

“Growing cities allow people to build more homes to meet demand — and to build them quickly.”

Traverse City gets in the Zone

World Cherry Capital's regulatory reform is a significant step toward developing more housing

By Jarrett Skorup | October 2025

Across the country, communities are struggling with a shortage of homes. Families are being priced out, young people are leaving, and employers can't find enough workers. Too often, outdated zoning rules keep cities from meeting the demand for housing.

Traverse City is part of this trend, seeing some of the fastest-growing housing prices in the state. Over the past five years, the average house has increased in price by nearly \$158,000 — a 63% hike.

The largest city in Northern Michigan has responded, rewriting its zoning code in 2023 to reflect this demand. The changes included:

- Fully allowing duplexes, accessory dwelling units (ADUs) and two detached homes in areas previously zoned as single-family neighborhoods.
- Halving the minimum lot size requirement to 4,000 square feet.

- Allowing up to four dwellings in areas previously zoned for just two.
- Eliminating density caps in areas of the city zoned for apartments and other structures, letting developers respond to market demand for the number of units.
- Eliminating parking requirements in residential areas. Unlike other cities, Traverse City got rid of minimum home sizes long ago. Now the city has significantly cut the size of required parking lots for apartment complexes.

Early signs suggest the zoning changes are encouraging new development. Small developers and homeowners are starting projects that would have been impossible under the old rules, from compact apartment buildings to backyard cottages, signaling that the city's approach could be a model for other growing communities.

These changes allow for more homes to be built for more people on the same amount of land and reduce the costs to build more housing.

Growing cities allow people to build more homes to meet demand — and to build them quickly. Texas is growing much faster than California — and Austin is growing rapidly while San Francisco shrinks. Housing is more affordable in Austin than in San Francisco. That's because Texas makes it easy to build, while California makes it difficult.

It will be some time for units to come onto the market. But Traverse City has taken solid steps toward making

housing more affordable. Other parts of Michigan should do the same to expand choice, lower costs and ensure more families have a place to call home.

Available online at: www.mackinac.org/v2025-28




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)