



## **Benefits of Housing**

Homeownership has long been regarded as the backbone of our diverse and growing American society. As we call attention to the numerous benefits of homeownership during National Homeownership Month in June, we can pause for a moment and appreciate how far we've come and reflect on how homeownership has become such a central and vital part of our nation's growth.

Nearly 70 percent of American families own their own home today, compared with 62 percent in 1960, and our population has grown by more than 119 million people in those 45+ years. New home prices increased from \$18,000 to \$240,000 or about 13 times, roughly during that same time as well.

Housing continues to fuel our nation's economy—the industry accounts for 14 percent of the GDP and employs 7.3 million people. The home has remained the center point of the family and is the largest single investment a family will make in its lifetime.

While early in 2006, new home sales and housing starts began to cool down; housing remains a solid, strong investment. And, despite a decade of unprecedented prosperity and recent low interest rates, many communities are seeing a growing gap between the supply of housing and the demand. As the gap grows, millions of people across the economic spectrum are finding it increasingly difficult to find a home they can afford in the communities where they work.

That's why National Association of Home Builders and its 800 state and local affiliates have made more affordable, workforce housing a high priority. Housing for the people who teach our children, keep our streets safe, and provide the services we depend on.

Many of these hardworking families are forced to commute long distances, live in housing that does not meet their needs, or pay far too great a share of their incomes for housing.

There is a tendency to equate "affordable housing" with "low-income housing." But the problem is much broader than that. It affects middle-income individuals such as teachers, police officers, firefighters and other public servants, as well as millions of Americans in the service and retail industries.

Recent Census figures indicate that new households are being formed at an annual rate of more than 1 million per year, and that rate is expected to continue for the next decade. To meet this demand, replace homes that are demolished or destroyed and meet demand for second homes, the nation's builders will need to construct about 1.8 million new homes and apartment units each year of this decade.

In many communities, the housing affordability problem is made worse by a shortage of buildable land. The land-supply shortage is often the product of policies established by local governments, including large-lot zoning and urban growth boundaries. Restrictions on multifamily housing development also contribute to the problem.

Communities that really want to promote affordable housing should consider policies that encourage builder investment, such as streamlined development approvals for multifamily developments and public investment in infrastructure for affordable housing.

Let's shine a light on the need for more affordable housing and fewer regulatory barriers during National Homeownership Month—a time when we can take stock in how our communities address the growing need for housing and collaboratively develop plans and solutions to improve the state of housing in our own backyards.