

 Bipartisan Policy Center



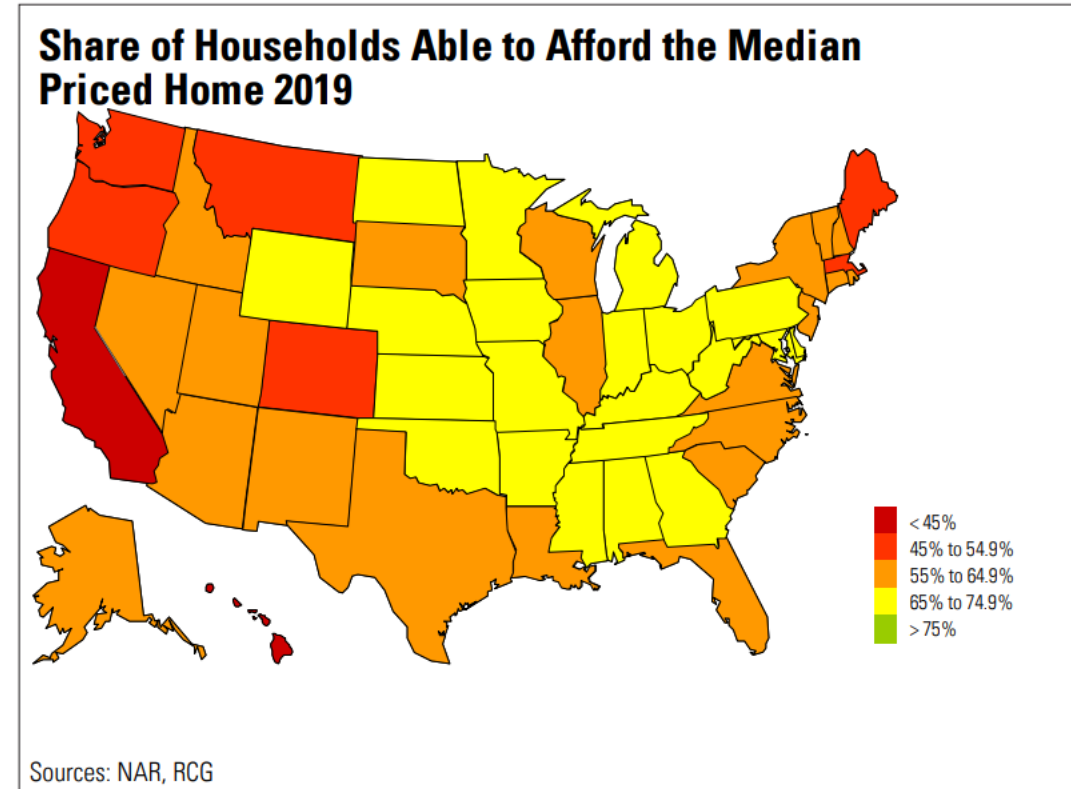
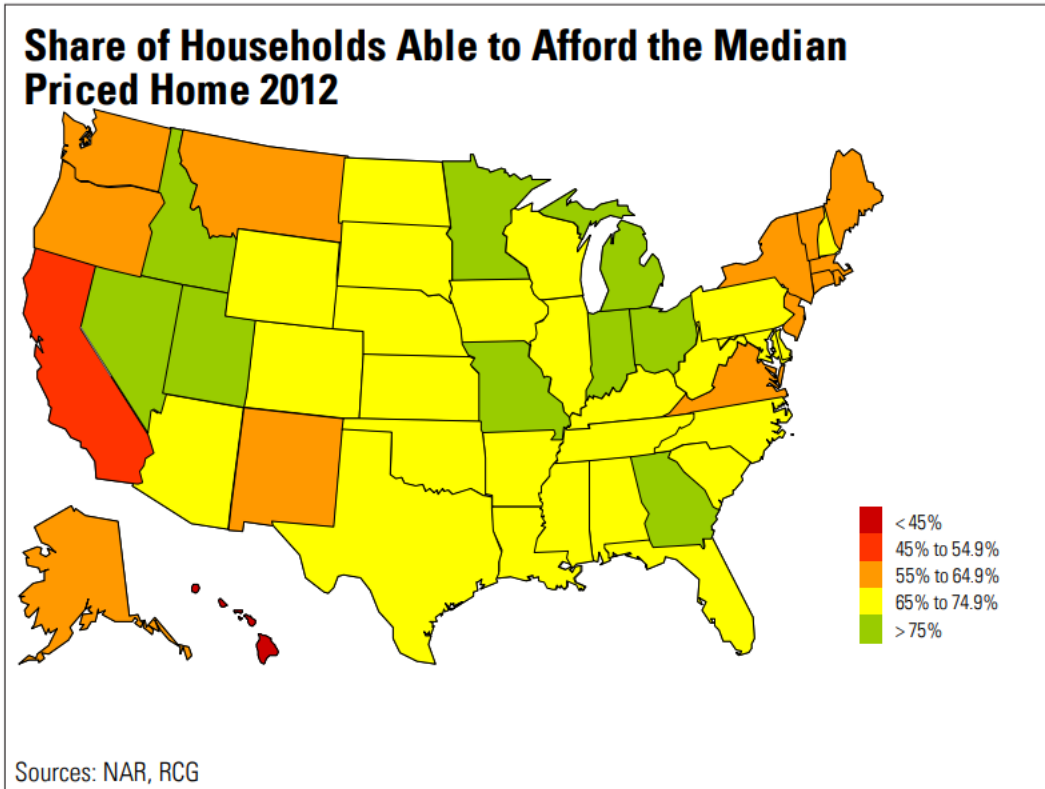
J. Ronald Terwilliger
CENTER FOR HOUSING POLICY

