



# Cost of Regulation in Georgia Housing

2024

# Georgia Public Policy Foundation Housing Affordability Initiative

- Officially launched in 2021
- Stakeholder Conversations:
  - Buyers/Owners/Renters
  - Real Estate Agents
  - Lenders
  - Policymakers
  - Builders/Developers

# Georgia Public Policy Foundation Housing Affordability Initiative

- **House Rural Development Council (2018)**
  - Not just a metro Atlanta problem with workforce shortages impacting industries across the state
- **Georgia House Study Committee on Workforce Housing (2019)**
  - Four L's: LABOR, LAND, LUMBER, LAWS
  - Fifth L (2022): LENDING



# Georgia Public Policy Foundation

## Housing Affordability Initiative

- Total number of new residential building permits issued in Georgia, 2000-2009: 808,253
- Total number of new residential building permits issued in Georgia, 2010-2019: 386,223
- Decrease of 52% in building permits, despite Georgia adding more than one million new residents (>10%) between 2010 and 2020.

Source: U.S. Census Data



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## Housing Affordability Initiative

### Warner Robins MSA: Houston, Peach (formerly Pulaski)

- Total number of new residential building permits issued in Warner Robins MSA, 2003-2012: 12,547
- Total number of new residential building permits issued in Warner Robins MSA, 2013-2022: 10,613
- Decrease of 15.4% new building permits in the Warner Robins MSA while adding more than 24,000 (14.3%) new residents since then

Source: U.S. Census Data



# Georgia Public Policy Foundation Housing Affordability Initiative

- Georgia is nearly 365,000 housing units short (August 2022)
- Fundamental issue right now in the housing market: lack of supply

[https://www.jec.senate.gov/public/\\_cache/files/efdd0c37-af95-40cd-9125-e80f8a11504b/the-houses-act---addressing-the-national-housing-shortage-by-building-on-federal-land.pdf](https://www.jec.senate.gov/public/_cache/files/efdd0c37-af95-40cd-9125-e80f8a11504b/the-houses-act---addressing-the-national-housing-shortage-by-building-on-federal-land.pdf)

# Georgia Public Policy Foundation Housing Affordability Initiative

## • What is Workforce Housing?

### Workforce housing

From Wikipedia, the free encyclopedia

**Workforce housing** is a term that is increasingly used by [planners](#), government, and organizations concerned with housing policy or advocacy. It is gaining cachet with realtors, [developers](#) and lenders. Workforce housing can refer to any form of housing, including ownership of single or multi-family homes, as well as occupation of rental units. Workforce housing is generally understood to mean [affordable housing](#) for households with earned income that is insufficient to secure quality housing in reasonable proximity to the workplace.

