

Placemaking: What the Market Wants



*University of Michigan & Urban Land Institute
Real Estate Forum*

*Mary Beth Graebert
Michigan State University*

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Michigan State University Land Policy Institute



- ❧ Strong focus on research and outreach on analysis of land policy options in many contemporary issue areas.
- ❧ The ways in which we use our land and build upon it impact our quality of life, today and tomorrow.
- ❧ Focus Areas: Placemaking & Regional Prosperity, Land & Planning, Land-Based Resources, and Energy.
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Presentation Outline



- ❧ Changing Demand for the Built Environment
- ❧ National Placemaking Survey
- ❧ Midwest U.S. Home and Neighborhood Survey
- ❧ Midwest U.S. Property Price Assessment
- ❧ Conclusions

Summary



- ❧ U.S. **population demographics** are changing with respect to race, age, income, etc.
- ❧ Growing segments of the population (e.g., young talent) are **looking for dense, walkable, mixed-use neighborhoods** with access to jobs, green space, arts and culture, entertainment, housing and transportation options, and affordable living. Many Boomers are looking for these features as well.
- ❧ **Michigan cities currently are not meeting changing demand** for housing and neighborhood types.
- ❧ Placemaking efforts are needed to meet market demand and to make cities and downtowns more attractive places with a high quality of life for all residents.

Changing Demand for the Built Environment



Walkable Urban Places



- ❧ Leinberger (2012) states that **market demand for the built environment is moving away from the “drivable sub-urban” approach** to walkable urban development.
- ❧ There is **pent-up demand for walkable urban development**, which is demonstrated by rental and sales price premiums per-square-foot in these places.
- ❧ In Washington D.C., a model for any U.S. city that wants to **compete in the global economy**, rental apartment developers have started to aggressively pursue walkable urban locations.

Community Preference Survey



- ❧ A National Association of Realtors survey (2013) found that nearly **60% of survey respondents prefer to live in a neighborhood with a mix of uses in easy walking distance.**
- ❧ Respondents identified their “**ideal community**” as a suburban neighborhood with a mix of houses, shops and businesses, not just houses.
- ❧ A majority of respondents would give up a bigger lot for a **shorter commute** and living within walking distance of schools, stores and restaurants.

Soul of the Community



- ❧ The “Soul of the Community Survey,” conducted by the Knight Foundation and Gallup (2010), found three main drivers of community attachment: **social offerings, openness/welcomeness and aesthetics.**
- ❧ These factors ranked higher than basic services (community infrastructure), local economy, safety, leadership and education systems.
- ❧ Forming an emotional connection with the community requires the right **form and sociability.**

National Placemaking Survey



Study Purpose



∞ The purpose of this LPI study is to determine:

How do citizens view placemaking, both in terms of what value it has for their communities and what types of “place amenities” they like to have within their neighborhoods?

“Placemaking” Defined



The targeted improvement of a place, within a neighborhood or community, that uniquely creates a **functional space** with a variety of uses, that is **appealing to a wide range of people** and that has an identifiable character, or “sense of place.”

Views on Placemaking

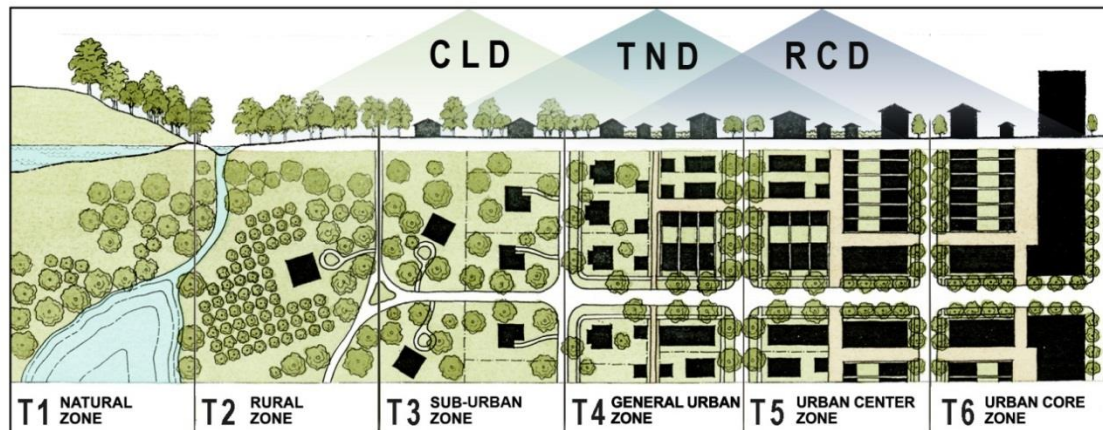
Question	Strongly Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Strongly Disagree	Unsure
Increase economic activity.	32%	39%	18%	5%	3%	4%
Improve opportunities for jobs.	33%	36%	19%	6%	3%	3%
Improve the quality of life.	41%	35%	16%	4%	2%	3%
Positively affect home prices.	33%	36%	21%	4%	2%	3%
Enhance the sense of community belonging.	37%	37%	18%	4%	2%	3%
Attract new people to our community.	35%	37%	19%	4%	2%	3%

Between 69%-76% of respondents agree that placemaking has positive economic impacts; around 20% responded neutrally on this point, while only a small percentage (around 3%) appeared to be unsure.

Respondents by Transect: Where Do You Currently Live?

Transect	Number	Percent	
T2: Rural	648	18.4%	} 55% Sub/Rural
T3: Suburban	1,277	36.4%	
T4: General Urban	1,063	30.3%	} 45% Urban
T5: Urban Center/Small Town	348	9.9%	
T6: Urban Core	176	5%	

THE TRANSECT AND
COMMUNITY UNITS





What are some of the places that people want in their neighborhoods (within walking distance)?

