

FROM SMART GROWTH TO THE NEW URBAN ECONOMICS

Arthur C. Nelson, Ph.D., FAICP

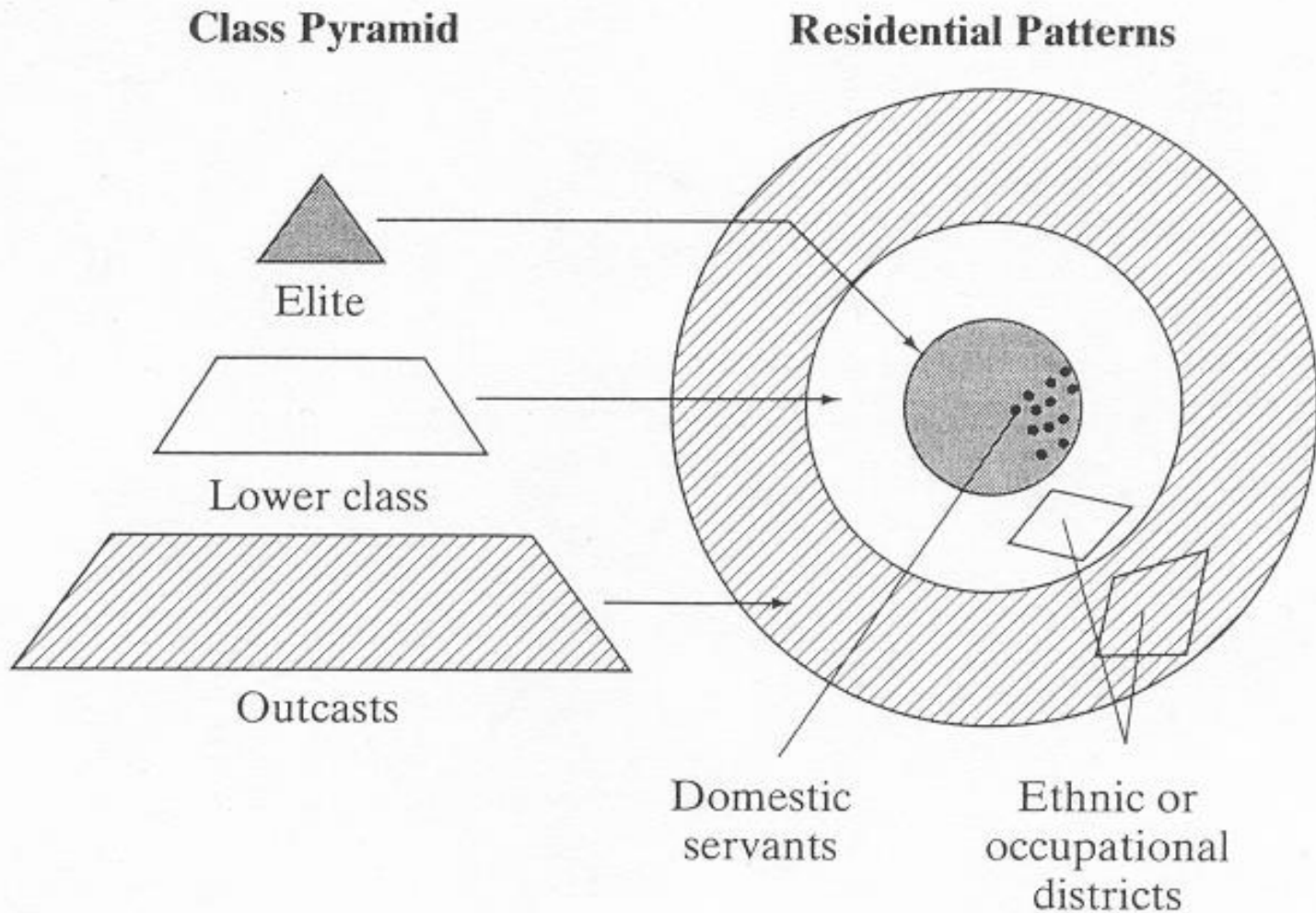
Professor of Planning & Real Estate Development

College of Architecture, Planning

and Landscape Architecture

University of Arizona

SUMERIAN CITY LAND USE



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.



