LET KENTUCKY BUILD

Bold Housing Reforms to Renew the American Dream in the Commonwealth

In Partnership With HBAK Home Builders Association Of Kentucky "Building Kentucky Together" KENTUCKY REALTORS®

Kentucky Chamber
Center for Policy & Research



To grow Kentucky's economy.
To solve workforce challenges.
To help more Kentuckians achieve the American Dream.

WE NEED MORE HOUSING.

The Economic Impacts of Housing

$3.7B

Kentucky has missed out on an estimated $3.7 billion in economic output due to its housing shortage.

32,600

Since 2008, the state could have generated 32,600 more jobs with more home building activity.

1.5M

1.5 million Kentucky adults do not own a home, missing out on a key part of the American Dream.

EXECUTIVE SUMMARY

In June 2024, the Kentucky Chamber Center for Policy and Research published *Building a Foundation for Growth*, calling for solutions to Kentucky's housing challenges to strengthen and sustain the Commonwealth's economic momentum. While much has changed since then, the need for action has not. Housing options remain scarce and unaffordable throughout much of the state, limiting the ability of Kentuckians to start families and build their lives, making it harder for local businesses to hire and grow, and threatening the long-term vitality of Kentucky's communities.

It wasn't always like this. Kentucky once built enough housing to meet the needs of growing communities, but construction slowed sharply after the Great Recession and has never fully recovered. Home builders today face a labyrinth of government regulations, mandates, and bureaucracy that make it harder—and more expensive—to build.

If we are serious about growing the economy, solving workforce problems, and helping more Kentuckians achieve the American Dream, we need a strong public policy foundation for building more housing in the Commonwealth.

This report, developed by the Kentucky Chamber Center for Policy and Research, the Home Builders Association of Kentucky, and KY REALTORS®, draws on more than two years of research and the combined expertise of the state's business community, home builders, and realtors. It identifies a dozen bold reforms state policymakers can pursue to make it easier to build homes in Kentucky.

This isn't about government interfering in the market. This is about making government work better by removing barriers to home building, supporting economic growth, and expanding opportunities for more Kentuckians to achieve the American Dream.

Top 10 Takeaways

01 **We know what the problem is.**

Researchers across the ideological spectrum agree that America's housing crisis is fundamentally a housing shortage, driven by bureaucratic red tape and government regulations that make it harder to build.

02 **Homeownership is becoming out of reach.**

1.5 million Kentucky adults are not homeowners, missing out on a key part of the American Dream; and 9 in 10 young adults in Kentucky think it's harder to buy a home today than it was for their parents.

03 **Costs are too high and options are too limited.**

A new home in parts of Kentucky costs four times the standard household income. Meanwhile, the share of the state's housing supply that is for sale or rent has been declining since at least 2010.

04 **We're not building enough.**

Home building activity in Kentucky fell 46 percent after the Great Recession of 2007–2009, causing the state to build up a housing deficit.

05 **Government regulations are making it harder to build.**

The number one barrier to home building cited by industry experts is excessive government regulations that make it harder to build.

06 **Regulations, delays, and infrastructure mandates "price out" Kentuckians.**

Every $1,000 increase to the cost of a median-priced home keeps 2,112 Kentucky households from being able to afford a new home.

07 **We're paying a price for inaction.**

Between 2008 and 2025, Kentucky missed out on $3.7 billion in economic output and 32,600 additional jobs because of the home building slowdown.

08 **Community leaders are worried about workforce impacts.**

93 percent of local community leaders think it would be difficult for their communities to provide enough housing to support an economic development announcement of 1,000 jobs.

09 **Kentuckians are losing hope.**

91 percent of Kentucky voters view homeownership as key to the American Dream but only half think the American Dream is still attainable in the Commonwealth.

10 **Bold housing reforms are readily available.**

There is a key role for state policymakers to play, and lawmakers around the country are already acting. From cutting red tape and streamlining government bureaucracy to encouraging public-private partnerships and making development rules more predictable, Kentucky lawmakers can act quickly and boldly.

It's time to let Kentucky build.

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