

Leveraging Lessons from Japan

Improving US Housing Outcomes

Indivar Dutta-Gupta



United States • Japan
FOUNDATION

Contents

| | |
|---|-----------|
| Acknowledgments..... | 1 |
| Introduction..... | 2 |
| A tale of two countries: What does Japan have to teach the US about improving housing outcomes?..... | 3 |
| Now is the time to shape US housing policy..... | 4 |
| Key findings..... | 6 |
| I. US Housing Affordability & Homelessness..... | 7 |
| The current state of US housing affordability and homelessness..... | 7 |
| US housing systems and approach to housing policy..... | 10 |
| II. Japan's Contrasting Approach to Housing Policy..... | 12 |
| Japan's context: Housing affordability and homelessness..... | 12 |
| Japan's contrasting housing systems and policy approaches..... | 13 |
| 1. Zoning, permitting, and building codes..... | 14 |
| 2. Public housing and quasi-public housing..... | 15 |
| 3. Private rental ownership..... | 16 |
| 4. Tenant rights and protections..... | 17 |
| III. Potential Lessons from Japan for the United States..... | 18 |
| Supply-focused measures to boost affordable housing supply..... | 18 |
| 1. Simplifying zoning and land-use policies..... | 18 |
| 2. Streamlining permitting and building standards..... | 20 |
| 3. Incentivizing rental housing investment..... | 21 |
| 4. Provisioning public and quasi-public housing..... | 22 |
| Demand-focused measures to alleviate cost burdens..... | 23 |
| 1. Scaling housing and broader income supports..... | 23 |
| 2. Balancing tenant protections with housing supply..... | 24 |
| 3. Preventing homelessness..... | 24 |
| IV. Conclusion..... | 25 |

Acknowledgments

I want to thank Jake Schlesinger and the United States-Japan Foundation for helping conceptualize and funding this research, as well as providing detailed feedback on a draft. I am also grateful to Chad Maisel for early thought partnership in identifying areas of focus; Shally Venugopal for research, drafting, and thought partnership; Ned Resnikoff for a helpful early conversation, suggesting several of the key recommendations, and for carefully reviewing a draft; Paavo Monkkonen (Professor of Urban Planning and Public Policy, UCLA Luskin School of Public Affairs) for suggesting key recommendations and carefully reviewing a draft; Almas Sayeed (Chief Executive Office-Homeless and Affordable Housing Initiative, Los Angeles County) for helping clarify the argument and carefully reviewing a draft; Masahiro Kobayashi (Corporate Advisor, Regional Corporate Department, Nippon Life Insurance Company, and Visiting Researcher, NLI Research Institute) for providing crucial feedback on a draft; and Jiro Yoshida (Jeffery L. and Cindy M. King Faculty Fellow in Business, Pennsylvania State University; and Project Professor of Economics, University of Tokyo) for carefully reviewing a draft and providing clarifying insight. Thanks also to Whitney Airgood-Obrycki (Senior Research Associate, Harvard Joint Center for Housing Studies) for providing me key data points, Kim Gould Ashizawa for meticulously editing the working paper, and Kiyoko Shiromasa for laying out and supporting the final publication.

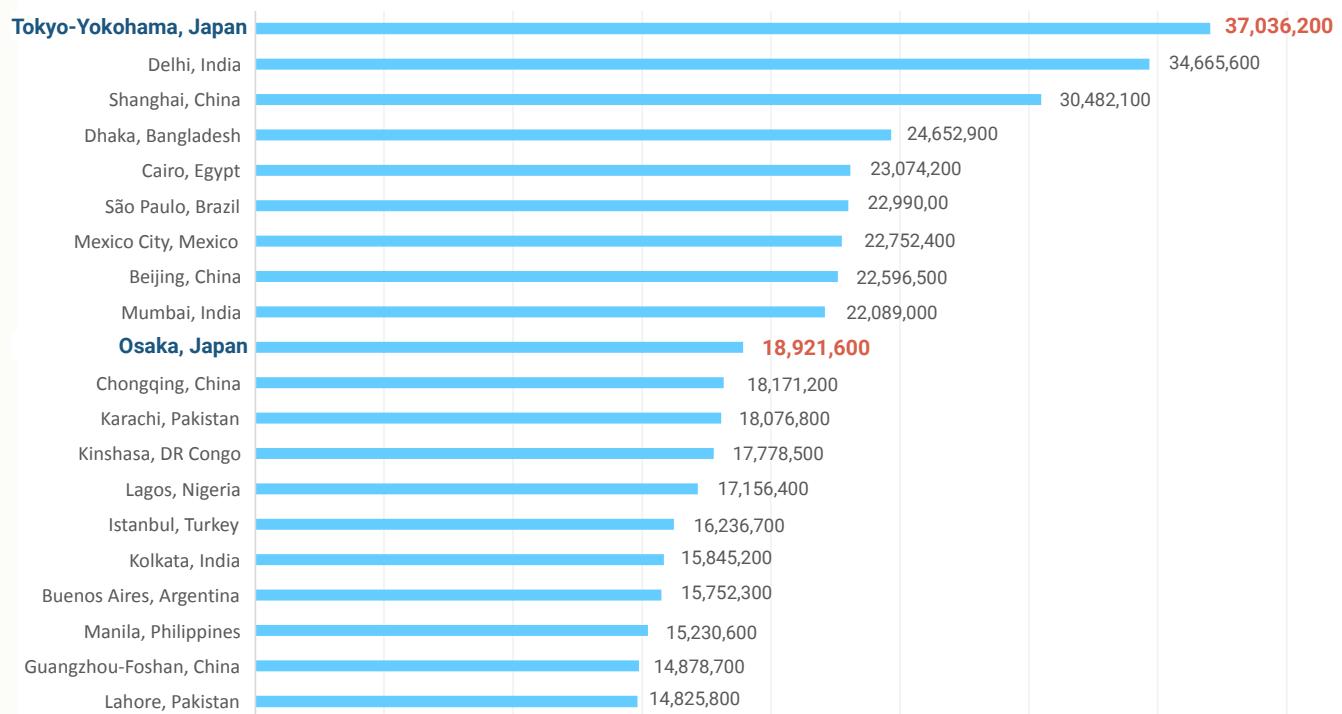
This is a working paper; please provide feedback to indi@bluelotusstrategies.co. All errors are the author's; the author maintained complete editorial control in producing this working paper.

Introduction

This working paper attempts to identify, explore, and adapt select lessons from Japan's experience in meeting its population's housing needs in order to inform US policy and inspire solutions to US housing challenges. Fundamentally, Japan represents a key proof point for the possibility of achieving housing affordability in US cities and states through policies supporting significant private housing supply alongside strong tenant protections.

The Tokyo metro area houses a population nearly comparable to that of California on a fraction of the land. Tokyo itself is unusually dense among the cities of wealthy nations, rivaled only by Paris—and for Americans, the only comparison is the densest borough of New York City (Manhattan). The Japanese experience, which includes two of the most populous urban agglomerations in the world (Tokyo and Osaka)—the only two in a high-income country among the top 20 (see fig. 1)—suggests that adequately affordable housing can be built in even the densest parts of the United States.

Figure 1. Largest urban agglomerations worldwide, 2025



Note: Each value above represents the population for the 20 largest urban areas globally in 2025. Figures were rounded.

Source: World Population Review, <https://worldpopulationreview.com/cities>, citing <https://esa.un.org/unpd/wup/>.

The primary goal of this working paper is to inform the US housing debate and promote bilateral social policy learning across these two allied nations that have overlapping economic values, disaster risks, and relatively high living standards. This paper is based on secondary research and analysis, as well as numerous informal conversations with individuals who possess housing and planning knowledge and expertise in both Japan and the United States.¹

Following this Introduction, the paper describes the worsening housing affordability and homelessness crisis in the United States, contrasting it with Japan's relatively more successful approach. It then outlines key differences in housing policies and contexts between the two countries, including zoning systems, subsidized housing provision, tenant protections, and income supports. Next, it suggests lessons that the United States, including its state and local governments, could potentially adapt from the Japanese experience, while acknowledging areas for more in-depth research and policy development on a range of particular topics.

A tale of two countries: What does Japan have to teach the US about improving housing outcomes?

It may come as a surprise to many residents of Japan that the country has some of the best housing-related outcomes in the world—and for our purposes, markedly better outcomes than in the United States.² That is not to say that Japan lacks housing-related challenges, including an unmet demand for larger housing, meaningful rent burdens among low-income renters,³ and a lack of wealth-building opportunities through homeownership.⁴ Nevertheless, Japan has achieved far better outcomes (specifically, with regard to homelessness, affordability, overcrowding, and satisfaction with the availability of quality, affordable housing) than the United States when it comes to ensuring an appropriate supply of affordable and adequate housing and commensurate income for its residents. The Japan case may not be a direct model for replication, but it is a rich source of policy inspiration for US jurisdictions.⁵

Housing affordability in the United States has steadily worsened since 1970,⁶ affecting virtually all income levels in all communities, but especially people with lower incomes⁷ and renters.⁸ Around a third of US households spend over 30 percent of their gross income on housing costs,⁹ with a quarter of renters spending half or more of their gross income on gross rent.¹⁰ While some US areas are depopulating,¹¹ at least three-fourths of US metropolitan areas are facing housing shortages.¹² The growing lack of affordability has helped fuel a significant post-pandemic rise in eviction¹³ as well as both unsheltered and sheltered (i.e., transitory, emergency housing, or other unstable conditions) homelessness, especially among children and families.¹⁴ The potential impacts of these outcomes are significant. For example, rent burdens, evictions, and homelessness are directly tied to higher mortality rates in the United States.¹⁵

Japan is not the only country from which the US can adapt lessons to improve housing outcomes, but it provides unusually powerful and relevant evidence and insights for all levels of the US government. Japan is a country with a comparably developed, capitalist economy with low interest rates, heavy utilization of private housing,¹⁶ strong tenant protections,¹⁷ dense metropolitan areas absorbing a growing share of the population despite scarce land,¹⁸ exposure to extreme weather and earthquake risks,¹⁹ and an aging population.²⁰ Alongside these realities, Japan has, as noted above, been relatively more successful in achieving desirable housing outcomes than the United States:

- **Homelessness** | Japan has a sharply lower per capita unsheltered homelessness rate²¹ (more than 30 times less than that of the United States in 2023) and has seen a steady decline in unsheltered homelessness in recent years.²² Indeed, Japan's rate of people living in public and external spaces is likely among the very lowest in the world.²³
- **Affordability** | In contrast to the 20–25 percent median ratio of housing expenditures to pretax household annual income in the United States (2010–2014), Japan's ratio of housing expenditures to family income was 13 percent in the 2010s.²⁴
- **Satisfaction** | Despite Japan ranking relatively low compared to middle- and high-income countries in overall happiness—and the United States ranking considerably higher²⁵—Japan is the only rich country where more than 70 percent of respondents are satisfied with local housing quality and affordability.²⁶ In contrast, US local housing satisfaction significantly declined to 39 percent, down from 61 percent in 2020 and 71 percent in 2013, ranking the US 21st among 38 OECD surveyed nations.²⁷ Gallup data through 2024 show the United States reaching a 17-year low in satisfaction with the availability of good, affordable housing.²⁸
- **Overcrowding** | Despite smaller housing per person on average,²⁹ Japan has among the OECD's very lowest rates of housing overcrowding—less than half the rate of the United States.³⁰ In other words, for a smaller share of their incomes, Japanese households are frequently living in housing with a more adequate number of rooms.

That Japan has experienced significantly less net international migration (though that may no longer be true as of the second half of 2025³¹) and is experiencing a declining national population does not fully or even primarily explain its housing successes.³² Beyond these data points, US-based advocates,³³ international policy experts,³⁴ researchers,³⁵ reporters,³⁶ and other observers³⁷ have for many years been pointing out Japan's success in housing its population. The experiences of Tokyo³⁸ and the Tokyo metropolitan area, which one-fourth of Japan's total population calls home,³⁹ have been particularly impressive, having experienced years of population growth.⁴⁰

Some of Japan's path to its world-leading housing outcomes would be challenging to replicate in the United States, given the latter's relatively stronger subnational governments, relatively meager urban light rail, cheaper land, a history of modest and consistent inflation,⁴¹ and different cultural and family expectations that likely affect outcomes like homelessness and housing satisfaction.⁴² Nevertheless, this paper outlines numerous lessons that are indeed adaptable in the US context. While Japan may not provide much direct inspiration for mitigating residential racial segregation and housing discrimination in the US,⁴³ the country's housing-related and public assistance policies clearly contribute directly to an extraordinary supply of affordable housing and mostly adequate incomes from which the United States can learn.

Now is the time to shape US housing policy

Affordable housing is a growing, bipartisan concern in the United States, and there has been demonstrated support for cross-ideological solutions.⁴⁴ Today, approximately two-thirds of Americans (including both Republicans and Democrats) are “highly concerned” about housing costs.⁴⁵ Unsurprisingly, politicians⁴⁶ and pundits alike are breaking with their parties’ traditional playbooks in search of new housing affordability solutions⁴⁷ at all levels of government.⁴⁸

- Local and state governments have led the way, initiating significant policies intended to foster a greater supply of housing.⁴⁹
- US media outlets appear to increasingly cover both the housing challenges and innovative solutions to those challenges with sophistication and depth.⁵⁰
- Conservative politicians and leaders, including President Donald Trump, have advocated for measures such as creating tax incentives for homebuyers and cutting regulations on home construction,⁵¹ as well as opening up federal lands for residential construction to address housing costs, which Joe Biden did as well.⁵² (These approaches align with key features of Japan’s success, such as its streamlined zoning and permitting processes that foster a more socially effective private housing market.)
- Data indicate widespread support across the ideological spectrum for increased funding to tackle homelessness.⁵³
- Self-identified Republicans express support for incentives to local communities for removing zoning and land use restrictions and streamlining federal regulations affecting building costs.⁵⁴
- Libertarian policy influencers—who historically have aligned with Republicans but now frequently work across the two major political parties—have increasingly proposed a range of federal measures intended to boost housing supply.⁵⁵
- Left-leaning commentators like Ezra Klein and Derek Thompson, who have highlighted ways to reduce some regulatory barriers in cities to build more affordable housing,⁵⁶ and Marc Dunkelman, who has argued that progressives have created counterproductive veto points for building new physical infrastructure,⁵⁷ are contributing to a framework for progressives to support cost-effective policies to produce more housing.
- Progressive cities (where housing shortfalls and homelessness are the most significant⁵⁸) like Washington DC have been engaging in multiple proactive measures with industry that have led to sizable housing construction, aligning with an approach advocated by the left-of-center group New Consensus. Similarly, New York City’s newly elected Mayor Zoran Mamdani has already signaled that his approach will combine strong tenant rights with supply-supporting policies.⁵⁹

The current Trump administration’s ultimate housing agenda remains mixed at best,⁶⁰ but the broader political trend toward ostensibly addressing rising housing costs in part by actively boosting housing supply is clear. Yet, even as the Republicans’ 2025 budget law included a sizable expansion of the Low-Income Housing Tax Credit, it will reduce resources available to lower-income households by dramatically increasing food insecurity and the rate of people living without health insurance.⁶¹

As US lawmakers across the ideological spectrum pursue expanded housing affordability, the Japanese approach could provide proven, relevant strategies that can be adapted for and tailored to the US context in this moment. This working paper translates a selection of key lessons from the Japanese context to inform US housing solutions. The paper is in no way comprehensive. There are surely additional lessons

to be adapted and translated from Japan for the US context, and the lessons—even taken together—are not sufficient to address all US housing challenges, some of which are relatively distinctive, especially racial segregation.

Key findings

The key findings highlighted in this working paper include the following:

1. Three **Japan-inspired housing policy solutions** could cut across US political divides:
 - Implementing simpler and more flexible zoning regulations and consistent permitting processes to reduce market barriers to affordable housing construction. This approach could be achieved at the state level and/or in key metropolitan areas; the federal government may be able to incentivize these changes, including by encouraging policies that promote homeownership affordability, such as low interest rates and well-designed tax policies.
 - Building higher-density housing and smaller units that serve both lower- and middle-income households. This could be done, for example, by releasing targeted federally owned lands and/or capitalizing more self-sustaining agencies like the Urban Renaissance (UR) Agency and mission-oriented corporations that provide large-scale, accessible, and desirable affordable housing.
 - Extending tax incentives not just to corporate affordable housing developers but also to individual landlords to incentivize local small-scale rental investment and maintenance.
2. The United States can **learn from Japan's comprehensive public assistance programs** (e.g., automating eligibility and expediting payments across multiple income supports and subsidies) and—depending on the political climate in the coming years—increase funding for rapid re-housing programs, especially for families and children facing homelessness.