Grocery Shopping



Big Box Store



Neighborhood Grocery



Convenience Store

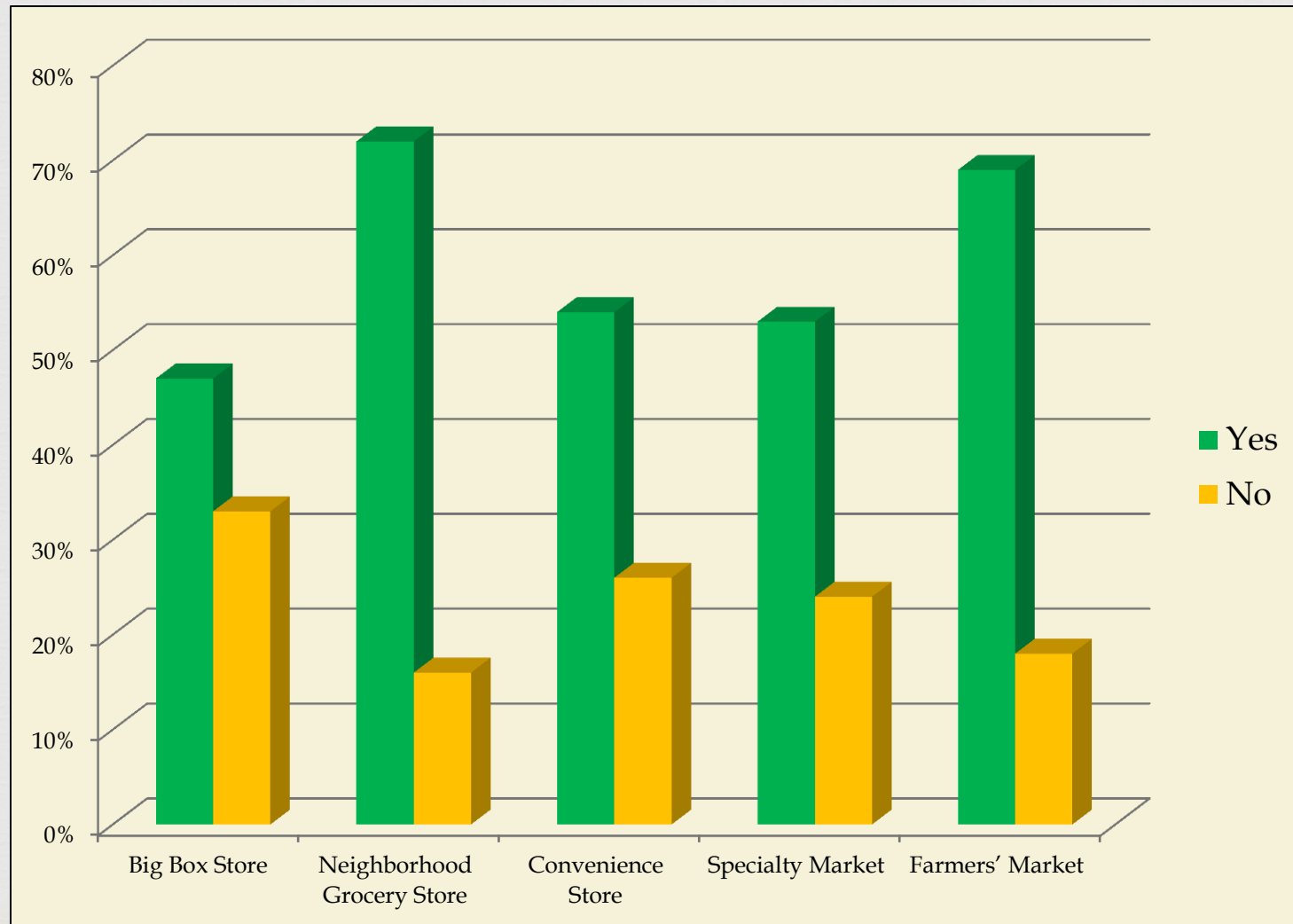


Specialty Market



Farmers' Market

What Type of Grocery Shopping?



Retail Shopping



Interior Mall



Strip Mall



Outlet Mall

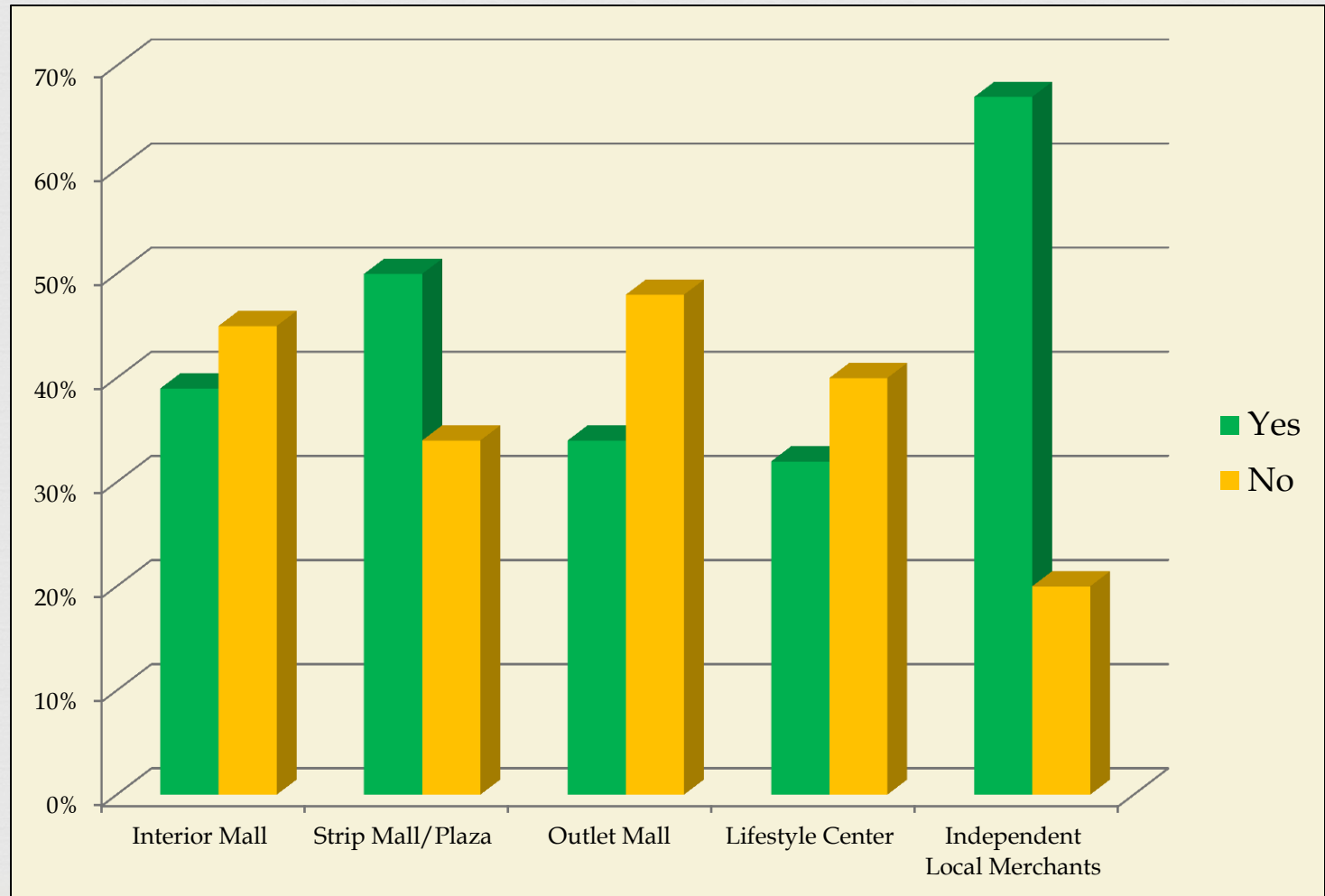


Lifestyle Center



Local Merchants

What Type of Retail Shopping?



