

# WELCOME TO THE FUTURE.

Urbanizing the Suburbs  
*The Major 21st C Development Trend*



# Rural/Semi-rural Upbringing





# Suburban Upbringing



SUZANNE DECHILLO/THE NEW YORK TIMES/REDAUX

# Urban Upbringing





# TRANSPORTATION *DRIVES* DEVELOPMENT

We first build our transportation system  
and then it molds our metro regions

- Modification of Winston Churchill quote



**Highways Only = Drivable Sub-Urban**



LOCUS: RESPONSIBLE REAL-ESTATE DEVELOPERS & INVESTORS

# TRANSPORTATION *DRIVES* DEVELOPMENT



**Multiple Modes = Walkable Urbanism**



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The background of the slide features a stylized, blue-toned illustration of a city street scene. A train is visible on the right side, moving towards the left. In the background, there are buildings and a sunburst effect emanating from behind them. In the foreground, there are silhouettes of people walking and a bicycle, suggesting a pedestrian-friendly environment.

Corollary to Transportation Drives Development:

One does *NOT* build transportation systems  
with the *goal* of moving people

One builds transportation  
systems with the *goal of*  
*economic development*, the  
*means* is by moving people



2<sup>nd</sup> Version of the American Dream... *Drivable Sub-Urban*

# INDUSTRIAL ECONOMY



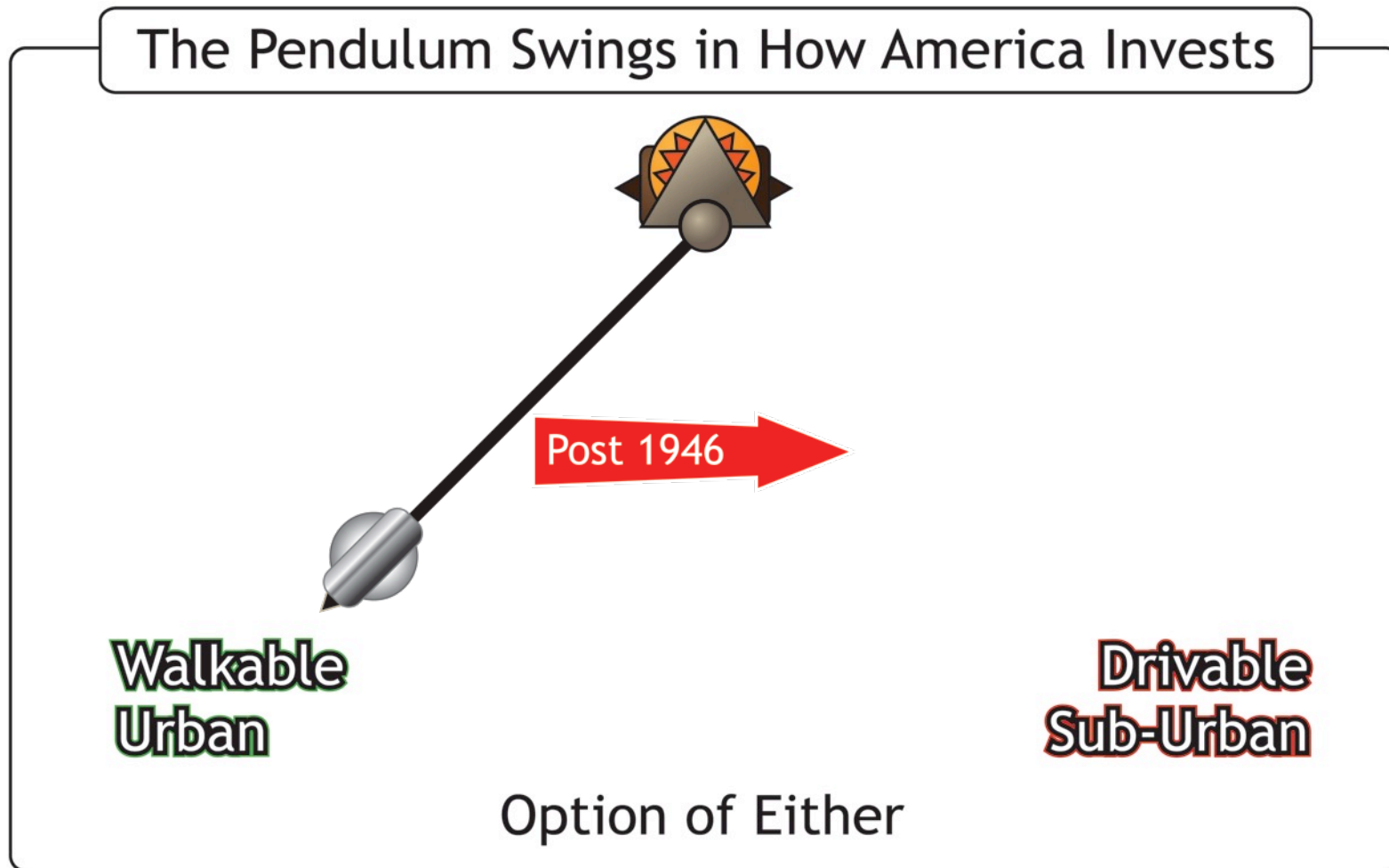
“See the USA in your Chevrolet”