The United States and Japan can also **work and learn together to adapt their approaches and create innovative housing solutions** in the face of aging populations (and a potential lack of population growth in the US⁶² that could pose similar challenges to Japan's declining population) and the growing frequency of extreme weather events.

As noted, the scope of this research was not comprehensive. Further research and convenings could beneficially explore in depth additional homelessness, housing, and housing-adjacent topics for potentially adaptable learnings, such as construction and prefabrication,⁶³ transportation policy (including parking requirements and workers compensation coverage that encourages workers' transit usage), regional government and governance,⁶⁴ labor market policies, behavioral health treatment, gift and inheritance taxation, tax treatment of housing as it relates to home price growth, mortgage products and underwriting standards, and more.

I. US Housing Affordability & Homelessness

The current state of US housing affordability and homelessness

US housing affordability has deteriorated to record lows in recent decades, contributing to a historic rise in homelessness. This affordability crisis is driven by limited housing supply and high costs that are outpacing incomes,⁶⁵ compounded by climate change, construction labor shortages, and government spending cuts, and these trends are especially impacting lower-income and racial minority households.

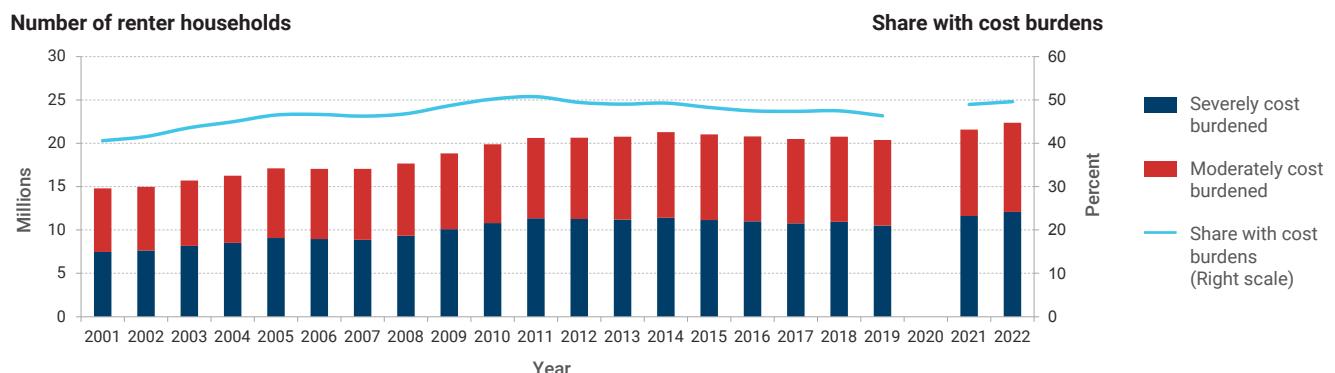
Today, around a third of US households spend over a third of their income on housing costs⁶⁶—a common domestic threshold used to identify burden—with renters often spending over half their gross income on gross rental costs.⁶⁷ Nearly half of renters (49.7 percent) are cost-burdened, compared to just over a fourth (27.1 percent) of homeowners (fig. 2).⁶⁸ Although recent indicators show some cooling in rental markets,⁶⁹ affordability is still at or near all-time lows⁷⁰ due in part to limited housing inventory and new housing construction; inflation and higher interest rates; and housing costs growing faster than wages

(fig. 3).⁷¹ Rental cost burdens vary by state but are especially severe in coastal states around the country.⁷² Beyond rent burdens, lower-income households—especially American Indian/Alaska Native, Black, and Hispanic households using subsidies⁷³—face poor-quality housing (fig. 4).

This section provides context on the current state of housing affordability and homelessness in the United States, including policies. Key findings include the following:

- US housing affordability is at record lows, with nearly half of renters and over a quarter of homeowners spending a significant portion of their income on housing, driving a historic rise in homelessness, especially among families with children.
- This crisis is fueled by a severe shortage of affordable housing, rising housing costs outpacing incomes, and higher interest rates, along with added pressures from climate change, construction labor shortages, and new spending cuts.
- Federal, state, and local housing programs, including rental subsidies and development incentives, are underfunded, complex, and often insufficient, contributing to persistent affordability challenges and harmful outcomes like concentrated poverty and racial segregation.
- Challenges to housing quality and access disproportionately affect lower-income and racial minority households. Despite some recent policy efforts, including changes to the Low-Income Housing Tax Credit, significant gaps remain in addressing the scale and complexity of the US housing crisis.

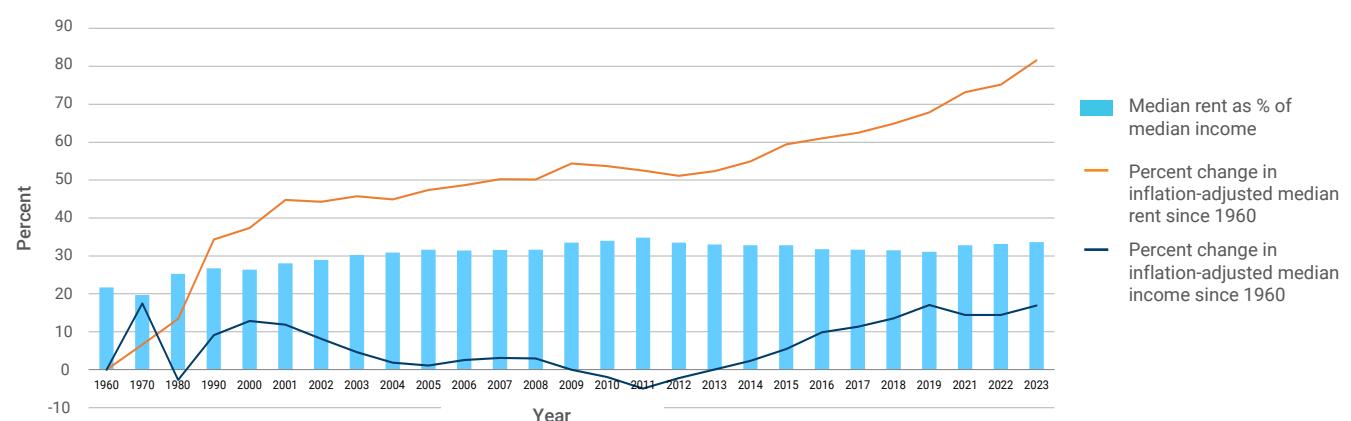
Figure 2. Number of US rental households relative to the share of renters with moderate to severe cost



Notes: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities. Households with zero or negative income are assumed to have burdens, and households that are not required to pay rent are assumed to be unburdened. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.

Source: Reproduced from Joint Center for Housing Studies of Harvard University (2024) based on US Census Bureau Community Survey 1-Year Estimates.

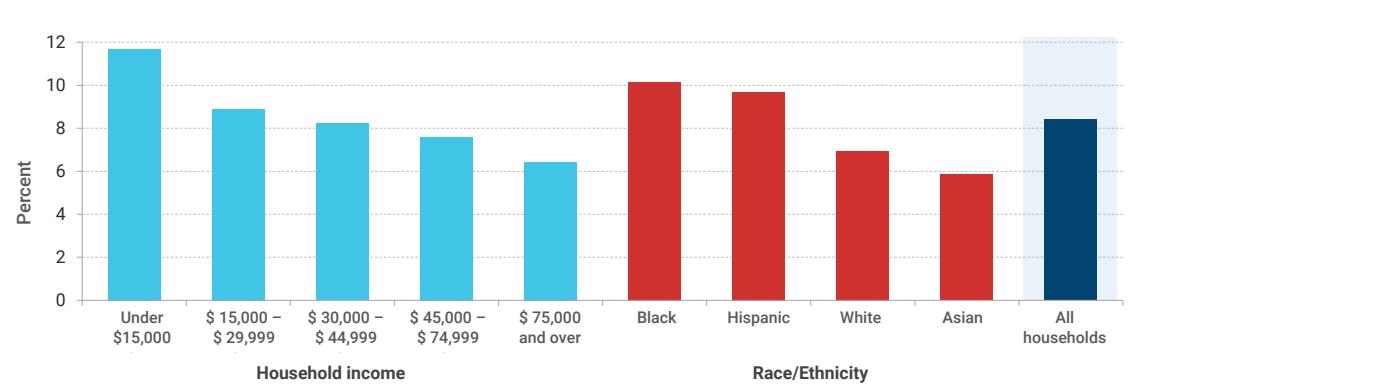
Figure 3. Growing divergence in US renter incomes relative to gross rent



Note: Underlying values are adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U) for all items.

Source: Joint Center for Housing Studies of Harvard University tabulations of US Census Bureau, Decennial Census and American Community Survey 1-Year Estimates via IPUMS-USA.

Figure 4. Share of renters in inadequate housing by income and race/ethnicity

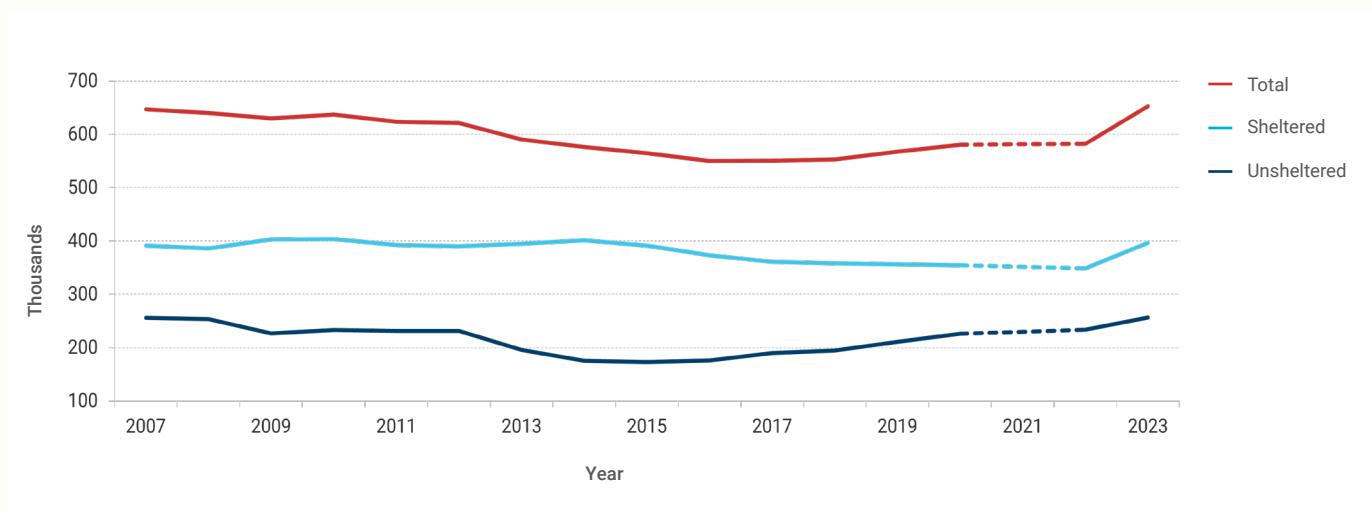


Notes: Housing inadequacy refers to a variety of structural deficiencies, such as large holes and leads or the absence of basic features including plumbing, electricity, water, or heat; US Department of Housing and Urban Development (HUD) classifies units as moderately or severely inadequate depending on the number of these physical problems. Black, white, and Asian householders are non-Hispanic; Hispanic householders may be of any race.

Source: Reproduced from Joint Center for Housing Studies of Harvard University (2024) based on tabulations of HUD and the 2021 American Housing Survey.

Housing affordability challenges have helped drive a substantial recent rise in US homelessness,⁷⁴ especially among families with children.⁷⁵ There has been a significant 18 percent increase in point-in-time homelessness (including those both sheltered and unsheltered) between 2023 and 2024, with over 770,000 individuals experiencing homelessness as of the end of 2024.⁷⁶ This includes a 39 percent increase in homelessness among people in families with children.⁷⁷ Concerningly, children experienced the biggest increases in homelessness between 2023 and 2024 among all age groups.⁷⁸ California and New York have the largest numbers of households experiencing homelessness, and they are among the states where homelessness rates are higher than the national average.⁷⁹ Despite the links between homelessness and housing affordability,⁸⁰ recent research finds that US cities (where homelessness is concentrated) and their elected officials rarely link zoning and land-use policies—both policies that affect affordability—to homelessness.⁸¹ Instead, city leaders often see homelessness through the lens of housed constituents concerned about the negative externalities of homelessness.⁸²

Figure 5. Number of people experiencing homelessness, 2007–2023



Notes: Point-in-time counts are conducted in January of each year. Unsheltered homelessness includes people staying in places not suitable for human habitation. Because of the pandemic, complete unsheltered counts were unavailable in 2021, and sheltered counts were artificially low, likely because of reduced shelter capacity.

Source: Harvard Joint Center for Housing Studies tabulations of HUD, Annual Homeless Assessment Report Point-in-Time Estimates.

A severe housing shortage is one of the prime drivers of today's affordability and homelessness crises⁸³ The US housing market continues to settle after post-pandemic shocks that set in motion rising materials and construction costs, which, alongside rising interest rates and broader inflation, have driven up housing costs across much of the nation.⁸⁴ Today, housing shortage estimates vary from 1.5 million to as high as 7.3 million housing units⁸⁵ to say nothing of the far larger gap in *affordable* units.⁸⁶ Current new construction is insufficient to meet this growing shortage in a reasonable timeframe,⁸⁷ and the pace of building may not be sustained given today's elevated interest rate environment combined with high labor and material costs.⁸⁸

Climate change, import taxes, deportations, and deep cuts to social protection policies could worsen housing affordability and homelessness in the coming years:

- **Climate change and associated weather events** (e.g., wildfires, extreme heat, and hurricanes), as well as earthquakes,⁸⁹ create repair and insurance costs⁹⁰ and could increase the prevalence of both temporary and permanent homelessness.⁹¹
- **Trade wars** could spike the costs of construction materials and deportations would raise costs,⁹² making it harder for new affordable housing to come online, especially given affordable housing's razor-thin margins (in contrast to profitable luxury housing).⁹³ The mass deportations underway may contribute to medium-to-long-run housing affordability challenges⁹⁴ by creating construction labor shortages and slowdowns,⁹⁵ reducing economic activity and tax revenues,⁹⁶ and creating housing instability by removing many wage and salary earners from families⁹⁷ even if they may also create more rental vacancies or reduce prices in some areas in the short run.⁹⁸
- **Substantial cuts to social protection programs** in the mostly pending 2026 Congressional appropriations⁹⁹ and the 2025 Trump budget law—especially Medicaid and other health coverage,¹⁰⁰ alongside SNAP and other basic needs programs—can be expected to further reduce housing affordability and drive more families into homelessness.¹⁰¹ The 2025 Trump budget law cuts represent one of the largest single policy-engineered reductions in resources for households with low and moderate incomes and increases in income inequality (which is itself detrimental for housing affordability)¹⁰² in US history.¹⁰³

One positive note, on the other hand, is that the recently enacted changes to the Low-Income Housing Tax Credit may finance a net of up to 1.22 million affordable rental housing units over the coming decade, depending in part on state administration and implementation.¹⁰⁴

US housing systems and approach to housing policy

A century of evolving but chronically underfunded and politically constrained federal, state, and local housing programs have proven too limited, complex, and inconsistently financed to address the US housing crisis, often unintentionally amplifying concentrated poverty and racial segregation.¹⁰⁵

An underfunded patchwork of US federal laws and associated programs, initiatives, and agencies address housing affordability and homelessness. Over the past century, dozens of federal laws have helped shape the housing market, including many that directly address affordable housing and homelessness.¹⁰⁶ These laws have ranged from establishing public housing to creating incentives for affordable housing developers, developing favorable financing and mortgage insurance terms, issuing demand-side rental subsidies (like the Section 8 Housing Choice Voucher Program), and supporting re-housing programs for those experiencing homelessness.¹⁰⁷ Since many of these programs—especially those focused on housing demand—require annual Congressional appropriations typically constrained by negotiated budget caps,¹⁰⁸ the funding available to support them has fluctuated depending on political priorities and has consistently been insufficient.¹⁰⁹

State and local governments often complement federal funding with their own funding and policies that

reflect political philosophies around government intervention, taxation, and social welfare. Supply-side approaches, which are common across both politically left- and right-leaning states and localities, include (i) state housing trust funds that provide desirable loans and grants to affordable housing developers¹¹⁰ and (ii) state-level tax credits, abatements, and other incentives or mandates¹¹¹(e.g., flexible density requirements,¹¹² as well as inclusionary and or other zoning reform¹¹³) for affordable housing development.¹¹⁴ Demand-side measures include (i) tenant protection programs like rent control and stabilization laws, which tend to be larger and more robust in left-leaning states and cities,¹¹⁵ and (ii) first-time homebuyer and downpayment assistance programs, which are available in every state and in the District of Columbia but vary in terms of how much they help people with the lowest incomes and wealth.¹¹⁶

