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Lifestyle preferences are shifting

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Americans are undergoing a fundamental shift in where they want to live, work and play, says Christopher Leinberger of the Brookings Institute think-tank.

"This is not just a normal cyclical downturn," he said. "We've structurally overbuilt retail, office and housing, and we've done so in the wrong places.

"Gen Xers and Millennials want a lifestyle closer to 'Friends' and 'Seinfeld' that is walkable and urban, than to Tony Soprano, low density and suburban," he said. "It's not that nobody wants Tony Soprano. About 50 percent of Americans actually do want that configuration.

"But if we've built 80 percent of our housing that way, that's the definition of oversupply. The other 50 percent of Americans want walkable urban arrangements and yet that's just 20 percent of the housing stock. That's called pent-up demand. So the market is just responding."

So in practical terms, how do towns get on the right side of this multi-decade imbalance between supply and demand?

"You need to get the right infrastructure in," Leinberger said. "Doing so is a three-step process. First, getting a transit connection that can anchor a walkable urban core.

"Second is putting in overlay zoning districts around the train stations that will allow for much greater density and mixed use development. We're talking about a hundred, two hundred, three hundred acres.

"The third step is to get in place an entity to manage the thing, which generally takes the form of a non-profit business improvement district," he said. "These things are very complex, but we know how to do it now. We didn't 50 years ago, but we do now."