Forecasting the next 30 years of metro development
Today’s discussion

• Why and how Met Council forecasts
• Understanding market forces balanced with changing trends
• Data that inform the regional and local forecasts
• A view on the future: Forecast results
Why we forecast

• Forecasts provide a reasonable basis and yardstick for planning

• Alignment of **regional** and **local**: Planning for the same future

  – Systems, infrastructure, services are scaled and staged per future expectations
How we forecast: models

• Models represent real-world questions in a simplified way…
  – Key components
  – System interactions
  – Big-picture view

• Allowing freedom to…
  – Test alternative scenarios
Forecast Models Toolkit

A regional economic model for region-level employment and population

A land use model for allocating future land use, households and employment to the local level

Travel demand model
Employment growth: +32%

Source: 2010 employment counts from Minnesota Department of Employment and Economic Development; 2020-2040 forecasts from Metropolitan Council (July 2015)
Population growth: +28%

Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (July 2015)
Population by Age

- Ages 65+: 11 percent in 2010
- Ages 25-64: 2010 - 2040
- Ages 15-24: 2010 - 2040
- Ages 0-14: 2010 - 2040

Seniors: Doubling by 2030
Seniors: 22 percent in 2040
More 65+ than 0-14

Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)
Households growth

- **Age 65+: 2+ person household**
  - 2010: 100,000
  - 2020: 162,000
  - 2030: 229,000
  - 2040: 249,000

- **Age 65+: 1 person household**
  - 2010: 90,000
  - 2020: 134,000
  - 2030: 193,000
  - 2040: 236,000

- **Under 65: 3+ person household**
  - 2010: 418,000
  - 2020: 426,000
  - 2030: 439,000
  - 2040: 462,000

- **Under 65: 2 person household**
  - 2010: 280,000
  - 2020: 292,000
  - 2030: 278,000
  - 2040: 289,000

- **Under 65: 1 person household**
  - 2010: 229,000
  - 2020: 244,000
  - 2030: 238,000
  - 2040: 249,000

Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)
Need for a local land use model

Regional totals from the *regional* model are allocated to *local* zones

- Complete “loop” of transportation and land use interaction
- Local land use model provides distributions of people and jobs to travel demand model
- Travel demand model returns future network conditions, accessibility measures
Met Council’s local land use model

- Key dynamics and components of real estate market
- Where will we add 500,000 jobs and 370,000 households?
  - Site selection of households and employers: what locations best satisfy preferences, mediated by prices?
  - Supply of real estate: what locations are viable to developers?
Local data informs the model

Rent for SF home

- Less than 1,400
- 1,400 to 1,799
- 1,800 to 2,199
- 2,200 to 2,599
- 2,600 to 4,000

Housing by type
Local data informs the model

- Base year land supply
- Employment levels
- Socioec characteristics
- Housing stock
- Building costs, land prices
- Average rents
- Land consumption rates
- Regional systems and services
- Planned land use as a constraint
- Accessibility, by car and by transit
Local plans provide the envelope for what development is allowable, possible
Households Growth, 2010-2040

• The region will gain 370,000 households over 30 years
• Expect growth in all parts of the metro urban services area
Some aspects of the local forecasts are surprising – but consistent with larger demographic and market trends

• Long-term demand – for both locations and real estate types – will continue changing
• Long-term, the fastest growing market segments want central locations, access to destinations, and a mix of housing options
Households growth: smaller, older

- **Age 65+: 2+ person household**
- **Age 65+: 1 person household**
- **Under 65: 3+ person household**
- **Under 65: 2 person household**
- **Under 65: 1 person household**

Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)
The next 370,000 housing units

- With this demographic mix, most housing to be added will be multifamily or attached housing
- This is an estimate of long-term demand
- What developers have supplied or will supply could differ

- Single family detached: 29%
- Multifamily and attached: 70%
Households Growth, 2010-2040

- The region will gain 370,000 households over 30 years
- Expect growth in all parts of the metro urban services area
Growth in all parts of the region

2010-2040 forecasts from Metropolitan Council (July 2015 update)
More information

www.metrocouncil.org/forecasts/
Forecasting the next 30 years of metro development

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