The limited size and scope as well as the complexity of these programs and initiatives at the federal, state, and local levels have meant that they have been insufficient in meaningfully addressing today's housing crisis,¹¹⁷ and in some cases they have also had unintended impacts like promoting racial segregation and concentrated poverty due to underfunding and design flaws. Because many of the programs associated with these laws require annual appropriations, their efficacy and scale are also highly dependent on political interests, and they are thus variable and constrained. For example, the US Department of Housing and Urban Development (HUD) estimates that only one in four eligible households receive federal rental assistance—a program dependent on annual Congressional appropriations.¹¹⁸

II. Japan's Contrasting Approach to Housing Policy

Japan's context: Housing affordability and homelessness

Japan's typical housing affordability levels are somewhat better than in the United States, while cost-burdened households are more common in the United States. For example, OECD data shows that broad household housing cost burdens (mortgage or rental costs) as a share of disposable income were modestly better in Japan in 2022 at the median (17.6 percent versus 18.4 percent in the United States).¹¹⁹ For owned homes (non-rental units), average home-price-to-income ratios are effectively lower in Japan after factoring in Japan's "Flat 35" long-term fixed-rate mortgage¹²⁰ and persistently low interest rates over the past two decades,¹²¹ with Tokyo (Japan's costliest city) offering housing that is comparable in terms of affordability to housing in relatively affordable US cities like Denver, Colorado, or Austin, Texas, rather than high-cost US cities like San Francisco, New York City, or Los Angeles.¹²² Moreover, property tax rates are often lower in Japan than in many US cities and states, and properties are taxed on assessments well below market value in Japan, while assessments tend to be close to market value in the US.¹²³

Importantly, the share of the population that is cost-burdened—defined for comparative purposes as spending over 40 percent of their income on housing costs (the OECD standard)—is 10 percent in Japan but 12 percent in the United States.¹²⁴

Renters and lower-income households in the United States face greater burdens relative to their Japanese counterparts. Japan's *renters* spend less on their rental costs relative to their disposable incomes: 19.9 percent versus 24.4 percent in the United States.¹²⁵ Furthermore, only 11.6 percent of Japanese renters spend more than 40 percent of their disposable income on rent, in contrast with 20.2 percent of renters in the United States. As in the United States, Japan's renter households have lower incomes than homeowners on average.¹²⁶ The comparative cost burden gap (spending over 40 percent of disposable income on mortgage or rent) is particularly apparent when examining the bottom quintile of the income distribution: within

This section describes Japan's housing affordability and homelessness context and contrasts its policies with those of the United States. Key findings include the following:

- Lower-income households and renters in Japan spend a lower share of their income on housing, while the number of unsheltered homeless individuals is small.
- Japan's success in these two areas can be partly explained by its centralized, integrated, and flexible approaches to housing, public assistance, and development policies, which together have driven a healthy inventory of affordable housing alongside demand-side supports. Important housing policies include the following:
 - **Zoning** | Japan's national government drives zoning decisions and has employed a simple 13-zone system that promotes mixed-use development and inclusionary zoning and results in faster permitting and a greater affordable housing supply.
 - **Housing Provision** | Japan's national government further boosts supply by provisioning desirable public and quasi-public housing serving both lower- and middle-income communities, and by incentivizing private individual ownership of rental properties.
 - **Tenant Protections** | Japan's national government also oversees key provisions in landlord-tenant agreements, which feature strong tenant protections that minimize evictions, while maintaining overall housing supply through other means.

this subset of households, nearly 47.6 percent in the United States are cost-burdened compared to 32.1 percent in Japan.¹²⁷

One result of the lower cost burden is that Japan boasts a vanishingly small rate of “unsheltered” homelessness, in stark contrast to the United States. It is important to note that, unlike in the United States, homelessness measurements and indicators in Japan include only those individuals living on the streets (“unsheltered”) while excluding those in emergency shelters, long-term homeless shelters, or transitory housing, those released from institutions with no identifiable housing, those temporarily residing with family/friends, or other types of homelessness and housing exclusion, so it is impossible to make a perfect comparison.¹²⁸ By this narrowest of measures, however, Japan’s most recent reporting (January 6, 2024) showed a nearly zero *rate* of individuals “unsheltered” (2,820 individuals¹²⁹ out of approximately 124,090,000 people,¹³⁰ or 0.0023 percent of the total population). In the United States, 0.0810 percent¹³¹ of the population (or 274,224¹³² out of an estimated 338,694,836 people¹³³) were unsheltered during the final 10 days of January 2024 during an official point-in-time estimate.¹³⁴ Put another way, the United States experiences more than 35 times Japan’s rate of unsheltered homelessness. It has a total population less than 3 times as large as Japan’s but more than 90 times the number of unsheltered homeless individuals.¹³⁵

In contrast to the rising levels of unsheltered homelessness in the United States, Japanese levels have fallen in the past decade¹³⁶ thanks to a combination of various cultural factors, demographic shifts, and government interventions. Some of those factors are somewhat unique to Japan, including labor market shifts and the availability of nonprofit services. However, the decline also stems from a healthy and growing inventory of affordable housing¹³⁷ and effective government assistance programs.¹³⁸ For example, some researchers find that Japan’s primary social protection program, *seikatsu hogo* (literally, livelihood protection), is less exclusionary, more efficient, and more comprehensive than targeted US public assistance programs (e.g., Supplemental Security Income, Temporary Assistance for Needy Families, General Assistance, etc.). Although it does have its own shortcomings, *seikatsu hogo*’s strengths include payments being made within 14 days, health care or housing assistance automatically accompanying cash assistance for those who need these supports, and a straightforward system for demonstrating eligibility.¹³⁹

Japan’s contrasting housing systems and policy approaches

Japan’s housing system has been shaped by limited land availability, high construction volumes, and the ever-present danger of natural disasters.¹⁴⁰ After World War II, Japan was faced with a devastating housing shortage, as much of its existing inventory had been burned down in the war.¹⁴¹ The national government stepped in to play a significant role in creating large-scale urban housing development; in parallel, industrialization drew more people from rural areas into urban areas.¹⁴² Today, these trends have persisted: demand for housing continues to be concentrated in urban areas¹⁴³ and the national government continues to play a dominant role in urban planning,¹⁴⁴ disaster preparation, economic development, and housing finance.¹⁴⁵

Japan’s housing stock tends to be newer and comprised of substantially smaller units than in the United States, especially in the case of rental units.¹⁴⁶ Historically, the Japanese government promoted new home construction as part of postwar reconstruction and the accompanying macroeconomic benefits, unlike the United States, where existing homes are readily financed and valued.¹⁴⁷ Only around a third of Japan’s land

is habitable—as compared to the US, where almost two-thirds of land is habitable—creating constraints on housing size, especially among rental units in urban areas.¹⁴⁸ Japan has fewer floor square feet or meters per person¹⁴⁹ and fewer rooms per person on average than the United States.¹⁵⁰ Rental units, including public, private, quasi-public (public-private), and corporate rental housing, comprise 35.6 percent of the number of housing units—and the overwhelming majority of that stock is private rental housing—but account for just 19 percent of total floor area (what Americans refer to as square footage).¹⁵¹

As a whole, and partly due to the Japanese government’s tendency to revise building codes following major earthquakes, the lifespan of buildings in Japan is relatively short, with housing structures slated for demolition on average at approximately 32 years in Japan versus 67 years in the US, and thus structures depreciate substantially faster (approximately 6–8 times faster) than in the United States. This has allowed construction volumes to stay high despite a healthy inventory of homes relative to demand in urban areas. Rural areas, on the other hand, exhibit high levels of vacancy and limited rental demand.¹⁵²

Japan’s urban planning integrates dense housing with high-quality transit and pedestrian infrastructure, minimizing inefficient surface area for features like parking. This density is further supported by the prevalence of small commercial properties, including retail and services required for daily living, interspersed among residential buildings. Taken together, this approach allows small units to offer a high quality of life.¹⁵³

Japan has taken a more centralized and coordinated housing policy approach that addresses both supply and demand,¹⁵⁴ in contrast with the United States, which takes a more fragmented approach¹⁵⁵ and has fewer federal protections for homeowners and renters. The US approach to foster housing affordability, including efforts to construct affordable housing and limit homelessness, has tended to feature a mix of public- and private-sector involvement with widespread reliance on tax incentives for corporate developers.¹⁵⁶ In contrast, Japan’s national government has historically played a large and central role in housing provision and urban planning.¹⁵⁷ The Japanese ministry in charge of housing, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), also manages closely related sectors, allowing for a more integrated approach to urban planning.¹⁵⁸ Japan’s approach to affordable housing and homelessness tends to be more coordinated and flexible,¹⁵⁹ with a stronger focus on desirable public housing,¹⁶⁰ more expeditious income support programs,¹⁶¹ and greater consideration of the built environment when compared to the United States.¹⁶²

Zoning policies, limited but important public housing,¹⁶³ rental ownership, and tenant rights and protections each embody this centralized, coordinated, and integrated approach that has influenced housing affordability and homelessness levels.

1. Zoning, permitting, and building codes

The national government in Japan created a centralized, simple, and flexible zoning system that supports affordable housing development. While local governments draft city plans and zoning designations, these must conform to the national framework established by the City Planning Act.¹⁶⁴ Prefectural governments usually have the authority to approve or reject these plans and have other influence over zoning.¹⁶⁵ The zoning system is also relatively simple, consisting of 13 categories of zones, including 8 residential zones.¹⁶⁶

In contrast, the United States operates a fragmented and inconsistent system, where tens of thousands of cities and counties create their own zoning codes and where exclusionary zoning is common in higher-income, homogenous areas.¹⁶⁷ Beyond its simplicity, the Japanese zoning system also allows for more flexible land use, where commercial and industrial zones can also accommodate residential uses,¹⁶⁸ thereby promoting mixed-use developments and increasing housing supply. In contrast, the US zoning system often designates each zone for a particular land use only¹⁶⁹ (e.g., single-family detached residence), limiting the potential for multi-family and mixed-use developments and restricting housing supply.¹⁷⁰ This restrictive zoning can lead to a shortage of affordable housing options and exacerbate racial and economic inequities.¹⁷¹

Japan's building permitting process is also streamlined due to the national government's centralized control over building standards and regulations. The country's national building codes are frequently updated, particularly after major earthquakes, rendering older structures noncompliant and diminishing their value.¹⁷² Obtaining loans for housing built under outdated codes is markedly more challenging, which depreciates older, noncompliant homes.¹⁷³ The Japan Housing Finance Agency incentivizes modern construction with lower interest rates for new dwellings that meet superior standards (e.g., earthquake resistance, energy efficiency).¹⁷⁴ This leads to rapid economic depreciation, with many Japanese homes losing their entire structural value within 30 to 40 years, making demolition and rebuilding more economically rational than retrofitting to meet new, stringent safety requirements.¹⁷⁵ This "scrap-and-build" approach results in an average lifespan for Japanese houses that is about half that of houses in the United States.¹⁷⁶ The constant turnover provides numerous opportunities to construct denser,¹⁷⁷ safer (vis-à-vis earthquakes),¹⁷⁸ and more energy-efficient housing¹⁷⁹ that better matches contemporary demand and optimal land use in desirable locations,¹⁸⁰ thereby mitigating the kind of inefficient land use—such as large, older, single-family homes near transit hubs—that is often seen in the United States due to restrictive zoning and different market dynamics.¹⁸¹

2. Public housing and quasi-public housing

As noted above, Japan's rental housing stock consists of public, quasi-public, and private housing.¹⁸² Public and quasi-public housing are directed at Japan's lower- and lower-to-middle-income households, respectively, and are often in high demand. The country's public housing system (1,922,300 units as of 2022) is locally administered and serves lower-income households exclusively.¹⁸³ Japan's quasi-public system (747,200 units as of 2022), administered by the independent, semi-public UR, builds larger-scale, planned housing complexes (formerly known as *kōdan* housing), which are often in urban and suburban areas. These complexes and their associated rentals serve both lower- and middle-income households at market rates but without the additional fees and guarantor requirements common in purely private rentals. The UR's predecessor, the Japan Housing Corporation, built numerous *kōdan* housing units in suburban areas following World War II, incorporating well-planned urban development concepts that include the strategic placement of open spaces, commercial and public facilities, and internal streets.¹⁸⁴ The UR continues to promote urban renewal and the revitalization of regional cities through locally specific public-private engagement and partnerships.¹⁸⁵ Perhaps unsurprisingly, public housing in Japan—which is designed to be desirable and typically well-located relative to transportation—has limited vacancy and availability, leading to significant rationing.¹⁸⁶

3. *Private rental ownership*

In Japan, private rental housing stands out for being predominantly owned by individuals rather than large corporations. Japanese tax policies significantly favor individual and family ownership of residential rental properties through reduced property tax assessments and substantial inheritance tax advantages for real estate over financial assets.¹⁸⁷ This ownership structure, combined with strict tenant protection laws—which make it exceptionally difficult for landlords to refuse lease renewals or evict tenants without court-established “just cause,” and often limit rent increases for existing tenants—has influenced the market.¹⁸⁸ Landlords, seeking to mitigate the risks associated with long-term, low-rent tenants, frequently prefer to offer smaller units—particularly studio apartments or “one-room mansions,” which are often 30 square meters or less—as these are popular with more transient tenants like college students and young professionals.¹⁸⁹ The average size of private rental housing in Japan is 45.6 m² (about 490 sq. ft.).¹⁹⁰

Moreover, because Japanese homes—including private rentals—have a reputation for rapid depreciation and a shorter lifespan, and given the cultural preference for new construction, there is less incentive for private owners to invest in long-term maintenance, frequently leading to lower quality and less well-maintained properties, with many remaining older units lacking modern insulation or failing to meet current earthquake-resistance standards.¹⁹¹

Despite Japan’s overall housing affordability, private rentals can be relatively expensive, particularly for low-income households. Rent-to-income ratios can easily exceed 30 percent for low-income earners (those with less than 2 million yen—about \$12,800—annually), implying they are considered cost-burdened by US and international standards.¹⁹² Furthermore, private rental contracts often include upfront costs like key money, renewal fees, and guarantor requirements, which can add to the financial burden. In contrast, public rental housing offers significantly lower rents for low-income families, and quasi-public housing from the UR typically eliminates many of these fees.¹⁹³

In addition to these public and quasi-public entities and private landlords, the private-sector in Japan also features large-scale, mission-oriented corporations that contribute to affordable housing provision, sometimes through share houses that offer co-living spaces.¹⁹⁴ These mission-oriented, for-profit private housing corporations provide affordable housing at scale.

Village House, managed by Village House Management Co., Ltd., demonstrates a private-sector model in Japan that balances profit with social benefits. Established by US private equity fund Fortress Investment Group in 2017 after acquiring former public housing and other residential buildings, Village House converts underutilized properties into affordable private rental units. As one of Japan’s largest landlords with over 100,000 units, Village House provides affordable rental housing to diverse residents, including low-income families and foreign residents. It prioritizes affordability through low upfront costs (waiving deposits, key money, brokerage, and renewal fees) and average monthly rents that are considerably below market rates in renovated older buildings. To support its 20 percent foreign resident base, it offers a multilingual call center and community events, and it previously collaborated with a leading employment agency to help provide job opportunities to its tenants and local communities.¹⁹⁵

4. Tenant rights and protections

Key provisions in landlord-renter agreements are regulated by Japan's national government and include stronger tenant protections relative to the United States.¹⁹⁶ In a recent 30-country survey, just 15 percent of renters in Japan believed that “it's too easy for landlords to take advantage of tenants,” as compared to a 59 percent average across all countries and 67 percent in the United States; after Japan, the next lowest rate was nearly three times as high (43 percent in France).¹⁹⁷ In Japan, key provisions in landlord-tenant agreements are regulated by the national Act on Land and Building Leases¹⁹⁸ rather than by prefectural (state) or local governments, as seen in the United States.¹⁹⁹ Lease agreements are predominantly multi-year and effectively open-ended, as opposed to the more typical one-year contracts in the United States, and they are challenging for landlords to terminate or refuse renewal.²⁰⁰ Such stringent tenant protections can unintentionally worsen housing affordability and homelessness by increasing rents.²⁰¹ Japan has largely avoided this fate, in part because the tax code incentivizes relatively wealthy households to supply rental homes, primarily through favorable property tax assessments and inheritance tax treatment.²⁰² However, strong tenant protections have created an unintended consequence—housing supply focuses primarily on single-person rental units rather than family-sized housing,²⁰³ though families increasingly have access to greater homeownership incentives.²⁰⁴

III. Potential Lessons from Japan for the United States

As discussed in the previous section, much of Japan's housing policy successes have been driven, at least in part, by the national government's ability to play a strong and flexible role in setting and coordinating housing, zoning, and public assistance policies.²⁰⁵ While this approach may not align neatly with the historical US emphasis on state and local governing autonomy, examining and then adapting relevant aspects of Japan's housing and homelessness policies can illuminate creative paths forward that improve US housing outcomes while reflecting US political dynamics. These measures would need to be augmented in the United States by additional policies more tailored to the US context, including but not limited to tenants' right to counsel in eviction court, relocation assistance for tenants displaced due to property redevelopment, long-term supportive housing, and more.

