

Touro College Jacob D. Fuchsberg Law Center

From the Selected Works of Michael E Lewyn

2019

Planetizen blog posts- first half of 2019

Michael Lewyn



Available at: <https://works.bepress.com/lewyn/181/>

Learning from the National Household Travel Survey

The Federal Highway Administration's National Household Travel Survey (NHTS) shows that transit use is rising and household vehicle miles traveled are declining—but other data sources paint a more ambiguous picture.

Michael Lewyn | January 22, 2019, 10am PST

I have read (and even engaged in) much speculation about travel trends over the last few years, mostly based on year-to-year Census estimates and on transit agency ridership statistics. These data sources focus on year-to-year trends. However, another data source is the [National Household Travel Survey \(NHTS\)](#) [pdf]. The NHTS differs from the other sources primarily in that instead of being a yearly survey, it is conducted every five or ten years. The most recent NHTS surveys have been in 1990, 1995, 2001, 2009, and 2017. So the NHTS data doesn't really tell us what happened in the last three or four years; instead, it gives us a longer-range perspective.

Some possible conclusions from NHTS data include the following:

- The percentage of carless households has been fairly stable in recent decades. The percentage of households without a vehicle was 15.3 percent in 1977, nosedived to 8.1 percent in 1995 and 2001, and increased to 8.7 percent in 2009 and 8.9 percent in 2017 (Table 19). This pattern seems almost identical to Census Bureau [American Community Survey \(ACS\) data](#). While NHTS data shows a tiny increase in the number of carless households, ACS data shows an even tinier decrease (from 8.9 in 2010 to 8.8 in 2017).
- The NHTS survey suggests that transit use actually jumped quite a bit between 2009 and 2017. Every survey between 1983 and 2009 showed that between 5.1 and 5.3 percent of survey respondents usually commuted by public transit. But the 2017 survey shows a startling (to me) jump to 6.9 percent of respondents (Table 25). I note, however, that ACS data does not show such a large increase. Instead, 4.9 percent of ACS respondents used public transit in 2010 and 5.1 percent in 2017.
- American commutes are longer than ever. The average car commute was 9.6 miles in 1977 and is 12.7 miles today. The average public transit commute was 7.5

miles then and is 12 miles today. However, commute lengths have not significantly increased since 2001 (Table 27).

- Defenders of sprawl might claim that the growth of high-speed freeways means that our commutes take less time. But in fact, our commutes take more time than ever. The average car commute was 19 minutes in 1977, 22.5 minutes in 2001, and 25 minutes in 2017. The average transit commute was 37.6 minutes in 2001 and 58.1 minutes today (Id). One possible conclusion is that job sprawl has led to longer commutes for everyone, which in turn is especially burdensome for public transit commuters due to the slow pace of suburban buses.*
- However, some drivers may be cutting down on non-commute trips. The average driver spent 71.9 minutes in their car in 1991 and 81.3 in 2001—but only 76.3 in 2009 and 78.9 in 2017 (Table 15).
- Young people in metropolitan areas apparently drive less than they used to. Daily vehicle miles traveled (VMT) by persons aged 16-24 in urban areas peaked at 20.9 per capita in 2001, nosedived to 14.6 in 2009, and stayed at that level in 2017—roughly a 30 percent decrease. By contrast, persons over 45 drove 25 miles per capita in 2001 and 22.3 in 2017—only about a 10 percent decrease. By contrast, rural young Americans behaved like older Americans in metropolitan areas; they drove 28.2 miles per capita in 2001 and 24.6 in 2017, about a 13 percent decrease (Table 33). Persons over 65 also did not change their behavior over time; their per capita VMT shifted from 21.1 in 2001 to 20.2 in 2017, a statistically insignificant decrease (Table 31). This data seems inconsistent with other data showing an [overall increase](#) in VMT. Perhaps decreases in household VMT are canceled out by increases in VMT from other sources such as commercial trucking.
- Uber and Lyft serve a wide variety of customers, but do disproportionately serve non-drivers to some extent. On the one hand, only 12.3 percent of TNC users have no car available; on the other hand, that percentage is higher than the percentage among non-TNC users (6 percent). (Table 36)

On balance, the NHTS shows very little change over the 2000s. The average American household may drive a little less and take public transit a little more than 2001—but these trends are not as overwhelming as the contrary trends of the late 20th century.

**Having said that, the NHTS data are based on average rather than median commutes, which means that the growth of long-distance commuting may artificially skew results for both cars and public transit. For example, if 9 of 10 commuters have the same commutes they had in 2001, but then 10th has a much longer commute, median commute times will be identical while the average will increase.*

Historic Preservation And High Rents

Although individual old buildings may be less expensive than newer ones nearby, historic preservation may make both old and new buildings more expensive.

