Growth in the Wasatch Range: Are We Doing It Right?

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Presidential Professor and Director
Metropolitan Research Center
University of Utah

Salt Lake City Rotary Club
May 26, 2009
YES!
Next Question...
Utah Poised for Rebound in 2009

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

Estimated year when excess supply of homes will be substantially depleted and new construction will be needed to meet demand:

- □ 2009
- □ 2010
- □ 2011
- □ 2012 or later

Source: Arthur C. Nelson, director of metropolitan research, University of Utah

By Julie Snider, USA TODAY
## Population Growth 2005-2040

<table>
<thead>
<tr>
<th>Area</th>
<th>2005</th>
<th>2040</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch</td>
<td>2.2M</td>
<td>4.2M</td>
<td>2.0M</td>
<td>90%</td>
</tr>
<tr>
<td>Utah</td>
<td>2.6M</td>
<td>5.2M</td>
<td>2.6M</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Numbers may not add or calculate due to rounding. Figures adapted from 2008 Economic Report to the Governor, Governor’s Office of Planning and Budget.*
### Residential Units 2005-2040

<table>
<thead>
<tr>
<th>Area</th>
<th>2005</th>
<th>Growth</th>
<th>Replaced</th>
<th>Total</th>
<th>%’05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch</td>
<td>650k</td>
<td>720k</td>
<td>140k</td>
<td>840k</td>
<td>130%</td>
</tr>
<tr>
<td>Utah</td>
<td>920k</td>
<td>920k</td>
<td>180k</td>
<td>1.1M</td>
<td>120%</td>
</tr>
</tbody>
</table>

*Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Numbers may not add or calculate due to rounding. Figures based on residential units per capita 2000 adjusted for declining household size, plus loss factor based on census analysis.*
<table>
<thead>
<tr>
<th>Area</th>
<th>2005</th>
<th>2040</th>
<th>Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch</td>
<td>1.3M</td>
<td>2.5M</td>
<td>1.2M</td>
<td>90%</td>
</tr>
<tr>
<td>Utah</td>
<td>1.5M</td>
<td>2.9M</td>
<td>1.4M</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Numbers may not add or calculate due to rounding. Employment includes full- and part-time jobs as defined by BEA.
## Nonresidential Space 2005-2040

<table>
<thead>
<tr>
<th>Area</th>
<th>2005</th>
<th>Growth</th>
<th>Rebuilt</th>
<th>Total</th>
<th>%’05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch</td>
<td>600M</td>
<td>600M</td>
<td>1.0B</td>
<td>1.6B</td>
<td>270%</td>
</tr>
<tr>
<td>Utah</td>
<td>700M</td>
<td>800M</td>
<td>1.1B</td>
<td>1.9B</td>
<td>270%</td>
</tr>
</tbody>
</table>

*Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Numbers may not add or calculate due to rounding.*
**Bottom Line Construction**

**Wasatch Range 2005-2040**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$300 Billion</td>
</tr>
<tr>
<td>Nonresidential</td>
<td>$200 Billion</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$100 Billion</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$600 Billion</strong></td>
</tr>
</tbody>
</table>

*Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah.*
# Households are Changing

<table>
<thead>
<tr>
<th>Household Type</th>
<th>1960</th>
<th>2000</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH with Children</td>
<td>48%</td>
<td>33%</td>
<td>26%</td>
</tr>
<tr>
<td>HH without Children</td>
<td>52%</td>
<td>67%</td>
<td>74%</td>
</tr>
<tr>
<td>Single/Other HH</td>
<td>13%</td>
<td>29%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Utah</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH with Children</td>
<td>47%</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>HH without Children</td>
<td>53%</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Single/Other HH</td>
<td>18%</td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.*
People Turning 65 Each Year

[Figures in 000s]

### Share of Growth 2000-2040

<table>
<thead>
<tr>
<th>US HH Type</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>With children</td>
<td>14%</td>
</tr>
<tr>
<td>Without children</td>
<td>86%</td>
</tr>
<tr>
<td><strong>Single/Other</strong></td>
<td>30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utah</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>With children</td>
<td>25%</td>
</tr>
<tr>
<td>Without children</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Single/Other</strong></td>
<td>25%</td>
</tr>
</tbody>
</table>

*Source: Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.*
“New Urbanity” Preferences

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 >10% to <5%

**Meaning**
- Smaller homes
- Smaller lots
- More renters
Importance of Community Attributes

1. Housing type (23-26%)
2. Neighborhood age/life stage mix (20-24%)
3. Public transportation options (12-14%)
4. Type of community (12-15%)
5. Size of yard (11-12%)
6. Open space (9-11%)
7. Architectural design (5-6%)

Source: Adapted from Harris Interactive for Envision Utah
Preferred Community Attributes

- **Housing type**: Mix of single family homes & town homes
- **Neighborhood age/life stage mix**: Mix of ages & stages
- **Public transportation options**: Bus, Rail, TRAX
- **Type of community**: Village
- **Lot size**: Variety of lot sizes
- **Open space**: Active & passive
- **Architecture**: Distinctive

*Source: Envision Utah based on Harris Interactive*
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*
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 1/3rd 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.
Day Break = 11,000 people per square mile.
Orenco Station = 15,000 per sq.mi
Corridor Opportunities

Station Area Opportunities
Transit Oriented Development Template
10-minute walk or about 1500-2000 feet
*The speed of a saunter or a walk-in-the-park.*

### District Boundary Definitions in TOD Ordinances

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Distance of District Boundary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle, WA</td>
<td>¼-mile radius from LRT station</td>
</tr>
<tr>
<td>Hillsboro, OR</td>
<td>1,300-ft radius from LRT station</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>¼-mile radius from LRT station</td>
</tr>
<tr>
<td>Washington County, OR</td>
<td>½-mile radius from LRT station; ¼ mile radius from primary bus routes</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>2,000-ft radius from transit stop</td>
</tr>
</tbody>
</table>

*Source: Community Design + Architecture (2001)*
Rethink TOD Planning Areas

10-minute business walk = 1km

Home Ownership Demand Shift

Utah ownership in 2000s = 70%
Ownership may fall to 65%, or less, by 2020
Utah owner/renter split after 2015
65% owner    Could be 62%
35% renter    Could be 38%
Utah new construction to 2015:
67% renter-occupied    Could be 75%
33% owner-occupied    Could be 25%
Utah new construction to 2020:
50% renter-occupied    Could be 67%
50% owner-occupied    Could be 33%

Source: Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research, University of Utah.
So, how are we doing?

- We’re coming to grips with growth.
- We’re coming to grips with big changes.
- We understand “density” is not a four-letter word.
- We’re the envy of the nation with multiple transit backbones in place and expanding.
- We’re already doing corridor planning.
- We’re recognizing the opportunities presented rail station-area planning and markets.
- But will this be enough?
THANK YOU