DEVELOP

London Rail Station to Become Retail Destination

Beginning this November, the main station of arrival in London will switch from Waterloo, on the southern edge of central London, to St. Pancras on the capital's northern fringe. London & Continental Railways (LCR), builder of the high-speed Channel Tunnel Rail Link, now referred to as High Speed 1 as it enters its final stages of construction, estimates that 44 million people will pass through St. Pancras once it opens its platforms to the Eurostar.

Built in 1868 by eminent railway engineer Sir William Barlow, the station, renamed St. Pancras International to reflect its new status, is being painstakingly restored. LCR officials say they plan to make the refurbished building "the finest station in Europe," setting new standards in terms of customer service and establishing a new model for what a railway station should be.

The remodeled station will include 82,000 square feet (7,600 sq m) of retail space with facilities ranging from a 10,000-square-foot (930-sq-m) brasserie to 25-square-foot (2.3-sq-m) boutiques. One claim to fame will be the longest champagne bar in Europe. The retail businesses will include St. Pancras Market, a farmers fresh-food market; high street retail outlets; independent boutiques; the rebranded Marks & Spencer; and a drugstore.

"The restoration of St. Pancras is a truly historic project," says project director Mike Luddy. "We are redefining how a station operates. St. Pancras International will be the place to meet in London."

LCR plans to make St. Pancras International a retail destination in its own right, not just a station. "When the first person says 'Meet me at St. Pancras,' without any intention of getting on a train, we'll know we've been successful," says Luddy.

The relaunch of the station and, more important, the completion of High Speed 1 have wider significance in economic and real estate terms. Passengers arriving at St. Pancras will, about six minutes earlier, have passed through Strat-

Before arriving at the restored St. Pancras International rail station, passengers will pass through Stratford International station in an area currently being redeveloped to provide facilities for the 2012 Olympic Games (top). A 67-acre (27-ha) site north of the St. Pancras and King's Cross stations will include an 8 million-square-foot (750,000-sq-m) mixed-use development (left).

MENTS

ford International station, which is at the heart of the run-down area of London currently being redeveloped and reinvigorated to provide facilities for the 2012 Olympic Games.

High Speed 1 also passes through Ebbsfleet, where a new business and residential community is being established. Developed by U.K.-based property company Land Securities, Ebbsfleet's business core of up to 4.5 million square feet (420,000 sq m) is projected to create 20,000 new jobs over the coming 20 years. The proposal provides for more than 3,000 homes.

St. Pancras itself is sandwiched between Bloomsbury, a beneficiary of the increasing acceptability of London's Midtown, and the King's Cross area. King's Cross and the eponymous station, which lies near St. Pancras, are earmarked for massive redevelopment. A 67-acre (27-ha) site has been assembled north of the King's Cross and St. Pancras stations, where a $3.9 billion (£2 billion), 8 million-square-foot (750,000-sq-m) mixed-use development will provide 20 new streets, ten new major public spaces, 50 new buildings, and the renovation of 20 historic buildings and structures. The project also includes 1,946 new homes.

The developer, Argent (King's Cross), a subsidiary of Argent plc, reports that development could begin this year once High Speed 1 opens and international trains are using St. Pancras International, positioning the area two hours away from Brussels—effectively Europe's capital—and just over two hours from Paris.

PAUL STROHM is *Urban Land*'s Europe editor.

European Retailing Booms

Core European retail spending was $2.72 trillion (€2.1 trillion) in 2005, and if Russia and other nations are included, the total market is estimated at about $3 trillion (€2.3 trillion), according to real estate consultant King Sturge.

With such a figure in mind, it is no surprise that the firm concludes in its report *European Retail Property—Rich Playing Field or Minefield?* that Europe remains a continent of massive opportunity for retailers and the property community.

However, the firm says the conundrum is where to invest most profitably. "Far from being a 'common market,' Europe represents a combination of more than 30 different countries, each with a distinct culture, contrasting macroeconomic drivers and rates of retail sales growth, varying levels of existing retail supply, and differing planning regimes." The firm points out that it is too facile to merely divide Europe into two, with western Europe representing the developed market and central Europe the immature or maturing market.

"The evolution of the central European market has seen countries develop at very different rates, such that they are now at varying stages of the maturity curve," the report says. "The most mature may now have more high-quality retail floor space than established markets in western Europe." King Sturge also points out that there is a multitiered retail economy among the western European markets, too.

Economics and retail sales growth are just part of the story and have to be weighed alongside levels of development and competition, according to the report. "A high-growth market may already have attracted significant investment, such that it is hard to secure a satisfactory return."

It likewise is important to look at the countries at the microeconomic level, as well as at market dynamics, because although at a national level the prognosis may be lackluster, isolated hot spots may buck the national trend.

Despite being the second-most-populous country in Europe after Russia, Germany represents only the third-largest retail market, worth around $438 billion (€333 billion) in 2005. Years of sluggish retail sales growth have seen it surpassed by both France and the U.K.

Collectively, Germany, France, and the U.K. constitute about 58 percent of the total European Union 15 retail market. In terms of retail sales per capita, the highest ratios are achieved by Luxembourg (92 percent higher than the European average), Switzerland (80 percent higher), and the Nordic nations—Norway (66 percent higher), Denmark (57 percent), and Sweden (48 percent). Although the prospect of an affluent, high-spending population may appear attractive to a would-be developer or investor, higher levels of growth may actually be derived from maturing countries with lower-than-

Baneasa Shopping City in Bucharest is the largest mall under construction in Romania.

average per-capita retail spending, such as Poland, Hungary, and the Czech Republic.

The biggest retail sales increases will be in the Baltic states, where spectacular retail sales increases are forecast for the next decade, with Latvia at 95 percent, Lithuania at 79 percent, and Estonia at 78 percent—all starting from a low base.

It is not only retail performance that is booming. In its *European Shopping Centres* report, Cushman & Wakefield expects that total gross leasable area of shopping center space in Europe to top 100 million square metres (1.08 billion square feet) and reach 107 million square metres (1.15 billion square feet) by the end of the year.

