

Lincoln/Lancaster Future

Arthur C. Nelson, Ph.D, FAICP
Presidential Professor & Director
Metropolitan Research Center
University of Utah

July 13, 2010

Source: lulus Ascanius, accessed from http://en.wikipedia.org/wiki/File:Lincoln_UT.jpg

America Grows

200 million in 1968

300 million in 2006

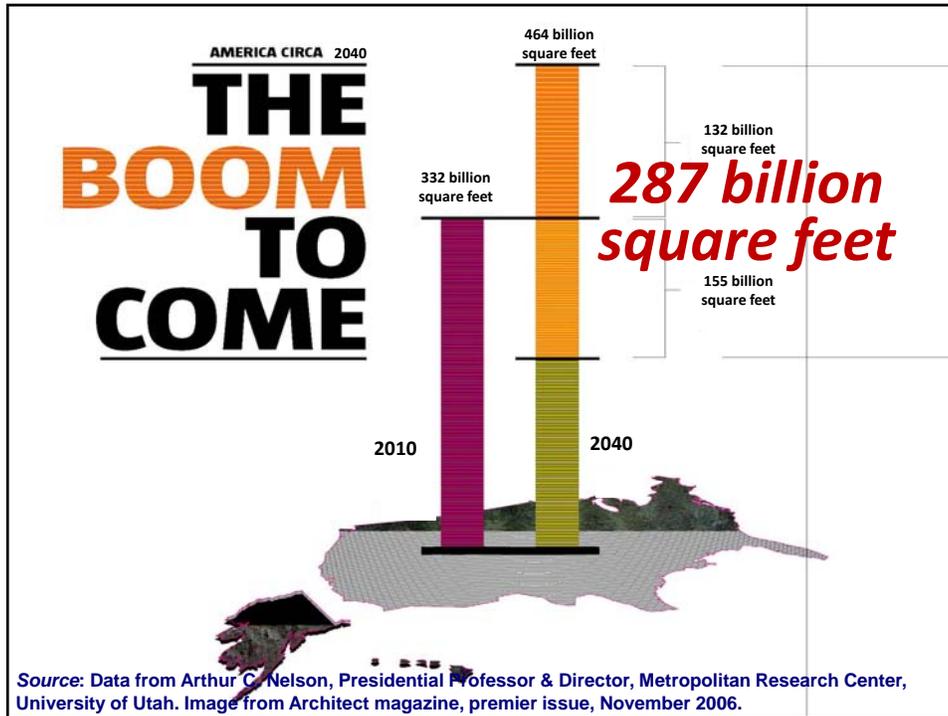
400 million in 2034

500 million in 2050

**America adds 100 million people faster
than any other nation except India and
Pakistan – But *faster* than China.**

Source: Arthur C. Nelson, Presidential Professor & Director of Metropolitan Research,
University of Utah.

Header credit: http://en.wikipedia.org/wiki/File:Lincoln_ne_skyline.JPG



Population Growth 2010-2040

Area	2010	2040	Change	Percent
Lincoln/				
Lancaster	287k	413k	126k	44%

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 *Lancaster County Population Projections: 2010 to 2040* (May 2010)



Residential Units 2010-2040

<u>Area</u>	<u>2010</u>	<u>2040</u>	<u>New+Rebuilt</u>	<u>%'10</u>
Lincoln/				
Lancaster	120k	175k	55k+15k=70k	~60%

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 household 2010 adjusted for declining household size from *Lancaster County Population Projections: 2010 to 2040* (May 2010), plus loss factor based on census analysis.



Employment Growth 2010-2040

<u>Area</u>	<u>2010</u>	<u>2040</u>	<u>Change</u>	<u>Percent</u>
Lincoln/				
Lancaster	210k	300k	90k	43%

Full and part-time jobs as defined by the Bureau of Economic Analysis.

