

Contact: Jeremy Soffin, RPA, 212/253-2727, ext. 303



HOUSING CRISIS THREATENS REGIONAL ECONOMY

*Report: High Housing Prices, Aging Housing Stock and Long Commutes
Put Region at a Competitive Disadvantage*

FOR IMMEDIATE RELEASE

May 17, 2004

NEW YORK – High housing costs, poor housing quality and long commutes are putting the NY-NJ-CT metropolitan region at a competitive disadvantage in attracting and retaining a talented workforce, according to a regional housing study released today. The report, “Out of Balance: The Housing Crisis from a Regional Perspective,” is a collaborative effort of Regional Plan Association (RPA) and Citizens Housing and Planning Council (CHPC) to survey regional housing trends and identify housing problems that pose obstacles to regional development or diminish the quality of life.

The report drew three principal conclusions:

1) By three key standards—Affordability, Choice and Quality—both urban and suburban areas of the region are failing to provide the housing necessary to support the goals of economic competitiveness, social equity and environmental sustainability.

- 29% of the region’s households are paying more than 35% of their income for housing. Only the Los Angeles metropolitan area is higher.
- The housing being built does not match the need for lower cost, smaller, more centralized housing. For example, there are only 2.3 million studio and one-bedroom units for the region’s 4.4 million one- and two-person households.
- The region’s housing stock is the oldest in the country, with 57% built before 1960, compared to only 35% in the U.S.

2) There is a crisis in the housing market for the region’s lower income residents, with serious implications for both social equity and economic competitiveness.

- The region is losing affordable units while gaining more households that need them. The gap increased by 162,000 units during the 1990s, resulting in more homelessness, illegal housing and overcrowding.

3) For moderate and middle-income households, the combination of high costs, long commutes and inferior housing quality are leading to growing competitive and environmental challenges for the region.

- Workers in the region have the longest commutes in the nation, and commutes are getting longer in all parts of the region. This is evidence of a location mismatch between jobs and housing.
- Nearly 40% of moderate income households in the suburbs do not have “affordable” housing.

Housing choices are intra-regional, but the cost, quality and availability of housing are seldom addressed on a metropolitan scale. This report surveys the housing crisis and its impact on the economy from a regional perspective.

“Housing is a regional issue that is crucial to economic competitiveness,” said Robert D. Yaro, President of Regional Plan Association. “Employers make business location decisions based on the ability to attract a talented workforce, and our region’s housing crisis makes it increasingly difficult to attract and retain residents at all income levels.”

“A healthy housing market provides a balance of affordability, choice and quality with limited disparities across demographics. By these measures, the housing market in our region is unhealthy and unbalanced,” said Frank Braconi, Executive Director of Citizens Housing and Planning Council. “Across the region, quality of life is suffering due to the lack of balance in the housing market.”

The report is the first piece of a regional housing initiative undertaken by RPA and CHPC to analyze housing issues, propose solutions and support policy implementation in the New York-New Jersey-Connecticut metropolitan area. This partnership is providing a regional, interdisciplinary perspective on a challenging set of issues that cut across political and geographic boundaries. RPA and CHPC have convened a regional housing advisory committee made up of developers, advocates, policy makers and planners from throughout the region. The advisory committee is informing the development of a policy paper to be issued in fall 2004 by RPA and CHPC. The policy paper will describe the policy options facing the states, counties and municipalities that comprise our region.

Regional Plan Association (RPA) is an independent regional planning organization that improves the quality of life and the economic competitiveness of the 31-county New York-New Jersey-Connecticut region through research, planning, and advocacy. Since 1922, RPA has been shaping transportation systems, protecting open spaces, and promoting better community design for the region’s continued growth. We anticipate the challenges the region will face in the years to come, and we mobilize the region’s civic, business, and government sectors to take action. RPA’s current work is aimed largely at implementing the ideas put forth in the Third Regional Plan, with efforts focused in five project areas: community design, open space, transportation, workforce and the economy, and housing. For more information about Regional Plan Association, please visit our website, www.rpa.org.

Founded in 1937, Citizens Housing and Planning Council (CHPC) is a non-profit policy research organization dedicated to improving housing and neighborhood conditions through cooperative efforts of the public and private sectors. CHPC’s large and diverse Board of Directors is comprised of for-profit and not-for-profit real estate developers, bankers, attorneys, architects, planners, and academics. The

organization's activities include formulating policy recommendations for financing affordable housing and community revitalization, developing zoning and land use proposals to facilitate economic growth and neighborhood cohesiveness, and exploring methods of improving the environmental context of urban communities. CHPC sponsors forums and seminars, and publishes a bi-monthly policy newsletter, a quarterly book review newsletter, and periodic working papers and studies. In its relationships with other organizations, corporations, and government agencies, CHPC is the technical resource with the sophisticated knowledge and experience needed to create viable programs and policies.

###