



Smart Growth America

Making Neighborhoods Great Together

Smart Growth America Nationwide Survey

February 2011

The Untapped Market

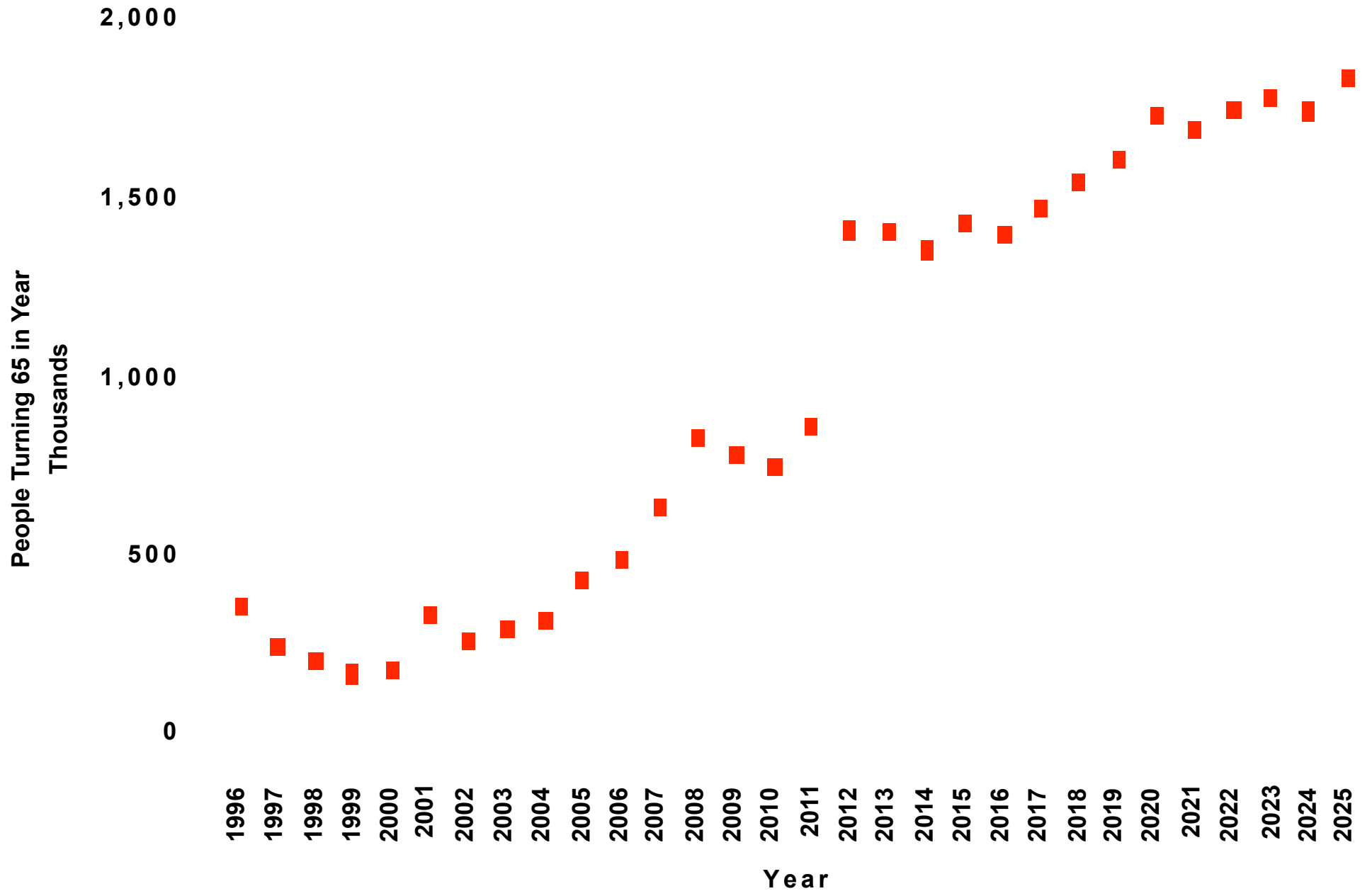
1. Demand for SG is high and growing.
2. Supply of this product is well below demand while supply of conventional product is already at saturation.
3. Product premiums confirm market acceptance of smart growth.
4. Private sector infrastructure costs and production-built housing costs tend to be the same or less expensive for these projects—contrary to CW.
5. Smart growth development and phasing strategies reduces risk

Findings: 1/3 want smart growth products

- ▶ Reviews of existing studies on consumer demand...
- ▶ Survey's conducted by Robert Charles Lesser & Co. LLC...
 - Consistently find that about a third of the market prefers smart growth products
 - Demand increases with shorter commute
- ▶ Share of the market growing due to
 - Demographic trends and
 - Changing buyer preferences (lifestage changes)



