



MEETING THE DEMAND

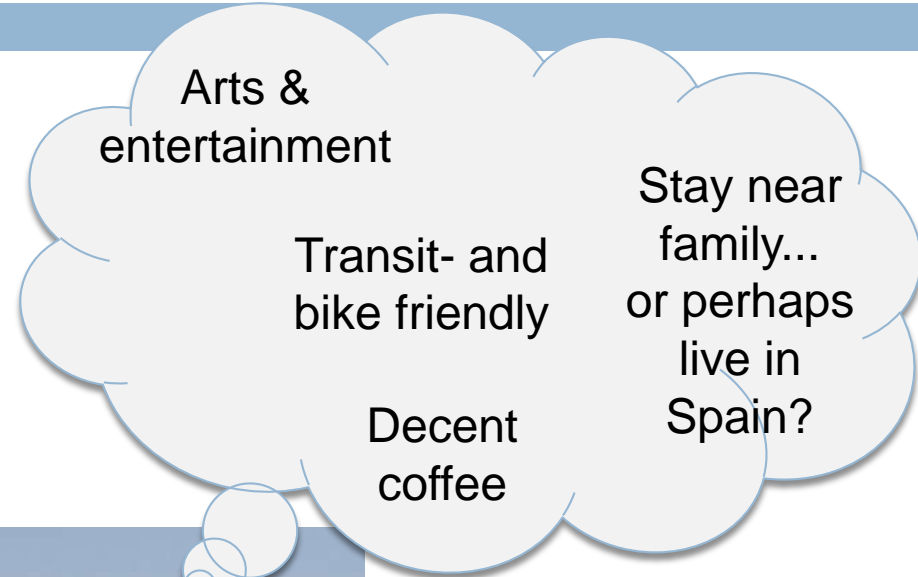
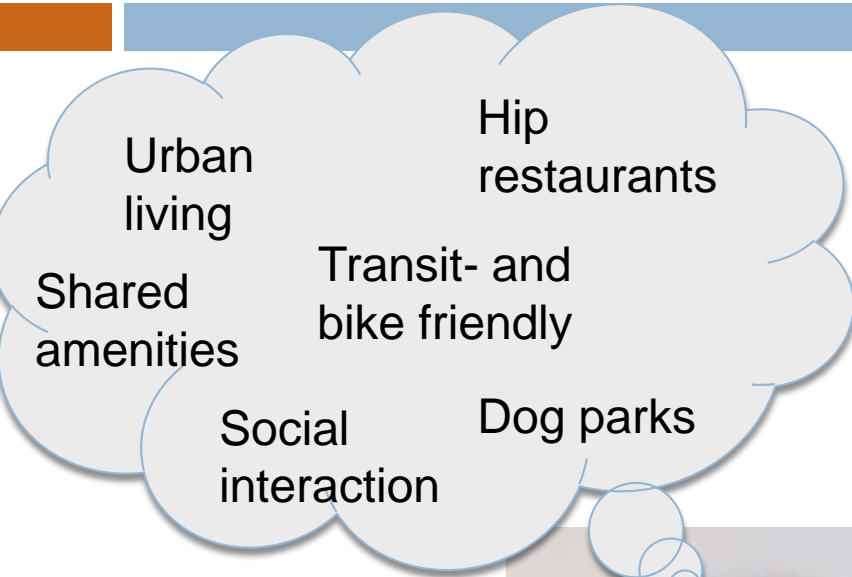
Nadine Fogarty

Rail-volution

October 16, 2012



How Will Preferences of Millennials and Boomers Influence What Gets Built Near Transit?

