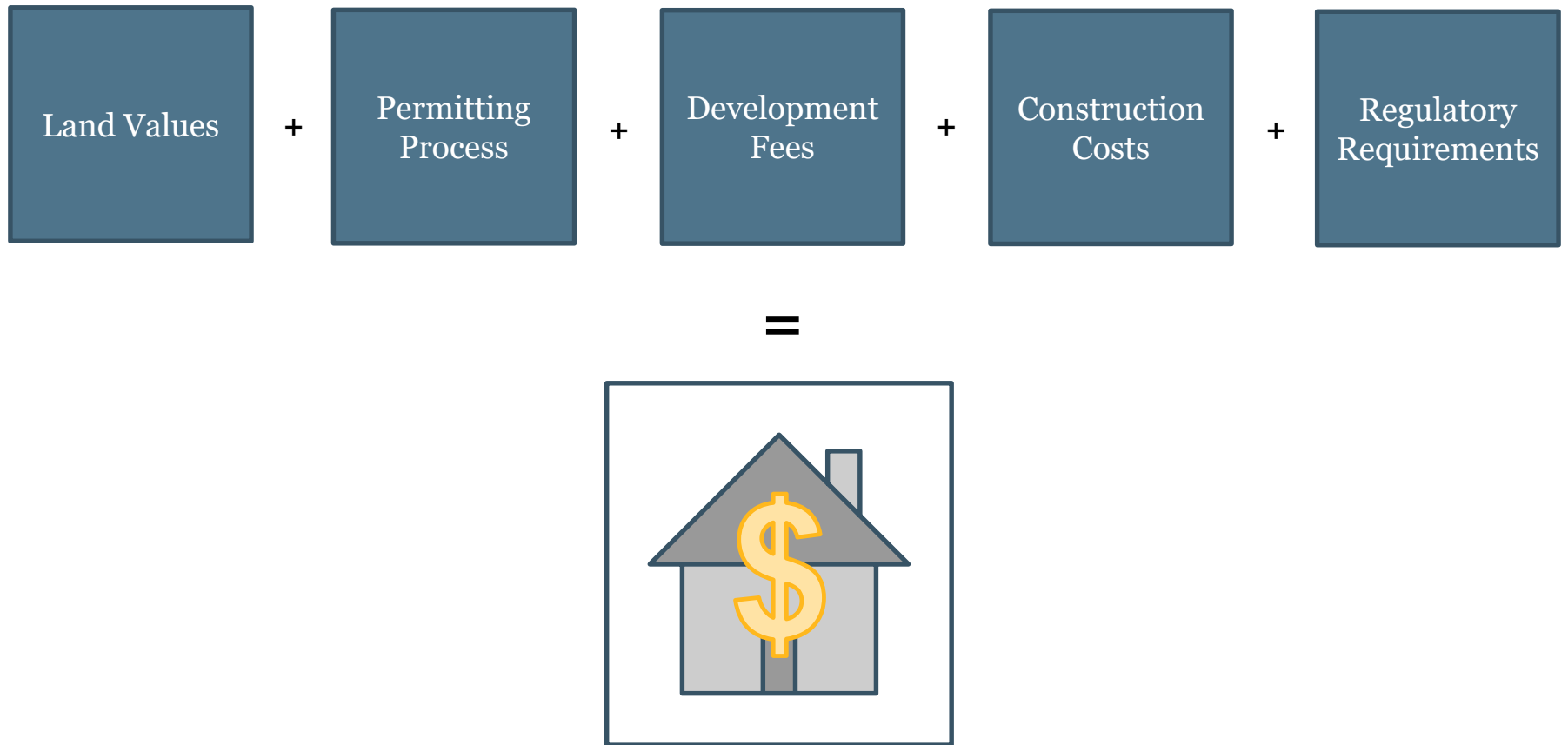


