



NATIONAL TRENDS

PLANNER'S PORTFOLIO

ISSUE 11

SEPTEMBER 2017





PLANNER'S PORTFOLIO **NATIONAL TRENDS**

- 1 OVERVIEW**
- 2 CHANGING POPULATION**
- 4 HOUSING**
- 5 TRANSPORTATION**
- 6 WORKFORCE**
- 7 RETAIL**

Planner's Portfolio Series

The Planner's Portfolio Series is an outreach effort developed by Delaware County Council in order to explore the planning concepts available for communities to take advantage of the unique opportunities across Delaware County.

The pattern on the cover page, and found throughout this series, represents the importance of each individual component in the larger network. The Planner's Portfolio Series explores several of these components and how they can support community character in Delaware County.

For more information, contact the Delaware County Planning Department at 610-891-5200 or visit www.co.delaware.pa.us/planning to see the complete Planner's Portfolio series.

OVERVIEW

Research on trends occurring nationwide helps to provide insight into changing patterns and attitudes locally. It also helps to predict future pressures that may affect local communities. As such, it is important to have a broad understanding of several key national trends to understand the context of local trends. Many of these trends are influenced by the coming of age of millennials, a group that grew up during big events like the great recession and the popularization of the internet. Such events have had great influence on patterns of consumption and lifestyle, affecting housing, retail, transportation, and even changing the workplace itself. It is important that local officials continue to address the different needs of a changing population.

