

WASHINGTON SCENE

Housing Shortage: The Ultimate Myth?

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WASHINGTON—This will shock homeowners whose houses have gone unsold for months. Two real estate professionals—both with considerable credentials—have chosen to dust off and push into the spotlight again one of our nation's ultimate myths—that we are facing a housing shortage of severe proportions.

This thesis is difficult for an experienced observer to accept anytime. But at this moment in housing history, production is decreasing and a surplus of new and resale homes is upon us.

That shortage viewpoint seems to be more shortsighted than ever. If any housing shortage of the 1980s were to be given any kind of sympathetic hearing, it would have to be presented as a shortage of "affordable" housing. We've always had that and always will as long as some people are rich and others are poor.

Who's predicting a severe shortage of housing in the 1980s, when demographics indicate our household numbers will increase sharply.

The housing short forecasters are Donald I. Hovde, the handsome resident of Madison, Wis., who is the 1979 president of the 700,000-member National Assn. of Realtors. He, more than you and I, should be aware that this is a buyer's market and that the problems of housing prices and financing must be solved if the residential market is to retain any resiliency in the months ahead. He also should know that homebuilders and manufacturers of mobile homes have the capacity to produce more dwellings when needed.

The other fearsome forecaster is a corporate entity with an ownership portfolio of 123 rental properties worth more than \$540 million. The Robert A. McNeil Corp., San Mateo, Calif., has a staff of more than 1,300

representatives in 70 cities. Again, impressive credentials for a conclusion so arguable at almost any nonwartime era in our history.

Both Hovde and the McNeil firm base their predictions of a housing shortage on statistics that show the nation is not producing the estimated more than 2 million units needed. That prediction goes back more than a decade to the Johnson administration push for a "decent home for everyone." That laudable aim has been unachieved but progress has been shown. That 2 million supposition also is based on a decaying housing stock and razing that amounts to hundreds of thousands annually.

Maybe nobody has told Hovde and the McNeil organizations that the nation's cities are the scene of a remarkable, mostly private rehabilitation effort that should be remembered as the hallmark of the 1970s. Is there anyone who doesn't know someone who has bought an older house and rehabbed and recycled it into a thing of relative beauty.

And those reclaimed old houses have space galore. But the McNeil reports suggest that people will be huddled in small dwellings and that there will not even be room for pets in our houses of the 1980s. Sensational bosh! I contend there are more four- and five-bedroom houses than there are large families today. There are also couples without any children living in larger houses than they should reasonably have.

McNeil President Allen Cymrot goes even further, saying: "The production of new housing—single-family homes as opposed to multiple (rental or condo apartments) is totally out of whack. We're building single-family houses that people no longer can afford to buy and cutting back on apartments that are clearly within

the means of more and more people."

Besides sounding somewhat self-serving from an executive of an income-producing housing firm, that view also overlooks the result of repeated housing surveys, in particular those made by Professional Builder magazine. More than 93% of persons interviewed at housing sites regard a single-family house as their ultimate objective. And many sacrifice to get them.

One more observation. There's not even a shortage of rental housing for persons of medium income despite the fact that occupancy levels are high. Doubt that? Just look at the classified section of this newspaper. You will get a lot of housing answers there. Read the classified ads and you get evidence that there is no housing shortage . . . Our problem now is a housing surplus.