The Walkable Urban Rebound

San Antonio at the Tipping Point

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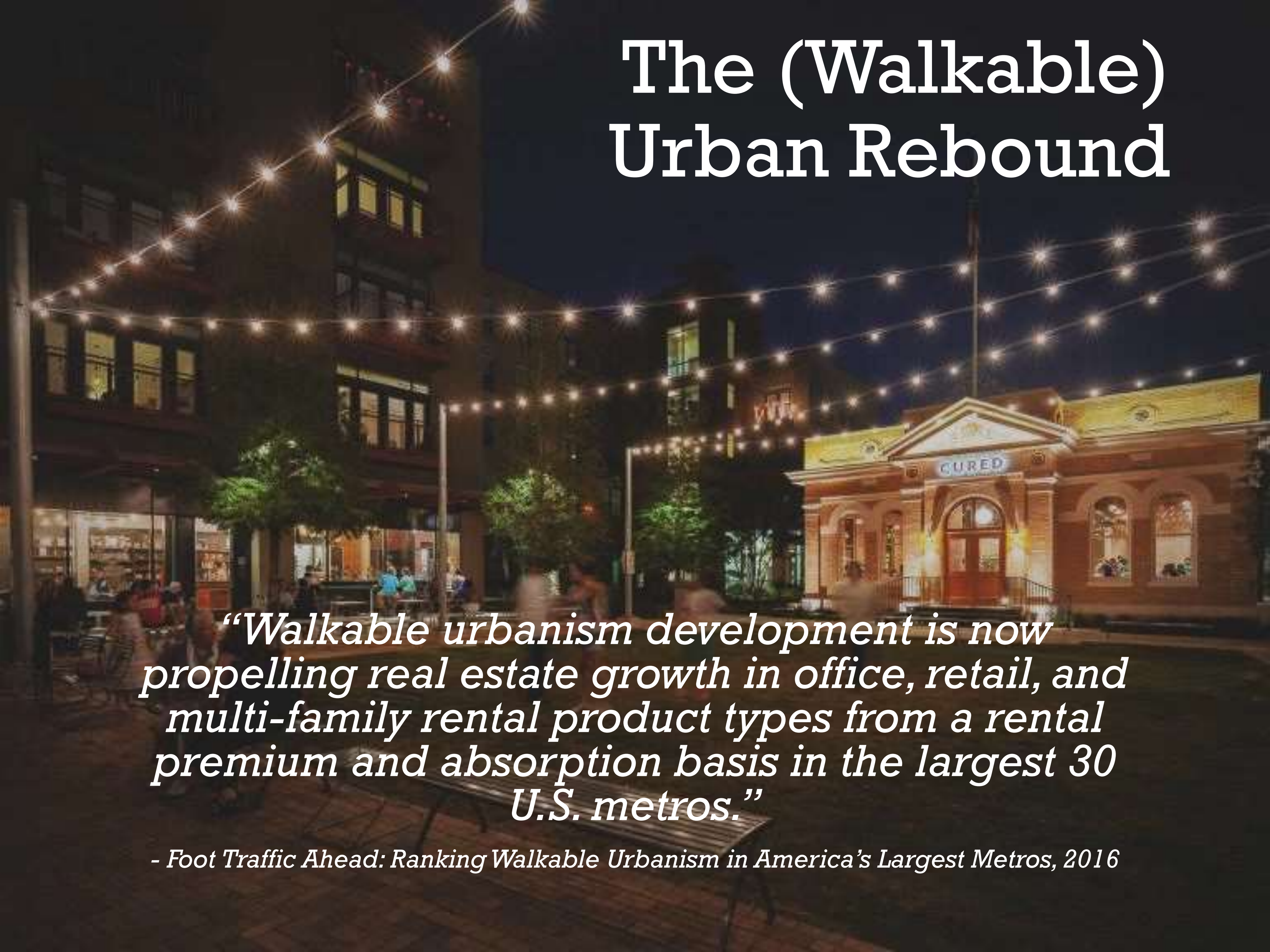
Fregonese Associates

San Antonio Housing Summit
September 30th, 2016



The (Walkable) Urban Rebound

"Walkable urbanism development is now propelling real estate growth in office, retail, and multi-family rental product types from a rental premium and absorption basis in the largest 30 U.S. metros."

- Foot Traffic Ahead: Ranking Walkable Urbanism in America's Largest Metros, 2016


BOILER HOUSE
Walkable Urban


Driveable Suburban
AutoZone
CAR CRASH?

Drivable Suburban

- Historically low-density development (generally 0.05 to 0.4 floor area ratio or FAR)
- Segregated real-estate product types (different real estate product types generally separated from one another)
- Standardized product types that, aside from superficial architecture, are similar throughout the country
- Cars and trucks as the predominant transportation mode.

This is often called

SPRAWL…

Walkable Urban Development

- Substantially higher densities (1.0 to 40 FAR, though mostly in the 1.0 to 4.0 range)
- Mixed-use real-estate products, or the adjacent spatial mix of products
- Emerging "new" product types, such as rental apartments over a ground-floor grocery store
- Multiple transportation options, such as bus, rail, bicycle, and pedestrian-friendly sidewalks, as well as motor vehicles, that connect to the greater metro area.

We call these Walkable Urban Places or "WalkUPs" for short…

WALKABLE URBANISM OF THE 30 LARGEST U.S. METROPOLITANS:

Current Ranking

RANK	METRO AREA	# OF WALKUPS	POPULATION			OFFICE, RETAIL & MULTI-FAMILY RENTAL OCCUPIED SPACE			
			Total in Metro Area	Per WalkUP	Rank (Pop. per WalkUP)	% Office Located in WalkUPs	% Retail Located in WalkUPs	% Multi-Family Located in WalkUPs	% Total Located in WalkUPs
1	New York City	67	20,942,101	312,569	21	55%	13%	39%	38%
2	Washington, DC	44	5,037,427	114,487	2	53%	20%	23%	33%
3	Boston	54	5,035,729	93,254	1	45%	17%	31%	32%
4	Chicago	38	8,509,657	223,938	13	43%	15%	33%	30%
5	San Francisco Bay	56	7,360,487	131,437	4	37%	21%	19%	25%
6	Seattle	25	3,810,651	152,426	6	42%	12%	17%	22%
7	Portland	16	2,017,438	126,090	3	39%	15%	12%	19%
8	Pittsburgh	11	2,575,124	234,102	15	35%	6%	15%	18%
9	Denver	18	2,962,508	164,584	7	29%	8%	15%	17%
10	Philadelphia	17	5,302,186	311,893	20	25%	10%	14%	17%
28	San Antonio	2	1,863,530	931,765	28	10%	3%	1%	3%
13	Minneapolis-St. Paul	11	2,920,637	265,512	17	30%	6%	10%	15%
14	Cleveland	10	2,064,517	206,452	11	36%	5%	7%	14%
15	St. Louis	10	2,580,896	258,090	16	26%	4%	9%	12%
16	Kansas City	9	1,928,582	214,287	12	25%	6%	6%	12%
17	Los Angeles	53	18,413,866	347,431	22	23%	7%	8%	11%
18	Cincinnati	7	2,007,335	286,762	18	27%	6%	5%	11%
19	Baltimore	15	2,704,957	180,330	9	18%	9%	8%	11%
20	Houston	16	6,175,417	385,964	24	29%	6%	4%	11%
21	Detroit	32	4,706,797	147,087	5	22%	6%	7%	10%
22	Miami	20	5,771,020	288,551	19	18%	8%	8%	10%
23	Sacramento	6	2,328,199	388,033	25	22%	5%	4%	9%
24	San Diego	14	3,183,143	227,367	14	13%	7%	6%	7%
25	Dallas	18	6,694,445	371,914	23	10%	9%	5%	7%
26	Las Vegas	2	2,014,260	1,007,130	29	7%	8%	3%	5%
27	Tampa	6	3,326,846	554,474	26	11%	2%	2%	4%
28	San Antonio	2	1,863,530	931,765	28	10%	3%	1%	3%
29	Phoenix	4	4,204,089	1,051,022	30	11%	1%	1%	3%
30	Orlando	3	1,921,825	640,608	27	11%	1%	2%	3%

Metropolitan areas are ranked according to their current levels of walkable urbanism.

The walkable urbanism of each metro is determined to be the share of office, retail, and multi-family rental occupied space located in its WalkUPs in 2015.

Rankings are divided into four levels of walkable urbanism, which are described on the following pages.

KEY:

