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GASOLINE PRICES: GOING TO TOWN

Today's suburbs, tomorrow's slums?

'Peak oil' theorists say house prices outside cities will collapse as the cost of gas rises, forcing people to choose urban living

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According to some doomsday scenarios, spiking gas prices could turn the cul-de-sacs and two-car garages that surround North America's cities - built over the past 60 years and designed for the convenience of people with cars - into tomorrow's slums.

The predictions for the most part come from subscribers to the theory of "peak oil," which holds that crude prices will shoot permanently upward as global demand outstrips dwindling supply, ruining the economy. But their predictions are getting a second look now, as suburbanites, especially in the United States, grumble at the rising price of a fill-up.

Some warn the cost of gasoline will make the most sprawling U.S. suburbs so unattractive that housing values there will collapse, forcing many people to abandon their homes for urban areas better served by public transit and leaving only squatters, criminals and those who can't afford to leave the outskirts.

Could it happen in Canada? Many experts doubt that gas prices, while bound to rise, will shoot up so suddenly as to strangle the suburbs, which do not sprawl to the extent that many do in the U.S. But it is clear that a shift away from the traditional suburb is also under way in Canada. Suburban municipal governments are scrambling to retrofit sprawl with denser development and better public transit to keep people moving, responding to concerns not just about the rising price of gas, but also about carbon emissions and traffic congestion.

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Evidence that the suburbs are under siege as oil prices skyrocket is easy to find. In a recent essay in the Atlantic Monthly entitled The Next Slum?, Christopher Leinberger writes that the slide of many U.S. suburbs goes deeper than that country's subprime mortgage crisis. Mr. Leinberger is a real-estate developer, a professor of urban planning at the University of Michigan and a visiting fellow at the Brookings Institution, a liberal think tank.

While foreclosures caused by the mortgage meltdown have left, in Florida's Lee County, one in every four homes empty, Mr. Leinberger argues that a profound shift is taking place, driven by demographics, lifestyle changes and gas prices, as people choose urban, denser areas friendly to walking, cycling and public transit.

According to one study he cites, by 2025 the U.S. could have a surplus of 22 million large-lot homes, or about 40 per cent of the stock that exists now.

"For 60 years, Americans have pushed steadily into the suburbs, transforming the landscape and (until recently) leaving cities behind," he writes. "But today the pendulum is swinging back toward urban living, and there are many reasons to believe this swing will continue. As it does, many low-density suburbs and McMansion subdivisions, including some that are lovely and affluent today, may become what inner cities became in the 1960s and '70s - slums characterized by poverty, crime and decay."

Although U.S. house prices have fallen dramatically - in many areas as much as 20 per cent - the worst-hit neighbourhoods have been those outside urban centres, while prices in denser neighbourhoods have either not fallen as fast or have continued to rise, according to recent studies by economists.

Richard Gilbert, a transportation and energy consultant and former Toronto city councillor, believes changes are on the way for the suburbs, but says many people will simply adapt to paying more for gas, giving up luxuries instead.

"As far as possible, people will keep on with the life that they have," he said. "They won't flee the suburbs because gas goes up to \$2 a litre. But over time ... you will see ... a weaker inclination to live there."

Trying to improve public transit across Toronto's suburbs is the task set for Metrolinx, the new regional authority created by the province and governed by a board of mostly municipal politicians. It is expected next month to release a draft long-range transportation plan that could include billions of dollars in public transit along with controversial measures such as road tolls.

Metrolinx board member Paul Bedford, former chief planner for the City of Toronto, says suburban residents will need to wrap their minds around a more urban lifestyle, taking public transit more often and living with denser development around them.

"So many people I know, probably two generations, have grown up in the suburbs," he said. "All they've known in their life is a subdivision, two or three cars and shopping at the mall. They don't know any other life."

In the Vancouver area, where sprawl is less dramatic, the debate has been driven not just by gas prices, but also by B.C.'s new carbon tax, which takes effect July 1, said Cheeying Ho, executive director of Smart Growth B.C., a non-governmental organization.

Both the carbon tax and rising gas prices "will definitely influence how development is moving forward, and how suburbs get recreated, redeveloped and retrofitted," she said.

"There's going to be a lot more focus on making suburban communities more complete and compact."

Brian Pincott, an environmental activist and theatre lighting designer who won a city council seat in Calgary last year, says the city used to be in denial about its sprawl, but is now at least planning for denser growth.

"Our pattern of growth is unsustainable," he said. "There is broad recognition of that."

Waiting for one of York Region's new Viva rapid transit buses north of Toronto, Andrew Snider, 22, said it will take gas prices of at least \$1.60 a litre before he contemplates giving up driving. When he can borrow his mother's car, driving from his suburban Richmond Hill home to his courses at York University takes just 30 minutes, compared with 90 minutes on the bus, he said.

"Fuel prices are out of control, but for my time, I can justify the fuel expense," he said. "... My car is still the better choice, unfortunately."