

Suburbia, Soccer Moms, SUVs and Smart Growth
RCLCO – Public Strategies Group
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New Partners for Smart Growth | February 2, 2012





Practice Areas

- ▶ Urban Development
- ▶ Community Development
- ▶ Economic Development
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Offices

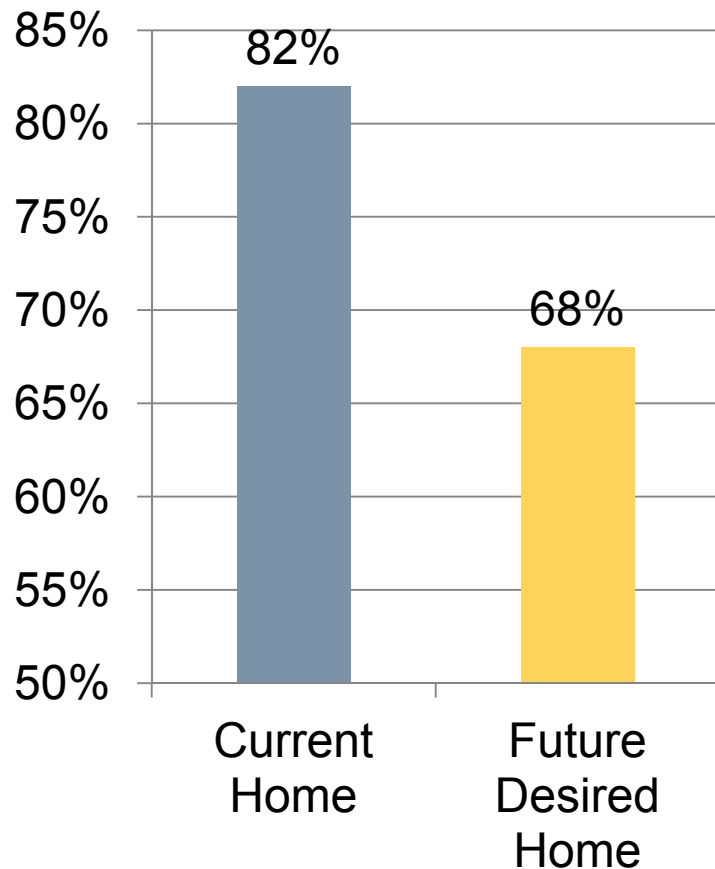
- ▶ Washington, DC
- ▶ Los Angeles
- ▶ Austin
- ▶ Orlando

RCLCO is a land use economics firm delivering **real estate strategies, market intelligence, and implementation assistance**

THE STORY REMAINS THE SAME

PRE-RECESSION ~~ POST-RECESSION

Preference for Single-Family Detached Home



- 23% of respondents 55-59 years of age most likely to purchase small-lot single family detached (14% of those 60+ and 13% of those 50-54 do, as well)
- Family and pre-family buyers distributed between increased preference for townhome or condo products and custom homes

