

HOUSING REVIEW

JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

Graduate School of Design

SPRING 2006

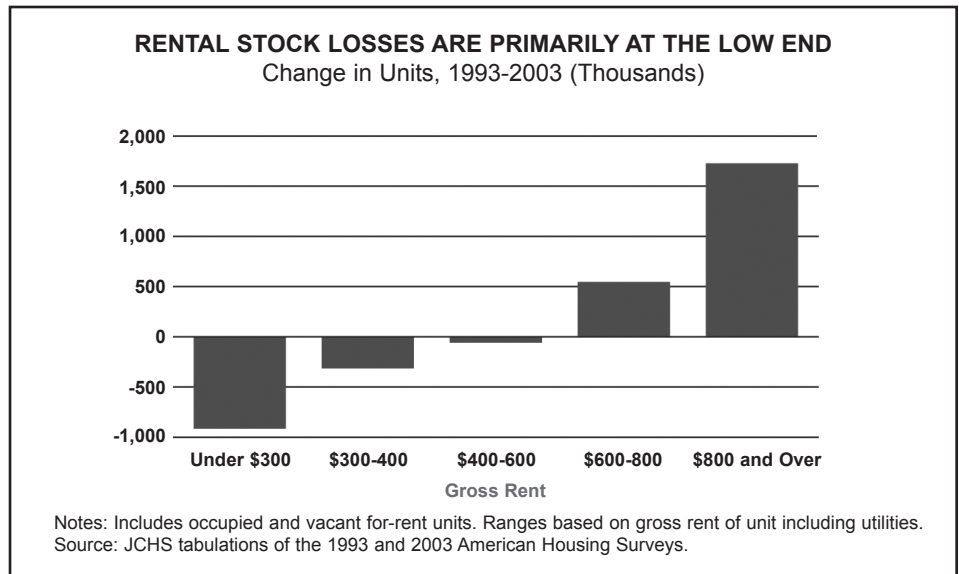
Kennedy School of Government

AMERICA'S RENTAL HOUSING: HOMES FOR A DIVERSE NATION

The nation is losing approximately 200,000 affordable rental units each year to deterioration and demolition. In contrast, only about 100,000 new units of affordable rental housing are added to the inventory annually via the Low-Income Housing Tax Credit program and other initiatives. The end result is predictable according to *America's Rental Housing: Homes for a Diverse Nation*, a new comprehensive Joint Center report released in March. Since 1993, the number of units available at an inflation-adjusted rent of \$400 or less dropped by more than one million, significantly compounding the housing affordability squeeze that impacts millions of families.

This new report, supported by the John D. and Catherine T. MacArthur Foundation, is the cornerstone of a new effort designed to call attention to the importance of rental housing. In recent years, many policymakers have come to view homeownership as the cure for a host of social ills, largely ignoring the important role that the rental sector plays in housing an increasingly mobile and diverse society. While many Americans do share the dream of buying a home, millions of families have an urgent need for decent, affordable rental housing.

The rental housing inventory is valued at over \$2.7 trillion dollars, and ninety-five percent of Americans are renters at some point in their lives. The rental market is diverse enough to support a



sizeable high-end market for luxury housing, as 20 percent of all renters have annual incomes above \$60,000. These households have sufficient income to purchase a home in most areas but choose to rent because it is a lower-cost way to maintain a flexible urban lifestyle and avoid the risk associated with investing in a potentially volatile home purchase market.

Yet, serious rental housing problems persist. Median monthly gross rents rose from \$668 in 1994 to an all-time record high of \$711 in 2004. Over the same period, renter income barely grew at all. Today, seventy percent of the nation's 7 million lowest-income renters spend more than half of their income on housing. Unfortunately, lack of funding makes it difficult to preserve, let alone expand, the existing stock of subsidized housing inventory. Stemming the loss of low-cost unsubsidized rental housing is imperative.

Furthermore, the affordability squeeze has a spatial dimension. For example, many suburban communities impose

density restrictions that prevent the construction of affordable rental housing. This contributes to the affordability squeeze and limits low-income renters living in older, high-density apartments in the central city from moving to more prosperous suburban areas. This isolation is reinforced by the concentration of public and other types of assisted housing in central city locations.

