

# Changing Urban Development

## HOUSING AND COMMUNITY IN THE 21ST CENTURY

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It's always a great pleasure to talk to an Urban Land Institute group because the attendees are so earnest. They are interested in learning what one has to say and even reducing it to practice tomorrow. As we look out over the next quarter century, I will talk about three broad considerations influencing housing.

First is the factor which has to be basic to any hope or plan for changing urban development in any significant way. Second are some comments on the widespread myth and misconception of the idea of community.

Third will be developments over the next quarter century offering opportunities to developers in urban and metropolitan areas.

If you are to bring about change in the housing sector, whoever you may be, there are certain things that you have to keep in mind, or nothing will happen, because, to take a term from the political science literature, there is an iron triangle of relationships thwarting change. On one side of the iron triangle are developers. A second side is local and state governments. The third group, comprising the base of the iron triangle, is the administrative bureaucracy, the people responsible for enforcing laws and regulations. What happens is that after awhile, everyone becomes cozy and comfortable with the relationships, making it almost impossible to break out of that iron triangle to do anything that is systemic or radical.

Hence, questionable practices go on interminably. For example, as long as I can remember, there has been the universally recognized problem of multiplicity of codes, and the belief that it would be great if we had uniform codes.

Yet what happens? Nothing, because the comfort of the iron triangle prevents change. Everyone is adjusted to what

exists and fearful of what change might do.

The iron triangle is the number one factor to keep in mind if you hope to bring about change. On the other hand, if you don't want change, keep your eye on the iron triangle, because that is what keeps things at a comfortable level of expectations.

Consider local government as a side of that iron triangle. Two million apartments have been built since the Disability Act was passed. In a recent study it was found that 50% to 75% of new apartment buildings failed to comply with legally mandated handicapped access. A developer decides to cut a corner. The local government says, well, who cares, nobody is voting this, no one will pay any attention. And what ends up is the flaunting of the law and a less functional building.

The role of local government in the iron triangle is extremely important. For fifty or more years textbooks have reported a clear gradation in behavior as you go from local to federal government. Local government is much more subject to corruption and suborning, much more short-term in focus, much more parochial in outlook, and much more responsive to local pressure groups.

It is ironic in a national economy which is increasingly homogenized its values, concerns, and needs, that local government is often the fly in the planning ointment. It is local government's parochial, short-term focus that holds back change.

Sprawl is the premier failure of local government to effectively deal with an issue affecting our ordinary day to day lives. Something like 240 ballot issues have been proposed in the last few years to control sprawl. Considering the iron triangle, the smart money has to be on sprawl.

Keep developers in mind. I have never met a developer I didn't like. I have never met a developer that I thought was, in any sense, an evil person. But one has to face the question directly, why are developers in such bad odor? Why do people speak so poorly of them? What is it about developers that constantly draws negative headlines and accusatory articles?

The reason fundamentally is that there are only four core factors that drive the developer: profits, profits, profits, and law and regulation. If you hope to change the developers' behavior, it does no good to be hortatory. It does no good to do surveys. It does no good to talk with them. It does no good to counsel with them.

You must show them that either money will be lost if they don't change, or money will be gained if they do change. Of course, lying in the background, if they don't shape up, there is the worst specter in their future: new legal constraints.

There is an irony in the developer's short-term focus, coming out of the structure of the industry. Few developers have a 30, 40 or 50-year time horizon. And yet, structures they build last for 40, 50, or 60 years. The average lifetime of structures in the United States, according to the best information I have, is about 40 years. And yet, what developer is or sees himself or herself responsible on a 40-year cycle?

The developers in our culture are intrinsically, not accidentally, short-term focused. They are micro rather than macro thinkers. Consequently, they are anti-livable community.

There is a marvelous example of anti-community change a little bit outside of walking distance here in Washington. Go down Pennsylvania Avenue, Northwest, to the stretch close to George Washington University and the George Washington University Hospital. The north side was a lovely block full of small businesses, including a barber-shop and restaurants. I would challenge anyone in this room to look at the monstrosity that now stands on that block and say it is great or even good. It looks like it was designed by an eight-year-old with his first set of building blocks. For the next decades it will be an aesthetic and community insult to every person who walks on that block. Worse, it will be a prominent factor in making the dark hours threatening and void of life.

