Escaping the Housing Trap

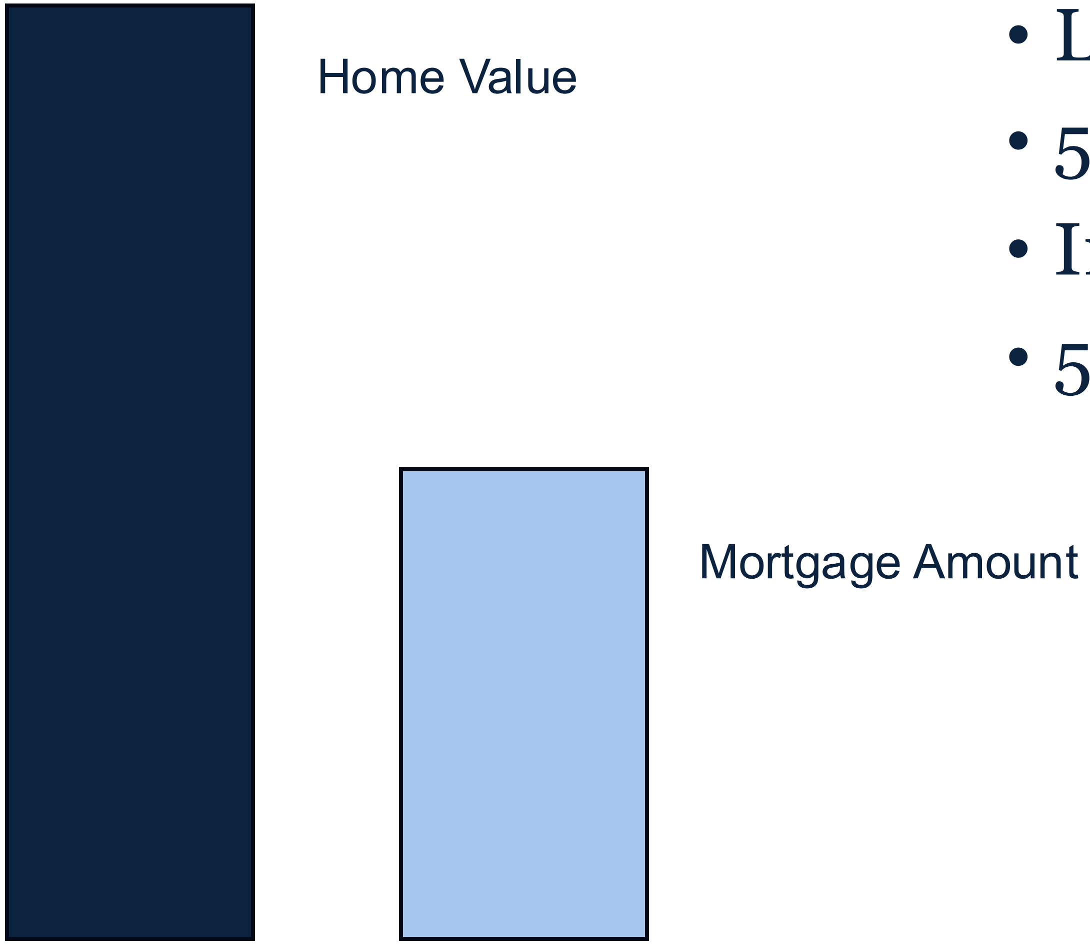
Chris Allen | chris@strongtowns.org

STRONG TOWNS


Two Housing Conversations

Housing prices
Housing prices

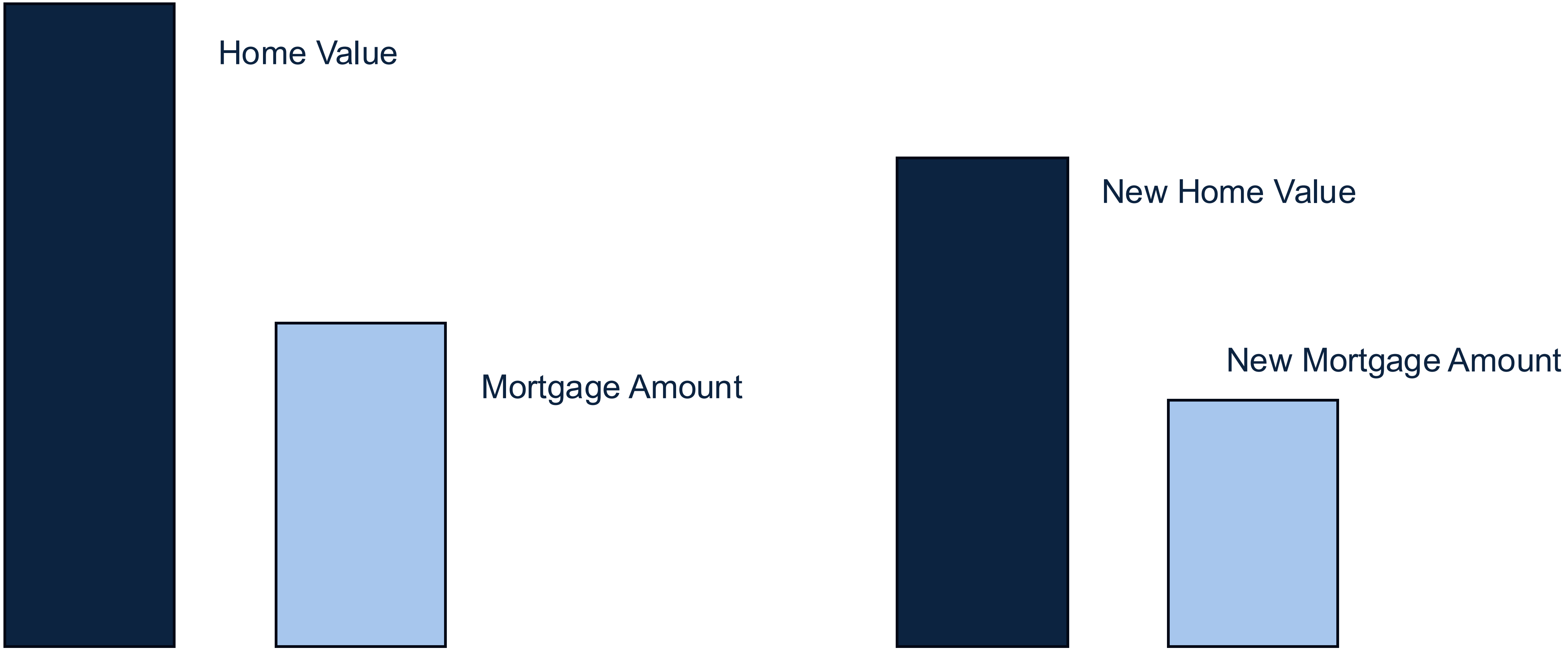
Pre-Great Depression Housing



- Local Banks
- 50% Down Payment
- Interest Only Loan
- 5-year Term w/ Balloon Payment

