

# HOUSING THE FUTURE

June 15, 2017

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In partnership with National Community Renaissance, the Inland Valleys Association of Realtors® hosted a luncheon with special guest speaker and author Joel Kotkin. This invitation only, luncheon focused on critical housing issues impacting California and the Inland Empire.

**When:** Thursday, June 15, 2017, 11:30am – 1:30pm

**Where:** The Mission Inn – Galleria Room, 3649 Mission Inn Avenue, Riverside, CA 92501

FEATURING: JOEL KOTKIN



Described by the New York Times as “America’s uber-geographer,” Joel Kotkin is an internationally-recognized authority on global, economic, political and social trends. His newest book, [The Human City: Urbanism for the Rest of Us](#), was published by Agate in April, 2016.

Mr. Kotkin is the Presidential Fellow in Urban Futures at Chapman University in Orange, California and Executive Director of the Houston-based Center for Opportunity Urbanism ([opportunityurbanism.org](http://opportunityurbanism.org)).

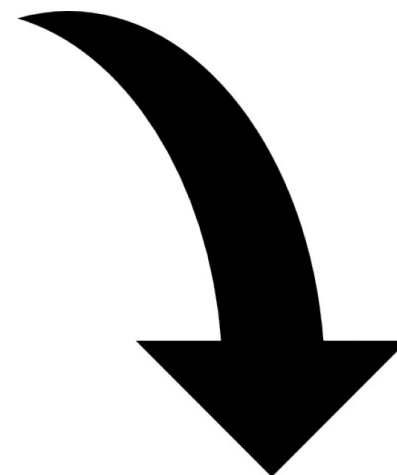
He is Executive Editor of the widely read website [www.newgeography.com](http://www.newgeography.com) and writes the weekly “New Geographer” column for *Forbes.com*. He serves on the editorial board of the *Orange County Register* and writes a weekly column for that paper, and is a regular contributor to the *Daily Beast* and *Real Clear Politics*.

[joelkotkin.com](http://joelkotkin.com)

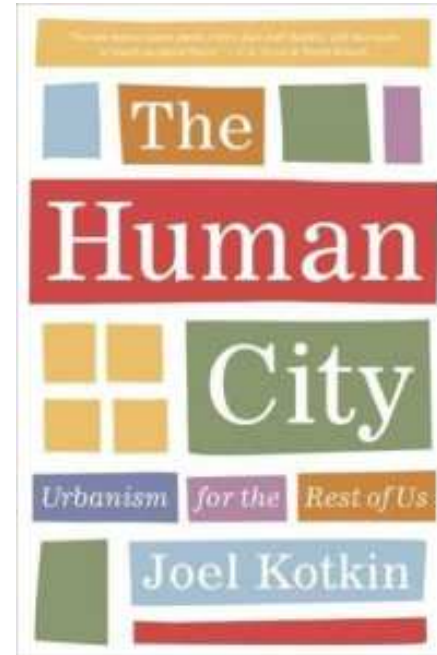
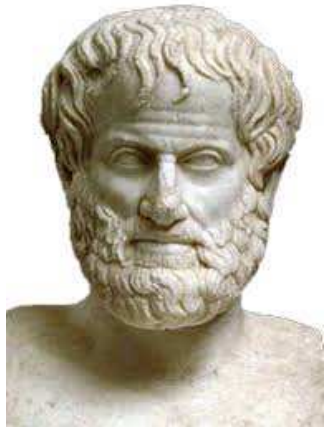
# California's Fading Dream: Losing Track of the Purpose of Cities



Presentation by Joel Kotkin, Presidential Fellow in Urban Futures, Chapman University and Executive Director, Center for Opportunity  
IVAR & National CORE Event  
June 15, 2017 -- Riverside, CA

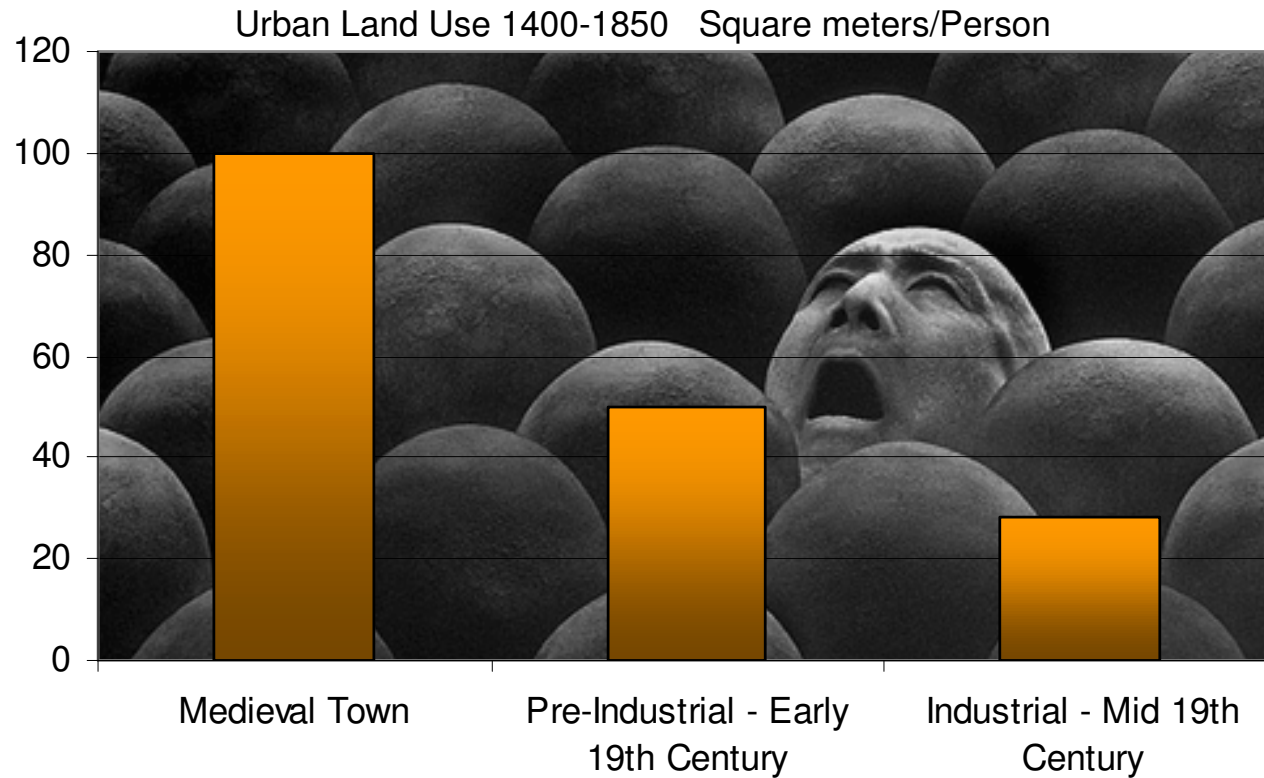


# What is a City for?



“a city comes into being for the sake of life, but exists for the sake of living well.” ---Aristotle

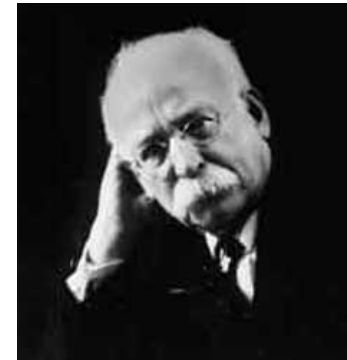
# Industrial cities boosted crowding dramatically



# The British Alternative:



## The Garden City

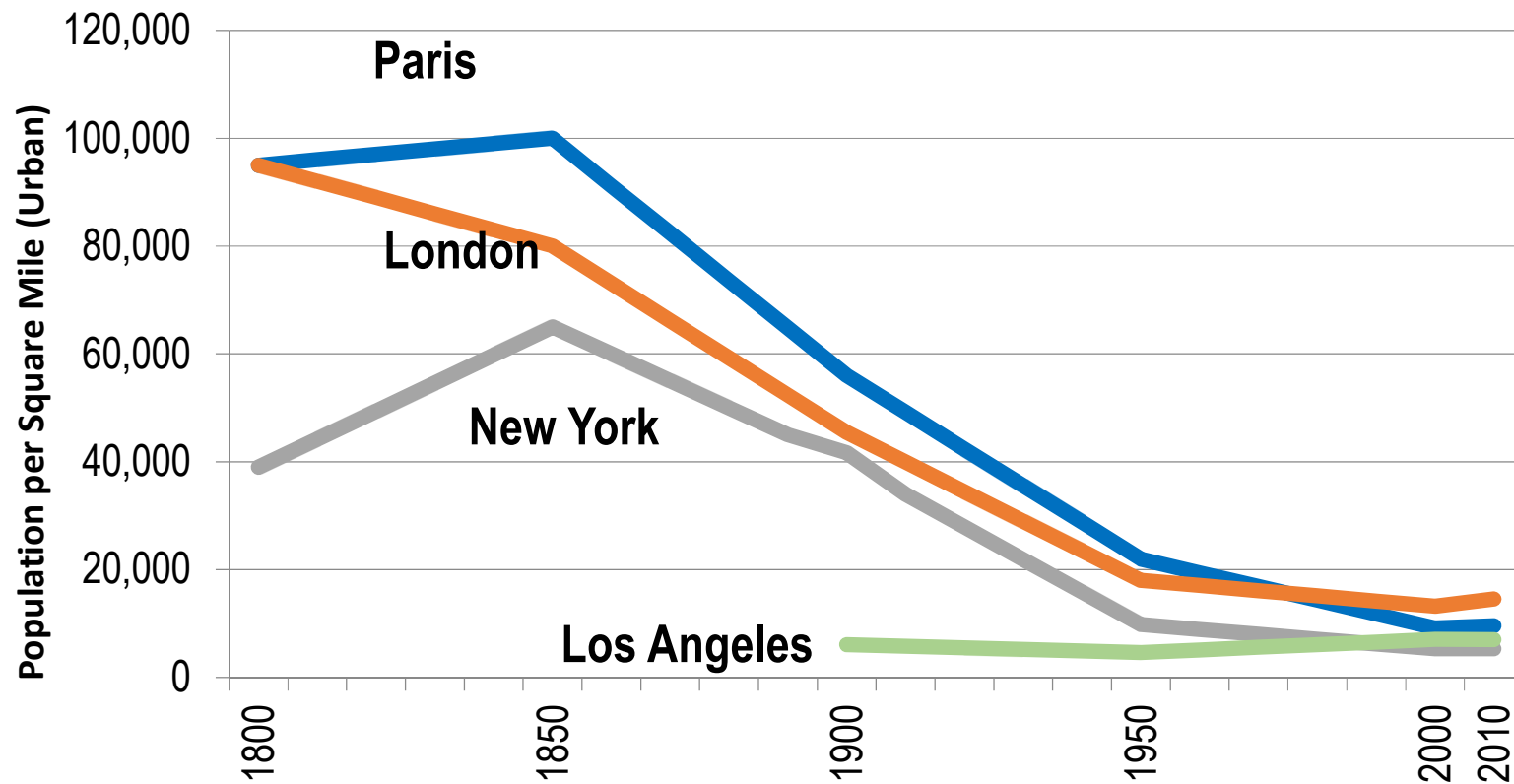


Ebenezer Howard

“Town and country must be married and out of this joyous union will spring a new hope, a new life, a new civilization.”

