

# REFRAMING HOUSING DEVELOPMENT

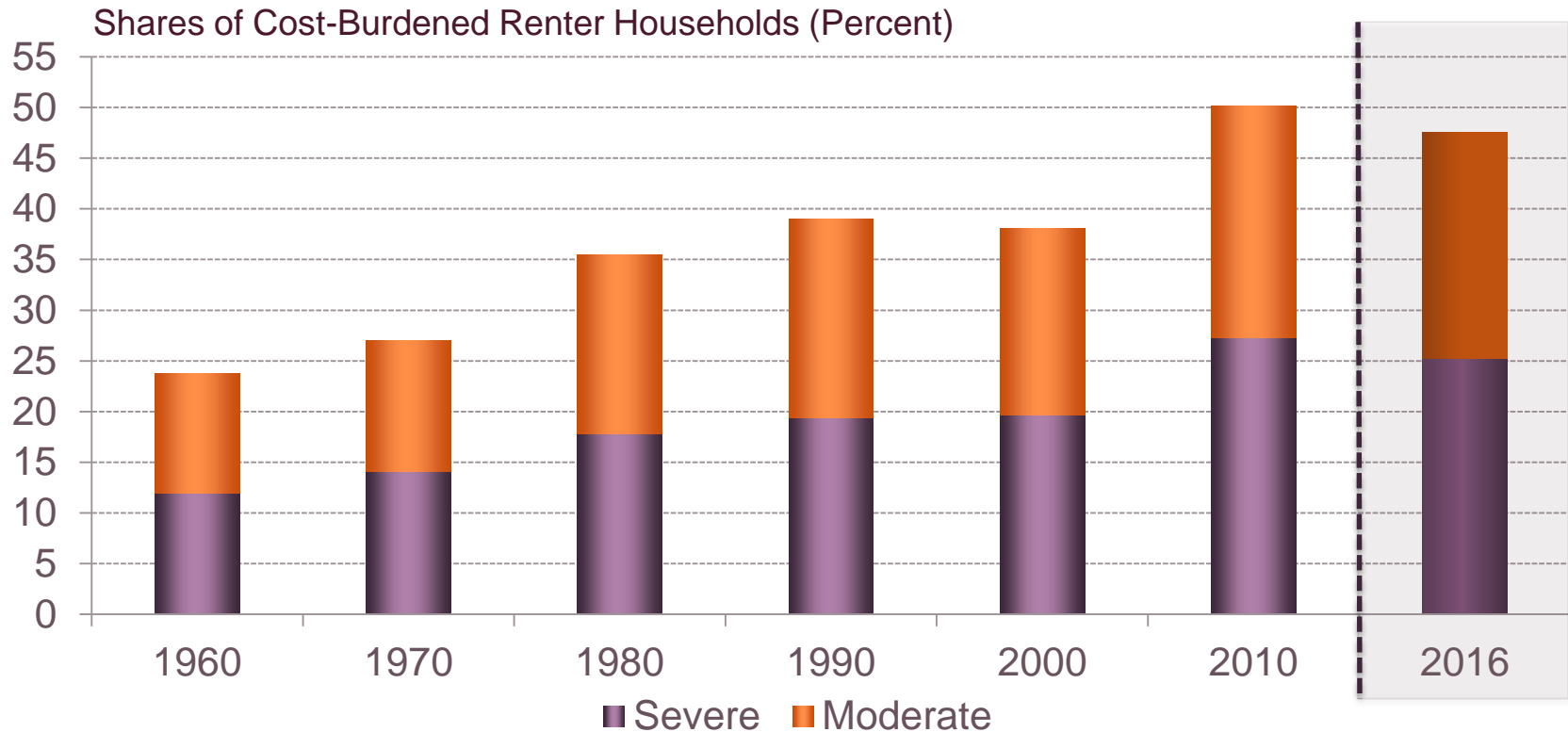
HOW CHANGES IN DESIGN, CONSTRUCTION, AND REGULATION  
COULD REDUCE THE COST OF HOUSING

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JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

