Housing Underproduction in Arizona: Quantifying the Impact of Accessible Growth
Policy Tradeoff: Expensive vs. Expansive Cities

A Classification of American Cities
1980-2010

Change in real home values (percent)

Expansion of developed residential area (percent)

Expensive

Expansive

Legacy

Source: Build Zoom
Cost Burdening Across Arizona is Widespread

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

Source: St. Louis Federal Reserve, GEOFRED
Rents are Increasing in Phoenix Faster than Incomes

1 Bedroom Avg. Rent

Source: Costar, HUD, ECONorthwest Calculations
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)

Since 1960 - 1.11 Units per Household
2000 to 2016 - 0.98 Units per Household
2010 to 2016 - 0.72 Units per Household

Million per Year

Housing Starts
Household Formation

Source: U.S. Census Bureau
Arizona Produced Less than 1 Unit per Household Formed

0.96 Housing Starts per Household Formed 2000 - 2017

Source: Census ACS
Arizona’s Housing Production Hasn’t Kept Pace with Job Growth

3.5 Jobs Added per Housing Unit Statewide Since 2010

Source: Census ACS, OntheMap/LODES
7.3 Million Homes Underproduced from 2000 to 2015

Source: ECONorthwest calculation, U.S. Census
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

- Arizona: 0.47
- Washington: 0.57
- Source: ECONorthwest Calculations

(% change in supply) / (% change in price)
Building a Range of Densities and Price Points

Scenarios Distributed as 3 Construction Types:

**Single Family**
5 Units per Acre

**Medium Density**
Up to 5 stories
120 Units per Acre

**Tower**
High Rise 6+ stories
240 Units per Acre

COURTYARD BUNGALOW TOWNHOUSE MULTIPLEX APARTMENT COURT
--- MISSING MIDDLE HOUSING ---
Building Under Produced Units:
Target underutilized transit corridors, + high opportunity areas with low vehicle miles travelled

Source: ECONorthwest Calculations
Accessible Growth Targets Higher Opportunity Locations

Source: ECONorthwest Calculations
Accessible Growth Reduces Vehicle Miles Travelled by 22%

<table>
<thead>
<tr>
<th></th>
<th>Median Housing Density</th>
<th>Median VMT</th>
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<tbody>
<tr>
<td>Outside 1/4 Mile Transit Corridor</td>
<td>2.4</td>
<td>30</td>
</tr>
<tr>
<td>Inside 1/4 Mile Transit Corridor</td>
<td>4.0</td>
<td>20</td>
</tr>
</tbody>
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Source: ECONorthwest Calculations
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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