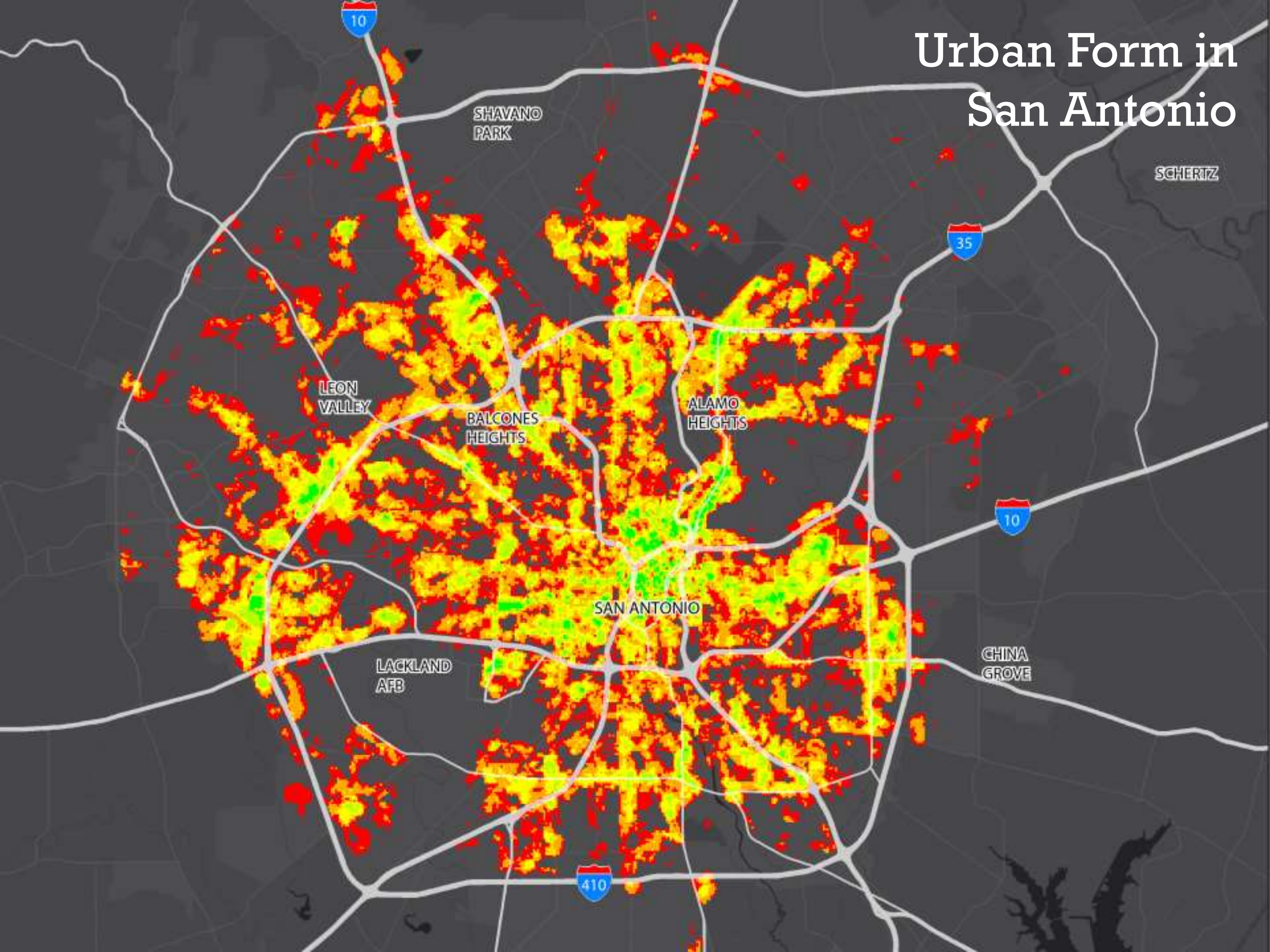
Levels of Current Walkable Urbanism

LEVEL 1:
HIGHEST WALKABLE URBANISM

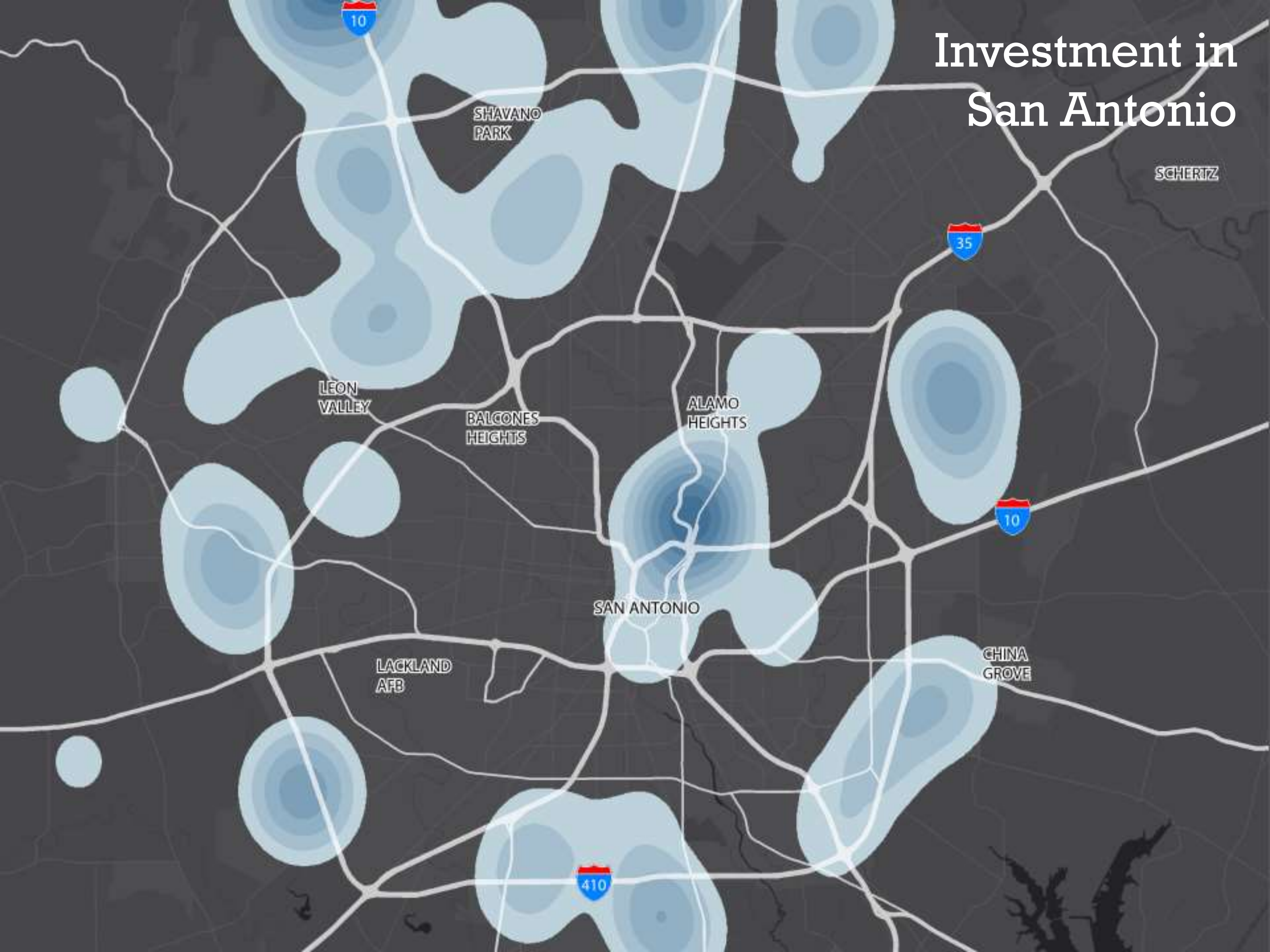
LEVEL 2:
UPPER-MIDDLE WALKABLE URBANISM

LEVEL 3:
LOWER-MIDDLE WALKABLE URBANISM

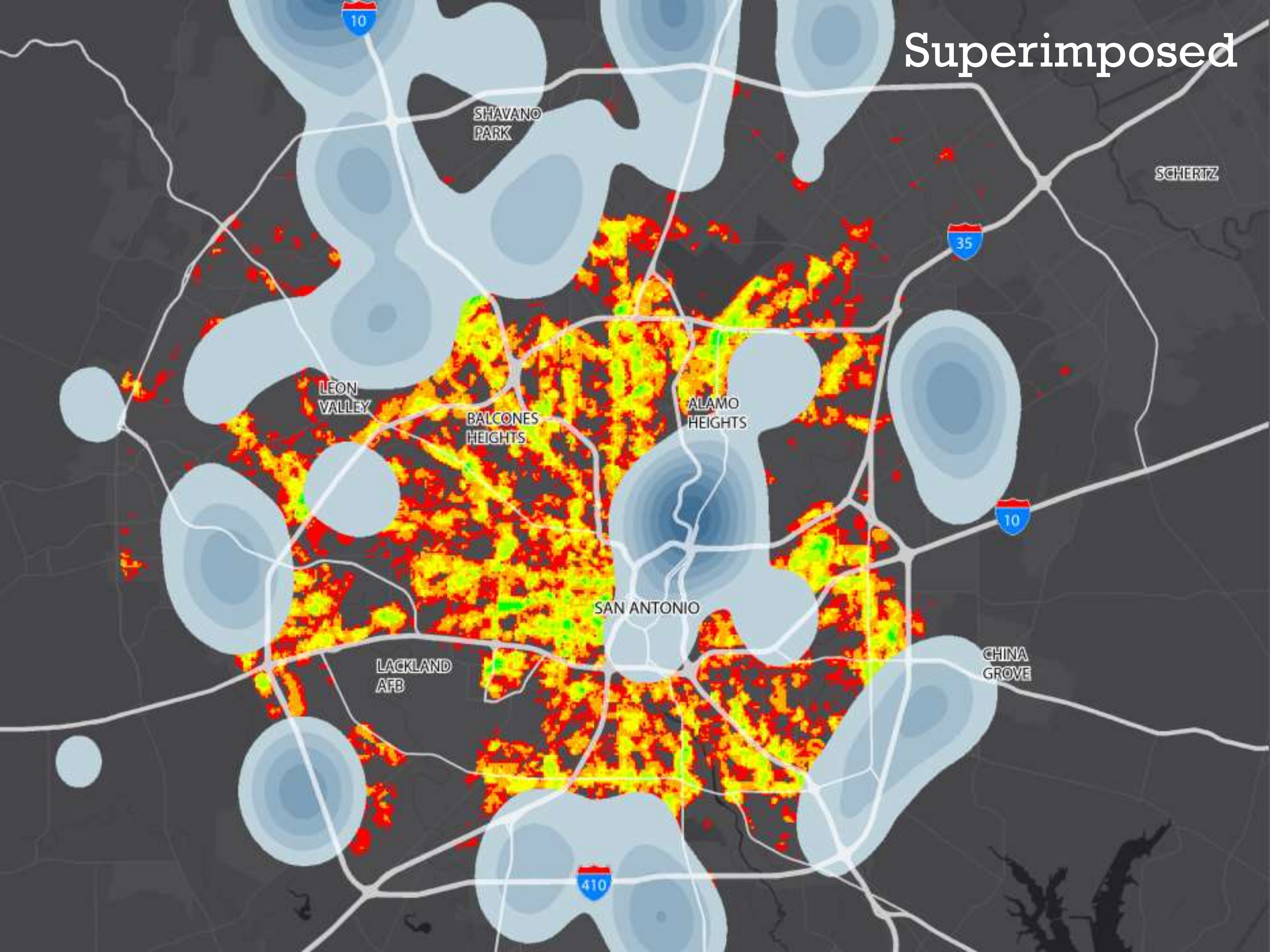
LEVEL 4:
LOWEST WALKABLE URBANISM

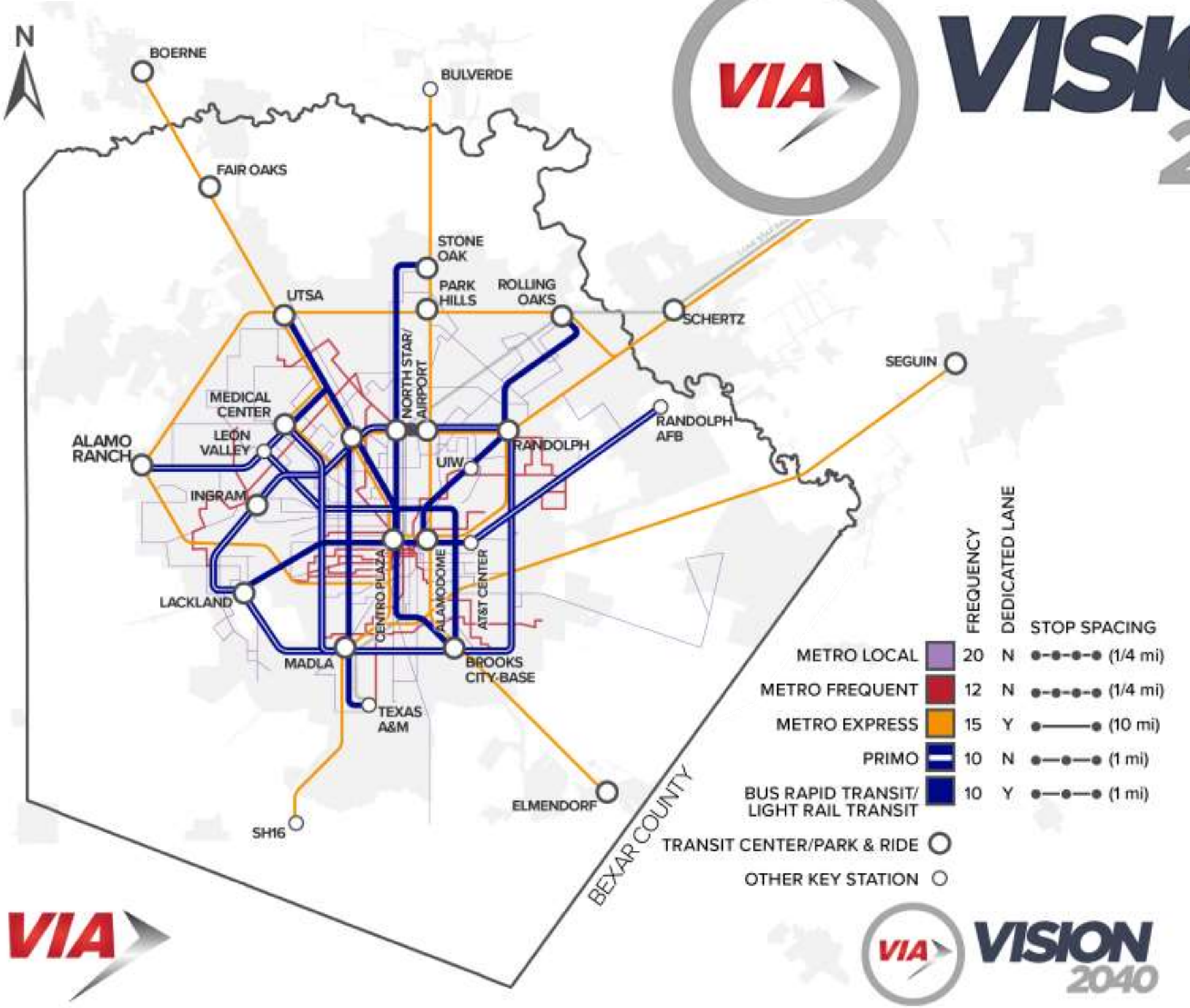

Urban Form in San Antonio
10
SHAVANO PARK
SCHERTZ
35
LEON VALLEY
BALCONES HEIGHTS
ALAMO HEIGHTS
10
SAN ANTONIO
LACKLAND AFB
CHINA GROVE
410

Investment in San Antonio



Superimposed





N
BOERNE
BULVERDE
FAIR OAKS
STONE OAK
PARK HILLS
ROLLING OAKS
UTSA
SCHERTZ
SEGUIN
NORTH STAR/ AIRPORT
MEDICAL CENTER
LEON VALLEY
ALAMO RANCH
RANDOLPH AFB
RANDOLPH
UIW
INGRAM
LACKLAND
CENTRO PLAZA
ALAMODOME
AT&T CENTER
MADLA
BROOKS CITY-BASE
TEXAS A&M
ELMENDORF
SH16
BEXAR COUNTY
FREQUENCY
DEDICATED LANE
STOP SPACING
METRO LOCAL 20 N (1/4 mi)
METRO FREQUENT 12 N (1/4 mi)
METRO EXPRESS 15 Y (10 mi)
PRIMO 10 N (1 mi)
BUS RAPID TRANSIT/ LIGHT RAIL TRANSIT 10 Y (1 mi)
TRANSIT CENTER/PARK & RIDE
OTHER KEY STATION

"Incentivize transit supportive development opportunities and incorporate transit supportive infrastructure improvements to promote transit use."

