

AMERICANS HAVE NO HOMES

By

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“Folks are tired of being played for suckers and I’m tired of letting them be played for

suckers,” Biden said in a campaign speech hammering his scapegoats last year.

Having promised to lower housing costs during his State of the Union address earlier in the spring, Biden’s fiery rhetoric showed he had not the faintest idea of how to solve the problem.

During his presidency, the cost of a median-price home more than doubled, and rents soared to record highs, according to a Heritage Foundation paper, “Biden’s Housing Headache.”

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In several cities, it takes more than the entire median household after-tax income to afford a median-price home.

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Housing-poor adults

Almost one-third of American adults are “housing-poor,” spending 30% or more of their income on a place to live.

The result is that Americans “increasingly live out of their cars because they can’t afford housing.”

Some cities have taken to reserving parking lots exclusively for homeless workers.

Young people have all but given up on the American dream of homeownership that their parents and grandparents achieved.

“The Biden administration has effectively transformed homeownership into a luxury outside the reach of the middle class,” wrote the authors.

It should not be this way.

But Damian Eales, the CEO of realtor.com (a fellow News Corp. company), has a plan.

His “Let America Build” campaign launched this week identifies urgent policy changes that would increase housing supply and make homeownership affordable.

For instance, relaxing zoning restrictions around transit hubs to allow for development of multifamily housing would go a long way to solving the problem of 4 million “missing” homes.

“I want America to build more homes,” says Eales.

“The real reason housing is unaffordable is not realtors’ commissions. It’s a lack of supply and that’s a political issue.”

In its latest “Housing Report Card,” realtor.com has identified states that have met housing demand and those that are failing.

No surprise that New York comes in third to last with an F grade, worse even than California.

The median listing price for a house [in New York](#) is \$664,622 while median household income is \$81,057.

In South Carolina, the most affordable state, the median listing price was almost half at \$354,429 while median household income is \$64,898.

Eales points out that Texas, the third-most affordable state with a median listing price at \$370,663, has just 9% of the population of America but represents 15% of new homes being built.

By contrast, California (median listing price \$756,185) has 12% of the nation’s population but only builds about 7% of its new homes.

“In other words, it is taking more than it’s giving and the upshot is that it is exporting people to Texas,” says Eales.

New York is even worse: With 6% of the population, it represents just 3% of new homes being built.

Perverse incentive

Housing over the past half-century has become a wealth-building vehicle that requires values to increase significantly over time, a perverse incentive achieved only by limiting supply.

According to statistics compiled by the National Zoning Atlas for realtor.com, 170,000 New Yorkers are living with family or friends because they can’t afford to buy their own place.

“There is demand for more housing units in the metro area that could be met by building more, but there simply aren’t enough homes to meet the need,” says Sara Bronin, founder & CEO of Land Use Atlas, Inc.

With a complex building code more than 1,000 pages long, “zoning significantly constrains housing production in New York state,” she says.

For instance, in Westchester County, multifamily housing is allowed on only 5% of land, and very little is permitted around transit stations.

Westchester is exceptionally well served by the Metro-North Railroad, which connects directly to Grand Central Terminal, so relaxing zoning laws around stations, as has happened in New Rochelle and White Plains, would boost housing supply and stimulate local economies while preserving the semi-rural atmosphere of the rest of the county, where half the land is zoned for 1-acre lots.

Bronin has logged zoning conditions for every transit station in New York state and found that only a handful allow for multifamily development.

“Much of the land around transit stations is owned by the state or independent authorities,” Bronin says.

“I am a huge fan of the idea that New York state should consider transit-oriented zoning legislation that requires all jurisdictions with train stations to build multifamily dwellings around them. We’re not talking about skyscrapers but reasonably sized developments. Even a small town can support four- or five-story apartment buildings.”

Property developers are not investing in multifamily projects in New York City because “the cash and time costs associated with receiving approval from the city and the restrictions around what can be built is slowing housing inventory growth in the metropolitan area.”

In other words, politicians accommodating NIMBY tastes have pushed up housing prices by “manufacturing scarcity,” to borrow a phrase from the hot new book for Democrats, “Abundance,” by Ezra Klein and Derek Thompson.

Blue state scarcity

The authors point out the scarcity of housing is most acute in the richest cities in blue states governed by progressive elites.

Between 1940 and 1950, America built 8.5 million new housing units, they say.

But in the late 1970s, home construction started to fall behind the pace of population growth, and the cost of housing relative to wages began to rise.

“After the Great Recession, the housing market crashed, and home construction in the 2010s was obliterated.”

“Today, the average number of dwellings per thousand people in the developed world is about 470, according to the OECD [Organization for Economic Cooperation and Development]. France and Italy have nearly 600. Japan and Germany have about 500. The US has only about 425 ... The result is a housing crisis of staggering proportions.”

It means residents of blue states and cities are voting with their feet.

In 2023, New York lost 284,000 more residents than it gained.

“Young families are leaving large urban metros so quickly that several counties — including those encompassing Manhattan, Brooklyn, Chicago, Los Angeles and San Francisco — are on pace to lose 50% of their under-5 childhood population in the next 20 years.”

Michael Bloomberg once declared when he was mayor that housing in New York City was “a high-end product, maybe even a luxury product.”

But that’s not a healthy situation, and leads to a city of vast wealth disparities where nobody wants to live.