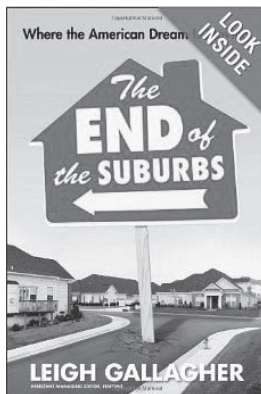


The End of the Suburbs: Where the American Dream Is Moving

by Leigh Gallagher (© 2013, Penguin Group, 273 pages)

REVIEWED BY ROY J. SCHNEIDERMAN, CRE, FRICS



THERE ARE MANY INTERESTING and important issues to discuss with respect to the residential real estate sector in America today: regional population shifts, aging demographics, changing immigration patterns, the impact of transportation costs, heightened environmental awareness, rapidly changing technologies, and generational preferences

(either cyclical or structural), just to name a few.

If someone is interested in a thoughtful, well-researched, and balanced discussion of these issues, I recommend giving a pass to *The End of the Suburbs* by Leigh Gallagher. Rather, *The End of the Suburbs* presents a fairly superficial treatment of the issues, where all roads lead to “the end of the suburbs”—or at least some of the suburbs, a point which will be examined later in this review. No doubt this book will be very well-received by people who already agree with the sentiment implicit in the title. But the book will do nothing to influence those who disagree, and only moderately inform those who are trying to form an opinion.

The book contains interviews with a diverse group of people in support of its central thesis: urbanites who think the suburbs are ended, former suburbanites who think the suburbs are ended, homebuilders who think the suburbs are ended, homemakers who believe the suburbs are ended, academics who believe the suburbs are ended, and activists who believe the suburbs are ended. Well, you get the idea. Homebuilder Toll Brothers, frequently both praised and quoted throughout the book, is used to represent both the suburban and the urban perspective.

About the Reviewer



Roy J. Schneiderman, CRE, FRICS, principal, Bard Consulting LLC, San Francisco, has provided real estate consulting services since 1984. Prior to founding Bard Consulting in 2004, Schneiderman was a partner for Sedway Group (acquired by CBRE in 1999). He earlier worked as a real estate consultant at Deloitte, a global accounting and consulting

firm. Schneiderman's areas of expertise include real estate investment analysis, quantitative analysis, asset and manager workouts, investment manager due diligence, development feasibility, real estate investment strategy formation, land-oriented investment strategies, and real estate litigation. His professional affiliations include: Fellow of the Royal Institute of Chartered Surveyors; The Counselors of Real Estate; Pension Real Estate Association; National Council of Real Estate Investment Fiduciaries; Editorial Board member of Real Estate Issues journal; Editorial Board member of The Institutional Real Estate Newsletter—North America, and NASD Dispute Resolution Board of Arbitrators. Schneiderman earned a master's degree in business administration from Education University of California/Berkeley; a master's degree in philosophy from Yale University in New Haven, Connecticut; and a bachelor's degree in philosophy and religious studies from Beloit College in Beloit, Wisconsin.

The End of the Suburbs acknowledges that there are still many people living in the suburbs, but for whatever reason, Ms. Gallagher cannot seem to locate them—at least not those that are happy. There is also very limited reference to academics or essayists who challenge the book's thesis, although dissenting voices do make a cameo appearance starting on page 192 of the 273-page book, including one fairly bland generic reference to the prolific New Urbanism skeptic Joel Kotkin.

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Interestingly, the author acknowledges that 2013, the year of the book's publication, does not mark the end of *all* suburbs. Indeed the last chapter of the book contains a fairly balanced discussion, wherein it is acknowledged that the future will likely contain a multitude of living options. And an earlier chapter ends with the eminently reasonable "[People] will increasingly be able to choose their own adventure, whether that's a house in classic suburbia, an urbanized suburb like the ones preferred by the New Urbanists and a growing number of traditional developers are creating—or, as ever increasing numbers of singles, boomers and even young families are opting for, the urbanized lifestyle of settling down in a big city."