"Continue to focus on the revitalization of neighborhoods adjacent to downtown and extend these efforts to regional centers, urban centers and transit corridors."

"Work with VIA Metropolitan Transit to develop a long-term transit plan that facilitates transit-supportive development."

Where are we now?

- In large metros, investment is starting to shift from **“driveable suburban”** to **“walkable urban”**
- San Antonio is **starting** to experience this shift, but not to the same degree as peer metros.
- Recent **planning efforts** align with this market shift and may **hasten** its arrival.

San Antonio at a Tipping Point

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Dissecting the Decade of Downtown

Forum to dissect progress, prognosis of the city initiative

Published 12:00 am, Saturday, October 31, 2015

RIVARD REPORT

Urban. Independent. All About San Antonio.

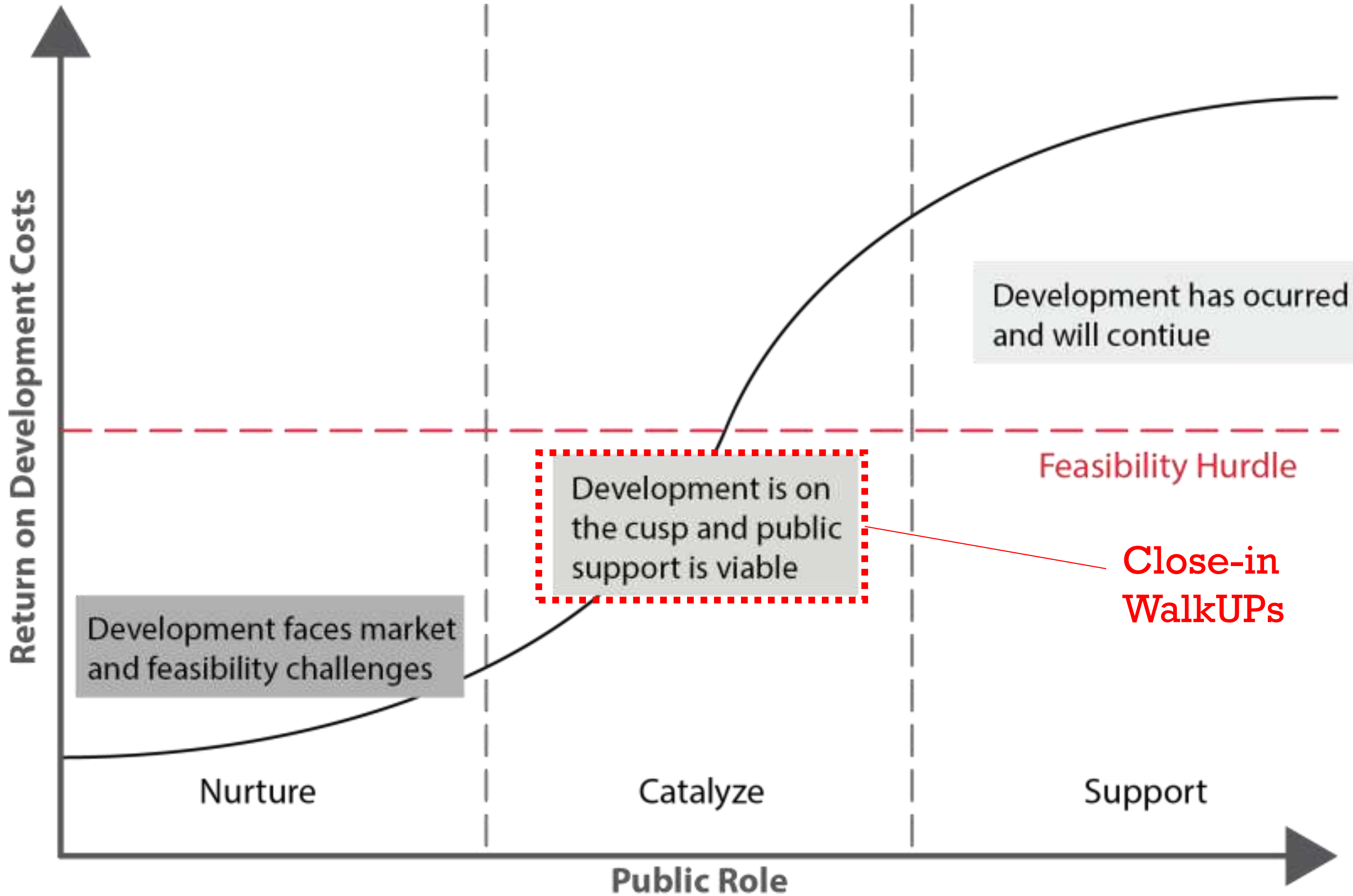
San Antonio, Under Construction: We're Not Slowing Down

LORENZO GOMEZ III

Urban Amenities Can Be Catalysts for Redevelopment

- Parks and Open Space
- Transit
- Commercial Amenities
- Traffic Calming
- Walkability
- Bicycle Connectivity

Feasibility Curve



FROM DRIVEABLE SUBURBAN

TO WALKABLE URBAN


CONDOS KILL CULTURE

Austin

myStatesman

JOBS CLASSIFIEDS HELP 84°

Austin council moves forward with assistance for displaced renters

Austin American-Statesman

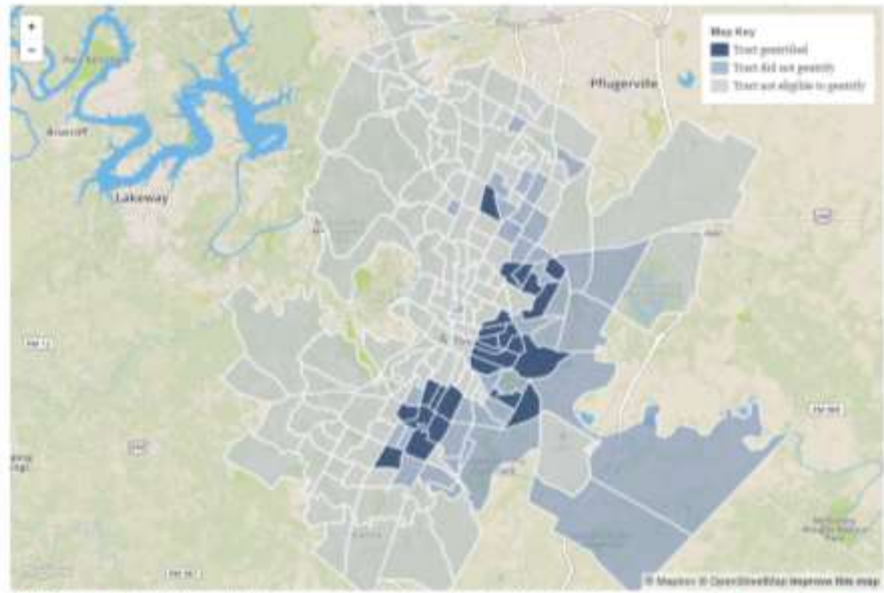
Inheriting inequality

PLANETIZEN

How Austin Renters Are Resisting Displacement

Austin Gentrification Map: 2000 Census - Present

Click a tract to display its demographic data



CHRONICLE NEWS FOOD MUSIC SCREENS ARTS

NEWS

Eastward Expansion

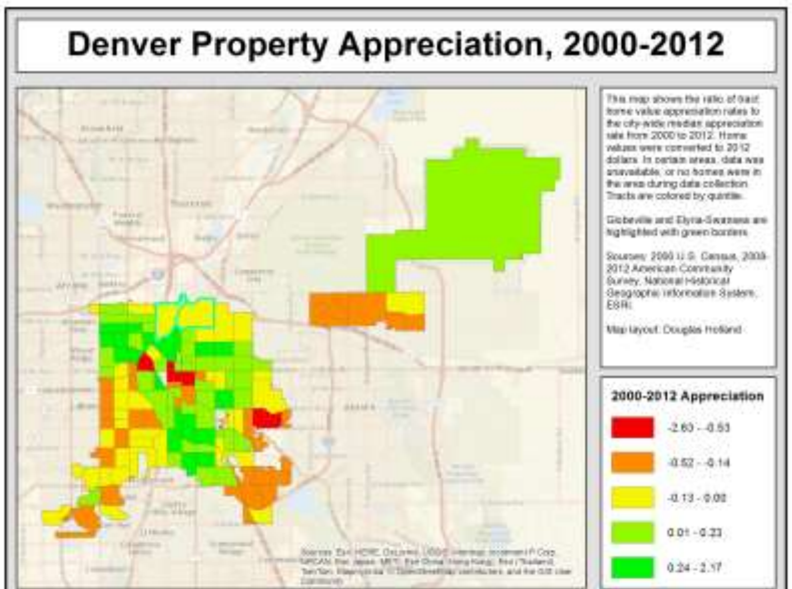
Real estate prospecting on the Eastside

Denver

THE DENVER POST

BUSINESS

Denver seeks gentrification without displacing residents



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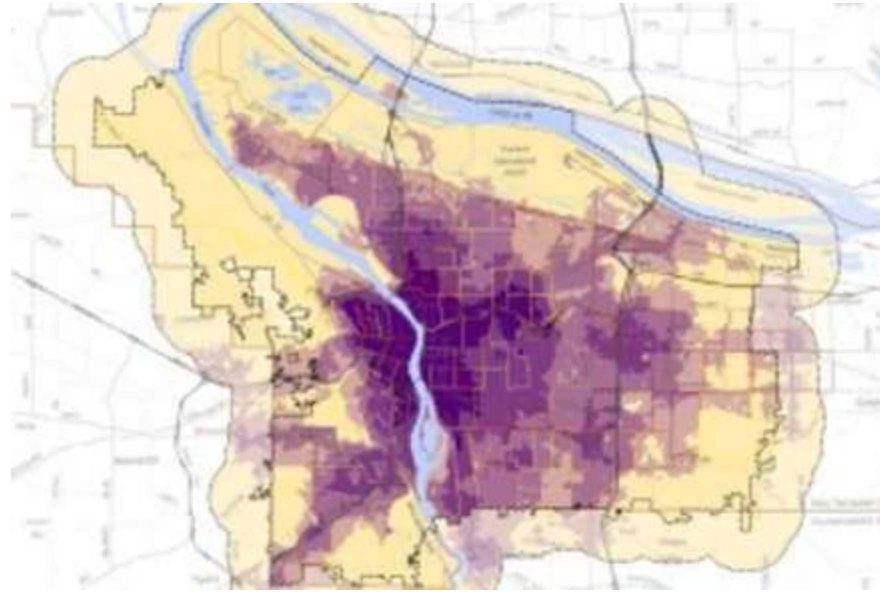
White privilege and gentrification in Denver, 'America's favourite city'

For the first time in its history, Denver is so desirable that its vast neighbourhoods of bungalows are proving finite. The cost of this growth is the displacement of the city's remaining working class

Portland



Portland is the most gentrified city of the century

WHO LIVES HERE NOW?

LifeMode Group: Ethnic Enclaves

Barrios Urbanos

7D

Households: 1,243,000

Average Household Size: 3.59

Median Age: 28.3

Median Household Income: $36,000

WHO ARE WE?

Family is central within these diverse communities. Hispanics make up more than 70% of the residents. More than one in four are foreign born, bringing rich cultural traditions to these neighborhoods in the urban outskirts. Dominating this market are younger families with children or single-parent households with multiple generations living under the same roof. These households balance their budgets carefully but also indulge in the latest trends and purchase with an eye to brands. Most workers are employed in skilled positions across the manufacturing, construction, or retail trade sectors.

