**We negate.**

**Before getting into our arguments, we have two observations*:***

**First,** we define market-rate housing as a housing unit with no restrictions on the rent or price.

**Second**, the government would most likely promote the development of market-rate housing by lifting zoning or land-use regulation. The Department of Housing explains that zoning laws make it difficult for developers to gain governmental approval for new market-rate homes making them the *main* barrier to market-rate housing development.

***With that...***

**Our Sole Contention is the Tale of Two Cities**

*For decades, the part of the U.S. known as the Rust Belt, or the Midwest, has been synonymous with hard times. Plants closed down, jobs disappeared, and once-vibrant cities became symbols of decay.*

*Fortunately, restrictions on market-rate housing in urban areas are bringing a revival to this region.*

Richard Florida of City Lab explains that restrictions on market-rate housing in urban tech hubs such as San Francisco and New York are increasing the price of homes in these areas by decreasing the supply of homes. This encourages workers to move to the Rust Belt, where housing is comparatively more affordable.

Thus, Daniel Bukszpan of CNBC explains that “in recent years the revitalized Rust Belt economy has brought in younger workers, and made the area an attractive investment bet,” finding that many Rust Belt cities are experiencing the biggest increases in young college graduates in decades.

Bukszpan confirms that “overwhelming driver” of this revival is the lack of housing in urban tech hubs, because as housing becomes unaffordable in big coastal cities, workers move to the Rust Belt.

*Unfortunately, affirming would reverse this.* Richard Florida of City Lab explains that removing housing restrictions and promoting market-rate housing in urban areas “would draw people and jobs away from the Rust Belt and Sunbelt, worsening the already bad economic situation of those states,” as workers would capitalize on the new, *urban* housing and move away from the Rust Belt.

**There are two impacts.**

**First, economic inequality.**

By maintaining employment growth in poorer areas, Florida concludes that strict restrictions on market-rate housing in urban areas are the “most effective restraint” on regional inequality in America. In other words, restricting market-rate housing balances growth between the Rust Belt and technology-based coastal cities, decreasing overall inequality.

Phillip Longman of the Atlantic explains that, historically, wealth inequality in America dropped by 30 percent when regional inequality fell to its lowest levels - when regions grew at similar rates, national income inequality plummeted, *even* if inequality increased within particular regions.

Because it prices out the poor, Lopez ‘04 of the World Bank quantifies that a 1 percent increase in income inequality increases poverty by 5 percent.

Thus, Singh ‘13 of the IMF warns that a 1 percent increase in wealth inequality directly offsets *any* beneficial impact on poverty reduction from the economic growth that created it.

**The second impact is allowing an economic transition.**

*Building more housing in urban areas would decrease the number of workers living in the Rust Belt, thus undermining economic growth.*

While the media often hypes cities such as San Francisco as hubs of economic growth, Curbed News reports that the Rust Belt is transitioning away from its historical roots of manufacturing, and towards the innovative tech sector and knowledge economy. However, the Harvard Business Review finds that the Midwest needs a constant pipeline of skilled, educated workers to revitalize its economy. Benjamin Hernandez of Forbes explains that growth in the Rust Belt could be responsible for 10 million jobs in the long-term.

Promoting market rate housing would undermine this, as Florida confirms that while areas as California or New York may see more growth, more vulnerable regions would see significant negative impacts, quantifying that the removal of such regulations could decrease employment growth in Rust Belt cities by as much as 300 percent, holding back the development of an entire region.

**Thus, we negate.**