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# only two general ways to build **the built environment**







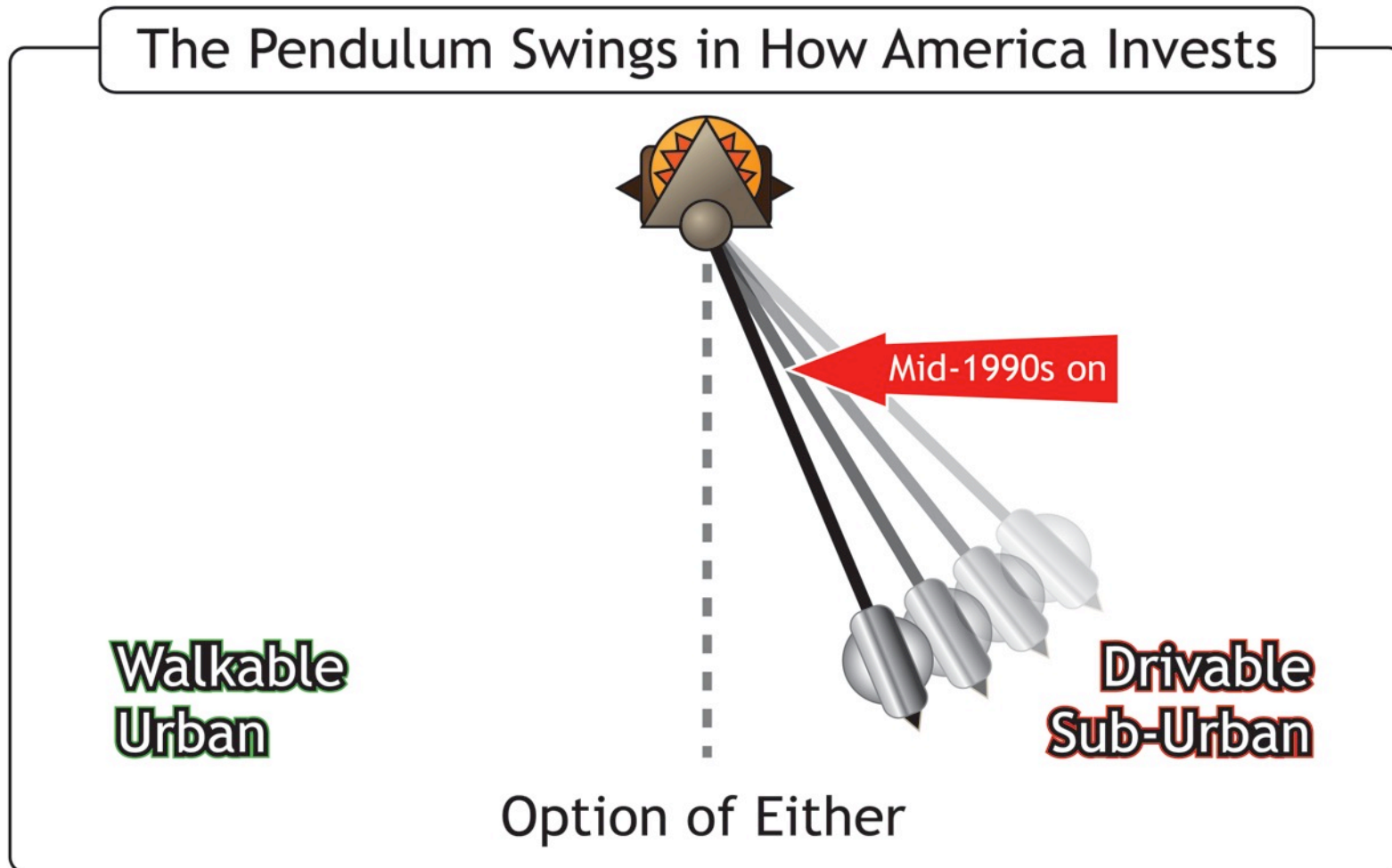


# KNOWLEDGE/EXPERIENCE ECONOMY



3<sup>rd</sup> Version of the American Dream:  
*Option* of Walkable Urban OR Drivable Sub-Urban

the beginning of another  
**structural shift**





WHAT'S THE **PRIMARY REASON** FOR MARKET  
DEMAND FOR **WALKABLE URBAN PLACES?**

*The Millennials!*



Television as a reflection of how  
we want to live... then & now.