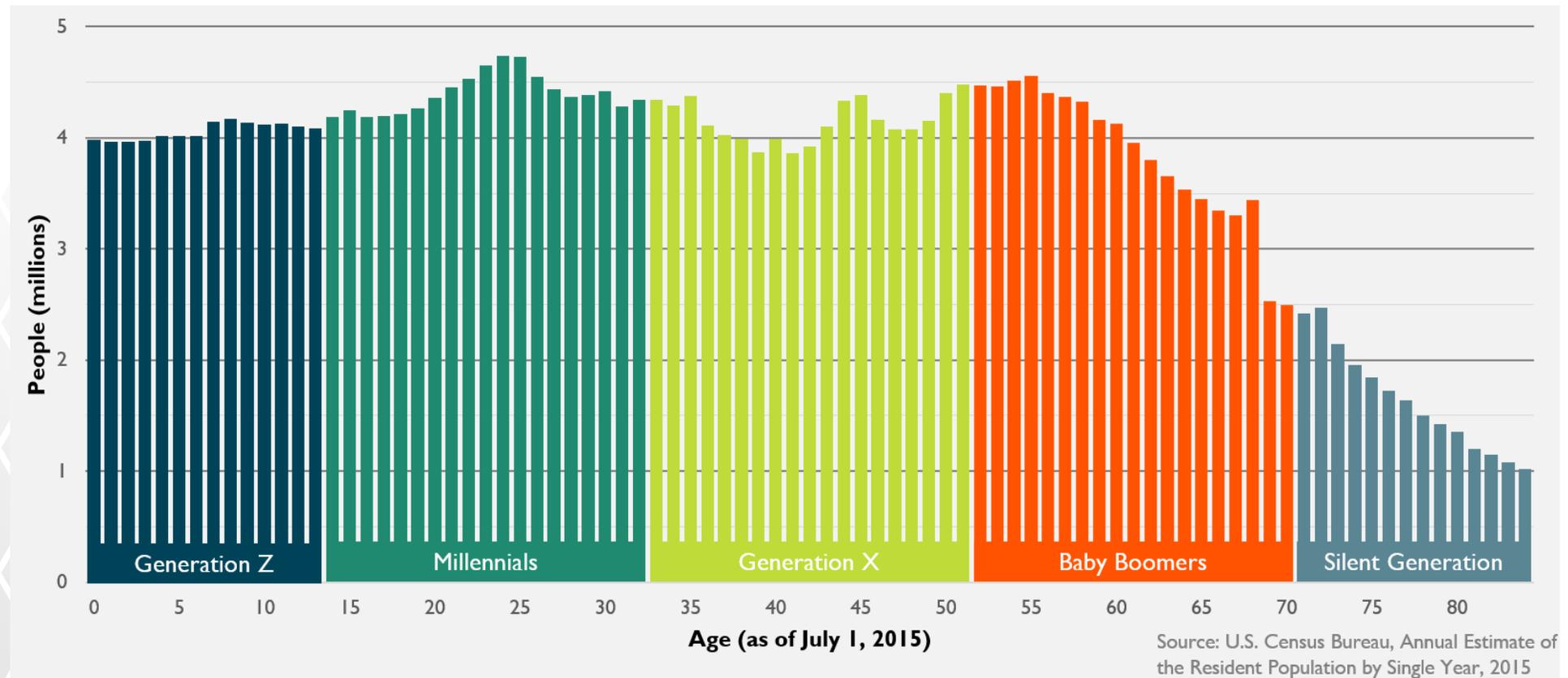


(Photo Credit: theodysseyonline.com)

CHANGING POPULATION

Grouping population by age cohorts, commonly referred to as generations, helps to make trends appear more clearly. These cohorts, which are used commonly in demographics and marketing, consist of population groups that generally come of age during similar circumstances and go through major life events at relatively the same time. As such, individuals within a cohort mostly have similar preferences and tendencies that are often evident in market driven indicators, such as how many single family homes were constructed in a given year.

Currently, millennials and baby boomers are the two largest generations and both are entering into important and unique stages of life that are likely to have an impact on society in general in the coming decades. Baby boomers are entering into retirement age while millennials are in the early years of their careers and family formation. As each cohort progresses through the stages of life, its preferences and needs change, and these changing preferences drive market forces that affect the way society lives and spends its money.



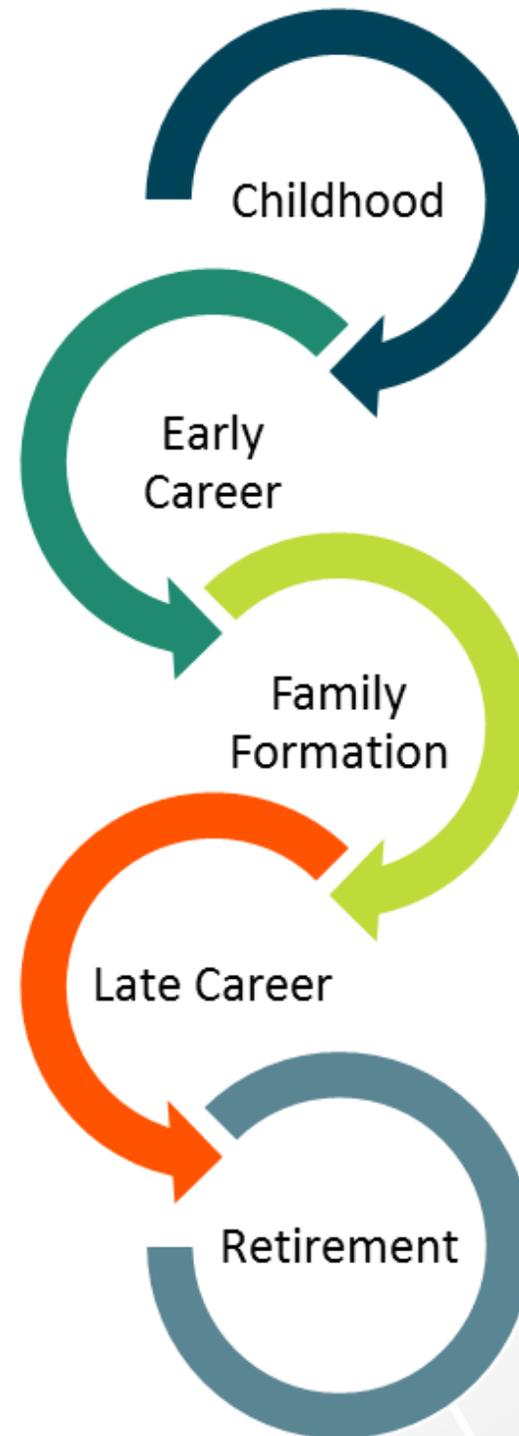
Generation Z: Generally born after 2001 (approximately 73.6 million people); the oldest of this generation are in college now. At this time, much is still unknown about this cohort because of its relatively young age; however, this will change rapidly. They are growing up as the most connected generation to-date and do not know a world without high-speed internet.