Cracking the Housing Affordability Code

March 14, 2022



Fewer Americans Can Afford Housing Nationwide



The Supply Challenge

A recent NAR-commissioned study estimated a nationwide “underbuilding” gap of between 5.5 to 6.8 million housing units over the last 20 years.

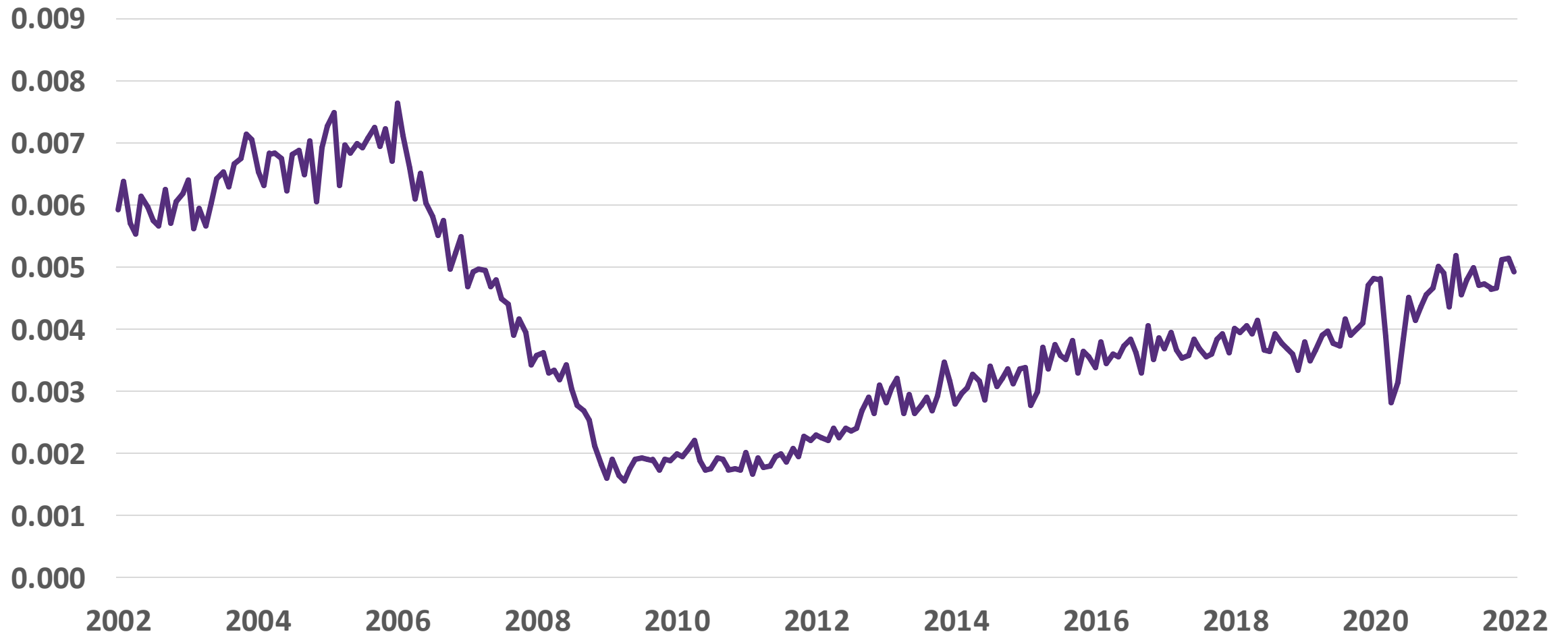
Building Type	Long-Term Average (1968-2000)	2001-2020 Average	Annual Gap	Cumulative Gap (2001-2020)
Single Family	1,041,000	940,000	101,000	2,020,000
2-4 Unit	74,000	19,000	55,000	1,100,000
5+ Unit	387,000	267,000	120,000	2,400,000
Total	1,501,000	1,225,000	276,000	5,520,000

