

07 July 2013

## **THREE OVERARCHING DETERMINANTS**

### **THE FUTURE OF HOUSING MARKETS – AND EVERYTHING ELSE – IN THE UNITED STATES**

Beta 3.0

**For the majority of citizens in the United States, the impact of the Great Recession rolls on. A growing number are treading water.**

**For almost four years many Organizations – and the majority of Households – have been searching for a clear sign that The Great Recession is REALLY ‘over.’ For many the signal that The Great Recession is FINALLY over will be evidence of a REAL rebound in the shelter sector of the economy. [End Note One](#)**

**In their haste to find ‘good news’ about housing and real estate, Agencies and Enterprise Media – and almost everyone else – are missing three overarching Determinates that will shape the future of the shelter market, human settlement patterns and thus economic prosperity, social stability and environmental sustainability. [End Note Two](#)**

Determinant One and Determinant Two have been evolving over the past five decades. As noted in Sections I. and II., these Determinants have recently been documented and articulated in ways that make it impossible to ignore or trivialize the profound Transformation that is afoot.

Determinant Three has been evolving for over six decades. Determinate Three has been ignored, obfuscated and trivialized by those who benefit from Business-As-Usual and those who have been deluded by the economic and physical abundance produced by the unsustainable consumption of Natural Capital especially over the past 30 years. [End Note Three](#)

## **I. DETERMINANT ONE: WRONG SIZE HOUSE, WRONG LOCATION**

**The result of 68 years of building the “Wrong Size House in the Wrong Location” is an economic disaster when viewed from the perspective of the projected market for shelter over the next 20 years.**

The downside of vast direct and indirect subsidies by Agencies, Enterprises, Institutions and Households that have resulted in building the Wrong Size House in the Wrong Location has been well documented for about 60 years. **End Note Four**

The Wrong Size House in the Wrong Location trend has created progressively more dysfunctional Regional settlement patterns, especially those that evolved over the 30 years prior to 2006.

**An analysis of the CURRENT demographics indicates that the two largest cohorts that will be seeking shelter over the next 20 years will desire dwellings that are FUNDAMENTALLY different in size, location and Amenity than what will be available in the market based on the housing stock that exists at this time.**

**The two cohorts that will dominate the future shelter market are ‘millennials’ and ‘baby boom empty-nesters’ who already exist in the US population.**

The mismatch between what has been built and what will be needed in the future was brought into sharp focus by a 2011 conference in Cambridge, MA sponsored by the Lincoln Institute of Land Policy, the Harvard Graduate School of Design, and the Nieman Foundation for Journalism at Harvard University.

<http://bettercities.net/news-opinion/blogs/robert-steuteville/14620/coming-housing-calamity>

Professor Arthur C. Nelson, a key participant in the Cambridge conference, has recently published a book on the topic titled *Reshaping Metropolitan America: Development Trends and Opportunities to 2030* .

Nelson’s short, well presented book documents the profound change that will be required to meet the future Housing needs of those already born. Nelson refreshes and extends the data presented in 2011. He also examines energy costs, falling real incomes, lagging employment, inequitable wealth distribution (The Citizen Wealth and Well Being Gulf). He also notes the waning Agency subsidy for home ownership and other economic realities. These realities will delimit the future shelter decisions by Households.

**Nelson’s primary focus is on the demographics – the ages and needs of those who will want and can afford dwellings in the next two decades.**

Nelson is not alone in his demographic analysis and his condemnation of shelter policies.

**The direct and indirect subsidies of the Wrong Size House in the Wrong Location and the abject failure of Trickle Down to provide Affordable and Accessible Housing for the lower half of the economic Ziggurat (aka, ‘work force housing’) is a well documented national disgrace.**

*Housing America’s Future: New Directions for National Policy.* February 2013 by The Bipartisan Policy Center spells out the problem for those who understand shelter needs AND who can read between the lines of the up-beat / ‘can-do’ prose.

The future economic impact of misguided public and private investment in shelter is not just a ‘theory.’ A careful analysis of recent sales data confirm the preferences of both ‘millennials’ and ‘empty-nest baby boomers.’

For a constant flow of confirming perspectives and data concerning Determinant One see the daily news feeds from *Better! Cities and Towns* and *The Atlantic Cities*.

For example, the editor at *Better! Cities & Towns* introduces a story in the 15 February *The New York Times* [“Creating Hipsturbia”](#) by Alex Williams this way:

**“Many real estate professionals are confident that millennials (Cohort One) will eventually leave the hip, urban neighborhoods for the back yard and the dog of the ‘suburbs’ – especially when they start to raise a family.”**

That does not appear to be happening.

*The New York Times* story to which the editor, Rob Steuteville, is referring concerns one of the two largest cohorts who will be in need of dwellings in the next twenty years. If they can afford to, millennials – along with baby boom empty nesters – are flocking to the places that exhibit the characteristics that reflect Determinate Two. Determinate Three documents there is more than enough room for these new market-driven settlement patterns WITHOUT buying into the existing bloated housing stock or dysfunctional settlement patterns.

The evidence presented to support Determinant One in this section could be padded out to 100 pages. However, all one needs to do is read Arthur C. (Chris) Nelson’s book *Reshaping Metropolitan America: Development Trends and Opportunities to 2030*. One can also read the Enterprise Media if they read with care.

For example on 7 June 2013 *Los Angeles Times* ran a story on a recent housing conference headlined: *Are millennials a window of opportunity or a closed door for home builders?* The story quotes all the right sources about lack of shelter for the bottom of the Ziggurat and about millennial preferences. However, to apply Enterprise Media’s crutch of ‘journalistic balance’ the

author tosses in ‘California Dreaming’ spin by a well known and widely discredited fan of San Fernando Valley. The same care needs to be taken in reading Enterprise Media coverage of the ‘rebound’ of the shelter market documented in later sections of this Perspective.

**Determinate One by itself will have a profound impact on the economics of shelter and of settlement patterns in the United States. There are two additional Determinates that compound the challenges created by Determinate One.**

*Reshaping Metropolitan America*, and the documents that Nelson cites, provide a basis of support for Determinate Two and lay the ground work for understanding Determinant Three. **End Note Five**

## **II. DETERMINANT TWO: THE U TURN**

**The economic, social and physical forces that will shape Urban human settlement patterns have shifted profoundly in the past six years in the United States. These forces support, but go beyond, the Housing market reality of Determinate One.**

**The new parameters drive investment and job location decisions by Enterprises, Institutions and Agencies as well as quality-of-life-related location decisions by Households that exhibit a wide range of age, level of educational achievement and income profiles.**

The shift away from the 1950s to 2000s Mode-of-the-Market settlement patterns – characterized by an overabundance of Single Household Detached Dwellings on Large Lots and Automobile-dependent Job and Service locations – has been building for decades among those who champion environmental concerns, smart / smarter growth and New Urbanism agendas.

