

# Commentary: Washington area's housing problem is even bigger than you think

By Stephen S. Fuller  
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In a Capital Business commentary last week, D.C. Council member Kwame R. Brown (D-At Large) cited data from the Metropolitan Washington Council of Governments, which he chairs, that the Washington region could expect to add 1.2 million more jobs and 1.6 million more residents over the next 20 years.

The Council of Governments' forecasts are on the low side of what the region is likely to experience.

Our projections show that the area has the potential to generate 1.6 million net new jobs by 2030 and that the region's population will add as many as 1.7 million more residents making up 694,000 new households.

The biggest question is: Where are these workers going to live?

To accommodate this growing workforce, the region will have to significantly expand its housing supply. That means building on average 35,000 new housing units annually for 20 years to meet the nearly 700,000 requirement by 2030. That's more new housing than has ever been produced in the metropolitan area in any one year. And beyond the housing, these new residents will need a broad range of supporting infrastructure: parks, schools, cultural facilities, health services, sewer and water, everything that makes a livable community.

Even if the region were to build 700,000 new housing units, that would accommodate only two-thirds of the region's workforce. Because of a lack of affordable housing, 540,000 of the area's new jobs would be filled by people who live and commute from outside the region in such places as the Baltimore area and on the Eastern Shore.

Failure to satisfy these future housing requirements will have a significant impact on the region's economic viability and on municipalities' tax bases. Without sufficient housing supply, the price of housing will rise to the point of discouraging business location and investment as well as discouraging workers from moving to the Washington area. The shortage of housing in the Washington metropolitan area will push more workers to the exurbs, increasing highway congestion even further and reducing the attractiveness of the Washington area to workers and threatening the economy's ability to grow.

Whether the regional economy achieves its growth potential and remains competitive will depend on whether local leaders choose to respond to these challenges with long-range, regional solutions. The Washington area's existing organizations, public and private, do not have the needed long-range and regional perspective to accommodate its future growth potential.

In 2009, a small group of businesspeople -- the 2030 Group -- began discussing the region's future and the challenges it would present. Research sponsored by the 2030 Group and conducted by the George Mason University Center for Regional Analysis showed population and job growth surpassing projections made by the Council of Governments. The differences between these numbers are largely definitional; the center's job growth numbers include self-employed, part-time and contract workers along with the regular "payroll" positions normally counted.

Neither the numbers by the council nor the center include the approximately 50 percent of the current workforce that will retire during the next 20 years and need to be replaced. Adding these almost 2 million replacement positions to the 1.6 million net new positions makes the challenge of filling the region's workforce requirements much larger than previously acknowledged.

The 2030 Group has recognized the critical importance of long-range planning and regional cooperation as well as the need for regional leadership to position the Washington metropolitan area to achieve its full potential over the next 20 years. The 2030 Group will be working to help network the region's existing private and governmental organizations and establish a workable framework for addressing the challenges facing the Washington area as it confronts its future.

Starting now, the District of Columbia, Maryland and Virginia, in full cooperation with the private sector, need to establish the regional alliances and action programs necessary to achieve the full potential of the future workforce. The 2030 Group will be working to help them reach this goal.

*Stephen S. Fuller is director of the Center for Regional Analysis at George Mason University and authored the study, "The Future of the Washington Metropolitan Area Economy: Alternative Growth Scenarios and Their Regional Implications," for the 2030 Group.*