Community Development Council – Silver Flight – The State of the MPC

The State of the MPC

Obstacles to Growth and Profitability in our Marketplace: What's Working as Feasible Sustainable Solutions?

Richard Gollis, Moderator; Laura Bonich CDC Liaison

5 Roundtable Discussions

1. Demographics and Product Development
2. Amenities and Lifestyle
3. Sales and Marketing
4. Financing
5. Political Environment and Entitlement

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The Evolution of the Planned Community

ULI Fall Meeting - 2011

Can we revive the planned community or is it actually a thing of the past?

7 Discussions (and a Tool Kit) for the Next Decade

1. The new, made better with the tried and true.
2. Sustainable capital: a realistic approach.
3. The changing face of partnerships.
4. And what about sustainability?
5. Greenfield or infill?
6. The search for meaning: think connections.
7. Doing the right thing should be easy. Right?

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MPC Futures Roundtable – CDC Silver

ULI Fall Meeting - 2011

What are the Big Ideas Shaping the Future of the MPC?

5 Big Ideas

1. 500+ acre MPC's are DEAD.
2. Future challenges are not as much design related as they are about long term flexibility in entitlements and financing.
3. Future MPC's will continue to be based on pursuit of the classic village model, but implemented with fewer program elements and delivered at a smaller scale.
4. The design and development model for future planned communities depends primarily on location.
   A. "High Barrier to Entry Locations = More Innovation
   B. "Low Barrier to Entry Locations" = Business as Usual.
5. Notion that the public sector will participate in the entitlement, design, financing and/or implementation of future MPC's is grounded in denial or naiveté.

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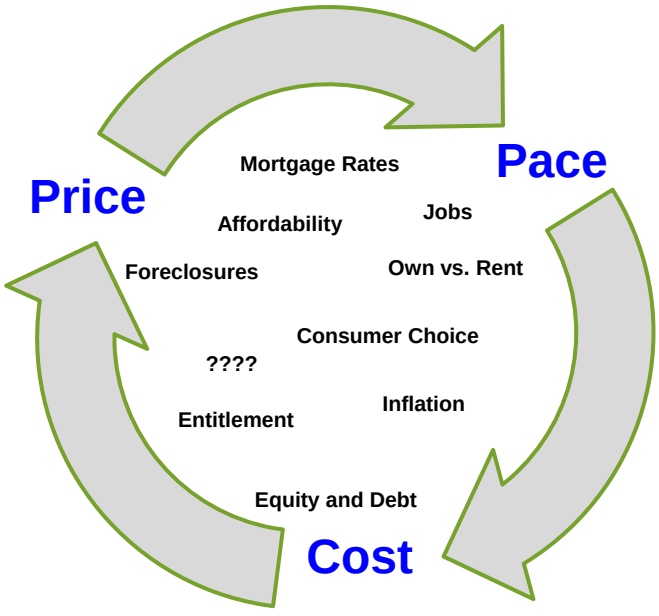
Pillars to a Profitable MPC Future