If you prefer to cast the issue into more analytical terms,

it is the problem of quality control. The money boys don't think in terms of quality control, since quality comes in so many different forms, most of which are not fungible.

Let us turn to our second issue, community. The development of housing around the country has been based upon a false premise that has received much publicity and governmental support over the last five decades. That premise is that the desire for individual home ownership is universal. It got its big impetus at the end of World War 11 when we wanted to do something for the returning GIs and to create jobs. Since suburban land was cheap, that is where the developments concentrated. That policy led to the gutting of our cities.

Cities are where healthy communities can thrive. Yet we have a romance in America about the small town. Nobel prizes in literature have been given to American authors who have exposed life in small town America. It is isolating. It is parochial. It is hostile. It is xenophobic. It folds in on itself. There is rarely a fresh thought or open discussion in small town America. Let's test this enthusiasm. How many of you would want to live in a town of 2,000? Raise your hands.

In a town of 10,000? 50,000? Do I have 100,000?

Yet, what are developers largely involved with? Creating miserable, miserable, miserable fake small towns without even the amenities of traditional small communities. It is the Iron triangle again and profit, profit, profit. Once you can convince local officials it is the way to go what do we get? Another 5,000 acres given over to Happy Land Developers.

Let us look at community and recognize what community is. The concept of community is a misshapen American myth. It goes back to this notion of the small town and all of the misleading great movies made about a small town America that never existed.

Historically, the small town is a homogenous community whether by ethnicity, race, religious background, or whatever. That sense of community has one inevitable consequence. It automatically creates the concept of us, we who live in the community, versus them, whom we don't want in our community.

That concept of community is anti-democratic, anti-social, and anti-progress. And yet, how many members of the iron triangle are waiving the banner of community

because it sounds so palsy-walsy, so cozy, so convivial. They claim they are in the community building business.

Well I don't want them to build communities. The worst communities today in America are the gated communities. And why do you have gated communities? Because those inside the gates know that all those bad, dangerous, threatening, undesirable people can be kept out with 98% reliability.

Is that what community is about in the democratic society? Is community about all us Italians gathered against the world? All us Jews gathered against the world? All us Irish gathered against the world? I can think of a miserable community embracing each one of those people in the U.S. today. I can find them in Brooklyn, in Boston, and in Philadelphia.

None of you would want to live in those communities. Community is an anti-democratic concept and reality, insofar as it mirrors life in the small town.

Now what could you say good about community? Let's back off more realistically and look at what a good community could really be about. Community can be ad hoc. I live in a neighborhood. I have lived in the same house for 30 years. I know my left-hand neighbor and his wife and his two children. I know my right-hand neighbor and his wife. I know them by first name and we have even entered each other's homes.

Across the street is a group house. I smile at them. A few houses down is a couple and two children. I have watched the children grow to very attractive teenagers. I don't know a single name in that house, family or given. Going down my street, I know the name of the guy eight houses away. On the other side of the street I know one other person because I knew her before we moved onto the street.

We have a weak but useful form of community. When a builder was going to put up an apartment house on the corner, we generated an ad hoc organization. We had a lawyer and we got some concessions from the builder. I still don't know any of those people's names. And guess what? We are all happy in that relationship.

In the modern effective community, propinquity isn't what community is all about. We need ad hoc arrangements to do things. That's fine. But let's look at some other aspects of good community and see if there is something planable there.

The school is becoming the new center of community. It used to be the church. You lived in the Polish community and you went to a Polish church. In the Ukrainian community it was the Ukrainian church. In a Jewish neighborhood it was the associated synagogues, and so on. The church, or its equivalent, was the centerpiece of many of the pre-contemporary neighborhoods.

The likely substitute today for the church role is the school. And I don't know any developers who are taking advantage of that and building a community around that concept. But schools are the things that are most affecting families' future.

Another element is safety and security. We don't have to go to gated communities to find safety and security. One of the things that one finds in a healthy neighborhood community is that everyone is relatively safe and secure. I never lock my car, I live on a safe street.

That weak kind of community is fine, and I still don't have to know my neighbors' names. I don't have to socialize with them. I don't do anything with them because my friends are spread over the metropolitan landscape and beyond.

