

# Driven to the Brink

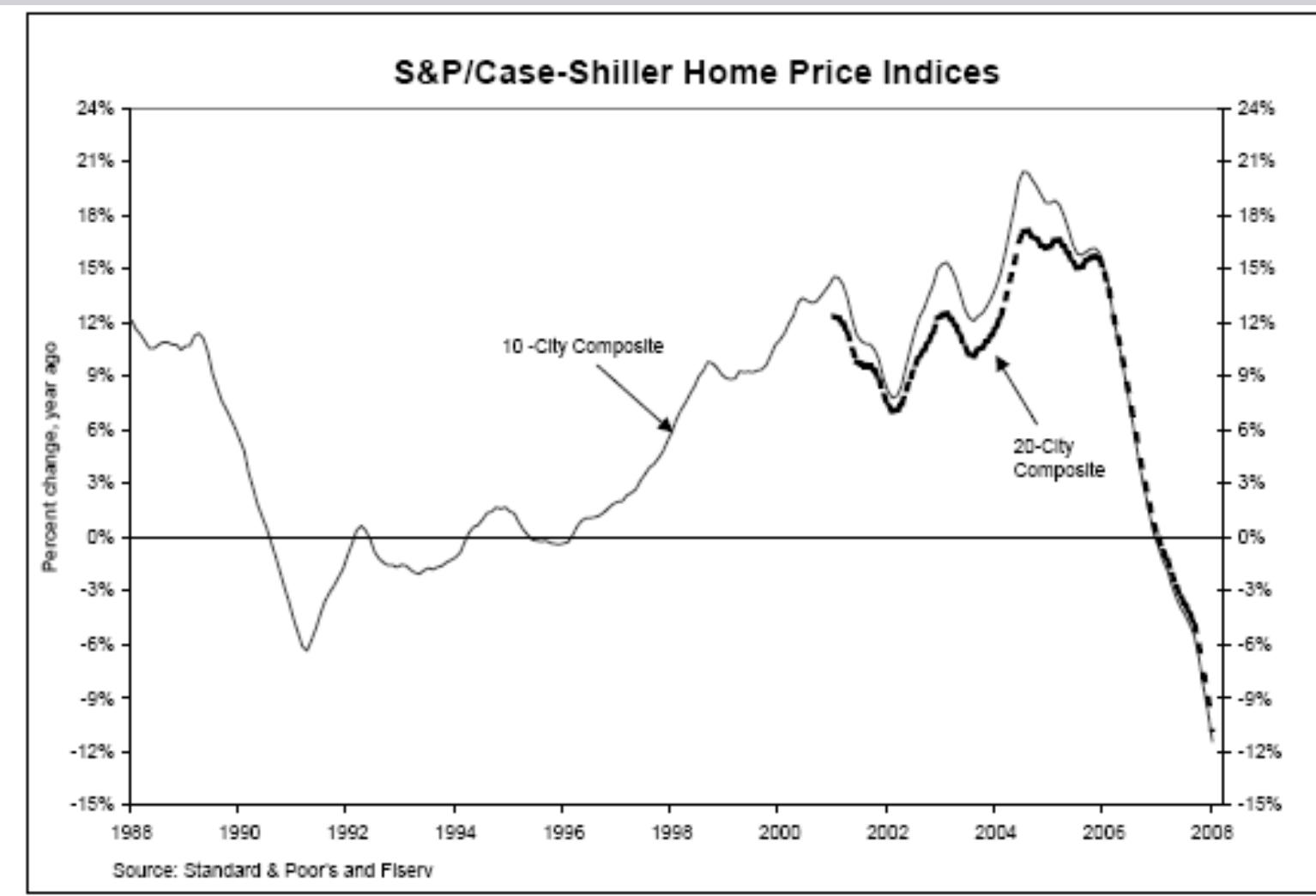
How the gas price spike  
popped the housing bubble  
and devalued the suburbs

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# The housing bubble has burst



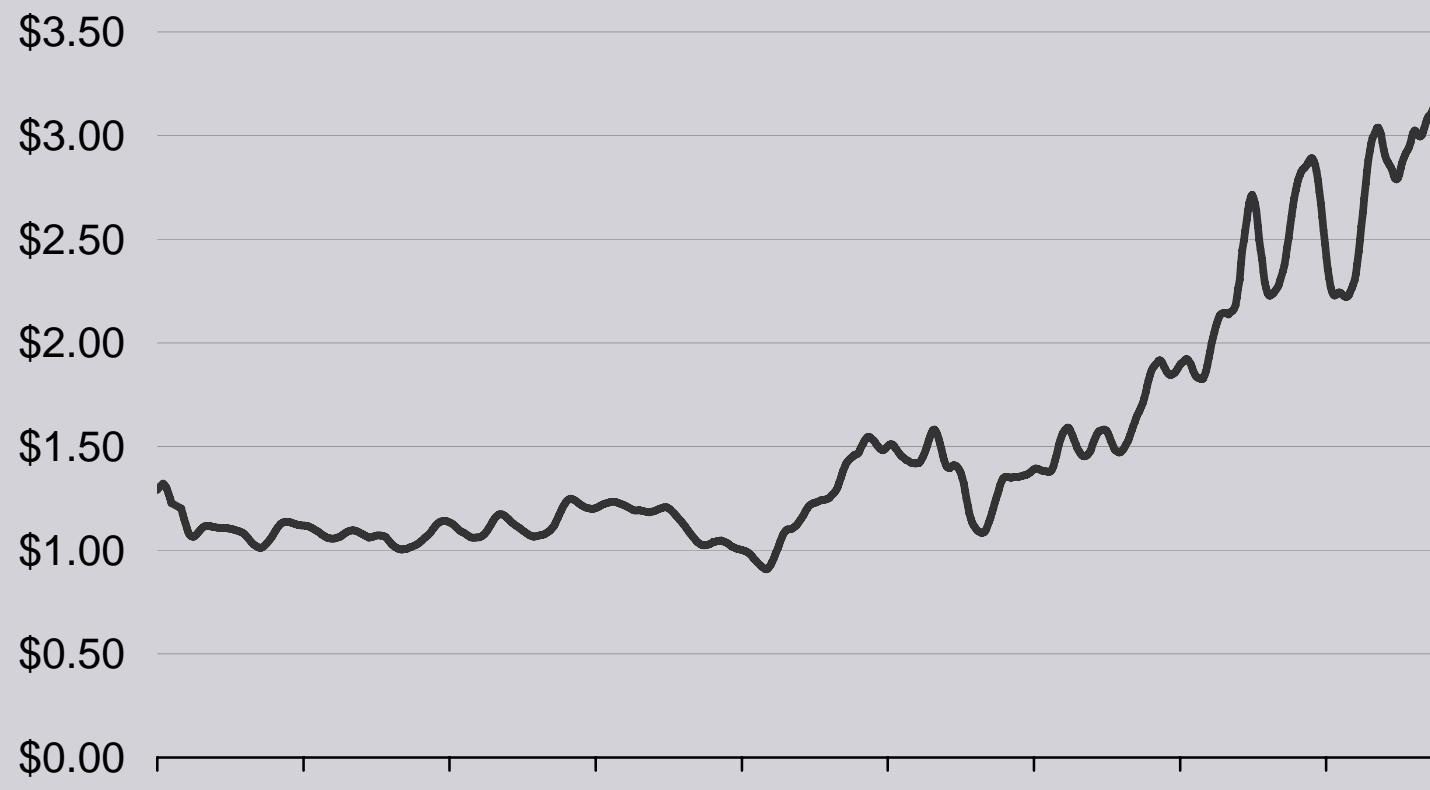
Drive

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# 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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1994

