Suburban Renewal

By Richard Florida

This is the longer, unedited version of <u>my column</u> in today's Wall Street Journal.

Remaking our sprawling suburbs, with their enormous footprints, shoddy construction, hastily put up infrastructure, and dying malls, is shaping up to be the biggest urban revitalization challenge of modern times—far larger in scale, scope and cost than the revitalization of our inner cities.

What a dramatic shift. Just a couple of decades ago, the suburbs were the locus of the American Dream. More than their sprawling, large-lot homes and big wide lawns, their shopping malls, industrial parks, and office campuses accounted for a growing percentage of the nation's economic output. A good many of them formed into Edge Cities—satellite centers where people could live, work, and shop without ever having to set foot in the center city.

With millions of homes underwater or in foreclosure, our suburbs and exurbs have taken some of the most visible hits from the great recession. In a stunning reversal, big cities like New York, Boston, Washington, D.C., Chicago, San Francisco, and Seattle have become talent magnets at the same time, drawing ambitious people, empty-nesters, young-families, and even a growing number of offices back to their downtown cores. As inner city neighborhoods are being gentrified, blight and intransigent poverty are moving out to the suburbs, where one third of the nation's poor now reside—1.5 million more than in cities, according to a Brookings study. And suburban poverty populations are growing at five times the rate of those in cities.

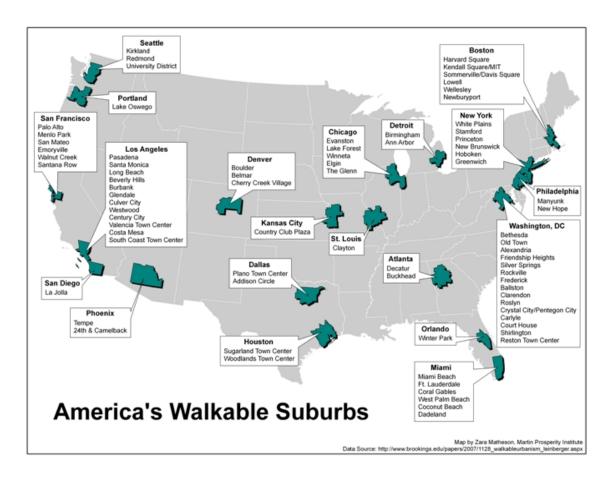
I myself am a card-carrying, dyed-in-the-wool urbanist; I've lived in inner-cities for most of my adult life. But I believe my urbanist fellow travelers are making a big mistake when they impugn suburbanization wholesale. Suburbs don't always grow at the expense of cities; suburbanization and urbanization alike are parts of a larger process. Studies reveal that, counterintuitively, suburbs don't draw most of their populations from the inner city, but grow by attracting people from small towns and rural areas further out, as well as immigrants from foreign countries, more than 50 percent of whom bypass cities and settle directly in the suburbs of larger metro areas, according to <u>research</u> by Brookings' <u>Audrey Singer</u>.

Great metropolitan areas are like economic suns; their gravitational appeal is irresistible. Suburbs and cities are mutually dependent; they blur into each other at the margins. And the most successful suburbs share many attributes with the best urban neighborhoods: walkability, vibrant street life, density, diversity.

Density, the clustering of people and firms, is a basic engine of economic life—for cities, suburbs, and nations. When interesting people rub against each other, they spark new ideas; the clustering of economic assets and activities accelerates the formation of new entrepreneurial enterprises and dramatically increases overall productivity.

The idea that such clustering only happens in Manhattan-style urban centers is shortsighted and parochial—it's characteristic of Silicon Valley too, and Nashville, whose cluster of musicians, composers, studios, publishers, and record companies has made it the most concentrated center of commercial music-making in the world. But we need more of it and too many of our suburbs and exurbs don't have much of it at all. The key to our suburbs' renewal is not beautification but densification. As our suburbs become more clustered, they'll become more economically energetic—with benefits for us all.

Renewing our suburbs is part and parcel of broader economic recovery. The very act of restoring them—of retrofitting them for the new ways of living and working that our emerging new economic order requires—will help bring back prosperity overall.



Sources: Map by Zara Matheson of the <u>Martin Prosperity Institute</u>. Data from <u>Christopher Leinberger</u>.