People Turning 65 Annually 1996-2025

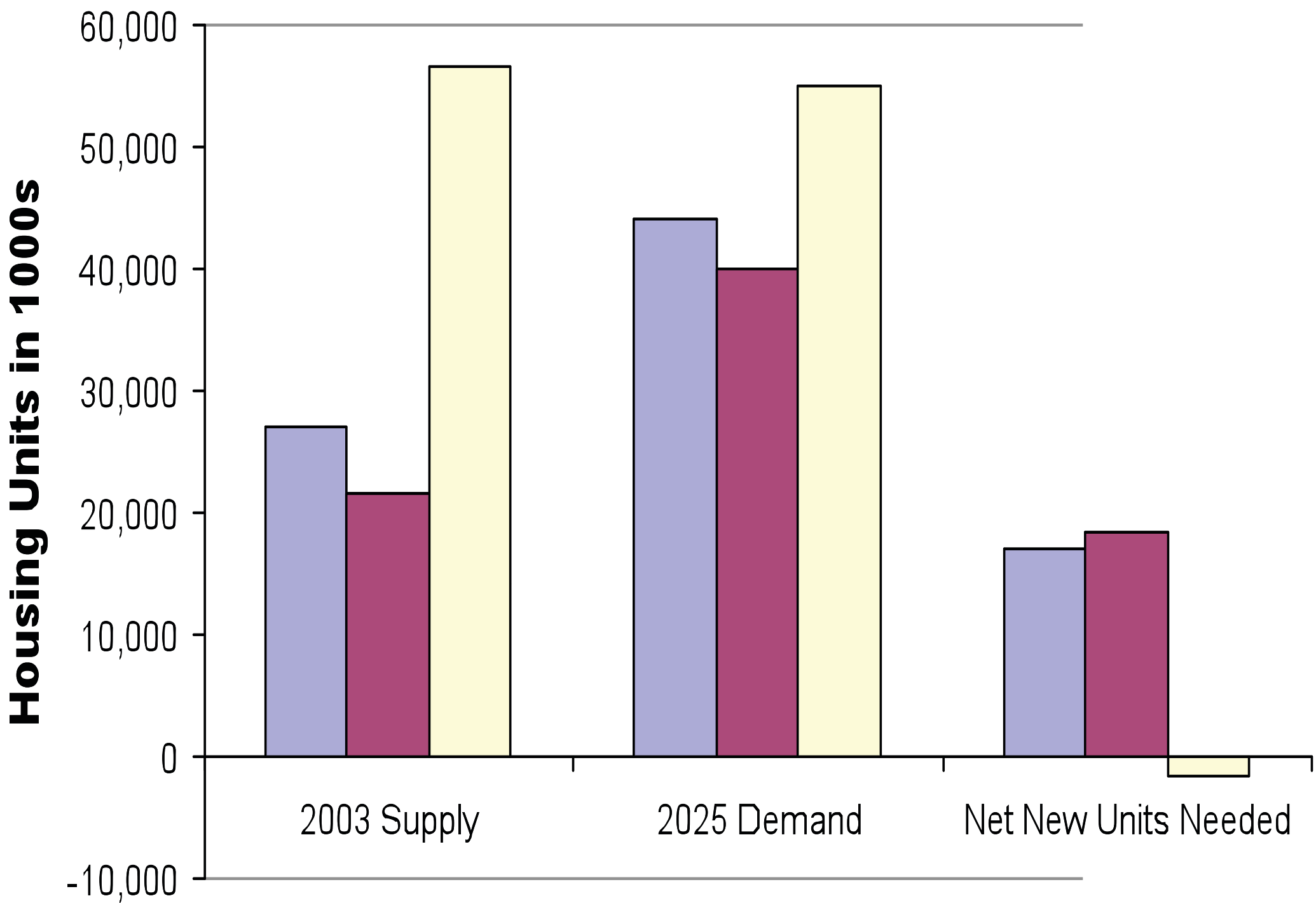


Decline in Households with Kids

<u>Household</u>	<u>1960</u>	<u>2000</u>	<u>2025</u>
With Children	48%	33%	28%
Without Children	52%	67%	72%
<i>Single</i>	13%	26%	28%

Source: Census for 1960 and 2000, 2025 adapted from Martha Farnsworth Riche, *How Changes in the Nation's Age and Household Structure Will Reshape Housing Demand in the 21st Century*, HUD (2003).

Attached Small Lot Large Lot



Market premiums for smart growth

- Valuing the New Urbanism (Eppli & Tu. 1999.)
 - 11% price premium across four Traditional Neighborhood Developments
 - 13% price premium for Kentlands
 - Analysis period: 1995 - 1997
 - Analysis technique: hedonic price model



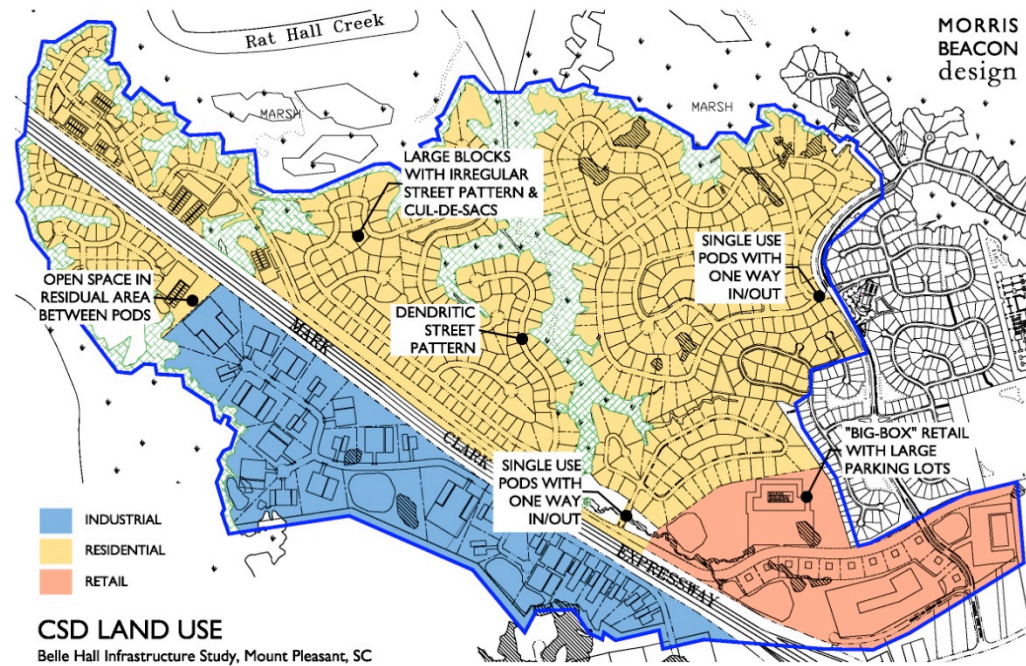
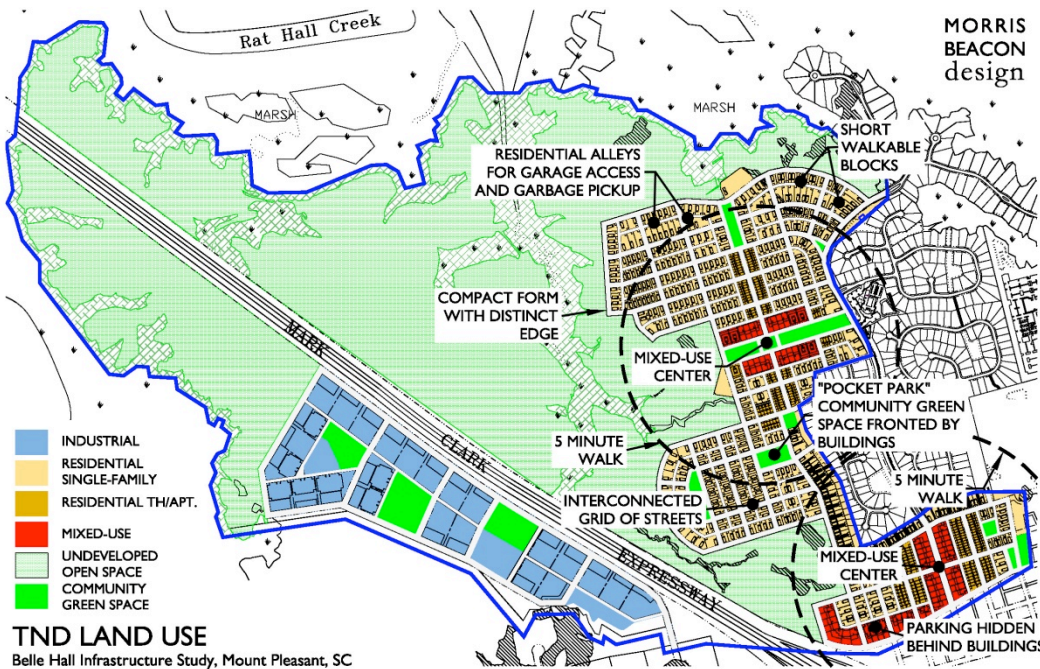
Source: EPA White Paper: Market Acceptance of Single-Family Housing Units in Smart Growth Communities. Mark Eppli, Charles Tu. 2007.