"Passing the 100 million-square-meter mark will be a historic moment for retail, as shopping centers have increasingly become a key part of life across an enlarged Europe," noted John Strachan, Cushman & Wakefield's global head of retail.

The emerging markets of central and eastern Europe are seeing the greatest growth in the amount of new space, according to Boris van Haare Heijmeijer, Cushman & Wakefield's head of shopping centers in Europe. "But the more mature markets of western Europe are also seeing high levels of development as developers remodel the concept of shopping centers to cater to the changing demands of tenants and consumers," he says.

Of new space scheduled to open in 2006 and 2007, not including extensions, Russia tops the ranking, according to Cushman & Wakefield, followed by Poland and Italy. Russia has an estimated 16 million square feet (1.5 million sq m) of new projects that were due to open at the end of 2006 and this year. One of the most active developers is Swedish retailer IKEA, which was due to open five of its megamalls at the end of 2006—in Ekaterinburg, Nizhny Novgorod, Dybenko in St. Petersburg, Parnas in St. Petersburg, and Belaya Dacha in Moscow.—P.S.

ANONYMOUS RETAIL?

"'The problem is that you really had to guess what it was until you got in.' Marc Caudill, who is 50 and a conservative dresser, stopped into the Ruehl [a new chain from Abercrombie & Fitch] at a mall in suburban Virginia looking for clothes and was overwhelmed by loud pulsating music, a staff of skimpily dressed teenagers, and stacks of T-shirts that read 'Friday is casual sex day.' A helpful employee told him the store was for college students and pointed him to the door."

"Is This a Store? Newest Mall Chains Forgo Window Displays for Townhouse Look," Michael Barbaro, *New York Times*, November 11, page C1.

Retail Project Transforms Shopping District in the Netherlands

Entre Deux, an inner-city retail development in Maastricht, the Netherlands, which opened this past November, has transformed an abandoned 1970s shopping complex into a shopping district that is now reintegrated with the surrounding inner-city area. The developers—owner Fortis Vastgoed Beleggingen, Q-Park, and the municipality of Maastricht—invested $146 million (€110 million) to improve the retail area, apartments, and public space, as well as renovate a Dominican church and provide a 200-space parking garage. Three shopping levels offer 129,200 square feet (12,000 sq m) of retail space.

Entre Deux, an inner-city retail development in Maastricht, the Netherlands, has been transformed from a 1970s shopping complex into a shopping district offering 129,200 square feet (12,000 sq m) of retail space.

Maastricht, one of the most popular shopping cities in the Netherlands, has the country's second-highest retail rents after the Kalverstraat in Amsterdam. The city center attracts more than 15 million visitors a year from the Netherlands and overseas.—P.S.

Emerging Trends for the Property Market in Europe

With the end of 2006 marking yet another year of oversupplied capital for the European property market, the collective nerves of the industry are being tested for 2007, and forecasts take on ever-increasing importance.

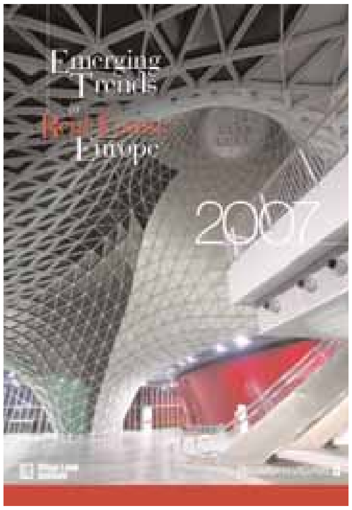
The fourth edition of *Emerging Trends Europe*, the trends and forecasting report produced by ULI in partnership with PricewaterhouseCoopers, will be released at ULI Europe's annual conference in Paris in early February. However, with interviews in progress and senior executives gathering at the European Capital Markets Forum in London this past November, some clear trends are already rising to the surface.

The consensus among property professionals is that high capital flows will continue to target European property this year, but opinion is divided on whether the market can sustain these investment levels. The threat of Europe's property bubble bursting is all too real for some. Spain is causing particular concern as domestic investors are still backing a scorching market to unsustainable levels.

The limit to central and eastern Europe's attractiveness also appears to have been reached among many investors as they start to question the lack of a risk premium for the region. Those markets previously have provided new opportunities, but the cities are small and the weight of capital has triggered rapid yield compression to put returns in line with more established larger European markets.

Investors are confident, however, that opportunities exist in each European market. Prospects for success have become linked to stock selection rather than city selection.

Senior executives at the European Capital Markets Forum agreed that



yield compression would stop this year and that some sections of the market will see yields rise. Their advice was to buy prime assets—easier said than done—and to hold them; this was the only sector that guaranteed enough interest to hold off yield increases.

Germany will continue to captivate the industry, though there are concerns that rental growth will not feed through quite as quickly as predicted. But with high prices flushing out stock from German investors, the flow of product will maintain investor attention, as will the introduction of real estate investment trusts.

Regarding product, there is renewed interest in sectors still considered alternative in Europe—self-storage, assisted living, and student housing, for example. This interest is fueled not only by investors attempting to deploy high levels of capital, but also by those considering the sectors' prospects based on long-term demographic trends.

By country, Russia and Turkey are on investors' radar screens—also for demographic reasons. For Russia—experiencing its second wave of interest from international investors—the availability of established European debt providers also helps.

One location that will continue to attract the attention of European investors this year is Asia. There is no evidence yet that Europe is losing capital to the region, which is being targeted by new allocations, but the evolution of global capital markets has widened the competitive field for 2007.

ANDREA CARPENTER is managing director of the Center for Urban Regeneration in London.

(*Emerging Trends Europe* will be launched at the ULI Europe Annual Conference, "Unlocking Europe for Growth," on February 7 in Paris. The *Emerging Trends in Real Estate* publications—the U.S. edition, the forthcoming European edition, and the Asia Pacific edition—are available for purchase in ULI's online bookstore at www.uli.org/bookstore. ULI members can download the publications at www.uli.org/emergingtrends.)