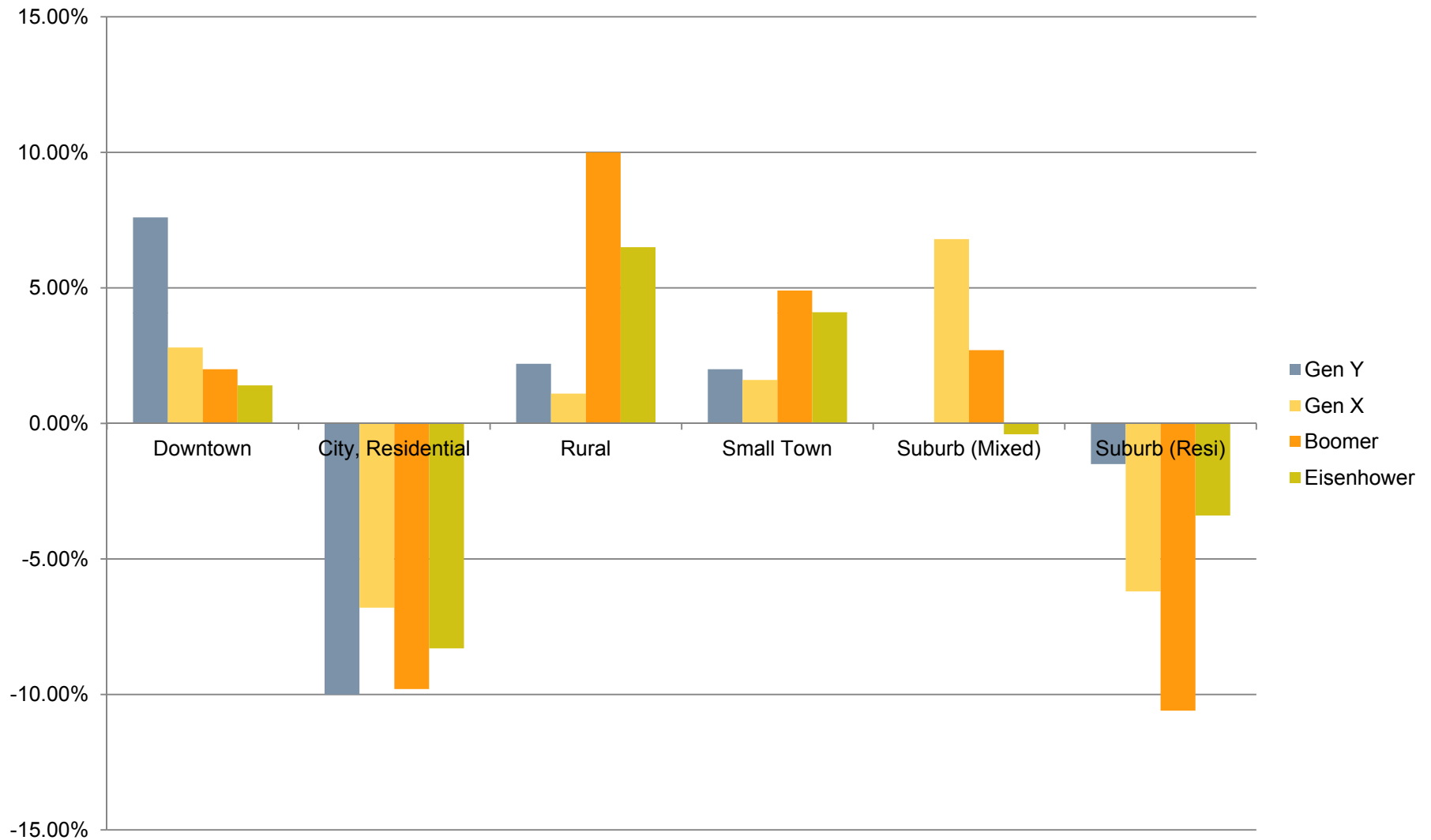
Source: RCLCO 2007



Americans and Smart Growth

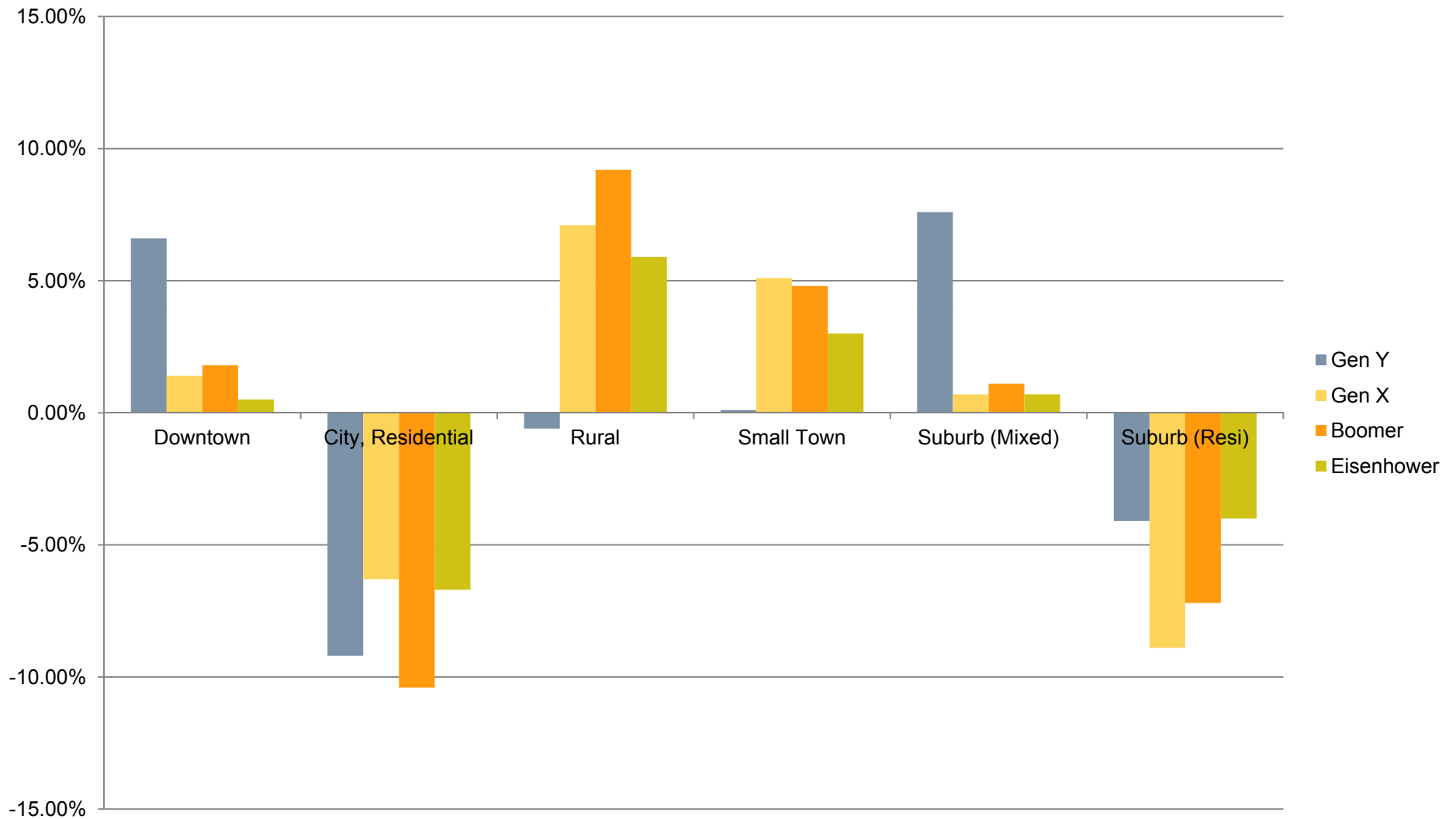
MOVING TO MIXED USE

2004 NAR SURVEY – EXISTING VS PREFERRED LOCATIONS

