

HOUSING AFFORDABILITY TOOLKIT

Housing Affordability Can Be Solved in This Generation



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Executive Summary



About one-third of all American households rent their homes. Among these households incomes vary tremendously, from extremely low-income renter households with limited or fixed earnings to moderate- and higher-income households who choose to rent for flexibility or lifestyle reasons. As a result, rental affordability challenges do not affect all households equally. While many households are able to secure housing that aligns with their budgets, others face constraints that limit their ability to afford available options without experiencing financial strain.

In the United States, rental housing is considered affordable when a household spends no more than 30 percent of its income on rent—a standard set by the U.S. Department of Housing and Urban Development (HUD). Households paying more than this amount are considered “rent-burdened”. Today, around half of all renter households—over 22.4 million—fall into this category, revealing a severe affordability crisis. Meeting this shortfall requires a combination of developing new market-rate rental housing, preserving existing units at attainable rent levels and targeting subsidies for households with the lowest incomes. This report recommends addressing the 22.4 million rent-burdened households through a combination of:

- **Developing new subsidized rental housing and increasing rental assistance programs (for existing and new private housing)** (Capital A Affordable);
- **Creating and preserving non-subsidized affordable housing** (“lowercase a”), including naturally occurring affordable housing (NOAH); and
- **Enacting broad local deregulation** to increase market-driven rental supply and put downward pressure on rents in existing rental households.

The Rental Affordability Problem Has Multiple Layers

For the half of renter households that are rent-burdened, there are two distinct rental affordability crises. The first is due to a chronic undersupply of homes in certain markets, leading to high rent burdens even among households with moderate-to-high incomes. The second affordability crisis stems from the high share of extremely low-income households for which no private housing will ever be affordable without some sort of subsidy (referred to in this report as “subsidy-dependent households”). To determine how much new rental housing is needed, it is essential to first be clear on the nature of the problem.

Housing Production Declined Sharply Since the 1970s

Since the late 1960s, it has become more difficult for housing providers to build housing in some areas with strong economic growth. Whereas previously building booms would follow economic booms, constraints on building in some areas have instead led to higher prices when demand increases.⁴

¹ A household is all the people who occupy a housing unit as their usual place of residence, regardless of whether they are related to one another. A housing unit can be a house, apartment, single room or even a group of rooms, so long as it is intended as separate living quarters (meaning occupants live and eat separately from other households and have direct access to the unit).

² These figures are from 2023—the latest ACS figures available as of May 2025.

³ Edward Glaeser & Joseph Gyourko, 2017. “The Economic Implications of Housing Supply,” NBER Working Papers 23833, National Bureau of Economic Research, Inc.

⁴ Glaeser & Gyourko, 2017.

This is one of the critical issues underlying the decrease in housing affordability.⁵ In fact, total private housing production (for rental and for-sale housing) has been declining on an absolute (and relative) basis since 1973, when total private housing production peaked at 2.1 million units.⁶ In 2024, total private housing production was 1.6 million units, a 30 percent decrease from 1974. During that period population has grown by 58 percent. While production is cyclical, this dual impact has led to price increases in both for-sale and for-rent housing. For new rental inventory added versus new rental households, the picture is bleaker: production has fallen by 68.4 percent since 1973⁷ ([Demand: How Many Units Are Needed](#)). Any economist—or even regular shopper—will highlight limited availability as a major driver of increased pricing.

Reduced Rental Housing Supply Leads to Higher Rents

In a market-based economy, housing cannot be produced by the private sector unless the price (rent) can cover the cost of providing it. Even in well-supplied markets, rents are still determined by the underlying cost of delivering and operating housing ([Housing 101: Operating Budgets](#)). Economics teaches us that as supply increases sufficiently, given the same demand levels, prices should fall until they are just above the cost of producing another unit of housing (the “marginal cost”). For this to occur, there must be low barriers to producing new housing (elastic supply), a fact that is true in some U.S. markets but not all. Increased demand puts upward pressure on the price of housing (rental and for-sale) until more housing is produced. But in a constrained supply market (where barriers and/or costs to produce housing are high), new supply does not come online, and upward price pressure continues. One of the things examined in this toolkit is how supply can be increased through deregulation to reverse this condition.

