

FLORIDA POLICY PROJECT

Best Practices for Starter Homes: Restoring the Path to Homeownership for Florida's Working Families

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Goal	Increase the supply of starter homes for working families.
Recommendation	Establish statewide standards that cap the minimum lot sizes that local governments may require for new subdivisions, in order to permit single-family detached homes on lots of 2,500 sq. ft. or greater and townhomes on lots of 1,000 sq. ft. or greater. This would not restrict property owners or homebuilders from building homes on larger lots; it simply gives them the flexibility to build homes on smaller lots.

Florida is Not Building Enough Starter Homes

A “starter home” is a single-family detached home or a single-family attached home, that a working family can afford to buy or rent. The most important metric for whether a working family can buy a home is the cost of the home relative to the income of the family. A useful metric for defining a newly constructed starter home is that it must cost at most 4.0 times the median household income of the given county where the home is located. For example, the median household income in Alachua County is around \$62,000, so a starter home in Alachua County must cost at most \$248,000.¹

In large part because the housing supply did not keep up with demand during the past decade of high population growth in Florida, the state is now short about 486,000 homes,² and the shortage is most severe for starter homes; the median carpenter household, a proxy for Florida's working class, could purchase 74% of existing entry-level homes in Florida in 2012, but could only afford 20% of such homes in 2025.³

¹ "QuickFacts: Alachua County, Florida." *U.S. Census Bureau*, www.census.gov/quickfacts/fact/table/alachuacountyflorida.

² AEI Housing Center and U.S. Chamber of Commerce. "Strong Foundations: A Playbook for Housing and Economic Growth (Florida)." *AEI Housing Center*, 3 Sept. 2025, aeihousingcenter.org/playbook/florida.

³ AEI Housing Center and U.S. Chamber of Commerce. "Strong Foundations: A Playbook for Housing and Economic Growth (Florida)." 3 Sept. 2025, aeihousingcenter.org/playbook/florida.

In new Florida subdivisions build from 2015-2024, the median lot size for all single-family homes was 6,500 sq. feet, with a living area of about 2,000 sq. ft., valued at \$452,523 in 2025, about 5.9 times the given county median income.⁴ However, Florida starter homes built in new subdivisions during this time period had a median lot size of 4,800 sq. ft, with a living area of about 1,500 sq. ft. (still family-sized with 3 bedrooms), and sold for around 3.7 times the given county median income. These starter homes accounted for only 10% of all homes built in new subdivisions in Florida from 2015-2024, while the other 90% were not starter homes.

The main reason why so few starter homes are being built in Florida is because of local governments' minimum lot sizes. Minimum lot sizes are the smallest size lot on which a local government allows a property owner or a homebuilder to construct a home, which we explain further in the report. When a local government requires a larger minimum lot size, it forces property owners and homebuilders to build more expensive homes on larger lots. If statewide standards allowed homebuilders to construct new homes on smaller lots, they would build far more starter homes at lower prices.

How Florida Can Build More Starter Homes

Our policy recommendation for the Florida Legislature is to prioritize a Starter Homes Act that sets statewide standards for local government minimum lot sizes. We recommend minimum lot sizes in new residential subdivisions be set at a maximum of 2,500 sq. ft. for single-family detached homes and 1,000 sq. ft. for townhomes. This would not restrict property owners or homebuilders from building homes on larger lots; it simply gives them the flexibility to build homes on smaller lots.

Statewide, we estimate that a Starter Homes Act that sets our recommended standards for minimum lot size, and for related regulations that we address later in the report, would make homes more affordable by increasing the annual production of new single-family homes by over 80%. The median of these new single-family homes would:

- Be valued at \$356,000, which is about 4.4 times Florida's median county-based household income, and is \$100,000 less than the median value of new single-family homes that are being built under current local government regulations.
- Have a lot size of 3,500 sq. ft., with 1,700 sq. ft. of living area (3-4 bedrooms).
- Reduce sprawl, preserve farmland, and protect the environment, by allowing more homes on land that is already zoned for residential use.

Statewide, we also estimate that the Starter Homes Act would increase the annual production of new starter homes seven-fold (by 671%), and would increase the proportion of new starter homes from 10% of new home construction currently, to 40% after passing the Starter Homes Act. The median of these new starter homes would:

⁴ Uncited figures in this report are based on AEI research that is unpublished prior to this report.

- Be valued about 3.4 times Florida's median county-based household income.
- Have a lot size of 2,500 sq. ft., with 1,400 sq. ft. of living area (3 bedrooms).

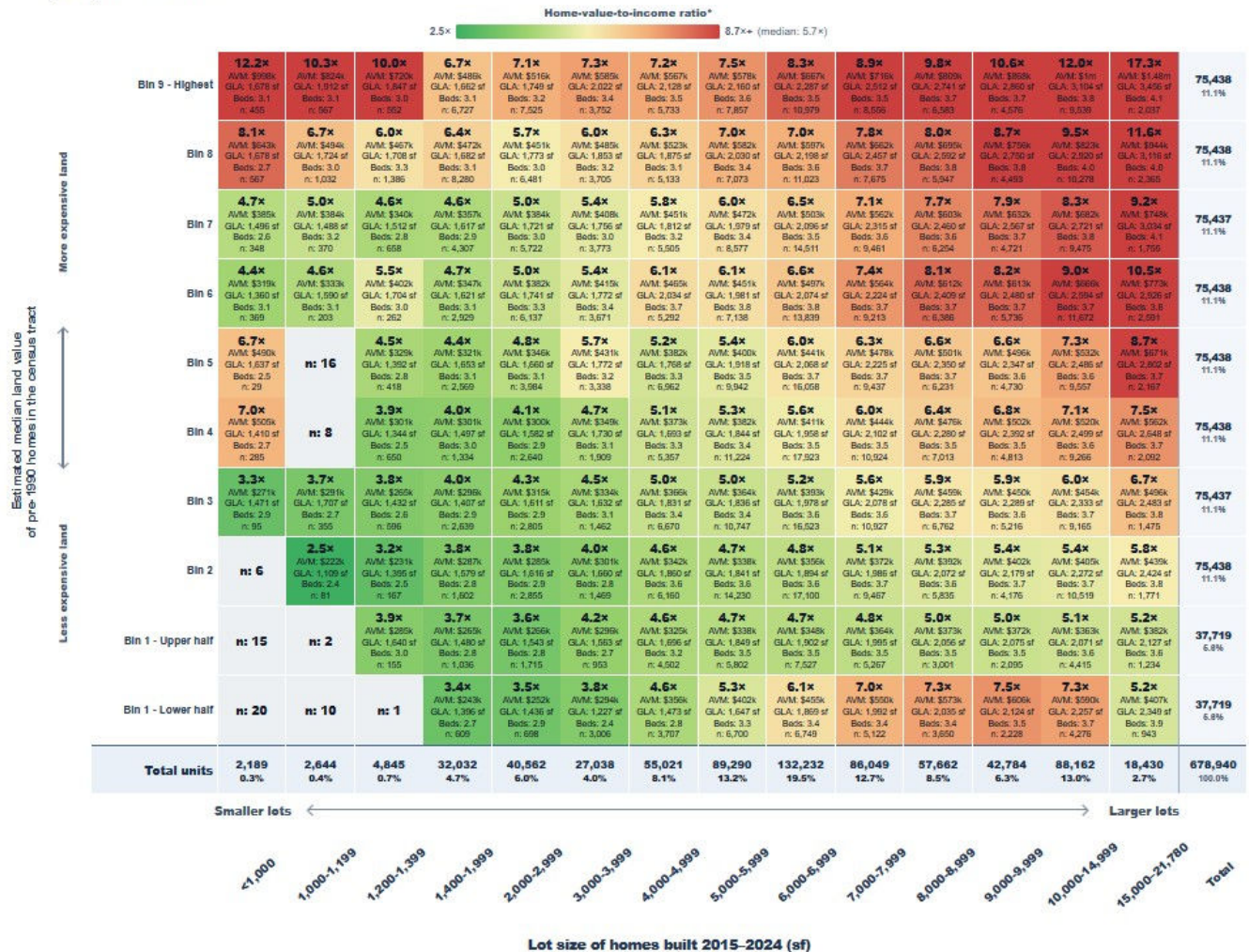
We recommend a minimum lot size of 2,500 sq. ft. for single-family detached homes and 1,000 sq. ft. for townhomes, for two key reasons. First, there would not be a significantly higher number of new starter homes built if the minimum lot size were even smaller than these numbers. For example, if Florida set no minimum lot size at all for single-family detached homes and townhomes, the number of new starter homes built would only be a few percent more than the number built under the standards that we recommend. Second, setting minimum lot sizes higher than 2,500 sq. ft. for single-family detached homes or higher than 1,000 sq. ft. for townhomes would significantly reduce the potential construction of new starter homes. For example, setting a 3,000 sq. ft. minimum lot size for both single-family detached homes and townhomes would cut new starter home construction in half compared to the standards that we recommend.

