

Reshaping Metropolitan America

*How changing demographic and economic
trends and preferences will reshape
America's metropolitan areas*

Inaugural

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**Life, Liberty and the
Pursuit of Happiness
*meet***

**Peace, Order, and
Good Government**



Themes

- **The rise of Megapolitan America**
 - **Sweeping Demographic Changes**
 - **Emerging Preferences for
Something Different**
 - **Implications**
- 

FOREWORD BY CONGRESSMAN EARL BLUMENAUER

Reshaping Metropolitan America

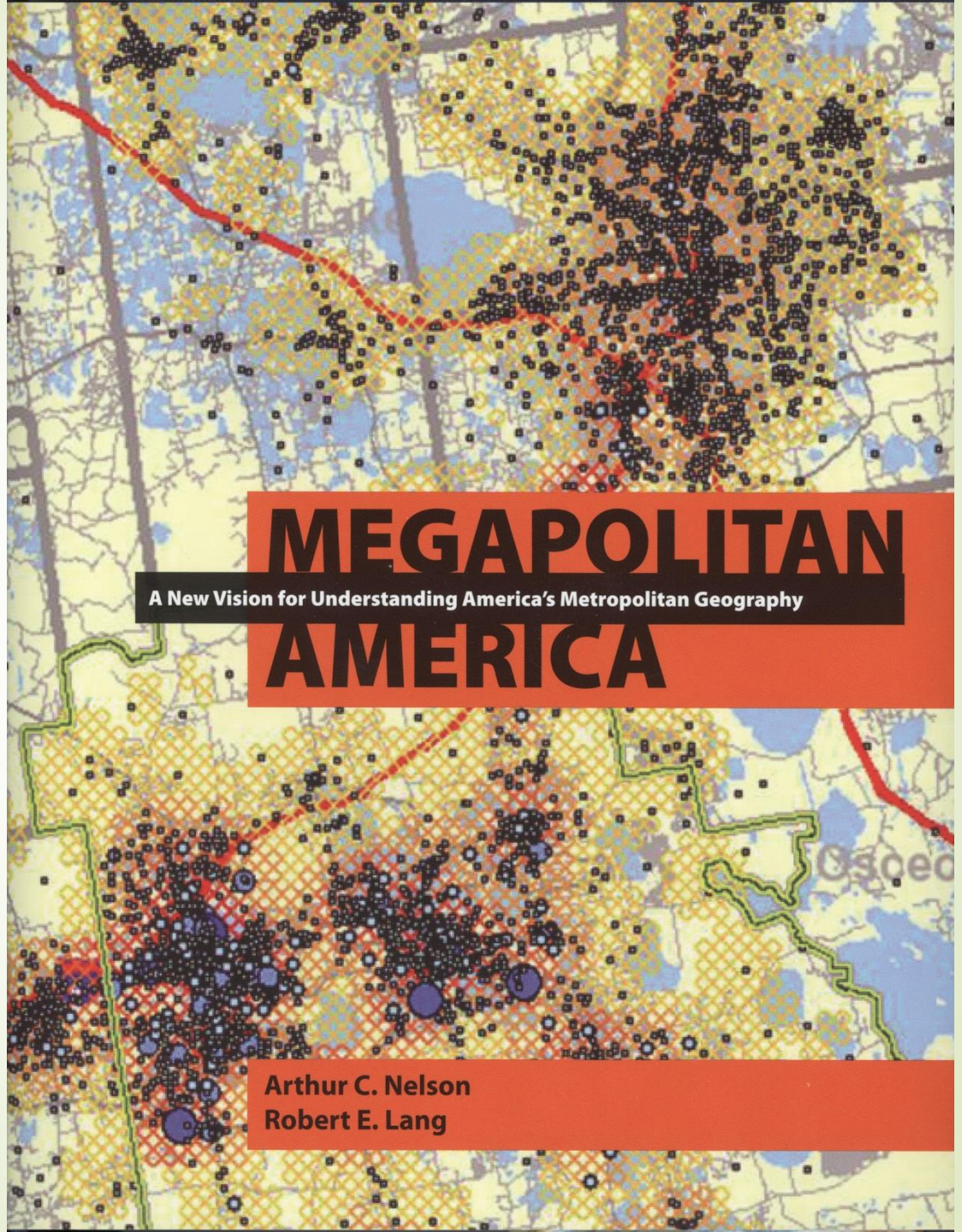
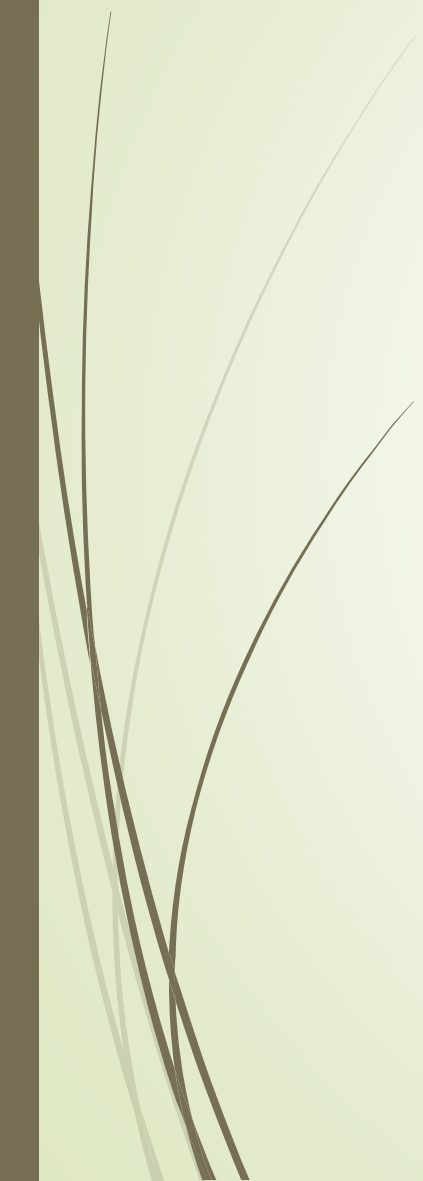
*Development Trends
and Opportunities to 2030*



