

[MUSIC PLAYING]

Welcome to the fourth episode of *Design Now*, a podcast from the Harvard Graduate School of Design, where we hear from leading architects, designers, and educators about how they're reckoning with the most challenging issues of our century. My name is Harriet Fitch Little and I'll be your host.

This episode of the podcast is all about housing. Housing accounts for the biggest chunk of our built environment, but it doesn't occupy quite such a significant place in conversations about architecture and design. It's perhaps considered more exciting to talk about the design of a new museum or of a green wall office tower than it is to discuss the architecturally repetitive buildings where most of us live. But today we'll meet people who recognize the fundamental role of housing in creating a more equitable future and the importance of building in a way that is resilient to climate change and responsive to the needs of an aging society.

[MUSIC PLAYING]

We'll hear first from Alexander von Hoffman, a lecturer in Urban Planning and Design at the GSD, and also a senior research fellow at Harvard's Joint Center for Housing Studies which produces the state of the nation's housing, a comprehensive annual report.

ALEXANDER VON HOFFMAN: The fascinating aspect of housing as a topic, is it brings together so many dimensions of life, design, and planning. But also social issues of all sorts society at large whether it's income distribution, or poverty, racial issues, ethnic issues, how we organize ourselves even in households, housing touches on all that. And also economics, and finally politics and policy.

Housing is a topic that brings all of these together in a very important way because shelter is one of the essentials of life. And yet, it quickly ratifies to so many other aspects of our lives. Every society, every government, really has to confront the issue of housing of its population. Most societies-- wealthy people will take care of themselves. And then the question becomes how will the masses find homes? And will they be renters or will they be owners?

Now that immediately when we get into ownership is thought of and how it's own. Technically, who owns it? You go to China, the government owns the land and so you're allowed to build on top of it and you can lease it, but you don't own the land. In other places and around the world, there are means by which individuals can own land. But how will they get the money to do that? Especially as we move forward in the formal world, housing is expensive which is why so many people around the globe live in informal settlements and build their own.

But if you're going to the formal world and governments want people to do that, you're going to need some kind of mechanisms for people to obtain housing. And that brings us to the world of finance, because it's very interesting, there's been a lot of research done recently to show that the methods of finance actually influence the built form that a particular society has. So we all are familiar with the grand flats in Paris, and Berlin apartment blocks that cover those cities and as you see in Europe, Vienna, places like that.

It turns out that the reason they have that as opposed to the little rows and rows of semi-detached housing that you see in England and the little single-family houses that proliferated in many American cities sort of inexpensive one-to three family houses. Is that in Europe, just at the point of industrialization and also nationalization these countries sort of really becoming great nations, unified nations for the first time. They had large financial institutions that the national governments had created often to finance agriculture and industrial development.

But as they saw say a place like Berlin growing by leaps and bounds, these large banks-- national banks often found that they could invest in apartment buildings. They could get more return by investing in the development of the cities in urban residential development, they had a lot of money. And so they could deal with large scale developers who could build these expensive housing blocks as opposed to a much more decentralized system that emerged in the Anglo-American world, which had to do with small depositors putting in money into what are called building a loan associations or saving and loans associations and then borrow back from those organizations the small amounts that they can use to build.

Now it's expensive and then that has an comes up with-- the next thing that you need are national institutions to finance to be able to produce the finance for the housing industry, and housing consumption, housing purchase, so there differences there. So you have this cultural divergence from one nation to the other based on their financial structures, and then that has an impact on the built form. And also what we call housing tenure, how much home ownership there is as opposed to renting.

In countries where there is a lot of rental, in Germany, Colombia, are two countries that come to mind. There's often a set of rules and regulations that protect tenants and to a certain extent, protect landlords, and create a kind of playing field where it's safe to be a renter, you're not going to be thrown out for capricious reasons. But it's also safe to be a landlord, although you might not be as profitable as in other circumstances, you're going to have tenants who will pay the rent generally and you won't have squatting situations and so on. So you have different kinds of regimes in different nations that reflect their political culture and also their financial infrastructures.