The Key Role Played by Land Cost

Cell values, top to bottom: Home-value-to-income ratio (P/I) · Median home value (AVM) · Gross living area (GLA) · Average bedrooms (Beds) · Number of homes (n)

Florida: State Periodic Table of Starter Homes by Land Value and Lot Size

New single-family homes built 2015–2024



The table above shows, for new single-family homes built from 2015–2024, the relationship between lot size (x-axis), land cost (y-axis), and each cell shows the median home value, ratio of home value to the county median income (price to income ratio), gross living area (GLA), number of bedrooms, and number of homes (n-count). The overall relationship from the upper right corner to the lower left is clear at a glance: as lot size and land cost decline, homes become more affordable with a lower home value, a lower price to income ratio, and less living area, yet homes on smaller lots are still family-sized with about 3-bedrooms. In short, starter homes begin with smaller lots on less expensive land, and end up with a median living area of 1,100 sq. ft. to 1,700 sq. ft., with a median price of \$200,000 to \$300,000.

Rules That Constrict the Development of Starter Homes

A plethora of local regulations makes starter homes difficult to build in most of Florida. Each rule can sound reasonable in isolation, but in combination, they work to make the construction of starter homes illegal in most areas, and cost prohibitive where legal.

Minimum lot size

A minimum lot size is the smallest area of a lot on which a local government will allow a home to be built. If a local government requires a minimum lot size of 10,000 sq. ft. (around 0.25 acres), then it is illegal to build a new home on a new lot that is less than 10,000 sq. ft, even if a family prefers a smaller lot or cheaper home. Local governments often use equivalent requirements, such as minimum lot dimensions for width and depth, that also dictate the minimum area of a lot.

Consider a new subdivision of five acres. To be conservative about the number of new homes, assume that around half of the new subdivision is used for streets, sidewalks, and stormwater retention, while the other half is used for new homes. A 3,000 square foot minimum lot size would enable a homebuilder to construct at least 36 starter homes in this new subdivision, versus around 11 more expensive homes if the minimum lot size were 10,000 sq. ft.

Minimum lot size also interacts with an existing lot's size. Consider a vacant lot in an urban area. If the lot is 16,000 sq. ft, and the minimum lot size is 10,000 sq. ft, then it is illegal to split the 16,000 square foot lot into two lots of 8,000 sq. ft. Instead, if the minimum lot size were 4,000 sq. ft, then the property owner could split the 16,000 square foot lot into up to four lots of 4,000 sq. ft. This would dramatically reduce the land cost per lot, allowing for the construction of four lower-priced homes where previously only one higher-priced home could be built.

Over time, existing lot sizes and minimum lot sizes for new lots, and single-family detached only zoning, have all made land scarce and expensive. This has constrained the housing supply. Land prices have risen, along with land shares. Land share is the percentage of a home's value that is attributable to the land, rather than the structure of the home itself. By 2024, every major Florida metro area had a land share above 50%, with most above 60%.⁵ Land shares are the highest in older areas that are zoned for only single-family detached homes and are composed of older homes on large lots. Since single-family detached homes are the only legal use in these areas, land shares there are often above 70%. If a property owner buys one of these older homes, say on a 16,000 square foot lot, then to make a profit and bring the land share down to around 30%, the homebuilder will likely demolish the older home to build a larger and more expensive home. Alternatively, if the local government allowed the property owner to split the 16,000 square foot lot into four lots that are each 4,000 sq. ft, then the homebuilder would be able to build four less expensive homes on four lots instead of building one large and more expensive home on one lot. And for the same reasons, if the land share and minimum lot size are high for empty land near a city, then a homebuilder will likely build large and

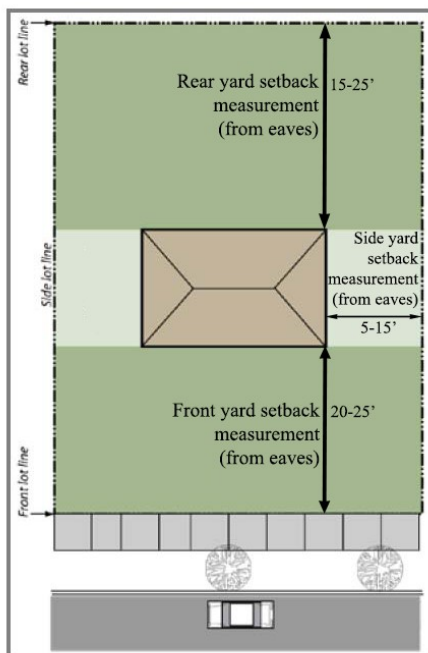
⁵ AEI Housing Center. "Land Price and Land Share Indicators." *AEI Housing Center*, 3 Sept. 2025, <https://www.aei.org/housing/land-price-indicators/>.

expensive homes in a new subdivision on that land, but they would rather build more starter homes in that subdivision if the minimum lot size were lower.

The population-weighted average minimum lot size requirement is 12,165 sq. ft. across Florida cities, and 18,826 sq. ft. across Florida counties.⁶ Since the median lot size of homes built in new Florida subdivisions from 2015 to 2024 was 6,500 sq. ft., many of these new subdivisions were planned unit developments (PUDs) or master-planned zoning, which are a form of discretionary approval that avoids minimum lot sizes; we will explain the downsides of discretionary approval later on.

The most effective way to allow more starter homes is to reduce minimum lot sizes, as shown by cities and states across the country that we discuss later in this report:

- Philadelphia cut its minimum lot size from 960 sq. ft. to 800 sq. ft. for certain lots and has allowed homes on even smaller lots for centuries.
- Houston cut its minimum lot size from 5,000 to 1,400 sq. ft.
- Austin cut its minimum lot size from 5,750 to 1,800 sq. ft.
- Gainesville cut its minimum lot size from as much as 8,500 sq. ft. to 3,000 sq. ft.
- Idaho requires its largest cities to cut minimum lot sizes to 1,500 sq. ft. for new subdivisions that are greater than 4 acres.



- Texas requires its largest cities to cut minimum lot sizes to 3,000 sq. ft. for new subdivisions that are greater than 5 acres.
- Kansas requires every city and county to cut minimum lot sizes to 3,000 sq. ft. for new homes under 2,500 sq. ft.
- Maine requires every city to cut minimum lot sizes to 5,000 sq. ft. for certain lots.

Minimum setbacks

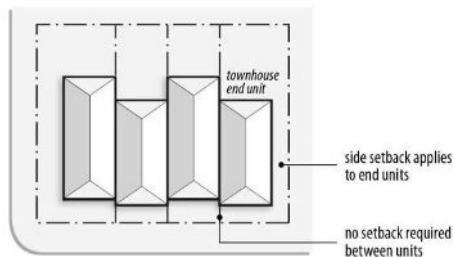
A setback is the distance that a building must be from its lot lines, including the front, sides, and rear. For example, if there is a 25-foot front setback for a lot, then a building cannot be closer than 25 feet from the front

⁶ Bartik, Alexander, Arpit Gupta, and Daniel Milo. "The Costs of Housing Regulation: Evidence from Generative Regulatory Measurement." *SSRN*, 19 Aug. 2025, ssrn.com/abstract=4627587.

Daniel Milo provided the Florida calculations directly to the authors of this report, and for a map of all of his and Professor Gupta's Florida data, see here: www.thezoningproject.org/#stats.

lot line. This requirement forces property owners and homebuilders to buy larger lots to build the same sized home.

