

BOUNCE *FORWARD*

*BUILDING THRIVING, HEALTHY, &
EQUITABLE COMMUNITIES*



MARCH
4 & 5, 12, 19, 25 & 26



RMLUI 2021
WESTERN PLACES | WESTERN SPACES

Will COVID Change Where and How We Live?



RMLUI 2021

WESTERN PLACES | WESTERN SPACES

CLARION

OTTEN JOHNSON

ROBINSON NEFF + RAGONETTI PC



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RMLUI 2021
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Thanks to our sponsor for this session



**Announcing that Kristin Sullivan is joining the firm
as Senior Advisor for Land Use & Infrastructure**



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Panelists

Prof. Chris Nelson
University of Arizona

John Covert
Zonda Advisory

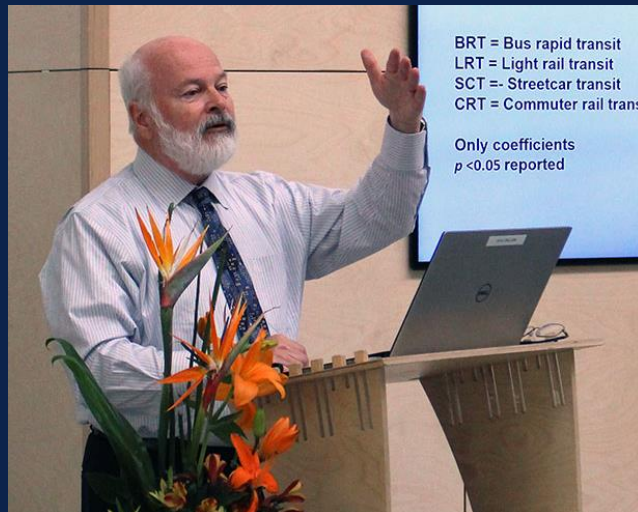
Gene Myers
Thrive Home Builders



The Resilience of Cities

Arthur C. Nelson, Ph.D., FAcSS, FAICP
Professor of Urban Planning and Real Estate Development
University of Arizona

ROCKY MOUNTAIN LAND USE INSTITUTE
March 2021



A Little Perspective

European cities' growth exploded after the plague.

In less than a generation, Hiroshima was more dynamic after the bomb than before (**never again ...**).



https://www.icanw.org/hiroshima_and_nagasaki_bombings



<https://bushbaby.travel/destinations/asia/japan/hiroshima-miyajima>



<https://www.smithsonianmag.com/science-nature/how-proteins-helped-scientists-read-between-lines-1630-plague-death-registry-180967811/>



<http://demo.processwire.com/cities/new-york-city/freedom-tower/>

Ground Zero in NYC became so valuable for residential real estate that office was pushed out → If the Freedom Tower was residential it would be ~100% occupied with no subsidies.

A Few Myths about Covid-19

The future of **office is dead**
Working from home is where it's at
Traditional retail is **more than dead**
Social distancing = **Head for the hills**

Offices will Re-emerge, Again

Offices are a source of **teamwork** innovation.
Modern companies **internalize** social interaction
More innovations are done around the water cooler
and in the cafeteria than the microwave at home



https://assets.bwbx.io/images/users/iqjWHBFdfxIU/iXDYtuv_hQQc/v1/1000x-1.jpg



<https://images.moneycontrol.com/static-mcnews/2018/02/The-employee-cafeteria-of-Google's-Canadian-engineering-headquarters-in-Ontario--770x433.jpg?impolicy=website&width=770&height=431>

Jamie Dimon's J.P. Morgan Chase bank is less profitable
because workers aren't working in the same space together.

... it's time to get people back to the office.

What Do Workers and Employers Say?

WORKERS

Close to boss for reviews, promotion, pay increase

Camaraderie of office mates and friends.

Do not want less pay working at home.

Recognized for their good work in the office.

Most are **more productive** working in the office.

Most want to **network in the office**.

Do not want to miss office meetings, client gatherings and social events working at home.

Most want to **share information** and learn from their superiors and mentors while in the office.