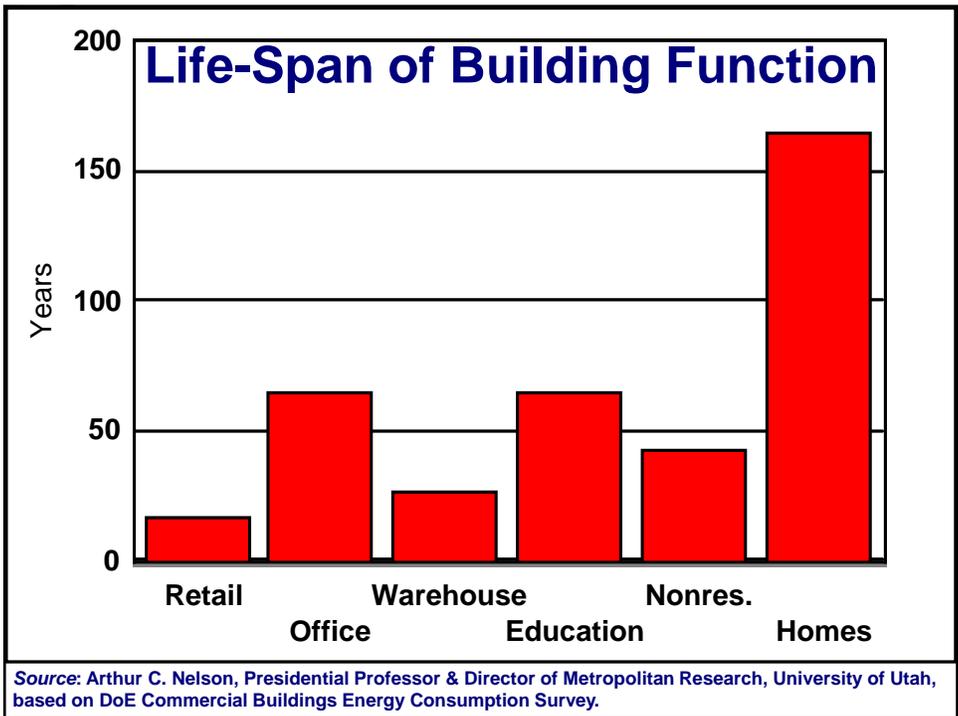
Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah. Numbers may not add or calculate due to rounding.



Nonresidential Space 2010-2040

Area	2010	2040	New+Rebuilt	%'10
Lincoln/ Lancaster	105M	150M	45+115=160M	140%

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 Lincoln/Lancaster →2010-2040

<i>Residential</i>	\$ 20 billion
<i>Nonresidential</i>	\$ 20 billion
<i>Infrastructure</i>	\$ 10 billion
<i>Total</i>	\$ 50 billion

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



How Does It Grow?

