Both Sides of the Issue

Housing Affordability

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Contents

Objectives

Students will be able to:

- summarize the central argument each video makes about why housing is or is not affordable.
- illustrate how supply, regulation, and subsidies each affect the price and availability of housing.
- differentiate the role each side assigns to government in solving the affordability problem.
- appraise which approach to housing affordability rests on stronger evidence, while acknowledging the strongest point on the opposing side.

Concepts & Key Terms

The following terms appear across both videos in this pairing. Understanding them will help students follow the arguments and engage in discussion.

Affordable housing: housing that costs a household no more than a manageable share of its income, often supported by public funds or nonprofit developers.

Burden of proof: the obligation to provide evidence for a claim; under the older law of nuisance, this rested on the person filing the complaint rather than on the builder.

Density: the number of housing units or people located within a given area; higher density allows more homes to be built on the same amount of land.

Developer competition: a selection process in which building firms submit designs that are judged on architectural quality, cost, environmental performance, and the mix of residents served.

Law of nuisance: a centuries-old legal standard under which a property owner could build freely unless a neighbor proved substantial physical harm, such as smoke or odor.

Minimum lot size: a rule requiring each home to sit on at least a set amount of land, which raises the cost of each house and limits how many can be built.

Necessity: an economic term for a product on which poorer households spend a larger share of their income than richer households do, so a price increase hits the poor hardest.

Public housing: residential buildings owned and operated directly by a government for its residents.

Regulation: government rules that control how, where, and what kind of housing may be built.

Social housing: subsidized housing built by nonprofit or private companies with government support, often open to middle-income residents and not only to the poor.

Subsidy: financial support from government, such as low-cost land, low-interest loans, or rent assistance, intended to lower the cost of housing.

Supply and demand: the economic relationship in which the amount of housing available, compared with the number of people who want it, shapes its price.

Zoning: local laws that dictate what may be built in each area, such as restricting a neighborhood to single-family homes.

Discussion Questions

Before watching, have students read through the questions below. After viewing both videos, use the questions to guide discussion — in small groups, as a whole class, or in writing. Encourage students to weigh the evidence on both sides before forming a view.

1. According to the Vienna video, about how much affordable housing does the city build each year, and who is eligible to live in it?
2. In the interview, economist Bryan Caplan claims that regulation has had what overall effect on the price of housing across the United States? What does he say has happened in cities such as San Francisco, Manhattan, and Los Angeles?
3. Both videos place government at the center of the housing story. How does the role Vienna gives its government differ from the role Caplan says American governments now play?
4. The Vienna video describes a "threefold subsidy" of land, construction loans, and rent support. In your own words, how is this system meant to keep housing affordable?
5. Caplan contrasts today's regulation with an older "law of nuisance." Under that older system, who carried the burden of proof, and what did a complaining neighbor have to show?
6. Vienna treats social housing as a benefit for the middle class, not only for low-income residents, and does not push people out as their incomes rise. Why might the city design the program this way, and what does that choice tell us about its goals?
7. Caplan argues that demand for housing regulation comes not just from homeowners protecting their property values but from "almost all humans," including tenants. Why does he think people favor these rules even when the rules raise prices?
8. Both videos agree that housing is unusually expensive, but they locate the cause in different places — too little subsidized construction versus too much regulation of private construction. What evidence does each side offer, and how might you test which explanation fits a particular city?
9. The Vienna video credits "developer competitions" with producing high-quality buildings at roughly half the construction cost of Seattle. What factors does the video say drive that result, and what assumptions does the argument rest on?

10. Caplan lists height limits, minimum lot sizes, parking requirements, and restrictions on multifamily housing as drivers of high prices. Choose one and explain the principle behind how it could raise the cost or shrink the supply of housing.
11. Vienna's model relies on an active government that buys land and funds construction, while Caplan's relies on government stepping back so builders can respond to demand. What has to be true about a government for each approach to succeed?
12. Each approach carries costs as well as benefits. What are the strongest points for and against Vienna's heavy public investment, and the strongest points for and against Caplan's deregulation?
13. The Vienna video uses the phrase "rent always eats first," while Caplan describes living near other people as a "package deal" of good and bad. How does each phrase shape the way a viewer thinks about the housing problem?
14. Caplan says regulation has raised prices most in the most desirable cities. Vienna is itself a large, desirable city, yet it has kept housing affordable. Does Vienna's example challenge Caplan's argument, support it, or neither? Explain your reasoning.
15. If you were advising a fast-growing American city on housing affordability, which approach would you lean toward — Vienna-style public investment or Caplan-style deregulation? Defend your choice, then state the strongest argument a critic on the other side would make.
16. Both videos assume their approach could work in the United States. What features of a country or city — its land, politics, budget, or culture — might determine whether either model would actually succeed, and is it possible that the best answer combines elements of both?