EMPLOYERS

Worker **Productivity falls** about 20% when they work remotely.

Communication is more efficient with employees in the office

Performance review/mentoring is easier in the office

Managers **want more workers** in the office as this increases their status, compensation, and corporate advancement

Workers not in the office has a negative effect on the company culture and strategy.

Working from home is *NOT* where it's at

It's **novel** for a while ...

... but **wears off** after about 6 months.

Productivity **increases** for 6 months

... then begins to **crash**.



Adapted from <https://finanz.dk/covid-19-teleworking-and-productivity-vox-cepr-policy-portal/>

Cabin fever sets in ...

... your home is your prison → **house arrest**?

Where's the **tech support** when you need it?



https://www.wklaw.com/wp-content/uploads/2017/05/House_Arrest.jpg

Traditional Retail Will Do What it Does Best *CHANGE*

COVID-19 merely **accelerated trends**—and that's a **good thing**.

New retail leasing mantra: **Amazon proof**
tenants—and that's a smart thing.

Traditional retail spaces becoming
more diverse →

Offices—parking anyone?

Public places (libraries, service centers)

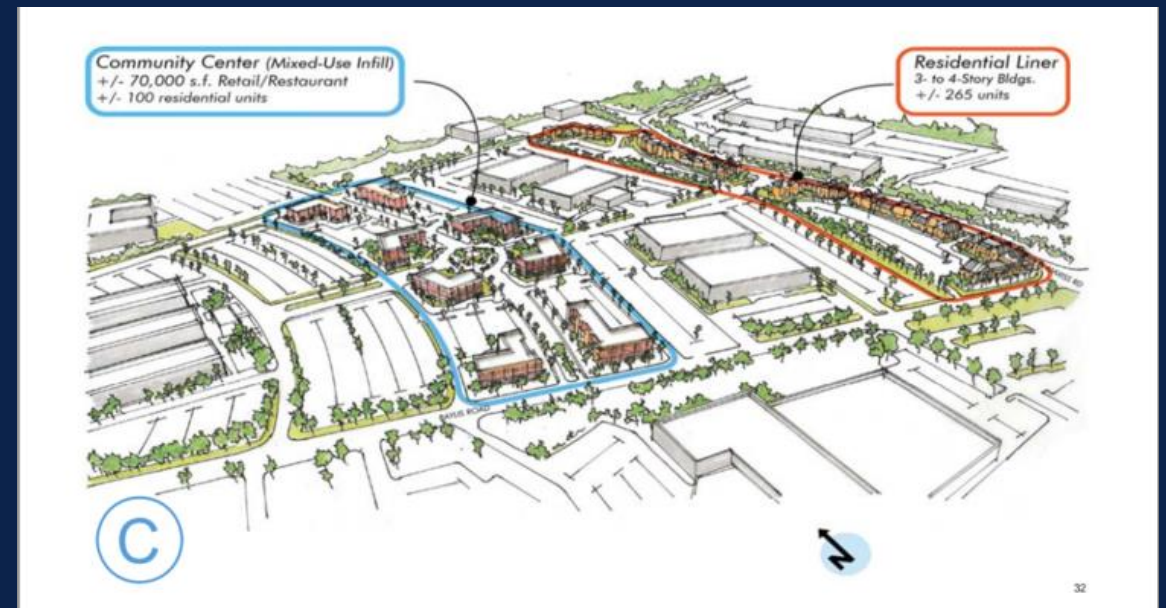
Clinics/out-patient centers

First/Last mile shipping/returns/etc.

New forms of community gathering

New places for people to live

The **constant about retail** is that it is never constant.



<http://www.longislandernews.com/half-hollow-hills-archives/consultant-speaks-about-potential-huntington-quadrangle-redevelopment>

Head for the Hills → *NOT*

If there is a perception that the pandemic has ushered in a mass migration, it is not supported by the data. ... **Americans moved less during the pandemic** than they normally would have, not more.