ARTHUR C. NELSON

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Scholarship**



MEGAPOLITAN AMERICA

A New Vision for Understanding America's Metropolitan Geography

Arthur C. Nelson
Robert E. Lang



Megapolitan Area

Constituting **multiple core-based statistical areas** and their immediate hinterlands as a single **economic unit** connected through culture, politics, climate, terrain **anchored** by at least one metropolitan area of **more than 2 million people** networked to at least **2 other metropolitan areas** each of more than **250,000 people** within **300 kilometers** and together comprising at least **4 million people by 2040.**

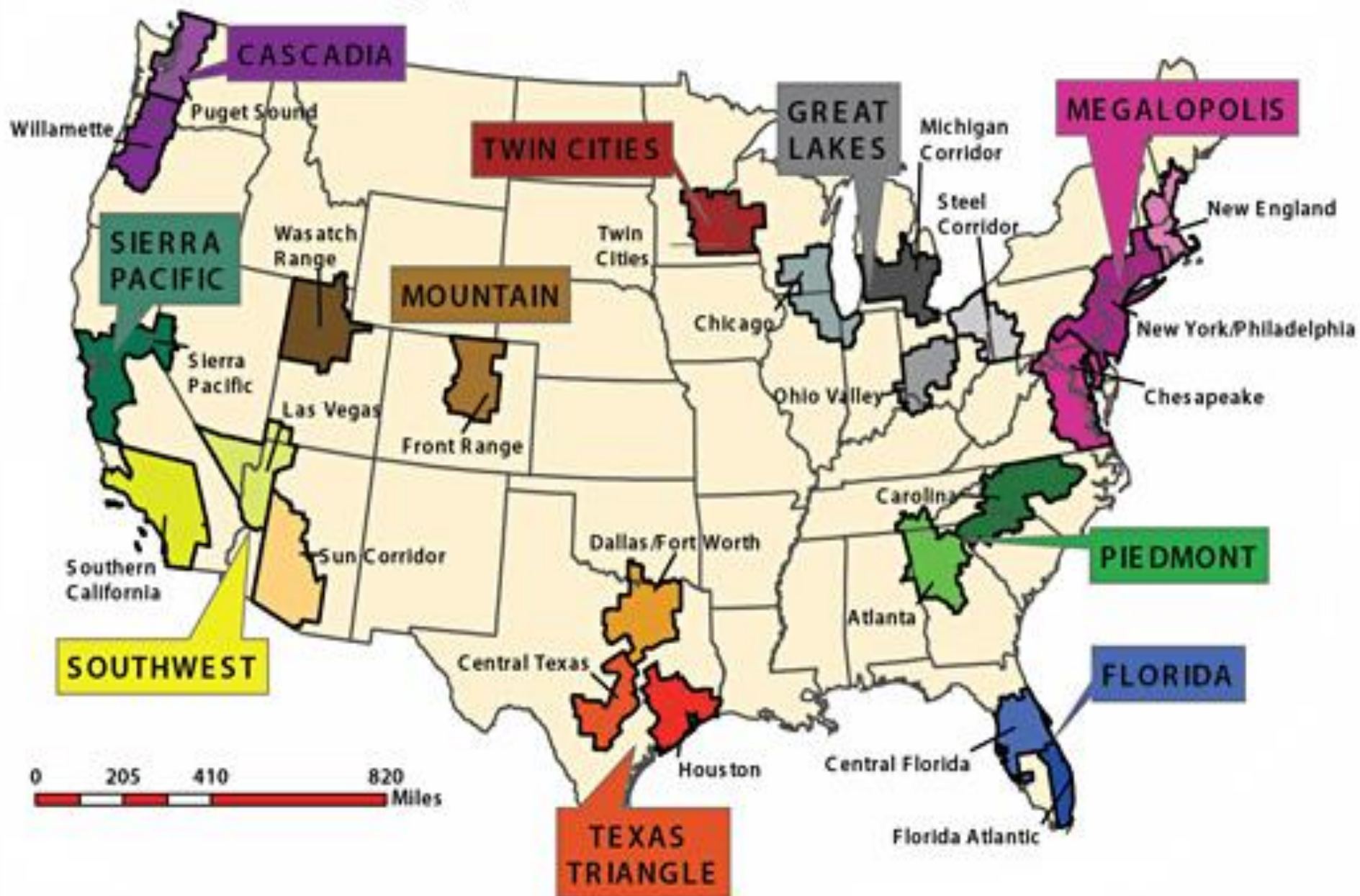


Megapolitan Region

Constituting **multiple megapolitan areas** as an
extended single network connected
through culture, politics, climate, terrain.



Megapolitan America/48 States





UNITED
KINGDOM

THE
NETHER-
LANDS

GERMANY

BELGIUM

LUX

FRANCE

CZE
REPUB

AUST

SWITZERLAND

ITALY

SLOVE

What About Canada & Mexico?!

- Second Edition
- **Toronto** Megapolitan Area
- **Montreal/Quebec** Megapolitan area
- **Vancouver** added to Puget Sound Megapolitan Area
- **Windsor** added to Michigan Corridor Mega
- **Mexico City** Megapolitan Area
- **Guadalajara** Megapolitan Area
- **Monterrey** Megapolitan Area
- **Tijuana** added to Southern California Megapolitan Area
- **Lower Rio Grande** Megapolitan Area
(Brownsville/Harlingen/Renosa/Matamoros)

US Housing Market Realities

Sub-prime mortgages are history.

20% down-payments are the new normal.

