

# **Senate Bill 100**

# **40<sup>th</sup> Anniversary**

## ***FUTURE PERSPECTIVE***

**Arthur C. Nelson, Ph.D., FAICP**

**Executive Director, Metropolitan Research Center**

**Director, Master of Real Estate Development**

**University of Utah**

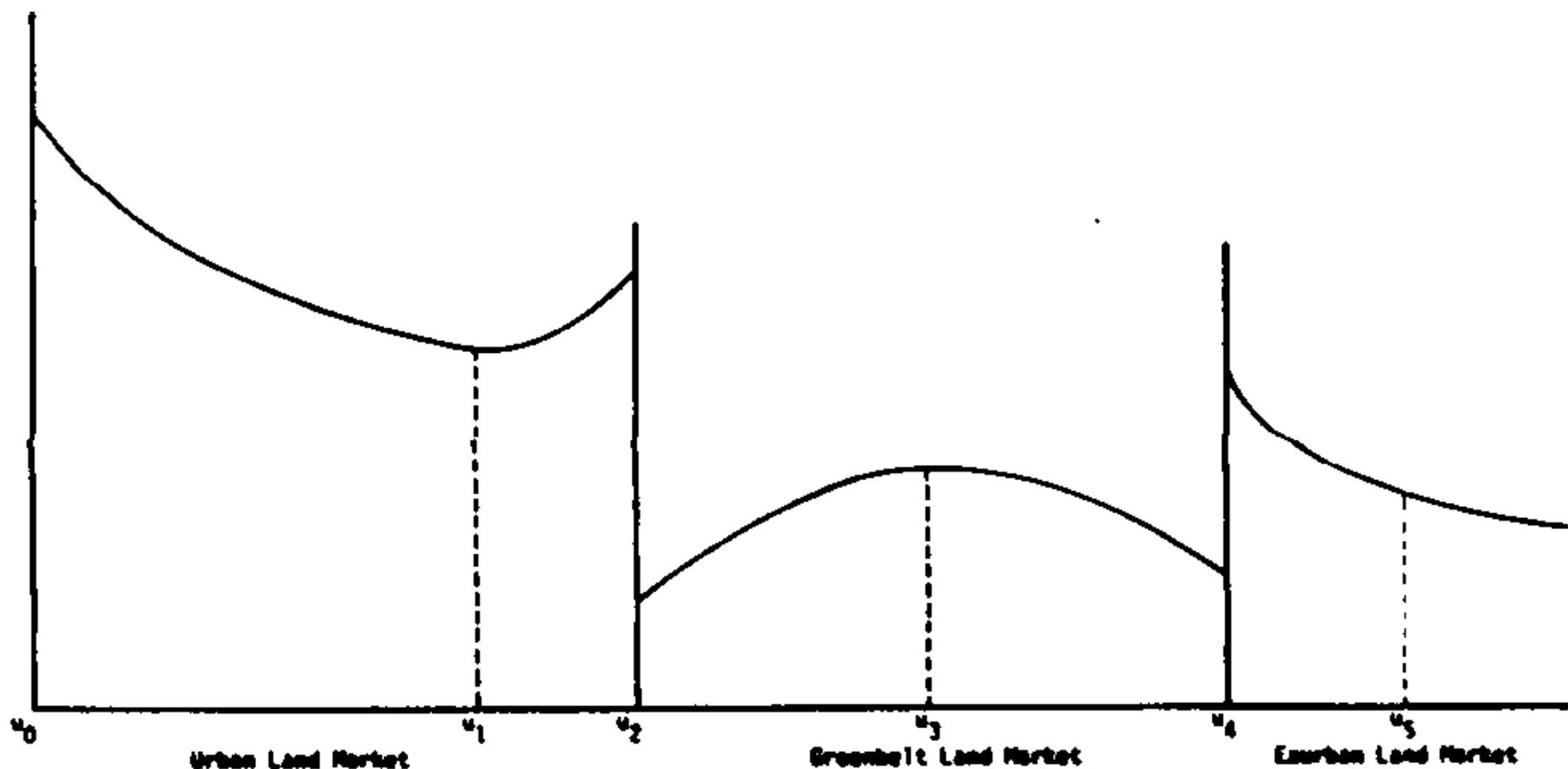
**May 23, 2013**

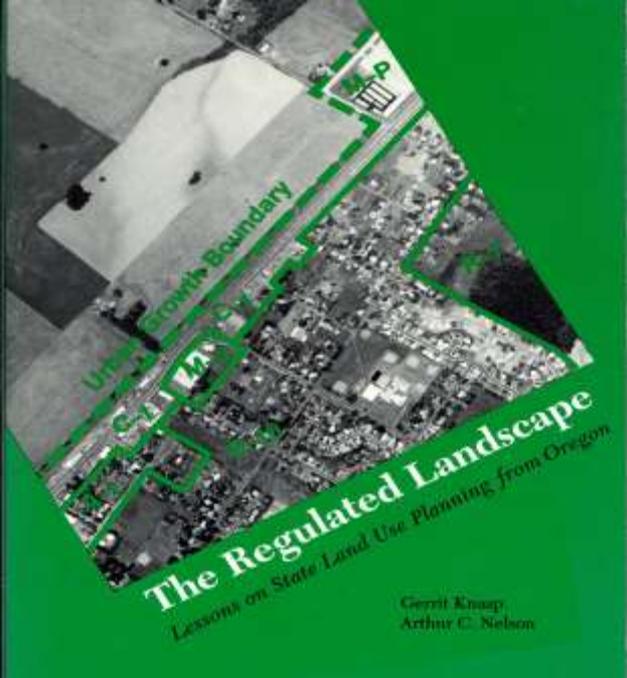
# There at the beginning ...

**Student intern on the Joint Legislative Committee on Land Use, 1972; interviewed local officials on why SB 10 was ineffective. Reason: They needed “political cover” (*the devil made me to it*) to do the right thing.**

**Personally involved in land use litigation such as one leading to courts declaring city charter amendments must be consistent with planning goals.**

**FIGURE 1. THE EFFECT OF GREENBELT POLICIES ON REGIONAL LAND VALUES**





# The Regulated Landscape

Lessons on State Land Use Planning from Oregon

Gerrit Knaap  
Arthur C. Nelson

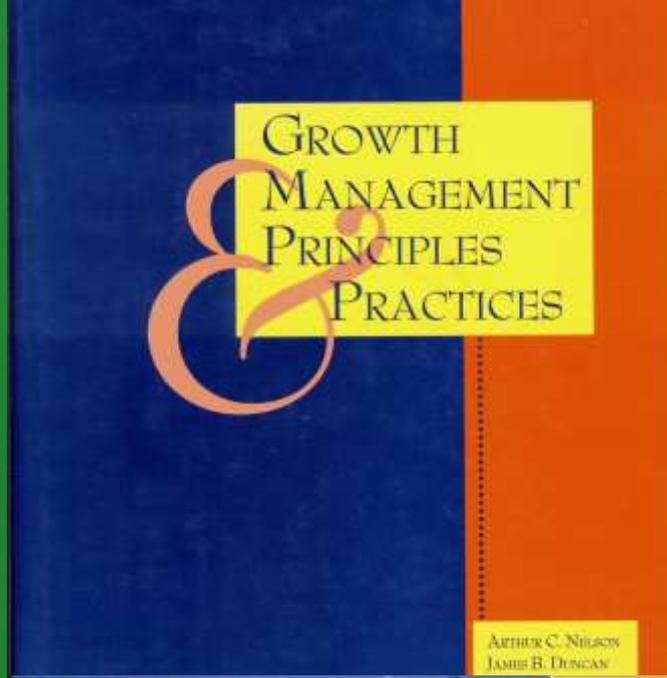


# 土地规划管理

——美国俄勒冈州土地利用规划的经验教训

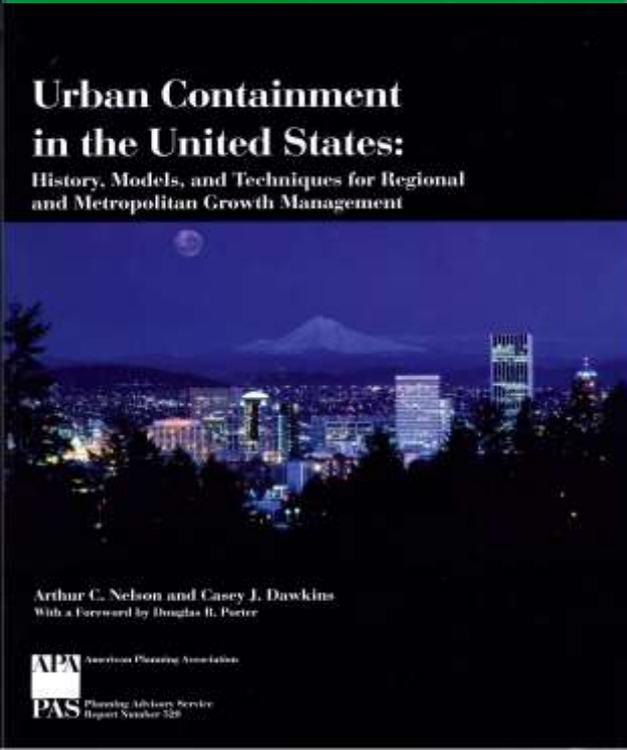
〔美〕 Gerrit Knaap 著  
〔美〕 Arthur C. Nelson 著  
丁晓红 闫金祥 译

