

# Land Use Regulation and the Rental Housing Market: A Case Study of Massachusetts Communities

Presented by:

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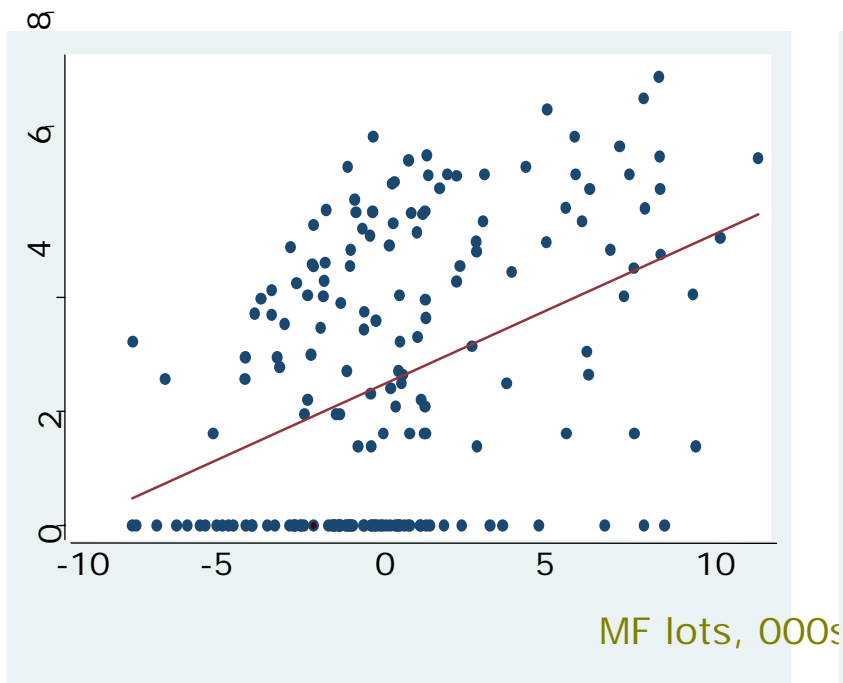
## Research question and methods

- How does zoning affect the rental housing market in Massachusetts?
- Data on local zoning in 187 cities/towns in eastern and central MA as of 2004
- Measure of zoning stringency:
- Estimate cross-sectional reduced-form regressions on rents, multifamily permits

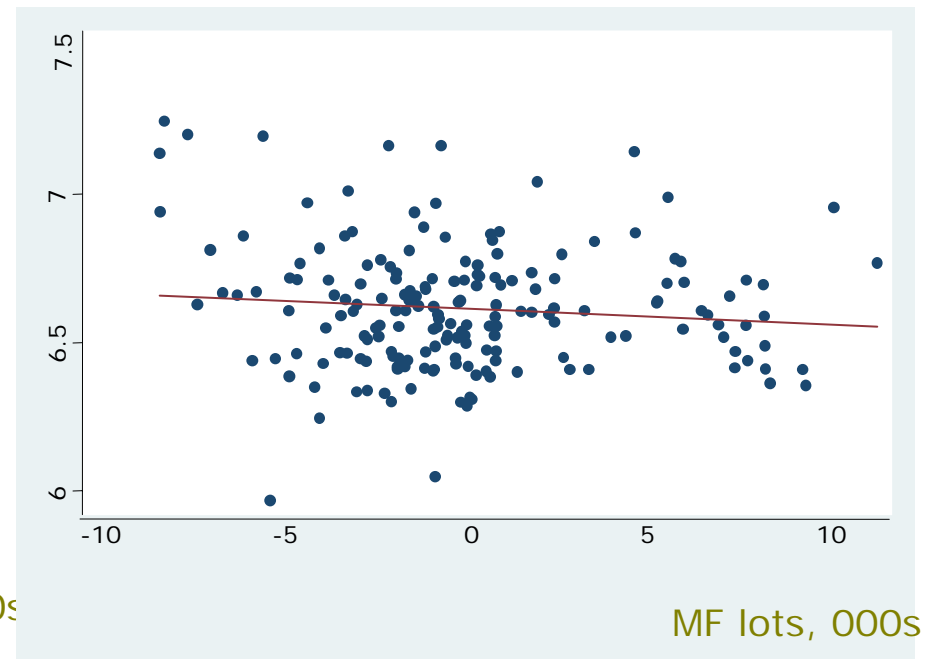
$$NumberLots = \sum \frac{Area_i}{LotSize_i}$$

# Effects of regulations on...

Log(Multifamily permits, 2000-2005)



Log(Median rent, 2000)



# Conclusions

- Zoning does affect new construction
- MF zoning good proxy for overall regulatory environment
- Resolving the rent puzzle
  - Subsidized housing under Chapter 40B
  - Spillover effects
- Aligning state and local incentives