**These new settlement patterns at the Cluster-, Neighborhood- and Village-scales have been one of the few genuine settlement pattern economic bright spots in the wake of The Great Recession. Before that, these patterns and densities of land use were a viable niche market during prior housing recessions dating to the 70s especially in Planned New Communities.**

One major factor in creating The U TURN was the emerging reality of Determinate One. The other was the growing inventory of ‘places that work’: Settlement patterns at the Cluster-, Neighborhood- and Village-scales that provide a REAL alternative to the 50s to 00s Mode-of-the-Market Urban land uses scatterization.

**These new patterns and densities of land use create viable alternative places to secure Jobs / Housing / Services / Recreation / Amenity.**

A very good way to grasp the scope of The U TURN is via the regional report *Wake Up Call for Walk Ups*. (An internet search of the title yields a free PDF download from George Washington University.)

The new economic, social and physical Urban enclaves that Leinberger calls ‘Walk Ups’ are NOT agglomerations of ‘starchitect’ signature highrise buildings and they are NOT the latest variation of ‘Edge Cities’ as articulated by Joel Garreau.

**These Neighborhood-scale and Village-scale Urban agglomerations have cores (Zentra) that are composed of three to five story buildings with occasional mid- rise buildings.**

These enclaves range in density from 30 to 100 persons per acre at the Neighborhood - and Village-scales. The primary characteristics of most Walk Ups are Walkability, Diversity and Access for high value trips provided by Shared Vehicle Systems.

These ingredients provide a basis to create Critical Mass and a Balance of Jobs / Housing / Services / Recreation / Amenity. Many are served by a Shared Vehicle System and therefore are NOT dependent upon Large Private Vehicles for Mobility and Access. Most have higher density than Auto-dependent / Auto-dominated settlement patterns. However, ‘density’ ALONE is not enough to create Walkability, Diversity and Balance.

The U TURN is also not just a ‘theory’ as the work of Chris Leinberger and others document.

A growing number of observers are aware that most New Urban Regions have gone through a profound shift what projects are most marketable over the past six years. What may have appeared to be marketable in the late 90s and early 00s is no longer desired by the majority of the current and future market. As noted in Section I, this Transformation is national in scope and will impact the shelter, employment and Service market for the next 20 to 30 years.

The following link from *Better!! Cities and Towns* is an excellent summary of what is ahead for lower density settlement patterns in Beta components of prosperous New Urban Regions. It also outlines what needs to be done to help struggling ones that WANT TO BECOME PROSPEROUS. This summary also provides a number of key references.

<http://bettercities.net/article/postwar-neighborhoods-are-key-suburban-revitalization-20239>

## **Impact of The U TURN**

**At the SubRegional and Regional scales, the new market forces that support Walkability, Diversity and Access will result in a profound THREE TIMES INCREASE in the gross density of functional, Balanced settlement patterns at the Alpha (Complete) Community scale. End Note Six**

The most important indicator of Balanced, Complete Communities that will result from The U TURN is the dramatic three times shift in The Sweet Spot on the Cost of Services Curve:

**This shift is**

**FROM            Ten persons per acre at the Alpha Community Scale – the old Sweet Spot on the Cost of Services Curve**

**TO                Thirty persons per acre at the Alpha Community Scale – the new Sweet Spot on the Cost of Services Curve**

The Ten Persons per acre (10 pn / ac) settlement pattern Sweet Spot is derived from the analysis of Planned New Communities in the US and Western Europe that were built from 1945 to 2006. These Communities were required to account for many externalities but were designed to be provided with Mobility and Access PRIMARILY by Large Private Vehicles. **End Note Seven**

**These new market driven settlement patterns are compatible with the demand for new shelter options but are also compatible with a functional mix of Jobs / Housing / Services / Recreation / Amenity at the Cluster, Neighborhood, Village and Community scales.**

Determinate One and Determinate Two are fully consistent with the findings of *What's Next? Real Estate in the New Economy*, the 2011 in-depth study of the real estate sector by The Urban Land Institute. In the ULI report, the future settlement patterns that result from the “new real estate economy” were not spelled out. Each Enterprise was left to figure out what was in their best interest in the new context.

Rob Steuteville’s focus in the article from *Better!! Cities and Towns* noted above is on the components that are close to the Core of New Urban Regions. That means INSIDE Radius = 15 Miles from the Centroid in a New Urban Region of from 4 to 8 million citizens.

The PROFOUND problem is that Steuteville is NOT addressing the impact of the vast amount of land that will be left vacant and underutilized by these very profound Transformations to more efficient use of already Urbanized land both INSIDE R = 15 and OUTSIDE R = 15.

There are millions of acres OUTSIDE R=15 that are partially Urbanized. See SETTLEMENT PATTERN CONSILIENCE, Current Perspective #26 linked from the *CURRENT PERSPECTIVES* page at [www.emrisse.com](http://www.emrisse.com) .

The zone of scattered Urban enclaves in a 4 to 8 million population New Urban Regions reaches out from 80 to 100 miles unless there is a very strong intervening natural boundary. In the area outside Radius = 35 Miles there are large areas of with average lot sizes of 10 acres.

## **A root cause of confusion about the ‘recovery.’**

One reason that buyers and sellers are confused about the current trajectory of land and improvement values in the Outer Radius Bands is the glowing hype surrounding ‘regional’ data.

‘Regional’ data may or may not include these outlying areas. If the data does include this geography, this information is overshadowed by larger transaction volumes in the Core that is lumped together in the Regional data.

### **In a nutshell, is no recognition of the growing importance of radial location.**

Here are three interesting perspectives on the national housing market:

[http://www.hcn.org/blogs/goat/a-swim-through-housing-data?utm\\_source=wcnl&utm\\_medium=email](http://www.hcn.org/blogs/goat/a-swim-through-housing-data?utm_source=wcnl&utm_medium=email)

<http://www.theatlanticcities.com/housing/2013/06/most-expensive-housing-markets-are-becoming-even-less-affordable/5818/>

<http://www.theglobalist.com/storyid.aspx?storyid=10024>

In summary, the Regions with the most impressive price increases:

- 1) already have the most expensive housing (UnAffordable to the greatest number) or
- 2) had the biggest losses from 2007 to 2011, e.g. Las Vegas.

These Metros are the ones pulling up the national ‘averages.’

