



Housing the World: London, Toronto, and Amsterdam

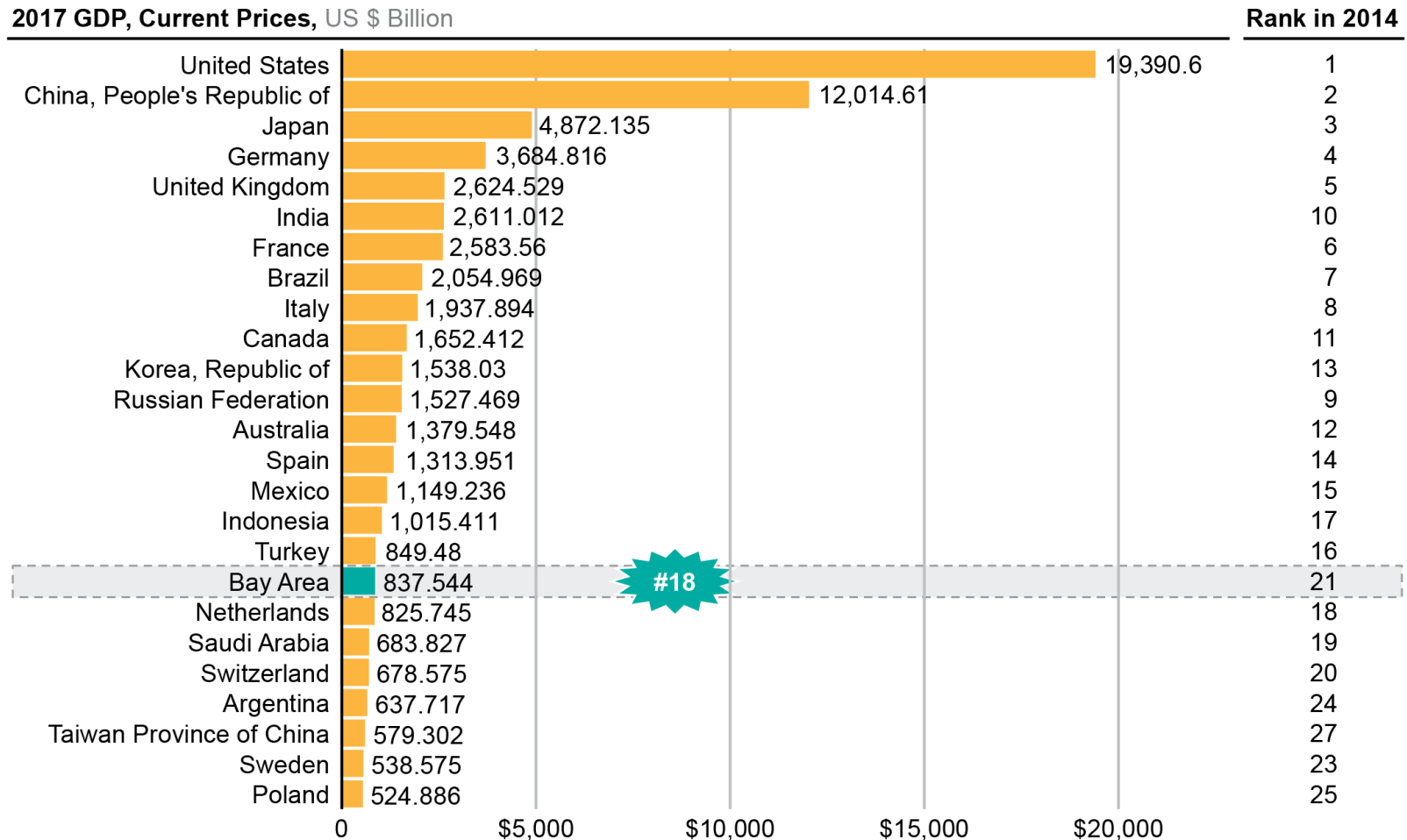
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The Bay Area is a global economic success model. If it were a country, the Bay Area would be the 18th largest economy in the world, with a GDP of \$837.544 billion.