中国大地出版社



# GROWTH MANAGEMENT & PRINCIPLES & PRACTICES

ARTHUR C. NELSON  
JAMES B. DUNCAN

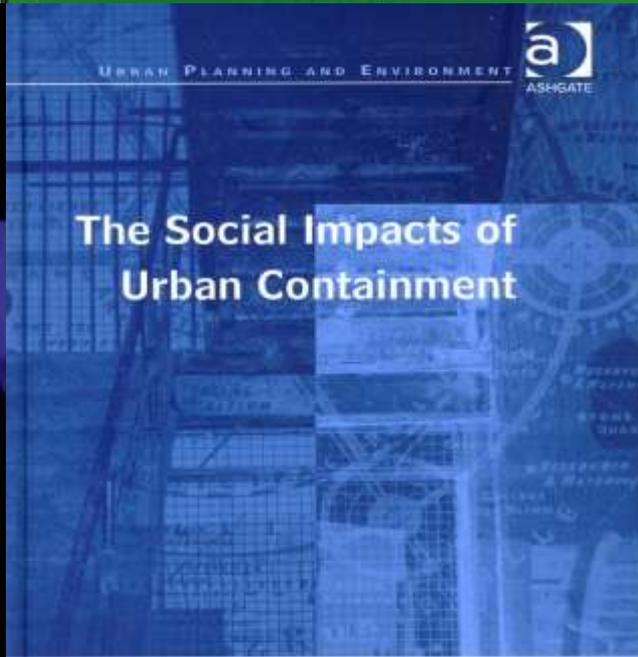


# Urban Containment in the United States:

History, Models, and Techniques for Regional  
and Metropolitan Growth Management

Arthur C. Nelson and Casey J. Dawkins  
With a Foreword by Douglas B. Paster

APA American Planning Association  
PAS Planning Advisory Service  
Report Number 526

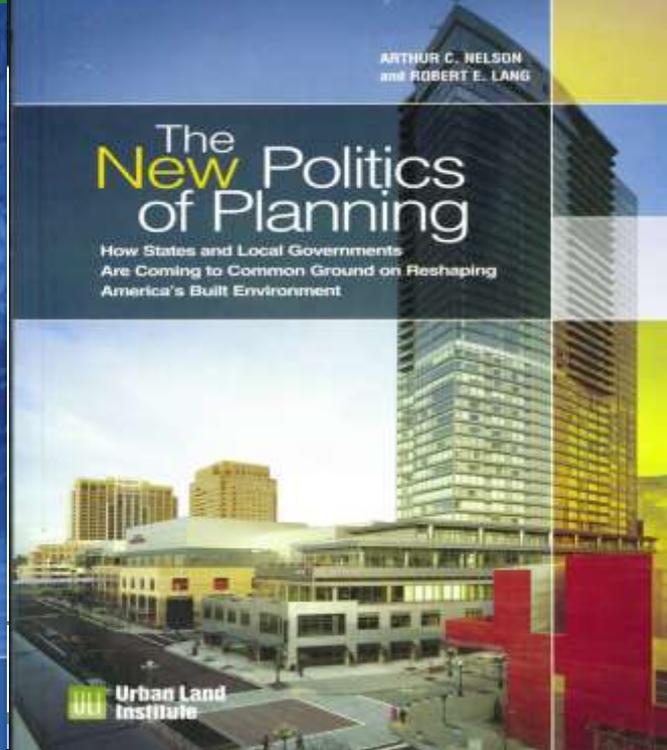


URBAN PLANNING AND ENVIRONMENT



# The Social Impacts of Urban Containment

Arthur C. Nelson, Casey J. Dawkins,  
and Thomas W. Sanchez

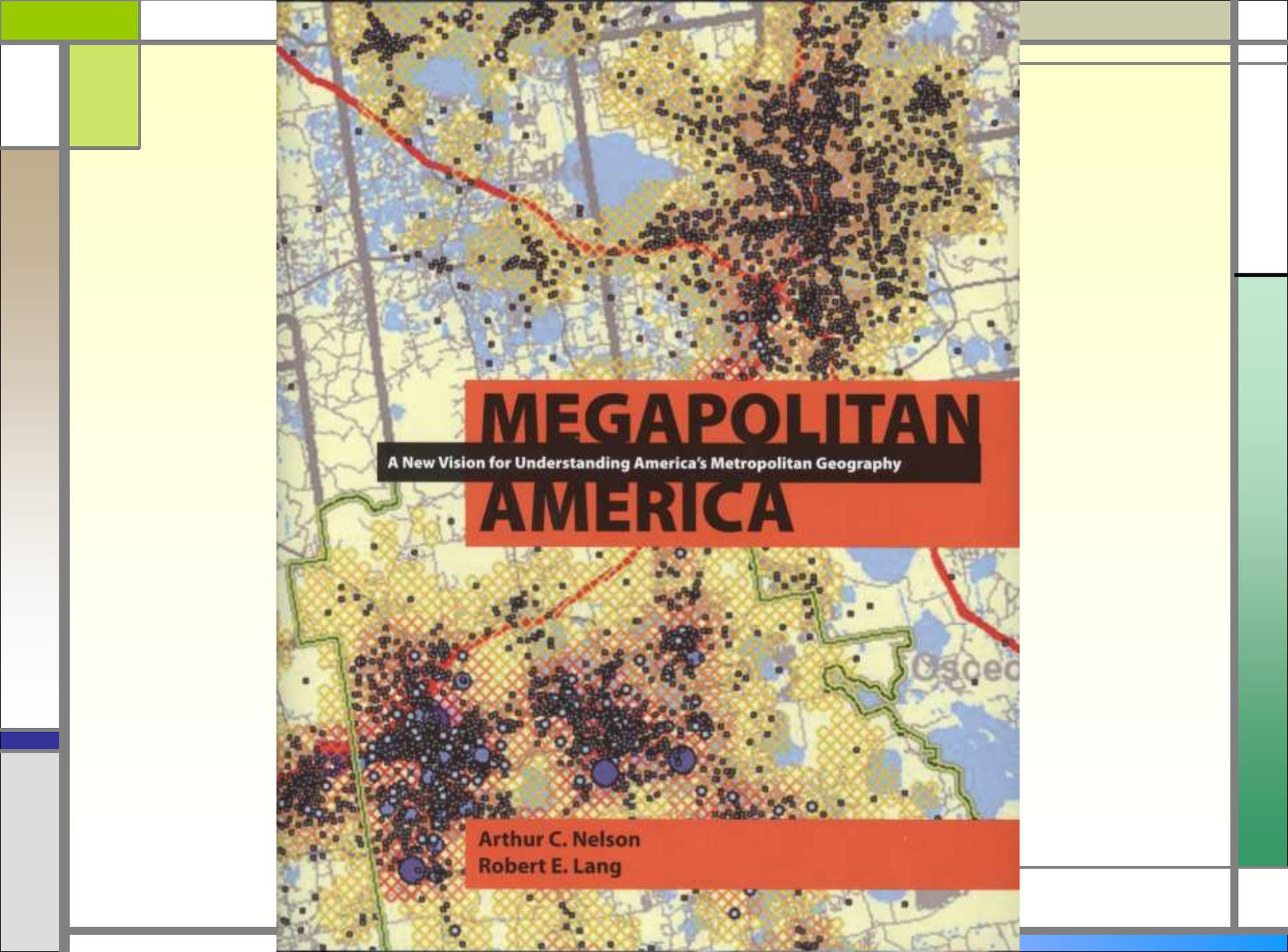


ARTHUR C. NELSON  
and ROBERT E. LANG

# The New Politics of Planning

How States and Local Governments  
Are Coming to Common Ground on Reshaping  
America's Built Environment