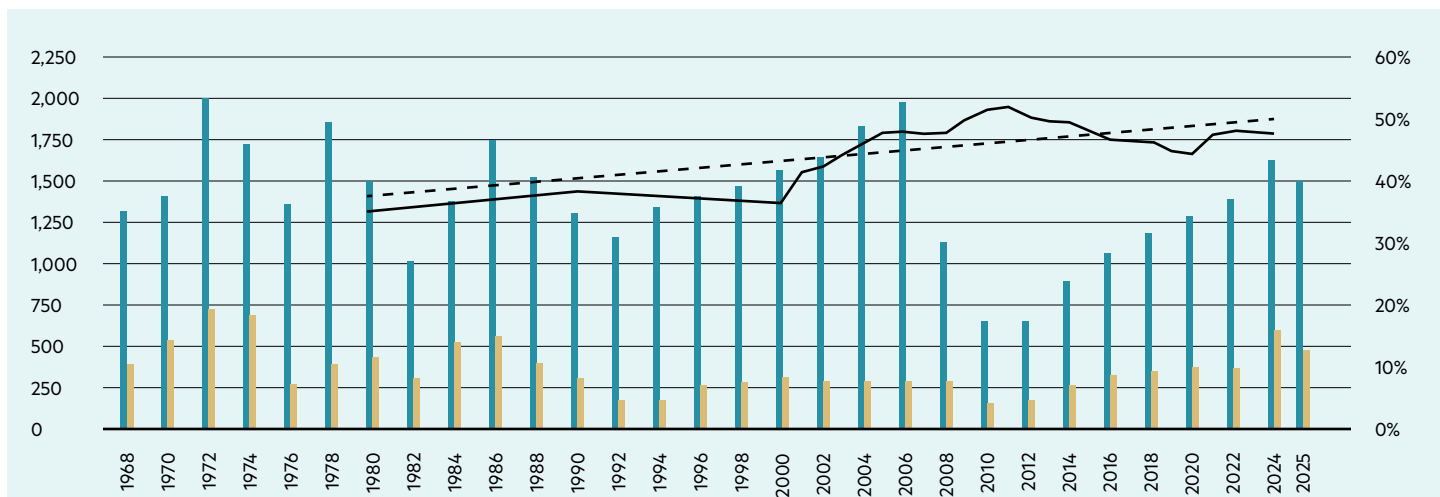
Rental Housing Supply Is Constrained by the Increased Cost of Providing Housing

During the same period since 1973 that housing production on a per household basis plummeted, multifamily housing (2+ units) has been most affected. Since 1973, single family completions have pulled back 15 percent while multifamily (2+ units) have decreased 33 percent—from 903,000 units per year to 608,000 per year (even when taking into account recent high completion levels for multifamily). New development costs in some markets have increased by three to 20 times. The rise in cost to provide housing directly increases the rents (and for-sale prices) that must be charged to make it feasible to provide housing ([Housing 101: Cost Impacts to Feasibility](#)). Moreover, this increased cost of development has in many cases caused the price of new housing to rise significantly faster than household incomes, creating an increasing affordability gap in market-rate housing.⁸

Annual Private Housing Completions (All) and Apartment Completions (5+ Units) vs. U.S. Rent-Burdened Households

FIGURE 1

■ Apartment Completions (5+ units) ■ Housing Completions (Total) — Rent-Burdened Households (30%+) --- Linear (Rent Burdened 30% / Rental HH)



Sources: U.S. Census housing completions and IPUMS USA extract. Rent burden = share of renter households paying 30% or more of household income toward gross rent.

⁵ While the prevailing view holds that supply constraints drive affordability disparities, some recent research challenges the consensus that this is due to the elasticity of supply that is attributed to regulation (Louie et al., 2025), though this remains an actively debated question in the literature. However, even Louie et al. explain that their framework assumes the “fundamental and correct premise” that expansions in housing supply will expand quantities and reduce prices—the debate is to whether such expansion can be achieved by reducing certain specific regulatory conditions. Of note is that this report defines regulation (and deregulation) more broadly than that definition in Louie, et al., to for instance include entitlement delay, infrastructure impositions, affordability requirements and rent regulation.

