

Demographics and Housing: What's Now, What's Next?

PREPARED FOR:



PREPARED BY:



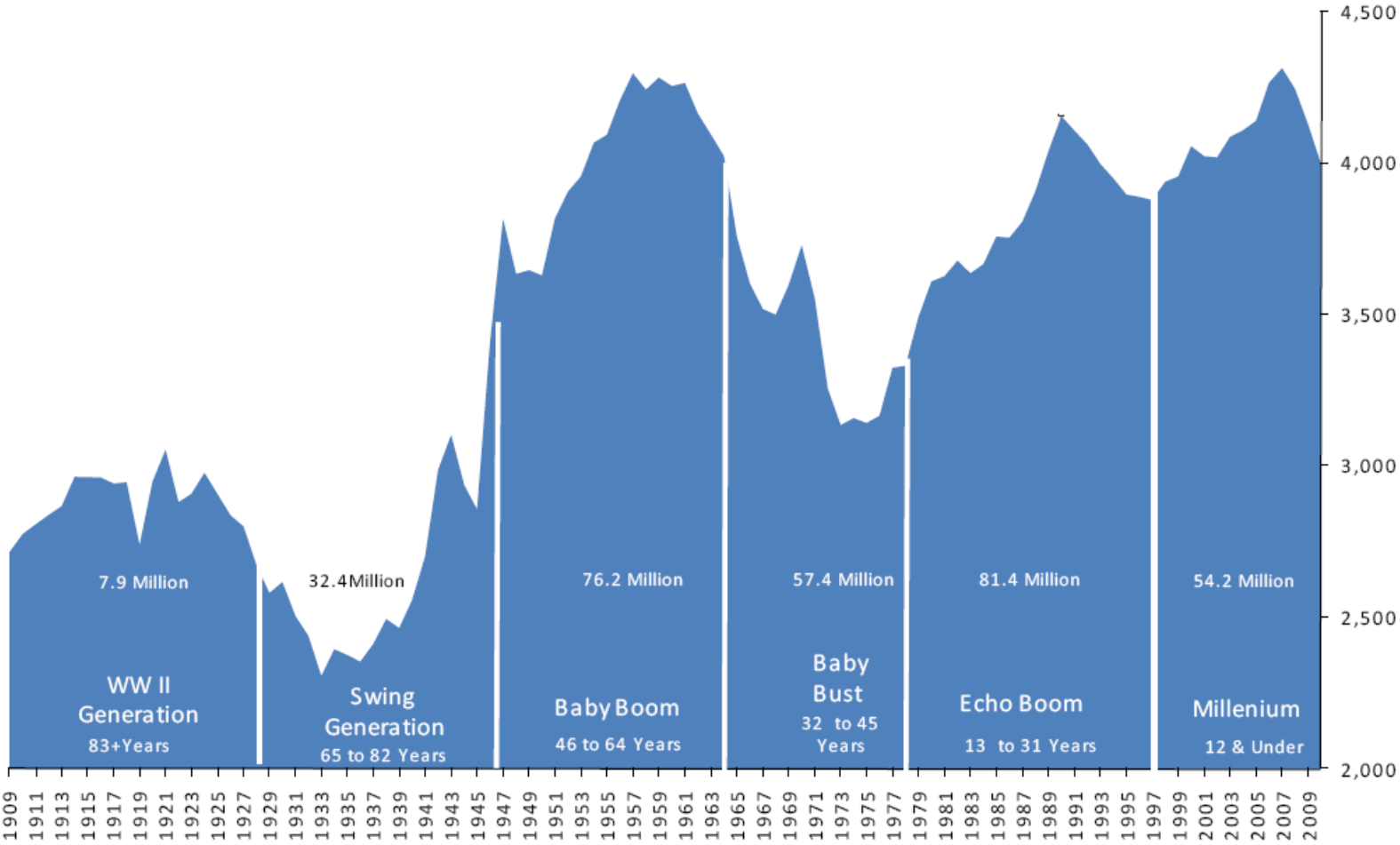
APRIL 2014

Big Ideas

- Talking 'Bout Those Generations
- The Great Inversion
- Housing Preferences
- What Cities Can Do