[MUSIC PLAYING]

HARRIET FITCH The history of our cities is often a history of their financing. Dutch canal houses say, were taxed on frontage so they grew tall and thin. If you travel to a city where the skyline is a jagged maze of rebar and exposed bricks, it's likely because property tax laws encouraged people to keep buildings permanently under construction. The way people think about what makes somewhere a home can also vary hugely between countries.

In Germany, for example, most people are renters but within a rental market that is well legislated and generally secure. Spain on the other hand, has one of the highest rates of home ownership in Europe, but homes look very different there to how they might in the US. The majority of the population live in urban apartments. The US has its own distinct model for what counts as home. A stand-alone house that you own rather than rent with a symbolic picket fence marking out one family's dominion from the next.

When it comes to the future of housing, this vision is in dire need of updating. We'll hear now from Marc Norman, who is an associate Dean of the Schack Institute of real estate and was a Loeb fellow at the GSD back in 2015. As well as teaching, Marc has an extensive background in the industry. He's been involved in developing or financing over 2000 units, totaling more than \$400 million.

MARC If you look over the last couple of decades, supply has not kept up with demand. And then with housing, even more specifically the kinds of supply haven't kept up with the kinds of demands. And so as for example, the nuclear family has switched to more singles and couples, less people having kids, people getting married later. We didn't change the kind of housing we built, we still built single-family subdivisions.

And a lot of cities stopped allowing the construction of the varied housing we had before, duplexes and fourplexes and other kinds of multifamily. And so there's this sort of disconnect in the supply and demand of housing that has been exacerbated over decades, and now we're sort of in this hole of not having enough housing for both the kinds of families people create but also for people's incomes. And that has led to basically a housing crisis everywhere.

A lack of supply or too much demand actually really benefits certain people. So investors, existing owners benefit greatly from the shortage in housing supply, and so that's what we're seeing. If you have a single-family home you bought 10 years ago, you've generated a lot of wealth by actually doing nothing except sitting on that asset. So there really isn't an incentive, and frankly from a financial perspective, a disincentive for a lot of existing owners allowing more housing or different kinds of housing that would actually help to solve our crisis.

So you'll see in states like California, in New York, and in other states where there's been this move to allow uses other than single-family that you get this big pushback. It's going to reduce the value of my house. It's going to change the character of my neighborhood. And so you have these very entrenched interests that don't want the status quo to change. And that has greatly contributed to the underdevelopment of the kinds of housing and the number of housing units that we need.

Part of it is a sort of political problem, it's changing minds. It's also getting people out to vote for politicians that support housing choice and housing opportunity rather than the existing homeowners that in many cases vote in higher numbers. And sometimes politicians get voted out for doing things that increase supply or change what people think of as the character of their neighborhoods. So it's really a hard issue. I think we have the answers, but we also have to have the political will to be able to change the way we live so that more people have more opportunity.

HARRIET FITCH We'll hear next from someone else with both a connection to the GSD and a practical footing in the field, John **LITTLE:** Rahaim. A design critic in urban planning and design at the GSD. He was the planning director for the city of San Francisco for 12 years. It's a city synonymous with the housing crisis in the US due to its large community of unhoused people, a problem that is quite literally on the doorsteps of Silicon Valley, but which the greatest minds in tech seem unable to solve.

JOHN RAHAIM: I think there does need to be a paradigm shift in how we discuss housing policy. And how we think about who produces housing and for what purpose and for which populations. And I'm speaking through a lens of having lived in San Francisco now for 13 years. And it's hard to imagine it being any more alarming in terms of what the impacts are of these housing costs and the impacts on homelessness in particular let alone the social equity issues. In San Francisco, for example where housing prices are so extreme.

What has often happened is that there is at least in some parts of the city there has often been strong support for public non-profit housing production. And I think that is because the cost of housing and the repercussions of the cost of housing in San Francisco have become so acute that people now recognize that we need to figure out a way to build housing at a lower cost or at least to accommodate a lower income population. And I guess in a bizarre sort of way the housing prices becoming so acute is one way to change the better dime of that conversation.

