

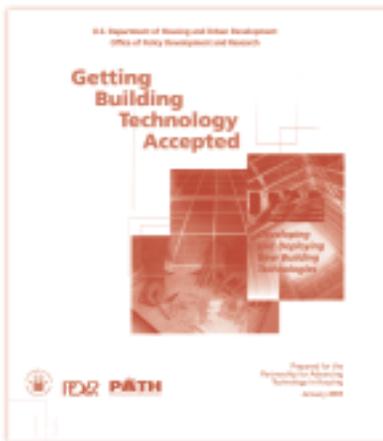
## Recent Research Results

APRIL/MAY 2003

# R R R R

Newsletter From HUD USER

## Technology Acceptance Planning Brings New Building Products to Market Faster



New and innovative building products or technologies can be terrific tools to build better housing in a more cost-effective way. These new innovations, however, can only achieve market success if they meet building codes, standards, and regulations adopted at the federal, state, and local levels. Moreover, codes and regulations may also hinder the deployment of a new technology by requiring testing, retesting and possibly redesign.

Technology acceptance planning – the timely and parallel consideration of building regulations and research, development, and design – can greatly enhance the probability of market success for new building products and technology.

“Getting Building Technology Accepted: Developing and Deploying New Building Technologies,” a new report by HUD’s Office of Policy Development and Research and the Partnership for Advancing Technology in Housing (PATH), is intended to facilitate the acceptance of new building technol-

ogy by helping developers and proponents of innovative building products to more effectively plan for and address technology acceptance and approval.

“Getting Building Technology Accepted” defines and describes the benefits of technology acceptance planning; provides a general overview of how building regulations, standards, and model codes are developed, adopted, implemented, and enforced; and describes who is involved in those processes. The report then goes on to discuss activities associated with developing and implementing a successful technology acceptance plan.

In the end, the report recommends the following activities to develop and implement a successful technology acceptance plan:

- Identify existing codes and standards affecting the technology.
- Review and assess those documents and other regulations to identify problems or opportunities.
- Develop a rationale and support documentation showing that technology complies with the intent of existing building regulations.
- Secure an evaluation report verifying the technology’s compliance with relevant codes.
- Conduct required conformity assessment activities.
- Develop informational materials that describe the technology and code compliance.
- Disseminate informational materials to code officials, builders, designers, and others.

- Monitor technology acceptance in the field.
- Conduct field research to shape the next version of the technology.

As part of the implementation of a new product or technology, other issues that might also be considered include:

- Develop new standards or revise existing standards.
- Conduct research and prepare documentation in support of standards.
- Secure approval of standards.
- Revise codes and develop supporting documentation.
- Secure approval of revised codes.

By using the approaches in this report, product innovators and proponents will better understand the issues associated with codes and standards and be better prepared to develop successful strategies to bring new products to the marketplace. These new products will, in turn, contribute to the development of safer, better, and more affordable housing for all Americans. ❖

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HUD USER

# Comprehensive Market Analysis Reports Provide Information on Local Housing Conditions and Trends

HUD's Office of Policy Development and Research Economic and Market Analysis Division has recently begun releasing a series of "Comprehensive Market Analysis Reports" focusing on local housing markets throughout the nation. These market analyses were developed to guide HUD's operations, however, the factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing conditions and trends.

To support the market analysis and forecast, each report contains several data tables illustrating trends in labor force and employment, population and household changes, changes in housing inventory and production; as well as estimates of forecast sales and rental housing demand.

The prospective demand expressed in the analysis is not a forecast of building activity; rather, it presents the prospective housing production which would maintain a reasonable balance in demand-supply relationship given the market's condition on the as-of date of the analysis.

HUD's field economists develop the factual framework for each analysis based on information available from both local

and national sources as of a specific date. As such, the findings and conclusions of the reports may be modified by future developments. The reports take into consideration changes in the economic, demographic, and housing inventory characteristics of a specific housing market area during three periods: from 1990 to 2000, from 2000 to the "as of" date of the analysis, and from the "as of" date to a forecast date. The analysis presents counts and estimates of employment, population, households, and housing inventory, as of the 1990 and 2000 Censuses, the Current date and Forecast date.

Reports are currently available for Westchester County, New York; Lubbock, Texas; Elmira-Corning, New York; Athens, Georgia; Caguas, Puerto Rico; and Champaign-Urbana, Illinois. Within the next month reports are scheduled to be released for: Allentown-Bethlehem-Easton, Pennsylvania; Boise, Idaho; Canton, Ohio; Lafayette, Indiana; Las Vegas, Nevada; Monroe, Louisiana; and Montgomery, Alabama.

Comprehensive Market Analysis reports are available for download from HUD USER at [http://www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html). ❖

## Excerpt from "Analysis of the Champaign-Urbana, Illinois Housing Market as of January 1, 2003"

Champaign County, Illinois is located in East Central Illinois at the intersection of two interstates, about 2 hours south of Chicago and 2 hours west of Indianapolis. The city of Champaign had a 2000 census population of 67,500, the adjacent city of Urbana had a population of 36,595, and the county as a whole had a population of 180,000. It is home to the University of Illinois, which is its major employer. Much of the county is still agricultural, although there has been more university-affiliated business development in recent years that may become a source of future growth.

Nonagricultural employment in the past decade grew by approximately 1.4 percent a year. The average increase during the past 3 years has been less than 1 percent annually. In the 12 months ending December 2002 employment growth in the HMA stalled because of the slowdown in the local economy. This condition is judged to be temporary, and a continuation of normal area slow growth patterns is expected to resume over the forecast period. Nonagricultural employment is projected to continue to slightly decline during the 2-year forecast period.

