

BoKS-House
The future of the American Dream
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Home ownership has been part of the *American Dream* since the term was created. The independence and pride of ownership mirror what the U.S. Constitution states as that all men are created equal and should have the freedom to life, liberty and the pursuit of happiness. Most people assume that their home is an asset in their portfolio of wealth. Pride of ownership encourages neighborhood community, regular maintenance and even capital improvements. Up until 2007, the U.S. saw sixty years of steady appreciation on this asset. That appreciation off-set the expenses associated with home ownership and in many cases served as a sort of retirement savings for these fortunate owners. Unfortunately, the past decade has been slow to recover and many owners are still "underwater" relative to their home's value and what they owe on their mortgage. With property values leveling off, utility rates going up and limited tax deductions of property taxes, the dream of home ownership may have lost its previous appeal.

Of course people have to live somewhere. Renting is strictly a monthly cost that can not be deducted from income at tax time. There are also limited options to renting. Finding a decent home located in a family friendly neighborhood with great schools is a challenge and will cost nearly the same as a mortgage. In most cases the renter will be responsible for paying utilities as well. Renting a home has not been a long term path to wealth and retirement security. So what is a newly formed family looking to start a responsible life together to do? This is a market in search of a path to long term success. They need a ladder to help them achieve what previous generations have benefited from.

The first step is good design. There are a thousand ways to layout a floor plan, many of which create much wasted space and unused floor area. Taking the time to create a design concept that maximizes efficiency without reducing functional space has long term benefits. The dining room that gets used twice a year must go away. The grand entrance foyer must be trimmed down. Providing five or six bathroom suites for a family of four does not make sense. These are just a few simple items that can be eliminated without sacrificing the daily joy of living in a well designed home. Making the spaces that are used in a home as good as they can be is more sensible. Quality over quantity must be the guiding principle of design.

The second step is to provide a home at a lower initial cost. This will help to qualify more buyers at modest income levels and reduce mortgage levels. Henry Ford made the automobile available to the masses by producing cars at a lower cost. He did this by taking advantage of mass production on the assembly line and the economies of scale that brought. While manufactured homes have been here since the so called *mobile home* or the more advanced *double wide*, these homes do not bring the sense of durability, quality and or beauty that most home buyers are looking for. Often, inhabitants of manufactured homes do not own the land upon which these *homes* rest. They are still saddled with

monthly rents and end up with no value after the home on wheels is hauled off of the site. This is no long term solution. This new home concept may come to the site in a box but it doesn't have to look and feel like a box.

The third step is to reduce monthly utility costs. Home owners are at the mercy of large utility companies charging excessive access fees and surcharges that do not even relate to monthly energy usage. As these utility costs increase, the more environmentally friendly alternatives of solar, wind and geothermal become the standard. Rain barrels and cisterns collecting and storing rain water that is filtered for use through out the home reduces the ever increasing threat of drought. These alternative systems become part of the design and construction of each individual home. This is a long term investment that adds real value to the home.

These three strategies address items that we can directly control. Our elected officials seem to act on behalf of lobbyists and the large corporations that they represent. It is a tough battle against Big Oil, the Banking Industry and the pressure to find more ways to tax the people in an effort to cover out of control government debt. Relying on *Right makes Might* is not enough. Large numbers of voters must be coordinated at the grass roots level to help educate our representatives to steer government policy in support of this new fertile *American Dream*. In the end, the goal of any society should be to raise the standard of living for all. We are a culture currently immersed in the ME of all things. It is time to turn to the WE of the future. Providing well designed and built family homes to this next generation is a great start. Children living in a safe and comfortable environment thrive and eventually contribute to the next generation, providing a continuum of joyful meaning for us all.