

Big business bets billions on Atlanta's housing recovery

Could Wall Street's plan to buy up and rent out foreclosed homes boost hard-hit neighborhoods? Or inflate another housing bubble?

CLAY DUDA — JAN. 24, 2013



GROWING PAINS: Waypoint Homes' regional director David Zanaty stands in the corner of his Midtown Atlanta office. The firm has outgrown its current space since opening in Atlanta seven months ago. | JOEFF DAVIS

David Zanaty sits in the corner of a Midtown high-rise office in upheaval. Half-filled boxes of staplers, paperwork, and other supplies lie next to partially disassembled furniture outside of his door. It's barely been six months since the 36-year-old took over as regional director for Waypoint Homes, a California-based investment company that recently expanded to Atlanta, but his branch has already managed to outgrow its space.

"I was with a division of AIG that went from over 20 people to three people," Zanaty says, referring to the bailed-out financial services giant. "Now, I'm at a company that went from one person to over 20 in Atlanta in just seven months." And it's ready to hire more.

Waypoint Homes is one of a handful of large investors that see opportunity in Atlanta's decimated housing market. The company is currently spending millions to buy up the glut of foreclosed and underpriced homes left in the wake of the economic downturn, fix them up, and rent them out. It already owns more than 3,000 properties around the United States, including an undisclosed number in metro Atlanta, and is working to acquire as many as 15,000 more in a handful of the country's major markets.

Banks seized more homes in Atlanta during 2012 than any other major metro area in the country, according to CoreLogic Inc., a company specializing in real estate data and analysis. Local home values showed some signs of improvement in 2012, posting the first gains in more than two years in September, according to an S&P/Case Shiller report. But at the end of 2012, houses in the metro area were still about 30 percent cheaper than the national average, according to Zillow.

"Basically, you can buy homes right now for less than it cost to build them," Zanaty says. "That's an important measure for investment. It means you own something intrinsically worth more than you paid for it."

About half a dozen other large investment firms like Waypoint are betting big on housing in metro Atlanta, spending millions of dollars monthly to purchase homes from auctions, trustee sales, banks, and listings services for less than they think they're worth. In the short term, the companies plan to rent and manage the properties, pay back investors with money from rental incomes, and eventually start selling off the homes in a few years after home values have increased.

Firms have also talked about offering rental incomes as securities to be traded on Wall Street, a practice similar to the mortgage-backed securities that went awry and contributed to the housing bust of the 2000s. Some investment analysts expect to see the first rental securities hit the market in early 2013, but they have yet to materialize.

The practice by large real estate investors of flipping homes for a quick buck is nothing new. But renting and managing properties has also long been the realm of mom-and-pop landlords who rarely have the means to expand beyond a couple dozen homes. With big business comes the prospect of big change. By quickly removing thousands of foreclosed homes from the market and turning them into rentals, these firms could potentially jump-start the slogging local economy, increase home values, and begin to rebuild communities in neighborhoods racked by vacant properties. But this real-life game of Monopoly has also attracted the attention of activists and other community advocates who say that the negative effects could outweigh the positive. They fear that some of the same executives involved in the devastating housing crisis are now laying the groundwork for another real estate bubble.

On a brisk January morning, more than 100 people stood on the steps of the Fulton County courthouse looking to buy a house. Once a month, flippers, investors, and aspiring homeowners hungry for a deal flock to courthouse steps across the state to purchase foreclosed and distressed homes up for auction. In the last year, however, some unfamiliar faces have joined the auction masses, often driving up prices and baffling long-time buyers by the amounts they're willing to pay. At times, they shell out more than market value for homes they're after.

"When we start getting into cases where they pay above market value I think it's just sloppy investment," says Elizabeth Warren, 29, an Atlanta native who has been buying, fixing, and flipping a small number of houses each month for more than a decade. Warren used to pick up an average of four or five houses at county auctions each month, but since investment firms started bidding over the summer, she and other buyers unwilling to pay the higher prices have scaled back their work. "I don't agree with their speculation about the market turning around so quickly. A lot of their model deals with speculation, and that's kind of how we got into this mess in the first place," she says.

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CHOPPING BLOCK: Distressed houses go to the highest bidder at the Fulton County foreclosure auction in January. Real estate auctions are held the first Tuesday of every month at county courthouses around the state. | JOEFF DAVIS

Back at the courthouse, teams of bidders circle the auctioneers, checking properties up for bid against a list of homes they've evaluated as worthy investments. Bidders carry binders with details about hundreds of properties, including the maximum they're willing to offer for each. If they win, another team member steps forward to pay in cashier's checks. Properties sold at auction have to be paid for on the spot, and investment firm reps often carry millions of dollars worth of vouchers in folders or locked bank bags.

