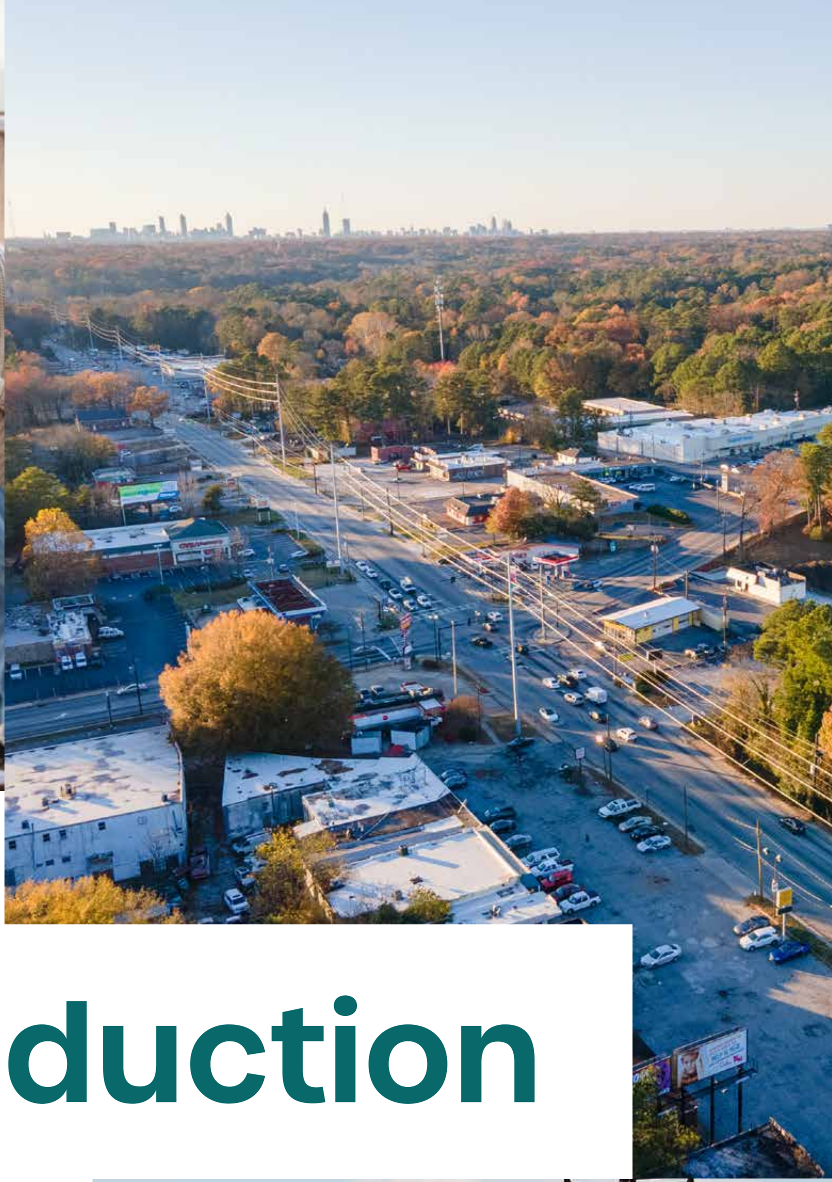

Housing Underproduction in the U.S.

2024

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Authors

David Garcia
Anjali Kolachalam
Leah MacArthur
Michael Wilkerson, Ph.D.

Acknowledgments

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Finally, we acknowledge Up for Growth's Board of Directors and Advisory Council, whose leadership propels our mission to forge policies and partnerships to achieve housing equity, eliminate systemic barriers, and create more homes.

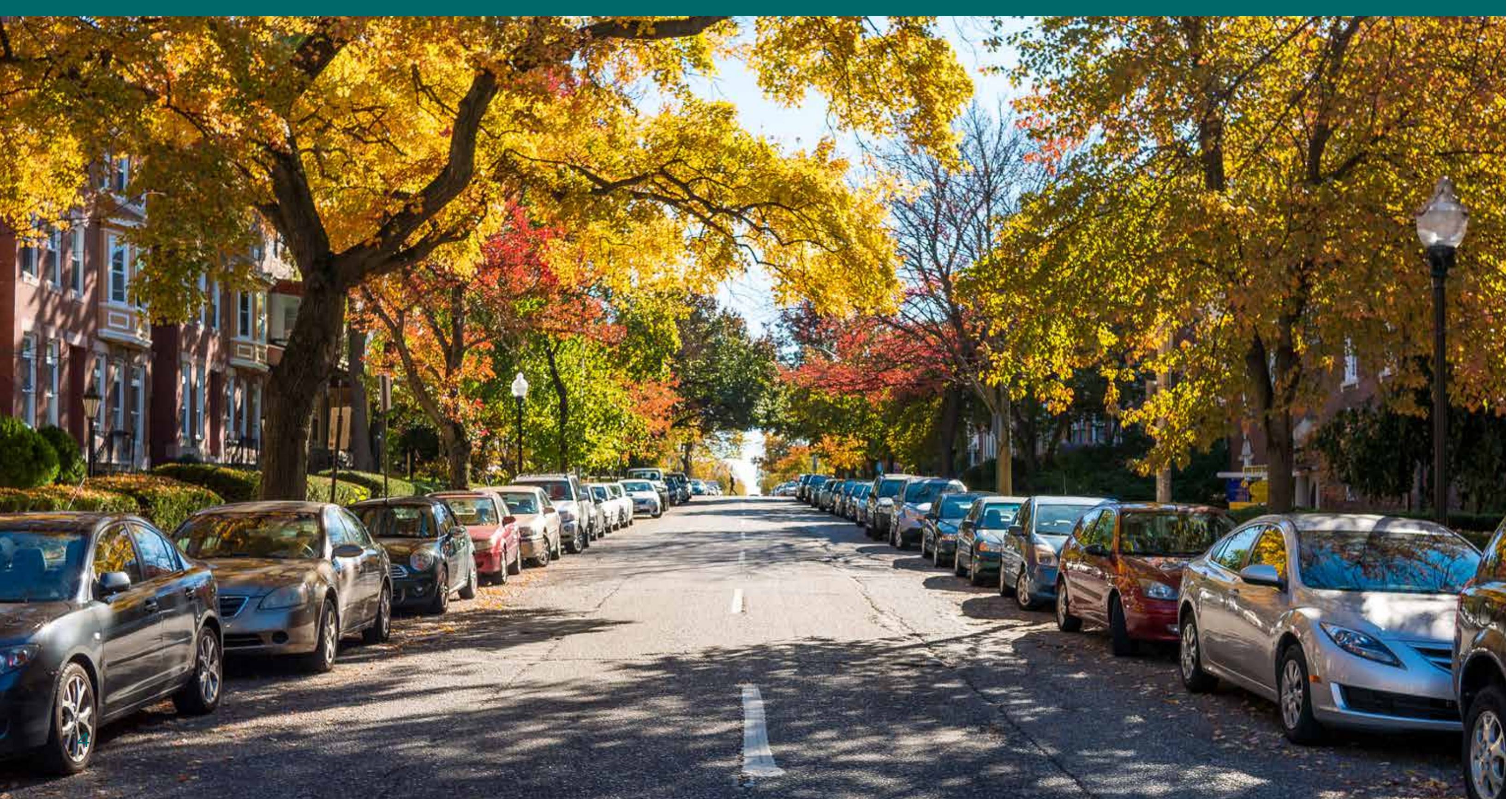
The Message is Clear

80% of residents in rural areas and 72% in urban areas believe housing affordability is getting worse in their communities.

This view is prevalent among renters and homeowners across all demographics: political party identification, education, race, age, and gender.

74% of suburban residents and 76% of rural residents agree that "America has a housing shortage, and we need more homes and rentals."

Source: Turner & Radosevich, Center for American Progress, 2024



Confronting the Crisis: Addressing America's Housing Supply Challenge Together

An Essay by Representative Lisa Blunt Rochester (D-DE)

For most people, the moment they step into their first home is a memory that lingers for a lifetime. It's a feeling of fulfillment, a sense of safety and security, and a tangible realization of the American Dream. For generations, homeownership has been a cornerstone of this dream, representing a better life for oneself and one's family. What's more, housing determines your access to health care, the schools your children attend, and the economic opportunities afforded to you.

I was a first grader when my parents moved us out of public housing into our childhood home. That day remains etched in my memory, a constant reminder of the opportunities homeownership provided my family.

Yet, there are still too many children who haven't experienced this sense of refuge. The housing supply crisis in the United States has reached critical levels, significantly contributing to widespread housing insecurity and economic instability for Americans. This scarcity has the potential to create a domino effect, leading to housing inflation, competitive rental markets, increased pressure on landlords, and, ultimately, a rise in evictions, which can contribute to an increase in homelessness.

This report by Up for Growth on the underproduction of housing supply should be considered a call to action. As champions and advocates, Up for Growth continues to raise awareness of the necessary steps we need to take to finally shore up our nation's depleted housing stock.

My work in Congress on this issue has been driven by both personal and professional motivations. Every American deserves the dignity of living in a safe, affordable home. This is not just a utopian ideal but a fundamental right that touches all aspects of our lives. Affordable home ownership builds generational wealth and provides a stable foundation for economic mobility. That is why I am calling on all of my colleagues to recognize the severity of the current supply and affordability crisis in our country.

We face a nationwide shortage of 3.85 million homes, with my home state of Delaware alone missing more than 12,000 homes. This critical undersupply disproportionately impacts low-income renters and families of color who have been historically denied access and capital to housing in areas of opportunity. We must act boldly to address this crisis. If we do not, generations of families will continue to be burdened by the inability to obtain a basic privilege: a safe place to call home.

My commitment to this issue stems from my previous roles in Delaware, including Secretary of Labor, Deputy Secretary of Health and Social Services, and CEO of the Urban League, where I chaired the Delaware Housing Roundtable. I witnessed firsthand the interconnectedness of health, housing, and economic opportunity.

In 2021, I introduced the Housing Supply and Affordability Act, which aims to increase housing availability by empowering states, local governments, Native American Tribes, and municipalities to develop comprehensive housing plans. These plans will help address the shortage of affordable housing and mitigate rising living costs.

Additionally, the bill encourages local governments to eliminate exclusionary zoning and discriminatory land use policies. I am so proud of how this landmark legislation was the catalyst for the Pathways to Removing Obstacles to Housing (PRO Housing) grant program, which has been funded through past appropriations in Congress.

While this is a significant step, our housing challenges are deeply rooted in historical and systemic issues. We must not only address these problems but also reimagine outdated housing regulations that have contributed to the current crisis.

I am excited to build upon this work with the Reducing Regulatory Barriers to Housing Act, which I introduced this past summer with Senator John Fetterman (D-PA). This bill is supported by over 130 local and national organizations and aims to provide resources, data, and models to help state and local governments reform outdated regulations. By digitizing zoning codes and investing in housing in lower-income and rural areas, we can diversify housing inventories, end discriminatory practices, increase workforce housing, and improve housing affordability across the nation.

Addressing the housing supply crisis requires a long-term commitment from the federal government. But it also demands that advocates like Up for Growth—working tirelessly to address our housing inventory challenges and to reverse bad policies—hold bad actors accountable for their role in this crisis and bring affordable housing access back within reach.

Without concerted effort, the shortage will continue to exacerbate inequalities and hinder economic progress. I'm proud to support Up for Growth's bold, unafraid work to dismantle exclusionary and discriminatory zoning policies. Through their efforts and a bipartisan coalition in Congress, we can create more equitable, affordable, and climate-resilient communities. By taking decisive action, we can work toward a future where every American has access to safe, affordable, and stable housing, ensuring that every family is one step closer to living their American Dream.

Building for Tomorrow: How Supply-Focused Solutions Can Address Rising Housing Costs

An Essay by Representative Mike Flood (R-NE-01)

In this country, homeownership carries the promise of stability and upward mobility. But in recent years, high inflation and a housing shortage have combined to make homeownership unreachable for many Nebraskans. Since 2019, the average cost to buy a home in Madison County, where I live with my family, has increased by 70%, pushing the price of homeownership to record highs. Inflation and housing undersupply are a one-two punch that makes it increasingly difficult for Nebraskans to save up and buy a home.

Madison County is full of hard-working, close-knit communities with jobs in manufacturing, the meatpacking and agricultural industries, and other sectors. They take pride in their heritage and way of life. But today in Madison County, the average worker earns about $24,000 per year below what's required to comfortably purchase a home.

Sadly, this phenomenon isn't unique to Madison County. I travel across the state talking to local leaders and business owners whose stories echo the same familiar tale: high housing costs are forcing families to move further and further away in search of more affordable housing options. Unable to find and hire skilled workers, local businesses face labor shortages that increase costs, decrease productivity, and reduce revenue. Over time, this phenomenon becomes a drag on growth for small communities across the country. Today's housing crisis goes beyond where people live; it's about whether our communities can grow and prosper. If Madison County and places like it across the state are going to thrive, we must address this crisis head-on.

