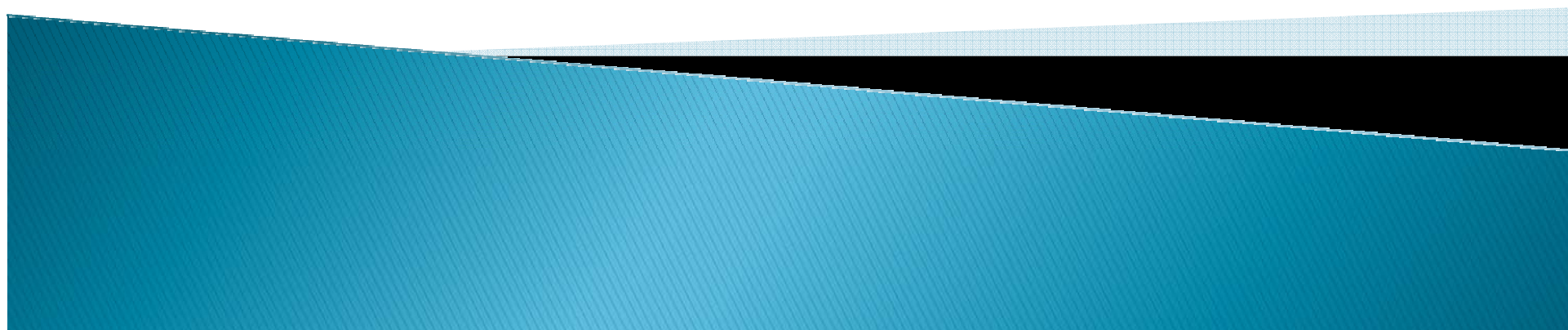
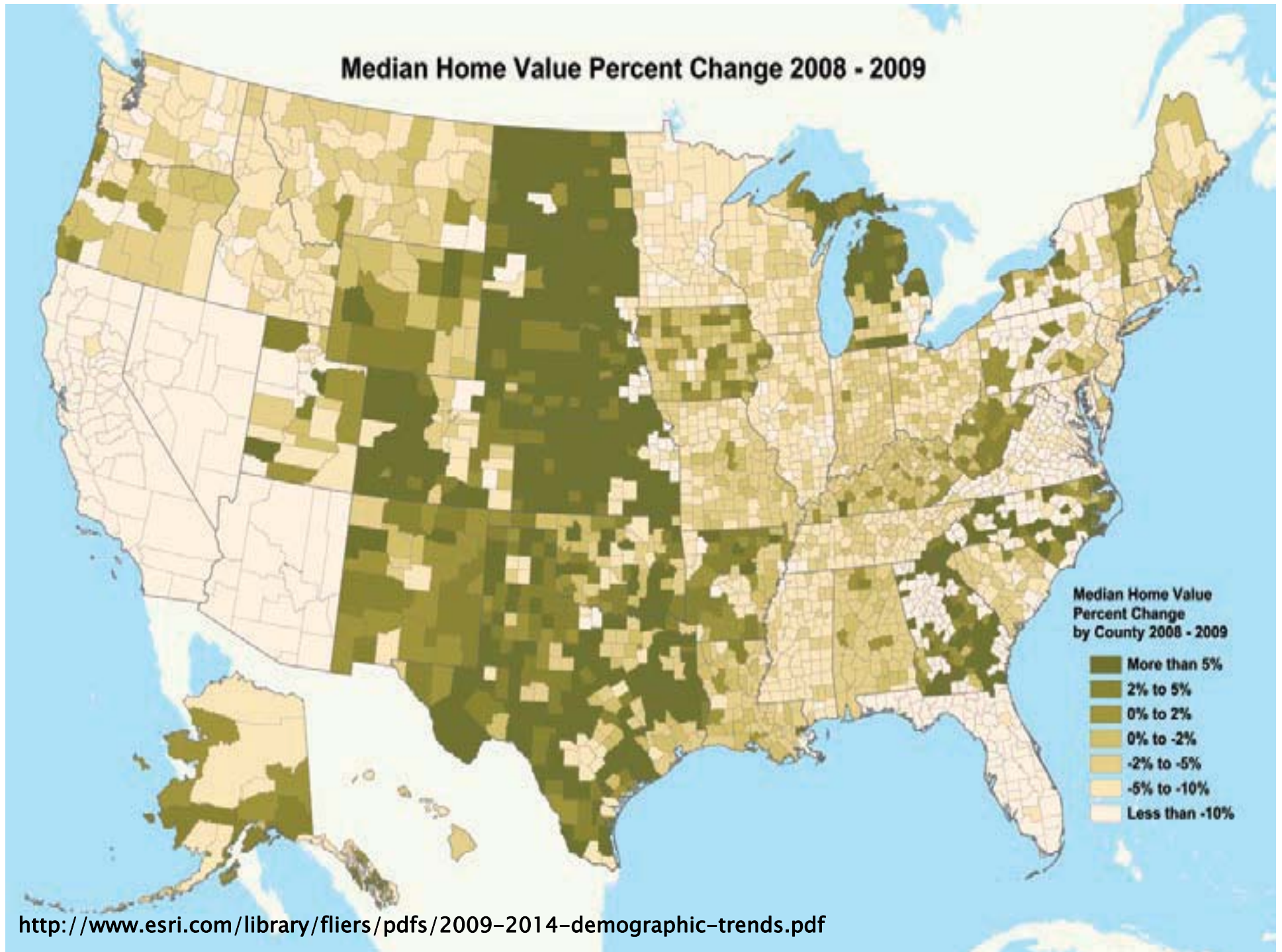