# OTHER REASONS FOR MARKET DEMAND FOR WALKABLE URBAN PLACES

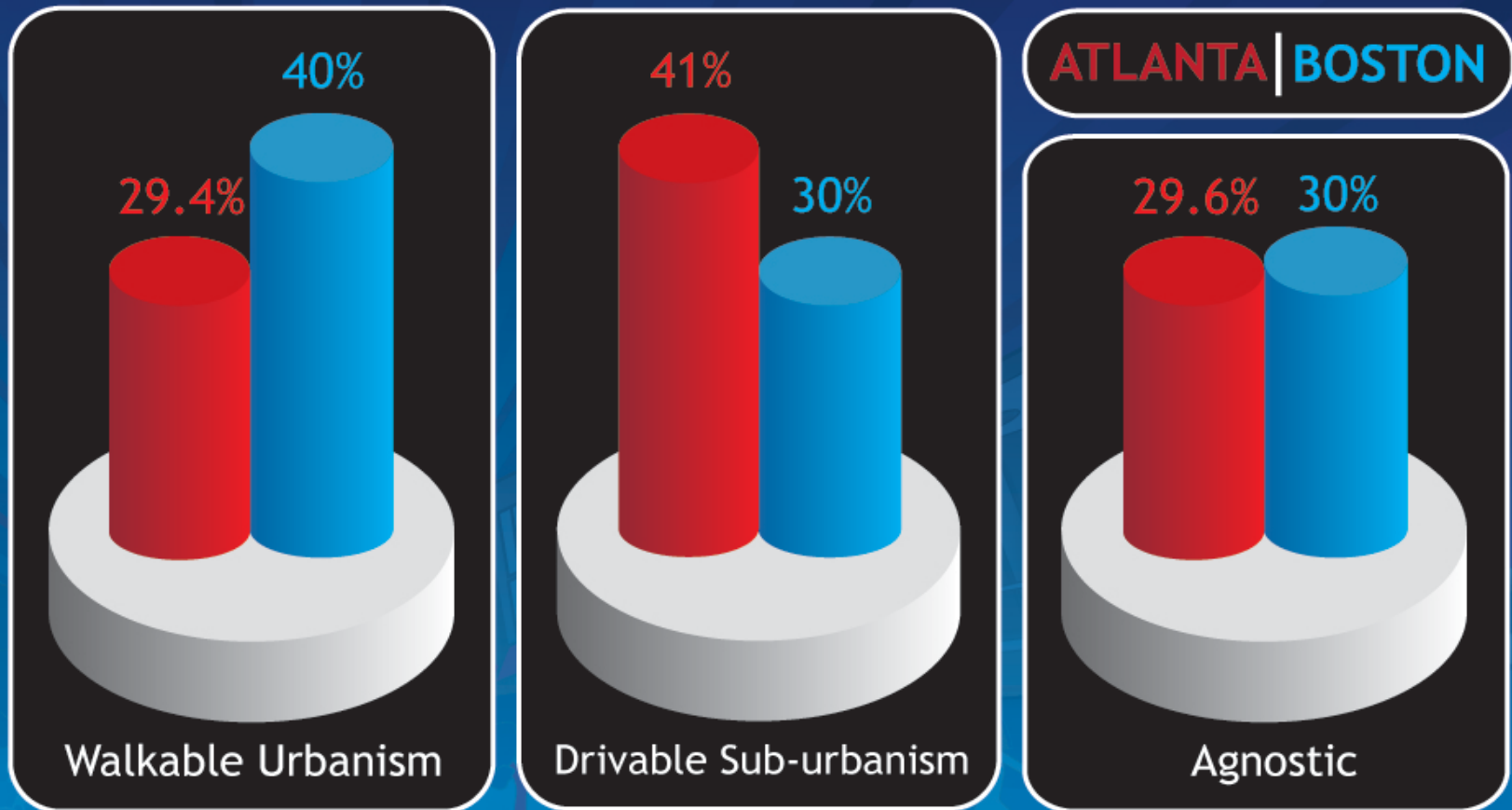
- **Baby Boomers** have become *empty nesters* and soon *retirees*, starting in 2012 in big numbers
- 50% of Households in **1950s w/children** / 50% w/no children; **25% w/children Today** / 75% without ➡ target WU market
- **ONLY 14%** of new households over **next 20 years** will have children / **86% without**
- **Boredom** with drivable sub-urbanism; “More is Less”
- **Creative Class** demanding the option of urbanism
- **Expense** of maintaining the household fleet of cars