The annual average change in households in the HMA from 2000 to present was slightly higher than during the

period from 1990 to 2000. The rate of growth over the 2-year forecast period is expected to remain moderate, approximately 700 households annually. The change in households is expected to almost mirror the anticipated growth in employment during the forecast period. Residential construction activity has been strong for the past 5 years.

Residential construction activity in the next 2 years is likely to be around 850 units annually. The sales market is balanced too tight, and is expected to remain that way through the forecast period. The rental market in the HMA is balanced overall, but there has been some softening during the 12 months ending on the Current date. Despite the apartment market's loosening, rental-housing production has continued at a relatively even pace.

Based on the analysis of current and anticipated economic and demographic changes, it is estimated that there will be a demand for approximately 1,720 additional housing units over the 2-year forecast period: 965 units of sales housing and 755 units of market-rate rental housing. This demand forecast is consistent with recent years' activity, and reflects the assumption there will be no significant changes in the local economy during the forecast period. ❖



*Recent Research Results* (RRR) is a publication of HUD USER, the information service sponsored by HUD's Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development. HUD USER makes PD&R research available through its website at [www.huduser.org](http://www.huduser.org) and promotes new publications and HUD initiatives through its listserv, *HUDUSER NEWS*. HUD USER also provides easy publication ordering and referral services; maintains the HUD USER Bibliographic Database, devoted exclusively to housing and community development research; publishes *Urban Research Monitor*, a bimonthly publication citing housing and urban development reports, articles, and studies added to the Database; and publishes *FieldWorks*, a bimonthly publication with information on housing programs and resources.

# Issue Papers Explore the Housing Implications of Demographic Trends

What will the housing needs of immigrant households, elderly households, and minority households look like in 20 years? Can we continue to assume that their past housing demands are a good indicator of their future housing needs?

To answer these and other questions, HUD commissioned a series of “Issue Papers on Demographic Trends Important to Housing” to study changes in the population over the next several years that will shape both housing demand and supply over the coming decade.

The first of these, “Issue Paper on the Impact of Immigration for Housing,” takes a closer look at past immigration patterns to project demand for housing in future years. While census data show that six states accounted for more than three quarters of all immigrant settlement in 1990, this issue paper projects that immigrants increasingly will settle elsewhere. The study explores the impact of several factors - language, proximity to country of origin, education, etc. - on settlement patterns going forward and the implications for housing markets. The authors note that, in the coming decades, high levels of immigration are not likely to create a housing crisis in the United States, as long as the factors determining their demand for housing are understood and appropriate planning is undertaken.

The second paper, “Projections of U.S. Households by Race/Hispanic Origin, Age, Family Type, and Tenure to 2020: A

Sensitivity Analysis,” studies the ways in which assumptions about future immigration can influence population predictions and current and future trends in households’ age and minority compositions. The authors project that “22.3 million owner households will be formed over the first two decades of this new century, with 53 percent of those being non-Hispanic whites and 47 percent being minority.”

Lastly, “How Changes in the Nation’s Age and Household Structure will Reshape Housing Demand in the 21st Century” discusses the aging population, the growing prevalence of minority households, and the effect these trends may have on housing demand. For instance, while data suggests that the typically higher income, post-childrearing/pre-retirement age group would be expected to move to smaller homes, anecdotal evidence shows that this group has a preference for larger, more lavish homes — an issue critical to understanding future housing demand.

Collectively, these three papers illustrate how the current demographic profile of the typical American household can be expected to change dramatically over the coming decades. The reports recommend further research topics, such as studying the links between immigration and housing prices and rent, and developing an understanding of the relationship between household income and household composition, especially in relation to life stages and racial and ethnic origin. ❖

## A Note from the Editor

We regret to inform you that, due to budgetary constraints, publication of *Recent Research Results* will be discontinued indefinitely following this April–May, 2003 issue. We will resume publication in the event that funding becomes available, and deeply regret any inconvenience occasioned by this decision. We value our readership, and have enjoyed sharing what we’ve learned in our ongoing review of some of the most promising housing-based research being conducted today. To keep up to speed on these and related issues of interest, we recommend subscribing to the weekly HUD USER list-serve; an email-based newsletter that features encapsulated reviews of the latest HUD-sponsored research. To begin receiving the HUD USER electronic newsletter, simply send an email to [hudusernews@HUDUSER.org](mailto:hudusernews@HUDUSER.org) with the word “Subscribe” in the subject line, and we’ll take care of the rest.

For those interested in alleviating state and local regulatory barriers to affordable housing, we also offer a quarterly electronic newsletter called *Breakthroughs*, a publication of HUD’s new Regulatory Barriers Clearinghouse. To sign up for periodic emails that announce new issues of *Breakthroughs* — posted at [www.regbarriers.org](http://www.regbarriers.org) — and provide creative solutions to state and local regulatory barriers, simply send an email to [rbc-submit@huduser.org](mailto:rbc-submit@huduser.org) with the word “Subscribe” in the subject line.

And as a parting gift, so to speak, we’ve just posted over 300 new research publication abstracts on the Bibliographic Database at [www.HUD-USER.org](http://www.HUD-USER.org). Hopefully, these will keep you busy for a while during what we hope will be a brief hiatus. So until we meet again on these pages, we bid you safe travels — and perhaps the occasional epiphany — on your long and varied roads of discovery. ❖

## Last Issue of Recent Research Results!!! Don’t Miss Out on the Latest Housing-Based Research

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