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## Demographics Experts

### EYE CHANGES TO CITY MODEL

By Amy Wolff Sorter — June 24, 2008

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**PHOENIX** — Two reports recently issued by Colliers International's local office and Arizona State University indicate that, with rising gas prices, people will move closer to work, shopping and play. Meanwhile, cities will no longer be classified as "urban" and "suburban," but rather will mix together in a wide swath known as "megapolitans."

The Colliers' report, "Structural Changes in the United States — Growth of Megapolitans," predicts an increase in "commuter zones," areas where residents will be less dependent on automobiles for working and shopping. These zones also will provide opportunities to use public transportation and bikes to get from one point to another, especially as the light rail continues expansion.

Other predictions include a 40% to 50% decline in the number of vehicle dealerships as well as a drop in the big-box, single-retail tenant, which will have a huge impact on land use, says Mike Fitz-Gerald, Colliers' managing director in Phoenix.

Fitz-Gerald says a decline in auto dealerships isn't good for the owners, but "the nice thing about them is they're usually along main streets and are excellent sites for high-density housing and other uses." He says prime redevelopment opportunities exist along Camelback Road between 10th and 16th streets in Phoenix and Glendale Avenue as it moves toward the City of Glendale.

In May, Arizona State University's Morrison Institute for Public Policy issued a report that makes even bolder statements. Researchers for "Megapolitan: Arizona's Sun Corridor" predict cities as separate entities will be replaced by 2035 with "megapolitans," vast swaths of cities and suburbs that will combine forces under a single design and political structure. The benefit of such formations is the pooling of resources. Within the megapolitans, urban areas will increase in density as more people move closer to jobs, shopping and schools to save on gas costs.

The report focuses on Arizona's "Sun Corridor" megapolitan, which will stretch from Prescott, north of Phoenix and move south to the Mexican border, encompassing Casa Grande, Tucson and Nogales. Another Southwest megapolitan will exist in North Texas, with a metroplex stretching from the Oklahoma border, wrapping in Dallas, Fort Worth and reaching south to Waxahachie.

As megapolitans form, researchers say the clustering of residents in high-density settings could have an impact on areas like North Scottsdale. "The Scottsdale Airpark employs 40,000 people and is served by two bus routes and no rail, with none planned to go there," Fitz-Gerald tells *GlobeSt.com*. He says employees may opt to either relocate closer to the airpark, or move closer to their work as gas prices increase.

The same thing could and is starting to happen in the retail sector. "In the future, a consumer can go to a power center or regional mall or a grouping of stores within walking distance. There, they'll park their cars and walk to 10 to 15 different stores, rather than driving to every single store," Fitz-Gerald says.

Rising gas prices and the impact on consumers and commuters are hugely important to those involved with real estate because it changes decision-making processes. Fitz-Gerald stresses anyone advising clients about where to put multimillion-dollar offices or industrial plants needs to understand the reality of where people might end up.

"Any company has the option of looking at the Scottsdale Airpark, which is served by two bus routes, or 44th and Washington, which has light rail and buses," Fitz-Gerald says. "All of this is something our clients need to know as they look at and consider new sites for business."

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