OUR NEIGHBORHOOD

- Family market; over a third of all households are married couples with children, with a number of multigenerational households and single-parent families; household size is higher at 3.59.
- While most residents live in single-family homes, almost 10% of householders reside in mobile home parks.
- Homes are owner occupied, with slightly higher monthly costs (Index 106) but fewer mortgages (Index 89).
- Most are older homes, more than 60% built from 1950 to 1989.
- Most households have one or two vehicles; many commuters car pool or walk to work (Index 152).
- *Barrios Urbanos* residents live within the urban periphery of larger metropolitan areas across the South and West.

SOCIOECONOMIC TRAITS

- While a majority finished high school, over 40% have not (Index 303).
- Unemployment is higher at 12% (Index 135); labor force participation is slightly lower at 61%.
- Nearly one in four households is below the poverty level (Index 179).
- Residents balance their budgets carefully by spending only on necessities and limiting activities like dining out.
- Many have no financial investments or retirement savings, but they have their homes.

TAPESTRY SEGMENTATION
esri.com/tapestry

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.

San Antonio Blended Psychographics

Established Families and Boomers

Young and Diverse Families

Millennials

Hardworking Households

Established Families and Boomers

Baby Boomers (46-64) will constitute a senior population unprecedented in size. They will look for homes where they can age-in-place.

Hardworking Households

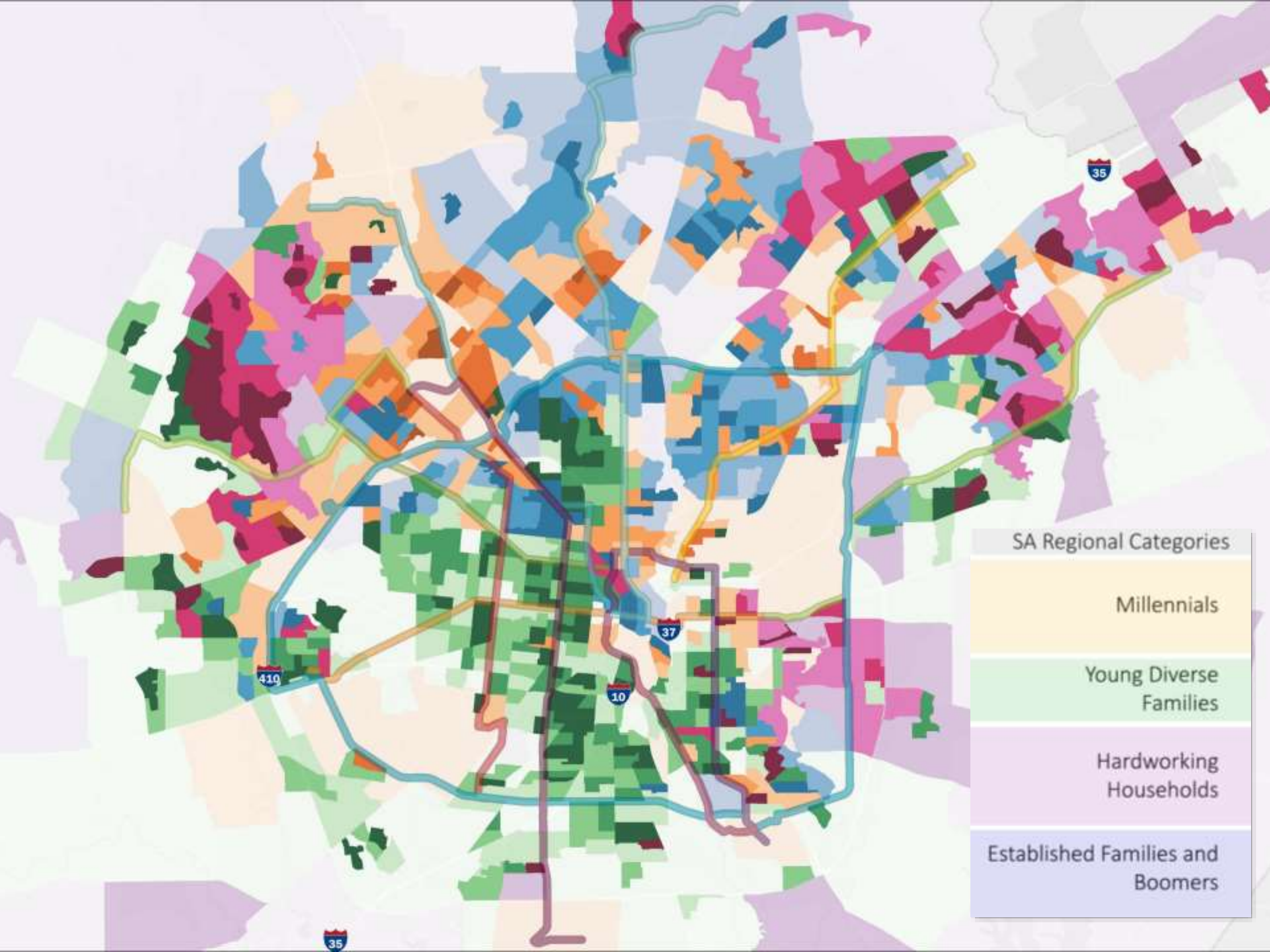
These are disproportionately older and predominantly single family households with moderate education and lower paying jobs who are deeply connected to their communities.

Millennials

Millennials (Gen Y) may rent far longer than previous generations. They prefer walkable, urban neighborhoods.

Young Diverse Families

San Antonio will continue to be a majority minority region. These households will seek homeownership and may be willing to move in order to achieve it.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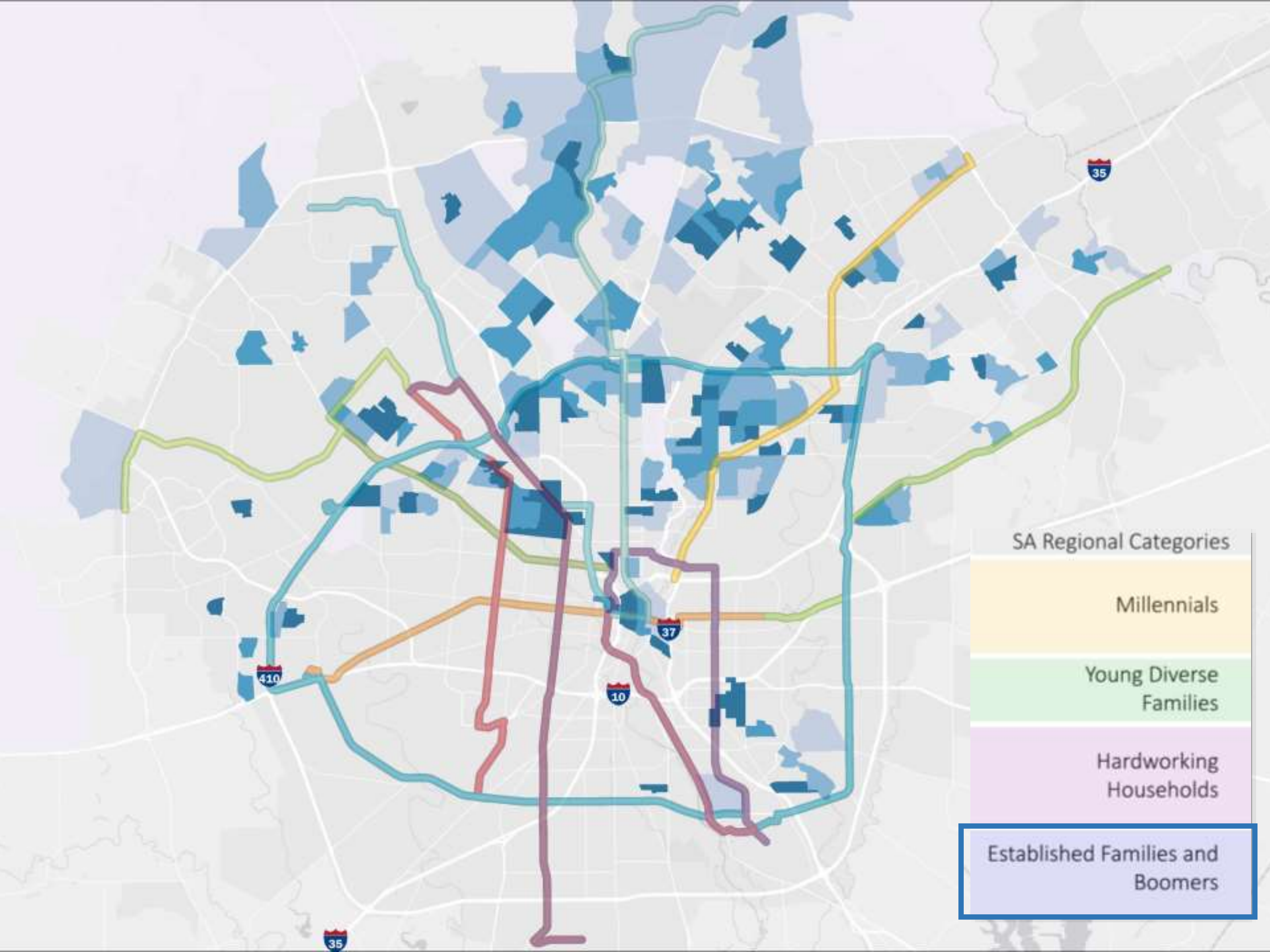
SA Regional Categories
Millennials
Young Diverse Families
Hardworking Households
Established Families and Boomers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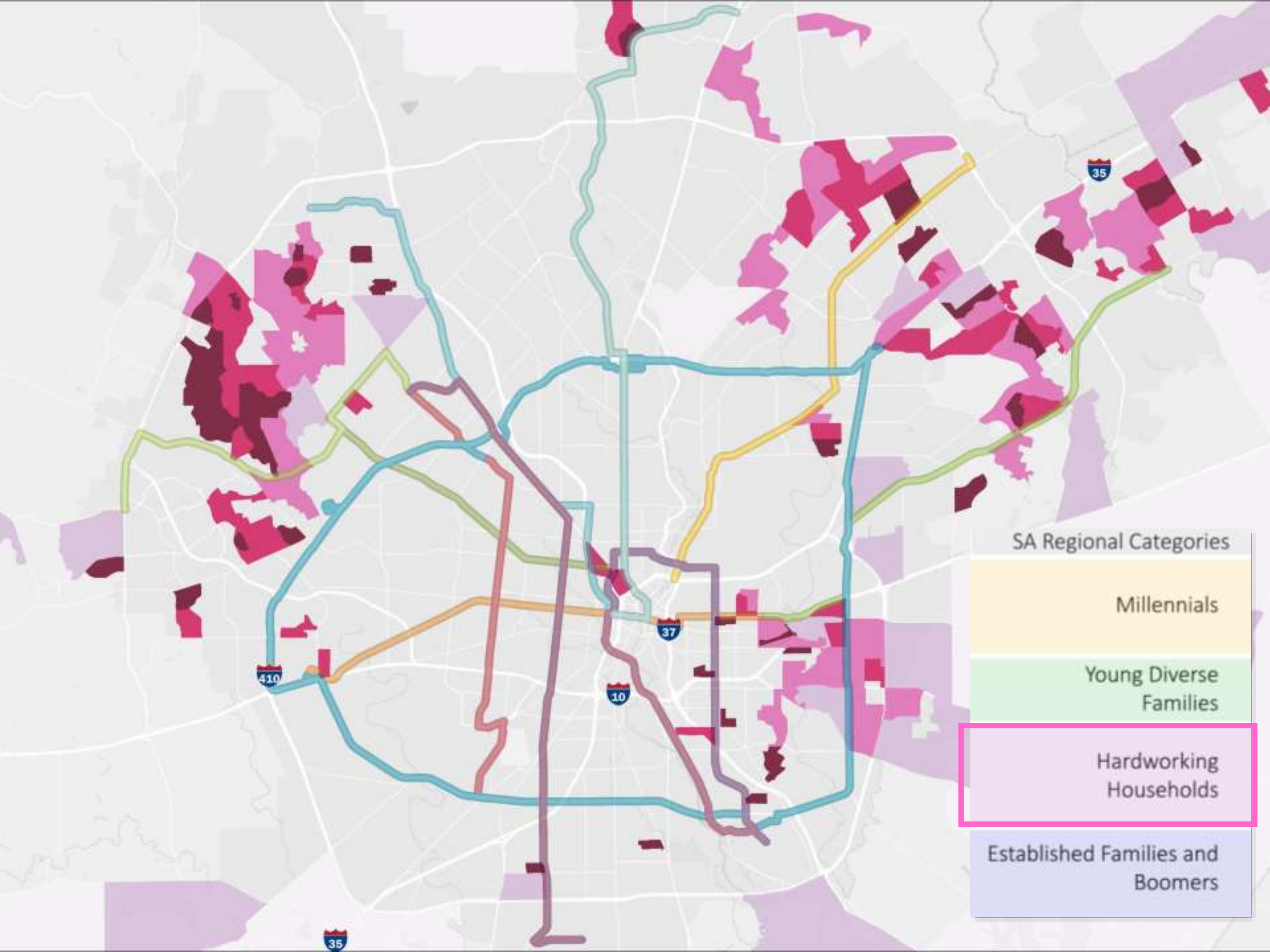
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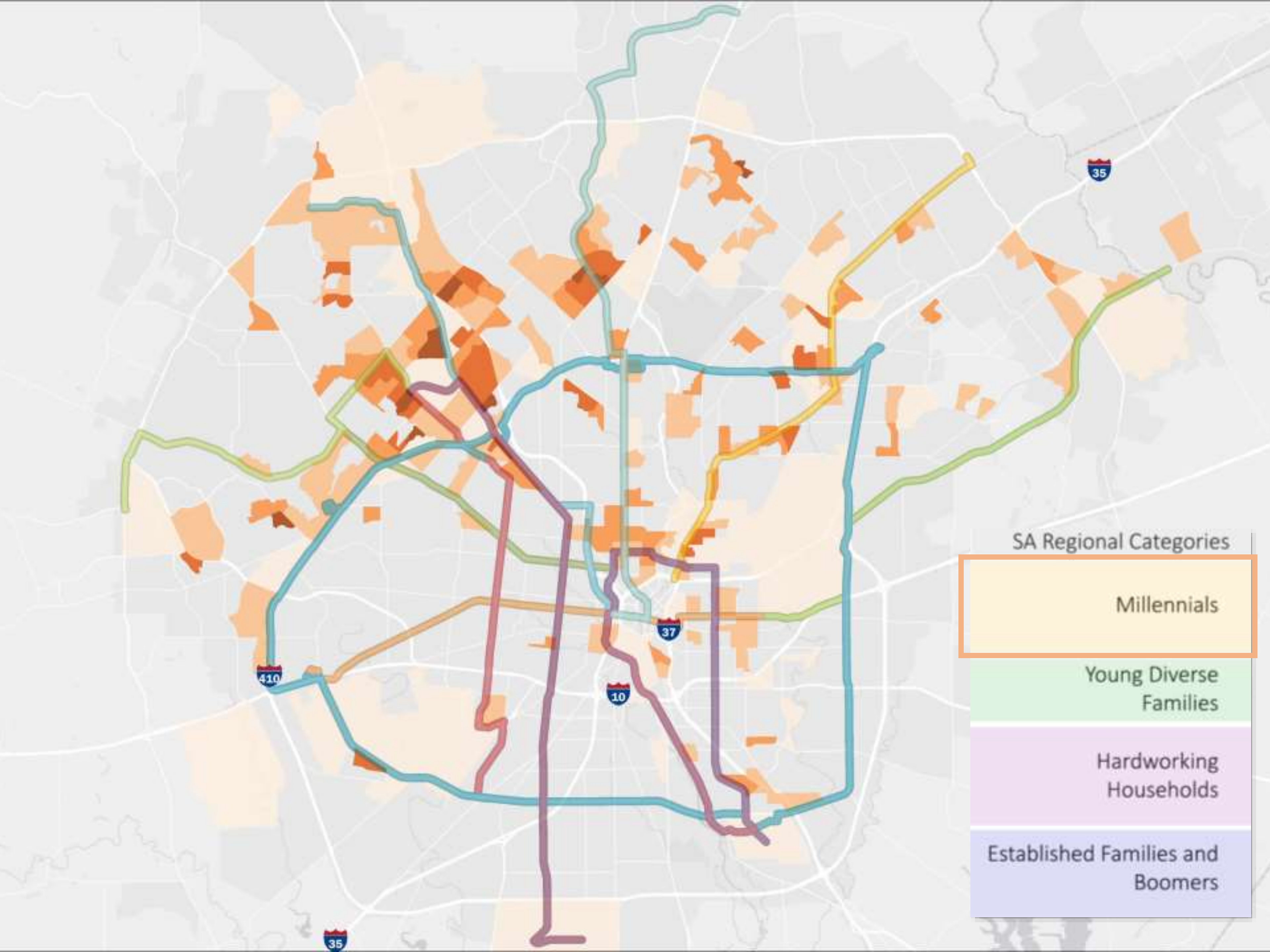

