

Report: To cut housing prices 10%, Calif. needs 20% more units

By Peter Fimrite, San Francisco Chronicle

It could take decades and cost billions to build enough housing to make even a modest dent in home prices across the state, a team of economists reported.

Jerry Nickelsburg, director of the UCLA forecast team, said it would take 20 percent more housing to achieve a 10 percent reduction in prices. Such a reduction throughout California would bring costs down roughly to 2014 levels, he said, citing figures provided by the Legislative Analyst's Office.

California needs to build 180,000 units of housing a year to keep up with demand, but falls 80,000 units short, according to Gov. Jerry Brown's housing department. Catching up to the demand, the department said, would cost an additional \$26 billion.

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