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PRESIDIO BAY VENTURES

SOLVING CALIFORNIA'S HOUSING CRISIS: THE ROLE OF MULTI-HOUSING

Ventana Residences, San Francisco, CA

Multi-housing first appeared in the United States in the mid-1800s, emerging at polar ends of the economic spectrum. Overcrowded tenements sprung up to shelter immigrants and poor Americans seeking factory jobs in fast-growing cities, while luxurious "Parisian flats" proliferated for the middle and upper classes. In 19th century urban centers with explosive population growth, apartment construction "provided spatially compact housing ...and offered an expanding middle class opportunities for investing," writes historian Sharon Marcus, author of "Apartment Stories." The same is true today: Multifamily offers the most efficient solution to a historic housing crisis, especially in jam-packed cities, and a crucial foundation for building household wealth.

Over the 21st century, the U.S. housing shortage has significantly intensified. From 2000 to 2015, the country did not produce enough housing to keep up with population growth, resulting in an estimated shortfall of 7.3 million units. Despite its reputation for progressive policies, nearly half of the gap occurred in California and the state is now the epicenter of the housing calamity. About 12 percent of the U.S. population resides there, but nearly half of the nation's homeless do. The lack of supply has inflated rental prices, devouring income that might otherwise benefit the wider economy, and restricted home buying to a privileged few. A 2021 survey found nine in ten Californians consider housing affordability a problem and one in three are considering leaving the state because of it. As a 2020 Harvard report noted, "The nation's failure to live up to its long-stated goal of a decent home in a suitable environment for all has never been clearer — particularly in the lack of affordable rental housing and unequal access to homeownership."

The root cause of the crisis is unequivocal: There's simply not enough housing being built, and obstacles to new construction are enormous. "It's a disgrace that the richest state, in the richest nation — succeeding across so many sectors — is falling so far behind to properly house, heal and humanely treat so many of its own people," said Gov. Gavin Newsom in his 2020 State of the State address. "Every day, the California dream is dimmed by the wrenching reality of families, children and seniors living unfed on a concrete bed. The hard truth is we ignored the problem."

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In this paper we describe the evolution of multifamily and high-density living, from urban centers to the suburbs. We examine the ways exclusionary zoning, convoluted regulations and political efforts by homeowners have prevented new development and significantly raised the cost of housing across the U.S., but particularly in California. Significant work must be done to address decades of under-development caused by these pernicious economic, social, and historical forces. To that end, we examine current legislative action to spur the development of multi-housing, and the challenges that lie ahead.

GROWTH IN URBANIZATION

The earliest apartment developments can be traced back to the bustling urban centers of the Roman Empire. Buildings from four to eight stories were common, and only the elite lived in single-family homes. By contrast, at the time of American independence, most people lived on farms in individual dwellings of wood, stone, sod, or adobe. As the nation's economy quickly expanded, urban areas adjacent to rich farmland and seaports began to flourish. Cities offered centralized markets to sell and trade agricultural products both domestically and internationally, and hubs to buy consumer goods and specialized services. City dwellers typically lived in attached row houses, some of which took boarders.

During the Industrial Revolution, the pace of urbanization accelerated rapidly: Between 1830 to 1930, the share of the U.S. population living in urban areas increased six-fold to 60 percent. Manufacturers built operations in coastal cities where water offered not only efficient distribution, but hydropower to run their factories. The advent of electricity in the 1880s provided a reliable, affordable power supply, allowing companies to operate 24 hours a day. As centers of trade, cities also dominated banking and the capital markets; the New York Stock Exchange evolved from an agreement signed in 1792 by two dozen stockbrokers on Wall Street. Meanwhile, railroads expanded quickly in the 19th century, carrying goods across the countryside and farm workers to cities in search of better-paying jobs. Millions of Europeans arrived as well, fleeing famine, unemployment, rising taxes, and persecution.

