



## Focus on... Planning Trends in 2014

Sessions at the 2014 National Planning Conference in Atlanta and other recent research have shed light on important planning trends emerging in our new post-recession economy. The following highlights some key findings:

### Aging Population

- The population within the 7-county Southeast Michigan Council of Governments (SEMCOG) region is currently about 4.71 million people (December 2013). Between 2010 and 2040, this population is expected to grow by a total of 8 % (4.70 to 4.74 million people). *SEMCOG*
- The senior population (65+) in the SEMCOG region is expected to grow by 85 % between 2010 and 2040. The youth population (under 18 years) is expected to decline by 13.8 % during this same period. *SEMCOG*

### Low Birth Rate

- The U.S. fertility rate in 2012 of 63.0 births per 1,000 women ages 15-44 years. This is the lowest birth rate since the government started tracking this statistic in 1909 (when the birth rate was 127 per 1,000). *Centers for Disease Control and Prevention*

### Shifting Housing Preferences

- Two demographic cohorts are driving the transformation of residential and non-residential development: 1) aging baby boomers – born 1946-1964 – now in their 50s and 60s and pursuing empty-nester lifestyles and 2) young echo-boomers – born 1977 to 1995 – now in their 20s and early 30s, also known as Gen Y or Millennials. They want to live in high-density, urban environments, not suburbs. They are tech-savvy and socially-interconnected – they don't find suburban office developments attractive places to work. *James Hughes, Rutgers University*
- By 2040, 40 % of the demand for new housing will be for attached and multiple-family units and another 35 % of the demand will be for smaller lots. *Arthur C. Nelson, University of Utah*

### Millennials Are Impacting Housing Another Way

- Lack of savings, less-than-perfect credit and stifling loads of student-loan debt are continuing to hold young adults back from homeownership. This is reducing the number of buyers in the market. *Wall Street Journal Marketplace, May 12, 2014*

### Sweeping Changes Affecting Non-Residential Space

- 70% of new non-residential space will be developed on existing developed lots. *Arthur C. Nelson, University of Utah*

- Suburban-centric, auto-dependent office corridors are out of fashion and may have run their course. Suburbs are oversupplied and underdemolished. Millennials don't want assigned office space. They seek collaborative open meeting space, working lounges, and work-at-home options. *James Hughes, Rutgers University*
- We also have a reduced need for office space due to the decline in state and local government jobs (lowest since World War II). *Robert Burchell, Rutgers University*
- Personal savings rate (% of disposable income saved) was over 15 % in 1975; it's now 3.8 % (up from a low of 2 % in 2005). Much of the current increase in salaries is going to savings and paying down debt. Households lost 25 % of net worth from 2007-2012. Increased savings and use of internet commerce means demand for retail space is down. *Robert Burchell, Rutgers University*

### Other trends

- Fast food breakfast sales are up. More people are dining out, but client-related dining (big ticket) is down. Divorce rates are down and aging parents are moving in with older grown children. People tend to stick together during a down economy. *Robert Burchell, Rutgers University*

In addition to the above, other technology changes such as 3D printing will likely lead to reduced inventory for many retailers. If an item can be custom ordered on demand and shipped out next day, there is little need to maintain costly inventory. These trends should be considered when communities review Master Plans. Demographic changes will also impact recreation plans, transportation plans, and more.

Planning concepts to consider include providing policy guidance for redevelopment and infill sites; considering alternative uses to fill vacant industrial, office, and retail uses; encouraging new medical and educational facilities (which are expanding land uses) to use vacant commercial and industrial buildings; and plan for integration of housing for an aging population into a walkable network linked to convenience shopping, medical, and recreation uses.

Want to learn more? Let us know if you have a topic of interest that you would like a future newsletter to explore.