Rail~Volution 2013

The Impact of Demographic Change on Cities and Housing

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People Places Prosperity
Three Big Trends

1. Demographic shifts
2. Neighborhood is the Amenity
3. Housing Product Changes

What does it all mean for transit?
1. Demographic Shifts
Baby Boomers: An Overview

- 25 percent of the US population will be senior citizens in the next decade.
- 10,000 Baby Boomers per day will turn 65 through 2030—from 40 million today to 80 million.

- 52 percent of 50 to 64 year olds plan on delaying retirement.
- 16 percent plan to never stop working.
- Many want to downsize.
- Others want to remain in their homes forever.
Generation Y: An Overview

- **Largest generation** - 77 million in 2011
- The most educated generation in modern history
- Highly diverse group
- Highly in debt—average Gen Yer has $45,000 of debt
Shifting Products and Lifestyle

Must-have product

Lifestyle

Leave it to Beaver

How I Met Your Mother
Generation Y and Baby Boomers Share Urban Preferences

- Willing to trade personal home space for amenities
- Want to be in an urban setting with:
  - Shopping
  - Entertainment
  - Dining
  - Transit options
  - Experiences/activities
  - Good food
Multigenerational Housing

- “Dependency ratio”
- Aging population
- Many Gen Yers strapped with college debt
- Greater ethnic diversity

Dependency Ratios 2010-2050

<table>
<thead>
<tr>
<th>Year</th>
<th>Old-age dependency</th>
<th>Youth dependency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>67</td>
<td>45</td>
</tr>
<tr>
<td>2020</td>
<td>74</td>
<td>46</td>
</tr>
<tr>
<td>2030</td>
<td>83</td>
<td>48</td>
</tr>
<tr>
<td>2040</td>
<td>85</td>
<td>48</td>
</tr>
<tr>
<td>2050</td>
<td>85</td>
<td>48</td>
</tr>
</tbody>
</table>

Note: Total dependency = ((Population under age 20 + Population aged 65 years and over) / (Population aged 20 to 64 years)) \* 100.
Old-age dependency = (Population aged 65 years and over / Population aged 20 to 64 years) \* 100.
Youth dependency = (Population under age 20 / Population aged 20 to 64 years) \* 100.

Source: U.S. Census Bureau, 2008.
2. Neighborhood is the Amenity
Amenities Vital to Neighborhood Success

Many different factors

- Retail & entertainment
- Transit options
- Dining
- Food options
- Pedestrian scale
- Compact form
- Open space
- Amenities: Water, public art, parks
The City is the Amenity

Less Private Space Needed

- Neighborhood Dining
- Outdoor Rooms
- Anywhere Office
- Local Clubs
Community livability is vital to economic growth

20th Century
Employers Draw People

- Resources
- Incentives
- Factories
- Offices
- Jobs

21st Century
People Draw Employers

- Quality of Life
- Schools
- Community
- Desirability
- In-Migration
- Jobs Follow
3. Housing Product Changes
Innovations: Microhousing

aPODments in Seattle

“Rather than have to move in with a lot of people that I’ve never met before and have no clue who they are, I can actually afford to live on my own.” – Seattle University Student

Source: Q13 Fox News
Innovations: Small Condos

Division 43, Portland

- 15,000 sf lot
- 29 units
- 3 SF homes
- 3 duplexes
- 5 four-plexes
- Units range from 364 to 687 sf
- Starting at $100,000
Size of New Multifamily Housing Starts

Unit size peaked during housing bubble when starts built for rent dropped to a low of 50% of all units.

Source: National Association of Homebuilders
Innovations: Village to Village Networks

• “Virtual Senior Housing”
• “Age at home”/independent living strategy
• 80 villages nationwide
• Services:
  • Yard work
  • Transportation
  • Cleaning
  • Simple home repairs
  • Pet care
Transit Makes it Possible
But...Transit is just one piece of the puzzle...and