([https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid.](https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid))

Of those who moved, 15% cited Covid-19 as these reasons (85% moved anyway) → 37% said they could not **afford housing** because of income loss especially →

New York/Manhattan and San Francisco

33% moved to **shelter in place** with friends or family

24% of the 15% (=3.6%) didn't **feel safe** where they were because of Covid.

([https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid.](https://www.bloomberg.com/news/articles/2020-09-16/the-truth-about-american-migration-during-covid))

Nearly all who moved stayed within **commuting range of work** after Covid.

One Covid benefit → **Low interest rates** but they are **already rising → Party's Over?**

Realities

- The open office, hot-space concept **will change** but it may be about time.
- Some will work more from home and new/proven technologies will help (Zoom) but for nearly all the **workplace is still where it's at.**
- **Amazon-proof retail** will expand while retail centers will become more diverse places of offices, services, gathering and even residences.
- Exurban and urban **fringe living** is **NOT** where it's at.



<https://www.cnu.org/sites/default/files/wyandanch.jpg>

2024 Prediction

Downtowns of New York City ... San Francisco ... Denver ... Etc.

Will all be **less affordable** to own than before Covid-19

But will be home to even **more people**.

RMLUI

Will COVID Change Where & How We Live?

John Covert, Regional Director
March 2021



HOME
& FAMILY

WORK
& SCHOOL

Never has “Home & Community ”
been more important than it is today.

ENTERTAINMENT
& SOCIAL

COVID19 Impacts

A new focus

- A new reality with family
- A new focus at home

Housing Opportunities

- The vaccine is finally here...
- Very low interest rates
- Very low supply
- Consumers are embracing innovation
- Consumers WANT innovation



Question	US	Denver 2019	Denver 2020
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Age Range

Select One

Under 25	<input type="checkbox"/>	2%	1%	4%
25 to 44	<input type="checkbox"/>	43%	43%	56%
45 to 64	<input type="checkbox"/>	40%	41%	32%
65 to 74	<input type="checkbox"/>	13%	13%	7%
75+	<input type="checkbox"/>	2%	3%	1%

Generation Segment

Born | (Age at 2020)

Centennial	1996-2004 (16-25)	<input type="checkbox"/>	2%	1%	4%
Young Gen Y	1986-1995 (26-35)	<input type="checkbox"/>	19%	16%	29%
Tweeners	1976-1985 (36-44)	<input type="checkbox"/>	23%	25%	26%
Mature Gen X	1966-1975 (45-54)	<input type="checkbox"/>	19%	22%	17%
Young Boomer	1956-1965 (55-64)	<input type="checkbox"/>	20%	20%	14%
Mature Boomer	1946-1955 (65-74)	<input type="checkbox"/>	13%	13%	8%

