

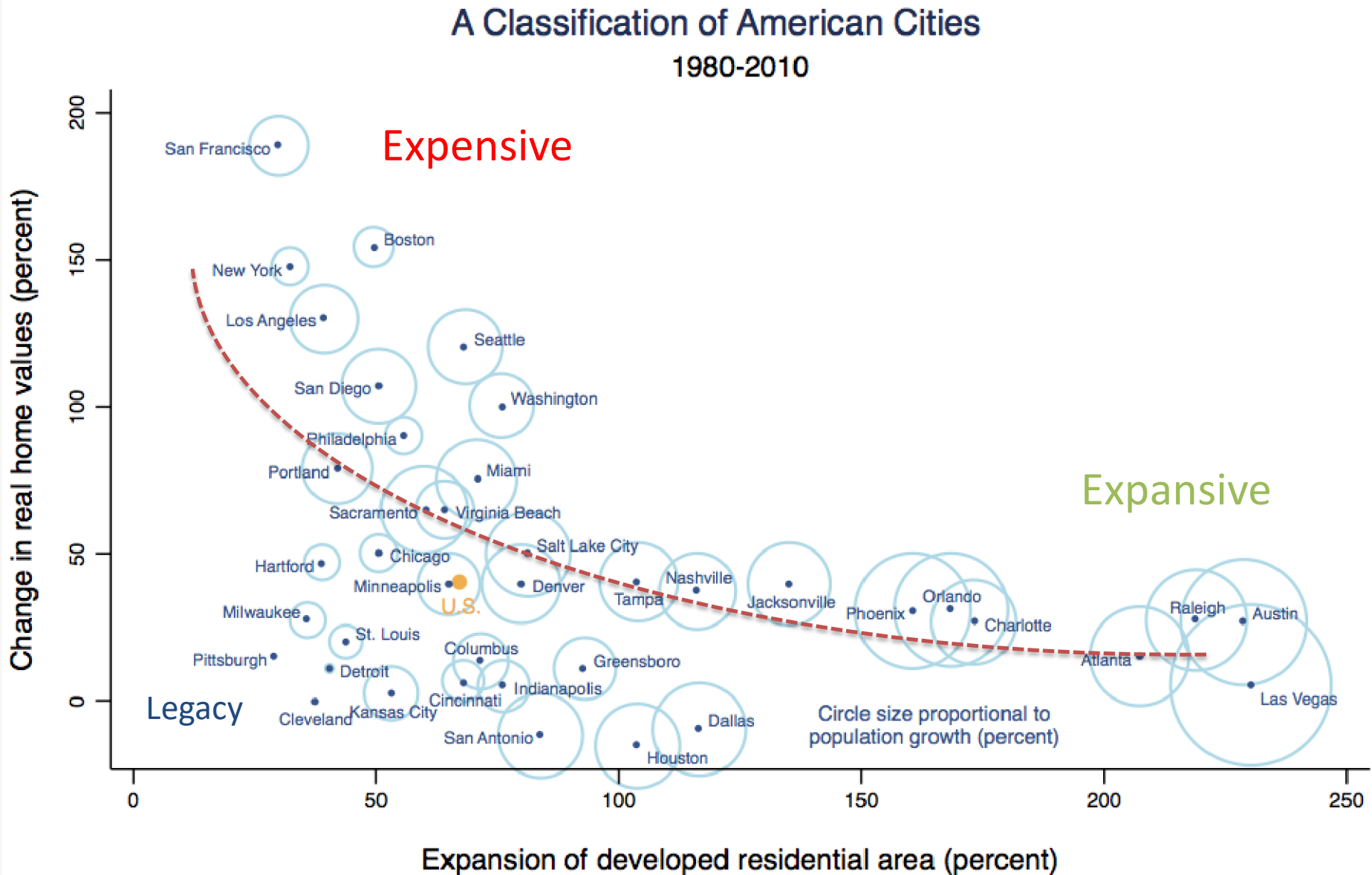


# Housing Underproduction in Arizona: Quantifying the Impact of Accessible Growth



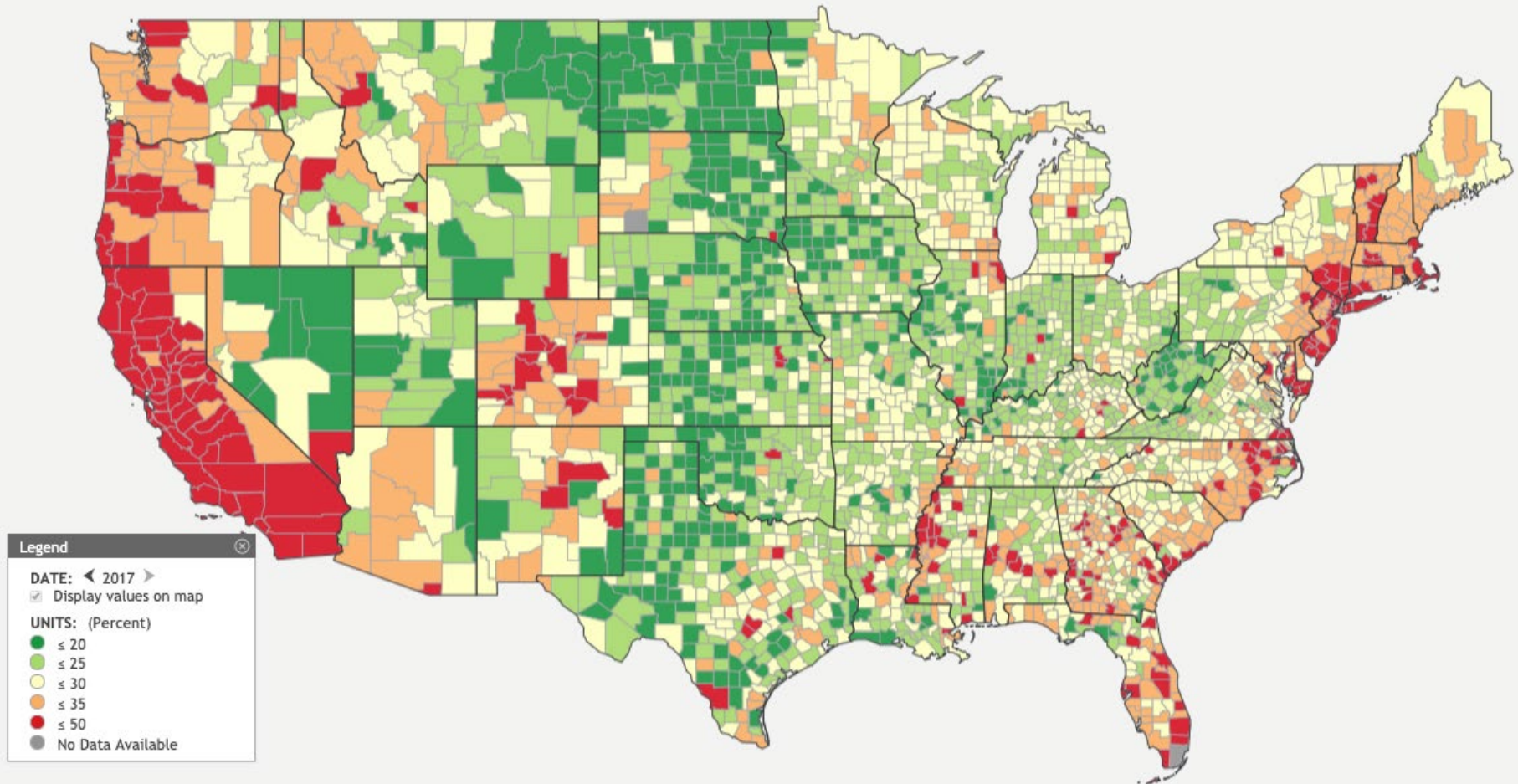
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# Policy Tradeoff: Expensive vs. Expansive Cities

