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Housing Costs and Land Use Reforms in Oklahoma

Ideas for Legislative Action

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Home prices and rents since 2020

Cumulative increase

United States

Home prices

+60%

Q1 2020 to Q2 2026

Rents

+36%

2019 to 2024

Sources: FHFA All-Transactions House Price Index (home prices); U.S. Census Bureau, American Community Survey 1-year median gross rent (rents).

Home prices and rents since 2020

Cumulative increase

United States

Home prices

+60%

Q1 2020 to Q2 2026

Rents

+36%

2019 to 2024

Oklahoma

Home prices

+55%

Q1 2020 to Q2 2026

Rents

+28%

2019 to 2024

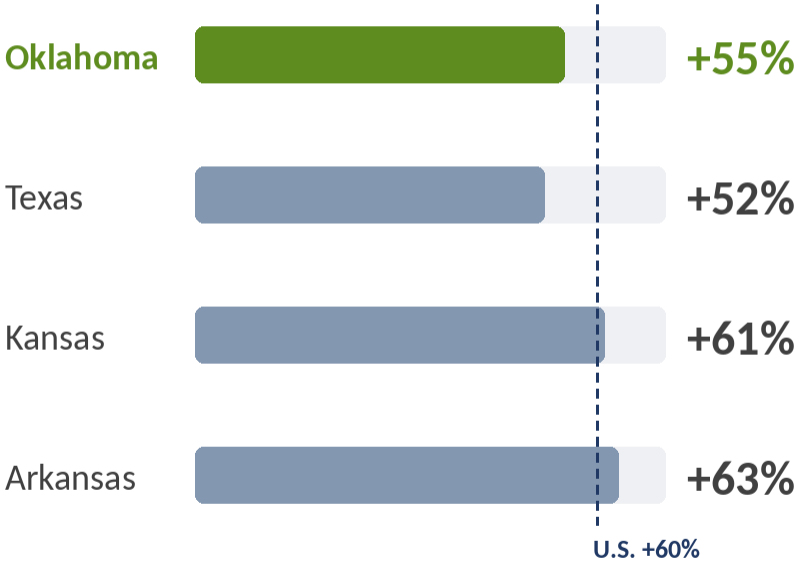
Sources: FHFA All-Transactions House Price Index (home prices); U.S. Census Bureau, American Community Survey 1-year median gross rent (rents).