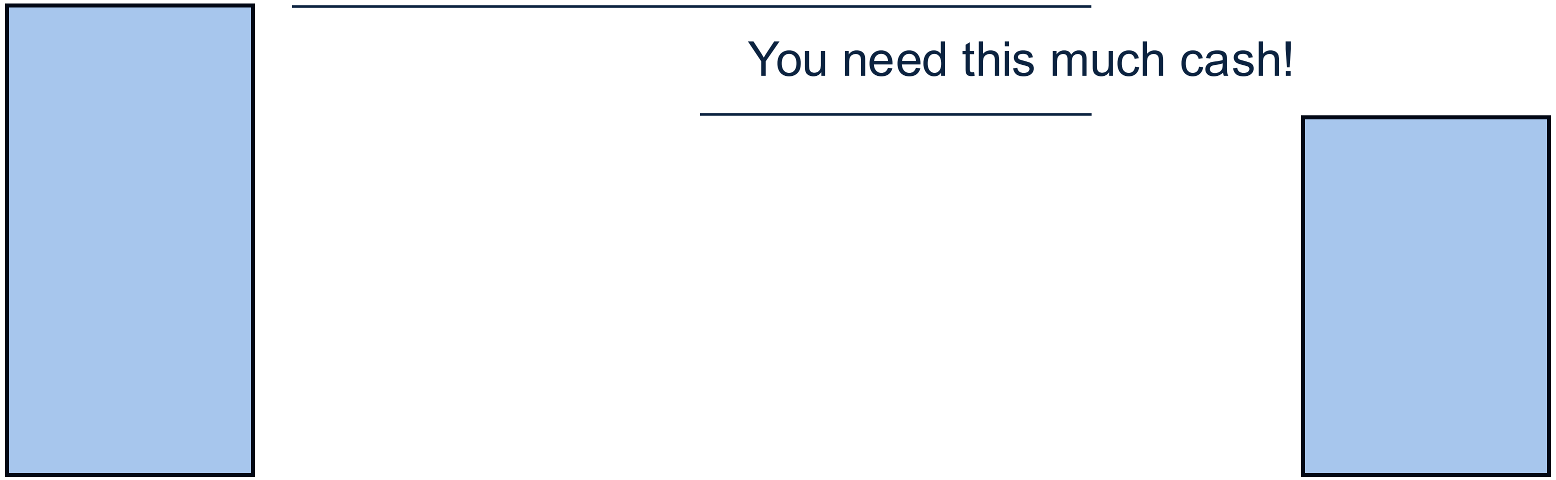

DOUGHNUTS
UNEMPLOYED
HORAN
BAILIFF
PARKING 25¢
FREE SOUP

Great Depression Home Value Decline



Great Depression Home Value Decline

Great Depression Home Value Decline




THIS 135 ACRE
FARM
Will Be Sold at
PUBLIC·AUCTION
ON PREMISES JULY 30 1·P·M.
DR M.C.MOSES. OWNER.
New Carlisle Ohio

