

THE AFTERMATH OF THE CRISIS

HOW IT WILL AFFECT THE WAY WE DEVELOP

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By definition, a crisis creates dislocation and reorientation. After a crisis, we often think about our lives and the world around us differently. As painful as working through tumultuous times may be, they can be cathartic and create the potential for “epiphany opportunities” – if we carefully examine the factors that led to the problem and how we respond to the changing world.

To succinctly state the obvious, the following is a list of recent trends that helped cause the housing and credit crisis: easy credit; low interest rates; excessive consumerism; over-exuberant development on the fringes of major cities; \$4 per gallon of gasoline; and Americans spend more than they earn.

What happens as the economy recovers: inflation; higher interest rates; tighter credit; \$4 per gallon of gasoline; and savings increases and consumption decreases.

There are a number of factors that stay with us throughout:

- Global warming – whether you believe the science or not, the political issue remains.
- Pollution – the health issues of carbon combustion alone should be a reason for change.
- Traffic congestion – commute times in major cities are getting longer, and the cost of commuting, when added to the cost of housing, creates an excessive burden on all but the wealthiest families.
- Growth of our major cities – for instance, Dallas is projected to grow by 50% in the next 25-30 years. Consider the impact of this growth on the other items above.
- Gen Y, Millennial Generation and Retiring Baby Boomers – more single and less married; fewer children that are being born later; desire urban excitement over suburban quiet; and need smaller homes. The traditional family that made up 40% of households in 1970 now accounts for only 24% of households.

Some brief facts to consider:

- 70% of our carbon footprint comes from the built environment – our tendency is to want to address tailpipes and smokestacks, but the invisible polluter is not our cars or our power plants. Reducing power demand in buildings will do more to reduce pollution and global warming than electric cars and alternative energy sources.
- The average American family spends 51% to 63% percent of their income on housing and transportation, and for those families earning less than \$50,000, transportation costs exceed housing costs.

Two new urbanists, [Larry Beasley](#) and [Chris Leinberger](#), recently addressed the Dallas City Council on urban living and density. As they spoke, a vision of the future of real estate began to take hold:

- More mass transit
- More development in the urban core and denser development in the suburbs along mass transit lines and even along highway corridors ... [more](#)



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