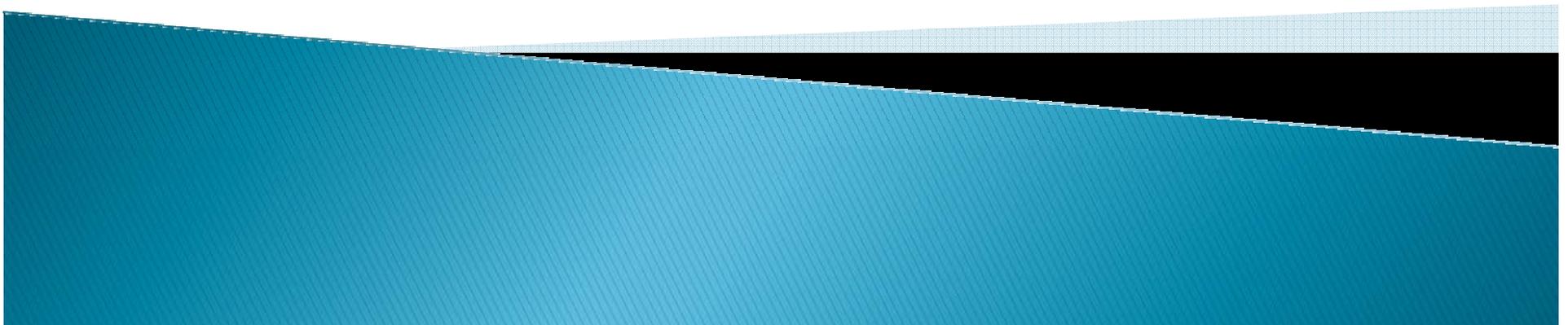