Restaurants



Fast Food Drive Thru



Suburban Sit-Down



Mall Restaurant



Coffee Shop

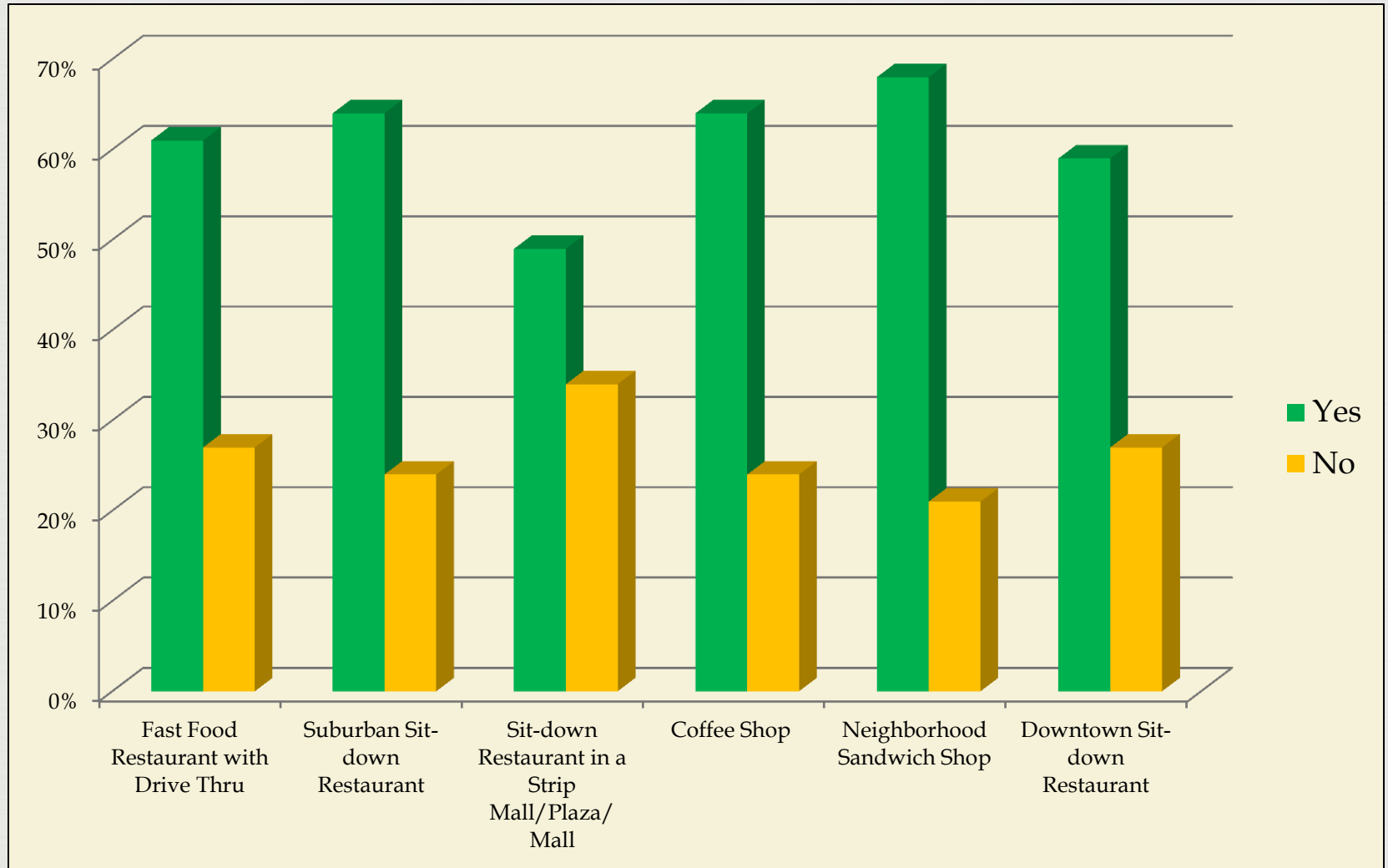


Sandwich Shop



Downtown Sit-Down

What Type of Restaurants?



