

Property and demography

High prices in America's cities are reviving the suburbs

In the 1970s violence drove Americans to the suburbs; this time it's property prices



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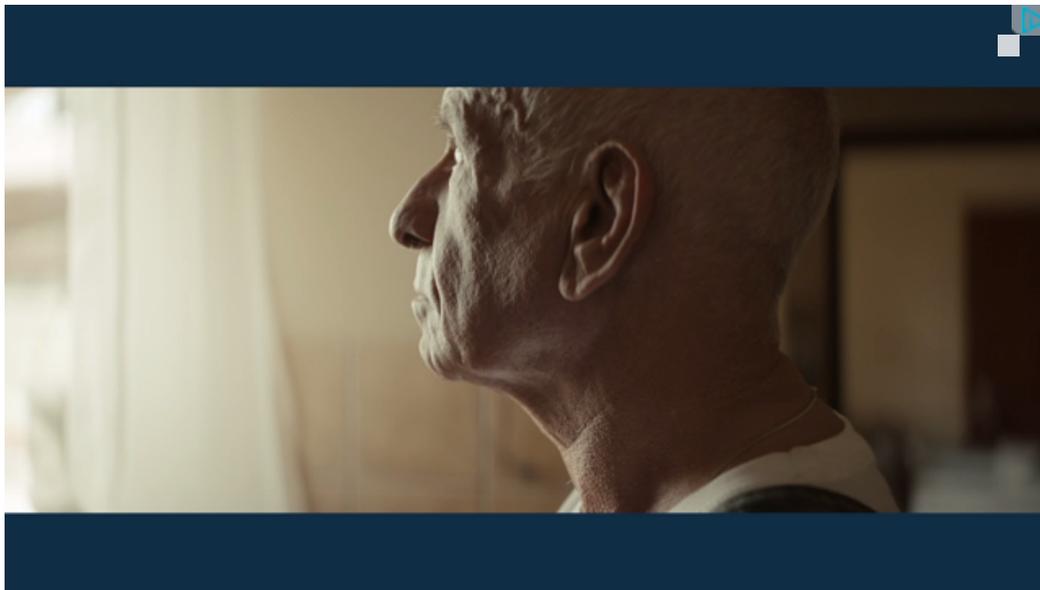
Apr 19th 2018 | HAYS COUNTY, TEXAS

JUST as Cody Butler and Joey Trombetta were searching for a spot to open a second branch of their Austin-based fitness boutique, Heat Bootcamp, they began losing business. Their clients weren't trading their kettlebells and TRX bands for some other form of corporal torture; they were leaving town. "Every few months someone would come up to us and say 'Love you guys, but we need more space and can't afford it in Austin so we're moving to the suburbs in Hays County,'" Mr Trombetta recalls. The buff business partners decided to follow their customers. After outfitting an expansive space formerly occupied by a grocery chain with

rubber floors, mirrors, and red and blue mood lights befitting a nightclub, Heat Bootcamp opened up in San Marcos, the quaint seat of Hays County.

The county, where builders have transformed farmland into gleaming new subdivisions with slogans like “Where Austin goes to grow”, expanded by 5% between July 2016 and July 2017. It is an extreme example of a wider trend sweeping America: the resurgence of the suburb. The Great Recession, combined with a mortgage crisis, hindered mobility and curtailed home-buying, dragging down the growth of the suburbs. At the same time, urban cores began to grow more quickly than they had before, inspiring questions about the future of America’s development. Academics began theorising that perhaps the “back to the city” movement would endure, driven by millennials who cared less about white picket fences than about being within strolling distance of cafés hawking cold brew and avocado toast.