Oklahoma and its neighbors since 2020

Cumulative increase

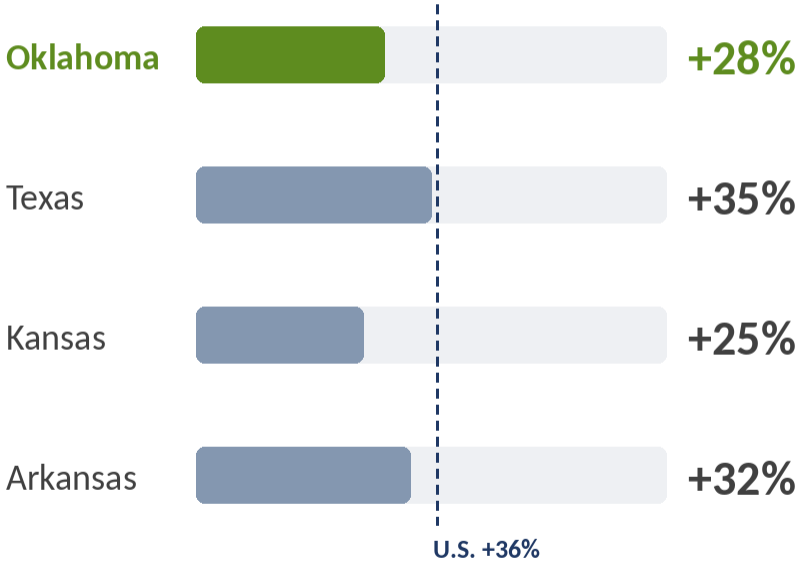
Home prices

Q1 2020 to Q2 2026



Rents

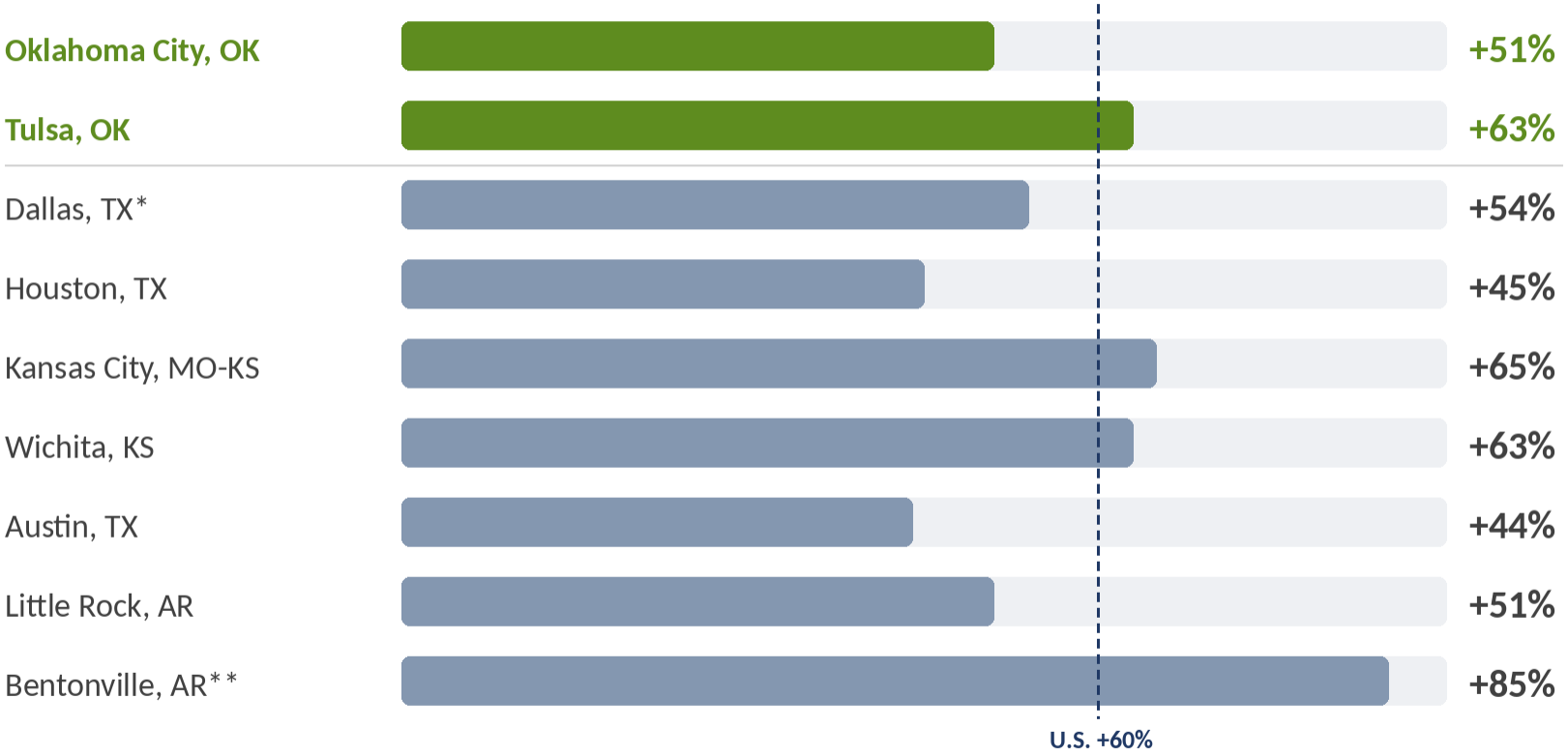
2019 to 2024



Sources: FHFA All-Transactions House Price Index (home prices); U.S. Census Bureau, American Community Survey 1-year median gross rent (rents).

