

# TALE OF TWO CITIES

## Suburban Slumming



When Daune Gardner was elected mayor of Waxhaw in 2007, she became the political leader of one of the fastest-growing towns in Union County, which was one of the fastest-growing counties in the country. There seemed no end in sight to the flow of newcomers flocking there, and at the time it was predicted that Waxhaw's population of 8,000 would grow to more than 35,000 within the next two decades. The demand for homes was so great that one-seventh of the population in Union was employed in the construction industry, and Gardner won on a platform of controlling growth.

Now, rather than beating back developers and builders, she's cleaning up in their wake after some have gone bust or left town. This past year, she's been to two major foreclosure auctions, and high on her agenda is formulating a plan for what to do with hundreds of acres of partially developed land.

"The conversation has changed," admits Gardner.

The development freeze in Waxhaw is by no means unusual; the recession has hit every suburban boomtown hard. Many assume the downturn is just cyclical, and the real estate market will return to normal when the economy does. Others say the recession has hastened a fundamental shift in how Americans want to live, and if they don't adapt, suburbs like Waxhaw could face serious decline.

Chris Leinberger, a University of Michigan urban planning professor and visiting fellow at the Brookings Institution, has been invoking the alliterative and terrifying phrase "suburban slums" to describe what he thinks could be emerging in America's outskirts. His thesis: people are choosing urban lifestyles, and as a result what happened to the inner city during the 1950s flight to the suburbs could happen to the suburbs now.

Leinberger says a slum develops when the market value for homes in a neighborhood falls below their replacement value. The owners then have no incentive to maintain their homes -- replacing leaky roofs and keeping up paint jobs -- and an inexorable decline begins.

Leinberger, who is familiar with the Charlotte area, says Waxhaw will be helped by its historic downtown and location in the "favored" southeast Charlotte corridor. But the hour-plus commute times could be a problem. "People don't want to be spending their lives in the car anymore."

What makes the situation in Waxhaw unsettling is that it had been considered one of the area's toniest suburbs, and at issue aren't starter homes. In Waxhaw and the surrounding area, there are many \$1 million-plus McMansions that have been foreclosed on, then recently resold for less than half of their tax value.

And the west Waxhaw subdivision of Millbridge, which had been envisioned as a neighborhood of more than 2,200 houses ranging in price from \$300,000 to \$3 million, has been stuck in limbo since the developers' lender foreclosed on them last March.

Gardner has been pitching the idea of a research park on the site that would bring what Leinberger and others say the suburbs badly need to remain vibrant: jobs. But she rejects any notion that Waxhaw is in trouble.

So does Mary Fitzgibbons, one of the few people living in Millbridge. She and her husband moved to Waxhaw two years ago from upstate New York. Fitzgibbons, in her early fifties, says she counsels her neighbors -- most of whom are young parents -- not to worry about their real estate investment there. "We've seen the downturns of the '70s, and the '80s, and the '90s, and we know it always comes back," she says. "I tell them -- enjoy your house. If you're going to be here five years, you'll be fine. It will come back." -- *J. P. T.*