# Built-Up Urban Area Densities: 1800-2010

PARIS, LONDON, NEW YORK & LOS ANGELES



Estimated from statistical agency sources and historic maps.

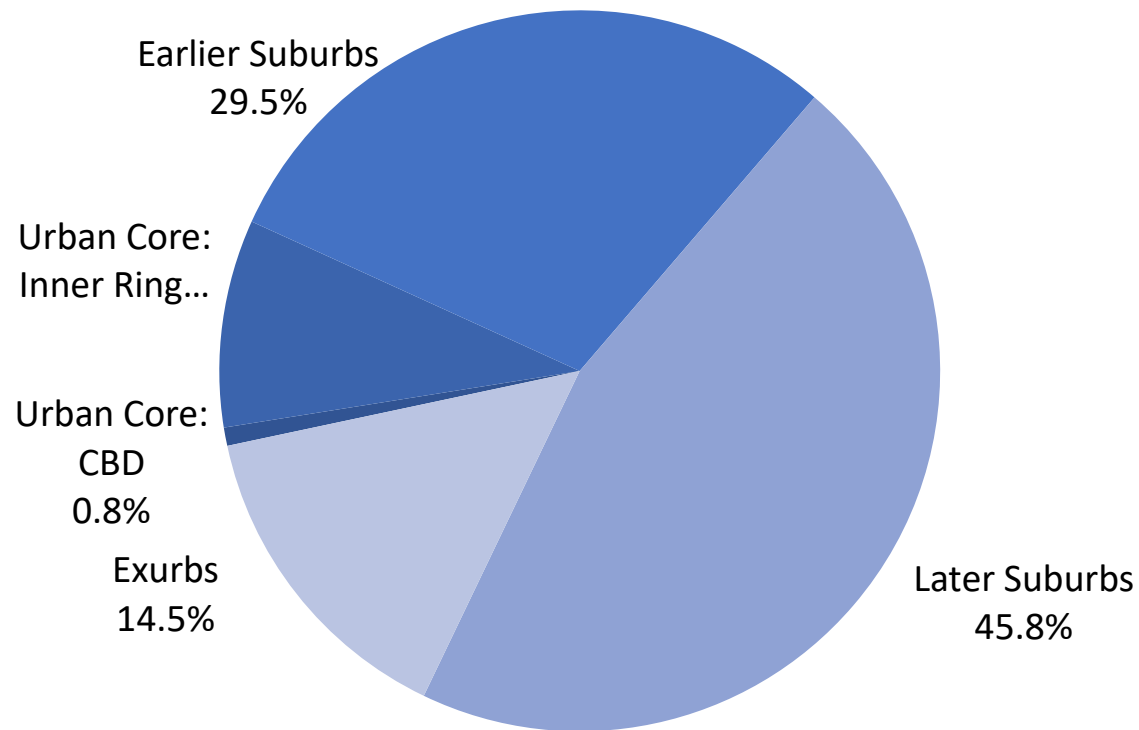
# The US Experience: More Dispersion, More Denial by Planners, Pundits and some developers



**“We’ve reached the limits of suburban development .People are beginning to vote with their feet and come back to the central cities.”**  
**HUD Secretary Shaun Donovan Feb 2011**

# Growth Share by City Sector: Early 2010s

52 MAJOR METROPOLITAN AREAS (2010 to 2011-2015)



Derived from 2010 Census, American Community Survey 2011-2015 & City Sector Model



# Suburbs Dominate Job Growth

## Share of Employment Growth: Post Trough

52 MAJOR METROPOLITAN AREAS: 2010-2013

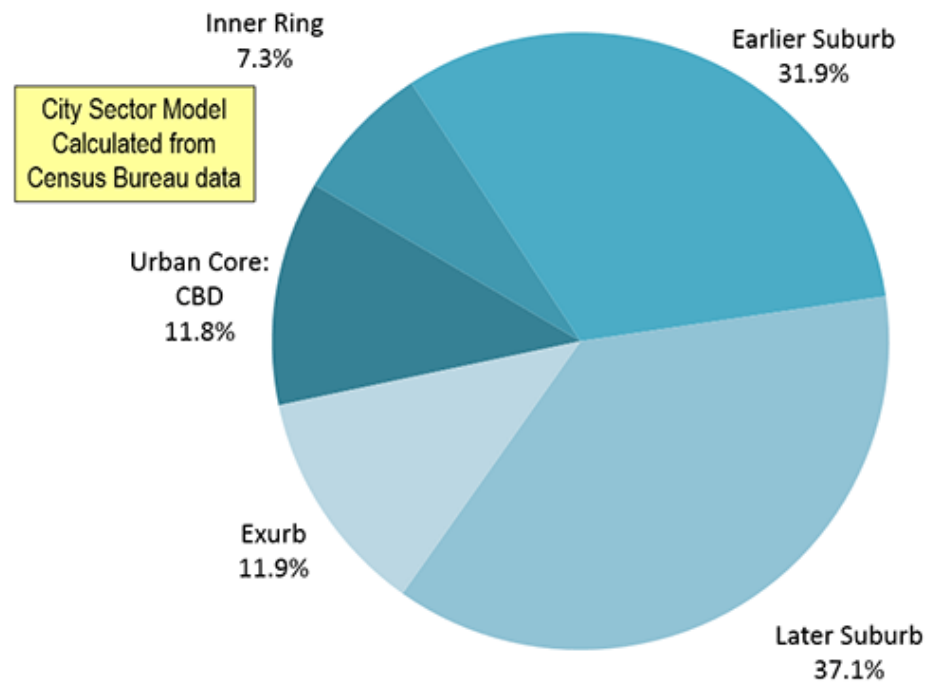
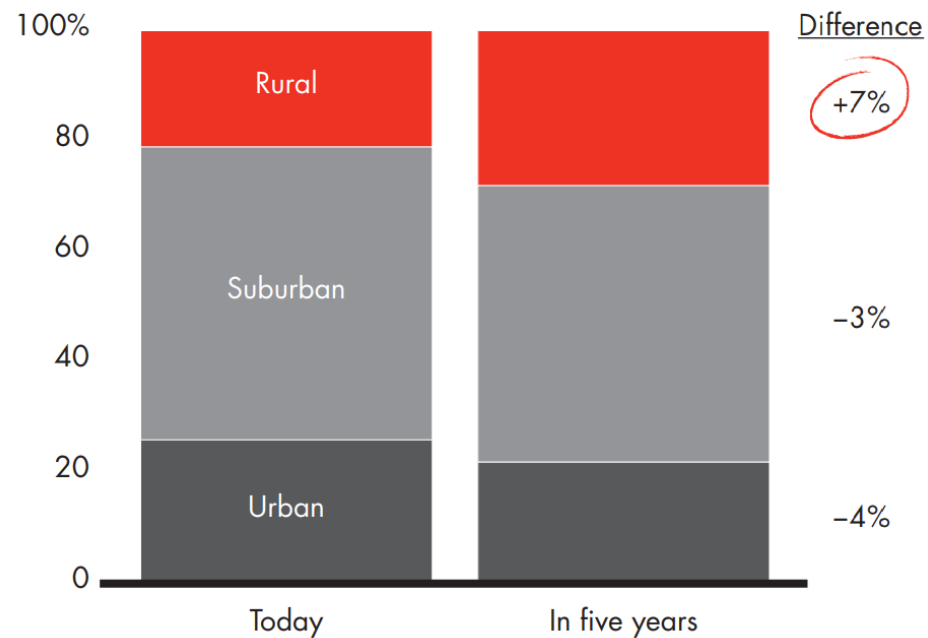


Figure 3

# Living Preferences: Today and in 5 Years

## PRESENT RESIDENCE AND PREFERRED IN 5 YEARS

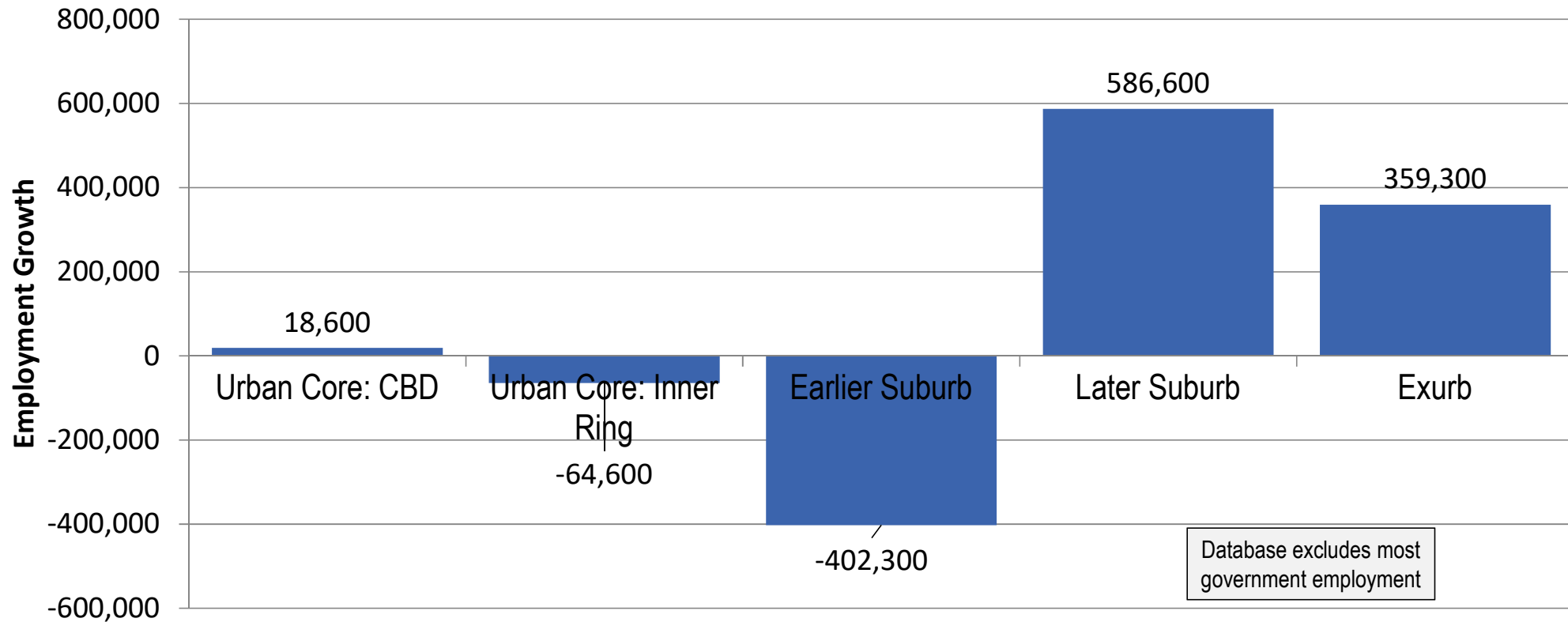
Where people live today vs. where they would like to live in five years



Source: [http://www.bain.com/Images/BAIN\\_REPORT\\_Spatial\\_economics.pdf](http://www.bain.com/Images/BAIN_REPORT_Spatial_economics.pdf)

