Raleigh, NC
YIMBY TOWN '26

Please do the poll on Whova! →

Land is Not a Toaster

A friendly critique of YIMBY economics

STEPHEN HOSKINS
Progress & Poverty INSTITUTE

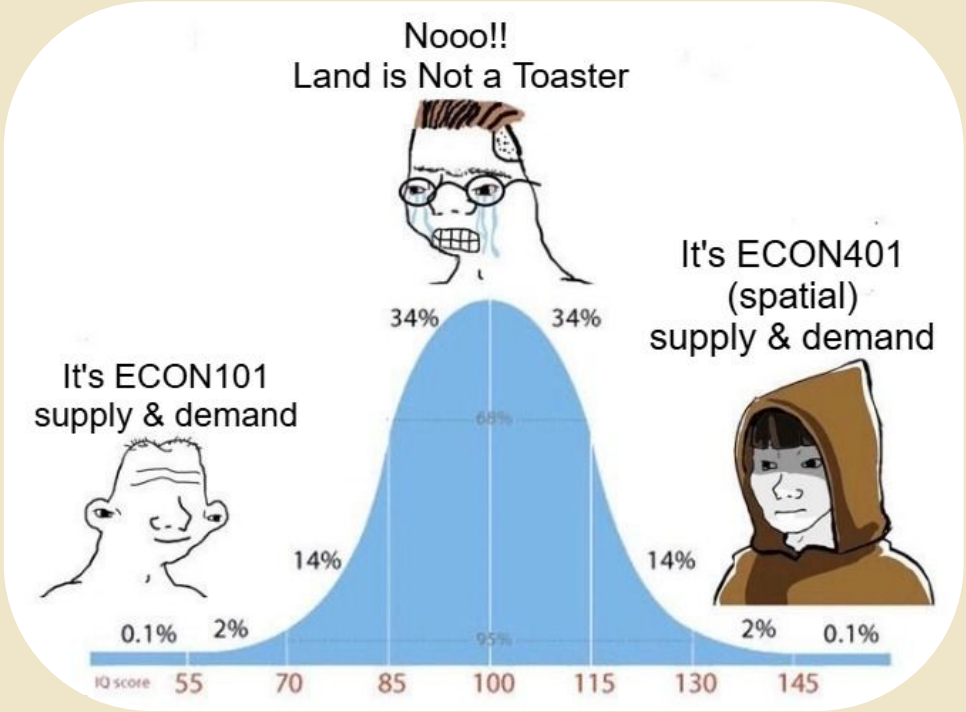


Today's Flash Talk

- **Who is this guy?**

1. **Time** → Land never wears out
2. **Space** → Land can't move
3. **Universe** → You can't make land

- **Wrap**





Auckland

1.5 Indeed, the evidence of Mr Geoff Land shows that the proposed height spiral will result in negligible adverse effects on neighbouring properties. It will, however, create significant vertical opportunities for commercial, residential and retirement development. Together, these opportunities will encourage diversification, lift productivity, reduce commutes, and enable a wider range of residents to share in the unique coastal values that make Orewa such a vibrant place.

1.6 Overall, my evidence shows that the additional height limits proposed by DOB and Pamber can generate significant benefits for the Orewa area without imposing adverse effects on neighbouring sites. Accordingly, I recommend that they be adopted on economic grounds.