None of the Above

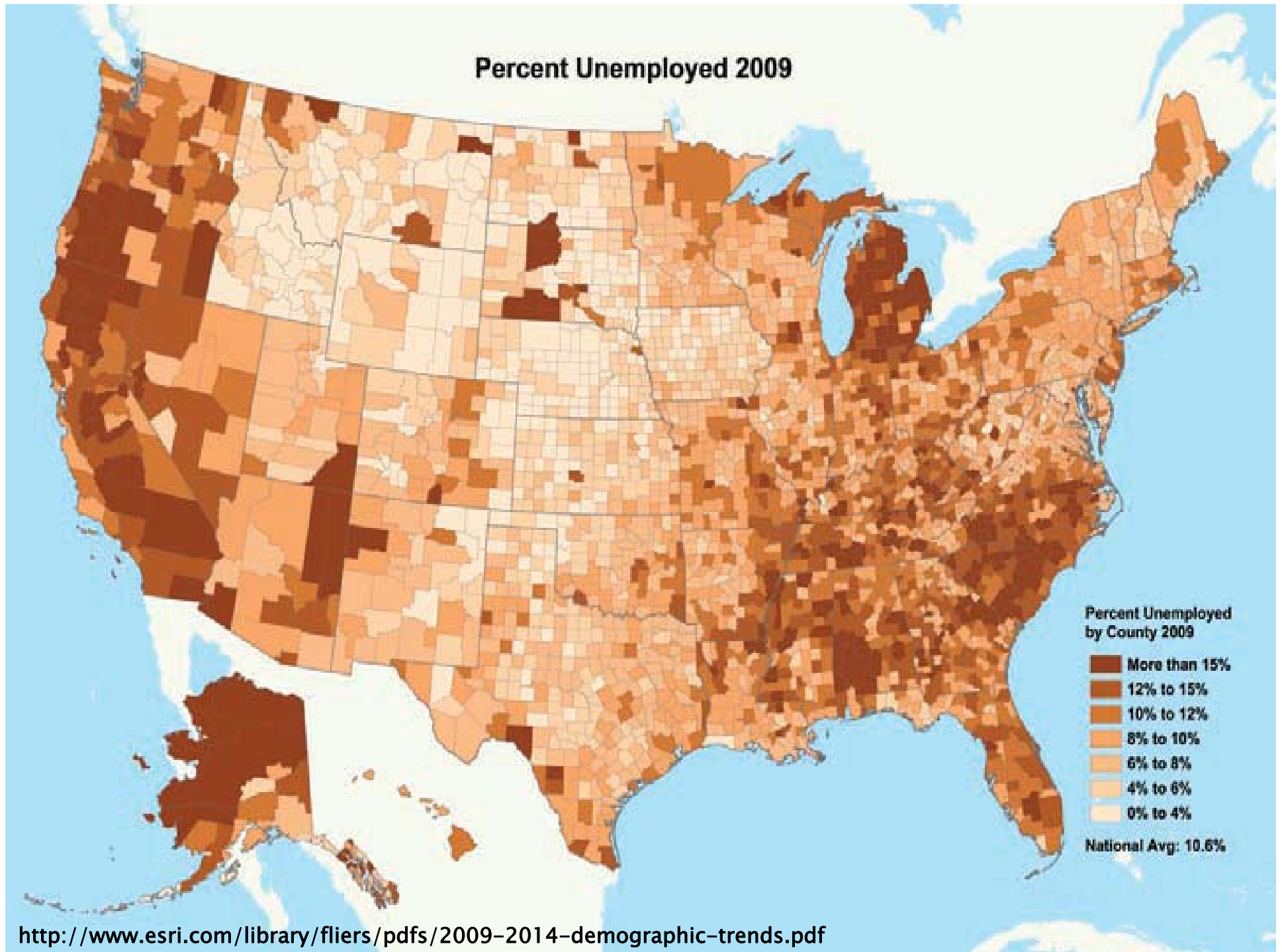
Arthur C. Nelson, Ph.D., FAICP
Presidential Professor & Director
Metropolitan Research Center
University of Utah
Rocky Mountain Land Use Institute
March 2010



