

Housing for a Population Increase in the District

by Philip M. Dearborn

The rapid expansion of the Washington area in recent years, particularly in the outer suburbs, has spawned fears that uncontrolled growth endangers the environment, aggravates transportation problems, and makes inefficient use of existing infrastructure. One alternative to suburban growth is to have a larger share of the area's residential expansion in the District of Columbia. Moreover, such an alternative is consistent with Mayor Williams' and other District officials' optimistic projections for an increased city population in coming years. To make this happen, however, new housing construction or rehabilitation of vacant housing in the District will have to increase by a substantial number of units.

Residential Development Expanding Rapidly in Suburbs

Residential development in the Washington area has resumed the rapid growth rate of the 1980s after a slowing in the recession of the early 1990s. The 37,866 new housing units authorized in the Washington area in 1999 was more than double the 18,146 housing units authorized to be built in 1991, but still was less than the 43,435 units approved for construction in the peak year of 1987*. Of the 1.8 million occupied dwelling units in the Washington area in 1998, about one third have been constructed since 1980. Furthermore, almost 80

*New housing units are those authorized by building permits issued during the year.

New Housing Units Authorized by Building Permits

Year	Area	District
1980	20,069	2,661
1981	15,874	981
1982	17,106	432
1983	32,454	164
1984	34,711	396
1985	36,387	590
1986	41,467	640
1987	43,435	1,198
1988	39,912	852
1989	35,338	410
1990	24,621	368
1991	18,146	333
1992	23,987	132
1993	30,357	305
1994	31,965	210
1995	29,140	35
1996	31,076	0
1997	30,873	15
1998	37,791	429
1999	37,866	683
Total	612,545	10,831
Total 80-89	316,753	8,321
Total 90-99	295,792	2,510

Source: U.S. Bureau of the Census, Current Construction Reports, Series C-40.

percent of the units added since 1980 have been single units and these units were more likely built in the outer suburbs than in the District.

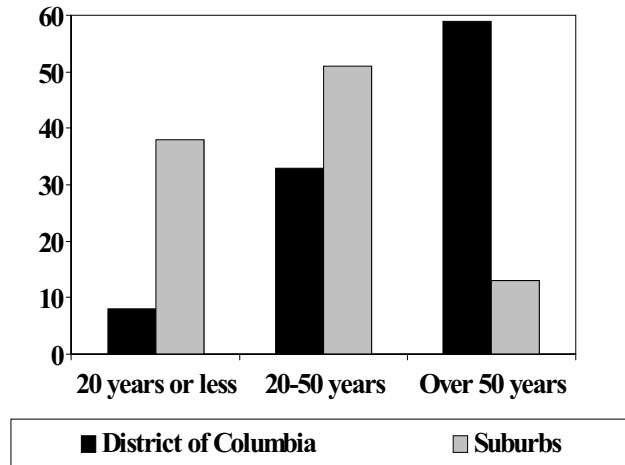
The District has not participated in the area's housing boom, especially in the 1990s. Of the 295,792 new housing units authorized in the Washington area from 1990 through 1999, only 2,510 or less than one percent, were in the District of Columbia.

District Has Net Loss of Residential Units

The 2,510 units constructed in the District in the 1990s were not sufficient to replace the units lost to demolition or abandonment. As a result, occupied housing units decreased by 23,534 from 249,634 in 1990 to 226,100¹ in 1998, or an average loss of 3,000 units per year. Over the same period, District population declined 83,776 and at least half of the population decline was related to the decrease in occupied housing units. The balance of the population decline was caused by smaller family sizes.

The District's loss of housing units may occur for a variety of reasons, but the age of most housing is certainly a major contributing factor. Almost 60 percent of the District's residential units are more than 50 years old. In contrast, only 13 percent of the residential units in the suburbs are more than 50 years old. It appears that many of these older residential units in the District are demolished and not replaced. Other units are lost as residences because they are in such a bad state of repair that they would require major rehabilitation to make them habitable.