Michael Lewyn | February 4, 2019, 10am PST

I was having an online chat about historic preservation in a listserv, and someone argued that an undistinguished-looking 1930s building should be treated as a historic landmark in order to prevent a new building from being erected there. If I understood him correctly, my acquaintance reasoned that old buildings tended to be cheaper, and thus their presence would protect neighborhood diversity. In the [words](#) of Jane Jacobs: "Cities need old buildings so badly it is probably impossible for vigorous streets and districts to grow without them...If a city area has only new buildings, the enterprises that can exist there are automatically limited to those that can support the high costs of new construction."

There is only one problem with my acquaintance's argument: the building in question was located in Manhattan's West Village. To a greater extent than any other Manhattan neighborhood, the West Village has been "protected" from new housing by historic landmark laws. [70 percent](#) of all properties in the West Village are historic landmarks, and thus are more difficult than other land to redevelop. As a result, almost all housing in this neighborhood is prewar (that is, built before 1945): I did a search on [Streeteasy.com](#) for one-bedroom apartments in the West Village, and 84 out of 100 apartments listed were prewar. By contrast, in the slightly more affluent Upper East Side, there are almost as many postwar one-bedrooms as prewar (254 prewar, 237 postwar).^{*} So if old buildings were always more affordable, the West Village would be less expensive than other Manhattan neighborhoods.

But this is not the case. Admittedly, the West Village's older units are cheaper than its newer ones: 21 percent (18 of 84) prewar units rented for under \$3000, while none of the postwar units were that cheap. 46 of the 84 prewar units rented for under \$4000, as opposed to only one of the postwar units.

However, the West Village's older units are much more expensive than other neighborhoods' older units, and the West Village's newer units are much more expensive than other neighborhoods' newer units. For example, let's compare the West Village with the Upper East Side. The cheapest one-bedroom in the West Village rented

for \$2495; a slight majority (132 out of 255) prewar units in the Upper East Side rented for less than that. Over 70 percent (185 out of 255) prewars in the Upper East Side rented for under \$3000, as opposed to 21 percent of those in the West Village. Postwar apartments are also less expensive in the Upper East Side; over 70 percent of Upper East Side postwar units rented for under \$4000 (169 out of 226), as opposed to only 6 percent of postwar West Village one-bedrooms (1 out of 16).

Admittedly, the Upper East Side might be an aberration, since its subway connections are not quite as strong as those of other Manhattan neighborhoods. But both prewar and postwar apartments are cheaper in a wide variety of other neighborhoods than in the West Village.

For example, in the Upper West Side, which has excellent subway connections, almost 60 percent (161 out of 274) of prewar one-bedrooms rented for under \$3000; in Hell's Kitchen just to the south, 78 percent of prewars (56 of 71) rent for under \$3000. In my own Murray Hill, a part of midtown which is historically wealthier than Hell's Kitchen, 12 of 32 prewars rented for under \$3000—a smaller percentage than in the other areas I mentioned, but still more than in the West Village.

Postwar apartments are also cheaper in other areas with more of them. In the Upper West Side, a slight majority (97 of 188) of postwar one-bedrooms rent for under \$4000. Similarly, in Hell's Kitchen, 62 percent (86 of 137) of its postwar one-bedrooms rent for under \$4000. My own Murray Hill is a little more expensive: 35 out of 81 postwar one-bedrooms rent for under \$4000. In other words, nearly every uptown Manhattan neighborhood seems to have cheaper prewar units *and* cheaper postwar units than the West Village. Obviously, its uniquely high levels of historic preservation have failed to make the neighborhood more affordable.

Why? One possible interpretation, of course, is that the West Village would be equally desirable and expensive even if it was dominated by new buildings; I do not see why this should be the case, but am open to suggestions. Another possible interpretation is that its historic preservation actually increases property values by creating an amenity that people will pay extra for and thus increasing demand for West Village apartments. And because this policy also reduces the supply of postwar apartments, it may also raises the price of such apartments. If this hypothesis is correct, New York's vigorous historic preservation policy may actually make the West Village's old buildings more expensive than they would otherwise be.

*Because Streeteasy.com listings change daily, your results may of course vary.

More Evidence That New Housing Lowers Rents (Maybe)

Even if new housing reduces rents regionwide, scholars are divided as to when and whether new market-rate apartments reduce rents in nearby blocks. A new study seeks to answer this question.

[Michael Lewyn](#) | February 18, 2019, 1pm PST

Numerous economic [studies](#) show that cities that allow lots of new housing have lower housing costs than places with highly restrictive zoning, and thus that the anti-housing policies of cities such as New York and San Francisco (and their suburbs) contribute to regional high rents.

But even pro-housing commentators have suggested that this might not be true at the neighborhood-by-neighborhood level, at least in newly gentrifying neighborhoods. Some believe that such housing increases demand for a neighborhood, which in turn breeds gentrification, which in turn creates higher rents.

However, a [new study](#), performed by two economists and one doctoral student,* suggests that new market-rate housing reduces rents. This study covered buildings in 11 major cities that were built between 2014 and 2016. As a proxy for gentrification, the study focused on areas where there was "no other luxury building within 500 meters." However, these areas were already wealthier than the citywide average, with rising rents and an above-average percentage of new housing built since 2010.

