

# What's Next for U.S. Cities?

BY ANDREW BLUM

**Christopher Leinberger** directs the Graduate Real Estate Program at the University of Michigan; researches walkable urbanity at the Brookings Institution, where he's a visiting fellow; and puts his ideas into practice as a founding partner of Arcadia Land Company, a progressive real estate development firm whose projects include Woodmont, a 49-acre community that is three times as dense as its suburban Philadelphia neighbors.

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## Walkable Urbanity

### What's the biggest change in U.S. cities?

**Christopher Leinberger:** For three generations, domestic policy promoted, subsidized, and social-engineered “drivable sub-urbanism.” I’m not saying this was a conspiracy—it’s really what people wanted, but it resulted in a limited number of standard real estate products, almost all of which were single-purpose, connected to the rest of the world by six-lane arterials. That’s how it was until the midnineties, when the market began to change.

Now we’re reentering an era of “walkable urbanity,” a form America hasn’t embraced for years. With drivable sub-urbanism, as you built more, you got less quality of life. With walkable urbanity, as you add density, put more people on the street, and give them more to do within walking distance, the quality of life just keeps getting better.

### Is this a backlash to suburbanization?

**CL:** Since high density was the only option for cities for millennia, I view it as the pendulum swinging back. Demographics are a major factor. In Washington, D.C., where I live, there’s a baby boom going on. I’ve never seen so many young children, because their parents aren’t moving out to the suburbs as the kids get to school age. Factor in the baby boomers’ retirement shift to smaller houses and you’ve got all this pent-up demand for walkable urbanity. The latest consumer research suggests that 30 to 40 percent of U.S. households want it in some form—located in the city or in suburban town centers.

**What does “walkable urbanity” look like?**

**CL:** It starts at an FAR of around 0.8—five times denser than classic suburban development. If you go a bit denser, you get places like Reston Town Center near D.C. The bulk of Reston is a typical master-planned, cul-de-sac suburb, but they left a 300-acre greenfield site for something special. Mobil, which owned Reston at the time, created this very urbane place, with highrises right up to the sidewalk, retail on the ground floor, fountains, and an ice-skating rink. It’s a phenomenal success—5,000 housing units to date, with rental rates and housing prices that are 50 percent higher than the drivable Reston market, because people can walk everywhere. Of course, some might argue that it’s a suburban version of a real downtown.

**Are real downtowns also making a comeback?**

**CL:** Definitely. While downtown Washington may be gritty compared to Reston Town Center, it’s the fastest turning-around downtown in the country. In most first- and second-tier metro areas, the sale and rental prices of housing in traditional downtowns are the highest in the region. You couldn’t have said that 10 years ago. But downtown D.C. is just part of the story. What sets the D.C. metropolis apart is its regional transit system.

**How does transit complement walkable urbanity?**

**CL:** The transportation system that a metropolitan region selects drives what gets built there and how it gets built. D.C.’s Metrorail system covers more distance than any other city’s. Twenty years ago, the Georgetown district of D.C. and Old Town in Alexandria were the only urbane and walkable destinations in the region. Today, there are 18—and 17 of them are anchored by Metrorail stations. If Los Angeles had a comparable transit network, it would have 40 or 50 such places, instead of its current five or six.

**What does all this mean for developers?**

**CL:** They’re going to have to get outside their comfort zones and develop new product types. The market has spoken, and a significant part of it wants something different, in riskier locations. It’s also a higher quality product—multilevel structures that are reinforced concrete and steel frame. The quality has to improve because the buildings come right up to the sidewalk. You’re not just seeing them at 45 miles per hour from your car window, like in the suburbs. When you build something urban that people are walking next to, bumping into, it’s going to cost a lot more.

Financially, it performs in a different manner—its real sweet spot is in the mid to long term, not in the short term. Which means

that you need the most rare of all commodities: patient equity. I used to look at the elegant buildings that were put up in the twenties and thirties and wonder how they pulled it off when we, who are three times wealthier than they were on a real per capita basis, couldn’t afford to build this way. The difference was patient capital. The only way to turn real estate—historically, a 40-year asset class—into a seven-to ten-year asset class is to cheapen the product.

**Why did developers lose their patience?**

**CL:** With drivable sub-urbanism, there were so many possible locations to build. The result of having so much choice was that the value of the land was degraded. Developers used a piece of land, threw it away, and moved on. That’s why we have 10,000 abandoned or dying strip centers in this country. The built environment, real estate and infrastructure, is 40 percent of our country’s wealth, and we invested in it as if it were disposable.

**So walkable urbanity is more responsible?**

**CL:** More responsible and more sustainable—the number one and number two causes of CO2 emissions are buildings and transportation. I think we’re not too far off from recognizing that it’s a moral imperative to add density to any place with a transit stop. We only have a decade or two to correct course, so we may not have the luxury of just leveling the playing field. To speed things up, we may need to tilt the playing field by encouraging, subsidizing, and legally mandating walkable urbanity as a new domestic policy.

