



The Impact of Regulation on Home Ownership

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NCHBA
NC HOME BUILDERS ASSOCIATION

North Carolina Housing Cost

Statewide Median List Price*:

2020 - \$252k

2024 - \$419k

↑ \$167k

*North Carolina Chamber Foundation. (2025). *North Carolina Housing Supply Gap Analysis and Economic Impact Report*. NC Chamber. Retrieved from <https://ncchamber.com/2025/01/15/advancing-housing-affordability-as-a-catalyst-for-economic-growth-stability/>

Est. NC Median Household Income: \$69k

Est. Req. Household Income: \$130k 👎



North Carolina Housing Cost

Result?

- *It Is Estimated That The Average NC Family Cannot Afford The Median Priced Residential Dwelling*
- Home Prices Elevated In Part By Lack of Inventory:
 - *"...322,360 rental units and 442,118 for-sale units would need to be constructed during 2024-2029 in the State to close the housing gap in North Carolina." [Walden-2025]*

What can this Committee do?

- Solutions?
 - Background...



A Regulatory Walk-Through...

- Start: Due Diligence Process
 - Check The Zoning
 - Can The Current Zoning Density Yield A Price-point Families Can Afford?
 - If Not? **REZONING!!!**
 - Conditions!?!



A Regulatory Walk-Through...

- Rezoning/Conditional Zoning
 - Current Statute Allows For Voluntary Consent In Exchange For Increased Density.
- What Can Be “Voluntarily Consented” To?
- Conditions That Are Otherwise Prohibited By Law.
 - Both Legislative Prohibitions & Court Decisions
 - Conditions That Are Not Specifically Authorized.



A Regulatory Walk-Through...

- NC Local Government Planning & Zoning Board Agenda From Last Week:

VII. Old Business

VII.a Discussion of Condition List for Conditional Zonings [List of Conditions.pdf](#)

- The Planning Director provided a list of conditions to the Board that would be given to all conditional zoning applicants: (***including conditions that are unlawful unless otherwise voluntarily consented to by the applicant***)...and explained that the proposed conditions reflect the Planning Board's **"expectations"** for conditional zoning requests.
- The predetermined "Conditions List" Included Several Building Design Elements (Aesthetic Controls) Prohibited by GS 160D-702b.

A Regulatory Walk-Through...

- Due Diligence Continued...

- Check Environmental Constraints

- Ditches, Creeks, Or Streams Onsite? = Riparian Buffers
 - Wetlands? = Federal & State 404/401 Determinations
 - Is The Site In, Or Near, A Floodway Or Floodplain?
 - Is The Site In A Coastal County? = CAMA / Coastal Stormwater Requirements
 - Is The Site In A Protected Watershed? = Density Limits / SW Treatment / Buffers



A Regulatory Walk-Through...

- Due Diligence Continued...
 - Water / Wastewater
 - Public Water & Sewer Available?
 - If Not: On-site Wastewater And/Or Wells Feasible
 - Soils, Well Setbacks, Etc.
 - If So: Is There Capacity?
 - Are Fire Flow Requirements Provided?
 - Does The Wastewater System Need Upgrades (Pump Stations/Force main)?



A Regulatory Walk-Through...

- Due Diligence Continued...
 - Check Transportation Impacts
 - Are State AND/or Local Roadway Improvements Warranted?
 - Intersection Upgrades
 - Turn-lanes
 - Or more
 - Significant: Time / \$



A Regulatory Walk-Through...

- Due Diligence Continued...

- Start Permitting...

- Local Gov. Admin. Approvals Needed (Post-Zoning/Rezoning Process)
 - Site Plan / Preliminary Plat / Flood Plain Management / Tree Survey & Mitigation
 - 404/401 Impacts? Roadway Crossings / Utility Crossings
 - State/Local Sedimentation & Erosion Control
 - Federal Construction Stormwater General Permit (NCG01)



A Regulatory Walk-Through...

