

Too few homes

Conor Dougherty “The Morning” *New York Times* March 27, 2024

President Biden worries about high housing costs. So do Republicans in Congress. The consensus reflects a major problem: Tens of millions of families, across red and blue states, struggle with rent and home prices. The reason is a longstanding housing shortage.

But action in Washington won't make a huge difference. America's affordable housing crisis is likely to be solved in cities and states. In today's newsletter, I'll explain how many are already doing so in bipartisan fashion.

Local laboratories

Home prices are up about 60 percent over the past decade, adjusted for inflation. About a quarter of renters — some 12 million households — spend more than half their income on housing, far in excess of the one-third level that is considered healthy. [Homeless camps](#) have expanded, and “[super commuters](#)” — who drive for 90 minutes or longer to work — have migrated well beyond the expensive coasts to smaller cities like [Spokane](#), Wash., and fast-growing metropolitan areas like Dallas and Phoenix.

Generally, Republican-led states have been more affordable than Democratic-led ones. They tend to have fewer construction and environmental rules, which allows the housing supply to expand faster. But as rent and home prices climb beyond middle-income budgets in more places, states are racing to add housing.

The legislation in each state varies. But in general it removes permitting and design barriers so new construction can be approved faster. States are also trying to alter zoning rules to allow a greater diversity of units in more neighborhoods.

One way is to allow more [backyard homes](#) — known as granny flats. That way, homeowners can build a space for a renter or family member. Another is to shrink lot sizes so [several smaller cottages](#) can be built on parcels currently reserved for only one larger home. Cities and states are also altering zoning rules so duplexes and triplexes can be built in neighborhoods that are currently

designated for single-family homes. All these methods aim to increase density within a city's existing footprint.

Already, Democrats and Republicans in [Montana](#) and Arizona have united for housing legislation. A similar coalition has taken shape in other states, including Texas, [Minnesota](#) and [North Carolina](#). Even in California and Oregon, whose governments are both dominated by Democrats, Republican votes have helped pass housing bills.

“Some issues become a horseshoe,” said Cody Vasut, a Republican member of the Texas House of Representatives who wants to drastically restrict abortion — but also liberalize land use laws. “We have different views of government, but sometimes we arrive at the same conclusion.”

These coalitions are not always successful. Last week, for instance, the Arizona governor, Katie Hobbs, a Democrat, [vetoed a bill](#) that would have allowed smaller homes and lot sizes. She called it “a step too far.”

Most of these laws are too new for us to know their ultimate outcomes. But there's ample evidence that building more housing reduces prices. In Austin, Texas, for instance, a surge in rent and home prices during the pandemic led to a boom in construction. Now prices are falling, and landlords [offer months of free rent](#) to fill empty units.

New coalitions

Why can political parties cooperate on this issue but so little else? Housing politics are hyperlocal and don't hew to neat ideological lines. Neither party has a hard position that members feel beholden to.

One thing most people agree on is that America has too few homes. According to Freddie Mac, the mortgage finance giant, the nation is short about [four million units](#). The deficit is particularly acute in both [low-cost rentals](#) and the entry-level [starter homes](#) favored by first-time buyers.

Economists say much of the blame falls on local governments. City councils hold most of the power over where and what types of housing get built, but they are

beholden to homeowners who often pack meetings to complain that new developments would destroy nature and snarl traffic.

This is called NIMBYism, short for “Not in my backyard.” The remedy, in both red and blue states, has been to pass laws that strip cities’ power to say no.

State legislatures are close enough to voters to share their concerns about rising housing costs — but far enough that they don’t have to answer for every new local development. They are the Goldilocks level of government for housing reform.

No News is Bad News

Simon Kuper *Financial Times* 21 March 2024

For all the angst about polarisation and disinformation, something very different is in fact going on in news consumption: the mass-media age is ending. We're returning to a time when most people get almost no news. Growing numbers of citizens are oblivious to current affairs, much like most ordinary Britons before the first popular newspaper, the Daily Mail, appeared in 1896. Opinion-formers who lead the political conversation tend to overlook this shift, because they, by definition, care about news. What happens to a society when the majority switches off?

Of course, there never was a golden age when everyone followed the news. George Orwell wrote on May 28 1940, as the British army's evacuation from Dunkirk began: "People talk a little more of the war, but very little . . . Last night, [his wife Eileen] and I went to the pub to hear the 9[pm] news. The barmaid was not going to have it on if we had not asked her, and to all appearances nobody listened."

Still, for about a century, people in developed countries bought newspapers. Perhaps they did so chiefly for sport, the weather and cartoons, but they absorbed current affairs by osmosis. Their radios and TV sets gave them hourly news.