# Employment Growth by Sector: 2000-2014

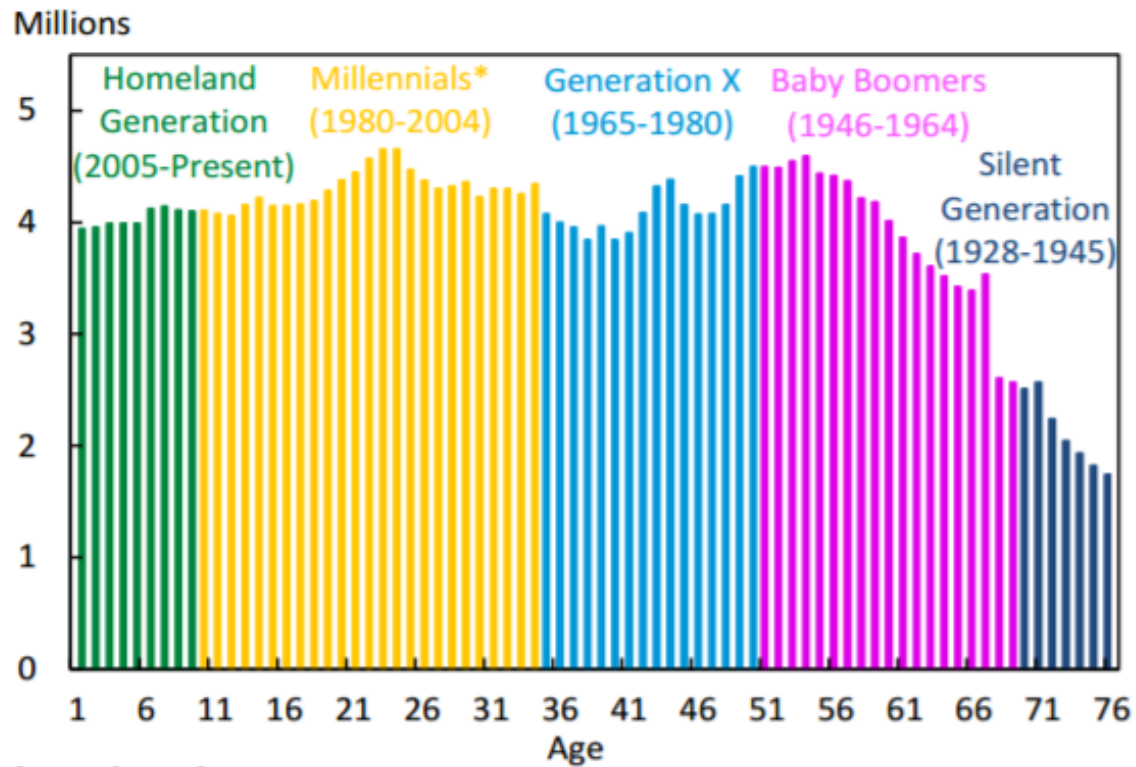
## 6 MAJOR CALIFORNIA MSA'S



Derived from County Business Patterns data & City Sector Model

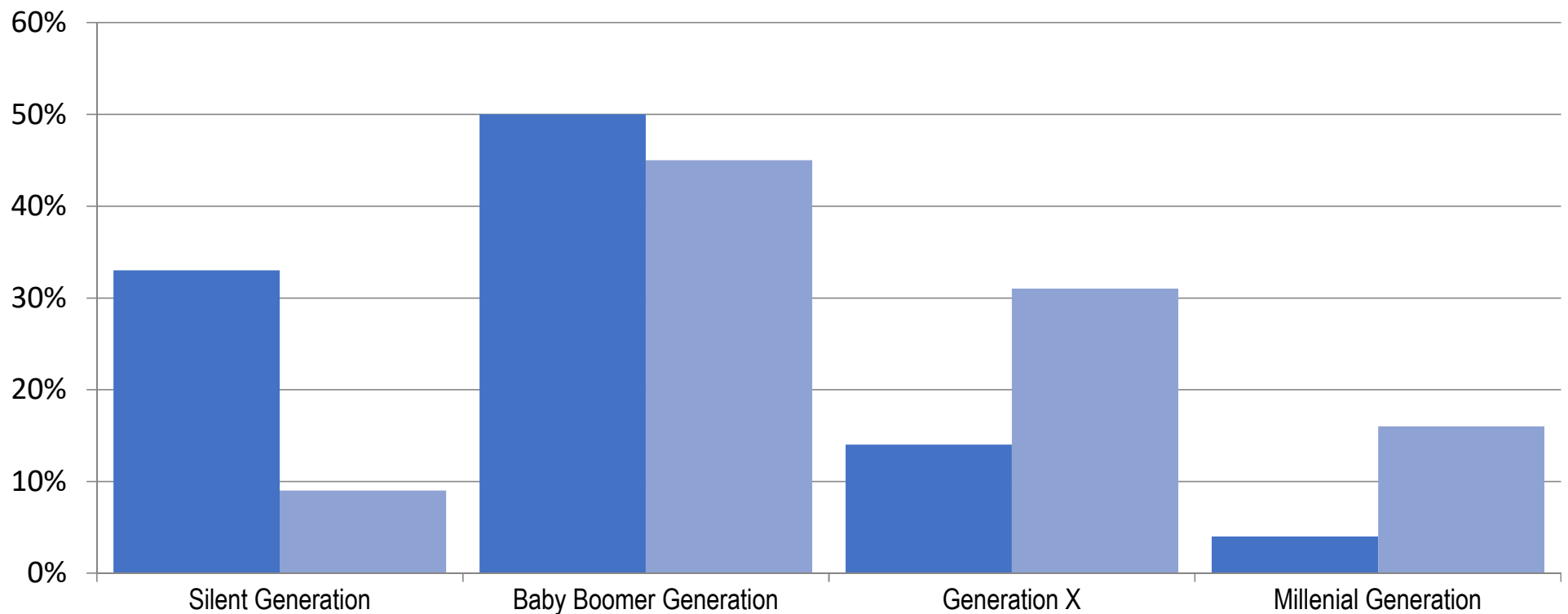
# US Population by Age: 2013

Figure 1: US Population Distribution by Age, 2013



# Wealth by Generation: 2015-2030

## SHARE OF NATIONAL HOUSEHOLD WEALTH

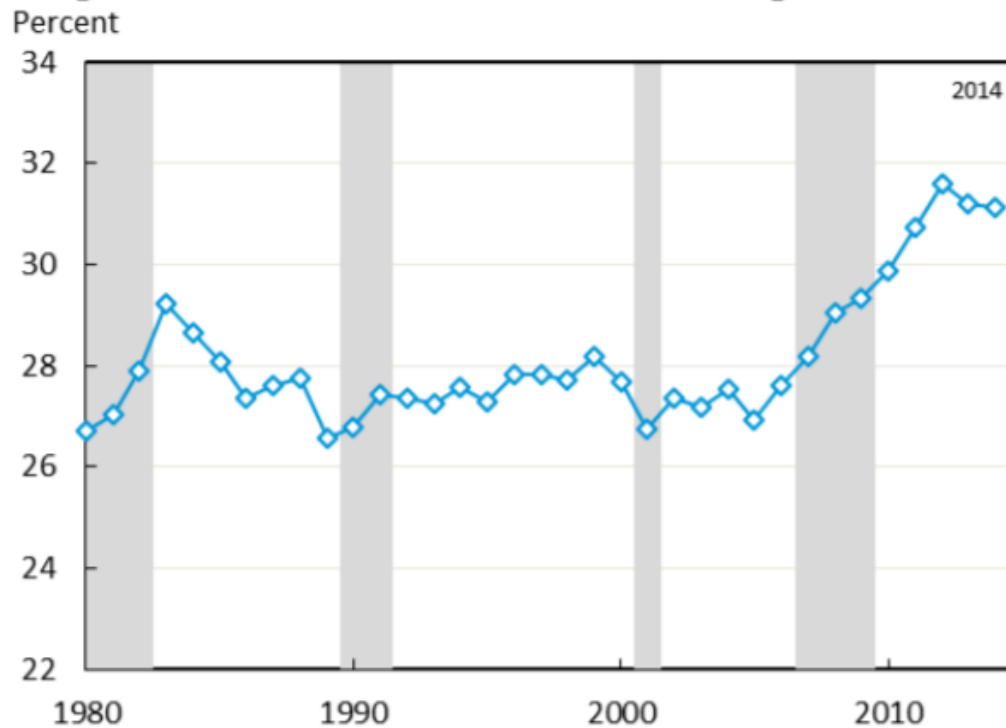


Derived from Deloitte Center for Financial Services

# Share of 18-34 Year Olds Living with Parents

1980 – 2014

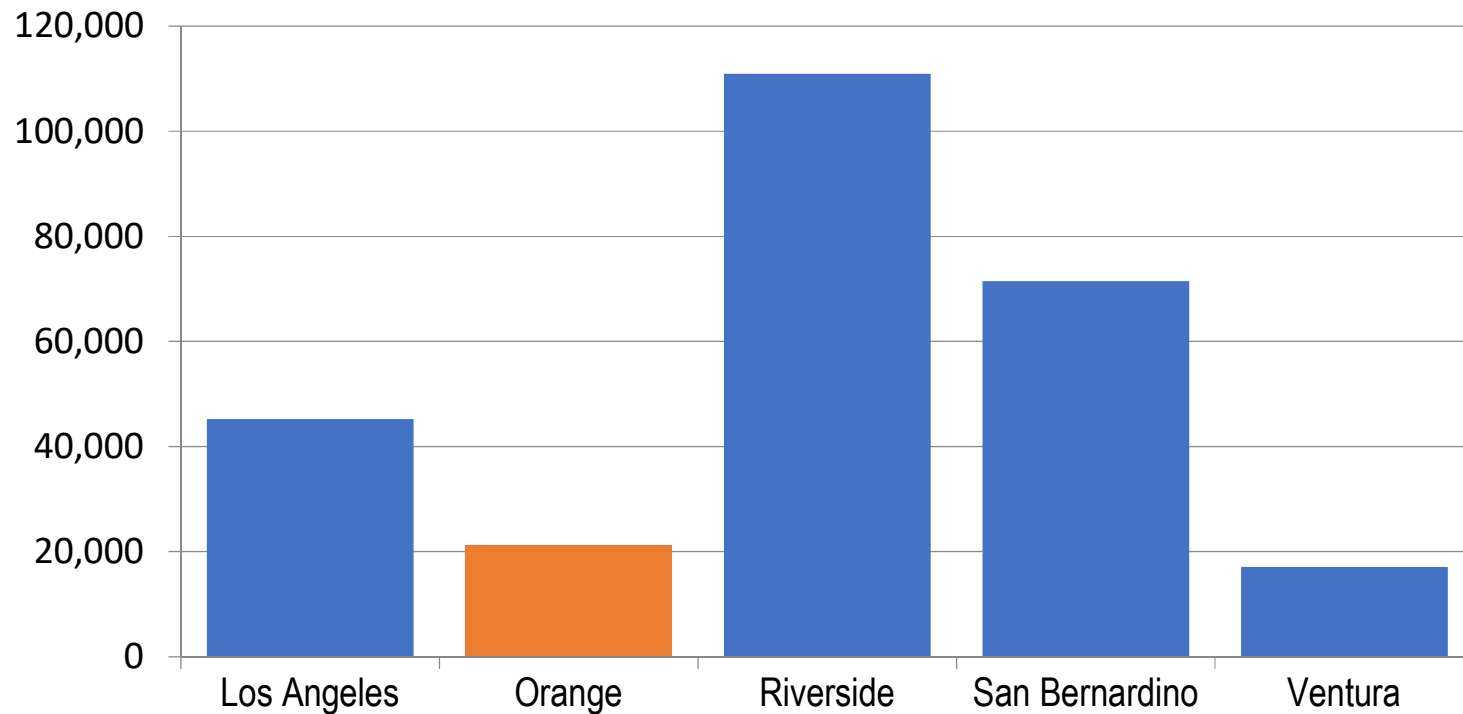
Figure 29: Share of 18 to 34 Year-Olds Living With Parents



Source: Bureau of Labor Statistics; CEA calculations.