**Age of Occupied Housing Units
District of Columbia and Suburbs**



Source: U.S. Bureau of the Census, American Housing Survey, 1998.

District Residential Construction Increasing Slowly

In 1999, the District authorized 683 residential units. This volume was the highest since 852 units were authorized in 1988 and represents a substantial improvement over the 50 units that were authorized in 1995, 1996, and 1997 combined. The District's new residential units in 1999, however, equal less than one percent (0.3 percent) of existing housing units in the city and only two percent of all residential units authorized in the Washington area.

To replace housing units being lost in the District each year, about 3,000 new or rehabilitated housing units need to be added annually. This means new construction must be increased by about five times its 1999 rate. While 3,000 units is a significant number in terms of recent District history, it is not a large number in the

context of Washington area housing construction. If less than 10 percent of new residential construction in the Washington area was shifted to the District, it would reach about 3,000 units per year.

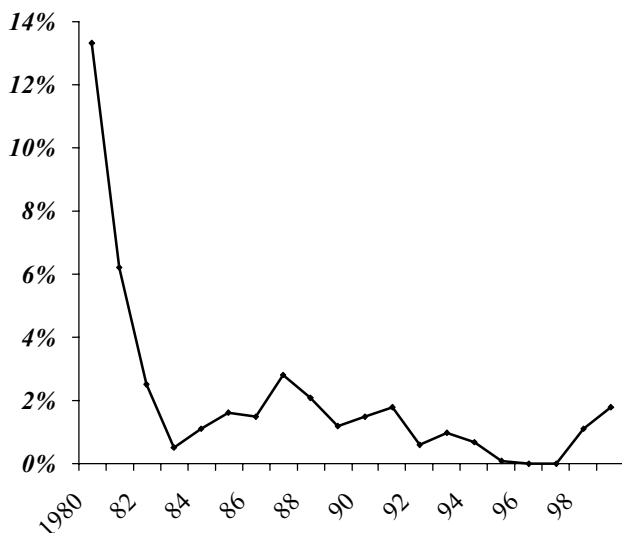
Is it reasonable to expect 10 percent of area residential units to be constructed in the District? According to recent news articles and other sources, demand for housing in the District is reported to be high, with few vacancies in habitable multiple unit buildings and market values for single family dwellings increasing rapidly. Demand in the District has been strengthened by the popular and successful new homebuyer credit that caused 51 percent of the new homebuyers to say the credit had caused them to buy in the District instead of the suburbs². Other cities with limited land area have experienced mixed results. In 1998, Seattle, a city with comparable land area and population to the District, garnered 15 percent of its metro-

politan area housing units³. However, Seattle and Orlando were the only large cities out of 15 with less than 100 square miles of area (the District has 61.4 square miles) that were able to get more than 10 percent of their area's residential building permits.

The District Must Gain a Larger Share of Multiple Unit Housing

Because of its limited land area, a key to the District's achieving more residential units will be its ability to increase the development of multiple unit housing. In 1980, the District authorized 2,661 housing units, more than double the number in any year since that year. The reason for this banner year was that 2,183 of the units were in multiple unit structures. In contrast, only 364 multiple residential units were authorized in 1999. For all of the 1990s, 1,340 multiple units were constructed compared to 1,170 single units.

Percent of Washington Area Residential Building Permits Issued in the District



The District should have a natural attractiveness for multiple unit development because of its large number of Metro stations, its concentrated downtown employment base, and its available infrastructure. Nevertheless, despite these apparent advantages, only two percent of the 62,055 multiple dwelling units constructed in the Washington area in the 1990s were in the District.

¹U.S. Bureau of the Census, American Housing Survey, 1998.

²Greater Washington Research Center's 1999 Homebuyer Survey.

³Harvard University Joint Center for Metropolitan Studies, "Housing Heats Up: Home Building Patterns in Metropolitan Areas, December 1999.