STANDARDIZING THE AMERICAN DREAM

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Today's marketplace for real-estate development plays a major but often overlooked part in the dynamics of transportation and land use. This marketplace reinforces conventional U.S. development patterns, which are driven by ubiquitous automobile ownership and demand for parking. The homogeneity of these patterns, resulting in a geometric expansion of land use compared with underlying population growth, is attributable to a relatively small set of now-standard formulas for construction. Small wonder then that most metropolitan areas have a similar design character and are environmentally and economically unsustainable.

Understanding current patterns of land use and formulating alternatives should begin with an appreciation of the new realities of real estate finance. The U.S. real estate industry invests more capital—approximately $9 trillion—than any other industry in the economy. Because of poor performance in the late 1980s and early 1990s, however, the real estate community is no longer trusted to use such vast sums of money without strict controls. Professional money managers and investment bankers are becoming the gatekeepers for capital-investment decisions regarding real estate. This change favors types of construction that have proven successful in the past, reinforcing formulaic development. Today money managers can quickly and inexpensively finance only about 18 types of construction. Formulas for these products include neighborhood centers of between 7432 and 13,935 square meters (80,000 to 150,000 square feet) that are anchored by grocery or drug stores, have surface parking, and are designed to serve residents within a 3- to 6-kilometer (2- to 4-mile) radius. Other formulas are 2- and 3-story rental apartments of between 100 and 500 units with surface parking or, increasingly, attached garages, and move-up detached housing of 0.013-hectare (0.3-acre) lots with houses of between 167 and 279 square meters (1,800 and 3,000 square feet). For offices, there are 2- and 3-story buildings, measuring between 4645 and 9290 square meters (50,000 and 100,000 square feet), with surface parking, in outer suburban locations. Other formulas for commercial products include 1-story, 9290-plus square-meter (100,000-plus square-foot) warehouses with a a6.7-meter (22-foot) or higher clear-span height and laser-leveled floors to accommodate automatic storage and retrieval systems, and "power centers" made up of many "big box" retailers and surface parking designed to serve residents within a 4.8- to 8-kilometer (3- to 5-mile) radius.

These formulas change somewhat in size and character with the pressures of supply and demand, but they also accelerate the trend toward a homogeneous built landscape. As standardization is codified by the real estate finance community, local input and control diminishes. With the possible exception of superficial architectural details, an apartment in Atlanta looks like one in Los Angeles; a housing subdivision in Kansas City looks the same as one in Orlando. The ever-present commercial strip, probably the most significant American contribution to 20th-century architecture, has led to biting

commentaries, including *The Geography of Nowhere* by James Kunstler, who called the built landscape of the United States a “hostile cartoon environment.”

How are Americans reacting to the formula-driven environment being created across the country? Visual preference surveys by Princeton-based planner Anton Nelessen reveal that many people consider conventional, formula-codified development to be an evil. In what may appear to be a blinding flash of the obvious, Nelessen has consistently shown that pedestrian-oriented village retail is overwhelming and consistently preferred to eight lanes of traffic separating the big discount retailer from the fast-food purveyor.

Given the apparent antipathy toward current real-estate development patterns, how can we account for our acceptance of them? One explanation from critics of conventional development patterns, such as Peter Calthorpe, a leader in the New Urbanism movement, is that few alternatives to current cookie-cutter products exist. This explanation is bolstered by the public’s fondness for places that do not resemble such products: commercial areas and neighborhoods built before World War II, such as Country Club Plaza in Kansas City, Missouri, the German Village neighborhood in Columbus, Ohio, and the Upper East and West Sides of Manhattan. Elected officials or developers who attempt to change the character of these places do so at t heir own risk.

Another explanation for the apparent acceptance of current real estate development is that it represents attempts to realize what Anthony Downs of the Brookings Institution has defined in *New Visions for Metropolitan America* as the post-war American dream—”a home in the suburbs, a car, good schools, responsive local government.” As Downs notes, the realization of this dream “threatens the long-run viability of American society.” This is because the sum of decisions by individuals, families, and businesses to maximize their own benefit—whether it be convenience, safety, efficiency, or privacy—has led to traffic congestion, air pollution, rising taxes for deferred infrastructure, the loss of nearby open space, and the segregation and concentration of the poor, which in turn results in geometric increases in and pervasive fear of crime. Collectively, these unintended consequences make up a phenomenon known as the “tragedy of the commons.” This tragedy, which originally referred to the overgrazing of community-owned lands in England, today signifies the less-than-optimal combined results of individual efforts to maximize benefit. The tragedy of the commons suggests to Downs that the American dream is unsustainable and must be replaced.

Perhaps the most important reason for the acceptance of current real-estate development patterns is that Americans have traded character for efficiency. In retailing, for instance, commercial strips allow U.S. consumers to spend far less on food than consumers in the rest of the industrialized world. Discount chains can afford to offer a wider selection of goods at lower cost than the old 5 & 10. And homes in the United States are far larger for the same or lower cost. In short, standardization of our real-estate development has led to significant cost efficiencies.

Realization of the new American dream will require many more than 18 codified products that can be easily and inexpensively financed and developed.

These new products must reflect a sense of community and be environmentally sustainable yet not lose standardization's inherent cost efficiencies, which increase affordability. And these new products must be evaluated in the context of the community and metropolitan area in which t hey will be located. Such evaluation will require education, political consensus, and new decision-making mechanisms that demand a level of planning and approvals rarely accepted in the past. However, the real estate industry, the ultimate collection of can-do optimists, can prosper under this new regime, particularly if the rules are clear and certain.

Our development patterns will have to be significantly modified. The answers to how we modify them are just now becoming apparent. The only question is when the new version of the American dream can be formulated and codified.