

BuildLV 2017 Reveals Spike in Warehouse and Apartment Building

It is a mosaic that was 12 months in the making and when the Lehigh Valley's 2016 development picture came into focus two things were clear: the region is in the midst of an unprecedented warehousing boom and developers are building five times as many apartments as single-family homes.

That's the portrait revealed by the BuildLV 2017 development report, released Wednesday by the Lehigh Valley Planning Commission during its annual development outlook breakfast in partnership with the Greater Lehigh Valley Chamber of Commerce at the ArtsQuest Center in Bethlehem.

Principal Planner John von Kerczek spent months poring over spread sheets, development plans and data to devise a 70-page report that gives the clearest view of what happened last year in the region's development world, what didn't happen and what may be coming.

The analysis of 429 residential and non-residential development plans filed in Lehigh and Northampton counties shows that the square feet of warehouse space approved nearly tripled in 2016 and the number of apartments more than doubled over 2015.

"All of the non-residential trends that many people were anticipating arrived in 2016 in a wave of warehouse developments," von Kerczek said. "And it's not just the number of projects, but the size that's increased. We saw a single development of nearly 3 million square feet and another one of more than 2 million."

LVPC's annual development report has become a must-read for municipal officials, real estate brokers, the economic development community and anyone who cares about how their community develops land. The full report includes a menu of interactive maps, designed by LVPC Senior GIS Planner Justin Barclay, that provide development data for every municipality.

"BuildLV is a comprehensive look at development activity in the region," said LVPC Director of Community Planning Amanda Raudenbush, "It is the quickest and the most reliable way to get a pulse of the development activity in the Lehigh Valley."

In all, 9.2 million square feet of non-residential square footage was approved in 2016 – most of it for warehouses - compared to just 3.4 million square feet approved in 2015. More than half of it came from the 3 million square-foot Spring Creek Properties development in Lower Macungie Township and the 2.1 million square-foot Liberty at Mill Creek project in Upper Macungie Township.

Not all of those buildings are envisioned entirely for warehousing. Some include large areas for manufacturing, commercial and flex space, but there is little question that this new breed of supersized buildings is using more land.

All that new industrial development is slated to use 1000 acres of land, more than doubling the 439 acres of industrial land that was approved for development in 2015.

If there is an offset to the industrial story, it may be in residential development that continues to rebound from its recession-induced low in 2011. While the number of housing units approved increased 37% to 1,782 units in 2016, the amount of land needed to build them fell 21 % to 445 acres. That's because two-thirds of those units were for apartments, many of them in urban settings in Allentown, Bethlehem and South Whitehall Township. The 1,182 apartments approved last year was an increase from 570 in 2015. Six of the top 10 developments approved in 2016 were for apartment projects, and two others were for assisted-living complexes. Two were for single-family homes.

"Municipalities across the Lehigh valley are building more residential units, but they are using less land to do it and we're finding that in urban and suburban locations," said LVPC Executive Director Becky Bradley. "This gives us an opportunity to direct growth back toward our developed areas."

While the trajectory of industrial and residential development is clear, the future of commercial development remains unpredictable, according to the report. The 550,000 square feet of approved commercial space was an increase over 2015, but the trend toward online shopping and the growing demand to have goods delivered to the doorstep in two days present challenges, and potentially opportunities.

Factor in that the region's robust highway system, ready workforce, freight rail network and close proximity to the Port of New York and New Jersey, and the Lehigh Valley remains attractive for more growth.

For that reason, the logistics and warehousing boom and the sudden preference for apartments have Lehigh Valley municipal planners reassessing how they should plan for the future.

However, Bradley said it is coming at an opportune time because the LVPC has already begun drafting a new Regional Comprehensive Plan designed to set new course for the Lehigh Valley, not only for land use, but housing, transportation and recreation. The LVPC already is helping to foster multi-municipal planning agreements in the Southwestern Lehigh, slate Belt and Nazareth areas, and more partnerships will be needed to update the Comprehensive Plan.

"The data in BuildLV gives us a window into our future, and in particular the future if we do nothing to prepare," Bradley said. "The good news is we have a new opportunity to update our strategy for development and growth at a regional level. That will include multi-municipal planning that can give us a more coordinated strategy as we prepare for the future."