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The National Housing Crisis: A Multi-Faceted Challenge



Yonah Freemark

About the Urban Institute and Our Research

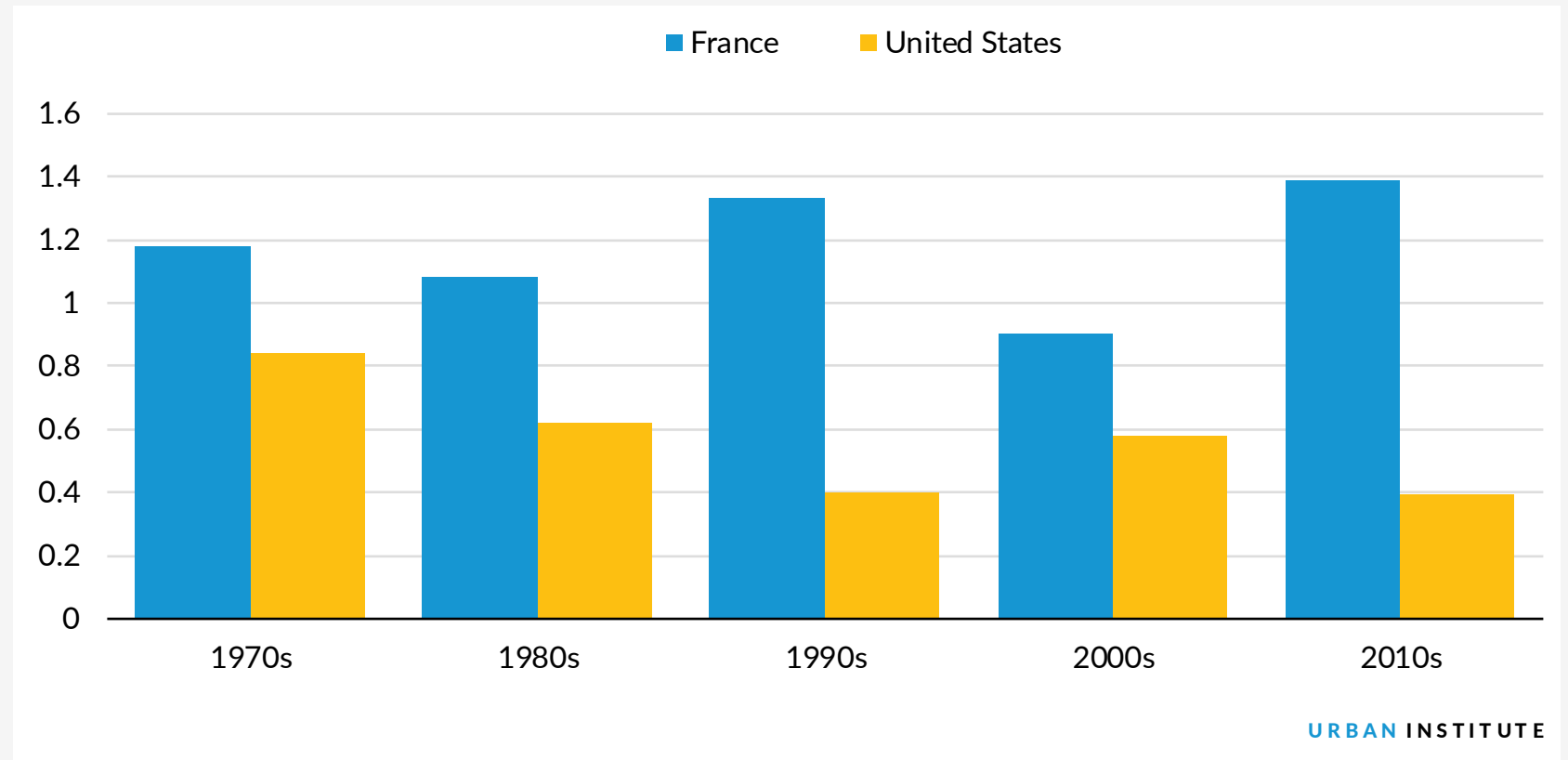
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Housing construction is low, and has declined over the past few decades

Housing Construction Has Continued at a Far Lower Pace in the United States than in Peer Countries Like France Since the 1970s