For teachers who want to extend the conversation, these related SITC.org *Both Sides* pairings explore adjacent housing questions:

- *Both Sides:* "Rent Control" — https://stosselintheclassroom.org/both-sides-rent-control/
- *Both Sides:* "The Housing Crisis Revisited" — https://stosselintheclassroom.org/both-sides-housing-crisis-revisited/
- *Both Sides:* "Wall Street vs. Housing" — https://stosselintheclassroom.org/both-sides-wall-street-vs-housing/

References & Sources

The videos make several claims backed by specific data. The sources below show where those figures and arguments come from. Each side's central claim is paired with a source that supports it and a credible source that challenges it, so students can weigh the evidence themselves rather than take either video at its word.

The deregulation argument (Caplan video):

- Bryan Caplan and Ady Branzei, *Build, Baby, Build: The Science and Ethics of Housing Regulation* (Cato Institute, 2024). The book the interview is based on; it argues that regulation has roughly doubled housing prices and that deregulation would cut average prices in half. https://www.cato.org/books/build-baby-build
- Edward Glaeser and Joseph Gyourko, "The Economic Implications of Housing Supply," *Journal of Economic Perspectives* 32, no. 1 (2018): 3–30. The peer-reviewed research behind the "regulatory tax" estimate Caplan cites; free to read in full. https://www.aeaweb.org/articles?id=10.1257/jep.32.1.3
- Maximilian Buchholz, Tom Kemeny, Gregory F. Randolph, and Michael Storper, "Inequality, Not Regulation, Drives America's Housing Affordability Crisis" (Working Paper 159, International Inequalities Institute, London School of Economics, 2026). A recent academic challenge arguing that deregulation alone would take decades to produce affordability, and that rising inequality, not zoning, is the main driver. https://researchonline.lse.ac.uk/id/eprint/131070/

The public-investment argument (Vienna video):

- City of Vienna, "Social Housing in Vienna." The city's own source for the figures the video cites — the threefold subsidy, developer competitions, "gentle urban renewal," and the roughly 60 percent of residents in subsidized housing. https://socialhousing.wien/
- Justin Kadi, "Vienna's 'Remarkably Stable' Social Housing" (UCLA Housing Voice Podcast, Episode 42, 2023). A housing scholar at TU Wien explains how the model works and its real strains — long waiting lists and an "insider-outsider" gap between those who hold a subsidized unit and newcomers who cannot get one. https://www.lewis.ucla.edu/2023/01/25/42-viennas-remarkably-stable-social-housing-with-justin-kadi/

A quoted line worth sourcing:

Matthew Desmond, *Evicted: Poverty and Profit in the American City* (Crown, 2016). The origin of the "rent always eats first" line the Vienna video quotes — Desmond's exact phrase is "the rent eats first." https://www.penguinrandomhouse.com/books/247816/evicted-by-matthew-desmond/

Activities

Activity 1: Perspective Swap Debate

Divide the class into two groups. Assign each group the side it is less likely to agree with — one group argues for Vienna's public, subsidized model, the other for Caplan's deregulation approach. Give each group the matching talking-point list below to prepare a two-minute opening.

After the first round, have the groups swap sides and argue the opposite position. When students swap, they may not simply repeat what they just heard; they must rebuild the case from the other side's talking points, so that by the end every student has argued both sides.

Talking points — Vienna's public, subsidized model:

- Vienna builds at least 7,000 affordable units a year, about half of all new apartments, and roughly 62 percent of residents already live in this type of housing.
- A threefold subsidy — low-cost city land, low-interest construction loans, and rent support — keeps prices within reach.
- Developer competitions reward quality, low cost, and a mix of residents, producing buildings at about half of Seattle's construction cost.
- Social housing serves the middle class, not only the poor, which keeps communities stable and reduces stigma.

Talking points — Caplan's deregulation approach:

- On average, regulation has doubled the price of housing in the United States, and it has raised prices far more in the most desirable cities.
- Rules such as height limits, minimum lot sizes, parking mandates, and restrictions on multifamily housing block the supply that would bring prices down.
- The older law of nuisance placed the burden on the complainer and required proof of real physical harm, which allowed far more building.
- Because housing is a necessity, high prices hurt the poor most, so freeing up supply is itself a way to reduce inequality.

Activity 2: Venn Diagram Plus

Students compare the two approaches using the worksheet below. In the left column they record features unique to Vienna's model, in the right column features unique to Caplan's deregulation approach, and in the center the goals or facts that both sides share.

The "Plus" prompt beneath the chart pushes students past comparison into evaluation, so they must use what they sorted to take a reasoned position.

