

## **Housing Expert: 'The Suburban Century Is Over'**

At a recent meeting of the Urban Land Institute of Minnesota, Senior Fellow John McIlwain said "a new normal" will be created in the housing market over the next 10 years, and he marked the end of "the suburban century."

He noted that markets offering "a vibrant 24/7 lifestyle" will see the most robust activity, "net-zero-energy" units will become the norm, and the rental market will expand as homeownership rates fall to more historic levels.

Suburban town centers will gain popularity among those wanting an urban lifestyle without living in a big city.

Over the next decade, McIlwain said four demographic groups will fuel the housing market. He said older baby boomers increasingly are moving back to the central city, while younger baby boomers are finding it more difficult to relocate for jobs because they cannot sell their suburban houses. Meanwhile, millennials are more environmentally aware and will seek urban lifestyles, and immigrants who cannot afford large suburban houses to shelter multiple generations will increase demand for rentals.

With 1.5 million housing units per year needed to accommodate the shift to normal levels of household formation, McIlwain said zoning, financing, and regulations need to be rethought to meet housing demand.

*Source: minnpost.com, Brad Allen (06/21/2010)*