New Deal Housing Initiatives

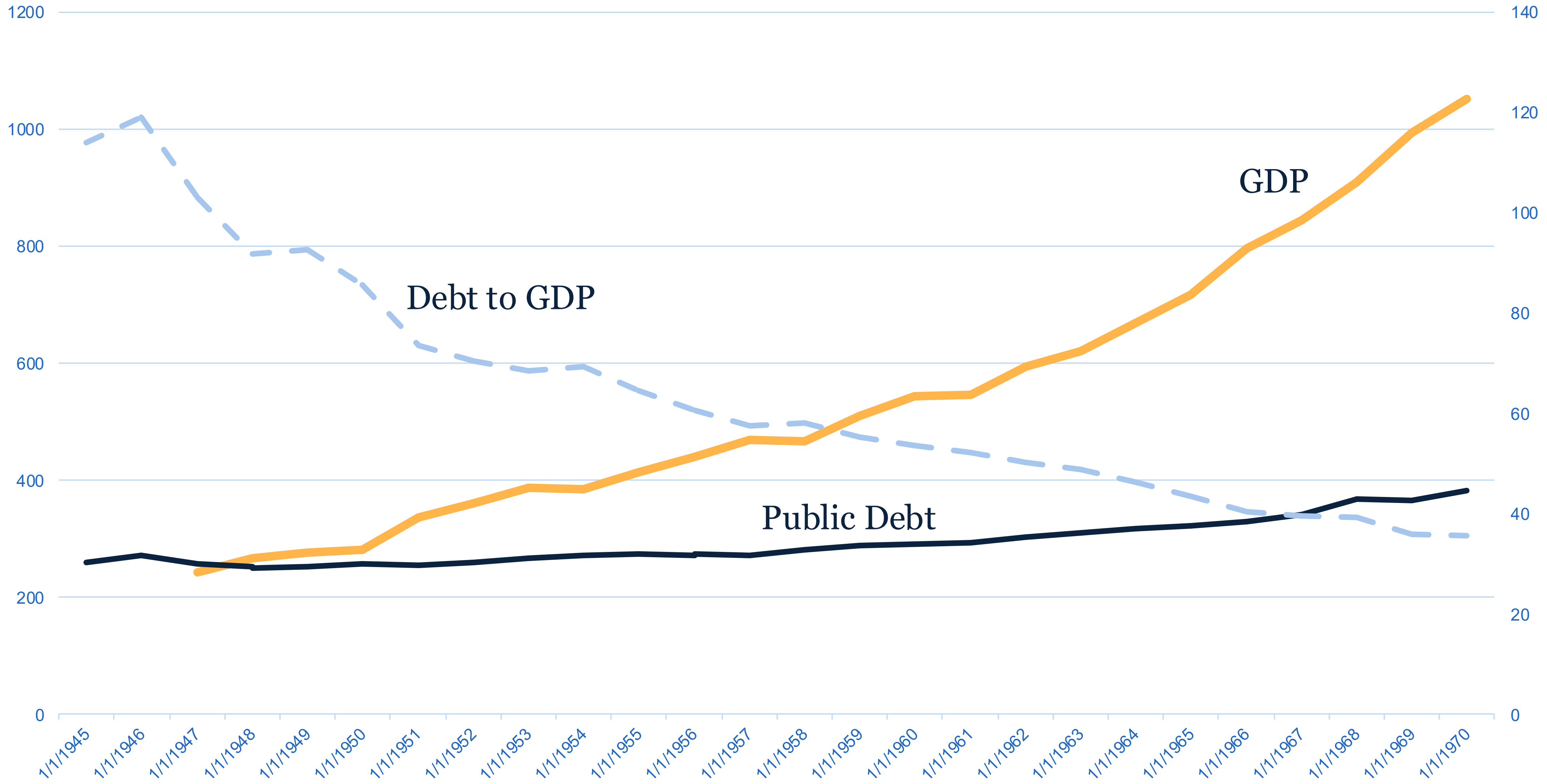
- Government purchase of mortgages in default
- Refinancing over 20 years
- Lower interest rates
- Principle + Interest
- Create a secondary market for 30-year mortgages (Fannie Mae)
- Lower down payments to 20%
- Provide mortgage insurance

“Were the war to end suddenly….there would be ushered in the greatest period of unemployment and industrial dislocation which any economy has ever faced.”

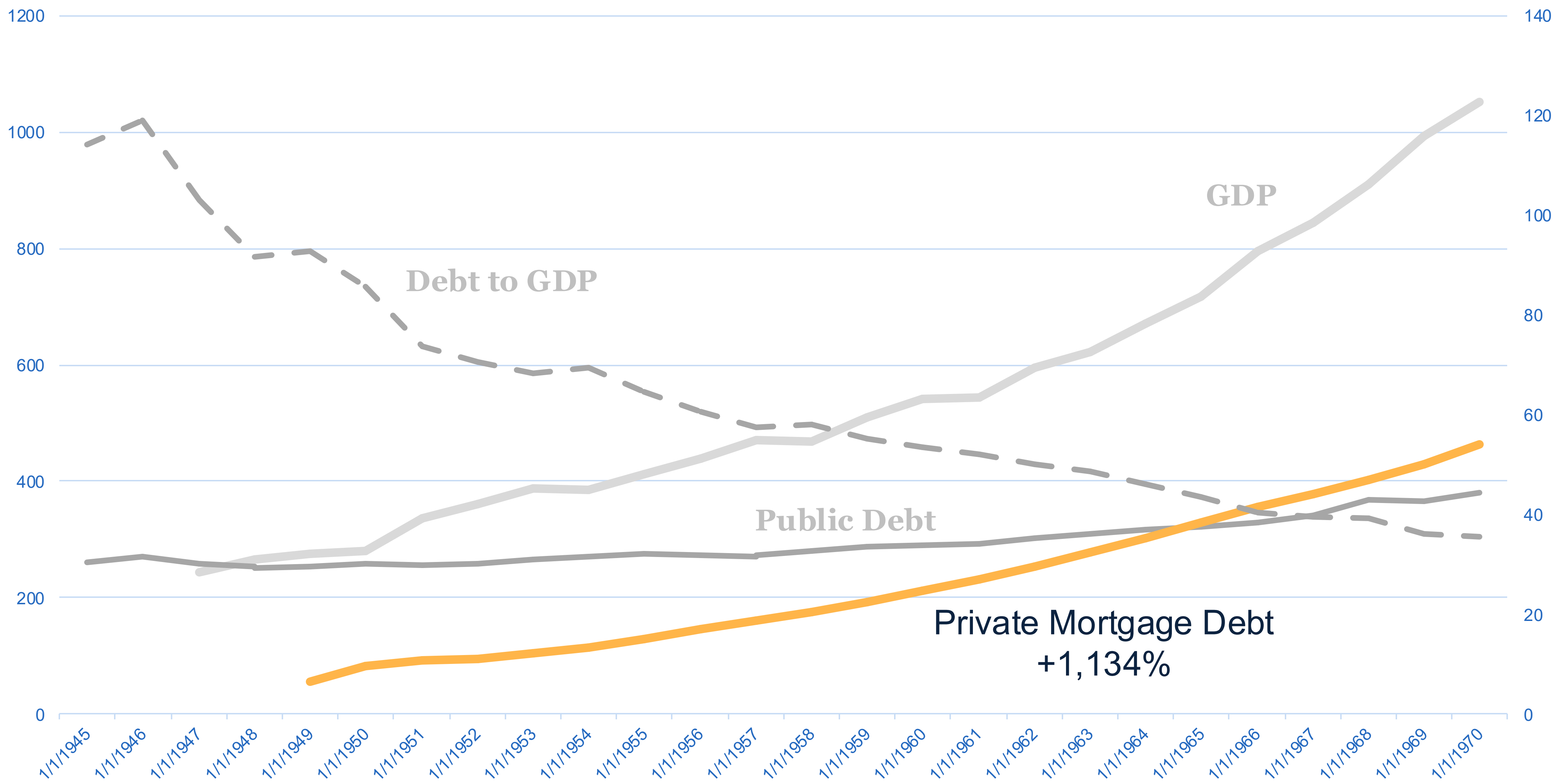
-Paul Samuelson
Harvard Economist and Presidential Advisor

