

BRIEF ANALYSIS

No. 459

For immediate release:

Thursday, October 2, 2003

What Causes Sprawl?

by Mark Miller

Urban sprawl is generally defined as low-density residential and commercial development on previously undeveloped land. Those who oppose sprawl seek to preserve open space by concentrating future construction in already developed areas. At least 19 states have established either state growth-management laws or task forces to protect farmland and open space. Dozens of cities and counties have adopted urban growth boundaries to contain development in existing areas and prevent the spread of urbanization to outlying and rural areas.

Despite the apparent popularity of antisprawl initiatives, the United States is in no danger of running out of open space. Only 5 percent of all land in the United States is developed, according to the U.S. Department of Agriculture, leaving enormous swaths of land for farms and parks.

Any public policy that attempts to decrease sprawl must contend with the fact that approximately 75 percent of Americans prefer to live in sprawling communities rather than dense, urban areas, according to polling data released by the Competitive Enterprise Institute. Thus land-use restrictions primarily reflect the preferences of urban planners rather than consumers.

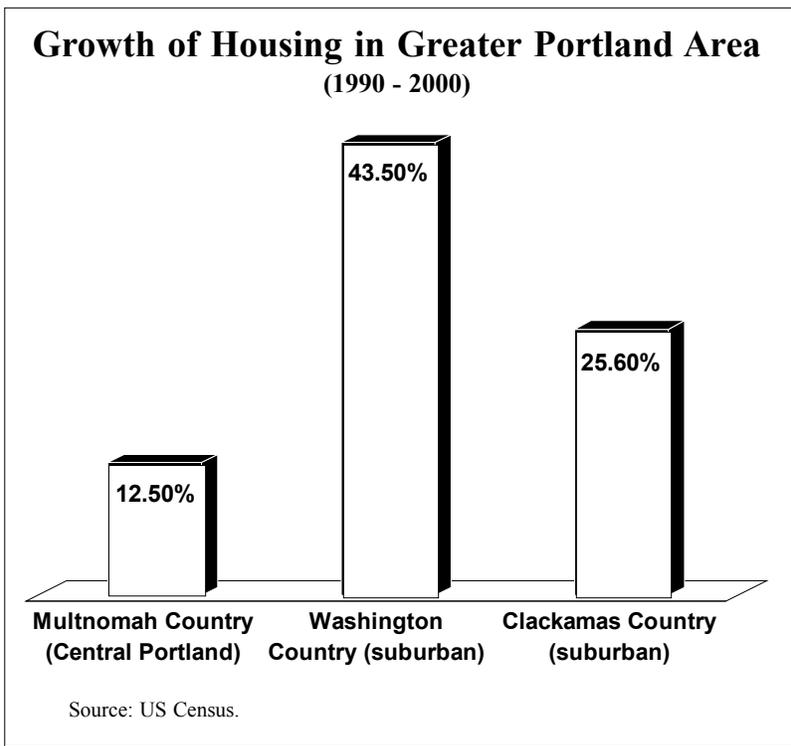
Furthermore, antisprawl policies seldom take into account the extent to which government policies have exacerbated the problems created by development and the failure of previous attempts to limit growth.

What Causes Sprawl? While many factors spur Americans' shift from urban to suburban living, the main force behind this transition is our increasing wealth. This has raised living standards and allowed widespread automobile ownership.

Economists Edward Glaeser and Matthew Kahn (2003) have shown that even in the absence of any government policies that encourage sprawl, low-density suburban communities still would proliferate because many people prefer living in areas with less traffic congestion, larger lot sizes and cheaper housing costs. Since the automobile has made transportation to and from urban centers

easy and inexpensive, urban living has lost the advantage of convenience.

Does Government Cause Sprawl? The increase in demand for housing farther from inner cities is partly due to mistaken government policies. Zoning restrictions, for example, often lead to sprawl by requiring high-density residential construction and large parking lots for businesses. Such regulations favor sprawl while limiting the choices of homebuyers and business owners.



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Other government policies have contributed to urban sprawl. For instance:

- Many families have fled from cities to take advantage of better-quality suburban schools.
- High property, payroll and business taxes have pushed businesses and workers into suburban areas, where taxes are generally lower.
- High crime rates in inner cities have frightened many residents into leaving for safer suburban communities.
- The tax deduction for interest payments on home mortgages favors homeowners over renters.
- Declining infrastructure has reduced the quality of urban life — with potholes, cracked sidewalks and poorly maintained public parks common.

Can “Greenbelts” Stop Sprawl? A number of cities around the world have tried to reduce sprawl by setting aside surrounding land as a greenbelt. Further development on this land is highly restricted. The greenbelt is supposed to act as a buffer between a densely developed city and the sparsely developed surroundings. This increases the inconvenience of residing outside of city limits. However, once businesses and residences begin to locate outside of the greenbelt, the attractiveness of the surrounding area increases, leading to further development of rural areas. Portland, Oregon, is an illustration of this effect; peripheral areas of the city as well as areas outside its greenbelt are developing at a much faster rate than central Portland.

Portland: A Case Study in “Smart Growth.” Opponents of suburban sprawl often point to Portland as a city that has implemented successful antisprawl policies. More than 20 years ago, Portland’s municipal governing agency, known as Metro, created an Urban Growth Boundary and required developers to concentrate inside this greenbelt. Portland’s Urban Growth Boundary has failed. Within Multnomah

County, in which most of Portland is located, the highest population growth over the past 10 years has been along the periphery of the city. The neighboring counties of Clackamas and Washington, which make up the greater Portland metro area, have grown much faster than Multnomah County.

Additionally, the supply of new housing has increased faster outside the growth boundary. From 1990 to 2000, the number of housing units increased 25.6 percent in adjacent Clackamas County and 43.5 percent in Washington County, compared to 12.8 percent in Multnomah County. [See the Figure.]

“Greenbelts push development outward.”

Finally, although the goal of smart growth is to increase the density of communities within a city, the percentage of housing units that are single, detached units is just 59.4 percent in Portland compared to 58.7 percent in Washington County and 67.3 percent in Clackamas County. These statistics all show a trend for people to move out of the central city to outlying neighborhoods and suburbs despite the existence of the greenbelt.

Conclusion. If sprawl deserves to be the subject of public policy at all, it should be only to the extent that land-use restrictions are relaxed rather than increased. Given Americans’ strong preference for lower-density housing, sprawl is not likely to decline. If state and local governments enact strong land-usage restrictions, growth will simply take place elsewhere. Our free enterprise system is driven by consumer demand. Applying its principles to the housing market, developers should be able to build what homebuyers want without intervention from state or local planners.

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