# Change in 20-29 Population: 2000-2014

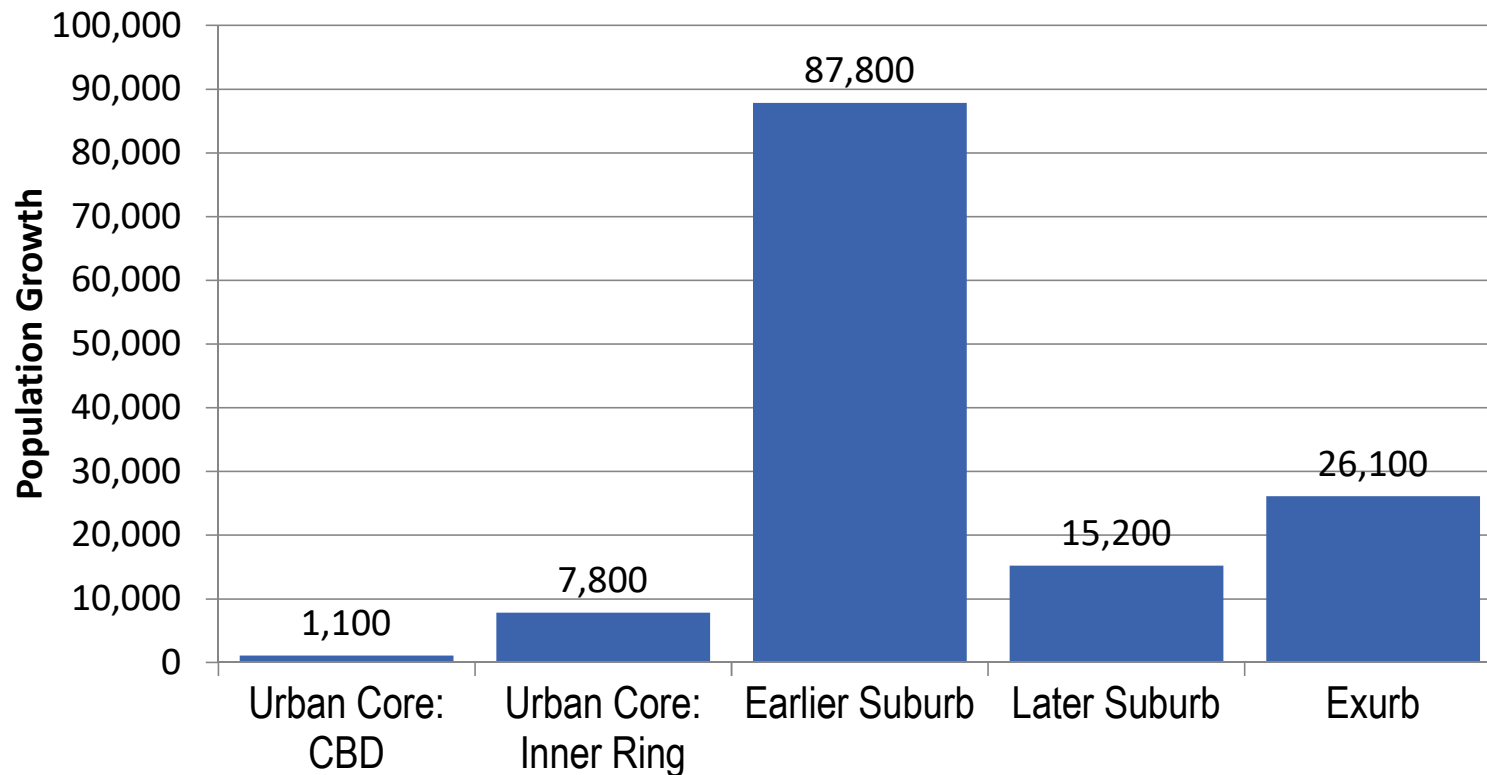
## LA-RIVERSIDE CSA COUNTIES



US Census Bureau & 2010-2014 American Community Survey data

# 25-34 Growth by Sector

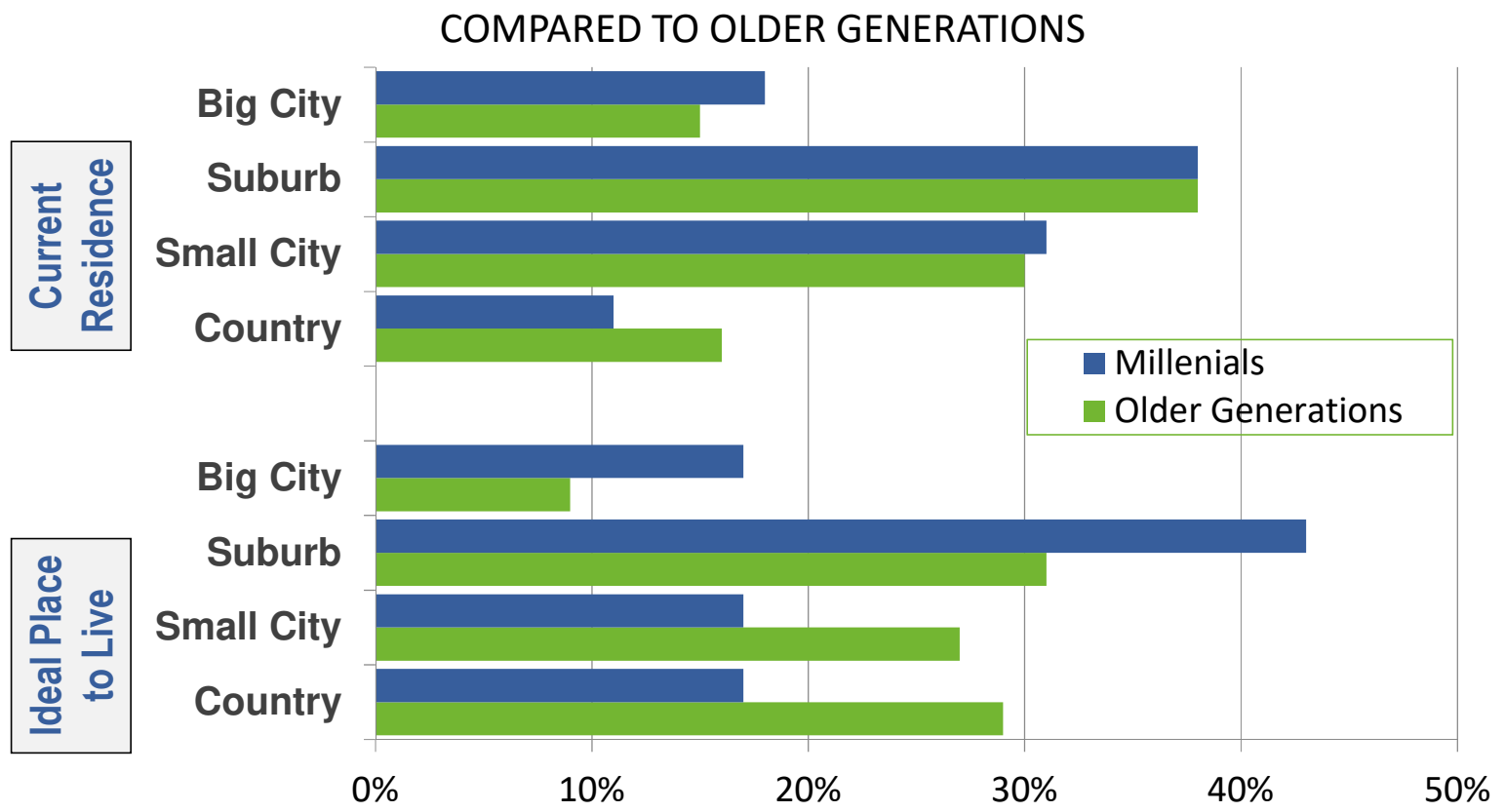
## LOS ANGELES LONG BEACH CSA: 2010-2013