# DEMAND PREFERENCE

Source: Dr. Jonathan Levine, University of Michigan

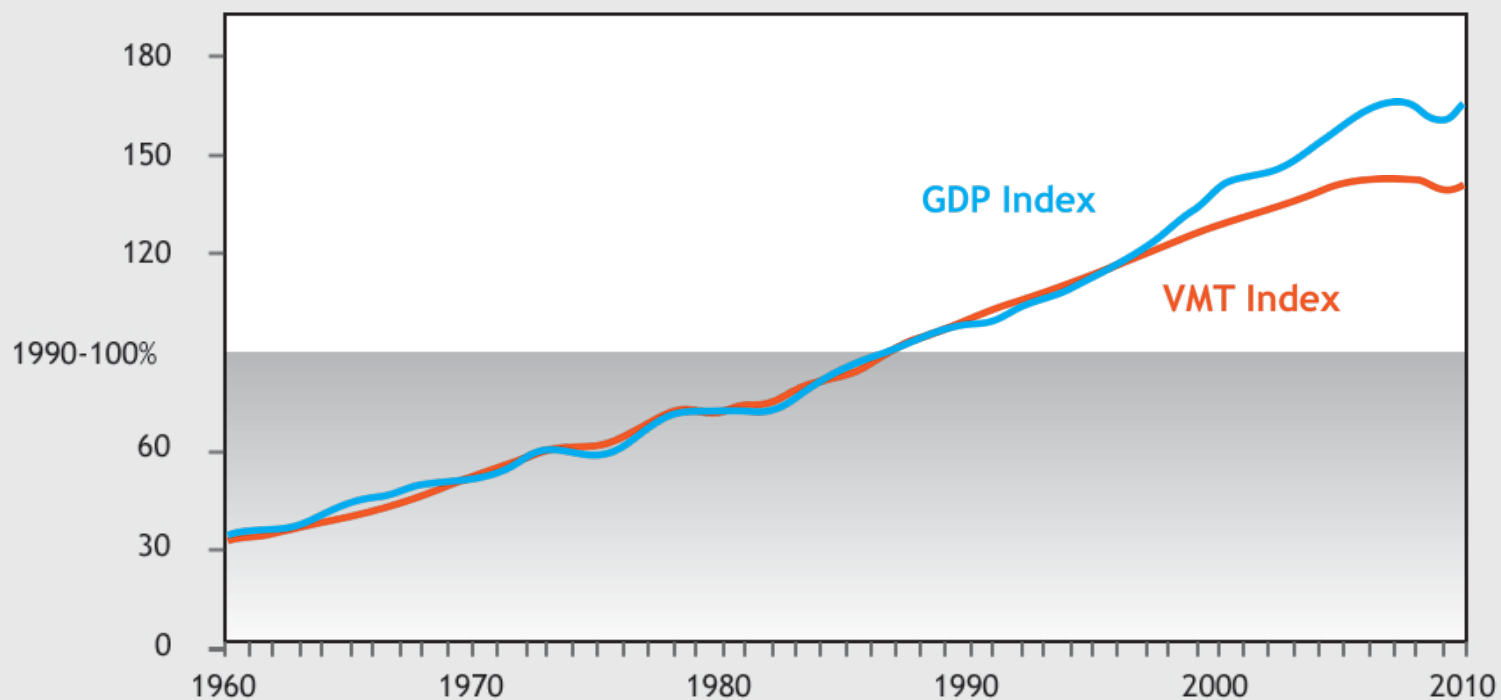


Studies are nice... what about the facts on the ground?  
Yet supply is FAR less = Pent-Up Demand  
Initial study: 40-200% price/foot premium



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# GDP vs VMT GROWTH: Disconnect After All These Years



Data Sources: VMT: US DOT, BTS, Table 1-32: US Vehicle Miles, FHWA Traffic Volume Trends August 2010.  
GDP: BEA National Income and Product Account Table, Table 1.1.6 Real GDP, Chained (2006) Dollars.