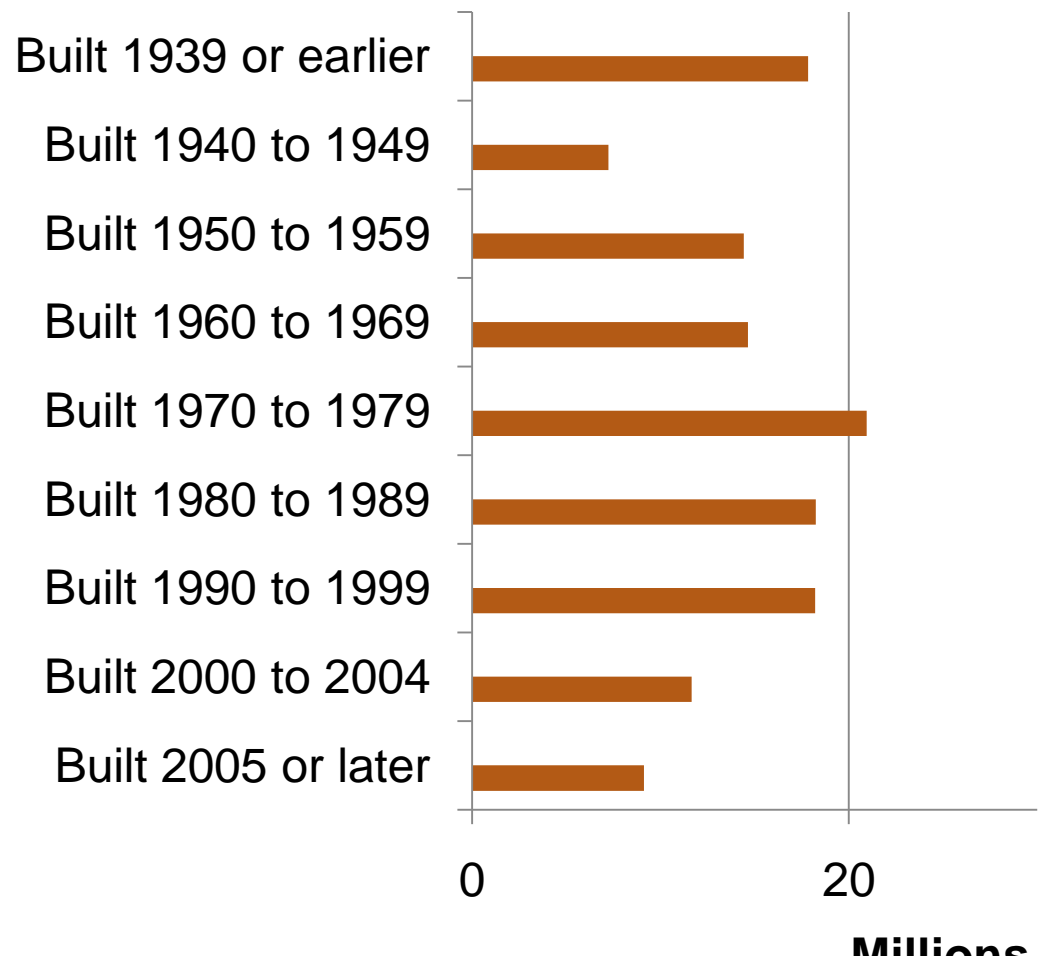


Change in the Supply of Housing Occurs at the Margins

- Current housing in the US: 61% single family
- The average US home was built in the late 70's or early 80's

