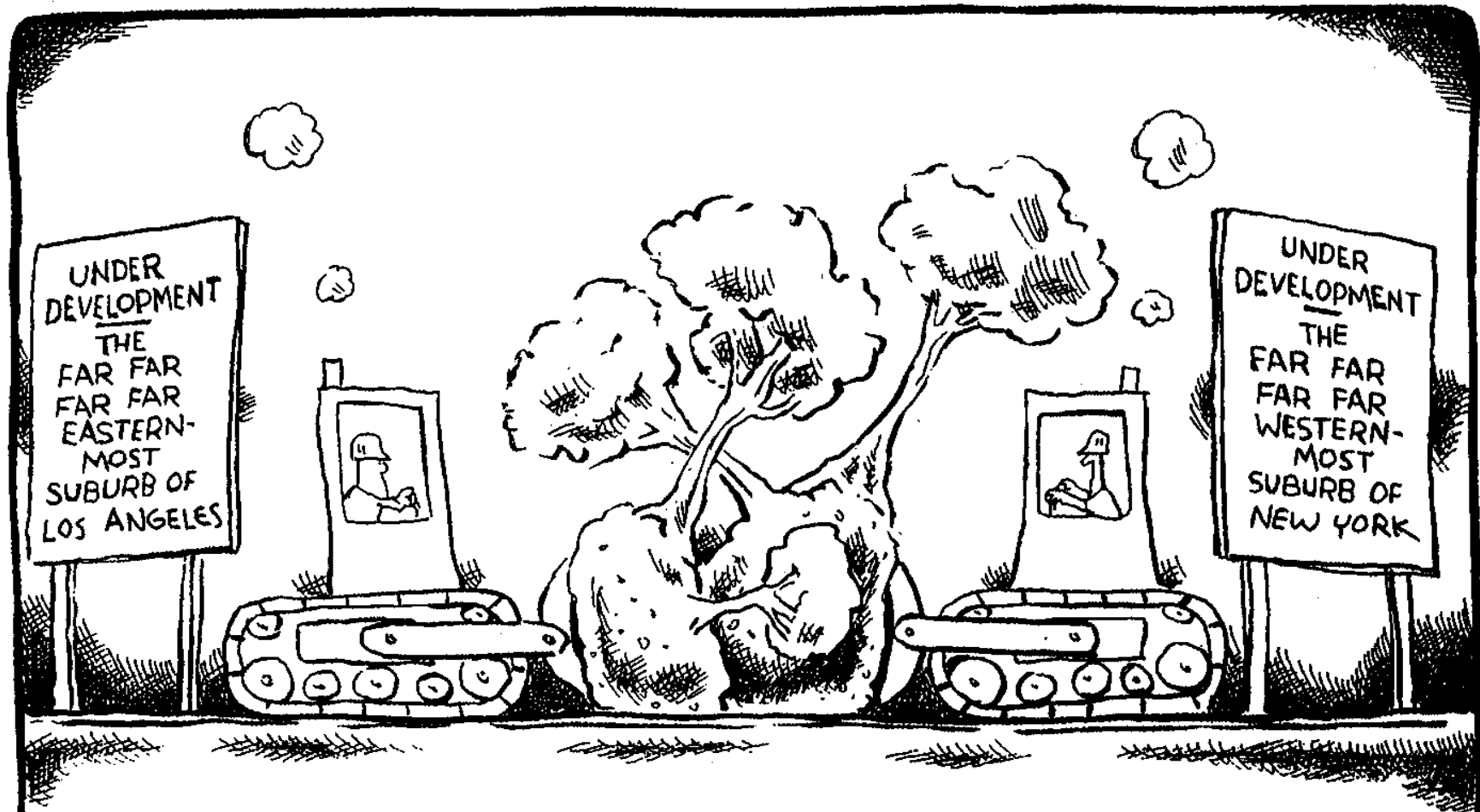




The Next \$40 Trillion

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April 9, 2005



Then one day, the twain met.

TALS

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LITERALLY IN THE
MIDDLE OF NOWHERE

Getting Ahead of the Curve

US	2005	2040
Population	297 million	415 million
Housing Units	123 million	168 million
Jobs	176 million	269 million

Megapolitan

Population	202 million	285 million
Housing Units	83 million	115 million
Jobs	120 million	184 million

Residential Development

US 2005 to 2040

Growth-Related Units 45 million

Replaced Units 26 million

Total Units 71 million

Estimate Construction \$14 Trillion

Megapolitan

Growth-Related Units 32 million

Replaced Units 17 million

Total Units 49 million

Estimate Construction \$10 Trillion

Nonresidential Development

US

2005 to 2040

Growth-Related Sq.Ft

69 million

Replaced Sq.Ft.

76 million

Total Units

145 million

Estimate Construction

\$29 Trillion

Megapolitan

Growth-Related Sq.Ft.

48 million

Replaced Sq.Ft.

66 million

Total Sq.Ft.

114 million

Estimate Construction

\$23 Trillion

Bottom Line

US Construction

Residential \$14 Trillion

Nonresidential \$29 Trillion

Total \$43 Trillion

Megapolitan Construction

Residential \$10 Trillion

Nonresidential \$23 Trillion

Total \$33 Trillion



Where Does It Grow?



Market Analysts Finding Changing Preferences

**National Association of Realtors
National Home Builders' Association
Nationally Recognized Market Analysts
Lend Lease – PriceWaterhouseCoopers
Joint Center for Housing Policy – Harvard/MIT
Golfing Buddies and Taxi Drivers**

“Traditional” Households on the Wane

<u>Household Type</u>	1970	2000	2040
Married Households	81%	69%	60%
Unmarried Households	19%	31%	40%
HH With Children	40%	26%	20%
Single-Person HH	17%	26%	32%



What Surveys Tell Us

*National Association of Realtors
preference for next location (2004)*

Suburbs	19%
Exurbs	25%
Urbs (cities, close suburbs)	53%



What Futurists Tell Us

Cheap energy is over.

Rising global competition for construction materials.

Bio-medical advances will extend lifetimes.

Residential “mobility” will wane.

Interpretation: Move towards quality construction and quality communities.

Demand 2005 - 2040

35% apartment

20% attached (townhouse/condo)

20% detached small/cluster/zero-lot

75% *“new urbanism” density, configuration*

25% *conventional subdivisions*

Even in Plano

Challenges

- Educating officials and citizens
- Researching community designs that work.
- Understanding market niches →
Mass development markets will disappear.
Future markets will be a jumble of niches.
- Developing programs that training the next generation of planners and community designers to meet these challenges.