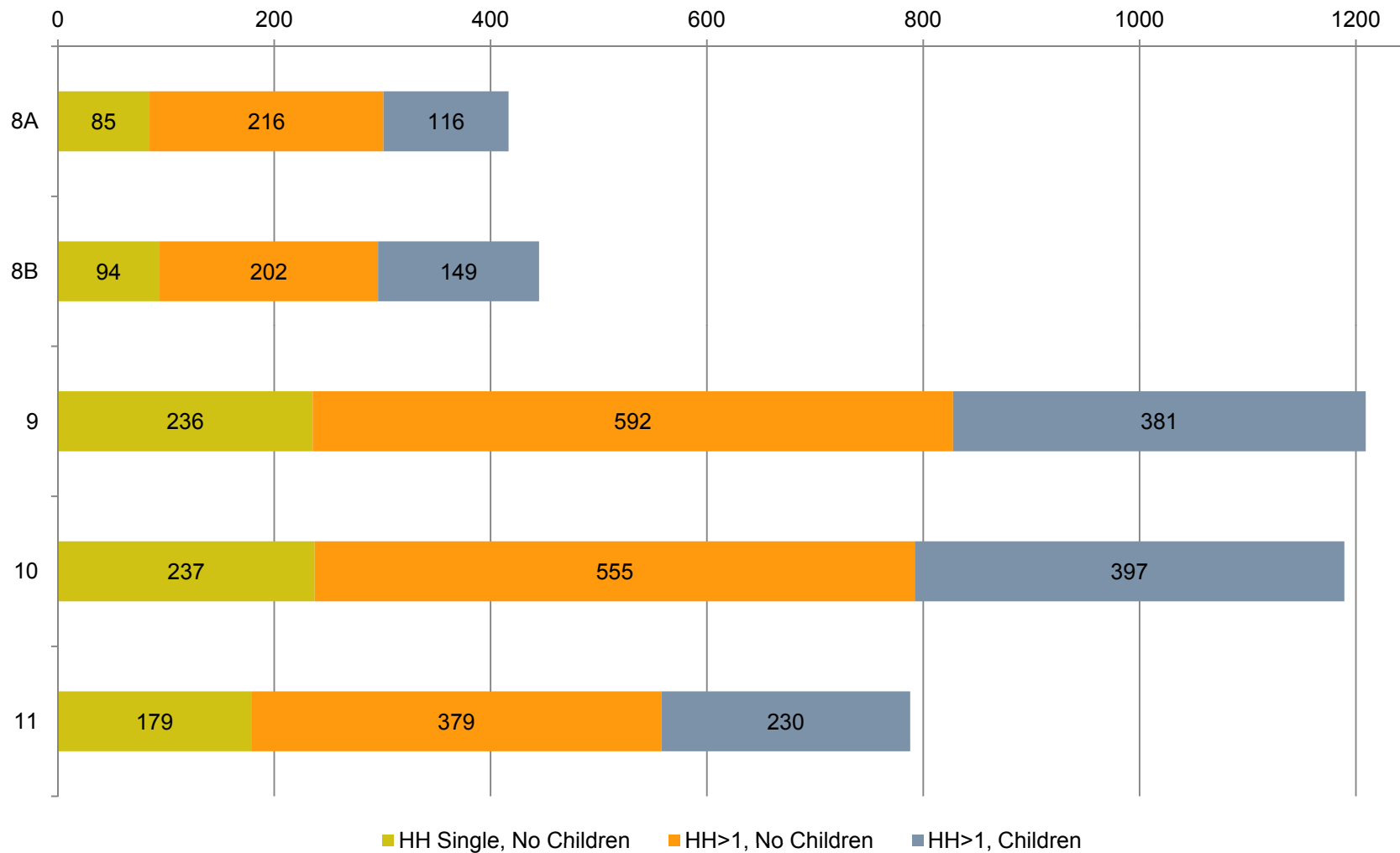


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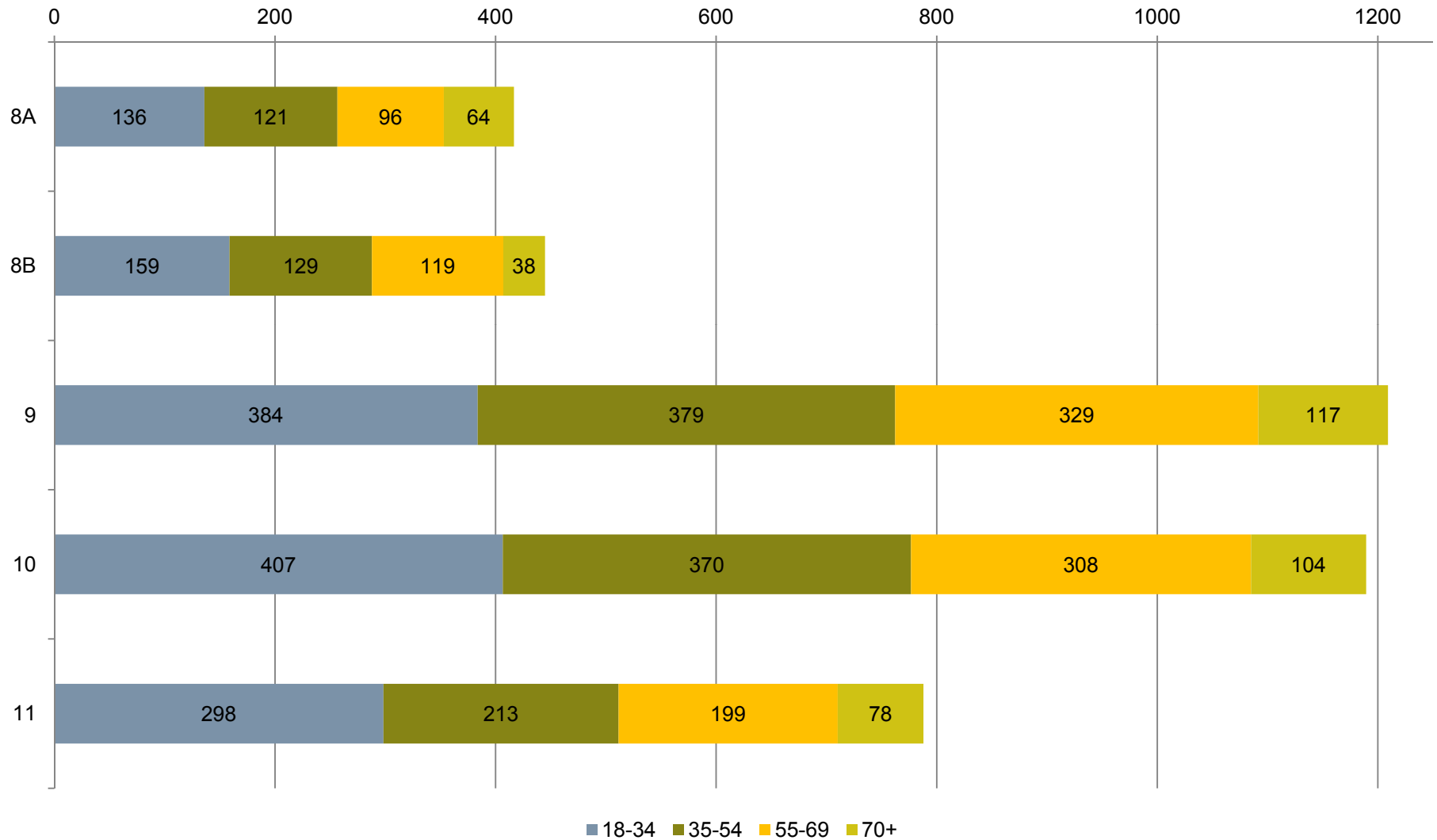
2010 NAR SURVEY – EXISTING VS PREFERRED LOCATIONS



