

Subject: New Housing Research from the NYT

From: Tim Athan

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Hello:

New research published in yesterday's NYT is quite relevant to the Comprehensive Plan discussions:

https://www.nytimes.com/2026/02/05/realestate/affordable-housing-insurance-studies.html?unlocked_article_code=1.KVA.aDA8.mPacWLJghtV1&smid=url-share

Regards,
Tim Athan
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Why Building Alone Won't Solve the Housing Crisis

An imbalance in the kind of housing getting built and rising insurance costs are impeding housing progress, according to two new reports.



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By Ronda Kaysen

Feb. 5, 2026

The United States has not built enough housing for years, and a consensus has coalesced around a simple solution — if communities simply built more homes, rents and home prices would come down.

But a new report raises doubts about that narrative, finding that in cities that aggressively built housing in recent years, rents rose dramatically for low-income households and stabilized for wealthier ones. The new rental housing that was built was often luxury housing, with studios and one-bedrooms, units that targeted young, single professionals but were too small and too expensive for low-income households with children. New single-family homes for sale were larger than they were in the past, aimed at wealthier buyers, rather than cash-strapped, first-time home buyers.

“You can’t just build, build, build and think it’s going to work out for everybody in the end,” said Lelaine Bigelow, the executive director of the Georgetown Center on Poverty and Inequality, which published the report in January. “You need to think about what you’re building and who you’re building it for.”

Relying on federal data from 2015 to 2023, researchers focused on six metro areas that built more housing than the national average: Atlanta, Dallas, Houston, Phoenix, Seattle and Washington, D.C. They found that even as the housing supply increased, the number of units available to lower income households fell or was stagnant. Rents generally rose more sharply in units priced for lower income households than in those for wealthier ones. And in four metro areas, the new housing had higher vacancy rates than older properties, indicating that the newer housing stock was not meeting the needs of the renters.

“A lot of new housing production is targeted toward that higher end in the market because that’s what you need to do to make your project pencil out,” said Dan Emmanuel, the director of federal research at the National Low Income Housing Coalition, who was not involved with the study.

The disparity was most pronounced in Phoenix, where the vacancy rate for new units was over 9 percent. Despite the vacancies, rent for extremely low income households rose 26.7 percent during the time period, as rents for moderate- to high-income households fell by 5.3 percent.



In Phoenix, the vacancy rate for newly built homes was more than nine percent. Paul Ratje for The New York Times

It also became harder for low-income households to find housing in Phoenix, as the number of units available to people earning less than \$30,000 a year fell by 27 percent. “What you see is by and large, if you are higher income, you are taking up most of the housing,” said Ms. Bigelow.

The housing crisis has strained household finances for millions of renters across the country. Nearly half of all renters were cost burdened in 2024, meaning they spent more than a third their income on rent and utilities, and 26 percent of them were severely burdened, meaning they spent more than half their income on housing costs, according to the most recent census data analyzed by Harvard’s Joint Center for Housing Studies. But among households making less than \$30,000 a year, the numbers were even starker, with 83 percent of renters cost burdened, and 67 percent of them severely burdened.

Joel Berner, a senior economist for Realtor.com, argues that ultimately, once enough housing is built, renters will feel relief because as wealthier renters move into the newest units, the apartments they left behind become available for people of more modest means, a phenomenon known as filtering. “The only way to not be in a tight housing market is to build more,” he said.

But filtering only works to a certain point. In an expensive city, where the cost of operating a building is high, the trickle-down effect may not reduce rents enough to both meet the needs of the lowest income households and provide a landlord with sufficient rental income to maintain the property. “The filtering process can break down or even reverse,” Mr. Emmanuel said.



In Dallas, 22 percent of the housing inventory is newly built. Desiree Rios for The New York Times

To reach those renters, communities need to also build and maintain affordable housing with public funding. “You’re still going to need these subsidies for these lowest income renters,” said Mr. Emmanuel.

Rents are also rising because it has gotten substantially more expensive to own and operate a building, and rising insurance costs are a main driver of those increases. A report published Feb. 5 looked at the impact of rising insurance costs on the affordable housing supply, sounding an alarm about a looming crisis.

In 2023, insurance premiums jumped by 25 percent or higher for many affordable housing providers, with some seeing their rates double, according to the report, published by Enterprise Community Partners, which builds, operates and oversees affordable housing.

“We’re in the middle of, arguably, the deepest affordability crisis we’ve had in our lifetimes,” said Shaun Donovan, president of Enterprise Community Partners. “And the fastest growing cost in housing is insurance.”

Market rate landlords are facing the same skyrocketing costs, but without subsidies. They may pass those rising costs along to their tenants in the form of rent increases, delay maintenance, or even abandon their properties. The Enterprise report found that rising operating costs have already driven some affordable housing operators into bankruptcy, threatening the stability of the existing stock.

“The factors that are driving this are not cyclical, they are also structural,” said Mr. Donovan, a former secretary of Housing and Urban Development under President Obama, adding, “This is not today’s crisis, this is also tomorrow’s crisis.”

Ronda Kaysen, a real estate reporter for The Times, writes about the intersection of housing and society.