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- 2 History
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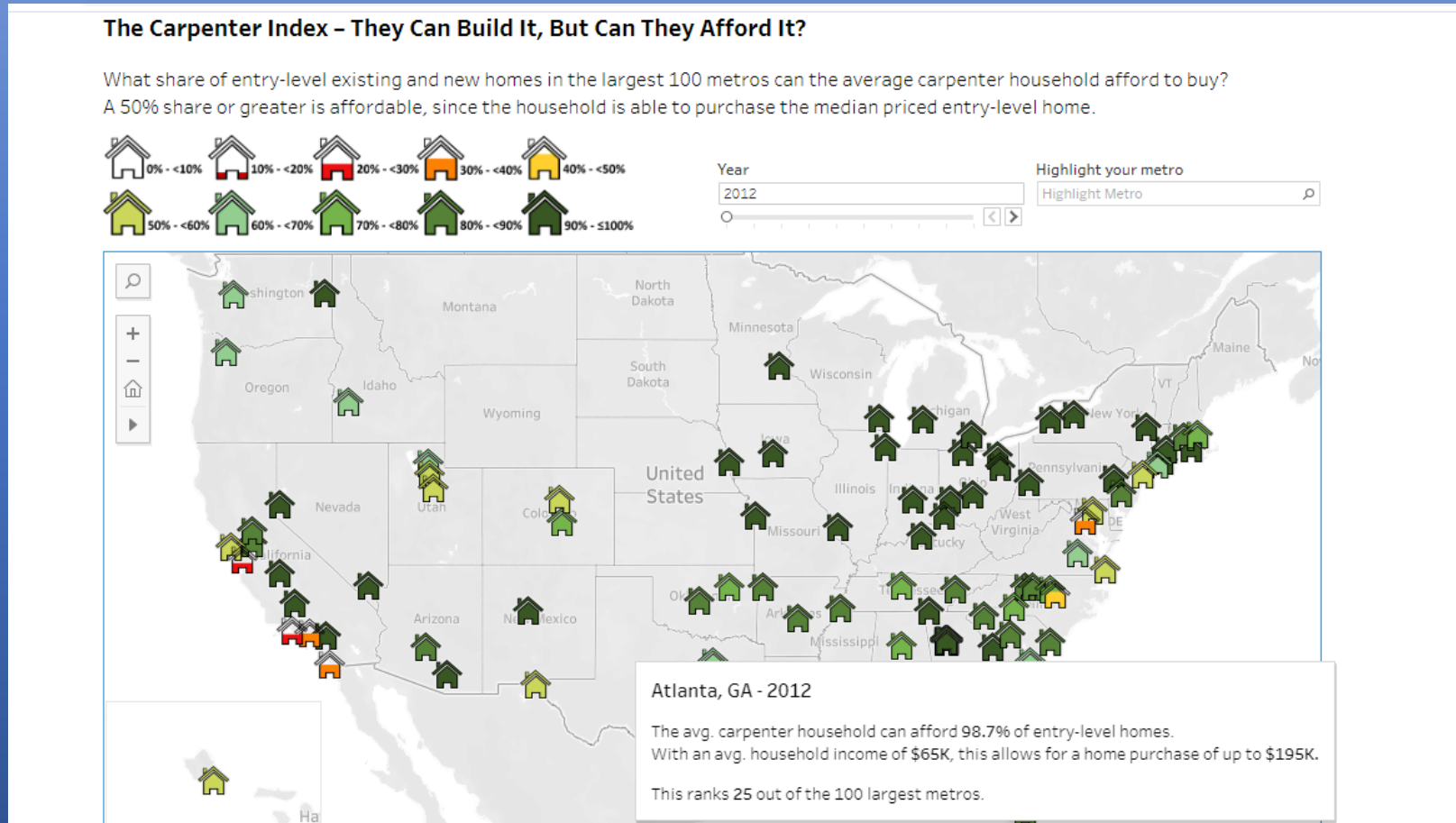
### Overview [\[edit\]](#)

Consideration of workforce housing includes these four principal factors:<sup>[1]</sup>

#### Workforce

The term "workforce" is meant to connote those who are gainfully employed, a group of people who are not typically understood to be the target of affordable housing programs. Workforce housing, then, implies an altered or expanded understanding of affordable housing. Workforce housing is commonly targeted at "essential workers" in a community i.e. police officers, firemen, teachers, nurses, medical personnel. Some communities define "essential" more broadly to include service workers, as in the case of resort communities where one finds high real estate costs and a high number of low-paying service jobs essential to the local economy. Workforce housing may be targeted more generally at certain income levels regardless of type of employment, with definitions ranging from 50% to 120% of Area Median Income (AMI).

