

Shrunkken Dream

The cost of the American dream—that rose-covered cottage or split-level ranch in suburbia—is now up to \$41,300 (new) or \$35,600 (used) and is unavailable to anyone with an income of less than \$23,300. Since the average family's income is half of that, the average family is just out of luck.

For the more affluent family, what used to be the \$35,000 "luxury" model is a routine \$60,000 to \$70,000. With inflation and today's high construction costs and interest rates, five out of six American families cannot afford the American dream at all.

These depressing figures come from a recent Congressional Joint Economic Committee report. The shocking message behind the figures is that the high cost of housing has finally outstripped most people's ability to pay for it. Even the currently increased availability of mortgage money has done little to stimulate sales. And the new tax law that will give 5 per cent of the purchase price of a new house as a tax reduction to move current unsold stock is no permanent solution.

The answer from builders is apparently to be a reduced, stripped-down product; a shrunkken dream that will cost as much as the previous standard model. A better answer—finding ways to increase the attractiveness and livability of smaller, less costly houses on smaller lots—is often made difficult or impossible by the rigidity of existing Housing and Urban Development Department regulations and local codes.

These restrictions do not apply to mobile homes, which account for almost 28 per cent of all new housing because they are the only realistically priced dwelling units. The construction industry, which could offer far greater amenities than mobile homes with far less environmental damage, cannot even begin to compete under present rules.

The inevitable conclusion is that an appallingly large number of Americans are now housing-deprived; and virtually nothing is being done about it. Nor is anyone facing the prospect of a considerable lowering of the American standard of living and environment.

The solution is not temporary tax gimmicks for overpriced houses, but innovative design and legislative reforms. Thus far, both industry and government have failed either to define or deal with the real dimensions of the problem.