EconUnited

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Introduction

Housing costs in the United States have risen to levels that make it difficult for many families to afford a house. This problem affects not only individual households but also the wider economy, since high housing prices reduce mobility and increase inequality within USA. To lower costs, it is important to look closely at the main factors that shape housing prices and consider how economic tools can be used to address them.

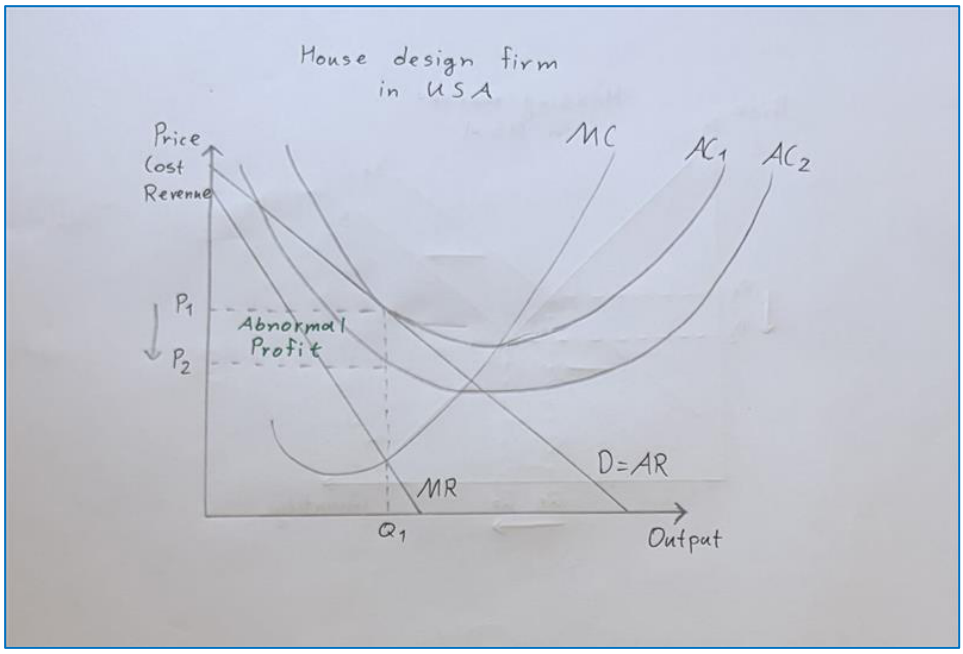
Several key aspects drive the cost of housing. The design and approval process for new houses is slow and expensive, while custom projects add even more cost. Construction companies face challenges in finding enough labor and equipment, which slows down and increases cost of building process.

This proposal focuses on practical solutions to each of these factors. By simplifying design, approval process and supporting construction firms with labor and equipment housing can become more affordable. Together, these measures form a clear strategy to reduce housing inflation and improve access to homes for families across the USA.

House design

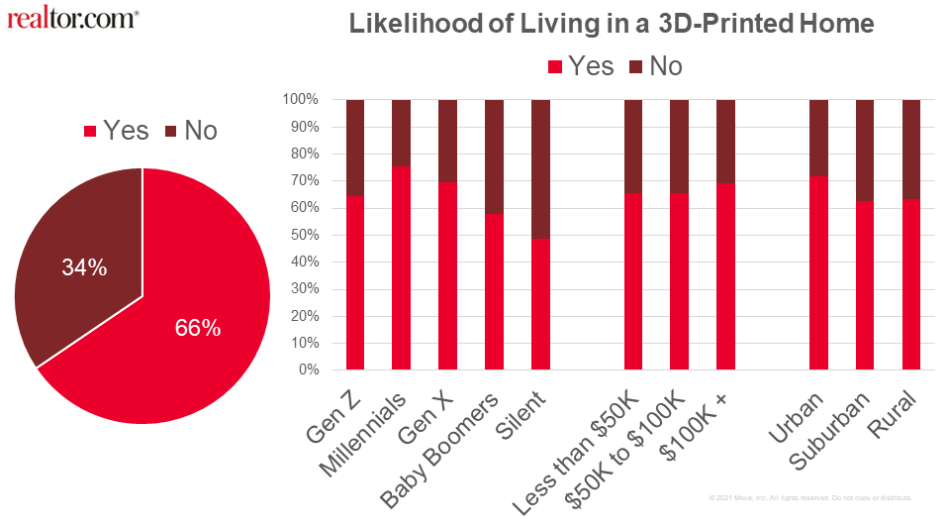
The design and approval process for housing projects plays a major role in overall costs. When houses are built according to individual requests, the process becomes slower and more expensive. Custom designs require longer government approval, higher construction costs, and more skilled labor. This drastically increases the cost and reduces the speed at which new homes can be supplied.

