



A Home for Everyone

San Joaquin Valley Housing
Preferences and Opportunities
to 2050

ARTHUR C. NELSON



San Joaquin Valley *SCENARIO* 2010-2050

Council
of Infill
Builders

May 7, 2013



Arthur C. Nelson, Ph.D., FAICP

Presidential Professor & Director Metropolitan Research Center

Director, Real Estate Program
University of Utah

Advisor: HUD, ULI, NAR, EPA, DOT, TCRP, NCHRP, Brookings.

Research: \$10M from NSF, National Academy of Sciences, Commerce, HUD, US DOT, EPA, foundations, think-tanks.

Publications: 23 books; 150 scholarly articles; 150 other works.

Expert Witness: More than 30 cases; lead expert for Florida's growth management litigation; lead expert in Georgia fair housing case law; expert material cited in *Dolan v. Tigard*.

Current Work: How changing demographic/economic conditions are reshaping metropolitan America.

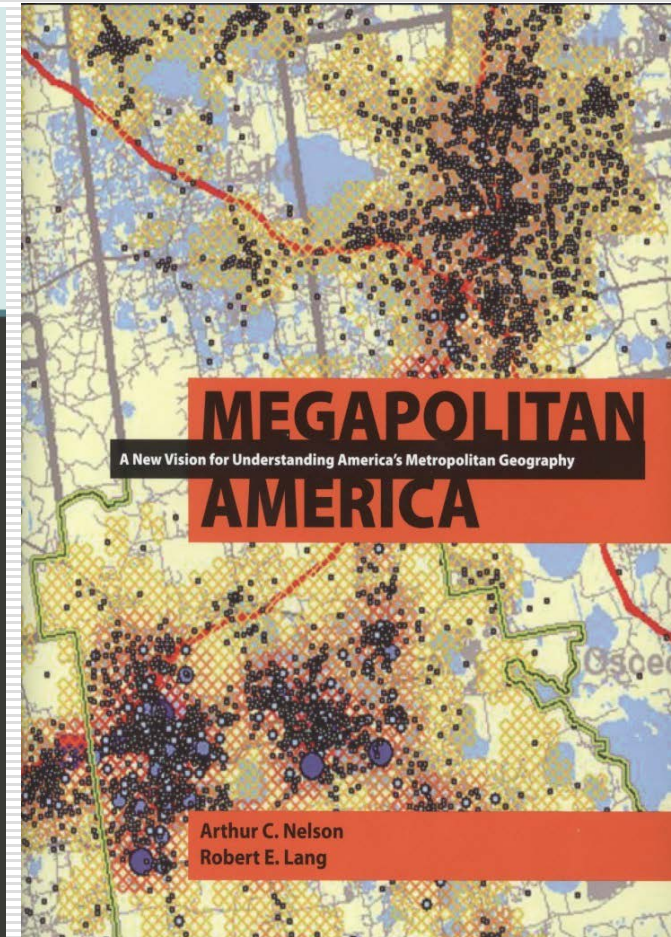
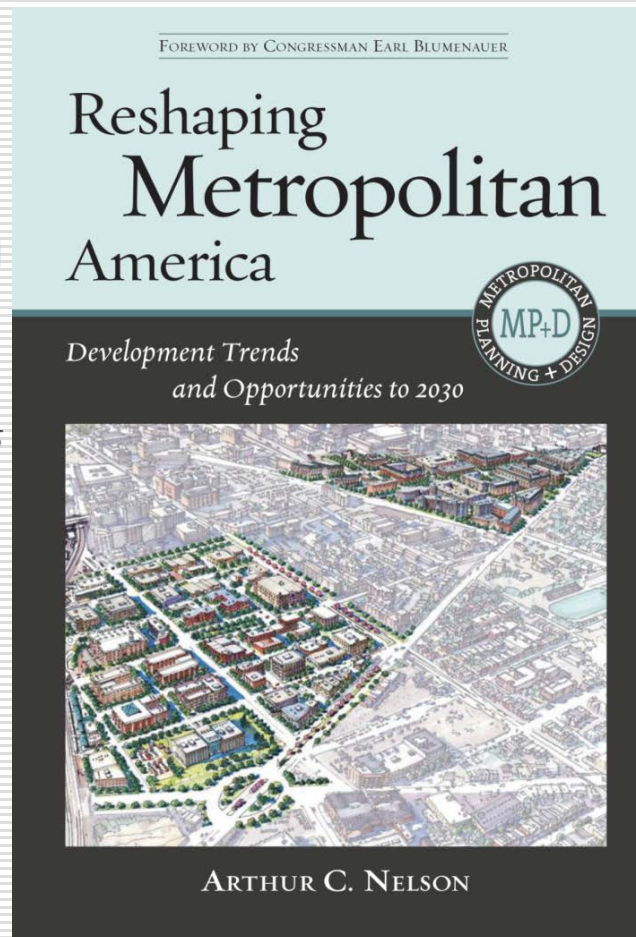
Recent Publications