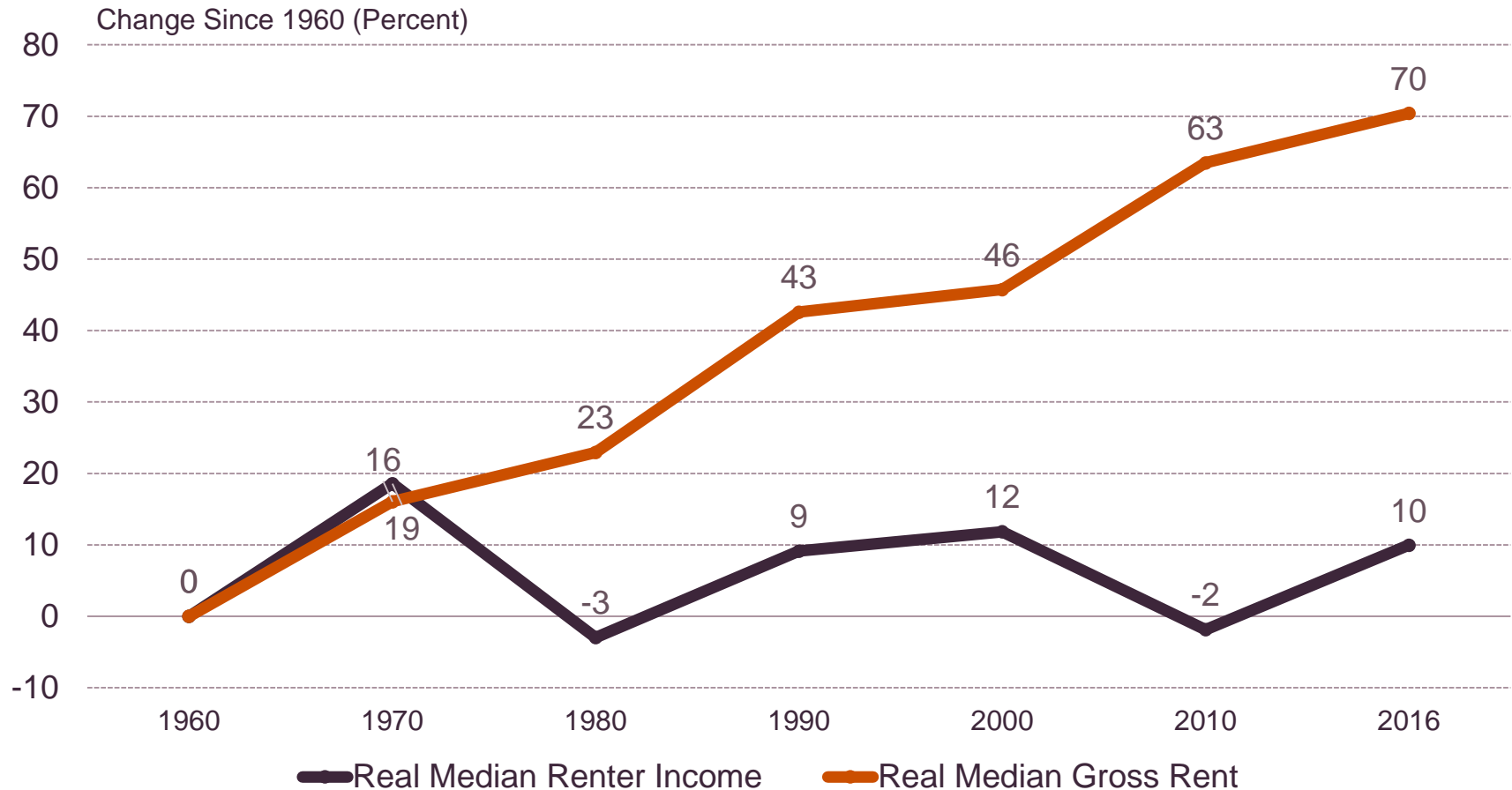
# Renter Cost Burdens Have Doubled Since 1960 With a Substantial Jump in the 2000s



Notes: Moderate (severe) burdens are defined as housing costs of 30-50% (more than 50%) of household income. Households with zero or negative income are assumed to be severely burdened, while renters not paying cash rent are assumed to be unburdened.

Sources: JCHS tabulations of US Census Bureau, Decennial Census and American Community Surveys.

