

A Pause in Our Housing Crisis?

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As a region, we were slow to prepare for the ongoing growth over the past several years. From a housing perspective, that has caused housing prices to more than double and rents to increase by almost 50% in just three years. It is merely a supply and demand issue, and our demand for housing has significantly outstripped the supply of available housing. Unfortunately, our housing demand is expected to increase, as every indicator we track predicts a continuation of this growth for 5-10 more years. The good news is that most of us have stopped waiting for the "bust" that has always followed our prior "booms," and we are acknowledging that it really is "different" this time. The 175 new companies we have attracted over the past several years, mostly in technology and advanced manufacturing, have truly diversified our economy. With several large apartment complexes and housing developments moving forward, there is a temporary increase of supply in the pipeline. So, for now, there is a pause in the crisis.

What housing is in the pipeline: According to Brian Bonnenfant, at the UNR Center for Regional Studies and the local housing expert, we added 2,214 new apartments and 1,866 new single-family homes (attached and detached) to our inventory since the first of the year. Brian projects that we will hit 6,000 new housing units this year, more than double last year's number of 2,811. Additionally, 4,194 multifamily housing units are under construction, with 700 of these priced for low-income households. This new housing does not include the 200 transitional housing units at the Village on Sage Street that is expected to open later this year. Additionally, Reno, Sparks, Washoe County, Fernley, Silver Springs, and Dayton all have developments moving through their planning process that will add more than 40,000 housing units over time. However, this is still below the pre-recession levels of housing production and more single-family housing and apartments are only a part of the solution.

Time to embrace the “missing middle” housing: The missing middle housing refers to the housing with anywhere from two to 50 units. This housing can mean duplexes, townhomes and small apartment complexes. It's called “missing” because in many cities it's hard to find and zoning is not there to support this type of housing. As we continue to grow as a city, it will be even more difficult to address our growing demand for housing, especially affordable workforce housing, if we only build more single-family housing and apartment complexes. As a region grows, it finds it necessary to increase the density of housing to maximize the use of land, available resources and infrastructure, the local government services and to keep the prices affordable. This infill of housing is an alternative to sprawl and reduces the traffic associated with the suburban mindset of “drive to qualify” housing.

This pause in the housing crisis is only a short reprieve: If you have tried to find a house under \$400,000 or an apartment in a good neighborhood, you know we are at the limits of our reasonably affordable housing capacity. The recent addition of new housing and apartments has given us time to rethink our options and accelerate the developments that are plodding their way through the planning process. While building more single-family housing and apartment complexes will help, it will not provide nearly enough housing to meet the growing demand for affordable/workforce housing. This is especially true given our projected job growth in the region and the major expansions proposed by Tesla, Blockchain Inc., Switch and others. We cannot let this "pause" allow us to think that the housing crisis was averted. If we do, a genuine housing crisis will return.



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