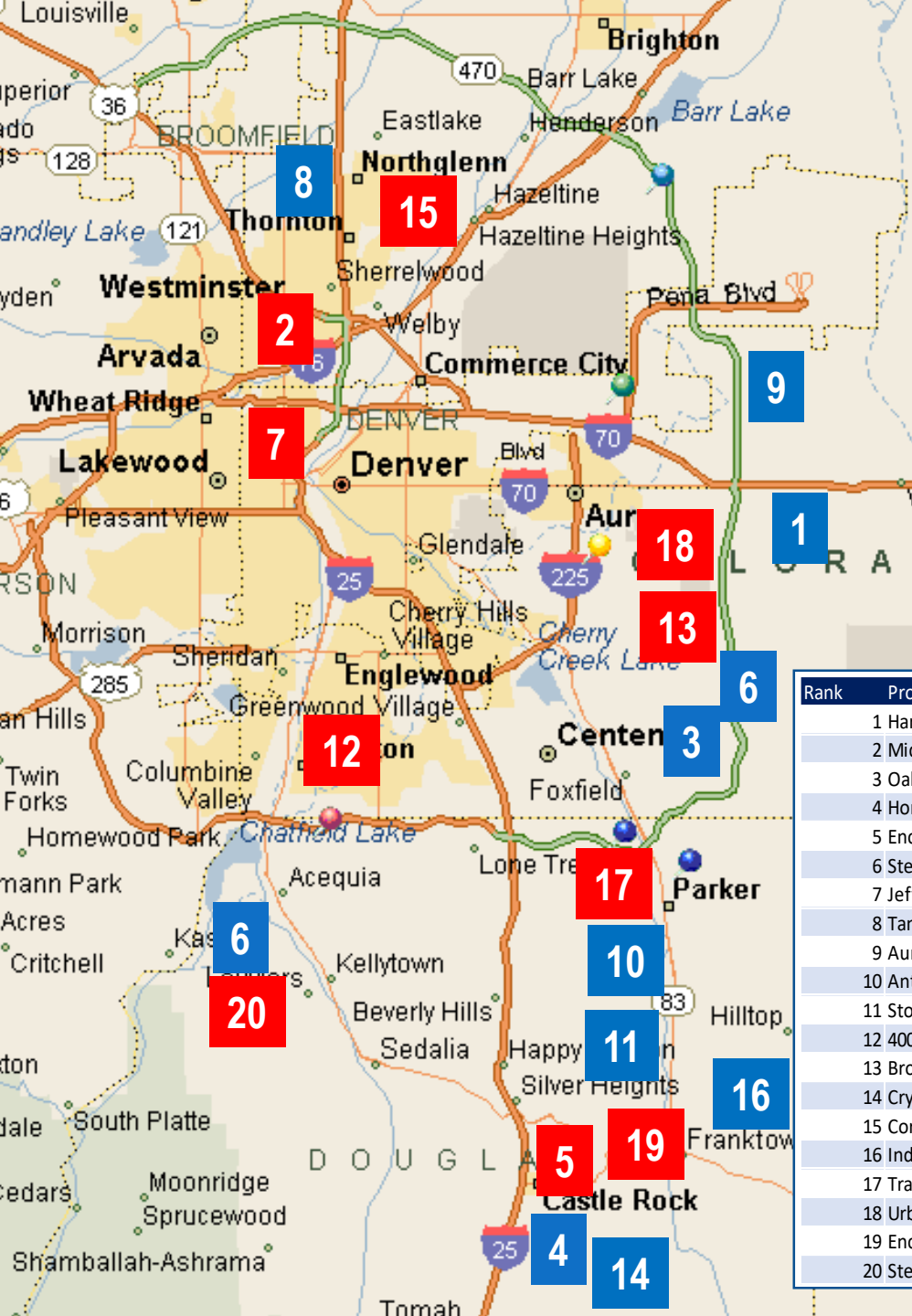
Lifestage

Select One

Single	<input type="checkbox"/>	16%	16%	16%
Single(s) with children	<input type="checkbox"/>	4%	2%	4%
Young Couples	<input type="checkbox"/>	10%	11%	15%
Mature Couples	<input type="checkbox"/>	26%	25%	18%
Young Family	<input type="checkbox"/>	24%	25%	28%
Mature Family	<input type="checkbox"/>	20%	19%	19%

It's Shifting As Projected...!