The study found that before construction, rents *rose more rapidly* within 200 meters of these new buildings than in areas 200-800 meters away. By contrast, after construction rents *rose more slowly* within 200 meters of these buildings. Thus, it appears that these new buildings caused rents to rise less rapidly (at a time when rents were increasing almost everywhere). Although neighborhood population increased near these buildings, the increased demand was not sufficient to raise rents.

On the other hand, this study does not necessarily prove that new housing in every conceivable neighborhood will lower housing prices. At least two questions require further research: First, do these results apply for all cities? Or is there a difference between already-expensive cities such as New York (where upzoned areas are often just a few blocks away from downzoned areas, thus [funneling demand](#) into the former set of areas) and cheaper cities such as Atlanta? Second, are the results different for lower-

income neighborhoods (as opposed to neighborhoods that are middle-class or nonresidential)?

*I am happy to mention them and thus plug their work: [Brian James Asquith](#), [Evan Mast](#), and [Davin Reed](#).

BLOG POST

The Negligence Law Revolution That Wasn't

In 2017, New York's highest court held that cities could be held liable for failure to adopt traffic calming policies. Why hasn't this ruling led to safer streets?

[Michael Lewyn](#) | March 3, 2019, 1pm PST

On December 5, 2004, 12-year-old Anthony Turturro was riding a bicycle in Gerritsen Avenue in Brooklyn, New York, when he was struck by a motorist who was driving 54 miles per hour. In addition to suing the motorist, Turturro and his mother sued the city, presenting evidence that speeding was common on Gerritsen Avenue and that the city had not studied “traffic calming” measures—that is, measures such as street humps and narrower street lanes that are likely to slow down traffic and thus preventing crashes. The jury found that the city was negligent, and in 2016 the New York Court of Appeals (New York's highest court) [affirmed](#) the verdict.

At first, pedestrian advocates were exultant. For example, Paul Steely White of [Transportation Alternatives](#)* [stated](#): “This ruling from New York’s highest court puts an end to the notion that traffic safety improvements should be subject to debate and contingent on unanimous local opinion.” However, it is not clear to me that this ruling has had as much impact as street safety activists hoped: no case outside New York has relied on it, and even in New York City, street safety improvements still get slowed down (pun intended!). For example, the city has [delayed](#) plans to slow down traffic on a six-lane stretch of Amsterdam Avenue in Harlem, because a local community board objects to slowing down car traffic. Why has the city continued to follow business-as-usual policies, rather than changing its policies to reflect the risk of tort liability?

To understand the limits of Turturro, we have to read the decision more carefully. In that case, the city argued that plaintiffs had not shown that traffic calming would have

prevented the collision at issue. The court rejected this argument, pointing out that even the city's expert admitted that "people generally drive faster on wide, straight roadways...[and that] traffic calming measures are intended to reduce the overall 'curve' of speed." Accordingly, the jury could reasonably "have concluded that traffic calming measures deter drivers such as [the motorist in this case] from speeding, and that the *City's failure to conduct a traffic calming study* was a substantial factor in causing the accident (emphasis added)."

In other words, the key factor in Turturro was not just that the city failed to calm traffic, but also that (despite ample warning in the form of complaints from neighborhood residents) the city failed to even *study* calming traffic. If the city can plausibly claim that it has studied traffic calming alternatives and made a reasoned decision to reject those alternatives, it can get away with business-as-usual policies. The Turturro court also mentioned that neighborhood residents had repeatedly complained about speeding on Gerritsen Avenue; thus, it is not clear that the city would have been held negligent in the absence of such complaints.

Moreover, Turturro rests on a view of sovereign immunity that is unusually narrow. In most states, the doctrine of "[discretionary function](#)" immunity often protects municipalities for liability for negligent street design. Under this doctrine, the city is not liable for damages caused by negligent policy decisions, as opposed to individual acts of carelessness. However, New York does not apply this doctrine to street design cases. The New York courts instead divide government actions into "proprietary" and "governmental" functions, and further hold that street design is a "proprietary function" and thus rarely protected by sovereign immunity.** Because many states do not apply the governmental/proprietary distinction, Turturro may not be relevant to most states.

In sum, a New York municipality can be held liable for negligently failing to calm traffic. But unless the courts interpret Turturro more broadly in the future, this may be true only where the municipality responded to citizen complaints by failing to study the issue.

*In the interests of full disclosure, I note that I am a dues-paying member of this organization.

**I note, however, that even under New York law a city is immune from liability for negligent street design where "a duly authorized public planning body has entertained and passed on the very same question of risk as would ordinarily go to the jury." (Turturro). For example, in [Enker v. County of Sullivan](#), the court rejected the claim of an injured pedestrian because the county's "installation of pedestrian push signals ... was a deliberate and reasonable planning decision made to ensure the safety of pedestrians

while navigating the subject intersection, which is the 'very same question of risk' underlying plaintiffs' claim."

