



The American suburbs as we know them are dying

Ashley Lutz Mar 5, 2017, 7:30 AM



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Look no further than the suburbs to see how American ideals of success are transforming.

People in US suburbs are changing the way they shop, where they eat, and what they want in their homes.

Malls are shutting down as e-commerce continues to take over, and the casual-dining chains that fed shoppers after a day of hoofing it through the mall are struggling to cope.

Business Insider reporters from the consumer, transportation, news, graphics, video, and innovation teams have explored this idea in a series of stories.

We're calling it the Death of Suburbia — because if the trends that they identified continue, the suburbs as we know them could be forever changed.

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The line is blurring between city and suburb

Urban and suburban areas are becoming less distinguishable as modern populations value convenience and location over size.

The line between city and suburb has already started to blur, Fadi Masoud, assistant professor of Landscape Architecture and Urbanism at University of Toronto who contributed to a forthcoming book called "Infinite Suburbia," told Business Insider's Leanna Garfield.

"Some people still attribute the oldest part of the city, which is predominantly pedestrian-friendly and more dense, as 'urban,' and then everything else that starts going out further in distance from the core as 'suburban.' But that definition doesn't

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possession and more on walkability and environmental impact.

A rendering of the New Rochelle redevelopment. RXR Realty

McMansions are out

The cheaply constructed mansions of old are **plummeting in value** as homebuyers are more discerning.

...in August 2016. Bloomberg cited data from the real estate site Zillow that

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...the country's 100 biggest cities.



In one example, in Fort Lauderdale, Florida, the extra money that buyers were expected to be willing to pay to own a McMansion fell by 84% from 2012 to 2016. In that same city in 2012, a typical McMansion would be valued at \$477,000, about 274% more than the area's other homes. Today, a McMansion would be valued at \$611,000, or 190% above the rest of the market.

Experts told Business Insider's Madeline Stone that the youngest generations of homebuyers tend to value efficiency more than ever before and feel that McMansions are impractical and wasteful.

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Stereotypical "McMansions" are out. [pasa / Flickr](#)



As anchor-store behemoths like Macy's, Sears, and JCPenney close hundreds of locations, the [future of malls is in jeopardy](#).

The commercial real-estate firm CoStar estimates that nearly a quarter of malls in the US, or roughly 310 of the nation's 1,300 shopping malls, are at high risk of losing an anchor store.

Once that happens, it spells trouble for communities — especially those in the suburbs, where job opportunities are more limited than in cities.

"Malls are big, big contributors to city and state taxes, jobs, and everything," Howard Davidowitz, chairman of the research firm Davidowitz & Associates, told Business Insider's Hayley Peterson. "Once they close, they are a blight on the community for a very long time."

As a transformation in retail continues to shutter giants like Sears and Macy's and threaten malls across the country, food-court mainstays like Sbarro, Cinnabon, [Jamba Juice](#), and Panda Express face an uncertain future.



Business Insider/Sarah Jacobs

Companies are packing up and heading to the city

"In the past several years, a handful of America's largest corporations have [joined a mass exodus](#) from their suburban headquarters to new home bases in the city, and [millennials seem to be the driving force](#)," wrote Business Insider's Chris Weller.

Beginning in 2015, [McDonald's](#), [Kraft Heinz](#), and [ConAgra Foods](#) have all left the leafy suburbs of Chicago for office spaces downtown.

[In August](#), General Electric announced it was ditching Fairfield, Connecticut, for Boston. And several years ago, the Swiss banking giant UBS [returned to New York City](#) after 15 years in Stamford, Connecticut. The reason? UBS realized much of its top talent lived or wanted to live 35 miles south, in Manhattan.

The roads that connect suburbs to city are falling apart

The roads and bridges that connect America's suburbs are in desperation need of

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The American Society of Civil Engineers [gives the US](#) a D grade for its roads and a C-



"In suburbs, the big challenge is repairing the existing highway system," Christopher Leinberger, chair of the center for Real Estate and Urban Analysis at George Washington University, told Business Insider. "Ideally, there won't be any new highway capacity built because we can't afford to maintain what we have."

Feb. 21, 2017: the shoulder and one lane of westbound Highway 50 are damaged due to storms near Pollock Pines, Calif. The bill to repair California's roadways hammered by floods and rockslides in an onslaught of storms this winter is already at least \$550 million, more than double what the state budgeted for such emergencies. AP

Photo/Rich Pedroncelli

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Over 800 golf courses have shuttered across the US in the past decade, and data from the Sports & Fitness Industry Association has shown that millennials between the ages of 18 and 30 **lack interest** in playing the game.

Sarah Jacobs

Casual dining is in crisis

For many years, suburban residents sought the treat of going to casual-dining chains.

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But as more people choose to make their food at home, the restaurant industry is in



The weakest link in the industry was casual dining, which was the bottom performer in all but two months of the year. Most of these restaurants are in the suburbs.

Ruby Tuesday is in search of a new CEO and in the process of selling 95 restaurants amid falling sales. Bloomin' Brands, the parent company of casual-dining chains including Outback Steakhouse and Carrabba's Grill, announced plans in February to close 43 locations after a challenging 2016. Buffalo Wild Wings, where same-store sales fell 2.4% in 2016, is engaged in a power struggle with the activist investor Marcato Capital.

Facebook/Outback Steakhouse

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America's neighborhoods are changing like never before.



In this series, we explore the causes of this phenomenon and the major shifts affecting the suburbs. We'll also show what things could be like in the future.

To kick off the series, check out this exploration of [what's happening to American malls](#) and this [photo essay of deserted golf courses](#). You can see the [whole series here](#).

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