Meaning

- ***Smaller homes → maybe more people per home***
- ***Smaller lots***
- ***More attached units***
- ***More renters → including doubled-up renters***

US Population Change 2010-2040

Metric	United States
Population 2010	309,350
Population 2040	406,417
Population Change, 2010-40	97,067
Percent Pop Change, 2010-40	31%

Source: Adapted from Woods & Poole by Arthur C. Nelson



Canada Population Change, 2013-2036

Metric	Canada
Population 2013	35,158
Population 2036	43,822
Population Change 2013-2036	8,664
Percent Pop Change, 2013-2036	25%

Source: <http://www.statcan.gc.ca/pub/91-520-x/2010001/aftertoc-aprestdm1-eng.htm>

US Population 65+ Change, 2010-2040

Metric	United States
Population 2010	40,331
Population 2040	81,250
Population Change	40,919
Percent Population Change	101%
Share of Population Change	42%

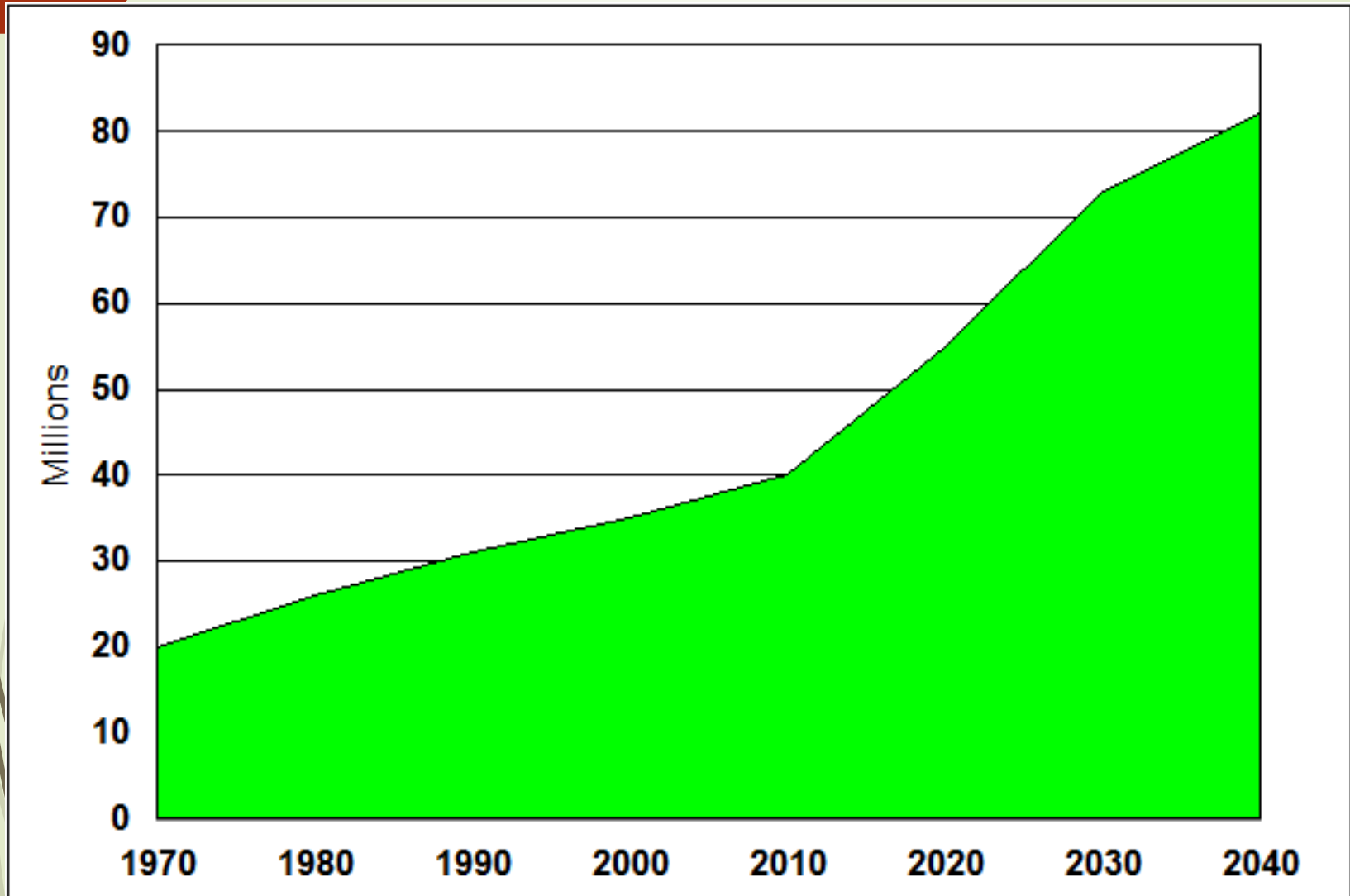
Source: Adapted from Woods & Poole by Arthur C. Nelson

Canada Population 65+, Change 2013-2036

Metric	Population	65+	Share
Population 2011	35,158	5,379	15%
Population 2036	43,822	11,350	26%
Percent Change	25%	111%	
Population Change	8,664	5,971	69%

Sources: <http://www.statcan.gc.ca/pub/91-520-x/2010001/aftertoc-aprestdm1-eng.htm>
<http://www.statcan.gc.ca/pub/91-520-x/2010001/t147-eng.pdf>

Seniors 1970-2040



Source: Arthur C. Nelson, University of Arizona.

CELEBRATING 125 YEARS OF EXPLORATION

Siberian Paradise | Mixed Blessing of Fertilizer

NGM.COM MAY 2013

NATIONAL GEOGRAPHIC

**THIS BABY
WILL LIVE TO BE
120***

*It's not just hype.
New science
could lead to
very long lives.



US Population Race/Ethnicity Change 2010-2040

Metric	United States
<i>Baseline</i>	
Population Change, 2010-2040	97,067
<i>White Non-Hispanic</i>	
Population 2010	201,912
Population 2040	210,932
Population Change, 2010-2040	9,020
Percent Population Change, 2010-2040	9%
<i>New Majority</i>	
Population 2010	107,438
Population 2040	195,485
Population Change, 2010-2040	88,047
Percent Population Change, 2010-2040	91%

Source: Adapted by Arthur C. Nelson from Woods & Poole

US Net Change in Households by Type, 2010-2040

Metric	Nation
Baseline, 2010	116,945
Households with Children	34,814
2+ Person HHs Without Children	50,867
Single-Person Households	31,264
Household Growth by Type, 2010-2040	
Households 2040	152,171
Household Growth	35,226
HHs with Children	41,568
HHs with Children Growth	6,754
HHs with Children Share of Growth	19%
2+ Person HHs Without Children	63,701
2+ Person HHs Without Children Growth	12,834
2+ Person HHs W/out Children Share	36%
Single-Person HHs	46,902
Single-Person HHs Growth	15,638
Single-Person HHs Share of Growth	44%

