.
- **Transportation corridors** include BRT plus dedicated “European-style” bikeways, walkways → and have **transit ready option**.

Orenco Station = 15,000/Sq. Mile

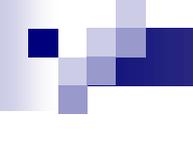
ORENCO STATION

ILLUSTRATIVE OVERALL SITE PLAN
MASTER DEVELOPER: PFC/TRENT





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 highway frontage → “transit-ready”

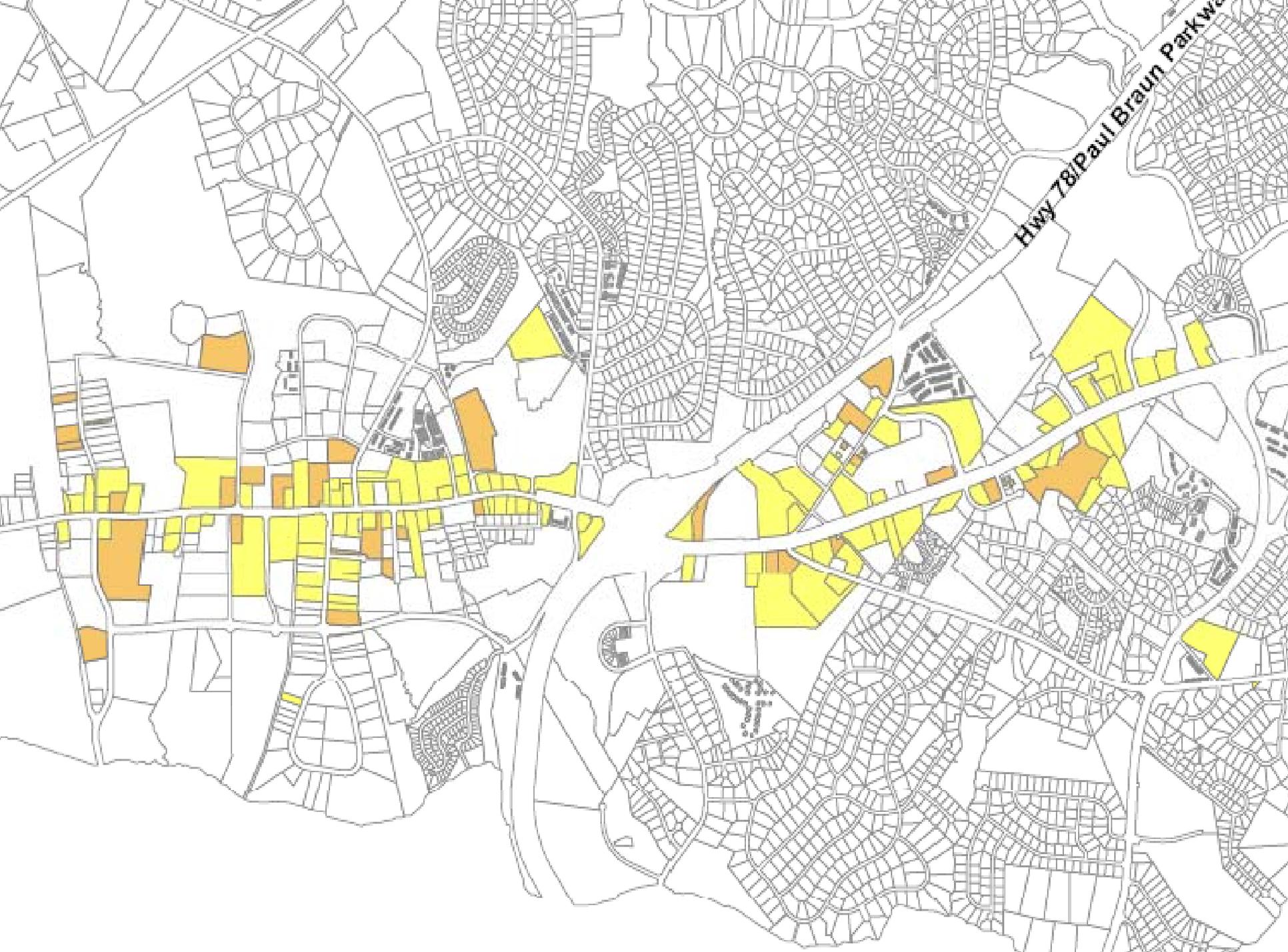
Committed to commercial/mixed use

Can turn NIMBYs into YIMBYs

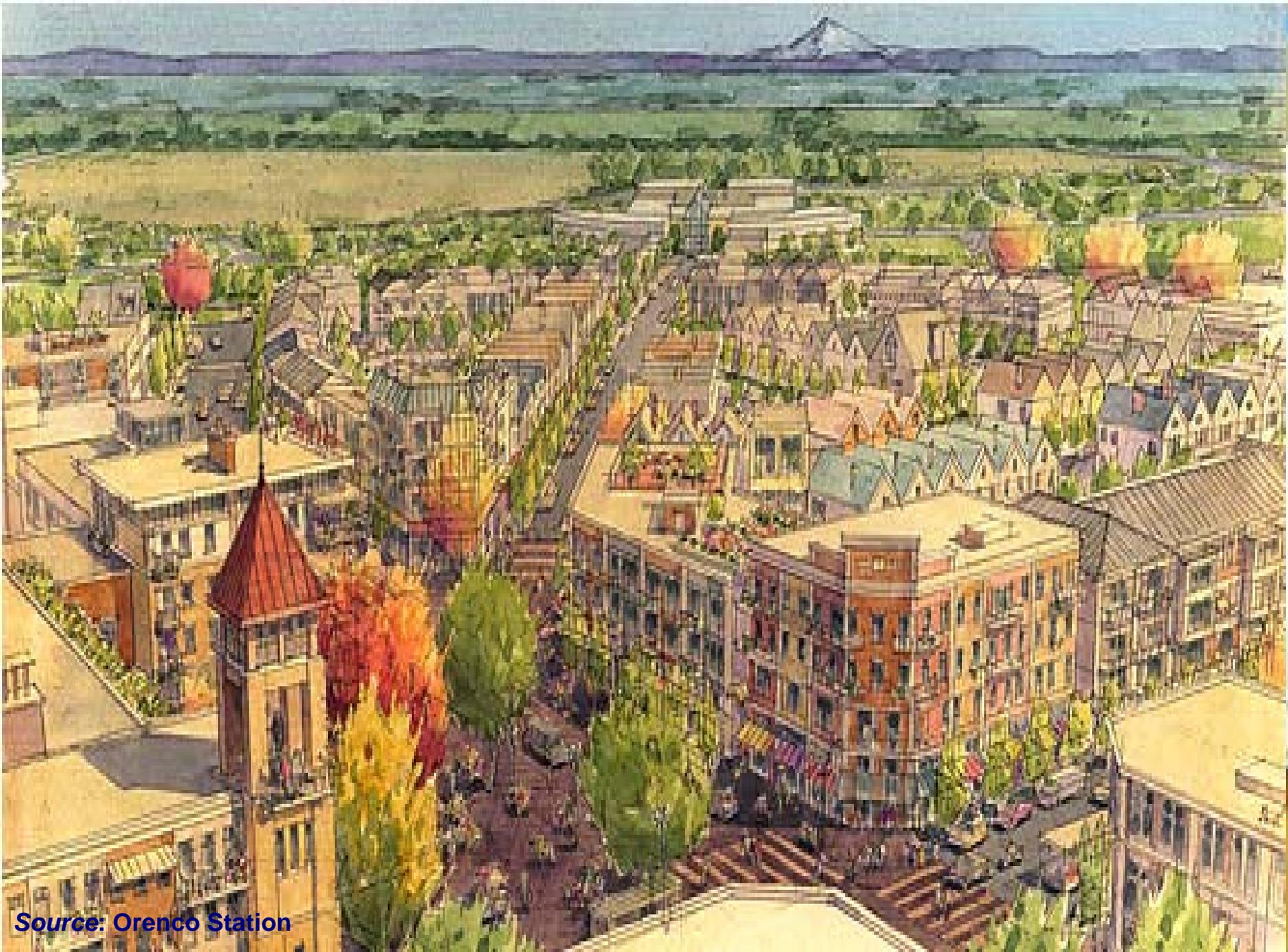
Slide title phrase adapted from Joni Mitchell, *Big Yellow Taxi*, refrain: “Pave over paradise,
put up a parking lot.”

Planned Renewal

- ***Don't fret*** the “big box”
 - Anticipate their ripeness for conversion
 - Streamline processes to facilitate renewal
- ***Use incentives*** to leverage the “right” renewal
 - Tax increment financing, tax abatement, low-interest secured subordinate loans, etc.
 - Leverage long-term rewards with low-risk options
- ***Plan for resilience***
 - The more mixed uses the more resilient
 - The more accessibility the more resilient
 - The more density/intensity the more resilient







Source: Orenco Station



THANK YOU