In the example diagram to the left,⁷ we can say for simplicity that the lot is 80 feet wide between the side lot lines and 80 feet deep between the front and rear lot lines, meaning the lot has an area of 6,400 sq. ft. We can also say there is a 15-foot setback requirement from the side lot lines to create the side yards, and a 25-foot setback requirement from the front and rear lot lines to create the front and rear yards. This means that the buildable area, where the home is shown, is only 50 feet wide and 30 feet deep, totaling 1,500 sq. ft. Due to minimum setback requirements, the 6,400 square foot lot area is more than four times the 1,500 sq. ft. of buildable area. Alternatively, if the front setback were 15 feet, the side setbacks were 5 feet, and the rear setback were 10 feet, then the property owner or homebuilder would only need a 3,300 square foot lot in order to have the 1,500 sq. ft. of buildable area, almost half the size of the 6,400 square foot lot that the local government is requiring due to its 25-foot front and rear setbacks and its 15-foot side setbacks.



Minimum setback requirements also make townhomes illegal in most single-family zones. As shown in the example diagram to the left, a property owner or homebuilder can only build townhomes if the local government allows zero feet of side setbacks between each townhome, since this allows one townhome to share walls with the two townhomes on each of its

sides. The diagram also demonstrates how townhomes traditionally have small front and rear setbacks, so that the townhome takes up a significant share of the area of the lot.⁸ Most local governments in Florida require side setbacks, and large front and rear setbacks, that make townhome development illegal for most residential lots, even though townhomes are often the most attainable starter home for working families. We recommend statewide standards for minimum setbacks of no greater than a 15 foot front setback, 10 foot rear setback, and 0 foot side setbacks to enable single-family detached homes and townhomes on smaller lots. Property owners and homebuilders could still choose to build homes with larger front, rear, or side lawns, and smaller minimum setbacks will give them the flexibility to build on smaller lots if they choose.

⁷ "How to Properly Measure Your Setback." *Village of Yellow Springs, Ohio*, www.yellowsprings.gov/egov/apps/document/center.egov?view=item;id=2066.

⁸ "Citywide Housing Zoning Code Amendments." *Tulsa Planning Office*, 9 Apr. 2021, tulsaplanning.org/docs/housing/2021-04-09-Housing-Zoning-Amendments.pdf.

Minimum frontage and minimum width



Minimum frontage is the minimum width or depth that a lot must have along a public right-of-way, such as a public road. A cottage court is a group of homes that surround a shared space or courtyard, instead of each home being along a public right-of-way. Minimum width is common in addition to, or instead of, minimum frontage.

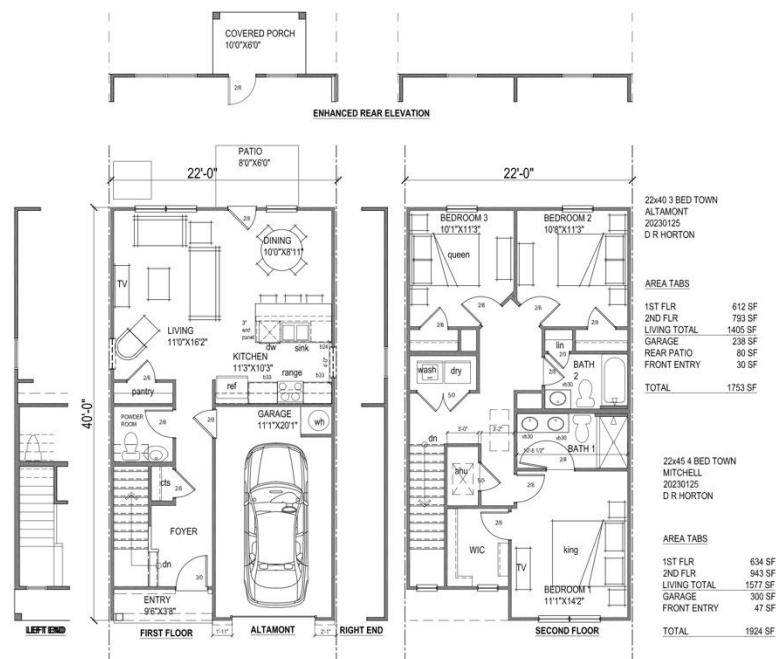
For example, the diagram above shows a typical cottage court with 12 homes that surround an open space.⁹ Imagine a local government required that new homes have a minimum frontage of 100 feet along a public street. Homes 1 to 4 in this diagram only have 30 feet of frontage along the public street, and homes 5 to 12 have no frontage along the public street because they front and abut the open space instead, so every home in this cottage court would be illegal to build. Similarly, it is common to build townhomes on lots that are 30-feet-wide or less, which is illegal if the minimum frontage or minimum width is greater than 30 feet. Hence minimum frontage and minimum width requirements often make cottage courts and townhomes illegal, even if these homes comply with a local government's minimum lot size and setback requirements. We recommend statewide standards for a minimum frontage of no greater than 20 feet for lots that are along a public right-of-way, and no minimum frontage requirement for lots that front or abut a common space, like in a cottage court. We also recommend statewide standards for a minimum width of 20 feet. And as shown in the example diagram in the minimum parking section below, 20-foot-wide townhomes can still fit a one-car garage, 3 bedrooms, and 2.5 bathrooms, so these homes are family sized, and as previously mentioned, a property owner or homebuilder could still choose to construct a larger home on a wider lot instead.

Minimum parking

A minimum parking requirement is the number of off-street parking spaces (including in a garage) that a local government requires for each home, regardless of how many cars the residents actually own. Each required space takes up around 330 sq. ft. of land once the driveway or maneuvering area is included,¹⁰ so in order to build a starter home with the same living area but two parking instead of one, the property owner or homebuilder must pay significantly more for a larger lot to fit the extra parking space.

⁹ Dravis, Stephen. "Williamstown Planning Board Talks 'Cottage Court' Bylaw." *iBerkshires*, 24 Jan. 2023, www.iberkshires.com/story/70685/Williamstown-Planning-Board-Talks-Cottage-Court-Bylaw.html. The cottage court diagram is from the City of Ashland, Oregon, as presented to the Williamstown Planning Board.

¹⁰ Shoup, Donald. *The High Cost of Free Parking*. Updated ed., Planners Press, 2011.



On a small lot with a townhome, minimum parking requirements often force a garage to take up most of the ground floor, adding construction cost and subtracting living space.¹¹ In the example to the left of a one-car-garage townhome built in Florida, it is a starter home with 3 bedrooms, 2.5 bathrooms, and 1,405 sq. ft. of living area. Florida's local governments, such as the City of Miami, often make townhomes like this illegal by requiring two or more parking spaces for every single-family home.¹² For the same size building footprint, the

townhome in the diagram would need one less bedroom and one less bathroom to fit an extra car in the garage, making it less suitable for a family with children.

We recommend statewide standards of no greater than one parking space required per home. This lets families buy starter homes with a one-car garage and a smaller driveway, and it still allows families to buy homes with two-car garages if they want to.

Maximum height

A maximum height limit caps how tall a home may be, usually in feet or stories. For a smaller lot in or near a major city where land is expensive, family-sized townhomes are often three stories, but in Miami-Dade County, most new homes can only be two stories unless a greater height is approved at a public hearing.¹³ We recommend statewide standards that enable starter homes to be up to three stories or 35 feet, so family-sized townhomes are possible to build on smaller lots in Florida's largest cities.

Discretionary approval processes

A discretionary approval process requires a proposed home to win case-by-case approval, such as a rezoning, a special exception, a variance, or a public hearing, instead of being approved

¹¹ Sightline Institute. "In Mid-Density Zones, Portland Has a Choice: Garages or Low Prices?" 2 Oct. 2019, www.sightline.org/2019/10/02/in-mid-density-zones-portland-has-a-choice-garages-or-low-prices; Sightline Institute. "Unlock Middle Housing with Parking Reform." 18 Mar. 2024, www.sightline.org/2024/03/18/unlock-middle-housing-with-parking-reform (on lots of 7,500 sq. ft. or smaller, fitting the required off-street parking often makes multiple homes physically impossible).

¹² City of Miami. "T3 Single Family Homes: Frequently Asked Questions." *Miami 21*, www.miami21.org/pdfs/miami21_faqs_singlefamily_080228.pdf.

¹³ *Code of Miami-Dade County, Florida*, sec. 33-52. Municode, library.municode.com/fl/miami_-_dade_county/codes/code_of_ordinances.

administratively when it meets written standards. Each hearing adds months of delay, thousands of dollars in costs, and the risk of denial for reasons unrelated to any objective standard. Across Florida, property owners and homebuilders often must hire local land use attorneys, planners, engineers, and even lobbyists in each jurisdiction where they build.¹⁴ Because a starter home has thin margins to begin with, discretionary review pushes property owners and homebuilders toward the expensive homes that can absorb these costs. The statewide standard that we recommend for starter homes in Florida is by-right approval; if a proposed home complies with the written rules, it should be approved without a public hearing.

