MORPC
Commission Meeting

February 13, 2014

Providing the

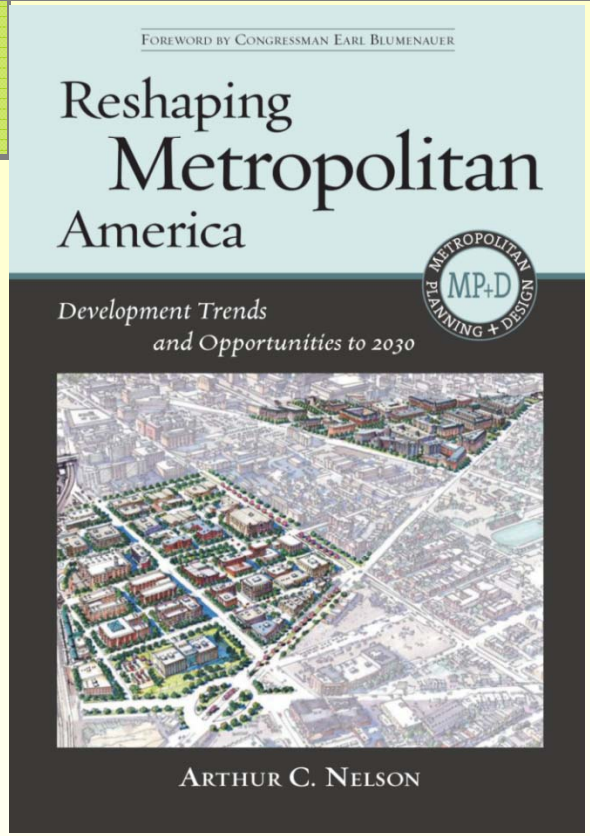
important information

needed to help communities

make data-informed decisions about their future growth and development

Preparing for our Region's Future

- Planners and local decision makers tend to Extrapolate
- OK if future likely to be "Business as Usual"
- If not, consequences of being unprepared include:
  - Planning for the "wrong" future
  - Wasted public and private investments (esp. infrastructure)
  - Reduction in our Region's Economic competitiveness
- As public officials, we need to make decisions based upon the best data available
- SGWC identified the need for certain types of critical, ongoing, reliable regional data and analysis to assist local decision makers
- Among the most important to our Growth and Development:
  - Population/demographics
  - Housing and household formation



Arthur C. Nelson, Ph.D., FAICP
Executive Director,
Metropolitan Research Center
Director, Master of Real Estate Development
University of Utah
January 22, 2014

There will be important changes between 2010 and 2040:

- About one-third of the change in population between 2010 and 2040 will be attributable to seniors.
- The "new majority" (comprising all racial and ethnic minorities) will account for nearly all the growth.
- Between 2010 and 2040, households with children will make up about one-fourth of the total household change.
- Single-person households will account for more than half the total change.

As seen in Figure B:

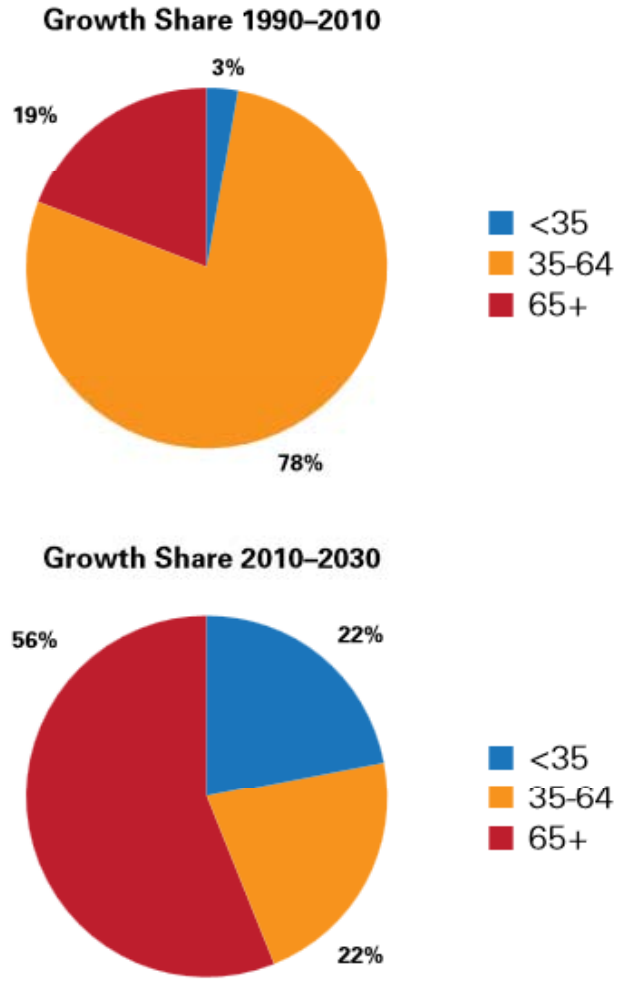
- Between 1990 and 2010, households in their peak housing demand years (with residents between 35 and 64 who want larger homes on larger lots) accounted for about 78 percent of the growth in housing demand. But from 2010 to 2030, that same group will account for just 22 percent of the growth in housing demand.
- From 1990 to 2010, downsizing households (with residents 65 and older who want smaller homes on smaller lots or attached options) made up 19 percent of new housing demand, but over the next 20 years they will account for 56 percent of the demand share.