Millennials: Generally born between 1983 and 2001 (approximately 75.3 million people); account for the largest generation. Broadly speaking, they are more educated and more diverse than any previous generation; however, they have a substantial amount of student loan debt. This is significantly influencing how they live out early-adulthood and delaying major purchases, such as home-buying.

Generation X: Generally born between 1964 and 1982 (approximately 65.7 million people); they grew up during a time of rapidly increasing labor-force participation by women (i.e., their mothers). Many purchased single-family homes during the housing boom of the 1990s and early 2000s. They were subsequently affected heavily by the housing crash then following in the mid- to late-2000s.

Baby Boomers: Generally born between 1945 and 1963 (approximately 74.9 million people); many were born as veterans returned from World War II. It was the largest generation until approximately 2015. Many grew up during and/or led the significant cultural changes of the 1960s and 70s. They are entering into retirement age, changing the workforce and consumer market.

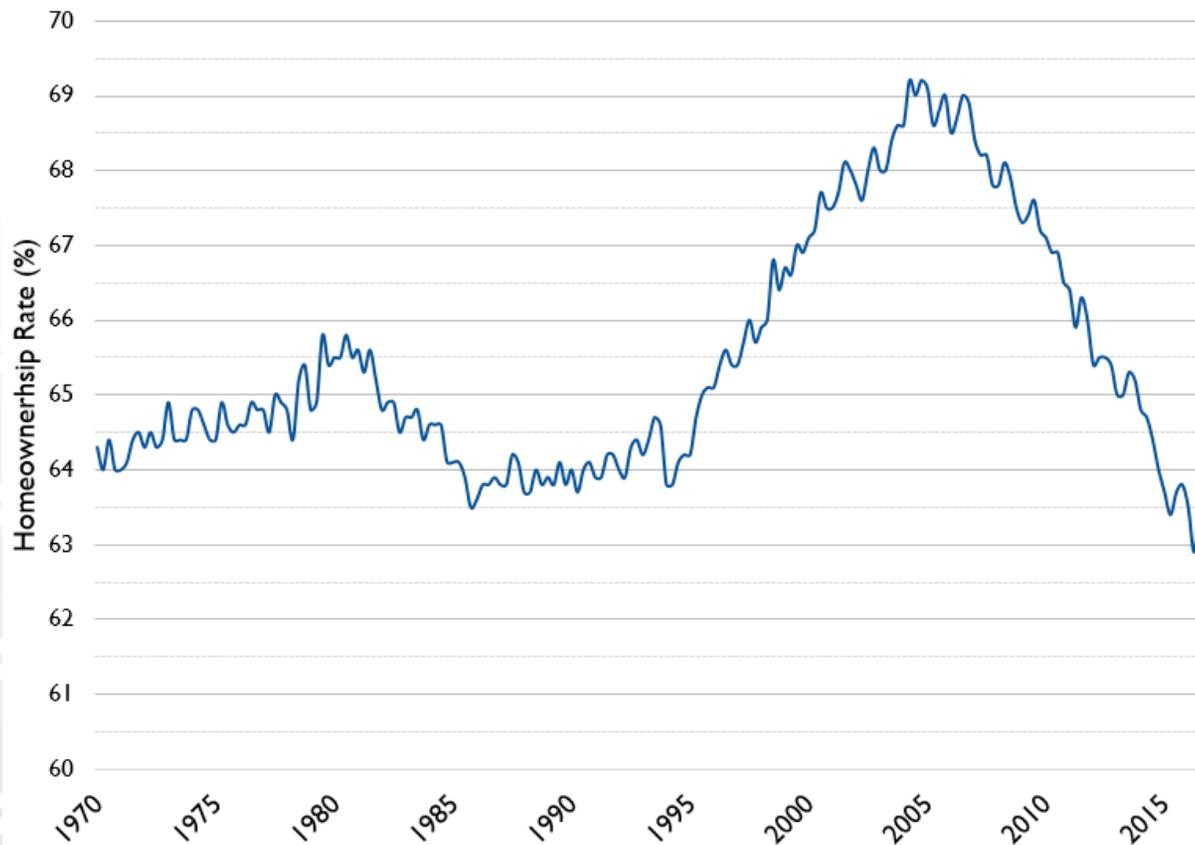
Silent Generation: Generally born prior to 1945 (approximately 26.4 million people); they grew up during two of the most influential time-periods in U.S. history – the Great Depression and World War II. Many went on to serve in World War II and are often referred to as “The Greatest Generation.” Both of these events immensely influenced how they lived and the value they placed on community.