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Though some of our most stressed suburbs might have passed the tipping point—like those brand new unsaleable houses on the far-out fringes of L.A. that were <u>bulldozed</u> to the ground not too long ago, double-paned windows, granite countertops, whirlpool baths, and all—most

of them aren't going to fade away. Just over half of Americans live in the suburbs, and the great majority of them are content to stay. More than two-thirds (68 percent) of suburbanites are "satisfied" or "very satisfied" with where they live; 57 percent rated their communities as the "best" or "near-best," according to a survey I conducted with the <u>Gallup Organization</u> and report in my book <u>Who's Your City?</u> A separate <u>Pew survey</u> identified the group of Americans that is most satisfied with their living choices as college-educated suburbanites—62 percent of whom said there was no better place for them to live.

Even before the recession, our changing demography had begun to alter the texture of suburban life in favor of denser, more walkable, mixed-use communities. Ozzie and Harriet stereotypes notwithstanding, the average age of marriage has been rising, households have gotten smaller, and single people now outnumber marrieds. Only about one in five American households consists of two parents with children living at home, according to data from the U.S. Census Bureau. Many baby boomers who are in their empty-nester phase are looking to downsize, and younger Americans faced with a stagnant economy are putting off having families a little longer and are staying put in their apartments or moving home with mom and dad.

The recession accelerated this process of change. Much has been made of the shift to a so-called "new normal" where consumers scale back on debt, purchase less material things, spend more time with family and friends, and seek greater meaning in their lives. It may sound like the wishful thinking of crunchy granola, ivory tower pundits —only it really is happening. Even builders and realtors have taken notice. According to an eye-opening 2009 survey commissioned by *Builder* magazine, home buyers are no longer willing to drive to the furthest edges of developments to buy the biggest house they can afford. In fact those are precisely the kinds of homes that are *not* selling. Real estate development expert Arthur C. Nelson predicts that we will have a surplus of as many as 22 million large-lot homes by the year 2025.

Today's buyers—surprising numbers of them single women— are looking for smaller houses closer-in, with access to parks and cultural amenities. There is a rapidly growing market for super-energy efficient homes under 1,300 square feet – quite a departure from the 5,000-6,000 square foot McMansions of just a few years past. "We are entering a new era of home building, where buyers look for spiritual satisfaction rather than material gain," the <u>Builder</u> study concludes. Not the kind of language we're used to hearing from the construction industry.

While most suburbanites are happy with where they live, growing numbers are increasingly unhappy with how much time they've been spending in their cars. More than half of Americans would prefer to walk more and drive less, a 2003 national <u>survey</u> reported, and more than a third would prefer to live in walkable communities, according to research by <u>Jonathan Levine</u> of the University of Michigan and his collaborators. Commuting by car is not only time-consuming and expensive, according to <u>research</u> by the Nobel prize winning economist <u>Daniel Kahneman</u>, it is also one of life's least enjoyable activities. Most suburbanites don't want to move to the city; they'd like the best aspects of city life—its liveliness, its amenities, its walkability—to come to them.