Finally, much of the rising price of housing is the result of speculators buying for all-cash on the hope that prices will rise because there are few other places to ‘invest’ other than gambling on the stock market.

**Determinate One and Determinate Two by themselves will have a profound impact on the economics of shelter in the United States – and Urban settlement patterns.**

**There is a Third Determinate that focuses and reinforces the forces created by Determinate One and Determinate Two. End Note Eight**

### III. DETERMINANT THREE: REGIONAL AND SUBREGIONAL LOCATION AND DISTRIBUTION OF URBAN LAND USES

#### Determinate Three in context

Determinate One and Two are not ‘new.’ As noted in Sections I. and II., these Determinants have been evolving for decades. Determinate Three is even older. Determinant Three has been accelerating for almost seven decades. Determinate Three has been ignored and obfuscated by those who benefit from Business-As-Usual and / or those who have been deluded by the apparent economic and physical abundance produced by unsustainable consumption of Natural Capital as articulated by Paul Harken and others.

Determinant Three is the most difficult to understand due of a combination of Primitive Genetic Proclivities, Unfounded and Conflicting Neural Linguistic Frameworks as well as Disorienting Naive Reality. Each of these three well defined neurological realities impact the economic, social and physical actions of humans and thus human settlement patterns.

**A root cause of these disorienting proclivities and frameworks is the failure to understand the impact  $A = \pi R^2$  when applied to large Urban agglomerations. This is the driver of profound Geographic Illiteracy and Spacial Ignorance that is illustrated Section in IV. and V.**

Determinant Three has been obvious to a few since 1920s as noted in the references in **End Note Two**. It has been obvious to the author for the last 44 years. **End Note Nine**

#### The bottom line

**The core reality is that far more land has been held for– and is NOW being held for – FUTURE Urban land uses than there is – or ever was – a rational need.**

Amateur speculators have played a key role in determining the amount of land, and the inflated value of the land held for FUTURE urban land uses. The patron saint of the myth of future demand is Mark Twain who pointed out it would be wise to invest in land since “they ain’t making any more of it.”

**Mark Twain, however, as well as hundreds of thousands of real estate agents and tens of millions of land owners have failed to understand the amount of land actually needed per capita to functionally and economically support contemporary technology-based Urban activity.**



Determinate Two now demonstrates that functional and efficient settlement patterns are not just economically sound but that these patterns and densities of land use provide Amenity and Access to the resources needed to assemble a quality life that is attractive to a broad spectrum of potential dwelling buyers.

As noted above, those who have acted on belief in the myths of Urban land demand have failed to understand the impact of  $A = \pi R^2$  when applied to large Urban agglomerations. The speed of travel in Large Private Vehicles on radial expressways is a major driving force in maintaining Geographic Illiteracy based on the failure to understand the power of  $A = \pi R^2$ .

**Citizens did not, and still do not, understand the magnitude of the difference between amount of land within a 20 mile radius of the Centroid of a large Urban Agglomeration and the amount of land within a 40, 60 or 80 mile radius of the same Centroid.** Supporting Data is found in Sections IV. and V. **End Note Ten**

The true value of land held for future Urban land uses that will never materialize is not apparent to most. Like a thousand car loads of ripe strawberries on a rail siding, the value of land held for Future Urban land uses would have gone to zero if owners were required to sell their speculative holdings over a short time span.

However, amateur speculators did not need to sell NOW and therefore ‘the market’ has never reflected the ‘true’ market value. In addition, there is little understanding of ‘net present value’ calculations and ‘alternative investment strategies’ as they apply to land held for future use. It is almost always the case with any speculative investment:

**One hears about the WINDFALLS from land sales but NOT about the WIPEOUTS.**

Many other factors have supported the unsound investment strategy of buying and / or holding land for future Urban uses. Among them:

- ◆ Agency subsidy for infrastructure to support settlement patterns dependent on Large Private Vehicles to provide Mobility and Access
- ◆ The failure to fairly allocate the true, total cost of location-variable goods and Services
- ◆ The failure to charge owners of vacant and underutilized land for the cost of providing their properties with Mobility and Access, water and sewer, energy and communications. (Consult Henry George).
- ◆ Term limited ‘conservation easements’ and ‘land use’ property taxation that subsidize speculative land investments.

**Determinate One and Two will FINALLY bring recognition of the fact that far too much land has been held for future Urban use. This will put a focus on Determinate Three and on the reality of dysfunctional human settlement patterns.**

### **Settlement pattern dysfunction**

**The geographic distribution of Urban land uses – especially dwellings for Urban citizens built over the last three decades – is dysfunctional and unsustainable. **End Note Eleven****

**The core economic dysfunction caused by settlement pattern disaggregation is the total cumulative costs of:**

- ◆ **Households** accessing the goods and services needed to achieve a quality life. High Access costs are due to the scatteration of trip origins and destinations and thus dependence on expensive Mobility and Access strategies. See Litman, Todd *Transportation Affordability: Evaluation and Improvement Strategies* (2013);
- ◆ **Enterprises** accessing labor, goods and services needed to operated profitably;
- ◆ **Agencies** accessing labor, goods and services needed to govern and provide public Services efficiently and effectively;
- ◆ **Institutions** accessing labor, goods and services needed to serve their memberships and sponsors.

**The cumulative impacts of these costs is compounded by a complete failure of Agencies to evolve a fair and equitable allocation of location-variable costs.**

Maintaining dysfunctional settlement patterns is very expensive. See the discussion of ‘The Suburban Experiment’ and the related ‘Ponzi Scheme’ in *Thoughts on Building Strong Towns*, Vol I Marohn, Charles (2011),

Gross subsidies have resulted in the over build of Wrong Size Houses in the Wrong Location (Determinate One).

Entrenched beneficiaries – Organizations and Households – who have been enriched by the creation and existence of dysfunctional settlement patterns do not acknowledge the new market (Determinate One) or the existence of The U TURN (Determinate Two).

With respect to shelter, these forces – and the reliance on ‘Trickle Down’ to supply housing for those in the bottom half of the economic, social and physical Ziggurat – has resulted in building

dwellings that provided more house than was needed and dwellings that are more scattered than is economically or physically sustainable.

The decisions to invest in these settlement patters were driven by the myths that:

- ◆ Buying bigger-than-needed dwellings are a ‘good investment’. and
- ◆ Automobiles (Large Private Vehicles) can ever provide Mobility and Access for large Urban enclaves that serve a diverse population. See documents cited in **End Note Two**

### **Determinate Three is also NOT JUST A ‘THEORY.’**

The economic reality can be seen playing out in Outer Radius Bands of New Urban Regions across the United States. This is especially true in more prosperous New Urban Regions where the shelter values in the Core of the Region did not shrink, have now recovered or are recovering. See Section IV. and V.