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Industrialization, transportation, urbanization and a mass worker migration put extraordinary pressure on housing demand in large metros. In New York City, for example, the population

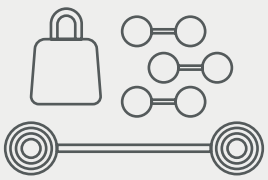
doubled every decade between 1800 and 1880, spurring the construction of cramped, unsanitary tenement housing for the poor, with no running water, ventilation or electricity. In his 1890 book "How the Other Half Lives," writer and photographer Jacob Riis documented life in the slums, where 12 people slept in a room just 13 feet wide, and infant mortality rates soared to 10 percent.

On the opposite coast, gold was found at Sutter's Mill in Coloma, California in 1848. Over the next seven years, 300,000 people from a dozen countries had relocated to the state. They often began their journey in San Francisco, staying temporarily in single-room occupancy (SRO) buildings -- cheap lodging houses that offered 8 x 10 rooms with a shared hallway bathroom -- before journeying north. Louise Clapp, a Massachusetts migrant, wrote a letter to her sister in 1851 describing the miners' housing in her town, which included "about forty tenements…round tents, square tents, plank hovels, log cabins, etc. — the residences varying in elegance and convenience from the palatial splendor of 'The Empire' (Inn) down to a 'local habitation,' formed of pine boughs and covered with old calico shirts." The economy boomed in the sleepy port of San Francisco, and in 1850 California became the 31st state.

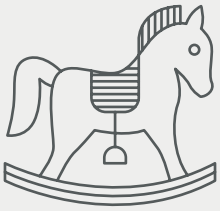
As Europeans flocked to California seeking gold, American architects journeyed to Europe to pursue education and inspiration. Inspired by their travels on the Continent, architects Calvert Vaux, who helped design Central Park, and Richard Morris Hunt convinced New York mogul Rutherford Stuyvesant to build the first middle-class apartment house on East

THE BEGINNING OF MULTIFAMILY HOUSING

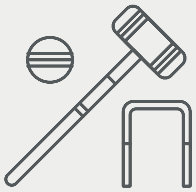
In 1884, Singer Sewing Machine Company commissioned a building for 65 families with the following shared amenities:



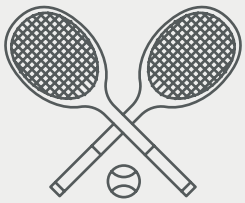
GYM



PLAYROOM



PRIVATE CROQUET LAWN



TENNIS COURT

18th Street in 1870. "Bachelor flats" quickly followed to serve the influx of unmarried men for whom living alone in a house was both impractical and too expensive. (Single men aged 15 and over swelled from 13 percent of New York's population in 1870 to 45 percent by 1890.) Sensing the growing investment opportunity, it wasn't long before the wealthiest industrialists of the Gilded Age joined in: Singer Sewing Machine Company founder Edward Clark commissioned The Dakota as a $1 million apartment building for 60 families, including his own. It opened in 1884 at the corner of 72nd Street and Central Park West, offering 65 unique apartments, some with up to 20 rooms, including 49-foot drawing rooms and floors inlaid with mahogany, oak and cherry. An in-house power plant supplied electricity, and residents enjoyed a gym, playroom, private croquet lawns, and a tennis court behind the building. (So began the multifamily amenities arms race that's still going strong today.)

As the 20th century dawned, the gulf between the worst and best multi-housing contracted. Following Riis' expose, New York State banned tenements in 1901, and implemented new rules requiring light, ventilation and bathrooms. Existing buildings were updated and more than 200,000 new affordable units were built over the next 15 years. On the upper end, massive apartment homes in luxury developments were divided up and sold off. At the same time, municipalities began to recognize the value of high-density design in meeting public needs, and in 1935 New York City erected the nation's first public housing project.

Other major cities followed: San Francisco built five projects comprising more than 1,700 units between 1940 and 1943. With the outbreak of World War II, the city became a key supplier of ships and arms for the Pacific theater, and the Housing Authority constructed thousands of temporary units to house some 90,000 military, government and civilian workers. San Francisco leased 500 acres at Hunters Point and built a "city in a city" where 35,000 people eventually settled. The development was integrated, with about one-third of residents Black. This was a notable exception in the city's history of housing development.