Suburban Town Center
Greenfield

Rank	City	Human Capital	Human Capital Rank	Income Per Capita	Income Rank	Travel Time to Work	Travel Time to Work Rank	Overall Index Score
1	Bethesda, MD	81.7%	1	79,405	2	25.3	20	23
2	Princeton Township, NJ	75.9%	2	56,360	7	25.5	21	30
3	Highland Park, TX	74.7%	3	97,008	1	27.5	32	34
4	Evanston, IL	62.4%	13	33,645	28	17.0	1	42
5	Birmingham, MI	67.1%	8	59,314	6	26.7	29	43
6	Coral Gables, FL	62.5%	12	56,220	9	26.2	24	45
7	Winter Park, FL	50.1%	26	38,791	19	18.8	3	48
8	Menio Park, CA	61.7%	15	53,341	11	25.5	22	48
9	Lake Forest, IL	73.8%	5	77,092	3	33.7	43	51
10	Kirkland, WA	47.4%	28	38,903	18	21.6	6	52
11	Woodlands, TX	55.7%	21	37,724	22	21.9	9	52
12	Bellevue, WA	54.1%	22	41,994	16	23.8	14	52
T-13	Culver City, CA	50.4%	25	38,063	21	21.6	7	53
T-13	Palo Alto, CA	74.4%	4	56,257	8	31.7	41	53
15	Silver Springs, MD	49.9%	27	36,844	23	18.8	4	54
16	Santa Monica, CA	62.1%	14	60,774	5	28.3	35	54
17	Clayton City, MO	69.7%	6	48,055	12	29.9	37	55
18	Plano, TX	53.3%	23	36,514	24	22.1	10	57
19	Addison, TX	44.6%	30	38,606	20	21.8	8	58
20	Boulder, CO	66.9%	9	27,262	36	23.8	15	60
21	Ann Arbor, MI	69.3%	7	26,419	38	24.2	16	61
T-22	Alexandria, VA	59.9%	16	53,908	10	29.4	36	62
T-22	Greenwich, CT	58.8%	18	74,346	4	30.4	40	62
24	Pasadena, CA	45.3%	29	39,190	17	24.6	17	63
25	Cambridge City, MA	65.1%	10	31,156	30	26.4	28	68
26	Hoboken, NJ	59.4%	17	43,195	13	30.2	38	68
27	Reston, VA	62.8%	11	42,747	14	34.7	44	69
28	Ft Lauderdale, FL	31.5%	37	27,466	34	18.4	2	73
29	The Glenn (Glenview Village)	55.9%	20	42,384	15	30.3	39	74
30	Burbank, CA	32.7%	36	32,208	29	22.6	11	76
T-31	West Palm Beach, FL	29.3%	40	27,466	35	21.0	5	80
T-31	Glendale, CA	37.7%	35	29,758	32	23.2	13	80
33	San Mateo in SF	39.0%	34	36,045	25	26.2	25	84
34	Stamford, CT	39.6%	32	34,987	26	26.4	27	85
T-35	White Plains City, NY	41.1%	31	33,825	27	27.0	30	88
T-35	Rockville, MD	52.9%	24	30,518	31	27.5	33	88
37	Decatur County, GA	56.0%	19	38,791	33	32.5	42	94
38	Frederick, MD	29.9%	38	23,053	41	24.9	18	97
39	Buckhead	10.7%	44	13,253	44	22.8	12	100
40	Tempe, AZ	39.6%	33	22,406	42	26.3	26	101
41	Costa Mesa, CA	29.1%	41	23,342	40	25.8	23	104
42	Elgin, IL	20.5%	43	21,112	43	25.1	19	105
43	South Beach, FL	29.7%	39	26,700	37	27.0	31	107
44	Long Beach, CA	27.9%	42	25,549	39	27.7	34	115

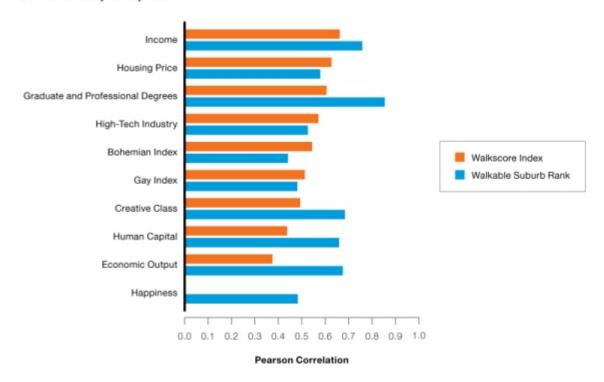
Sources: Analysis by Patrick Adler; graphics by Michelle Hopgood of the <u>Martin Prosperity</u> <u>Institute</u>. List of walkable suburbs from <u>Christopher Leinberger</u>. Human capital refers to adults with a bachelor's degree or more; travel time to work is one-way travel from work to home. Human capital, income, and travel time to work data from the <u>U.S. Census Bureau</u>.

Walkable suburbs are some of America's best places to live; they provide a model for renewal for their sprawling, spread-out siblings. Relatively dense commercial districts, with shops, restaurants, and movie theaters, as well as a wide variety of housing types, have always been a feature of the older suburbs that grew up along the streetcar lines of big metro areas. A 2007 study by suburban redevelopment expert Christopher Leinberger found more than 150 walkable places in America's 30 largest metro regions—places like Hoboken, Montclair, Maplewood, and Princeton in New Jersey; Stamford and Greenwich, Connecticut; Brookline, Massachusetts; Bryn Mawr, Pennsylvania; and Royal Oak and Birmingham, Michigan, outside Detroit. Newer versions of walkable suburbs can be found in regions that developed later, like Palo Alto in the heart of Silicon Valley; Santa Monica; Boulder, Colorado; Coral Gables, Florida; Decatur outside Atlanta; and Clayton near St. Louis.

These are the places where Americans are clamoring to live, where housing prices have held up even in the face of one of the greatest real estate collapses in modern memory, as Leinberger documents in his book, *The Option of Urbanism*. The desire for walkability can be measured in dollars and cents. Houses in walkable neighborhoods command higher prices than houses in more distant, less dense locations. A <u>recent study</u> by urbanist <u>Joe Cortright</u> for <u>CEOs for Cities</u> analyzed the sales of 90,000 homes in 15 major metros. In 12 out of 15 of them, walkability commanded a premium—sometimes of hundreds of thousands of dollars in places like the D.C. suburbs.