Urban Land  
Institute

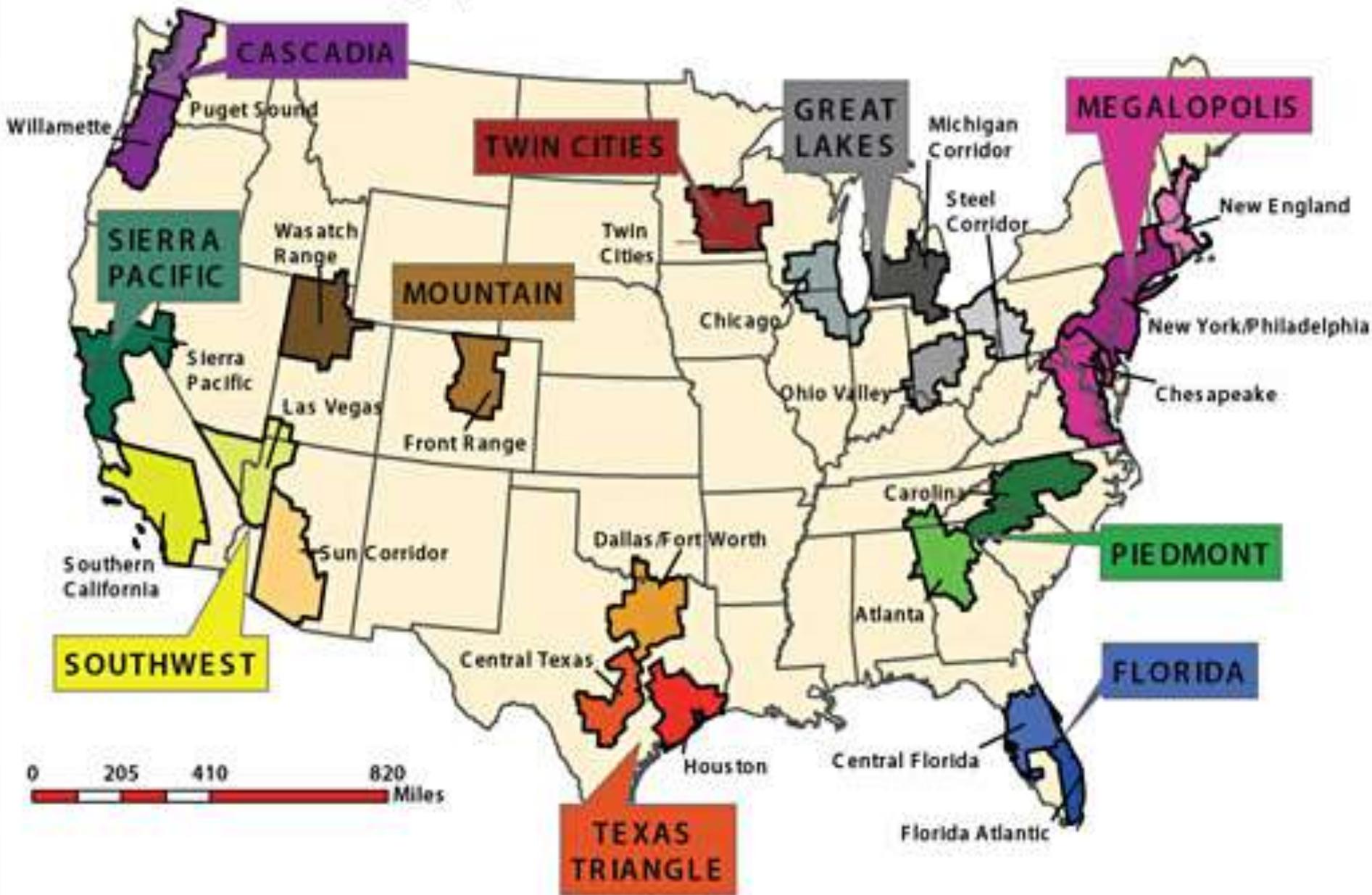


# MEGAPOLITAN AMERICA

A New Vision for Understanding America's Metropolitan Geography

Arthur C. Nelson  
Robert E. Lang

# Megapolitan America/48 States



FOREWORD BY CONGRESSMAN EARL BLUMENAUER

# Reshaping Metropolitan America

*Development Trends  
and Opportunities to 2030*



ARTHUR C. NELSON

# Trends and Preferences

## Trends

- Population, Minority and Senior
- Demand by Household Type and Age
- Ownership Rates
- Development Estimates

## Preferences

- Housing type preferences

# New Housing Market Realities

Sub-prime mortgages are history.

20% down-payments are the new normal.

Meaning

- *Smaller homes → maybe more people per unit*
- *Smaller lots → more attached units*
- *More renters → including doubled-up renters*

# Population Change 2010-2030

Metric	United States	Oregon	Albany-Corvallis-Lebanon	Bend	Eugene-Springfield	Medford	Portland-Hillsboro	Salem
Population 2010	309,350	3,839	202	158	352	203	1,806	392
Population 2030	373,924	4,787	231	249	444	243	2,327	472
Population Change	64,574	948	29	91	92	40	521	80
Percent Change	21%	25%	14%	58%	26%	20%	29%	20%
<b>New Majority Pop Change</b>	<b>55,649</b>	<b>691</b>	<b>17</b>	<b>10</b>	<b>45</b>	<b>26</b>	<b>435</b>	<b>87</b>
White Non-Latino Change	8,925	256	12	81	46	14	85	(7)
<b>New Majority Share</b>	<b>86%</b>	<b>73%</b>	<b>59%</b>	<b>11%</b>	<b>49%</b>	<b>65%</b>	<b>84%</b>	<b>100%</b>

Source: Arthur C. Nelson, *Reshaping Metropolitan America* (2013).

# Population 65+ Change 2010-2030

Metric	United States	Oregon	Albany-Corvallis-Lebanon	Bend	Eugene-Springfield	Medford	Portland-Hillsboro	Salem
Population 65+ 2010	40,331	534	28	24	53	36	204	52
Population 65+ 2030	72,337	980	51	60	104	63	390	84
Population 65+ Change	32,006	446	23	36	51	27	186	32
Population 65+ Percent	79%	84%	82%	150%	96%	75%	91%	62%
<b>65+ as Share of Growth</b>	<b>50%</b>	<b>47%</b>	<b>79%</b>	<b>40%</b>	<b>55%</b>	<b>68%</b>	<b>36%</b>	<b>40%</b>

Source: Arthur C. Nelson, *Reshaping Metropolitan America* (2013).

# Net Change in Households by Type, 2010-2030

Metric	United States	Albany-Corvallis-Lebanon			Eugene-Springfield		Portland-Hillsboro		Salem
		Oregon		Bend		Medford			
HHs w/ Children Change	3,544	48	0	7	3	0	34	5	
HHs w/o Children Change	22,743	359	13	32	37	18	193	29	
Single-Person HHs Change	13,793	207	5	15	18	12	104	17	
Total Households Change	26,287	407	13	39	40	18	227	34	
<b>HHs w/ Children Share</b>	<b>13%</b>	<b>12%</b>	<b>0%</b>	<b>18%</b>	<b>8%</b>	<b>0%</b>	<b>15%</b>	<b>15%</b>	
<b>HHs w/o Children Share</b>	<b>87%</b>	<b>88%</b>	<b>100%</b>	<b>82%</b>	<b>93%</b>	<b>100%</b>	<b>85%</b>	<b>85%</b>	
<b>Single-Person HHs Share</b>	<b>52%</b>	<b>51%</b>	<b>38%</b>	<b>38%</b>	<b>45%</b>	<b>67%</b>	<b>46%</b>	<b>50%</b>	