# Georgia Public Policy Foundation Housing Affordability Initiative

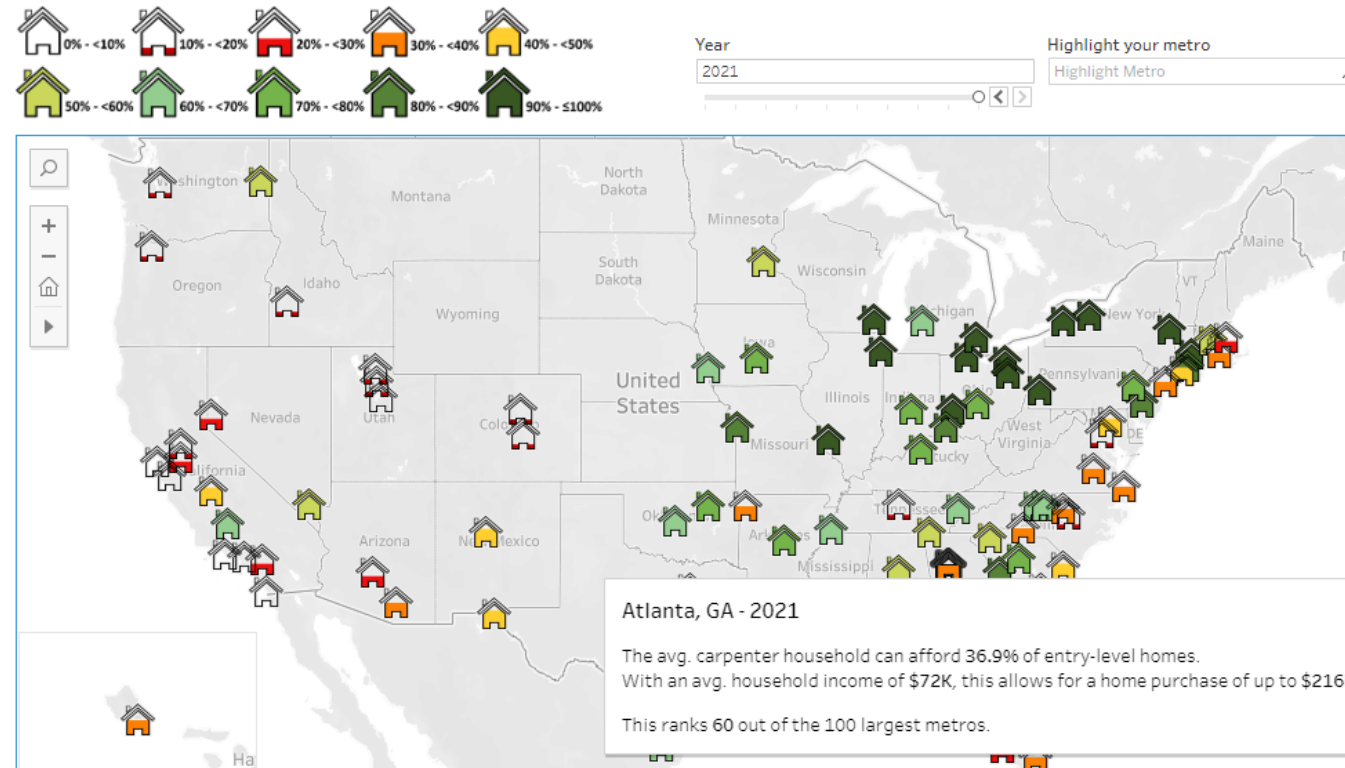




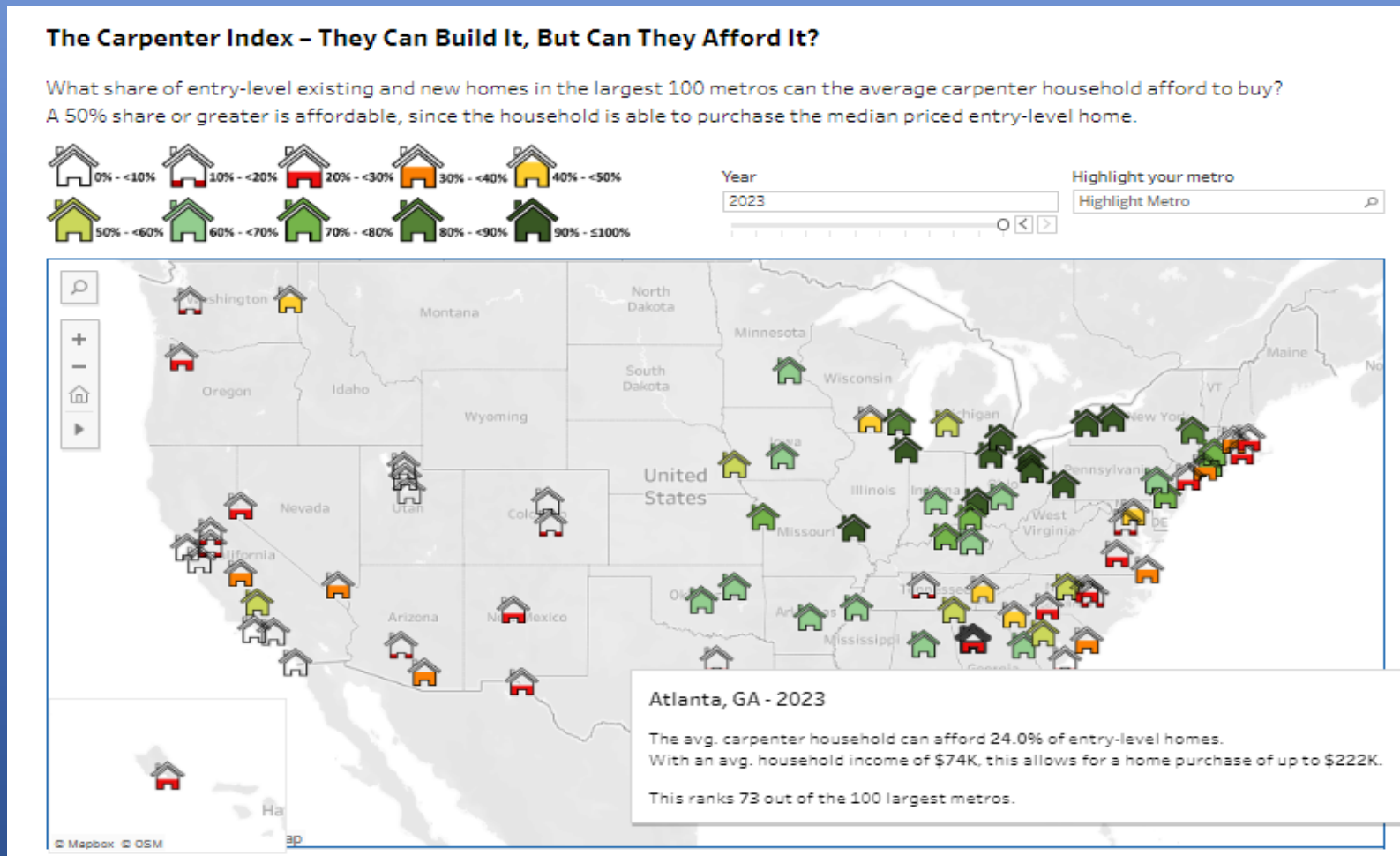
# Georgia Public Policy Foundation Housing Affordability Initiative