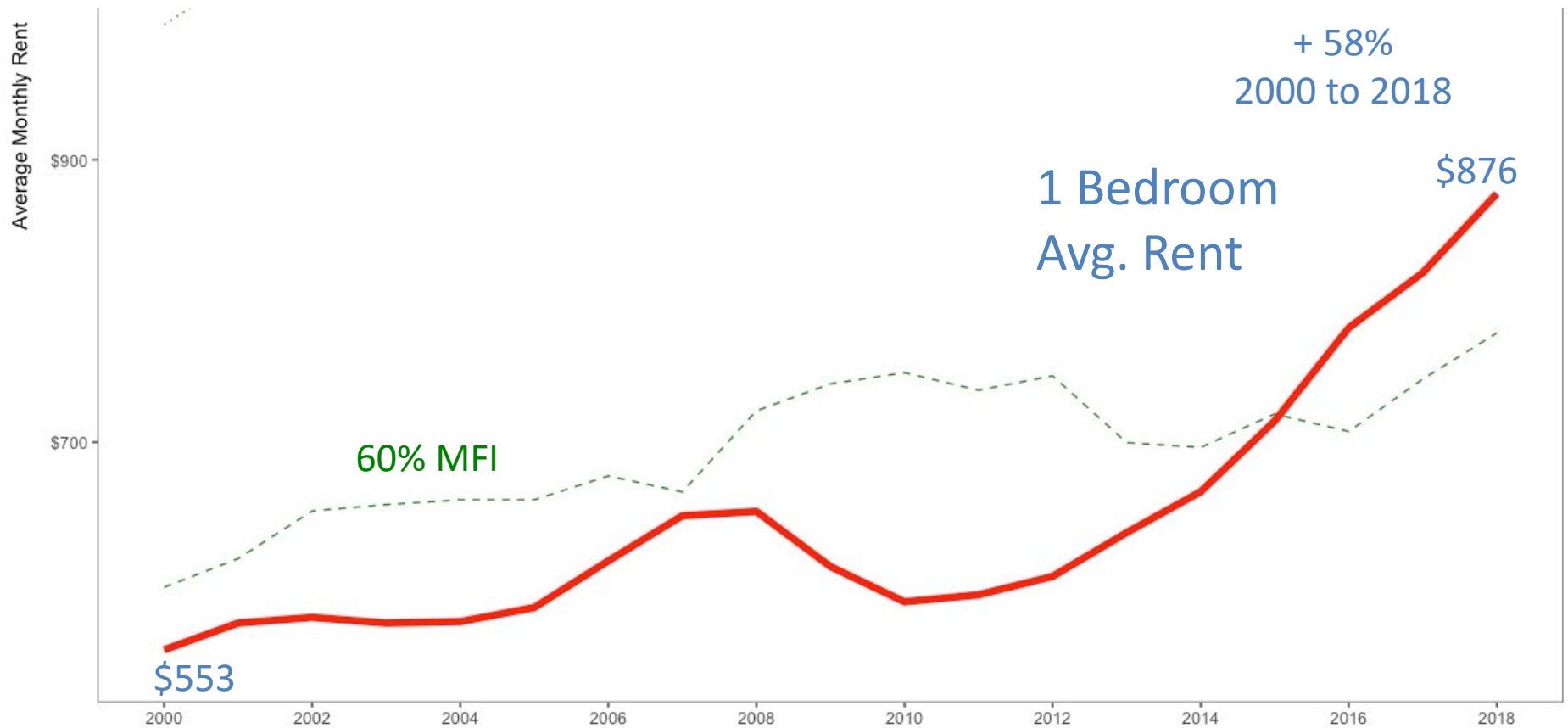


# Cost Burdening Across Arizona is Widespread

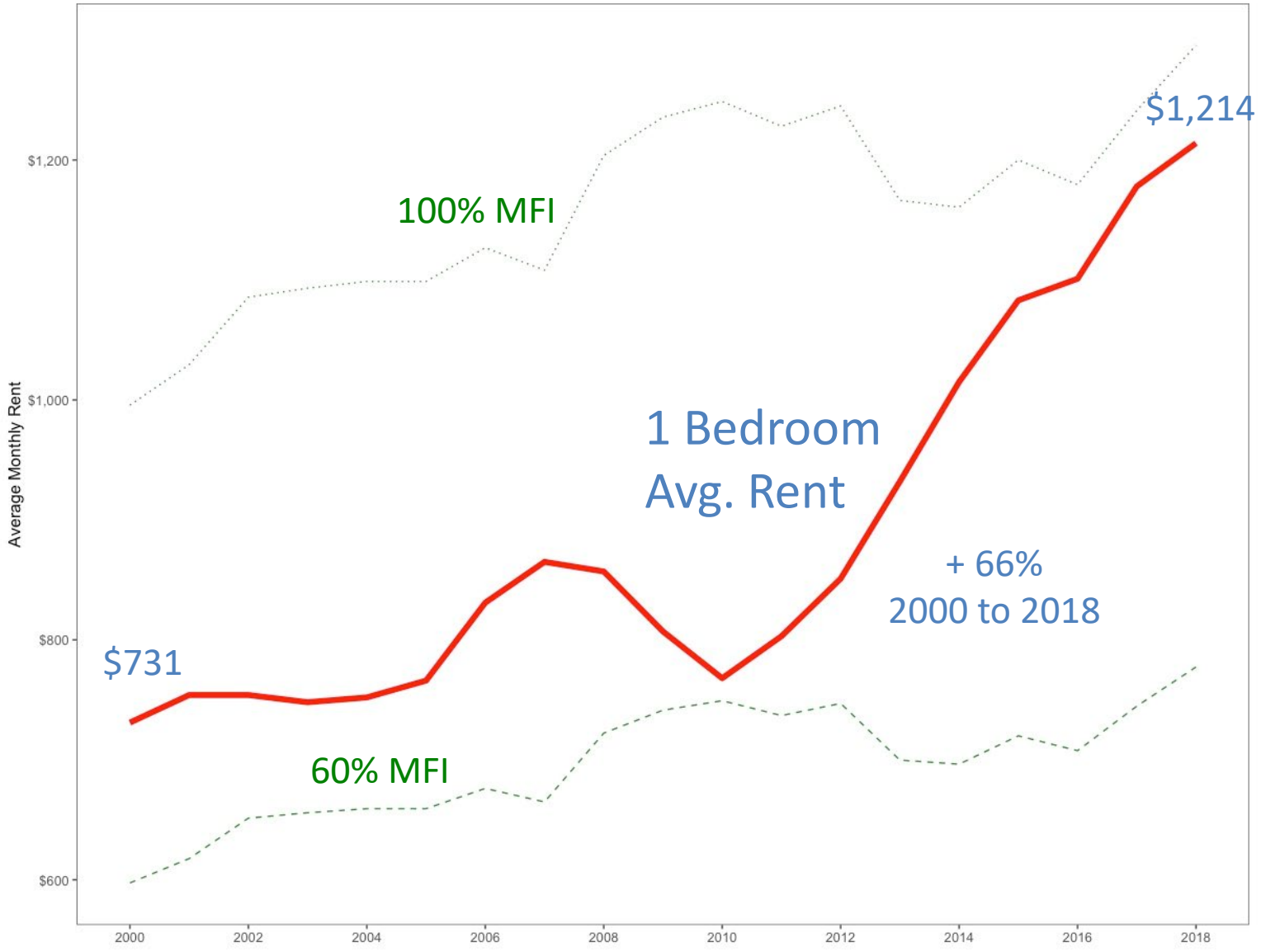
Percent of households that spend more than 30% of gross