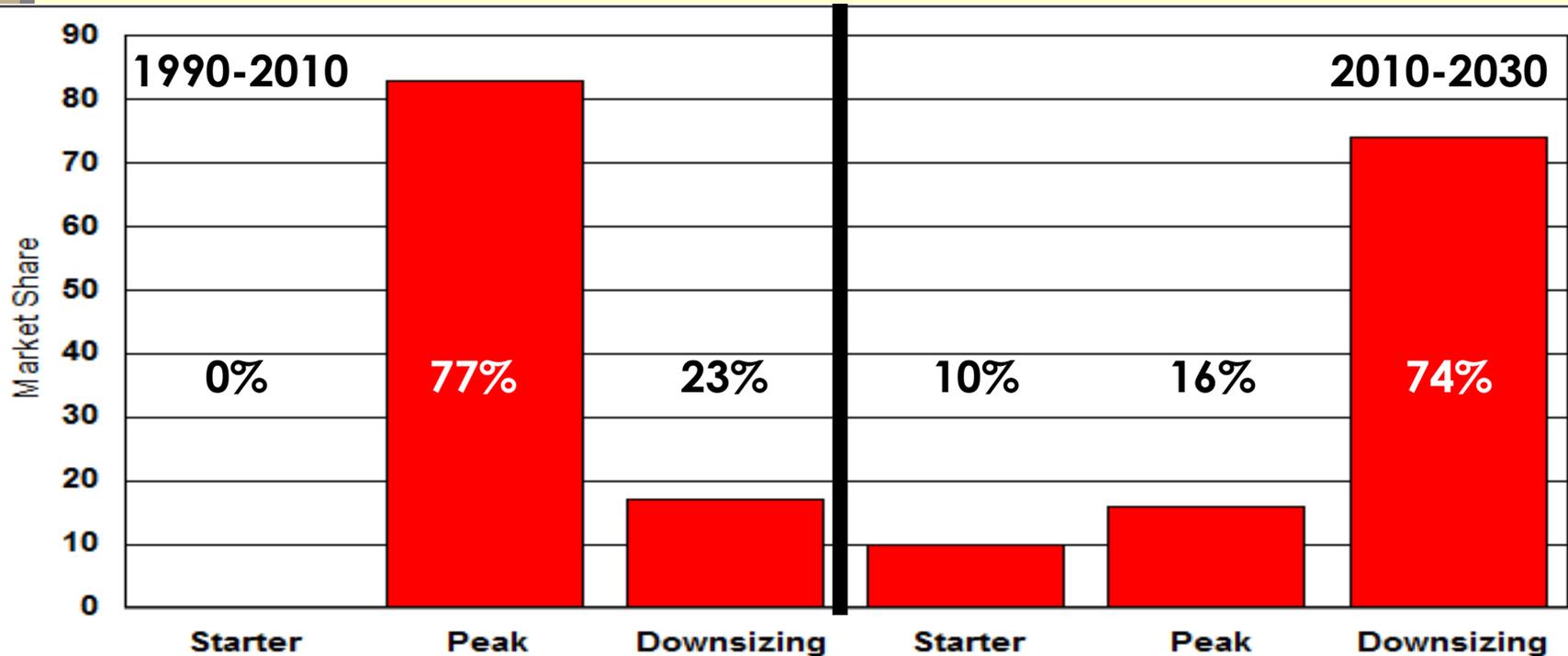
Source: Arthur C. Nelson, *Reshaping Metropolitan America* (2013).

# Net Change in Households by Age, 2010-2030

Metric	United States	Oregon	Albany-Corvallis-Lebanon	Bend	Eugene-Springfield	Medford	Portland-Hillsboro	Salem
<35 Growth Share 1990-2010	0%	9%	5%	14%	12%	8%	13%	10%
<b>35-64 Growth Share 1990-2010</b>	<b>77%</b>	<b>69%</b>	<b>68%</b>	<b>63%</b>	<b>56%</b>	<b>56%</b>	<b>70%</b>	<b>70%</b>
65+ Growth Share 1990-2010	23%	23%	26%	23%	32%	36%	17%	20%
<35 Growth Share 2010-2030	10%	11%	0%	14%	3%	9%	17%	19%
35-64 Growth Share 2010-2030	16%	19%	25%	34%	27%	0%	31%	8%
<b>65+ Growth Share 2010-2030</b>	<b>74%</b>	<b>70%</b>	<b>75%</b>	<b>52%</b>	<b>70%</b>	<b>91%</b>	<b>51%</b>	<b>73%</b>

Source: Arthur C. Nelson, *Reshaping Metropolitan America* (2013).

# What a Difference a Generation Makes

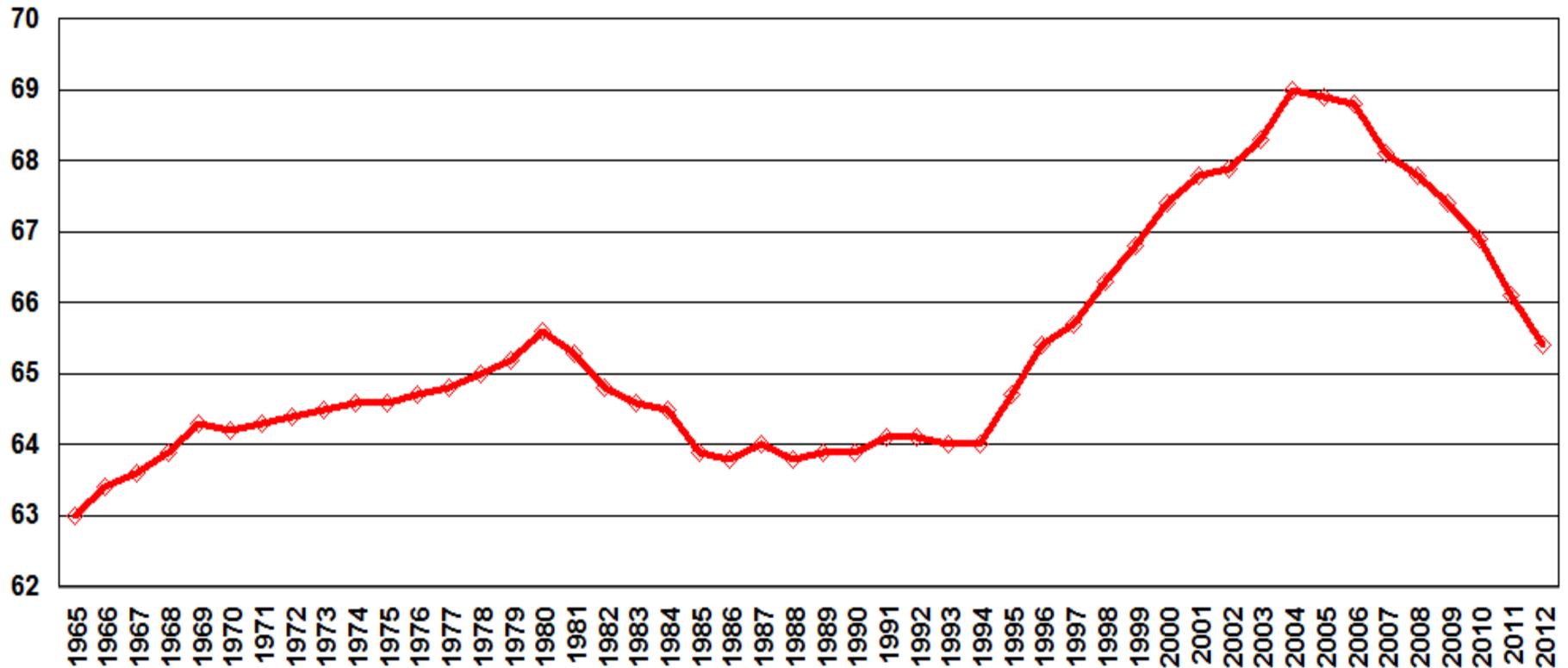


**Distribution of Units Built, United States, 1989-2009**

Type	Volume	Total Share	Detached Share
New Units	24.5		
Detached	20.7	85%	
2500 sf+	6.6	27%	32%
0.5-10 ac	8.7	35%	42%