While state and local governments rightly control many of the drivers that affect housing supply, such as zoning and land use laws, building regulations, and incentives for private development, my colleagues and I are working to uncover ways the federal government can support state and local efforts to increase housing supply and stabilize communities. A prime example is the Yes in My Backyard Act (HR 3507), which I am honored to co-lead alongside my colleagues Congressman Derek Kilmer (D-WA) and Senators Brian Schatz (D-HI) and Todd Young (R-IN). Passing the YIMBY Act is a meaningful first step, but there is room for more.

By fostering innovation in manufactured and modular housing, we can provide more affordable starter homes for families and spur important manufacturing and supply chain growth. Additionally, we can support localities in their efforts to cut red tape and eliminate onerous regulations that make it expensive and inefficient to build new homes.

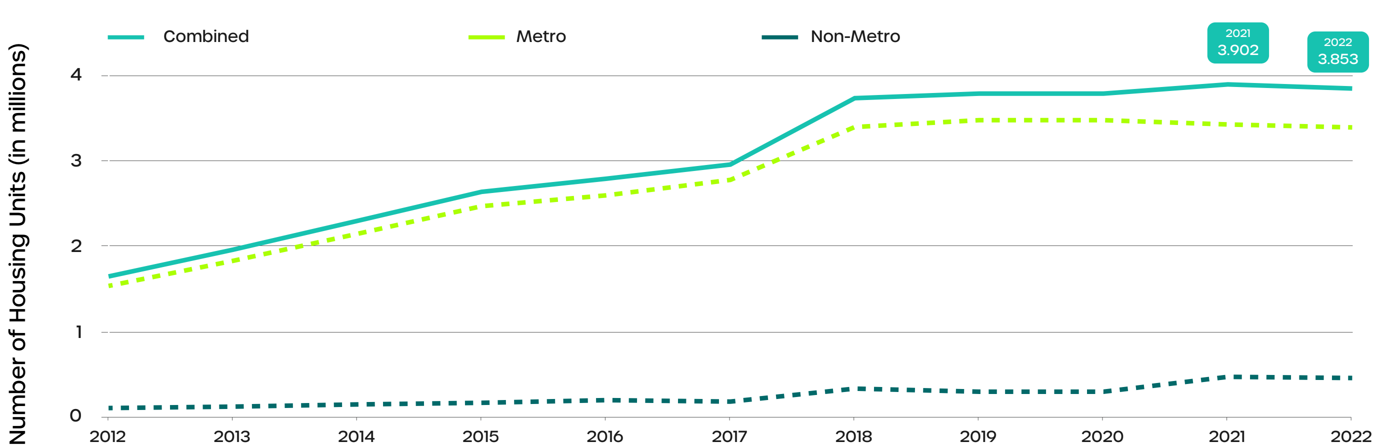
Up for Growth has been a valuable partner in this effort. Their Underproduction Report helps policymakers better understand the scale and effects of the housing shortage, and it's my hope that their work will help push Congress toward bipartisan solutions on housing supply.

I remain committed to working with my colleagues in Washington and industry leaders across Nebraska to find solutions that will help Madison County and communities everywhere expand homeownership opportunities and create housing choice for all hardworking Americans.

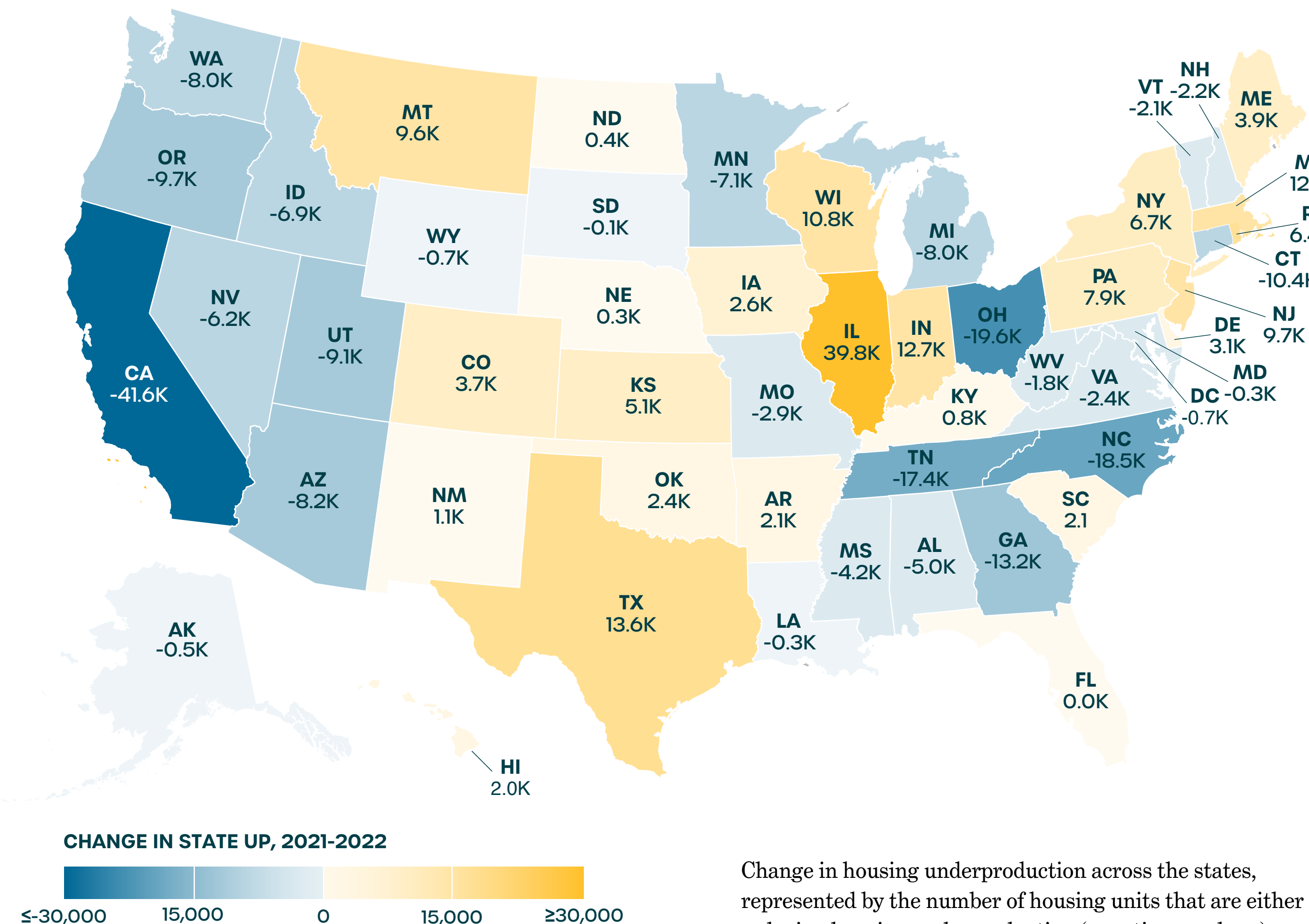
Housing Underproduction in the U.S. 2024

For the first time since we began measuring housing underproduction in 2012, the gap between the housing we have and the housing we need narrowed, moving from 3.89 to 3.85 million. While the total number of missing units decreased, a regional look at the improvement suggests larger dynamics may be at play. This report looks into the root causes of the housing shortage plaguing the country, exploring regional trends of improvement in the West, and worsening underproduction in the middle of country.

Total Housing Underproduction by Place 2012-2022

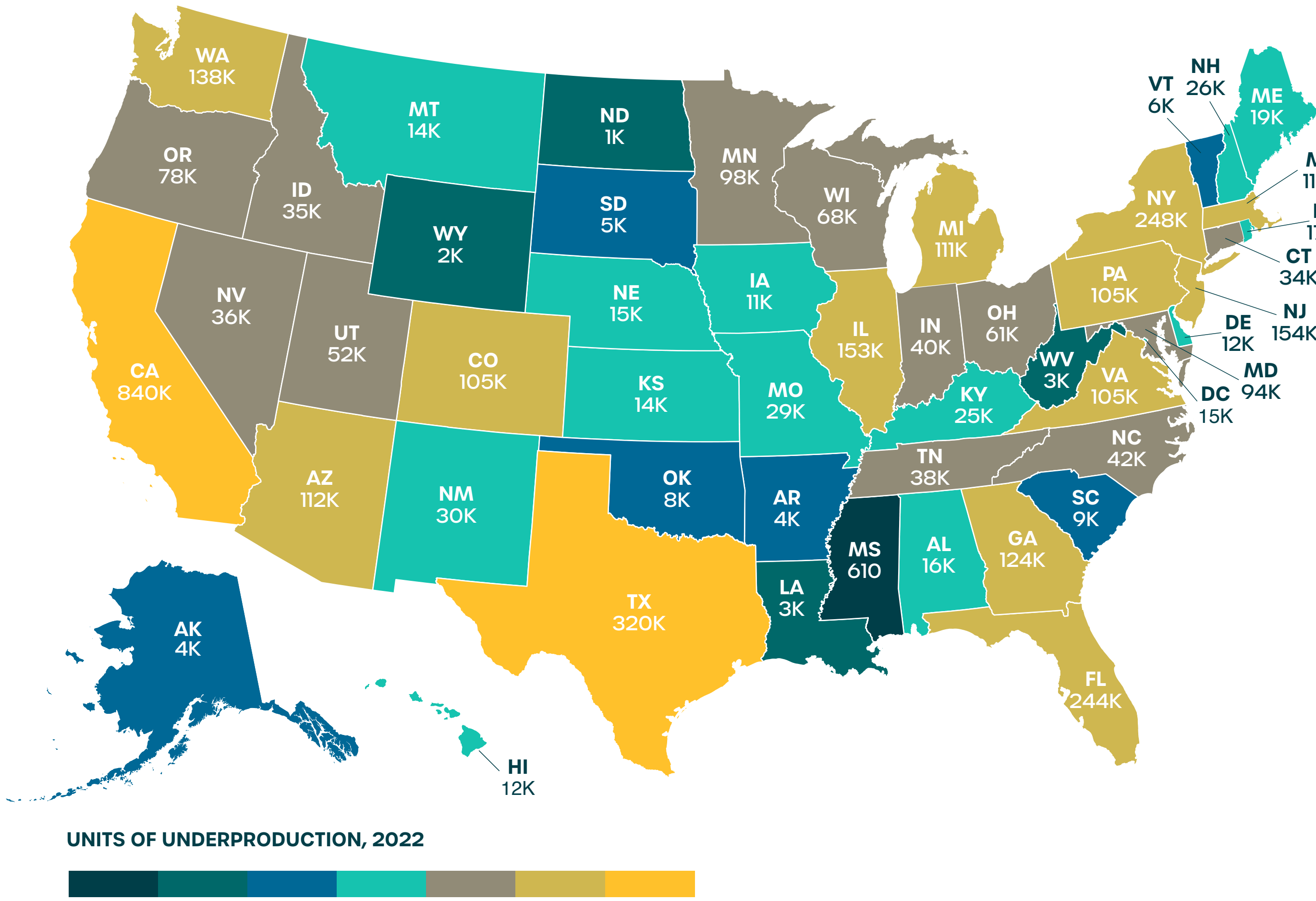


In 2021, low interest rates and increased demand due to new household formation during the pandemic resulted in a 15-year high for new home permits issued. Over the period from 2021 to 2022, housing unit completions increased by 3.3%. The 50,000 unit decrease in housing underproduction over the same period resulted from increased housing production and the continuation of pandemic-related migration patterns as people adjusted to a new hybrid work environment.



Change in housing underproduction across the states, represented by the number of housing units that are either reducing housing underproduction (negative numbers) or increasing housing underproduction (positive numbers).

Every state in the West showed marginal improvements in housing underproduction, but from the Rockies to the Mississippi River, housing underproduction is almost uniformly worsening.



Housing Underproduction persists across geographies and typologies of place.
Underproduction is present in all 50 states and the District of Columbia. It is present in urban, suburban, and rural areas.

There are national and regional dynamics at play.
Underproduction decreased in 26 states and 28 of the top 50 underproduced metros. Where and why those improvements occurred yields clues about how and where the crisis is spreading.

Housing production hasn't kept pace with household formation.
From 2021 to 2022, only 0.88 new homes were built for every household formed across the country.