Market Analysts Finding Changing Preferences

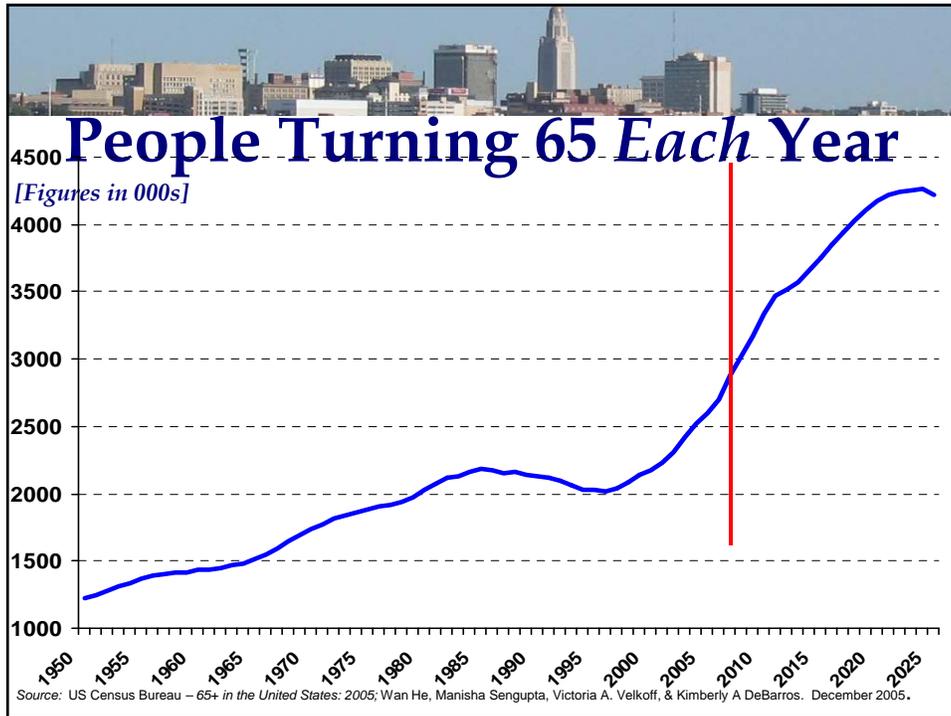
National Association of Realtors
 National Association of Home Builders
 Nationally Recognized Market Analysts
 Urban Land Institute
 Lend Lease/PriceWaterhouseCoopers
 Joint Center for Housing Policy at Harvard
Golfing Buddies and Taxi Drivers



Households are Changing

<u>Household Type</u>	<u>1960</u>	<u>2010</u>	<u>2040</u>
US			
HH with Children	48%	31%	26%
HH without Children	52%	69%	74%
<i>Single/Other HH</i>	13%	30%	34%
Lincoln/Lancaster			
HH with Children		33%	28%
HH without Children		67%	72%
<i>Single/Other HH</i>		35%	44%

Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah based on from Lancaster County Population Projections: 2010 to 2040 (May 2010).

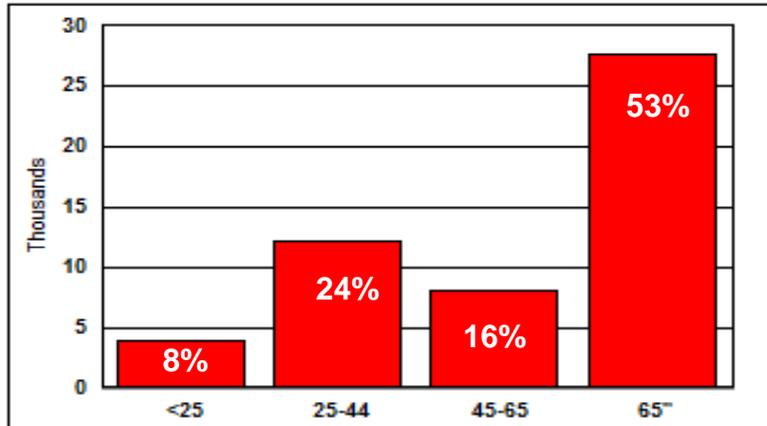


What Futurists Tell Us

Bio-medical advances extend lifetimes.
Insurance actuarial tables extend to 120.
Another 20 years added – minimum.
Adulthood mostly *after* child-rearing.



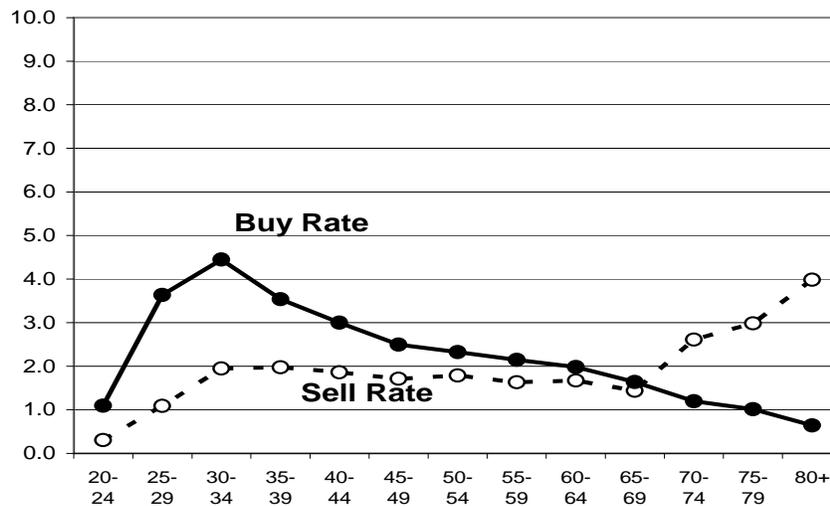
Distribution of Population Change Lincoln/Lancaster 2010-2040



Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah based on from *Lancaster County Population Projections: 2010 to 2040* (May 2010).

Buy-Sell Rates by Age Cohort

AHS



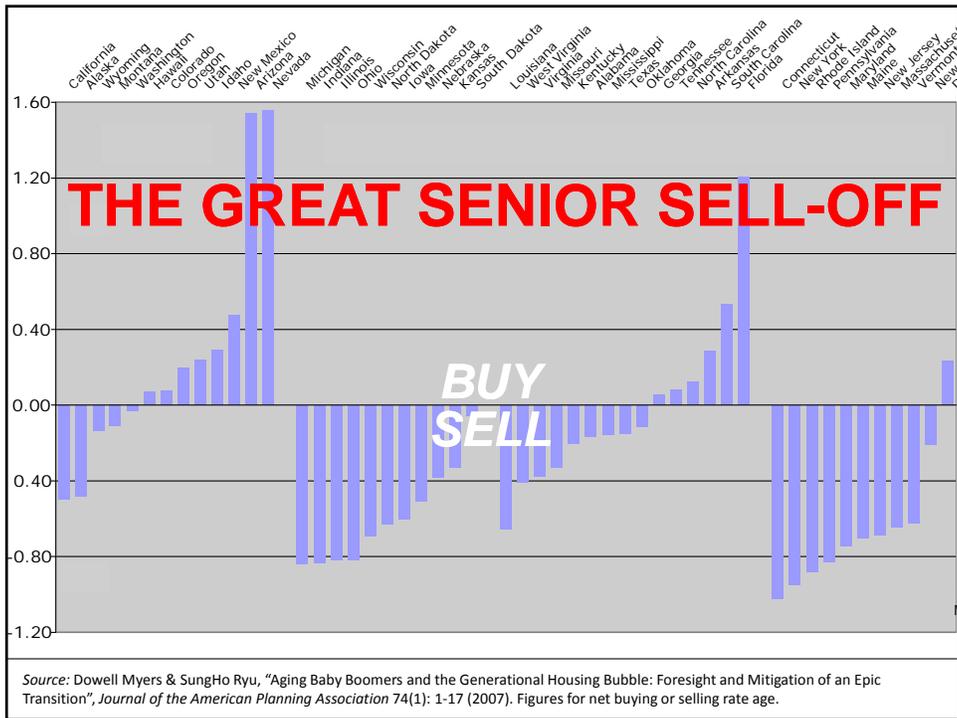
Source: Dowell Myers & SungHo Ryu, "Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition", *Journal of the American Planning Association* 74(1): 1-17 (2007).