"We usually spend about \$30 million a month between all the counties in metro Atlanta," says Carlton Washington, a district manager that evaluates hundreds of prospective properties every month for Colony American Homes, one of the largest investors buying up Atlanta area houses. The firm aims to purchase 200-300 homes each month, at times picking up more or less depending on what's available. In October, the group made headlines for spending \$15.5 million in a single month, nearly as much as its three previous auctions combined.

Collectively, firms like Colony, Waypoint, Blackstone Group LP, Silver Bay Realty, Sylvan Road Capital, and others are trying to drive at least a short-term economic recovery in an effort to capitalize on a steady and growing demand for rentals. Prices of distressed properties have already started to increase faster than anticipated, thanks in part to heavy buying at county foreclosure auctions around metro Atlanta. There are signs some firms plan to speed up purchases before rising prices cut into profits.

Blackstone Group, the largest private investor in real estate in the United States since the start of the recession in 2008, has ramped up purchases of homes to turn into rentals. The company owns 16,000 homes around the country, and spent more than \$1 billion in 2012 alone to pad its inventory. It's currently seeking to double its line of credit from \$600 million to \$1.2 billion to help with purchases this year, according to Bloomberg.

Silver Bay Realty is spending more than \$40 million a month to buy homes in Atlanta and a handful of other cities. While many of the firms are mum about their activities in the Atlanta area, national estimates show as much as \$9 billion has been raised to buy as many as 90,000 homes, according to Keefe, Bruyette & Woods Inc., an investment banking firm known for its financial research. That money is being concentrated in a few major metro areas still reeling from the housing bubble's bust, including Atlanta, Miami, and Chicago.

Last year, Phoenix's rock-bottom housing prices proved a fertile testing ground for many of the same firms now active in Atlanta. Heavy buying in the Arizona capital helped drive home values up more than 30 percent between November 2011 and October 2012, according to a housing report from Arizona State University's business school. The gains boosted confidence among private investors willing to bet on an emerging and largely unproven business model.

Each company has its own process for evaluating homes and their communities. In Atlanta, most are focusing on high-demand properties in middle-income neighborhoods often located in the suburbs and northern parts of the city.

"Our model is focused on finding those neighborhoods where people want to live," says Robert Lee, co-founder of Sylvan Road Capital, a Duluth-based company with rental homes in 10 metro counties and plans to expand nationally this year. "We look for

things like good school districts, lower crime rates, and areas people want to raise their families."

After purchasing a home, firms spend anywhere between \$5,000-\$60,000, and sometimes more, to fix up the property. Multiply that by the thousands of homes being scooped up, and it works out to a slew of renovation work for many construction workers who have struggled to find steady employment since the economy tanked.

"It's an aspect of our business I'm very happy to have," says Rick Porter, president of Richport Properties. For more than three decades the company specialized in building new homes, but was forced to find other ways to make money after the crash. Porter says it's hard to gauge, but he figures that renovation jobs for large firms now accounts for about 30 percent of his business. "How long it lasts is another part of the phenomena, and that I don't know."

How long it lasts, and what sort of long-term impacts it has on metro Atlanta, remain to be seen. For now, at least, market trends seem to have given investors the confidence — and investment firms the money — to push ahead.

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EDUCATION CAMPAIGN: Occupy Our Homes Atlanta activists Shabnam Bashiri (right) and Kwabena Nkromo tell a homeowner about his new big-business neighbor. | JOEFF DAVIS

Rental prices in Atlanta, both for homes and apartments, have remained high. It costs at least 40 percent more to rent than buy as of August 2012, according to the most conservative estimates from Trulia Inc. People's attitudes toward home ownership have also shifted. In 2011, only 66 percent of Americans thought homeownership was a safe investment, compared with 83 percent in 2003, according to a report by Morgan Stanley outlining investment opportunities in the shift to "a rentership society."

The companies betting on Atlanta's housing market expect that trend to continue, and so do some former Wall Street executives. Oliver Chang, former head of U.S. housing strategy at Morgan Stanley and co-author of 2011's "a rentership society" report, quit his job to help launch Sylvan Road Capital last August.