Knowledge Economy requires fewer car/truck trips

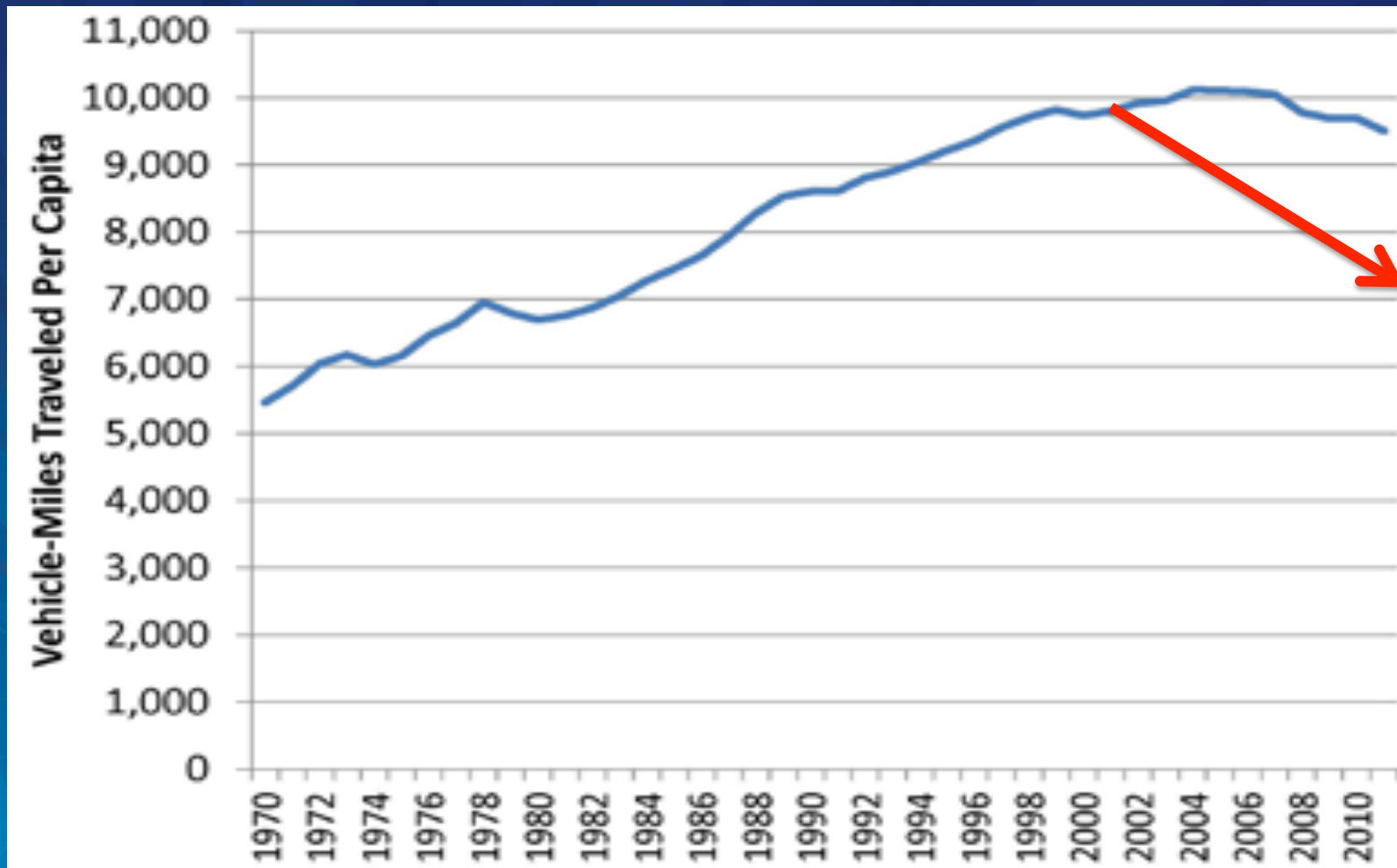


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# VMT Trends 1970-2012

US PIRG & Frontier Group, 2012



Decline from 2004 peak by 6% on average; the young (16-34) declined by 23% since 2001



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# Smart Growth/Walkable Urban Places are Different & Complex to Manage

