

January 21, 2025

Joe Alexander, Chairman
House Housing Committee
Legislative Office Building, Room 305
Concord, New Hampshire 03301

RE: Letter in Support of HB 572, establishing the “partners in housing” program.

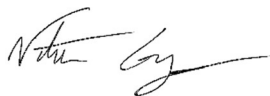
Dear Chairman Alexander and Honorable Members of the House Housing Committee:

The Business and Industry Association (BIA) is New Hampshire’s statewide chamber of commerce and leading business advocate. BIA supports practical and reasonable efforts that increase market rate and affordable housing supply as solving the housing crisis is critical for the continued economic vitality of our state. While there is no silver bullet, legislation that provides additional funding for key housing programs is critical to this effort.

HB 572 is that type of legislation. Among other changes, it provides \$10 million dollars in funding for the Housing Champions Program over the next biennium. Housing Champions was supported by BIA at its inception and has enabled municipalities that are interested in taking steps to help solve the housing crisis by voluntarily making changes to their local regulations to make building housing easier to benefit from those efforts. These model municipalities are key players in the effort to solve the crisis because, as described in the attached article about Austin, Texas, changes to local regulations that allow development result in increased supply, which will drive down the price of housing.

The regulatory changes in HB 572 and the funding provided to state agencies to help municipalities further make changes at the local level are important components of solving the housing crisis. For these reasons, BIA asks the committee to support HB 572.

Sincerely,



Natch Greyes
Vice President of Public Policy
Business and Industry Association

PROMOTING A HEALTHY CLIMATE FOR JOB CREATION AND A STRONG NEW HAMPSHIRE ECONOMY

122 NORTH MAIN STREET | CONCORD, NH 03301 | 603-224-5388 | BIAOFNH.COM

Austin rents have fallen for nearly two years. Here's why.

Story by Joshua Fechter, Texas Tribune



Rents in Austin have declined on average for nearly two years amid a boom in apartment construction. Credit: Jordan Vonderhaar for The Texas Tribune

[Subscribe to The Y'all](#) — a weekly dispatch about the people, places and policies defining Texas, produced by Texas Tribune journalists living in communities across the state.

DALLAS — Austin rents skyrocketed during the COVID-19 pandemic as tens of thousands of new residents flocked there and the region's job market boomed.

Now, Austin is one of the only major U.S. cities where rents are falling.

Austin rents have tumbled for 19 straight months, [data from Zillow show](#). The typical asking rent in the capital city sat at \$1,645 as of December, according to Zillow — above where rents stood prior to the pandemic but below where they peaked amid the region's red-hot growth.

Surrounding suburbs like Round Rock, Pflugerville and Georgetown, which saw rents grow by double-digit percentages amid the region's pandemic boom, also have seen declining rents. Rents aren't falling as quickly

as they rose during the pandemic run-up in costs, but there are few places in the Austin region where rents didn't fall sometime in the last year.

The chief reason behind Austin's falling rents, real estate experts and housing advocates said, is a massive apartment building boom unmatched by any other major city in Texas or in the rest of the country. Apartment builders in the Austin area kicked into overdrive during the pandemic, resulting in tens of thousands of new apartments hitting the market.

[Related video: Average cost of rent in Austin has dropped by \\$100 per month \(KVUE-TV Austin\)](#)

On average, builders in the region obtained building permits for 957 apartments for every 100,000 residents between 2021 and 2023, a Texas Tribune analysis of [Census data](#) shows — far outpacing the country's other major metropolitan regions. Among Texas' major metros, the San Antonio-New Braunfels region came closest with 346 new apartments permitted per every 100,000 people during that same period.

[\[How 11 Texas cities made housing unaffordable — and what's being done to fix it\]](#)

That boom resulted in part because of a [shifting political culture around new housing](#), Austin City Council Member José "Chito" Vela said.

As in many other major cities, existing homeowners and neighborhood groups that opposed allowing more homes to be built for decades held significant sway at Austin City Hall. But those forces lost favor amid the city's skyrocketing housing costs during the pandemic. Austin voters elected City Council members — including Vela — more friendly to housing development.

"We were working under the premise for a couple of decades here in Austin that if we did not allow new construction, that would help preserve neighborhoods and hold down costs," Vela said. "That has just been objectively shown to be false, and that the contrary approach is true."

Amid increased competition, landlords fight to attract new tenants and keep the ones they have. That means keeping rents flat or cutting rents to convince existing tenants to renew their lease. For new tenants, it means landlords may offer several months' worth of free rent in order to convince them to move in.

[\[How Fort Worth supplanted Austin as Texas' top boomtown\]](#)

That competition has fueled declining rents across the market, [figures from the firm MRI ApartmentData show](#). Brand-new apartments and older, cheaper apartments alike have seen rents fall within the last year.

"When you introduce that many new apartments, your rental rates drop due to competition," said Cindi Reid, the firm's director. "Supply and demand."

One result of the city's falling rents: Austin's no longer Texas' most expensive major city for renters. The region's population and job growth slowed as apartment building took off. As Fort Worth overtook Austin to [become the state's fourth-largest city](#), its rents surpassed Austin's, too.

San Antonio, Dallas and Plano have also seen declining rents — but they haven't fallen as fast as in Austin.

Though rents have dipped, the Austin region's housing costs remain high. It's unclear how long the downward trend in Austin rents will last. While nearly 17,000 apartments are under construction, according to MRI data, builders have pulled back on new projects amid the glut.

Austin rents sit about 17% above pre-pandemic levels, Zillow figures show. Nearly half of the Austin-Round Rock region's renters are "cost-burdened," according to [a report last year published by Harvard University's Joint Center for Housing Studies](#) — meaning that they spend more than 30% of their income on rent and utilities, leaving less money in their pockets to spend on other essential needs like groceries, clothes and transportation.

Of those households, almost a quarter put at least half of their income toward rent and utilities, meaning they are "severely" cost-burdened.

"Affordability has a technical definition, and it's paying 30% or less of your income toward rent," said Ben Martin, research director for Texas Housers, a research and advocacy group. "And for many people in Austin, that was not the case before the pandemic, and it's not the case now."

Faced with high burdens and home prices, it's exceedingly difficult for the typical family to make the transition to homeownership. Home prices in Austin have hovered above \$500,000 for some time, making it nearly impossible for the typical family to transition to homeownership while remaining in city limits. A potential homebuyer in the Austin area needs to make more than \$140,000 to afford a home at the median sales price, according to Harvard.

Signs abound that residents are struggling with the region's high housing costs. Landlords are filing more evictions than they did before the COVID-19 pandemic, [figures from Eviction Lab show](#). And the number of people experiencing homelessness grew in Austin last year, according to estimates [released in December](#) by the U.S. Department of Housing and Urban Development.