But I think the notion of really educating the public about the implications, the broader and more substantial implications and repercussions of very high housing costs is a way to do this. I mean as a city planner, one of the things I've learned over the years is that none of the issues we have dealt with can be dealt with unilaterally. Housing production and housing policies are related to transportation policies and climate policies, and all of these other factors that we deal with as planners and as governments.

And so to change the paradigm around housing production and change the kind of way of thinking about housing policy, I think one has to look at the implications and impacts of high housing costs. I mean for example, high housing costs in San Francisco means that many people live 1 hour and 1/2 commute from their jobs. And what are the implications of 1 hour and 1/2 commute to your job? It has impact on CO2 emissions. It has impact on sprawl and people's quality of life on the need for infrastructure in far flung places which is another cost in and of itself.

And it also contributes to frankly, more social inequity and more segregation. Because middle class populations are much more segregated in suburban locations than they are in other locations. All of those are related to housing costs. I think the discussion and the dialogue around housing has to look at that broad range of issues that results from high housing costs. I might be a little pollyannaish in suggesting that we could have a sort of an educational process around this. But I don't know of any other way of doing that other than to simply let people know that it isn't just about whether one can afford a place to live or not, it has huge implications across our social system.

[MUSIC PLAYING]

HARRIET FITCH Of course, the value of education is something the GSD knows well. Jennifer Molinsky, who will hear from next **LITTLE:** works at the Joint Center for Housing Studies as project director of the Housing an Aging Society Program. She's also a lecturer at the GSD where she's teaching a course this fall on why housing matters with a particular emphasis on how past policies have shaped the current landscape. But here, Jennifer shifts the conversation to the future and to thinking about what is needed from the housing market of tomorrow.

JENNIFER MOLINSKY: We are looking decades ahead with a population will look like with those housing needs will look like and a lot of it is driven by our climate realities. A lot of it is driven by demographics. We are an aging society, we are having smaller and smaller households. We have a greater diversity of households than we have in the past. And so not everyone needs the kind of typical house that we've built for the last century, the single-family detached house. We have an imperative not just to stay safe from the storms but also to mitigate what we're putting out into the air so reducing residential energy consumption.

There's a lot to think about and then there's a lot of inequities that we really need to address, many of them stemming from our previous policies. And so there's a big agenda out there. We really can't look too far ahead. So looking out to 2050, 2060, that's what organizations are doing. And organizations like the Joint Center for Housing Studies are looking at household projections out a couple of decades.

I was looking today, noticing that a couple of the big real estate websites have now included climate risk data in their scores of a particular location. So if you're looking for a house and you put in the address of the house you maybe want to buy or rent, you may now find a walk score and you may now find a climate risk score. You may also find AARPs livability index for age friendliness. And so there's all these different things I think that are being brought to the table about what's important for housing.

And so we may find that our preferences for housing are shifting and they're really driven by some of these things that are larger than ourselves. But also, I hope, we're getting more creative and we're thinking outside the box about what's possible. When you ask people how they'd like to live, what they're drawing on is what they know for the most part. So we got to put some more creative, interesting housing solutions out there.

One of the ones that we're studying at the Joint Center is multigenerational intentional community. So the idea that people are intentionally forming a community and living either in apartment building or some kind of setting where, there's a lot more sharing of social space and social life but everyone still has their private apartment. But that allows for mutual support across different age groups. And so things like that, I think we're going to be seeing more and more of as we have these really different demographic trends coming forward. And as these really significant challenges continue to shape what we can do if we're being wise and smart about where and what we build.

HARRIET FITCH The question of multigenerational living which Jennifer mentioned there, is something we've touched on previously on *Design Now*. And we dedicated the second episode of the podcast to health. We'll now return to John Rahaim. And another topic we've mentioned before on the podcast, the thorny legacy of zoning. Daniel Decker spoke about this during our third episode, which was focused on social justice. Here, Jon picks up the thread.

JOHN RAHAIM: Zoning has enormous impacts on land value for example, has enormous impacts on density, obviously. I mean it controls how much one can build, how tall one can build, where one can build certain things and not other things. So all of these issues factor into what have become very complicated, zoning ordinances in many of our cities. The kind of current what thinking about single-family zoning, which means zoning that allows only a single-family home to be built on a certain size of the lot, is that we should loosen that up.