Table 1.1: Columbus MSA Projections to 2030 and 2040
[Figures in thousands]

Metric	United States	Ohio	Columbus MSA	Rest of Ohio
Population 2010	309,350	11,536	1,841	9,696
Population 2030	373,924	11,615	2,148	9,467
Population Change, 2010–2030	64,574	79	307	(229)
Percent Population Change, 2010-2030	21%	1%	17%	–2%
Population 2040	406,417	11,679	2,302	9,377
Population Change, 2010–2040	97,067	143	461	(319)
Percent Population Change, 2010–2040	31%	1%	25%	–3%

Source: U.S. Census, State of Ohio, Woods & Poole.

Figure B: Growth share by householder age, 1990–2010 and projected for 2010–2030



Source: Arthur C. Nelson.

Net Change in Households by Age, 2010-2040

Metric	United States	Ohio	Columbus MSA	Rest of Ohio
Change in Household Growth by Age, 1990-2010				
Household Change	24,629	503	189	314
HHs <35 Share (Starter)	0%	0%	3%	0%
HHs 35-64 Share (Peak Space)	**78%**	**78%**	**79%**	**77%**
HHs 65+ Share (Downsizing)	**22%**	**22%**	**19%**	**23%**
Change in Household Growth by Age, 2010-2030				
Household Change	26,287	441	196	245
HHs <35 Share (Starter)	11%	3%	22%	0%
HHs 35-64 Share (Peak Space)	**14%**	**0%**	**22%**	**0%**
HHs 65+ Share (Downsizing)	**75%**	**97%**	**56%**	**100%**
Change in Household Growth by Age, 2010-2040				
Household Change	35,226	461	259	202
HHs <35 Share (Starter)	17%	12%	26%	2%
HHs 35-64 Share (Peak Space)	**29%**	**0%**	**31%**	**0%**
HHs 65+ Share (Downsizing)	**55%**	**88%**	**44%**	**98%**

***Source*: Arthur C. Nelson**

Net Change in Households by Type, 2010-2040

Metric	United States	Ohio	Columbus MSA	Rest of Ohio
Baseline, 2010				
Households with Children	34,814	1,293	219	1,074
Households w/o Children	82,131	3,310	506	2,804
Single-Person Households	31,264	1,329	206	1,123
Household Growth by Type, 2010-2030				
Household Growth	26,287	78	133	-55
HHs with Children Share	**13%**	**0%**	**13%**	**0%**
HHs w/o Children Share	**87%**	**100%**	**87%**	**100%**
Single-Person HH Share	**53%**	**100%**	**63%**	**100%**
Household Growth by Type, 2010-2040				
Household Growth	35,226	-12	174	-186
HHs with Children Share	**19%**	**0%**	**20%**	**0%**
HHs w/o Children Share	**81%**	**100%**	**80%**	**100%**
Single-Person HH Share	**44%**	**100%**	**55%**	**100%**