Source: [National Association of Realtors](#)



The Supply Challenge

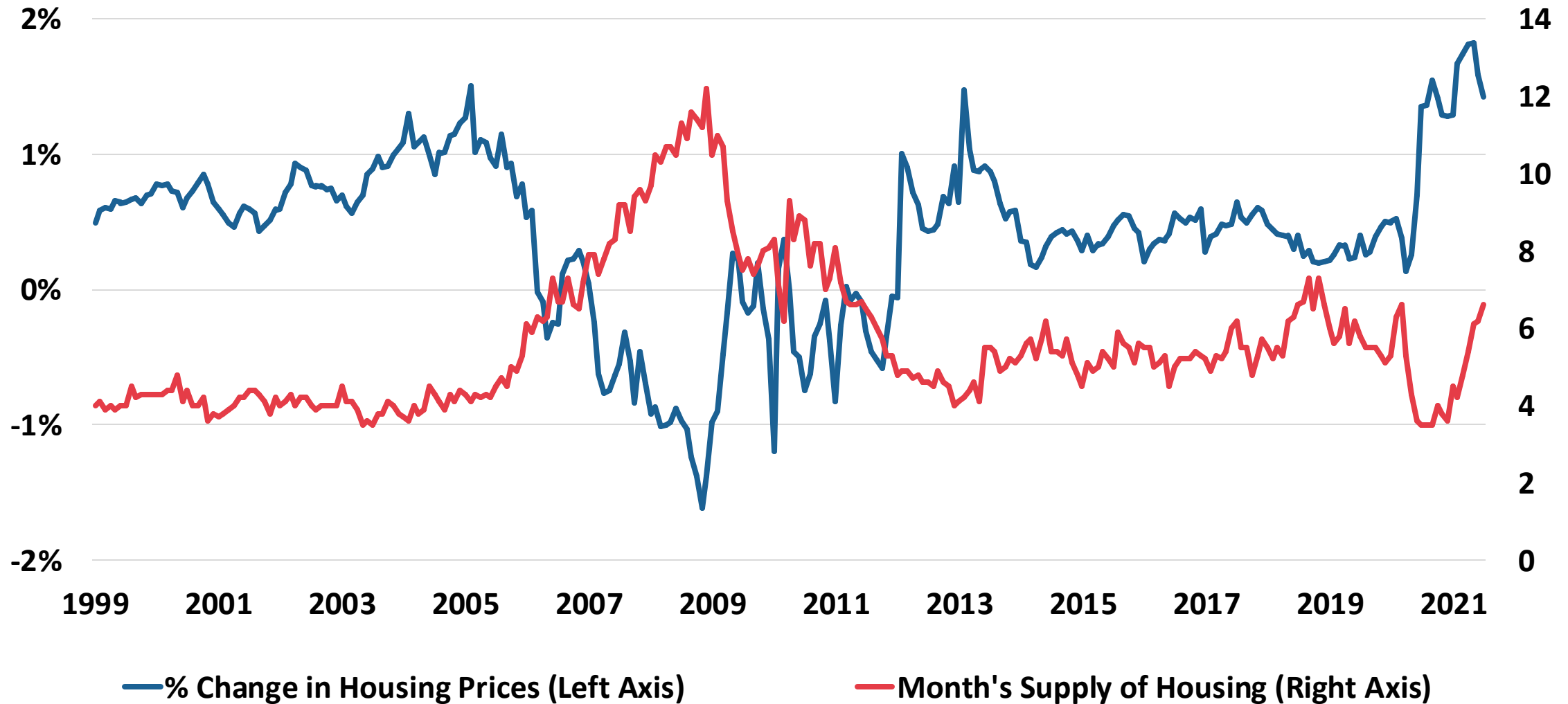
Housing Starts Per Person



Source: [Federal Reserve Bank of St. Louis](#)