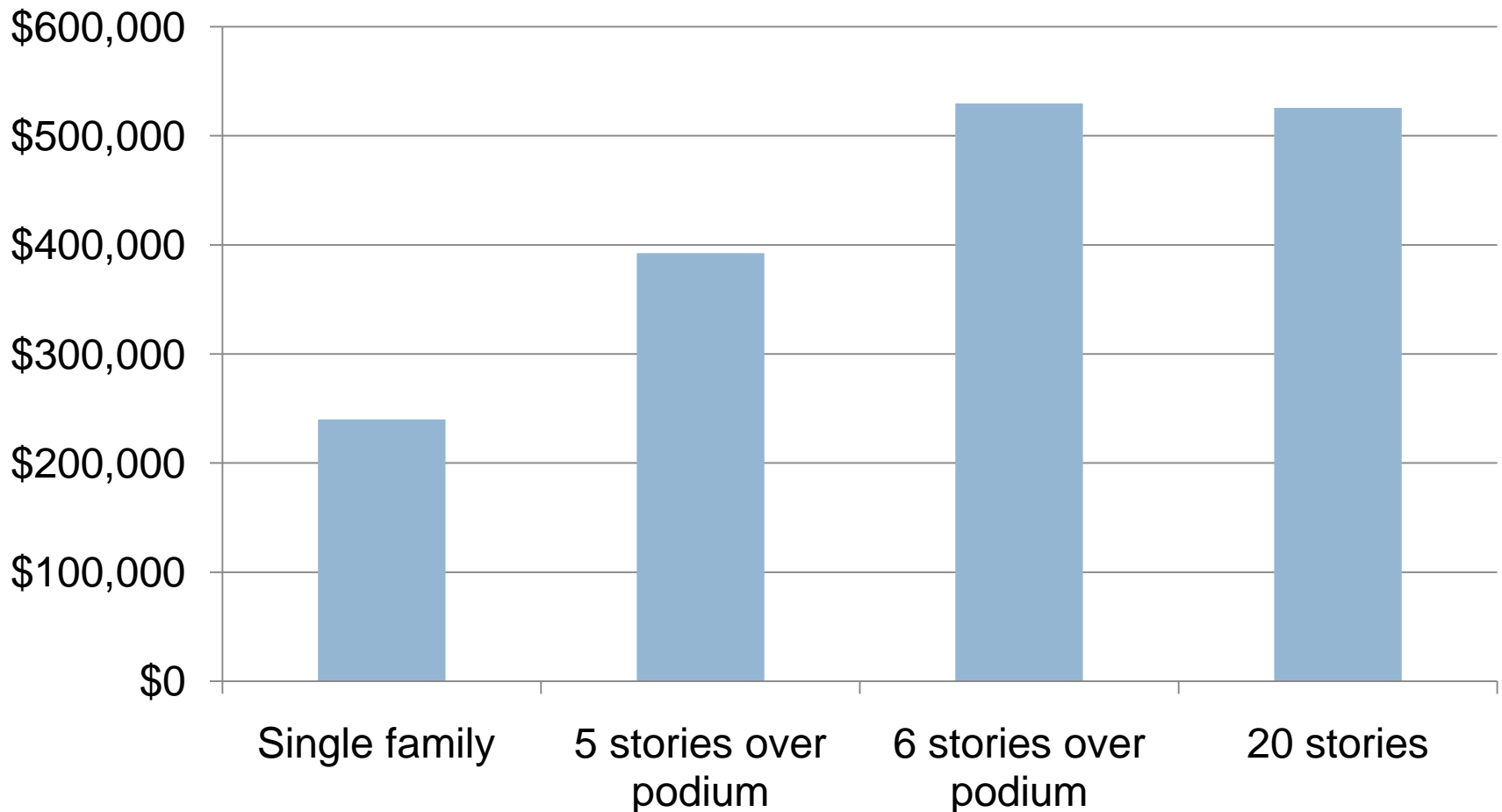


US Housing Stock by Year Built



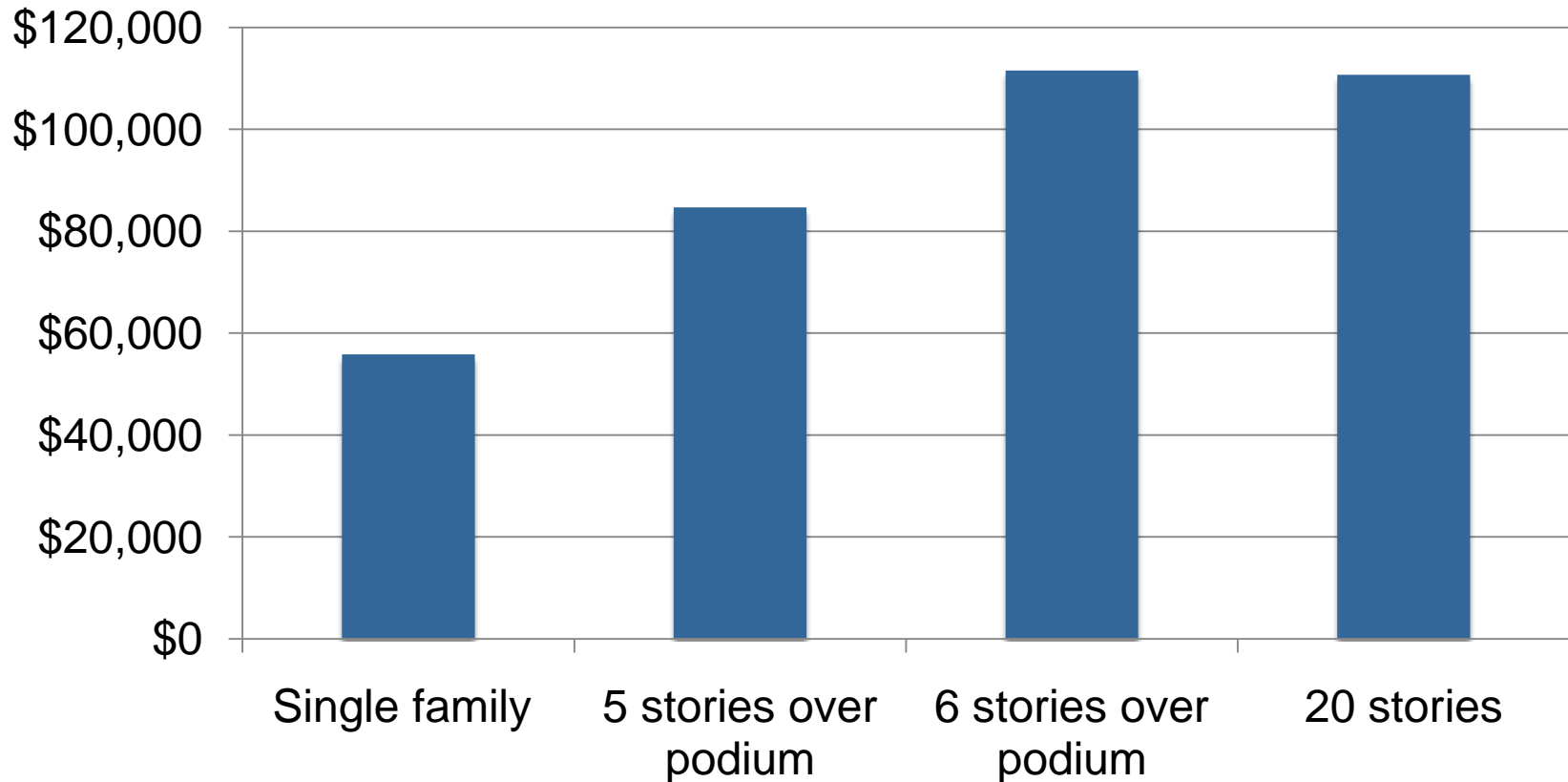
Higher Density Housing is More Expensive to Build