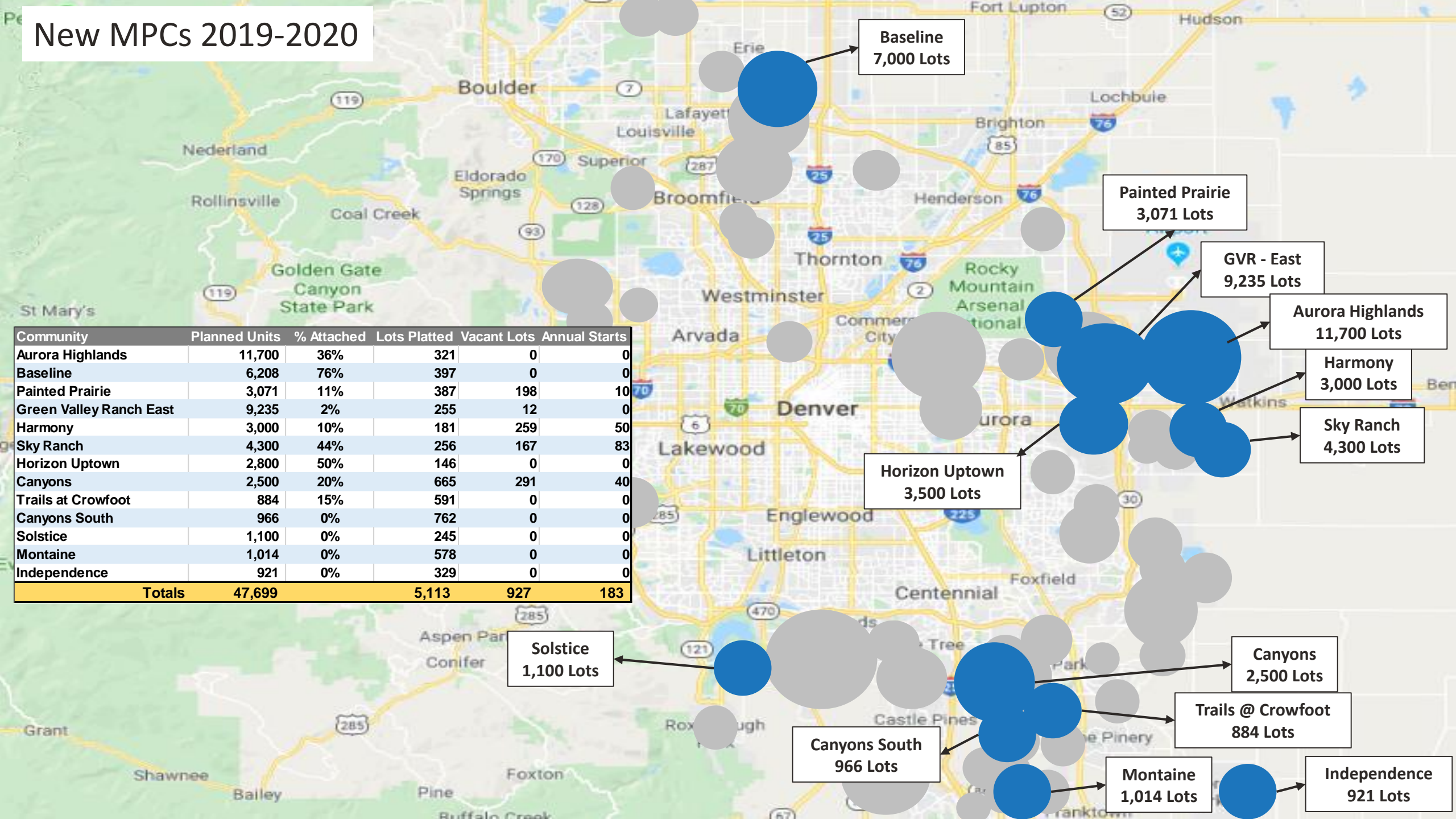
2021 Denver's Top 20 Selling Communities What's Driving Sales?

16 of The top segments are along 470 or South of I-70
Affordable Single Family DTQ
50% are Higher Density