⁶ Production is cyclical, with peaks as high as 1.9 million units per year, which is discussed further below. From 1974–2006, the average was 1.5 million units per year. The first year recorded since 2007 that met or exceeded that previous average was 2024, with 1.6 million units delivered. In addition to the secular decline overall, the series is notable for its volatility. This volatility represents the interplay between the space market real estate cycle (which consistently delivers hyper-supply of product due to the lack of complete market efficiency of the real estate development industry), the economic cycle of the asset market (in which interest rates rise and fall as a result of exogenous factors to real estate production, but are key inputs to real estate feasibility) and the influence of government policy and non-market social actors (referred to as the Polis). This report has two relevant arguments with regard to this cyclicity. First it argues that this last factor has led to a prime disincentive for development through increased regulation, discussed in [Cost Drivers: The Economics of Housing Production](#). Second, the report claims that the policies promoted herein can activate “dormant development” in the moments when the real estate cycle and/or economic cycle would otherwise halt development. This would create consistency of production at higher levels, delivering large numbers of units influenced by the Polis at exactly the moments when market-based capacity would not otherwise produce.

⁷ NYU Urban Lab / Kwatinetz analysis of U.S. Census Bureau and US Department of Housing and Urban Development, Survey of Construction, February 2025. Overall Multifamily inventory added per US household has decreased by 74.6% over the same period.

⁸ Ingrid Gould Ellen, “Defining Affordability: Long-Term Trends in Home Prices, Rents and Incomes in New York City,” Furman Center. May 2022 Conference of NYU Schack Institute of Real Estate and the Center for Architecture; For national single family cost data see Lynch, E. (2025, January 20).

Regulation Has Created Benefits But Also Increased Cost of Providing Housing

The increasing costs of multifamily (2+ unit) rental housing is driven primarily by regulatory requirements and the extended timeframes required for project approvals ([Cost Drivers](#)).⁹ Research by the National Multifamily Housing Council (NMHC) and the National Association of Home Builders (NAHB) found that regulation accounts for an average of 40.6 percent of the cost of developing a new apartment building with five or more units.¹⁰ The academic literature¹¹ demonstrates that increasing housing costs are divided into three categories:

- **Heavily regulated areas** where pricing is far above the marginal cost of production after accounting for structural cost alone.
- **Low demand areas** where new building is not feasible due to supply exceeding demand.
- **Low regulation areas** in which housing providers respond to increased demand with increased supply—and housing prices remain around the marginal cost of production.

While some regulations serve important public and safety purposes, shifting the full cost of regulatory measures to the private sector ultimately raises housing costs—undermining housing affordability, itself a critical public good.¹²

Moonshot: Housing Affordability Can Be Solved in This Generation

This toolkit is anchored by a bold but achievable goal: ending the rental housing affordability crisis. The U.S. has 22.4 million rental households—or half of all rental households—that need help affording their rental units. Recent housing production has averaged just 1.4 million units a year—more than 600,000 below the pace set in the 1970s. Meanwhile, 14 million homes sit vacant—this is a large figure, representing over 30 percent of all rental households ([America's Housing Supply](#)).¹³ If production can be restored to historic highs while simultaneously placing vacant homes back into service at affordable rents, the gap could be closed within a generation. A 17-year timeline sets the target. The math is clear: a 13 percent boost in private-market production, sustained over time, returns to the output levels of the early 1970s. With the right policies, this is not just possible—it's the moment to prove that the rental housing affordability problem can finally be solved in America.

Deregulation of Local Housing Markets Could Yield 4.3 Million or More New Housing Units

Reducing regulatory costs¹⁴ and streamlining project approvals in local markets would increase housing production serving both homeowners and renters ([Policy Brief: Deregulation](#)). Greater supply across the housing market would put downward pressure on rents through two primary mechanisms:

- **Lower production costs** would enable housing providers to offer units at reduced rents (and sales prices) while maintaining financial viability; and
- **At a sufficient scale of production, expanded housing supply** would increase competition, pushing prices closer to the (now lower) marginal cost of production.