Beverage Establishment



Isolated Bar



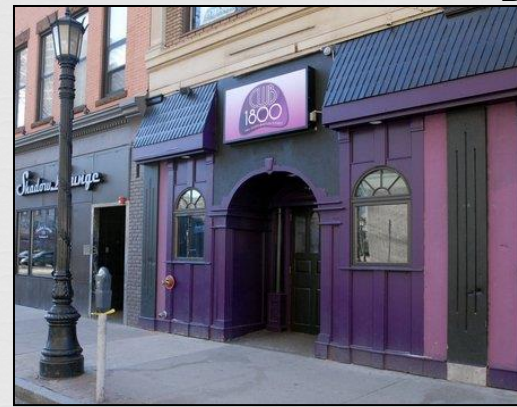
Mall Bar



Casual Neighborhood
Bar

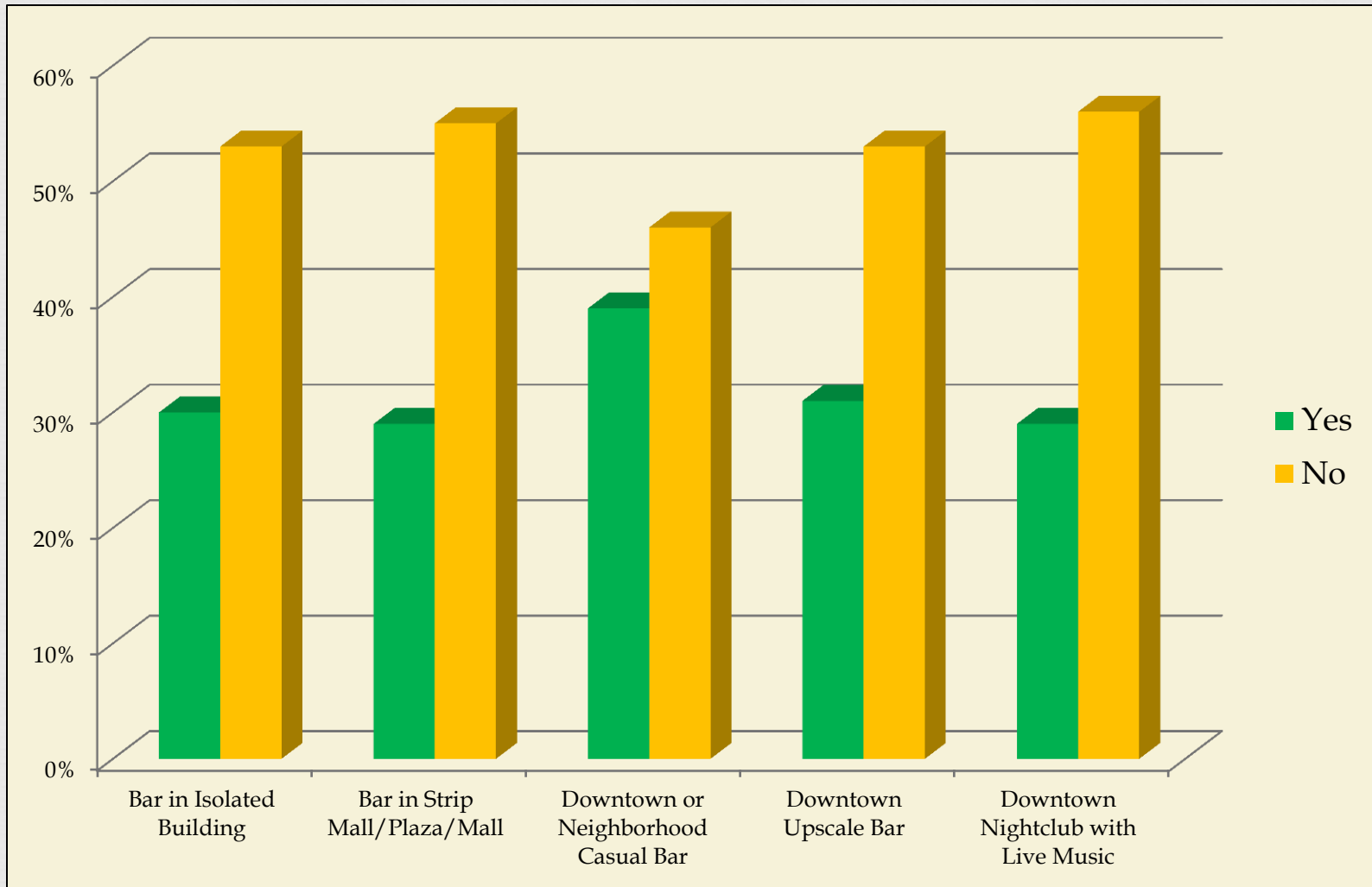


Downtown Upscale Bar



Downtown Nightclub

What Type of Beverage Establishment?



Park



Suburban Specific-Use



Suburban Multi-Use



Urban Specific-Use

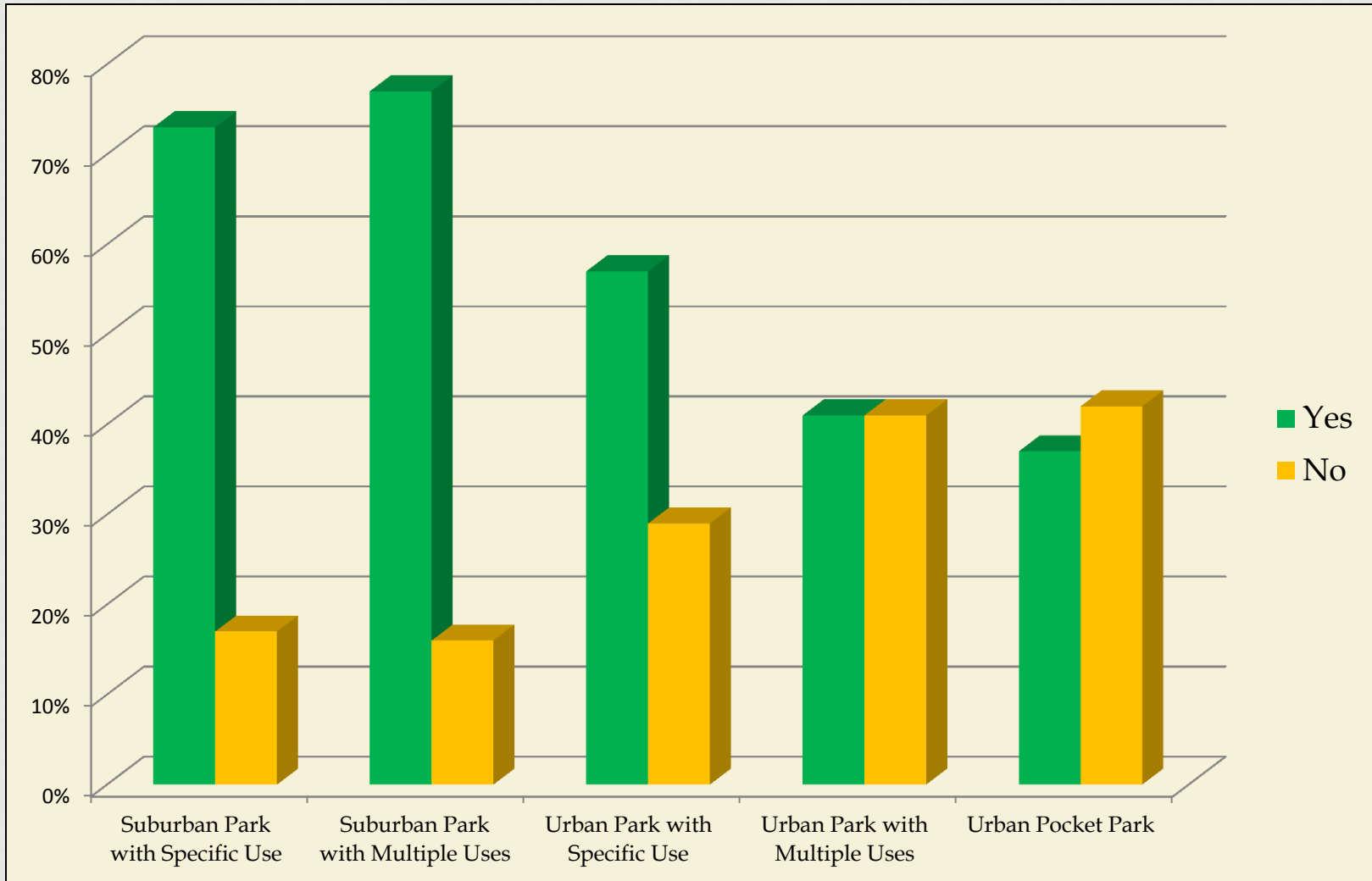


Urban Multi-Use



Urban Pocket Park

What Type of Park?