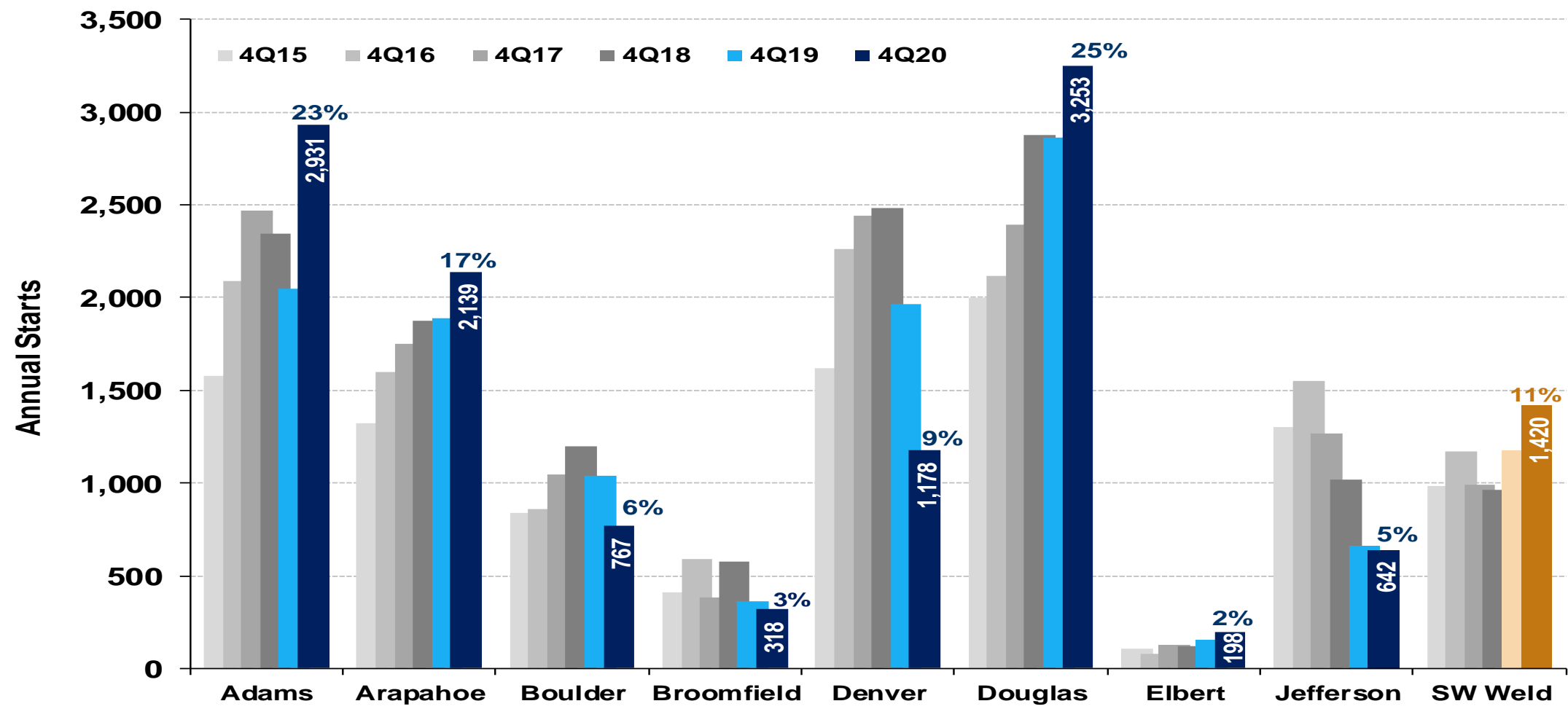
Rank	Project	Builder	Product	Lot Width	Min. Unit sq ft	Max. Unit sq ft	Min. \$	Max. \$	3 Month Sales Rate (4.59)
1	Harmony	Century Communities	SFD	50'	1,570	2,434	\$436,990	\$490,990	17
2	Midtown/Cadence	Brookfield Residential	Townhouse	-	1,786	2,082	\$450,000	\$480,000	16.33
3	Oak Neighborhood at Copperleaf	Richmond American Homes	SFD	55'	1,880	3,000	\$548,950	\$613,950	15.67
4	Homestead at Crystal Valley	Century Communities	SFD	40'-60'	1,560	2,408	\$406,990	\$498,990	14
5	Encore Castle Rock	Confluence Companies	Condo	-	927	1,690	\$384,874	\$888,607	14
6	Sterling Ranch/Ascent Village	Richmond American Homes	SFD	50'-60'	1,930	3,240	\$566,950	\$719,950	13.33
7	Jeff Park Flats	Dublin Development	Condo	-	1,031	1,031	\$499,900	\$499,900	11.33
8	Tanglewood	Century Communities	SFD	50'	2,037	3,797	\$580,990	\$680,990	11.33
9	Aurora Highlands	Richmond American Homes	SFD	50'	1,420	2,770	\$467,950	\$581,950	11
10	Anthology	Century Communities	SFD	50'-60'	1,610	3,423	\$404,990	\$644,990	10.67
11	Stone Creek Ranch	Richmond American Homes	SFD	60'	1,880	3,470	\$561,950	\$681,950	10.67
12	400 Littleton Village	Century Communities	Condo	-	1,118	1,384	\$367,990	\$417,990	10.67
13	Brookhaven	Lokal Homes	Condo	-	884	1,843	\$278,990	\$362,990	10.67
14	Crystal Valley/Pine Ridge	D.R. Horton	SFD	50'-60'	1,635	2,716	\$457,990	\$513,990	10.33
15	Cornerstone Townhomes/Ph II	Ascent Builders	Townhouse	-	1,285	1,501	\$325,900	\$359,900	10
16	Independence/Pioneer	Lennar	SFD	50'-60'	1,366	2,952	\$440,900	\$575,900	10
17	Trails at Westcreek	Century Communities	Condo	-	1,147	1,316	\$334,990	\$364,990	9.67
18	Urban Collection at Parkway Point	Richmond American Homes	Paired	-	1,260	1,470	\$388,950	\$396,950	9.67
19	Enclave at Founder's Village	Dream Finders Homes	Townhouse	-	1,337	2,053	\$367,990	\$459,990	9.67
20	Sterling Ranch/Ascent Village	Dream Finders Homes	Townhouse	-	1,420	1,459	\$429,990	\$449,990	9.67

