



Special Otten Johnson Alert: Coping with Crisis and Thinking About the Future (From Our Home Offices)

As our communities, nation, and world reel from the impact of the COVID-19 public health crisis, Otten Johnson extends our sincere gratitude to all of the health care providers, first responders, public health leaders, and others who are serving those who are sick and at risk. Since we are business lawyers without the skills or expertise to provide medical care, our contributions to resolving this crisis are largely relegated to working from home to avoid spreading disease and offering financial contributions to worthy organizations supporting our community. But because we cannot help but think of this crisis through the lens of our land use, real estate, and business practices, we are bringing our clients and friends this series of alerts, exploring how the current pandemic affects our work, what we're learning from it, and what the future holds.

Part 6: Is Social Distancing the New Urban Sprawl?

April 7, 2020 • [Cory Rutz](#)

Next in our series of alerts on the COVID-19 crisis and our work comes a look at housing and, more specifically, what effects we think this pandemic might have on the future of residential development in Colorado.

Unless you've been living under a rock for the past few years, you've probably grown familiar with phrases like "housing crisis," "affordability/attainability," "missing middle" and "sprawl" used to describe much of the housing market on the Front Range. Indeed, it's no secret that median home prices, especially in urban or semi-urban areas, have risen sharply after the Great Recession, far outpacing wages, pushing more and more Colorado residents into new versions of the types of single-family, suburban neighborhoods that became known as "Zombie Suburbs" only a decade ago.

You've also probably heard people speculate as to when the next recession will start, including more than a few predicting that this pandemic will kick-start a significant economic downturn. On the contrary, a look at the impacts of past epidemics and pandemics shows that, while housing transactions certainly stuttered to a near halt when stay-home orders prevented open

houses and similar transactions, home prices generally stayed put and the market picked up quickly once restrictions were lifted. Based on [March numbers](#), this seems to be the case so far – in Denver at least. Public and private entities have already taken measures to keep things moving. These include offers of [reduced payments or a complete pause in payments](#) to homeowners who have suffered a loss in income, requests that landlords hold off on [evictions](#) for tenants who are quarantined due to the pandemic, and orders to local sheriffs to refrain from carrying out evictions. But with no real end date in sight, it's nearly impossible to know just how hard the housing market will get hit, and how long it will stay down, as a result of this pandemic.

Thankfully, we lawyers at Otten Johnson are neither economists nor [infectious disease experts](#), and this alert isn't about the housing market, per se. Instead, as real estate lawyers, urban planners and general lovers-of-cities, we're more interested in how this pandemic will impact the development patterns of our housing, or put simply, how we choose to live. Given that, so far at least, cities seem to be getting the earliest cases of COVID, seeing the quickest spread and the most over-crowded hospitals, will people be wary of living in densely populated areas in five, ten or even twenty years?

Yes, and no. It's a complicated question and an even more complicated answer. On one hand, even the most devout supporters of urbanism, whether for social or environmental reasons, will agree that one major shortcoming of density is its susceptibility to disease. This idea is not new, however. As we discussed in [our first alert of this series](#), zoning in the United States came about, in large part, to reduce the spread of disease—over one hundred years ago.

On the other hand, while it's definitely true that it's easiest to practice social distancing if you live really, really far away from everyone else, it's [actually common for viruses to trickle into rural communities](#) after an initial wave through big cities. And unfortunately, once they make it to rural areas, the [impacts can actually be worse](#), largely due to a lack of access to healthcare and other treatment options.

Taking it a bit further, if we assume that most humans seek at least some form of social interaction, coping with quarantined life may be more manageable from an urban, or at least semi-urban, area than a rural one. For example, last week I had a conversation with my across-the-alley neighbor from my back yard while he cut his son's hair in their garage. You need only google "social distancing" to find myriad examples of people finding creative ways to socialize. Most of these occur in dense, urban environments, such as the [front porch accordion concert in Brooklyn](#), a handful of [front porch photography sessions](#), [neighborhood Zumba](#) and, of course, [groups of people singing from their balconies in Italy](#).

Of course, whether or not the current pandemic drives people to live in rural or suburban environments, it does not change several big-picture considerations. Costs of infrastructure delivery remain high, transportation costs are higher for suburban-dwellers, and we are unlikely to see job markets flock to the suburbs. Similarly, the Denver metropolitan area continues to have significant supply-demand mismatches in its housing market, particularly at more affordable price points. A prolonged slowdown would likely exacerbate that problem, even if it temporarily reduced home prices.

So, while we don't anticipate any seismic changes in the ways in which we choose to live,

people may start to prioritize different features of homes they choose. For example, given that almost all of the above examples rely on housing with some outdoor access, homebuyers and renters may place a greater emphasis on meaningful outdoor space during home shopping. And with park usage at seemingly all-time highs, more importance may be placed on access to public open spaces, too. Similarly, now that we're all experts at working remotely, we're likely to see more homes incorporating some functioning home office space as working from home becomes even more commonplace.

It's really anyone's guess as to whether this pandemic will markedly change our housing patterns—but we'll certainly look forward to watching what happens.



Cory's Tip

Aside from spending as much time outside as possible, I started painting a mural in my bedroom that is far, far too ambitious for my level of artistic talent. But making a huge mess is therapeutic, as is the calming knowledge that I can always paint over it when all of this is over. Playing artist = stress-relief.

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