1996

1998

2000

2002

2004

2006

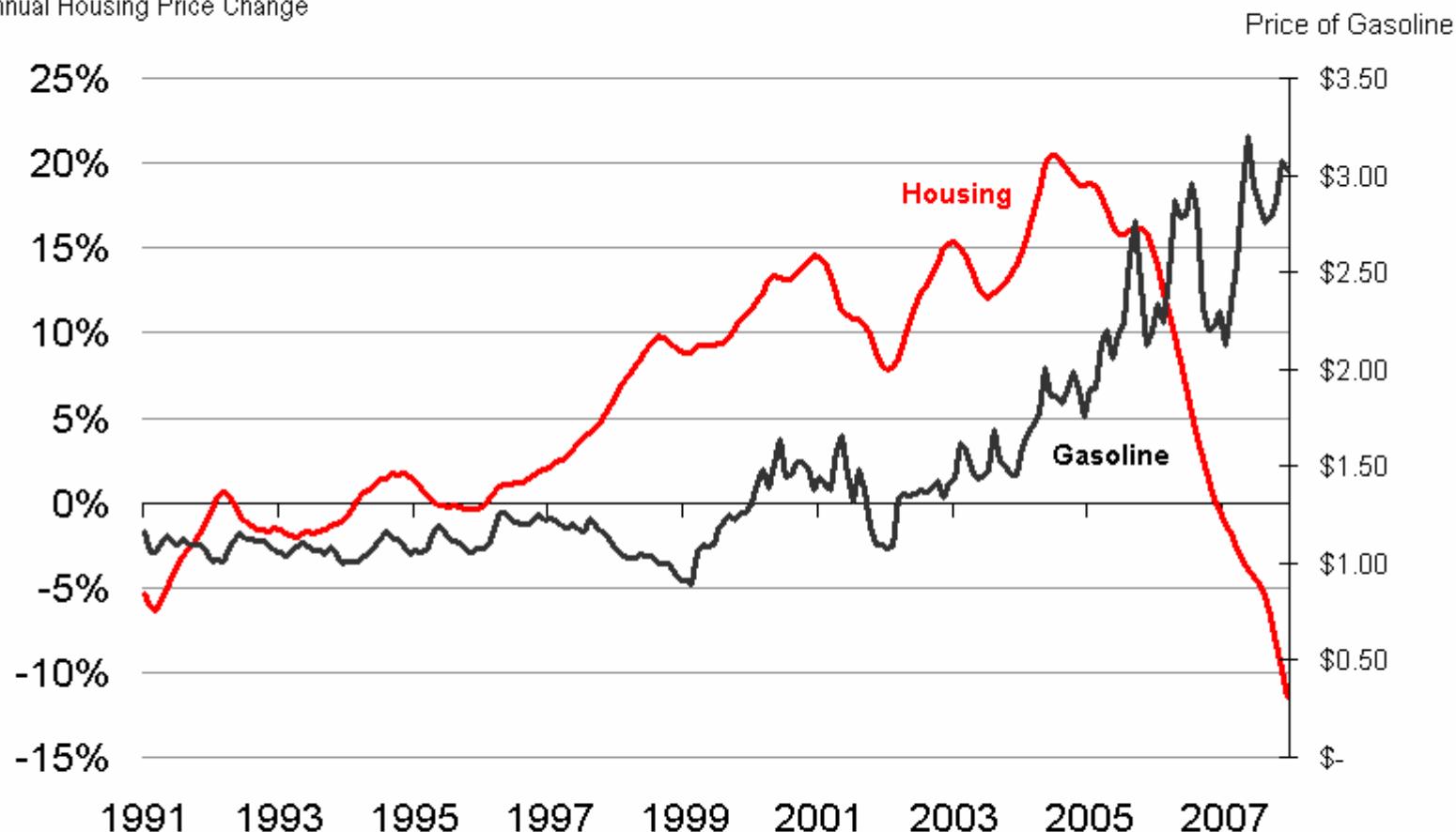
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Source: Bureau of Economic Analysis



## Housing Bubble Meets the Gas Price Spike

Annual Housing Price Change

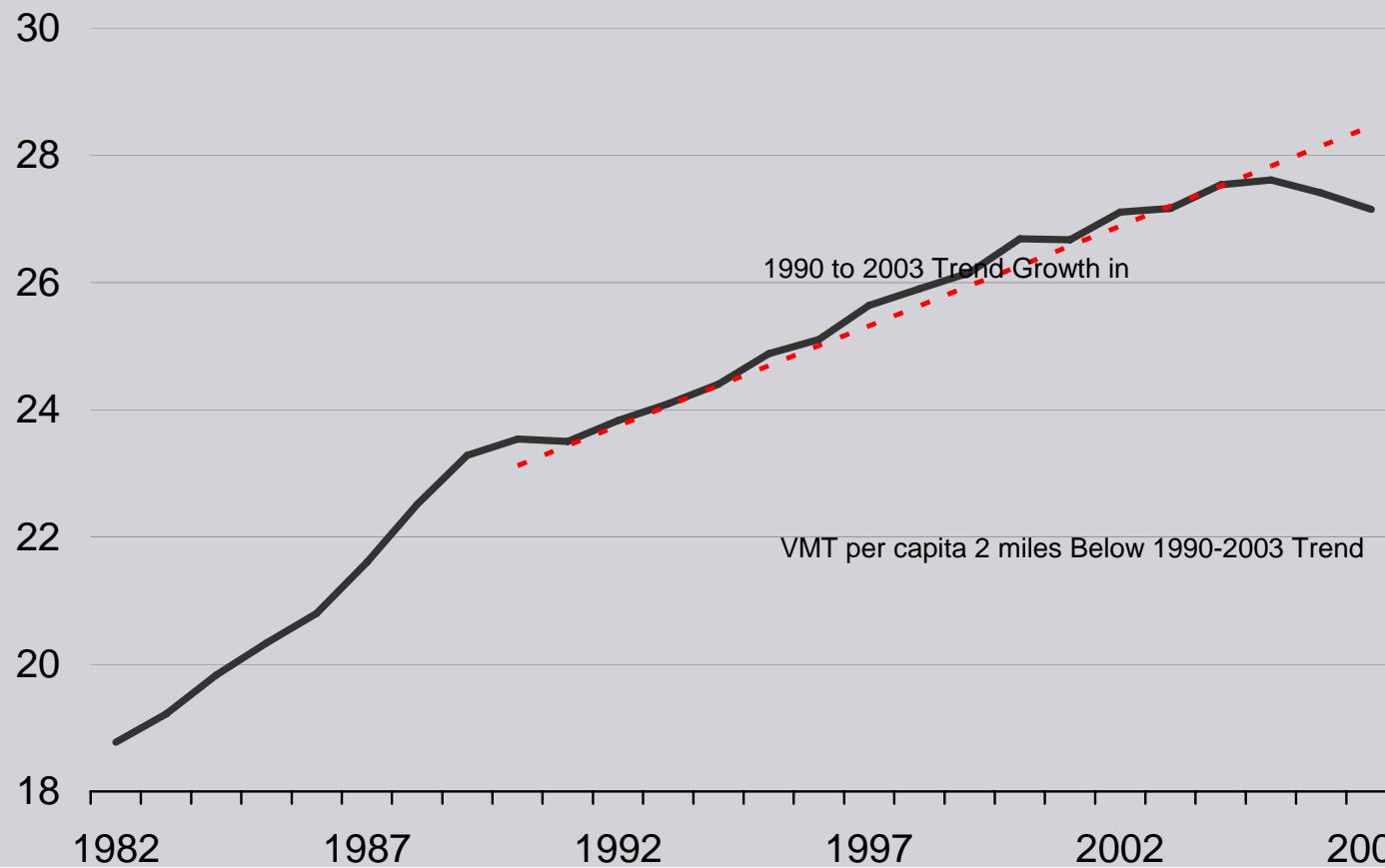


Source: Case-Shiller housing data, Energy Information Administration gas price data

