



Lehigh Valley Planning Commission

newsletter

Volume 45, No. 2

Spring/Summer 2015

Local experts weigh in on regional development trends

Tracy Oscavich, Associate Director of Development

The Lehigh Valley Planning Commission (LVPC) partnered with the Urban Land Institute (ULI) on May 4, 2015 to celebrate the release of *BUILD LV: Lehigh Valley Annual Development Report*. The LVPC has monitored and reviewed all development activity in Lehigh and Northampton counties for over 50 years. LVPC Executive Director, Becky Bradley, AICP, and Eric McAfee, AICP, LEED AP, Director of Community Planning, provided an overview of the report findings. The report findings are highlighted in the “LVPC releases *BuildLV: Lehigh Valley Annual Development Report*” article.

The LVPC and ULI engaged a panel of experts to discuss the report at the event. The panel included: moderator Joseph Fitzpatrick, Esq., Founder and Shareholder of Fitzpatrick, Lentz & Bubba; David Jaendl, Owner and President of Jaendl Real Estate and Jaendl Farms; J.B.

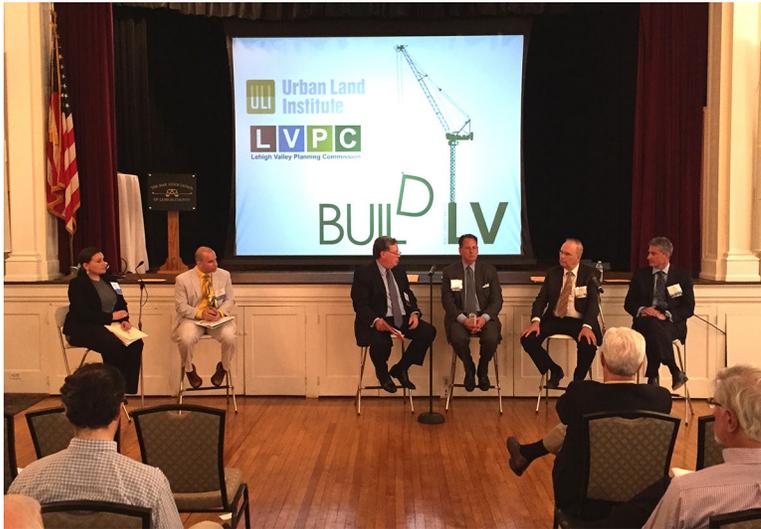
Reilly, Co-founder and CEO of City Center Lehigh Valley; and Scott Fainor, President and CEO of National Penn Bank.

As top practitioners in land development in the Lehigh Valley, the panelists provided the audience with an insightful perspective on the data available in the report. Mr. Fitzpatrick engaged the panelists through direct questions about specific development facts. For example, of the 1,236 approved lots in 2014, over half went to apartments and only 17.4% to single family detached dwellings, a major contrast from 2013, when 35% of approved lots went to apartments and 37% to single family detached. Assisted living units also increased significantly, up from 45 units in 2013 to 191 in 2014.

Mr. Reilly indicated that City Center Lehigh Valley will focus on residential units now that quite a bit of office has been built in downtown Allentown. He also discussed how the perceptions of cities being unsafe is changing and how that is driving growth and traction in the downtown. Mr. Reilly recognized that demographic shifts are occurring and business and developers need to evaluate these changes, supporting the report’s observation on the major shift from single family residential to apartments. Mr. Reilly further discussed how the younger demographic has a strong propensity to rent, get married later in life and have fewer kids.



Mr. Fainor added that student lending is very close to taking over as the number two outstanding consumer debt behind mortgage and home equity. These trends all align with the Lehigh Valley’s drastic shift in demand for certain housing types. This is also the case on a national scale.



Mr. Fainor further explained that there has been a good upswing in development over the last two years and that the development in the cities of Allentown, Bethlehem and Easton have created strength elsewhere.

Mr. Jaindl added that his interaction with the industrial sector indicates that outside prospects look for workforce, infrastructure and location. These prospects may not be corporate headquarters, but the Lehigh Valley has key infrastructure, and the boom that has happened here over the last 10-15 years is primarily because of prime location in relation to the east coast market.

In BUILDLV, the non-residential approved lots in 2014 generated 4.4 million square feet of space, the vast majority of which (89.3%) went to industrial and warehouse uses. In 2013, approved non-residential lots generated

7.4 million square feet, with only 5.1 million (68.8%) going to industrial, while 1.4 million square feet (19.0%) went to public or quasi public uses.

All of the panelists agreed with Mr. Fainor who said, “What is happening in Allentown, Bethlehem and Easton creates a very exciting time for the Lehigh Valley”. Mr. Jaindl added that the relationship between urban and suburban development is strong. BUILDLV demonstrated how powerfully the health of the economy influences subdivision and building activity through a graph that juxtaposes total lots for each year from 2000 to 2014 with the average unemployment rate for that year. In the early part of the 2000s, when unemployment was below 6.0%, total lots (proposed and approved) ranged from 10,000 to 15,000 per year. When unemployment peaked at 9.3% in the region in 2010, total lots were less than 4,000. Unemployment in 2014 averaged 5.3%—back to levels from a decade ago—but total lots remain below 5,000, suggesting that development activity will need more sustained economic growth to return to its previous levels. The panelists all agreed that, even though development is creeping back up, there is still a long way to go to reach pre-recession levels.

The event was a huge success with over 150 attendees. The Lehigh County Bar Association in Allentown provided an excellent venue and superb service. The LVPC especially thanks ULI for being an exceptional partner and the sponsor of the event. The report can be found at www.lvpc.org. Follow us on Facebook and Twitter, @LVPlanning for updates.