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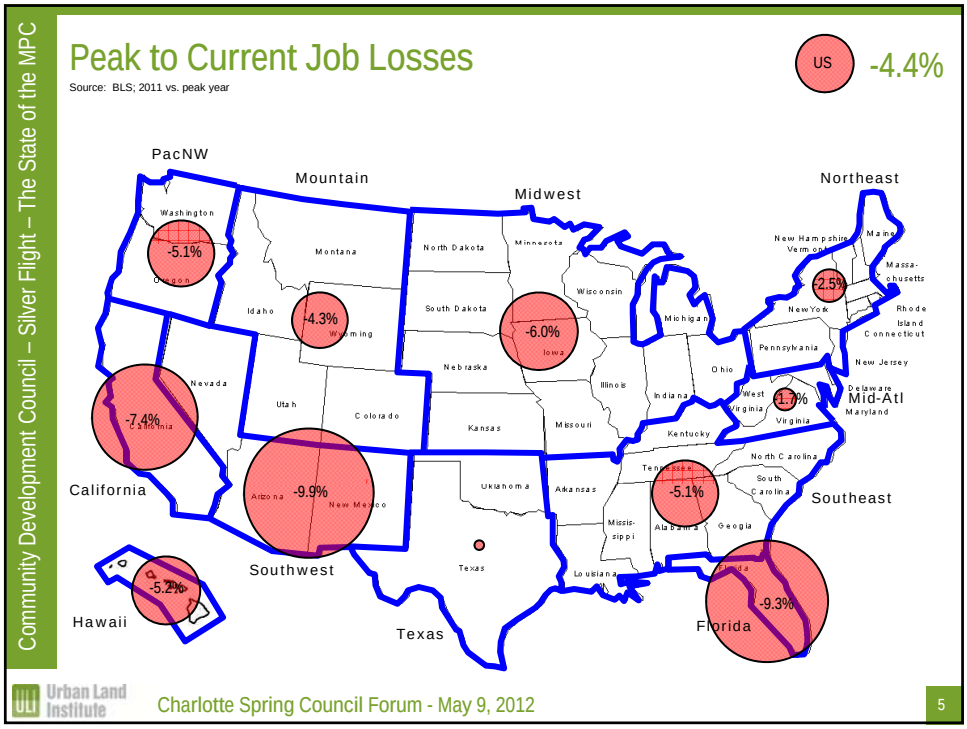
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Peak to Current Job Losses
Source: BLS; 2011 vs. peak year
US -4.4%
PacNW
Mountain
Midwest
Northeast
-5.1%
-4.3%
-6.0%
-2.5%
-7.4%
-9.9%
-1.7%
Mid-Atl
California
Southwest
Southeast
-5.2%
-5.1%
Hawaii
Texas
-9.3%
Florida
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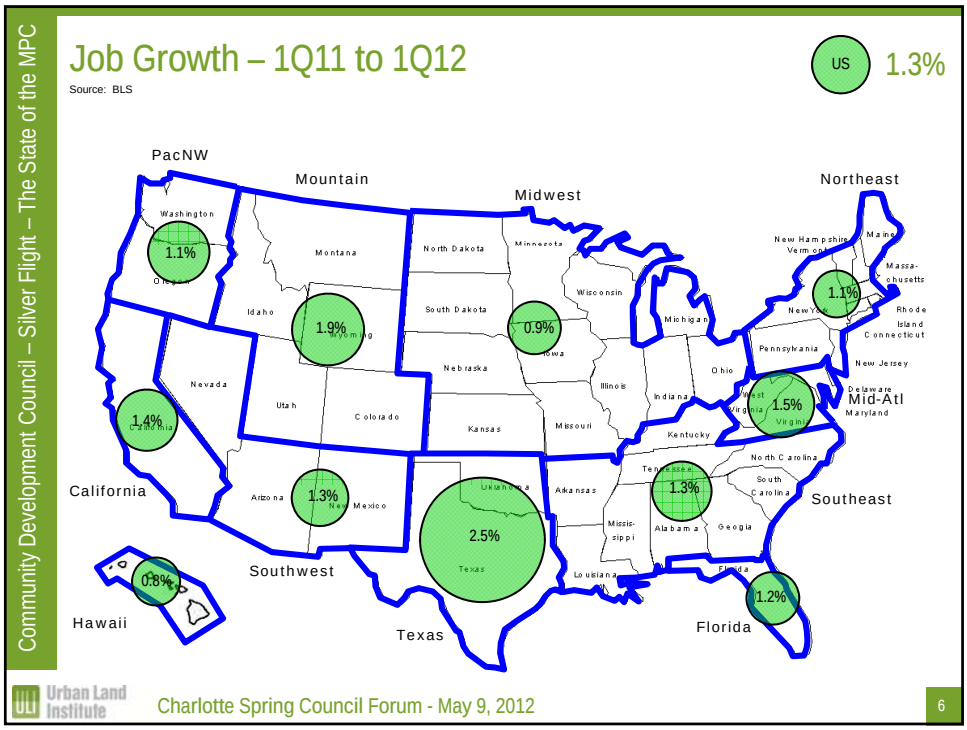
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Job Growth – 1Q11 to 1Q12
Source: BLS
US 1.3%
PacNW
Mountain
Midwest
Northeast
1.1%
1.9%
0.9%
1.1%
1.4%
1.5%
Mid-Atl
California