Home prices in Oklahoma and regional metros since 2020

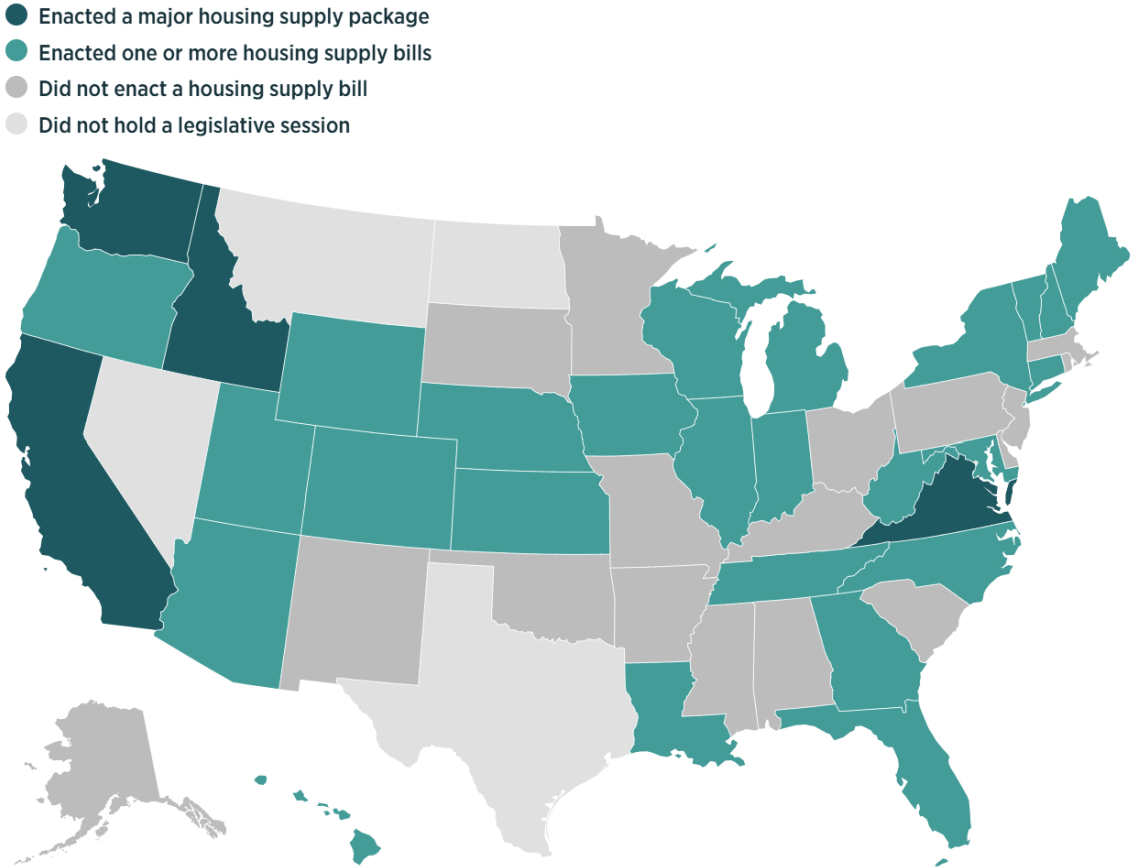
Cumulative increase in home prices, Q1 2020 to Q2 2026 (metropolitan areas)



* Dallas-Plano-Irving metropolitan division (FHFA does not publish a single Dallas-Fort Worth index). ** Fayetteville-Springdale-Rogers metro area, which includes Bentonville.

Source: FHFA All-Transactions House Price Index, via FRED.

FIGURE 1. States that enacted housing supply bills, July 2025–June 2026



Source: Authors' analysis.