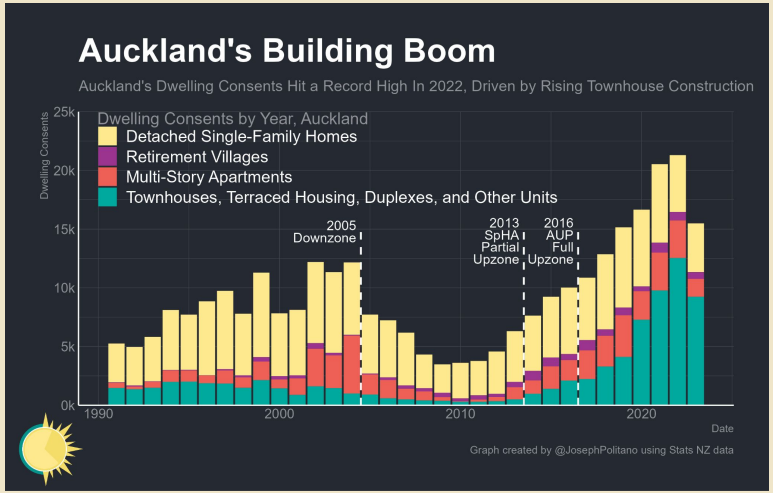
2. **INTRODUCTION**

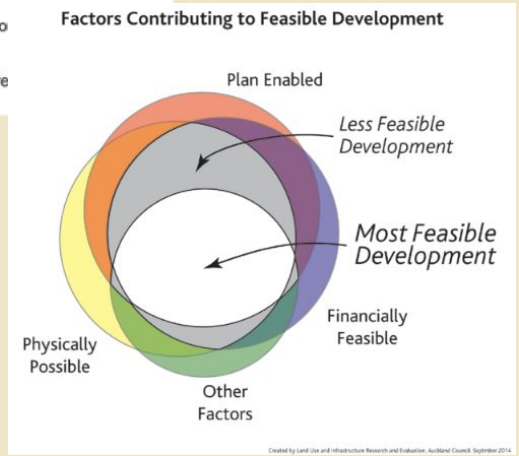
Qualifications and experience

2.1 My full name is Stephen James Hoskins. I have prepared this statement of evidence on behalf of Destination Orewa Beach and Pamber (Auckland) Limited.

2.2 I am a professional economist based in Auckland. I hold a first-class hono economics from the University of Auckland (2011).

2.3 I have 5 years' commercial experience as an economics consultant. Curre Insight Economics Limited, an economics consultancy based in Auckland.





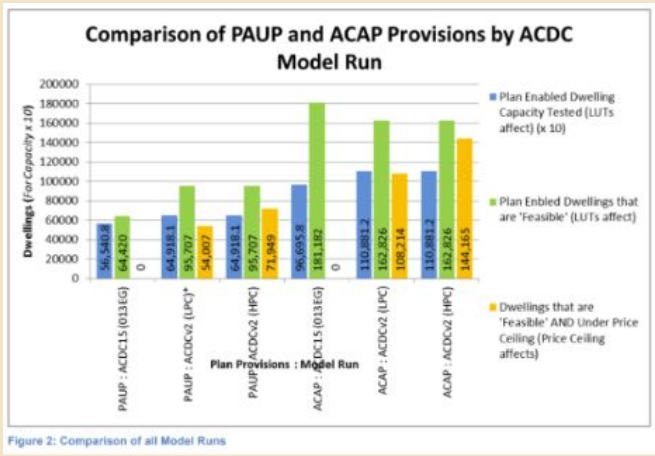


Figure 2: Comparison of all Model Runs



Singapore (Twitter)

Stephen Hoskins 🔰🧦🌐🧩 @GeorgistSteve · 12h

🗣️📢"But what about low-rent units?" I hear you ask "Remember Damiano & Frenier!"

Well, Li looks at different segments & finds a clear supply effect in the top 75% of rents.

Although it wasn't stat sig for the cheapest 25%, the new condos certainly didn't raise their rents.

4 5 83

Stephen Hoskins 🔰🧦🌐🧩 @GeorgistSteve · 12h

So, overall this is great news!

✅ new high-rises do stimulate new restaurants, but

✅ they do so while lowering rents for most households & not raising them for affordable units

〓 this suggests the possibility for "gentrification without displacement"

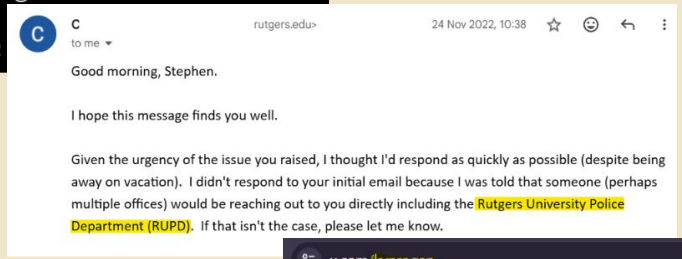
1 2 119

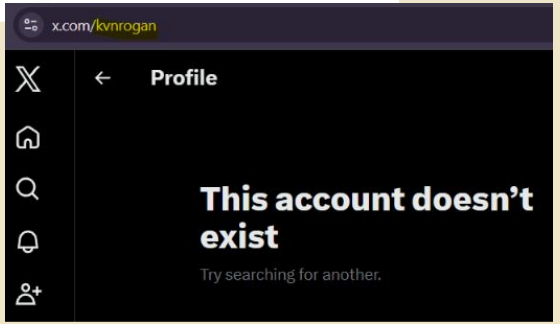
Stephen Hoskins 🔰🧦🌐🧩 @GeorgistSteve · 12h

Kate Pennington's recent paper found a similar result: new market rate units in San Francisco led to more rich people moving in, but while also lowering both rents and displacement rates.

Gentrification without displacement!







Amsterdam



YIMBY Lit Review

A collection of the evidence on the relationship between land use regulation (zoning) and a wide range of outcomes. Click the > arrows to expand each category.

