WHY THE RENT IS SO DAMN HIGH AND HOW TO FIX IT

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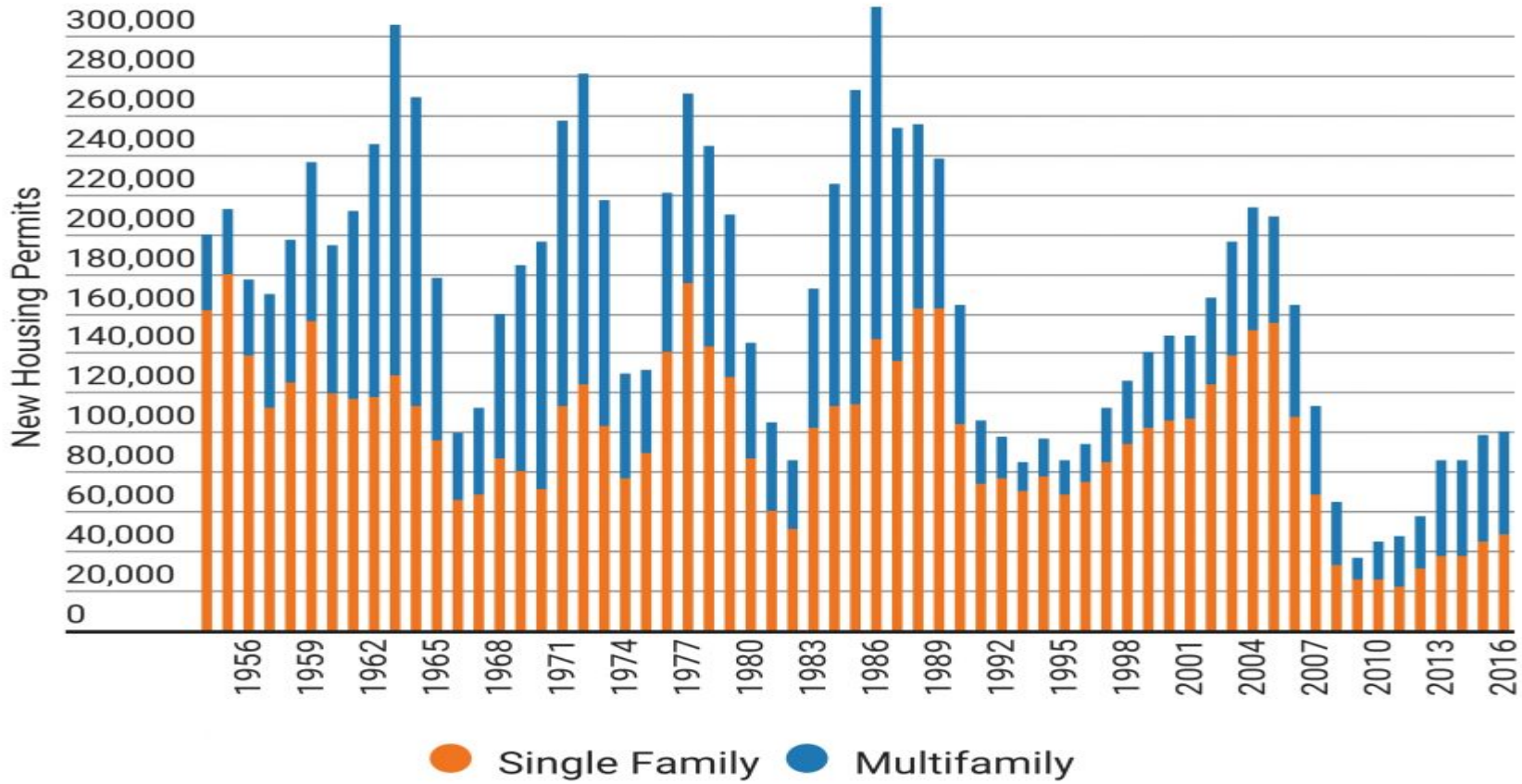
My takeaways