Derived from Census Bureau data & City Sector Model 2015 Revision



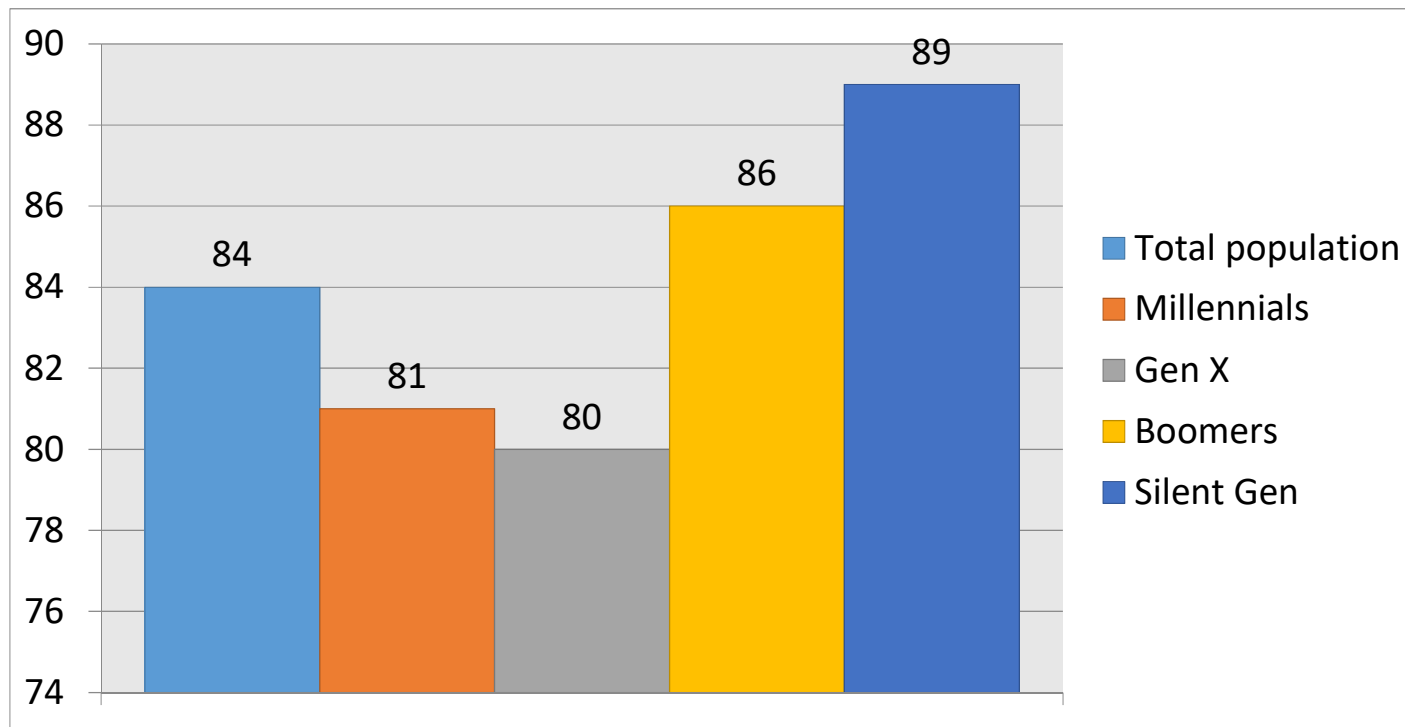
# Millennial Life Style Choices



Source: Frank N. Magid Associates

# Survey: American Dream

## AGREEING THAT HOME OWNERSHIP AN IMPORTANT PART



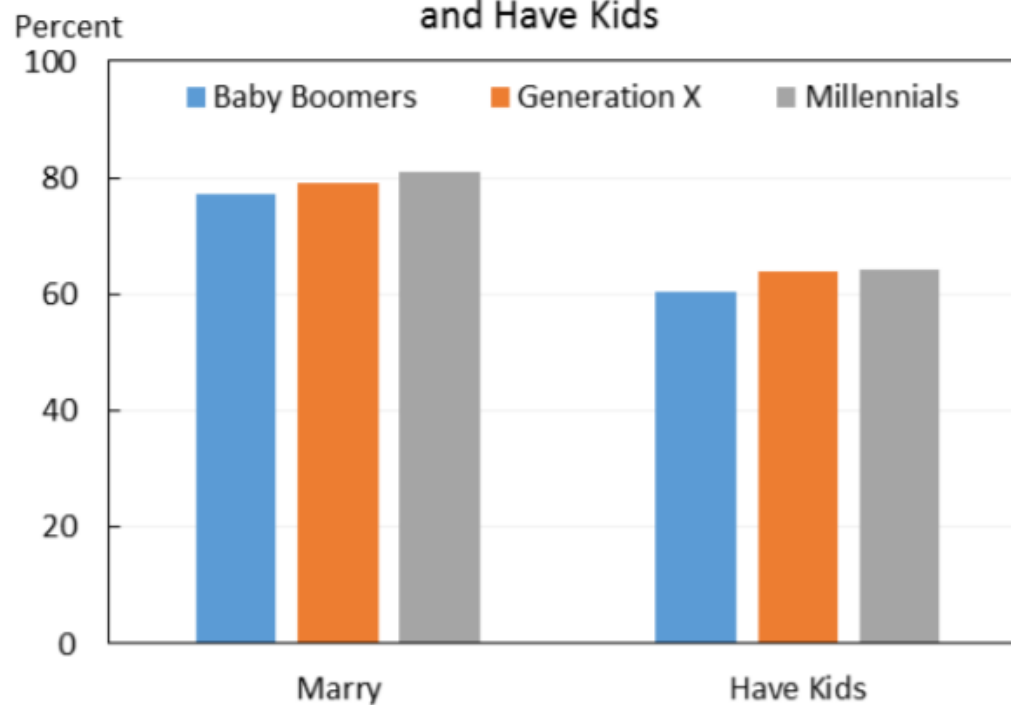
Base Age 21+

Source: Merrill Lynch – Age Wave, 2014

# Expecting to Marry & Have Kids

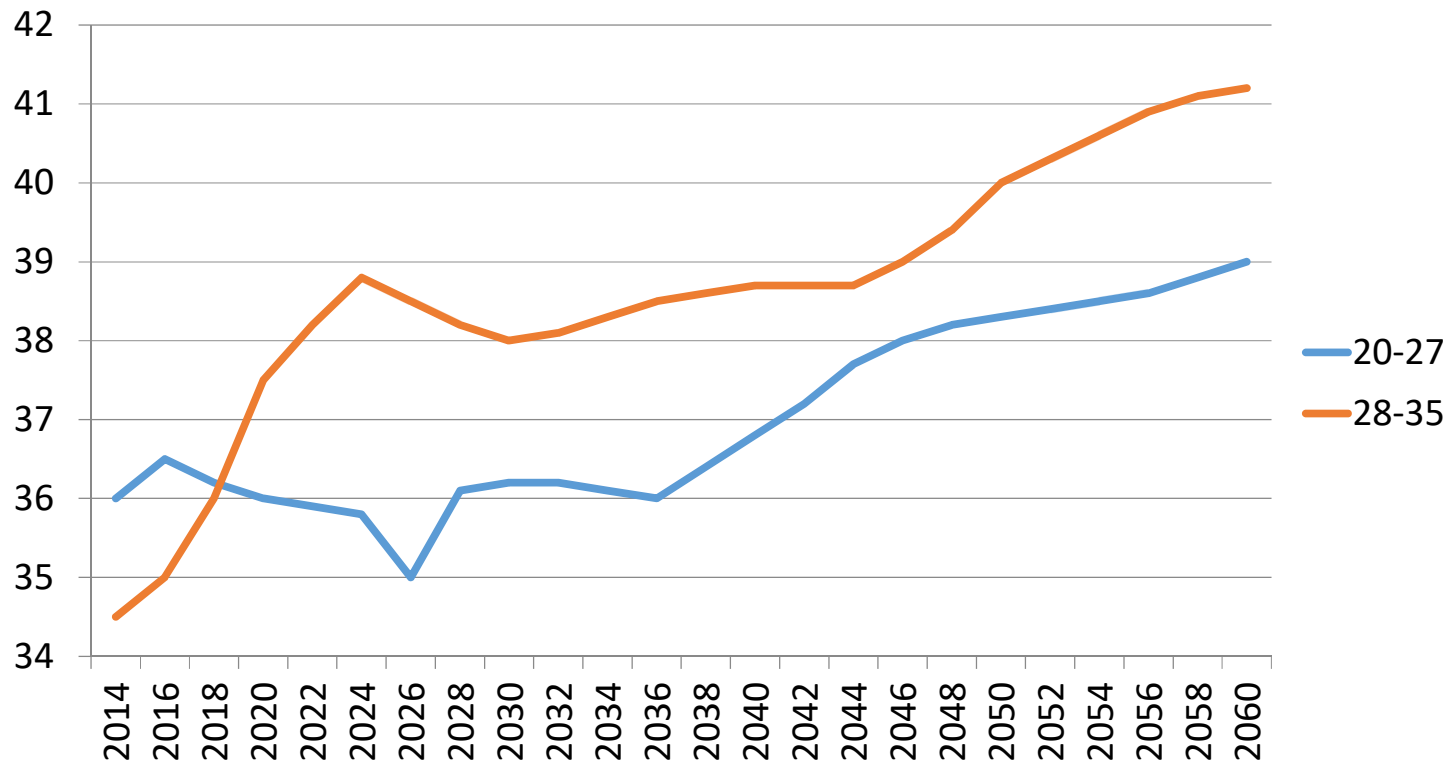
## BY GENERATION: 2011

Figure 27: Percent Who Think They Will Marry and Have Kids



Source: Monitoring the Future, 1976-2011; CEA calculations.

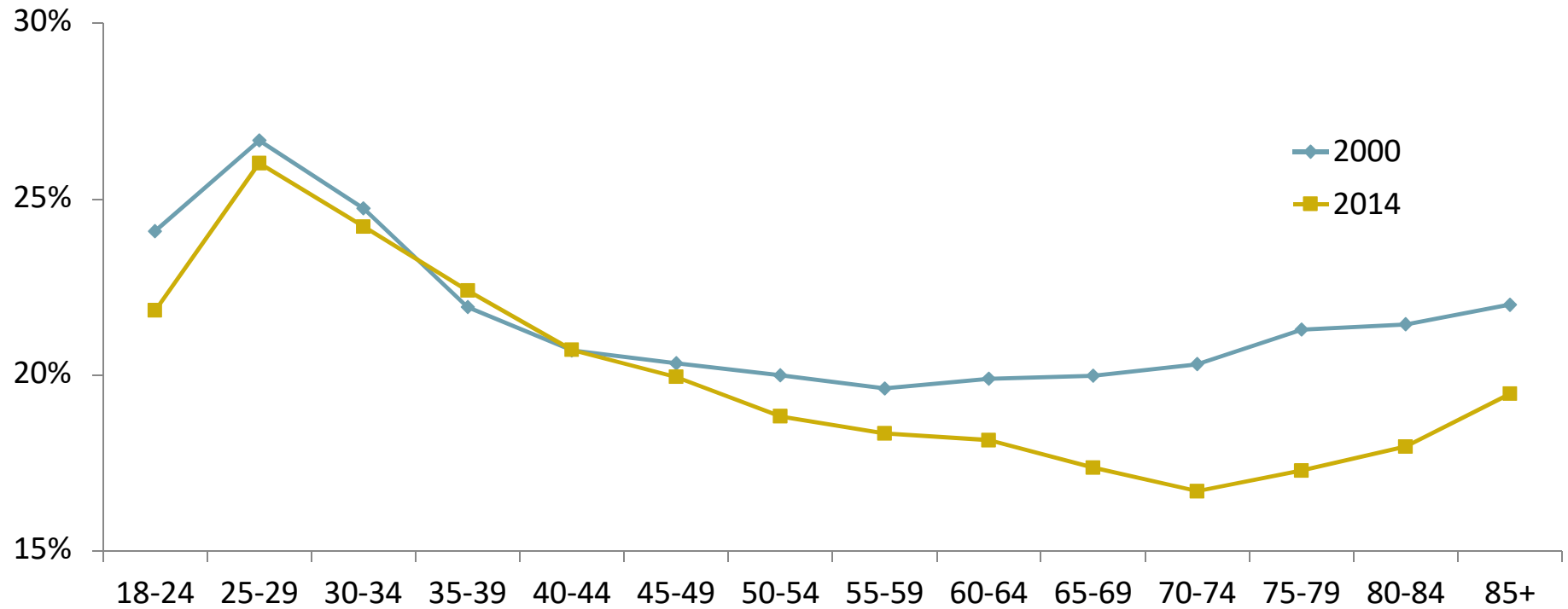
# Projected national number of 20-27 and 28-35 population cohorts, 2014 to 2060