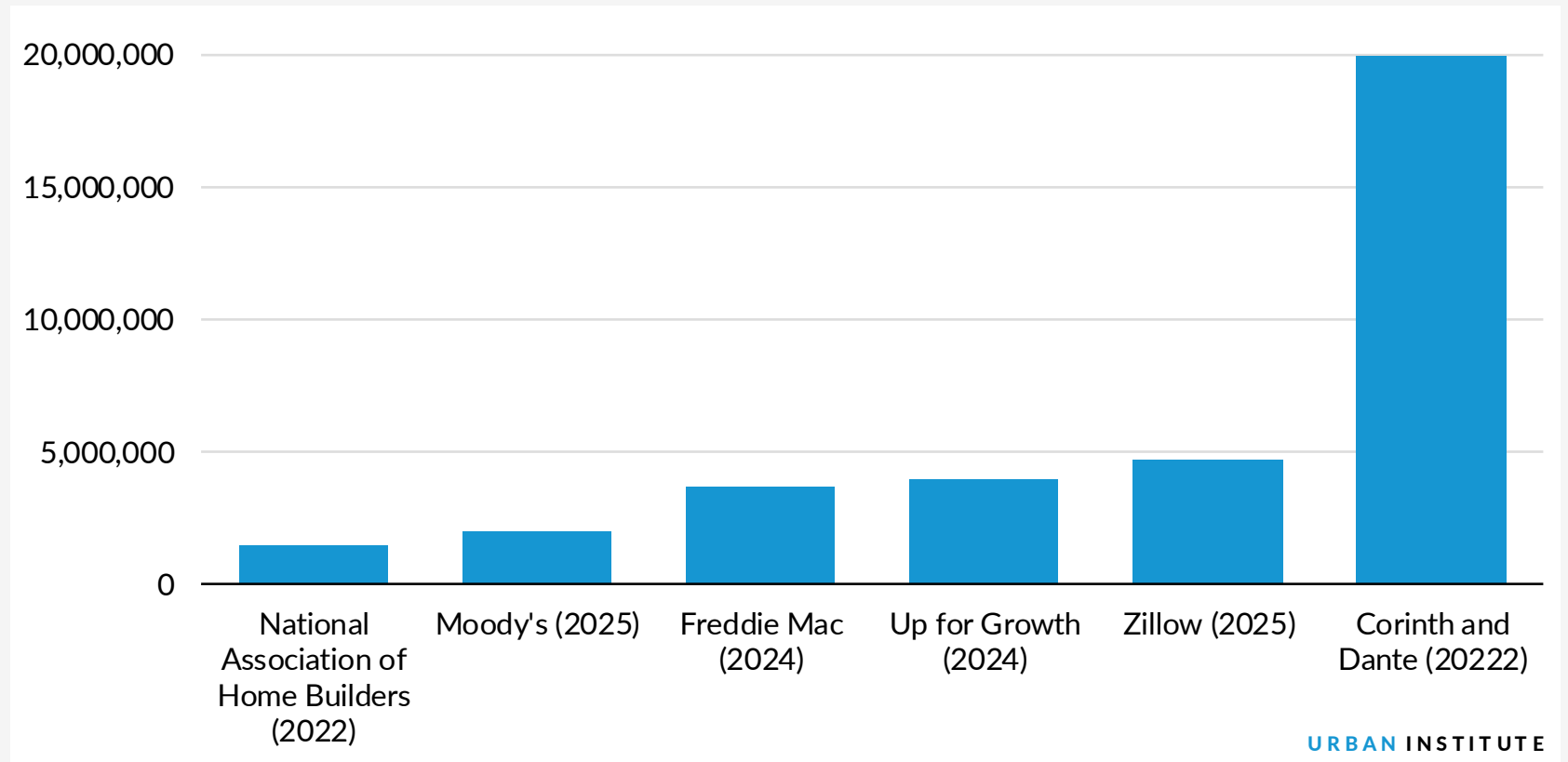
Number of additional housing units per additional resident, France and the United States, 1970s through 2010s



Estimates of the housing shortage show large gaps in available homes

Due to Inadequate Housing Construction, Recent Studies Suggest a Need for the Nation to Add Millions of New Homes

Estimated number of additional housing units the United States needs to address the public's demand for homes

