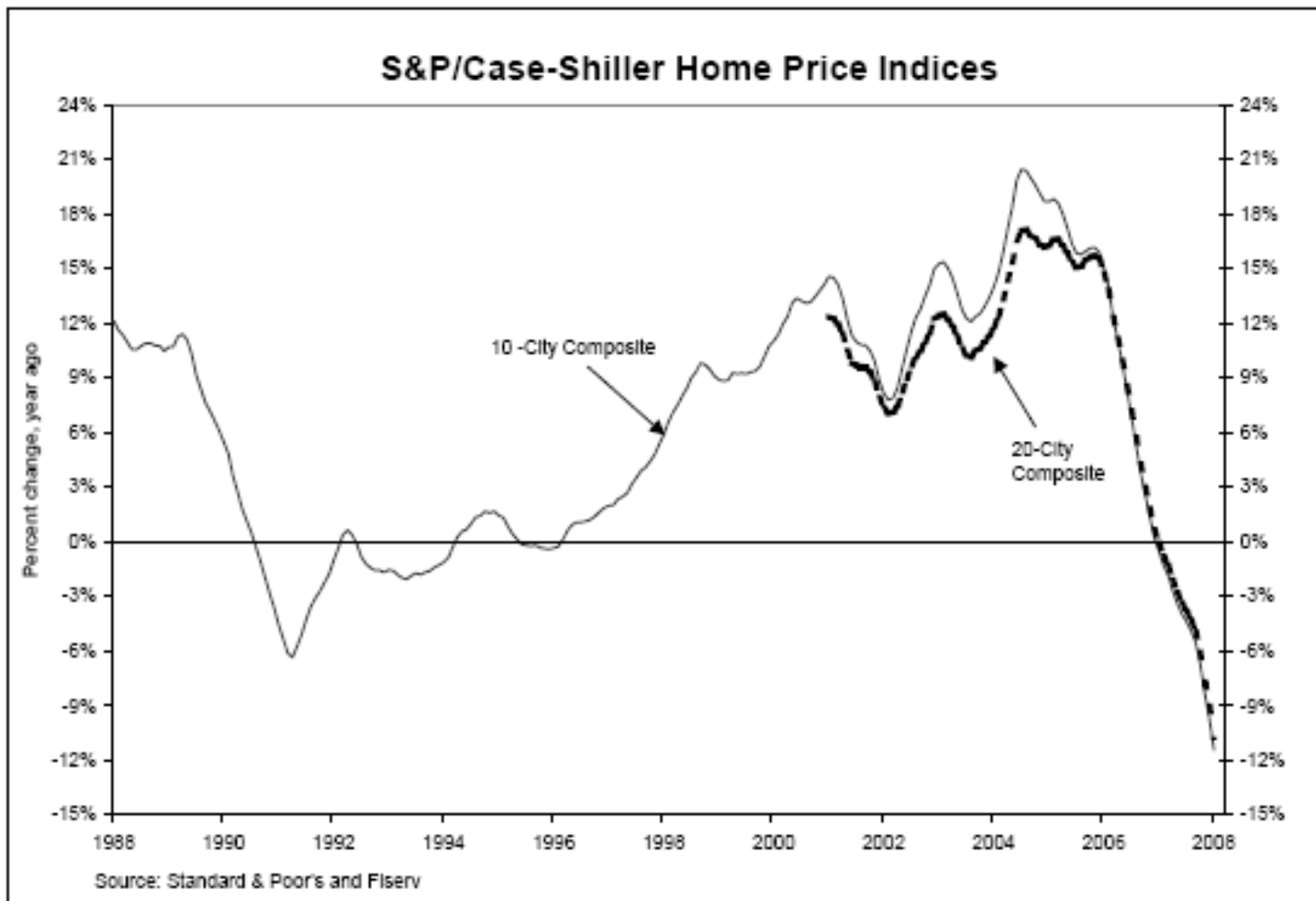


Driven to the Brink

How the gas price spike
popped the housing bubble
and devalued the suburbs

The housing bubble has burst



A sea change in energy prices

Gas Prices Break \$3.00 Gallon

Average Price of Gasoline (Gallon) (12 week moving average)



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Source: Bureau of Economic Analysis

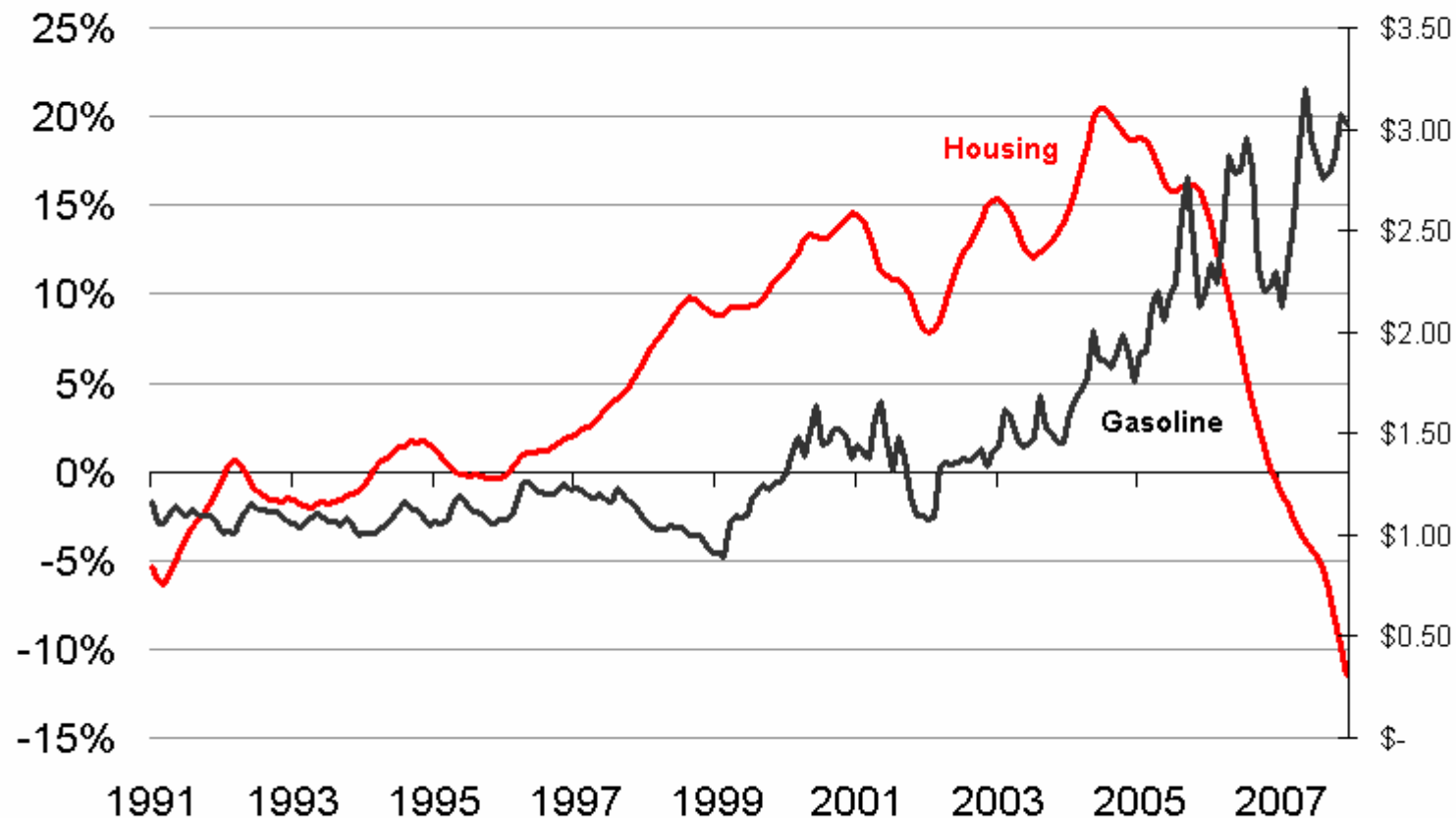
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Housing Bubble Meets the Gas Price Spike