The loss of value in land and improvements in the Outer Radius Bands has been masked by the ‘regional’ increases in the average and the median sale price of dwellings.

**Singing the praise of improving ‘regional’ Housing data is a favorite tune of the retail real estate industry – while whistling past the grave yard of dysfunctional settlement pattern values.**

**Determinate One, Two and Three by themselves will have profound impacts on the economics of Urban settlement patterns including shelter in the United States.**

**However, the confluence of the three Determinates will have an even more dramatic impact. Shelter economics are facing a Perfect Storm.**

These issues are further explored in Sections IV. & V.

## **IV. CONFLUENCE OF THE THREE DETERMINANTS IMPACTING SHELTER**

**“The Invisible Hand” is at work.**

‘The Market’ is far ahead of real estate ‘professionals’ and economists as well as Enterprises – especially Enterprise Media – Institutions and Agencies. None of these Organizations are admitting, reporting on existing reality or preparing citizens and Households for the Transformations needed to achieve a sustainable future trajectory for technology based Urban

civilization. Reality is recognized by some but ignored or obfuscated by the vast majority who have profited by the past performance of the housing market.

There are ‘economic opportunities’ presented by the Determinate One and Determinate Two. They will primarily occur within the Inner Radius Bands. **End Note Twelve**

**The invisible hand is working to document Determinant One and Determinate Two but it is NOT WORKING to expose Determinate Three. This is a key weakness of reliance on ‘the market’ alone in determining the a sustainable trajectory for civilization. See Again End Note One.**

### **Regional location**

**Dysfunctional settlement patterns generate negative economic consequences that vary by location across every Region.**

However, in general:

- ◆ The farther from the Centroid of the NUR, the more dysfunctional the settlement pattern;
- ◆ The larger the population and / or the scale of the economic activity of an Urban agglomeration, the greater the land area devoted to dysfunctional settlement patterns;
- ◆ The larger the percentage of land area devoted to Urban land uses that was created in the past 60 years, the more dysfunctional the Regional settlement patterns.

The locational distribution of foreclosures involving ‘drive-til-you-qualify’ housing serving those in the bottom half of the economic Ziggurat focused SOME attention on the topic of geographic distribution within Regions. Concentrations of work force housing foreclosures tended to fall in the less-favored radial corridors of large Urban agglomerations and in the Outer Radius Bands.

Foreclosures, short sales and the decline in value of the “drive-so-you-can-afford-more-house” dwellings continue to plague those in the Outer Radius Bands of large New Urban Regions. The loss in value of “drive-til-you-find-your-dream-house / horse-farm / estate” is becoming more clear. These two trends are now occurring in the Outer Radius Bands of the more favored corridors.

**All three trends now infect the value of land and improvements in the Outer Radius Bands of many New Urban Regions.**

There was an early warning of the trends that have grown to be Determinate Three. Chris Leinberger sounded this alarm in "[The Next Slum](#)" in 2008. The alarm was largely ignored and buried under the other bad economic news of that period. See SHAPING A FUNCTIONAL AND SUSTAINABLE FUTURE, Current Perspective # 5 linked from the *CURRENT PERSPECTIVE* page at [www.emrisse.com](http://www.emrisse.com).

### **Getting a handle on scale and extent of settlement pattern dysfunction**

For a 'typical' New Urban Region (NUR) of 5 million citizens, the Urban activity influence area stretches out about 100 miles and thus impacts 20,000,000 acres plus. In this 'typical' NUR, the Inner Radius Bands would usually include land within 20 miles of the Centroid encompassing about 800,000 acres. In other words the Core of a typical New Urban Region is about 4 Percent of the land area but contains 75 percent of the population and 85 percent of the economic activity of the NUR that is accounted for in the Region's Gross Regional Product.

**The three Determinants will impact the value of land and Urban improvements throughout the NUR. However, the primary NEGATIVE impact will on land in the Outer Radius Bands.**

**The negative impact of the Three Determinates will change the value and use of tens of millions of acres of land.**

There are about 70 New Urban Regions (NURs) with over a million population. The area within The Logical Location of the Clear Edge around the Cores of these NURs contain about 85 percent of the Jobs and 75 percent of the population of the United States. **End Note Thirteen**

The primary reason that "impacts tens of millions of acres" noted above sounds 'extreme' is the failure to understand  $A = \pi R^2$  – The First Natural Law of Human Settlement Patterns. From the example above concerning a 'typical' New Urban Region it is easy to see (20,000,000 - 800,000 = 19,200,000) why the term 'tens of millions of acres is accurate.

### **The focus of negative impact of Determinate Three**

In the 'typical' New Urban Region, the Radius Band that stretches from Radius 30 miles to Radius 60 miles is where much of the unsustainable scattered Urban development has taken place between 1960 and 2006. In this Radius Band much of the vacant and underutilized land is speculatively held for (and was valued for) 'future' Urban development. This Radius Band encompasses about 5,400,000 acres. The Logical Location of The Clear Edge (LLCE) often falls within the Radius = 20 to Radius = 30 Band. **End Note Fourteen**

The area inside Radius = 20 Miles will not avoid negative economic impacts in spite of the new investment in more functional settlement patterns. Much of the area inside The Logical Location

of The Clear Edge is partially and / or dysfunctionally Urbanized. There is also a significant amount of vacant and underutilized land most of it held for future Urban land uses.

An illustrative calculation tells the story:

**If the 800,000 acres inside Radius = 20 Miles is half green and blue (OpenSpace) then the holding capacity of the other half at MINIMUM functional density (the New SweetSpot at the Alpha Community scale) will be a population of 12,000,000.**

**That is 2.4 times the current population for the entire 20,000,000 acres in the New Urban Region.**

Of course not all the land will be converted to 30 pn / ac Alpha Communities. There will be winners and losers due to the specific sites impacted by the configuration of Mobility and Access systems and other infrastructure will impact the redevelopment process. **End Note Fifteen**

**Outside The Logical Location of The Clear Edge the conditions are far worse. The driving forces are spelled out in PART ONE – ROOTS OF THE HELTER SKELTER CRISIS of TRILO-G, cited in End Note Two.**

### **Current trends in the Outer Radius Bands of a bell-wether SubRegion**

Between January and mid-March of 2013 several trends have been noted in the R=35 to R = 60 Radius Band in the National Capital SubRegion. These trends were again predicted to change during the 2013 ‘spring selling season.’ They did not.