- ▶ What is the effect of zoning on housing construction?
- ▶ What is the effect of zoning on house prices?
- ▶ What is the effect of construction on rents and displacement rates?
- ▼ What is the effect of zoning on rents?

  Greenaway-McGrevy (2023): Uses rents and demographic data to construct a synthetic control for Auckland, finding that the 2016 AUP upzoning caused a statistically significant 26-33% reduction in rents of 3-bedroom dwellings. 2-beds see a 21-24% reduction, with mild statistical significance.

VU VRIJE UNIVERSITEIT AMSTERDAM

Master's Thesis

The impact of the Auckland Unitary Plan on the spatial arrangement of land values

by

Stephen Hoskins
s.j.hoskins@student.vu.nl
2738316

Supervisors: Jos van Ommeren
Jan Rouwendal

June 30, 2022

Progress and Poverty

Land and Liberty to Build: On Georgism and YIMBYism

Only an alliance of Georgism and YIMBYism is capable of addressing rising housing costs and economic inequality



STEPHEN HOSKINS
SEP 19, 2022

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Seattle

yourewelcomebainbridge.substack.com

You're Welcome

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'Redo your homework' says the Bainbridge Babysitter

A letter from the Department of Commerce tells Bainbridge Island what changes we must make to our Comprehensive Plan by August.

MAY 19 • STEPHEN HOSKINS

livablebainbridge.org

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YOU ARE WELCOME

Bainbridge Island has a housing gap. Too many of the workers, seniors, and families who support daily life here **can no longer afford to live here.** Livable Bainbridge exists to support practical housing solutions that **keep this community strong, connected, and livable for more people.**

Christine Quinn

Bainbridge Island · 1 day ago · Edited

See 2 alerts near you

Sightline Helped Rewrite State Housing Law. Its Founder's Protégé Now Runs

Dear Commissioners,

In advance of this evening's meeting, I write to express my strong support for the proposed affordable housing development at 625 Winslow Way.

We are undeniably in a housing crisis, with sky-high rents pushing many American families into poverty and onto the street. With the Trump administration today ordering that homeless encampments be removed and homeless people institutionalized, the urgent need for more affordable housing could not be more dire. This is especially true for places like Bainbridge, with access to good jobs, safe communities, natural beauty, and median rents exceeding $3,000/month.

The proposed development at 625 Winslow Way is a sublime contribution to this need. It is attractive modern design, integrates well with its geography and surrounds, creates attractive public spaces and landscaping, and offers the design typical of the European cities we all love to visit: ground level retail to enliven the street, apartments enjoying the views above, and car parking neatly tucked away in the basement. It contains nearly 100 homes with a range of sizes that will suit diverse different household types, from studios that can suit our youth as they leave home, through young families looking for a starter home, to compact apartments suitable for our retirees when they look to downsize in their twilight years. It is a perfect location for workforce housing: mere yards from our main bus station at the ferry terminal (and Seattle's job market across the sound), mere feet from the island's main employment hub along Winslow, and less than a mile from the shops surrounding Safeway.

With such an urgent need for affordable housing and such a delightful project eager to proceed, I implore you to fast-track this development and accept the requested variances ASAP.

Kind regards,
Stephen Hoskins
151 Finch Pl SW, Suite C, Bainbridge Island 98110
(206) 319-6465

P.S. Ignore all the hand-wringing about parking: as a young person I could easily live car-free in apartments like this.

Bainbridge hired Mauro before that appeal was decided.

The same network is already active on Bainbridge. Stephen Hoskins is paid as Director of Community Research and Engagement at the Progress and Poverty Institute.
He and Greg Miller of the Center for Land Economics are collaborators on land value tax research, advocacy, and government consulting.

At their June 3, 2026 joint event, HOSKINS SAID THEY HAD SIGNED A CONTRACT SUPPORTED BY SIGHTLINE INSTITUTE to test ways of presenting land value taxation to Washington voters, specifically noting interest from Spokane and Seattle's mayor.

Hoskins started Livable Bainbridge. Some REAC members, including the co-chair, are members.

In February he gave a talk at Housing Resources Bainbridge titled "The Progress and Poverty Paradox," discussing Henry George and land value tax for the island.

In August he co-hosted a public meeting with former councilmember and Planning Commission vice chair Sarah Blossom called "What the Heck Is a Comp Plan" on the city's comprehensive plan update under the Growth Management Act.

He has emailed the mayor and councilmembers. In one email to a councilmember he wrote that he had checked with "my contacts (Ryan Packer of The Urbanist, Ron Davis who is associated with Sightline and Futurewise)" before offering technical advice on sewer capacity.

City staff have reviewed points he raised for Planning Commission materials.

