

Suburbia's not dead yet



Some believe high gas prices will force a migration back to cities. Don't bet on it.

By Joel Kotkin
July 6, 2008

While millions of American families struggle with falling house prices, soaring gasoline costs and tightening credit, some environmentalists, urban planners and urban real estate speculators are welcoming the bad news as signaling what they have long dreamed of -- the demise of suburbia.

In a March Atlantic article, Christopher B. Leinberger, a visiting fellow at the Brookings Institution and a professor of urban planning, contended that yesterday's new suburbs will become "the slums" of tomorrow because high gas prices and the housing meltdown will force Americans back to the urban core. Leinberger is not alone. Other pundits, among them author James Howard Kunstler, who despises suburban aesthetics, and New York Times columnist Paul Krugman, see the pain in suburbia as a silver lining for urban revival.

Not so fast. **The "out of the suburbs, back to the city" narrative rests more on anecdote than demographic or economic fact.** Yes, high gas prices and rising sub-prime mortgage defaults are hurting some suburban communities, particularly newly built ones on the periphery. But the suburbs remain home to a majority of Americans and a larger proportion of U.S. families -- and people aren't leaving those communities in droves to live in cities. Even with economic growth slowing, many suburbs, exurbs and smaller towns, especially those whose economies are tied to energy, are continuing to do better than most cities in terms of job creation and population growth.

The ominous predictions that the end of suburbia is at hand echo those in the 1970s, when there was also a run-up in gasoline prices. Then it was neo-Malthusians such as biologist Paul Ehrlich, the author of "The Population Bomb," who argued that the idea of suburbia was unsustainable because it eats up so much land and energy. But suburban growth continued as people bought more fuel-efficient cars and companies moved jobs to the periphery, which cut commuting times. Contrary to pundits' forecasts, during this decade of high energy prices, the country's urban populations, for only the first time in recent history, actually fell, according to a census analysis by economist Jordan Rappaport at the Federal Reserve Bank of Kansas City.

But today's gas prices, at more than \$4 a gallon, are the highest ever, and the prospects of them significantly dropping any time soon are slight. The conditions for an exodus from suburbia to the cities would seem ideal once again.

Nevertheless, since 2003, when gas prices began their climb, suburban population growth has continued to outstrip that of the central cities, with about 90% of all metropolitan growth occurring in suburban communities, according to the 2000 to 2006 census. And the most recent statistics from the annual American Community Survey, which is conducted by the U.S. Census Bureau, show no sign of a significant shift of the population to urban counties, at least through 2007.

The flat condominium markets in most large urban markets are another sign that people are not streaming into cities from the suburbs and buying. Many condo projects in such cities as Los Angeles, Chicago, Miami and San Diego have either been canceled or converted into rentals, with many units remaining vacant. As a Southern California condo developer told me recently, lower house prices are not going to make people more disposed to buying apartments.

But the biggest reason the suburb-to-city narrative is not following the script of the urban boosters and theorists has to do with employment. Living close to your workplace makes sense, not only because it cuts commuting costs and reduces greenhouse-gas emissions -- by saving time, it also gives people more time for family and leisure activities.

The problem for many cities is that they lack the jobs for people to move close to. Since the 1970s, the suburbs have been the home for most high-tech jobs and now the majority of office space. By 2000, only 22% of people worked within three miles of a city center in the nation's 100 largest metro areas. And from 2001 to 2006, job growth in suburbia expanded at six times the rate of that in urban cores, according to an analysis of Bureau of Labor Statistics by the Praxis Strategy Group, a consulting firm with which I work.

A desire to live closer to their jobs doesn't mean that people have to move to the inner core, particularly if that's not where the jobs are. Of the 20 leading job centers in Southern California by ZIP Code, none are downtown. The central core does remain an important job center, but it accounts for barely 3% of regional employment. Among those who work downtown, some may shift from cars to public transit, although many will simply buy a more fuel-efficient car and stay put in the suburbs.

For residents who live in suburban areas with large concentrations of employment -- Burbank, Ontario and West L.A. -- commutes to work can be shorter than those experienced by their inner-city counterparts, according to Ali Modarres, a professor of geography at Cal State Los Angeles. Commutes in these communities, on average, are less than 25 minutes, while in high-density areas, such as Pico-Union, they average 35 minutes.

The relative and continuing health of these suburban employment centers would seem to preclude any large-scale flight to cities. But urban areas with limited or shrinking employment opportunities, and suburbs that bet on housing to sustain their economies, will continue to have trouble attracting residents either because of a scarcity of jobs or long commutes at a time of expensive gas.

The suburb-to-the-city narrative faces other obstacles. By the early part of the next decade, the large millennial generation born since the early 1980s will begin to form families, and they will, as have previous generations, probably seek open space and good schools for their children -- and that means they will settle in the suburbs. And there is no census evidence suggesting that immigrants have reversed their decade-old pattern of moving to the suburbs.

The growth of telecommuting, fed by technological advances, further ensures that suburbia has a future. By 2006, the expansion of home-based workers had grown twice as quickly as in the previous decade. And by 2015, according to demographer Wendell Cox, there will be more people in the country working electronically from home full time than are taking public transit.

More numerous will be those who work at home part time. Nearly 29 million Americans telecommute at least once a month, according to WorldatWork, a nonprofit consultancy. At many companies -- IBM, Sun Microsystems and AT&T among them -- upward of 30% of their employees work from home. In some regions, such as the San Francisco Bay Area and Los Angeles, almost one in 10 workers are part-time telecommuters, according to a 2004 study done by Resources for the Future, a Washington-based think tank.

Continuing high energy prices will likely change the nation's geography, but not in ways some urban theorists are predicting. **Rather than cramming more people and families into cities, they may instead foster a more dispersed, diverse archipelago of self-sufficient communities. From here, that looks like a far more pleasant scenario not only for suburban and exurbanites but for urban dwellers who don't want to live under dense conditions reminiscent of 19th century industrial cities or the teeming metropolises of the contemporary Third World.**

Joel Kotkin is a presidential fellow in urban futures at Chapman University and executive editor of the website www.newgeography.co