



Maine Real Estate &  
Development Association

**Supporting Responsible Development**

## **Testimony of the Maine Real Estate & Development Association (MEREDA)**

### **In Support of LD 2224, An Act to Reduce Certain Costs Associated with Residential Construction**

March 5, 2026

Chair Curry, Chair Gere, and Honorable Members of the Housing and Economic Development Committee;

On behalf of the Maine Real Estate and Development Association, I am pleased to submit the following testimony in support of LD 2224 to help reduce burdensome regulatory barriers to housing creation and attainability. While MEREDA supports the proposals in the bill, we believe this committee should act more aggressively to adopt the recommendations of the LD 1375 working group. The following comments articulate our rationale for including these additional recommendations.

LD 2224 reflects the work of the LD 1375 study of regulatory barriers to housing and acknowledges a central reality of today's housing market: incremental regulatory costs accumulate quickly and ultimately show up in the final cost of a home. Even modest regulatory improvements can therefore have a meaningful impact on housing attainability.

These regulatory pressures are particularly burdensome on attainability for "missing middle" housing—the modest homes, duplexes, small apartment buildings, and starter homes that historically formed the backbone of Maine's housing stock. Many of these homes were built by small builders and local contractors who could navigate a relatively straightforward regulatory environment. Today, however, regulatory layering has made these types of projects significantly more difficult and expensive to deliver, even though they are precisely the kinds of housing Maine's workforce needs most.

In many cases, these barriers are not just affecting large development projects. They are also squeezing out the small-scale builders, contractors, and entrepreneurs who have historically played a critical role in creating housing across Maine. Maine has long benefited from a strong tradition of practical, do-it-yourself problem solving—the kind of "Yankee ingenuity" that led countless small builders and property owners to add a duplex, convert a building, or construct a handful of homes in their communities. When regulatory structures become overly complex or costly, those small projects become infeasible, reducing both housing production and opportunities for local entrepreneurship.

As the Committee considers this bill, MEREDA encourages you to adopt additional recommendations from the LD 1375 working group, as they reflect expert input and opinion on regulatory costs in today's housing market.

**First**, Maine should consider allowing single-stair residential buildings up to six stories, consistent with building approaches used safely in many other countries and jurisdictions. Allowing this design option can significantly reduce construction costs, improve building

efficiency on smaller lots, and facilitate the construction of additional housing units in urban areas.

**Second**, the Legislature should consider increasing the municipal subdivision review threshold from three units to five units. The current three-unit threshold frequently subjects relatively small housing projects to a lengthy and costly subdivision process that was originally designed for much larger developments. Increasing the threshold would streamline the approval of modest housing projects and help encourage small-scale development.

**Third**, MEREDA recommends increasing the residential sprinkler threshold in the Maine Uniform Building and Energy Code (MUBEC) from three to five stories. Modern building materials, fire detection systems, and life-safety standards have evolved significantly, and Maine's code should reflect contemporary practices that safely allow additional housing construction at lower cost.

**Fourth**, the Legislature should consider clarifying that municipalities may not require fire sprinklers in single-family homes. While life-safety is paramount, locally imposed sprinkler mandates can add significant costs to home construction and further constrain housing production in already challenging markets.

**Fifth**, as the State continues to refine MUBEC and other housing-related codes, MEREDA recommends adding an affordable housing expert to the MUBEC Board. Including expertise in housing development and housing economics would help ensure that future code decisions fully consider their impact on housing production and affordability.

**Finally**, MEREDA encourages the State to explore ways to allow smaller elevator systems in residential buildings up to three stories. Elevator requirements can add substantial cost to multifamily housing projects, and modern small-scale elevator technologies may provide safe, accessible alternatives that are more feasible for modest housing developments.

Maine's housing shortage will not be solved by a single policy change. However, carefully targeted improvements to building codes, development thresholds, and regulatory structures can meaningfully reduce costs and help make housing projects financially viable— particularly for the types of modest projects that historically produced much of Maine's housing stock.

MEREDA appreciates the Committee's attention to these issues and looks forward to continuing to work with the legislature to identify practical solutions that expand housing opportunities for Maine people.

Thank you for your consideration, and I would be happy to answer any questions.

Thank you for your consideration.

Sincerely,

Elizabeth M. Frazier

On behalf of the Maine Real Estate and Development Association (MEREDA)