

February 9, 2011

My dear friends and colleagues,

I wish I could be with you today, but it is a good sign I could not be, since a lecture to over 200 architects in Boston meant I could not make a late evening flight to London. Indeed, while the years beginning in the fall of 2008 have been terrifyingly slow, over the last 6 months, there has been a palpable optimism that we will recover.

Although the unemployment level among architects remains an astonishing 24% (according to the AIA's chief economist) the architects I just lectured to all reported being busy. Margins and schedules are tighter, but work proceeds. The luxury residential market is back on its feet entirely due to many on Wall Street making record earnings. However, the vast housing and development market remains extremely slow due to lack of lending and credit. Institutional projects are picking up again, but slowly, as many institutions have seen the value of their investments decrease. Yes, things are moving ahead.

Hand in hand with that though, is the recognition that the post-recession world will not be the same. And this is a good thing, for the excesses of the boom years of the 1990s and 2000s were unsustainable. As traditional architects and urbanists, we are uniquely poised to offer solutions to what we can now see as the last baroque hurrah of this excessive, disjointed, dysfunctional modern life.

There are significant shifts occurring in America's economic, cultural, and social life that seem almost to be reversing most of the last half century. To my mind, these are some of the trends most critical in their impact on architecture and urbanism:

1) Economic-based Cultural Shifts

As Americans settle into the realization that the recovery from the Great Recession will be long and slow, there is an increasing sense that the "American Dream" of each successive generation faring better than their parents through hard work, is less possible. This general view coupled with the loss of faith in homeownership as a path to wealth has shaken the assumptions of middle class America.

However, hand in hand with that has risen an increasing pride in austerity, and what is, even now, a belief in the possibility of success through hard work. This "puritan work ethic" at the root of American culture, seems to be reasserting itself in a positive way. There is among the middle class a rejection, for now at least, of the trappings of wealth. Wall Street wealth is now distrusted in favor of common sense Main Street wisdom.

2) Economic Shifts Impacting Housing

Tightening credit has limited homebuyer choices and indicates a shift toward renting rather than owning. New homebuyers are focused toward smaller housing options since they can't finance as much as in the past. Indeed, still limiting development is the simple fact that "nobody is lending." And when banks do begin lending again, common wisdom is that it will never be the same.

Anxiety over future finances has homeowners scaling back, even seeking out homes with land for gardening.

Adult “boomerang kids” un-able to find work moving home to live with their parents, coupled with grandparents who’ve lost the value of their savings are trends increasing multi-generational households.

We should view these as positive cultural developments.

3) Economic Shifts Impacting Commercial Development

The commercial credit crisis looms large in the next five years. Short-term commercial loans made at the height of the boom from 2005-2007 were based on over-inflated values. According to the Congressional Oversight Panel, \$1.4 trillion in commercial real-estate loans will expire and require refinancing; 50% of these are currently underwater. When commercial properties fail, the economy will contract further, job losses will occur, storefront and office buildings will deteriorate and the banks serving these sectors will risk failure.

A potential solution and future market may be the redeployment of office space for housing.

4) Economic Shifts Impacting Planning and Jobs Patterns

The Bureau of Labor Statistics reports the American economy has undergone a fundamental shift since the end of WWII from an economy based on manufacturing to service industries. In the 1970s, 48.8 million jobs were service providing, while only 22.2 million jobs were goods-producing; a ratio of 2.2:1. By 2005, this gap had widened to a ratio of 5:1, with 111.5 millions jobs being service-based and only 22.1 million being goods-producing. The Recovery Act allocated over \$100 billion in grants and tax cuts toward investments in manufacturing.

Though architects and urbanists should assume the US will retain a manufacturing base, it is likely to be a new model of smaller, compact plants dealing in advanced technologies, surrounded by clusters of small firms that service them.

5) Demographic Shifts Affecting Architecture and Urbanism - Aging

In 2009 12.8% of the American population was 65+; by 2050, 21% of the population will be. For this population critical issues will include accessibility, options for “aging in place” and adaptability of buildings, and ease of access to public transportation.

6) Demographic Shifts Affecting Architecture and Urbanism – Increasing Urbanization

82% of the US population lives in cities and their surrounding suburban areas as of the 2008 census. That is projected to increase in coming years. In [Foreclosing the Dream](#), Professor William H. Lucy explains that the trend toward dispersed, suburban life is turning toward an urban future.

Indeed, our commonly held assumptions about where Americans live and work are outdated. Most still see America as suburban, with those suburbs populated by a wealthy white majority and cities inhabited by poor ethnic minorities. However, a Brookings Institution study of 2000-2008 census data, [The State of Metropolitan America](#) (May 9, 2010) indicates instead that for the first time in history a majority of all racial and ethnic minorities in metro

areas live outside of the city center in the inner suburbs. Likewise, the majority of those at or just below the poverty line now live in the suburbs. This is will put increasing pressure on public services, such as mass transit, which are largely non-existent in our suburban environments.

This re-urbanization trend is also examined in John McIlwain's Urban Land Institute report: Housing in America: The Next Decade. He observes, "The age of suburbanization and growing homeownership is over...coming decades will be the time of the great re-urbanization as 24/7 central cities grow and suburbs around the country are redeveloped with new or revived walkable town centers."

7) Cultural Shifts toward Environmental Awareness

Increase in oil prices a few years ago caused one of the first increases in public transportation ridership. But Americans have short memories, the minute the oil prices went back down, so too did use of public transportation. Convincing Americans of the value of public transit remains a challenge, and though we may not like it, America remains a car-obsessed culture.

Increases in energy costs, coupled with decreases in household income, as well as Federal stimulus packages aimed at assisting homeowners while supporting environmentally sound choices has caused greater environmental awareness among nearly all Americans.

The Federal Government, as well as many institutions such as universities have adopted strict energy policies and/or requirements that their buildings meet certain LEED and/or performance levels.

Summary

In sum, while there are many issues affecting the future of architecture and urbanism, I view the above demographic, economic, cultural, and environmental shifts as those which will change our built environment the most and for the better. Most if not all of the positions we take as traditional architects and urbanists are uniquely suited to solve the above challenges.

I think, quite simply, that we must seek facts and argue not philosophy but fact-based solutions. We should waste no time arguing old negative arguments about modernism, but get about the business of understanding the problems we face and position traditional architecture and urbanism exactly where it ought to be – in service to our fellow citizens.

Best wishes to you all on a bitterly cold New York morning,

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