- California needs to build a LOT more housing at all income levels to bring home prices down.
- That isn’t happening because homeowners almost always oppose new housing and they SHOW UP at city council meetings.
- We will only get new housing if the people who support it also show up at city council meetings and demand it.
- We need to change our state’s zoning laws to allow more housing.
- Urge your elected officials to support Senate Bill 50, which will require cities to permit more housing

California’s Housing Shortage

California doesn't build like it used to

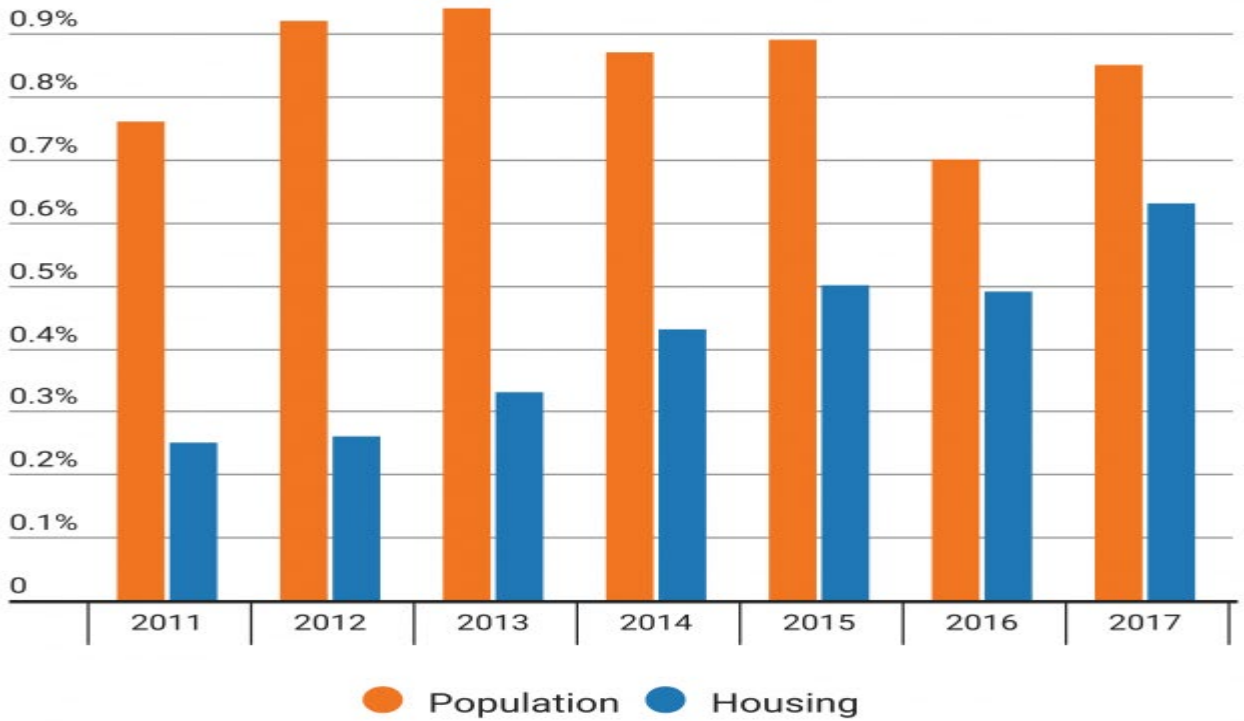


Source: California Department of Housing and Community Development.