NATIONAL TRENDS HOUSING

With significant changes in the age of population comes a need for different housing types. As the number of people 65 years and older continues to grow rapidly, there is more demand for smaller housing units with less maintenance. At the same time, millennials entering the workforce are looking for high-quality units in locations that provide good access to jobs and flexibility in case they need to move for another job. Millennials emphasize proximity to transit to get to and from work. Most boomers and millennials prefer housing located within walking distance of shopping, dining, and other cultural attractions

Ten to fifteen years ago, age-specific housing demand may have been met through the construction of age restricted housing and single-family homes. In the post-recession market, however, there has been more focus on “age-targeted” luxury apartments. Age-targeted apartments are designed to accommodate boomers looking to downsize as well as millennials who are not yet ready to purchase a house. Age-targeted apartments are often built with high-end fixtures and common space amenities that frequently include gyms, pools, and club rooms. Most residential units only have one or two bedrooms.



Source: U.S. Census, 2017

Homeownership

The economic recession that hit the country in 2008-09 has created a vastly different housing market than earlier years. Homeownership, which hit an all time high in the early- to mid-2000s, has dropped off significantly and is at the lowest rate across the country in decades. This was the result of both the economy and shifting cultural preferences. As mentioned above, rental units are attractive to many boomers who are looking to downsize and desire no-maintenance living. At the same time, many millennials came of age during the economic recession and are hesitant to commit to long term mortgages. Many live at home with parents longer than previous generations while others prefer rental units that are more affordable than buying a home and provide greater flexibility. Due to these shifts, an increase in rental properties is a national trend and decreasing homeownership numbers should not necessarily be seen as a negative indicator for a community.

TRANSPORTATION

New technologies in the twenty-first century are poised to significantly alter the way that people get around. Perhaps the most disruptive change is the invention of autonomous vehicles. While these are still in a developmental stage, it is increasingly likely that they will become mainstream in the coming decades. At this time, it is unknown what the real impacts of autonomous vehicles will be. In the meantime, transportation network companies (TNCs), such as Uber and Lyft, offer rides as a service. They act similar to a taxi, except that they are hailed via a mobile phone application. Due to their ease of use, many communities will see an increase in drop-off/pickup traffic. In fact, this is already noticeable in several communities, particularly those with a high concentration of restaurants/bars or larger cultural attractions such as a theater. Continued increase of TNCs may also decrease some pressure on downtown parking while increasing the need for designated drop-off areas.

The increase in online retail and changing shopping patterns is also changing freight movement as high volumes of smaller consumer goods and local deliveries are necessary. This changes the amount, types, and frequency of freight vehicles that are making downtown and neighborhood deliveries, particularly in higher density areas. Many freight companies are increasingly using smaller vans to provide more frequent delivery service throughout the day. As this continues to progress, it may have impacts on required delivery locations and loading zones.

