Twitter Thread by Noahtogolpe ■

Noahtogolpe ■
@Noahpinion

1/OK, so. Let's talk about Left-NIMBYism.

We all know about Right-NIMBYs, rabidly protecting their white-flight suburbs from Those People. And there are plenty of liberal NIMBYs too.

But NIMBYs of the Left are also a force to be reckoned

2/Left-NIMBYs have developed a canon of interlocking, mutually reinforcing beliefs about housing and urbanism.

These beliefs are mostly false, but they form a powerful "canon" that quickly ossifies into a hardened worldview.

It looks something like this:

- Allowing private developers to build market-rate housing results in the construction of “luxury” housing instead of “affordable” housing.
- In addition to lining the pockets of developers, this “luxury” housing raises rents in an area, leading to gentrification and displacement.
- People who argue for upzoning, easier permitting, or other policies to allow market-rate housing development are shills for developers, who don’t actually care about housing the poor or driving down rents.
- These shills use the discredited economic theory of “supply and demand” to trick the public into thinking that allowing market-rate housing construction reduces rents.
- Only rent control, or government-operated social housing, can reduce rents.

3/Fortunately, Nathan J. Robinson of Current Affairs has written an article that perfectly encapsulates the Left-NIMBY worldview (and quotes me in it!).

So this is a teachable moment.

https://t.co/nvFJryQZGi

4/Robinson selectively quotes a Bloomberg article of mine (https://t.co/iamRrW6oei).

Look at the part he quoted, vs. what I actually wrote!

Pretty different, eh? ■

> Economist Noah Smith, a supporter of the YIMBY framework, says that progressives simply do not understand economics:
>
> > *....[I]t has become an article of faith that building market-rate housing raises rents, rather than lowers them. The logic of Econ 101 — that an increase in supply lowers price — is alien to many progressives, both in the Bay Area and around the country.*

5/In fact, as I wrote in the article that Robinson failed to read more than one line of, it's theoretically possible that Left-NIMBYs COULD be right that allowing market-rate housing drives up local rents.

I take that possibility very seriously, as do YIMBYs.

6/But as always in economics, we need to look at the EVIDENCE, not just theory!

And although there isn't a mountain of evidence on market-rate housing yet, some evidence is starting to pile up.

And it doesn't look great for the Left-NIMBY theory.

7/For example, here's a 2016 paper by Xiaodi Li about what happens to nearby rents when you build market-rate housing.

https://t.co/AwrJTJK2lY

> For every 10% increase in the housing stock, rents decrease 1% and sales prices also decrease within 500 feet. In addition, I show that new high-rises attract new restaurants, which is consistent with the hypothesis about amenity effects. However, I find that the supply effect is larger, causing net reductions in the rents and sales prices of nearby residential properties.

8/And here's a brand-new paper by Kate Pennington about what happens to rents and to gentrification when you build market-rate housing in San Francisco:

https://t.co/8GCbE1jNOC

> I find that rents fall by 2% for parcels within 100m of new construction. Renters' risk of being displaced to a lower-income neighborhood falls by 17%. Both effects decay linearly to zero within 1.5km. Next, I show evidence of a hyperlocal demand effect, with building renovations and business turnover spiking and then returning to zero after 100m. Gentrification follows the pattern of this demand effect: parcels within 100m of new construction are 2.5 percentage points (29.5%) more likely to experience a net increase in richer residents.

9/And here's a 2019 paper by Brian Asquith, Evan Mast, and David Reed, about what happens to rents and to gentrification when you build market-rate housing:

https://t.co/6YPHc38NDF

> New buildings decrease nearby rents by 5 to 7 percent relative to locations slightly farther away or developed later, and they increase in-migration from low-income areas. Results are driven by a large supply effect—we show that new buildings absorb many high income households[.]

10/There are others (https://t.co/Hp3ecU9Ly0, https://t.co/AjipSyRSOy), but the general result here is starting to become clear.

Market-rate housing lowers nearby rents while drawing high-income people away from low-income neighborhoods.

11/In fact, reality looks very much like my "Yuppie Fishtank Theory" (which is really just a segmented markets model).

