

Reclaiming Affordability

WINNING THE COST WAR WITH
THE **RIGHT** SOLUTIONS

Housing

independentWomen®

Housing

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Introduction

Burdensome housing costs place the American Dream out of reach. Housing costs exert an outsized influence on price increases across the economy and household budgets, making everyday life feel unaffordable. Housing affordability is critical for women, who frequently inherit significant assets and often take responsibility for managing household finances.

Housing costs comprise roughly [35%](#) of the total Consumer Price Index and remain a primary driver of inflation. Americans are increasingly home-burdened, spending well above the recommended 30% of their income on housing costs. In 2024, half of renters ([23 million](#) households) and a quarter of homeowners (21 million households) were home-burdened. When shelter costs consume significantly more of the monthly household budget, families have fewer resources available for other everyday needs, savings, and retirement planning.

Background: How We Got Here

Government overregulation is driving housing unaffordability. The crisis is fundamentally a matter of demand and supply: inadequate production of new homes and limited inventory of existing homes for sale have failed to meet growing demand, pushing prices sharply higher.

New construction is restricted due to home-building regulations, zoning and land-use restrictions, and an arduous permitting process. There are between [1.5 million](#) and [5.5 million](#) fewer houses available to purchase due to chronic underbuilding in recent decades.

Red tape carries a high cost. According to the National Association of Home Builders, government regulations at every level account for **24%** of the final price of a new single-family home and **40%** for multifamily homes. Biden-era energy mandates on 15 consumer appliances also add up to **\$31,000** to the price of a new home. Existing homes are increasingly off the market because recent high interest rates and potential tax bills from the inflationary gains in home values have locked many homeowners in place.

Policymakers must enact solutions that serve women, young families, and all Americans who want to own a home, age in place with dignity, or secure quality, affordable rental housing.

Solutions: Paths Forward

Cut red tape to cut costs. Policymakers must enact solutions that serve women, young families, and all Americans who want to own a home, age in place with dignity, or secure quality, affordable rental housing. Targeted deregulation and pro-growth tax reforms can rapidly expand the U.S. housing stock of existing and new homes. Reforming or eliminating regulations that make the home building process protracted, complex, and costly will spur home building. Removing or strongly reducing tax penalties on home value appreciation will massively encourage sales of existing homes.

List of Specific Bills

- ***More Homes on the Market Act (H.R. 1340)*** doubles the current exclusion levels from capital gains taxes and indexes them for inflation.
- ***Housing for the 21st Century Act (H.R. 6644)*** streamlines housing development by updating outdated programs, removing regulatory roadblocks, and increasing local flexibility.
- ***Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025 (S. 2651)*** is a package of reforms aimed at increasing housing supply, affordability, and access.
- ***Homeowner Energy Freedom Act (H.R. 4758)*** would repeal costly energy efficiency mandates on household appliances.
- ***Don't Mess With My Home Appliances Act (H.R. 4626)*** would repeal requirements to tighten appliance standards every six years.

Misperceptions vs. Facts

MISPERCEPTION: Institutional investors worsen the housing crisis by purchasing available homes and driving up prices.

FACT: Institutional investors, who own more than 100 single-family homes, are not driving America's housing shortage. They own less than **6%** of the entire U.S. single-family housing stock. Analyzed at the state level, they hold less than 0.5% of the single-family housing stock in 36 of the 50 states. Institutional investors are a valuable part of the housing market, funding capital-intensive renovations in homes they either rent or sell, largely to families seeking move-in-ready properties.

MISPERCEPTION: Rent control is a good solution to housing unaffordability.

FACT: Rent control is a **failed retro idea** that leads to counterproductive outcomes:

- Shrinking the supply of rental housing;
- Reducing the quality of rent-controlled units; and
- Worsening income inequities by empowering wealthier residents to exploit the system.

Residents in rent-controlled cities are even more cost-burdened than those in non-rent-controlled areas.

MISPERCEPTION: Pricing algorithmic tools worsen rental affordability.

FACT: Inadequate housing supply is driving prices higher for rent, not algorithmic pricing tools. These tools sort through large amounts of consumer choice data to provide landlords with information to adjust their prices quickly and efficiently.

INSTITUTIONAL VS INDIVIDUAL INVESTORS



- Mega Investors (Over 1,000 Homes) **3.2%**
- Large Investors (101-1,000 Homes) **2.9%**
- Medium Investors (11-100 Homes) **11%**
- Small Investors (10 or Fewer Homes) **82.8%**

Source: John Burns Research and Consulting

REGULATIONS ON A NEW SINGLE-FAMILY HOME

Cost of Applying for Zoning Approval	1.60%
Fees and Costs of Compliance	6.10%
Complying with Labor Requirements	1.60%
Standards That Go Beyond Ordinary	5.00%
Cost of Delay	0.60%
Change in Building Codes Over Time	6.10%
Other Regulations	2.80%
Total Cost of Regulation	23.80%

Regulations add \$94,000 to the cost of a new home.

Source: [NAHB](#)



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analysis, and data enable us to drive
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