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SAN FRANCISCO'S EXCLUSIONARY ZONING LAWS

Hunter's Point proved to be an extreme anomaly in the history of zoning in the Bay Area, which has demonstrated a striking pattern of discriminatory practices -- with huge implications for today's housing shortage. In 1870, San Francisco passed its first zoning law, the "Cubic Air Ordinances," which required boarding houses to offer 500 cubic feet of space for every tenant. Historians say the true motive was to oust Chinese workers amid a slowing economy, and reduce competition for jobs. The measure was only enforced in places that housed immigrants, resulting in hundreds of arrests of Chinese landlords. A political cartoon in a city magazine at the time satirized the situation, showing Chinese workers being relocated from crowded dwellings into an even more crowded county jail.

> Regulations of both land use and building design repeatedly barred the development of higher-density housing, and forced poor residents out of their neighborhoods.

"The whole point of this law was to criminalize Chinese poverty," historian Devin McCutchen told Fast Company. "These 19th-century stories are really telling because, on one hand, you have this idea about the desire to rationalize the use of space and to make life more pleasant for people. But on the flip side, you have the (Cubic Air Ordinances), which are all about testing the waters for using laws about the built environment in order to penalize people and to dictate the whims of the ruling class."

Scholars suggest this inaugural law laid the groundwork for more than 150 years of ordinances shaped by the city's privileged class, designed to protect their interests rather than manage growth. For example, subsequent regulations of both land use and building design repeatedly barred the development of higher-density housing, and forced poor residents out of their neighborhoods. As Fast Company noted, "it's somehow fitting our national housing crisis would peak in San Francisco, since the city was one of the first to introduce this idea of 'local control,' via land-use zoning."

Discriminatory zoning intensified after the 1906 earthquake, which killed an estimated 3,000 people, destroyed 28,000 structures in San Francisco, and left 225,000 homeless. San Francisco appointed a zoning commission to help rebuild the city, but it had no staff or budget, and business groups and affluent homeowners swooped in to shape the rules. The commission passed the first comprehensive zoning code in 1921, establishing different self-contained "use districts" for single-family homes, apartment houses, commercial activity, light industrial and heavy industrial manufacturing.

"The underlying use of zoning to segregate people and income levels is undeniable," Amit Ghosh, former director of the San Francisco Planning Department, told Collectors Weekly. "It was part of the original intent." Single-family neighborhoods included minimum lot and setback requirements, and later height limits, which restricted residency to those who could afford the higher building and land costs. There were also efforts to codify overt segregation, such as defining sections of the Fillmore District as a residential area to prevent Japanese immigrants from launching businesses there.

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When landowners were unsuccessful at influencing the zoning code, many turned to their building deeds, inserting racially restrictive covenants to filter potential buyers. "They were not explicit city codes, but they were operational," Ghosh explained. "They were recognized by the banks and the people who made loans...although they were not within the city's expressed public codes." Neighborhood associations and real estate boards colluded in supporting these covenants, which were upheld by the Supreme Court in 1926. Meanwhile, poorer parts of the city were also subject to zoning restrictions, but these eroded over time as the city's Board of Supervisors were bribed into granting "conditional use authorizations." These decisions allowed individual owners to circumvent the rules in a subjective way.

"In the freewheeling 1920s, the San Francisco Board of Supervisors, except where the very powerful, wealthy, residential neighborhoods or the downtown financial and hotel districts were concerned, would frequently grant almost any zoning change requested by any property owner, so long as it was accompanied by appropriate private compensation," explained urban planning expert Marc Weiss in the journal *Planning Perspectives*. "The neighbouring property owners and tenants were often quite negatively affected by the zoning change. The biggest public justification for zoning, i.e. that it stabilized property uses and property values, was thus being seriously undermined."

THE RISE OF THE NIMBYS

In his 2020 book "Golden Gates: Fighting for Housing in America," author Conor Dougherty argued that single-family homeowners became increasingly active starting in the 1970s, when high inflation made living expenses unstable, and home prices outpaced the stock market for the first time. Homeowners began to view their dwellings as investments that needed protection. They deployed a myriad of zoning and other tactics to preserve their home values and throttle high-density development. The phrase "Not in My Backyard" – or NIMBY – first appeared in this era, though it was originally used by homeowners fighting large-scale corporate and government projects.

