

# American Public Radio's Marketplace

February 17, 2011

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## TEXT OF STORY

**Kai Ryssdal:** While he was standing in the Oyster Bar at Grand Central Station, [Ed Glaeser](#) offered a quick tutorial about how important centralized transportation was to the rise of American cities. Railroads and rivers back then.

An analogy for today might be modern transit lines. Moving people, not things. Because even though a nice house out in the suburbs with a white picket fence and all is the prototypical American dream, truth is, a lot of home buyers are voting with their feet and choosing to live within walking distance of public transit.

From public radio's Transportation Nation project at WNYC, Andrea Bernstein reports.

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**Andrea Bernstein:** In 1977, when 11-year-old Terry Alexander moved with his parents and younger sister to Park Slope, Brooklyn, the city's population was rapidly contracting. Whites, in particular, were fleeing the city for the suburbs. But Alexander, who is African American, moved with his family from the Manhattan projects to a brownstone in Park Slope, Brooklyn. In those days, no one could understand why.

In word, it was:

**Terry Alexander:** Horrible. There were many stabbings and fights.

Alexander still lives in the house he grew up in. Today, it's one of the toniest neighborhoods in New York City, just a 20-minute subway ride from Manhattan.

**Alexander:** Mom, I love you, but you were dead wrong. This once.

In 1977, the Alexander home cost \$68,000. Today, it's worth more than \$2 million. Turns out this pattern is a national phenomenon.

Chris Leinberger, a University of Michigan professor and visiting fellow at the Brookings Institution, says you can see it in San Francisco, Boston, Chicago and Washington D.C.

He gestures to a gorgeous town house in Dupont Circle, with a detailed balcony and an impeccably trimmed Japanese maple out front. But Leinberger says it's not the nice touches pushing up the home's value. It's the proximity to Washington's transit system, the Metro.

**Chris Leinberger:** Within walking distance of transit, we're seeing anywhere from a 40 to 200 percent price premium. The market is willing to pay 40 percent more to three times more.

After the housing bubble burst in 2007, Leinberger says homes in neighborhoods around the country like Park Slope and Dupont Circle largely held their value. Census figures show that in the last 10 years, these neighborhoods have become increasingly white.

We drive 45 minutes outside D.C., beyond the borders of the Metro to Prince George's County in Maryland, In this area, the population is two-thirds black.

**Leinberger:** We're now looking for Fairview Vista.

We drive through a suburban subdivision with large new homes. They've got two-car garages, brick details and window shutters. We stop in front of one on a quarter-acre lot. Its value: \$365,000, one-fifth as much as the Dupont Circle row-house.

**Leinberger:** This is a car-dependent house. You cannot live here without taking your car to literally every trip from your home.

As Americans increasingly choose to live near transit, the value of homes like this has plummeted -- 60 percent since the year 2000.

**Leinberger:** The bulk of the mortgage meltdown took place here. It didn't take place in Dupont.

To be sure, not everyone wants to live in cities. The suburban ideal still has a hold on some. After immigrating from Haiti, Petrice Previlon move to an urban area in New York City. Then, he moved with his four children out to a Long Island suburb with no transit.

**Petrice Previlon:** I love peace and quiet, that's why I moved to Elmont. Elmont is a very residential area. It's a very good place to raise kids. That's why I live in Elmont.

But still, Leinberger says, even in more established suburbs, homes have lost value in the last several years. And with gas prices rising and families getting smaller, he says it's a trend that's likely to continue.

In New York, I'm Andrea Bernstein for Marketplace.

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**Ryssdal:** Andrea Bernstein's story on the value of transit was adapted from the American Radioworks and Transportation Nation documentary "[Back of the Bus.](#)"

