

How to tame housing prices in Detroit

Housing-challenged city has some of the strictest zoning rules in the country

By Jarrett Skorup | June 2025

Detroit and its surrounding communities have some of the most restrictive laws against building housing in the country. Unsurprisingly, this prevents new homes from being built while spiking home and rental costs.

The Detroit News reports that almost all places in the Detroit area continued to see prices rise last year. In some communities, housing costs increased more than 20% year-over-year.

This escalation in prices has pushed many longtime residents out of their neighborhoods and made it nearly impossible for first-time buyers to enter the market. Renters, too, are feeling the squeeze, struggling to keep pace with soaring monthly costs.

Despite the mounting pressure, attempts to reform the system face resistance from entrenched interests and local governments wary of change. Efforts to liberalize zoning laws are often met with opposition

from residents concerned about density, traffic, and property values.

The state of Michigan and local governments are making some attempt to build more housing. But this mostly consists of rehabbing apartments, targeting blight, and handing out project-specific subsidies to developers. That is very slow and very expensive.

A better idea would be to let builders solve the problem. Many parts of metro Detroit essentially make that illegal. Among the 48 largest metro areas in the United States, Detroit and its suburbs have the eighth-strictest zoning rules. These regulations make it illegal or very difficult to build multifamily homes in most areas of the cities. And even when it is legal to build, the permitting process takes a long time, and governments require many unnecessary mandates like minimum lot sizes and strict parking rules.

There are cities in the United States that are growing quickly and keeping housing prices down. But this requires the government to get out of the way and let builders provide the supply to keep up with housing demand.

Available online at: www.mackinac.org/v2025-17



Jarrett Skorup is the vice president for marketing and communications at the Mackinac Center for Public Policy.



This piece was originally published on the Mackinac Center website. Permission to reprint in whole or in part is hereby granted, provided that the author and the Mackinac Center are properly cited.



 mackinac.org
 [/MackinacCenter](https://www.facebook.com/MackinacCenter)
 [@MackinacCenter](https://twitter.com/MackinacCenter)