Alternative Transportation

Many boomers and millennials prefer housing that is located within walking distance to shopping, dining, and other cultural attractions. Millennials, in particular, emphasize proximity to transit as being important in housing location. As a result, both boomers and millennials emphasize access to transit and other amenities when selecting a place to live. Increasing walkability and developing complete streets will help to make communities more attractive to potential renters and buyers.



(Photo credit: <https://thepointsguy.com/2016/06/using-uber-in-vegas/>)

NATIONAL TRENDS

WORKFORCE

The cultural shifts that are occurring as a result of the economic recession and changing population of the country are significantly altering the workforce. Even though millennials are presently the largest generational cohort and are just starting their careers, it is likely that there will be a labor shortage in the near future as boomers continue to retire. As such, wages will likely increase, particularly for the younger generations, as employers strive to remain competitive in order to keep talent. Because millennials are on the verge of comprising the largest portion of the workforce, employers will also locate offices and employment centers in areas where millennials want to live and work – namely areas with a mix of uses and access to transit. As competition for talent between employers continues to grow, it is likely that the younger generations will continue to switch jobs much more frequently than any previous generation.



Media Borough (Photo Credit: headroom.net)



(Photo Credit: magazine.hmc.edu)

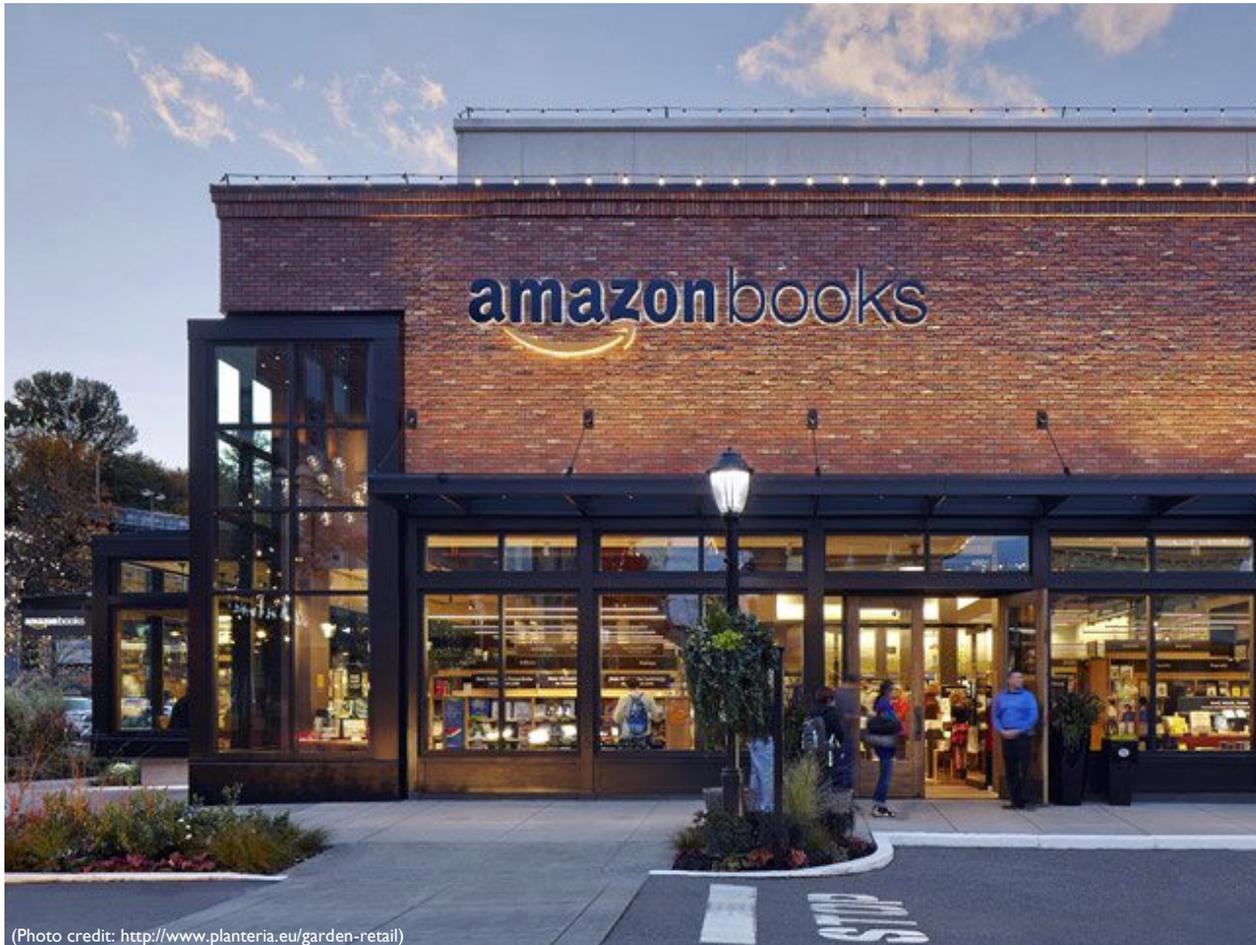
Coworking

The changing economy is also affecting the types of jobs that people have. Many people are self-employed or work on a contractual basis for larger companies. As a result, more flexible office and workplaces have become more popular. Coworking spaces provide space available for short-term rent/leases (from as short as a few hours to as long as several months). Delaware County has partnered with HeadRoom, a coworking space in Media and Wayne, and SCORE, an organization of experienced volunteers dedicated to providing free counseling and seminars to help small businesses grow. The County sponsors qualifying start-ups and small businesses to use HeadRoom's facilities to incubate and develop their businesses. Makerspaces are similar to coworking spaces but emphasize sharing tools and space to create products or prototypes (see left).