Source: Arthur C. Nelson

Canada Net Change in Households by Type, 2006-2036

Household Type	2006	2036	Change	Share
Total HHs	12,783	17,897	5,114	
HHs with Children	5,355	6,414	1,059	21%
2+ Person HHs w/o Children	4,026	6,029	2,003	39%
1-Person HHs	3,402	5,454	2,052	40%

Source: CMHC Long-Term Household Growth Projections – 2013 Update

Net Change in Households by Age, US 1990-2010-2040

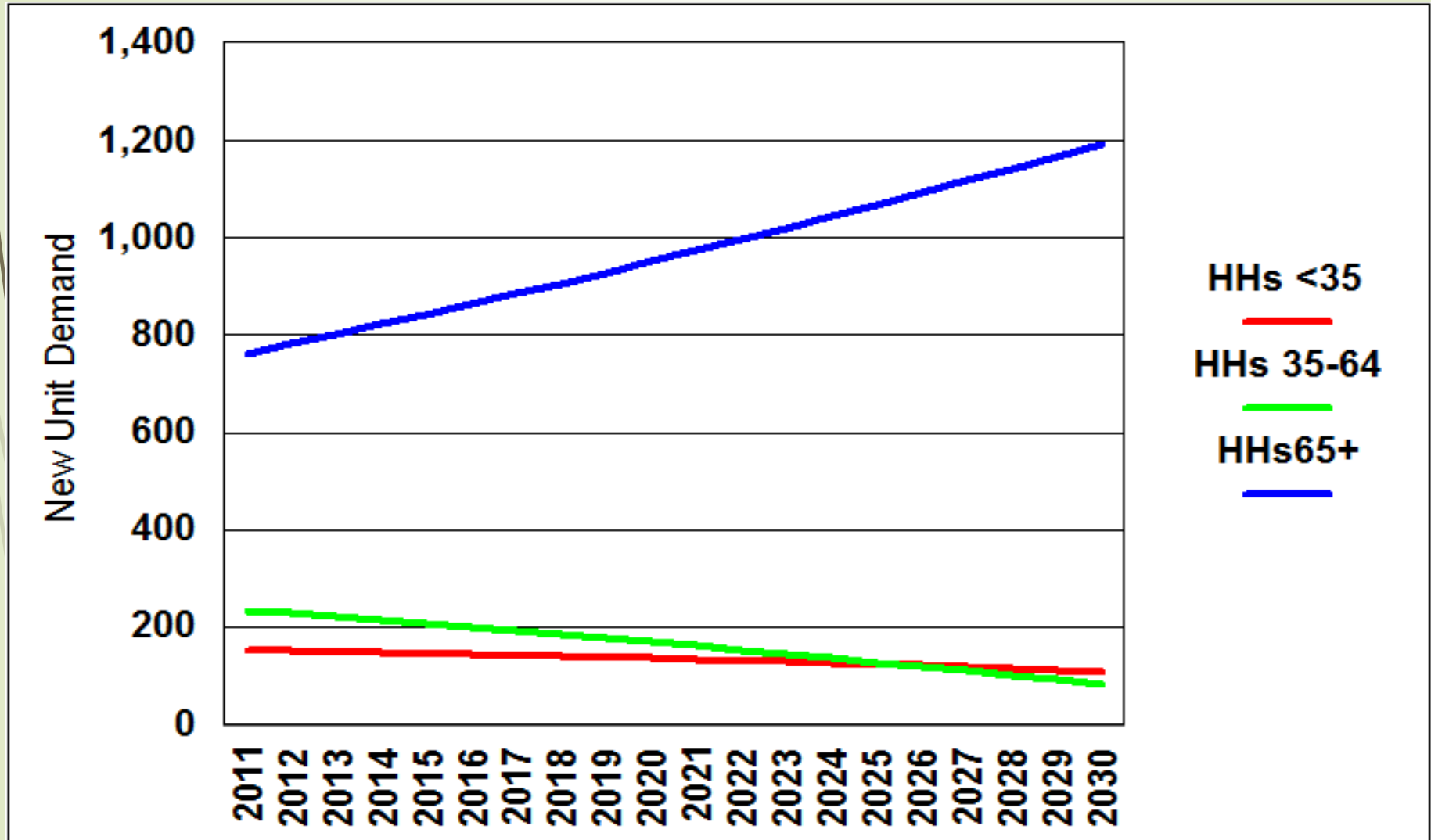
Metric	United States
<i>Change in Household Growth by Age, 1990-2010</i>	
Household Change	24,951
Change in Households <35	(1,285)
Change in Households 35-64	20,457
Change in Households 65+	5,779
Households <35 Share of Growth	-5%
Households 35-64 Share of Growth	82%
Households 65+ Share of Growth	23%
<i>Change in Household Growth by Age, 2010-2040</i>	
Household Change	35,226
Change in Households <35	5,885
Change in Households 35-64	10,041
Change in Households 65+	19,300
Households <35 Share of Growth	17%
Households 35-64 Share of Growth	29%
Households 65+ Share of Growth	55%

Figures in thousands.