Typical Development Cost Per Unit (SF Bay Area)

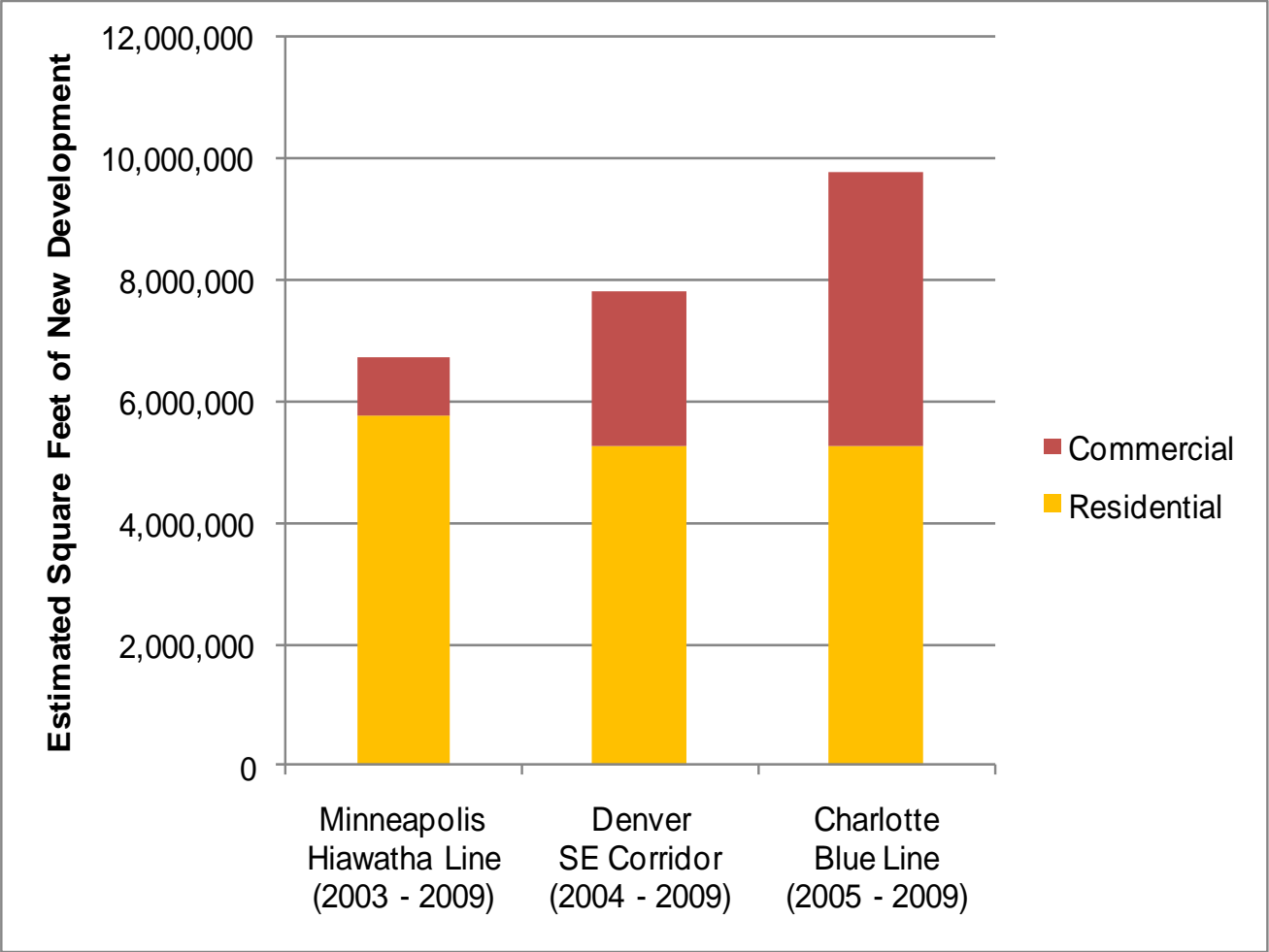


That's Why New Development Tends to Cater to the Higher End of the Market

Household Income Required

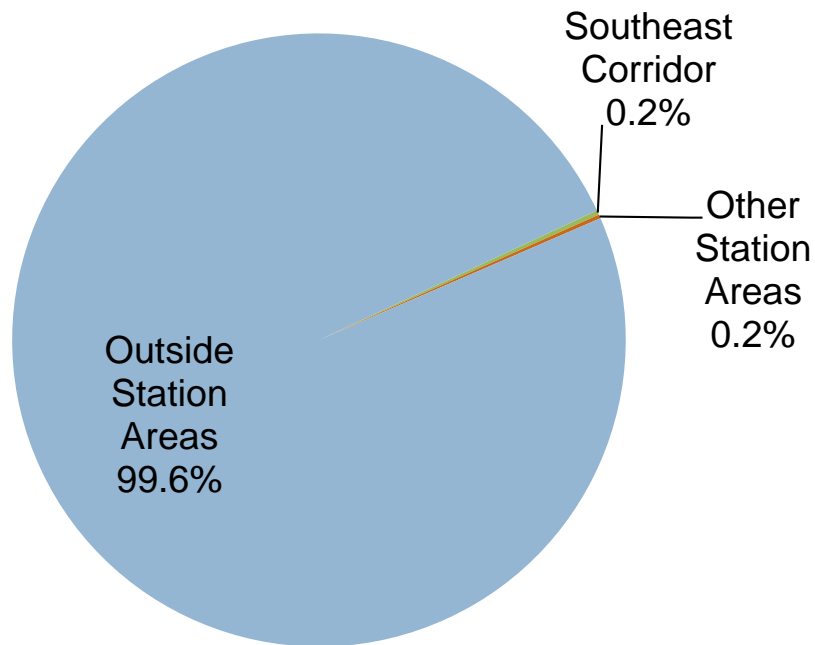