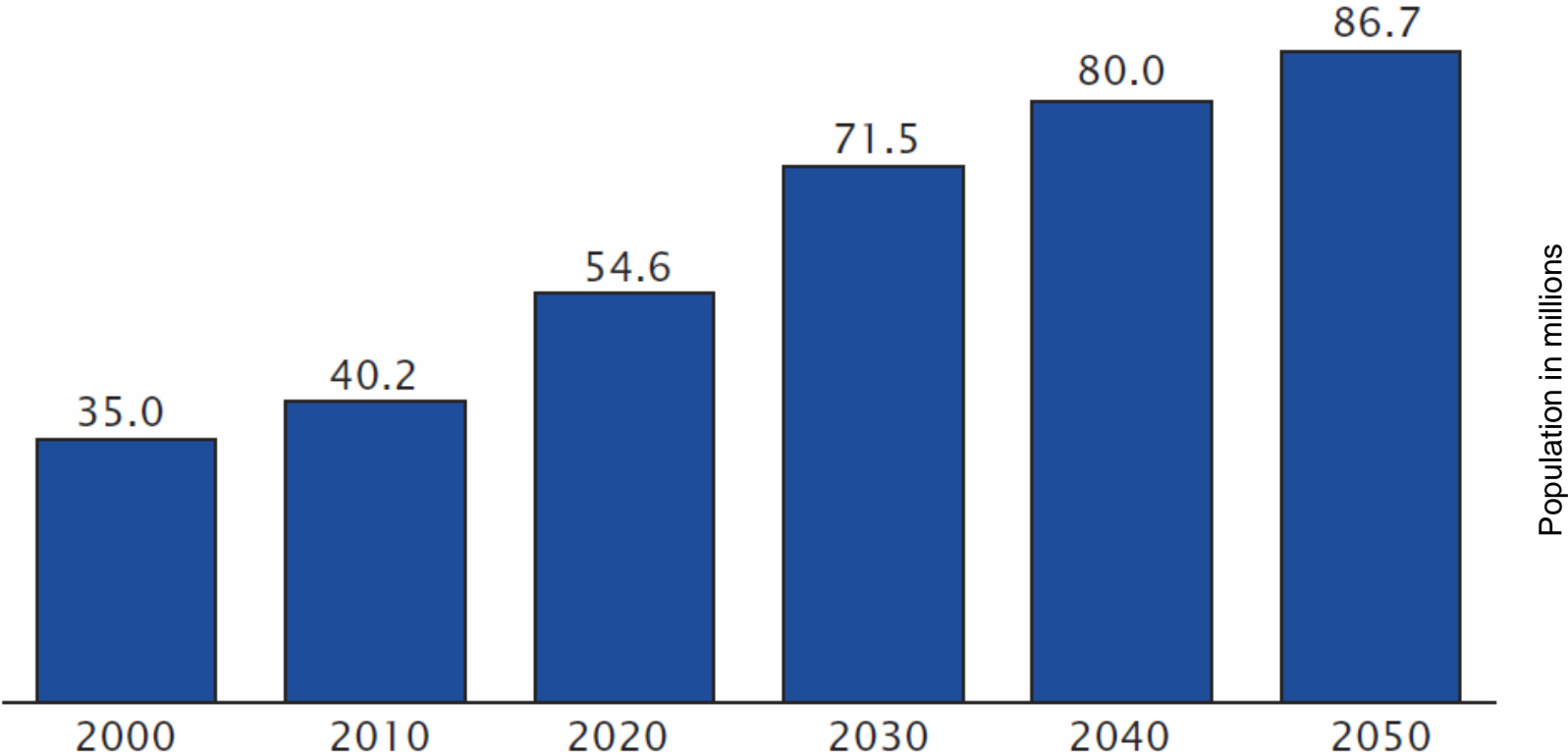
Births by Generation, US



Source: National Center for Health Statistics, US Census Bureau; Heitman Research