Without increased resolve to bolster the earning capacity of low-income renters and expand the supply of low-cost rental housing, the affordability crunch will only worsen in the years ahead. It will take the combined efforts of both for-profit and not-for-profit entities working with the government at all levels to ease the housing cost burdens of renters and open the doors of economic and social opportunity to millions of Americans.

America's Rental Housing: Homes for a Diverse Nation is available at www.jchs.harvard.edu

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RECENT PUBLICATIONS

W05-11: The Dual Mortgage Market: The Persistence of Discrimination in Mortgage Lending*William C. Apgar and Allegra Calder*

From the struggle to enact fair housing and fair lending legislation in the 1960s to the community-based advocacy that prompted Congress to pass the Home Mortgage Disclosure Act and the Community Reinvestment Act in the 1970s, housing and civil rights advocates have pursued a common goal of eradicating racial discrimination in home mortgage lending. Successful efforts to promote fair lending must take into account the changing nature of discriminatory practices in the marketplace. In the immediate post-World War II period, racial discrimination in mortgage lending was easy to spot. Today, mortgage lending discrimination is more subtle. Even though mortgage loans are now readily available in low-income minority communities, by employing high-pressure sales practices and deceptive tactics, some mortgage brokers push minority borrowers into higher-cost subprime mortgages that are not well suited to their needs and can lead to financial problems down the road. This paper discusses the trends that are reshaping the mortgage banking industry and assesses the consequences of current mortgage lending patterns for lower-income and minority borrowers and communities.

W05-12: The Case for Rental Housing: A Nonprofit Perspective*Liza Khan*

Emerging Leaders in Community and Economic Development Fellow

Unmet demand for affordable rental housing in most U.S. housing markets presents an opportunity for nonprofit organizations. Despite the potential benefits available through affordable rental housing creation and preservation, nonprofits still need to carefully assess their internal and external environment to determine whether they are well suited to enter this business. This paper identifies and assesses the internal and external drivers that shape decisions made by organizations in this field and that are often critical to successful projects.

W05-13: Resident Participation: A Community-Building Strategy in Low-Income Neighborhoods*Carolyn C. Leung*

Emerging Leaders in Community and Economic Development Fellow

Resident participation is a community development strategy that aims to increase tenant involvement in housing development and management. This paper explores the role of resident participation and its interaction with other factors that drive community revitalization. By understanding the conditions that strengthen resident participation, public policies can help low-income populations manifest their power and make a difference in their communities. The research presented here describes the challenges and benefits of resident participation, identifies examples of residents successfully contributing to the development and management of their homes, details the conditions necessary for success, and addresses the issue of assessing effectiveness.

W06-1: The Impact of Housing on Community: A Review of Scholarly Theories and Empirical Research*Alexander von Hoffman, Eric S. Belsky, and Kwan Lee*

Scholars have achieved much in their quest to understand the ways that housing markets and urban communities influence each other. Over 80 years of research has produced increasingly sophisticated models of neighborhood change, innovative efforts to understand the reasons why communities typically are segregated by race and income, and the causes and effects of concentrated poverty. This research has at various times influenced the nation's public policies, helping to shape varied programs and regulations aimed at improving economic efficiency, correcting market failures, ensuring fairness, and promoting equity. This paper reviews the ways in which housing markets shape initial neighborhood conditions and drive changes in these conditions over time. In addition, it examines the impact of housing markets on communities and individuals and considers the resulting public policy responses.

W06-2: The Evolving Homebuilding Industry and Implications for Consumers*William C. Apgar and Kermit Baker*

Produced with support from Masco Corporation

Over the past 15 years, builder consolidation has dramatically changed the homebuilding industry. In addition to improved financial performance, the adoption of innovative practices related to product distribution and assembly has improved the operational performance of large builders. Home buyers have also benefited. More efficient builder operations have kept construction costs (net of land) low and customer satisfaction levels high, allowing builders to offer more model home options and product choices without corresponding increases in prices. This paper outlines the ways in which the homebuilding industry has changed and what those changes mean for consumers.