If Chang is right, the trend marks a paradigm shift in how homes are rented and the way people live, at least for the near future. Every former homeowner forced to vacate during the economic downturn is a potential renter. That, combined with the fact that less people are buying homes, creates a huge demand for rental properties.

The dynamic of renting from one of these firms varies by company. Many bill themselves as one-stop shops, overseeing purchases, renovations, management, and maintenance of the homes. Others choose to partner with property management teams and other companies. Sylvan Road prides itself on having smaller field offices in the communities where it owns homes, saying the local presence allows it to be accountable and accessible to tenants. Other firms oversee properties in as many as 20 metro counties from a central office.

But the concern exists that Atlanta may be too flush with rental properties, and that oversaturating some neighborhoods could negatively impact the communities over time. Couple the large number of homes being converted to rentals with the thousands of apartment units currently hitting the Atlanta market, and some advocates worry the attention from big business could undermine Atlanta's real estate recovery nearly as fast as it rebounds.

Occupy Our Homes Atlanta, the offshoot of 2011's Occupy movement that's focused on the foreclosure crisis and its aftershocks, has begun the arduous task of tracking a growing list of homes recently bought by large firms such as Blackstone and Colony American Homes. The group is working on a strategy it hopes will slow the number of homes being converted into rentals by these investment companies, starting with a door-to-door campaign to educate those with big business landlords.

"The major concern for us is Wall Street and the financial sector being involved with housing again," says Rob Call, a full-time activist with OOHA. "Sure, they're pushing up home prices, but the plan is to turn around and sell the homes in five years or so. It's intentionally creating a bubble."

"One of the big questions is whether the kind of stabilization in prices we're seeing, which in general is a good thing, is sustainable over time," says Dan Immergluck, a professor at Georgia Tech's School of City and Regional Planning and author of 2009's *FORECLOSED: High-Risk Lending, Deregulation, and the Undermining of America's Mortgage Market*.

"Another big question is what they do with properties that don't turn out to be profitable," Immergluck says. "If they see them as not profitable, they're less likely to keep them up, and they'll start minimizing investment in them, and then that could cause spillover problems."

Some communities could also be hampered by having too many renters, says John O'Callaghan, president of the Atlanta Neighborhood Development Partnership, a nonprofit that helps families deal with foreclosures and other housing issues.

"Having the right investors in neighborhoods to acquire, rehab, and repopulate homes can be a good thing, but if overdone you can start to do as much harm as good," O'Callaghan says. "If a neighborhood that had a good balance of home ownership and rental opportunities becomes over-concentrated in rentals, you could potentially see home values decline, and at that point investments may not be kept up in the neighborhood."

On the other hand, for some of the most blighted communities rattled with foreclosures, like Atlanta's Pittsburgh and Vine City neighborhoods, turning vacant homes into rentals could act as a stepping-stone to a more permanent and prosperous resident base, explains Immergluck.

"For the city, the bottom line is taking vacant and abandoned houses and putting people in them," says James Shelby, Commissioner of Atlanta's Department of Planning and Community Development. "Whether it's an investor or developer, as long as they're turning vacant properties to an occupied state that helps the city."

But LaShawn Hoffman, president of the Pittsburgh Community Improvement Association, isn't convinced. He says occupying vacant houses is only part of the issue, and that neighborhoods like Pittsburgh also need access to goods and services, such as grocery stores and retail outlets, to truly grow into thriving communities.

"I think there could be some value in purchasing dilapidated properties across the city of Atlanta to provide quality, affordable housing for moderate- to low-income families, but I don't think that would be a good strategy in my own neighborhood," Hoffman says. "We're already dealing with an almost 3-to-1 ratio of renters to homeowner-occupied residents, and we really have to start building the homeowner base in order to reach the level of revitalization we feel this neighborhood deserves."

A Grant Park resident, speaking on the condition of anonymity, says renting makes a lot of sense for him and his roommate, but he doubts they'll stay in their current home much longer. Last month, after their property was sold to a company owned by a large investment group, he says they were given a 90-day notice that their rent would nearly double. They could sign a new lease or move out.

"They've just set the fair market rent at \$1,650 [a month], which is a considerable hike and doesn't really fit the market," the resident says about his three-bedroom house a few blocks from Zoo Atlanta. "Somewhere more around the \$1,200 or \$1,300 range seems to be what's going in our area. If we can negotiate what we feel is market value [we'll stay]."

If they do decide to move, he and his roommate certainly won't be at a loss for rental options.