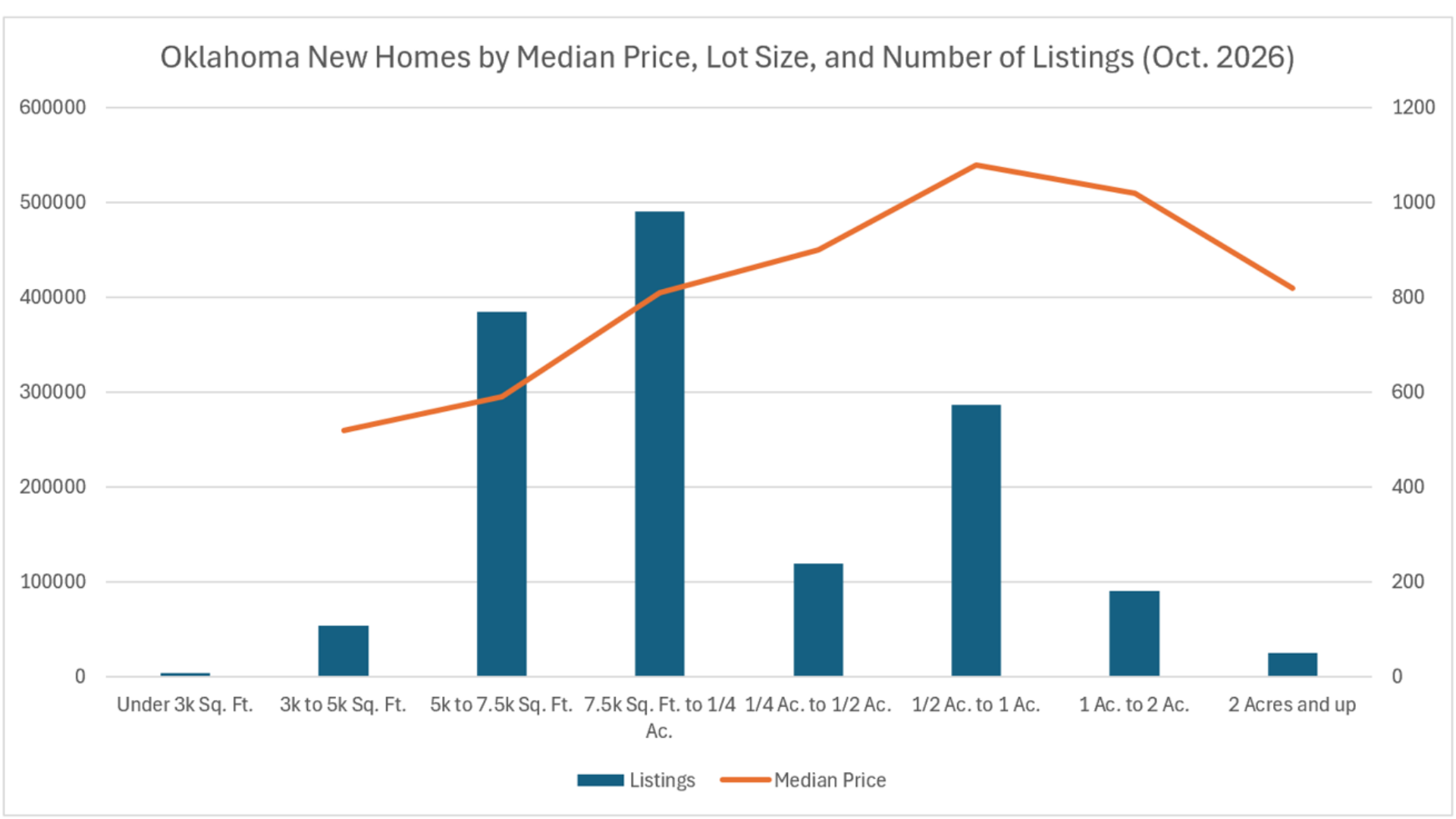
Most Common State-Level Reforms in 2025-2026

- Streamlining the permitting process
- Allowing more residential uses in commercial zones
- Providing easier permitting for accessory dwelling units
- Legalizing duplex, triplex or fourplex housing in single-family zones
- Zoning for high density near transit
- Relaxing parking minimums
- Allowing smaller lot sizes
- Making it harder to use appeals systems to block housing
- Single-stair reform and building code reforms

