

# Transforming the U.S. Real Estate Market: An Integrated Framework

How Creative Currency Octaves, Public Trust Foundations, Special Zone Housing, and Citizens Internet Portal Systems can alleviate housing-market stress, and empower citizens via community endowments.



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## Abstract

The United States faces an unprecedented housing crisis characterized by record homelessness, generational exclusion from home-ownership, and systemic market failures that have rendered traditional approaches inadequate. This paper proposes an integrated framework combining Creative Currency Octaves (CCO), Public Trust Housing (PTH), Special Zone Housing (SZH), and Citizens Internet Portal (CIP) systems as a comprehensive solution to address housing affordability, social cohesion, and wealth building while complementing rather than replacing private market mechanisms. The proposed system introduces "Acre Equity"—a novel non-monetary communal stake mechanism that transforms rent payments into active participation in shared assets, creating pathways to housing security for marginalized populations while generating public endowment wealth.

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**Keywords:** housing crisis, universal basic income, public trust housing, acre equity, social innovation, economic transformation

# 1. Introduction

The American dream of home-ownership has become increasingly elusive for younger generations and lower-income households. More than 770,000 people were counted as homeless in federally required tallies taken across the country during a single night in January 2024, representing an 18% increase, while there is no state or county where a renter working full-time at minimum wage can afford a two-bedroom apartment. Simultaneously, 33% of 27-year-olds own their home today, compared to 40% of baby boomers when they were 27, indicating a generational decline in housing accessibility.

This crisis demands innovative solutions that address both immediate needs and long-term systemic issues. Traditional market-based approaches have proven insufficient, while purely government-led initiatives often create dependency without building community wealth. This paper presents an integrated framework that combines four complementary systems to create a new paradigm for housing access, community development, and economic empowerment.

## 2. Current Market Failures

### 2.1 Homelessness Crisis

The most fundamental driver of the nation's growing homelessness is the ongoing housing affordability crisis that has left a record number of renters cost-burdened, spending more than 30 percent of income on housing and utilities. The U.S. has a shortage of 7.1 million rental homes affordable and available to renters with extremely low incomes, creating a structural imbalance that cannot be resolved through traditional supply-and-demand mechanisms alone.

### 2.2 Generational Wealth Transfer Disruption

The traditional pathway to home-ownership has been disrupted for younger generations. The Millennial home-ownership rate stands at 45.5 percent, significantly below historical norms for their age cohort. Millennials' home-ownership rate held steady at 55% last year, more than double that of older members of Gen Z, but 56% of

35-year-olds owned homes in 2024, versus 59.4% of Gen X and 61.5% of boomers at that age.

## 2.3 Private Equity Market Manipulation and Public Fund Complicity

A critical driver of the housing crisis is the systematic acquisition of residential properties by private equity firms using public endowment and pension funds. Private equity firms are estimated to own more than 500,000 homes across the United States and are expected to control 40% of the U.S. single-family rental market by 2030, while investors bought 14.8 percent of homes sold in the first three months of 2024 according to Realtor.com.

**Artificial Market Propping:** Private equity firms often act like a corporate version of a house flipper: They seek deals on apartment buildings, slash costs or hike rents to boost income, then unload the buildings at a higher price. This practice artificially prevents natural market corrections and maintains inflated housing values that would otherwise decline according to normal market forces.

**Public Fund Involvement:** Pension, endowment, and foundation funds control over \$12 trillion in total assets, with approximately \$900 billion invested in real estate. The California Public Employees' Retirement System, which manages more than \$500 billion in retirement funds, planned to shift more of its portfolio toward private equity and private debt, directly funding the firms that are pricing out the very public workers whose retirement funds are being used for these investments.

**Impact on Youth and Families:** One study found that institutional investors in the single-family residential market were responsible for 9 percent of the increase in housing prices and 28 percent of the changes in home-ownership rates. This manipulation hinders youth equity building in real estate, delays family development by making home-ownership unattainable, and burdens local markets with artificially increased housing prices and property taxes that affect entire communities.

## 2.4 Economic Burden of Current Systems

Seventy percent of all extremely low-income families are severely cost-burdened, paying more than half their income on rent, creating a cycle where housing costs prevent wealth accumulation and economic mobility. The current system extracts wealth from communities through rent payments that provide no equity building opportunity for tenants, while simultaneously funneling public retirement funds into private equity schemes that actively worsen housing affordability for the workers whose money is being invested.