Without informed citizen education programs, these pipe dreams of revival may persist for another year or two. Eventually, Determinant One and Determinate Two will make them permanent.

Five current trends that document Determinate Three in the Outer Radius Bands:

- ◆ Some dwellings are now selling BELOW the low point in the estimated value between June 2006 and December 2012.
- ◆ The higher the value in 2006, the greater the percentage drop in dwelling and land value and the greater the loss of tax base.
- ◆ The more land associated with a dwelling, the greater the price loss since 2006.
- ◆ The recent economic trends related to Housing in the Outer Radius Bands have left many with underwater mortgages (far higher than the 42 percent MSA average) and greatly diminished net worth. This is especially true for those on fixed income

and those who cannot afford to – or choose not to - speculate on the stock market – a.k.a., The Big Boys’s Gambling Venue.

- ◆ Land held for future scattered low density residential development has fallen significantly in value. **End Note Sixteen**

If one does not yet believe these five trends, take a tour of ‘recent sales’ of individual Units in the Outer Radius Bands at Zillow dot com. Zillow provides a 10 year value graph for every dwelling in many of the largest markets across the US. The value assigned to individual dwellings is based on a complex algorithm and the results are illustrative, not precise. In addition, the updating varies by region with respect to both speed and accuracy. The issue of data is addressed in Section VI.

Also Trulia dot com now provides a listing of recent price reductions and of foreclosures by Zip Code groups. Zillow dot com is also not mapping foreclosures. The number of foreclosures and the foreclosures listed varies depending on whether the mortgage holder believes they can sell the property once it is in their possession. **See End Note Seventeen**

When combined with Determinate One above, Determinate Three is causing Households that are past retirement to ‘age in place’ in deteriorating dwellings. This strategy is not in the occupants best economic interest. Often occupants cannot afford repairs and maintenance. In addition, repair, maintenance and improvement would not be a prudent investment even when it can be afforded, due to the dwelling location.

This spacial reality will have significant economic and social consequences due to dysfunctional geographic distribution of existing dwellings and the cost of providing Services to the elderly.

## V. REALITIES & PERSPECTIVES

### Realities

The subtitle of this Perspective is: “THE FUTURE OF HOUSING MARKETS – AND EVERYTHING ELSE – IN THE UNITED STATES”

Why is the phrase “...AND EVERYTHING ELSE” embedded in title? This reference is intentional and it is important.

**As suggested in **End Note One & Two**, and documented by the sources referenced in the volumes cited in **End Note Two**, human settlement patterns – Urban and NonUrban – DETERMINE the economic prosperity, social stability and physical sustainability of contemporary society.**

Because human settlement patterns that reflect current and future citizen needs are so important, it is critical that the danger of The Three Determinants not be masked by ‘current events.’ There is an ever present danger that events such as ‘sequestration’ – and other indicators of gross governance dysfunction – will trigger unintelligent actions to hide or counter market demand of Determinant One and Determinate Two.

This paragraph appears in the opening summary of THREE OVERARCHING DETERMINANTS:

**For almost four years many Organizations – and the majority of Households – have been searching for a clear sign that The Great Recession is REALLY ‘over.’ For many the signal that The Great Recession is FINALLY over will be evidence of a REAL rebound in the Housing sector of the economy. See again End Note One**

Intelligent strategies with respect to Housing MAY ‘help’ establish a sustainable economic, social and physical trajectory for civilization.

**However, a shelter sector ‘recovery’ will NOT consist of dwellings that are the same size, location or Unit / Dooryard Amenity as the dwellings that supported recovery of the last nine recessions for the reasons spelled out above.**

While it is true that Housing was an important part of the recovery from the last nine recessions, there was a second economic sector involved in many of the economic “jump starts.” That sector was the Automobile industry. It is also important to understand that many of the recessions have been TRIGGERED by spikes in petroleum prices and threats to petroleum supplies – fuel for those Automobiles. Some of the threats to petroleum supplies resulted in costly oil wars.

**It is not a coincidence that the recessions ended with a housing and Automobile rebound, however, it IS a tragic convergence. The Wrong Size House in the Wrong Location had to be accessed by Large Private Vehicles that relied on federal, state and municipal subsidies.**

One of the points that Chris Nelson makes in *Reshaping Metropolitan America* is that the rising cost of gasoline will make access to scattered Large Single Household Detached dwellings too expensive for most to afford. He is right - if gasoline prices continue to go up (more on that below) – HOWEVER, the COST of gasoline is Not the only factor to consider.

First the cost of rebuilding the infrastructure to support the use of Large Private Vehicles is very high as noted in the discussion of ‘The Suburban Experiment’ and the related ‘Ponzi Scheme’ in *Thoughts on Building Strong Towns*, Vol I Marohn, Charles (2011) noted in Section III.

Then there is the rising cost of Large Private Vehicles themselves. The Automobile industry continues to make vehicles more and more complex and costly. They are rolling entertainment



and communication venues that are less and less safe to drive. The cost of Large Private Vehicles is very important.

**At this point half the working population cannot now afford a Large Private Vehicle that is BOTH safe to drive on the Interstate Highway system AND is fuel efficient.**

(See THE PROBLEM WITH CARS, PART THREE of *TRILO-G* cited in **End Note Two**. Data to support the cost / safety / fuel efficiency statement will be found in WHAT FOLLOWS THE AUTONOMOBILE, Current Perspective XX Forthcoming. No one who has reported running their own calculations has contradicted this statement given the price of fast, fuel efficient vehicles and the standards used to judge the ‘safety’ of small, light vehicles.)

**There is also the growing recognition that reliance on Large Private Vehicles Mobility and Access is not sustainable in large Urban agglomerations. **End Note Eighteen****

**Whatever the Mobility and Access System(s) is that replaces the Automobile, it must support the new, more functional and sustainable settlement patterns.**

It is critically important to insure that the current natural gas and petroleum ‘boom’ does not yield a false sense of ‘security’ that results in massive Agency subsidy of continuing dysfunctional human settlement patterns shaped by reliance on Large Private Vehicles for Mobility and Access.

Because the patterns and density of housing is so important to determining settlement patterns, if Fundamental Transformations that reflect Determinant One and Determinant Two are not implemented to accommodate the real shelter needs of all citizens, it will leave Households and their Organizations with Automobile dependent settlement patterns.

### **Beyond shelter**

It is important to understand that this Perspective on shelter reflects a larger reality:

**Seven plus billion humans are now living on a finite planet. An economic, social and physical trajectory that is reliant upon the current patterns of consumption is not sustainable.**

Over the past 68 years, consumption has expanded and patterns of use have devolved to the point that about 20 percent of the planet’s population is consuming 80 percent of the non-renewable resources expended each year. Now an additional 50 percent of the planets population (China, India, Brazil) has declared their intent to secure a fair share of the planet’s resources.