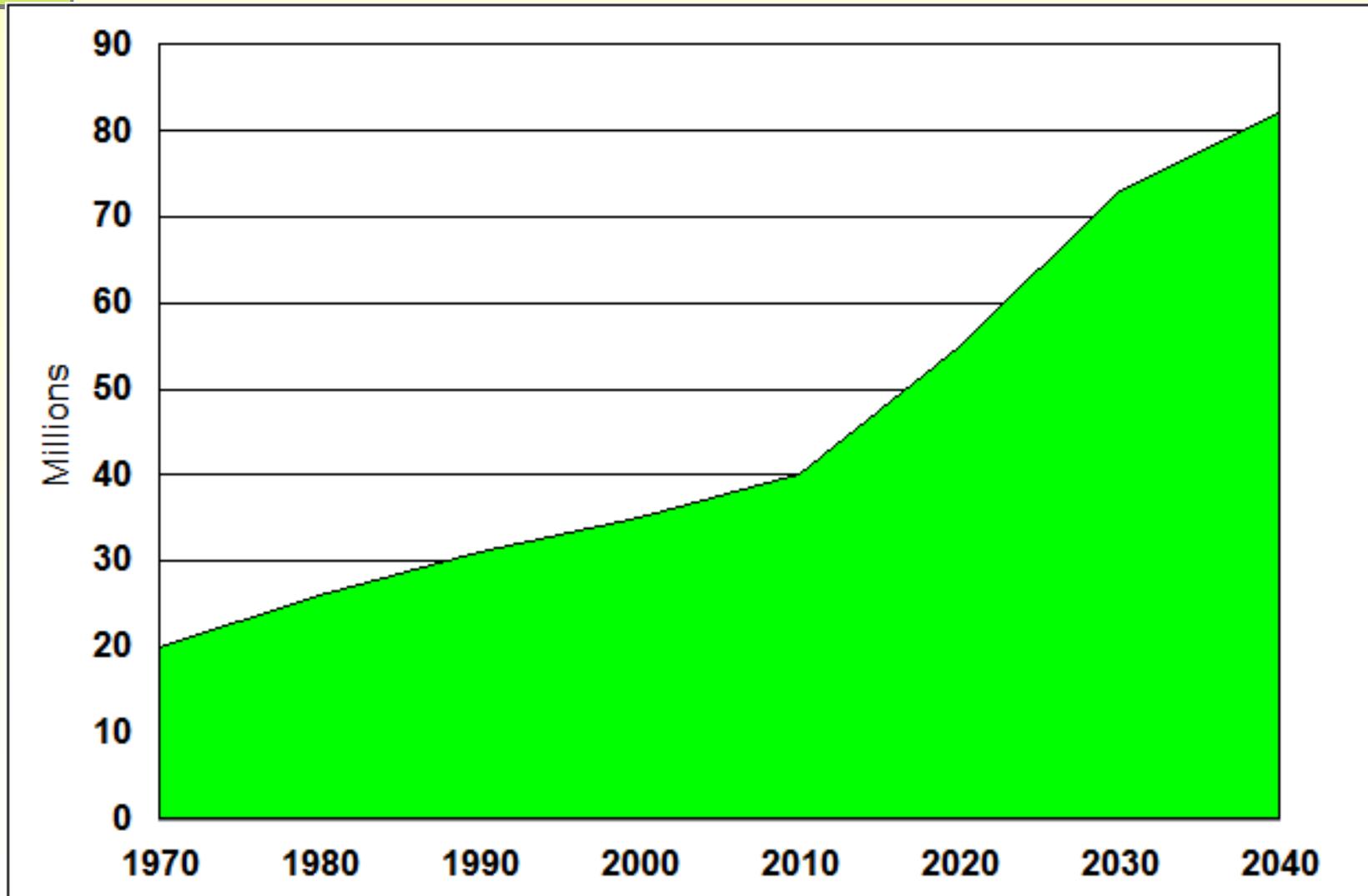
Source: American Housing Survey

# Home Ownership Rates US 1965-2012



Source: Adapted from Census

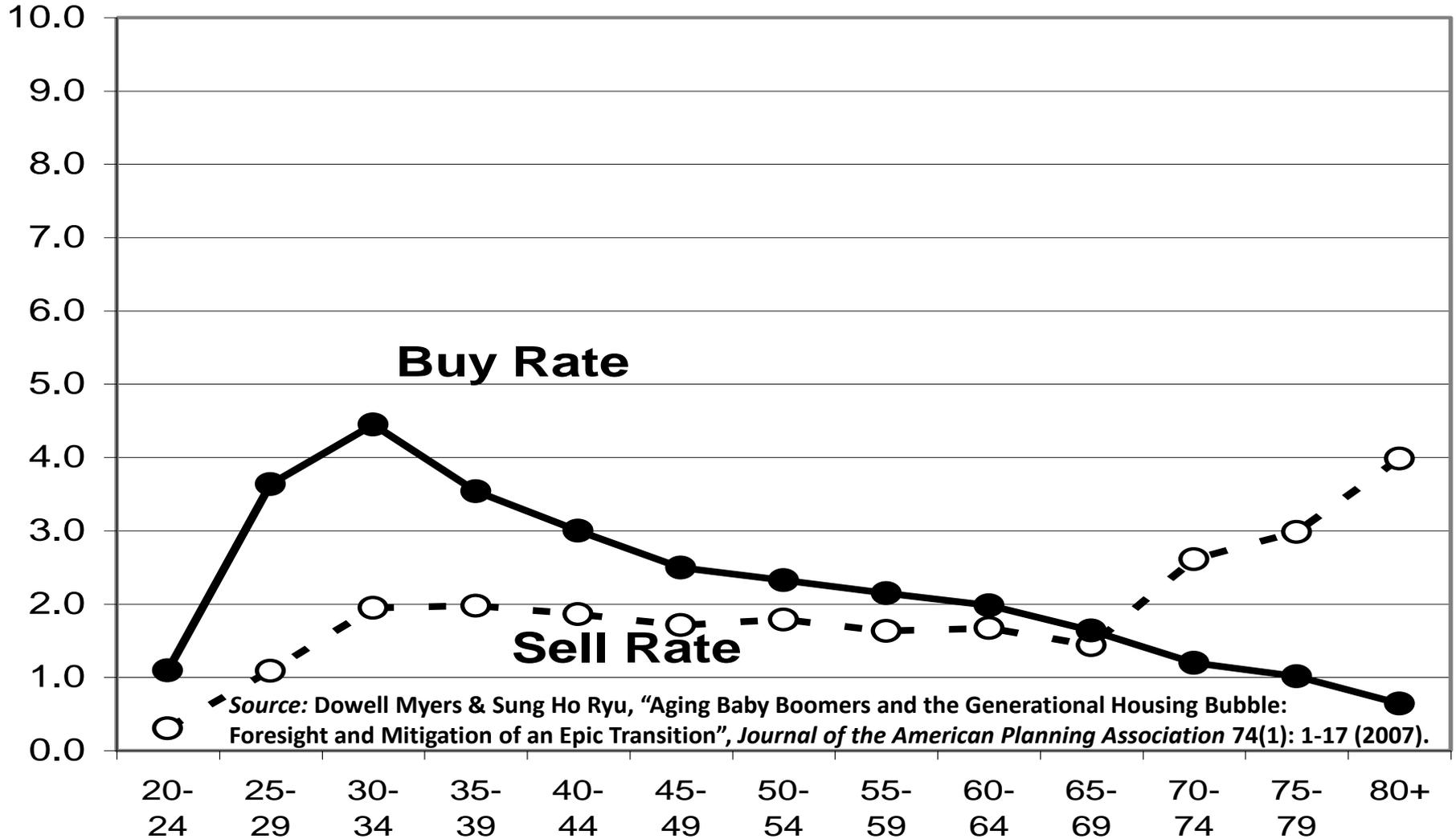
# Number of Seniors 1970-2040



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

# Buy-Sell Rates by 5-Year Age Cohort

AHS



# The Great Senior Sell Off Begins 2016

Householder Age	Owners Who Move Annually	Owner to Renter Percent
All HHs 70+	4.0%	52%
All HHs 75+	3.9%	60%
All HHs 80+	4.1%	68%
All HHs 85+	4.5%	79%

Seniors may be unable to unload **4M+** homes during the 2020s.  
They may “age-in-place” involuntarily.

*Source:* Adapted from American Housing Survey raw data, Metropolitan Research Center, University of Utah

California  
 Alaska  
 Wyoming  
 Montana  
 Washington  
 Hawaii  
 Colorado  
 Oregon  
 Utah  
 Idaho  
 New Mexico  
 Arizona  
 Nevada  
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 Georgia  
 Tennessee  
 North Carolina  
 Arkansas  
 South Carolina  
 Florida  
 Connecticut  
 New York  
 Rhode Island  
 Pennsylvania  
 Maryland  
 Maine  
 New Jersey  
 Massachusetts  
 Vermont  
 New Hampshire  
 Delaware

