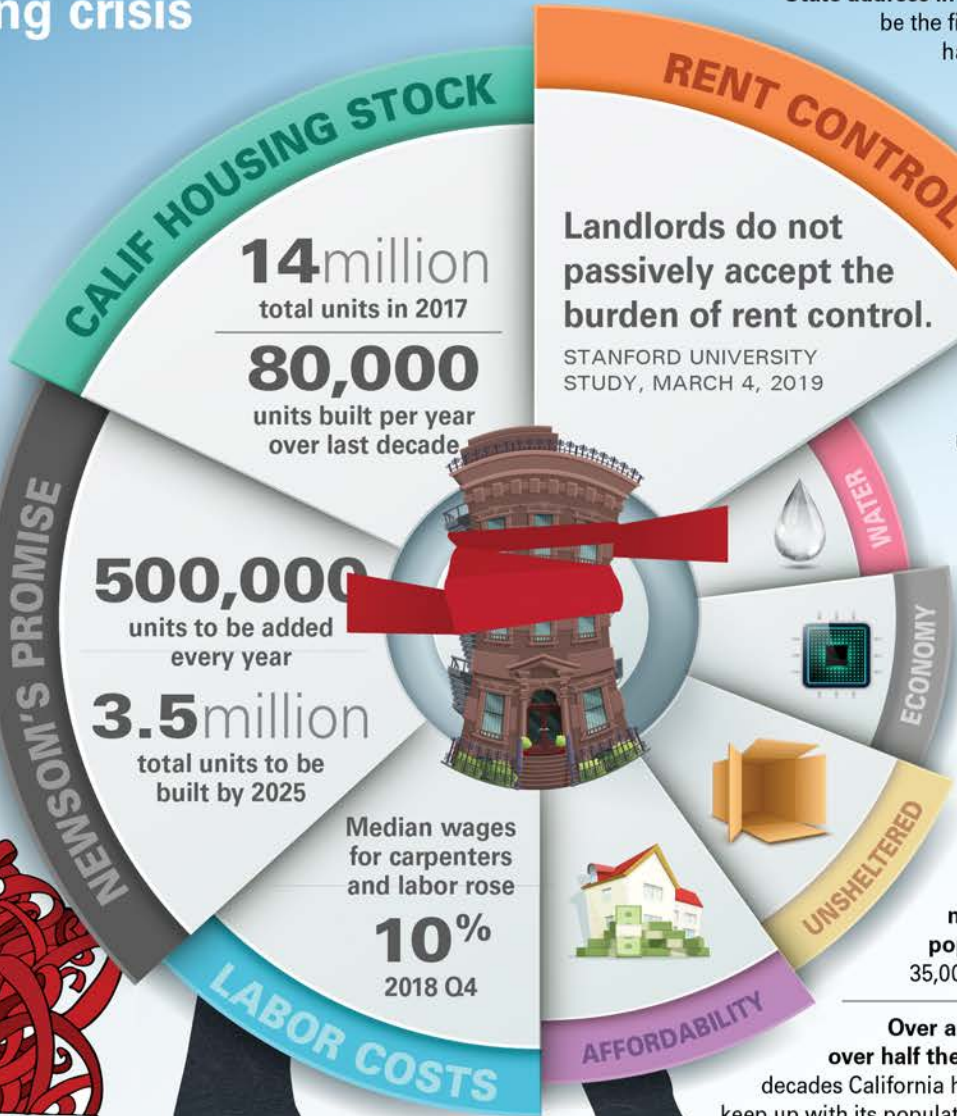


# California's circular housing crisis

"Get me a good package on rent stability this year and I will sign it," Newsom said in his State of the State address in February. This wouldn't be the first time the state legislature has overturned the will of the voters who overwhelmingly struck down rent control in November.



**Extreme environmentalist mandates**, the high cost of building permits (often as much as construction materials), unchecked immigration, restrictive zoning, and numerous court orders are just some of the policy-related challenges facing California builders according to Sue Frost, a Sacramento County Supervisor, speaking to a taxpayers group recently.