1.3%
1.3%
Southwest
Southeast
2.5%
0.8%
Hawaii
Texas
1.2%
Florida
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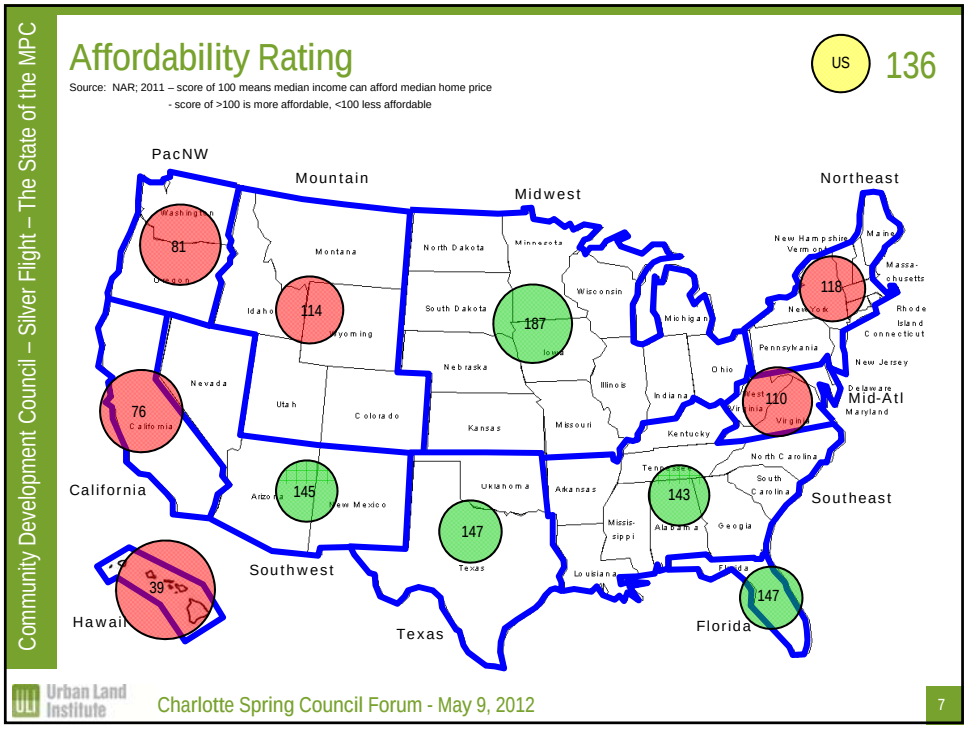
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Affordability Rating
Source: NAR; 2011 – score of 100 means median income can afford median home price
- score of >100 is more affordable, <100 less affordable
US 136
PacNW
Mountain
Midwest
Northeast
81
114
187
118
76
110
145
147
143
39
147
California
Southwest
Texas
Southeast
Mid-Atl
Florida
Hawaii
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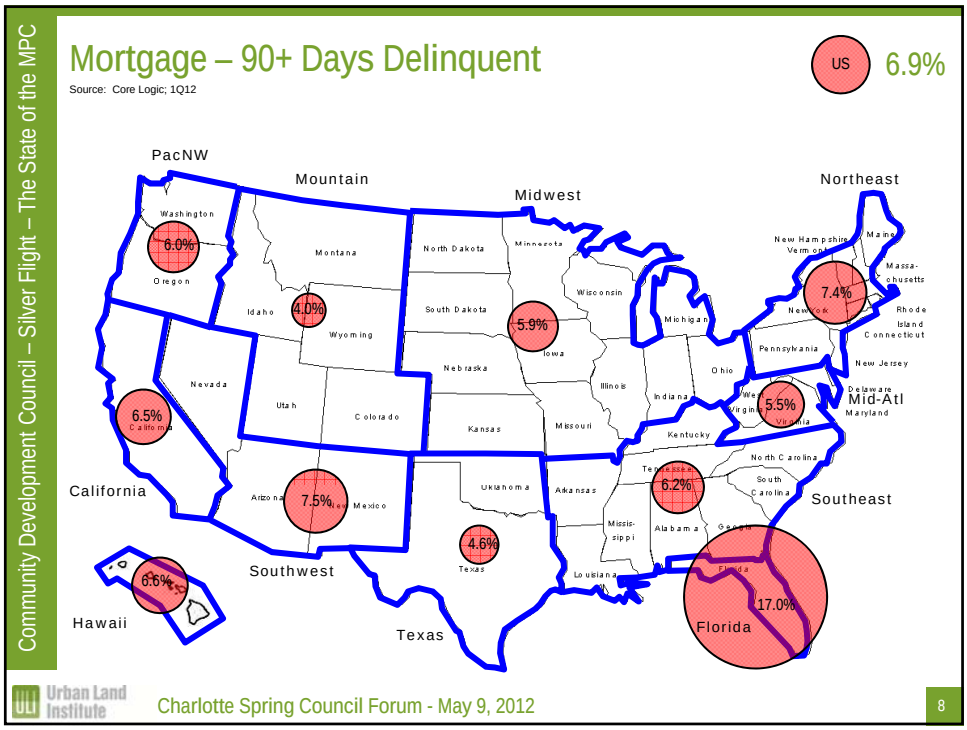