Neighborhood Type



Rural



Suburban Large Lot



Small-Medium Lot



Mixed-Use Building

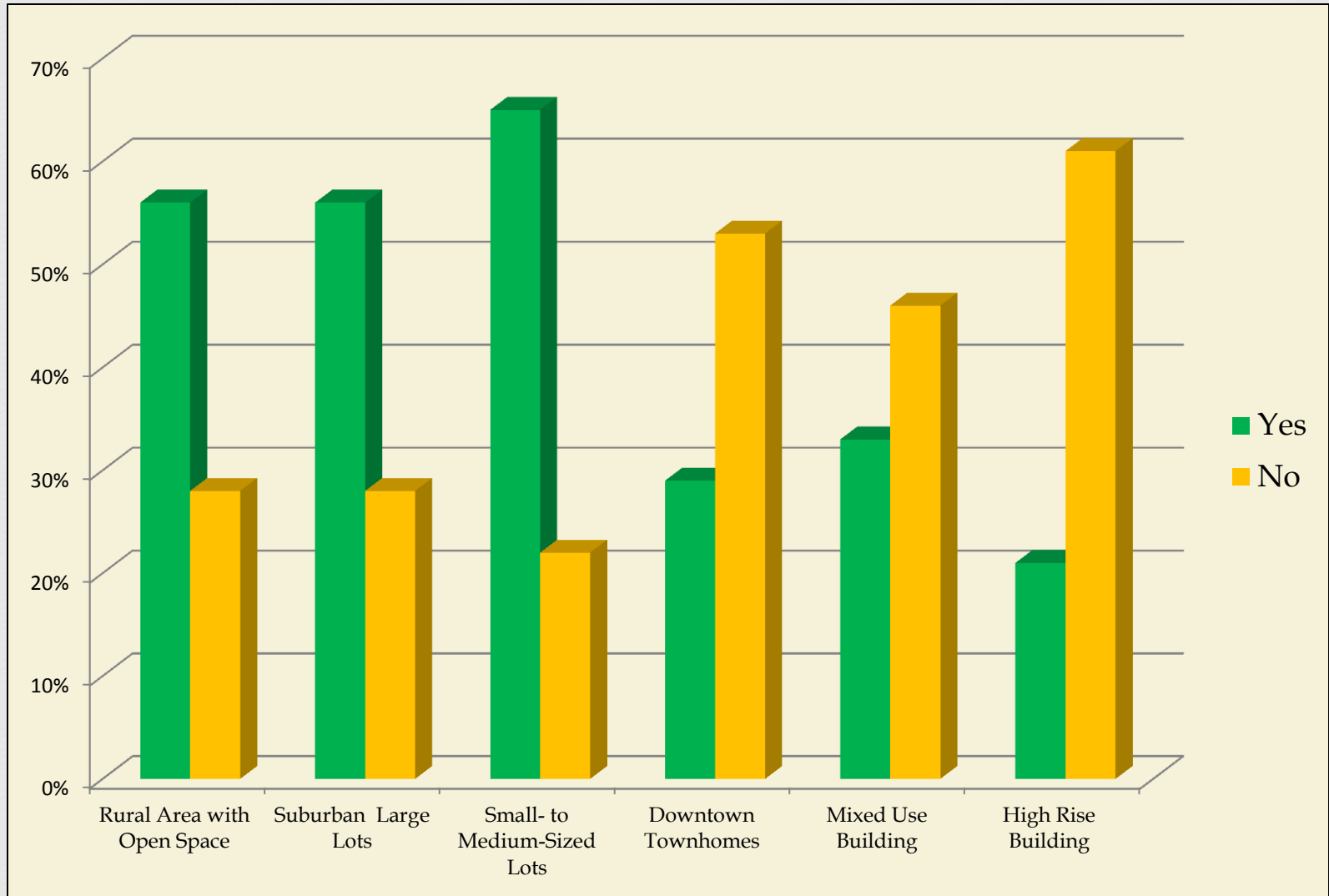


Downtown Townhomes



High Rise

What Type of Neighborhood?