# An historic reversal

## Car Travel Now Declining Per Capita

Vehicle Miles Travelled Per Capita Per Day, United States



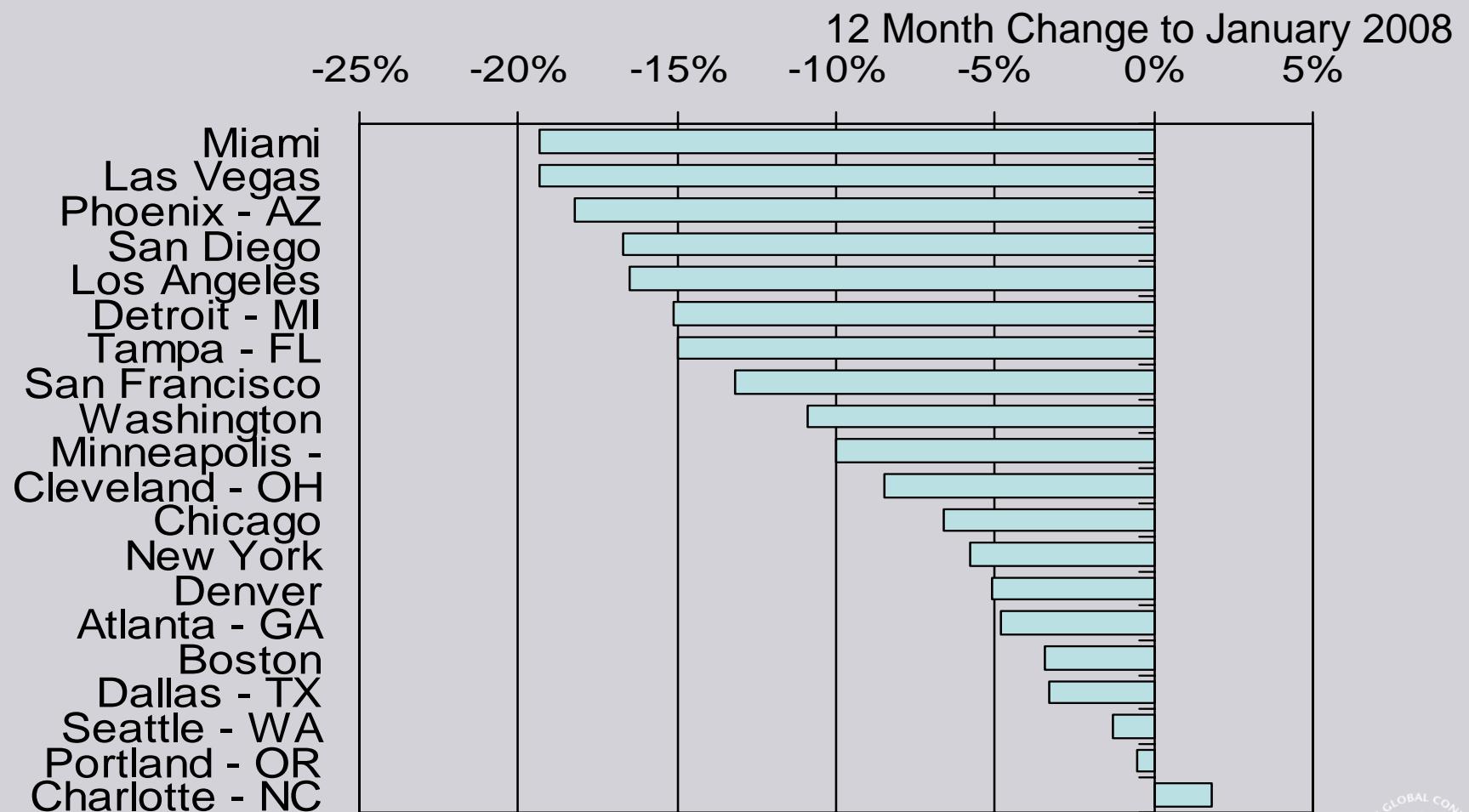
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Source: Impresa calculations, US DOT data

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# Some markets have experienced much larger declines



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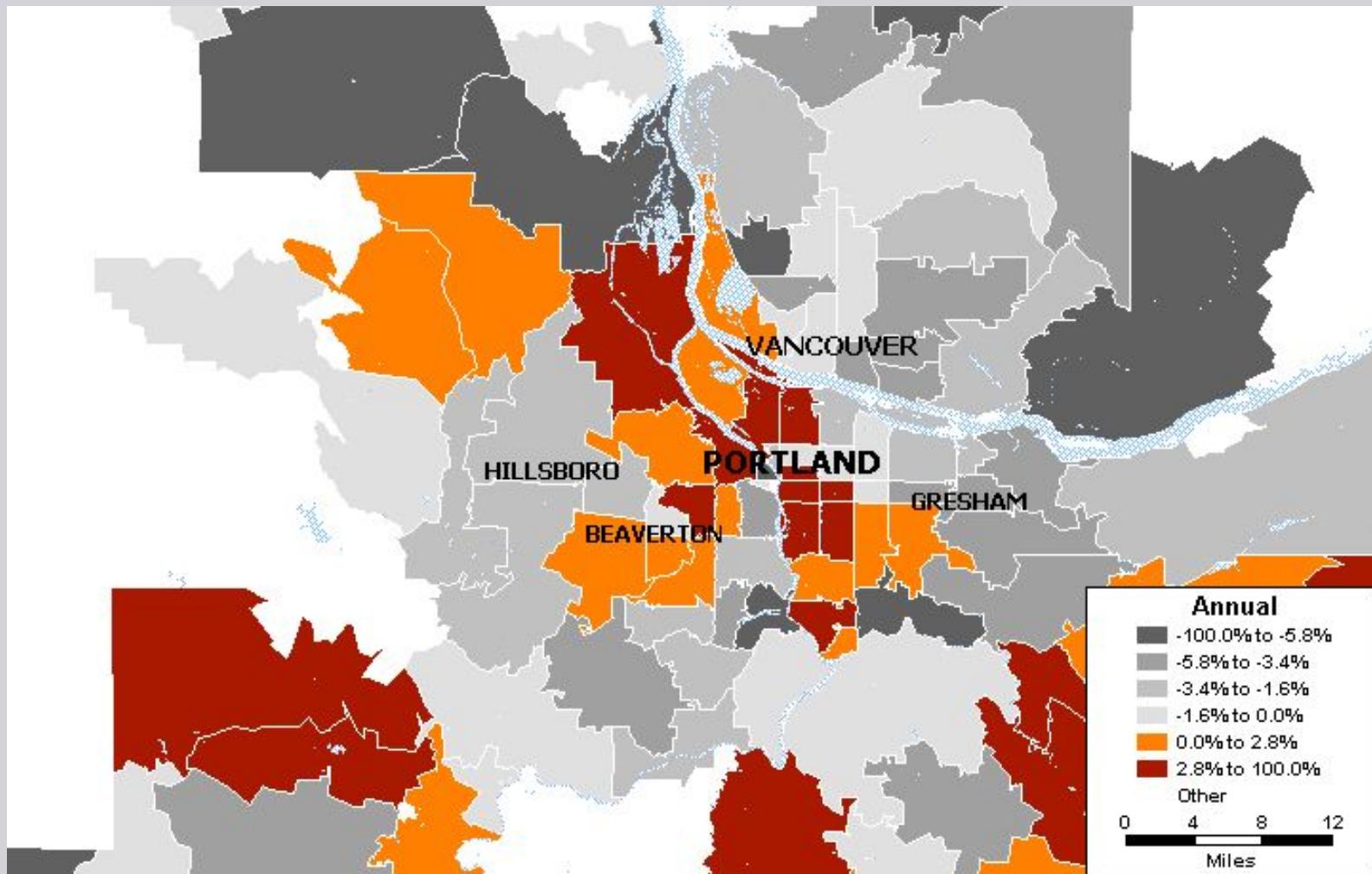
**STANDARD**  
**&POOR'S**

