



ECONOMICS OF DENSITY

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ECONOMICS OF DENSITY



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HIGH DENSITY DRIVERS

LOCATION

DEMOGRAPHICS

CONSTRUCTION COSTS

COMPLEXITY

ECONOMICS OF DENSITY

LOCATION

Urban vs. Suburban

Lifestyle – 24 hour

Shopping

Entertainment

Restaurants

Closer to the Action

Investors – close-in

Suburbs - Harder

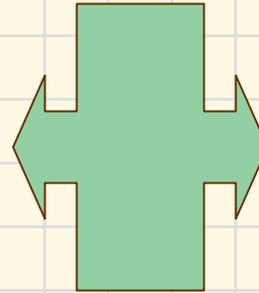
NIMBYism

BANANA'S

Schools

Infrastructure

Planners / Jurisdictions



Urban – Easier

Metro

Smart Growth

Availability

Entitlements

Higher / Better Uses

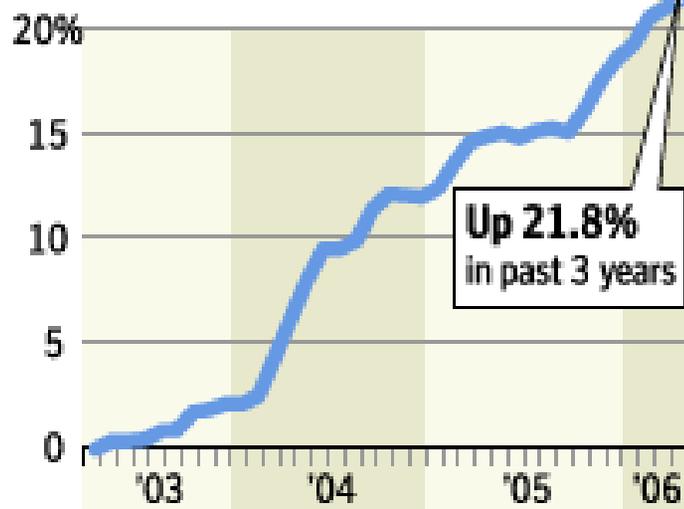
Creating Sites

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CONSTRUCTION COSTS

Material Costs Rise

Percentage change in the producer price index for construction materials and components since March 2003.



SOURCE: Bureau of Labor Statistics

GRAPHIC: The Washington Post

Hurricanes,
Labor, and
China,

OH MY!

ECONOMICS OF DENSITY

MULTIFAMILY PRODUCT TYPOLOGIES

Low Density (Wood)

Surface Parking, No Elevators,
Open Breezeway,
20-30 Units/Acre

High Density (Wood)

Structured Parking, Elevators,
Corridors, Trash Chutes,
50-85 Units/Acre

High Density (Non-Wood)

Structured Parking, Elevators,
Corridors, Trash Chutes,
85+ Units/Acre

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GARDEN STYLE (wood)



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HIGH-DENSITY ABOVE-GRADE PARKING (wood)



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HIGH-DENSITY PODIUM (wood)



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HIGH-RISE (non-wood)