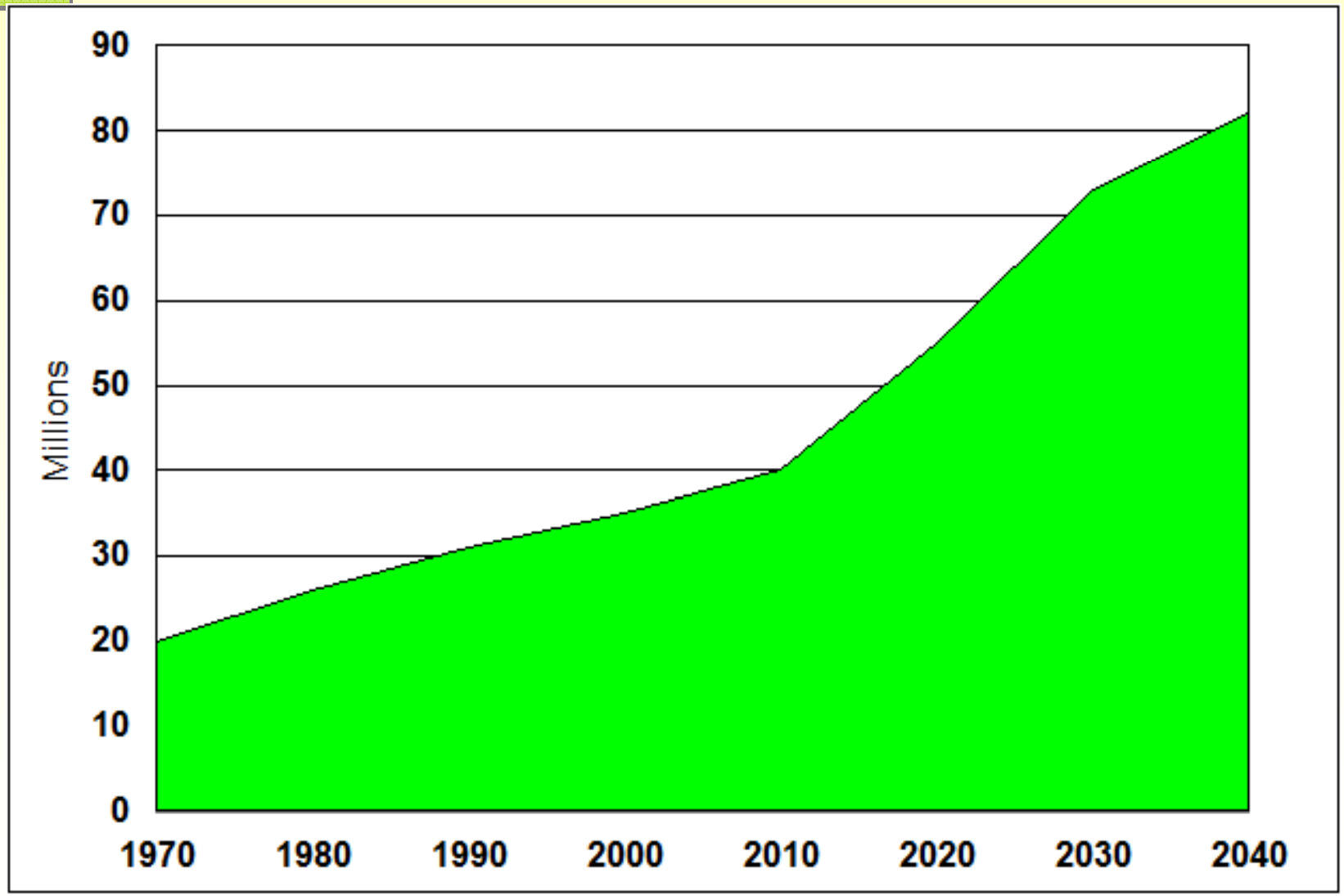
***Source*: Arthur C. Nelson**

Population 65+ Change 2010-2040

Metric	United States	Ohio	Columbus MSA	Rest of Ohio
65+, 2010-2030				
Population 2010	40,331	1,622	195	1,427
Share of Population 2010	13%	14%	11%	15%
Population 2030	72,337	2,416	329	2,087
Share of Population 2030	19%	21%	15%	22%
Population Change	32,006	794	134	660
Percent Change	79%	46%	69%	46%
Share of Change	**50%**	**100%**	**44%**	**100%**
65+, 2010-2040				
Population 2040	81,250	2,453	398	2,055
Share of Population 2040	20%	21%	17%	22%
Population Change	40,919	831	203	628
Percent Change	101%	51%	104%	44%
Share of Change	**42%**	**100%**	**44%**	**100%**