BLOG POST

Order Without Design: Pro-Housing, Pro-Infrastructure

In *Order Without Design*, Alain Bertaud takes a middle position between consistent supporters of suburbia and sprawl critics.

[Michael Lewyn](#) | March 27, 2019, 2pm PDT

In his new book, *Order Without Design*, planner Alain Bertaud tries to apply the insights of urban economics to the world's megacities. He begins with a simple assumption: that the major economic advantage of large cities is that more people can find suitable employers and employees than in smaller places, and that this advantage is reaped "only if workers, consumers and suppliers are able to exchange labor, goods and ideas with minimum friction and to multiply face-to-face contacts with minimum time commitments and cost" (p. 28). He therefore reasons that urban planners must have two primary goals: affordability (so that workers can afford to commute to jobs in cities) and mobility (so that workers can reach those jobs quickly).

Because of his emphasis on affordability, Bertaud generally favors minimal government regulation of housing markets in both cities and suburbs. He properly writes that "all binding regulations increase the cost of housing...[by requiring] builders to use more land than the market would require" (p. 303). Bertaud adds that one reason for density regulation is to prevent 19th-century levels of discomfort. But these standards set a minimum cost that is above what some households can pay; as a result, these low-income households must either live in illegal apartments or be homeless. Moreover, such government regulations are often outdated. Even in dense New York City, today's tenements are far more comfortable than they were a century ago, because they generally now have kitchens, bathrooms, and air conditioning.

Bertaud also criticizes height limits, because they reduce the supply of land available for housing. For example, he notes that because Paris aggressively restricts height in the city's historic areas, it has created such a shortage of urban floor space that a studio apartment in Paris costs nine times as much per square meter as a one-bedroom apartment in downtown Chicago. One common rationale for height limits is that they

reduce the available supply of sunlight; Bertaud responds that because today's apartments have ample electricity, most apartment-dwellers need less outdoor sunlight than they did a century or two ago.

Bertaud is not as aggressive as I would have liked, however, in confronting anti-supply counterarguments. For example, he does not directly address claims that certain types of new housing might lead to increased [land costs](#) or [gentrification](#).

One alternative to less regulation is for government to build or subsidize housing—but as Bertaud points out, this policy is rarely successful because of its expense to government. For example, he notes that in New York City, far more households are on a waiting list for vouchers than actually receive such vouchers. Inclusionary zoning (that is, setting aside X percent of market-rate apartments for low-cost units) similarly creates very few beneficiaries unless government allows a huge number of market-rate units. Public housing is more expensive for taxpayers than other options, and locks poor households into a site chosen by government. Bertaud does not deny that the truly destitute will need public housing. However, he writes that if housing markets are allowed to function properly, this number will be low.

Bertaud also opposes anti-sprawl regulations such as growth boundaries, and further suggests that governments should supply infrastructure to new suburbs. He reasons that any policy that increases the supply of developable land increases affordability.* In fact, Bertaud treats some degree of sprawl as inevitable, noting that urban densities have decreased over the past century due to improved transportation technology. This argument seems to be to a bit incomplete, since government has the choice to subsidize or not to subsidize such technology. In a city where government follows Bertaud's advice and spends lots of money on roads or suburban transit, a city's suburbs are likely to expand more rapidly than in a city with a more parsimonious government.

Unlike some defenders of sprawl, Bertaud does not purport to be a small-government conservative or libertarian. Because he believes that markets work most efficiently with high levels of mobility (i.e., speedy commutes), he seems to favor ample government spending on both roads and public transit. While some planning scholars dream of more compact cities, Bertaud writes that workers benefit most when "they could look for jobs as well as cultural and commercial amenities throughout an entire metropolitan area" (p. 146).

Bertaud differs from more anti-urban commentators in two other respects. First, some commentators argue that the rise of the Internet has made distance irrelevant; Bertaud quite properly throws this claim into the rubbish bin, pointing out that if distance was irrelevant, urban cores would have lost value in the 21st century, instead of gaining

value. He adds that high "real estate prices demonstrate that even in cities where mobility causes severe friction [such as New York] being physically close to a large concentration of people, jobs and amenities is still worth a very high price" (p. 152). It seems to me, however, that the value of congested places shows that transportation planners' obsession with mobility and congestion somewhat misses the point: congested places nevertheless manage to prosper.

Second, Bertaud admits that government provides more sprawl than is economically or environmentally efficient, writing that "users of urban roads seldom pay market rents for the road area they occupy while commuting" (p. 100) and that this subsidy increases suburbanization. And because car users do not pay for the "pollution, congestion and other costs they have imposed on others" (p. 159). Bertaud accordingly supports pricing of roads through tolls (Id.). He also suggests that on-street parking should be more expensive, to pay for the congestion caused by such parking. Similarly, he writes that because of the difficulty of pricing pollution and greenhouse gas emissions, "governments should set pollution and GHG emission targets as a substitute for price" (p. 217).

