

**Speech by Nicolas Retsinas
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SUSTAINABLE BALANCED COMMUNITIES

Thank you, Peter. Good afternoon everyone. It's a real pleasure to be here today. I have no PowerPoint and as you can understand, I'm not from here. But I want to spend a couple of minutes talking with you about some of the things that we have experienced recently in the United States that may have some relevance, so I'll let you be the judge of that.

Before I do that, I do want to say a special acknowledgement and a congratulation to the International Centre for Local and Regional Development. I got a chance through my good, dear friends Frank Vigier and John Driscoll to learn about this group, and now getting a chance to see it and see the fruits of its labors, it's very impressive. The sessions this morning combined professionalism and passion. That's a nice combination, so thank you for letting me be a small part of that.

My own background, I am not an academic as you will quickly gather from my remarks, comes really from participation on government at all levels mostly in the United States, at the local level, at our state level, and our federal level. And what I want to do is talk a little bit about those experiences, just a couple of minutes, and maybe give you my sense of the lessons to be learned and the principles that you might consider as you go forward.

John was nice enough to bring copies of a book that I recently co-wrote, which you can see out there, so I'm not going to read from the book. It is a compendium of best practices in affordable housing and community development in the United States. I hope you find it

modestly useful. I will read the first sentence of that book, which says, “home defines who we are and prepares us from all we can be. It is the centrality of how we live and where we live.” We could have just as easily said that homes define our communities, what they are and what they will be. Indeed, the title of our book is Our Communities, Our Homes, and we conspicuously and purposely had that sequence, because we do think that there is an interaction between the two.

Over the last year or so, as I’m sure you have read in the local newspapers here, we have had our, pardon the expression, “financial troubles” in the United States, where we’ve had our housing market burst, our bubble has burst. But indeed as I visit Ireland, the 24 hours I have been here, and I start to look around and I started to gather some statistics, there are some parallels here. In the United States, for example, prices doubled from 1997 to 2007. In the Republic of Ireland prices tripled over time. And we are now paying the price for that in terms of our market, and the question is to what extent that might affect our broader economy.

I think in some ways, there is a silver lining to our financial calamity, which is that it has allowed us, back in the United States, to think once again what a home is about. We got carried away. We thought homes were for buying and selling, not for living in. It all got very confusing, and I think that’s the beginning of what I want to give you three or four lessons from our recent fiasco.

- Lesson number one: if something is too good too be true, it’s probably too good to be true. We had an incredible run of prosperity in the United States. We thought it would last forever. I once labeled that “extreme extrapolation comfort.” If something happened the past year, it of course would always happen that way. Well that wasn’t the case. Indeed, it was a crazy situation, but again not unlike what it is here. I owned a home; I was one of two thirds of all American families who owned a home, and I looked forward to going to sleep at night, because I would wake up richer in the morning. It was the easiest way to increase my wealth, just owning a home over time. But, again, it was too good to be true.
- The second lesson I think we learned from our problems in the United States is not withstanding an infatuation with the market, not withstanding an infatuation with

concepts such as privatization. Guess what? Markets don't always make the best decisions. I teach a class back at Harvard and I start the lecture on the role of the markets and the role of the government, and my first line in the lecture is "the best argument for a regulated market is an unregulated market." What happened in the United States and the housing arena is we became increasingly unregulated. Again, it was too good to be true.

- The third lesson that we learned over the past few years, that I hope you might think about as you move forward, is that consumers and people don't always make the right decisions. They often try to make a rational decision that is on their own best interest, but in so doing it can lead to problems in the broader community. We've had, over the last century in the United States, sprawl, people wanting privacy, people wanting their own home in the countryside, not thinking through that the cost of that was the cost of transportation, the cost of energy, the cost of congestion, and that wasn't taken into account.

Let me, if I could, be bold enough to suggest some principles that you might consider as you continue this planning process. And pardon me if I sound a little glib, but sometimes that's what academics are supposed to be, a little glib.

