Suburbia, Soccer Moms, SUVs and Smart Growth
RCLCO – Public Strategies Group
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New Partners for Smart Growth | February 2, 2012
RCLCO is a land use economics firm delivering real estate strategies, market intelligence, and implementation assistance.
THE STORY REMAINS THE SAME
PRE-RECESSION ~~ POST-RECESSION

- 23% of respondents 55-59 years of age most likely to purchase small-lot single family detached (14% of those 60+ and 13% of those 50-54 do, as well)

- Family and pre-family buyers distributed between increased preference for townhome or condo products and custom homes

Source: RCLCO 2007
Americans and Smart Growth
MOVING TO MIXED USE
2004 NAR SURVEY – EXISTING VS PREFERRED LOCATIONS
MOVING TO MIXED USE
2010 NAR SURVEY – EXISTING VS PREFERRED LOCATIONS

Downtown
City, Residential
Rural
Small Town
Suburb (Mixed)
Suburb (Resi)

Gen Y
Gen X
Boomer
Eisenhower
SMART GROWTH PREFERENCE
BY HOUSEHOLD TYPE

- HH Single, No Children
- HH>1, No Children
- HH>1, Children

- 8A: 85, 216, 116
- 8B: 94, 202, 149
- 9: 236, 592, 381
- 10: 237, 555, 397
- 11: 179, 379, 230
SMART GROWTH PREFERENCE
BY HOUSEHOLD AGE

<table>
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<th>18-34</th>
<th>35-54</th>
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SMART GROWTH PREFERENCE BY HOUSEHOLD INCOME

SMART GROWTH PREFERENCE BY HOUSEHOLD INCOME

0 200 400 600 800 1000 1200

8A 196 97 124
8B 222 77 146
9 619 236 354
10 604 204 382
11 420 142 226

Low  Mid  High
Psychographic analysis describes categorization driven by personality, values, attitudes, interests, or lifestyles.

It can be contrasted with demographic variables (such as age and gender), behavioral variables (such as usage rate or loyalty), and firmographic variables (such as industry, seniority and functional area).
PSYCHOGRAPHICS OF SMART GROWTH
NOT WHAT WE EXPECTED TO FIND!

Smart Growth-Favorable LifeMode Groups

- High Society: 15.4%
- Upscale Avenues: 16.7%
- Global Roots: 7.2%
- Family Portrait: 9.5%
- Traditional Living: 9.5%
- Senior Styles: 9.3%
- Metropolis: 9.5%
- Solo Acts: 9.9%
- Other Groups: 7.3%

RCLCO
RCLCO Consumer Research shows:
- 77% of Generation Y plan to live in an Urban Core, and is re-urbanizing America year over year.
- This is where the future of growth is – capturing Gen Y will be critical to economic vitality through 2050.

NOTE: Number of 22-year olds is based upon birth rate and does not factor in death rates and migration.

SOURCE: U.S. Centers for Disease Control and Prevention
HOW BIG IS THE MARKET FOR SMART GROWTH?
ALMOST HALF OF THE ANNUAL MARKET WANTS TO WALK
HOW BIG IS THE MARKET FOR SMART GROWTH?

ALMOST HALF OF THE ANNUAL MARKET WANTS TO WALK

Prefer Downtown
Prefer City, Residential
Prefer Small Town
Prefer Rural
Prefer Suburb, Mixed Use
Prefer Suburb, Residential Only

Gen Y
Gen X
 Boomers
Eisenhowers
Americans and Transit Oriented Development
WHAT DOES THE REALTORS SURVEY SAY?
EXPLORING PREFERENCES FOR TRANSIT

18. In deciding where to live, indicate how important it would be to you to have each of the following within an easy walk: very important, somewhat important, not very important, or not at all important RANDOMIZE a-j AND PUT CODES ACROSS THE TOP

(Q18a) a. Schools
(Q18b) b. Grocery store
(Q18c) c. Pharmacy or drug store
(Q18d) d. Doctors’ offices
(Q18e) e. Cultural resources like libraries or theaters
(Q18f) f. Recreational facilities like swimming, golf, or tennis
(Q18g) g. A hospital
(Q18h) h. (SPLIT SAMPLE COMBINED) Public transportation by (bus/rail)
(Q18h_a) h. (SPLIT SAMPLE A) Public transportation by bus
(Q18h_b) h. (SPLIT SAMPLE B) Public transportation by rail
(Q18i) i. Restaurants
(Q18j) j. Church, synagogue, or other place of worship

Source: National Association of REALTORS, 2011, RCLCO
WHAT DOES THE SURVEY SAY?
ONE QUARTER OF THE MARKET WANTS FIXED RAIL TRANSIT

- Households with preference for Fixed Rail Transit: 23%
- Households without preference for Fixed Rail Transit: 76%

Source: National Association of REALTORS, 2011, RCLCO
WHAT DOES THE SURVEY SAY?
ONE QUARTER OF THE MARKET WANTS FIXED RAIL

Source: National Association of REALTORS, 2011, RCLCO
WHAT DOES THE SURVEY SAY?
PREFERENCES IN METRO AREAS WITHOUT RAIL TRANSIT

Transit Preference Among Respondents in Metropolitan Areas with No Existing Rail Transit

Source: National Association of REALTORS, 2011, RCLCO
WHAT DOES THE SURVEY SAY?
PREFERENCES IN METRO AREAS WITH RAIL TRANSIT

Transit Preference Among Respondents in Metropolitan Areas with Existing Rail Transit

Source: National Association of REALTORS, 2011, RCLCO
So, Who Are These Transit People, Anyway?
TRANSIT-ORIENTED CONSUMER SEGMENTS
LIKELY SUSPECTS ARE YOUNG, SINGLE, MOBILE

Source: ESRI
TRANSIT-ORIENTED CONSUMER SEGMENTS
BUT ACTUAL SEGMENTS ARE QUITE DIFFERENT

One quarter of the total TOD demand comes from non-traditional sources - SUV drivers who live beyond the traditional “urban” areas who have bought into a transportation trap.

How likely will we be in luring back into higher-density environs that transportation modeling suggests is transit-supportive?
TAPESTRY SEGMENTATION BY LIFEMODE
“HIGH SOCIETY”: TOP SURVEY RESPONDENT CATEGORIES

LIFEMODE SEGMENT L1: HIGH SOCIETY

- Affluent and well-educated
- Represent approximately 12% of US households
- Generate nearly 25% of total US income
- Professional/management positions
- Most households are married couple families living in affluent neighborhoods, with a median home value of $320,000
- One of least ethnically diverse groups, but one of the fastest growing
- Travel extensively

Source: ESRI
TAPESTRY SEGMENTATION BY LIFEMODE
“UPSCALE AVENUES”: TOP SURVEY RESPONDENT CATEGORY

LIFEMODE SEGMENT L2: 
UPSCALE AVENUES

Above-average earnings and well-educated; “years of hard work”

Prefer several distinct types of housing, and includes a mix of renters and some homeowners

Characterized by prosperous domesticity

Median net worth of $182,330

Buy new cars

Take domestic vacations and save and invest earnings

Source: ESRI
Implications
IMPLICATIONS AND QUESTIONS

1. Are we undercounting the overall demand for smart growth and transit-oriented environs?

2. What are our regional transportation network expansion plans? Walkable grids? Are they sufficient?

3. What are the neighborhoods, areas, and regions that make the most sense for additional smart growth planning, including transit?
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