

## Residential Development Projections

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### Introduction

*Toward a New Metropolis: the Opportunity to Rebuild America*, a Brookings Institution report written by Dr. Arthur C. Nelson, provides insight into what Orange County's communities could look like in 2030. According to the Brookings' report, over half the buildings Americans will need to shop, work and live in by 2030 will have been built after 2000. This means, our community has the ability to shape the built environment of tomorrow by the choices we make today. To understand more clearly what this means to Orange County, the following analysis brings the estimates in *Toward a New Metropolis* to a local level by forecasting future residential development in Orange County, and it offers recommendations to ensure the livability and sustainability of this new growth.

### Projections & Estimates

*Toward a New Metropolis* posits that most of the space built between 2000 and 2030 will be residential, and further, the majority of this new growth will occur in the South and West. Orange County has over 900 square miles of land area and a population of just over 1 million persons, making it the most populous county in central Florida and the largest non-coastal county in the state. Between 2000 and 2005, Orange County added 120,726 residents (Source: U.S. Census Bureau, Population Estimates Program). With an average of 25,000 new residents annually,

Orange County is the embodiment of the southern growth area depicted in the Brookings article. The location and configuration of new residential development will greatly influence the future quality of life and character of Orange County.

Residential development was projected based on the *Toward a New Metropolis* methodology, as follows:

1. 2000 Census data for Orange County established the baseline for population and housing units.
2. Projected housing units lost between 2000 and 2030. The average annual housing unit loss rate in the 1990s was estimated by comparing units older than 10 years in the 2000 Census to total units reported in the 1990 Census for Orange County. The annual loss rate for the decade 1990-2000 was then multiplied by the units in-place in 2000 to project the number of units that would be lost over the analysis period.
3. Projected 2030 population was obtained from the University of Florida Bureau of Economic and Business Research (BEBR).
4. The number of housing units needed by 2030 was projected by dividing the projected population in 2030 by the number of persons per housing unit in 2000.
5. Projected new housing units needed represents the difference between the total units in 2000 and total units projected in 2030, plus the total units lost between 2000 and 2030.

**Table 1 Population and Housing Projections<sup>1</sup>**

Geographic Area	Population 2000	Housing Units 2000	Units Per Person 2000	Population 2030	Housing Units 2030	Growth-Related Units
<b>United States</b>	281,421,906	115,904,641	0.412	375,755,479	154,756,268	38,851,627
<b>South</b>	100,236,820	42,382,546	0.423	142,417,277	60,173,882	17,791,336
<b>Florida</b>	15,982,378	7,302,947	0.457	24,941,118	11,396,531	4,093,584
<b>Orange County</b>	896,344	361,349	0.403	1,703,024	686,319	324,970
<b>Unincorporated</b>	582,624	234,877	0.403	1,106,966	446,107	221,231

Source: *Towards A New America*, U.S Census Bureau, and author's calculations.

<sup>1</sup>The figures for the unincorporated area assume the current 65% unincorporated population remains constant.

Table 1 shows that the projected 2030 population of Orange County is 1,106,966, an 90% increase from 2000, while the number of housing units will double to 446,107 during that period. Based on projected growth, unincorporated Orange County will need to add 222,729 housing units by 2030, after accounting for the 11,499 units lost. It is important to note the annual loss rate used in the calculation is multiplied only by the units present in 2000. This conservative approach may undercount total potential units lost, as it does not compound across the three decades. The total units needed may be higher than this projection.

**Table 2 Population and Housing Needs<sup>2</sup>**

Geographic Area	Growth Related Units	Annual Housing Unit Loss Rate	Housing Units Lost 2000-2030	New Housing Units Needed 2000-2030	Percent New Housing Units 2030
<b>United States</b>	38,851,627	0.58%	20,087,433	58,939,060	38%
<b>South</b>	100,236,820	0.63%	7,953,582	25,744,922	43%
<b>Florida</b>	4,093,584	0.63%	1,373,465	5,467,049	48%
<b>Orange County</b>	324,970	0.63%	17,690	342,660	50%
<b>Unincorporated</b>	221,231	0.63%	11,499	222,729	50%

Source: *Towards A New America*, U.S Census Bureau, and author's calculations.

<sup>2</sup>Growth related units column carried over from table 1.