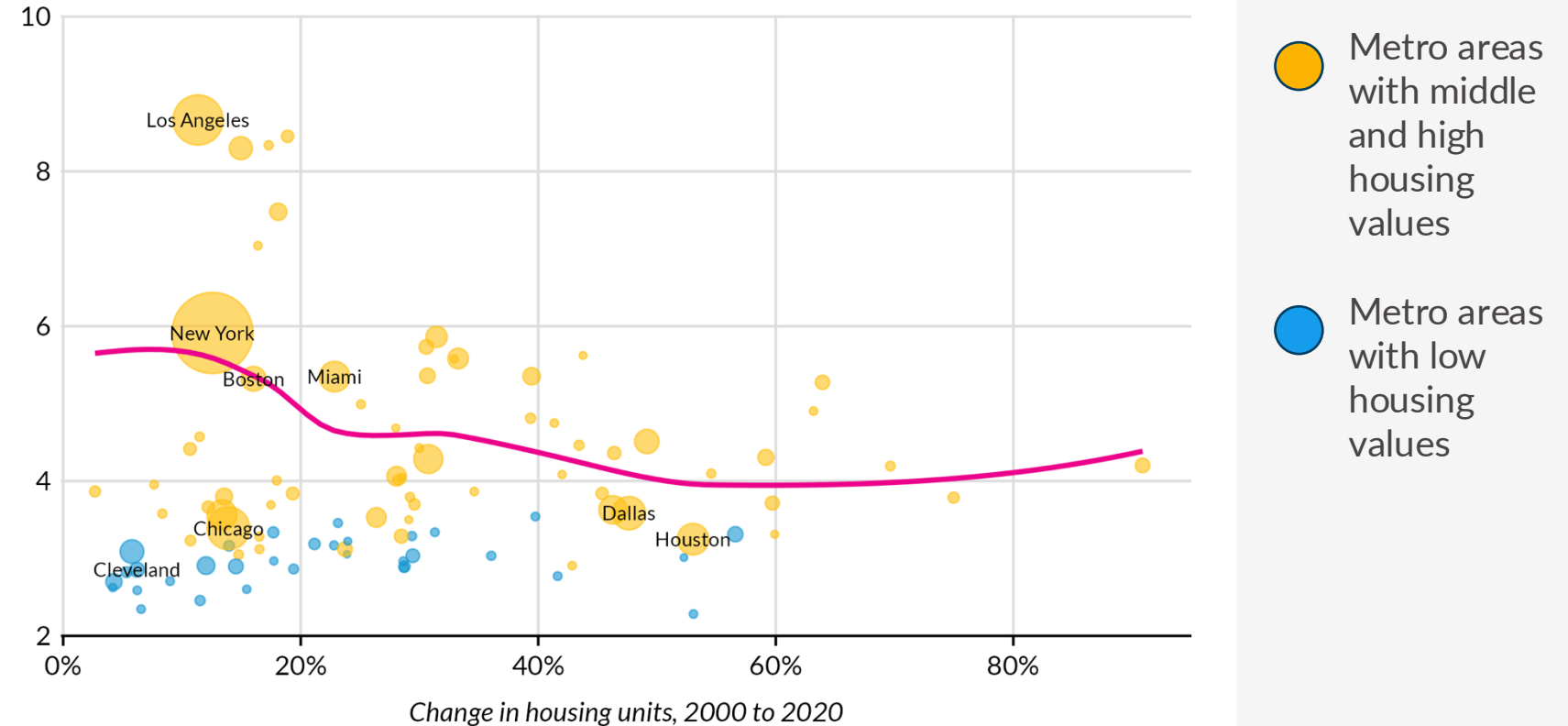


Source: R. Pendall and Y. Freemark (2026), Working Paper.

New housing supply is an essential mechanism to ensure affordability for the middle class

Among Metropolitan Areas With Expensive Housing Markets, New Housing Supply is Associated with Lower Costs