National Housing Underproduction

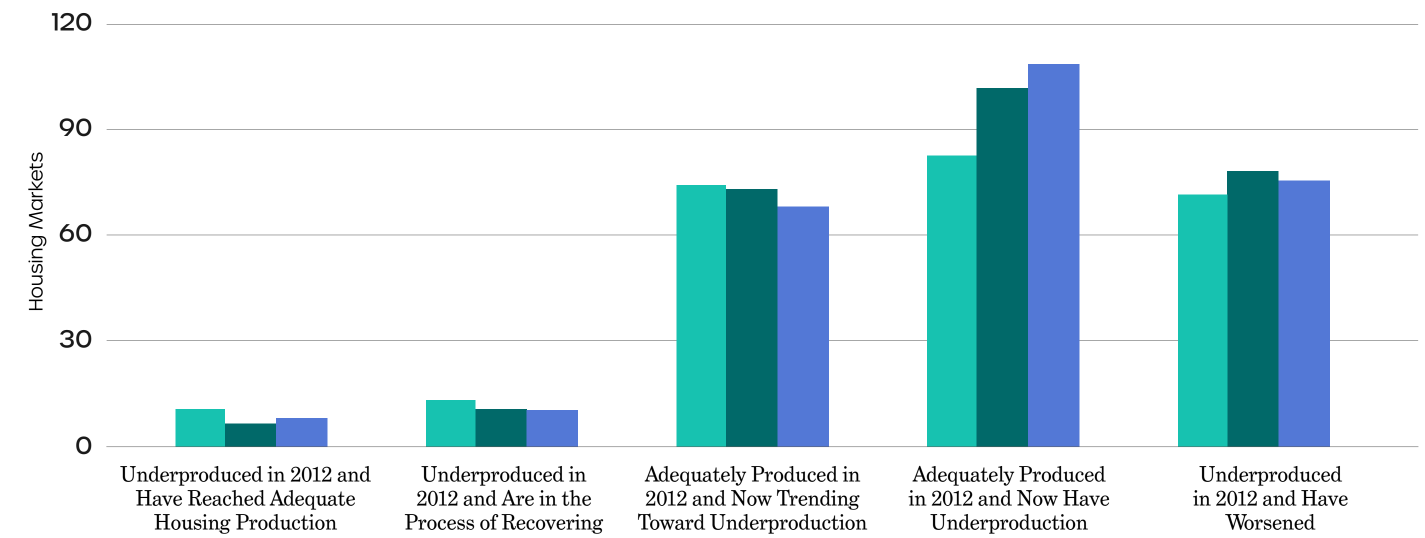
2012	2019
1.65 Million	3.79 Million
2021	**2022**
3.89 Million	3.85 Million

Metro Areas Experiencing Underproduction

2012	2019	2021	2022
100	169	193	198

The total number of metros experiencing underproduction increased from 193 to 198, with 83% (256) of all markets and 24 states worsening.

Trends in Underproduction



Metropolitan Markets Since 2012

77 markets have worsened.
25% of total | down from **25.6%** in 2021

110 markets have fallen into underproduction.
35.6% of total | up from **33.3%** in 2021

69 markets are trending toward underproduction.
22.3% of total | down from **23.9%** in 2021

9 underproduced markets reached adequate housing production.
3% of total | up from **2.3%** in 2021

11 underproduced markets are recovering.
3.6% of total | the same as 2021

33 markets that adequately produced continued to meet or exceed housing needs through 2021.
10.7% of total | down from **11.3%** in 2021

What is housing underproduction?
The gap between the housing we have and the housing we need.
How do we calculate it?

Housing Underproduction = [Households + Missing Households] × 1.05 (1+ Target Vacancy Rate) − [Total Housing Units − 2nd and Vacation Homes − Uninhabitable Units]

TARGET NUMBER OF HOUSING UNITS

UNITS THAT ARE RENTER OR OWNER OCCUPIED

What to Expect in this Report

America's housing supply has leapt into the national spotlight. Presidential candidates from both major parties have included housing plans in their platforms and featured the housing crisis as a talking point in major speeches. Bipartisan housing bills are moving through state legislatures and the U.S. Senate and House of Representatives. Housing underproduction and the severe consequences of the supply shortage have officially gone mainstream.

But, if housing underproduction has decreased, is the housing shortage really such a problem? Is the worst part over? Can the country move on from it?

In the following pages, we examine how the year-over-year decrease in housing underproduction belies the escalating urgency of the national housing shortage and why we have reason to expect that some of the most difficult challenges lie ahead.

In an examination of five metro areas, we explore the nuance of changing housing market dynamics around the county. In doing so, we also uncover how the effects of regional shortages can manifest in other parts of the country. We go on to explore how different regions are approaching solutions, some yielding promising results and others struggling to meet the scale of the need. The report concludes with examples of local, state, and federal interventions that effectively reduce the housing supply shortage.

With millions of missing homes, monitoring and reporting on year-over-year changes can seem trivial. But in doing so, we are reminded annually to reflect not on missing units but instead on the millions of people who cannot find a home simply because there aren't enough of them to go around.

The deterioration of our culture, economy, businesses, and communities due to the housing shortage is preventable, but doing so will require short-term interventions and coordinated long-term strategies at all levels of government. We hope this report will encourage meaningful action to curb the national housing shortage so that every person—regardless of income or background—can achieve the dream of a home in a community they choose.

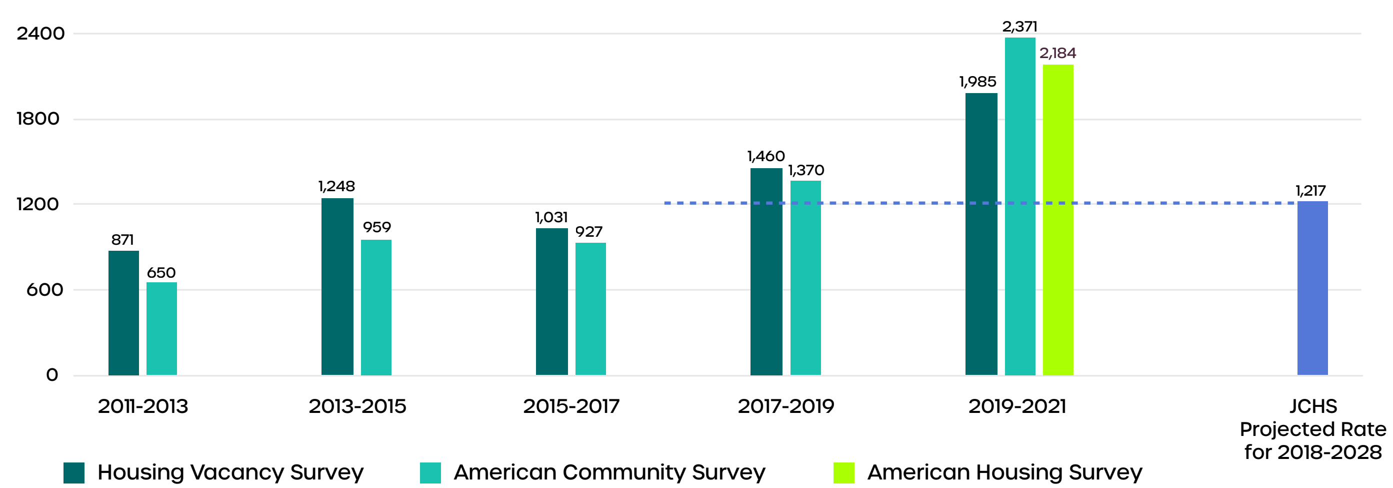
Relying on Census data from 2022, this report covers a period when the economy was still experiencing the lingering effects of the pandemic. Though it is difficult to pinpoint precisely when the "pandemic era" ends, there are signs that some of the trends associated with the pandemic have stabilized. While this report presents a snapshot of the past, comparing it to observed outcomes today yields new insights into the nature, maturity, and future of the national housing crisis.

Drivers and Trends

During the COVID-19 era, household formation patterns and workplace norms shifted more dramatically than they had since the early 20th century. The pandemic accelerated household formation, as individuals, especially young adults, moved out of shared living arrangements or family homes to create their own spaces. The shift to remote work enabled people to move further away from urban centers, which were traditionally tied to job locations. Combined, these trends led to increased demand for homes everywhere, particularly in the suburbs, exurbs, and rural areas, driving up prices and putting a strain on already low housing inventory in these regions.

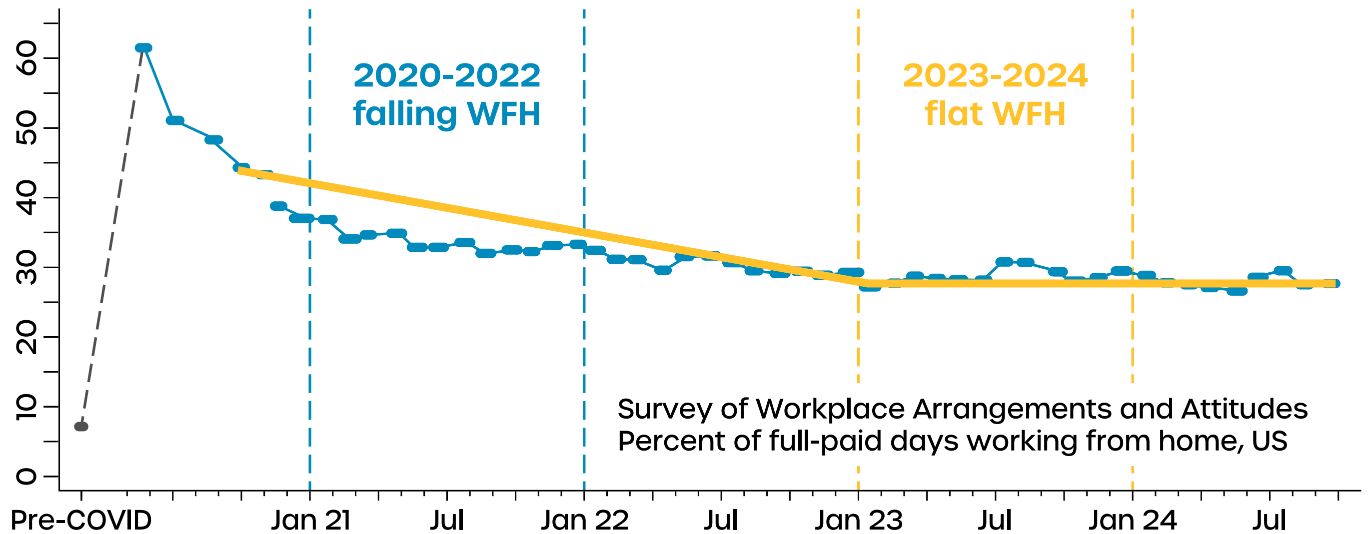
By 2021, the surge in household growth among millennials had recovered nearly all ground lost during the Great Recession, and overall household formation returned to levels not seen since 2011. Projections through 2028 suggest a return to more moderate household formation rates (Joint Center for Housing Studies, 2024).

U.S. Household Growth Expected to Return to Pre-Pandemic Levels



There was a significant, temporary surge in household growth in the U.S. between 2019 and 2021. However, projections suggest that this high level of growth is not expected to continue, with household formation rates expected to return to more typical levels of around 1.2 million annually. This return to moderate growth is more consistent with long-term trends seen before the 2019-2021 period (Harvard Joint Center for Housing Studies, 2024).

Likewise, trends related to remote work and office occupancy that surged during the pandemic have stabilized.



Work from home (WFH) surged during the pandemic, peaked in 2020, then gradually declined through 2022. By 2023-2024, this decline stabilized to around 30% (Kastle Systems, & WFH Research, 2024).

Hybrid work has become more common, with most remote-eligible employees working from the office two to three days a week. In-office foot traffic initially plummeted due to the pandemic but recovered steadily from 2020 to 2022 and stabilized by January 2023.

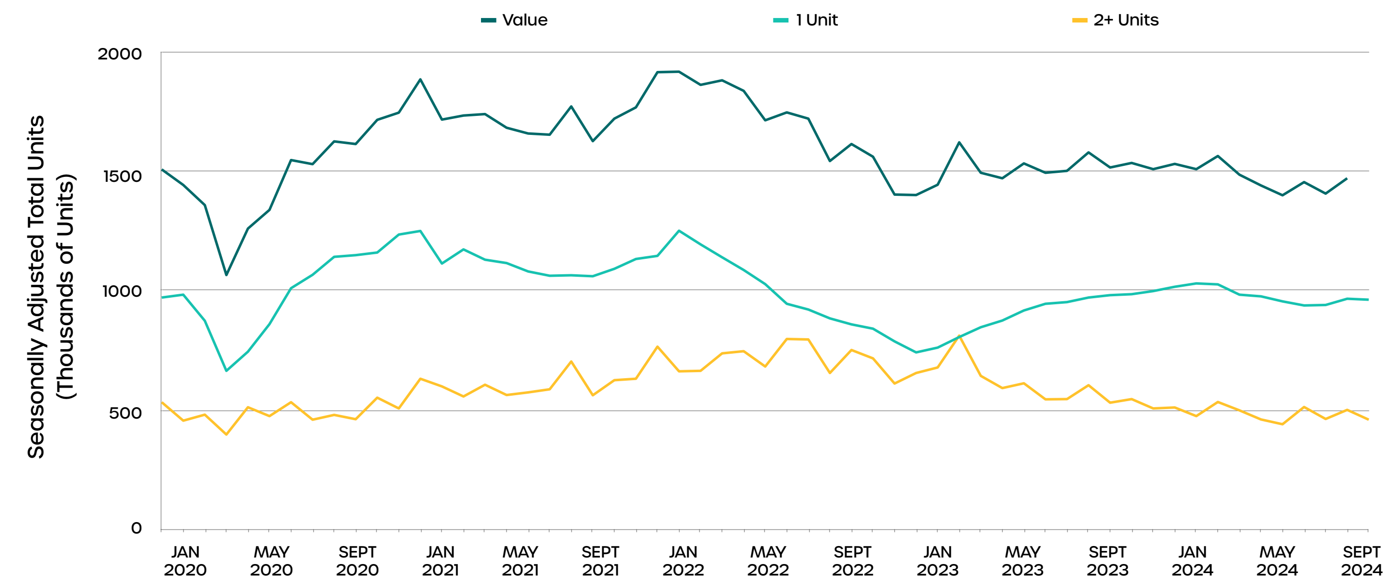
Though there is speculation of wide regional variation in return to office (RTO) rates, data on badge swipes from Kastle Systems, a global managed security company, suggests this range is fairly narrow. The lowest RTO locations have rates only 10% lower than the national average, and the places with the highest RTO rates exceed the national average by about 10%.

