

# The Libertarian Case for Single-Family Housing

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Surveys say that around 80% of Americans prefer or aspire to live in single-family homes, not apartments or condos. More than 80% of the populations of many states with minimal rural land-use regulation, including Delaware, Pennsylvania, Utah, and much of the Midwest, do in fact live in single-family homes.

Despite this clear preference, city planners want to force most urban Americans to live in multifamily housing. By scaring people about disappearing farmlands, pollution, and climate change, they have persuaded state and regional governments, mainly in coastal states, to restrict development of new single-family homes, thus creating artificial housing shortages that prevent many people from realizing their preference of living in a single-family home.

Given this clear distinction between personal preferences and government regulators, libertarians and free-market advocates should clearly come down on the side of consumer preferences. Yet a surprising number of libertarian groups, including the [Cato Institute](#), the [Mercatus Center](#), and Montana's [Frontier Institute](#), as well as notable free-market economists such as [Alex Tabarrok](#), are joining the central planners in their attack on zoning that favors single-family homes.

***City planners want to force most urban Americans to live in multifamily housing.***

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Planners' vendetta against single-family homes goes back more than 50 years. Planners began complaining about "urban sprawl" — a euphemism for single-family housing developments outside of existing cities — [in the 1930s](#). Such sprawl was supposedly leading

to a “cropland crisis” because it was paving over prime farmlands. Hostility towards auto driving, an alleged byproduct of low-density development, began in the 1960s.

On January 1, 1973, planning advocates released a book entitled Compact City arguing that if more people lived in apartments there would be less driving, thus both saving energy and protecting farmlands. Most planners themselves live in single-family homes, yet it has since become an article of faith among them that multifamily housing is morally and environmentally superior to single-family homes.

To increase the share of people living in multifamily housing, planners have persuaded state and regional governments to limit the amount of land available for new housing. Planners call these restrictions “growth management.” The simplest growth-management tool is an urban-growth boundary around a city with severe restrictions on new development outside that boundary.

Oregon, for example, requires all major cities to draw urban-growth boundaries. Outside the boundaries, it is illegal for anyone to build a house on their own land unless they own at least 80 acres, they actually farm it, and they actually earn (depending on soil productivity) \$40,000 to \$80,000 a year from farming. Rural landowners were angered that their rights to do other things with their land had been taken away, but planners are proud that, since these rules were imposed, only about 100 new homes a year have been built in Oregon rural areas. Meanwhile, Portland’s regional government, Metro, set a target of reducing the share of households living in single-family homes from 65% in 1990 to 41% in 2040.

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Hawaii, in 1961, became the first state to pass a growth-management law. A 1963 law led many California cities and counties to draw growth boundaries in the 1970s. Oregon’s law dates to 1973. Washington passed a similar law in 1990. Most East Coast states or counties between Massachusetts and northern Virginia passed growth-management laws or implemented growth-management plans in the 1980s and 1990s. Florida repealed its 1988 growth-management mandate in 2011, but its counties are still allowed to restrict rural development and most still do.

Other than Florida, most southern and interior states have not passed similar restrictions. However, Denver has an urban-growth boundary and Las Vegas has a de facto growth boundary because of the fact that most of the land in Nevada is owned by the government and the Las Vegas area has run short of private land on which to build new housing.

Growth management has made housing much more expensive wherever it is applied. Economists measure housing affordability by comparing median home values with median family incomes. When homes cost less than three times incomes, people can buy homes and pay off mortgages in 15 years. When homes cost four times incomes, paying off a mortgage can take 30 years. At five times median incomes, it becomes impossible to get a mortgage under standard rules limiting house payments to 30% of incomes.

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In 1970, housing was affordable throughout the United States. The least-affordable state was Hawaii, because of its 1961 land-use law, but even in Hawaii median homes cost only three times median incomes. In San Francisco, San Jose, Santa Barbara, and other regions considered unaffordable today, median prices were only a little more than two times median incomes.

After 1970, housing quickly became unaffordable in states and regions that wrote growth-management plans. Housing prices in major California urban areas grew to more than four times median incomes by 1980; more than five times by 1990; and more than seven times by 2019. This was not an unintended consequence of growth-management laws; it was completely intended by planners who think fewer people should live in single-family homes.

Planners' arguments for compact cities are entirely groundless. There is no cropland crisis: the nation uses only a third of its agricultural lands for growing crops, and cropland acres have declined because per-acre yields of most crops have grown faster than our population. We could quadruple the size of all the cities in the country and not make a dent in our food supply.

The claim that compact cities use less energy is similarly wrong. Studies show that people living in dense cities such as San Francisco drive less than people in low-density suburbs, but most of the difference results from self-selection: people who want to drive less tend to live in denser places. Moreover, Department of Energy data show people driving in denser, more congested cities use more fuel sitting in traffic, so they actually emit more greenhouse gases from their driving than people in low-density suburbs.

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California's rural land-use regulations are so strict that the 2020 census found that 96% of California's residents are confined to 5% of the state's land. Nearly 70% of the San Francisco Bay Area is rural land that is off limits to development. Opening up that land to subdivision

would immediately make the region's housing more affordable.

