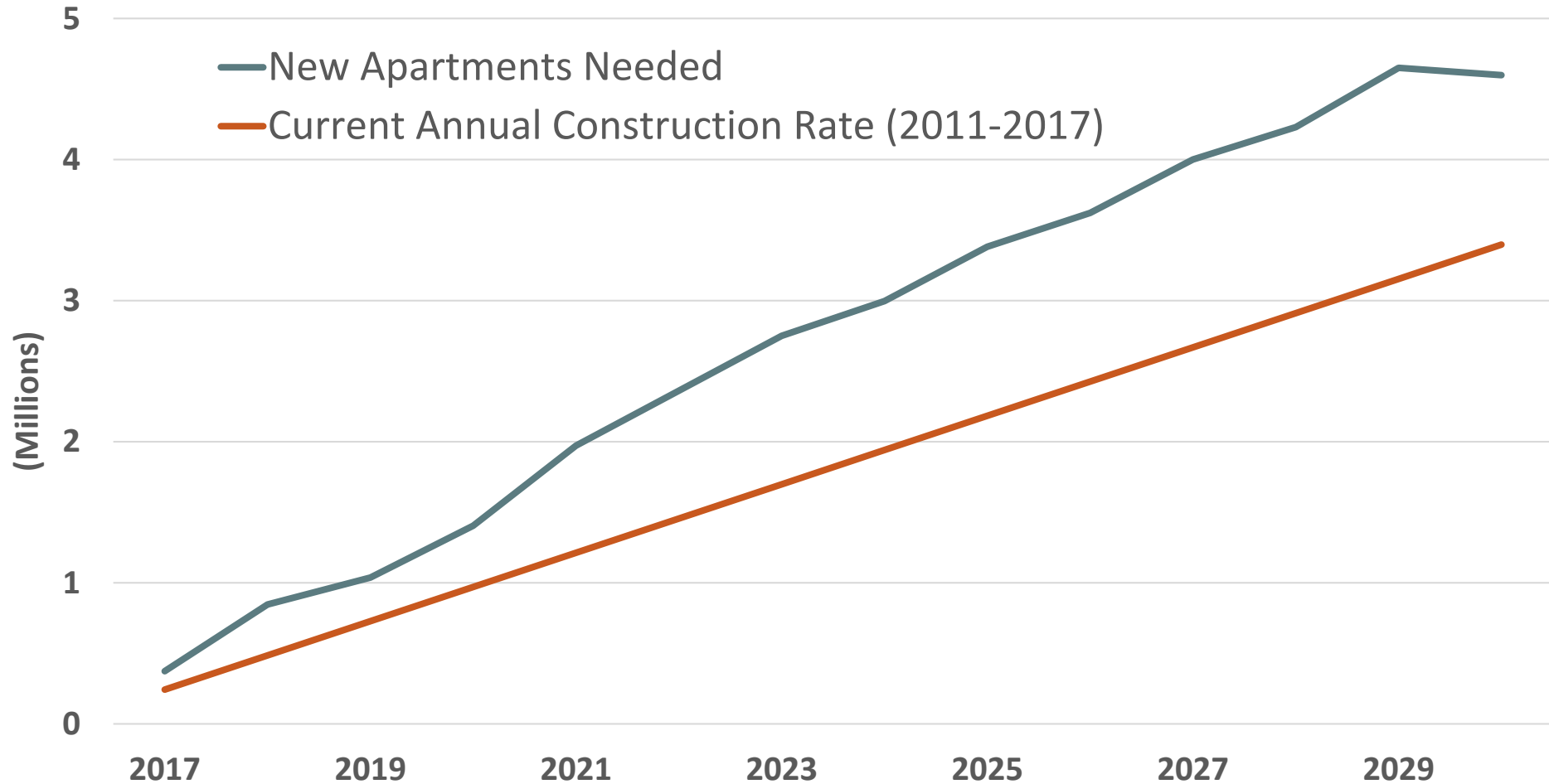


4.6 MILLION APARTMENTS NEEDED BY 2030



Source: Hoyt Advisory Services; NMHC/NAA; U.S. Census Bureau.

NMHC/NAHB STUDY

REGULATION: OVER 30 PERCENT OF THE COST OF A MULTIFAMILY DEVELOPMENT

Figure 1: Incidence and Typical Magnitude of Regulatory Costs

Type of Cost	Share of Developers' Projects Subject to the Cost	Average Cost When Present (as a Share of Total Development Costs)
Cost of applying for zoning approval	98%	4.1%
Interest costs on refundable fees charged when site work begins	50%	0.5%
Other (non-refundable) fees charged when site work begins	93%	4.5%
Development requirements that go beyond the ordinary	95%	6.3%
Land dedicated to the government or otherwise left unbuilt	50%	4.3%
Fees charged when building construction is authorized	93%	4.2%
Cost of complying with affordability mandates (e.g., inclusionary zoning)	30%	5.7%
Cost increases from changes to building codes over the past 10 years	98%	7.2%
Cost of complying with OSHA requirements	90%	2.6%
Pure cost of delay (i.e., even if regulation imposed no other type of cost)	98%	0.7%

NMHC/NAHB STUDY

REGULATION: OVER 30 PERCENT OF THE COST OF A MULTIFAMILY DEVELOPMENT

Figure 2: Government Regulation as a Share of Multifamily Development Costs

Type of Cost	Lower Quartile	Average	Upper Quartile
Cost of applying for zoning approval	1.1%	4.0%	5.3%
Interest costs on refundable fees charged when site work begins	0.0%	0.2%	0.2%
Other (non-refundable) fees charged when site work begins	1.9%	4.2%	5.5%
Development requirements that go beyond the ordinary	1.1%	5.9%	8.4%
Land dedicated to the government or otherwise left unbuilt	0.0%	2.1%	3.3%
Fees charged when building construction is authorized	1.1%	3.9%	5.4%
Cost of complying with affordability mandates (e.g., inclusionary zon-	0.0%	1.7%	2.6%
Cost increases from changes to building codes over the past 10 years	5.2%	7.0%	7.1%
Cost of complying with OSHA requirements	1.3%	2.3%	2.3%
Pure cost of delay (i.e., even if regulation imposed no other type of	0.1%	0.7%	1.2%
TOTAL ESTIMATED REGULATION AS A SHARE OF DEVELOPMENT	21.7%	32.1%	42.6%

HR&A TOOLKIT COMPONENTS

1. **The State of Housing Affordability** | An overview of the economic, demographic, and policy trends that are driving housing affordability issues at the national level and how they are playing out in local markets.
2. **Housing Cost Drivers** | A framework describing the different factors that determine the costs to develop housing and how local policies impact these costs.
3. **Benefits of Multifamily Housing** | A synthesis of the benefits of multifamily housing for cities, residents, and communities.
4. **Housing Affordability Tools** | A description of how different housing tools close the gap between what a household can afford in housing costs and the cost to develop and operate that housing.
5. **Housing Affordability Discussion Guide** | A summary of the key issues framing advocacy for affordable housing and how to engage with housing stakeholders.