Provided that household incomes remain stable relative to rental price changes, these dynamics are expected to decrease the proportion of rent-burdened households. While deregulation alone will not resolve all housing affordability challenges, a broad body of research highlights the need for new construction—one analysis found 4.3 million apartments need to be built alone from 2022 to 2035 to keep up with demand.¹⁵ Freddie Mac estimates a current shortfall of 3.7 million total housing units, while Brookings suggests it is 4.9 million. Other research highlights the cumulative impact of supply constraints over time—for example, Glaeser & Gyourko estimate that approximately 750,000 units per year were not built between 2000 and 2020, implying a 15 million unit shortfall in construction relative to a less regulated market.¹⁶

⁹ This is an established conclusion. For industry verification see NMHC/NAHB study in Section 6. For academic literature verification see Glaeser & Gyourko, 2017.

¹⁰ Emrath, P., & Walter, C. S., 2022.

¹¹ Glaeser & Gyourko, 2017.

¹² In this report we group infrastructure requirements imposed on private developers (and therefore passed on to individual projects) as “regulation”. See note 5 for counterargument citation.

¹³ The cause of the large amount of vacancy is heterogenous and location specific. Not every vacant unit can simply be converted into affordable supply without improvement (some are not habitable), but this report asserts that with the right policy levers, some can. Full treatment of vacancy is beyond the scope of this report but see for example Bruen, 2022 and McClure, 2024. Markets require some structural vacancy to function, and bringing vacant units into service would likely also cause production of supply to increase to restore some structural vacancy.

¹⁴ Regulatory costs are costs imposed by government authorities on housing producers and can include building code requirements, project review costs, fire code requirements, environmental review and zoning density restrictions. They are described more fully [here](#).

¹⁵ National Multifamily Housing Council & National Apartment Association. (2022, July).

¹⁶ Khafer, S., Kiefer, L., & Yanamandra, V. (2024, November 25), Freddie Mac (2024, November), Emrath, P., & Sugrue, C. (2022, June), National Multifamily Housing Council & National Apartment Association. (2022, July), Glaeser, E. L., & Gyourko, J. (2025), Urban Institute (2023).

Subsidy-Dependent Households: Deregulation Alone Will Not House Everyone

Incomes in the U.S. have not kept pace with the rising costs of providing housing.¹⁷ Consequently, even if increased development lowers rental prices, many of the currently rent-burdened households would still spend more than 30 percent of their income on rent. Those that are rent-burdened can be divided into four categories for the purpose of policy analysis:

- High-income households choosing to be rent-burdened for lifestyle reasons;
- Moderate-income household which will have reduced rent-burden provided deregulation can increase supply;
- Low-and-moderate-income households for which public-private tools such as tax incentives can offset the high rents caused by increased but necessary regulation; and
- Extremely low-income households that need income assistance.

This report estimates that approximately 10.1 million households earn too little to afford any type of housing without assistance and are currently unassisted.¹⁸ Their incomes fall short of covering basic operating and utility costs. Because their incomes do not meet the cost of producing housing, no private market solution can adequately serve them without public subsidy. These households are classified as “subsidy-dependent.” Housing created for this group requires targeted public investment—referred to in this report as Capital A Affordable housing.

Subsidized Affordable (Capital A Affordable) Housing Supply Is Also Constrained

In some cases, the government provides capital and operating subsidy to effectively reduce rent levels charged to households while still paying the housing provider for the cost of producing and operating housing. The largest tool in the public subsidy toolbox ([Affordable Housing Glossary](#)) on the supply side is the Low-Income Housing Tax Credit (LIHTC) which, since it was created in 1986, has produced approximately 3.7 million units of subsidized housing. On average, the production volume of new LIHTC has been 89,000 apartments annually.¹⁹ At that rate it would take over 100 years to meet the need of all the current subsidy-dependent households, and **it would take over 250 years to accommodate all rent-burdened households** ([Time-to-Address: A New Metric to Assess Housing Policy](#)). In a best case scenario, the enactment of 2025 tax legislation that expanded LIHTC could lead to a doubling of LIHTC production to 178,000 Affordable rental housing units per year, with early estimates forecasting the creation of up to 1.2 million new LIHTC rental homes over the long term against the 10.1 million need.²⁰ This increase can be helpful but still leaves the pathway to a solution at 50+ years from now.