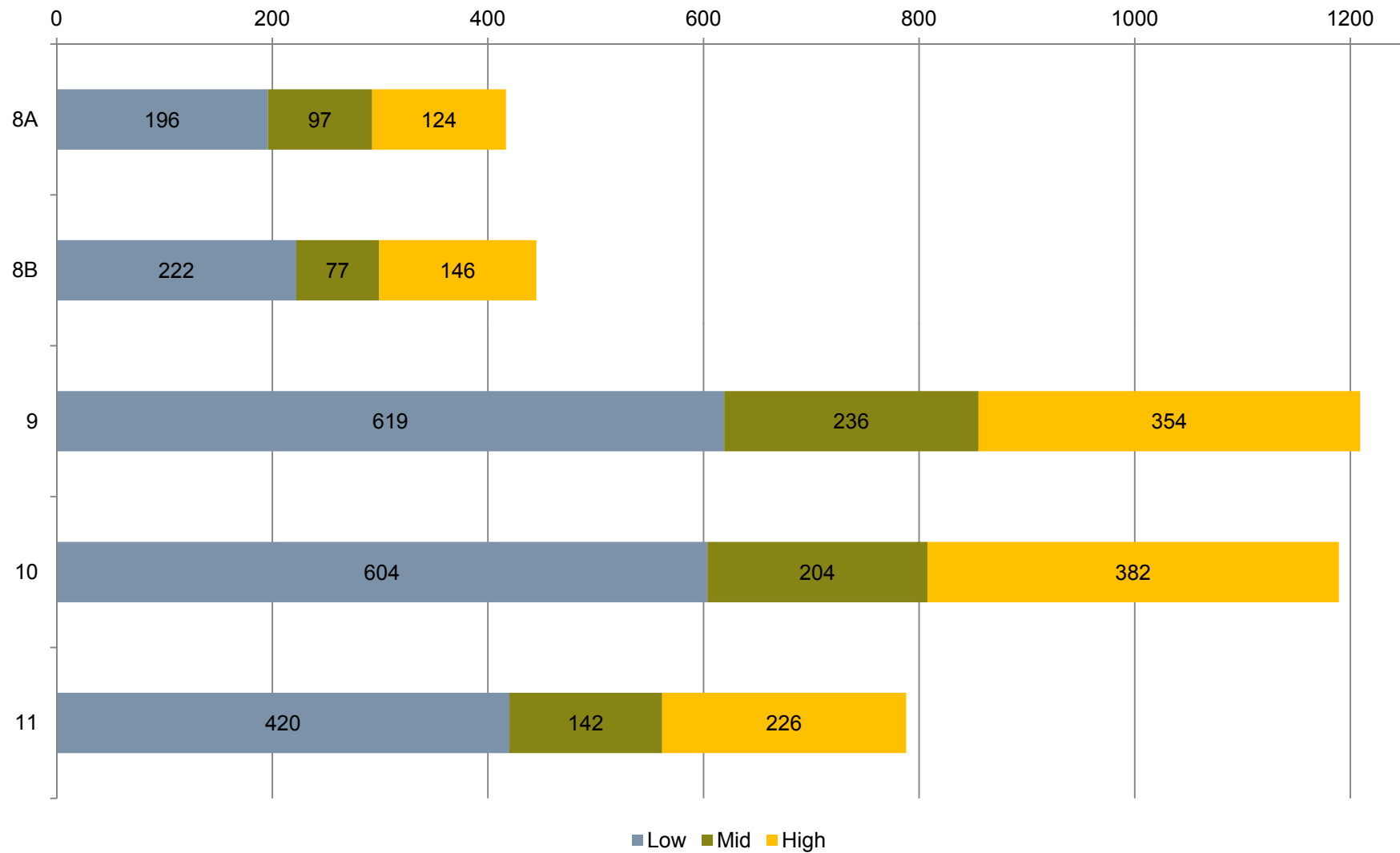
SMART GROWTH PREFERENCE BY HOUSEHOLD TYPE



SMART GROWTH PREFERENCE BY HOUSEHOLD AGE



SMART GROWTH PREFERENCE BY HOUSEHOLD INCOME



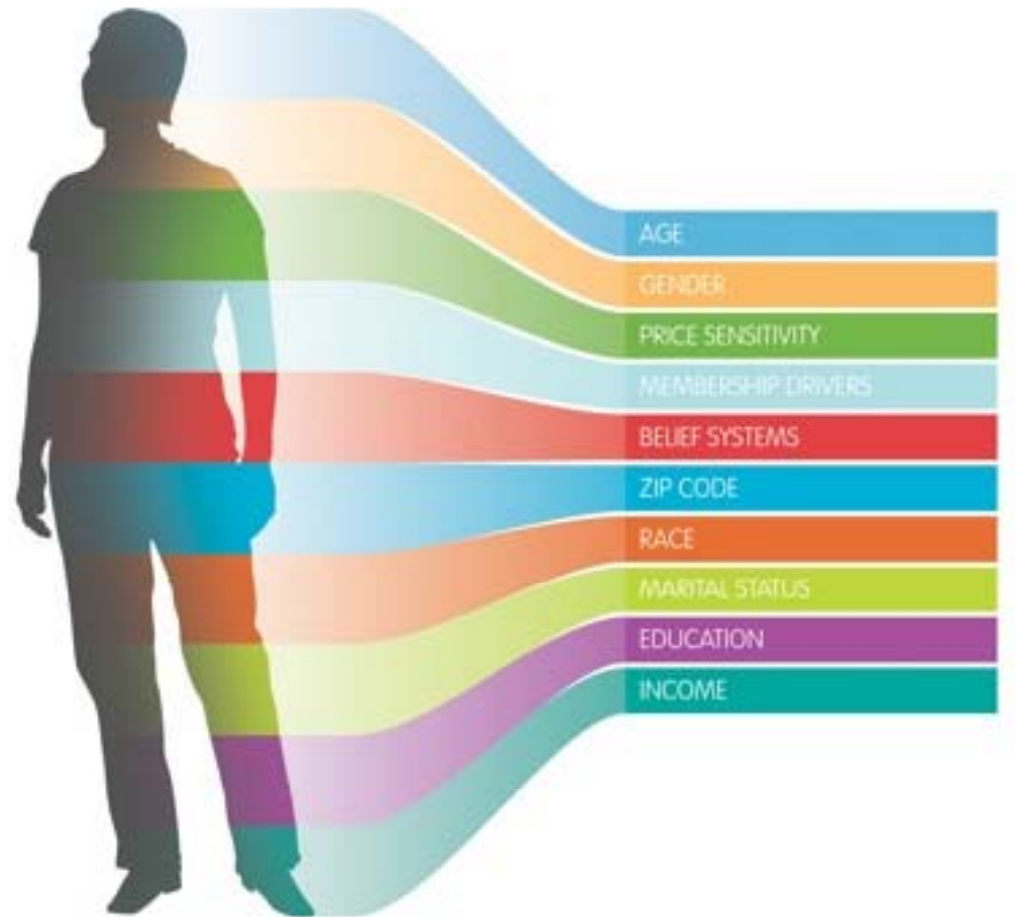
PSYCHOGRAPHICS 101

UNDERSTANDING THE PEOPLE BEHIND THE NUMBERS

Psychographic analysis

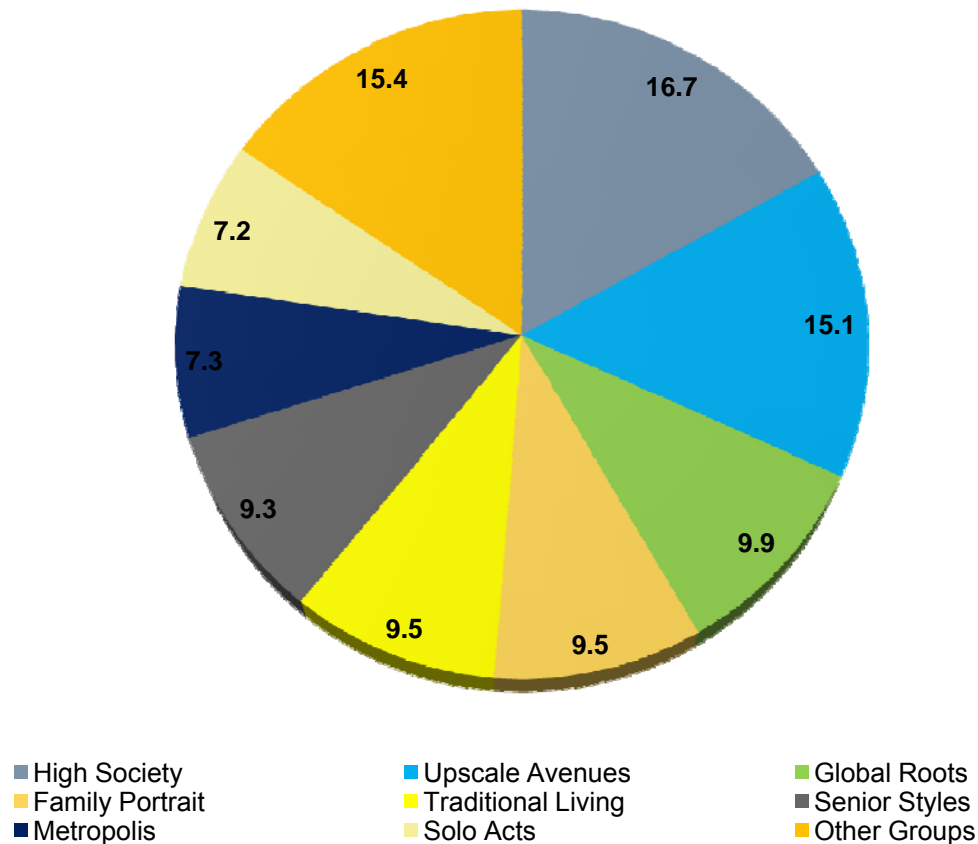
describes categorization driven by personality, values, attitudes, interests, or lifestyles.

It can be contrasted with demographic variables (such as age and gender), behavioral variables (such as usage rate or loyalty), and firmographic variables (such as industry, seniority and functional area).



PSYCHOGRAPHICS OF SMART GROWTH NOT WHAT WE EXPECTED TO FIND!

Smart Growth-Favorable LifeMode Groups



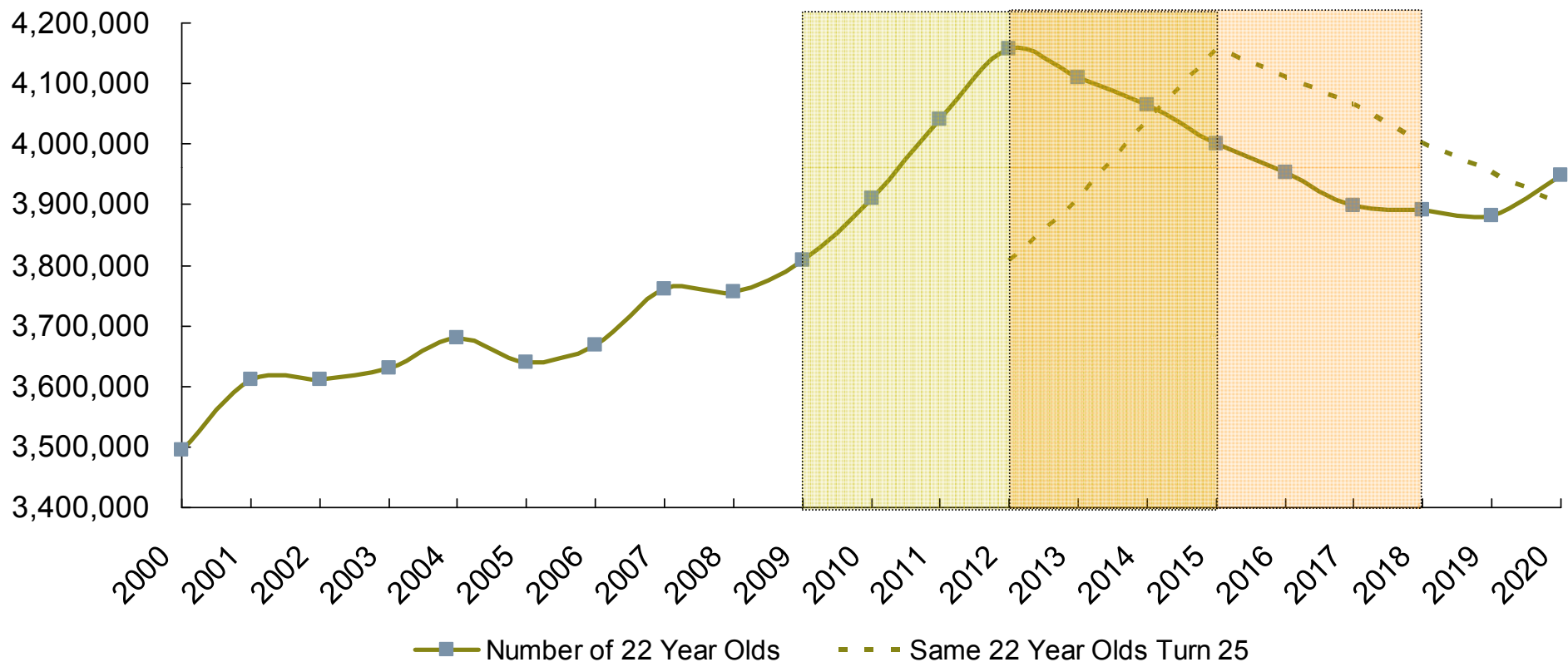
GEN Y DRIVING THE FUTURE OF REAL ESTATE

RE-URBANIZING AMERICA THROUGH RECOVERY

RCLCO Consumer Research shows:

77% of Generation Y plan to live in an Urban Core, and is re-urbanizing America year over year

This is where the future of growth is – capturing Gen Y will be critical to economic vitality through 2050

