# KG March 19’ AFF

**We negate- Resolved: The United States should promote the development of market rate housing in urban neighborhoods.**

## Our Sole Point of Contention is Breaking the Flood Gates

**Since the dawn of the Great Depression, the American government and local communities have taken steps to regulate the housing market and provide low cost housing for underprivileged communities. However, these actions have had unintended consequences and failed to solve the affordable housing crisis.**

**In fact, America’s housing crisis has reached emergency levels. More than 12 million Americans spend at least half their income on rent. A person working full-time with minimum wage cannot afford a two-bedroom apartment in the country. Because of America's housing crisis, many Americans, especially the impoverished and people of color, live one emergency away from an eviction. Even worse, the United States has a shortfall of more than 7.2 million affordable houses currently.**

**This lack of homes is attributed to the many strict housing regulations which drive up costs and limit the ability of builders to produce an adequate supply.**

**Herrigenes of The Strong Towns Organization confirms that numerous zoning laws and building codes make housing construction more expensive as it drives up the prices of land and forces developers to make houses in a certain way, regardless of cost.**

**Empirically, Glaeser of Harvard University analyzes 22 years of housing regulations and finds that each additional construction regulation reduces new construction by 10%.**

**The negative effects of intervention are clear. Saks of Harvard University quantifies that areas with more regulation see prices twice as high compared to areas with few construction regulations.**

**Overall, Tyrell of The Heritage Foundation concludes that the root cause of the unaffordability of housing today and the housing crisis are government regulations that make everything more expensive.**

**Fortunately, affirming the resolution and promoting more market rate housing would decrease the unaffordable price of housing by removing these regulations.**

**Herrigenes continues one of the main and most effective ways to promote market rate housing is by the removing regulations such as zoning laws that inhibit construction.**

**Deregulation is especially common when building market rate housing. During for The Sightline Institute explains that past construction of market rate housing in cities such as Houston, Chicago, and Tokyo happened through removing red tape such as conventional zoning and regulation.**

**Overall, During finds that as a consequence of less laws, there has been accelerated construction and extreme affordability.**

**In a world where supply catches up to demand, rents fall across the market as high end buyers stop looking other parts of the market. Indeed, Beyer of Forbes finds that cities that have the highest building rates have much lower rents and less rent spikes.**

**These effects has been seen historically. Beyer reports that Tokyo had faced very similar problems to American cities like in the 2000s. He furthers that Tokyo was only able to get out of the crisis by passing deregulation bills and allowing for a massive supply expansion by building higher and more densely. As a result, average housing prices in Tokyo have been decreasing since 2006.**

**The impact to the creation of new and affordable housing is decreasing displacement.**

**Taylor for The Legislative Analyst Office reports that finds that because building more market rate housing decreases rents and creates long term affordable housing, it significantly reduces displacement pressures on communities.**

**Kinney of Next City quantifies that the probability of displacement in a high construction neighborhood is 50 percent less than of that in a low construction one.**

**Stopping displacement is crucial. Chong of Georgetown University finds as low income residents are displaced due to private development, they look to and move to other impoverished areas of the city, and end up being clumped together in urbanized ghettos.**

**Hwang of Princeton University explains that as low income families are displaced, they are forced into lower-income neighborhoods with poorer economic conditions, higher crime rates, and lower-performing public schools.**

**The Center for Disease Control furthers that populations displaced disproportionately face shorter life expectancies, more long term health effects, and lack medical support.**

**At the end of the day, the lack of affordable housing is one of the leading drivers of poverty. Now is the time we let everyone experience the American Dream, and follow the economic ideals this country is based on. It’s time to affirm.**

<https://nlihc.org/press/releases/9493>

https://www.vice.com/en\_us/article/pa9mwk/americas-housing-crisis-is-breaking-young-people-v25n3

WASHINGTON, D.C. – The Gap: A Shortage of Affordable Homes, a new report released today by the National Low Income Housing Coalition (NLIHC), **finds a shortage of 7.2 million affordable and available rental homes for extremely low income (ELI) renter households,** those with incomes at or below the poverty level or 30% of their area median income. The report calls for expanding investments in affordable housing programs that serve those with the lowest incomes.