Median housing values as a multiple of median incomes, 2022

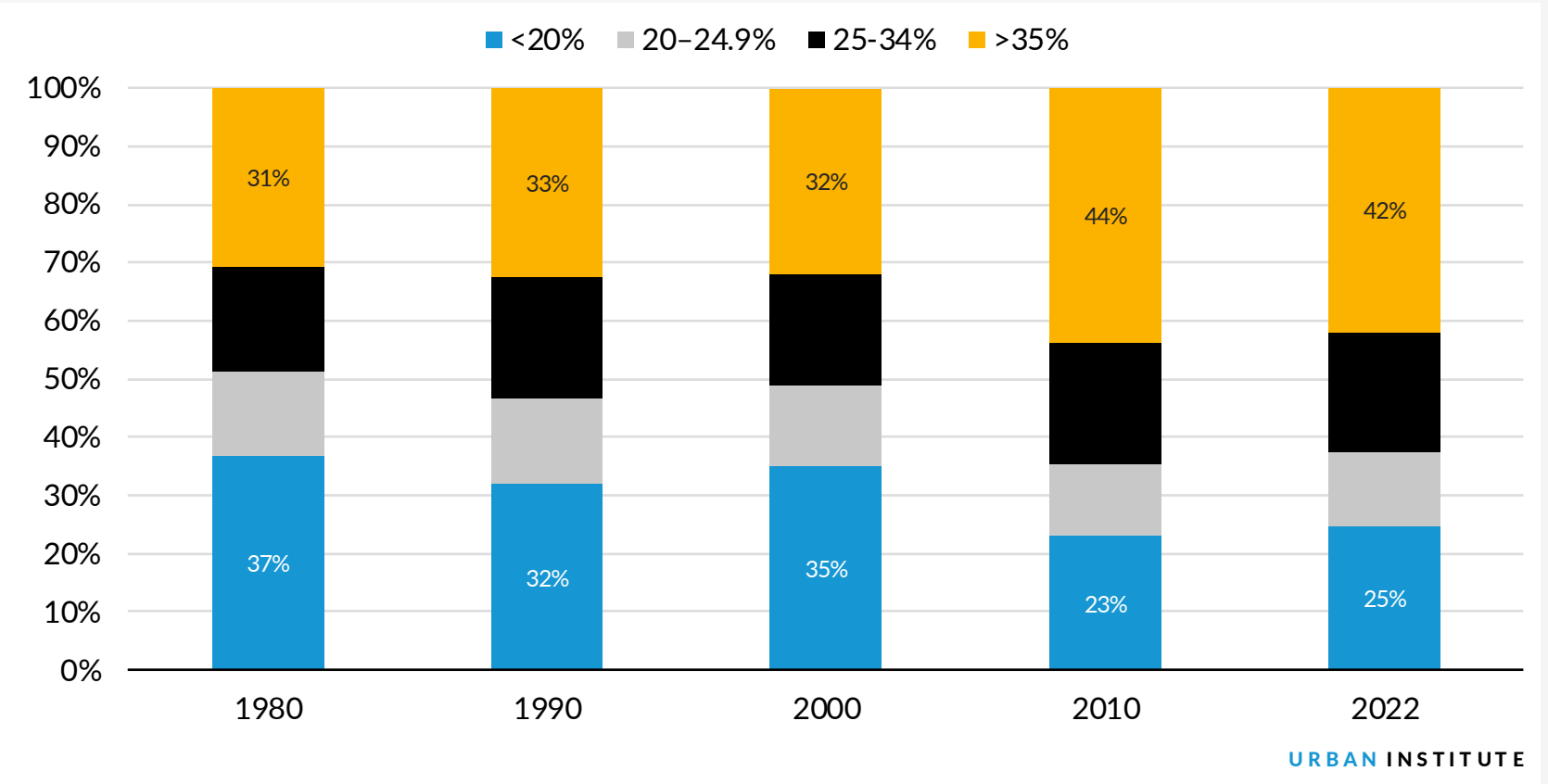


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Rental housing is expensive in historical perspective

Rental housing has become less affordable for an increasing share of renters over the past few decades

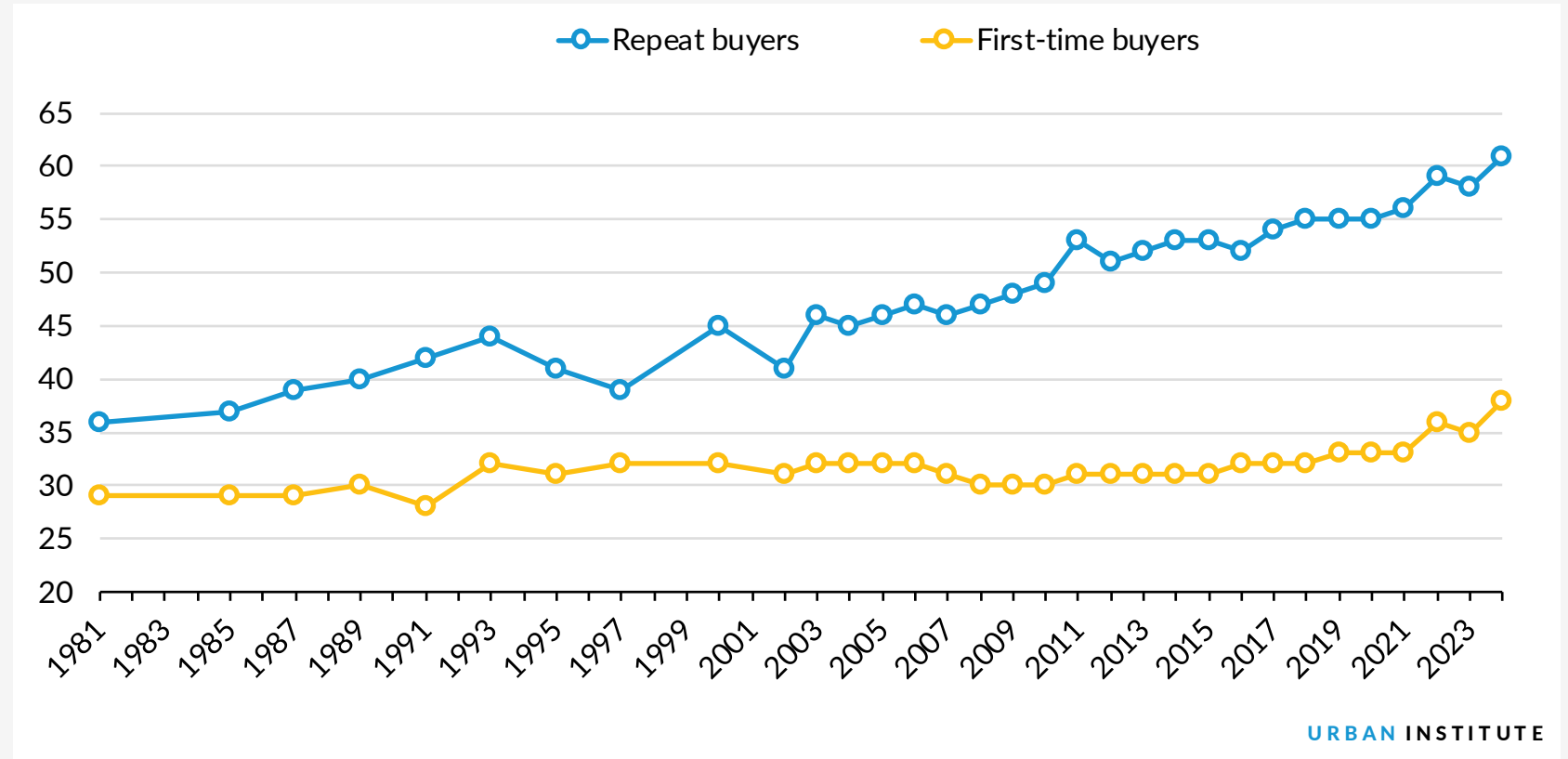
Share of renters nationwide, by share of income paid for rent



