



Press Release

Testimony on the State of Housing in America

JULY 21, 2022

In today's testimony before the Senate Committee on Banking, Housing, and Urban Affairs, AAF President Douglas Holtz-Eakin discusses the state of U.S. housing markets.

His main points:

- *The dominant characteristic of owner-occupied and rental housing is high and rising prices, despite a recent construction boom. This suggests that the primary underlying cause of stress is demand stimulus from federal subsidies, especially those from the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.*
- *Before looking to new initiatives, Congress would be better served by a more complete understanding of the current state of existing subsidies, both from existing Housing and Urban Development initiatives and COVID-19 grants, from which a significant amount of funding remains unspent.*
- *To the extent that Congress attempts to meaningfully impact supply, it may look to remove tariffs that increase the cost of construction materials, expand the workforce of skilled construction workers, and reduce bureaucratic barriers such as unwanted land-use restrictions and the permit process.*

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