income on housing in 2017



# Rents are Increasing in Phoenix Faster than Incomes



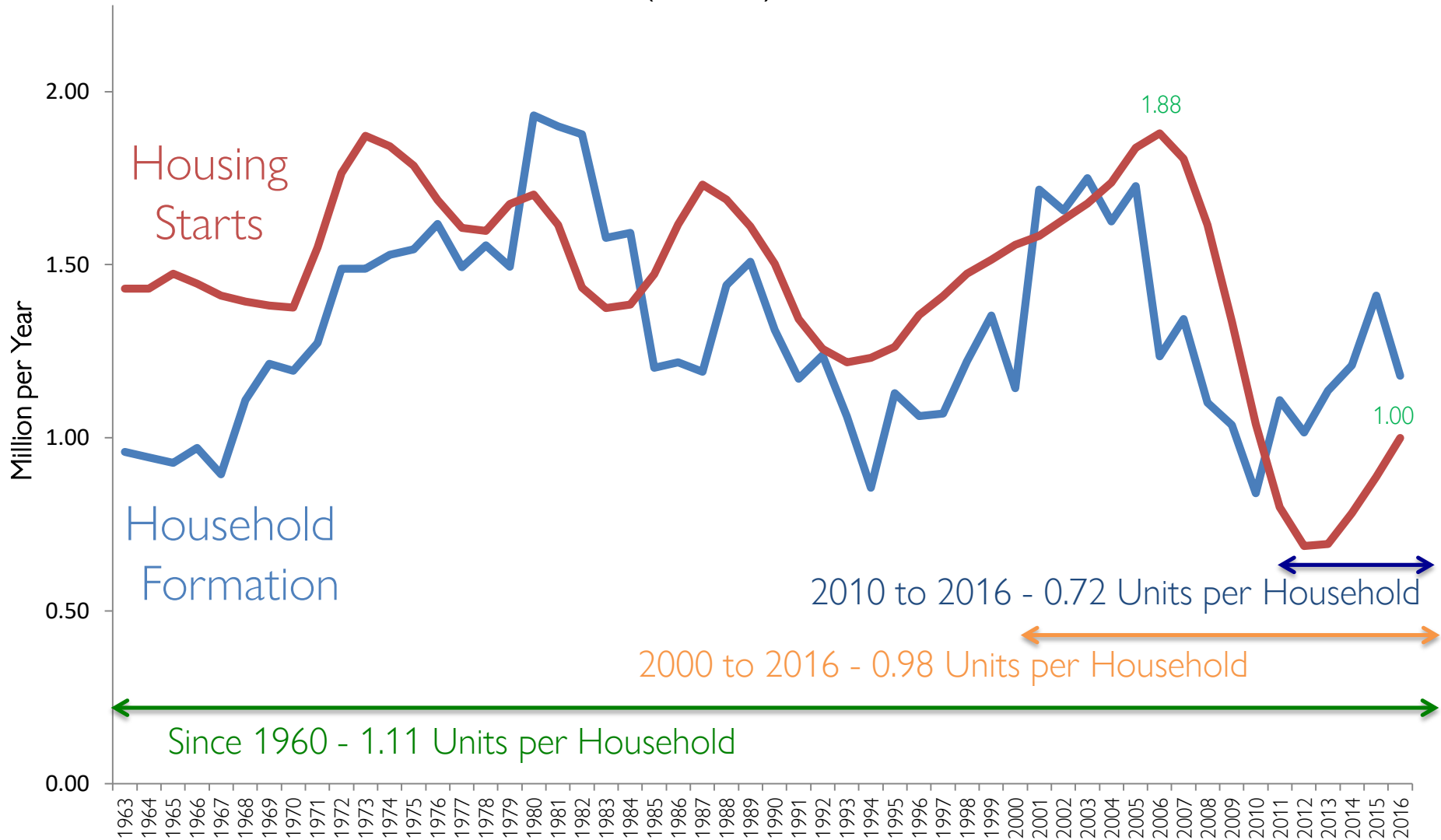
# Average 1 Bedroom Rent in Scottsdale Near 100% of AMI