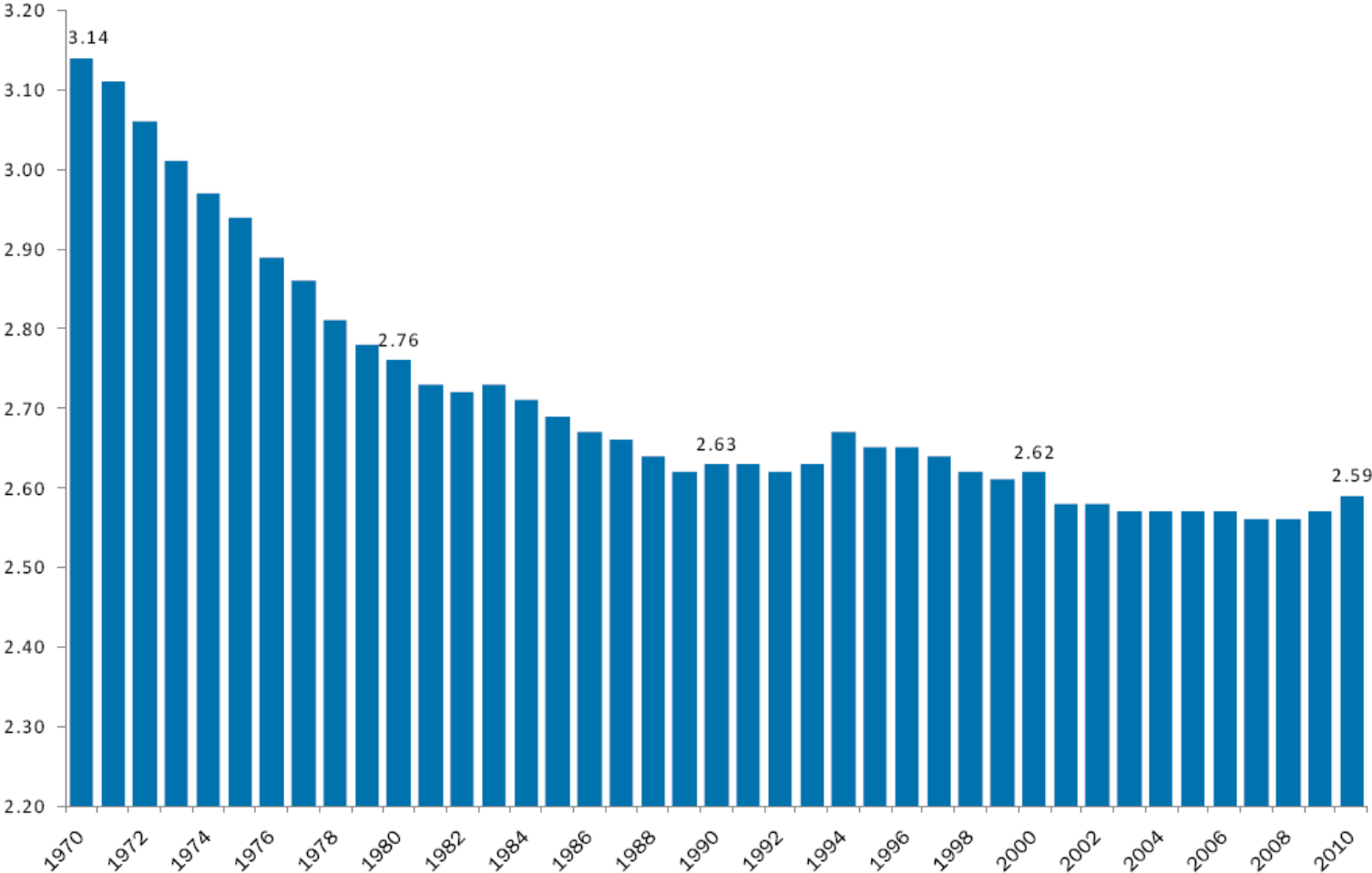
The Silver Tsunami

Population Aged 65 and Over



Source: U.S. Census Bureau

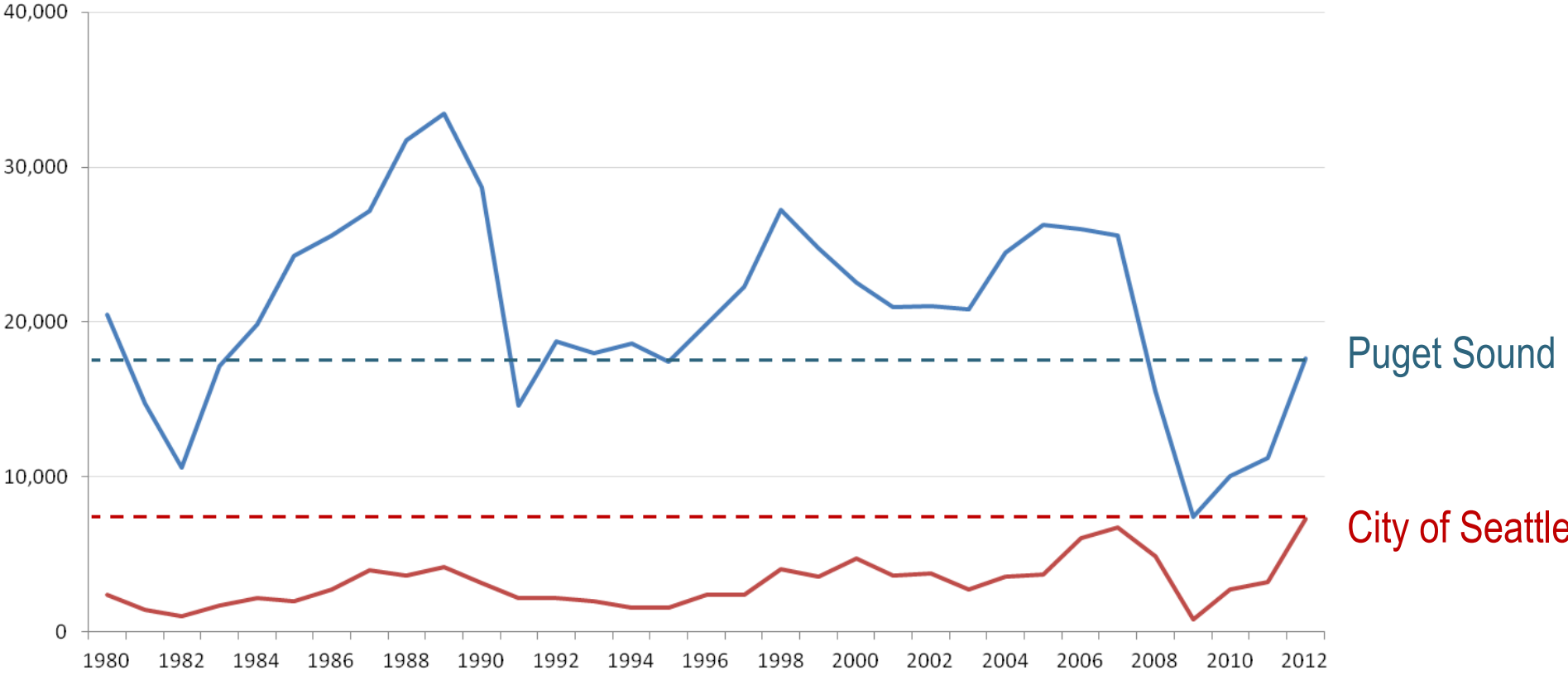
Persons Per Household, US



Source: US Census Bureau; Heitman Research

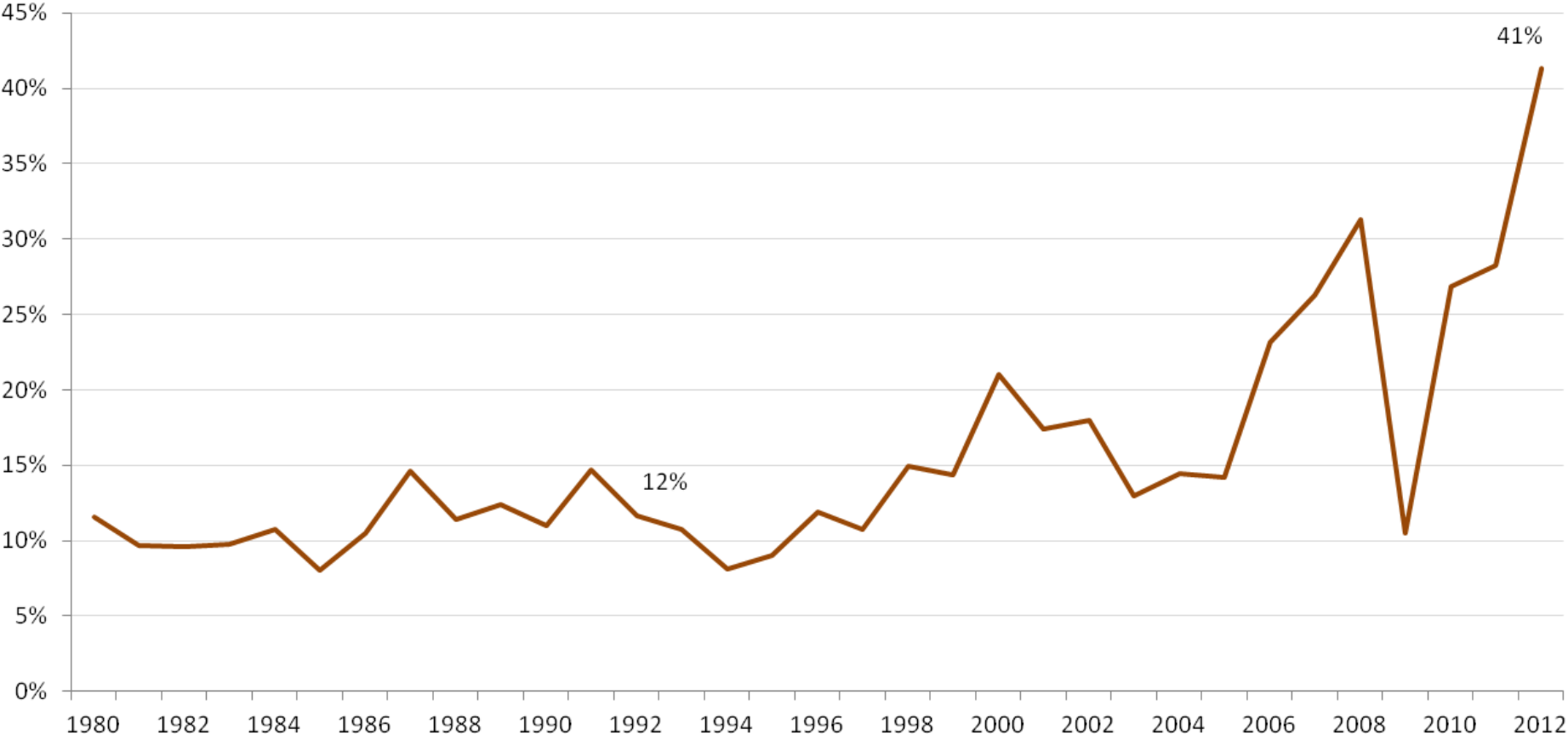
Source: SHIFTING DEMOGRAPHICS: Real Estate Investment Implications, Mary Ludgin, Portland State University Center for Real Estate Quarterly, May 2012

Regional Housing Trends



Housing Permits: Puget Sound Region & City of Seattle. Source: HUD.

City of Seattle: Regional “Capture Rate”



Source: HUD.

The Great Inversion

“Many U.S. cities are growing faster than their suburbs for the first time in decades, reflecting shifting attitudes about urban living”