**Democracies that allocate resources with informed markets cannot be sustained in this context without Fundamental Transformations. End Note Nineteen**

Exhaustion of non-renewable resources and failure to intelligently use renewable resources will result in Collapse if there are not Fundamental Transformations in Urban and NonUrban settlement patterns, governance structure and economic systems. There are viable options to secure these Transformations. End Note Twenty

**To support intelligent Transformations, there must be a fair allocation of the total cost of contemporary, technologically based civilization. In addition, there must be a fair allocation of location-variable costs.**

An understanding of the Three Overarching Determinants is an essential first step on the path to creating a Critical Mass of citizens (voters) who support intelligent Fundamental Transformations.

**Faced with unprecedented economic and fiscal pressure, state and municipal Agencies have clung to extrapolations of past trends on the assumption that ‘the good times’ will return ‘soon.’**

Compounding the problem, Agencies are spending scarce funds on infrastructure to support settlement patterns for which there is no longer a market or a need. End Note Twenty-one

## **VI. PROJECTIONS AND DATA**

### **Projections**

There are few things more difficult than predicting the future. End Note Twenty-two

Phil Langdon raises the question of the validity of the predictions related to Determinant One in the review cited in End Note Five.

One can imagine many catastrophic events that ‘could’ derail one of the Three Determinants or the confluence of The Three Determinants. One could also dream of a silver bullet to solve the worlds problems. End Note Twenty-three

However, short of a global tragedy or a global miracle...

**Under current conditions – a continuation of the most probable ‘Business-As-Usual’ trajectory – these three Determinants will conflate to profoundly change the economics of the shelter market.**

In correspondence between EMR and Professor Nelson it was suggested that his observations concerning the need for new regulatory context was, perhaps, being overly cautious. **End Note Twenty-four**

## **Data**

Every Region is unique and every Region is diverse. All Three Overarching Determinants have been largely below the radar up to this point because much of the data on Housing – and on settlement patterns in general – is not collected or aggregated by the organic components of human settlement patterns.

Measures of density in ‘persons per acre’ or ‘dwellings per sq mile’ when aggregated by municipal border, Zip Code or MSA are misleading because settlement patterns vary greatly WITHIN these arbitrary borders. These determinants of territory are not organic components of human settlement.

In many cases where the data is available, there is no Agency, Enterprise or Institution in who’s best interest it is to make the information available.

## **VII. CONCLUSION**

There is a pressing need to recognize what is now obvious and to implement Fundamental Transformations

Having wasted last 40 years – and especially the last 13 the overarching question is:

**Will citizens and their Organizations have resources to buy or rent ANYTHING if they do not understand and take action that reflects REALITY SOON?**

## **END NOTES**

1. As documented in this Perspective, what has happened over the past four years is NOT a housing sector rebound but rather a profound change in the forces driving the shelter market and human settlement patterns. As noted in Sections II., IV. & V., the increase in ‘regional’ shelter values, especially of high end and well located properties is NOT a general shelter market ‘recovery.’ There are vast variations within Regions and among Regions.

There have been 11 recessions in the United States since World War II. Every one has ended with (and / or by) a strong performance in the Housing sector (and in the Automobile – aka, Large Private Vehicle) sector of the economy. Most of the last nine recessions have ended BECAUSE of a strong rebound performance in the Housing and Automobile sectors.

In the memory of those who in 2013 are of an age and position to be making location decisions, ‘the recession’ has ended with a Housing ‘recovery.’ As noted in this Perspective, counterproductive subsidies and the counterproductive decisions related to Housing as well as reliance on Large Private Vehicles to provide Mobility and Access have resulted in dysfunctional human settlement patterns.

Also see discussion of Enterprise Media hype concerning the ‘recovery’ of the shelter market in Section II.

2. As to this paragraph:

Observation 1:

Land devoted to housing and to land uses that provide direct Service and support to residential land uses make up between 60 and 90 percent of the built environment at the Alpha Community scale in most Urban agglomerations in the United States. Communities made up of Clusters, Neighborhoods and Villages with a SMALL percentage Single Household Detached Dwellings on large lots tend toward 60 percent and are more functional and efficient. Communities made up of Clusters, Neighborhoods and Villages with a LARGE percentage of Single Household Detached Dwellings on large lots tend toward 90 percent and are less functional and efficient. The mix of shelter options determines the functionality and efficiency of settlement patterns.

Observation 2.

Continental, nation-state and Regional economic prosperity, social stability and physical sustainability depend on evolving functional and efficient Urban and NonUrban human settlement patterns.

Two books provide documentation of these two observations. Risse, E M. *The Shape of the Future: (Vol I) The Critical, Overarching Impact of Human Settlement Pattern on Citizens' Economic, Social and Environmental Well-Being and (Vol II) Prospering in 21st Century New Urban Regions*. Warrenton, VA: SYNERGY/Resources, 2000 and Risse, E M. *TRILO-G: FOUNDATIONS, BRIDGES, ACTION: How to Make the World a Better Place One Alpha Community at a Time*. Warrenton, VA: SYNERGY/Resources, 2010.

3. See documents cited in **End Note Two**. Also see ENOUGH?, Current Perspective # 18 and SETTLEMENT PATTERN CONSILIENCE, Current Perspective # 26. Both are linked from the CURRENT PERSPECTIVE page at [www.emrisse.com](http://www.emrisse.com)
4. For a useful summary of the tortuous 1974 to 1998 path toward articulation of the cost implications of dysfunctional human settlement patterns see *The Costs of Sprawl – Revisited* by the Transportation Research Board (1998). The events and mileposts documented in Chapter 2 Historical Overview in this book were the foundation for the evolution of what then Secretary of the Smithsonian I. Michael Heyman, called in the Foreword to *THE SHAPE OF THE FUTURE* “a path toward a unified theory of human economic, social and physical activity” See **End Note Two**.

#### **A Note on Vocabulary & Capitalization:**

In the evolution of a robust and functional Vocabulary to accurately articulate the complexity of human settlement patterns, SYNERGY avoids the use of Core Confusing Words and makes every attempt to use words, phrases and letter sequences that are intuitively clear in the context used.

Due to the fact that Capitalization survives most inter-system translations, Capitalized terms are employed when a specific definition of a word or phrase is intended and ALL CAPS are used for emphasis and to identify resources published by SYNERGY.