Source: Business Insider/Andy Kiersz, data from US Census Bureau

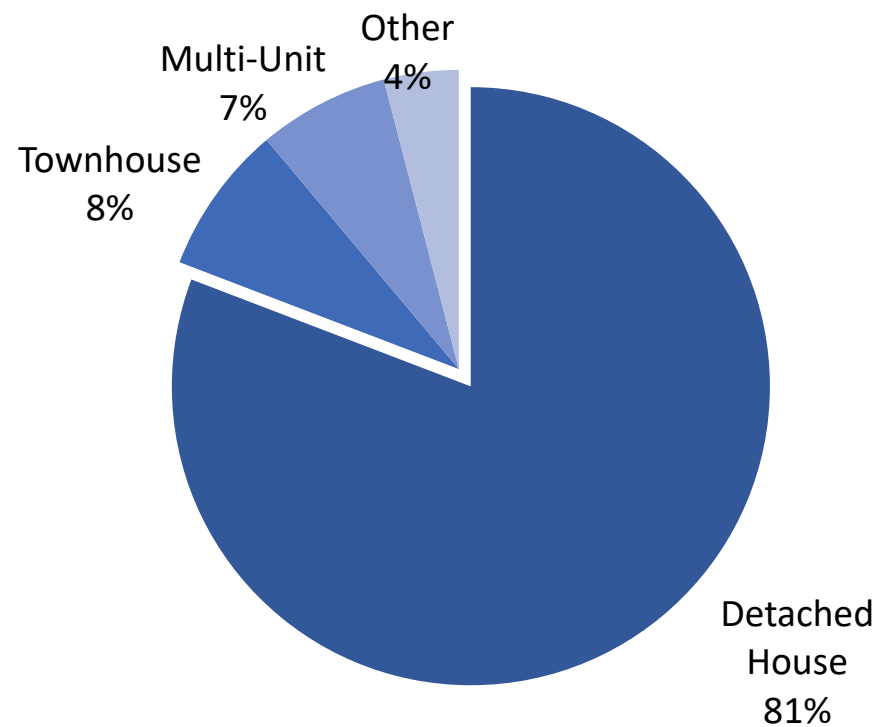
# An aging population also boosts the suburbs

% living in urban neighborhoods, by age group



# House Purchases: Under Age 35

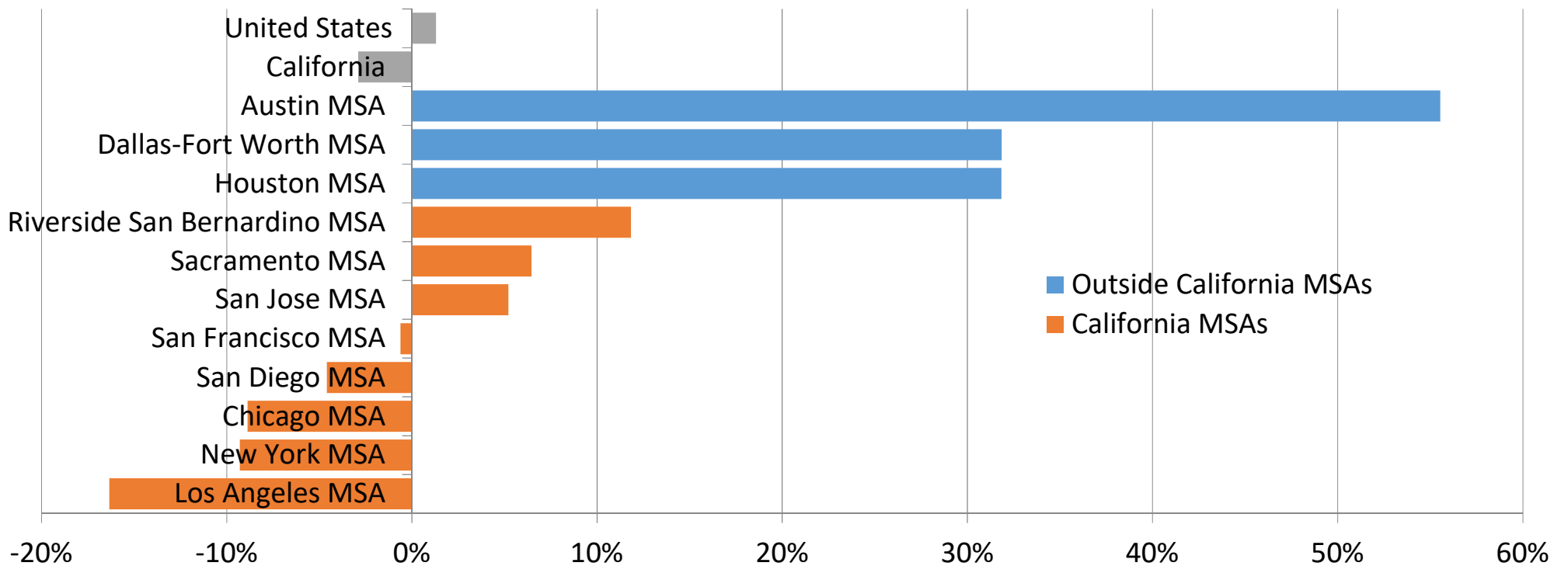
2014-2015 NATIONAL ASSOCIATION OF REALTORS



From National Association of Realtors, 2015

# Change in Child Population (5-14)

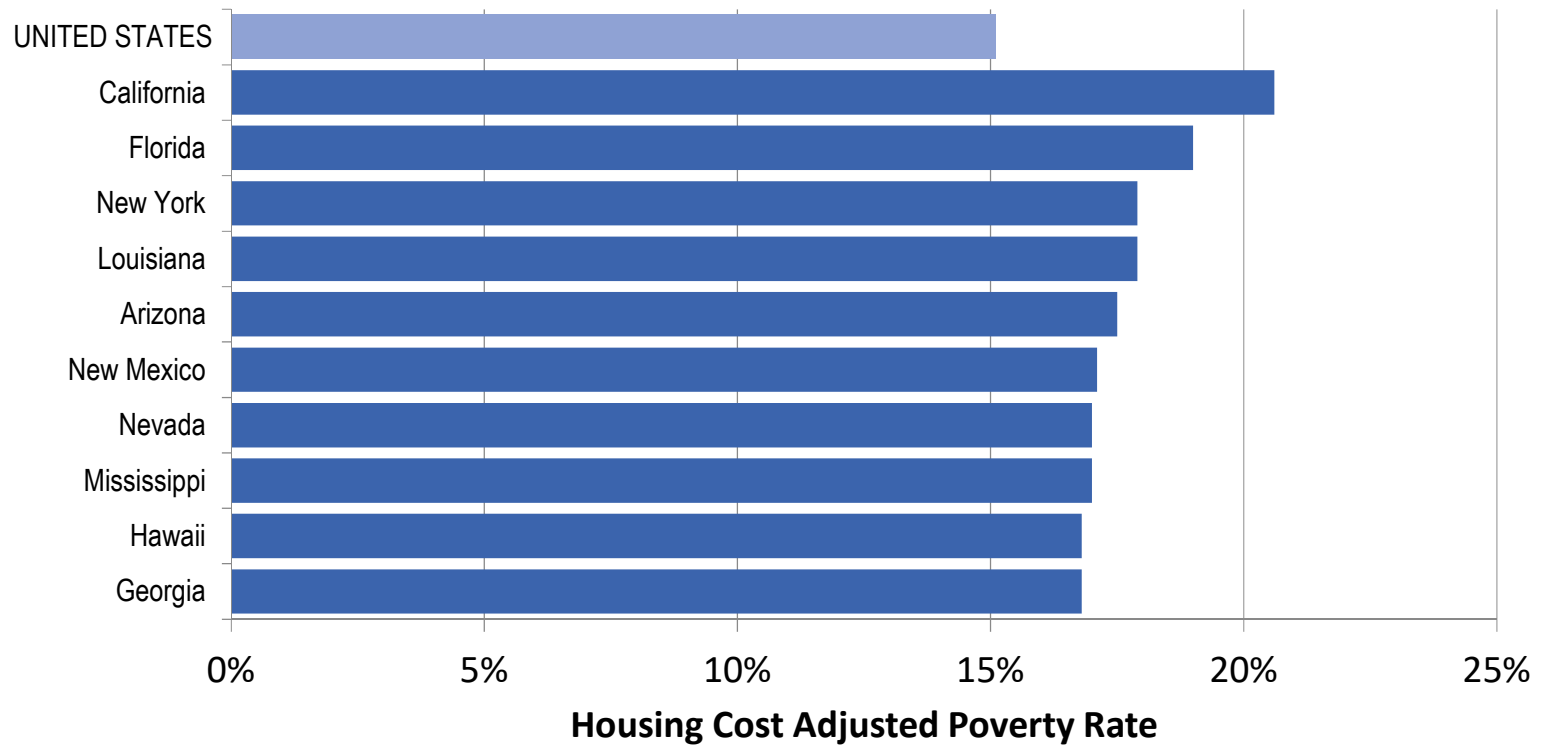
## SELECTED METROPOLITAN AREAS: 2000-2015