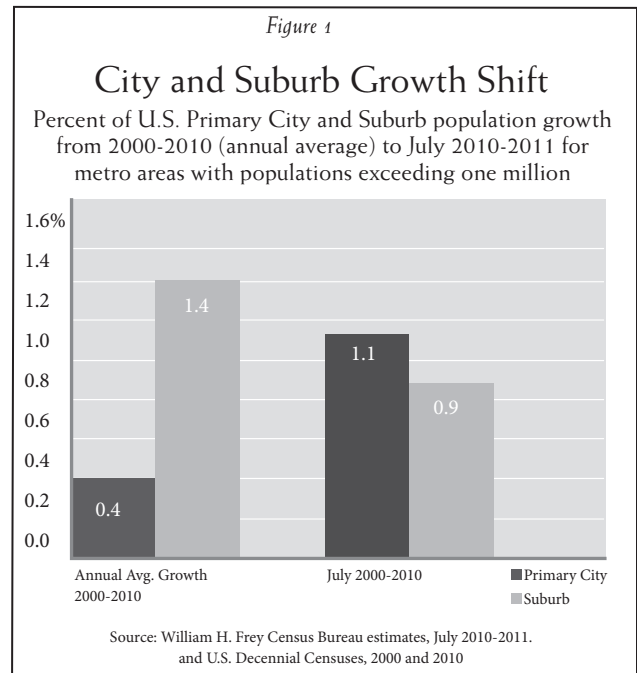
Thus, it is both surprising and unsurprising to find that the central thesis of *The End of the Suburbs* is not actually that the suburbs are ending. Ms. Gallagher frequently mentions that there are good suburbs that are walkable, have a diverse housing stock and utilize certain contemporary design characteristics. These "good" suburbs are not ending. It is only "bad" suburbs that are "ending." An entire chapter entitled "The Urban Burbs" is devoted to this suburban version New Urbanism, a concept which is also interspersed throughout the book.

So, on the one hand it is argued that the suburbs are ending because of issues like long commutes, high transportation costs and a lack of diversity. This points toward a "return to the city." But more often, Ms. Gallagher's criticism is with the design of some suburbs and great praise is heaped upon older suburbs that maintain or adopt New Urbanism principles or new suburbs designed with New Urbanism specifications, even though these locations often suffer from long commutes, high transportation costs, do not necessarily have a diverse population, etc. On balance, the book is at least as much about redesigning suburbs as it is about suburbanites returning *en masse* to the cities, although many of the personal testimonials in the book are of the latter nature.

The book also has a tendency to latch onto specific statistics and declare a sea change. For example, Ms. Gallagher writes "Our nation's big cities have blossomed in the last decade. Reversing a 90-year trend, in 2011 our largest cities grew more quickly than their combined suburbs" and sources a Brookings Institute piece based upon Census Bureau data. Fair enough. But is a short break in an almost century-long trend enough to draw the conclusion that the "trend reversal" is permanent or even long-term? Certainly not according to the author of

the Brookings Institute piece, William Frey, who writes (emphasis added) "At least temporarily, this puts the brakes on a longstanding staple of American life—the pervasive suburbanization of its population..." And he continues "This ... reversal can be attributed to a number of forces. Some are short-term and related to the post-2007 slowdown of the suburban housing market, coupled with continued high unemployment which has curtailed population mobility, now at a historic low. However, at least some cities may be seeing a population renaissance based on efforts to attract and retain young people, families and professionals." While Mr. Frey and the author of this review see an interesting statistic that may point in a certain direction, for certain cities, Ms. Gallagher sees a demographic sea change that needs little further examination.

And as a matter of fact, in the previous decade, Suburb handily outgrew Primary City as shown in the graphic below from the same Brookings Institute piece cited in *The End of the Suburbs*, which suggests, but by no means proves, that the 2010/2011 reversal is not the result of a long-term, inexorable shift of sentiment, but could be a short-term blip.



Although the book does occasionally address facts or thoughts pointing in conflicting directions, more often they are left unexamined. The partial tension that exists between the "back to the city" thesis and the

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“New Urbanism” thesis is mentioned, but not explored in any depth.

Other representative examples include Millennials being identified as wanting “lots of space for entertaining, enough room for the Wii, open kitchens to cook for themselves and their friends, outdoor fire pits, maybe a space for their dog.” Then one page later it is noted that there is “a rush to build what the market thinks Millennials are going to want in cities: hyper-small apartments and condos....” The book praises multi-generational homes constructed by Lennar without noting that most of those are being built in the suburbs— many in traditional suburbs. Libertyville, Illinois, is praised for its New Urbanism development in one chapter, and then noted for losing a corporate headquarters that

is moving to downtown Chicago in another. While these items may point in disparate directions, it is not impossible to reconcile them. However, to do so requires an acknowledgement that changing housing patterns involve a complex set of issues that defy the generally unchallenged pronouncements and isolated data-points that make up much of *The End of the Suburbs*.

By way of disclosure, although born in a city, the author of this review spent almost all of his childhood and high school years in the suburbs, and has lived in walkable, urban infill neighborhoods ever since. he does not, however, believe that the suburbs are ended just yet. ■