Most words, phrases and letter sequences used in SYNERGY / E M Risse communications, Perspectives and books that may APPEAR to exhibit ‘irregular Capitalization’ are defined in GLOSSARY linked from the *RESOURCES* page at [www.emrisse.com](http://www.emrisse.com). The evolution continues and some have not yet been added to SYNERGY’s GLOSSARY.

In addition to consulting GLOSSARY, one can perform an Internet Search (Google / Bing, et. al.) of ‘E M Risse’ and the words, phrases or letter sequences in question – for example ‘J / H / S / R / A’ – and find a definition and / or the word, phrase or letter sequence used in context.

5. There is nothing in *Reshaping Metropolitan America* that contradicts the Three Overarching Determinants framework established in this Perspective. However, lacking a comprehensive Conceptual Framework of human settlement patterns – especially at and below the New Urban Region scale – and lacking a robust Vocabulary with which to articulate that Conceptual Framework, the magnitude and impact of Determinate Three is not apparent. Ironically, several of the persons to whom Nelson gives credit for publishing *Reshaping Metropolitan America* had an opportunity to address this issue 15 years ago.

Phil Langdon provided a very good review of *Reshaping Metropolitan America* in the March 2013 issue of *Better! Cities & Towns: the decision maker's bridge to stronger, greener communities*. Langdon's review is titled "Shift toward urban lifestyles forecast to 2030: A new book, *Reshaping Metropolitan America*, explains regions will take a more compact, mixed-use form in the next two decades..." *Reshaping Metropolitan America* is an important addition to the understanding of the future trajectory of human settlement pattern.

6. To become Balanced and Complete Urban agglomerations at the Alpha Community scale enclaves must evolve to be composed of "Walk Up"-centered Neighborhoods and Villages and have the Critical Mass to achieve a significant Balance of Jobs / Housing / Services / Recreation / Amenity at the Alpha Community scale.
7. See *THE SHAPE OF THE FUTURE* (2000) (**End Note Two**) for derivation of The Cost of Services Curve and the establishment of the 10 pn / ac Sweet Spot.

The New Urban Region Conceptual Framework articulated in *THE SHAPE OF THE FUTURE (SotF)* is based on the reality that human settlement patterns are complex organic systems and as such are subject to Natural Laws. Fractal Geometry and the fractional power laws of mammal anatomy are recently articulated examples of Natural Laws that relate to complex organic systems.

Five threshold Natural laws of critical importance to understanding human settlement patterns are spelled out in *SotF*. One of those Natural Laws is the 10 Person Law. This law was based on the location of the Sweet Spot on the Cost of Services Curve. The Sweet Spot reflected the fact that the Communities built between 1956 and 2000 were designed to be provided with Mobility and Access by Large Private Vehicles. Since complex organic systems depend on actions by the organisms that create them, the numerical values of Natural Laws change when the behavior changes.

In 2000, when the *SotF* was published the Sweet Spot was 10 pn / ac at the Alpha Community scale. In 2013 the Sweet Spot is 30 pn / ac at the Alpha Community scale. See **End Note Eight**.

8. As noted in **End Note Five**, there is nothing in the documentation of Determinant One and Determinant Two that conflicts with the parameters that frame Determinate Three. For example see Table 1.6 in *Reshaping Metropolitan America*. However, lacking a comprehensive Conceptual Framework of human settlement patterns – especially at and below the New Urban Region scale – and lacking a robust Vocabulary with which to articulate that Conceptual Framework, the magnitude and impact of Determinate Three is not apparent. In the articulation of Determinate One and Two there is no metric upon which to quantify the scope of, and therefore the impact of, Determinate Three. See documents cited in **End Note Two** and Sections III., IV., V., and VI.

9. ***Planning and Zoning Problems in Areas of Transition—The Physical Impact of Urbanization of New York State***, Risse, E M , New York State Office of Planning Coordination, March 1969.
10. Myths related to land need are introduced on page 40 and addressed in Chapters 7 and 26 of ***THE SHAPE OF THE FUTURE*** cited in **End Note Two**. Also see discussion of the power of the exponential function in SETTLEMENT PATTERN CONSILIENCE, Current Perspective # 26.
11. The settlement pattern that results from scattered Urban land uses is pejoratively called ‘sprawl.’ ‘Sprawl’ is a ‘Core Confusing Word’ as noted in Appendix Two of ***THE SHAPE OF THE FUTURE*** cited in End Note Two. Sprawl is often in the eye of the beholder – aka, unfounded and conflicting neural linguistic frameworks. What is envisioned as and called ‘sprawl’ varies from observer to observer.

Citizens living in scattered dwellings are primarily ‘Urban Citizens.’ They are NOT ‘rural’ citizens. They are members of Households that are dependent PRIMARILY on Urban economic activities. ‘Rural’ is also a Core Confusing Word.

12. In ***Reshaping Metropolitan America***, Arthur C. Nelson estimates there will be \$40 trillion spent on reshaping Urban fabric to meet the future market needs.
13. The New Urban Region is defined in the GLOSSARY linked from the *RESOURCE* page at [www.emrisse.com](http://www.emrisse.com) . In general, New Urban Regions are Metropolitan Statistical Areas PLUS the adjacent area that is directly impacted economically, socially and physically by the Urban activities within the Core of the New Urban Region. The map of the 68 largest NURs was developed originally by SYNERGY based on 1990 US Census Data.

The process and parameters were described in ***THE SHAPE OF THE FUTURE*** (2000). Maps showing the Core and the extent of economic impact have been published in several forms from 1995 to 2010. See ***Stark Contrast*** and other graphic files on the DVDs containing ***THE SHAPE OF THE FUTURE***, Fourth Printing and ***TRILO-G*** cited in **End Note Two**. It turns out these SYNERGY maps are essentially the ‘same as’ the one published by America 2050 / Regional Plan Association in 2006.

A recent version of the SYNERGY map is included in PART FOUR – THE USE AND MANAGEMENT OF LAND of ***TRILO-G*** (2010). This map indicates the conterminous NURs that form ‘MegaRegions’ in the America 2050 Lexicon. ‘MegaRegion’ has been added to the organic components of human settlement pattern in the current version of GLOSSARY.

14. The Logical Location of The Clear Edge (LLCE ) can be identified on an accurate, comprehensive street map of a New Urban Region, from a current high resolution aerial photograph as well as from other sources.
15. A small amount of the Core of most New Urban Regions is already developed at higher densities at the Neighborhood-scale and Village-scale that EXCEED those needed to create 30 pn / ac Alpha Communities.)
16. When transfers between ‘partners’ with an economic interest in minimizing write-downs are eliminated, the value of raw land for Urban land uses has fallen by a factor of four in some cases. A \$16 mil development site in 2005 is worth \$ 4 mil in 2013 with no buyers in sight. Those properties upon which new projects are being ‘proposed’ have been owned by developers or lenders and are ‘going forward’ to avoid threats of foreclosure in spite of a shrinking market for Mode-of-the-Market Large Single Household Detached dwellings. There are still buyers for new Units at reduced prices in attractively advertised projects.

