

Impact of Government Regulations

Country: United States of America

Organization: National Association of Home Builders

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State of Politics of Housing Affordability

(i.e., how important is housing affordability in your country's current political landscape? Are your leaders actively discussing housing affordability? Are there positive government measures being enacted to address affordability?, etc.)

U.S. politicians have realized that everyday Americans are very concerned about housing affordability. Recent polling conducted by NAHB found that 77% of citizens believe there is a housing affordability crisis in their area, and 80% of those polled said their city and county officials should be doing more to encourage the production of housing that is affordable to low- and moderate-income households.

Both major political parties are seeking to advance policies designed to improve the availability of housing that is affordable to households across the economic spectrum.

What are the major regulatory impacts driving prices and limiting supply?

There are thousands of regulations imposed at the federal, state and local levels, often overlapping and sometimes contradictory. Permitting delays at all levels of government delay housing projects and raise construction costs. At the federal level, the process of obtaining a permit under the Clean Water Act (CWA) or the Endangered Species Act is cumbersome and time consuming because of a lack of clarity and predictability. Obtaining a CWA Section 404 permit takes upwards of one year, and completing a required ESA consultation can take years. At the local level, inefficient zoning and land laws make it harder and more expensive to build new homes.

In the multifamily sphere, a growing number of cities are seeking to impose rent control. Economists across the political spectrum agree that rent control is ultimately harmful to the cause of housing affordability.

NAHB economists estimate that the cost of compliance with local, state and federal regulations and fees represents 23.8% (\$94,550) of the current average sales price (\$397,300) of a new single-family home.

How are you telling the story to try to get regulation change?

i.e., what tactics are you using that seem effective? How impactful have these tactics been in influencing policy change?, etc.)

NAHB has a multifaceted approach to advocacy that seeks to advance regulatory change. We have a robust legislative affairs team that seeks to educate members of Congress. We have an active media-relations team that works to make sure the news media hears the home builders' perspectives on key issues. We also have a well regarded news blog, a vibrant social media presence, and a blog produced by our team of experienced economists.

NAHB's advocacy team in May published a 10-Point Plan to promote housing affordability. We have been aggressive in advancing the various aspects of that plan with members of Congress, the Biden administration and its federal regulatory agencies, the media and other stakeholders.

Our excellent team of economists produces a regular stream of data and analysis that demonstrates the cost of regulations and the harmful effects of those costs on everyday Americans struggling to find housing that meets their needs at a price they can afford.