

Homeownership Needs an Extreme Makeover

## Dead-End Dream

by Angele McQuade

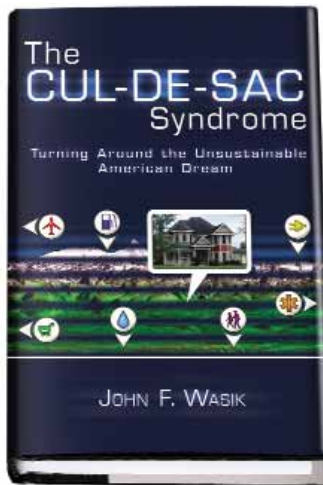
Forget about what caused the housing market to collapse. Here's a more provocative question: Why were so many people convinced that living the American dream meant owning a home regardless of its true cost in dollars, energy and health? For years, financial writer John Wasik has been warning about the looming consequences of that assumption — consequences our economy is now suffering through.

Wasik's latest book, *The Cul-de-sac Syndrome: Turning Around the Unsustainable American Dream*, deflates the popular illusion of our homes being our safest investments. "What has received little attention," he writes, "is the culture that lit the fuse to this explosion: the hallowed good intentions of the American ideal, the sacred goal of homeownership and the fallacy that house values never fall."

*The Cul-de-sac Syndrome* is an interdisciplinary study of the true cost of today's American dream. It's an unflinching look at the recent period when homeownership actually made many people poorer as they tapped their home equity, went into debt to finance their lifestyle and contributed little to retirement investing because of the misguided assumption that home appreciation would fund their future years.

This award-winning writer is one of my favorites because of the way he approaches complex topics from a range of directions. Economics, history, civics, architecture, ecology, public health — each takes its turn in this investigation of sustainability. Wasik also dares to ask brutally critical questions. "Is the overpowering lust for homeownership blinding Americans to becoming better world environmental citizens and improving our health?" he wonders.

Wasik's meticulous research centers on the so-called spurb, his invented term for "car-dependent sprawling urban areas, unconnected to core cities by public transportation and beset by unsustainable costs for infrastructure, services and resources." Think developments built far on the desert outskirts of cities such as Las Vegas and Los Angeles. "The American dream of moving further from a city to buy a bigger house and find better schools has become a costly proposition," he observes. "The pursuit of happiness isn't all it's cracked up to be when you have a killer commute."



***The Cul-de-sac Syndrome:  
Turning Around the  
Unsustainable American Dream***

John F. Wasik, Bloomberg Press (June 2009), hardcover, 224 pages, \$24.95

He interviews homeowners who thought they were doing the smart thing by investing in rental real estate and builders striving to create truly green homes, where sustainable materials take precedence over granite countertops and behemoth, energy-sucking appliances. Wasik even rented a home in Florida to experience the spurb lifestyle firsthand.

The author gives a bleak forecast for such suburbs as Gilbert, Ariz.; Henderson, Nev.; and Coral Springs, Fla., among others. He predicts many will become ghost towns, their very existence growing increasingly unsustainable as energy costs rise and the ability to commute long hours declines. If you're curious about how your area might fare, check out his list of most and least troubled areas, plus bargain, surprise and off-the-radar cities set for better-than-average growth or house appreciation. Muncie,

Ind., or Dalton, Ga., anyone?

At times, the dreary potential future Wasik paints seems one of hopelessness, where crime, smog and poverty seem destined to win out over affordable homes and walkable communities.

"How do you reduce pollution," he asks, "if traffic keeps increasing because people live ever farther away from cities to be able to afford homes?" But Wasik does assure us there's ample cause for optimism. There are also a few bursts of sunshine from pioneering developers, homebuilders, activists and philosophers.

Although there might be no quick fix — indeed, Wasik advocates a complete overhaul of the broken American dream — *The Cul-de-sac Syndrome* presents a variety of solutions. Some of them are just a matter of asset reallocation, but others require far more of a psychological and social shift about where we live and why. And we can't just change the homes we live in; we must redesign our entire communities to be less car- and energy-centric.

The author offers a compelling model. "The New Urbanism movement," he says, "which loosely embraces 'smart growth,' 'sensible development' and comprehensive community planning, is one idea that can help get America's housing markets back on a sustainable track." This philosophy constructs communities around increased building density and walkability to lessen residents' dependence on cars.

Book Value

Wasik is betting that the ideas proposed in his book will move our country closer to a New Urbanism-like ideal of sustainable “human-scale communities.” In fact, he’s living with his family in exactly that kind of neighborhood in Chicago. If more of us followed his example,

perhaps “home sweet home” might really mean something again. **B**

*Have a question about this month’s book? Want to share your recent financial favorites? Write to Angele at [angemcquade@betterinvesting.net](mailto:angemcquade@betterinvesting.net).*