Source: Costar, HUD, ECONorthwest Calculations

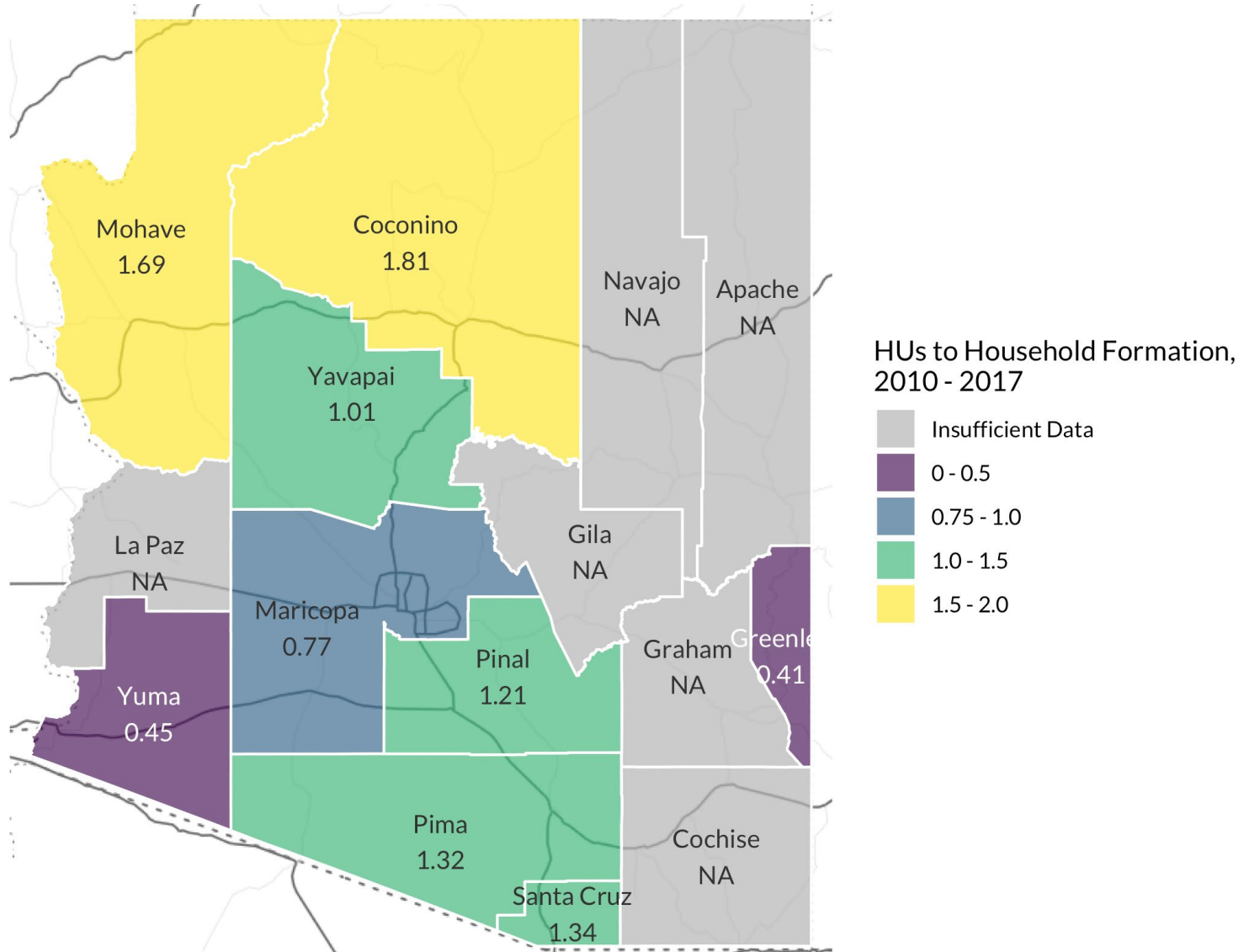
# Housing Starts Haven't Kept Pace with Household Formation

U.S. Household Formation vs. Housing Starts  
(in millions)