What follows from the public record is this:

• The city manager was shaped by the founder of

What Happened When Pennsylvania Taxed Land?

A study of the on-the-ground effects of Land Value Tax Implementations in the Keystone State.



Progress & Poverty INSTITUTE

PROGRESSANDPOVERTYINSTITUTE.ORG

1. Time

“Don’t wait to buy real estate. Buy real estate and wait.”
– Will Rogers

The Puzzle

- Vacant parcels zoned for development persist even in high-demand cities
- We know that upzoning typically boosts construction
- But we don't really much about when & why developers choose to build
  - DiPasquale & Wheaton
  - Terner
- Nor how those individual decisions combine to the behavior of the market
- Poll:
  - *Manhattan's largest vacant lot is zoned for 1,500 apartments but has sat empty for almost 20 years. What would get it built on sooner?*
  - *A landowner can profitably build a duplex now, or wait and build a sixplex in 5 years. Which is better for the city?*

What the critics say

- **Freemark (2020):** Chicago TOD upzoning raised land prices but didn't boost construction
- **Murray (2022)**: developers build at an absorption rate set by the market, not zoned capacity
- **Condon**: Upzoning just enriches speculators

What the theory says

- Land is permanent: does not decay. Waiting pays.
- Development decisions are practically permanent
- Landowners hold an option: when & what to build (**Real Options Theory**)
- Upzoning increases the value of that option (the **Profit Effect**)

- **Progress & Poverty Paradox**: progress → speculation → poverty
- **Taxing land penalizes speculation**
  - Prices the option
  - Reallocates land to development-ready owners (Tideman 1999)

What the empirics say

- **Landowners do delay development when facing uncertainty:**
  - **Seattle**: increased uncertainty slows supply (Cunningham 2006)

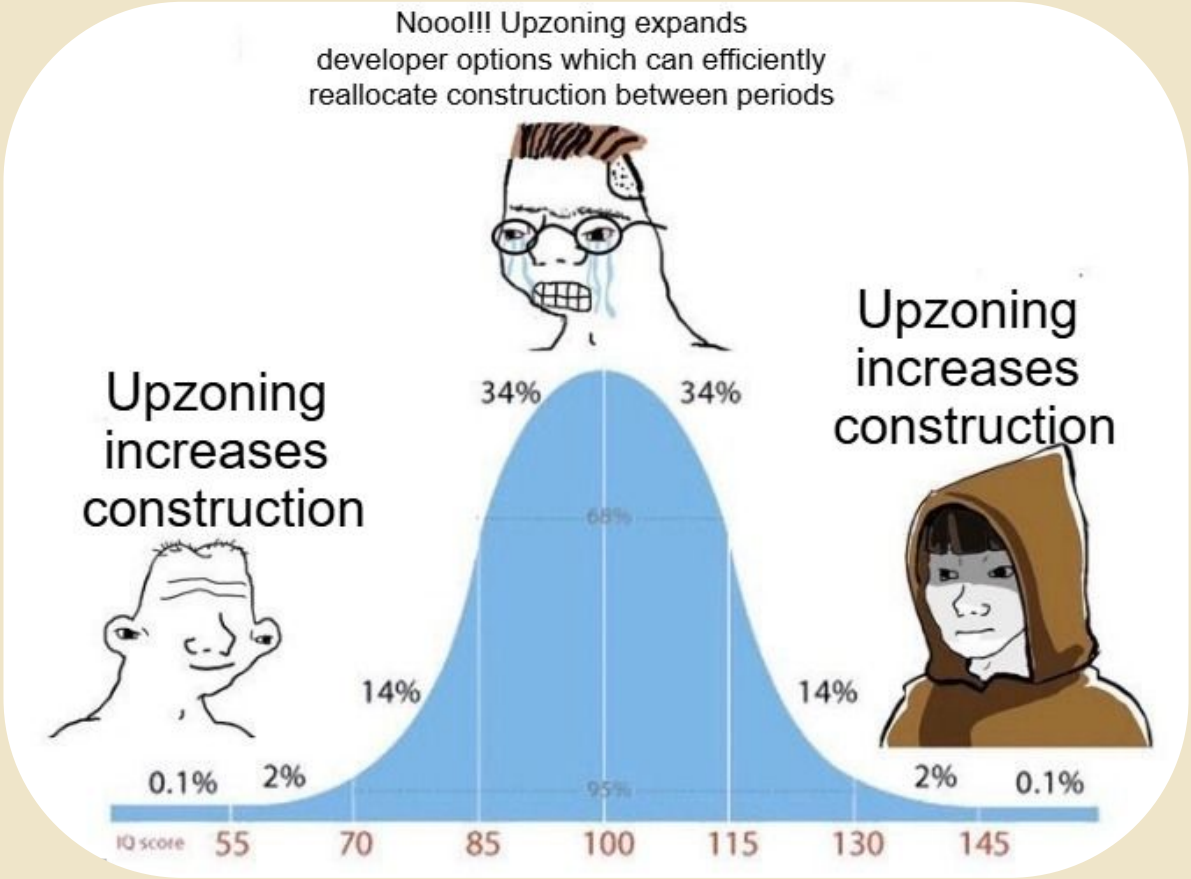
- **But upzoning does get houses built**
  - **Auckland**: upzoning raised the price of underbuilt sites and added roughly 20,000 permits (Greenaway-McGrevy et al. 2021, 2023)
  - **Zurich**: 10% more zoned capacity → 1% more homes within 5 years (Büchler & Lutz 2021)