Destination Retail Complex Opens in Singapore

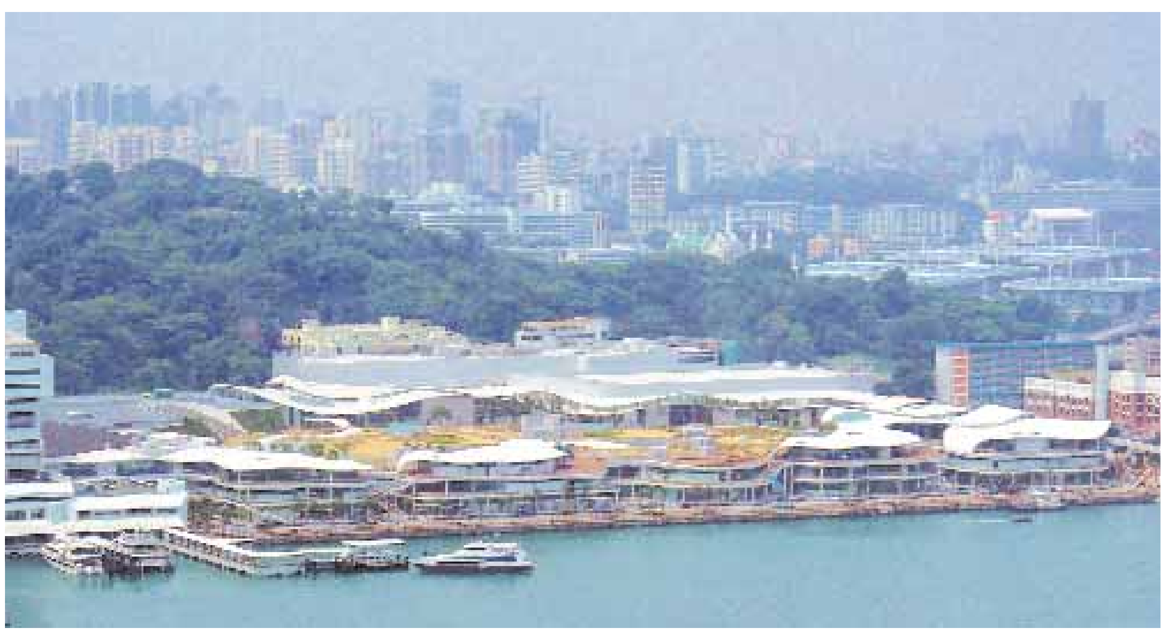
VivoCity, derived from the word *vivacity,* is Singapore's newest and largest retail destination, encompassing 1 million square feet (93,000 sq m) of net lettable floor area, with more than 300 retail, food and beverage, and entertainment outlets. Tenants are a mix of "first-to-market" local and international brands, as well as retailers established in the region. Included are the largest multiplex in Singapore, with 15 screens and 2,172 seats, and VivoMart, a three-store complex with organic and fresh food, and health and beauty products.

The design by Japanese architect Toyo Ito, inspired by the center's waterfront location, has a surfing theme with wavelike roofs that flow between floors, a rooftop play pool the size of four Olympic pools, and an open-air courtyard with a mist garden. Ten-foot- (3-m-) tall Vivo Punch characters interspersed throughout the play court are equipped with motion sensors that allow them to interact with children by either speaking or blowing bubbles. Large-scale outdoor artworks, commissioned by developer Mapletree Investments from six international artists, are located throughout the project.

VivoCity is the centerpiece of Singapore's HarbourFront precinct, an area that spans 59 acres (24 ha) and encompasses offices, residential developments, retail space, and cruise amenities at the HarbourFront Centre, as well as a large entertainment hub.

ANNE FREJ is *Urban Land*'s Asia edtior.

Singapore's newest and largest retail destination is VivoCity, with more than 300 retail, food and beverage, and entertainment outlets.



New Orleans/ Gulf Coast Study Tour Finds Little Sign of Steady Recovery

"You get the feeling that if you came back in a year, it [New Orleans] would look pretty much the same."

"When you consider all the volunteer resources donated toward rebuilding, it would be a shame if all that were wasted . . . if people get tired of living in these empty neighborhoods and give up on them."

Those comments, by participants in the ULI study tour in early December to New Orleans and the Gulf Coast, summarized the feelings of the group at the conclusion of its visit. Some 15 months after Hurricane Katrina ravaged this part of the United States, a delegation of nearly 30 land use professionals, led by Tom Murphy, ULI senior resident fellow and ULI/Klingbeil Family Chair for Urban Development, visited the region to determine investment and development potential. The group, which included developers, investors, architects, and urban designers, spent hours on the first day looking for signs of progress in the still-empty New Orleans neighborhoods filled with shells of vacant houses and boarded-up stores. Unfortunately, there was little evidence yet to be seen that the city has set a steady course for recovery.

Before starting the December 6–8 study tour, Joseph Canizaro, chair of the Bring New Orleans Back Commission's land use committee, was straightforward with the group. "Prepare to be shocked," he said, lamenting the lack of government leadership in addressing the devastation that still permeates much of the city outside the French Quarter and Garden District. Canizaro, president and chief executive officer of Columbus Properties in New Orleans, said Mayor Ray Nagin so far has adopted a laissez-faire approach and has "not done much to force things to happen."

(In November 2005, a ULI advisory panel visited New Orleans and recommended ways to diversify the local economy, improve government effectiveness, improve flood protection, expand transit access, and rebuild in a way that balances the city's need for housing with the equally pressing need to respect the city's topography. City officials rejected most of the recommendations. [See the 24-page special report "A Rude Awakening," January 2006, page 50.])

Canizaro listed five key areas the city must focus on to advance its recovery:

▷ Reinforcement and strengthening of the levees ("If we can't keep the water out, we should not rebuild.");

▷ Preparation and implementation of a master rebuilding plan;

▷ Construction of workforce housing (the city currently has less than half its pre-Katrina population of 480,000; the majority of those working in the city are commuting from other areas);

▷ Infrastructure construction (for example, many side roads are in poor shape); and

▷ Public school improvements.

"The city after the storm reflects the city before the storm, with the problems magnified," Canizaro said. "We need a lot of new people [outside land use industry professionals]

HUGH BROADUS

A makeshift school bus stop in Pass Christian, Mississippi. The tent village still being used by volunteer Job Corps workers is in the background.