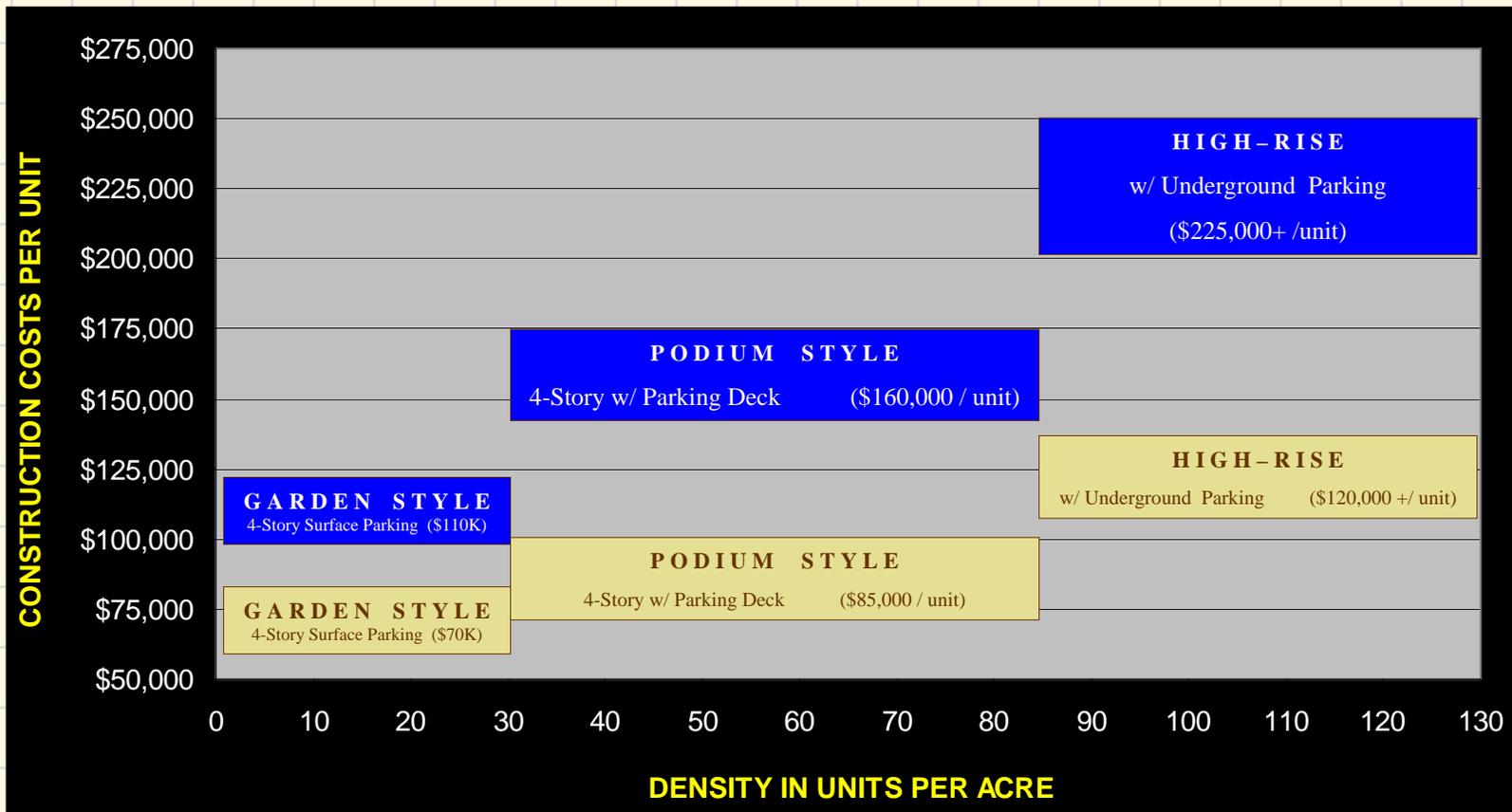
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Type of Construction	Where it Works
4 Story Surface Parking	Almost Everywhere
4 Story With Parking Deck	Infill Urban/Suburban
5-6 Story Steel with Parking Deck	Special Situations
High Rise with Underground Parking	Prime Value Locations