Now, the internet's destruction of media is nearing completion. Many people who moan about "the media" hardly see media any more. In 2023, for the first time, cable and broadcast TV combined accounted for less than half of all television viewing in the US, says the media research company Nielsen. Netflix and YouTube are winning that battle. Fox News has shrivelled to a niche retirees' broadcaster.

The US has lost two-thirds of its newspaper journalists since 2005. Britain's former Conservative leader William Hague noted, in a requiem for local newspapers this month, that the once-mighty Birmingham Post, in a city of 1.15 million, now sells 844 printed copies a week. No wonder it took a fictional TV drama to excite the public about the wrongful convictions of British postmasters, after media had reported the scandal fruitlessly for years.

The cliché used to be that people had moved to social media for news. Well, they have moved to social media, but increasingly not for news. After all, why let journalists you don't trust tell you about politicians you don't trust? Meta says news now accounts for under 3 per cent of what users see on its biggest platform, Facebook. Instagram, too, has deprioritised news. TikTok won't even show political adverts.

This suits the growing tribe of people who find the news depressing, boring and repetitive. Brexit, for instance, feels so 2016. Politicians are being outcompeted by rival celebrities in the attention economy. If the Biden-Trump contest were a reality TV show, it would have been discontinued in 2020. Even Trump has lost his shock value, and some of his wit.

Pundits wonder why voters aren't giving Biden credit for the improved economy. Well, few voters see economic statistics any more. Non-visual events such as the Chips and Science Act attract even less attention than climate change.

Only spectacular news videos break through to apolitical people. This happened at the US-Mexican border and, initially, in the wars in Ukraine and Gaza, until the content grew repetitive. The Ukrainian war is a particular international turn-off, says the Reuters Institute's Digital News Report. As for Gaza, the western protesters chanting, "From the river to the sea" and the people who obsess about them are both minuscule unrepresentative minorities. Westerners mostly ignore the war (though when asked by pollsters, people who bother replying express opinions that they hadn't been thinking about five minutes before).

A few serious news media will survive as special-interest publications, like ham-radio magazines in bygone days. Their content is mostly argued about by well-educated men with polarised views, notes the Reuters Institute. Politicians will disproportionately woo this group, ignoring the apathetic mainstream.

The no-news era will change politics. "If a nation expects to be ignorant & free, in a state of civilisation, it expects what never was & never will be," wrote the American founding father Thomas Jefferson. Expect rising abstention at elections, as is already happening in France. Polarisation pushed turnout in the US's 2020 election to 66 per cent, the highest since 1908, but that should prove a peak. Internet influencers may displace TV personalities such as Trump and Volodymyr Zelenskyy as election-winners. And with citizens losing interest, leaders will find it easier to dismantle democracy à la Viktor Orbán.

We marvel at Russians, switched off and immobilised while their government commits horrors. That could be us very soon.

‘New climate reality’ stretches global freshwater supply

Population growth and industrialisation are compounding the problem, but there is no shortage of solutions

Attracta Mooney *Financial Times* 22 March 2024

As Pere Aragonès, Catalonia’s regional president, declared a drought emergency across the Spanish region in February, he issued a stark warning: “We are entering a new climate reality.”

With water reserves falling to below 16 per cent of usual capacity in Barcelona and the local area, a string of restrictions — including limits on swimming pool use, a ban on watering public parks, and a reduction in agricultural irrigation — were rolled out. They are due to stay in place for more than a year.