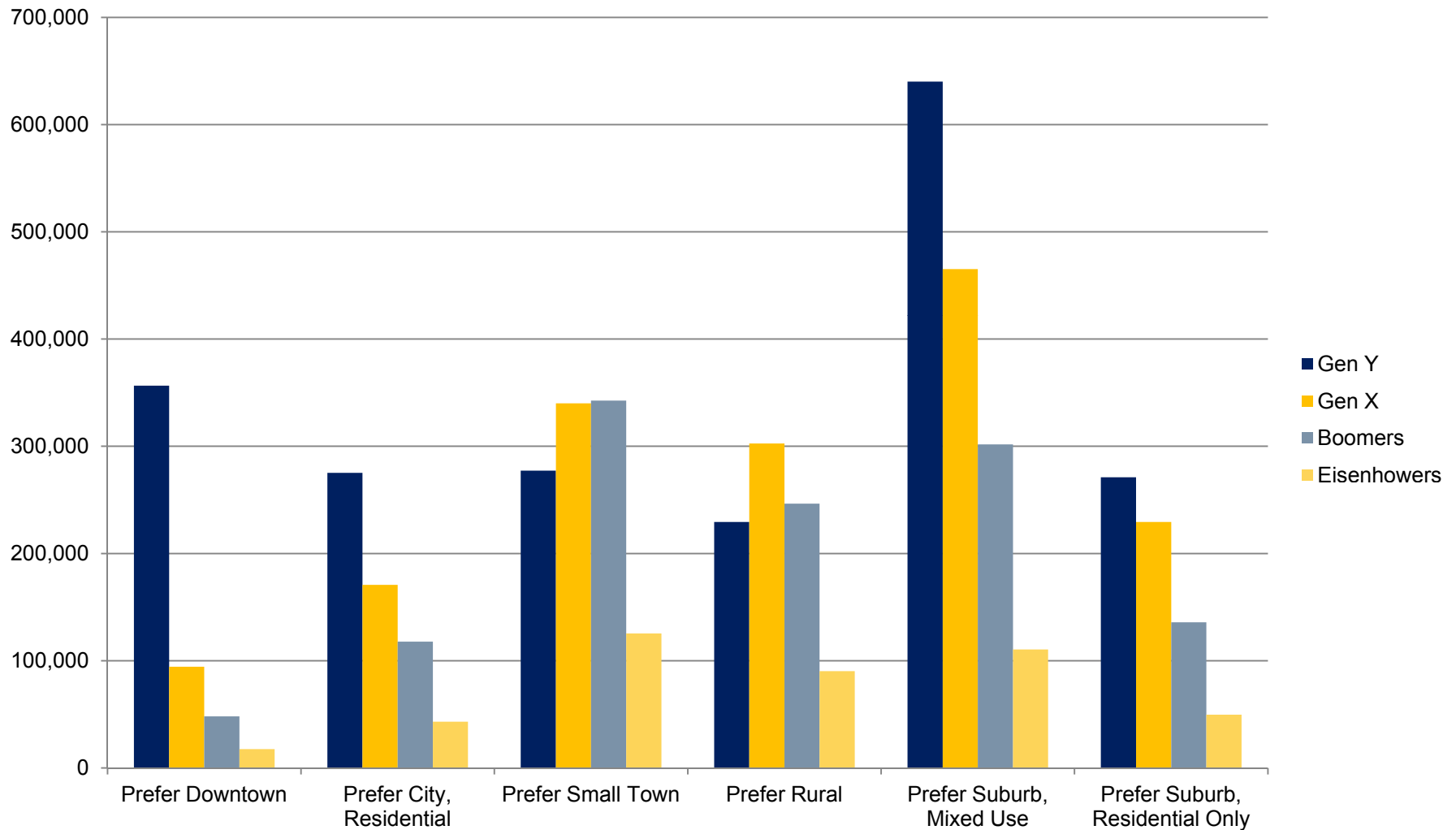


NOTE: Number of 22-year olds is based upon birth rate and does not factor in death rates and migration.

SOURCE: U.S. Centers for Disease Control and Prevention

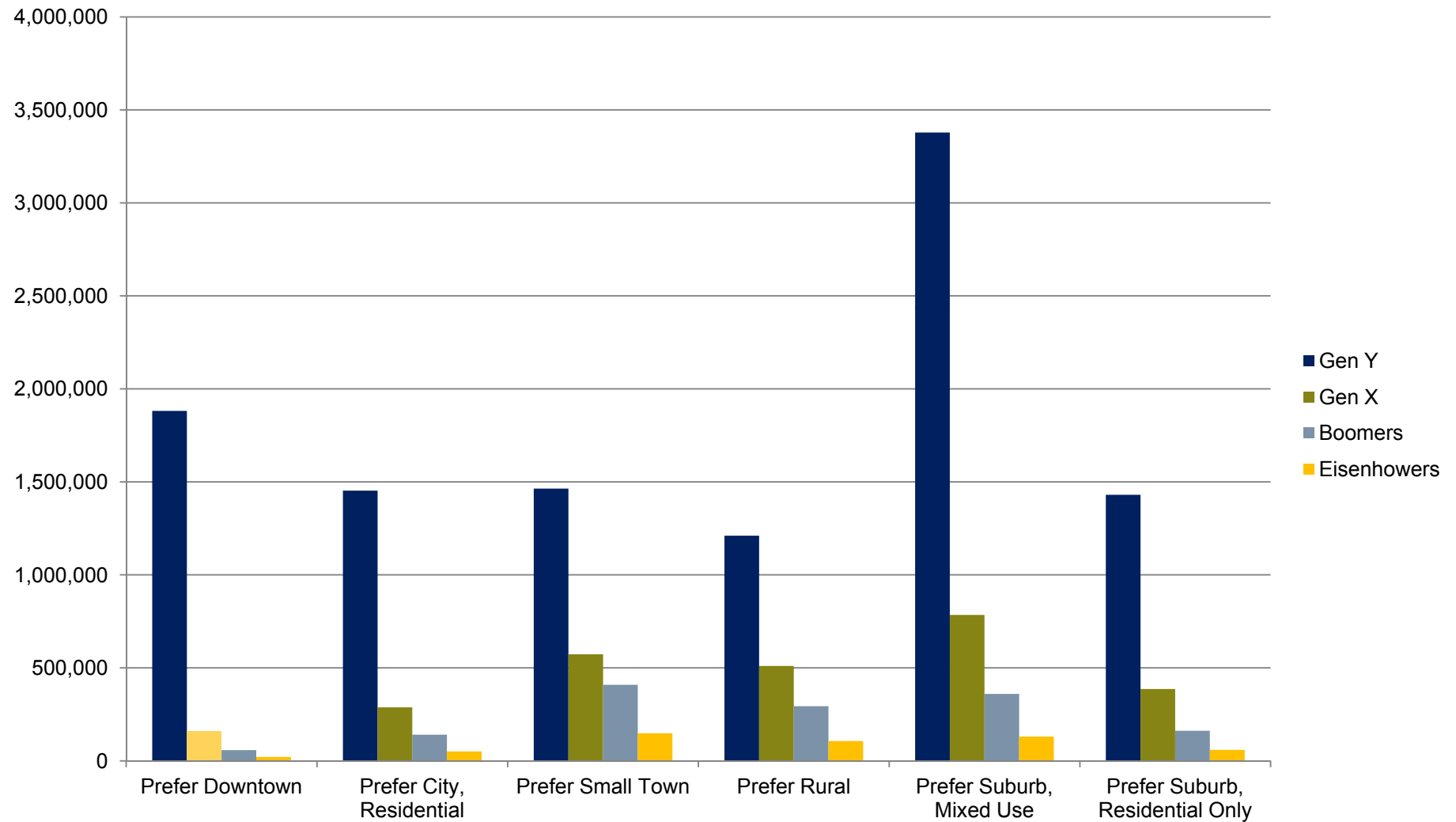
HOW BIG IS THE MARKET FOR SMART GROWTH?

ALMOST HALF OF THE ANNUAL MARKET WANTS TO WALK



HOW BIG IS THE MARKET FOR SMART GROWTH?

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Americans and Transit Oriented Development

WHAT DOES THE REALTORS SURVEY SAY?