Relocation Choices of Seniors

Housing Type	Before Move	After Move
Attached	24%	54%
Renter	20%	59%

Source: American Housing Survey 2003. New movers means moved in past year. Annual senior movers are about 5% of all senior households; 75%+ of all seniors will change housing type between ages 65 and 8





Share of Growth 2010-2040

Household Type	2010	2040	Change	Share
Total	113k	165k	52k	
With children	37k	46k	9k	18%
Without children	76k	119k	43k	82%
<u>Single</u>	<u>35k</u>	<u>59k</u>	<u>24k</u>	<u>46%</u>

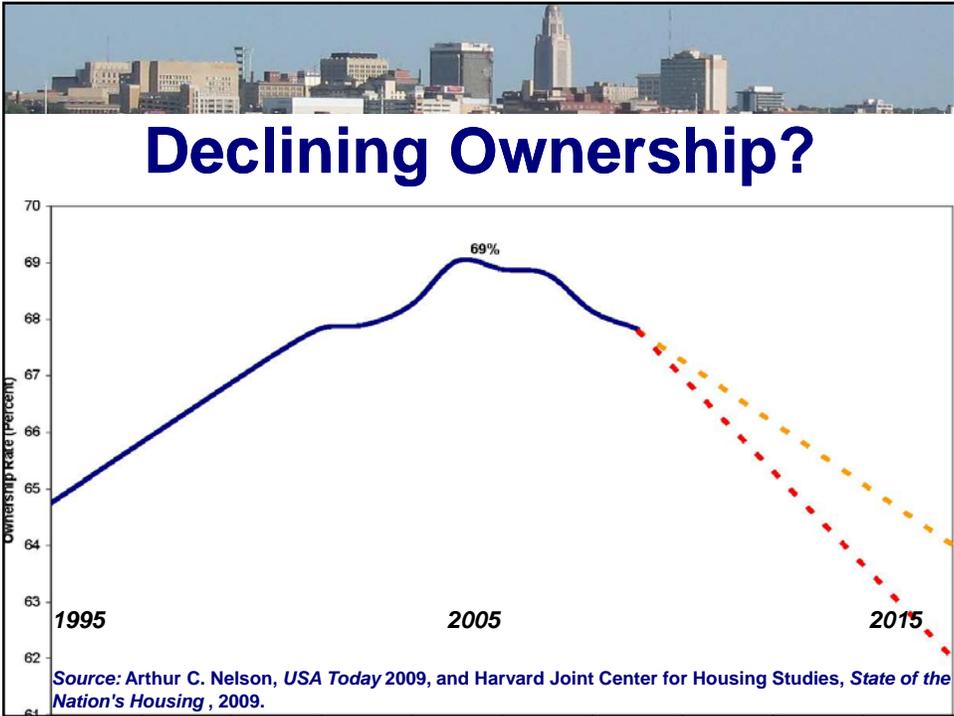
Source: Arthur C. Nelson, Presidential Professor & Director, Metropolitan Research Center, University of Utah based on from *Lancaster County Population Projections: 2010 to 2040* (May 2010).



Minority Growth

42% of growth to be among non Whites

Non White households earn less and
purchase fewer homes



**U.S. Tenure & Unit Demand
2010-20**

Multifamily Share 2010	30%
Multifamily Share 2020	36%
MF Share of New demand 2010-20	50%

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

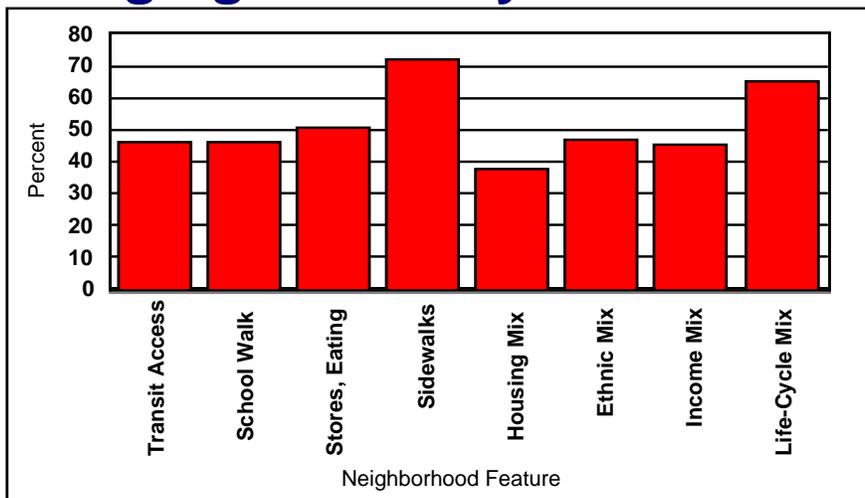


New Housing Market Realities

- Sub-prime mortgages are history
- Alt-A mortgages no more
- FHA-like conventional mortgages king
- “Jumbo” loans expensive and difficult
- **Meaning**
 - Smaller homes
 - Smaller lots
 - More renters