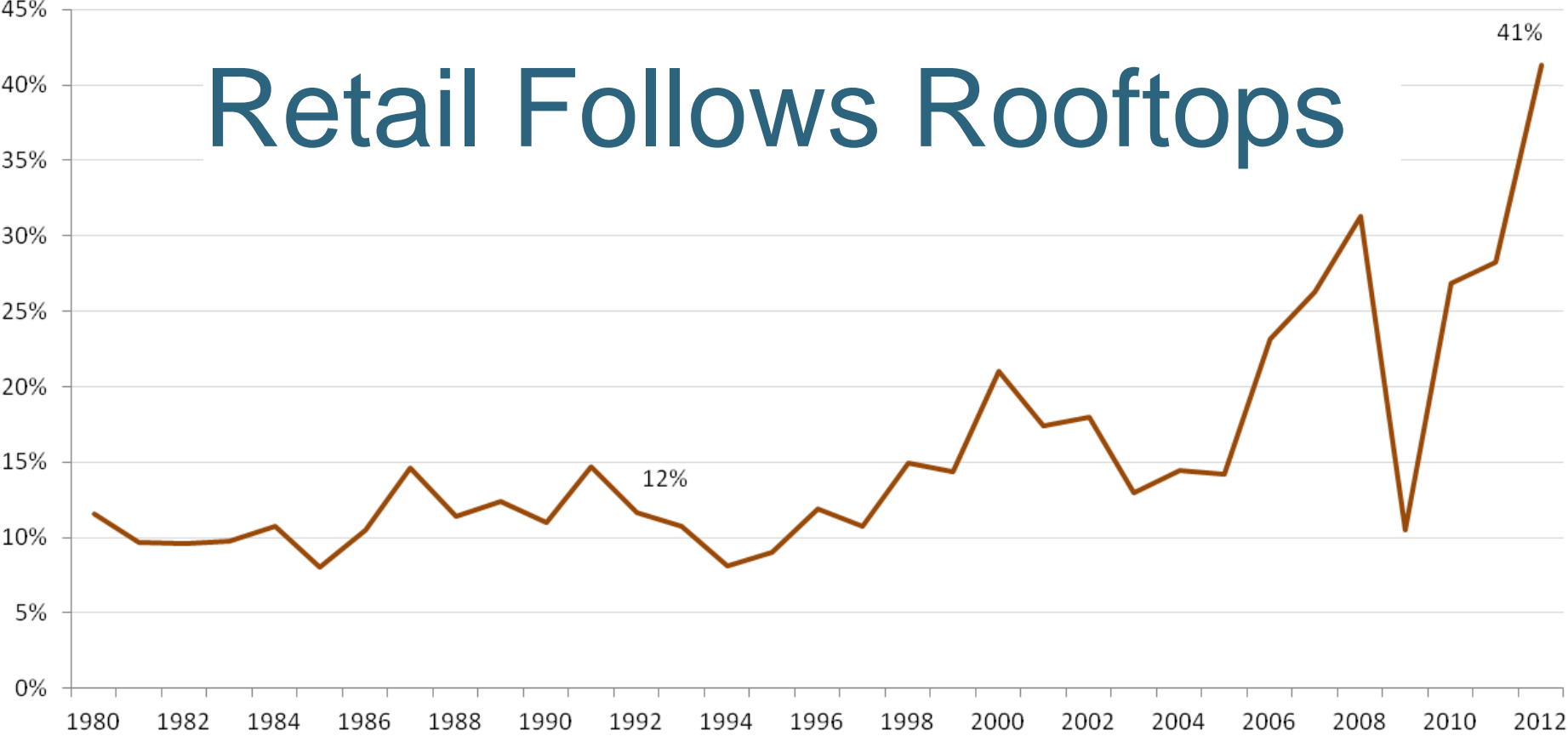
— Wall Street Journal, 2012

*“America's Biggest Metros
Are Growing Much Faster
Than Other Cities”*

— The Atlantic, 2014

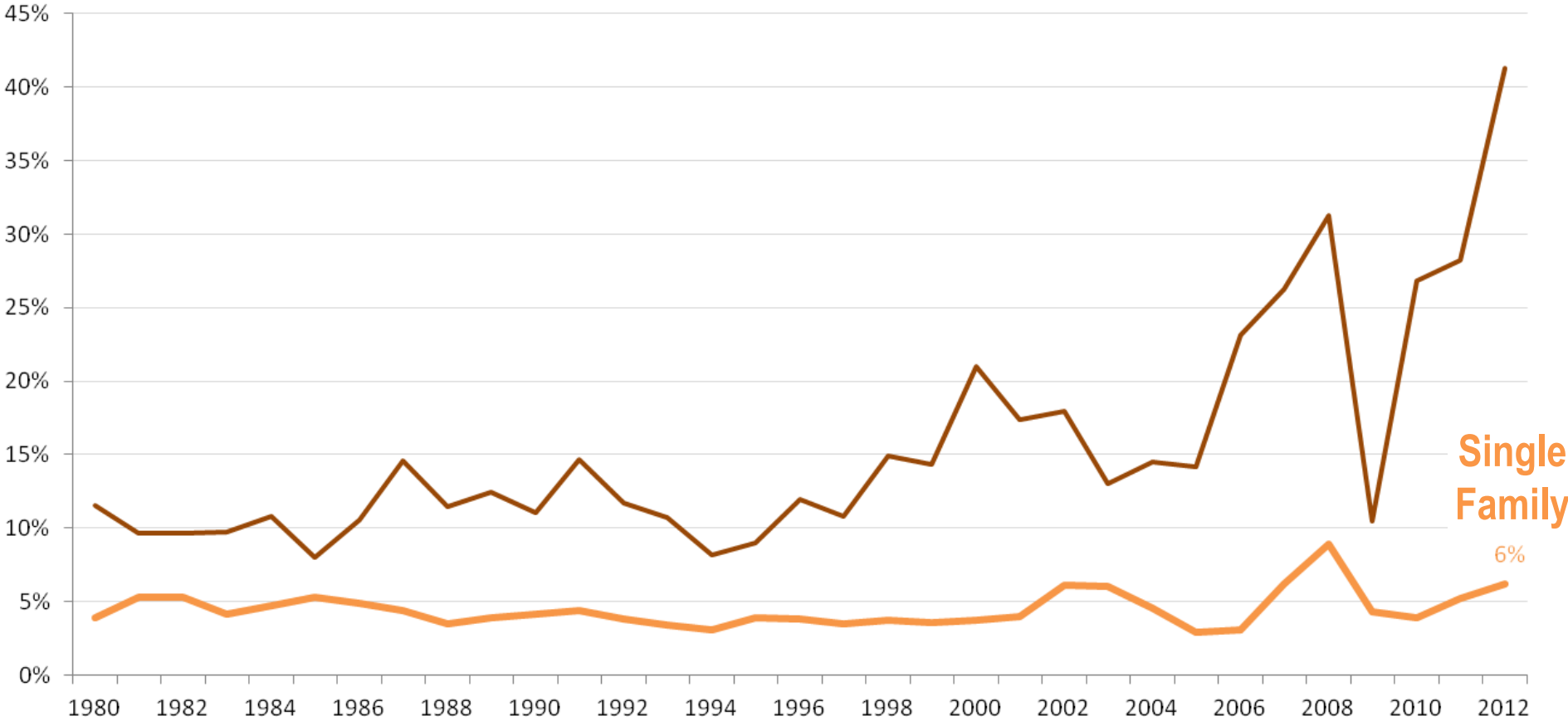
City of Seattle: Regional “Capture Rate”