Derived from Census Bureau data

# Highest Housing Adjusted Poverty Rates

STATES: 2015

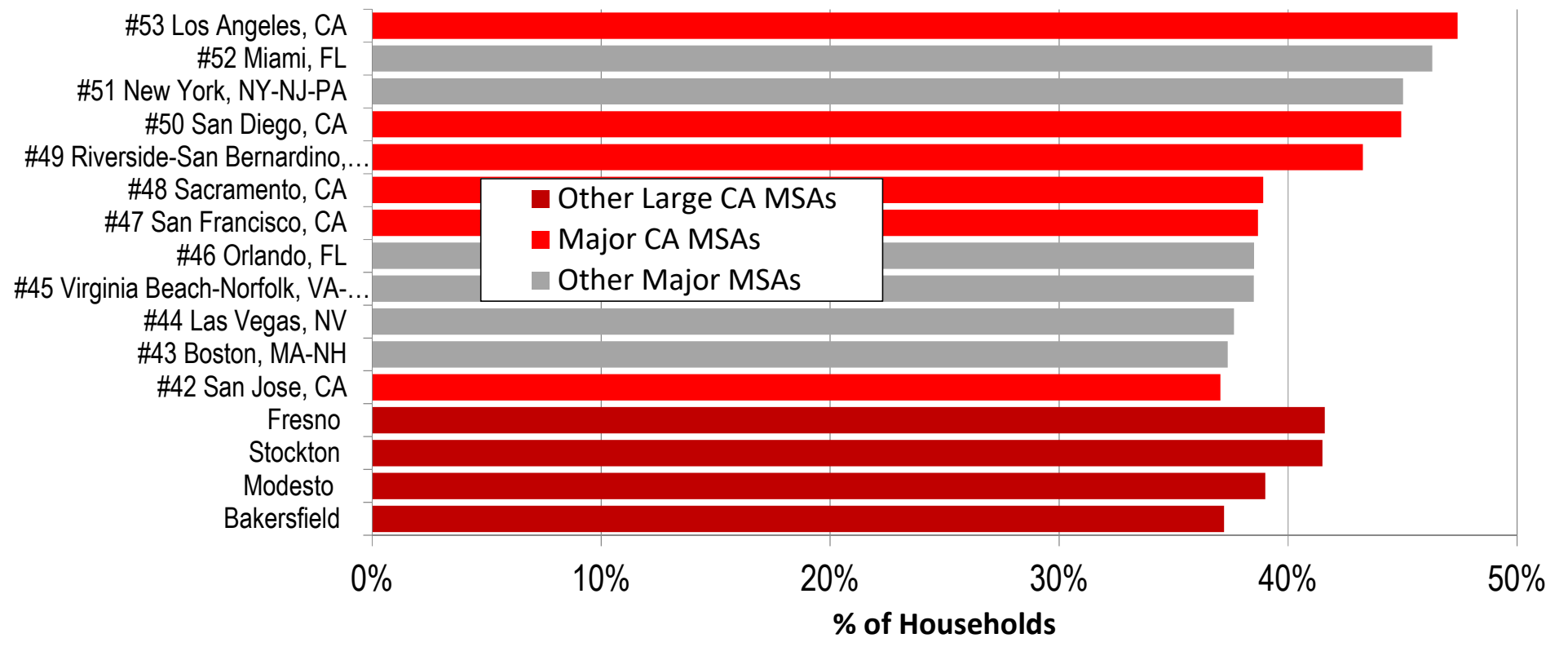


Census Bureau data



# Housing Cost Burdened Households

## 12 WORST MAJOR MSAS & OTHER LARGE CA MSAS



Source: American Community Survey

# Grand Delusions won't restore Upward Mobility in California : We Need to Change the Debate

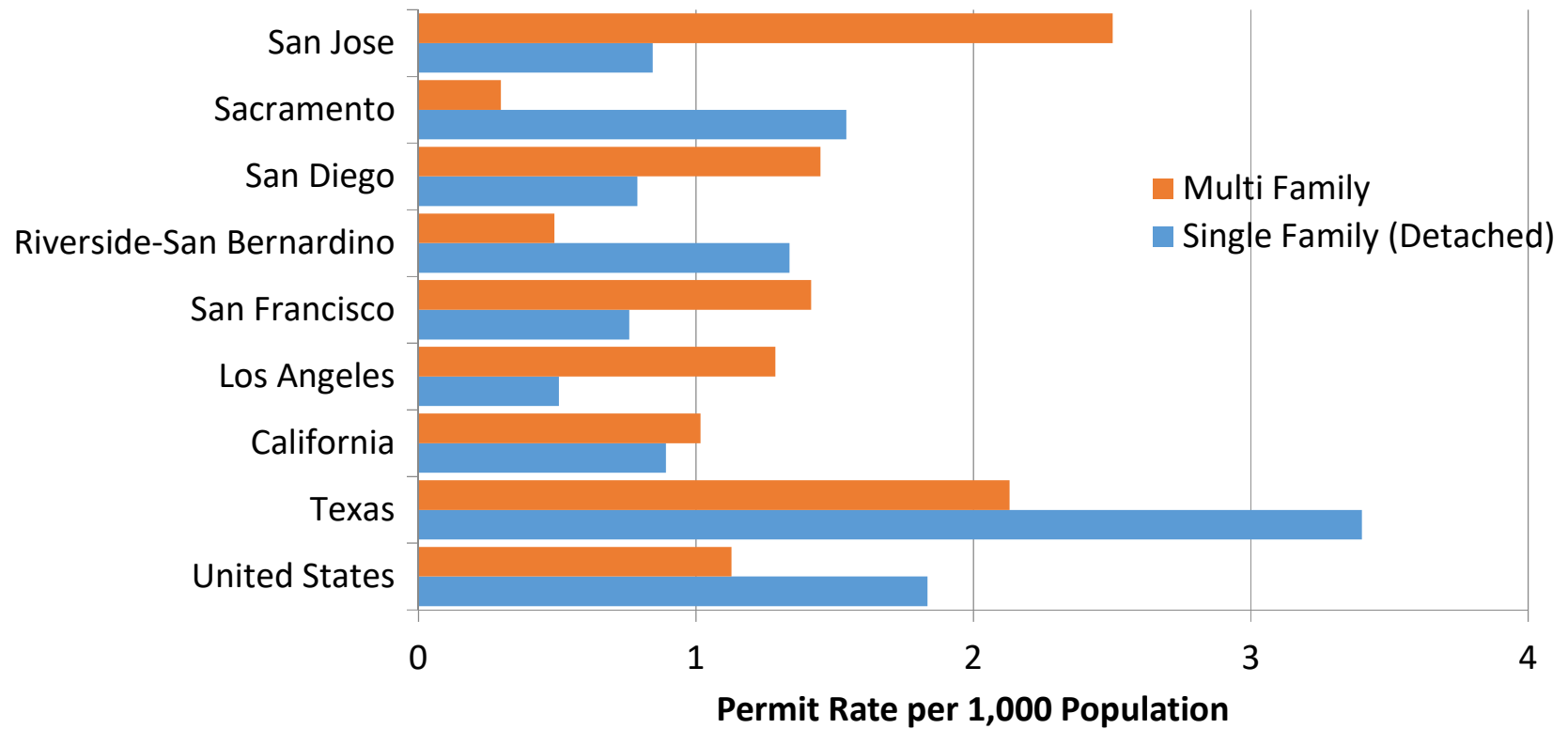
## California Policies

- Green Jobs and forced density
- High-Speed Rail and transit
- Social engineering away from families and middle class housing and jobs



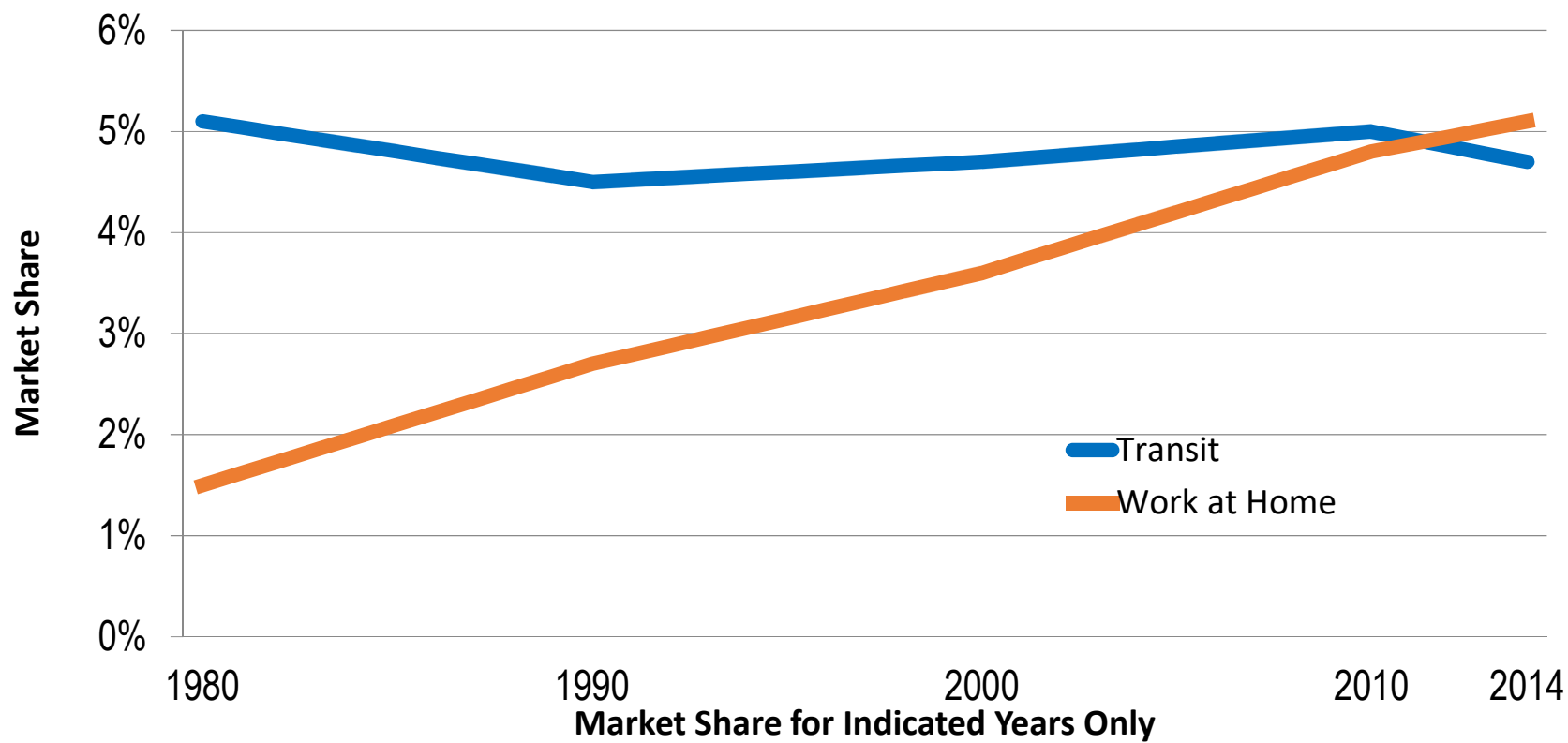
# Residential Building Permits

CALIFORNIA & THE US: 2011-2015: DETACHED & MULTI-FAMILY



# Los Angeles CSA Commuting

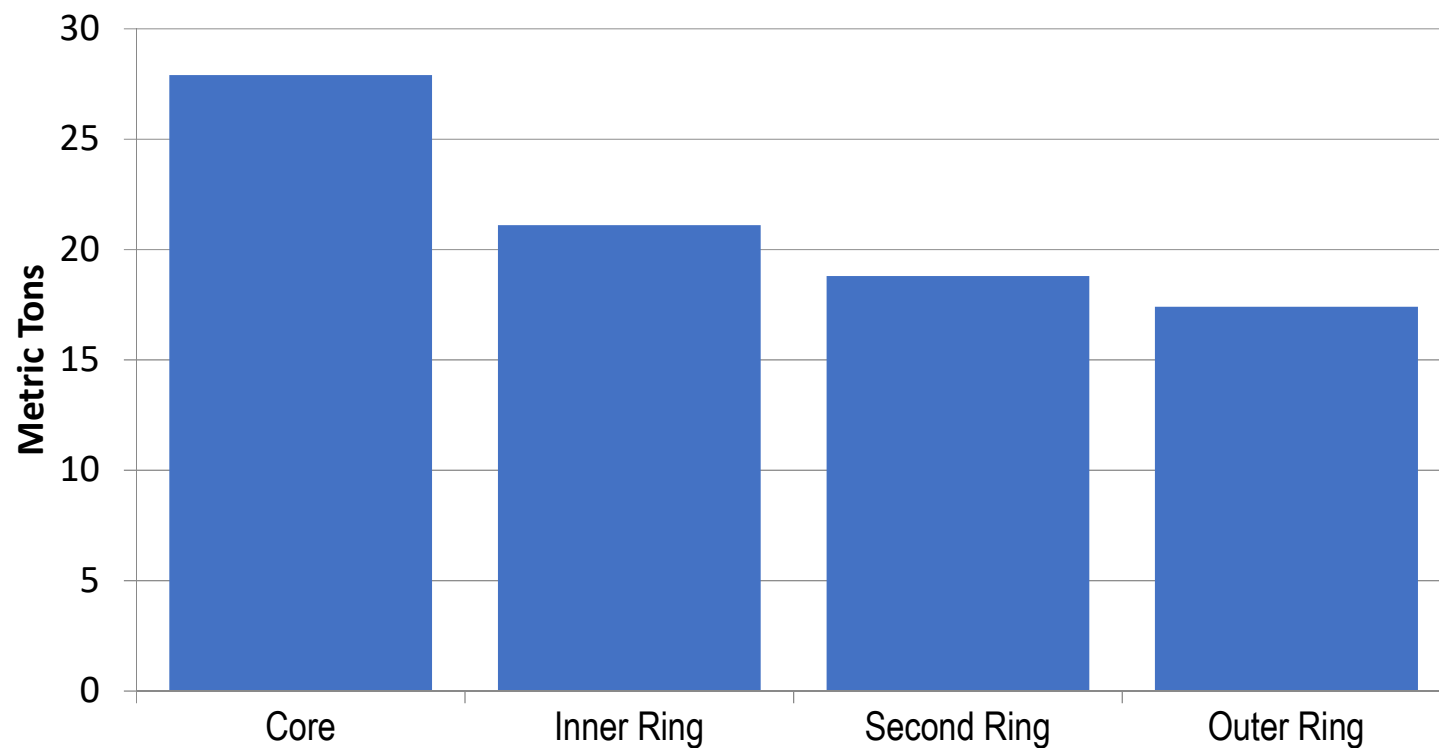
## TRANSIT & WORK AT HOME SHARE: 1980-2014