With help from my colleague <u>Charlotta Mellander</u>, I examined the economic relations of walkability (as ranked in Leinberger's research and by the <u>walkscore index</u>) across 40 or so other U.S. metropolitan regions. We found that metros with walkable suburbs had greater economic output, higher incomes, and higher housing prices; higher levels of human capital, higher membership in the creative class; higher levels of patented innovations and of high-tech industries and employees; not to mention higher levels of happiness.

Correlation analysis: key results



Sources:

Walkable suburbs rank is based on: http://www.brookings.edu/papers/2007/1128_walkableurbanism_leinberger.aspx The values are logged.

The walkscore index is based on: http://www.walkscore.com/rankings/most walkable cities.php. Income, human capital, graduate and professional degree, gay index, bohemian index are from the American Community Survey. Economic output is gross domestic product per capita from the Bureau of Economic Analysis. Creative Class is from the Bureau of Labor Statistics. Housing Price is from the National Association of Realtors. Happiness or well-being is from the Gallup Organization. All are for the most current year available.

It goes both ways. On the one hand, skilled, affluent people prefer walkable neighborhoods, especially when they have young families. Many move from denser city neighborhoods, like Georgetown or Adams Morgan or Capitol Hill, to places like Bethesda, or from Manhattan or Brooklyn to Montclair or Westport or Greenwich, because they can gain security and access to good schools without having to give up amenities they left behind in the city. Whether they move to these suburbs specifically *because* of their walkability, their urban virtues of mixed use and generally medium-scale density ensure that the innovation and productivity-enhancing effects of clustering continue to be available to them. Just as they did in the city, people bump into each other in coffee shops and other such Third Places; they discuss projects and make deals. This sort of thing is legendary, from Silicon Valley to Nashville's Music Row.

If America's oldest suburbs have been its most resilient, they are not its most typical. Many of the inner-ring suburbs that boomed after World War II started out with more modest endowments of human and physical capital; some of them have since lapsed into significant disrepair. But as the metro areas continued to expand, many of these places have seen their land values rebound because they're closer in. Ferndale, Michigan, just outside of Detroit, has gone far to revitalize itself by promoting its art scene, building affordable housing, and by marketing itself as gay friendly. Arlington, Virginia, has added density by building mixed-use high-rise complexes at its 11 Metrorail stations while encouraging the development of

independent businesses in its older neighborhoods. It is a place of exhilarating contrasts, with funky coffee shops, vintage clothing stores, and places to hear indie bands close upon gleaming office towers and chain restaurants. Bellevue, Washington, just across from Seattle which has been retrofitting and adding density and mixed-land use to its downtown for some time, recently launched a major core-building initiative, the "Bel-Red Area Transformation," a 900-acre urban infill project that will bring mixed-use development, light rail, new streets, parks, and open spaces to a disused stretch of highway.

But not all of America's suburbs have the option of developing compact cores along streetcar lines or transit; not all are filled with old, wonderful housing stock that is ripe for gentrification, not all of them are filled with the kinds of mega-talented techies and visionaries who are flocking to Silicon Valley. Many are sprawling, relatively characterless places, with spread out populations living in cookie-cutter houses on large lots, who commute long distances to work. These suburbs have to rebuild from the bottom up.

In Phoenix, Arizona, three abandoned strip malls, clustered at the corner of 40th and Campbell Streets, have been converted into a restaurant, an upscale grocery, a chic bakery, and a cocktail bar. It's called Le Grande Orange and it has become a huge attraction, both for customers and local home buyers, who want to live within walking distance of it.

<u>National Harbor</u>, a mix of hotels, residential units, marinas, parks, stores, and indoor and outdoor entertainment venues, is being built on the footings of two previous failed projects in Prince George's County, Maryland. When completed, it will extend along a mile and a quarter of the Potomac.

Two professors of urban design and architecture, <u>Ellen Dunham-Jones</u> of Georgia Tech and <u>June Williamson</u> of City College of New York, have literally written *the* book on the challenges and opportunities that our failing suburbs present—<u>Retrofitting Suburbia: Urban Design Solutions</u> <u>for Redesigning Suburbs</u>. Documenting strategies of redevelopment, re-inhabitation, and regreening, they focus on what to do with superannuated or abandoned malls and suburban office and industrial parks.

