

your name	Robert Kitzmann
EU home university	HU Berlin
US host university	ASU
title of project	The impact of the U.S. housing bubble and crisis on the process of urban sprawl in the Phoenix metropolitan area
main research goal	To explore the impact of housing bubble and crisis on suburban growth in the research area
main research question	How has the housing bubble and crisis affected the process of urban sprawl in the Phoenix metropolitan statistical area?
main research methods	Literature review, analysis of real estate (housing) data, expert-interviews.
main results (description of projects and findings)	<p>The results are quite decisive, since bubble and crisis had quite different effects on the suburban expansion of the region. The housing bubble caused excessive suburban growth in the Phoenix MSA. However, not all suburban areas grew in the same way. It was possible to determine certain directions of growth. In particular the West Valley, the outer southeast of Maricopa County and Pinal County grew immensely. This growth refers to population as well as to new single-family home construction. These jurisdictions revealed the highest figure of newly constructed units per resident. This growth was facilitated by easily available loans and the possibility of refinancing, enabled by the assumption of eternally rising home values and better affordability of housing as compared to the more desirable southern California.</p> <p>The burst of the bubble in summer of 2007 affected mainly those areas that boomed most until the downturn. They revealed the highest foreclosure densities. The logic behind this result is evident: biased loans policies were applied by loan lenders during the bubble. Particularly less affluent people were provided with poor loans to satisfy their desire for a single-family home. The amazing building boom in certain areas at the urban fringes provided affordable housing despite a rising demand, while housing in more central areas got less affordable. Hence, less affluent people moved to the urban fringes and even beyond. As the bubble burst and housing values were depreciated at an unprecedented pace, these households had less or no equity to retain their houses. Lenders were not interested in refinancing homes and even the opportunity of reselling one's home vanished, since no one was motivated to invest in housing anymore. Subsequently, new single-family construction collapsed almost entirely. A distinction between more booming and less booming suburban areas could not be identified. Single-family home construction decreased all over the Valley to a similar extent; in some areas it broke down almost entirely. Even construction in more centralized areas declined tremendously, but not as rapidly as in the suburbs. While suburban areas grew far more powerfully than central jurisdictions during the construction boom, the same differences could not be established during the recession.</p>
key words	Housing bubble/crisis, urban sprawl, suburbanization, Phoenix metropolitan area