**We affirm.**

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

*With that…*

**Contention One is Making America Affordable Again.**

*As far back as the 1940’s American housing used to be relatively inexpensive, giving virtually all Americans the opportunity to own a home. Today, it’s a much different story.*

PR Newswire concludes that, because construction of new homes has not kept up with rising demand, home affordability has dropped to its lowest levels in 10 years.

*Fortunately, promoting the development of market rate housing solves this problem.*

*Put simply, when there is a larger supply of homes on the market, prices go down.*

The National Post reports that by increasing the supply of housing on the market, there will be less competition among buyers for each individual house, which decreases prices and rent.

Moreover, Rick Jacobus of Shelter Force finds that “because the luxury market is a relatively small niche, and because we are already close to meeting full demand in that segment, any increase in the development of market-rate housing” will serve middle- and lower-income households.

Conversely, Joe Cortright of the City Observatory writes that if we don’t build more housing, richer households will simply look to middle-class homes and bid up the price of their homes. Indeed, the Urban Institute finds that nearly half of the housing units that could be affordable to lower-income people are instead occupied by higher-income people.

However, Cortright writes that when the overall housing supply increases, the existing housing stock can become accessible to low and moderate income households. The facts back up the theory, as Raven Molloy of NBER concludes that decreasing regulation on housing supply reduces housing prices by 22 percent.

**There are two impacts.**

**The first is reducing inequality.**

*With skyrocketing rent, the gap between the rich and the poor will only widen.*

Harvard University concludes that, absent action by the government, an additional 3 million people will become severely rent-burdened in the coming years.

Andrew Granata of Stanford explains “When housing prices increase, the people who already own houses gain wealth, while lower-income, younger people who are attempting to buy homes for the first time face higher initial costs.” Thus, Hassan Gholipour of the Conversation quantifies that a one percent increase in housing costs increases inequality by .125 percent.

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

**The second impact is revitalizing the American economy.**

*Cities are the engines of economic growth, but a lack of market-rate housing deprives them of the fuel needed to boost the economy.*

*Because of a lack of housing in innovative cities such as New York and San Francisco, workers are unable to find jobs in these areas, decreasing the growth potential of the US economy.*

Jed Graham of Investors Business Daily explains that the lack of housing in top urban areas with cutting-edge industries is preventing Americans from settling there and finding work. Instead, because of the lack of housing in *urban* areas, he finds that workers have increasingly relocated to areas with lower efficiency, which reduces America’s overall economic potential.

As a result, Enrico Moretti of the University Chicago found in a statistical analysis that restrictions on new housing supplies in urban areas lowered US economic growth by 36 percent over a 40-year period.

*Economic growth brings increases employment.*

Thus, UC Berkeley quantifies that a one percent increase in GDP creates one million jobs.

Because the American economy is interconnected with economies around the world, Vox EU concludes that each 1 percent increase in American economic growth also increases the growth of developing countries by 0.6 percent, causing income to flow into the pockets of low-income families around the globe.

**Thus, we affirm.**