



Madison County Government
Planning and Development Department

Matt Brandmeyer, AICP • Administrator
Madison County Administration Building
157 N. Main Street, Suite 254 • Edwardsville, IL 62025-1964
Phone (618) 692-7040 ext. 4468 • Fax (618) 692-8982
E-Mail zoning@co.madison.il.us
<http://www.co.madison.il.us/Planning>

Alan J. Dunstan
County Board Chairman

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To: Scott Hanson, City of Edwardsville
David Coody, Village of Glen Carbon

From: Matt Brandmeyer, Madison County P&D Administrator *MB*

Re: Future Housing Demand

This is the third in a series of memos that will look at demographics, development patterns, future housing demand, potential revisions to the I-55 map and development regulations, and future steps.

In a lot of ways, understanding future housing demand is planning in a nutshell. While good planning endeavors to guide development patterns and provide valuable opportunities for the community, market demand is the engine that drives growth. The purpose of this memo is to provide insight into future housing demand and feedback on how the I-55 development regulations can be used to address it.

Housing Demand

The primary aspect of understanding market demand is identifying demographic projections. As discussed in the demographics trends memo, there are two primary forces that will drive the market for decades to come - the aging Baby Boomers and the emergence of the Millennials.

Another aspect of market demand is recent development patterns. While development patterns are not the primary indicator of future market demand, they represent the values of a community and are, at the very least, a good indicator of demand for the near future. As demonstrated in the development trends memo, 92% of lots platted since 2000 are between 7,500 and ½ acre. Homes built during that period are primarily single-family detached with high-quality construction. Two recent developments, Brookshire Hamlet and Cloverdale, are a departure from conventional subdivisions in that they have smaller lots with more ground located in common areas for maintenance purposes.

The challenge is to find a way to enable existing development patterns while being flexible enough to respond to future demand, which may differ from what is currently being built.

Baby Boomers

According to the AARP, the top priority for aging Baby Boomers, and anyone of retirement age, is to remain mobile and independent for as long as possible. It's expected that new home constructions for retirees will be single-story, have low thresholds at entrances and showers, and feature wider halls and doorways. The homes will likely be smaller in order to reduce upkeep, utilities, and overall maintenance.

They will likely be located on smaller lots or have a shared maintenance arrangement. According to the AARP's Livable Communities initiative, retirees are also seeking safe, walkable areas, green or open space, and value staying social and active. They're also looking to remain in their communities, aging-in-place.

At some point, retirees will need to transition from independent living to some level of assisted care. These are historically institutional facilities, but architects and designers have made changes to make them more residential in both appearance and operation. There is also an effort to centrally locate senior communities so that they remain an active, important part of the community.

Millennials

Millennial housing demand has been more difficult to evaluate. Millennials began coming of age as the nation plunged into the recession, and they've been slow to buy homes and start families as the economy recovers. For now, many are continuing to either rent or live with parents. As a result, their impact on the market has been only partially realized.

There are reports indicating that Millennials desire more choices and are less committed to traditional single-family detached subdivisions. However, a recent survey conducted by the National Homebuilders Association showed that over 75% of Millennial respondents that had purchased a home within the past 3 years desired a single-family, detached home and 66% wished to live in the suburbs. They also desire communities with open space, walking trails, and recreation opportunities. Millennials value a mix of uses with shopping and dining opportunities within walking distance. Nevertheless, until Millennials begin buying and building new homes, their full impact on the housing market will not be understood.

Conclusion

Since Baby Boomers and Millennials will drive the market for many years to come, the challenge is to satisfy the needs of both groups. It's important that we provide direction while remaining flexible enough to meet future demands as they become apparent. Some of the common themes among both generations is walkability, recreation, and open space. If more flexibility is provided with lot size and exterior materials, it will still be necessary to identify walking, biking, and recreational opportunities within new development.

One of the most exciting opportunities presented by the aging Baby Boomer population is the potential to provide seniors a means to age-in-place and to make independent and assisted living centers the focal point of the community. If senior residential facilities are built within the Town Center areas, it'll satisfy the need for a critical mass needed to serve the commercial presence. They will be near schools, the YMCA, and potential shuttle services from Governor's Parkway. If this occurs, it'll largely fulfill the need for density near the Town Center and continue to meet I-55 plan objectives. Adding senior communities to the permitted land uses in the proposed I-55 code will accommodate this potential change in demand.