And that in fact, California and a couple of other states have recently changed regulation statewide to say that, every lot in the state should be able to accommodate I think up to four units of housing and not just one home. And the belief is that there are two benefits that are believe to come out of that which I generally agree. With one is it would increase the production of housing. And secondly, it would address some longstanding racial segregation issues which single-family zoning was often used as a way to keep out people of lower incomes and thereby people of different races.

And I think that's true. I think there is a little bit of misinformation going on around how much housing would actually get out of that. I don't think there would be that much housing production just by changing zoning. But there's another aspect to this that I really feel strongly about and that is if we're going to rely on the private sector to build most of our housing which we do, it will take a long time to change our system on how we do that. If we do then we need to hold the private sector accountable for building it.

So we have a situation in California where hundreds of thousands of units of housing have been fully approved by local authorities, but are not being built. And it's remarkable to me how little that is discussed in the media, and by elected officials, and by communities. And the blame for the lack of housing production is typically leveled at communities that don't zone enough for housing or communities that block housing or NIMBYs that prevent housing. And all of those things are true, and all those things are factors into the lack of housing production.

But another factor that is almost never discussed is this sort of lack of production from developers who have fully approved projects and who basically can't get them built. And I find that personally very frustrating because for years, we were blamed in San Francisco and the planning department for holding up housing approvals and therefore housing production. But the current numbers are there-- just in San Francisco alone, there's something like 50,000 units of housing that are fully approved that developers are not moving forward on. They're not even seeking building permits to build it.

There's an aspect of that is related to zoning. And that the zoning was in place to allow these larger projects to be built. But there are many other factors that I haven't really gotten into about housing financing and our lending institutions and all of those factors that go into a system that relies on the private sector to build the vast majority of our homes. The zoning and the zoning process is a big part of it. And communities need to step up and realize that they can't just zone everything for single-family homes, that they have to have denser housing, that they have to have more affordable housing. But we also as I think on the public side, need to hold the private sector side more accountable for getting housing built.

HARRIET FITCH We'll now hear again from Marc Norman about the challenges related to zoning, and why these regulations are so
LITTLE: hard to change.

MARC
NORMAN: At a certain point, you just can't build anymore. You've built out to the zoning you have. The people that are already living in those places benefit from that zoning to the detriment of anybody that comes after them that wants a home or wants to live in a different way other than that particular lifestyle. So I'm heartened that California, Virginia, Oregon, hopefully New York soon that the legislation is pending is getting rid of that single-family zoning.

Not saying you can't build a single-family house, but saying that if you want to build something else, you're allowed to in zones you previously weren't. Because we've now had 40 years of under building. And building a certain type of housing that doesn't really match our current demographics. So my hope is that not the zoning goes away but it becomes flexible enough to accommodate changing lifestyles, growing populations, acknowledging our climate crisis, getting to some of the issues about affordability.

Because if I can build three units on what was a single-family lot, it might not be cheap but it's definitely going to be less expensive than that single-family and it's going to utilize the land much better than a single-family house would. And we really have that problem in every single city in the US. It was ubiquitous, the notion that single-family homes should be isolated and uniform in their appearance in their typology. We did it with office districts too, and COVID is showing us that maybe that wasn't the right decision that a district that's only housing and a district that's only office, and a districts that's only commercial or industrial. In the long run, is bad for the planet, it's bad for mobility, and it's bad for affordability.

HARRIET FITCH I mentioned earlier that Jennifer's teaching this year is focused on the legacy issues that have created the current crisis in housing. Racist policies are a key part of that. Discriminatory lending and real estate practices, for example, mean that a higher proportion of non-white households must reckon with the precarity of the rental market.

[MUSIC PLAYING]

According to the Joint Center's report on rental housing in 2022, the share of renter households headed by a person of color is almost twice that of home ownership households. Here Jennifer talks about some of the ramifications.