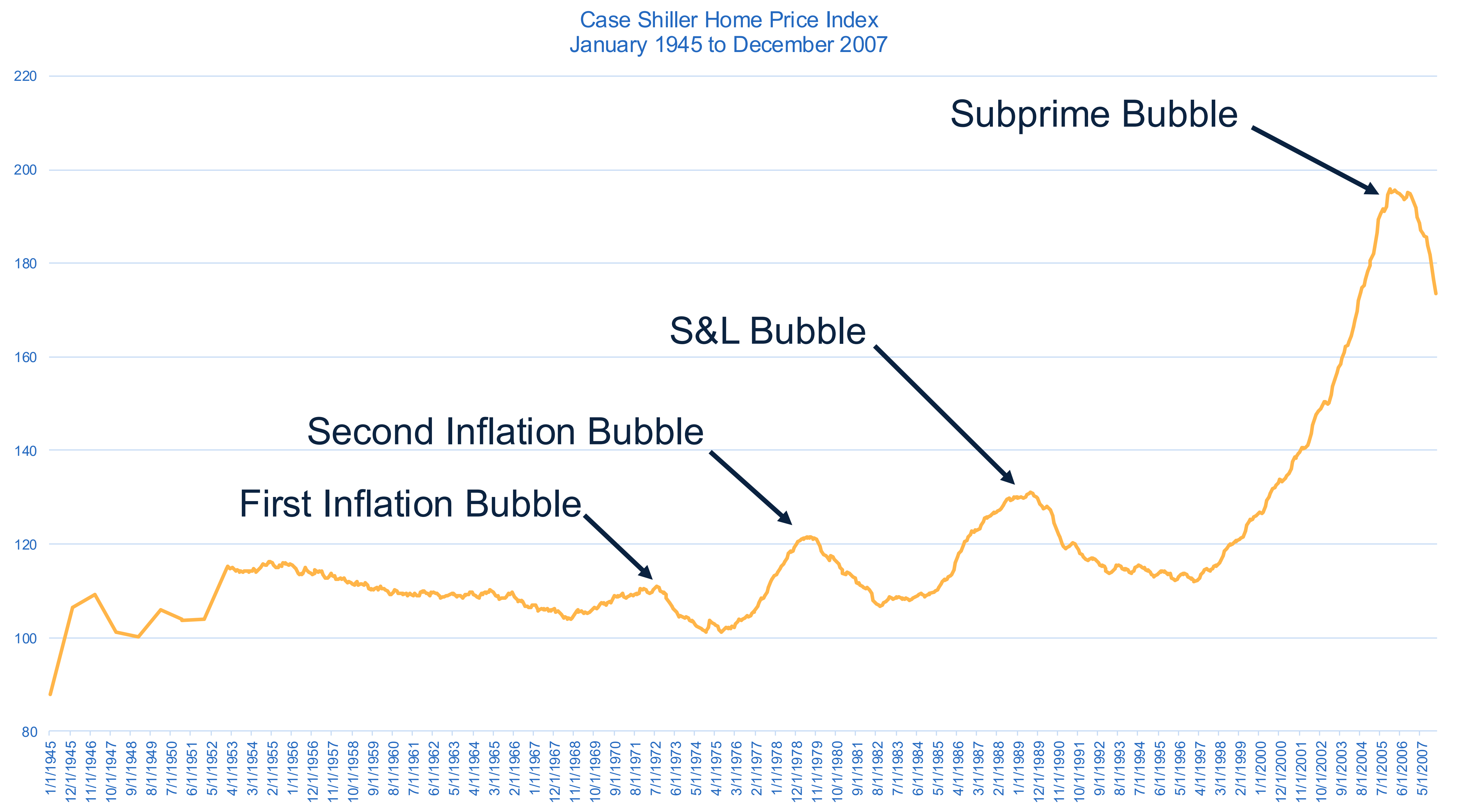
Make it easier for more people to borrow more money to pay more for housing.

This was wildly successful!



This was wildly successful!