## The Carpenter Index – They Can Build It, But Can They Afford It?

What share of entry-level existing and new homes in the largest 100 metros can the average carpenter household afford to buy?  
A 50% share or greater is affordable, since the household is able to purchase the median priced entry-level home.



# Georgia Public Policy Foundation Housing Affordability Initiative





# Georgia Public Policy Foundation

## Housing Affordability Research

- Government Regulation in the Price of a New Home: Georgia (January 2022)
- Assessment of Georgia Development Impact Fees (October 2022)

### **Warner Robins Eggs & Issues (Nov. 2022)**

- Development Impact Fees: Trends and Impact on the Community (February 2023)
- Government Regulation in the Price of Multifamily Housing: Georgia (April 2023)
- A Review of Lot and Home Size Minimums in Georgia (September 2023)

# Cost of Regulation: Georgia Single-Family Home

- **National Association of Home Builders (NAHB) published the most recent national study May 2021**
  - **Previous editions: 2011, 2016**
  - **2021: first edition that also surveyed lot developers**
  - **Survey delivered electronically to 2,071 members of the NAHB in March 2021**
  - **57 developers and 280 builders provided complete and usable responses**

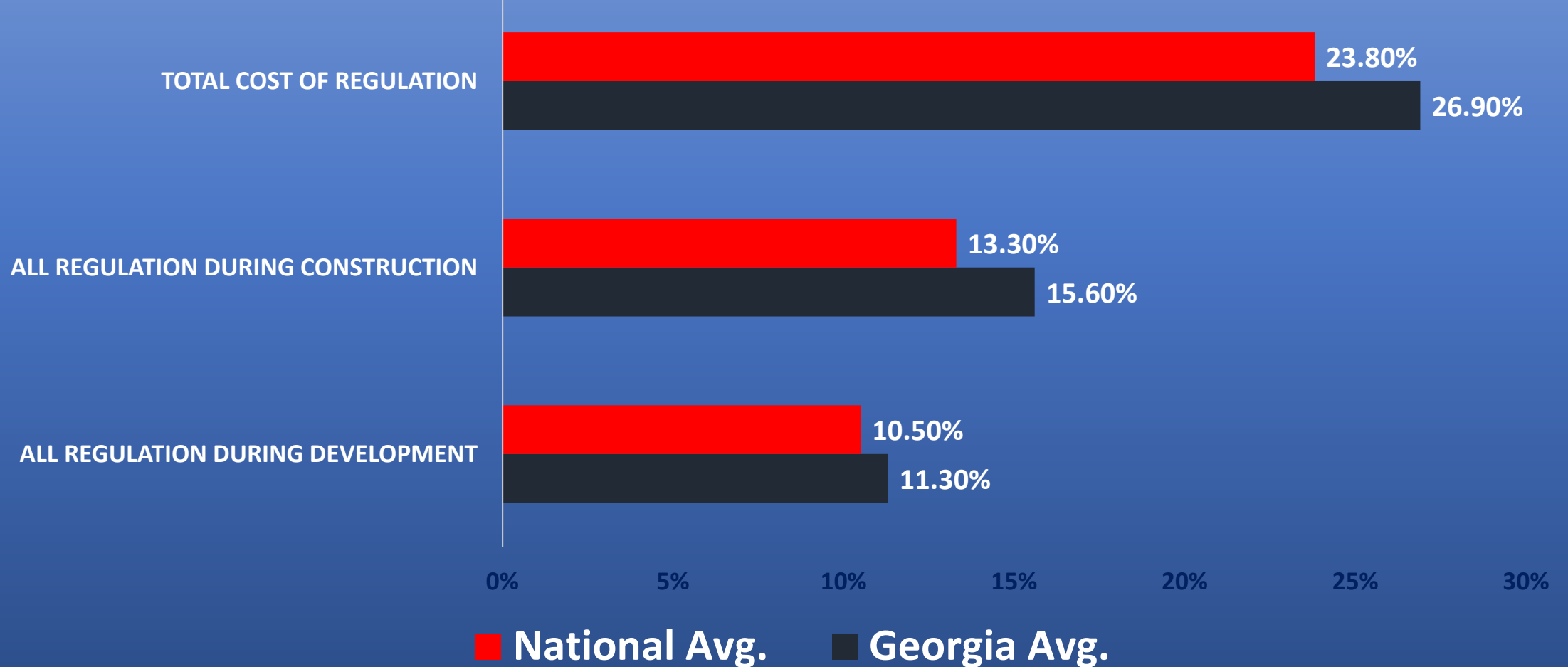
<https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-government-regulation-in-the-price-of-a-new-home-may-2021.pdf>