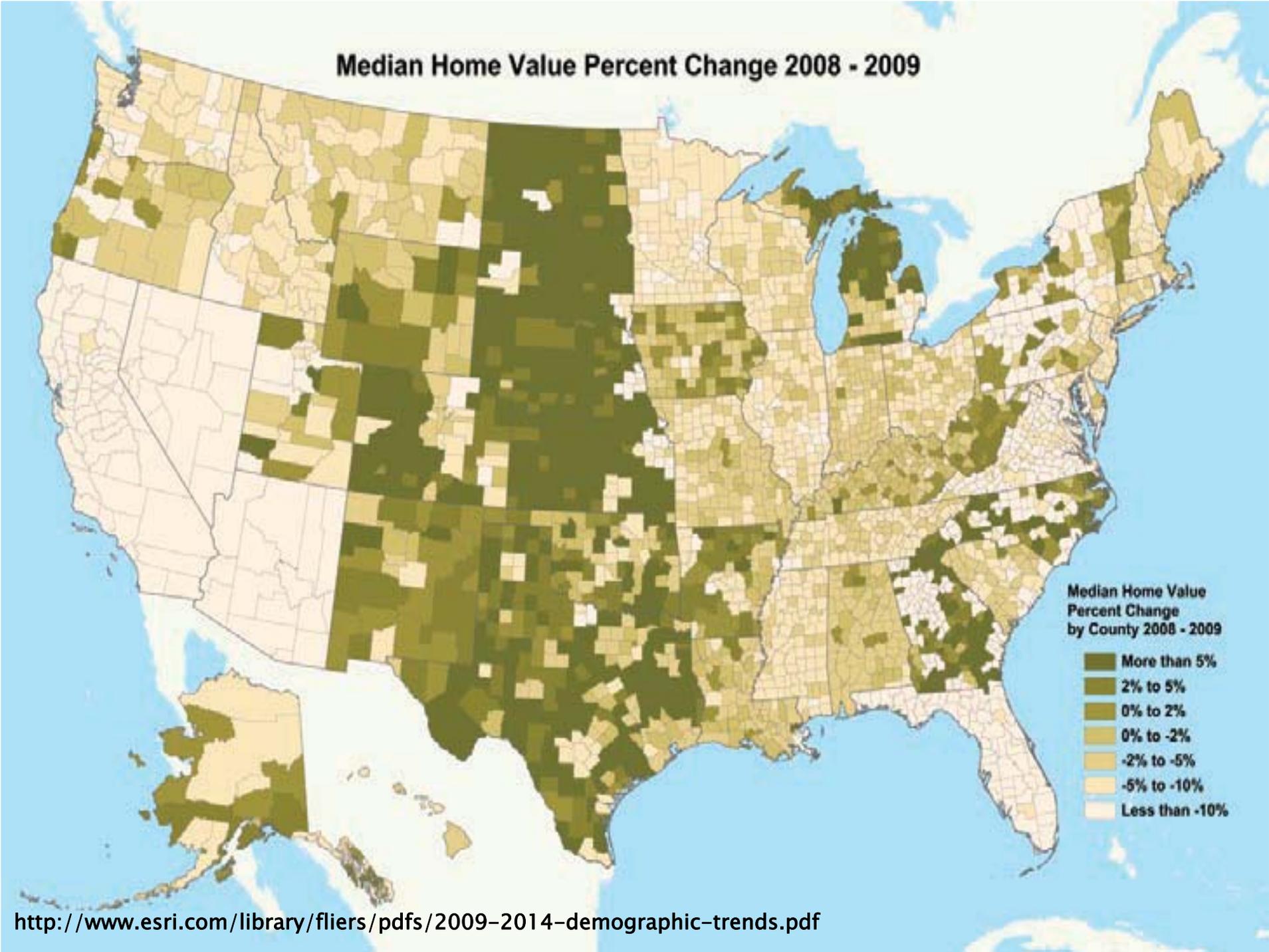


