

Why Everyone Should Be A Housing Voter

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Nela Richardson, chief economist at online brokerage Redfin, spoke with FORBES on Election Day about why deep down we all vote (or should vote) on housing issues and how whoever wins the election could improve housing for all. Below is a condensed, lightly edited transcript of that conversation.

Is there such thing as a housing voter?

At least half of America will be deciding based on housing issues. They may not frame it that way, but not being able to afford housing is central to the feeling of being disaffected. Housing is central to this feeling of disengagement in the middle class. We know people are living on the edge from month to month. That is not framed as a housing issue, but it is. The wealth divide is a housing issue. Wealth is built through housing. We didn't get a politician who gave words to that dissatisfaction. There is split between homeowners and non-homeowners. I don't think all homeowners are going to vote one way or another, I'm just saying that their economic fortunes are tied to their homes.

What would a housing focused platform look like?

What we need is something bigger and bolder than what we have seen in past. Hillary Clinton, to her credit, has a housing plan. I believe [Donald] Trump has some thoughts as well, in terms of investment in communities. But my read on the plans that are out there is that it is more of the same. There is no boldness, no newness. What we need more than anything is a disruptive housing policy, because we are actually in a housing crisis right now with 11 million Americans spending more than 50% of their incomes on their rent. This is a big deal. More and more people can't live where the jobs are. Workforce housing is not available in a large scale in many of our cities. So we can't just keep doing the same old stuff. There are ways to do it.

I would suggest starting with re-framing what housing means, it is not just somebody else's problem it is an economic issue. I think the White House started that with the Jason Furman paper earlier this year from the Council of Economic Advisers, which said housing is actually holding back U.S. economic growth through land use regulation. Start there. Re-framing housing prices from an affordability issue to a growth issue.

More specifically, the Federal government could do much more at the local level. We have this patchwork, mixed-bag of local policies and federal policies that don't always talk to each other. Sometimes they work at cross purposes. The federal government needs to swing its weight around by being much influential in local housing policy, because that is where the crisis starts at the local level. Then there is the mortgage interest rate deduction—almost every economist you'll ever talk to says it distorts housing toward the wealthy, let's get rid of it or at least change it. Freddie [Mac] and Fannie [Mae] could be used to help, not just sit on the sidelines. There are tools there, we just need to use them in different ways.