Annual Housing Price Change

Price of Gasoline

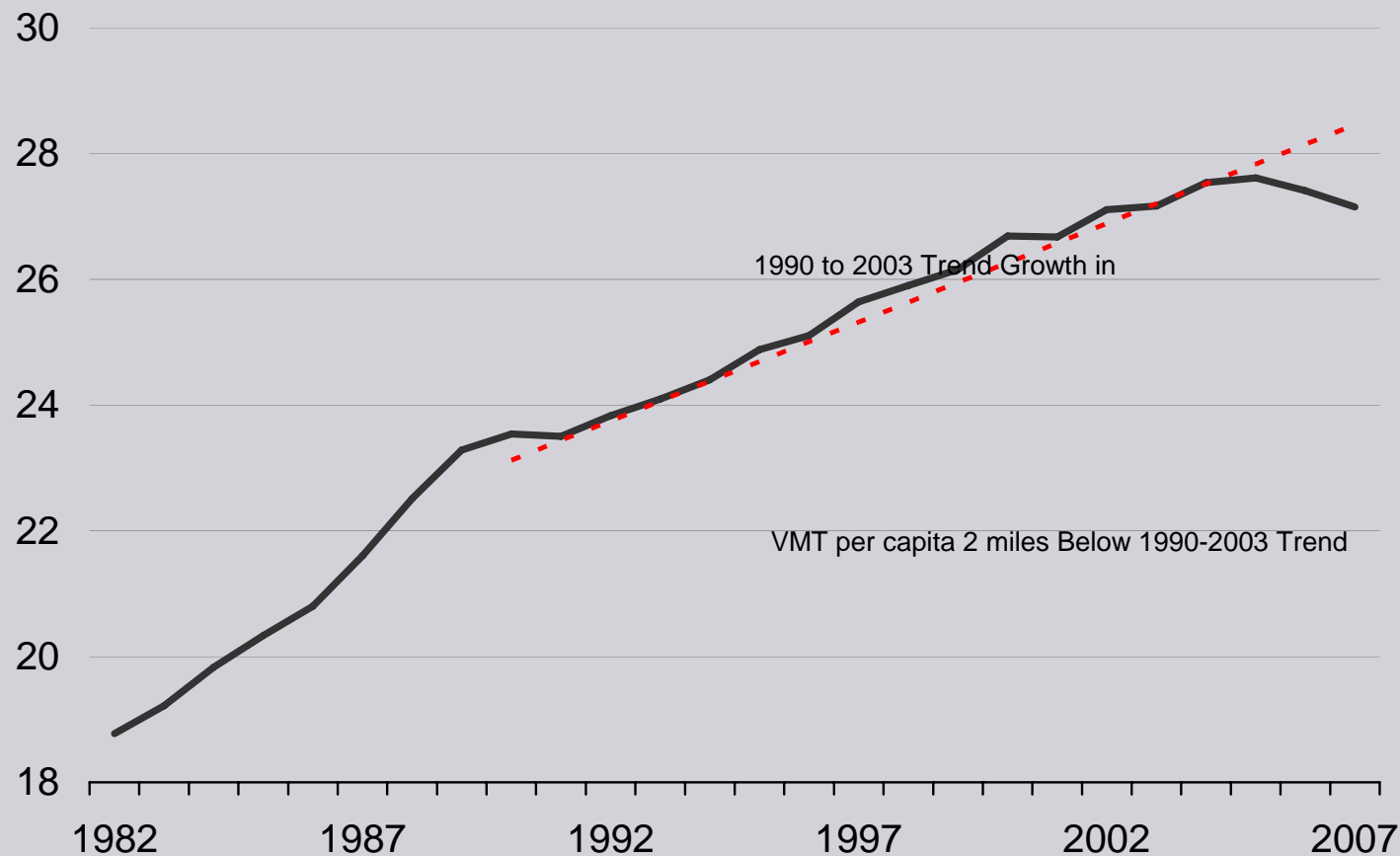


Source: Case-Shiller housing data, Energy Information Administration gas price data

An historic reversal

Car Travel Now Declining Per Capita

Vehicle Miles Travelled Per Capita Per Day, United States



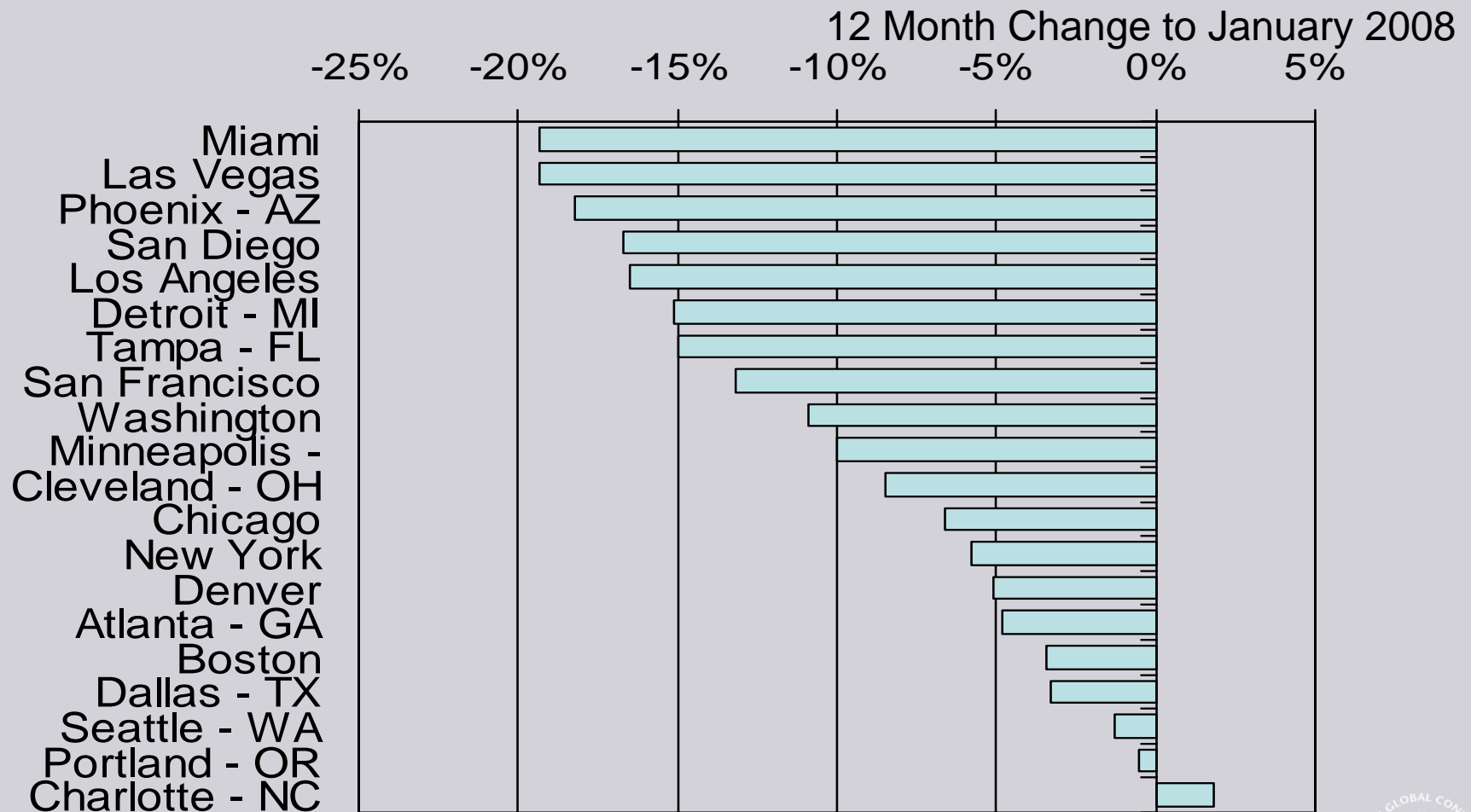
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Source: Impresa calculations, US DOT data

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Some markets have experienced much larger declines