Rates of household formation have declined as fewer young families can afford to buy

Increasing Housing Costs, Rising Interest Rates, and Inter-Generational Inequality Are Reducing Homebuying Ability

Median age of homebuyers, United States, 1981 through 2024

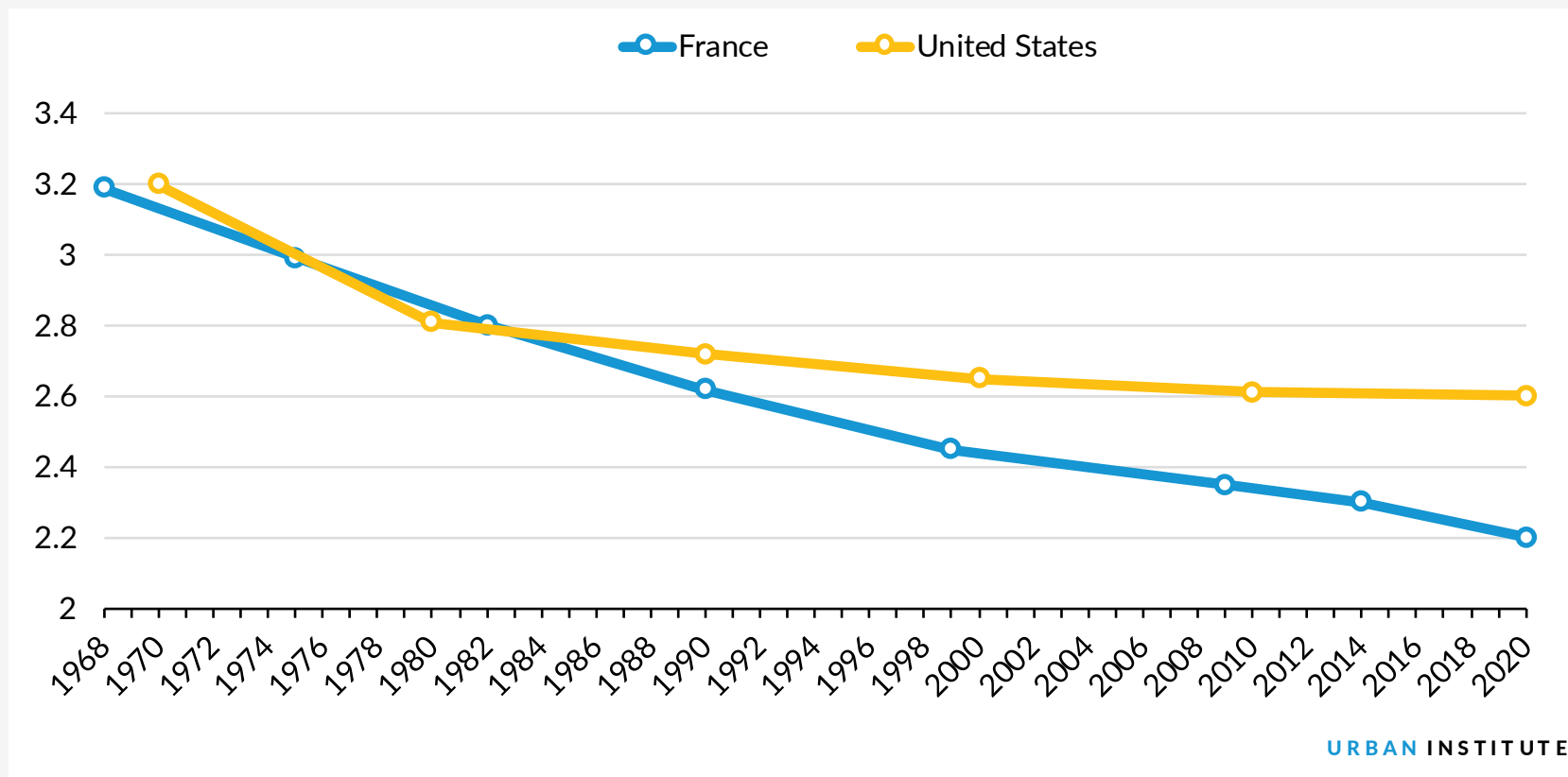