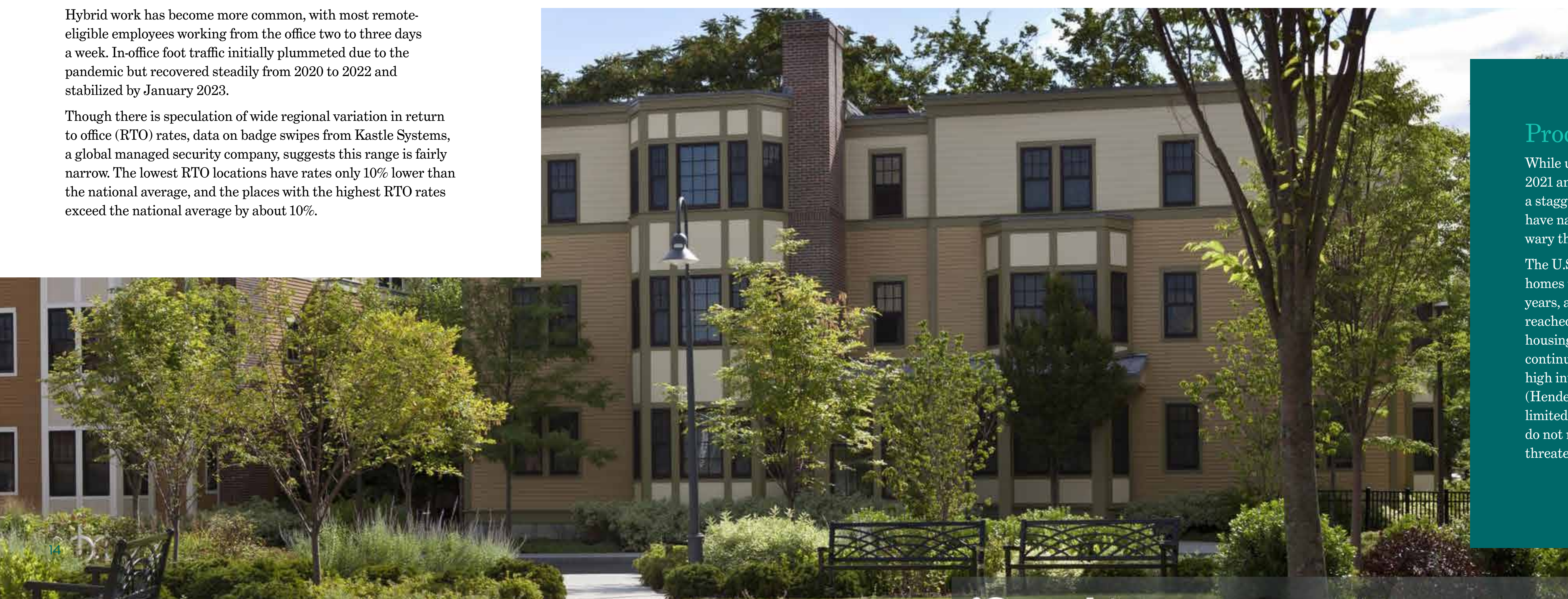
Annualized Housing Unit Permitting

January 2020 to December 2024
Seasonally Adjusted Total Units

Source: U.S. Census Bureau

The housing market's response to the COVID-19 pandemic shows an initial shock in early 2020, a strong recovery and boom in 2021, followed by a cooling off and stabilization from 2022 to 2024 (U.S. Census Bureau).





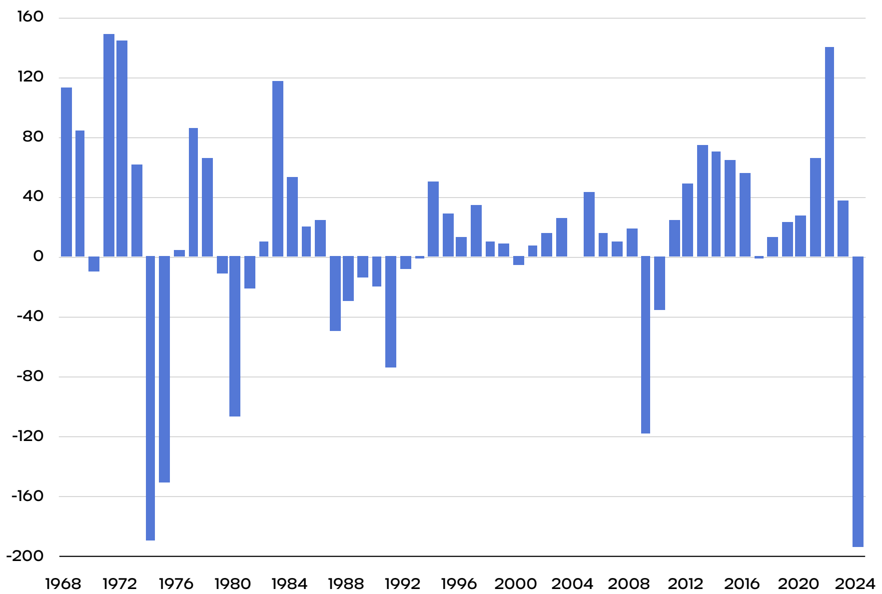
Proceed with Caution

While underproduction remained flat between 2021 and 2022, 3.85 million missing homes is a staggering shortfall. Though some metros have narrowed the gap, there is reason to be wary that such progress will continue.

The U.S. produced more single-detached homes in 2022 than in any of the 15 previous years, and new apartment construction reached its highest level since 1987. Yet, new housing starts began to decline in 2023 and continue to fall in most metro areas due to high interest rates and construction costs (Henderson, 2024). Because this report is limited to data through 2022, these numbers do not reflect the looming "permit cliff" threatening to derail progress.

Multifamily Completions Outpacing Starts at Record Pace in 2024

Multifamily Units: Started minus Completed, January - August by Year (in thousands)

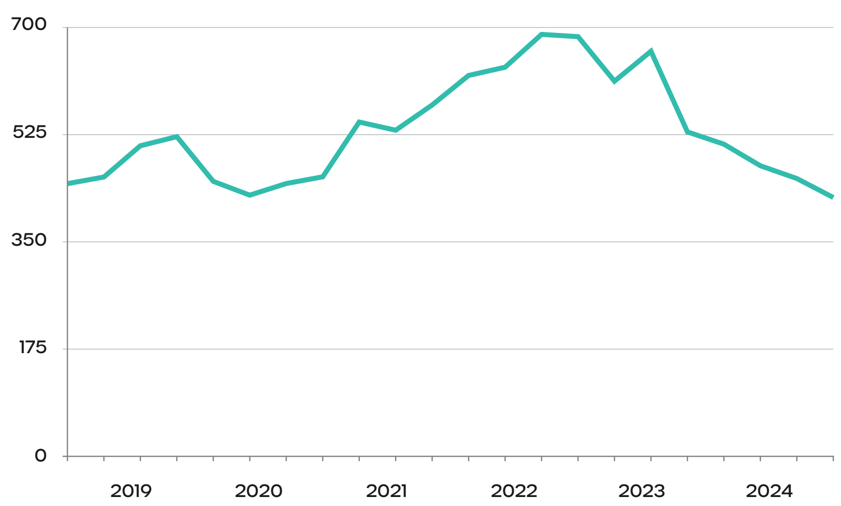


(Jay Parsons, Madera Residential)

Multifamily home completions are significantly outpacing starts by the largest gap since 1968, suggesting that a large backlog of multifamily home construction projects begun in earlier years has finally been completed.

The difference between the number of multifamily housing units started and completed in the U.S. from January to July of each year. The large negative bar for 2024 indicates that 120,500 more multifamily units have been completed than started in the year-to-date period (January to July). This is a historic low in the data series, suggesting that completions are outpacing starts by an unprecedented margin.

New Privately-Owned Housing Units Authorized in Permit-Issuing Places: Units in Buildings with 5 Units or More



Peak delivery of multifamily homes occurred in 2024, about 2 years after the peak of permit cycle. Beginning in 2025 and continuing for at least one year, multifamily unit delivery is expected to steeply decline. This trend, if sustained, will have significant implications for housing supply and market dynamics in the multifamily sector moving forward.

Fluctuations in the housing market over time show the effects of the COVID-19 pandemic in 2020 and the subsequent recovery. However, after the peak in Q3 2022, there seems to be a downturn in new housing permits, indicating possible market contraction or a slowdown in new construction (U.S. Census Bureau & U.S. Department of Housing and Urban Development).

Case Studies of Metropolitan Areas

Charting annual underproduction numbers allows us to see and analyze the complexities of local markets. Sometimes, what the past reveals can help prepare us for what to expect in the future. With that in mind, this section focuses on five metro areas, each experiencing various stages and degrees of housing underproduction.

For each metro, we examine trends in housing underproduction, population growth rates, overall housing unit production, and housing unit production relative to new household formation.

What we discover is that decreases in housing underproduction are sometimes, but not always, the result of the market responding to well-calibrated policies. Occasionally, they reveal how local policies and market conditions lead to worsening housing affordability and availability.

In this section, we explore why declining housing underproduction in San Francisco may be a bellwether for metros like Houston and Nashville. We also examine metros that, by being proactive, are mitigating the worst effects of the housing shortage.

CASE STUDY

San Francisco Bay Area

San Francisco-Oakland-Berkeley, CA

Metro Type

Underproduced metro that experienced a decline in underproduction due to decreased demand for housing rather than an increase in production relative to new household formation.

The San Francisco Bay Area is often seen as the epicenter of the nation's housing supply and affordability crisis. The region's explosive economic growth and desirable living conditions have combined with inadequate housing production to create dire housing conditions, especially for individuals and families earning lower wages.

2022 Underproduction: **51,525**

Key Stats

2019-2022

−62,457	−36%	−2.9%
Nominal change in housing underproduction	% change housing unit production	% change in population

On the surface, the Bay Area showed the most improvement between 2021 and 2022 of any metro area, narrowing its housing underproduction gap by 15,268 homes. However, this apparent progress is more emblematic of a broken housing system, rather than one that has diagnosed and remedied the problem.

The region's improvement wasn't due to increased homebuilding: the Bay Area built just 0.60 new homes for every household formed during this period. Instead, the decline in underproduction is due to a sharp decrease in demand, as many residents left the area altogether. This is reflected in the year-over-year change in population and the decrease in household formation overall.

The region's notoriously difficult development environment remains a major obstacle. High development costs, exclusionary zoning practices, geographic limitations, and resistance from litigious housing opponents continue to stifle the necessary growth to address the region's housing shortage. Even with the reduction in underproduction, the Bay Area still faced a shortfall of over 51,000 homes. As a result, many households that would have formed locally were priced out and settled elsewhere, likely aided by remote work policies that allowed them to relocate to more affordable areas. In 2022 alone, the Bay Area experienced a net loss of 68,000 residents (Bay Area Council Economic Institute, 2019).

While the year-over-year trends are concerning, there are glimmers of hope for the future. Several cities in the Bay Area have recently implemented reforms to increase housing production, some of which have been spurred by state-level legislation. San Francisco, Oakland, Berkeley, and Emeryville received "pro-housing" designations from the California Department of Housing and Community Development for their efforts to improve housing policies (California Department of Housing and Community Development, n.d.; City of San Francisco, 2024). Additionally, California's reformation of its Housing Element and Regional Housing Needs Allocation laws, combined with stronger enforcement from state agencies, may push Bay Area localities to plan for and approve more housing developments moving forward.

Though the Bay Area remains a challenging market for housing production, these recent policy changes offer some optimism for a region grappling with long-standing underproduction and affordability challenges.

The Takeaway

Improved year-over-year underproduction numbers in a subset of metros are not due to a purposeful acceleration of housing supply to match growing demand. Instead, household formation in these areas significantly decreased. Driven in no small part by the high cost of housing, households that could have formed in these communities formed somewhere else instead. This phenomenon, as observed in the San Francisco Bay area, could explain why the middle of the country shows worsening underproduction while the West shows overall improvement.

Metros with Similar Trends

San Jose-Sunnyvale-Santa Clara, CA

2022 Underproduction: **74,527**

2019-2022

−12,637	−51%	−1.36%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.8 units
to 1 new household
Ratio of new housing units to new households formed

San Diego-Chula Vista-Carlsbad, CA

2022 Underproduction: **56,874**

2019-2022

−10,925	+508%	−2.05%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.54 units
to 1 new household
Ratio of new housing units to new households formed

CASE STUDY

Greater Houston Area

Houston–The Woodlands–Sugar Land, TX

Metro Type

Underproduced metro with worsening housing underproduction due to inadequate home production relative to household formation.