<http://www.brandeis.edu/magazine/2013/spring/arts-and-culture/roman%20smells.html>

- Public latrines (Ostia above in time of Pompeii)
- 1889 AD: World's first sewage treatment system.



Hadrian

Those who could leave cities did ...

LAB

http://idialab.org/wp-content/uploads/2012/03/IDIA_HV_Can.jpg

INTERMEDIA ARTS

MEDIEVAL SEWAGE DISPOSAL

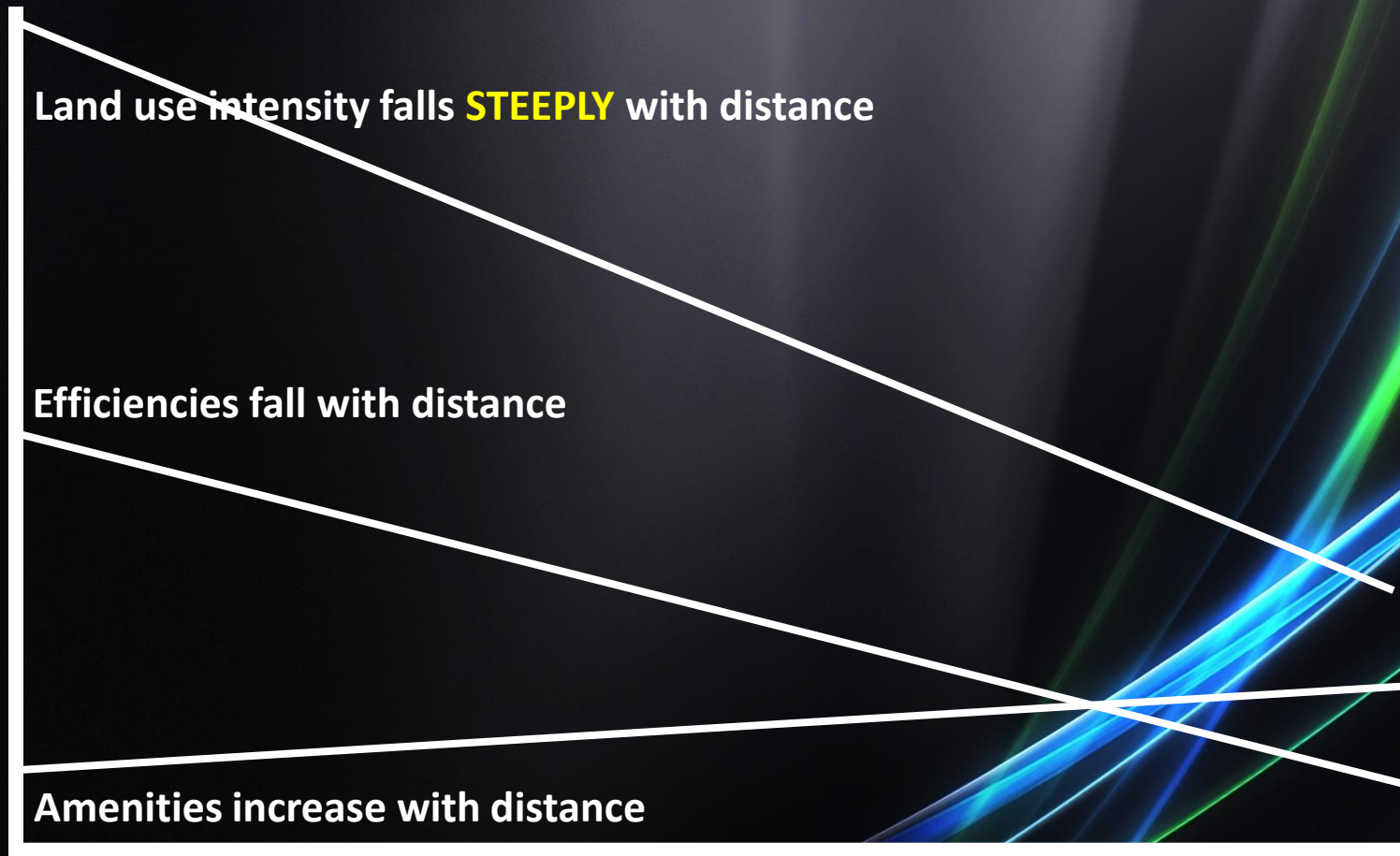


THE CITY IN 1880

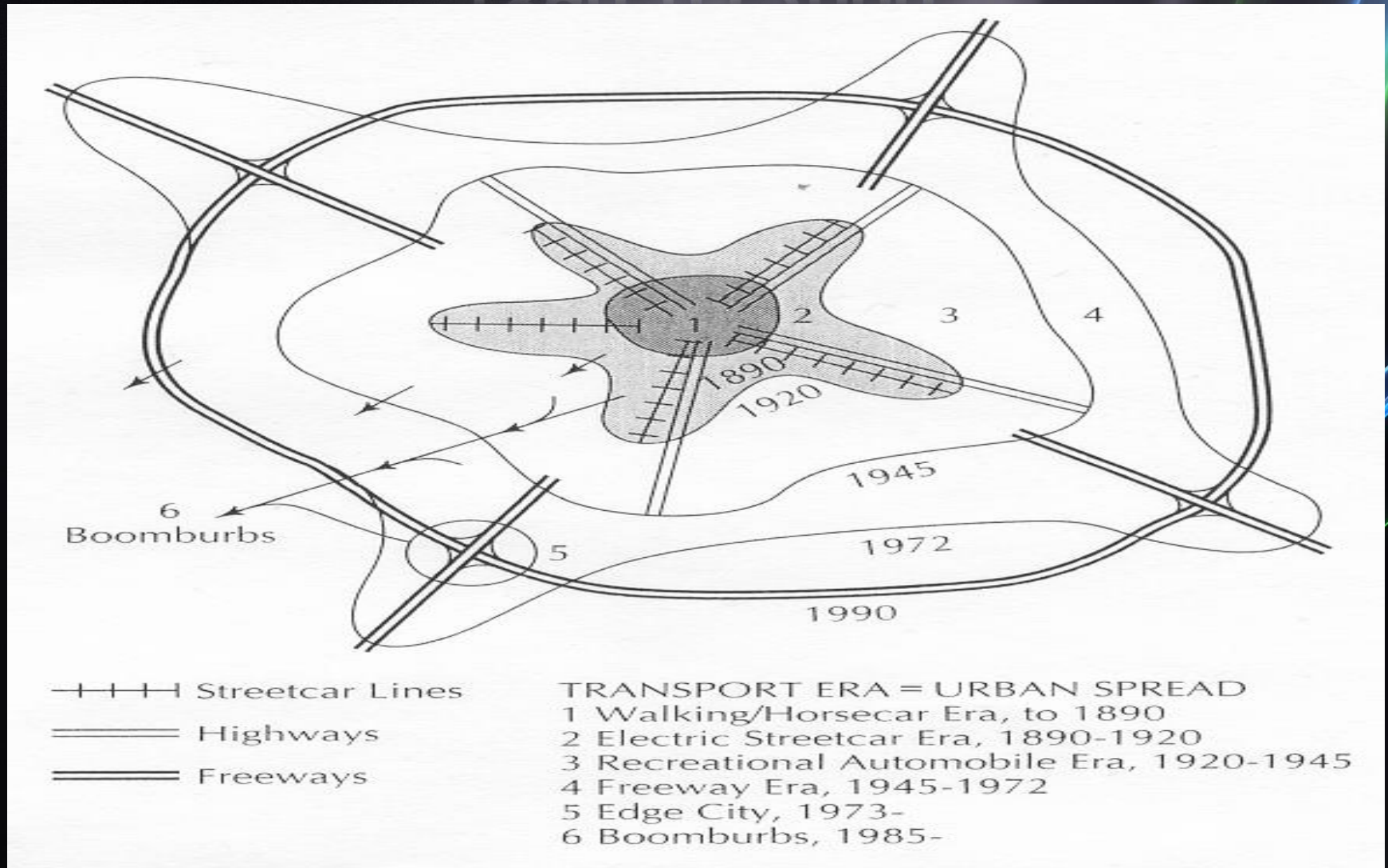


<http://occawlonline.pearsoned.com/bookbird/pubbooks/divine5e/medialib/images/div0065.jpeg>