The New California Dream

How Demographic and Economic Trends May Shape the Housing Market

A Land Use Scenario for 2020 and 2035

ARTHUR C. NELSON



Scenario Outline

- ❑ Emerging market trends
 - ❑ The Concord Group baseline
 - ❑ Preference surveys
 - ❑ Housing allocations to 2050
 - ❑ Nonresidential redevelopment
 - ❑ A Scenario
-

New Housing Market Realities

- ❑ Sub-prime mortgages are history.
 - ❑ 20% down-payments are the new normal.
 - ❑ Fannie Mae & Freddie Mac on chopping block.
 - ❑ Meaning
 - *Smaller homes → maybe more people per unit*
 - *Smaller lots → more attached units*
 - *More renters → including doubled-up renters*
-

US Gasoline Prices

Weekly in Nominal Dollars per Gallon



2002-2012 gasoline prices rose at 10%+ per year, compounded. At this rate gasoline prices will be →
\$8+ /gallon by 2020 **~\$15/gallon by 2030**

Source: Adapted from Energy Information Administration (2012).

http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W

Population Change 2010-2050

Year	Population	White, non- Hispanic	Hispanic, all Races	All Other	New Majority	New Majority Share
2010	3,849	1,451	1,820	577	2,397	62%
2050	6,633	729	4,593	1,310	5,903	89%
2010-2050	2,784	(722)	2,773	733	3,506	
2010-2050%	72%	-50%	152%	127%	146%	
Growth Share		0%	79%	21%	100%	

Source: Adapted from study by The Planning Center (2012) commissioned by Fresno COG.

Attached/Detached Occupied Units 2010-2050

Type	Supply 2010	Share 2010	Supply 2050	Share 2050	Change	Change Share
Attached	340,795	29%	656,166	35%	315,371	45%
Detached	845,680	71%	1,226,279	65%	380,599	55%
Total	1,186,475		1,882,445		695,970	

Source: Adapted from study by The Concord Group commissioned by Fresno COG.

NOTE: **Change share** means that 45% of new occupied units built between 2010 and 2050 are needed to meet attached unit demand while 55% is needed to meet detached unit demand.

Support for Transportation Options

Preference	Very + Extremely Important	
<i>Non-Hispanic Respondents</i>		
Expanding local bus services	58%	
Improving public transportation to other cities	63%	
Maintaining and improving sidewalks and bike lanes	71%	
Providing public transportation, carpooling, and other alternatives to driving alone.	64%	
<i>Hispanic Respondents</i>		
Expanding local bus services	73%	+25%
Improving public transportation to other cities	80%	+27%
Maintaining and improving sidewalks and bike lanes	85%	+20%
Providing public transportation, carpooling, and other alternatives to driving alone.	80%	+26%

Source: Based on data from Kern COG Community Survey 2012.

Support for Farmland & Habitat Preservation

Preference	Very + Extremely Important	
<i>Non-Hispanic Respondents</i>		
Preventing the loss of farm land to residential and commercial development	76%	
Preserving open spaces and native animal habitats	70%	
<i>Hispanic Respondents</i>		
Preventing the loss of farm land to residential and commercial development	82%	+8%
Preserving open spaces and native animal habitats	81%	+16%

Source: Based on data from Kern COG Community Survey 2012

Support for Housing Options

Support for Option	Very + Extremely Important	Difference
<i>Non-Hispanic Respondents</i> Developing a variety of housing options, including apartments, townhouses and condominiums	53%	
<i>Hispanic Respondents</i> Developing a variety of housing options, including apartments, townhouses and condominiums	78%	+46%