However, what really is happening and killing the sense of neighborhood community in anything like an Irish, Italian, Jewish, Orthodox, or Polish areas is the fact that the developers, in cahoots with the other two elements of the iron triangle, have effectively wiped out the neighborhood social infrastructures that put people on the street every hour of the day or night. It used to put people where they could see each other and make those streets happy, convivial places to be. I don't think that any developer in his right mind will do anything like that now considering the four factors that drive them.

I don't see any local government doing anything about promoting livable neighborhood? The post World War II experience in American cities has been to aggressively fight against integrated communities [integrated in the sense that business activities and domestic activities existed side by side]. Instead, because of the high land values in commercial areas and the uncontrolled desire to optimize on the value of the real estate we get office buildings, which at the end of the work day become empty tombs with the street level void of anything that would keep many people out and about, with the exception of the cleaning crews. The key to safe, convivial, happy streets is to have a situation of suffi-

cient diversity and around-the-clock needs that people are drawn into the streets at virtually every hour of the day, or at least from early morning to midnight.

Let me turn more directly to my third topic, the future, and suggest some of the things that will affect the next quarter century, whether you like them or not. If you are smart, you will like them. If you are not smart, you will see them as disruptive and will first deny them, then give them lip service. And finally, when the money begins to flow in 15 years, you will slowly bring up the baggage.

There are big changes underway in work. Today, as a minimum conservative number, 5% of Americans work for corporations but don't go to work at their business sites. They work at home or in some few cases they work at satellite centers, or on the road. We anticipate that that 5% will grow to 20% by 2005 and perhaps to 40% by 2020.

There is a tip point in there somewhere. I don't know what the tip point is, 10, 15, 20, 25, 30, 35% of people not going to work. Wherever it is, it means a radical shift in a dozen ordinary relationships.

It will be goodbye blue suit. It will be goodbye to dress for success. Where will you eat? Who will you socialize with? Who will need a \$25,000 automobile to drive 4,500 miles a year? Everything in society will be changed in big or small ways for massive numbers of people.

What else will happen? Look at the house. A typical house has a bedroom for real people, and two shrunken bedrooms for children or visiting dwarfs, a kitchen, living room, dining room, and so forth. When you look at what is actually going on in America, the invasion of the home by work is transformational. How many developers are marketing homes that have a study or an office? If they are not offering that, they are already ten years behind reality.

One homebuilder here in the Washington area looked around and discovered that there were lots of unmarried people living together without any sexual relationship. He said this big bedroom, small bedroom pattern is not what those people need. He built houses with two big bedrooms. Bonanza time. He responded to a trend.

The most important trend affecting work is distributed work. If they don't change the way they design and build housing, developers will be building obsolescent homes for their customers.

What else is happening? Information technology is

affecting everything. But two of the ways in which it will hit housing is that everything will be smart. What does smartness mean? Let me give you my strong definition. Every single device, component, element, physical thing in your life, the chair you are sitting on, the table you are eating off of, the satchel that you carry to work, your car will do three things.

First, it will ask itself, am I working okay internally? Am I noisy, am I well lubricated? Second, am I performing my external task? I'm a vacuum cleaner, am I getting the dirt off the carpet? And third, if the answer is no to either of the above, it will begin repair or call for help.

Take that concept and apply it to every single physical thing in your life. If you were a dull, hostile, uninterested audience, those walls will sense that in your pheromones and turn from this nameless color, gradually to pink and onto enlivening red. Instead of allowing you to sit there in a catatonic state, it would activate you, just by sheer color, to be more lively and attentive.

Since a large part of our lives is spent in the house and home, think about what is needed. The domestic kitchen is an obsolescent carry over from the past made superficially attractive by cosmetic touches. The kitchen today reflects the failure of two of the largest business sectors in this society, people who sell food and people who sell appliances, to get together to do something productive.

In 10 or 20 years Mary will come home from work and announce, "chair, this is Mary." Tick, tick, tick, the chair will adjust itself to exactly the way Mary likes to sit. She plops into it and she is in heaven.

It is getting close to dinnertime. Charlie does dinner tonight. He hops out of his chair, makes a 15 second transit through the kitchen, presses a couple of buttons, pulls a lever, talks to some appliances and 20 minutes later there is a four course meal for four people.

Who are those four people? Well, one is macho man who wants his meat almost raw. She and the small child want it cooked normally. And toothless old grandma living with them wants her food cooked to a pulp. Everybody gets the meal exactly as they want it. And that is followed by seven minutes of cleanup.