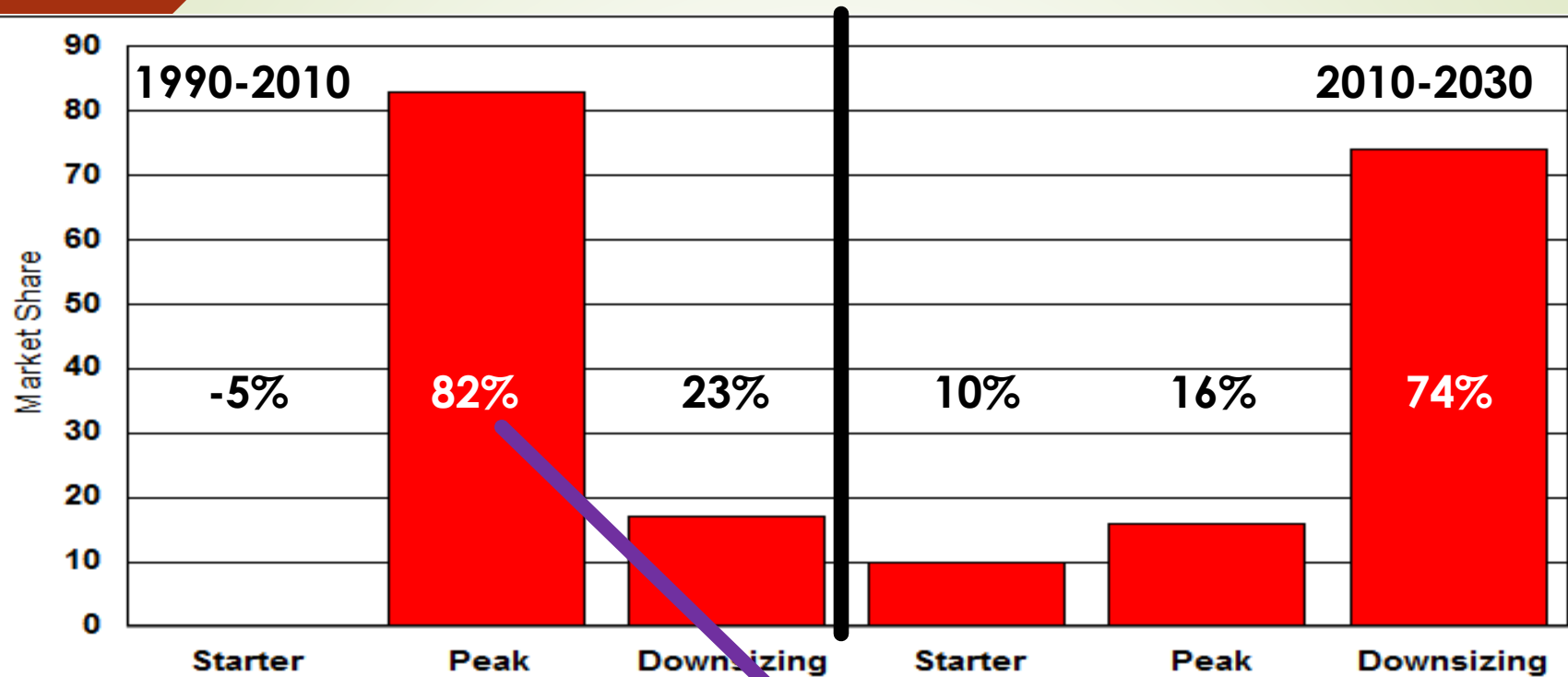
Source: Arthur C. Nelson

Annual HH Change by Age

2010-11 to 2029-30



The US Mass Market for Sprawl is Over



Distribution of Units Built, United States, 1989-2009 (AHS)

Type	Volume	Total Share	Detached Share
New Units	24.5		
Detached	20.7	85%	
0.5-10 ac	8.7	35%	42%

Source: Arthur C. Nelson

Net Change in Households by Age, Canada 1991-2011-2036

Metric	Canada
<i>Change in Household Growth by Age, 1991-2011</i>	
Household Change	3,356
Change in Households <35	(274)
Change in Households 35-64	2,574
Change in Households 65+	1,056
Households <35 Share of Growth	-8%
Households 35-64 Share of Growth	77%
Households 65+ Share of Growth	31%
<i>Change in Household Growth by Age, 2011-2036</i>	
Household Change	4,578
Change in Households <35	233
Change in Households 35-64	978
Change in Households 65+	3,366
Households <35 Share of Growth	5%
Households 35-64 Share of Growth	21%
Households 65+ Share of Growth	74%

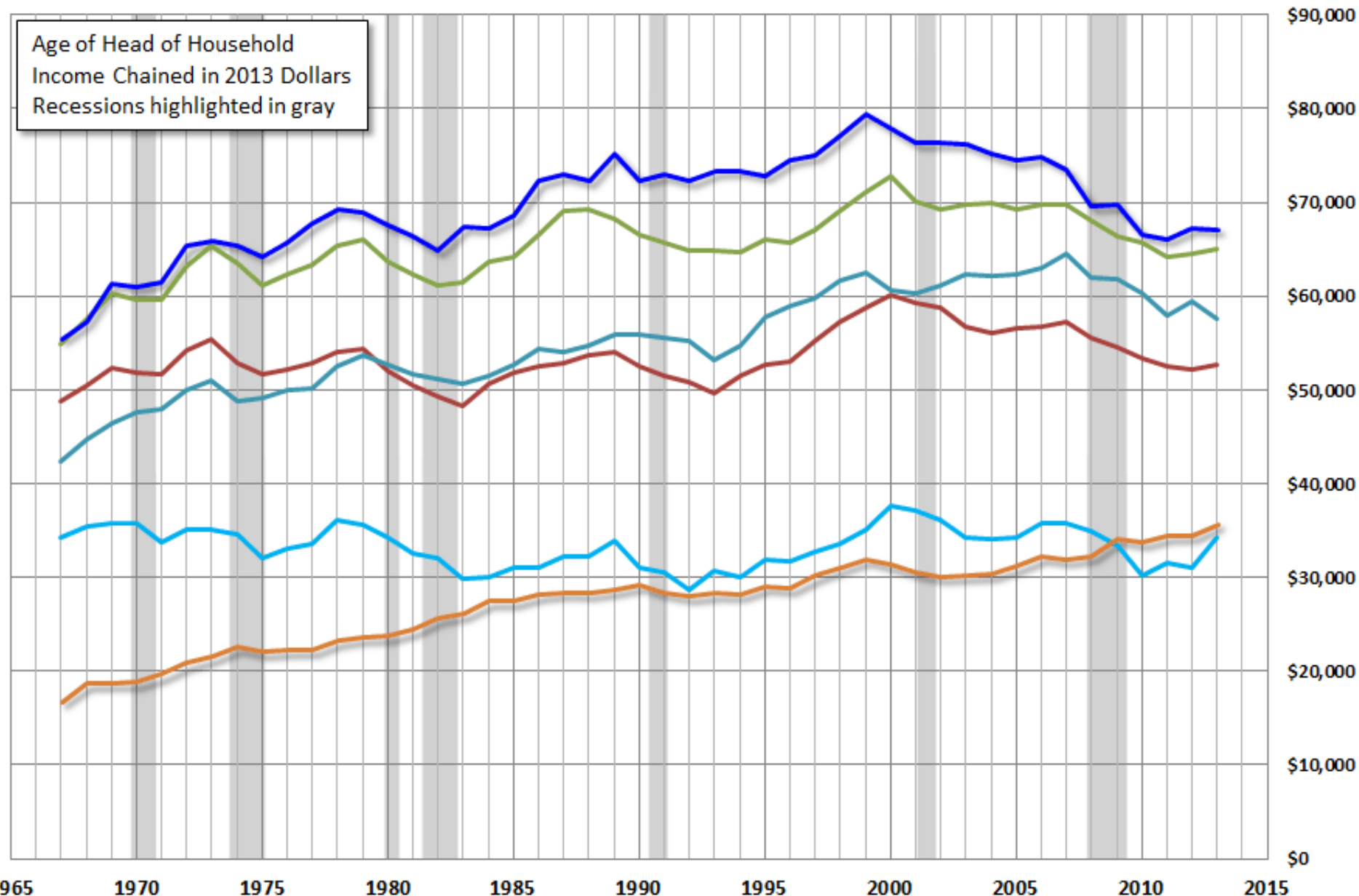
Figures in thousands.

