Housing Solutions: Setting the Stage

2017 New Partners for Smart Growth Conference
St. Louis, MO
February 2, 2017

Lisa Sturtevant, PhD
Lisa Sturtevant & Associates
Housing Solutions: Setting the Stage

Housing Supply is Not Keeping up with Demand

The Problem is Both Not Enough Housing and Not Enough of the Right Types of Housing

Housing Matters for Individual, Family, and Community Well-Being and Economic Resiliency

Growing Housing Needs, Shrinking Federal Resources Means More Local Action Needed
Household growth has strengthened in recent years and new residential construction has not kept pace.

![Household Growth and New Housing Starts](chart.png)

Millennials are a key driver of household growth and housing demand
Millennials Misunderstood?

Largest generation (~75 million)

Hardest hit by the recent economic recession
- Fewer job prospects
- Slower wage growth
- Higher student debt

Delaying marriage and childbearing and household formation

But as economy is picks up, more Millennials are forming independent households
Housing costs have increased faster than incomes

Annual Percent Increase in Household Income and Home Prices

Source: US Census Bureau Current Population Survey (Median Household Income); FHFA
Individuals and families across the country face rising housing affordability challenges.

Source: US Census Bureau 2015 American Community Survey
Housing Solutions: Setting the Stage

Housing Supply is Not Keeping up with Demand

The Problem is Both Not Enough Housing and Not Enough of the Right Types of Housing

Housing Matters for Individual, Family, and Community Well-Being and Economic Resiliency

Growing Housing Needs, Shrinking Federal Resources Means More Local Action Needed
In many metros, new single-family construction still lags even as multi-family construction picks up.
New construction has targeted the high end of the income spectrum

Flats at Atlas

- **STUDIO** $1,535+
- **1-BEDROOM** $1,675+
- **2-BEDROOM** $2,195+

WASHINGTON DC
New construction has targeted the high end of the income spectrum

**Holm**

- 1-BEDROOM $2,250
- 2-BEDROOM $4,600+

WASHINGTON DC
New construction has targeted the high end of the income spectrum

1337 K Street, SE
1-BEDROOM, 1-BATH CONDO
WASHINGTON DC
610 SQ FT
$363,500
New construction has targeted the high end of the income spectrum

**Potomac Yard**

3-BEDROOM, 3-BATH TOWNHOUSE
ALEXANDRIA
2,683 SQ FT
$885,240
Housing Solutions: Setting the Stage

Housing Supply is Not Keeping up with Demand

The Problem is Both Not Enough Housing and Not Enough of the Right Types of Housing

Housing Matters for Individual, Family, and Community Well-Being and Economic Resiliency

Growing Housing Needs, Shrinking Federal Resources Means More Local Action Needed
Housing for all builds strong families, communities and economies
Housing serves as a platform for individual and family well-being

- Economic self-sufficiency and upward mobility
- Student achievement and academic success
- Physical and mental health and well-being

Housing is the basis for inclusive and diverse communities

- Equitable access to opportunities and services, regardless of race and socioeconomic status
- Communities in which everyone can prosper

Housing supports sustainable local economic growth

- Housing opportunities to encourage people to both live and work in the community
- Short commutes, easier to attract and retain workers
- Communities that are world-class places to live, work and play
National economic growth has suffered because of a lack of sufficient affordable housing

Jason Furman
Chairman of President’s Obama’s Economic Advisors

“Reforming land use policies can have important benefits for local residents and the nation as a whole, not only raising economic growth, but ensuring that its benefits are widely shared among all Americans.”
Housing costs outstrip putting Colorado economy at risk

By Aldo Svaldi
The Denver Post

Attracting affordable and well-built housing is necessary to the economic vitality of a community.

Panel: Lack of affordable housing hampers economic development

LOVELAND — A panel of four real estate experts believe the lack of affordable housing in the region is reaching a critical point and could negatively affect economic development in cities like Fort Collins, Loveland, Greeley and Boulder.

Minnesota facing affordable housing

V) - Minnesota leaders worry limited housing options with in our region.

 Traverse City fears talent shortage as wage, housing issues keep millennials away

Gov. Malloy Announces Awards to Support Affordable Housing Development Across the State

“Affordable housing is key to creating vibrant communities that attract families, workers, businesses, and private investments. Access to housing helps boost competitiveness, attracts business, and builds our economy. That's why our administration has been so committed to making these critical investments,” Governor Malloy said.

Business Leaders Discuss Workforce Housing Crisis At Santa Barbara Housing Conference
Housing Solutions: Setting the Stage

Housing Supply is Not Keeping up with Demand

The Problem is Both Not Enough Housing and Not Enough of the Right Types of Housing

Housing Matters for Individual, Family, and Community Well-Being and Economic Resiliency

Growing Housing Needs, Shrinking Federal Resources Means More Local Action Needed
Increasing the housing supply is necessary for reducing price and rent pressure

Denver added nearly 10,000 new apartments in 2016 – a record

Average rent dropped from $1,371 to $1,347

Vacancy rates increased from 5.1 to 6.2 percent
Housing includes many different dimensions

- Affordability
- Stability
- Location
- Quality
Meeting local housing needs requires a comprehensive strategy.
Local innovation is critical to creating housing opportunities
Local innovation is critical to creating housing opportunities
Contact

Lisa Sturtevant
Lisa Sturtevant & Associates

www.lisasturtevant.com
lisa@lisasturtevant.com
703-598-1220