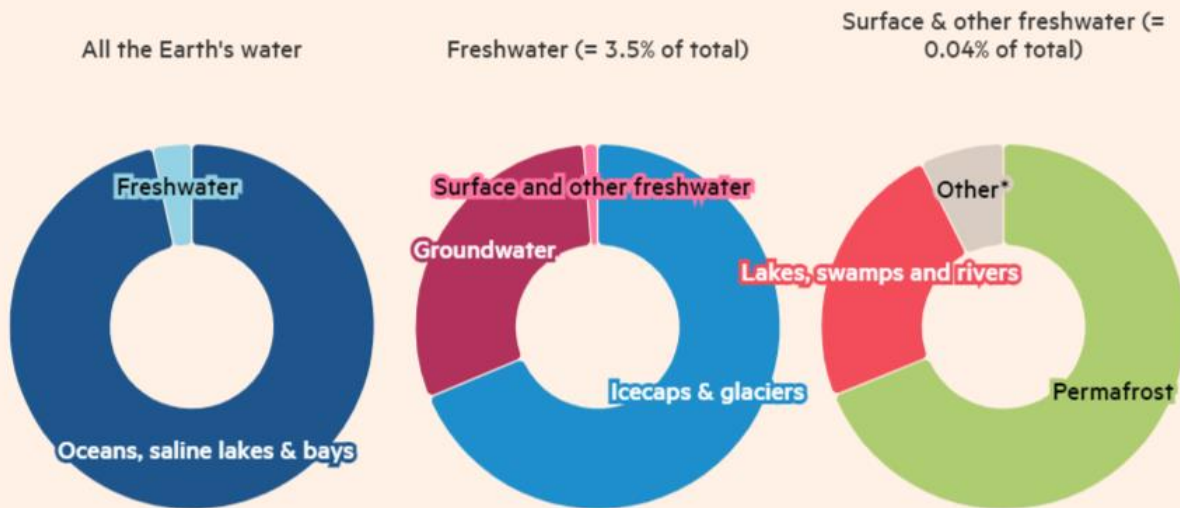
Aragonès, who said some areas had not experienced rain in three years, warned that droughts are set to become more intense and frequent as global warming bites. But he added: “We will overcome the drought thanks to collaboration, shared effort, planning and well-directed investment.”

It is now a problem being experienced around the world: officials having to cope with water scarcity — and drought — as global temperatures rise.

Cities from Cape Town in South Africa to Chennai in India have faced severe water crises in recent years, as a triple whammy of population growth, industrialisation, and climate change put their water supplies under unprecedented stress.

Only a tiny fraction of Earth's water is both readily accessible and drinkable

The vast majority of water is saline — and most freshwater is inaccessible. Human societies get most of their needs from rivers, which form only 0.0002% of the Earth's water



FINANCIAL TIMES

Source: United States Geological Survey; Igor Shiklomanov • *soil moisture, atmosphere, biological water (living things)

About half of the world's population already experiences severe water scarcity for at least some part of the year, according to the World Meteorological Organization (WMO).

It has led the UN to warn that the world is now "careering towards a global water crisis", with a 40 per cent shortfall in freshwater resources predicted by 2030. Only about 3.5 per cent of the world's water is freshwater, mostly held in glaciers and groundwater.

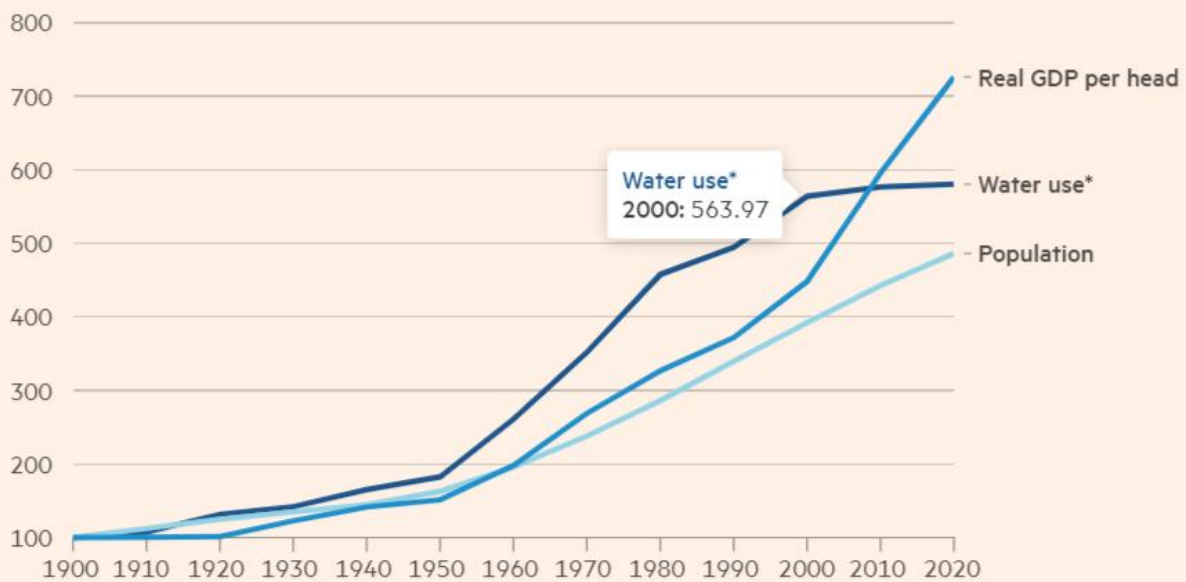
"The quantity of the water we have freely available for our use, and the quality of water available for our use, is heading in completely the wrong direction," says water security, risks and economics expert Cate Lamb.