None of the Above

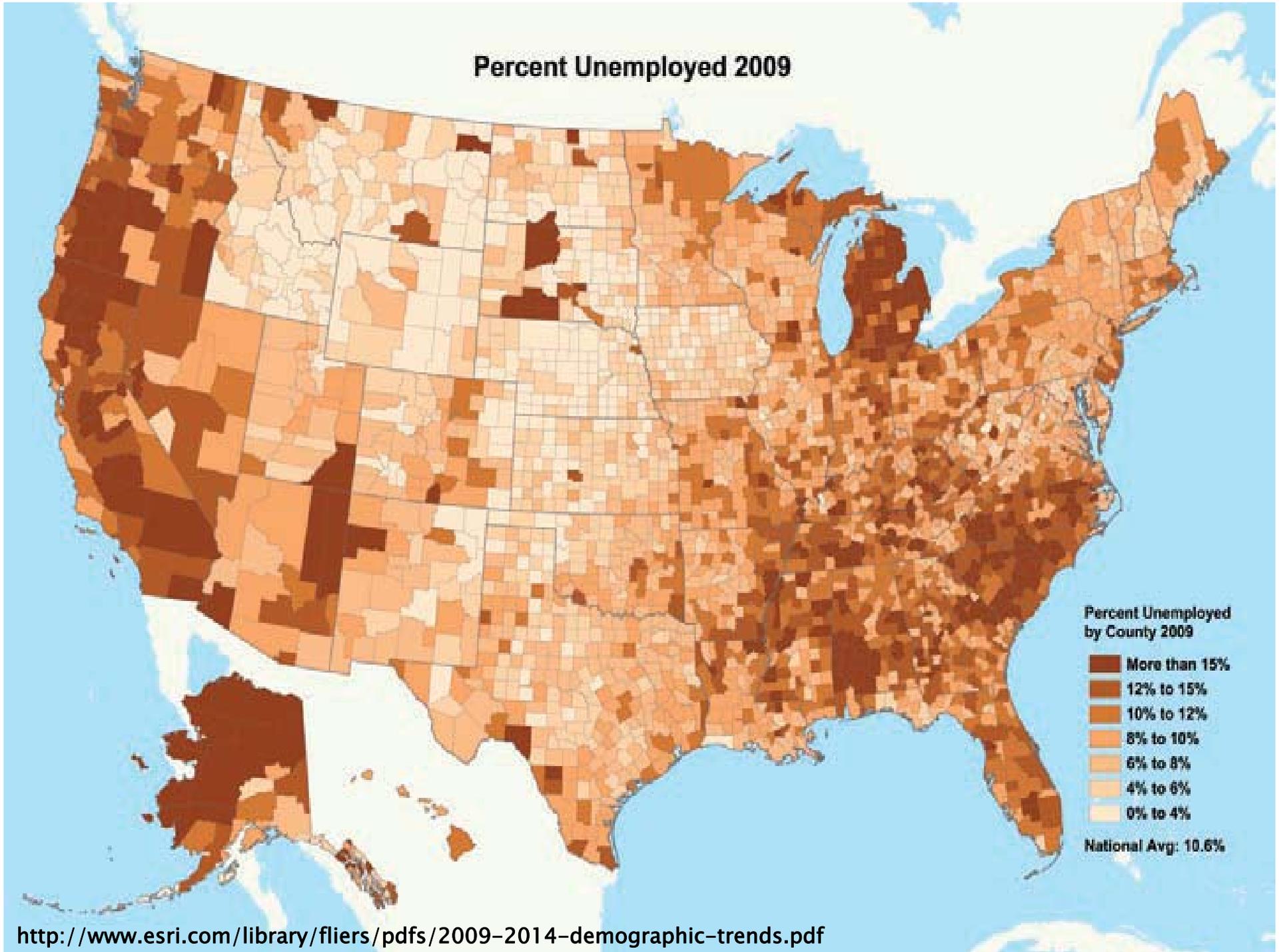
Arthur C. Nelson, Ph.D., FAICP
Presidential Professor & Director
Metropolitan Research Center
University of Utah
Rocky Mountain Land Use Institute
March 2010