Supply-focused measures to boost affordable housing supply

1. Simplifying zoning and land-use policies

Building a simpler, flexible, and efficient Japan-inspired zoning system could help encourage more mixed-use, equitable, and resilient development. Updating zoning codes to allow for mixed-use developments and promote higher-density housing with smaller units in urban and suburban areas (where land is scarce and housing costs are high)—a direct benefit of Japan's flexible zoning regime—could address affordability and homelessness issues. Such a system could also be used to mitigate the influence of local interests in restrictive and exclusionary zoning practices and ensure that affordable housing is not relegated to undesirable neighborhoods. Zoning and land-use planning reform may be especially critical in areas exposed to extreme weather events such as wildfires, hurricanes, floods, and droughts.

Zoning reform may be better implemented through local, state, or regional initiatives, given the historical US emphasis on state and local autonomy over these matters. A state-level or regional approach can balance

This section outlines lessons learned from Japan and translates them into potential interventions that the United States could scale up, shift, or adapt to its own context.

Supply-focused interventions could include

- simplifying zoning and land-use policies in part to promote denser, mixed-use zoning; this could be adopted at state, regional, and local levels, supported by federal grants
- streamlining permitting and building frameworks, to be adopted voluntarily and/or supported by federal incentives, such as discounted sale of federal lands in return for fast-tracking local permitting or climate-resilient construction practices
- incentivizing individual investment in rental housing through federal and state tax reform
- provisioning desirable, well-connected public or quasi-public housing at the right scale to meet demand

Demand-focused interventions could include

- scaling both housing and income supports through automated eligibility determinations and well-funded rental assistance programs
- reinvigorating US public housing programs by adopting or expanding elements of Japan's model, such as extensively leveraging public-private partnerships (PPPs)
- combining strong tenant protections to limit evictions with counterbalancing efforts to boost affordable housing supply
- preventing homelessness via early intervention programs and scaling rapid re-housing and rapid public assistance, shifting the focus of state and local leaders to address the root causes rather than consequences of homelessness

local autonomy with broader oversight and also be complemented by federal incentives. For example, some state legislatures, like those in California,²⁰⁶ Montana,²⁰⁷ Washington,²⁰⁸ and Oregon,²⁰⁹ have already enacted laws that preempt local zoning restrictions in order to allow for denser development (e.g., allowing accessory dwelling units or multi-family homes in single-family zones).²¹⁰ Similarly, neighboring states or even localities with similar housing affordability challenges and land characteristics could form regional zoning commissions that centralize certain land use decisions and ensure adequate affordable housing supply. For example, states could extend the authority of agencies like the federally designated Delaware Valley Regional Planning Commission, which currently coordinates zoning and land use between Pennsylvania and New Jersey and is funded by a mix of federal transportation funds, state agency support, and local government contributions.²¹¹

Nevertheless, the federal government may also be able to incentivize zoning and land-use reform by subnational jurisdictions. Federal policymakers could require states and other jurisdictions to ease zoning restrictions and increase density through grants, tax credit allotments, or other subsidies for municipalities that implement higher-density, mixed-use zoning, or through streamlined federal housing grants for regions that reduce permitting timelines or adopt simplified zoning standards. For example, the Biden administration's Housing Supply Action Plan in 2022 offered federal funding incentives to municipalities that reform zoning laws to promote affordable housing development.²¹³ One way to further incentivize such changes would be to link them to federal funding for automobile-related infrastructure (primarily roads and highways), which represents tens of billions of dollars annually²¹³ for subnational jurisdictions²¹⁴—far more than other funding streams that could provide leverage.²¹⁵

In addition, federal funding supports a vast array of public transit systems (and implicitly, physical transit stations and stops) in the United States.²¹⁶ Congress might be able to mandate looser zoning near federally funded assets like transit stops²¹⁷ as well as near federal assets like post offices, federal courthouses, Social Security Administration offices, Veterans Affairs clinics and hospitals, military recruiting stations, federal office buildings, Customs and Border Protection stations, national park and forest facilities, weather service stations, and federal depository libraries.

Another measure the federal government could take would be to promote a voluntary national zoning model that states and localities could adopt. Publishing and socializing updated national best-practice zoning that promotes mixed use could enhance housing construction in US cities, potentially facilitating the development of a wider range of housing options, including more three-generation and family-sized apartments. Such a change could help move the US toward a Japanese-like system that is simple, uniform, and flexible. Widespread adoption of such zoning could reduce regulatory uncertainty for developers, cut down on paperwork and bureaucracy, and generally lead to faster construction and more diverse housing types.

There is historical precedent for this recommendation. The Standard State Zoning Enabling Act (SSEA), a model law drafted and promoted by the US Department of Commerce in the early 1920s under then Secretary of Commerce Herbert Hoover, provided states with a legal framework empowering local municipalities to enact zoning regulations. This act laid the foundational authority for zoning across the United States by enabling local governments to regulate land use through zoning ordinances.²¹⁸ While zoning in US cities began earlier with local ordinances (for example, Los Angeles' municipal zoning ordinance in 1904²¹⁹ and New York City's 1916 Zoning Resolution), the SSEA was critical for spreading

zoning power more uniformly nationwide and for providing states with a model enabling legislation that localities could adapt and adopt. The SSEA was followed by the SCPEA (Standard City Planning Enabling Act) and is broadly regarded as the key catalyst in the institutionalization and expansion of zoning codes throughout the United States.²²⁰ Finally, simplifying legal challenges to local zoning decisions could make it harder for communities to block multi-family or mixed-use developments through expensive and protracted legal battles.

2. Streamlining permitting and building standards

Adopting streamlined permitting processes and national building standards—even voluntary or regional ones—could simplify and accelerate affordable housing construction. Leveraging federal subsidies and incentives could shape the national housing stock and reduce costs by encouraging regional standardization of permitting,²²¹ moving beyond the International Building Code (IBC)—which is used frequently in the United States, but little in other wealthy nations—to shared building standards across states or metropolitan areas. The Biden administration’s 2022 Housing Supply Action Plan, mentioned above, which offered federal funding incentives for municipalities to reform restrictive zoning laws to promote affordable housing, provides a precedent for this approach. And as mayor of the largest city in the US, Zohran Mamdani’s first executive orders focused on both strengthening tenant protections and accelerating housing construction through streamlining processes (via the SPEED task force),²²² approximating Japan’s successful combination of strong tenant protections and supply-supporting policies.

Additional ways to streamline permitting processes and building codes include the following:

- **Open one-stop shops** | Create regional or state-level multiagency permitting centers to streamline development approvals. These “one-stop shops,” similar to Sunnyvale, California’s model, would consolidate permitting, licensing, plan review, and other services. This would reduce bureaucratic obstacles, expedite approvals, minimize developer delays and costs, and facilitate housing construction.²²³
- **Shift to by-right permitting processes** | Adopt at the state level and incentivize at the local level “by-right” permitting in pre-zoned areas, meaning projects that meet specific criteria (e.g., mixed-use or multi-family housing) are automatically approved without requiring discretionary reviews.²²⁴ This approach removes delays for housing development and provides developers with greater certainty. (Note that by-right permitting relates closely to zoning and building codes.)
- **Redefine public participation** | Redirect public involvement from individual project approvals to the upfront crafting of comprehensive general plans. This recommendation is essential in the US context, where the public expects to be able to engage in maintaining the character of their neighborhood.
- **Tie loans to building standards** | Consider explicit loan preferences for newer, climate-resilient, and energy-efficient housing, including multi-family housing.
- **Create fast-track permitting programs** | Expand existing programs that offer expedited reviews for affordable housing or transit-oriented housing.²²⁵ Several of these programs already exist at subnational levels²²⁶ and could be adopted far more widely and expanded in scale.
- **Establish online and automated permitting platforms** | Increase the use of digital systems that streamline application reviews, automate compliance checks, and reduce processing time.²²⁷

- **Delegate authority to state agencies** | Inspired by the Japanese national government's arrangement, states could grant their administrative agencies—rather than state legislatures—greater authority to modify zoning and building codes, enabling faster regulatory adaptation. Initially, this could include pilot programs that give select areas the authority to bypass traditional permitting processes and experiment with simplified rules.
- **Expand federal waivers** | Provide more federal waivers for select affordable housing projects, exempting them from certain local zoning or permitting requirements to expedite construction.²²⁸ These waivers could apply, for example, to federal lands that are given or sold to states at a discounted cost in exchange for affordable housing development.
- **Encourage taller single-stair housing** | Japan (and many international peer countries) permit single-stair designs with additional fire protection measures for buildings of up to 14 stories, unlike most US jurisdictions that mandate two stairs for buildings over 3 stories,²²⁹ which increases per-unit rent and reduces financial feasibility, despite the availability of other effective fire safety requirements.²³⁰ Reforms allowing single-stair buildings are being studied or enacted in some US states, like Tennessee and Colorado.²³¹
- **Promote national industrialized housing delivery (IHD) standard** | High-quality modular and other offsite construction methods can lead to faster, lower-cost, and more reliable housing delivery.²³² In the United States, the lack of a uniform national modular building code and varied state/local regulations create complexity and increase compliance costs for developers, hindering scalability.²³³ In contrast, Japan (and other wealthy countries) has successfully scaled offsite manufactured housing through regulatory parity and “housing system certification,” which offers a fast-track compliance process for preapproved building systems and was first developed by the United States but has yet to affect the large share of homes that it does in Japan.²³⁴ US states and localities could facilitate modular construction by updating zoning laws, standardizing building codes, and implementing fast-track permitting processes for such projects. To be most effective, states and localities should also aggregate demand for IHD, including by cooperatively pre-purchasing across local jurisdictions²³⁵ and “changing award criteria from housing authorities, city housing departments, and housing finance agencies for private-sector developers to focus on the total project cost, project delivery timing, and product consistency”—as proposed by the National Housing Crisis Task Force—which in turn would encourage greater utilization of IHD.²³⁶

3. Incentivizing rental housing investment

Using Japan-inspired tax incentives to support individual investment in rental housing could help boost affordable housing supply. The United States has a long track record of using federal, state, and local policies to incentivize corporate real estate developers to build more housing. For example, the Low-Income Housing Tax Credit²³⁷ and Opportunity Zones²³⁸ programs offer tax advantages to profitable companies building multi-family or mixed-use developments. Expanding such tax incentives to nonprofit and individual investors could increase the capital available and flowing to affordable housing development while having the secondary benefit of helping middle-class wealth creation.

Drawing on Japan’s experience, targeted US incentives could encourage individuals to own and lease out affordable rentals, such as allowing faster property depreciation for tax purposes. Policymakers should

ensure that reforms promote maintenance, not just construction, to avoid challenges seen in Japan's market. Supporting small landlords and multi-family housing could and should boost quality supply. Japan's frequent home replacement, aided by rapid depreciation, tax preferences for newer homes,²³⁹ and low interest rates,²⁴⁰ increases affordability²⁴¹ compared to older US homes.²⁴² Adjusted US tax policies—like accelerated depreciation and higher inheritance taxes on non-housing wealth—could help expand affordable rental housing, especially through nonprofits and new developments. While both the United States and Japan treat residential structures similarly for tax depreciation, Japan's building codes and preferences for newness result in homes being demolished more than twice as fast. This leads to a much higher economic depreciation rate in Japan (6.1 percent vs. 0.7–1.1 percent in the United States). Additionally, inheritance tax advantages in Japan—amidst a far higher and more progressive inheritance tax than the US estate tax— incentivize investment in new rental housing. While replicating Japan's "disposable" housing culture in the United States would be challenging, historical US examples, such as accelerated depreciation for rental properties in the 1980s, show that targeted tax incentives can boost housing production.

Foreign Housing Ownership in Japan and the United States: Affordability Implications

Both the United States²⁴³ and Japan (more recently)²⁴⁴ are grappling with the effects of international capital flows on their respective housing markets, but their interventions are distinct. In the United States, the policy emphasis has been on countering illicit finance and protecting national security.²⁴⁵ US policymakers have targeted the use of opaque corporate structures, such as anonymous shell companies, which wealthy individuals use to hide assets for purposes like money laundering or tax evasion.²⁴⁶ This anonymous and often foreign capital has been recognized as inflating housing prices and contributing to the US housing affordability crisis.²⁴⁷ Instead of imposing broad foreign buyer taxes, the US federal government relies on transparency tools, such as the Financial Crimes Enforcement Network's (FinCEN) Geographic Targeting Order program, which mandates beneficial ownership disclosure for corporate all-cash real estate purchases in high-risk areas.²⁴⁸ Though the Trump administration is walking back much of that overall mandate, it has proposed to continue to subject "foreign reporting companies" to it.²⁴⁹

Japan has historically maintained a system with virtually no restrictions or special taxes on foreign real estate purchases—a rarity among developed nations.²⁵⁰ This traditional openness, combined with a weak yen, has contributed to a recent surge of foreign investment, particularly into the luxury condominium market in prime urban areas. Concentrated speculative buying has driven median apartment prices in Tokyo's 23 central wards to soar by approximately 64 percent between 2021 and 2025, severely undermining affordability for local Japanese residents.²⁵¹ That localized affordability crisis has pushed the issue from a fringe concern into mainstream political debate, prompting seven of the eight major political parties to express support for some form of regulation.²⁵²

4. Provisioning public and quasi-public housing

The United States could reinvigorate its public housing programs by adopting elements of Japan's housing provision model and promoting PPPs. While the United States does provide public housing through its Section 8 programs and quasi-public initiatives like the Rental Assistance Demonstration initiative, these efforts have historically faced chronic underfunding and inconsistent policy support, and thus have had mixed success.²⁵³ In contrast, Japan's UR maintains long-term, high-quality public housing by leveraging

PPPs, targeted government investment, and effective management strategies to ensure affordability and upkeep over time.²⁵⁴ To enhance public housing sustainability, the United States could mirror Japan's semi-private housing that expands access without direct subsidies—instead eliminating fees and guarantor requirements—or extend affordability periods for subsidized developments and implement public land lease models, where the government retains ownership of the land while leasing it to private developers.²⁵⁵

The United States could also explore mechanisms to foster large-scale, private, for-profit or nonprofit mission-oriented entities—similar to Village House, as described above—that are explicitly mission-oriented toward providing affordable housing. US policy could promote such landlords through incentives for acquiring and renovating existing housing stock for affordability, coupled with tenant protections and low barriers to entry.

Demand-focused measures to alleviate cost burdens

1. Scaling housing and broader income supports

Providing direct housing assistance to renters and low-income households can spur private investment in affordable housing while alleviating cost burdens. The United States runs several programs that provide housing cost assistance to lower-income households, but as described in the previous sections, these programs are typically underfunded, hard to navigate, and have stringent eligibility requirements. Japan's programs, in contrast, are well coordinated with other public benefits and cover a broader range of low-income individuals, including the elderly and those without work. Even if political support in the US is inadequate in the near term to expand funding for these programs, the United States could adopt Japan-inspired approaches such as financial incentives to landlords who rent to low-income tenants and participate in Section 8 programs or government-backed security deposit programs.

Shoring up funding, as well as increasing access to and ensuring eligibility for a wide range of non-housing supports, can also increase the level of disposable income available to cover housing costs. By reducing the financial strain of non-housing expenses—such as healthcare, childcare, and food—households can better afford stable and adequate housing even when rental costs or interest rates rise. For example, Japan's national health insurance covers nearly all of its population, while its cash assistance for both employed and non-employed low-income individuals and its extensive childcare and eldercare supports all increase the amount of disposable income that can be allocated toward housing. Examples of Japan-inspired policy actions that are outside of the housing sphere but can be adapted to the US context include the following:

- **Accelerate benefits enrollment** | Simplify and automate enrollment in public assistance with quick and accurate decisions. For example, integrating more outreach and applications for healthcare, food assistance, and childcare benefits based on available income data and ensuring immediate relief could efficiently support those facing imminent financial hardship and housing instability.
- **Expand health coverage** | Expand Medicaid eligibility in all states to reduce healthcare-related expenses, freeing up household income for rent or mortgage payments.²⁵⁶
- **Increase cross-state consistency** | Set more federal standards for public benefits to improve harmonization across states and ensure that individuals do not lose access to programs due to moves, regardless of their motivation for the move (e.g., job loss, job changes, caregiving needs, etc.).