Subsidized Demand May Boost Private Housing Production if Implemented Efficiently

On the demand side, the government provides income assistance to rental households to help them afford rental units that are available in the private market but cost more than 30 percent of the rental household’s income. About five million households, who are counted in the national statistics as rent-burdened households, but do not earn enough income to afford even the most affordable of market rents (“subsidy-dependent households”), use the Section 8 Housing Choice Voucher and Project-Based Rental Assistance programs (See [Demand: How Many Housing Units Are Needed to Solve the Rental Affordability Crisis](#)). In both heavily regulated markets and low regulation markets, an increase in income assistance may yield an increase in housing production if the economics of the income assistance are favorable enough to fill the gap between housing production costs and limited income households. This report models a hypothetical scenario in which income assistance is doubled—an increase sufficient to support approximately five million additional subsidy-dependent households—to illustrate the scale of resources that would be required to address these needs. This number fills the gap of estimated subsidy-dependent households that will still need assistance after maximizing LIHTC and public housing expansion. The income assistance should be targeted primarily at existing units (three million of the existing vacant rental inventory) but also can support the development of up to two million newly constructed rental units targeted at subsidy-dependent households (given historic peaks of new construction). Notwithstanding the political and fiscal challenges of this aggressive increase to income assistance, the nature of the combined problems of subsidy-dependent households and supply-side constraints yields increasing income assistance as one of the few viable methods for achieving the moonshot goal described in this report. Even with the bold hypothetical increase of income assistance, this demand-side approach is only effective if there is sufficiently increased supply to satisfy the increased demand.

¹⁷ Ellen, 2022 and Joint Center, 2025.

¹⁸ This number was estimated at 8M by HUD in 2022, 11.2M in the 2023 American Community Survey and 12M by Harvard Joint Center for Housing Studies in 2024. Using the HUD “worst case” methodology, we identified renter households using the 2024 ACS Public Use Microdata Sample (PUMS). We identified severe housing cost burden as 50% or greater. We then applied FY2024 Very Low-Income limits from HUD (Section 8) and constructed PUMA specific income thresholds. We estimated households as likely assisted using ACS based approximations of subsidy status. We then combined the three criteria within the rental population. The final national estimate was obtained by using the ACS household weight to generate nationally representative estimates, which produced 14.73 million rental households with severe cost burden regardless of income, 11.34 million very low-income renters with severe burden and 10.11 million very low-income unassisted renters with severe burden.

¹⁹ LIHTC totals vary depending on methodology. See footnote 32 for further discussion on aggregate LIHTC production. For annual deliveries, see [America’s Rental Housing Supply](#) and Jaffe & Ingram, 2025.

²⁰ Novogradac estimates that the combination of a permanent 12% increase in 9% allocations and the reduction of the bond “50% test” to 25% could finance 1.22 million additional affordable rental homes over 2026–2035, which we have simplified to a doubling of average production given political uncertainty and time for industry ramp-up. See Lawrence, P. (2025, July 2).

The Private Market Produces Naturally Occurring Affordable Housing in Large Quantities Already—But Not Enough

There are still geographies in which the cost of producing housing allows market-rate housing providers to produce affordable units without public subsidy ([The Importance of Local Policy](#)), something that is alternatively called “lower case a” affordable, attainable housing or Naturally Occurring Affordable Housing (NOAH). While in some of the literature, NOAH can be used to refer only to older apartment buildings that retain low rents due to quality, here NOAH is defined broadly as all rental units (Single-Family, 2-4 unit and 5+ unit structures) that offer affordable rents without subsidy.²¹ The private market continues to provide more housing that is affordable than the total Capital A Affordable housing produced since the government started Capital A Affordable programs—in fact over 70 percent of the affordable rental housing inventory in the urban U.S. today is privately developed and operated without Capital A Affordable subsidy ([Hidden Factor: Naturally Occurring Affordable Housing](#)). NOAH is either developed new or provided by preserving existing rental properties.