The lack of housing growth fueled higher property taxes, Dougherty explained, and many towns and neighborhoods incorporated to control local land use and zone out the poor, to avoid paying for social services. In 1978, voters approved Proposition 13, which capped property taxes at 1 percent of market value; they are only reassessed when the property is sold, favoring long-time owners. The result was an immediate loss of $7 billion in government revenue, and billions more over the decades. Policy experts have suggested that Prop 13 was the single biggest factor in the decline of California's public schools, which now rank 43rd out of 50 states for per-pupil spending. Less than a decade after Prop 13 passed, voters approved Proposition M, creating the first annual limit on high-rise development in the U.S.

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While homeowners worked to stymie new construction, low-income dwellings began to evaporate. Cities across the U.S. started demolishing SROs, which had transitioned from housing Gold Rush forty-niners, transient laborers and new immigrants to shelters of last resort for the poor. Campaigns to eradicate urban blight destroyed an estimated 1 million

S.R.O. units between the mid-1970s and 1990s in Chicago, New York, Seattle, San Diego, Portland, Denver, and San Francisco. Other low-income apartment buildings were converted to condominiums, including about 15,500 units in San Francisco between 1970 and 2000. At the same time, a combination of patients' rights movements, new antipsychotic drugs, funding cuts and political shifts led to the closing of mental hospitals across the U.S. In California, the number of people in institutions fell from 37,000 in 1955 to 7,000 by 1973. Both events laid the foundation for the homeless crisis, and rising quality of life issues. In 2015, more than half of people experiencing chronic homelessness reported suffering emotional or psychiatric conditions.

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The second half of the 20th century saw an exodus from cities as costs of living and crime increased. A post-war baby boom, rising incomes, and the construction of commuter railroads and highways encouraged middle-class residents to seek larger, lower-cost homes in the suburbs where they could commute to work and access better schools. Over the second half of the twentieth century, the share of metropolitan residents living in a central city fell from 58 percent to 36 percent. (Although both cities and surrounding towns continued to grow in this period, the suburbs grew at a significantly higher rate.) But establishment forces opposed to density prevailed here as well: Today, multifamily housing development is basically banned in 90 percent of San Francisco's suburbs, according to one analysis.

In some cases, the rich and the poor banded together to fight new developments. "A progressive skepticism of market forces is what ostensibly unites the residents of Marin County and Compton in opposing new housing," journalist Matt Levin writes. "For lower-income communities, the fear is the new apartment building is going to lead to rising rents they can't afford. For more affluent suburban areas, the fear is that more condos mean more people who will add traffic and ruin the 'character' of their communities."

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— Matt Levin

THE ARRIVAL OF THE YIMBYS

At the beginning of the 21st century, urban centers experienced a renaissance. The number of highly educated young professionals increased in the downtowns of nearly every large U.S. city between 2000 and 2010, according to researchers at the University of California Berkeley and the University of Pennsylvania. Migration was largely driven by delayed marriage and family formation among young college graduates, higher income growth, and a desire to access restaurants, nightlife and other cultural amenities unique to big cities. Young professionals also worked longer hours, triggering an aversion to commuting. Meanwhile, the national violent crime rate fell by 49 percent between its peak in 1991 and 2012 – and even more in central cities – increasing the probability that high-income and college-educated households would move into these neighborhoods.

The new pool of city dwellers found themselves competing for expensive rental housing -- doubling up with roommates and commuting long distances -- and priced out of home buying. Today, California's housing crisis impacts three distinct socio-economic groups. First are the more than 160,000 homeless people sleeping in shelters or occupying tent cities along freeways and beaches; their housing woes are complicated by addiction and mental health issues. Second are the 7.1 million Californians who live in poverty when their housing costs are taken into account. Fifty-six percent of this group pays more than half of their income in rent, and often lives in crowded, unsafe dwellings. Finally, there's the cohort of younger, educated, higher-income residents shut out of the housing market, because the average home costs seven times the average household income -- up from three times from the 1960s. California's median home price hit a record $818,260 in May 2021, more than 2.5 times higher than the national median.

The pervasiveness of the crisis inspired the "YIMBY" movement, or "Yes in My Backyard." This nationwide group of activists is demanding changes to the housing policy quo, arguing that it has stifled housing opportunity across the socio-economic spectrum. California is home to the largest YIMBY chapter.

