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ESCAPE TO NEW YORK

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Want to get us out of what's looking like a capital "R" Recession?

Defibrillate the suburbs - if you can.

The tenets of suburban life are the oxygen in the economic bloodstream, and the nation is suffering hypoxia. The reason a lot of folks think we're just getting warmed up on an economic swoon is that the global economy has neatly garroted all the drivers that make suburbs flourish.

For New York and other cities with respectable public transportation, it's still relatively good times; maybe too good. But have you found a seat on the subway recently?

New York City, already projected to expand to 10 million people over the next 15 years, will grow even more rapidly if these trends continue. After a half century of suburban flight, demographers from John Fregonese to Richard Florida are predicting the return of urban sprawl.

"The subprime crisis and the gas price crisis are accelerating the trend that people want to be in walkable urban areas," said Christopher B. Leinberger, a visiting fellow at the Brookings Institute, who is also a real estate developer. "It's been happening for the past 15 years and these trends have just accelerated it."

Is it any wonder that the greatest number of new housing construction starts last month - that's nationwide - were apartment buildings in New York City?

America in the early 2000s was a frothy brew of low inflation and cheap houses financed by what we'd later find out were mortgages handed out like those little dum-dum lollipops at the dentist; everybody got one no matter how bad their teeth. Nothing percolates GDP like the need to fill the screaming maw of a new home with stainless steel appliances, memory foam beds and body sculpting equipment that gathers dust while owners horf down cheese fries at TGIFridays.

To transport those consumer goods from Sam's Club, new homeowners found that cheap fuel allowed a fleet of trucks and SUVs. Their viral proliferation helped create the "virtuous" circle of the profits that flowed up and down Wall Street. The big trucks were some of Detroit's most-profitable autos. We fought terrorism with consumer spending and declared victory.

Except today the suburbs have a sort of fiscal staph infection. The nation's middle class can no longer live in a 3,500-square-foot home and drive a Chevy Yukon 30 miles to work and back each day, fork down a \$20 strip steak twice a week at Outback and still make the monthly nut. What leaves that party first is the steak, then the truck, then the house, then the color from the face of the Fed chairman.

Heating and cooling a huge home and being scattered far enough from work and shopping turns \$5 a gallon-gas and heating oil into 20 percent of your total income instead of 5 percent.

Discretionary spending that previously sent folks to Disneyworld, bought Ski-Doo's for the lake and parabolic skis for Killington instead blows out tailpipes and furnaces.

Foreclosures are the undertakers of the lifestyle; even at give-away pricing, some suburban homes lie fallow and are simply returning to prairie in a sneak peak of "Earth Without Us." In California, 41 percent of all the home transactions were foreclosures last month. The rising foreclosure rates in New York's Otsego and Chenango counties suggest the plague is closing in on New York's toniest 'burbs. In the Far Rockaways, empty lots sit next to empty apartment buildings; for cash-strapped commuters, it's a home too Far.

"If you look at what is happening in California you see the trend; in Los Angeles, neighborhoods in the western part of the city like Brentwood that are walkable are seeing their home prices go up," Leinberger says. "Homes in the far east - way over the mountains in the desert, they're dropping more than 40 percent in price - that's worse than the Depression. It's the homes on the fringes of the suburbs that are really getting hit. All that's going on is going to make this go faster."

The anathema of suburban blight won't hit New York as quickly because so many suburbanites can take a train to work. And the spending power of 8 million of the nation's most sophisticated and spend-happy consumers may yet keep things humming in the Big Apple.

But those who think this is a "cyclical" series of events, please report to the Phil Gramm Reality Isolation Bunker. Those are some of the same people who are blaming high oil prices on "speculators." I guess if you realize that the planet can't produce as much oil as it needs right now and you choose to put your money where your mouth is, you too can join the reviled ranks of "speculators."

Though more drilling may temporarily lower the price of oil, it will take either a breakthrough in garbage-powered magicmobiles or the invention of the "Star Trek" transporter to bring down the cost of living in the exurbs. As for "telecommuting" - a survey this year by CDW Corporation finds that only 14 percent of employees in the private sector work from home. Businesses have been slow to embrace offices without drones.

When and where will the recovery happen? Not in the far-flung suburbs of Dallas, with its pastoral scenes of half-million dollar homes next to McMansions burned to the ground for the insurance money. Even as prices drop, the associated costs are too high. There's too much inventory. The trouble is that's the only true "bottom" for home prices that everybody can agree on is zero; at that point, we're in Cormac McCarthy territory a la "The Road" - ash falls from the sky all the time and we're burning dollar-denominated currency for heat.

But in cities like Dallas, and Seattle, and New York, misery may find comfort in company. Wall Street's losing jobs, but with enough other urban industries, people can afford to buy - or at least rent - an apartment; sell that car and take the subway; cut up that Costco card for groceries at the bodega. No more gas grills on the redwood deck. But hey, a kitchenette! Welcome to the new urban renaissance.

The city will survive this; it may even thrive. Something tells me, though, as those huddled masses pour into the city by the thousands, yearning to breath free of filling up the Silverado, New Yorkers will have a political awakening.

Nothing will be more important to city dwellers than hybrid or electric cars. Get these people green lightbulbs and energy-efficient vent systems. Send them back where they came from, to their Best Buy parking lots and Applebee's riblets.

Long live the suburbs! It's our only hope.

