Southern California Futures:
Changing Demographics and Changing Housing

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Outline of Presentation

- Dramatic population growth and change
- How will this translate into housing needs?
- What implications for future urban form and the planning of better cities?
- What kind of housing will people accept?
- The demographics matter
Dramatic population growth and change
Population of Southern California
Showing DOF Forecast of 1998 and 2004

Projected
Population Growth in Each Decade, Southern California
Showing Downward Revision of DOF Forecast

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Population of Riverside and San Bernardino
Showing DOF Forecast of 1998 and 2004

Projected
Population Growth in Each Decade, Riverside and San Bernardino
Showing Downward Revision of DOF Forecast

- 1980-90: 1.0 million
- 1990-2000: 0.6 million
- 2000-2010: 0.8 million
- 2010-2020: 1.2 million
Share of Growth for Each County, 2000-2020

- Imperial: 2%
- Ventura: 4%
- Orange: 16%
- Riverside: 27%
- San Bernardino: 18%
- Los Angeles: 33%
Population Growth
Southern California, 1980-2020

Millions


(Updated 12/2004)
Southern California Future =
FUTURE OF THE LATINO POPULATION

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Changing Percentage Racial Composition
Southern California, 1980-2020

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Percent Asian in Southern California, 2000

Created by: Liang Wei
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What Implications for Housing and Urban Form?
Total New Housing Units Authorized by Building Permits in California, 1990-2003

Thousands


- 50 100 150 200 250 300 350

Multi-Family
Single Family

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Total New Housing Units Authorized by Building Permits in California, 1980-2003

Thousands

- 400
- 350
- 300
- 250
- 200
- 150
- 100
- 50
- 0


Multi-Family
Single Family

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Total New Housing Units Authorized by Building Permits in California, 1970-2003
California Projected Growth in Housing: Using Past Three Decade Ratios

<table>
<thead>
<tr>
<th>Period</th>
<th>Single Family</th>
<th>Multi-Family</th>
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<tbody>
<tr>
<td>1970-79</td>
<td>1.2</td>
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<tr>
<td>1980-89</td>
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<tr>
<td>2010-19</td>
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*Projected*
Percent of New Housing in Multifamily Units Each Decade in California

1960s 1970s 1980s 1990s 2000s
Down with Multifamily

Share of construction in the 1990s vs. 1980s

- California: 1980's: 45.1%, 1990's: 24.8%
- Texas: 1980's: 45.1%, 1990's: 24.8%
- Florida: 1980's: 45.1%, 1990's: 24.8%
What kind of housing will people accept?
Minority Dictatorship of New Construction

Everyone else living
In existing housing

Households who dictate
type of new construction

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California Housing Preferences, 2001

- Prefer single family (SF) detached home: 84%
- Small SF, but with short commute: 74%
- Dense SF, but with parks & greenbelt: 47%
- Suburb SF w/ backyard but long commute: 42%
- Condo/Apt--walk to shops and transit: 32%

Source: PPIC Special Survey on Land Use Issues, October 2001
Percent Calling Factor Very Important if Buying a Home Today

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NAHB, 1999
Consider the following hypothetical choice:

Your income is high enough to purchase a $150,000 home.

You have two options:

- buying a $150,000 townhouse in an urban setting close to public transportation, work and shopping.
- Or, you could purchase a larger, detached single-family home in a suburban area, with longer commutes to work.
Answer to the Trade-Off Question

Overall

87% want the single-family house in the suburbs

But

a very important minority prefers the compact alternative
Percent Preferring a Townhouse in the City

Age Group

25-34 35-44 45-54 55+

NAHB, 1999
The Boom in Higher Density Preference

- Adults in their 20s with prime apartment demand will begin to increase after 2000
- The Baby Boom generation is crossing age 45 and dominates growth in other age groups
- Current preference for compact residential choices rises sharply with age
- Many other trends support expanded preferences for more compact residence
Additional General Trends Toward More Compact Residential Preferences

- Mounting Traffic Congestion
- Decreased Crime
- Rising Immigration and Enhanced Urban Vitality
- Growth of Café Culture
- Fashionable Design of Higher-Density for the Middle Class
- Positive Examples Created by Successful Projects
The Demographics Matter
Age Pyramid for California in 2000

Source: U.S. Census Bureau, Census 2000

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California Population Projections 1990-2010
Total Age Distribution: (Numbers in Millions)

Sources: California Dept. of Finance, updated 12/2004
California Population Projections 1990-2010
Total Age Distribution: (Numbers in Millions)

Sources: California Dept. of Finance, updated 12/2004

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Echo Boom Hits the Rental Market
Change Every 5 Years in Number of California Residents Age 20-29

Sources: California Dept. of Finance, updated 12/2004
Percent of Southern California Population Who Are Immigrants

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CDF4.5
Latino Trajectories into Homeownership by Arrival Decade, in California

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The Continued Dominance of Sprawl?
maybe
Minority Dictatorship of New Construction

Everyone else living
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Our Continuing Housing Challenges

- Reviving multifamily housing
- Expanding homeownership for
  -- young adults
  -- minority households
- Building more livable communities by clustering housing in greater density
- Planning housing today that we know will be needed tomorrow
For more information ....

Please visit the California Housing Futures web site at USC:

www.usc.edu/schools/sppd/futures/