What we need to find out

- Research Questions
  - *How do owners choose when and what to build?*
  - *What policies (e.g. upzoning, LVT) shift those choices?*
  - *Do they do so in good or bad ways?*

- Knowledge Frontier
  - Real Options Theory:
    - Clapp (2010s): option value in property valuation
    - Lange & Teulings (2022, 2024): *"don't build when demand for housing is booming"*
    - Lebret, Liu & Valentin (2025): model calibrated to NYC. Upzoning can *delay* development.
  - LVT neutral vs superneutral:
    - Fong (2022): LVT can speed development, *and that's bad*

What we should say



2. Space

Location, location, location
– Lord Harold Samuel

The Puzzle

- We talk about a housing shortage of X million, but flatten location
- Housing markets are interconnected, people are mobile
- Abolishing zoning might not produce “more homes”, just shift what & where
- Some households might pay more for housing, especially with agglomeration effects
- Poll:
  - *Constrained housing supply in California is causing an exodus to the Sun Belt. If California built 5 million more homes, what would happen in the Sun Belt?*
  - *A California construction boom enables a family to stay in San Jose instead of being priced-out to Phoenix. Does this mean they spend more or less rent than they would have in Phoenix?*

What the theory says

- **Quality = Hedonic value**: homes provide housing services (floorspace, design, *access*, etc) (Rosen 1974)
- **Agglomeration Effects**:
  - **George's Unbounded Savannah**: amenity effects are community-created → LVT neutral
  - **Agglomeration**: Marshall–Arrow–Romer (within-industry); Jacobs (across industries); Porter (local competition)
- **Upzoning = Amenity Effect**
- **Spatial Equilibrium**:
  - **Ricardo's Law of Rent**: rent on one site captures its advantages over every other site
  - **Rosen-Roback 1982**: housing rents adjust across cities to balance relative amenities, leaving households equally satisfied
  - **Land Property**: Land is fixed in place → local monopoly → captures full amenity value

What the critics say

- **Rodríguez-Pose & Storper (2020)**: Upzoning primarily benefits gentrifiers; it does little for low-income households
- **Murray & Helm**: Zoning changes where & what homes get built, not how many
- **Murray (2024)**: A city can't lower its rents relative to other cities without drawing in migrants
- **Damiano & Frenier (2020)**: new supply also produced amenity effects, so rents were unchanged
- **Astral Codex Ten (2023)**: density *raises local prices*

What the empirics say

- **Density creates positive amenity effects:**
  - Ahlfeldt & Pietrostefani (2019): density increases wages, but also rents
- **Upzoning may not obviously reduce local rents**:
  - Sánchez Leache (2026): relaxing zoning in high-demand cities reallocates ~4M households but barely moves overall costs
  - Büchler & Lutz (2021): upzoned Zurich saw no change in rents…
- **Local rent effects may fade as equilibrium is reestablished**:
  - Sorens (2025): local rent effects fade over 20 years into a new national equilibrium
- **Moving chains improve quality**:
  - e.g. Liang & Kindström (2023) age & floorspace, even for low-income households.