S&P/Case-Shiller® Home Price Indices

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# Portland



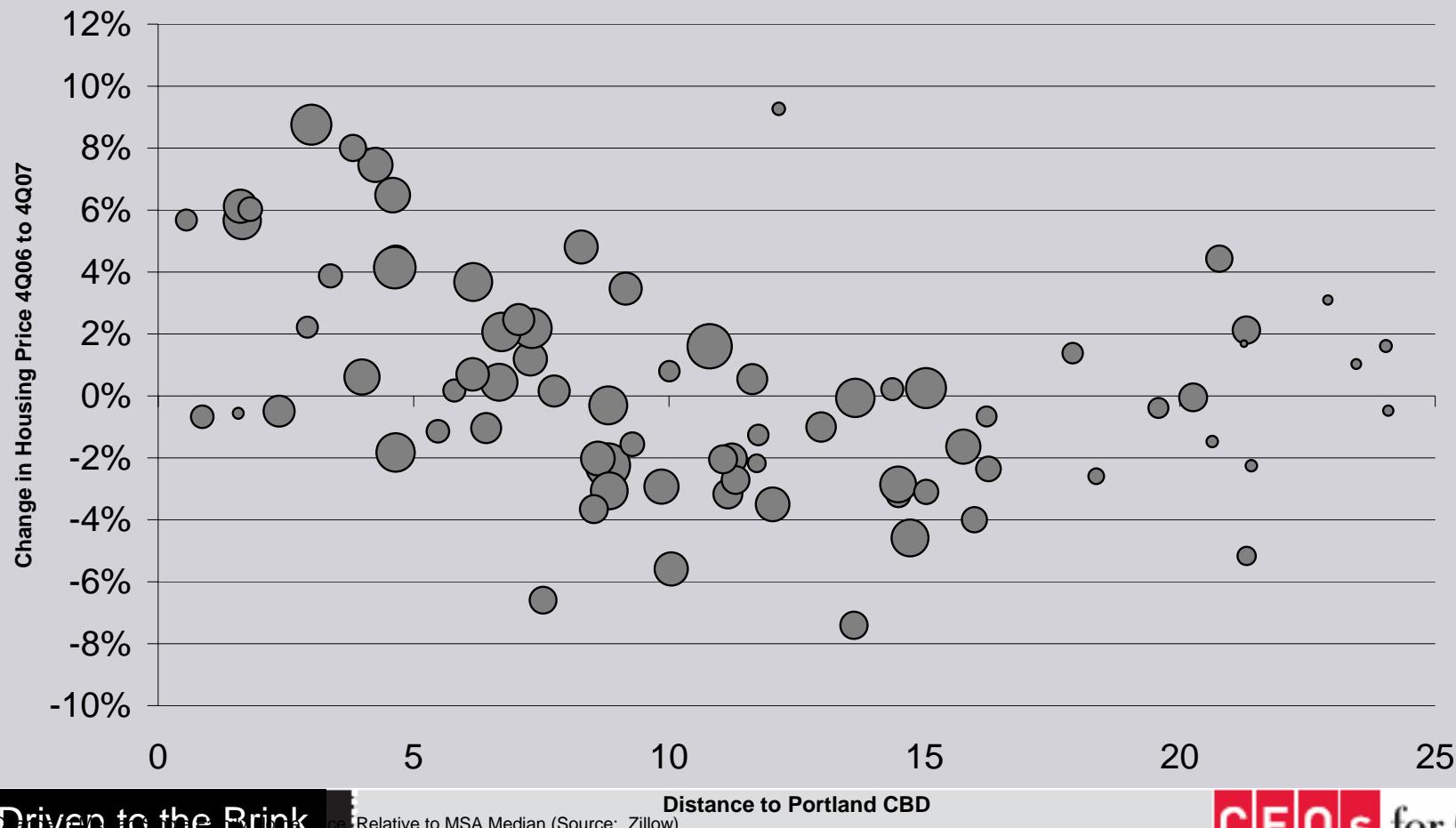
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# Declines in the Suburbs

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



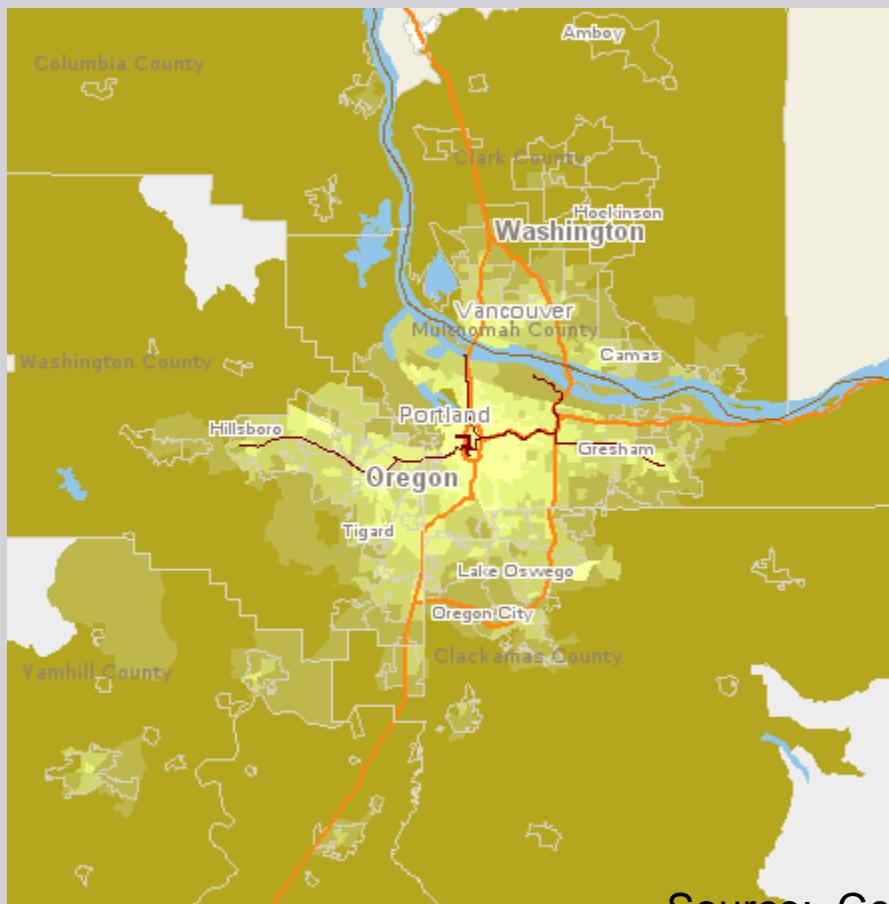
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Source: Relative to MSA Median (Source: Zillow)

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# Portland: Suburban Households Drive More Miles



**Housing + Transportation Index**  
by Block Group Model Data  
**Vehicle Miles Traveled per Household**

- Data not available
- 0 to 12,000 Miles
- 12,000 to 14,000 Miles
- 14,000 to 16,000 Miles
- 16,000 to 18,000 Miles
- Greater than or Equal to 18,000 Miles

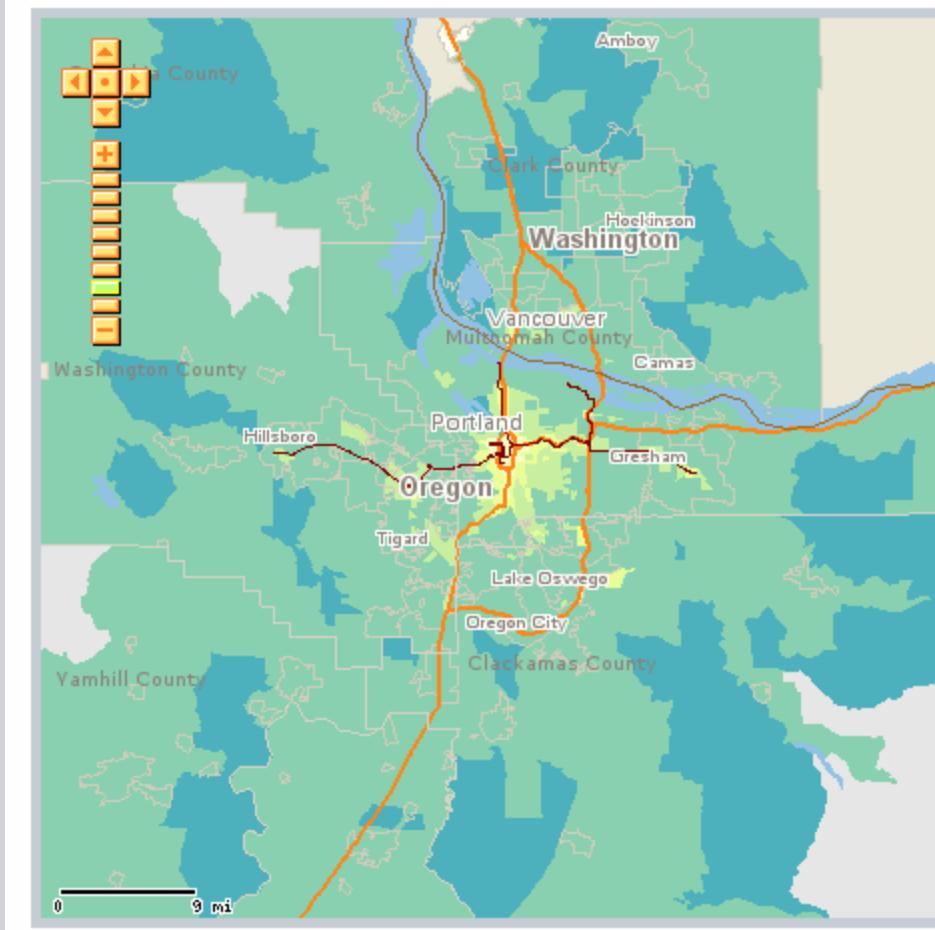
Vehicle Miles Traveled per Household.

Source: Center for Neighborhood Technology, 2008

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# Portland Percent of Income



## Housing + Transportation Index

by Block Group Model Data

## Transportation Costs as Percent of Income

Data not available

0 to 15%

15 to 18%

18 to 20%

20 to 28%

Greater than or Equal to 28%

Total Transportation Costs as Percent of Income.