New MPCs 2019-2020

Community	Planned Units	% Attached	Lots Platted	Vacant Lots	Annual Starts
Aurora Highlands	11,700	36%	321	0	0
Baseline	6,208	76%	397	0	0
Painted Prairie	3,071	11%	387	198	10
Green Valley Ranch East	9,235	2%	255	12	0
Harmony	3,000	10%	181	259	50
Sky Ranch	4,300	44%	256	167	83
Horizon Uptown	2,800	50%	146	0	0
Canyons	2,500	20%	665	291	40
Trails at Crowfoot	884	15%	591	0	0
Canyons South	966	0%	762	0	0
Solstice	1,100	0%	245	0	0
Montaine	1,014	0%	578	0	0
Independence	921	0%	329	0	0
Totals	47,699		5,113	927	183



Suburban Ring is Growing (Adams, Arapahoe, Douglas, Weld...)



Many New Suburban Projects Are Designed With a Different Approach



Utility space and bathrooms shrink to accommodate more useable interior space



Bathrooms shrink for style to make room for more storage, office space, and affordable size



Small niche spaces for private study or work



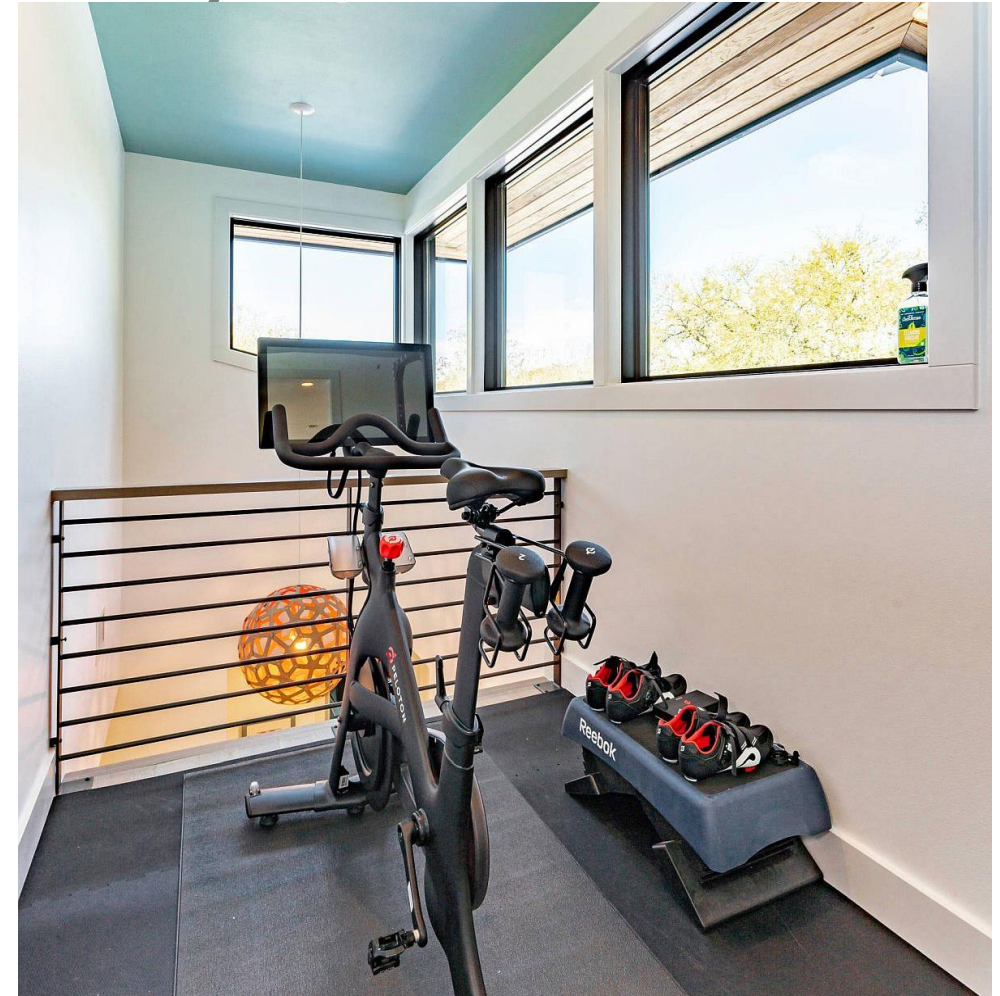
Let them choose the laundry room indoors or another office

Office space(s) do not need to be large

Glass and light will make smaller spaces like this feel large and inviting



Fitness space and fitness room have gained interest public gyms will be out of favor for some time (source: Google Trends)



Nesting and isolation will continue to grow

(predicted Jan 20)



- Why?
- Consumers no longer need to leave home to:
 - ...go to the movies
 - ...make dinner
 - ...have a car
 - ...drive to work
 - ...shop