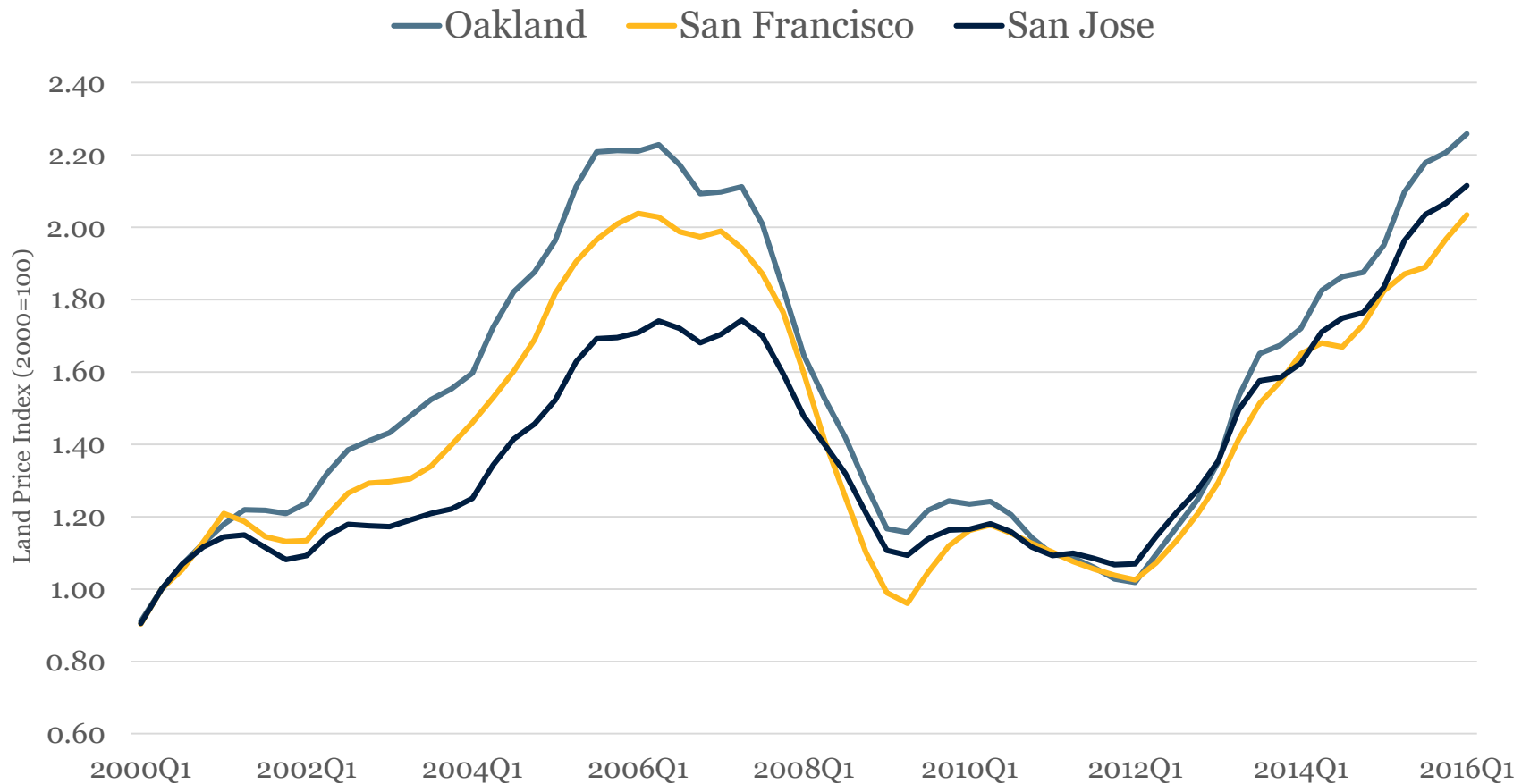
Why Does Housing Cost So Much to Build?