Emerging “Urbanity” Preferences



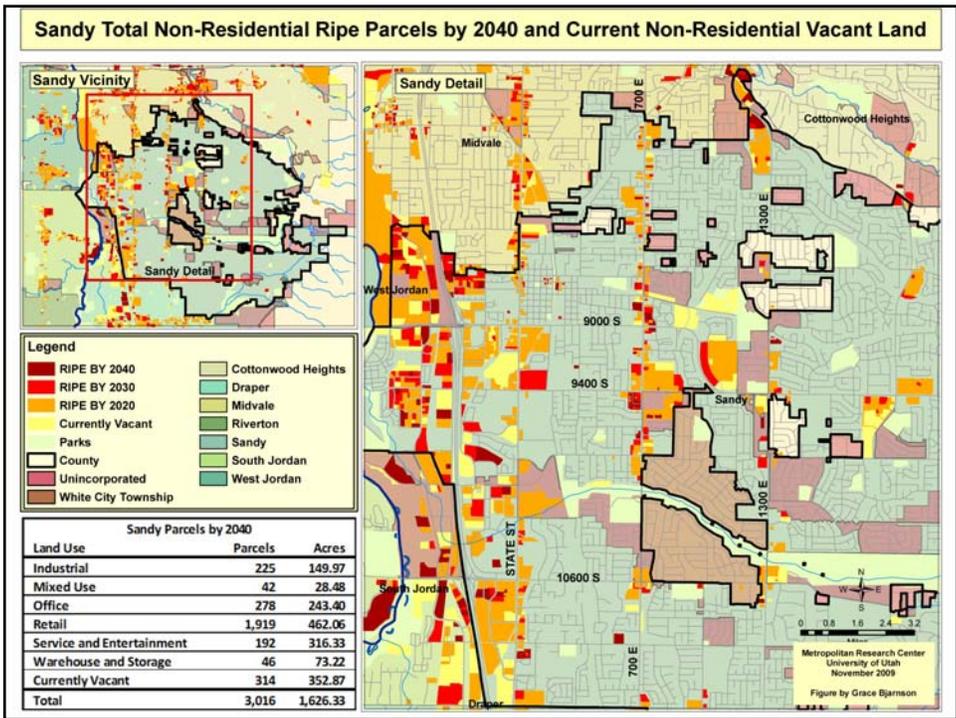
Source: National Association of Realtors, American Preference Survey 2004.



**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.”





Commercial Redevelopment

The equivalent of all nonresidential space will be replaced → 2010-2040

Existing space is at 0.25 FAR (floor-area-ratio)

Redevelopment of nonresidential space at 0.70 FAR meets all future commercial space needs.

It also meets a third of residential needs.



Nelson's Law of Downtown Living

Minimum 1% of metro residents want to live downtown.

If downtown has good amenities, accessibility, and setting it is 2%-3%.

Downtown Lincoln demand 2040 = 10,000 residents @ ~5,000 housing units



Housing Trends

- A decade of resetting housing.
- Household size steady, maybe increasing.
- Seniors will rent, double-up or abandon
- Multi-generational households increasing.
- Increasing minority HH share with fewer buyers
- Conversion of McMansions into informal multi-family affordable housing.
- Non-related families may double-up (illegally).
- New markets will emerge → “footloose nationals”
- Nebraska alums as an emerging market



Source: <http://big12football.net/nebraskafootballstadium.html>