Why don't you have that today? Everything I have said is fully technically possible today. You don't have it because nobody has taken the initiative to radically modernize the

kitchen by making it intelligent. You have a few feeble-minded things there today. You have a feeble-minded dishwasher. You probably have a feeble-minded microwave or two. But you don't have any really intelligent devices. What we need is the kitchen in which everything talks to everything else to do the kinds of things that I have just described. If those two industries, food and appliances, can't get together on their own, why don't developers get them together?

What else is happening? Information technology will move into all of the things associated with safety, security and monitoring of the building. The building will be smart. More important than the building being smart is that all the home life functions inside the building will be smart.

Demography will affect the home of the future. There are two big groups to keep an eye on over the next 25 years. One of them is aging Americans. Why keep an eye on them in particular? You may think; they are getting more and more feeble. They can't get around. They are out of the work place. They are not au courant with things, You're wrong-think again.

A 65-year-old today is worth two 25-year-olds in the voting booth. The single strongest social characteristic of aging is the propensity to vote. As the baby boomers age, they will join those ranks of insistent voters with their own new agenda.

The people who brought us the environmental movement, the historic preservation movement, and the auto safety movement, and whatever other movement you care about, when they reach their geriatric years, will not forget what they knew. They will simply be hell on wheels.

When they turn their wrath on the defective, inadequate, poorly designed, inappropriately laid out kind of stuff that is being built, their wrath will be unforgiving. Furthermore, they will have their own agenda, an agenda around the usual things of safety and comfort, but also around the things that have to do with the aging, slowness, tottering, failing sensorium - don't see so well, don't hear so well, talk too loud, all these kinds of things. All these factors will be integrated into housing design in the future.

As these baby boomers begin to retire, they will not forget anything. They will be Internet savvy and they will organize on an unprecedented scale to get what they want. And if you are the target of their wrath, you won't ever forget it.

The second demographic group to watch is singles. This has to do with the reality that those of you who are loving parents are inclined to deny. Every intelligent young person wants to get out from under your thumb. They, particularly young women, want to be free. They want to live alone if they have to. And so as soon as they graduate from high school or college, it is off to live on their own.

Young men, of course, are an entirely different species. They can lumber home, unemployed, and hover over the refrigerator at age 27 unable to find a decent job. Mom, of course, keeps feeding them.

A big market is singles. And who is designing housing for singles? Housing is designed for families. Housing for singles would be really great. And those singles will come in two broad age groups - the young singles and the geriatric and older singles.

What else is happening? You have got to look at the evil that developers have done, while not being evil people. That is, building suburbia and pushing this suburban sprawl. It goes back to the false belief I discussed on the part of middle class Americans. I have no doubt that through age seven suburban life is great. But find me a teenager who is happy in suburbia and you probably have found a cretin.

It is a commonplace in Western history, in every country of Europe and in the United States, that civilization is an urban phenomenon. If you graduate from high school or college in North Dakota, it is bye-bye wheat fields, it is hello Chicago, New York, or San Francisco. Look around closer to where you live at the suburban sprawl developers have created. Any kid whose IQ is greater than his belt size wants to get out of there as soon as there is any hope of Job in a civilized place - the city.

Suburbia is a fundamental development problem and implies a fundamental need to break the iron triangle. There is potentially plenty of money to be made in developing urban areas. There is plenty of money to be made in making cities livable. Why not break out of the iron triangle to do what is of longer term social value, rather than what has been done for 50 years now, make easy money by more and more spread of the suburbs?

What else is happening? Urban crime is moving into the suburbs. There will be more and more technology to deal with it. More cameras will be in individual homes or on busy streets.

We already have municipal systems that scan license plates ostensibly to look for people who run the red light or behave improperly. That will continue to develop. There will be more and more anticrime or crime control measures, as a poor substitute for viable neighborhoods.

Another point has to do with ethnicity and immigrants. Immigrants today comprise about 33% of net population growth. By the time 2025 rolls around, they will comprise 100% of net population growth. What they bring to us are different architectural models and different social customs. They present an increasingly important customer base.

For example, if I come from a Middle Eastern country and am likely to be Islamic, how do I achieve privacy? I achieve it in a way that none of you do. This is my living room. I signal to all I to leave me alone by standing in the corner with my back to the center of the room. In many Islamic countries there is one very large room that everybody lives in. One achieves privacy, not in the mechanical way that we achieve it, but by a social gesture.