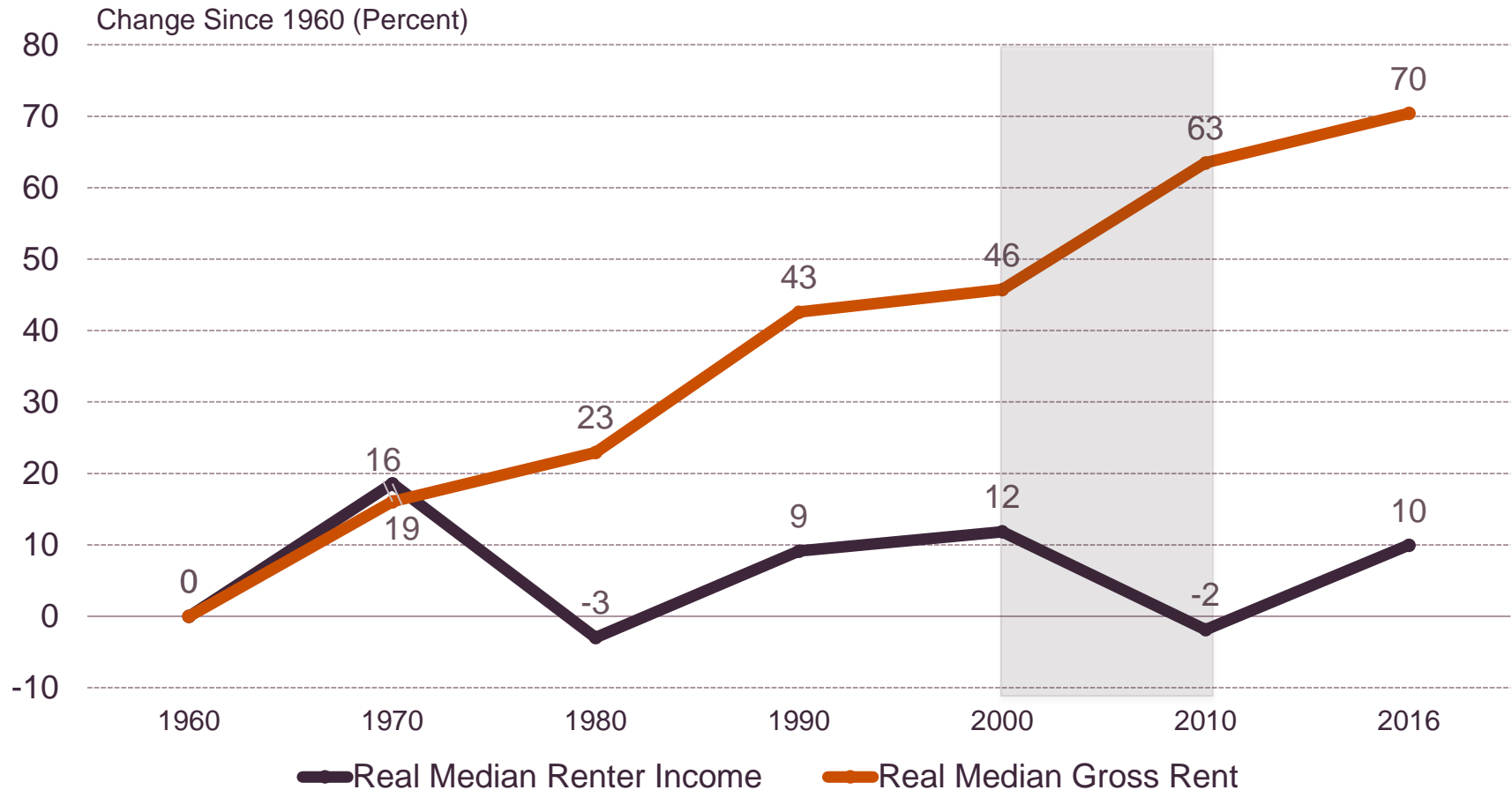
# Stagnant Renter Incomes are a Key Driver of the Problem, But So Too are Rising Real Rents



Note: Underlying values are adjusted for inflation using the CPI-U for all items.

Source: JCHS tabulations of the US Census Bureau, Decennial Census and American Community Surveys via IPUMS USA.