N06-1: Revised Interim Joint Center Household Projections Based Upon 1.2 Million Annual Net Immigrants*George S. Masnick and Eric S. Belsky*

In 2004 the Joint Center for Housing Studies released a set of household projections incorporating the Census Bureau's then recently released interim population projections that were informed by a baseline population count from the 2000 Census (N04-1: "The Impact of New Census Bureau Interim National Population Projections on Projected Household Growth in the United States"). At the time that we wrote that paper we anticipated that we would be able to produce a completely new set of household projections in 2005 when the Census Bureau was scheduled to release an entirely new set of population projections based upon a new methodology and a revised set of demographic assumptions. Consequently, the 2004 paper presented household projections with limited demographic detail and without a tenure breakdown. The scheduled 2005 Census Bureau population projections were not released last year or in early 2006. Because of the need to have accurate household projections with greater detail than those we produced in 2004, we have undertaken the exercise presented in this paper in order to provide better information for those who use Joint Center household projections in their long-term planning.

RISK OR RACE: FROM DUELING DATA TO SYSTEMIC SOLUTIONS

For decades “fair lending” issues have received attention in the public arena, but the release of the 2004 Home Mortgage Disclosure Act (HMDA) data has sparked a new debate on what is known as the “risk or race” question. Numerous HMDA-based studies allege that the rapidly growing, high-cost segment of the market appears to generate disparate outcomes with respect to race. Mortgage lenders counter that HMDA data lack important details on borrower characteristics and that any observed differences across racial lines reflect systematic differences in borrower risk that legitimately should influence mortgage pricing. With support from the Ford Foundation, a new research initiative known as *Risk or Race: From Dueling Data to Systemic Solutions* seeks to evaluate these competing claims.

Given the emotionally and politically charged nature of the topic, the public discourse frequently devolves into a series of charges and countercharges that undermine efforts to build a broad consensus on how best to eliminate any vestiges of mortgage discrimination that may persist in the marketplace.

The research project will include a systematic review of existing studies and detailed interviews with industry experts to better understand changes in the way mortgages are marketed and originated. Particular attention will be paid to how the current industry structure may contribute to the persistence of disparate lending outcomes. To assist in this effort, the Center will work with representatives from business, government, academic, and the non-profit and housing advocacy communities to identify and craft solutions (both market-driven and regulatory) to ensure that borrowers with otherwise similar economic, demographic and risk characteristics have access to loans at the same price and terms.

LEADERSHIP FORUM ON PENSION FUND AND ENDOWMENT INVESTMENTS IN DOMESTIC EMERGING MARKETS

Established by the Joint Center in cooperation with the Harvard Business School and Harvard's Real Estate Academic Initiative, the Leadership Forum on Pension Fund and Endowment Investments in Domestic Emerging Markets aims to guide and support research and to shape policies and practices that will encourage private investment in real estate development that meets housing and economic development needs in underserved communities throughout the nation.

The inaugural meeting of the Leadership Forum took place on October 17 and 18, 2005, at the Harvard Business School. Members shared their ideas to identify potential research priorities as well as the best direction for the Leadership Forum to proceed in advising this initiative, including agendas for future meetings.

The Leadership Forum's second meeting was held on April 11 and 12, 2006, in Newark, NJ at the offices of Prudential Investments. The meeting featured presentations by Shaun Donovan, Commissioner of the New York City Department of Housing Preservation and Development (HPD), and Ted Eliopoulos, Deputy Treasurer of the State of California. April's meeting advanced the Leadership Forum's primary objective of identifying research gaps on pension fund and endowment investments in domestic emerging markets, and it also increased the confidence with which pensions and endowments can take advantage of investment opportunities in these markets.

The Leadership Forum on Pension Fund and Endowment Investments in Domestic Emerging Markets is chaired by Bernard Winnograd, President and Chief Executive Officer of Prudential Investment Management.