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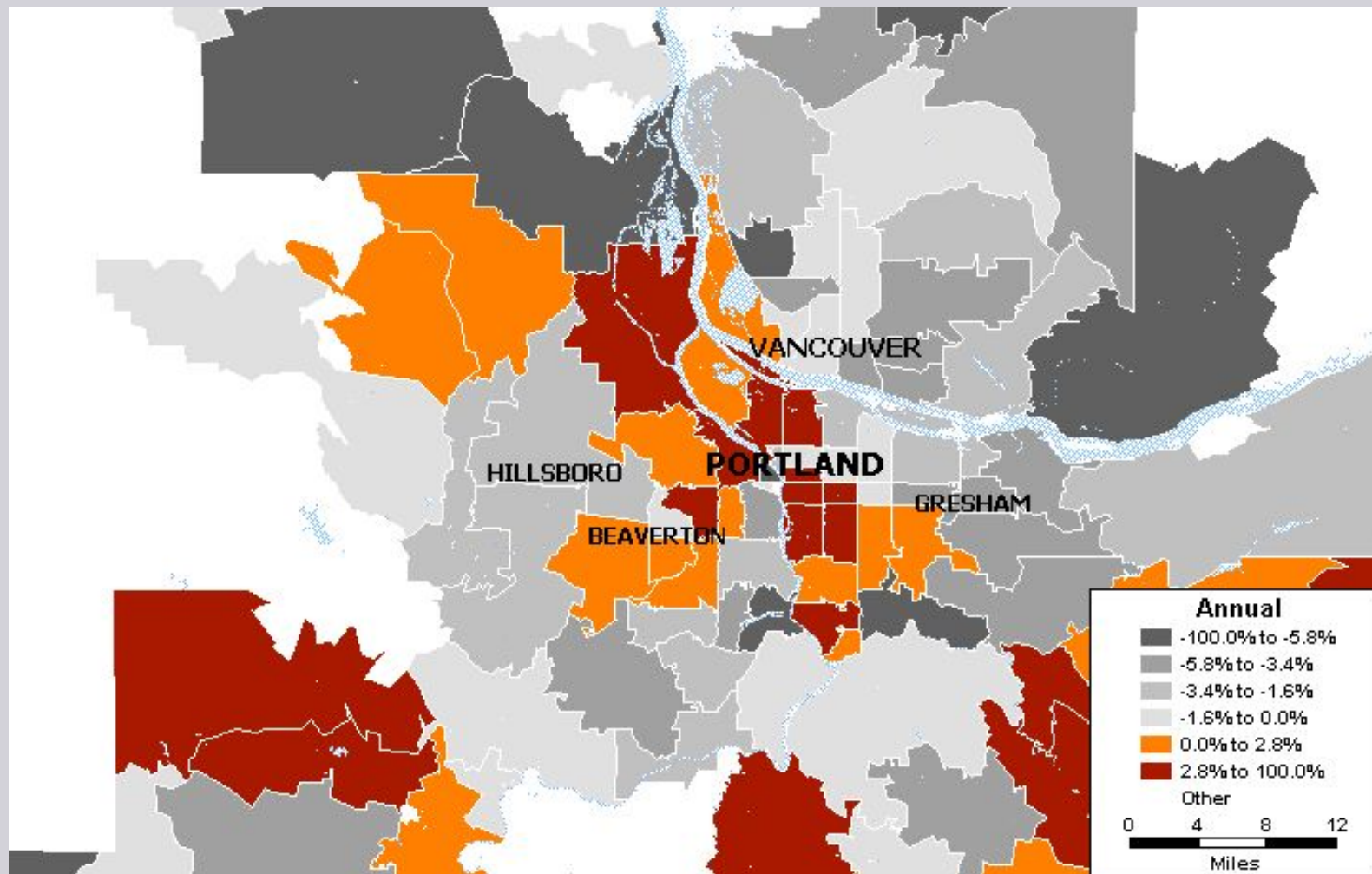
**STANDARD
& POOR'S**

S&P/Case-Shiller® Home Price Indices

CEOs for Cities



Portland



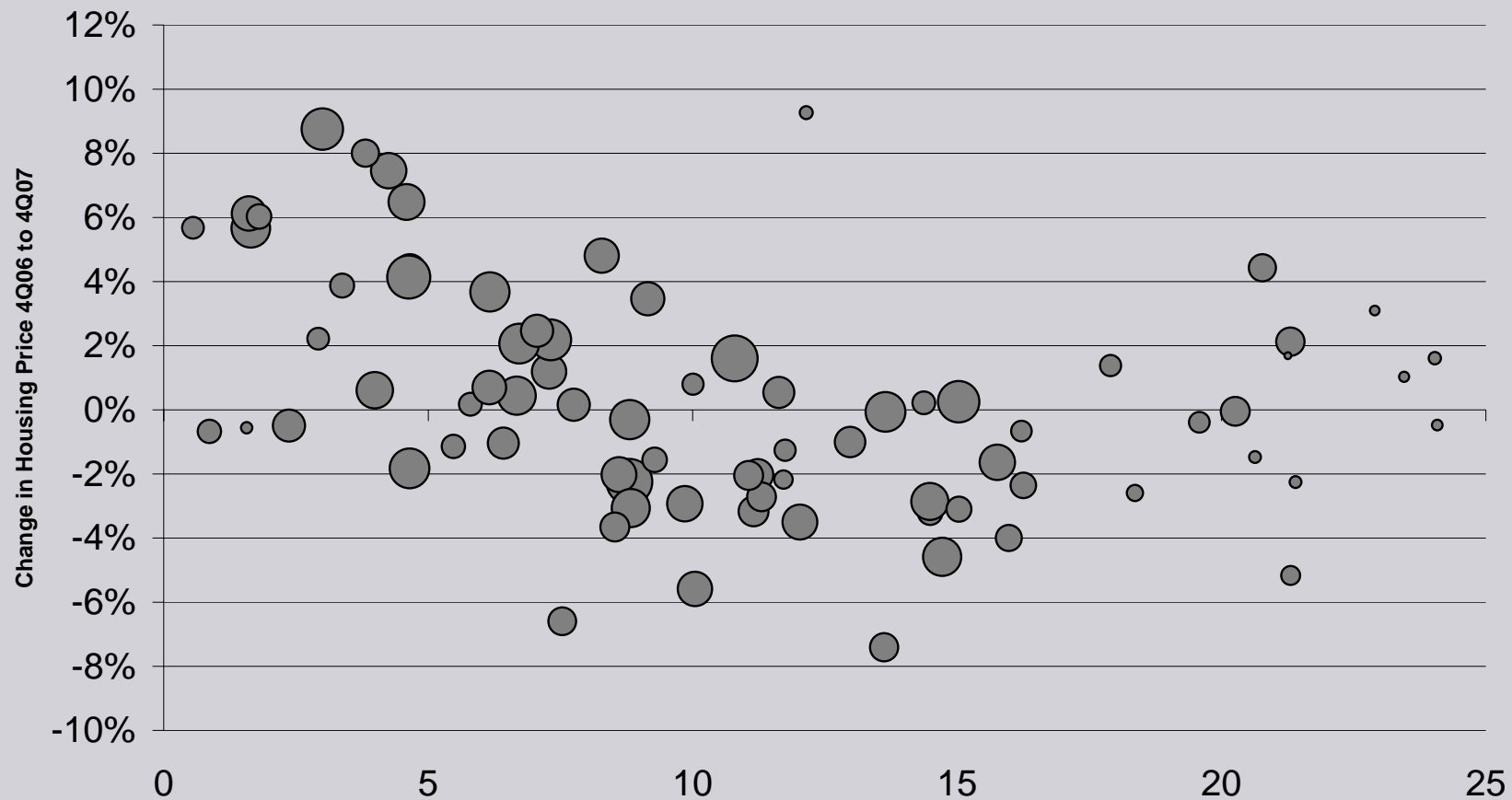
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Declines in the Suburbs