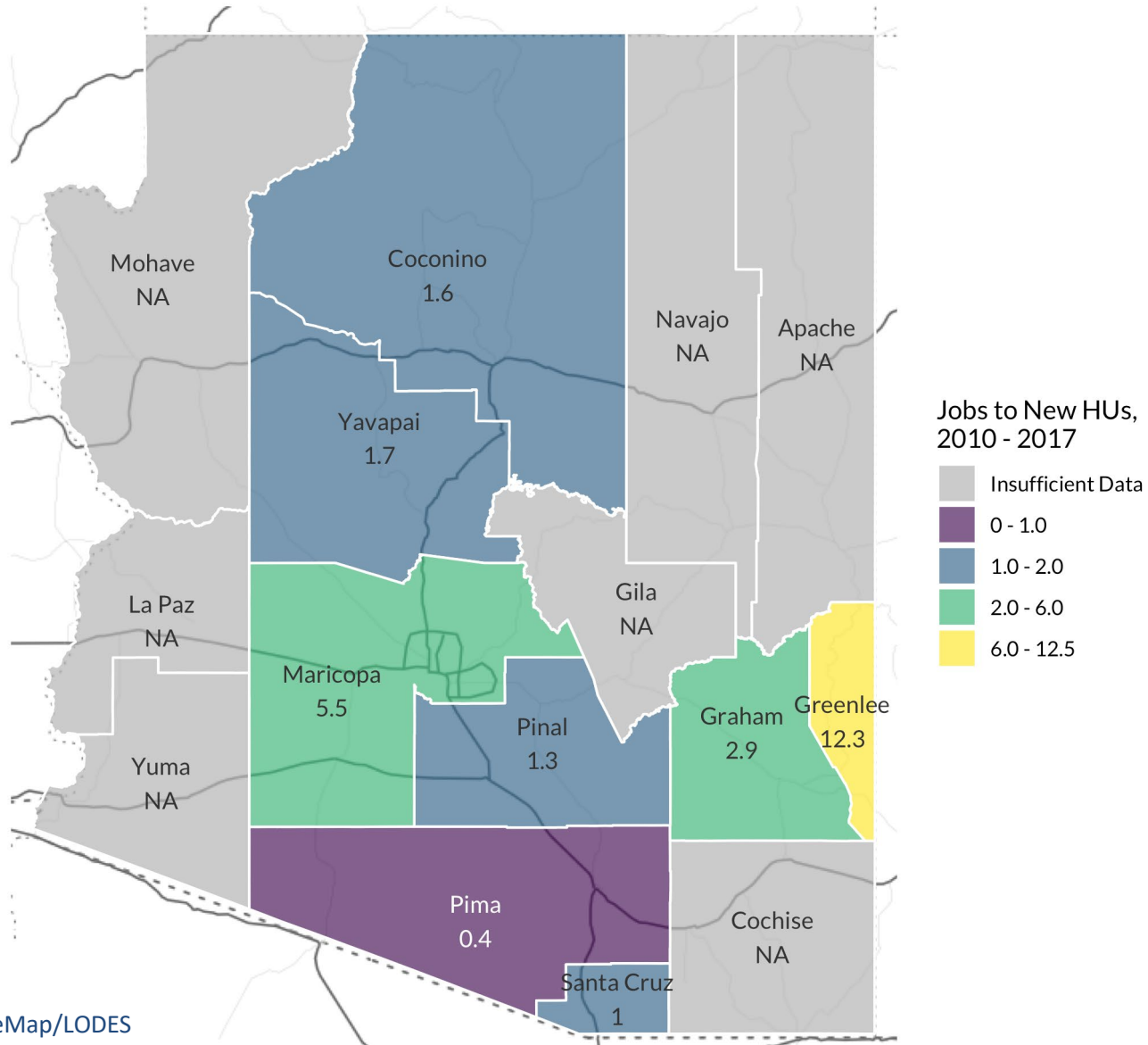
# Arizona Produced Less than 1 Unit per Household Formed

## 0.96 Housing Starts per Household Formed 2000 - 2017



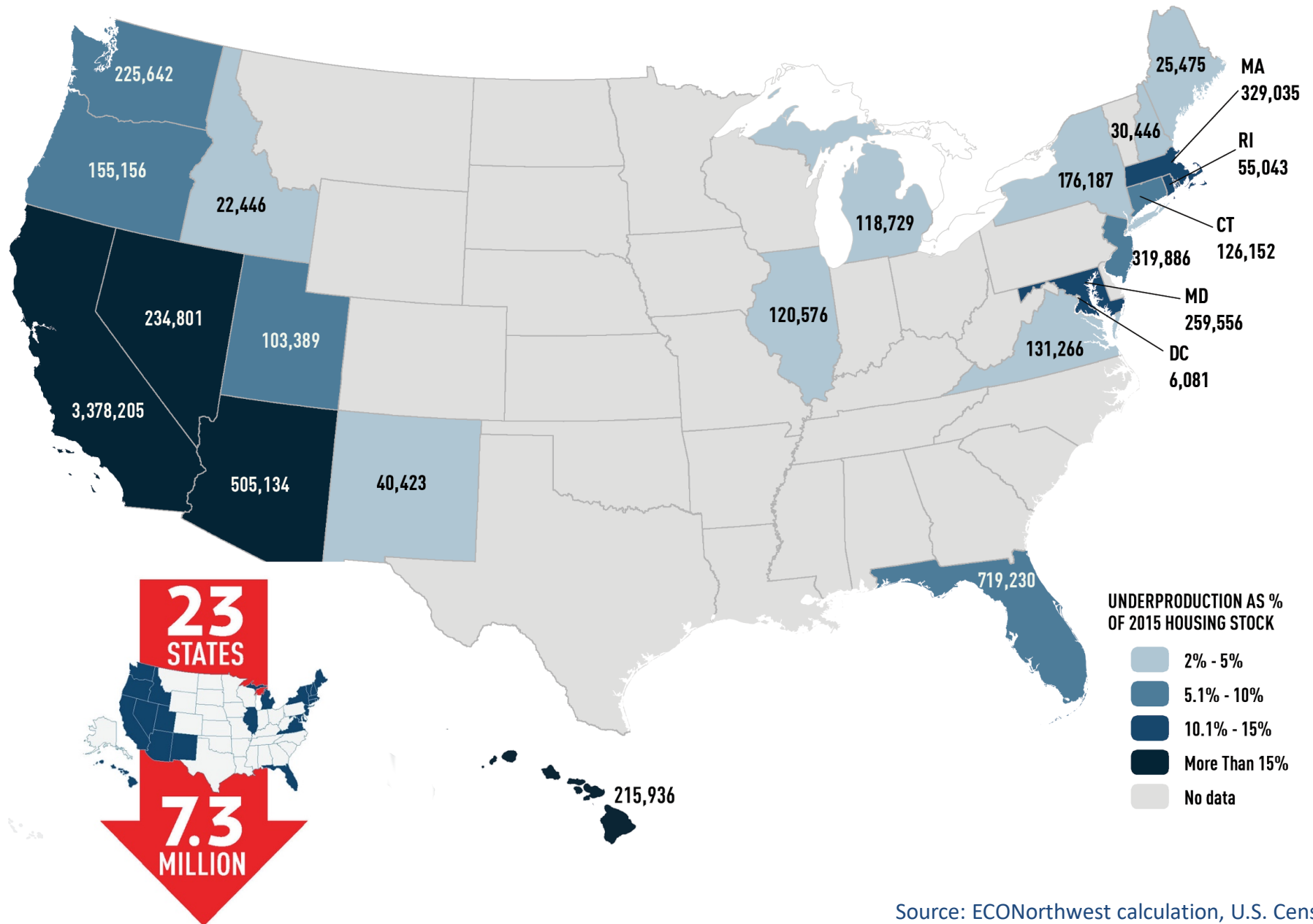
# Arizona's Housing Production Hasn't Kept Pace with Job Growth