**Affordable housing death march: rent control** "Rent control is unconstitutional because it is an egregious and uncompensated physical occupation of property," said George Will. It's where property owners receive "no compensation for being coerced into privatized welfare." Stanford's study shows that apartments are removed from inventory when rent control is enacted.







**\$64,575**  
to **\$86,100**  
national average  
cost to build a new  
apartment unit

FIXR APRIL 2019



**\$440,000**  
to **\$500,000**

Los Angeles and  
Santa Clara County  
average cost to build  
a new apartment unit

PATH VENTURES PROJECT, EAST HOLLYWOOD,  
AS REPORTED TO NPR



**48 of 50**

California's national  
rank in quantity and  
level of restriction in  
laws and regulations  
(including land use,  
local rent control)

FREEDOM IN THE 50 STATES, CATO INSTITUTE

## Why does it cost so much?



Rising cost of land,  
materials and labor



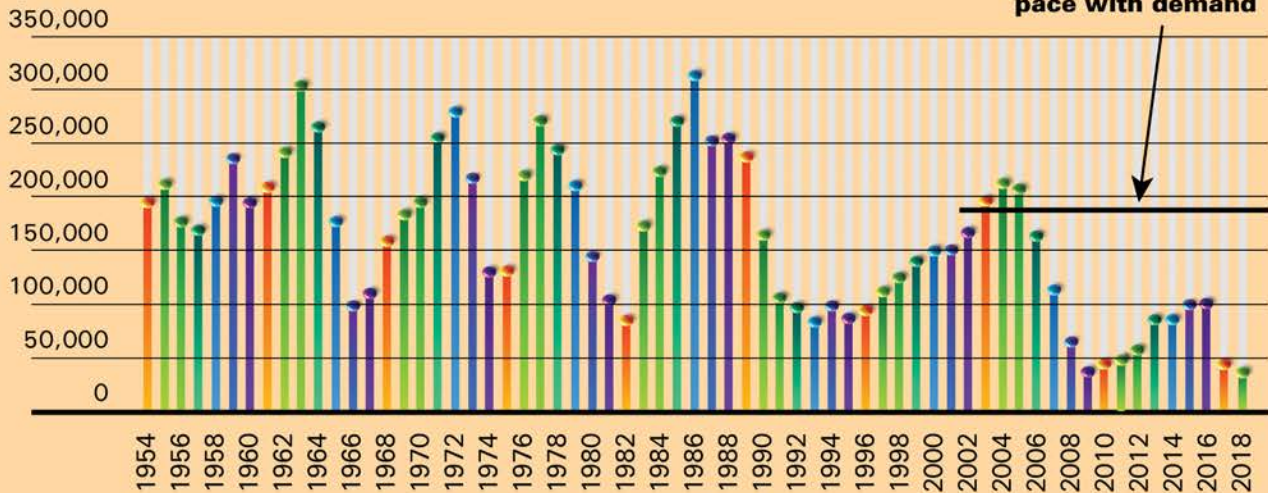
Over 30% of the cost of  
apartment construction  
goes to local fees, codes,  
permitting and regulations



Uncoordinated city fees  
and requirements add up  
to significant sums that  
will be recovered in rents

## California is building far fewer apartments

New  
apartment  
permits



SOURCE: CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, U.S. CENSUS BUREAU

SOURCE: NATIONAL ASSOCIATION OF HOME BUILDERS MULTIFAMILY, U.S. CENSUS BUREAU, THE TERNER CENTER, THE EFFECTS OF RENT CONTROL EXPANSION ON TENANTS, LANDLORDS, AND INEQUALITY: EVIDENCE FROM SAN FRANCISCO BY REBECCA DIAMOND, TIM MCQUADE, AND FRANKLIN QIAN, MARCH 4, 2019, RENT CONTROL UNCONSTITUTIONAL TAKING OF PROPERTY BY GEORGE WILL, FEB. 16, 2012



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