# Cost of Regulation: Georgia Single-Family Home

- Georgia Public Policy Foundation published state edition January 2022
  - First dedicated state or local edition of NAHB study
  - Survey delivered electronically to 986 total members of the Home Builders Association of Georgia (HBAG) in October 2021
  - 55 builders and 31 lot developers statewide provided complete and usable responses
- This study, like its national counterpart, does not argue that all regulation is bad or should be eliminated

# Cost of Regulation: Georgia Single-Family Home

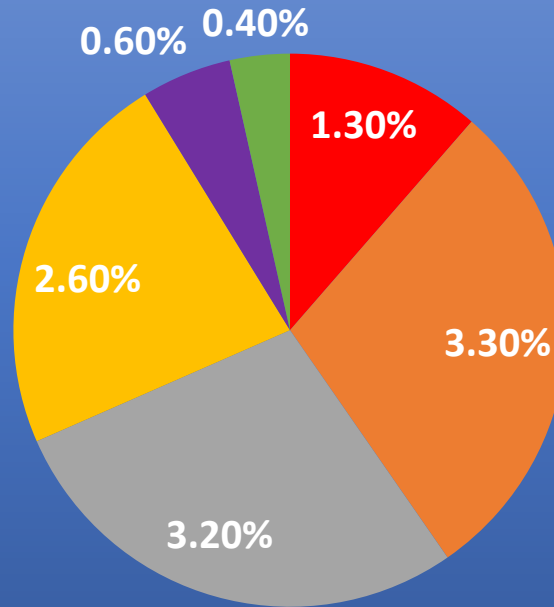
Average Regulatory Costs for a Single-Family Home: 2021



# Cost of Regulation: Georgia Single-Family Home

Average Regulatory Costs During Lot Development as % of House Price

11.3%



■ COST OF APPLYING FOR ZONING APPROVAL

■ LAND DEDICATED TO THE GOVERNMENT

■ COMPLYING WITH OSHA/OTHER LABOR REQUIREMENTS

■ HARD COSTS OF COMPLIANCE

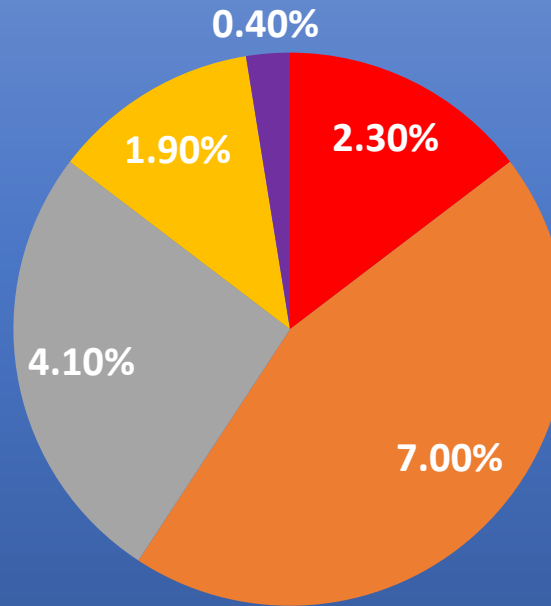
■ STANDARDS THAT GO BEYOND THE ORDINARY

■ PURE COST OF DELAY (IF REGULATION IMPOSED NO OTHER COST)