As Americans take their business to larger and larger "mega-malls," the smaller, older ones are left to languish. A 2001 PricewaterhouseCoopers study found that one in five malls were dead or dying - 7 percent were effectively dead and another 12 percent were vulnerable and likely to fail in the near future. But these troubled malls have become the sites of a wave of renewal. Outside of St. Paul, the parking lot that surrounded a dead shopping center built on land fill was turned back into wetlands—which in turn attracted new "lakefront" townhome development. In Lakewood, a suburb of Denver, Colorado, a dead mall on a single 103-acre superblock is being transformed into Belmar—22 urban blocks with parks, bus lines, restaurants, stores, and 1,300 new households—the downtown that Lakewood never had. Eight of the 13 regional malls in the Denver area are now planning or have completed makeovers.

But perhaps the biggest retrofit of all is happening in <u>Tysons Corner, Virginia</u>, the virtual archetype of an auto-dependent, sprawling edge city. Located near the junctions of three major highways, it boasts 25 million square feet of office space and four million square feet of retail space (including one of the largest malls on the East Coast). Though only 18,500 people live there, its population swells to 120,000 every day. Decades ago, developers hailed it as the wave of the future—one of hundreds of new stretched out, auto-dependent satellite centers that would render our old downtown commercial centers obsolete. But for all the jobs it supports, stores it houses, and tax revenue it generates, Tysons Corner has been losing out of late. Its perpetual traffic gridlock and its lack of human energy have caused homebuyers to choose other places; some of the companies that were headquartered there have even moved back into the District of Columbia.

But now a major retrofit is in motion, led by its major developers and land-owners who seek to make it more walkeable, denser with a more integrated mix of uses, and more connected to the city via transit. When the D.C. Metro announced plans to build an extension to Dulles Airport that would pass through Tysons Corner, the biggest debate was not about whether or not it was needed, but whether or not to bury it underground – an expensive proposition, but one that would free up land for even more integrated mixed-use development. On June 22, 2010, the Fairfax County Board of Supervisors adopted a comprehensive plan that would transform the town from "a sprawling suburban office park" to a "24-hour urban center where people live, work, and play." There is a certain irony in this. America's archetypal Edge City is seeking to reinvent itself as a place whose hallmarks will be walkability, green construction, access to public transportation, and abundant public amenities, like parks and bicycle trails—something that sounds very much like a real city. And, what's also pretty astonishing is it has competition. Nearby edge cities in Crystal City and White Flint have proposed similar transit-based retrofits of hundreds of acres. It is something that needs to happen—and that is starting to happen—across more and more of our suburbs.

There are countless other opportunities for reclamation, all across America. Disused golf courses can be transformed into parks and nature sanctuaries; abandoned car dealerships can be landscaped and developed as new, mixed-use neighborhoods. Whole commercial corridors, as Dunham-Jones and Williamson put it, "are being retrofitted in ways that integrate rather than isolate uses and regenerate underperforming asphalt into urban neighborhoods." Developers are decking over the parking lots at commuter rail stations and building high- and mid-rise office/commercial/residential complexes atop them; they are cutting streets through formerly walled-off corporate campuses and adding restaurants, stores, and public spaces. While the recession has slowed down most of the suburban renewal projects, it's provided further impetus for community service and regreening efforts. Abandoned big-box stores are being made over into senior centers and schools and libraries—amenities that are just as essential for neighborhoods as eateries and boutiques. Most of these retrofits, of course, are a far cry from the organic authenticity of "real cities," Dunham-Jones and Williamson note, but they build community and lay the groundwork for still further redevelopment. Writ large and multiplied across hundreds of other metros, they are remaking the way Americans live and

laying the groundwork for future economic prosperity. This type of strip commercial redevelopment will be the major development feature of the next generation.

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The drive to renew our far-flung suburbs may seem like a tall order for a recession-weary nation, but it's a lot less farfetched than someone in 1950 saying that those old decrepit urban warehouse and factory districts would turn into some of America's most vibrant and expensive neighborhoods someday. Not to mention that remaking the suburbs, where so many Americans live, is far, far more important to our overall economic recovery and broader quality of life.

Historically, America's economic growth has hinged on its ability to create new development patterns, new economic landscapes that simultaneously expand space and intensify our use of it. Our rebound after the panic and long depression of 1873 was forged by our transition from an agricultural economy to an urban-industrial one organized around great cities and their early streetcar suburbs. Our recovery from the Great Depression saw the rise of massive metropolitan complexes of cities and suburbs. The drive to remake our suburbs today, to turn them into more vibrant, livable, people-friendly communities—and, most important, to create the strategically located pockets of density required for innovation and productivity growth—may provide our own troubled era with the fix that it so desperately needs.