HUGH BROADUS

Habitat for Humanity International is building rows of brightly colored homes in Musicians' Village, a project aiming to lure displaced musicians and artists back to the city. Applicants must meet Habitat's eligibility criteria.

to help us . . . redevelop this historic city the way it should be redeveloped," he said. "There is work here for at least the next ten years."

As the bus tour meandered through neighborhoods in Center City, Gentilly, the Lower and Upper Ninth Ward, and Treme, it became painfully clear to the tour participants that any revival will, indeed, be years in coming. The water marks and spray-painted messages ("dog under house") are still visible on many of the houses, and debris is still piled up along sidewalks. Many of the neighborhoods are not being served by any retail businesses.

But, amid the emptiness, a few signs of a comeback can be found—for instance, the brightly painted homes in Musicians' Village built by Habitat for Humanity International, and the work of the Providence Community Housing organization in the Treme neighborhood. In addition, the New Orleans Neighborhood Collaborative is rehabilitating houses and partnering with St. Louis–based McCormack Baron Salazar to transform abandoned public housing sites into mixed-income communities. These sparks of life underscore the resilience and pride of New Orleans residents, said Providence Community Housing president James R. Kelly. "Grace is what will bring this community back," he said, noting that involvement in the redevelopment is risky but gratifying. "It means taking risks where you would not normally take risks."

HUGH BROADUS

HUGH BROADUS

HUGH BROADUS

Along the Gulf Coast, varying insurance requirements are resulting in a mix of homes being elevated, either on concrete (left) or timber (below), or being built back at ground level (below left).

Touring the Mississippi Coast

A 13-hour bus ride from New Orleans to Bayou La Batre, Alabama, occupied the second day of the ULI study tour, with stops made along the way in the Mississippi towns of Pass Christian, Gulfport, Biloxi, and Pascagoula. At each stop, local officials offered their ideas of what their communities could be. One community is seeking to retain much of its pre-Katrina character, ruling out broad condominium development; another sees itself becoming a gaming destination with lots of new multifamily development along the coastline. Despite different ideas and plans for different communities, all are working toward one goal—regeneration.

In one example, a 92-acre (37-ha) parcel, the site of a former Veterans Administration hospital, faces the water just outside Gulfport. Filled with grand oak trees and some historic buildings, the property was abandoned after the storm and is now jointly owned by Gulfport and the federal government. "We are open to all ideas," said George Schloegel, president and chief executive officer of Hancock Bank in Gulfport. "We want something with a 'wow' factor that makes this place special."

Throughout the 11 municipalities that dot the coast, study tour participants were presented with ideas for redevelopment; Pascagoula city manager Kay Kell showed specific sites, including riverfront areas, assembled by the city for transformation, possibly involving mixed-use development. "We are eager to work with people who share our vision," she said.

In Bayou La Batre, the study group looked at sites analyzed last fall by a ULI advisory panel, funded by Fannie Mae and the ULI Foundation, which advised the community to consider reinvention as an ecotourism destination. Fannie Mae, represented by senior deputy director Laura L. Davis, and ULI have partnered to assist towns on the Gulf Coast in implementing their rebuilding plans. Five advisory panels are planned in the next few months, as is a developers' marketplace event.

One Bayou La Batre site on the tour contained a marina filled with weathered shrimp boats, most of which are no longer used due to stiff competition from overseas seafood suppliers. "Use your imagination to see what this could be if it were developed properly," said Walton Kraver, owner of Deep Sea Foods in that community.

As in New Orleans, the hurricane's devastation is still abundantly evident in Mississippi. Katrina's storm surge filled most of the neighborhoods with five to ten feet of water. The rubble is stacked up, houses reduced to shells are plentiful, Federal Emergency Management Agency trailers are still being used, and there is little retail activity. Outside of a few big-box stores, Home Depot appears to be the most prevalent retail presence. Some homes are being built up on tall timber pilings, others on concrete block pilings, and some are being rebuilt at ground level. "There is gold, but you have to dig to get to it," said Pass Christian Mayor Chipper McDermott.

"From the initial overwhelming challenges immediately after the storm, there is without doubt a growing sense of empowerment on the part of civic leaders along the Alabama and Mississippi coast that they can build their communities better than what they were before the storm," said tour moderator Murphy. "There is a strong focus on responsible land use, quality design, and the development of affordable and workforce housing."

The coast's gaming and shipping industries are thriving, providing jobs for many of the region's workers, Jerry St. Pe, chairman of the Mississippi Gaming Commission, told tour participants. But, while these businesses are fueling employment, the employees remain displaced, with most having lost their homes in the storm. "We are not sure where they are living," St. Pe said, noting that some are in trailers, others have doubled up with friends and family, and still others drive from far inland to get to their jobs.

"Affordable housing is our biggest challenge," said Brian Sanderson, president of the Gulf Coast Business Council. "Our continued success hinges on housing for our workers." The communities are all struggling to find a way to replace housing that must meet new elevation standards, can be insured, and can be built affordably in spite of soaring land costs throughout the region, he explained.

While the volunteer rebuilding efforts have been a tremendous help, the area needs housing on a massive scale that can only come from the development community, Sanderson said. One solution mulled over by study tour participants was modular housing. The Gulf Coast presents an ideal situation that would allow for construction of enough units to reach the critical mass needed for cost savings, they noted.

Just outside Gulfport, Mississippi, is a 92-acre (37-ha) parcel, the site of an abandoned Veterans Administration hospital, now available for redevelopment.


HUGH BROADUS


HUGH BROADUS


HUGH BROADUS

Clusters of temporary trailers still serve as neighborhoods for some Gulf Coast residents.

In Pascagoula, Mississippi, a vacant lot sits across from the shipyard. Tentative plans call for it to be developed as open space next to another parcel expected to be available for development.

"We need people who recognize that the Gulf Coast is one of the hottest economic development markets in the United States," concluded Sanderson.