Use Tax Abatement to Revive and Retain Existing Units as NOAH

On average, more existing NOAH units are lost per year than new LIHTC Capital A Affordable units are created, reinforcing the need to defend NOAH as a key plank of any overall housing affordability policy platform. This report argues that two of the most effective policies involve promoting dormant development and engaging with by-right tax abatement programs. Between 2012 and 2022 the supply of the lowest rent units experienced a loss of 2.1 million units, with more than half a million low-rent units lost just between 2019 and 2022.²² There are several existing preservation programs around the country that provide useful lessons ([Policy Brief: Preservation](#)). Based on these programs, this report recommends utilizing by-right tax²³ abatement programs to:

- Preserve units that are currently NOAH; and
- Convert free market vacant units to affordable units.

This could result in the preservation of up to seven million units of existing multifamily housing at affordable rent levels through by-right tax abatement. Some of these may be vacant units and some existing and operating NOAH buildings.

Use By-Right Tax Abatement to Build New

As stated above, local deregulation could increase overall supply of housing. Specific deregulation recommendations include lowering costs of overall entitlement regulation as well as reducing time to achieve approvals to build. In most markets, reducing local regulation without subsidy should increase the amount of NOAH being produced. Adding a by-right tax abatement could increase this effect while preserving some critical pieces of regulation that act for the public good. A properly tuned tax abatement program in the style of those previously seen in Austin and in New York City ([Policy Brief: Tax Incentives](#)) could stimulate the creation of four million new units of affordable housing through by-right tax abatement programs. This is an addition of 250,000 units per year to be built.

Summary of Policy Recommendations

In summary, this report recommends three effective mechanisms to address the shortage of affordable rental homes, all of which are currently at play in parts of the U.S.:

- **Capital A Affordable Housing:** Developing new subsidized rental housing and increasing rental assistance programs for existing and new private housing;
- **“Lowercase a” affordable:** Creating and preserving non-subsidized affordable housing including naturally occurring affordable housing (NOAH); and
- **Enacting broad local deregulation** to increase market-driven rental supply and put downward pressure on rents in existing rental households.

These three mechanisms can be applied to both construct new units and preserve existing units.

²¹ Our methodology estimated the presence of Naturally Occurring Affordable Housing (NOAH) within a metropolitan statistical area (MSA) is determined by comparing average market rents to the MSA's maximum affordable rent burden limit based on 80% Area Median Income (AMI) limit for a four-person household (HUD). This income level is multiplied by 30 percent and divided by 12 to establish the MSA's maximum affordable monthly gross rent. Approximating the Net Rent is then determined by subtracting average utility expenditures. This affordability threshold is then compared against the average two-bedroom market rent as reported by CoStar. MSAs are classified based on the relationship between these values: if the maximum affordable net rent exceeds the average market rent, the MSA is considered to produce NOAH; if the maximum affordable net rent is within five percent of the average market rent, the MSA is classified as near producing NOAH; and if the maximum affordable net rent falls more than five percent below the average market rent, the MSA is considered not to produce NOAH. [Section 5: NOAH](#)

²² [Joint](#) Center for Housing Studies, 2025.

²³ By-right development (also known as as-of-right development) is “the easiest path to qualify for development under the zoning and building codes of local jurisdictions. By-right approvals are also described as ministerial—a common legal term that also describes a lack of discretionary approval”, see Planetizen (n.d.).

Method of Delivery: Development, Preservation and Economic Forces

Addressing the needs of 22.4 million rent-burdened households in one generation is a challenge. This toolkit focuses on a three-part strategy: unlocking dormant development, creating incentives for preservation and working to balance existing economic forces. Continued development is required just to maintain the status quo, and even if development production can be increased back to historical heights, not all the production can be allocated to affordability solutions. This toolkit's approach is to select a reasonable maximum expansion of the annual development pipeline (called "dormant development"), paired with aggressive preservation strategies. Preservation strategies target already existing units. For purposes of analytic clarity, this report focuses on vacant inventory—units that are built but currently unoccupied. As these units are preserved and absorbed over time, the vacant inventory will slowly replace itself. While these vacant units exist physically, it will still take some time to execute upon the financial and regulatory processes necessary to add them to the affordable inventory. Finally, as supply increases across the market, and demand is reshaped through the various interventions described herein, some reduction is anticipated in the 22.4 million need as there will be increased downward pressure on pricing through expanded inventory.