Market premiums revisited

- Kentlands, Lakelands, and 20878 zip code
 - 4,744 resales between 1997 - 2005
 - Kentlands 16.1% price premium
 - Lakelands 6.5% price premium
 - 1997-2005 year-over-year:
 - Kentlands - sustained premium
 - Lakelands - sustained and growing (9.5% between 2002 - 2005)

Source: EPA White Paper: Market Acceptance of Single-Family Housing Units in Smart Growth Communities. Mark Eppli, Charles Tu. 2007.

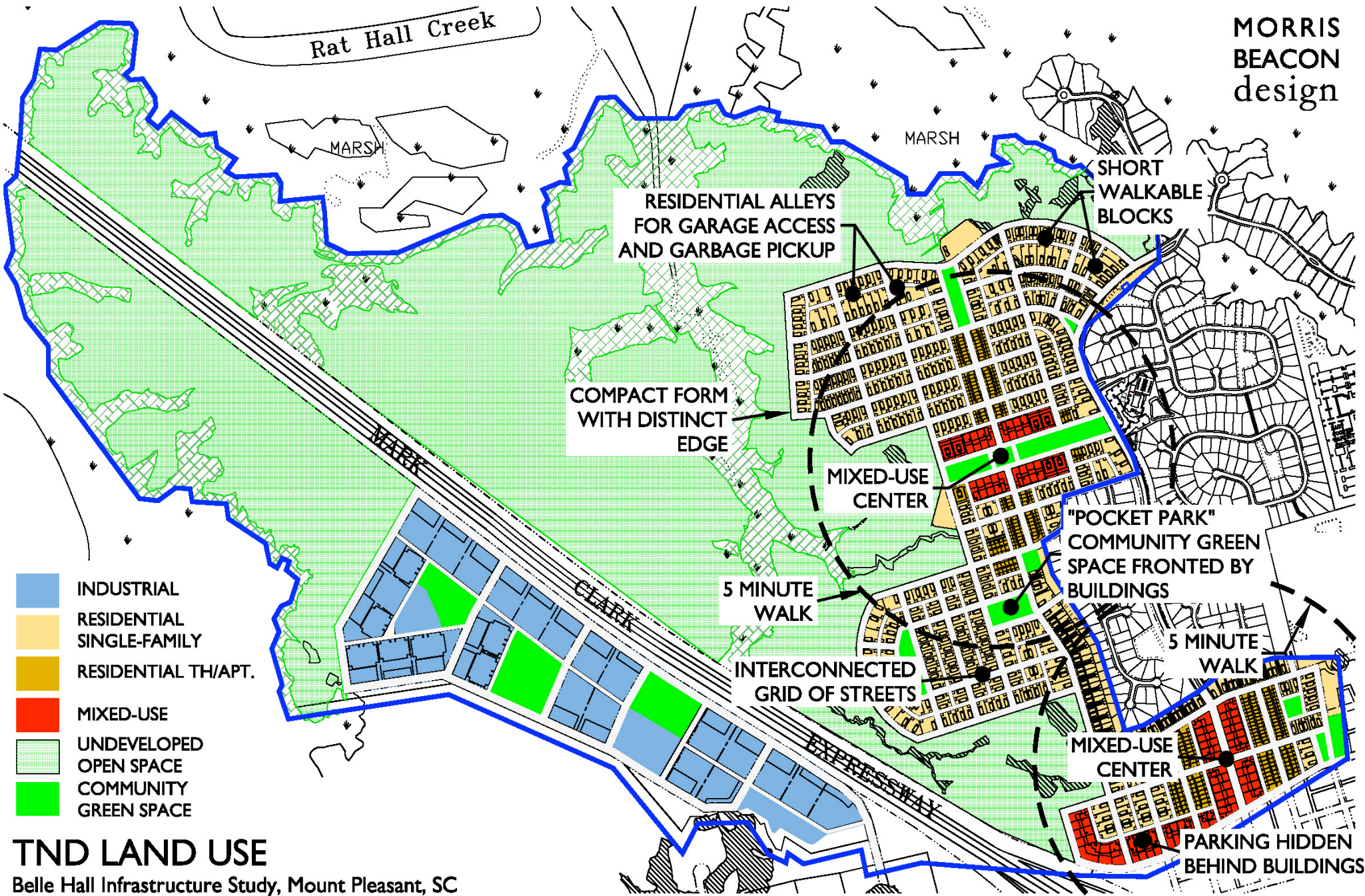
Which Costs More?