But the transportation policies that Bertaud supports makes these solutions politically impractical. When government facilitates auto-dependent sprawl, it creates a large constituency of voters dependent on cars to commute. These voters, and the companies that sell them cars and gasoline, are likely to resist any attempt to make car commuting more expensive, such as toll roads, increased parking fees, or pollution controls that make driving more costly. Thus, the United States is caught in a vicious circle: road expansion creates suburban growth, creating a political constituency that blocks attempts to limit the externalities caused by car travel, causing even more car travel and suburban growth. Even if traditional anti-sprawl policies are not as efficient as removing pro-sprawl market distortions, they may be a viable second-best solution if tolls and similar remedies are politically impractical.

Moreover, Bertaud is, it seems to me, unduly optimistic about the ability of regulation to limit emissions. The rise of sport utility vehicles has slowed [improvements](#) in fuel economy to a crawl, and it seems unlikely that this situation will change.

Bertaud is not anti-transit: he suggests that local governments should "favor and facilitate a large mix of transport modes" (p. 216), especially in dense cities like New York and Paris. One of Bertaud's more visionary suggestions is that subways should have fewer stations and run at high speeds; for example, he writes that subways and commuter trains should be 10 kilometers (6.2 miles) apart and run 150 kilometers (93 miles) per hour, so that commuters could cross an entire region in one hour. Of course, this idea would make it impossible for most commuters to walk to train stations, and

would radically increase bus and/or auto traffic to those stations. So I question whether this vision would actually facilitate commuting. It seems to me that if driving became more expensive and transit became less convenient, the resulting inconvenience might well outweigh the increased speed of trains.

In sum, Bertaud generally considers suburban expansion to be useful—less because of a belief in free-market orthodoxy than because he believes it facilitates affordable, fast commuting. However, his support for pro-suburban policies is less rigid than that of other commentators, such as [Joel Kotkin](#). He acknowledges that vehicle-dependent sprawl has negative environmental consequences, although he is more optimistic than I am that better regulation could limit those consequences.

*Of course, this argument is less persuasive in cheap cities such as Buffalo or St. Louis. However, most of Bertaud's work has been in growing cities, and he admits that the "problems encountered by cities with declining populations are very different from the ones described [in most of his book]" (p. 377).

BLOG POST

The Economic Defense of Sprawl (And What's Wrong With It)

Defenders of suburban expansion argue that government should build more roads in order to open up more land for housing. What's wrong with that argument?

[Michael Lewyn](#) | April 14, 2019, 5am PDT

The traditional libertarian-ish argument for suburban sprawl is that it is a product of the [free market](#), and what the free market has created, no government may tear asunder. A wide variety of [popular](#) and [scholarly](#) commentary (including plenty of my [own work](#)) has criticized this view, by pointing out that government has encouraged automobile-dependent suburbia in a wide variety of ways.

As demand for urban housing has grown, the 1990s view that consumers prefer suburbs to urban cores has become implausible. But as housing costs have exploded, a new pro-sprawl argument has risen in its stead: the theory that government-supported suburbanization makes housing more affordable by opening up new land for development. For example, in his generally [worthwhile](#) recent book *Order Without*

Design, Alain Bertaud writes that to "maintain a responsive supply of developed land, municipalities must therefore finance and build the expansion of primary infrastructure into a city's periphery." In the U.S. context, such "primary infrastructure" usually means sprawl-generating highways.

This argument has a significant basis in fact: sprawling American cities do generally tend to be cheaper than compact ones (though there are exceptions in both directions: walkable Philadelphia is cheaper than sprawling San Diego). But it also seems to me that sprawl is not the best way to create more housing, for several reasons.

First, although sprawl is one way to create extra land, it is not the only way to do so. As Bertaud wisely notes, a city can "create" additional land by allowing more housing on urban land. For example, if a city allowed more multistory buildings instead of reserving huge chunks of cities for single-family houses, it would essentially be creating developable land in the air, thus increasing the supply of land. Similarly, if the city allowed smaller yards, it would increase the supply of land available for housing. This need not mean a city of 90-story skyscrapers; cities could allow [incremental](#) height increases instead, so that neighborhoods now reserved for one-or two-story houses could have four-story apartment buildings, and places with four-story apartment buildings could have eight-story buildings.

Second, sprawl creates transportation costs for drivers that at least partially offset the benefits of cheap real estate. For example, a typical household in Suffolk County, Long Island (the outer suburb where I work) spends over \$14,000 on transportation, while a typical household in Manhattan spends just below \$6,300 and a typical household in Queens spends just over \$8,200 (more data [here](#)). It could be argued that the transportation cost gap between driving and active transportation is artificially inflated by public subsidies for public transit. But if policymakers use public transit subsidies as an excuse to support pro-sprawl policies, they are creating a self-fulfilling prophecy: pro-sprawl policies force transit to cover more territory to serve the same number of people, thus making transit more expensive and increasing per-capita transit subsidies. For example, New York's subway loses less than \$1 per ride, while the rail systems of sprawling cities such as Santa Clara lose far [more](#).