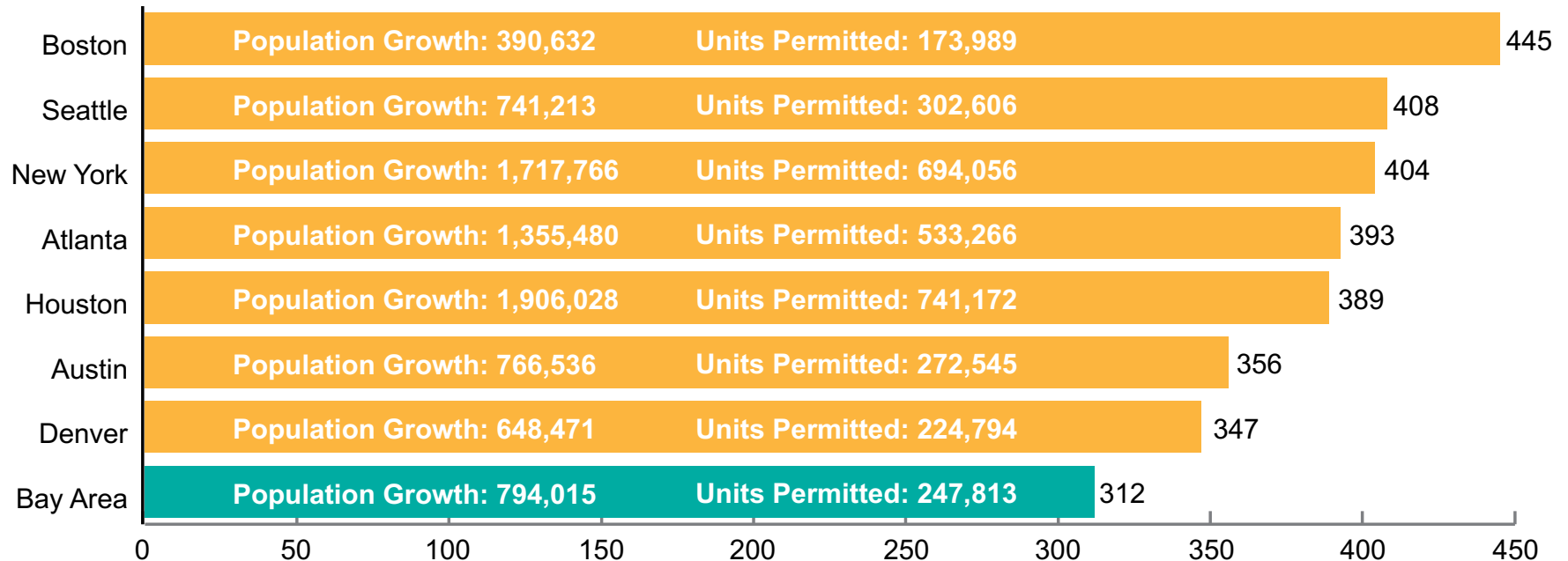


Source: BEA, IMF Data Mapper World Economic Outlook (April 2018)

Analysis: Bay Area Council Economic Institute

The Bay Area has built fewer homes per 1,000-person increase in population than other peer regions