THE CENTRALITY/AMENITY TRADEOFF PRE-RAIL

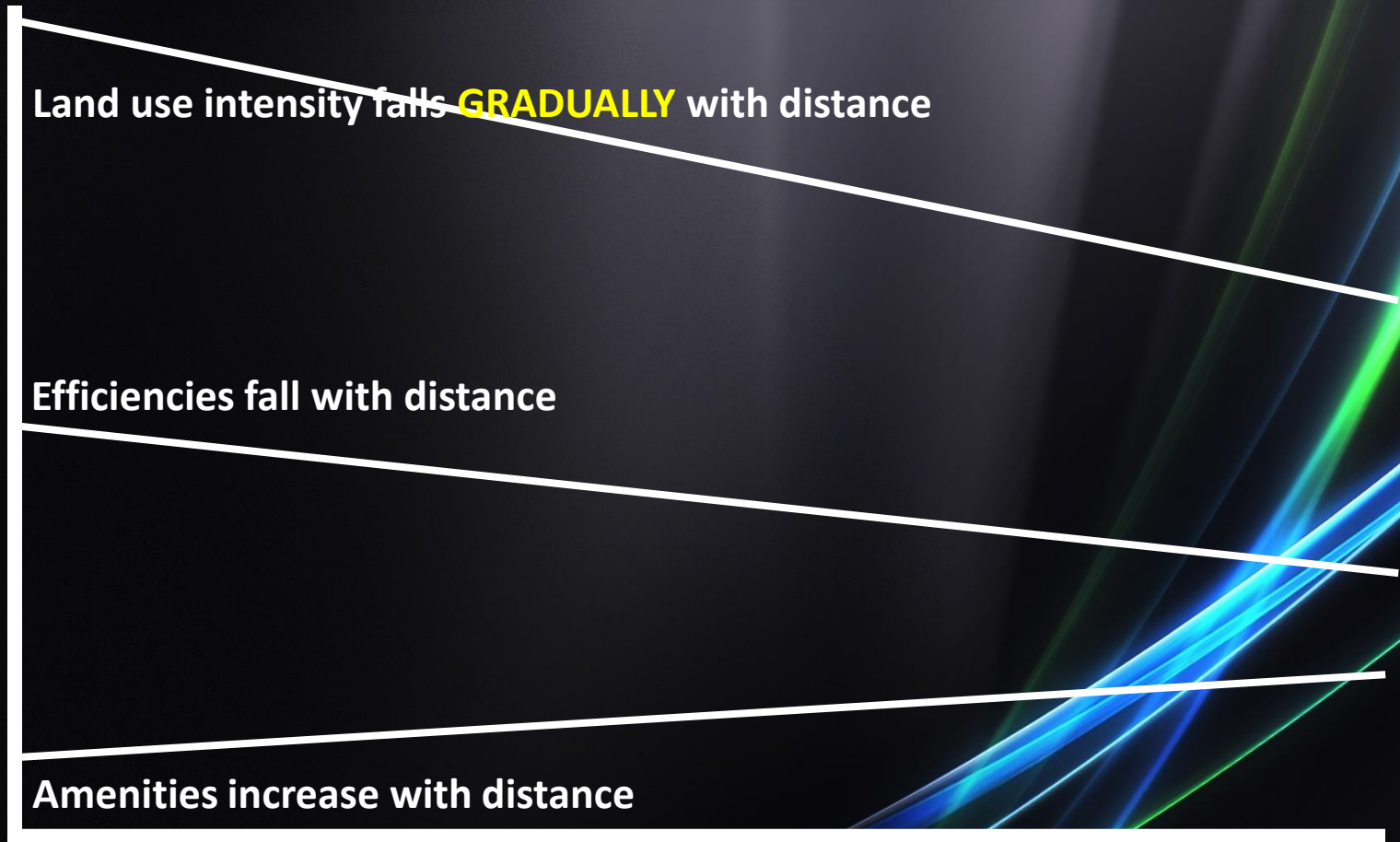


EMERGING METROPOLITAN FORM 1890 TO 2000



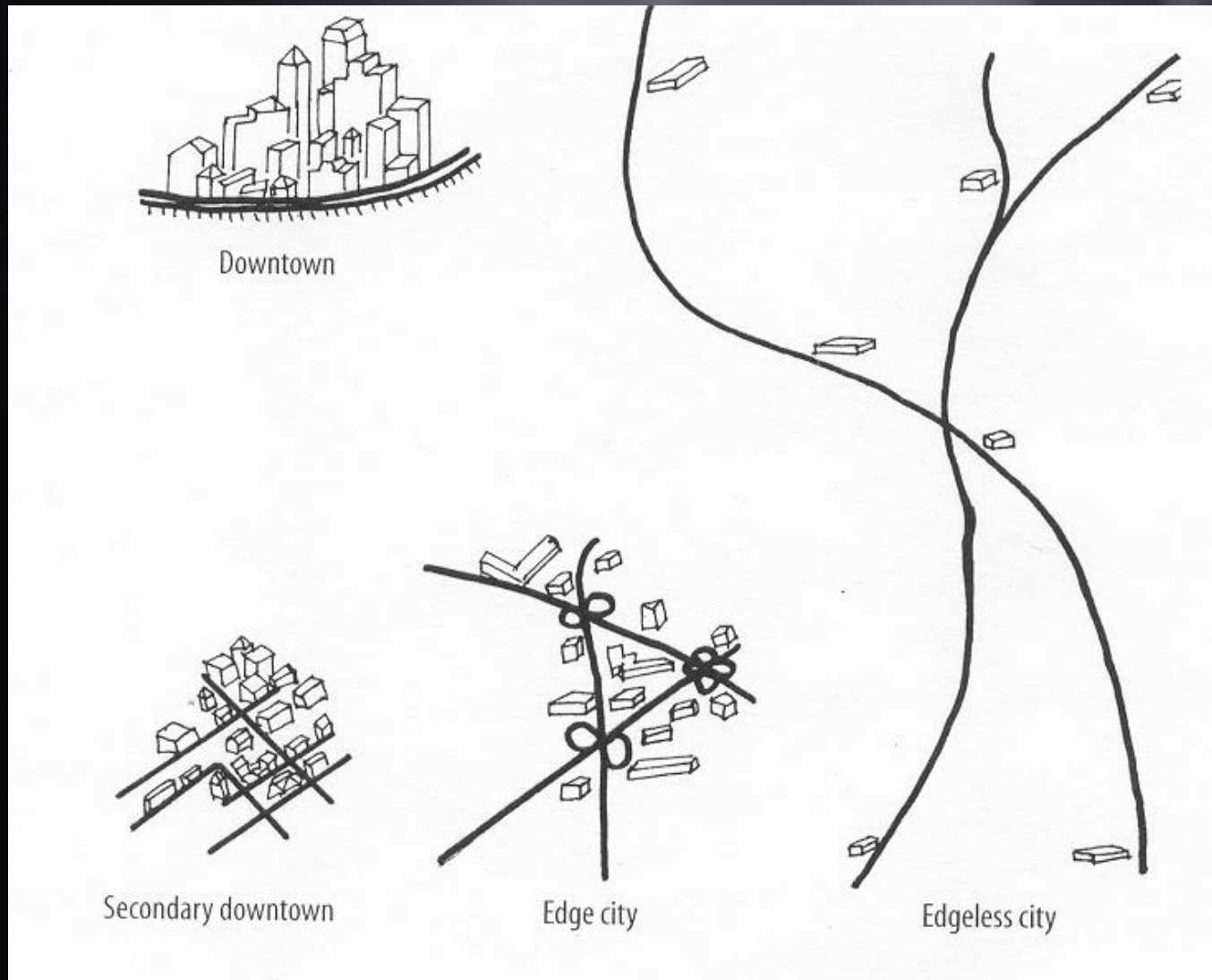
Source: Robert E. Lang, *Boomburbs* (Brookings, 2007)

THE CENTRALITY/AMENITY TRADEOFF LAST HALF 20TH CENTURY





THE EDGELESS CITY



Source: Robert E. Lang, *Edgeless City* (Brookings, 2003)

Turning Urban Economics on its Head or Why Metropolitan Form is about to be Turned Upside Down

*“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.