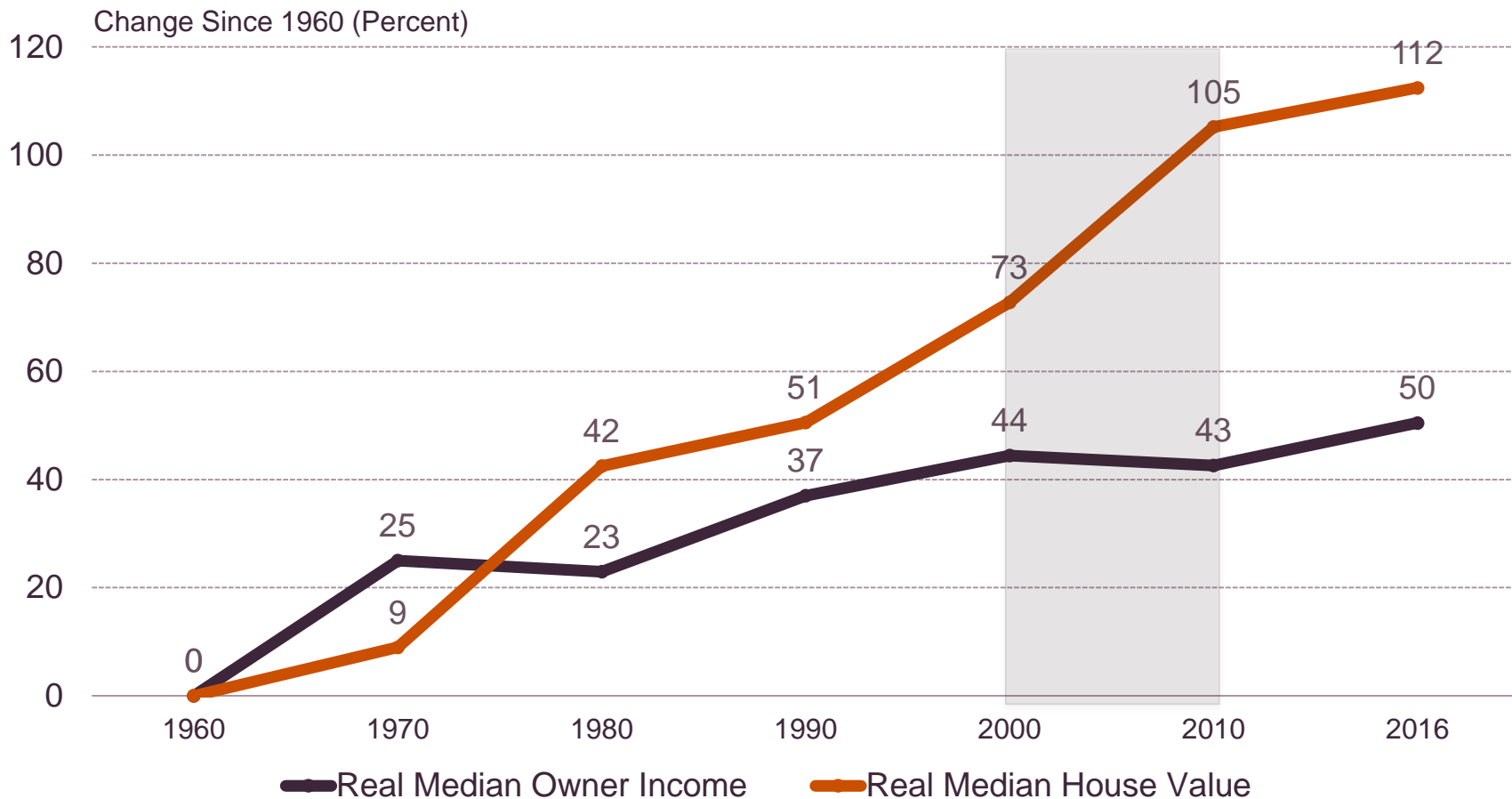
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