**Kishan**, Hari. “U.S. House Prices to Rise at Twice the Speed of Inflation and Pay:...” **Reuters**, Thomson Reuters, 6 June **2018**, ca.reuters.com/article/idCAKCN1J20G3-OCABS.

**U.S. house prices to rise at twice the speed of inflation and pay**: Reuters poll (Reuters) - **An acute shortage of affordable homes in the United States will continue over the coming year,** according to a majority of property market analysts polled by Reuters, driving prices up faster than inflation and wage growth.

**Herriges**, Daniel. “‘Why Are Developers Only Building Luxury Housing?".” **Strong Towns**, Strong Towns, 25 July **2018**, www.strongtowns.org/journal/2018/7/25/why-are-developers-only-building-luxury-housing.

**By limiting what can be built where, zoning and other land-use regulations may well restrict the total number of new homes** in a given neighborhood, city, or even region to far fewer than the market would otherwise provide. Rick Jacobus, in this fantastic 2017 piece at Shelterforce, explains how this leads to the "luxury only" phenomenon by comparing developers to car manufacturers: So no, **the problem is not greed**. The **development industry is**... **behaving exactly the way we would expect any industry to respond to an artificial cap on their production volume.** The same thing would happen in the auto industry: **if we limited Toyota to only 100,000 cars per year, they might well choose to keep the Lexus and scrap the Camry, even though, at volume, the Camry is more profitable. If land costs could be kept low—either by buying marginal, cheap land, or buying expensive urban land but distributing its cost over a large number of homes—developers might well find it profitable to build middle-income "Camry" housing at scale.** But the first option, expansion on the suburban fringe, is fiscally ruinous for our communities, largely because of the colossal mismatch between the new public infrastructure those homes on the suburban will need and the tax actually generated by new suburban construction. And the second option**, building more homes on the same amount of land, often can't happen because the zoning code says it can't.**

**Mac**, Freddie. “The Major Challenge of Inadequate U.S. Housing Supply.” Freddie Mac, 5 Dec. **2018**, www.freddiemac.com/research/insight/20181205\_major\_challenge\_to\_u.s.\_housing\_supply.html.

Home building costs encompass the cost of land and regulatory costs. Since 2010, **the cost of land has averaged about 23 percent of total home building expenses.1 But in some markets like San Jose, Santa Ana, Oakland, and Los Angeles, land can cost upward of 70 percent of the cost of building a home.** Laws and regulations such as local zoning restrictions on lot sizes and building height and open space designations also increase the cost of building a home, in turn reducing the supply of new homes. Regulatory costs increased 29 percent between 2011 and 2016, the National Association of Home Builders (NAHB) estimates.

<http://www.jchs.harvard.edu/research-areas/working-papers/job-creation-and-housing-construction-constraints-employment-growth>, Harvard University, Raven E. Saks, 2004

<http://www.jchs.harvard.edu/sites/default/files/w04-10_saks.pdf>

Differences in the supply of housing generate substantial variation in housing prices across the United States. Because housing prices influence migration, the elasticity of housing supply also has an important impact on local labor markets. Specifically, an increase in labor demand will translate into less employment growth and higher wages in places where it is relatively difficult to build new houses. To identify metropolitan areas where the supply of housing is constrained, I assemble evidence on housing supply regulations from a variety of sources. In places with relatively few barriers to construction, an increase in housing demand leads to a large number of new housing units and only a moderate increase in housing prices. In contrast, for an equal demand shock, places with more regulation experience a 17 percent smaller expansion of the housing stock and almost double the increase in housing prices. Furthermore, I find that housing supply regulations have a significant effect on local labor market dynamics. Whereas a 1 percent increase in labor demand generally leads to a 1 percent increase in the longrun level of employment, the employment response is less than 0.8 percent in places where the housing supply is constrained…

<http://scholar.harvard.edu/files/glaeser/files/the_causes_and_consequences_of_land_use_regulation_evidence_from_greater_boston_2009.pdf>, Glaeser 2009, Harvard University

Over the past 30 years, eastern Massachusetts has seen a remarkable combination of rising home prices and declining supply of new homes, which doesn’t appear to reflect any lack of land. In this paper, we examine the increasing number of land-use regulations in Greater Boston. These regulations vary widely over space, and are hard to predict with any variables other than historical density levels. Minimum lot size and other land use controls are associated with reductions in new construction activity.