JENNIFER MOLINSKY: In terms of research, we are paying increasing attention to the equity implications to the legacies of past policies and to what that means today. What does it mean today that the homeownership gap between Black and white Americans is so large. It's a direct consequence of policies and discrimination in both housing and workforce, but it has led to this situation today where the wealth difference between white and Black household is immense. And so I think that's very much on the agenda of lots of folks.

I think affordability is the big challenge, especially in areas of the country that have such high housing prices like both coasts, but also in places that have low incomes because housing affordability is really a function of your income and the housing costs. So it's really a problem that we see all across the country, and we need to be creative about how to solve that. We have all these demographic pressures too, and I think aging is quite a significant one.

The fastest growing age group in the country is those 80 and over. And so in that age group too, we have very specific needs. The needs for accessible housing get much greater. That group has low income, they're mostly on fixed income. We need affordable housing for that group. And we have this increasing need to marry housing with services to accomplish what people say they want, which is to stay in their housing-- their current house or their current communities.

In many places, especially on the East Coast here, in the West Coast too, you can't downsize your self into your own town. There's nothing smaller that happens to also be cheaper or the same price. It's usually newer, and accessible, and lovely, and perfect, but too much money. Isn't so that's a big challenge. And I think another issue that is very much on the minds of housing folks is how we talk about housing? How we make the case, how do we frame these issues, especially the issues around equity and historical disparities.

We need to really think about that. Especially when we get to the local level and we have conversations about zoning, which become very personal because it's about your property values and about the community you may have lived in for decades. But talking about those things is really important, explaining the history of our policies is really important. And engaging people who don't usually engage. That's another thing that we really need to do. I think that there's a lot of promise to have a much more inclusive housing policy and a much more diverse housing stock going forward that really meets the preferences of lots of people.

HARRIET FITCH Although we've learnt over the course of this episode that the reasons for a particular country's housing conditions are often very specific, that doesn't mean inspiration can't come from elsewhere. We'll hear now from **LITTLE:** Jon again and then from Alexander, who speak about what they've learned from other housing models, particularly that of Singapore.

ALEXANDER It's really helpful to look at examples in places, particularly like Singapore or Hong Kong or some of the **VON HOFFMAN:** Scandinavian countries in northern Europe, they have for decades, have had a kind of housing policy paradigm. Their housing policies are basically such that they believe housing is an integral part of their infrastructure, that affordable housing in particular is part of the role of the public sector.

In Singapore, I believe the number is that 80% of the housing in Singapore is actually controlled by the public sector or the non-profit sectors. In Hong Kong, I believe the number is about 50%. In Hong Kong is one of the most expensive places in the world, in terms of housing costs. But yet half of the housing in Hong Kong is what-- I think Hong Kong in many countries call social housing which allows for that mix of people to be in that incredibly densely packed place. So you have very high, very expensive housing on the private side that higher income people occupy.

And then you have the other half of the population if you will, living in effectively government subsidized housing and allowing for that sort of integration of populations that exist in a place like Hong Kong. And that direction has been very common in those places for decades. And San Francisco, which has one of the highest percentages of housing control by the public and nonprofit sector is it's something like 6%. When you compare that, I mean you really start to imagine a situation where-- even if we were to control 15% or 20% of a housing in our major cities, it would have an enormous positive impact on the affordability over time.

And in fact, with many things that we are discussing these days it comes down to money and politics, but it's a question of priorities in my opinion and where we prioritize our public dollars. But those places, particularly Singapore, particularly Hong Kong are places that we should definitely look at in terms of how their housing policy and how we can think differently about how we produce and maintain housing. I mean I think that issue of how to change the paradigm towards something that approaches a Singapore, Hong Kong approach where the government is much more involved than housing production is probably the single most important factor that I can think of in the long run to actually make a difference.

Why the Singaporeans looked to the West and they looked at the slum clearance and public housing programs in the United States and in European countries and adapted them. They didn't just take them wholesale, they adapted them for their own purposes. They didn't like the way there was racial segregation that they saw in the United States. Singapore faces, a very difficult situation with people of Chinese descent and other ethnic groups, the kinds of resentments that always occurs within different ethnic groups. So they adopted a policy of consciously mixing through quotas different ethnicities so that there would not be one group that was so-called a ghetto of a particular ethnic group.