A Look at Levee Rebuilding in New Orleans

Throughout the study tour, an issue dominating discussions on New Orleans's future pertained to rebuilding the city's levee system. As participants were reminded several times, New Orleans was not wrecked by Katrina's wind or rain, but by the collapse of the levee walls under unprecedented pressure from the storm surge.

On the final day of the study tour, participants saw improvements being made by the U.S. Army Corps of Engineers to guard against a repeat of the catastrophe. The project involves a series of massive floodgates being installed at strategic points along the canals to keep a storm surge from rushing into the canals. In addition, new pumps are being installed to remove water from the canals and from areas around the floodgates when they need to be closed. Before, no such gates existed, leaving the levees and surrounding properties vulnerable.

The reinforcements will be sufficient to protect against a future Katrina-size surge, Corps representatives told the group. In fact, Barry Fletcher, who works in the Corps's New Orleans district office, said he has so much confidence in the system that he plans to rebuild his own home in Lakeview, a destroyed neighborhood adjacent to a major levee breach. "I am absolutely planning to rebuild here," he said. "Others are coming back here. I am confident in what we are doing."

To be sure, the people who stayed or are returning to the city are trying to remain hopeful, not just about levee protection, but also about their city's ability to rally. "I used to live in an apartment right in the middle of everything," said a taxi driver, "but it flooded, and now I pay more than twice as much to

CRASH PROGRAM

"The television cameras are mostly gone now, and the many thousands of people from the Gulf Coast whose lives were wrecked by Katrina in the summer of 2005 have slipped from the national consciousness. . . . Thousands of people remain in trouble, but . . . they are suffering in silence, out of the sight of most Americans. . . . The government could have come up with a crash program to build housing. . . . It . . . could have done so much. But it didn't."

—"Out of Sight," Bob Herbert, *New York Times*, December 18, page A27.

HUGH BROADUS

HUGH BROADUS

The U.S. Army Corps of Engineers is installing floodgates in the New Orleans levees to guard against future storm surges.

A temporary wall is installed along a levee in New Orleans while the permanent wall is built. Katrina's storm surge caused the levee walls to buckle, flooding many of the city's neighborhoods.

live 30 miles outside the city, and it takes me a whole lot longer to get into the city where I can make my living. And, there are not nearly as many people paying fares as there used to be."

What is not known is how long New Orleans residents will be patient —a point pondered by study tour participants. Delegates said they were troubled by the haphazard nature of rebuilding—a house here, a house there, in various phases of redevelopment, surrounded by vacant lots and abandoned homes. Equally troubling, they said, was the fact that without people and housing, no catalyst exists to spark development of retail businesses or other neighborhood amenities.

"You can see that some people are committed to going back to their homes, and they are displaying an amazing amount of strength and civic pride," commented study tour member Adrian Washington, president and chief executive officer of the Anacostia Waterfront Corporation in Washington, D.C. "But city services have to be extended out to those few, and they are living in places with no kids, no neighbors. At some point, they are probably going to think 'I don't want to do this anymore.'"

Participant David Scheuer, president of the Retrovest Companies in Burlington, Vermont, pointed to the lack of a comprehensive housing redevelopment strategy tailored to New Orleans's smaller population. "The city has failed to recognize the reality that you have to plan for a population that is significantly smaller, and that is the crucible on which neighborhood planning has to occur," he said. "The scattered infill development going on now is just not getting any traction."

The future of New Orleans hinges on a strategy to bring in both residents and developers, noted Scheuer. "For any [land development professional] coming into the area, a big concern is having an exit strategy," he said. "That is the most wearing factor. You wonder how much the leadership here will be able to catalyze [sustainable development]. You wonder how you are going to be able to keep operating and how you are going to get out."

Murphy pointed out how the tour illustrated that some areas along the Gulf Coast are better poised for regeneration than others. "What you have seen shows clearly that the ability to deliver on the opportunities varies greatly right now," he told study tour participants.

For instance, in Mississippi, local officials in most of the communities are actively identifying and assembling parcels of land to be marketed for redevelopment in keeping with long-term plans that go beyond recovery and stretch into reinvention. In contrast, in New Orleans, information on available land remains extremely difficult to obtain from the city, leaving few options other than "going door to door," one study tour participant noted.

Murphy praised the outpouring of support from innumerable volunteer organizations and nonprofits who have "worked tirelessly against the odds" to bring New Orleans and the rest of the Gulf Coast back to life. New Orleans, in particular, might ultimately prove to be a model for "what can be accomplished in the face of governmental inaction," he said.

TRISHA RIGGS is managing director of ULI's communications.

Study Tours Offer Access to Global Markets

The ULI study tour program offers delegations of 30 to 40 ULI members the opportunity to leverage access to a global network of more than 30,000 senior property development, investment, and finance professionals in more than 80 countries. The program is suited to investors looking for new markets or to rebalance their investment portfolios; real estate developers in search of the latest development trends; capital market professionals seeking to hone their financial marketing skills; and public officials and academics seeking a greater understanding of how to leverage public/private partnerships.

UPCOMING ULI STUDY TOURS INCLUDE:

- January 22–23
New Urbanism in Northwest Florida: Seaside, WaterColor, Rosemary Beach, Alys Beach
- March 3–12
India: Mumbai, Bangalore, New Delhi
- June 4–9
Transit-Oriented, Sustainable, and Green Development in Cascadia: Portland, Seattle, and Vancouver
- September 30–October 7
China: Shanghai and Beijing
- February 10–17, 2008
Southeast Asia: Vietnam and Cambodia

For more information, visit www.uli.org/studytours.

Greenbuild 2006 Draws Sustainability Advocates from U.S. and Abroad

By any measure, the U.S. Green Building Council's (USGBC) Greenbuild 2006 Conference and Expo in Denver from November 15 to 17 was a success, providing further evidence that green buildings are rapidly going mainstream across the United States and the world. Over 13,500 green building professionals from 50 states and 25 countries—and more than a few amateurs passionate about green buildings—attended the event at the Colorado Convention Center, three times the number of people who attended the first Greenbuild conference just four years ago.