Starter Home/Lot Size Legislation in Other States



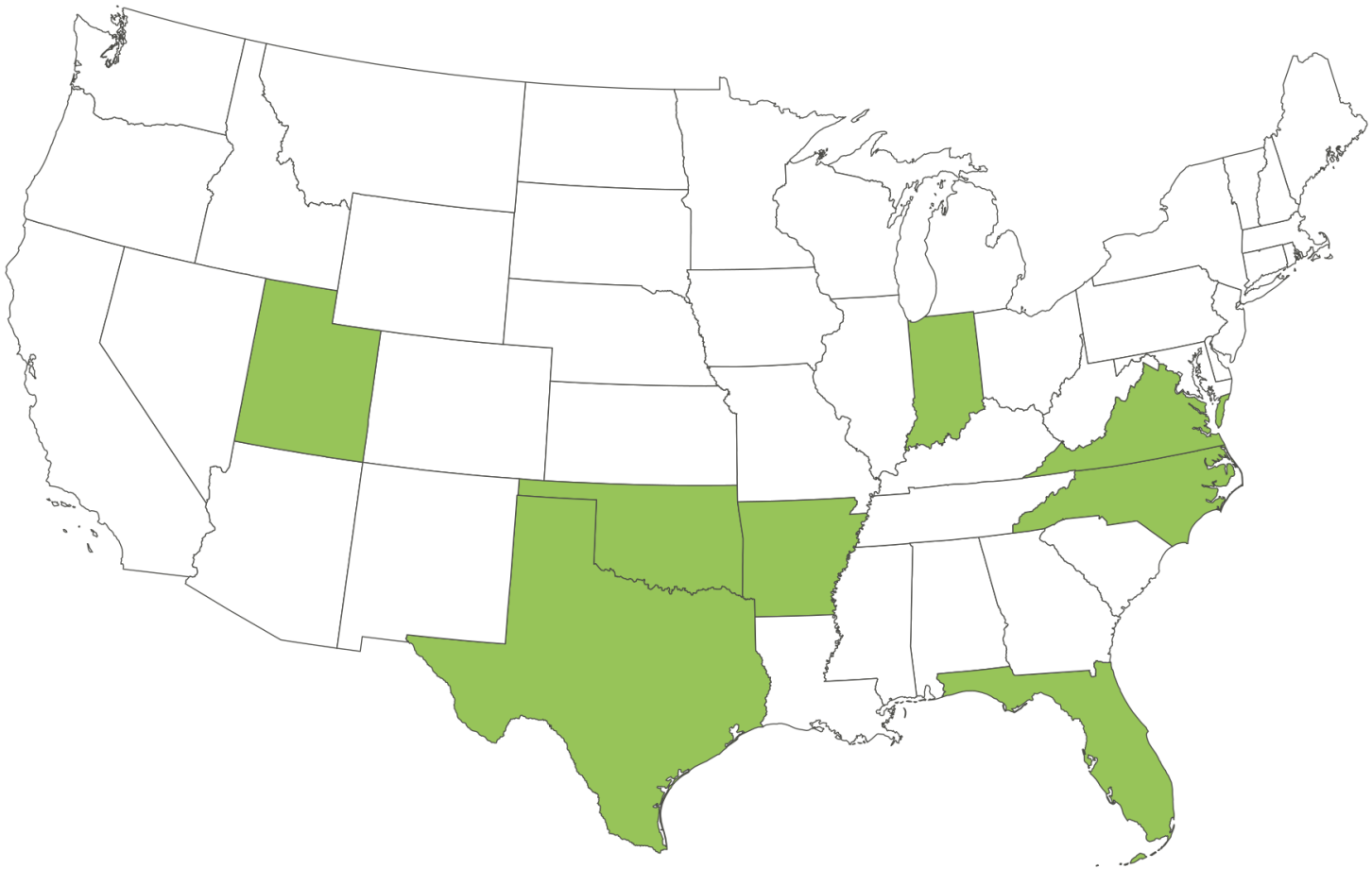
- Both Kansas and Texas have now enacted legislation broadly legalizing lots as small as 3,000 square feet in new subdivisions. The Texas law is estimated to have resulted in over 3,500 new housing units though June 2026.
- The state of Idaho has gone further, legalizing lots of as small as 1,500 square feet in municipalities with more than 10,000 residents. That size is similar to the 1,400 square feet allowed in Houston that has helped that city remain a leader in new home supply and affordability.


Oklahoma New Homes by Median Price, Lot Size, and Number of Listings (Oct. 2026)
600000
500000
400000
300000
200000
100000
0
1200
1000
800
600
400
200
0
Under 3k Sq. Ft.
3k to 5k Sq. Ft.
5k to 7.5k Sq. Ft.
7.5k Sq. Ft. to 1/4 Ac.
1/4 Ac. to 1/2 Ac.
1/2 Ac. to 1 Ac.
1 Ac. to 2 Ac.
2 Acres and up
Listings
Median Price

Potential Ideas for Effective Starter Home Reform

- Allow subdivisions of lots as small as 1,500 square feet, following Idaho's starter home law, or less
- Permit frontages of as small as 20 feet, as in Florida's starter home bill, or less
- Consider allowing requirements for connection to sewer and water, as in Texas' starter home law
- Potentially limit scope to larger communities or to larger parcels, as in Texas and Idaho, but Kansas does not limit
- *Expected result: More and lower-cost homeownership opportunities for all Oklahomans*