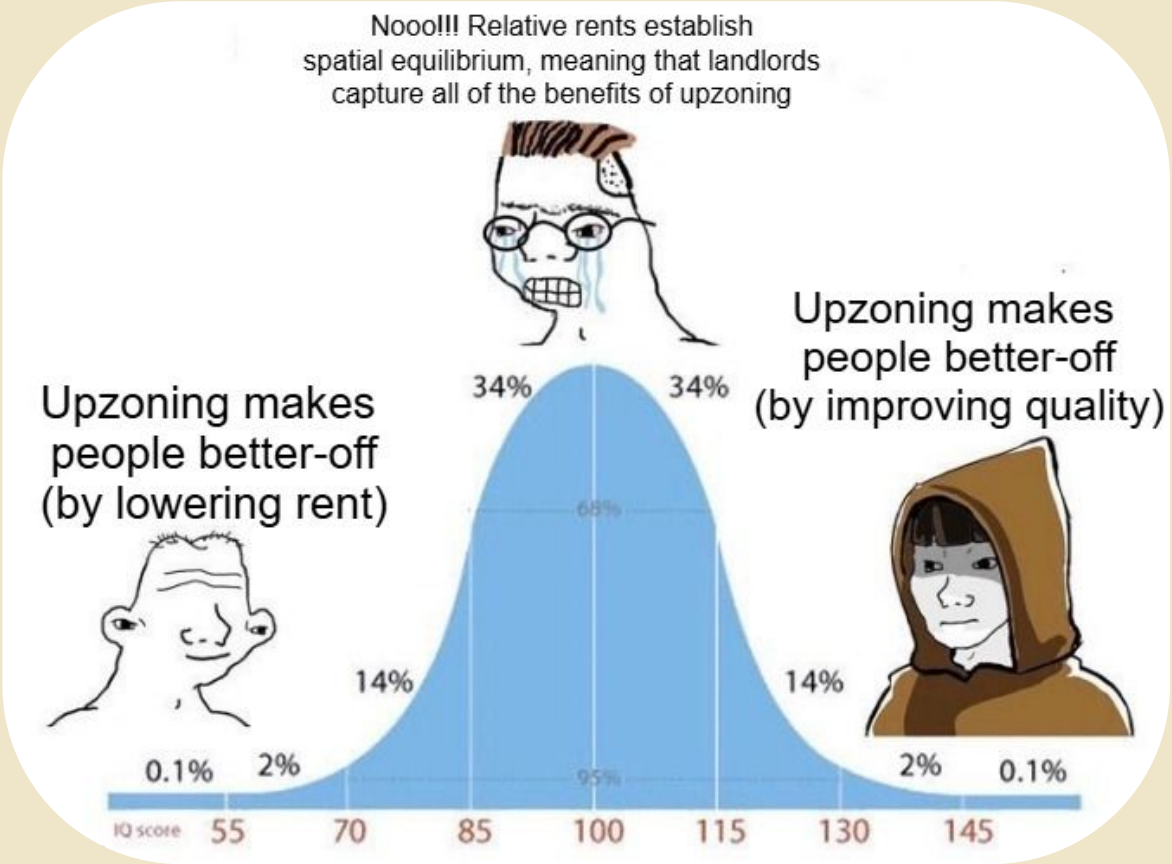
What we need to find out

- **Research Questions**
  - *How does zoning shape housing quality (location, floorspace, age)?*
  - *What share of rising rents is due to quality improvements vs scarcity?*

- **Knowledge Frontier**
  - Sánchez Leache (2026): relaxing zoning in high-demand cities reallocates ~4.2M households but barely moves overall costs.
  - Louie, Mondragon, Najjar & Wieland (2026): housing adjusts on quality as well as quantity, so prices can rise even when new homes are easy to build.

What we should say

- **Amenity effects are good!**
- **Talk about rents less; quality more**
- **Upzoning creates land value?**
  OK, tax it!



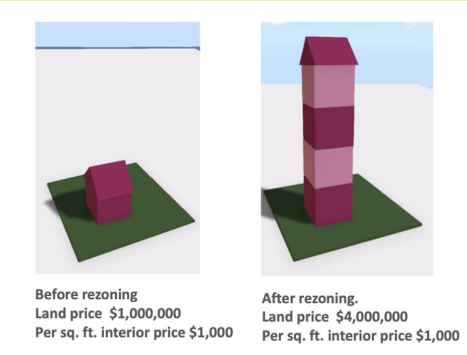
3. Universe

“Buy land, they're not making it anymore.”
- Mark Twain

The Puzzle

- The housing crisis has become US-wide
- What sets the absolute level of rents, economy-wide
- Poll: *Abolishing zoning would densify high-opportunity cities, where rents are highest. What happens to total land values nationwide, and in those cities?*

