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REGION'S HOUSING CRISIS BECOMING ECONOMIC CRISIS

New study released by the Chamber details impact of housing shortage on regional economy

SAN DIEGO (July 15, 2016) For several years our region's leaders have researched, discussed and debated the shortage of available housing for the growing population. Today, a new study released by the San Diego Regional Chamber of Commerce and authored by Gary London of The London Group finds that the shortage has become an impending economic crisis as well.

"Employers are losing talent every day to places like Austin, Denver and Portland where their employees can spend substantially less of their pay check on a home big enough to comfortably fit their family," said Sean Karafin, Executive Director of Policy and Economic Research at the San Diego Regional Chamber. "We can't overstate how much our housing affordability crisis is holding back our economy."

The housing crisis has already caused decreased housing affordability, longer commutes, greater congestion, and increasing employee and employer dissatisfaction. In this new study it is noted that the apparent inability to reconcile housing supply and demand is likely to fuel an unprecedented economic challenge for the region, as employers are weighed down by the plight of their employees who are unable to find or afford their preferred housing type.

"Millennials, who have overwhelmingly valued urban apartment or condominium living as singles, are beginning to start families in larger numbers," said the study's author, Gary London, President, The London Group. "For many of this cohort, representing one-third of the region's population, this will mean starting a search for a more suburban, single-family home."

The study finds that the region's planners have effectively embarked on a 38-year experiment. They are essentially "betting" that the growth in our workforce and their families will be overwhelmingly willing to be accommodated with a new supply of multifamily housing, while there is a virtual elimination of new single-family housing projects. Losing this bet would mean irreversible consequences. In fact, the report details compelling reasons that suggest this supposition regarding housing preferences and willingness to live in multifamily housing is incorrect.

Without substantial action to correct the region's housing crisis, the shortage will worsen well into the foreseeable future. The result will be a continuation of higher housing costs, both for-sale and rental, fostered by an inability to bring to market new housing units of any type. A lack of action will lead to demand perpetually outpacing supply. The housing shortage is a regional problem that impacts everyone.

The Chamber is a sponsor of the study and releasing the report to facilitate the community discussion around housing development, a key policy priority for the Chamber. The study's author is a local expert with four decades of real estate development experience as an analyst and strategic advisor.

The full study can be downloaded from the Chamber [website here](#).

About the San Diego Regional Chamber of Commerce

The San Diego Regional Chamber is the hub for connections and collaboration among the regional business community, and uses that clout to advocate for public policies and candidates that support economic growth and the creation of jobs for all businesses. As the largest local Chamber on the West Coast, representing approximately 2,500 businesses and an estimated 300,000 jobs, the San Diego Regional Chamber is fighting to make San Diego the most business-friendly region in California. For more information, please visit SDChamber.org or call 619-544-1300.

About The London Group

Formed in 1991, The London Group is a full service real estate investment and development consulting, capital access and publishing firm. As the former West Region Director of the Price Waterhouse Real Estate Consulting Group, Gary H. London, President, brings acknowledged credentials and experience as an advisor and analyst to many successful projects and assignments throughout North America. For more information, visit www.londongroup.com.

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