# Cost of Regulation: Georgia Single-Family Home

Average Regulatory Costs During Construction as % of House Price

15.6%



■ FEES PAID BY THE BUILDER AFTER PURCHASING THE LOT

■ CHANGES TO BUILDING CODES OVER THE PAST 10 YEARS

■ ARCHITECTURAL DESIGN STANDARDS BEYOND THE ORDINARY

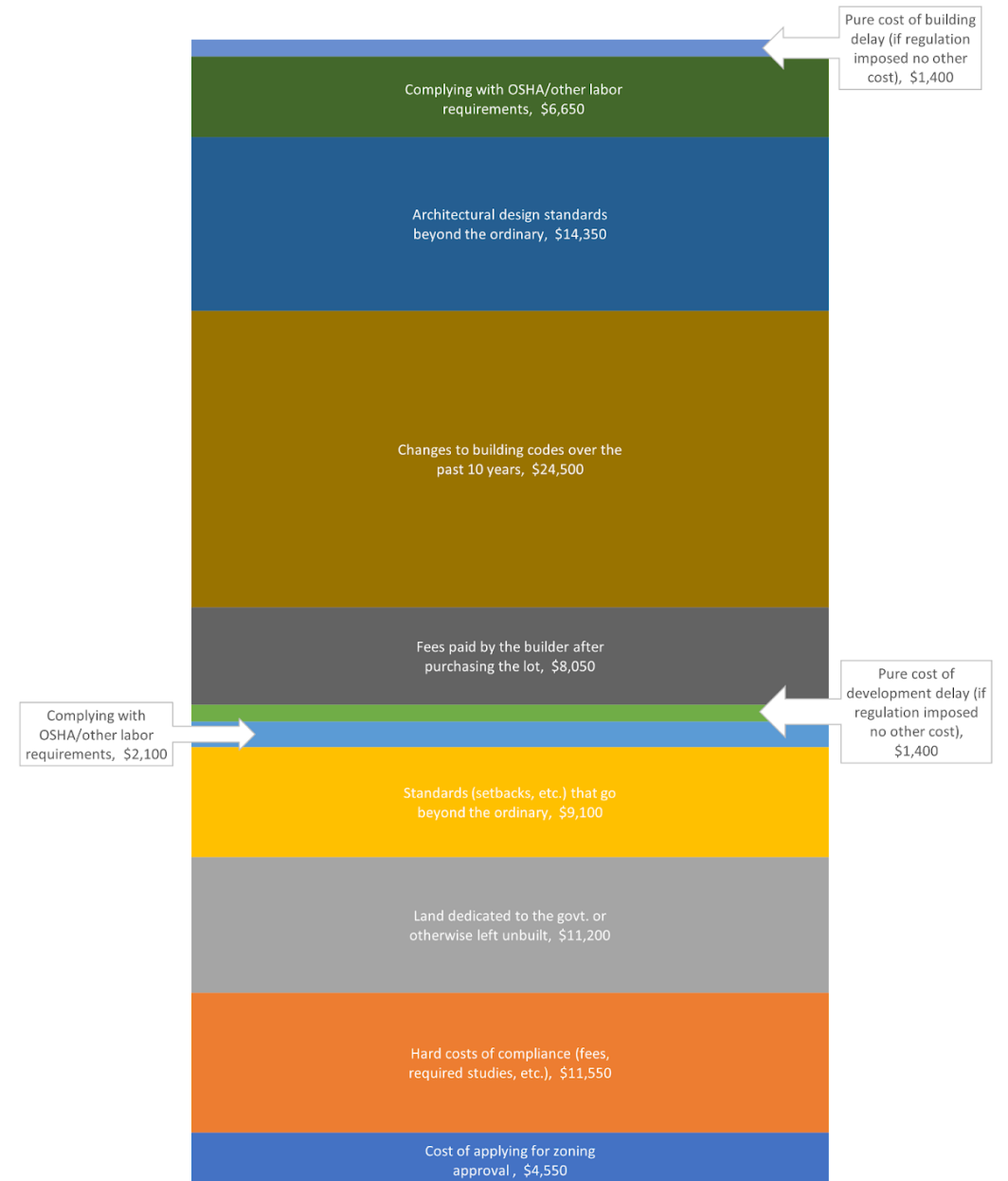
■ COMPLYING WITH OSHA/OTHER LABOR REQUIREMENTS

■ PURE COST OF DELAY (IF REGULATION IMPOSED NO OTHER COST)



If the price of a new single-family home in Georgia is \$350,000, then \$94,150 of that price can be attributed to the cost of regulation.