As noted in this Perspective, the amount of land held for FUTURE Urban use is vast. This land is often held by amateur speculators and there is no systematic tracking of this data. The reality is only apparent in retrospect over a long period and vis a vis specific ‘in-play’ parcels. See Sections V and VI.

17. For a summary of the impact of locational dysfunction – Determinate Three – as it applies to a specific Beta Community in the Countryside, See THREE UNFOUNDED ASSUMPTIONS, Current Perspective # 27, FUNDAMENTAL REALITIES, Current Perspective #28 and CRITICAL STRATEGIES, Current Perspective #29. linked from the *CURRENT PERSPECTIVES* page at [www.emrisse.com](http://www.emrisse.com) . These Perspectives provide citations and data supporting Determinate Three.
18. For the reasons spelled out in THE PROBLEM WITH CARS – PART THREE of **TRIO-G** cited in **End Note Two**, Large Private Vehicles cannot and will not ever be able to provide Mobility and Access for the settlement patterns that support intelligent Housing strategies. Also see Litman, Todd *Transportation Affordability: Evaluation and Improvement Strategies* (2013).

There is a related issue: What will follow the Automobile? This is the subject of a forthcoming SYNERGY Current Perspective. See “What the Steamship and the Land line Can Tell Us About the Decline of the Private Car.” The Atlantic Cities dot com 11 March 2013.

19. See ENOUGH?, Current Perspective # 18
20. See MANAGING CIVILIZATION – AN OVERVIEW, Current Perspective # 23 and



SETTLEMENT PATTERN CONSILIENCE, Current Perspective #26. For a refreshing alternative to doom and gloom see *Cancel the Apocalypse: The New path to Prosperity* by Andrew Simms. Simms is a fellow of the New Economic Foundation which is striving to outline the parameters of alternative, sustainable economic systems.

21. If the current conditions were evolving in the 60s, 70s or 80s there would already be massive Agency (government ) programs to help out those who will be negatively impacted in the Outer Radius Bands. Agencies cannot afford such a program in 2013 because so much of the planets resources (Natural Capital) have been wasted creating a dysfunctional distribution of Urban land uses.

Here is a summary of this perspective on the past ability of a dysfunctional governance structure to plan for the future:

“And planners and governments will be just as surprised, ineffective, and unprepared as the vast majority of them were at the dawn to the last new age. [assumed to mean post WW II] But, unlike the last go round, governments will be broke, having spent what little they had on the wrong things in the wrong places at the wrong times.”

Reed Fawell III commenting on the impact of ‘sequester’ on the National Capital SubRegion in a now pro-libertarian blog Bacons Rebellion dot com.

The topic of unsustainable Agency spending on infrastructure to support Large Private Vehicles and to create more dysfunctional settlement patterns will be addressed in a forthcoming Current Perspective now in outline form.

22. One of the few challenges that are more difficult tasks that predicting the future is restructuring governance. Chapter 29 of *THE SHAPE OF THE FUTURE* opens with this statement:

“Fundamental restructuring of governance is perhaps the most difficult task a society can face.”

Niccolo Machiavelli, provided the following advice to Lorenzo (The Magnificent) di Medici, concerning the establishment of new governance structure:

**“It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things.**

The problem is that Fundamental Transformation of the governance structure is one of the three Fundamental Transformations that are conditions precedent to establishing a sustainable trajectory for human civilization.

23. Some Possible Catastrophes and Miracles:

Catastrophes:

- ◆ A nuclear event triggered by conflicts in East Asia or in the Middle East
- ◆ A pandemic plague caused by drug resistant pathogens.
- ◆ A large asteroid or comet that becomes a meteor and then a meteorite with a mass and velocity at impact that is sufficient to create tectonic earthquakes.
- ◆ Collapse of Urban civilization as it has evolved to date (democracies with informed markets) due to ‘The New Socialism’ spreading from Latin America driven by the widening Citizen Wealth and Well-Being Gulf.

Miracles:

- ◆ Enlightened revelation of need to slash consumption and reverse population growth
- ◆ Others? Even free, unlimited, non-polluting energy will not result in a sustainable future trajectory without Fundamental Transformations.

24. Correspondence with Arthur C. Nelson

A copy of the Beta 1 draft of this Perspective based on reviews of *Reshaping Metropolitan America* and familiarity with Chris’ work was sent to Arthur C. (Chris) Nelson before a copy of the book was available to the author. It was also sent before the editor of *B! C&T* Bob Steuteville’s newsletter post concerning Nelson’s reservations about the effectiveness of new regulatory frameworks to allow the market to work. This material was later reprinted as part of an editorial in the March 2013 issue of *Better! Cities & Towns: the decision maker’s bridge to stronger, greener communities*. Nelson suggests that federal, state and municipal Agencies will have to adopt new policy and regulatory frameworks to accommodate the ‘reshaping’ of Urban settlement patterns.

In a note to Nelson, it was stated that SYNERGY’s position was that “the context of development has changed so dramatically that opposition to Walkable, Diverse and Accessible Urban enclaves will implode. The NYMBYs will WANT to sell for redevelopment because it is the only way to get their money out of their Unit.”

The land area needed for market based Neighborhood-scale and Village-scale projects is so small compared to the many millions of acres that are vacant, underutilized, partially

Urbanized, etc. that there will be competition to sell land.

In ***Reshaping***, Nelson suggests that the land under Large Single Household Dwellings [in select locations] will be worth more than the Unit. This was observed in the late 80s and 90s with what SYNERGY called ‘Subdivision Recycling.’

With so much more land in play (See Determinate Three) it will not be the ‘developers’ who will be motivated to lobby for the new, flexible land use controls. It will be the HOA’s and orphan cul de sacs with depressed values.

Without new residential regulatory environment there may be a wider scatteration of Urban enclaves than would be optimum, but the need for access to Shared Vehicle Systems will be a coagulating force.

Nelson’s response was:

“These are very keen insights I had not considered. Thank you! Maybe the conventional NIMBYs will become GREEDYs – Gosh **Redevelop my Entire Enclave Yesterday.**”

That Prof. Nelson’s suggesting may be a stretch but it illustrates the scope of potential change due to the vast amount of land available to meet reduced housing demand as documented by Determinate Three.