Arts and Culture



Library



Movie Theatre



Performing Arts



Museum

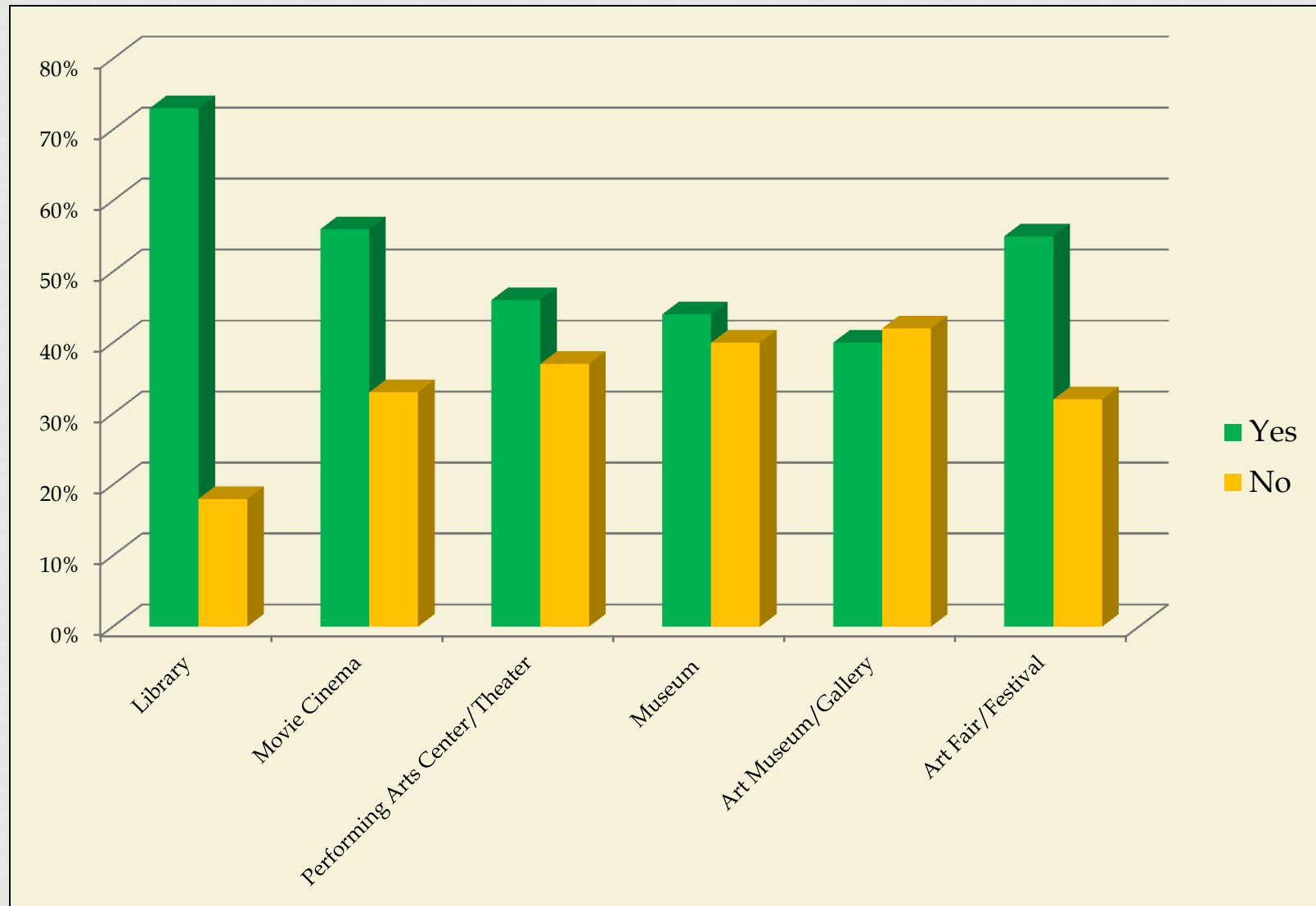


Art Gallery



Art Fair

Do You Want Arts and Culture?



Urban Transect Differences



- ❧ People in urban transects (T4, T5 and T6) are slightly less likely to indicate that they want rural areas with open space or large lot suburban neighborhoods, and slightly **more likely to want smaller lots, townhomes, mixed use and high rise buildings.**
- ❧ The closer to the core (T6), the more likely they are to select “denser” options.
- ❧ Urban transect respondents are also slightly **more likely to want bars, urban parks, and arts and culture amenities.**

Demographic Differences



- ❧ Survey confirmed that **non-whites, young people and low-income families** are more likely to live in urban areas.
- ❧ **Younger age groups** were more likely to say “yes” to bars and arts and culture venues than their older counterparts.
- ❧ Low-income respondents were more likely to want **arts and culture venues** in their neighborhood than wealthier respondents. They were also more likely to choose libraries and movie cinemas over museums and art galleries.

Neighborhood and Placemaking Correlations



- ❧ Of the people who said they felt that their **neighborhood is a better place to live** now than five years ago, a large majority of them agreed that:
 - ❧ Their neighborhood is **visually appealing and ethnically diverse**;
 - ❧ Their **neighborhood has a mix** of residential, retail and commercial uses, including many places to go (for working, eating, shopping, drinking, entertainment, recreation, etc.); and
 - ❧ **Property values in their neighborhood had remained stable**, despite the economic recession.

Community and Placemaking Correlations



- ❧ Of the people who said they felt that their **community is a better place to live** now than five years ago, a large majority agreed that:
 - ❧ They can do most of their grocery shopping at stores in their local community; that there are bike lanes or paths/trails in their local community;
 - ❧ There are many opportunities for **arts and cultural experiences** within their local community; and
 - ❧ Public transportation/transit in their community is **reliable and convenient**.

Changing Demand?



- ❧ A strong majority of respondents agreed that there is a **positive relationship between economic well-being and placemaking**.
- ❧ However, answers to questions about incorporating placemaking (particularly walkable amenities and mixed use) into their neighborhoods received more **ambivalent responses**.
- ❧ About 67% of respondents selected transects T2 and T3 (housing only), while only 33% selected zones T4-T6 (mix of uses).
- ❧ This could be a result of survey bias, and/or it could illustrate the struggle that people continue to have about embracing density.

