



FEATURED STORY

Capital Ideas: Christopher Leinberger

BY: BRAD GARMON, 12/16/2009

[Christopher B. Leinberger](#) is in demand in Lansing, and his ideas are gaining ground in Michigan. Case in point: he'll be a keynote speaker at the upcoming [Michigan Land and Prosperity Summit](#) at the Lansing Center on April 15. (Click [here](#) to learn more and to register.)

A successful real estate developer, visiting fellow at [The Brookings Institution](#) and author of "[The Option of Urbanism: Investing in a New American Dream](#)," published by [Island Press](#), Leinberger made national news in early 2008 with an article in [The Atlantic Monthly](#) entitled "[The Next Slum](#)," which suggested that the fringe suburbs would be hardest hit by the subprime mortgage crisis.

So where's he think the market is headed next? How about regionally significant, walkable urban places like [Downtown Lansing](#) that are



Leinberger, who also directs the [Graduate Real Estate Development Program](#) at the [University of Michigan](#), was in Lansing recently for an event hosted by the [Michigan Association of Planning](#).

That's where Capital Gains' Editor-in-Chief, Brad Garmon, got the chance to chat with him about Michigan's prospects in a rapidly changing real estate climate. Here are excerpts from that conversation and from Leinberger's presentation:

Capital Gains: Your work is focused on how we have built out the suburban housing market, but neglected the urban market. What does that mean for Michigan?

Chris Leinberger: I'm not opposed to the suburbs. I spent much of my life in the suburbs. But we've under-built—and there is pent-up demand for—walkable urban development.

If you don't offer the market the breadth of choice it wants, you're not competitive. If you're a [Millennial](#), or if you're an [urban dwelling Baby Boomer](#), and the only option [Michigan offers] as far as how you live is a one-to-the-acre single family house, you're just not competitive.

You haven't held onto your young people because you've not offered them the walkable urban way of living, and they've left.

It's not the only reason, of course, but it's significant. You've got folks in this country that would love to move back to Michigan if there was any hope and any option that they could live the kind of life that they want to live.

When you start seeing more and more of that happening, you'll know. The young people, the entrepreneurs in their 20s and 30s—when you start having your phone ring off the hook from your classmates that you went to high school and college with—that's the sign that the outside world is beginning to recognize that Michigan is making the turn.



CG: How far away do you think we are from that tipping point?

CL: It depends on the decisions you make. If you put in the infrastructure that allows walkable urban development to take place, you're going to put in place the preconditions for them to come back.

If you don't—if you try to reinvent the automobile industry and build more freeways as a strategy to get out of this ditch—I wouldn't give you much hope.



CG: What is T4 America and how are you involved?

CL: [Transportation for America](#) is a coalition of about 240 organizations—[Smart Growth groups](#), most of the environmental groups, social equity, [and] public health is a major player. I'm organizing the various real estate organizations and developers [who are also members].

So it's a very strange group of bedfellows. But it's created because the stars have lined up—the market demand that more progressive developers see for walkable urban development is the future. And you

can't get there from here if you're only building roads.

We need a more balanced transportation system and real estate developers now understand that. . . .

Rail transit drives walkable urban places. I've never seen one dollar of real estate investment invested because of a bus stop. But if you have [rail] transit, it's a different story altogether.

The implication for Michigan, especially Southeast Michigan, is that rail transit is the most essential infrastructure. The most important decision you will make, the most important investment you will make, is in rail transit in the early 21st century.

CG: Is Michigan capable of becoming a talent attractor with those kinds of investments?

CL: I guarantee you won't be if you don't. The issue here is this idea that "Michigan cannot focus on the built environment"—that it's got to focus on base industries and that the built environment is a luxury that Michigan can't focus on.



That's garbage.

If you don't build the built environment that the market wants, it's going to Chicago, it's going to D.C., it's going elsewhere. . . .

Ultimately, this is about economic development. I'm not going to tell you that building walkable urban is going to drive Michigan out of its economic ditch.

But without it, I don't think it's possible to get out of this ditch. It is a necessary precondition for this state to move forward. You've got to offer choice. You've got plenty of drivable suburban product. Give the market what it wants. That's the future.

To receive Capital Gains free every week, click [here](#).

Christopher B. Leinberger has written for [The Atlantic Monthly](#), [Wall Street Journal](#) and [Urban Land Magazine](#), and been profiled by [CNN](#), [The Today Show](#), [National Public Radio](#), and [Progressive Architecture](#). He'll be a keynote speaker at the [Michigan Land and Prosperity Summit](#) at the Lansing Center on April 14-15. (Click [here](#) to register)

Brad Garmon is Editor-in-Chief of Capital Gains and a member of the

[People and Land](#) Leadership Council.

[Dave Trumpie](#) is the managing photographer for Capital Gains. He is a freelance photographer and owner of [Trumpie Photography](#).

Photos:

Chris Leinberger

Motorwheel Lofts

Chris Leinberger

Printer's Row in Downtown Lansing

Lansing Photographs © [Dave Trumpie](#)

Chris Leinberger Photographs © Dave Krieger, [Model D](#)