Houston has long been considered a development-friendly metro, successfully keeping housing costs relatively low through more permissive land use policies (Staveski & Horozitz, 2023). This approach, combined with high rates of suburban expansion, helped accommodate rapid population growth for many years (Begley, 2021). Between 1997 and 2017, the Houston metro area grew by 63%. Their expansive development pattern maintained broad affordability and has even been credited with reducing the number of people experiencing homelessness in the city (Smiley & Hakkenberg, 2020; Ochoa, 2024). However, the limits of expansive growth are now becoming evident.

2022 Underproduction: **78,858**

Key Stats

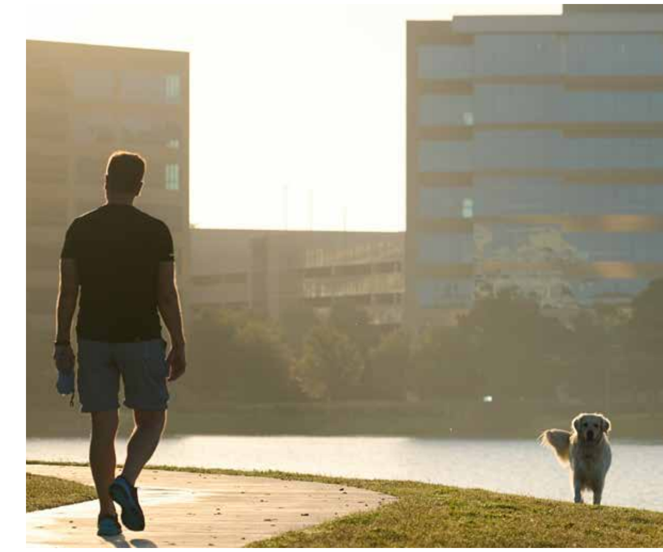
2019-2022

+4,666	+25%	+5%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.83 units
to 1 new household
Ratio of new housing units to new households formed

Despite producing nearly 66,000 housing units in 2022, Houston is not building enough to meet demand. The metro region built only 0.83 units per every new household formed, well below what was needed to match population growth. As a result, housing costs are rising. Median home prices in Harris County jumped 43% between 2018 and 2022, and Houston's affordability is eroding (Miller, 2024). In 2011, area median income (AMI) was 217% higher than the amount needed to purchase a median-priced home, but by 2023, AMI was only 13% higher, signaling that homeownership is increasingly out of reach for many residents (Hegar, 2024). The city's supply of deeply affordable housing remains particularly low, compounding the challenge for households earning lower incomes (National Low Income Housing Coalition, 2024).

The availability of land that once kept housing prices down is no longer a sustainable solution. Expansive growth has increased the strain on infrastructure, made disaster preparedness more challenging, and raised costs for maintaining essential services (Rafferty, 2019; Vidal, 2017). Extreme weather events add further risks, with Houston particularly vulnerable to hurricanes, heat waves, and other natural disasters (Rojanasakul & Popovich, 2024). As the metro area spreads further from its core, the inefficiencies of expansive growth are becoming clear, contributing to rising housing costs despite the ongoing construction.



The Takeaway

Houston's historically permissive land use policies and rapid suburban expansion helped keep housing affordable for years, but the city's growth model now appears to be reaching its limits. Despite producing thousands of new housing units, supply has not kept pace with demand, leading to rising housing costs and eroding affordability. Additionally, sprawling development has strained infrastructure, increased disaster vulnerability, and added long-term challenges to maintaining services.

Metros with Similar Trends

Kansas City, MO-KS

2022 Underproduction: **19,693**

2019-2022

+14,642	+64%	+3.29%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.72 units
to 1 new household
Ratio of new housing units to new households formed

Richmond, VA

2022 Underproduction: **17,493**

2019-2022

+1,670	+103%	+3.34%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.82 units
to 1 new household
Ratio of new housing units to new households formed

CASE STUDY

Greater Nashville Area

Nashville-Davidson-Murfreesboro-Franklin, TN

Metro Type

Underproduced metro with a quickly growing population that has produced enough housing to meet some of the latent demand but is not moving quickly enough to accommodate new growth.

2022 Underproduction: **6,549**

Key Stats

2019-2022

+4,861	+240%	+11.45%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.9 units
to 1 new household
Ratio of new housing units to new households formed

Nashville has made significant strides in housing production in recent years but has struggled to keep pace with growing demand. In 2019, 15,368 homes were completed, while in 2022, that number grew to 57,926. During the same period, the metro population grew from 1.26 million to 1.41 million, an 11.4% increase. The Nashville-area homebuilding industry recognized the need to build and responded by significantly increasing housing supply. However, most new homes were developed outside the urban core, failing to address the need for housing in more desirable, central areas.

The Nashville region, driven by a fiscally conservative approach that reduces regulatory barriers, has historically been friendly to single-detached home development. In the 1990s, the City invested heavily in infrastructure, adopting a "build it, and they will come" philosophy and constructing amenities like sports arenas, museums, and libraries to attract development and boost investment (Kelly, 2023a). More recently, Nashville updated its zoning policies to encourage growth in targeted areas. In 2020, the City's Urban Zoning Overlay (UZO) eliminated parking minimums along multimodal corridors and in the downtown core (Shane, 2023). Zoning changes also facilitated the rise of Nashville's unique "tall and skinny" homes, which are made possible by state laws, such as the Horizontal Property Regime Act, and detached duplex rules that allow two homes on a single lot (Kelly, 2023b; Rochford Law, 2024).

Despite these efforts, Nashville still faces significant challenges. The city is one of the most sprawling metros in the country, and this development pattern has not improved affordability (Smart Growth America, 2024). Nearly 47% of households in the metro area are cost-burdened. As of 2024, a Nashville household needs an annual income of over $100,000 to afford the median home price, effectively excluding families earning low and middle incomes from homeownership (Pena, 2024).

The Takeaway

Nashville has significantly increased housing production in recent years, but new construction has primarily occurred outside the urban core, failing to meet central area demand. Despite efforts to adjust zoning policies and encourage growth, the city's sprawling development pattern has not improved affordability, with nearly half of households being cost-burdened and homeownership increasingly out of reach for families earning low and middle incomes.

Metros with Similar Trends

Minneapolis-St. Paul-Bloomington, MN-WI

2022 Underproduction: **74,527**

2019-2022

-5,611	+236%	+4.26%
Nominal change in housing underproduction	% change housing unit production	% change in population

0.97 units
to 1 new household
Ratio of new housing units to new households formed

Springfield, MO

2022 Underproduction: **3,242**

2019-2022

-4,597	+34%	+4.29%
Nominal change in housing underproduction	% change housing unit production	% change in population

CASE STUDY

The Wasatch Front

Salt Lake City, UT

Metro Type

Underproduced metro that has a growing population, has produced enough new housing to meet latent demand, and is moving quickly enough to accommodate new growth.

2022 Underproduction: 17,307

Key Stats

2019-2022

−9,467	+105%	+4.46%
Nominal change in housing underproduction	% change housing unit production	% change in population

1.04 units
to 1 new household
Ratio of new housing units to new households formed

The Salt Lake City metro area is getting housing right. It produced enough housing to support a 10% increase in household growth and reduce its housing gap by over 6,000 homes. The city built 2.72 homes for every new household formed, helping keep housing costs under control. The average renter in Salt Lake County spent 28% of their income on rent, while homeowners with a mortgage spent 20% (Cromwell, 2022).

The metro's success is not by chance. Two decades ago, the region implemented Wasatch Choices 2040, a long-range land use and transportation plan that laid the groundwork for smart, transit-oriented growth (Szczepanski, 2011). The plan established principles that prioritize significant investments in transportation infrastructure to foster thoughtful development. Salt Lake City has tied a major expansion of its rail network to policies promoting dense growth around station areas, encouraging more compact and efficient development patterns.

In addition to local efforts, the State of Utah has played a proactive role in promoting housing growth through statewide policy changes. The state legislature recently passed bills that require cities to allow accessory dwelling units (ADUs) and that create uniform modular building codes (State of Utah, 2021; State of Utah, 2024). Utah lawmakers have also focused on developing new financing tools to build critical infrastructure and offering low-interest loans to developers who commit to building affordable starter homes (McKellar, 2024).

Metro with Similar Trends

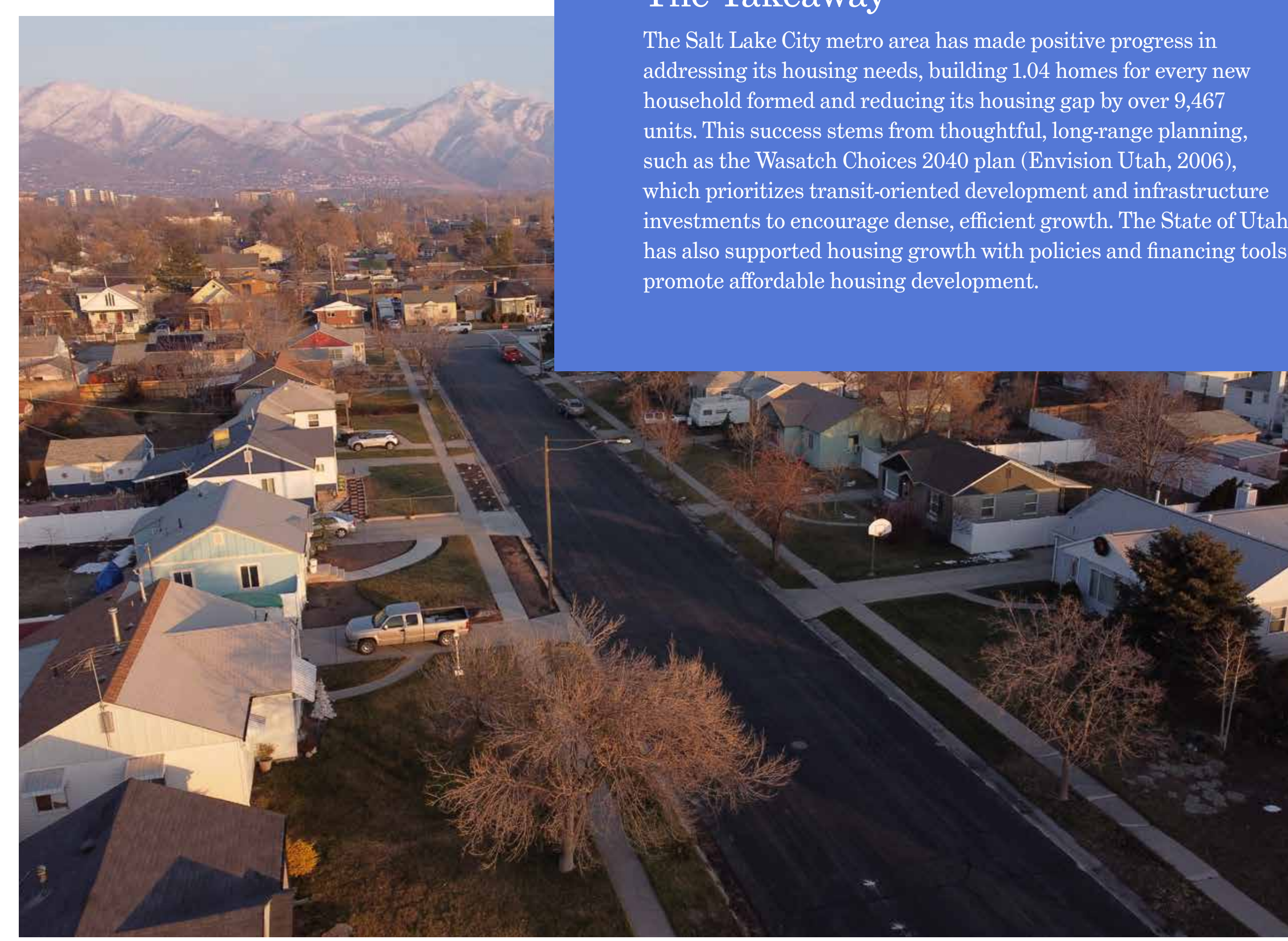
Reno, NV

2022 Underproduction: 3,700

2019-2022

−493	+24%	+6.57%
Nominal change in housing underproduction	% change housing unit production	% change in population

1.52 units
to 1 new household
Ratio of new housing units to new households formed



The Takeaway

The Salt Lake City metro area has made positive progress in addressing its housing needs, building 1.04 homes for every new household formed and reducing its housing gap by over 9,467 units. This success stems from thoughtful, long-range planning, such as the Wasatch Choices 2040 plan (Envision Utah, 2006), which prioritizes transit-oriented development and infrastructure investments to encourage dense, efficient growth. The State of Utah has also supported housing growth with policies and financing tools to promote affordable housing development.