Third, sprawl development creates a variety of externalities that are typically not reflected in housing costs. The growth of automobile-dependent suburbs leads to increased vehicle use, which leads to increased greenhouse gas emissions and other [pollution](#) of all sorts, as well as increased likelihood of [death and injury](#) from automobile crashes.

In theory, it is possible that these externalities could be taxed and regulated away. For example, a state could calculate the social cost of automobile-related pollution, and impose a tax or fee sufficient to equal that cost. But sprawl actually makes it less likely that this could occur; when most people spend their lives inside their automobiles, they are likely to resist any attempts to tax auto use, and increased taxation of cars becomes politically radioactive.

It could also be argued that the rise of electric cars or some other technology will wipe out the environmental impacts of cars. This argument lacks merit, because in recent years American automakers and consumers have chosen [gas-guzzling, dangerous](#) sport utility vehicles rather than energy-efficient vehicles. As a result, American vehicles are not as [energy-efficient](#) as some of their European counterparts. Moreover, a single-minded focus on miles per gallon overlooks the other externalities caused by sprawl, such as increased injuries and death from speeding vehicles.

In sum, a government that aggressively promotes sprawl development might increase the supply of housing. But there are more environmentally friendly ways of achieving the same result.

BLOG POST

Do You Believe in 'Ghost Apartments'?

"Ghost apartments" (empty apartments owned by rich foreign investors) have gotten a great deal of media coverage. But how common are they?

[Michael Lewyn](#) | May 2, 2019, 8am PDT

A few years ago, an [article](#) in Newsweek stated: "Across the globe, empty luxury apartments darken many of the most desirable cities—Miami; San Francisco; Vancouver, British Columbia; Honolulu; Hong Kong; Shanghai; Singapore; Dubai; Paris; Melbourne, Australia; and London. The reason: The world's richest people are buying these grand residences not to live in but to store their wealth." This article is not unusual; [quite a few](#) articles claim that luxury towers around the globe are being turned into empty "ghost apartments."

Commentators are divided on how to handle this alleged problem; some cities have [instituted](#) or [proposed](#) taxes on second homes to discourage "ghost apartments," while others use their existence as an argument against new market-rate housing generally. For example, in an article criticizing supporters of new housing construction,

Nicole Gelinas [writes](#): "New York's new luxury towers are notorious for being empty, owned by absentee millionaires and billionaires looking for an investment rather than a home." But how common is the "ghost apartment" problem?

A 2017 [study](#) from the London School of Economics suggests that even where foreign investment in housing is widespread, very few foreign-owned units are in fact "ghost units." The study found "almost no evidence of units being left entirely empty—certainly less than 1%." The authors of the study interviewed over a dozen building managers and developers in new buildings with high levels of foreign ownership; some stated that 90 percent or more of units were occupied, while one stated that 70 percent were fully occupied and 30 percent were used as second homes. The authors also interviewed concierges for four large new buildings; they estimated that between 50 and 75 percent of units were rented out, and that no more than 0-2 units per building were entirely unoccupied (p. 19). Based on this data, the authors estimated that roughly 70 percent of foreign-owned units were rented to Londoners. Thus, only 1,200 units, 6 percent of new housing units, were used by foreigners at all—including the units that foreigners actually reside in. The authors also explained the reasons behind the perceptions of high vacancy in the very newest developments: passers-by may think that a unit is vacant when in fact the units are in the process of being sold.

At first glance, a study of electricity use in Vancouver may suggest that "ghost apartments" are more common there. The [study](#), conducted by an energy company for the city of Vancouver, sought to use electricity non-use as a test for ascertaining the number of truly vacant units in Vancouver—that is, it assumes that a unit that uses no or almost no electricity is vacant. The study found that 4.8 percent of Vancouver's housing units are not occupied—but that this percentage was actually *lower* than the 2002 percentage of non-occupied units (4.9 percent). If an explosion of foreign investment had caused an explosion of ghost apartments in recent years, presumably the number of non-occupied units would have risen over time—so the electricity study suggests that Vancouver has few if any such units.

Downtown Vancouver is [especially notorious](#) for ghost apartments—but the electricity study shows that the downtown vacancy rate is 6 percent, only slightly higher than the citywide average (p. 23). Downtown's vacancy rate is actually lower than it was in 2002 (6.9 percent). Flat or declining vacancy rates suggest that there is no explosion of ghost units.

Some commentators use overall vacancy rates as evidence of the "ghost apartment" theory: in New York, [just over](#) 70,000 apartments are vacant and used (according to the Census Bureau) for "seasonal, recreational or occasional" use (SROU). But in a city with 3.5 million housing units, this number is just a drop in the proverbial bucket.

Furthermore, it is not clear how many SROUs 1) are truly unused (as opposed to being used as second homes by suburbanites, or as Airbnb rentals), 2) involve foreign investors, or 3) involve new units. Thus, the growth of this category does not necessarily support the widespread pearl-clutching over ghost apartments.

In fact, many SROUs are older housing units. According to the Census Bureau, only 15,283 housing units were built in Manhattan after 2010—less than one-third the number of SROUs in Manhattan. So at least 30,000 pre-2010 housing units are being used as SROUs.