EXPLORING PREFERENCES FOR TRANSIT

18. In deciding where to live, indicate how important it would be to you to have each of the following within an easy walk: very important, somewhat important, not very important, or not at all important RANDOMIZE a-j AND PUT CODES ACROSS THE TOP

(Q18a) a. Schools

(Q18b) b. Grocery store

(Q18c) c. Pharmacy or drug store

(Q18d) d. Doctors' offices

(Q18e) e. Cultural resources like libraries or theaters

(Q18f) f. Recreational facilities like swimming, golf, or tennis

(Q18g) g. A hospital

(Q18h) h. (SPLIT SAMPLE COMBINED) Public transportation by (bus/rail)

(Q18h_a) h. (SPLIT SAMPLE A) Public transportation by bus

(Q18h_b) h. (SPLIT SAMPLE B) Public transportation by rail

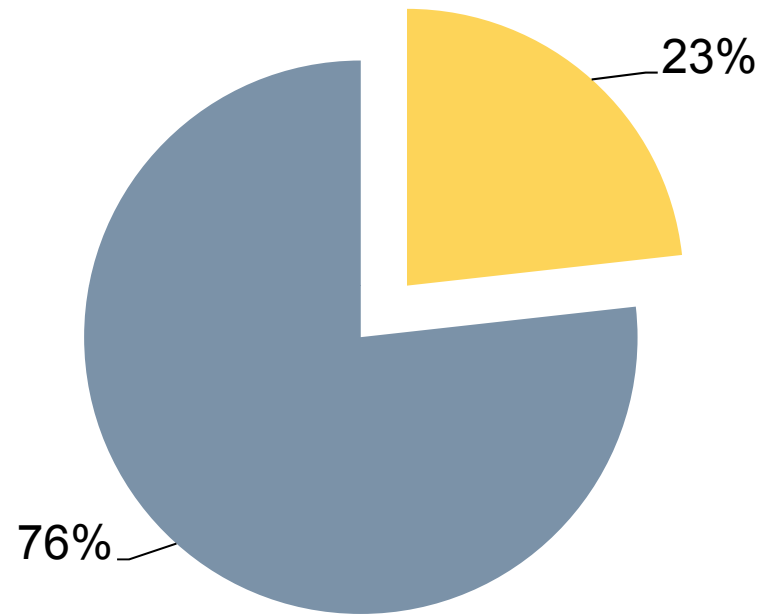
(Q18i) i. Restaurants

(Q18j) j. Church, synagogue, or other place of worship

Source: National Association of REALTORS,
2011, RCLCO

WHAT DOES THE SURVEY SAY?

ONE QUARTER OF THE MARKET WANTS FIXED RAIL TRANSIT



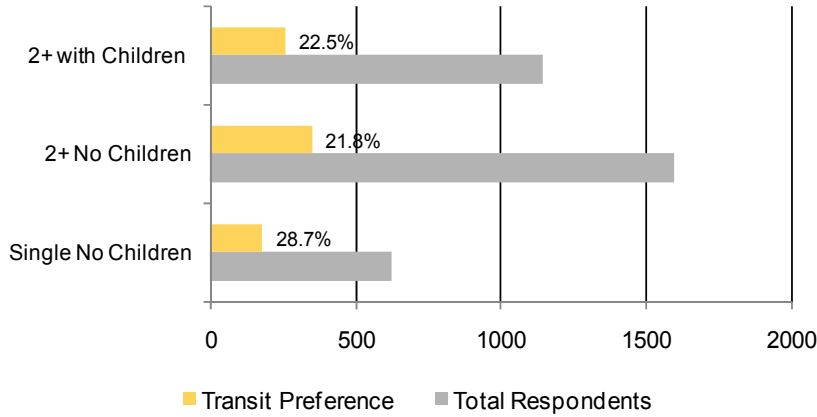
- Households with preference for Fixed Rail Transit
- Households without preference for Fixed Rail Transit

Source: National Association of REALTORS,
2011, RCLCO

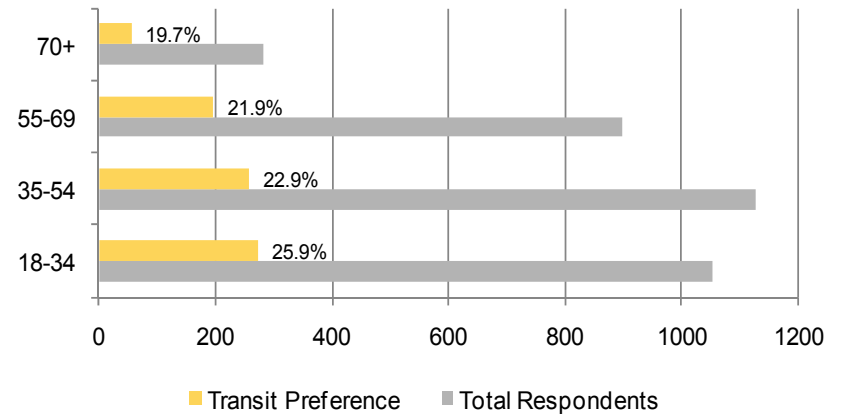
WHAT DOES THE SURVEY SAY?