Stefan Uhlenbrook, director of hydrology, water and cryosphere at the WMO, says water demand is "outpacing the availability of water", with climate change only reinforcing this problem. Climate change exacerbates both water scarcity and water-related hazards, from floods to droughts, he explains. This is because it changes rainfall patterns, disrupting the entire water cycle.

Uhlenbrook says that drought and flooding are becoming "more severe" because of climate change. Heavy rainfall can be too intense for existing water defences to hold, while flash flooding and so-called run-off affect the quality of fresh water.

As countries industrialised and living standards rose, water usage grew faster than population — but there are signs that growth is slowing

Global data (indices, 1900 = 100)



FINANCIAL TIMES

Source: IGBP; Our World in Data; IA Shiklomanov; FAO; Angus Maddison; The Maddison Project; IMF
• * Global freshwater withdrawals for agriculture, industry and domestic uses.

Mina Guli, chief executive of water non-profit Thirst, says problems around water availability, pollution, and access have long been an issue, but climate change is acting as an “accelerant”.

“With climate change, water is falling in ways that we can no longer capture it,” she says. “So we’ve got more droughts. We’ve got more floods. And when it floods, the water goes straight out to the ocean and we don’t collect this.”

Rain, meanwhile, is falling in places where there are no dams or reservoirs, where people are not “equipped to actually manage and collect that water”, Guli adds.

“What’s happening now is that the water that’s available to us to use is decreasing, and that demand is increasing. And, therefore, we have a massive water challenge.”

Belgium, for example, is one of the countries suffering the most from water stress in Europe, according to the World Resources Institute, even though it experiences frequent rainfall. The country’s sources of freshwater are struggling to meet the demands of the country’s population, as well as heavy agricultural and industrial usage.

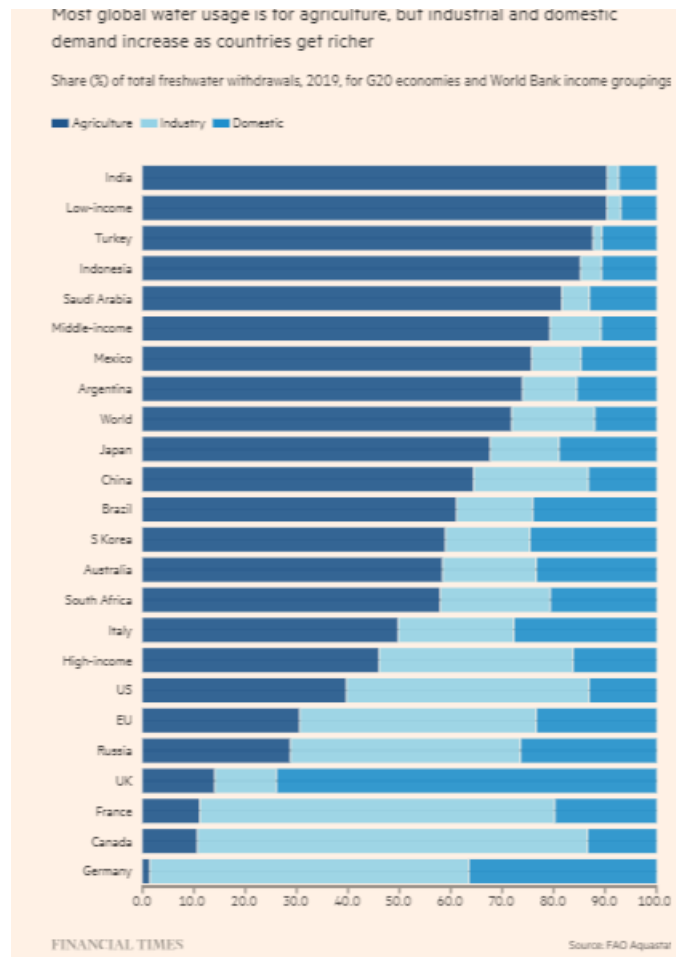
Climate change also means higher temperatures, resulting in an increased demand for water for activities such as crop irrigation. Agriculture and food production is by far the largest user of water, accounting for about 70 per cent of freshwater usage.

Another 20 per cent of freshwater is used in industry, with just 10 per cent used domestically, Uhlenbrook adds.

“Water goes into everything we use, consume or buy every day,” says Guli, citing clothing as an example: to make one outfit, she says, requires more water than a person would drink in 40 years.

While water scarcity can result in domestic restrictions, agriculture and industry will also increasingly feel the pinch, she warns. “It is the one thing that can decimate supply chains.”

Already, water levels in the Rhine river in Europe have been so low that barges vital for transporting goods have struggled to run. And, in France, some nuclear power plants have been forced temporarily to reduce output because of a lack of water for cooling.



