The Big Questions

• How does demographic change shape cycles of housing demand and construction?
• What’s “normal” and what can we expect next?
• How can we share this future knowledge for stronger public agreement?
Recovering from the Bust
Change in Homeownership Rate by Race in Boom & Bust

Sources: Census 2000; American Community Survey 2006

Source: Myers et al, California Roller Coaster
Change in Homeownership Rate by Age in Boom & Bust

Sources: Census 2000; American Community Survey 2006

Source: Myers et al, California Roller Coaster
Population Age Waves and the Generational Housing Bubble
Total Population of the United States in millions
U.S. Population by Age
Each Decade in millions

Source: Dowell Myers, USC; Data from Census Bureau
Immigrant Uplift
Foreign Born Population in LA by Length of Residence

Soaring Immigrant Homeownership For Each Immigrant Wave by Arrival Decade

Change in Homeownership
For Successive Waves of Immigrants

Turning Points in Cities and Housing
Minority Dictatorship of New Construction

Everyone else lives in existing housing

1% of households (growing segments) dictate type of new construction

Dowell Myers, USC
Episodes in the Urban Condition

1. Urban Decline & Abandonment (1950-80)
2. Gentrification, the Long Boom & the Affordability Crisis (1970-2008)

Source: Dowell Myers and John Pitkin (2009) Annals, AAPSS
Total Demographic Growth
Native-Born Turning 25 + Immigrant Arrivals

Myers and Pitkin, 09
3 & 4. Multifamily Trend and Outlook for Sprawl
Century of U.S. Multifamily Construction Shares

- 3+ Units (Schafer)
- 2+ Units (Census Bureau)
- 5+ Units (Census Bureau)

Myers '09
Age Profile of Tenants in Recently Built Apartments

Source: Dowell Myers, USC; Data from Census Bureau
Percent Multi-Unit Housing (5 or more) of Building Permits, by MSA, 1980-2000

West

Source: Dowell Myers, USC; Data from Census Bureau
5. The Baby Boomer Sell-Off
Soaring Ratio of Seniors to Working Age

Seniors (65+) per 100 Working Age (25–64)

U.S.  
California  

+70%  
In California  
2010-2030

Source: California Department of Finance, Census Bureau, and Authors’ calculations, 2010.
Average Annual Rates of Buying and Selling

Per 100 People of Each Age in California

Buyers and Sellers per 100 Population

Source: Myers (2007) Immigrants and Boomers, Figure 11.1
Who’s Going to Buy Your House?

Myers’s Projection for California in 2020

Source: *Immigrants and Boomers*, Figure 11.3
Need for Bulking Up the Younger Generation

67, 70, 77, or 90% Heavier Senior Ratio of Home Sellers
Cultivating Immigrant Home Buyers
Progress of Each Immigrant Wave Arriving Before 1970, 80, 90, 2000

Conclusions for the Future
“What is it, Lassie—is Timmy in trouble?”
MultiFamily is the New Normal

1. Recognizing and supporting the renewed growth of young adults
2. Returning to the housing norms of the 1960s, 70s, and 80s
3. Showcasing better designs for greater community acceptance
Competitive Strategies on Sell-Off

Fight the rising senior ratio

1. Create elder friendly communities in suburbs for aging in place and to slow departures

2. Attract the young with jobs, lifestyle, good schools, and housing assistance

3. Attract upwardly mobile immigrants
The Broader Solution

Fortify the younger generation with costly education...

It’s our key tax investment

Everyone a College Grad

...and a **Home Buyer, a Worker and a Better Taxpayer**
What Final Conclusions?

- Population is not a flat pink line or a steady gray climb
- Demographic change is highly leveraged and forces turning points in the city
- Demography is NOT destiny, but aging happens
- The new normal is NOT like the 1990s
- Hey, it’s the 21st century
Thank You

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Search for **USC popdynamics**
For further information,
Also see the references that follow....
Publications Referenced in this Presentation