STAFF PRESENTATIONS

American Real Estate and Urban Economics Association
 Canadian Mortgage and Housing Corporation
 Construction Economics Research Network
 Consumer Federation of America
 Habitat for Humanity International
 Hanley Wood, LLC
 Hearth, Patio and Barbecue Association
 John Marshall Law School
 K. Hovnanian Homes
 MacArthur Foundation
 National Association of Home Builders
 National City Mortgage
 National Cooperative Bank
 National Council of State Housing Agencies
 ProSales Magazine Supply Chain Roundtable
 Sloan Foundation
 U.S. House of Representatives Subcommittee
 on Federalism and the Census
 Urban Land Institute

EXTERNAL PUBLICATIONS

NICOLAS P. RETSINAS
 “The Real Bubble.” *National Mortgage News*. January 2, 2006.
 “The Most Dangerous ‘Housing Bubble.’” *The Providence Journal*. February 14, 2006.

ERIC S. BELSKY
 “No Sign of a Boom Downturn... Yet.” *Big Builder*. February 2006.

ERIC S. BELSKY AND RACHEL DREW
 “Home Ownership: A Boon to Boomer Women.” *Harvard Generations Policy Journal*, Winter 2006.

ZHU XIAO DI
 “Does Housing Wealth Contribute to or Temper the Widening Wealth Gap in America?” *Housing Policy Debate*. Vol. 16, Issue 2. 2005.

ALEXANDER VON HOFFMAN
 “Immigration: Friend or Foe?” in David Soule, ed. *Urban Sprawl: A Comprehensive Reference*. Westport: Greenwood Press. 2006. (Written with David Soule)
 “Bitter Pill: In Arlington, Aversion To Apartments Turned the Tide Against Growth.” *Growth and Development Special Issue, Commonwealth*, 11:1 (2006).

**JOINT CENTER FOR HOUSING STUDIES:
FELLOWS AND AFFILIATES**

BARBARA T. ALEXANDER

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JOHN DRISCOLL

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JENNY SCHUETZ

Doctoral Candidate, John F. Kennedy School of Government
John R. Meyer Dissertation Fellow, Joint Center for Housing Studies

JOHN K. WAMUGI

President and CEO, Finmetrics Technologies Company
Fellow, Joint Center for Housing Studies

**BART HARVEY TO DELIVER
2006 JOHN T. DUNLOP LECTURE**

On Tuesday, October 3, 2006, Bart Harvey, Chairman and Chief Executive Officer of Enterprise Community Partners, will deliver the 8th annual John T. Dunlop Lecture. Prior to joining Enterprise in 1984, Harvey served in various domestic and international positions for the investment bank Dean Witter Reynolds, leaving as managing director of corporate finance. He is one of the people who worked with Congress to create the Low-Income Housing Tax Credit, which, after 20 years of bi-partisan support, provides the financing for the vast majority of affordable rental homes in this country. In 2002, he was appointed by Congress to the Millennial Housing Commission, and he has served on a number of housing related boards including The Federal Home Loan Bank of Atlanta, the National Housing Conference, and the National Housing Trust. He holds both a BA and MBA from Harvard University.

This lecture series was founded in 1999 through a partnership between the Joint Center, the National Housing Endowment, and the Graduate School of Design to serve as a lasting tribute to Professor John T. Dunlop and his many contributions to the national housing community.

The Dunlop Lecture is open to the public. Contact Elizabeth England at elizabeth_england@harvard.edu or (617) 495-7640 for more information.

**2006 EMERGING LEADERS IN COMMUNITY AND
ECONOMIC DEVELOPMENT FELLOWS**

The Joint Center and NeighborWorks America are pleased to announce the 2006 Emerging Leaders in Community and Economic Development Fellowship recipients, Emily Felt and Renu Madan.

Ms. Felt holds a degree in Asian Languages from Stanford University and is a MPA candidate at the John F. Kennedy School of Government. From 1995-1996, she was a Jane Adams Fellow in non-profit management and civil society at the Center on Philanthropy at Indiana University. Her research this summer will explore the challenges and opportunities of vacant and abandoned property.