The impact of lot size on new development is quite clear. Each extra acre per lot is associated with about 40 percent fewer permits between 1980 and 2002. The impact of other controls on construction is weaker, but it does appear in a specification with town fixed effects that each extra rule reduces new construction by about 10 percent.

**Tyrrell**, Patrick. “Government Regulations Have Created the Problem of Unaffordable Housing.” **The Heritage Foundation**, 8 Sept. **2015**, [www.heritage.org/government-regulation/commentary/government-regulations-have-created-the-problem-unaffordable](http://www.heritage.org/government-regulation/commentary/government-regulations-have-created-the-problem-unaffordable).

**Government Regulations Have Created the Problem of Unaffordable Housing.** **Why is housing so expensive in some cities**, and relatively cheap in others? **Place the blame on land-use restrictions put in place by local governments**. During the housing boom of 2000 to 2005, the cry often went up from Washington that housing wasn’t affordable anymore. From 2000-2005 the median sales price of American single-family homes rose from $143,600 to $219,600.

**During**, Alan. “Yes, You Can Build Your Way to Affordable Housing.” **Sightline Institute**, 2 Oct. **2017**, [www.sightline.org/2017/09/21/yes-you-can-build-your-way-to-affordable-housing/](http://www.sightline.org/2017/09/21/yes-you-can-build-your-way-to-affordable-housing/).

Of course, the way **Houston has achieved such extraordinary affordability** may not suit Cascadia: it has sprawled. That’s not all it’s done. It’s grown much taller in its core, enabling housing construction everywhere, both dense and sprawling, **with**

**little red tape or delay.** It’s no libertarian dreamscape: covenants, setback requirements, and off-street parking quotas temper private property rights, but it has **no conventional zoning, and compared with other North American cities, it’s much more welcoming of homebuilding. Partly as a consequence, it has spread across an enormous area**: you could fit all of the cities of Baltimore, Chicago, Detroit, and Philadelphia simultaneously inside the city limits of Houston. Greater Houston covers an area the size of the state of Massachusetts, despite the fact that Houston’s suburbs do have conventional zoning. Professor Klineberg calls it, “the most spread out, least dense, most automobile-dependent city in America.” Automobile dependence is expensive, and if you add the cost of transportation to the cost of housing, Houston’s advantage shrinks some—but not by three-quarters. Greater Houston is still a screamingly inexpensive place to live compared with Cascadia’s big cities

<https://shelterforce.org/2016/03/10/why_we_must_build/> https://www.forbes.com/sites/scottbeyer/2017/09/27/the-great-urban-myth-cities-cant-build-their-way-to-affordable-housing/#6758e6643ffc

If we look at the housing problem at the regional level only, it seems frustratingly obvious that the answer for hot-market metro areas is simply to build. Build more. Build now. Build anywhere. **Even when we build high-end housing for the rich it adds to the overall supply and pushes rents down. The super rich move into their new sky palaces and the merely rich move into the luxury homes that they vacate and down the line.** Now, filtering is not quite the panacea that some wish it were because once rents on older housing units fall below the operating costs, it is cheaper for property owners to abandon their buildings than rent them out. This creates a functional rent floor below which rents won't fall no matter how much we build; but in high-cost regions the bottom of the housing market (the lowest rents typically available) is far above this floor. And to reach that floor we would need to build at such an enormous scale that it is hardly worth discussing. So building more won't end homelessness or eliminate the need for affordable housing subsidies for very low-income households, but for everyone else struggling to pay rising rents**, there is solid evidence that building even high-end housing will bring rents and housing prices down**. Even if we can't hope to build enough, some building is better than no building.