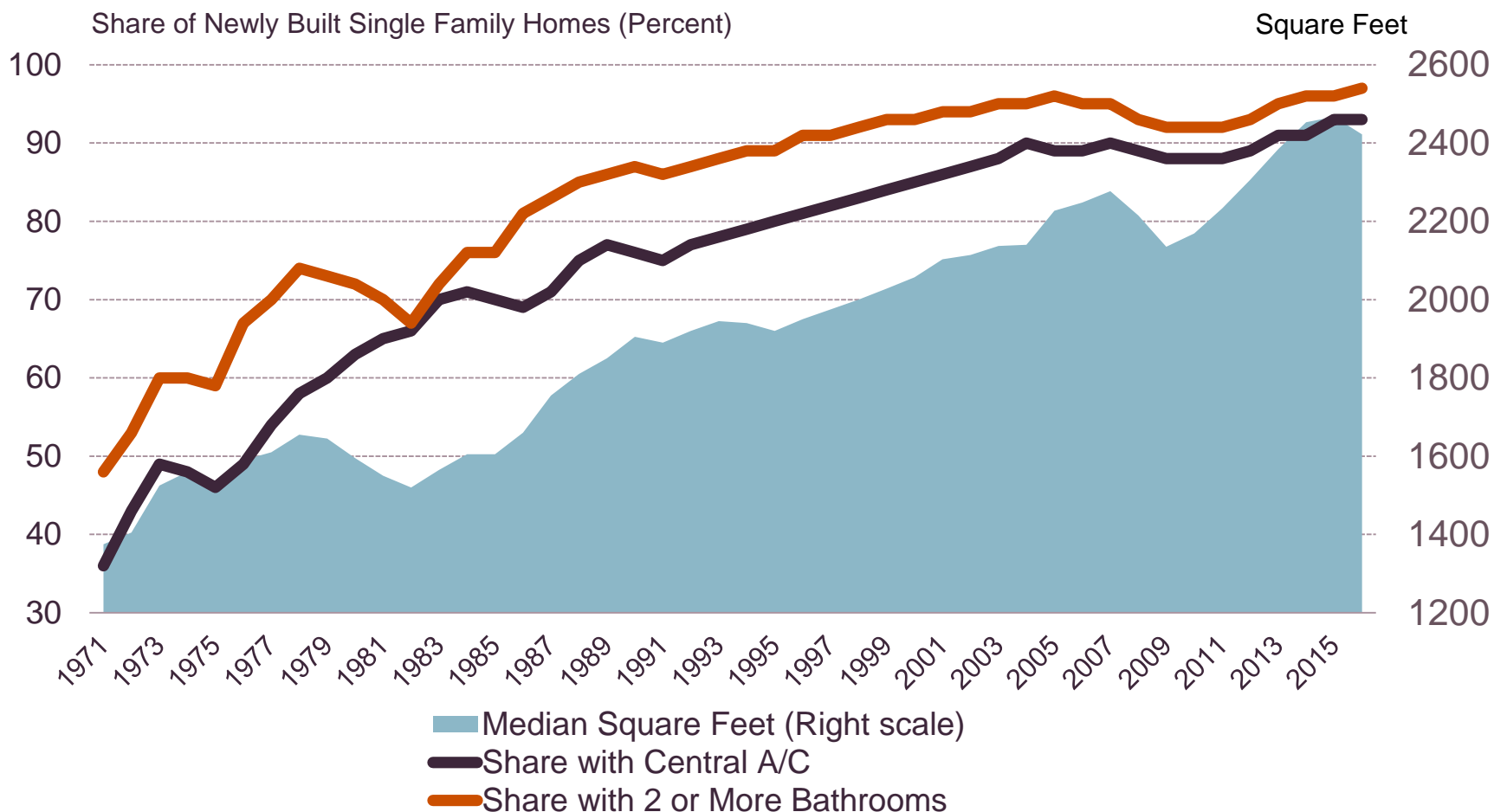
# Homeowner Incomes Have Increased More, But Have Still Lagged Home Values