Housing Prices Declines Greatest at the Suburban Fringe
Portland-Vancouver MSA



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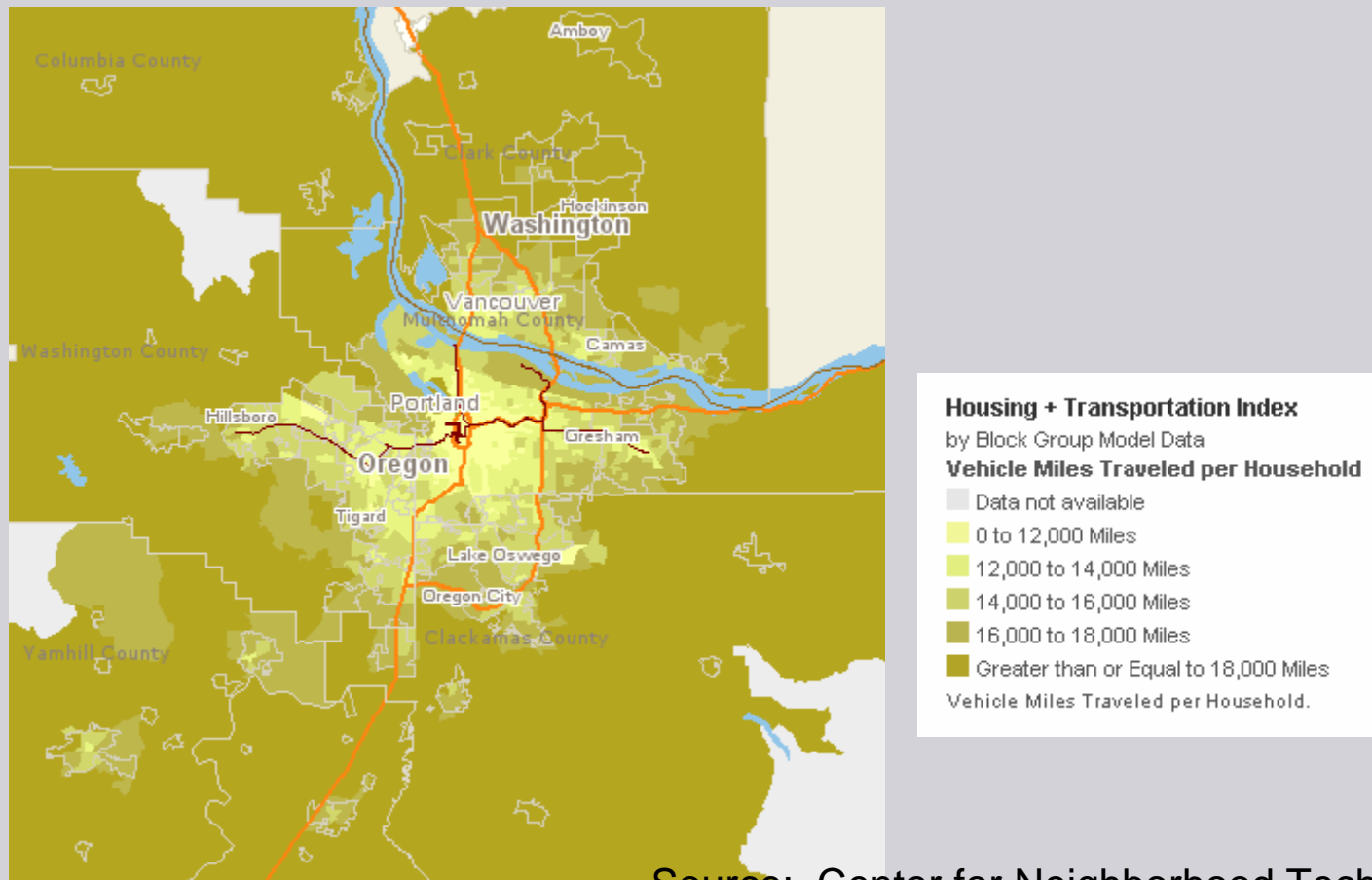
Price Relative to MSA Median (Source: Zillow)

Distance to Portland CBD

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Portland: Suburban Households Drive More Miles



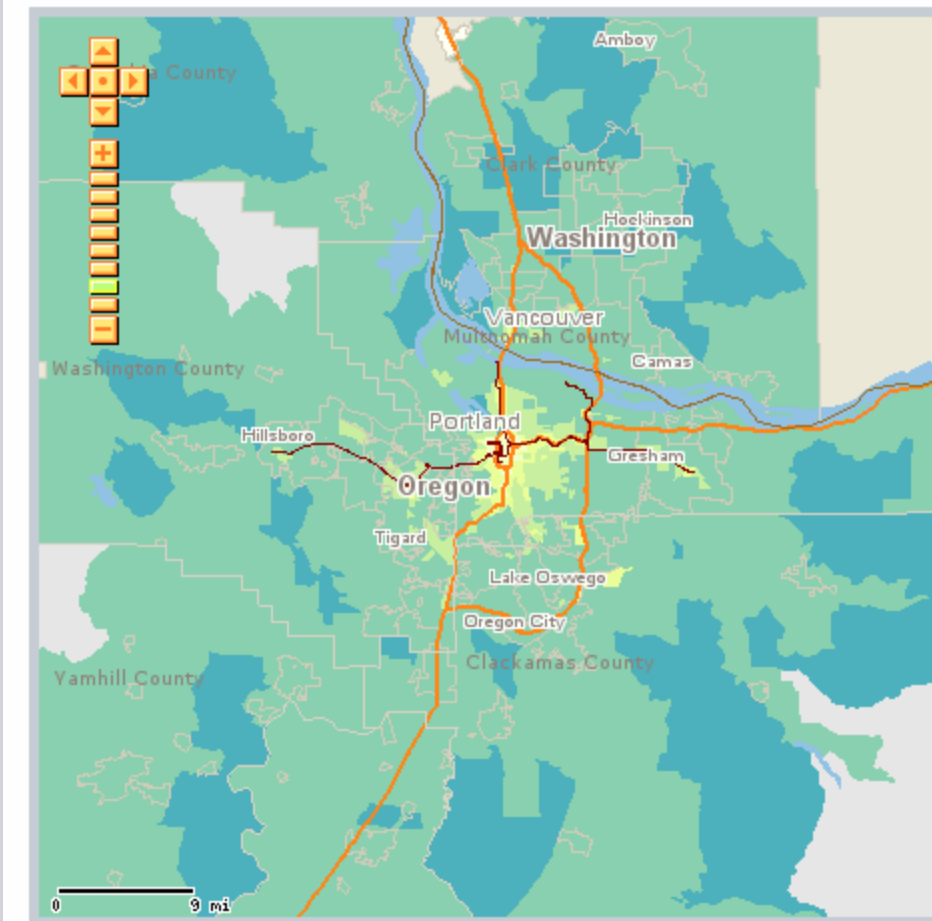
Source: Center for Neighborhood Technology, 2008

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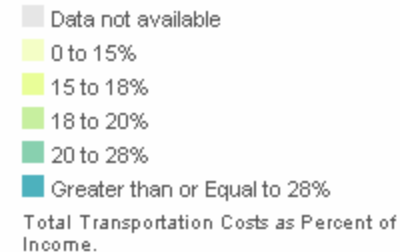
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PORTLAND, OREGON

Portland Percent of Income



Housing + Transportation Index
by Block Group Model Data
Transportation Costs as Percent of Income



A common pattern

Change in Housing Prices Last 12 Months

	Region-wide Average	Close-In Neighborhoods	Distant Neighborhoods
Metro Area			
Chicago	-4%	0%	-4%
Los Angeles	-11%	-6%	-10%
Pittsburgh	0%	2%	-5%
Portland	-1%	3%	-5%
Tampa	-13%	-9%	-14%

Metros with weak cores had biggest prices declines

Core Vitality Strongly Related to Housing Price Change

Relative Core Vitality



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Housing Price Change
Sources: Foreclos, City Vitals Relative Core Vitality

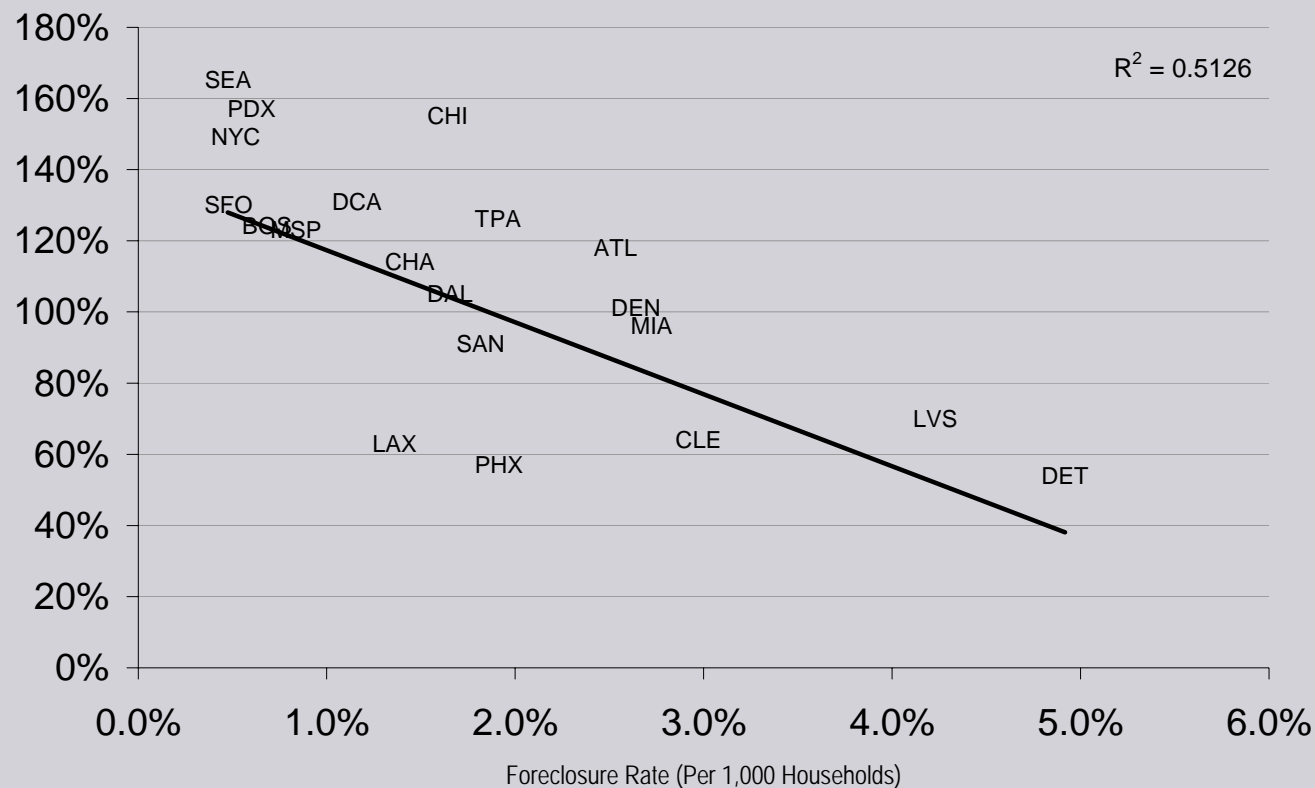
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Metros with strong cores have lower foreclosure rates