CASE STUDY

Greater Raleigh Area

Raleigh-Cary, NC

In recent years, the Raleigh-Cary region in North Carolina has successfully implemented a number of policies around housing supply that have resulted in homebuilding commensurate with increasing demand. Experiencing a 4.6% increase in new households between 2019 and 2022, the region produced enough housing to accommodate this growth and reduce its housing gap by over 5,000 homes. Raleigh-Cary built an impressive 4.34 homes for every new household formed, a production rate that has helped keep housing costs under control. As a result, the number of households experiencing cost-burdening remained low in the area. Renters spent an average of 27% of their income on rent, while homeowners with a mortgage spent 18%.

Cities in the region have found success largely through proactive land use reform. In 2021, the City of Raleigh made fundamental zoning changes, allowing for missing middle housing types—duplexes, triplexes, and townhomes—through a by-right approval process (Eanes, 2024). These changes are credited with enabling the construction of 2,800 new homes, which account for roughly 30% of all new housing built since 2021. Meanwhile, the City of Cary has embraced similar housing policies, passing a comprehensive plan in 2021 that laid the groundwork for zoning reforms. Among other strategies, Cary expanded the use of ADUs, further supporting the region's efforts to increase housing supply (Polk, 2021).

Metro Type

Underproduced metro that has a growing population, has produced enough new housing to meet latent demand, and is moving quickly enough to accommodate new growth.

2022 Underproduction: **4,487**

Key Stats

2019-2022

-5,132	+6%	+5.56%
Nominal change in housing underproduction	% change housing unit production	% change in population

1.65 units
to 1 new household
Ratio of new housing units to new households formed

The Takeaway

The Raleigh-Cary region has successfully addressed housing demand through proactive land use reforms, producing 4.34 homes for every new household formed between 2019 and 2022. Zoning changes in both Raleigh and Cary, particularly the allowance of missing middle housing and ADUs, have significantly increased housing supply, helping keep housing costs manageable and reducing the area's housing gap. The number of renters and homeowners in the region experiencing cost-burdening is relatively low.

Metro with Similar Trends

Huntsville, AL

2022 Underproduction: **1,132**

2019-2022

-2,634	+1,303%	+15.23%
Nominal change in housing underproduction	% change housing unit production	% change in population

1.08 units
to 1 new household
Ratio of new housing units to new households formed

Though the timelines and strategies for expanding available housing vary, each of these metros offers valuable lessons for other areas confronting the housing supply crisis. To succeed in meeting housing needs and achieving broader economic and growth objectives, communities must understand the scope and drivers of their own housing shortages, weigh the tradeoffs they are willing to accept, and implement policies that bring their growth objectives to life.

As we've seen in these case studies, metro areas across the country are grappling with housing underproduction in varying ways, with some cities making notable strides while others continue to face mounting challenges. These local examples highlight the impact proactive policies and reforms have on housing supply, yet they also underscore that no single metro can fully solve the housing crisis on its own.

To achieve lasting change and address the national housing deficit, broader action is required. This is where essential federal, state, and local interventions come into play—policies that can remove barriers, modernize housing finance, and foster innovation to ensure housing needs are met across the country.

Calls to Action

Despite positive signs that housing underproduction may be improving in some parts of the country, the United States as a whole has a deficit of 3.85 million homes. With new housing starts stagnating due to high costs, constrained capital markets, and the high cost of borrowing, it is important to implement pro-housing policies at all levels to ensure that new home building can be accelerated to meet critical needs.

Essential Federal Actions

The federal government plays a critical role in achieving housing stability. It can act to remove itself as a barrier to housing development. It can modernize and reposition its financing tools and products to support a new generation of builders and mitigate high construction costs and risks. It can also catalyze innovation in homebuilding. Together, these essential actions can support needed housing production.

Remove Federal Barriers to Housing Development

- Take administrative action to reduce or remove tariffs on materials like softwood lumber that are commonly used in home construction
- Expand the thoughtful disposition of federally owned land for homebuilding
- Streamline or exempt some types of housing from National Environmental Policy Act requirements
- Streamline and expedite federal funding applications
- Explore ways to improve building code requirements to allow for more types of housing choices, e.g., standards for single-staircase reform (to allow for more efficient construction of smaller-scale buildings) or new standards for mass timber building
- Align climate resiliency goals with housing production strategies

Modernize Housing Finance Tools and Products

- Pass legislation to improve and expand the Low Income Housing Tax Credit, the country's primary means of funding for the construction and preservation of affordable housing
- Examine and modernize existing loan products to apply to a broader array of housing types and homebuilders, such as smaller developers who will be the primary builders of smaller-scale housing typologies like duplexes, townhomes, and other missing middle housing types

Spur Innovation

- Catalyze novel homebuilding approaches that can potentially lower the costs and time it takes to complete new projects, e.g., supporting the growth of factory-built homes and other emerging construction technologies and methods
- Develop innovative, sustainable, and resilient building materials in areas of the country prone to flooding, wildfires, or other natural disasters
- Invest in building and strengthening the construction workforce

Essential State and Local Actions

While the federal government has an essential role in addressing the housing supply and affordability challenge, the most tangible policy reforms happen at the state and local levels. To this end, state and local policymakers can proactively enact and implement pro-housing policies. While every municipality is different and every state has different needs, all fifty states have a gap between the housing they have and the housing they need.

Remove Barriers to Housing Development

- Update local zoning and land use codes to allow housing typologies like duplexes and townhomes to be built in more locations and with minimal or limited discretionary review
- Relax height and setback requirements and eliminate minimum parking standards to make building new housing simpler and less expensive
- Revise state and local building codes to facilitate the growth of smaller-scale housing projects and single-stair development
- Shorten the community and planning review process and provide a consistent and transparent timeline that reduces approval and permitting delays
- Explore statewide legislation (see AZ, MT, MA, and OR) to enable the development of less intensive housing types like ADUs in most communities
- States can provide clear local growth expectations while allowing communities substantial leeway to decide how best to plan for and meet unique local needs.

Help Projects Pencil

- Create and correctly calibrate incentive-based policies, such as density bonuses or tax abatements, to ensure they work effectively with market conditions
- Incentivize builders to convert unused properties or land into housing (adaptive reuse)
- Use tax policy and other local incentives to encourage infill and transit-oriented development

Create Financing Opportunities for New Projects

- Create new or partner with existing community land banks and trusts to inventory and manage unused or excess land
- Provide quick and accessible acquisition funding to preserve and protect naturally occurring affordable housing
- Create local sources for financing, such as revolving loan funds for affordable housing, similar to Montgomery County, MD; Chicago, IL; and Atlanta, GA

We Need More Housing

The U.S. housing crisis will not go away on its own. Although the overall housing underproduction gap narrowed slightly between 2021 and 2022, not all progress was due to positive pro-housing policies or trends. In many cases, a decline in demand, rather than an increase in housing production, drove this change. As the case studies show, individual metros like San Francisco and Houston continue to grapple with affordability and strained infrastructure, highlighting the pressing need for a more comprehensive and coordinated approach to solving the housing shortage.

To meet the nation's housing needs, action at the federal, state, and local levels is necessary. Federal policies can modernize housing finance tools, remove regulatory barriers, and spur homebuilding innovation. State and local governments must focus on land-use reforms, streamline approval processes, and create targeted financial incentives to help alleviate housing shortages in urban, suburban, and rural areas.

The U.S. housing market is at a crossroads. Without sustained and proactive efforts, the 3.85 million-unit housing deficit will continue to exacerbate economic inequality and limit opportunities for millions of people. By implementing forward-thinking housing policies and investing in sustainable solutions, we can work to create an equitable and accessible housing landscape for all.

More About the Authors

David Garcia

Policy Director, Up for Growth

David spearheads the expansion of Up for Growth's policy and advocacy initiatives, focusing on promoting innovative pro-housing policies. Before joining Up for Growth, he served as the Policy Director at the Terner Center for Housing Innovation at the University of California, Berkeley. David holds an MPP in Public Policy from Johns Hopkins University.

Anjali Kolachalam

Research Manager, Up for Growth

Anjali joined Up for Growth in 2022 and oversees the planning, execution, and management of the organization's research portfolio, ensuring our research initiatives deliver actionable insights. She is a 2018 graduate of Oberlin College.

Leah MacArthur

Communications Director, Up for Growth

A leader in housing development and housing policy nonprofits for nearly 20 years, Leah uses data and lived experience to craft cohesive, impactful stories about the causes and effects of the housing crisis. She holds an MPA from the O'Neill School of Public and Environmental Affairs at Indiana University.

Michael Wilkerson, Ph.D.

Policy Fellow, Up for Growth; Partner and Director of Analytics, ECOnorthwest

Mike is a leading expert and thought partner in real estate economics. His unique expertise is the intersection of real estate and economic development, with the goal of creating effective policies, influencing the built environment, and producing outcomes that improve individual opportunities. Mike holds a Ph.D. in Economics and Politics from Claremont Graduate University.

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Creating 2022 Custom Geographies

Every decade, the U.S. Census Bureau alters Public Use Microdata Area (PUMA) boundaries based on patterns of demographic change from the previous decade. PUMA boundaries are split in some cases, merged in others, and, in rare cases, redrawn entirely. To maintain a longitudinally consistent account of underproduction across the 2010s and 2020s for all metro areas, Up for Growth engaged ECOnorthwest to create custom 2020 vintage (v2020) PUMA-Metro geographies that are comparable across the two decades. Details on this update can be found on our website at https://upforgrowth.org/technical-memo-for-v2020-u4g-geographies/

Housing Underproduction by Metropolitan Area

		UNDERPRODUCTION					
Rank	Region	Total (2022)	As a Share of Total Housing Stock (2022)	Annual Percent Change in Median Rent (2012-2022)	Share of Renter Households who are Cost Burdened	Annual Percent Change in Median Home Value (2012-2022)	Black-White Home-ownership Gap (2022)
1	New York-Newark-Jersey City, NY-NJ-PA	352,443	4.5%	3.9%	49.9%	4.5%	31.4%
2	Los Angeles-Long Beach-Anaheim, CA	338,947	7.2%	5.3%	55.3%	9.8%	24.2%
3	Chicago-Naperville-Elgin, IL-IN-WI	165,687	4.2%	3.8%	47.0%	4.6%	32.9%
4	Riverside-San Bernardino-Ontario, CA	154,010	10.2%	5.6%	57.1%	15.0%	29.1%
5	Washington-Arlington-Alexandria, DC-VA-MD-WV	133,951	5.7%	3.1%	45.6%	5.1%	18.5%
6	Miami-Fort Lauderdale-Pompano Beach, FL	126,184	5.1%	5.7%	61.0%	14.5%	23.4%
7	Dallas-Fort Worth-Arlington, TX	121,586	4.0%	6.7%	51.1%	13.4%	29.0%
8	Atlanta-Sandy Springs-Alpharetta, GA	101,173	4.3%	6.7%	50.1%	12.6%	23.9%
9	Boston-Cambridge-Newton, MA-NH	91,892	4.5%	6.0%	50.8%	7.3%	30.8%
10	Phoenix-Mesa-Chandler, AZ	91,257	4.6%	7.3%	51.0%	19.1%	32.6%
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	83,167	3.2%	4.0%	48.6%	4.2%	26.8%
12	Houston-The Woodlands-Sugar Land, TX	78,858	2.8%	5.1%	50.6%	10.1%	27.5%
13	Minneapolis-St. Paul-Bloomington, MN-WI	74,527	5.3%	5.1%	49.0%	7.7%	45.8%
14	Seattle-Tacoma-Bellevue, WA	71,060	4.2%	7.1%	48.0%	14.5%	33.6%
15	Detroit-Warren-Dearborn, MI	58,898	3.2%	3.8%	47.5%	11.1%	33.8%
16	San Diego-Chula Vista-Carlsbad, CA	56,874	4.6%	6.3%	55.8%	11.9%	31.0%
17	Denver-Aurora-Lakewood, CO	51,873	4.6%	8.2%	50.4%	14.2%	25.2%
18	San Francisco-Oakland-Berkeley, CA	51,525	2.8%	6.4%	46.7%	10.4%	28.3%
19	Portland-Vancouver-Hillsboro, OR-WA	45,834	4.6%	6.6%	50.3%	12.3%	38.5%
20	Sacramento-Roseville-Folsom, CA	40,994	4.4%	6.6%	56.0%	13.4%	27.2%
21	San Jose-Sunnyvale-Santa Clara, CA	34,992	5.0%	6.7%	44.0%	12.8%	32.6%
22	Baltimore-Columbia-Towson, MD	32,031	2.7%	3.4%	49.7%	3.7%	30.4%
23	Oxnard-Thousand Oaks-Ventura, CA	29,015	10.0%	4.9%	56.2%	9.3%	8.9%
24	Las Vegas-Henderson-Paradise, NV	27,847	3.0%	5.2%	55.2%	19.8%	33.1%
25	Providence-Warwick, RI-MA	26,101	3.7%	4.2%	45.4%	6.2%	25.6%
26	San Antonio-New Braunfels, TX	25,183	2.6%	5.3%	52.1%	10.9%	24.2%
27	Austin-Round Rock-Georgetown, TX	23,733	2.4%	6.3%	46.5%	15.6%	21.9%
28	Cincinnati, OH-KY-IN	23,614	2.7%	3.8%	43.1%	6.4%	39.4%