ONE QUARTER OF THE MARKET WANTS FIXED RAIL

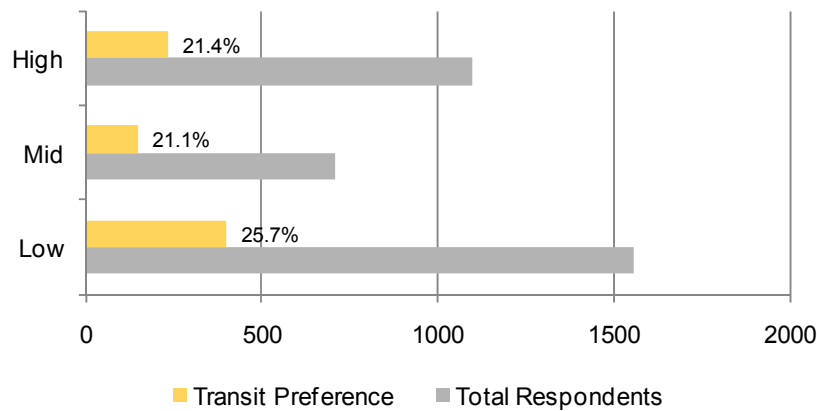
Preference by Household Type



Preference by Age Group



Preference by Income Level

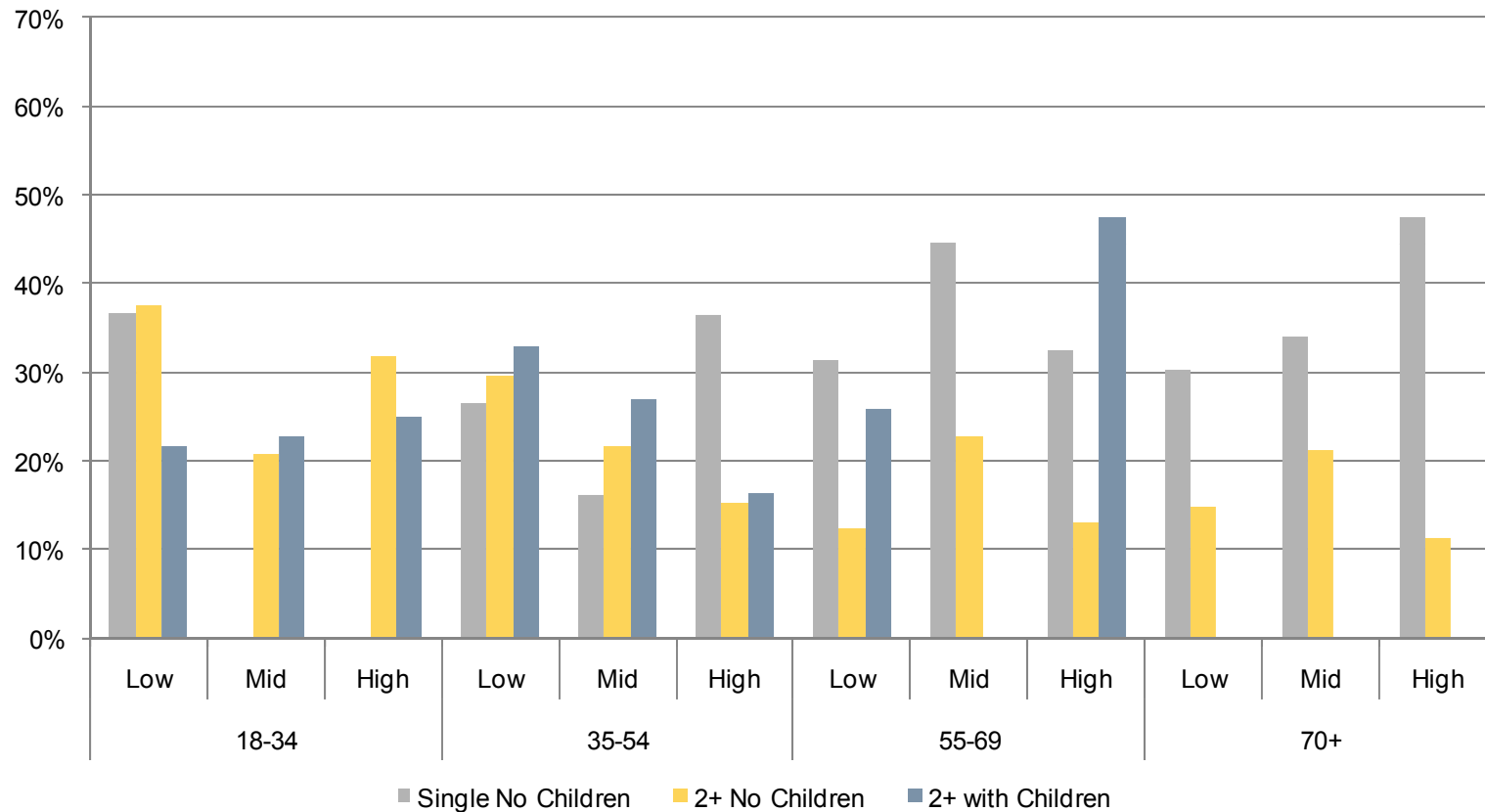


Source: National Association of REALTORS, 2011, RCLCO

WHAT DOES THE SURVEY SAY?

PREFERENCES IN METRO AREAS WITHOUT RAIL TRANSIT

Transit Preference Among Respondents in Metropolitan Areas with No Existing Rail Transit

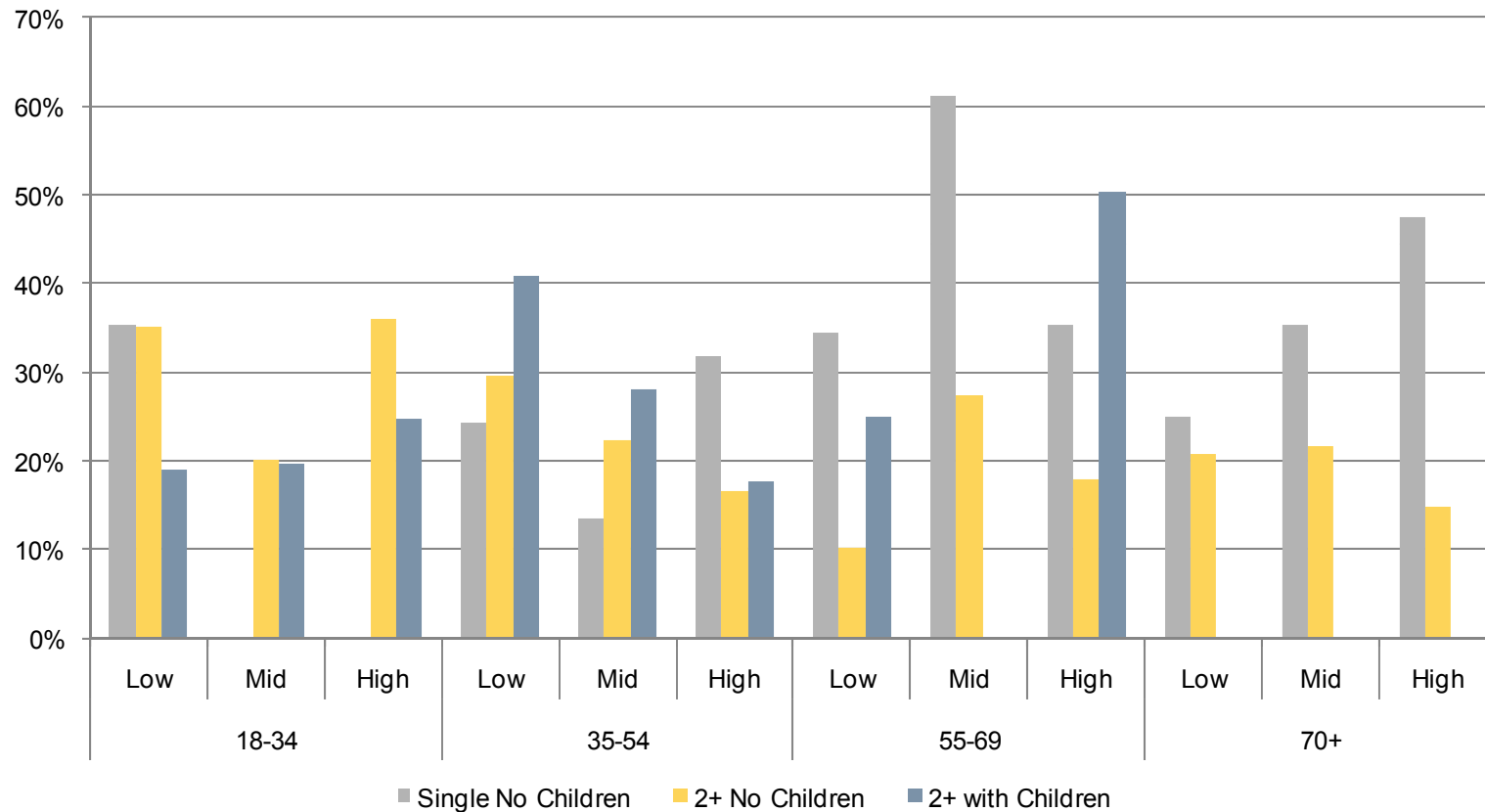


Source: National Association of REALTORS, 2011, RCLCO

WHAT DOES THE SURVEY SAY?

PREFERENCES IN METRO AREAS WITH RAIL TRANSIT

Transit Preference Among Respondents in Metropolitan Areas with Existing Rail Transit



Source: National Association of REALTORS, 2011, RCLCO



So, Who Are These Transit People, Anyway?

