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Review of:

THE NEW GARDEN APARTMENT: CURRENT MARKET REALITIES OF AN AMERICAN HOUSING FORM by Carl F. Horowitz. New Brunswick, NJ: Center for Urban Policy Research, 1983.

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The purpose of Horowitz' research is to investigate the likelihood, extent, and implications of the shift in garden apartment tenant composition during the 1970s. The result was fewer nuclear families (with and without children) and more nontraditional households (singles individuals, single mothers, elderly individuals, and empty-nesters).

Horowitz begins by outlining supply and demand for rental housing, using the household life cycle, a "superior predictive tool for economic analysis that combines several demographic variables into one." He notes that the traditional pattern of "way-station housing" (young households rent as a relatively brief transitory phase between new formation and anticipated home purchase) is changing with the entry of certain households into the market. The households do not have incomes of the size and stability comparable to married couples and, until recently, did not comprise a sizable share of all American households.

The second chapter describes garden apartments as a unique generic (suburban) American housing form whose growth has resulted from certain supply/demand pressures. "Scaled-down versions of Howard's garden cities," garden apartments are characterized by rental tenure, low-rise structures, one-level floor plans, and open space. Other usual features are location within a complex and semi-private exterior doorways. No other housing form except mobile homes grew so quickly after 1970. In 1978, nearly 50 percent of existing rental units built since 1960 (excluding mobile homes) were garden apartments--"the bulwark of American rental housing production." The author describes demand and supply factors (and their interrelationships) that may accelerate or limit future development of complexes. Demand-side factors included changing demographic factors, employment opportunities in the suburbs, and housing tastes and preferences. On the supply side: changes in the homebuilding industry in terms of economies of scale, ease of land assembly, cost of vacant land, federal programs and policies, and suburban zoning ordinances.

The garden apartment is not defined as a distinct housing category by Census and Annual Housing Survey data. But Horowitz isolated suburban units via the controlled use of several variables in a working definition to provide baseline nationwide data. From these, he identified and interpreted the extent of demographic change and shifts in structural and financial characteristics of garden

apartments compared with other types of housing. On balance, he noted a clear shift away from families and concluded that garden apartments are fast losing their traditional function as way-station housing for young nuclear families. Further, he saw differences between young and old tenants and married vs. nonmarried ones as prominent factors in the changing garden apartment market.

To delineate actual historical change in garden apartment demand when discounting additions to the stock, Horowitz compared data from 1972 and 1980 surveys of suburban New Jersey garden apartments to the baseline data. Noting a shift in demand for rental housing, particularly at the younger end of the age spectrum (a rise in single individuals under age 35 living alone and a decline in married couples with young children), he concluded that the outflows were not indicative only of a decline in married households. They stemmed as well from a surge in homebuying among baby boom adults. He further noted that the increase in elderly and female-headed households has been most pronounced in existing complexes, where the need for rent increases has been the greatest. Yet these two groups are the least able to absorb rising rents. Except for young, affluent singles in new complexes, a potential weakening of the revenue base necessary to support operating costs is evident.

The author includes a literature review on garden apartment residents and their living environments, citing methodological problems and a dearth of studies. He concluded that the residents studied share traits in being young married couples or single individuals with brief durations of residence, who moved there for low cost rent, proximity to work, attractive physical appearance, and low maintenance effort. They are moderately satisfied with structural conditions, but reluctant (except for single individuals) to pay higher rent for added services and amenities.

Two supporting research issues were investigated via the data comparisons: that traditional garden apartment occupants, whose propensity to move was already high, are staying even shorter periods, while nontraditional households are remaining longer. Consequently, overall tenure may be increasing because of the declining proportion of married tenants. Horowitz attributes longer terms of residence to the net influx of household types with incomes insufficient for home purchase, and to the declining availability of modest-priced housing within commuting ranges. He declares, however, that "whatever the cost, homeownership remains almost as realizable as it is tempting," and that for affluent households (especially married couples) the garden apartment is not an acceptable substitute as a set of amenities, as a level of investment, nor as a source of self esteem.