Source: Adapted by Arthur C. Nelson from Statistics Canada for 1991 and 2011, and Long-Term Household Growth Projections – Update 2013, medium projection, Canada Mortgage and Housing Corporation

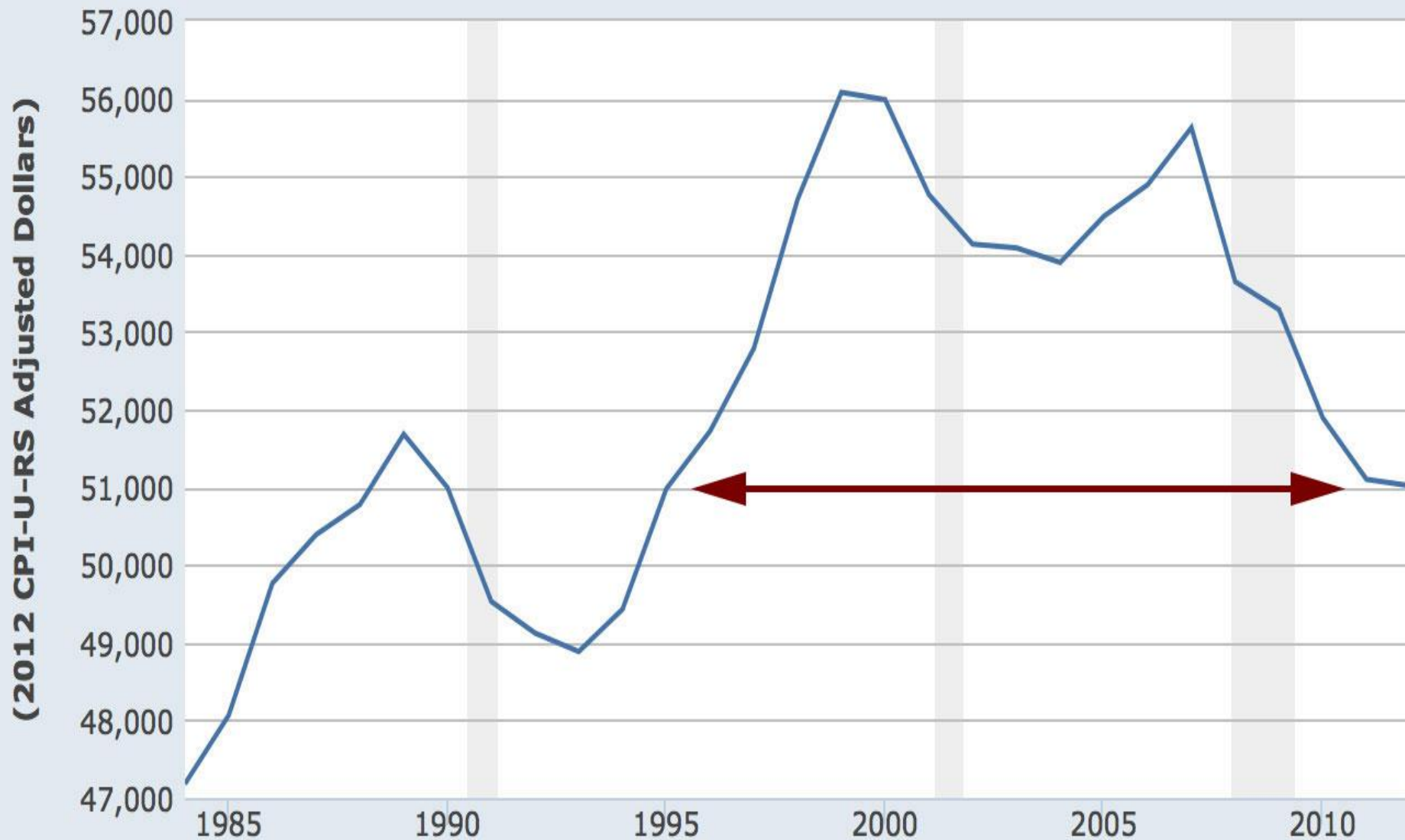
Median Real Household Incomes By Age Bracket

15 to 24 Years 25 to 34 Years 35 to 44 Years 45 to 54 Years 55 to 64 Years 65 Years and Over

Age of Head of Household
Income Chained in 2013 Dollars
Recessions highlighted in gray



— Real Median Household Income in the United States



Source: U.S. Department of Commerce: Census Bureau

Shaded areas indicate US recessions - 2014 research.stlouisfed.org

Home Ownership Rates US 1965-2014

FRED 

— Homeownership Rate for the United States



Source: http://mises.org/sites/default/files/styles/full_width/public/homorate.JPG?itok=nx7C9xal

Conservative Ownership Change, 2010-2040

Metric	United States
<i>Baseline, 2010</i>	
Owners	76,133
Renters	40,812
Ownership Rate	65.1%
Renter Rate	34.9%
<i>Tenure Change 2010-2040</i>	
Homeowners	94,013
Renters	58,158
Ownership Rate	61.8%
Renter Rate	38.2%
Change in Homeowners	17,880
Change in Renters	17,346
Owner Share of Change	51%
Renter Share of Change	49%

Source: Arthur C. Nelson

Propensity of Senior Owners by 5-Year Age Group to Sell and Rent

Householder Age	Owners Who Sell Annually	Share of Owners who Sell to Become Renters
All Householders 65+	4.5%	45%
All Householders 70+	4.0%	52%
All Householders 75+	3.9%	60%
All Householders 80+	4.1%	68%
All Householders 85+	4.5%	79%

Source: Estimated from 2011 American Housing Survey raw data.