## COST OF REGULATION IN THE PRICE OF A NEW SINGLE-FAMILY HOME IN GEORGIA (\$350,000)



# Cost of Regulation: Multifamily Housing

- National Association of Home Builders and National Multifamily Housing Council published the most recent national study June 2022
  - Previous edition: 2018
  - Survey delivered electronically to NAHB and NMHC members in April 2022
- GPPF and Georgia Apartment Association surveyed Georgia multifamily developers in Fall 2022

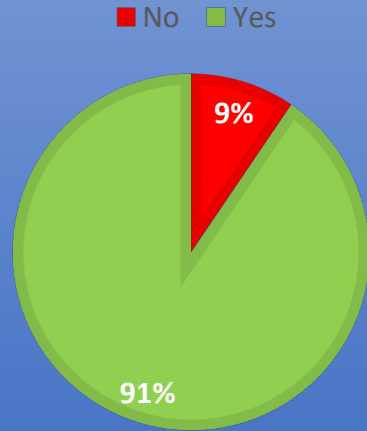
# Cost of Regulation: Multifamily Housing

## Average Regulatory Costs for Multifamily Housing: 2022

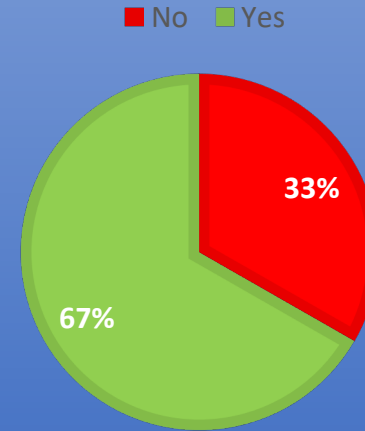


# Cost of Regulation: Multifamily Housing

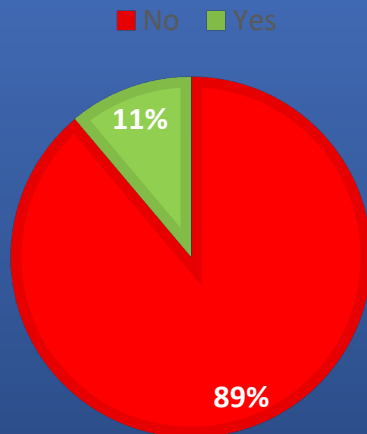
EVER EXPERIENCED OPPOSITION TO  
MULTIFAMILY CONSTRUCTION?



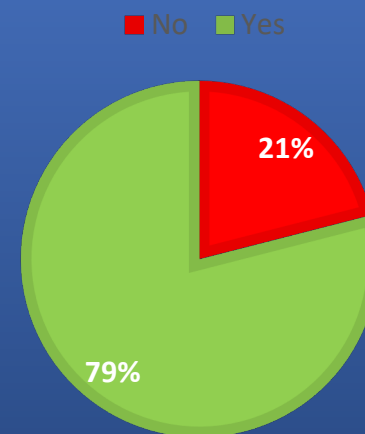
IS TYPICAL PROJECT IN A JURISDICTION  
WITH INCLUSIONARY ZONING (IZ)?



DO GEORGIA'S MFH DEVELOPERS AVOID  
BUILDING IN INCLUSIONARY ZONING?



DO GEORGIA'S MFH DEVELOPERS  
AVOID BUILDING IN RENT CONTROL?