Impact fees

Impact fees are one-time charges meant to offset a new home's burden on infrastructure such as roads, schools, and parks. In the 2021 fiscal year, Florida local governments collected \$1.8 billion in impact fees, often much more than required for the cost of infrastructure. For example, Florida TaxWatch found each new single-family detached home between 2,000 and 2,499 sq. ft. in Orange County required almost \$27,000 in impact fees.¹⁵ The Legislature capped the pace of increases in 2021, generally limiting increases to 50% every four years, but the underlying fee levels remain a meaningful share of a starter home's price.¹⁶ Because impact fees are largely flat per home regardless of size, they take up a far larger share of the price of a starter home than for a more expensive home. One key reform for Florida would be to charge impact fees per square foot, rather than per home, in order to reduce the burden on starter homes.

Aesthetic design standards

Aesthetic design standards dictate how a home must look, such as requiring masonry or brick exteriors, minimum roof pitches, garage placement rules, or articulation of the front facade. These rules prevent homebuilders from using simpler designs that fully comply with the building code, adding a cost of \$16,117 for a \$499,500 home, or a cost of \$11,293 for a \$350,000 home, without any health or safety benefit.¹⁷ Florida must strengthen reforms that it adopted under Section 163.3202(5) of Florida Statutes, which restricts when local governments are allowed to impose regulations relating to building design elements (aesthetic design standards) for single-family homes and duplexes.

¹⁴ Gardner, Charles, and Jacob Cremer. "How to Streamline Housing Permitting in Florida." *Mercatus Center*, George Mason University, 3 Dec. 2024, www.mercatus.org/research/policy-briefs/how-streamline-housing-permitting-florida.

¹⁵ "The Impacts of Impact Fees on the Cost of Housing." *Florida TaxWatch*, Apr. 2023, floridataxwatch.org/the-impacts-of-impact-fees-on-the-cost-of-housing/.

¹⁶ *Florida Statutes*, sec. 163.31801, 2025, www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0100-0199/0163/Sections/0163.31801.html.

¹⁷ Lynch, Eric. "Government Regulation in the Price of a New Home: 2026." *National Association of Homebuilders*, June 2026, www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2026/special-study-government-regulation-in-the-price-of-a-home-june-2026-updated.pdf.

Maximum lot coverage and minimum open space or permeable surface

Maximum lot coverage is the maximum percentage of a lot's area that may be covered by buildings, which usually does not include a driveway or other pavement. However, local governments often pair lot coverage with a separate minimum open space or minimum permeable surface requirement, which is the minimum percentage of a lot's area that is not buildings, driveways, or pavement. Together, these rules limit the percentage of a lot's area that can be built on, so property owners and homebuilders are forced to buy a larger lot to build the same sized home, increasing costs similar to minimum lot size and minimum setback requirements.

One major justification for maximum lot coverage is to reduce stormwater runoff, because buildings, driveways, and pavement do not absorb stormwater. However, Florida was the first state in the country to adopt a rule requiring that stormwater be treated for all new development after 1982 to remove at least 80% of pollutants, which reduces the risks of stormwater runoff.¹⁸ Under another statewide environmental program that grew out of that 1982 rule, new development must also meet flood control standards through the water management districts, regardless of what a zoning code says about lot coverage. With other rules to protect the environment and prevent flooding, maximum lot coverage requirements needlessly drive-up land costs and often make starter homes cost prohibitive. Hence, we recommend a statewide standard of requiring that no greater than 30% of a lot be open space or permeable surface.

Minimum living area

Minimum living area is the minimum gross living area that a home must have. For example, in Winter Gardens the minimum living area for most single-family homes is 1,800 sq. ft.,¹⁹ and in Satellite Beach the minimum living area for most single-family homes is 1,850 sq. ft.²⁰ As mentioned at the beginning of this report, the median starter home built in Florida from 2015-2024 had 1,500 sq. ft. of living area (around 3-bedrooms), demonstrating how these provisions make it illegal to build perfectly acceptable 3-bedroom starter homes in some Florida cities. We recommend a statewide standard of no minimum living area requirements, except as required by Florida Building Code and Florida Fire Prevention Code for health and safety reasons. This would give homebuyers the choice of two bedrooms instead of three bedrooms, three bedrooms instead of four bedrooms, etc.

¹⁸ "ERP Stormwater." *Florida Department of Environmental Protection*, 30 May 2024, floridadep.gov/water/submerged-lands-environmental-resources-coordination/content/erp-stormwater.

¹⁹ "Winter Garden, FL Zoning Ordinance." *Zoneomics*, 2026, www.zoneomics.com/code/winter-garden-FL/chapter_4.

²⁰ "Satellite Beach, FL Zoning Ordinance." *Zoneomics*, 2024, www.zoneomics.com/code/satellite-beach-FL/chapter_4. Accessed [date].

Barriers to Infill Development

Most new housing in Florida is built in new subdivisions that are outside of cities. These homes are generally more affordable to rent or buy than new homes built in cities, because the land is less expensive outside of cities. This forces working families to commute further to their jobs and amenities. The most effective way to make housing more affordable close to jobs and amenities within a city is urban infill, meaning new homes on lots inside existing neighborhoods. Existing streets, water and sewer connections also lower the infrastructure costs for infill than when building homes in new subdivisions, and infill has less effect on rural and agricultural land.

The opportunity is enormous, since the AEI Housing Center estimates that allowing urban infill through lot splits and more dwelling types on existing lots would add about 45,000 homes per year in Florida, compared to around 60,000 homes in new subdivisions under the Starter Homes Act that we recommend. However, these estimates are not directly comparable, since the methodology for new subdivisions is more updated than for the infill. Also, most infill development would not be starter homes; new infill homes are more affordable than the alternative of building a larger and more expensive home, and they are less likely to be a starter home compared to homes on small lots in new subdivisions, because even a small lot is often expensive in a city when it is in a prime location near jobs and amenities. Still, infill development indirectly allows more people to buy a starter home through a process called filtering, because infill development allows homeowners in less expensive homes to move into homes that are closer to jobs and amenities, which then frees up that less expensive home to others who are looking to buy their first home.

All of the rules described in the previous sections prevent starter homes from being built in both new subdivisions and urban infill throughout most of Florida. However, infill often faces more barriers than new subdivisions. A new subdivision is platted on vacant land, so a large homebuilder can spread regulatory costs across hundreds of lots. Infill happens gradually, one lot at a time, usually by small-scale homebuilders. A requirement that is manageable for a 100-lot subdivision can make a five-townhome infill project cost prohibitive on its own. Infill also faces barriers for lot splits, which are not applicable to new subdivisions.

Restrictions on lot splits

Most homebuilders can make a larger profit, with a lower risk, from four starter homes than from one large and expensive home. Consider a homebuilder that bought an older home on a 16,000 square foot lot for \$500,000. With a 70% land share, the homebuilder paid \$350,000 for the lot and \$150,000 for the structure of the older home. If the homebuilder were to demolish the older home to build a larger and more expensive home and bring the land share down to 30% with the same \$350,000 lot, then the new home would sell for around \$1,170,000. However, if the homebuilder could split the 16,000 square foot lot into four lots that are each 4,000 sq. ft, then the same land becomes more valuable, because land derives its value from the homes that can legally be built on it. The AEI Housing Center estimates that each additional home that can

legally be built on a parcel raises the parcel's land price by about 5%,²¹ so three additional homes raise the \$350,000 lot's value by about 15%, to roughly \$400,000, which is \$100,000 when split into four lots. If the property owner built one new starter home on each of the four lots, with the same 30% land share on each \$100,000 lot, then each of the new starter homes would sell for around \$330,000. Therefore the four starter homes would sell for a combined \$1,320,000, roughly \$150,000 more than the one larger and more expensive home from the same land. Hence most homebuilders would rather construct the four starter homes, which are also easier to sell, because they are more affordable for middle-class families buy compared to one large and expensive home that only upper-class families can afford.²²

One Expensive Home vs. Four Starter Homes on the Same 16,000 Square Foot Lot

Outcome	One Large and Expensive Home	Four Starter Homes
Homes built	1	4
Sale price per home	About \$1,170,000	About \$330,000
Total sales from the same land	About \$1,170,000	About \$1,320,000
Who can afford to buy	Upper-class families	Working-class families

When infill occurs in desirable locations near jobs and amenities in Florida's medium to high population counties, the land cost for infill lots will generally be higher than the \$500,000 in this example. And when infill occurs near jobs and amenities in smaller counties with a lower median household income, such Highlands County with a \$55,000 median household income,²³ a \$330,000 is 6.0 times the median household income and is therefore not a starter home. The point stands that the four new infill homes will be more affordable than the larger and more expensive home.