Denver Mayor John W. Hickenlooper, recognized as one of America's leading environmentally conscious mayors, opened Greenbuild with remarks challenging other cities and municipalities to follow his city's lead in committing to sustainability and green building. Last July, Hickenlooper launched Greenprint Denver, a comprehensive agenda to improve the city's green profile. Among its features are reducing the city's carbon footprint by 10 percent from 1990 levels by 2011, requiring all new city buildings and major renovations to be certified under the USGBC's Leadership in Energy and Environmental Design (LEED) Silver standard, increasing use of renewable energy, and tripling the city's tree canopy.

USGBC president and chief executive officer Rick Fedrizzi in his address pointed to the surge in the number of certified green buildings and certified green building professionals in the past year. "Ninety-two thousand people have actively engaged with us this year in workshops, Web sessions, Greenbuild attendance, and more," Fedrizzi said. So far, the USGBC has certified more than 33,000 LEED accredited professionals, and more than 6,000 buildings in all 50 states and 16 countries have been registered and certified.

The centerpiece of Fedrizzi's speech was the unveiling of an eight-point action plan to reduce carbon dioxide emissions to counter global warming. The plan will require a 50 percent reduction in CO_2 emissions for all LEED projects starting in 2007 and implementation of a carbon dioxide offset program that will require energy performance data for CO_2 emissions for all certified LEED projects. Other key points of the plan are tougher energy reduction prerequisites in LEED standards, and implementation of a carbon-neutral USGBC by 2007, a goal the organization will accomplish through emission reductions, not through the purchase of emission offsets.

Fedrizzi also announced that all new construction, as well as core and shell projects, will automatically receive free registration for the LEED for Existing Buildings program to encourage building owners and managers to verify their buildings' ongoing performance. "The energy optimization credit in LEED for Existing Buildings already addresses actual energy use," Fedrizzi said. "This will drive a continued focus on building operations and maintenance, and the sustained performance that they drive."

The final element of the eight-point action plan is the rebate of certification fees for buildings that attain LEED Platinum certification. "LEED Platinum buildings are worthy of striving for because they contribute so profoundly to CO_2 emission reductions," Fedrizzi said. "If you reach LEED Platinum, your certification is free. We challenge you to put us out of business." That line received a standing ovation from the capacity 5,000-person audience.

William A. McDonough, the founding principal of William McDonough + Partners, Architect and Community Design, in Charlottesville, Virginia, and a pioneer in green building and sustainability issues, delivered the keynote address. He outlined the magnitude of urban expansion that has taken place in less than a half century and the stress it has put on the world's environmental resources.

"In 1950, there were 86 cities in the world with a population of more than 1 million. Today, there are 400, and by 2015 there will be at least 550. In China alone, 300 million people will move from rural lands to cities in the next decade, and if the cities expand at the current pace, the country could lose 25 percent of its farmland by 2020. Those lands are typically the last reserves of the natural world," McDonough said. Offering a role model to tackle such growth, McDonough pointed to the success of Curitiba, Brazil, which adapted to a quadrupling in size in just three decades through innovative environmental and planning measures.

Most of the conference was devoted to educational sessions, which were varied in focus, examining problems of global and local concern under such topics as architecture and design, construction, government initiatives, green operations, building engineering, and sustainable sites, among others. Some sessions focused on climate change and how municipalities could make a positive difference, highlighted in "How the Big Apple Took a Bite out of Global Warming," about New York City's wide-ranging efforts toward sustainability.

Other sessions focused on the nuts and bolts of development and real estate, such as "Documenting Green Building Value: The Appraisal and Underwriting Process," while others focused on technical specifics, with such topics as how to complete postoccupancy surveys of green buildings, or a primer on new lighting and thermal technologies.

More than 13,500 green building professionals from 50 states and 25 countries attended the U.S. Green Building Council's Greenbuild 2006 Conference and Expo at the Colorado Convention Center in Denver in mid-November.

True Green Exhibitors Booth

Nearly 500 exhibitors at 750 booths filled Denver's Colorado Convention Center during the Greenbuild 2006 Conference and Expo in November. But how many of those booths were *really* green? At least one booth—that of LPA Architects of Irvine, California—met green criteria in its shipping, its choice of materials, and its capability to be reused at future shows.

The shipping box for the booth was made from marmoleum, a natural linoleum product. Moreover, it was not thrown away or even recycled upon its arrival in Denver: the box provided the superstructure for the exhibit booth. The booth consisted of 100 percent recycled and natural materials: the carpet was made from corn husks, the countertop was avenite, and the backlight panels were made from recycled milk bottles. All the aluminum materials were recycled.

In addition, the booth was designed to be disassembled and reused by the architecture firm at green shows throughout the year.—C.L.

The enthusiasm typical among those who attended the conference was expressed by Dan Freedman, a recent graduate of UCLA's master's in urban planning program. "Greenbuild made it very obvious to me that the momentum of the green building sector is creating a buzz in the building and construction industries, and I am glad to be a part of it," said Freedman, who just received his LEED accredited professional certification.

The interest in green building among young adults has been reflected in the popularity of the USGBC's Emerging Green Builders, a coalition of students and young professionals that aims to integrate future leaders into the green building movement. Greenbuild also attracted established professionals from other fields who have been inspired by the sustainability movement. Bill Schreiber, a physician from Connecticut, attended in part out of concern for U.S. energy dependence on the Middle East, but said he left Greenbuild convinced that green building can address wider global issues. "Terrorism is a threat to world peace, but destruction of the environment is a threat to world survival," asserted Schreiber. "Global warming, deforestation, acidity of our oceans are threats that the current leaders in Washington, D.C., have ignored. Governments today are unable to provide true leadership on crucial issues. Science and technology are shared by people and have no borders and no boundaries."

In the same spirit, Columbia University economist and Earth Institute director Jeffrey Sachs delivered the conference's closing remarks. Sachs, author of *The End of Poverty: Economic Possibilities for Our Time* and an architect of the United Nations' Millennium poverty reduction goals, pointed to the future of green building, where economics and environmental design could be integrated to promote the end of human suffering.

Schreiber summed up the fervor of the Denver gathering and the feelings of the growing numbers of people committed to sustainability. "I left Greenbuild exhilarated and excited and ready to change the world for the better," he said.