 - ...or even go into a classroom

AND NOW COVID 19

- HUMAN CONNECTIONS NEEDED

2024 Prediction: Denver builders will still not have built as many homes as they did in 2006, appx. 20,000 for-sale units, while in that nearly 20-year timespan, the population of the Denver Metro Area will have added some 900,000 people

HOMES FOR HEALTH OF OUR CUSTOMERS AND OUR PLANET



A HOME FOR A POST-PANDEMIC FUTURE

ULTIMATE Z.E.N. HOME

Energy and Environmental Building Alliance (EEBA)/ PROBUILDER magazine demonstration home.

Since 2013 we have constructed over 1000 Healthy Homes.

This prepared us for the Ultimate Z.E.N. Home in 2020.



POST-PANDEMIC LIVING

Multiple
Work/Learn
From Home
Spaces.

Multiple Outdoor
Living Spaces,
Front And Back.

Amazon Delivery
Compartment.

Home Workouts.



NET ZERO ENERGY

Net Zero Energy.
Onsite Solar And Battery Storage.
Vehicle Charging Prewire.
All Electric/Fossil Fuel Free.

- DOE Zero Energy Ready Home
- Energy Star
- LEED Platinum



HEALTHY LIVING: SOURCE CONTROL

Source Control.

- Non-emitting materials.
- Panasonic COSMOS Smart Kitchen Hood.
- Air Things Radon, Temperature, VOC and CO2 Monitoring.



HEALTHY LIVING: VENTILATION

Filtration.

- HEPA filtration.
- MERV 13 with activated carbon media.

Active radon mitigation.

Humidification.

Balanced Ventilation.



At a time when we are constantly reminded that Home is the safest place to be, our homes resonate much more in post-pandemic market.