US Household Housing Preferences


Imagine for a moment that you are moving to another community. These questions are about the kind of community you would like to live in. Please select the community where you would prefer	All House-holds	House-holds with Children	2+ Person HHs without Children	Single-Person House-holds
Own or rent an apartment or townhouse , and have an easy walk to shops and restaurants and have a shorter commute to work. OR	40%	35%	39%	49%
Own or rent a detached, single-family house, and have to drive to shops and restaurants and have a longer commute to work.	60%	65%	61%	51%
Houses with large yards and you have to drive to get to schools, stores and restaurants. OR	42%	44%	44%	42%
Houses with small yards and it is easy to walk to schools, stores and restaurants	58%	56%	56%	58%
Houses with larger yards and you would have a longer commute to work. OR	39%	44%	44%	38%
Houses with smaller yards and you would have a shorter commute to work.	61%	56%	56%	62%

Source: Adapted from National Association of Realtors, 2011.

Housing Type Demand by Household Type

Household Type	Attached	Small Lot	All Other Lot
Households with Children	35%	36%	29%
2+ Person Households Without Children	39%	34%	27%
Single-Person Households	49%	30%	21%
All Households	40%	35%	25%

Source: Adapted from National Association of Realtors, 2013



US Preference Demand vs. Supply

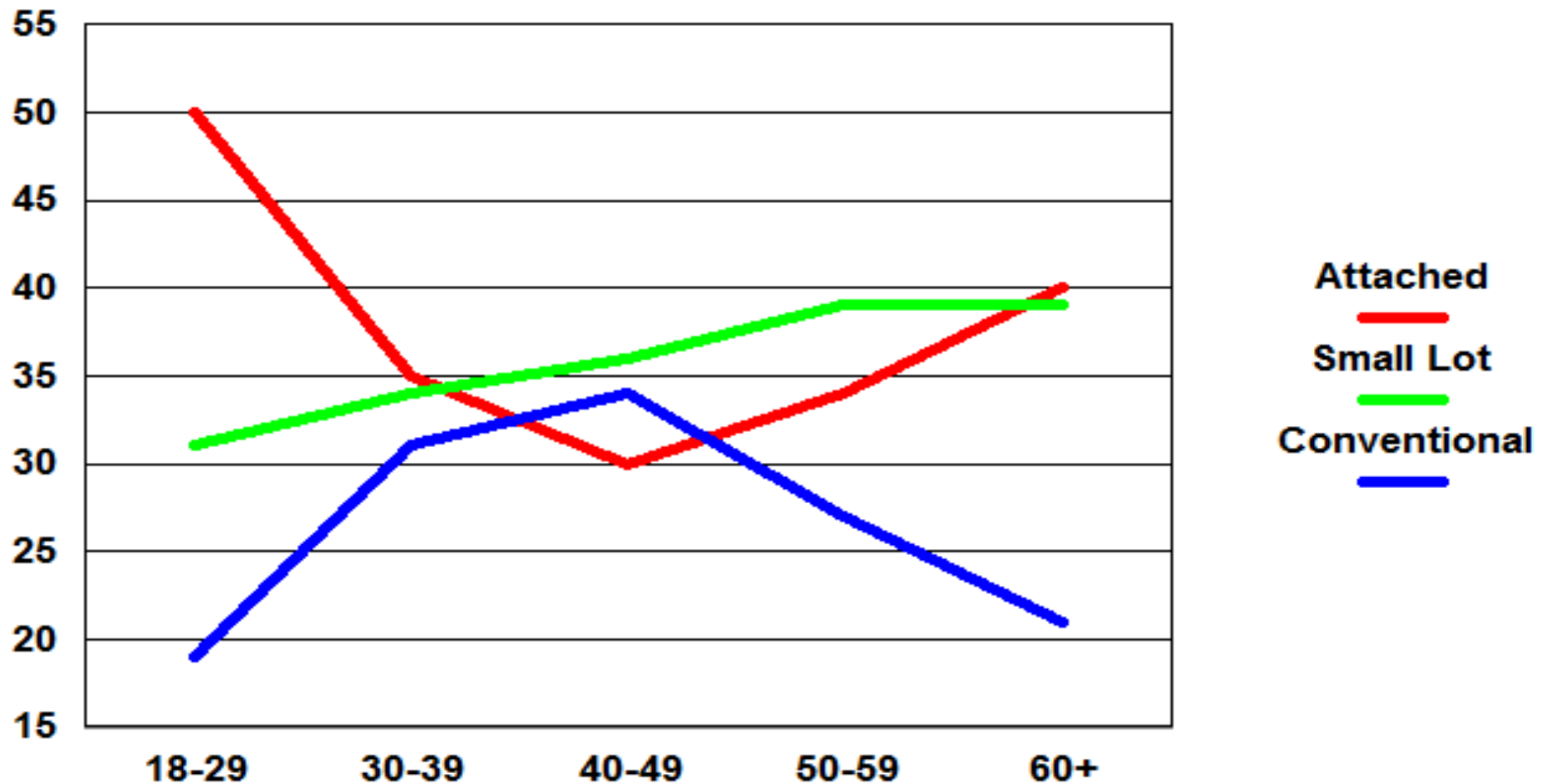
House Type	Nelson	RCLCo**	NAR	AHS
Attached*	38%	33%	38%	28%
Small Lot	37%	35%	37%	29%
Conv. Lot	25%	32%	25%	43%

*Assumes walkable communities, nearby stores/restaurants; potential for some to walk to work