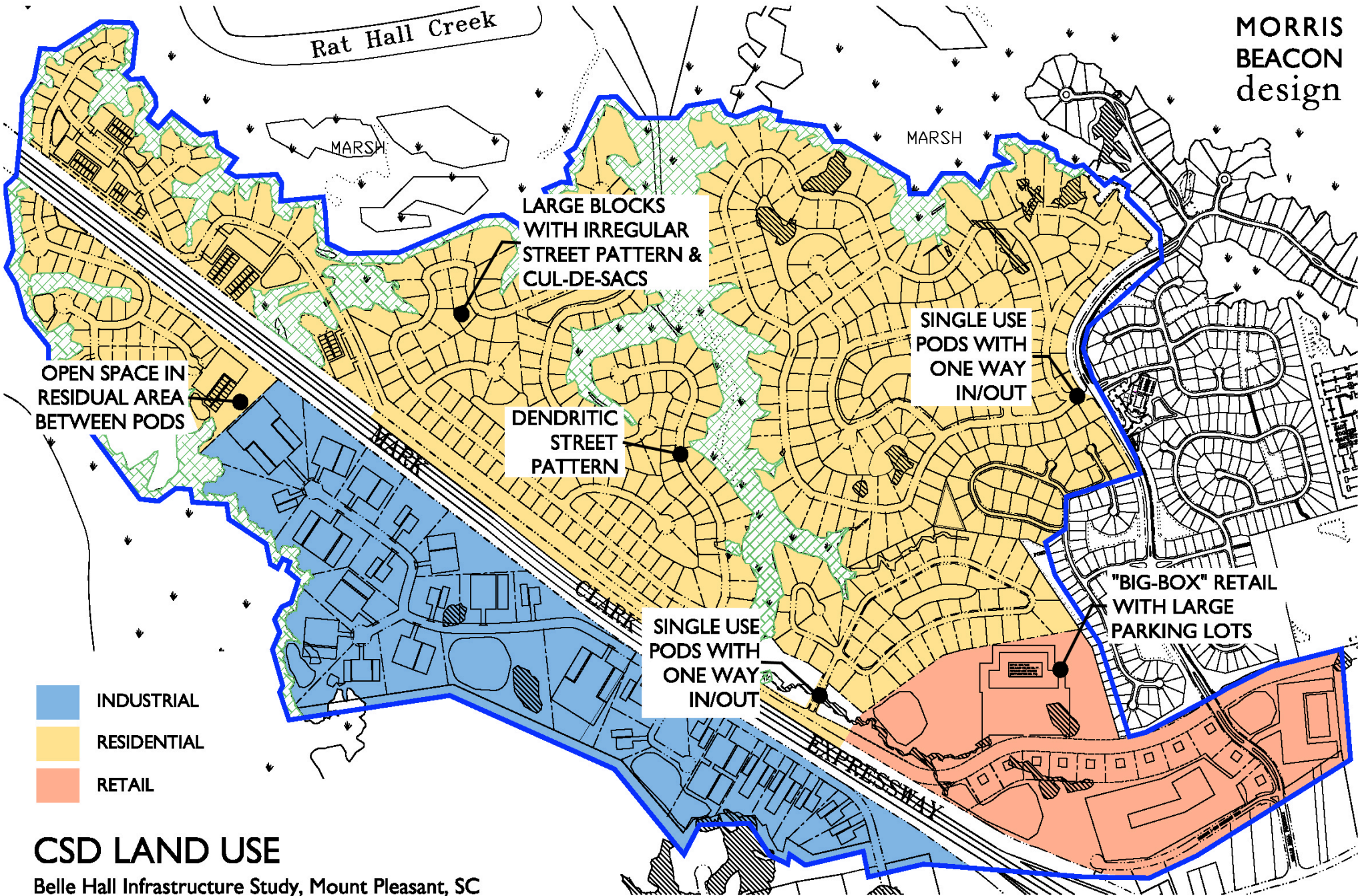


Infrastructure

The basic physical systems of a community's population.

