



Los Angeles has been slow to meet demand for housing supply.

## The Cost of Delay

A Trulia analysis finds that in metro areas with longer permitting times, home builders are less able to respond with new housing units when demand picks up.

### Metro areas with the longest permitting times

	Home price increase, 1996-2016	Housing units added, 1996-2016	Avg. months for residential permit approval
Long Island, N.Y.	124.5%	8.5%	11.5
New York	176.9	10.9	11.4
Providence, R.I.	92.1	8.5	11.0
Oakland, Calif.	220.6	17.1	10.6
San Francisco	278.8	12.3	10.2

### Metro areas with the shortest permitting times

	Home price increase, 1996-2016	Housing units added, 1996-2016	Avg. months for residential permit approval
Houston	124.7%	54.0%	2.9
Charlotte, N.C.	72.3	60.9	3.3
Oklahoma City	106.1	25.7	3.8
San Antonio	107.2	46.1	3.9
Jacksonville, Fla.	107.3	43.1	4.0

Note: Data reflect fastest and slowest permitting times among 50 most populous metro areas. Source: Trulia THE WALL STREET JOURNAL.

# Permit Delays Choke Housing Supply

By CHRIS KIRKHAM

The supply of new housing in the U.S. isn't keeping up with demand in part because of local delays in getting building permits approved, according to new research set to be released this week by real-estate tracker Trulia.

The study finds that in metro areas with longer delays in building and zoning approvals, developers are less quick to respond with new housing units when prices are rising and demand is high.

"Ultimately what really matters for builders, what really impacts them, is this delay," said Ralph McLaughlin,

chief economist at Trulia. "If builders know that it's going to take them a year to a year-and-a-half, and they think there will be downturn in that time, they'll just say, 'We're not going to build.'"

Single-family housing starts across the U.S. remain nearly 30% below the previous 30-year average, and Trulia's study found that the rate of home building relative to demand is also below historical averages. But the rate at which builders are bringing supply to the market as prices go up varies widely across the country.

Places such as Las Vegas; Raleigh, N.C.; and Atlanta

have been able to meet rising demand with additional housing units over the past 20 years, the study found, while the new-housing supply in markets such as Los Angeles, New York and San Francisco was much less responsive to rising prices over time.

Mr. McLaughlin correlated the rate of new-housing supply with a land-use and regulatory index developed by the University of Pennsylvania, which measures the amount of delays and other forms of real-estate regulation in markets across the U.S.

He found that the longer the average delay in getting building-permit approvals in a

market, the less responsive the housing supply was during periods of increased demand.

Las Vegas, Raleigh and Atlanta had average delays of about four months, compared with average delays of eight to 12 months in New York and coastal California markets.

Frank Flores, development manager with Signature Development Group Inc. in Oakland, Calif., said his company expects at least six to nine months for building-permit approvals in Oakland.

The process can take much longer, he said, if a property also needs a new zoning designation.

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