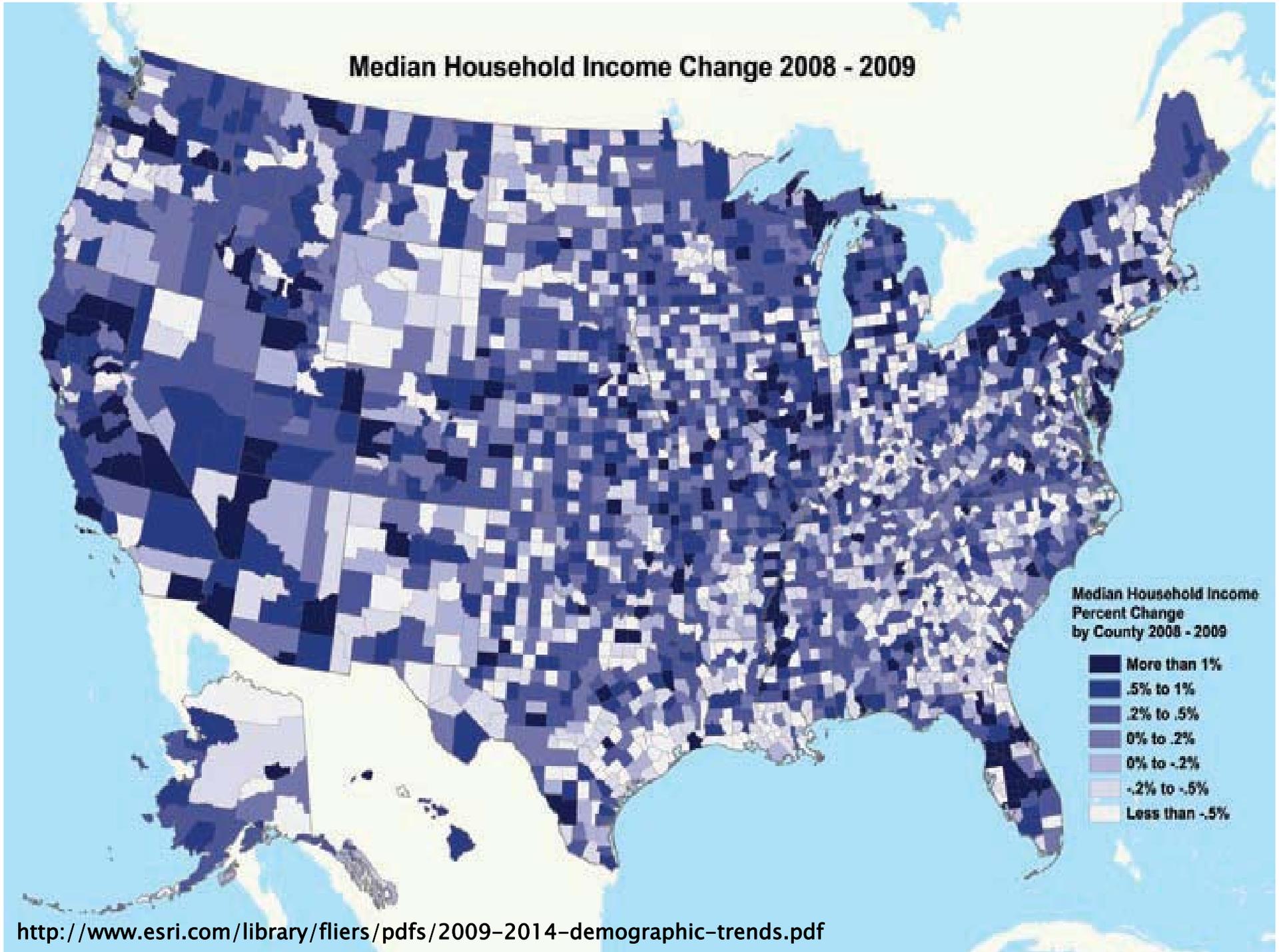
Median Home Value Percent Change 2008 - 2009