Source: Based on data from Kern COG Community Survey 2012

Forced-Choice Preference Survey: Attached Demand

Area	Own or rent an apartment or townhouse, and have an easy walk to shops and restaurants and have a shorter commute to work	Own or rent a detached, single-family house, and have to drive to shops and restaurants and have a longer commute to work
Central Valley	37%	63%
California	39%	61%
Nation	38%	62%

Source: National Association of Realtors (2011)

Preference for Attached & Detached Options

Residential Type	All	Non-Hispanic	Hispanic
Attached			
Townhouse or condominium	21%	20%	21%
Apartment	14%	13%	14%
Total Attached	35%	33%	36%
Detached			
Single-family home with a small yard	31%	32%	31%
Single-family home with a large yard	34%	34%	33%
Total Detached	65%	67%	64%
<i>Small lot share of detached</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>
<i>Large lot share of detached</i>	<i>52%</i>	<i>52%</i>	<i>52%</i>

Source: Based on data from Kern COG Community Survey 2012

Stated Preferences for Small and Large Lots

Trade Off	San Joaquin Valley
Would you choose to live in a small home with a small backyard if it means you have a short commute to work OR	48%
Would you choose to live in a large home with a large backyard even if it means you would have a long commute?	52%
Would you choose to live in a mixed-use neighborhood if it means you can walk to stores, schools, and services OR	41%
Would you choose to live in a residential-only neighborhood, even if it means you have to drive to stores, schools, and services?	59%
Would you choose to live in a neighborhood where single-family homes are close together if it means you could walk to parks and outdoor recreation OR	42%
Would you choose to live in a neighborhood where single-family homes are far apart even if it means you have to drive to parks and outdoor recreation?	58%

Source: PPIC 2004.

Scenario Targets

- ❑ **35% attached** (*up to 37%*)
 - ❑ **25% small lot** (*up to 30%*)
 - ❑ **40% all other lots** (*as low as 33%*)
-

Distribution of Single-Family Detached Units, 2012

Lot Size	Fresno/Kern/Merced	Share
Small (5k sf or less)	27,029	6%
Typical (>5k sf - <20k sf)	381,791	88%
Large (>20k sf – 5 ac)	23,570	5%
Total (5 acres and less)	432,390	

