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Future Speaking Engagements

["Transferable Development Rights"](#)
Fri., May 8- [Pennsylvania Land Conservation Conference](#), State College, PA. Jason Duckworth will be a panelist.

[10,000 Friends of Pennsylvania Commonwealth Awards](#)
Tues., June 9 - Chris Leinberger will be the keynote speaker.

[ULI Philadelphia Urban Marketplace](#)
Thur., June 25- Chris Leinberger will be a keynote speaker.

Arcadia Book Corner

[The Option of Urbanism](#)

by Arcadia partner, Christopher B. Leinberger.

Americans are voting with their feet to abandon strip malls and suburban sprawl, embracing instead a new type of community where they can live, work, shop, and play within easy walking distance.

[Views of Seaside](#)

by Seaside Institute.

A book about the iconic community of the New Urbanism-- Seaside-- developed by Arcadia partner, Robert Davis.

[Last Harvest](#)

by Witold Rycbczynski.

A book about American development told through the lens of Arcadia's New Daleville community in Chester County.

Greetings!

"Cheap or Choice"

With the pace of new single-family home sales off 41.1% year over year and 75.3% from the peak in July 2005 (source: [Census Bureau](#)), it's easy to wonder if there are any winning strategies in this brutal housing market. We have observed that throughout the Delaware Valley what still sells falls into one of two categories: *cheap or choice*.

Said plainly: cheap houses still sell. Well-executed projects with the lowest absolute price points are moving inventory from the Lehigh Valley to Chester County. For example, Pulte has sold townhouses from the \$130s at Coldwater Crossing (19 contracts year-to-date) while Ryan has sold singles in the mid to high \$200s at our and Cornerstone's [New Daleville](#) community (9 contracts year-to-date).

Choice communities are working, too. By choice we mean the most superbly located communities that offer a reasonable value and a differentiated product. Ryan's Bayview Landing on Route 54 in Sussex County, DE, sold 6 in the first quarter with prices in the \$300s, enjoying 2.5 mile proximity to the beaches and very limited competition. Closer to Philly, our [Woodmont](#) community, in Huntingdon Valley, has 10 sales by builders NV Homes and the Gigliotti Group with prices from the mid \$500s to over \$900,000. The common denominators are close-in locations, limited inventory, effective execution and a quality product at a reasonable--not bargain--price.

Conversely, communities with high prices and ordinary locations (e.g., 2nd move-up McMansions in distant exurbia) do not have a market and may never reach one, as the continuing price correction and long-term consumer trends pull the urban edge back closer to job centers. (See my partner, Chris Leinberger's prescient piece "The Next Slum" from the March 2008 [Atlantic Monthly](#) for more on this thesis.)

What's your community? *Cheap or choice or none of the above*. We welcome your thoughts and reaction!

Best,

Jason Duckworth
Vice President

Obstacles to infill: why sprawl at the edge is still easier and cheaper to build.

Last month we discussed the various economic and demographic trends that are undercutting low density, exurban development. From the Federal government's shift away from automobile-oriented transportation policy to the downsizing tendencies of seniors, it's clear that the age of sprawl has passed its peak. (See February's [newsletter](#) for more on this.)

An excellent [EPA report](#) released in March on the location of residential building permits from 1990 to 2007 documents the growing share of the metropolitan housing market in urban places. For instance, in Washington, D.C., urban areas have expanded their share of building permits from 4% in 1990 to 20% in 2007, while in the Philadelphia metro it's gone from 3% in 1990 to 15% in 2007.

Unfortunately, unless the playing field is leveled, we fear that infill is unlikely to be more than a luxury niche market. The dilemma is that low-density exurban development is generally cheaper and easier to build. The cost advantages of sprawl derive from many sources: cheaper land, non-union labor, and cost-effective building types (e.g., stick-frame with vinyl singles vs. steel frame with masonry apartments, structured parking vs. surface parking). A study from the 1990s by [Tom Sargent](#) found that infill was 60% more costly to build on a per square foot basis than sprawl.

Moreover, local land-use approvals are usually easier to secure at the edge of our metropolitan areas than within them since, naturally, existing residents tend to have opinions. Even environmental permitting favors the edge. For example, in stormwater permitting, a one-size fits all approach results in infill developers constructing expensive subterranean systems while conventional suburban developers dig cheap and charmless open-air stormwater basins. Sadly, lots of well-intentioned environmental regulations actually work against infill when applied uniformly in both rural and urban contexts.

What to do? We'll offer our policy prescriptions on overcoming some of the obstacles to infill development next month.