But today's markets many developers and require a NASCAR skill set.

- Each New Element Adds Value to Existing Assets... IF within Walking Distance (1500-3000 feet)

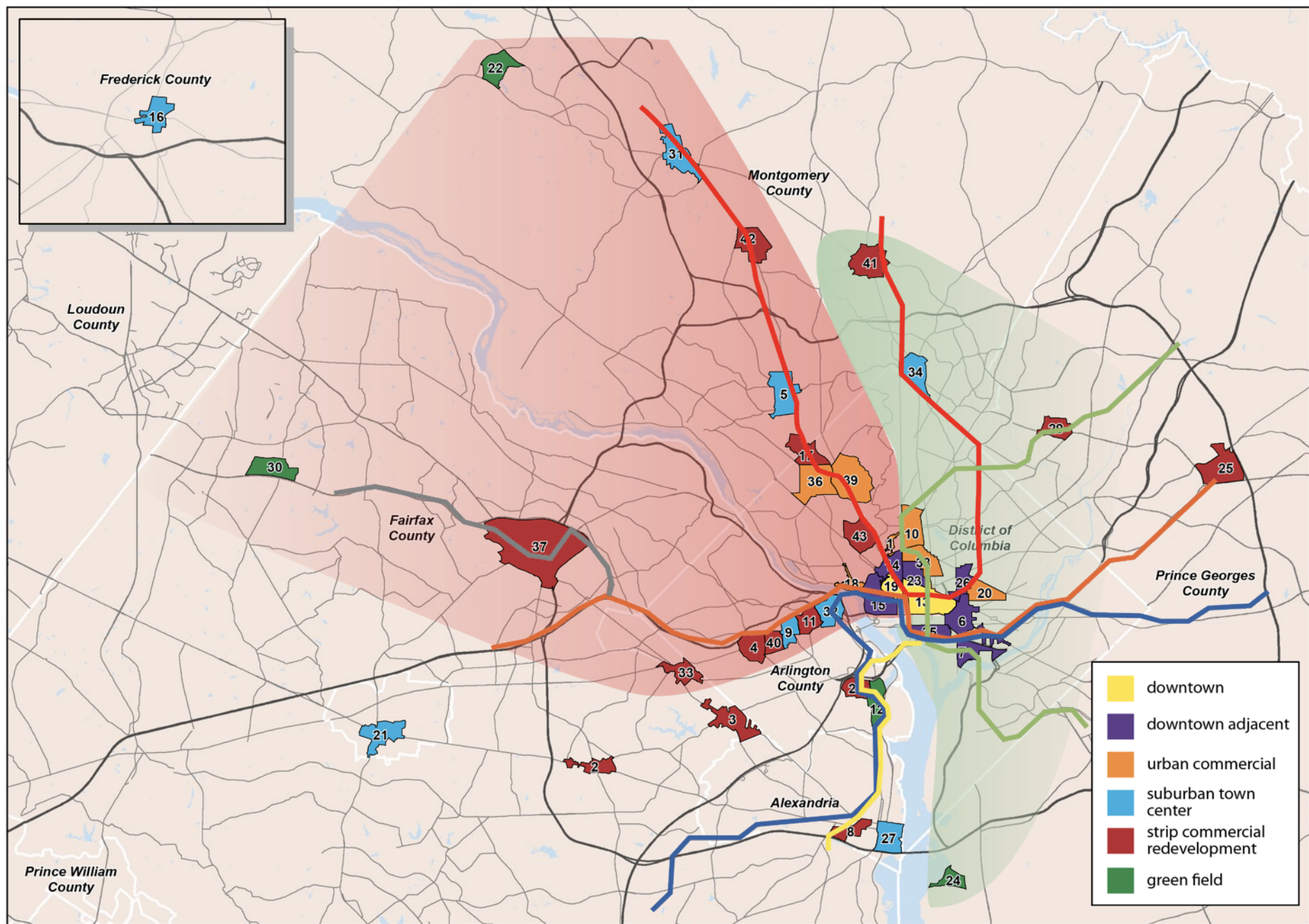
- Creates a Special Place... and Significantly Greater Asset Values and Taxes = More is Better  
*Upward Spiral*