Even where zoning allows smaller lots, the process for creating them can be prohibitive. Most Florida local governments treat splitting one lot into four lots as a subdivision requiring a full plat or replat, with surveys, engineering submittals, multiple review cycles, and approval by the governing board at a public hearing. A small homebuilder who wants to split one large lot into four smaller lots faces much of the same process as a large homebuilder platting a hundred-lot subdivision, which can take a year or more before any infill homes are built. Houston's by-right platting process allowed for tens of thousands of new starter homes,²⁴ and the best practice for Florida is to approve lot splits by right for lots near jobs and amenities in cities, without requiring a new plat.

²¹ "Estimating Light-Touch Density's Housing Supply Potential: Methodology." *AEI Housing Center*, Jan. 2025, www.aei.org/wp-content/uploads/2025/02/LTD-Conversion-Estimates-Methodology-Jan.-2025-final.pdf.

²² Peter, Tobias. "The Opportunity Cost of McMansionization in the Los Angeles Metro." *American Enterprise Institute*, 19 Sept. 2024, www.aei.org/articles/the-opportunity-cost-of-mcmansionization-in-the-los-angeles-metro/.

²³ "QuickFacts: Highlands County, Florida." *U.S. Census Bureau*, <https://www.census.gov/quickfacts/fact/table/highlandscountyflorida/PST045225>

²⁴ Hamilton, Emily. "Learning from Houston's Townhouse Reforms." *Mercatus Center*, George Mason University, 11 Apr. 2023, www.mercatus.org/research/policy-briefs/learning-houstons-townhouse-reforms; Gray, M. Nolan, and Jessica McBirney. "Liberalizing Land Use Regulations: The Case of Houston." *Mercatus Center*, George Mason University, 17 Aug. 2020, www.mercatus.org/research/policy-briefs/liberalizing-land-use-regulations-case-houston.

Best Practices at the State Level

Florida can follow in the footsteps of multiple states across the country that enacted starter homes reforms in 2025 and 2026, while also being guided by the latest research on best practices that are mentioned in this report.²⁵

Starter Home Reforms Adopted by States

Law	Cities or Counties Included in the Scope	New Subdivisions or Existing Neighborhoods	Minimum Lot Size Requirement
Texas: SB 15 (2025)	Cities with 150,000+ population in counties with 300,000+ population	New subdivisions (5+ acres)	3,000 sq ft
Idaho: SB 1352 (2026)	Cities with 10,000+ population	New subdivisions (4+ acres)	1,500 sq ft
Kansas: SB 418 (2026)	All cities and counties	Both: all new single-family homes with less than 2,500 sq. ft. of livable floor area	3,000 sq ft
Maine: LD 1829 (2025)	All cities	Both: all residential lots served by public water and sewer	5,000 sq ft
California: SB 9 (2021)	All cities and counties	Existing neighborhoods: single-family urban lots	1,200 sq ft

Texas

Texas enacted Senate Bill 15 (SB 15) in 2025, becoming one of the largest states in the country to adopt starter home reforms. The bill limited the minimum lot size that local governments may require to at most 3,000 sq. ft. for lots in new subdivisions of at least five acres in cities with more than 150,000 population that are in counties with more than 300,000 population.²⁶ For lots that are 4,000 sq. ft. or less, the bill also limited the minimum setback requirements to at most 15 feet from the front, 10 feet from the rear, and 5 feet from the sides of a lot, limited the minimum parking requirement to at most one space per dwelling unit, limited the minimum open-space or permeable surface requirement to at most 30%, limited the minimum width requirement to 30 feet, prohibited local governments from requiring covered parking or off-site parking, and prohibited local governments from imposing a maximum height of fewer than three stories. SB 15 also includes a private right of action that lets any aggrieved person or housing organization sue a local government in violation of SB 15, and a prevailing claimant can recover attorney's fees, meaning a successful property owner or homebuilder can recover attorney's fees but not a successful local government. This reduces the risk for small-scale property owners and homebuilders who struggle to hire attorneys when a local government does not allow them to construct starter homes.

²⁵ "State Housing Supply Legislative Tracker" *AEI Housing Center*, aeihousingcenter.org/static/policy-tracker/.

²⁶ Texas, Legislature, Senate. *Senate Bill 15*. Texas Legislature Online, capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=SB15. 89th Legislature, Regular Session, 2025, effective 1 Sept. 2025; codified at *Texas Local Government Code*, secs. 211.051–211.058.

Idaho

Even though Idaho is one of the least densely populated states in the U.S., it became the second least affordable housing market in the nation in 2024,²⁷ with only about 5.6% of Idaho's homes being attainable for a first-time buyer who earned \$75,000 in 2025.²⁸ In response, Idaho enacted Senate Bill 1352 in 2026, which was the most transformative starter homes reform of any state in the country. The bill limited the minimum lot size that local governments may require to at most 1,500 sq. ft. for new subdivisions of at least four acres in cities with more than 10,000 population. These cities are where over 60% of Idahoans live.²⁹ The bill also limited the minimum setback requirements to at most 15 feet from the front or rear and 5 feet from the sides, limited minimum lot width to 30 feet, and bars cities from charging starter home subdivisions higher permit, impact, or utility connection fees than other single-family subdivisions.

Kansas

Kansas enacted Senate Bill 418, the By-Right Housing Development Act, in April 2026 with broad bipartisan support. Unlike the Texas and Idaho reforms, the Kansas law contains no population threshold; it applies to all cities and counties. For new construction of a single-family home that have less than 2,500 sq. ft. of living area, the bill limited the minimum lot size that local governments can require to 3,000 sq. ft, subject only to "reasonable" setback requirements, and required that local governments allow single-car garages, one side of architectural finish, and construction under the 2018 International Residential Code.³⁰ The law defines a single-family home to include a duplex, and it pairs these standards with by-right approval, including for projects with up to 12 townhomes. The law also treats all residentially zoned land within a city as zoned for single-family use and requires that local governments allow one-car garages.

Maine

Maine enacted LD 1829 in June 2025 after enacting other recent housing reforms. For any residential lot served by public water and sewer, the law caps the minimum lot size that a city may require at 5,000 sq. ft, and it pairs that cap with limits on how much lot area a city can demand per dwelling unit. Unlike the Texas and Idaho reforms, which apply only in larger cities, Maine's cap applies in every city.³¹

²⁷ Mohammed, Omar. "Two Republican States' Housing Markets Are Least Affordable in the Country." *Newsweek*, 20 May 2024, www.newsweek.com/two-republican-states-housing-markets-are-least-affordable-country-1902494.

²⁸ Carmel, Margaret. "Only 5% of Idaho Homes Affordable to Middle-Income Buyers." *BoiseDev*, 27 Oct. 2025, boisedev.com/news/2025/10/27/middle-income-home/.

²⁹ Conde, Hollie. "Idaho's Big Housing Breakthrough Year." *Sightline Institute*, 29 Apr. 2026, www.sightline.org/2026/04/29/idahos-big-housing-breakthrough-year/.

³⁰ Kansas, Legislature, Senate. *Senate Bill 418*. Kansas Legislature, kslegislature.gov/li/b2025_26/measures/sb418/. 2025–2026 Regular Session, signed by Governor Laura Kelly 7 Apr. 2026.

³¹ Maine, Legislature. *An Act to Build Housing for Maine Families and Attract Workers to Maine Businesses by Amending the Laws Governing Housing Density*. Maine Legislature, legislature.maine.gov/legis/bills/display_ps.asp?LD=1829&snum=132. 132nd Legislature, 1st Special Session, LD 1829 (HP 1224), signed 20 June 2025, Public Law 2025, ch. 385.