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# A common pattern

Change in Housing Prices Last 12 Months

Metro Area	Region-wide Average	Close-In Neighborhoods	Distant Neighborhoods
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 price 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

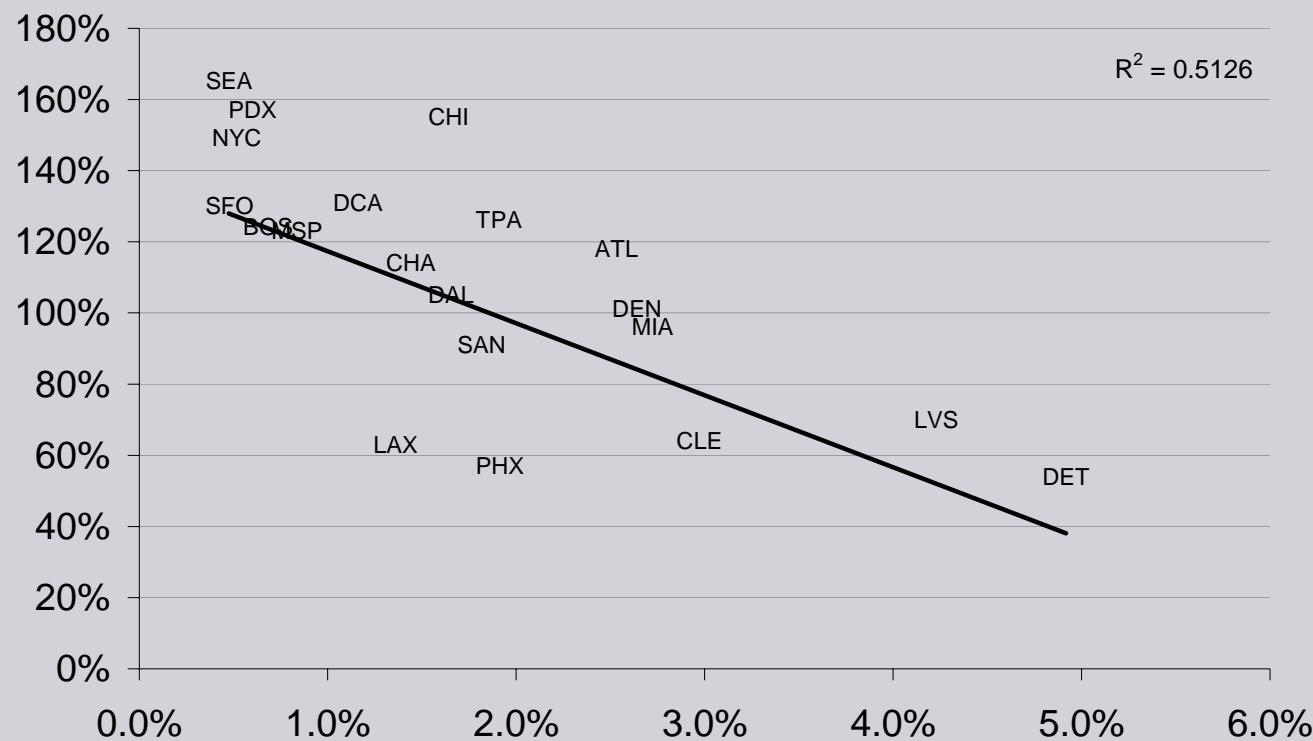
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# Metros with strong cores have lower foreclosure rates

## Core Vitality Strongly Related to Foreclosures

Relative Core Vitality



Foreclosure Rate (Per 1,000 Households)  
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.

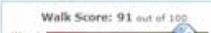
Why Walking Matters | Walkable Neighborhoods | How It Works | How It Doesn't Work | Real Estate Tile | Blog

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  
Walk Score: 91 out of 100  
Worst  Best  
Grocery stores: Hercules Fancy Groc. 0.08 Mi  
Restaurants: Chumley's Restaurant 0 Mi  
Coffee shops: Cafetaliano, LLC 0.06 Mi  
Schools: Greenwich Village M 0.07 Mi  
Parks: James J Walker Park 0.18 Mi

**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.

**“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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# GreenDividend

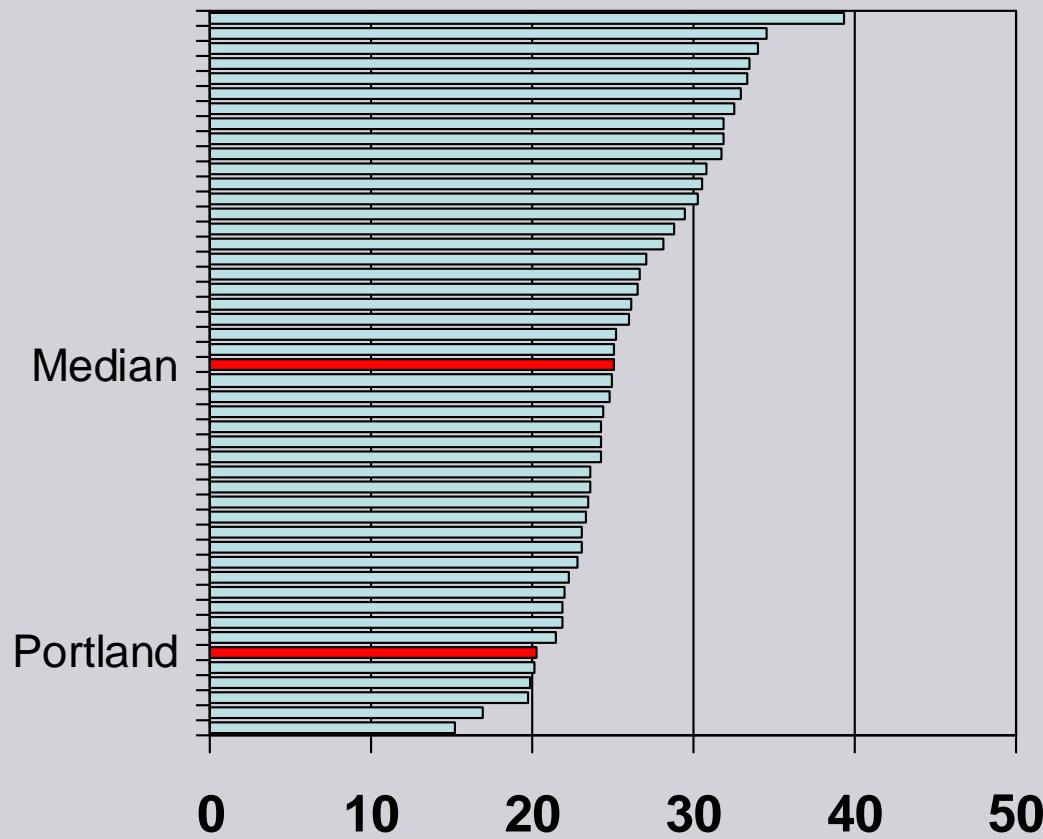
Cities facilitate less driving, saving money and stimulating the local economy

Joseph Cortright, Impresa  
September 2007

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# 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

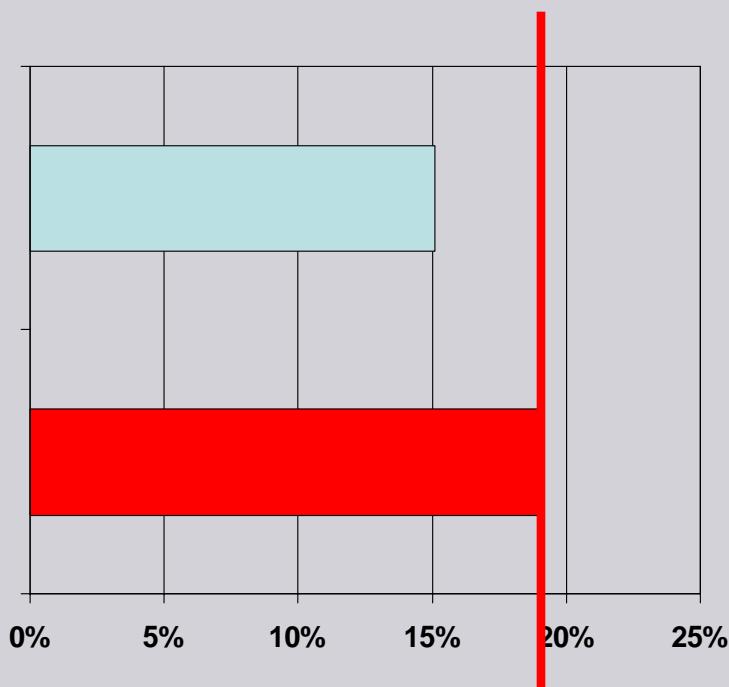
\$ 0.40/mile

= \$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)