- **Scale workforce development programs** | As workforce participation is a bipartisan policy priority, and is increasingly important with rapidly declining net international migration to the United States, expand proven and promising job training initiatives tailored to homeless individuals.
- **Promote PPPs** | Encourage partnerships with employers to create diverse employment pathways, including flexible work arrangements and training and advancement opportunities, for vulnerable populations.

2. Balancing tenant protections with housing supply

Strengthening tenant protections in the United States can alleviate homelessness resulting from evictions, but that must be balanced with measures that encourage continued rental housing investment. As described in the previous section, Japan offers lessons on how to protect tenant rights while providing adequate supply-side support (including public housing, individual investment incentives, etc.) to balance undesirable consequences for housing production and affordability. Assuming the United States is able to implement adequate supply-side measures, the following are examples of tenant protections that could alleviate homelessness:

- **Extend eviction protections** | Like Japan, the United States and its subnational jurisdictions could introduce more stringent regulations on evictions. This could include requiring valid reasons for eviction (such as nonpayment or violation of lease terms) and imposing longer notice periods to give tenants more time to find new housing.
- **Prohibit “no-fault” evictions** | Some jurisdictions in Japan restrict no-fault evictions, where tenants can be evicted without any specific reason. The United States has similar protections in some states and cities, and expanding this coverage in areas with severe housing shortages could alleviate homelessness.
- **Right of first refusal for tenants** | Allow tenants the right of first refusal if the property is being sold, providing them with an opportunity to purchase the property or transfer the lease to the new owner under the same terms. Similar systems are already in place, for example, in the District of Columbia.

3. Preventing homelessness

Adopting Japan’s highly successful, prevention-focused approach to unsheltered homelessness would complement the broader housing affordability policies of the United States. The current US approach to homelessness tends to be somewhat punitive, focusing on dealing with the consequences of homelessness on the rest of society rather than prevention by addressing its root causes (e.g., job loss, unaffordable housing). In Japan, individuals are offered permanent or transitional housing without preconditions like employment, which gives them a stable base from which to build or rebuild their lives, and this is complemented by financial counseling and job search assistance. The United States can borrow from these approaches to either scale up existing programs or institute new programs along the following lines, depending on the place:

- **Expeditious and effective public assistance programs** | The United States could learn from Japan’s public assistance approach by prioritizing the prompt processing of applications and allocation of benefits to avoid prolonged homelessness and its associated negative impacts on physical and mental health, as well as reducing criminal legal system involvement.²⁵⁷

- **Early intervention programs** | For example, those with financial hardships, facing discrimination, or grappling with eviction notices could benefit from financial counseling or direct assistance and legal services.
- **Rapid rehousing programs** | While the United States already has rehousing programs in place, they tend to be inadequate; scaling up programs to provide short-term financial assistance and connections to services like mental health and employment support can alleviate homelessness issues. Japan may not use the same terminology, but its approach includes elements substantially similar to the former “Housing First” approach in the United States,²⁵⁸ which made significant progress in ending veterans’ homelessness when vigorously implemented.²⁵⁹

IV. Conclusion

Translating Japan’s experience to inform the pressing affordability and homelessness challenges faced by US renters and low-income households can be highly valuable, despite the contextual differences between the two countries. Tailoring lessons from Japan’s more centralized, coordinated approach into practical, adaptable strategies for the more fragmented US context may require a greater focus on state policies in the United States—and on the federal policies that influence state policies. These lessons range from supply-side interventions, such as zoning and permitting reform to demand-side approaches including addressing root causes of homelessness and expeditious public support for lower-income households. Even more important to learn from may be the combination of policies that Japan has in place, especially the combination of rapid public benefit delivery and strong tenant protections, along with supply-supporting policies, including through the housing finance system.

Further translation and documentation of policy differences and their impacts can advance solutions that should resonate across political divides, emphasizing reforms that are equitable and efficient—and are beneficial to a broad range of constituencies at a sufficient scale and pace. Diverse stakeholder coalitions could drive both practical changes in housing development and construction and shape the broader political discourse. By directly engaging with federal, state, and local leaders through technical assistance, expert exchanges, advice on pilot programs, and educational campaigns, these efforts can help demonstrate the efficacy of Japan-inspired approaches, such as incentives for individual and family landlords and streamlined permitting processes. Focused work could help US states work through preemption possibilities on a slate of issues that are largely regulated by local government. One way to do this is to focus on a few states that are trying to address some of the challenges illustrated in this working paper, as well as federal levers to encourage states and localities to shift policies.²⁶⁰

Japanese insights and experiences can shape the evolving housing debate in the United States. For the US, strategically framing, adapting, and communicating lessons from Japan and building robust stakeholder networks will contribute to more effective policies that address affordability, reduce homelessness, and create more equitable, liveable, and resilient communities.

About the Author

Indi Dutta-Gupta is a policy expert and political advisor whose consulting firm, Blue Lotus Strategies, works to advance equity and prosperity. He is a US-Japan Leadership Program Fellow (2024–2025), a program of the United States-Japan Foundation. Indi frequently advises nonprofits, foundations, worker groups, public officials, and political candidates on child, family, and economic policy. He has served as president and executive director at the Center for Law and Social Policy and the Georgetown Center on Poverty and Inequality; senior policy advisor at the Center for Budget and Policy Priorities; project director at Freedman Consulting, and professional staff at the US House of Representatives' Ways and Means Committee.

He is currently an economic fellow at Citizens for Responsibility and Ethics in Washington, a fellow at the Roosevelt Institute, a distinguished visiting fellow and advisor to the CEO at the National Academy of Social Insurance, advisor at Community Change, senior advisor to the CEO at The Policy Academies, and a visiting researcher at the McCourt School of Public Policy at Georgetown University, where he was previously Doris Duke Distinguished Visiting Fellow at the McCourt School of Public Policy at Georgetown University. Part of the work on this paper was undertaken while Indi was a Doris Duke Distinguished Visiting Fellow. Indi also served as an international member of the Canadian Government's Ministerial Advisory Committee on Poverty Reduction. He was recently a member of the National Academies of Sciences, Engineering, and Medicine expert committee on Federal Policy Impacts on Child Poverty and an advisory committee for the Convergence Center for Policy Resolution's cross-ideological Collaborative on Supports for Working Families. He is a former Bill Emerson National Hunger Fellow, a Harry S. Truman Scholar, and co-chaired the economic policy committee for President Biden's 2020 campaign.

Endnotes

1. Formal primary research was beyond the scope of this working paper.
2. Indeed, conversations with numerous Japanese residents and policy and political experts and leaders often begin with the Japanese expressing the sentiment that there is nothing for the United States to learn from Japan with regard to housing. (In contrast, Americans often quickly appreciate the benefits of the Japanese approaches to ensuring decent housing for all.)
3. On rent burdens, see Akinori Konno et al., “A Study on Rent Burden of Private Rental Housing in Japan,” *IOP Conference Series Earth and Environmental Science*, 1363 (2024): 012108, <https://doi.org/10.1088/1755-1315/1363/1/012108>.
4. Arguably, wealth-building opportunity is at best a secondary consideration vis-a-vis housing, which should first and foremost house people safely, comfortably, and with access to opportunities for a decent life, but it is a concern that has been raised in the Japanese context. Richard Koo and Masaya Sasaki, “Obstacles to Affluence: Thoughts on Japanese Housing,” NRI Papers, No. 137 (Nomura Research Institute, 1 December 2008), <https://dl.ndl.go.jp/view/prepareDownload?itemId=info%3Andljp%2Fpid%2F10207937&contentNo=1>.
5. And in fact, Japan and Tokyo in particular have been cited as an inspiration for ending the housing shortage and making housing affordable in the United States. See, for example, Ned Resnikoff, “Welcome to Super City, USA: A Long-Forgotten Idea to Connect California’s Cities and Towns Could Lower Home Prices and Make It Easier to Buy a House in America,” *Business Insider*, 13 August 2025, <https://www.businessinsider.com/lower-home-prices-build-houses-america-regional-government-super-cities-2025-8>.
6. A likely explanation is stagnant income growth amidst housing price growth—driven by multiple factors—that outstripped overall inflation. On incomes relative to housing prices, see Pallavi Rao, “Charted: The Decline of US Housing Affordability (1967–2023),” *Visual Capitalist*, 18 July 2025, <https://www.visualcapitalist.com/decline-u-s-housing-affordability-1967-2023/>. On housing price growth, see Edward L. Glaeser et al., “Why Has Construction Productivity Stagnated? The Role of Land-Use Regulation,” American Enterprise Institute Economics Working Paper No. 2025-01 (AEI, January 2025), <https://aei.org/wp-content/uploads/2025/01/Glaeser-DAmico-Gyourko-Kerr-Ponsetto-Why-Has-Construction-Productivity-Stagnated-WP-1.pdf>.
7. National Institute of Building Sciences (NIBS) Consultative Council, *2024 Moving Forward Report: Housing Affordability* (NIBS, 2024), <https://nibs.org/2024-housing-report/>.
8. Drew DeSilver, “A Look at the State of Affordable Housing in the US,” Short Reads (Pew Research Center, 25 October 2024), <https://www.pewresearch.org/short-reads/2024/10/25/a-look-at-the-state-of-affordable-housing-in-the-us/> (based on US Census Bureau, American Community Survey, 1-year estimates).
9. Thirty percent is the US Department of Housing and Urban Development (HUD)’s threshold to assess affordability; “housing costs” include rent or mortgage payments, property taxes, utilities, homeowners insurance, condominium or mobile-home fees, and the like, but exclude security deposit and parking fees. Thryia A. Alvarez and Barry L. Steffen, *Worst Case Housing Needs: 2023 Report to Congress* (HUD, May 2023), <https://www.huduser.gov/portal/portal/sites/default/files/pdf/Worst-Case-Housing-Needs-2023.pdf>.
10. Gross rent refers to contract rent on the property as well as utilities and fuels, if paid by the tenant. See DeSilver.
11. Rachel Nuwer, “Thousands of US Cities Could Become Virtual Ghost Towns by 2100,” *Scientific American*, 11 January 2024, <https://www.scientificamerican.com/article/thousands-of-u-s-cities-could-become-virtual-ghost-towns-by-2100/>.
12. Cristian deRitis et al., *Bringing the Housing Shortage Into Sharper Focus*, Analysis (Moody’s Analytics and Urban Institute, July 2025), <https://www.urban.org/sites/default/files/2025-07/Bringing-Housing-Shortage-Into-Sharper-Focus.pdf>.
13. For estimates of significant growth in evictions, see Sarah Johnson, Lorae Stojanovic, and Peter Hepburn, “Preliminary Analysis: Eviction Filing Patterns in 2024,” Eviction Lab Updates (The Eviction Lab, 24 April 2025), <https://evictionlab.org/ets-report-2024/>.
14. Tanya de Sousa and Megan Henry, *The 2024 Annual Homelessness Assessment Report (AHAR) to Congress* (HUD, December 2024), <https://www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf>.
15. Nick Graetz et al., “The Impacts of Rent Burden and Eviction on Mortality in the United States, 2000–2019,” *Social Science & Medicine* 340, no. 116398 (2024), <https://doi.org/10.1016/j.socscimed.2023.116398>.
16. Binyamin Applebaum, “The Big City Where Housing Is Still Affordable,” *New York Times*, 11 September 2023, <https://www.nytimes.com/2023/09/11/opinion/editorials/tokyo-housing.html>. Japan’s relatively small social and public housing utilization is more comparable to the United States than to the European approach to ensuring affordable housing for all. The OECD uses among the most expansive measures of “social housing” and finds that social housing represents a higher share of housing in the United States (3.6 percent) than in Japan (3.2 percent) using a measure that includes millions of Low-Income Housing Tax Credit units where developers are subsidized for creating privately owned and operated (including both for profit and nonprofit entities) affordable housing units in the United States. Meanwhile, most high-income European countries rely far more heavily on social housing. See OECD, “Affordable Housing | Compare your country,” accessed 29 August 2025, <https://www.compareyourcountry.org/housing/en/3/all/default>; OECD Directorate of Employment, Labour and Social Affairs, Social Policy Division (OECD SPD), “PH4.3. Key Characteristics Of Social Rental Housing,” accessed 29 August 2025, https://webfs.oecd.org/Els-com/Affordable_Housing_Database/PH4-3-Characteristics-of-social-rental-housing.pdf; and HUD Office of Policy Development and Research, “Low-Income Housing Tax Credit (LIHTC): Property Level Data,” HUD, accessed 29 August 2025, <https://www.huduser.gov/portal/datasets/lihtc/property.html>.
17. Samuel Kleven, “Housing Policy In Japan,” Alliance for Citizen Engagement (ACE), 23 August 2021, <https://ace-usa.org/blog/research/research-housing-policy/housing-policy-in-japan/>; and Jenny Schuetz and Sarah Crump, “What the US Can Learn from Rental Housing Markets across the Globe,” Brookings Institution, 20 April 2021, <https://www.brookings.edu/articles/intro-rental-housing-markets/>.