Carolina Reid, Faculty Research Advisor
May 30, 2018

Costs Accumulate Throughout the Housing Development Process

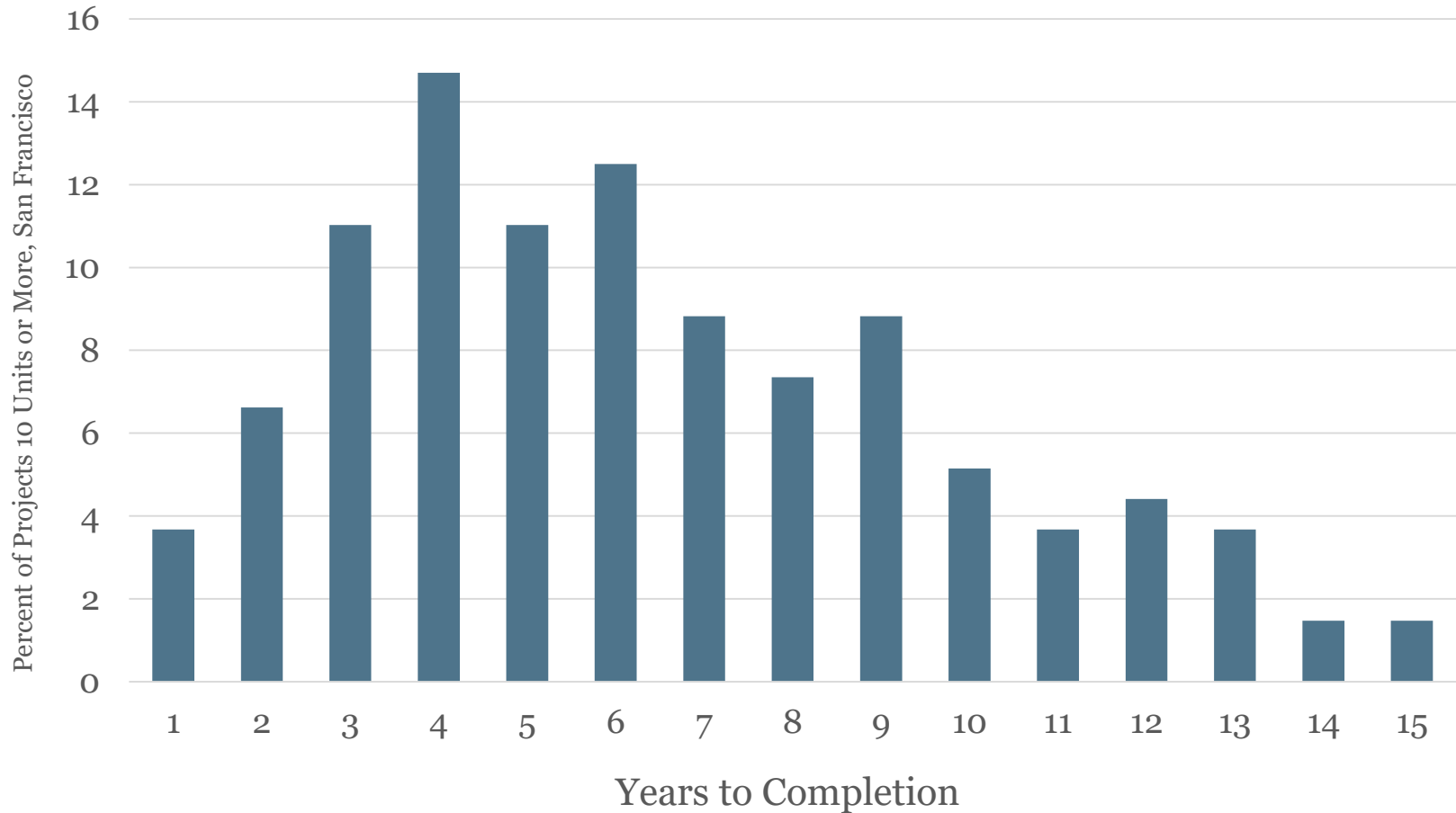


Land Values Have More than Doubled Since Recession