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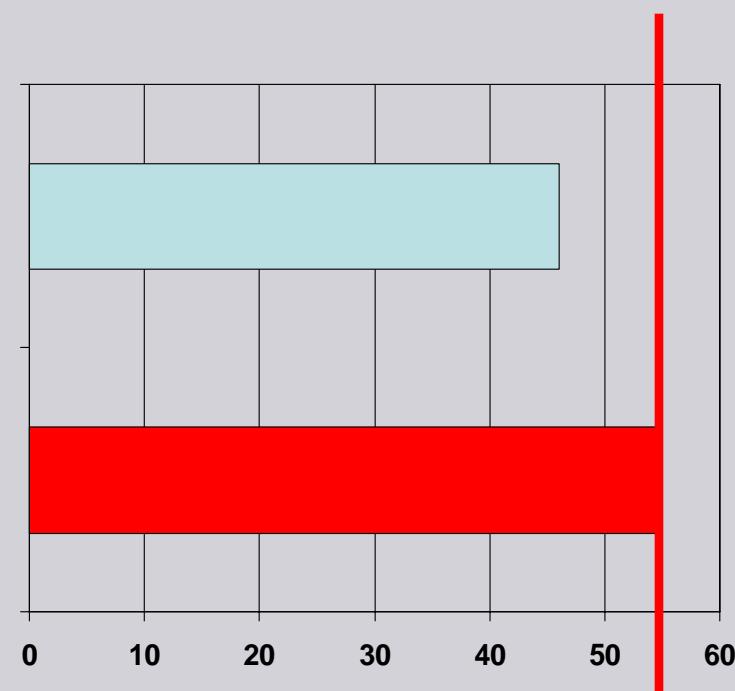
# Portland residents buy fewer new cars

Oregon

46 Vehicles per 1,000 Population

United States

55 Vehicles per 1,000 population



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

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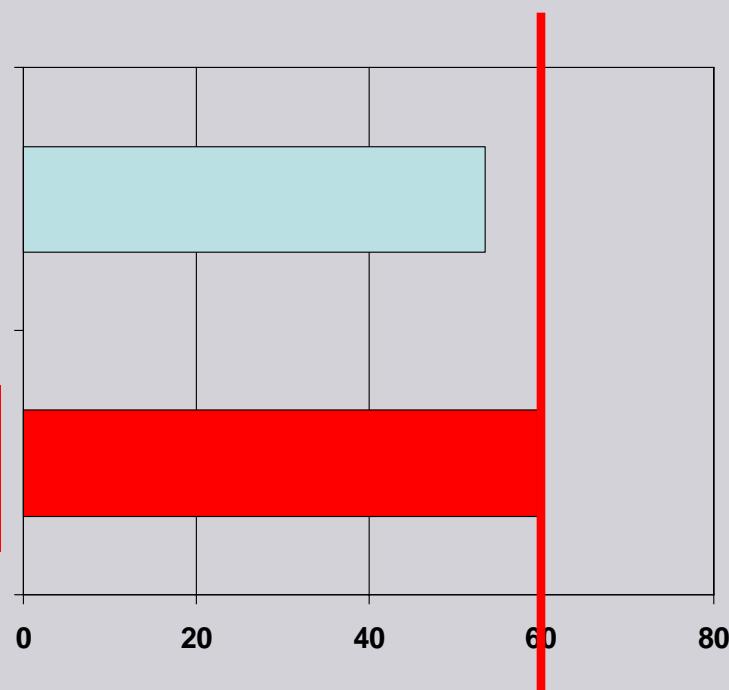
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# Portland residents buy less gasoline

Oregon  
53.5 million BTU per capita

United States  
59.6 million BTU per capita



(Source: Impresa analysis of Energy Information Administration data)

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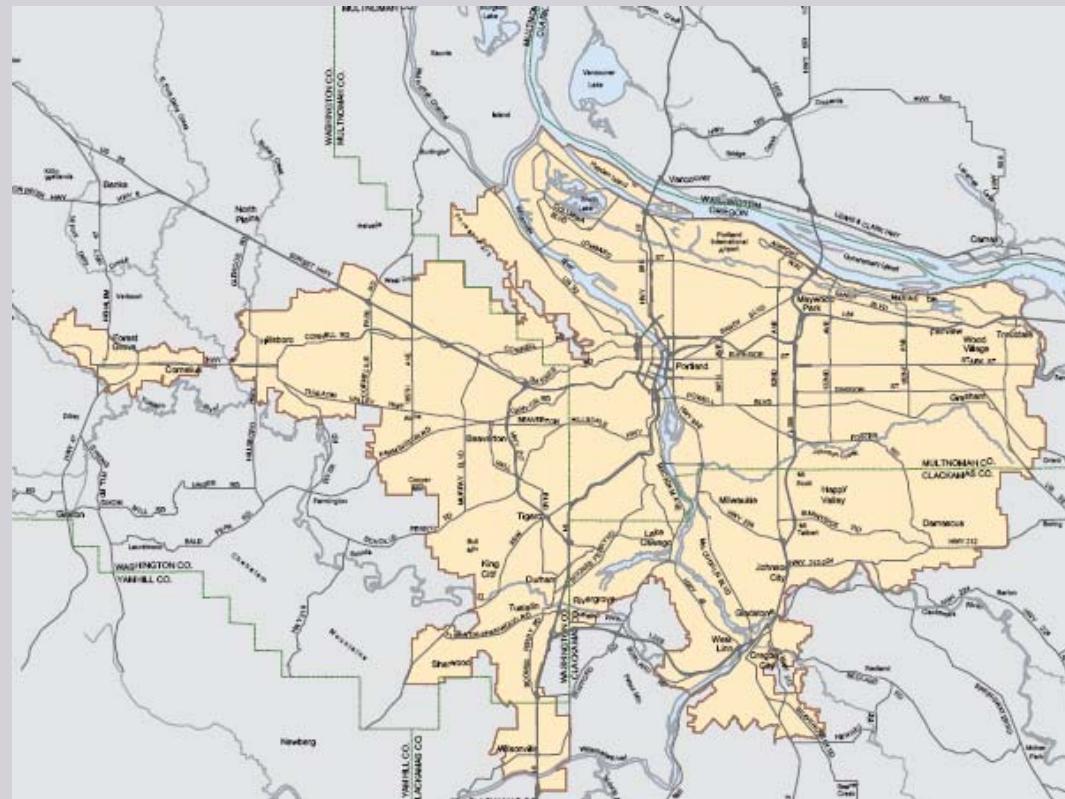
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# How Portland does it