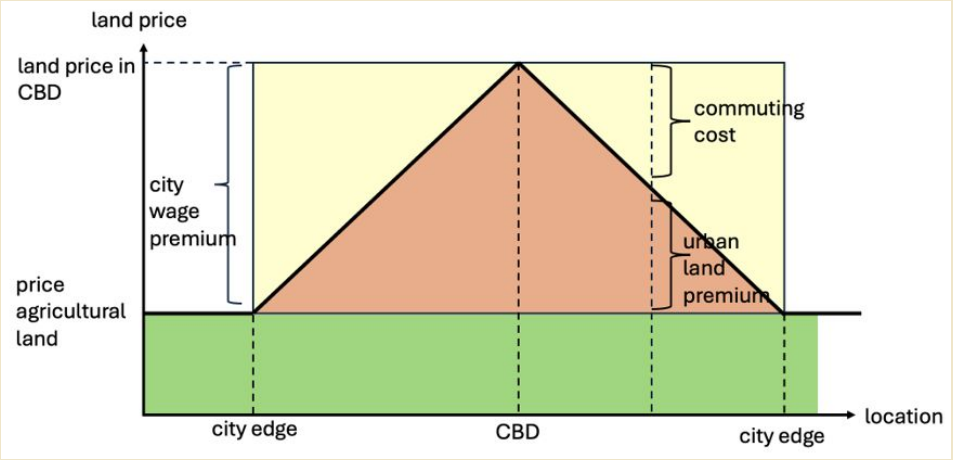
What the critics say

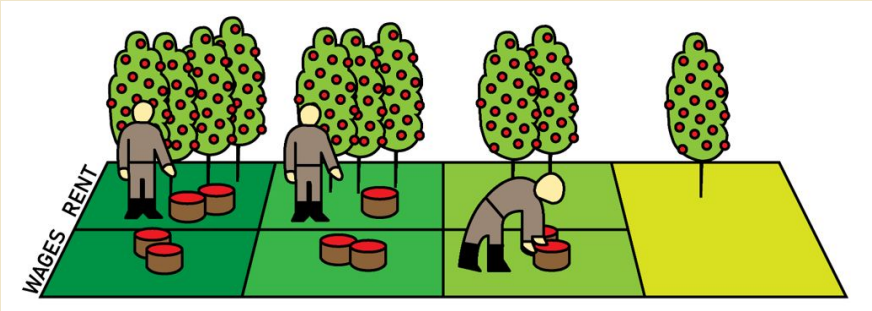


- “We can’t build our way out”
- **Condon**: upzoning raises land cost, doesn’t change internal rents
- **Murray & Helm**: demand is near-perfectly elastic, so new supply fills with in-migrants
- **Astral Codex Ten**: density raises local prices *but lowers global ones*

What the theory says

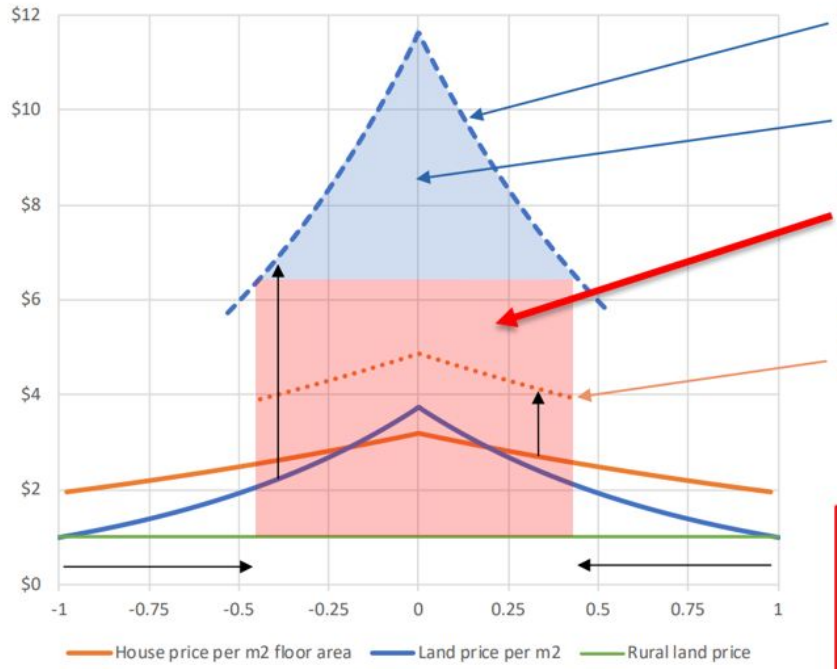
- **Alonso-Muth-Mills**: bid-rent falls with distance to CBD; upzoning moves people towards CBD
  - **Open City**: infinite population; utility fixed → no supply effect
  - **Closed City**: fixed population; utility varies → supply effect
- **Supply Effect:** Strict zoning pushes the margin out to worse places → lowers utility → raises rent





- **Ricardo/George**: land is fixed in supply → no entry → rents set at the margin

Parker (2021)



Land prices decoupled from rural land prices
Not equal to marginal social cost

'Differential land rents' — unchanged. Still can't be contested away

Economic rents (eg, $500,000++ per house)
– can be contested away

Much higher house prices per m^2

- Market response is small, crowded houses
- Market response is a compact & congested city (radius <0.5) – city circular area shrinks over 75% in this example