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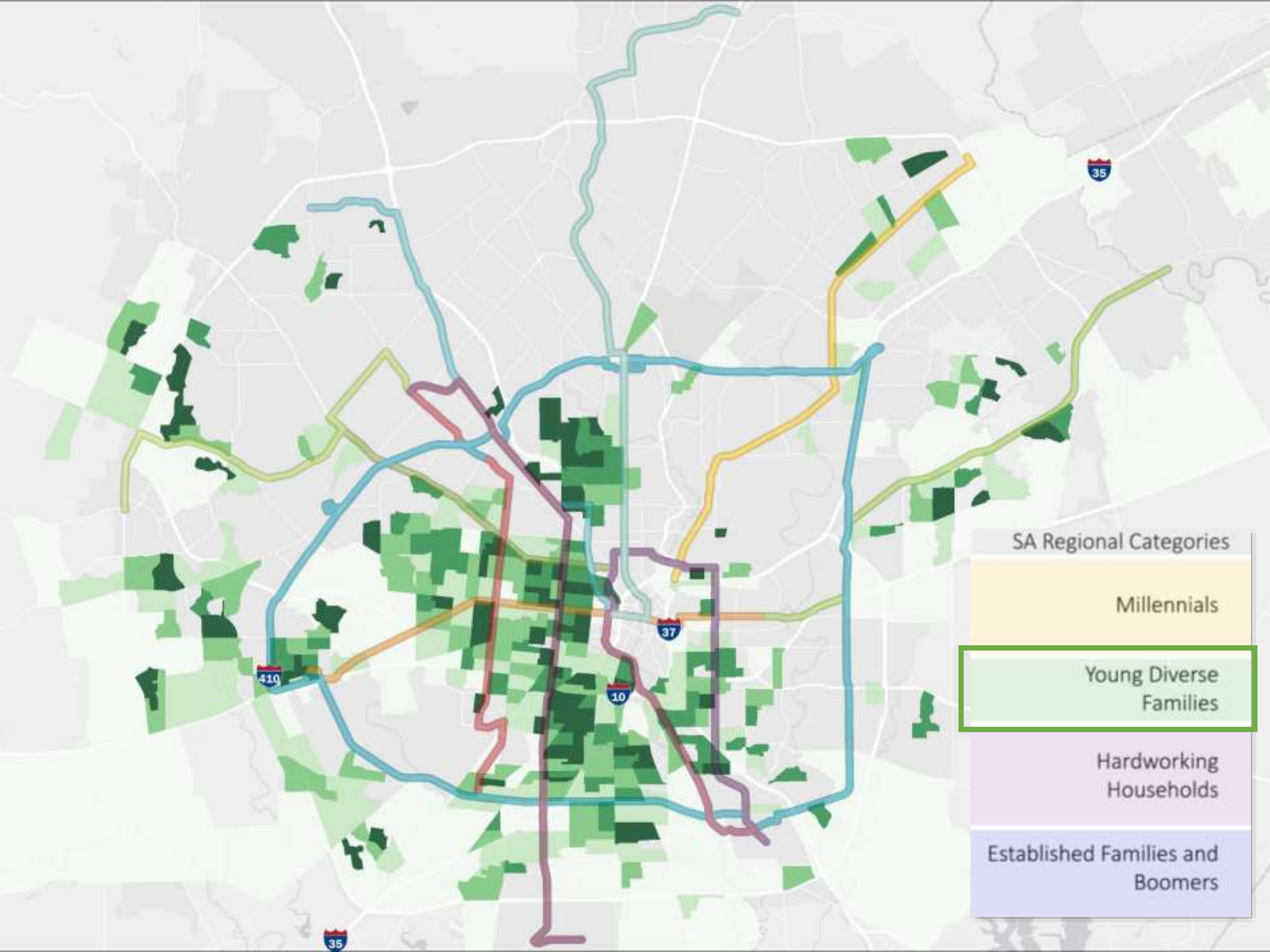
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SA Regional Categories
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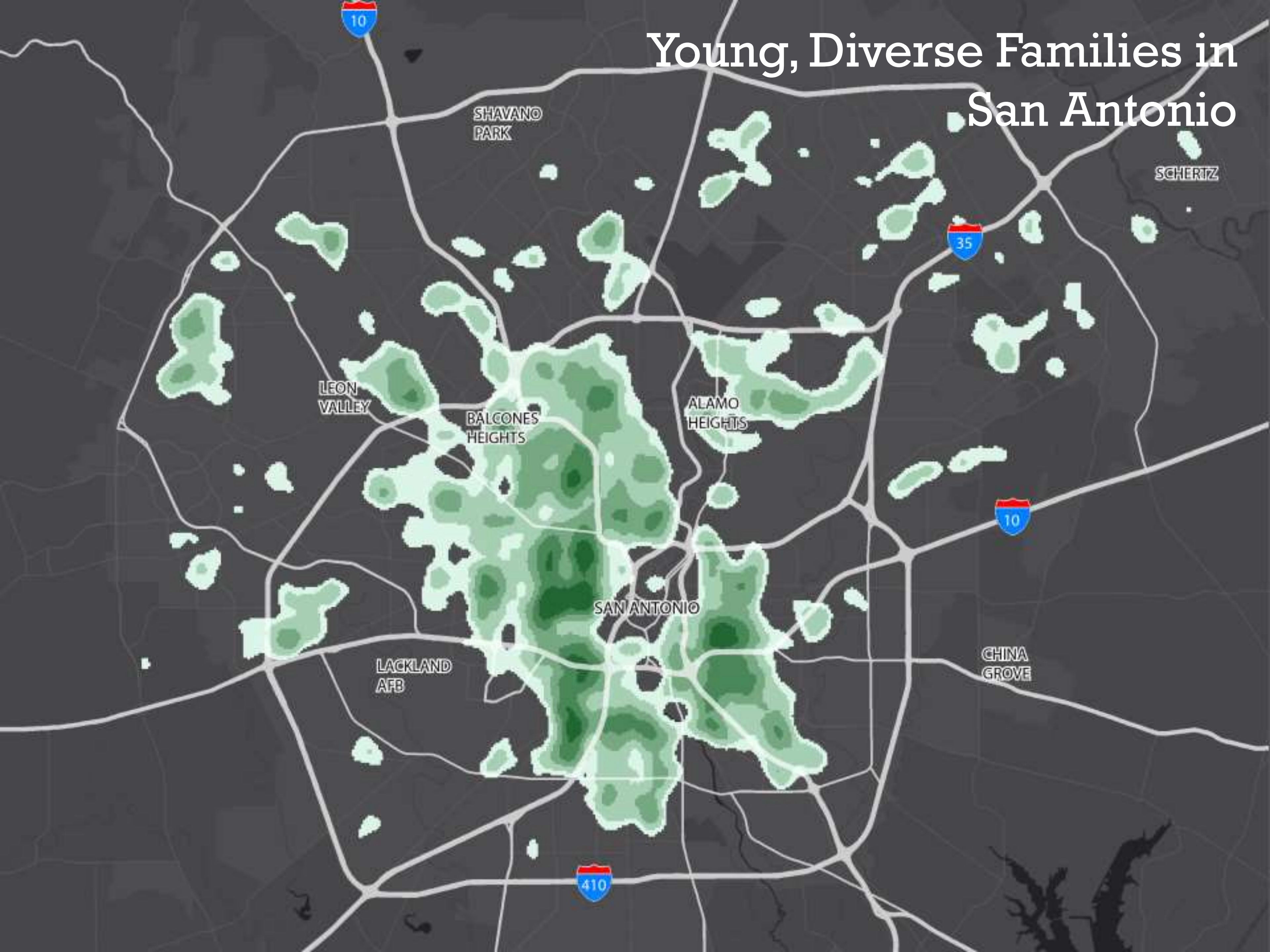
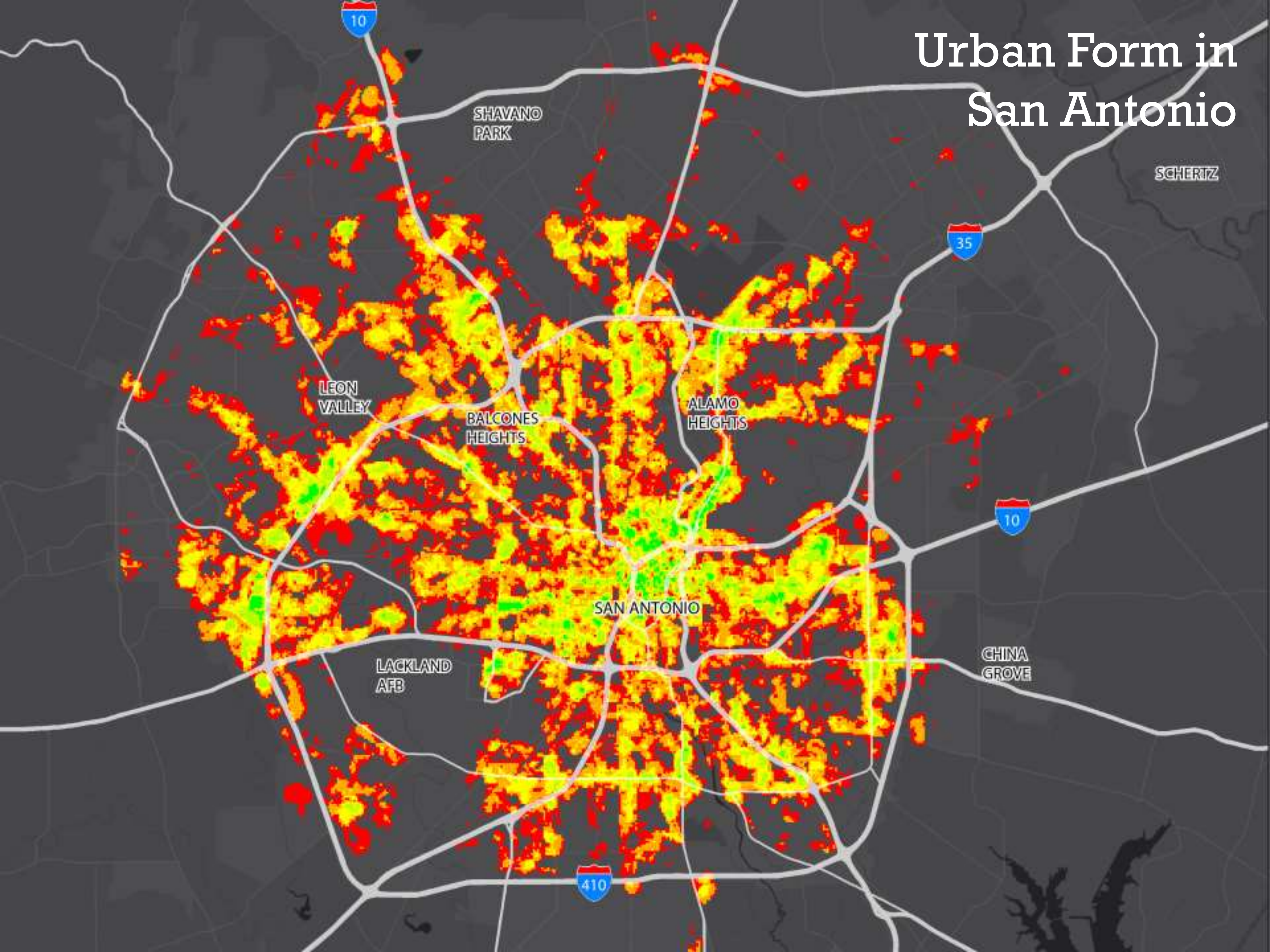
Hardworking Households
Established Families and Boomers

