

# Bay Area Is Almost Rock-Bottom in U.S. for Housing Creation

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The latest confirmation that the housing supply in the Bay Area can't possibly meet demand comes from Zillow. In fact, the region lags behind only Los Angeles in its ability to provide newcomers with a place to live.

But if you're willing to move to Detroit or Pittsburgh or St. Louis, finding shelter won't be an issue. And it will be much easier to pay for, given that affordability is compromised when the housing supply is low.

"There's a real mismatch between where homes are located and where people want to live," said Svenja Gudell, Zillow's director of economic research, during a phone interview.

New [research](#) from the real estate service, which is based in Seattle, found that only 193 housing permits were issued for every 1,000 new residents in the Bay Area, making the region second-worst in the country — and just as unaffordable as it seems.

Zillow's survey analyzed population growth for 2013 and 2014, and housing permits from 2012 and 2013. Nationally, the average was 384 permits per 1,000 new residents. If things get much worse in the Bay Area, the region could surpass Los Angeles County, which issued a mere 187 permits per 1,000 new residents.

Zillow's analysis said Bay Area residents can expect to pay a whopping 44 percent of their income on rent or 39 percent of their income on their monthly mortgage payment.

"For-sale affordability is starting to look not so great, and for-rent affordability — it's by far the worst it's ever been in San Francisco," Gudell said. "It kind of makes me wonder where that leaves people. Those are your two choices in terms of living, if you ignore your parents' basement for a moment."

She added, "San Francisco is an extremely unique case."

Zillow looked at the 35 largest metro areas in the United States. The most affordable places are areas like Detroit, where the population is growing slowly, or regions such as Chicago, where housing construction is keeping pace with growth and 906 permits were issued per 1,000 new residents.

Pittsburgh was at the other end of the spectrum from L.A. and the Bay Area — 42,258 permits were issued per 1,000 new residents, despite the fact that people aren't exactly flocking there.

Cities like San Francisco and San Diego are drawing people partly because of tech jobs and intrinsic appeal. But regions with warmer climates, such as Las Vegas, Phoenix and Miami, are growing, too, Gudell said, and are especially attractive to foreign investors, snowbirds and retirees.

"In San Francisco you have a great job market, and it's booming," Gudell said. "So you're attracting a lot of new people. But you have growing pains because you're not able to keep up on the housing side of things. That's a real challenge right now."

The permit data pertain to housing units, Gudell said. So, a 50-unit apartment building, for example, would count as 50 permits.

The Bay Area was tops in the country, at \$715,800, in Zillow's February calculations for its home value index — the median of estimates of what homes are worth. In this category, Los Angeles ranked second, coming in at \$533,700.

Detroit, at the other extreme, was \$114,400. And the U.S. median was \$178,700.

Meanwhile, Zumper, a website that lists and analyzes rentals, has just released its [national rent report](#) for March, which found that San Francisco is still the most expensive city in the United States — although rents dropped by 1.7 percent to a median of \$3,400.

Oakland is now No. 4 in the country, with a median rent of \$2,000. It's tied with Washington, D.C., and trails New York and Boston.

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City/State	2017 Median	2018 Median	2019 Median
Alaska, AK	\$27.7 million	\$1.81 million	\$883 million
Alabama, AL	\$6.4 million	\$2.4 million	\$25.4 million
Arizona, AZ	\$17.2 million	\$2.1 million	\$1.2 million
Arkansas, AR	\$10.2 million	\$1.4 million	\$1.1 million
California, CA	\$428.2 million	\$44.2 million	\$1.2 million
Colorado, CO	\$18.2 million	\$2.1 million	\$1.2 million
Connecticut, CT	\$18.2 million	\$2.1 million	\$1.2 million
Delaware, DE	\$18.2 million	\$2.1 million	\$1.2 million
District of Columbia, DC	\$18.2 million	\$2.1 million	\$1.2 million
Florida, FL	\$18.2 million	\$2.1 million	\$1.2 million
Georgia, GA	\$18.2 million	\$2.1 million	\$1.2 million
Hawaii, HI	\$18.2 million	\$2.1 million	\$1.2 million
Idaho, ID	\$18.2 million	\$2.1 million	\$1.2 million
Illinois, IL	\$18.2 million	\$2.1 million	\$1.2 million
Indiana, IN	\$18.2 million	\$2.1 million	\$1.2 million
Iowa, IA	\$18.2 million	\$2.1 million	\$1.2 million
Kansas, KS	\$18.2 million	\$2.1 million	\$1.2 million
Kentucky, KY	\$18.2 million	\$2.1 million	\$1.2 million
Louisiana, LA	\$18.2 million	\$2.1 million	\$1.2 million
Maine, ME	\$18.2 million	\$2.1 million	\$1.2 million
Maryland, MD	\$18.2 million	\$2.1 million	\$1.2 million
Massachusetts, MA	\$18.2 million	\$2.1 million	\$1.2 million
Michigan, MI	\$18.2 million	\$2.1 million	\$1.2 million
Minnesota, MN	\$18.2 million	\$2.1 million	\$1.2 million
Mississippi, MS	\$18.2 million	\$2.1 million	\$1.2 million
Missouri, MO	\$18.2 million	\$2.1 million	\$1.2 million
Montana, MT	\$18.2 million	\$2.1 million	\$1.2 million
Nebraska, NE	\$18.2 million	\$2.1 million	\$1.2 million
Nevada, NV	\$18.2 million	\$2.1 million	\$1.2 million
New Hampshire, NH	\$18.2 million	\$2.1 million	\$1.2 million
New Jersey, NJ	\$18.2 million	\$2.1 million	\$1.2 million
New Mexico, NM	\$18.2 million	\$2.1 million	\$1.2 million
New York, NY	\$18.2 million	\$2.1 million	\$1.2 million
North Carolina, NC	\$18.2 million	\$2.1 million	\$1.2 million
North Dakota, ND	\$18.2 million	\$2.1 million	\$1.2 million
Ohio, OH	\$18.2 million	\$2.1 million	\$1.2 million
Oklahoma, OK	\$18.2 million	\$2.1 million	\$1.2 million
Oregon, OR	\$18.2 million	\$2.1 million	\$1.2 million
Pennsylvania, PA	\$18.2 million	\$2.1 million	\$1.2 million
Rhode Island, RI	\$18.2 million	\$2.1 million	\$1.2 million
South Carolina, SC	\$18.2 million	\$2.1 million	\$1.2 million
South Dakota, SD	\$18.2 million	\$2.1 million	\$1.2 million
Tennessee, TN	\$18.2 million	\$2.1 million	\$1.2 million
Texas, TX	\$18.2 million	\$2.1 million	\$1.2 million
Utah, UT	\$18.2 million	\$2.1 million	\$1.2 million
Vermont, VT	\$18.2 million	\$2.1 million	\$1.2 million
Virginia, VA	\$18.2 million	\$2.1 million	\$1.2 million
Washington, WA	\$18.2 million	\$2.1 million	\$1.2 million
West Virginia, WV	\$18.2 million	\$2.1 million	\$1.2 million
Wisconsin, WI	\$18.2 million	\$2.1 million	\$1.2 million
Wyoming, WY	\$18.2 million	\$2.1 million	\$1.2 million