CALmatters

Housing can't keep up with the California population

Annual growth of population vs housing units, 2010-17

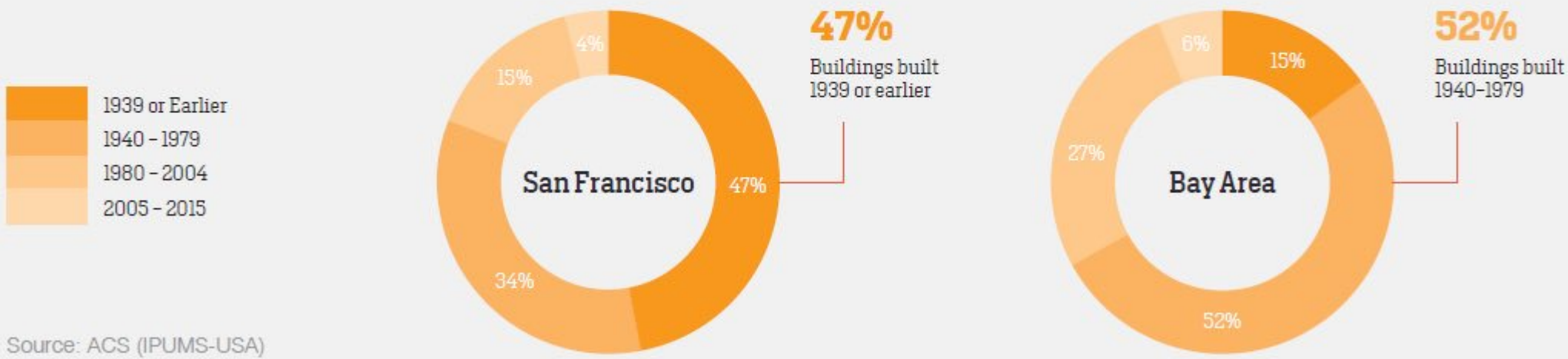


Source: California Department of Finance

CALmatters

FIGURE 9.