Dormant Development

A reasonable upper bound was selected for how many units can be constructed per year as the peak number of units developed in the 1970s. The delta between 2020-2024 average production (1.4 million units per year) and 1974 production (2.1 million units per year) is called dormant development. Dormant development is sized at approximately 600,000-700,000 newly constructed rental units per year.²⁴ This number is roughly in line with the 750,000 annual supply suppression described by Glaeser & Gyourko.²⁵ For purposes of this paper, dormant development is an estimate of the reasonable capacity of the housing production industry to create more units, as benchmarked to historic records of production. Dormant development for this report includes market-rate units as well as the development of units that will service Capital A Affordable housing, be supported by income assistance, or are commissioned by a public entity to expand public housing.

Preservation and Vacancy

There is an existing inventory of 14 million units, some of which can be preserved annually as affordable. While these units already exist, there is a process for directing them toward affordability solutions by acquiring units and then applying financial and regulatory tools to preserve them as affordable. In most instances it is expected that this process will be both quicker and more cost efficient than new development. Preservation is substantially more cost-effective than new affordable construction—in Chicago, rehabilitation costs an estimated 80 percent less than new construction, and comparable cost differentials have been documented in Los Angeles, Minneapolis and New York City.²⁶ But given the uncertainty of the timing of execution at this stage of planning the pipeline, the level of preservation is set annually to match the pipeline of dormant development annually.

²⁴ The total pipeline of housing completions being discussed here includes both rental and for-sale product. However, policies that promote the activation of the dormant development pipeline can be targeted to rentals. Some percentage of investors and developers may choose how to target their housing production via tenure, and policy can be tuned to make rentals more attractive.

²⁵ Glaeser & Gyourko, 2025.

²⁶ Axios/PreserveNOAH, 2025; McKinsey Global Institute, 2021.

Housing Affordability Solution Pipeline

CHART 1

Active Dormant Development Capacity

	UNITS/YEAR	YEARS	TOTAL
Deregulation	250,000	17	4,250,000
By-right tax abatement (new construction)	250,000	17	4,250,000
Low-Income Housing Tax Credit	35,000	17	595,000
Public Housing Expansion	23,000	17	425,000
Income assistance (new construction)	110,000	17	1,870,000
Sub-Total, Dormant Development	670,000		11,390,000
Average Annual Production 2020-2024	1,419,000		
Total Average Annual Production of New Units (2026-2043)	2,089,000		

Preservation of Existing Units (including vacant)

	UNITS/YEAR	YEARS	TOTAL
By-right tax abatement (Revive & Retain)	437,500	17	7,437,500
Low-Income Housing Tax Credit (Preservation)	45,000	17	765,000
Public Housing Expansion (Acquisition)	50,000	17	850,000
Income Assistance	125,000	17	2,125,000
Sub-Total, Preservation	657,500		11,177,500
Total, Dormant Development & Preservation	1,327,500	17 Years	22,567,500

This toolkit outlines the state of rental housing affordability in the U.S., evaluates the various tools at play in attempting to address the issue and then argues for these three policies as a broad plan which can address rental housing affordability across the U.S. in our lifetime. The critical question is how to craft policy that allows private development of housing at affordable rents. To prepare this toolkit the latest available [public data on housing inventory and completions by purpose](#) were used and publications from 2019 to February 2026 spanning academic research, practitioner/industry surveys and debates in the public square evident in media publications ([Policy Report Card](#)) were surveyed. Some of the [best research available](#) was then synthesized with an original [data analysis](#).

The mechanisms of making housing more affordable are specific and require partnership between the public and private sectors:

- Provide public funds where necessary on both the supply and demand side to bridge the gap between the increased cost of housing and the incomes of subsidy-dependent households;
- Incentivize and increase the production of non-subsidized rental housing (activating dormant development) such that the total housing created (for-rent and for-sale) is in line with historic norms to balance supply and demand; and
- Remove regulation where possible, including easing building codes to allow for new construction technology and techniques, to lower the cost of housing production and preservation.

A combination of unleashing dormant development and creating favorable economics for existing vacant and NOAH units will activate the private development industry toward producing housing that is affordable to a greater number of people while also maximizing the potential for public/private tools that enable Capital A Affordable housing to serve subsidy-dependent households.