What's the policy consequence of this fact? One common argument against new housing is the "induced demand theory" - the idea that new housing (especially high-rise condos) attracts foreign investors who will turn them into ghost apartments—but if the foreign investors are willing to purchase older units, this means that if the city refuses to permit the new condos, the foreign investors will not magically disappear. Instead, they will just start buying up older housing, outbidding locals for those units. On the other hand, my argument assumes that SROUs are indeed owned by foreign investors- which, as noted above, might not be the case.

In sum, it is not clear how many new apartments fit the "ghost apartment" stereotype of unused apartments owned by foreign investors. But at least a couple of studies suggest that this number is quite small.

BLOG POST

The Wonderful World of Vicious Circles

Government's pro-sprawl and anti-density policies often create problems that justify more of the same.

[Michael Lewyn](#) | May 20, 2019, 2pm PDT

The world of planning is full of vicious circles: government creates a problem, and then advocates of the status quo use the problem as an excuse to avoid doing anything about the problem.

For example, government has essentially generated automobile traffic through a wide variety of [policies](#) that encouraged driving and discouraged other forms of transportation. For example, government used highways to open up suburbs for development, and then zoned those suburbs for densities too low to support public

transit. Yet when a landowner or developer proposes to increase density, its neighbors claim that the density will increase traffic. But in fact, keeping densities low will typically mean [more](#) automobile travel, which means more traffic. In other words, government creates the traffic problem by automobile-oriented policies, and then uses the traffic problem as an excuse not to change those policies. We are caught in a vicious circle: low density helps to create high levels of auto traffic, which in turn creates political support for low density.

Another argument against making existing places more dense is the claim that building new housing won't lower housing prices. Of course, orthodox economic theory will tell you this claim is wrong because of the magic of [filtering](#): if you build new housing for the rich, less rich people will take the housing spaces they vacate. One counterargument claims that filtering doesn't work in expensive cities, because even older housing is monopolized by the affluent. But the reason this is true is that government has prevented filtering* from working by creating an artificial shortage of housing through zoning that limits the number of housing units everywhere. In such a situation, filtering works in reverse: people priced out of the most desirable housing or neighborhoods move to slightly less desirable housing or neighborhoods. As a result, once-affordable neighborhoods become expensive, and the poor have no place to live. When this happens, the governmental response is rarely to permit more housing: as housing becomes more expensive, a frequent political response is to blame homebuilders for high housing prices, and to enact measures that discourage housing construction. In other words, government creates the problem of housing scarcity, and then uses the problem as an excuse to regulate more, thus creating even more scarcity and justifying even more regulation.

Vicious circles are not limited to housing policy: for example, when government builds or widens a city-to-suburb highway, the most common reason for the decision is that it will reduce traffic congestion. But if the road spurs growth in the suburb, it will increase traffic congestion in that suburb. In turn, this congestion justifies the construction of even more new or widened roads. In other words, government created the congestion problem by opening up the suburbs for development, and then uses the resulting congestion as an excuse to build even more roads.

*It could be argued that new housing does not create filtering, because new housing merely leads to new demand for such housing. I have responded to that argument in an [earlier](#) post.

A (Possible) Case of Suburban Retrofit

Retrofitting suburbia may be a challenge in a small town with high birth rates.

Michael Lewyn | June 4, 2019, 9am PDT

Last week, I visited a very unusual college town: Lakewood, New Jersey, roughly halfway between New York and Philadelphia. Lakewood is dominated by yeshivot- academies for the study of the Talmud and other Jewish sacred texts. Most students at these academies are college-age Orthodox Jews (in particular, "[yeshivish](#)" Jews who tend to be more ritually strict than modern Orthodox Jews and less so than Hasidic Jews). Because the yeshivot have grown rapidly over the decades and the students marry early and rarely practice birth control, Lakewood is growing rapidly: its population has doubled since 1990.

Normally, growing cities full of young people have prosperous downtowns. But downtown Lakewood is just so-so: certainly stronger than many Sun Belt downtowns, but far less busy than many college towns. The downtown has a small grocery store and a smattering of Jewish-oriented businesses; many of the larger businesses have migrated to the edge of town. Compared to the Orthodox neighborhoods of Brooklyn, downtown Lakewood seems lackluster. What's wrong here?

I talked to a few locals, and got this story: because Lakewood is not close to any big city, it has minimal public transit, and the transit that exists is designed to serve long distance commuters rather than local residents. So when the town grew, the number of cars grew, making driving and parking difficult. Much of the downtown's retail moved to suburbia where parking was easier, and many new jobs are in suburban office parks.

However, this story misses a key detail; the blocks surrounding downtown are already dominated by parking. In fact, the downtown seems to have far more "homes" for parking than for people—and yet the parking still is not convenient for many. So in Lakewood, as in many other downtowns, the attempt to build a parking-oriented downtown is not working.