## 3.5 Jobs Added per Housing Unit Statewide Since 2010

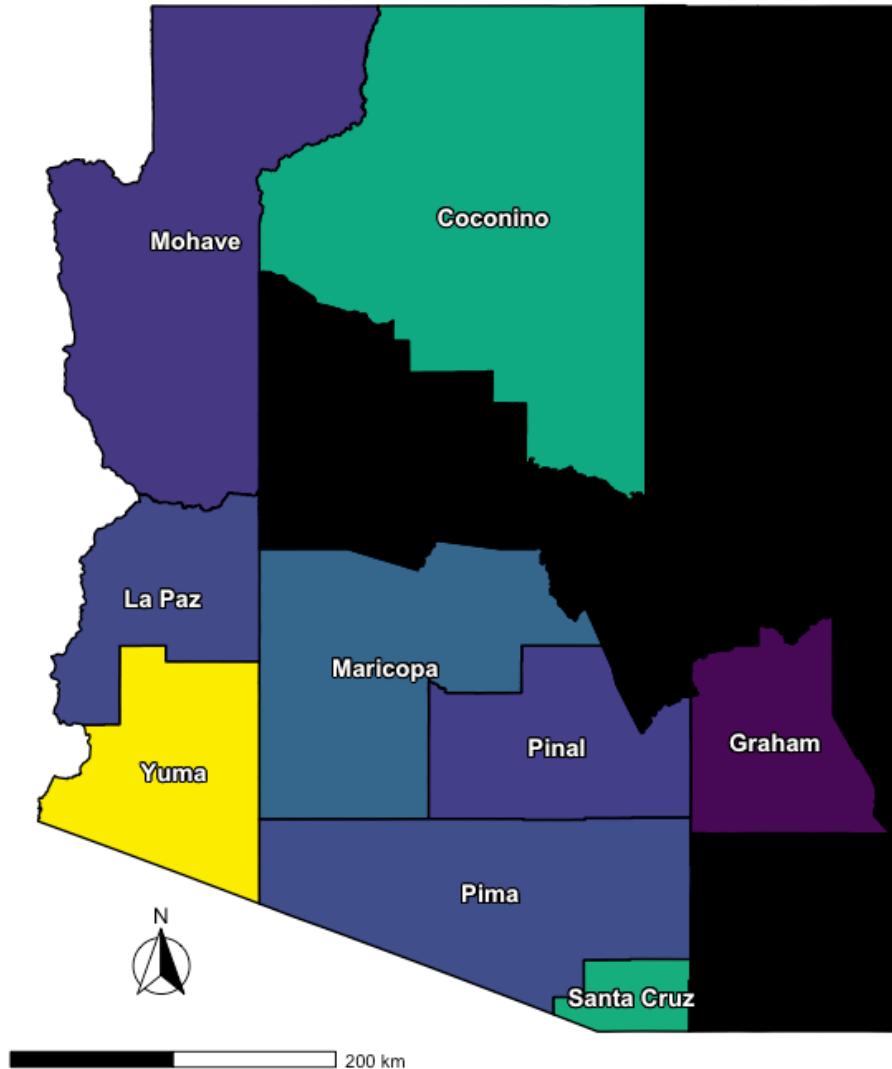




# 7.3 Million Homes Underproduced from 2000 to 2015

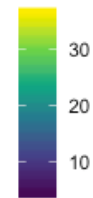


# Distributing Underproduction by Need and Location



Need as a share of renter households earning 80% or less of AMI

% of Stock Underproduced (2000 - 2017)

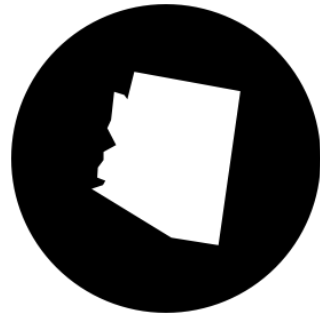


# Arizona is More Supply Constrained than Washington

## Price Elasticity of Supply



■ 0.47



■ 0.57



■ 0.84

$$\frac{\text{(% change in supply)}}{\text{(% change in price)}}$$



# Building a Range of Densities and Price Points

## Scenarios Distributed as 3 Construction Types:



Single Family  
5 Units per Acre



Tower  
High Rise 6+ stories  
240 Units per Acre

Medium Density  
Up to 5 stories  
120 Units per Acre



COURTYARD BUNGALOW TOWNHOUSE MULTIPLEX  
APARTMENT COURT  
-- MISSING MIDDLE HOUSING --



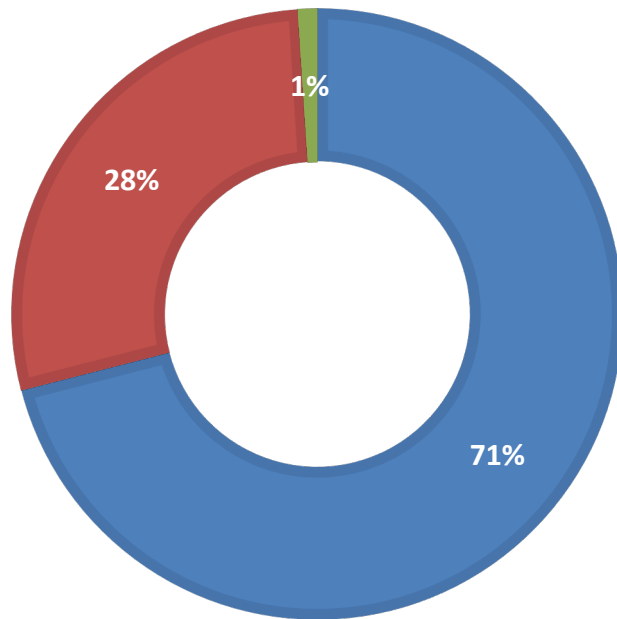
# Accessible Growth Shifts Production Towards Higher Density