"This wave is coming. Good can [come] out of it, but there are going to be unintended consequences and those consequences may very well be negative," says O'Callaghan. "We as local neighbors, local governments, and advocates need to determine how we can incentivize those that are doing it right and provide barriers to the activities of those that are doing it wrong."

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Posted by jsrowe

Jan 24 2013 08:51

The issues I foresee is many of these companies are buying up thousands of homes in a variety of markets on, for the most part, credit. They're simply speculating that 1) home prices are going to go up to a point where they can sell for a targeted return and 2) that in the meantime they'll have the ability to maintain the properties, lease the properties, cater to tenant's needs when things break, etc. when these companies have no experience doing so. Do they have the infrastructure in place to handle thousands about thousands? Is that infrastructure accounted for in their estimates? They're buying places for cheap, sure, then they're spending \$10-\$60,000 to fix them up, sure, they've accounted for that. But what about repairs that naturally occur with rental properties? What if they can't get the target rents in certain areas that they thought, because each neighborhood is unique and it's not simply, "You can get \$1.5 / SF in Atlanta." What about the manpower needed to show units, lease units, maintain, etc? I know the article stats some firms are working with local leasing companies, but we're talking about an insane number of units coming to market. And then, if they packaged these rental units into securities, institutional investors will be

the one footing the bill should this speculation not work out, not the companies themselves. And even if it doesn't work out, are these companies assuming they'll just be bailed out like their MBS counterparts?



Posted by chillax

Jan 24 2013 10:18

So we are going to trust Wall Street again? Fool me once, shame on you... Fool me twice, shame on me. And by "me" I mean us.



Posted by smoothcriminalz

Jan 24 2013 11:04

Yes, this is a terrible idea. This is a bubble we need to get in front of before it's created.



Posted by cep

Jan 24 2013 11:37

I dunno, I was skeptical, too, when I read the headline. I live in a neighborhood that already has a lot of renters. But, there are also a LOT of empty, run down homes. I think that we need to take baby steps to revitalize: 1) Get the empty homes fixed up and have families living in them. 2) Those homes will be sold at a later date, if the investor can make a profit. Because they would be now livable and fixed up and stabilized, banks would be more likely to do traditional loans. 3) Homeowners will buy some of those homes, decreasing the percentage of renters.

Regarding the comment about grocery stores. We need those things in my neighborhood, too, but I think you have to have a stable community first. Those businesses are not going to come when there are so many empty houses.

I have seen plenty of "local" landlords do shady things, too, such as perform non-code compliant repairs and turn homes into flop houses. It might be better to have legitimate investors doing these deals, because they will have more incentives to follow the proper codes.

Also, it takes some big pockets to buy these homes. Sure, they are cheap but to buy them, you generally need cash for the purchase, and cash for the construction. Banks are not going to do traditional loans on a lot of these properties.

Finally, for all of the talk on this site about affordable housing, there sure are a lot of people against investors taking properties that are vacant, spending money on them and renting them out to people who need homes.



Posted by CapViewBliss

Jan 24 2013 11:48

This is the cycle of capitalism. It's done all the time with all sorts of commodities so should it disturb us here?

The concerns for me relate to how these owners/capitalists are DISCONNECTED from the communities they've invested in and that they have deep pockets. The example of higher rent in the article is a good one. A smaller local operation would be more likely to charge lower rent b/c of lower overhead costs & at the same time, have a greater need for the property to generate income. A Co. with Deep pockets can arbitrarily set the rent much higher and wait it out. Displacing lower income residents and changing the character of the neighborhood. Historically, neighborhoods that have "revitalized" are those with lower rents that draw artists/entrepreneurs etc. that create a unique and valued culture. By circumventing this process, the big investors disrupt the community's cultural development.

Similarly, they can much more easily abandon properties as "bad investments" sending a home further into neglect and thereby damaging the neighborhood. When it may have been best if they left the home alone, let a local investor buy it since the local investor will have closer ties to the community. Of course these are based on generalizations -- you can certainly have a local, slum landlord and similarly have a more responsible big investor -- the later is just less likely.

Can local governments institute reasonable conditions that will decrease the likelihood of abuses? Perhaps a tax penalty if you own more than 10 houses in the city and less than 80% (70%?) are rented/occupied at any given time. Those monies are earmarked for the community -- parks/signage/improvements -- ldk -- something reasonable.