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Mortgage – 90+ Days Delinquent
Source: Core Logic; 1Q12
US 6.9%
PacNW
Mountain
Midwest
Northeast
6.0%
4.0%
5.9%
7.4%
6.5%
5.5%
7.5%
6.2%
4.6%
6.6%
17.0%
California
Southwest
Texas
Southeast
Mid-Atl
Florida
Hawaii
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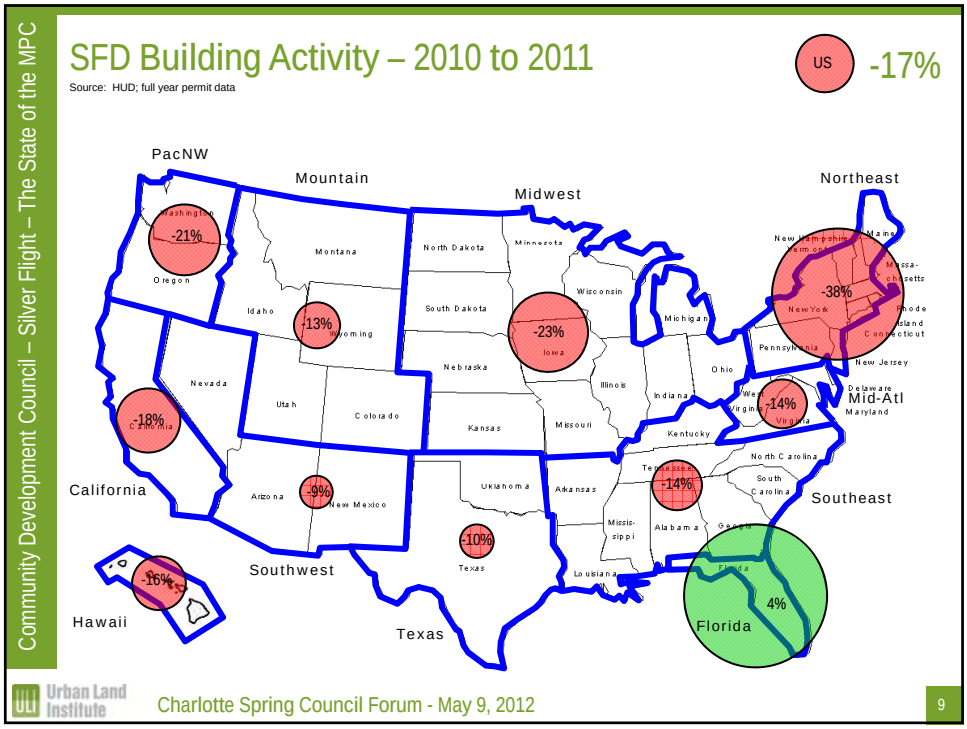
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SFD Building Activity – 2010 to 2011
Source: HUD; full year permit data
US -17%
PacNW
Mountain
Midwest
Northeast
-21%
-13%
-23%
-38%
-18%
-14%
Mid-Atl
California
-9%
-14%
Southeast
-10%
Southwest
-16%
Hawaii
Texas
4%
Florida