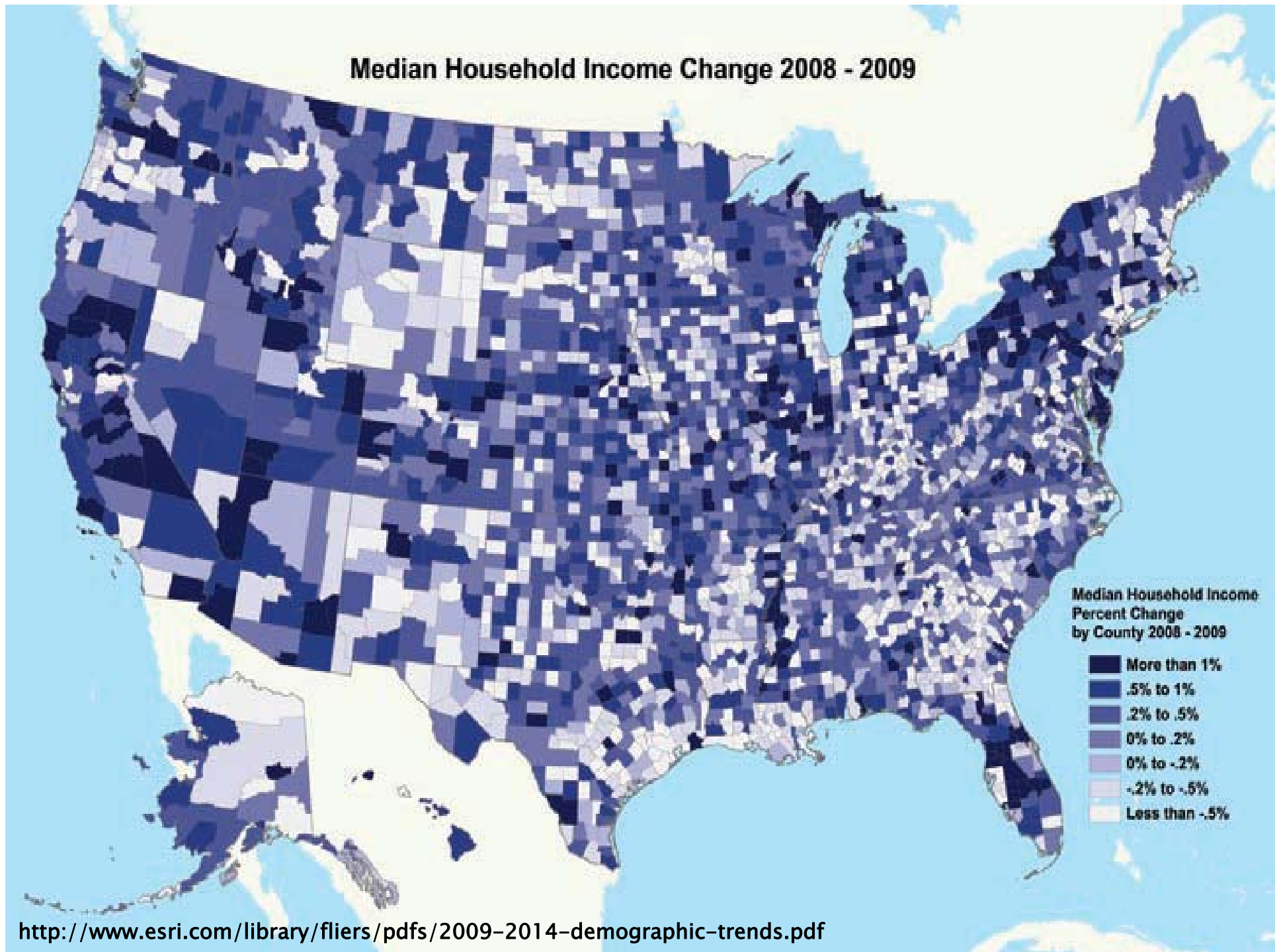
Median Home Value Percent Change 2008 - 2009