How Has the Market Been Delivering Near Transit?

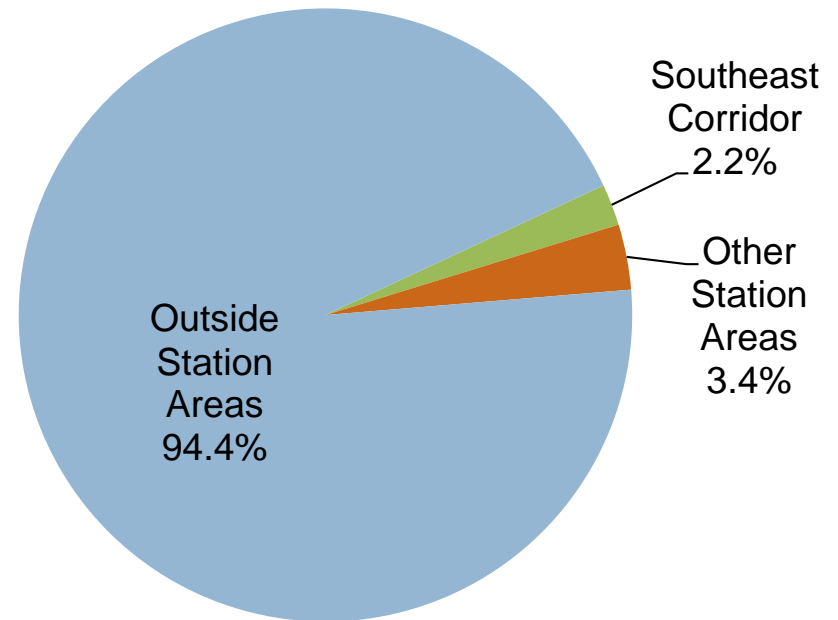


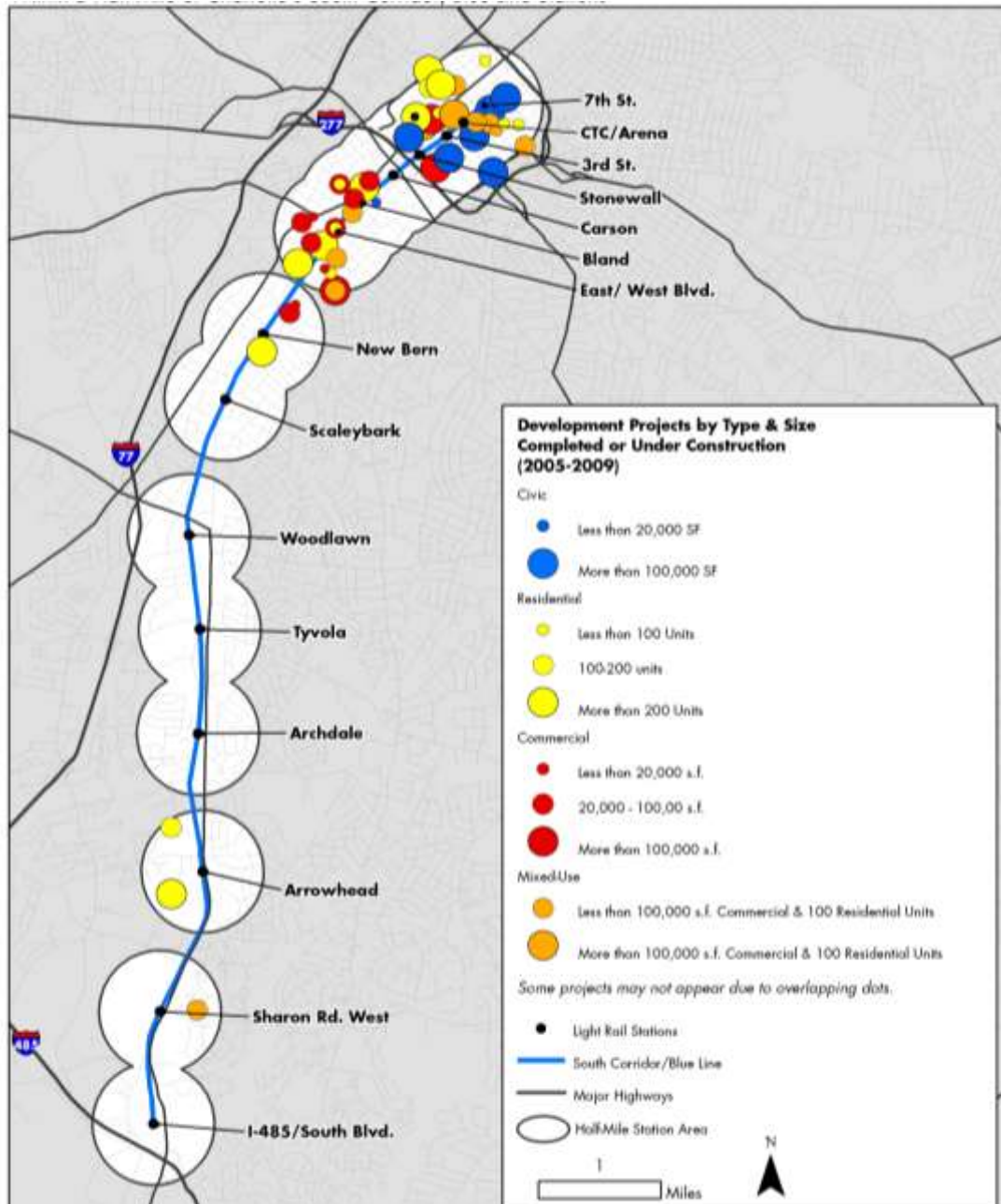
New Transit Corridors Attracted More than their “Fair Share” of Development Based on Land Area