California (a cautionary example)

California shows how starter home reform fails when it is loaded with poison pills. Senate Bill 9 (SB 9), enacted in 2021, allows duplexes and lot splits by right on most single-family lots, but required every lot split applicant to sign an affidavit promising to live on the property for three years, and it allowed local governments to impose fees and aesthetic design standards. This meant that if a retired senior wanted to split their lot, built two new homes, and move to another neighborhood, then even if two new homebuyers wanted to move in, it was illegal under SB 9. Out of 6.1 million eligible parcels statewide, only 266 projects using SB 9 had been permitted or completed by the end of 2023.³² Affidavit requirements prevented small homebuilders from using the law, and some jurisdictions charged lot split application fees of \$30,000 to \$50,000 and utility connection fees of \$50,000 to \$100,000, making projects cost prohibitive.³³ Florida's Legislature must avoid these poison pills for a Starter Homes Act to succeed.

2026 Florida Starter Homes Act

In the 2026 session, Senate Bill 948, which contained the proposed Florida Starter Homes Act, and its House companion, House Bill 1143, would have limited minimum lot size requirements for Florida's cities and counties to 1,200 sq. ft. for lots connected to public water and sewer, limited minimum setback requirements to at most 20 feet from the front, 10 feet from the rear, and zero feet from the sides, limited the minimum parking requirement to one space per dwelling unit, limited the minimum open-space or permeable surface requirement to at most 30%, and allowed lot splits by right. The bill passed through one State House and one State Senate committee and died in succeeding committees. After learning lessons from this 2026 legislation, we recommend that the Florida Legislature introduce a Starter Homes Act that aligns more closely with this report in 2027 and focuses on new subdivisions, while filing a separate bill that allows lot splits by right near jobs and amenities in cities.³⁴

³² Garcia, David, and Muhammad Alameldin. "California's HOME Act Turns One: Data and Insights from the First Year of Senate Bill 9." *Terner Center for Housing Innovation*, University of California, Berkeley, Jan. 2023, ternercenter.berkeley.edu/research-and-policy/sb-9-turns-one-applications/.

³³ "Missing No Longer? Taking Stock of Local and Statewide Missing Middle Reforms." UC Berkeley Center for Community Innovation with University of Texas, Austin, 2024, www.aducalifornia.org/wp-content/uploads/2024/12/Missing-No-Longer.pdf.

³⁴ Florida, Legislature, Senate. *Senate Bill 948*. Florida Senate, www.flsenate.gov/Session/Bill/2026/948. 2026 Regular Session, died in Judiciary 13 Mar. 2026; House companion *House Bill 1143* (Rep. Nix), www.flsenate.gov/Session/Bill/2026/1143.

2026 Florida Infill Redevelopment Act

In the 2026 session, Senate Bill 1434, the Infill Redevelopment Act, was signed into law on May 21, 2026, creating Section 163.2525, Florida Statutes.³⁵ A qualifying parcel must be at least five acres, adjacent to residentially zoned parcels, inside the urban development boundary, environmentally impacted, , and it must lie in a county with more than 1.475 million residents and at least 15 cities. Only Miami-Dade, Broward, and Palm Beach counties meet those thresholds.³⁶ Environmentally impacted land includes most golf courses within the three counties, because golf courses are almost always larger than five acres, and decades of pesticide and herbicide use on golf courses typically leave arsenic and other contaminants above residential cleanup levels.³⁷

For qualifying parcels, a local government must allow residential development up to the lesser of the average density of the adjacent residential zoning districts or 25 homes per acre, must approve a complying application administratively (without public hearings), and must approve the subdivision of the parcel administratively as well. The potential supply of land is substantial; Palm Beach County alone has more than 150 golf courses, Broward and Miami-Dade have roughly 40 or more each, and a typical 18 hole course covers about 170 acres, which totals around 50,000 acres across the three counties.³⁸ However, a golf course that is surrounded by single-family homes must have been closed for at least 12 consecutive months before the bill allows homes to be built on it.

The Infill Redevelopment Act's scope is deliberately narrow, only applying to large and contaminated parcels in three counties. But it still requires administrative approval for starter homes in parts of major Florida metro areas. Instead of only approving new homes on environmentally impacted parcels, the Florida Legislature should pass a bill that requires local governments to approve lot splits by right, near jobs and amenities in cities, which would allow relatively more affordable homes to be built in these cities.

Best Practices at the Local Level

Decades of experience by major cities across the country shows how starter homes reform can make homeownership and renting more affordable for working families.

Starter Home Reforms Adopted by Cities

Ordinance	Cities or Counties Included in the Scope	New Subdivisions or Existing Neighborhoods	Minimum Lot Size Requirement
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³⁵ Florida, Legislature, Senate. *CS/CS/SB 1434: Infill Redevelopment Act*. Florida Senate, www.flsenate.gov/Session/Bill/2026/1434. 2026 Regular Session, signed 21 May 2026, *Laws of Florida*, ch. 2026-84; codified at *Florida Statutes*, sec. 163.2525.

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³⁷ "Florida's Infill Redevelopment Act (Senate Bill 1434) Signed into Law by Governor DeSantis: Unlocking Infill Residential Development in South Florida." *Day Pitney*, 1 June 2026, www.daypitney.com/floridas-infill-redevelopment-act-senate-bill-1434-signed-into-law-by-governor-desantis-unlocking-infill-residential-development-in-south-florida.

³⁸ "Sparks Flare over Florida Law to Target Idle Golf Courses for Housing." *HousingWire*, 7 May 2026, www.housingwire.com/articles/sparks-flare-over-florida-law-to-target-idle-golf-courses-for-housing.

Houston, TX: 1998, 2013	City of Houston	Both: all single-family lots with wastewater service	1,400 sq ft
Philadelphia, PA: longstanding zoning	City of Philadelphia	Existing neighborhoods: all rowhouse lots	800 sq ft
Austin, TX: HOME Phase 1 (2023) and Phase 2 (2024)	City of Austin	Both: most single-family lots	1,800 sq ft
Gainesville, FL: 2024	City of Gainesville	Both: all single-family lots	3,000 sq ft

Houston

While Houston has no conventional zoning (it does not separate the city into residential, commercial, and industrial districts), it does regulate development through city ordinances and private deed restrictions. Over time, minimum lot size became the biggest constraint when determining what housing could be built.

Before 1998, Houston required a minimum lot size of 5,000 sq. ft. for detached houses and 2,500 sq. ft. for townhomes, preventing most starter homes from being built on smaller lots. But in 1998, Houston cut the minimum lot size to 1,400 sq. ft. for lots within the city’s urban core, encircled by the Interstate 610 loop highway, known as “the Loop.” This allowed landowners to split one 5,000 square foot lot into three smaller lots, allowing three starter homes to be built where previously only one more expensive home could be built.³⁹ However, as noted earlier, actual lot sizes operate along with minimum lot size to constrain the creation of smaller lots. For homes built in “the Loop” prior to 1950, the average single-family detached home has a lot size of about 7,000 sq. ft. With the 5,000 square foot minimum lot size, the average lot would not qualify for a lot split. But under the new minimum, a 7,000 square foot lot could be split into five smaller lots. For single-family homes built in 2000 or later, the average lot size became 4,500 sq. ft.

Fifteen years later, in 2013, Houston extended the 1,400 square foot minimum to the rest of the city, wherever wastewater service was available, which was around 600 square miles. However, Houston continued to let individual neighborhoods opt out of the new minimum lot size, and it still required two off-street parking spaces for each single-family home, limiting the scope of the reform.⁴⁰