- Conscious Affordable & Walkable Housing Density Required

- Go straight, up, down, left, right, and back
- Go straight or turn left, travel at 150 mph







## REGIONALLY SIGNIFICANT WalkUPs



# the 6 types **of walk ups**





# the 6 types **of walk ups**



SUBURBAN TOWN CENTER



STRIP COMMERCIAL REDEVELOPMENT



GREEN FIELD



# Arlington Starts Transforms in 1980s: Rail Transit, Overlay Zoning & Mgmt

1980s: Ex-Sears Stores

Same Place Today



Two blocks north and south, single family housing that is highest priced in  
Arlington on \$/foot basis: Best of Two Worlds  
10% of the land=50%+ of government revenues  
Among best schools in Country...new housing has 0.4 per unit



# Downtown White Flint, MD



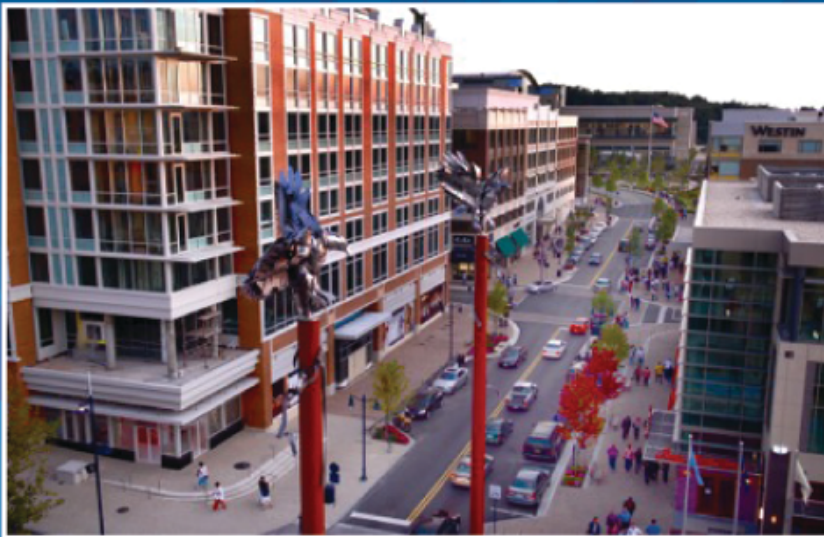