It's an explanation of why YIMBYism doesn't need Econ 101 or Supply-and-Demand:

https://t.co/8o6V0L4Wbv

12/But Robinson gets things even more wrong when he claims that YIMBYs are Randian shills who hate public housing and demand that market-rate housing be the only solution.

Here's what he writes:

> The YIMBY pitch is generally quite simple: everyone knows there is a housing crisis in many of America's cities, and that the rent is too damn high. Thus we need more housing. Increased supply will reduce prices…
>
> [But] YIMBYs are not anti-capitalists. They are allies of developers who believe in letting the "free market" determine what kind of housing will be built…
>
> The *Real Deal*'s report says detractors call the YIMBYs "Ayn Rand's spawn" and "shills," a "tentacle of the real estate lobby… motivated by principal, not principle."
>
> It's certainly true that YIMBY groups tend to embrace economic ideas associated with free-market thinkers like Rand. The idea, generally, is that the problem of affordable housing is a problem of supply. Thus zoning restrictions should be rewritten to allow for more development. There is little interest in having the government build new public housing. Instead, when YIMBYs say "we need more housing," they mean "we need to allow developers to build what sells." And even though they talk a lot about the need for affordable housing, they tend to be opposed to *requiring* developers to make housing affordable, assuming that the Invisible Hand of the free market will take care of that.

13/Robinson singles out three YIMBY organizations for his accusations:
California YIMBY
YIMBY Action
Open New York

Let's see what each one has to say about public housing, shall we?

Here's Brian Hanlon, co-founder of California YIMBY.

https://t.co/hU4hWQh1Px

> Paris again leads the way. Let's build massive amounts of public housing in wealthy parts of the Bay Area. https://t.co/zNHfwKQawJ
>
> — Brian Hanlon (@hanlonbt) May 15, 2016

14/Here's Laura Foote, executive director of YIMBY Action:

https://t.co/M52O8R67St

> Last tweet from me.
>
> We need publicly subsidized and/or public housing too. And we could transition to entirely public housing. I have no problem with that.
>
> We'll still need to upzone to allow apartments in exclusionary neighborhoods, whether it's public or private.
>
> — Laura Foote \U0001f303 (@NeverSassyLaura) October 16, 2018

15/Here's Ben Carlos Thypin, founder of Open New York:

https://t.co/OxII8YxxKh

> Tax credits and section 8 are garbage, we should bring back real public housing.
>
> — Ben Carlos Thypin (@SoBendito) May 12, 2017

16/Robinson simply failed (or refused) to do his homework. His characterization of these YIMBYs is utterly wrong. In reality, they're just a bunch of lefties who want to build ALL types of housing instead of insisting on just one.

17/In fact, I think the conflict between YIMBYs and Left-NIMBYs is not fundamentally about evidence, or about public housing.

It's about preservationism vs. growth and change. Left-NIMBYs want to stand athwart urban history, yelling Stop.

Left-NIMBYs seem to have a vision of cities that's deeply tied to the past. Robinson staunchly defends the idea of neighborhood preservationism:

> Neighborhood culture and the preservation of local memory are important, and preservationism is not just for the wealthy…Preservationism seems like a bourgeois movement because the bourgeois have economic muscle, but *nobody* deserves to have the future of their neighborhoods determined by developers rather than the democratic process…We can preserve without being reactionaries.

18/Whereas YIMBYs recognizes that cities will always grow and change, and we can't preserve them in amber. Instead, we have to shape their growth into something equitable and inclusive.

YIMBYs, on the other hand, recognize that the forces affecting cities change, and urban development has to change with them. Immigrants move in. People and companies move in and move out. Vast economic forces tug at cities, and it's just not possible to stand athwart urban history yelling "Stop!". No matter how much you try tc restrain developers and companies and new arrivals, cities WILL change — they just won't remain collections of idyllic little Jane Jacobs villages preserved in amber. And its up to us to *shape* that change into something equitable and inclusive instead of something chaotic and cruel.

19/Left-NIMBYism is not confined to the West Coast; you see it popping up in cities across the nation. It's wrongheaded, but it's something we're going to have to deal with as we fight to make American cities livable for everyone.

(end)

https://t.co/05c6IMSc4y

Anyway, if you like this sort of thing, you can sign up for my free email list, and have my posts delivered directly to your inbox!

https://t.co/FGppA1M8W6