

DR 81-1 - Housing Costs -
Regulations.

WICHITA-SEDGWICK COUNTY

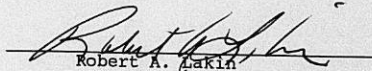
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METROPOLITAN AREA PLANNING DEPARTMENT

January 7, 1981

TO The Files
FROM Robert A. Lakin, Director of Planning
SUBJECT Housing Costs - Regulations (DR 81-1)

Attached is a news article from January 1 Wichita Eagle and Beacon. This article speaks to a HUD report on regulatory reform as it impacts housing costs. I have ordered the HUD booklet on this. At the time it is received, an assignment will be made to review the findings in the book and see what has been done here locally as compared to what is recommended nationally to see how we compare favorably or otherwise with changes in regulations affecting housing costs.


Robert A. Lakin
Director of Planning

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Attachment

Relaxing Regs Produces 24% Cheaper Housing

By GENE AUSTIN
Knight-Ridder News Service

Ask a builder whether there is a way to bring down the high cost of new homes, and the response is likely to be: "Eliminate useless regulations."

Builders and experts who have been probing housing costs have been saying things like that for years, but very little has been done about it. The proposition has remained more or less a theory, with tantalizing possibilities but no concrete foundation.

There is new evidence that local building regulations, many of which might indeed be burdensome and unnecessary, add considerably to the price of new housing.

An experiment to test the effect of easing local-government regulations, conducted in four parts of the nation including suburban Pittsburgh, yielded what the U.S. Department of Housing and Urban Development (HUD) called "impressive results." The HUD-sponsored program is one outgrowth of a White House conference on state and local regulatory reform, held in January of last year.

FOR EXAMPLE, groups of new homes built in the Pittsburgh suburbs sold for about 24 percent less than if the homes had been built without some concessions and active cooperation by the municipalities.

"We dazzled them," said Charles R. Gartrell, land resources manager for Ryan Homes Inc., which was selected by HUD to build the demonstration homes. "We proved that a builder can go back into the inner city and be competitive. Basically the savings came out of reductions

in time. Approvals (by the municipality) were expedited, and some requirements were modernized, such as allowing us to use PVC (plastic) sewer pipe."

Prices of 13 of the homes, which average about 1,000 square feet of living space, were about \$42,000 rather than the \$55,000 to \$60,000 that would have been charged if conventional procedures had been followed in building them. Similar price-trimming results were reported for another group of test homes.

HERE ARE SOME of the procedures used to cut costs — procedures that normally would not be permitted by building regulations of the type prevailing in many municipalities.

- Street width was reduced from 32 feet to 28 feet.
- Sidewalks were placed on only one side of each street.
- Plastic pipe was used and fewer catch basins for storm water were installed. There were no charges for tapping into water supplies.
- Wall studs were placed on 24-inch centers rather than 16-inch centers.
- Inspections and reviews were completed so rapidly that it was estimated an entire year's time was saved.
- More costs were saved by moving a minimum amount of earth from the site and by using factory-construction techniques.

Equally good results were achieved in other demonstration projects at Shreveport, La., and Hayward, Calif.