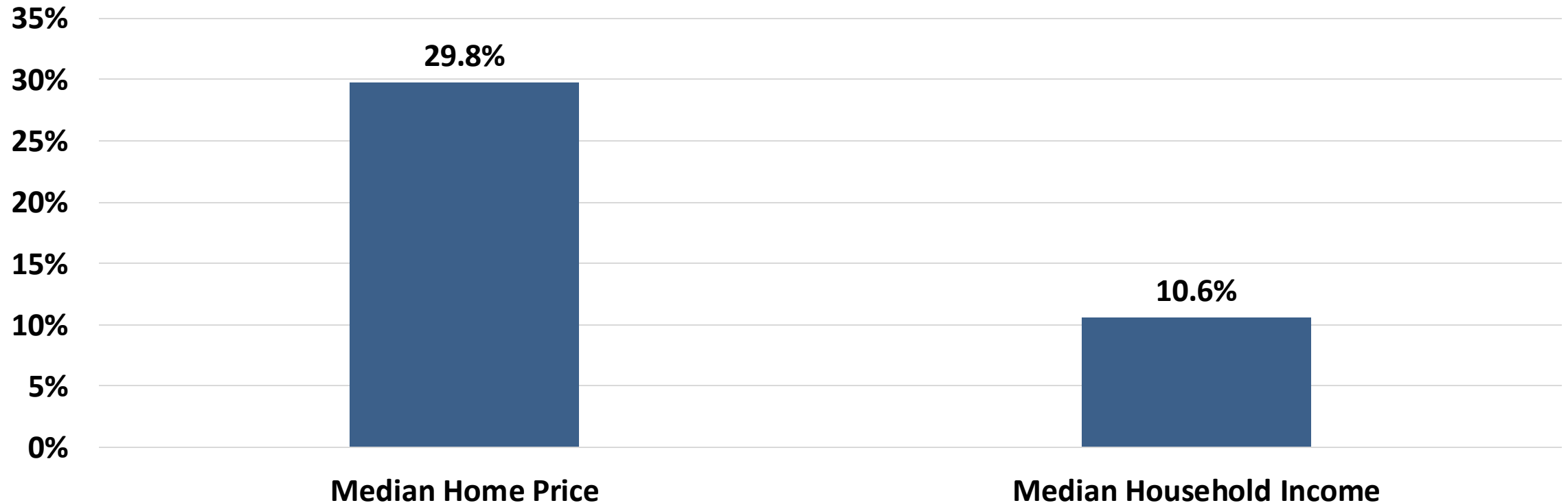
Constrained Supply Pushes Up Prices



The Demand Challenge

Incomes have not kept pace with soaring rents and home prices.