Posted by cep

Jan 24 2013 12:34

CapViewBliss brings up another point, albeit indirectly. Getting these houses occupied should generate more property tax income for the city, than having them sit empty. (Sure a bank or other owner is supposed to pay taxes on a foreclosed home, but it doesn't happen in many cases; that is why tax liens are sold on the courthouse steps.) In other words, this will help begin the city's healing as well. Also, investors pay a higher property tax than owner occupants, because they don't get the homestead exemption.

I think we have different perceptions about local investors vs. corporate investors. I have seen plenty of local investors that are more like slumlords. Regarding rents, I think that a corporate investor will respond to the same market pressures that a local investor would: both want to make money and both will ask what the market will pay.



Posted by oydave

Jan 24 2013 12:42

Investors...corporations...CAPITALISM...

Booga booga booga!



Posted by The Gorgeous JR

Jan 24 2013 14:19

Makes sense to form a company, buy up cheap property in a major city like Atlanta but where are these houses? Curious to see where the ITP housing market goes with the rate and nature of crimes and violence having gone up noticeably this past year. These companies are banking on neighborhoods getting gentrified fully and that more folks with money decide to move in.



Posted by Occupy Our Homes ATL
<http://youtu.be/ynZx2Un34EU>

Jan 24 2013 14:52



Posted by deeves
@cep -- Here is an interesting piece of legislation introduced by Joyce M. Sheperd:

Jan 24 2013 15:13

<http://citycouncil.atlantaga.gov/2013/Imag...>

"An ordinance to impose a higher property tax rate for blighted, vacant properties; and for other purposes"

I don't think this would be the answer necessarily, but it is interesting to consider and the idea should be explored more.



Posted by Mark from Atlanta
"Investors...corporations...CAPITALISM..."

Jan 24 2013 18:47

Investors...corporations...bloodsucking other folks' misery...CAPITALISM...



Posted by Mark from Atlanta
"Homeowners will buy some of those homes, decreasing the percentage of renters."

Jan 24 2013 18:52

Cep, the article says that rents are going sky high. How do we expect renters to transition to homeownership when they can barely make the month's rent much less save up a down payment?

This is no "free hand" of the market lifting folks' up - its more like an iron fist that is crushing the life out of the working class.



Posted by John Ashe

Jan 24 2013 19:09

another cause for major concern: the trading of rental securities means short-selling too, so there will be investors betting against recovery. and then insurance against those bets... same same as before. and Wall Street continues to fight regulation of these problems that caused the bailouts in 2008.



Posted by mk777
welcome to serfdom

Jan 24 2013 21:34



Posted by smoothcriminalz
the real deal on blackstone:

Jan 24 2013 22:26

<http://www.youtube.com/watch?v=ynZx2Un34EU...>



Posted by The Truth

Jan 24 2013 22:53

It is better the homes sit in disrepair, causing other homes in the community to continue to lose value, as homeowners continue to walk away because they don't have equity, or can't sell?

Is it better that people remain unemployed than being employed repairing and fixing the houses, and managing the rentals?

And exactly how is this speculation any worse than playing the lottery?



Posted by oydave

Jan 25 2013 09:44

"This is no "free hand" of the market lifting folks' up - its more like an iron fist that is crushing the life out of the working class."

Rise up! And together...we will grow corn!

How can you believe this junk? The omnipotent "free hand" is an exaggeration, I'll give you that, but a century of history has shown us that your worker' paradise of collectivism has consistently led to lower living standards, authoritarianism at best, totalitarianism at worst, and to an exodus of those who are able to free capitalist countries. To you, it is an intellectual exercise, but to those who suffer under your utopian system, it is a nightmare.

Capitalist misery after a market crash is a holiday compared to the unending misery of those who yearn for freedom from oppression, the real oppression of the Worker's Paradise.

Fortunately, there are less of those people, now.

You MAY be miserable under callous, free market capitalism, but you will DEFINITELY be miserable under the central control of the Politburo or the Central Committee.

Actually qualifying for a loan, that awful capitalist practice, worked well in the housing market. Enter the utopian dream of everybody owning a home and Presto! Crasho!

The market was working just fine until idiot presidents (Carter and Dubya, the most guilty) stuck their fat fingers in it.



Posted by libby libby libby on the lable...self righteous one.

Jan 25 2013 15:08

Poor Elizabeth, she is just as part of the problem as the large scale investors, making profits off the poor. Have one house, in a community, and get a job Libby.