Its stated goal is to make the state "an affordable place to live, work, and raise a family" by:

- addressing and correcting systemic inequities in California housing laws, and in related laws and regulations;
- empowering Californians across the state to engage their elected representatives at the state and local levels on housing and related policies;
- ensuring that California housing laws and local regulations are evidence-based, equitable and inclusive;
- and drafting and advocating for proven legislative solutions that accelerate the pace of home building.

The YIMBYs' concerns relate not only to shelter but to long-term financial well-being. Census researchers have found that owning a home and having a retirement account are the two biggest factors in determining household wealth in the U.S. The gap between homeowners and renters is shocking: Owners have a median net worth *80 times* that of renters. The researchers utilized data from the Census' 2015 Survey of Income and Program Participation, so the chasm between the two is likely even wider today.

In addition, the YIMBYs point out that systemic housing policies and practices have had a disproportionate impact on people of color. In 2018, 79.1 percent of white Americans owned their homes, compared to 41.8 percent of Blacks -- a gap of 30.5 percentage points. That's the highest level in 50 years and a 4.1 percentage-point increase since 1960, according to the Urban Institute. And yet homeownership plays a larger role in creating wealth for Black families than it does for white families: housing equity comprises nearly 60 percent of total net worth for Black homeowners, compared with 43 percent for white homeowners.

THREE SOCIO-ECONOMIC GROUPS EFFECTED BY CALIFORNIA'S HOUSING CRISIS

1. PEOPLE EXPERIENCING HOMELESSNESS
2. WORKING CITIZENS WHO PAY MORE THAN HALF OF THEIR INCOME IN RENT
3. YOUNG, EDUCATED, HIGH-INCOME RESIDENTS WHO ARE SHUT OUT OF THE HOME-OWNERSHIP MARKET

WHY CAN'T CALIFORNIA BUILD MORE HOUSING?

The YIMBYs, and many economists for that matter, tout the benefits of urban density. Studies have shown that density "boosts productivity and innovation, improves access to goods and services, reduces travel needs, encourages more energy-efficient buildings and forms of transport, and allows broader sharing of scarce urban amenities." In California, 40 percent of greenhouse gas emissions come from transportation, and they are rising, as the lack of affordable housing forces workers to move farther and farther from their jobs. Researchers at the University of California, Berkeley studied 700 cities, and found that "housing built in urban areas, near transit, jobs and services, can reduce greenhouse gas pollution more than any other option."

Despite the unequivocal benefits of multi-housing, there's not enough being built. Inadequate levels of construction are directly correlated with higher rents in the state's coastal urban counties, according to the state's non-partisan Legislative Analyst's Office (LAO). In 2015, the average low-income household in these counties spent around 54 percent of income on housing, compared to 43 percent in the similarly fast-growing counties outside the state.