Percent Unemployed 2009



Median Household Income Change 2008 - 2009

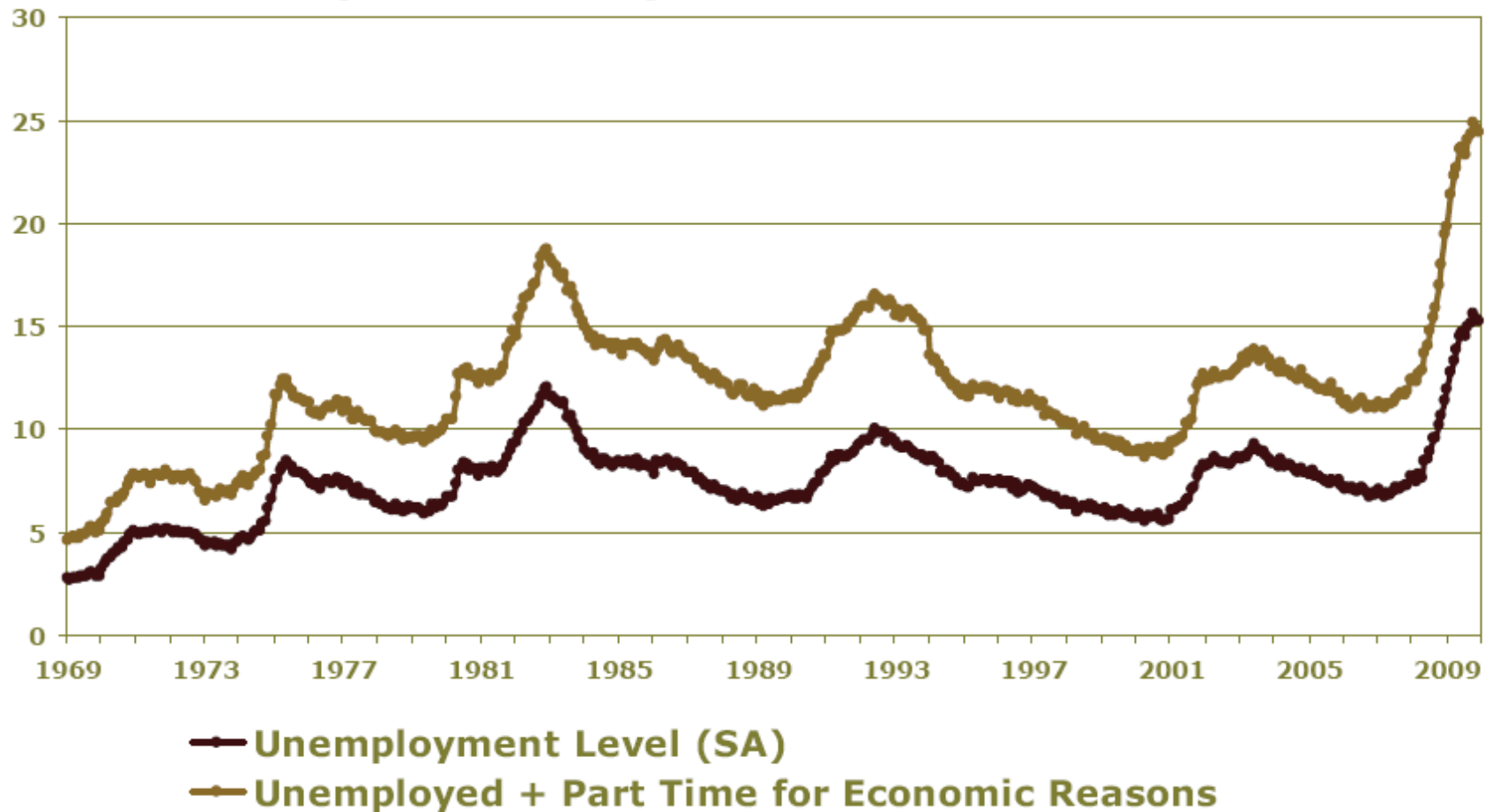


Magnitude of Current Downturn is Off the Charts

Downturn in New Home Sales	Quarter of Trough	Trough Sales SAAR (000s)	Total Decline (%)	Decline per 1000 Households (%)	Quarters of Decline
Mid 1970s	1974:4	438	-44.0%	-46.8%	8
<i>First Double Dip</i>	<i>1980:2</i>	<i>464</i>	<i>-45.6%</i>	<i>-47.7%</i>	<i>8</i>
<i>Second Double Dip</i>	<i>1982:2</i>	<i>364</i>	<i>-42.2%</i>	<i>-44.7%</i>	<i>7</i>
Double Dips Combined	1982:2	364	-57.2%	-60.9%	16