18. “Population Flow: People Moving to Tokyo in Greater Numbers,” Nippon.com, 14 February 2025, <https://www.nippon.com/en/japan-data/h02286/>; and Jiro Yoshida, “Land Scarcity, High Construction Volume, and Distinctive Leases Characterize Japan’s Rental Housing Markets,” Brookings Institution, 20 April 2021, <https://www.brookings.edu/articles/japan-rental-housing-markets/>.
19. Japan is typically among the top five countries in significant earthquake incidence within or near its territory, while the United States falls somewhat lower but typically in the top fourth among all countries. See “Top 100 Countries Most Struck by Earthquakes,” Earthquakelist.org, accessed 11 August 2025, <https://earthquakelist.org/reports/top-100-countries-most-earthquakes/>.
20. Seiichi Fukao, *A Quick Look at Housing in Japan, 2023–2024* (Center for Better Living, March 2024), <https://www.cbl.or.jp/slc/file/english.pdf>, 7–8.
21. Hiroshi Goto et al., “Why Street Homelessness Has Decreased in Japan: A Comparison of Public Assistance in Japan and the US,” *European Journal of Homelessness* 16, no. 1 (2022), https://www.feantsaresearch.org/public/user/Observatory/2022/EJH_16-1/EJH_16-1_A4_v02.pdf. OECD compilations of comparable but conservative data indicate that Japan had 3,065 people living unsheltered outdoors and in public places out of an estimated population of 123,352,000 on October 1, 2023 (0.002 percent) as compared to 256,610 in the US out of an estimated population of 332,632,825 (0.077 percent) on the same date, making Japan’s rate more than 30 times higher than that of the United States. Author’s calculations are based on “HC3.1. Population Experiencing Homelessness,” OECD SPD, 13 May 2024, <https://www.oecd.org/content/dam/oecd/en/data/datasets/affordable-housing-database/hc3-1-homeless-population.pdf>; “Current Population Estimates as of October 1, 2023,” Statistics Bureau of Japan, accessed 29 August 2025, <https://www.stat.go.jp/english/data/jinsui/2023np/index.html>; and “Monthly Population Estimates for the United States: April 1, 2020 to December 1, 2025 (NA-EST2024-POP),” US Census Bureau, December 2024, <https://www2.census.gov/programs-surveys/popest/tables/2020-2024/national/totals/NA-EST2024-POP.xlsx>.
22. The decline reflects the trend in Japan’s narrow measure of homelessness as those without a physical shelter; Japan does not track data on sheltered homelessness. “Country Note: Data on Homelessness in Japan,” OECD, accessed 26 April 2025, https://webfs.oecd.org/Els-com/Affordable_Housing_Database/Country%20notes/Homelessness-JPN.pdf.
23. International homelessness comparisons involving Japan must acknowledge that Japan enumerates solely those meeting that narrowest definition of homelessness. Nevertheless, comparable data across countries indicates that according to that definition, the rates are extraordinarily low compared to other relatively high-income countries. See “HC3.1. Population Experiencing Homelessness,” OECD SPD; and “Homelessness by Country 2025,” World Population Review, <https://worldpopulationreview.com/country-rankings/homelessness-by-country>, which in part utilizes the OECD database. However, other data corroborate the sharp contrast between Japan and the United States. For example, survey data suggest that residents of the respective countries rate homelessness as a far bigger challenge in the US than in Japan, See Ipsos Housing Monitor 2025: A 30-Country Global Advisor Survey (Ipsos, January 2025), <https://www.ipsos.com/sites/default/files/ct/news/documents/2025-02/Ipsos-housing-monitor-2025-global-advisor.pdf>.
24. See Kleven. Note that this is one of many examples where even basic comparisons of data points are imprecise (and sometimes dated) due to different analytical concepts used—in this case, families versus households and different income definitions—pointing to the need for further research and analysis that would make adaptable lessons from Japan more compelling.
25. “World Happiness Report Dashboard,” Wellbeing Research Centre, University of Oxford, accessed 27 April 2025, <https://data.worldhappiness.report/table>.
26. Jacob Zinkula et al., “Why Japan Is One of the Only Countries That Isn’t Fed Up with Housing Costs,” *Business Insider*, 14 September 2024, <https://sg.news.yahoo.com/why-japan-one-only-countries-180802400.html>, citing Gallup data.
27. Jacob Zinkula et al.
28. Benedict Vigers and John Reimnitz, “Housing Affordability Crisis Hits Wealthy Economies,” Gallup, 29 April 2025, <https://news.gallup.com/poll/659834/housing-affordability-crisis-hits-wealthy-economies.aspx>.
29. Japan has fewer floor square feet (or meters) per person and fewer rooms per person. “House Size by Country 2025,” World Population Review, accessed 29 August, 2025, <https://worldpopulationreview.com/country-rankings/house-size-by-country>; and “HC2.1. Living Space,” OECD, 15 April 2024, https://webfs.oecd.org/Els-com/Affordable_Housing_Database/HC2-1-Living-space.pdf.)
30. “Housing Sector Country Snapshot: Japan,” OECD, 10 June 2021, <https://housingpolicytoolkit.oecd.org/www/CountryFiches/housing-policy-Japan.pdf>; and “Housing Sector Country Snapshot: United States,” OECD, 10 June 2021, <https://housingpolicytoolkit.oecd.org/www/CountryFiches/housing-policy-United%20States.pdf>. An overcrowded household does not have access to a minimum number of rooms relative to the household’s size and composition. For more on how housing overcrowding is defined, see “Housing Overcrowding,” OECD, accessed 14 October 2025, <https://www.oecd.org/en/data/indicators/housing-overcrowding.html>.
31. See “Japan Net Migration (1960–2024),” Macrotrends, accessed 9 August 2025, <https://www.macrotrends.net/global-metrics/countries/jpn/japan/net-migration>; and Evgeniya Duzhak, “Updated Estimates of Net International Migration,” Federal Reserve Bank of San Francisco, 17 July 2025, <https://www.frbsf.org/research-and-insights/blog/sf-fed-blog/2025/07/17/updated-estimates-of-net-international-migration/>.
32. See, for example, Mark Crawford, “How Japan Keeps Housing Available and Affordable,” *Inroads* 54 (Winter/Spring 2024), <https://inroadsjournal.ca/how-japan-keeps-housing-available-and-affordable/>.
33. Will Gallagher, “Why Tokyo Is an Extraordinary Exception in Housing,” Abundant Housing LA (blog), 6 May 2022, <https://abundanthousingla.org/why-tokyo-is-an-extraordinary-exception-in-housing/>.
34. Alan Durning, “Yes, Other Countries Do Housing Better, Case 1: Japan,” Sightline Institute, 25 March 2021, <https://www.sightline.org/2021/03/25/yes-other-countries-do-housing-better-case-1-japan/>.

35. See for example, Jiro Yoshida (interviewed by Philips, S.), “Encore Episode: Japanese Housing Policy with Jiro Yoshida,” UCLA Housing Voice (podcast), 27 June 2024, <https://www.youtube.com/watch?v=LtNwBrl9s>; and Jairaj Devadiga, “American Cities Need to Learn From Tokyo to Fix Housing-Market Mess,” Business Insider, 9 October 2021, <https://www.businessinsider.com/us-zoning-tokyo-japan-affordable-housing-dilemma-crisis-2021-10>.

36. See, for example, Charlotte Kilpatrick, “How Tokyo Fixed Homelessness,” *The Conduit*, 1 April 2025, <https://www.theconduit.com/things-you-should-know/36158/>.

37. See, for example, Kleven.

38. See, for example, Applebaum.

39. “Tokyo Population 2025,” World Population Review, Access 9 August 2025, <https://worldpopulationreview.com/cities/japan/tokyo>.

40. Despite Japan’s overall population decline since 2008, Tokyo’s population grew considerably and is generally projected to stabilize or grow modestly. See for example, Mark Cooper and Rose Hung, “2025 ULI Asia Pacific Home Attainability Index,” ULI Asia Pacific, 8 July 2025, <https://knowledge.ulি.org/reports/research-reports/2025/2025-uli-asia-pacific-home-attainability-index>.

41. This was true before the pandemic. Fernando Martin, “The Road to 2% Inflation: Are We There Yet?,” Federal Reserve Bank of St. Louis, 20 February 2025, <https://www.stlouisfed.org/on-the-economy/2025/feb/road-inflation-are-we-there-yet>.

42. See, for example, Kilpatrick.

43. Japan particularly faces challenges with rental market discrimination against the elderly. While the primary source documenting this discrimination is dated, communication with a Japanese housing expert confirms the problem’s ongoing presence, as well as measures in place to mitigate it. Masayuki Nakagawa, “Analysis of Age Discrimination in the Rental Housing Market in Japan: An Approach Using a Fair Housing Audit,” ISER Discussion Paper, No. 577, Osaka University, Institute of Social and Economic Research (ISER), <https://www.econstor.eu/bitstream/10419/92827/1/362917590.pdf>; “Certification System Proposed for Elderly Monitoring in Rental Housing,” Japan Times, 13 February 2024, <https://nippontradings.com/certification-system-proposed-for-elderly-monitoring-in-rental-housing/>; and author’s communication with Masahiro Kobayashi, Corporate Advisor, Regional Corporate Department, Nippon Life Insurance Company, and Visiting Researcher, NLI Research Institute.

44. Bipartisan Policy Center, *Bipartisan Policy Center-National Housing Conference Housing Policy Survey: Polling Presentation*, Morning Consult (Bipartisan Policy Center, May 2024), https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2024/06/BPC-May-Survey-Housing_Presentation.pdf.

45. See “7. Economic Ratings and Concerns,” in Pew Research Center, “In Tied Presidential Race, Harris and Trump Have Contrasting Strengths, Weaknesses,” Pew Research Center website, 9 September 2024, <https://www.pewresearch.org/politics/2024/09/09/economic-ratings-and-concerns/#top-economic-concerns-food-and-consumer-prices-housing-costs>.

46. For example, a recent fundraising email from US Senator Andy Kim (Democrat of New Jersey) dated 16 August 2025 was entirely focused on a new bipartisan housing law. He wrote, “Recently, the Senate Banking, Housing, and Urban Affairs Committee unanimously advanced a package of bipartisan bills I led to address one of the biggest challenges facing families in New Jersey and across America: the housing affordability crisis. The Bipartisan Renewing Opportunity in the American Dream (ROAD) to Housing Act is the first major housing legislation to move forward in the Senate in nearly two decades. This bill will boost housing supply and build more affordable housing options, help reduce homelessness, create new pathways to homeownership, and strengthen oversight and improve efficiency in federal housing programs.” He also noted the inclusion of two additional bills in the package, the BUILD Housing Act and the Unlocking Housing Supply Act.

47. On bipartisan alignment around zoning reform, see for example, Jason Jordan, “Congress Funds New ‘YIMBY’ Grants for Zoning Reform,” American Planning Association (blog), 10 January 2023, <https://www.planning.org/blog/9262900/congress-funds-new-yimby-grants-for-zoning-reform/>.

48. Eli Khan and Salim Furth, “Breaking Ground: An Examination of Effective State Housing Reforms in 2023,” Mercatus Center Policy Briefs (1 August 2023), <https://www.mercatus.org/research/policy-briefs/breaking-ground-examination-effective-state-housing-reforms-2023>.

49. “Rebuilding the American Dream: Policy Approaches to Increasing Housing Supply in the US,” Joint Economic Committee Democrats, 10 January 2024, <https://www.jec.senate.gov/public/index.cfm/democrats/2024/1/rebuilding-the-american-dream-policy-approaches-to-increasing-housing-supply-in-the-u-s>; and National Housing Crisis Task Force, State and Local Housing Action Plan (National Housing Crisis Task Force, June 2025), <https://nationalhousingcrisis.org/app/uploads/2025/06/State-and-Local-Housing-Action-Plan.pdf>.

50. See for example, Sylvan Lane, “America’s Housing Shortage by the Numbers,” *The Hill*, 17 April 2025, <https://thehill.com/business/5252769-americas-housing-shortage-by-the-numbers/>. This was the fourth of a four-part series by The Hill, a widely-read outlet among policymakers.

51. Brian Fraga, “Nearly Half of Catholics in NCR Poll See Affordable Housing as Key Election Issue,” *National Catholic Reporter*, 30 October 2024, <https://www.ncreonline.org/news/nearly-half-catholics-ncr-poll-see-affordable-housing-key-election-issue>.

52. David Jordan, “Democrats, Like Trump, Have Sought Public Lands for Housing,” *Roll Call*, 31 March 2025, <https://rollcall.com/2025/03/31/democrats-like-trump-have-sought-public-lands-for-housing/>.

53. Bipartisan Policy Center, *Housing Policy Survey*.

54. Bipartisan Policy Center, *Housing Policy Survey*.

55. See Alex Armovich, Kaj Gumbs, and Andrew Justus, “Statement for the Record before the Senate Committee on Banking, Housing, and Urban Affairs,” submitted on behalf of the Niskanen Center, 12 March 2025, <https://www.niskanencenter.org/statement-for-the-record-before-the-senate-committee-on-banking-housing-and-urban-affairs/>; “The Conservative Case for Land Use Reform,” National Apartment Association, 14 May 2024, <https://naahq.org/conservative-case-land-use-reform>; and Jeffrey Miron, “Deregulation, Not Rent Control, Is the Right Response to the Housing Crisis,” Cato (blog), 4 November 2024, <https://www.cato.org/blog/de-regulation-not-rent-control-right-response-housing-crisis>.

56. Ezra Klein and Derek Thompson, *Abundance* (Avid Reader Press/Simon & Schuster, 2025).

57. Marc J. Dunkelman, *Why Nothing Works: Who Killed Progress—and How to Bring It Back* (PublicAffairs, 2025).

58. Derek Thompson, “The Political Fight of the Century,” *Atlantic*, 18 March 2025, <https://www.theatlantic.com/ideas/archive/2025/03/abundance-americas-next-political-order/682069/>.

59. See for example, Brian Shearer, “To Create Abundant Housing, Ignore the YIMBY Playbook,” *Washington Monthly*, <https://washingtonmonthly.com/2025/08/14/cities-can-have-abundant-housing-if-theyre-willing-to-work-for-it/>. Emma G. Fitzsimmons and Emma Goldberg, “Mamdani’s First Orders Focus on Housing and Undoing Adams’s Decisions,” *New York Times*, January 1, 2026, <https://www.nytimes.com/2026/01/01/nyregion/mamdani-housing-executive-orders.html>.

60. Julia Mueller, “Donald Trump Has Vowed to Bring Down Housing Costs. What Steps Is He Taking?,” *The Hill*, 14 April 2025, <https://thehill.com/business/housing/5244326-trump-housing-crisis-policy-tariffs-immigration/>; Kristen Klurfield and Graham DiLorenzo, “President Trump’s FY2026 Budget: Overview of Changes to Federal Housing Programs,” Bipartisan Policy Center, 11 June 2025, <https://bipartisanpolicy.org/blog/president-trumps-fy2026-budget-overview-of-changes-to-federal-housing-programs/>; and Mark Treskon and Diane K. Levy, “The Trump Administration Has Proposed \$27 Billion in Cuts by Block Granting Housing Assistance. That Could Worsen the Housing Affordability Crisis,” Urban Wire (Urban Institute), May 28, 2025, <https://www.urban.org/urban-wire/trump-administration-has-proposed-27-billion-cuts-block-granting-housing-assistance>.

61. Miriam Axel-Lute, “Trump’s Big Ugly Bill Is a Loss for Housing,” Shelterforce, 2 July 2025, <https://shelterforce.org/2025/07/02/trumps-big-ugly-bill-is-a-loss-for-housing/>.

62. “US Population Growth Is Slowing Down —Here’s What That Means for the Federal Budget,” Peter G. Peterson Foundation, 2 April 2025, <https://www.pgpf.org/article/u-s-population-growth-is-slowing-down-heres-what-that-means-for-the-federal-budget/>.

63. See for example, Alyssa Watson, “What Sweden and Japan Can Teach the US about Construction,” ADL Ventures, accessed 12 August 2025, <https://www.adlventures.com/blogs/what-sweden-and-japan-can-teach-the-us-about-construction>.

64. Japan arguably demonstrates the benefits of regional governments (its prefectures), while the US has its own proof points pointing the way to overcome hyperlocalization challenges related to housing. See Resnikoff.

65. See de Sousa and Henry. Unfortunately, point-in-time data likely significantly underestimates the scale of homelessness, especially unsheltered homelessness, in the US, though they nevertheless may be useful for providing a sense of change over time when methodology is roughly constant. See also, National Law Center on Homelessness & Poverty (NLCHP), *Don’t Count on It: How the HUD Point-in-Time Count Underestimates the Homelessness Crisis in America* (NLCHP, 6 December 2017), <https://homelesslaw.org/wp-content/uploads/2018/10/HUD-PIT-report2017.pdf>.

66. Housing costs include rent or mortgage payments, property taxes, utilities, homeowners insurance, condominium or mobile-home fees, and the like.

67. Gross rental costs include contract rent on the property as well as utilities and fuels, if paid by the tenant. See DeSilver.

68. DeSilver.

69. Jiayi Xu and Danielle Hale, “June 2025 Rental Report: Renting Saves Over \$900 a Month than Buying a Starter Home,” Realtor.com Economic Research, 17 July 2025, <https://www.realtor.com/research/june-2025-rent/>.

70. For a long-term trend, see the home price to median household income ratio since December 1946: “Home Price to Income Ratio,” Longtermtrends, accessed 10 August 2025, <https://www.longtermtrends.net/home-price-median-annual-income-ratio>.

71. NIBS Consultative Council.

72. Joint Center for Housing Studies of Harvard University, *America’s Rental Housing:2024* (Harvard University, 2024), https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf.

73. Junia Howell, Ellen Whitehead, and Elizabeth Korver-Glenn, “Still Separate and Unequal: Persistent Racial Segregation and Inequality in Subsidized Housing,” *Socius* 9 (2023), <https://doi.org/10.1177/23780231231192389>.

74. Cindy I-Fen Cheng, Katherine L. Einstein, and David Phillips, “Evidence-Based Policy and Practice Approaches to Addressing Homelessness in the United States,” Webinar, Institute for Research on Poverty, University of Wisconsin-Madison, 5 March 2025, <https://www.ipr.wisc.edu/resource/evidence-based-policy-and-practice-approaches-to-addressing-homelessness-in-the-united-states/>.

75. Alvarez and Steffen.

76. See de Sousa and Henry; and NLCHP.

77. de Sousa and Henry.

78. de Sousa and Henry.

79. de Sousa and Henry.

80. To be sure, recent increases in urban *sheltered* homelessness in the US were likely driven primarily by a surge of asylum seekers. Bruce D. Meyer et al., “Asylum Seekers and the Rise in Homelessness,” Working Paper No. 2025-49 (Becker Friedman Institute for Economics, University of Chicago, April 2025), https://bfi.uchicago.edu/wp-content/uploads/2025/04/BFI_WP_2025-49.pdf.

81. Katherine L. Einstein and Charley E. Willison, “Planning for Homelessness: Land Use Policy, Housing Markets, and Cities’ Homelessness Responses. *Urban Affairs Review* 61, no. (2024): 375-405, <https://doi.org/10.1177/10780874241258446>.

82. Cheng, Einstein, and Phillips.

83. NIBS Consultative Council.

84. NIBS Consultative Council.

85. See deRitis et al.; and Elena Patel, Aastha Rajan, and Natalie Tomeh, “Make It Count; Measuring Our Housing Supply Shortage,” Brookings Institution, 26 November 2024, <https://www.brookings.edu/articles/make-it-count-measuring-our-housing-supply-shortage>.