Core Vitality Strongly Related to Foreclosures

Relative Core Vitality



Sources: CS Home Prices, City Vitals Relative Core Vitality

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Policy implications

- Higher gas prices have permanently altered the real estate landscape
- The market for density and redevelopment is growing
- Density and close-in redevelopment save families money
- Lower VMT has economic benefits
- Exurban development may be increasingly uneconomic in the future

Walk Score



Walk Score™ Find a great neighborhood.

[Why Walking Matters](#) | [Walkable Neighborhoods](#) | [How It Works](#) | [How It Doesn't Work](#) | [Real Estate Tile](#) | [Blog](#)

Type an address to get your Walk Score™

Address:

Go

How it works:

1. Type an address

Street Address:
88 Bedford St, New

2. See what's nearby



3. Get your Walk Score



What is Walk Score?

We help homebuyers, renters, and real estate agents find houses and apartments in great neighborhoods. Walk Score shows you a map of what's nearby and calculates a Walk Score for any property. Buying a house in a walkable neighborhood is good for your health and good for the environment.



Walk Score for Real Estate

It's simple to add the Walk Score tile to your real estate website. Home buyers and renters can compare the walkability of properties and see a map of what's nearby.



Get the Tile

"Placing your business or home in a location that does not depend 100% on the automobile is a good idea for many reasons and [Walk Score] makes that decision deliciously visible."

—Triple Pundit Blog

Latest blog post: Growing Cooler Movement.

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CLICAL CONF
ITLAND, OREG



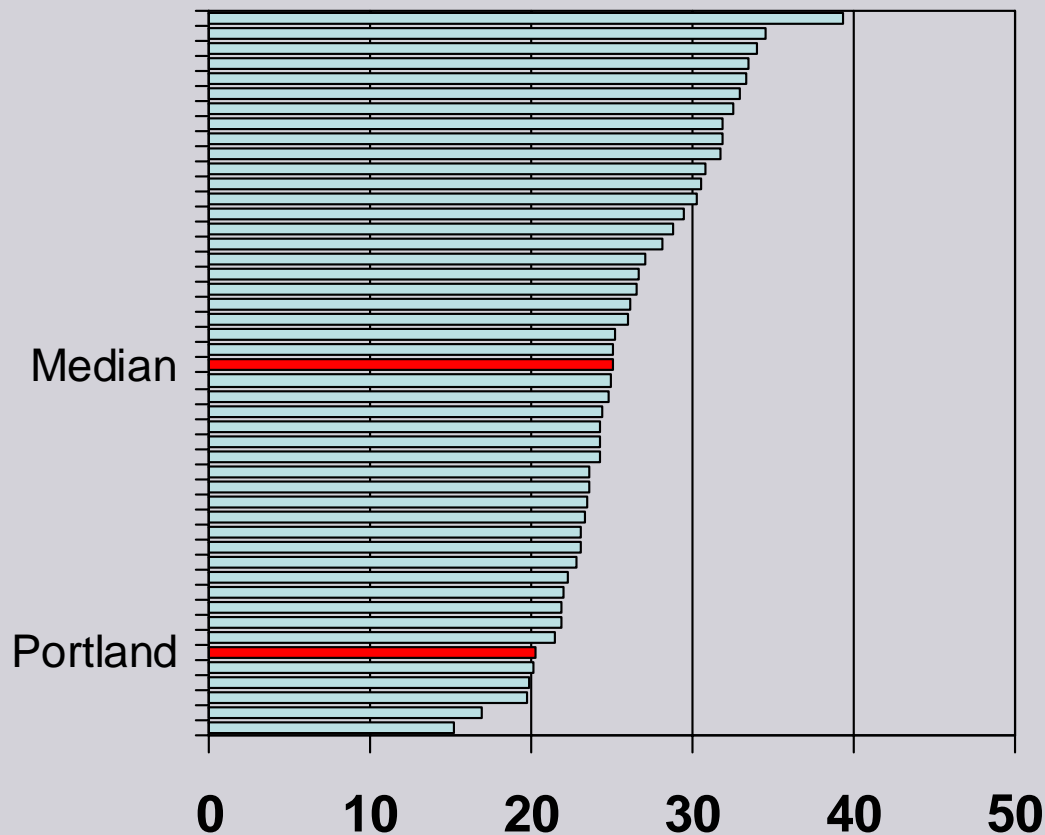
GreenDividend

Cities facilitate less driving, saving money and stimulating the local economy

Joseph Cortright, Impresa
September 2007

Key Measure: Vehicle Miles Traveled

Metropolitan VMT Per Capita, Per Day



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Source: U.S. Department of Transportation

Monetary Savings

Annual savings to Portland area:

4.0 fewer miles x

365 days x

2.0 million metro population x

\$ 0.40/mile

= \$1.1 billion annual income savings

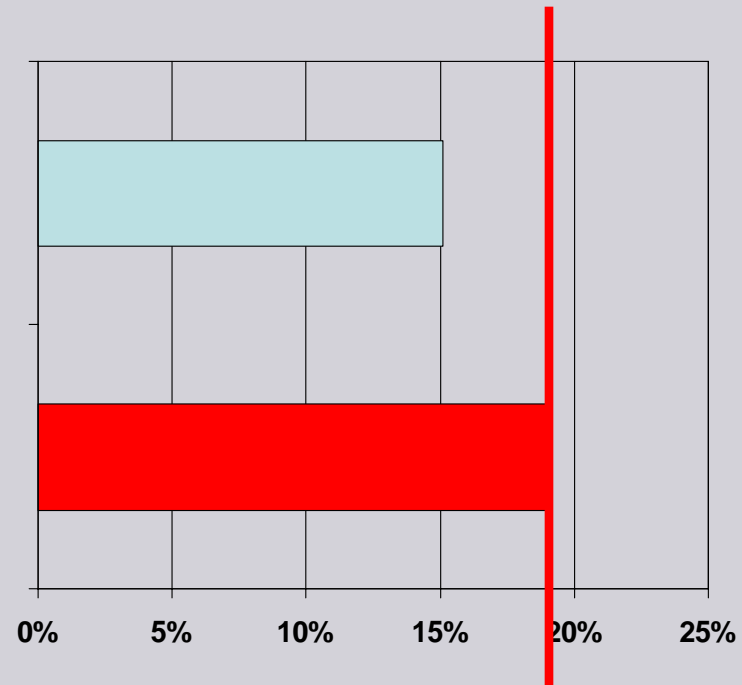
Portland spends less on transportation

Portland

15.1% of consumer expenditures

Average of 26 Largest Metro Areas

19.1% of consumer expenditures



(Source: Impresa analysis of Department of Labor data)

Driven to the Brink

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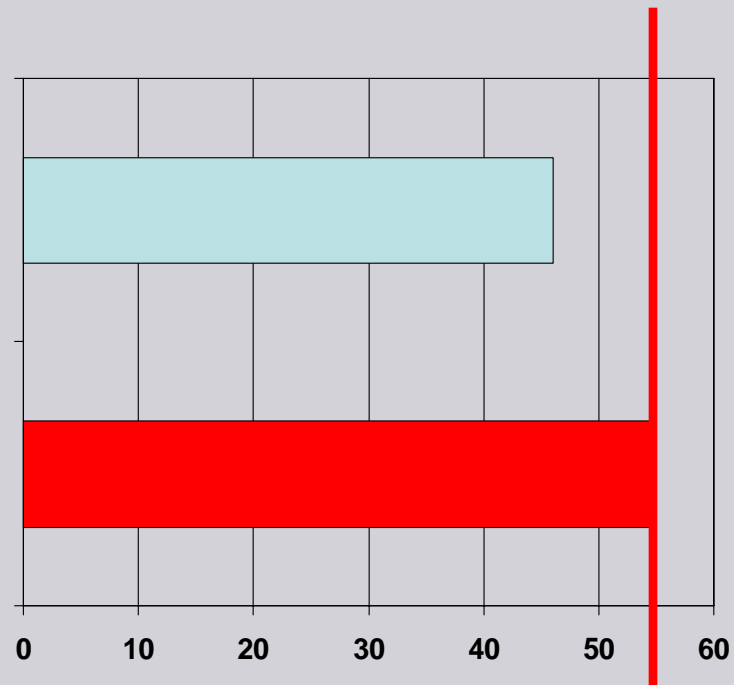
Portland residents buy fewer new cars