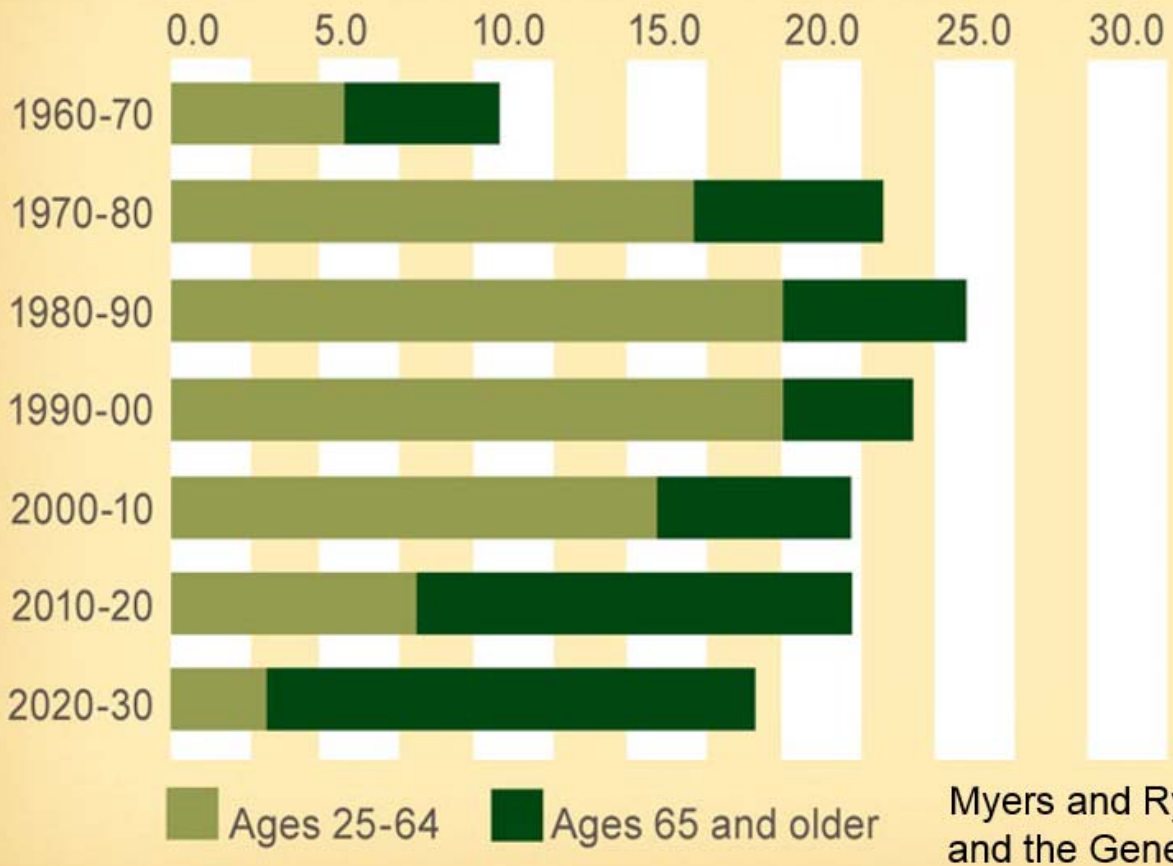
***Source*: Arthur C. Nelson**

Number of Seniors 1970-2040



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

Generational Housing Bubble



Age group accounting for largest amount of growth

55-64 = 3.1 million

25-34 = 12.1 million

35-44 = 12.0 million

45-54 = 12.8 million

55-64 = 11.8 million

65-74 = 10.5 million

75-84 = 8.3 million

Myers and Ryu: Aging Baby Boomers and the Generational Housing Bubble

Ownership Trends by Race/Ethnicity

Table 1. Homeownership Percentage Rates by Race/Ethnicity

Year	All Households	White Non-Hispanic	Hispanics	Black	Asian/Other
1994	64	70	41.2	42.5	50.8
1995	64.7	70.9	42.0	42.9	51.5
1996	65.4	71.7	42.8	44.5	51.5
1997	65.7	72	43.3	45.4	53.3
1998	66.3	72.6	44.7	46.1	53.7
1999	66.8	73.2	45.5	46.7	54.1
2000	67.4	74.0	46.0	47.2	54.3
2001	67.8	74.3	47.3	48.4	54.7
2002	67.9	74.7	47	48.2	55.0
2003	68.3	75.4	46.7	48.8	56.9
2004	69	76	48.1	49.7	59.7
2005	68.9	75.8	49.5	48.8	60.3
2006	68.8	75.8	49.7	48.4	60.8
2007	68.1	75.2	49.7	47.8	60.1
2008	67.8	75.0	49.1	47.9	59.5
2009	67.4	74.8	48.4	46.6	59.0
2010	66.9	74.4	47.5	45.9	58.2
2011	66.1	73.8	46.9	45.4	58.0

Sources: State of the Nation's Housing 2011, Joint Center for Housing Studies, Harvard University and Current Population Survey, US Census Bureau

Table 1.2: Racial/Ethnic Population, 2010 to 2030 and to 2040 [Figures in thousands]

Metric	United States	Ohio	Columbus MSA	Rest of Ohio
Baseline				
Population Change, 2010–2030	64,574	79	307	(229)
Population Change, 2010–2040	97,067	143	767	(624)