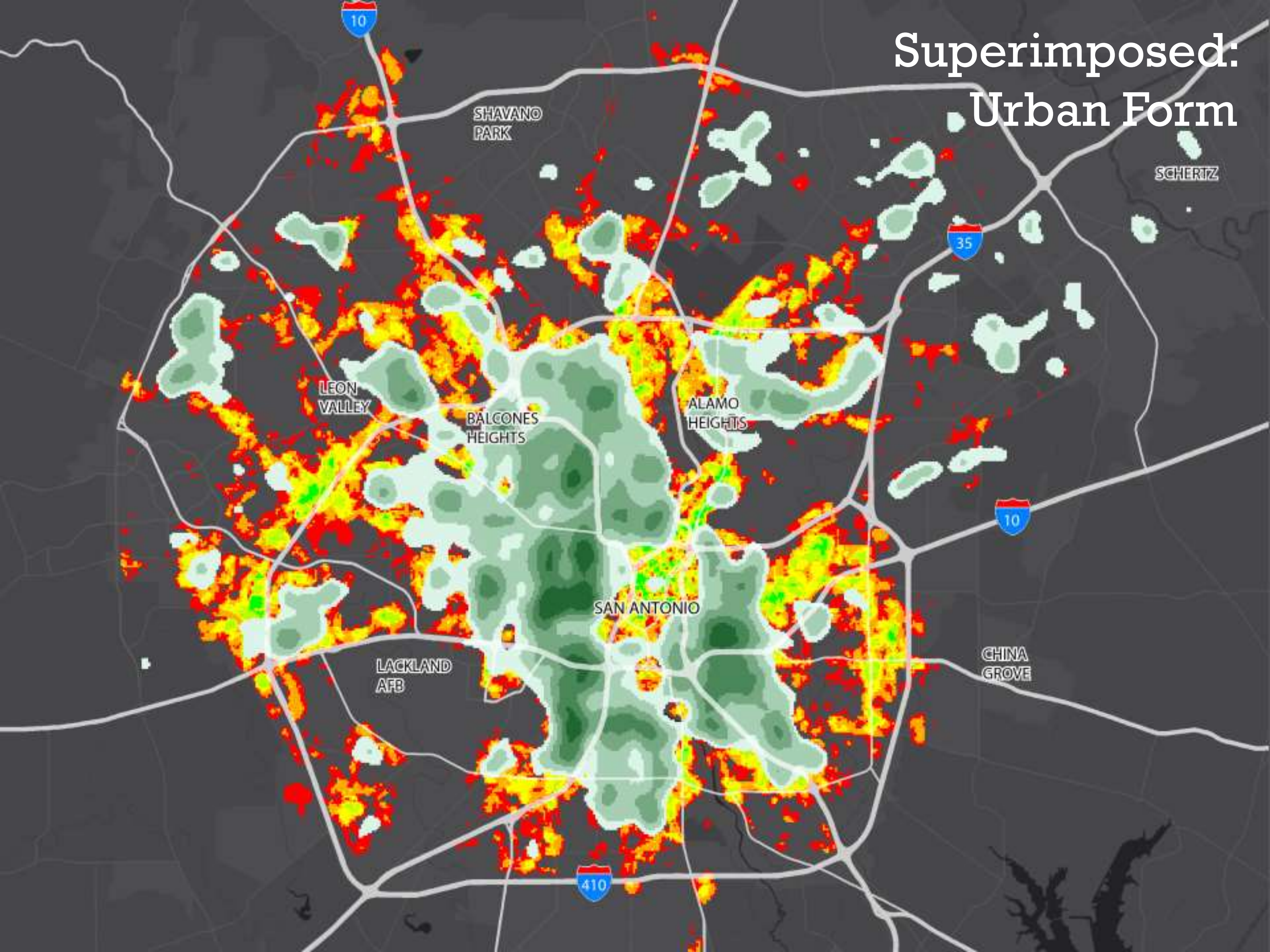
Young, Diverse Families in San Antonio



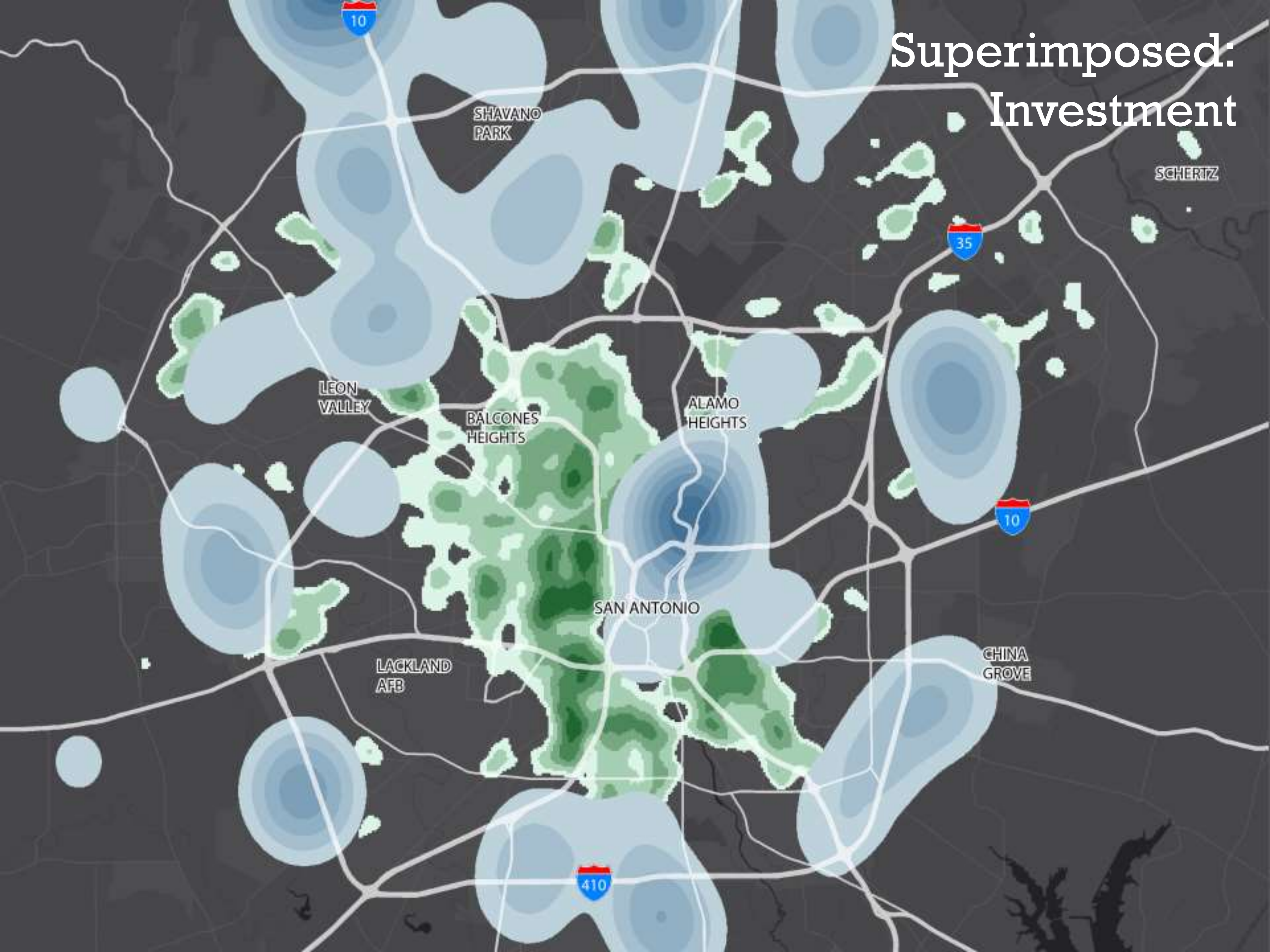
Urban Form in San Antonio



Superimposed: Urban Form



Superimposed: Investment



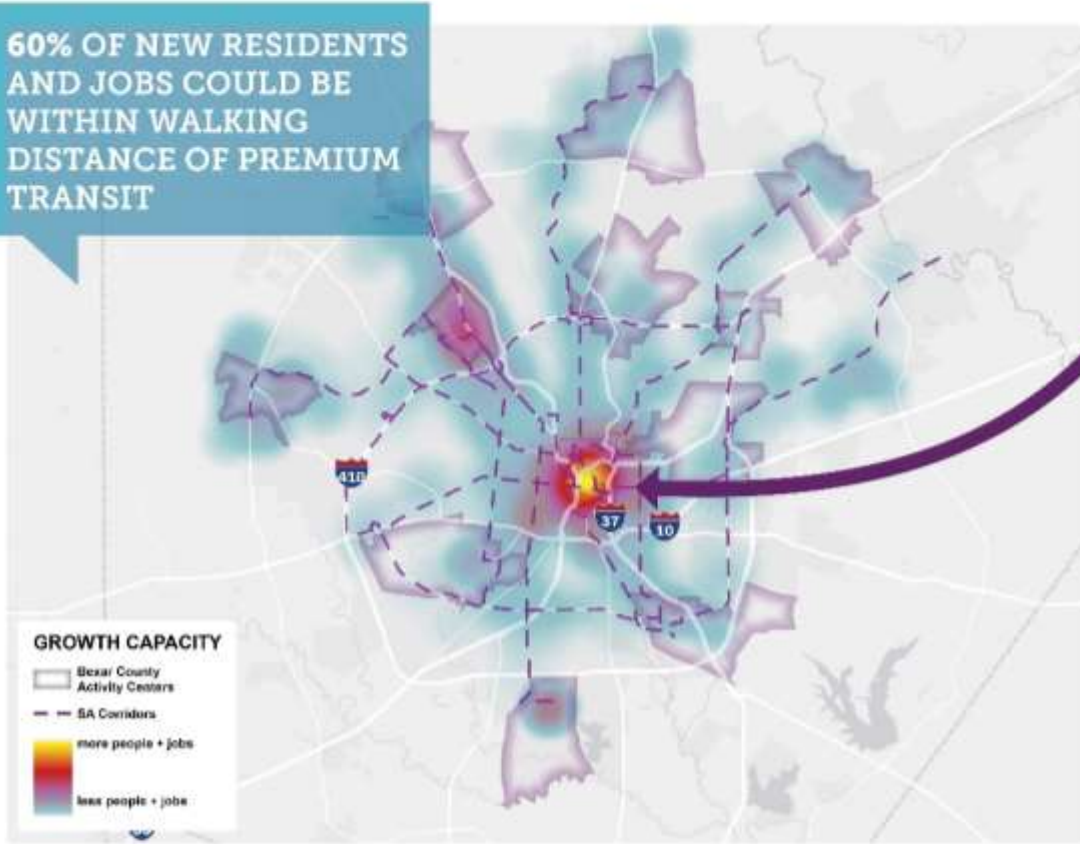
Where are we headed?

- San Antonio has a lot of neighborhoods that could become **WalkUPs**.
- The resulting investments could make housing and commercial space more **expensive**.
- Residents of these neighborhoods may be vulnerable to **displacement**.

SA CORRIDORS

GROWING NEAR PUBLIC TRANSIT

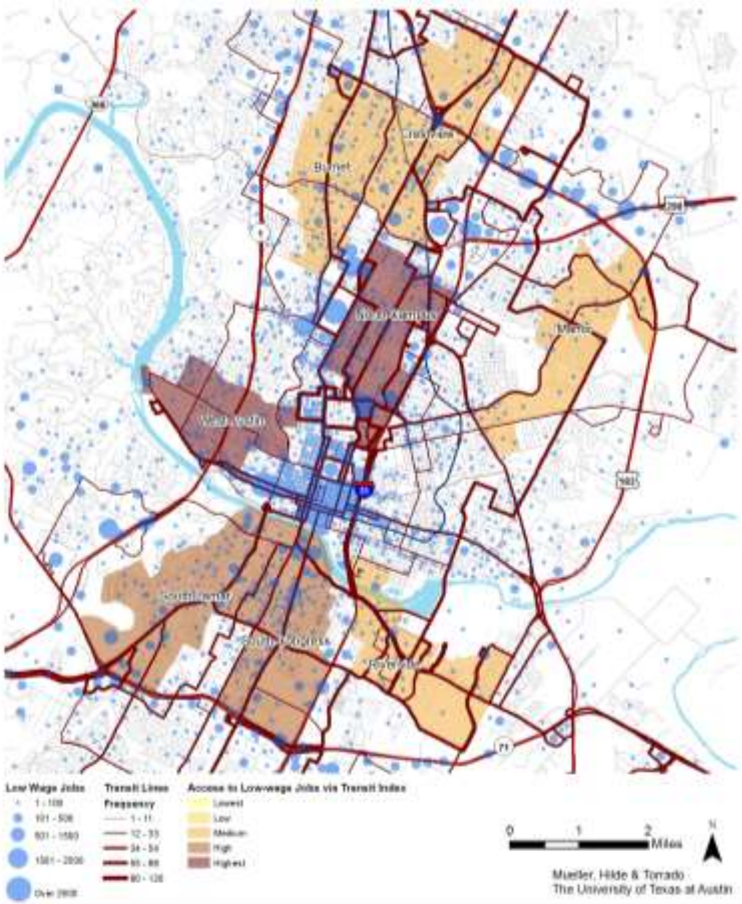
60% OF NEW RESIDENTS AND JOBS COULD BE WITHIN WALKING DISTANCE OF PREMIUM TRANSIT



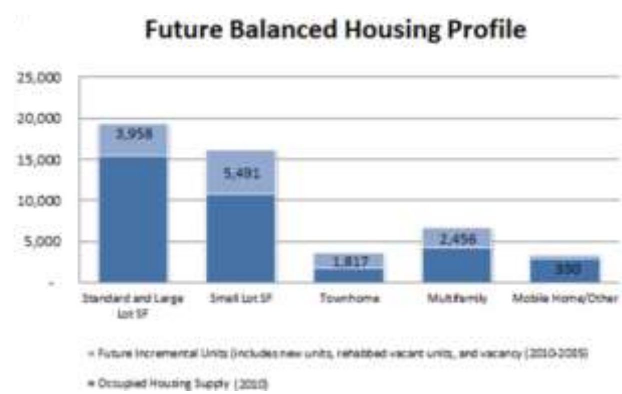
SA TOMORROW

The SA Tomorrow Comprehensive Plan is our roadmap for the future. SA Corridors is the first step to making SA Tomorrow a reality.