## Current Growth Pattern

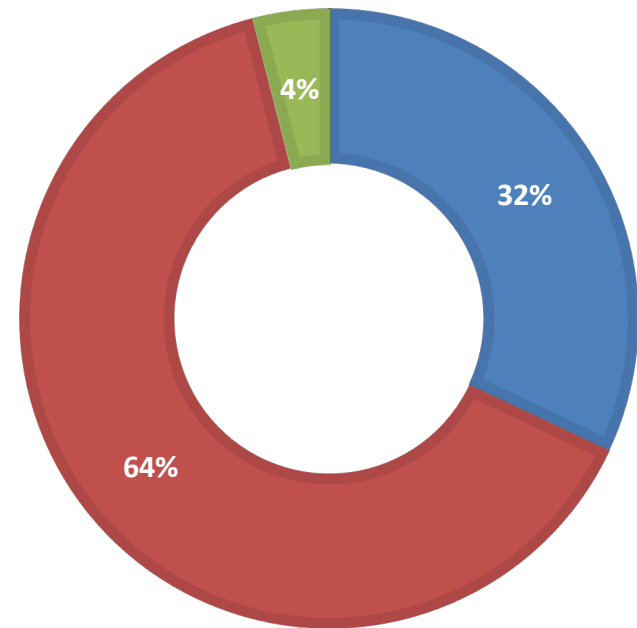
■ Low Density

■ Missing Middle and Medium Density

■ High Density



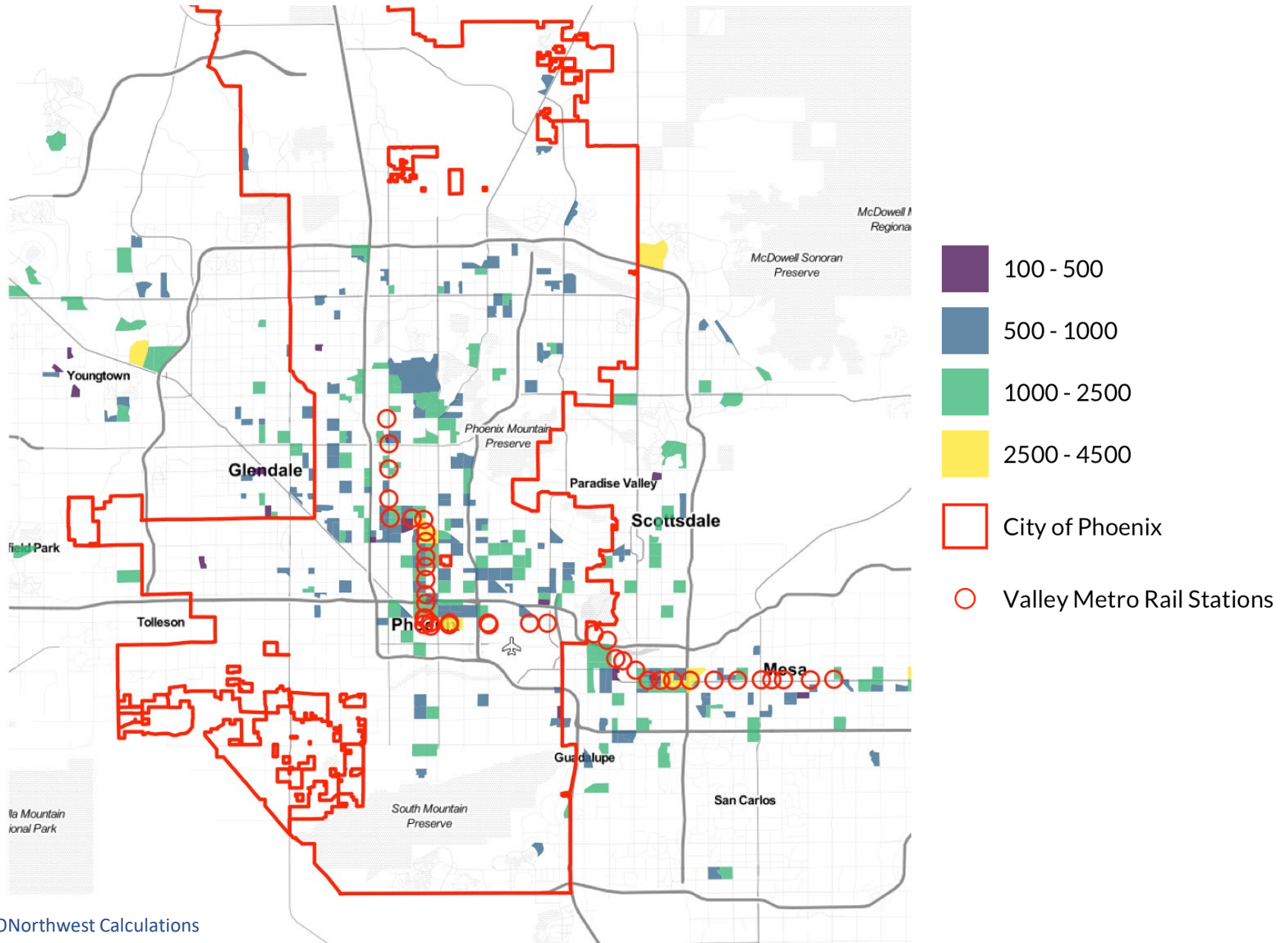
## Policies Incentivizing Accessible Growth