**Alan Berube** is a fellow of the Brookings Institution's Metropolitan Policy Program, overseeing its Living Cities Census Series, including "The State of American Cities" and "Finding Exurbia." In 2004, he held the Atlantic Fellowship in Public Policy at the U.K. Treasury and the London School of Economics. Before joining Brookings in 2001, he was a policy advisor in the Office of Community Development Policy, U.S. Treasury.

## Growth Without Sprawl

### Are cities back, finally supplanting the suburbs?

**Alan Berube:** Undoubtedly there's a renewed interest in an urban lifestyle. It's partly due to the general demography of society—the empty nesters of the baby boom generation are increasing the supply of people who are willing to consider an urban lifestyle. Despite that, the suburbs overall are growing about twice as fast as cities. That shows up most prominently in the data about the location choices of the major household types—married couples with and without kids, single-parent families, single people, and groups of people living together. None of them is choosing cities over suburbs. Single people may choose cities at a higher rate, but 60 percent of single-person households are suburban.

Still, the trend is generally positive for cities—which is what the cultural zeitgeist is picking up on. More people and more diverse households are choosing cities today versus 20 or 30 years ago, because cities are safer places. They're better run, and their amenity options are stronger today than they have been in the past. This doesn't mean that's how the majority of Americans are choosing to live, but urban living has a traction today that it hasn't had for some time.

### Which parts of cities are growing fastest?

**AB:** Downtowns are generally healthy thanks to real estate investment and population growth. Some urban neighborhoods

look suburban, but downtowns are a truly urban phenomenon. The fact that they have been gaining population over the last 10 to 15 years, and that a lot of cities are seeking to create a life downtown that's about more than just entertainment and shopping—a place of residence as well as employment—sends a signal about the renewed health of cities.

### They're able to attract the "creative class"?

**AB:** That sounds like Richard Florida's idea that cities ought to position themselves to attract a high-value worker class that enjoys urban amenities and favors "thick" labor markets, because they like to bounce around from job to job. The problem is that there are only so many of these workers to go around. If every city in America pursued a "creative class" strategy, some would win and some would lose, but they'd probably waste a lot of effort. There are forward-thinking urban leaders, like New York's Mayor Bloomberg, who recognize that the ultimate social sustainability of a city rests on how it accommodates families—not just the creative class and empty nesters. Basing your future economy on those groups alone is not enough to make a city competitive in the 21st century.

### Why do urban regions keep sprawling?

**AB:** People are following jobs that 25 years ago were downtown, and are now spread out along the interstate in low-slung buildings. That tilts the urban versus suburban residential choice further toward the suburbs, but the new suburban communities are 20 miles farther out than the older inner suburbs—three or four counties out from the core, instead of one or two. A lot of urban regions are spreading out even faster than their household growth alone would suggest. This reflects the fact that many of the maturing inner suburbs have shut themselves off to new housing development. They're using zoning and other regulatory measures to slow and, in a lot of cases, stop the growth of the housing supply. Too many Americans equate smart growth with no growth. What our research suggests is that it's not a solution just to shove all this housing out to the urban fringe, because you just wind up paying for it in other ways—like costly new infrastructure and traffic congestion.

### So the current pattern is unsustainable?

**AB:** U.S. communities have a stunning degree of autonomy in deciding about growth, and their decisions sometimes ignore the larger needs of the metropolis. Look at all these fights about teardowns in the older suburbs. If a family wants something bigger than a two-bedroom bungalow, their other option besides rebuilding at a higher density is to move 40 miles outside the city and build there. So what's better for the region? I'd suggest that it's

keeping that density near the core. The close-in suburbs need to combine jobs with housing and provide a slightly denser style of living that supports mass transit.

**Will cities be an issue in the 2008 election?**

**AB:** If I can think of any election year issue that connects with urban form and how people choose where they live, congestion is definitely something that motivates voters. They want better road options, but they also want different types of development that make transit a viable option, even if they have to drive to it. That's missing in too many metropolitan areas today. It can make a huge difference in their economic potential.

In 2008, this issue is likely to surface as a debate about the federal government's role in building a 21st-century transportation network. We built an interstate highway network that's designed to get people from the suburbs to jobs downtown and to get trucks across the country. We've built ring roads to get people from suburb to suburb, but the traffic congestion in our urban regions is at an all-time high. What can the federal government do to make them better connected and less congested? That's what voters will be asking. The question points to patterns of metropolitan development that pair housing with jobs and transit, recognizing that we're not just a suburb-to-city commuting nation anymore.

**Andrew Blum**, a contributing editor of *Wired* and *Metropolis*, also writes for *The New York Times* and *Architectural Record*.