Posted by Mark from Atlanta

Jan 25 2013 16:10

"You MAY be miserable under callous, free market capitalism, but you will DEFINITELY be miserable under the central control of the Politburo"

Oy, why are you still stuck in the 1950s cold war? Get with the times, my friend. Believe it or not there are alternatives to capitalism beyond soviet-style communism. But if your only goal is full throated support of your magical free markets despite the misery they entail, then stick to tired, dualistic thinking.



Posted by Mark from Atlanta

Jan 25 2013 16:26

"The market was working just fine until idiot presidents (Carter and Dubya, the most guilty) stuck their fat fingers in it."

Oy, thats a good one. Who do you think pulled Reagan/Carter/Bush/Clinton's strings to initiate "free trade" to export all our manufacturing jobs to cheap labor markets? And who pushed for easy credit that has most Americans under a mountain of debt? It was your precious corporations. Your level of economic analysis appears to be quite superficial and you seem to have a blind eye to the influence Corporate America has over both the private and public sectors in our country.



Posted by oydave

Jan 25 2013 17:01

"Believe it or not there are alternatives to capitalism beyond soviet-style communism."

Oh I know. There's Sweden, which is where we're headed. It will be fine if you dig Mayberry because that's what Sweden is, despite it's swinging image.

I don't think socialism along the lines of Sweden would satisfy you or many who scribble here, though. It still is nominally capitalist, no? Or do you mean the kibbutz or Walden Two? Can't run a world power that way.

The loss of manufacturing jobs was inevitable and had nothing to do with ideology. Trade on a world basis is a modern fact, the result of indigenous development of nearly every nation. It doesn't matter what you think about it. You can only deal with it.

It's been a bad investment climate for quite a while. It's a good thing, not a bad thing, that someone or some CORPORATION is investing in these properties. My own property value could use a little bump.



Posted by peachtreehillsvoter

Jan 25 2013 17:28

Remember when, at the end of the movie "Margin Call," John Tuld, the cynical but realist CEO of a giant global investment bank (played by Jeremy Irons), tells one of his top managers, the disillusioned and embittered Sam Rogers (played by Kevin Spacey) whom Tuld had just used to organize the fire sale-sell off of huge volumes of almost worthless subprime mortgage-backed securities to unsuspecting investors in order to avoid the giant firm's collapse and bankruptcy, "Don't worry, Sam, we lost something here but we are now going to make a fortune on the the financial collapse now about to unfold before us." Or words to that effect.

And isn't this, folks, in many ways just what John Tuld in the movie was talking about: a former AIG official - whose former employer, financial services-insurance giant (AIG) required the largest TARP bailout resulting from its sales of credit default swaps (insurance guaranteeing the values of these subprime mortgage backed securities for investors who purchased them and for anyone else who just wanted to bet on (or short) the value of the securities - without having the financial reserves to pay the claims once the securities' values fell or otherwise tanked - this former AIG official is now working for another company, Waypoint Homes, which seeks to profit in part from the huge numbers of foreclosures of Atlanta homes many of which were encumbered with these toxic, unaffordable subprime mortgages and foreclosed upon when the borrowers could not make the unaffordable payments and many more of which were foreclosed upon because, as a result of the financial collapse, the homeowners lost their jobs and could not pay their mortgage payments?

You see why the Occupy folks and other community activists are outraged by what they see. I support their efforts.



Posted by JF Williams

Jan 25 2013 19:23

Three things I would like to happen but through a deep, soberingly hard look at reality in the United States of America, realize never will:

1. An amendment to the U.S. Constitution banning corporate personhood

2. Revoke the 1996 Telecommunications Act and reinstate media ownership caps as well as banning cross-ownership of different media platforms

3. Revoke 1999 Gramm-Leach-Bliley act and reinstate 1933 Glass-Steagall Act

I know that this won't happen. Half the voting public in this country is depressingly stupid. And most of the stupid voters are concentrated in the south.

And crafty gerrymandering has ensured that these stupid voters have the lion's share of influence on domestic and foreign policy.

sigh



Posted by Mark from Atlanta

Jan 25 2013 23:43

"There's Sweden, which is where we're headed. It will be fine if you dig Mayberry because that's what Sweden is, despite it's swinging image."

There are other alternatives to American-style capitalism besides Mayberry... er Sweden. These include decentralized cooperatives where local production is bioregionally sensitive. This would be much better than either of the industrialized economic models you mentioned, soviet or capitalism. It would be a flight of fancy to think the human race is

sustainable on our current dog-eat-dog, fossil fueled trajectory.