- Due Diligence Continued...
 - Continue Permitting...
 - State/Local Post Construction Stormwater Permitting
 - NCDOT/Local Driveway Permitting
 - NCDOT/Local Right-of-way Encroachment Permitting
 - NCDOT/Local Offsite Traffic Improvement Permitting



A Regulatory Walk-Through...

- Due Diligence Continued...
 - Continue Permitting...
 - Water & Wastewater Provider Permitting
 - Or Local Health Dept. Well & Septic Permitting
 - NCDEQ Public Water Supply Permitting
 - NCDEQ Sanitary Sewer Permitting
 - Alternative Sewer? More Permitting



A Regulatory Walk-Through...

- All Permits In-Hand...Break Ground To Start Sitework
 - To This Point: Significant Timeframes
 - Fastest – No: Rezoning / Traffic Improvements / Utility Issues
= 1.5 years
 - VERY Rare
 - Normal= 2.5 years
 - Tougher Projects= +4 years



A Regulatory Walk-Through...

- Sitework...
 - Erosion Control Measures
 - Land Grading / Earthwork / Stormwater Measures
 - Utility Installation
 - Water / Sanitary Sewer / Storm Sewer
 - Roadwork / Sidewalks
 - Electrical / Cable / Fiber Installation



A Regulatory Walk-Through...

- Sitework Continued...
 - Each Sitework Element Requires:
 - Monitoring
 - Reporting
 - As-Built Surveys
 - Performance Bonding
 - Final Certifications
 - Goal: Sitework Release...Finally Home Building Begins!



A Regulatory Walk-Through...

- Home Building...
 - Local Gov. Site / Lot Plan Review
 - Building Permits Requested
 - Periodic Building Inspections
 - Footing/Foundation/Slab
 - Rough: Framing /Plumbing / Electrical / Mechanical
 - Sheathing (as req'd.) / Insulation
 - Final: Building / Plumbing / Electrical / Mechanical
 - Goal: Certificate Of Occupancy (CO)



A Regulatory Walk-Through...

- Total Time?
 - Permits + Sitework + Home Building =
 - Best Case = +3.25 years *on average*
 - Normal = +4.25 years & UP *on average*
 - Includes: 12 months for Sitework & 9 months for Home Building
 - Highly Variable:
 - Good Weather / Timely Inspections / Eff. Supply Chain



Impact On Housing Cost

- Land + Development Costs VS. Home Cost
 - Traditional Financing Requires:
 - Land + Development Cost = 20% Loan Value
 - 5X Multiplier To Loan Value
 - Every \$1 Impact To Land + Development Cost Requires A \$4 Increase To The Appraised Home Value
 - \$100k Land + Dev. Cost Requires \$400K Home



State Legislative Solutions

- What Can This Committee Do?
- Top 3
 - Facilitate Efficient Permit Reviews
 - Local Government / NCDOT / NCDEQ / Etc.
 - Reform The Rezoning / Conditional Zoning Process
 - Only Lawful Conditions Should Be Apart Of Increased Density Negotiations



State Legislative Solutions

- What Can This Committee Do?...Continued
 - Require A High Base Density In Urban Centers & Establish A *Reasonable* Base Density In Rural Areas

[“By-Right” Is Fast & Certain...Rezoning Are Time Consuming, Uncertain & Costly]

These Improvements Will Help Protect Against Urban Sprawl & Preserve Farmland As We Aim To Provide More Affordable Housing For More NC Families

State Legislative Solutions

- Expanded Potential Solutions:
 - Establishing permit review shot-clocks across State and Local permitting programs for timely reviews.
 - Ensuring adequate infrastructure exists to support the new housing (i.e., water and sewer) and eliminate barriers to receiving capacity.
 - Ensuring state regulations are specifically authorized by state statute and enforced consistent with legislative objectives.
 - Requiring state agencies to streamline permitting processes to include issuance of a single permit (rather than federal, state, and local permits).

Thank You!

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