- Principle number one: planning is not like chicken soup. By that I mean, we have an adage in our country: if you are sick, we always say "take chicken soup. It may not help, but it certainly won't hurt," which is pretty good advice. Well, that's not quite like planning. Good planning can help. It can help a lot. It can create value. Bad planning can make things worse. Planning that just backfills after development, planning that takes an inordinate amount of time, planning that does not engage the local community, all can make a community worse than if there were no planning at all. So not all planning works, but just good planning works.
- Number two, the second principle I'd like you to think about: People who pick up your garbage need a place to live. Now you say, why would he say something like that about garbage men? Well, that's the problem in the housing market. That there are many communities that the people who pick up your garbage can't afford to live in that

community. For communities to be sustainable, to be balanced over time, in that broader community there must be places for people who pick up the garbage to live. You can't expect them to drive miles and miles and kilometers and kilometers to get to their place of employment. So balanced community requires a range of housing options, available to people at different incomes, different backgrounds and different skills.

- Principle number three: Home ownership isn't always the answer. In the United States, we went through a period of time when whenever we had a housing problem, the answer was "make them a home owner". Whenever there was a problem with the neighborhood, "let's find more homeowners". We begin to demonize rental housing. Anybody who was a renter wasn't as good, almost as if they weren't as morally good, as people who owned a home. In a balanced community there must be tenure choices, and those tenure choices must include rental. Particularly when you have a growing economy, particularly when you have the kind of economy you have both in the North and the South here.
- Point number four: Peter asked the question "who is not in flavor of sustainable communities?" and everyone was afraid to raise their hand, understandably. Let me phrase it a little bit different: you've got to be prepared to live with people who are different than you are. Not only different in background or in faith, but different in income, different in age, different in background, different in culture. Because indeed it is that mix, it is that array of talents that make a community balanced and sustainable over the long term.
- And lastly, my last principle to keep in mind: and again I'm just a messenger on this, I'm not the promoter of it, urbanization, the process of urbanization is not cyclical in the sense of "well, we've had a couple hundred years of increasing urbanization, now we'll turn back and go back to rural areas." It's not going to work that way. Urbanization is something that we are going to have to live with. 2007 was the first year in the history of the world that more people in the world lived in urban areas than did not live in urban areas. Next year, it's not going to be 49%; it's going to keep going up. Saying that, one has to have strategies that are consistent with urbanized areas, and that means regional strategies. We have to understand that we live and work in a very different kind of place,

where the future of a region is not going to be whether you are near a highway exit or a port, the future of the region is whether you have an environment that smart people like to live in, and that's called "quality of life". And that speaks a lot to planners, it speaks to education, it speaks to the kinds of things that all my colleagues have been talking about.

Let me conclude with a couple of comments. I agree with Patty 100%, by the way. Let's not oversell planning; it's not social engineering. Not everybody has to live next door to people they don't want to live next door to, but they ought to have the choice to do so. That's the issue: we've got to create communities of opportunity. We don't have to create mixed communities, but create communities of opportunities.

The other thing to keep in mind as planners is transparency, cooperation and clarity are absolutely essential. You need to have a clear message. This hotel only has, I think, four floors, the ground floor here and then three or four floors above. Well, maybe a little more than that, but your message has to be clear enough that if this were a ten-story hotel, you could give that message as you went up the elevator. The so-called elevator speech is not just for venture capitalists, but also for planners. There has to be clarity. As Peter said, you don't want to use words that people don't understand.

And the last point I would give you, that I think is absolutely essential for planners, that those of you who are planners have a special obligation. Your special duty, your special responsibility is to make people understand that tomorrow is just as important as today, that what you do and how it affects tomorrow is just as important as how you move the chairs and tables today.

Let me conclude, if I could, in tribute to our next speaker, one of my favorite quotes, which I think is appropriate here in Ireland, both in Armagh and indeed throughout the countryside here is, "the future isn't what it used to be." Thank you very much.