**Income Growth vs Housing Costs
(Inflation Adjusted, 1999-2019)**



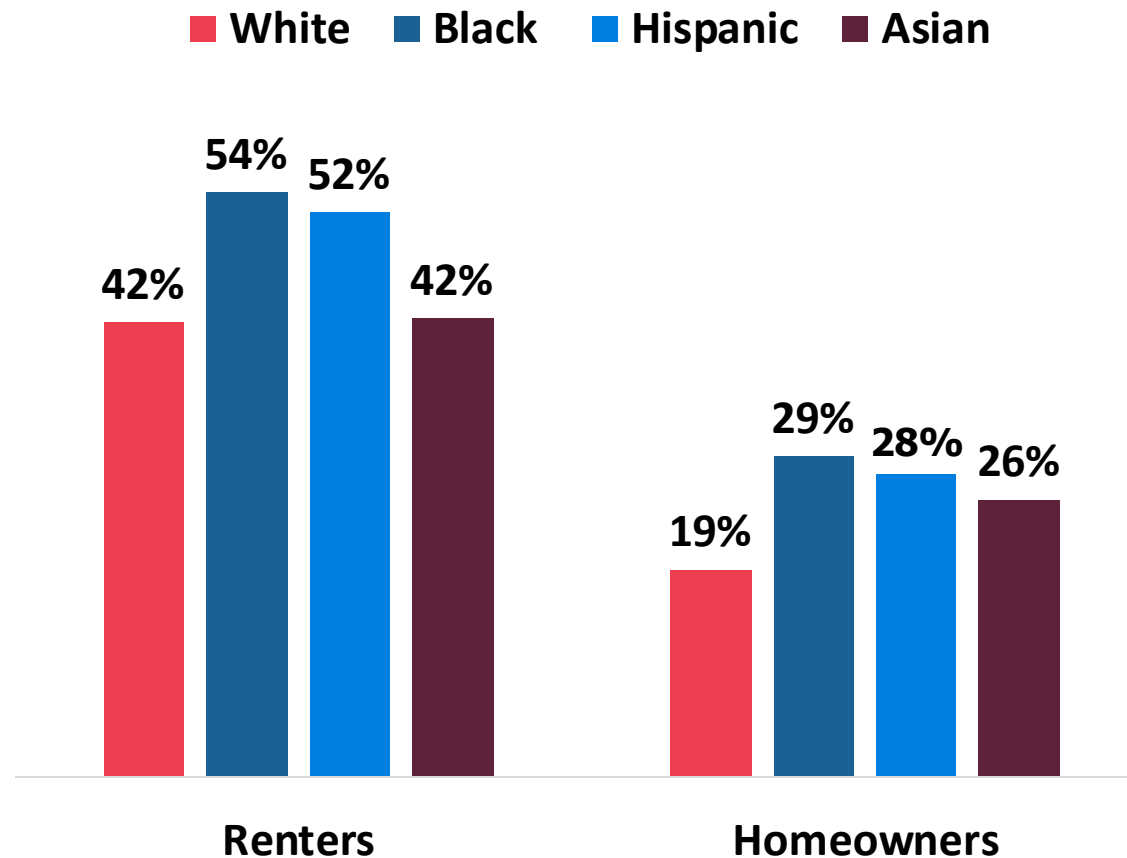
Here in Austin...

- **Housing costs are rising quickly than national averages:**
 - Median home prices in Austin jumped from \$308,000 in January 2020 to \$476,700 in December 2021—a staggering **55% increase**.
 - Year-over-year rent prices saw a **40% increase** in December 2021, the biggest increase of any major metro area.
- **A ton of housing is being built—but it's still not enough:**
 - From 2010 to 2020, the Austin metro added **567k people** and **240k housing units**—33% and 34% increases, respectively.
 - In 2021, Austin produced more multifamily housing than either Houston or Dallas, despite being one-third the size.
 - Approximately **46%** of all new housing in Austin last year was multifamily.



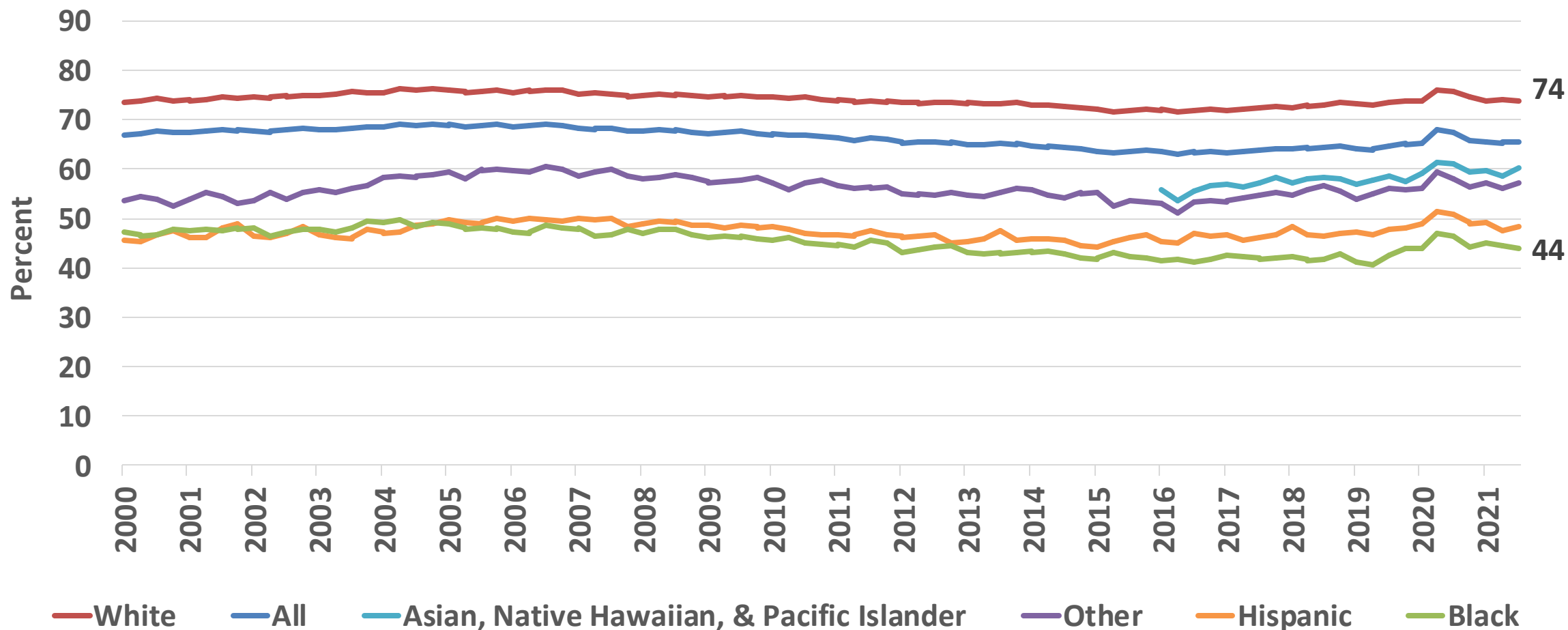
Racial and Ethnic Disparities in Housing

