

Dreams to own home die hard

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By Edward Peeks

CHARLESTON, W.Va. -- Some unbelievable and provoking things, for better or worse, will emerge in the recovery from the present recession, according to the cover story on "How the crash will reshape America" in the March issue of Atlantic magazine.

The prediction of death to the American dream of owning a home grabs and holds me like no other, such as the death of factory towns and new limits on suburban growth, replaced by a new landscape of technological and scientific prosperity, as seen by writer Richard Florida.

"The solution begins with the removal of homeownership from its long-privileged place at the center of the U.S. economy," Florida writes. "Substantial incentives for homeownership (from tax breaks to artificially low mortgage interest rates) distort demand, encouraging people to buy bigger houses than they otherwise would."

That, in his judgment, means less spending for medical technology, software or alternative energy-sectors and products to drive U.S. growth and exports.

Florida says, in effect, the homeownership dream in West Virginia and other states becomes an economic nightmare for the nation. "If anything, the government should encourage renting, not buying," he adds.

His view flies in the face of veteran West Virginia builder Ken Auvil of Belington and the like-minded. Builders in the state have long regarded homeownership as essential to the building industry and the economy. Homebuilding creates jobs and promotes sales and credit for home products.

Auvil and colleagues have been on the cutting edge of the "build green" movement in the country to conserve energy in the long run by new methods and materials used in the construction of homes, offices and public buildings.

"The foreclosure crisis creates real opportunity here," writes Florida. "Instead of resisting foreclosures, the government should seek to facilitate them in ways that can minimize pain and destruction."

He believes that banks could be required to offer to rent homes to previous owners at market rates that are usually lower than mortgage payments.

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It should be noted, however, that in areas of California banks are having a problem with the former homeowners returning as squatters.

West Virginia stands in the top tier of homeowners in the nation. The state led with 69 percent of occupants who owned their homes in the Census of 2004.

But it was understood then as now that many homes in the Mountain State stand in need of repairs from foundation to roof. Refinancing to repair or replace the dilapidated spots the subprime mortgage mess nationwide, but overall it smells of greed and gambling by money managers and manipulators.

Yet life remains for homeownership now and in the future, as indicated by the 5 percent rise in February in existing and new home sales nationwide. Mortgage interest rates remain lower than in a long, long time.

What's more, the homeownership dream lives in the Obama administration's economic stimulus package. Also, in the West Virginia Housing Development Fund for lending and counseling to homebuyers.

Peeks is a retired business/labor editor of the Gazette.