

Book ties foreclosures to suburbs, points to revitalization of cities, walkable communities

By **KERRY L. BEISER**

The recent foreclosure crisis has masked the true, underlying problems facing U.S. suburbs, according to the author of a new book entitled *Foreclosing the Dream: How America's Housing Crisis Is Reshaping Our Cities and Suburbs*.

Author William H. Lucy, an urban planning professor at the University of Virginia, is the first to examine the full impact of foreclosures in conjunction with other factors such as the influence of politics, household demographic changes, household income and national housing policies to generate a comprehensive view of what is happening in our communities.

Lucy has examined the foreclosure rates in 236 countries in the 35 largest metropolitan areas - including the St. Louis metro area - combined with housing and income characteristics in each of the 50 states. By doing so, he has been able to provide a more complete understanding of the housing and financial crisis that began in 2008.

He found consistently higher rates of foreclosures in new suburbs and exurbs (the area between the suburb and city), compared to lower rates in cities.

"An interesting statistic to note in the St. Louis metro area is that as of mid April, the most recent data I have available, St. Clair County has by far the highest bank repossession rate of any county, as a percentage of housing units, in that entire

metro area," Lucy said. "St. Clair County recorded 1.89 percent of housing units as bank-owned, compared to 0.47 percent for Madison County and 0.54 percent for the entire city of St. Louis."

In November 2008, in the San Francisco metro area, the foreclosure rate of suburban Solano County compared to San Francisco city was 15 to 1. In Washington D.C. for that same time period, Prince William County reported a 10 to 1 foreclosure ratio compared to the District of Columbia.

Energy costs are one of the factors that caught homeowners off guard, according to Lucy, digging into their reserves and making it difficult to meet their monthly mortgage obligations.

"Another unknown, and I think the most sweeping change that has been virtually missed by real estate analysts," he said, "has been the demographic changes over the past decade relative to home ownership. For example, there's been a big increase in the 'over 55' age group...from 2001-2009, there was an 8 million increase in the 'over 55' head of household group. Simultaneously, there was a 3.7 million decrease in the '30-45' age group. This has a lot to do with explaining that huge overhang of houses for sale. That huge overhang was present before the foreclosures started, and it has a lot to do with why the panic started...too many people in the sell category and not enough in the buy category," he added.

The traditionally safe opportunity for families to buy a home, own it for two to three years and recoup closing costs to break even if the need to move arises no longer exists in today's market, according to Lucy. "Instead of a sure shot, that's a long shot," he said.

But beyond the dire prediction that America's suburbs are drying up, Lucy's book offers data and commentary to support the fact that there is growing revitalization in cities and in walkable communities. Lucy's research shows that central city improvements throughout the past 10 years illustrate a pattern of growing revival.

"In 1950 the median size new house was 1,100 square feet," he said. "By 2005, it was 2,200 square feet. People traditionally have become accustomed to having a bigger house, but we're starting to see a trend toward quality, toward a simpler lifestyle and toward an easier commute. All these factors play well with the decision to move back to the city, and that bodes well for urban revitalization."

Richard Ellerbrake is a long-time resident of Southwestern Illinois and spokesman for Stop 158, a Metro East citizens' organization advocating smart growth. Ellerbrake says as painful as the foreclosure crisis has been, it's an opportunity for communities and individuals to learn how to live better by living smarter.

"The foreclosure crisis is terribly painful for many, but that crisis offers opportunity if we are willing to step up to a new future," Ellerbrake said. "Mr. Lucy may be a tough sell because what he says will not be popular with those who have a fetish for growth, and that includes most of us who do not see small as beautiful. For decades cities have suffered with the growth of suburbs; now it's reversal time, and cities may slowly begin to thrive as the end of suburbia looms even closer. This is not doomsday talk. It's talk of a new birth of creative vitality calling out the best in us."