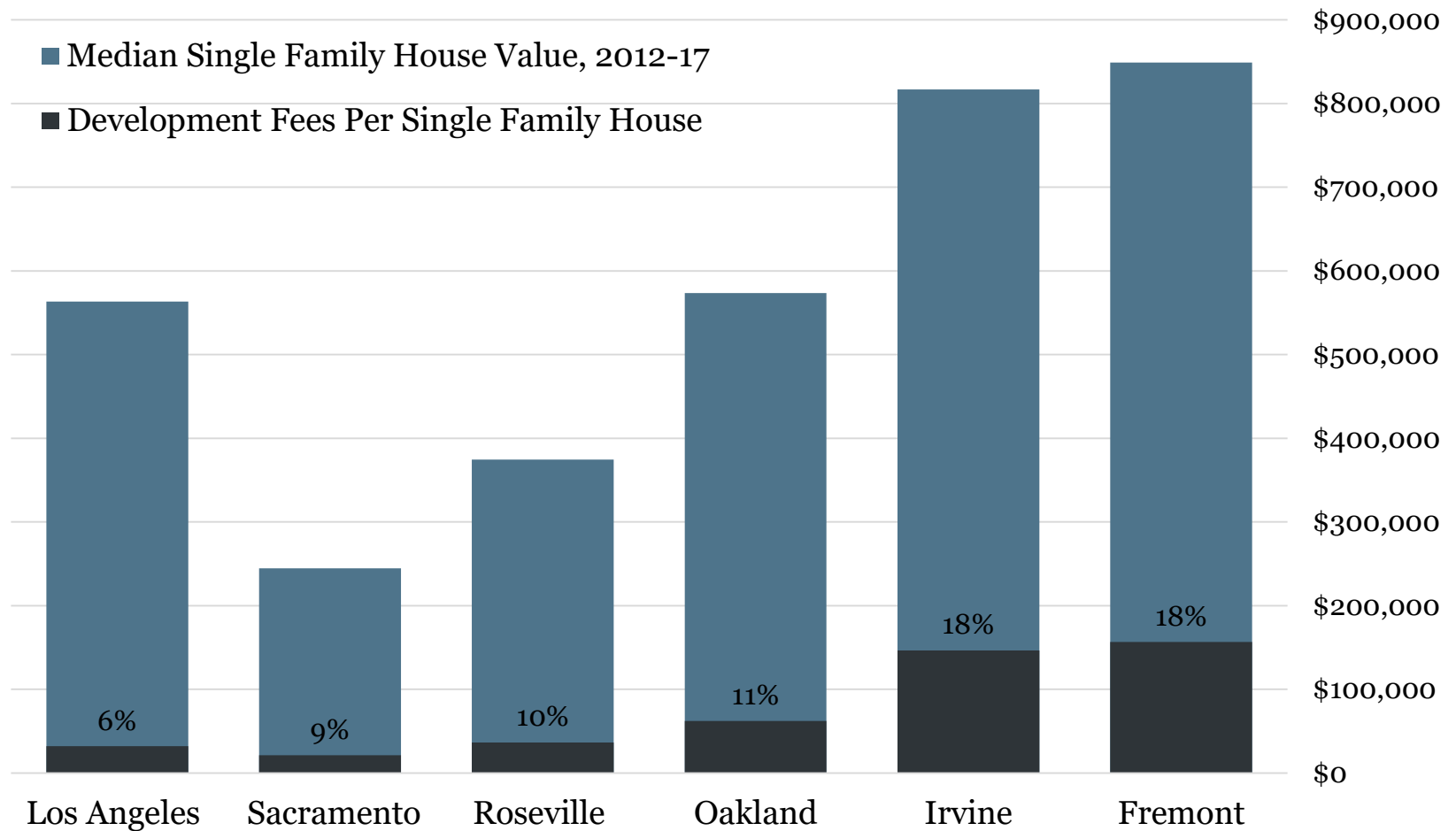
Source: Lincoln Institute of Land Policy, <https://datatoolkits.lincolninst.edu/subcenters/land-values/metro-area-land-prices.asp>.