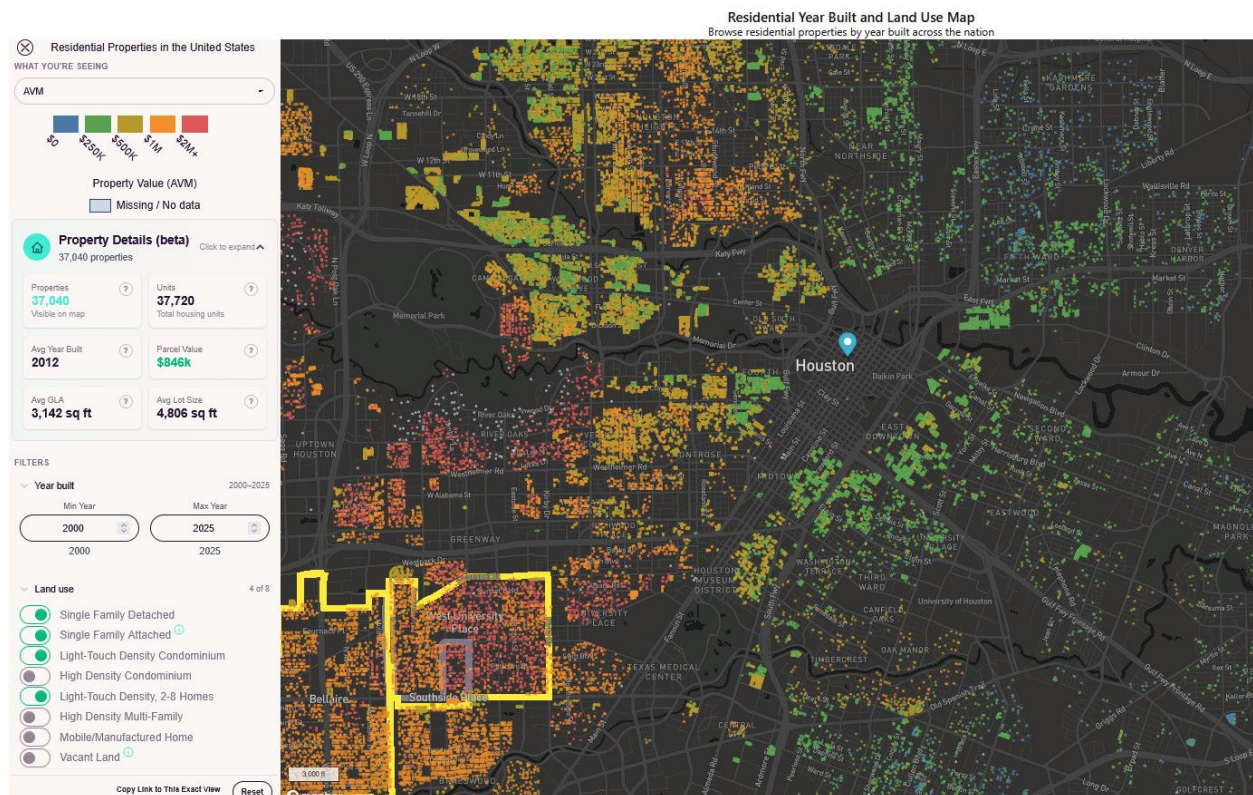
The results were still significant in improving housing affordability. Houston added thousands of starter homes that would have previously been illegal, with the AEI Housing Center estimating that 17,300 townhomes were built on lots averaging 1,900 sq. ft. between 1998 and 2023. These new townhomes were more affordable for working families to buy or rent, priced at a median value of \$340,000 in 2020, compared to a median price of \$545,000 for new single-family detached homes. Notably, the reform did not cause Houston home prices to fall; prices of existing homes continued to grow with the metro area. What changed is that new townhomes gave working families a far less expensive option than new detached homes, and

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⁴⁰Hamilton, “Learning from Houston’s Townhouse Reforms”; Gray and McBirney, “Liberalizing Land Use Regulations”; Martin, “Houston, We Have a Solution.”

the added supply helped keep Houston's overall prices and rents among the lowest of any large American metro.⁴¹

The map below illustrates this result by showing single-family detached and light-touch density (LTD) home types built from 2000 to 2025, along with their current property values.⁴² In order of least to most expensive, the lots are colored blue, green, orange, or red. Homes outside of the City of Houston, bounded by a yellow line in the bottom left, are much more expensive than the homes shown in the rest of the map, which are all part of the City of Houston. The difference is that Houston lowered its minimum lot size, while the yellow-bounded area did not.



Houston allowed starter homes that are affordable to buy, which also kept rents comparatively low, so it cut homelessness by about 63% between 2011 and 2025, the largest reduction of any of the ten largest U.S. cities. Houston's homelessness rate is now around one-fifth of the national rate and the lowest among large American cities, which Pew Charitable Trusts attributes primarily to the construction of new housing.⁴³

⁴¹ Hamilton, "Learning from Houston's Townhouse Reforms"; Martin, "Houston, We Have a Solution."

⁴² AEI Housing Center. "Residential Year Built and Land Use Map."

https://heat.aehousingcenter.org/toolkit/year_built_map

⁴³ "How States and Cities Decimated Americans' Lowest-Cost Housing Option." *Pew Charitable Trusts*, 17 July 2025, www.pew.org/en/research-and-analysis/issue-briefs/2025/07/how-states-and-cities-decimated-americans-lowest-cost-housing-option; "CFTH's 2025 Point-in-Time Count Results Highlight Shifts in Homelessness across Houston." *Coalition for the Homeless of Houston/Harris County*, 9 Sept. 2025, www.cfthhouston.org/2025-pit-results;

Philadelphia

From the early 1700s, Philadelphia housed its dock workers and tradespeople in “bandbox” or “trinity” row houses, a type of townhome that is around three stories tall and 600 sq. ft. per floor, allowing for an 1,800 square foot home on a small lot.⁴⁴ These starter homes were so common that they earned Philadelphia the nickname the “City of Homes.” Between 1886 and 1891 the city added more homes than New York, Boston, and Baltimore combined, at a fraction of the cost per home due to the smaller lots.

Today, Philadelphia’s row houses give it a homeownership rate of about 52%, far above major Northeast and Mid-Atlantic cities like D.C. (~40%), Boston (~35%), and New York (~30%).⁴⁵ Many Philadelphia row houses continue to sell for under \$300,000, a nearly impossible price to find for homes in other major cities. Philadelphia’s zoning still allows new starter homes to be built on lots as small as 700 sq. ft, with as low as 14-foot minimum widths. Its most common zoning district has no side setbacks (as is necessary in order to build row houses or townhomes), does not require any off-street parking, and allows up to three-story buildings with rear setbacks as low as 7 feet.⁴⁶

Austin

Austin’s HOME Phase 1 reform in 2023 allowed duplexes and triplexes on most single-family lots, and its HOME Phase 2 reform in 2024 cut the minimum lot size from 5,750 to 1,800 sq. ft. Phase 2 also implemented a minimum width of 15 feet, 10-foot front setbacks and 5-foot side and rear setbacks, and 5-foot side setbacks or 0 feet for townhomes. Prior to Phase 1, Austin also eliminated all minimum parking requirements citywide. In the first year after Phase 1, permits for new homes on single-family lots rose 86%, from 487 to 906, and the Austin Board of Realtors found that the homes allowed under Phase 1 sold for roughly half the price of traditional homes, even though most newly allowed homes had 3 bedrooms compared to 4 bedrooms for traditional homes.⁴⁷

McLean, Danielle. “Inside Houston’s Approach to Addressing Homelessness.” *Smart Cities Dive*, 13 Dec. 2022, www.smartcitiesdive.com/news/inside-houston-homeless-system-housing-first-coordinated-care/638641/.

⁴⁴“Row Houses.” *The Encyclopedia of Greater Philadelphia*, Rutgers University, philadelphiaencyclopedia.org/essays/row-houses/.

⁴⁵U.S. Census Bureau. “QuickFacts: Philadelphia City, Pennsylvania; District of Columbia; Boston City, Massachusetts; New York City, New York.” *U.S. Census Bureau*, www.census.gov/quickfacts. Obscura, Atlas, and Nosowitz, Dan. “Philadelphia’s Trinity Houses Are the Original Tiny Houses.” *Atlas Obscura*, March 2016, <https://www.atlasobscura.com/articles/philadelphias-trinity-houses-are-the-original-tiny-houses>.

⁴⁶*The Philadelphia Code*, title 14, sec. 14-701(2), Table 14-701-1 (RSA-5 and RSA-6) and Table 14-701-2 (RM-1). American Legal Publishing, codelibrary.amlegal.com/codes/philadelphia/latest/philadelphia_pa/0-0-0-292846. If keeping Permit Philly: “RSA Zoning.” *Permit Philly*, 13 Apr. 2018, permitphilly.com/2018/04/13/rsa-zoning/.

⁴⁷Peter, Tobias. “Austin’s Simple Fix for Soaring Housing Costs.” *Texas Public Policy Foundation*, 9 Dec. 2025, <https://www.texaspolicy.com/austins-simple-fix-for-soaring-housing-costs/>; Thompson, Ben, and Norton, Hannah. “Austin Cuts Minimum Residential Lot Size by More Than Two-Thirds under HOME Phase 2.” *Community Impact*, 17 May 2024, communityimpact.com/austin/south-central-austin/government/2024/05/17/austin-cuts-minimum-residential-lot-size-by-more-than-two-thirds-under-home-phase-2/; Austin Board of Realtors. “HOME IMPACT REPORT

Is Austin’s Housing Reform Working? The Data Says Yes.” *Austin Board of Realtors*, April 2026, <https://drive.google.com/file/d/1qucFix0yHJQ3pSR3NYt3VtjlzRq0VdA/view>.