As the man said "hope is a dangerous thing" but I would rather work toward the possibility of a better world than to betray my grandchildren by spiraling down into cynicism. Get on board my friend, right now there is plenty of room.



Posted by Mark from Atlanta
"*sigh*"

Jan 25 2013 23:48

See above.



Posted by eric pfeifer
i'm surprised dave can even broadcast from his asshole using a telegraph

Jan 26 2013 00:53

wonders never cease



Posted by CapViewBliss
That's your criticism of Sweden? It's not groovy enough? Or somehow you can't be an individual? There are serious critiques of Sweden's Social Democracy -- for example, that it has betrayed it's founder's progressive believes by pursuing neoliberalist policies.

Jan 26 2013 08:43

The entire focus of capitalism is to grow profit....it does this by expanding markets for it's commodities and lowering it's production costs. This, capitalist ideology, has everything to do with job losses in America (offshoring) and increasing globalization of markets.

Our choices, based on our beliefs, our ideology, make all the difference in defining the world we live in. Don't conflate the effects of technology such as time-space compression with the ideologies we choose and their effects.

Check out David Harvey and this cool little you tube vid for a fun overview of the "Crisis of Capitalism": http://youtu.be/qOP2V_np2c0 (I can't get the link to work, but search the title on youtube).

As PeachtreeHillsvoter noted....the article captures one of the facets of capitalism - here, one of the greatest wealth transfers from individuals to the banks/others.

When the bourgeois move beyond letting the worker feed them and (take so much) that they have to feed the worker...they have sown the seed for their own destruction.



Posted by oydave

Jan 26 2013 09:34

" An amendment to the U.S. Constitution banning corporate personhood"

Who makes decisions at a corporation? The printer?

"most of the stupid voters are concentrated in the south. "

I don't think the North is really there. I think it's South of Canada.

"Remember when, at the end of the movie "Margin Call," John Tuld, the cynical but realist CEO of a giant global investment bank (played by Jeremy Irons), tells one of his top managers, the disillusioned and embittered Sam Rogers (played by Kevin Spacey) whom Tuld had just used to organize the fire sale-sell off of huge volumes of almost worthless subprime mortgage-backed securities to unsuspecting investors in order to avoid the giant firm's collapse and bankruptcy"

What made them worthless? Also, I saw Superman fly in a movie.

"decentralized cooperatives where local production is bioregionally sensitive"

Hippie dreams...although decentralization for many things is desirable...and anathema to your precious powerful central government.

"The entire focus of capitalism is to grow profit....it does this by expanding markets for its commodities and lowering its production costs. This, capitalist ideology, has everything to do with job losses in America (offshoring) and increasing globalization of markets. "

No. You've been fed some ca-ca. And soon as you use the word bourgeois, you're a tool.

All you guys got more sense than this.



Posted by JF Williams

Jan 26 2013 11:16

Dude, you are all over the map.

I will respond when you are actually able to concretely address me in a point-by-point argument/counter-argument style.

Otherwise, I will likely sleep on this one.

It's too incoherent with no obvious decisive conclusion.



Posted by Mark from Atlanta

Jan 26 2013 18:52

"decentralized cooperatives where local production is bioregionally sensitive' - Hippie dreams...although decentralization for many things is desirable...and anathema to your precious powerful central government."

Decentralized cooperatives with bioregional-oriented production sustained indigenous cultures for thousands of years. Western industrial capitalism has put the human race on a one-way track toward extinction and all you can offer in defense are tired one dimensional homilies of "at least its not communism or hippies."

At one time I felt the same as you, but I have traveled around the world and have seen the misery our system has created. Then I came back home to Georgia and saw communities wrecked by unemployment, pollution, meth epidemics and other crime - all side effects of your wonderful free market.

Wake up buddy, your industrial capitalism has failed the world over and here at home and is on its last legs. The only question is - what will follow? If all you have to offer is tea bagger double downing on the status quo then be prepared for disappointment because big changes are coming. Its as inevitable as the laws of physics: $^APV = nR^AT$



Posted by oydave
And your answer is to return to tribal villages?

Jan 27 2013 09:13

It's the 21st century and we are headed to the stars.

Meth comes from capitalism...wow!



Posted by Mark from Atlanta
"And your answer is to return to tribal villages? It's the 21st century and we are headed to the stars."