Early 1990s	1991:1	463	-41.4%	-45.2%	19
Most Recent	2009:1	338	-73.6%	-74.3%	16

The Number of Jobs Lost Is Off the Charts

Persons (Millions, SA)



Sources: Bureau of Labor Statistics



A Whimper in Available Money

\$8 Trillion in home equity vanished →

Major source of move-up money gone

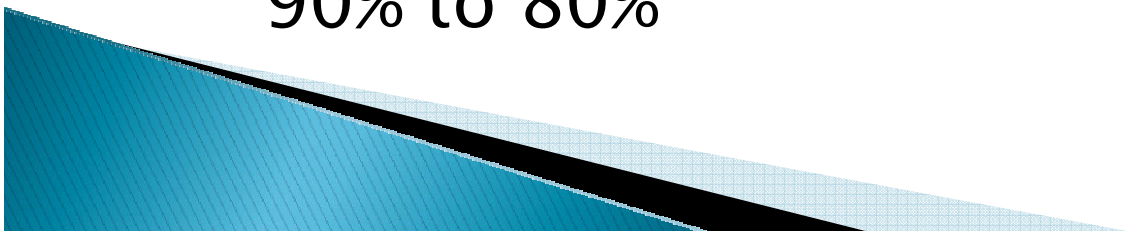
Tightened mortgage underwriting reduces number of households able to buy.

Jumbo loans more expensive; higher downpayments needed

Innovative, mixed-use financing is dead →

The only player is the Federal government.