Note: Underlying values are adjusted for inflation using the CPI-U for all items.

Source: JCHS tabulations of the US Census Bureau, Decennial Census and American Community Surveys via IPUMS USA.

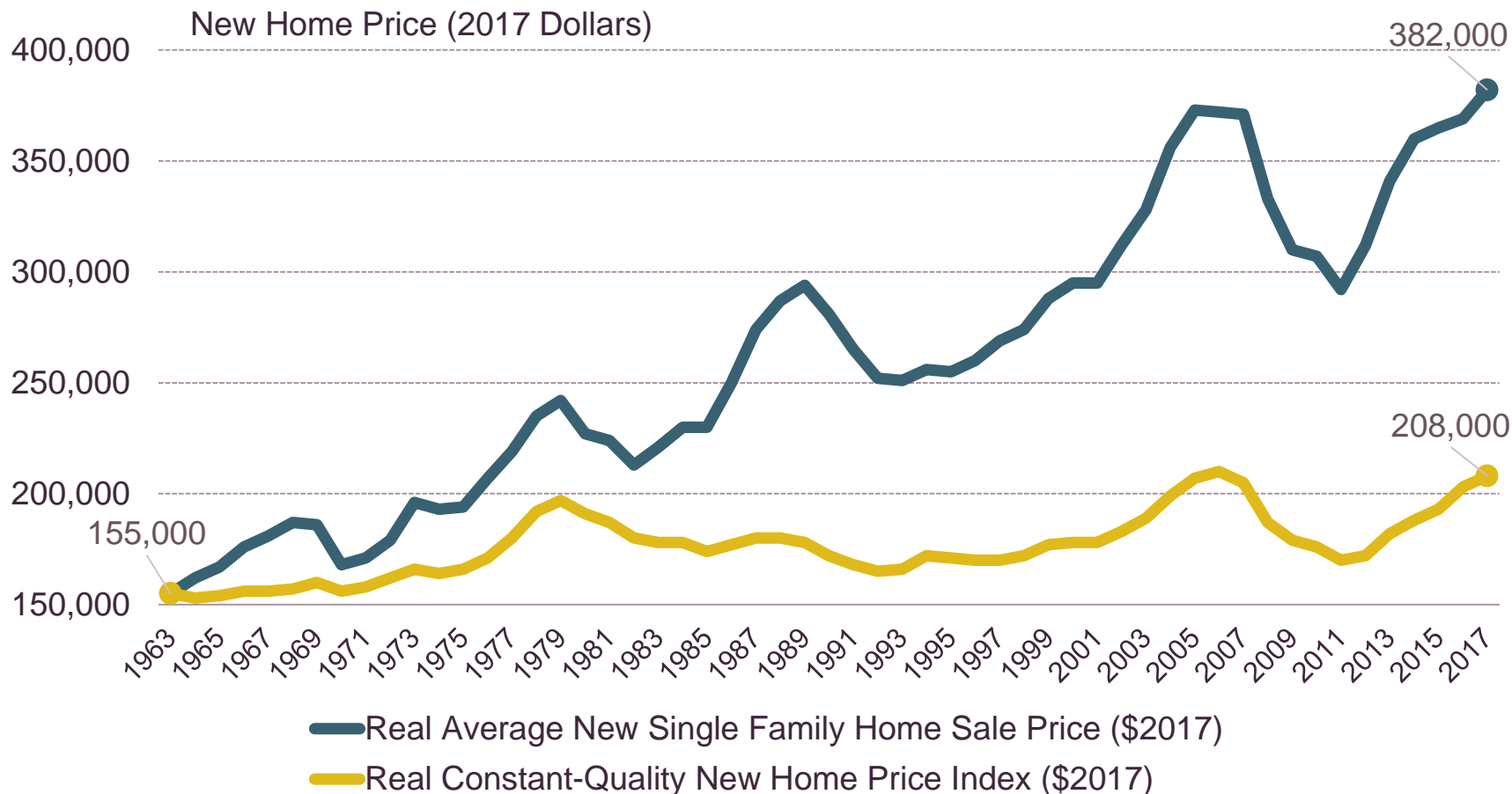
# One Reason for the Higher Cost of Housing is That New Homes Have Gotten Larger and Have More Amenities Than in the Past



Note: Single family homes only.

Source: JCHS tabulations of the US Census Bureau, New Residential Construction.