# THE GREAT SENIOR SELL-OFF 2020

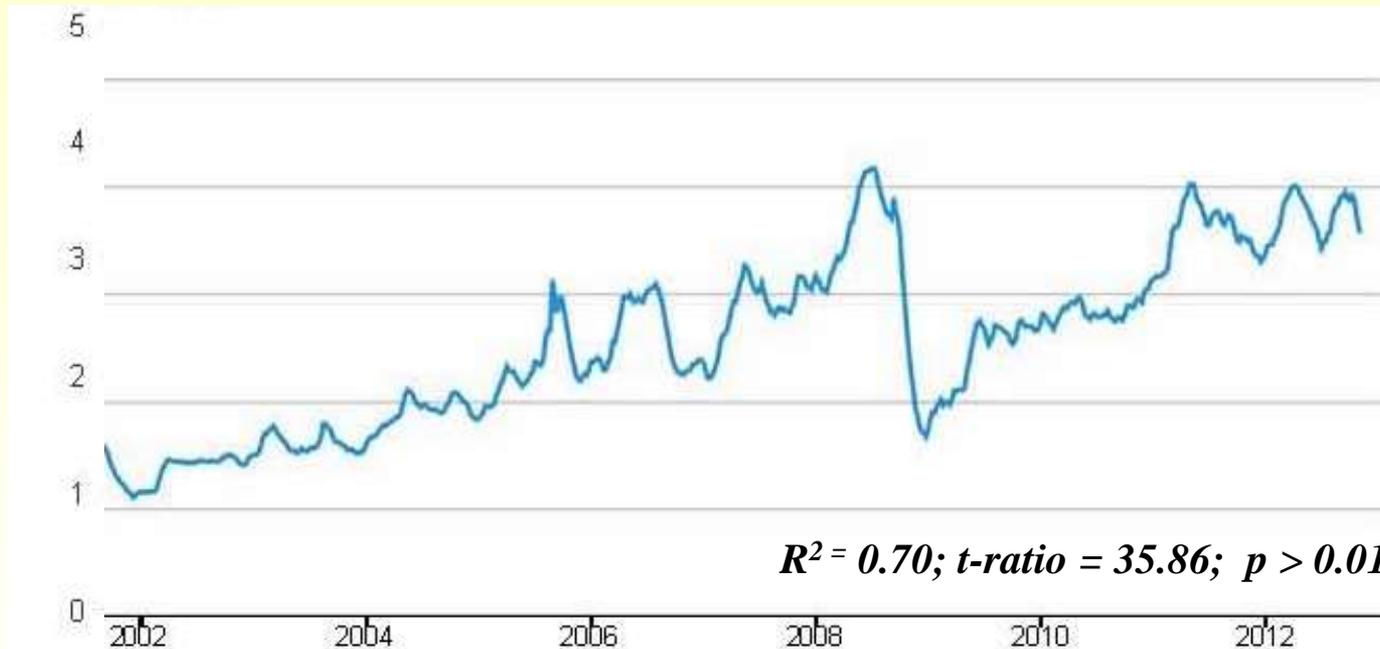
BUY  
 SELL



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.

# Weekly US Gasoline Prices

## *In Nominal Dollars*



2002-2012 gasoline prices rose at 10%+ per year, compounded. At this rate gasoline prices will be →

**\$8+/gallon by 2020**

**~\$15/gallon by 2030**

Source: Adapted from Energy Information Administration (2012).

[http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM\\_EPM0\\_PTE\\_NUS\\_DPG&f=W](http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W)

# Home Ownership Rates 2030

Geography	Owner Rate 2010	Owner Rate 2030 @ Constant 2010 Rates	Owner Rate 2030 @ 95% of 2010 Rates
United States	66%	63%	60%
	<b><i>Renter Share of Growth</i></b>	<b><i>48%</i></b>	<b><i>65%</i></b>

**Notes:** Owner rates in 2030 by ethnicity in 2010 held constant to 2030. Owner rates in 2030 @ 95% assumes underwriting comparable to 1980s and reduced role of GSEs.

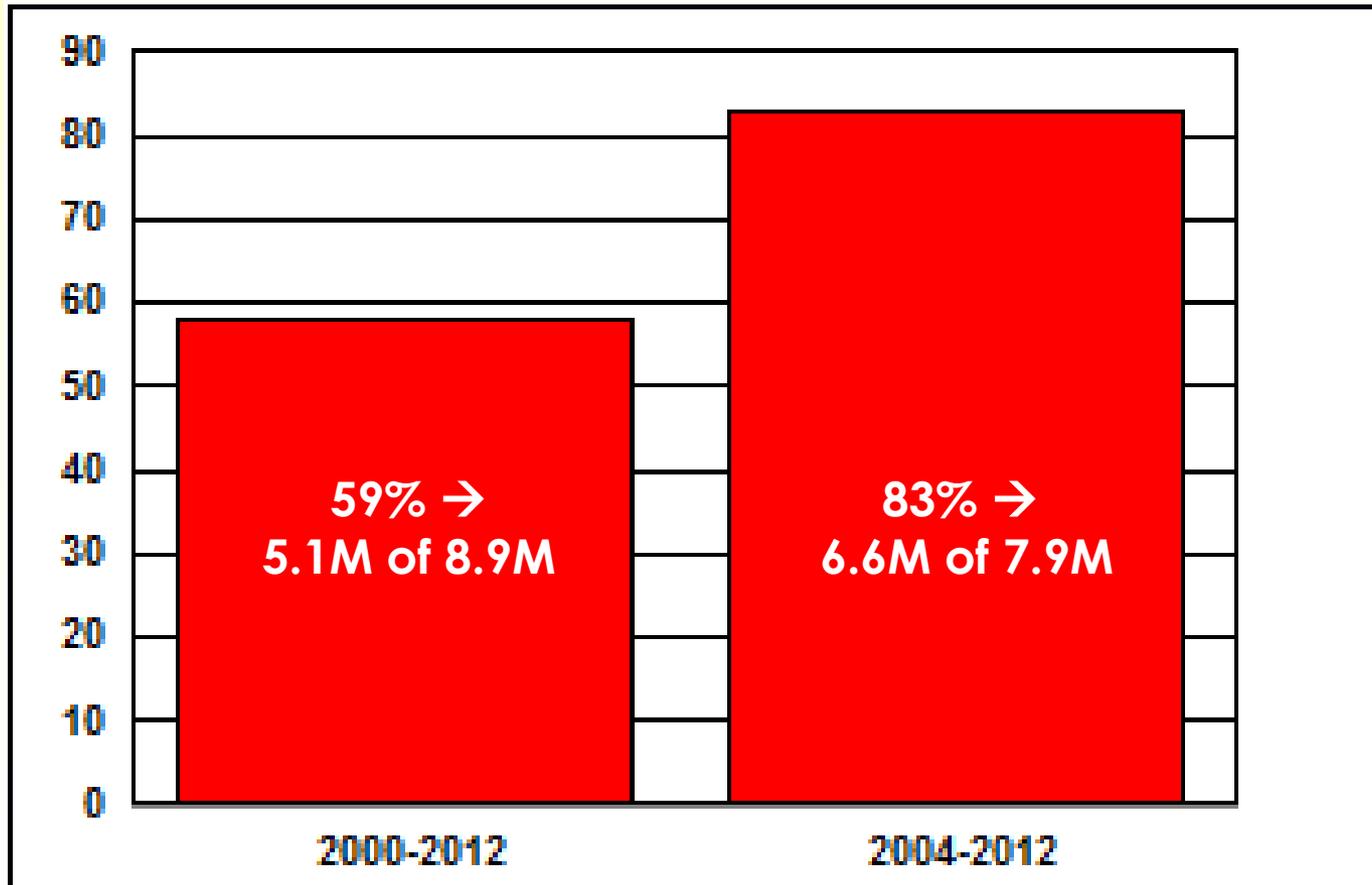
**Source:** Arthur C. Nelson, University of Utah.

# Conservative Ownership Change, 2010-2030

Metric	United States	Oregon	Albany-Corvallis-Lebanon	Bend	Eugene-Springfield	Medford	Portland-Hillsboro	Salem
Ownership Rate, 2010	65.1%	62.2%	61.1%	65.8%	59.8%	62.6%	60.8%	62.1%
Ownership Rate, 2030	63.1%	59.7%	59.3%	65.4%	58.0%	61.0%	57.6%	58.1%
Change in Households	26,287	407	13	39	41	18	227	34
Change in Homeowners	13,558	206	6	25	21	10	109	14
Change in Renters	12,728	201	7	14	20	8	118	20
<b>Renter Share of Change</b>	<b>48%</b>	<b>49%</b>	<b>51%</b>	<b>35%</b>	<b>48%</b>	<b>47%</b>	<b>52%</b>	<b>59%</b>

Source: Arthur C. Nelson, *Reshaping Metropolitan America* (2013).