Derived Census Bureau data

# CO2 Emissions per Capita: By Sector

## AUSTRALIA 5 LARGE CAPITAL URBAN AREAS

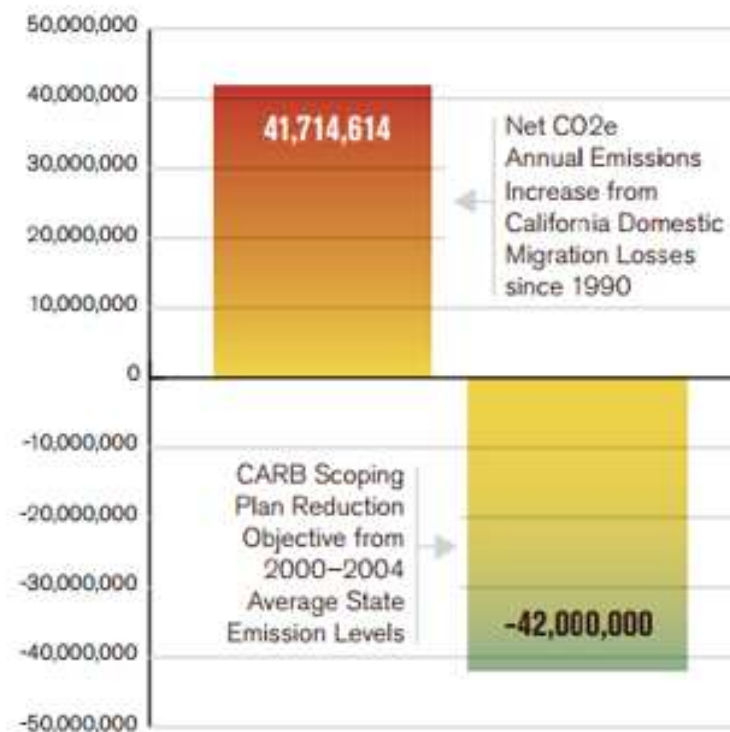


Housing Form in Australia and Its Impact on Greenhouse Gas Emissions

# California Emissions: Comparisons

## EMISSION REDUCTION GOALS & OUT-MIGRANT INCREASE

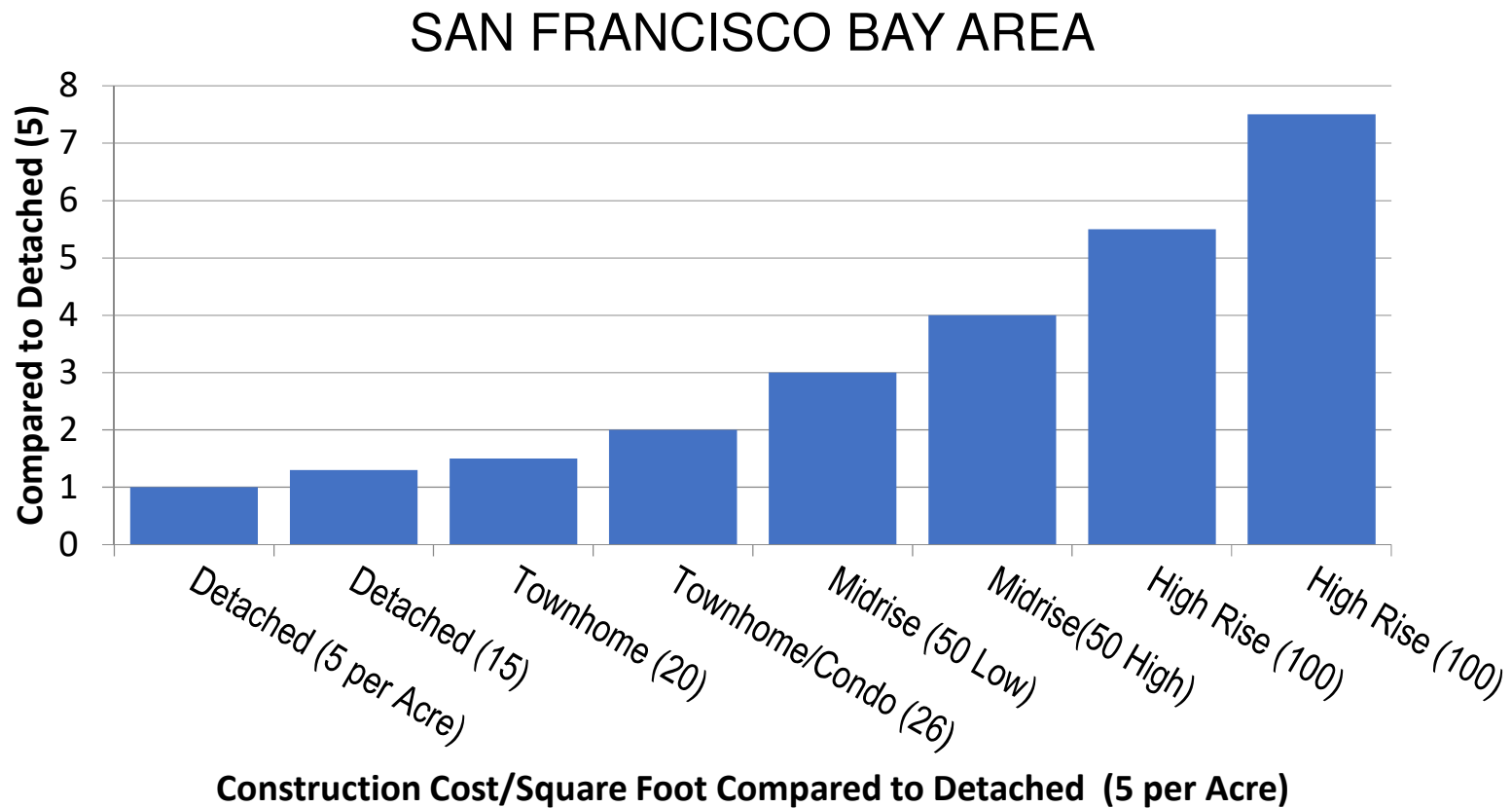
Emissions increases caused by  
Net Domestic Migration from California  
Versus CARB 2020 Reduction Target  
from 2000–2004 Levels  
(tons of CO<sub>2</sub>e per annum)



Source:  
Derived from CAIT 2.0. See Figures 3 and 4.

California Air Resources Board and David Friedman

# Construction Cost by House Type



Derived from FBI Statistics: 2013, Major metropolitan areas (average).

# Future of Suburbia



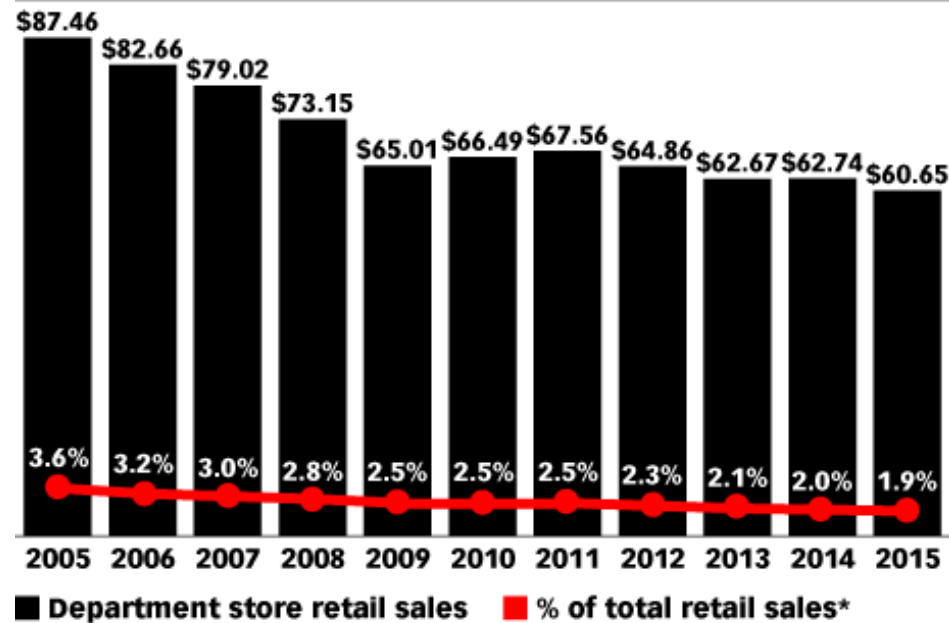
- Suburbia about to gain as minorities and millennials head there
- Future suburbs will develop more amenities and be more self-sufficient
- The diverse, more interesting suburbs are best positioned



# The Shift in retail will open new opportunities

## US Department Store Retail Sales, 2005-2015

billions and % of total retail sales\*



Note: excludes discount department stores; \*excludes auto dealers, gas stations and restaurants

Source: US Department of Commerce, "Monthly Retail Trade Report"; eMarketer calculations, May 13, 2016

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www.eMarketer.com

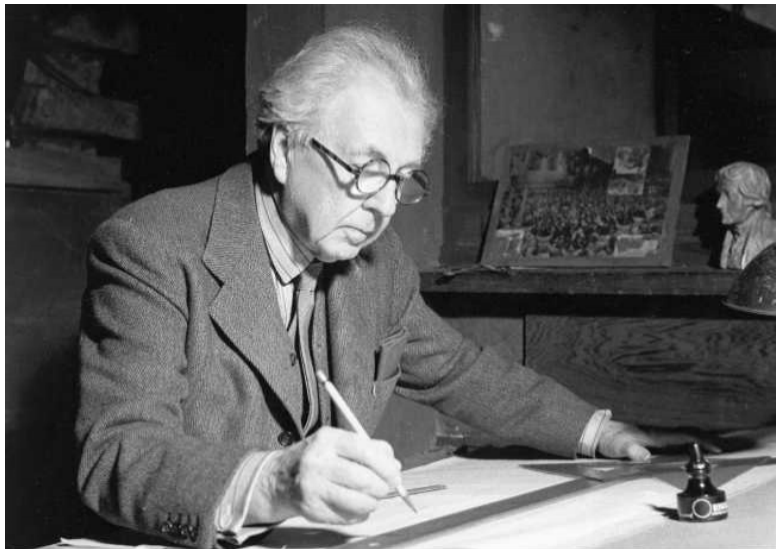
# The Future of Retail



# Key Solutions and Recommendations

- Reform regulatory rules to be friendly for middle class and family housing
- More emphasis on dispersed and home based work patterns
- Transportation solutions should be 21<sup>st</sup> Century variety, not yet another failed attempt to recreate the 19<sup>th</sup>
- Look to shift redundant office space to housing and develop responsible housing, flexible workplaces on periphery

- After all is said and done, he --- the *citizen* --- is really the city. The city is going wherever he goes. “



Frank Lloyd Wright, *The Living City*, (1958)

# Questions and Comments