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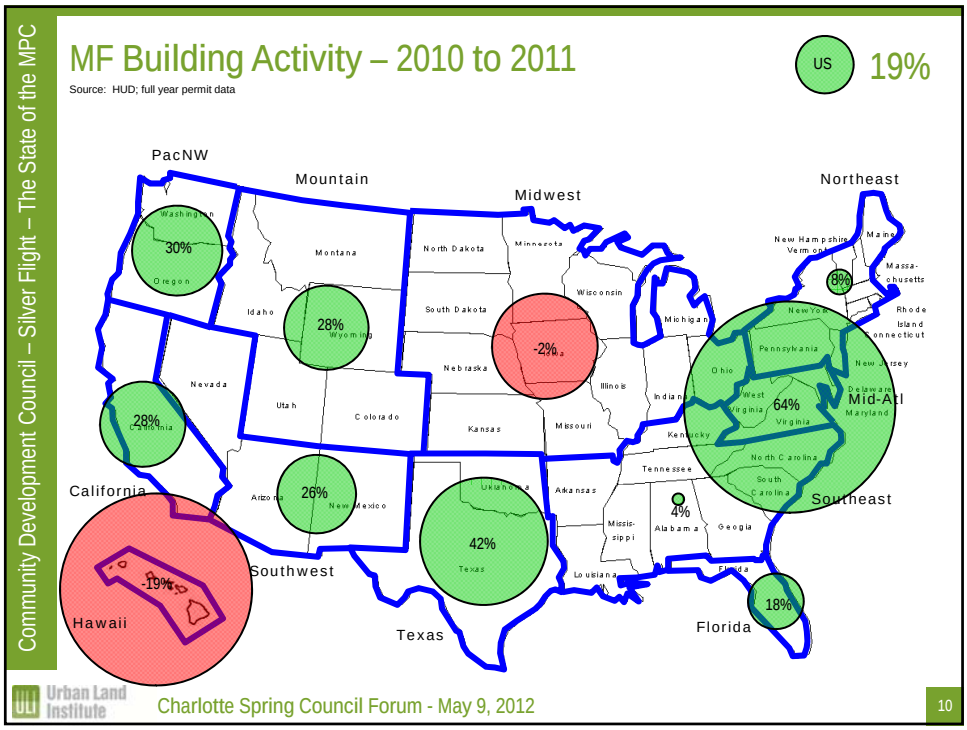
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MF Building Activity – 2010 to 2011
Source: HUD; full year permit data
US 19%
PacNW
Mountain
Midwest
Northeast
30%
28%
-2%
8%
28%
64%
Mid-Atl
California
26%
4%
Southeast
42%
Southwest
-19%
Hawaii
Texas
18%
Florida
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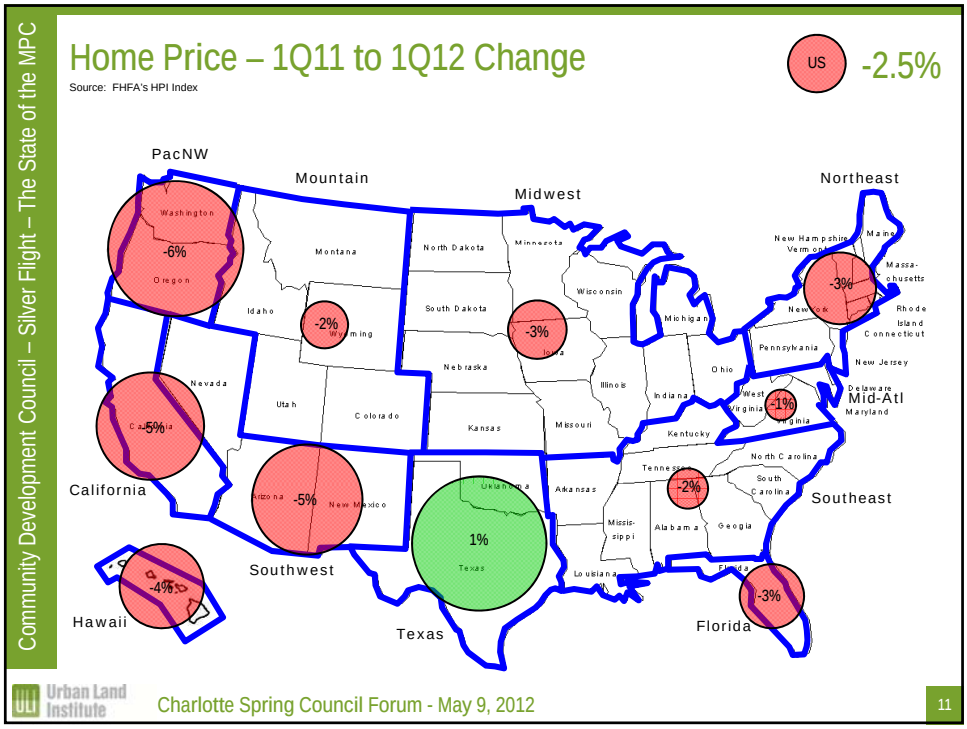
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Home Price – 1Q11 to 1Q12 Change
Source: FHFA's HPI Index
US -2.5%
PacNW
Mountain
Midwest
Northeast
-6%
-2%
-3%
-3%
-5%
-5%
-5%
1%
-4%
-2%
-1%
-3%
California
Southwest
Texas