# Development Impact Fee Study

Executive Summary

Introduction

Implementation Process for Impact Fees

Study Methodology

Georgia Development Impact Fees Table

Single-Family Home Impact Fees

**Multifamily Apartment Impact Fees**

Multifamily Townhouse and Condo Impact Fees

Annual Total Revenues

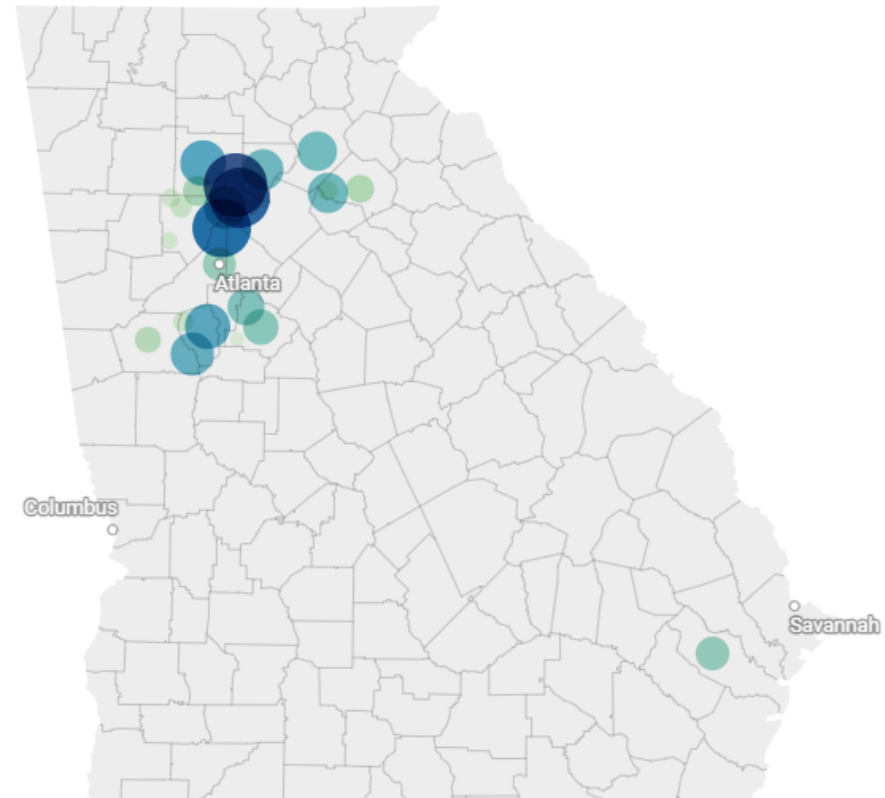
Municipalities with both City and County Impact Fees

Conclusion

Endnotes

## Multifamily Apartment Impact Fees

Georgia Cities



<https://www.georgiapolicy.org/publications/impact-fees/>

# Development Impact Fees: Trends and Impact

Government	County	Ratio SFH
Cumming	Forsyth	9.15%
Sandy Springs	Fulton	8.47%
Effingham	n/a	6.86%
Canton	Cherokee	6.42%
Milton	Fulton	6.09%
Atlanta	Fulton	5.74%
Rockdale	n/a	5.71%
Alpharetta	Fulton	5.59%
Gainesville	Hall	5.22%
Fayetteville	Fayette	5.04%

**Sandy Springs Median Household Income: \$80,898**

**Sandy Springs SFH Impact Fee: \$6,854**

# Lot Size Minimums

- Reviewed single-family lot size only
- Many local governments utilize the DPH standard:  
43,560 sq. ft. (one acre) for properties with septic tanks and  
21,780 sq. ft. (one half-acre) for properties using public  
water and sewage.
- 31 counties, eight cities in metro Atlanta and six county seats  
that contained single-family residential districts with  
minimum lot requirements above the DPH's standard.
- 50 counties, 60 cities in metro Atlanta and 87 county seats  
where the single-family residential districts with the highest  
minimum lot requirements fell below the DPH's standard.

<https://www.georgiapolicy.org/publications/a-review-of-lot-and-home-size-minimums-in-georgia/>

# Lot Size Minimums

- Houston: 32,670 sq. ft.
- Warner Robins: 32,670 sq. ft. (septic); 14,000 sq. ft. (sewer)
- Perry: 15,000 sq. ft.
- Centerville: 43,560 sq. ft. (septic *and* well); 15,000 (septic); 14,000 and below (sewer)
- Peach: 43,560 sq. ft.
  - Comprehensive Land Development Resolution (2023)
- Fort Valley: 8,000 sq. ft.
- Byron: 43,560 sq. ft. (as low as 7,000 sq. ft. on sewer)



# Home Size Minimums

- Reviewed single-family home size only
- Home size dimensions lack an industry consensus
- 16 counties, 30 cities in metro Atlanta and 25 county seats that contained single-family residential districts with minimum home size requirements above 1,000 sq. ft.
- Eight counties, three cities in metro Atlanta and 6 county seats containing single-family residential districts with minimum home size requirements below 1,000 sq. ft.

# Home Size Minimums

- Houston: N/A
- Warner Robins: N/A
- Perry: 1,500 sq. ft.
- Centerville: N/A
- Peach: N/A
- Fort Valley: N/A
- Byron: N/A

# What's Next?

- **Legislative inaction 2023/2024**
  - **Solutions will have to come locally**
- **Upcoming GPPF report:**
  - **Housing needs by region**

<https://www.georgiapolicy.org/issues/housing/>

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