- **Transportation**
- **Water**
- **Sewer**
- **Stormwater management**





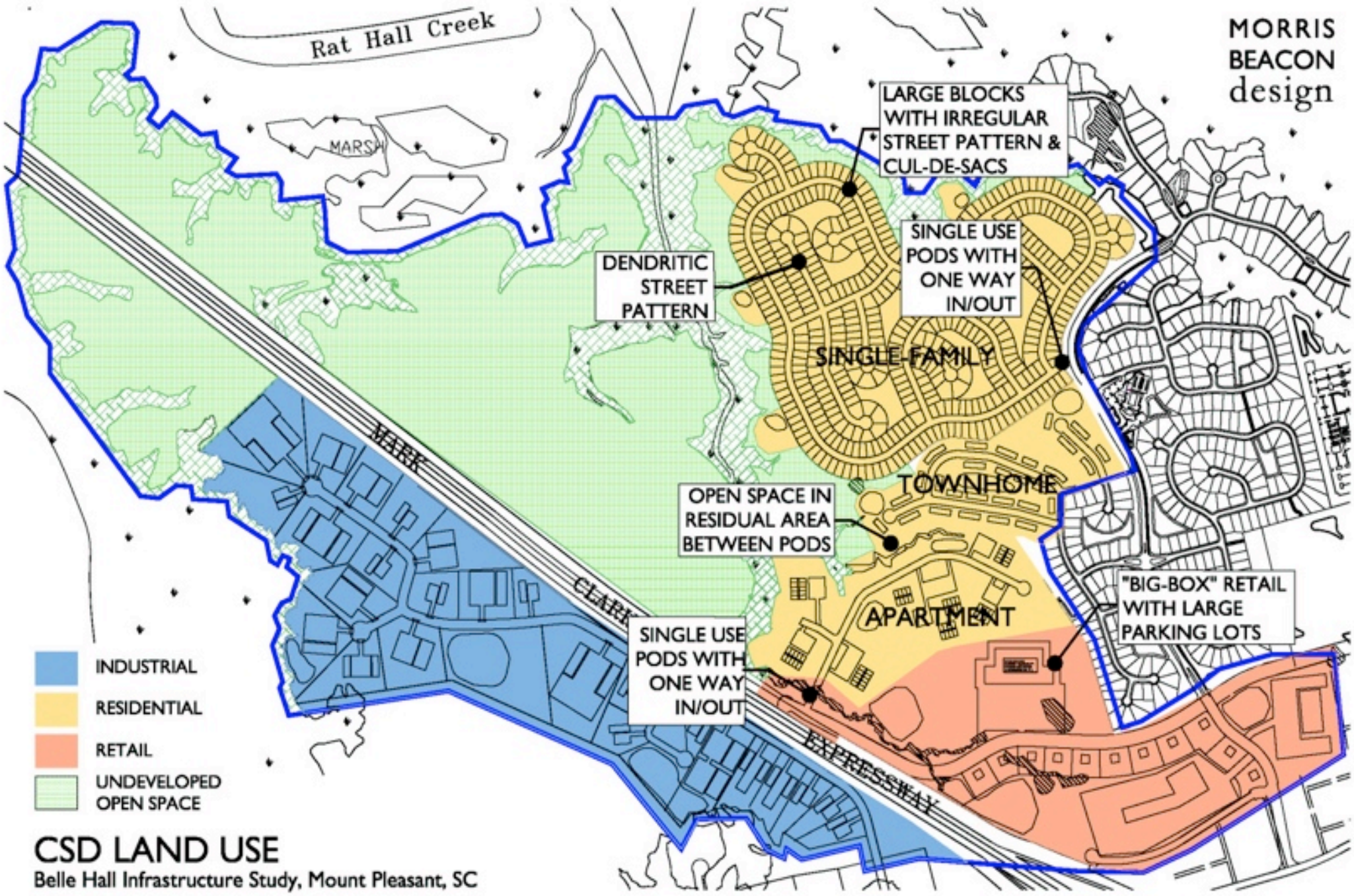
CSD LAND USE

Belle Hall Infrastructure Study, Mount Pleasant, SC



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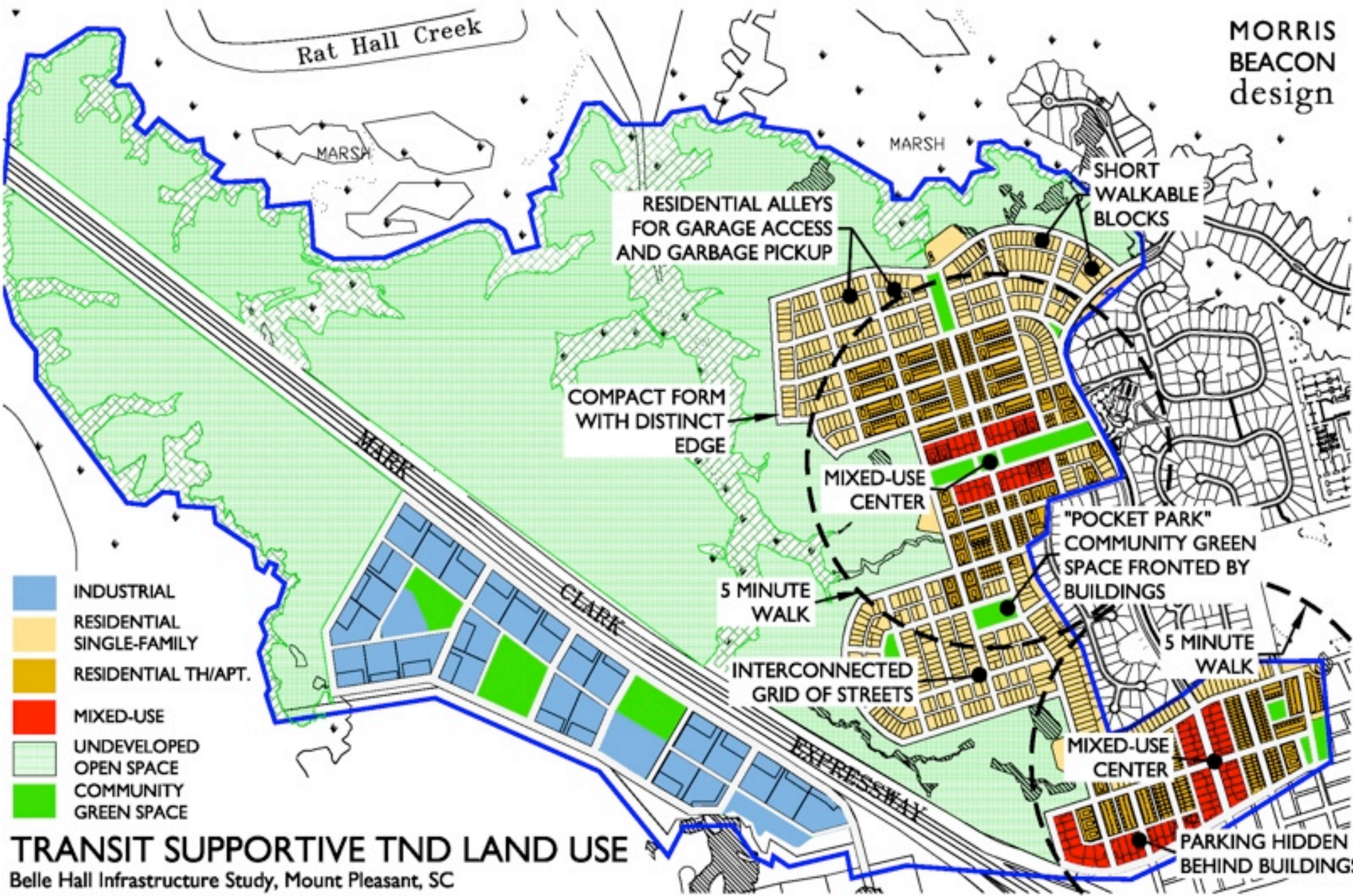
CSD LAND USE

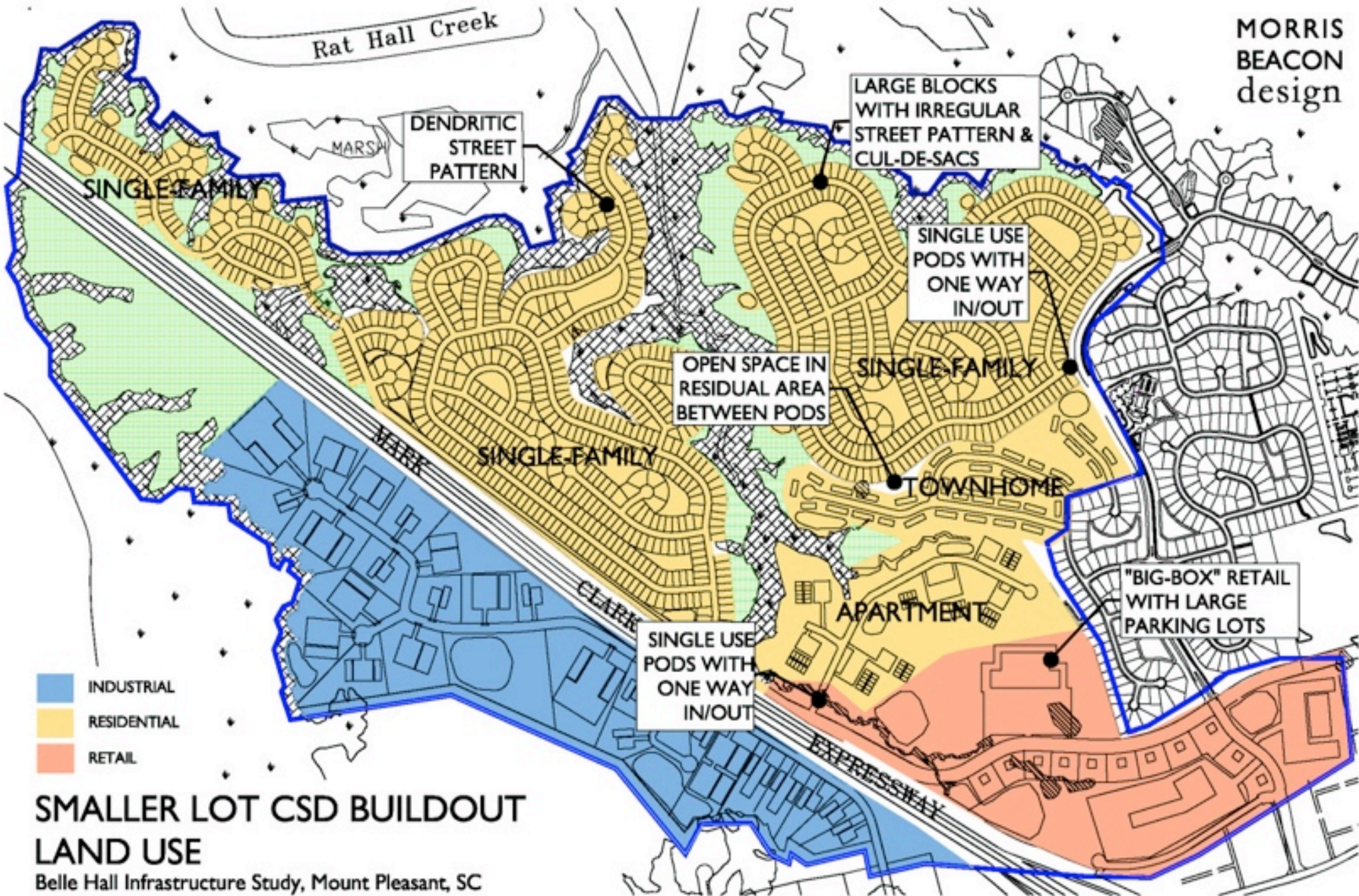
Belle Hall Infrastructure Study, Mount Pleasant, SC