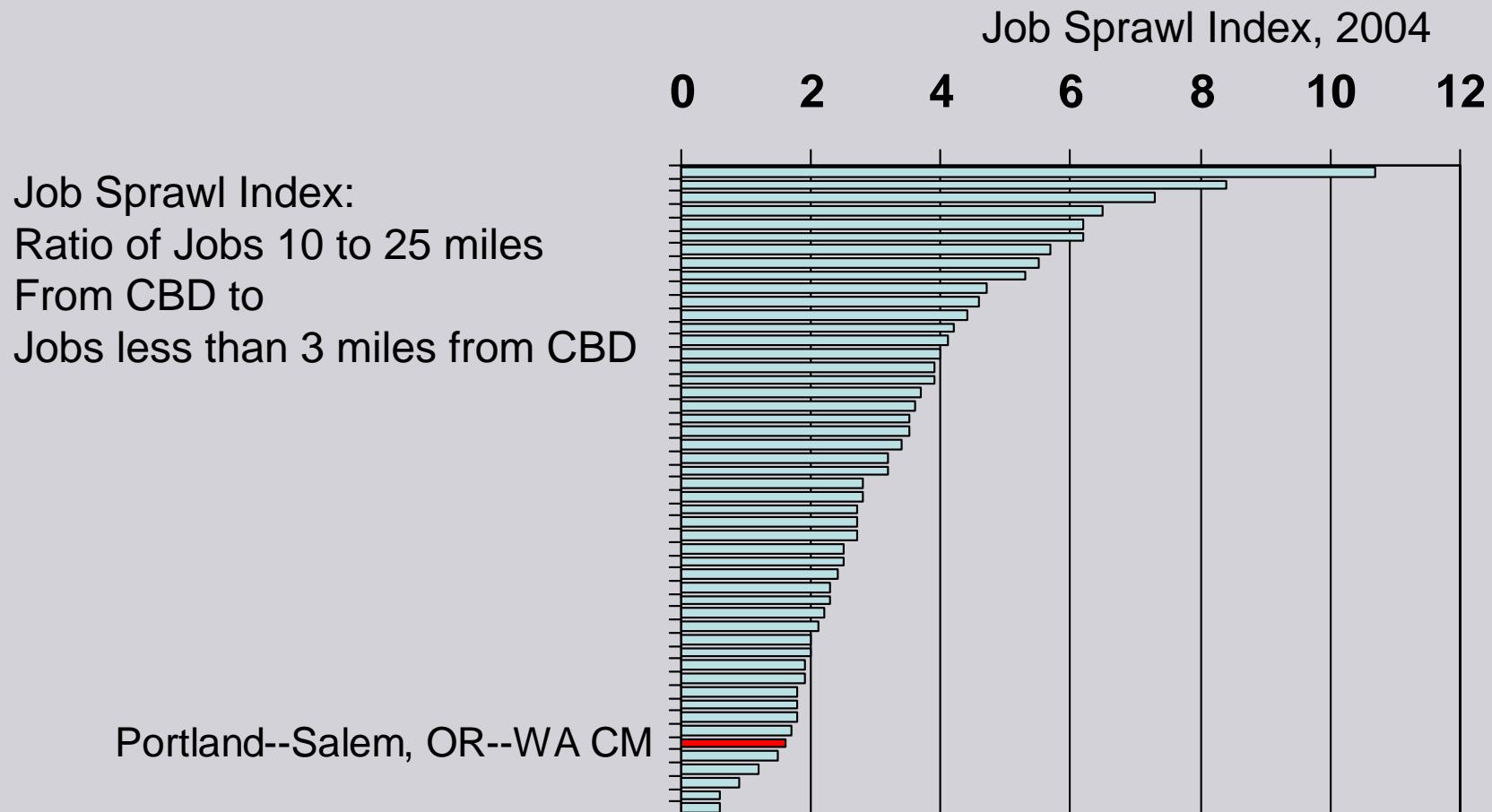
- More Compact Development
  - Urban Growth Boundary
  - Less Sprawl
- Alternatives to Auto Travel
  - Transit
  - Bicycling
- Personal Choices

# Compact Land Use

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



# Portland's jobs sprawl less



Sou | Driven to the Brink (as from County Business Pattern data)

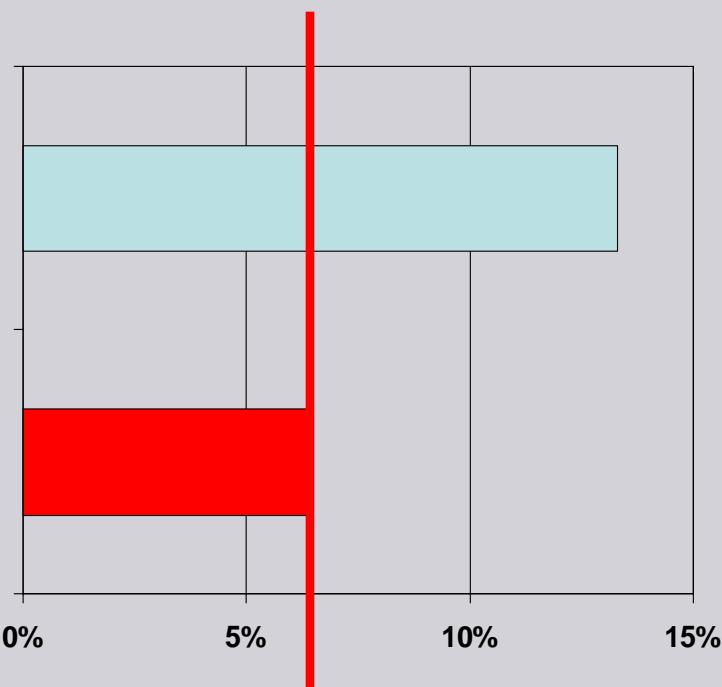
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# Portland residents ride transit more

Portland  
13.3% Commute by Transit

United States  
6.5% Commute by Transit



(Source: American Community Survey, 2005)

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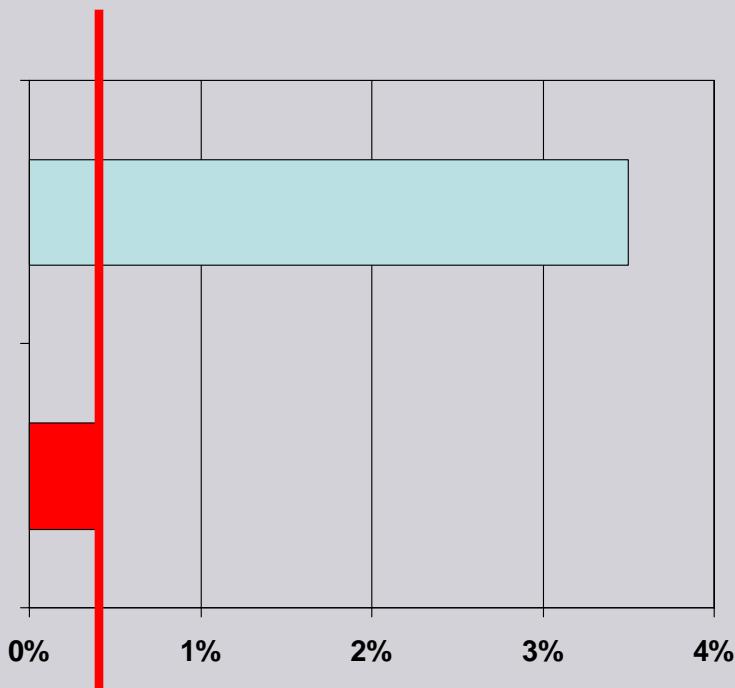
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# Portland residents seven times as likely to bicycle to work

Portland  
3.5% of commuters bicycle to work

Average for Cities of 85,000 plus  
0.4% of commuters bicycle to work



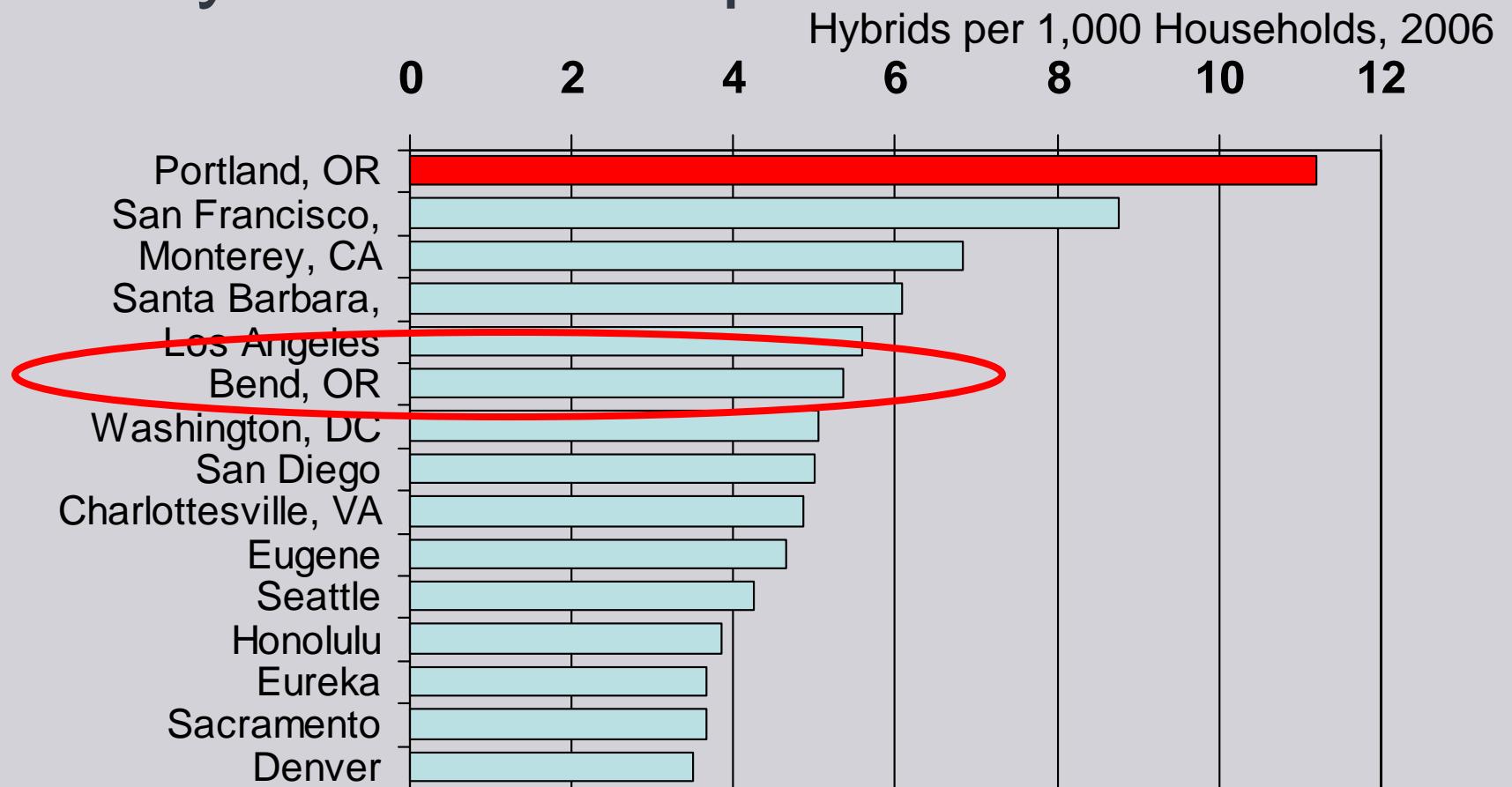
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(Source: Census Bureau, American Community Survey, 2005)