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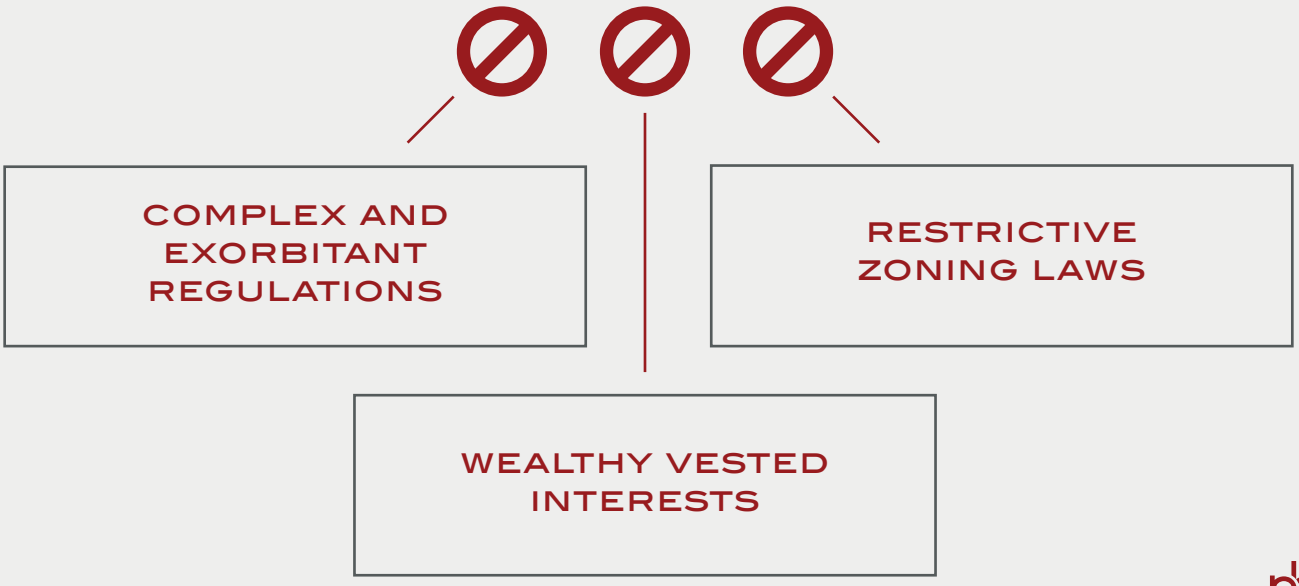
The LAO report points to one clear solution: build a lot more market-rate housing, which will help Californians across the economic spectrum. "Considerable evidence suggests that construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases," the study noted. "Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."

Among the key issues that policymakers must address are those that have been discussed at length in this paper: complex and exorbitant regulations, restrictive zoning laws, and those wealthy vested interests, which unite in myriad ways to block new housing. Although the most egregious forms of racial or economic segregation have been outlawed, more than two-thirds of cities and counties in the state's coastal metros still have policies aimed at preventing housing growth, whether it's limiting building heights or densities, or capping the number of homes that can be constructed in a single year. In addition, some metros favor commercial over residential development to boost tax revenues.

Development fees average $22,000 per single-family home in California, more than four times the U.S. average, and strict building codes often result in higher costs for materials.

Moreover, development fees average $22,000 per single-family home in California, more than four times the U.S. average, and strict building codes often result in higher costs for materials. Building permit review times average seven months in California, compared to four or five months in other states. (That's after the entitlement phase, which can last up to three years.) Another factor: the California Environmental Quality Act (CEQA), which requires local jurisdictions to conduct an in-depth review of a development's impact on air and water quality, endangered species, traffic, parking, and historical sites. CEQA, ostensibly meant to protect the environment, has been weaponized in the courts by every special interest group with a vested interest in restricting new development. In the decade ending 2013, the state's 10 largest metros took about two-and-a-half years on average to approve housing projects requiring an environmental impact report, according to the LAO.

SOME OF THE KEY ISSUES THAT BLOCK NEW HOUSING



THE ECONOMICS AND POLITICS OF DENSITY

Over the last few years, the housing crisis hit a tipping point, and advocates are finally making progress toward their goals. In September 2021, Gov. Newsom signed a package of four bills enabling higher-density development, including SB 8, 9, 10 and AB 1174. First, SB 9 will make it easier to split a single lot into two, and permit construction of up to four homes on most lots that currently allow only one. An estimated 6.1 million of the state's 7.5 million single-family lots would be eligible for the construction of duplexes or division under the new legislation, according to an analysis by the Terner Center for Housing Affordability at the University of California, Berkeley. But only about 410,000 could potentially see more units constructed; the remainder have space limitations or wouldn't be financially feasible, the study said. Predictably, after the Assembly vote on SB 9, a group called Californians for Community Planning filed a proposed constitutional amendment for the November 2022 ballot to reassert local control over zoning and land-use decisions in opposition to the bill.

Second, SB 10 sets up a voluntary process for local governments to access a streamlined zoning process for new multi-housing near transit or in urban infill areas, with up to 10 units per parcel. The measure also simplifies the CEQA requirements for upzoning, giving local leaders another tool to voluntarily increase density. Third, SB 8 extends the provisions of the Housing Crisis Act of 2019 through 2030, accelerating the approval process for housing projects, curtailing local governments' ability to downzone, and limiting fee increases on housing applications, among other provisions. (The Housing Crisis Act of 2019 had been set to expire in 2025.) Finally, AB 1174 makes changes to the existing streamlined, ministerial approval process for housing development in jurisdictions that have not yet made enough progress towards their allocation of their regional housing needs.