White Non-Hispanic				
Population 2010	201,912	9,537	1,431	8,106
Population 2030	210,837	8,878	1,479	7,400
Population Change 2010–2030	8,925	(659)	48	(706)
Share of Change 2010–2030	14%	0%	16%	0%
Population 2040	210,932	8,456	1,459	6,996
Population Change 2010–2040	9,020	(1,081)	28	(1,109)
Share of Change 2010–2040	9%	0%	6%	0%
New Majority				
Population 2010	107,438	1,999	410	1,590
Population 2030	163,087	2,737	670	2,067
Population Change 2010–2030	55,649	738	260	478
Share of Change 2010–2030	86%	100%	85%	100%
Population 2040	195,485	3,223	843	2,381
Population Change 2010–2040	88,047	1,224	433	791
Share of Change 2010–2040	91%	100%	94%	100%

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%
Renter Share of Growth		***48%***	***65%***

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, 2010-2040

Metric	United States	Ohio	Columbus MSA	Rest of Ohio
Baseline, 2010				
Owners	76,133	3,111	454	2,658
Renters	40,812	1,492	272	1,221
Ownership Rate	65.1%	68%	63%	69%
Renter Rate	34.9%	32%	37%	31%
Tenure Analysis 2010-2030				
Homeowners	89,691	3,053	511	2,542
Renters	53,540	1,628	347	1,281
Ownership Rate	62.6%	65%	60%	66%
Renter Rate	37.4%	35%	40%	34%
Owner Share of Change	**52%**	**0%**	**43%**	**0%**
Renter Share of Change	**48%**	**100%**	**57%**	**100%**
Tenure Analysis 2010-2040				
Homeowners	94,013	2,954	525	2,430
Renters	58,158	1,637	375	1,262
Ownership Rate	61.8%	64%	58%	66%
Renter Rate	38.2%	36%	42%	34%
Owner Share of Change	**51%**	**0%**	**41%**	**0%**
Renter Share of Change	**49%**	**100%**	**59%**	**100%**

