



Issue Fact Sheet

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Barriers to Multifamily Development

Background

For generations, married couples with children dominated our housing markets and caused the suburbs to grow explosively. And our zoning laws, most of which predate World War II, catered to them by requiring low-density development and prohibiting developments that mix residential and commercial uses. But society has changed and so have their housing preferences. Married families are less than 25 percent of American households. In their place are young professionals, childless couples, empty nesters and single parents. These households want vibrant, walkable communities surrounded by shops, restaurants and entertainment.

Fully 60 percent of respondents in one survey said they would rather live in a compact neighborhood than a large-lot neighborhood where they would depend entirely on cars to get around. But outdated zoning laws prevent housing providers from creating the kinds of housing today's households desire. These societal changes are so profound that one well respected urban planning professor predicts that there could be a surplus of 22 million large-lot houses (built on more than one-sixth of an acre) within 20 years—that's roughly 40 percent of the large-lot houses in existence today.

Many zoning laws also discourage rental housing. With house prices still falling and jobs not entirely secure, renting began to lose its stigma. The housing crisis taught Americans that housing is shelter, not an investment. Owning a house was no longer required to build wealth. People were now free to choose the housing that best suits their lifestyle. For millions, that is a rental apartment that offers them convenience and the flexibility to relocate to pursue new job opportunities.

Even where zoning laws allow apartment construction, neighborhood activists often oppose new rental communities for their own narrow self interests and misconceptions about apartments and their impact on property values, traffic and school overcrowding. An increasing body of research refutes the notion that apartments lower property values, increase traffic or result in overcrowded schools.

To the contrary, communities with more apartments tend to have higher property values. They also help minimize traffic because apartment residents own fewer cars and are more likely to use public transportation. They also have one-third as many school children. Apartments also help localities reduce taxes by concentrating public services such as water, sewer, roads, and police and fire service over a smaller area. They are also more environmentally friendly and help preserve parks and natural areas by providing more compact development.

NMHC/NAA's outreach, seeking a more level playing field between rental housing and homeownership, has produced numerous successes, including the U.S. Department of Housing and Urban Development's (HUD) effort to remove barriers to multifamily housing through its Regulatory Barriers Clearinghouse.

NMHC/NAA Position

Local zoning and land-use policies should be updated to allow for higher population densities as well as to permit mixed-use development. Local governments must recognize that many citizens prefer rental housing and allow zoning regulations to reflect this preference. Lawmakers can also help change the dialogue and reduce citizen opposition to compact development and rental housing by educating citizens that this kind of development can bring new jobs, new retail, new tax revenue and more.

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