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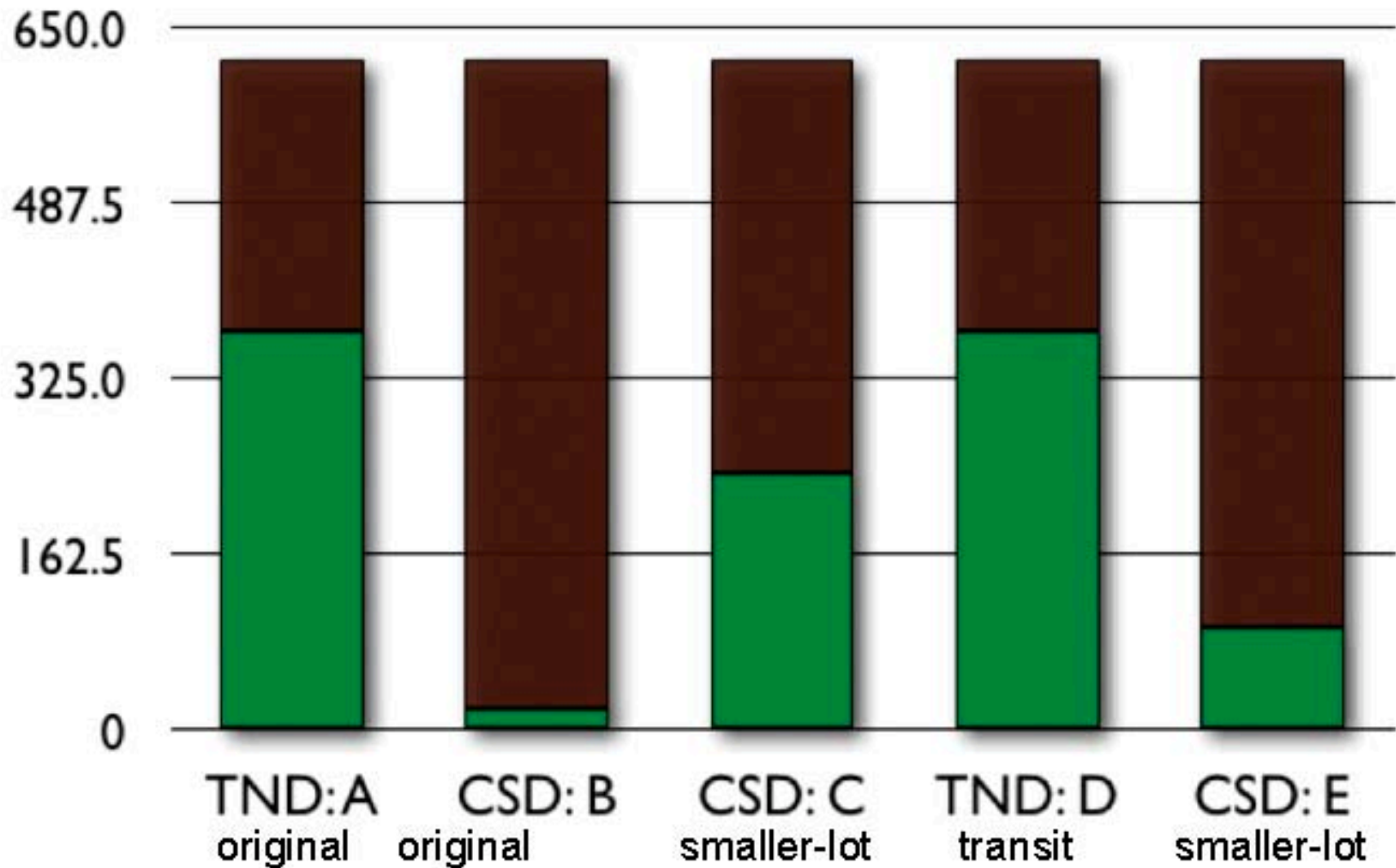