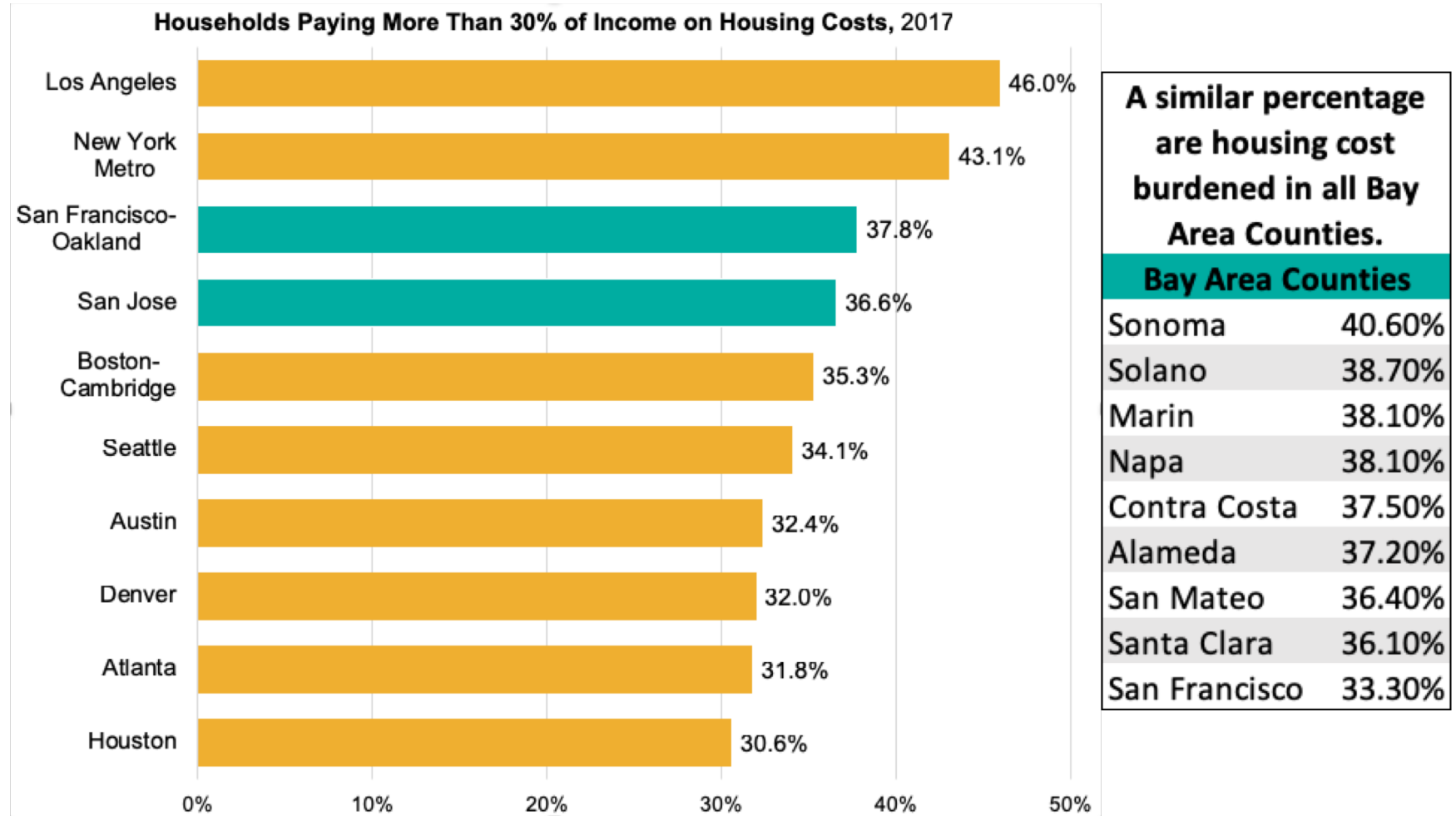
Ratio of Housing Units Permitted Per 1,000-Person Increase in Population 2003–2017



Source: U.S. Census Bureau Building Permits Survey and U.S. Census Bureau Metropolitan and Micropolitan Data

Analysis: Bay Area Council Economic Institute

The Bay Area's percentages of housing-cost-burdened households are exceeded only by LA and New York metro