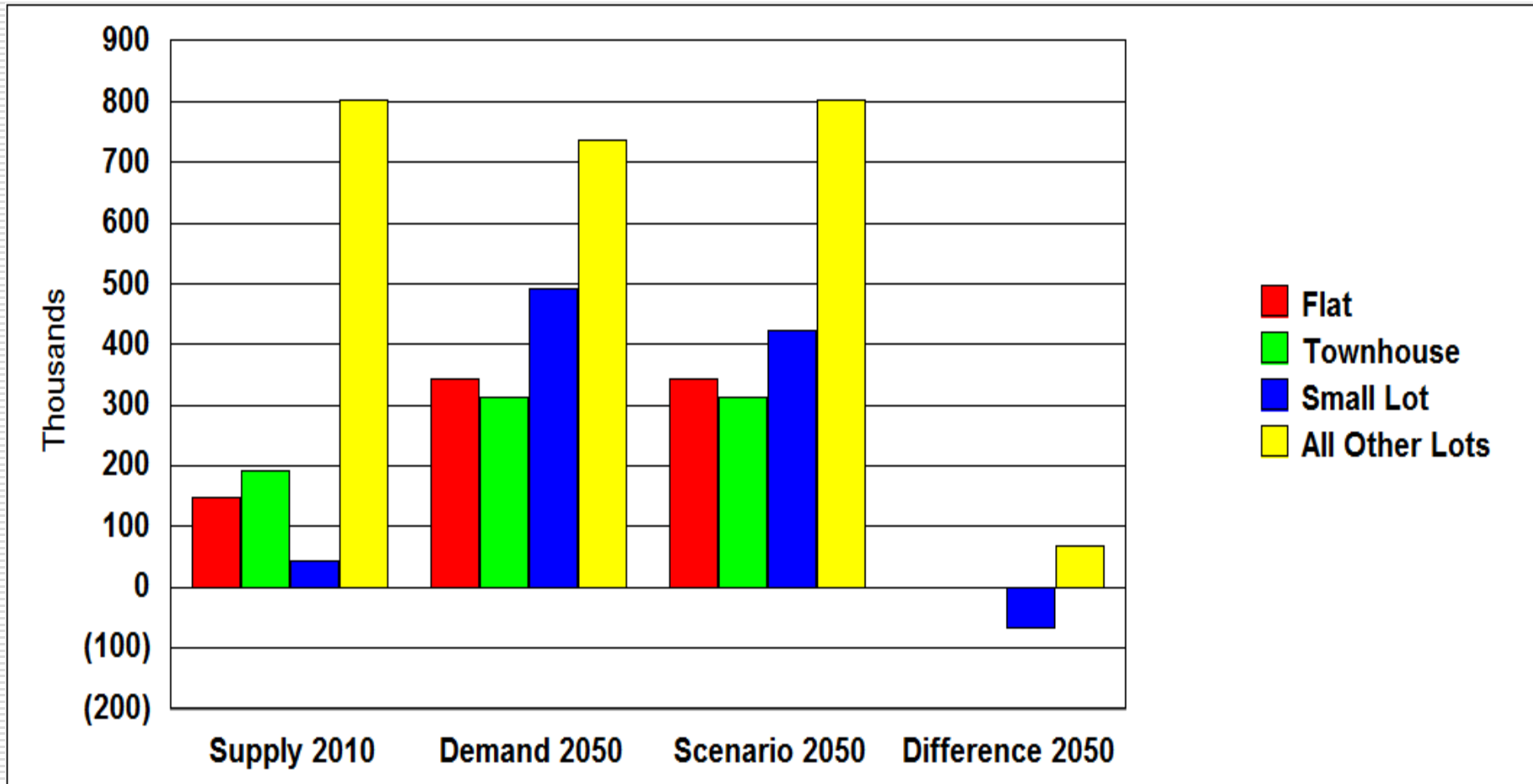
Source: Assessor offices.

San Joaquin Valley Scenario

Type	Total 2010	Share 2010	2050	Share 2050	Change	Growth Share
Attached	340,795	29%	656,167	35%	315,372	45%
Flat	148,361	13%	341,955	18%	193,594	28%
Townhouse	192,434	16%	314,212	17%	121,778	17%
Detached	845,680	71%	1,226,279	65%	380,599	55%
Small Lot	42,284	4%	422,883	22%	380,599	55%
All Other Lots	803,396	68%	803,396	43%	0	0%
Total	1,186,475		1,882,446		695,971	

Note: Small and all other lot figures for 2010 are estimates.

San Joaquin Valley Scenario



Redevelopment Opportunities



Nonresidential Development 2010-2050

	Jobs 2010	Jobs 2050	Space Supported 2010	Space Supported 2050	Net Change in Space 2010-2050	Space Replaced 2010-2050	Total Space Built 2010- 2050	Space Built 2010-2050 as Share of Space in 2010
Kern	273	609	137M	309M	121M	245M	366M	266%
Fresno	353	555	185M	292M	87M	250M	336M	182%
Kings	41	81	20M	41M	11M	27M	38M	190%
Madera	43	93	21M	46M	11M	32M	43M	207%
Merced	73	139	38M	75M	23M	56M	79M	209%
Stanislaus	184	322	105M	186M	64M	163M	227M	215%
San Joaquin	239	435	141M	273M	100M	242M	342M	242%
Tulare	137	241	72M	131M	31M	94M	126M	174%
San Joaquin Valley	1,343	1,966	720M	1,077M	357M	890M	1,247M	173%

Source: Arthur C. Nelson

Review

- ❑ The market is changing faster than we think.
 - ❑ Demand for rental homes and homes on smaller lots may dominate the market to 2050.
 - ❑ Even if all new detached homes were on small lots by 2050 the demand may still not be met.
 - ❑ All new/replaced nonresidential + all new attached residential development could be accommodated as infill/redevelopment of commercial corridors & nodes
-



QUESTIONS?

A Home for Everyone

San Joaquin Valley Housing
Preferences and Opportunities
to 2050

ARTHUR C. NELSON