Retail Follows Rooftops

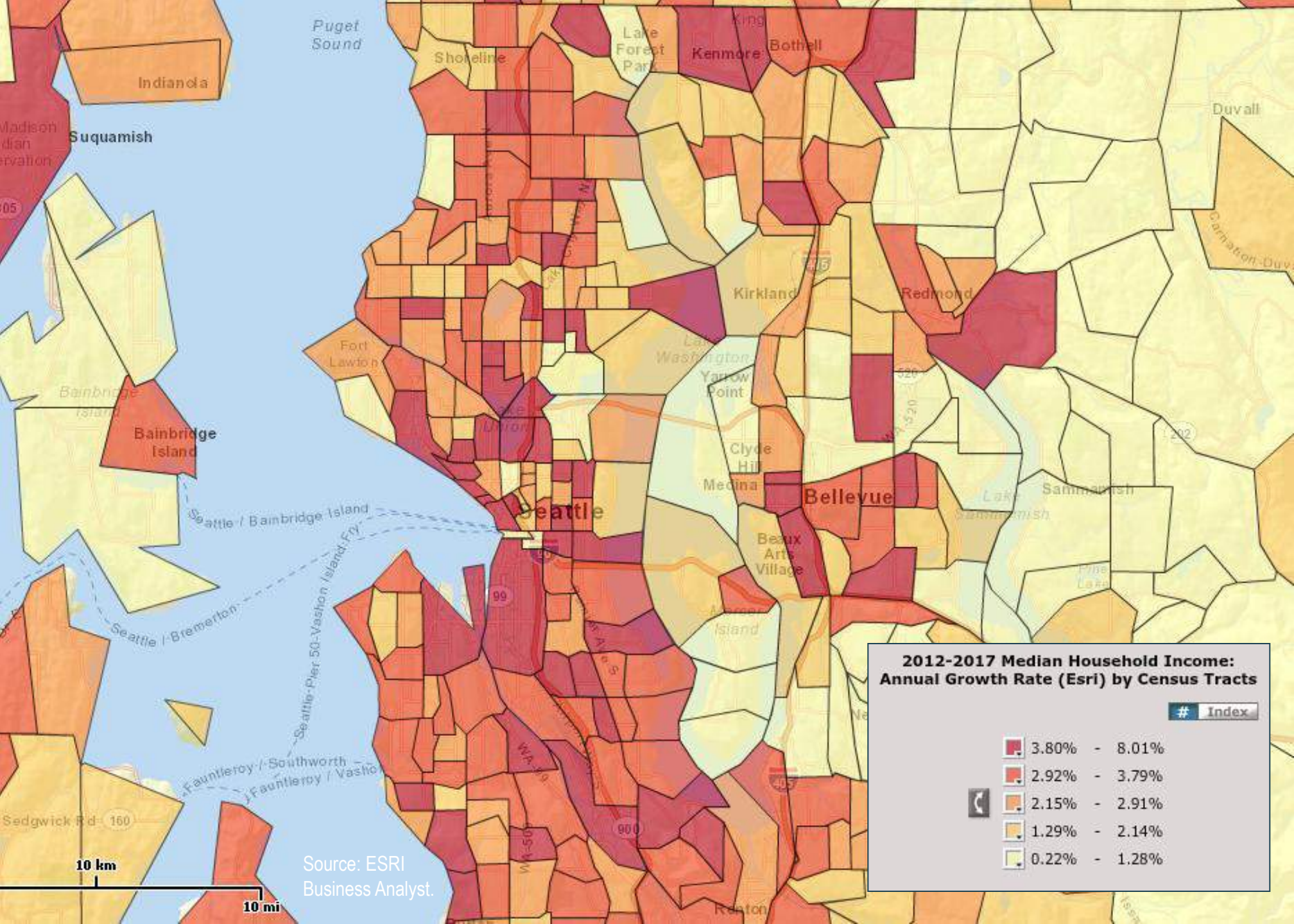


Source: HUD.