**SMALLER LOT CSD BUILDOUT
LAND USE**
Belle Hall Infrastructure Study, Mount Pleasant, SC

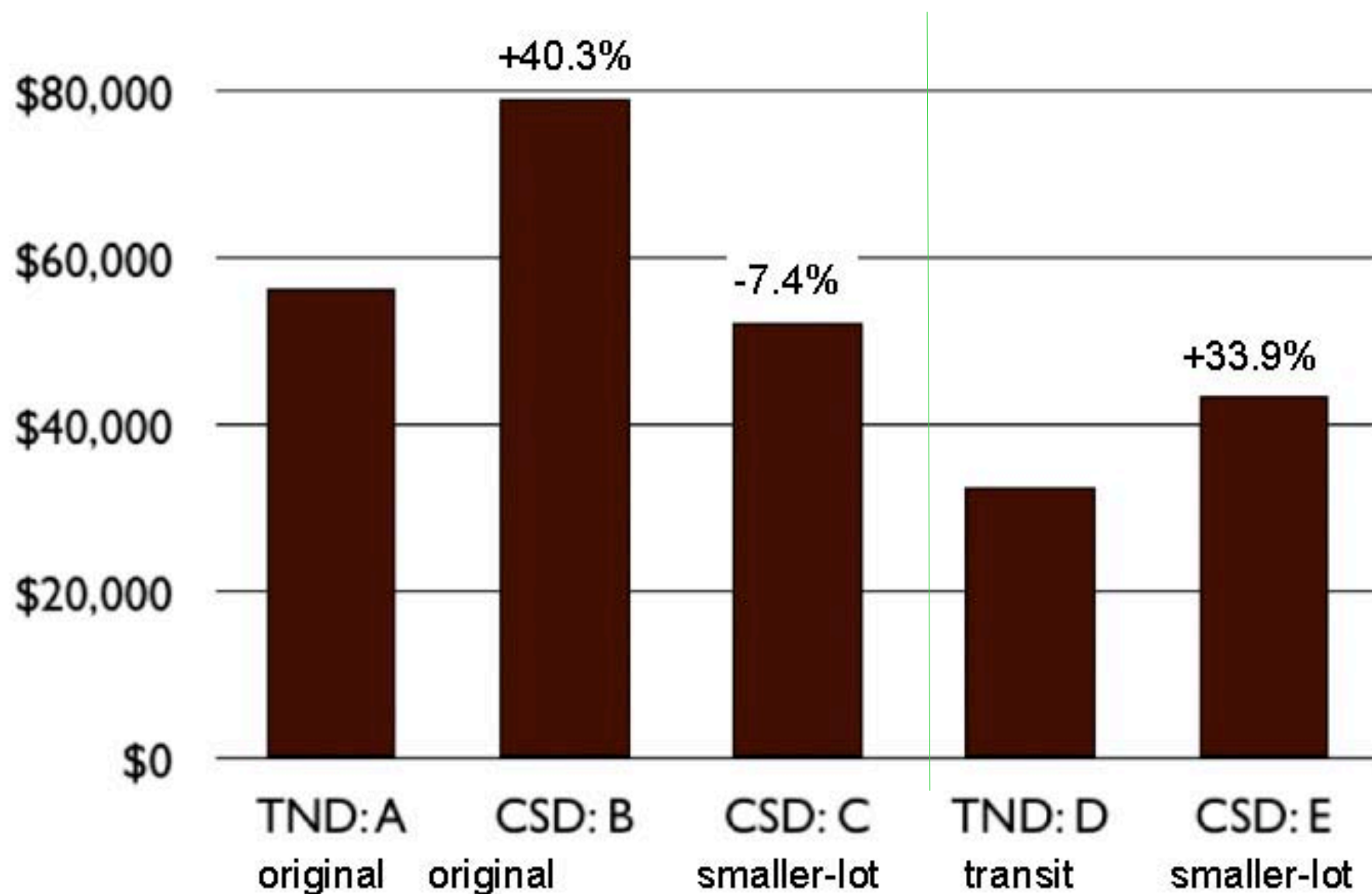


	TND (A)	CSD (B)	Smaller Lot CSD (C)	Transit Supportive TND (D)	Smaller Lot CSD Buildout (E)
CONSISTENT ASSUMPTIONS					
Total Area (ac)	757.1	757.1	757.1	757.1	757.1
Residential: SF detached (units)	502	495	495	487	1109
Residential: townhome (units)	159	160	160	336	160
Residential: apartment (units)	60	140	140	505	140
Residential: apartment above retail (units)	80	-	-	80	-
Residential: TOTAL (units)	801	795	795	1408	1409
Commercial (bldg. sq. ft.)	287,848	283,140	287,848	283,140	287,848
Industrial (bldg. sq. ft.)	428,000	418,176	428,000	418,176	428,000
Wetland area (ac)	89.8	89.8	89.8	89.8	89.8
Mark Clark Expressway (ac)	47.6	47.6	47.6	47.6	47.6
TABULATED					
Developed area (ac)	252.5	601.0	383.5	252.5	525.2
Natural resource conservation (ac)	367.2	18.7	236.2	367.2	94.6
Building roof area (ac)	40.1	44.5	34.3	55.5	56.8
Streets/alleys impervious area (ac)	60.5	59.3	32.3	60.5	55.4
Non-streets pavement & walks (ac)	30.0	95.3	74.1	32.7	90.4
Open detention basin area (ac)	6.8	32.1	24.0	6.8	31.1
TOTAL impervious area (ac)	137.4	231.2	164.7	155.6	233.7
Single-family residential yards	42.6	208.4	31.1	33.8	69.6
Landscaped area within right-of-way	30.1	16.3	9.1	30.1	16.4
Residual landscaped area (ac)	24.4	145.1	178.7	17.1	205.5
Community green/open space (ac)	16.0	-	-	16.0	-
DENSITY					
Residential units/total acres	1.1	1.1	1.1	1.9	1.9
Residential units/developed acres	3.2	1.3	2.1	5.6	2.7
Residential units/residential acres	4.6	2.1	4.6	8.0	4.5