Approximately 50 percent of the projected housing in Orange County in the year 2030 will have been built after 2000. This surpasses Nelson's projected 38 percent estimate for the nation and the 43 percent projected for the South. With the need established, the question becomes, whether Orange County is on track to meet it? Residential building permit data is used in this analysis to project housing construction based on prior trends. For the period from 1996 to 2006, 68 percent of the housing units permitted were for single-family housing units, with 60,470 units for single-family housing units and 30,406 multi-family housing units (Table 3).

**Table 3 Housing Units Construction 1996 - 2005<sup>3</sup>**

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Single-Family</b>	4,374	4,220	5,282	5,463	4,417	5,418	5,634	6,380	6,634	6,848	5,600
<b>Multi-Family</b>	1,627	3,356	4,409	5,735	2,770	2,178	2,839	2,050	1,310	2,636	1,496
<b>Total</b>	6,001	7,776	9,691	11,198	7,187	7,596	8,473	8,430	7,944	9,484	7,096

Source: Orange County Building Department

<sup>3</sup>In addition to the unincorporated area Orange County Building Department issues building permits for the smaller cities of Belle Isle, Edgewood, Oakland and Windermere, though it is important to note that they do not add up to a significant portion of the total.

Based on Orange County Department of Building Safety data, over the past ten years Orange County has averaged 8,261 units permitted annually. At this rate, the number of permitted housing units over the next 25 years would equal 206,536, which is 16,193 units fewer than the projected housing need of 222,729 units. A growing gap between housing needs and availability is cause for concern, especially when viewed in the context of other current housing trends, such as rising land and housing costs. While these projections are based on a continuation of current trends and will be subject to influences of future demographic and market trends, the share of single-family residential at nearly 70 percent may present issues with accommodating future population on available urban land and avoiding urban sprawl. The answer to this question is beyond the scope of this analysis, but does merit future investigation.

The future location of residential development can be projected, in part, from the Planning Division's Committed Land Use Inventory, which identifies residential units approved, but not yet built within Planned Developments (PD). Planned Developments allow for a variety of development scenarios, but the development is limited to specific design standards approved through the PD rezoning process. PDs generally build out over several years, but the residential units currently approved in PDs likely would be constructed by the year 2030. According to the Inventory, PDs will account for 43,170 residential units. Given the projected need for 222,729 residential units

in unincorporated Orange County, an additional 179,559 residential units still would be needed. Of the 43,170 unbuilt residential units in PDs, over 80 percent would be in Southeast or Southwest Orange County (18,192 units in Commission District 4 and 17,755 in Commission District 1). If current development patterns continue unaltered, our expansion of the built environment will occur on the suburban periphery. It is important to note the southeast and southwest portions of the County contain the Innovation Way and Horizon West planning areas, which are alternatives to urban sprawl that create mixed-use, mixed-density communities that combine housing, workplaces, shopping, and recreation. These projects demonstrate some of the efforts already in place by Orange County to avoid urban sprawl.

### Recommendations

If the projected figures prove true, the next quarter century will undoubtedly allow opportunities to reshape future development. In the Brookings analysis, Dr. Nelson notes, "Recent trends indicate that demand is increasing for more compact, walkable, and high-quality living, entertainment, and work environments." However, he also notes that there will be challenges to ensuring that the market and regulatory climates remain open to smart, sustainable growth. The key to smart growth is smart planning. Strategies for shaping future development include:

- Conduct regular inventories of available land in Orange County.
- Promote infill and redevelopment initiatives, such as special area studies and regulatory incentives, to encourage residential land use near existing infrastructure and new infrastructure, like the County's proposed commuter rail stations.

- Ensure new development in greenfield areas is well-planned and compact, similar to Horizon West.
- Focus on design and affordability to broaden the variety of housing types and densities Orange County will provide by 2030.
- Allow greater market choice and housing types to accommodate the changing demographics of the County, as single-person and/or childless households will be the majority and may prefer smaller house sizes, accessory units and garage apartments, duplexes, high-rise residential, and other options not currently well-established in unincorporated Orange County.
- Engage the public on an ongoing basis in planning initiatives and provide information on the fiscal, environmental, and social development implications of various community planning choices, such as residential densities.

In the context of the Brookings report, Orange County is only “half finished,” and the majority of the buildings where we will live, work, and shop have yet to be built. The question remains, “What will we do with this opportunity?”

**For more information:**

Nelson, Arthur C., *Toward a New Metropolis: The Opportunity to Rebuild America*, The Brookings Institution Metropolitan Policy Program, December 2004.

Broberg, Brad, *Shaping the Landscape*, On Common Ground, Summer 2006.

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