I don't know whether the Muslims will amount to much numerically. They are about 3% of the population now, but are likely to grow in number. Ditto with Hispanics from 12 different countries. Eastern Europeans are also coming here in bigger numbers. How are they to be integrated into your planning?

Another trend, and one of the slowest trends we have ever forecast, is manufactured housing. I don't think anyone in this room would say that the labor supply connected with building is satisfactory. I doubt that many of you find labor adequately trained.

We are in a labor crisis in the building and construction sector. The obvious response to that is manufactured housing. The top price that I have seen for a manufactured house is \$600,000. I am not talking about trailers or housing where the walls rattle like TV thunder.

What I am talking about are houses and homes that are just as good as anything you build anywhere in the cities or suburbs in the United States. The advantage of manufactured housing, of course, is quality control that you can get in a factory that you can't get at the job site. Diversity of design and sureness of delivery are among the good things that come out of a factory product.

And why don't we have them? Because of the iron triangle. Who can put up 500 manufactured houses?

Nobody fight now. The biggest developers have the potential power to crack into that as an experiment. Get the variances. Get the freedom to do it. Manufactured housing would give a tremendous positive jolt to housing

What I hear in talking to developers is that when the development is finished, when the houses are occupied, they get an average dozen complaints from the new owner. How many complaints do you have about your Sony? How many complaints do you have about your Lexus? How many complaints do you have about your Cadillac? How many complaints do you hear for anything that even begins to approach 10% of the value of what people pay for a house?

It would be utterly unacceptable if you had to take your Cadillac back 12 times to be fixed. Schlockmeisters appear to have a dominant role in building construction. There is no reason for that. ("Schlockmeister" is Yiddish for trash merchant. Yiddish is the great language of insult.)

But, you know, why you aren't doing something about that? Because of the iron triangle. Nobody is squeezing developers hard enough to squeeze out the poor performance. But what happens if you did it? Would it satisfy the developers' first three design criteria—profit, profit, profit? I think it would.

Another factor is energy. Energy is interesting because its future depends upon an absolute uncertainty now. And that absolute uncertainty is whether greenhouse warming will prove to be both real and significant.

The evidence that it is even anthropogenic is questionable. Fully qualified climatologists will say, no, not yet. We can't assign human cause to global warming in full confidence. We do know that temperature has risen about one degree since the turn of the century. If you look in the Northeast or the Central Plains, the weather we have had for the last three years matches what the climatologists have been forecasting as the early stages of greenhouse warming. But the evidence is not so strong yet that they are ready to say, kids, it's here.

The consensus feeling—consensus feeling as opposed to knowledge—among climatologists is that it will prove to be real. And if it proves to be real, the single most important thing affecting your sector will be massive energy conservation.

We already know how to build houses all around the

country that will be as comfortable, as safe, as warm, as what you now have, that use only 10% to 30% as much energy as a house now uses. Virtually every house in America is a hot finger stuck up into the sky, wasting energy and, therefore, wasting fossil fuel and creating more unnecessary carbon dioxide.

Who is pushing that notion of energy balanced houses? Must we wait until the crisis comes? Must we wait until there are infinite numbers of congressional hearings? The irony in delay is that greenhouse warming is likely to be great good news to homebuilders because any massive movement in building means boom time.

Subsidiary to that will be a boom in retrofit to cut energy consumption by 40 to 70% in houses that now exist. Nothing better could happen to your industry than greenhouse warming.

And where is the plan? Where is the program? Where are the expectations? Where is the leadership? You are all stuck in your iron triangle. Let me finish by suggesting, one more idea.

Houses simply aren't designed to be recyclable. And yet, by the time 25 years are past, the house will be in the same condition as the automobile. You may not know it now, but well I over 90%, closer to 95% of the automobile is now recycled. It is not necessarily high value recycling, but it is recycled.

What will happen to the design paradigm when it becomes the law of the land that every building, when it is disposed of, must be recycled?

In summary, if you design and construct successful housing and other buildings for the future, it will have to include shops and stores open at least 18 hours a day in residential areas. And until that is done, we will not have happy stable neighborhood communities, either suburban or urban.

Thank you all very much.