Instead, when people complained about unaffordable housing, planners deflected attention away from growth management by blaming high housing prices on single-family zoning and "NIMBYs" (Not In My Back Yard people), who opposed rezoning of single-family neighborhoods to allow for dense multifamily development. In fact, they aren't the problem at all.

Planners claim that single-family zoning makes housing expensive by creating an oligopoly limiting the amount of new housing. But no such oligopoly is possible so long as vacant lands on the urban fringe are available for new development. Except for Houston, almost every city in the country had single-family zoning before 1960, yet housing only became unaffordable when regions implemented growth-management plans.

At the same time, there is no reason why multifamily housing will be more affordable. In fact, it will be less affordable, especially in the four-story and taller multifamily buildings that planners want developers to build, as such buildings require more concrete and steel, and anything taller than three stories requires an elevator. California developer Nick Arenson testified to the Association of [San Francisco] Bay Area Governments that three-story multifamily buildings cost 50% more per square foot than single-family homes; four-story buildings cost twice as much; and five stories and up cost three to seven times as much, per square foot, as single-family housing.

When planners say they want "affordable" multifamily housing, they either mean they want to substitute 1,000-square-foot apartments for 2,200-square-foot single-family homes, or they want to subsidize multifamily housing, or, most likely, both. Even after driving up the prices of single-family homes, many cities have to offer subsidies to developers to persuade them to build multifamily.

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Most Americans not only want to live in a single-family home; they want to live in neighborhoods of single-family homes. This can be seen by comparing today's urban areas with those of 130 years ago. In 1890, urban homeownership rates in the United States were low, around 17%, because people didn't want to spend a lot of money buying a home only to have the home's value reduced if some incompatible use, such as an industrial site, were built next door.

To encourage sales, private developers began including protective covenants in their housing subdivisions. Such covenants typically said that the lots they sold could only be used for single-family homes. This did not increase the cost of the lots or homes, but it did increase the rate at which developers were able to sell those lots.

In the 1910s, city officials noted the rise of homeownership in new developments outside their borders and wanted to make single-family neighborhoods within city limits more attractive to residents so people wouldn't move out to the covenant-protected suburbs. They explicitly created single-family zoning for this purpose. As a result of the combination of covenants on new developments and single-family zoning of existing neighborhoods, homeownership rates more than tripled by 1960, showing people's preference for living in single-family neighborhoods.

Residents of single-family neighborhoods have good reasons to oppose multifamily housing in their midst. More people mean congested streets. Water and sewer systems must be rebuilt to support higher densities, and the costs of such reconstruction are often imposed on existing taxpayers. More density also usually means more crime, not because apartment dwellers are criminals but because the common areas of multifamily housing attract crime and some of that will spill over into the rest of the neighborhood.

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Effectively, living in a single-family neighborhood can be a property right. People buying a lot or home in a neighborhood with covenants agrees never to build more than a single-family home on their property, on the condition that their neighbors also don't built more than single-family homes. The same is true for single-family zoning.

Nevertheless, density advocates have managed to convince some libertarians to support the abolition of single-family zoning by arguing that such zoning violates people's property rights. In fact, zoning has been around for so long that virtually everyone who owns a home in a neighborhood zoned for single-family housing bought that home after it was already zoned. This means that almost no one today has "lost" property rights by buying a home and then having it zoned for single-family. In fact, residents of single-family neighborhoods who object to multifamily housing have specifically stated that they believe rezoning for higher densities takes away their property rights.

Whether or not single-family zoning is a property right, rezoning of such neighborhoods for multifamily housing still makes no sense. This is because apartments are not a true substitute for single-family homes.

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The United States really has two housing markets, a big one for single-family housing and a much smaller one for multifamily. Most Americans view multifamily housing as temporary housing, a place for people to live who expect to be in an area only a short time (such as students) or until they can afford to buy a single-family home.

Apartments and condos, which tend to be smaller and more expensive than single-family homes, are no more a substitute for single-family homes than subcompact cars are substitutes for pickups. Pickups typically weigh twice as much as subcompacts. If we had a pickup shortage, someone might suggest scrapping pickup trucks in order to make more subcompacts. Obviously, this wouldn't alleviate the shortage of pickups; instead, it would make it worse.

Yet that is exactly what planners want to do when they propose to abolish single-family zoning. They want developers to scrap single-family homes that most people want and replace them with apartments or condos that most people don't want. This will produce more housing units, but fewer units of the kind of housing that is in short supply. Such a program will increase housing prices, both because of the decline in single-family homes and because of the higher cost, per square foot, of the multifamily homes that replace them.

No urban area in the world has ever become more affordable by replacing single-family housing with multifamily housing. In fact, the densest urban areas — regions such as Hong Kong, London, New York, and San Francisco — are also the least affordable. As the densities of cities such as San Francisco, Los Angeles, Seattle, and Portland increased in response to growth-management laws, they also became less affordable. Expecting that even more density will make them more affordable is sheer fantasy.

Central planners want to reduce the number of Americans living in the kind of homes they prefer. Supporters of laws to abolish single-family zoning are abetting these planners. Those who truly care about either property rights or housing affordability should work instead to abolish the urban-growth boundaries and other growth-management policies that took property rights from rural landowners and made urban housing expensive.