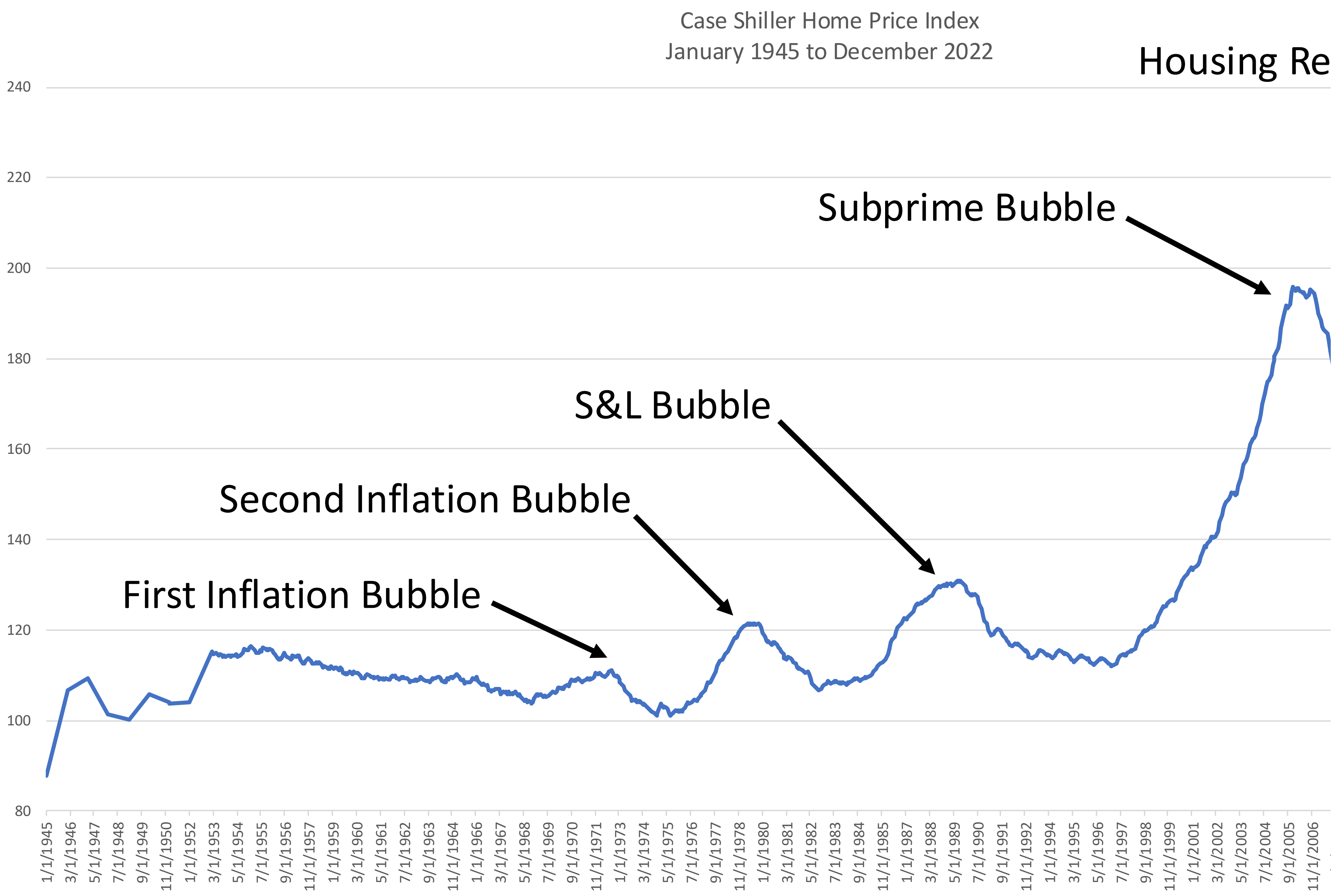

Case Shiller Home Price Index
January 1945 to December 2007
Subprime Bubble
S&L Bubble
Second Inflation Bubble
First Inflation Bubble
220
200
180
160
140
120
100
80
1/1/1945
12/1/1945
11/1/1946
10/1/1947
9/1/1948
8/1/1949
7/1/1950
6/1/1951
5/1/1952
4/1/1953
3/1/1954
2/1/1955
1/1/1956
12/1/1956
11/1/1957
10/1/1958
9/1/1959
8/1/1960
7/1/1961
6/1/1962
5/1/1963
4/1/1964
3/1/1965
2/1/1966
1/1/1967
12/1/1967
11/1/1968
10/1/1969
9/1/1970
8/1/1971
7/1/1972
6/1/1973
5/1/1974
4/1/1975
3/1/1976
2/1/1977
1/1/1978
12/1/1978
11/1/1979
10/1/1980
9/1/1981
8/1/1982
7/1/1983
6/1/1984
5/1/1985
4/1/1986
3/1/1987
2/1/1988
1/1/1989
12/1/1989
11/1/1990
10/1/1991
9/1/1992
8/1/1993
7/1/1994
6/1/1995
5/1/1996
4/1/1997
3/1/1998
2/1/1999
1/1/2000
12/1/2000
11/1/2001
10/1/2002
9/1/2003
8/1/2004
7/1/2005
6/1/2006
5/1/2007

These are Financial Products

(secondarily, they serve as shelter)

What is the product?

Who is the product?


Case Shiller Home Price Index
January 1945 to December 2022
Housing Re
Subprime Bubble
S&L Bubble
Second Inflation Bubble
First Inflation Bubble
240
220
200
180
160
140
120
100
80
1/1/1945
3/1/1946
5/1/1947
7/1/1948
9/1/1949
11/1/1950
1/1/1952
3/1/1953
5/1/1954
7/1/1955
9/1/1956
11/1/1957
1/1/1959
3/1/1960
5/1/1961
7/1/1962
9/1/1963
11/1/1964
1/1/1966
3/1/1967
5/1/1968
7/1/1969
9/1/1970
11/1/1971
1/1/1973
3/1/1974
5/1/1975
7/1/1976
9/1/1977
11/1/1978
1/1/1980
3/1/1981
5/1/1982
7/1/1983
9/1/1984
11/1/1985
1/1/1987
3/1/1988
5/1/1989
7/1/1990
9/1/1991
11/1/1992
1/1/1994
3/1/1995
5/1/1996
7/1/1997
9/1/1998
11/1/1999
1/1/2001
3/1/2002
5/1/2003
7/1/2004
9/1/2005
11/1/2006

Making it easier for more people to borrow more money to pay more for housing is not the answer.