Percent Unemployed 2009



Median Household Income Change 2008 - 2009

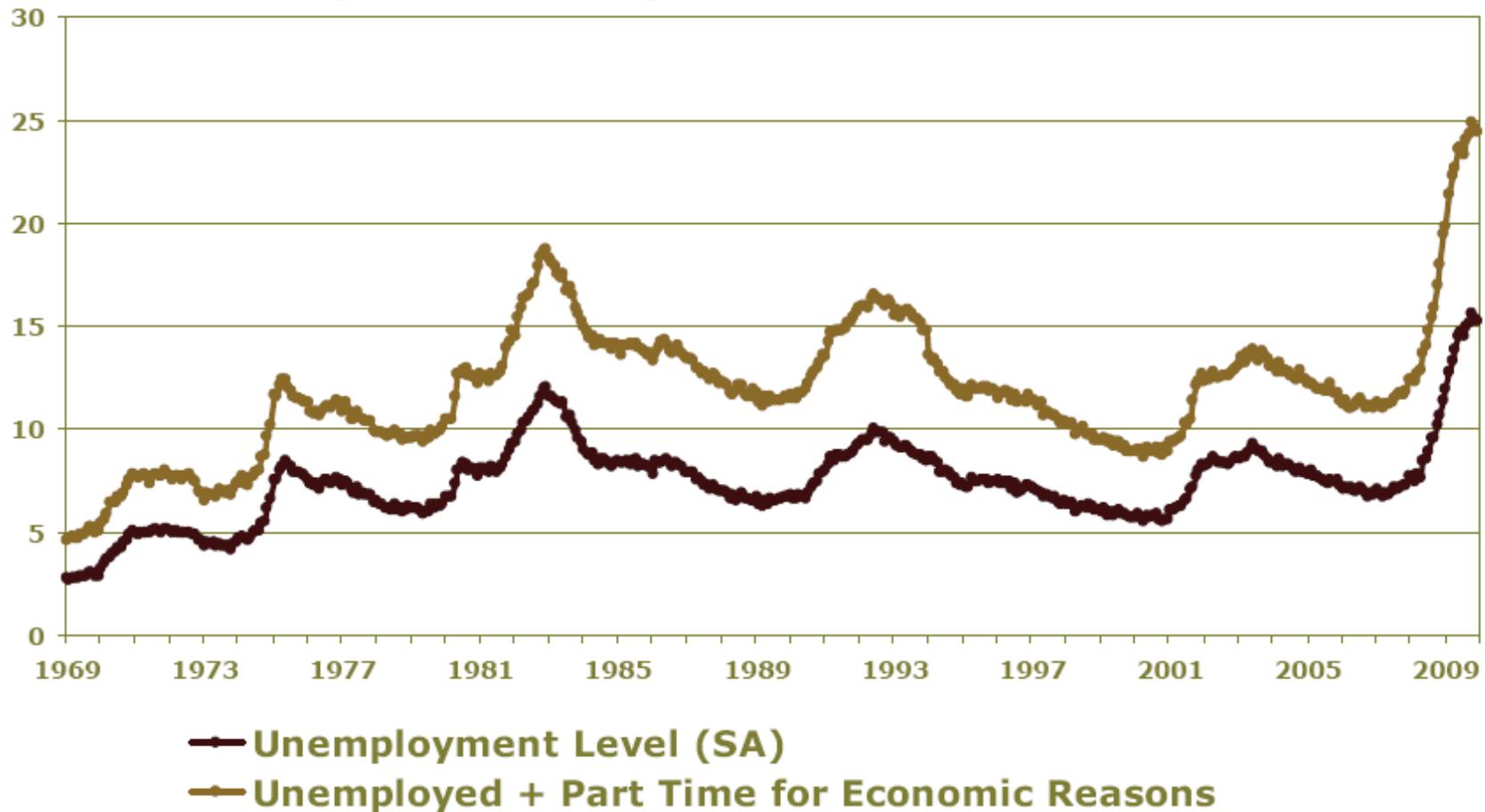


Magnitude of Current Downturn is Off the Charts

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

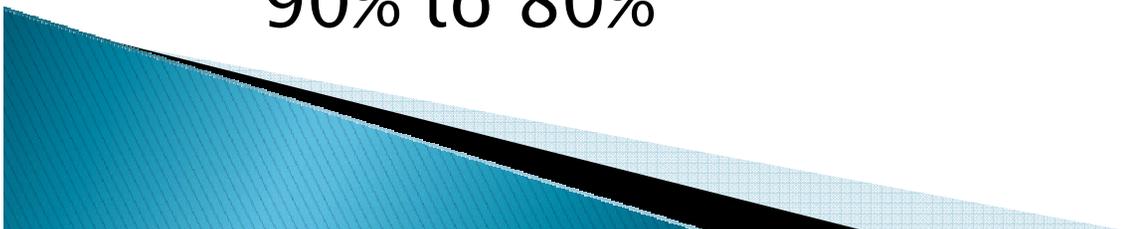
Tightened mortgage underwriting reduces number of households able to buy.

