

## COMMUNITY EDITORIAL BOARD

## Who benefits from new housing?

Decisions about new housing development must consider the needs of the whole community, not just long-time incumbent homeowners.



by **Dice Oh | Opinion Contributor** March 9, 2022 @ 9:47 am



A few of the 18 new affordable housing units built by Greenwich at Armstrong Court.

A passive observer reading a local news article or Nextdoor discussion about a new multifamily housing development in Connecticut could easily reach the conclusion that the only people who want these new homes are profit-seeking developers, while the "community" is overwhelmingly against it.

This perspective, which is the default framing in almost all local news accounts, misrepresents reality and ignores the many ways in which housing growth benefits the broader community, not just the newcomers who will inhabit the new homes.

First, we know that the types of people who start anti-housing petitions on Nextdoor or



show up to testify to zoning board hearings in opposition to a development are not broadly representative of the community as a whole. **Research shows** that these people tend to be overwhelmingly older wealthy homeowners who are averse to change.

The average town resident, likely neutral-to-mildly supportive of new development, is not going to take time out of their day to testify on a weekday evening in support of new homes, especially if they have jobs, commutes, hobbies, or children to take care of. Our public participation process heavily favors retirees and others with free time who are strongly opposed to changes in the built environment.

In contrast, the people who might live in these new homes are not present in these discussions. This is in part because no one knows where they are going to live next until they start looking for new arrangements, and they can only see the homes that are available, not all the potential homes that do not exist because of our <u>restrictive</u> <u>zoning codes</u> and <u>veto-heavy permitting processes</u>. The average <u>American moves</u> <u>11 times in their life</u> — to start a family, find a new job, or to upgrade their living space. Having more available options through higher housing inventory and residential vacancies is good for economic mobility and affordability, whether one is looking to buy or rent.

But more importantly, new housing doesn't just benefit the people who live in it. It makes housing more available to others as well. When a new apartment or condo is built, a significant fraction of people moving into it are local to the region, perhaps upgrading or starting a family. This opens up vacancies in their prior home, which can be filled by others, which opens up another vacancy, and so on and so forth in a chain-like process. This "filtering" dynamic means that new housing has an almost immediate positive impact on local vacancies, creating more available space and reducing upward price pressure on rents.



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Historically, housing affordability for all was achieved by building a sufficient quantity of new homes that allowed wealthier people to move into new homes, creating vacancies in older, more affordable homes. In today's world, decades of underbuilding has created a housing shortage by which this filtering process works backwards: wealthier people buy up older homes and then renovate them, displacing others and bidding up prices and rents in the process.

As an example, the New York City metro region (which includes Fairfield County in Connecticut) created about a million jobs over the past decade but only permitted about

500,000 new homes, creating a massive deficit of several hundred thousand homes. When there are more people looking to live in a place than available homes to buy or rent, it's a game of musical chairs. Someone is going to get displaced, either by leaving the region or becoming homeless. Seen this way, even new homes that only house people in the upper part of the income distribution have a direct and measurable positive impact on the availability of homes for all.

The current housing crisis shows that the assumptions of those who want to maintain the status quo in the built environment are not sustainable over the long term. Continuing to block new homes in the name of "neighborhood character" or traffic concerns is not a route to common prosperity; it is creating massive inequality between homeowners and renters, a steady impoverishing of the working class, rising homelessness, and reducing our productive capacity as a society.

Fundamentally, we need to acknowledge that people are not pollution and new homes are a productive investment, not a negative externality to be mitigated by taxes and costly mandates. If we want to build a just and equitable society, we need to consider the voices of those who benefit from new development – our children, new families, job-seekers – not just those content with preserving the status quo.

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