Hawaii
Florida
Southeast
Mid-Atl
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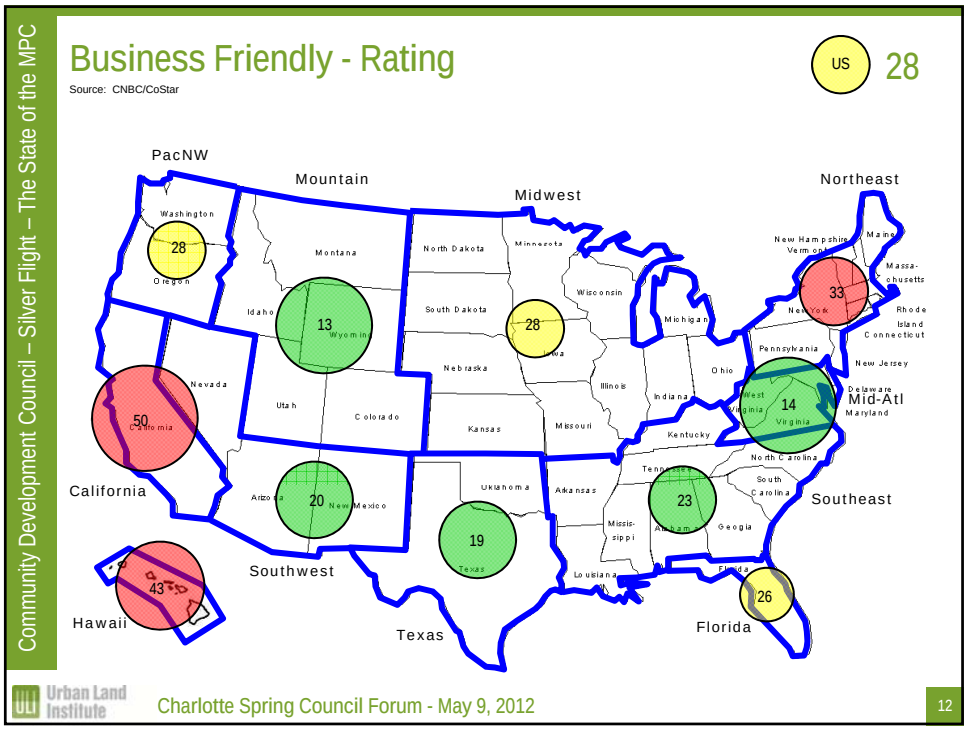
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Business Friendly - Rating
Source: CNBC/CoStar
US 28
PacNW
Mountain
Midwest
Northeast
28
13
28
33
50
20
19
14
23
43
26
California
Southwest
Texas
Hawaii
Florida
Southeast
Mid-Atl
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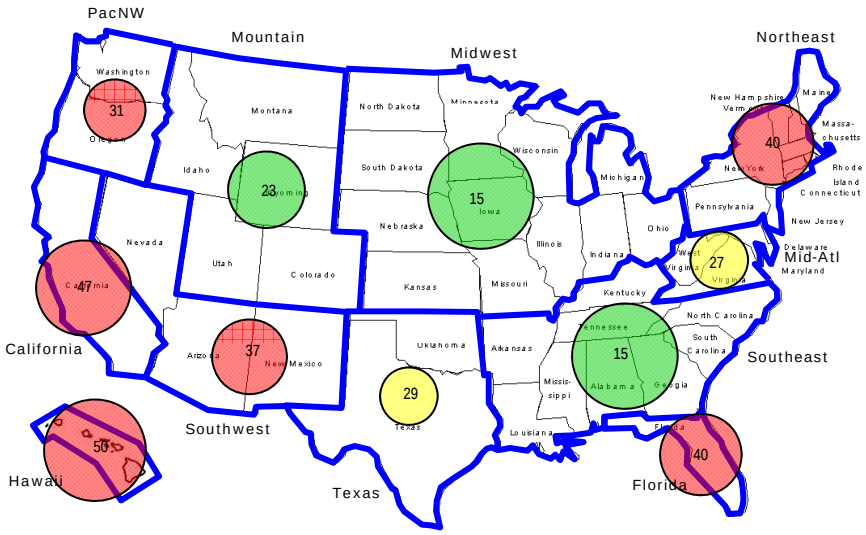
Cost of Doing Business - Rating

Source: CNBC/CoStar

US 28



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Roundtables and Moderators

1. Demographics and Product Development
   - Mollie Carmichael & John Reed
2. Amenities and Lifestyle
   - Michael Cox & Doug Smith
3. Sales and Marketing
   - David Hale & Tom Powers
4. Financing
   - Rick Mildner & Garrett Solomon
5. Political Environment and Entitlement
   - Nariman Afkhami & John Gleeson

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Roundtable Format

- Part 1 – Brainstorm

  What are still the biggest issues we face in your topic?
  What are the right questions we need to be asking?

  Report back

- Part 2 – 30 minute in-depth discussion

  What are the feasible solutions?
  Push for creativity and fresh ideas!

  Report back
  Laura Bonich, CDC Liaison