***Source*: Arthur C. Nelson**

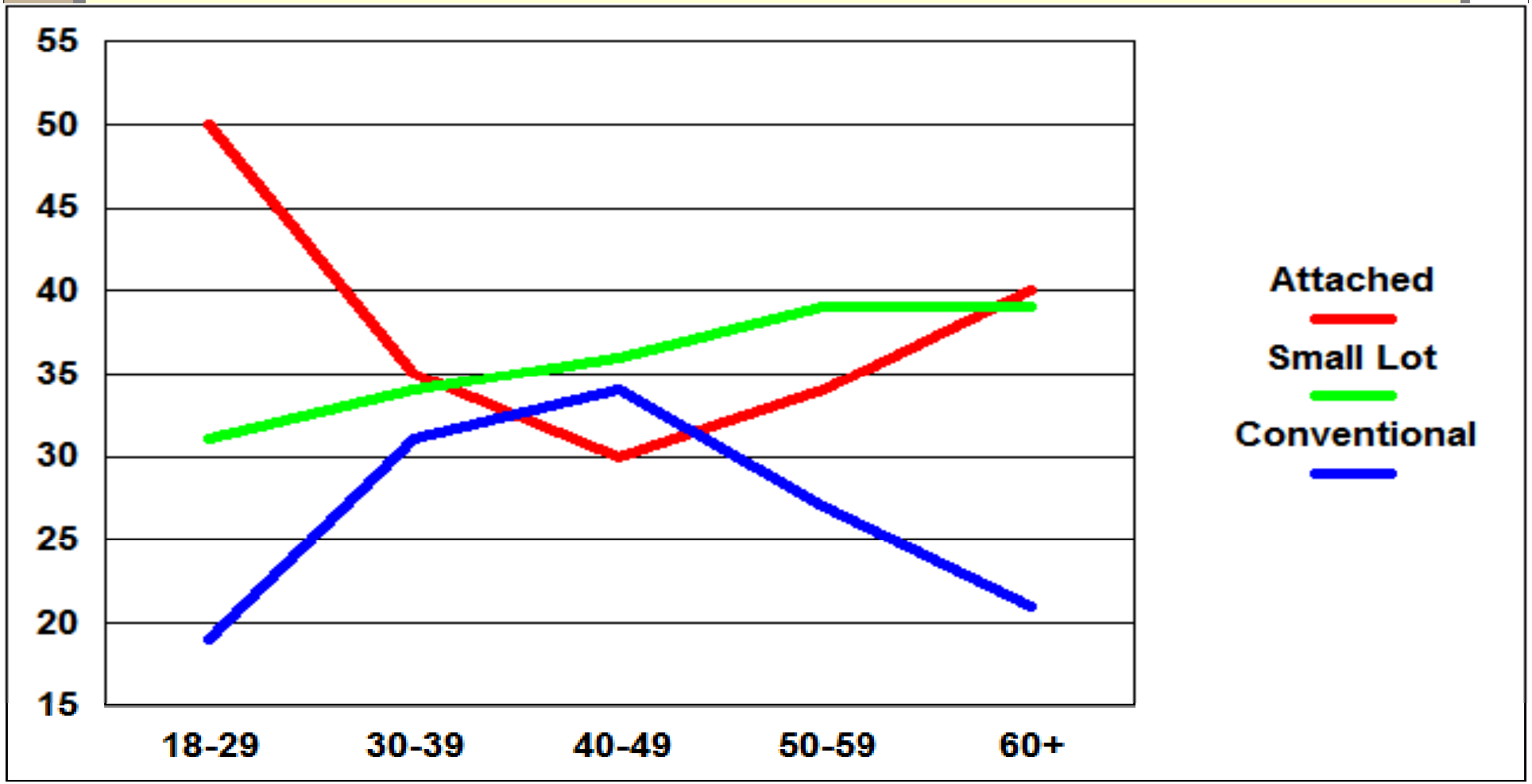
US Preference Demand vs. Supply

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



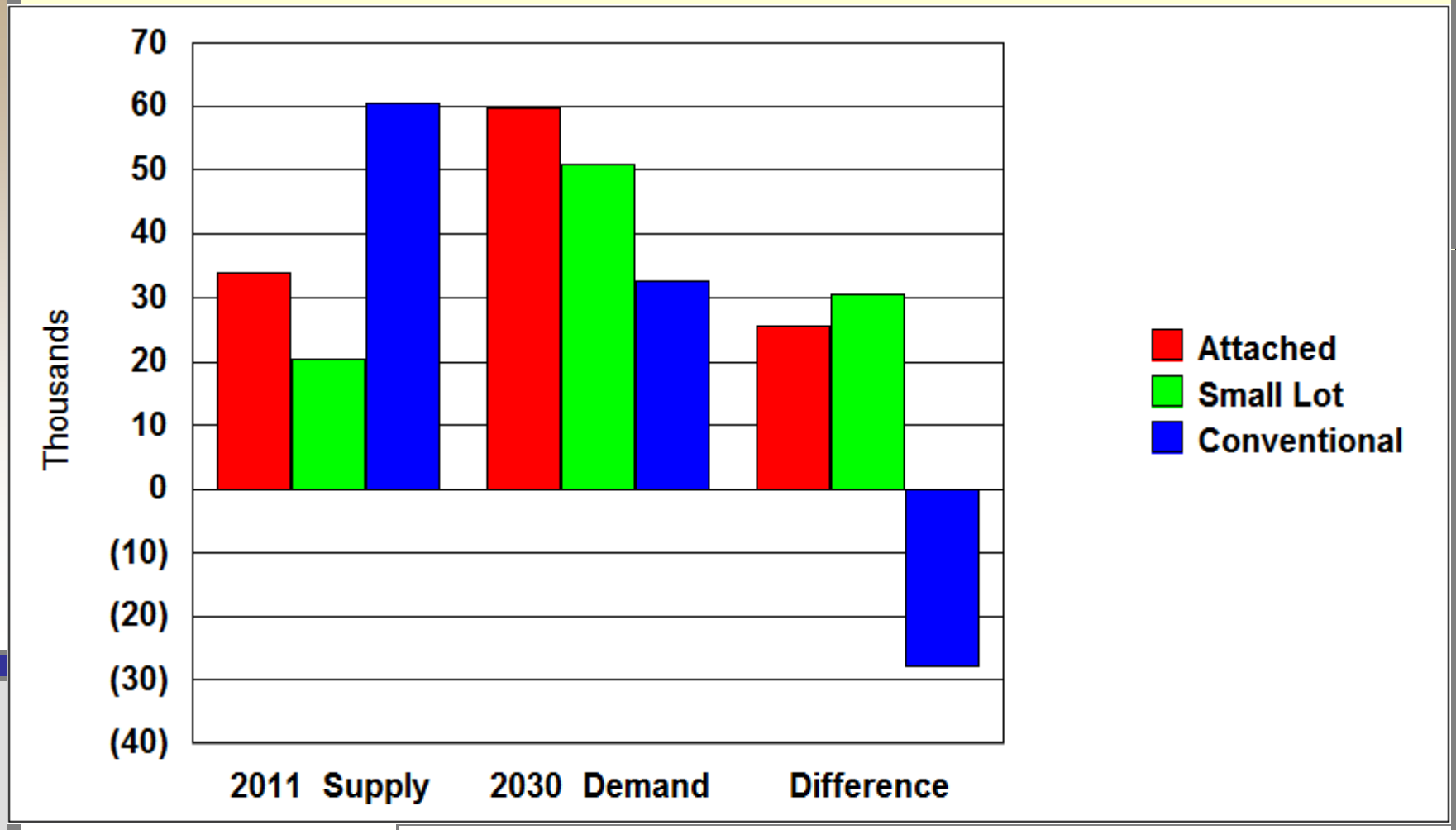
Source: National Association of Realtors (2011)

Age-Based 2030 Demand Compared to 2011 Supply

House Type	2011 Supply	2030 Demand	Difference
Attached	34M	60M	26M
Small Lot	20M	51M	31M
Conventional	61M	33M	(28M)
Total	115M	143M	

***Source*: Arthur C. Nelson. Figures in thousands.**

Supply 2011 Compared to Demand 2030



***Source*: Arthur C. Nelson.**

Boomers Will Lead the Way

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 center is the new club house
- Seek convenience, healthy living, staying engaged

***Source*: Adapted from RCLCo.**

Summary

Nelson Study "Take Aways"