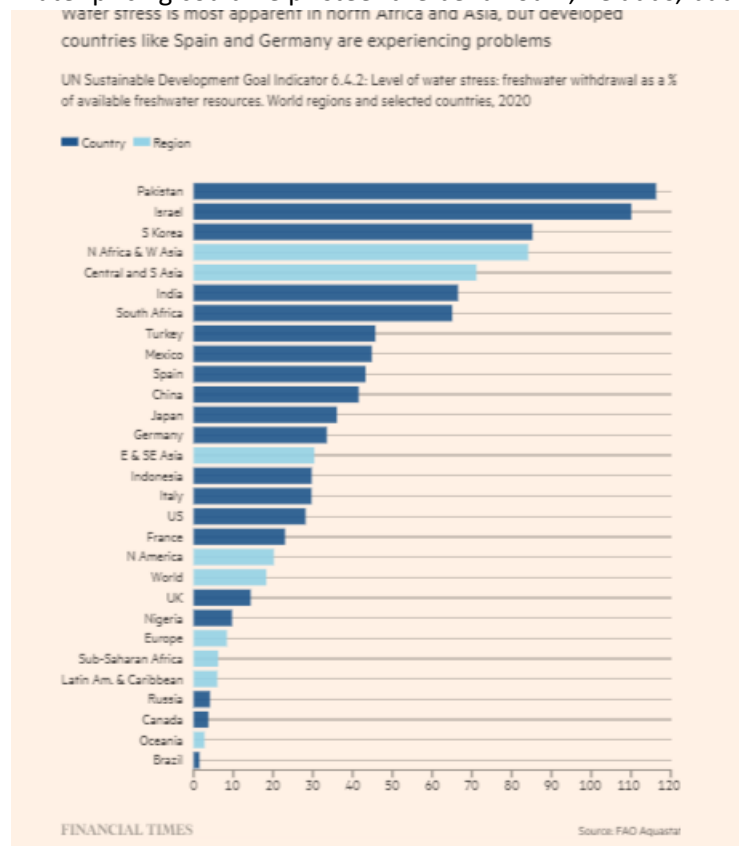
“This is not just an environmental challenge,” says Guli, “It is an economic and commercial risk. It is a supply chain risk. Businesses and investors have failed to appreciate the enormity and scale of the challenge we are facing [when it comes to water].”

At the same time, water is often not a key focus of governments, says Durk Krol, executive director of industry body Water Europe. It is often seen as an environmental, or sometimes an agricultural, issue. But it is rarely the key focus for politicians in charge of those areas, he argues.

“In order to solve the water crisis, we need to make politicians responsible,” Krol says. “Then we need a strong water strategy for Europe. Then, we need an action plan.”

In Europe, a “Blue Deal” for water is potentially on the cards, akin to the EU’s climate-focused Green Deal. “The strong case we can build for water is the economic case,” says Krol.

Water pricing could help “steer the behaviour”, he adds, but this can be an “extremely sensitive topic”.



Guli argues that, to tackle water scarcity globally, we need to look at ways of using water more efficiently. “A huge amount of water is wasted,” she says. “Water doesn’t come from a tap, water comes from an effective ecosystem.”

Scientists and water experts say there are a host of solutions to tackle water shortages and achieve the UN’s vision of Water for Peace — its theme for today’s World Water Day. “On the whole, technologies and solutions already exist,” says Lamb.

For agriculture, this includes targeted irrigation, as well as sowing crops or seeds better able to cope with less water.

“We need to radically shift our agricultural practices,” says Lamb. “We need to clean up our act and stop the vast majority of significant pollutants entering our waterways. We need to increase our water efficiency . . . We need to ensure there is consistent monitoring at every level of the economy — national, local, businesses, financial institutions — to make sure we are not taking more than we can sustain.”

Some businesses are waking up to the challenge, she notes. Recently, Spanish bank BBVA issued a loan to electric utility company Iberdrola where the rate of interest was linked to specific water indicators.

Uhlenbrook says “more investments are necessary to adapt and minimise” water scarcity and drought, including more water storage.

Back in Barcelona, David Mascort, the minister for climate action in Aragonès’ government, says the region is investing heavily in solutions for its water crisis, including in desalination plants.

Yet, even in the middle of the winter, Barcelona could not avoid a drought emergency. “Due to changes in climate, it’s already super dry there [in Barcelona] in January, February, and the summer still has to come,” says Uhlenbrook.

What is happening in Barcelona will be replicated around the world, he warns. In other cities, too, “it is going to happen more frequently.”