

Housing crises are not a new occurrence- two other large crises have come to pass, namely the 1926 mass foreclosure instance, tied to the stock market downturn and eventual Great Depression, and the 2008 housing bubble, tied to the Great Recession(Daniel Hertz 2015). However, those most affected by these tend to be those residents who are lower and middle class. Further, people of color are disproportionately affected by these events. Even for renters in the previous two instances of housing crises, the effect upon homeowners and constriction of the market brought a burden downwards, increasing rental prices further. Today, the housing crisis is almost entirely in the realm of rent prices. The experience that the grand majority of those from working class up to, and including, college students face is severe rent costs- a burden which previous generations went without. For many like me, housing increasingly takes a larger share of our annual income, restricting ability to afford basic necessities, as well as eroding leisure time as the amount of work hours needed to survive increases. The housing crisis today is further complicated and fueled by an endless desire to raise the valuation of homes by traditionally white, upper-middle class homeowners. This group over the last 70 or so years has been able to effectively seize control of city and state land use policy(Brinig and Garnett 2013). Due to this commodification of the housing market, increasing amounts of residents are becoming homeless and unable to find a foothold back into permanent housing. Further, Covid19 has exacerbated this reality.

The behaviors that govern this issue are systemic, but also unconscious for the most part on one side of the aisle. The aforementioned homeowners who make up the bulk of those attending municipal meetings regarding land use and urban expansion are fighting for their own interests. This is not a desire to price out others from purchasing their first home, but rather the desire to increase their home valuation. Historically however, some have actively used this exclusionary strategy to deter black and brown people from integrating into suburbs for example. On the other hand, there are housing activists fighting for a more just and affordable reality for city-dwellers. Driven primarily by the philosophy of new urbanism, this discourse primarily relates to ideas such as rent control, public housing options, expanding multifamily residential zoning, and the creation of more green spaces(Brinig and Garnett 2013).

In the United States, the traditional method to grow your financial worth is through the process of becoming a homeowner. To many nowadays, this is simply impossible. Those who have been lucky to be able to afford a mortgage may even attempt to purchase a second property to rent as landlord. In the grand scheme of things they are still likely just trying to get by and provide for their family, but it is at the cost of those who are stuck in the cycle of renting. Renting in and of itself has largely become a new culture for many Americans. In the United States there are 44 million renters, and of these more than 47% are rent burdened(Kontokosta, Reina, and Bonczak 2020). Rent burdened is defined by the US HUD as a household that spends more than 30% of their gross annual income on rent alone. The United States is sadly also one of few in the developed world which does not have any successful form of public housing or rent control in effect to counter neoliberal housing policy. Countries such as Austria boast more affordable, and higher-

quality public housing offerings than the average rental in the United States, with the public costs coming primarily from taxes upon large corporations(Forrest, n.d.).

Redlining or the increase in interested rates due to a perceived 'risk' to issue mortgages in varying neighborhoods based on ethnic makeup or crime rates has legally been eliminated but other issues continue to plague the US housing market. The twin concepts of filtering and gentrification, while not systemic (read: policy-based), are unconscious systems that impact housing affordability. Filtering is defined as when older buildings age, the initial wealthy occupants move to newer, more expensive housing and this allows those with lower incomes to move in(Hertz, n.d.). However, by this time the building is usually in disrepair and far behind in terms of energy efficiency, further leading to a burden on the occupant(Kontokosta, Reina, and Bonczak 2020). Gentrification, on the other hand, has the opposite effect. Boutiques, cafes, and other non-essential shops opening in historic, filtered districts spikes the housing prices back up or above the original prices, considering inflation. Many of these older dwellings are retrofitted into luxury apartments far out of reach of the existing residents. In turn, this causes many of those who have lived there for decades to be expelled to nearby neighborhoods once they can no longer afford the rental prices.

While affordable housing is typically subsidized, either publicly or privately, homeowners are also subsidized in ways not typically discussed. Homeowners are given mortgage interest tax deductions, leading towards mortgages being more affordable than renting many times. However, many current renters are unable to secure mortgage loans due to credit history or negative marks due to landlord issues or past evictions. In addition to this, in the beginning of 2021 began a new force generating the impossibility of purchasing a home for millennials and gen Z. Private equity firms such as BlackRock are purchasing massive amounts of starter homes to convert to rentals. In just the first quarter of this year, 15% of all home sales were to private equity like BlackRock, some paying upwards of 20-50% over asking price in cash in an effort to outcompete prospective buyers, while paying nearly anything in interest(Botella, n.d.).

Bibliography

- Botella, Elena. n.d. "Investment Firms Aren't Buying All the Houses. But They Are Buying the Most Important Ones." *Slate* (blog).
<https://slate.com/business/2021/06/blackrock-invitation-houses-investment-firms-real-estate.html>.
- Brinig, Margaret F., and Nicole Stelle Garnett. 2013. "A Room of One's Own? Accessory Dwelling Unit Reforms and Local Parochialism." *The Urban Lawyer* 45 (3): 519–69.
- Daniel Hertz. 2015. "The Immaculate Conception Theory of Your Neighborhood's Origins." CityObservatory. September 24, 2015. <https://cityobservatory.org/the-immaculate-conception-theory-of-your-neighborhoods-origins/>.

- Forrest, Adam. n.d. "Vienna's Affordable Housing Paradise." *Huffpost* (blog).
https://www.huffpost.com/entry/vienna-affordable-housing-paradise_n_5b4e0b12e4b0b15aba88c7b0.
- Hertz, Daniel. n.d. "What Filtering Can and Can't Do." Blog. *City Observatory* (blog).
<https://cityobservatory.org/what-filtering-can-and-cant-do/>.
- Kontokosta, Constantine E., Vincent J. Reina, and Bartosz Bonczak. 2020. "Energy Cost Burdens for Low-Income and Minority Households." *Journal of the American Planning Association* 86 (1): 89–105.
<https://doi.org/10.1080/01944363.2019.1647446>.