Oregon

46 Vehicles per 1,000 Population

United States

55 Vehicles per 1,000 population

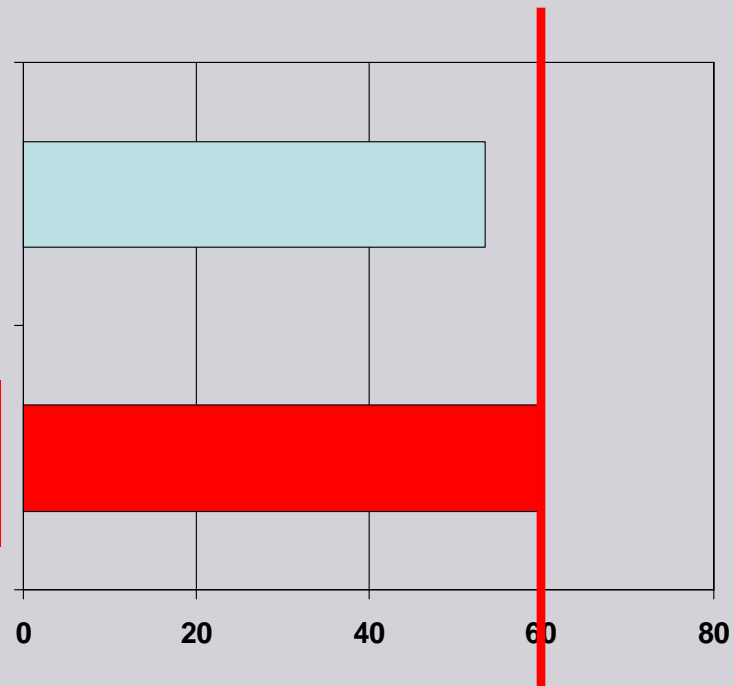


(Source: Impresa analysis of National Automobile Dealers Association data)

Portland residents buy less gasoline

Oregon
53.5 million BTU per capita

United States
59.6 million BTU per capita



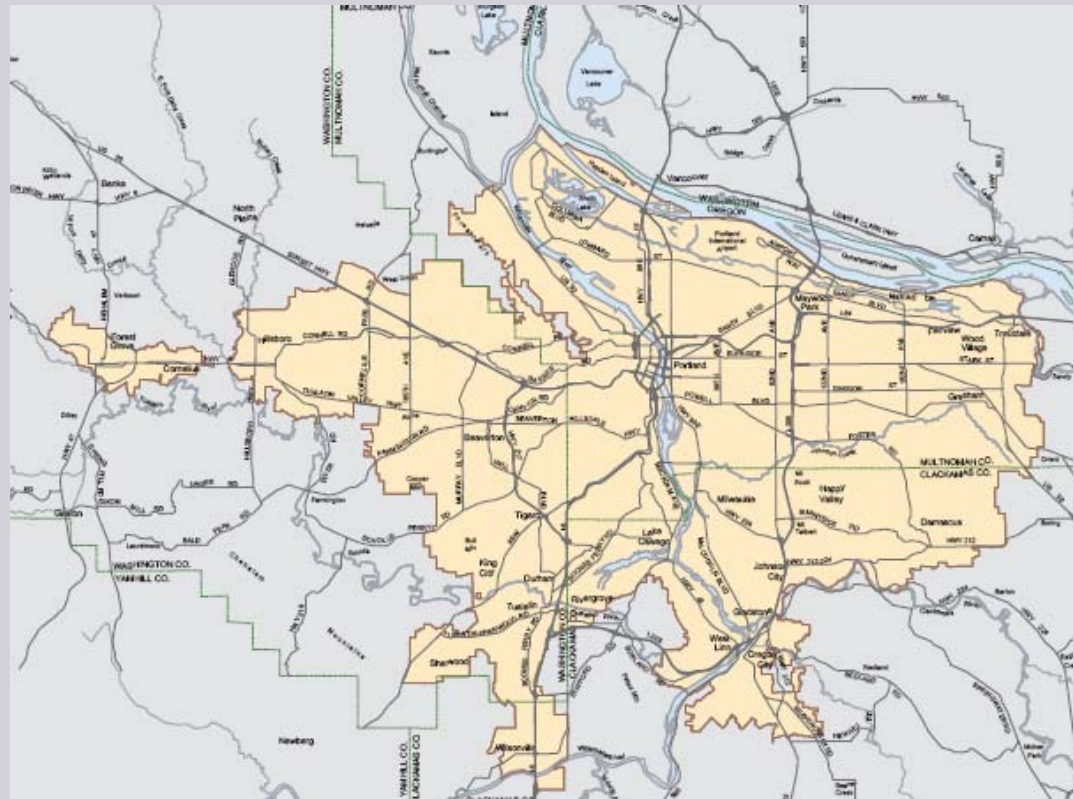
(Source: Impresa analysis of Energy Information Administration data)

How Portland does it

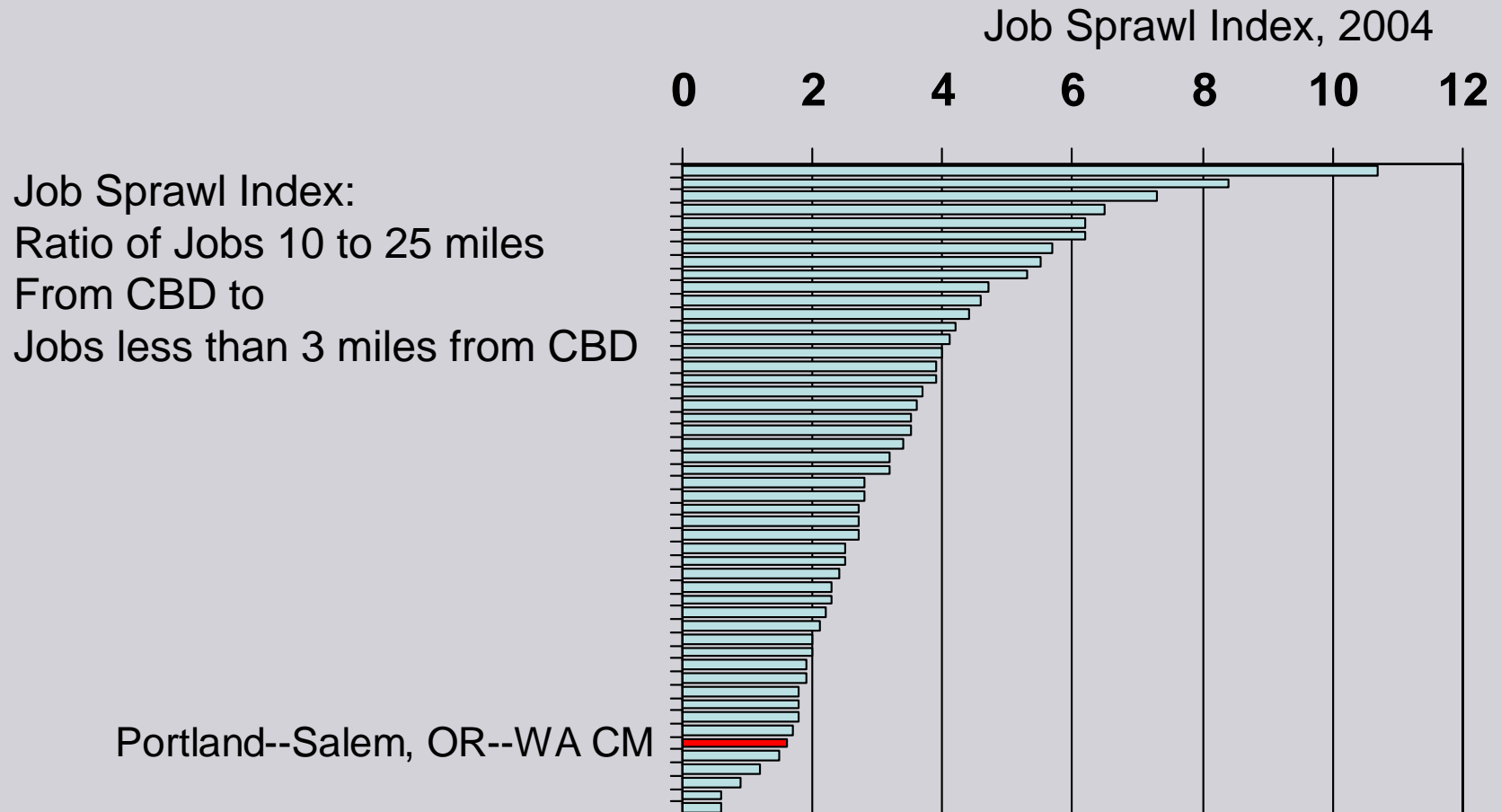
- More Compact Development
 - Urban Growth Boundary
 - Less Sprawl
- Alternatives to Auto Travel
 - Transit
 - Bicycling
- Personal Choices