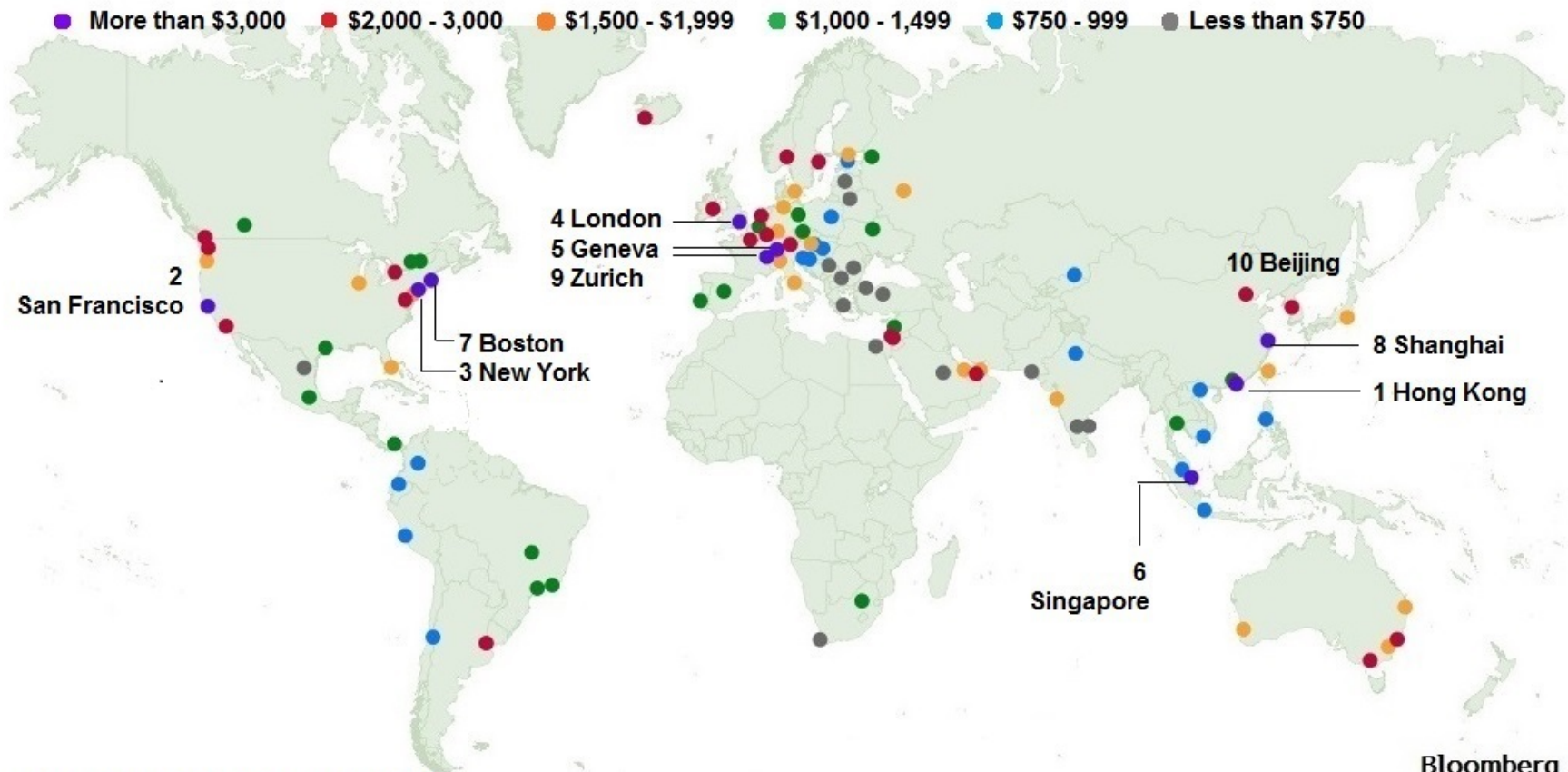


Source: U.S. Census Bureau American Community Survey

Analysis: Bay Area Council Economic Institute

Cost of Housing in Global Cities

Housing cost shown here is the average of these components: the mortgage payments for 1,000 s.f.-homes and the monthly rents for three-bedroom apartments, both in generic city-center and outside of city center locations



Source: Bloomberg analysis of data from Numbeo

These global cities—all of which are growing economies like the Bay Area—demonstrate housing similarities and differences that the Bay Area can learn from



London



Amsterdam



Toronto

London, England

- 1.5+ million new jobs in the last two decades
- Median rent for one bedroom in Westminster: £1842
- Stock of planning permissions has grown faster than its housing completions



London, England

Cont.

- In 2017, London completed its highest number of builds since 1977
- Recent strategy under Mayor to diversify who builds and where
- £250 million Land Fund to buy and build more affordable housing

Toronto, Canada



- Fastest growing tech jobs market in North America for 2017
- Resale price of home jumped by 80% (2013-2017)
- Average rent in 2017 (CAD 2,020) increased by 15% from 2016



PROPORTION OF RENTER HOUSEHOLD INCOME SPENT ON RENT PLUS UTILITIES

Name	Household Income Range	Quartile	Average Income	Studio	1-Bed	2-Bed	3-Bed	4-Bed	All Units
Ontario	\$0 to \$22,385	Q1	\$13,621	57%	64%	84%	96%	118%	73%
	\$22,385 to \$41,750	Q2	\$31,740	33%	36%	38%	40%	44%	38%
	\$41,750 to \$69,830	Q3	\$54,487	22%	24%	25%	27%	29%	26%
	\$69,830 +	Q4	\$114,932	13%	15%	15%	16%	16%	15%
		All		31%	28%	25%	23%	22%	25%

Toronto, Canada

Cont.

- CAD \$10 billion plan by the Creative Housing Society to create 50,000 affordable units in Toronto and Vancouver in 10 years
- Prime Minister Trudeau's CAD \$40 billion National Housing Strategy
- Tax breaks, reduced fees, and faster approval times to incentivize developers to build affordable housing
- Private sector and developers taking the lead on homelessness issue

Amsterdam, Netherlands



- Average household in the Netherlands spent 1/3 of income on housing (2015)
- Rising prices due to lack of available homes
- Shortage: country needs 700,000 more homes by 2025

Amsterdam, Netherlands

Cont.

- Commitment to permanent supportive housing
- Highly inclusive housing model
- Dutch law: illegal for landlords to evict tenants
- Innovative architecture

Creative solutions to a housing shortage: IJburg



Takeaways and Moving Forward

- Highly desirable areas = more expensive
- Successful economies = high housing costs
- Increased involvement at the regional/state level is needed
- CASA Compact