Gainesville

In 2022, Gainesville eliminated minimum parking requirements citywide.⁴⁸ Later in 2024, Gainesville passed ordinances 2024-263 and 2024-267, which consolidated Gainesville's four single-family zoning districts, RSF-1 through RSF-4, into one new Single Family (SF) zoning district.⁴⁹ The new district cut the minimum lot size to 3,000 sq. ft. from as high as 8,500 sq. ft., cut the minimum lot width to 35 feet, and eliminated the minimum lot depth. The ordinances also lowered minimum setbacks to 10-foot front and rear setbacks and 5-foot side setbacks, or 0-foot side setbacks for townhomes. To assemble the votes for passage, the commission added a guardrail that keeps the new small lots dedicated to starter homes; a lot below 5,445 sq. ft. i.e. one-eighth of an acre, may hold a principal home of no greater than 1,500 sq. ft. of gross floor area and one accessory dwelling unit.⁵⁰ The ordinances also legalized cottage courts where homes are allowed to front or abut a common space instead of a public right-of-way.

Why Florida Must Act Now

Zoning in Florida is local by statute. Under the home rule powers in the Community Planning Act, each of Florida's 411 cities and 67 counties writes its own zoning laws, such as minimum lot sizes and setbacks, and runs its own approval process.⁵¹ That means the rules described in this report vary across hundreds of local governments, and vary for different areas under the same local government's jurisdiction. A property owner or homebuilder who wants to construct a starter home in each of Orange County's 13 cities, and in its unincorporated areas, faces 13 city zoning codes and one county zoning code. The property owner or homebuilder must relearn the rules, and rehire local expertise, in every jurisdiction. Home rule can allow local governments to adopt reasonable requirements for their own community, but this is a debate about urgency. We need state action now, because it is likely that without state action, only a few of Florida's cities and counties will adopt reforms that enable more starter homes.

Local governments have shown that reform is possible, and a few have led the way.

Gainesville's 2024 lot size reform and St. Petersburg's 2023 NTM-1 rezoning, which allows up to four homes on about 2,895 eligible lots, are leading examples.⁵² But St. Petersburg's reform was deliberately narrow; it applies to fewer than 3,000 lots in a city of more than 260,000

⁴⁸ "Parking Reforms in Gainesville, Florida, United States | Parking Reform Network." *Parkingreform.Org*, 2022, https://parkingreform.org/mandates-map/city_detail/Gainesville_FL.html.

⁴⁹ "Single Family Zoning and Lot Size Reform: Ordinances 2024-263 and 2024-267." *City of Gainesville*, Planning Division, 2024, www.gainesvillefl.gov/files/assets/public/v/1/sustainable-development/planning-department/documents/lot-size-and-single-family-reform-summary-1.pdf.

⁵⁰ *Code of Ordinances, City of Gainesville, Florida*, ch. 30 (Land Development Code), sec. 30-4.17, Table V-5, as amended by Ordinance No. 2024-263, 3 Oct. 2024. Municode, library.municode.com/fl/gainesville/codes/code_of_ordinances; Cabrera, Jennifer. "Gainesville City Commission Passes Minimum Lot Size Ordinance with Compromise on Maximum Primary Residence Size." *Alachua Chronicle*, 5 Oct. 2024, alachuachronicle.com/gainesville-city-commission-passes-minimum-lot-size-ordinance-with-compromise-on-maximum-primary-residence-size/.

⁵¹ *Florida Constitution*, art. VIII; *Florida Statutes*, ch. 166 (the Municipal Home Rule Powers Act); *Florida Statutes*, ch. 163, pt. II (the Community Planning Act).

people. Even these modest reforms took years of community meetings, and Gainesville previously passed a broader reform that it repealed within months of a change in its city commission. Given that Florida has a shortage of roughly 486,000 homes statewide, the current pace of local reforms cannot close the gap.

Florida's population is also less concentrated in major cities compared to other major states. Texas's Senate Bill 15 only applied to the state's 19 largest cities, but it still reached much of its housing market because Texans are more concentrated in big cities; its five largest cities alone hold more than one fifth of the state's population. Florida's five largest cities hold only one tenth of the state's population, and its dozen largest cities hold roughly only one sixth of the state's population.⁵³ And only 50% of Floridians live in a city at all, compared to 74% of Texans;⁵⁴ the rest of Florida lives in unincorporated areas.⁵⁵ For statewide standards to reach working families across the state, they must apply to both cities and counties.

If necessary, the Legislature can tailor its Starter Homes Act to apply only to certain counties and the cities within them. With the same standards that we recommend in this report for new subdivisions, i.e. 2,500 sq. ft. minimum lot size for single-family detached and 1,000 sq. ft. for townhomes, if a Starter Homes Act only applied to Florida's counties with a population of more than 200,000 people, and to all cities within those counties, it would still result in 90% of the new starter homes that the Starter Homes Act would allow if it applied to all counties and cities. But if restricted to only counties with a population of more than 400,000 people, and all cities within those counties, then the Starter Homes Act would only allow 70% of the new starter homes compared to if it applied to all counties, dropping to only 50% if restricted to counties with more than 600,000, and all cities within those counties, and 25% if restricted to counties with more than 800,000, and all cities within those counties.

The statewide standards that we recommend are not new territory for Florida; it is consistent with how the state already handles housing issues that cross local lines. The Florida Building Code has set statewide technical standards for more than two decades to limit conflicts between local regulations, the 2023 Live Local Act sets statewide standards for local zoning, density, and height limits for qualifying projects, and the Infill Redevelopment Act extended statewide standards administrative approval for certain land in 2026, setting the stage for further reform in 2027.

⁵² "More Housing Options Now Available in St. Pete." *City of St. Petersburg*, 23 Mar. 2023, www.stpete.org/news_detail_T30_R645.php.

⁵³ Bureau of Economic and Business Research, University of Florida. *Florida Estimates of Population 2025*. April 2025, <https://www.edr.state.fl.us/Content/population-demographics/data/Estimates2025.pdf>; U.S. Census Bureau. "City and Town Population Totals: 2020–2025." *U.S. Census Bureau*, May 2026, <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-cities-and-towns.html>.

⁵⁴ Mekelberg, Madlin. "Fact-check: Do 74% of Texans Live on 4% of the State's Land?" *Austin American-Statesman*, 26 Apr. 2019, www.statesman.com/story/news/politics/2019/04/26/fact-check-do-74-of-texans-live-in-4-of-states-land/5332568007/.

⁵⁵ "Florida's Cities." *Florida League of Cities*, June 2025, www.floridaleagueofcities.com/wp-content/uploads/2025/06/FL-City-Fact-Sheet.pdf.

Recommendations

We recommend that the Florida Legislature pass a Starter Homes Act that:

- Limits local government minimum lot sizes to no more than 2,500 sq. ft. for single-family detached homes and 1,000 sq. ft. for townhomes.
- Limits minimum setbacks to no more than 15 feet from the front, 10 feet from the rear, and zero feet from the sides.
- Limits minimum frontage and minimum width to 20 feet, and allow lots to front or abut a shared space instead of a public right-of-way.
- Caps minimum parking requirements at one space per home.
- Caps minimum open space or permeable surface requirements at 30% of a lot.
- Allows homes of at least three stories or 35 feet.

In a separate bill, we recommend that the Florida Legislature requires local governments to approve lot splits by right, for lots near jobs and amenities in cities.

We estimate that the Starter Homes Act would increase the annual production of new starter homes seven-fold (671%), helping to restore the path to homeownership and making renting more affordable for working families across the state. But even the seven-fold increase, or around 45,000 new starter homes per year, would still result in gradual change for most communities, because Florida's total number of existing housing units is over 10,000,000. So even though 45,000 new starter homes per year is less than a 0.5% increase in the number of housing units annually, it would still allow for tens of thousands of working-class Floridians to afford their first home. Alternatively, if the Florida Legislature does not act now, homeownership and renting will continue to be unaffordable for working families across the state.