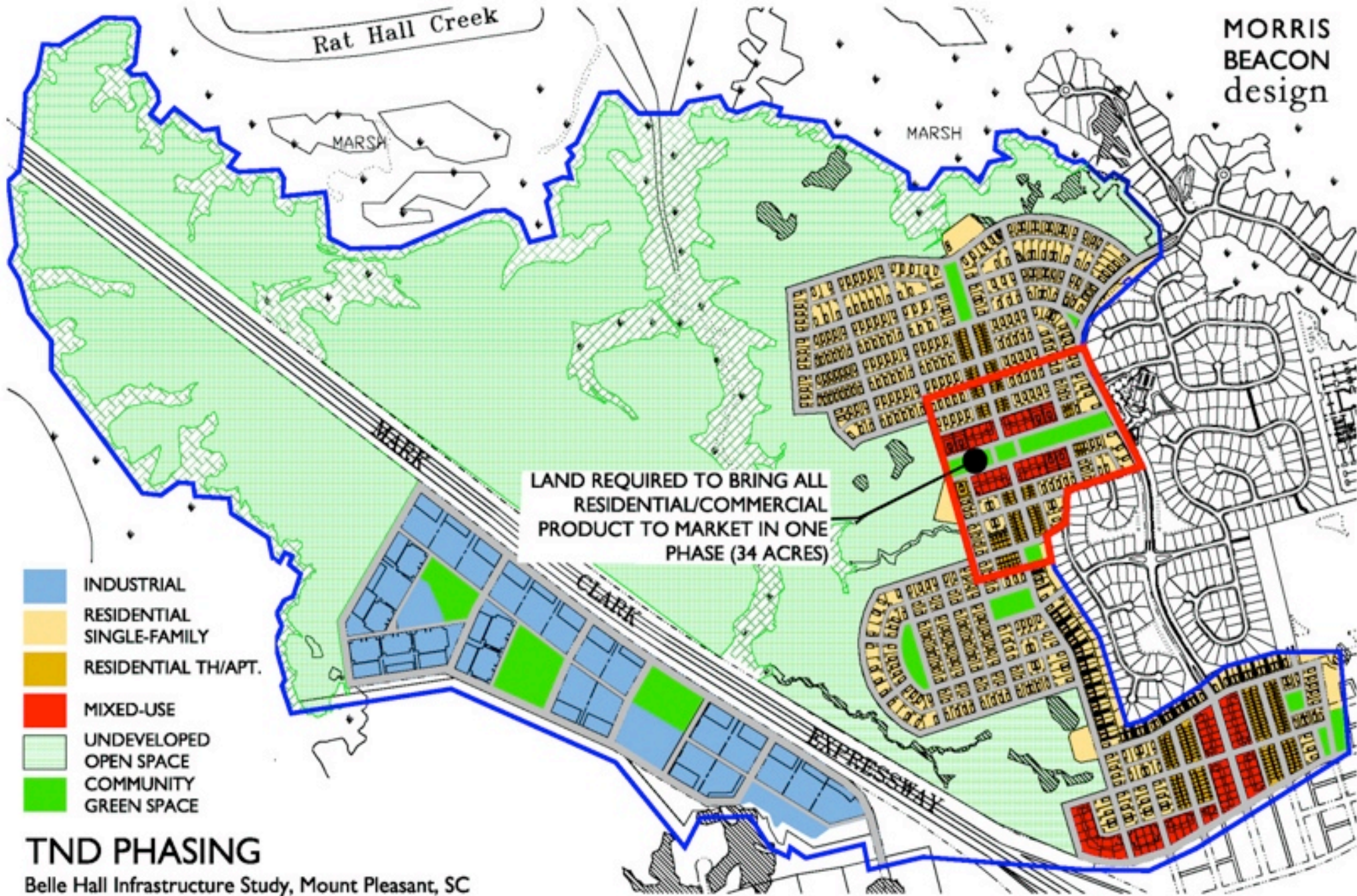


Total infrastructure cost (cost/unit)



Phasing & Risk Management

- Less land & infrastructure to bring all products to market in a single TND phase

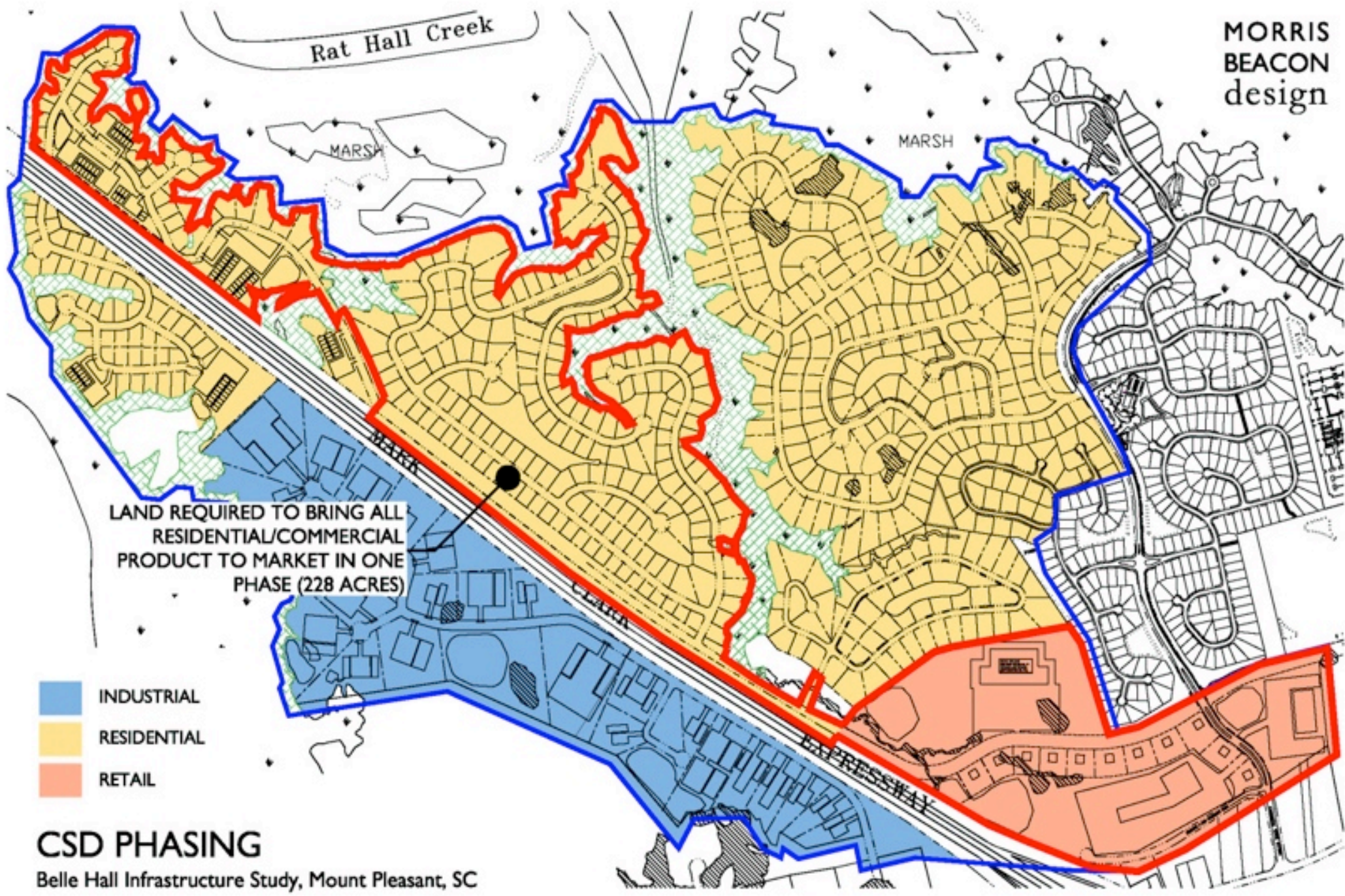


LAND REQUIRED TO BRING ALL
RESIDENTIAL/COMMERCIAL
PRODUCT TO MARKET IN ONE
PHASE (34 ACRES)

- INDUSTRIAL
- RESIDENTIAL SINGLE-FAMILY
- RESIDENTIAL TH/APT.
- MIXED-USE
- UNDEVELOPED OPEN SPACE
- COMMUNITY GREEN SPACE

TND PHASING

Belle Hall Infrastructure Study, Mount Pleasant, SC



CSD PHASING

Belle Hall Infrastructure Study, Mount Pleasant, SC

Phase I initial investment

	ACRES	COST/ACRE	TOTAL COST
Belle Hall			
TND:	34	\$176,749	\$6,010,000
Belle Hall			
CSD:	228	\$97,591	\$22,250,000

Phase I of the conventional scenario cost 270% more than the Phase I scenario of the smart growth scenario

Source: EPA White Paper: Risk Reduction through development and phasing strategies (working project). 2007



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Smart Growth America is the only national organization dedicated to researching, advocating for and leading coalitions to bring smart growth practices to more communities nationwide.

www.smartgrowthamerica.org

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