Bans on Aesthetic Mandates



State and law	What's banned	What it covers	Main exceptions
Oklahoma **2020 (11 O.S. § 43-109.3)**	Cladding or finish materials, roof structures, pitch and porches, ornamentation, window, door and garage design, number and types of rooms, interior layout, and minimum square footage. Exterior color is not on the list.	Municipalities only, and only new single-family design rules adopted after the law took effect.	Historic districts and landmarks, negotiated zoning such as PUDs, TIF or business improvement districts, overlay or special-purpose districts, blighted or redevelopment areas, life and building safety rules, manufactured housing, and NFIP.
North Carolina **2015, amended (G.S. 160D-702(b))**	Exterior color, cladding type, roof and porch style or materials, nonstructural ornamentation, window and door styling (including garage doors), number and types of rooms, and interior layout. A separate clause bars minimum square footage requirements.	Any structure regulated under the NC Residential Code; applies to all local governments.	Local and National Register historic districts, historic landmarks, safety codes, manufactured housing, and flood insurance (NFIP) rules. Also allowed where all affected owners voluntarily consent during a rezoning or development approval.
Arkansas **2019, amended 2021 and 2023 (Ark. Code § 14-56-204)**	Color, cladding, roof structures, pitch and porches, ornamentation, window, door and garage design, number and types of rooms, interior layout, and minimum square footage.	Municipalities; single-family only (multifamily and other non-single-family structures are excluded).	Historic districts and landmarks, private covenants and owner–city agreements, safety codes, manufactured housing, NFIP, central business improvement districts, rules on property already regulated as of Feb. 28, 2019, and overlay districts backed by a majority-owner petition.
Texas **2019, amended 2021 (Gov't Code ch. 3000)**	Not a list of design elements. Bars any rule that limits a product or material approved by a national model code from the last three code cycles, or sets a stricter standard for a product, material, or aesthetic method.	Both residential and commercial buildings, covering construction, renovation, and maintenance.	Historic districts in certified local government cities or designated before April 1, 2019; National Register sites; state landmarks; World Heritage buffer zones; Main Street areas; windstorm insurance requirements; dark-sky lighting rules; and water conservation plumbing standards.
Florida **2021 (Fla. Stat. § 163.3202(5), via ch. 2021-201)**	Color, cladding, roof and porch style or material, ornamentation, window and door location and styling, garage location and orientation, number and type of rooms, and interior layout.	Single- and two-family dwellings.	Historic properties, NFIP, rules adopted under the state building code, coastal wildlife protection, community redevelopment areas, PUDs and master-planned communities, and any jurisdiction with a design or architectural review board established by July 1, 2021.
Utah **2021, amended through 2025 (Utah Code § 10-9a-534 / § 17-27a-530)**	Broadest list. Adds roof dimensions, minimum square footage over 1,000 sq ft, rear yard landscaping, minimum building dimensions, and front yard fencing to the usual elements.	One- and two-family dwellings, in both municipalities and counties.	Historic districts (local ones only if created before 2021), NFIP, wildland-urban interface code, development agreements, neighborhoods substantially built before 1950, cladding rules responding to documented defects, and owner-requested PUDs or overlays in exchange for extra density.
Indiana **2026 (HB 1001)**	Color, cladding, roof and porch style or material, ornamentation, window, door and garage design, number and types of rooms, and minimum square footage.	Residential structures; counties, cities, and towns.	Historic areas. The ban applies only unless a local unit adopts an opt-out ordinance by Dec. 31, 2026.
Virginia **Va. Code § 36-98 (Uniform Statewide Building Code)**	Local rules that require specific building materials or finishes, regulate foundations or crawl spaces, or set minimum window counts or area.	Single-family residential construction.	Proffers accepted in rezonings; conditions on special exceptions, use permits, or variances; and conditions on cluster developments.

Potential Ideas for Strengthening Design Requirement Reform (11 O.S. § 43-109.3)

- Expanding the Scope of Structures Covered (Texas)
- Expanding the Geographic Scope to Counties (Texas, Florida, Indiana, Utah, and North Carolina)
- Expanding the Temporal Scope (North Carolina and Virginia)
- Expanding the Range of Regulations Preempted (Kansas, Utah, Florida)
- Narrowing the List of Exemptions (most states)
- *Expected result: Lower baseline cost for building new homes and, potentially, other buildings as well*

Other Resources:
Mercatus Menu of Options Brief



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