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UNIT CONSTRUCTION COST VS. REQUIRED DENSITY

(2003 TO PRESENT COMPARISON) *Parking at 1.5 Spaces / Unit*



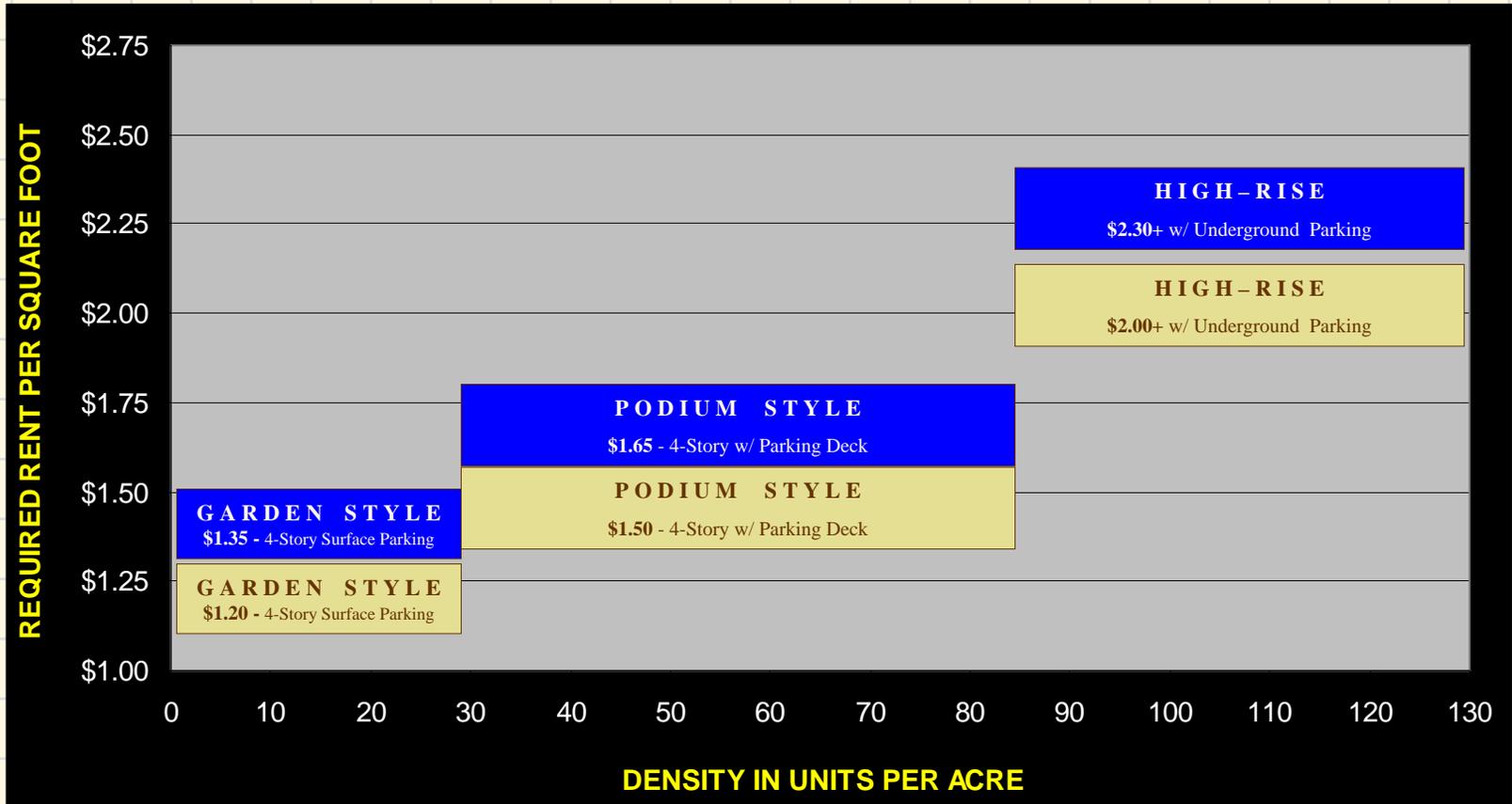
**JULY 2003 PER UNIT
CONSTRUCTION PRICING DATA**

**CURRENT PER UNIT
CONSTRUCTION PRICING**

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REQUIRED RENTS / SF VS. REQUIRED DENSITY

(2003 TO PRESENT COMPARISON) *Parking at 1.5 Spaces / Unit*



**JULY 2003 REQUIRED RENT /
SQUARE FOOT**

**CURRENT REQUIRED RENT
/ SQUARE FOOT**

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QUESTIONS?