In addition, in October 2019, the state approved AB 68, which facilitated the construction of more "granny flats" or Accessory Dwelling Units (ADUs) on parcels of land adjacent to single-family and multi-family homes. It also legalized "junior ADUs" of 500 square feet built inside an existing home. Analysts estimate that the new law could produce 1.8

million new ADUs. Startups have been pitching California homeowners on pre-fab backyard dwellings that can go from contract to installation in 30 days.

Transit sites have also been added to the mix. In 2018, the state approved a law allowing the Bay Area Rapid Transit District (BART) to construct multi-family, mixed-income housing on its parking lots and other land it owns. AB 2923 is expected to produce over 20,000 new homes by 2040, with roughly one-third affordable to lower-income residents. The increasingly aggressive flood of legislative action comes on the heels of SB35, approved in 2017, which allowed for increased height and density in exchange for more affordable housing.

In addition, the state recently fought off a challenge to California's Housing Accountability Act, which makes local governments responsible for doing their part to increase housing supply. The appellate court decision curbs the ability of local municipalities to block new housing that is supposed to be allowed under their own existing rules and general plan. In 2019, the state sued Huntington Beach for blocking affordable housing production and refusing to meet regional housing needs.

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Separately, housing for the homeless appears to be gaining momentum. During the COVID-19 pandemic, the state paid $800 million to buy 94 hotels that will eventually become permanent supportive housing, or housing with on-site social services. The health emergency enabled the state to deploy federal funds and side-step many of the housing rules that could have blocked the purchase.

Other proposals are in the works. California recently introduced a trio of new housing bills -- SB6, AB 115 and SB 15 -- that would increase the number of sites available to create affordable housing by allowing commercial retail- and office-zoned properties to rezone for residential development, as long as they are not adjacent to an industrial property. According to one analysis, SB 6 would make 374,000 acres of land available for residential development – about 3 percent of all parcels statewide – and could support up to 2 million housing units, depending on market conditions, and generate $6 billion in annual revenue.

WHAT'S NEXT FOR CITIES?

While legislative efforts endeavor to produce more housing, demand factors are in flux. The flight to downtowns began to reverse before the COVID-19 pandemic, as millennials entered their prime childbearing years. People started to migrate out of the Northeast, Midwest and coastal California to the Southeast, Southwest and interior Mountain West in search of larger, more affordable homes. COVID-19 and the swift revolution to remote work have accelerated that flight. Reports say the "exurbs" -- situated 30 to 60 miles from big cities -- are booming. In fact, exurban areas expanded at almost twice the national rate over the past decade, according to the Brookings Institute, a trend that could continue amid the growth of remote work.

On the other hand, big tech companies are making blockbuster office investments; Alphabet, the parent of Google, is now one of the largest real estate owners in New York City. Major financial hubs are regaining residents: from May to June 2021, Manhattan mailing addresses increased by 0.31 percent. By late summer 2021, landlords were reportedly hiking rents as much as 70 percent from pandemic lows. Meanwhile, government officials have proposed converting obsolete office buildings and distressed hotels into housing, which has the potential to diversify activity in central business districts.

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Americans born between 1996 and the mid-2000s, known as Gen Z, could also reignite activity in big cities. In the summer of 2020, the percentage of 18- to 29-year-olds living with their parents reached a record 52 percent, as young professionals abandoned city apartments during the pandemic and moved home. They represent pent-up demand, and are likely to return to downtowns when offices, restaurants, bars, and cultural venues fully reopen. "As Gen Z starts coming out of school and into the workforce, they're going to revitalize the urban core," said Frank Nothaft, chief economist at CoreLogic.

The landscape remains highly dynamic. Political momentum is shifting in favor of higher-density living, helping to address decades of under-development. Historically cities have always proven to be resilient, roaring back from pandemics, economic crises, and war. We expect to see a similar evolution after COVID-19, with multi-housing serving as a key pillar in the renaissance.

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