# Suburban Green Field: Reston Town Center - Reston, VA

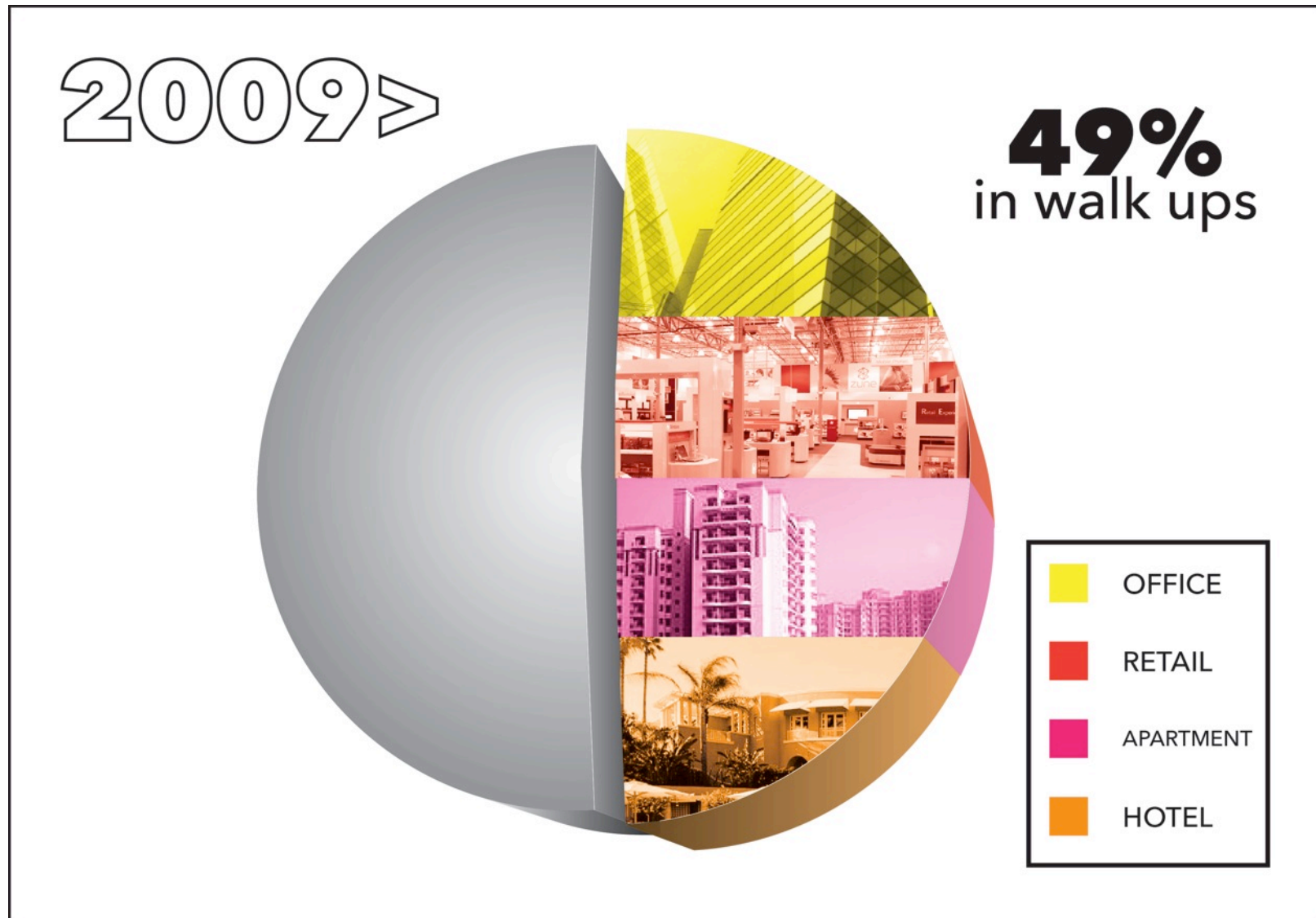




# Green Field: National Harbor, Prince George's County, MD



the 4 income property categories  
**over the past 3 cycles**





average office rent  
**for walk ups**



**68%**  
of rents  
generated  
by Walk UPs

for today and  
**in the future...**





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- *The Option of Urbanism; Investing in a New American Dream*, Island Press, 2008
- *The Next Slum?*, The Atlantic Monthly, March, 2008
- *Here Comes the Neighborhood*, The Atlantic
- “The Death of the Fringe Suburbs”, New York Times, November 26, 2011
- “Now Coveted, A Walkable Convenient Place”, New York Times, May 25, 2012

**THE OPTION  
OF URBANISM**  
INVESTING IN A NEW  
AMERICAN DREAM  
CHRISTOPHER  
B. LEINBERGER