Share of Households That Are Housing-Cost Burdened, 2019



Racial and Ethnic Disparities in Housing

U.S. Quarterly Homeownership Rates by Race and Ethnicity of Householders



“The Congress hereby declares...the goal of a decent home and a suitable living environment for every American family.”

THE HOUSING ACT OF 1949



Promising Solutions

Enhancing Supply

- 1. Increase Support for the Low-Income Housing Tax Credit**
- 2. Eliminate Restrictive Land Use and Zoning Policies**
- 3. Preserve Public Housing**
- 4. Build and Rehab Owner-Occupied Housing in Distressed Communities**

Supporting Families

- 1. Expand and Reform HUD's Housing Voucher Program**
- 2. Create a Permanent Emergency Rental Assistance Program**
- 3. Support Sustainable Homeownership**



BPC-Morning Consult Polling on Housing Issues

Takeaway: There is also strong support across the political spectrum on the fundamental value of housing.

Value Statement	Adults	Democrats	Independents	Republicans
Every child and family should have access to a safe, decent, and affordable home	87%	93%	85%	82%
Zip codes, or where we live, should not determine success in life	84%	89%	80%	83%
Housing is foundational to other positive life outcomes such as staying healthy, holding onto a job, and doing well in school	84%	90%	80%	79%
Our economy is stronger when all families have access to quality homes they can afford	80%	89%	76%	75%
Owning a home is an essential part of the American dream	79%	84%	71%	80%
Housing is a human right	74%	86%	71%	63%
To help people experiencing homelessness, we should first get them off the streets and into housing, then address other underlying problems	74%	83%	71%	64%



BPC-Morning Consult Polling on Housing Issues

Takeaway: Most housing proposals that had been under consideration in the Build Back Better Act enjoy broad public support.

See all results [here](#).

	Adults	Democrats	Independents	Republicans
Funding for home repairs and modifications to help seniors age in their own homes, prevent deadly falls	76%	86%	71%	73%
A first-time homebuyer tax credit	70%	79%	63%	64%
Funding for limited, one-time assistance to renters to prevent evictions	70%	83%	64%	57%
Funding for public housing repairs	69%	83%	65%	57%
Tax credits to develop and renovate homes in distressed communities	69%	84%	64%	54%
Funding for energy efficient and disaster resilient home improvements	69%	83%	64%	56%
Tax credits to develop low-income affordable rental homes	68%	84%	62%	55%
Downpayment assistance for first-time homebuyers	66%	81%	60%	53%
Funding for rural and tribal communities with substandard housing	65%	80%	62%	50%
Additional housing vouchers	57%	75%	56%	36%
Incentives to local communities to remove zoning/land-use restrictions that prevent new development	50%	66%	45%	35%





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