NATIONAL TRENDS

RETAIL

It is widely understood that the retail industry has been changed by the exponential growth of online shopping over the past decade. Many nation-wide retailers have started to close physical stores to devote more resources to online commerce. At the same time, however, some online retailers have also started to develop physical stores. Online retail is changing the perception of in-store shopping from a 'chore' to a 'leisure experience' to be enjoyed. As millennials are less likely than boomers to spend on houses, cars, and other big expenses, they have more expendable income, feeding into their preference for spending more for higher quality and better experiences. At the same time, boomers entering retirement have more time for leisure activities.



(Photo credit: <http://www.planteria.eu/garden-retail>)

Lifestyle Centers

Lifestyle centers function as outdoor malls and consist of stores built around pedestrian spaces. Often times, they include specialty stores anchored by movie theaters or similar entertainment destinations. These key features try to cater to the new trend of shopping as a leisure experience.



Concord Township

Younger generations place greater emphasis on product reviews, the quality of goods, and the word of friends and family. Because of this, millennials have a sense of "brand loyalty." Many retailers are focusing their marketing efforts on becoming cultural icons. They often concentrate high-quality stores in locations of cultural significance in order to help build their brands, as with Amazon Books. Millennials also prefer brands that are socially conscious, so charity and giving back to the community are valuable branding opportunities.

OTHER PLANNER'S PORTFOLIOS:



COMPLETE STREETS

April 2016



TACTICAL PLACEMAKING

September 2017



DOWNTOWN CASE STUDIES

October 2016



Court House and Government Center
201 West Front Street
Media, Pennsylvania 19063

Delaware County Council

Mario Civera, Jr., Chairman
Colleen P. Morrone, Vice Chairman
John P. McBlain
David J. White
Michael F. Culp

County Executive

Marianne Grace

Planning Department

Linda F. Hill, Director
Ryan T. Judge, Senior Planner

For more information, contact the Delaware County Planning Department at 610-891-5200 or visit www.co.delaware.pa.us/planning to see the complete Planner's Portfolio series.