City of Seattle: Regional “Capture Rate”



Source: HUD.



**2012-2017 Median Household Income:
Annual Growth Rate (Esri) by Census Tracts**

#	Index
5	3.80% - 8.01%
4	2.92% - 3.79%
3	2.15% - 2.91%
2	1.29% - 2.14%
1	0.22% - 1.28%

Source: ESRI
Business Analyst.

10 km
10 mi

Boomers

A woman with short grey hair and glasses is smiling while talking on a mobile phone. She is wearing a white turtleneck sweater. The background shows a rooftop garden with various flowers, including purple and yellow ones, and a city skyline in the distance under an overcast sky.

**Not winding down—rewinding
Living longer, staying more active,
mentally and physically**

“Lock and leave”

Many plan to continue working indefinitely

Neighborhood centers in, golf courses out

Urbanity and activity

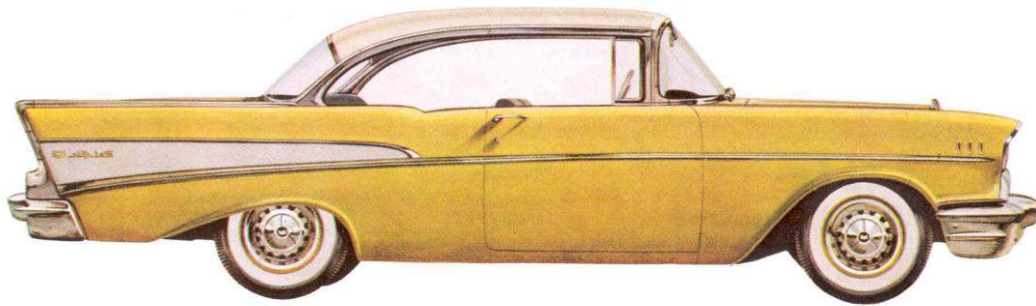
Generation Y

A diverse group of young adults, including a woman in the foreground with long black hair, a man in a purple shirt, and others in the background, all smiling. The background is a plain, light color.

Quality over quantity
Unique experiences
Education
Social, urban environments
Diverse
Leisure
Freedom