Emily Felt



Renu Madan

Ms. Madan holds a degree in Social Psychology from the Harvard University Extension School. She is a M.Des. Candidate at the Graduate School of Design. In 2003, she founded the Boston Area Young Real Estate Professionals (BAYREP), which has grown into a 700-member networking organization. Her summer research will focus on the outcomes and impacts of community building and organizing in a community development context.

Each Fellow will develop their analytical project based on 10 weeks of on-site research at NeighborWorks America, which also provides financial support to this program.

To learn more about fellowship opportunities available through the Joint Center for Housing Studies, visit www.jchs.harvard.edu/education

HARVARD BUILDING PRODUCTS DISTRIBUTION STUDY: AN UPDATE

Several years ago, the Joint Center partnered with the Harvard Center for Textile and Apparel Research to study changes in the residential building product distribution system. The first part of the study involved a survey of pro and retail dealers. For the second part of this study, major US homebuilders were surveyed to see how their supply chain needs have changed, particularly in light of the increased consolidation among large homebuilders over the past 15 years. This survey focused on large builders who reported closings of 500 or more homes in 2004. Additionally, we surveyed local divisions of these builders.

In total, we collected information from the corporate offices of 39 builders (fully representing 20 percent of builders closing at least 500 units in 2004) and 91 local divisions. We used the data to gain insight into the operations of builders and the recent trends that are restructuring the industry.

Analysis from the survey data reveals that strong market conditions and a focus on land strategies have improved builders' financial performance by generating higher profits and increasing their revenues. Builders have also managed to increase their operational performance through the adoption of innovative practices related to product distribution and assembly. The greater efficiencies of builders have kept construction costs low and customer satisfaction high, in addition to reducing risks of overbuilding by allowing builders to pre-sell more homes. How builders will react to a changing market remains to be seen; builders' abilities to control costs and manage risk in a slowing market, however, will likely have a heavy influence on their future performance.

For more information on the Harvard Building Products Distribution study see W06-2: "The Evolving Homebuilding Industry and Implications for Consumers."

MAKING HOMES: THE PAST AND FUTURE OF AMERICAN LOW-INCOME HOUSING POLICY

Making Homes: The Past and Future of American Low-Income Housing Policy, supported by the John D. and Catherine T. MacArthur Foundation and the Ford Foundation, aims to examine the political forces, including strategies and coalitions, that have shaped low-income housing programs throughout American history. Based upon archival and oral history research, this project will shed light not only on the shaping of early housing policy but also on the ways that advocates and government officials formed recent programs—such as below-market mortgages, the Community Reinvestment Act, and the Low-Income Housing Tax Credit—about which surprisingly little has been written.

Making Homes intends to heighten awareness of the issue of low-income housing among Americans in general and teach the lessons of history—the successes and failures—to today's policy makers. It will produce a series of working papers that will serve as the basis for chapters in a forthcoming book.

The director of the project, Alexander von Hoffman, has written numerous articles and working papers on the history of low-income housing policy, including "The End of the Dream: The Political Struggle of America's Public Housers," published last August in the *Journal of Planning History*. He is also the author of *House by House, Block by Block: The Rebirth of America's Urban Neighborhoods* (Oxford University Press, 2003), which traces the rise of the community development movement.

DEVELOPMENT OF A LEADING REMODELING ACTIVITY INDICATOR

The Leading Remodeling Activity Indicator is a measure of near-term activity in the home remodeling industry. As the first of its kind, its intended purpose is to predict household remodeling spending with a three-quarter horizon and, like any leading indicator, to anticipate turning points in the industry cycle.

Developing the leading indicator involves two phases. The first phase created a theoretical framework for the indicator and generated a list of potential candidates for inclusion in the indicator. Candidates were chosen from a broad range of areas that are believed to impact home remodeling activity, including consumer sentiment, general construction and housing-related indicators, and macroeconomic variables.

The second phase of development is a statistical exercise that tests the chosen candidates using correlation analysis. The best series in each broad category is then chosen. The inputs are weighted using their relevance to the reference series and their standard deviation. Finally, these inputs are consolidated into a comprehensive growth rate measuring remodeling activity.