Compact Land Use

- Portland's Urban Growth Boundary
- Limits on exclusionary zoning



Portland's jobs sprawl less

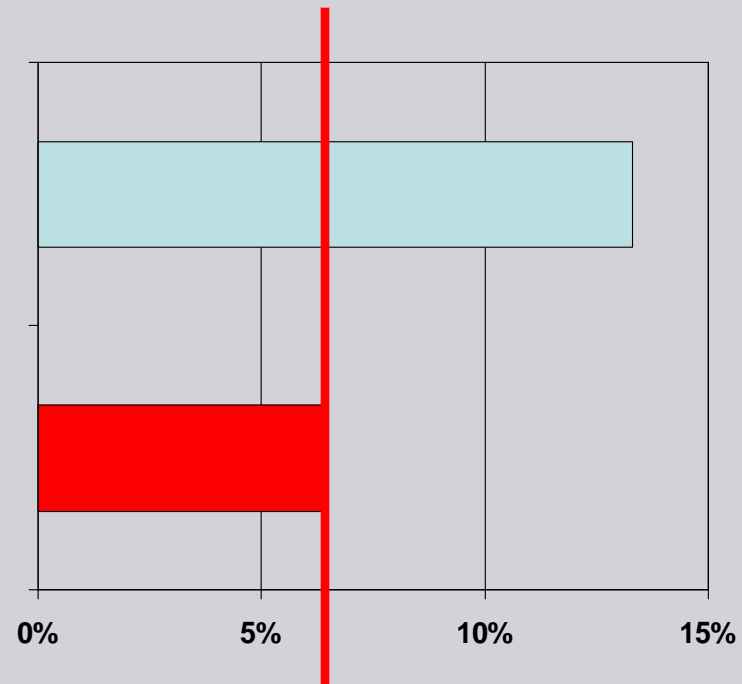


Source: Data from County Business Pattern data)

Portland residents ride transit more

Portland
13.3% Commute by Transit

United States
6.5% Commute by Transit



(Source: American Community Survey, 2005)

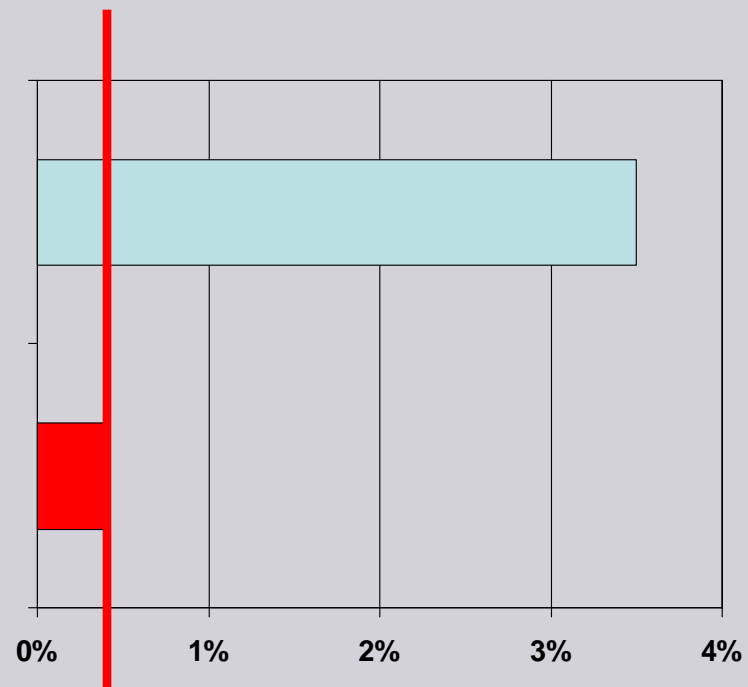
Portland residents seven times as likely to bicycle to work

