FROM SMART GROWTH TO THE NEW URBAN ECONOMICS

Arthur C. Nelson, Ph.D., FAICP
Professor of Planning & Real Estate Development
College of Architecture, Planning and Landscape Architecture
University of Arizona
THE OLD URBAN ECONOMICS

• Centrality ➔ Cities as centers of
  – Trade
  – Governance
  – Manufacture

• Unbridled Externalities
  – What people did there stayed there
  – Noxious activities ➔ tanneries next to affluent
  – Stench
A BRIEF HISTORY OF SEWAGE

• BC 2500 Mohenjo → First known sewage drains.

• Public latrines (Ostia above in time of Pompeii)

• 1889 AD: World’s first sewage treatment system.

http://www.brandeis.edu/magazine/2013/spring/arts-and-culture/roman%20smells.html
Those who could leave cities did ...
THE CITY IN 1880
Amenities increase with distance

Efficiencies fall with distance

Land use intensity falls **STEEPLY** with distance
EMERGING METROPOLITAN FORM 1890 TO 2000

Land use intensity falls **GRADUALLY** with distance

Efficiencies fall with distance

Amenities increase with distance
THE EDGELESS CITY

“The Lord said to Moses . . . Command the people of Israel, that they give to the Levites . . . cities to dwell in; and pasture lands round about the cities . . . The pasture lands of the cities . . . shall reach from the wall of the city outward . . . all around. The city shall be in the middle . . .” Numbers 35: 1-5.

It is God’s will, after all.
Walkability increases commercial rents and home values.

30%-40% who live within a mile of work and errands walk or bike to them; trend increasing.

Residential rents and values, and office rents capitalize light rail transit access to 1.5 miles.

Vacancy and foreclosure rates fall the closer to rail transit.

Total household transportation costs fall the closer they live to downtown and rail transit.
Applications of the Ewing Compactness Index

- Jobs and wages increase
- Public safety increases
- VMT & GHG falls
- Public health increases
- Investment equity increases
- Economic resilience improved
- Reduced water consumption
- Reduced land conversion
- Greater local tax revenues and less costs per acre
The **disamenities** of cities are in decline:

- Air and water pollution reduced; noise waning
- Crime continues to fall in most US cities
- Decreasing reasons to get away *from* cities

The **amenities** of cities are ascending:

- Economic vitality, resilience
- Increasing urbanity
- Increasing reasons to be attracted *to* cities
Land use intensity falls **STEEPLY** with distance.

Efficiencies fall with distance.

Amenities **decrease** with distance.
The Mass Market for Sprawl is Over

![Graph showing distribution of units built, United States, 1989-2009.]

- **Distribution of Units Built, United States, 1989-2009**

<table>
<thead>
<tr>
<th>Type</th>
<th>Volume</th>
<th>Total Share</th>
<th>Detached Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Units</td>
<td>24.5</td>
<td>85%</td>
<td>20.7</td>
</tr>
<tr>
<td>Detached</td>
<td>20.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>½ to 10 acre lot size</td>
<td>8.7</td>
<td>42%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Adapted from American Housing Survey by Arthur C. Nelson*
<table>
<thead>
<tr>
<th>Type</th>
<th>Rent/Year Per Sq. Ft.</th>
<th>Cap Rate</th>
<th>Vacancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>$25-$30</td>
<td>5.50-6.00</td>
<td>~10%</td>
</tr>
<tr>
<td>Residential</td>
<td>$25-$35</td>
<td>4.75-5.25</td>
<td>&lt;5%</td>
</tr>
<tr>
<td></td>
<td>Downtown</td>
<td>Neighborhoods</td>
<td>Total</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------</td>
<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>Residential Population</td>
<td>17,528</td>
<td>65,974</td>
<td>83,502</td>
</tr>
<tr>
<td>Growth 2000-2013</td>
<td>142%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Est. Growth 2013-2018</td>
<td>18%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td>11,137</td>
<td>39,411</td>
<td></td>
</tr>
<tr>
<td>Bachelor's or better</td>
<td>59%</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>HH Income</td>
<td>$76,263</td>
<td>$60,283</td>
<td></td>
</tr>
<tr>
<td>Occupied home value</td>
<td>$361,029</td>
<td>$278,660</td>
<td></td>
</tr>
<tr>
<td>No vehicles</td>
<td>25.2%</td>
<td>24.3%</td>
<td></td>
</tr>
<tr>
<td>New units planned/under</td>
<td></td>
<td>7,000</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Downtown Denver Alliance*
More than 40,000 people live in downtown Minneapolis
More than 20,000 people live in downtown Kansas City.
The Past is the Future?

Class Pyramid

- **Affluent, Pre-Post Children**
- **Middle Income, Families**
- **Lower Income, Families**

Residential Patterns

- **Small Units, Artists, Young Professionals**

Ethnic or occupational districts
THANK YOU

http://3.bp.blogspot.com/-QLcF0mJsdVo/UiqwLE74qnI/AAAAAAAAF-E/TWRZg5mAH58/s1600/streetcar_maint_yard-2419.jpg