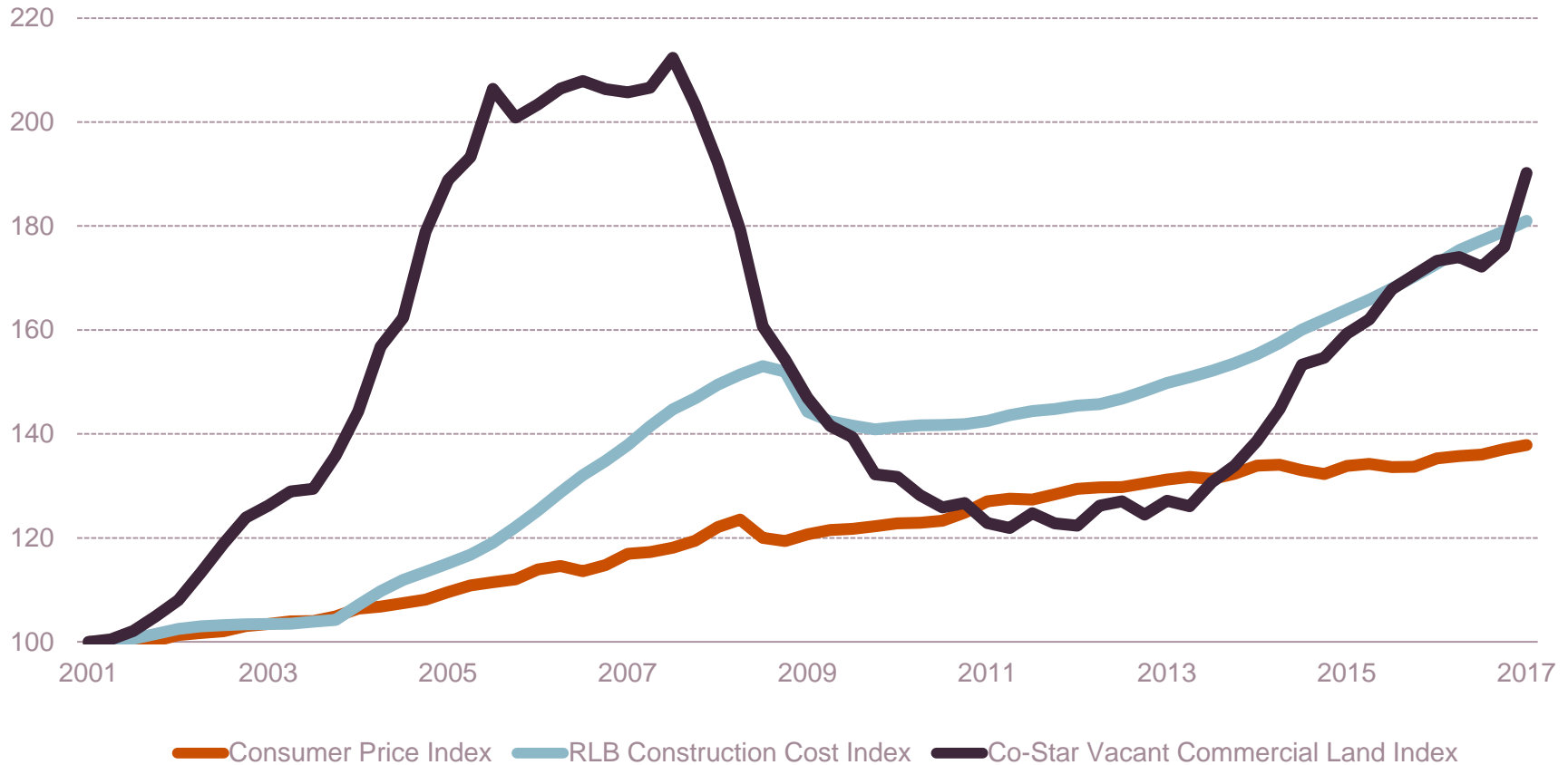
# Today's New Home Prices Are 2 ½ Times Higher Than in Early 1960s— But Only a Third Higher After Accounting for Quality Changes



Note: Dollars are adjusted for inflation using the CPI-U for All Items.

Source: JCHS tabulations of the US Census Bureau Survey of Construction and National Price Indexes for Single-Family Homes Sold.

# The Costs of Both Construction Materials and Land Have Greatly Outpaced Inflation This Past Decade



Note: The RLB Construction Cost Index measures the bid cost of construction, which includes labor, building materials, and contractor fees. The Co-Star Vacancy Commercial Land Index serves as a proxy for developable multifamily sites.  
Source: *America's Rental Housing 2017*, Joint Center for Housing Studies of Harvard University