They wanted to make sure that there was no way for there to be frankly revolutionary movements that would breed in places that were isolated by having one particular ethnic group there. So they do a lot of control of that. And then on the other hand, they after a few years they decided that the people would have a much greater stake in that housing, this public housing they lived in if they owned their own dwellings in these apartment buildings that they were building at such great scale.

And so they provided a mechanism by which a benevolent fund where you contribute a certain amount of money from your salary to this fund and so does your employer. And then you can use that to purchase your home. And so this was quite successful. And so Singapore has almost paradoxically one of the highest rates of dwelling of its population, dwelling in public housing. At the same time, one of the highest rates of home ownership in the world.

HARRIET FITCH For Jon, understanding how a country thinks about housing is one of the most important factors in ascertaining why things are going right or wrong and what might be done to change them.

JOHN RAHAIM: In America, housing is a commodity that we treat as a private commodity much like owning a car or buying a refrigerator. On the one hand, we don't think of it as integral part of our public infrastructure, we just don't. We think of it as something that one privately controls. So 95% or more of the housing in America is built by the private sector, and the government has no role other than to issue permits and approve housing projects. So there's that problem of thinking of it as a commodity.

And on the other hand, it also then is particularly with housing ownership, it is Americans largest source of wealth over time. And so many people, particularly in high-end markets like California, think of their housing as their primary investment, not only a place to live. In some ways, it's not a place to live. And I say that because I am shocked since I've come to Southern California and how much flipping there is. People who are not developers are not really doing this for a living. How often it happens that people will buy a house, do some work on it and then sell it just to make a profit.

Additionally, we think of housing as a source of wealth and a source of income. As opposed to thinking about it, as a piece of our necessary social infrastructure. So if we thought about it, the way we think about other elements of our physical infrastructure, our streets, and our transit systems, and our water lines and such and we thought of it as an integral part of what we need to build as a city, as a state as a country, I think the dialogue would be quite different. It's a social need, it's not a commodity, it's not something to be bought and sold.

The government, the public sector specifically in the public and non-profit sectors jointly should and could get much more involved in the actual production and ownership of housing. So that it takes this notion of private commodity off the table at least for a certain percentage of our housing stock.

[MUSIC PLAYING]

HARRIET FITCH Finally, Marc suggests how America might begin to update its stories, its origin myths concerning what a home should look like.

MARC I think as educators, one thing we can do is start destroying certain myths. In my work, there are number of myths that I'm confronted with people think ownership means a single-family house. Ownership can be anything. You can own a mobile home, you can own a condo, you can own an apartment. So I think this myth that ownership is the single-family house with the backyard and the two-car garage, it needs to be challenged. And that might help move us forward to think about ownership more broadly.

I think another myth is that neighborhoods that have a mix of uses and have old and new styles mixed together are somehow less valuable than a newly constructed sort of uniform neighborhood. And so I think we need to get rid of that myth too. I mean we see the places where neighborhoods thrive. The neighborhood I live in, in the 1960s, statistics showed that 70% of the people in that neighborhood walk to work.

And this was a neighborhood that was built before the zoning code. But after the zoning code and with this notion that we should have in our high-rise districts and office districts, the majority of the people in that neighborhood now commute out to work. So just maybe even understanding the history and how people worked and interacted with each other, and that those things were actually beneficial in a number of ways could also be one way to start to change perceptions neighborhoods. And about ways of living, and ways of owning, in ways of interacting with each other.

[MUSIC PLAYING]

HARRIET FITCH Huge thanks to all our interviewees for speaking about their research and careers for this episode. You can find out more about particular projects via the show notes. And if you haven't already, listen back to the early episodes of the podcast where we introduce the themes discussed here.

This podcast was produced and edited by Maggie Janik and hosted by Harriet Fitch Little. To learn more about the Harvard Graduate School of Design, visit us at gsd.harvard.edu and follow us on social media at Harvard GSD.

[MUSIC PLAYING]