Percentage of Buildings in San Francisco and the Bay Area by Year Built, 2015

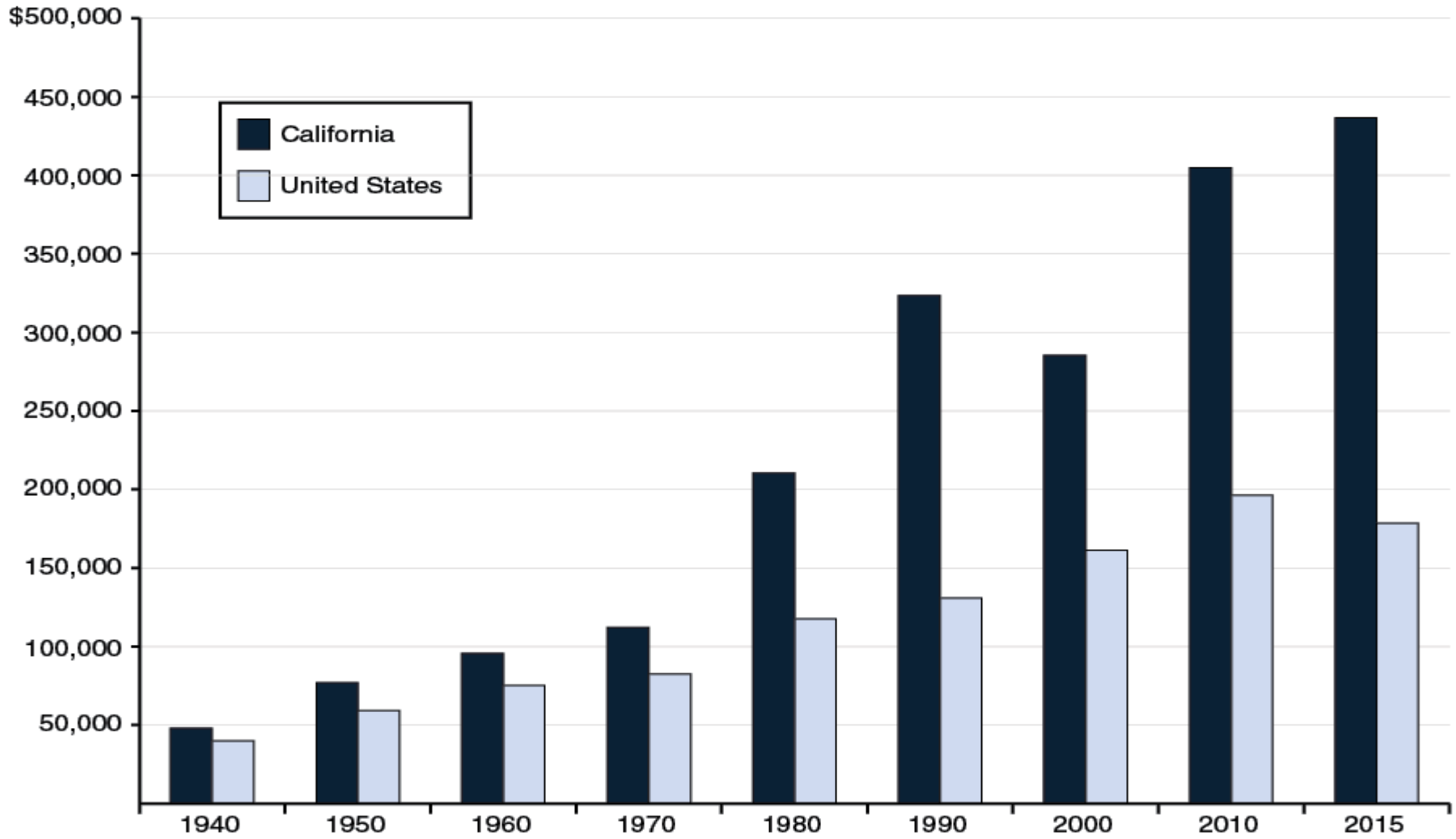


Source: ACS (IPUMS-USA)

Figure 3

California Home Prices Have Grown Much Faster Than U.S. Prices

Inflation-Adjusted Median Home Prices in 2015 Dollars



Consequences of California’s Housing Shortage

Rent paid by each generation (2017 dollars)

	Age in 2017	Total rent paid in 8 years (ages 22 to 30)
Generation Z	20	$102,100 Forecast
Millennials	30	$93,400
	40	$85,800
Generation X	50	$81,400
Baby Boomers	60	$72,800
	70	$66,900

Based on U.S. Census Bureau data

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In Many Cities, Homes "Earn" More in Equity Per Hour Than the Local Minimum Hourly Wage.