SMART GROWTH ECONOMICS

- ***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

THE ECONOMICS OF SMART LAND USES

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 NEW CALCULUS

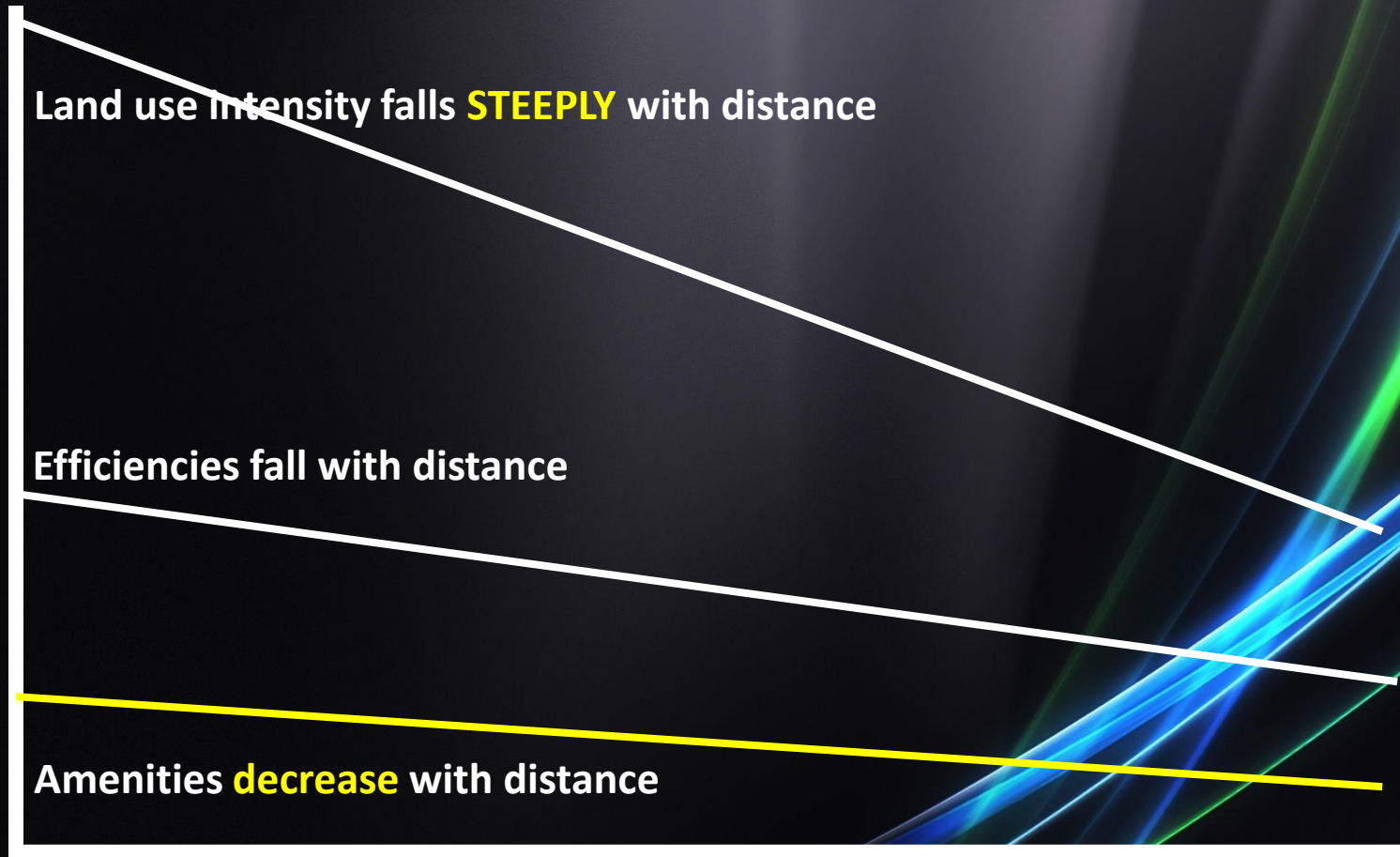
The **disamenities** of cities are in decline:

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

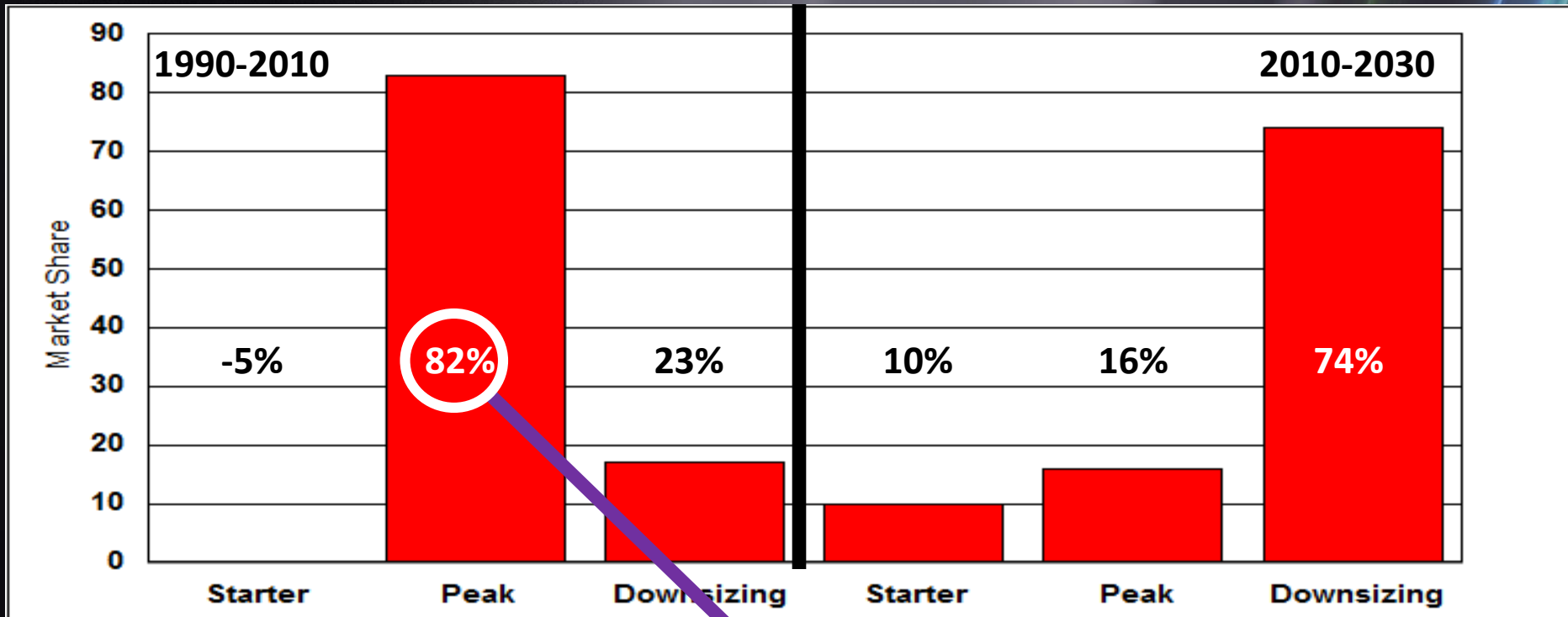
The **amenities** of cities are ascending:

- Economic vitality, resilience
- Increasing urbanity
- Increasing reasons to be attracted **to** cities

THE CENTRALITY/AMENITY TRADEOFF 21ST CENTURY



The Mass Market for Sprawl is Over



Source: Arthur C. Nelson, 2013

Distribution of Units Built United States, 1989-2009

Type	Volume	Total Share	Detached Share
New Units	24.5		
Detached	20.7	85%	
½ to 10 acre lot size	8.7		42%

Source: Adapted from American Housing Survey by Arthur C. Nelson



DOWNTOWN DENVER

Type	Rent/Year Per Sq. Ft.	Cap Rate	Vacancy
Office	\$25-\$30	5.50-6.00	~10%
Residential	\$25-\$35	4.75-5.25	<5%

DOWNTOWN/CLOSE-IN POPULATION

2013 Estimated	Downtown	Neighborhoods	Total
Residential Population	17,528	65,974	83,502
Growth 2000-2013	142%	25%	
Est. Growth 2013-2018	18%	12%	
Households	11,137	39,411	
Bachelor's or better	59%	51%	
HH Income	\$76,263	\$60,283	
Occupied home value	\$361,029	\$278,660	
No vehicles	25.2%	24.3%	
New units planned/under construction			7,000