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Landmark Hotel Reopens as Cultural Center

Roanoke, Virginia's long-neglected and derelict Dumas Hotel has been redeveloped by Total Action against Poverty (TAP), a Roanoke Valley antipoverty organization, into the Dumas Center for Artistic and Cultural Development, a community performing arts venue that includes a state-of-the-art 200-seat theater, offices for the Roanoke Symphony Orchestra, and classroom space for youth performing arts programs. An opening celebration for the project was held this past November.

African American film pioneer Oscar Micheaux lived in the Dumas Hotel and maintained offices and studios during the 1920s in the historic Strand Theatre across the street. Renovation of the two architectural icons is considered essential to local efforts to revitalize this now severely blighted corridor that once was the bustling cultural and commercial hub of Roanoke's African American community.

Funding for the $4.4 million Dumas adaptive-use project came from a number of sources, including a $475,000 federal grant. Hampton Roads Ventures used federal tax credits received through the U.S. Treasury Department's New Markets Tax Credits (NMTC) program to attract a large investment from a major Wall Street institutional investor to help ensure completion of the renovation. Hampton Roads Ventures similarly used the NMTC program to assist the $6.2 million renovation of the Strand Theatre, which is scheduled to reopen this year as the Claude Moore Educa-

TOTAL ACTION AGAINST POVERTY

REGINA BREWER

A long-neglected hotel in Roanoke, Virginia, has been developed into a community performing arts venue.

tional Complex, a college-level culinary school with banquet facilities, to be operated by the Roanoke Higher Education Center.

Restoration Project Jump-Starts Neighborhood Revitalization in Atlanta

The $30 million historic restoration project underway in Atlanta's Sweet Auburn district is jump-starting revitalization of a landmark neighborhood recognized regionally as the historic foundation of the African American community and nationally as the cradle of the American civil rights movement.

Renaissance Walk at Sweet Auburn, a joint venture of the Big Bethel AME Church and local developer the Integral Group, involves complete restoration of three historic buildings, preservation of a fourth one, and construction of an adjacent seven-story structure, which together will provide 159 lofts and condominiums and 30,000 square feet (2,800 sq m) of ground-floor retail space.

Since the project broke ground in 2004, two other neighborhood renovation projects have been announced—conversion of the Southern Christian Leadership Conference building to residential use with ground-floor retail, and restoration of the historic Butler Street YMCA.

"The developers hope the area, which is designated a national historic district, will evolve into a living museum that celebrates self-determination and independence," says the Reverend Gregory Eason, pastor of Big Bethel AME Church.

The project is located at the west end of Auburn Avenue—which stretches 1.5 miles (2.4 km) east from Peachtree Street in downtown Atlanta—and across the street from the church and the former Top Hat Night Club/Royal Peacock, where such performers as Ray Charles, Aretha Franklin, Dizzy Gillespie, Bessie Smith, Louis Armstrong, B.B. King, and the Supremes once played.

Formerly known as Wheat Street, the street was renamed Auburn Avenue at the beginning of the 20th century when it became a predominately African American neighborhood. It was dubbed "Sweet Auburn" by John Wesley Dobbs in the 1930s in recognition of its status as "the richest Negro street in the world," says Eason, noting that this was the center of commerce for Atlanta's African American community from the 1920s until the 1960s.

Over the past 40 years, the west side of the neighborhood has fallen victim to disinvestment, notes Eason, resulting in deteriorating vacant buildings that have attracted homeless people and drug users. Ironically, the decline of the neighborhood, which is the birthplace of Martin Luther King Jr., began with desegregation as black entrepreneurs moved their businesses to traditionally white neighborhoods. The final blow to the district came with construction of Interstate 75/85, which severed neighborhood cohesiveness and identity.

The Renaissance Walk project is located across the street from the church, which originally began assembling the property to gain control over its use under the leadership of former pastor James Davis. "The church did the heavy lifting in assembling the land," says Egbert Perry, chairman/chief executive officer of the Integral Group. The church acquired 70 percent of the site, and his company completed the process—purchasing a contiguous parcel vital to the project—and created a vision plan for the site.

"We made a conscious decision to remain in downtown, and in doing that realized we would be involved in community revitalization," Eason says. The church's entry into housing development began in the 1970s with construction of Bethel Towers, a low-income housing project located behind the church. "Our first responsibility is to provide spiritual growth and development to the people in metro Atlanta, and as an extension of that, [the church] will be involved in economic development," he explains. The Renaissance Walk project is a combined effort of the community, city officials, the church, and the Integral Group.

PRAXIS3

PRAXIS3

A landmark neighborhood in Atlanta, the Sweet Auburn district, is undergoing a revitalization that includes restoration of three historic buildings, preservation of a fourth one, and construction of an adjacent new building.

The Integral Group is providing the equity, and Bank of America and Morgan Stanley are providing the financing. The Integral Group received historic tax credits and city help with infrastructure funding through a tax allocation district (TAD). Public funding helped offset the high cost of replacing the outdated, deteriorating sewage system and restoring or preserving buildings, Perry says, but had strings attached, including the TAD requirement that 20 percent of condominiums be workforce housing. Market units are priced from the low $200,000s to mid-$300,000s, while the 26 workforce units are priced in the $100,000s, he notes.

The Integral Group had originally proposed integrating fronts of historic buildings into a new structure, but ended up keeping the entire buildings in response to community opposition. "It drove costs through the ceiling, but made everyone happy except our investment partners," says Eason.

The new structure is one contiguous building designed to appear as separate structures and blend with the existing historic buildings, notes project architect David Hamilton, a principal at the local architectural firm Praxis3. The new seven-story building will be located behind the one- to three-story renovated structures, creating the perception of a unified, dynamic environment rising in steps.

The contemporary design of the new building complements the district's historic structures without mimicking their architecture by incorporating a modern version of the detail on the Odd Fellows Building down the street, says Hamilton.

The three restored buildings include 4B9, the Casino, and Mutual Federal Bank, and the first African American–owned bank in the United States. The project also includes preservation of the Atlanta Insurance Company Building, which is interrelated structurally to buildings being restored but is under different ownership.