ZHVI Increase Per Working Hour and Minimum Wage

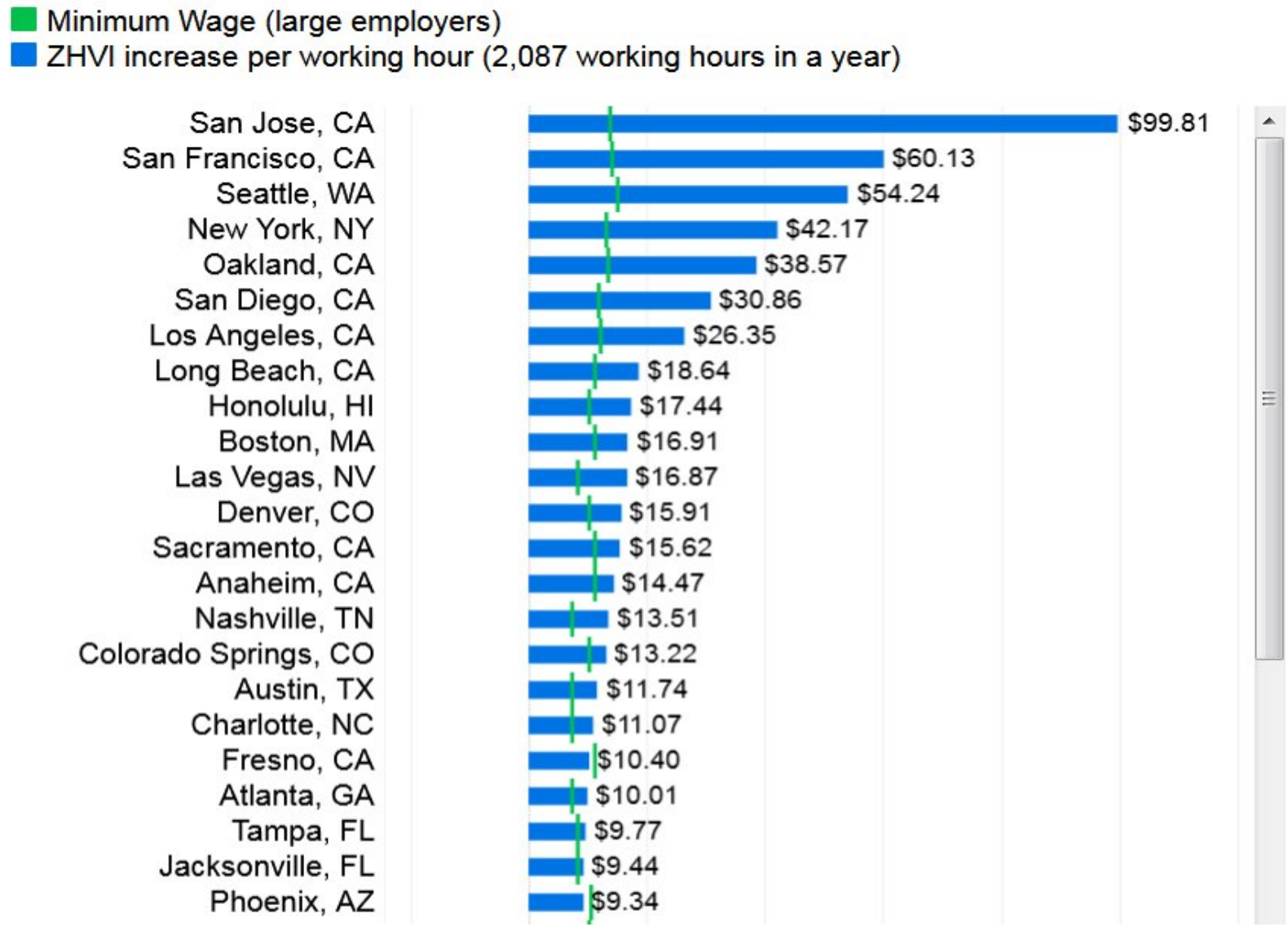
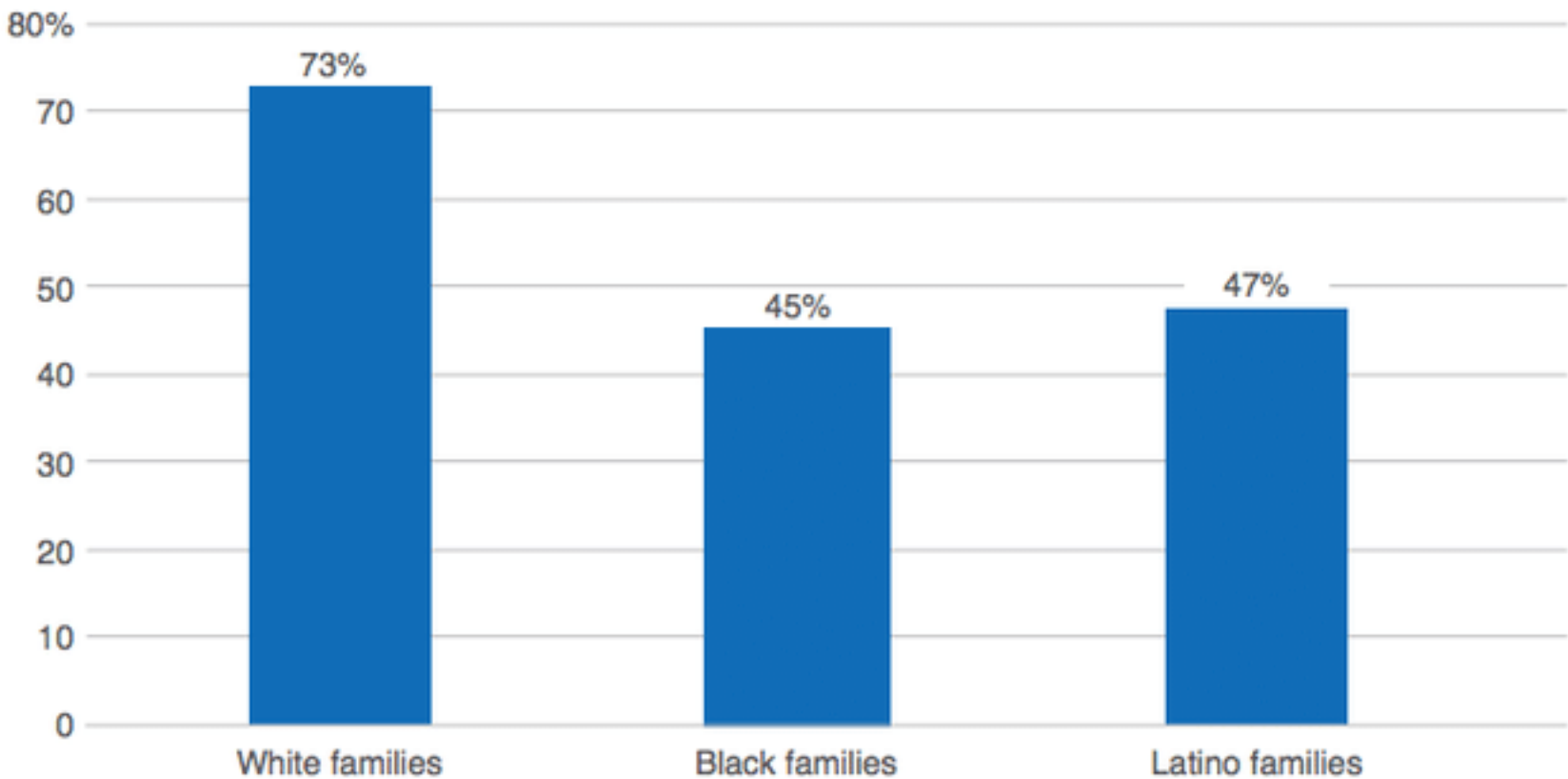
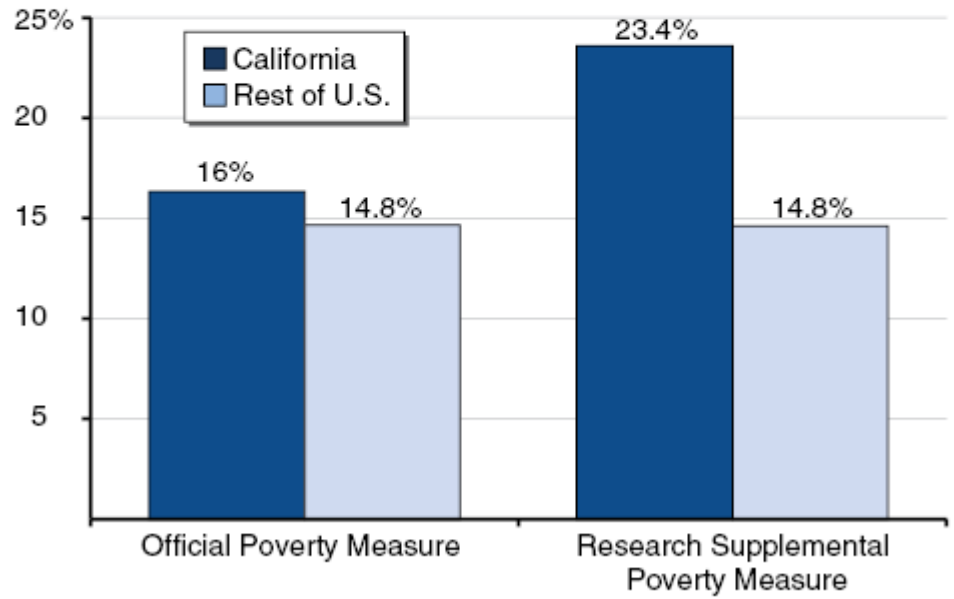


Figure 2. Homeownership Rates



Source: Survey of Income and Program Participation (SIPP), 2008 Panel Wave 10, 2011

Figure 13

Alternative Poverty Measure Much Higher in California Due to High Housing Costs

Percentage of Population Living Below Poverty Threshold From 2011 Through 2013