86. Alvarez and Steffen.

87. Hannah Jones and Danielle Hale, “Housing Supply Gap Reaches Nearly 4 Million in 2024,” Realtor.com, 10 March 2025, <https://www.realtor.com/research/us-housing-supply-gap-2025/>.

88. Thibault Denamiel, William Alan Reinsch, Jason Schenker, and Dhari Al-Saleh, “Immigration Policy Solutions to Shortages in Critical Sectors of the US Economy,” Center for Strategic & International Studies, 25 November 2024, <https://www.csis.org/analysis/immigration-policy-solutions-shortages-critical-sectors-us-economy>.

89. Evan Howell, “How Climate Change Could Trigger Earthquakes” *Scientific American*, 23 December 2024, <https://www.scientificamerican.com/article/how-climate-change-could-trigger-earthquakes/>.

90. Diana Hernández, “Climate Justice Starts at Home: Building Resilient Housing to Reduce Disparate Impacts From Climate Change in Residential Settings,” *American Journal of Public Health*, 112, no. 1 (January 2022): 66–68, <https://pmc.ncbi.nlm.nih.gov/articles/PMC8713620/>.

91. Hannah Chimowitz, “Learning Brief: The Intersection of Climate Change and Homelessness,” Community Solutions, 31 January 2024, <https://community.solutions/research-posts/learning-brief-the-intersection-of-climate-change-and-homelessness/>.

92. Shaina Mishkin, “How Trump’s Policies Could Make the Housing Market Even More Unaffordable,” *Barron’s*, updated version 3 March 2025, <https://www.barrons.com/articles/trump-home-housing-prices-real-estate-tariffs-fe89d86d>.

93. Shelby R. King, “How Might Tariffs and Deportations Affect Affordable Housing Development?,” Shelterforce, 24 January 2025, <https://shelterforce.org/2025/01/24/how-might-tariffs-and-deportations-affect-affordable-housing-development/>.

94. Jorge González-Hermoso, Christina P. Stacy, and Hamutal Bernstein, “Mass Deportations Would Worsen Our Housing Crisis, Urban Wire (Urban Institute, 25 February 2025), <https://www.urban.org/urban-wire/mass-deportations-would-worsen-our-housing-crisis>.

95. Troup Howard, Mengqi Wang, and Dayin Zhang, “Cracking Down, Pricing Up: Housing Supply in the Wake of Mass Deportation,” unpublished paper, October 2024, http://www.troupHoward.com/uploads/1/2/7/7/127764736/howard_wang_zhang_cracking_down_pricing_up_ssrn_nov_2024.pdf.

96. Felipe R. Mazin and Felix Reichling, “Mass Deportation of Unauthorized Immigrants: Fiscal and Economic Effects,” Penn Wharton Budget Model, University of Pennsylvania, 28 July 2025, <https://budgetmodel.wharton.upenn.edu/issues/2025/7/28/mass-deportation-of-unauthorized-immigrants-fiscal-and-economic-effects>.

97. Jacob S. Rugh and Matthew Hall, “Deporting the American Dream: Immigration Enforcement and Latino Foreclosures,” *Sociological Science* 3, no. 46 (2016): 1053–76, <https://www.sociologicalscience.com/articles-v3-46-1053/>.

98. Howard, Wang, and Zhang.

99. Sonya Acosta and Erik Gartland, “House Bill Would Leave Over 400,000 More People Without Stable, Affordable Housing,” Center on Budget and Policy Priorities, 31 July 2025, <https://www.cbpp.org/research/housing/house-bill-would-leave-over-400000-more-people-without-stable-affordable-housing>.

100. Aubrey Winger et al., “The Implications of Federal SNAP Spending Cuts on Individuals with Medicaid, Medicare and Other Health Coverage,” KFF, 26 June 2025, <https://www.kff.org/medicaid/issue-brief/the-implications-of-federal-snap-spending-cuts-on-individuals-with-medicaid-and-other-health-coverage/>.

101. Axel-Lute.

102. In particular, higher-income households often outcompete lower-income households for more affordable housing when supply is constrained across a range of price points. See Alvarez and Steffen, as well as Dan Rosensweig, “Zoning Reforms That Improve Access to Housing for All: Evidence and Lessons for Advocates,” February 5, 2024, posted by Urban Institute on 16 May 2024, YouTube video, 1:27:57, <https://www.youtube.com/watch?v=WeUaJ9yGG-M>.

103. See for example, Emily Badger, Alicia Parlapiano, and Margot Sanger-Katz, “Trump’s Big Bill Would Be More Regressive Than Any Major Law in Decades,” *New York Times*, 12 June 2025, <https://www.nytimes.com/interactive/2025/06/12/upshot/gop-megabill-distribution-poor-rich.html>; and Jacob Hacker and Patrick Sullivan, “Congressional Republicans’ Budget Bill Is the Most Regressive in at Least 40 Years,” Equitable Growth, 25 June 2025, <https://equitablegrowth.org/congressional-republicans-budget-bill-is-the-most-regressive-in-at-least-40-years/>.

104. Peter Lawrence, “Final Reconciliation Bill Permanently Expands LIHTC, NMTC and OZ Incentive; but Does Not Include HTC Provisions,” Novogradac, 3 July 2025, <https://www.novoco.com/notes-from-novogradac/final-reconciliation-bill-permanently-expands-lihtc-nmtc-and-oz-incentive-but-does-not-include-htc-provisions>. This estimate may be high, as the underlying analysis does not factor in potential consequences of President Trump’s trade wars.

105. For more on the extent and depth of racial residential segregation in the United States, as well as its causes and consequences, see Trevor D. Logan and John M. Parman, “Racial Residential Segregation in the United States,” *Journal of Economic Literature* 63, no. 3 (2025): 964–1010, <https://www.aeaweb.org/articles?id=10.1257/jel.20241373>.

106. Joint Center for Housing Studies of Harvard University.

107. Kevin Leacock, “A Brief History of Housing Policy in the US,” National Nurse-Led Care Consortium, 29 October 2019, <https://nurseledcare.phmc.org/advocacy/policy-blog/item/641-a-brief-history-of-housing-policy-in-the-u-s.html>.

108. “Appropriations 101,” Committee for a Responsible Federal Budget, accessed 11 July 2025, <https://www.crfb.org/papers/appropriations-101>.

109. Joint Center for Housing Studies of Harvard University.

110. National Low Income Housing Coalition, *2024 Advocates’ Guide* (National Low Income Housing Coalition, 2024), https://nlihc.org/sites/default/files/2024_Advocates-Guide.pdf.

111. Khan and Furth.

112. Joint Center for Housing Studies of Harvard University.

113. See Jordan; and Allison Hanley, “Rethinking Zoning to Increase Affordable Housing,” *Journal of Housing & Community Development*, (NAHRO)80, no. 2 (Fall/Winter 2023), https://www.nahro.org/journal_article/rethinking-zoning-to-increase-affordable-housing/.
114. Joint Center for Housing Studies of Harvard University.
115. “Rent Stabilization,” PolicyLink, <https://www.policylink.org/resources-tools/tools/all-in-cities/housing-anti-displacement/rent-control>.
116. Peter Warden (updated by Aleksandra Kadzielawski), “Down Payment Assistance Programs & Grants by State 2025,” Mortgage Reports, 28 February 2025, <https://themortgagereports.com/33553/complete-guide-to-down-payment-assistance-in-the-usa#state>. For a topline state-by-state table compiled by the author, see [BLS - USJF | State-by-State Chart: Homebuyer Assistance Programs and 2024 Presidential Election Winner, 20250424](https://BLS-USJF%20State-by-State%20Chart%20Homebuyer%20Assistance%20Programs%20and%202024%20Presidential%20Election%20Winner%2020250424).
117. National Low Income Housing Coalition, *2024 Advocates’ Guide*.
118. “Department of Housing and Urban Development: Overview of Rental Assistance Programs,” HUD, 2024, https://web.archive.org/web/20250509002544/https://www.hud.gov/sites/dfiles/CFO/documents/2024_Rental_Assistance_Overview.pdf.
119. Among owners with a mortgage, the US median mortgage burden was lower (15.0 percent) than Japan’s (16.9 percent), while among renters (private and subsidized), Japan (19.3 percent) performed markedly better than the US (24.0 percent). “OECD Affordable Housing Database - indicator HC 1.2.,” OECD, 2024, <https://oe.cd/ahd>.
120. To be sure, these fixed-rate mortgages are less common in Japan than variable rate mortgages, but even adjustable-rate mortgages often have lower interest rates than in the United States. See Jiro Yoshida, “The Japanese Housing Market,” *Oxford Research Encyclopedia of Economics and Finance* (Oxford University Press, 22 January 2025), <https://oxfordre.com/economics/display/10.1093/acre-fore/9780190625979.001.0001/acrefore-9780190625979-e-920>; December 1, 2024, draft available without paywall: https://www.dropbox.com/scl/fi/np19qn6ogiv48f27mm0kl/Yoshida_Japanese-Housing-Market_temp.pdf. For more on the Flat 35 mortgage product, see Masahiro Kobayashi, “The Housing Market and Housing Policies in Japan,” ADBI Working Paper no. 558 (Asian Development Bank Institute, March 2016), <http://www.adb.org/publications/housing-market-and-housing-policies-japan>.
121. For more on the extraordinarily low mortgage interest rates in Japan since 2005, see River A. Davis and Kiuko Notoya, “In Japan, the Era of ‘Free’ Mortgages Is Coming to an End,” *New York Times*, 4 September 2024, <https://www.nytimes.com/2024/09/04/business/japan-mortgage-rates.html>.
122. Shane Phillips, “Ep 72: Notes on Tokyo’s Housing, Land Use, and Urban Planning with Shane Phillips,” posted by UCLA Lewis Center, 27 June 2024, YouTube video, https://www.youtube.com/watch?v=dp-UK_1HG18.
123. Author’s comparison. Tomoko Matsuoka, “Fixed Asset Tax Japan: What Property Owners Should Know & Do,” mailmate, 17 December 2024, <https://mailmate.jp/blog/fixed-asset-tax-japan>; and Bob DeBoer and Adam Langley, 50-State Property Tax Comparison Study (Lincoln Institute of Land Policy and Minnesota Center for Fiscal Excellence, July 2025), <https://www.lincolninst.edu/publications/other/50-state-property-tax-comparison-study-2024/>.
124. “OECD Affordable Housing Database.”
125. “OECD Affordable Housing Database.”
126. See Yoshida, “Land Scarcity.” It may be worth exploring whether and why the elderly in Japan may be likelier to be asset rich and income poor than asset poor and income poor through homeownership than in the United States. Author’s communication with Masahiro Kobayashi.
127. See figure HC1.2.3. in “OECD Affordable Housing Database.”
128. For a widely used typology of homelessness and housing exclusion, see “ETHOS: European Typology of Homelessness and Housing Exclusion,” FEANTSA (European Federation of National Organisations Working with the Homeless), <https://www.feantsa.org/ethos>.
129. “Results of the Nationwide Survey on the Actual Situation of Homelessness,” Ministry of Health, Labour and Welfare, Government of Japan, April 2024, https://www.mhlw.go.jp/stf/newpage_39817.html. Official statistics for homelessness in both Japan and the United States do not fully capture the extent of “invisible homelessness.” In Japan, this includes individuals living in internet cafés, capsule hotels, or precarious housing situations who are not counted in official figures in part due to societal stigma and a narrow definition of homelessness. Similarly, in the United States, “hidden homelessness” refers to individuals who couch-surf with friends or family, stay in cars, or in temporary, unstable arrangements, and often do not access formal homeless support services, thus remaining uncounted in official statistics. For more on invisible homelessness in Japan, see Cristian M. Grimaldi, “The Invisible Homeless in Japan,” Sunday Examiner, 17 January 2025, <https://www.examiner.org.hk/2025/01/17/the-invisible-homeless-in-japan/features/>. For more on invisible homelessness in the US, see Rachel C. Booth, “The Invisible Homeless Crisis that Official Statistics Miss,” Vox, 25 March 2025, <https://www.vox.com/homelessness/405532/homelessness-housing-brian-goldstone-books-eviction-rent>.
130. Author’s calculations using January 1, 2024, provisional estimates from “Population Estimates by Age (Five-Year Groups) and Sex—August 1, 2023 (Final estimates), January 1, 2024 (Provisional estimates),” Statistics of Japan, January 2024, <https://www.e-stat.go.jp/en/stat-search/file-download?statInflId=000040135200&fileKind=4>.
131. Author’s calculations using January 26, 2024, estimate from “Population Clock,” US Census Bureau, accessed 26 April 2025, <https://www.census.gov/popclock/>.
132. de Sousa and Henry.
133. January 26, 2024, estimate from “Population Clock.”
134. Goto et al.
135. As mentioned in note 65, point-in-time data likely significantly underestimates the scale of homelessness, especially unsheltered homelessness, in the US, though they nevertheless may be useful for providing a sense of change over time when methodology is roughly constant.
136. Goto et al., and de Sousa and Henry, “Part 1: Point-in-Time Estimates of Homelessness in the United States.”

137. Yoshida, “Encore Episode.”
138. Goto et al.
139. Goto et al.
140. Yoshida, “The Japanese Housing Market.”
141. Yoshida, “Land Scarcity.”
142. Yoshida, “The Japanese Housing Market.”
143. Yoshida, “Encore Episode.”
144. Simon Vallée, “Japanese Zoning,” Urban kchoze (blog), 6 April 2014, <https://urbankchoze.blogspot.com/2014/04/japanese-zoning.html>, citing “Introduction of Urban Land Use Planning System in Japan,” Ministry of Land, Infrastructure and Transport, Government of Japan, January 2003, <https://www.mlit.go.jp/common/001050453.pdf>.
145. Durning.
146. Yoshida, “The Japanese Housing Market.”
147. Stephen J. Dubner, moderator, “Why are Japanese Homes Disposable?,” Freakonomics Radio, episode 157, 27 February 2014, <https://freakonomics.com/podcast/why-are-japanese-homes-disposable/>.
148. Yoshida, “The Japanese Housing Market.”
149. “House Size by Country 2025.”
150. “HC2.1. Living Space.”
151. Yoshida, “The Japanese Housing Market.”
152. Yoshida, “The Japanese Housing Market.”
153. S. Phillips.
154. Yoshida, “The Japanese Housing Market.”
155. See Vallée, as well as Byron Shibata, “Land-Use Law in the United States and Japan: A Fundamental Overview and Comparative Analysis,” *Washington University Journal of Law & Policy* 10, no. 1 (2002): 161–266, <https://journals.library.wustl.edu/lawpolicy/article/id/1801/>.
156. National Low Income Housing Coalition, *2024 Advocates’ Guide*.
157. Yoshida, “Land Scarcity.”
158. “Lessons from Japan: An Interview with Salin Geevarghese,” HUD, 15 December 2014, https://web.archive.org/web/20250201023926/https://www.huduser.gov/portal/pdr_edge_trending_121514.html.
159. Durning.
160. Kleven.
161. Goto et al.
162. “Lessons from Japan: An Interview with Salin Geevarghese.”
163. Though public housing units represent a relatively small share of all housing units in Japan (3.6 percent in 2018) compared to wealthy European nations, they represent five-to-six times the share in the United States (0.6–0.7 percent, based on author’s calculations). See Konno et al.; and “The Richest European Countries Have More Social Housing,” Tomorrow. Building: World Congress, January 2025, <https://www.tomorrow-building.com/richest-european-countries-more-social-housing/>. For the US figures, see “HUD’s Public Housing Program,” HUD, accessed 19 August 2025 <https://www.hud.gov/helping-americans/public-housing>, which estimates 970,000 households living in US federal public housing, and the HUD Public Housing Dashboard, <https://www.hud.gov/helping-americans/public-housing-dashboard>, which estimates 865,898 US federally-funded public housing units under contract with local authorities as of 19 November 2025; and “National, State, and County Housing Unit Totals: 2020–2024,” US Census Bureau, May 2025, <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-housing-units.html>, which estimates 146,770,711 total housing units in the United States as of 2024. See also note 16 regarding OECD data.
164. “Introduction of Urban Land Use Planning System in Japan.”
165. Shibata.
166. Yoshida, “The Japanese Housing Market.”
167. N. R. Brouwer and Jessica Trounstine, “NIMBYs, YIMBYs, and the Politics of Land Use in American Cities,” *Annual Review of Political Science* 27 (July 2024): 165–184, <https://www.annualreviews.org/content/journals/10.1146/annurev-polisci-041322-041133>.
168. Yoshida, “Land Scarcity.”
169. Michael C. Lens, “Zoning, Land Use, and the Reproduction of Urban Inequality,” *Annual Review of Sociology* 48 (2022): 421–439, <https://doi.org/10.1146/annurev-soc-030420-122027>.
170. Yoshida, “Encore Episode.”
171. Lens.
172. Yoshida, “Encore Episode.”
173. Yoshida, “Encore Episode.”
174. Fukao.
175. Dubner.
176. “Do Houses in Japan Only Last 30 Years? Why the Japanese Prefer Brand New Homes,” Housing Japan, 18 February 2025, <https://housingjapan.com/blog/are-30-years-a-lifetime-why-the-japanese-prefer-brand-new-homes/>; and Eliza Relman, “The Sure-Fire Way to Save America’s Cities? Do What Tokyo Does,” Business Insider, 4 October 2023, <https://africa.businessinsider.com/news/the-sure-fire-way-to-save-americas-cities-do-what-tokyo-does/gmgbwcr>.
177. Gallagher.