### 3. Theoretical Framework: Integrated System Components

#### 3.1 Creative Currency Octaves (CCO)

CCO represents a complementary currency system designed to work alongside existing monetary structures. The system operates on a dual currency framework:

- **Basic Units:** Distributed via Universal Basic Income, pegged 1:1 to primary currency, expendable only on housing, food, utilities, and non-luxury transportation, with expiration dates
- **Primary Currency:** Traditional dollars, earned and spent normally

The innovation occurs through **Creator Collectives**—transparent, decentralized organizations where citizens can join to gain the ability to convert expired Basic Units into Primary Currency at elevated rates. Only Creator Collective members can redeem expired basics, creating both supply and demand dynamics that incentivize productive participation.

#### CCO Conversion Model:

*Primary Currency = Expired Basic Units (both unused and acquired) × Personal Conversion Rate*

Where:

- **Octave levels** determine the capacity of basic unit conversion into primary notes per distribution cycle, following exponential scaling ( $2^n$ ) doubling each level up

based on contribution scope and impact

- **Personal conversion rates (1–20+)** reflect community-assessed quality metrics including productivity, efficiency, creativity, and aesthetic value

## 3.2 Public Trust Housing (PTH)

PTH establishes collective housing ownership structures where participants can:

- **Pay-in** via resident fees to build equity
- **Sell-in** by converting existing mortgages and equity
- **Earn-in** through CCO participation at elevated conversion rates

The system introduces **Acre Equity** (introduced by [NotebookLM](#)) as a non-monetary communal stake that provides:

- Preferential access to upgrades
- Eligibility for larger or more desirable units
- Weighted voting in community decisions
- Transferable credits for relocation within the trust network

## 3.3 Special Zone Housing (SZH)

SZH creates differentiated community areas optimized for specific demographics and lifestyles:

- **Foundational Level:** Basic housing meeting all essential needs
- **Family-Friendly Zones:** Child-centered communities with educational amenities
- **Adult-Only Areas:** Professional and creative communities
- **Recovery Zones:** Specialized support for addiction and mental health recovery
- **Luxury Zones:** Premium housing for elevated CCO participants

## 3.4 Citizens Internet Portal (CIP)

CIP provides the technological infrastructure for system management:

- Property matching and allocation algorithms
- Transparent preference aggregation
- Community decision-making platforms
- Acre Equity tracking and transfer
- Trust Upkeep Representative coordination

## 4. System Integration and Operations

### 4.1 Entry Mechanisms

Citizens can enter the integrated system through multiple pathways:

1. **Direct Payment:** Using Basic Units or primary currency for foundational housing
2. **Mortgage Rollover:** Converting existing home equity into Trust shares with favorable terms
3. **CCO Participation:** Earning elevated access through creative contribution
4. **Emergency Placement:** Temporary housing with pathways to permanent placement

### 4.2 Housing Allocation Algorithm

Properties receive desirability scores (1-1000) based on:

- Location and accessibility
- Unit size and amenities
- Community characteristics
- Environmental factors

Personal preferences are transparently categorized:

- Urban vs. rural preferences
- Family vs. adult-only communities
- Activity and lifestyle preferences

- Accessibility needs

### 4.3 Pricing and Equity Mechanisms

**Base Pricing:** Set at approximately 1/3 of Basic Income Units per cycle, ensuring affordability while maintaining system sustainability.

**Public Bidding:** For primary residences, with minimum bid floors (no lower than 10% below ask price) and one-week auction periods.

**Equity Transfer:** Acre Equity becomes transferable to different properties within the trust network, enabling mobility without loss of accumulated investment.

## 5. Comparative Analysis with Current Systems

### 5.1 Affordability Metrics

System	Housing Cost Burden	Path to Ownership	Wealth Building
Current Market	30-50%+ of income	High barriers	Individual only
Traditional Public Housing	Reduced cost	No ownership path	No wealth building
Integrated CCO-PTH-SZH-CIP	~33% of Basic Income	Multiple pathways	Community + individual

### 5.2 Social Cohesion Benefits

The integrated system addresses social fragmentation through:

- **Community Governance:** Weighted voting systems based on Acre Equity participation
- **Shared Investment:** Collective ownership creates aligned incentives for maintenance and improvement
- **Diverse Integration:** Zone system allows for both integration and specialized communities

- **Mobility Support:** Trust network enables relocation while maintaining community connections

## 5.3 Public Endowment Wealth Creation

Unlike extractive rent models, the system generates public wealth through:

- **Property Value Appreciation:** Benefits accrue to trust participants
- **Maintenance Incentives:** Acre Equity rewards encourage upkeep
- **Network Effects:** Connected trusts create economies of scale
- **Innovation Rewards:** CCO system funds community improvements

# 6. Implementation Strategy

## 6.1 Pilot Program Structure

**Phase 1: Regional Pilot (Years 1-2)**

- Single metropolitan area implementation
- 1,000-unit initial capacity
- Basic CCO and PTH integration
- Simple zone differentiation

**Phase 2: Network Expansion (Years 3-5)**

- Connect 3-5 regional systems
- Implement full CIP platform
- Advanced zone specialization
- Inter-trust equity transfer

**Phase 3: National Integration (Years 6-10)**

- Federal policy integration
- Tax incentive optimization



- Private market complementarity
- Full system maturation

## 6.2 Risk Mitigation

### Governance Risks:

- Transparent decision-making processes
- Regular community feedback integration
- External audit requirements
- Democratic oversight mechanisms

### Economic Risks:

- Gradual implementation prevents chaotic market disruption
- Complementary rather than replacement approach
- Multiple funding sources reduce dependency
- Market-responsive pricing mechanisms

### Social Risks:

- Voluntary participation prevents coercion
- Multiple community options prevent segregation
- Regular assessment and adjustment protocols
- Conflict resolution systems

## 7. Policy Recommendations

### 7.1 Federal Level

1. **Tax Incentive Creation:** Property owners selling to Public Trust Housing receive favorable tax treatment
2. **CCO Currency Recognition:** Federal acknowledgment of complementary currency for basic needs

3. **Housing Trust Authorization:** Legal framework for multi-state trust operations
4. **Basic Income Integration:** Coordinate with existing federal benefit programs

## 7.2 State Level

1. **Zoning Reform:** Enable Special Zone Housing designations
2. **Trust Incorporation:** State-level legal structures for housing trusts
3. **Property Transfer Facilitation:** Streamlined processes for trust acquisitions
4. **Regional Coordination:** Inter-state compact agreements

## 7.3 Local Level

1. **Land Use Integration:** Municipal planning incorporating zone concepts
2. **Service Coordination:** Integration with local utilities and services
3. **Community Engagement:** Local CIP platform deployment
4. **Emergency Housing:** Rapid placement protocols

# 8. Economic Impact Projections

## 8.1 Cost-Benefit Analysis

### Initial Investment Requirements:

- Technology platform development: \$50-100M
- Property acquisition fund: \$1-5B per region
- Administrative infrastructure: \$10-25M per region
- Community support services: \$25-50M per region

### Projected Savings:

- Reduced homelessness services: \$2-5B annually
- Decreased emergency healthcare costs: \$1-3B annually
- Reduced incarceration costs: \$500M-1B annually

- **Administrative efficiency gains:** \$250-500M annually

### **Wealth Generation:**

- **Community equity accumulation:** \$10-25B over 10 years
- **Property value appreciation:** \$5-15B over 10 years
- **Local economic multiplier effects:** \$20-50B over 10 years

## **8.2 Employment Creation**

The integrated system creates employment opportunities in:

- **Trust Service Representatives:** Property management and community coordination
- **Maintenance and Upkeep:** Landscaping, cleaning, inspection, and repair services
- **Technology Development:** CIP platform development and maintenance
- **Community Services:** Health, education, and social support
- **Creative Facilitation:** CCO program coordination and assessment

## **9. Conclusion**

The integrated CCO-PTH-SZH-CIP framework offers a comprehensive solution to America's housing crisis that transcends traditional market vs. government dichotomies. By creating systems that transform rent into equity, reward community participation, and build public wealth, this approach addresses both immediate housing needs and long-term economic empowerment.

The system's strength lies in its voluntary, complementary nature—it enhances rather than replaces existing market mechanisms while providing alternatives for those excluded from traditional home-ownership paths. The Acre Equity concept represents a fundamental innovation in housing finance, creating community wealth while maintaining individual agency and mobility.

Success depends on careful implementation, robust community engagement, and policy coordination across multiple levels of government, however a public-

endowment fund could implement some of these programs without government involvement. Given the scale of current housing challenges and the inadequacy of existing approaches, bold experimentation with integrated systems like CCO-PTH-SZH-CIP may be necessary to restore housing as a foundation for American prosperity.

The time for incremental reform has passed. The United States needs transformative approaches that can rapidly scale to address the housing crisis while building the economic foundations for a more equitable future. The integrated framework presented here provides a road-map for that transformation.

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