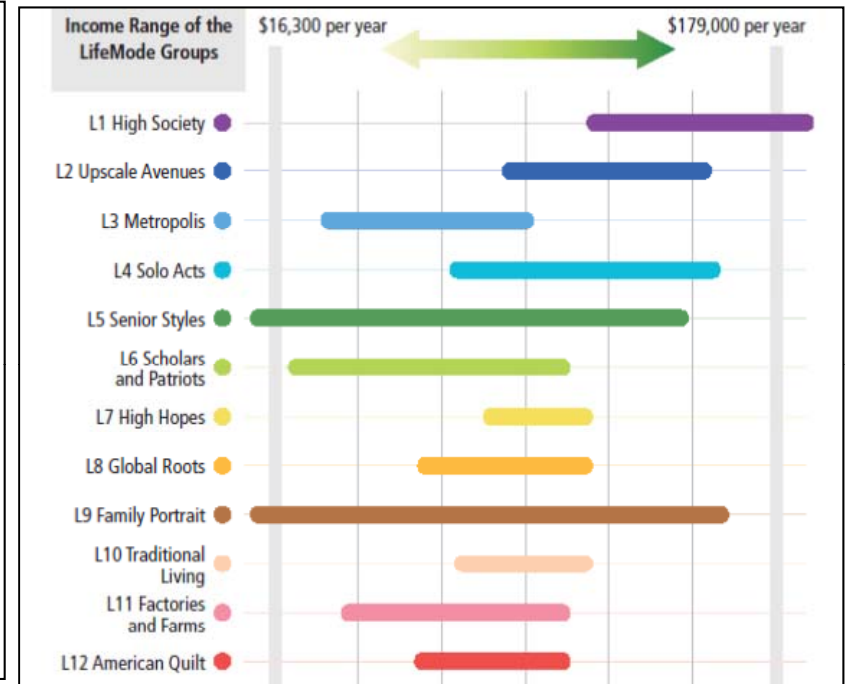
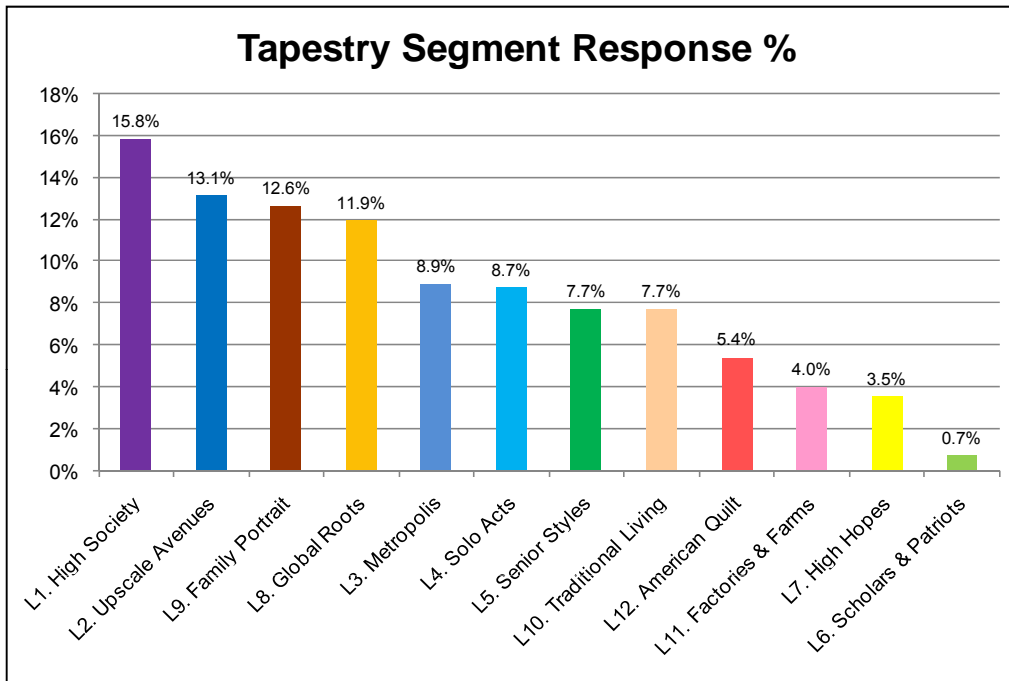
TRANSIT-ORIENTED CONSUMER SEGMENTS

LIKELY SUSPECTS ARE YOUNG, SINGLE, MOBILE

<p>08 Laptops and Lattes</p> 	<p>22 Metropolitans</p> 	<p>27 Metro Renters</p> 	<p>16 Enterprising Professionals</p> 	<p>23 Trendsetters</p> 
<p>L4 Solo Acts U1 Principal Urban Centers I Singles; Shared 38.1 Upper Middle Prof/Mgmt Bach/Grad Degree Multiunit Rentals White</p>	<p>L3 Metropolis U3 Metro Cities I Singles; Shared 37.1 Middle Prof/Mgmt Some College; Bach/Grad Single Family; Multiunits White</p>	<p>L4 Solo Acts U1 Principal Urban Centers I Singles; Shared 33.6 Middle Prof/Mgmt Bach/Grad Degree Multiunit Rentals White; Asian</p>	<p>L2 Upscale Avenues U3 Metro Cities I Mixed 32.4 Upper Middle Prof/Mgmt Some College; Bach/Grad Multiunits; Townhome White; Asian</p>	<p>L4 Solo Acts U1 Principal Urban Centers I Singles; Shared 35.0 Middle Prof/Mgmt Some College; Bach/Grad Multiunit Rentals White; Asian; Hispanic</p>
<p>Foreign travel Trade stocks/bonds/funds online Shop at Banana Republic Watch Independent Film Channel Leased last vehicle</p>	<p>Visit zoo; museum Have personal line of credit Go roller-blading Listen to classical, news/talk radio Own/Lease station wagon</p>	<p>Travel by plane frequently Track investments online Surf Internet/Shop online Watch <i>Style</i>; read fashion magazines Rent car from Avis</p>	<p>Practice yoga Trade stocks/bonds/funds online Shop online Read computer magazines Own/Lease Honda</p>	<p>Practice snorkeling, yoga Use Fidelity brokerage firm Own latest electronics—MP3s, plasma TVs Watch <i>Access Hollywood</i> on TV Own/Lease Toyota</p>

Source: ESRI

TRANSIT-ORIENTED CONSUMER SEGMENTS BUT ACTUAL SEGMENTS ARE QUITE DIFFERENT



One quarter of the total TOD demand comes from non-traditional sources - *SUV drivers who live beyond the traditional “urban” areas who have bought into a transportation trap.*


How likely will we be in luring back into higher-density environs that transportation modeling suggests is transit-supportive?

TAPESTRY SEGMENTATION BY LIFEMODE

“HIGH SOCIETY”: TOP SURVEY RESPONDENT CATEGORIES


01 Top Rung

Segment Code01
 Segment NameTop Rung
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU3 Metro Cities I




02 Suburban Splendor

Segment Code02
 Segment NameSuburban Splendor
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU7 Suburban Periphery I




04 Boomburbs

Segment Code04
 Segment NameBoomburbs
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU5 Urban Outskirts I




03 Connoisseurs

Segment Code03
 Segment NameConnoisseurs
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU3 Metro Cities I




05 Wealthy Seaboard Suburbs

Segment Code05
 Segment NameWealthy Seaboard Suburbs
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU3 Metro Cities I




06 Sophisticated Squires

Segment Code06
 Segment NameSophisticated Squires
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU7 Suburban Periphery I



07 Exurbanites

Segment Code07
 Segment NameExurbanites
 LifeMode Summary GroupL1 High Society
 Urbanization Summary GroupU7 Suburban Periphery I



LIFEMODE SEGMENT L1: HIGH SOCIETY

Affluent and well-educated

Represent approximately 12% of US households

Generate nearly 25% of total US income

Professional/management positions

Most households are married couple families living in affluent neighborhoods, with a median home value of \$320,000

One of least ethnically diverse groups, but one of the fastest growing

Travel extensively

Source: ESRI

TAPESTRY SEGMENTATION BY LIFEMODE

“UPSCALE AVENUES”: TOP SURVEY RESPONDENT CATEGORY

<p>09 Urban Chic</p> <p>Segment Code 09 Segment Name Urban Chic LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U3 Metro Cities I</p> 
<p>10 Pleasant-Ville</p> <p>Segment Code 10 Segment Name Pleasant-Ville LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U3 Metro Cities I</p> 
<p>11 Pacific Heights</p> <p>Segment Code 11 Segment Name Pacific Heights LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U1 Principal Urban Centers I</p> 
<p>13 In Style</p> <p>Segment Code 13 Segment Name In Style LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U7 Suburban Periphery I</p> 
<p>16 Enterprising Professionals</p> <p>Segment Code 16 Segment Name Enterprising Professionals LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U3 Metro Cities I</p> 
<p>17 Green Acres</p> <p>Segment Code 17 Segment Name Green Acres LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U10 Rural I</p> 
<p>18 Cozy and Comfortable</p> <p>Segment Code 18 Segment Name Cozy and Comfortable LifeMode Summary Group L2 Upscale Avenues Urbanization Summary Group U8 Suburban Periphery II</p> 

LIFEMODE SEGMENT L2: UPSCALE AVENUES

Above-average earnings and well-educated;
“years of hard work”

Prefer several distinct types of housing, and includes a mix of renters and some homeowners

Characterized by prosperous domesticity

Median net worth of \$182,330

Buy new cars

Take domestic vacations and save and invest earnings

Source: ESRI



Implications

IMPLICATIONS AND QUESTIONS

1. Are we undercounting the overall demand for smart growth and transit-oriented environs?
2. What are our regional transportation network expansion plans? Walkable grids? Are they sufficient?
3. What are the neighborhoods, areas, and regions that make the most sense for additional smart growth planning, including transit?

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