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How Americans Travel to Work

How have commuting travel patterns evolved over the past decade? Is dependence on the private automobile growing or shrinking? Are carpooling and transit use rising or falling? What constitutes an "extreme commute"? Answers to these and hundreds of other questions can be found in the latest edition of *Commuting in America*, the third and latest decennial analysis of the nation's work travel trends, written by Alan Pisarski and published by the National Research Council's Transportation Research Board (TRB).

Surprisingly, travel to work accounts for only 15 percent of all daily person trips, down from 20 percent in 1990, according to the TRB report. The rest is made up of myriad other trips. The decline in share is not so much due to any decline in work travel, the report points out, but rather to more rapid growth in other trip purposes—personal business travel, social/recreational travel, school travel, and others. As incomes rise, total daily trips per person increase while work trips remain constant.

An emphasis on the topic of commuting remains appropriate, though, the report asserts, because it is the impact of commuter travel that generates headlines, dominates radio broadcasts during drive time, determines highway capacity and performance requirements, influences transportation planning, and drives transportation investment decisions. The daily commute to and from work is highly peaked—almost two-thirds of all morning trips to work occur between 6 and 9 a.m.—and is concentrated in defined travel corridors. Because of its concentration in time and space, travel to work is the source of most delays and traffic congestion. It is also the travel experience that draws the most complaints and thus is an issue that gets the attention of politicians.

Those who hoped to find signs in the report of waning American dependence on the automobile came away disappointed. All car-oriented indicators—growth in total automobile population (30 million vehicles added in the 1990s), number of car-owning households, vehicles per household, and automobile use—continued their upward trend through the last two decades of the 20th century.

Here are the facts, as reported in *Commuting in America III:*

▷ Driving alone to work continues to increase its dominance in commuting behavior. Since 1980, the number of solo commuters increased by more than 11 percentage points. In the 1990s alone, the number of new drive-alone commuters rose by almost 13 million; they now account for 78 percent of all workers, according to the U.S. Census Bureau's 2004 American Community Survey.

▷ The carpooling share declined by 7.5 percentage points during the same period and now accounts for 10 percent, compared with 20 percent in 1980. Two-person carpools constitute 77 percent of the carpooling total. Most carpools involve family members—what Pisarski calls "fam-pools."

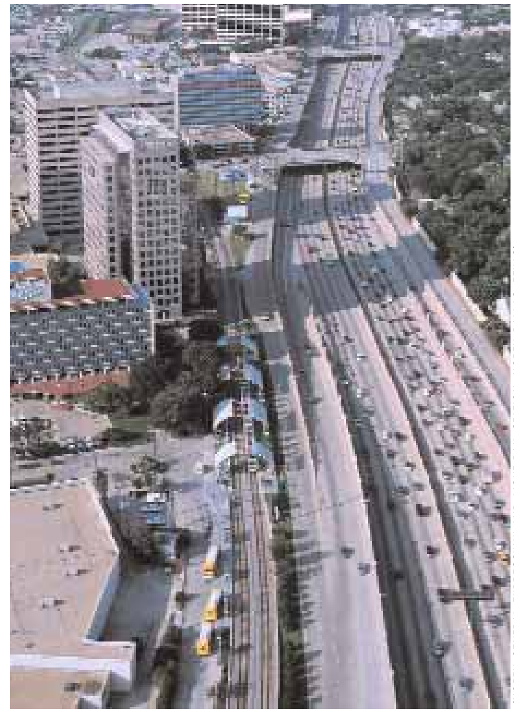
▷ Transit use gained share in some areas, lost it in others, but basically remained flat during the past 20 years. It currently accounts for 4.6 percent of commutes nationwide, but shows significant variations according to size of the metropolitan area. For example, the transit share of total commuting stands at 19 percent in metropolitan areas of 1 million to 5 million people, and as high as 35 percent in metropolitan areas over 5 million.

▷ Work at home—or telecommuting—which represented an insignificant share of jobs in the 1980s, now stands at a statistically significant 3.8 percent. The number of people who work at home increased by 2 million, almost doubling in the period 1980 to 2000, according to Pisarski, who calls this trend "the quiet revolution."

▷ Finally, walking to work has suffered a sharp decline and now accounts for only 2.4 percent of work trips, down from 5.6 percent in 1980. This fact represents a reality check for those who claim to see a trend toward walkable communities.

The explanation behind these statistics is not difficult to divine. Despite the entreaties of smart growth advocates, population and employment continue to disperse, making auto travel the most convenient means—and often the sole means—of commuting. The report finds that commuting from suburb to suburb—where the auto is practically the only mode of transportation available—continued to increase as a proportion of total metropolitan commuting during the 1990s, and stood at 46 percent of all work trips in 2000. On the other hand, the traditional commute from the suburbs to the central city—where transit can play an important role—dropped in share from 20 percent in 1990 to 19 percent in 2000.

Not only is population dispersing, it is dispersing farther and farther out, leapfrogging existing suburbs.



(NORTH CENTRAL EXPRESSWAY AND LIGHT-RAIL STATION, NORTH DALLAS, TEXAS)

The number of new drive-alone commuters rose by almost 13 million; they now account for 78 percent of all workers. Transit use currently accounts for 4.6 percent of commutes nationwide, but shows significant variations according to size of the metropolitan area.

This has led to a new phenomenon: the extreme commute, commonly defined as a trip exceeding 90 minutes each way. The 2000 census identified about 3.5 million commuters, roughly 2.8 percent of workers, as extreme commuters. Eight metropolitan areas have more than 2 percent of workers with one-way commutes of over 90 minutes, with Baltimore, New York City, Newark, and Riverside and Los Angeles, California, topping the list. While extreme commutes still make up a relatively insignificant share of total trips, their proportion is likely to grow as more and more people migrate farther and farther out in search of greater living space and more affordable housing.

(Copies of *Commuting in America III: The Third National Report on Commuting Patterns and Trends*, NCHRP Report 550, Transportation Research Board, October 2006, can be ordered at www.TRB.org/ciaIII. Adapted and reprinted from *Innovation Briefs*, November/December 2006.)