

Lawrence has a housing affordability problem.

A national trend is being felt right here in Lawrence. The convergence of increasing costs of land, labor, materials, permitting and regulatory requirements has made it nearly impossible for developers and homebuilders to invest in moderately priced housing. As a result, our community has a noticeable gap in available housing that is moderately priced and available for our local work force, first home buyers, seniors, and residents on a fixed income.

The recently released Housing Study speaks directly to this problem. Per the Housing Market Analysis presented to the City Commission, nearly half of non-student renters with an annual income between \$35,000-\$75,000 want to buy a home and could likely afford a house between \$110,000 and \$262,000. However, the report also provides that the median purchase price for a home in Lawrence has gone up from \$129,000 in 2001 to \$239,700 in 2018 and is projected to rise as high as \$343,695 in the next ten years.

The Housing Study also confirms that for the approximately 2,000-3,000 who want and could afford to buy, there are only 250 affordable units in our community. Basic economic principals tell us that high demand and low supply drives prices up, which only further exacerbates the housing affordability problem and prices out people who otherwise would be good candidates for home ownership. Economically constraining people from buying also burdens the rental market, which otherwise could offer more to lower income residents for whom ownership is not currently an option.

Affordable housing is a messy, complicated issue and there are exciting, innovative conversations happening, particularly among Lawrence's non-profit community to address the issue as it relates to our lowest income residents, many of whom experience or are near homelessness. This is an important issue but by limiting the issue of affordable housing only to our lowest income population, City leadership is missing the forest for the trees. The City should be looking for ways to encourage and incentivize the building of moderately priced homes; instead it seeks out policies which makes it harder to fulfill this community need.

In particular, in the latest draft of the City's comprehensive plan, Plan 2040, the City has proposed a policy which would require new residential growth and development – even in areas adjacent to existing City limits – to include a “community benefit” in order to receive even the most basic City services. Lawrence home prices are already higher than most of our area neighbors, in part due to more onerous regulatory requirements. A mandate that new development include a “community benefit” only serves to encourage the development of larger, pricier homes to absorb the additional cost of the “community benefit,” rather than moderately priced homes that our community so needs, or worse, deter development altogether. Unless we add additional affordable homes to our inventory, the growth of our population and rising home prices will only put affordable housing beyond the reach of more and more of our neighbors.

The Lawrence Board of REALTORS® believes that everyone in Lawrence should have access to safe, affordable housing and that everyone should be able to experience home ownership within their means. To that end, we ask that City Leadership look at housing affordability in Lawrence as it pertains to all Lawrence residents, and adopt policies which will incentivize and encourage the growth that Lawrence needs rather than deterring it with additional costly requirements.

Henry Wertin, 2018 President – Lawrence Board of REALTORS®

Rob Hulse, Executive Vice-President – Lawrence Board of REALTORS®

Danielle Davey, Governmental Affairs Director – Lawrence Board of REALTORS®