

Best way to increase housing supply? Build more

By Patrick Clark, Bloomberg

It's widely agreed that housing markets across the U.S. are hurting for new inventory, driving up prices and postponing homeownership for young Americans. What's driving the inventory shortage is a murkier matter.

A new report from Trulia tests some popular explanations and comes to this conclusion: We're going to have to build our way out of it.

The report looked at five possible causes for the inventory shortage, including the sluggish pace of new home construction, the growing role of single-family-rental landlords and the share of older homeowners in a given market. Also: price appreciation and the gaps among entry-level, step-up and luxury homes.

Read the whole story