Lengthy Development Timelines Add Costs



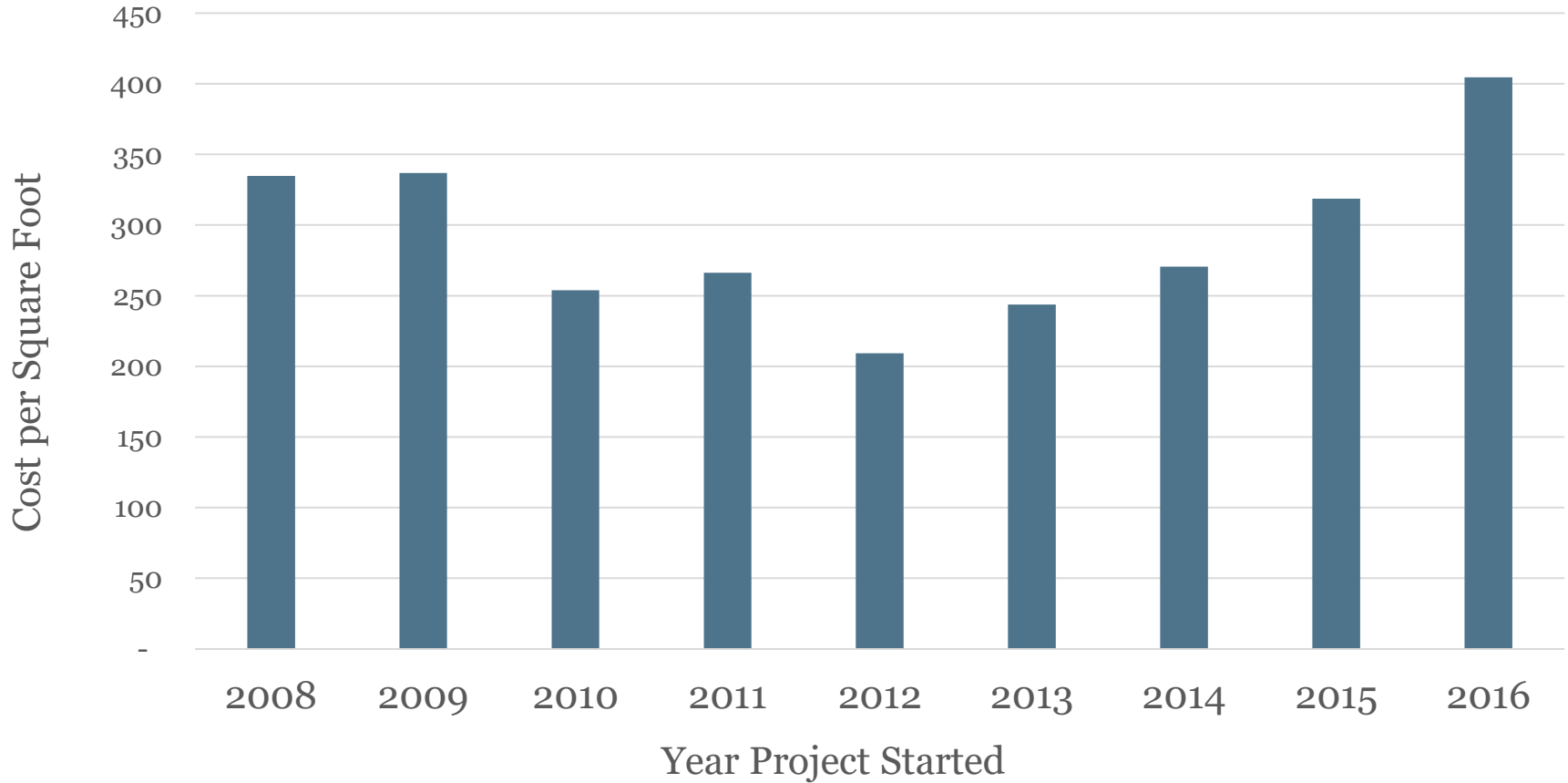
Note: N=137. Terner Center analysis of SF Development Pipeline Data, 2009 – 2017, conducted by Brian Goggin.

Development Fees Add On to the Costs of Housing



Source: Mawhorter and Garcia (2018). "It All Adds Up: The Cost of Housing Development Fees in Seven California Cities." Turner Center for Housing Innovation.

Construction Costs Have Been Rising Rapidly Since End of Recession



Source: Turner Center analysis of construction cost sheets, affordable and market rate projects. Data limited to construction types 5 and 1, for projects built in the Bay Area.

Factors Contributing to Rising Costs

- Building code and design requirements
- Constraints around workforce and procurement rules
- Environmental regulations
- “Death by a Thousand Cuts”

Thank You!

- Project Team
 - Elizabeth Kneebone, Research Director
 - Hayley Raetz and Teddy Forscher, Construction Costs
 - Sarah Mawhorter and David Garcia, Impact Fees