

Overdevelopment Kills the Economy

It is generally accepted that the economic downturn began with the crash of the real estate market, which was caused largely by an oversupply of housing and other development brought on by speculation and unsustainable prices.

When supply exceeded actual demand (after removing speculation from the process), prices fell. It's as simple as that.

It's been like a Ponzi scheme, with promises of profits that were simply unsustainable.

It is widely understood that the economy will improve when, following the present wave of foreclosures, the existing oversupply is absorbed and real estate values again begin to rise.

Given that reality, it makes no sense at all to gut growth management controls with the goal of adding even further to the existing oversupply of housing and other development.

Yet that is exactly what State Senator Mike Bennett and others, including some local officials, seek to do. They want to use the economic downturn as an excuse to eliminate concurrency controls on the amount of traffic a developer can add to overcrowded roads, to shift the costs of growth onto the backs of the taxpaying public by freezing and cutting the impact fees that help make growth pay its own way, to reduce protections of the environment and neighborhoods and to reduce reviews and public input into development proposals.

Do anyone really think housing prices will rise when there are more new houses and condos competing for buyers? Or that empty offices and retail space will be filled when even more is built to compete for tenants and purchasers?

That's like saying the cure to obesity is to gain more weight.

And in addition to increasing the oversupply of development, consider also the other adverse consequences of weakening controls on growth, now or later when developers take advantage of it: gridlocked roads, higher taxes, threatened neighborhoods and a damaged environment.

Our politicians need to get the message: control development and help the economy as well as our quality of life.