Source: National Association of Realtors (2024), 2024 Profile of Home Buyers and Sellers.

More people are doubling up, and young people are less likely to leave the home

High Housing Costs Are Resulting in US Housing Units Being More Crowded Than We Would Expect

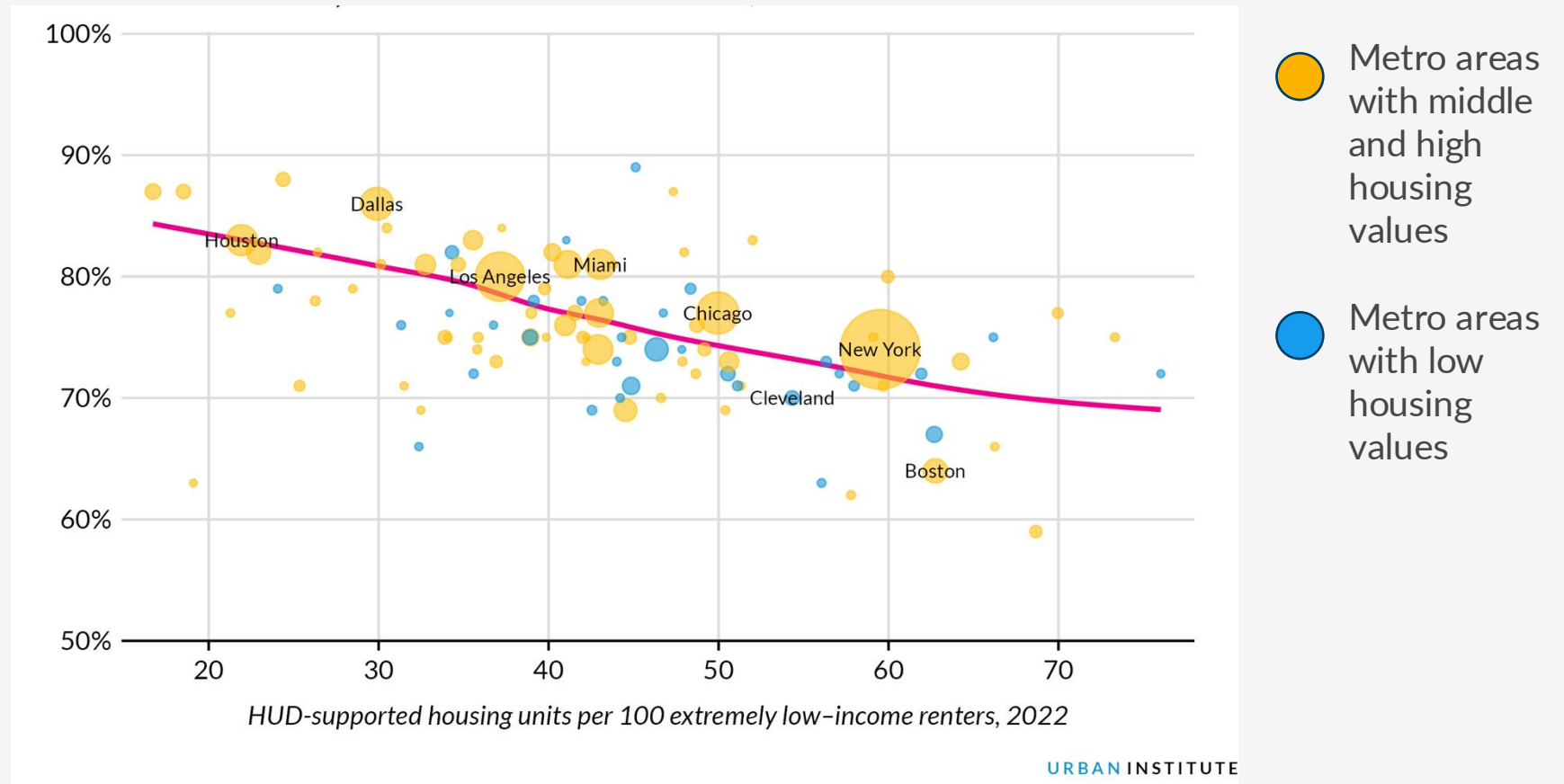
Population per occupied housing unit, France and the United States, 1968 through 2020