Portland

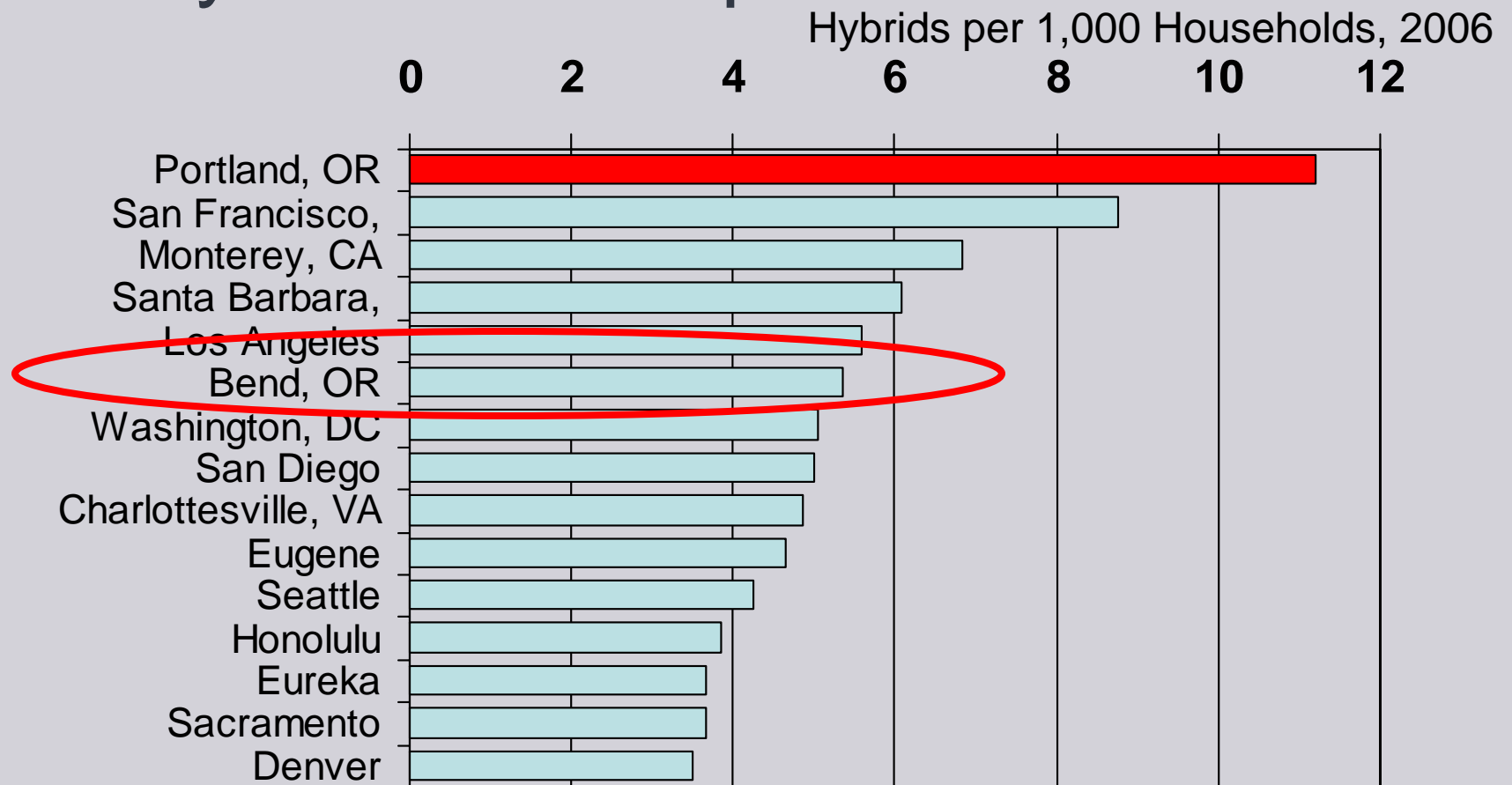
3.5% of commuters bicycle to work

Average for Cities of 85,000 plus

0.4% of commuters bicycle to work



Most Hybrids Per Capita



Source: <http://www.hybridcars.com/market-dashboard/feb07-regional.html>

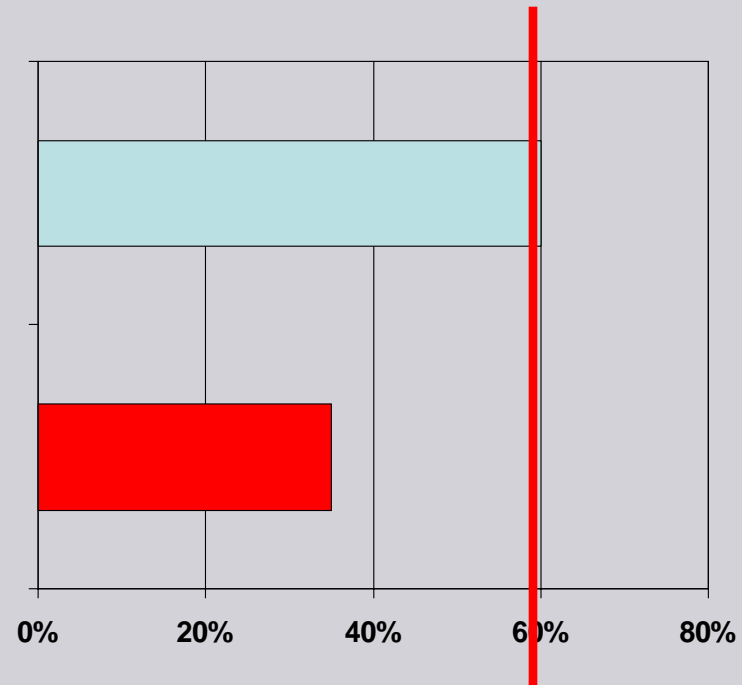
Happier Citizen Commuters

Portland

60% rate transportation system “good or excellent”

Average of Metro Areas

35% rate transportation system “good or excellent”



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(Source: Impresa analysis of Riley Research survey data)

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More Local Spending

- Spending on cars and fuel leaves the regional economy
- Other spending has less leakage
- \$1 billion in additional local purchasing power for all other industries

More Restaurants



The New York Times

Dining & Wine

In Portland, a Golden Age of Dining and Drinking



Michael Rubenstein for The New York Times

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And, yes, Lower Carbon Emissions

- 2 million people drive 4 miles less per day, yielding 8 million fewer miles per day
- At 20 miles per gallon, that saves 400,000 gallons of gas
- At 19.4 pounds of CO₂ emitted per gallon, 365 days a year
- that saves 1.4 million tons per year

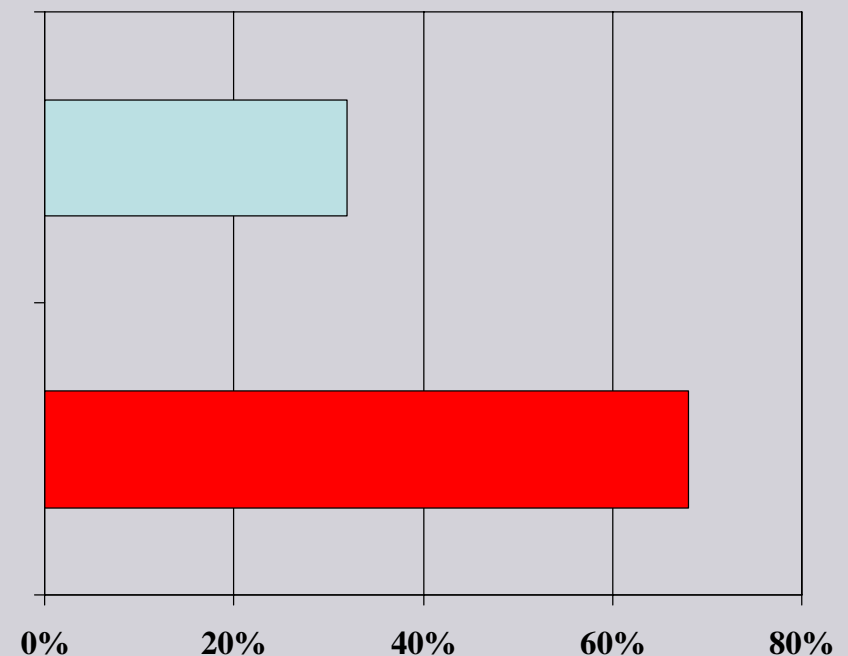
Talent now seeks place

Thinking about how you will look for and choose your next job, which of the following statements best reflects your opinion?

(Asked of 1,000 25-34 year old college graduates)

Look for the best job I can find. The place where it located is pretty much a secondary consideration.

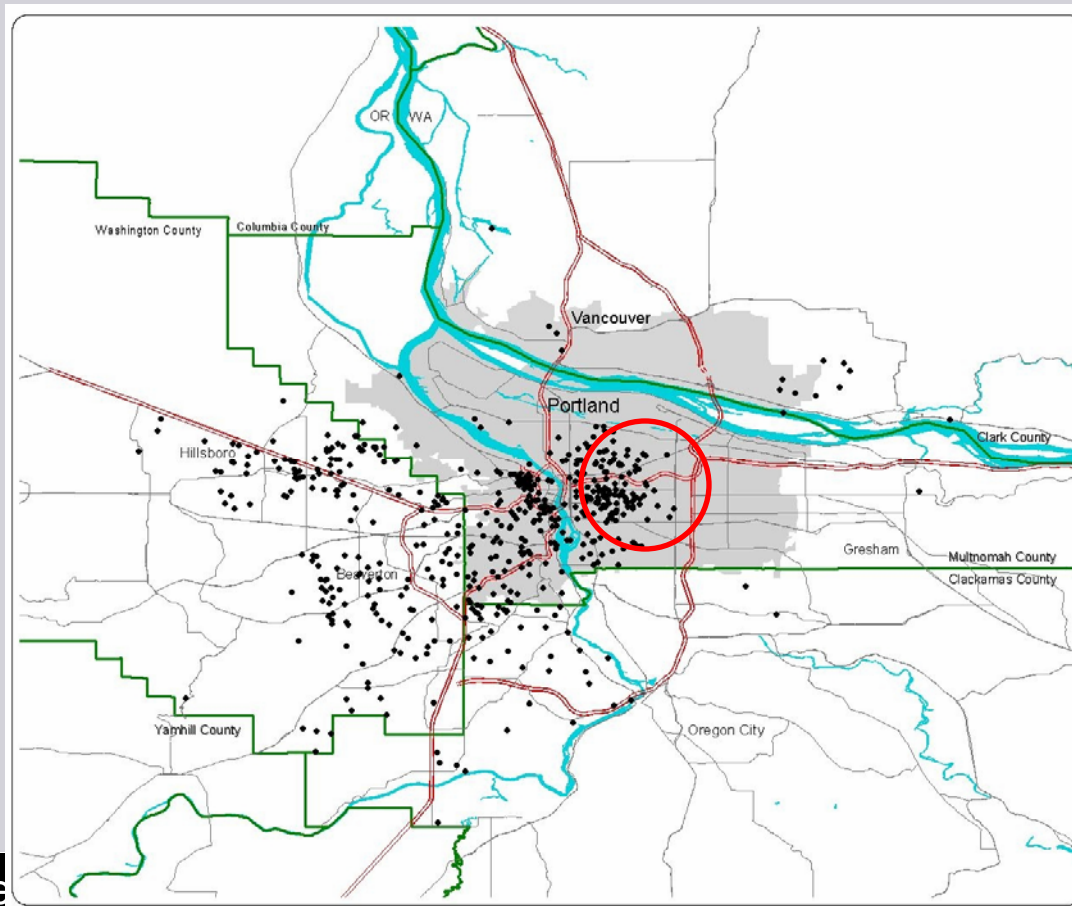
Look for a job in a place that I would like to live



Driven to the Brick

Close-in Neighborhoods Key

Concentration of College-educated 25-34 year-olds



3 miles from CBD

Growth of
25 to 34 year-olds
1990 to 2000
+30 Percent

Share of
25 to 34 year-olds
with a 4-year degree
54 Percent

Drive

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GLOBAL CONF
PORTLAND, OREG

For more information

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- jcortright@impresaconsulting.com
- www.ceosforcities.org

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