Midwest Home and Neighborhood Survey

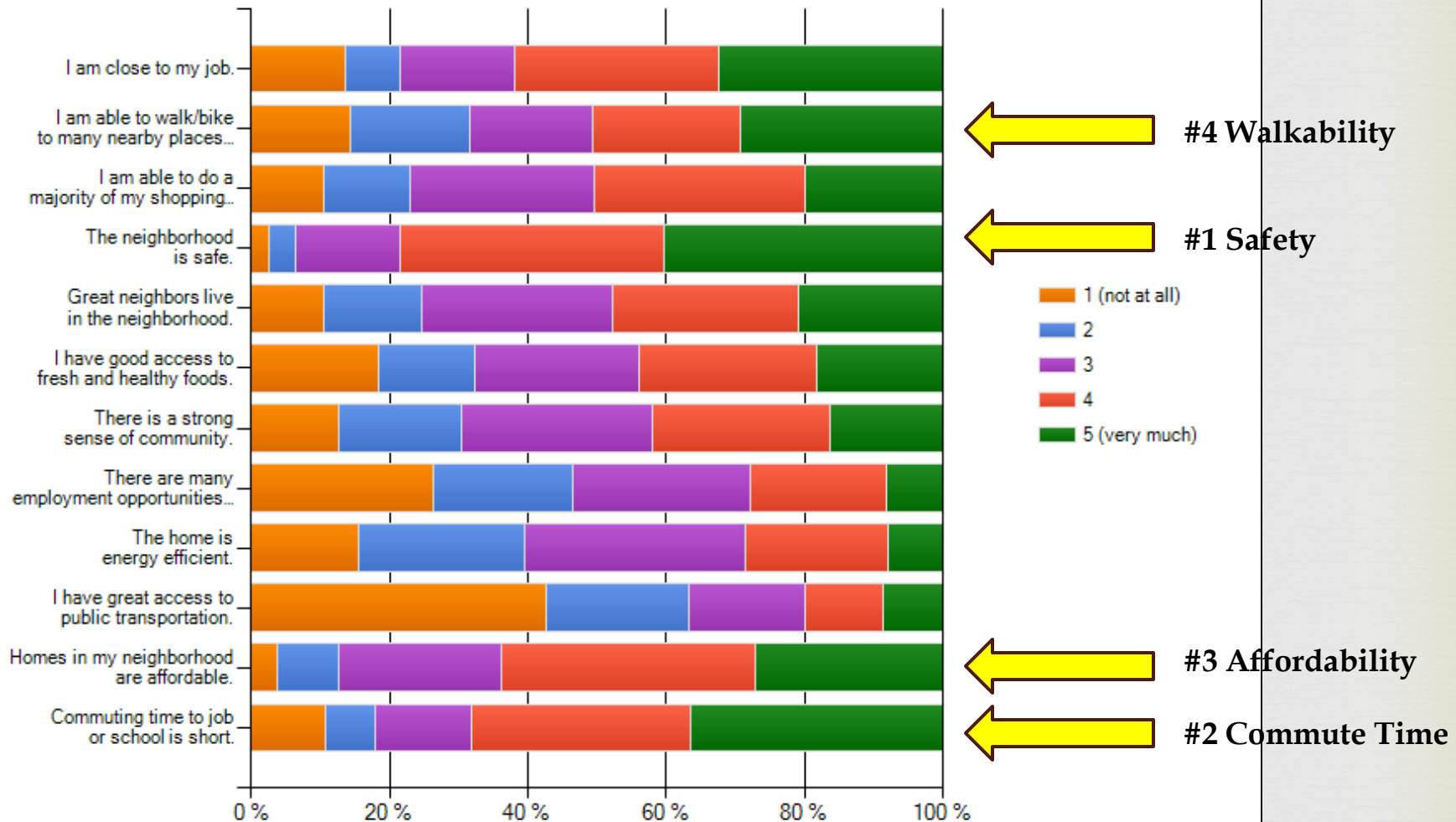


Study Cities



What Factors Influence Home Purchase Decisions?

Please indicate how much the following statements influenced your decision to purchase your home:

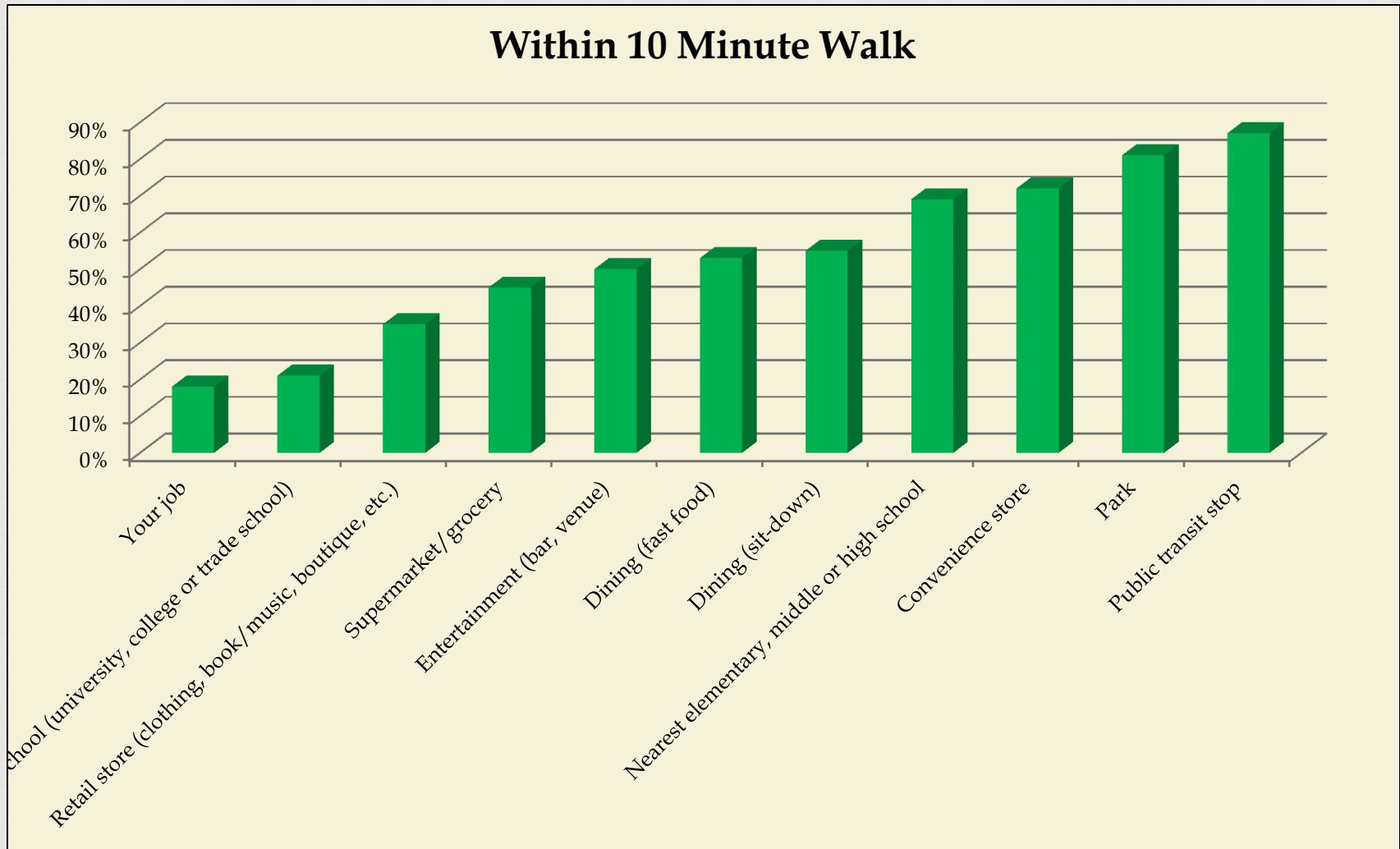


Home and Neighborhood Attributes



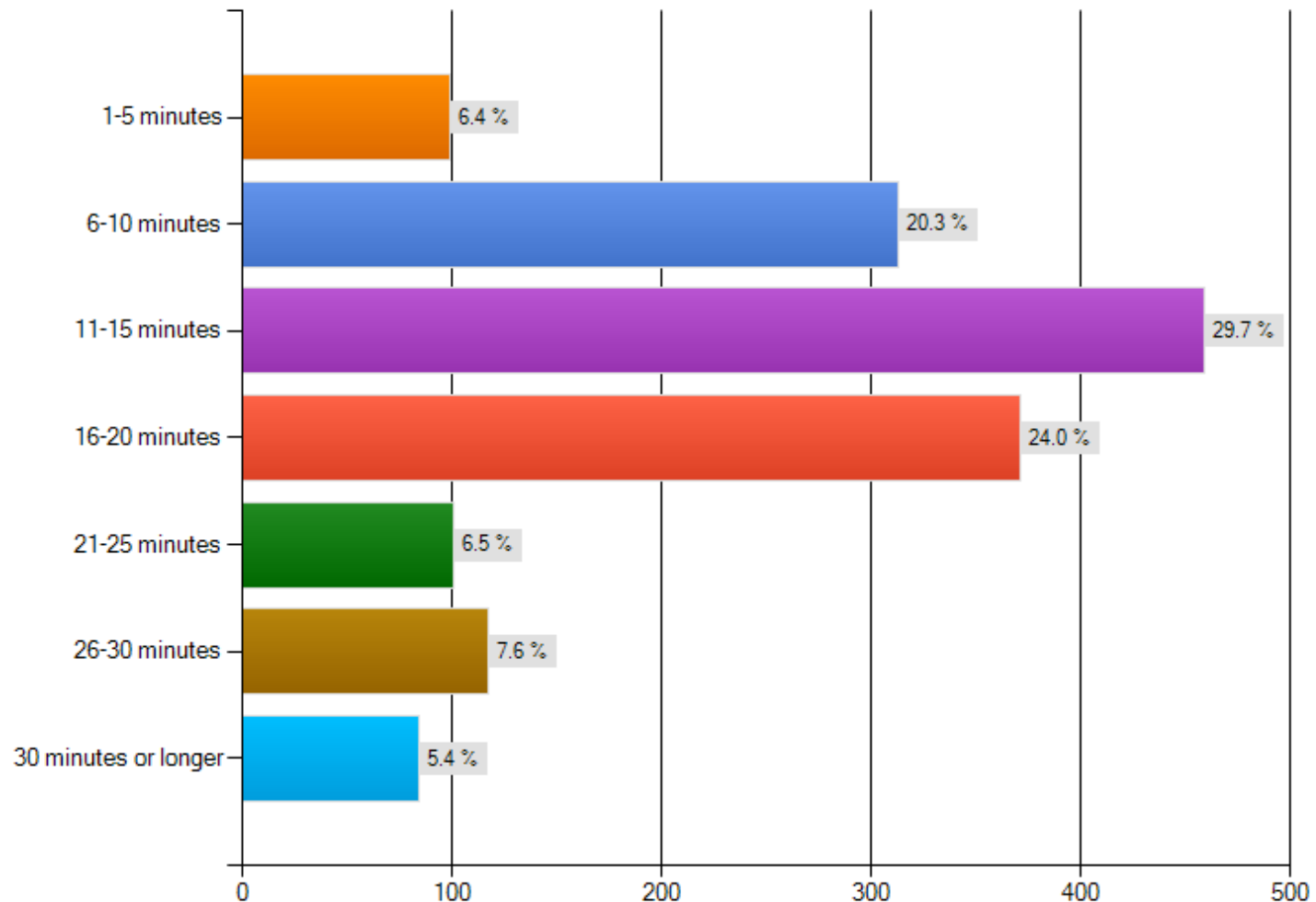
- ❧ With respect to housing structures, many respondents indicated that their house has a garage (88%), one or more driveway parking spaces (92%) and 24-hour on-street parking (65%), suggesting that these **neighborhoods cater to cars**.
- ❧ Seventy-six percent (76%) of households indicated that they have made **energy efficiency upgrades**, including installing Energy Star appliances, insulation and new windows. Federal and state tax credits, as well as rising energy prices, appear to have been effective incentives for retrofitting.
- ❧ In terms of neighborhood amenities, a majority of homeowners and renters rated the **quality of the closest** grocery store, park, restaurant and gas station/convenience store at a **high or very high level**.

Walk Time to Nearby Amenities



How Far Are People Willing to Walk?

Generally speaking, how many minutes are you willing to walk to reach a destination? (such as a restaurant, store, park, or other places you might frequently visit)



Walking Preferences



- ❧ In terms of walking preferences, 59% of respondents indicated that they **walk often or all of the time**.
- ❧ Among those surveyed, the middle to older age brackets (age 40 to 64) appear slightly **more likely to walk often**.
- ❧ Older respondents (age 50 and older) were also slightly more **willing to walk farther distances** than their younger counterparts.
- ❧ Younger people (age 18 to 34, in particular) prefer to walk to destinations that are **less than 20 minutes away**.

Aesthetically-Pleasing and Safe Neighborhood?



How would you rate the overall look and feel of a walk in your neighborhood?

1: Very Low	2	3	4	5: Very High	Not Practical/ Don't Walk
2%	4%	16%	38%	40%	0%

How safe do you feel in this neighborhood?

Extremely Safe	Very Safe	Moderately Safe	Slightly Safe	Not at All Safe
23%	52%	21%	3%	1%

Walkability and Safety



- ❧ Ninety-three percent of people who rated the **look and feel of a walk** in their neighborhood as very high quality also felt that the neighborhood was very to extremely **safe**.
- ❧ Eighty-four percent of the people who rated the **quality of their nearest park** as 5, or “very high,” said that they feel very to extremely **safe** in their neighborhood.
- ❧ Sixty-eight percent of people who responded that they feel extremely **safe** in their neighborhood said that they **walk very often** or all of the time.
- ❧ It also appears that a perception of safety results in a **willingness to walk farther**.

Walkability, Health and Happiness



- ❧ Seventy-four percent of people who said that they are **extremely healthy** indicated that they **walk very often** or all of the time.
- ❧ Extremely **healthy** people indicated that **ability to walk/bike** to many nearby places and access to **fresh and healthy foods** had a strong influence on their home purchase decision.
- ❧ Seventy percent of extremely **happy** people said that they **walk often** or all of the time.
- ❧ A majority of extremely happy people said that “**sense of community**” had a strong influence on their home buying decision as well.

Conclusions



Conclusions



- ❧ **Certain population segments**, like non-whites, low-income families and young “creative class” individuals, are **more likely to live in urban environments**, where there is, ideally, greater connectivity, mixed use and accessibility.
- ❧ To attract and retain these segments of the population, we need to **improve their quality of life in urban environments**, especially.
- ❧ **Placemaking can** enhance walkability, transit access, connectivity, arts and culture, recreation, entertainment, services, etc.

Conclusions (continued)



- ❧ Places in the Midwest U.S., particularly Michigan cities, are still more auto-oriented than **people-oriented**, but older Midwesterners will walk more and further than younger ones, while younger ones require more density and activity closer together than older ones.
- ❧ Many people, particularly those who currently live in rural and suburban areas, are **not yet ready** to give up their cars and live in denser, busier, more vibrant neighborhoods.
- ❧ Despite an understanding that **placemaking improves economic well-being**, concerns about how it might encourage **crime, noise and higher expenses** still exist and should be addressed.
- ❧ People would like to be able to walk to nearby destinations, but the **quality and safety** of that walk is important. Walking has **health and happiness** benefits.

Contact Information



Mary Beth Graebert

lakemary@msu.edu

517-355-3378

www.landpolicy.msu.edu