Public subsidies for affordable housing make a key difference in reducing costs for low-income families

Additional Availability of Federal Subsidies for Low-Income Families Helps Reduce Cost Burdens

Share of renters with extremely low incomes and severe cost burdens, 2022

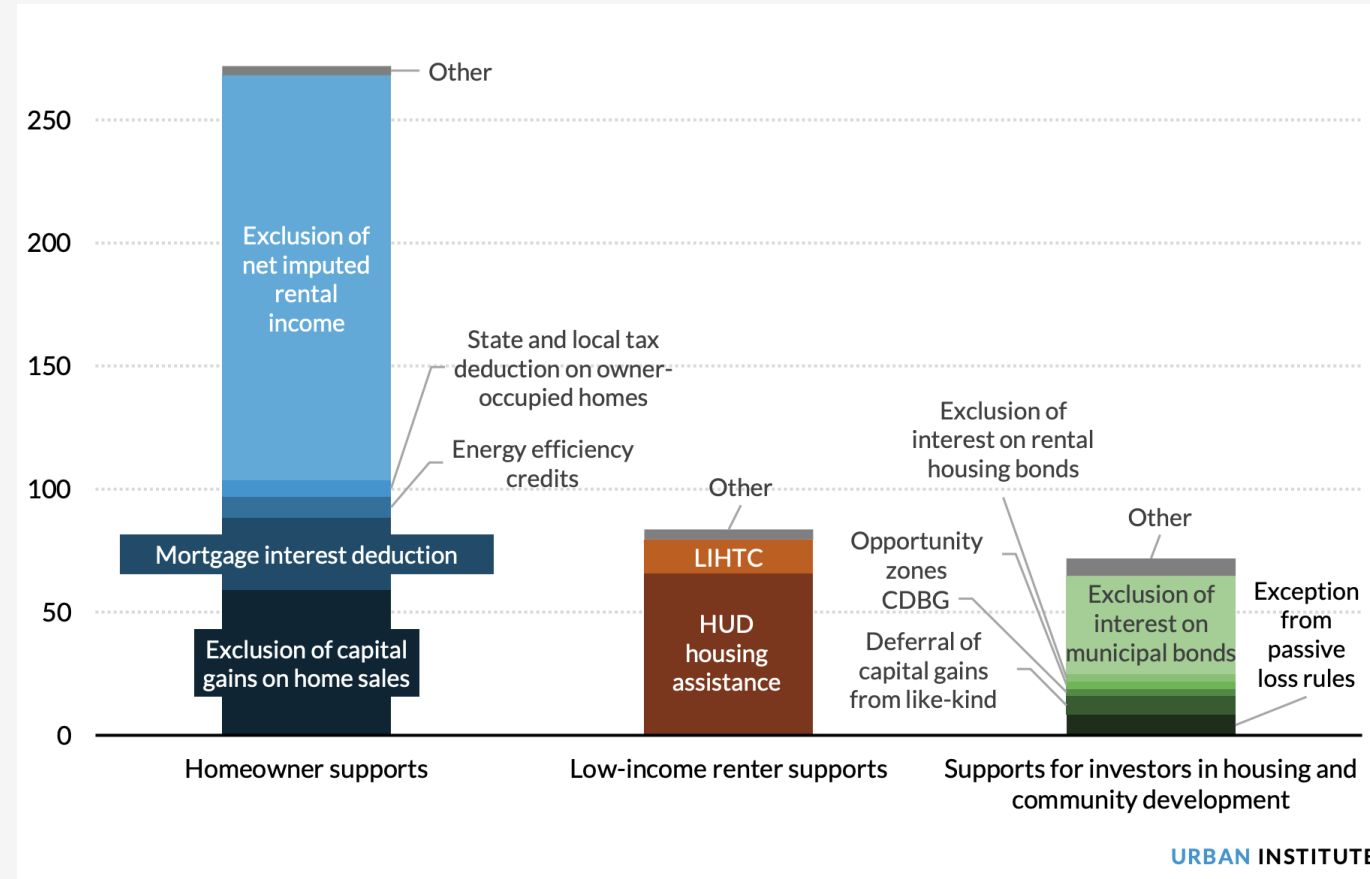


Source: Y. Freemark (2024), "No Single Policy Will Increase Housing Affordability. We Need a Comprehensive Strategy." Urban Institute, <https://www.urban.org/urban-wire/no-single-policy-will-increase-housing-affordability-we-need-comprehensive-strategy>