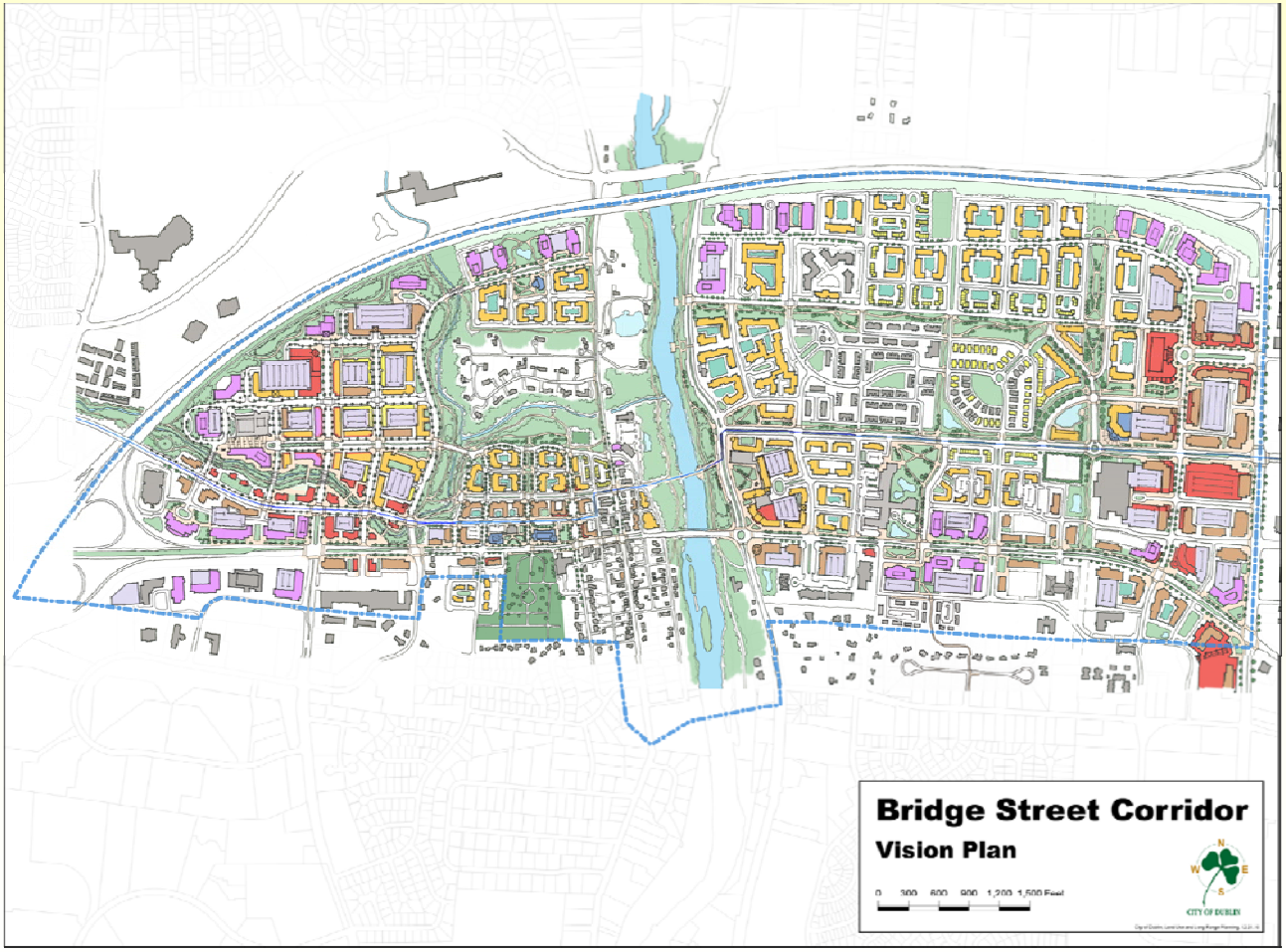
- Good News—Central Ohio projected to grow!
- Almost all growth will be "New Majority"
- 40+% of population growth will be 65+
- 80+% of HH growth will be HHs without children
- 40+% of HH growth will be single persons
- 35% of HH growth will be peak demand HHs (35-64) down from 65% during 1990-2010

Nelson Study "Take Aways"

- "Drivers" of residential growth and development very different than previous 20 years; development patterns will differ; likely less land consuming
- Already an excess of traditional single family product for projected 20-30 year demand
- Demographics will drive much higher % of our new housing demand toward rental product
- What are the implications of all these changes for our region, and how we are likely to grow?
- Are our Community and Infrastructure Plans aligned with our Regions' likely future?

Nelson's
Other
Major Touch Points

- Analysis of emerging Living/Housing preferences
  - The assumptions we make regarding those emerging preferences will guide the types of places we choose to create
- Home ownership trends: likely influencers
- Non-residential space needs and redevelopment opportunities

Dublin's Efforts to Prepare for this Different Future

Dublin Bridge Street Vision Plan