Generation Y

Must-have product

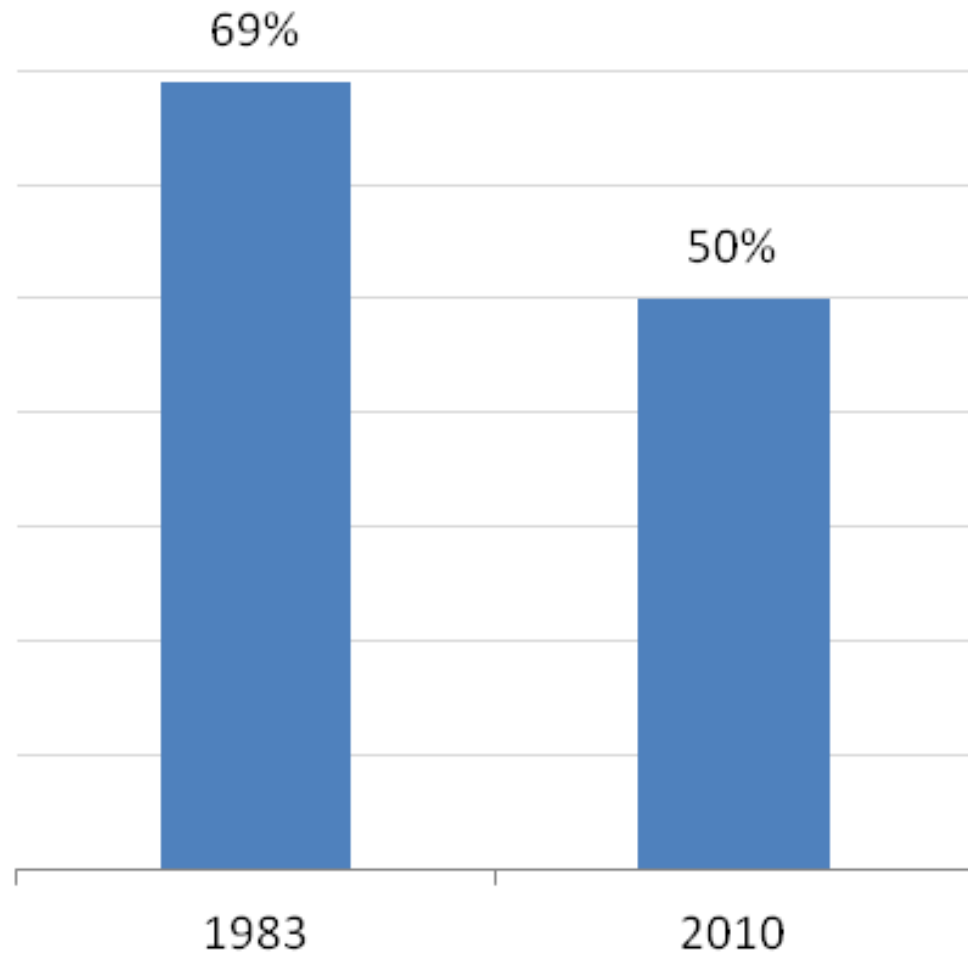


Lifestyle

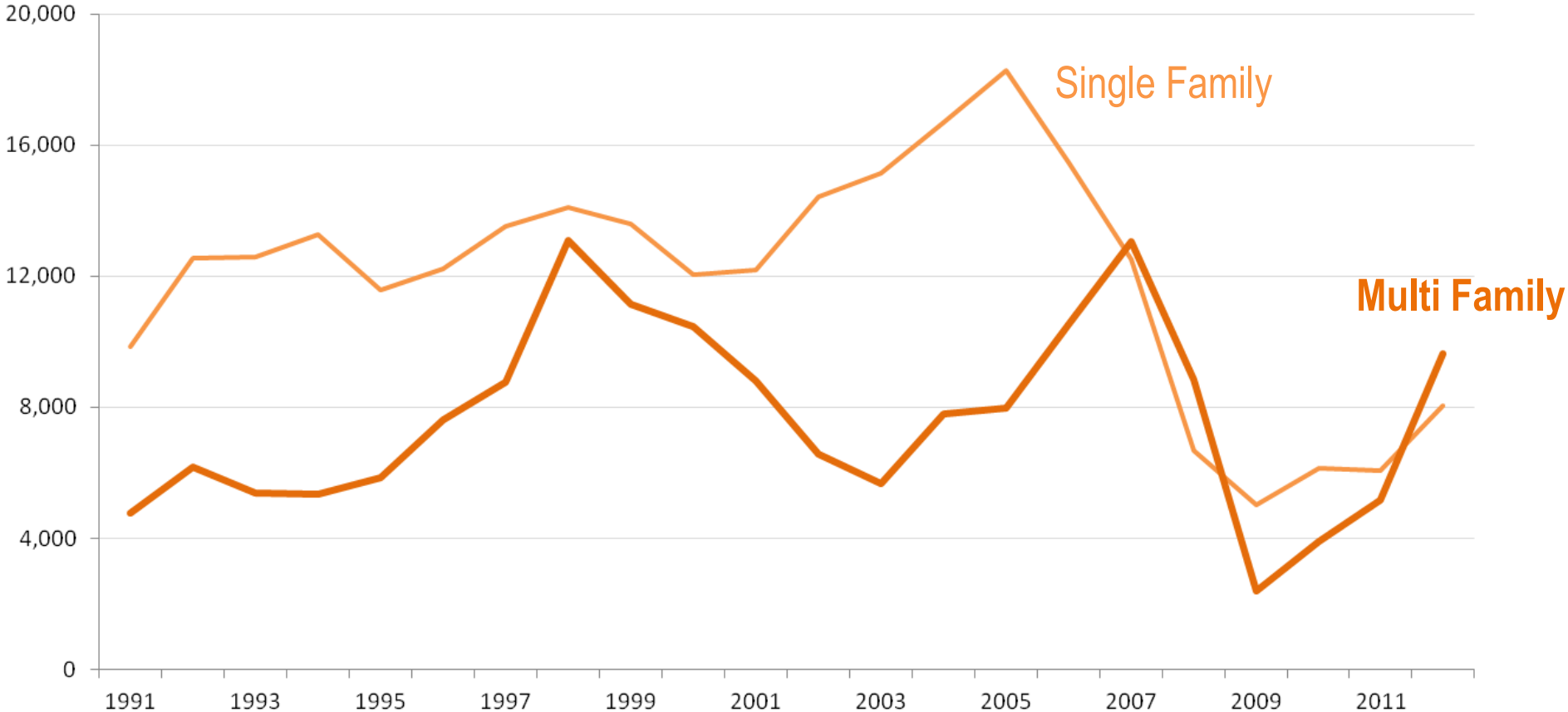


Number of 17 year olds with a drivers license

Source: University of Michigan
Transportation Research Institute.



Single- and Multi-Family



SF and MF Housing Permits, Puget Sound Region. Source: HUD.

21st Century Housing



21st Century Housing



The Neighborhood is the Amenity



Urban Housing Evolution



A Twelve Step Program for Urban Housing

1. **Capture the Vision**
2. **Develop a Strategic Plan**
3. **Make the Right Thing Easy**
4. **Anticipate Evolution**
5. **Encourage Retenating and Rehab**
6. **Understand Your Toolkit**
7. **Make a Great Place**
8. Create a Catalytic Development Company
9. Develop a Rental Housing Market
10. Focus on For-Sale Housing
11. Develop a Local-Serving Retail Strategy
12. Re-create a Strong Office Market



Source: Brookings Institution, Leland Consulting Group.