Rank	Region	UNDERPRODUCTION		Annual Percent Change in Median Rent (2012-2022)	Share of Renter Households who are Cost Burdened	Annual Percent Change in Median Home Value (2012-2022)	Black-White Home-ownership Gap (2022)
		Total (2022)	As a Share of Total Housing Stock (2022)				
29	McAllen-Edinburg-Mission, TX	22,633	7.7%	4.3%	46.5%	5.4%	31.9%
30	Orlando-Kissimmee-Sanford, FL	21,398	2.8%	6.4%	57.7%	15.2%	22.9%
31	Charlotte-Concord-Gastonia, NC-SC	21,041	2.0%	6.2%	46.7%	11.4%	31.1%
32	Kansas City, MO-KS	19,693	2.3%	4.4%	44.1%	7.6%	32.1%
33	Bridgeport-Stamford-Norwalk, CT	19,521	5.2%	4.0%	51.6%	3.3%	27.5%
34	Tampa-St. Petersburg-Clearwater, FL	18,280	1.3%	6.6%	53.9%	16.0%	26.5%
35	Columbus, OH	17,858	2.0%	5.0%	45.0%	8.4%	36.1%
36	Stockton, CA	17,789	6.9%	6.3%	49.2%	18.1%	31.8%
37	Richmond, VA	17,494	3.6%	3.8%	50.1%	6.2%	21.4%
38	Salt Lake City, UT	17,307	3.9%	6.0%	47.6%	13.9%	44.3%
39	Grand Rapids-Kentwood, MI	17,255	4.5%	5.8%	44.6%	12.2%	37.8%
40	Fresno, CA	15,491	4.5%	5.2%	53.3%	12.0%	33.7%
41	Portland-South Portland, ME	14,781	5.9%	4.4%	42.2%	7.7%	55.0%
42	Colorado Springs, CO	13,747	4.4%	7.5%	52.0%	11.6%	31.3%
43	Worcester, MA-CT	13,553	3.8%	4.4%	48.8%	5.3%	33.3%
44	El Paso, TX	12,813	4.0%	3.6%	52.6%	5.1%	30.9%
45	Poughkeepsie-Newburgh-Middletown, NY	12,730	5.0%	4.2%	56.6%	3.8%	25.2%
46	Provo-Orem, UT	12,177	5.7%	6.1%	41.9%	16.3%	34.7%
47	Albuquerque, NM	12,173	3.5%	3.4%	51.0%	6.0%	15.7%
48	Modesto, CA	12,066	6.5%	5.0%	53.5%	18.2%	23.2%
49	Allentown-Bethlehem-Easton, PA-NJ	11,993	3.4%	3.8%	50.7%	4.7%	23.3%
50	Port St. Lucie, FL	11,928	5.5%	5.2%	58.0%	17.2%	19.7%
51	Milwaukee-Waukesha, WI	11,652	1.7%	3.4%	47.5%	5.0%	43.6%
52	Ogden-Clearfield, UT	11,429	5.2%	6.6%	41.7%	15.2%	37.8%
53	Bakersfield, CA	11,025	3.7%	3.9%	54.0%	12.0%	19.6%
54	Salem, OR	10,841	8.2%	6.4%	49.8%	11.7%	40.2%
55	Vallejo, CA	10,425	6.4%	6.5%	57.9%	15.8%	22.3%
56	Boise City, ID	9,899	3.6%	8.3%	48.7%	21.7%	44.7%
57	Visalia, CA	9,826	6.5%	4.8%	49.8%	10.7%	40.4%
58	Omaha-Council Bluffs, NE-IA	9,712	3.0%	4.2%	47.5%	8.2%	38.9%
59	Salinas, CA	9,536	8.0%	6.1%	49.8%	13.0%	30.0%
60	Louisville/Jefferson County, KY-IN	9,008	1.7%	4.5%	45.3%	6.7%	38.0%
61	York-Hanover, PA	8,966	4.7%	3.7%	41.7%	4.3%	32.9%

Rank	Region	UNDERPRODUCTION		Annual Percent Change in Median Rent (2012-2022)	Share of Renter Households who are Cost Burdened	Annual Percent Change in Median Home Value (2012-2022)	Black-White Home-ownership Gap (2022)
		Total (2022)	As a Share of Total Housing Stock (2022)				
62	Lakeland-Winter Haven, FL	8,812	2.8%	4.4%	50.1%	17.6%	24.5%
63	Tucson, AZ	8,461	1.8%	4.5%	50.0%	10.7%	25.0%
64	Yakima, WA	8,417	9.2%	4.4%	44.6%	9.0%	N/A
65	Lancaster, PA	8,270	3.8%	4.1%	44.4%	5.2%	18.5%
66	Urban Honolulu, HI	8,252	2.3%	N/A	56.4%	N/A	23.8%
67	Merced, CA	8,022	8.9%	4.4%	44.8%	18.1%	13.1%
68	Virginia Beach-Norfolk-Newport News, VA-NC	7,919	1.1%	3.0%	52.8%	3.6%	27.6%
69	Spokane-Spokane Valley, WA	7,897	3.4%	5.7%	53.2%	13.3%	35.0%
70	Brownsville-Harlingen, TX	7,867	5.3%	4.6%	46.7%	7.6%	N/A
71	Palm Bay-Melbourne-Titusville, FL	7,640	2.8%	6.2%	52.7%	16.7%	25.3%
72	Madison, WI	7,021	2.7%	4.4%	46.5%	6.1%	41.7%
73	Manchester-Nashua, NH	6,876	4.9%	4.7%	47.2%	6.8%	35.3%
74	Laredo, TX	6,849	7.8%	4.0%	49.1%	6.1%	22.4%
75	Deltona-Daytona Beach-Ormond Beach, FL	6,832	2.2%	6.6%	54.0%	14.6%	29.9%
76	Greeley, CO	6,671	7.6%	5.8%	45.6%	13.5%	62.6%
77	Santa Maria-Santa Barbara, CA	6,615	4.2%	N/A	54.5%	N/A	27.4%
78	New Haven-Milford, CT	6,608	1.8%	3.0%	50.1%	3.2%	30.5%
79	Reading, PA	6,607	3.9%	3.6%	51.3%	4.9%	22.4%
80	Nashville-Davidson-Murfreesboro-Franklin, TN	6,549	0.9%	7.1%	48.1%	14.5%	27.3%
81	Naples-Marco Island, FL	6,230	3.5%	6.2%	63.2%	13.2%	44.2%
82	Cape Coral-Fort Myers, FL	5,833	1.6%	7.9%	55.9%	16.3%	25.4%
83	Hartford-East Hartford-Middletown, CT	5,618	1.2%	3.4%	49.2%	2.5%	30.6%
84	Olympia-Lacey-Tumwater, WA	5,556	4.5%	6.0%	52.0%	11.4%	10.7%
85	Trenton-Princeton, NJ	5,487	3.7%	3.6%	50.5%	2.7%	30.0%
86	Santa Cruz-Watsonville, CA	5,459	5.3%	3.6%	53.4%	8.6%	N/A
87	Green Bay, WI	5,373	4.7%	3.0%	39.6%	5.6%	49.1%
88	Jacksonville, FL	5,300	0.8%	5.8%	50.5%	13.5%	26.3%
89	Bremerton-Silverdale-Port Orchard, WA	5,290	4.6%	6.8%	49.9%	11.1%	36.2%
90	Kennewick-Richland, WA	5,230	5.6%	5.3%	47.9%	12.2%	34.9%
91	Springfield, MA	4,968	1.7%	3.5%	53.3%	4.4%	34.1%
92	Santa Rosa-Petaluma, CA	4,953	2.4%	5.4%	49.2%	10.3%	38.5%
93	Knoxville, TN	4,804	1.7%	4.0%	43.7%	7.9%	23.8%
94	Fort Collins, CO	4,723	3.0%	6.5%	51.1%	12.2%	27.4%

Rank	Region	UNDERPRODUCTION		Annual Percent Change in Median Rent (2012-2022)	Share of Renter Households who are Cost Burdened	Annual Percent Change in Median Home Value (2012-2022)	Black-White Home-ownership Gap (2022)
		Total (2022)	As a Share of Total Housing Stock (2022)				
95	Harrisburg-Carlisle, PA	4,712	1.8%	3.4%	41.6%	4.0%	30.2%
96	Bellingham, WA	4,632	4.7%	6.2%	57.8%	13.5%	12.2%
97	Eugene-Springfield, OR	4,631	2.8%	5.2%	54.9%	11.0%	17.9%
98	Coeur d'Alene, ID	4,554	6.3%	7.8%	49.6%	20.9%	N/A
99	Raleigh-Cary, NC	4,487	0.8%	6.2%	46.1%	10.9%	24.7%
100	El Centro, CA	4,487	8.2%	3.1%	48.6%	11.9%	15.6%
101	Indianapolis-Carmel-Anderson, IN	4,459	0.5%	4.1%	48.0%	7.6%	33.1%
102	Fayetteville-Springdale-Rogers, AR	4,327	1.9%	4.6%	36.9%	11.3%	29.6%
103	Appleton, WI	4,120	5.1%	3.7%	32.1%	6.1%	30.5%
104	St. George, UT	3,924	5.2%	6.2%	53.6%	19.0%	N/A
105	Bend, OR	3,914	3.5%	7.8%	47.1%	18.2%	N/A
106	Des Moines-West Des Moines, IA	3,842	1.8%	3.7%	43.1%	6.3%	39.6%
107	Madera, CA	3,808	7.6%	3.5%	53.9%	13.5%	42.4%
108	Gainesville, GA	3,710	4.6%	5.5%	49.4%	13.3%	29.7%
109	Reno, NV	3,700	1.7%	7.0%	55.3%	19.8%	33.1%
110	St. Louis, MO-IL	3,506	0.3%	3.5%	43.6%	5.3%	32.8%
111	Sebastian-Vero Beach, FL	3,449	4.6%	6.4%	45.2%	14.7%	27.9%
112	Prescott Valley-Prescott, AZ	3,349	2.9%	N/A	49.2%	N/A	N/A
113	Springfield, MO	3,242	1.7%	3.3%	45.9%	7.3%	37.0%
114	Elkhart-Goshen, IN	3,141	4.0%	3.7%	47.7%	6.6%	55.6%
115	Akron, OH	3,134	1.0%	2.8%	44.1%	5.1%	33.7%
116	North Port-Sarasota-Bradenton, FL	3,106	0.7%	7.2%	52.7%	15.2%	38.3%
117	Salisbury, MD-DE	3,046	1.6%	3.3%	43.3%	9.8%	34.5%
118	Yuba City, CA	3,014	4.6%	5.2%	50.8%	15.5%	9.3%
119	Daphne-Fairhope-Foley, AL	2,963	2.8%	2.5%	45.8%	8.4%	31.7%
120	Greensboro-High Point, NC	2,899	1.0%	4.4%	45.0%	6.2%	30.4%
121	Chambersburg-Waynesboro, PA	2,891	5.2%	1.7%	39.2%	3.5%	49.2%
122	Atlantic City-Hammonton, NJ	2,876	2.7%	2.6%	52.0%	2.8%	44.4%
123	Janesville-Beloit, WI	2,859	4.1%	4.6%	45.5%	6.2%	50.0%
124	Lexington-Fayette, KY	2,730	1.9%	4.3%	50.7%	6.5%	24.7%
125	Monroe, MI	2,723	4.1%	3.2%	53.8%	6.6%	10.1%
126	Ann Arbor, MI	2,664	1.7%	4.4%	48.9%	9.1%	33.1%
127	Barnstable Town, MA	2,627	4.1%	5.5%	53.4%	7.5%	47.4%

