

## We Have The Tools To Meet the Challenge Of All This Development

The Lehigh Valley's ideal location and high quality of life have put it under extreme development pressure, but regional real estate experts said we have the tools to continue growing without ruining what makes the region special.

During the 2021 Greater Lehigh Valley Real Estate Outlook, experts laid out a market that has apartments selling faster than developers can build them, and industrial development continuing to expand the region's place in the global economy of online shopping.

While it's growing the Lehigh Valley's stature nationwide, it's also challenging the scenic character that makes the region attractive to people, businesses and visitors, said LVPC Executive Director Becky Bradley, who served as the keynote speaker for the hourlong virtual event.

Bradley said maintaining the region's unique balance of growth and character can be done through a measured, managed approach that adds homes and businesses to development zones that promote walkable neighborhoods and jobs centers with multiple transportation options.

It can be done through the policies of *FutureLV: The Regional Plan*.

"Our quality of life and identity as a region are challenged by rapid population growth, the explosion of transportation-based businesses, and changes in technology in consumer preferences," Bradley said. "These factors will continue to grow, underpinning the need for change and asset management to become primary, overarching strategies to building and evolving the region to rise above the challenges and be prepared for a very advanced technology-based economy and society."

The growth and pressure are undeniable, according to the development statistics that showed that despite the Covid-19 Pandemic, the region in 2020 approved the most new homes since before the recession, as the region diversified its residential preferences to include more apartments and smaller homes on smaller lots. It also approved more than 12 million square feet of non-residential development, including roughly 8 million square feet of new distribution and warehouse space, Bradley told attendees viewing the streaming event on YouTube.

It's particularly evident in a housing market so competitive that some people are offering cash well above appraisal price and waiving inspections, said Justin Poremba, CEO of Greater Lehigh Valley Realtors, during a panel discussion on the housing market. It appears the ability to work remotely in bigger cities, while living in the Lehigh Valley is having an impact, he said.

"The lack of inventory is really driving prices through the roof," Poremba said. "We're wondering what the impact of Covid-19 is, in terms of people working remotely and having more choice of

where they could live – closer to family, and maybe venturing outside the urban core of New York City and Philadelphia.”

And while people may be fleeing those big urban environments, they’re finding new ones here, said J.B. Reilly, CEO of City Center Investment Corp., during a panel discussion on development.

“Over a 12-month period from June 2020 to June 2021, we’ll have delivered 450 new apartments in downtown Allentown and they’re all leased,” Reilly said. “Young people want a vibrant urban environment and it’s been accelerated by the pandemic.”

Meanwhile, the region’s industrial growth continues, as it’s prime location within a single trucker trip of 100 million potential consumers, available workforce, and proximity to related manufacturing companies such as B. Braun, Mack Trucks, Olympus and Ocean Spray make it one of the world’s busiest corridors for the movement of consumer goods, Bradley noted.

In fact, there are few in the nation that rival the Lehigh Valley right now, said Bill Wolf, Executive vice President for real estate and development firm CBRE.

“It has better quality of life, better labor and great transportation,” Wolf said during the development panel discussion. “The Lehigh Valley, in general, is in the top five nationally for industrial and distribution in today’s world.”

During the Real Estate Outlook, the GLVCC awarded the 2021 Lehigh Valley Commercial Real Estate Development award to Northampton County, for its \$11 million, state-of-the-art Forensic Center.

“This project was 30 years in the making, and it came in on time and under budget,” said Northampton County Executive Lamont McClure said. “We thank you for this award and look forward to winning some more in the future.”

All of those successes detailed during the Real Estate Outlook event are evidence of a region that, as far as development goes, was slowed very little by a global pandemic that brought other regions to a halt. While that’s led to opportunities, it’s also means community leaders, municipal planners and even developers will have to work together to maintain the unique balance Bradley was talking about.

“Never in our lifetimes has planning and correlated investment matters so much,” Bradley said. “We must start now. We must begin together. Everyone must be a leader. We must create the future Lehigh Valley we want and need, because each one of us is an owner.”