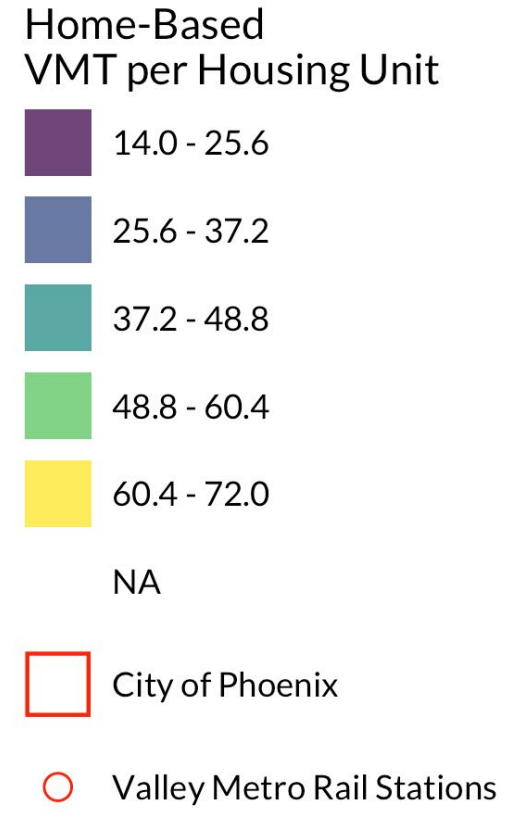
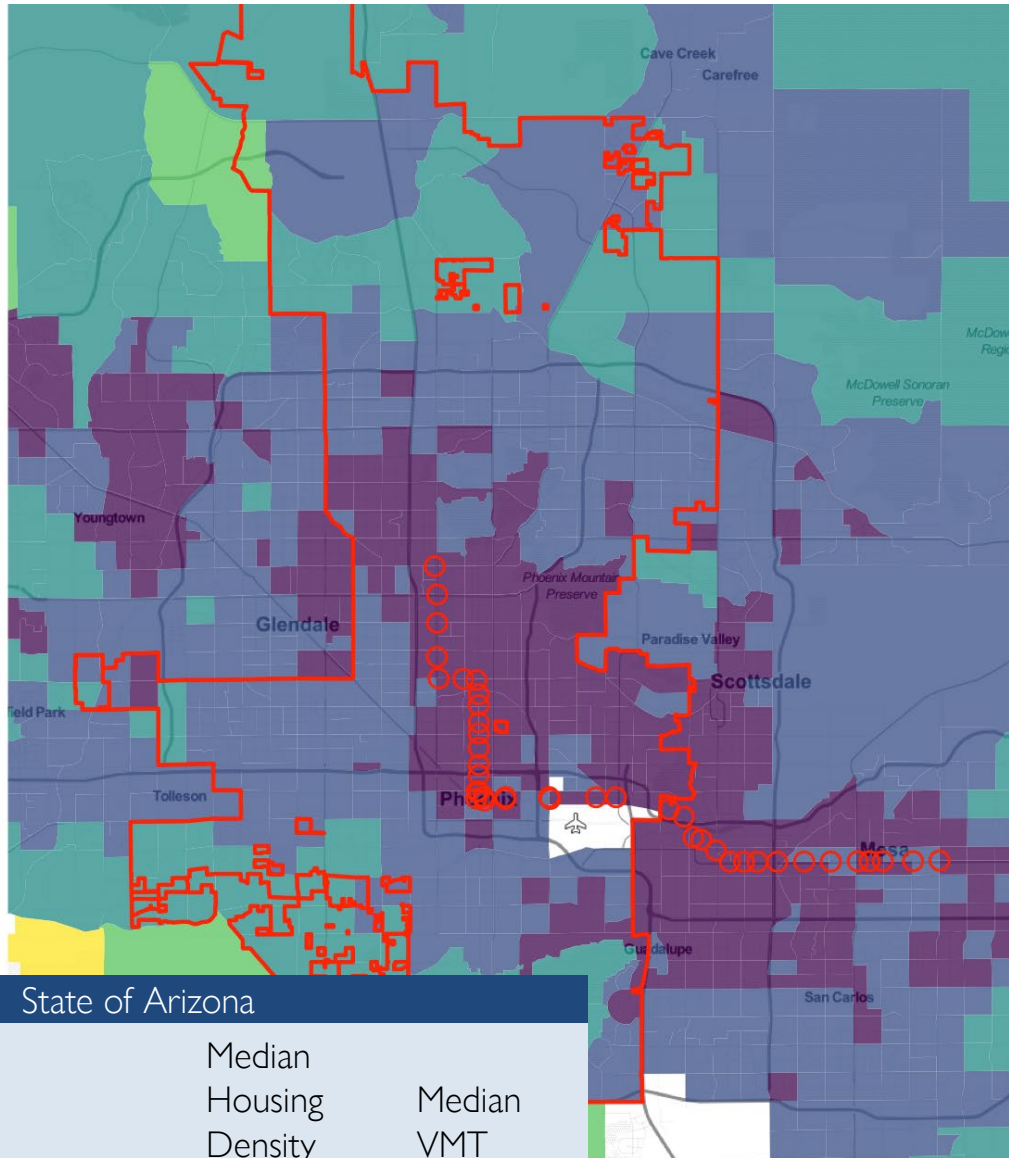
Building Under Produced Units:

Target underutilized transit corridors, + high opportunity areas with low vehicle miles travelled

# Accessible Growth Targets Higher Opportunity Locations



# Accessible Growth Reduces Vehicle Miles Travelled by 22%



State of Arizona		
	Median Housing Density	Median VMT
Outside 1/4 Mile Transit Corridor	2.4	30
Inside 1/4 Mile Transit Corridor	4.0	20

# Housing Underproduction in Arizona: Key Takeaways

- Long run affordability requires sustained production of housing units
- Building units at lower costs, in transit accessible, high opportunity neighborhoods key to improving equity in the region
- Leveraging existing infrastructure through accessible growth is fiscally sustainable for local governments



# HOUSING UNDERPRODUCTION IN THE U.S.

Economic, Fiscal, and Environmental Impacts of Enabling  
Transit-Oriented Accessible Growth to Address America's  
Housing Affordability Challenge



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