FHA apartment financing reduced from 90% to 80%



Fuel for Housing Watered Down

Population growth →

- US is growing

- Regional variation

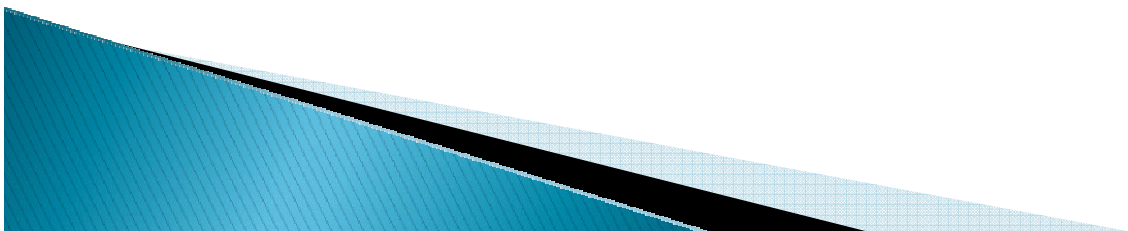
Job growth →

- Unlikely to see 5% jobless until at least 2015

Income growth →

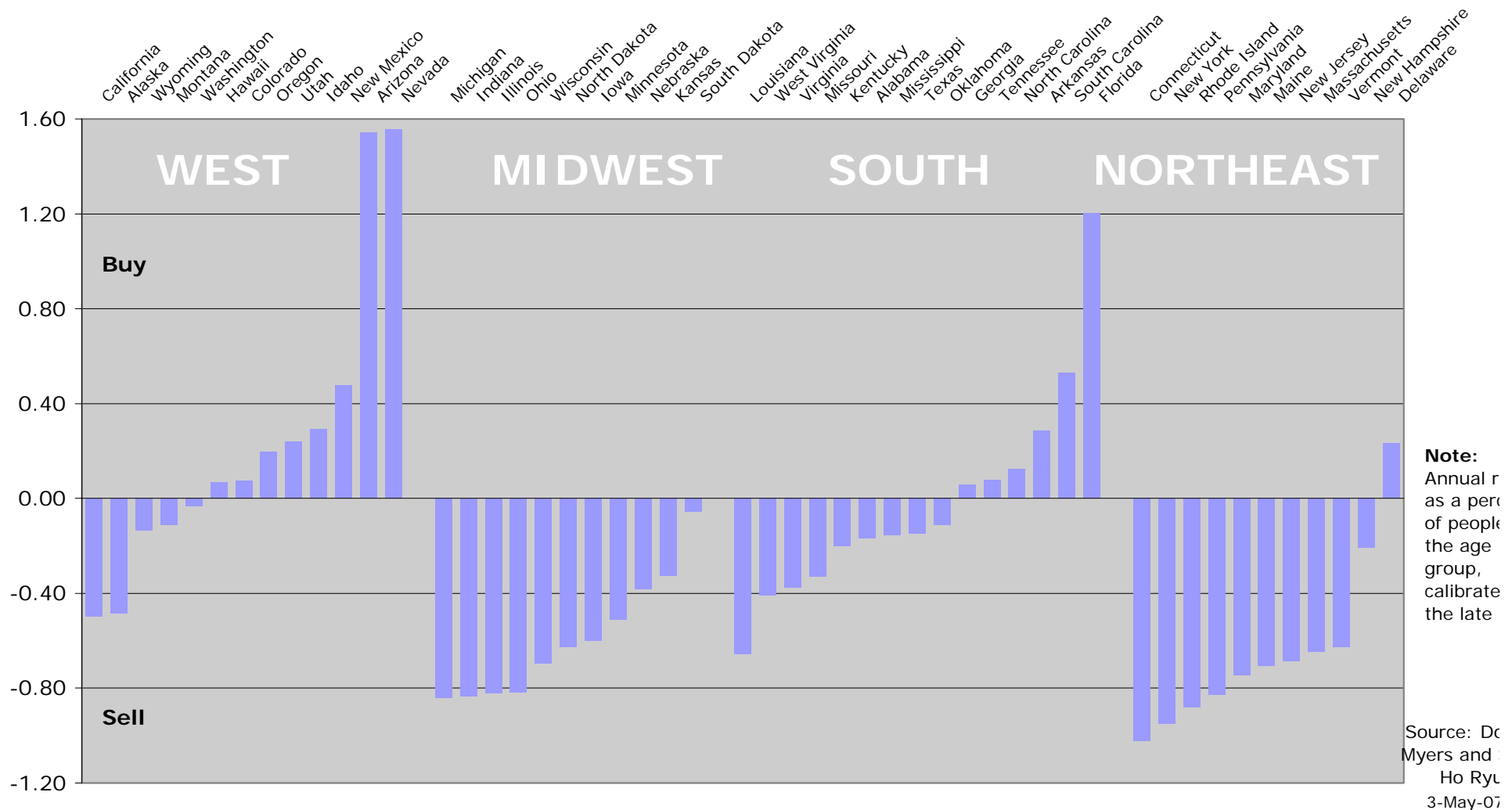
- Stagnant; could see flat growth or deflation

- Minority educational levels lag meaning future average incomes of Americans will lag.