Making it easier for more people to borrow more money to pay more for housing is not the answer.

Making it easier for more people to borrow more money to pay more for housing is not the answer.

Making it easier for more people to borrow more money to pay more for housing is not the answer.

20% of the US economy

(secondarily, they serve as shelter)

These are Financial Products

(secondarily, they serve as shelter)

Distribution of Investment Capital for Housing

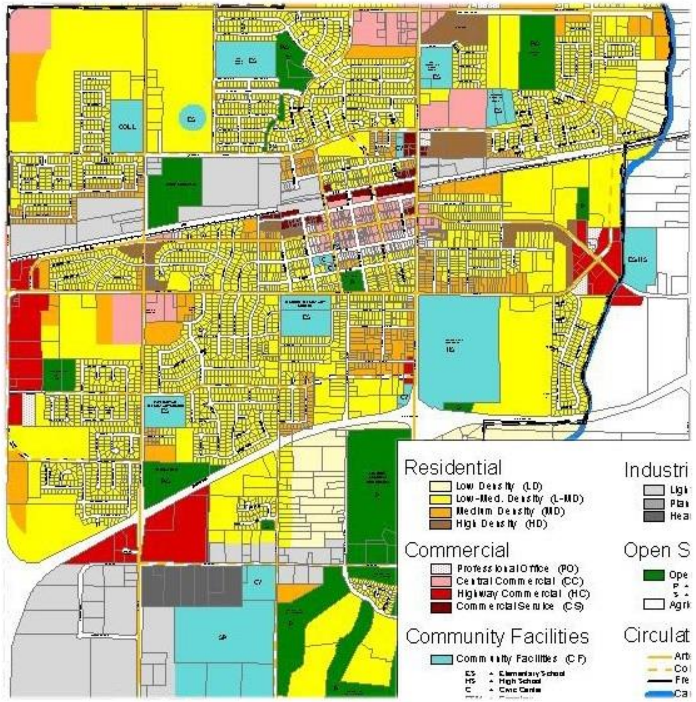
Accessory Apartment

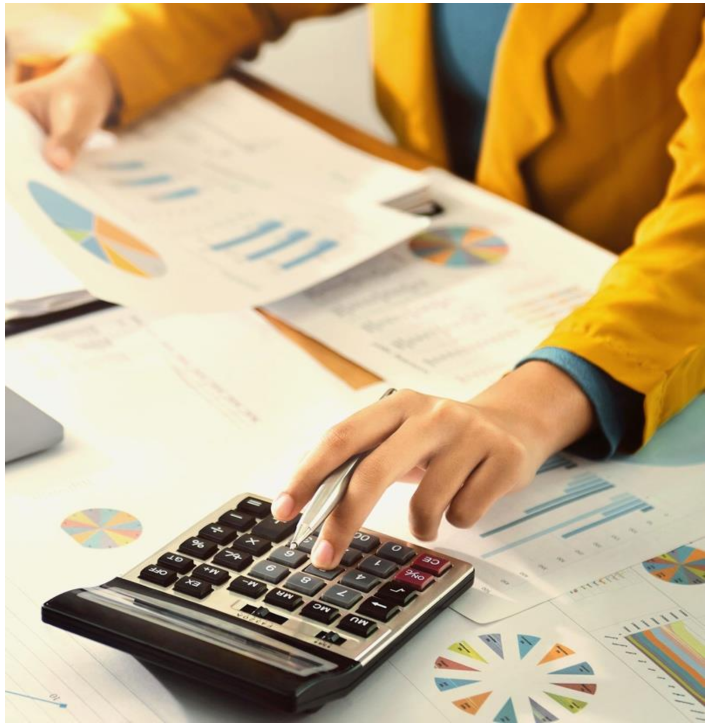
Backyard Cottage

(Not an ADU)

Starter House

(Not a Tiny House)





How to Escape the Housing Trap

1. Code Reform
2. Incremental Developers
3. Localize Finance

Toolkit

Six Policies Every City Needs To Be “Housing Ready”