Name ______________________________ Date _______________________

Class ________________ Period _______ Teacher ___________________

Venn Diagram Plus: Two Roads to Affordable Housing

Sort the ideas from both videos into the three columns below. Then answer the "Plus" question at the bottom.

Vienna's model only	Shared by both sides	Deregulation only

Plus: Which column best explains why housing is so expensive where you live? Use one point from each side to defend your answer.

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Activity 3: Cost-Benefit Analysis

Students weigh each approach by listing its benefits and its costs and by identifying who gains and who pays. Encourage them to pull specific examples from each video rather than general impressions.

After completing the chart, students answer the judgment question at the bottom, which asks them to decide which approach offers the better trade-off and why.

Name _______________________________ Date ________________________

Class ________________ Period _______ Teacher ____________________

Cost-Benefit Analysis: Weighing the Two Approaches

Fill in each box with evidence drawn from the two videos. Then answer the question below the chart.

	Benefits	Costs	Who benefits most	Who bears the costs
Vienna's public, subsidized model				
Caplan's deregulation approach				

Which approach do you think offers the better trade-off for a growing city, and why? Name one cost you would be willing to accept to get the benefits.

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Activity 4: Common Ground Finder

In small groups, students identify points on which both videos actually agree, even though the two sides reach opposite conclusions. Remind them that finding shared ground does not mean the disagreement disappears.

Each group drafts a short “shared statement” of three points that both Vienna’s planners and Bryan Caplan could sign, then writes one sentence naming where the two sides still part ways.

Possible areas of agreement to consider:

- Housing is too expensive in the places people most want to live.
- The quantity of housing built has a real effect on affordability.
- Government policy, for better or worse, strongly shapes housing prices.
- Rising housing costs hit lower-income households the hardest.

Activity 5: Exit Ticket Reflection

As a quick closing check, students answer the three short prompts below on a half sheet of paper or in their notebooks before leaving. Collect the responses to gauge how well students grasped both sides.

Respond to each prompt in one or two sentences:

- One claim from each video that you found convincing, and why.
- One question you still have about housing affordability.
- If you had to choose today, the approach you lean toward and the single strongest reason for it.

Activity 6: Trace the Claim

Both videos state striking conclusions as settled fact. This activity asks students to test two of those conclusions — one from each video — against a free source that pushes back on it. Students already have each video's supporting case, because they watched both sides argue their position. Their job now is to read or listen to one source that challenges each claim and decide whether the pushback shakes their confidence. The goal is not to crown a winner but to practice judging a claim by its evidence rather than by how confidently it is delivered.

Both challenge sources are free and openable in class, and they reach students differently: the first is a short, written summary, and the second is a podcast episode, so a teacher can assign reading, listening, or both. Students will need the Sources & References section at the end of this guide for the two links. For teachers who want to go deeper, that same section lists the underlying research and books behind each video's numbers.

Teacher note on the two challenge sources: The first argues that loosening regulation alone would take decades to make high-cost cities affordable, and that rising inequality, rather than zoning, is the main driver of unaffordability. The second, from a housing scholar, describes how Vienna's model strains under long waiting lists and an "insider-outsider" divide between residents who already hold a subsidized unit and newcomers who cannot get one.

Name ______________________________ Date _______________________

Class ________________ Period _______ Teacher ___________________

Trace the Claim: Does the Evidence Hold Up?

You already heard each video argue its side. For each claim below, read or listen to the one source that challenges it, then decide how confident you are in the claim now that you have heard the other view.

Claim 1 — from the Caplan video: Across the United States, regulation has roughly doubled the price of housing, so cutting regulation is the way to make housing affordable.

Challenge source (read the summary): Buchholz and colleagues, "Inequality, Not Regulation, Drives America's Housing Affordability Crisis." https://researchonline.lse.ac.uk/id/eprint/131070/

What does the challenge source argue?

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After hearing the challenge, my confidence in the claim is (circle one):
High Medium Low One reason:

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Claim 2 — from the Vienna video: Vienna's social housing keeps the city affordable for a broad middle class, with about 62 percent of residents living in this housing.

Challenge source (listen to the episode): Kadi, "Vienna's 'Remarkably Stable' Social Housing." https://www.lewis.ucla.edu/2023/01/25/42-viennas-remarkably-stable-social-housing-with-justin-kadi/

What does the challenge source argue?

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After hearing the challenge, my confidence in the claim is (circle one):
High Medium Low One reason:

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Your conclusion (Write you answer on the back of this page.): Did either challenge change how much you trust that video's argument? Does a strong objection to one claim mean the whole video is wrong, or can a video be partly right and still overstate its case? Explain.