Horowitz notes that since the housing choices of the nontraditional households, who are a rising proportion of garden apartment tenants, are limited, a large untapped reservoir of demand may exist. But he predicts no major increase in that market because other housing forms such as condominiums, accessory apartments, and private home rentals have cut into garden apartments' way-station function. Moreover, the government has reversed its support for rental construction, thus the only possible resurgence in production would be by attracting "long-term hard core renters") who cannot afford

new-construction rents without subsidies). He concludes finally that garden apartments remain way-stations, but in a sense significantly different from a decade ago.

In the final chapter, Horowitz discusses recommendations for public policy. The first concern he presents is the potential decline in complexes built since World War II or even 1960, noting operating ratio increases with age, heating and electric cost problems, and refinancing expenses. He suggests more government rehabilitation support similar to that under Section 8. Regarding new construction, he views current low vacancy rates and rental inventory losses in light of changing rental demand; the number of tenant households with incomes to support new construction rents is small and declining. Increased production would require more subsidized units and even further reductions of the current 15-year depreciation writeoff for real property. As more baby boomers buy homes, however, the current tight rental market will ease and garden apartment demand will slacken in the late 1980s. He recommends a moderate production strategy aided by state and local laws. He presents a generally two-sided debate concerning the effects of rental and condominium-conversion controls, exclusionary zoning, energy conservation codes, and environmental controls on production costs and investment incentives for garden apartments. Finally, he discounts the feasibility of achieving cost savings via reductions in size or material and labor costs.

Horowitz' overall conclusion is that replacements of traditional garden apartment tenants by less affluent households could become problematic. Governments cannot reverse or alter demographic trends, but they can accommodate them in decisionmaking by 1) preventing the existing garden apartment stock from falling into disrepair and 2) by making it available and affordable to households for whom renting has become a long-term adjustment to their own economic fortunes. That requires an expansion of the role recommended by the Reagan Administration and activism to see that garden apartments remain habitable and attractive places to live, according to the author.

This book presents excellent material for student discussion, not only because it puts the current rental shortage in perspective and debunks the media-promoted "you'll never own a home" line, but also because it is a well-documented model for research involving Public Use tapes. Given research funding limits, the knowledgeable, creative, and efficient use, combination, and/or manipulation of Census and Annual Housing Survey (with other) data would seem to be a basic competency for housing educators and their graduate students. Moreover, the study demonstrates the interdisciplinary nature of the field in combining several personal, structural, and financial variables. An interesting comparison would be between these results and the "pure demographics" found in localized market feasibility studies prepared for garden apartment developers.

The reader will find a vast amount of data and information regarding the state of the art and predicted future of garden apartments. In addition to an appendix describing the methodology (including strengths and weaknesses of the data bases), Horowitz presents a selected bibliography on garden apartments. Just a few

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questions linger after review. The policy recommendations are comprehensive given the space, but more emphasis could be placed on 1) the rent-price results of relatively frequent ownership turnover of garden apartment complexes (usually at higher prices and higher interest rates) related to (accelerated) depreciation or speculation, 2) design aspects relevant to changes in tenant profiles (e.g., more children for longer periods), 3) local efforts such as industrial development revenue bonds, equity syndication, or other tax-exempt financing to provide moderate income rentals without using federal government housing subsidy programs.

What part of the existing garden apartment inventory is most ripe for conversion to condominium tenure and how will that affect the remainder? Will discrimination against female heads with children play a major role in the market? Two other elements are worthy of further investigation: no-amenity vs. amenity-laden complexes and their residents, and differences between HUD-subsidized complexes and completely private developments. A plethora of possible thesis topics is suggested by this study. A final, minor observation: students could be challenged to find a better advertisement for low-rise high density housing (and therefore more likely to get Planning and Zoning Board approval) than the cover illustration.

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