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

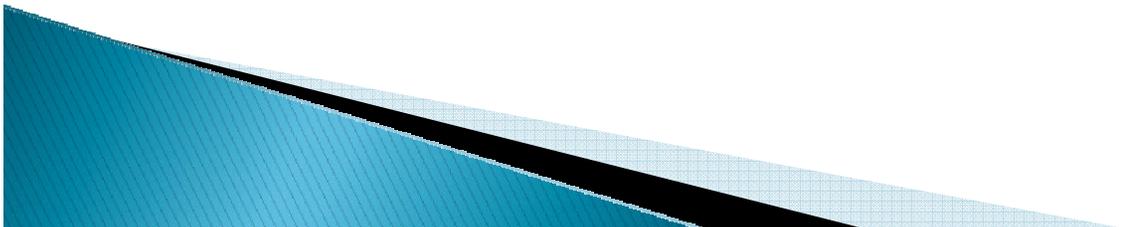
Job growth →

Unlikely to see 5% jobless until at least 2015

Income growth →

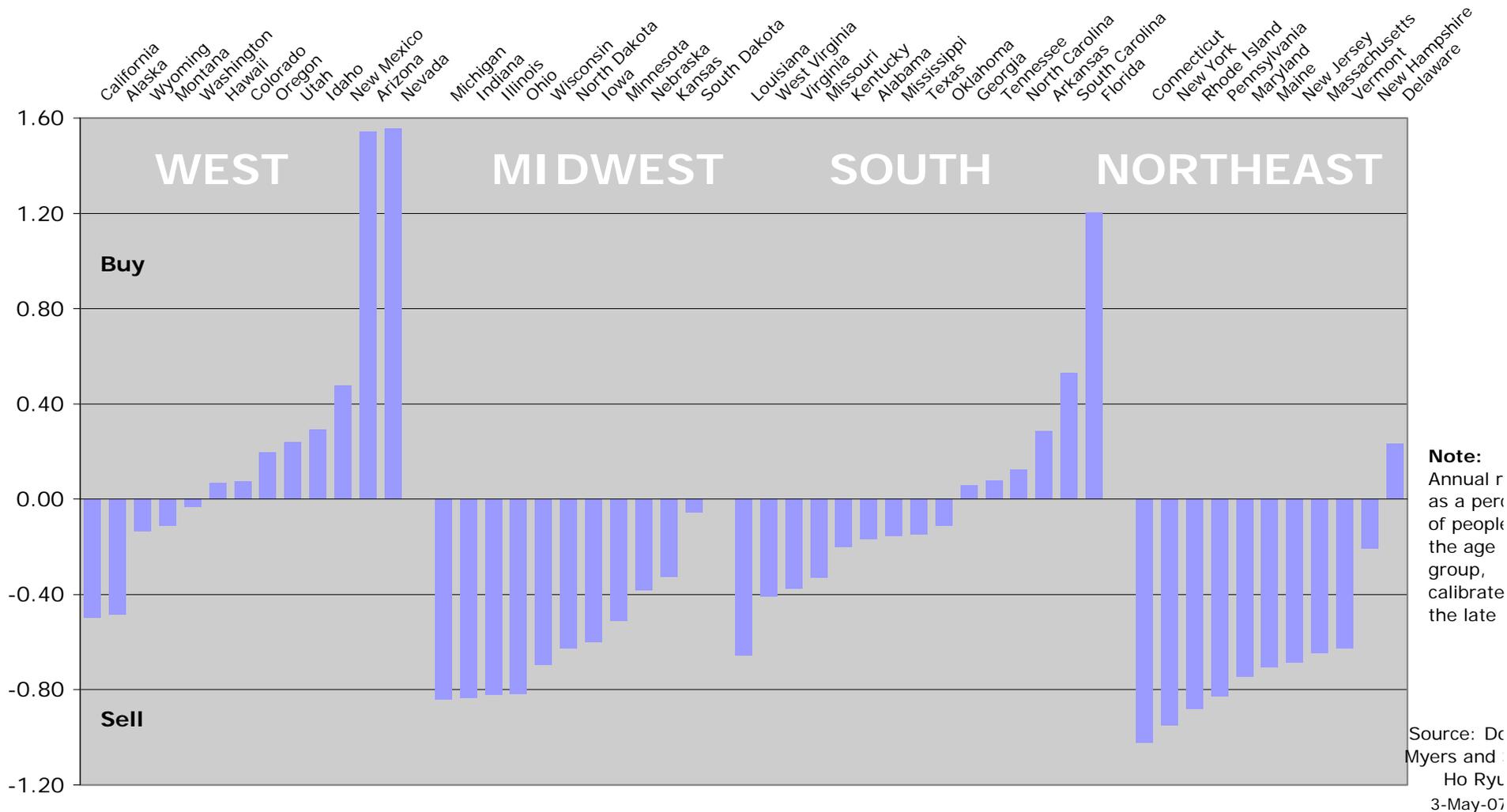
Stagnant; could see flat growth or deflation

