



One of the most pernicious aspects of the land use and housing debate over the last few years has been the rise of what we mean might call [“left-wing NIMBYs.”](#) It is essentially traditional NIMBYism but on allegedly progressive grounds.

The principal argument of this group is that building more market-rate units will do nothing to reduce housing costs. Market-rate housing, they argue, is just “luxury” housing, and so it won’t make anything more affordable. It essentially says that when it comes to housing the law of supply and demand is irrelevant. (Smarter ones say that induced demand will wipe out the gains: more housing will lead to greater demand so no price benefit will result). This is why scholars such as Vicki Been, Ingrid Gould Ellen, and Katherine M. O’Regan refer to them as “supply skeptics,” which is a nicer term than mine but I don’t think any more accurate. Fortunately enough, [Been, Ellen, and O’Regan have exhaustively examined the literature on this NIMBY argument and have arrived at a definitive conclusion: it’s wrong.](#) They write:

Although “supply skeptics” claim that new housing supply does not slow growth in rents, we show that rigorous recent studies demonstrate that: 1) Increases in housing supply slow the growth in rents in the region; 2) In some circumstances, new construction also reduces rents or rent growth in the surrounding area; 3) The chains of moves sparked by new construction free up apartments that are then rented (or retained) by households across the income spectrum; 4) While new supply is associated with gentrification, it has not been shown to cause significant displacement of lower income households; and 5) Easing land use restrictions, at least on a broad scale and in ways that change binding constraints on development, generally leads to more new housing over time, but only a fraction of the new capacity created because many other factors constrain the pace of new development.

This of course has not convinced the supply skeptics, who continue to insist that anything less than building fully deed-restricted affordable projects is just caving to developers.

Now it seems that they are not simply wrong, but self-contradictory. The current housing situation in Los Angeles provides a natural experiment.

Many of the groups who oppose market-rate development [are now demanding a rent freeze in large parts of Los Angeles](#). The wildfires have pushed out so many people, they argue, that rents are skyrocketing and pushing out long-term tenants.

They have a point. Right now, we do not have definitive data, but as someone who lost his house in Pacific Palisades and is looking for a long-term solution, I can attest that rents have jumped significantly - no matter that state law prevents landlords from raising rents by more than 10% during a declared state of emergency. One (admittedly affluent) family I know is paying \$28,000 a month for a house in Mar Vista. That is at the far end of the spectrum, but it is there. I have actually heard worse.

But just think about this for a second. If losing thousands of units in Los Angeles have caused rents to skyrocket, why wouldn't gaining them do the opposite?

Think of it this way:

Suppose that suddenly all 20,000 or so houses in Pacific Palisades suddenly reappeared and were fit for habitation. What do you think would happen to house prices in Los Angeles then? We all know the answer: they would go back down to where they were before the fire. Landlords could not price-gouge because demand would crater.

Well, all right, then! If that is the case, why wouldn't housing prices decline if 20,000 *more* units appeared in Los Angeles? They would. And if that is the case, the supply skepticism argument falls apart: the appearance of market-rate housing would actually lower prices. And that would be even more the case if these market-rate units were multifamily units (unlike in Pacific Palisades). Then the normal filtering process would work even faster.

This isn't an argument against deed-restricted affordable housing. I am strongly in favor it (yes, in my neighborhood), and am willing to pay higher taxes to pay for it. But it stands absolutely no chance of closing the state's - and the nation's - housing gap. [A California Legislative Analyst Office Report from 2016](#) estimated that filling the gap would require close to \$30 billion a year in state funds - which is the state is nowhere near close to having. (And that estimate was a decade ago).

NIMBYism is bad. Left-wing NIMBYism is worse because it co-opts progressive goals and rhetoric. Over the last few years, it has served as a cover for wealthy homeowners who want to say they are very liberal while pulling up the ladder for those who came after them. Enough.