For this result to be sustained in cross-city spatial equilibrium (ie, open cities), all cities as a system would need to constrain competitive urban expansion. This means the underlying causes are systemic, not city-specific

What we need to find out

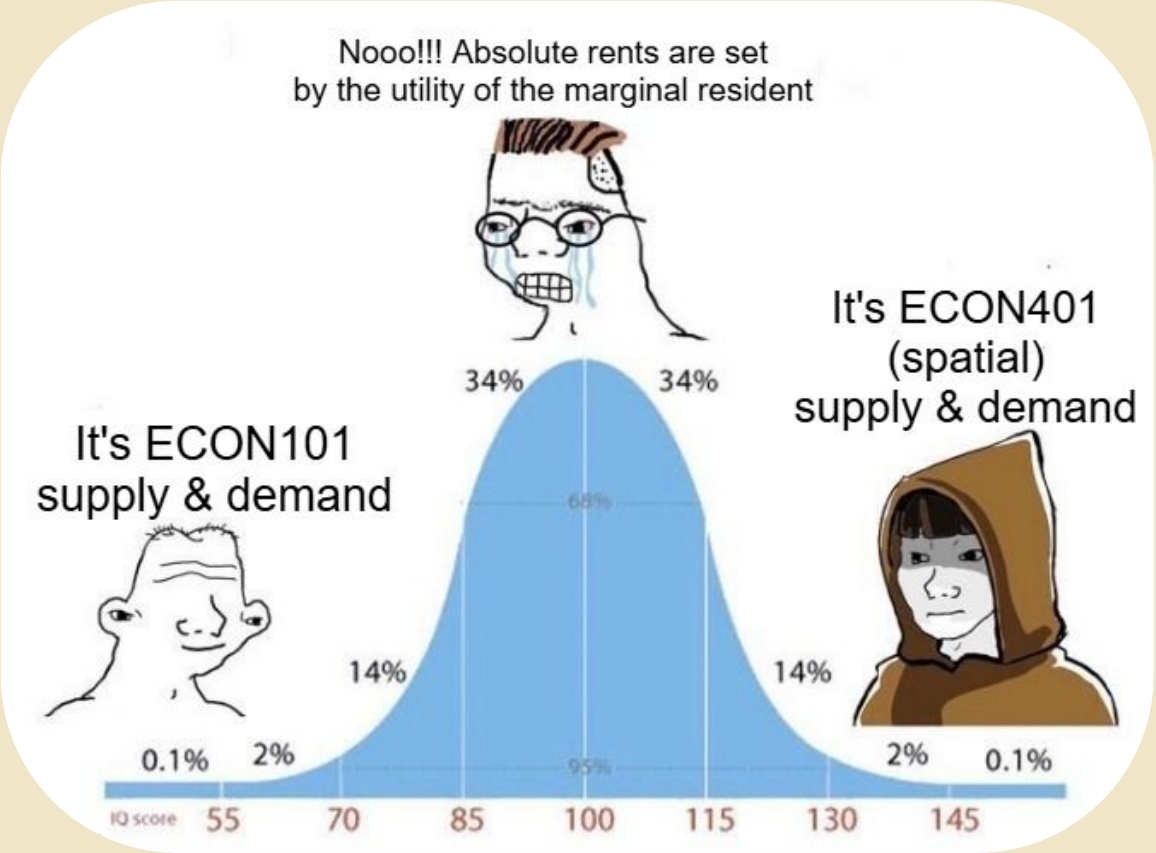
- Research Questions:
  - *Where are different housing markets on the open-closed continuum?*
  - *How do large upzonings shift aggregate land rents nationwide?*
- Knowledge Frontier:
  - Parker (2021): absolute land rent can be competed away
  - Glaeser & Gyourko (2025): suburban frontier is *closing*
  - ATCOR (Gaffney): bad policy worsens wellbeing at the margin, which raises aggregate rent

What the empirics say

- **Upzoning can lower rents *elsewhere*:**
  - Pollakowski & Wachter (1990): in Montgomery County, downzoning raised house & land prices in the regulated area *and in neighboring areas*
  - Büchler & Lutz (2021): upzoned Zurich saw no change in rents, *but rents fell in surrounding regions*

What we should say

- **Local rent effects may be hard to observe, especially for small upzonings**
- **Regional effects may be more visible, especially for large upzonings**
- **Both make people better-off!**



Thank *you*!

Takeaways:

- **Time: Effect of upzoning on supply depends on macro factors**
- **Space: Upzoning improves housing quality**
- **Universe: Upzoning the City can benefit the Region**
- **Effect of upzoning on rent depends on:**
  - **Profit vs Amenity vs Supply effect**
  - **Local effect ≠ National effect**
- **Tax Land**

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