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# Most Hybrids Per Capita



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

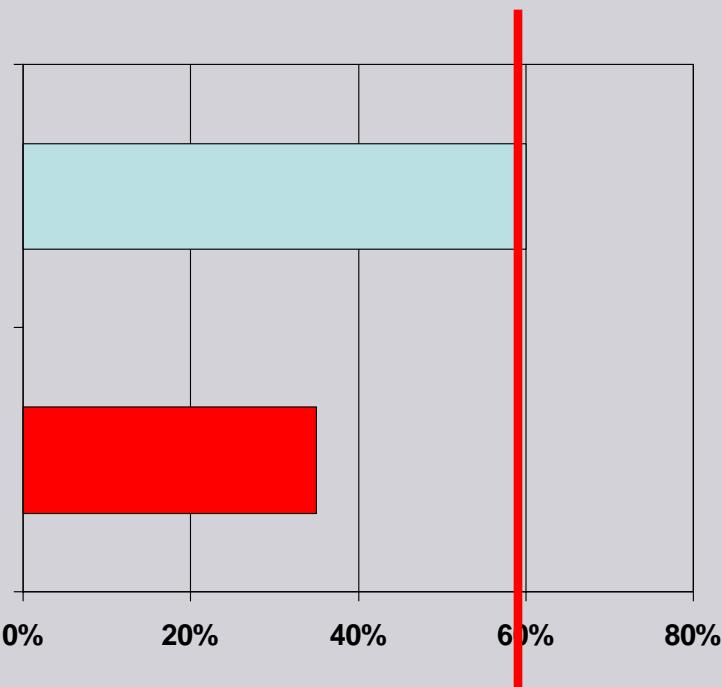
# Happier Citizen Commuters

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



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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 CO<sub>2</sub> emitted per gallon, 365 days a year
- that saves 1.4 million tons per year

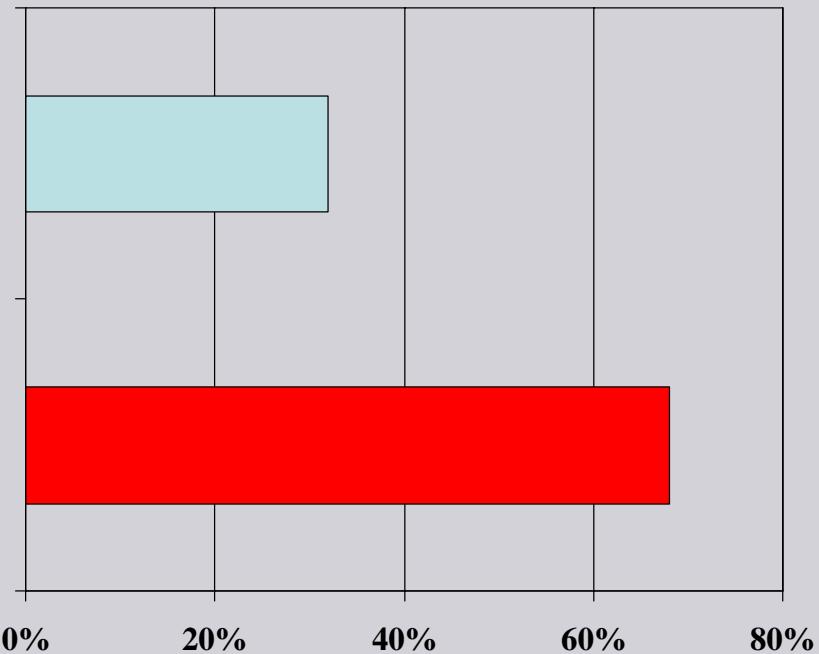
# Talent now seeks place

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**



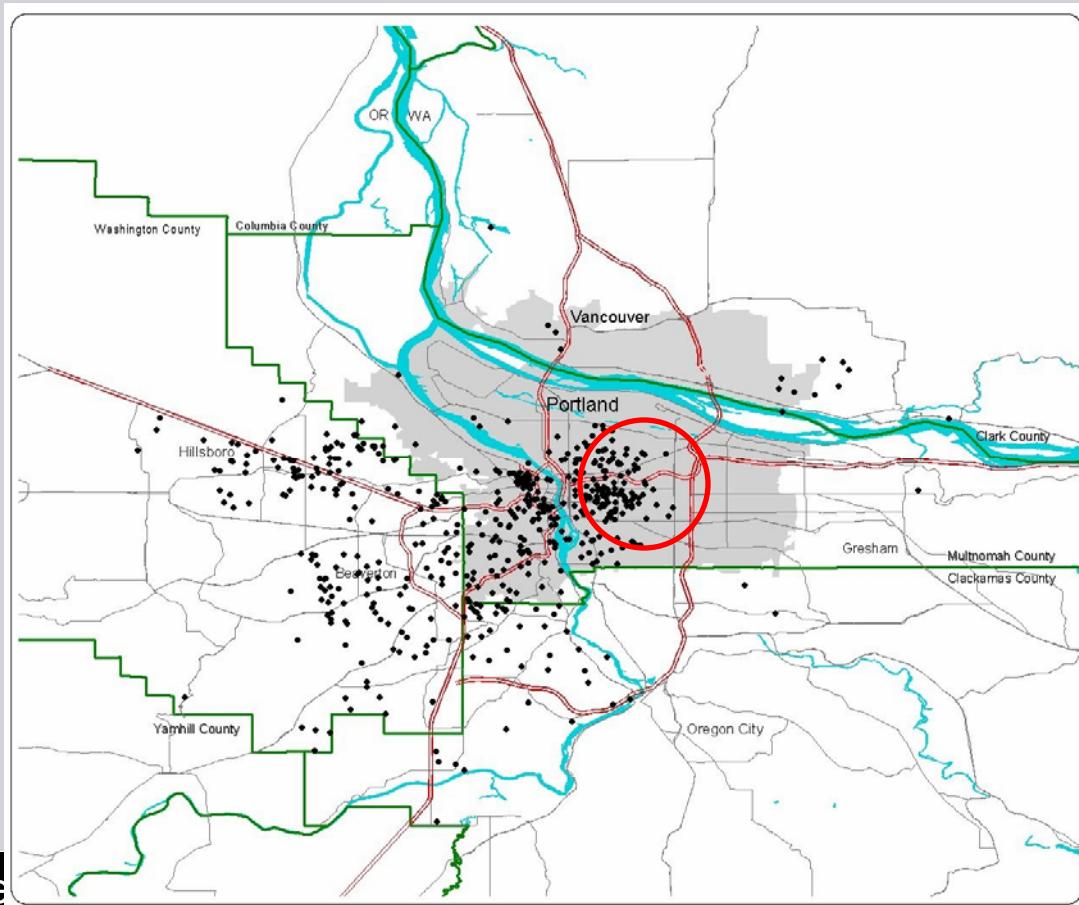
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# Close-in Neighborhoods Key

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

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# For more information

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- [www.ceosforcities.org](http://www.ceosforcities.org)

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