The result is an indicator that successfully tracks remodeling activity. The final leading indicator has a cyclical nature which coincides well with apparent cycles in the C-50 data. More importantly, the leading indicator series also accurately anticipates turning points in the C-50 data. While the leading indicator maintains the same patterns as the reference series, it has a smoother pattern to it, dulling some of the apparently random volatility that appears in the reference series.

The Joint Center will continue to monitor the performance of the leading indicator internally and will announce its official release date later this year.

SPRING 2006 BROWN BAG LECTURES

All of the following events are open to the public. Please visit www.jchs.harvard.edu/calendar for more information.

REAL ESTATE AND THE MEDIA? NEWS ON THE WIREFebruary 10, 2006
 Aleksandrs Rozens, Associated Press
Co-sponsored with HousingGSD and KSG THUD PIC

DEVELOPING CONCERNS: LESSONS FROM ARLINGTON, MASSACHUSETTS' CHANGING VIEWS ON DEVELOPMENTFebruary 28, 2006
 Alexander von Hoffman, Harvard Joint Center for Housing Studies
 Commentary by James Segel, Smith, Segel, and Sowalsky and former president of the Massachusetts Municipal Association
Co-sponsored with the Rappaport Institute for Greater Boston, the Taubman Center for State and Local Government, and the Real Estate Academic Initiative

THE GEOGRAPHY OF OPPORTUNITY: RACE AND HOUSING CHOICE IN METROPOLITAN AMERICAMarch 1, 2006
 Xavier de Souza Briggs, Massachusetts Institute of Technology
 Commentary by William C. Apgar, Joint Center for Housing Studies, M. David Lee, Graduate School of Design,
 and Amy Copperman, Massachusetts Law Reform Institute
Co-sponsored with HousingGSD

EUROPEAN MORTGAGE MARKETS: TRENDS AND COMPARISONSMarch 14, 2006
 Micheal Lea, Cardiff Economic Consulting

HAVANA AND ITS HOUSING: FULFILLING THE PROMISE OF THE REVOLUTIONMarch 20, 2006
 Lee Cott, Graduate School of Design
Co-sponsored with HousingGSD

GUARDING THE TOWN WALLS: MECHANISMS AND MOTIVES FOR RESTRICTING MULTIFAMILY HOUSING IN MASSACHUSETTS March 22, 2006
 Jenny Schuetz, Kennedy School of Government
 Commentary by Clark Ziegler, Massachusetts Housing Partnership Fund
Co-sponsored with the Rappaport Institute for Greater Boston, the Taubman Center for State and Local Government and the Real Estate Academic Initiative

HOUSING IS ALL IN THE NUMBERSApril 17, 2006
 John Wamugi, Harvard Joint Center for Housing Studies

SUSTAINABLE COMMUNITIES IN SOUTH AFRICAApril 18, 2006
 Larry English, Habitat for Humanity International
Co-sponsored with HousingGSD

HOUSING, NEIGHBORHOODS, SEGREGATION AND HEALTH: THE ROLE OF FAIR HOUSING IN REDUCING HEALTH DISPARITIES April 25, 2006
 Dolores Acevedo-Garcia, Harvard School of Public Health

THE DISPOSABLE AMERICAN: LAYOFFS AND THEIR CONSEQUENCES May 4, 2006
 Louis Uchitelle, The New York Times
Co-sponsored with the Joan Shorenstein Center on the Press, Politics and Public Policy

SERIES: FAIR HOUSING

Co-sponsored with the Fair Housing Center of Greater Boston

NEW PERSPECTIVES ON RACIAL DISPARITIES IN MORTGAGE LENDING: EXPLORING THE 2004 HMDA DATAJanuary 24, 2006
 Jim Campen, University of Massachusetts-Boston

RISK OR RACE: FROM DUELING DATA TO SYSTEMIC SOLUTIONSFebruary 14, 2006
 William C. Apgar, Harvard Joint Center for Housing Studies

HOMEOWNERSHIP AND EDUCATIONAL INEQUALITYMarch 21, 2006
 Thomas M. Shapiro, Brandeis University

JCHS STAFF

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- Rachel Drew, *Research Analyst*
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- Ruby Henry, *Research Assistant*
- Jackie Hernandez, *Assistant to Nicolas Retsinas and Eric Belsky*
- Daniel McCue, *Research Assistant*
- Nicolas Retsinas, *Director*
- Laurel Traves, *Outreach Assistant and Webmaster*
- Alexander von Hoffman, *Senior Research Fellow*

Established in 1959, the Joint Center for Housing Studies is a collaborative unit affiliated with the Graduate School of Design and the Kennedy School of Government.