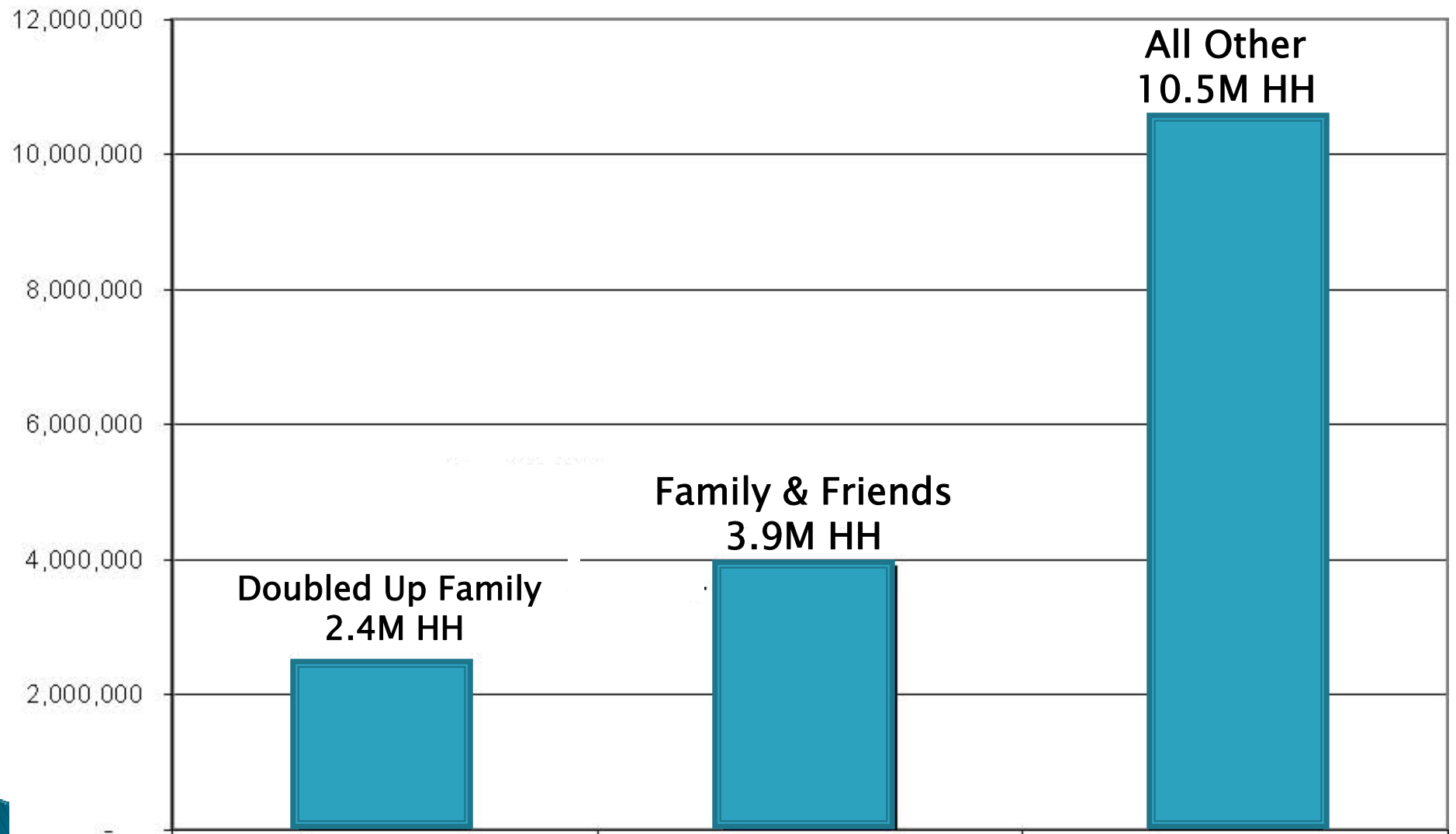
The Great Senior Sell Off

Net Buying or Selling Rate at Age 65-69



Source: Dowell Myers & Sung Ho Ryu, "Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition", *Journal of the American Planning Association* 74(1): 1-17 (2007). Figures for net buying or selling rate age.

Doubling Up, and More → 15% Now



Source: Adapted from Data Snapshot: Doubled Up in the United States, 2008 Update.
www.endhomelessness.org

Expectations for the Teens

- ▶ No large-scale development innovations
- ▶ Innovative financing dead
- ▶ New construction is same-old/same-old
- ▶ Infill and redevelopment are most profitable but local zoning and tight lending shifts development to cheap but non-appreciating locations.
- ▶ Home ownership will decline to ~62% (mid-1980s)
- ▶ Doubling up will increase to ~20%