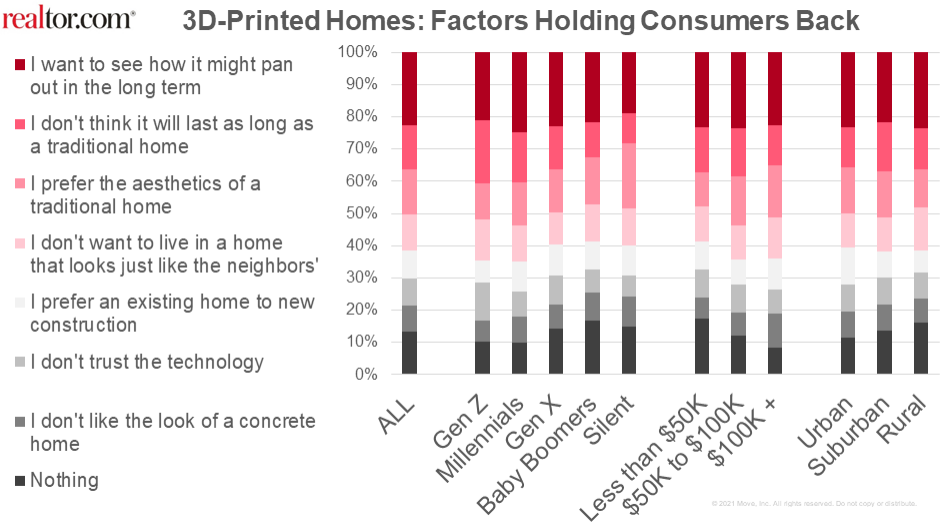
One of the solutions is to introduce standardized (in terms of climatic zone or geography areas) housing designs that are already approved by USA government authorities. These designs would be simple, efficient, and easy to build, allowing firms to save both time and money. By reducing the need for lengthy approval procedures, standardized projects can increase the pace of construction and lower costs for customers.



New technologies are also offering opportunities to reduce costs. For example, 3D printing methods can build houses quickly and at lower expense. According to IOP research called “Printed house as a model for future housing”, the use 3D printing technology is an alternative means of construction addresses housing crisis directly, however, as it saves up to about 35% of the total housebuilding cost where 3D printing of the walls and foundations is calculated in terms of the cost savings in materials and labor. Through use of 3D printing technology, average cost of building house shifts downwards (from AC1 to AC2), resulting in abnormal profit being made by firms in USA house design market. In long run, this abnormal profit will attract new firms to enter the market, which will increase competition and encourage even lower prices of house design for customers in USA.

However, in 2021, Rieltor.com did research called “3D-Printed Home Technology Enters Mainstream”, infographics from which can be seen below:





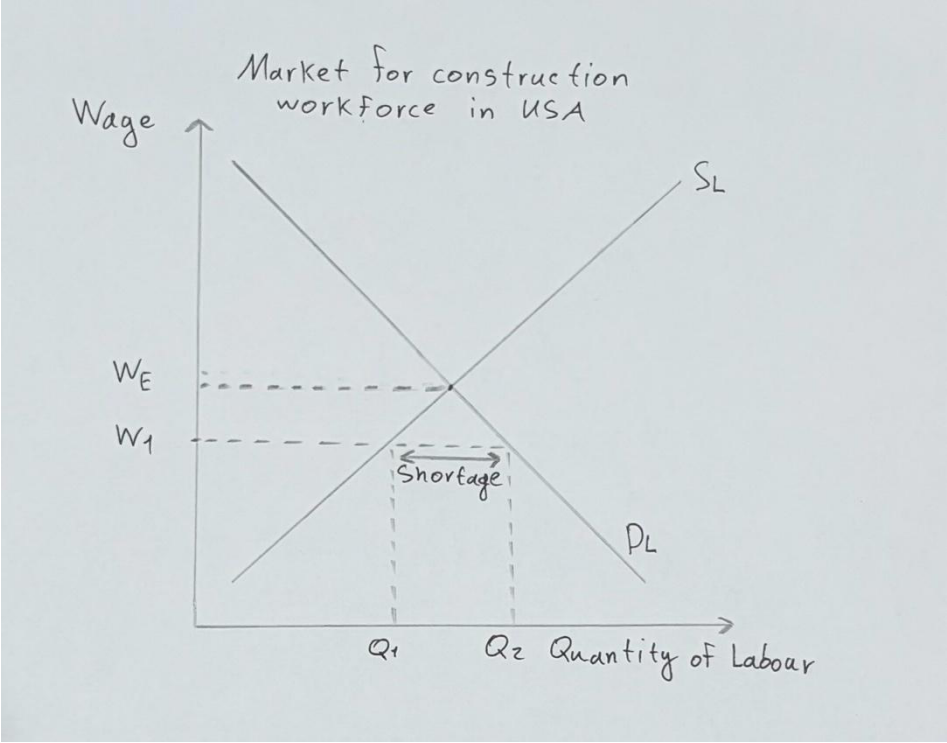
As we can see, there are 34% of people who would not live in 3D printed house, which is a significant proportion of USA population. This is caused by people’s major uncertainty in

Long-Term Viability, Aesthetics and Durability of such houses. Thus, the use of new technology (for example 3D printed houses) might not be a complete solution on its own.

To promote this technology, government should establish clear national safety standards for 3D printed houses. This will both decrease uncertainty in eyes of customers and will make it easier for firms to gain approvals for projects. Government should also provide subsidies for firms to buy new equipment, required for 3D printing construction process, encouraging firms to experiment with this technology.

Construction workforce shortage

Every housing project depends on the availability of skilled labor. When this resource is limited or costly, construction slows down and housing prices rise. According to Amtec.com 2025–2026 benchmark report "The State of the U.S. Construction Workforce", US market for construction labor is lacking for 349,000 net new workers in 2026, rising to 456,000 in 2027. Also, roughly one in five construction workers is over 55, and retirement is the primary driver of new-worker need. This massive shortage in supply of labor can be seen through graph below:



The equilibrium occurs at Wage E (We), where Supply of labor (Sl) equals the Demand for labor (Dl). However, in the USA construction industry, the current wage (W1) is set below equilibrium wage We. At W1, firms demand more workers (Q2) than the number of workers willing to supply their labor (Q1). The horizontal gap between Q2 and Q1 represents the labor shortage.

Government can increase supply of construction workforce through several ways. One option for government is to invest in workforce training programs to prepare more workers for construction jobs. This would increase the supply of skilled and qualified labor, reducing wage pressures in long run. Also, since most of the construction workforce are going to retire soon, government can attract new workers by providing more social benefits. According to PMC research "Stress, fear, and anxiety among construction workers: a systematic review", their results showed a number of conditioning factors for stress, anxiety, and fear among construction workers such as age, inappropriate safety equipment, safety culture, high workload and long working hours, physical pain, low social support from direct supervisor or co-workers, lack of organizational justice and lack of reward, financial situation, maladaptive coping strategies, and characteristics of the pandemic.

If government will provide different social benefits for construction workers, such as free health insurance, more people will be interested in getting a job in construction industry, therefore supply of labor will shift upwards.

By supporting labor training, reducing equipment costs, and simplifying licensing, government can strengthen the capacity of construction firms. This both lowers the overall cost of building houses and ensures that supply can expand more quickly to meet the needs of typical U.S. families.

Conclusion

In summary, improving housing affordability requires practical changes that directly expand supply and lower costs. Standardized housing designs and the adoption of 3D printing technology can reduce expenses and speed up construction process, while investment in training construction labor can reduce workforce shortages and stabilize wages. Together, these measures create a more efficient housing industry, ensuring that homes are built faster and at lower cost. By focusing on design innovation and workforce development, the government can deliver measurable improvements within five to six years, which is already a step toward ensuring that every family has access to a safe and affordable place to live.

The strength of this policy is in its focus on supply-side solutions that expand housing availability without creating large inflation risks. With careful planning, it is possible to lower housing costs while staying within budget limits of 300 billion US dollars.

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