So my instinctive response would be to replace the parking lots with apartment buildings and offices; if more people lived and worked within a block or two of downtown, the retail stores would have more shops, and whatever the town lost from fewer parking spaces would be made up for by increased pedestrian retail traffic.

Having said that, Lakewood is unique in one respect. A typical college town has lots of single young adults who can live in small apartments, which in turn means that a developer can cheaply build lots of apartments. But in Lakewood, 61 percent of rental households have children under 18. (By contrast, in Charlottesville, Virginia, home of the University of Virginia, only 21 percent of rental households have children under 18.) So the "retrofitting suburbia" playbook may have to be modified to fit this reality, perhaps by building apartments with more bedrooms.

In addition, some public transit to and from the edge of town might reduce demand for driving. About 13 percent of Lakewood households have no car, somewhat more than in most suburbs. And 40 percent of households have just one car—not an abnormally high number by national standards, but high for suburbia. By contrast, in nearby Howell, only 25 percent of households have fewer than two cars. So there may be latent demand for better bus service—and if the city grows up instead of out, there may eventually be enough of a population base to justify some sort of light rail.

BLOG POST

Immigration and Urban Growth

After growing in the first half of the decade, some cities might be losing population. Is this because the pace of immigration has slowed?

[Michael Lewyn](#) | June 19, 2019, 2pm PDT

Last week, I went to the Congress for New Urbanism in Louisville. One of the most thought-provoking moments occurred on a panel discussing housing trends. The speaker gave the usual patter about how millennials prefer cities and walkable places, and after the speech I mentioned that over the past couple of years, cities have been growing more slowly than earlier in the decade—and in some cases, losing population. The speaker responded that this was a result not of high housing costs or of millennials moving to suburbia, but of declining immigration. Is this true? I decided to look at a couple of cities to at least begin to figure out.

The first question I asked myself: Is immigration really declining? Since most estimates of city and suburban population are based on American Community Survey (ACS) data, I used this data to learn about immigration as well. The number of foreign born persons (including both citizens and non-citizens) was 43 million in 2017, the latest year for which statistics were available. This number is an increase from 41.7 million in 2015, and

40.3 million in 2013. It does not seem like this number has slowed appreciably; the immigrant population increased by 1.4 million from 2013-15 and 1.3 million in 2015-17.

But these, of course, are nationwide statistics. Even if there are more immigrants nationwide, it may be that these immigrants are less likely to settle in urban centers than in the past.

Of the ten largest U.S. cities, all but three (New York, Chicago, and San Jose) have continued to gain population in recent years. According to 2018 ACS data, New York has lost population for two years in a row after gaining people for decades, Chicago has lost population more often than not, and San Jose lost population for the first time this decade in 2018. So if immigration change has truly affected city population, these three cities would be a good place to start (although of course they are no substitute for a statistical deep dive covering a broader sample of cities).

ACS data suggests that in New York City, the number of immigrants increased by about 80,000 people (from almost 3.06 million to 3.14 million) between 2013 and 2015. What happened in the last couple of years? Between 2013 and 2017, the number of foreign-born residents continued to increase, but by only 42,000 people (to about 3.18 million)—a significantly slower increase. (The ACS margin of error was less than 15,000 people in this category, and thus is probably not very relevant.) By contrast, the total population increased by 70,000 from 2013 to 2015, and decreased by over 30,000 after 2015. So there was something of an immigration slowdown, but that slowdown is only partially responsible for the city's losses.

In Chicago, the foreign-born population has essentially been stable—increasing by 3,000 people from 2013 to 2015, and then decreasing by 9,000 people from 2015 to 2017. At first glance, this 12,000-person turnaround might appear to be responsible for the city's losses, since the city's total population declined by about 15,000 people between 2015 and 2017. On the other hand, the apparent decline in immigration might be statistically insignificant, since the ACS's estimate of foreign-born population is subject to a margin of error of about 5,588 people. In other words, the ACS says Chicago had 563,879 immigrants in 2017, but that could mean the city had as many as 569,000 or as few as 558,000 (rounding up or down a bit). Similarly, the ACS says Chicago had 572,066 immigrants in 2015, but that number is subject to a 7,049-person margin of error. So it's not at all clear that Chicago's foreign-born population declined at all in the last couple of years.

What about San Jose? In San Jose, the number of foreign-born persons steadily increased: from 373,974 persons in 2013 to 389,090 in 2015 to 403,442 in 2017. By contrast, the city's overall population rose at a brisk clip in the first half of the decade

(by 25,000 from 2013 and 2015 alone) and then has stabilized in recent years. So in San Jose, it seems very unlikely that slowing immigration has affected population growth.

So it appears that in New York City, immigration was a factor in slow population growth, but not a huge factor. By contrast, it seems unlikely that immigration mattered in San Jose, and unclear whether immigration mattered in Chicago.

All of this assumes, of course, that 1) ACS data is accurate and 2) the past year or two reflects a long-term trend rather than a temporary blip in the data. It is too early to tell whether either of these assumptions are correct.