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



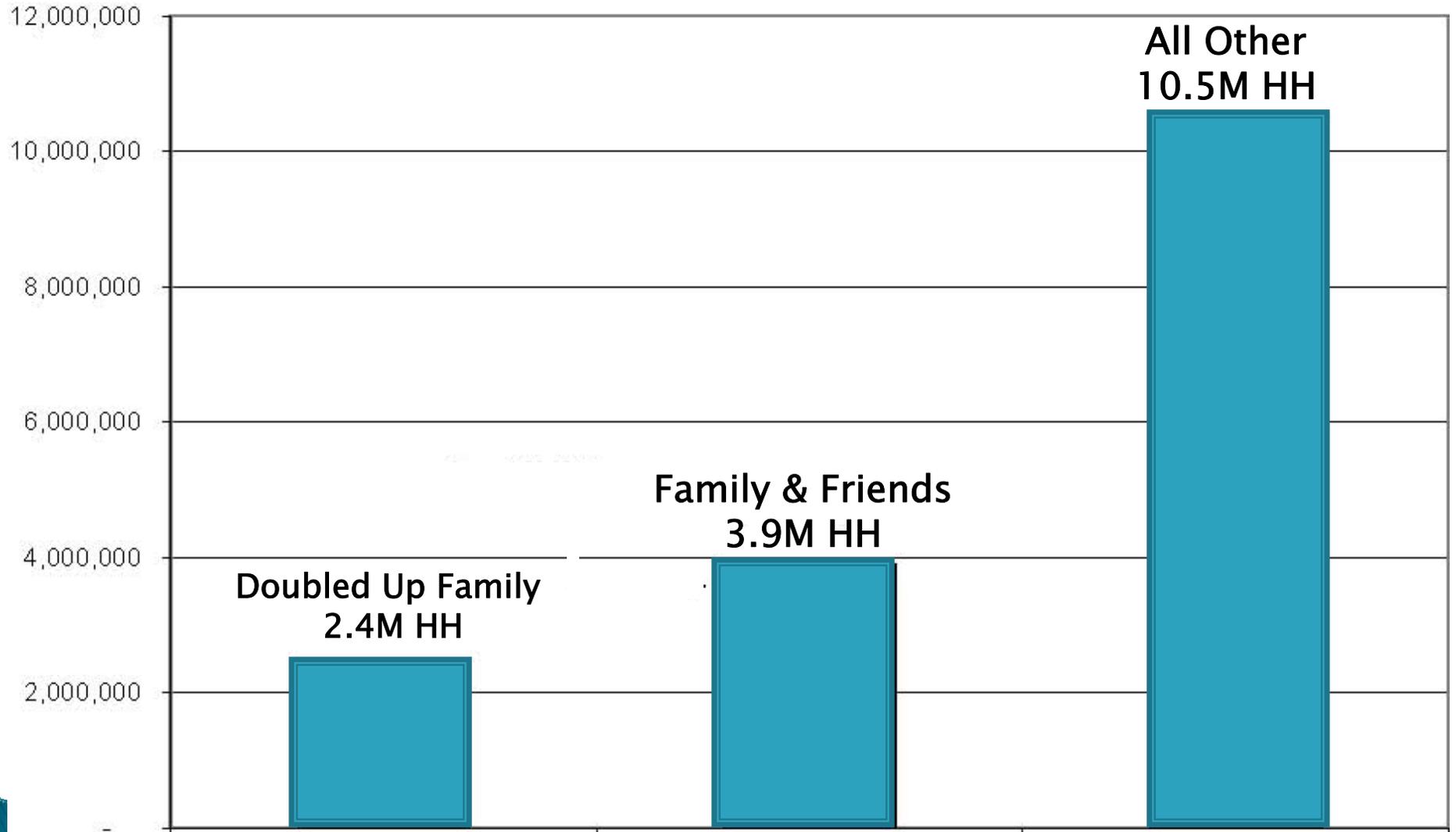
The Great Senior Sell Off

Net Buying or Selling Rate at Age 65-69



Source: Dowell Myers & Sungho 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%

