**Introduction to Systems Thinking** 

# **Lesson 3.1 Spring Meadow's Housing Problem**

#### **Introduction to Systems Thinking**

#### **Overview**

Read this to engage in a new case study concerning housing availability and pricing.

## **Spring Meadow and a Causal Loop**

Consider the dilemma that faced the town council of Spring Meadow, a small midwestern community located about 50 miles from a large city. The council began to hear that many people, including public service personnel such as teachers, police officers, and firefighters, were unable to find or afford homes in the town. Many were forced to live miles away and commute to Spring Meadow. This made it hard to hire and retain these vital workers and to help them feel genuinely valued by the town.

The town council decided to rezone a significant area of land on the west side of town and approved a builder, C & P Homes, to complete the construction of 326 affordable homes within a year, a much faster timeline than any other company could meet. These homes represented a large increase in the housing stock of the small town of Spring Meadow. A year later, C & P had met its promise, and new homeowners had started moving in.

With the sudden increase of homes available for purchase, the prices for existing homes and property values in Spring Meadow began to fall. Property taxes, based on assessed property value, also fell. The town had less revenue coming in with which to meet its obligations, so infrastructure and services were cut back. Spring Meadow saw its reputation decline as a great place to live, and people began to put their homes up for sale and move away.

Can you envision a Loopy animation that represents Spring Meadow's dilemma? Take a moment to think.

# Spring Meadow's Causal Loop Diagram (00:00:37)

Did you think of something like this?

Spring Meadow Loopy



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