178. Aguri Osada, “Japan’s Housing Depreciation: Understanding the Unique Real Estate Market,” mailmate (blog), 2 April 2025, <https://mailmate.jp/blog/japan-housing-depreciation>.

179. Kleven.

180. Michael Amerison, “Global Cities and Affordable Housing: Tokyo,” HUD, 3 December 2024, <https://archives.huduser.gov/portal/pdredge/pdr-edge-international-philanthropic-120324.html>.

181. Marcel Negret et al., “Homes on Track: Building Thriving Communities Around Transit,” Regional Plan Association, March 2024, <https://rpa.org/work/reports/homes-on-track>.

182. Yoshida, “The Japanese Housing Market.”

183. Chie Koga et al., “Living in Public Rental Housing is Healthier than Private Rental Housing: A 9-Year Cohort Study from Japan Gerontological Evaluation Study,” *Scientific Reports* 14, no. 7547 (2024), <https://doi.org/10.1038/s41598-024-58244-y>.

184. Koga et al.

185. Fukao.

186. Yoshida, “The Japanese Housing Market.”

187. Yoshida, “Encore Episode.”

188. Shinichiro Iwata, “Three Essays on The Economics of The Tenant Protection Law” (PhD diss., Toyama University, 2002), https://ir.library.osaka-u.ac.jp/repo/ouka/all/1543/17340_Dissertation.pdf.

189. Yoshida, “Land Scarcity.”

190. On rent burdens, see Konno et al.

191. Yoshida, “Encore Episode.”

192. Konno et al.

193. Koga et al.

194. See, for example, Daisuke Inazawa, “Tokyo’s New Affordable Housing Policy: What You Need to Know,” INA&Associates Inc., 3 May 2024, <https://app.ina-gr.com/en/archives/tokyo-affordable-housing-policy>; “Lone Star Funds Announces Sale of Japanese Rental Property Portfolio Tokyo β,” Business Wire, 2 April 2025, <https://finance.yahoo.com/news/lone-star-funds-announces-sale-110000717.html>; and “What Is a Share House?,” Oakhouse Co., <https://www.oakhouse.jp/eng/sharehouse>.

195. Michelle Redman, “Meet Village House - One of the Largest Private Residential Landlords in Japan that Offers Affordable Housing to Foreign Residents,” SuperbCrew, 22 November 2021, <https://www.superbcrew.com/meet-village-house-one-of-the-largest-private-residential-landlords-in-japan-that-offers-affordable-housing-to-foreign-residents/>; “Cheap Apartments for Rent Across Japan with Village House,” Village House, accessed 6 September 2025, <https://www.villagehouse.jp/en/>; and Tatsuhiko Iwamoto, Toru Yamasaki, and Rise Katsuda, “Addressing Housing Inequality through Financial Support: Providing Affordable Housing Solutions,” Sumitomo Mitsui Financial Group, 22 October 2024, https://www.smfg.co.jp/english/sustainability/social_value/interview/0004.html.

196. Schuetz and Crump.

197. Jaimie Stinson and Emilie Rochester, “Global Attitudes to Housing and House Prices,” Ipsos, 28 January 2025, <https://www.ipsos.com/en/global-housing-monitor-2025>.

198. Yoshida, “Land Scarcity.”

199. Schuetz and Crump.

200. Schuetz and Crump, and Yoshida, “Land Scarcity.”

201. N. Edward Coulson et al., “Tenant Rights, Eviction, and Rent Affordability,” *Journal of Urban Economics* 147 (May 2025), <https://www.sciencedirect.com/science/article/pii/S0094119025000270>.

202. Jiro Yoshida, speaking during “YIMBYtown 2022: Winning Abundant Housing: Japan & New Zealand,” April 11, 2022, posted by Sightline Institute on 13 April 2022, <https://www.youtube.com/watch?v=oYu14FFe1ns>.

203. Yoshida, “Land Scarcity.”

204. Philip Bravos, “Media Watch: New Child-Oriented Housing Loan Plan Literally Has Something for Everyone,” philipbravos.com (blog), 13 November 2023, <https://philipbravos.com/2023/11/13/media-watch-new-child-oriented-housing-loan-plan-literally-has-something-for-everyone/>.

205. To be sure, a range of other homelessness, housing, and housing-adjacent topics are ripe for exploration aimed at identifying adaptable lessons from Japan for the US context, including transportation policy; construction and manufactured housing innovation and practices; additional financing, tax, and budget policies; substance use and mental health care; building code specifics; and more.

206. Julia Gill and Jenny Schuetz, “In California, Statewide Housing Reforms Brush against Local Resistance,” Brookings Institution, 28 June 2023, <https://www.brookings.edu/articles/in-california-statewide-housing-reforms-brush-against-local-resistance/>.

207. James Brasuell, “Montana Passes Sweeping Legislative Package to Rescind ‘California-Style-Zoning,’” Planetizen News, 16 April 2023, <https://www.planetizen.com/news/2023/04/122638-montana-passes-sweeping-legislative-package-rescind-california-style-zoning>.

208. David Gutman, “WA Senate Passes Bill Allowing Duplexes, Fourplexes in Single-Family Zones,” *Seattle Times*, 11 April 2023, <https://www.seattletimes.com/seattle-news/politics/wa-senate-passes-bill-allowing-duplexes-fourplexes-in-single-family-zones/>.

209. Lauren Dake, “Oregon Leaders Rethink Housing—And a Generation-Old Approach to Building,” *OPB*, 23 February 2023, <https://www.opb.org/article/2023/02/24/oregon-leaders-rethink-housing-generation-old-approach-building/>.

210. See Relman; and National Low Income Housing Coalition, 2024 *Advocates’ Guide*.

211. “About DVRPC,” Delaware Valley Regional Planning Commission, accessed 27 April 2025, <https://www.dvRPC.org/about/>.

212. “White House Announces New Steps for Housing Supply Action Plan,” United States Interagency Council on Homelessness, 18 October 2022, <https://www.usich.gov/news-events/news/white-house-announces-new-steps-housing-supply-action-plan>.

213. "State and Local Backgrounders: Highway and Road Expenditures," Urban Institute, accessed 12 August 2025, <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/highway-and-road-expenditures#Question2Highway>.

214. I thank Ned Resnikoff for this recommendation.

215. Compare, in particular, the much smaller amount of federal funding provided to subnational jurisdictions through the Community Development Block Grant (approximately \$3.3 billion annually). Joseph V. Jarosak and Daniela Lacalle, "Trends in CDBG Program Funding and Grantee Participation," Congressional Research Service Insight, 19 September 2024, https://www.congress.gov/crs_external_products/IN/PDF/IN12426/IN12426.1.pdf.

216. William J. Mallett, "Federal Public Transportation Program: In Brief," Congressional Research Service, 18 April 2025, <https://www.congress.gov/crs-product/R47002>.

217. Rohan Aras, "Making Federal Transit Dollars Work: Two Reforms for Better Value," Niskanen Center, 29 July 2025, <https://www.niskanen-center.org/making-federal-transit-dollars-work-two-reforms-for-better-value/>.

218. "The Zoning Trap: How Local Planners Decide How We Live," Institute for Justice, <https://ij.org/issues/zoning-justice/history-of-zoning/>.

219. Note that Los Angeles's first-in-the-nation zoning ordinance may have been motivated by a desire to ensure racial segregation. Katie Horak, et al., *City of Los Angeles Historical Housing and Land Use Study*, (Architectural Resources Group, 2024), https://planning.lacity.gov/odocument/3eaaa5ce-d96c-4325-a1b8-557218bb0f5/Historic_Housing_and_Land_Use_Stud.pdf.

220. "Standard State Zoning Enabling Act and Standard City Planning Enabling Act," American Planning Association, <https://www.planning.org/growingsmart/enablingacts/>.

221. Jenny Schuetz, *Fixer-Upper: How to Repair America's Broken Housing Systems* (Brookings Institution Press, 2022); and National Low Income Housing Coalition, *2024 Advocates' Guide*.

222. Fitzsimmons and Goldberg.

223. "Expedited Permitting and Review Policies Encourage Affordable Development," *NEXUS: The NHC Housing Policy Guide* (National Housing Conference, n.d.), <https://nhc.org/policy-guide/expedited-permitting-and-review-the-basics/expedited-permitting-and-review-policies-encourage-affordable-development/>.

224. "Tool: By-Right Development," in *The Housing Affordability Toolkit* (National Multifamily Housing Council, 2019), https://housingtoolkit.nmhc.org/wp-content/uploads/2019/04/F2_NMHC_PDF-Sections_Tools_By-Right-Dev_PG-63-TO-73.pdf.

225. Salim Furth and Tom Coale, "How to Streamline Housing Permitting in Maryland," Mercatus Center, 1 November 2024, <https://www.mercatus.org/research/policy-briefs/how-streamline-housing-permitting-maryland>.

226. Kimberly Burnett and Tyler Morrill, "Overview: Expedite Approvals for Affordable Projects - Part II," in *Development Process Efficiency: Cutting Through the Red Tape* (National Association of Home Builders, 2015), <https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/housing-affordability/overview-part-2-expedite-approvals-for-affordable-projects.pdf>.

227. "How Municipal Governments Can Leverage Software to Accelerate Housing Development," Vision33 (blog), 13 January 2025, <https://blog.vision33.com/how-municipal-governments-can-leverage-software-to-accelerate-housing-development>.

228. See for example a number of waivers granted by HUD at "Housing Waivers," HUD, accessed 27 April 2025, <https://www.hud.gov/hudclips/waivers>.

229. Conrad Speckert, "Jurisdictions," The Second Egress: Building a Code Change, accessed 12 August 2025, <https://secondegress.ca/Jurisdictions>.

230. George Ashford, Andrew Justus, and Alex Armlovich "Understanding Single-Stair Reform Efforts Across the United States," Niskanen Center, 27 August 2024, <https://www.niskanencenter.org/understanding-single-stair-reform-efforts-across-the-united-states/>.

231. Landon Erickson, "Single Stairway Reform Leads Zoning Efforts," National Apartment Association, 16 July 2025, <https://naahq.org/news/single-stairway-reform-leads-zoning-efforts>.

232. National Housing Crisis Task Force.

233. Sebastian Obando, "Builders, MBI Press for Modular Standards," Construction Dive, 19 May 2022, <https://www.constructiondive.com/news/how-lack-standards-saps-modulars-oftsites-promise-icc-mbi/624018/>.

234. National Housing Crisis Task Force.

235. Lauren E. Leonard and A. J. Herrmann, "Pre-Purchasing to Increase Modular Construction Capacity," National Housing Crisis Task Force (draft for comment, 4 March 2025), <https://nationalhousingcrisis.org/app/uploads/2025/03/Pre-Purchasing-Modular-Housing.pdf>.

236. National Housing Crisis Task Force, 153.

237. HUD Office of Policy Development and Research.

238. "Opportunity Zones," HUD, accessed 27 April 2025, <https://opportunityzones.hud.gov/>.

239. Hangtian Xu and Yiming Zhou, "Public Housing Provision and Housing Vacancies in Japan," *Journal of the Japanese and International Economies* 53 (September 2019), <https://www.sciencedirect.com/science/article/abs/pii/S0889158319300280>.

240. S. Phillips.

241. Yoshida, "Encore Episode."

242. Dubner.

243. Cristian Badarinza and Tarun Ramadorai, "International Dimensions of Housing Markets," *Journal of Economic Perspectives* 39, no. 3 (Summer 2025): 87–106, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.20241429>.

244. "Tokyo's Soaring Property Prices Spark Debate Over Foreign Ownership," 22 August 2025, iXBROKER, <https://ixbroker.com/blog/tokyos-soaring-property-prices-spark-debate-over-foreign-ownership/>.

245. Matthew Collin, Karan Mishra, and Andreas Økland, “Offshore Ownership of American Real Estate Is a Black Box. The Treasury Has the Power to Open It,” Brookings Institution, 13 August 2024, <https://www.brookings.edu/articles/offshore-ownership-of-american-real-estate-is-a-black-box-the-treasury-has-the-power-to-open-it/>.

246. Collin, Mishra, and Økland.

247. See for example, Zhimin Li, Leslie S. Shen, and Calvin Zhang, “Local Effects of Global Capital Flows: A China Shock in the US Housing Market,” *Review of Financial Studies* 37, no. 3 (March 2024), <https://academic.oup.com/rfs/article-abstract/37/3/761/7246755>.

248. Li, Shen, and Zhang.

249. “FinCEN Removes Beneficial Ownership Reporting Requirements for US Companies and US Persons, Sets New Deadlines for Foreign Companies,” Financial Crimes Enforcement Network, 21 March 2025, <https://www.fincen.gov/news/news-releases/fincen-removes-beneficial-ownership-reporting-requirements-us-companies-and-us>.

250. Mark Kennedy, “Japan’s Real Estate Market at a Crossroads: Foreign Buyer Restrictions, Soaring Prices, and the Rise of the Right-Wing Political Party Sanseito,” Real Gaijin (blog), 9 August 2025, <https://realgaijin.substack.com/p/japans-real-estate-market-at-a-crossroads>.

251. Lin Lin, “Property Price Surge in Tokyo’s Prime Areas Sparks Calls to Curb Foreign Ownership,” *CNBC*, 21 August 2025, <https://www.cnbc.com/2025/08/21/tokyo-property-price-surge-sparks-calls-to-curb-foreign-ownership.html>.

252. “Should Foreigners Be Restricted from Buying Homes in Japan?,” *News on Japan*, 7 July 2025, <https://newsongjapan.com/article/146303.php>.

253. National Low Income Housing Coalition, *2024 Advocates’ Guide*.

254. *UR: Urban Renaissance Agency* (UR, 2018), https://www.ur-net.go.jp/overseas/j2ic97000000cfkq-att/Allpage_en.pdf; “Urban Renaissance Agency (UR) [Presentation],” Japan Local Government Centre (JLGC), London, March 2021, <https://www.jlgc.org.uk/en/wp-content/uploads/2021/03/UR-Presentation-1.pdf>; May Shinohara, “Second Opinion: Urban Renaissance Agency Sustainability Finance Framework,” Rating and Investment Information, Inc., 30 March 2023, https://www.r-i.co.jp/en/news_release_suf/2023/03/news_release_suf_20230330_eng.pdf; and “Urban Renaissance Agency (Incorporated Administrative Agency) (Urban Renaissance Account): FILP Report 2023,” Ministry of Finance, Government of Japan, n.d., https://www.mof.go.jp/english/policy/filp/filp_report/zaito2023e-exv/29.pdf.

255. It remains to be seen whether such models would garner bipartisan support in the United States, given historical skepticism toward publicly owned or government-led housing initiatives. These lessons may need to be framed as reforms around private-sector collaboration and emphasize cost-efficiency to increase political feasibility.

256. It must be acknowledged that the US Congress enacted in July 2025 the largest *cut* in Medicaid in the program’s history.

257. Goto et al.

258. Compare Goto et al. and Kim Johnson and Alayna Calabro, “Housing First,” in *Advocates’ Guide 2025* (National Low Income Housing Coalition, 2025), <https://nlihc.org/explore-issues/publications-research/advocates-guide>.

259. Shawn Liu, “VA’s Implementation of Housing First Over the Years,” US Department of Veterans Affairs Homeless Programs Office, 18 December 2023, <https://www.va.gov/HOMELESS/featuredarticles/VAs-Implementation-of-Housing-First.asp>.

260. I thank Almas Sayeed for these suggestions.

Copyright © 2026 United States-Japan Foundation

Written by Indivar Dutta-Gupta.

Copyediting by Kimberly Gould Ashizawa.

Design and typesetting by Kiyoko Shiromasa.

US-Japan Foundation

1816 Jefferson Place, NW, Washington, DC 20036

www.us-jf.org