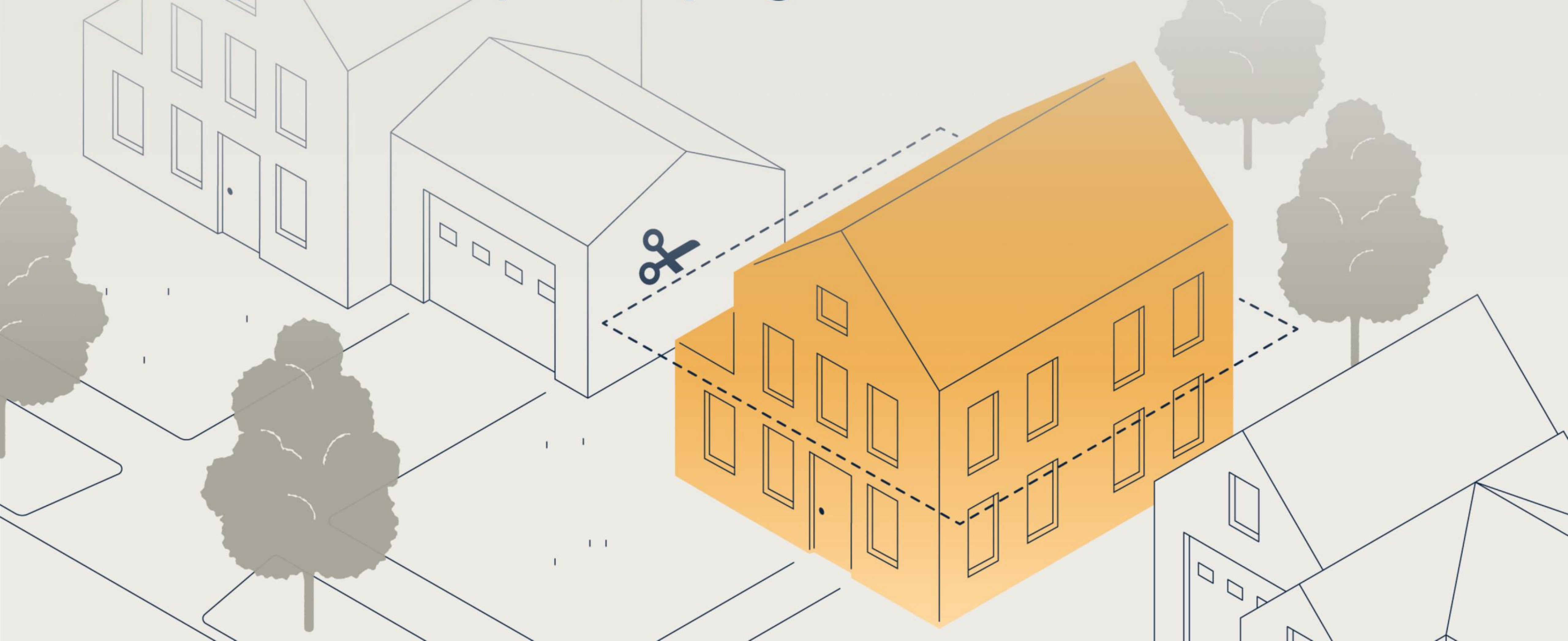
Download at **strongtowns.org/housingready**

STRONG TOWNS

The Housing-Ready City:
A Toolkit for Local Code Reform

Policy #1

Allow single-family home conversion to duplex or triplex, by right.



Policy #2

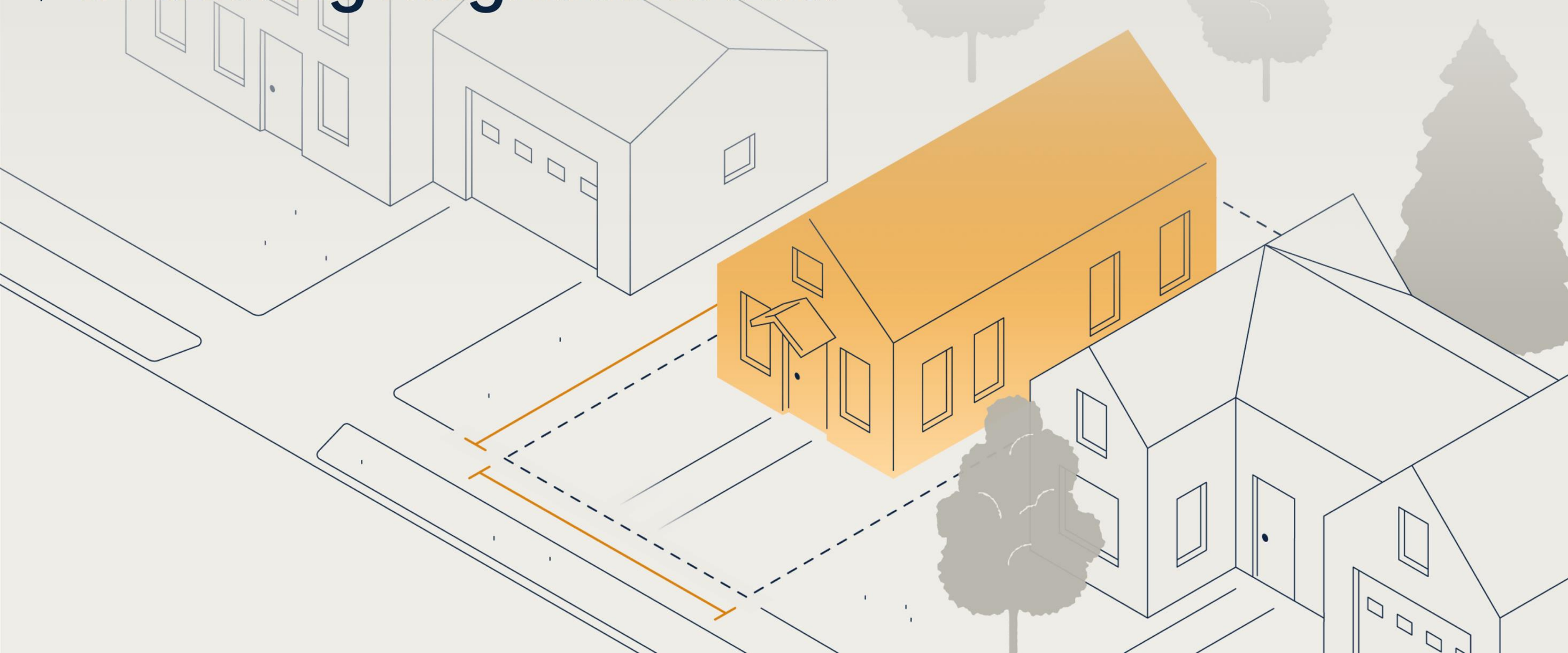
Permit backyard cottages in all residential zones.

Policy #3

Legalize starter homes in all residential zones.

Policy #4

Eliminate minimum lot size requirements in existing neighborhoods.