Rank	Region	UNDERPRODUCTION		Annual Percent Change in Median Rent (2012-2022)	Share of Renter Households who are Cost Burdened	Annual Percent Change in Median Home Value (2012-2022)	Black-White Home-ownership Gap (2022)
		Total (2022)	As a Share of Total Housing Stock (2022)				
128	East Stroudsburg, PA	2,609	4.0%	2.6%	59.4%	4.6%	1.7%
129	Medford, OR	2,572	2.7%	4.7%	55.0%	11.4%	N/A
130	Dover, DE	2,485	3.2%	2.8%	50.2%	5.6%	16.0%
131	Napa, CA	2,356	4.4%	5.8%	49.1%	11.9%	-11.1%
132	Ocala, FL	2,306	1.3%	4.0%	48.7%	11.5%	22.9%
133	Syracuse, NY	2,274	0.9%	3.3%	46.5%	3.8%	41.7%
134	St. Cloud, MN	2,165	2.5%	4.3%	45.6%	6.3%	56.0%
135	Farmington, NM	2,163	5.4%	2.4%	41.5%	2.7%	N/A
136	Wausau-Weston, WI	2,072	3.5%	2.4%	42.7%	3.7%	N/A
137	Sheboygan, WI	2,016	3.9%	3.9%	30.0%	4.7%	47.2%
138	Burlington-South Burlington, VT	1,938	2.6%	5.1%	51.1%	5.3%	48.6%
139	San Luis Obispo-Paso Robles, CA	1,930	1.7%	5.6%	50.9%	8.9%	N/A
140	Jefferson City, MO	1,901	2.6%	4.8%	28.5%	4.6%	48.9%
141	Fort Wayne, IN	1,865	1.1%	5.2%	41.3%	7.5%	39.9%
142	Eau Claire, WI	1,838	3.0%	3.6%	35.3%	6.3%	N/A
143	Grand Junction, CO	1,787	2.9%	5.5%	46.8%	8.9%	N/A
144	Rochester, MN	1,766	2.5%	5.4%	47.4%	7.0%	58.4%
145	Vineland-Bridgeton, NJ	1,750	4.2%	1.6%	51.1%	2.2%	17.9%
146	Clarksville, TN-KY	1,712	1.8%	4.4%	42.6%	8.8%	18.7%
147	Toledo, OH	1,680	0.6%	4.0%	44.8%	4.4%	33.5%
148	Jackson, MI	1,672	2.5%	2.7%	43.5%	6.8%	44.6%
149	Kingsport-Bristol, TN-VA	1,599	1.2%	3.6%	31.6%	6.0%	41.5%
150	Greenville-Anderson, SC	1,555	0.5%	4.3%	45.7%	8.3%	28.0%
151	Pueblo, CO	1,549	2.3%	3.4%	54.5%	12.4%	16.5%
152	Racine, WI	1,544	1.8%	3.4%	34.4%	4.7%	41.6%
153	Memphis, TN-MS-AR	1,542	0.3%	3.7%	48.7%	8.6%	31.0%
154	Idaho Falls, ID	1,490	3.2%	5.6%	34.6%	14.1%	20.0%
155	Lansing-East Lansing, MI	1,486	0.7%	3.1%	47.8%	5.6%	34.3%
156	Punta Gorda, FL	1,443	1.5%	5.1%	48.5%	16.0%	10.7%
157	Kankakee, IL	1,392	2.1%	3.2%	42.5%	3.3%	45.9%
158	Mobile, AL	1,368	0.8%	3.0%	48.9%	4.1%	30.9%
159	Owensboro, KY	1,347	3.0%	3.1%	38.3%	5.8%	40.7%
160	Canton-Massillon, OH	1,328	0.7%	2.9%	36.5%	4.4%	29.8%

Rank	Region	UNDERPRODUCTION Total (2022)	UNDERPRODUCTION As a Share of Total Housing Stock (2022)	Annual Percent Change in Median Rent (2012-2022)	Share of Renter Households who are Cost Burdened	Annual Percent Change in Median Home Value (2012-2022)	Black-White Home-ownership Gap (2022)
161	Hilton Head Island-Bluffton, SC	1,299	1.9%	5.2%	38.5%	9.4%	24.2%
162	Muskegon, MI	1,290	1.8%	6.0%	47.2%	8.3%	37.2%
163	Sioux Falls, SD	1,233	1.4%	3.4%	35.0%	8.3%	9.0%
164	Rochester, NY	1,225	0.4%	3.8%	49.7%	4.7%	34.1%
165	Springfield, OH	1,217	2.0%	3.2%	42.0%	6.1%	29.0%
166	Huntsville, AL	1,132	0.5%	5.4%	40.6%	8.2%	25.5%
167	Lincoln, NE	1,107	0.8%	4.5%	44.4%	7.9%	18.7%
168	Wenatchee, WA	1,070	2.1%	7.4%	33.8%	11.6%	N/A
169	Las Cruces, NM	952	1.0%	2.1%	52.3%	5.9%	14.7%
170	Dalton, GA	867	2.2%	3.9%	45.2%	8.7%	19.9%
171	Kalamazoo-Portage, MI	834	0.7%	6.1%	51.9%	7.9%	35.9%
172	Dayton-Kettering, OH	829	0.2%	N/A	43.7%	N/A	30.7%
173	Lebanon, PA	808	1.4%	4.1%	41.5%	4.1%	38.0%
174	Erie, PA	801	0.7%	2.4%	46.5%	4.4%	21.2%
175	Spartanburg, SC	781	0.5%	4.6%	44.6%	10.2%	35.7%
176	Oshkosh-Neenah, WI	771	1.0%	3.5%	40.9%	4.4%	39.5%
177	Kingston, NY	712	1.1%	5.4%	51.3%	5.3%	22.4%
178	La Crosse-Onalaska, WI-MN	710	1.3%	3.6%	44.4%	4.8%	54.3%
179	Topeka, KS	631	1.0%	3.2%	45.6%	4.2%	22.9%
180	Santa Fe, NM	555	0.8%	3.9%	53.4%	6.7%	31.8%
181	St. Joseph, MO-KS	522	1.0%	2.5%	38.4%	4.9%	-4.6%
182	Yuma, AZ	515	0.5%	0.6%	49.9%	12.9%	42.3%
183	Lima, OH	424	1.0%	3.8%	28.9%	5.3%	30.2%
184	Midland, TX	391	0.5%	3.3%	48.5%	9.1%	21.0%
185	Norwich-New London, CT	305	0.3%	2.5%	48.6%	3.0%	20.0%
186	Oklahoma City, OK	304	0.1%	3.9%	46.9%	7.1%	33.0%
187	Decatur, AL	284	0.4%	4.6%	36.2%	6.1%	14.0%
188	Columbia, MO	263	0.4%	2.2%	44.6%	6.1%	43.3%
189	Gadsden, AL	234	0.4%	4.0%	38.5%	8.5%	33.6%
190	Hagerstown-Martinsburg, MD-WV	200	0.4%	2.0%	42.0%	5.7%	35.8%
191	Rocky Mount, NC	191	0.3%	3.0%	32.2%	7.2%	34.9%
192	Flint, MI	173	0.2%	2.8%	47.4%	10.7%	36.8%
193	Billings, MT	144	0.3%	4.5%	38.3%	7.9%	N/A
194	Duluth, MN-WI	138	0.3%	3.8%	51.9%	5.7%	44.0%
195	Davenport-Moline-Rock Island, IA-IL	112	0.1%	2.9%	42.6%	2.9%	40.8%
196	Hanford-Corcoran, CA	98	0.2%	7.6%	48.8%	8.6%	25.9%
197	State College, PA	27	0.0%	2.4%	58.6%	5.8%	57.0%
198	Bangor, ME	4	0.0%	3.1%	43.9%	4.9%	19.9%

Glossary

Adaptive Reuse. The process of using an existing building for a purpose different than it was initially built for.

ADU. An acronym for accessory dwelling unit, a self-contained residential unit located on the same property as a primary residential structure.

Area Median Income (AMI). Calculated on an annual basis by the Department of Housing and Urban Development and defined as the midpoint of a specified area's income distribution, with half the population earning above and half earning below the amount.

Census Tract. A small statistical subdivision of a county with an average population of 4,000 individuals. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation and analysis of statistical data.

Community Land Bank or Trust. A nonprofit organization that holds or manages land for a specific local community, acting as a long-term steward for affordable housing, civic buildings, commercial spaces, and other community resources.

Cost-Burdened. An individual or family that spends more than 30% of their income on housing costs.

Density. The number of developed units in a specific area of land. Residential density, for example, is typically measured by dwelling units per acre (du/ac) or alternatively, as the ratio of building footprint to the size of the site, known as Floor Area Ratio (FAR).

Density Bonus. Offers development permissions beyond what a zoning code allows to incentivize developers to contribute to desired policy goals.

Exclusionary Zoning. A residential zoning plan in which requirements (e.g., minimum lot and/or house size) have the effect of excluding residents who earn lower incomes.

Exurban. A semi-rural region lying just beyond the suburbs of a city.

Great Recession. A common term for the steep decline in economic activity in the United States from December 2007 to June 2009 and the global recession in 2009.

High Density. Residential development at the highest end of the density distribution, typically with more than five stories and constructed as podium or high-rise buildings.

High-Opportunity Neighborhoods. Places rich in jobs, transportation, infrastructure, and community assets.

Housing Availability. Measurement of the change in the shortage of housing units from one year to the next relative to the total number of housing units available in the initial year. This metric offers a nuanced understanding of housing scarcity shifts over a given period and is useful for academic analysis and policy-making.

Housing Underproduction. Occurs when communities fall short of meeting housing needs. Up for Growth calculates underproduction as the difference between total housing need and total housing availability.

Infrastructure-Rich. Located either within one-half mile of high-frequency transit station areas or within the top 20% of walkable places based on data from the U.S. Environmental Protection Agency's National Walkability Index.

Insufficient Availability. A lack of housing adequate to support a balanced housing market and absorb market fluctuations and demand preferences.

Job-Rich. An area that has a minimum of two jobs per housing unit.

Local Control. The legal powers of local governments (e.g., cities and counties) to create regulations. Zoning codes and other land use regulations are the most conspicuous and universal forms of local control.

Low-Income Housing Tax Credit (LIHTC). Federal tax credits allocated to state housing finance agencies and awarded to developers to raise equity capital to build affordable housing.

Mass Timber Building. A building approach that utilizes engineered wood products to create large, structural elements like beams, columns, and slabs. It differs from traditional stick building by employing advanced techniques to form strong structural elements that can support larger and more complex designs.

Medium Density. Residential development that falls between attached small-scale development (see Missing Middle housing) and high-density development. Buildings are typically constructed using wood framing and are two to four stories tall.

Metropolitan Statistical Area (MSA). A geographic entity delineated by the Office of Management and Budget for use by federal statistical agencies. MSAs have at least one urbanized area with a population of 50,000 or more and adjacent territory that is socially and economically integrated with the core, determined by examining commuting ties.

Micropolitan Statistical Area. A geographic entity delineated by the Office of Management and Budget for use by federal statistical agencies. Micropolitan Statistical Areas have a population of at least 10,000 but less than 50,000 and include adjacent territory that is socially and economically integrated with the core, identified through commuting ties.

Millennials. People in the demographic cohort known as Generation Y or Gen Y, which is usually defined as those born between around 1981 and 1996.

Missing Households. Households that may not have formed due to lack of availability and affordability, e.g., households with children over 18 years of age still living with their parents or individuals or couples living together as roommates at levels exceeding historical norms.

Missing Middle Housing. Describes a range of multifamily or clustered housing types compatible in scale with single-family and transitional neighborhoods that is intended to meet demand for walkable neighborhoods, respond to changing demographics, and provide housing at different price points.

Modular Housing. A type of prefabricated home that is built in a factory rather than on-site and is made up of large, three-dimensional pieces known as modules.

Multifamily Housing. Housing in which multiple separate housing units for residential inhabitants are contained in one building or several buildings within one complex. Units can be stacked on top of each other (top and bottom units) or next to each other (side-by-side units). Common forms are apartment buildings, cohousing projects, and condominiums, where, typically, the units are owned by the occupants rather than leased from a single building owner.

NIMBY. An acronym that stands for Not In My Back Yard, a term most often used to depict opposition to individual real estate developments or policies that would create more homes.

Parking Minimums or Mandates. Regulations that require a certain number of off-street parking spaces per dwelling unit or based on square footage, creating increased costs to developers, potential homebuyers, and renters.

Rural. Nonmetropolitan counties that do not qualify as micropolitan as designated by the National Center for Health Statistics urban-rural classification scheme for counties.

Share of Household Formation. The proportion of new households being created within a specific demographic group, geographic area, or time frame as compared to the total number of new households formed in the broader population.

Single-detached Housing. Housing that is a freestanding residential building —one dwelling unit— usually occupied by only one household or family. Mother-in-law or basement suites may be allowed in some places without changing the description from single-detached. Also known as single-family housing.

Suburban. A combination of Large Fringe metros and Medium metros as designated by the National Center for Health Statistics urban-rural classification scheme for counties.

Suburbanization. A population shift of people and businesses out of city centers into lower-density peripheral areas. It is often associated with sprawl.

Target Vacancy Rate. Real estate markets are characterized by frictions that tend to impede the process of market clearing. In a frictionless economy, the requirement that supply equals demand implies that vacancy rates should be zero. Housing markets, in fact, are very decentralized, making it difficult at times to match a particular home with the most appropriate resident. Landlords want to lease to tenants who are most willing to pay for their space and will set rents so that not all tenants will find the lease attractive. Thus, even in equilibrium, we should expect to observe some empty space.

Uninhabitable Units. Housing units that have been vacant for more than a year that do not contain a full functioning kitchen or indoor plumbing. These units are removed from the short-term supply of housing as the renovation costs are assumed to be cost prohibitive.

Units Not Occupied by Renters or Owners. Generally, homes that are used as a second residence or vacation home. This is an important issue in many smaller towns and cities that draw tourists and recreational visitors.

Walkability. A measure developed by the EPA based on intersection density (higher intersection density correlates with more walk trips), proximity to transit stops, diversity of employment types (strong mix of retail, office, industrial), and mix of occupied housing types.

YIMBY. An acronym that stands for Yes In My Backyard. The term is often used to stand in stark contrast to perceived NIMBY opposition to local proposals and initiatives.

To learn more and to get involved, please visit

UpForGrowth.org

Up for Growth is a national 501(c)(3) cross-sector member network committed to solving the housing shortage and affordability crisis through data-driven research and evidence-based policy.

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