# Renter Share of Net Change in Occupied Housing Units



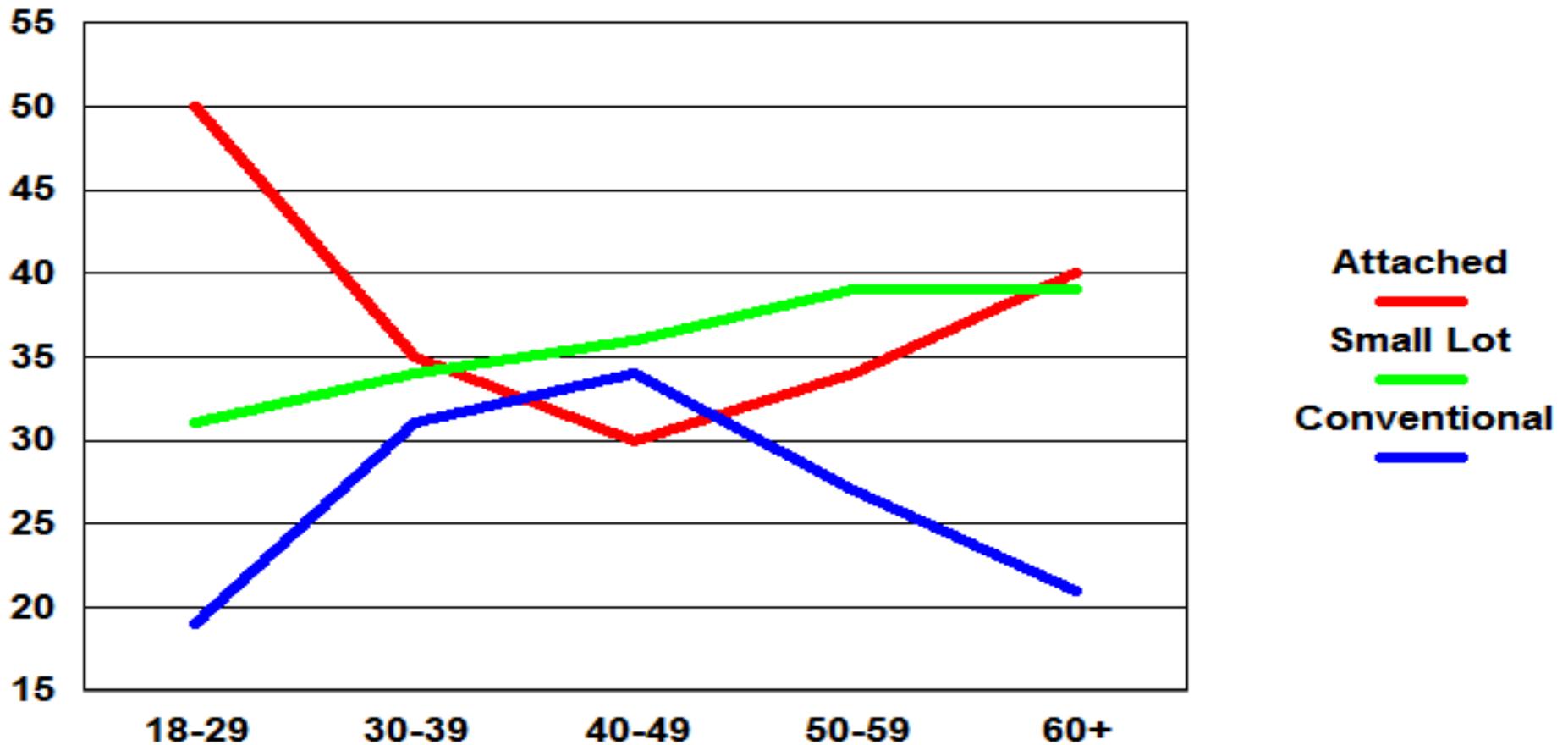
# US Preference Demand vs. Supply

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

*\*Owner demand only*

Source: Nelson (2006), RCLCo (2008), NAR (2011), American Housing Survey (2011)

# Housing Type Preference by Age



Source: National Association of Realtors (2011)

# Age-Based 2030 Demand Compared to 2011 Supply

<b>House Type</b>	<b>2011 Supply</b>	<b>2030 Demand</b>	<b>Difference</b>
Attached	33,957	59,662	25,705
Small Lot	20,384	50,980	30,597
Conventional	60,568	32,589	(27,979)
Total	114,908	143,231	28,323

Source: Arthur C. Nelson. Figures in thousands.



