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## Introduction

San Francisco is one of the states in the United States. The city is regarded as a vibrant and dynamic urban area, which elicits competition for housing for both the poor and the rich. The dwellers of this city are characterized by factors such as minimum wage and existence of trade off between freedom and equality. On a similar note, the conditions have made the city to have a continuous problem in the housing capacity for its dwellers, particularly, the permanent resident dwellers. This essay seeks to examine the level of effectiveness of the housing policies and real estate prices in San Francisco.

## Literature Review

As a point of departure, the housing policies in San Francisco have undergone tremendous amendments overs years with the recent amendment done in 2014. The attitude of San Francisco policy amendment is attributed to the serious problem of housing, which has contributed to the exaggerated prices of homes and rent that range from an average of $3, 414 in 2013. These rates are considered the most expensive in the United States ((Thomas and Whelan, 29).
The 2014 housing policy amendments included increasing the downtown density cap from an estimate of 350 units per acre to an estimate of 800 dwelling units per acre. The second proposal involved the new language that intended to enhance job-creation land uses instead of housing. Considering these two policy amendments, it can be said that, the San Francisco housing, Real Estate authority, and relevant commissions are far from reaching a solution to the lofty prices of rents and homes that have hit the inhabitants for some time (Thomas and Whelan, 33). To answer the question of effectiveness of the housing and real estate policies, this study considers the second proposal for amendment.
The aspect of introducing a language intended to change the minds of the dwellers from perceiving land for housing to perceiving land as a job creation opportunity. This is a desperate policy, which might not make a big change because; the dwellers already have a mindset of either affording to let apartments or buying homes and hence, it will be difficult to change their traditional thinking about the uses of land (Barbara, 61). This is an indication that, despite the continuing policy amendments, the dwellers of San Francisco continue to suffer from the ever-increasing cost of living in terms of house rents and ownership. This study finds out that, the housing policies guiding the housing issues in San Francisco are not effective because, the intended problem remains unsolved and continues to take a worse dimension. In essence, life is becoming difficult for the majority of the residents of San Francisco (Draft Environmental Impact Report: San Francisco 2004 and 2009 Housing Element, 23).
Despite the fact that, the housing rates have reduced from the over valued cost of 50%, during the pre-recession and recession period to the present 6%, still this figure of overvaluing is burdensome to most of the dwellers in the city, forcing them to work for an average of 68 hours to afford the rent rates. Basing our assessment of this study on the relationship between the rates of housing, and the working hours, we can imagine that, the policies guiding the housing and real estates in San Francisco remain ineffective (David and Landis, 45). The present situation is a threat to the economic status of this city in the future.
This study establishes that the primary reason for these skyrocketing costs is attributed to the law of demand and supply. However, does this imply that the economists have failed to work with the housing commissions and authorities? The response to this off course is no, because the law that guides demand and supply is associated with numerous factors which causes the imbalances that are reflected in the present problem. For instance, the housing element faces a challenge of balancing between the policies drafted and the desires of the stakeholders who include the private sector. This imbalance is realized when the goals set in the policies cause tension amongst themselves. For instance, the correlation between the market rate and inexpensive housing seems to be reasonable and to some extent oppositional. Hitherto, increased extents of reasonable housing cannot be attained without the private sector, which brings fundamental funding aimed at affordable housing and attributed services through tax incomes. The sense of this explanation involves the relationship between the house price determinants and the correlated influence to the law, guiding supply and demand (Summary of the San Francisco Housing Coalition's Research into Real Estate Speculation in San Francisco, 12). This explains that the policies formulated to help in solving the house rents and home ownership costs in San Francisco do not consider the aspects that form the outside circle of market milieu. This aspect of formulating policies that are confined to specific laws and milieus are the foundation of their ineffectiveness in solving the housing problems in San Francisco.

## Conclusion

This study establishes that, the policies guiding the housing and real estate in San Francisco are ineffective and inefficient because of their inclination to specific market theories and environment. This implies that further open-ended discussions on policy amendment may form a solid foundation of the journey to solving the housing crisis in San Francisco. In essence, the reasons that are attributed to the housing problems in San Francisco include ineffective housing and real estate policies, numerous intermediaries in the housing industry and high population.

## Work cited

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