Source: Downtown Denver Alliance

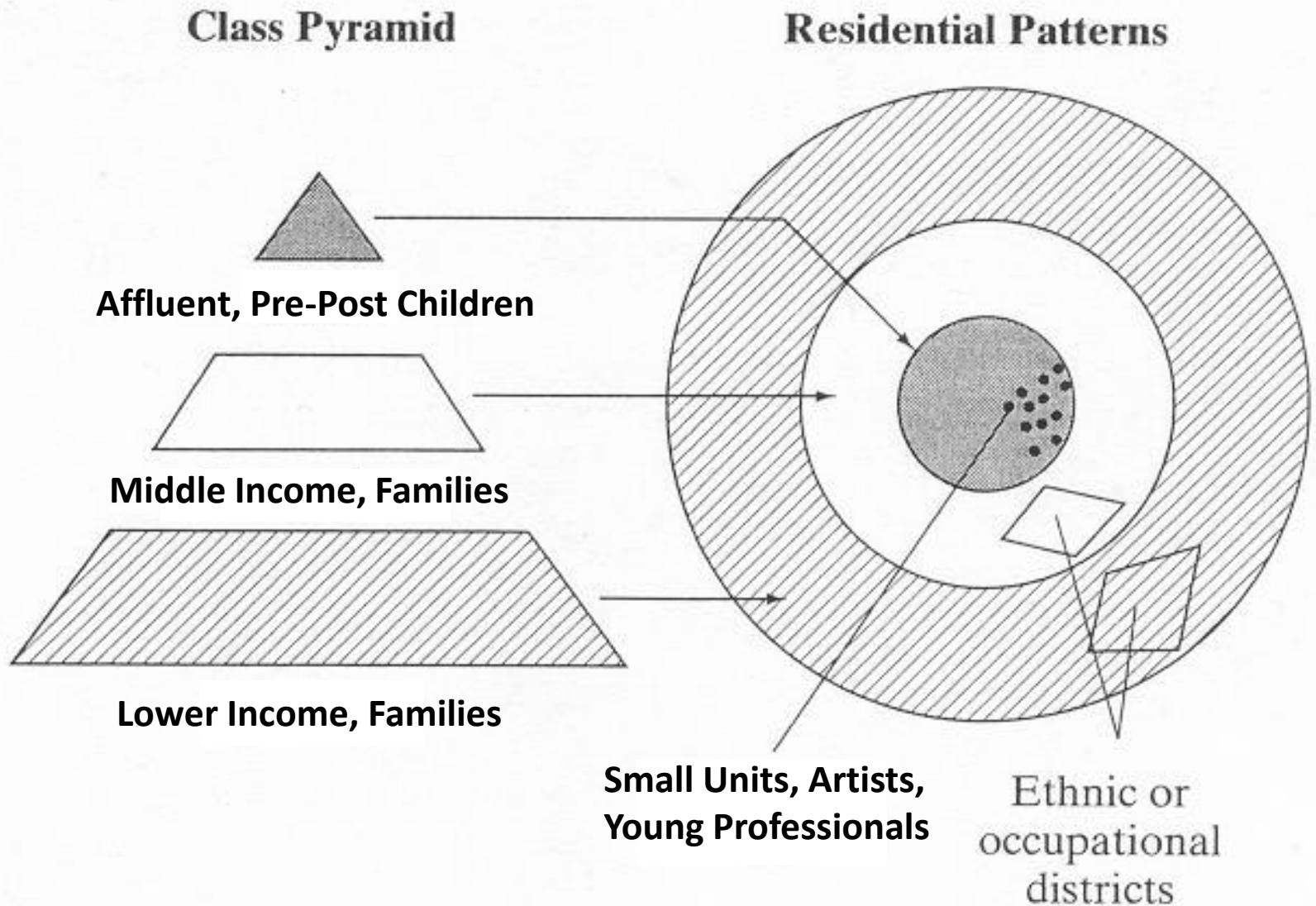
More than 40,000 people live in downtown Minneapolis



More than 20,000 people live in downtown Kansas City



The Past is the Future?



THANK YOU