

IMPEDIMENTS TO REGIONAL HOUSING DEVELOPMENT



**TOP 5
BARRIERS**

Regional developers said the following negatively affected development:

1. Politics and neighborhood perception (80%)
2. Local land use regulations (60%)
3. Cost of construction materials (40%)
4. Cost of construction (30%)
5. Infrastructure costs (30%)



**TOP 5
POSITIVE
FACTORS**

Regional developers said the following positively affected development:

1. Financing: access to debt, equity, and government incentives (67%)
2. Proximity to employers, healthcare, education, healthy foods and transit (67%)
3. Politics and neighborhood perception (22%)
4. Operations and maintenance (22%)
5. Other (strong market demand for homes) (22%)



DATA NEEDS

Developers highlighted three critical improvements related to data:

1. More data to related analyzing demographics and housing demand and setting rental rates and housing prices
2. More data related to understanding consumer trends
3. More data related to understanding local regulatory requirements



**LAND USE &
PLANNING**

- **Site selection:** Site selection is one of the most overlooked barriers in regional housing development. There is a mismatch between what developers are building and local land-use standards.
- **Regulatory costs:** Regional developers estimate regulatory costs account for about 26 percent of total development costs. Some developers said regulatory costs have been as high as 51 percent and as low as 6 percent. Regional costs are slightly lower than national estimates, where regulatory costs add 32–43 percent to multifamily development.



**DEVELOPMENT
COSTS**

- **Land costs:** Land costs (based on multifamily developments of 40+ units) vary from county to county across the region. The highest land value of these parcels is in Delaware County (\$1.1 million) and the lowest is in Pickaway County (\$145,452).
- **Development costs:** The rise in construction costs since 2016 has the largest impact on multifamily construction costs on a per-square-foot basis. Construction costs increased by \$26.16 per square foot to \$182.04 per square foot.

Sources: Focus groups with City of Columbus staff and online developer survey via IceMiller; data collected as part of the Regional Housing Strategy for Central Ohio; National Association of Homebuilders and National Multifamily Housing Council (June 2018), available at www.nmhc.org/contentassets/60365effa073432a8a168619e0f30895/nmhc-nahb-cost-of-regulations.pdf.