Scott Beyer, Aug 12-2016, "Tokyo's Affordable Housing Strategy: Build, Build, Build," Forbes, https://www.forbes.com/sites/scottbeyer/2016/08/12/tokyos-affordable-housing-strategy-build-build-build/#52daba7648d5

Consider a recent [*Financial Times* article](https://www.ft.com/content/023562e2-54a6-11e6-befd-2fc0c26b3c60) about the 13.6-million-person Japanese capital. **Like so many other global first-world cities, Tokyo is experiencing explosive population growth, increasing by 1.6 million people since 2000. And unlike practically every U.S. city, it has almost no empty land. So it has responded through vertical growth, tearing down old structures and replacing them with high rises at a pace light-years ahead of anywhere in modern America**. As FT's Tokyo bureau chief Robin Harding wrote in the article, **the city had 142,417 housing starts in 2014, which was “more than the 83,657 housing permits issued in the state of California (population 38.7m),** or the 137,010 houses started in the entire country of England (population 54.3m)." Compare this, also, with the roughly 20,000 new residential units [approved annually](https://www.buildingcongress.com/outlook/) in New York City, the [23,500 units started](http://journal.firsttuesday.us/los-angeles-housing-indicators-2/29229/) in Los Angeles County, and the measly [5,000 homes constructed](http://www.curbed.com/2016/2/24/11102278/bay-area-housing-crisis-bubble) in 2015 throughout the entire Bay Area.

**This has stabilized Tokyo's housing prices, wrote Harding, and has kept them far lower than in many U.S. cities.**

And this is for a particularly popular part of Tokyo. **According to the** [**website RealEstate.co.jp**](http://resources.realestate.co.jp/buy/what-is-the-average-price-of-a-house-or-condo-in-tokyo/)**, average housing prices throughout Greater Tokyo have actually *decreased* since 2006.** In 2014, the average price of second-hand condos was 27,890,000 yen, or about $232,914. This is above the U.S. median of $187,000, but is a steal when considering that average housing prices in many destination U.S. cities are triple or quadruple this amount.

The question, then, is not whether fast-growing cities can build their way into affordability; the data from Tokyo shows that they can. **The question is--what is so different about Tokyo's political situation that all this construction gets approved, while getting delayed or squelched in U.S. cities.** Here, again, Tokyo provides an interesting case study.

In the 1980s, Japanese cities were experiencing the same inflated housing bubbles that U.S. cities are today. Their planning methods, moreover, were rooted in Western notions about separating uses and limiting density. **The federal government recognized that these regulations were the problem, so in 2002, it passed the Urban Renaissance Law.** The law stripped municipalities of the ability to control private property. As a result, owners can build a variety of uses on their land, regardless of resistance from local bureaucrats or neighbors.

https://lao.ca.gov/Publications/Report/3345

<https://nextcity.org/daily/entry/market-rate-housing-mitigating-displacement-bay-area-communities>

“Because most new construction is targeted at higher–income households, it is often assumed that new construction does not increase the supply of lower–end housing,” states this week’s study. “In addition, some worry that construction of market–rate housing in low–income neighborhoods leads to displacement of low–income households.” But the report suggests otherwise. According to the study, **the probability of displacement in high-construction neighborhoods is half of that in low-construction neighborhoods, even though most new construction is targeted at higher-income households. Housing becomes less expensive as it ages**, dropping from “luxury” status to the middle of the housing market within 25 years. When new housing stock is available, wealthier residents are likely to move into it, freeing up less expensive units. Without new construction, though, they compete with lower-income residents, driving up costs.

https://thinkprogress.org/how-a-poor-neighborhood-becomes-a-trap-b504acf5b0fc/

The daily experience of poverty has gotten worse for many people in America over the last decade. That’s because the poor are getting hemmed into areas of more and more concentrated poverty while people of better means flee elsewhere. Between 1990 and 2000, the number of high-poverty neighborhoods, with a poverty rate of 40 percent or more, actually declined by more than a quarter, according to [a recent report from Paul Jargowsky at The Century Foundation](http://apps.tcf.org/architecture-of-segregation). But since then, they’ve started rising again. The number of high-poverty census tracts jumped by a third before the economic recession even began, from 2005 to 2009, and then increased by another 1,100 neighborhoods between 2009 and 2013. Overall, they’ve increased 76 percent since 2000. That means more people are in neighborhoods with high concentrations of poverty. The populations of high-poverty neighborhoods grew by 91 percent, increasing to 13.8 million people, the highest number of residents ever recorded. And today, just under 15 percent of the poor live in these neighborhoods, up from about 10 percent in 2000. Meanwhile, the better off are living in very different neighborhoods. “The poor are increasingly living apart from the rich,” said Patrick Sharkey, a sociologist at New York University. “Economic segregation has been rising pretty steadily since about 1970.”

https://www.cdc.gov/healthyplaces/healthtopics/gentrification.htm