The Joint Center illuminates the role of housing in shaping communities and outlines the ways in which housing policy and practices are shaped by economic and demographic trends. Through research, education, and public outreach programs, the Joint Center informs debate on critical housing issues and provides leaders in government, business, and the non-profit sector with knowledge and tools for formulating effective policies and strategies.

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POLICY ADVISORY BOARD: HIGHLIGHTS FROM OUR FEBRUARY MEETING

The Four Seasons Hotel—Washington, DC

ECONOMIC OVERVIEW

Maury Harris, UBS Investment Research

THE WASHINGTON ENVIRONMENT

Rick Lazio, JP Morgan Chase

HARVARD DISTRIBUTION STUDY:

KEY FINDINGS FROM THE SURVEY OF BUILDERS

Kermit Baker, Harvard Joint Center for Housing Studies

ENERGY TODAY AND TOMORROW

Frank Blake, The Home Depot

Guy Caruso, United States Department of Energy

GULF COAST UPDATE

John McIlwain, Urban Land Institute

A FRESH LOOK AT CORPORATE GOVERNANCE

Paul Atkins, United States Securities and Exchange Commission



POLICY ADVISORY BOARD WELCOMES NEW MEMBERS

84 LUMBER COMPANY

Represented by Bill Myrick, Chief Operating Officer

For 50 years, 84 Lumber Company has dedicated itself to being a low cost provider of lumber and building materials to professional builders, remodelers, and the DIY market. 84 Lumber Company has over 500 stores nationwide and the ability to buy in large volume, thus offering customers low prices and constant product availability.

BOISE CASCADE, LLC

Represented by Tom Stephens, Chairman and Chief Executive Officer

Boise Cascade is a manufacturer and distributor of engineered wood products, plywood, lumber, and particleboard. A privately-held company, Boise Cascade has operations in 3 countries and employs over 10,000 people.

GIBRALTAR INDUSTRIES

Represented by Henning Kornbrekke, President and Chief Operating Officer

Gibraltar Industries manufactures, processes, and distributes metals and other engineered materials for the building products, vehicular, and other industrial markets. Servicing customers in all 50 states, Canada, Mexico, Europe, Asia, and Central and South America, Gibraltar Industries has set a goal to establish itself as a leader in all of its businesses.

MERITAGE HOMES CORPORATION

Represented by John Landon, Co-Chairman and Chief Executive Officer

Meritage Homes Corporation is the 13th largest homebuilding company in the nation, with operations solely in the South and West. Since becoming a publicly-traded company in 1996, Meritage Homes Corporation has enjoyed considerable expansion and financial growth.

The Policy Advisory Board (PAB) was formed in 1971 under the guidance of John T. Dunlop, then Dean of the Harvard Faculty of Arts and Sciences, to bring together a diverse group of leading firms and organizations with interests and influence in the housing sector.

The PAB provides financial support and counsel to the Joint Center. This support is important to the Joint Center's mission and advances the shared goal of making housing a priority nationally as well as locally. The PAB also plays a critical role in identifying emerging issues and trends in the housing industry. (A complete list of member companies and their representatives can be found on page 8.)

POLICY ADVISORY BOARD 2006

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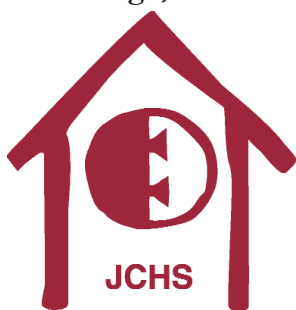
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