Tools to Target Policies



Transit Access to Low Wage Jobs	Affordable Housing Vulnerability	Development Pressure
6.1	3.5	9.3
9.9	8.0	1.8
8.0	6.0	5.4
2.8	1.5	6.4
8.5	10.0	4.6
8.4	6.9	4.0
3.4	3.2	0.4
6.0	4.4	4.9
10.0	7.1	9.6
6.5	6.2	10.0
5.9	4.4	9.9
4.5	6.7	7.6



Setting Housing Targets

23% of owners & **49%** of renters are living in housing that is unaffordable given their income.

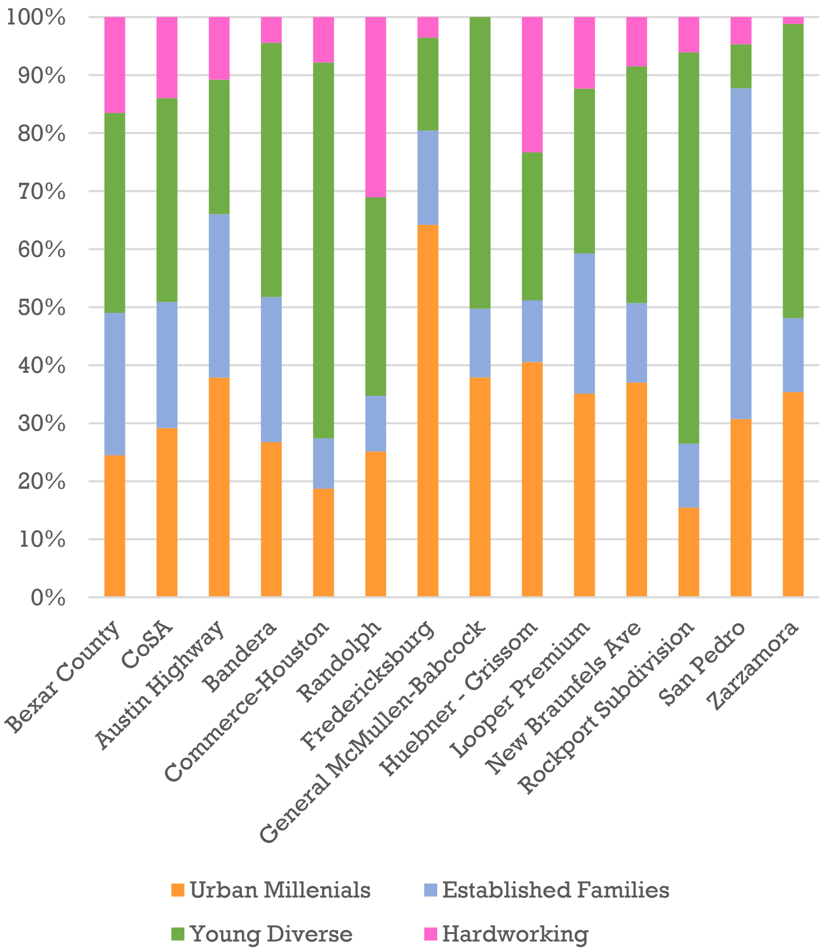
4-COUNTY SA REGIONAL HOUSING TARGETS BY TYPE

Housing Type	2040 Target (Units added)	Annual Target
Standard Large Lot	251,102	10,044
Small Lot	236,512	9,460
Townhome	108,644	4,346
Multifamily	203,736	8,149
Mobile Home/Other	14,322	573
TOTAL	**814,316**	**32,572**

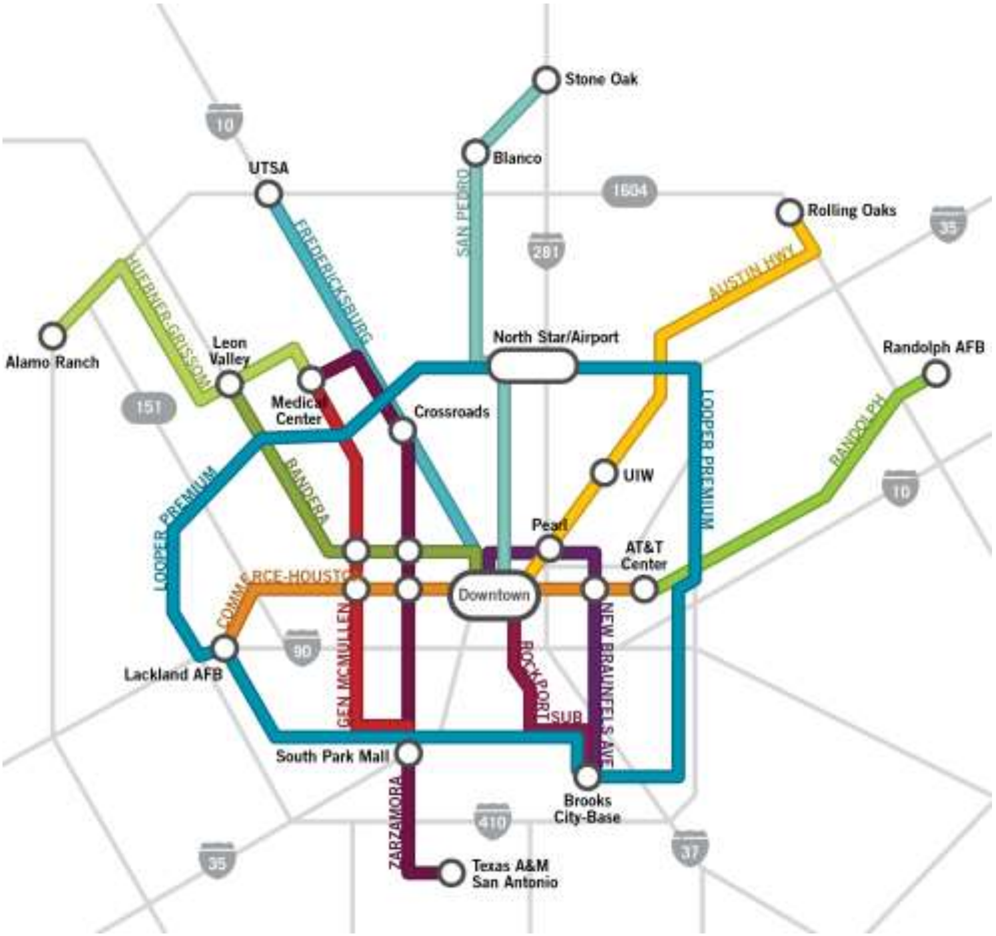
Source: Envision Tomorrow Balanced Housing Model, U.S. Census ACS 2010-2014

