



Issue Fact Sheet

NMHC/NAA Joint Legislative Program • Suite 540 • 1850 M Street, NW • Washington, DC 20036 • (202) 974-2300 • Fax (202) 775-0112 • www.nmhc.org

BALANCED HOUSING POLICY

Background

The U.S. is on the cusp of a fundamental change in our housing dynamics. Many Americans are rethinking the “American Dream.” Changing demographics and new economic realities are driving more people away from the typical suburban house and causing a surge in rental demand. Unfortunately, our housing policy has yet to adjust to these new realities.

For decades, the federal government has pursued a “homeownership at any cost” housing policy, ignoring the growing disconnect between the country's housing needs and its housing policy. In the process, many people were enticed into houses they could not afford, which in turn helped fuel a housing bubble that ultimately burst and caused a global economic crisis.

The nation is now paying the price for that misguided policy and learning firsthand that there is such a thing as too much homeownership and that aggressively pushing homeownership was not only disastrous for the hardworking families lured into unsustainable homeownership, but also for our local communities and our national economy.

The ensuing single-family meltdown reverberated through the economy, taking down the entire U.S. financial system and causing a global economic crisis. If there is a silver lining in this situation, it is the opportunity we now have to learn from our mistakes and rethink our housing policy. Housing our diverse nation means having a vibrant rental market along with a functioning ownership market. It's time we adopt a balanced housing policy that doesn't measure success solely by how much homeownership there is.

For many of America's most pressing challenges, from suburban sprawl to affordable housing, apartments are a much better solution. Apartments help create stronger and healthier communities by offering enough housing for the workers that businesses need, by reducing the cost of providing public services like water, sewer and roads and by creating vibrant live/work/play neighborhoods. They will help us house our booming population without giving up all our green space and adding to pollution and traffic congestion.

America is increasingly relying on rental apartments to house our citizens. The largest generation of children currently under the age of 20 in the history of the U.S. will be entering the housing market in the next few years and the number of seniors who can no longer maintain a house will begin to skyrocket. In addition, the foreclosure crisis has increased the demand for affordable rental housing.

Not only are apartments needed, but, fortunately, a growing number of Americans desire them. For generations, married couples with children dominated housing markets. But today those families make up less than 25 percent of American households. In their place are young professionals, empty-nesters and single parents who want the conveniences, amenities, shorter commutes and financial freedom that apartment living gives them.

NAA/NMHC Position

NAA/NMHC call on lawmakers to enact a more balanced housing policy, one that respects the rights of individuals to choose housing that best meets their financial and lifestyle needs. NAA/NMHC urge decision makers at all levels of government to work with the apartment industry to craft a smarter housing policy that:

- Assures that everyone has access to decent and affordable housing, regardless of his or her housing choice;
- Recognizes that while much of the attention has been paid to the single-family finance system, the multifamily sector relies on the same federal institutions and agencies—Fannie Mae, Freddie Mac and the Federal Housing Administration—to ensure liquidity and support efforts to keep the GSEs in the multifamily lending arena;
- Ensures that Section 8 housing remains voluntary and that adequate funding is made available for assisted housing;
- Respects the rights of individuals to choose the housing that best meets their financial and lifestyle needs without disadvantaging, financially or otherwise, those who choose apartment living;

- Promotes healthy and livable communities by encouraging responsible land use and promoting the production of all types of housing;
- Recognizes that all decent housing, including apartments, and all citizens, including renters, make positive economic, political and social contributions to their communities; and
- Balances the expected benefits of regulations with their costs to minimize the impact on housing affordability.

We call on lawmakers to reject proposals for new homeownership subsidies, including homebuyer tax credits and other ill-advised subsidies that only threaten to reflate the single-family housing bubble.

Contact Information

Lisa Blackwell
Vice President of Housing Policy
NAA/NMHC Joint Legislative Program
202/974-2365
lblackwell@nmhc.org

Last Updated: July 2011