**Gen-Y only, no trade off options

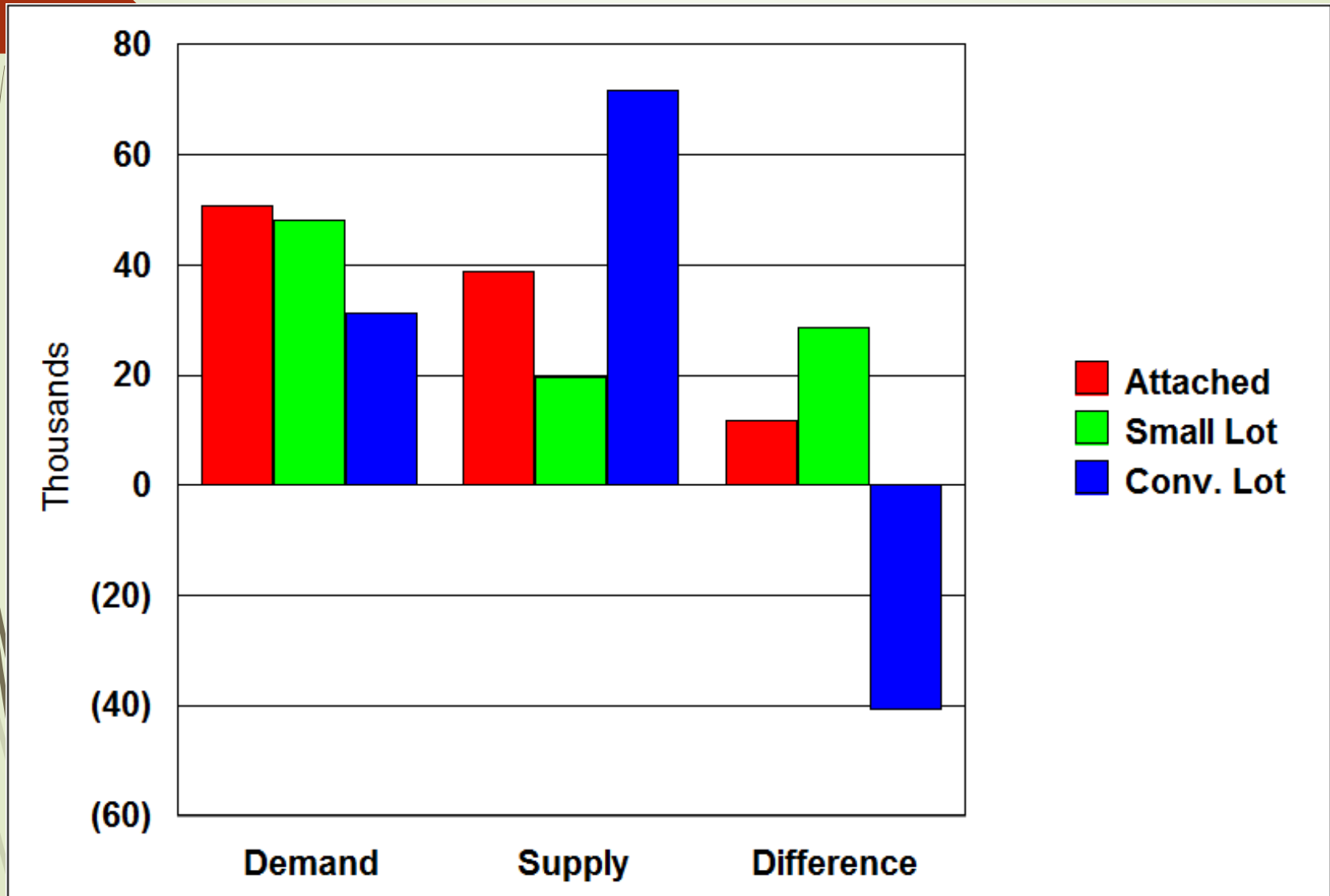
Source: Nelson (2006), RCLCo (2008), NAR (2011), American Housing Survey (2013)

Housing Type Preference by Age



Source: Adapted from National Association of Realtors (2011)

US Housing Supply/Demand 2013

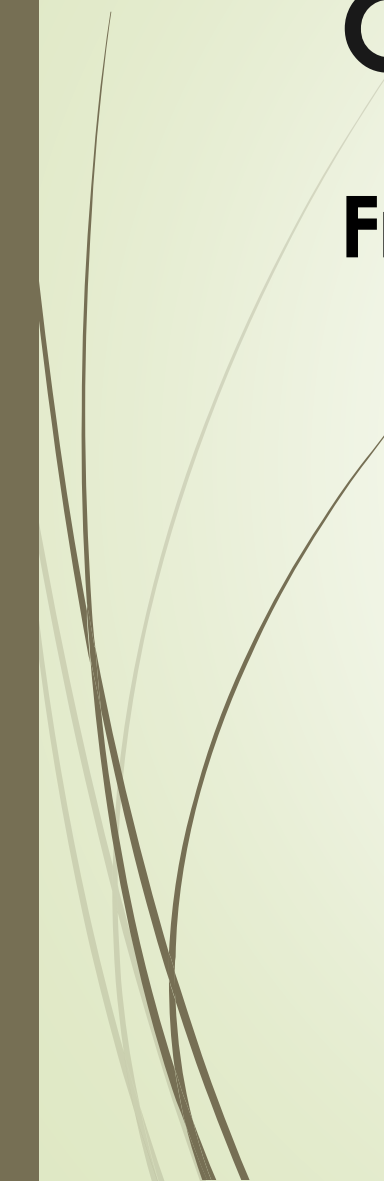


Source: Calculated from the American Housing Survey, 2013.



The Great Senior Home Owner Conundrum

From 2015 to 2030 there may be more Seniors (65+) trying to sell their homes than there may be buyers for them.



The Unmet Demand for Walking and Biking to Work and Errands

How important is it for you to ...	Demand	Activity
be able To Walk or Bike to Work?	23%	4%
be able To Walk or Bike to Errands?	22%	10%

Source: Arthur C. Nelson et al. "The Tragedy of the Unmet Demand for Walking and Biking," *The Urban Lawyer* (2013),

Walk/Bike Trends 1995-2009

Year	Walk/Bike to Work Less than 1 Mile	Walk to Errands Less than 1 Mile
1995	20%	26%
2001	30%	35%
2009	33%	42%
Change	61%	59%

Source: Adapted from the National Household Transportation Survey by Arthur C. Nelson



25% to 33% of All Americans want to Live Walking Distance to Transit

***Even if all new residential units were
built within 1 kilometer of existing and
planned transit stations to 2050 the
demand would remain unmet.***

Thank You