Land in the Region

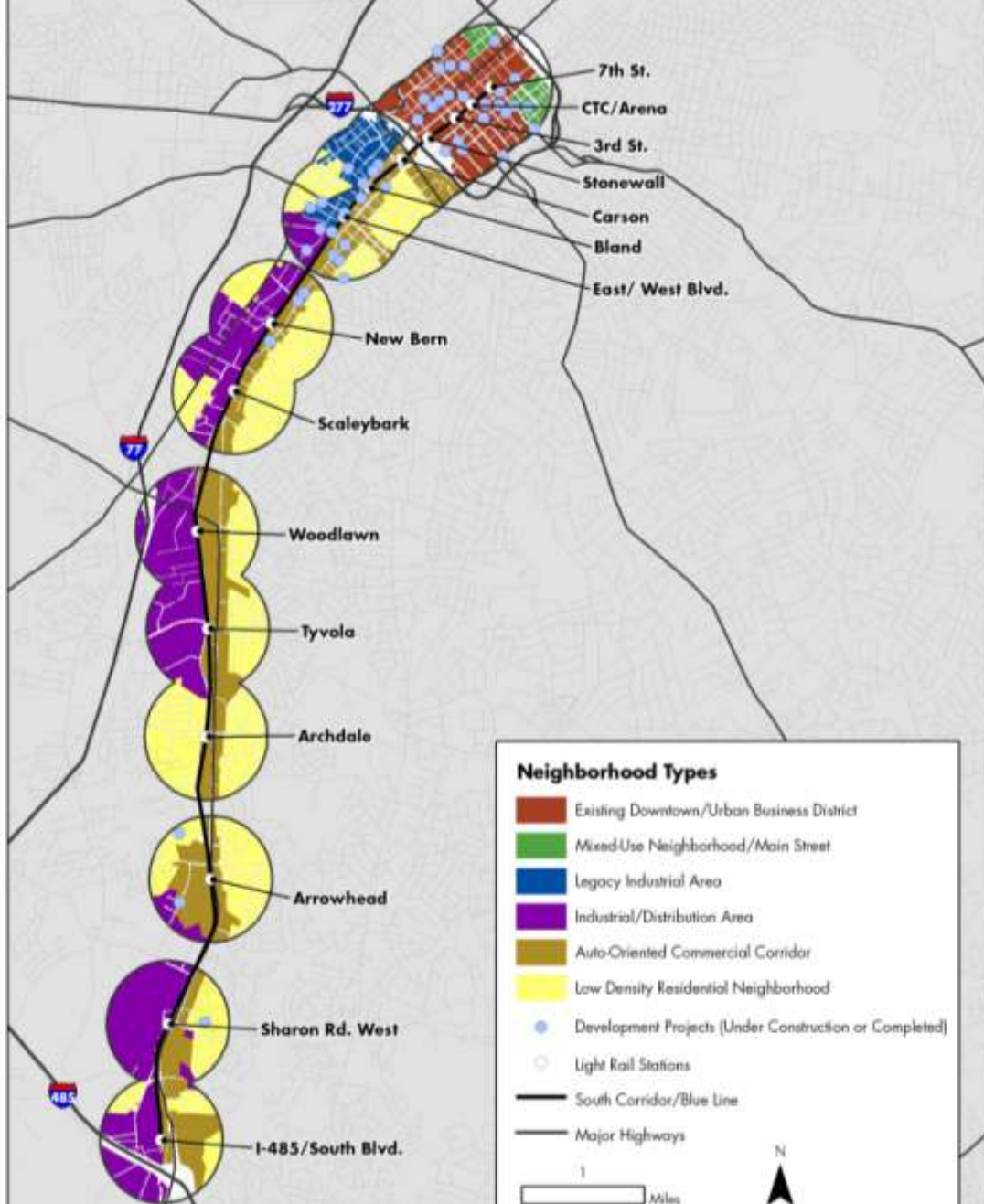


Housing Development in the Region



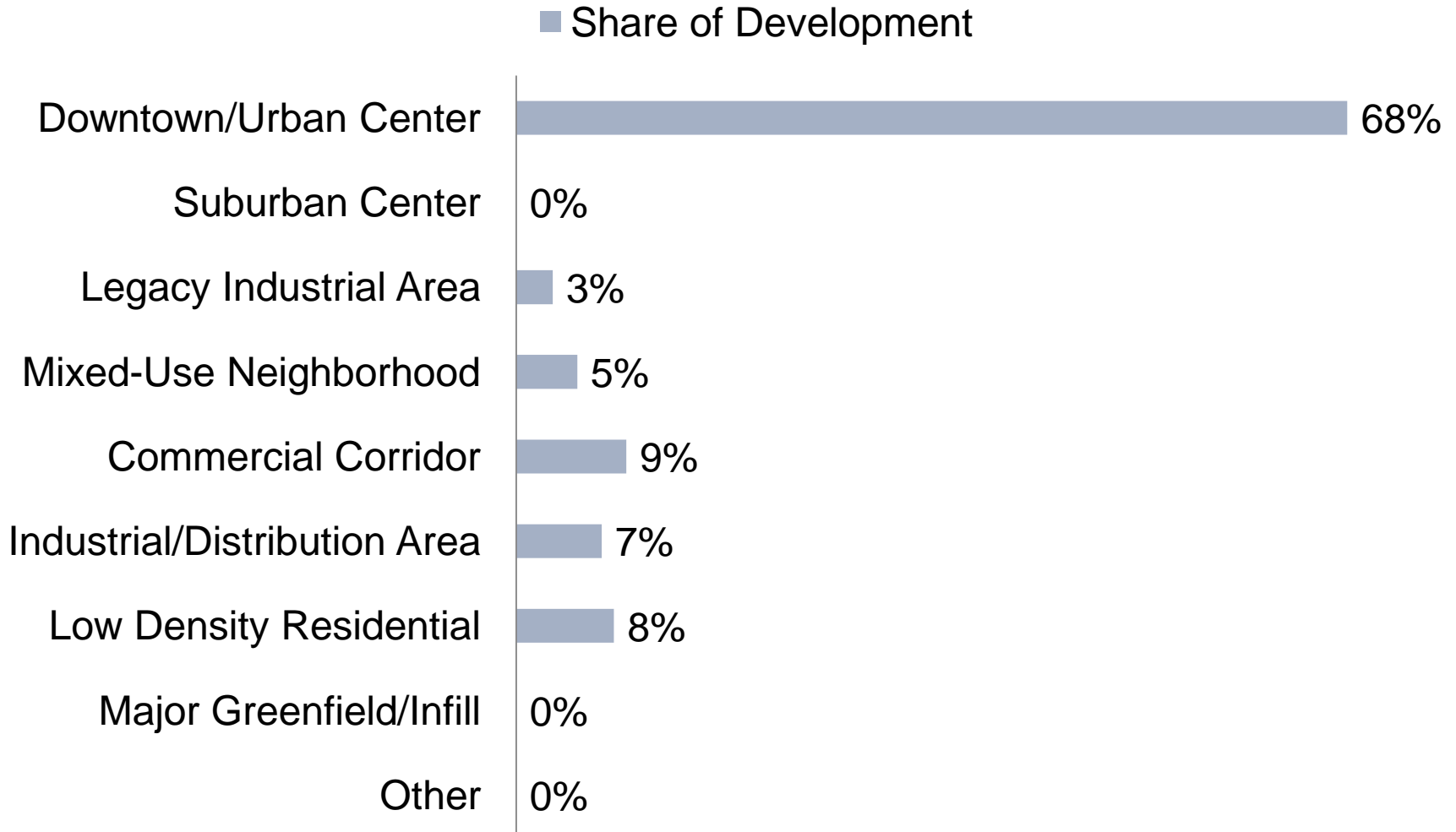


BLUE LINE, CHARLOTTE REGION



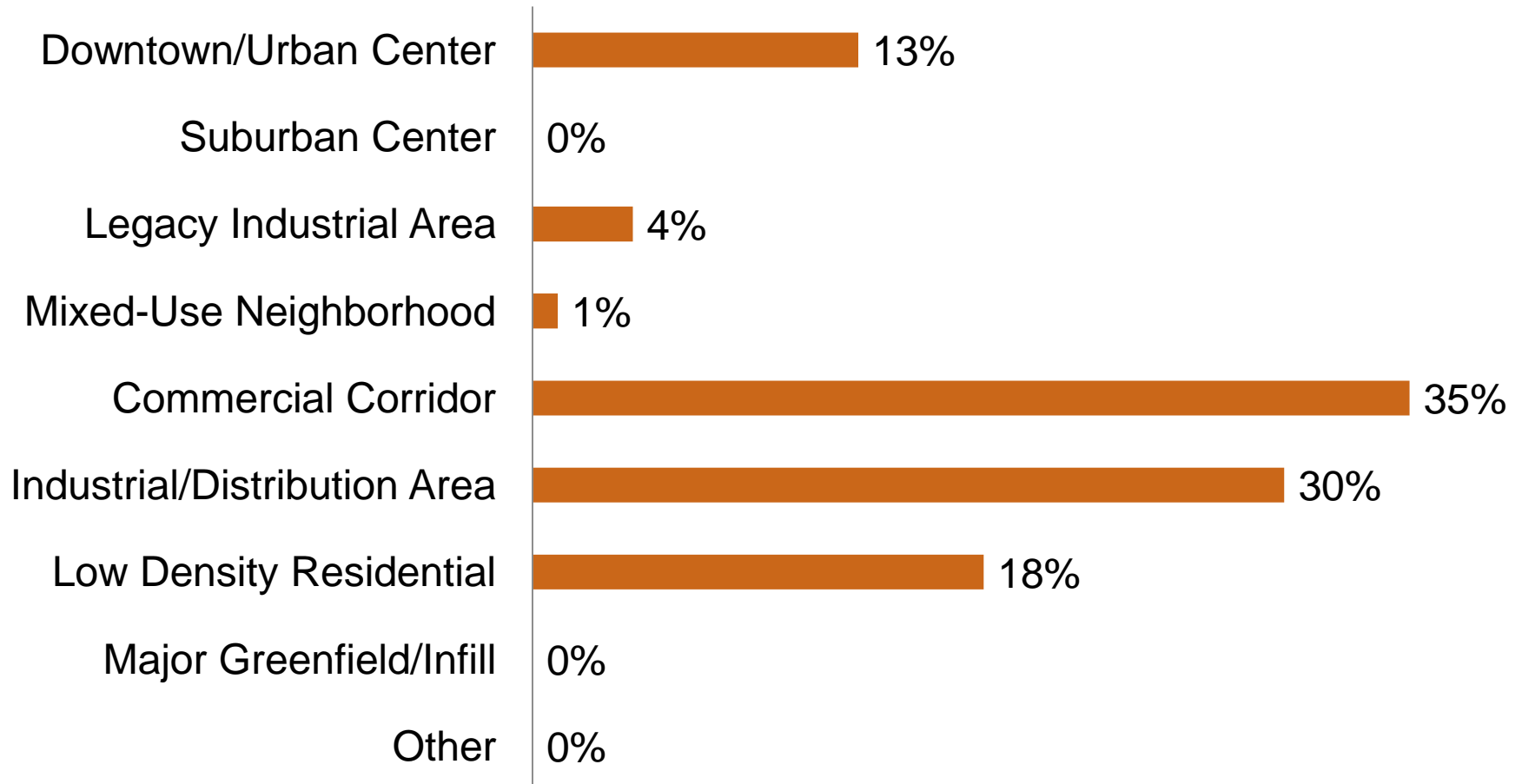
BLUE LINE, CHARLOTTE REGION

Charlotte Development



Charlotte Development Opportunity Sites

■ Share of Development Opportunity Sites



Residential Development Near Transit in the Last Market Cycle

WHAT:

- **Mostly condos built for the higher end of the market; some apartments**

WHERE:

- **In and adjacent to downtowns**
 - +/- $\frac{3}{4}$ of all development so far along the Blue and Hiawatha Lines
- **In suburban employment centers**
 - 61% of Denver SE Corridor development – despite availability of “greenfield” TOD sites
- **In neighborhoods that have been the focus of strategic efforts to promote infill development**



Meeting the Demand for TOD

- Finding ways to take advantage of opportunity sites in infill locations will be critical
 - Infrastructure investments
 - Connectivity improvements
 - Neighborhood amenities, e.g. parks
- We need to be realistic about what the market can provide
 - Only certain places can achieve high enough price points or rents to justify higher density, mixed-use development
 - Zoning and other land use policies help to set market expectations, but don't dictate development
 - Over shooting the market can have negative consequences

Related CTOD Research

- ***Rails to Real Estate, 2011***
A retrospective look at development along three recently constructed light rail lines in the Denver, Charlotte, and Twin Cities regions <http://www.ctod.org/portal/node/2302>
- **October 2012: *Development Context and TOD***
A follow-up to *Rails to Real Estate* that looks more closely at the context for development near transit