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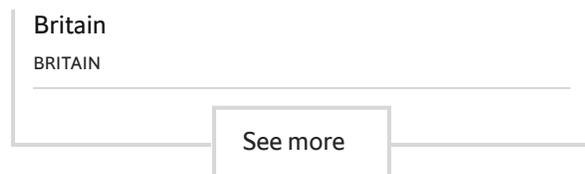
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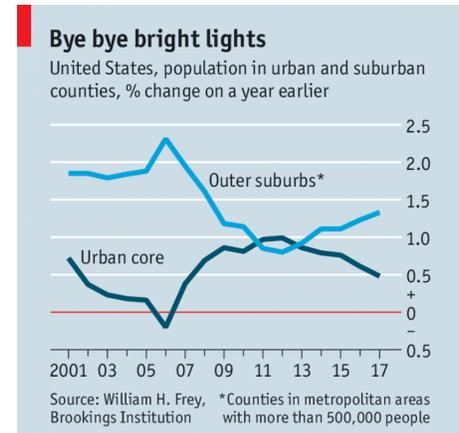
Recent migration trends suggest otherwise. Analysis of United States Census Bureau data by William Frey, a demographer at the Brookings Institution, a think-tank, shows that lower-density suburbs and exurbs— areas separated from cities by rural land— have been growing more quickly since the



Great Recession, while the growth of urban cores is slowing. Since 2012, considered the peak year of the urban renaissance, the growth of urban cores has fallen by half

and exurban county growth has quadrupled.

Looking at the same data, Wendell Cox, who runs Demographia, an urban planning consultancy in St Louis, found that between 2016 and 2017 nearly 438,000 net residents left the counties that included urban cores, while suburban counties of the same metro areas gained 252,000 net residents. Growth in America's three largest metropolitan areas is sluggish. Los Angeles grew by just 0.19% from 2016 to 2017, while New York expanded by 0.23% and Chicago actually shrank by 0.14%. In 2017, five times as many Americans moved to New York's suburbs as moved to the Big Apple. The large metro areas that have added the most people—Dallas, Houston and Atlanta, for example—have relatively small downtown areas and are dominated by residential neighbourhoods that feel every bit as suburban as Stepford.



Economist.com

The last time Americans fled the cities for the suburbs, from the 1950s to the 1980s, they were driven primarily by fear of crime. This time the migration is the consequence of the cities' success, not their failure. Housing and rental prices in many of the country's largest metro areas have soared, inspiring residents to pack up and move out. In Los Angeles and San Francisco median home prices are more than ten times median household incomes. The ratio is only slightly better in Boston and Seattle. A retired school teacher boarding a plane from Los Angeles to Austin, where she plans to move to the suburbs later this year, lamented: "Who can afford to live in Los Angeles any more?"

Older people are not the only ones making such moves. Taylor Felan, a 30-year-old banker, moved to San Marcos with his wife a year ago after they realised that selling their shabby home in Austin would give them enough cash to build a new one on an acre (0.4 hectare) lot in Hays County. He is far from alone. According to the

National Association of Realtors, a trade association for estate agents, more than half of Americans under the age of 37—the majority of home-buyers—are settling in suburban places. In 2017, the Census Bureau released data suggesting that 25- to 29-year-olds are a quarter more likely to move from the city to the suburbs than to go in the opposite direction; older millennials are more than twice as likely. Economic recovery and easier mortgages have helped them on their way.

Despite the widespread perception that millennials are allergic to cars, gardens and chain stores, they are actually less urban than the previous generation. Analysis by FiveThirtyEight, a data-journalism website, found that while the share of 25- to 34-year olds with bachelor's degrees living in hyper-urban neighbourhoods grew by 17% from 2000 to the period between 2009 and 2013, as a whole millennials were less likely to live in urban areas than young people were in 2000.

As more young people decamp from the cities to the suburbs, Mr Frey wonders if a hybrid might develop, where people who leave cities—especially the most vibrant and expensive ones—will gravitate to places with similar amenities. Or transform them—as is happening in San Marcos. Though it has its fair share of cookie-cutter homes and strip malls, its well-preserved old downtown boasts a brewery and beer garden, a yoga studio and, now, a bootcamp boutique.

This article appeared in the United States section of the print edition under the headline "The burbs are back"