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Sen. Mike Lee's HOUSES Act would make housing affordable at no cost

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Unfortunately, Bidenflation shows no signs of letting up. New data this week indicate 8.5% annualized inflation, barely an improvement over the 40-year record set for the second quarter of 2022.

There is one part of the economy, however, in which prices are currently getting lower: housing.

In May, the Case-Schiller National Home Price Index reached a 24-year high after home prices spiked during COVID — in some states, prices went absolutely bonkers. A convergence of extremely low inventory and extremely low interest rates severely strained housing affordability. According to the National Association of Home Builders, more than 70% of prospective homeowners cannot afford the mortgage payments on a median-priced home in their area. Renters are not much better off — according to census data, 46% of them pay more for housing than what is considered affordable at 30% of their income or less.

Today, housing prices are finally experiencing a market correction. But even this will probably not turn back the clock to when housing was genuinely affordable, especially in high-demand states and towns. Prices are getting lower, and rents are sure to follow, but this will not solve the underlying problem of affordability.

For conservatives, the housing shortage currently concentrated in rapidly growing parts of the country, especially in the Mountain West, may not seem like an issue for government at all. Markets are supposed to sort these things out. Subsidy programs and rent-control schemes are inevitably counterproductive, making inventory more scarce and prices even higher for most people.

But there actually is something the federal government can do because Western states have a unique constraint on their ability to provide housing that the government can remove. If people in Washington can just be as reasonable as they were during the Clinton era for a few minutes, there is a bipartisan solution that ought to sail through Congress easily.

The answer is to sell a small portion of government land to states, which they can in turn, auction off for homebuilding.

No, this isn't about national parks or monuments or designated wilderness areas or any of the federal lands that you would ever visit for camping, hiking, or fishing. Instead, this is about parcels of land that the government holds, scattered all over the country, that go largely unused

and are, in some cases, costly to maintain. Sometimes, this land is used for grazing, mining, and other purposes, but it also includes empty parcels of land surrounded by developed areas within cities and towns.

According to the Cato Institute, there are 650,000 acres of such land in Utah alone that are within 1 mile of city borders, managed by the Bureau of Land Management or the U.S. Forest Service.

What can be done with such land? Quite a bit, it turns out. And you don't even need too much of it to make a big difference.

In 1998, Congress passed and then-President Bill Clinton signed the Southern Nevada Public Land Management Act, allowing competitive auctions of such underutilized federal lands in the Las Vegas area. This provided additional room for the city to grow and increase Clark County's housing stock from 317,000 in 1990 to more than 912,000 today. Meanwhile, to this day, that single local program in just one state is still running. It has generated \$4.3 billion. Hundreds of millions of dollars of that money has been earmarked for Nevada schools, infrastructure, and conservation projects.

Sen. Mike Lee (R-UT) wants to build on that success. His HOUSES Act would do something similar but with a sharper focus on using the land for new housing projects.

The congressional Joint Economic Committee estimates that the HOUSES Act would result in the construction of 2.7 million more homes in Western states. This involves the conversion of just 0.1% of all federal land holdings, concentrated in Western states where housing is either brutally expensive already or rapidly becoming so. Oregon, Arizona, and Idaho would receive the largest boost to their housing stock (of 15% or more), and the vast majority of their state housing shortages would be eradicated.

What's more, this wouldn't cost anything. Such a program would actually make money for taxpayers, fund environmental initiatives, and bring housing prices down sufficiently to cause a 24% increase in the number of families in Western states that can afford a median-priced home on less than 30% of their income.

This bill is a win-win for everyone who feels put upon by high housing prices. Members of both parties would do well to get behind it.