The Decline of the American Developer

Former pillar of the society, the real estate developer is now the greatest victim of urban sprawl. Their image in society has gone from ‘town founder’ or ‘city father’ post 1945 to reviled characters (compared to pimps and drug dealers).

Reasons: They are only able to provide sprawl, which people feel indifferent at best. They are not able to create towns people care about. Evolution in people’s mind of the relation between nature and culture (construction on undeveloped land is bad).

The Insidious Influence of the Market Expert

Market experts are also to blame for their bad municipal regulations and engineering conventions. They have been spreading the word ‘build sprawl or lose your shirt’.

Specially: Do not mix uses, do not mix incomes, build walls and security gates, put garages up front and assume that nobody will walk.

Unfortunately, these neighbourhoods sell. Studies nonetheless show that the post ’45 older neighbourhoods outperform the latest and most recent products. In order to be able to sell their latest developments, experts conduct opinion polls that are poorly targeted, badly worded or simply biased.

Questionable Conventional Wisdom

Another problem is that ‘location, location, location’ isn’t always right. This can be true enough, but evidence shows that a good design (forgotten by developers) can have an impact equal or greater on the property value. Buyers seek for a sense of community.

Struggles with the Homebuilders

The homebuilders also have their share of the blame. They cut on design where they can save money. In some cases, newer developments require for some design quality improvements, and cases show that in head-to-head comparables, the new traditional products always win in sales against the other conventional product. (People will pay more for quality design)

A Visit to the National Association of Home Builders’ Annual Convention

Another blame for bad suburban sprawl developments is the annual construction convention. (The type of annual shows where the construction industry goes to sell their products: ‘Salon de l’habitation’ style) These shows send homebuilders the wrong message, as studies show that Americans rather having a good community over a ‘gadget’ filled home.
Finally, new generations of developers have pioneered the neotraditional town planning. If those generations find traditional neighbourhood development to be a better investment than sprawl, it is reasonable to expect that the development industry as a whole will learn to change its ways.