**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.”

# Life-Span of Building

Years

200  
150  
100  
50  
0

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

Retail

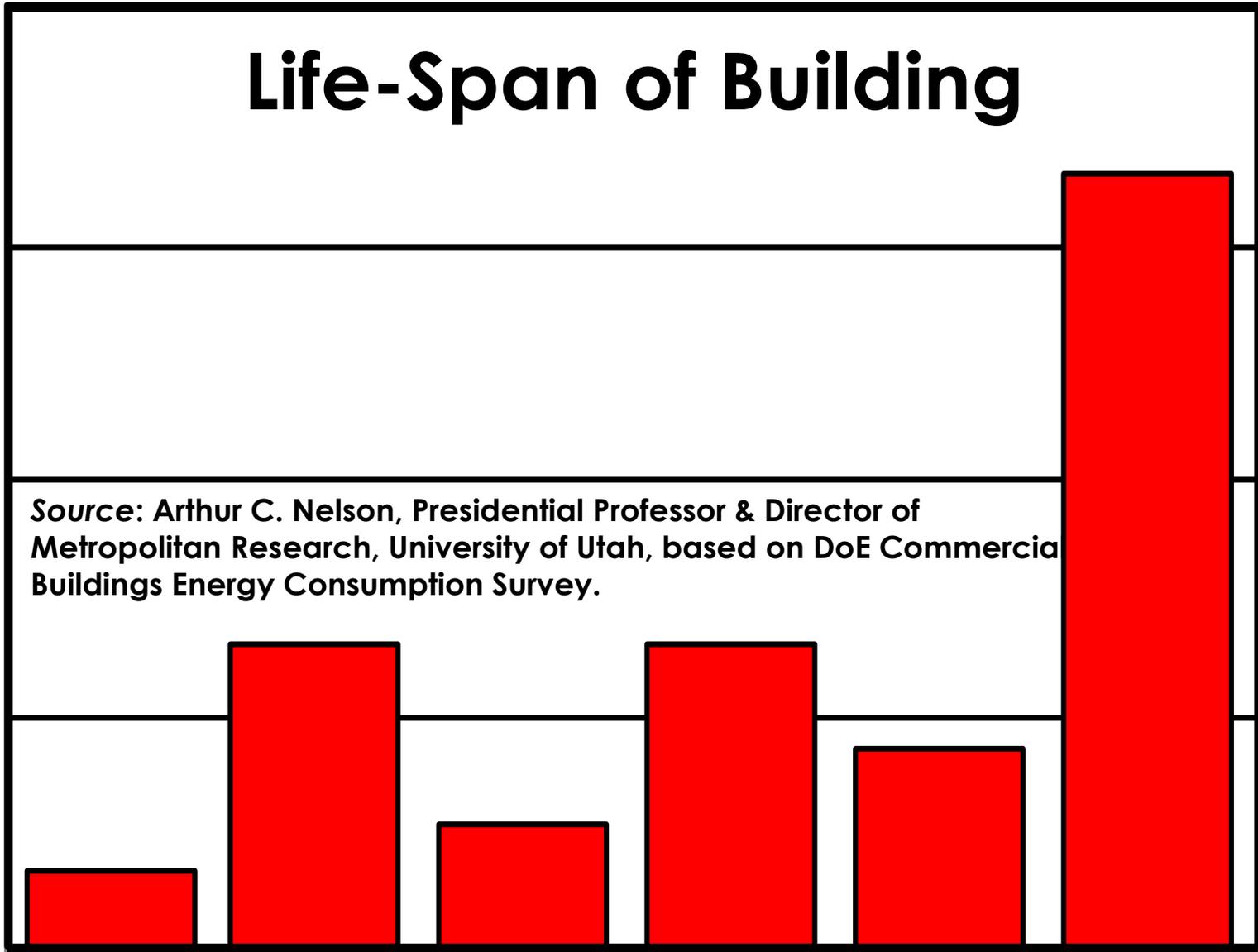
Office

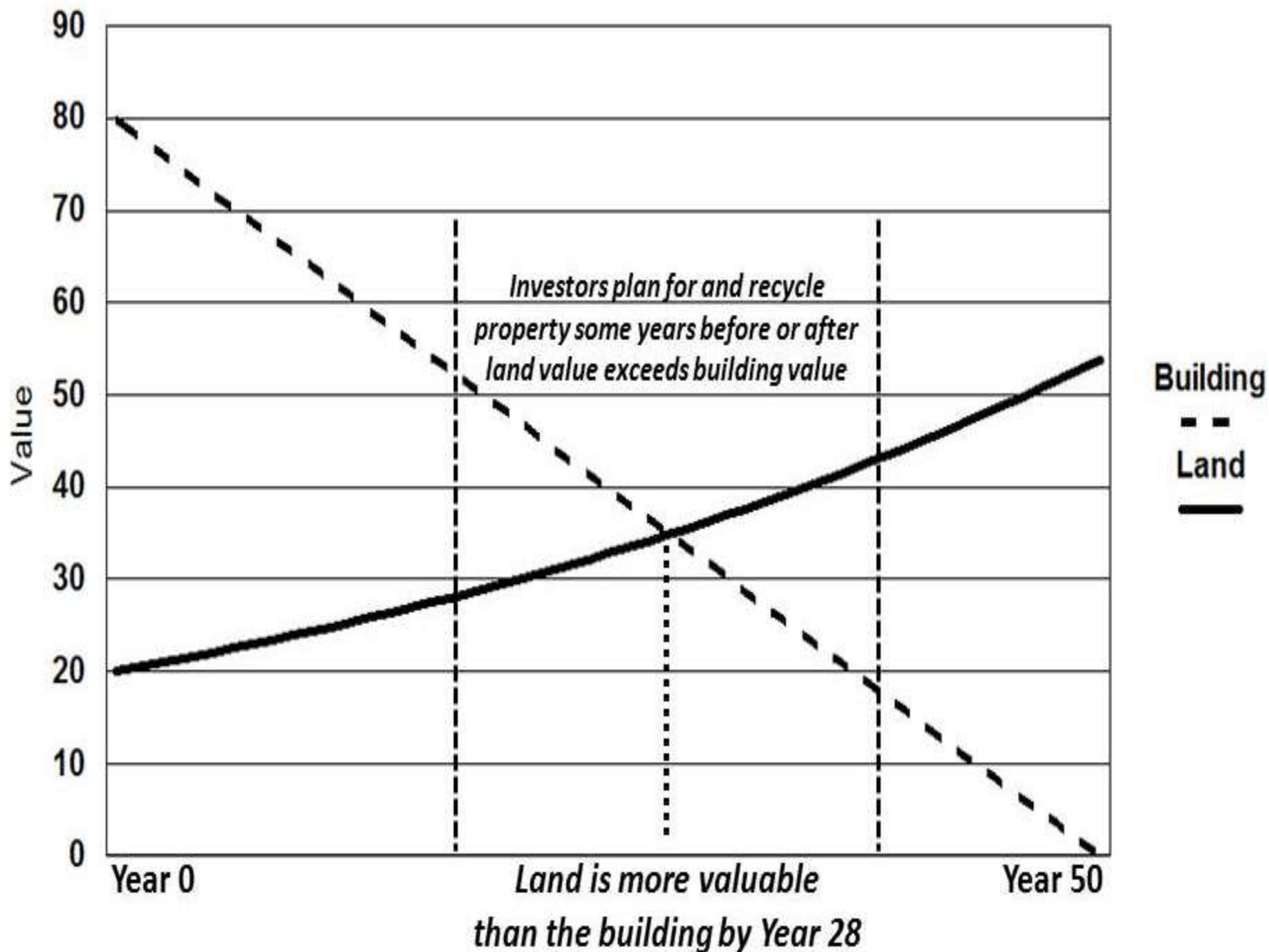
Warehouse

Education

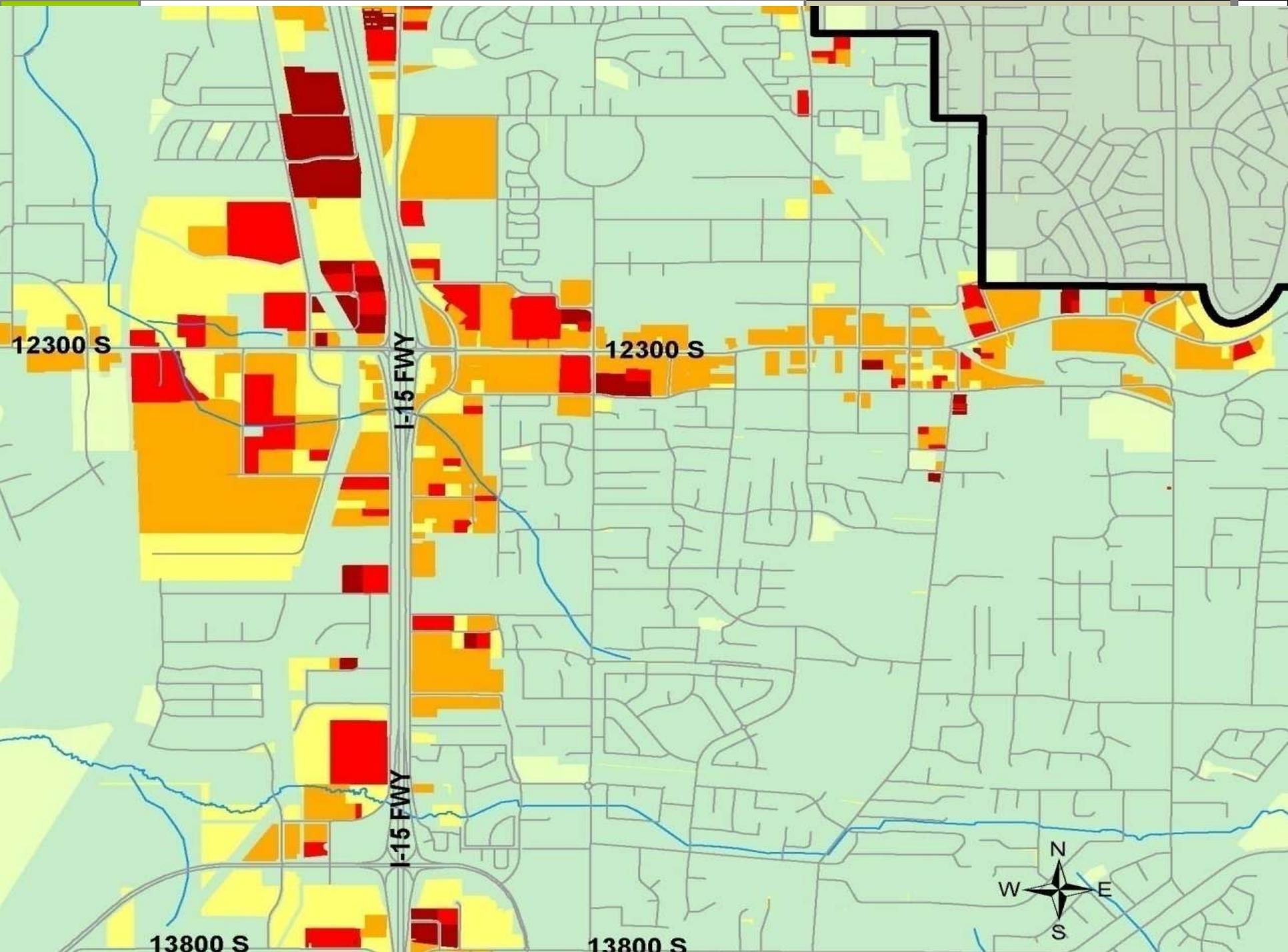
Nonres.

Homes









12300 S

12300 S

13800 S

13800 S

I-15 FWY

I-15 FWY



# Jobs & Nonresidential Development 2010-2030

Metric	United States	Albany-Corvallis-Lebanon			Eugene-Springfield		Portland-Hillsboro		Salem
		Oregon		Bend	Medford				
Jobs 2010 (k)	157,249	1,997	96	82	175	100	1,051	173	
Jobs 2030 (k)	235,799	2,637	125	129	232	128	1,405	222	
Change 2010-30 (k)	78,549	640	29	47	57	28	354	49	
Percent 2010-30 (k)	50%	32%	30%	57%	33%	28%	34%	28%	
Inventory Change (m)	38,261	1,083	51	38	91	53	586	86	
Space Replaced 2010-30 (m)	91,742	722	32	35	65	35	402	56	
Total Space Built 2010-30 (m)	130,003	1,805	83	73	156	88	988	142	
<b>Space Built as Share in 2010</b>	<b>156%</b>	<b>167%</b>	<b>163%</b>	<b>192%</b>	<b>171%</b>	<b>166%</b>	<b>169%</b>	<b>165%</b>	

Source: Arthur C. Nelson, *Reshaping Metropolitan America*, Island Press (2013)

# Pent-Up Nonresidential Demand

*[Figures in square feet]*

<b>Demand 2008-2013</b>	<b>Figure</b>
Average Annual Growth	0.75B
Average Annual Replacement	2.00B
Total Ave. Annual Construction	2.75B
Total Construction Demand	19.25B
<b>Supply 2014-2018</b>	
Total Space Built 2008-2013 (est)	14.50B
Pent-Up Demand	4.75B
2014-2018 Ave. Annual Construction	3.70B
Proportion of Normal	135%

**Source: Arthur C. Nelson.**

# Don't Waste a Once-in-a-Lifetime Opportunity

**20+ of residential mismatch ahead:**

Suburban fringe home values won't return to pre-crash levels soon if ever in most markets.

Demand for small home/small lot and attached products likely unmet to 2020 if not beyond.

**5+ years record nonresidential development:**

Highest returns in urban/close-in suburban infill/redevelopment.

Unparalleled opportunity to reconfigure metropolitan America along transit/transit-ready corridors and nodes.

***All new development could go on existing parking lots and still be less than European suburban density.***

***Thank You***