Psychographics

Corridor Psychographics



VIA Vision 2040 Routes



The Corridor Housing Preservation Index: A new tool for equitable corridor planning

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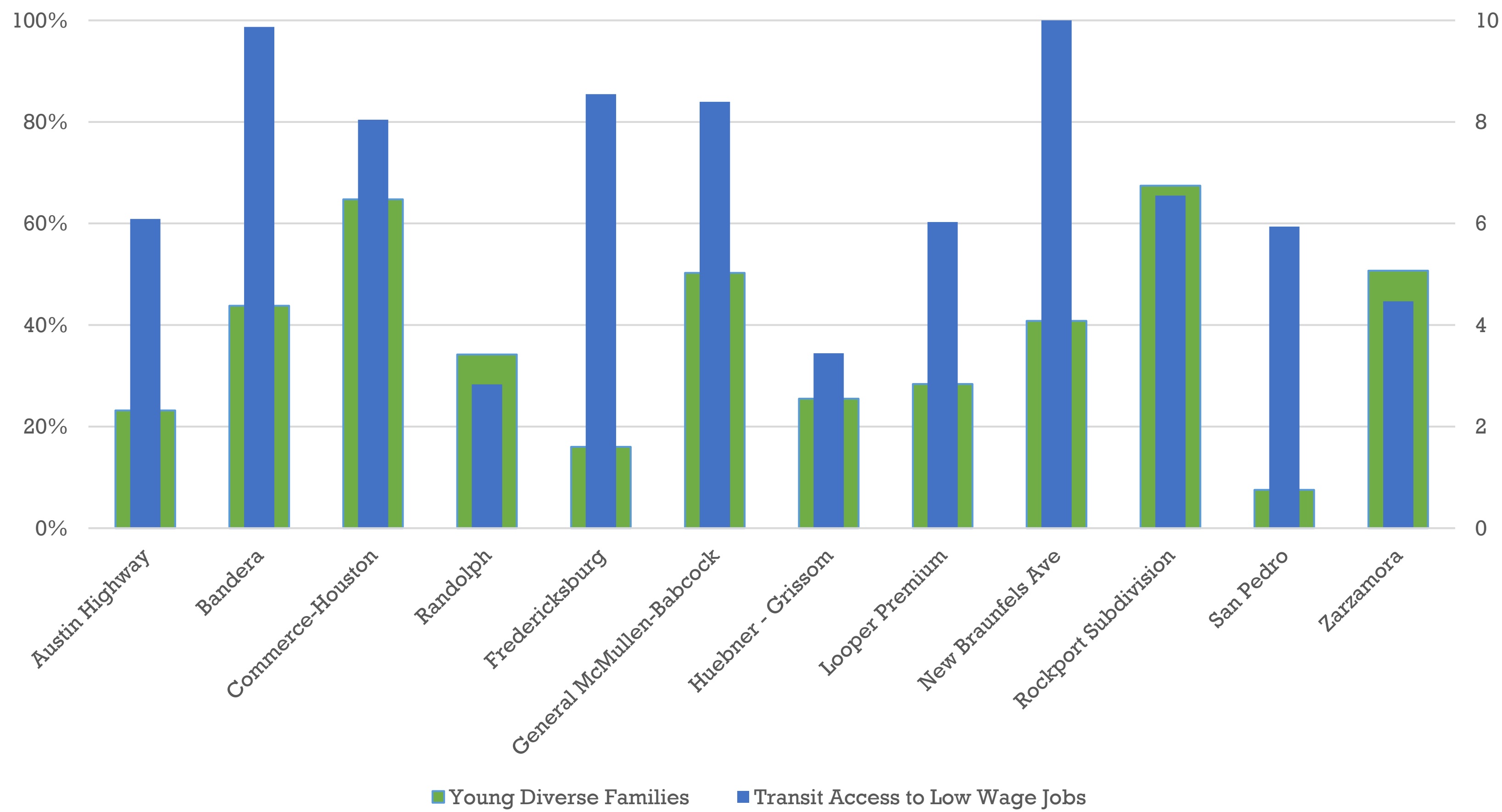
Cornell University

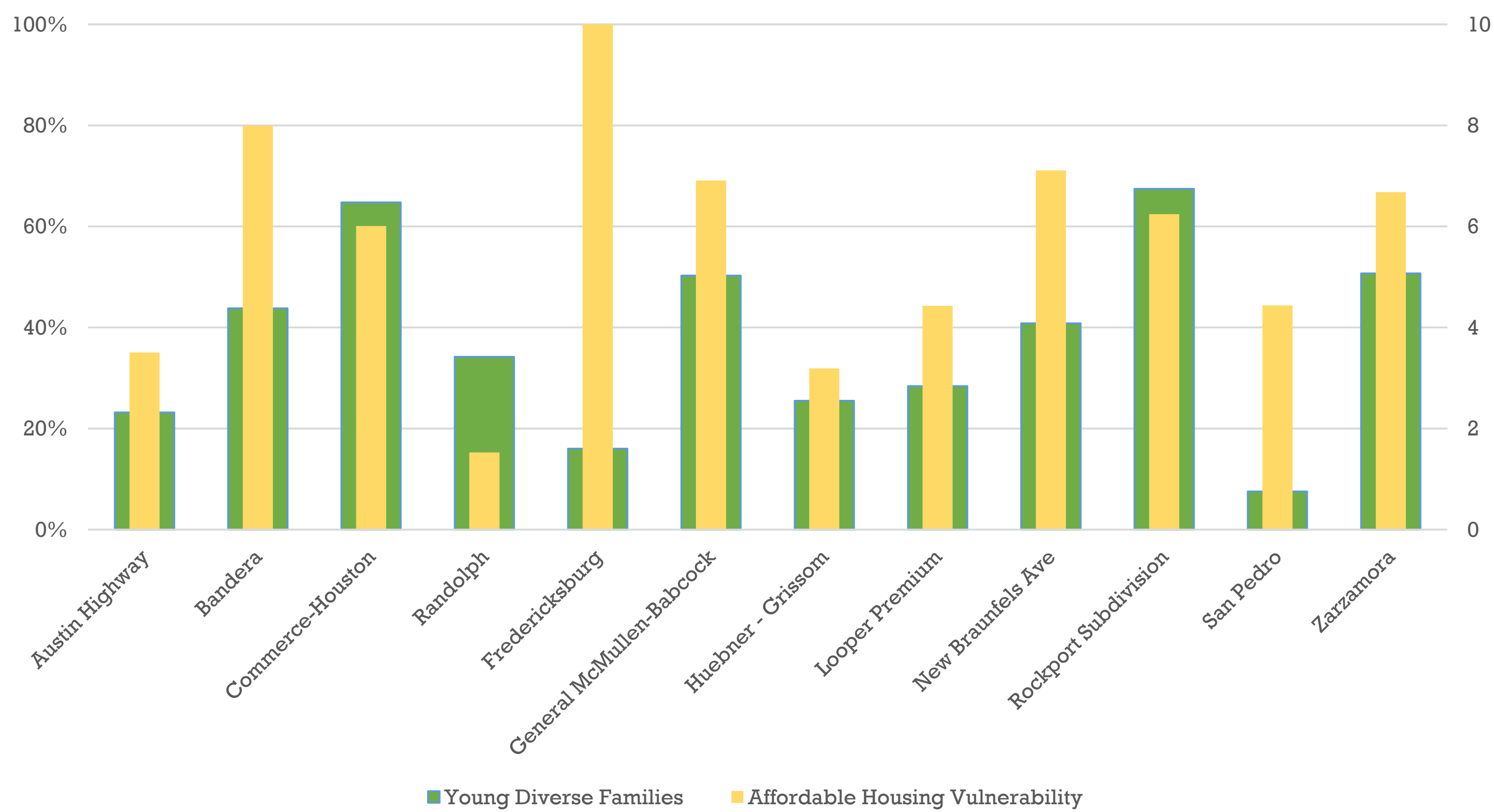
TEXAS
The University of Texas at Austin

FREGONESE ASSOCIATES

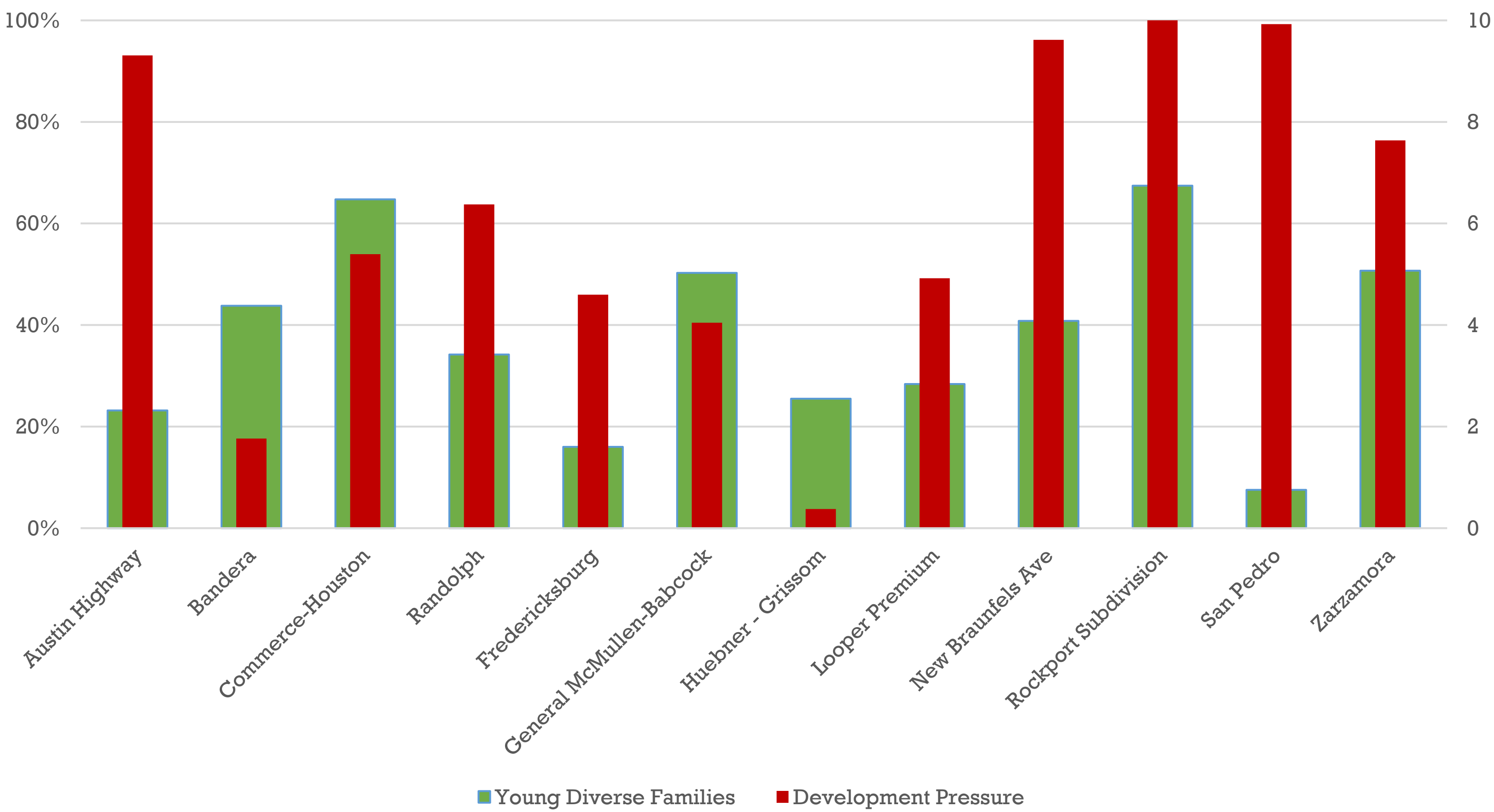
Transit Access to Low Wage Jobs



Affordable Housing Vulnerability



Development Pressure



What can we do?

- The City and VIA are planning for **equitable** growth around transit.
- As we make big capital investments, we should be conscious of the real estate **impacts**.
- We can use analytical tools to understand, track, and target our efforts for the greatest benefit to **vulnerable residents**.

"When you start revitalizing communities, a real estate **effect** takes hold…"

"What is important for the public sector to understand, is they need to work with communities to create '**place-holders**' so that when the **economic cycle** takes hold, you can maintain places for people who were the **backbone** behind the change."

-Jeana Wolley, Portland Area Developer