Policy #5

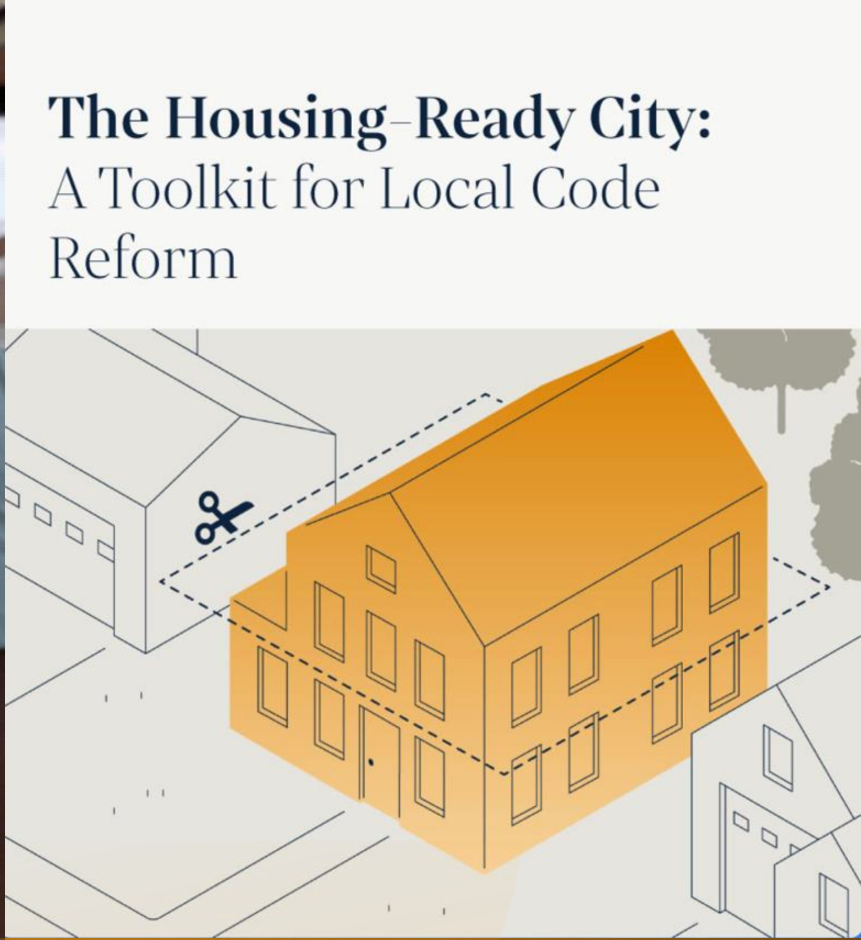
Repeal parking mandates for housing.

Policy #6

Streamline the approval process.

Housing Reform

The most boring revolution.



Coming Fall 2025: Part 2

Who is an incremental developer?

Grow an Ecosystem of Local Developers

Coming Winter 2026: Part 3

Oswego, New York

Micro Grants

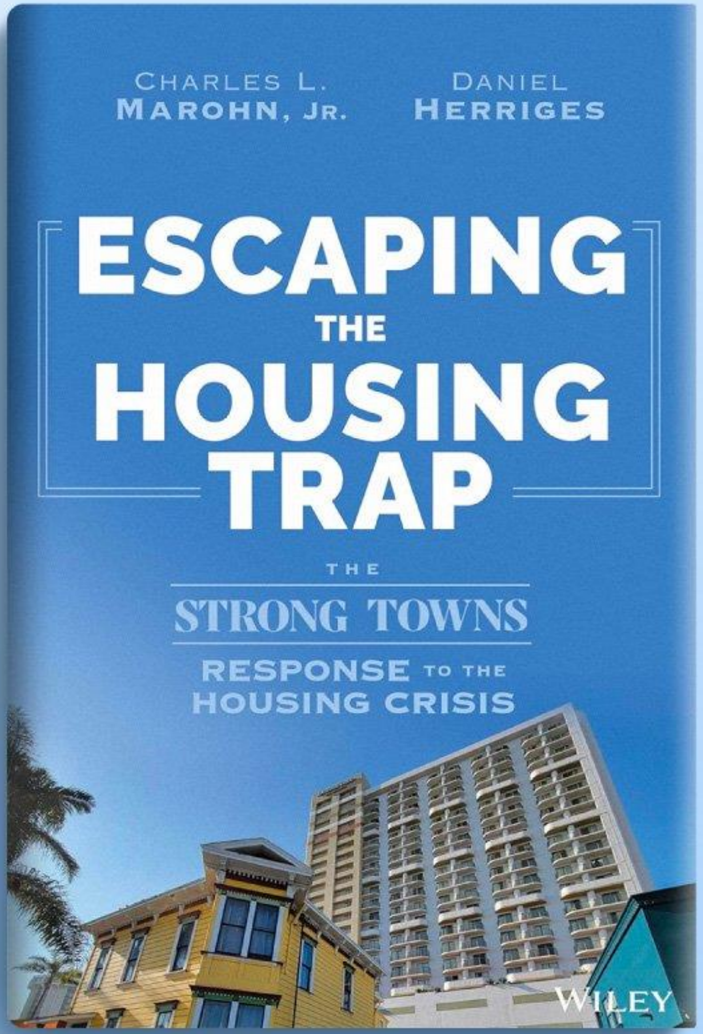

Muskegon, Michigan
Tax Increment Financing
2019
2024

Minnesota

Special Assessments

Florida

Co-sign Loans



Learn what power you have to heal your town's housing market.


Toolkit
Six Policies Every City Needs To Be "Housing Ready"
Download at strongtowns.org/housingready
STRONG TOWNS
The Housing-Ready City:
A Toolkit for Local Code Reform

Join Strong Towns Today

Chris Allen | chris@strongtown.org

www.StrongTowns.org

www.HousingTrap.org

STRONG TOWNS