Most federal supports for housing assist high-income households or investors

Federal Supports for Homeowners Outweigh Those for Renters with Low Incomes

Federal tax expenditures and budgetary obligations, by type and support, fiscal year 2024, in billions of dollars

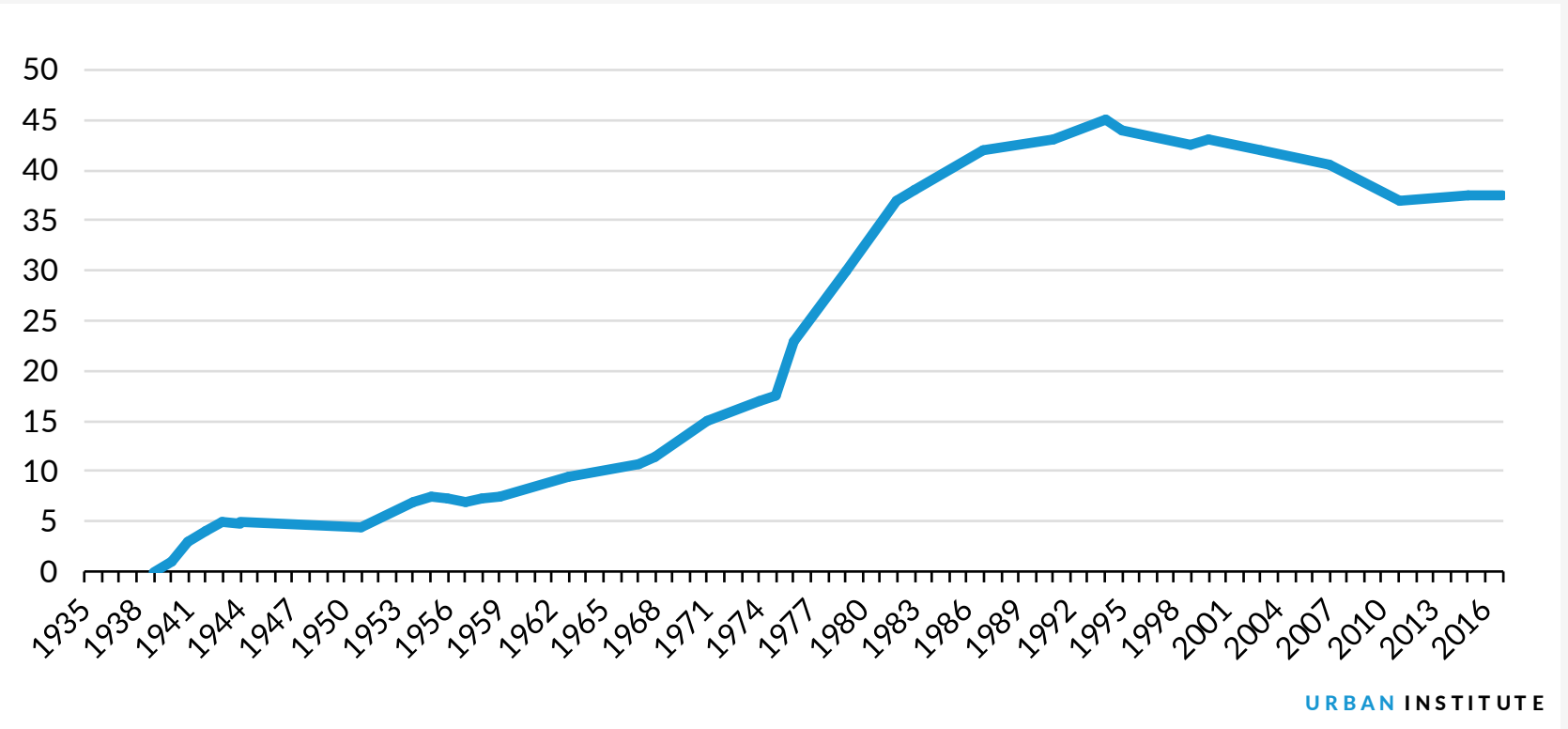


Source: Y. Freemark and A. Hermans (2025), *How Does the Federal Government Support Housing?* Urban Institute. <https://www.urban.org/research/publication/how-does-federal-government-support-housing>

The supply of publicly subsidized housing has leveled off

Deeply Subsidized Housing in the United States: A Declining Commitment?

Units deeply subsidized by the federal government, per 1,000 US households, 1935-2017



Thanks!



Yonah Freemark
*Lead, Practice Area on Fair Housing,
Land Use, and Transportation*
Urban Institute
yfreemark@urban.org