Jan 27 2013 15:22

I used to share your Star Trek/U.N. Federation star gazing, but the reality is that there is nothing out there that will make you any happier than what is here on the good old Earth. The trick is to keep from destroying ourselves. How do we do that? There are two main causes of self destructive behavior: Alienation from our fellow humans and from nature.

Crime, unemployment, etc do not just fall from the sky. There are causes and a major one is our distrust of each other which arises, in part from our insular neighborhoods and insular economics. Insular neighborhoods have become much more an issue in the past

50 or so years due to the view of the neighborhood as an investment, not as a home. There is no real incentives to build longterm ties which can reduce crime, etc. The major incentive is to build community ties as a means of keeping property values up. Thus neighbors are commodified much in the way you have stocks, bonds and so on - no real friendships result. In addition, recreation becomes more of an individual pursuit in the home. This requires consumer goods leading to debt which further destabilizes neighborhoods. The ultimate result of this individualization of happiness is that folks turn to meth, crack, heroin etc in an attempt to find relief from alienation and despair.

Insular economics arises from emphasizing competition over cooperation. In the dog eat dog work place we become alienated from both our fellow workers and from the work itself. In a highly competitive workplace our jobs are on the line. When the coworker "wins" and you lose your employment that has ripple effects on both your family and your neighborhood when you either lose your home or have to move to find work, hence more neighborhood destabilization. In addition, highly competitive workplaces turn our days into a twisted version of "Survivor" where no sincere relationships arise, just temporary alliances to further our individual ambitions.

The alienation from nature results from the the nature of work (pardon the pun). Due to globalization, manufacturing has become delocalized and there is no real connection between ourselves and the goods we sell. Finally, because of destabilization of neighborhoods there is no incentive to keep the neighborhoods pollution free in the longterm. As long as we can sell our homes before the shit hits the fan than no problem, but the reality of globalization is that we are running out of places to run to (unless you get that starship built asap).

The only way to truly address the alienation of humankind from the environment and each other is, like I said return to an economic system where manufacturing is bioregionally focused with an emphasis on local industries both on the macro and micro levels. This will stabilize neighborhoods by building longterm ties between neighbors. Of course there

would be heavy opposition to this idea, particularly from those who are gaining the most profit from our current broken system. But "villages" appear to be the most promising means of building a more sustainable and happier world.



Posted by eric pfeifer

Jan 27 2013 17:37

"It's the 21st century and we are headed to the stars."

as if you needed any more proof that dave never progressed past the attitudes instilled in him during his youth

technocratic futurism, paternalistic patriarchy, dualistic geopolitics - dave will forever be a child of the 60's



Posted by oydave
The 2060s.

Jan 27 2013 19:24



Posted by Mark from Atlanta

Jan 27 2013 21:09

"technocratic futurism, paternalistic patriarchy, dualistic geopolitics - dave will forever be a child of the 60's"

"The 2060s."

<http://www.youtube.com/watch?v=kiV3dTaK3H4>



Posted by David Milton

Jan 28 2013 13:38

So the answer to the speculative crash is ultimately more speculation? I like it. I like it.



Posted by JF Williams

Jan 30 2013 18:44

I saw a report on ABC news at 7pm yesterday or the day before that's already talking like the housing market is on the come-up. But they ain't reporting on who is buying up these houses that making the prices go up.

Damn, outside of CL and a sliver of other small independent media outlets, ain't no one be telling the truth about what's really going on. This country may actually be going through a speculative financial bubble yet AGAIN.

Have we not learned the lesson from the 1930's Great Depression or this current Great Recession? This country is too much in love with money.

Will no one reign in the bankers? Will no one sit down Wall Street? And will the corporate mainstream media ever tell the truth?

Lord help this country, because we Americans sure ain't helping ourselves.



Posted by wesleywhatwhat
*rein

Jan 31 2013 08:43



Posted by Mark from Atlanta

Jan 31 2013 11:30

"Will no one sit down Wall Street? And will the corporate mainstream media ever tell the truth?"

The Mainstream Media is owned by Wall Street and Alternative Media is on the ropes, so the situation does look dire. However, I think a critical consciousness is forming. I hear it when talking to folks I meet. The irrational exuberance that marked the pre-Great Depression/Recessions will not come back. Folks are protesting at a very personal, grassroots level - not buying as much disposable consumer crap, switching from banks to credit unions, being satisfied or even happy with less. You will not hear the media report on these developments since these actions run counter to their advertizing revenue. What is happening is quite interesting!

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